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

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TASK BEFORE FORWARD MARKETS COMMISSION

To legislate in haste and to implement at leisure has been one of the features of the present administration at the Centre. There have been numerous instances of this nature, especially in the sphere of industrial relations. There have also been instances where legislations have been introduced after considerable deliberation—a good point by itself—but their implementation has been as slow as, if not slower than, that of legislations rushed through. The Forward Contracts (Regulation) Act, 1952, belongs to the latter category. It took more than two and a half years to draft a Bill and introduce it in Parliament in final form. Parliament, of course, quickly got through this measure. Thus, the Bill was placed before it on 1st August, 1952 and, before the year was out, the measure was on the Statute Book, having received the President's consent on 26th December, 1952. But the implementation of this legislation began only after eight months. The first step in this direction, namely, the appointment of the Forward Markets Commission, was taken on 24th August, 1953. Even then, the Commission was not fully constituted, in that, whereas the Act provides for a Commission of three members, the Government appointed only two members, one of whom being on a part-time basis. This member has a multitude of functions to perform and it will be a wonder if he is in a position to devote adequate time to carry out the onerous task that awaits the Commission. It is not surprising, therefore, that, though four months have elapsed since it was established, the Commission has done precious little towards implementing the main provisions of the Act and that it is still preoccupied with preliminary work.

Very recently, on 15th December, 1953, the Act was amended in order to enable the Chairman to attend to other work also. The real object of amending the Act thus was to utilise the services of the Chairman as a member of enquiry committees working in fields not unconnected with the commodities in which the Forward Markets Commission is interested. This change is justifiable, but it is to be hoped that the Chairman will not be burdened with too many enquiries, thereby leaving little time for his main work. In any case, if he is asked to undertake these additional duties even during the initial stages, it will only delay the commencement of the Commission's main activities. With speculative elements once again active in a number of commodity markets, especially in oilseeds, bullion and cotton, any such delay will be deplorable. It is needless to add that, if the large dose of deficit financing that is contemplated by the Government is not to have any untoward effect on the country's economy, or if reports of a possible slump in the U.S. are not to be exploited by unscrupulous operators, speculation must be kept under check. As this is the main task before the Commission, all the important forward markets must be brought under its jurisdiction without any further loss of time and the Commission itself should be fully equipped and kept in readiness to strike wherever excessive speculation manifests itself.

Now that the Commission is still busy with its preliminary work, it is, perhaps, not too late to expatiate a little on the nature of the task that lies before it. At the outset, it must be mentioned that the Forward Markets Commission is not, as its name might imply, an autonomous body. It is a purely departmental body, entirely subservient to the Ministry of Commerce and Industry. Indeed, except in Chapter II of the Act, there is scarcely any reference to the Commission at all; everywhere, there is reference only to the Central Government. It is just possible that the Government will delegate many of the powers under the Act to the Commission. Nevertheless, as was pointed out by us on an earlier occasion—*vide* page 377, *Commerce* dated 10th August, 1952—it is regrettable that the Commission should have a relatively obscure place in the Act. When this control measure was first mooted, it was envisaged that the Commission would be the Indian confrere of the Commodity Exchange Authority in the U.S., with full powers to act on its initiative, instead of having to take orders from the Secretariat manned by personnel ignorant of the techniques of forward markets.

The functions of the Commission are now purely advisory. These, however, extend over a wide field, covering all aspects of forward trading, such as recognition of, or withdrawal of recognition from, any forward markets. The Commission is required to study the working of the forward markets continuously and make recommendations to Government from time to time, with a view to improving the organisation and working of forward markets. It is also required under the Act to collect and publish statistical and other data regarding the working of forward markets. Thus, the Commission has a big task before it, most of which is of technical nature. If it is to discharge its functions effectively and efficiently, it must have adequate staff of the right type. It must have on its staff a large number of persons having fairly extensive knowledge of the practical and theoretical aspects of futures trading, with special reference to India. Inevitably, a part of the staff will have to be recruited from those business firms and associations which are at present engaged in forward trading. From such information as we have received, we find that this is not being done and that the opportunity provided by this new department is being availed of to provide berths for those who have been or are likely to be retrenched in other Government Departments. The Commission and those who are interested in its proper functioning will do well to note that one of the severe limitations of regulation of futures trading by the Bombay Government all these years has been the absence of adequate and specialised staff to deal with the problems of futures trading. This is the main reason why the elaborate legislation framed by this State Government has failed to make any worthwhile impression on the futures markets in Bombay. It is imperative, therefore, that the Commission should correct this lacuna before it is too late. Another suggestion which we should like to make, in this connection, is that some members of the expert staff should be deputed to the Commodity Exchange Authority in the U.S. which has had over 25 years' experience of statutory regulation of futures markets. Indeed, it would be very advantageous if one of the members of the Commission itself could make a brief study tour in the U.S. and note for himself how the C.E.A. functions.

Forward markets are found in many commercial cities and towns in India. It will not, therefore, be possible for the Commission to control all of them from Bombay. It will have to open regional offices in such important trading centres as Calcutta, Kanpur, Madras, Indore, etc. These regional offices should maintain close touch with the markets in their respective areas and report the day-to-day developments to the headquarters of the Commission expeditiously, so that action can be taken without delay whenever necessary. It would also be desirable to nominate the officers of the regional offices to the governing boards of the various forward markets. This will provide an additional and fruitful source of contact with the trading bodies.

The very first task of the Commission is to determine the commodities and the areas to which the Act should be made applicable. The best thing to do will be to make the Act applicable commoditywise to the whole of India. It should be obvious to anyone that piecemeal and areawise enforcement of the Act will render it largely ineffective; indeed, it will defeat the purpose of having an all-India legislation. In the case of commodities such as cotton, oilseeds and bullion, the Act must be applied to the whole of India at the same time. In order to facilitate this, the by-laws of all the associations must be uniform. We have no doubt that the by-laws of the futures markets in Bombay will, in spite of the short-comings of these markets, serve as a model, even as the forward markets legislation of the Bombay Government has served as a guide for framing the Central Act under review. There may have to be some variations in the minor by-laws, in order to suit local needs, but there should be uniformity in such important respects as the period of settlement, the penalties for non-fulfilment of contracts, emergency situations and margins to prevent overtrading.

The next important problem to be solved by the Commission is the number of forward trading associations it should allow in any one commodity both in the country as a whole and in any one important trading centre. The number of trading organisations that should be permitted in any one commodity in the country as a whole will depend upon the area of production and distribution. In such commodities as cotton and bullion, for instance, there will have to be more than one centre in the country. At present, futures trading in cotton is allowed in Bombay only, but this has led to considerable dissatisfaction in other centres and quite a lot of unauthorised futures transactions are taking place in these centres. In respect of a commodity like jute, however, it is not probably necessary to have more than one centre, as the cultivation of jute is more concentrated in a particular region than that of other commodities. So far as any one centre is concerned, it will be a good rule to recognise only one association. Multiplicity of associations for forward trading in any one

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centre is unnecessary and harmful. If this principle is accepted, then it may be necessary to amalgamate the various associations of similar character functioning in many places. In carrying out this task, the Commission will be subjected to heavy pressure from interested parties, who will urge, in the name of democracy, the need for giving scope for the members of all and sundry associations to join the new one. The Commission, therefore, should be cautious when it tackles this problem. It should use its discretion and take into account only those organisations which have been serving the interests of genuine trade. Further, it should prescribe a rather rigid code of conduct and fairly high financial standards for membership, in order to prevent the smaller fry and irresponsible elements from becoming members.

Must all the commodities be given the facility of forward trading? On this question, the Commission will, perhaps, have to do some fresh thinking and see whether futures trading is really necessary for all of them. It will also have to consider whether the grant of permission for futures trading is not necessary in respect of those commodities in which such trading is banned now. It is of the utmost importance that the Commission should consider these issues without prejudices and preconceived notions and take an independent stand, irrespective of the views that the Government might have held in the past. It will be out of place to mention, in this connection, that conditions do not remain static for ever. A situation may arise where forward trading will have to be banned or suspended in the general interests of the economy. In all such cases, the Commission should act with flexibility and promptness. This will, of course, be difficult, considering that the Commission is mainly an advisory body.

The Commission will have to steer a middle course between complete regimentation of the various futures markets and the grant of a large measure of autonomy to them. The experience in Bombay, particularly with reference to the bullion market, has been such that it is very risky to leave any large measure of discretion to the governing boards of these markets. In other words, many of the important provisions in the by-laws of associations conducting forward trading should come into force automatically and the governing boards should not be allowed to tamper with them from time to time. Some, however, are of the view that this process should not be carried too far, since, in that case, there would be no need at all for a governing body. Here is thus a matter where the Commission should vary the pattern, according to the character of the associations and the urgency of a particular situation.

It cannot be too strongly emphasised that the Commission should enforce the provisions of the Act strictly. For this purpose, it will have to carry out regular and surprise checks over the operations of the markets. The staff of the Commission must periodically check the trading and account books of the members to see that the by-laws of the associations are being scrupulously observed. This task requires not only a large but an able and honest staff. It is admittedly difficult to build up a staff of this character, but it is not impossible to do so, provided appropriate men are selected and paid a decent wage. Yet another problem to be tackled by the Commission is the question of delegation of powers to the various State Governments. Really, this is a matter for the Central Government to decide, but the Commission will have to do some hard thinking, so that it may be able to guide the Centre correctly. If, however, our earlier suggestion for the establishment of regional offices of the Commission is accepted, there seems to be little need for any delegation of powers to State Governments. This is not to say that consultation with the State Governments is not necessary. Such consultation is essential and, perhaps, one of the ways of ensuring this is to nominate representatives of the State Governments to the governing boards of the various forward trading associations located in the respective States.

It will be clear from the foregoing observations that the Commission has a difficult and delicate task. But, given an adequate and efficient staff, it should not be difficult to administer the Act in such a way as to promote the general economic well-being of the country. It is necessary to emphasise, even at the risk of repetition, that the Commission should be free from prejudices and approach its tasks objectively. The problems that arise from time to time should be tackled in a practical manner, but without compromising on fundamental principles such as those relating to the sanctity of contract.

RAILWAY TRANSPORT

If the recent accidents on the rail tracks have served to bring one aspect of the railway administration, namely, the great leeway that has yet to be made up in the rehabilitation of our railway equipment, there is another, no less disturbing, aspect, the continuing inability of the administration to meet the growing demand for transport, which deserves the immediate attention of the authorities. It is gratifying to note that, in a memorandum entitled "Rail Transport Problem," the Federation of Indian Chambers of Commerce and Industry has examined the whole range of issues covered by the railway administration. Like its immediate predecessors, the memoranda entitled "Impediments to Industry" and "Reply to the Taxation Enquiry Commission's Questionnaire," the Federation's note on railways is notable alike for its close attention to details, for its critical review of the problems and, above all, for the many constructive suggestions for improvement it carries.

The Federation's note is based on what might well be called "case studies" of proved instances of the adverse effect of imperfect transport availability, high freight rates and other defects of railway administration. Without identifying itself with any of these case studies, the Federation has summed up, neatly enough, the major difficulties of the users of the railways. These handicaps include "non-availability of wagons, restrictions on bookings over long periods, delays in transport, insufficient movement of "smalls," time-lag in the placing of indents and the availability of wagons, congestion at certain junction-points, inadequate transhipment facilities at broad-gauge and metre-gauge inter-changes, inadequate line capacity over certain routes, pilferage and loss of goods in transit, delays in settlement of claims, and general deterioration in the efficiency of the service." This is a formidable list. Even so, it is by no means complete; it does not include, for instance, the damage done to users by high freight rates.

But most of these defects flow from either lack of transport equipment and administrative inefficiency or unwise rate policy. Now, the Federation's suggestions for the improvement of rail transport fall into three groups. The short-term measures that need to be undertaken without delay, the increase in transport facilities needed to cope with the rise in production and the railway rate policy. To the first group belong the Federation's suggestions for certain mechanical improvements in the railways. In order to overcome transhipment difficulties at points, such as Agra and Sabarmati, the Federation has suggested the introduction of the conveyor system. To relieve congestion of traffic at certain junction-interchanges, such as Moghul Sarai and Waltair, it has suggested better co-ordination in the movement of empties and loaded wagons and increase in the transportation capacity at these points. The line capacity in certain routes, south of Waltair, for instance, is held insufficient. Increase in line capacity is, therefore, suggested. Since the movement of oil in tins and drums in ordinary wagons is both "expensive and uneconomic," the Federation recommends that the supply of tanker wagons to carry oil should be increased. Again, certain new lines, it is stated, should be opened to ensure "through flow of traffic." Thus, the metre-gauge system of the South and the North should be linked up. Likewise, the colliery areas should be connected with the South-Western and Southern metre-gauge systems, in order to provide an alternative route to the traffic *via* Waltair.

Although these suggestions are grouped under "short-term measures," it is recognised that "their implementation will take some time." Meanwhile, the authorities are urged to improve operational efficiency and the administrative system. That the operational efficiency of the railways has not been fully restored to the pre-war level is clear from the fact that the turn-round of wagons is about 10 to 11 days, as against the pre-war average of nine. Besides the physical shortages in equipment, administrative delays constitute another cause of the slow movement of goods. In this connection, the Federation underlines the need for "greater initiative and drive at the higher levels and greater energy and understanding at the lower levels."

Ultimately, all transport problems resolve themselves generally into a question of adequacy of carrying capacity. Although much could—and indeed, should—be done to improve administrative and operational efficiency, the fact remains that the problem could be solved only through augmenting transport capacity. The Federation subjects the pace of expansion of this capacity and the projected programmes to a close scrutiny. There is, as is well known, backlogs of replacement arrears in railway equipment of all kinds, locomotives, coaches and wagons. This represents the aftermath of the depression of the thirties, the war and the Partition. The Five-year Plan attempts to make up for two decades of past neglect. It is also well to bear in mind that more transport capacity will be needed to carry the larger volume of goods through the increase in industrial and agricultural production now taking place. The Federation calculates that the increase in steel capacity by one million tons, for which provision has been made in the Plan, will alone require an increase of 10 per cent. in the wagon capacity of the railways. When the whole Plan, (the Government projects and the expected increase in the private sector) materialises, it will call for a vast increase in transport capacity. Then, there is the much vaster and the almost neglected problem of extending the route mileage so as to open up the interior of the country to trade and commerce. In the light of all this, the Federation feels that the allocation of Rs. 400 crores, made in the Plan, is inadequate for the country's transport needs. It is of the view that there should be a minimum allocation of Rs. 100 crores more per year for each of the remaining 2½ years of the Plan period.

It is thus clear that the railways will be compelled, in the near future, to expend large sums on replacement and extension of transport equipment. Despite the increase in freight and passenger needs, the sums set apart for this purpose are not as large as the situation demands. This is due, as the Federation points out, to the fact that most of the increase in the revenues of the railways has been taken up by increase in working expenses. Between 1948-49 and 1953-54 budget estimates, gross earnings have increased from Rs. 213.1 crores to [illegible] crores and working expenses have [illegible] from Rs. 173.3 crores to Rs. 221.2 [illegible] Rs. 272.5 crores. The Federation rightly asks whether it is a "judicious" policy, on the part of [illegible] to utilise the increase in revenues [illegible] for it is a expense. If the authorities were aware of the railways, to bolster up urgency of the need for replacement and expansion, such an increase in the working expenses, the Federation feels, would not have been so readily incurred. We have in the past emphasised the point that it would be better in the national interests for the railways to go slow with welfare measures for the workers, till the more urgent needs of the railways have been met.

The Federation makes certain very critical observations on the "rate policy" of the railways. It contends, in the first place, that the rates have been increased, from time to time, without any scientific examination of the effect of these increases on trade and industry. Secondly, short-distance traffic has, despite relief given in isolated cases, been adversely affected by the system of telescopic rates, the retention of short-distance charges and the standardised terminals the incidence of which is heavy on short-distance traffic. It rightly questions the justice of retaining short-distance charges when it was precisely to obviate the disproportionately high cost of short-distance hauls that the telescopic rates were introduced. Thirdly, it emphasises the need for special rates. It observes that, while the rationalisation and simplification of rates structure is desirable, a rigid rate structure is unsuited to the needs of an economy that is still to develop. The rates should be conceived as an "essential weapon by which transport policy can be geared to the needs of an expanding economy." This raises issues which have never been satisfactorily settled in any country. The question whether it would be preferable for the inevitable burden of higher transport costs to be borne by the particular section of the community or by the Exchequer—that is, by taxpayers as a whole—is a live issue even in countries which are well to the fore in speed, technical efficiency and economy of operation. But, if India is to remain viable as a manufacturing and exporting country, it will be necessary to soften the rigour of the rate structure. How this relief could be given and what general principles should govern the grant of this relief are questions that might well be examined by a committee of officials and non-officials, for the setting up of which the Federation has made a special plea.

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BULL LIQUIDATION IN EQUITIES

OUTLOOK FOR U.S.–TROMBAY POWER SCHEME–SOVIET GOLD SALES–SYDNEY CONFERENCE

THURSDAY, 5 P.M.

THE New Year was greeted by the share markets in no optimistic mood. A feeling of uncertainty assailed the operators, when they assembled to commence their business after the Christmas and New Year holidays. Two factors caused a certain amount of concern among them. One was the sudden revival of reports from London that a strong recession in the U.S. was likely during 1954. The other was the proposed U.S.-Pakistan military aid agreement. It was feared that this agreement might compel India to step up its defence expenditure and bring about a setback in India's relationship with the United States. These at any rate were the excuses given by the bulls for liquidating their large commitments in Tata Iron and Steel shares. As a result, these scrips have sustained a sizable fall since we surveyed the market in these columns three weeks ago. Fundamentally, the decline in equity values represents nothing more than a correction of a fairly heavy overbought position that had been built up in the last two months of 1953. Attendant effective movement had begun even before [illegible] case of last year and continued even after the [illegible] encement of the New Year. The bulls found [illegible] or the present, the saturation point had been [illegible] The [illegible], for there was, to use market jargon, export dullow up" from the public. They, therefore, [illegible] orters of] to book whatever profit was possible. [illegible]aund a[illegible]

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[illegible]harged R[illegible] two factors that are said to have oppressed [illegible]'s seem to be a little bit exaggerated. The [illegible]ity of a recession in the U.S. is no new [illegible] The It has been the subject matter of endless [illegible]xport ession for several months now. The result of [illegible]icers debate is inconclusive. The U.S. economists [illegible]n and Administration have been contending that, though 1954 may not equal the all-time record of 1953 in economic activity, the outlook for 1954 is by no means so bleak as has been made out by some. It is rather surprising, therefore, why British commentators suddenly started placing too much emphasis on the darker side of the American picture. There seems to be a political motive in this, considering that this publicity started just on the eve of the Commonwealth Economic Conference at Sydney. The object may be to bring about a closer trade relationship between the Commonwealth countries and to provide an explanation for enlarging the trade of this area with the Communist countries in the East. There is nothing objectionable in aiming at these objectives, but it is dangerous to raise the scare of a depression in the U.S. Economists and businessmen know very well that a country *can* be easily talked into depression. And there is no doubt that even a mild depression in the U.S. is sufficient to give a rude shock to the economy of many free countries in the world. For the U.S. is the dominant economy of the free world. It may account for only 6 per cent. of the world's population, but it commands about 40 per cent. of the world's total income. Further, recent experience has shown that oscillations in the level of American business tend to be multiplied several times in their relative impact on the level of American imports, of which a substantial portion is accounted for by the sterling area. It is, therefore, important that no one should indulge in loose talk of depression in the U.S.

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In saying all this, we should not be misconstrued to mean that there would be no deterioration in American economic wealth. That it is uncertain is not denied. Nor is the prudence of being cautious about the future questioned. What is sought to be discouraged here is that caution should not be allowed to degenerate into fear or panic. It was only three weeks ago that a leading British economist, while analysing the outlook for the U.K. in 1954, remarked thus: "No serious recession is in sight in the U.S. The reasons for that view are, first, the inherent vitality and resilience of the American economy; secondly, the fact that the [illegible]ding budget deficit is opening up to act as a cushion for any deflationary force, and, thirdly, the strong instinct of self-preservation which inspires politicians no less than ordinary human beings. The Republican Administration in the U.S. will not wish to herald its return to power by ushering in a depression and will take the appropriate vigorous remedial measures if the need arises." It is on this assumption of the maintenance of a satisfactory level of business activity in the U.S. that he felt that one could take a "reasonably cheerful view of the prospects for the British economy in the coming year (1954)." Surely, there has been no material setback in the American climate since these lines were written to justify a pessimistic view.

* * * *

Even conservative opinion in the U.S. is of the view that there are several factors in the present situation which "militate against any precipitate drop in business volume in early 1954." The same section, however, says that "beyond the early part of 1954, the outlook is much less clear." Thus, the Company of New York, published by the Guaranty Trust *Guaranty Survey*, says:

"To a very large extent, the course of developments in the latter part of the year and thereafter appears to depend on how quickly adjustments now under way in particular industries can be effected. If such adjustments are completed in good time, and the groundwork for recovery thus made ready, the view that the recession will be mild is likely to be borne out. On the other hand, if the need for adjustment should prove greater than industry analysts now estimate, with the result that the process of correction were extended, the forces of recession might tend to reinforce one another, causing a sharper ultimate drop in general activity than the present consensus holds probable. While this is simply a formal truism, it seems worthy of mention as a reminder at present, in view of the almost uniform content of business forecasts. Moreover, the truism serves to point up the fact that the widespread expectation of a mild rather than a severe recession rests on the belief that required adjustments are neither complex nor of great magnitude. While a good case can be made for this view, the evidence can hardly be deemed conclusive."

The conclusion that emerges from the foregoing quotation is that no recession is just round the corner and that the outlook beyond the early part of this year is unpredictable.

* * * *

The implications of the United States' move to strengthen the military might of Pakistan to the Indian economy are undoubtedly serious, but not alarming. The whole thing is still only tentative and let us hope that President Eisenhower will honour his earlier declaration that he would not do anything that would cause hysteria and unrest in the countries surrounding Pakistan. Even if he fails to do so, it is not going to spell ruin to our economy. It is true that the U.S. has been rendering substantial assistance to India in the economic sphere and that it will be unrealistic to proceed on the assumption that India can count upon the continuance of this aid, if it protests too much and treats the signing of any defence agreement by the U.S. with Pakistan as a hostile act against it. Nevertheless, there need not be any insuperable difficulty in implementing the Five-year Plan, provided a realistic readjustment is made in the Government's fiscal, industrial and social policies. By giving up prohibition alone, India can reduce its dependence on U.S. financial aid to a very large extent.

* * * *

Of far greater importance to the share markets are the economic policies of the Government. Will our authorities be realistic enough to provide adequate freedom of action and incentives to the private sector to expand its activities or will they persist with their present policy which has caused a sense of frustration among business men? Frankly speaking, we do not know the answer to this poser. The Ministers in charge of Food, Finance and Industry seem to realise the importance of private enterprise, but they are apologetic in whatever they do for it. Moreover, what little they do comes only under pressure of circumstances and not out of conviction in the merits of private enterprise. In fact, there is no exaggeration in saying that private enterprise, which is synonymous with money economy, is simply tolerated, because there is no alternative at present. If any proof of this were needed, it could be found in the speeches delivered from time to time by the Prime Minister and some of his colleagues; it is there even in his speech at Jalgaon last week. This state of affairs, under which the profit motive is derided, may have no immediate effect on the share markets, but it is certainly not conducive to a vigorous growth of the country's economy.

* * * *

So far as the short-term outlook for the share market is concerned, there is no cause for pessimism. Tea, jute, sugar, paper, steel, cement and even textiles are said to be faring well. Once the technical position of the markets is corrected, as it has nearly been done, a mild recovery, accompanied by steadier undertone, can be looked for. There are reports, considered fairly reliable, that the Government is now inclined to be a little more liberal on the issue of return on capital employed in the context of fixing the retention prices for steel. It seems likely that the Government will accept the Tariff Commission's viewpoint of 10 per cent. as the reasonable gross return on capital employed. It is also reported that the Government's decision in regard to cement prices will be announced in a few days. The principle of differential prices and equalisation fund now in vogue in regard to steel may be adopted for cement also. While the consumer will pay a uniform price, the producers will get different ex-factory prices for their products. The bigger and the old, well-established units will get a somewhat lower price, while the new and small units will be given a higher price. While full details are not known, it is believed that the price which the A.C.C. will get will be a rupee or two less than the present price per ton.

* * * *

It is reliably learned that the experts of the World Bank will mediate on the difference of opinion between the Tatas and the Bombay Government in regard to the capacity of the Trombay thermal station. These experts are expected to be here before the end of this month. They will visit the site for the Koyna project and carefully examine the load estimates of the Tatas and the Bombay Government. It is believed that the World Bank will not be averse to giving some assistance to the Bombay Government for implementing the Koyna project, if it is satisfied with the soundness of the scheme.

MARKET GOSSIP

An interesting development in East-West trade relations is the sale of Soviet gold to Britain. No reliable estimate of the actual sales of gold by the U.S.S.R. is yet available. In the last five weeks, a large quantity of gold, estimated at between 65 and 70 tons, has come from Russia into the U.K. The first shipment of 5 tons, which came in November, was sold to a bullion firm in London. It is not known whether the firm, in its turn, sold the gold in the free market or sold it direct to the Bank of England. It is quite possible that the firm sold it to the Bank, since the premium for free gold has been largely reduced. Since the Bank does not publish its bullion transactions, no estimate of its bullion dealings can be given.

* * * *

It has been known for a long time now that the U.S.S.R. has large quantities of gold, and also that its gold mines do yield substantial gold. The Soviet Union's gold production was recently estimated at about 9,500,000 ounces a year, or more than double its pre-war output. The Soviet authorities, it is stated, have made great efforts to increase the yield of existing mines, as well as to exploit new mines. Soviet stocks of gold are estimated at between 150 and 175 million ounces. The U.S.S.R., however, has no use for gold, since it believes entirely in "managed" currency, in the totalitarian sense of that word. And yet, this has not prevented that country from accumulating large reserves of gold or from exploiting new mines. This perference for gold, which is opposed to the country's political and economic system, is probably dictated from strategic considerations. The authorities, it is stated, believe that gold would be useful in the event of an emergency like war.

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Be that as it may, the reason for Russia's gold sales has been the favourite theme of financial commentators in Europe and the U.S. Some of them have seen in these sales, which must tend to depress gold prices, a fresh attempt to embarrass the U.S. Perhaps, this is a too far-fetched view. In any case, gold sales to the U.K. will serve to strengthen that country's gold reserves. Why should the Soviet Union strengthen the economic position of an ally of the U.S.? Maybe, the simpler explanation is the true one. Soviet Russia is in need of consumer goods which it can hope to gain by the sale of its gold to the West. Formerly, it was chary of buying consumer goods from the West. This policy has changed. The main reason for this change in import policy, it is stated, is given in *Izvestiya*, according to which, the Soviet Union has now grown sufficiently wealthy to permit import of even non-essential luxuries. At any rate, those who are closely acquainted with Russian economic affairs have admitted that, in recent months, the Soviet authorities have been taking steps to expand their purchases of less essential goods. But it is stressed that, in the main, these purchases are to be paid for by exports of Russian petroleum, timber and agricultural machinery. These exports have presumably been insufficient to pay for the imports of consumer goods from the West. The Soviet bloc's balance of payments with the sterling area group of countries has shown a fairly pronounced deterioration over the past year or two as a result of the slump in sales of Russian grain to the U.K. The extent of this deterioration will be clear from the fact that, over the first ten months of 1953, Soviet shipments of grain to the U.K. were running at an annual rate of only £4 million, as against £40 million in 1952. This should have meant a considerable decline in the Soviet Union's sterling exchange earnings, which, in turn, has compelled that country to dip into its gold reserves to pay for its essential imports from the sterling area.

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The Commonwealth Finance Ministers' Conference, which commences its deliberations at Sydney tomorrow, is certainly meeting under better auspices than the earlier Conference. At the end of 1952, when the last Conference was held, the Commonwealth was just beginning to show signs of recovery from the all-pervasive trade recession, witnessed in the first quarter of that year. Peace prospects are less uncertain than they were then. Again, the resumption of East-West trade seems less distant now than it was at the time of the last Conference. An outstanding result of the last Conference was the impetus it gave to the idea of "Commonwealth development." The new Commonwealth Development Finance Company, set up by U.K. Government has, it is stated, now reach of a stage when it can take part in financing suitable ventures. But there are, of course, many problems which continue to be intractable as ever—convertibility of the pound, and free and multilateral trade, for instance.

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The Conference will discuss, it is presumed, the Commonwealth economic plan drawn up in London in 1952. The plan, the details of which are not known, is designed to increase Commonwealth and Empire production. Although convertibility of the pound might be discussed, it is unlikely that there will be the same sense of urgency as there was at the last Conference. In any case, some progress has been made towards this end. Convertibility on current accounts has made greater strides in the past year than was expected. The Commonwealth view seems to be that, before the pound could be freed, inflation must be held in check, the Commonwealth's economic resources should be better developed, and the U.S. and the I.M.F. should adopt more generous creditor policies. The Sydney deliberations, it is believed, will emphasise—rather re-emphasise—the continuing need for curbing inflation and for promoting sound economic development.

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The Conference is also expected to discuss the severe competition now being met in traditional British markets from countries like Japan and West Germany. Mr. R. A. Butler, Britain's Chancellor of the Exchequer, will tell the other

(*Continued on page 55*)

TRADING IN SHARES RESTRICTED

VALUES DRIFT LOWER

(From Our Own Correspondents)

BOMBAY, *7th January*

THE sharp reaction that set in on the Bombay Stock Exchange during the penultimate week of the year just ended did not persist long. For a distinctly improved tone came to be witnessed just before the market closed for the Christmas and New Year holidays. The improvement was due to anticipations of a rise in the production in Tata Iron and Steel Co. and Indian Iron and Steel Co. during December, expectation of an increase in the retention price of steel produced by the I.I.S.C.O., and good domestic and foreign offtake of piecegoods. Rumours regarding issue of bonus shares by several companies, such as the A.C.C., also fanned the bullish fervour of the market. The buying support that ensued, as a consequence, lifted up the values of most of the scrips. The closing quotations as on 24th December, 1953, stood very much higher than those a week before.

The bullish enthusiasm, however, failed to be in evidence in trading on the opening day for the New Year, namely, 4th January, 1954, as operators preferred to await the U.S. official announcement on the proposed Pakistan-U.S. military aid pact. Another restraining factor was the expectation of lower bank profits for 1953, thanks to shrinkage in demand for credit. Fears regarding high contango and large deliveries in the next settlement too acted as a damper, and operators showed little inclination to extend commitments. Trading was, therefore, greatly restricted and values tended to decline.

The downward trend in values persisted till the close today, although the market tended for a while to pick up some strength, following encouraging statements of the Union Finance Minister at Calcutta on the eve of his departure for Sydney, denying the possibility of any change in the existing taxation structure until the findings of the Taxation Enquiry Commission were made available to the Government by about September, 1954. The market also noted with interest his further statement that the scope for private enterprise would have to be expanded even beyond the target set by the Five-year Plan. But prices could not move up because, profit-taking at every rise pushed them down. On balance, therefore, quotations today were lower than those on the 19th ultimo.

During the period under review, steel shares gave the lead to the market. Tata Preferreds, which closed at Rs. 1,998-12 on 19th December, 1953, gradually improved to touch Rs. 2,028-12 early on 24th December. On the opening day for the current year (4th January), the scrips were marked down to Rs. 2,003-12. They receded further to Rs. 1,977-8 yesterday. After recovering to Rs. 1,993-12 today, the scrips finished lower at Rs. 1,986-4. Tata Ordinaries improved from Rs. 341-8 to Rs. 346 on 24th December. They reacted to Rs. 336-4 yesterday but closed at Rs. 337-4. Indian Irons remained fully steady, with its quotation advancing from Rs. 26-2½ on 19th December to Rs. 26-6½ on 24th December. They, however, staged a retreat and finished at Rs. 25-4½ *ex-div.*

During the period since we reported last, textile scrips have recorded all-round losses. Bombay Dyeings, after rallying from Rs. 397-8 to Rs. 401-4, receded to Rs. 393-2. The net loss over the period under review was Rs. 4-6. Simplex rose from Rs. 155 to Rs. 155-8 but declined to Rs. 151-8, Central Indias dropped Rs. 6 to Rs. 393-2 and Sholapur Rs. 5 to Rs. 147-8. Swadeshis shed Rs. 4-4 to Rs. 267-12 and Ahmedabad Advances Rs. 3-12 to Rs. 138-12. Tata Mills and Centurys lost Rs. 3-8 and Rs. 3-4 to Rs. 50-8 and Rs. 277-12, respectively. Indores and Standards declined by Rs. 2-8 each to Rs. 95 and Rs. 303-4, respectively. Gokaks were lower by Re. 1-8 at Rs. 242-8 and Finlays by a rupee at Rs. 256. Hindusthans, however, proved an exception and evoked special support, their value advancing by Rs. 95 to Rs. 3,600. New Greats hardened by Rs. 4-8 to Rs. 170-8, due to scarcity of stocks. Kohinoors too were a shade higher at Rs. 295-8.

Bank shares ruled quiet with minor losses in almost all the counters with the exception of Bank of Barodas. The latter shares put on Rs. 5-8 to Rs. 109 on expectation of higher dividends. Imperial New shares and Fully Paids, however, gave way, the former from Rs. 450 to Rs. 443-12 and the latter from Rs. 1,845 to Rs. 1,840. Indias and United Commercials lost a rupee each to Rs. 155 and Rs. 44, respectively. Centrals finished As. 4 lower at Rs. 63-12 and new shares also lost a like amount to Rs. 66-12.

In the insurance section, Orientals suffered a loss of 175 points to Rs. 7,235. New Indias slided down from Rs. 43 to Rs. 40. India Mercantiles declined by Re. 1-4 to Rs. 37-4. Vulcans, however, improved by As. 8 to Rs. 11-9.

Electric shares presented a mixed pattern. Tata Powers were transacted Rs. 10 lower at Rs. 1,340. Ahmedabad Electrics shed As. 5 to Rs. 112-13. Andhra Valleys, on the other hand, scored a gain of Rs. 17-8 to Rs. 1,230. Tata Hydros were fully steady at Rs. 137 and Surats at Rs. 128-12.

In the miscellaneous section, values were generally well maintained. Following rumours regarding capitalisation of reserves Bombay Burmahs forged ahead from Rs. 348-12 to Rs. 362-8. Digvijay Cements elicited special buying enquiries and spurted by Rs. 9 to Rs. 95. Walchandnagars advanced by Rs. 5 to Rs. 163-12. Belapurs hardened by Rs. 4-8 to Rs. 248-8 *ex-div.* On expectation of higher dividend, Shivrajpurs firmed up by Rs. 4-4 to Rs. 72-8. Killicks and National Rayons rose by Rs. 3 each to Rs. 157-8 and Rs. 138, respectively. Associated Cements strengthened from Rs. 184-12 to Rs. 1,868 on the reported receipt of sanction by the Controller of Capital Issues for issue of bonus shares. Tata Chemicals were wanted As. 11 higher at Rs. 11-11 and Wimcos were better at Rs. 200, as against Rs. 199-6. British India Corporations were a shade higher at Rs. 13-8. Premier Constructions, on the other hand, staged a retreat from Rs. 118-8 to Rs. 114. Tata Oils shed As. 4 to Rs. 32-12. Indian Coppers were neglected at Rs. 2-11½.

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Calcutta Stock Exchange

CALCUTTA, *6th January*

A cautious attitude on the part of operators, and restricted turnover were the main features on the Calcutta Stock Exchange during the period under review, that is from 16th December, 1953, to 6th inst. The volume of business was affected on account of holiday considerations, but even after reopening for the New Year buyers are showing less enthusiasm. The international situation has become very clouded and has, therefore, not been helpful to long-term commitments. On the one side, the growing difficulties over Korea and the remote possibility of a real understanding among the big powers would encourage the speculative elements, and on the other, the reports about the proposed U.S.-Pakistan military pact have cast a gloom over speculators, as the possibility of shifting the battlefield of the cold war to this sub-continent would mean a complete stoppage of economic progress, added outside pressure on Kashmir, increased expenditure on defence, and the resultant inflation. Till a clear picture of the extent of the aid and its implications emerges from authoritative sources, a hesitant tone would characterise trading on the Exchange. No doubt, the market has taken note of the remark of the Finance Minister, Mr. Chintaman Deshmukh, that the proposed pact would not jeopardise the completion of the Five-year Plan, as external assistance still to be received was not a big amount. But the market knows that if the cold war is brought nearer India, the country's economy would naturally be affected whether the Plan is completed as per schedule or not.

Mr. Deshmukh's confidence about the future is justified by the economic progress made last year. Market circles are agreed that the country's economy has been made stable, although the Finance Minister's report that economic conditions improved in 1953 is dismissed outright. No doubt, industrial progress was satisfactory; but trading conditions deteriorated visibly. It was the latter event which created more unemployment, pushed the problem to the forefront, affected the incomes of many, and in turn kept the consumer goods industries in anxiety about accumulation of unsaleable stocks. One redeeming feature of this situation, however, is the Government's repeated regard for giving private enterprise every chance for investment. But if, in spite of this, the market is lethargic, it is due to lack of action in New Delhi to transform into reality what it says and apparently desires, and also due to a desire of operators to await the budget proposals, hoping that they will contain something good for the commercial community.

Sectionwise, there was little of note among jutes. Howrahs at one time touched a low of Rs. 24-1, as against an opening of Rs. 25-1 and during Monday were still lower at Rs. 23-15. The loss was due to the lower dividend of As. 10 for the half-year ended September, 1953, as against As. 14 previously. Anglo-Indias were hammered down to Rs. 198. Deltas were wanted at Rs. 230 and Kinnisons were unchanged at Rs. 201. At Rs. 173 Orients lost Rs. 13 and Standards gave way to Rs. 131 from Rs. 139. Other shares also recorded a losing tendency and this was due to the general weakness, as advices from the jute goods market were encouraging and nothing had happened to change the improved outlook for the industry.

Business was poor in coals. Equitables were pulled down to Rs. 30-10 from Rs. 31-8 and Burrakurs to Rs. 8-4 from Rs. 8-11. However, East Indias after being lower at Rs. 25-3 recovered to Rs. 26-2. Raneegunges hovered around Rs. 11, and Central Indias realised Rs. 5-8. Bengals were easy at Rs. 501, and Talchers were wanted at Rs. 2-8.

Fair support was given to the engineering section, where Texmacos improved to Rs. 9-11 from Rs. 9-2, however easing today to Rs. 9-4. Jessops received a good measure of support at Rs. 25-7, but subsequently receded to Rs. 25. On moderate buying, Braithwaites were lifted to Rs. 13-9 from Rs. 13-2. Kumardhubis were sought at Rs. 8-4. Indian Irons were subjected to profit-taking, which took down the rate to Rs. 24-15 from Rs. 25-4. The subsequent recovery to Rs. 25-8 was not sustained and the realisation today was Rs. 25-3.

A mixed trend was in evidence in the miscellaneous section. Thus, while Rohtas Industries were raised to Rs. 11-3 from Rs. 10-11 and Indian Cables to Rs. 20-4 from Rs. 19-12, Rallis were sent down to Rs. 59-4 from Rs. 62-4 and National Tobaccos to Rs. 10-3 from Rs. 10-8. After receding to Rs. 36, Midnapore Zamindaris made a partial recovery to Rs. 37. India Steamships were steady throughout the period despite a recession subsequently to Rs. 7-1 from Rs. 7-4. Titaghur Papers were quiet at Rs. 35-8. Sone Valley Cements came in for business at Rs. 6-15. Jardine Hendersons were traded at Rs. 114, as against Rs. 116-8 earlier. Martin Burns were fractionally better at Rs. 19-9.

Although the general dullness affected the volume of transactions in the tea section, occasional enquiries provided a number of features. Thus Dehra Duns gained to Rs. 210 from Rs. 207, Hasimaras to Rs. 31-10 from Rs. 31-4 and Jayabirparas to Rs. 30 from Rs. 29-8.

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Madras Stock Exchange

MADRAS, *5th January*

The performance of the Madras Stock Exchange during the past three weeks, since we reported last on 15th December, 1953, has been encouraging. Activity in the market has broadbased, with the turnover being fair. Textile scrips have been again in the le reports of good overseas demand for piec Consequently, prices have continued t up and, in fact, disclose generally sizable over the period under review. The plantation has, however, presented a mixed Tea scrips have met with good support, o pects of better demand for tea leaves fr U.K. and the Continent in the ensuing But, in rubbers, only some selective sup has been visible and fair gains are seen balance. Coffees have, however, presented a dull trend, while the miscellaneous scrips have been active.

During the period under report, the textile section evinced sustained interest. Coimbatore Cottons gained Rs. 7 to Rs. 167, and Dhanalakshmis Rs. 6 to Rs. 200. Buckinghams were higher by Rs. 5 at Rs. 134-8. Vasantas and Rajalakshmis put on Rs. 4 each to Rs. 172 and Rs. 85, respectively. Coimbatore Pioneers improved from Rs. 127 to to Rs. 130 and Metturs from Rs. 216 to Rs. 218. Premiers were enquired at Rs. 85, as against Rs. 83. Krishna Rajendras rallied Re. 1-12 to Rs. 53 and Lakshmi 'A' Re. 1 to Rs. 41. Pankajas, however, eased from Rs. 59 to Rs. 53. Coimbatore Spinnings and Radhakrishnas 'B' lost Rs. 1-8 each to Rs. 36 and Rs. 79-8, respectively. Rangavilas were lower by As. 8 at Rs. 45 and Loyals As. 4 at Rs. 19.

Among plantings, tea scrips led the rest. Nonsuch Teas were higher by Re. 1-8 at Rs. 32-8 and Peermades As. 8 at Rs. 27-12. Coonoor Teas gathered As. 4 to Rs. 25-12 and Chembras As. 3 to Rs. 3-3. Udayagiris rallied As. 2 to Rs. 6-14. Coorg Teas were fractionally higher at Rs. 6-2½. But Mysore Plantations lost an anna to As. 11. Highland Produces were done at Rs. 11-14 ex-div., as against Rs. 12-4 *cum-div.*

Rubbers came in for selective enquiry. Peninsulars gained As. 10 to Rs. 10-2 and Nenmenys As. 4 to Rs. 9. Vellmalais put on As. 3 to Rs. 2-11. But Valkundams and Rajagiris lost As. 6 each to Rs. 16-2 and Rs. 10-6, respectively. Anandams eased from Rs. 8-12 to Rs. 8-8 and Cochin Malabars from Rs. 7-1 to Rs. 6-15.

Among coffee scrips, Coffee Lands were done at Rs. 7-11 *ex-div.*, as against Rs. 8-12 and Consolidated Coffees at Rs. 13-12 *ex-div.*, as against Rs. 17-7 *cum-div.* Puthuthotams gained an anna to Rs. 3-3, while Mysore Coffees lost a similar amount to As. 12½. Nil Neergundis were also lower by an anna at Rs. 3-9.

Trading in the miscellaneous section saw Aluminium Industries disclose a gain of As. 12 at Rs. 12-10, and Parrys As. 5½ at Rs. 4-5½. Spencers gathered As. 4 to Rs. 15 and Mysore Chemicals & Fertilisers As. 3 to Rs. 9-4. Ellore Electrics shot up by As. 9 at Rs. 10-4. Rallis, however, lost Re. 1 to Rs. 60-12 and Mysore Tobaccos As. 6½ to Rs. 11-2.

RESERVE BANK APPOINTED BANKERS TO SAURASHTRA GOVERNMENT

The Reserve Bank of India has been appointed sole bankers to the Government of Saurashtra from 1st January, 1953. The agreement reached between the Government and the Bank is on the same lines as the agreements already executed between the Reserve Bank and the State Governments of Hyderabad, Mysore, Madhya Bharat and Travancore-Cochin. The Reserve Bank will now conduct the banking remittance and exchange business of the Government of Saurashtra, receive and keep in deposits its cash balances, manage its public debt, issue its loans and grant ways and means advances.

The question of appointing the State Bank of Saurashtra as the Reserve Bank's agent in the State will be considered in due course. For the interim period, the Imperial Bank of India, which is at present conducting the Treasury work at Rajkot on behalf of the Government, will function as the Reserve Bank's agent at that centre. At other centres, the Treasury work will be conducted by the State Government departmentally or by the Bank of Saurashtra under existing arrangement between the Bank and the State Government.

NEWS IN BRIEF

THE Government of India has decided to extend the free licensing of wool waste for shipment for six months upto 30th June, 1954.

The National Instruments Factory at Jadvapur, Calcutta, produced tools valued at Rs. 18.15 lakhs in 1952-53, as against Rs. 14.02 lakhs in 1951-52.

The Union Minister for Communications has hinted that postal rates, except in the case of postcards, will be increased in the next financial year.

So far, 63 new industrial undertakings with a total capital of approximately Rs. 18.5 crores have been licensed under the Industries (Development and Regulation) Act, 1953.

The Government of Madras is planning an integrated development of fisheries in the river Cauvery and its tributaries, and in the Mettur, Bhavanisagar and Amaravathi reservoirs.

The Budget session of the Union Parliament will commence on 15th February, 1954, and is expected to last till 14th May. The General Budget is scheduled to be presented on 27th February.

The Government of India has decided to extend the period of shipment of the unutilised portion of the export quotas allotted to established shippers of castor oil upto the end of January, 1954.

The Rajasthan Government has reduced the export duty on vegetable oil by 50 per cent. Exporters of til oil will have to pay only Rs. 3 per maund as inter-State duty, instead of the erstwhile rate of Rs. 7 per maund. Mustard oil will be charged Re. 1-8 per maund.

The Government of India has decided that the export of mustard oil and rapeseed oil should be licensed freely upto the end of June, 1954. This means that the export policy in regard to these two oils for the half-year ended 31st December, 1953, is being continued for six months more.

The U.P. Government has fixed a target of 500,000 maunds of quality jute for the next two years to meet the requirements of jute mills of U.P. High grade fibre is being grown in large quantity and it is likely that the jute deficiency of the State will be overcome within this period.

The Andhra Government has decided to approach the Government of India for exploring markets abroad for accumulated stocks of low grade tobacco in Guntur. It will also seek a graduated rebate on excise duty on lower grade tobacco in order to stimulate its purchase by cigarette manufacturers.

According to an investigation conducted by the Geological Survey of India, reserves of refractory clay, estimated at 367,000 tons are available in the Korba coalfield area of Bilaspur District, Madhya Pradesh. The clay is mostly fine-grained and light to buff grey in colour. It is also said to have good plasticity.

The Salt Cess Act, passed by Parliament during the last session, has come into force with effect from the 2nd inst. The Act provides for the levy and collection of cess at As. 2 per standard maund on salt produced in a private factory and at As. 4 per maund on salt manufactured in a salt factory solely owned or solely worked by the Central Government.

The Government of India has withdrawn, with effect from 30th December, 1953, the guarantee given to cotton textile mills in April, 1952, to purchase Indian cotton of 1951-52 crop from Scheduled Banks at certain stipulated prices. The guarantee has been withdrawn, as the Government thinks that the purpose for which the guarantee was given has been adequately served.

The budget of Andhra State for the second half of the current financial year has shown a deficit of Rs. 51.58 lakhs on revenue account and Rs. 330 lakhs on capital account, thus disclosing a gap of about Rs. 382 lakhs between the total expenditure and the resources. The State Government has asked for a loan of Rs. 375 lakhs immediately to enable it to carry out the urgently needed irrigation and power schemes.

The Government of India has decided, after having reviewed the position in the light of available transport capacity, to license the export of iron and manganese ores to both established shippers and mine-owners from the Port of Calcutta during the quarter January-March, 1954, on the same basis as for the quarter ended 31st December, 1953, the licensing procedure for which was announced on 2nd September, 1953.

Indian railways. These [illegible] 2,500 were to hold (W9 type) locomotives. [illegible] earthenware of [illegible]. Further, the [illegible] in existence 2,500 broad-gauge [illegible] three purchases will be made under the provision of the Union Ministry of [illegible] sultation with the appropriate [illegible] agencies.

The rupee expenditure—Rs. [illegible] meeting the cost of ocean transpo[illegible] ducts. The Government will also set up showrooms to publicise Indian exportable products in Belgium, the Philippines and Ceylon.

India, Ceylon and Canada have agreed to launch a joint tea propaganda in Canada from the middle of the current year. Negotiations by the two producer countries were conducted with trade circles in Canada on a Governmental level. A part of the expenses will be borne by Canadian trade. This is the second country in which the joint scheme has been agreed upon, the first being the U.S., after India withdrew from the International Tea Market Expansion Board in 1952. Similar negotiations will be initiated to cover European countries.

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From Abroad

The International Monetary Fund has agreed to a change in the par value of the Paraguayan currency from six to 15 guaranies for one U.S. dollar.

After a period of 14 years, the London grain market opened for free trading on the 4th inst. The market was closed at the outbreak of war in 1939 when the Government took over the buying of grains.

Tea suppliers in the U.K. have raised the price of many well-known brands of tea by 4d. per lb., with effect from the 4th inst. The common reason advanced for the increase is the steady rise in world prices during last year.

The U.S. Agriculture Department has concluded a barter deal under which $2.2 million worth of Government-owned farm surpluses will be exchanged with Western Europe for 5,400 metric tons of superphosphate and 30,000 tons of ammonium sulphate for Korea.

The industrial output of Russia during 1953 increased two and a half times over the 1940 level. The output of steel was more than 38 million tons, coal 30 million tons, oil 52 million tons and electricity 133,000 million kilowatt hours. Chemical production was three times and machinery equipment 3.8 times over 1940.

The world output of leaf tobacco last year is estimated by the U.S. Agricultural Department to have gone up by 94.08 million lbs. to 7,323.89 million lbs. farm sale weight. As compared with the average for 1947-51, the 1953 production is 90 million lbs. more.

The International Materials Conference, which was set up in February, 1951, to recommend allocations of strategic materials after the outbreak of the Korean war, will be dissolved at the end of this month. The Commodity Committee of the Conference was dissolved in September last, but the central group has continued its organisation.

The Export-Import Bank of the U.S. has extended a loan of $8.8 million to Brazil to complete the standardisation of the Santos-Jundiai Railway, so that it can interchange with two other Brazilian railways. The Brazilian National Development Bank will guarantee the loan, which will bear interest of 4 per cent, and be repaid in seven years beginning on 15th December, 1956.

The proposal for a Pakistan-Egyptian joint enterprise for processing jute in Egypt has gone far ahead of the blue-print stage, according to the leader of the Egyptian Trade Mission to Pakistan. The possibilities of joint enterprise in insurance, banking, jute industry, shipping, cotton textiles, tea and hides and skins are being considered.

Nearly 100 oil wells were reported to have been drilled in north-west and south-west China during 1953. The factory buildings for Peking's first cotton mill were completed by the end of 1953 and production is scheduled to start before May Day this year. Construction of a second cotton mill in Peking with 123,000 spindles and 2,400 looms will begin in March, 1954.

The British Overseas Airways Corporation carried during 1953 about 287,100 passengers, an increase of 5 per cent. over 1952 passenger traffic, according to preliminary figures issued by the airline. Cargo carried during the year, including mail, increased from 9,379 tons to 9,460 tons. Revenue miles flown were up by 3 per cent. to 33,029,000, as compared with 32,069,950 in 1952.

The total tonnage of oil tankers completed in the U.K. during 1953 is expected to be about 660,000—approximately the same as in 1952—according to estimates just published by the Petroleum Information Bureau in London. The importance of these orders to shipbuilders is indicated by the fact that tankers will account for 50 per cent. or more of the total tonnage completed in U.K. yards this year—expected to be approximately 1,250,000.

A combined Light Industries Fair and Heavy Industries Fair will be held in Hanover, West Germany, from 25th April to 4th May, 1954. The Hanover Fair will once again resume the character of an industrial fair of primary importance, where particularly the idea of exports trade is furthered. Another advantage of the Fair is that its timing has been adjusted to the overall schedule of national and international European fairs, which have always exhibited technical articles and general merchandise side by side. The buyer from abroad will, therefore, be afforded an opportunity to have a comprehensive review of German production of capital as well as consumers' goods.

A committee of Turkish bank directors has agreed upon a scheme for forming a new bank to finance new industries in Turkey on the same lines as the existing and very active Industrial Bank of Turkey. The bank will start with an initial capital of £T50 million, which will be increased gradually to £T100 million. The banks represented on the committee are the Industrial Development Bank, the Ish Bank, the Ottoman Bank, the Ziraat (Agriculture) Bank and the Turkish Express Bank. Its head office will be in Istanbul and its objects will be the undertaking and financing of important works for the promotion of the industry and general economy of the country.

The B.O.A.C. is hoping to instal search radar equipment in its Comet 2 jet airliners when they come into operation on the South Atlantic route later this year. Experiments which were begun nearly two years ago have reached an advanced stage, and the main problem now is one of [illegible] weight of the equipment. Such equipment, [illegible] purpose of which will be to detect obstacles [illegible] as mountains and other aircraft in flight as well as bad weather, will [illegible] tional safety factors. In the normal course [illegible] should be unnecessary, since an experienced [illegible] knows the height of any [illegible] weigh it is passing and, with its [illegible] recording instruments, maintains [illegible] above them to avoid any danger. [illegible] is largely when the human element [illegible] ture in the form of navigational [illegible] liner goes off course and is forced [illegible] by bad weather at the same time [illegible] aids as radar are likely to be [illegible]

PERSONAL

MR. J. R. D. Tata, Chairman of Messrs. Tata Sons Ltd., left for Geneva on a five-week business-*cum*-holiday trip to Europe and England.

Mr. Rahim Karim Mistry, a business man of Bombay, has been appointed Honorary Consul for Turkey in Bombay by the Government of Turkey.

Dr. B. V. Narayanaswamy Naidu, Chairman, Forward Markets Commission, has been appointed an additional member of the Jute Enquiry Commission.

Mr. S. R. Vasavada and Mr. K. P. Tripathi have been elected President and General Secretary, respectively, of the Indian National Trade Union Congress for the year 1954.

Sardar Datar Singh, Additional Secretary to the Central Food and Agriculture Ministry, returned from Rome after attending the F.A.O. meeting held there recently.

Mr. R. L. Coghlan, Managing Director, Bombay Company Ltd., and Vice-President of the Bombay Chamber of Commerce for 1953-54, has been elected President of the Chamber for the year 1954-55.

Mr. G. R. Kamat, I.C.S., Joint Secretary, Ministry of Finance, Government of India, left for London *en route* to Washington to take up his appointment as Executive Director of the International Bank for Reconstruction and Development.

Mr. C. D. Deshmukh, Union Finance Minister, left Calcutta this week for Sydney to attend the Commonwealth Finance Ministers' Conference. During the absence of Mr. Deshmukh, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, will look after the Finance portfolio.

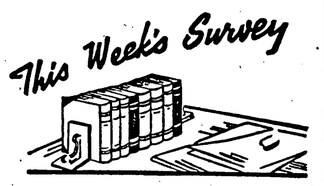
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *5th January*

Old and the New

The years, as they come, bring with them many things to our advantage. As they leave, they take many things away. To this effect wrote the gentle Horace. But the advantages of what we are pleased to call "the post-war period" have been few and far between; the disadvantages, financial and otherwise, have been manifold and emphatic. The slump in trade, commencing eight years ago, still continues; and we have discovered, to each succeeding year, that the losses of the roundabouts do not infallibly imply a profit on the swings. The old year has drawn to its conclusion, nevertheless, in hopeful fashion. The outlook is brighter; trading conditions are on the mend. But no merchant, no businessman, no matter how sagacious he may be, can justly claim his full share of the awards until he has taken ample cognisance of the many pronounced changes whereby Father Time is completing his revenges. While saying farewell, with but few regrets to the "year that's awa'" we wish to deliver a brief homily upon the subject of the mutations that have taken place and are still taking place in almost every walk of life, in trade, in commerce, in the world's finance, in the social habits and customs of the people. In doing so, we take our text from the ninth chapter of Ecclesiastes, verse eleven: "The race is not to the swift, nor the battle to the strong, neither yet bread to the wise, nor yet riches to men of understanding, nor yet favour to men of skill; but time and change happeneth to them all."



ECONOMIC CONFERENCE

ALTHOUGH India's contributions to the literary field and the field of pure science have won great recognition, there has been little original work in the field of pure economic studies. That the best talents in the country prefer a non-University career might serve to explain this fact. Perhaps, the inferior political status from which the country suffered till recently prevented bold economic thinking. But all this cannot be offered as a full explanation, nor as an excuse. The fact must be faced that economic research has not proceeded beyond the fact-finding stage, and even here, it is neither full nor suited to the needs of the country. Indian talent, the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, deplored, in his address at the All-India Economic Conference at Jaipur, has not "exerted itself to any large extent to put down its thought in writing." Disagreeable as this must be to many of our academic men capable of doing outstanding work, it is the truth. And it will, perhaps, serve to stimulate these men to greater endeavour.

In any new line of economic thinking, which the academic men in this country might wish to pursue, they would, perhaps, do well to bear in mind the consideration that it is "dangerous" to apply "theories formulated either in the abstract, or with an abstract background, or on the basis of ideas evolved in terms of the absolute." This is a salutary warning, for, many ideas, borrowed from the West, are often propounded with an air of originality. This seems true particularly of the Keynesian ideas. It would be wrong, of course, to eschew light from other lands. But it would be equally wrong to shine in borrowed feathers, especially when the feathers do not suit the Indian climate. In this connection, Mr. Krishnamachari said: "The Keynesian approach undoubtedly gives us courage and hope to tackle the problem before us, but it also raises doubts whether that approach without severe modifications would be much good for us." He rightly affirmed that Keynesian ideas have not the same meaning to a country where industrialisation has made very little progress.

Whether they call themselves Keynesians or not, many economists in this country do hold views which are socialistic or very near it. Perhaps, this is to be attributed, as Mr. Krishnamachari hinted, to the dependence of the economic ideas on the prevailing socio-political climate. This again might serve to explain the socialist ideas, but cannot certainly provide the proof for the validity or even the applicability of these ideas to the Indian context. There is an insufficient recognition of the fact that the country owes what little economic progress there has been to private initiative and effort. These economists believe not only in State-ownership of industries but also in economic controls. Perhaps, they will do well to remember that controls have, by and large, failed in this country, and whatever justifications there were before for their adoption have practically disappeared. In other words, they have outlived their utility. As Mr. Krishnamachari cited, in this connection, the instance of textile decontrol which was ordered by the Government in the interests of the consumer. After all, retail trade in India works on a small margin of profit. This explains why the co-operative movement is unable to make headway in this country. Obviously, the consumers prefer to pay the small margin rather than do without the services of the retail trade.

Since "pure" socialism is ruled out both on political and administrative grounds, the Government has chosen a middle path—mixed economy. Like most compromises between extremes, it seems to enjoy the Imperial Nemesis of gave way, the neither. At any rate, it is not free and the latter from in this connection, Mr. Krishna- and United Comm Rs. 155 and Rs. 44, As. 4 lower at Rs. often mentioned as the devising a like amount to F of a mixed economy. No one has In the insuran the proportions of the mixture. loss of 175 points he that with any estimate of the down from Rs. 43 ealth being comparatively modest declined by Re. ie meaning in the acquisition by ever, improved by elements of private interest in in- Electric sha dly, while such a move might have Tata Powers we. Rs. 1,340. Ahme Rs. 112-13. Andh

definite significance in a highly industrialised country, it can have no great significance in a country where all the major industries could be counted on the fingers in one hand. A rapid increase in the public sector, where *prima facie* such increase has to be undertaken by means of deficit financing, has for the time to be ruled out without some compensatory effort simultaneously undertaken in the direction of mopping the money in the hands of the private sector. This can be done in two ways. One is by inducing some investment in industries. The other is to obtain such money for Government loans. The latter, however, is limited by the low yield offered by Government securities. Government thoughts are at present directed towards finding solutions for this apparent impasse in the capital market, with a view to accelerating industrialisation. I would ask you, in dealing with the Keynesian theory in its application to underdeveloped countries, to look at this problem as it affects our immediate needs from the point of view that is capable of producing results."

The quoted passage must show at least one aspect of the complicated nature of the country's economic problems, and also how unwise it is to rely on any particular brand of economic philosophy—socialist, Keynesian or any other. A more rigorously pragmatic approach, with much less reliance on purely theoretical considerations, will perhaps yield better results.

In his presidential address, Mr. S. Kesava Iyengar deplored the "inadequate deliberation and hasty decisions" on major economic issues. He cited two instances, prohibition and land reforms; two no more appropriate instances could have been cited. He pointed out how prohibition has cost the country Rs. 200 crores—an amount which would have "tangibly" financed the Five-year Plan. Referring to land reforms, he rightly affirmed that the healthy middle class was bound to deteriorate and agricultural production suffer on account of the theoretical concept of ceilings on holdings. He rightly criticised the Centre for "assuming more and more powers" on internal economic development. But he did injustice to his sense of realism by suggesting that the States should be allowed the initiative in policy-making and that the Centre should limit its activities to national problems like defence, communications and foreign affairs. It is a pity that he did not examine the implications of his suggestion, for it might easily lead to a bewildering complexity of economic policies.

PROF. VAKIL ON INDUSTRIAL POLICY

Government's industrial policy came in for sharp, but very pertinent, criticism by Prof. C. N. Vakil in a speech at the All-India Economic Conference, Jaipur, where he reviewed the working of the "mixed economy," now recognised as an important plank of the Government of India's economic policy. He said that the policy was penalising consumers without any considerable gain to the country. There was no clear line of demarcation between the two sectors—private and public. Nor was there any means by which the public could judge whether the State undertakings were economical. In the absence of "timely information" about the undertakings, it was difficult to offer "informed criticism." Without such criticism, there was the danger that the undertakings would lose all incentive for improvement.

Prof. Vakil criticised the Government for yielding to vested interests in certain spheres. He cited, in this connection, the Government's refusal of permission to start new textile and sugar factories. A big soap concern "was being refused extension of its plant under pressure from less efficient manufacturers." Restriction on production of goods, superior in quality and cheaper in price, was, Prof. Vakil declared, inconsistent with the aim of raising living standards. A similar attitude, as is now becoming clear, is in evidence in the Government's attitude towards small-scale industries which are sought to be subsidised at the expense of large-scale industries. Prof. Vakil rightly criticised this policy, too. He said that cottage industries should not be kept alive by "spoon-feeding" but by improving their technique which at present was extremely crude. Encouragement to inefficiency, he suggested, was not the way to solve the unemployment problem. In this connection, he made a notable suggestion when he said that small-scale industries should be assisted by the Indian research institutes, so that there would be a continuous process to find new devices to suit their requirements.

Government's labour policy too is no more helpful than its industrial policy. Labour legislation in India, as Prof. Vakil said, is more elaborate than in any other part of the world. Far from promoting industrial peace it encourages "unending litigation." Capital-labour disputes are being solved by raising the price levels, thereby sacrificing the consumer i... This process is repeated year after year.

All this is valid criticism. It is a pity that few economists raise their voice of protest against Government's policies in the same forthright manner in which Prof. Vakil chose to criticise it. After all, the country looks to economists—non-partisan, as they are—to offer both constructive and objective criticism of Government's policies and to make a dispassionate evaluation of the results of the working of these policies.

FREEDOM FOR COARSE GRAINS

What may undoubtedly be called the Government of India's New Year gift is the complete decontrol of coarse grains—*jowar, bajra*, maize, barley and other millets—and gram, with effect from the 1st inst. The announcement marks one more significant step in the direction of the Centre's policy of restoring freedom for foodgrains. It was just a little over a month ago—on 24th November, 1953, to be precise—that the Government of India announced its decision to abolish controls on coarse grains (and wheat). It, however, emphasised that inter-State barriers would continue as before. These barriers have since been removed, except in the case of Saurashtra, Madhya Bharat and the 11 districts of Uttar Pradesh, namely, Gorakhpur, Gonda, Bahraich, Basti, Mirzapur, Jaunpur, Ghazipur, Ballia, Deoria, Azamgarh and Banaras. Exports from these areas will not be permitted, but there will be no restriction on import of coarse grains from outside. Coarse grains can now move freely through trade channels without the necessity of import or export permits.

That it is now most opportune to remove the controls on coarse foodgrains and gram should be evident from the fact that the production of these articles has registered a marked improvement, the quantities actually produced in 1952-53 being 17.4 million tons and 3.77 million tons, as against 15.7 million tons and 3.25 million tons, respectively, in the previous year. What is more, the improvement has been not only maintained but also enhanced during 1953-54, as the following figures relating to acreage under cultivation show:

(Thousand acres)

Crops	Average of preceding 5 years' 1st estimate (1948-49 to 1952-53)	1952-53 adjusted 1st estimate	1953-54 1st estimate
Jowar	22,588	24,800	26,192
Bajra	20,760	23,154	26,514
Maize	8,184	7,764	8,464
Ragi	4,867	4,698	4,771
Total ..	56,208	60,127	65,941

The rise in production has also been reflected in a rapid fall in prices of coarse grains (and gram) in nearly all parts of the country, especially in the surplus areas. The majority of even those States which used to be deficit are now said to be self-sufficient. With the decontrol now effected, the consumer would be saved from the incidental charges which the Government would have otherwise incurred on procuring foodgrains.

The only foodgrain which is still subject to control is rice. Although the supply position of this cereal in the country has improved considerably, it is still not so easy as to justify complete derationing. With favourable weather, improvement in cultural practices, and intensive cultivation with the aid of fertilisers, etc., one may expect that the improvement in rice supply position will gather further momentum. If this happens, Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, will be able to see his much cherished desire, namely, complete decontrol in another two years' time fulfilled.

DYESTUFFS INDUSTRY

The Tariff Commission is now enquiring into the claim for protection and assistance to the dyestuffs industry, based on the ground that it is of comparatively recent origin and still in the initial stages of its growth. Consequently, the industry finds it difficult to face competition from powerful foreign rivals with long years of experience and technical knowledge behind them. Moreover, the industry has to depend on the use of imported intermediates, as the production of basic chemicals is not properly establi... of th... M. I... court... enqu...

claim for protection is justifiable. The first enterprise in this line was the Associated Research Laboratories, Bhatgar, which started production of fast dyes in 1940 on a very small scale. Since then, it has expanded its production in volume as well as in variety. In 1947, the Atul Products Ltd. was established. Recently, a number of factories have sprung up. The dyestuffs industry, as established at present, however, covers only a small portion of the entire field of dyestuffs, its output being confined to a limited number of dyes produced from imported intermediate products. The total installed capacity and actual production of different types of dyes is as follows:

Production.—Azo dyes, 2,117,672 lbs.; Sulphur Black 1,000,000 lbs.; Rapid Fast Dyes, 400,000 lbs.; Rapidogen dyes, 152,000 lbs.; Fast Colour Salts, 996,800 lbs.; solubilised vats, 150,000 lbs.; and others 79,000 lbs. *Installed capacity.*—Azo dyes, 967,359 lbs.; Sulphur Black, 204,475 lbs.; Rapid Fast dyes 28,689 lbs.; Rapidogen dyes, 21,065 lbs.; Fast Colour Salts, 98,511 lbs.; Solubilised Vats, 38,594 lbs.; and others 4,300 lbs.

It is clear from the above that actual production lags far behind installed capacity. The exact demand for the various dyestuffs is difficult to assess, in the absence of proper statistics. But judged by the amount of imports of dyestuffs, there is no doubt that there is sufficient scope for the industry to grow. Thus, India's imports of dyestuffs aggregated 19.5 million lbs., valued at Rs. 15.4 crores in 1947-48, 13.7 million lbs. at Rs. 12.3 crores in 1948-49, 7.5 million lbs. at Rs. 7.9 crores in 1949-50, 14.0 million lbs. at Rs. 11.9 crores in 1950-51, 15.3 million lbs. at Rs. 14.3 crores in 1951-52 and 7.2 million lbs. at Rs. 7.5 crores in 1952-53.

The main question before the Tariff Commission is the determination of the quantum of protection required by the industry. This would require a comparison of the fair ex-works prices of the indigenous dyestuffs with the c.i.f. prices and the landed costs of corresponding dyestuffs. But certain peculiar difficulties are involved in the comparison which are not present in similar cases with regard to other industries. First, there is no standard nomenclature for dyes; dyes of similar chemical constitution but manufactured by different companies go under different trade names. Again, there are no recognised standards of concentration of dyestuffs, so that concentrations are described by trade in relation to various standards which differ from country to country. This difficulty does not, however, arise so much in the case of Azoic dyes, because the concentrations are generally found to be directly comparable with imported products. There is also one more difficulty, namely, that the c.i.f. prices may not reflect the actual costs of production in foreign countries, as it is possible to regulate the prices of individual dyes or groups of dyes with compensatory changes in the prices of other dyes or groups.

The next question to be determined by the Tariff Commission is the extent of assistance needed by the industry through abolition or reduction of import duties on raw materials and intermediates. This involves an examination of the extent to which such duties enter into the cost of production and fair ex-works prices of indigenous dyestuffs. There is also need to enquire into the selling prices of dyestuffs and selling arrangements.

Yet another factor to be considered relates to quality. Here opinions differ. The producers claim the quality of their dyestuffs to be generally satisfactory. But some consumers allege that the ... not up to the standard of imported products specially pointed out in the ...stuffs are: (a) Direct dyes and ...standardisation, and (b) indigenous ... improvement in respect of stabi... maintenance of strength, which at ...rom batch to batch, and shade ...

... of the dyestuffs industry depends ... protection and assistance that will ... The industry is of great impor... ...dopment of the country's economy, ...ic chemical industries, this occu... place. In fact, its progress deter... ...of development of the whole orga... dustry. The products of the organic ...stry not only contribute to the ...ational economy, but are also required ...otion of national security.

$20 MILLION U.S. AID TO INDIA

...e first operational agreement between India ...he U.S. under the Indo-U.S. Technical Co... ...on Programme for 1953-54 was signed on ... ...ecember last. The project which is to be ... financed under this agreement related to the rehabilitation of Indian railways and involves a joint cost of $20 million and Rs. 9.2 crores. The allocation of $20 million for this project is part of the total authorisation of $77.1 million as assistance to India by the U.S. Government for the current financial year. Of this amount, a sum of $65.5 million is earmarked for economic aid and $16.6 million for technical aid. In addition, there is a provision of $12 million for meeting the expenses of technical, engineering and other services in support of the programme.

This agreement is significant in that it is for the first time that direct economic aid, as distinguished from technical aid, is being provided to India by the U.S.A. It is, therefore, considered as a landmark in Indo-U.S. technical co-operation.

Under the agreement, India will acquire from outside sources rolling stock and equipment for Indian railways. These include 100 broad-gauge (WG type) locomotives, 2,500 metre-gauge and ... broad-gauge freight wagons. The ... 2,500 broad-gauge freight wagons. The ... purchases will be made under ... supervision of the Union Ministry of Railways in consultation with the appropriate U.S. Government agencies.

The rupee expenditure—Rs. 3.2 crores—is for meeting the cost of ocean transport and the rolling stock, handling expenses, construction and assembling of wagons and for transportation within India.

The agreement is expected to meet the present deficiency in railway rolling stock and equipment in India. The Indian railway system was subject to severe strain during the war and in subsequent years. In the Five-year Plan, rehabilitation of the railways has been given considerable importance, nearly a fifth of the total expenditure on the Plan having been assigned to it.

The Reserve Bank of India has refused licence to the National Bank of Bengal Ltd., Calcutta, for carrying on banking business in India. Accordingly, this Bank will have to go into liquidation.

OFF THE RECORD

(By "ROVER")

ONE step after another to spoon-feed the handloom industry in the country is proving unavailing. The plight of the handlooms, by all reports, continues to be as great as ever before, in spite of the textile industry being further crippled and the consumer being victimised to an increased extent, with each unnatural and uneconomic step which the Government of India is being goaded into taking by the few States where handlooms abound and where the mechanised textile industry does not count for much. At every step in this direction, the Government were warned that they were chasing a mirage and that no cottage industry could be stabilised or strengthened by creating conditions bordering on unreality. The only result of these successive steps has been to demoralise the handloom weavers and to encourage the day-dreamers in the Congress Party, who regard the rehabilitation of this industry as a spiritual and not as an economic issue, to make more extravagant demands, which cut across not only all economic laws but important principles of constitutional law. They now appear to be determined, if necessary, to sacrifice the economic unity of the country by once again restoring the chaotic condition of each State becoming a law unto itself.

Some recent developments point to the fact that the States of Andhra and Madras are engaged in persuading the Government of India to allow them to prohibit the imports of mill-made *dhotis* and *saris* into their territories from the other States in India. I was aghast when I read, at the end of December 1953, that the Andhra Government was seriously examining a suggestion to enforce such a ban temporarily till the accumulated stocks of handloom cloth were disposed of. Mr. S. B. P. Pattabhirama Rao, the Andhra Minister for Education and Industries, when pressed by the Opposition, blurted out that "if we had powers, we would have already enforced it." He however, fought shy of disposing the nature of the State Government's representation to the Centre on the plea that the matter was still under correspondence.

No such scruples seem to have deterred Mr. C. Subramaniam, the Madras Finance Minister and the pet of Rajaji, from asserting in the State Legislative Council that the handloom industry in Madras could survive, only if the manufacture of *dhotis* and *saris* was completely reserved for the handlooms and that his Government would press the Union Government to prohibit the import into the Madras State of mill-made *dhotis* and coloured *saris* for affording protection to the handloom industry. In fact, in winding up the debate on the Appropriation Bill in the Council, he went even further and said that Madras State had got its handloom industry which required protection and so it wanted to be left alone with regard to the import of mill-made cloth. What Madras wants now is not merely a complete reservation of the field for *dhotis* and *saris* in the country as a whole, but a ban, so far as Madras is concerned, on the imports of all mill-made cloth from other parts of the Union. Though an attempt was made later in the Assembly by Dr. U. Krishna Rao, Industries Minister, to draw a veil over this indiscreet and untimely revelation we all know that what Mr. Subramaniam thinks has greater force and value in Madras than what Dr. Krishna Rao states openly and officially.

Andhra and Madras harbour no great industries and so are in a position to make such preposterous demands on the country. Let us hope that the Central Government, which has often in the past bowed to the pressure and machinations of individual States in this matter, will draw a line somewhere and tell them bluntly that India is one country, which cannot be carved up into little pockets aspiring to economic independence and self-sufficiency. By its weak policy of humouring the States, the Centre inflicted, for several years, an untold amount of distress in the matter of foodgrains for millions of people in several parts of the country. Madras wants other parts of the country to send it food even at a sacrifice, but it would ban imports of cloth from other States. Once we give in on this point and countenance the principle of putting up barriers against the free flow of inter-State trade, it will not be long before we find ourselves in the chaos of regulations governing exchange of goods and raw materials between State and State and duties imposed on such imports and exports. Tomorrow we shall have another State asking for stopping import of *gur* or sugar into it, to give protection to the local *gur*-makers. There will be no end to these internal conflicts and all our efforts at building up a planned and integrated economy for the country would be set at naught.

I suppose the textile mills are quite capable of looking after their interest and, if they are not or if they fail to eliminate quickly some of their internal weaknesses, waste and corruption, they would deserve to lose a good part of the public sympathy and support. My interest in this question is that of the consumer of cloth and still more emphatically that of a citizen of the country. In this controversy, little regard is being paid to the interest of the consumer, who needs must have cloth at a reasonable price. He is being condemned unheard to use dearer cloth, not for a temporary period but for all eternity, because, in spite of all the aids and incentives, handloom cloth could never be as cheap as mill-made textiles. But naturally enough, my concern for preserving and promoting the unity and integrity of the country, especially in these days when the threat of external danger is real, is greater.

Anything which divides and weakens the country and sows seeds of future disintegration should be a matter for alarm for us as citizens. It is in this light that I regard the latest move of Madras and Andhra as highly mischievous. The Finance Minister of Madras can afford to talk airily and unconcernedly that his State had only two or three weaving mills and that the few remaining specialised in spinning yarn. The industry as a whole which paid forty crores to the Treasury, sustained a number of other industries and a vast trade and earned about a hundred crores in foreign exchange, enabling the Centre to import rice for Madras, did not seem to matter to him in the least, just because the bulk of it was situated outside his State. But I, being a responsible citizen of India, cannot afford to be as indifferent to its fate or to the integrated welfare of the country as a whole as a State Minister.

Planned Parenthood : Bombay to Non-co-operate

I have always maintained that, however galling it might prove to our manly pride to be ruled over publicly by women, they certainly make better Ministers than men. As it is, under the comforting social fiction of man being the head of the family, most men in the privacy of their homes are completely squashed under the thumb of some wily woman or other—a wife, mother, sister or daughter. Though it may hurt our age-old vanity, we might as well translate this state of domestic slavery to public and political slavery, provided the rod is wielded not by a mirthless and austere fellow man but by a soft-spoken woman.

Man, once elevated to office and the power and authority which go with it, is inclined, in most cases, to be pig-headed and uniformly and unimaginatively harsh, as citizens of States like Bombay know to their cost. On the other hand, whatever office she adorns and howmuchsoever power she acquires, a woman retains her ancient privilege of changing her mind without rhyme or reason, when the fancy takes her. A man is always rightly afraid that, however wrong and injurious a policy he may have adopted, if he relents and tries to reverse it, it would certainly be taken as a sign of weakness and diminution of his dearly loved power over his fellow men. A woman, on the other hand, can change her mind as often as she likes, without yielding an inch of her charm or authority. Under feminine rule, therefore, there is always a ray of hope left for deliverance from the strangling hold of wrong and ruinous policies, which are more likely to be adopted by our Ministers inexperienced in the art of governance. Under her special prerogative of sex, a woman can effect a change where a man would only foolishly dig in his toes.

Now, take the case of our Central Health Minister, Rajkumari Amrit Kaur. Both because of the innate modesty of her sex and more especially so because of her civil state, she was for a long time opposed to the policy of family limitation, which is the only right policy for our country eaten up not by locusts but by a huge army of babies born every year. But with the grace with which most women yield to pressure, she has at last been prevailed upon to inaugurate at least a modest beginning of this benevolent policy. In fact, it is now reported that Rajkumari Amrit Kaur's Ministry is determined to press forward with this new policy. This is all as it should be and quite in keeping with the political thesis advanced by me at the outset of this piece.

My observations draw further strength from the fact that Bombay is the only State in the Union which has refused to participate in the Central Health Ministry's programme of popularising birth control measures and providing family planning services. Even when the citadel in New Delhi has fallen, and fallen so gracefully, to the Planning Commission led in the final assault by that wise senior statesman, Mr. V. T. Krishnamachari, its Deputy Chairman, Mr. Morarji Desai, the Bombay Chief Minister, true to the cause of masculine stubbornness, has decided to fight his enemies to the last ditch. You see his nature knows no yielding, as demonstrated previously on many an occasion, in his clinging to his similar policy of prohibition even though it might edge his State ultimately to the brink of bankruptcy and bootleggers' rule.

His opposition to the use of contraceptives remains so stubborn that his Government is actually reported to have been reluctant to allow Dr. Rao Krishna Rao, Assistant Director of the Haffkine Institute at Bombay, to serve even as a member of the Family Planning Research and Programmes Committee presided over by Lt.-Col. C. K. Gopalakrishnan, Director-General of Health Services. This, besides being extremely petty-minded, which the case of the Bombay Government, is not to be wondered at, is actually preposterous. If the Bombay Government is determined to die the last ditch, why should the country be denied the assistance it might get from advice and knowledge of Dr. Rao, or decided to go ahead on the path of progress Bombay behind to stagnate in its Chinese-like die-hardism in a lost cause?—*All Right.*

NEW YEAR GREETED BY AUSPICIOUS WINTER RAINS

BUDGET PROSPECTS ANALYSED

(From A Special Correspondent)

NEW DELHI, *5th January*

DELHI LETTER

THE New Year was ushered in in the Capital amidst welcome winter rains, considered very auspicious in these parts. 1953, too, it may be recalled, began in similar circumstances, and the fact that the country safely passed through that year lends some support to that view. At this time of the year, rains are very essential for the *rabi* crops in North India and it is now fairly certain that production of wheat and other coarse grains will be very satisfactory in the coming months, imparting in turn considerable stability to the general price level in the country in the coming months. Now that the country is in the period of reconstruction and development, this auspicious beginning is a good indicator that the Government and the people will be able to overcome all hurdles and achieve notable progress during the new year. The Finance Minister was, therefore, on the safe side when he displayed commendable optimism on the general economic situation in the country at the Press Conference before he left for attending the Commonwealth Finance Ministers' Conference at Sydney.

The budget section of the Finance Ministry of the Government of India has been busy for the past few weeks, preparing preliminary estimates for the forthcoming budget year, namely, 1954-55. By the time Mr. C. D. Deshmukh returns from Sydney, some time in the third week of this month, it is expected that a draft budget will be ready for him. Unlike the budgets of the last few years, the budget for 1954-55 is not likely to bring any excitement to the stock markets, especially in the sphere of taxation. Since the Taxation Enquiry Commission has now been conducting investigations into the incidence of taxation and allied problems, the Government is not likely to alter the tax structure in the country during the balance of the first Plan period and it is possible that the recommendations of this Commission will be given effect to only from 1956-57, the year when the second Five-year Plan will commence. Generally, Government will be primarily concerned with the implementation of the first Five-year Plan during the next two years. Emphasis will, therefore, be on expenditure and the regulation thereof rather than on the revenue side during the next two budget years.

Revenue Position Better

In regard to revenue, the Government's position is not disheartening. Prospects are that the Government will more than realise the budgeted figure of Rs. 439.26 crores for 1953-54. During 1952-53, the Government was able to secure a surplus of about Rs. 11 crores in customs revenue over the anticipated figure. In the current fiscal year (1953-54), it was able to collect about Rs. 76 crores during the first six months, as against the budget estimate of Rs. 170 crores. Since the second half of the fiscal year is considered as a relatively busier season, and, as Government has slightly liberalised imports of certain revenue-yielding sectors, the revenue from customs may be expected to come to the anticipated figure and, perhaps, something more, despite the fact that the Government effected many changes in export duties. Even before the presentation of the last budget, export duties on sackings were reduced from Rs. 175 to Rs. 80 per ton and in regard to hessians the duty was brought down from Rs. 275 to Rs. 120 per ton in mid-September. After reduction in these duties, exports of jute goods began to recover appreciably and this improved trend must partially counterbalance the way reduction in the revenue yield from this prefer[illegible]. In regard to cloth, Government abolished the 10 per cent. *ad valorem* duty on medium with[illegible]s cloth in September and this action gave [illegible] fillip to exports of cloth on all sectors, with the result that even here the adverse effects on [illegible]nue will not be appreciable. Despite heavy [illegible]tion in the export duties on vegetable oils, a [illegible]ment is not likely to realise the budget [illegible] of Rs. 2 crores, owing to the sharp fall down[illegible]orts of these products. In regard to declined[illegible] of export which are a source of [illegible]ever, im[illegible]venue, such as tea, manganese ore, [illegible] Elec[illegible] Government is likely to realise [illegible] Tata [illegible] Rs. [illegible] Rs. [illegible]

something more than the original anticipated figure. At present, the share of export duties in the customs revenue is about 29 per cent. and this position will still decline in the next year in view of the emergence of a buyers' market all the world over. In regard to import duties, increased imports of sugar in which India has now begun to experience short supplies as a result of the rise in interpal consumption, will augment revenues in this sector. It is, therefore, possible that total customs will go up to about Rs. 175 crores, showing an increase of about Rs. 5 crores over the budget figure.

Central Excise

In the first six months of 1953-54, Central excise revenue amounted to Rs. 45.73 crores, as against Rs. 94 crores anticipated in the budget. As the second half of the fiscal year is usually associated with larger collections under this head, it is possible that the yield from this source will go up to Rs. 100 crores. During the first half of 1953-54, income and corporation taxes amounted to Rs. 58.17 crores, as against Rs. 63.61 crores in the same period last year. Although the receipts under this head have recorded a moderate decline over the corresponding period last year, the receipts will move up appreciably in the coming months due to the vigorous steps that the Government has been taking in stepping up collections. For the current year, the total revenue from these taxes is estimated at Rs. 159.18 crores. It may be noted that the total arrears of income-tax at the end of September last were placed at the high figure of Rs. 184 crores, out of which arrears for the years 1951-52 and before amounted to Rs. 110 crores and those for 1952-53 Rs. 42 crores. It is, therefore, possible that the collection of these arrears will continue to swell the Government coffers during the next few years. At the same time, many major industries have been doing very well and in some other sectors production has been gradually increasing. During this year, the jute and tea industries have been able to achieve considerable stability and the profit margins of the cotton mill industry are reported to be satisfactory on the whole. In view of all this, it is likely that both income and corporation taxes during the current year will exceed last year's actuals of Rs. 182 crores. The increased returns from these sources will more than compensate the non-realisation of the debt due from Pakistan which during the last two years has amounted to Rs. 18 crores. Taking all these into account, the total revenue for 1953-54 will go up to about Rs. 450 crores.

Next Year's Budget

For the forthcoming fiscal year 1954-55, revenue receipts are not likely to show any sharp setback. Import duties will be maintained at a high level since Government will so adjust its import policy as to secure sufficient revenue from this source. The returns from export duties will, however, recede to about Rs. 40 crores or even below due to a substantial reduction in many of these duties. Since the trend of industrial production has continued to be on the upgrade, the revenue through income and corporation taxes, as also Central excise, will not only remain stable but also show some rise. In consequence, the budget estimate of total revenue for next year will be between Rs. 450 and Rs. 460 crores.

On the expenditure side, the Government of India will be spending substantially heavier sums during the next budget year and also in the subsequent year. It has already been spending nearly Rs. 200 crores per annum on defence. The Kashmir problem is still dragging on. Besides, the proposed U.S.-Pakistan military pact will probably force India to incur additional expenditure in building up some essential defence industries. As a result, there is not likely to be any decline in this item. Since Government is determined to accelerate the pace of the Five-year Plan, increased allocations will have to be made for this purpose. Further, as State Governments have been unable to augment their revenues anticipated by them originally, it is the Centre that has to provide funds for maintaining the tempo of their economic activity. Mr. C. D. Deshmukh has already hinted that the total development expenditure during the next two years will be of the order of Rs. 1,239 crores. Hence during the next fiscal year, about Rs. 600 crores will be earmarked for various development projects as against Rs. 420 crores in 1953-54, Rs. 323 crores in 1952-53 and Rs. 262 crores in 1951-52. The financing of these projects will be done from revenues, public savings, foreign help and also through recourse to deficit financing whenever such a course becomes a necessity. During the first two years of the Plan, the deficit financing was relatively small, at the rate of Rs. 40 crores per annum. During the current year also, it will not show any appreciable rise if one takes into consideration the various indicators such as note circulation, Central Government deposits with the Reserve Bank, sterling balances, etc. Now that the economic conditions in the country have become considerably stable and inflationary pressure has been under control, the climate for resorting to deficit financing has become more favourable than ever. During the next year, greater interest will be evinced by Government in the implementation of various industrial projects, as the food problem has been nearly solved. The multi-purpose projects, rehabilitation of railways, etc., have been progressing more or less according to schedule. The community development projects will also yield more striking results from now onwards. All these indicate that the country will show greater economic progress during 1954-55.

CENTRAL SOIL CONSERVATION BOARD

The Government of India has set up a Central Soil Conservation Board with headquarters at New Delhi, with Dr. Panjabrao Deshmukh, Union Minister of Agriculture as Chairman. The functions of the Board will be

(i) to organise, co-ordinate and initiate research in soil conservation on various types of lands put to different kinds of land-use, such as agriculture, forestry and grazing;

(ii) to assist the States and river-valley projects (a) in drawing up their schemes of conservation, (b) in the enactment of legislation required for the purpose, and (c) by rendering technical advice as may be required from time;

(iii) to act as a clearing house for information on soil conservation and as a store-house of experience gained in various parts of the country;

(iv) to arrange for the training of technical personnel of the upper, as well as the middle grade required to implement soil conservation schemes;

(v) to provide such assistance as may be required in carrying out reconnaissance and detailed surveys in accordance with the standards laid down for the sake of uniformity throughout the country;

(vi) to recommend financial assistance for soil conservation schemes and river-valley projects on a long-term basis;

(vii) to co-ordinate inter-State soil conservation projects, and

(viii) to undertake such cognate measures as are considered germane and relevant to the pursuance of the aims and objects of the Board.

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

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For and on behalf of
TATA LOCOMOTIVE & ENGINEERING COMPANY, LIMITED
TATA INDUSTRIES LIMITED,
MANAGING AGENTS,
S. MOOLGAOKAR,
Director.

Dated 16th December, 1953.

PAKISTAN NOTES

NEW IMPORT POLICY ANNOUNCED

U.S. GRANTS $22 MILLION ECONOMIC AID

CONSUMERS in Pakistan have reason to feel gratified at the new import policy of the Government of Pakistan for the current half-year. For, under the new policy, imports have been liberalised. A number of items in the range of consumer goods which were not licensed in 1953 have been added to the list of importable goods. Some of the principal additions are cycles and parts and accessories thereof, clocks and watches, chinaware, glassware, fents, woollen fabrics, pencils, tooth paste, tooth brushes, cheese, cigars, and pipe tobacco, etc. The import policy has been liberalised not only by bringing these additional items on the licensable list, but also by licensing several essential items upto the O.G.L. level. It is, for instance, proposed to issue import licences upto the full O.G.L. level for drugs and medicines, petroleum and petroleum products, books, newsprint, X-ray films, surgical instruments (other than those manufactured in Pakistan), chemicals, dyes, dyeing and tanning substances, etc.

The liberalisation of import policy should not, however, be taken to mean that Pakistan's balance of payments position has improved. It is true that the third quarter of 1953 witnessed a favourable balance to the tune of Rs. 92 lakhs, as against a deficit of Rs. 40.56 crores in the corresponding quarter of 1952. But this is only a temporary phenomenon. For exports from Pakistan are reported to be at a low level. This, coupled with larger imports now envisaged, will, it is feared, result, once again, in the maladjustment in the country's balance of payments. As it is the foreign assets of Pakistan are very low; they amount to Rs. 81.32 crores as on 18th December, 1952, which compares very unfavourably with Rs. 150.52 crores in the beginning of 1952.

Guiding Principles

Be that as it may, the new import policy of the Pakistan Government has been based on the following four principles as enunciated by the Minister for Commerce, Mr. Tafazzal Ali, in the course of his first Press conference at Karachi the other day:

(1) Expenditure on imports on private and government account should be within the estimated earnings of foreign exchange for the period with a small cushion for possible fluctuations and building the exchange reserve.

(2) Import of industrial requirements should be as liberal as possible so that the pace of industrialisation is not affected.

(3) Where indigenous production of an article is sufficient or near-sufficient, foreign exchange should be conserved by not allowing its import.

(4) Consumer goods which are not strictly essential and are sometimes classed as "luxury goods" should be permitted import to a limited extent to cater to the demand of the tourist traffic of foreigners in Pakistan.

A striking feature of the new policy is that nearly 70 per cent. of foreign exchange has been earmarked for imports of industrial requirements such as machincry, spare parts and basic raw materials. The rest is mainly earmarked for essential consumer goods, a minor percentage being reserved for non-essential articles.

Reviewing the import policy, Mr. Tafazzal Ali indicated that, until such time as inherent equilibrium in the balance of current payments was achieved, large-scale liberalisation of imports might not be possible. He, however, expressed confidence that Pakistan would increasingly cease to import those articles the indigenous production of which was progressively increasing both in quantity and quality. Mr. Ali said:

"This confidence is justified will be clear from the fact that articles that we used to import in large volume in the past, but which we no longer import, because indigenous production is now nearly equal to demand. Take, for example, manufactures, of which average annual import under Open General Licence used to be of the order of Rs. 2.20 crores. Today, we have sufficient but have started exporting. Similar with edible oils, cement, [illegible] metal lamps, sulphuric acid, confectionery, biscuits, woollen [illegible] electric fans, brushes, buttons, [illegible] it will not be long before we [illegible] in a number of other articles [illegible] cycles, sewing [illegible], earthenware, [illegible] matches, woollen fabrics, etc.... [illegible] increasing domestic production will result in foreign exchange savings, which could be used for the import of goods which are not, or may not, be available locally and for rebuilding our foreign exchange reserve. I am confident that, with foresight, planning and efficient administration, we can with our resources, maintain the economy of the country on an even keel."

Proceeding, the Minister said that the attainment of equilibrium in balance of payments had been at the expense of considerable sacrifices imposed on the consumer who had perforce to be deprived of many articles to which he had grown accustomed in the past; for the reduction of expenditure on imports had to be commensurate with the fall in earnings from exports. The extent to which imports had to be restricted could be gauged from the fact that Pakistan's total foreign exchange earnings in the year 1952-53 (July-June) were Rs. 134 crores, as against Rs. 219 crores in the year 1951-52 (July-June). In spite of constant efforts to expand exports which would be intensified—no material change in the country's ability to earn foreign exchange in the coming year could yet be foreseen. For Pakistan's capacity to earn foreign exchange depended preponderantly on its agricultural production, the value of which could not be appreciably stepped up very fast. The rapid industrialisation that was presently taking place could not immediately make any significant contribution to foreign exchange earning, though it would help reduce import expenditure on articles of which there was substantial domestic production and thereby make relatively more exchange available for expenditure on other import needs. Real improvement in the external payments position would ultimately depend upon adequate development of resources and the expansion of efficient agriculture and industry.

In conclusion, the Minister expressed his anxiety to see that trade with the neighbouring countries having a common land frontier was rationalised and stimulated to the mutual advantage of Pakistan and its neighbours. He also wanted to pave the way for stability in commercial relations with the major overseas trading partners. To quote him: "The development of trade with Muslim countries with whom we have religious and cultural ties is also engaging my attention. The problems connected with promotion of the inter-zonal trade between East and West Pakistan, general export promotion, and formulation of our shipping and tariff policy will receive high priority."

A recent report from Karachi avers that a proposal to evolve a fresh basis of payment for import and export between Pakistan and the Middle and Far Eastern countries is under the consideration of the Government of Pakistan. The proposal is a sequel to the need for meeting a part of the sterling shortage in the area. Several of these countries, it is reported, have expressed the desire to have "rupee account trade" with Pakistan. If this proposal is accepted, a rupee account will be created for imports into Pakistan from the Middle East and Far Eastern countries. Pakistan rupees earned by each country will then be credited to the country which, in turn, may use it for buying Pakistan goods.

U.S. Aid

Pakistan will receive from the U.S. $22 million economic aid during the fiscal year ending June, 1954, under an agreement signed between the representatives of the Governments of the two countries at Karachi last week. This grant brings the total U.S. contribution to Pakistan's development so far to $44 million. During the years 1950-51, 1951-52 and 1952-53, Pakistan received economic aid worth $600,000, $10 million and $12 million, respectively.

Out of the latest grant of $22 million, about $19 million are to be made available for the provision of equipment and technical assistance for the existing projects and for additional projects mutually agreed upon by the two Governments. The balance will be spent on salaries and expenses of technicians sent to Pakistan, as also on the training of Pakistanis abroad. Pakistan has agreed to meet the rupee expenditure on development projects financed by the U.S.

(Concluded from next column)

American export competition will undoubtedly be intensified in a slump and drive this country to expand its trade with the "East"—using the word in a political sense. So there are possible squalls ahead and, as sailors do in such circumstances, this country can only keep a keen lookout for them and be prepared to cope with such trouble as arises when it comes.—*All Rights Reserved.*

OUTLOOK FOR NEW YEAR

SQUALLS QUITE POSSIBLE

(From Our Own Correspondent)

LONDON, *2nd January*

LONDON LETTER

AS if to ensure a Happy Christmas to Britain's Chancellor of the Exchequer, the last news just before the holiday was that 1953 was to show an all-time record industrial production. 1952, Britain's year of minor recession, gave an index figure of output of 113, as compared with the 117 of 1951; the forecast for 1953 is 119. Moreover, the autumn trend is moving strongly upwards; October gave a reading of 128, compared with the pre-summer decline peak of 123. Yet the Treasury has been quick to point out that the whole upswing has been in home consumption goods and that the country had still better look to its export trade before sitting back in complacency.

Why should this warning be sounded? Undoubtedly because, across the Atlantic, business affairs are taking a very different turn. There, after a first half-year which rode well above 1952, the industrial output curve took a plunge right away from normal. The March peak figure was 243 which was 10 per cent. higher than a year earlier and the differential was still being maintained in August when the index stood, in spite of the summer dip, at 235. But, after that, production, instead of going on upwards, dipped unseasonably downwards, crossed the 1952 curve in October and in November hit 228, well below the level of the previous year.

Expressed in dollars, the value of America's gross output which had risen to a peak of $372,000 million annual average in the second quarter of 1953, dropped, for the first time for many years, in the third quarter to an annual average of $369,000 million and in the fourth quarter to an annual average of $365,000 million. It looks as if the year will finish at $367,000 million and a forecast by American economists is that the decline will continue through 1954. But they put this decline at no more than 5 per cent. which would give a gross product for the U.S.A. of $347,000 million which is virtually the same figure as for 1952 and 5 per cent. higher than for 1951. Clearly, if this is all that is going to happen, the effects, whether internally for the U.S.A. or externally, are not going to be very serious.

But the other major economic indices do not look very healthy; wholesale prices have been running consistently lower through the year (as compared with this country where they have been stable with some tendency to strengthen) reflecting a reduced demand for commodities in general. The demand for consumer goods, normally at its strongest in the autumn, has this year been relatively weak, while investment in new plant and equipment is estimated to be down some 8 per cent. and new housebuilding to be down some 10 per cent. The de-stocking of commodities which has been going on, and which has accounted for the fall in gross output, can only too easily, in the volatile American economy, develop cumulatively and lead into a slump. In those circumstances, would the Administration have the courage to run a huge budget deficit—*à la* Keynes—which is the only way in that country to produce the recovery in demand that would arrest a slump?

What of the effect on this country if an American slump does in fact develop? First, of course, to feel the cold wind of reduced buying would be the raw materials of the sterling area, the cocoa, wool, tin and rubber which bring in substantial dollar earnings. But there is good reason to suppose that the process of reduced buying has already gone some way—prices of these basic commodities are far below their levels of a year ago (though it may be a little naive of the *Economist* to suggest that prices have fallen so low that they cannot fall any further) and have been reflected in the slower tempo of the build-up of this country's gold and dollar reserves. On the other hand, an American slump will drop the prices of other commodities entering into international trade and still further improve Britain's terms of trade, already moving in this country's favour for a year past. Moreover, sterling is psychologically, as well as materially, stronger now than at any other time since the war and less likely to be a target for speculative attack if America does go "bad". But

(Continued in previous column)

INDUSTRIAL FINANCE CORPORATION

ENQUIRY COMMITTEE'S FINDINGS

A PERUSAL of the three documents placed before Parliament towards the close of last year, namely, (a) the Report of the Industrial Finance Corporation Enquiry Committee, (b) the views of the Board of Directors of the Corporation, and (c) the Government of India's Resolution on the Report, together discloses that the Corporation has been vindicated of the charges levelled against it in Parliament in 1952, when the Industrial Finance Corporation (Amendment) Bill was under discussion. It will be recalled that, apart from the charges of nepotism and favouritism, there were others which included (1) failure to encourage industries in the backward regions, (2) preference shown to well-established large-scale industries overlooking the interests of small- and medium-scale industries, (3) grant of loans for purposes not falling within the framework of the Five-year Plan, (4) partiality towards industries earning good profits and to companies which could raise loans in the markets, (5) failure of loanee companies to increase production or to raise installed capacity, (6) incompatibility of efficiency with high expenses. On these, as well as on a few other charges which would be dealt with presently in detail, the Committee has found no evidence to justify them. And wherever the Committee has made certain unfavourable observations, the replies of the Directors of the Corporation are convincing.

The Industrial Finance Corporation Enquiry Committee was appointed, it may be recalled, in December, 1952, under the chairmanship of Mrs. Sucheta Kripalani, to enquire into certain specific allegations, particularly nepotism and favouritism in the grant of loans by the Corporation. Other members of the Committee were Mr. V. B. Gandhi, Mr. Sri Narayan Mehtha, Mr. P. A. Narielwala, Mr. R. Suryanarayan Rao and Mr. G. Basu. Mr. S. K. Sen, Deputy Secretary, Ministry of Finance, was Secretary of the Committee. Its terms of reference were:

(1) To verify whether, in general, care has been exercised by the Corporation in the grant of loans;

(2) to review the policy followed by the Corporation in the grant of loans with due regard to the objectives of the Industrial Finance Corporation Act and the directions issued by the Government; and

(3) to make recommendations for improvement in the working of the Corporation.

Corporation Exonerated

It is comforting to note that the findings of the Committee have not established the charges of nepotism and favouritism, as alleged in Parliamentary discussions. This is also indicated by the Government resolution on the recommendations of the Committee. While exonerating the Corporation from these charges, the Committee has made some unfavourable observations to the effect that loan applications in which the Chairman or other Directors took interest received more expeditious and liberal treatment. Commenting on these observations, the Government resolution states: "The material on which these remarks are based is not given in the Report, although the Committee has made certain observations in its examination of individual cases, which might suggest that some favour or leniency was shown. The Government have had every one of these cases most carefully examined and find it difficult to accept the view expressed by the Committee, especially in regard to liberality of treatment, meaning thereby larger loans or easier conditions not justified by business considerations. Government have no hesitation in agreeing with the Committee that the charges of nepotism and favouritism against the Corporation have not been proved."

These clear cut observations are welcome, inasmuch as they will help restore the fair name of the Corporation, the reputation of which had been at stake ever since the Corporation was bitterly attacked in Parliament. The Government, however, has not announced its decision on a number of general recommendations made by the Committee in connection with a specific loan granted to the Sodepur Glass Works, as they are still under its consideration. The delay in announcing its decision on this question is inexplicable, for more than seven months have lapsed since the Committee submitted its report—on 7th May, 1953, to be precise.

The Government's resolution referred to above contains also its decisions on the recommendations of the Committee. Before taking up these, it is necessary to refer here to the Committee's views on some of the allegations enumerated at the beginning of this article.

No Bias Against Small Industries

A scrutiny of rejected loan applications by the Committee has revealed that the Corporation has no bias against industries established in backward regions, as was alleged in Parliament. It is pointed out, in this context, that the Corporation was constituted not for promoting industries in different regions but to deal with such applications as are received by it from time to time. Further, the Committee's examination has not revealed any discrimination on the part of the Corporation against small industries in favour of larger industries. In fact, it had granted a loan of Rs. 50,000 to a chemical works. The Committee says that "unless small and medium industries approach the Corporation for a loan, the Corporation could not sponsor applications from such industries."

The allegation that the Corporation's policy in granting loans is not integrated with the Five-year Plan has also been examined by the Committee. The Committee, in this connection, admits that the Corporation had to deal with applications as they came in and so it was difficult for the Corporation to adhere to any rigid priority list. Nevertheless, the Committee suggests that, in future, the Corporation should conform to the set-up of the Five-year Plan. The Government, too, in its resolution has accepted this suggestion.

Another serious charge was that the Corporation was granting loans only to big and well-established concerns. The Committee for its part says that this is partially correct, but feels that such must have been due to the desire for ensuring the safety of the Corporation's money and for putting the available funds to productive use. The Directors of the Corporation, in commenting on this observation, have stated that the Committee has quoted no specific instance to establish the existence of prejudice in favour of big business. They observe: "In actual fact, the Corporation has never been short of resources. Therefore, no application for a loan which was found to be otherwise sound had to be refused for lack of reserves. All applications, big or small, whether for particular group of industrialists or not, whether from established or new industries, whether any Director of the Corporation was connected with it or not, were dealt with on their merits." They further add: "A large number of applications from big business were received because of the comparative smallness of the business world in India, on account of which there is much more inter-connection within its various parts than is, perhaps, the case elsewhere."

High Cost of Operation

On the question of incompatibility of efficiency with expenditure incurred by the Corporation, the Committee opines that the cost of working would surely come down with the larger utilisation of the funds. The high cost is also partly due to employment of technical personnel required to assist it in deciding loans. Besides, the Committee feels that the rates of interest charged by the Corporation are reasonable.

In its report the Committee has suggested that it would be advantageous to have a whole-time paid Chairman for the Corporation, instead of a Managing Director as at present. It is of the view that the Chairman should be assisted by a General Manager and a Secretary in the matter of day-to-day working of the Corporation, leaving the overall policy and general superintendence of the Corporation to the Board of Directors. The paid Chairman, the Committee says, "should not necessarily be an industrialist, but he should be a man with mature experience in the field of production, management and finance." While accepting this suggestion in the principle, the Government points out that the Act will have to be amended in order to give effect to it.

Another suggestion made by the Committee is that the Board of the Corporation should meet at important centres and that there should be regional panel of advisers out of which a few could be selected *ad hoc* to deal with each loan application. The Government has agreed with the former suggestion. As regards the latter, however, the Government feels that the Corporation should obtain advice on a functional rather than a regional basis. To secure proper consultation with industry, the Corporation has appointed, it says, a Textile Advisory Committee, and is considering the appointment of similar other functional committees for different groups of industries. In the absence of the full text of the Report, it is not clear on what grounds the Committee has advocated the appointment of regional panels. One cannot, therefore, readily appreciate the need for the panels, if the same purpose for which they are meant is served, possibly in a better way, by the functional committees. The procedure, now in vogue, of obtaining advice from the latter bodies may be given a trial for some more time, in order to know how far the bodies would be helpful in deciding loan applications expeditiously and impartially.

Interlocking of Interests

The Government has accepted the Committee's recommendations that a Director of the Corporation who has any interest in an industrial concern which has applied for a loan should disclose his interest in the loan. The Corporation too, it is stated, has accepted this suggestion. The Government has also agreed that the particular director should withdraw from the meeting when the application in which he is interested is under discussion.

Among other recommendations of the Committee was one which precluded from the eligibility for loans of a company whose director or a partner or a shareholder was also a Director of the Corporation. That this suggestion is most impracticable and inadvisable is evident from the Government's comments on it. It is common knowledge that nearly 60 per cent. of the share capital of the Corporation is contributed by banks, insurance companies, co-operative banks, etc., which have a right to return six out of the 12 Directors on the Board of the Corporation. These Directors are likely to be shareholders or Directors or partners in managing agency concerns of some of the applicant companies. The total exclusion of all such companies from eligibility for loans from the Corporation would cause hardship to such companies. The adoption of the suggestion may not even be practicable, unless the entire character of the Corporation is changed and the capital composition radically altered. The Government is, therefore, justified in not accepting the suggestion. In order to deal with such cases, the Corporation has agreed, we are told, to reserve them for consideration by the full Board on which sit the Government Directors whose presence will act as a safeguard in granting loans. Further, the Government has decided that such cases should also be referred to it.

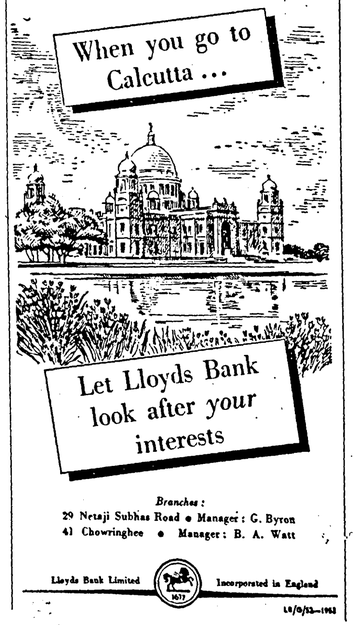
Commenting on the Committee's suggestion that the Government should issue directives to the Corporation on the principles to be followed by it, the Government pertinently observes that the Industrial Finance Corporation represents a new experiment in the field of industrial finance and principles could be evolved and practices established, only in the light of actual experience. Moreover, two senior officers of Government have been serving as Directors on the Board of the Corporation who act as liaison between the Government and that body. For this reason, no directives, it is stated, were issued in the past on one occasion in 1948. In the light of the experience now available, the Government, however, observes that it would issue directives embodying its decisions to the Corporation.

Loans in Excess of Rs. 50 Lakhs

The Committee had suggested that any individual loans in excess of Rs. 50 lakhs should be referred to Government for sanction. Commenting on this suggestion, the Government points out that only recently the law was changed to empower the Corporation to grant loans in excess of Rs. 1 lakhs. Government sees no reason in changing the law again, especially when no such loans exceeding Rs. 50 lakhs have been granted by the Corporation so far. The Government has, however, agreed that all loans in excess of Rs. 50 lakhs should be reported to it.

Although the Government and the Committee do not see eye to eye on certain points, it must, in fairness to the Committee, be said that it has done its job well and that it fully deserves the tributes paid by the Government. In the course of its resolution, the Government says: "The Government of India considers that the Report of the Committee is of great value in clearing some of the misconceptions about the working of the Industrial Finance Corporation. The recommendations of the Committee should go a long way toward improving the working of this institution and a new experiment in the field of industrial finance in this country so that it may play a fruitful and vital part in the development

The Travancore-Cochin Fin... inaugurated in Trivandrum by ... Chairman, Taxation Enquiry C... December last, has an authori... crores, divided into 200,000 sh... and an issued capital of Rs. ... 100,000 shares of Rs. 100 eac... Half of the issued capital has ... State Government. The Re... has taken up 10,000 shares ... co-operative banks, insurance ... financial companies are expec... 30,000 shares. The balance o... earmarked for ... ties not c... above categories. The shares are guaranteed by the State Government in respect of both capital and a minimum dividend of 3½ per cent. taxable. They will be treated as approved securities for purposes of the laws governing investments by banks, insurance companies and trusts.



BANKING COMPANIES (... ACT OF 1953

PROVISIONS AFFECTING DIRECTORS TOO ONEROUS

(Contributed)

AN article, entitled "Law for Quick Disposal of Bank Liquidation Passed," published in the issue of *Commerce* dated 12th December, 1953, gave an account of the passing of the Banking Companies (Amendment) Bill by the House of the People last month. The provisions of the Act for the simplification of the process of liquidation of banks are unexceptionable. But the same cannot be said of the provisions dealing with the liability of bank directors. The above article, however, disposed of the latter provisions in a short paragraph. In view of their importance and the adverse effect which they may produce upon the progress of banking in this country, they are considered here in some detail.

Every citizen of India, thinking rightly, desires that banking in the country should be conducted on sound lines and would not desire any protection to dishonest or even apathetic bank directors. At the same time, to ensure satisfactory progress of banking in the country, it is necessary to see that men of integrity, standing and substance are not deterred from accepting the position of directors, by making the position too onerous for them. It is to be feared that some of the provisions of the Act mentioned ... will produce such a deterrent effect.

Section 45-G of the Act provides that, where an order has been made for the winding-up of a banking company, the official liquidator shall submit a report stating whether, in his opinion, any loss has been caused to the banking company since its formation by any act or omission (whether or not a fraud has been committed by such act or omission) of any person in the promotion of a banking company or of any director or auditor of the banking company; that, if, on consideration of this report, the High Court is of opinion that any person who has taken part in the promotion of the banking company or has been a director or an auditor of the banking company should be publicly examined, it shall direct the attendance of such a person, director or auditor at a public sitting fixed for the purpose; that the official liquidator shall and any director or contributory may, either personally or through a lawyer, take part in the examination of such person examined shall answer on oath all such questions as the High Court may think fit to allow to be put to him; and that notes of the examination shall be taken down in writing and shall be signed, after reading, by the person examined and may thereafter be used in evidence against him in any proceeding, civil or criminal, and shall be open to inspection of any creditor or contributory.

Valuable Safeguard Violated

The above provision for using the notes of the examination in evidence against a director in any criminal proceedings violates a valuable safeguard provided by the law of criminal procedure for the fair trial of an accused person, namely, that the accused cannot be subjected to any examination or cross-examination and that the prosecutor has to establish his case without the assistance of any admission he may be able to obtain from the accused, if the latter is examined and cross-examined. The necessity of this safeguard in criminal proceedings becomes clear, when we consider how often an honest witness is led by a clever, cross-examining counsel to make statements that are untrue as well as prejudicial to the interests of the witness. Grave injustice would be caused to a witness, if an untrue statement made by him under the stress of cross-examination is used against him in his trial for an offence. The directors of a banking company in liquidation, who are examined in accordance with the provisions of the above section of the Act, would have to face cross-examination by the liquidator or his counsel and it would be unjust to them to use statements made by them in cross-examination as evidence against them in criminal proceedings.

Further, the provisions would defeat the very object of the examination, namely, to elicit ing from the directors all information that ... not be obtained from the records of the banking company concerned or from other sources. The provision that the answers given in such examination may be used as evidence in criminal proceedings against the directors giving the answers is sure to compel them to give as little information as possible in their answers and thereby to defeat the object of the examination.

The next section, that is, 45-H, of the Act provides that, where an application is made to the High Court under section 235 of the Indian Companies Act against any promoter, director, manager or officer of a banking company, for repayment or restoration of any money or property and the applicant makes out a *prima facie* case against such person, the High Court shall make an order against such person to repay and restore the money or property, unless he proves that he is not liable to make the repayment or restoration either wholly or in part: provided that, where such an order is made jointly against two or more such persons, they shall be jointly and severally liable to make the repayment or restoration of the money or property.

Most Unjust Presumption

In so far as the above section provides that, on a *prima facie* case being made out against a director or officer in an application under section 235 of the Indian Companies Act, the onus should lie on him of proving his innocence, the section makes no departure from the law already in existence. Even under such law, a person who, in any civil proceedings, has, *prima facie*, been shown to be liable, is held by the Courts to be liable, unless he disproves his liability. But the above section goes much further than the well recognised principle that, on a person being shown to be *prima facie* liable, the onus of proving the absence of his liability is on him. The above section means that, if an act of misconduct on the part of a director is established, he is to be presumed to be liable for any amount of loss which the applicant, who would generally be the liquidator, chooses to allege as the loss caused by his misconduct, unless the director proves that he is not liable to make the repayment either wholly or in part. The provision that the loss alleged by the liquidator should be presumed to be the actual loss until the contrary is proved seems to be most unjust. The law provides for various presumptions to be made in various circumstances, but there has not hitherto been any law in India so unjust as to make the extent of a presumption depend on what the person claiming the benefit of the presumption alleges.

Further, where a claim against several directors is based on several acts of misconduct committed at different times, all of them may not have been responsible for all the acts and some of them may not even have been directors when some of the acts were committed. But the above section does not make it clear that all of them are not to be presumed to be responsible for the loss resulting from the acts. Any such presumption would be very unjust.

Section 45-I provides that every director or other officer of a banking company which is being wound-up shall give such assistance to the official liquidator as he may require in the realisation and distribution of the property of the banking company and that, if the director or other officer fails to do so, he shall be guilty of contempt of court. The language of this section is so wide as to give the liquidator the power to require a director or other officer of the banking company to do even the clerical work necessary for realising and distributing the property of the banking company. The work of a director may require his presence for considerable periods at a place distant from the place in which the liquidator's office is located, but he must place himself at the beck and call of the liquidator to give him such assistance as he may require.

Again, the section does not indicate to which of the persons who have been directors and officers of the banking company in liquidation at various times during its existence, its provisions are to apply. It is not clear whether it is to apply to every one who has been a director or officer of the company at any time during its existence, although he may have ceased to occupy that position long before the commencement of the liquidation, or whether it is to apply only to those who were directors or officers at the commencement of the liquidation.

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It is to be feared that the above sections of the Banking Companies (Amendment) Act, 1953, will tend in practice to discourage honest and respectable persons of good standing from acting as directors of banking companies, but that they will not deter unscrupulous adventurers, possessing no stake, from acting as directors or abusing their powers. A director of a banking company, who deals fraudulently with his company's funds and thus accepts the risk of being prosecuted under the laws which have been already in existence, will not be deterred from committing the fraud by the above sections of the amending Act. But an honest person will be unwilling to become a director on account of these sections of the Act.

Effect of New Act

An important result of this new enactment will be that the boards of directors of banks will have to meet much more frequently, as the directors will find it necessary even to go into such details of the day-to-day working of their banks as should, properly speaking, and for the smooth working of the banks, be at the discretion and within the authority of the Managing Directors or General Managers. Experienced and competent men, who are busy with their own activities, will not be able to spare the time for the numerous board meetings of banks, which may have to be held at least thrice every week. But it is necessary for banks in India to have such experienced and competent men, possessing integrity, standing and substance, as their directors, because banking in India is still in the early stages of development and because deposits, which are the stock-in-trade of banks, depend upon the reputation of their boards of directors. The danger, therefore, is that the result of the new Act will be the opposite of what is intended by it. It appears that even old-established and best-conducted banks are perturbed by this new piece of legislation, because they are afraid that it may deprive them of the services of some experienced, competent and reputed men as directors.

This legislation seems to be based upon the experience of unsatisfactory working of a number of non-Scheduled banks. But it will very adversely affect all Scheduled banks, although a large majority of them have been working in a satisfactory manner. In this connection, it is important to note that most of the business and deposits of the Indian banking system are in the hands of Scheduled banks, although their number is much smaller than that of non-Scheduled banks. It is true that, in a few cases of recent failures of Scheduled banks, the lack of proper attention on the part of the directors towards the affairs of the banks have been, to some extent responsible for the failures. But the inclusion of drastic provisions in the new Act on account of a few cases of this type will adversely affect the quality and standing of the boards of directors of even sound and well-established Scheduled banks and is likely to defeat the very object of the legislation.

There is no need for such drastic provisions, because the Reserve Bank has been already possessing adequate powers for exercising proper control over banks by means of inspection and licensing. It carries out periodic inspections of all banks. If from a scrutiny of the numerous returns which it receives regularly from all Scheduled banks, it suspects that some of the doings of a few banks may not be satisfactory,

(*Continued on page 55*)

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suggested the imposition
...n duty of 30 per cent. The
(exclusive of surcharge) on
other items ... recommended by the Commission and the rates which the Government has decided to impose—these are the previously existing rates—are given below:

Name of article	*Existing rate of duty*	*Rate of duty proposed by the Commission*
Silk, raw (excluding silk waste and noils) and silk cocoons.	30% *ad valorem* + Rs. 3-14-0 per lb. + 5% of the total duty.	30% *ad valorem*.
Silk, waste and noils	31¼% *ad valorem*	30% *ad valorem*.
Silk yarn, including thrown silk warps and yarn spun from silk waste or noils but excluding sewing thread :		
(a) Silk yarn, including thrown silk warps but excluding sewing thread.	30% *ad valorem* + Rs. 3-14 per lb. + 5% of the total duty.	30% *ad valorem*.
(b) Yarn spun from silk waste, excluding sewing thread.	30% *ad valorem* + Rs. 6-0 per lb. + 5% of the total duty.	30% *ad valorem*.
(c) Yarn spun from noils, excluding sewing thread.	30% *ad valorem* + 5% of the total duty ..	30% *ad valorem*.
Silk sewing thread	31¼% *ad valorem*	30% *ad valorem*.
Fabrics, not otherwise specified, containing more than 90 per cent. of silk, including silk fabrics embroidered with artificial silk :		
(a) Pongee	75% *ad valorem* + Rs. 5-8 per lb. + 55% of the total duty.	Compensating duty of 21%.
(b) Fuji, boseki and corded (excluding white) ..	75% *ad valorem* + Rs. 5-8 per lb. + 55% of the total duty.	Do.
(c) Other sorts	75% *ad valorem* + Rs. 4-0 per lb. + 55% of the total duty.	Do.

With the continuance of tariff protection to the sericultu.e industry for five more years, the duration of the total period of protection, inclusive of the period for which protection is now granted, comes to 24½ years. The sericulture industry, it will be recalled, was first granted protection in 1934 for a period of five years ended 31st March, 1934, on the basis of the recommendation of the Tariff Board which conducted an enquiry into the industry in 1933. Another enquiry was conducted in 1938, but, owing to the outbreak of war, the Government could not take action on the Board's report. The protective duties then prevailing were, therefore, continued from time to time till the end of March, 1949. In the latter half of 1948, the Board conducted an enquiry and recommended continuance of protection upto 31st March, 1952, which was accepted by the Government of India. On the recommendations of the Board, the Government revised the duties on raw silk and silk yarns four times during the years 1950 and 1951, in order to adjust them to the variations in the c.i.f. prices of imported raw silk. It also extended the period of protection till the end of 1952.

Recent Enquiry

As the Tariff Commission could not conduct, before 31st December, 1952, the necessary enquiries into the continuance of protection, it recommended an *ad hoc* extension of protection by one year, that is, up to the end of 1953, pending a detailed enquiry and submission of its report thereon to the Government during 1953. This recommendation was accepted by Government. The recent enquiry by the Commission was in accordance with sections 11 (c), 13 and 15, under which it can investigate the working of protection granted to an industry. The continuance of protection by Government for five more years is a sequel to this enquiry.

The Tariff Commission's recommendation for extending the period of protection to the sericulture industry is based on the ground that the industry will take some more time to consolidate and improve itself. To quote the Commission: "Efforts have to be directed as part of a long-term programme towards increasing the output of (mulberry) leaves per acre and improving the quality of cocoons, raw silk, etc. To enable the industry to formulate and implement schemes of improvement, it is essential that the industry should be assured of protection for a reasonably long period."

...dering the magnitude and the economic ...portance of the sericulture industry, the continuance of tariff protection for five more years may no doubt be justified. But the point is whether protection itself will ensure stable conditions in the industry. As already noted, the Indian sericulture industry has been enjoying tariff protection for such a long period as 19 years. Naturally enough, one would expect a remarkable development of the industry in the field of both production and quality. But this expectation has not been fulfilled, as witness the following remarks of the Tariff Commission:

"On an overall view, we have to state that, while improvement has been recorded in some directions, the industry has not progressed as much as one would expect it to have done during nearly two decades of protection. The production of raw silk has not improved sufficiently. The proportion of filature silk is still very small. The quality of indigenous production is not yet higher than the International 'D' grade."

The aggregate output of raw silk amounts to only 2 million lbs. per annum, which falls short of the estimated demand by over 2 million lbs. and of the self-sufficiency target by as much as 8 million lbs. Moreover, cocoons in India yield a length of 400 to 500 yards only, as against 1,094 yards in Japan. Again, 16 lbs. of cocoon are required to produce one lb. of silk, while in Japan only 7½ lbs. are required. It is no wonder, therefore, that raw silk prices in India should have all along remained very high. It is this high level of prices that has been responsible for a considerable reduction in the consumption of pure silk.

What is this state of affairs due to? It is due, in a large measure, to lack of technical efficiency and proper organisation of the industry. The attainment of a high level of efficiency in the Japanese sericulture industry has been rendered possible by sustained scientific research. After all, it must be remembered that it is through scientific and technological research that production can be improved, thereby augmenting output, improving quality and lowering production costs. Indeed, as Mr. T. Swaminathan, Textile Commissioner to the Government of India and Chairman of the Central Silk Board, rightly emphasised at the Board's meeting held in Bombay recently, research work—both on the mulberry tree and on the silk-worm—and co-operative organisations of marketing of cocoons and raw silk are the directions in which work has to be done urgently with a view to reducing prices. The specific recommendations that the Tariff Commission has made in this respect are as follows:

"Research, particularly in respect of mulberry cultivation and breed of silk-worms, is of vital importance to the development of the sericulture industry. The Central Silk Board should, therefore, go ahead with its proposed scheme of setting up regional research stations with emphasis on the above two aspects and implement it as early as possible. For co-ordinating research activities of these regional stations, a central research station should also be established at a convenient place."

All this requires adequate finance. The resources available with the Central Silk Board are stated to be insufficient for the purpose. Mr. Swaminathan, for instance, appealed for larger sums of money being placed at the disposal of the Board. The Tariff Commission also has stressed this aspect. It says: "The Government of India should increase their grants to the Central Silk Board so as to enable the Board to extend increased financial assistance to the Central Sericulture Research Station, Berhampore, and to the Research Institute in Mysore. ... The Governments of the various silk-producing States should encourage ... would be their States by increased financial ... The statement of the Union Minister ... Commerce and Industry, Mr. T. T. Krishnamachar made at the recent meeting of the Board, tha... he would give "sympathetic consideration" to the Board's requirements, with a view to securing all-round improvement of the sericulture industry and the essential reduction in the price of pure silk is, indeed, reassuring. Incidentally, it may be noted that the Board has approved of the demand of Rs. 25 lakhs for developmental and organisational work of scientific and economic nature, besides a sum of Rs. 20 lakhs for granting loans to State Governments for organising markets, and improving and renovating equipment. Further, it has constituted a small committee to examine, in detail, the measures necessary for stabilising the industry on an integrated all-India basis. The Board has also suggested to the State Governments that they should hold buffer stocks of imported silk, in order to bring down its price and, indirectly, the price of indigenous silk.

Quantum of Protection

To revert to the Tariff Commission's recommendations in respect of the quantum of protection. Since a large part of the indigenous filature silk corresponds to the international 'D' grade, the Commission feels that the quantum of protection required by the industry should be based on the c.i.f. price for that grade. Accordingly, the duty required to bridge the gap between the fair ex-works price (inclusive of allowance for contingencies) of Rs. 31 per lb. of Indian filature raw silk and the landed cost ex-duty of Rs. 24-0-8 per lb. will be 30 per cent. *ad valorem* exclusive of surcharge. As already noted, this recommendation has not been accepted by the Government. It is not clear what considerations have weighed with the Government in arriving at this decision. Perhaps, it feels that any downward revision in import duty on raw silk will hit hard the indigenous raw silk producers. There is no doubt that there is some truth in this contention. But, at the same time, the Government should not overlook the interests of weavers and consumers of raw silk who have been paying very high prices. Further, the quantum of reduction in rate of duty which the Commission has suggested is not so drastic as to result in considerable imports to the detriment of the domestic industry.

The Government of India has also not accepted the Commission's recommendation for a downward revision in import duty on silk fabrics. Evidently, Government must be of the view that silk fabrics are articles of luxury and can, therefore, bear a high level of import duty. Revenue considerations too might have weighed with Government.

DEVELOPMENT OF HANDLOOM INDUSTRY

Further loans and grants for the development of the handloom industry in the different States have been sanctioned by the Central Government out of the Rs. 4 crores earmarked for the development of the industry during the financial year 1953-54.

A loan of Rs. 1,18,750 to the Saurashtra Government has been sanctioned. The Madhya Pradesh State Government has been granted a loan of Rs. 11,37,500, of which Rs. 11,00,000 will be advanced to co-operative societies to provide working capital and Rs. 37,500 will be loaned out to 2,000 weavers for financing their share capital to enable them to join co-operative societies. Another sum of Rs. 4,56,517 has been sanctioned to the Madhya Pradesh State as a grant out of which Rs. 3,50,000 is for payment of rebate on sale of handloom cloth in respect of purchases of not less than Rs. 5 in each case from co-operatives and State-owned depots. A grant of Rs. 2,32,158 has been sanctioned for payment to the Uttar Pradesh Government. A grant of Rs. 1,29,120 has been sanctioned for payment to the Bombay State Government.

A further loan of Rs. 1,62,100 has been sanctioned for payment to the Bombay State Government. Grants totalling Rs. 53,800 and loans amounting to Rs. 1,00,000 have been sanctioned to the Mysore State Government for the development of the handloom industry in that State.

The total of grants and loans sanctioned up to date during the current financial year is Rs. 2,55,85,331. This includes Rs. 1,31,47,231 by way of grants and Rs. 1,24,38,100 by way of loans.

EXPORT OF RAW WOOL

It was announced on 16th November, 1953, that shippers of raw wool who might not have made any shipments during January-June, 1953, but had exported during January-June, 1951, or January-June, 1952, would be considered for export allotments. It has now been decided that such shippers should also be granted export allotments up to 60 per cent. of the shipments effected by them during the period January-June of 1951 or 1952.

In a Press note dated 6th October, 1952, the Government of India had announced that exports of wool waste would be licensed freely for shipment upto 31st December, 1953. As a result of a further review, the Government has decided to extend the free licensing of wool waste for shipment up to the end of June, 1954.

TRADING IN LIVERPOOL COTTON FUTURES
PAKISTAN INVITED TO SEND TRADE DELEGATION TO U.K.

(From Our Special Correspondent)

MANCHESTER, 28th December, 1953

MANCHESTER LETTER

MANY representatives of foreign cotton organisations are expected to be present when the Liverpool futures market reopens on 18th May, 1954.

The opening has been timed to coincide with the International Cotton Congress being held at Buxton to mark the Golden Jubilee of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

Announcing the news, the Liverpool Cotton Association said that before the date of opening a large amount of work had still to be completed both in finalising details and making statutory changes in the Association's articles and rules.

Mr. A. J. Kentish Barnes, the Association's President, has appealed to members for their support and co-operation, warning them that "any delays caused by failure to pass the necessary resolutions might have serious consequences."

Clearing Contracts

A number of extraordinary general meetings of the Association will be called during the coming months. The proposed new system for clearing futures contracts is to be discussed next week, when an opportunity will be offered to interested members to obtain clarification of any points they wish to raise.

A meeting will be held, a month later, to adopt the principle of clearing all contracts for ...tures delivery through a clearing association ...nd empowering the directors to proceed with ...e necessary arrangements. At the same time, the new American cotton delivery contracts will ...e submitted for adoption. Details of these con...cts will be forwarded to members of the ...ociation within the next few days.

Mr. Barnes, in a circular to members, ...ed out that it was not possible to meet the ... of all in the very many matters concerned ...he opening of the market. "Some of the ...ements proposed may indeed have to be ...d as experimental," he added.

...members, however, were urged to recognise the importance of unanimous decisions to inspire the confidence of the whole trade in the success of the enterprise.

Anglo-Pakistan Trade

Pakistan cotton interests are to be invited to send a delegation to Lancashire to discuss with British cotton industry leaders "lines of immediate action to their mutual advantage."

The newly constituted Lancashire-Pakistan Cotton Committee, set up by the Cotton Board to study what can be done to promote increased use of Pakistan cotton in Lancashire mills, decided to issue the invitation at its first meeting.

Sir Raymond Streat, Chairman of the Cotton Board, who is also Chairman of the Cotton Committee, said it was hoped a delegation would be able to visit Lancashire early in 1954. "It is hoped by encouraging the offtake of Pakistan cotton we shall progressively secure better terms for Lancashire exports to Pakistan," he declared.

Sir Raymond said he believed that trade relations between Britain and Pakistan were of great importance. No section of this relationship was more important than the importation of Pakistan cotton to Lancashire and the export from Lancashire of yarns and piecegoods.

"Increase Efficiency" Call

The importance to the Lancashire cotton spinning industry of shift working, greater efficiency and redeployment have been outlined by Sir John Reynolds, Chairman of Combined English Mills, one of the largest mill groups.

Sir John told the annual meeting of the Company that if every spindle in Lancashire of 30 years of age had to be replaced by a modern spindle, the capital cost to Lancashire would be astronomical and impossible to carry in a harshly competitive market.

"Employers and unions alike must work towards far fewer spindles producing equal, if not greater, weights of yarn by increased efficiency, by redeployment and by the introduction of shift work," he declared. He added: "If we can jointly achieve this end, then a proper balance of capital cost to production can be arrived at and Lancashire will retain its pre-eminent spinning position."

Referring to the advent of the Liverpool futures market, Sir John said it was not likely that the transition from the Raw Cotton Commission's cover scheme to a free Liverpool futures market could be carried through without considerable teething trouble. He said: "Fortunately the trade is at the moment well hedged with reasonably good yarn order books which will prevent any excessive weight of spinners' hedges falling on the new Liverpool market." Nevertheless, he thought that the opening of a market which must at once allow merchants to sell cotton "on call" Liverpool for prolonged periods ahead would be difficult and not easily carried into effect without patient co-operation by the spinning trade and all other potential market users.

Soviet Wants Textile Plant

Types of machinery required for Russian textile mills are to be studied by a team of experts from the Lancashire and Yorkshire textile machinery industry which is to visit Moscow early in the New Year.

Industry leaders are hopeful that the visit will lead to an increase in exports of textile machinery to Iron Curtain countries, but until the team returns from Moscow it is impossible to assess the likelihood of Russian orders being placed in Britain.

News of the mission to Moscow was given by Platt Brothers (Sales), the large textile machinery combine with headquarters at Oldham. It follows, the firm stated, the recent tour of Lancashire and Yorkshire textile plant manufacturing centres by members of a Russian trade delegation and Russian technicians. The Russians are understood to be interested in both cotton and wool textile machinery.

In 11 months this year, Britain's textile machinery industry has exported plant worth over £37,000,000—but only a small amount of it has gone to Iron Curtain countries.

Japan Calls The Tune

A reminder that although order books in Lancashire may be well filled and trade reasonably satisfactory for producers, Japan is drawing steadily ahead in the export field, has been given by the statisticians at the Cotton Board. Dealing with conditions in the international textile sphere during the third quarter of this year, their latest survey points out that by volume the Japanese mills are now well ahead of their export rivals. India and Lancashire shipped roughly equal quantities, leaving the United States a long way behind in fourth place.

Taking cotton and rayon cloth exports together, the situation at the end of nine months was that Japan had exported 945,000,000 square yards, Lancashire 635,000,000 yards and India 493,000,000 yards. The total for the United States for eight months was 569,500,000 yards.

Nor have the gains made by Japan in export trade been at the expense of its home market. Production of yarn and cloth has reached a level very little short of the rate achieved in 1939, and there is no reason to suppose that this trend will be changed. In rayon cloth alone Japanese exports are by volume at least twice as large as those from any other country.

The Position Nearer Home

By delving deep into figures, the Cotton Board has drawn some conclusions about recent developments in Lancashire. Yarn output is said to be running at about 9 per cent. below the peak reached before the 1952 slump. Cotton yarn alone is 16 per cent. lower than the 1951 level but spun rayon and mixture yarn output has increased by 57 per cent. Yet, according to the review staple fibre seems to have reached the limits of its advance, at least for the time being, as output of spun rayon yarns has been stable for some weeks, whereas cotton yarn production has been steadily increasing.

Rather similar circumstances are apparent in the weaving trade, as cloth output in October was also about 9 per cent. below the post-war peak level. Again, cotton fabrics had declined by about 13 per cent., while rayon and mixture cloth production was about 2 per cent. higher. But the increase in output of cotton cloth since the beginning of the year has been much more pronounced than the expansion in rayon goods.

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 16,635 bales, chief arrivals being 8,273 bales American, 2,384 bales Pakistan and 1,455 bales Brazilian.—*All Rights Reserved.*

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PROSPECTS FOR U.S. COTTON

ACREAGE CONTROL APPROVED

THE U.S. Government has, since the beginning of the 1953-54 season, shown increasing concern over the increase in the cotton supply in that country and the possible repercussions of such a heavy supply on the price levels, in particular, and the cotton economy, in general. In accordance with the legislative provisions of the price support programme in the U.S., a national marketing quota of 10 million bales (500 lbs. gross weight) and a national acreage allotment of 17.9 million acres was declared in October, 1953. These measures were, as the law requires, submitted to the farmers' vote. In a referendum held in December, 1953, the farmers have approved the marketing quota for cotton and have thereby earned the right to claim support price of 90 per cent. parity.

The law requires that a national marketing quota and a national acreage allotment must be proclaimed whenever the "total supply" exceeds the "normal supply." The official calculation of these which preceded the declaration of marketing quota was as follows:

(In million bales of 500 lbs. each)

"Total supply", 1953-54—	
Stocks as on 1st August, 1953.	5.1
Production 1953-54	15.3
Imports 1953-54	0.1
	20.5
"Normal supply", 1953-54—	
Domestic consumption, 1953-54	9.4
Exports 1953-54	3.2
	12.6
Add 30 per cent. reserve	3.8
	16.4
Excess of total supply over normal supply	4.1

In determining the national marketing quota, the following calculation was made:

(In million bales of 500 lbs. each)

"*Normal supply*," 1954-55—	
(Assumed equal to "normal supply" for 1953-54)	16.4
Carry-over stocks as on 1st August, 1954 ...	7.9
Calculated marketing quota 1954-55	8.5

Thus, the marketing quota, according to the calculation made above, would require only 8.5 million bales to be grown in the 1954-55 season. But a 10-million bale quota was set for that season. This is because the law provides that the national quota shall be not less than 10 million bales, even though, under the present formula, a greater reduction is indicated in order to establish the correct relationship between supply and demand next season. The law also prescribes that the quota should receive the approval of the farmers. If the latter do not approve this restriction, the price support will fall to 50 per cent. of parity; in other words, it will become inoperative.

Escape Clauses

As already stated, the farmers, however, have approved of the quota restrictions. But many members of the U.S. Congress, it is learned, have expressed concern over the present situation and will press for revisions in the present Act to provide some increase in acreage allotments. The Act, as it now stands, provides only two escape clauses whereby the Secretary can order an increase in acreage allotments above those prescribed in the legal formula. The allotment may be increased if it becomes evident that it will fail to produce a normal supply or if there is a noticeable increase in exports so as to alter materially the supply-demand situation. Neither of those provisions can be invoked in the context of the present state of the U.S. cotton economy.

The chief difficulty about marketing quotas is that the farmers would be compelled to turn from the commodity, for which quotas are prescribed, to others on which such restrictions do not exist. Thus, an artificial restriction of output in one commodity reappears as a surplus in other commodities. Since many commodities enjoy the benefit of the price-support programme, the U.S. authorities would still be required to support the prices of surplus products. Be that as it may, the fact remains that, even if the cotton output is restricted to 10 million bales in the 1954-55 season, the total supply of cotton during the season would still be higher than the so-called "normal supply." Thus, the supply in the 1954-55 season would aggregate about 18 million bales (production of 10 million bales together with the carry-over stocks of 8 million bales) as against the "normal supply," as calculated above, of 16.4 million bales. The adjustment of supply and demand in the U.S. may, therefore, extend over more than one season.

Against this background, it will be easy to appreciate the suggestions which have been made for increasing the exports of cotton. Already the Government has worked out a scheme—though of limited applicability—of selling cotton against the national currencies of importing countries. Some interests are advocating the need for an outright export subsidy, which would, of course, mean an additional burden on the general taxpayer. But this suggestion has not so far found favour with the U.S. authorities. Another suggestion that has been made is a two-price scheme, under which the farmers would be permitted to sell a portion of their cotton at world prices and they would be compensated for the difference by a tax collected from American spinners and manufacturers. This scheme is, naturally enough, opposed by the U.S. textile industry. It, therefore, remains to be seen what measures the Government will adopt in order to rectify the surplus position in raw cotton.

COTTON CONTROL

An important issue was raised by Mr. Purshotamdas Thakurdas, President of the East India Cotton Association, when he questioned, in the course of his address at the recent annual meeting of the Association, the need for retaining the control on cotton. At one time, the control on cotton might have been necessary as a "corollary" to the control on cloth prices. Now that there is no control on the price of cloth, it is difficult, as he rightly emphasised, to justify the retention of the control on the price of cotton. He pointed out how, in many countries, the authorities are either relaxing or removing the control on raw material grown by the domestic cultivators. He hoped that the Minister for Agriculture, Mr. R. A. Kidwai, will soon give a correct lead in this matter.

It is difficult to explain the reasons which have prompted the Government to retain the control on cotton when it has removed the control on cloth. If the Government is afraid that the mills might, in the event of decontrol of cotton, be compelled to pay higher prices for their raw material, it is necessary to point out that the industry already enjoys a certain measure of protection in the shape of a complete ban on exports of the varieties of cotton which it needs. Thus, cotton growers are completely at the mercy of millowners. It is true that there will be keen competition among the mills for the available supply of cotton which is less than the requirements of the industry as a whole. As a result of this some marginal mills might find it difficult to buy their cotton requirements as cheaply as they are able to do at present. But this is a risk which must be taken. In any case, it is not the function of cotton control to assist uneconomic units in the textile industry. If the industry deserves assistance, the Government should give it in ways other than at the sacrifice of the cotton grower. Even today he is getting for his produce much less than world prices. In short, no extenuating argument can be pleaded for the retention of control on cotton when the control on cloth has been abolished.

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pressed over the "growing textile inventories in this country and the export outlook". Japan, it is stated, continues to expand its yarn production.

FREE WORLD'S OUTPUT IN 1953

PROVISIONAL ESTIMATES

IT is somewhat difficult to present, at this time of the year, an accurate estimate of world cotton production for the 1953-54 season, since the estimates of output in different cotton-growing countries will take some time more before they are finally formulated. Even so, it is interesting to note that the preliminary estimates, made by the International Cotton Advisory Committee, place the current season's cotton crop of the free world at 28.8 million bales (of 478 lbs. each) or roughly equivalent to the level of the 1952-53 output. But the Committee's figure for the current season is based upon the November estimate of the U.S. cotton output which has been exceeded by the December estimate by nearly 0.4 million bales. This means that the free world's cotton output could be placed higher at 29.2 million bales, as against 28.8 million bales in the 1952-53 season.

In the countries outside the U.S., the cotton output in the current season is placed at a level somewhat lower than in the 1952-53 season. Thus, the output in these countries is estimated at only 12.9 million bales, as compared with the last season's estimated output of 13.6 million bales. The Committee discusses the cotton outlook in the free world in terms of the prospects in the Northern and Southern hemispheres. The two important cotton-growing centres of the Southern Hemisphere are Argentina and Brazil. Planting of cotton, it is stated, is well under way in Argentina and early indications are that the acreage may be expanded somewhat in the current season. Reports from Brazil, on the other hand, are stated to be "conflicting", but, in general, "some reduction in cotton plantings is expected as compared with 1952-53." So far as the Northern Hemisphere is concerned, the only significant reductions as compared with last season are in Egypt and Pakistan where production may go down by 800,000 bales and 300,000 bales, respectively. Prospects have improved in Mexico, where the crop "may be only fractionally under last season's 1,250,000 bales." Referring to India, the Committee says that "production is presently estimated at 3.3 million bales but some trade sources predict an even higher total outturn this season." Cotton acreage is expected to be larger than last season's area in Uganda but is likely to remain the same as last year in Sudan. Private reports from Turkey expect a possible decline in cotton production this season due to reduced acreage.

Turning to the prospects for cotton consumption, the Committee observes that, "at the beginning of a new season, statistical considerations relating to cotton consumption are often complicated by seasonal factors. But it is a fact that, compared to this time a year ago when the textile industries in many countries were only then emerging from a prolonged recession, free world cotton consumption, on the basis of the figures for the first two months of the 1953-54 season, is now running at a somewhat higher rate. In the U.S., however, the daily rate of cotton consumption over the first three months of the present season is slightly lower than the daily average for 1952-53. Available statistics on cotton consumption in Western European countries, it is stated, "seem to reflect the more settled state of the textile industry in this part of the world and in most instances, the 1952-53 rate of consumption has continued into the present season." In India, the Committee notes the concern which has recently been ex-

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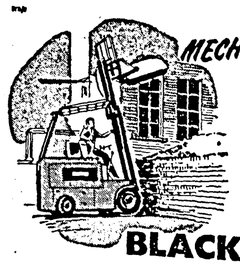


GREAT EASTERN SHIPPING COMPANY, LIMITED

SPEECH OF MR. A. H. BHIWANDIWALLA AT ANNUAL MEETING

PLEA FOR MORE LIBERAL ASSISTANCE FROM GOVERNMENT

ADDRESSING the shareholders of the Great Eastern Shipping Co., Ltd., at their Fifth Annual General Meeting, held in Bombay on 24th December, 1953, Mr. A. H. Bhiwandiwalla, Chairman, called for "an imaginative and bold outlook and courageous approach" on the part of the industry and the Government, if the country were to have a sizable mercantile marine. For a speedy expansion of the Indian tonnage, he said, the Government should give loans on more liberal terms, namely, a reduction in the rate of interest and longer period of repayment. The expansion of Indian shipping was attended with risks and the industry was, he added, willing to take these risks, provided the Government gave certain assurances. One of these was that no interest would be charged before the shipowners were able to provide for depreciation, as allowed by the income-tax authorities, out of their earnings. Mr. Bhiwandiwalla also desired that, while fixing the prices of ships built at the Hindustan Shipyard, the Government should take into consideration the world competitive prices, instead of the U.K. parity price.

The following is the full text of Mr. Bhiwandiwalla's speech:

"GENTLEMEN,

"As usual, I have the privilege of addressing you at this annual meeting and placing before you a review of some of the problems of the shipping industry, in general, and your Company, in particular.

All-round Progress

"The report and accounts which have already been circulated are in your hands for some time now and will have shown the satisfactory progress made by the Company during the last five years since its inception. Some of the features of this progress can be stated here briefly. The deadweight tonnage has increased from 10,680 during the first year to 35,646 as of today. The gross freight earnings have risen from about Rs. 40 lakhs in the first year to about Rs. 90 lakhs during the year under review. Your figure also compares well with the gross operating earnings of about Rs. 93 lakhs made during the previous year. Your ships lifted a cargo of 440,128 tons during the year under report, as compared with 152,763 tons lifted in the first year. In the first year, dividend at 5 per cent. was declared. Thereafter, the dividend has been steadily maintained at 10 per cent. Although issue of bonus shares by capitalisation of reserves and issue of partly paid shares have entailed additional dividend payment, the rate of 10 per cent. has been maintained. The profits have also been maintained at a higher level, although the progressive increase in profits does not look so spectacular, because of the provision of considerable initial and normal depreciations during the period of rapid expansion. However, the higher depreciation provision in the initial years not only make for relief in taxation in the comparatively good period but also require lower provision of depreciation in later years which may or may not be as good as the present times. This, in my opinion, will tend to maintain a compartively stable rate of dividend. It is hoped that you will also appreciate the policy of the management in ploughing back the profits for expansion and thereby increasing the earning capacity of the Company. The paid-up capital of Rs. 40 lakhs and the loan liability to Government of about Rs. 27 lakhs total up to Rs. 67 lakhs, while the cost of your fleet at present is Rs. 162 lakhs. I am glad to be able to say that your fleet at the current market prices can be valued at as much as, if not more than, the original cost at which the ships were acquired regardless of the considerable depreciation provided for and set aside.

Government Assistance to Shipping Industry

"The successful implementation of the Five-year Plan will take the country far on the road to economic well-being and prosperity and the Government is rightly anxious for the success of the Plan. This anxiety on the part of the Government is also, I am glad to say, manifest in regard to the planned expansion of the shipping industry. The Planning Commission envisaged the attainment of six lakhs gross registered tons by 1956. This target compares unfavourably with that of 20 lakhs gross registered tons recommended by the Shipping Policy Sub-Committee a few years ago, having regard to the long coastline of about 3,500 miles, volume of coastal and international trade, contribution of freight receipts to the nation's balance of payments position and, above all, defence and strategic considerations. A gross registered tonnage of 6 lakhs is, however, the practicable minimum requirement which must be achieved before 1956, at all events. If the country is to have a sizable mercantile marine, an imaginative and bold outlook and courageous approach, both on the part of the industry as well as the Government, is called for. Your Company very keenly shares the anxiety for expansion of Indian tonnage. It has participated in a general way in the deliberations of the Consultative Body of Shipowners and has also discussed its own plans for expansion with senior officials of the Government. The shipping industry has requested the Government to liberalise the terms of loans to be granted by the Government for purchase of tonnage. Especially reduction in the rate of interest and longer period of repayment are very urgently called for to speed up expansion of tonnage. From the available indications at present, it appears that the Government has awakened to the necessity of liberalisation of the extent and terms of loans.

"It is very difficult to forecast the future. The speedy expansion by Indian shipping companies is not without risks. The shipping industry is willing to take these risks, but it is for the Government to assure the industry that these risks will not be allowed to jeopardise the industry's future. One of the ways of doing this is to give categorical assurance that no interest would be charged before shipowners are able to provide, out of their earnings, for depreciation as allowed by the income-tax authorities. If the Government wishes to accelerate additions to tonnage, in order that an adequate merchant marine can earn valuable foreign exchange and can also serve as a second line of defence in emergencies, it is but fair that heavy burden of interest payments before providing for adequate depreciation is not thrown on the industry, in case the future, for no fault of the industry, turns out to be unfavourable, because of international circumstances. It is hoped that the Government will give this assurance and impart a fillip to the expansion of tonnage.

Hindustan Shipyard

"As I pointed out to you last year, shipping companies are being subjected to indirect pressure, in order that they may place orders with the Hindustan Shipyard. This pressure has increased this year. It is fully appreciated that the yard must be kept busy and placed on a stable footing. By agreeing to pay the difference between the cost of building at the yard and U.K. prices, the Government has accepted the principle that Indian shipowners should not be required to pay more for their ships than others. It is now essential that the Government should adopt the concept of a world parity price instead of U.K. parity price in fixing the prices of ships built at the Visakhapatnam Yard. Not only the prices in the U.K. but also the competitive prices prevailing in other shipbuilding countries, such as Holland, Germany, Denmark, Sweden, Japan, etc., should be taken into account in determining the selling price of ships.

"May I also suggest that, as Indian shipping companies have already started placing orders with the Hindustan Shipyard, they be allowed representation on the Board of Directors of the yard. This can be achieved, if the Government nominates a few Directors on its Board as representatives of the shipping industry. This will not only ensure better co-ordination between shipbuilding and shipping industries but also create confidence among the shipowners that their interests will be fully safeguarded. Being better acquainted with the needs of the shipping business they will be able to influence the policy and programme of the yard so as to serve the interests of shipping in a better way. Their business experience and commercial outlook may also help in reducing the cost of production and increasing the business efficiency of the yard.

Coastal Conference

"The Scindia Steam Navigation Company's resignation from the Indian Coastal Conference as a protest against malpractices resorted to by some steamship companies constitutes a development of a magnitude which cannot pass unnoticed. Your Company strongly disapproves of malpractices and unhealthy tactics and is in favour of supporting any move which will eliminate such tendencies harmful to Indian shipping. It is not, however, by going out of the Conference, but by making the Conference more effective, that such malpractices can be checked and put a stop to. The manifestations of unhealthy competition which is not widespread, but restricted to a few erring members of the Conference, can be completely eliminated by devising suitable ways and means and enlisting the Government's support in curbing the unfair practices. It is earnestly hoped that a solution on these lines would emerge, as a result of discussions between the members of the Conference, and result in the withdrawal of the resignation by the Scindia Company. I would also appeal to the Scindia Company not to press their resignation and remain in the Conference, so that a more effective Conference can maintain self-discipline and a fair code of conduct.

Trade Between India and Persian Gulf

"As some of you may be aware, a long established British Line has monopolised the carrying trade between India and the Persian Gulf. It is desirous of preserving this monopoly for all time to come. Any other Line wishing to enter this trade is threatened that its entry into this trade will be resisted by all means. The British Line argues that, since it has served this trade in the past, it cannot allow anyone else to participate in the trade. It is hoped that the Line concerned will realise the untenable position of a British Line monopolising the trade either emanating from or destined to India and allow Indian Lines to share in this business. The Government of India is already committed to the principle that 50 per cent. of the imports and exports of the country must be carried in national bottoms and any monopoly which tries to exclude Indian interest cannot be allowed by the national Government. The Government of India cannot be expected to remain aloof, if a powerful British Line with huge resources tries to oust Indian Lines from this legitimate Indian trade by cut-throat competition. The British, as a race, are known for their hard-headed business realism and it is hoped that the Line would allow a fair participation to Indian Lines desiring to cater for this trade.

Coastal Employment

"With an increase in our tonnage and contemplated expansion by purchase of more ships your Company can reasonably hope to get an increasing share in the carriage of Government cargoes. In my opinion, your Company's share in the carriage of coastal trade during the year 1954, should be increased to about 25 per cent. Although our fleet is comparatively small, our tramping activities and the gross earnings in tramp trading were the highest amongst Indian companies last year. Tramping is a sale of freight on a highly competitive basis. In the past, we had to carry out many tramp voyages because employment on the coast, especially in regard to availability of Government cargoes, such as coal, was restricted. It is felt that Lines with bigger fleets and greater experience should branch out in overseas trades and give more scope on the coast to new entrants like us. After all, the coastal trading is a nursery in which new small companies can develop and, after acquiring the necessary experience, extend their activities to competitive overseas trades. In years to come, your Company's turn to look to foreign trading in order to make room on the coast for new entrants will come. It is the only way to develop a number of sizable and economic units in the shipping business. It is no secret that protected coastal trading is 'softer'

(Continued on page 25)

EXPANSION OF SUGAR INDUSTRY

VAST SCOPE IN SOUTH INDIA

REVIEWING the developments in the Indian sugar industry during the 1952-53 season, we observed in our 1953 *Annual Review Number* that, in the next few years, the rated capacity of the Indian sugar industry would be found to be too inadequate fully to meet the domestic requirements. This conclusion was based on three premises, namely, rapid rise in population, migration of people from villages to urban areas and improvement in the general standard of living. This view seems to be widely shared by a large section of the sugar industry and trade. Mr. A. G. Bandi Gowda, Chairman and Managing Director of the Mysore Sugar Company, Ltd., for instance, remarked, in the course of his address at the twentieth annual general meeting of the Company held at Bangalore the other day, that "the unexpected and somewhat distressing development of India importing sugar from abroad" should open the eyes of all concerned with the development and well-being of the industry to ponder and see how best the periodical crisis that faced the industry could be avoided.

Evidently, Mr. Bandi Gowda must have had in mind the need for augmenting the indigenous sugar production with a view to doing away with imports of foreign sugar at the cost of precious foreign exchange. The mere availability of sugar in foreign countries at a cheap price should not be the main reason for importing sugar, though there is need for improving the efficiency of sugarcane production. Imports are justified only as a temporary measure for keeping the price of sugar within reasonable limits, that is, limits which are within the reach of the common man. The real solution lies in expanding production of sugar at lower prices. This requires not only adoption of methods for increasing the per acre output of high sucrose content cane but also an expansion in the productive capacity of the industry in those areas of the country which are best suited for growing cane.

Low Target

It may be noted here that, considering the increase in the "sugar-tasting habit of the people of this country," the target of 1.55 million tons in the rated capacity fixed for 1955-56 by the Planning Commission is rather low. The force of this contention would be realised better, if it were to be remembered that the sugar industry is a seasonal one, the level of output being influenced, to a considerable extent, by conditions obtaining on the agricultural side. To quote Mr. Bandi Gowda:

"My own reading of the situation is that fluctuations in production and consumption of sugar are inevitable. The sugar industry is a seasonal one. Its dependence on agriculture is so complete that it has very little freedom in the matter of utilisation of raw material or regulation of production. The state of sugarcane cultivation and its supply, which, in turn, depends upon monsoon conditions and irrigation facilities, the supply and demand of *jaggery* and its price level—all these factors have such an intimate bearing on the sugar industry that there is no wonder that it is often unable to maintain steady conditions or proceed on a planned basis."

The scope for expanding the sugar industry, especially in the tropical area of South India, is very good. This is so for two reasons, namely, favourable climatic conditions for cultivation of sugarcane and wide gap between actual production and requirements. That the tropical conditions of South India are more suitable for cane development than the sub-tropical climate of North India will be clearly evident from some of the figures furnished by Mr. Bandi Gowda about his own sugar factory. The recovery percentage of sugar in cane crushed by the Mandya factory during 1952-53 was as much as 11.37—in the previous season, it was still higher at 11.61—which compares very favourably with the averages of 9.75 and 10.03 for U.P. and Bihar. The duration of the crushing period was 195 days, as against 118 days in both U.P. and Bihar. The maximum figure for the whole of India was 196 days. The rate of daily crush was maintained at a high level and, on many days, it touched the 1,800-ton mark.

As already noted, South India is heavily deficit in sugar. As Mr. Bandi Gowda pointed out, there is scope for expanding the industry in this part of the country. The latest proposal to establish a sugar factory in Shimoga District in Mysore State is, therefore, to be widely welcomed. The proposed factory, it may be noted, is quite different from the one which the Mandya Sugar Company was interested in promoting.

Considering the need for augmenting sugar output, the efforts of the management of the Mysore Sugar Company to implement the scheme for expansion are indeed commendable. According to the Chairman, the scheme envisages rearrangement of the existing machinery, erection of new ones and large-scale alterations incidental to the expansion scheme. It also envisages installation of an additional boiler and a new turbine. Most of the additional machinery ordered for the purpose has already been received. With the successful implementation of the scheme—this is expected to be over by July, 1954—the cane-crushing capacity of the factory will be increased to 2,000 tons per day. The factory, it is stated, will then easily handle not less than 400,000 tons of cane and produce about 45,000 tons of sugar per annum. Indeed, as Mr. Bandi Gowda claimed, the Mandya factory will be the largest single sugar-producing unit in the whole of India and will be able to make a substantial contribution towards meeting the sugar requirements of South India.

SUGARCANE PRICES

The all-India average price of sugarcane (including co-operative societies' commission, transport charges, etc., but excluding cane cess) paid by the factories during the month of November, 1953, was Re. 1-8-2 per maund, as against Re. 1-6-3 paid in the corresponding month in 1952. This increase in price is the result of the upward revision in the minimum price of sugarcane from Re. 1-5 to Re. 1-7 per maund effected by the Central Government. The portion of the total price actually received (cash or deferred or both) by the grower was Re. 1-6-7, which is As. 2 higher than the price received a year before.

The following are the average prices of cane (per maund) paid by the sugar factories in the different regions during November, 1953, as compared with the corresponding month in the previous season:

	Delivery at Factory		Actually received by grower	
	Nov. 1952	Nov. 1953	Nov. 1952	Nov. 1953
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
All-India	1 6 3	1 8 3	1 4 7	1 6 7
U.P. ...	1 6 10	1 8 3	1 4 5	1 6 7
Bihar ...	1 5 6	1 7 6	1 4 2	1 6 0
Bombay	1 7 6	1 9 0	1 5 0	1 9 11

SECOND ESTIMATE OF SUGARCANE

The all-India second estimate of sugarcane crop of 1953-54 places the current year's acreage and production at 4,101,000 acres and 5,100,000 tons (in terms of raw sugar or *gur*), as against the adjusted second estimate of 4,228,000 acres and 4,990,000 tons, respectively, for 1952-53. The current year's estimate thus shows an increase of 2.2 per cent. or 110,000 tons (in terms of *gur*) production over last year, in spite of decrease of 3.0 per cent. or 127,000 acres in area.

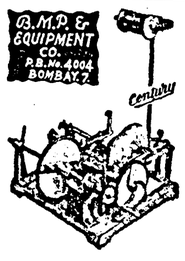
The standing crop has been reported to be good in Uttar Pradesh, Madras and Andhra, and these States have mainly contributed to the increase in production. Bihar has reported a decline both in area and production, mostly due to adverse weather conditions.

SUGAR PRODUCTION AND STOCKS

The opening stock of sugar with factories in India on 1st November, 1953, was 196,000 tons, as against 496,000 tons on the corresponding date of the previous season. Arrivals of foreign sugar in November aggregated 36,000 tons and 156,000 tons are expected to arrive in December, 1953 and January, 1954.

Out of the stocks with the mills, 45,000 tons of sugar were despatched during the fortnight ended 15th November, 1953, as against 39,000 tons a year before. The closing stock on 15th November, 1953, was 154,000 tons, as against 464,000 tons on the same date last year.

The total production of sugar during the first fortnight of November, 1953 was 3,000 tons, as against 7,000 tons during the corresponding fortnight of the previous season.



LIGNITE IN SOU[TH]

CHANCES OF DEVELO[PMENT] PROMISING

THE paper presented by Mr. A. R. Na[rayana] Rao, Superintending Engineer, M[adras] Electricity Department, and a member [of the] Lignite Expert Committee, on lignite deposits in South Arcot, to the annual general meeting of the Institute of Engineers (India), Madras Centre, held on 27th December last, gives a fund of *information* on the possible influence of economic exploitation of lignite in South Arcot on power and industrial development in South India. Mr. Rao is of the considered view that the lignite deposits are a godsend and that they require imaginative exploitation to be of the maximum benefit to South India. He has catalogued the important by-products that can be obtained out of lignite and their utility for various purposes.

The lignite bed is situated in South Arcot District in a place called Neiveli. The area so far proved to contain lignite, according to the paper, is 100 sq. miles and the average width of the prospected field is about 6 miles and its length 17 miles. The thickness of the bed varies from 13 feet to 90 feet, the mean thickness being about 37.75 feet. The estimated total quantity of lignite is about 2,000 million tons. The lignite occurs between clays of soft sandstone, known as Cuddalore sandstone, and exhibits itself in four different forms, namely, peaty, woody, brown coal or lignitic and coaly. The lignite field is bounded on the north by the river Gadilam, on the west by the Manimuthar and on the south by the river Vellar.

The progress on the pilot scheme, to obtain necessary data for mining lignite, has been encouraging so far; a depth of about 60 feet has been reached and nearly 40 per cent. of excavation made. The original fear of serious water percolation has not been experienced. The scheme, estimated to cost Rs. 80 lakhs, involves an open excavation of an area of about 600 ft. by 600 ft. at surface and 100 ft. by 100 ft. at the lignite level, the sides stopping down in steps of 20 ft. to 30 ft. wide. A 100 ft. by 100 ft. lignite bed will yield about 20,000 tons.

By-products

The important by-products are char (after carbonisation), lignite tar, pitch, lignite [wax], montan wax, china-clay, among others. The char looks like charcoal and easily burns in domestic stoves; it has good staying power, can also be used as fuel for charcoal burning, can be powdered and burnt as pulverised fuel in a boiler. It can be transported in briquette form over long distances by rail for burning in different types of furnaces or boilers. Provided good road surfacing material and its present value is about Rs. 400 per ton. Lignite oil is similar to crude oil. The oil, by fractional distillation, can yield about 50 per cent. of itself as creosote oil and other lighter oils. Creosote oil is useful for wood preservation and, with hydrogenation process, for the manufacture of petrol. It will also be a basic raw material for many chemical industries. Montan wax is extensively used for electrical insulation. It is also used as a basic ingredient in furniture polish and ammunition manufacture. The present selling price in America of this material is about Rs. 1,000 per ton. China-clay can be utilised in making high quality refractory bricks, procelainware and electrical insulators. Good china-clay is in demand by the textile, paper and rubber industries.

The paper discloses that, by mixing a suitable quantity of lignite with the concentrate iron ore of the Salem iron ore hills, situated about 100 miles from Neivell, it is possible to get a mixture which can be easily briquetted. And these briquettes, subject to low temperature carbonisation, are stated to facilitate the reduction of iron ore to almost pure iron. Raw lignite is also suitable for being powdered and burnt in rotary cement kilns.

The economic exploitation of lignite deposits will help generate electricity in quantities larger than now. The generation of thermal power in South India is limited, because of high cost of transport of coal. Fortunately, the lignite deposits are almost near the heart of the centre of gravity of the load on the Madras grid. This will result in prosperity to the community by the development of industries that will follow the availability of power. It is gratifying to note that the establishment of a large super thermal power station at Neivell, of the order of about 200 million watts, is already envisaged and is under consideration.

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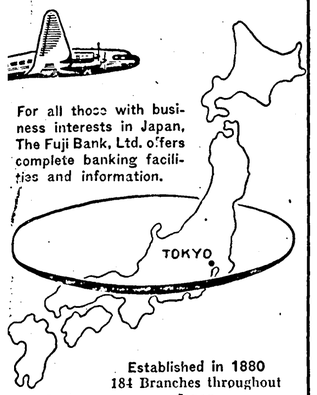

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FUTURE OF NATURAL RUBBER

VIEWS OF SOME LEADING FOREIGN PLANTERS

THE world price of natural rubber No. 1 R.S.S. spot wound up the year 1953 at 17¼d. per lb., as compared with a low of 16d. touched in the latter part of October last. Although the year's closing was a little better than the lowest for the year, it shows a sharp fall from the corresponding price of 26½d. per lb. for 1952. This loss in value has had a serious effect on the economy of South-East Asia in general and on rubber producers, in particular. The recovery since October last was the result of Indonesia's move to resume sale of rubber to Communist China. The pace of recovery was accelerated further by the optimism of traders that the U.S. authorities would put into effect the suggestion made in the U.S. and the rubber-producing countries of South-East Asia for suspension of the U.S. Government's stockpile rotation programme and for expediting the sale of synthetic plants to private industry.

The basic cause of most of the trouble of natural rubber during 1953 is attributed to the reactivation of the alcohol plants at the end of 1952, the high cost output of which was sold at the price of petroleum G.R-S at the rate of about 10,000 tons a month till they were closed down again in August. Commenting on this, Sir Eric Miller, Chairman of the Board of Directors of Messrs. Harrisons and Crosfield Ltd., told the shareholders of the Company, at their recent annual general meeting, that had this extra weight of synthetic not been pushed on the market, the natural rubber producers would have had that much extra buying of natural rubber which would have prevented the price from becoming so depressed and have put the stock position on a much healthier level ere this.

Sir Eric Miller's address also contains some noteworthy observations about the future of natural rubber. Referring to the assurance given by American rubber manufacturers in May last and reaffirmed in October about the consumption of natural rubber in the next twelve months, Sir Eric pointed out that the actual demand was not as yet sufficient to take care of the quantities of rubber coming to market from day to day. "In a falling market," he added, "it is natural for consumers to eat into stocks and to keep their purchases of new material to the barest minimum. That is why, when they find business is holding up better than the prophets had forecast, we are liable to see a much stronger buying wave than is at the moment apparent. This phenomenon is not peculiar to the rubber industry."

The lower price and greater freedom of usage have, however, had their effect on the relative proportions of natural and synthetic rubber being used by American manufacturers. The consumption of natural rubber in the U.S. during the first half of 1953 was 39.6 per cent. of the total U.S. absorption. By October it rose to 44 per cent. and, according to Sir Eric, it would before long reach 50 per cent. This switch-over has taken place, despite the fact that oil extended synthetic is available at several cents a pound less than G.R.S. Sir Eric did not expect the swing-over from one to the other to happen overnight, but once it had been made, it was likely to be of some duration, until the differential of cost moves too far the other way

Another factor on which the outlook of natural rubber depends is the future of U.S. synthetic plants. The U.S. Government has already appointed a Commission to direct the sale of the U.S. Government's synthetic plants to private industry. The Commission announced that it would accept bids from 25th November, 1953, to 27th May, 1954, for 27 of the plants. The Commission would spend seven months negotiating with bidders to arrive at final offers. It would submit its report, along with the contracts, to the Congress before 31st January, 1955. The Congress may veto any or all of them, but contracts neither vetoed nor withdrawn will become effective on 30th April, 1955, provided they cover sale of sufficient capacity to produce 500,000 long tons annually of G.R-S synthetic rubber and 43,000 tons of butyl synthetic. Thus, it looks as if the natural rubber industry will have to wait another eighteen months before it can take the measure of any free-enterprise synthetic competition, as distinct from the present Government-owned industry.

There seems to be some speculation about the cost and selling prices of natural rubber when the synthetic rubber plants are handed over to private industry. Some knowledgeable people expect them to rise, but Sir Eric Miller does not seem to be so dogmatic. For he said that it depended on many factors which were by no means static. He added: "There is, of course, the possibility that satisfactory contracts for the sale of facilities covering the stated minimum production, may not be concluded, in which case presumably the U.S. Government would continue to be responsible for the synthetic industry. In that event, one can hardly conceive private enterprise setting up production facilities with its own money in competition with the U.S. Government."

In spite of the present critical situation in the rubber industry, there is a section of planters which holds that natural rubber has a bright future. Thus, in his address to the shareholders of the Anglo-Indonesian Plantations at their annual meeting held recently, Mr. G. C. Denham, Chairman of the Company, said:

"Despite the present grievous position of the rubber industry we feel that it still has a future and that the demand for natural rubber will materially increase in years to come, when vast undeveloped countries will be well-roaded and be users, to an enormous extent, of motor transport. If the past is indicative of the future, there should be an ever-increasing demand."

A similar sentiment was expressed by Dr. W. E. Cake, an Executive Director of Malayan American Plantation, in a statement issued in Sydney a few weeks back. According to him, the world price for raw rubber would rise by about 25 per cent. in the next six months. He expected the world demand for raw rubber in the next six months to force the price up from the present 19 cents to 24 or 25 cents a pound.

The views of Sir Eric Miller, Chairman of Messrs. Harrisons and Crosfield, Ltd., on this subject, are also identical. He said: "We have been interested in the production of natural rubber for 50 years and our faith in it is undimmed by any claims made for general-purpose synthetics." Explaining his reading of the future for latex, he remarked:

"The offtake of concentrated natural latex is growing apace in all consuming countries and the merits of foam rubber upholstery are so outstanding that I look for further steady expansion in its use. The research teams working in the industry, of whom those employed by manufacturers far outnumber those employed on behalf of producers, are busy all the time to improve existing and to find new uses for rubber in solid or liquid form. It would be a thousand pities, if the present financial stringency in South-East Asia were to result in any serious curtailment of expenditure on research for and development of new uses. The graph of world consumption of rubber over the years shows that minor fluctuations are speedily ironed out and that there is no stopping the progressive steady rise in the use of this versatile material."

In conclusion, it may be mentioned here that the U.N. experts, who recently explored the possibilities of expanding trade between Asia and Europe and whose findings were released early this week, are of the view that world demand for rubber will continue to increase, accompanied by an expansion in synthetic rubber production as well. In order to meet this competition, natural rubber producers, according to them, will have to resort to considerable investments to secure increased yields, and improvement in production marketing.

PROMOTION OF ... SALES IN U.S.

RESULTS ENCOURAGING

THE promotion programme for burlap in the North American Market, sponsored and financed by the I.J.M.A. through the Export Council, seems to have yielded some good results. The Burlap Council, it will be recalled, was organised in New York, following the recommendations of a delegation of the I.J.M.A. which toured the U.S. a few years ago. It was formed "to embrace the help of domestic importers and manufacturers of burlap and burlap products in a long-range promotion programme to restore burlap to its rightful place as a versatile and cheap textile in the American economy." While the programme is entirely financed by the I.J.M.A., it has the active co-operation of the representatives of burlap importers, bag manufacturers and the second-hand bag industry in the U.S. in formulating and directing details of the effort.

In its promotion programme, the U.S. Burlap Council seems to have been considerably assisted by (a) the improvement in the competitive capacity of burlap following the Government of India's reduction in the export duty on hessians from Rs. 375 to Rs. 120 per ton, (b) increase in supplies of jute goods, and (c) the vigorous publicity drive conducted by its public relations branch in the U.S. According to Mr. William A. Nugent, Vice-President of the Council, the combined effect of these factors seems to have yielded good results in regaining the American market. He observes: "By 1952 a sharp recovery was shown by consumption of 825 million yards including 75 million yards on Government account. This represented a gain of 52 per cent. over the low point of 1951. This trend has continued during the current year (1953) and when final figures are compiled, the 825 million total for last year should be equalled. With a substantially lower demand for Government consumption, this year commercial consumption will show a gain of 11 per cent. over last year."

The significance of this recovery will be evident to those who are aware of the importance of U.S. market to the Indian jute industry. This market accounts for about 64 per cent of the burlap output of mills. It has a close bearing on the economy of India as a whole, inasmuch as it accounts for about 26 per cent. of India's total dollar earnings. In addition, its effect on industrial employment in India may be appreciated by the fact that the jute mills employ about 300,000 people which is equivalent to approximately one-tenth of the industrial population of India. Beyond this, the cultivation of jute is a vast agricultural enterprise in India, and the mills in Calcutta consume the great bulk of this agricultural output.

The consumption of burlap in the U.S. market depends largely on packaging for agricultural purposes which accounts for about 80 per cent. of the fabric imported. The remaining 20 per cent. is used in a wide range of industrial furniture, upholstery, draperies, the automobile industry, concrete curing blankets and other industrial users of yard goods. In the packaging field, the development of the multi-wall paper bag has been a serious and growing competitive development which got its start largely because of an abnormal price advantage.

The programme now being conducted by the Indian Jute Mills Association through the Burlap Council to recover the lost U.S. market involves a national advertising campaign in both trade and farm publications. These publications draw the attention of consumers to the fact that supplies are again abandant and prices have returned to virtually pre-war levels. Emphasis is being laid on the economic and physical advantages of burlap as a cheap heavy duty textile for the consumer. Literature stressing the economy of proper handling and care of empty burlap bags has been offered to consumers through advertisements in leading farm papers. Studies are being initiated for successful exploitation of industrial markets which require special varieties of jute fabrics. The Burlap Council has also taken positive steps to maintain goodwill with consumers and its trade relations activities have been conducted with this in view.

Farm women are also being taught how to wash, dye and make things out of empty burlap bags in a wide range of brilliant colours. Eight-page illustrated booklets on this novel handi-

(Continued in previous column)

(Concluded from next column)

craft are being distributed among them. This campaign is being conducted by the Council in partnership with Park and Tilfor Co., manufacturers of "Tintex Dyes." Commercial television is also being used for the purpose of educating the domestic consumer regarding the use of jute fabric for home decoration purposes.

Nevertheless, jute goods are still on trial in the U.S. In this context, the words of Mr. Nugent are worth noting. Reviewing the position of burlap, he says: "The future of jute in the American market and its prospect of keeping abreast of the spectacular expansion of the American economy is on trial in the court of competition. The verdict will be rendered by consumers, and their decisions will be reached on the basis of the ability of the jute industry to keep pace with American marketing methods and the constantly changing requirements of American consumers for new and better products."

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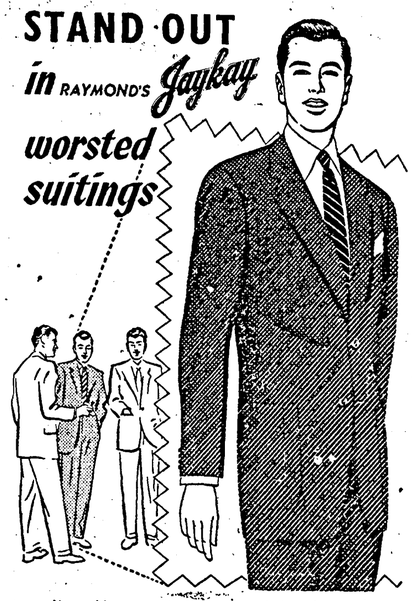

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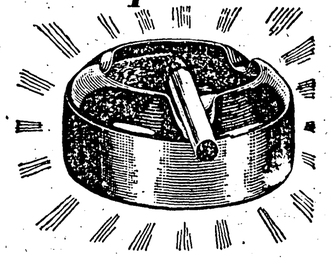

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TROMBAY THERMAL PROJECT

CONTROVERSY REGARDING CAPACITY STILL PERSISTS

THE statement of Mr. M. M. Naik Nimbalkar, Minister for Public Works, during question hour in the Bombay Legislative Assembly, on 22nd December last, that the Tatas were responsible for the delay in the grant of licence for the Trombay Thermal Project, came as a surprise to us. More so, his allegation that it was the Tatas who raised the unfortunate controversy regarding the capacity of the thermal station and that it was they who wanted to modify the original agreement, providing for the installation of only one unit of 50,000 kw. and the second unit at a later stage, according to requirements. He further declared that the Government would grant permission for the immediate installation of the second unit, provided Tatas were willing to forgo the compensation for it, if and when it were to remain idle following the implementation of the Koyna Power Project.

To those who are intimately aware of all the developments in general, the absurdity of the Minister's statements will be apparent, but laymen are likely to be misled. The Managing Agents of the Tata Hydro-electric Companies, therefore, did well in issuing a statement explaining the whole position. It will be seen from this statement that, as early as in June, 1952, the Government of Bombay had agreed to the installation of a thermal station at Trombay, with a maximum capacity of 100,000 kw. The first unit was to be of 50,000 kw. and the subsequent unit or units were to be ordered and installed "according to the requirements of the system, and in consultation with the Government." Tatas were asked to proceed with the preliminary arrangements for the execution of the project in anticipation of formalities being completed. They, accordingly, engaged consultants, selected the site and planned the station. Application was made to the Government of India to sanction additional capital needed and to sponsor a loan from the World Bank. In August, 1952, the Tata Hydro-electric Companies sent to the Government for approval a draft notification for the extension of the hydro-electric licences of the Companies up to 1975, as this formed an integral part of the agreed arrangement and was necessary for enabling the Companies to raise additional equity capital. In November, 1952, the Companies sent to the Government for approval a draft licence for the thermal station. In January, 1953, the Government convened a meeting, where agreement was reached on the principal provisions of the Trombay licence and the extension of the hydro-electric licences. Tatas contend that it is clearly stated in the agreed minutes of that meeting that the arrangement referred to in June, 1952, was reaffirmed and that, in carrying out the arrangements, Tatas requested the Government's approval to the installation of a second unit, because "the requirements of the system" could, in their opinion, be satisfied only by setting up this second unit by 1957.

Final Agreement

We are told by Tatas that, at no stage during these discussions, or subsequently, was the agreement regarding the capacity of the Trombay Station modified. Nor did Tatas ask for any modification. It is true that the Government sought to alter the agreement regarding capacity in its revised draft of the Trombay licence. But, when these documents were finalised, at the Companies' instance, the provision regarding the capacity contained in the original agreement of June, 1952, was restored.

It will be seen from the foregoing account that the dispute over the size of the Trombay Station has arisen, because the Government of Bombay changed its mind subsequent to the understanding reached in January, 1953. Mr. Naik Nimbalkar's statement is not clear as to why the Government did so. In any case, it is hard to believe that the Bombay Government is more competent than the experts of Tatas, the other electrical undertakings in the country, the World Bank and the Planning Commission in estimating the future power-load in the Bombay-Poona region. Neither the past actions of the Government, nor the present administrative talents of the powers-that-be in this State, inspire confidence in their ability to deliver the goods in time. That the Government is merely burking the issue is clear from its failure to answer in detail the various points raised by the Federation of Electricity Undertakings.

That Tatas were in no way responsible for the delay will be evident further from the following facts:

It was only in October, 1953, that the Government's revised drafts of the two licences were received. This was 14 months after the Companies had submitted their draft for the modification of the hydro-electric licences of the Tata Companies, 11 months after forwarding the draft of the Trombay licence and nine months after the meeting of January, 1953, at which outstanding questions concerning the Trombay licence and extensions were settled. The licence and the agreement were actually signed and isued in November, 1953. Why did the Government take such a long time to do this? If it had sent its revised drafts, within a reasonable time, after the meeting of 19th January, 1953, the licence could have been finalised at least six months earlier than was done. Thus, the delay was clearly due to the Government's go-slow policy.

The Minister's statement that the Government was willing to grant permission for the immediate installation of the second unit, if Tatas were willing to forgo the compensation on that unit, while it remained idle on the advent of Koyna hydro-electric power, is a mis-statement, for, as Tatas rightly point out, there is no question of their asking for any compensation. As readers are aware, all electrical undertakings are rigidly controlled by the Electricity (Supply) Act, 1948. Under the provisions of the Act, an electrical undertaking must so arrange its tariff as to limit its profit to a net return of 5 per cent. In practice, however, this 5 per cent. has been found too low to attract fresh capital for expansion.

Standing Charges

The Act provides that, where companies work under a grid system and if certain units have to be closed down, the standing charges of those units, including the cost of maintaining the units as standby and the above 5 per cent. return, have to be met out of the general tariff of the grid. The Government's proposal would mean that, though the companies would have to meet the interest charges on the World Bank loan for financing the second unit, maintain the plant as a standby, incur depreciation and other charges on it, they would not be permitted to recover any of these charges in supplying electricity. If the companies were operating under a system of private enterprise, where they could charge a proper economic rate for electricity and provide adequate reserves, one could understand such a proposal, but the present conditions and the regulations of the Supply Act rule out this possibility. Indeed, the proposal lacks an understanding of the present-day difficulties in obtaining fresh capital for expansion, particularly in the case of electrical companies. No share capital will be available to the Companies on the basis outlined by Government. What makes the proposal even more unreasonable is that, even if the demand for the second unit were completely established and the second unit were operated for a number of years before Koyna came into existence, the Companies would have to forgo these standing charges for the time the unit remained closed. It is worth noting here that Tatas readily accepted the proposal of Government that, as and when Koyna power was available, the thermal units such as Trombay should be closed down, even though the integrated tariff rate of the Tata electric system might be lower than that of Koyna. Moreover, since the consuming public have accepted the need for the second unit and are willing to bear the cost of it, it is difficult to understand Government's opposition.

The dangers of the present dog-in-the-manger policy of the Government will be evident from the following quotation from the statement issued by Tatas:

"The Tata hydro-electric system has been overloaded for the last several years, with the result, that the normal overhaul of generating units at the hydro-electric stations has had to be deferred, with a consequent risk of a major breakdown. The only solution is to provide adequate thermal reserves. A single unit of 50,000 kw. will not meet the growth of current demands, much less provide this reserve. Unless, therefore, even at this late stage, there is a reconsideration of Government's decision, it appears that the power shortage from which Bombay has been suffering will continue till 1960-61. This shortage has already resulted in the denial to industries of power for their schemes of expansion and has prevented new enterprises, which would have provided additional employment to a substantial number of workers, being set up in the region. Further, the Government's policy also represents a gamble on rainfall and, if that proves wrong, it might easily result in a severe loss to industry, distress to labour and inconvenience to the general public."

It is high time, therefore, that the Government listened to the advice of experts and revised its policy as suggested by them.

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RESEARCH IN ENERGY

NEW BUILDING FOR TATA INSTITUTE

LAYING the foundation-stone of the building to house the Tata Institute of Fundamental Research and Atomic Energy Commission, India, in Bombay, last week, Mr. Jawaharlal Nehru, Prime Minister, emphasised the importance of carrying out research in the use of atomic energy for peaceful purposes. Deploring the secrecy surrounding every nation's plans to develop this energy, he held that too much of secrecy in science was "not a very good thing." So far as the Institute was concerned, he declared that there was going to be no secrecy about the work carried on in it, except in an emergency and to the extent necessitated by its commitments with other countries with which it has entered into working arrangements. Explaining this point further, he said that other countries, which were more advanced in developing this energy, wished to keep the development a secret and, if India wanted to have any association with them, India too would have to keep it secret.

The importance of developing atomic energy for peaceful purposes needs no emphasis, as the prospects of exhaustion of the more easily exploited sources of energy, such as coal and oil, are within sight. It is clear that, unless new sources of energy and more economical ways of using them are discovered, it will be difficult even to maintain, if not improve, the existing standards of living in future. The hope that scientists would be able to make such discoveries is sustained by the rapid advance of science during the past half century, particularly by the great progress made in gaining knowledge of the structure of matter and of the conditions necessary for the release, and control, of nuclear energy. It is stated that the nuclear energy produced by 100 tons of uranium or thorium would be sufficient to produce all the power required by the U.K.

The release and control of nuclear energy has ushered in the greatest of the revolutions. Before it, the Industrial Revolution, which is far bigger than all the several major revolutions that have taken place in countries, such as the U.S., France, Russia and China, seems to pale into insignificance. Unfortunately, the danger of nuclear energy being used for tearing up, instead of for the benefit, of humanity is very real, as is evident from the irresponsible way in which people have been talking of piling up atomic bombs and using them in war. To quote the memorable words of Mr. Nehru:

"I am surprised of the casual way people talked of war. I am still more surprised of the casual way in which people talked about the atomic bomb in times of war. I know they do not understand what they are talking about. Those terrible forces are coming more and more under the control of men. Unfortunately, man who controls it cannot control himself. Either he controls himself and controls the other, or the other controls him and he vanishes. I do not know what will happen to the future. Anyhow, it is up to us to try to understand these forces."

Sharing Secrets

Almost all the important countries in the world have been developing this energy. The U.S. leads the rest. It is followed by the U.K., Canada and France, among the free countries. India, too, has done some notable work and this has received recognition; in the field of research relating to cosmic rays, this country has an excellent record. It is stated that the recent shift of opinion in the U.S. from maintaining atomic secrets to sharing them with other nations will help co-ordinated development of the energy. It is gratifying to note that India has been invited to the Congress, sponsored by the American Institute of Chemical Engineers and University of Michigan, to consider peaceful uses of atomic energy. Belgium, Canada, the U.K., France, Italy, the Netherlands, Norway and Sweden are other invitees to the Conference.

The Tata Institute is a major one, where India provides an opportunity to develop fundamental research, which is important in view of the constant changes taking place today in human knowledge. Mention must be made, in this connection, that the titanium factory at Trivandrum, which had remained closed for some time, has commenced work again. A reactor is expected to be set up within two or three years in India. A uranium-cum-thorium factory is expected to be working even earlier.

The Institute is a joint enterprise of the Tata Trust, the Government of Bombay and the Government of India. The readiness with which the Tata Trust came forward to finance this research bespeaks of the House of Tatas' tradition of fostering pioneering work not only in the field of industry, but also in that of science. Paying a well-deserved tribute to Tatas, Mr. Nehru observed:

"I would like to say a word about the work the Tata Trust has done for the advancement of science. Their stand is commendable in many ways. They are taking interest in the advancement of science. They have no profit motive whatsoever in their pioneer schemes."

An even more handsome tribute to Tatas was paid by Dr. S. S. Bhatnagar, Director of Scientific Research, he said:

"We have been blamed for connections with the Tatas in this project by some to whom richness of any kind is an obsession. I am of the opinion

organisation can be considered because it gives large capital sums ...ses in the world. Their pioneering ...omote scientific and technical measures country led to the establishment of this e as well as to many other activities of a nature."

UPGRADING OF MANGANESE ORES

...f the several methods employed for the ...e before ...n of ores, froth flotation is often employed ...tion ...e beneficiation of the low grade manganese ... The optimum conditions for the flotation of ...h ores vary from sample to sample and condi...s have to be standardised for individual sam...s. The conditions of flotation have been stand...ised by the Indian Institute of Science, Banga...e, for the beneficiation of a finely divided ...e, from Keshapur, having a siliceous pyrolusite ore manganese content of 39.9 per cent. Using oleic acid, sodium silicate, eucalyptus oil, and a pulp density of 30 per cent. solids in an alkaline medium, a product having 53.1 per cent. manganese is obtained. This represents a recovery of 88.5 per cent. manganese. The same conditions also worked satisfactorily for another sample of siliceous pyrolusite ore from Amritapur mines.

Manganese is one of the important materials for the modern steel industry. About 95 per cent. of the ore mined annually is used for metallurgical purposes and the remaining 5 per cent. (mostly high quality ore) is utilised in chemical dry cell glass and other industries. Though India exports large amounts of manganese ores, and occupies a high position among the manganese-producing countries in the world, the estimated reserves of high grade ore left over are not more than 15-20 million tons. The bulk of the other ores available is of poor grade and cannot be employed in industry as such. Low grade manganese ores are generally found associated with clay, silica, iron, calcite, and garnet as the chief impurities. The choice of the method of beneficiation, therefore, depends a great deal upon the nature and the mode of occurrence of the impurities in the ore.

NEW STANVAC OFFICE BUILDING

The opening ceremony of the new office building, at Bombay, of the Standard-Vacuum Oil Company, will be performed by Mr. Morarji Desai, Chief Minister, Bombay, on the 15th inst. The new home of the Stanvac, rated as one of the most modern office buildings in Asia, has many new features designed to provide nearly 480 Indians and 37 overseas staff the best possible working conditions. It incorporates several innovations to be fabricated and used in India for the first time, of which a few outstanding examples are the horizontal louvres of specially cast asbestos cement sheet, galvanising and bonderising the frames of steel windows and manufacturing of recessed troffer units for the electrical system. A major item of interest will be a scale model of the Stanvac Bombay Refinery as it will look when completed in July, 1954.

The Government of India is examining programmes submitted by automobile firms for the production of baby cars in the country, with the object of fixing a target figure. Many new schemes and proposals are understood to have been received.

A Planned Programme with a Future

From the start of our modern, fully equipped plant in 1947, we drew up a planned programme of manufacture by progressive stages of complete trucks and cars in India.

First, side by side with assembling of automobiles, came the manufacture of component parts such as radiator, muffler, propeller shaft, leaf springs both rear and front, all steel cab, etc. This involved considerable research in designing, skill and experience in tooling and making of dies, jigs and fixtures.

The next step is the manufacture of all vital components such as ENGINE, TRANSMISSION, REAR AND FRONT AXLES AND CHASSIS FRAME. To manufacture all these components, indeed in the making of the entire truck and car, as much indigenous material as possible is being used. What is more, highly technical operations such as designing, tooling, casting and machining are being done by skilled Indian craftsmen sent by us for specialised training to America and the U.K.

By the end of 1955, according to this planned programme, Indian made vehicles will come out of our factory to meet the ever-growing demand from road transport, bus operators, national projects and defence. Thus, through direct employment, utilisation of indigenous raw material, promotion of ancillary industries, savings in foreign exchange and development of skill, we will be contributing to national progress and prosperity.



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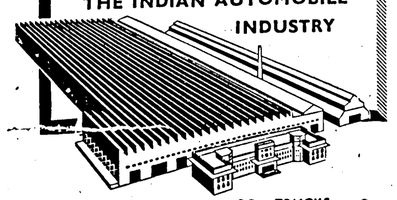

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TAX PROBLEMS OF LIFE COMPANIES

PLEA FOR EXEMPTING POLICYHOLDERS' PORTION OF SURPLUS

THE assessment of life assurance companies for the purpose of taxation presents several problems of an intricate nature, in view of the fact that these companies differ materially from purely profit-making business concerns, in that they are essentially co-operative organisations, engaged in spreading individual risks to a group of persons. Briefly, insurance implies, as the Indian Life Assurance Offices' Association points out in its reply to the Taxation Enquiry Commission's questionnaire, a "co-operative effort on the part of all policyholders to pool together a portion of their resources for the payment to any one of them who might die earlier." This factor alone should compel the authorities to view the "profit or surplus of a life insurance company from an angle different from that of a profit or gain of any other trade or business." In the light of this consideration, the Association has examined the basis on which insurance companies are taxed at present and suggested some methods whereby relief could be afforded to the companies.

At present, the profits and gains of life assurance business are computed as either (1) investment income *less* expenses of management on a quantified basis, or (2) the annual average of the valuation surplus *less* four-fifths of the part of the surplus paid to, reserved for, or expended on behalf of the policyholders, whichever is greater. The Association submits that the second of these two methods, under which most life offices are taxed at present, is "inequitable, technically defective and contrary to the fundamental principles underlying the levy of income-tax." In this connection, the Association contends that the surplus of an insurer, revealed by actuarial valuation, is not really in the nature of "income" or "profit" but represents largely what should be treated as a return of extra premium charged to policyholders. Explaining its stand on this question, the Association says:

"It is the contention of our Association that this return of extra premiums charged to policyholders should not and really could not form part of the surplus for the purpose of taxation. The amounts distributed among the policyholders are contributed fully by the policyholders themselves either in the shape of extra premiums charged by the companies for 'with-profit' policies on the basis of an assumed minimum bonus or in the shape of extra premiums charged by the companies for safety purposes by assuming:

(1) mortality heavier than that experienced or likely to be experienced by the policyholders;

(2) rate of interest lower than that expected to be earned on the life assurance fund; and

(3) higher expenses than those actually incurred or likely to be incurred.

"Naturally, therefore, at the time of the valuation of life business these extra premiums which have been charged to the policyholders as a safety margin come out as surplus.

"The 'surplus' disclosed as a result of the actuarial valuation cannot, therefore, be defined to be income, profits and gains of the life insurance business. The sources from which the surplus arises are no other than the extra premiums which the policyholders have paid due to the reasons stated above. This being the fact, the surplus of a life insurance company cannot be called its profit or gain at least in so far as the question of return of the portion of the surplus to the policyholders is concerned. It is, therefore, unjust to tax any portion of such surplus paid to, or reserved for, or expended on behalf of policyholders and it is even more unjust when we take into account the fact that the vast majority of the policyholders belong to income groups below the tax attracting level."

British Practice Cited

The Association has further strengthened its case for the total exemption of the policyholders' portion of the surplus from taxation by a reference to the recognition given to a similar point of view of the British insurers in the U.K. Thus, in 1920, the Royal Commission on Income-tax in the U.K. held that the "actuarial surplus as ascertained by periodical valuations is not a true measure of 'trading profits' as that term is used in applying the income-tax." As a result of this finding of the Commission, the law relating to income-tax in the U.K. was amended, so that the practice of assessing life insurance companies on the basis of interest *less* expenses of management or the valuation surplus (whichever is larger) was replaced by the present scheme under which the assessable income is interest *less* expenses of management or that part of the valuation surplus which is utilised for the benefit of persons, other than policyholders, whichever is larger. The Association has, in effect, pleaded for a similar treatment being accorded to insurance companies in this country, in so far as the assessment of the companies for income-tax purposes is concerned. The only "correct, equitable and practicable method" of taxation of life insurance offices, according to the Association, is to exempt the entire portion of the surplus paid to, reserved for, or expended on behalf of the policyholders.

Ceiling Rate For Tax

Yet another important point made out by the Association is the need for a ceiling to the rate of tax levied on life insurance companies. Tracing the history of the "steep" rise in the rates of income-tax and super-tax in the last decade, the Association points out that the rate of tax was increased from 42 pies in the rupee in 1939-40 to 45½ pies in 1940-41, to 56 pies in 1941-42 and to 63 pies in 1942-43. The Association requested the Government to fix a ceiling rate for income-tax for insurance offices, and to fix it at the rate prevalent in the year 1940-41, that is, 45½ pies in the rupee. Although the Government accepted, in 1943-44, the principle of fixing a ceiling rate, the rate itself was fixed at a high level, namely, at 63 pies in the rupee. Some relief was given in 1946-47, when the ceiling rate was reduced 60 pies. But even this relief was negatived by the Government which later, in the year 1951-52, increased the rate to 65.4 pies in the rupee, which rate prevails now.

The Association urges that, inasmuch as the insurance companies are compelled to invest a portion of their funds in Government or other approved securities, Government has a "moral responsibility" to see that compliance with the law in the matter of investments does not cause financial embarrassment to life insurance companies. Indian life offices, it is further contended, have found it difficult to earn a fair rate of interest by reason of the fact that they are subject to high rates of tax *vis-a-vis* insurers in many other countries, such as the U.K., the U.S., Canada, Australia, New Zealand and Ceylon. The companies have, therefore, been compelled to effect an upward revision of their premiums. Also, they have not been able to build up reserves to the extent necessary to meet the extraordinary strain resulting from the continued fall in the rate of interest and the increase in administrative expenses. The Association argues that, if a ceiling were fixed for the rate of tax on the life offices, insurers could make their policies more attractive by quoting lower rates of premium.

Estate Duty

The Association has suggested two important modifications in the Estate Duty Act in so far as it concerns insurance. The Act grants exemption from the duty in respect of insurance policies to the extent of Rs. 5,000 on the life of the deceased. The Association urges that this limit should be increased to Rs. 30,000. The Act grants a similar exemption in respect of policies or other moneys set apart for the marriage of dependent female relatives of the deceased person. The Association urges that the limit of exemption for insurance policies should be raised to Rs. 10,000 and that the scope of the exemption should extend to the education of dependent male children. Again, the Association urges the deletion of section 14 of the Act, which envisages the subjection to duty of policies, taken out for the benefit of a nominee or assignee, partly paid for by the deceased and partly by the donee or assignee. Proceeding, the Association says:

"This section has been almost bodily lifted from the corresponding English Act but the vast difference between the conditions obtaining in the two countries has been overlooked. In this country, the large majority of gifts of life insurance policies are made for the benefit of the wife and/or minor children of the policyholder. While in the United Kingdom it is fairly common for the wife to have separate property and separate income wherewith she would be in a position to pay the premiums on a policy gifted to her by her husband, in India it would hardly be the case. Even in the case of policies where a nomination or assignment in favour of a donee was made two years before the death of a policyholder, the premiums subsequent to the date of gift will in not less than 90 per cent. of the cases be paid actually by the policyholder himself with the result that the exemption laid down for gifts in section 9 will not be available to policies of life assurance. My Association, therefore, submit that section 14 of the Estate Duty Act should be deleted."

The need for the liberalisation of limits of exemption from tax on premia has been emphasised by the... The present limits of exemption, as known, are one-sixth of one's income, to the maximum of Rs. 6,000 in the case of individual and Rs. 12,000 in the case of a Hindu family. The Association has suggested that these limits should be increased at least to one-fifth of the income with a maximum of Rs. 10,000 for individuals and Rs. 20,000 for Hindu families. In this connection, the Association observes:

"The reasons for the above suggestion is that the present proportion of one-sixth of one's income for exemption deprives the middle class and the higher middle class of a large portion of this benefit. The average income of this class is fairly low, yet that is the class from which savings have to be drawn out and the best way of drawing out the savings is to induce them to take out insurance policies by offering a slightly increased proportionate exemption from income-tax on premia on life insurance policies. We believe that increasing the exemption from income-tax on premia on life insurance policies upto one-fifth of one's income would go a long way in this direction. In view of the fact that the purchasing power of the rupee has gone down materially since the year 1939, the present top limits of Rs. 6,000 and Rs. 12,000 do not take into account the changed economic conditions and the high cost of living now prevailing in the country. The increased limits for exemption suggested above will stimulate the incentive amongst the upper middle class to effect savings by investing more sums in the purchase of life insurance policies, thus making available increased funds for investments in Government securities and approved securities and in the nation-building activities, as also in fighting inflation."

Increase in Price Levels

This is a point of view which has been emphasised by more than one trade body in this country. Thus, the Bombay Chamber of Commerce deplored, in its reply to the relevant question in the Commission's questionnaire, that, although the general price level has increased several times it was in 1939, the limits of exemption of insurance premia from tax have remained "static" since that year. Arguing the case for liberalisation of these limits, the Chamber said:

"All of the arguments favouring a substantial increase in the abatement are so widely known as not to require repetition. Attention is, however, directed to the findings of the recent U.K. enquiry into the quantum and effect of the investment of insurance companies' funds. Insurance companies are the largest investors in Government loans and in addition invest a substantial part of their funds in private enterprise which they do not seek to control. The State enjoins on the subject the duty to save but Pelion in the shape of higher rates of taxation, coupled with reduced reliefs, is piled on the Ossa of higher living costs; there is no margin for saving and, indeed, the incentive to work and to save is destroyed. There is no better system of saving than that which is canalised to State loans and private enterprise through insurance companies and provident funds; that, once embarked upon, it acquires an element of compulsion may make it better still. This is a wrong to be righted as quickly as possible. There must be a substantial degree of liberalisation."

The demand for liberalisation of these limits has been put forward by the Federation of Indian Chambers of Commerce and Industry, too. The Federation rightly points out that "in view of the absence of welfare schemes and beneficial measures by the State in respect of unemployment, ill-health, old age or early death, it is necessary in India to lay stress upon thrift and saving so that the dependents might not be in distress when the wage-earner is dead." Again, the liberalisation of these limits, as the Federation points out, will, in the long run, mean a gain to the national economy, since such will help facilitate the growth of insurance companies, the funds of which will be available for the development of the country. In view of the fact that this demand, when conceded, will benefit all the concerned parties, the insurers, the insured and the State, it is to be hoped that the Commission will take a helpful decision on this question.

LIFE ASSURANCE IN U.K.

The increasing popularity of U.K. life assurance policies overseas is reflected in figures just published by the Life Offices Association and associated Scottish life offices. The published figures cover the business for 1952 of 78 life assurance offices, accounting for 99 per cent. of all U.K. life assurance business. These figures show that about one-sixth of new sums assured under individual policies were written overseas, and reveal a progressive increase in foreign business. At the end of 1949, sums assured and written abroad (excluding group assurance business) amounted to £408 million; in 1950 the figure was £458 million; in 1951 £524 million. The latest figure for the end of 1952 is £600 million.

Business is also being done overseas in staff pension and life assurance schemes. Premiums received in 1952 from both home and overseas on these policies amounted to about £86 million, or 32 per cent. of the total premium income of £268 million. In 1950, the figure was £70.5 million, or 30 per cent. of the total of £243 million.

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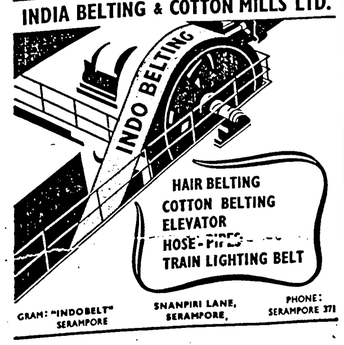

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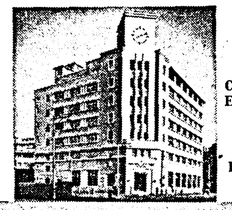
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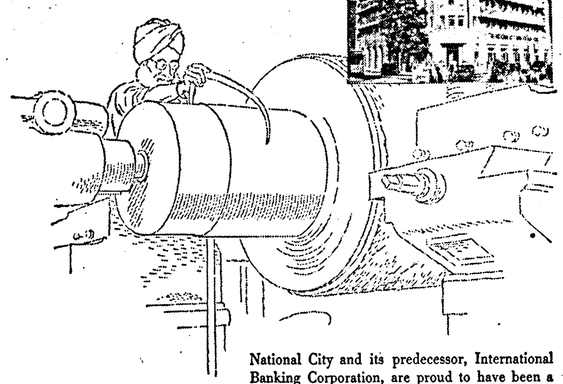
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THE MYSORE SUGAR COMPANY, LIMITED

PROCEEDINGS OF THE TWENTIETH ANNUAL GENERAL MEETING

MR. A. G. BANDI GOWDA ON OUTLOOK FOR THE COMPANY

THE Twentieth Annual General Meeting of the Mysore Sugar Company, Limited, was held at the Company's Registered Office at Bangalore on Wednesday 23rd December, 1953, at 4 p.m. The following is the text of the speech made on the occasion by Sri A. G. Bandi Gowda, B.A., B.L., Chairman and Managing Director of the Company, in moving the adoption of the report and accounts:

"I have great pleasure in welcoming you to this the twentieth ordinary general meeting of the shareholders of the Mysore Sugar Company, Limited. My pleasure is all the greater, because this year marks the completion of 20 years in the life of your Company and we have reason to look back with pride on the Company's record of progress during these two decades.

The directors' report and audited statement of accounts have been in your hands for some time and, with your permission, I shall take them as read. A new feature in the accounts circulated to you this year is the inclusion of a table of statistical information about the results of working and progress of the Company since its inception in 1933. I am sure this table will be found interesting and useful. Before I formally move the adoption of the report and accounts, I shall make a few observations of a general nature and about the results of working of the Company during the year under report.

"For the sugar industry in India, the year that has passed may be characterised as one of surprises. Sugar production which reached the peak level of 14.9 lakh tons in the season 1951-52, dropped to 13.2 lakh tons in 1952-53. As against this fall in production, demand for sugar registered a rise of nearly 40 per cent., from 11.3 lakh tons to 16 lakh tons, during the same period. These two contrary features of a fall in production and a rise in consumption and the efforts made to bridge the gap and bring down the price level by resorting to import of foreign sugar, in contrast to the earlier policy of export of Indian sugar, constitute the story of the sugar industry in 1952-53. Imported foreign sugar is now being freely sold in the country along with indigenous sugar and this state of affairs is expected to continue for some time more, as it is apprenended that production during the current year will drop still further. Thus, we witness to-day the unexpected and somewhat distressing development of India importing sugar from abroad after a long interval, during which period a mighty industry has grown within the country. This is a sign which should open the eyes of all concerned with the development and well-being of the industry to ponder and see how best the periodical crises that face the industry can be avoided. My own reading of the situation is that fluctuations in production and consumption of sugar are inevitable. The sugar industry is a seasonal one. Its dependence on agriculture is so complete that it has very little freedom in the matter of utilisation of raw material or regulation of production. The state of sugarcane cultivation and its supply, which, in turn, depends upon monsoon conditions and irrigation facilities, the supply and demand of jaggery and its price level—all these factors have such an intimate bearing on the sugar industry that there is no wonder that it is often unable to maintain steady conditions or proceed on a planned basis.

Satisfactory Results

"Coming now to the working of the Company, I am glad to state that the year 1952-53 proved to be a favourable one and we were able to obtain satisfactory results, in spite of the fact that the closing months of the year saw a total absence of water in the Visvesvaraya Canal, because of drought. This had the effect of curtailing the duration of the milling season and forcing the closure of our factory much earlier than originally scheduled. Assured of abundant cane supply, the factory commenced crushing on 12th July, 1952. Very soon it became evident that there would be no water for continuing manufacturing operations beyond the month of December. Fortunately, a few unexpected showers in December came to our rescue and it became possible to carry on milling upto 4th February, 1953. During this period of 195 milling days, a quantity of 2,45,500 tons of sugarcane was crushed and 27,962 tons of sugar was produced. As in the previous year, the rate of daily crush was maintained at a high level and, on many days, it touched the 1,800-ton mark. It is gratifying to record that the various measures adopted for better regulation of harvest and for ensuring greater co-ordination between harvesting, transporting and milling of cane and the changes introduced in mechanical and chemical controls contributed to our obtaining a fairly high percentage of recovery of sugar from cane. Our recovery for the whole season averaged 11.37 per cent., which compares very favourably with the all-India average of 9.97 per cent., and is only slightly lower than the record of 11.61 per cent. touched by us in the previous season. In order to lessen the liability on the part of the Company to purchase all the contracted cane, in the face of the deteriorating water-supply position, your Directors followed a policy of release of the cane from contracts with the object of enabling the ryots to make the best use of the cane by converting it into jaggery. In this way, about 1,300 acres of cane were utilised for manufacture of jaggery. But for the crisis in water-supply, the whole of this cane would have been crushed in the factory, with resulting increase in sugar output by nearly 4,000 tons.

"The total quantity of sugar sold during the year was 2,95,535 bags of 2 cwts. each and the gross realisation from such sales amounted to Rs. 2,45,54,064. A part of the year's production fell within the season 1951-52 and was sold in accordance with the control policy applicable for that season. The rest of the production, from 1st November, 1952, pertained to the next season and was free from price and distribution control. The sugar policy for the season 1953-54 remains unchanged, except for the fact that the price of sugarcane has been raised from Re. 1-5 to Re. 1-7 per md. Simultaneously, the temporary additional excise duty of Re. 1-6 per cwt. levied on last season's sugar is withdrawn. A welcome feature of the new policy is that the price of sugarcane is fixed and notified a year in advance. Thus, it is notified that the existing price of Re. 1-7 per md. will be the price for the 1954-55 season also. This advance fixation of cane price is particularly helpful in our case as the Mandya Factory is the earliest to commence crushing every year, and we need not have to wait until October to know what the cane price for the new season would be.

Working of Farms Unprofitable

"You will see from the accounts placed before you that the trading operations of the Company during the year 1952-53 have resulted in a gross profit of Rs. 42,51,426-0-9. The decline in profit, as compared to last year, is chiefly due to lower sugar production and consequent reduced sales. The profit from the distillery section did not come up to last year's level, while the losses in the confectionery and oil mill sections have been greater than in the previous year. Apart from these two sections, which have not yet been stabilised, another section which is eating into our profits and the working of which has begun to cause anxiety to your Directors is the farms, owned and cultivated by the Company. By reason mainly of the heavy overheads and the steadily rising labour costs, the farms are not able to stand on their own legs financially, though there is a comparative increase in the production of both sugarcane and foodgrains. Your Directors have taken up for earnest consideration, the question of effecting economy in expenditure and increasing efficiency in the farms and generally to put the working of the farms on a sound footing. As a first step in this direction, it has been decided to close down four of the uneconomical units which offer no scope for profitable working.

"After providing for depreciation to the extent of Rs. 5,70,355-11-5 and after making provision of Rs. 16,00,000 for taxes, the net profit comes to Rs. 17,73,396-8-5. Including the sum of Rs. 8,27,296 5-1 brought forward from the last year's profit and loss account, the amount of profit available for distribution stands at Rs. 26,00,692-13-6. It may be stated that this is the highest amount of distributable profit which we ever had at our disposal.

"Your Directors are fully aware of the sense of disappointment in the minds of the shareholders at the repetition of the same rate of dividend year after year, regardless of the profits, and their persistent demand for raising the level of dividend. This year, the large and influential sections of shareholders have made strong representations in support of the claim for a higher rate of dividend. While I do not wish to repeat what my predecessors and I have said in the past about the advantage of a conservative and uniform dividend policy, I think it would be relevant, if I draw attention to the basic fact that this Company cannot be compared with other companies in the private sector. It should not be forgotten that this is a company which owes its origin and its present position to the initiative and guidance of the Government of Mysore, who continue to shape and control its policy. A rise in the level of dividend, however much the profits and other considerations from the point of view of the investing public may justify, is a proposition that runs counter to the declared policy of the State. Your Directors have, therefore, regretfully to recommend payment of dividend at the usual rate of 20 per cent. This will absorb Rs. 4,35,856. The current year threatens to be an adverse one, because of the repercussions of the drought conditions of last year. It is therefore, only prudent that we carry forward all the available surplus of profit to the next year's account so as to offset the anticipated loss. Our reserves have reached a stage when they no longer stand in need of augmentation. Indeed, if anything, they call for a reduction and a corresponding readjustment of capital structure. In keeping with the present day trends. But, this again is a matter which vitally touches Government policy and will require very careful consideration. Your Directors have already sounded the Government of Mysore, and intend pursuing the matter further.

Outlook Bright

"The outlook for the future is quite bright although your Company is now passing through an anxious period, with the factory rendered idle for practically the whole of this year for want of cane. But even this enforced idleness is not without its usefulness. As shareholders are aware, we have taken up on hand a scheme for the expansion of our factory, so as to make it a balanced unit of 2,000 tons capacity. Most of the additional machinery ordered for this purpose has been received. Taking advantage of the present long off-season, the rearrangement of the existing machinery, erection of new ones and large-scale alterations incidental to the expansion scheme are all being pushed through. These are expected to transform the entire factory. When these are completed and the factory goes into production for the 1954-55 season, in July next, it would, in all essential respects, be the 2,000-ton factory. When the expansion scheme is fully implemented with the installation of an additional boiler and a new turbine, the factory would easily handle not less than 4,00,000 tons of cane and produce about 45,000 tons of sugar per annum. The Mandya factory would then become the largest single sugar-producing unit in the whole of India and would be able to make a substantial contribution towards meeting the sugar requirements of South India. During the current year, an area of 9,400 acres has been planted with sugarcane, under contract for supply to the factory, and the next crushing season promises to be a normal one.

"In this connection, I would like to make a passing reference to the position of the sugar industry in South India, consequent on the partition of the State of Madras. While the new Andhra State starts with nine sugar factories, Madras is left with only three factories. The transfer of a greater part of the Bellary District to Mysore has brought the sugar factory at Hospet within the State of Mysore. Although, in a narrow sense, Mysore State was surplus in sugar even with one factory, taking South India as a whole, the region is heavily deficit in sugar and there is scope for expansion of the industry in this part of the country. In this view, the latest proposal to establish a sugar factory in Shimoga District, in the Mysore State, is to be welcomed. The proposed factory, I may add, is quite different from the one which your Company was interested in promoting and about which I had referred in my previous years' speeches.

"A new chapter in industrial relations between your Company and its employees may be said to have opened with the compromise arrived at last week, before the Hon'ble Labour Appellate Tribunal of India. Certain disputes between the management and labour were pending before the Industrial Tribunal, as I had mentioned in my speech last year. The Tribunal gave its award in September, 1953, and both parties preferred appeals on the award. After the Appellate Tribunal began hearing the appeal at Bangalore, compromise move was initiated and I am glad to state that both parties were able to come to an amicable and satisfactory settlement and submit the same to the Tribunal for its decision. It is to be hoped that this settlement, which is to be in force for a period of two years, will re-establish cordiality and lead to an era of better relations between the management and labour, to the mutual benefit and advancement of both parties.

"Realising the urgent need for providing additional houses for labour, your Company has sought the assistance of the Labour Housing Corporation of Mysore, to put up at Mandya a separate colony of a thousand houses, under the subsidised labour housing scheme of the Government of India. I am glad to state that the Government of India have been pleased to sanction the construction of 496 one-roomed single-storeyed tenements costing approximately Rs. 13 lakhs. Your Directors take this opportunity of expressing their thanks to the Governments of India and Mysore and the Labour Housing Corporation for their prompt and sympathetic assistance in this behalf. While on the subject of housing for employees, I would like to mention that, as a result of initiative taken and financial assistance rendered by your Company, the employees in the head office at Bangalore have been enabled to have a colony of their own houses in the newly formed Jayanagar Extension in Bangalore.

Chairman's Farewell

"Gentlemen, before I close this speech, allow me to strike a personal note. This will probably be the last occasion on which I will have the privilege of addressing the shareholders of this Company, for within the next few months, my term of office is expected to come to an end. I think it will not be inappropriate, if, on this occasion, I say a few words to draw attention to the all-round progress made by the Company during the period of five years of my association with it as Chairman and Managing Director. The year 1951-52, in particular, proved to be a notable one for the Company. During that year sugar production reached 37,155 tons, the recovery of sugar improved to 11.61 per cent. and the gross profit amounted to Rs. 71.77 lakhs. These records are unprecedented in the twenty years' history of the Company. The Company's financial position, in spite of two droughts within a short space of 3 years, has been considerably strengthened and its reserves now total Rs. 90 lakhs. The condition of the cane growers has materially improved and they now receive over a crore of rupees every year by way of value of cane supplied to the factory. The benefits and amenities provided for the workers have been steadily on the increase and their welfare is receiving constant attention. I have the great satisfaction that I was able to push through the expansion scheme of the factory. When this scheme is fully implemented, it will raise the Mandya Factory to a foremost position among sugar factories in India and will lead to increased earnings. I am grateful to the Government of Mysore and the shareholders of the Company for the opportunity given to me to serve the Company and I assure you that even after I retire from my present office, I shall continue to take interest in the progress of the Company and strive for its advancement.

"In conclusion, I deem it my duty to express my grateful thanks to my esteemed colleagues on the Board for the valuable advice and guidance that they gave me. The able manner in which the General Manager and all ranks of officers and workers in the Factory and Offices at Mandya, as also the Secretary and staff in the Head Office at Bangalore, continued to discharge their duties, deserves special mention. The very satisfactory results achieved during the year under report are, in a large measure, due to their hard work and willing co-operation. Last, but not least, the Company is deeply grateful to the Honourable Ministers and the several Departments of the Government of India and of the Government of Mysore for their sympathy and support."

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

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

Sri V. T. Krishnamoorthy, the retiring Director, was re-elected uncontested.

Messrs. Brahmayya & Co. and Messrs. B. K. Ramadhyani & Co. were appointed as Auditors for the year 1953-54 on a remuneration of Rs. 1,500 each.

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

V. M. LINGIAH,
Secretary.

BANGALORE, 24th *December*, 1953.

THE TRAVANCORE BANK
LIMITED

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Authorised Capital .. Rs. 2 Crores
Issued and Paid-up Capital .. .. Rs. 1 Crore
Reserves .. .. Rs. 17,50,000

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Branches at Bombay, Madras and other important centres in South India.

R. F. WISHART,
Managing Director.

GREAT EASTERN SHIPPING CO., LTD.

(*Concluded from page* 15)

food' than highly competitive overseas trades. It is but fair that those with far better experience should take their vessels out of the coast to enable new-comers to develop and stand on their feet. It is hoped that both Government and the Lines concerned will view this suggestion in its proper perspective and act on it.

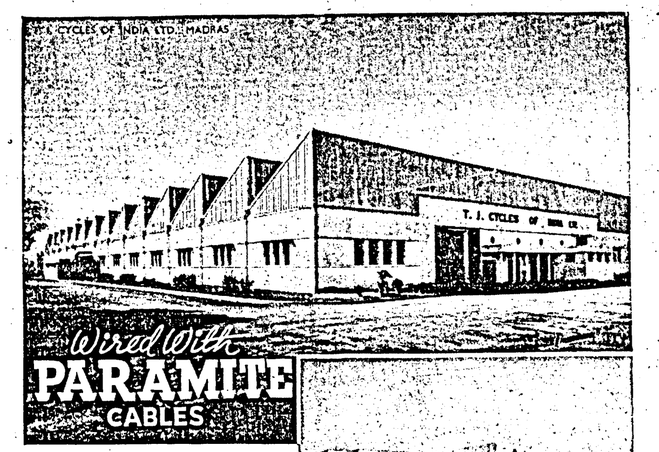
Plans for Expansion

"As you are aware, due to inflated cost of ships, I had informed you last year that our future plans were uncertain and our policy was to 'wait and watch'. That policy had paid us. The prices of second-hand ships prevailing in early 1953 have dropped, as expected. The ship acquired by us in September, 1953, namely, the m.v. *'London Artisan'*, at a cost of about Rs. 40 lakhs, would have cost us about Rs. 60 lakhs, if the purchase had been effected earlier.

"It is proposed to acquire, with the assistance of the Government, two more ships in 1954. Your Company may also place an order for a ship with the Hindustan Shipyard. If the order is placed, the ship will be delivered in 1956. Although most of the expansion is being financed out of Government loans and current earnings, the financial commitments make it necessary that the unpaid balance of Rs. 10 lakhs on 2 lakhs partly paid shares be called up. Your Board has, therefore, decided to make a call in the immediate future. This will raise the paid-up capital of the Company to Rs. 50 lakhs.

"Before I conclude, I would like to thank the officials of the Transport Ministry, including the new Director-General of Shipping, Mr. N. M. Buch, and his assistants for their invaluable help and assistance extended readily in various ways. You will also, no doubt, like me to appreciate the good and steady work put in by the shore as well as the ships staff.

"May I now request you to adopt the report and the audited accounts for the year ended 30th June, 1953."



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CONSOLIDATED COFFEE ESTATES (1943) LIMITED

MR. IVOR BULL'S FAREWELL ADDRESS TO SHAREHOLDERS AT ANNUAL MEETING

GOVERNMENT OF INDIA'S POLICY ON COFFEE CRITICISED

A NOTE of warning that incorrect policies of the Government would bring nemesis with devastating swiftness was struck by Mr. Ivor Bull, Chairman of the Consolidated Coffee Estates (1943) Ltd., in his address to the shareholders of the Company at their Tenth Annual General Meeting held at Pollibetta, Coorg, on 31st December, 1953. He singled out three instances of such incorrect policies in regard to the coffee industry, all within the short space of two years. A fourth one, which had just arisen, related to the issue of fair return to the grower for his produce. The Government's decision on price to the grower was characterised by Mr. Bull as "arbitrary and incorrect," which, he said, was causing distress to growers in all districts. He wanted the Government to refer the question of fair return to the coffee grower to an independent tribunal.

Mr. Ivor Bull availed himself of this opportunity to review the progress made by the Company during the last ten years and commended the policy followed by it all these years, which had stood the Company in good stead.

The following is the full text of Mr. Bull's speech:

"GENTLEMEN,

"On behalf of my fellow Directors I present to you the balance-sheet and profit and loss account for the year ended 30th June, 1953, and the Directors' report for the same period.

"As it is the tenth anniversary of the founding of our Company and as it is the last time that I shall have the pleasure of presenting these accounts to you personally, I am including additional particulars of our work and progress in my address which I trust you will find of interest.

"I am glad to inform you that, as a result of a very heavy coffee crop and a useful pepper crop, the year has again been a successful one.

"The dividend which your Directors have been able to recommend is 15 per cent. as against 18 per cent. last year. There are so many uncertainties related to the marketing of coffee in India today, and so many commitments have still to be met that it would have been imprudent to recommend a higher rate; also the 1953-54 coffee crop, though it is expected to be our second highest crop, will be some 300 tons lighter than the record crop covered by this report.

"Rs. 10 lakhs have been transferred to general reserve for the reasons which I have given above. Rs. 1 lakh have been transferred to the debenture redemption fund and in July we were able to purchase Madras and Mysore State Loans against this reserve, whilst the balance carried forward to next year is much the same figure as the balance brought in from last year.

"In the profit and loss account we have valued our coffee at Rs. 2-2 a point, against a valuation of Rs. 2-9 a point last year. Coffee prices ran up to undesirable levels in 1952, and a fall in prices was, therefore, necessary, but, in my opinion, the pendulum has now swung too far the other way, and I shall refer to this later. We have always left what we believed was a reasonable reserve in our valuations against eventualities and we have followed the same course again this year; otherwise, our accounts would have been distorted.

"Apart from the dividend, the main things which interest shareholders must be the crop, the condition of the estates, our expenditure, both revenue and capital, our financial position and the market for our products. I propose to deal with each of these in turn.

Record Crop

"The crop at 1,938 tons was our highest by no less than 480 tons. This reflects the greatest credit to all on the estates. I must confess that I had always hoped to harvest a 2,000-ton-crop whilst I was still in charge of the Company, but someone else must now have this pleasure. The pepper crop was useful, the cardamom crop fair and the paddy and orange crops on the whole poor.

"In the coming season, we expect a more than useful coffee crop. We had at one time hoped for the same sort of crop as we have just harvested, but the prolonged drought scorched up much of our robusta (as well as spoiling our paddy and oranges) and the showers, when they did come, were late, and in many cases backing up rains were lacking. Taking all in all, therefore, we are not faring badly. Pepper should be about an average crop. Oranges will be a useful, though late, crop on some of our estates, cardamoms fair, but the paddy harvest this year will be a bountiful one, and nearly double that of last season.

"The estates, I am glad to report, are in excellent condition; the prospects for next year are correspondingly good, and it is possible that I may have missed the 2,000-ton crop by only one year. The potential for an even larger crop than that is there, if only our blossom showers and the following-up showers, which can be equally important, do not let us down.

"We are beginning to reap the reward for the patient work of replacing old coffee which was commenced by our predecessors, the Consolidated Coffee Estates, Ltd., a sterling company, and has been continued by ourselves.

Profitable Period Ahead

"When we purchased these estates in 1943, they included 246 acres of arabica and 700 acres of robusta, all seven years of age or younger, representing a replanting of old coffee, most of it during the depression. In the past ten years, we ourselves have replanted or opened up 660 acres of arabica, 645 acres of robusta, and have purchased 125 acres of good young robusta, thus over one-third of our acreage is made up of young coffee. I believe that the clearings and replantings of today are definitely better than those of ten years ago. New techniques of planting, raising cover crops, raising shade, manuring, pest control and soil preservation have been adopted, and better seed material is now available. It is a heartening thought that much of this young area has still to come into profit.

"The older coffee also has responded well to the more generous treatment we have been able to give it in recent years.

"The references to plantation crops are brief in the Five-year Plan; but there is a comment about the tea industry which is completely apposite to coffee today:

"'A remarkable fact about tea plantations is that, while the area under tea has remained unchanged for over a decade under International Agreement, production has increased by about 43 per cent. over this period. This incidentally brings out that, where sufficient capital is invested, yields can be increased appreciably.'

"Unless the coffee industry is permitted to accumulate and reinvest sufficient capital to bring its estates into an economic condition, the yields of Indian coffee will remain the lowest in the world.

"Our pepper has helped us splendidly. Here we are reaping a reward for a policy of planting pepper, and maintaining our vines, during a period when the pepper market was very depressed. The average crop for the first five years since 1943 was 45 tons, and for the second five years 79 tons. Our crop increased at a time when pepper prices also increased, and has been of such value during the last five years that it has more than paid our ordinary dividend during this period. The value of our pepper during these five years was Rs. 32,61,300, while the cost of our ordinary dividend for the same period was Rs. 29,89,200. I do not pretend that your Directors have related these two items together when considering their dividend policy. On the other hand, they have realised that these very high pepper receipts are in the nature of a windfall, much of which should be ploughed back into the company. They have given us courage to accelerate our labour and staff housing and welfare schemes, and to commence introducing amenities such as piped supplies of water and electric light, which are taken for granted in cities, but which were completely lacking on our estates, and indeed are still lacking on most coffee estates.

"Pepper prices are now well over the peak, but this is a commodity we can produce relatively cheaply and we shall endeavour to make up for the fall in prices through an increase in our crops. Newer methods of propagation and maintenance show promising results.

"Oranges, to which we had attached great hopes, have disappointed us. The five years' drought, from which the whole of South India suffered, injured the trees wherever these were being grown without a cover crop of coffee, and even in the more favoured places many trees have 'frenched' and must be uprooted. We have installed machinery to supply overhead irrigation to one block of oranges, and have hopes that this may provide an answer to the short life of the loose-skinned Coorg orange in rainfall districts like ours. Lemons, limes, grape-fruit and tight-skinned oranges are all much hardier, and we have planted a fairly large acreage of all these fruits in our young robusta coffee, so that various types of juices may be available for our fruit juice factory.

"The dry years, which have upset our Coorg oranges, have also checked any real development of our cardamoms.

"Our paddy crop this year, as mentioned earlier, and in spite of late rains, will prove an excellent one. Much work has been put into the improving of our fields, their water supplies, the methods of cultivation and the selection of types of paddy to grow particularly on our more difficult high fields, and all these must, in due course, be reflected in our crops.

Estate Expenditure

"When we come to our expenditure, I regret to say that our overall estate expenditure again shows a considerable rise. Part of this due to the cultivation of a larger acreage, most of it is due to a policy of doing more in sive work on our estate, in the belief that t will enable us to harvest larger crops; for only logical way of meeting our ever rising co is through increasing our yields, and all thoughts and endeavours go to this end, appear to be accompanied by a measure cess. In calculating average crops it is to work on a six years' average, so tha hazards of the weather may be cancelle and allowance made for the two- or thr cycles, in which, coffee bears its high crops. When we purchased these e average arabica yield was 2.01 cwts. and robusta 4.27 cwts. For the last these averages are 4.08 and 5.46, respec

"It is obvious that there is scope for improvement in both these figures, particularly when our large area of young coffee comes into bearing.

"The expenditure per acre on our coffee has risen from Rs. 220-6 in our first season to Rs. 667 in the season just concluded.

"Our capital expenditure has gone largely to rehousing our uncovenanted staff and labour, and last year Rs. 3,34,835 were spent under this heading.

"Increasing crops necessarily involve the spending of more money on enlarging our drying grounds and coffee stores and improving our pulp-houses. The application of additional fertilisers after the monsoon, has called attention to our shortage of manure stores. It is not possible to run lorries into many of our estates after the monsoon and fertiliser must, therefore, be transported as an upload during the crop season and stored on the estate till required from August onwards.

"In the last few years our estates have been largely mechanised as regards transport, spraying and the supply of water. Mechanisation should lead to economies, but its great advantage is the assistance it gives us in carrying out our work at the proper time, and correct timing is the key of most agricultural operations. What is not always realised is that once mechanisation is decided on, many other things automatically follow; the metalling of the main roads through our estates, otherwise our tractors cannot run, the provision of extra accommodation not only for the tractors and implements but also for the driver and where there is much machinery, for a mechanic. We have found tractors to be definitely preferable to lorries on our estates, and we are using them to an increasing extent for cultivating our paddy fields.

"Ten years ago, the value of the stores and spare parts on the estates as at 30th June was only Rs. 2,67,772. Today, it has increased to Rs. 12,64,945, all of which has had to come from our reserves. The largest item is grains, which shows an increase of over four lakhs, for, in 1943, it was unnecessary to lay in a year's supply of food for our labour as we have to do today. In addition, due both to the delays in the making of payments from the Pool, and to the cut in size of these payments, we have to try and maintain higher fluid cash resources to enable us to meet our day-to-day expenditure.

"A policy of restraint in declaring dividends has assisted us to carry out these and other improvements. The total profits we have earned since 1943 are Rs. 1,37,10,232 of which 37 per cent. only has been distributed by way of dividends, 10.6 per cent. paid or reserved for taxation, 16.58 per cent. has been spent on the rehabilitation and rehousing of our staff and labour, and the remainder has been ploughed back into our business.

Marketing of Coffee

"The marketing of coffee in the past year has, as in the previous four years, been governed by factors, many of which are irrelevant to the marketing of an agricultural commodity. In the earlier years, the insistent directives from Government were to maximise exports even at the expense of the consumers; for coffee was judged to be a luxury and the country was said to be in dire need of foreign exchange. In spite of advice that this would seriously affect internal prices, this policy was persisted with, and matters came to a head in 1952 when coffee prices soared to unprecedented heights. Now, in a most curious way, growers are being blamed for the result of a policy that they have always opposed. Then, for a period, the rightful needs of the consumer were at last recognised. Now the pendulum has swung to the other extreme; a low return has been arbitrarily fixed for the producers, and as prices are now presumably low enough for the consumer, most of the considerable profits on exporting coffee are being piped off to the Central Exchequer by means of an export duty of Rs. 62-8 a cwt., neither the producer nor the consumer benefiting in any way from this arrangement.

"Incorrect policies bring their own nemesis with devastating swiftness. With coffee there have been three such instances within the last five years; namely,

(a) The export policy of Government in as mentioned above, resulted in a rise in internal prices which was unprecedented;

(b) The halving of the quantity of coffee offered in Pool auctions in December, 1952; be a record by the failure to hold Pool auctions year running, resulted in coffee prices rising recovery, whilst the Board was left with no and the to meet even the initial payments to These recs when they delivered their coffee to years' Pool; and

(c) The lack of any internal or export sales policy in 1953 has resulted in the accumulation of vast and deteriorating stocks of coffee, mostly robusta, which could have been exported, but must now be consumed in India, and, once again, the Board are unable to meet their commitments to the growers.

"Now, a fourth instance has arisen regarding what constitutes a fair return to the grower for his produce. An arbitrary and incorrect decision has been taken and this is already causing distress to growers in all districts. This distress is increased today, as the Board's borrowing powers are quite inadequate to finance the holding of their huge stocks and at the same time enable them to meet even the normal first payments made to growers when they deliver their coffee to the Pool. Any grower without good credit is puzzled how to find the finance for the maintenance of his estate, to pay for his fertilisers which should be delivered by crop lorry within the next few months and to pay for his grain stocks. In Coorg, these are normally purchased direct from the threshing yards. Such decisions must in the end be corrected, but, in the meantime, much unnecessary hardship is caused. This matter is most urgent, and it would afford relief all round, if, as the Coffee Board has already requested, it could be settled by some independent tribunal, at as early a date as possible. As the Central Government will receive over a crore of rupees from the industry this year, the request is eminently reasonable.

"The statement of Dr. Punjab Rao Deshmukh in October is pertinent:

"'I fear that our attempts at the marketing of agricultural produce have all an atmosphere of isolation from the rural community, as it often appears to be an attempt to impose things from above. No structure which is not based on the co-operation of the parties concerned can be durable or expected to stand by itself.'

Call for Co-operation and Goodwill

"There are no marketing difficulties concerning coffee which cannot easily be resolved, if the advice of those who grow and market coffee is sought in a spirit of co-operation, goodwill and understanding.

"The decision to impose an export duty was passed by Parliament in November, and in the course of the debate in the two Houses the unwished for honour of being singled out for discussion fell on our Company, and the novel suggestion is reported as having been put forward by the Minister that 'The Consolidated Coffee Estates will get only Rs. 250 (an acre) and nothing more and a small man may also get Rs. 250.'

"Some small men are most efficient growers, whilst some of the larger estates are poorly cultivated. It is not clear whether what the Minister proposes is assistance to the small grower or to the inefficient.

"We welcome any proposals which will increase the welfare of the small planters, but, if it is desired to devise production disincentives for our own Company, we trust we will be permitted to devise them ourselves.

"The increase in our coffee area is due to two things, the ploughing back of a substantial part of our savings and our having obtained Rs. 23,33,000 of additional capital from the public, most of which came from our own shareholders.

"So far our policy has been to go in for more and still more intensive cultivation of our land. As a result of this, the employment *per acre* over ten years has increased as follows:—

	Per cent.
Managers	17
Staff	108
Artisans	768
Labour	100

"Our use of fertiliser per acre has increased by over 400 per cent.

"Our use of chemicals per acre by over 250 per cent.

"We could reduce our expenditure under any of these main headings, and our crops and profits would then fall till we reached the figure permitted by Government, but I hope that such a policy will never be forced on us.

"I am reminded of a famous cartoon of the time of the Franco-Prussian War. The French had just introduced the newly invented mitrailleuse or machine gun to their army, and a French soldier is shown looking up from his gun over a field strewn with corpses. Underneath is the caption:

'Hullo! The battle is over, I must
Have turned the handle too quickly!'

"This appears to be the difficulty which has arisen not only with our Company, but with other growers who by efficient methods, have succeeded in obtaining even higher yields. We have gone ahead too quickly and achieved too great success in our battle for the economic production of coffee.

"We had never viewed our policy from this light before. The urge throughout the Five-year Plan is to increase production, to increase employment, to save capital and to reinvest it. All these things we have done. These views are summarised in a nutshell in the People's Edition of the Five-year Plan thus:

"'An increase in the stock of capital—accompanied by knowledge of how to use it to best advantage—will lead to an increase in the community's output of goods and services and so to a rise in its material well-being. This may be put shortly in the phrase, 'the key to economic progress is capital formation'.'

"I trust that a more balanced and dispassionate view of the whole coffee industry may yet prevail.

"I may be excused if I quote again a remark of Sir Russell Kettle, extracted from *Capital*, which I quoted three years ago to you:—

"'We are not concerned with the political aspects of company profits, but, in view of the controversy which rages round this subject, there should be a proper appreciation of facts. Profits are a material factor in creating and maintaining employment; they encourage new ventures and the expansion of trade; they enable fresh capital to be raised and national wealth to be augmented; they provide a material proportion of taxes to defray Government expenditure, including expenditure on social services, and they are the source of income on the invested savings of numberless individuals of moderate means. The myth that companies are owned by a comparatively few wealthy and avaricious shareholders dies hard. Those who regard the earning of profits as a social evil or even as a crime might reflect upon the consequences which would follow their suppression or dissipation.'

"Surely, there is much wisdom in this quotation.

Burden of Taxation

"I do not know whether or not coffee is India's most heavily taxed agricultural commodity, but it must come close to it. Our own estates will have directly met or provided no less a sum than Rs. 14,41,371 to the Central and State Governments as a result of last year's working.

"Such contribution from our 6,767 acres of coffee comes to Rs. 213 an acre, made up as under:

	Per acre Rs.
1. Land tax	2
2. Agricultural income-tax	59
3. Excise duty (on 1,686 tons sold internally)	105
4. Export duty (on 252 tons, our proportion of the 3,000 tons exported)	47
Contribution per acre ...	213

"This omits the income-tax payable on our dividends and the income-tax payable by our staff.

"All this from land which would, otherwise, yield no revenue, and, if untended, would hardly provide grazing, and of which at least another three lakhs acres still lie neglected and fallow in our hills.

"It is difficult to understand why there should be such controversy about one relatively small Company, when there is enough abandoned waste land in the Malnad to support another 40 companies our size. Surely, instead of this sort of unprofitable unpleasantness, goodwill should be created to develop this vast neglected asset.

"It is appreciated that when this development does take place, as some day it must, though conditions can never be more favourable than they are today. Governments will draw up their own plans of action. Nevertheless, although, there are many skilled planters whose estates yield better crops than ours, it simplifies the arithmetic, if we calculate the direct benefit the country would receive if this area were cultivated by companies similar to our own and providing similar taxation. Then the Central and

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State Governments would reap a taxation reward of Rs. 5½ crores annually, and coffee exports of 80,000 tons worth Rs. 50 crores and more would make coffee India's fourth most important export. Consumers could then be subsidised to a degree which has not been conceived today, and, at the same time, very adequate encouragement could be given to producers. This is an ultimate object, but, even on a comparatively slower rate of development, we should be able to export at least 24,000 tons of coffee worth Rs. 17 crores within a period of 15 years, if the encouragement to do so was given.

"As far as we are concerned, I do not believe that it is fully appreciated that we are a rupee company, that 86 per cent. of our share capital is owned by Indians, that, although we employed no Indian covenanted staff in 1943, today we employ seven against eleven Europeans, and a further three Indians are employed in non-officer grade posts on salaries alone exceeding Rs. 300 a month. An inaccurate statement even on this matter was furnished to Parliament; that is why I mention it now.

"More important is the fact that we have no fewer than 1,400 shareholders. In other words, each of our shareholders own on an average something less than five acres of coffee. If the habit of investment is to be encouraged, should not these people be encouraged also, provided that no anti-social policy is involved? Many of them depend on their dividends for their living, and in good faith, we have to do our best for those who have supported and relied on us.

"No place for coffee was found in the Government of India's first Five-year Plan. One reason might very well be the oddity of an agricultural subject being placed in the commerce portfolio, but this means that an additional responsibility was placed on growers to ensure that all aspects of developing their industry were carefully studied. We can make many excuses for failing to put forward our case, but the blame lies with us, and planters must see that it is not repeated.

"To return to our Company, at Kushalnagar there was an increase in the quantity of coffee cured from 1,092 tons the previous season to 2,054 tons in 1952-53. This was a splendid achievement. Our fruit juice factory is still in the pilot stage, and we have had to wait for certain machinery to enable us to proceed with our production. The quality of the products manufactured is excellent.

"In March, of next year, I shall be leaving India on my final furlough, for my employment by the Company will cease finally next September. Your Directors have given very careful consideration to the arrangements which will have to be made after my departure. Mr. R. C. Paterson, who is at present both our Secretary and one of our Directors, will take my place as head of the Company. Mr. D. H. Dasappa, a Director and one of the most knowledgeable coffee planters in Coorg, has kindly agreed to act as Visiting Agent for our estates. Two of our senior Managers, one in North Coorg and one in South Coorg, will see that his instructions are properly carried out. We hope to strengthen the planting side of the Directorate by persuading a well-known planter to join the Board. The Directors of the Company have requested me to pay one more visit to India in two and a half years' time, and to report on the estates, which I hope I shall be able to do, though in a private capacity.

"We have succeeded in building up a splendid coffee team in our Company, and I have no doubt at all that, whatever our achievements have been in the past, those of the future will put them in the shade.

"And now it only remains for me to thank my fellow Directors for the help and guidance they have given me throughout the year.

"I must congratulate our Managers and all those employed on the estates, in the curing works and at our head office for the splendid results achieved by their labours during these years, and also thank them for the loyal and unfailing support they have at all times given to me."

OUTLOOK FOR WORLD COFFEE

Assuming normal weather conditions, production of coffee during 1953-54 is expected to show a slight rise, over that in 1952-53, that is, 2,380 thousand metric tons, as trees planted since the end of the war have come into bearing. In Brazil, the early indications are favourable. In other Latin American countries and in Africa, the upward production trend is likely to continue, although the increase in exportable supplies may not be very large. Stocks, in practically all producing countries, are down to the minimum operating needs.

Assuming continued high levels of economic activity in the chief consuming countries, the demand situation of the past years is likely to continue in 1953-54. Since no major increase in supplies is to be anticipated, prices are likely to remain comparatively high.

So far as the long-term outlook is concerned, the market prospects for coffee appears to be favourable. While prices may decline slighty, if supplies increase appreciably, all indications point to the continuation of the demand trend of the past few years. In the high consuming countries, the post-war gains in *per capita* consumption have been solidified, and the coffee drinking habit appears to be spreading in many countries in which pre-war *per capita* consumption was very low. What is less certain is the outlook for the intermediate period of a few years. If some very optimistic current reports on production prospects during 1956-58 are borne out, it is possible that the expansion of production may be more rapid than the growth of demand, which might have substantial price effects.—*Extract from F. O. Report.*



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TRADE BETWEEN ASIA AND EUROPE

U.N. EXPERTS ON PROBLEMS OF ITS EXPANSION

A JOINT Study* by the Secretariats of the Economic Commission for Asia and the Far East (E.C.A.F.E.), Economic Commission for Europe (E.C.E.) and Food and Agricultural Organisation (F.A.O.) on trade between Asia and Europe, made public this week, points out the advantages of expanded trade between Asia and Europe and suggests measures to help bring about an increase in that trade. The U.N. Study examines the history and setting of trade between the two regions over recent decades and considers methods by which Europe can assist the countries of Asia and the Far East in their common aspirations for economic development and improved living standards. At the same time, it considers ways in which Asia and the Far East can assist Western European countries to solve their post-war economic problems. After stressing that both the volume and the composition of trade between the two regions depend on the levels and structure of world demand and external finance available, as well as on the size and economies of production, the Study urges the need for a readjustment of world trade and payments. It offers three types of "desirable" adjustments:

(1) Increased exports from Asia and the Far East to the United States combined with a smaller increase in imports from this source. "The resulting dollar surplus could then, in turn, be used for larger Asian purchases in Europe, thus contributing to Europe's dollar problem," the extent of the dollar earnings spent in Europe depending "on the ability of European countries to supply the Asian import needs at competitive prices."

(2) An increase in Europe's own dollar earnings in the United States and the rest of the dollar area with a simultaneous shift in European imports of raw materials from dollar sources to Asia and the Far East. Generally speaking, "the longer-term prospects of such shifts to Asian sources of supply appear to be fairly good, if increased production and reduced costs are achieved under conditions of reasonable stability in demand and prices."

(3) Substantially greater capital movements to supplement merchandise balances. "From the point of view of trade expansion," says the Study, "national policies in Asian countries for the encouragement of investment into new or widening avenues rather than simple substitution for existing foreign investment would appear to be more constructive."

Things Asia and Europe can do by Themselves

The Study suggests practical steps which the Asian and European countries themselves might take to facilitate trade between them. These measures include: increased efforts to expand sales, for example, by sending governmental or private trade missions to countries in Asia and the Far East, studies of their specific import needs and technical and economic means of meeting them, the development of joint enterprises and direct investments by European firms, increased diversification of export commodities as well as greater standardisation and control of quality and packaging of Asian export products, and simplified customs procedures and trade regulations and administration.

While trade between the countries of Asia and those of Europe is important to each, the respective roles of their mutual trade is not the same for the two regions. Although Europe has provided markets for nearly one-third of the exports from Asian countries and has been the source of supply of a similar proportion of their imports, trade with Asian countries has accounted for a relatively small share—about 7 per cent. —of the total exports or imports of European countries.

One of the most striking developments revealed by the Study is the marked decrease of some 25 per cent. in the volume of Western Europe's imports from Asia (not counting Japan) as compared with the pre-war level. On the other hand, Western European exports to those Asian countries exceeded the 1938 level after 1948 and were nearly equal to the 1928 total in 1951 and 1952, an increase of approximately two-thirds since 1938.

The leading European trader, generally accounting for about one-half of the total trade between the two regions, has always been the United Kingdom, followed by France, Germany and the Netherlands. Apart from the trade shift of the mainland of China towards the U.S.S.R. and the other Eastern European countries since 1949, the Eastern European countries, including the U.S.S.R., have played an insignificant part in trade between Europe and Asia and the Far East.

Japan's Position

The post-war position of Japan, an Asian country but a direct competitor with Europe in other Asian markets, has considerably changed. In the pre-war period, about two-thirds of the Japanese foreign trade was with Asia and the Far East and over 60 per cent. of this was with China and Korea. By contrast, in 1951 China's share of Japan's trade declined to less than 1 per cent., and the resumption of this trade is dependent upon political developments. Japan has taken various steps to strengthen its position in the other Asian markets, but the immediate results of these efforts, which were partly frustrated by internal inflation, have not greatly changed Japan's relative position up to 1953. Japan's dependence on imports from the United States has increased, without a corresponding increase in exports to that country.

Figures in the Study show that, in the immediate post-war period, Asian trade had failed to keep up with the expansion in world trade, with the result that Asian exports by 1952 had dropped to about 10 per cent. of world exports, as against about 15 per cent. in the years 1928 and 1938, while Asian imports just maintained their share (12 per cent.).

In the 1920's, countries in Asia and the Far East formed part of a global network of multilateral trade and payments. The region had a consistent export surplus with the United States and Continental European countries and a deficit with the United Kingdom. This pattern of trade and payments was disrupted by the world depression and the Second World War dislocated it further. Until the end of 1949, Asian countries recorded considerable deficits on merchandise trade, and the raw materials boom after the outbreak of war in Korea, although causing temporary improvements in the terms of trade, was short-lived and not accompanied by such changes in international capital movements as would facilitate the return to convertibility and the old system of trade and payments.

Adjustment Prospects

For many reasons, including the increased importance of the dollar area and the low level of United States investment abroad, the U.N. Study states that a return to the "traditional" trade patterns of the 'twenties is difficult. With the decline in demand for silk and with the problematic long run future of rubber and tin, the prospects for any substantial increase in Asian exports to the United States are somewhat uncertain, and the extent of dollar earnings being spent in Europe depends on the ability of European products to compete in the Asian import market.

Another type of adjustment towards a more rational pattern of world trade would be an increase in Europe's own dollar earnings with a simultaneous shift in European imports of raw materials from dollar sources to the Asian region. The Study believes there is considerable room for such a shift: the possibilities of increased exports of fats and oils, oilseeds, tobacco and cotton to Europe appear to be condesirable and the longer terms prospects appear to be fairly good if increased production and reduced costs in Asia are achieved.

Just as the international network of trade of the 'twenties depended on capital movements to offset current surpluses and deficits, the new patterns of trade will require capital movements to supplement merchandise trade, the U.N. Study stresses. Financial assistance will be needed not only from the International Bank and the Monetary Fund, but also from national bodies such as the United States and Japanese Export-Import banks and the recently established Commonwealth Finance Corporation. In the interest of developing trade between Asia and Europe, it is essential that financial assistance by countries of Europe, both by Governments and private or public financial institutions, should be forthcoming in greater amounts.

Composition of Asian Exports

In all cases, the problem is to seek a sound basis for developing future trade between the two regions. The Study examines in detail past trade and prospects by commodities and by direction and volume of flow. A few agricultural and industrial raw materials and food products are shown to dominate exports from Asia. Thus, rice accounts for about 80 per cent. of the value of exports from Burma; 90 per cent. of exports from Pakistan have been made up of jute, cotton, tea, wool, hides and skins. About 80 per cent. of Malayan exports consist of rubber, tin, oilseeds and oil, and 75 per cent. of Indonesian exports have been petroleum, rubber and tin. Over 80 per cent. of Philippine exports are covered by sugar, copra, vegetable oils, and abaca. Tea, rubber, copra, and oil form more than 90 per cent. of the entire exports of Ceylon, while Thailand's rice, rubber, and tin exports account for 80 per cent. of the country's total exports. The principal Asian commodities for export in order of importance are rubber, jute and jute products, fats and oils, tea, rice, cotton and cotton products, tin metal, petroleum, tobacco, and pepper. While Asian countries are highly dependent on exports for the purchase of essential goods abroad, it is a measure of their poverty and low level of economic development that their share in world trade is unduly small: the region, which is the home of about half of the wold's population, accounts for only 10 to 12 per cent. of world trade. These figures are extremely low, even if allowance is made for the fact that China and India are exceptionally large national units.

Striking developments in the post-war period have been the increased importance of rubber, tea, and, to a lesser extent, jute and jute products, and the very considerable decline in the relative importance of petroleum products and rice. The other principal export commodities are oils and oilseeds, tin metal and concentrates, tobacco, pepper and silk. The overall decline in the volume of exports in the post-war period is related primarily to a reduction in Asian production, though it has also been affected by increases in consumption in the Asian countries (the population in the region outside China has increased by 23 per cent. since pre-war), as well as by competition from alternative supply sources and from new products. More recently, however, prospects have appeared to be more favourable, as in the case of tin and jute after 1951, and, in the long run, there are good prospects for production increases through improvements in farm practices.

For commodities such as rubber, jute, tea, rice, tin and tungsten, for which Asian countries are the major sources of world supply, future export possibilities are dependent mainly upon the general growth of the economies of industrialised countries, the development of new uses for the commodities as well as the effect of synthetic or other substitutes. For rubber, in particular, the growth in world demand is expected to continue, but considerable competition will be met from synthetic rubber. For rice, increased sales to Europe appear to be practicable, but the main result of an increase in rice production would probably be to reduce imports of grains into the region rather than an expansion of exports. For other commodities, Asia's share of the world market is relatively modest and lower than pre-war, owing primarily to production decreases. For coffee and tobacco, it appears quite probable that, if production were expanded, it could find ready markets in Europe as substitutes for dollar imports. In the opinion of U.N. experts, the export demand for other products, including hides and skins and carpet wool, could be stimulated through quality improvements. So far as cotton is concerned, the requirements of Asian countries will probably absorb the additional quantities produced. Present demand for tea may be maintained, if not increased.

Greater Market Stability Needed

One characteristic of this export trade has been the extreme instability of export proceeds resulting from the wide variations both in prices and in quantities of exports, and from the concentration on a relatively small number of export commodities. The results of international efforts with respect to the stability of these proceeds have been discouraging; nevertheless, the U.N. experts feel that such efforts deserve a more prominent place in the policies of Asian supplying countries as well as of importing countries. On the other hand, European countries may help in many other fields, such as tariffs, price policies, ocean transport charges and other matters directly affecting the marketing of Asian products.

The instability in Asia's import capacity in the past had serious effects on its standard of living and economic development. This instability is shown by the behaviour of post-war imports into the Asian countries and by their violent short-run fluctuations, explained mainly by the fluctuations in export proceeds but also by the priority given to alternating emergency measures of a stop-gap nature, such as improving the supply position or rectifying the pay-

(*Continued on page 55*)

**A Study of Trade Between Asia and Europe. Published by The European Office of the United Nations, Geneva, Switzerland. Price: $1.50 or 11s.*

PROGRESS OF RAILWAYS LAST YEAR

EXPANSION IN ROLLING STOCK VERY LIMITED

(By F. C. BADHWAR, Chairman, Railway Board)

THE year 1953 will be memorable in the history of the Indian railways. Their centenary was celebrated on 16th April, 1953, a hundred years after the Bombay-Thana line was opened to traffic—the first railway line in Asia. The year that is just over was also the first complete year of the working of the reorganised six-zoned railway system. Another landmark was the abolition of practically all the first class, from 1st October, an initial step towards a reduction in the four passenger classes that have prevailed for many years on the Indian railways. A further notable development during 1953 has been the replacement of the old local advisory committees and the Central Advisory Council for Railways, by railway users' consultative bodies. Finally, the various federations of organised railway labour have, as the result of enlightened leadership, merged into one single body, the National Federation of Indian Railwaymen.

The commencement of the second century of their existence finds the railways busy in the rehabilitation of their rolling stock, track, signalling and other major assets. Like the systems of other war-affected countries, the Indian railways have had to concentrate for some years on problems of post-war reconstruction. Their position, in this respect, is more difficult than that of more industrially advanced countries; but earlier planning and standardisation policies had facilitated a clear visualisation of high priority needs and the steps necessary to meet them.

Although the situation with regard to the physical condition of assets has appreciably improved, enabling a steadily increasing volume of traffic to be handled and thus assisting the expanding economy of the country, the heavy backlog of accumulated war-time and earlier renewals, and the heritage of a too large proportion of over-age and obsolete equipment, have compelled concentration on the completion of major rehabilitation programmes and made it necessary to allot second priority to schemes of fresh development, the construction of new lines and augmentation of rail capacity on saturated sections.

Emphasis on Rehabilitation

The railway plans have been integrated into the country's first Five-year Plan, which provides for a total expenditure of Rs. 2,069 crores over the period 1951-56. Railways have received a substantial allotment of funds under this, namely, Rs. 400 crores, out of which a sum of Rs. 320 crores is expected to be contributed by the railways themselves from the difference between their gross earnings and their total working expenses during this period.

Although the emphasis is laid on rehabilitation, certain schemes of development necessary to progress the major projects of the Five-year Plan have been taken in hand. During the first two years of the Plan period, railways have spent Rs. 150 crores and during the remaining period, that is, the current and the two succeeding years, the balance of Rs. 250 crores is expected to be distributed as follows:

	Rs. crores
Rehabilitation, including steps to attain self-sufficiency in respect of important components ...	183
Operating and technical improvements and amenities for passengers and staff	83
Additions and expansions to holdings of rolling stock and on new lines, including works already in progress	30
Miscellaneous	4

The main preoccupation of the Indian railways at the present time is, as mentioned earlier, with their rehabilitation programmes. The magnitude of this task can be assessed from the fact that, despite the new equipment placed in service by 31st March, 1951, out of the total stock of 8,209 locomotives, 19,193 coaching vehicles, and 199,094 wagons on the line on 31st March, 1951, the numbers that were over-age but had to be retained in service were 2,654 locomotives, 6,895 coaching vehicles and 47,256 wagons. In other words, on 1st April, 1951, 32 per cent. of the locomotives, 36 per cent. of the coaching vehicles and 24 per cent. of the wagons were of pre-First World War vintage, but were retained in use to meet the rising demands of traffic. By 31st March, 1956, the end of the Plan period, about 13 per cent. more locomotives, 16 per cent. more coaching vehicles and 13 per cent. more wagons are expected to become over-age, and it is to meet this situation that the Railway Board has considered it essential to revise original plans based on the resources then expected to be available, for the procurement of new rolling stock.

Production in India

During the period 1951-56, the Indian locomotive works are expected to produce about 440 complete engines, besides boilers and other spare parts. The limited capacity of domestic production, in the context of the present large requirements, makes it necessary to resort to imports for a few more years. The foreign procurement programmes of the Indian railways, during the Plan period, will include about 850 to 900 new locomotives. As regards coaching vehicles, the estimated output of indigenous production is about 4,500 and this will have to suffice for the present.

In the case of wagons, about 40,000 are expected to be obtained from Indian manufacturers and some 18,000 from abroad, including those under foreign aid arrangements. Although these figures do not cover the full requirements for rehabilitation, the infusion of new stock in these quantities and the resulting reduction in the over-age equipment which will be removed from service, are expected to produce substantial improvements. To accelerate the supply of coaching vehicles and to achieve self-sufficiency in a reasonable time, a new and modern coach-building factory is under construction at Perambur, near Madras. This is expected to be in production in a few years and should make the Indian railways completely independent of imports as far as passenger coaches are concerned.

New Lines

The programme and construction of new lines, in view of the limited resources—the worst bottleneck at present being steel and other construction materials—have necessarily to be more modest. In addition to the restoration of certain lines, dismantled during the war for releasing equipment and materials for war zones, a few new lines of a developmental character have been taken in hand. One of these, completed last year, is the Deesa-Gandhidham link, required to serve the new major port of Kandla on the west coast. Work on the Quilon-Ernakulam metre-gauge connection on the Southern Railway has also been started.

During the next year, it is expected to make some progress on the following new lines:

(a) The Khandwa-Hingoli metre-gauge link, 186 miles, expected to cost Rs. 7.50 crores, to connect the northern and southern metre-gauge systems.

(b) On the Eastern Railway, rail connection from the Gua-Barabil iron ore area to Manoharpur on the main Calcutta-Nagpur line, 31 miles, for the movement of iron ore for steel works expansion schemes.

(c) The Champa-Korba line, 22 miles, is being constructed to open up valuable deposits of good steaming coal.

(d) Gandhidham-Kandla link, 7 miles, to the port of Kandla.

(e) Gop-Katkola link, 21 miles, in Saurashtra.

The surveys of seven other projects are also included in the programme for 1953-54. These are:

(a) A possible alignment along the west coast, taking off from near Diva on the Bombay-Poona line and running south to connect eventually with Mangalore.

(b) Electrification of Calcutta suburban sections and between Calcutta and the Raniganj-Jharia coalfields.

(c) A line from Mangalore towards the Mysore Railway metre-gauge system.

(d) A rail connection to Etah in U.P.

(e) A rail connection to Chandigarh, the new capital of the Punjab.

(f) Possible rail connections to Tildanga-Khajuria-Malda line in West Bengal.

(g) A line from Fathepur to Churu in Rajasthan.

There are a large number of other schemes under examination, but most of these are still in the exploratory stage.

Traffic Stabilising

The importance of rehabilitation is due to the magnitude of the traffic which Indian railways are required to handle. Fluctuations now appear to be stabilising at what may be deemed normal levels. Passenger traffic appears to have reached a peak in 1950-51, although earnings did not decline immediately because of slight fare enhancements introduced in the following year. Though there has been a comparative decrease in the number of passengers originating, and in the passenger mileage, the present levels as compared with corresponding pre-war figures, are 170.13 per cent. higher under passengers originating, and 125 per cent. higher under passenger miles.

Goods traffic, on the other hand, has been responding satisfactorily to increased industrial activity, and there have been increases both in the tonnage lifted and in goods earnings. In a sense, the slight decline in passenger earnings, taken in combination with an increase under goods, is now tending towards the pre-war ratio between passenger and goods traffic. In recent years, the ratio of passenger earnings to the total had been nearing that of goods earnings.

It is anticipated that passenger traffic will eventually stabilise somewhere around its present levels and goods traffic will register a gradual but steady increase. With growing industrial production and the impact of the major Five-year Plan projects, there can be no justification for pessimism regarding the increase in goods traffic which the railways will be required to handle in the near future. The growth of population, specially in the larger cities, forecast by the latest census figures, also makes it necessary to plan for increased facilities for passengers.

Improving Efficiency

The Indian railways have so far had to rely largely on improvements in organisational and operational efficiency to meet the increased current demands of traffic, as expansion of their rolling stock fleets was restricted. The nature of the improvement effected in transportation, during the last financial year for which figures are available, is indicated below by a comparison with the previous year:—

	Broad-gauge		Metre-gauge	
	1951-52	1952-53	1951-52	1952-53
Train miles				
Passenger and proportion of mixed (in millions) ..	58.85	59.76	35.20	35.81
Goods and proportion of mixed (in millions) ..	50.10	50.83	19.99	20.40
Freight train loads	487	514	187	205
Average wagon load ..	16.4	17.0	7.79	8.51
Wagon miles per wagon day ..	40.9	42.1	32.4	32.9
Net ton miles per wagon day.	409	404	197	200

The Railway Board is accelerating all rehabilitation programmes and concentrating the available resources on improving the "weakest links" to obtain the optimum performance from existing assets and installations before taking up expansions or new projects in any numbers.

Associating Public Opinion

A very important development during the year has been the establishment of railway users' consultative bodies on all the railways, and at the Centre, to consider matters relating to the facilities provided for the public and the general performance of the railways. These bodies have taken the place of the old local advisory committees attached to the different railways, and of the Central Advisory Council for Railways consisting of members of Parliament.

The present organisation has a three-tier pattern with divisional or regional committees, zonal committees at the headquarters of each railway, and the national council at the Centre. Representation on these bodies is on a much broader basis than was the case with the old advisory committees. All important local interests, from the public and the railway users' points of view, have been represented on the divisional or regional committees.

On each regrouped railway there are three such committees, a senior railway officer, such as a Divisional Superintendent, acting as the chairman. Members of the zonal committees at the headquarters of each railway are appointed by the Minister for Railways and Transport to represent various interests, including the State Governments, trades associations, agriculture, passenger associations, industries and any special interests. The General Manager acts as chairman at meetings of the zonal headquarters committees. The divisional or regional committees elect one of their non-official members to represent them on the zonal committee. Thus, at meetings of the zonal committees, opportunity is afforded for discussing the problems of the different areas within the jurisdiction of each railway.

(Continued on page 43)

EIGHTEENTH ANNUAL MEETING OF THE MALABAR STEAMSHIP COMPANY, LTD.

ADDRESS OF MR. P. S. VALLABHDASS

THE Eighteenth Annual General Meeting of the shareholders of the Malabar Steamship Company, Ltd., was held in Bombay on 31st December, 1953. In the course of his address to the shareholders, Mr. Pratapsinh Shoorji Vallabhdass, Chairman, pointed out the necessity for replacing the chartered vessels in the coastal trade by at least serviceable second-hand vessels acquired at a price not above the amount spent on charter hire. Another problem on which Indian coastal shipping companies situate in Bombay are deeply concerned is the inadequacy of dry-docking facilities in Bombay Port, as a result of which coastal steamers face undue delay and loss of working days. Mr. Vallabhdass suggested that the Government should include in the development schemes for the two Bombay docks provision for an additional dry dock.

The following is the full text of Mr. Vallabhdass's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you all to this eighteenth annual general meeting of your Company. The Directors' report as well as the balance-sheet and profit and loss accounts of the Company for the year ended 31st March, 1953, have been supplied to you already and I trust you have read them.

"You may have noticed that, with the addition of the s.s. *Janeta*, our gross income went up to Rs. 36,16,265-15-3 which was more than double that for the previous year. The increase in the gross profit was comparatively small and came to Rs. 5,79,148, i.e., Rs. 1,15,635 above that for the previous year. The main reasons for it are explained in the Directors' report, copies of which have been furnished to you. We have, however, provided Rs. 3,10,000 for depreciation of the fleet and have proposed a modest 6 per cent. dividend to ordinary shareholders along with the usual 6 and 5 per cent. dividends, respectively, to holders of six and five per cent. preference shares of the Company.

"The publication of the first Five-year Plan, as approved finally by the Planning Commission, was one of the most important events of the year under review, and we are gratified to note that the Commission have provided Rs. 6 crores for the acquisition of additional tonnage by Indian-owned coastal shipping companies in order to make the country's coastal reservation effective. The Commission have also expressed their considered opinion that, in view of the prevailing prices, 50 to 75 per cent. of the additional tonnage will have to be purchased second-hand from outside India.

Chartered Vessels Should be Replaced on Indian Coast

"As you are all aware, the Indian coast is still served by certain chartered ships which cost the country about a crore of rupees as charter hire from year to year. A national Government led by the President of the Planning Commission may be expected to take urgent steps to stop such an avoidable loss of valuable foreign exchange especially when Indian-owned companies are willing and ready to co-operate with the Government to secure serviceable second-hand tonnage to replace chartered vessels at a price not above the hire amount frittered away from year to year. Such action would be in consonance with the Government's decision to reserve the Indian coast purely to Indian-owned ships.

"We have represented to the Government of India through the Director General of Shipping for a Government loan to buy fairly modern built second-hand coastal tonnage some months ago. It is a pity that this modest request of ours still remains entangled in the usual red-tape, though every official whom we have met so far has shown his readiness to support it. I am afraid, at the rate at which Government machinery is moving in this important matter, India may not be able to fulfil, by 1956, the target of 315,000 g.r.t. fixed by the Planning Commission for India's coastal shipping.

"The Hindustan Shipyard may take some years to develop into an economic unit, though not reach the level of the shipbuilding yards of Europe or Japan. As it is, we understand, the yard has on hand orders to keep it busy up to 1956. So it is difficult to imagine how the placing of new orders with the yard at this stage can help Indian coastal trade, which urgently needs some 50,000 tonnage, to make the country self-sufficient, at least in our home waters. We have, however, agreed to place an order also with the Hindustan Shipyard for a suitable new building for the coast.

"In this connection, it is interesting to note that some of our more influential brethren are receiving Government encouragement to build new ships outside India. For ourselves, we would prefer to rely on the Hindustan Shipyard for new construction. As a business man connected with one of the oldest Indian shipping concerns, may I also suggest, in all modesty, that the proper place to locate the head office of the Hindustan Shipyard Ltd. is either at Visakhapatnam, where construction work is carried out, or at the port of Bombay, where most of the Indian shipping companies, which the Shipyard is expected to serve, are located. I admit, I am unable to appreciate why the hutments at Shah Jehan Road in the midst of the ruins of old Indraprastha should have been selected as the registered head office of the Shipyard. This arrangement, unfortunately, prevents us from frequent contacts with the Managing Director of the Shipyard, which, I think, are desirable in the best interests of all concerned.

Dry-docking Facilities at Bombay Inadequate

"Inadequate dry-docking facilities at Bombay is also a source of anxiety to Indian coastal shipping companies having their head offices at this port. Coastal steamers trading over the West Coast of India have to depend upon one of the two Bombay dry docks for urgent repairs, survey and renovations required from time to time. At present, our steamships face undue delays and consequent loss of working days before they get the use of the dry dock. This reduces the modest profit margin available in coastal shipping business, and makes it less attractive to the private investor.

"If the Government of India's plans to attract private capital for the much-needed growth of our coastal shipping are to bear fruit, early steps are necessary to provide it with modern conveniences including better dry-docking facilities to Indian coastal vessels, and one of the two dry docks at Bombay should be reserved for such steamers. I would suggest further that, in the development schemes for the Princes and Victoria Docks of Bombay which are under the consideration of Government for some time past, provision should be made for an additional dry dock, and Government plans to build a dry dock at Visakhapatnam might also be speeded up.

"We appreciate the expansion of training facilities recently provided for naval engineers at Bombay and Calcutta, and hope that the engineers turned out by these institutions will worthily fill the gap in the merchant navy for well qualified Indian nationals as engineers.

Indian Shipping and Oil Refineries

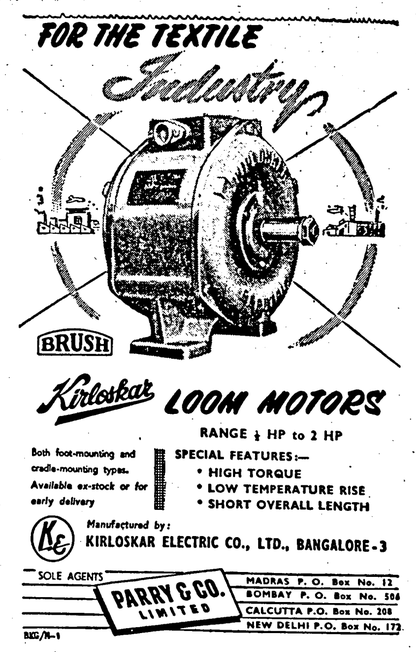
"Your Directors are looking forward for avenues of advancement of your Company, as opportunities arise. You may have read reports about the arrangements recently entered into by the Government of India with certain foreign firms for the establishment of oil refineries. It is a matter of regret that the interests of Indian shipping were left out of consideration, if not disregarded, during these negotiations. In view of the declared policy of the Government of India, we hope they will see to it that the products of the refineries are transported over the Indian coast in Indian-owned tankers. We shall be glad to co-operate with our national Government in this matter.

"We are thankful to the Director General of Shipping and his Deputy and Assistant Directors, as well as the Principal Officer, Mercantile Marine Department, for the co-operation and guidance received from them from time to time.

"In fact, there is a feeling among the Indian shipping companies that it will be more helpful to national shipping, if greater reliance were placed on the expert advice available from these officers. This will enhance their usefulness and may help to curtail red-tapism to reasonable proportions, thereby saving us the time and trouble often spent in waiting upon busy Delhi chiefs to settle details about matters, of which the policy has already been decided upon by the Government of India and the Legislature.

"I trust the above observations of mine will be taken in the friendly spirit in which I have ventured to offer them; for we all know that the advancement of the Indian mercantile marine is the common goal of our National Government and ourselves.

"The staff of your Company working on ships, as well as on shore, and at our branch offices have worked throughout the year with tact, diligence and devotion to their duties, and with your permission, I shall be happy to convey your thanks to them for their co-operation in the activities of your Company during the year under report."



CONTROL OF PUBLIC EXPENDITURE IN BRITAIN

HOW PARLIAMENTARY POWERS ARE EXERCISED

(By OSCAR R. HOBSON)

PUBLIC expenditure in Britain falls broadly into three categories. There is first the expenditure in respect of public administration, defence and social services and National Debt, over which Parliament—to be precise, the House of Commons—has direct control. Secondly, there is the expenditure of local authorities—town and county councils and similar bodies—which have taxing and spending powers in respect of local services such as housing, education, drainage and roads. And, thirdly, there is the capital expenditure of certain public boards or authorities or councils, notably those governing the nationalised industries, which have the right to borrow from the Exchequer or under Treasury guarantee.

So far as central Government expenditure is concerned, the most effective form of Parliamentary control is exercised before the expenditure comes to the notice of Parliament. It is, in fact, exercised by the Cabinet, which, on the advice of the Chancellor of the Exchequer, lays down the policies leading to expenditure, and so sets limits to the activities of the spending departments of the Government.

The control circuit starts in October of each year, when the Treasury sends out a letter to the departments of State requesting them to submit their estimates of expenditure for the financial year due to begin on the following 1st April. These estimates are drawn up in great detail under separate "votes" and "heads" and "sub-heads" of votes, with the active co-operation of Treasury officials, and, before they are submitted to Parliament in February, they require the approval of the Treasury. Parliament's (House of Commons') consideration of the estimates begins at this point and continues through the spring and early summer. It is carried out by the House sitting in Committee of Supply on 26 days allotted to debating the various votes. Irrespective of whether they have been fully discussed or not, all votes must be passed at the end of the time allotted for their debate.

A Defect

In the circumstances, anything in the nature of systematic examination of the various heads of expenditure is quite impossible, and, in fact, it frequently happens that most of the time assigned to a particular vote is taken up by discussing matters of purely subsidiary importance. This is a defect inseparable from any system which involves debate by a House of 600 members working in the highly-charged atmosphere of party politics. In some degree it is remedied by the more detailed review conducted by the much smaller Select Committee on Estimates composed of 28 members drawn from all political parties. This Committee picks out for itself the votes it wishes to investigate, but, like the House itself, it has no time to examine the whole range of public expenditure.

This is the procedure applicable to the departmental estimates drawn up each year, in the light of earlier legislation and Cabinet decisions and established practice, to meet the country's administrative needs in the following year. But there is another body of expenditure to which it does not apply. This is the "Consolidated Fund" expenditure, which relates to recurring obligations under legislation which has continuing effect. The largest and most important of these Consolidated Fund services is the interest on the national debt. Also charged direct on the Consolidated Fund are the salaries of the judges and certain other high officials who are responsible direct to Parliament and cannot be dismissed except on a resolution passed by both Houses.

Among these officials is the Comptroller and Auditor-General, who has the main responsibility for what may be called the second stage of parliamentary control of public expenditure, namely, the checking of expenditure as it occurs, to make sure that no money is spent which has not been authorised by Parliament, and that all money spent is spent on the exact purposes authorised by Parliament. In each department, there is an officer charged with this duty of ensuring that all disbursements conform strictly to the terms of the relevant vote and head and sub-head; and at his elbow, as it were, are the officers of the Comptroller and Auditor-General's Department (the Exchequer and Audit Department), without whose authority no payments can be made.

Finally, reviewing of public expenditure after it has been incurred is another House of Commons body, the Public Accounts Committee of 15 members appointed each session. This Committee, which has wide powers of examining officials, conducts its reviews with vision and thoroughness, and not infrequently, discovers and reports examples of waste and inefficiency. But, of course, its services are necessarily in the nature of shutting the stable door after the horse has been stolen. Its *post facto* investigations have, nonetheless, a considerable deterrent effect on departmental expenditure.

Control By the Treasury

All central Government expenditure is amendable to the disciplines described above, of which that wielded by that "watchdog" of Parliament, the Treasury, is undoubtedly the most effective. In a mechanical sense, the control system, developed over the past three centuries, if not perfect, works smoothly and well. The canalising arrangements—by which Parliament finally sanctions all expenditure by a single Act, the Appropriations Act, similarly sanctions all taxation by a single measure, the Finance Act, while all receipts and all disbursements pass through the Consolidated Fund (reflected in the Exchequer account of the Bank of England)—could not easily be bettered.

If what may be called the higher arts of constructive control have hardly been developed to the same pitch as the mechanical checks and safeguards, that must be put down to the tremendous demands which successful planning makes on imagination, foresight and judgment.

Local Expenditure

As with central Government, so with local government expenditure, the routine machinery of control has been developed to a high standard of efficiency by long experience and by the legislation defining the powers and duties of the councils and their officers. One point, however, needs to be stressed in this connection, namely, that, while theory and tradition grant wide measures of autonomy to the local authorities in respect of services within their areas, the progress of events in the last few decades has gone far towards restricting that autonomy in practice and, in a large measure, placing local authority expenditure under the direct control of Parliament.

This has happened, on the one hand, through the great growth of what are called the social services, and, on the other, through the shortcomings of the local taxing (or "rating") system which is based on the assessment of property value, and not on the ability to pay, of the local residents. The effect has been that Parliament has found it necessary to take direct responsibility for an ever-increasing share of local public expenditure and, by a system of Exchequer "grants," to place it on the shoulders of the taxpayer as distinct from the local ratepayer.

These central Government grants now represent some 40 per cent. of the total expenditure of the local authorities, with a corresponding reduction of their independence and their power to respond to the individual wishes and needs of the local population. Local government in Britain is, one feels, in a stage of transition which must either give place progressively to greater centralisation or must be revivified by a drastic reform of local taxing methods.

Finally, there are the newcomers into the realm of "public finance," the nationalised industries, notably coal, transport, electricity and gas. The intention of Parliament was and is that these corporations should be functionally and financially autonomous, subject to the general directive laid down in the Acts setting them up, that, "taking one year with another," they shall cover current expenditure by revenue.

But they are required to raise the funds needed for capital expenditure either by direct loan from the Treasury or by loans raised on the market with Treasury guarantee. In either case, they come under Treasury control, since they must, of course, satisfy the Treasury as to the desirability of the objects for which they seek finance. Thus, the decision as to which nationalised boards shall be allowed to raise capital and the amount they shall be allowed to raise becomes, in effect, a direct responsibility of the Government.—*Exclusive to "Commerce."*

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COLONIES' STERLING BALANCES

"The accumulated savings of the Colonies will be of great value in enabling them to face the future with confidence and to press forward with schemes of basic development upon which their continued economic and political progress so much depends," thus observes the White Paper, *Memorandum of Sterling Assets of the British Colonies*, published in London recently. The *Memorandum* summarises the benefits which are accruing to dependent territories from their increased sterling balances. These balances rose from £670 million at the end of 1949 to £1,222 million at the end of 1952, representing an increase of 80 per cent.

The bulk of the expansion of reserves took place in the Malayan area, the increase being from £3 million to £80 million. West Africa held the second place with a rise from £22 million to £61 million, and East Africa's balances increased from £20 million to £42 million. These vast reserves, the *Memorandum* points out, "can be withdrawn at will, and there is no question of their being blocked."

The White Paper has been issued to explain what these sterling assets are; they are, it stresses, part of the financial reserves of the Colonial Governments and peoples. "Like other countries, the Colonies need to hold reserves as an insurance against falls in export earnings, as savings for future investment, and to maintain the exchange value of their currencies. As a general rule and in the short run, the reserves rise in times of prosperity and fall in times of recession, but, as the Colonies become more developed and their national productivity increases, they should show a long-term upward trend."

The main components of the sterling assets—they are kept in London because of its great facilities—are: Colonial Government funds 36 per cent.; funds backing Colonial currency 30 per cent.; Colonial Marketing Board reserves 12 per cent.; and Colonial funds with U.K. banks 22 per cent.

Describing the purposes to which the moneys under each of these headings are devoted, the *Memorandum* reveals that sterling in Colonial Government funds alone is marked for eight main objects. In addition to meeting a wide range of calls made on it as working capital, this section provides development and renewal funds, a sinking fund against loans, as well as reserves for pension and provident funds and for deposits placed in savings banks.

The *Memorandum* points out that, while the dependent territories issue their own currency, sterling backing must rise and fall according to demand. This demand differs widely between areas, as it is principally influenced by whether the main output from the zone is seasonal or spread over a full year. Marketing boards in these territories are bodies which are not subject to direction by the British Government, and have, as their main aim, the maintaining of steady prices for products. They, therefore, build up reserves in good years for price assistance in bad years, and so such funds have to remain, in part, "liquid" to meet immediate calls. Nevertheless, the *Memorandum* states that "the reserves having reached a level which is considered more than adequate for price stabilisation, Colonial Governments and marketing boards have been able to invest an increasing proportion of their total reserves in local development schemes."

The *Memorandum* gives a detailed review of the many influences which may exert pressure on the future course of sterling assets. "One important factor," it states, "will affect the future level of the Colonies' sterling assets—the rate at which increased uses can be found for local investment of these reserves. As colonial economies become more broadly based and thus able to support financial institutions of their own, so will opportunities increase for local investment of many of the resources now going into external reserves. Already, Colonial Governments are investing more of their reserves locally, and it may be expected that this process will continue."

The *Memorandum* concludes that the Colonies have good reason for satisfaction in their present sterling reserves. To quote it: "They have been able, during a few exceptional years of favourable terms of trade, to increase their reserves against future recession, while they have increased their consumption, expanded their physical assets and carried out general plans of economic and social improvement with the help of outside capital, most of which came from the United Kingdom."

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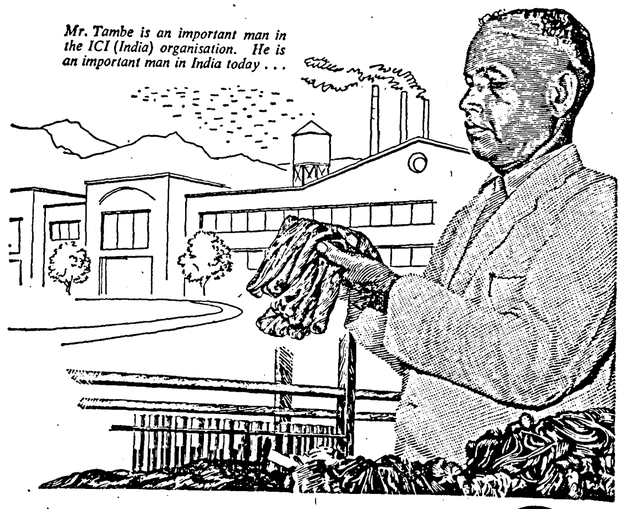

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NEW PUBLICATIONS

The Indian Cotton Textile Industry—an Economic Analysis. By Dr. S. D. Mehta. Published by the Textile Association (India), Ganesh Bhuvan, Suparibaug Road, Parel, Bombay 12. Price : Rs. 12.

AS the title itself suggests, this publication is devoted to an economic analysis of the cotton textile industry in India. The book contains the results of research and investigation which its author, Dr. S. D. Mehta, conducted into the wide and varied aspects of the industry—structural, market and allied, and financial. The part dealing with the structural aspects of the Indian cotton textile industry contains an elaborate account of the equipment patterns, wage situation and organisational set-up. A reappraisal of the handlooms forms a special feature of the book. The basic facts about the yarn and cloth markets, the mills and the markets, the role of distributive agencies, and final demand patterns constitute the subject matter of Part II. In Part III, the author has examined the financial aspects of the industry, including the sources of mill finance, the relation between the size and profitability of units, and problems of financial management.

All these aspects have been dealt with in a lucid and comprehensive manner, with the help of a number of charts and statistical tables. The importance of the study lies in the fact that it is based on firsthand knowledge of mill routine and practices in the different centres of the cotton textile industry which the author acquired during the investigation. Indeed, as Mr. H. P. Mody, one of India's leading industrialists and business men, has rightly pointed out in his preface to the publication, Dr. Mehta "has made an exhaustive study of the industry, and the pages are a witness to the ability and thoroughness which he has brought to bear upon his task." The publication will, therefore, be immensely useful not merely to those connected with the cotton textile industry and trade but to research students in the field of cotton textiles.

Considering the keen controversy that persists in regard to the role of mills and handlooms in the cotton textile economy of India, the need for a clear insight into the real issues pertaining to the handloom sector cannot be overemphasised. Dr. Mehta has done well, therefore, to examine the question dispassionately. It is noteworthy that he takes strong exception to the policy of reserving markets for handlooms. The pertinent observations which he has made in this connection are worth reproduction. He says:

"The fact must be faced, and the earlier it is done the better, that the bulk of the handlooms must yield ground, in any normal market, to more mechanical forms of weaving. Any attempt to foster the expansion of handlooms is a retrograde step, which will only aggravate the difficult problems of social policy that must arise when a reduction of the dimension and type we envisage is getting through, precipitated by political events like partition. The human considerations involved no doubt underscore the gravity of the situation, but perpetuation, behind legislative sanctions, of the present levels of human dependence on handlooms is only capable of acting as a palliative, unless it was so drastic as to be utterly unacceptable in the interests of the entire country. A planned and orderly elimination of the surplus human material acquired during the war and later years, and encouragement of weavers' children into other occupations would form the first plank in any such process; active encouragement should be preferred to all those who are willing to leave, concentrating attention on weavers who are engaged in the production of fabrics that are, taking all—technical and economic—considerations into mind, likely to suffer most directly from mill competition, direct or indirect; dovetailing of these schemes, and offering incentives for new factories and industries to be opened out in the affected towns or regions will be of two-way benefit. The need for such a programme, spread over a period of 10 years or so, is urgent, and compelling."

This is candid criticism. Coming as it does from a disinterested research worker, and not a person with any vested interest, it deserves the attention of the authorities. That the industry's attitude towards the question is the same as the author's will be clear from a perusal of the memorandum submitted by the Federation of Indian Chambers of Commerce and Industry to the Textile Enquiry Committee in July last, that is, a few months after the publication of his thesis. It must, however, be said to the credit of the author that he published his thesis quite a few months before the Federation submitted its memorandum to the Committee.

Standard of Living in India and Pakistan, 1931-32 to 1940-41. By R. C. Desai. Publishers : The Popular Book Depot, Lamington Road, Bombay 7. Price : Rs. 20.

This work is one more in the traditional line of an Indian economic problem being taken up in Great Britain, with the inevitable sojourn in India for investigation and with the usual array of the names of Cambridge economists who have chosen to guide such a piece of research. But it is an important work, both as to its achievements and as to the usefulness of the problem handled. It carries the analysis of national income from the angle of consumer expenditures and presents the distribution of this expenditure over the whole decade, 1931-32 to 1940-41. We have had very few sustained efforts on an all-India basis for the measurement of national income, until we come to the efforts of the National Income Committee.

The book begins with the estimates of production in the various sectors of the economy and shows the limitation of census of production and the "added value" estimates. The remaining two parts of the work (Chapters 7 to 17) are, however, devoted to the other approach (consumer expenditure) so as to include a total of exchange values; but they are exclusive of all the services not rendered for monetary rewards. For this purpose, valuations have had to be made not merely for the net retention for consumption but utilities involving expenditure from personal incomes.

For the purpose of calculations, the district in each Province has been taken as a basic unit and, despite some well-known limitations, discerning use of the data contained in the Revenue Reports of these has been made. Undoubtedly, as in all attempts at calculating incomes, these computations have meant numerous guesses and the difficulties of imputing values to the sum total of utilities at every stage, but the consolidated tables (p. 260 to 270), with the additional note on reliability (table 112), bear an eloquent testimony to the success with which the author has been able to build a consolidated picture of the consumer expenditure on 15 important items for the whole decade since 1931-32. The work concludes with linking up of earlier estimates of national income, more especially Dr. Rao's for 1931-32, and with useful comparisons of group expansion of consumer expenditure between the U.K. and India for 1938 and its variations during the period covered.

We welcome the work as a useful example of tool for the students of economics and as filling up a big lacuna for the calculations of national income as regards an extremely important decade for policy makers. The publishers have endeavoured to make the work as attractive as possible; but the price of the book will severely limit the number of its buyers.—*M.C.M.*

Impact of Science on Society : Volume IV, No. 2: Summer 1953. Published by the United Nations Educational, Scientific and Cultural Organisation, Paris. Price: $0.75. Annual subscription: $2.50.

The best hope of avoiding cycles of depression and developing a stable economic system lies in the use of a special electronic device, the "analogue computer," which can cope with any degree of complexity and can use "feed-back" to control oscillations. The construction of such a machine is proposed by Mr. Arnold Tustin, Head of the Department of Electrical Engineering at the University of Birmingham (England), in the summer issue of *Impact of Science on Society*, a quarterly publication of the Department of Natural Sciences at U.N.E.S.C.O. in Paris.

Economic laws are based on cause and effect just as definitely as are the laws of physical science and some of them are just as reliably established. But the laws of science are simple and usually connect only two things as cause and effect, such as gravitation and the falling apple. But economic affairs are a maze of interrelated causes and effects, and a consequence often changes its own cause, as when a full stomach kills hunger. This "feed-back" of information and influence from the effect to the cause is the basis of many electronic control mechanisms. A simple example is the automatic thermostat that controls room temperature. More complex is the automatic aircraft pilot. Electronic computers can now take into account very complex relations between separate feed-back circuits. Some automatic factory control systems in the chemical industry are almost as complicated as a national economic system, yet they keep the production line going smoothly, without variations of pace or breakdowns.

The permanent success of any economic system needs similar stability and must avoid violent oscillations and the ups and downs of business cycles. The case is analogous to that of the automatic pilot which corrects any deviation in the flight of a plane by a shift of the rudder in the opposite direction. But it is important that this correction be not overdone so that the plane wobbles back and forth or even becomes unstable. This is done electronically by making the "feed-back" control so sensitive that it catches any deviation almost before it is noticed by the pilot.

What Professor Tustin proposes is the construction of a system of electronic circuits to stimulate the complicated interrelations of economic factors, such as the bank rate, open market buying and selling, variation in Government spending, in taxes and in credits. No machine can control the economic system, but it can be used to study the instability factors by analogy and to determine which factors are most likely to go off course and how they affect other factors. If the machine is a good analogue of the economic system, it should be swift and easy to learn from the machine where and when corrective controls can be most effectively applied. Such a machine would cost some $100,000 (between £30,000 and £40,000) and might take 10 years to design, adjust and perfect. But it offers a unique method of analysing a problem which is too complicated for the human brain.

Investors' Encyclopædia, 1952-53. Compiled by Messrs. Kothari and Sons, Share, Stock and Exchange Brokers, Oriental Buildings, Armenian Street, Madras 1. Price : Rs. 20 (plus Rs. 3 for packing and postage).

There is only a limited number of publications of the kind under review. But most of them confine themselves to a restricted field, in that they generally cover the companies the shares of which are quoted on one or other of the three Stock Exchanges in the country, namely, Bombay, Calcutta or Madras, and a few other prominent companies the shares of which enjoy a wider market. The publication under review is, perhaps, a notable exception, inasmuch as it is only one of its kind to cover almost all the joint-stock companies in India, irrespective of the fact whether their shares are quoted in all the principal Stock Exchanges or not.

The *Investors' Encyclopædia* is in its seventeenth edition and has rendered very useful service to investors in India all these years. The publishers have taken the present opportunity to add a number of companies in each section. They have spared no pains to rearrange the matter so as to eliminate any possible discrepancies in the reading and tabular matter and to give additional information wherever necessary. The review of each industry, which forms the introduction to the relevant section, has been brought up to date and serves as an invaluable guide to investors in each section. The chapter on income-tax and super-tax rates for the current year in India, Pakistan and the U.K., the agricultural income-tax rates and the stamp duties in various States of India, which is an inseparable part of any guide book on investment, has been revised. As in the previous editions, a very comprehensive and general review of the economic progress of the country during the past year and the outlook for the current year have been provided.

A drawback of the earlier editions of the publication under review was its bulk. This has been removed in the present edition by printing the matter on thin paper, so that the size has been nearly halved.

Report of the Bombay Chamber of Commerce, 1952. Published by L. D. Boult, Secretary, Bombay Chamber of Commerce, Ballard Estate, Bombay. Price : Rs. 15.

The *Report of the Bombay Chamber of Commerce*, 1952, will, as before, be of immense use to the business community in India. Authoritative and useful information on the developments during the year, in the field of industry, commerce, trade, banking, insurance and labour continues to be an outstanding feature of the *Report*. The inclusion of the various Acts passed by, and Bills pending passage before, Parliament and the Chamber's constructive and helpful suggestions thereon will make the *Report* a record of ready reference for the business community in India. The value of the publication has, this year, been enhanced by the addition of a number of charts giving quotations for a wide range of commodities which figure prominently in the internal and external trade of India.

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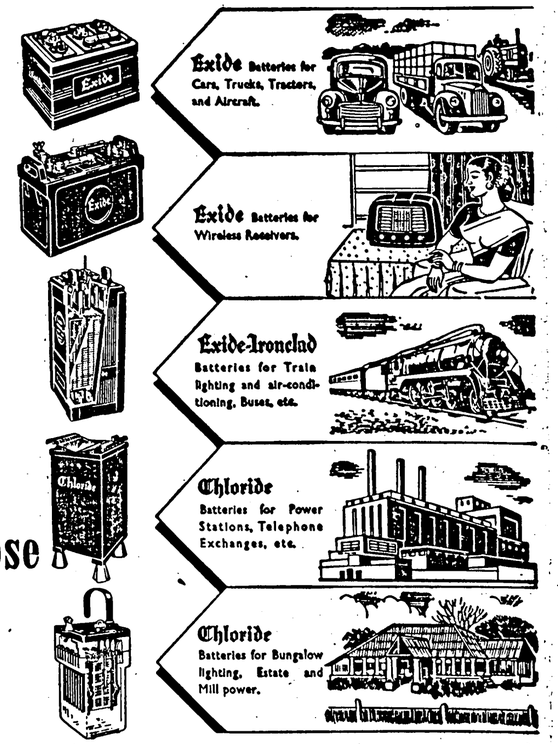

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PROTECTION OF INDUSTRIES IN INDIA

WORK OF TARIFF COMMISSION IN 1952-53

THE first Annual Report on the activities of the Tariff Commission, covering, as it does, almost the period since its inception on 21st January, 1952, up to 31st March, 1953, published recently, is undoubtedly an impressive record of performance of the protected industries in India. Not only does the Report contain a review of the work done by the Commission and an account of its duties and functions but also the history of tariff protection for several industries, the cases of which were taken over by the Commission. A section is specially devoted to new references to the Commission and the enquiries held by it during the year. A somewhat fuller account of the case of industries on which Government resolutions were issued during the year is provided in another section. One of the chapters gives a general review of the progress of protected industries during the year in its fourfold aspects, namely, production, sales, stocks and wholesale prices.

A perusal of the Report discloses that the Commission has scrupulously attached adequate weight to every aspect of protection while making its recommendations. Among the general principles taken into account in arriving at decisions are the quantum of output, the quality of the product and the price charged for it, technological improvements and scientific research, training of personnel, the use of indigenous resources, and, in the case of embryonic industries, the time within which they should start production. The Commission's work in this respect would, however, appear to have been considerably handicapped by the non-availability of accurate statistics and inadequacy of personnel, especially expert personnel. Despite this handicap, a serious one at that, considering that important decisions affecting the economy of the country as a whole have to be taken, the Commission must be said to have acquitted itself in the discharge of its duties quite creditably. This, however, does not mean that we are extending an unqualified support to all the policies pursued by the Commission. There have been serious differences of opinion between the Commission and some of the major industries in regard to fundamental issues relating to protection, such as the period of protection, the quantum thereof, the rate of return allowed in respect of those industries the products of which are subject to price control, etc. In this connection, readers' attention must be drawn to the series of well-reasoned articles contributed to this journal in the second half of last year by Mr. Padamji Ginwala and to the reactions of the automobile industry to the Commission's recommendation. The fact that almost all recommendations of the Tariff Commission has been found acceptable to the Government and that no serious differences of opinion have arisen between them may give rise to misgivings about the independent character of the Commission. But there have been, in recent months, instances where the Government and the Commission have not been able to see eye to eye on some important issues, as, for instance, the Government's refusal to accept the Commission's recommendation for a higher return on capital employed in the case of the Tata Iron and Steel Company, Ltd., and for protection in regard to the sericulture industry. These instances, which are in refreshing contrast to the developments during the period of its predecessor, the Tariff Board, show that the Commission has a mind of its own.

Number of Enquiries Covered

Over a period of nearly two years since the Commission started functioning on 21st January. 1952, the Commission has completed 36 enquiries of which 26 were connected with claims of industries for protection and assistance and nine into cases of fixation of prices. In addition, the Commission was entrusted with an enquiry of an unusual type, namely, the determination of a fair ratio between the ordinary shares of the Steel Corporation of Bengal Ltd. and the Indian Iron and Steel Company, Ltd.

A perusal of the list of industries, the claims of which for protection or continuance of protection were examined by the Commission, reveals that the industries represent a fair cross-section of India's industrial structure. Eight of them, viz., automobile, ball bearings and steel balls, woodscrews, hurricane lanterns, transformers (power and distribution), bicycles, dry batteries and motor vehicles belong to the engineering group. Another eight, namely, glucose, hydroquinone, titanium dioxide, calcium lactate, fountain pen ink, bichromates, dyestuffs and para-aminosalicylic acid belong to the chemicals and allied group. Three more, namely, sericulture, woollen hosiery and flax goods are of the textile group. Preserved fruits and sago are food processing industries. Ferro-silicon is a metallurgical industry. The remaining four, namely, plywood and tea chests, pencils, buttons and coated abrasives may be classified as other industries.

In the case of the woollen hosiery industry, the Commission did not recommend grant of protection. In five cases, namely, dry battery industry, pencil industry, fountain pen industry and ferrosilicon industry, the Commission found that continuance of protection was not necessary. It did not recommend reduction of import duty on meta-aminophenol as claimed by the manufacturers of para-aminosalicylic acid. In 13 cases, including that of plastic buttons, grant of protection or assistance or continuance thereof was recommended. In the remaining cases, either the enquiries were held very recently or decisions were in the process of finalisation.

Claims of Automobile Industry

The biggest enquiry held by the Commission during the year was in connection with claims for protection of the automobile industry. This industry presented a complicated medley of interests and even after collecting and sifting a mass of information and views the determination of the best method of assisting the industry was by no means easy. For several months the Commission thought over the problems, assisted by a German expert and two Indian technical advisers. It is stated that "the Commission's conclusions and recommendations embodied in its report represented the best possible solution which, though not free from certain calculated risks, would nevertheless lay the foundations of a vital industry which has been appropriately described as the mother of engineering industries." Since the publication of the Government Resolution accepting most of the Commission's recommendations, the Commission has initiated investigation into a number of automobile ancillary industries which must constitute the base for the main industry.

Price enquiries conducted by the Commission during the period under review related to five commodities, namely, steel, cement, tin plate, raw rubber and superphosphate. The case of steel is interesting. In pre-war years, this industry received protection on the recommendation of the Tariff Boards, and the consumer of steel bore a part of the burden. But, in the post-war years, the prices of its products have been regulated on the recommendations of the Tariff authorities, and have been lower than what the consumer would have had to pay for imported steel.

The two reports relating to price enquiries which attracted wide attention were those relating to (a) the determination of the ratio between the ordinary shares of the I.I.S.Co. and S.C.O.B. and (b) the fixation of fair retention prices of steel of the T.I.S.C.O. In the former case, the report of the Commission paved the way for the merger of the I.I.S.Co. and the S.C.O.B. and for the grant of a large loan of 31.5 million dollars by the World Bank to the I.I.S.Co. for carrying out its expansion programme. In the case of the Tatas, the Commission had treated the Company's collieries as a part of the steel works and allowed depreciation and return on the colliery block. Secondly, a return of 10 per cent. on block was recommended as against 8 per cent. recommended by the previous Tariff Boards, subject to the proviso that the amount of extra 2 per cent. return less taxation should be earmarked for modernisation and expansion. On both the issues, the Government chose to differ from the Commission. The Government did not accept the recommendation for the grant of 10 per cent. return on block as it had decided to grant a special loan to the Company for financing its expansion programme on favourable terms. The question of treatment of the colliery block for purposes of computing the cost of steel was referred back to the Commission for further investigation, and the Commission has already completed its enquiry into the matter.

Tin Plate and Rubber

As regards tin plate and raw rubber, the Commission revised the prices in an upward direction, while its report on cement prices is stated to be still under the consideration of Government. An enquiry into the fixation of prices of rubber tyres and tubes has been taken up on reference from Government. The Commission held an enquiry into the prices to be paid to the producers of superphosphate during the period 1st January to 15th August, 1952. This was the last enquiry, and the Government has terminated the pool arrangements with regard to superphosphate.

Besides the enquiries into the various industries, the Commission's activities included research into specific problems, compilation and issue, albeit in a restricted form, of statistics relating to protected industries. The Commission's research studies included analytical notes on the incidence of 30 per cent. increase in the railway freight on coal/coke, on the fair ex-works costs of production of certain protected industries and on the trend of wholesale and retail prices of protected commodities in order to find out if there were any cases of excessive price-charging. Unfortunately, the Commission has not clearly stated the results of this investigation. Of course, in one place, the Commission has stated that "complaints from consumers against protected industries for taking advantage of protection to charge high prices were remarkably few." But one would like to know whether the Commission's investigation revealed that the absence of complaints was really due to lack of exploitation by protected industries or to the fact that the vast majority of consumers are not vocal enough to voice their grievances effectively.



SULPHUR PRODUCTION IN INDIA

The annual requirements of sulphur in India are of the order of 60,000 tons. Of this, some 35,000 tons are used in the manufacture of sulphuric acid. Sulphur is a strategic chemical required during both war and peace. Unfortunately, India is lacking in direct sulphur resources. Sulphur is, however, found in certain pyrites but so far no serious attempts have been made to organise indigenous sulphur as a national industry. Consequently, it was quite appropriate that this aspect of the question received emphasis at the sixth annual session of the Indian Institute of Chemical Engineers, held on 30th December last at Hyderabad. Presiding over the session, Dr. G. P. Kane, President of the Institute, gave a very interesting account of how in other countries persistent efforts had been made to meet sulphur shortage.

Pointing out the necessity of organising the sulphur industry in India, Dr. Kane said that the possibility of achieving at least partial self-sufficiency in sulphur within a reasonable time appeared real, but it awaited the necessary effort. He considered that proper results would not be achieved by private enterprise, because the cost of sulphur produced by chemical means might be somewhat higher than the present landed cost. But sulphur being a civilian and defence need, it was, he thought, the duty of the Government to ensure that the security of the State was not jeopardised by complete dependence on imports. If it was necessary that the consumer should receive sulphur at approximately the present landed price, he said, the industry might need a small subsidy. Such subsidy, he felt, would be a small price to pay for the guarantee of sulphur supplies in an emergency.

Dr. Kane drew the pointed attention of the audience to the possibilities of producing sulphur with the assistance of the oil refineries which are being established in India. "Plans are under way," he observed, "for setting up three oil refineries, two of which will be installed in Bombay with a combined capacity of 2½ to 3 million tons of petroleum crudes. This will offer scope for production of sulphur. Thus, production of elemental sulphur need not remain a pious hope. The dependence of chemical industries on imported basic raw material could be removed only by making a vigorous effort to produce sulphur in the country."

Dr. Kane then gave an account of the measures taken to meet the sulphur shortage in the U.K., Germany and other countries. Well-known methods such as substitution of pyrites or anhydrite for sulphur was difficult in India as the required conditions were not satisfied. Even if fresh deposits of these minerals were discovered, he said, the capital required for their exploitation would be very large. The price of acid was to be maintained at a reasonable level and hence alternative cheap sources of raw material had to be looked for. Another material from which sulphur could be produced was, he said, hydrogen sulphide. Besides, the cheap process of exploitation of pyrites developed in Norway, Spain, and Portugal could also be examined. However, an interesting possibility was the production, by double decomposition, of hydrogen sulphide from chloride which was available cheaply at marine salt works in India. For each ton of salt manufactured from sea water, he stated, 1½ tons of bitterns were discarded and this could form a successful source for winning sulphur. Experimental work in evolving a process showed that a single salt works, with an annual capacity of three lakh tons salt, can supply raw materials for production of 5,000 tons of sulphur per year.

Taking *per capita* consumption of sulphur as the index of prosperity of a country, Dr. Kane incidentally pointed out that the consumption in India was 0.4 lb., in the U.K. 30 lbs. and in the U.S. 75 lbs.

IMPORT POLICY FOR JANUARY-JUNE, 1954

The import policy for January-June, 1954, announced on 30th December last, is modelled, more or less, on the lines of the policy for the second half of 1953. The few changes which have been made in it are intended to help sustain the tempo of industrial and agricultural development in India. Steps have, accordingly, been taken to facilitate larger imports of industrial equipment and raw material. This change should provide relief to some of the indigenous industries which had to curtail production, owing to serious competition from imported products. For, under the new import policy, import quotas of 34 items have been stepped down in order to conserve foreign exchange on goods which can be easily produced in larger quantities. These include such items as table fans, card cans and jams and jellies, lead pencils and hand-knitting wools, cod liver oil and duplicators and also a large variety of engineering stores, as, for example, iron and steel screws (other than machine screws), brass, lead and copper wrought and copper wire. It is to be hoped that the opportunities thus provided for expanding sales will be put to good advantage by the concerned Indian producers to improve the quality of their products and try to offer them at reasonably lower rates to consumers.

A number of stores such as electric motor starters, some drugs, medicines and chemicals, and a few kinds of mathematical instruments has been detached from the main serial numbers and importers are required to establish separate quotas from these items.

The share of newcomers in the import trade of the country has been expanded under the new import policy. A number of new items has been added to the list of these importers. Although imports of betelnuts have been dropped, those of machine cloth, palm oil, coconut oil, cigars, domestic refrigerators, watches, water and oil colours, and musical instruments, etc., are now licensable to newcomers. The procedure for the issue of licences has been simplified and those who obtained licences in the previous half-year will, on the production of their old licences, be issued with fresh licences of equal value.

For established importers, provision has been made for grant of additional licences for increased imports of machinery, active finishing agents and scientific and optical instruments.

A few changes have also been made in the procedure for the grant of licences. These are intended to give increased facilities to importers. Importers will now be able to obtain their licences even for mutiple items on production of quota certificates, if they are unable to present the licence for the previous licensing period.

Again, the import licences for most kinds of fabrics, some varieties of papers, most kinds of arms and ammunition and almost all types of moulding powders have been made interchangeable.

The issue of capital goods licences for jute and hemp machinery has been decentralised.

Rules relating to the grant of minimum value licences have been liberalised, and small importers will be given licences for reasonable values to enable them to effect imports in convenient units.

SELF-SUFFICIENCY IN TRANSPARENT PAPER

India has reached self-sufficiency in non-moisture-proof transparent paper. By the middle of 1954, the country is expected to attain self-sufficiency in the heat-sealing and moisture-proof varieties of transparent paper as well.

The Travancore Rayons Limited, the only manufacturers of transparent paper in India today, will, with a view to meeting the growing demand, be able to double its existing capacity of non-moisture-proof transparent paper of 80,000 reams a year when their new plant goes into operation in February, 1954.

Because of its transparency, strength, and lack of odour, transparent paper made from cellulose is much superior to ordinary packaging papers and is considered an ideal wrapping material for a large variety of products such as cereals, pharmaceuticals, cosmetics, textile piecegoods, etc.

As a second stage of its development scheme, the Travancore Rayons Ltd. is also planning to produce annually 160,000 reams of transparent paper in the heat-sealing, moisture-proof variety (including printing and bag-making). This plant, scheduled to be in production by the middle of 1954, will largely help remove our dependence on foreign sources for this material so essentially needed to meet the specialised requirements of the cigarette, confectionery and other important industries.

IMPORTS FROM PAKISTAN

The Open General Licence No. XXVI which was issued in terms of the Indo-Pakistan Trade Agreement of August, 1952, permitting the import of certain commodities from Pakistan, was extended, from time to time, and was valid upto 31st December, 1953. Though the trade agreement expired on 30th September, 1953, the Government of India have considered the question of continuance of this Open General Licence and have decided to retain, on an Open General Licence, all the items of interest to the people living on the border. The revised Open General Licence which bears No. XXXIV came into force as from 1st January, 1954. The commodities included in the new O.G.L. are: poultry; fish, fresh and dried; milk and milk products (excluding milk: powdered, condensed or preserved); vegetables, all sorts (excluding potatoes); eggs; crude and indigenous drugs and medicines including herbs, but excluding *morabbas* and *gulkand*; firewood and kapok.

Notices

BENGAL NAGPUR COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and thirteenth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4 p.m. on Wednesday the 13th January, 1954, for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the half-year ended 30th June, 1953.

(2) To declare Dividends on the Preference and Ordinary Shares.

(3) To elect a Director.

(4) To appoint Auditors and to fix their remuneration.

The Transfer Register will be closed from the 6th January to the 13th January, 1954, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LTD.,
Managing Agents.

CALCUTTA, 12*th December*, 1953.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fourth Half-yearly Ordinary General Meeting of Shareholders of The Reliance Jute Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 29th January, 1954, at 11-55 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1953, and the Balance Sheet as at that date.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 15th January to 29th January, 1954, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary.
Managing Agents.

CALCUTTA, 22*nd December*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of January, 1954, or to their Mandatees.

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

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-second Ordinary General Meeting of the Shareholders of THE SOUTH KARANPURA COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday the 25th January, 1954, at 3 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st August, 1953, declaring the Dividend recommended by Directors and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from the 11th to the 25th January, 1954, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, 29*th December*, 1953.

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-first Ordinary General Meeting of the Shareholders of the Bally Jute Company, Limited, will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 29th January, 1954, at 11-50 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1953, and the Balance Sheet as at that date.

(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from the 15th January, 1954, to 29th January, 1954, both days inclusive.

By Order of the Board
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary.
Managing Agents.

4, CLIVE ROW,
CALCUTTA, 22*nd December*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of January, 1954, or to their Mandatees.

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

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and twenty-sixth Half-yearly Ordinary General Meeting of Shareholders of Howrah Mills Co., Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Friday the 29th January, 1954, at 12-00 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September, 1953, and the Balance Sheet as at that date.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 15th January to 29th January, 1954, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Managing Agents.

CALCUTTA, 22*nd December*, 1953.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of January, 1954, or to their Mandatees.

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

THE SOUTH KARANPURA COAL COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on 29th December, 1953, a Dividend at the rate of 2½ per cent. per annum was recommended to be paid for the half-year ended 31st August, 1953, without any deduction for Income-tax paid by the Company.

By Order of the Board,
BIRD & CO., LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

FIVE-YEAR PLAN AND RURAL IMPROVEMENT

MR. V. T. KRISHNAMACHARI SUMS UP ISSUES

A REVIEW of the many problems which face agricultural India was made by Mr. V. T. Krishnamachari, Deputy Chairman, Planning Commission, in his presidential address at the Conference of the Indian Society of Agricultural Economics, held recently at Jaipur. Appropriately enough, he chose for his address the title "The Five-year Plan and Rural Improvement" for the title sums up the gist of a speech in which he dealt with the basic problems of rural India, including unemployment and underemployment, the land problem, the role of the Five-year Plan and the National Extension Organisation in the task of rural improvement, and, above all, the importance of research in agricultural economics. He sounded a note of warning when he said that any failure, on the part of the administrators and popular leaders, to reorganise rural life will mean the "destruction of the values which we all cherish." He, therefore, pleaded, in effect, for energetic action, designed to improve India's rural economy.

Rural Problem

In order to bring out the magnitude of the rural problem, Mr. Krishnamachari first referred, in his speech, to the growth in population and the consequent decline in the cultivated area per head. Quoting the results of a sample survey conducted by the authorities of the 1951 Census, he pointed out how between 1921 and 1951 there was a decline in the *per capita* cultivated area from 111 cents to 84 cents, the double crop area from 13 cents to 10 cents and the irrigated area from 18 cents to 14 cents. The decline in the *per capita* area held by the people in the rural sector is the more important, because it affects a very wide section of India's population, namely, the agricultural population, numbering 249 million, or 69.8 per cent. of the total population. Of the 249 million, 71 million are self-supporting persons, 31 million are "earning dependents" and 147 million are non-earning dependents. Again, the 71 million self-supporting persons consist of owner-cultivators (45.7 million), tenant cultivators (8.8 million), cultivating labourers (14.9 million) and agricultural rentiers (1.6 million). Commenting on these figures, he said:

"The figures show not only the disproportionately large part of the population which agriculture has to support but also the relatively low proportion of workers. There is also the fact to be remembered that the land cultivated by a family, small as it is, does not lie in compact holdings, but is often dispersed as isolated plots in different parts of the village. The broad picture thus emerges of over 70 million families cultivating about 250 million acres of land, only about 20 per cent. of which is double crop or irrigated area, distributed in fragmented holdings and supporting large numbers of 'non-earning' dependents, many of whom continue on the land as they have nowhere else to go and make only a nominal contribution to agriculture."

Dependence on Monsoon

"The land problem is further complicated by reason of the fact that about three-fourths of the area of the country depends on the monsoon, which is confined to only three to four months in the year, even when it is regular. About 30 per cent. of the land area of the country consists of scarcity tracts, with a rainfall of only 10 to 30 inches. From October to June there is practically no rainfall except in some areas which benefit from both monsoons. This long rainless stretch of eight months has a "most depressing effect on the rural economy." Over 75 per cent. of the cultivated area, agriculture is thus possible only for four to five months in the year; in the rest of the area, which is irrigated, it is possible for double the period. This restricts employment opportunities in the rural regions. This proplem is rendered more difficult by the annual addition of three millions to the country's population. All this must serve to bring out the "colossal volume of the unemployment and under-employment" in the country. The Plan seeks a solution for this problem in two directions:

(1) Recommendations are made for the widest possible application of research to agriculture in a broad sense including animal husbandry, fisheries, etc. The intention is to promote a system of intensive farming and the evolution of a diversified economy by means of co-operative effort. This is assisted by the provision of irrigation and power facilities on a scale hitherto unprecedented, as these afford the readiest means of lengthening the period of employment in agriculture and increasing production.

(2) The Plan seeks to provide occupation for the surplus labour force on the land by encouragement of industries—occupations subsidiary to agriculture, cottage and small-scale industries, large-scale industries and tertiary occupations.

Multi-purpose Projects

The authors of the Plan have provided for the improvement and extension of irrigational facilities, so that the abject dependence on the monsoon could be minimised. Summing up the financial and other implications of this aspect of the Plan, Mr. Krishnamachari said:

"In the programme are included multi-purpose projects for irrigation and hydro-electric power, large and medium irrigation projects and minor irrigation works. On the first two classes of projects, about Rs. 560 crores are to be spent. I may mention, for purposes of comparison, that the book value of all major works in India at the time of Partition was Rs. 110 crores. Quite recently, about Rs. 40 crores have been added to the Plan for medium irrigation projects to give permanent protection to scarcity affected areas, thus bringing the total expenditure to Rs. 600 crores. For minor irrigation works over Rs. 110 crores are provided. Then there is a programme of tube-wells. To the 2,500 tube-wells that existed when the Plan commenced, 5,000 are to be added in the five-year period which will irrigate 1.5 million acres. The irrigation schemes in the Plan will add about 17 to 18 million acres to the irrigated area by the end of 1955-56 and another 9 to 10 million after they are completed. It should be added that, under irrigation and power, the Planning Commission has recommended a 15-year programme which would double the area under irrigation and increase electrical energy about five times and that a Technical Committee has been set up to examine projects for inclusion in the second Five-year Plan."

Census Report

No increase in irrigational facilities will, by itself, solve the problem of rural unemployment or of raising living standards so long as population continues to increase at a rapid rate. In this connection, Mr. Krishnamachari quoted approvingly from the Census Report which urged a combined approach to the food and population problems through measures designed to increase agricultural productivity from the present level of approximately 700 lakh tons to 940 lakh tons and to reduce "improvident maternity" from over 40 per cent. (its incidence at present) to under 5 per cent. Emphasising the relevance of control on population to the solution of the rural economic problem, Mr. Krishnamachari said:

"I think all of us will agree, without committing ourselves strictly to the statistical data and to the definition of 'improvident maternity,' that no increase can be achieved in the present standards of living, which are so low as to constitute a serious menace, unless the growth of population is controlled. This is eminently a matter in which non-official bodies like yours can assist by studies and propaganda and creating an informed public opinion and I hope that, in the coming year, the Association will devote special attention to this subject."

National Extension Service

Mr. Krishnamachari next dwelt on the broad principles which the authors of the Plan have taken into account in formulating a solution for the problem of raising the living standards in the rural areas. They have stressed the importance of the co-operative principle, of self-help and of the State's efforts designed to bring about social justice. Since the Plan can succeed best only in an atmosphere of active and purposeful co-operation, the Government has laid the greatest possible stress on the working of the National Extension Organisation. Explaning the scope of this body, Mr. Krishnamachari said:

"In essence, the National Extension Organisation is both official and non-official both have to work together. Programmes for improvements should be made after the widest discussion with the agriculturists who should feel a sense of proprietorship in them. An important part of the set-up is the village level worker who is the link between the villager and the development departments, a friend and a guide to whom he looks for advice and for the supplies and services needed for implementing programmes. It should be again emphasised that the whole movement is based on self-help: the active interest and support of the people should be enlisted in the task of bettering their own condition. To facilitate the introduction of the new order of things, the Central Government has undertaken to assist State Governments with grants of half the additional cost of setting up extension staffs and also to make every effort to find by the end of the Plan period short-term credits for Rs. 100 crores a year, medium-term credit of Rs. 25 crores a year and long-term credit of Rs. 5 crores a year through the Co-operative movement and other agencies. The National Extension Organisation is expected to cover 120,000 villages—nearly one-third of the settled villages in the country—by the end of 1955-56. The training of the staffs has been commenced and in the Plan over Rs. 100 crores have been allotted for giving effect to this programme and an additional development programme in selected areas for a three-year period. These are over and above the amounts included for promoting the Grow-more-food campaign."

Agricultural Research

Considering that India is essentially an agricultural country, and its economy is rooted in the land, one would naturally expect the country to give some guidance in the sphere of agricultural economics. It is a pity that this guidance is conspicuous by its absence. Whether in the matter of field studies and factual data relating to agricultural economy or in the matter of advanced theoretical research, the work done in this sphere is negligible. Surveying the work done in the sphere of agricultural economics, Mr. Krishnamachari said:

"I think it is correct to say that, speaking broadly, agricultural economics in India is still in its infancy. It is only recently that some of our universities have established chairs or readerships for teaching and research in agricultural economics. The problems of agricultural economics are varied, and they are difficult because one has to take into account not only general casual relationships in the field but also the entire institutional framework in which these relationships operate. On many aspects of the problem data are lacking. I do not refer merely to statistical data relating to such matters as cultivated area, production and prices but also to mental attitudes, incentives and disincentives, etc. In saying this, I do not ignore the intensive studies conducted in the past by individual economists or research centres. But these were isolated efforts confined to a narrow range of problems. In recent years, however, systematic studies have been and are being undertaken under Government auspices or with Government assistance, the conclusions derived from which will advance our knowledge of problems connected with agriculture in India. I refer to the enquiries conducted by the National Income Unit, the National Sample Survey, the survey by the Labour Ministry of the condition of agricultural labour and wage levels, and the enquiry into all aspects of agricultural finance which has just been completed by the Reserve Bank of India. The material collected in these enquiries is being sifted and when reports analysing them are published, there will become available data of much value to agricultural economics on which policies can be formed and action taken. Your own society, I must not fail to mention, has been doing excellent work in spite of its limited resources in finance and in research personnel, and the record of work you have done shows how much the efforts of a single energetic person like your President, Mr. Manilal Nanavati, can achieve.

"But there is still a vast field remaining to be explored. Throughout its work the Planning Commission found that on vital matters it had no reliable information on which to base valid conclusions. It therefore decided to set up a Research Programmes Committee of well-known economists, practically all of whom are connected with the Association, for advising on a programme of research which will be of assistance in development policies, to arrange for their conduct by universities and research organisations on a carefully thought out plan, and to collect and study the results. The Committee met some time ago and, as a result of its deliberations, researches will now commence all over India on three general categories of subjects: (1) Land reform and co-operation; (2) employment, savings and investment; and (3) regional development.

"The Planning Commission has every confidence that these studies will maintain a high level of thoroughness and objectivity and that as time goes on, they will cover a wider range of subjects so that a realiable volume of verified knowledge will become available to students of Indian agricultural economics. I may also mention that the Evaluation Organisation, recently set up under Professor Karve, for studying programmes and methods in community projects and national extension areas is also undertaking fundamental studies of rural problems which will yield results of great value."

If agricultural economics in this country is thus a barren desert it would be apt to describe the Indian Society of Agricultural Economics as a pleasant oasis, for the Society has some research work to its credit. Given greater co-operation, goodwill and encouragement, it should be possible for the Society to extend its sphere of usefulness. But the work that still remains to be done is so vast, and the problems in this field so varied that it is the duty of the Central and State Governments, as well as the Universities, to devote more attention, resources and energy to studies and research in this subject, which, as Mr. Krishnamachari rightly suggested, has suffered, "like our agriculture itself, from long neglect."

The 12th All-India Cattle Show will be held at Bahadurgarh in the Rohtak district of the Punjab from 23rd to 28th March, 1954. All the important breeds of cattle from the different regions will be exhibited, some of the interesting features of which will be a milk-yield competition, a draft test for bullocks, an auction sale of cattle and a meeting of cattle-breeders from all over the country. The 9th All-India Poultry Show will also be held, in conjunction with the Cattle Show, from 25th to 27th March. It is also proposed to organise an agricultural exhibition along with the Cattle Show

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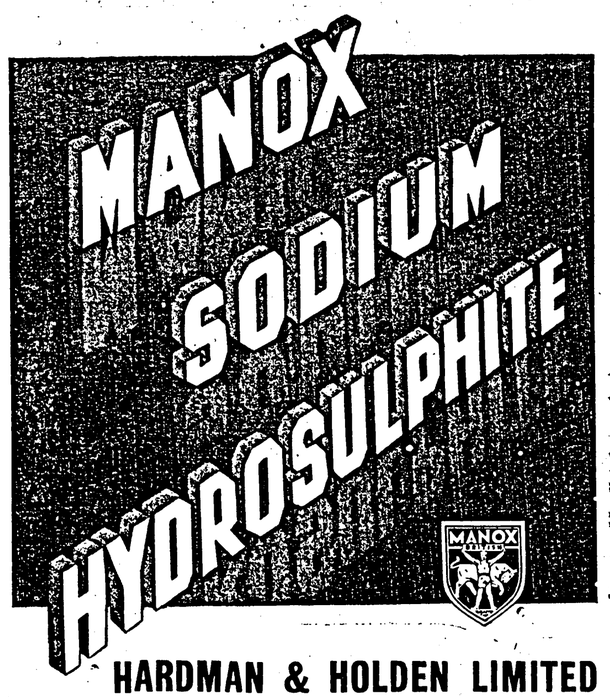

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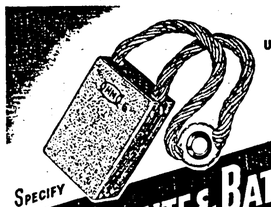

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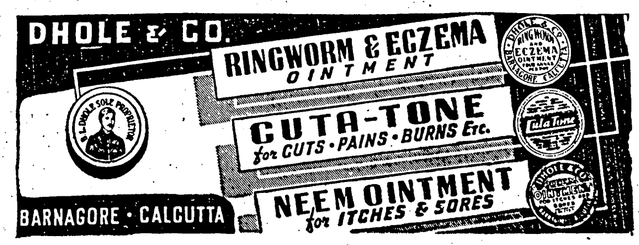

ASSOCIATED CEMENT'S PROFIT DROPS FROM RECORD LEVEL

DIVIDEND, HOWEVER, REPEATED

WHEN the Directors of the Associated Cement Companies Ltd. (Managing Agents: Cement Agencies Ltd., Bombay) announced more than a month ago their decision to maintain the dividend for the year ended 31st July, 1953, at 9.5 per cent., which they had paid for the previous two years, the shareholders had little inkling that the Company's profit for the year would have retreated from the record level touched the year before. The audited statement of accounts for the latest year show that the gross profit has declined from Rs. 4.10 crores to Rs. 4.03 crores. Even this recession in profit does not reflect the true trading results. For a considerable portion of the drop in gross profit has been covered by the sizable rise in income from sources other than the sale of cement. But for the increase in "other income," the gross profit would have recorded a greater recession than that noted above.

This is hardly surprising when, in an industry such as cement, the selling price of the manufactured goods is rigidly fixed, while the cost of production and other expenses are left free to rise. In the case of the A.C.C., for instance, production and sales during the year under review were, according to the Directors, higher than those in the previous year and considerably higher than those in 1950-51. But the profit is less than that for either of these two years. This will be clear from the following comparative table, which gives the salient features of the Company's working results for the last four years:

(In lakhs of rupees)

	For the year ended 31st July			
	1953	1952	1951	1950
Sale proceeds of cement	15,15.61	14,80.01	12,09.95	10,85.43
Stocks	32.15	37.62	35.99	41.27
Other income ..	58.21	39.33	40.99	37.32
Expenses	11,65.17	11,10.91	8,38.76	7,93.78
Gross profit ..	4,03.18	4,10.10	4,06.87	3,22.15
Managing Agents' commission	28.61	30.05	30.21	23.15
Provision for—				
Depreciation	73.84	66.69	54.93	51.23
Taxation	1,19.60	1,16.90	1,28.75	85.30
Net profits	1,81.23	1,96.46	1,92.98	1,62.45
Transfer to reserves ..	50.00	60.10	55.09	55.26
Transfer to bonus to employees	84.25	81.00	38.10	17.30
Dividend	1,00.37 (9.5%)	1,00.37 (9.5%)	1,00.37 (9.5%)	89.80 (8.5%)
Carry forward	3.70	7.09	2.09	2.67

It will be observed that, in the last three years, the sale proceeds of cement have gone up by Rs. 4.30 crores, thanks to the expansion in production. This increase in sale proceeds has been almost offset by the rise in expenses which amounts to as much as Rs. 3.71 crores. However, there has been an increase in other income by Rs. 20.89 lakhs, the increase during the year under review being particularly more marked than in the previous years, being accounted for mainly by the rise of Rs. 8.31 lakhs in sale of coal, power, water, etc., and Rs. 10.86 lakhs in dividends on shares. A break-up of the expenses for the year under review shows that, as compared with 1951-52, there has been an increase of Rs. 17.90 lakhs in salaries and wages, Rs. 20.17 lakhs in operation expenses, and Rs. 4.86 lakhs under loss on sale of investments. In addition, there has been a payment of Rs. 5.30 lakhs towards contribution to Government provident fund and charges, whereas there was no such payment in the previous year.

Consequent on the rise in costs, the Company made a representation to the Government of India for an increase in the selling price of cement. This matter was referred by the Government to the Tariff Commission before whom the Company placed its case. The Government's final decision on the matter is now awaited. The Directors point out, in this connection, that the speed with which the Company's programme of expansion, modernisation and rehabilitation can be implemented will depend upon the Government's decision regarding the selling price.

The provision for depreciation, at Rs. 73.84 lakhs, is only Rs. 7.15 lakhs more than that set aside in the previous year, in spite of the additions made to the gross block to the tune of Rs. 2.15 crores. The provision for taxation has also been stepped by Rs. 2.70 lakhs. The net profit shows a shrinkage of Rs. 15.23 lakhs. The Directors have cut the addition to the reserves from Rs. 60.10 lakhs to Rs. 50 lakhs. Thus, the amount set aside for plant reinstatement reserve has been reduced from Rs. 50 lakhs to Rs. 45 lakhs, and that for reserve for gratuities from Rs. 10 lakhs to Rs. 5 lakhs. No sum has been added to the works welfare and benefit fund to which a small sum of Rs. 9,600 was provided last year.

In addition to maintaining the dividend at 9.5 per cent., the Directors have decided to satisfy the insistent demand made by shareholders at their annual meetings in previous years for the issue of bonus shares, by capitalising, subject to Government sanction, the amount standing to the credit of premium on shares account and part of the reserve fund. A scrip bonus of one share for every five shares has been proposed and this will require a sum of Rs. 2.13 crores to be capitalised. The amount standing to the credit of premium on shares account is Rs. 1.75 crores and a sum of Rs. 38 lakhs will have to be drawn from the reserve fund which stands at Rs. 76 lakhs.

The Company's financial position, as seen from its balance-sheet on 31st July, 1953, is sound. As against a paid-up capital of Rs. 10.56 crores, the reserves and surplus stand at Rs. 5.48 crores, of which premium on shares accounts for Rs. 1.75 crores, reserve fund Rs. 76 lakhs, reserve for plant reinstatement Rs. 2.35 crores, reserve for gratuities Rs. 40 lakhs, investment depreciation reserve Rs. 17 lakhs and works welfare and benefit fund Rs. 1.25 lakhs. The reserve for taxation amounts to Rs. 2.84 crores. Current liabilities aggregate Rs. 3.28 crores. During the year under review, the Company's loan from bank, which had stood at Rs. 41.65 lakhs as on 31st July, 1952, was repaid. The gross block (excluding unallocated capital expenditure, machinery, furniture, etc., and loose plant and tools) aggregates Rs. 18.15 crores and has been written down by Rs. 7.14 crores. The current assets amount to Rs. 11.16 crores and provide ample cover to current liabilities and reserve for taxation. The Company's investments stand reduced from Rs. 2.81 crores to Rs. 1.57 crores, due to sale of a considerable part of its holdings in Government securities. Cash balances show an expansion from Rs. 88.82 lakhs to Rs. 2.13 crores.

An idea of the Company's expansion and modernisation programme which is already on hand and which is to be taken up can be gained from the following extract from the Directors' report:

"Satisfactory progress has been maintained on the modernisation and extension of the Shahabad Cement Works and half the planned additional capacity has already been obtained. It is hoped that the rest of the planned capacity will be obtained in the not too distant future. The construction of the new cement works at Sindri has been started and is making good progress. The expansion of the Kistna Cement Works and the quadruplication of the Bhupendra Cement Works of the Patiala Cement Company, Limited, have also been taken in hand. It has further been decided to construct a modern firebricks factory at Katni which is scheduled for completion in the middle of 1955. In addition to undertaking the above projects, the Company has embarked upon a large-scale rehabilitation and modernisation programme at several of its factories. Furthermore, flotation plants are being installed at Khalari and Sevalia Factories for enriching the raw materials. The Company's workshops for the manufacture of machinery are also being strengthened in order to cope with the increased volume of such manufacture."

The Company's negotiations with the Pakistan Industrial Development Corporation for the formation of a new company in Pakistan to take over the Company's undertaking in that country have not as yet been finalised. The Directors observe that the matter is being actively pursued by both the parties and a final decision is expected to be taken in the near future.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 186-12 *cum-div.* On an *ex-div.* basis, the yield on these shares works out to 5.4 per cent. per annum, free of tax.

GREAT EASTERN SHIPPING CO., LTD.

The Great Eastern Shipping Co., Ltd. [Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay), Ltd., Bombay] has earned a gross profit of Rs. 25.06 lakhs for the year ended 30th June, 1953, which is very nearly the same as that for the previous year at Rs. 25.14 lakhs. The net profit, at Rs. 6.71 lakhs, compares with Rs. 6.10 lakhs for 1951-52. The dividend has been maintained at 10 per cent. per annum, but this has taken up a larger sum of Rs. 3.50 lakhs, as against Rs. 2 lakhs, consequent on the increase in the capital by the issue of bonus shares in March, 1952, and by the issue of new shares a few months later.

The Company's freight earnings show a substantial rise from Rs. 93.45 lakhs to Rs. 170.28 lakhs but, if this is not reflected in the gross profit shown above, it is because of the sharp rise in expenses from Rs. 69.29 lakhs to Rs. 148.97 lakhs. Charter hire has gone up from Rs. 19.40 lakhs to Rs. 48.37 lakhs, stevedoring, claims, and other steamer charges from Rs. 13.57 lakhs to Rs. 26.58 lakhs, coal, fuel oil, etc., from Rs. 15.52 lakhs to Rs. 27.55 lakhs and other expenses from Rs. 20.80 lakhs to Rs. 46.47 lakhs.

The provision for depreciation has been reduced from Rs. 15.45 lakhs to Rs. 10.92 lakhs, while that for taxation has been raised from Rs. 2.60 lakhs to Rs. 6 lakhs. A sum of Rs. 3 lakhs has been transferred to the reserve fund, as against Rs. 4 lakhs provided last year. The dividend on the 300,000 fully paid-up (Rs. 10) shares takes up Rs. 3 lakhs and that on the 200,000 partly paid-up (Rs. 5) shares, which are entitled to dividend only from 1st January, 1953, Rs. 50,000. The undistributed surplus left to be carried forward is Rs. 75,897, as against Rs. 54,532 brought in.

During the year under review the Company operated four vessels owned by it and a few time chartered vessels. One of its vessels was laid up for special survey repairs at the repair yard for a period of 63 days and was not available for employment. During the year under review, the Company purchased a steamship for Rs. 6.57 lakhs and converted it in the current year from coal-burning to oil-firing. After this conversion and certain other alterations, the ship will be worth Rs. 9 lakhs. The Company has bought during the current year a motor vessel at a cost of Rs. 40 lakhs. The Government of India has advanced a loan of Rs. 26.66 lakhs for the purchase of this vessel. The Company has repaid to the Government of India the loan of Rs. 15.75 lakhs due to the latter in respect of the purchase of a ship, far ahead of the scheduled date, namely, 1st June, 1957, specified by the Government for the repayment of the last instalment.

The following synopsis of the Company's balance-sheet as on 30th June 1953, gives an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Gross block	1,22,23,144
Reserves and surplus ...	22,11,715	*Less*—Depreciation ...	39,29,435
Provision for taxation ...	21,80,000	Net block ...	82,93,709
Liabilities ...	39,78,272	Stores ...	2,446
		Debts, deposits and advances ...	18,25,893
		Investments ...	5,64,041
		Cash ...	16,83,896
	Rs. 1,23,69,987		Rs. 1,23,69,987

The Company proposes to acquire two more ships in 1954 and to place an order for one ship with the Hindustan Shipyard. Although most of the expansion is being financed out of Government loans and current earnings, the financial commitments make it necessary for the Company to call up the unpaid balance of Rs. 10 lakhs on the 200,000 partly paid-up shares. The Directors will shortly make this call, which, when paid, will raise the paid-up capital to Rs. 50 lakhs.

INDIAN PLASTICS LTD.

The year ended 31st March, 1953, proved to be another adverse one for Indian Plastics Ltd. (Managing Agents: Messrs. Birla Bros. Ltd., Bombay). Sale proceeds declined from Rs. 27.16 lakhs to Rs. 24.32 lakhs, while stocks of finished goods increased from Rs. 9.72 lakhs to Rs. 11.07 lakhs. The gross profit, at Rs. 1.64 lakhs, is almost the same as that (Rs. 1.68 lakhs) earned in the previous year. After providing Rs. 80,000 for depreciation (as against Rs. 1.01 lakhs), the distributable surplus (subject to taxation) is Rs. 95,230. The Directors have utilised Rs. 81,250 for reducing the arrears of preference dividend and have carried over the balance of Rs. 13,980 to the next year.

The working of the Company was very adversely affected by the slump during the year 1952. There was a sudden fall in selling prices and sales were affected considerably. With the cost of raw materials and wages remaining high, the reduction in selling prices meant considerable reduction in the profit margin. In some of the items of the manufactured articles, prices were reduced by 40 per cent. In these circumstances, though the production and sales were higher in quantity, the earnings have not shown any corresponding improvement it is noteworthy that, despite a falling market, the Company succeeded in pushing up sales in terms of quantities. This it was able to do because of the variety of its products and of its good sales organisation. The market for radios, however, suffered heavily. As a result of general business slump and increase in cost of living, the demand for radios tapered off. The Company could not, therefore, give effect to its scheme of expanding production. On the contrary, the production, had to be adjusted to the demand.

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

Liabilities	Rs.	Assets	Rs.
Capital ...	49,93,375	Gross block	40,64,486
Liabilities ...	15,11,171	*Less*—Depreciation ...	6,36,410
Profit and loss account ...	13,980	Net block ...	34,28,076
		Stock-in-trade	11,07,102
		Stores ...	10,50,020
		Debts and advances ...	8,78,385
		Cash ...	54,942
	Rs. 65,18,526		Rs. 65,18,526

MALABAR STEAMSHIP CO., LTD.

A satisfactory increase in gross profit from Rs. 3.73 lakhs to Rs. 4.68 lakhs is disclosed by the audited accounts of the Malabar Steamship Company, Ltd. (Managing Agents: Messrs. Shoorji Vallabhdass Ltd., Bombay), for the year ended 31st March, 1953, as compared with that for the previous year. The dividend on ordinary shares has been maintained at 6 per cent. on a slightly higher capital.

The Company's earnings by freight have more than doubled from Rs. 15.26 lakhs to Rs. 34.74 lakhs. If, despite this rise in freight earned, the Company has not shown a comparatively larger profit, it is on account of the heavy expenses, particulary the repairing costs on one of the Company's vessels which was subject to the periodical general survey for about three months. Expenses have gone up from Rs. 18.14 lakhs to Rs. 37.71 lakhs, port and customs expenses, stevedoring and tallying charges, steamers' stores, coal and oil and upkeep and survey charges, all having risen considerably. The Directors point out that the Company could have shown better results if a greater degree of co-operation had been induced from the port and stevedore labour. They say that the present attitude of labour is "neither beneficial nor desirable in the larger interest of the shipping trade."

Provision for depreciation has been stepped up from Rs. 1.45 lakhs to Rs. 3.15 lakhs. The distributable sum (subject to taxation), including the surplus brought in from the previous year, is Rs. 1.25 lakhs which the Directors have utilised for paying dividend on the 5 per cent. redeemable preference shares and 6 per cent. non-redeemable preference shares (Rs. 61,053) and on the ordinary shares (Rs. 55,777), leaving a balance of Rs. 8,282 to be carried forward.

The following is a synopsis of the Company's balance-sheet as on 31st March, 1953:

Liabilities	Rs.	Assets	Rs.
Capital ...	20,59,839	Gross block	58,79,699
Reserves and surplus ...	10,09,626	*Less*—Depreciation ...	7,04,842
Reserve for taxation ...	2,24,924	Net block ...	51,74,857
Liabilities ...	38,23,252	Stocks and stores ...	1,18,730
		Debts, deposits and advances ...	12,22,168
		Investments	10,030
		Cash ...	5,66,856
		Goodwill ...	25,000
	Rs. 71,17,641		Rs. 71,17,641

The Company acquired, during the year under review, a modern British-built steamer which is reported to be giving an excellent performance. The Company hopes to acquire modern built ships in the current year for its regular wider range of service and is looking forward to maintaining and enlarging its interests in the coming years.

KOTHARI TEXTILES LTD.

The working of the Kothari Textiles Ltd. (Managing Agents: Messrs. Kothari & Sons, Madras) during the year ended 30th June, 1953, resulted in a small gross profit of Rs. 16,805, as compared with Rs. 2,05,882 earned in the previous year. It may, however, be noted that the above gross profit of Rs. 2,05,882 for 1951-52 had been arrived at after taking into account Rs. 2,15,817, being the net amount of refund of E.P.T. No provision for depreciation has been made this year, whereas last year a sum of Rs. 50,000 was set aside for this purpose. Explaining this, the Directors observe, in their report to the shareholders: "Provision made in the past for depreciation in 'A' mill was more than adequate, whilst the new mill 'B' (15,000 spindles, one combing set, four doubling frames) worked partially during the period under review. Two hundred looms also were installed and are working since about three months. Hence no provision is made for depreciation for the period under review."

The profit of Rs. 16,305 has been supplemented by Rs. 54,377 being the undistributed surplus of the previous year and Rs. 1.25 lakhs being the amount drawn from the dividend equalisation fund. From the total amount thus available, the Directors have distributed Rs. 72,000 by way of dividend on the 6 per cent. preference shares, and Rs. 1.20 lakhs on the ordinary shares at 5 per cent. (as against 7½ per cent.) for the previous year and have carried forward Rs. 3,682.

The adverse results for the year under review are attributed to several factors. Due to drastic cuts in the supply of electric current, the Company lost 36,040 man-hours of production, which was nearly 10 per cent. of its annual production. Secondly, the Company was forced to buy high-priced African and American cotton, while the yarn market faced a slump. Further, the Company's new spinning machinery, with doubling and combing sets, which was expected to be started in July, 1952, could not be worked till October, 1952, due to delay in delivery and transport, coupled with the short supply of power.

The outlook for the current year seems to be better. For the Chairman, Mr. C. M. Kothari, in his statement accompanying the accounts, confidently remarks that the causes which had contributed to the "unsatisfactory" results in the year under review have been removed. He adds: "There is (*a*) sufficient supply of electric current, (*b*) we have completely consumed the stock of high-priced American and African cotton and (*c*) last but not least, the demand for yarn is normal. Your mill has sold the yarn at reasonable rates to the end of November and there are no accumulated stocks. Considering the working of the mills from July onwards, I am optimistic that the coming year will prove satisfactory. The double-automatic looms are now working on a double-shift basis and the cloth manufactured has been well received by the trade."

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Erode	Ramnad	Vijayapuram
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S. KRISHNASWAMI, *Secretary.*

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FIRE * MARINE * ACCIDENT

ACCUMULATION OF CLOTH TELLS ON BENGAL-NAGPUR COTTON

FORT WILLIAM RESUMES DIVIDEND

Bengal-Nagpur Cotton Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The Company's profit for the half-year after inclusion of Rs. 15,831 (Rs. 19,940) brought forward is Rs. 74,185 (Rs. 2,75,545) and after adding provision for liabilities no longer required Rs. 23,808 (nil) there remains an available balance of Rs. 97,993 (Rs. *2,35,545). Out of this sum the directors recommend the payment of dividends free of income-tax on the preference shares at the rate of 7 (7) per cent. per annum Rs. 10,500 (Rs. 10,500) and on the ordinary shares at the rate of 5 (10) per cent. per annum Rs. 67,500 (Rs. 1,35,000) leaving to be carried forward Rs. 19,993 (Rs. 40,045).

Trading conditions.—The half-year opened with an accumulation of stock of finished goods. Demand increased but was insufficient to clear all accumulated stock as well as current production, which was well maintained. Prices, which started low as a result of the lull in demand immediately following decontrol, did not rise sufficiently quickly to match the steady rise in the cost of cotton, thereby keeping margins small.

Since the close of the half-year there has been an almost complete cessation of demand until recently, resulting in a further accumulation of stock, despite curtailed production, and even lower prices.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	21,14,000
Debentures	4,00,000	Stocks ...	49,80,442
Reserves ...	22,25,163	Stores ...	8,61,207
Provision for taxation ...	4,05,000	Debts, deposits and advances ...	5,23,268
Liabilities ...	25,57,120	Investments	36,500
Profit and loss account ...	19,993	Cash ...	91,859
	Rs. 86,07,276		Rs. 86,07,276

Fort William Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

The net result after providing for depreciation reveals a profit of Rs. 8,11,513 (loss of Rs. 4,41,218) and reducing from it the previous loss of Rs. 4,98,601 (loss of Rs. 8,32,397) there remains a net credit of Rs. 3,12,912 (net debit of Rs. 7,75,693). The directors propose to make appropriation out of this sum as follows:—

Transfer to general reserve account Rs. 1,00,000 (*nil*), dividend on 10,000 7 per cent. cumulative preference shares for the half-years ended 31st March, 1952, 30th September, 1952, 31st March, 1953 and 30th September, 1953 at Rs. 3-8 per share, half-yearly Rs. 1,40,000 and dividend on 14,000 ordinary shares for the half-year ended 30th September, 1953, at Rs. 5 (*nil*) per share Rs. 70,000 (*nil*) and in carrying forward Rs. 2,912 (debit of Rs. 7,75,693).

In accordance with the working time agreement of the I.J.M.A. the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed throughout the period under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	28,94,315
Reserves ...	1,00,000	Stock-in-trade	30,16,462
Liabilities ...	53,60,536	Stores and spare parts	7,12,509
Profit and loss account ...	2,911	Stores-in-transit ...	7,001
		Debts, deposits and advances ...	10,27,741
		Investments	97,034
		Cash ...	1,08,385
	Rs. 78,63,447		Rs. 78,63,447

Rameshwara Jute Mills, Ltd.

The directors of the above Company (Secretary: Mr. R. N. Banerjee, Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1953.

The accounts showed a profit for the half-year of Rs. 2,91,125 (Rs. 78,276). From this sum was deducted interest paid Rs. 15,545 (Rs. 44,369), retiral gratuities to workers Rs. 15,401 (Rs. 5,711), provision for forward loss Rs. 32,222 (nil) and provision for doubtful debts Rs. 26,437 (*nil*) leaving a balance of Rs. 2,01,520 (Rs. 28,046). To this amount was added transfer and sub-division fee Rs. 74 (Rs. 79) and interest received Rs. 462 (Rs. 462) leaving a net profit for the half-year of Rs. 2,02,056 (Rs. 28,587). After deducting loss brought forward from previous haf-year of Rs. 4,38,597 (debit of Rs. 3,58,136) the net loss carried forward amounted to Rs. 2,36,541 (debit of Rs. 3,29,549).

During the period the mill worked double shift as usual. The cost of production continued to be high mainly due to two reasons—firstly, the production was below the average level of production in jute mills operating in Bengal and secondly, due to the labour complement being much higher than what was necessary. At one stage it was felt that it would not be possible to run the mills profitably if the consumption of stores as well as the labour complement would continue on usual basis. As a matter of fact, with a view to bring down the labour ratio to looms to a reasonable level the management and the labour union representatives had a conference with the Labour Minister of the State. As a result of this conference the mill was allowed to work on the basis of alternate week working and stoppage. During this period there was congestion of manufactured goods in the godown.

With a view to bring labour complement to the required level, the management made several attempts to retrench workers but these attempts could not succeed during the period. As a result of this the labour ratio to looms in this mill was the highest in the country.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	27,00,000	Block ...	18,47,800
Reserves ...	58,659	Stocks ...	13,08,746
Provision for taxation ...	49,403	Stores ...	4,46,026
Liabilities ...	16,74,254	Debts, deposits and advances ...	5,32,792
		Investments	38,910
		Cash ...	71,501
		Profit and loss account ...	2,36,541
	Rs. 44,82,316		Rs. 44,82,316

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company) for the half-year ended 30th June, 1953.

After bringing in Rs. 18,000 (*nil*) from provision for taxation account and providing Rs. 20,248 (Rs. 19,000) for depreciation, there remained a balance of Rs. 14,105 (credit of Rs. 4,280 after paying preference dividend at Rs. 3-8 per share and As. 6 per ordinary share) at the debit of profit and loss account, which was carried forward.

Mining operations in No. 10 seam was abandoned just before the end of the half-year, owing to the workings becoming flooded. Production from No. 11 seam continues, but with the loss of No. 10 seam output raisings at the colliery are reduced. Plans for future mining at the Company's colliery are under consideration by the Board.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,500	Block ...	3,32,680
Reserves ...	5,07,662	Stores ...	3,739
Provision for taxation ...	31,592	Debts, deposits and advances ...	5,97,267
Liabilities ...	73,936	Cash ...	16,954
	Rs. 9,50,690		Rs. 9,50,690

Gillanders Arbuthnot and Co., Ltd.

The directors of the above Company (Managing Director and Chairman: Sir Anthony J. Elkins, C.B.E., Calcutta) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The working for the year was a most difficult one, as the recession in trade to which a reference was made in the last report affected most aspects of the Company's business. The decline in the prosperity of the jute industry, the severe slump in the tea industry, the fall in commodity prices and the general contraction of purchasing power, have all contributed to the fall in the Company's profits. Tea has now made a remarkable recovery, but the overall situation is still not encouraging.

The profit and loss account shows a balance of profit of Rs. 20,07,378 (Rs. 32,20,152) to which was added the balance brought forward from the previous year of Rs. 2,07,524 (Rs. 1,99,978) making a total of Rs. 22,14,902 (Rs. 34,20,130). The provision required for taxation was Rs. 9,41,254 (Rs. 16,37,606), there was a balance for disposal of Rs. 12,73,648 (Rs. 17,82,524). Of this balance, a sum of Rs. 1,25,000 (Rs. 1,25,000) was utilised in paying in full the dividends for the year ended 31st March, 1953 on the preference share capital. The directors dispose the balance of Rs. 11,48,648 (Rs. 16,57,524), in paying a dividend on the 65,000 ordinary shares of Rs. 100 each at the rate of 7½ (10) per cent. without any deduction in respect of income-tax payable by the Company Rs. 4,87,500 (Rs. 6,50,000), transferred to contingencies reserve Rs. 3,00,000 (Rs. 6,00,000), transferred to reserve against depreciation of investments Rs. 1,00,000 (Rs. 1,00,000) and transfer to superannuation fund Rs. 50,000 (Rs. 1,00,000), leaving to be carried forward to next year Rs. 2,11,148 (Rs. 2,07,524).

The working of Gillanders Arbuthnot & Co. (Pakistan) Ltd., resulted in a loss of Rs. 4,08,543 (profit of Rs. 4,77,655), due largely to the policies of restricting credit and curtailing imports which were introduced by the Government of Pakistan during the year. After setting this loss against the balance of Rs. 6,32,337 (Rs. 4,64,191) at credit of the profit and loss account brought forward from the previous years, there remained a balance, at credit of Rs. 2,23,794 (Rs. 4,64,191). As, however, at the instance of the Pakistan Government, the Company had previously agreed to capitalise Rs. 6 lakhs of the balance standing at the credit of the profit and loss account as at 31st December, 1952, the effect will be to convert this credit balance of Rs. 2,23,794 into a debit balance of Rs. 3,76,206 (credit of Rs. 4,64,191). The organisation of the Company has been modified to meet the changed conditions and it is hoped that future results will be more favourable.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,00,000	Block ...	11,97,859
Reserves ...	36,43,442	Stock-in-trade	31,60,156
Provision for taxation ...	24,35,698	Stationery and stores ...	18,388
Liabilities ...	1,67,98,210	Tools and implements	29,809
Profit and loss account ...	2,11,148	Goodwill ...	23,00,000
		Debts, deposits and advances ...	1,56,52,097
		Investments	84,31,379
		Cash ...	12,93,610
	Rs. 3,20,88,498		Rs. 3,20,88,498

McLeod and Co., Ltd.

The directors of the above Company (Chairman: Mr. C. L. Bajoria, Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The trading results for the year proved disappointing, the profit showing a substantial decline when compared with that of the previous year. The greatly reduced prices obtained for teas sold in 1952, accompanied by increased cost of production, adversely affected the revenue from the tea department and the steady fall in the prices of raw material and manufactured goods in the jute industry rendered trading conditions extremely difficult, resulting in less favourable earnings.

The profit for the year amounted to Rs. 10,51,331 (Rs. 28,21,843) from which was deducted reserve against doubtful debts Rs. 10,987 (*nil*) leaving a sum of Rs. 16,40,344 (Rs. 28,10,431). To this was added dividends forfeited Rs. 1,188 (Rs. 9,113), and balance brought forward from 1951, of Rs. 85,717 (Rs. 1,23,673) making a total of Rs. 17,27,249 (Rs. 29,43,217). Out of this amount, the directors made a provision for taxation amounting to Rs. 5,50,000 (Rs. 10,70,000) and set aside to general reserve Rs. 2,88,514 (Rs. 5,00,000) and to convertible notes redemption reserve Rs. 2,00,000 (Rs. 5,00,000) leaving a balance of Rs. 6,88,735 (Rs. 8,73,217). From this available balance must be deducted interim dividends for the year ended 31st December, 1952, declared paid on 1st July, 1952:

On 10,000 5 per cent. cumulative first preference shares, subject to deduction of tax (gross) Rs. 25,000 (Rs. 25,000) and on 40,000 5 per cent. cumulative second preference shares, without deduction of tax Rs. 1,00,000 (Rs. 1,00,000).

Second interim dividends for the year ended 31st December, 1952, declared paid on 2nd January, 1953—

On 10,000 5 per cent. cumulative first preference shares, subject to reduction of tax (gross) Rs. 25,000 (Rs. 25,000) and on 40,000 5 per cent. cumulative second preference shares, without deduction of tax Rs. 1,00,000 (Rs. 1,00,000) leaving a balance of Rs. 4,38,735 (Rs. 6,23,217). This amount the directors distributed as follows:

Dividend at 7½ (12½) per cent. per annum on 40,000 ordinary shares or Rs. 7-8 (Rs. 12-8) per share for the year ended 31st December, 1952 Rs. 3,00,000 (Rs. 5,00,000) and dividend at 2½ (7½) per cent. per annum on 50,000 deferred ordinary shares or As. 4 (As. 12) per share for the year ended 31st December, 1952 Rs. 12,500 (Rs. 37,500) leaving to be carried forward Rs. 1,26,235 (Rs. 85,717).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	93,00,000	Block ...	18,67,654
Reserves ...	63,03,858	Stocks ...	9,08,412
Provision for taxation ...	13,34,699	Goodwill ...	20,00,000
Liabilities ...	1,63,83,949	Debts, deposits and advances ...	66,64,748
Profit and loss account ...	1,26,235	Investments	2,14,96,044
		Cash ...	7,11,883
	Rs. 3,36,48,741		Rs. 3,36,48,741

Reliance Firebrick and Pottery Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st August, 1953.

After transferring Rs. 75,000 (Rs. 90,000) to reserve for replacements and providing Rs. 1,15,000 (Rs. 95,000) for taxation and Rs. 61,482 (Rs. 52,100) for depreciation, there was a balance of Rs. 35,243 (Rs. 47,379) at the credit of profit and loss account. The directors paid a dividend of As. 4 (As. 8) per share, absorbing Rs. 13,000 (Rs. 30,000) leaving a balance of Rs. 20,243 (Rs. 27,941) to be carried forward.

It is necessary to undertake a programme of replacement on capital account at the Works and this is already in hand. Notwithstanding reserves built up in the past, the Company is already dependant on loan finance for this capital expenditure programme and this must be replaced out of current profits.

Production for the half-year was lower by 840 tons, though sales were higher by 4,561 tons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	10,58,599
Reserves ...	8,62,360	Stocks ...	8,36,613
Provision for taxation ...	63,132	Stores ...	4,42,503
Liabilities ...	15,08,090	Debts, deposits and advances ...	6,84,906
Profit and loss account ...	20,243	Cash ...	31,204
	Rs. 30,53,825		Rs. 30,53,825

Bisra Stone Lime Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1953.

Raisings of limestone at 4,65,456 tons increased by 19,881 tons over the previous half-year. Sales too at 4,52,661 tons showed a favourable increase of 20,433 tons on the previous half-year. Despatches improved but wagon placements were as usual short and irregular.

Raisings of dolomite increased from 11,271 to 16,648 tons during the period under review. Sales increased from 11,196 to 16,184 tons when compared with the previous half-year. This was due to the Steel Works reinstating certain orders which were suspended for the last three months of the previous period.

The output of lime at 5,82,225 showed a most satisfactory increase of 1,50,486 mds. over the previous half-year. Sales too increased from 4,14,282 mds. to 4,51,481 mds. due to the continued improvement of the wagon supplies for the Calcutta Market. The Company's lime has continued to increase in popularity among industrial concerns and it has also re-entered the Railway contract market for building and white-washing lime which was lost to it during 1952.

Subsequent to the period, a strike at the Indian Iron and Steel Co.'s works and the increase in the cost of winning the Company's limestone have rendered the prospects for the ensuing half-year less favourable. Negotiations with the Company's two major customers for an increase in the selling rate are, however, proceeding.

The profit and loss account after providing Rs. 50,280 (Rs. 44,711) for depreciation, Rs. 30,000 (Rs. 1,00,000) for taxation and taking Rs. 58,182 (Rs. 52,600) for quarry overhang reserve, Rs. 15,961 (Rs. 14,285) for workmen's compensation reserve, Rs. 32,000 (Rs. 16,000) for tax contingency reserve, Rs. 25,000 (Rs. 35,000) for mechanisation reserve, and writing off Rs. 443 (*nil*) for bad debts, and adding Rs. 15,680 (Rs. 25,235) brought forward from the previous half-year, showed a credit balance of Rs. 92,485 (Rs. 1,16,229) which the directors disposed of by paying a dividend of As. 14 (As. 14) per share (without any deduction for income-tax paid by the Company) Rs. 87,500 (Rs. 87,500) and carried forward Rs. 4,985 (Rs. 28,729).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	23,21,600
Reserves ...	22,36,815	Work-in-progress ...	60,013
Provision for taxation ...	13,212	Stocks ...	3,45,929
Liabilities ...	17,83,095	Stores and spare gear	5,71,567
Profit and loss account ...	4,985	Debts, deposits and advances ...	16,46,368
		Investments	13,069
		Cash ...	78,661
	Rs. 50,38,107		Rs. 50,38,107

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

PROGRESS OF RAILWAYS LAST YEAR

(Concluded from page 30)

The zonal headquarters committees also elect one non-official from amongst their number to the National Railway Users' Consultative Council, which also is composed of persons appointed by the Minister. The Secretaries of the Food and Agriculture, Commerce and Industry, Transport and Production Ministries, Members of Parliament, representatives of the coal, iron and steel, jute and cotton industries and of chambers of commerce and agricultural interests will also be given a place on the Central Council.

The divisional or regional and zonal headquarters committees are already functioning, and the National Council held its first meeting in October, with the Minister for Railways and Transport in the chair.

On the railway labour front, 1953 has been a year of co-operation and goodwill. Indeed, without these factors, it would not have been possible for the Indian railways to have produced the results narrated in the preceding paragraphs.

The working and living conditions of the staff must always be reflected in the efficiency of each aspect of railway working. The team of almost a million workers that "makes the wheels go round" on the Indian railways has done a satisfactory job of work during the centenary year.

COMPANY MEETINGS AND DIVIDENDS

BENGAL-NAGPUR COTTON MILLS, LTD. Half-yearly General Meeting, Calcutta, 13th January, 1954. Dividend: As. 4 per share. Transfer books closed from 6th to 13th January, 1954, both days inclusive.

ASSOCIATED CEMENT COMPANIES, LTD. Annual General Meeting, Bombay, 15th January, 1954. Dividend: Rs. 9-8 per share, payable on and after 21st January, 1954.

FORT WILLIAM JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 25th January, 1954. Dividend: Rs. 5 per share. Transfer books close from 18th to 25th January, 1954, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 25th January, 1954. Transfer books close from 11th to 25th January, 1954, both days inclusive.

EQUITABLE COAL CO., LTD. Dividend of Re. 1 per share for the half-year ended 30th June, 1953.

HURRILADIH COAL CO., LTD. Dividend of As. 12 per share, for the half-year ended 30th June, 1953.

COFFEE LANDS AND INDUSTRIES (MYSORE) LTD. Dividend of 3 per cent., on ordinary shares, free of income-tax, for the year ended 30th June, 1953.

KOTHARI TEXTILES LTD. Dividend of As. 8 per ordinary share, for the year ended 30th June, 1953.

ALUMINIUM INDUSTRIES LTD. Interim dividend of As. 10 per ordinary share, for the year ending 31st March, 1954. Transfer books close from 14th to 28th February, 1954, both days inclusive.

GILLANDERS ARBUTHNOT & CO., LTD. Dividend of Rs. 7-8 per share, for the year ended 31st March, 1953.

MCLEOD AND CO., LTD. Dividend of Rs. 7-8 per ordinary share and As. 4 per deferred share, for the year ended 31st December, 1952.

OUDH SUGAR MILLS LTD. Dividend of Rs. 11 per ordinary share, free of income-tax for the year ended 31st July, 1953.

NEW SWADESHI SUGAR MILLS LTD. Dividend of Rs. 20 per ordinary share, free of income-tax, for the year ended 30th June, 1953.

INDIAN STEEL AND WIRE PRODUCTS LTD. Dividend of Rs. 3 per share, free of income-tax on ordinary shares of Rs. 10 each and Rs. 2 per share, free of income-tax on deferred shares of Rs. 2-8 each, for the year ended 31st March, 1953.

MYSORE KIRLOSKAR LTD. Dividend of Rs. 5 per share, free of income-tax, for the year ended 30th June, 1953.

MODEL MILLS NAGPUR LTD. Dividend of Rs. 7-8 per share, free of income-tax for the year ended 30th June, 1953.

ANAPARAI ESTATES LTD. Dividend of As. 4-4/5 per ordinary share, free of income-tax, for the year ended 30th June, 1953.

MERCARA RUBBERS LTD. Dividend of As. 4-4/5 per ordinary share, free of income-tax, for the year ended 30th June, 1953.

RAJENDRA COFFEES LTD. Dividend of As. 12 per ordinary share, free of income-tax, for the year ended 31st March, 1953.

A. V. THOMAS & CO., LTD. Dividend of Re. 1 per share, on ordinary shares of Rs. 10 each and Rs. 10 per share, on "B" ordinary shares of Rs. 100 each, for the year ended 31st December, 1952.

ANDERSON WRIGHT LTD. Dividend of As. 9-3/5 per ordinary share, for the year ended 31st December, 1952.

ANGLO-INDIA JUTE MILLS CO., LTD. Dividend of Rs. 5 per ordinary share, for the half-year ended 30th September, 1953.

MADHUSUDAN MILLS LTD. Dividend of Rs. 6-4 per "A" ordinary share and Re. 1-4 per "B" ordinary share, for the year ended 30th June, 1953.

UPPER GANGES VALLEY ELECTRICITY SUPPLY CO., LTD. Dividend of As. 7 per share, for the half-year ended 30th June, 1953.

NATIONAL INSULATED CABLE CO., LTD. Dividend of Re. 1 per ordinary share, for the year ended 31st March, 1953.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Dividend of Re. 1-8 per share, free of tax, for the year ended 30th April, 1953.

ASSOCIATED HOTELS OF INDIA LTD. Dividend of 2 per cent. on ordinary shares, for the year ended 31st March, 1953.

COMPANY REGISTRATIONS

TEKSONS LTD. (First Director: Mr. Tekchand C. Dolwani.) Business: Exporters and Importers. Authorised capital: Rs. 5,00,000. Private company. Address: Modi Chambers, French Bridge, Bombay.

NATIONAL STEAMSHIP CO., LTD. (First Director: Mr. Dilipsinh Shoorji Vallabhdas.) Business: Shipowners, Carriers and Shipping Agents. Authorised capital: Rs. 10,00,000. Public company. Address: 293, Hornby Road, Fort, Bombay.

R. A. FILMS LTD. (First Director: Mr. M. Usman Nadiadwala.) Business: Film Producers. Authorised capital: Rs. 5,00,000. Private company. Address: New Era Talkies Buildings, Malad, Bombay.

Points From The Chair

Development of Malnad

"IT is difficult to understand why there should be such controversy about one relatively small company, when there is enough abandoned waste land in the Malnad to support another 40 companies our size. Surely, instead of this sort of unprofitable unpleasantness, goodwill should be created to develop the vast neglected asset. It is appreciated that when this development does take place, as some day it must, though conditions can never be more favourable than they are today, Government will draw up their own plans of action. Nevertheless, although there are many skilled planters whose estates yield better crops than ours, it simplifies the arithmetic, if we calculate the direct benefit the country would receive, if this area were cultivated by companies similar to our own and providing similar taxation. Then, the Central and State Governments would reap a taxation reward of Rs. 5½ crores annually and coffee exports of 80,000 tons worth Rs. 50 crores and more would make coffee India's fourth most important export. Consumers could then be subsidised to a degree which has not been conceived today, and at the same time very adequate encouragement could be given to producers. This is an ultimate object, but even on a comparatively slower rate of development we should be able to export at least 24,000 tons of coffee worth Rs. 17 crores within a period of 15 years, if the encouragement to do so was given."

IVOR BULL,
Consolidated Coffee Estates (1943) Ltd.

Selling Price of Ships Built in Vizag

"As I pointed out to you last year, shipping companies are being subjected to indirect pressure in order that they may place orders with the Hindustan Shipyard. This pressure has increased this year. It is fully appreciated that the yard must be kept busy and placed on a stable footing. By agreeing to pay the difference between the cost of building at the yard and the U.K. prices, the Government has accepted the principle that Indian shipowners should not be required to pay more for their ships than others. It is now essential that the Government should adopt the concept of a world parity price instead of U.K. parity price in fixing the prices of ships built at the Visakhapatnam Yard. Not only the prices in the U.K. but also the competitive prices prevailing in other shipbuilding countries, such as Holland, Germany, Denmark, Sweden, Japan, etc., should be taken into account in determining the selling price of ships."

A. H. BHIWANDIWALLA,
Great Eastern Shipping Co., Ltd.

Inadequate Dry-docking Facilities

"Inadequate dry-docking facilities at Bombay is also a source of anxiety to Indian coastal shipping companies having their head offices at this port. Coastal steamers trading over the West Coast of India have to depend upon one of the two Bombay dry docks for urgent repairs, survey and renovations required from time to time. At present, our steamships face undue delays and consequent loss of working days before they get the use of the dry dock. This reduces the modest profit margin available in coastal shipping business, makes it less attractive to the private investor. If the Government of India's plans to attract private capital for the much-needed growth of our coastal shipping are to bear fruit, early steps are necessary to provide it with modern convenience including better dry-docking facilities to Indian coastal vessels, and one of the two dry docks at Bombay should be reserved for such steamers."

P. S. VALLABHDASS,
Malabar Steamship Co., Ltd.

Future of Tin

"As regards the future of tin, I have, in my annual addresses since the war, stated that the long-term outlook is good and if those who have continuously advocated the introduction of another Tin Control Agreement embodying restriction of production would profit from the experience of the last scheme and leave the industry alone, producers, consumers and Governments would all benefit. Anyone familiar with the tin industry should know that the consumption, price and production of tin are governed by world industrial production activity, in particular by American industrial production activity. As that activity varies, price stability within the tin industry is not possible."

G. W. SIMMS,
Sungei Besi Mines, Ltd., and Ayer Hitam Tin Dredging, Ltd.

Replacement Problem of British Shipowners

"There is no question that the most difficult problem facing British shipowners today is that of replacement, and surely the nation's fiscal policy should be redesigned so as to give the maximum help rather than hindrance to the British merchant navy, if its survival is important. In the first place, must depreciation allowances really continue to be based on first cost rather than on cost of replacement, which is now about three and a half times the pre-war? Secondly, I can see no valid reason why we should not be allowed to sell our older ships for the best price obtainable in world markets. Why is the old wartime restriction against selling to foreigners still kept in being by a Government pledged to restore freedom? Is air transport restricted against selling to foreigners? If not, why sea transport?

THE HON. J. P. PHILLIPS,
Court Line, Ltd.

STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 6th *January*

Conditions in the short-term money market during the major part of the three-week period, since our last report dated 16th December, 1953, were, fairly stringent. There was a sizable demand for funds for financing the movement of crops and for the usual window-dressing operations. Most of the banks had to call back their funds with other banks, in order to keep a high cash ratio at the end of the year. Consequently, there was a marked shrinkage in floating funds. Exchange banks had to draw fairly large amounts on their foreign offices to meet the withdrawal of their borrowings locally, while Indian banks looked for help from the Reserve Bank. Inter-bank call money among the Exchange banks and big Indian banks was bid at 3 per cent. upto the end of the year, but thereafter the rate eased a little to 2½ per cent.

Though there was no abatement of the demand for funds in the last few days of the New Year, the supply position eased a little following the flow of funds from Calcutta in the closing days of the year. The heavy callings on Calcutta from Bombay during these days resulted in a shortage of funds in that centre also, but this was met by sale of sterling. A leading Chinese bank was also stated to have given relief to Calcutta by releasing a large amount of funds. After the turn of the year, inter-bank call money among the Exchange banks and big Indian banks was quoted at 2½ per cent. The corresponding rate among the small Indian banks remained unchanged at 3 per cent.

Short-term deposits were keenly bid at a uniform rate of 2½ per cent. for periods of one to six months.

The sale of Rs. 1 crore of three months' Government of India Treasury Bills, which was resumed this week after a break of two weeks, brought an offer of a little more than Rs. 1.32 crores, as against Rs. 1 crore tendered two weeks back. However, the Government had to pay an average rate of Rs. 2-7-9 per cent. per annum, the highest so far paid since the sale of Treasury Bills was begun on 9th September, 1952, and 7 pies more than the previous highest of Rs. 2-7-2 per cent. paid in the second sale of December last.

The Reserve Bank of India's statement for the week ended 1st January, 1954, as compared with that for the week ended 11th December, 1953, shows an aggregate rise of Rs. 8.95 crores in notes in circulation, the rise in the last week alone being Rs. 6.63 crores. Notes held in the Banking Department have gone up by Rs. 1.41 crores. Total notes issued are higher by Rs. 10.36 crores, which are covered by an increase of Rs. 10 crores in foreign securities and Rs. 36 lakhs in rupees coin. In the Banking Department, deposits of the Central Government have, during this three-week period, improved by Rs. 21.21 crores, while those of the State Governments show no notable change. Deposits of banks have dropped by Rs. 9.06 crores. An enlargement of Rs. 1.45 crores is noted in cash balances and Rs. 2.21 crores in balances held abroad. Ways and means advances to Governments are lower by Rs. 1.38 crores, while other loans and advances are higher by Rs. 4.99 crores. Government Treasury Bills purchased and discounted show a sharp rise of Rs. 6.25 crores. There have, however, been no borrowings by banks against usance bills during the three weeks under review.

There has been an aggregate decline of Rs. 11.40 crores in demand deposits of Scheduled banks during the three weeks ended 25th December, 1953, as seen from the latest Scheduled banks' statement. Time deposits have also declined, but by only Rs. 60 lakhs. Inter-bank borrowings are lower by Rs. 3.84 crores. Borrowings from the Reserve Bank have gone up by only Rs. 76 lakhs and those from the Imperial Bank by Rs. 2.28 crores. Advances and bills purchased and discounted have risen by Rs. 10.32 crores, while investments are lower by Rs. 1.07 crores. Cash on hand and balances with the Reserve Bank have together dwindled by Rs. 13.85 crores and money at call and short notice by Rs. 3.86 crores.

The Gilt-edged market was featureless during the last three weeks, with business passing at a very low ebb. The stringency in the money market was one of the contributory factors for the lack of interest. The rumours about the possibility of a reduction in Bank rate, which had been one of the props of the market for some time, having subsided, there was a mild sagging tendency for sheer want of support. There was, however, no large selling pressure. 3 per cent. 1957 was unchanged at Rs. 98-6, though some business was reported done at Rs. 98-5½ also. 3 per cent. 1958 dropped As. 2 to Rs. 98. 3 per cent. 1959-61 stood at Rs. 96-2, though there were buyers at Rs. 96-1. 3 per cent. 1963-65 had buyers at Rs. 92-7½. 3 per cent. 1964 was marked down by an anna at Rs. 92-7. 3 per cent. 1966-68 found sellers at Rs. 90-3½. 3 per cent. 1970-75 attracted sellers at Rs. 86-8. 3 per cent. 1986 Conversion Loan stood As. 4 lower at Rs. 82-6. 3½ per cent. 1961 N.P. Bond was an anna lower at Rs. 98-14.

BRISK TRADING IN BUFF

(From Our Own Correspondent)

KANPUR, 2nd *January*

Conditions in the hides and skins market were tending to be somewhat confident during the week under review. New arrivals were quite steady and transactions in buff were brisk. Madras dealers were ready buyers of second grade cow and all categories of goat.

The latest quotations are: Wet salted cow 1st grade Rs. 320 to Rs. 360, 2nd grade Rs. 300 to Rs. 320 and 3rd grade Rs. 180 to Rs. 220 per score; wet salted buff 1st grade 1 lb. 9 ozs., 2nd grade 1 lb. 14 ozs. and 3rd grade 2 lb. 6 ozs. per rupee; sheep skins Rs. 300 per 100 pieces.

SILVER FLARES UP

(From Our Own Correspondent)

BOMBAY, 6th *January*

The bullion market closed the year 1953 on a steady note. Though the movements in values were irregular in both the metals during the two weeks preceding the closing of the year, there was a net improvement in values. Trading during the last few days of the New Year was sharply characterised by the sudden revival of bullish activity in silver, which touched today the highest level since 21st September last. Gold, however, remained dull, with minor variations in prices.

During the closing weeks of 1953, reports about the possibility of U.S.-Pakistan military pact, the grave political situation in Indo-China and expectations of an increase in offtake of silver during the coming months, the seizure of currency notes worth about Rs. 12 lakhs which were presumably meant for payment against smuggled gold, decline in arrivals of gold and better demand for gold in the ready section, all these induced a favourable sentiment. Frequent short-covering also aided the recovery. Operators were, however, cautious in extending their commitments due to uncertainties about the Government's decision on the proposed amendment to the by-laws of the Bombay Bullion Association. Moreover, reports of further sales of Russian gold to Britain also affected sentiment at one time.

Although the New Year opened on a cautious note, activity in silver soon broadened on fresh bull support and heavy bear covering following reports of satisfactory offtake from Delhi and expectations of increased demand on account of good crops. After an initial recovery, gold became subdued on larger arrivals in the last two days.

Silver for forward delivery (23rd December settlement) which opened at Rs. 150-10 on 17th December and moved up to Rs. 152-1 before the settlement ran out at Rs. 151-13 on 23rd December. January settlement began at Rs. 151-5 and advanced by stages to Rs. 152-15 on 22nd December. After a setback to Rs. 151-10 on 24th on exaggerated reports of large arrivals of Rajasthan silver, there was a swift recovery to Rs. 153-14. The bearish advices from other markets and selling by a prominent bear operator led to a decline in the rate to Rs. 152-4 on 1st January. But, thereafter, it quickly moved forward on fresh bull support and short covering and touched a high of Rs. 155-13 today, before closing at Rs. 155-6.

Ready silver (.996 Mint), which was quoted at a premium of As. 10 over the forward rate for the December settlement, came to be quoted on par with the current settlement. The floating stocks of silver are 2,400 bars. The daily average offtake was 15 bars.

Gold for forward delivery (21st December settlement) began at Rs. 80-10 and rose to Rs. 82-10 before the settlement ran out. Forward gold for January settlement commenced at Rs. 80-9 and, after moving irregularly, touched Rs. 83-6 on 26th December. Thereafter, there was a setback to Rs. 81-14 on the 2nd inst. In sympathy with silver, forward gold recovered to touch Rs. 83-3 before closing lower today at Rs. 82-8.

Ready gold opened at Rs. 80-11 and closed at Rs. 82-8, the highest rate touched during the period under review being Rs. 83-9. The floating stocks of gold are placed at 25,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was 5,000 tolas on an average.

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

	6-1-54	Highest	Lowest	16-12-53
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	82 8	83 9	80 10	80 15
Forward	82 8	83 6	80 9	80 13
Sovereign	56 8	56 12	56 0	56 8
SILVER				
Ready (.996 fine Mint)	155 6	155 13	150 11	151 15
Forward	155 6	155 13	150 1	151 5
London Ready ..	73½d.	73⅝d.	73½d.	73⅝d.
London Forward ..	73¼d.	73⅜d.	73¼d.	73⅜d.
New York Ready ..	85½c.	—	—	86½c.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 4th *January*

Arrivals of kips have been restricted and offtake moderate. It is believed that tanned stocks have been held up in the tannery, with a view to despatching to Madras when prices improve which is probable during the middle of the month. U.K. buyers have kept out of the market and are probing the market in order to buy cheaper. As there are no weak sellers, prices have ruled steady and the undertone is firm, especially for medium and heavy weight cow hides all grades and buff heavies. Demand for cow calf and buff calf has been poor.

In the tanned skins section, demand for goat skins has exceeded supplies. Sheep skins are being steadily cleared by the exporters for shipment to the U.K., the Continent and Japan. Prices in the raw skins market have ruled firm, due to tanners' purchases.

Shipments during December, 1953, were: To the U.K. 4,507 bales tanned cow hides, 391 tanned cow calf, 417 tanned buff hides, 375 tanned buff calf, 1,192 tanned goat, 1,324 tanned sheep and 3 bales tanned snake skins; to the Continent: 12 bales tanned cow hides, 2 tanned cow calf, 4 tanned buff calf, 295 tanned goat, 104 tanned sheep, and 10 bales drysalted goat; to the U.S.A.: 48 bales tanned cow hides, 2 tanned cow calf, 190 tanned buff hides, 46 tanned buff calf, 77 tanned goat, 305 drysalted goat and 8 bales tanned snake skins; to Japan: 153 bales tanned sheep skins.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 6th *January*

What has happened in the forward cotton market during the last three weeks has baffled even many seasoned observers and operators alike. Fluctuations in prices have been heavy and the change in sentiment both pronounced and frequent during these memorable three weeks, when price rose to the highest level for the season to Rs. 705 and fell within two days by a little over Rs. 35. Surprisingly enough, when there was nothing in the general position to justify an early setback in price, the bulls chose to race with one another for unloading their contracts amounting to about 70,000 bales. Their fear for the approaching February delivery appears to have originated from the fact that most of the short-sellers had covered their sales at heavy losses and the sales against their purchases which remained were mostly from hedging by holders of ready cotton in the spot trade and against purchases by the mills. Some of the mills also helped indirectly in inducing bulls to liquidate by their price-fixing operations. In any case, this display of nervousness on both sides has placed the market in a somewhat healthier position and it is now hoped that, in view of the approaching delivery against February contracts, the market would tend to be steady with a narrow range of fluctuations.

Whatever be the future trend in the market during the coming weeks, it has succeeded in creating doubts amongst both the public and the authorities with regard to the usefulness of allowing unfettered freedom to forward trading in a country, where speculation is not kept within reasonable bounds. It has also scared away many small operators at least for some time. Some of the said supporters of forward trading are now hoping that the market will behave for some time at least in such a manner as not to invite the attention of the authorities towards its working. All the factors seem to favour the realisation of this hope, except that, tempted by the steady spot position, some big operators with an itch for cornering might not be able to resist the urge for forming a strong syndicate to take advantage of the spot position, by a fresh wave of collecting contracts in May delivery.

And this brings us to spot trading, which naturally is active at this time of the season. The tendency on the part of the producers to hold back cotton from the market in the hope of higher prices later on and a similar desire on the part of the small traders in upcountry centres is gradually weakening and though the arrivals in the upcountry markets cannot be said to be profuse, they show signs of gradual increase. The Vijay crop, which will take some time to come into the market, has been largely snapped up and the premia for this are likely to rule strong. Another factor helping the strength in the spot market is that consumers have been assailed by doubts about the quality of some of the styles this year. There is good bidding, therefore, for good quality cotton, which is reflected in the present premia for Gaorani 12 and Berar 197/3.

Export demand is negligible and likely to remain so, but a new tendency which requires notice in the spot market is the revival in mill interest for foreign growths. California, which was neglected for a long time, has come into its own and ready lots are being taken up by some of the mills. In spite of high prices, Egyptian cotton is also being sought and as there is little hope of securing anything comparable in quantity to the previous year's of East African cotton, as a good part of it is already sold, many eyes have turned towards Sudan. But there is not much hope of large-scale imports from this source also. Ultimately, it looks as if the country will have once again to fall back on U.S. styles, the prices of which have already shown a significant increase in the local spot market. The new import policy does not visualise large quantities of U.S. cotton being bought during the next six months and it is believed that licences will be issued very sparingly, the market having to depend mostly on the old unexpired licences the period of which has been extended still further. While imports from non-dollar areas are free as before, as pointed out above, sources left for such imports are not many.

In the forward section of the cotton market, I.C.C. February opened the week under review at Rs. 687 and moved up to Rs. 695 today before closing the day's trading session at Rs. 694½. I.C.C. May fluctuated between Rs. 692 and Rs. 670 and closed at Rs. 691½. The following is the trend of prices in the market over the week under review:

		Opening	High	Low	Closing
I.C.C. Feb.	(Rs.)	687	695	671	694½
I.C.C. May	(Rs.)	686½	692	670	691½

The following are the latest available quotations from the spot market:

Bengal *Deshi* Rs. 635; Berar *Jarilla* Rs. 800; Khandesh Rs. 845; Vijay Rs. 880, Oomra *Deshi* Rs. 710; Moglai Rs. 710.

An important event in the cotton world is the provisional fixing of the opening date of the Liverpool futures market on 18th May, provided necessary legislation for this is passed by the U.K. Parliament in good time. In the meanwhile the spadework for this is being undertaken.

The position at Karachi continues to be dull, as in previous weeks. Its customary clients seem to have turned their faces away from this market for the time being. They are awaiting the final issue of the U.S. export policy, because hopes are still entertained that some inducements either by way of subsidy or receiving payment in the currency of the country to which cotton is exported might be announced to lighten the load of the loan cotton in the hands of the U.S. Government. There is, however, growing opposition to this from the textile industry there. Liverpool has both sentimental and utilitarian regard for Pakistan cotton and it might absorb some quantity from Karachi later, when the hurdle of the U.S. policy decision is cleared. Japan and some of the Continental countries also will naturally come into the picture later on and though Karachi may have to wait tediously for a long time for clearing its stock, it is more or less assured of being able to do so during the latter part of the year. The following are the latest available quotations from the Karachi market:

Sind *Deshi* Rs. 67; Punjab *Deshi* Rs. 65½; 4F Punjab R.G. Rs. 62½ to Rs. 64; S.G. Rs. 68½ to Rs. 70; L.S.S. Punjab R.G. Rs 67½; S.G. Rs. 73; N.T.R.G. Rs. 68½; S.G. Rs. 73½; 289F Punjab R.G. Rs. 74½; S.G. Rs. 80½.

Unlike Karachi, Alexandria is making good headway with its export programme, though there has been a slight fall in the volume of enquiries during recent weeks. However, India, France, Germany and Italy have remained faithful, though with slightly diminished demands, to Egyptian varieties. Now that enquiries for Ashmouni and Giza 30 have diminished in volume, the spot premia for this are gradually giving way and more offers are being made by shippers in Alexandria to buyers abroad at gradually reduced prices of these varieties, especially that for Giza 30. The demand for Karnak continues as usual though this is also prone to favour more spot lots than future delivery. The volume of export till 19th December shows a decline of about 50,000 bales over the same period last year.

Prices have recovered to a great extent in the New York market. The general improvement in tone is due to increased spot demand. It is believed that with more cotton going into loan, there might be a tight supply position later in the season, which is inducing consumers to come forward to secure their requirements.

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

(In cents per lb.)

	5-1-54	29-12-53	22-12-53
Spot	33.85	33.70	33.50
March	33.22	33.04	33.00
May	33.45	33.31	33.26
July	33.31	33.05	32.98
October	32.75	32.37	32.43

FLOOR AND CEILING PRICES FOR ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 6th *January*

Fixation of ceiling and floor prices for art silk yarn for current delivery at Rs. 780 and Rs. 680 per package of 200 lbs., respectively, is the most notable event of the fortnight under review. This decision of the Yarn Merchants Association was a sequel to the marked rise in the prices of yarn, following the imposition of a ban on imports of double yarn in the current half-year as announced by the Central Government last week-end. The decision of the Association not to open the February contracts till the actual merger of the Association with the Bombay Yarn Exchange also aided the rise in prices. Consequently, January contract shot up from Rs. 721 on 19th December, 1953, to Rs. 747 on Saturday.

With a view to checking the rise in prices, as also to preventing any wide price fluctuations, the Yarn Merchants Association decided, at its meeting held on the 2nd inst., as stated at the outset, to fix ceiling and floor prices. This seems to have had the desirable effect in narrowing down the variations in prices. January contract was quoted at Rs. 749, that is, a rupee lower than the rate prevailing before the fixation of prices.

The ready section was irregular during the period under review. Thus, while 120 Japan and 120 Italy advanced by As. 9 and As. 7 to Rs. 4-10 and Rs. 4-1, respectively, 150 Japan receded from Rs. 4-5 to Rs. 4-2 and 150 Italy from Rs. 3-14 to Rs. 3-12.

The table below gives the prices of art silk yarn quoted today, as compared with those on 30th and 19th December, 1953:

	6-1-54	30-12-53	19-12-53
	Rs. a.	Rs. a.	Rs. a.
150 *January* (per case of 200lbs.) ..	746 0	727 0	721 0
120 Japan (per lb.)	4 10	4 7	4 1
150 Japan ,, ...	4 2	4 1	4 5
120 Italy ,, ...	4 1	3 14	3 10
150 Italy ,, ...	3 12	3 10	3 14

As already stated, the Government of India has banned the import of double yarn during the current half-year. But for this, the import policy is more or less on the lines similar to that followed in the previous half-year. The procedure for licensing imports of yarn by actual consumers and established traders, for instance, continues to be as heretofore. The import quota for 150 bright finish yarn continues to be 5 per cent. Quota for 120 bright finish, however, has been increased from 20 per cent. to 25 per cent. As is only to be expected, the Government's policy has been criticised by a section of traders which feels that a more liberal policy should have been adopted if serious affect all consumers, including silk mills."

Forward trading in staple fibre yarn continues to remain suspended. Prices of ready yarn are at present fully firm, due to scarcity of supplies and larger enquiries from consuming centres, following the ban on imports. The traders are greatly intrigued at the Government's decision not to allow imports of staple fibre yarn. Since yarns of counts 80/2, 140/2, etc., are not being produced in the country and as there is good demand, the Government should, it is felt, allow free import of at least these fine counts.

GROUNDNUTS RALLY AT CLOSE

(From Our Own Correspondent)

BOMBAY, 6th *January*

With the exception of the extension of the period of shipment of the unutilised portion of export quota of castor oil upto the end of January, 1954, and the continuation of free licensing of exports of mustard and rapeseed oils up to the end of June, 1954, there have been no other developments worth mentioning during the three weeks since our report on 16th December last. But even these developments had hardly any influence on the trend of trading in the oilseeds market. For, while the unutilised quotas of castor oil are small, there have been very little overseas enquiries for rape and mustard oils.

The trend in the oilseeds market has been influenced mostly by developments in the cotton market, which was subject to considerable speculative activity in recent weeks. As operators in both the markets are almost the same, the groundnuts section, which ruled quietly steady in the first week, following large arrivals of seeds, picked up strength in the subsequent week and staged a spectacular rise on manipulations by cotton operators. Early this week, however, it staged a small fall, on profit-taking, but only to shoot up again on speculative support. Bull grip on groundnuts was generally tight throughout the period under review. The prices, consequently, disclosed sizable gains over the period. Although the linseed section ruled in sympathy with groundnuts, it sustained minor losses over the period. The castorseeds section, however, depicted a somewhat different trend, in that it was generally easy. This was due to absence of any fresh export quota.

In the groundnuts section Bold F.A.Q., which opened steady at Rs. 32-8 on 17th December, shot up to Rs. 35 on the 24th. Thereafter, it staged a gradual decline to Rs. 33-8 on the 31st December. Subsequently, it improved to finish at Rs. 34-4 today. Khandesh quality, which opened at Rs. 33-8 as against Rs. 33-2, advanced to Rs. 36 on 24th December. Then, it declined to Rs. 34 on the 31st and today it was placed at Rs. 34-10. Bold December-January and February-March gained Re. 1-13 and Re. 1-7 to Rs. 34-7 and Rs. 34-10, respectively. Groundnut oil ex-mill and railway receipts were higher by As. 4 each at Rs. 17-8.

The shippers of groundnut oil who had entered into commitments in the Continent and the U.K. for export of groundnut oil in anticipation of export quotas, have now been perplexed, as the prospects for exports are dim. The buyers in the U.K. have already been reported to have demanded penalty for non-shipment of the oil.

The linseed section lacked strength of its own. Bold ready, which was done at Rs. 29-6 on 19th December as against Rs. 29-4 the previous day, improved to Rs. 31 on 24th December. Later, it declined to touch Rs. 28-8 on the 31st inst. Today, it was quoted at Rs. 29. February-March fluctuated between Rs. 26-6 and Rs. 24-6, before closing at Rs. 25-2. Linseed oil disclosed a gain of As. 2 at Rs. 16-2.

In the castorseeds section, May delivery, which was enquired at Rs. 119-12 as against Rs. 120-2, fluctuated between Rs. 121-8 and Rs. 110, before ultimately closing at the latter rate. Among spots, Madras quality lost Rs. 2 to Rs. 25 and F.A.Q. Re. 1-12 to Rs. 24-12. Castor oil B.S.S. eased from Rs. 16-8 to Rs. 14-10, First Pressure from Rs. 16 to Rs. 14-8 and Commercials from Rs. 15-4 to Rs. 13-10.

Among other seeds *Kardi* Bold was lower by Re. 1 at Rs. 24. *Niger* F.A.Q. was down by As. 4 at Rs. 28-4, while Madras gained As. 8 to Rs. 29.

Arrivals of various oils and oilseeds from 1st January to 31st December, 1953, as compared with those in the previous year were as follows:

(In cwts.)

	1953	1952
Groundnut	2,374,159	2,941,143
Castorseed	817,204	749,498
Linseed	144,247	263,333
Groundnut oil	729,408	1,481,524
Castoroil	250,632	261,221
Linseed oil	57,193	187,131

Exports of oilseeds and oil during the year 1953 were as follows:

(In tons)

Groundnuts	8,469
Groundnut oil	6,190.4
Linseed oil	620.9
Castor oil	23,825.6

The following table shows the prices of oilseeds and oil on the 6th inst, as compared with those on 24th and 16th December, 1953:

	6-1-54	24-12-53	16-12-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Ready (per cwt.) ..	34 10	36 0	33 2
Bold December-January ..	34 7	35 0	32 10
Bold Feb.-March	34 10	35 8	33 3
Linseed—			
Bold Ready (per cwt.) ..	29 0	31 0	29 4
Feb.-March	25 2	26 0	25 2
Castorseeds—			
May 1954 (per candy of 500 cwts.) ..	110 0	117 10	120 2
Madras (per cwt.)	25 0	26 8	27 0
Groundnut oil—			
Ex-mill Ready (per quarter).	17 8	18 6	17 4
Castor Oil—			
Commercial (per quarter) ..	13 10	14 8	15 4

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 6th *January*

Since we reported last on the 16th ultimo, the forward section of the Bombay sugar market has been easy, thanks to satisfactory supplies of indigenous sugar, following liberal releases by the Central Government. The expectation of a further release in the near future and large arrivals of imported sugar have also acted bearishly on the market. At the same time, the demand from interior centres has been slack. Sugar prices, therefore, have moved downwards. Business in *Magsar* delivery was terminated at Rs. 81-8 per bag, as against Rs. 82-8 three weeks before. *Posh* delivery was transacted at Rs. 81-12, as against Rs. 83-12. Foreign sugars too have tended to decline, owing to comfortable stock position and reduction in the imported price from Rs. 30 to Rs. 29-8 per maund. Thus, British refined sugar has receded from Rs. 84-84-4 to Rs. 83 per bag of 2 cwts. Mexican sugar is neglected at Rs. 40-4 per bag of 110¼ lbs. (net) and Cuban sugar at Rs. 36-8 per bag of 100 lbs. Many seem to feel that imported sugar prices will not register any upward trend and that the market must remain quiet, with prospects of further release of indigenous production in the very near future. The position of bulls in *Posh* delivery is, therefore, uncomfortable.

The ready section, however, has exhibited fairly steady conditions and prices have been well maintained. Small, medium and large grain sugars are now quoted at Rs. 93, Rs. 95 and Rs. 99 per bag, respectively. The corresponding quotations three weeks before were Rs. 93, Rs. 92-94 and Rs. 97. The indigenous *ex*-mill prices for medium and bold grain sugars are steady around Rr. 29-8 and Rs. 30-8 per maund, respectively.

With indigenous sugar being quoted at high prices, traders are reluctant to increase their commitments. Continued arrivals of foreign sugar are also acting as a damper. The traders are somewhat intrigued at the persistent dumping of bold grain sugar of Java and Czechoslovakia into Calcutta and Madras by the Union Food Ministry, despite the fact that there is no demand for such sugar, as these areas prefer purity to grains. The disparity between the prices of indigenous and imported sugars in Bombay is as wide as Rs. 12 per bag. This is really abnormal and must decline to a more reasonable level sooner or later if economic laws have any meaning.

The Union Food Ministry is understood to have decided to despatch about 1,000 tons of British refined sugar from the Bombay Port Trust docks to Delhi, with a view to selling it there at Rs. 30 per maund (*ex*-godown). This move, it is stated, is directed in order to bring down prices.

Tenders have been invited for East German beet crystal sugar per s.s. *Everest* which is expected to arrive in the third week of this month. It is reported that an allotment of 550 maunds is being made to each tenderer. This sugar resembles the medium grain sugar I.S.S. D-28. Later, if Cuban sugar per s.s. *America* and also of small parcels of British refined sugar per ex-s.s. *Indian Navy* and ex-s.s. *Tahsima* have already commenced. Cuban sugar per s.s. *Marcella* is scheduled to arrive in the Bombay Harbour early next week.

Gur prices have ruled steady. This is due partly to a fall in production and partly to seasonal demand on the eve of *Sankranti*. The fall in production is the result of inadequate supply of sugarcane in *gur* producing areas in U.P. and Bombay-Deccan. Market circles are optimistic that there is not much scope for *gur* prices to go down, for production is not likely to be as heavy as was anticipated earlier in the season.

LINSEED QUIET

(Messrs. A. Bradley & Co.)

CALCUTTA, 4th *January*

A somewhat quiefer tendency has developed in the linseed market and an appreciable decline in prices has been recorded. Supplies from producing centres are still very short, with the result that the general undertone of the market remains firm. Local sellers have shown slightly better interest, although buyers are less keen to pay higher prices. Only small quantities are reported to have changed hands. A sharp decline in linseed oil prices has followed a general weakening in the local demand, and trading has been very limited. Latest quotation is Ready Rs. 21-12 per maund.

PEPPER ARRIVALS INCREASE

(Messrs. Parekh & Co.)

BOMBAY, 6th *January*

After the Christmas and New Year holidays, the performance of black pepper at all terminal markets was disappointing in view of the increasing arrivals and poorer export enquiries. New York buyers are reported sitting back awaiting fresh developments anticipating lower levels in India under pressure of the movement of new crop. They are also reported to be awaiting the Presidential message on the State of the Union economics and the budget. There are sellers in the local market for January shipment at $0.85 and February/March at $0.84 but without interest except for stray short coverings. Some business in April/May/June in equal monthly lots was done at prices ranging from $0.85 to $0.83½ per lb. c. & f. New York. The general consensus of opinion of the market is that, with increasing arrivals, if the export demand remained as disappointing as today, the market would go lower.

The other disappointing feature of the market is poor demand from Calcutta and Bombay for light berries for local consumption, and the con-

(*Continued on page* 55)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	25th Dec. 1953	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,125.52	1,121.21	1,096.85	1,092 12
Notes held in Banking Department	35.05	10.37	14 51	30 19	20 78
Foreign Securities	29.50	578 15	578 15	568 16	538 15
Rupee Securities	37.89	421.38	421.38	421.38	450 06
Banking Department					
Deposits of :					
Government of India	14.89	110.24	106 11	98 09	174 79
Other Governments	..	18.79	18 97	24 38	3 55
Balances held abroad	19.08	144.46	141.21	141.56	167.84
SCHEDULED BANKS					
Demand Liabilities	134.87	516.31	519 35	538.93	530 46
		(8.21)†	(9.61)†	(12 57)†	(13 01)†
Time Liabilities	103.84	331.85	331 43	334.96	317 06
		(1.80)†	(2 01)†	(2 73)†	(3.79)†
Borrowings from Reserve Bank	..	2 05	2 90	0 94	4 54
		(0.49)‡	(0.49)‡	(0.49)‡	(0 99)‡
Borrowings from Imperial Bank	..	6 90	6 70	5 21	5 15
Cash in India	6.71	32.08	31 38	32.70	34 95
Balances with Reserve Bank	25.23	44.58	47 15	67.85	43.58
Excess over statutory limits	15.52	12.13	14 55	34.21	10.72
Balances with other banks in current account in India	..	11.02	10.91	11.25	11.20
Money at call and short notice in India	..	12.71	13.47	18.32	16.70
Investments (at book value)	..	336.04	337.30	336.77	323 20
Advances and bills	105.09	461.09	458.35	449.04	468 33
IMPERIAL BANK					
Deposits	87.76	207 08	207 15	212 66	206 15
Investments	51.89	97.78	98 06	97 30	97 25
Advances	30.87	101.84	100.32	95 48	111 51
Cash	14 89	20.67	21 54	19 20	17 13

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	30th December, 1953		24th December, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,62,029	42,81,43,000	2,16,056	46,26,65,000
Calcutta	1,00,755	39,25,55,690	1,24,487	42,53,20,575
Madras	55,995	5,88,14,570	63,419	7,24,66,572
All Centres—				
1951	..	..	1,06,94,122	3160,56,86,850
1953	..	..	1,06,41,964	2979,51,57,000
Oct., 1953	..	..	2,25,77,000	5,04,62,00,000
Nov.,	..	..	2,55,00,000	5,34,20,00,000

Reserve Bank of India

Statement of Affairs for the week ended 1st Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government	..	118,43,06,000
(2) Other Governments	..	19,48,30,000
(b) Banks	..	49,70,43,000
(c) Others	..	58,85,42,000
Bills Payable	..	4,56,90,000
Other Liabilities	..	17,13,95,000
	Rupees ..	269,76,06,000

ASSETS	Rs.	Rs.
Notes		13,82,21,000
Rupee Coin		18,88,000
Subsidiary Coin		5,41,000
Bills Purchased and Discounted—		
(a) Internal	..	30,00,000
(b) External	..	
(c) Government Treasury Bills	..	
Balances held abroad*	..	14,96,44,000
Loans and Advances to Governments	..	139,32,34,000
Other Loans and Advances	..	1,15,00,000
Investments	..	16,04,54,000
Other Assets	..	76,25,33,000
	Rupees ..	7,85,81,000
		269,76,06,000

* Includes Cash and Short-term Securities

N.B.—The item 'Other Loans and Advances' includes Rs. 49,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1343 is Rs. 65,83,63,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,82,21,000	
Notes in circulation	1132,14,84,000	
Total Notes issued		1145,97,05,000
Total Liabilities		1145,97,05,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	588,15,11,000	
Total of A		628,16,82,000
B. Rupee Coin		96,42,05,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		421,38,18,000
Total Assets		1145,97,05,000

Ratio of Total of A to Liabilities: 54.815 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 25th Dec., 1953

		Rs.
1.	Demand Liabilities in India:	
	(a) Borrowings from banks	8,20,54,000†
	(b) Other demand liabilities	508,10 38,000
2.	Time Liabilities in India :	
	(a) Borrowings from banks	1,33,00,000†
	(b) Other time liabilities	330,01,72,000
3.	Cash in India	32,08,24,000
4.	Balances with the Reserve Bank in India	44,58,43,000
5.	Balances with other banks in current account in India	11,02,17,000
6.	Money at call and short notice, in India	12,71,01,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	336,03,98,000
8.	Advances in India	415,56,79,000
9.	Inland Bills purchased and discounted in India	45,42,53,000

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

†Excludes borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

		6th January, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	s.	1-6¼	1-6¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476¼	476¼
Buyers T.T.	Rs.	472¼	472¼
London on New York	$	2.81¼-2.81¼	2.81-2.81¼
London on Paris	Fcs.	978-978¾	980-980½
London on Berne	Sw. Fcs.	12 21¼-12.21¼	12.21¼
New York on London	$	2.81¼-2.81¼	2.81¼-2.81¼

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupees (Crores)	Per capita Income (Rs.)
India	1948	343.12			6,730	255
Pakistan	1949	75.04			1,671	223
Burma	1951	18.67	Kyats	3,166	317	169
Ceylon	1951	7.74			451	582
Japan	1951	84.30	Y.	4,849,400	6,414	761
Philippines	1951	20 28	Ps.	7,586	1,930	844
New Zealand	1952	2.00	£(N.Z.)	946	851	4,307
Australia	1951	8 43	£(A.)	3,886	3,454	4,317
U.K.	1952	50 43	£	13,648	18,197	3,606
U.S.A.	1952	156 98	$	290,400	138,250	5,806
Canada	1952	14.48	$	18,185	8,168	5,602
France	1952	42.80	F. Fr.	10,100,000	12,864	3,254
W. Germany	1952	46 48	Dm.	98,400	11,156	3,501
Italy	1952	46.88	Lr.	8,112,000	6,181	1,318
Norway	1952	3.22	Kr.	16,096	1,106	3,331
Sweden	1952	7 13	Kr.	29,170	3,652	5,122
Netherlands	1952	10 34	Fl.	17,660	2,213	3,104
Denmark	1951	4.30	Kr.	20,716	1,488	3,846
Switzerland	1952	4.82	$ Fr.	20,100	3,189	4,541

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

State Bank of Pakistan

Statement of Affairs for the week ended 18th Dec., 1953

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government	..	21,32,02,000
(b) Provincial Governments	..	2,00,40,000
(c) Banks	..	11,02,94,000
(d) Others	..	2,20,00,000
Bills Payable	..	28,80,000
Other Liabilities	..	4,48,04,000
	Rupees ..	47,42,50,000

Assets	Rs.	Rs.
Notes		5,57,98,000
Rupee Coin		3,000
Subsidiary Coin		6,000
Bills Purchased and Discounted :—		
(a) Internal	..	....
(b) External	..	15,00,000
(c) Government Treasury Bills	..	42,30,000
Loans and Advances to Governments	..	63,26,000
Provincial Governments Debtor Balances	..	2,51,00,000
Other Loans and Advances	..	28,90,95,000
Investments	..	8,00,22,000
Other Assets	..	
	Rupees ..	47,42,50,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,57,98,000	
Notes in circulation	219,47,33,000	
Total Notes issued		224,05,31,000
Total Liabilities		224,05,31,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	7,01,42,000	
Sterling Securities	39,47,44,000	
Government of India Securities	11,85,72,000	
India Notes representing assets receivable from the Reserve Bank of India	29,86,91,000	
B. Rupee Coin		
Government of Pakistan Securities	5,88,43,000	
Internal bills of exchange and other commercial paper	124,68,64,000	
	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		130,57,07,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		224,05,31,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 41.59 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
18th October, ..	1.50	1.81	1.50	2 6 8	88
20th ,, ..	1.50	2.83	1.50	2 6 8	88
27th ,, ..	1.50	4.10	1.50	2 6 7	48
3rd November ..	1.50	2.71	1.50	2 6 10	86
10th ,, ..	1.50	1.51	1.50	2 7 0	100
17th ,, ..	1.50	1.99	1.50	2 7 0	3
24th ,, ..	1.00	1.56	1.00	2 6 10	93
1st December ..	1.00	1.10	1.00	2 7 0	91
8th ,, ..	1.00	1.72	1.00	2 7 2	57
15th ,, ..	1.00	1.00	1.00	2 7 0	100
1954					
5th January ..	1.00	1.83	1.00	2 7 9	70
Total ..	14.00	21.41	14.00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	28th Oct., 1953	3	2½
Canada ..	17th Dec., 1953	2½	2
Ceylon ..	25th July, 1953	2½	2
Denmark ..	23rd Sept., 1953	4½	4
Finland ..	16th Dec., 1953	7	6½
France ..	17th Sept., 1953	4½	4
Greece ..	13th July, 1948	10	12
India ..	15th Nov., 1951	3	3½
Italy ..	6th April, 1950	3½	4
Japan ..	1st Oct., 1951	6.11	5.84
Netherlands ..	7th April 1953	3	2½
New Zealand ..	26th July, 1941	2	3
Norway ..	9th Jan., 1946	3	2½
Pakistan ..	31st July, 1948	3	4
Portugal ..	15th Jan., 1944	3	3½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	18th Mar., 1948	4½	4
Sweden ..	20th Nov., 1945	3	2½
Switzerland ..	26th Nov., 1936	4	3½
Turkey ..	24th Feb., 1951	3	5
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R. ..	1st July, 1948	3	4
U.S.A. ..	18th Jan., 1952	1½	1
West Germany ..	8th Jan., 1953	4	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months — April and May, 1952	Two months — April and May, 1953
Import Duties:				
Revenue	12 05	9.01	20.85	18.28
Protective	60	47	1 37	96
Total import duties	12.65	9.51	22.22	19 22
Export Duties ..	8.84	2.74	9.04	5.77
Land Customs ..	21	6	41	21
Miscellaneous ..	11	8	16	11
Gross total customs ..	18.34	12.40	23.75	25.31
Refunds and drawbacks ..	24	18	38	34
Net Customs	18.10	12.22	32 22	24 97
Gross excise	7.41	8.76	14.16	16 87
Refunds	16	5	30	11
Net Excise	7.25	8.71	13.86	16.76
Net total of customs and excise ..	25.35	20.99	46.07	41.73

Imperial Bank of India

Statement of Affairs for the week ended 1st Jan., 1954

SAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital—		
2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders — Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,25,00,000
Deposits and other Accounts ..		200,82,16,000
Borrowings from other Banking Companies Agents		38,83,000
Bills Payable ..		2,55 84,000
Bills for Collection being Bills Receivable as per contra ..		53 29,000
Acceptances, Endorsements and Other Obligations as per contra ..		1,40,000
Other Liabilities (including Inter-Office Adjustments)		2,10,24,000
Total .. Rs.		224,19,27,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,95,00,000
Balances with other Banks		21,21,000
Money at Call and Short Notice ..		1,20,00,000
Investments—		
Government and other Trustee Securities ..	83,35,13,000	
Other Authorised Investments ..	10,82,78,000	
		94,15,91,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	42,33,000	244,614
Bills Discounted and Purchased ..	90,57,53,000	12,3,411
	14,26,02,000	2,15,207
		218,353
Bills Receivable being Bills for Collection as per contra ..		276 216
Customers' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		53,29,000
Premises less Depreciation ..		1,40 000
Furniture and Fixtures less Depreciation		1,30 28,000
Other Assets (including Inter-Office Adjustments)		27 65,000
		3,53,74,000
Total .. Rs.		224,19,27,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings ⊖	3½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1.54	1.47	76	74	20.40	22.86	83.26	29.91	— 12.81	..	..
1951-52	1.75	4.08	77	2.91	23.08	45.91	1.07.58	74.18	— 27.58	13.10	13.39
1952-53	1.63	5.64	66	3.27	23.66	64.18	1,12.36	91.01	— 31.06	7.54	20.64
October 1952	11	5.48	8	3.14	1.71	76.77	8.36	85.25	— 29.69	58	22.02
November ,, ..	10	5.50	8	3.16	1.71	77.99	8.03	85.54	— 29.99	58	22.43
December ,, ..	8	5.51	8	3.16	1.84	79.34	8.45	85.95	— 30.23	48	23.94
January 1953 ..	10	5.54	4	3.19	2.02	80.77	8.58	86.09	— 30.81	58	24.48
February ,, ..	14	5.61	8	3.22	1.88	82.14	8.86	86.58	— 30.76	62	25.08
March ,, ..	32	5.84	9	3.27	2.66	84.18	12.75	91.01	— 31.06	62	25.84
April ,, ..	11	5.80	5	3.27	2.54	85.95	9.06	93.01	— 31.30	80	26.84
May ,, ..	12	5.83	4	3.29	2.08	87.57	9.55	93.80	— 31.53	66	26.88
June ,, ..	11	5.82	4	3.31	2.25	89.33	9.43	93.80	— 31.53	66	27.00
July ,, ..	1	6.78	11	3.38	2.23	91.02	10.28	95.23	— 31.78	66	27.58
August ,, ..	1	6.67	9	3.44	2.23	92.85	8.76	95.57	— 32.08	66	28.20
September ,, ..	—	6.59	12	3.52	2.04	94.38	9.20	97.72	— 32.71	69	28.87
October ,, ..	—	6.51	11	3.58	1.97	95.83	8.58	97.72	— 32.99	52	29.41
November ,, ..									..	46	29.93
December ,, ..									..	46	30.84

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base 1949-50=100)

Group and Sub-Group	Week ended 21-11-'53	19-12-'53	26-12-'53
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.3	90.3
1. Government of India	90.0	90.2	90.1
Indian States	95.6	95.6	95.6
2. Municipal, Port Trust, etc.	89.2	89.8	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.4	101.6	101.8
1. Electricity	102.7	103.2	103.4
2. Jute	98.8	98.8	98.8
3. Plantations	99.6	99.6	99.6
4. Sugar	100.1	100.3	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	101.7	102.2	103.1
7. Shipping	103.1	103.1	103.1
8. Others	100.2	100.2	100.2
PREFERENCE SHARES	97.8	97.8	98.0
1. Electricity	100.0	98.7	98.6
2. Cotton	84.4	84.0	84.0
3. Jute	86.6	87.0	87.0
4. Coal	91.8	91.2	91.4
5. Iron and Stee	89.6	89.9	90.8
6. Sugar	76.1	76.1	76.1
7. Paper	88.4	88.4	89.4
8. Plantations	88.3	90.0	90.3
9. Miscellaneous	85.7	87.1	87.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	88.6	88.0	88.6
(a) Financial	86.1	85.0	85.6
1. Banks	85 3	87.4	88.1
2. Insurance	95.3	95.7	95.4
3. Investment Trust	75 6	76.3	76.3
(b) Public Utilities	108.1	107.8	107.8
1. Electricity	115.5	114.9	114.8
2. Shipping and other Transport	97.4	99.0	98.9
3. Railways	81.2	77.7	78.9
(c) Manufacturing Industries	87.3	102.7	103.9
1. Cotton, Woollen and Silk	95.7	96.6	96.3
2. Jute	85.3	85.6	85.2
3. Iron and Steel	108.2	108.3	108.1
4. Paper	160.9	160 5	165.3
5. Cement	119.1	121.3	121.6
6. General Engineering	115.6	120.8	121.1
7. Sugar and Breweries	85.7	85.5	85.7
8. Chemicals	99.8	102.8	102.2
(d) Non-Manufacturing Industries	87.3	102.7	102.4
1. Coal	74.7	76.0	76.0
2. Mining and Oil	139.8	139.9	139.2
3. Plantations	103.6	103.5	103.2
(e) Miscellaneous	89.6	90.1	90.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	89.8	89.8
1. Bombay	90.1	90.2	90.2
2. Calcutta	90.5	90.6	90.6
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	101.9	102.0	102.4
1. Bombay	101.8	102.2	102.4
2. Calcutta	100.1	100.1	100.1
3. Madras			
PREFERENCE SHARES	92.1	92.0	92.7
1. Bombay	84.0	85.1	85.2
2. Calcutta	88.7	88.9	89.1
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	105 0	106.5	107.0
1. Bombay	91.2	92.5	92.4
2. Calcutta	93.9	95.5	95.4
3. Madras	91.2	92.7	92.4
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,881	8,818,938
1952	983	809,242	8,326,961
Nine months ended Sept., 1950	534	333,737	10,052,255
Do Sept., 1951	956	599,884	8,073,544
Do Sept., 1952	839	757,566	8,259,081
Do Sept., 1953	690	607,913	2,055,040
January 1953 ..	95	208,881	674,340
February ,, ..	83	62,186	218,607
March ,, ..	87	43,430	148,498
April ,, ..	134	69,417	234,846
May ,, ..	118	80,082	254,885
June ,, ..	101	89,881	287,062
July ,, ..	82	48,555	171,382
August ,, ..	93	48,555	146,533
September ,, ..	96	57,875	460,552
October ,, ..	96	75,151	349,918
November ,, ..	87	48,766	272,245
December ,, ..	81	37,525	155,017
January 1953†	85	42,883	244,614
February ,, ..	45	26,477	123,411
March ,, ..	67	39,231	218,207
April ,, ..	72	40,182	218,353
May ,, ..	88	38,617	276 216
June ,, ..	99	50,257	252 279
July* ,, ..	99	45,066	131,122
August ,, ..	88	53,083	225,154
September ,, ..	100	41,739(a)	452,366(b)

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

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,948.1	4,849.0
1952-53	614	6 301.4	5,134.3
June 1952	583	500.1	406.8
July ,, ...	598	534.0	429.7
August ,, ...	597	530.4	430.6
September ,, ...	599	545.2	441.5
October ,, ...	606	559.7	456.4
November ,, ...	608	552.2	457.8
December ,, ...	611	535.5	441.8
January 1953	614	566.5	457.4
February ,, ...	614	538.0	435.7
March ,, ...	616	530.9	438.1
April ,, ...	620	540.4	450.2
May ,, ...	625	548.8	450.8
June ,, ...	627	538.0	471.0
July ,, ...	629	587.9	468.9
August ,, ...	633	576.5	464.4
September ,, ...			

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	19th Dec., 1953	12th Dec., 1953	20th Dec., 1952	November, 1953	November, 1952	Percentage of increase (+) or decrease (—) in Nov., 1953 as compared with Nov., 1952	1952	1951
Food Articles	367.6	363.4	344.5	378.0	383.4	+ 4.0	359.8	409.8
Cereals	423	425	430	439	447	— 1.8	450	483
Pulses	419	418	541	449	551	—18.5	488	506
Other	271	265	208	278	227	+22.5	225	290
Industrial Raw Materials	466.2	458 0	424 9	441.4	429 3	+ 2 8	453.9	502 2
Fibres	444	431	397	428	400	+ 7.0	454	622
Oil seeds	522	503	479	486	495	— 1.8	484	679
Minerals	464	457	456	450	457	— 1.5	458	429
Others	410*	404	372	359	367	— 2 2	341	538
Semi-Manufactures	356.7	356.0R	341.2	344.1	355 5	+ 2 1	346.5	377.5
Leather	391	391	396	416	—	+ 4.8	345	458
Mineral oils	221	221	228	227	226	+ 0.8	221	197
Vegetable oils	537	519	427	499	441	+13.2	458	678
Cotton yarn	423	423	334*	433	444*	+ 2.5	465*	488
Metals	236	236	228	229	226	+ 1.3	211	197
Oil Cakes	396	414R	296	408	441	+ 6 1	440	500
Others	305	305	251	304	253	+20 2	278	330
Manufactured Articles	363.5	366.8	368.7	366 0	376 3	— 2.3	377.5	388.8
Textiles	403	403	400	400	412	— 2.2	428	468
Jute	428	427	398	429	449	— 4.5	506	808
Cotton	397*	397*	406*	408*	406*	— 0 7	401*	600*
Rayon and Silk	401*	401*	427*	401*	445*	—12 1	485*	611*
Woollen	313	313	280	313	280	+11.8	346	378
Metal products	337	337	342	337	342	— 1.6	321	364
Others	263	258	294	294	—	— 3.4	298	300
Miscellaneous	712.4	710.6	626.9	715 2	633.3	+12 9	635.6	720.8
All Commodities	390.3	387.0R	372 7	390 6	383.4	+ 1 9	386 9	439.2

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Garhwali 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
March 1952	135	313	229	300	342	362	340	333	136	177	140	138	143
April ,,	141	345	242	321	415	378	339	326	148	169	138	153	143
May ,,	140	339	264	310	412	377	339	327	144	168	143	153	143
June ,,	140	338	265	300	434	376	342	330	143	171	141	153	148
July ,,	142	338	263	304	436	378	354	331	143	175	143	161	155
August ,,	144	340	267	312	440	380	362

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	78,665	23,484	20,741
Wheat	,,	24,041	23,450	6,762	6,089
Jowar	,,	41,945	39,144	6,088	5,944
Bajra	,,	25,282	22,889	2,922	2,299
Barley	,,	7,500	7,826	2,664	2,228
Maize	,,	8,798	8,078	2,807	2,021
Ragi	,,	5,868	5,390	1,256	1,218
Gram	,,	17,267	16,857	3,771	3,398
Rabi Pulses*	,,	11,593	11,559	2,083	2,047
Small Millets	,,	12,170	11,834	1,933	1,891
Cotton	bales	1,884	1,951	4,695	4,678
Groundnut	tons	15,678	16,198	3,050	3,133
Sugarcane	,,	4,376	4,792	5,250	5,058
Oilseeds	,,	11,862	11,798	2,394	2,045
Linseed	,,	3,394	3,402	355	316
Castor	,,	1,849	1,423	107	105
Rape & Mustard Seed	,,	5 155	5,915	828	916
Sesamum (supp)	,,	5,751	5,845	451	488
Tobacco (supp)	,,	793	712	219	205
Pepper	,,	208	202	22	23
Ginger	,,	46	47	14	15
Dry chillies	,,	1,820	1,384	201	341

Source: Ministry of Food and Agriculture.

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

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Nov., 1953	69.0
	Corresponding month 1952	72.2
	Five months ended Nov., 1953	356.4
	Corresponding period 1952	377.0
Stocks	At the end of Nov., 1953	97.8
	Corresponding month 1952	104.2
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st Nov., 1953	39.04
	Corresponding week 1952	29.58
	From 1st Jan., to 21st Nov., '53	27,55.65
	Corresponding period 1952	35,53,29
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st Nov., 1953	43.33
	Corresponding week 1952	1,15.61
	From 1st Jan., to 21st Nov., 1953	1,21,26.40
	Corresponding period 1952	96,01.88
	RAW JUTE	(In 000 bales)
Exports*	Week ended 21st Nov., 1953	—
	Corresponding week 1952	—
	Corresponding period 1952	—
Consumption by Mills†	Nov., 1953 (in lakh bales)	4.00
	Corresponding month 1952	4.19
	Five months ended Nov., 1953	20 60
	Corresponding period 1952	21.88

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953	11,68,000	10,61,900	7,91,800
April to November, 1953	7,35,500	7,01,100	5,09,100
Sept., 1952	94,200	88,300	64,600
October ,,	99,400	90,100	67,900
November ,,	1,03,600	93,700	68,700
Sept., 1953	94,200	91,100	61,900
October ,,	99,500	94,000	68,500
November ,,	1,00,800	95,800	68,400
Indian Iron and Steel Co.			
Jan. to Dec., 1953	5,03,340	3,41,480	2,55,370
July 1953	21,750	8,370	4,610
August ,,	20,230	7,720	4,190
September ,,	21,320	2,270	8,990
October ,,	65,880	80,070	31,240
November ,,	61,240	41,550	32,970
December ,,	64,510	45,080	41,740

FOREIGN TRADE OF INDIA

Particulars	August,		Five Months, April to August,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	9,67	15,63	64,06	115,39
Raw materials	16,05	13,77	78,84	86,80
Manufactures	21,31	27,91	112,45	128,78
Other items	27	26	1,54	2,43
Total	47,30*	57,56*	256,89*	335,20*
By land	2,70	1,77	8,55	7,47
Total Imports	50,00	59,33	265,47	342,67
Exports:				
By sea and air—				
Foodstuffs	12,12	13,64	50,67	55,05
Raw materials	7,32	13,14	45,14	33,60
Manufactures	19,15	25,72	97,89	122,03
Other items	34	36	1,73	1,70
Total	38,93	52,93	196,43	242,38
By land	91	2,06	2,47	13,72
Total Exports	39,84	54,99	198,90	256,10
Total Re-exports	80	45	1,88	1,48
Balance of trade in merchandise	— 11,28	— 4,05	— 72,24	— 86,04
Balance of transactions in private treasure	— 1	...	— 5	— 2
Total visible balance of trade	— 11,29	— 4,05	— 72,29	— 86,06
Imports: ‡				
Total C'wealth countries	25,15	25,30	123,12	115,11
Total Foreign countries	22,15	32,26	133,77	220,09
Exports: ‡				
Total C'wealth countries	19,55	24,88	94,19	113,41
Total Foreign countries	19,38	28,05	102,24	125,97

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

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	‡	176	192†	‡	142	142	‡	132	135	‡	137	141	‡	105	102	‡	98	95	‡	98	95
Sonalil	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	234	199	199	276	210	210
Kudchi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	198	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	128	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Bamra	219	232	206†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	208
Muniguda	108	244	208†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh	169	163	167	164	165	171	154	168	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nasa	293	207	209	302	308	319†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
Salamatpur	262	244	250	280	282	289	204	216	220	229	234	239	122	129	129	139	139	139	259	279	277

‡ Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 31st Dec., 1953	25,238
	Corresponding week, 1952	30,157
	1st Sept., to 31st Dec., 1953	4,03,768
	Corresponding period, 1952	4,14,369
Cotton Exports	Week ended 31st Dec., 1953	2,979
	Corresponding week, 1952	—
	1st Sept., to 31st Dec., 1953	40,009
	Corresponding period, 1952	1,12,259
Mill Consumption	1st Sept., to 31st Dec., 1953	4,20,484
	Corresponding period, 1952	3,69,414
Stock (with exporters dealers & mills) in Bombay	On 10th December, 1953	3,40,922
	Corresponding date, 1952	3,40,038
Karachi (Pakistan)		
Receipts	Week ended 26th Dec., 1953	58,863
	Corresponding period 1952	61,861
	1st Sept., to 26th Dec., 1953	4,39,136
	Corresponding period, 1952	5,12,510
Exports	Week ended 26th Dec., 1953	22,208
	Corresponding period, 1952	27,900
	1st Sept., to 26th Dec., 1953	3,54,849
	Corresponding period, 1952	3,77,400

Particulars	From 1st Sept., to 4th Jan., 1953-54 Bales	From 1st Sept., to 4th Jan., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	2,074	2,424
Continent	251	37,348
China	—	318
Japan	25,316	63,598
U.S.A.	6,794	7,928
Other Countries	800	2,343
Total to all foreign countries	44,000	1,13,959
Coastal Ports	28,942	31,823

Period		Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian		
Foreign	August, 1953	3,08,531
Indian		69,719
Foreign	Twelve months September 1953	36,11,300
Indian	to August, 1953	8,48,768
Foreign	Same Period 1951-52	29,87,453
Stocks (Mills and Elsewhere)—		10,84,018
Indian		
Foreign	As on 31st August, 1953	10,13,815
Indian		2,46,241
Foreign	As on 31st August, 1952	12,59,52
		2,91,047
	Week ended 25th Dec., 1953	22,998
	Corresponding week, 1952	17,622
Cotton Pressed†	1st Sept., to 25th Dec., 1953	5,19,109
	Corresponding period, 1952	3,54,384

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4½% Bonds	1926-33	63,30,26,000	1960-70	101⅜
3½% Loan	1938-39	1,16,17,46,000	1963-65	92¼
3½% Loan	1930	30,33,10,000	1964	92¼
3½% Loan	1943	1,10,11,78,000	1966-68	90⅜
3½% V. Loan	1943	1,14,06,89,000	1970	89⅛
3½% Loan	1943	1,12,05,10,000	1970-75	86¼
3½% Loan	1945	1,13,65,64,000	1959-61	96⅛
3½% Loan	1951	50,35,53,000	1958	98
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	57,00,69,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3% Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅜
3% Loan	1946	248,91,90,000		82⅜
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,68,000	1954-59***	100⅜
4½% Loan	1928	5,85,20,000	1958-68***	103
PROVINCIAL LOANS				
3% Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3% Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅜
3% Bombay	1949	6,00,15,000	1st Aug. 1962	93
3½% Bombay	1950	3,01,87,700	31st July 1960	94⅜
3½% Bombay	1951	3,04,96,900	17th Sept. 1962	94
4% Bombay	1953	5,00,00,000	15th July 1963	101
3% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3% Cochin	1943	30,00,000	1st Oct. 1955-55	99
3% Cochin	1945	1,00,80,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3% Madras	1939	1,20,76,500	21st June 1959	94⅛
3% Madras	1942	1,23,25,800	18th Sept. 1955	99
3% Madras	1943	1,25,10,000	14th Sept. 1956	98-7½
3% Madras	1944	1,08,00,000	15th Aug. 1958	96⅜
3% Madras	1945	2,82,19,000	14th Sept. 1960	93½
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅛
3% Madras	1946	4,47,00,000	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
3½% Madras	1953	5,00,00,000	15th July 1963	99⅛
4% Madras	1952	5,00,00,000	1st Aug. 1964	99⅛
3% Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104½
3% Mysore(J)	1933	2,93,85,200	1st Dec. 1955-63	101
3% Mysore(J)	1936	3,96,75,900	30th April 1956-61	98⅛
3% Mysore	1947	3,08,05,700	25th Jan. 1958	98⅛
4% Mysore	1953	3,00,00,000	15th July 1963	99½
3% M.P.	1942	50,00,000	18th Sept. 1955	99
3% M.P.	1945	50,34,200	14th Sept. 1956	98⅛
3% M.P.	1946	52,69,800	15th Aug. 1958	96⅛
3% M.P.	1948	1,01,28,800	15th Sept. 1964	91⅛
3% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4% M. P.	1953	1,00,00,000	15th July 1963	99⅛
3% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	99⅛
3% Punjab**	1943	2,35,20,000	18th Sept. 1955	99⅛
3% Punjab**	1945	2,48,78,300	14th Sept. 1956	99⅛
3% Punjab**	1945	2,93,81,600	14th Sept. 1960	98⅛
3% Travancore Cochin	1936	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1954	99⅛
4% Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3% U.P.	1936	1,61,96,500	15th Sept. 1961-66	99⅛
3% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3% U.P.	1945	2,24,80,300	14th Sept. 1956	98⅛
3% U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4% U.P.	1952	3,11,33,000	1st Aug. 1964	99⅛
4% U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4% W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅛N
40,00,000	4	1909	1970	
20,00,000	4	1910	1971	
75,40,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
14,35,876	4	1913*	1960	99⅛N
80,00,000	4	1913	1974	99⅛N
88,25,000	4	1914	1975	
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1973	
41,40,000	4	1915*	1975	
11,31,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1926*	1970	D
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
90,24 300	4	1914	1974	98⅛
76,00,100	4	1915	1975	98⅛
68,02,100 CC	2†	1921	1981	144N
1,50,00,000 CC	4½	1921	1981	144N
1,24,06,800	5	1926	1956-86	104⅜
98 21 800	5½	1926	1956-86	104⅜
99,84,300B	5	1928	1956-86	103⅜
1,49,45,500B	5	1927	1957-87	103⅜
1,49 30,000	5	1928	1958-88	103⅜
80,00,000	4½	1931	1991	92⅜
21,75,000C	3½	1933	1965	99⅜
60,00,000	3½	1935	1965	96⅜
25,00,000	3	1938	1963-68	88
50,00,000	3	1942	2003	70N
50,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94⅜
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	90⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,800	5	1923	1953-83	£86⅛
£901,000	5	1924	1954-84	£86⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,400	4	1918	1982	
3,42,951	4	1919	1982	A.
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1939	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
20,00,000	4	1914	1974	97⅛N
25,00,000	4	1916	1976	
40,00,000	5	1919	1937-79	113N
65,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1938	1966	
STERLING LOANS				
£166,800	4	1909	1949	£93⅛N
£333,000	4	1910	1970	£93⅛N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1930	1950	107
50,00,000	5	1930	1960	108
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1937	1967	88
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Amount				
BOMBAY				
Rs.				Rs.
49,40,000	4	1913-14	1954	99⅛
20,80,000	4	1913-14	1974	99⅛
10,00,000	4	1913-15	1955	100
10,00,000	5	1920	1950	108⅛
1,60,00,000	6	1924	1954	102⅛
1,00,00,000	6	1924	1954	102⅛
26,14,000	5	1929	1949-59	103
19,45,500	5	1929	1954-59	xte
26,31,500	5	1929	1959	102⅛
8,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1948	1978	86⅛
4,00,00,000	3½	1950	1965	91⅛
2,50,00,000	4	1952	1964	100⅛
2,00,00,000	5½	1951	1966	97
CALCUTTA				
Rs.				Rs.
34,45 500	6½	1925	1955	105⅛
84,70 000	6	1925	1955	104⅛
50,00 000	5½	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10 00 000	5	1930	1962	100
33,91,000	3½	1935	1945	93⅛
60,00,000	3½	1936	1966	88⅛
1,46,100	3	1937	1967	88⅛
3,11,400	3	1937	1954	98⅛
4,67,100	3	1937	1954	98⅛
1,62,500	3	1937	1954	98⅛
4,18,100	3	1937	1954	98⅛
47,50,000	3	1938	1968	88⅛
10,67,700	3	1938	1955	97⅛
15,56,800	3	1939	1956	99⅛
15,56,800	3	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
66,88,000	3½	1942	1972	92
87,36,000	4	1951	1962	96⅛
	4	1952	1962	99⅛
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101⅜N
5,00,000	7	1923	1953	107⅜N
3,40,000	6	1925	1955	107⅜N

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

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
‡AllahabadBank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00 000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	147	100
Deccan Sugar & Abkhari ‡ A	7,00,000	1920	7	July Apr.	110	100
¶East India Distilleries	£200,000	1897	7	Jan. July	16	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	2,00,000	1940	7B	Dec. ..	72	100
Puraspore Co.	6,00,000	1922	10	Oct. ..	10	100
Ramnugger Cane	4,00,000	1933-34	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	3½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(a)	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borree	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1895	6	Mar. Sept.	8½	10
Equitable	4,00,000	1946	5½(a)	.. ..	120	100
Karanpura Collieries	7,50,000	1946	5	Mar. Sept.	87	75(pp)
††Khas Kajora	1,93,000	1911	5	Jan. July	7N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1919	5	Apr. Oct.	105	100
Bangalore	5,00,000	1934	6	Jan. July	128½	100
Barsi Light	6,00,000	1938	6½	Nov. ..	8½	10
Basanti Cotton	1,05,200	1896	7	July Oct.	65	100
Benares Cotton	3,00,000	1896	7	Apr. Oct.	122	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	140	100
Bowrah 'A'	4,00,000	1900	7	Feb. Aug.	92	100
Do. 'B'	14,75,000	1919	7	June Dec.	326‡	250
Bradbury	21,30,200	1920	7½	Jan. July	137‡	100
Buckingham & Carnatic	1,00,000	1928	7	Apr. ..	129	100
Cambodaas	50,00,000	1912	5	Apr. Oct.	502½	500
Central India	1,00,000	1935	6½	Nov. Oct.	124½	100
Coimbatore Pioneer	11,00,000	1912	8	May Nov.	147	100
Elgin	4,20,000	1943	5	July Jan.	10½	100
Do. 'B' Pref.	25,00,000	1919	7(a)	May Nov.	87	100
Elphinstone	20,00,000	1919	7	June Dec.	129	100
Kesoram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	6	.. ..	86½	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	10½	10
Kothari	16,00,000	1896	5(a)	.. ..	233½	250
Lakshmi Cotton (Bombay)	17,25,000	1947	6	January	74	100
Morarjee Goculdas Spg. & Wvg.	30,00,000	1900	6	Jan. July	98N	100
Muir Mills	7,45,050	1944	4½	.. ..	..	50
Mysore Spg.	10,00,000	1913	5½(a)	Mar. ..	185	200
New Great	26,05,500	1920	6	Apr. Oct.	5	5
New Victoria	10,00,000	1943	4	Feb. ..	79	100
Podar Mills	2,00,000	1932	6½	Apr. ..	56	50
Rajalakshmi	4,80,000	1944	4	.. ..	..	100
Shree Niwas Cotton	30,00,000	1943	3(a)	.. ..	80	100
Sholapoor	15,00,000	1935	5	Apr.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively, Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-9½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Cons, Ltd.	50,828	1,021	B. R. Cotton Mills	47	100	4 0	4 0	Nil		3	Y.P.
5,39,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	390	250	17 8	20 0	Nil		3	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	803½	250	75 0	100 0	100 0	7 8(i)	12	Y.
1,97,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	273½	100	18 0	20 0	100 0	100 0(i)	12	Y.
60,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	67½	100	Nil	Nil	Nil	8 0(i)	12	Y.
16,00,000	20,04,521	63,03,745	48,46,041	78,858	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Spg. & Wvg.	107½d	100	Nil	Nil	4 0(i)		12	Y.
24,00,000	24,60,000	62,31,113	57,35,000	5,622	Ramnarain Sons, Ltd.	18,304		Dawn Mills	72	50	7 8	7 8	7 8	7 8	3	Y.
39,52,700	12,91,292	1,10,11,972	73,99,225	41,862	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles	250	200	15 0	15 0	15 0		12	Y.
60,00,000	68,84,875	80,34,752	64,00,705	5,41,142	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	41	50	4 0	4 0	4 0(i)		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	255½	100	15 0	20 0	20 0		12	Y.
3,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Hindoostan Spg. & Wvg. Mills	45,752	1,022	Hindoostan Spg. & Wvg. Mills	{ 3,505	1,000	175 0	200 0	200 0*	225 0*	12	Y.
80,00,000									—	250	43 12	50 0	50 0	56 4*	3	Y.P.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Agarwal & Co.	2,40,842	6,412	India United Mills	11	10	0 12½	1 13	Nil		12	Y.
					Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	10 1-8½	10	0 2	0 4	Nil		12	Y.
9,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	3,400	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	191½	300	87 8	100 0	100 0	112 8*	3	Y.P.
80,00,000									292½	100	12 0	14 0	10 0	10 0	12	Y.
1,60,000	64,00,782	4,36,527	88,873	6,03,536	Dina Nath, Esq.				89	100	18 0	25 0*	18 0	0(i)	12	Y.P.
82,13,450	47,03,470	1,01,00,576	42,51,268	24,834	N. Sirur & Co., Ltd.	61,516	1,742	Madhusudan Mills	100A	100	7 8	3 1	6 4	6 4	6	Y.P.
31,75,000	24,92,735	1,70,00,016	1,44,55,016	2,80,686	Modern Mills	33,756		Modern Mills	208	100	7 8	1 0	6 4	1 4	3	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Parvries Goculdas Spg. & Wvg.	18,731	1,850	Parvries Goculdas Spg. & Wvg.	50	50	4 0	7 0	5 0		12	Y.
84,00,000	26,69,841	71,22,988	42,20,172	42,053	Chinai & Co., Ltd.	43,944	432	National Rayon Corporation	100	100	15 0	15 0	12 0		6	Y.P.
20,00,000	21,71,710	86,42,525	59,58,454	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New City of Bombay Mfg.	134½	Nil	Nil	Nil	Nil		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,680	423	W. H. Brady & Co., Ltd.			New Great Spg. & Wvg.	167½	100	12 8	15 0	10 0		12	Y.P.
					Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	100	100	10 0	12 8	10 0		12	Y.P.
40,00,000	33,52,899	1,38,66,478	84,72,256	27,388	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	168							
40,00,000	40,66,550	24,14,688	21,50,090	1,25,251	Podar Sons, Ltd.	32,400	930	Podar Mills	26	10	0 8	1 0	1 4		12	Y.
5,00,000	9,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	27,000	1,000	Sassoon & Alliance Silk Mill	1314	100	9 0	10 0	8 0		12	Y.
85,00,000	60,49,474	1,17,57,612	81,93,664	31,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	19	10	2 0	2 0	1 4		12	Y.
80,00,000	64,20,061	76,08,371	39,83,898	3,43,875	Marwar Textiles (Agency) Ltd.	66,452	1,640	Shree Niwas Cotton Mills	288	100	18 12	1 0	1 4		12	Y.
31,50,000	49,02,108	78,77,540	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.				173½	100	14 0	17 8	12 8		12	Y.P.
96,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	36,116	1,276	Simplex Mills	150½	50	14 0	17 0	15 0(i)	15 0	3	Y.
75,00,000	1,21,71,160	1,57,29,109	82,36,233	91,399	Tata Industries Ltd.	33,892	1,633	Standard Mills	303½	100	15 0	20 0	20 0		12	Y.
84,00,000	70,08,599	65,86,475	33,43,077	5,71,228	Swadeshi Mills	65,840	2,000	Swadeshi Mills	266½	100	20 0	20 0	20 0		12	Y.P.
82,54,418	39,55,268	68,88,347	29,93,248	85,338	James Finlay & Co., Ltd.	35,804	552	Swan Mills	332½	100	20 0	16 0	16 0		12	Y.P.
12,00,000	40,52,708	98,62,634	73,30,000	6,246	Tata Industries Ltd.	63,240	1,800	Tata Mills	49½	25	2 0	4 0	2 0		12	Y.
					Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
30,80,000	38,80,266	88,29,885	81,09,678	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	160	100	8 0	32 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,888	85,84,129	58,90,000	1,761	P. M. Muthoosing & Sons, Ltd.	42,768	912	Arvind Mills	470	100	15 0*	20 0*	20 0		12	Y.P.
81,00,000	2,07,45,675	1,18,76,139	74,33,000	1,761	Narottam Lalbhai & Co.	40,812	1,216	Arvind Mills	760	100	25 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	76,03,158	51,30,000	1,11,303	Mangaldas & Bros., Ltd.	35,844	804	Ayodya Cleaning & Mfg.	303	200	25 0	25 0*	15 0		12	Y.P.
8,34,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	462½	100	30 0	25 0*	15 0		12	Y.P.
90,00,000	64,56,000	89,67,870	62,25,000	4,885	Karamchand Premchand Ltd.	39,120	2,400	Calico	312½	100	22 8	25 0	22 0		12	Y.P.
39,00,000	70,78,334	94,79,243	74,68,970	1,795	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	155	100	12 8	18 0	18 0		12	Y.P.
9,00,000	61,08,644	43,89,260	28,78,001	4,583	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	500	100	33 0	70 0	70 0		12	Y.P.
					Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	123	100	33 0	70 0	70 0		12	Y.P.
10,00,000	1,07,77,635	73,08,913	42,94,887	3,399	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	677½	100	28 0*	28 0*	30 0*		12	Y.P.
12,00,000	13,93,067	74,95,099	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	41,760	1,050	Rajnagar Spg., Wvg. & Mfg.	810	100	25 0	25 0	25 0		12	Y.P.
24,90,150	16,11,650	1,93,99,993	46,17,803	9,846	Lallubhai Gordhandas Ltd.	47,622	1,110	Rohit Mills	250	100	15 0	20 0	Nil		12	Y.P.
19,52,500	1,18,66,544	1,01,07,709	77,15,000	1,23,251	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	125	100	30 0	30 0	Nil		12	Y.P.
	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	318	50	15 0	18 0	16 0		12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achutlal & Co., Ltd.	34,376	816	Vijaya Mills	375	100	15 0	20 0	20 0		12	Y.
									500	400	30 0	33 0*	33 0*		12	Y.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4	10	0 8	0 8	Nil		12	Y.P.
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	556	Bengal Luxmi Cotton Mills	38N	40	Nil	3 0	Nil		3	Y.P.T.
6,00,000	22,76,747	77,20,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd.	42,872	841	Howrah Cotton Mills	285	100	Nil	Nil	Nil		3	Y.
19,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	180½	100	Nil	Nil	Nil		6.12	H.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	198	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 14	1 14	1 12		3	Y.P.
33,96,288										10	0 12	0 12	0 4		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,518	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	Y.
15,00,000	9,09,109	59,21,613	21,03,246	2,734	Ramlal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	45	10	0 14 2/3	0 9 3/5	Nil		12	Y.P.
71,94,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Bangalore Woollen, Cotton and Silk Mills	67M	100	5 8	6 0	6 0		9	Y.P.T.
40,50,000	93,74,285	2,73,73,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085		9						9	Y.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	287½	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
13,00,000	93,71,590	84,27,674	38,97,674	4,68,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	13½	10	1 4	2 8	2 8	0 4(i)	12	Y.
1,78,47,800	1,57,05,696	3,14,83,372	2,64,81,555	2,39,796	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	471N	10	Nil	2 8	2 8	4 0(i)	6.12	N.P.T.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Falkes, Leslie & Co., Ltd.	37,536		Cambodia Mills	154½	100	6 14	7 8	4 0		12	Y.
12,00,000	21,97,992	58,51,479	45,04,813	39,879	Begg, Sutherland & Co., Ltd.	12,384	410	Cawnpore Textiles	12½	10	Nil	1 4	Nil		12	Y.P.
20,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheesue Naidu & Co.	28,784	591	Coimbatore Cotton Mills	18	10	0 9	0 9	0 9		12	Y.P.
20,00,000	9,19,870	25,84,987	13,33,422	—1,32,723	R. Bheesue Naidu & Co.	28,864		Coimbatore Cotton Mills	167	100	12 0	12 0	9 0	9 0	12	Y.
30,74,900	4,36,696	1,16,09,011	66,08,063	—10,23,340	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	129½	100	7 0	6 0	6 0		12	Y.
46,87,500	88,12,906	2,30,18,398	1,41,13,280	9,315	R. G. S. Naidu & Co.	1,15,188	2,062	Coimbatore Spg. & Wvg.	253	50	2 8	3 0	Nil		6	Y.P.
8,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,51,617	Tata Industries, Ltd.			Central India	176½	100	2 8	3 0	Nil	Nil	6	Y.
1,00,523					B. R. Charat Ram & Co., Ltd.	75,804	1,830	Delhi Cloth & General Mills	31	25	1 0	2 0	1 0	3 0	6	Y.P.
24,34,800	16,26,596	37,58,169	25,47,428	28,746	M. M. Chettiar & Sons	29,592	201	Dhanalakshmi Mills	194	100	2 0	4 0	4 0	4 0	12	Y.
43,00,000	43,00,000	1,30,76,652	1,05,71,631	1,23,353	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	23	100	1 0	2 0	1 0	1 0	12	Y.
39,04,700	43,10,000	82,22,387	80,50,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.				19	10	1 2	1 8	1 8		12	Y.
80,00,000	12,52,505	1,23,32,498	88,30,323	2,824	Gokak Mills	78,030	2	Gokak Mills	240½	100	10 0	14 0	17 0*	8 0(i)	12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,38,201	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	93	100	4 0	3 0	6 0		12	Y.
24,00,000	15,75,000	61,55,358	8,50,008	3,582	G. V. Naidu & Co., Ltd.	23,784		Jasardaa Mills	63	50	3 0	4 0	3 0		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Kothari & Sons	38,512	200	Kothari Textiles	10xd	10	0 11	0 12	0 12	12 0	12	Y.
53,46,150	53,30,000	94,98,025	53,73,673	14,367	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	10	10	0 2	0 4	Nil		12	Y.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,96,884	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	515	250	37 8	50 0*	37 8	18 0(i)	6	Y.P.
12,00,000	4,17,363	24,32,416	12,52,890	—22,590	A. & F. Harvey Ltd.	4,64,748		Madura Mills	818½	50	4 0	4 0	3 0	2 0	12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	A. L. A. R. S. Chettiar and Brothers	21,856		Malabar Spg. & Wvg.	383½	25	2 0	3 0	3 0	2 8	3	Y.
29,80,884	22,90,000	73,48,250	42,20,184	52,940	W. A. Beardsell & Co., Ltd.	24,252	603	Meetur Industries Ltd.	126	200	8 0	12 0	8 0		12	Y.
94,91,850	27,56,360	1,53,05,970	18,81,328	12,241	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	218	100	25 0	12 8	12 8	12 8	12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Bansilal Abirchand Dadabhoy & Co.	30,496	952	Model Mills (Nagpur)	91	100	6 0	6 0	5 0	4 0	12	Y.
19,86,800	66,50,072	93,64,233	39,85,574	42,197	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	140	250	15 0	7 8	7 8	7 8	12	Y.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	N. Sirur & Co., Ltd.	49,632	500	Mysore Spg. & Mfg.	193N	100	10 0	12 8	10 0		6	Y.
82,89,883½					Sri N. G. Naik	6,000		Mysore Spun Silk Mills	139½	50	10 0	9 0	10 0*	10 0*	2	Y.P.
3,07,095½	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	68	10	0 8	0 10	Nil	Nil	3	Y.
87,03,000	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	1½	100	Nil	Nil	Nil		12	Y.P.
6,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	2½	10	Nil	Nil	Nil		12	Y.
6,00,000B					C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	2½	10	Nil	Nil	Nil		12	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	A. G. Guruswamy Naidu & Co.	38,864	200	Radhakrishna Mills	68	50A	5 8	8 0	7 0		9	Y.
16,81,200A	8,40,600B	16,65,842	52,66,772	24,17,950					93	75B	7 8	12 0	11 0		12	Y.P.
15,00,000	25,00,894	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	162½	100A	7 8	8 0	6 0		12	Y.
60,00,000	62,66,308	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	79½	50B	4 0	3 0	3 0		12	Y.
22,41,300	10,52,625	25,98,011	17,73,000	45,528	G. Kuldahar & Co., Ltd.	15,824	640	Shree Sajjan Mills	50	50	3 0	3 0	3 0		12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	4½	10	Nil	Nil	Nil		12	Y.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	35			152N	100	6 0				12	Y.
					H. N. Pallegar, Esq.	82,992	2,234	Sholapoor Spg. & Wvg.	60	100	Nil	3 0	Nil		6	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	Birla Brothers, Ltd.	25,200	292	Sri Krishnarajendra Mills	1,325	1,000	Nil	Nil	Nil	Nil	3	Y.P.
15,00,000	92,52,602	81,28,140	52,31,894	52,22,471		27,340	992	Sultej Cotton Mills	—	300	4 0*	4 0	3 0*	4 0*	3	Y.
									511	50	4 0	4 0	3 0	4 0	3	Y.
									50N	10	4 0	4 0	3 0	3 0	3	Y.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	{ 81	100	0 8	0 8	Nil		12	Y.P.
1,57,50,000									98	10	10	10	10		12	Y.P.
99,92,000	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	68	10	14 2/3	14 2/3	Nil		12	Y.P.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	10	10	Nil	Nil	Nil		12	Y.
21,00,000	22,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	170	100	1 0	1 0	0 11 1/3		12	Y.P.L.
52,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	147½	100	9 0	10 0	12 0		12	Y.
										100	9 0	14 0*	10 0		12	Y.P.
										100	9 0	10 0	10 0		12	Y.P.

* Includes bonus.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20½	25	Nil	2 13g	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9	10	Nil	1 2g	Nil	Nil	3	Y.
16,20,630							58½	5	1 0	0 8	0 8	0 8	3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£300,000B							24½	B. £1	Sh. 1	Sh. 1	Sh. 1		9	Y.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,612	S. F. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		8	Y.
6,00,000	9,00,000	13,19,818	13,15,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
61,57,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							10½	B. 10	0 6	0 12	0 12			
43,14,600C	11,13,132	1,81,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	4	O. 10	0 6	Nil	Nil		3	Y.T.
4,70,976D	4,95,07,009	15,65,68,404	6,52,61,468	7,08,841	Cement Agencies Ltd.	Associated Cement Companies	1½	D. 1	Nil	Nil	Nil		12	Y.P.T.
60,56,20,418							186	100	8 8	9 8	9 8		7	Y.
60,00,000C	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	7½	O. 10	0 8	0 10	0 10		12	Y.P.T.
26,49,797D							1	O. 2½	0 2	0 2½	0 2½			
30,00,000D							13½	D. 1	Nil	Nil	Nil			
42,30,000C	4,00,000	1,43,54,423	31,47,637	6,15,163	Esseo Ltd.	India Cements Ltd.	2-14½	D. 5	Nil	Nil	Nil	Nil	3	Y.P.
7,50,000D							6½	5	0 3½	0 6½	0 8	Nil	12	Y.
73,00,000	80,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Senevalley Portland Cement								
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	53½	25	1 4	1 9	1 9		6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd. ..	India Paper Pulp	185½	100	4 0	5 0	5 0	Nil	3.9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	15½	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,03,38,830	3,27,84,408	70,01,000	1,91,321	Birla Bros.	Orient Paper	42½	10	1 12	1 0	1 0		3.9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	20	10	0 8	0 12	0 12		6.12	H.P.T
80,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½	O. 10	Nil	Nil	0 4		3.9	H.P.T.
80,00,000A.							9½	A. 10	Nil	0 4	0 4			
84,00,000A.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	35½	A. 10	1 0	1 0	1 0*	1 0*†	3.9	H.P.
4,97,500P O.								B. 10	1 0	1 0	1 0*	1 0*†		
							4½	P.O. 2½	0 2	0 2	0 2	0 2‡		
PRESSING														
8,00,000	5,92,363	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y
4,30,000	1,00,000	6,89,526	4,73,056	2,554	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0	7 0	6	Y
5,00,000	1,53,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y.
PROPERTY AND LAND														
30,80,7800.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
2,00,0000.	17,23,138	83,61,045	17,92,882		David Sassoon & Co., Ltd. ..	Port Canning Land	1	D. 1	Nil	Nil	Nil			
90,00,000	35,56,934	97,00,410	98,712	4,031	Andrew Yule & Co.	Midnapore Zamindary ..	25sd	100	Nil	2 0	3 0	1 8	4	Y.
							37	100	Nil	3 0	2 0		4	Y.P
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	360xd	Old 125	15 0	15 0	9 0	15 0	5	Y
6,00,000	....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	130xd	New 50	6 0	15 0	9 0	6 0		
13,00,000	18,45,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products ..	40N	100	3 0	Nil	3 0	1 0	6	Y.P
							34½xd	10	3 8	3 8	3 0	1 0	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	130N	A. 100	6 4	10 0	10 0	10-0	6	Y.
3,00,000B.	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	126xN	B. 10	0 10	1 0	1 0	1-0	4	Y
19,49,050	15,50,000	15,38,162	10,29,841	40,742	Cotton Agents Ltd.	Bharat Sugar	88	7½	Nil	0 10	0 12		9	Y.
15,00,000	23,18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	18N	10	1 0	1 8	1 8		6	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	7½	10	Nil	Nil	Nil		6	Y.P.T.
85,00,000A.	33,25,000	69,95,552	45,50,000	1,08,699.	Begg, Sutherland & Co., Ltd.	Champarun Sugar	36	10	2 0	3 0	2 0		10	Y.P.
10,00,0000.					Bachhraj & Co., Ltd..	Hindustan Sugar Mills ..	22½	10	1 8	2 0	2 0	1 0	6	Y.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co. ..	Kesar Sugar	130N	A. 100	6 0	9 0	12 0*	15 0*	6	Y.P.
							50N	O. 100	6 0	9 0	12 0*	15 0*		
7,89,100	17,03,054	25,99,076	14,56,723	1,15,051	Birla Bros., Ltd.	New India Sugar Mills ..	23N	40	3 0	4 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	23xd	10	1 0	2 8	2 8	Nil		
1067,500 A.	47,69,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	6xd	10	1 0	1 8	2 8		6	Y.P.
2,31,875 B.							18xN	100	15 0	20 0	20 0	20 0	5	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	45N	25	3 12	5 0	5 0	5 0	7	Y.
12,00,000	12,71,178	28,94,458	18,81,746	66,900	Narang Bros. & Co., Ltd. ..	Punjab Sugar	100N	100	3 4	11 0	6 0	11 0	7	Y.P.
9,00,000	14,71,701	33,72,806	27,79,092	19,433	Begg, Sutherland & Co., Ltd.	Puntabpore Co.	98N	100	6 0	10 0	6 0		7	Y.P.
8,00,000	6,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14½	10	1 0	2 0	1 0		10	Y.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13N	10	1 0	2 0	1 0		10	Y.P.
20,00,000	20,68,560	1,03,56,230	49,36,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 0	2 0	1 0	0 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)		10N	10	0 6	1 0	1 8		7	Y.P.
6,50,0000.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
1,73,0000 D.						South Behar Sugar	1½N	O. 10	Nil	Nil				
4,00,000	10,96,720	70,75,580	33,99,754	37,216	Cotton Agents Ltd.	Upper Ganges Sugar	2½N	D. 2½	Nil	Nil			10	Y.P.
16,00,000	9,19,618	30,61,587	24,91,617	36,665	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	22½	10	1 12	2 0	2 0		6	Y.P.
							13½	10	0 4½	2 0	1 8		4	Y.
Other Centres														
44,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd. ..	Belapur Company	242xd	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	1 0	5 0	3 0		9	Y.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries	23½	10	1 8	2 8	2 8		6	Y.P.
33,57,520	29,99,155	39,13,908	19,50,442	7,69,891	Govan Bros. (Ramper), Ltd. ..	Motihari Sugar	5	5	0 12	1 0	1 0		9	Y.P.
21,79,280	89,98,031	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Buland Sugar	101N	10	0 12	1 0	0 12	10 0	10	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Cotton Agents Ltd.	Mysore Sugar	44½xd	10	2 0*	2 0	2 0	2 0	9	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,81,652	Mafatlal, Apte and Kantilal Ltd.	Phalan Sugar	7	50	8 0	8 0	8 0	6 0	6	Y.
80,00,0000.	24,67,609	74,55,840	43,71,539	1,89,913	Anderson Wright Ltd.	Ramnugger Cane and Sugar	18½	100	8 0	12 0	12 0		9	Y.
4,00,000					Walchand & Co., Ltd.		90N	O. 50						Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rawalgoon Sugar Farm ..	90N	D. 10	7 0	9 0	9 0		8	Y.P.T.
50,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Raza Sugar	101N	10	1 0	1 4	0 12		9	Y.P.T.
77,50,000A.						Travancore Sugars	4½	10	Nil	Nil	Nil		10	Y.
82,50,0000.	42,73,988	1,72,24,518	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	164½	A. 100	12 0	14 0	14 0		7	Y.P.
								O. 100	12 0	14 0	14 0		9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	165	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	38,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	5 0		10	Y.
£655,380	£1,123,737	£3,428,105	£3,332,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	68½	£10	Nil	Nil	5h 10		12	Y.
2,25,00,000	74,99,231	3,91,83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	75	10	Nil	Nil	Nil		12	Y.P.
6,59,62,018	3,81,43,387	12,98,57,421	3,04,50,000	1,38,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	13-5½	13	Nil	Nil	0 8	0 8	3	Y.P.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,160	1,00,000	25,28,588	60,000	7,345	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
23,00,000	1,00,000	25,18,130	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	23N	50	3 0	4 0	4 0		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Chamanlal Manilal Ltd.	Estrela Batteries	8	10	0 12	0 12	0 12	Nil	3	Y.P.
99,99,250	18,35,375	1,26,92,333	10,053	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74½	100	4 0	4 8	4 8		12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	B. D. Sheppard, Esq. (Mg. Director).	Killick Industries	158½	100	8 0	8 8	10 0	10 0	12	Y.
2,06,72,500A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	126½	75			5 0	5 0	6	Y.
10,00,000H.	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	51	A. 100	Nil	Nil	Nil	Nil		
10,31,200	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co. ..	40	B. 100	20	2 0	3 0		4	Y.
2,75,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	199½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000		1,24,608	1,07,108	41,429			350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,0000.	15,00,000	1,56,92,044	56,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	O. 10	Nil	Nil	Nil	Nil	3	Y.P.T.
2,50,000D.							2½	D. 2½						
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4		8	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	23½	10	1 4*	1 4*	1 4*		8	Y.
20,00,000	12,91,523	92,32,652	39,87,830	9,249	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	4½	10	Nil	Nil	Nil		12	Y.P.
80,00,7000.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	27½	O. 100	20 0 3/5	0 9 3/5	1 0 4*		3	Y.P.T.
10,00,000	8,38,806	54,303,140	....	1,25,380	Lovelock & Lewis			D. 40	6 0	8 0*	6 0*	5 0(1)	12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	British India Corporation Ltd.	9	10	1 0	1 8	0 8	0 8	3	Y.P.
3,25,00,000	95,00,000	2,38,42,360	1,90,64,167	1,99,142	Sir Robert Menzies	Britannia Biscuits	16½	10	1 4	1 4	0 12	0 8	9	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,449	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	11½	10	1 4	1 4	0 12	0 8	12	Y.P.
51,26,000	47,57,041	1,26,35,420	....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd. ..	30½	10	2 0	3 0	2 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	30,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	14½	100	2 0	3 0	2 0		12	Y.P.T.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	196	100	9 0	12 8	20 0		12	Y.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	158	100	7 8	10 0	10 0		3	H.
12,42,800	3,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100	100	7 8	10 0	10 0	7 8	3	Y.P.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	261	250	15 0	15 0	15 0		3	Y.P.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Hindustan Motors	100N	100	7 8	7 8	8 0		3	Y.P.
1,52,89,220	1,07,77,777	1,11,09,713	37,29,439	15,94,449	A. R. Driesen, Esq.	Indian Aluminium Co.	34½	Nil	Nil	Nil	Nil	Nil	3	Y.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Cables	107	100	2 8	3 0	3 0		3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Macklaiy, Esq.	Indian Rubber Manufacturers	20½	10	1 0	2 0	1 0	1 0*	3	Y.P.
6,34,0000.	4,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Jardine Henderson	12½	10	1 0	1 0	0 12	0 12	3	Y.P.
66,0000.							115	100	10 0	10 0	10 0	7 8	3	Y.P.
40,00,0000.	63,03,858	24,96,203	6,28,549	1,26,235	Macfarlane & Co.		1½	O. 5	Nil	Nil			3	Y.
5,00,000D.O.							5	D. 5	Nil	Nil				
1,30,35,750	30 19.025	13,73,127††	4,61,594	2,31,093	J. M. Paton, Esq.	McLeod & Co.	140 N	O. 100	12 8	12 8	7-8		12	Y.P.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	10	D.O. 10	0 12	0 12	0-4		9	Y.P.
4,88,040	9,84,829	9,73,621	3,93,009	2,098	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	19½	10	1 0	1 0	Nil		9	Y.
10,00,000		11,45,854	3,95,996	11,329	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	3	10	0 10	Nil	Nil		12	Y.
20,00,000	36,41,172	50,75,803	35,40,993	71,701	E. V. Garapathy Iyer, Esq. ..	Mysore Tobacco	16	10	1 0	1 0	1 0	1 0	3	Y.P.
					Associated Industrial Development Co., Ltd.		11½	10	0 4	1 0	1 0	1 0	3	Y.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Insulated Cable ..	15½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	National Tobacco Co.	10	10	0 4	0 8	0 10		12	Y.P.
8,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq. ..	Parry & Co.	19	10	1 9 3/5	2 0	0 10	0 4½	12	Y.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rallis (India) Ltd.	59½	100	8 0	9 0	10 0	8 0	12	Y.P.T.
40,00,000	12,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Rohtas Industries	11½	10	Nil	Nil	0 12	1 0	6	Y.P.
75,00,000	33,00,000	12,11,901§	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Spencer & Co., Ltd.	11½	10	1 0	1 0	1 0	1 0	10	Y.P.T.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Shaw Wallace & Co., Ltd. ..	11½	10	1 0	1 0	1 0	1 0	6	Y.P.
						Travancore Ogale Glass ..	3½	10	0 6½	Nil	Nil	0 8(1)	12	Y.P.

‡ Includes investments at cost. * Includes bonus.

‡ Excluding [illegible]ow Rs. 30 lakhs † Excluding goodwill at cost Rs. 30 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

§ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8			
2,76,500	4,21,500	7,49,966	1,65,679	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	19	10	2 8	0 12	0 12		12	Y.
3,50,000	3,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	3 0	Nil		12	Y.
3,50,000	7,11,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	13½	10	1 12	Nil	Nil		12	Y.
3,40,000	1,36,053	9,47,122	3,27,561	61,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	33½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	15½	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,74,125	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	27½	10	3 0	2 0	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	34½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,39,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,56,030	1,21,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	11	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	262	100	30 0	22 8	10 0		12	Y.
17,53,440	5,40,608	19,11,105	2,07,645	54,461	James Warren & Co., Ltd. ..	426	Dibeikbat	13½	10	1 9 3/5	1 3½			12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	15½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,01,461	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	1,63,119	25,940	Williamson Magor & Co., Ltd.	625	Dimakuai	36½	10	4 8	1 8	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	1,11,948	Williamson Magor & Co., Ltd.	669	Duffleghur	31½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19½	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,57,363	—2,586	Andrew Yule & Co., Ltd. ..	407	Gillapukri	19	10	3 0	1 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	35½	10	4 0	3 0			12	Y.
A.4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	31	A.10	3 0	2 0	2 0		12	Y.
B.2,40,790								16½	B.5	1 8	Nil	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjull	33½	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—29,147	James Finlay & Co., Ltd. ..	1,288	Hoolungooree	307N	100	25 0	17 0	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	12½	10	1 4	0 8	Nil		12	Y.P.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd. ..	1,166	Kignaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil		12	P.Y.
3,60,500	4,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	89,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16‡	10	8+½	1+½	1+½	½	3.9	H.T.P.
12,00,000	18,99,800	45,53,044	32,11,551	4,42,186	Sahu Jain Ltd.	193	Albion	4+10	15+15	8+10	12½	AA. 11½	3.9	H.	
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	Nil	5	5	Nil	Nil	5.11	H.P.	
30,00,000	2,10,000	1,17,76,264	87,34,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	Nil	2½	Nil	Nil	Nil	6.12	H.P.T.	
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros & Co., Ltd.	2,561	Anglo-India	Nil	10	10+10	10+15	7½+5	3.9	H.P.	
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+3	5+4	2½	3.9	H.P.T.
20,00,000	29,71,565	97,37,334	63,51,882	72,634	Jardine Henderson & Co., ..	959	Baliya	160	100	6+6	6+1	Nil	4½	3.9	H.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,890	Barnagore	£5	£1	£1	£1	£1	£1	3.9	Y.P.
28,00,000	35,49,623	88,18,188	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	200	100	7+10	12½+15	7½+7½	7½	6.12	H.P.
22,50,000	55,95,000	24,22,523	24,75,686	4,28,770	Soorajmull Nagarmull	600	Bengal	13	10	1½	3	1	6	6.12	H.
30,42,000	2,64,96,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	42½	10	2½	3	3	3	6	Y.P.T.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	149	100	3+10	10+12	6½+6½	6f	4.10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg. ..	14¾N	10	Nil	1+1	0+1		6.12	H.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd. ..	616	Caledonian	170	100	4+10	10+12	6+6	6f	5.11	H.P.T.
39,16,400	1,05,23,478	1,65,18,460	1,07,44,959	1,15,030	James Finlay & Co., Ltd. ..	1,400	Champdany	145	100	3+5	5+7	7+8	3f	3.9	H.
16,00,000	28,39,282	79,79,086	54,30,736	84,099	Andrew Yule & Co., Ltd. ..	970	Cheviot	235	100	6+10	10+12	6+6	6f	3.9	Y.
10,05,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	11½	10	1½	1½+4½	2½+1½	11f	6.12	H.P.
16,00,000	17,00,000	78,04,569	64,24,460	18,847	Shree Krishna Investment Co., Ltd.	969	Clive	23½	10	1½	3½	2	Nil	3	Y.P.
31,49,200	59,29,308	1,28,67,836	61,35,715	8,357	Bird & Co., Ltd.	1,140	Dalhousie	140	100	1+3	8+6	6+1	1f	3.9	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	227	100	5+12½	15+17½	10+10	10f	5.11	H.P.
15,00,000	32,50,040	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	590	Empire	20½xd	10	1+1	1+1½	3+3	3	6.12	H.T.P.
21,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Keatleweli Bullen & Co., Ltd.	1,884	Fort Gloster	370	100	2½+20	12½+12½	10	Nil	3.9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	345N	100	Nil	4	Nil	Nil	3.9	H.P.T.
84,32,100	3,11,0?4	2,09,73,148	1,34,77,245	—8,52,945	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67½	100	Nil	3f	2½+2½	Nil	Nil+5	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700	300	45		90	30	3.9	H.P.
6,00,000	27,30,604	2,19,22,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	1,394	Gourepore	275	100	2½+15	10+10	10	Nil	12	Y.
12,00,000	46,39 631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	Nil	3.9	H.T.P.
16,80,000	13,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	30	10	1	3	1	1½	3	Y.P.
63,62,500	50,83,170	1,56,97,559	1,09,33,235	1,55,027	Jardine Henderson Ltd.	1,940	Howrah	24¼	10	1+½	3+3	1+½	1½	3.9	Y.P.
30,00,000	40,00 000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	40¼	75	10	10	10	10	3.9	H.P.
Q. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	124	Q. 125	3½+9½	3½+1½	3½+3½	3½	3.9	H.
D. 30,000									D. 1	A 7-8 7-8	½	1+½	½		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	18½	100	8½+8½	10+12½	8½+6	6f	6.12	H.P.
'B' 19,20,000								180	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankarrah	142½	100	Nil	5+7½	6+4	5f		
'B' 24,00,000								138	'B' 100	Nil	5+7½	6+4	5f	6.12	H.P.
21,00,000	47,00,005	92,15,648	53,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	230xd	100	10+10	12½+12½	7½+7½	7½f	6.12	H.P.
54,00,000	22,65,375	1,60,84,517	1,08,02,499	4,00,592	Anderson Wright Ltd.	1,530	Khardah	193xd	100	Nil	10+6	10+15		3.9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	F. W. Heilgers & Co.	1,250	Kinnison	201	100	1½+4	10+9	10+7	4f	3.9	H.P.T.
24,48,000	48,92,305	1,33,96,808	76,14,033	22,044	Bird & Co., Ltd.	931	Lansdowne	128	100	2+10	11+8	7+3	2f	3.9	H.P.
28,00,000	58,69,796	1,13,85,476	61,83,380	7,757	Bird & Co., Ltd.	1,140	Lawrence	153	100	5+9	12½+11	11+4	2f	3.9	H.
11,65,200	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd. ..	558	Lothian	295	100	2+10	15+17½	11+11	2f	3.9	H.P.
25,35,448	25,35,448	1,93,98,746	1,16,04,454	29,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	105	100	2½+6¼	2½+1¼	2½+2½	2½f	3.9	H.
29,98,900	41,03,068	1,55,39,916	90,71,821	—7,86,971	F. W. Heilgers & Co.	815	Nathati	130	100	Nil	5	10+6	6	Nil	3.9
20,00,000	17,75,000	25,77,260	16,42,880	5,104	Howrah Trading Co., Ltd. ..	425	Naskarpara	14	10	1+½	1+1½	1+1½	1f	6.12	H.P.
35,00,000	44,27,437	27,38,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	24	10	1+1	1+1½	1+1	1f	4.10	H.P.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	314	Nellimarla Jute	11¼	10	1½+1½	2½+3	1+1½	1f	6.12	H.P.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	293	100	4+10	15+15	10+12	12f	6.12	H.P.T.
16,79,880	47,26,931	1,21,23,908	54,12,307	30,203	Bird & Co., Ltd.	567	Northbrook	19¼	10	Nil	Nil	1	Nil	3.9	H.P.T.
66,79,500	32,37,529	2,12,90,664	1,35,98,606	30,401	Macneill & Barry Ltd.	1,092	Nuddea	47	50	Nil	1½	1+½	Nil	3.9	H.
24,91,000	26,56,049	70,68,299	48,27,892	1,05,356	Andrew Yule & Co., Ltd. ..	601	Orient	174	100	4+10	12+12	1+½	2f	5.11	H.
25,00,000	4,41,364	80,71,921	61,35,611	—1,90,148	McLeod & Co., Ltd.	490	Presidency	5¾	5	Nil	Nil	Nil	Nil	6.12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Macneill & Barry Ltd.	303	Ramsay wara	5¾	10	Nil	Nil	Nil	Nil	6.12	H.P.
49,50,000	1,50,000	1,23,45,796	55,07,248	98,080	Jardine Henderson Ltd.	1,276	Reliance	16	10	Nil	Nil	Nil	Nil	3.9	H.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	1,830	Rishra	13	£1	10½	10½	10½	4f	3.9	H.T.P.
30,00,000	13,07,220	97,26,210	59 19,652	6,05,669	Begaria More & Co., Ltd. ..	911	Shree Ambica	14xd	10	Nil	1½	1		12	Y.P.
7,00,000	7,74,812	48,14,456	35,67,743	3,54,956	Hindustan Investment Corporation.	401	Soorah	23½N	10	½	1+1	Nil		3.9	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	550	Standard	131	100	3+6	9+8	8+1	1f	12	Y.P.T.
£600,000	£649,927‡	£900,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,704	Titaghur	13	£1	10½	10½	10½	1f	3.9	H.P.
35,98,600	94,31,454	1,76,49,708	85,52,140	21,038	Bird & Co., Ltd.	1,326	Union	172	100	1+7	12+11	10+1	1f	3.9	H.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	12½	£1	10½	10½	10½		3.9	H.P.T.
2,50 000	1,35,000	36,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40	1/40	Nil	Nil	6.12	H.P.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50 509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19‡	10	1+1	1+½	1+½	½	3.9	H.
12,00,000	8,42,703	37,55,383	34,25,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19‡	10	½+½	½+½	½+½	½	3.9	H.
4,49,350	70,000	8,49 159	5,30,703	4,987	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	5‡	10	½+½	½+½	½+½	½	3.9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	50½	200	17½+17½	17½+17½	20+20½	17½	6.12	H.
2,25,000	5,07,662	23,82,201	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	14	10	½+½	½+½	½+½	½	4.10	H.P.
13,97,000	4,73,358	37,29,385	22,67,360	27,578	H. V. Low & Co., Ltd.	Bhalgora	4‡	10	½+½	½+½	½+½	Nil	6.12	H.P.
69,99,953	13,81,010	1,17,79,347	56,89 702	21,814	Sahu Jain Ltd.	Bharat Collieries	6‡	10	½+½	½+½	½+½	½	9	Y.
7,15,000	14,67,077	31,08,475	15,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbarree	14	10	½+½	½+½	Nil	Nil	6	Y.T.P.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8‡	10	½+½	½+½	½+½	½	6.12	H.
90,92,400	1,70,58,248	4,07,13,995	1,64,07,683	83,552	F. W. Heilgers & Co., Ltd. ..	Burrea	28‡	10	1½+1½	1½+1½	1½+1½	1½	6.12	H.T.
49,97,000	730	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Burrekur	8‡	10	½	½	½	½	6.12	H.P.
8,00,000	13,30,349	49,20,407	32,27,354	2,273	Anderson, Wright & Co., Ltd.	Central Kurkend	5‡	10	Nil	Nil	Nil	Nil	6.12	H.P.T.
6,00,000	1,41,587	7,50 000		19,867	F. W. Heilgers & Co., Ltd. ..	Churia	14¼N	10	½+½	½+½	Nil		3	Y.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	2‡	4	½+½	½+½	½+½	½	6.12	H.
£240,000	£312,901	£324 840	£9 1902	£90,714	Jardine Henderson Ltd.	East Indian	9‡	10	½+½	½+½	Nil	Nil	6.12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	26‡	£1	1½	3	3½ (J)	Nil	6.12	H.
10,00,000	2,62,255	8 41,725	2,13,993	66,865	Bhatter's Agency Ltd.	Ghusick and Mualia	30‡	10	2½+2½	2½+2½	2+1½	1½	4	Y.
12,00,000	1,57 000	35,64,154	17,61 169	1,843	Killick Industries Ltd.	Hingir-Rampur	15N	10	½+½	½+½	½+½	½	6.12	H.P.
8 00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	42xd	50	3	3	4	4	3	Y.
22 00,000	1,06,577	31 70,015	10,56,245	—1,95,248	Barjate Trust Ltd.	Jogta Coal	15xd	10	½	½	½	½	6	Y.P.
3,50,000	5,58,000	13 65,400	6,42 347	21,556	Andrew Yule & Co., Ltd. ..	Kalapeharl	1¼N	10	Nil	Nil	Nil	Nil	6.12	H.
20,00,000		23,62,791	1 40 646	1,938	Bird & Co., Ltd.	Kalyanpura Collieries ..	41‡	10	1½+1½	1½+1½	1½+1½	1½+1	12	Y.P.
5,00,000	12,00,000	43 94,951	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherrah	82	100	Nil	Nil	Nil	Nil	2.8	H.
1,38,400	95,000	10 63,519	3,25,319	1,063	Beriwala & Co.	Khas Kajora	39xd	10	1½+1½	1½+1½	2+2	2+2	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	7N	10	½+½	½+½			1.7	H.
9,00,000	11,50,000	28,01,242	22 43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	41N	10	½+½	½+½	½	½	6.12	H.P.
7,48,240	1,50 000	11,24 142	8,84 138	20,398		Nagpur	10¼N	10	½+½	½+½			6	Y.
17,76,230	13,72,000	1,17,02,211	83 01,381	73,764	Andrew Yule & Co., Ltd. ..	New Beerbhoom	nil	10	½+½	½+½	½	½	4	Y.
6,00 000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co.	New Manbhoom	18‡	10	½+½	½+½	½+½	½	6.12	H.
1,15 000							11	10	3/10+3/10	Nil	Nil	Nil	4.10	H.P.
1,57 500	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	12‡N	10	½+½	½+½	½+½	½	3.9	H.
7 50,000	10,51,866	3,97 666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	8N	7½	½+½	½+½	½+½	½	3.9	H.
10,00 000	1,10 000	35 60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	19‡	10	½+½	½+½	½+½	½		
8,34,000	81 596	17,23 582	6,27,675	15,769	Deerchand Kesheniall	Parasea	12N	10	½+½	½+½	½+½	½	6.12	H.P.
15 75,000	8,75 000	39,17,649	26 12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	3‡	10	Nil	Nil	Nil		12	Y.T.
23,99,300	15,67,105	1,09,49,971	76,28,234	—4,33,764	B. N. Elias & Co., Ltd.	Raneegunge	23‡	10	½+½	½+½	½+½	½	6.12	H.P.
13,50,000	7,38,385	30,56,328	24 30,328	26,964	Shaw Wallace & Co., Ltd. ..	Rewa	11	10	½+½	½+½	½+½	½	6.12	H.P.
20,00,000	3,95 008	32,32,218	13,30,500	438	Jatpura Sona Ltd	Samla Collieries	21‡	10	½+½	½+½	Nil		2.8	H.
1,25 000	1,75 000	11,89,383	9,78 699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	7‡	10	½+½	½+½	½+½	½	3.9	H.
2,80,000	6,77,758	28,60 123	15,19 899	25,874	Andrew Yule & Co., Ltd. ..	Seebpore	8N	2½	½+½	½+½	½+½	½	6.12	H.
8,00,000	8,74,490	36,49,147	26,21,250	—1,55,849	F. W. Heilgers & Co., Ltd. ..	Searsol	24xd	7	2½+2	2+2	2+1	1f	1	Y.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	9N	10	½+½	Nil	Nil	Nil	6.12	H.P. H.T.
17,50,000	10,86,300	35,53,705	13,67 030	26,614	Bird & Co., Ltd.	South Karanpura	6‡	10	½	½	½	½	12	Y.T.
8,00,000	13,89,545	1 69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	10‡	10	½+½	½+½	½+½	½	2.8	H.
10,00,000	12,950	30 15,423	15,43,501	—3,64,236	Villiers Ltd.	Tasra	20‡	10	Nil	Nil	Nil	Nil	6.12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	2‡	2½	½+½	½+½	½+½	½	6.12	H.
49,98,000		44,91,158	13,91,545	63,360	Hindustan Investment Corpn., Ltd.	West Bengal	223xd	10	1½+1½	1½+1½	1½		9	Y.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuna	4‡	10	½+½	½+½	Nil	Nil	6.12	H.
							16½	10	½+½	½+½			6.12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(l) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 56 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 3)

delegates of the Commonwealth how it is proposed to meet the new competition. Financial experts of the Commonwealth countries, now gathered at Sydney, are reported to have urged greater efforts during the coming year to increase the tempo of development in many Commonwealth areas. These officials are reported to have called for greater efforts, particularly from India, Pakistan and Ceylon, whose delegates were reported to be even more anxious than at the last Conference in London to accelerate the flow of capital into their countries. These areas, the experts were reported to have said, still face grave possibilities of recurring shortages of food, unless production can be speeded up in the next few years. Other topics, which will receive the attention of the Finance Ministers, include: (1) an examination of the Commonwealth's relationships with G.A.T.T.; (2) the system of imperial preferences under which Commonwealth countries gave each other favourable trading terms; (3) industrial and agricultural projects for the Commonwealth development, and the finance required for them; (4) the problem of gainful stable prices for the Commonwealth's main raw materials and dollar earners like rubber, jute and tin; (5) Britain's relationship with the European Payments Union; and, (6) progress of the £2,800 million Colombo Plan for the economic development of South and South-East Asia.

BANKING

(Continued from page 11)

it can hold fresh inspections before the next periodic inspections become due. If, as a result of the inspections, it finds that some of the doings of a few banks are not in accordance with sound banking practice, it advises the banks concerned to rectify the doings and keeps itself in close touch with the efforts of the banks to carry out its advice. It de-schedules banks or cancels the licences given to them, if they fail to carry out its advice. It can use these powers to bring about changes in the boards of directors of banks, if in any cases it regards such changes as necessary for protecting the depositors of banks.

Although the above dangers of the drastic provisions of the Banking Companies (Amendment) Act regarding directors were pointed out to Government by banking interests, the Government has insisted upon pushing this piece of legislation hurriedly through Parliament. In the interests of the progress of banking in India on sound lines, it is to be hoped that, if the Government finds that the dangers outlined above tend to materialise, it will have the good sense and the courage to go to Parliament again for softening the drastic provisions of the new Act affecting directors of banks.—*All Rights Reserved.*

TRADE BETWEEN ASIA AND EUROPE

(Continued from page 29)

ments position. The capacity to pay for imports was, however, maintained at a high level in relation to export earnings through releases of sterling balances accumulated during the war by the sterling area countries and through foreign aid.

In the field of textiles and other consumer goods, the underlying tendency for European markets in the Asian and Far Eastern region to shrink has been over-shadowed by acute shortages and the temporary disappearance of Japan as a competitor. Production is likely to increase further in the three huge centres of the textile industry—Japan, an old exporter, India, a new one, and China which will probably remain self-sufficient, at least in the field of cotton textiles, according to the Study. It is not often realised that the region as a whole is a major net exporter of textiles even when jute products are left out of account. The expansion of Asian textile production will, therefore, affect Europe partly by competition in the third markets such as Africa or South America.

Capital Goods Imports

Further expansion of the needs of capital goods depends on the pace at which development plans in Asia and the Far East can be got under way and this is determined, as has already been mentioned, by the future of the countries' terms of trade and the availability to them of foreign finance. In fact, imports of capital goods from all sources into the countries (excluding China and Hong Kong) have increased by more than 100 per cent. in volume since 1938. In 1951, 40 per cent. of these capital goods were transport equipment—railway material for India and road vehicles for all countries. Other important items were textile machinery, power generating machinery and engines and construcional machinery for road building. There is no great demand for labour-saving mechanised equipment for agriculture in these countries, most of which are faced with a huge problem of surplus rural population.

One important problem concerning exports of capital goods from Europe, closely connected with the problem of competition between European and United States exporters, is the question of technical adaptation of European engineering industries to the particular needs of the underdeveloped countries in Asia and the Far East. What is required in these countries is, the Study stresses, to economise the scarce amounts of capital available in such a way as to secure a maximum output per unit of capital invested rather than per man employed. Industrialisation depends to a large extent on deliveries of equipment from engineering industries. But, in Asia's special economic environment, development does not aim at saving labour but at employing it. In this respect, as a general rule, equipment from European industries, according to the Study, may have an advantage over that of the United States, though its advantage is probably less great than Japan's.

MARKET REPORTS

(Concluded from page 45)

sequent accumulation of stocks has exerted unhealthy influence on the market for exportable quality also. Though all pointers are for future lower prices, the bulls among the trade are banking upon the possibilities of further broadening of enquiries from Russia and better offtake from the Continent and New York in the near future, as they expect a pick up in business in view of low stock everywhere.

In the delivery section, in spite of support by bull interests, the market was not able to hold its own, the price having once again gone down from Rs. 1,600 to Rs. 1,520.

Following are today's nominal quotations:—Ready Rs. 230/250 per cwt., and February Rs. 1,520/40, and March Rs. 1,500/20 per candy of 5½ cwts.

JUTE GOODS MOVE UP

(From Our Own Correspondent)

CALCUTTA, *5th January*

The reopening of the markets for the new year on Saturday last was on a firm note. Foreign demand for jute goods was lacking; nevertheless, prices were held, following some covering demand by local dealers. This was not surprising, as usually some time elapses in the new year before export demand gathers momentum. One of the features during the period under review, i.e., from 15th December to yesterday, was the gradual rise in B. twills to Rs. 107-14 from Rs. 103-10, following the keen interest shown by foreign buyers, especially, from Australia. The rate however, began to give way, as advices from Sydney indicated satisfaction of the quantity so far bought, although more demand was expected. The rate was Rs. 106 last Wednesday, when the market closed for the old year. The market did not function on Thursday and Friday on account of New Year's Eve and New Year holidays respectively. There was no session also on 25th December, being Christmas Day. For the reason already stated, the rate picked up some strength last Saturday, and thus was fractionally better at Rs. 106-8. Firmness was again in evidence yesterday, when the quotation rose further by nearly one point at Rs. 107-6, the closure being still higher at Rs. 108.

During the period as a whole, business in hessians with America and the United Kingdom was on a moderate scale. Support was also derived from covering demand, and speculators continued buying in order to squeeze ready 40" 10 oz. hessians. The market derived enthusiasm from steady New York advices, and noted the pre

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,900				59	50	3 0	3 0	3 0	1 8(i)		
1,80,00,000	1,28,00,000	2,38,382	Bank of Baroda	109½	50	6 0	6 0	6 0	2 8(i)	12	Y.
40,00,000	14,00,000	8,667	Bank of Bikaner	14½	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	6,36,553	Bank of India	155½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
15,00,375	24,00,000	61,200	Bank of Indore	46¾	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	18½	50	1 8	1 8	1 8		12	Y.
80,00,000	84,00,000	2,44,634	Bank of Mysore	284	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	4	Y.P.T.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
1,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0		12	Y.P.
4,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	64	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
82,42,375 A'				66½	25	3 8	3 8	3 8	0 12(i)		
50,00,000	20,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12		12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88¾	50	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,840	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
1,87,50,000				442½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
24,00,000				169	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	140	85	10 3½	10 3½	10 3½	5 1 3/5(i)	6.12	R.L.H.
15,40,000				98½	60	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	95½	100	5 0	6 0	6 0		12	R.L.H.
6,25,000				73	100(A)	9 0	7 8	6 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				39½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	27,00,000	1,92,605	Punjab National Bank	201½	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	12½	25	—	—	—		12	Y.
24,00,000	30,00,000	2,06,125	Union Bank of India	6½	5	0 5	0 5	0 5½	0 5½	12	Y.
9,00,00,000	75,00,000	1,01,119	United Commercial Bank	44½	50	2 0	2 0	2 0		12	Y.
PRINCIPAL EXCHANGE BANKS											
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China			Dividend (per cent.)					
£1,000,000	£1,250,000	£102,597	Eastern Bank	£-2-1-4½	£5	14%	14%	16%	7%	12	R.L.Y.
H.K.$20,000,000	H.K.$56,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	67½	£5	7%	6%	7%	3%	12	R.L.Y.
£14,377,956	£16,000,000	£418,242	Lloyds Bank	£95	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£1,437,296				£3 0 0	£1	12%	12%	12½		12	R.L.Y.
£375,000				£1-6-3		5%	5%	5%		12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24½	A £12½	12%	12%	14%	7%(i)	12	R.L.Y.
£300,000				£24½	B £12½	12	12%	14%	7%(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£32½	C £9	12%	12%	14%	7%(i)	12	L.Y.
				£32½	£12½	16%	16%	16%	8%(i)		

‡Includes bonus. †Less Tax. (P) Pakistan Currency.

††O.S. Currency
(i) Interim.
*6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	105	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	3½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	99½	1st January .. 1967-72
13,68,000	5½		Jaybree Textiles	100§	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.	7¾N	 1966-72
				101	
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	94	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	102	31st December .. 1964
6,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	86	1st January .. 1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	86	31st December .. 1970
15,00,000	4	1st January and 1st July	Bijua (Sherriah) Electric Supply Co., Ltd.	96	30th June .. 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	97	 1957-61
2,00,000	5	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,13,000	4	1st April and 1st October	Tata Power	104½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1963-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	95½	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Fagneering Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1960
JUTE					
32,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1956
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	89	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1964
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
25,00,000	3½	1st January and 1st July	Hukumchand	92½	30th June .. 1957
85,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
85,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	5	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March .. 1956
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	97	14th May .. 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	6	30th June and 31st December	Presidency	93	30th June .. 1958
85,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September .. 1967
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	5½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	86	1st July .. 1956
4350,000	4½	1st January and 1st July	Calcutta Tramways	1900 £61¾N	A @10% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933 £77¾N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945 89	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £90¾N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
1,20,000	6	31st December and 30th June	Blue Mountain Estates	100	1st January .. 1945-55
1,89,700	5½	31st March and 30th September	Terkoy Rubber Estates	100	31st March .. 1949-59
50,000	6	30th June and 31st December	Waterfalls Ltd.	101§	1st January .. 1945-53
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96§	30th June .. 1957(f)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
81,55,000	4½	1st July and 1st January	Clive Buildings	88§	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalmousie Properties	87	15th September .. 1960
2,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79§	1st January .. 1971
3,30,00,000	5	1st January and 1st July	Dunlop Rubber	102§	1st January .. 1964
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	96	30th September .. 1976
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947 410 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
8,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951 93	31st March .. 1961
6,00,00,000	5	30th June and 31st December	Rohtas Industries Ltd.	1946 84½	31st December .. 1969
4,00,00,000	6½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 103½	1st May .. 1968

Note—See page 54 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the period ended 7th January, 1954.

—	Closing quotations 17-12-'53	High	Low	Closing quotations 7-1-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	156	157½	154½	155
Bank of Baroda (50)	105	109	103	109
Central (25)	64	64§	63½	63§
Central 'A' (25)	67	67	63½	66§
Imperial (Pf'd.) (500)	1,855	1,855	1,817½	1,840
Imperial (P.Pd.) (125)	456½	452½	441½	443§
Union Bank (5)	6-4½	6-4½	6⅜	6-3½
United Com. (30)	43	47	44	44
COTTON MILLS				
Ahm. Adv. (100)	128§	143½	128§	138§
Apollo (2)	2-9½	2-9½	2-7½	2-7½
Bombay Dyeing (250)	396½	401½	389§	393½
Central India (100)	187	187½	178	179
Century Mills (100)	280½	282½	275	277§
Colaba (100)	68½	—	—	67§
Edward Textile (200)	260	260	245	250
Elphinstone (50)	42	42	40	41
Finlay (100)	257	258	255	256
Gokak (100)	245	246	239	242½
Ind. Unid. Defd. (1)	1-9½	1-9½	1-8½	1-9
Ind. Unid. Ord. (10)	11§	11-6½	10-13½	10-13½
Indore Malwa (100)	96§	97§	95	95
Khatau (100)	196§	196½	190§	191½
Kohinoor (100)	292	298	291½	295§
Lakshmi (250)	556½	558§	555	555
Madhusudhan (100)	87	89	87	89
B. R. Cotton Mills (100)	49	49	47	47
Meerera Mills (100)	91	—	—	91
Model Nagpur (250)	140	—	—	140
Morarji (100)	185	187§	182½	187§
Mysore (50)	139§	153½	139½	151½
New City (100)	171½	171½	166½	167§
New Great (100)	167	171	163	170½
New Union (10)	26	—	—	26
Phenix (100)	122½	—	—	122§
Podar Mills (100)	133§	133§	131½	131§
Sassoon Blk (10)	19	—	—	19
Shahpur (1,000)	28½	—	—	28§
Shrinivas (100)	2,325	—	—	2,325
Swan (50)	172§	173§	157½	173§
Standard (100)	155	157	150§	151½
Tuticorin (100)	308§	—	—	306§
Tyrolean (100)	269½	275§	265	267§
Tata M 1 (25)	336½	335	332§	332§
Wahna (100)	54§	54§	51	50§
Western India (1,000)	152½	152½	147§	147§
	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	113½	113½	112½	112§
Amalgamated (10)	10¾	10¾	10¼ xr	10¼
Andhra Valley (1,000)	1,197§	1,235	1,197§	1,210
Bom. Edn.-Bl. (100)	122 xd	123§	122§	123§
Surat (100)	13§	13§	13§	12§
Tata Hydro (100)	1,347½	1,355	1,335	137
Tata Power (1,000)				1,340
INSURANCE COS.				
British India (10)	13§	13§	13½	13§
Empire of India (100)	620	625	620	625
Ind. Mercantile (20	38§	38§	37	37§
Jupiter (15)	6§	6§	6§	6§
New India (15)	40§	40§	39	40
Oriental (200)	7,410	7,410	7225	7,235
Universal (10)	8§	—	—	8§
Vulcan (10)	11§	11§	11§	11§
STEAMER COS.				
Belandia (15)	15§	15§	15-4§	15§
STEEL COS.				
Ind. Iron (10)	26§	26§	24-15§	25-4½d
Tata Stee. Defd. (30)	1,993§	2,016½	1,977½	1,996½
Tata Steel Ord. (75)	340	344§	336§	337§
MISCELLANEOUS				
Alcock Ashdown (100)	322½	325	320	323§
Associated Cts. (100)	184§	187	182§	184§
Belapur Sugar (5)	259	260½	242½	243xd
Bom. Burmah (125)	362§	379§	356½	361½d
Do. (New) (50)	131§	135	128§	133
Br. B. Petrol (4 sh.)	2§	2-5§	2§	2-3§
Br. I. Corpn. (5)	9-4½	9-4½	9-1½	9§
Indian Copper (2 sh.)	2-13§	2-13§	2-11§	2-11§
Kerosy (200)	744	—	—	744
Killick (100)	260	—	—	126§
Killicks (75)	156§	158§	154½	157§
National Rayons (100)	125§	126§	125§	126§
Phelton Sugar (50)	135½	138	132½	138
Ind. Inv. Tr. (100)	97§	—	—	96§
Port Canning (100)	26§	26§	25	25§
Premier Cos. (20)	1164	120	111	114
Shivrapur (10)	68	74§	68	72§
Tata Chemicals (10	10§	11-12§	10§	11§
Tata Oil (100)	33	33	31§	32
Walchand Ind. (100	137§	165	136§	163§
W. I. Match (100)	199§	200	198§	200

GOVERNMENT SECURITIES	Rs.	Gross Yield: Earlier Redemption	Later Redemption	Rs.
2½% 1954	98§	—	3 58	98§
2½% 1955	98§	—	3 46	98§
2½% 1961	90§	—	3 95	90§
2½% 1960	91	—	3 87	91
2½% 1962	91	—	3 88	91
2½% 1974	82	—	3 96	82
3% 1957	98	—	3 47	98
3% 1958	98	—	3 47	98
3% 1959-61	98	—	3 47	98
3% 1964	96§	3.73	3 59	96§
3% 1963-65	92	—	3.89	92§
3% 1966-68	92	3 91	3 81	92§
3% 1970-75	90§	3 97	3 88	90§
3% 1986 Con. Loan	86§	4.11	3 93	86§
3½% 1954-59*	82§	—	3 64**	82§
4% 1960-70	100§	3 52	3 45	100§
4½% 1955-60	101§	3 70	3 85	101§
4½% 1958-68*	102§	2 94	4 02	102§
3½% 1961 N.P. Bonds	105	3.40	4 04	105
	98§	—	3.67	98§

BRITISH GOVERNMENT SECURITIES	3-1-'54 £	High £	Low £	6-1-'54 £
2½% Brit. Consols	64§	64§	64	64§
3 ½ Savings Bonds 1965-75	89	89	88§	89
2½% War Loan 1955-59	101§	102	101§	102
3½% War Loan 1952	84§	84§	84§	84§
3½% Brit. Iron and Steel 1976-78	94§	94§	93§	94
4 % Funding Loan 1960-90	101§	101§	101§	101§

x.d.—Ex-dividend. ** Current Income. * Rupee Conversions.

TATA'S

COMMERCE

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

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GOVERNMENT'S LABOUR POLICY

THAT the labour policy pursued by the Centre and the States is not conducive to the economic development of the country has been often reiterated by this journal, as well as by many others. Even the Planning Commission is believed to hold this view. But there are no signs of appreciation of this truth by those in authority. On the contrary, the latter seem to be determined to pursue their present policy which seeks to ensure for workers the best of both the worlds, more pay and less work. This attitude of the Government is clear from the speech of Mr. V. V. Giri, Union Minister for Labour, at the thirteenth session of the Indian Labour Conference, which concluded its three-day session at Mysore last week-end. Delivering a sermon to employers to move with the current and to adjust themselves to the requirements of the times, Mr. Giri remarked: "There is no use their (employers) repeatedly harping on the theme that labour costs have mounted in recent times. They have no doubt increased, but I see no point in ruminating over it. The old days, whether they were good or bad, are not going to return. Labour will no longer accept those conditions which they accepted *five or ten years ago.*" In another part of his speech, he asked: "Can it be seriously contended that (labour) cost is *excessive* in this country, as compared with what it is in other countries?" Criticising those who complained against "a spate of labour legislation," he contended that the Government had *not unduly* forced the pace in the matter of labour welfare and that, if anything, it had been "overcautious and somewhat slow in the matter of progressive welfare measures." In fact, he went a step further and asserted: "I must categorically refute the charge that the labour policy now being pursued is either wrong or disastrous." In support of this contention, he quoted certain statistics relating to industrial production and man-days lost which showed that, during 1953, while industrial conflicts had gone down, output had gone up.

If Mr. Giri genuinely believes in this line of argument, he needs to be warned that he is deluding himself. The pace of expansion in industrial production in 1953, as we conclusively showed in the leading article in our 1953 *Annual Review Number*, was slower than even in 1952, a year of slump. The statistics showing the number of man-days lost quoted by him for 1953 were not complete, in that they did not reflect the position in the latter half of 1953. Again, and this is *important*, they do not reflect the go-slow tactics adopted by workers. Further, the fall in conflicts was due not so much to the various labour legislations as to the full return of 'a buyers' market. Workers knew that the days when they could bully the employers for more wages and better amenities by going on strike were over. But all this is not so important as the fact that employment opportunities have not expanded to such an extent as to absorb the increasing population of employable age. The industrial production may have expanded, but the industrial productive capacity has not, with the result that unemployment is far more acute than in one's living memory. There is no gainsaying the fact that the Government's labour policy is as much responsible for this state of affairs as its other economic policies, in that it has discouraged *entrepreneurs* from starting new industries and expanding the existing ones. In its anxiety to provide for those who are already employed a standard of living and comfort which are not consistent with the general economic position of the country and which are not justified by the productivity of workers, the Government has, wittingly or unwittingly, ignored the interests of those for whom jobs have to be found and of the large body of consumers. Nobody contends that industrial labour in India is as well off as that of its confrere in many of the industrial countries of the West or the East. But it is obvious that this situation is due to the simple fact that India itself is not as rich as the other countries.

It is grossly unfair on the part of Mr. Giri to say, in effect, that employers are standing in the way of their workers being well paid and provided with amenities. This might have been true once and may be so even now with some of the employers; there are exceptions in all societies. But, really speaking, the blame must be laid elsewhere, chiefly at the Government's door and that of trade unions. Most of the employers do want to give a fair deal to workers, and they do not believe in cheap labour any longer. But they are unable to do so, because the Government and the labour unions are not willing to let them use modern and up-to-date machines. Who stands in the way of rationalisation of production and industry today? Those who have followed this stale controversy know the answer and Mr. Giri knows it very well. Evidently, it is not *convenient for him to admit it in public.*

All progressive employers quite appreciate that a contented labour force is an asset. It is a sign of the times that employers do not now demand a cut in the wages of workers or in their amenities. It is true that they complain of rigidity of labour cost, but they do not seek a solution for this through a reduction in wages. What they have been agitating for is rationalisation, so that they may have the wherewithal to ensure a decent standard of living. They want permission and facilities for modernising their factories with up-to-date equipment, so that production per worker can be raised, costs lowered and conditions for an expanding market provided. These, however, are denied by the Government and the trade unions alike, because they are not willing to face the temporary displacement of surplus labour. Permission for rationalisation is not easily given even where an employer is prepared to pay compensation for the displaced labour or is willing to keep surplus workers on the pay-roll till there is a reduction in the labour force through the normal course of retirement or death. Further, in its anxiety to keep the uneconomic cottage industries in production, the Government has placed restrictions on the efficient power units, thereby limiting its ability to sustain a prosperous labour force.

In a democratic country, where those who are in power have to depend upon the vote of the masses, especially of such a compact and organised section as industrial workers, for continuing to remain in power, the anxiety of Government to ensure stability of employment and high level of wages is understandable. But the powers-that-be should not confuse themselves to such an extent as to believe that rigidity is stability. "Stability," to quote an economic authority, "implies a natural and unforced evenness of behaviour in free markets, due to absence of need for drastic readjustments. Rigidity denotes an arbitrary immobility enforced by political or strong non-political authority regardless of needed changes. Stability is a normal result of healthy economic conditions. Rigidity is a consequence of artificial controls, designed to avoid the inconveniences or hardship of instability." The burden arising *from the rigidity of labour* cost, that is, the burden of maintaining those who are already employed at a high level of wages, is now being borne by those who are *unemployed, the vast body of consumers* and the shareholders who are the owners of business enterprises. The longer this state of affairs continues, the greater will be the hardship to the *community* as a whole. Unless this rigidity is ended by adopting the measure suggested above, namely, lowering of costs through higher productivity, there can be no hope of increased prosperity for the country. It is a simple law of economics that, so long as rigid labour costs inhibit price adjustments, no amount of pumping of purchasing power into the system will give rise to *expanding* production and employment. For rigidity begets instability, which, in turn, begets loss of confidence. To the extent prices can be reduced and turnover increased, production and employment also can be increased. And to the extent the Government's labour policy does not recognise this economic truism, that policy is wrong and, if this wrong policy is pursued for a long time, it will prove disastrous to the country. No amount of denials by Mr. Giri or anyone else, however vigorous they may be, will make it a perfect policy.

The Union Labour Minister made great play of the criticism, often heard, that the productivity or the per-man-hour output of the Indian worker is only a fraction of what it is in other countries. No serious critic of labour or the labour policy of the Government makes such an unqualified criticism. He is fully aware of the differences in the mechanical equipment of Indian factories and mines, in the managerial techniques and efficiency, and in the general backwardness of the Indian workers' education and training, as compared with those in such advanced countries as the U.K. and the U.S. He is also aware that, by application of better techniques through adoption of quality controls, productivity of workers can be substantially increased. Nevertheless, as a general rule, the efficiency of workers in this country is a little lower than that of those in other advanced countries, either because of lack of adequate education or because of climatic conditions and environments. Now this criticism cannot be called as one born of prejudice, as Mr. Giri appears to do, especially as he himself admits that there is *scope* for labour in India to increase its productivity through its own exertions.

The gratuitous advice given by Mr. Giri to employers to move with the times applies with equal force to the Government also. Instead of moving with the times, the Government is moving backward towards a bullock-cart economy by decrying mechanisation, by placing

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a premium on inefficiency and by supporting the workers' demand for more pay and less work. Mr. Giri admits that the productivity of the Indian worker is low, albeit for no fault of his own. Why then does he oppose the employers' plea for creating suitable conditions under which the productivity of the worker can be raised? As against an average of four to six ordinary looms handled by one cotton mill operative in Britain, 32 to 78 automatic looms in the U.S. and a minimum workload of 48 automatic looms in Japan, the Indian worker handles on an average not more than two ordinary looms. Similarly, the maximum number of ring frame spindles handled by an Indian operative is only 380, as compared with an average of 800 in Britain, 1,200 in the U.S. and 2,400 in Japan. Mr. Giri makes no mention of such facts, when he compares the standard of wages, amenities, etc., that is provided in the advanced countries with that in India and proceeds to accuse employers of not being progressive. It is not uncommon for some in the Government to make private enterprise the scapegoat for their follies. It is a pity that even such an enlightened person as Mr. Giri should have chosen this as the main theme of his address at the tripartite conference at Mysore. Little wonder, therefore, that employers are losing their faith in such conferences.

U.S. FARM POLICY

IT has been clear for some time past that the U.S. Republican Administration would give the country's agriculture a "new look", reverse the soft policy of aiding agriculture indiscriminately and restore initiative and enterprise to this vital sector of American economy. In his State of the Union message to the Congress, the U.S. President, Mr. Eisenhower, emphasised that the well-being of America's 160 million people demanded a "stable and prosperous agriculture." He reminded the Congress that the agricultural laws, now in force, have successfully accomplished their war-time purpose of encouraging production of many crops. By implication, he suggested that the laws had outlived their war-time utility. That this view is correct will be evident from the huge surpluses of such farm produce as wheat, cotton, corn and vegetable oils, now concentrated in the hands of America's chief machinery for implementing the price support programme, namely, the Commodity Credit Corporation (C.C.C.). Small wonder, then, that the U.S. President, true to the principles of greater initiative and freedom of action for enterprise to which his party is wedded, has suggested changes in the farm price-support laws that will restore something of these qualities to American agriculture.

In order to appreciate the changes proposed and how the need for them came to be felt, it is necessary to take a look at the farm price-support programme which has been in existence, in one form or another, since 1933. The policy of price support for agricultural produce, in its present form, derives its sanction from the Agricultural Adjustment Act of 1938 and the Agricultural Act, 1949. These Acts and other agricultural regulations are based on the concept of "parity" which is designed to give the farmer a "fair price" and to provide some form of equality between the agricultural and non-agricultural sectors of the economy. Thus, it represents a relationship between the price the farmer pays for the goods he buys and the price he gets for his goods. The parity price is the support price effective for the marketing year beginning from 1st July of a calendar year. This is determined, in the case of an agricultural commodity, say, wheat, by applying to the average price for the seasons 1909-14 an index of prices, interest and taxes paid by farmers. This price would ensure that the farmer maintains his pre-First-World-War standard of living. Actually, it does more than that. For, the productivity of agriculture has greatly expanded since the First World War. The parity price for any particular commodity is the national average price for that commodity which can be translated by a table of margins into a price for a particular grade at a particular place.

The support price becomes operative only when there is a fall in market price, or a fall is apprehended. Normally, the farmer sells his wheat in the open market. Otherwise, he can contract in advance to sell his produce to the C.C.C. at the support price; he will then forgo the possibility of an extra profit if the market price rises higher. There is yet another alternative he may choose. He may put his produce "in loan" with the C.C.C., which will offer the support price for the produce pledged with it.

(Continued on page 59)

If the market price rises above the support price, he redeems the pledge and takes the profit. If the market price falls, he allows the C.C.C. to do what it likes with his produce.

The success of this policy from the long-range point of view implies effective control of output. The first safeguard in this direction is the proclamation of a national acreage allotment which must be large enough to give a prospective supply equal to 130 per cent. of a normal year's consumption and exports. This allotment is apportioned to States, then to individual farms. The penalty for non-compliance is that the offending farmer will lose his claim for price support. The second safeguard is a marketing quota. When the expected supply exceeds 120 per cent. of the normal supply, the Secretary proclaims marketing quotas which come into force, provided two-thirds of the farmers agree to this restriction. Farmers exceeding their acreage allotment will have to pay a penalty at a specified rate per unit of quantity produced on the excess acres. If the marketing quotas are rejected by the farmers, the support price falls to 50 per cent. of the parity price; it would, in effect, cease to operate.

The battle between those who advocate rigid price supports and those who oppose them has gone on ever since they came to be adopted. The supporters of the present system contend that agriculture is subject to exceptional risks, such as weather and insect pests, and is, therefore, entitled to expect special treatment. The other popular and well-worn arguments are: the average financial resistance of the farmer is low; he cannot adjust production to demand; the decentralisation of agriculture places him at the mercy of other markets; agriculture does not recover as fast as industry from a depression. In fine, it is the age old argument of the "poor" farmer who needs all the help the State can give to support his purchasing power. A powerful economic argument is that, when the farmer's purchasing power is maintained, the other sectors of the economy too would derive considerable benefit. Perhaps, what keeps the price support scheme intact is not the economic worth of these arguments—considerable, as it is—but the political argument. The farmer's vote counts. And no party can afford to disregard this fact.

The arguments against the present system have acquired greater validity in the present context of burdensome surpluses. Those who oppose the present system have always insisted that it encourages over-production and that it leads to regimentation of agriculture, since controls breed more controls. It destroys overseas markets for American farm products, by pricing them out of these markets. If the system equates supply with demand at all, it does so only by curbing both. Even if abundance is prevented through marketing quotas, it does not solve the problem entirely, since the farmers will grow commodities which are not subject to quotas but for which price support is available. In other words, to prevent over-supply in one sector is only to create a surplus elsewhere. Again, it is held that, since the controls on output apply to the efficient, as well as the inefficient, producers, the system seeks to subsidise the inefficient at the expense of the efficient. Other things remaining the same, the price-support programme will attract imports from overseas countries of the commodities which enjoy that advantage. In order to lighten the intolerable burden which such imports would impose on the C.C.C., the American administration is compelled to resort to import restrictions. If the U.S. is an exporter of the commodity for which rigid price supports above world parity exist, it can maintain its export trade only by granting export subsidies.

Thus, the system raises grave issues of internal and external economic policy. But the more immediate problem is how to relieve the C.C.C. of the heavy burden of price support which it is called upon to shoulder. Since 1933, when the price-support operations were initiated, the U.S. Government has lost $1,110 million. In the first four months of the current fiscal year, the C.C.C. has lost $63 million, which represents an annual rate four times greater than the loss in 1952-53. By the end of October, 1953, the stocks held by this organisation exceeded $2,500 million and outstanding loans were above $2,000 million. It is true that the C.C.C. has not always suffered losses. It has had its prosperous period too. During the period July 1941-June, 1946, it actually made a profit of $126 million. But this period coincided with a period of boom all over the world. Indeed, the C.C.C. would have been in a much worse plight than now, if the Korean war had not intervened to give a fillip to agricultural prices. It held then more than $4 billion worth of com... Korean boom assisted or... stocks. The C.C.C. can get ri... only if a similar emergency or se... failure occurs. Otherwise, the only way it... such it can be relieved of the burden is through fixing low production goals for commodities which would artificially push up prices—that is, through a complete regimentation of farmers.

That the C.C.C.'s operations run into millions of dollars should occasion no surprise. It performs a stupendous task. It has to support the basic crops—corn, wheat, cotton, peanuts and tobacco—at 90 per cent. of parity. Other farm products, notably, milk and wool, are supported at rates ranging from 65 to 90 per cent. A section of the American taxpayers rightly feels indignant at the C.C.C.'s losses which it has to pay for, especially because these moneys could be used to grant the tax relief it needs. Faced with the task of supporting increasingly larger quantities of agricultural commodities at an artificial level of prices, out of parity with the world's price levels, the American Administration is naturally inclined to invoke marketing restrictions for farm produce. A succession of large crops has also intensified the need for such restrictions. The recovery of agricultural production in Europe and in other parts of the world, and the continuing dollar shortage which prevents countries from buying American produce in sufficiently large quantities are other complicating factors. The net effect of these factors is that marketing quotas have been clamped on the next season's crops of wheat, cotton, tobacco and peanut.

Surely, to regiment agriculture in this way is to ignore the vital role of initiative and enterprise in this sphere. But what is even more reprehensible is that it cannot even be claimed that such regimentation solves the problem of surpluses in a satisfactory manner. Mr. Eisenhower assessed the situation aright when he said that, in spite of the acreage controls authorised by the present law, surpluses will continue to accumulate. Two alternatives, he said, confront the U.S. Administration: (1) to impose more rigid acreage restrictions and to impose them over a wider range of commodities, or (2) to permit the market price to have a greater influence on the planning of production by farmers, while continuing the assistance of the Government. He rightly rejected the first alternative on the ground that it would place every producer under the "domination and control of the Federal Government." He preferred the second alternative as a "sound approach." Accordingly, he has proposed a few changes in the support programme. The main changes are: (1) the present legislation which provides for mandatory rigid support will be allowed to expire; (2) after the 1954 crops, the level of price supports for the basic commodities will be related gradually to supply, in order to ensure greater stability of income; accordingly, the price support level will be varied one percentage point for every two percentage points of variation in the total supply; (3) the new system of parity prices will come into effect from 1st January, 1956; provision is made for moving from the old to "modernised parity" in steps of five percentage points of the old parity each year until the change from the old to the new parity has been accomplished; and (4) the Administration will remove the threat of the huge farm surpluses from current markets through such uses as school lunch programmes, disaster relief, aid to friendly nations and stock-piling of reserves; Mr. Eisenhower, however, made it clear that the destruction of these surpluses would not be "countenanced under any circumstances."

Such, in brief, are the main features of the new policy for agriculture, proposed by the Republican Administration. Although the details of the scheme are not now available in this country, it is clear that the Administration, without in any way impairing the principle of price support for agriculture, is moving away from a rigid price-support programme to a system of flexible price supports. The working of the new system will, naturally enough, be watched with interest. A commendable feature of the system is that, if the supply is short, higher support levels will encourage production, whereas, if the supply is much too abundant, a lowered price will stimulate consumption. An equally commendable feature is that the existing surpluses would be available for humanitarian purposes; the Administration is rightly opposed to destruction of these commodities. There is no specific mention of selling them for the natural currencies of the overseas buyers. This removes, to a certain extent, the threat of subsidised competition which many countries producing similar goods for export once feared.

TATA STEELS AGAIN FANCIED BY BULLS

BRITISH BANKS PAY HIGHER DIVIDENDS—TEA PRICES UNDULY HIGH

THURSDAY, 5 P.M.

THE undertone of share markets has improved to some extent. Over the week, modest gains are noticeable in a number of equities. Tata Steel Deferreds and Ordinaries have regained the favour of a few big speculators; at the same time, there has also been some selective buying in other sections too. There has been, for instance, an improvement in such counters as Bombay-Burmah Corporation, Belapur, Tata Hydro, Alcock Ashdown, National Rayon and a number of cotton textile shares. The view that there is not much room for a fall in equity values, expressed in these columns in the recent past, has been endorsed by the Finance Minister, Mr. C. D. Deshmukh. Market men have noted this statement of his with great interest. It has reinforced their conclusion that, in the coming two years, the Government would resort to heavy deficit financing, in order to implement the Five-year Plan. The fear of a business recession in the U.S. which seemed to weigh heavily with them last week has subsided and so also the anxiety caused by the proposed U.S. military aid to Pakistan.

MARKET GOSSIP

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The expectation that inflation would be the main plank of the Government's financial policy has induced speculators to look out for variations in notes-in-circulation disclosed in the Reserve Bank's weekly statement, published every Wednesday evening. The increase of over Rs. 22 crores in note circulation during the week ended the 8th inst., was invested with undue significance last night, overlooking the fact that, at this time of year, the currency circulation always expands and that the first week of every month invariably witnesses an expansion in the note issue, owing to payment of wages, salaries, monthly bills, etc. Anyway, it is not a healthy indication, if speculators try to base their operations on such flimsy and unreliable data.

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Another development of the week about which much was made in the share market is the withdrawal of the Reserve Bank from the Gilt-edged market. For some time past, the Reserve Bank had been a ready supplier of Government of India loans of all maturities, except the very short-dated ones. The object of these sales was to raise as much cash as possible, by disposing of a part of the securities held on Government account. In recent weeks, however, there was scarcely any demand for these loans, as banks found a ready outlet for their surplus funds in the seasonal demand for money from the trade. Taking advantage of the stringency of the money market and encouraged by the ready availability of scrip from the Reserve Bank, some of the operators began to sell short. In these circumstances, if the Reserve Bank had continued its sales, it would have engendered a quiet trend in Gilt-edged. The Reserve Bank, therefore, decided to suspend its sales; this was, of course, the correct thing to do. But some speculators seem to be reading into this action much more. They feel that this is a prelude to rigging up the market for facilitating fresh borrowing by the Government and that a downward change in the Bank rate is not far off. All this surmise is, in our view, unwarranted. It is unbelievable that the Government will follow both deficit financing and cheap money policy simultaneously. The Finance Minister may wish to have a buoyant stock market. Nevertheless, we do not think that he will try to realise this wish through such stunts as monkeying with the Bank rate at a time when he is contemplating to resort to created money.

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In this connection, there are a few indications to show which way Mr. Deshmukh's mind is working. In the first place, he raised no objection when the State Governments wanted to guarantee a minimum tax-free (not taxable, as was stated in our last issue, in regard to the T.-C. State Finance Corporation) dividend of 3½ per cent. on the shares of their Finance Corporations. There is no Government-guaranteed security in the market at present which offers 3½ per cent., free of tax, and which can be held by an individual without any restriction on the amount. It is true that the small savings bonds of the Government carry interest at 3½ per cent. free of tax, but there is a ceiling to the amount that any one can hold. An interesting point about the guaranteed dividend on the shares of Finance Corporations is that, so long as this minimum dividend is paid by the Government concerned, it is free from all taxes, including super-tax. This means that, so long as the Corporation does not make a profit or adequate profit to pay the minimum dividend, the holders of these shares in the super-tax grade have an advantage. Even in regard to institutional investors there are few securities which offer such a high tax-free yield. It is no wonder, therefore, that the shares of the Bombay State Finance Corporation were oversubscribed within a short time. Mr. Deshmukh would not have agreed to these liberal terms, if he were contemplating to follow a deliberate cheap money policy.

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The second instance which points to the same conclusion is the permission given by the Reserve Bank to a number of local bodies to float loans having a maturity of about 12 years, at rates which give a yield of 5 per cent., taxable. Recently, municipalities in the Madhya Pradesh State raised finance on these terms. It is true that these loans are for small amounts, but they are as good as State loans, inasmuch as they carry the guarantee of the State Governments concerned. These loans, according to our information, were readily taken up by insurance companies. At the moment, however, the market for them seems to have become saturated, as a few of the municipalities which have not completed their borrowings are unable to find much support.

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The shape of things to come in the current year will depend, to a large extent, on three important developments in the remaining days of this month. The first is the meeting of the All-India Congress Committee, scheduled to be held at Calcutta on the 19th inst. It remains to be seen whether Mr. Nehru will make any important pronouncements in this session. The second is the issue of Korean prisoners of war. Will the deadlock be resolved before the deadline, namely, the 22nd inst., or will the uneasy cease-fire there be broken, resulting in a resumption of the shooting war? More important than these two will be the Berlin Conference of the four big powers. There will be considerable relief to the world, if the big powers reach an understanding, at least on the principal issues. If Russia and the Atlantic powers part as friends after this Conference, it may lead to a considerable reduction in defence expenditure of these countries which, in turn, may mean lower prices for several commodities. It may also mean that the proposed U.S. military pact with Pakistan may not materialise. It is unnecessary, at this stage, to envisage in detail the possible outcome of a successful conclusion of the Berlin Conference. Suffice it to say that, since it is an event of great significance to the future of the world, it will be prudent to wait and see what happens at this Conference.

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Among the equities which have been continuously rising in the past few weeks, National Rayon stands out prominently. Even during this week, it has gone up by Rs. 5-8 and is now standing at Rs. 143-8. At one time today, it touched a high of Rs. 149-8. This is a Rs. 100 fully paid-up ordinary share on which the maiden dividend still remains to be paid. Market circles are optimistic that the Company will pay its first ordinary dividend this year and that it will be at least Rs. 8 per share. Even so, the value of this scrip is regarded by many as rather high, considering that there are several first class equities offering a much higher yield. According to one source, the rise in the value of the scrip is due to fairly large buying by interested parties. It is suspected that the management of the Company may be contemplating issue of additional equity capital, taking advantage of the market's fancy for this scrip.

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So far, four Indian banks have announced their financial results for 1953, which are referred to in detail elsewhere in this issue. It will be seen that the general trend of profits is downward, though dividends have been maintained. The results of the other banks may also be expected, more or less, to conform to this trend. The trend of profits of British banks, however, is in refreshing contrast to that of Indian banks. Aggregate net profits of the "Big Five" for 1953 are 6.6 per cent. higher than those for 1952. If the profits of the "Big Seven" are taken into consideration, an increase of 7 per cent. is seen. Five out of the "Big Seven" have stepped up their dividends, thereby following the lead given by the National Provincial Bank, which broke away 12 months ago from the pattern of long stabilised rates by raising its final dividend by 1 per cent. and thus paying 16 per cent. for 1952, instead of the customary 15 per cent. Again, the National Provincial raised its dividend by another 1 per cent. through the interim for 1953, with the result that the total is 17 per cent. for the whole of 1953, as against 16 per cent. for 1952 and 15 per cent. in 1951-52. That Barclays would pay a higher dividend of 16 per cent., as against 14 per cent. for the past two decades and over, was known even in October last, when it reorganised its capital and announced an increase of 2 per cent. in the dividend for 1953. Lloyds Bank, too, has followed the example of Barclays and raised its dividend by 2 per cent. to 14 per cent. Martins Bank was, in fact, the first to open the dividend season with an unexpectedly large increase of 2½ per cent.—that is, from 15 per cent. to 17½ per cent., a level higher than that prevailing even before 1931 (when the payment was reduced from 16 to 14 per cent.). This rise was far beyond the expectations of the market and, therefore, a big surprise. The District Bank has increased its dividend from 18½ per cent. to 20 per cent. The only two banks which have elected to follow the traditional policy of stable dividends are the Westminster and the Midland; the former has maintained its dividend at 18 per cent. and the latter at 16 per cent. Why has the majority of British big banks chosen to depart from its well-known policy of not varying its dividends? A clear answer to this question will probably be provided by the chairmen in their annual statements. Meanwhile, it is significant that these conservative and shrewd bankers have chosen to enhance the return to their shareholders, despite reports from London envisaging a slump in the U.S. Their action suggests that they do not take a pessimistic view of the future.

Buoyant conditions have been witnessed in the tea market, both in Calcutta and London. Over the calendar year 1953, both Clean Common Broken Pekoe and Medium Assam Broken Pekoe, to take only two qualities, have nearly doubled to Rs. 2-1 and Rs. 2-2, respectively. These prices represent the average for December, 1953. A year ago, gloomy reports continued to emanate from Calcutta, for the tea producers were wont to complain that the prices received were below cost of production. There has been a complete transformation of the position in tea for which the demand is now brisk. In the London market, a similar trend prevails. Last week, the price of common tea reached a record figure of 4s. a pound, as against 2s. 6d. a year ago.

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Why have tea prices advanced? Many reasons have been adduced to explain this really welcome event. There has been, according to Messrs. J. Thomas & Co., Ltd., a leading firm of commodity brokers in Calcutta, a general recognition by the trade that the consumption of tea in the U.K. has definitely increased during the past year. It would appear that the tea consumption in the U.K. has gone up by 20 million lbs. If this is correct, then the *per capita* consumption of tea in that country would be 10 lbs. Tea stocks in the U.K. have declined, over the year ended 11th December, 1953, by nearly 19 million lbs. to 99 million lbs. But this does not explain why tea consumption should have gone up, all of a sudden, in the U.K. Market observers in that country attributed this rise, in the first place, to the comparative dearness of coffee. Since the Brazilian coffee crop has been affected by frost, the prices of coffee have risen. Perhaps, some of the former votaries of coffee have now turned to tea. Incidentally, this is a warning to coffee producers in India, who must guard themselves against excessively high prices for their produce. Secondly, the derationing of sugar in the U.K. has made it possible for the tea-drinkers in that country to consume more tea than formerly. Thirdly, it would appear that the U.S., where the people are not known to be particularly fond of tea, has begun to import more tea. In 1953, tea imports into the U.S., it is stated, rose by 10 per cent. Fourthly, the traders over there are certain that, while the present stocks are low, there is no immediate prospect of fresh arrivals from India, at least, till September next. The fifth reason—and a very interesting one too—is that the growth of television parties is increasing the number of cups of tea which are drunk.

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Apart from these factors, the tea traders in India have derived encouragement from the fact that the North Indian tea crop shows a decline of nearly 23 million lbs. upto the end of November, and that there are prospects of large exports of tea to the U.S.S.R. Again, between 1st April and mid-December, shipments to Eire, it is stated, have more than doubled. Also, the demand for internal consumption is increasing. Referring to this factor and the prospects for tea, Messrs. J. Thomas & Co., Ltd., observe:

"Apart from the fact that the consumption in India is increasing, very much less tea has been sold ex-factory this year, compared to the heavy sales of 1952. These two factors have undoubtedly increased the demand in the Calcutta sales and, with a realisation that, unlike previous post-war years, in April-June 1954 little or no tea will be available, this demand is having to be concentrated in the few remaining sales left for the season 1953-54. It is reported that stocks of tea are very low throughout the country and this has caused all types suitable for India to be in very strong demand, especially whole leaf grades which have risen by about As. 6 per lb. during the past month. Stylish B.P.S. and dusts have also met keen support and prices have, as a consequence, risen considerably during the three sales of the month. Before ending this review, it may not be out of place to draw producers' attention to a factor, which next season may become a most important feature, namely, the renewed enquiry from Iranian buyers who, during December, have started again showing an interest in the few tippy teas which are available at this back-end of the season. Should conditions for trade with Iran improve and finance be so arranged that tea can once again be purchased by that country, a keen demand for tippy teas should develop next season, especially because Iran has been virtually out of the market for two years, and the stocks of tea in that country must be extremely low if there are any stocks at all."

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Although these developments are encouraging to a degree, it is perhaps well to bear in mind that, if tea prices continue to rise, there is bound to be a reaction. What is now believed to have happened to coffee might well happen to tea, though, it is true that, despite all the increases that have been registered in prices, tea remains the cheapest beverage of its kind. Again, tea producers must know that high tea prices will tempt the Government to cast its envious eyes on the industry. For one thing, the Government will be induced to increase the burden of labour welfare measures. Speaking at the recent session of the Indian Labour Conference, the Union Minister for Labour, Mr. V. V. Giri said:

"There have also been criticisms that the Plantations Labour Act, though enacted in 1951, has not yet been brought into force. While I greatly regret the delay, I am sure the house is aware of the reasons which prevented the prompt enforcement of the Act. The tea industry, which is the largest plantation industry, had to face a serious economic crisis and has only recently recovered from the shock. Plantations which had closed down have gradually reopened; prices have gone up and are promising. If there is no further deterioration in the fortunes of the industry, it should soon be possible to make a beginning with the implementation of the Plantations Labour Act." A meeting of the Plantations Committee is

(Continued on page 99)

EQUITIES RALLY AFTER EARLY DECLINE

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, 14*th January*

THE movement in equity prices on the Stock Exchange was narrowly irregular during the week under review. The recovery in prices witnessed on Thursday last week gained slight momentum early in the week, but this was not sustained for long. For a mild recession set in and persisted till Tuesday this week. This setback was, however, corrected when equities quickly responded to buying enthusiasm originating from the market's optimistic view of the country's economy. Cheerful trading, therefore, once again came to prevail towards the close. On balance, a wide range of equities emerged with sizable gains, over the week.

The improved performance of the market during the last two days seemed to justify the Union Finance Minister's view that "the rising trend in the prices of equities will get stabilised and will not witness a reversal." A section of the market seemed to interpret this as the Government's desire to stabilise economic conditions in the country for creating a very favourable climate in the investment market. Whether this view is right or not will be known only by the trend of prices during the coming months. But at present, judged by the week's performance, the market seems to have not yet been caught by pre-Budget fears. Its earlier apprehensions about the recession in the U.S. also appears to have receded by the U.S. President's State of the Union message to the Congress and the programme for disposal of farm surplus.

The outstanding development of the week so far as Tata Steel shares are concerned is the sanction given by the High Court of Bombay to the scheme for the conversion of the deferred shares into ordinary ones, as recommended by Mr. M. C. Setalvad, Attorney-General of India. A few dissenting shareholders, however, opposed the petition in the High Court, but the Court has rejected the opposition. The scheme has thus become an accomplished fact, although it is open to the opponents to the scheme to go in appeal.

In the steel section, Tata Deferreds opened the week with a smart rise from Rs. 1,986-4 to Rs. 2,000. In subsequent trading, however, they softened, on lack of support and scattered unloading, touching a low of Rs. 1,973-12 on Monday. Thereafter, the shares made a good recovery on sustained short-covering and fresh enquiries to touch Rs. 2,017-8 at one time today before closing at Rs. 2,011-4. Tata Ordinaries, after a mild break from Rs. 337-4 to Rs. 334, rallied to close at Rs. 341-4. Indian Irons were featureless, but the undertone was steady with movements confined to a very narrow range, the closing price at Rs. 25-4¼ showing no change over the week.

The textile section, on the whole, presented a very steady tone. Some of the scrips which remained in the background appeared on the scene to register smart gains over the week, reflecting thereby the market's appreciation of the trend of production and export of cloth. It is reported that the total production of cloth for 1953 amounted to 4,960 million yards, which is only 40 million yards short of the target fixed by the Planning Commission to be achieved by 1956. On the Stock Exchange, Bombay Dyeings came in for pressure early in the week, and the shares dropped from Rs. 393-2 to Rs. 386-14. A part of this loss was, however, regained when they closed at Rs. 391-14. Kohinoors moved down from Rs. 295-8 to Rs. 291-4, but latterly support was forthcoming to restore it to Rs. 296-4. Central Indias, Finlays and Gokaks each gained a rupee to Rs. 180, Rs. 257 and Rs. 243-8, respectively. Centurys advanced by Rs. 7-4 to Rs. 285, Edward Textiles by Rs. 7-8 to Rs. 257-8, Indore Malwas by Re. 1-4 to Rs. 96-4, New Citys by Rs. 2-8 to Rs. 170 and Simplex by Re. 1 to Rs. 152-8. Standards were taken up, by Rs. 6-4 higher, at Rs. 312-8 and Svadeshis, Rs. 2-4 better, at Rs. 270. Swans hardened by Rs. 2-8 to Rs. 335. Sholapurs rallied from Rs. 1,325 to Rs. 1,425 and Bradburys from Rs. 803-12 to Rs. 851-4.

Bank shares lacked support and prices tended to decline on expectation of lower profits. Barodas dropped Re. 1-8 to Rs. 107-8 and Imperial Fully Paids Rs. 5 to Rs. 1,835. Bank of Indias were a fraction down at Rs. 154-8 and United Commercials declined by Rs. 2 to Rs. 42. Centrals, however, closed As. 8 better at Rs. 64-4.

Interest in public utility shares was patchy. Ahmedabad Electrics were quiet at Rs. 112-3, while Amalgamated Electrics were unchanged at Rs. 10-8. Andhra Valleys put on Rs. 5 to Rs. 1,235. The shares have been placed on the forward list of the Stock Exchange. Tata Powers declined by Rs. 5 to Rs. 1,333, while Tata Hydros improved by Rs. 7-4 to Rs. 136. Bombay Suburbans added As. 10 to Rs. 123-12, while Surat Electrics reacted from Rs. 128-12 to Rs. 127-8.

In the miscellaneous section, Associated Cements were conspicuous with a decline of Rs. 6 to Rs. 180-8 on reports that Government may reduce the price of cement produced by the Company. Belapurs hardened by Rs. 2-8 to Rs. 245-8. Bombay Burmahs (Old) were in good demand and advanced by Rs. 16-4 to Rs. 377-8. B.I.Cs. were dull at Rs. 9-1, as also Indian Coppers at Rs. 2-11¾. National Rayons were well supported to go up from Rs. 138 to Rs. 149-8, before closing at Rs. 143-8 on profit-taking. Phaltan Sugars put on Rs. 2 to Rs. 101-8. The shares have been placed on the forward list of the Stock Exchange. Alcocks were marked up by Rs. 8-12 at Rs. 332-8. Scindias added As. 3¼ to Rs. 15-10¼ and Premier Constructions As. 12 to Rs. 114-12. Shivrajpurs were unchanged at Rs. 72-8. Tata Chemicals were a fraction lower at Rs. 11-3 and Tata Oils at Rs. 32-8. Wimcos were steady at Rs. 200.

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Calcutta Stock Exchange

CALCUTTA, 13*th January*

Narrow price movements characterised trading on the Calcutta Stock Exchange during the week under review. The volume of transactions was again limited, as, in the absence of fresh incentives and any development which could remove the present uncertainty, prudent buyers preferred to keep quiet. What would happen in Korea in the near future is difficult to foresee, but, if from the present threats of both the opposing parties conflagration results once again, the view that hostilities would no longer be localised in Korea is held in certain market circles, whose activities always take into consideration a correct appreciation of immediate possibilities. Reliance is placed on renewed Indian attempts for peace, but in the event of a war economic progress in India would be affected. No doubt, the world situation is such as to encourage the speculative elements in the market, but recent experience of operators would indicate that it is better to proceed on realities rather than rely on speculative forces.

If the American military aid to Pakistan becomes a reality and if the extent of the aid is such as to affect Indo-Pakistani relations, anxiety would be felt over trade relations between the two countries. If jute supplies from Pakistan are affected, the raw material position for the jute industry would create some anxiety. Presumably, the operators had this in mind when they did not pay as much attention to jute shares as would have been justified by the news of satisfactory dividend recommendations in respect of the Bird-Heilgers group of jute companies. Already the Pakistani market for Indian manufactured goods is limited by import restrictions, but anxiety in this regard also will continue to be felt until the position regarding military aid to Pakistan is cleared.

But for the above factors, the market would have reacted in a better way to the news of satisfactory output for December for the Indian Iron and Steel Company, the encouraging results relating to cotton textile exports during 1953 enabling India to emerge as the second largest exporter, the prospects of increased steel imports as a result of American assistance and the possibility of an expanded market for Indian coal in Far Eastern countries. Indeed, the outlook for the major industries is good, but market enthusiasm would depend on an improvement of the Korean situation and clearer news from Pakistan.

In the engineering section, Indian Irons opened at Rs. 25-5 and for a time were fractionally better at Rs. 25-7 on expectations of an imminent announcement of an increase in the retention prices of steel, but subsequently gave way to Rs. 25-5. The maintenance of the improvement in production was noted with satisfaction, as in December the output of pig iron was 64,510 tons, steel ingots 43,080 tons and semi-finished and finished steels 41,740 tons, as against 61,240, 51,550 and 32,970 tons, respectively, in November. The expectation is that this improvement would be maintained in the coming months and that the dividend for the current accounting period would not be affected by the recent loss in production. Indian Galvanizings were steady at Rs. 15-10, and Braithwaites were attended at Rs. 13-9. Jessops receded from Rs. 25-7 to Rs. 25, but subsequently made good the loss. Kumardhubis were supported at Rs. 8-2.

Jutes were quiet, Howrahs being transacted at Rs. 23-15 *cum*-div. Fort Glosters gave way from a previous rate of Rs. 372 to Rs. 350. Indias were not better at Rs. 120, and Barnagores lost a point to Rs. 146. On the news regarding increased dividend, Northbrooks realised Rs. 19-10. Anglo-Indias were steady at Rs. 200, while Budge Budges at Rs. 147 accounted for a loss of 10 points.

In the coal section, Bengals were a shade better at Rs. 505, while East Indians declined from Rs. 26-2 to Rs. 25-8. Burrakurs were unaltered at Rs. 8-7 and Equitables at Rs. 30-12 were As. 2 lower. New Beerbhooms, after giving way from Rs. 18-13 to Rs. 17-15, realised Rs. 18-2. Raneegunges were quiet at Rs. 10-14.

A few features were provided in the miscellaneous section. In earlier transactions, Rohtas Industries improved from Rs. 11-4 to Rs. 11-9 but subsequently moved to Rs. 11-6. Orient Papers featured with a rise to Rs. 44-10 from Rs. 43-14. Titaghur Papers changed hands at Rs. 35-9 and India Paper Pulps receded from Rs. 182 to Rs. 178. Rallis India realised Rs. 60-4, Midnapore Zemindaries Rs. 36-8 and India Steamships Rs. 7-1, Martin Burns were traded at Rs. 19-9.

The feature in the tea section was a rise in prices during the last two sessions following the highly satisfactory results in the latest export and internal auctions. New Doors were taken at Rs. 390, and Hasimaras advanced from Rs. 31 to Rs. 31-14. Dhelakhats at Rs. 13-14 were better by As. 12 and Teen Alis firmed to Rs. 26-2. Other steady counters included Birparas, Rajabhats and Choonabhutis at Rs. 96, Rs. 20-8 and Rs. 279, respectively.

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Madras Stock Exchange

MADRAS, 12*th January*

The Madras Stock Exchange presented a fairly good appearance this week too. The upward trend, which had been in evidence in textiles for some weeks past, persisted, on continued reports of encouraging enquiries for piecegoods from overseas countries. In the planting section, reports of a record rise in the price of tea to 4s. a pound in the U.K., following increased consumption of tea there, created buoyant conditions in trading in tea shares. But coffee scrips came in for only selective enquiry, on sporadic speculative support. Rubbers and miscellaneous scrips were, however, somewhat dull, in the absence of any favourable development. On balance, textile and tea scrips registered good gains, while the rest disclosed a mixed show.

Favourites among textile shares continued to enjoy support. Lakshmis, Rs. 50 paid-ups, shot up from Rs. 82 to Rs. 86 and the Rs. 25 paid-ups from Rs. 41 to Rs. 42. Dhanalakshmis were higher by Rs. 2 at Rs. 202. Venkateshas put on a similar amount to Rs. 92 *cum*-right. Coimbatore Spinnings and Buckinghams rallied Re. 1-8 each to Rs. 37-8 and Rs. 126, respectively. Travancore Rayons gathered As. 8 to Rs. 7-5. Pankajas, however, lost Rs. 3 to Rs. 50 and Bangalore Woollens Rs. 2-8 to Rs. 285. Loyals were lower by As. 2 at Rs. 18-14.

Among plantings, teas provided the highlight, with prices generally recording notable gains over the week. Thus, Hailleyburias and United Nilgiris disclosed a gain of As. 8 each at Rs. 14-8 and Rs. 206-8, respectively. Chembras advanced from Rs. 3-3 to Rs. 3-7 and Chandramalais from Rs. 3-1 to Rs. 3-3. Waterfalls were done higher at Rs. 3-15 as against Rs. 3-12. Emerald Valleys, however, lost an anna to Rs. 4-6.

In the coffee section, Coffee Lands improved from Rs. 7-11 to Rs. 7-15 and Consolidated Coffee from Rs. 15-12 to Rs. 15-14. Nil Neergundis and Shevroys were, however, slightly lower at Rs. 3-8¼ and Re. 1-3, respectively. Kadur Coffee was quiet at Re. 1-8.

Rubbers lacked interest. Vaikundams eased from Rs. 16-2 to Rs. 15-14. Cochin Malabars, Teekoys and Thirumbadis were fractionally lower at Rs. 6-14¼, Rs. 6-11 and Rs. 3-2½, respectively. But Rajagiris gained As. 3 to Rs. 10-9. Kailas was slightly better at Rs. 3-8.

In the miscellaneous section, Cochin State Electrics gained Rs. 2-8 to Rs. 13 and South Arcot Re. 1 to Rs. 95. Mysore Sugar gained As. 8 to Rs. 44 and Mysore Chemicals and Fertilisers As. 4 to Rs. 9-8. Parrys were fractionally higher at Rs. 4-6. But Vanguard Life Insurance lost Re. 1 to Rs. 18. Rallis eased from Rs. 60-12 to Rs. 60. Mysore Tobaccos were lower by As. 4 at Rs. 10-14. Spencers were quiet at Rs. 15 and Indian Aluminium at Rs. 105.

THE BANK OF INDIA, LTD.

THE PROFIT OF THE BANK OF INDIA Limited for the year ended 31st December, 1953, subject to audit, including the sum of Rs. 6,36,553-4-6 brought forward amounts to ... ... Rs. 82,39,778 2 6

	Rs.	a.	p.
Provision for Income Tax and Super Tax	29,00,000	0	0
Interim dividend at the rate of 6 per cent. free of income-tax for the half-year ended 30th June, 1953	15,00,000	0	0
The balance available for distribution is Rs. 38,39,778-2-6			
The Directors propose to pay a final dividend at the rate of 8 per cent. free of income-tax making 14 per cent. for the year ...	20,00,000	0	0
Carry Forward subject to the payment of a bonus to the staff	18,39,778	2	6
Rs.	82,39,778	2	6

HONGKONG AND SHANGHAI BANKING CORPORATION

The Hongkong and Shanghai Banking Corporation has declared, subject to audit, a final dividend of £3 per share, free of Hong Kong Corporation profits tax, for the year ended 31st December, 1953. The amount written off bank premises is H.K. $4 million and the sum carried forward is approximately H.K. $9,875,000.

NEWS IN BRIEF

THE Central Tractor Organisation will have reclaimed nearly one million acres of land by the middle of 1954.

The Uttar Pradesh Government proposes to implement a three-year plan for bringing 100,000 acres of land under the cultivation of improved varieties of cotton.

Under the "Own Your Telephone" scheme, up to the end of November, 1953, a sum of Rs. 3,82,98,000 was realised and 15,776 telephone connections were supplied.

A joint session of the Houses of Parliament will be meeting on 15th February, 1954. The Railway and the General Budgets will be presented on 17th and 27th February, respectively.

The Industrial Disputes (Amendment) Act, 1953, which provides for payment of compensation to workmen in the event of their lay-off or retrenchment, received the assent of the President on the 11th inst.

The Government of India has lifted the ban on forward trading in *gur*. The question of bringing this commodity within the purview of the Forward Contracts (Regulation) Act, 1952, is under the consideration of the Forward Markets Commission.

During the first year's working of Community Projects (October, 1952—September, 1953), the people's contribution towards the projects amounted to Rs. 1.51 crores, as against a total Government expenditure of Rs. 1.95 crores.

The Indian railways have an annual income of about Rs. 25 lakhs from privately-managed catering establishments, including refreshment rooms and vending stalls. The railways themselves manage 43 refreshment rooms.

A 42-mile gold belt, yielding 45 tolas of the precious metal for every 100 square feet, is reported to have been discovered along the Baitarni River in Orissa. The Indian Bureau of Scientific Research is busy sieving the soil in the Keonjhari hills near Mukandpur to assess the approximate quantum of gold in this area.

The West Bengal Government has decided to explore the industrial possibilities of the Gangetic silt and clay in the foreshore of the Hooghly. A special officer is being appointed for the purpose. Silt and clay that are deposited every year in the river may be profitably used for ceramic industry and for manufacturing bricks. The silt and clay, if properly organised industrially, will have a good market in Japan and some other countries.

An agreement between the Government of India and the Standard-Vacuum Oil Company for the joint exploration for petroleum and production of petroleum, if discovered in commercial quantities in West Bengal, was signed in New Delhi on 24th December, 1953. The agreement provides for a contribution of one quarter of the total expenditure by the Government and the balance by Standard-Vacuum. The aggregate contribution of the Government will not, however, exceed Rs. 2½ crores, unless the Government provides further contributions towards the continued expenditure on the project. Standard-Vacuum has given the assurance that, if commercial production of oil in sufficient quantities were to be established, it would consider the erection and operation of a refinery of a minimum capacity of at least 10,000 barrels per day. The Company will manage the joint operations. The Government and Standard-Vacuum will each nominate an official who will discuss from time to time the programme of the joint operation.

* * * *

From Abroad

The Republic of China has been admitted as a member of the International Civil Aviation Organisation.

Negotiations for a joint oil venture between the Burmese Government and the Burmah Oil Company are expected to conclude by the end of this month.

A trade agreement between Soviet Russia and Burma is expected to be concluded shortly. Under the proposed agreement, Burma is to export to Russia rice in return for coal and other products.

The Government of Southern Rhodesia has permitted limited imports of Japanese cotton and rayon piecegoods during the current half-year. The quantity permitted will be about 15 per cent. of the total imports.

The U.S. population as on 1st January, 1954, is estimated at 161,200,000. This is 2,700,000 more than the estimated population a year before and 10 million more as compared with the last general population census of 1950.

The World Bank is examining Ceylon's request for a loan of Rs. 10 crores (£7.5 million). The loan has been sought for implementing the Aberdeen-Laxapana hydro-electric project which will generate an additional 25,000 kw. for Colombo's electricity system.

The U.S. tobacco industry has formed an industrial research committee to study all phases of the use of tobacco and their possible effects on health. The Committee includes members drawn from the major cigarette manufacturing firms and associations of tobacco growers.

All the contracting parties to the General Agreement on Tariffs and Trade, excepting Australia, Brazil, and Peru, have signed the declaration extending the life of the G.A.T.T. tariff schedule, which expired on 31st December, 1953, to 1st July, 1955.

The aggregate world production of newsprint in 1953 was 10.88 million tons, as compared with 10.59 million tons in the previous year. Consequent on this improvement, the shortage in supplies was to the extent of only 3,000 tons—all in Japan—as against 47,000 tons in 1952.

The total amount of loans sanctioned by the World Bank during 1953 was $256.9 million, the number of loans and the recipient countries being 22 and 13, respectively. These transactions bring the total amount of loans sanctioned by the Bank to $1,780 million, representing 94 loans to 31 countries.

Twenty countries have agreed to extend most-favoured-nation treatment to Japan, pending the latter's accession to the G.A.T.T. The countries which have signed are Austria, Belgium, Denmark, Finland, Germany, India, Italy, the Netherlands, Turkey, the U.S., Chile, Sweden, Luxembourg, Haiti, Norway, Ceylon, Nicaragua, Dominican Republic, Burma and Uruguay.

The Australian Government is considering a proposal to relax the remaining import control on British goods with effect from April next. Accordingly, imports of most types of British goods will be restored to the level existing in 1951, that is before the controls were imposed. Imports of chinaware, textiles and engineering products will benefit considerably.

The third session of the E.C.A.F.E. Inland Transport Committee will be held in Kandy, Ceylon, from the 20th to 25th inst. At this session, the Committee will examine the reports of the Railway and Highway Sub-Committees. It will also review the activities in the field of inland waterways and consider the question relating to mechanisation of accounts in transport undertakings.

The British Government has announced reduction in the purchase tax on a number of articles, which is estimated to cost the Treasury about £2 million net per annum. The taxes on mirrors, goldsmiths' and silversmiths' ware, electrial goods, clocks and watches, garden ornaments, etc., have been reduced from 75 per cent. to 70 per cent. Taxes on fabric lampshades, washing machines, elastic fabrics, and certain tiles, strips and blocks have been lowered from 50 per cent. to 25 per cent.

Deposits of crude oil have been discovered by the West Australian Petroleum Pty. Ltd. (W.A.P.E.T.) in the Exmouth Gulf on the West Coast of Australia about 700 miles north of Perth. This has been announced by the California Texas Corporation which holds 80 per cent. interest in the W.A.P.E.T., the remaining 20 per cent. being held by the Australian firm A.M.P.O.L. Perforation tests at the well were completed recently and drilling for deep testing has now been commenced.

The Nepal Government has withdrawn certain facilities given to the traders in the payment of customs duty for goods imported into Nepal. Traders were hitherto allowed the facility to make payments for customs duty once a year to the Government Treasury, instead of making immediate cash payment. Under the new rules, payment for customs duty will have to be made at the Kathmandu Customs Office and at Gauchar airport, six miles from Kathmandu, immediately at the time of taking away the goods.

The rate at which the population of the world is rising is about 70,000 per day, according to the estimate made by the U.S. Population Reference Bureau. The world's population in 1933 was 2,500 million, which is 25 million more than in the previous year. This is expected to increase to about 7,000 million in the next 100 years. The average population density of the world is 47 persons per square mile. The density in Europe varies from 4 in Iceland to 831 in the Netherlands and that in the Western Hemisphere from 4 in Canada to 652 in Puerto Rico.

The British Iron and Steel Corporation has concluded a deal with the U.S.S.R. for the purchase of pig-iron for shipment over the next six months. The quantity is understood to involve a tonnage in excess of 100,000 tons of basic steel-making iron, low in phosphorus content. Although no actual details of the price paid are disclosed, it is understood that it compares favourably with U.K. domestic prices. These range from £16-12 to £17-19-6 per ton delivered, according to destination. It is believed to be the first post-war deal in pig-iron between the two countries. Official quarters say that the purchase represents a purely commercial transaction.

PERSONAL

MR. Tikaram Paliwal has joined the Rajasthan Cabinet as Minister for Finance, Public Works and Law.

Mr. Ismail Kamal, Egyptian Ambassador in India, has left for Cairo for consultations with the home Government.

Mr. Anand Mohan Sahay, Indian Commissioner in Mauritius, has been concurrently appointed Consul General for India in Madagascar.

Mr. A. N. Ghosh, I.C.S., formerly India's Commissioner in the Andamans, has been appointed Manager of the Government Electronics and Wireless Factory.

Mr. S. Foster, Secretary, Burmah-Shell Oil Storage and Distributing Company of India, London, who is on a tour to inspect the Burmah-Shell Organisation in India arrived in Bombay on Monday last.

Mr. Bindbasini Prasad, a retired Judge of the Allahabad High Court and a member of the Income-tax Commission, has been appointed President of the Bombay Bench of the Labour Appellate Tribunal.

Mr. John Davison Rockefeller, Chairman of the Board of the Rockefeller Foundation, is now on a visit to India to study the conditions in the country, particularly in the fields of agriculture and education.

Mr. B. Rama Rau will continue to be the Governor of the Reserve Bank of India for a further period of one year with effect from 1st July, 1954, when his present term expires.

Nawab Ali Yavar Jung Bahadur, India's Ambassador in Argentina, is to be appointed India's Ambassador to Egypt *vice* Mr. K. M. Panikkar who has been appointed a member of the States Reorganisation Commission.

Sir Jeremy Raisman, a former Finance Member of the Government of India and at present the Chairman of the Central African Federation Fiscal Commission, who arrived in Bombay this week, will be leaving for New Delhi today.

Mr. William T. Turner, who was until recently U.S. Counsellor of Embassy with the personal rank of Minister at Tokyo and has been appointed American Consul-General in the Bombay Consular area, arrived in Bombay from Cairo on Tuesday last.

Mr. Arthur C. Bartlett, Chief Information Officer in India for the U.S. Information Service, has assumed charge as Public Affairs Officer of the U.S.I.S. in Bombay, in place of Mr. Jack Y. Bryan who has been transferred to Bangalore.

Mr. P. V. R. Rao of the Indian Audit and Accounts Services has joined the Central Ministry of Information and Broadcasting as Deputy Secretary on special duty. Mr. Rao will study the problems relating to revenue expenditure and accounts and stores control in respect of the different stations of the All-India Radio and the Films Division.

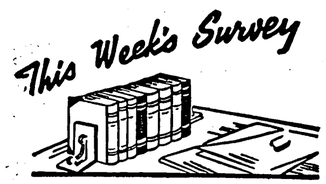
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 12*th January*

Role of Tea

In one of our leading articles of last week, we were pleased to deliver a brief homily upon the great changes that have taken place, and are still taking place, in almost every walk of life—in trade, in commerce, in the world's finance, in the social habits and customs of the people. But, through lack of space, we made no reference to the important part that tea has played in these mutations. We may remedy the defect upon the present occasion, for we are called upon, in conjunction with Messrs. Brooke Bond and Company's annual report, to review the trend of the tea trade during the year that we have just left behind us. A remarkable and salutary alteration has occurred in the drinking habits of the British people since Peps wrote:—"And afterwards I did send for a cup of tea (a China drink), of which I never did drink before, and went away." Alcoholic drinks were the customary libations in those days, and, in the Georgian period, the trencher prowess of a social "big wig" was estimated according to the one, two or three bottles he was able to imbibe at a single sitting. It was even worse in Scotland, for Dean Ramsay tells us, in his reminiscences, that boys, called "cravat boys," were specially engaged in most big houses on festive occasions whose duty it was to loosen the cravats of the drunken guests as they fell from their chairs, helpless on account of their excessive potions. But, in these enlightened days, neither whisky nor beer nor port nor sherry, can be truthfully described as Britain's leading national beverages, their places having been largely usurped by "the cup that cheers but does not inebriate." The wave of voluntary temperance that has spread over England during the last few years has been appreciably encouraged, at all events, by the tea shops of Slater, Lyons, and the A B C, and it is our pleasurable reflections on this point that imparts an added zest to the task that now confronts us of reviewing the tea trade in 1927-28.



U. S. ECONOMY

PRESIDENT Eisenhower's "State of the Union" message, delivered last week, includes, as usual, a rapid survey of the U.S. economy. In view of the fact that many distracting critics have predicted dire disaster for the country's economy, it is heartening to note the quiet confidence with which he dealt with this subject. He emphasised that the Administration was determined to keep the American economy, when he described as one of the "wonders of the world," strong and to keep it growing. He was confident that the "transition from a war-time to a peace-time economy" could be completed without serious interruption to the country's economic growth. He derived this confidence from the fact that the country has just completed the "most prosperous year in its history," and from the fact that the "damaging effect of inflation on the wages, pensions, salaries and savings" had been brought under control. He would not, however, allow the country to rest on its laurels. Rather, he urged continued economic preparedness which was "fully as important to the nation as military preparedness."

Since the budget for the year ending June, 1955, which is scheduled to be presented on 21st January, 1954, will be the first Republican budget, it will arouse considerable interest. In his message, Mr. Eisenhower chose to give a broad picture of the present budgetary situation and also an outline of the changes. He recalled how the Republican Administration had effected severe reductions in the appropriations requested by the previous Administration. In the current fiscal year, the spending level has been reduced by $7,000 million. Incidentally, the Federal Government, it is stated, has some 183,000 fewer employees now. In the next fiscal year, it is predicted that there will be a further reduction of $5,000 million. Because of this cut in expenditure and despite the tax reductions, already made, and tax adjustments that would soon be proposed, the spending level would "move the new budget closer to a balance." In view of the "tremendous accumulation" of unfinanced obligations incurred by the Government under past appropriations the growth in the public debt, he said, could not be stopped.

Mr. Eisenhower promised that, as additional reductions in expenditure were made, it would be possible to effect further reductions in taxes. He recalled how the Administration had already reduced individual income-taxes and allowed excess profits tax to expire; these reliefs were given effect to from the 1st inst. He also emphasised that the tax system needed revision. It would appear that the groundwork for this revision has already been laid by the Treasury. Perhaps, those who are now engaged in the revision of the fiscal system in India, will derive some benefit from a study of the suggestions for tax reform made by the U.S. Treasury. The U.S. President said that, while corporation income-tax would be kept at the current rate of 52 per cent. for another year and the excise taxes too would be maintained, the Government proposed more liberal tax treatment for dependent children, widows and widowers with dependent children.

Explaining the objectives of the Government's tax policy, Mr. Eisenhower said: "We should now remove the more glaring tax inequities, particularly on small taxpayers; reduce restraints on the growth of small business; and make other changes that will encourage initiative, enterprise and production." These are praiseworthy aims. What will strike many people in this country as particularly laudable about them is the emphasis placed on the removal of "restraints on the growth of small business" which reflects the Administration's anxiety to protect the "small man" in business, to keep alive conditions of free competition, and to prevent the emergence of monopolistic economy so fatal to democracy.

SALES TAX ON INTER-STATE TRADE

The Government of Madras has done well to clarify the position of the dealers outside the State who have commercial transactions with that State. In a Press note, issued this week, the Government has outlined the scheme under which these dealers will be assessed for sales tax and the taxes recovered from them. Since the scheme is likely to be adopted by other States also it deserves wider publicity than it has apparently received.

The scheme has been devised to enable the State to exercise its right to collect sales tax from dealers who choose to sell their goods to that State, a right which is beyond dispute, in the light of the Supreme Court's judgment in *Bombay State* vs. *United Motors (India) Ltd.* It will be recalled that, in this case, the Court held that, in respect of inter-State transactions, only the State where the goods are delivered and consumed would be competent to levy sales tax. The Government of Madras has decided to levy sales tax on such transactions with retrospective effect from 1st April, 1953, the date on which the judgment was delivered.

After this judgment was delivered, the States began to exercise their right to collect tax from the dealers outside their jurisdiction wherever it was clear that they had sold goods to the taxing State. But the exercise of this right meant considerable hardship to the dealers, because not only was the tax demanded with retrospective effect but also several taxing States began to ask the dealers outside their State to produce their account books at the taxing States for assessment. Since the issues were complicated and no uniform procedure could be evolved without prior consultation, the Central Government took the initiative in convening at New Delhi a meeting of the officials of the Finance Departments of States. It would appear that certain interim arrangements were decided upon at this meeting. In pursuance of these decisions, the Madras Government has initiated, with effect from 1st January, 1954, a scheme for the recovery of sales tax. Explaining the scheme, an official press note says:

"All non-resident dealers who become liable to sales tax with reference to the Supreme Court judgment shall submit once in every quarter returns in respect of inter-State transactions pertaining to Madras State. Such returns shall be submitted by post in a form (to be prescribed) and shall be accompanied by a declaration furnished by the purchasing dealer in this State to whom serially numbered and authenticated forms of declaration will be issued in triplicate for the purpose. The returns should be submitted to such authority or authorities as will be specified by this State and who will deal with all non-resident dealers. Such authority or authorities shall assess the transactions of the non-resident dealer and if necessary, before making the assessment, examine the dealer's accounts at the headquarters of the Sales Tax Officer concerned in the State of the dealer's residence. The Sales Tax authorities of the dealer's State will also verify, in the course of their inspection of the dealer's accounts, whether any exports to other States have been made and if so, furnish the relevant information to the State entitled to tax such transactions. All final appeals against the order of assessment and all proceedings involving the exercise of revisional jurisdiction will be heard and dealt with at the normal headquarters of the authority in this State in whom such appellate or revisional powers vest. All the earlier appeals will be heard at the request of the dealer at one or more central places in the State of the dealer's residence. The tax due from non-resident dealers may be paid by crossed cheques, postal orders, or demand drafts and not necessarily at the treasuries in this State."

Although the aforesaid scheme has certain commendable features—for instance, it eliminates the need for the sellers in the sending State to appear before the sales tax authorities of the receiving State, since their accounts will be examined at the "headquarters of the sales tax officer concerned in the State of the dealer's residence"—it is really no great improvement over the present position. This is because the success of the scheme depends upon the submission of evidence of purchase by the purchasing dealers in the receiving State. When the scheme is adopted by all the States, it would mean that a seller from any particular State to the other States will have to obtain returns from the buyers in all those States. This would impose a very heavy burden indeed, considering that the purchasers may not always be keen on sending such returns to the sellers. From this point of view, the suggestion for the adoption of a system of purchase tax by all the States, which has been made by several commercial organisations, seems the only workable scheme for the collection of sales tax on inter-State transactions. This system deserves to be considered both for the sake of its simplicity and the ease with which taxes may be collected.

The success of the scheme will also depend upon the degree of co-operation of the authorities in the States. Be that as it may, it is not clear why other States have not issued similar Press notes to explain the scheme. It is to be hoped that they will lose no time in doing this, since inter-State trade has suffered on account of the uncertainties relating to sales tax on such transactions.

EXPORT OF COTTON TEXTILES

Reviewing the trend of India's export trade in mill-made cloth during 1953 in our *Annual Review Number*, we estimated the aggregate exports at 700 million yards. The preliminary figures relating to exports now available conform to this estimate. Thus, the quantity of cloth passed for shipment from India during the month of December, 1953, for instance, was 77.6 million yards—the highest for the past 17 months—which brings the total for the whole calendar year to 701.3 million yards. This figure compares favourably with the exports of 593.8 million yards in 1952, representing an increase of 16 per cent. But, as compared with the Buxton target of 1,000 million yards and the actual exports of 780 million yards in 1951 and 1,133 million yards in 1950, exports during 1953 are not so impressive. They were, however, not as bad as one had feared, thanks to the reduction in the export duty on coarse and medium cloth in January, 1953, and its final abolition on medium cloth in October, 1953.

The improvement in exports of mill-made cloth during the year under review, as noted above, helped India to occupy the second place among the cotton textile exporting countries, as against the fourth place to which it had been pushed down in the preceding year. India's aggregate exports of all kinds of cotton textiles in 1953 are estimated at 750 million square yards by the Textile Export Association of the United States. During the year, Japan held the pride of place as the world's largest exporter of cotton textiles, the quantity actually exported being 900 million yards. Last year, it may be noted, Japan occupied only the second place with exports amounting to 753 million square yards. The U.S., which enjoyed the distinction of being the largest exporter of cotton textiles in the world with 762 million yards to its credit in 1952, came to occupy the fourth place in 1953 with 600 million square yards. The reduction in textile exports from the U.S. thus was due to intensification of import restrictions in many foreign markets. In addition, three large markets in Latin America, namely, Cuba, Venezuela and Peru, cut their imports, while in the Far East competition from Japan and India resulted in reduced U.S. imports into Indonesia and surrounding markets. The U.K., however, retained its third place with exports amounting to 700 million square yards, despite this figure being 11 million yards less than in 1952.

To revert to India's exports of mill-made cloth during 1953. A feature of this trade was that nearly one-quarter of the year's total exports of medium cloth was passed for shipment in the last two months of the year, that is, in the period closely following the removal of the export duty in October, 1953. The variety-wise break-down of the 1953 figures, as compared with the previous year, are given below:

(In million yards)

	1952	1953
Medium	138.7	273.9
Coarse	168.1	260.7
Fine	264.4	152.5
Superfine	22.6	14.2
Total ...	593.8	701.3

It will be seen from the above figures that exports of medium and coarse varieties have registered a significant rise in 1953, while those of fine and superfine varieties have suffered a fall. The fall is the result of high level of prices, thanks particularly to the import duty of As. 2 per lb. of foreign cotton. With the grant, however, of the drawback of import duty on cotton used in cloth meant for export, recently announced by the Central Government, one can expect an improvement in exports of these varieties in the coming months, although much will depend on the trend of world trade.

TECHNICAL ASSISTANCE

At the forthcoming session of the Economic Commission for Asia and the Far East, which is scheduled to be held on 8th February at Kandy, Ceylon, the subject of technical assistance may be expected to evoke special attention, since the efforts of the Governments of the underdeveloped and undeveloped countries in the E.C.A.F.E. region at raising the living standards of the people have been frequently

hampered by the paucity of technical personnel. Despite the active assistance and encouragement given by the various United Nations bodies, the progress so far made has not been appreciable, thanks to limitation of funds. Thus, the U.N. Technical Assistance (U.N.T.A.A.), in its report on the technical assistance activities in economic development and public administration in the E.C.A.F.E. region, 1953, observes:

"Limitation of funds has prevented progress being made on several important projects and has delayed others—the increasing interest and understanding of the usefulness of a planned and co-ordinated programme of technical assistance shown by Governments of the region during the first years of the programme, and the heavier demands for this assistance addressed to all agencies cannot be matched by the availability of resources to meet them."

The limitation of funds was particularly felt during the year 1953. Owing to the lag in payment of contributions, it became necessary for the Technical Assistance Board to ask all agencies to curtail their programmes. Consequently, the allocation of funds for the E.C.A.F.E. region during 1953 was less than $1,195,000, which is just a trickle as compared with the actual requirements. New projects had, therefore, to be postponed or drastically reduced or set aside altogether. Considering all this, it is, indeed, gratifying to note that the 1954 programme in Asia and the Far East, including that under the Expanded Programme, submitted to the Executive Chairman of the Technical Assistance Board, envisages an increase in the allocation to $1,357,520. Of this, economic development, social welfare and public administration projects account for 78 per cent., 20 per cent. and 2 per cent., respectively.

It will be appropriate to review, in this connection, the technical assistance activities of the U.N.T.A.A. in countries of Asia and the Far East during 1953. According to the U.N.T.A.A.'s report, several Governments took advantage of the services made available through the technical assistance programme in the implementation of long-range development plans. The experts advised the Governments of the respective countries on the pattern, emphasis and time-table best suited to the country's problems and needs. Requests for technical assistance from seven different countries for the development of the power, water and mineral resources were complied with. There was also a large number of requests for assistance in the field of industrial expansion which indicates the desire of the countries to achieve a balanced economy by starting new industries, expanding the size of the existing ones, and improving the methods and organisation of those long established. The other spheres in which the U.N.T.A.A. provided technical assistance included housing and town planning, trade promotion, improvement of transport and communication, mineral resources development, and establishment and maintenance of sound statistical services. In addition to these projects in selected fields, technical assistance was provided by the U.N.T.A.A. in fields like co-operation, fiscal and monetary policy, community organisation, money and banking, and insurance. Besides providing technical assistance, the U.N.T.A.A. awarded a number of fellowships and scholarships for the training of personnel in the economically advanced countries of the West.

It will be evident from this brief survey that the U.N.T.A.A. has given due consideration to the recommendations of the Economic Commission for Asia and the Far East with reference to technical assistance matters, generally, and to projects of regional significance, in particular. If, however, the Administration has not been able fully to meet the requirements of the countries in the Asian and the Far Eastern region, it is due partly to paucity of funds, as already stated, and partly to the competing demands put forward by countries in other areas, as, for example, Europe, Africa and South America. It is precisely this factor which brings to the fore the need for launching, by the countries themselves, a bold programme of securing technical assistance on a mutual and better co-ordinated basis. It is to be hoped that this question will receive careful examination at the hands of E.C.A.F.E. when it meets at Kandy (Ceylon) next month.

(*Concluded from third column*)

contrary in the person of the Education Minister himself? Even though he was compelled to undergo such a tortuous course of training, it did not deter him from loving his country with great ardour. When a giant is driven to use a ten-ton steam-roller to flatten out a fly, one cannot help regarding such a waste of effort and energy as an outcome of passion and prejudice, whatever high-sounding name the authority indulging in such warfare might use to cloak its vendetta.—*All Rights Reserved.*

OFF THE RECORD

(*By "ROVER"*)

A FURIOUS wagging of the tongue has never been taken as a sign of the strength of a case so espoused or of those defending it in this manner. When a man in his extremity falls back on this weapon, it is not only that he uses it so clumsily as often to wound himself, but he makes himself and the cause he sets out to defend so ridiculous that it comes to be irritrievably lost. There is nothing more deadly and fatal for a public or a private issue than ridicule. It is because of this little wisdom, which I have garnered painfully through countless years of toil and sorrow, that I have been praying silently during the last few weeks that someone in the Government of Bombay would persuade Mr. Dinkarrao Desai, Minister for Law and Education, to hold his tongue in the controversy he has raised by banning the admission of children of other communities to what go by the name of Anglo-Indian schools. I have noticed that every time Mr. Desai opens his mouth and lets fall a few gems of wisdom on this question, he maybe unwittingly, puts his feet square into it. The surprising part of it all is that one who, before an unexpected turn of events catapulted him as a Minister in the State Government, was a legal practitioner for long years, should not have learnt his lesson once for all about the value of silence in advocacy on certain occasions. I used to have frequent skirmishes with him in these columns when he was in charge of Civil Supply in the previous Government, but I had felt relieved when Mr. Morarji Desai relegated him to the comparatively peaceful pastures of pedagogy. I believed then that there would be few opportunities for people like me to come into conflict with this otherwise amiable and good-hearted man and Minister, except occasionally over his patented process of carrying on a lucrative and monopolistic business in skimmed milk powder.

But just as there are people who feel lonely if they are out of a scrap or a dog-fight for long, there are ministers who feel their authority slipping away from between their fingers, if they cannot raise a storm and make themselves a centre of acrid controversy. Something in them seems almost to drive them to do or say something to draw on themselves the displeasure, if not the wrath, of a large number of people. They appear to labour under a subconscious belief that authority is not worth having, unless its exercise enables them to make life unpleasant for some of their fellow men over whom they are placed to rule. Unfortunately for the State of Bombay, Mr. Dinkarrao Desai does not happen to be the only specimen of this category of politicians in the present Government. Having had a long respite in a comparatively more comfortable billet, it is not surprising that this Minister should now be spoiling for a good fight. He has started this by hurling a heavy brick in the quiet and peaceful backwaters of Anglo-Indian schools in the State.

Though I have come by long and pleasant association to love the English language, I am no champion of the Anglo-Indian schools. I cannot forget that, in the past some of these were hot-beds of a singular type of snobbery, which some of us found rather annoying in those days. But times have changed and these institutions have become unexceptionably national in their outlook, maintaining at the same time a high degree of tuition and discipline, which, unfortunately, have tended to disappear gradually from other institutions. In any case, Mr. Desai and his Government are grievously in the wrong in holding that the present agitation against the official ukase prohibiting the use of English as the medium of education for non-Christian children has been launched by this class of schools in the State, as Mr. Desai tried to convey at Nadiad early this week.

If the discontent were primarily confined to this community or this category of schools, it would have died down no sooner than it was made vocal. In its strong, emotional partisanship for a favourite fad, the Government has failed to realise that a large number of thinking people outside this community and an influential section of the Press have combined to lend their support to this agitation. It is this force of enlightened public opinion which has fanned the fire of this controversy and but for this not unexpected backing, the voice of this microscopic section of the public, however right its outcry, would have remained merely a cry in the wilderness.

It is not as if those who oppose this step of the Bombay Government are anti-Hindi or ranged against the development of any of the regional languages. Many of us have long been disturbed by the unseemly crusade against the English language from various directions. In the first place, we had our quarrel only against the overlordship exercised by the British over us in our own country. That quarrel has been settled in a manner which is a lesson for the whole world. Today we are not only extremely friendly politically and in business and industry with Britain, but we have voluntarily chosen to remain within the Commonwealth. Even in those days of bitter struggle, we had no quarrel with the English language. Besides, this language now no longer belongs to the Britishers. It has become an international instrument of harmony and accord amongst various peoples of the world. Indian nationalism has never been so fanatically circumscribed as to exclude the concept of world citizenship. Hatred of people or things foreign had never been its distinguishing mark. That is the reason why Mr. Jawaharlal Nehru is today the most respected and loved citizen of this world, besides being the Prime Minister of our country.

The business community, too, though not directly interested in the world of learning or letters, has, because of its need for international contacts and advance in the knowledge of technology within the country, been silently worried over the narrow-minded attempts of some of the professional patriots to jettison English from its present place in the curriculum of schools. All this pent-up discontent against the many experiments of doubtful value in the sphere of education amongst the more enlightened sections of society has erupted all of a sudden in support of the stand taken by the Anglo-Indian schools against this move of the Government. The public, especially the thinking section of it, has a horror of any form of highhandedness and bigotry. They see in this policy of the Government both these dangerous elements and have naturally reacted strongly to it. When Mr. Dinkarrao Desai, in his long-winded rigmarole of a so-called explanation, forgot himself so far as to say that "the craze for the study of English must be completely eliminated from our midst," he gave away his case irredeemably.

A desire for acquiring useful knowledge could never be described as a craze. It is an insult to call an effort on the part of anybody to learn a language better a craze, as if it was something irrational and objectionable. It bespeaks not only abysmal ignorance but dark fanaticism on the part of anybody who derides such a desire by calling it a craze. Prejudice might have some play in framing political and economic policies of a Government. An element of this is, perhaps, inevitable in all such policies, especially in our country, where such prejudices of some of these people in high places have usurped the place of righteous principles. But there is no room for prejudice in the educational programme of any country, which does not aim at totalitarianism of one kind or another. And how deep-rooted this prejudice against this unoffending and highly cultivated language is amongst ministerial circles can be gauged from the fact that the number of children of non-English-speaking parents, which can be squeezed in the handful of Anglo-Indian schools using English as the medium of instruction, can be so small in our population of school-going age as to be almost like a drop in the ocean.

In the vast mass of Indian citizens with only a moderate income and a pitiably poor standard of living, there could only be a few families, which could afford to send their children to these small number of expensive schools. These few cannot affect the general character of national education or of its product. Why should a veritable war be waged against this tiny section of the people, to the extent of disregarding clear directions in the Constitution, prohibiting schools from exercising any discrimination in admissions on the ground of religion or language? Such light-hearted or irresponsible disregard of the terms of the Constitution would be justified only if these few more Indian children, who might receive their education through the medium of the English language, were likely to precipitate an emergency or a crisis in the country now or later.

How do these children constitute a threat to the country in face of the evidence to the

(*Continued in first column*)

GOVERNMENT PREPARING TO MEET RECESSION IN AMERICA

LOAN FROM I.M.F. TO BE REPAID

(From A Special Correspondent)

NEW DELHI, 12th January

THE Commerce and Industry Ministry has already begun to take note of the fact that it might be called upon rather suddenly to devise such measures as may become necessary to minimise the adverse effects of any possible trade recession in the U.S. this year on the general economy of this country. For the present, it is still favouring the continuance of bilateral trade treaties for fostering the external trade and, as a result, it has been extending or renewing the existing agreements, with such modifications as are necessary in the changing economic conditions of the country. The Government is now holding talks for bilateral trade pacts with Italy, Norway and Sweden. It will soon conduct negotiations with West Germany also. Generally, the Ministry has already begun to note that India's trade trend with the European countries, excluding the U.K., has been tending to become considerably adverse against India. This adverse character has become particularly pronounced during the post-war period. Just before the outbreak of World War II, the European countries accounted for for about 16 per cent. of India's exports. Since the Partition, India's exports in respect of certain commodities have become either negligible or have completely disappeared. Raw jute, short-staple cotton, coffee, oilseeds, particularly groundnut, raw hides and skins are instances to the above point. It is on account of the incapacity of India to export these commodities on any appreciable scale that its adverse trade balance with West Germany, France, Belgium, Switzerland, etc., has become sizable in recent years.

DELHI LETTER

During 1952-53, India's adverse trade balance with the Continental countries (excluding the U.K.) amounted to Rs. 26 crores, total exports from and imports into India being Rs. 62 and Rs. 88 crores, respectively. Now that Government has been pursuing a positive industrial policy, it is likely that imports of capital goods might go up appreciably, particularly from West Germany. With a view to increasing its exports, West Germany, has now begun to encourage exports of capital, technical know-how, etc., to underdeveloped countries. It has now agreed to participate in the construction of a steel project in India and it is likely to adopt a similar policy by investing a portion of the capital in the establishment of a heavy electrical industry also. All these will mean imports of more capital goods from that country. The Government of India is, therefore, anxious to reduce the trade gap with some of these European countries by exporting more goods to them. It is from this angle that Government has begun to study in what directions India could step up its exports to these countries. In case the price level were to remain stable in the coming months, Government might consider favourably the export of vegetable oils, especially groundnut oil. Measures are being taken up to increase the exports of tea, tobacco, etc., to these countries. Coir products, cotton waste, coarse cloth, raw wool, art and artware, tanned hides and skins, etc., are some other commodities which could be exported more than at present.

Besides, Government will be calling fresh reports from our trade representatives on the question of trade promotion. With the emergence of a buyers' market most European countries, including the U.K., have begun to take many constructive measures to expand their export trade. In the U.K., the problems such as approach to export markets, commercial intelligence, market research overseas, standardisation and diversification of products, delivery conditions etc., are being studied afresh. The export promotion section in the Commerce and Industry Ministry has also been thinking on the above lines for some time past, although it has not yet translated these ideas into actual practice. What is required is that more attention should be paid by Government and the industry, with a view to increasing both production and quality of goods which could find an export market.

The question of finding expert personnel to be in charge of administration of the various Government Departments is now engaging the attention of the Government of India. The Government will be shortly setting up a public administration institute for purposes of pooling and exchanging information on this subject and Mr. Paul Appleby has already come to the Capital for giving proper advice to Government in this direction. Besides, this American expert will be touring various States for the purpose of advising them regarding administrative reform within their jurisdiction. At the same time, in view of the expanding Governmental activity in the economic sphere, Government is expected to take up shortly the constitution of an economic service, for manning various commercial concerns under Government control.

It is now certain that the Finance Minister, Mr. Deshmukh, will be making a definite announcement in his forthcoming budget speech regarding the buying back of "our rupees from the International Monetary Fund" to the extent of $100 million which the Government of India had borrowed from the International Monetary Fund some time in 1948, in order to overcome a temporary shortage of dollar currency. This decision to buy back is due to the increasing interest charges that Government has to incur in case this liability is continued. During the discussions at the Commonwealth Finance Ministers' Conference at Sydney, the Finance Minister might have taken the opportunity to apprise his compeer, the U.K. Chancellor of the Exchequer, about the Government of India's intention in this respect. In view of the fact that the sterling area's dollar and gold reserves have been considerably better, it is expected that Mr. Deshmukh might not find it difficult to implement his proposal. Another item which might cost some exchange to India is the possible settlement with Pakistan regarding sterling assets. According to one source from Pakistan, the Government of India might have to pay some Rs. 100 crores in respect of India notes returned by that country. Taking into account the instalments of public debt due from Pakistan as also the payments that have accrued from that country for military stores, outstanding bills paid to contractors, etc., India may have to pay nearly Rs. 75 to Rs. 80 crores both to the I.M.F. and Pakistan. However, the Government might consider the feasibility of settling the accounts with Pakistan by adjusting its payments against the outstanding rupee debt due from the latter. In view of the present political tension between the two countries, following the proposed U.S. military pact, the prospect of any immediate settlement of these economic problems with Pakistan appears to be remote.

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STERLING AREA'S BANK BALANCE

NO ROOM FOR COMPLACENCY

(From Our Own Correspondent)

LONDON, 9th January

AFTER all, 1953 did finish with the Bank of England holding for the sterling area's account the healthy sum of £900 million in gold and dollars, an improvement of no less than £240 million on the account as it stood just a year ago at £660 million. This is no mean achievement for the year and in no way spoilt by the apparent gold loss in December of £15 million, since this was the result of the repayment of the Canadian and American post-war lines of credit of the annual charge of £65 million. Without this special payment, which must, of course, be regarded as spread over the year as a whole, December would have shown the gratifying gold gain of £50 million. It is also true that, of this sum, something like £18 million was due to special gold sales by the U.S.S.R., following upon sales in November of some £5 million, but these sales do no more than reflect a Russian requirement of sterling and are a legitimate part of the sterling area's gold and dollar income.

LONDON LETTER

The year has shown an interesting consistency in the growth of the gold balances, starting strongly, weakening in the traditionally poor third quarter, and then strengthening towards the close when the sterling area begins to make up the income lost in the earlier months. Nevertheless, in this general pattern, which is detailed quarter by quarter below, three major features emerge: first, that the second quarter was much poorer than might have been expected, reflecting the deterioration then taking place in Britain's export progress; secondly, that American defence aid accounted for nearly one-half of the total net gain over the year; thirdly, that the sterling area's balance with the European Payments Union has, in the second half-year, deteriorated to an alarming extent. Without an unhoped for favourable balance with the dollar countries, this weakness vis-a-vis Europe might have prevented the overall gain in reserves which has taken place.

Gain in Gold and Dollar Reserves

(In million dollars)

Source	Quarters 1st	2nd	3rd	4th	Total
E.P.U.	95	42	—19	—5	113
Other non-sterling countries	119	98	55	161	433
U.S. Defence Aid ..	106	61	83	57	307
Total ..	320	201	119	213	853
Less—Payments on U.S. and Canadian loans				.. ..	—181
				Net gain ..	672

One must always remember that, without American Defence Aid, more British resources might of necessity be diverted to exports to make up the lost overseas income, so that it is somewhat artificial merely to deduct that aid from the figures and show the balance as all that the sterling area has been earning from its own efforts. Nevertheless, if we do this exercise and also allow for paying the debt to America and Canada, there is a net gold gain on trade account of $365 million only or £130 million. Since the early part of the year, none of this gain has been coming from Western Europe, which has rather tended to be a source of gold loss, while the remaining sources of gold gain are those which are the most vulnerable to any American recession which may develop.

It is these elements in the situation which has prompted the words in the first communique from the Finance Ministers' Sydney Conference that "this improvement afforded no ground for complacency" and the phrase in Mr. Butler's statement that an aim of the Conference was to improve trade with Europe—by which he did not mean the too ready flow of European exports to the Commonwealth countries. There is no doubt also that this weakness of the sterling area's position with Europe is a conclusive argument against the still suggested "dash for freedom," that is, convertibility. In present circumstances, Europe and not the dollar area would be the fatal flaw in a convertible sterling.
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AMERICAN LETTER

AMERICANS DO NOT EXPECT RECESSION

EMPLOYERS ANXIOUS TO AVOID RETRENCHMENT

(From Our Own Correspondent)

NEW YORK, 1st January

THE business and financial community in the U.S. applauds President Eisenhower's recent announcement that he is to hold conferences with Congressional leaders of both major parties with respect to developing a legislative programme. The importance of this is obvious, since whatever will be written in the statute books by Congress in the first six months of 1954 will have a decisive influence on foreign and domestic policy including business conditions.

While pessimism over the future has subsided somewhat, some indices of production, employment have been edging off from their previous peak. In many instances, this is salutary and, with lower taxes, it should not make any appreciable difference in overall industrial earnings.

The stock markets seem to have made such an interpretation of the future. They were amazingly firm. Irregularities in equity prices in the last few weeks of the year were primarily the result of tax selling which always occurs at that time of the year. In fact, in the opinion of most people, the general atmosphere in the beginning of 1954 could not be more auspicious in the prevailing circumstances. The war in Korea has come to an end, even though there is still active fighting in Indo-China. A Foreign Ministers' Conference seems now definitely in the making regardless of the fact that it has been postponed once. Holiday business in the United States was good, in some lines better than last year, in others a little less, in line with the greater competition which is developing. All this has produced an optimistic state of mind in America, where psychology is such an important factor, influencing all walks of life and all decisions with an immediacy unknown in other countries. One reason for it is not only rapid communications but the extreme news consciousness of the general public, even in the smallest hamlets.

Tax Deductions

Widely publicised, the tax deductions in effect as from 1st January have had another beneficial effect on public sentiment. Some 60 million tax payers will pay about 10 per cent. less in 1954 than they did in preceding years and the excess profits tax for corporations came to an end, too. However, Federal social security premiums will go up by ½ per cent. to 2 per cent. of annual salaries up to $3,000, so that, in the lowest pay brackets, this boost will offset lower personal income levies. The latter group is quite small, relatively speaking.

Business and financial management, which is fully conscious of the social and political implications a real recession might produce, is adopting a progressive course. Two examples may be cited in this connection. The American Bankers Association has circularised its 14,000 member-banks with a brochure on instalment lending. The literature points out, in effect, that nothing could accelerate a downturn faster than a severe curtailment of credit since credit supports manufacturing. Also, such companies as Standard Oil Company (New Jersey) and others have gone on record that they will maintain employment. In instances where volume falls, established policy now is more or less to cut a few hours off the work week, but keep everybody on the pay-roll just the same.

Such a farsighted procedure was virtually unknown in the depression years of the 1930's, when ruthless firing of help was the order of the day during the period of rugged individualism. It is a blessing for the United States and all those nations depending on her that a great feeling of social responsibility is now in evidence. It has been created through hardships, through legislation and through literature, stage plays and motion pictures. One result has been the universal demand for security to be provided either by the Government or corporations.

Both groups have taken the cue and pension plans in the last ten years have grown to about $17,000 million and they are growing at the rate of $2,000 million a year. That growth is likely to continue. Unions which, during the period of rising prices, had a logical reason for getting cash wage increases, now concentrate on asking for pension and other fringe benefits. This is acceptable to industry, too, owing to large corporate surpluses and the fact that pension funds can be built up out of income and carry with them appreciable tax benefits.

Most of the plans are drawn in such a way that a worker who leaves his employment for any reason whatever usually receives what he has paid into such a fund, in case of participating funds. It has become a great stabilising influence in many communities. In other words, a cushion has been built beyond personal savings and possible real estate holdings which assure the payment of rents, grocery and doctor bills to an extent that was unknown 20 years ago.

These are some of the reasons why any recession due to a cut-back in Government spending or supply and demand conditions is likely to be mild and so mild that a real effect on other countries is doubtful.

Savings

Savings continue to grow at a rapid pace, not quite so fast as earlier in 1953, but in sufficient volume to be impressive even in the farm States where income has shrunk owing to lower prices for meat and produce. Lower income in some fields also have been tempered by a stability in living costs. Indeed, in the last two months of the year, the cost of living index actually declined fractionally for the first time in many months.

The overall picture, therefore, is thoroughly reassuring to the average American and should be so in the rest of the world so far as America is concerned.

Some anxiety does exist, however, over the future of Asia. Vice-President Nixon's findings have been widely publicised. Fears of Communism gradually penetrating that part of the world are rampant and there seems to be uncertainty here just precisely where India and Prime Minister Nehru stand in this respect. Aid for Pakistan is another volatile issue as a result of these ramifications. Future Washington decisions, though, most likely will be based on the Communist rather than any other factor, it seems to me.—*All Rights Reserved.*

PAKISTAN NOTES

PAKISTAN'S ECONOMY IN 1953

CLOTH PRICES TO BE REDUCED

THE year 1953 will go down in the history of Pakistan as one of economic stresses and strains. The country, for instance, experienced a serious food situation, thanks to failure of the wheat crop, although the food shortage was relieved, to some extent, by the American wheat aid. The balance of payments position was none too happy, as a result of the shrinkage in the overseas demand for cotton and jute, the two staple export items of Pakistan. There was a marked fall in the foreign exchange earnings, which, during the year July, 1952 to June, 1953, amounted to only Rs. 134 crores, as against Rs. 219 crores in the previous year. This position is bound to persist for some more time, as witness the statement of the Pakistan Commerce Minister himself that, "in spite of constant efforts to expand exports which will be intensified, no material change in the country's ability to earn foreign exchange in the coming year can yet be foreseen."

Following the marked fall in earnings from exports, and with a view to arresting the adverse balance of trade, the Government of Pakistan adopted a "tightening-the-belt" policy. Thus, the Open General Licence cancelled in September, 1952 continued to remain suspended. No import licences were granted for several consumer goods in the first half of 1953. The restricted import policy resulted in scarcity of several consumer goods, particularly textiles, drugs and medicines. This, coupled with the food shortage, sent prices to dizzy heights.

In a desperate bid to check the price spiral, the Government of Pakistan imposed controls on prices of essential goods in June, 1953. This does not seem to have brought about the desired effect. To quote one report: "Price control has so far failed to check the sky-rocketing prices of consumer goods or to ensure proper supply and distribution of these goods to the people. As usual, the prices of almost all consumer goods have risen since the introduction of price control in Pakistan." To quote another report: "This (price control) was done in a half-hearted manner and no machinery for distribution was set up. The effect was disastrous; controls mainly succeeded in throwing the normal channels of trade completely out of gear." Viewed against this background, the liberalisation of imports, announced by the Pakistan Government for the current half-year, is indeed a step in the right direction.

Cloth Prices

An important decision, announced by the cotton mill industry in Pakistan recently, relates to the voluntary reduction in the price of cotton textiles to a level that existed in the early months of 1953. The decision is a sequel to the Government of Pakistan's directive to the mill-owners urging the latter to effect a downward revision in the prices of their products.

It will be recalled that cloth prices in Pakistan have registered a phenomenal rise in recent months. The extent of the rise over the calendar year 1953 according to one estimate, is as much as 200 per cent. Such marked increase in prices has been due to deterioration in the supply position. True, the indigenous production of cloth has improved of late, the monthly average rate of output during 1953 being 15.73 million yards, as against 14.51 million yards in 1952. On the basis of this figure, the aggregate output for the whole of 1953 may be estimated at 188.76 million yards, which compares favourably with 174.16 million yards in 1952 and 127.67 million yards in 1951. This, however, falls considerably short of the actual requirements of about 756 million yards on the basis of the per capita consumption of 10 yards. The gap in the indigenous production and requirements used to be covered in past years by imports, as witness the fact that, during the years 1950-51 and 1951-52, Pakistan imported cotton piecegoods worth Rs. 31.09 crores and Rs. 34.96 crores, respectively. But, during 1952-53, it imported only Rs. 8.9 crores worth of piecegoods. The decline in the imports of cloth in 1953 was due to the Pakistan Government's restrictive import policy; the Government not only curtailed the quantity of imports but also enhanced the import duty on textiles. Consequent on the drastic reduction in imports, the domestic supply position of cloth deteriorated and prices shot up.

Following this development and with a view to bringing down the cloth prices, the Govern-

(Concluded from next column)

ment of Pakistan recently decided to import, on its own account, cotton textiles worth Rs. 4 crores from Japan and other countries. The decision does not seem to have had any marked effect on the cloth position and prices continued to rule high. The Government accordingly urged the millowners of Pakistan to lower prices which has since been conceded.

Besides voluntarily reducing the prices of their products, the millowners of Pakistan have announced a scheme for the equitable distribution of cloth to consumers at reasonable prices. Under this scheme, 40 per cent. of the total production of cloth will be distributed through mills' own depots and 10 per cent. through fair price shops. The remaining 50 per cent. will be made available for distribution through normal trade channels.

Cement Industry

It is understood that the Pakistan Industrial Development Corporation has decided to purchase, at a cost of Rs. 5 crores, the two cement factories of the Associated Cement Companies of India situated at Wah in Punjab and Rohri in Sind. The aggregate annual installed capacity of the two units is placed at 300,000 tons. Negotiations are reported to be going on between the Corporation and the A.C.C. for the formation of a new company in Pakistan to take over these factories. The Corporation proposes to implement a Rs. 2-crore scheme for rehabilitating and expanding the two units.



(Continued in previous column)

CONVERTIBILITY OF STERLING STILL COMMONWEALTH'S GOAL

ITS ACHIEVEMENT, HOWEVER, DISTANT

THE proceedings of the Commonwealth Conference which has been in session in Sydney since the 6th inst. and which has not concluded at the time of writing, fully reflect "friendship, fellowship and a real sense of common destiny" among the countries of the Commonwealth. The consensus of opinion among those who spoke on the opening day favoured the view that the Sterling Area's economic position had improved considerably but there was no room for any complacency. The representatives gave their unstinted co-operation for enabling the Area to fight its own economic battles, although they saw that they could do much better, provided the U.S. adjusted its economic policies in such a way as to help increase its purchases from the outside world, including the Sterling Area and the Commonwealth countries.

The Conference would appear to have once again laid emphasis on keeping convertibility of sterling as its ultimate goal. In this context, it was generally agreed that, in the existing circumstances, little could be done at the moment to speed up the achievement of this objective in the absence of U.S. co-operation. As the key lay with the U.S., any big step towards convertibility must await the findings of the Randall Commission appointed by President Eisenhower and the Congress last year to report on U.S. foreign economic policy as also on any action to increase the world supply of dollars either by the reduction of American tariffs or by the provision of a guarantee fund to assist the pound sterling during the initial stages of free convertibility. The importance attached to this Commission's report evidently suggests that the present Conference may not take any major decision.

After the Commission submits its report to President Eisenhower the Commonwealth countries will have to meet again to review the position resulting from the recommendations. The crucial fact is the delay in the submission of this report. It is still not certain as to the date by which the U.S. President would receive it. The latest reports from Washington suggest that the Randall Commission had two sessions this week and considered a modified draft, providing for (1) a gradual and limited liberalisation of the foreign economic policy of the U.S., (2) Government aid to sections of American economy which might be seriously affected by such liberalisation, and (3) measures for encouraging American private investments abroad. These provisions suggest that the Committee might not be in favour of setting up a guarantee fund to assist sterling. All these are only newspaper reports on which much reliance cannot be placed. The real position at the moment is that one does not know yet to what extent the U.S. is prepared to underwrite convertibility of sterling, and if so on what conditions. Thus, the uncertainty about convertibility of sterling and other major currencies still remains.

U.S. Economic Policy

Evidence that the U.S. Administration is anxious to assist the Sterling Area is, however, not wanting. For its willingness has found expression in many statements made in the past by spokesmen of the Government. The latest of such expressions is found in the State of the Union message by President Eisenhower on the 7th inst. He said:

"In the practical application of our foreign policy, we enter the field of foreign assistance and trade. Military assistance must be continued. Technical assistance must be maintained. Economic assistance can be reduced. However, our economic programmes in Korea and in a few other critical places of the world are especially important, and I shall ask Congress to continue them in the next fiscal year. The forthcoming Budget Message will propose maintenance of the Presidential power of transferability of all assistance funds and will ask authority to merge these funds with the regular defence funds. It will also propose that the Secretary of Defence have primary responsibility for the administration of foreign military assistance in accordance with the policy guidance of the Secretary of State. The fact that we can now reduce our foreign economic assistance in many areas is gratifying evidence that its objectives are being achieved. By continuing to surpass her pre-war levels of economic activity, Western Europe has gained self-reliance. Thus, our relationship enters a new phase which can bring results beneficial to our taxpayers and our allies alike, if still another step is taken. This step is the creation of a healthier and freer system of trade and payments within the free world—a system in which our allies can earn their own way and our own economy can continue to flourish. The free world can no longer afford the kinds of arbitrary restraints on trade that have continued ever since the war. On this problem I shall submit to the Congress detailed recommendations, after our Joint Commission on Foreign Economic Policy has made its report."

The U.S. President's emphasis on the "creation of a healthier and freer system of trade and payments within the free world, a system under which our allies can earn their own way and our economy can continue to flourish," seems to have heartened the Finance Ministers at Sydney. Mr. R. A. Butler, U.K. Chancellor of the Exchequer, for instance, stated that he was profoundly heartened by these remarks. Mr. Robert Menzies, Australian Prime Minister, welcomed them as an expression of a policy of "live and let live."

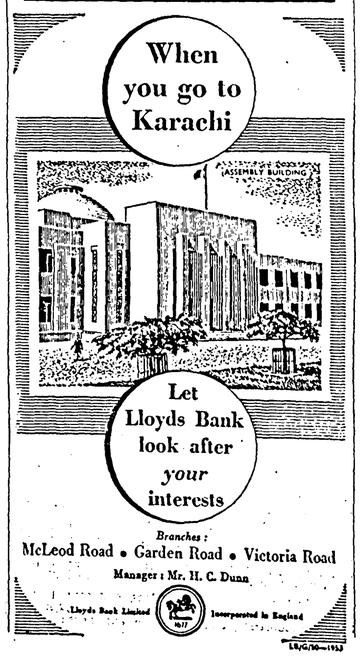
With uncertainty still hanging over the U.S. foreign economic policy, the Commonwealth Conference could not but devote more attention to the problem of stimulating the Commonwealth economic development. A prerequisite for such development is the avoidance of inflation in the Sterling Area countries. Many countries in the area can report good results in this respect. In the U.K., a higher and, now flexible, Bank rate has done good work in squeezing excessive purchasing power out of the economy. The cost of living has been virtually stabilised. The freeing of commodity markets has imparted more realism to the structure of prices. A high level of exports, too, has been maintained. Among other sterling countries, Australia has got over its 1951 "wool spree." The New Zealand economy is sound. India has overcome the inflation that caused much damage a couple of years ago, although prices have latterly shown a tendency to rise. The same, however, cannot be said of Pakistan, Burma, Ceylon and Malaya where the fall in prices of rubber, tin, cotton, etc., has created balance of payments difficulties and, therefore, the position of these countries deserves to be looked into with sympathy and understanding by the Conference.

The overriding necessity now is to avoid a backslide into the inflationary conditions which existed two years ago in most countries of the Commonwealth and which are still noticeable albeit in a slightly low degree in Pakistan, Ceylon and Malaya. The difficult nature of the problem will be evident from the fact that this objective has to be reconciled with the aspirations of countries like India which require speedy economic development. Mr. Butler, in fact, pointed out the problems that faced some of the British colonies, namely, (a) to develop and strengthen their internal resources to the highest possible level, (b) to develop still higher domestic production in order to reduce dependence on outsiders and to seek more production for export, (c) to press on with the development of new production sources, and (d) to raise the level of trade within the Sterling Area and also that with countries of Europe, the U.S., and Canada to the highest point to which it could be lifted. The solution to these problems lay in providing adequate capital. The U.S. last year spent about $2,500 million, but it is doubtful whether the aid will be maintained at this level this year. Britain invested £100 million in the Commonwealth last year, representing money raised in London but not necessarily spent. But this year the indications are that it might have to slash this amount by 50 per cent. This is attributed to the need for keeping up, at a high level, Britain's own productive capacity. This will necessitate, it is stated, increased capital expenditure for modernising British manufacturing techniques this year. This also means less money for the Commonwealth. This, in its turn, requires spending money on only such desirable projects which yield concrete results. The activities of the Commonwealth Development Corporation will, therefore, be confined to select the right kind of projects and allot funds for their implementation. British circles seem to have emphasised at the Conference that there will certainly be no lack of financial resources for implementing the right projects. From all this, it looks as though the underdeveloped countries of the Commonwealth cannot hope to get even that much of capital from Britain as was anticipated a year before and that only those projects which are considered absolutely important will receive assistance.

Resources of Commonwealth

Mr. Butler, however, emphasised on the opening day of the Conference that the development of Commonwealth resources should be a prior commitment for Britain. These resources are immense. The Commonwealth produces 50 per cent. or more of the world output of jute, manganese, nickel, rubber, tin, chrome, cocoa, and tea. But the Commonwealth is a net importer of most food products such as meat, wheat, dairy products, rice, maize, barley, and fruit. The Commonwealth is also a net importer of cotton, iron ore, zinc, aluminium, sulphur, forestry products and sugar. Irrigation and the development of communications would redress the balance of some food deficiencies. Advances made under the Colombo Plan to some countries would also work to that end.

Considerable attention seems to have been bestowed on trade problems also at the Conference. From the reported trend of discussions, it would appear that any alteration in the Commonwealth attitude towards the General Agreement of Tariffs and Trade is most unlikely. But some differences of opinion appear to have occurred on this question. Australia is anxious to scrap large sections of the G.A.T.T. in favour of increased emphasis on Imperial Preference. New Zealand which sells the bulk of its exports to the U.K. is supporting the Australian view. But Canada and India feel that continued Imperial Preferences are inconsistent with the goal of free convertibility. In view of the divergence of opinion, the *status quo* regarding Imperial Preference is expected to be maintained.



I.M.F.'S NEW POLICY FOR CURRENCY CONVERTIBILITY

The International Monetary Fund has adopted a new policy for encouraging convertibility of sterling and other currencies. This policy will make it easier, it is reported, for member-nations seeking free exchange of their own currencies with others to draw on the $3,500 million fund in convertible assets. Until now, a member-country could withdraw a portion of its gold and dollar contribution to the I.M.F. Any further credit granted was subject to review after a period of up to six months. Now the new policy eliminates this requirement of six-monthly review. It is understood countries seeking convertibility can now ask the Fund to set aside a part of its assets for a period of two years or longer. Arrangements for a period longer than six months will, however, be subject to negotiations between the I.M.F. and the member-countries concerned.

The Fund has also placed no limit on the amount members can borrow as a reserve to meet obligations arising from a decision to make their currency convertible.

The new policy marks, it is stated, a significant change in the U.S. policy. For, in 1952, when a similar change was proposed, the U.S. representative opposed it, and was not willing to extend the stand-by credit beyond six months. Now that the six-month provision has been relaxed to cover a period up to two years or even more, with the American vote favouring the new policy, the change is attributed to a shift in the American attitude towards convertibility. In this context, it is said that the U.S. position has changed, because the Eisenhower Administration has realistically decided to recognise that no country will undertake convertibility, if the I.M.F. is unwilling to give assurances of assistance for more than six months in future. The Administration now believes, it is stated, that the I.M.F. exists for the purpose of promoting convertibility.

It is reported that the above changes were made especially with a view to facilitating Britain making its currency convertible. Although the Fund is not committed to utilise all or even the major portion of its assets for securing the convertibility of the currency of a single country, some quarters believe that it might advance $2,000 million to Britain. British officials, however seem to feel that Britain cannot undertake the risk of convertibility without (1) a much greater reserve or stabilisation fund—possibly as much as $5,000 million, and (2) assurances that U.S. trade policies will be revised to give Britain long-term increased dollar earnings.

BANK PROFITS

If the preliminary results of working of banks in India during 1953 published so far are any indication, the past year can be said to have been a more unprofitable one for banks than 1952. It must, however, be said that there may be some exceptions to this general trend, as has been the case with one of the four banks which have so far announced their results. The four banks are: The Imperial Bank of India, the Bank of India Ltd., the Union Bank of India Ltd., and the Devkaran Nanjee Banking Co., Ltd. Of these three, the Imperial, the Bank of India and the Union have suffered a fall in their profits, the decline in the case of the Imperial being more pronounced than that of the other two. The Dena Bank has, however, reported a modest rise in its profit.

Imperial Bank of India

As usual, the Imperial Bank of India has now released its profit for the half-year ended 31st December, 1953, which, at Rs. 63.72 lakhs, shows a modest rise from that of Rs. 63.27 lakhs for the corresponding half-year of 1952. But with the addition of Rs. 63.10 lakhs being the profit for the first half of 1953, the total profit for the past year, at Rs. 126.82 lakhs, reveals a decline of Rs. 6.52 lakhs from that for 1952. This is in distinct contrast to the increase of Rs. 3.27 lakhs in the profit for 1952 over that for 1951. The undistributed surplus of the previous year brought in also shows a decline from Rs. 43.17 lakhs to Rs. 42.07 lakhs, so that the sum available for distribution has gone down from Rs. 176.51 lakhs to Rs. 168.89 lakhs. The following comparative table shows how the profits have been appropriated:

	1953 Rs.	1952 Rs.
Net profit	1,26,82,200	1,33,34,600
Brought forward ..	42,07,400	43,17,000
Total available Rs.	1,68,89,600	1,76,51,600
Transfer to pension funds.	5,64,600	5,44,200
Bonus to staff	40,00,000	39,00,000
Dividend	90,00,000 (16%)	90,00,000 (16%)
Carried forward	33,25,000	42,07,400
Rs.	1,68,89,600	1,76,51,600

Bank of India

The profit of the Bank of India Ltd. for the year ended 31st December, 1953, subject to audit, amounts to Rs. 76,03,225 which, as compared with that for 1952 (Rs. 77,50,937), shows a decline of Rs. 1,47,712. This decline, however, is smaller than that of Rs. 2,04,111 noted a year ago. The provision for taxation has been reduced from Rs. 31,00,000 to Rs. 29,00,000. The dividend is maintained at 14 per cent. tax-free (made up, as usual, of an interim distribution of 6 per cent. paid for the half-year ended 30th June, 1953, and a final one (8 per cent. now proposed) absorbing Rs. 35,00,000 leaving to be carried forward, subject to payment of bonus to the staff, Rs. 19,39,778, the corresponding figure of the previous year being Rs. 17,11,553.

Dena Bank

The profit of the Devkaran Nanjee Banking Co., Ltd., for the year 1953 amounts, subject to audit, to Rs. 6,90,200, representing an increase of Rs. 75,231 over that for 1952, in refreshing contrast to the decline of Rs. 41,628 noted a year ago. With the sum of Rs. 1,47,808 brought in from 1952, as against Rs. 1,38,594 the distributable sum is higher by Rs. 84,445 at Rs. 8,38,008. The transfer to the reserve fund has been maintained at Rs. 1,50,000, investment reserve at Rs. 50,000 and bank premises depreciation account at Rs. 25,000, while the provision for furniture depreciation account has been raised from Rs. 55,755 to Rs. 57,646 and that for taxation from Rs. 1,50,000 to Rs. 2,00,000. The dividend has been stepped up from Re. 1-12 to Rs. 2 per share (or 3½ per cent. to 4 per cent.) free of tax, utilising Rs. 2,00,000, as against Rs. 1,75,000. A sum of Rs. 1,55,362 has been proposed to be carried forward which compares with Rs. 1,47,808 brought in.

Union Bank

The Union Bank of India Ltd. has earned, during 1953, a profit of Rs. 6,79,090, which falls short of that for 1952 by Rs. 39,308. It is however, gratifying to find that this shortfall is negligible as compared with that of Rs. 1,74,068 noted a year ago. With the sum of Rs. 2,06,135 (as against Rs. 2,09,737) brought in, there is available for distribution Rs. 8,85,225, as compared with Rs. 9,28,136. The allocation to the reserve fund has been reduced from Rs. 1,75,000 to Rs. 1,50,000 and that for contingency account from Rs. 1,00,000 to Rs. 50,000. Premises account has been provided with Rs. 50,000, while, in the previous year, no allocation had been made. Provision for taxation has been maintained at Rs. 1,00,000, while that for paying bonus to staff has been raised from Rs. 72,000 to Rs. 80,000. Dividend is being repeated at 6¼ per cent. per annum which requires, as in the previous year, Rs. 2,75,000. The sum left to be carried over is Rs. 1,80,225, as compared with Rs. 2,06,135 brought in.

FINANCE FOR PRIVATE SECTOR

BOMBAY SHAREHOLDERS' ASSOCIATION'S SUGGESTIONS TO SHROFF COMMITTEE

THE Committee appointed by the Reserve Bank of India in October last to examine how increased finance, particularly bank finance, could be made available to the private sector through sources other than those which are under the consideration of the Taxation Enquiry Commission, is currently in session in Bombay under the chairmanship of Mr. A. D. Shroff. It is collecting evidence and is receiving several memoranda from various public bodies and associations. Among these memoranda, the note which has been submitted by the Bombay Shareholders' Association deserves special notice. In its note, which covers very wide ground, the Association has rightly emphasised that "favourable investment climate is a prerequisite for raising capital for the private sector."

The Association draws attention to the wide and varied field which the term "private sector" covers and says that it will be useful to be more specific about that term. Private industry can be broadly classified into three groups, namely, short-, medium- and large-scale. The finances required by these three sectors also fall into three classifications, namely, short-, medium- and long-term. The different sections of the private sector require finance, both short- and medium-, as well as long-term, and the Association submits that their difficulties should be looked into separately.

Short-term Finance

Generally speaking, the Association points out, the large units of the industry and trade are fairly adequately financed, so far as their working capital needs are concerned, by the existing banking system. In cities, working capital even for medium units is reasonably available. The problem is, therefore, one of finding adequate finances for the "small enterprise" in cities and large towns. At present, part of this is met by private deposits and indigenous bankers. The Association, therefore, feels that the *hundi* finance should be expanded, so that the small man's needs can be met adequately. One of the main reasons attributed by the Association for developing his source of finance is that *hundi* business is organised and conducted on fairly sound lines. The Association suggests that bank finance can be made available to small enterprise by encouraging and facilitating rediscounting of *hundies* through the Reserve Bank. At present, the Reserve Bank's bill market scheme excludes from its purview banks with deposits of under Rs. 5 crores and *hundies* under Rs. 1 lakh. The Reserve Bank can do much to encourage the *hundi* trade by offering to rediscount all *hundies* discounted by commercial banks, in lump sums with limits fixed for each bank. In this way, the Association says, the Reserve Bank can help integrate the indigenous banker into the country's organised banking structure.

On the analogy of short-term agricultural finance, which is provided through rediscount of agricultural bills of State Co-operative banks by the Reserve Bank at 2 per cent. below the Bank rate, the Association affirms that there is a cogent case for assisting small men in trade and industry with short-term finance. At present, the Reserve Bank limits rediscount facilities to trade bills maturing in 90 days, while, in the case of agricultural bills, the legal limit extends up to a maturity of 15 months and the limit in force is for 12 months. The Association suggests that, with adequate safeguards, the 90 days' limit for usance bill can be extended to 180 days. As for long-established shopkeepers who are unable to get bank finance for maintaining stocks, the Association points out that the field of commercial banks should be extended in respect of small loans, particularly because the branch offices of these banks can attend to local needs and also keep a vigil on such local firms. Such facilities can best be served, according to the Association, by the Reserve Bank, if it extends larger rediscounting facility in respect of small loans under a scheme agreed upon with commercial banks. In this connection, the Association draws attention to the "Blanket Participation Agreement" which prevails in the U.S. Under this Agreement, the banks which become parties to the Agreement obtain automatically from the Government 75 per cent. of loans advanced to small business enterprises. A limit is, however, placed on loans to any single borrower. Under such a scheme, the responsibility for, as well as the administration of, loans would rest with banks themselves, though a large part of the credit will be provided by the Reserve Bank which would not be burdened with any details. A similar scheme, with suitable modifications, according to the Association, could be adopted in India.

Taking again the analogy of agricultural loans, the Bombay Shareholders' Association refers to the recent amendment of the Reserve Bank of India Act, under which the Reserve Bank is permitted to grant medium-term agricultural loans for an amount not exceeding Rs. 5 crores, with a period of maturity up to five years. The Association sees no reason why similar extension of credit should not be made available to trade and industry. It notes, however, that a new avenue for medium-term finance to this sector has opened up, with the setting up of the State Finance Corporations, though such loans are limited to Rs. 10 lakhs.

In the matter of finding long-term capital, the Association finds that all the three classes of units of the industries—small-, medium- and large-scale—are in the same boat. All of them are handicapped by lack of available long-term capital, the main reasons being low level of income and the consequent lack of savings. Until recently, long-term finance was available only through the open market, but, in recent years, Government is supplementing such capital either by direct assistance or through specialised institutions. So far as small- and medium-scale industries are concerned, the finance available to them under the State Aid to Industries Acts is "very insignificant." As regards large-scale industries, the long-term capital available through the Industrial Finance Corporation and State assistance has largely been in the form of loan capital. What private industry needs, the Association's memorandum points out, is more venture capital or risk capital. In this direction, the Association feels that the Industrial Finance Corporation has a more important role to play than it does now. Thus, it says:

"Far little attention has so far been paid to devising ways and means by which the supply of new equity capital could be increased. For instance, though the Industrial Finance Corporation of India has been in existence for over six years, it has not extended its activities to underwriting new equity capital, even when such activity forms part of that Corporation. In order to develpp the market for equity capital, the Industrial Finance Corporation should consider sympathetially any proposals of underwriting new share capital. Formation of new industries and new companies would receive great impetus, if the Corporation actively underwrites ordinary share capital of such companies. The reference in the Corporation's annual reports that conditions are not yet favourable for underwriting is unacceptable, first, because the capital market must now be regarded as normal and, secondly, the Corporation's function is to encourage new enterprise and, therefore, it should underwrite even under adverse conditions, because that is the *raison d'etre* of its existence. In later years, the Corporation could liquidate its holdings in such share capital by placing the shares in the market, as and when market conditions are favourable."

Although the provision of long-term capital by commercial banks falls outside their field of activity, the Association is of the opinion that the view which regards such banking as totally unsound needs to be reconsidered. It, however, admits that, at the present stage of Indian banking, conditions are not favourable for any wholesale adoption of mixed banking. But, at the same time, it feels that "relationship of banks to industry must be reassessed with a view to accelerating industrial development." It says:

Relaxation Needed

"We would, therefore, suggest that, in order to enable banks to play some part in providing finance to industry, conditions may be so relaxed that banks are permitted to subscribe to selected private capital issues approved by the Government. For instance, in respect of all capital issues of Rs. 1 crore and over of new equity, as well as debenture capital, while granting permission, the Government may issue special sanction allowing banks, insurance companies, investment trusts and other institutions to subscribe to such capital, if they so desire.

"In respect of smaller capital issues under Rs. 1 crore, the capital market can well meet such demand independently without any specific Government support. But, where new issues are for Rs. 1 crore and over, without support from banking and other institutions, subscription to capital is not easy. The Government could allow investments by banks in such approved issues after full scrutiny and banks investing in such approved securities should be protected by recognising such investments as eligible assets on which the Reserve Bank could advance with adequate margin, not normally, but if and when circumstances make it necessary for banks to borrow against such investments. The commercial banks may also be permitted to advance to the public against such approved issues with suitable margin. Insurance companies should also be permitted to take up such approved securities by relaxing the provisions of the Insurance Act in regard to equity capital. At present, while granting sanction, the Controller of Capital Issues clearly mentions that the grant of sanction implies no responsibility on the Government regarding the soundness or profitability of the scheme concerned. We would suggest that an additional stipulation may be made by the Government recommending subscription to the particular issue by banks, insurance companies, investment trusts and other institutions, when it desires early development of the particular scheme. We realise that this would imply a full consideration on the part of Government about the prospects of such enterprise and its profitability, apart from its general importance in the national economy."

Alongside the encouragement given to new enterprises, there must also be expansion of existing enterprises. This, according to the Association, is possible by enabling them to make adequate profits and by requiring them to plough back a sizable part of such profit. It is noteworthy that the Association emphasises the consideration that, where the Government determines or regulates the pricing policy of industrial products, a "more liberal" attitude towards the concerned industries than what obtains at present is desirable in order to promote rapid development by the use of the "owned resources" of these units.

FACTS ABOUT COTTON MILL INDUSTRY

REDUCTION IN PRODUCTION COSTS, MAIN PROBLEM OF THE DAY

ALTHOUGH the origin of the cotton mill industry in India dates back to 1818, when the first cotton mill was set up in Bengal, it was not until February, 1854, that the industry's foundations were really laid, for it was only then that the first cotton mill in the island of Bombay was set up by one Mr. Cawasjee Davar. Next month will thus mark the completion of one century of useful existence by the Indian cotton mill industry. There are, however, some who contend that Mr. Davar established this mill in 1851 and not in 1854 and that the first centenary was actually over in 1951. Be that as it may, the progress of the industry during the last hundred years has been so remarkable that it certainly constitutes one of the most romantic chapters in the economic history of India. Nevertheless, the general public are so inadequately informed about the industry's past, and its impressive record of service to the country, and more especially, about the status which it occupies among the world's textile industries, that the publication, *Facts About the Cotton Mill Industry of India* brought out by the Millowners' Association, Bombay, deserves to be widely welcomed.

The Indian cotton mill industry ranks today as the single largest industry in the country. That the industry touches the economic life of the community at many points and holds the position of the greatest importance in the national economy will be evident from the following account of the latest position as given in the Association's brochure:

Capital invested	Rs. 104 crores
Total labour force employed	7,43,000

The cotton mills of Bombay City alone engage about 208,000 workers whose basic wage and dearness allowance amounted to Rs. 27.13 crores in 1952. The total disbursements, including bonus, employers' contribution to the workers' provident fund and health insurance, leave with wages and paid festival holidays, amounted to Rs. 33.12 crores.

The industry utilises practically the entire cotton crop of India, except about 200,000 bales of short-staple cotton which is exported, and, in addition, imports about one million bales of foreign cotton at an estimated cost of Rs. 100 crores.

It keeps millions of handloom weavers in occupation by supplying them nearly all the yarn they need.

It consumes large quantities of fuel, electricity, dyes and chemicals, mill stores, and sizing and packing materials valued at about Rs. 38 crores per annum.

The Government derives substantial revenues from the industry, which, on an average, contributed more than Rs. 10 crores per annum to the national exchequer in the period 1949-52 by way of income-tax and super-tax. It is estimated that, during the same period, the average annual contribution by the cotton mills of Bombay City was over Rs. 3 crores. In addition, the Government collects Rs. 20 crores by way of excise duty on mill cloth, of which a sum of Rs. 6 crores will be spent on the development of the handloom and *khadi* industry.

Besides these taxes and levies, the industry pays State and municipal taxes, which, in the case of the Bombay City cotton mills, amount to more than Rs. 62 lakhs a year, on an average.

Production and Exports

The total number of spindles installed in India is at present 11.42 million, while that of looms is 204,000; of these spindles and looms, 10.10 million and 187,000 are actually operating. The table below gives the trend of production and exports of yarn and cloth in the past twelve years:

(*Yarn in million lbs., cloth in million yards*)

	Production		Exports	
	Yarn	Cloth	Yarn	Cloth
1942	1,529	4,025	61	1,061
1943	1,684	4,749	23	568
1944	1,643	4,850	22	497
1945	1,643	4,712	15	466
1946	1,397	4,025	9	379
1947	1,319	3,810	10	269
1948	1,456	4,423	6	344
1949	1,330	3,805	38	509
1950	1,166	3,645	84	1,133
1951	1,295	4,188	27	780
1952	1,447	4,593	21	586
1953*	1,489	5,000	9	701

* Preliminary.

The cotton mill industry has been adversely affected by the Partition. Since a large part of the area producing cotton went over to Pakistan, India has been importing considerable quantities of cotton from abroad. On an average India has had to import annually one million bales of foreign cotton at a heavy cost, not only to make good the shortfall in domestic output but also to enable the industry to manufacture finer varieties of yarn and cloth. In view of this, the Association rightly emphasises the imperative need for achieving self-sufficiency in cotton. Thus, the Association says:

"It is of paramount importance that India should become self-supporting in her cotton requirements, not only to stop the heavy drain upon her resources, but also to liberate the cotton textile industry from dependence on capricious foreign markets. The agricultural section of the Five-year Plan envisages the production of 4.229 million bales of cotton in 1955-56. This target is by no means over-ambitious, since, with the completion of the great river valley projects, better irrigation facilities will become available to many of the cotton-growing areas in the country."

Considering that the industry is the target of unjustified criticism from certain quarters, according to which the industry has been charging inordinately high prices for cloth with a view to making large profits, the Association has done well in making a special examination of the cost structure. The figures cited by the Association reveal that the present high costs of manufacture are due to the all-round rise in the prices of cotton, coal, furnace oil and mill stores, and in the wage bill. The index of raw cotton prices, for instance, has gone up to 571 (Base: 1939=100). The indices of costs (with the same base) under furnace oil, wages, mill stores and wages are also higher at 533, 408, 400 and 341, respectively.

Taxes and Imposts

The high cost of manufacture in the cotton mill industry is also due to the many taxes and imposts, which have been levied by the Central and State Governments, as will be seen from the following figures:

(*In lakhs of rupees*)

Tax on production:	
(i) Cotton: Import duty	5,42.00
Sales tax (Bombay City mills only)	43.00
(ii) Coal: Increase in railway freight ...	1,80.00
(iii) Electricity duty (Bombay City mills only)	38.00
(iv) Import duty on furnace oil (Bombay City mills only)	31.50
(v) State and municipal taxes (Bombay City mills only)	62.37
(vi) Mill stores: Sales tax (Bombay City mills only)	20.00
Tax on consumption:	
(vii) Sales tax	11,00.00
(viii) Excise duty	20,00.00
Total ...	40,16.87

The above do not include import duty on mill stores.

The effect of these imposts on production costs is examined with reference to the cotton mill industry of Bombay City:

(*In lakhs of rupees*)

Cotton (import duty and sales tax) ...	2,29.00
Electricity duty	38.00
Import duty on furnace oil	32.00
Sales tax on mill stores	20.00
State and municipal taxes	62.00
Total ...	3,81.00

These figures do not include import duty on mill stores, for which no precise data are available.

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It will thus be seen that raw materials, wages, fuel and stores have all increased three to five times the pre-war prices. Taxes on production and consumption alone account for Rs. 40 crores—a very low estimate indeed, as most of the items enumerated above relate to Bombay City cotton mills only.

How are the earnings of the industry spent? To this question the Association provides a very instructive reply. According to it, out of every rupee representing the income of a cotton mill company, raw cotton alone accounts for a little over As. 8, while wages and salaries account for about As. 4. Manufacturing expenses, including payment for stores, power and fuel and establishment charges, leave a balance of only As. 1-3, out of which the company has to provide for such varied items as depreciation, taxes, reserves and dividends. The figures below illustrate, in terms of percentages, how each rupee of gross income is being expended:

Raw cotton	52.01
Wages	24.36
Manufacturing charges	14.36
Taxes	2.57
Depreciation	2.22
Dividends	2.19
Reserves	1.17
Agents' commission	0.92
Total ...	100.00

It will be evident from the foregoing figures that factors beyond the control of the industry are responsible for the increase in the cost of cloth, not the managing agents' commission or the dividends to shareholders, which barely account for 0.92 per cent. and 2.19 per cent., respectively. The only way by which the industry can reduce its production costs is through modernisation of its equipment, much of which is in urgent need of replacement. According to the Planning Commission, there are 150 uneconomic units in the industry which must be given financial and other assistance in order to make them viable. On a conservative estimate, cotton mills in Bombay City alone need more than Rs. 100 crores to carry out their rehabilitation programme. The funds at the disposal of the mills, however, are insufficient, thanks to factors such as (1) inadequate depreciation allowances granted by the Government, (2) absence of inflow of new capital into the industry, and (3) defective machinery import policy of the Government in its anxiety to protect the indigenous machinery manufacturers.

Rehabilitation

Referring to these factors, the Association observes:

"Rehabilitation is thus not a luxury but a pressing necessity. The basic idea behind it is to reduce production costs, to improve the quality of mill manufactures and thus to stimulate higher consumption. The manner in which most of the leading textile manufacturing countries have set about this task should serve as an object lesson to us in this country. In Japan, more than 65 per cent. of the cotton mill equipment is new. Moreover, a large proportion of the looms installed in that country during the post-war period is automatic. As a result of this reform, it has become possible for the Japanese manufacturers to reduce production costs and to acquire the strongest possible competitive ability in foreign markets. Again, in the American textile mill industry as a whole, the average yearly expenditure since 1947 for new plant and equipment is estimated at more than 500 million dollars. Probably 40 per cent. of this enormous sum of money is spent by cotton mills alone, chiefly for rehabilitation rather than for additional plant. In other words, the cotton mill industry in America spends more than Rs. 95 crores annually for the sole purpose of rehabilitation! It is significant that, despite the fact that America leads the rest of the world in industrial progress, there does not appear to be any prohibition in that country on machinery imports.

"Instances of such enlightened industrial policy can be multiplied. France and Italy, themselves important machinery manufacturing countries of long standing, impose no ban on the import of textile equipment of a special nature. In Britain, another industrially advanced country, the Government is being pressed for the resumption of imports of machinery, duty-free, which cannot be purchased in that country. It is pointed out that such duty-free imports would help the industry 'to keep its equipment up-to-date and keep machinery makers in England on the alert.' The need for such a far-sighted import policy in India cannot be over-emphasised."

Rationalisation

In the present context of the growing tendency towards automatisation of machinery all over the world, the question of rationalising the methods of production in India assumes special significance. As against 4 to 6 ordinary looms handled by one operative in Britain, 32 to 78 automatic looms in the U.S., and a minimum work-load of 48 automatic looms in Japan, the Indian worker handles, on an average, not more than 2 ordinary looms. Similarly, the maximum number of ring frame spindles

(*Continued on page 99*)

PROFITS OF U.K. TEXTILE MILLS IN 1953

MANY DETAILS ABOUT COTTON FUTURES TRADING STILL TO BE SETTLED

(*From Our Special Correspondent*)

MANCHESTER, *5th January*

THE "delayed-action" effect of the 1952 slump in Lancashire's mills did not have its inevitable bearing on the results announced by public companies in the trade until last year. Consequently, the figures now put forward for 1953 must again be read in conjunction with the usual comments about the time-lag which must ensue in such matters.

MANCHESTER LETTER

The year just passed has seen a revival which at one time seemed unlikely to mature as quickly as it did, and unless there is a sharp change in conditions the figures showing profits and dividends at the end of this year will indicate a healthier state of affairs. Meanwhile, looking back to 1953, a sharp contraction in earnings, though not in dividends, must be recorded.

According to an analysis of trading results of cotton spinning and manufacturing firms, the average profit of 79 spinning mills during 1953 was £27,546 per company compared with an average of £55,154 for 83 companies in 1952 and £55.541 for 80 concerns in 1951. The average dividend paid by 82 spinning mills in 1953 was 20.14 per cent., against 21.51 per cent. for 87 companies in 1952.

The average profit earned by 21 concerns which combine spinning and weaving was £74,047 per company last year compared with £166,931 in 1952, and the average dividend paid was 17.06 per cent., against 19.03 per cent. For the whole of the 103 firms the average dividend was 19.52 per cent. last year, compared with 20.78 per cent. in 1952.

All these companies now have credit balances aggregating £13,335,410, an average of £129,470. In 1952, 104 firms had credit balances amounting to £11,651,320, an average of £112,032.

It is significant that the surplus carried forward has increased in every section, indicating the strength of the trade as a whole. In many cases, it has been possible to bring into the accounts quite considerable sums which had been set aside for tax provisions which are no longer necessary. This is a direct result of the administrative changes made early in the year.

Combine's Earnings Halved

Twelve months ago the results of the leading cotton spinning and weaving combines and their subsidiaries were said to have mirrored the fall in trade more effectively than some of the individual firms. The current figures show an almost identical trend to the single unit mills, as total earnings of the 12 main groups declined from £6,225,920 in 1952 to £3,170,163. The average profit made by these firms was £264,180 last year, against £518,826. Their average dividend was 11.94 per cent., against 12.44 per cent., and total credit balances amount to £6,012,496 against £5,453,375 12 months ago.

In the early part of the depression there was evidence that the weaving section was suffering more severely than the spinning branch. This was borne out in the financial results recorded a year ago. In the past 12 months the profits announced by manufacturing firms did not fall to the same extent as in spinning. An analysis of 28 weaving concerns shows total profits last year of £1,394,989, against £2,445,044 in 1952. This is an average of £49,821 per company, compared with £87,323.

Dividends paid by these manufacturing firms averaged 21.21 per cent. in 1953, against 26.47 per cent. in the previous year. Credit balances now total £3,334,533, against £2,585,445, an average of £119,090 per company, compared with £92,337 in the previous year.

During 1953, share bonus issues and capital repayments amounting to £1,396,216 were made by cotton companies. Repayments of £409,985 were announced by three spinning firms and £61,534 was returned to shareholders by one weaving concern.

Six spinning companies issued bonus shares aggregating £216,197 and three spinning and weaving firms capitalised £303,500 in this way. Bonus shares amounting to £405,000 were also distributed by three weaving companies. In addition, forthcoming bonus issues have been officially forecast by two of the leading mill groups, amounting to £2,269,851.

Reopening Date

It has now been officially decided that the Liverpool futures market will reopen on Tuesday, 18th May, provided the necessary legislation is passed in the meantime. The date has been fixed to coincide with the International Cotton Federation's Jubilee Congress at Buxton, and will enable representatives of foreign countries interested in the cotton industry to attend the ceremony.

In little more than four months, therefore, a lot remains to be done. The negotiations between the spinning trade and raw cotton merchants have reached a stage where the basic American contract on which trading is to take place initially has now been drawn up. Numerous details have still to be settled and the arrangements for establishing a clearing association are well in hand.

Exports Keeping Pace

With the publication of the November export returns, it is clear that total shipments of cotton cloth from Britain for the year 1953 will be very similar to those recorded in the previous 12 months. After a slow start the gap has gradually narrowed until at the end of November the figures were 648,269,000 square yards against 650,195,000 square yards in the same part of 1952.

In November, however, there was an improvement in the value of all cotton goods shipped overseas to £12,707,751, the highest figure since April, 1952. The aggregate total for the 11 months, however, at £121,700,732 was more than £15,000,000 below the corresponding figure a year previously.

The major part of this decline was accounted for by the drop in earnings from cloth exports, which at £80,272,200 were £13,000,000 down on the year. The average price obtained for cotton cloth was 29.72d. per square yard in the first 11 months of 1953 compared with 34.05d. per yard throughout 1952.

The main consumers of Lancashire-made cotton cloth to the end of November were (in square yards, with 1952 comparisons): British West Africa 132,425,000 (155,351,000); Australia 85,293,000 (70,081,000); South Africa 78,781,000 (53,597,700); British East Africa 28,266,000 (19,405,000); New Zealand 25,594,000 (29,192,000) and Malaya 24,377,000 (28,155,000).

Higher yarn shipments recorded in October were fairly well maintained in the following month. Exports amounted to 4,314,300 lbs., which brought the aggregate for the year to 38,363,800 lbs., valued at £15,550,418 against 32,418,000 lbs. worth £16,281,580. The average price per lb. of yarn sold abroad was 97.28d., against 119.25d. throughout 1952.

Chief buyers of cotton yarn to the end of November were (with 1952 comparisons): Australia 5,379,600 lbs. (2,655,200 lbs.); Irish Republic 4,320,500 lbs. (2,876,400 lbs.); Canada 3,774,200 lbs. (1,871,200 lbs.) and Western Germany 2,482,400 lbs. (1,059,200 lbs.).

Increased Purchases

After the severe curtailment of imports of cotton goods in the early part of the year there are signs that more foreign cloth is now reaching this country. In the past few months the quantities arriving have shown an upward trend and in November were the highest since the previous April.

They included only a bare 384,000 square yards of grey cloth from Japan, whereas the supplies from India amounted to more than 5,000,000 yards. This was nearly as much as had arrived from India in the previous 10 months, bringing the total of Indian fabric received during the year to 11,083,000 square yards. Japan in the 11 months supplied 37,973,000 square yards out of the total of 68,031,000 square yards, which compared with 142,028,000 square yards in the same period of 1952. The value of these goods was substantially reduced from over £24,000,000 to £4,673,368.

Imports of finished cloth also showed a slight rise during November to nearly 2,500,000 square yards. The total for the 11 months, however, was some 13,000,000 yards lower than in 1952 at 20,292,000 square yards, valued at over £4,500,000. Chief suppliers were Belgium, Germany and the Netherlands.

The same trend can be observed in the arrivals of cotton yarn, although the total for the 11 months was substantially lower than the previous year, being below 3,000,000 lbs., against over 7,000,000 lbs. in 1952 and more than 30,000,000 lbs. in 1951. The cost of these yarn imports was £656,800 against nearly £2,000,000 in the previous year and £10,000,000 in 1951.—*All Rights Reserved.*

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SOURCES OF ERROR IN OFFICIAL COTTON CROP FORECASTS

A FEW SUGGESTIONS FOR REFORM

FEW aspects of the work of the Central Government are less inspiring than its forecasts of crop outturn. Many of these estimates are wide of the mark. They are generally well below the actual output. This applies particularly to cotton. Experience has shown that the trade estimates, which are almost always higher than the official forecasts, are much nearer the actual outturn, as determined by the statistics relating to ginning and pressing returns, exports and imports. How widely the estimates of the Government and the trade differ from each other will be evident from a reference to the official and non-official forecasts for cotton for the 1952-53 season. The official forecast placed the crop at 30.5 lakh bales of (400 lbs. each), while the non-official estimates ranged from 33.3 to 38.2 lakh bales. It should, therefore, be clear that, if official forecasts ought to be of any value they should be very much nearer the actual crop than now. In this connection, it is interesting to note that Mr. P. D. Gadkari, Deputy Secretary, Indian Central Cotton Committee, has reviewed, in the course of an article entitled "Improvement of Official Forecasts of Cotton Crop in India" in the Committee's journal, *The Indian Cotton Growing Review*, the sources of error in the official forecasts and also indicated the broad lines of reform that will improve the accuracy of these forecasts.

The official forecasts on cotton for each season are released in five stages at varying intervals of time, beginning from 15th August. The first forecasts, issued on 15th August, refers to acreage only and deals generally with the condition of the crop at the end of July or August. The second forecast, which is issued on 15th October, also refers to acreage only and relates generally to sowings made upto 1st October. The third forecast, which is made on 1st December, refers to acreage and production and deals with both early and late varieties of cotton and to conditions upto the beginning of December. The fourth forecast, issued on 1st February, also refers to acreage and production and deals with both early and late crop of the season and is based on fuller and more complete data as the harvest is in progress or nearly completed by that time in many States. The date of issue of the fifth and final forecast, which used to be 15th April, has now been shifted to 10th May, with effect from the forecast for the 1952-53 season. This change has been effected so as to utilise the results of the crop-cutting experiments on cotton conducted in the Bombay State. The final forecast also refers to acreage and production. It includes the final estimates of the crop in the tracts where the late variety is chiefly grown. The crop position of the early crop is also reviewed since the issue of the fourth forecast. There is, however, no strict adherence to these dates, there being considerable delay in the issue of the successive forecasts.

Trade Estimates

Apart from the absence of prompt and regular announcements of estimates, the chief defect of these estimates is their inaccuracy. Referring to this feature of these forecasts, Mr. Gadkari says: "The annual post-mortem examination of the official estimates of the Indian cotton production with the actual crop (as determined from the data pertaining to ginning, pressing, mill consumption, exports, etc.) conducted by the Indian Central Cotton Committee since 1934-35 indicated that the official forecasts are invariably underestimates." The estimates of cotton output, framed by some of the leading cotton trading firms, give, on the other hand, a more accurate picture of the actual crop. It is, therefore, necessary to investigate why these estimates are able to maintain a high degree of accuracy. In this connection, Mr. Gadkari says:

"The general high degree of accuracy noticed in the estimates of one or two prominent trade agencies is claimed to be due to the following features adopted by them:

"(a) The wide network of sub-agencies maintained by the firms is manned by experienced and seasoned staff who are familiar with every aspect of the crop, viz., soil, normal weather conditions, varieties grown, their peculiarities and normal yield of the area under their jurisdiction, having been posted at the same place for a number of years; (b) the sub-agencies' reports are considered very authentic, as they are based on firsthand information gathered during the crop inspection tours undertaken by their staff from the cultivators, merchants, ginning and pressing factory owners, Government agricultural assistants, etc. The personal visits for crop inspection work are considered very necessary, especially when the crop reaches flowering and fruiting stage, as the weather conditions obtaining during this period have a big say in determining the final yield prospects; (c) the central head office, in addition to following the weather reports of the sub-agencies week by week, maintains elaborate data regarding acreage, crop arrivals, weather reports of the previous years. All this information is pooled carefully by making checks and counter-checks at different stages of crop development through verification of the actual arrivals and weekly ginning and pressing figures."

It is to the absence of these features, such as the utilisation of trained staff and adoption of an elaborate system of checks and counter-checks, that the relative inaccuracy of the official forecasts must be attributed. It would appear that, until recently, the official estimate of annual production of cotton in all States were prepared on the basis of (*a*) area under cotton, (*b*) standard normal yields and (*c*) condition factor. In Madhya Pradesh and Bombay, this method was changed some years ago. The final estimates of the crop in these States are now prepared on the basis of the area under cotton and yield per acre as determined by crop cutting experiments conducted by official agencies. This change has not improved the accuracy of the estimates in respect of cotton in these States. This is due either to the complete figures of acreage not being available at the time of final forecast or to inaccurate estimates of per acre yield of cotton.

Acreage Data

If the acreage data are incomplete, then the output estimate will naturally turn out to be wrong. The figures of area used as a basis for arriving at production estimates at successive forecasts should be checked against the annual *girdwari* (settlement) in all States for the past 10 years or more. A study of how the cotton acreage estimates are made reveals that practices vary from State to State. Again, the reports, submitted by Taluk officers, are frequently incomplete. Also, some cotton growing States have been integrated with the Indian Union or amalgamated into larger units so that different administrative practices have not had time to set into one pattern. Moreover, the village clerks have far too many duties to perform, and do not evince keen interest in reporting acreage estimates accurately. Finally, no uniform method of estimation is followed in respect of all States; in some States, only the eye is the guide. These points will become clear from the following extract from Mr. Gadkari's study of the practices in different States:

"*Madras*: The forecast reports in the Madras State are based on the reports of the Taluk officers. Their reports are frequently incomplete, due to incomplete reporting by the *karnams* and the Revenue Inspectors. The discrepancy between the forecast reports and the final actual figures is stated to be due to this defect.

"*Madhya Pradesh*: The Revenue Department is responsible for the estimation of the area used for cotton forecasts in the State. The figures of acreage are first enumerated by the *patwaris*, who pass on that information to the Revenue Inspectors. The Revenue Inspectors check the information against local knowledge gained by them in their inspection tours and from the opinions of cultivators, and form corrected estimates of area under cotton in their respective circles. On receipt of the returns of forecasted areas from the Revenue Inspectors, the Deputy Commissioners base their estimates and correct them in the light of any information they may possess concerning the probable areas sown. On receipt of returns from Deputy Commissioners, the Director of Land Records frames the estimate for the State as a whole. The discrepancy between the forecasted and actual areas under cotton is stated to be due to the fact that the *patwaris* of the State are overburdened with other multifarious duties and, therefore, it has not been possible for them to furnish accurate and timely records of area.

"*Bombay*: The differences noticed between the forecast estimates and the actuals are largely due to lack of sufficient care on the part of *talatis* and sometimes due to inaccurate estimate on the part of *mamlatdars*. This inaccuracy cannot altogether be avoided in the case of the first three forecasts, since the revenue staff do not have a complete picture of the crop prospects by the time these forecasts are prepared. Inadequacy of the staff is another reason for the inaccurate estimation of cotton production in the State by the Revenue Department.

"*Mysore*: A study of the data on the acreage under cotton for the last ten years in Mysore State reveals that there are large variations in the figures given at different forecasts. In all cases, the method used for the estimation is eye estimate which, perhaps, may be the main cause for such variation. Inclusion of the area with late sowings also contributes to the variations."

It will be seen from what is stated above that the present methods of collecting statistics of cotton acreage, as Mr. Gadkari says, are "far from satisfactory and need to be reorganised on sound and scientific lines so as to arrive at better estimates of the crop at all the successive forecasts." Among the improved methods that are being tried, the random sampling method has deservedly attracted wide attention. In the Wardha district (Madhya Pradesh), a pilot scheme for estimation of the area of pre-harvest crop forecast by random sampling method is being tried, on the recommendation of the Indian Council of Agriculture Research, as an experimental measure. When the question of improving these estimates came up for discussion at the meeting of the Indian Central Cotton Committee, held in February, 1953, it was generally felt that the random sampling method, now being tried in the Bombay and Madhya Pradesh States, was the best method for determining the yield per acre of the cotton crop. It is to be hoped that this method will be adopted by all the States. But no method, however, scientifically perfect it may be, can yield accurate results if the persons who use it do not know how to use it or do not appreciate the value and significance of their work or do not have the time for doing this work.

TAXES ON COTTON

The East India Cotton Association has, in the course of its reply to the Taxation Enquiry Commission's questionnaire, brought out how heavy a tax burden cotton has to bear. The taxes payable are export duty on cotton, the import duty on foreign cotton, sales tax and stamp duty on cotton. It rightly holds that these taxes affect adversely the return to the grower.

Tracing the history of the export duty on cotton, it points out how it came to be imposed, in the first instance, on 26th October, 1946, at Rs. 20 per bale. Even at that time, the Association had suggested that the Government should "maintain contact with reality in order to see that the taxes did not hamper India's foreign trade in cotton." This duty was, however, doubled on 19th January, 1948, when the Association pointed out that the policy of using exports of India's raw material for revenue purpose, to the extent of Rs. 40 per bale, amounting to 11 per cent. of the value, in the case of raw cotton, would have "dangerous repercussions." Nevertheless, the duty was further raised from Rs. 40 to Rs. 100 per bale, with effect from 18th November, 1948, and still further to Rs. 400 per bale of 400 lbs. each by an ordinance promulgated on 8th November, 1950. The duty was reduced by 50 per cent. with effect from 16th March, 1952. The duty on Assam Comilla cotton was abolished altogether from 19th November, 1952, while that on Bengal Deshi cotton was reduced from Rs. 200 to Rs. 125 per bale. Export duties on other varieties of raw cotton allowed for export remained unchanged at Rs. 200 per bale.

The Association next traces the history of the import duty on cotton. The import duty on foreign cotton was first imposed at six pies (half an anna) per lb. in September, 1931. The Association protested against this levy as the principle involved in the levy of this tax on imports of raw material useful for indigenous industry which did not compete with the cotton grown in the country, was vicious and indefensible and, further, that ordinarily raw materials in almost all civilised countries in the world were imported free of duty. The duty was raised to one anna per lb. in 1939 in respect of those varieties of cotton which competed with Indian cotton. The duty was raised to As. 2 per lb. in 1942. A cotton fund has been created out of the duty so collected by the Central Government to be used for the benefit of growers. The Association urges that this fund should be wholly utilised for increasing the yield of cotton as well as for growing long-staple varieties by way of subsidy to growers.

Since cotton has been not only classified as an essential commodity but also brought within the Central Government's purview through cotton control measures, it is reasonable to expect, according to the Association, that any impost on cotton should also come within the purview of the Central Government. It, therefore, deplores that the State Governments look upon sales tax on cotton as a suitable item for taxation.

Yet another burden which cotton has to bear is the stamp duty. The Government of Bombay has imposed, with effect from 1st April, 1948, a stamp duty of As. 6 per unit of transaction in cotton, that is, As. 4 per unit of 50 bales with a surcharge of 50 per cent. Referring to this levy, the Association says:

"The Association protested on principle against the imposition of duty on forward transactions in cotton, inasmuch as the Exchanges dealing in raw materials are performing an important service to the agriculturists and the imposition of a duty on forward transactions must necessarily add to the cost of cotton, reflecting on its prices as well as result in diversion of business from Bombay to other places outside the State. It was further pointed out that the imposition of such a duty would severely handicap jobbing business without which no forward market could function properly.

Local authorities have also added to the burden on cotton which is thus subject to octroi duty. The Association urges that the duties or taxes levied by different States or Local Bodies should be examined

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INDIA'S PRESENT FOOD SITUATION

HAS SELF-SUFFICIENCY BEEN ACHIEVED?

(By P. C. BANSIL, M.A.)

"FOOD for all" is the chief plank of the First Five-year Plan. Rightly so; the emphasis is well deserved in a country like ours where food is the major problem of a majority of our people and where an average individual spends as much as 50 per cent. of his income on food. This becomes all the more important when the recent Census Report traces our food shortage to the year 1920—described as the "Great Divide." The former Census Chief—the Indian Malthus—thus depicts a very gloomy and pessimistic picture of the future.

There is, however, no lack of reassuring reports from the side of the Union Food Minister, the man at the helm of affairs. No food is said to have been imported for the first time since 1943 from abroad during the week ended 11th November, 1953. The problem of the Government is not to import more, but to dispose of the existing stocks as the godowns all over the country are said to be "choke-full of wheat." Increased home production and internal procurement of rice, according to the Central Food Ministry, have at long last caught up with the demand of the deficit States, so that there will be no such imports of rice in future. As for the import policy recently announced, excepting for 1.5 million tons of wheat already committed under the International Wheat Agreement, no other foodgrain is expected to be imported this year.

These are some of the contradictory views held by the theorists like the Census Chief and the Planning Commission, on the one hand, and a practical man like the Union Food Minister, Mr. Rafi Ahmed Kidwai, on the other. Yet, the common man remains bewildered as to the correct position. Let us make an impartial study of our present food situation as students of economics and see for ourselves the correct position.

Net Production

The average annual production of cereals, including gram, as accepted by even the Planning Commission, is of the order of 49 to 50 million tons. As a result of bumper crops, the production in the year 1952-53 is said to have touched an all-time record, the total output being placed well over 53 million tons. Deducting at the rate of 12½ per cent. for wastage and seed requirements, we are left with a balance of some 46.4 million tons of foodgrains for human consumption. Besides this, we have some 9 million tons of subsidiary food like potato, sweet potato, tapioca, groundnut, coconut and banana, etc., most of them rich in carbohydrates. These cheap edibles constitute the food of many poor people who cannot afford costly cereals. Objection may, however, be raised by some over the inclusion of grams among the cereals which, for reasons best known to the Government, were excluded only some few years back. But our knowledge of food throughout the country, the constitutional analysis of gram and the views of experts on the subject, all stand on our side. While talking about gram, Dr. Dubey, in his book *Economic Geography of India*, says: "Barley and gram are two other winter grain crops which rank along with wheat as staple foodgrains of Northern India. Together they occupy about the same acreage as wheat in India."

Similar are the views expressed in the Report on the Marketing of Gram in India, which reads as follows:

"For human consumption, gram is used in the form of boiled whole gram, *atta*, *dal*, baisin and parched gram. Gram *atta* is consumed in large quantities, usually after mixing with wheat and/or barley *atta*, in the form of *chapaties* and is very popular in villages, particularly when the price of gram is lower than that of wheat. In urban areas gram also, specially in North India, gram and wheat *atta chapaties* are much relished."

It will thus be seen that our conclusion of a net production of foodgrains, excluding subsidiary foods that is available for human consumption, is certainly of the order of 46.4 million tons. There is every ground to believe that they are underestimated or at least not overestimated at any rate.

Let us now see the other side of the picture —our requirements. It was expected that that august body—the Planning Commission—will attach due importance to the problem of food which we have been fighting on a war footing, and evolve some scientific methods to find out our actual production and consumption levels so as to reach some fundamental conclusions. The importance of correct production and requirement figures is also explicit in the first Five-year Plan when the report says: "For this purpose, it is necessary to assess the trends in production and to see how they compare with requirements." It is, however, a sad commentary to find from their report which reads: "From a practical point of view, it is of no significance whether food production is or is not higher than is shown by the official data . . . What matters for practical purposes is that over the last six or even seven years, the country has imported on an average about 3 million tons of foodgrains." The Commission has thus miserably failed to indicate the exact position of production and consumption.

Requirements Estimated

The task, though difficult, is not so very tremendous that it cannot be attempted. Let us have a trial and see for ourselves, if we can reach some satisfactory conclusions by our independent efforts.

The experts on food have laid down the following amounts of carbohydrates for Indian diets for different people in different age groups engaged in different types of work:

Age group Years	Cereals Ounces
Below 2	0
2 to 3	1
3 to 4	2
5 to 7	4
8 to 12	6—10
13 to 14	10—12

Given the authoritative figures of our population according to the various age groups, we can find out how much of cereals we actually require to feed the nation, in order to estimate whether we require more of cereals or other protective foods. The normal amount of cereals for the urban population has been accepted as 12 ozs. and for the rural as 16 ozs. per head per day. Without finding adult equivalents, about which there is much controversy, we can study the position as it exists today on the basis of the data given above.

We can work on the basis of the 1941 Census because population figures by age groups are not available for the 1951 Census. Taking the average of three States, we find below that children below 12 form 36 per cent. of the population, as indicated in the table below:

		Percentage of age groups					
Province	*Population* (000's)	*Below 2 yrs.*	*2 to 3 yrs.*	*3 to 4 yrs.*	*4 to 7 yrs.*	*7 to 12 yrs.*	*Total*
Orissa	11,746.6	1.3	2.0	2.9	11.6	13	
Assam	7,969.2	2.8	5	3.0	13.5	13	
Bihar	36,545.8	1.9	5.2	3.3	12.9	13.4	
Total	56,201.6	6.0	15.2	9.2	38.0	39.4	
Average		2	5	3	13	13	36

From the available published data in respect of the 1951 Census, we find, that the number of children up to the age of 14 years form 38, that is 3 per cent. of the total. Our conclusion of 36 per cent. for children up to the age of 12 can, therefore, be taken as fairly correct.

Applying the same percentage to 1951, we get the following population distribution between children and adults:

Group	*Percentage*
Children upto 12 years	36
Adults—	
Farm (70 per cent.)	44
Non-farm (30 per cent.)	20
Total	100

The requirements of children for the various age groups as laid down by nutrition experts are given in the first table. Taking the consumption of cereals in India to be slightly more than the normal, we may reconstitute the age groups, after making a proper margin, as hereunder:

Age group Years	*Ozs. per day*
Below 1	0
1 to 3	1
3 to 4	2
4 to 7	4
7 to 12	10

Calculating at the rates given in the above table for children up to the age of 12 years, and fixing 16 ounces per head for the farm and 12 ounces for the non-farm adults, according to the third table, (treating all men and women above 50 as full adults for the purpose of consumption of cereals), our requirements for a population of 100 come to 11.3 tons a year. Raising this figure to 11.5 tons so as to make provision for waste, etc., and working out at this rate for 361.2 million people, India would require nearly 41.5 million tons of cereals.

The estimates of cereal requirements have also been made from time to time by various authorities on the subject. According to Dr. Baljit Singh, the cereal requirements for the whole of India in 1941, when the population stood at 389 million, was 46.6 million tons. Working on this basis, we require for a population of 361.2 million not more than 43 million tons, as against our estimate of 41.5 million tons. It may be mentioned that Dr. Baljit Singh had also taken into consideration the extra consumption required for marriages, etc. Mr. Pheroze Kharegat, the then Secretary of the Agriculture Department, calculated our cereal requirements in the year 1946 as 48 million tons. The population of India then was more than 400 million. The requirements for 361.2 million people on this basis would be of the order of 43 million tons.

The following table shows the requirements as worked out by Mr. J. C. Kumarappa, the Nutrition Advisory Committee and the Ministry of Food and Agriculture:

	Tons
Nutrition Advisory Committee—	
Vegetarian	41,354,000
Non-vegetarian	41,554,000
Food Ministry	37,511,000
J. C. Kumarappa—	
Vegetarian	47,490,000
Non-vegetarian	47,490,000

Our food requirements can also be calculated according to the actual issues of foodgrains from the Government stocks in the statutory rationed area. In an answer to a question by Pandit Bhargava, the then Food Minister Mr. K. M. Munshi, stated on 20th February, 1951, that the total issue from the Government stocks during the year 1951 for statutory rationed areas, whose population in that year was 45.36 million, was about 4 million tons. Population under statutory rationing may be considered as purely non-farm, although there are also labourers, etc., whose consumption of cereals is more than that of the urbanites. On this basis, the requirements of non-farm population, who number 61.8 million according to the 1951 Census, would be 5.5 million tons at the above rate. The requirement for the rest of the farm population of 299.4 million, whose consumption is normally 33 per cent. more than the urban, will be nearly 35 million tons. The whole of the Indian Union would thus require something like 41 million tons only for human consumption.

Delhi's Experience

This fact is again corroborated when a small and compact area like Delhi is taken as a unit, where there is statutory rationing and no smuggling from outside is permitted. (The black market, if any, is only from the stocks issued from the Government stores and smuggled by the dealers.) The average actual offtake of cereals per fortnight in the statutory area of Delhi, including Sahadra and Mehrauli, during the years 1950 and 1951 was 156,300 and 167,000 maunds respectively, and the population of the area was about 16 lakhs during both the years. We find that the consumption of urban population of 61.8 million and rural population of 299.4 million on this basis would be nearly 5.76 and 38 million tons, respectively. Total requirements would thus work out to 43.7 million tons. It must be emphasised here that the aforesaid calculations are on the basis of the actual issues from Delhi and include all sorts of wastage that we find in the cities. The accuracy of figures, however, cannot be doubted, because minute records of all the issues and receipts are kept.

This thesis can further be proved by a glance at the food balance-sheet Table issued by the Directorate of Economics and Statistics, Ministry of Agriculture, in their annual food *Bulletins* for the years 1951 and 1952, and reproduced below:

(In million tons)

	1951	1952
Gross—		
Cereal	41.8	41.8
Gram	3.6	3.2
Total	45.4	44.5
Net after deducting 12½ per cent.	39.8	39.0
Imports	4.6	3.5
Opening stocks	0.7	1.3
Gross total	45.1	44.8
Closing stocks	1.3	1.9
Net consumed (difference between gross total and closing stocks)	43.8	42.9

From what is stated above, we arrive at the inescapable conclusion that, as against our *net* production of some 45 to 46 million tons, we require only about 44 million tons or a little more than that for human consumption or that the country is self-sufficient in foodgrains. Maybe that there is some little percentage of people all over the country whose consumption level is more than 33 per cent., the urban level presumed by us. But, as against this, we have

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INTERNATIONAL SUGAR AGREEMENT

ITS IMPORTANCE IN PRESENT CONTEXT

JUST 16 days have elapsed since the International Sugar Agreement came into force. It would rather be too premature to say anything categorical as to whether or not the Agreement will prove a success, for such depends on so many factors which cannot be easily assessed at present. The most important objective set before the International Sugar Council, the body which actually administers the Agreement, is stabilisation of sugar prices by preventing accumulation of huge surpluses and maintaining steady supplies in the "free" market. How far and to what extent will the Council realise this objective will be watched with great interest by the sugar trade all over the world.

One may, however, ask: Is not the International Sugar Agreement only of limited importance, considering the fact that the share of the free market (supplied mostly by the low-cost producers) in the world sugar trade and production is not much, being only 5 million tons out of the annual world exports of 12 million tons and production of 38 million tons? This is, indeed, a pertinent question. As readers are aware, the major portion of the sugar entering world trade is accounted for by high-cost producers, the sugar economy of which is influenced by what are called the protective arrangements. Thus, the U.K., the second largest importer of sugar next to the U.S., purchases most of its requirements from the Commonwealth countries under the protection of preferences and the Commonwealth Sugar Agreement. Similarly, the French Union and the Benelux have protective arrangements outside the free market. Even the U.S., the world's largest sugar importer, hardly comes into the free market, in that practically all its requirements are being met under preferential arrangements by Cuba, the Philippines, Puerto Rico and Hawaii.

It is thus evident that the free market is the residual source of sugar supply, "the market of last resort." Nevertheless, the changes in the supply of and demand for sugar in the free market have wide repercussions on the trend of world prices generally. Stability in world sugar prices, therefore, depends largely on the conditions in the free market. To quote the London *Economist*: "The scheme (International Sugar Agreement) . . . is an attempt to ameliorate—though only slightly—the balance of power between the unprotected low-cost market and the regulated preferential market. That must be its justification, so far as it goes."

World Sugar Economy

It is most appropriate to review, in this connection, the recent trends in world sugar economy. The year 1952-53 marked, as a recent report of the U.N. Food and Agriculture Organisation pointed out, a step towards stabilising the world sugar economy and weakening the war-engendered forces. Production of sugar in the non-dollar exporting countries registered a marked improvement for the first time since the end of the war, with the result that more sugar was available for export in 1953 from non-dollar sources. Asia's sugar production approached the pre-war level. Production increased in most self-sufficient or deficit countries, except those in Europe. Highly significant was the improvement in South America and Africa.

Reviewing the trend of consumption, trade and prices in the world sugar market, the F.A.O. observes:

"Although 1952-53 was a very good year from the standpoint of consumption, trade and prices, it also witnessed some problems. Some of these were due to general balance of payment difficulties, others to transition from the special conditions caused by the war. The post-war tendency to higher *per capita* consumption continued, especially in the countries of low consumption in Africa and Latin America, but at a diminished rate. Exports probably declined by 1 to 2 per cent. from the record high level of 11.7 million tons in the previous year, but were still about 18 per cent. higher than the pre-war average. The most important development was the increase in production by 2 million tons during 1951-52 which raised world output to about 45 per cent. above pre-war and led to the emergence of a surplus for the first time since the end of the war. Around 90 per cent. of the increase in carry-over stocks was concentrated in Cuba, but slight increases took place also in other dollar exporting countries.

"The rise of about 1.9 million tons in carry-over stocks adversely affected prices and recalled memories of sugar surpluses, but the measures taken by Cuba were effective in preventing a collapse. About 1.8 million tons were removed from supplies available for marketing and placed in a special reserve and it was announced that the 1952-53 crop would be limited by decree. World prices, instead of falling precipitously, declined gradually."

The following table indicates the fluctuation in sugar prices (in cents per lb.):

	World (f.o.b. Cuba)	*New York* Ex-duty
1934-38 average	0.96	2.22
1950	4.98	5.43
1951	5.67	5.56
1952	4.17	5.77
November, 1952	4.00	5.94
March, 1953	3.27	5.83
May, 1953	3.64	5.85
Latest	3.30	—

Although a real collapse of the world sugar market, which had been forecast in some quarters since 1948, has not occurred, deep concern is felt about the future of world sugar economy, especially of the free market sector. The chief problem is undoubtedly the intensification of efforts to raise production in the protected areas. It is precisely for these considerations that the actual working of the International Sugar Agreement will, as already stated, be watched with great interest.

Outlook

Be that as it may, commenting on the long-term outlook for world sugar, the F.A.O. feels that world production is likely to increase by 1 to 2 per cent. per annum and world exports will remain high over the next few years and substantially higher than the pre-war years. This conclusion has been arrived at by the F.A.O. after analysing the outlook on the following lines:

"While it is clear that 1952-53 marks an important stage of transition for sugar, the new pattern is not yet well defined and not all the forces coming into play can yet be assessed. The main question is the future position of Asia. Africa is launched on a trend to higher consumption and the most spectacular increases in *per capita* consumption during the last five years occurred in that Continent. In Asia, on average, *per capita* consumption is still only around 2.5 kilograms a year and future development will depend on many complex socio-economic factors. Technologically, resources for increasing production are available; whether economic forces will favour expansion remains to be seen. To achieve that end, considerable financial resources would be necessary as well as increases in acreage and emphasis on industrial development.

"In other continents, the post-war consumption gains are likely to be permanent and, given high levels of income and employment, the present trend will continue, although probably at a reduced rate.

"Production will continue to expand in self-sufficient and deficit countries, as well as in non-dollar exporting countries, particularly in the British Commonwealth and in the French Union. No dramatic developments comparable to the growth of the sugar industry of Java and Cuba after World War I are in prospect, but current forces will bring about a steady growth in many countries. Production resources and potentialities are perhaps not so favourable in other regions as in the Caribbean, but expansion programmes are assisted by special price arrangements, tariff preference, long-term contracts and other devices. In 1953, the United Kingdom paid the Dominion and Colonial sugar producers about 50 per cent. more than the world price and 70 per cent. more than the special Cuban contract price."

Whatever developments take place in the sphere of world sugar output and trade will affect India, because India has now become an importer of sugar. It is estimated that India will have to import sugar to the tune of 400,000 tons in 1954. Considering the highly comfortable supply position of sugar and the downward trend in prices in world markets, India should be able to obtain its requirements from the free market without any difficulty. The domestic industry, however, is unlikely to be adversely affected by these developments, as it is protected by the control which the Government exercises over the quantum of imports and the minimum price at which the imported sugar is sold to consumers. The chief beneficiary of any substantial fall in the cost of imported sugar will be the Exchequer, as it appropriates to itself the difference between the cost and the price at which it sells that sugar to dealers.

U.S. SUGAR QUOTAS FOR 1954

The aggregate American sugar quotas for 1954 have been set by the U.S. Department of Agriculture at 8 million short tons (raw value). This quantity is 400,000 tons less than what would be needed at the 1952-53 rate of disappearance, adjusted for increasing population. It is necessary to withhold this quantity, the Department says, in view of possible stockpiling during December and to establish stable prices at levels required by the Sugar Act of 1948. In the initial determination for 1953, a similar 400,000-ton allowance was made in establishing quota requirements at 7.8 million tons. The 1953 quotas are currently established at 8.1 million tons.

Distribution of sugar in the United States during the 12 months ended 31st October, 1953 amounted to 8.2 million short tons. In the 14-month interval between 1st November, 1953 and the end of the calendar year 1954, the population of continental United States is expected to increase by about two per cent. Apparent consumption, when adjusted for such a population increase, indicates a consumption of nearly 8.4 million short tons. Employment and consumer purchasing power are not expected to change greatly in 1954.

The Sugar Act of 1948 requires that consideration should be given to a supply of sugar that will maintain the relationship between current consumer prices and the prices of sugar that existed in 1947 when the United States was under a form of price control. U.S. consumption from domestic sources in 1954 is expected to amount to about 2.3 million tons. The rest of the 8 million tons will have to come from other sources, notably Cuba, Hawaii, Puerto Rico, and the Republic of the Philippines. The Philippines quota has been set at 974,000 tons nearly 75 per cent. of anticipated Philippine output during the 1953-54 crop year.

Recently, the Agriculture Department estimated that world production of centrifugal sugar would aggregate nearly 39.0 million short tons (raw value) for 1953-54. This would be eight per cent. higher than 1952-53, 644,000 tons more than the previous record set in 1951-52, and 37 per cent. higher than the pre-war average.

SUGAR PRODUCTION AND STOCKS

The opening stock of sugar with factories in India on 16th November, 1953, was 153,000 tons, as against 472,000 tons on the corresponding date of the previous season, but arrivals of foreign sugar up to the end of December, 1953 aggregated 143,000 tons.

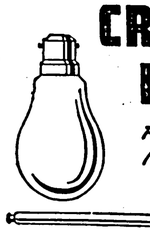
Out of the stock with the mills, 46,000 tons of sugar were despatched during the fortnight ended 30th November, 1953, as against 27,000 tons in the corresponding period last year. The closing stock on 30th November, 1953, was 135,000 tons, as against 463,000 tons on the same date last year.

The total production of sugar during the season 1953-54 upto 30th November, 1953, was 33,000 tons, as against 45,000 tons during the corresponding period of the previous season. The total quantity despatched was 93,000 tons, as against 67,000 tons during the same period last year.

IMPORT OF RAW SUGAR

The Government of India proposes to import raw sugar from foreign countries for the purpose of refining it in the sugar mills in India as an experimental measure, according to Mr. M. V. Krishnappa, Deputy Food Minister, Government of India. The landed cost of raw sugar on Indian ports, excluding import duty would be about Rs. 15 per maund at the present prices. The cost of sugar refined from raw sugar would be about Rs. 20 per maund, excluding excise duty, as also transport charges of raw sugar from the ports to the inland factories.

The Government of India has decided to release for free sale all sugar produced by factories during the period 16th to 31st December, 1953.



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PETROL FROM COAL

SYNTHETIC PLANT PROPOSAL REVIVED

THE proposal for the establishment of a synthetic oil plant in India for the manufacture of petrol from coal has been revived. It will be recalled that, early in 1952, the Government had a project report, but it could not go ahead with the scheme for various considerations. It is not clear whether the position has improved to such an extent as to merit the reconsideration of this proposal. Anyway, the Government proposes to call for up-to-date project reports very soon. The proposal, if implemented, is expected to provide an outlet for the high volatile non-coking slack coal of the Raneegunj coalfields and for the inferior coal of the lower seams in the Jharia fields. Mr. L. S. Corbell, President of the Geological and Metallurgical Institute of India, has suggested that the proposed plant should be erected in Khasi hills coalfields, as the tea gardens have found it cheaper to work on oil than coal, the transport cost of which has increased rapidly in recent years.

It is too early to forecast how far the proposal will fructify. For the manufacture of petrol from coal, despite improvements in synthetic processes and gradual development of outlets for the various by-products, is still a costly process. Extraction of petroleum from coal will be found profitable only when the price of imported petroleum at the spot of consumption is costlier than that of petrol produced from the synthetic plant. This is the main reason why the production of synthetic petrol still forms only a small fraction of world petrol output. The countries which are engaged in this manufacture do so for considerations of defence. Even this consideration will not be valid, if a country has a few allies among those that are producing oil. In this modern world, no country can afford to remain alone. It must choose and have some friends. This will not be impossible even in the present times of tension and division of the world into power blocs, for the division has largely been on ideological grounds.

Cost of Production

Be that as it may, where there are abundant local supplies of cheap coal, production of synthetic petroleum may prove to be a practicable and economic proposition. The constant research that is being made by Britain and various other countries may yield valuable results which may bring down the cost of making petrol out of coal.

There are very few countries in the world which have been planning investment on synthetic petrol plants, notable among them being South Africa. There is a plan to have a synthetic plant, estimated to cost £18,000,000, which can extract 200,000 tons of liquid fuel annually. It is held that, although this is a very heavy outlay, the outlay is considered justifiable by that country, because it feels that it can produce synthetic oil at a cheaper cost than imported petroleum into the interior of the country. Further, it feels that cost is no consideration from the point of view of defence. There seems to be a proposal to have a similar project in Southern Rhodesia also.

Meanwhile, continuous research is being made in different parts of the world for improving the efficiency of the basic Fischer-Tropsch process. Various modifications of this process are being experimented with, with varying success. Writing on the results of this research and commenting on the practicability of producing oil from coal, Dr. Trevor I. Williams, Deputy Editor of the scientific quarterly, *Endeavour*, London, recently observed:

"Although the results of much research directed at improving the Fischer-Tropsch process are not easily obtainable, even if not specifically secret, several important general trends can be discerned. In the United Kingdom, where much valuable experience in the operation of oil-from-coal plants was gained during the last war, important researches have been done in the Fuel Research Laboratory of the Department of Scientific and Industrial Research (D.S.I.R.). Particular attention has been directed to make the process less inflexible—at present one of its principal weaknesses —that is to say, having more precise control over the nature of the products formed, and particularly to form as by-products specific chemicals for which there is a good market.

Development of New Catalysts

"In the future, by-product manufacture for the rapidly-growing organic chemical industry is likely to be a factor of great importance for the synthetic petrol industry. Much attention is also being given to the development of new catalysts—the substances which, without themselves being consumed, promote the combination of the basic raw materials to form petrol. Originally made from cobalt, it is now found that those made from iron are both cheaper and more effective.

"The preparation of satisfactory catalysts is, however, an exceedingly complicated matter, as the extensive technical and patent literature testifies; in the United Kingdom, attention has been directed mainly to what are called 'fused-magnetite' catalysts, made by dry processes, as opposed to those made by wet processes in Germany and elsewhere. Iron scale from rolling mills has been found to be a satisfactory base for making catalysts. To be effective, catalysts must be activated by adding traces of other metals, such as potassium, to the iron, and the proper selection of these has been the subject of much research.

"In most Fischer-Tropsch plants, the gas is passed through a dry catalyst, but current D.S.I.R. research in Britain is being directed also to an alternative form in which the catalyst is suspended in fluid. An experimental plant of this type, with an output of some 50 gallons daily, is now undergoing extensive tests.

"Much research has been directed, too, towards reducing the cost of preparing the mixture of gases from which the petrol is made, for this is the principal factor in the cost of the process as a whole. Particularly important is the removal of sulphur compounds from the gas, for, if left in, these rapidly make the catalysts, which are expensive useless.

World-wide Interest

"It may prove possible to reduce costs still further by making petrol synthesis a part of a bigger scheme in which electricity would be generated from the surplus heat. Alternatively, it might eventually be possible to link a Fischer-Tropsch process with underground gasification of coal, although the latter is itself still very much in the experimental stage.

"Interest in the manufacture of oil from coal is international. German research has shown that blast-furnace gases may be used as a raw material; in Switzerland the Fischer-Tropsch process has been modified so as both to enrich ordinary town's gas and to yield liquid fuel; in France and Germany an accelerated rate of flow of gas is being experimented with to obtain a higher yield. In the big Brownsville plant in America—designed to produce 300,000 tons of petrol annually, and, no less important, 70,000 tons of valuable chemical by-products—the powdered catalyst is made to resemble a fluid by agitating it vigorously."

If petrol can be produced in India from its vast coal resources at a cost which will be cheaper than imported petrol, the proposal will be worth execution. This will help India to reduce its dependence on foreign sources, especially in times of war, when the prospects of their supplies being cut off or severely restricted are certain. It will also help develop the chemical industry on a broad foundation, the importance of which both in war and peace is beyond doubt. But it is better to wait for further developments in this regard, inasmuch as, even in countries well advanced in scientific research, no decisive conclusions seem to have been reached in regard to the process to be followed.

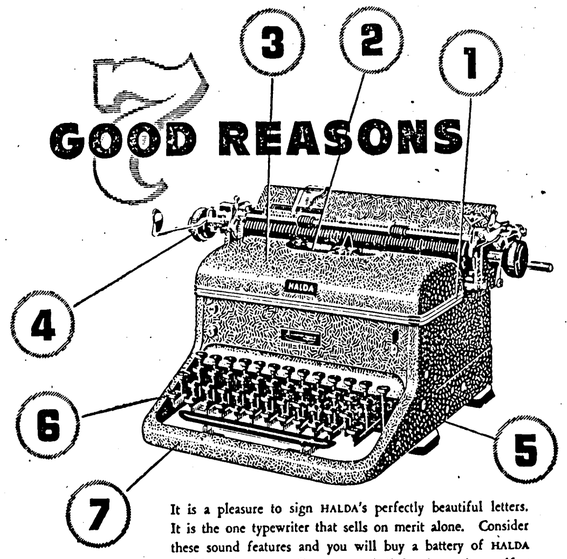
COAL STATISTICS FOR NOVEMBER 1953

During the month of November, last year, 839 collieries and 8 coke plants were working, according to the Chief Inspector of Mines in India. On an average, 317,380 persons were employed daily and 7,380,686 man-shifts worked. The overall percentage of absenteeism was 14.51. The output per man-shift for miners and loaders was 1.09 tons, for all persons employed in underground and open-workings 0.56 ton and for all persons employed 0.35. As much as 2,676,502 tons of coal were produced during the month. Further, 118,921 tons of soft coke, 189,954 tons of hard coke and 16,018 tons of other kinds of coke were manufactured. Despatches, during the month, accounted for 2,554,988 tons of coal, 121,089 tons of soft coke, 42,125 tons of hard coke and 4,761 tons of other kinds of coke. The coal stocks at the collieries on the last day of the month were reported to be 3,193,653 tons.

WAGON DEMAND FOR COAL TRANSPORT

The overall demand for railway wagons for the transport of coal has not fallen short of the supply of wagons for such transport, but the wagon offerings for down-country and the industrial area, from Bengal-Bihar coalfields had risen between September and November, 1953, to levels in excess of the current demands.

For some time during November and the early part of December, 1953, this applied also to the available railway transport capacity via Waltair and Ajni. There was no reduction in the demand for wagons due to the slight decline in production.



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RAW JUTE PROSPECTS FOR 1954-55

PAKISTAN TO INCREASE ACREAGE

THE final crop estimate of raw jute relating to the 1953-54 season, released by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, Government of India, now turns out to be lower than earlier expectations. The area sown to raw jute in 1953-54 is 1,196,000 acres, as compared with 1,817,000 acres in the previous year. The output is placed at 3,128,000 bales (of 400 lbs. each), as compared with 4,605,000 bales in the previous season and 3.5 million bales estimated earlier in the season. As compared with the 1952-53 crop results, there has been a decline of 34.2 per cent. in area and of 32.1 per cent. in production.

The decline in acreage and production of jute has been reported by all the jute-growing States. It is, however, more marked in W. Bengal and Bihar and that is due mainly to unfavourable weather conditions and low prices of jute at the time of sowing. In parts of West Bengal and the U.P. the crop also suffered, it is stated, from floods and the attack of semilooper pest.

The output of jute, estimated at 3.1 million bales, is 1.9 million bales less than the total quantity required by jute mills in India on the basis of their present working arrangement. As the carryover from the last year's crop was about 1.4 million bales, the mills will have to rely on outside supplies to the extent of 0.5 or 0.6 million bales. But this excludes the needs that may be determined by quality considerations of raw jute.

Shortage of Supplies

While the total availability of raw jute in India during the 1953-54 season is no more than 4.5 million bales, the position in Pakistan appears to be none the better. For, owing to the deliberate policy of cutting down the output of jute adopted in 1952-53, production of raw jute in 1953-54 is expected to be only 2.5 million bales, as against 6.8 million bales in the previous season. Along with a carry-over of about 1.5 million bales from 1952-53, the total supply in that country would be about 4.0 million bales. The available jute supply from the two sources would thus be of the order of 8.5 million bales, as against the total world demand for 9.5 million bales. This tentative figure indicates the possibility of the world experiencing a shortage of one million bales during the year. Apart from this, there is also the question of quality jute being scarcer than in the previous year.

In this context, it is appropriate to refer to the observations on prospects for raw jute in 1953-54 made by Mr. M. M. Ispahani, in the course of his speech at the fourth annual meeting of the Pakistani Jute Association, held at Dacca on 19th December last. He stated that prospects of less jute being grown in 1953-54 had, at the end of March, the desired effect on the markets. Exports during April, May and June, 1953 rose to an unprecedented level. Prices steadied in April and, for the first time for seven months, rose above the E.P.C. minimum. The outlook had improved so much that the Jute Board considered it possible to release jute from the 13 lakh bales which it had purchased in 1951-52. "The season (1952-53), therefore, ended," Mr. Ispahani said, "on a most optimistic note. The overseas countries had purchased in all 40 lakh bales, while India had taken their promised 18 lakh bales. We had a large carry-over to bring forward and sell in 1953-54, but this was offset by the expected small new crop. The fact that jute had been cheap meant hardships to our cultivators, but it also had the effect of assisting us to maintain the markets for jute goods into the ground lost to substitutes."

The improved position noted at the end of 1952-53 continued, Mr. Ispahani said, in the current season. Except for a slight recession in September, 1953, prices had remained steady at a level which was satisfactory for both the producer and the consumer. Up to the end of November, 1953, the volume of exports had been satisfactory. Overseas offtake, according to him, was 16 lakh bales, and purchases from India were of the order of 8 lakh bales. He added: "We shall have just sufficient jute to satisfy world demand, and the carry-over into 1954-55 should, therefore, be negligible."

Mr. Ispahani proceeded next to deal with the determination of output of raw jute for 1954-55. He observed: "Our aim, as usual, should be to achieve that happy state where there is neither too little nor too much. Over-production would mean low and uneconomic prices for our cultivators, while shortage of jute, making prices high, would mean further irretrievable losses of jute markets, losses which Pakistan cannot afford. After careful consideration, my Committee have recommended that we aim to have at our disposal about 60 lakh bales, including carry-over for next season. The method of arriving at this figure has been made known to the Jute Board, who are, I believe, in general agreement with it."

Mr. Ispahani's speech makes two things clear. His statement that prices of raw jute steadied in April, 1953, and rose above the E.P.C. minimum, amounts to the confession that the jute support policy followed by Pakistan was a failure—a fact which the Government was chary to accept. Secondly, the Government has recognised the need for expanding the area under jute in the 1954-55 season and for giving up the policy of drastic curtailment in the acreage sown to jute which it followed last year.

WOOLLENISING JUTE

A programme for exploring new uses of jute cloth is reported to have been drawn up by the Expert Committee appointed last year by the Indian Central Jute Committee. This Expert Committee consisted of Dr. P. Pariya (M.P.) as Chairman and Mr. J. C. Ghosh, Dr. Venkataraman, Dr. D. M. Bose, Dr. W. G. Macmillan, Dr. P. B. Sarkar and Mr. C. R. Nodder as members. It was required to examine the reorganisation scheme which dates back to December, 1945, and to draw up a schedule of priorities, in the light of changed conditions in the jute goods market. The scheme, if accepted by the Government of India, would cost Rs. 2,00,000 annually to the Union Exchequer.

Under the scheme for exploring new uses of jute cloth, it is proposed to evolve a process of woollenising jute. While opening up a new field for jute, this process will benefit the common man, in that he will be able to buy cheap and fairly durable warm clothing manufactured from woollenised jute mixed with suitable proportions of Indian wool. The process aims at improving jute's strength and resistance to laundering and at perfecting its bleaching, dyeing and finishing qualities. Experiments will be carried out on weaving mixed fabrics with softened jute and cotton, bleached jute and staple for use as suitings, upholstery, etc.

The reorganisation scheme also provides for research on increasing the resistance of jute fabrics to weathering and of jute bags for holding acidic and hygroscopic commodities. If the experiment succeeds, jute goods will fetch, it is stated, a much more attractive price than now offered in the American market where cotton bags have made inroads.

The Committee has also recommended a scheme for manufacturing jute fabrics without weaving and spinning) by the use of synthetic plastics. Success of this experiment will bring about considerable reduction in the manufacturing cost of jute fabrics, as has been done in the case of canna fibre in Australia. It is also proposed to improve the electric resistance of jute fibre and the thermal insulating properties of jute, with a view to expanding the demand for jute in the manufacture of electric cables.

The implementation of the schemes recommended by the Committee deserves to be supported by the Government. Any success achieved is sure to give immense relief to the jute industry which is now struggling to dispose of its goods in markets where consumers' resistance and competition from other substitutes have become common. The industry, too, will do well to take up some of these programmes with its own research workers who are known to be doing good work.

BRAZIL BOOSTING JUTE PRODUCTION

Brazil has at present about 30 jute processing plants mostly concentrated in the States of Rio and Sao Paulo. Manaus has another, while a big plant with production target of 10,000 bags per day is in the process of construction at Contarem. It is being financed by a joint Japanese-Brazilian company.

Unconfirmed reports state that the U.S.A. is taking active interest in boosting raw jute production in this South American State which with a few year's sustained efforts can, it is believed, rival Pakistan as a supply source for both raw fibre and goods for the American market.



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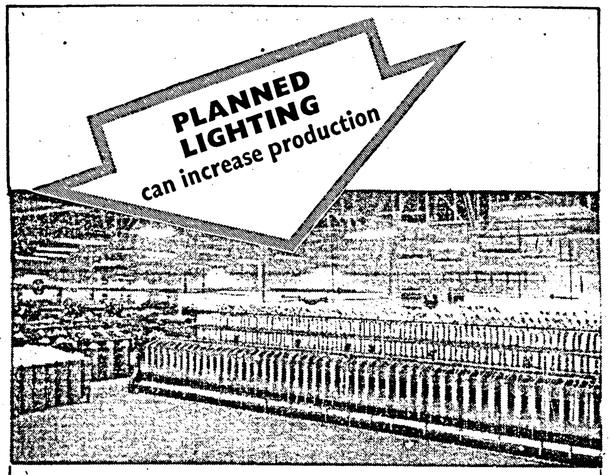

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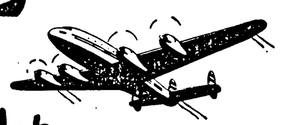

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POWER AND IRRIGATION IN MADRAS

PLANNING COMMISSION CONSIDERING FRESH SCHEMES

REPORTS from New Delhi indicate that the Planning Commission is considering the request of the Government of Madras for the inclusion of two more power, and five more irrigation, schemes in the Five-year Plan, so that work on them can begin during the present Plan period and continued in the second Five-year Plan. The sanctioning of these schemes is expected to avoid any hiatus in the execution of projects, by avoiding disbandment of the trained personnel.

The two power schemes suggested are the Periar and Kundah Hydro-electric Projects. These projects, as well as the extension to the Madras Thermal Plant Scheme, awaiting final sanction of the Planning Commission, it is stated, can be financed from out of the shortfall in expenditure in the present Plan period. The expenditure on them in the second Five-year Plan is not expected to involve any unmanageable commitments.

The proposed Kundah Power Scheme is for the generation of 75,000 kw. initially, at a cost of Rs. 17 crores, and ultimately 175,000 kw., at a cost of Rs. 31 crores. The Periar Scheme will also generate 75,000 kw. initially, at a cost of Rs. 6 crores, and 100,000 kw. ultimately, at a cost of Rs. 10 crores. This scheme is already reported to have received the approval of the Central Water and Power Commission.

Stressing the need for taking up these projects, the Madras Government is understood to have based its case on the ground that, having no other investigated schemes for power generation, there would be no commitments on the power side in the second Five-year Plan period, beginning from 1956-57, except the Periar and Kundah schemes, the usual transmission and distribution schemes and the acquisition of a few uneconomic licensee undertakings. The two schemes will involve, in 1954-55, an expenditure of Rs. 59 lakhs and in 1955-56 Rs. 184 lakhs to Rs. 185 lakhs or a total expenditure of Rs. 244 lakhs during the first Plan period. This will not, it is stated, cause any increase in the total commitments under the Plan.

It is further argued that, under the present Plan, out of a total outlay of Rs. 28.61 crores on power projects, a sum of Rs. 9.06 crores was to have been spent in 1951-53, but the actual expenditure was only Rs. 8.85 crores. Again, as against the estimated expenditure of Rs. 6.58 crores in 1953-54, the actuals are not expected to exceed Rs. 5.61 crores. During the remaining two years too, the outlay is stated to fall short of the amount contemplated in the original Plan, mainly because of the fact that work on the Madras Thermal Extension Scheme, which was scheduled to have commenced last year alone, is yet awaiting final sanction and also because the Madras Government is going slow with the acquisition of licensee undertakings. The savings under these two heads alone will be Rs. 2.5 crores. The margin available in the Plan, therefore, is estimated at not less than Rs. 3 crores. Even if the expenditure in the remaining two years for the two new power schemes were to be added, there would still be a shortfall of Rs. 56 lakhs in expenditure in the first Five-year Plan period.

The demand for the inclusion of these schemes in the Plan is further sought to be strengthened on the ground that, in 1955-56, when all the power schemes under execution are completed, even if all firm commitments for power were to be met, there would still be, in a normal monsoon, a shortfall of 35,000 kw., during the irrigation season, and 65,000 kw. during the non-irrigation season. If the new demands and fresh commitments were to be taken into account, the deficit would be large.

The five irrigation projects suggested to be included in the Five-year Plan are Amaravati, Vaigai, Krishnagiri, Kanniheripuzha and Sathanur projects. Of these, the Amaravati and Vaigai reservoir projects have, however, been already approved under the programme for improvement of irrigation in scarcity-affected areas and the question of Centre's assistance for them is still under consideration.

As regards other projects, it is stated that the Kanniheripuzha Project, estimated to cost Rs. 3.53 crores, would even out the bad distribution of fairly good rainfall in Malabar. The Krishnagiri Project, estimated to cost Rs. 1.84 crores, will provide irrigation facilities for 7,500 acres in Krishnagiri taluk of the Salem District. The Sathanur Project, estimated to cost Rs. 2.63 crores, will irrigate 20,000 acres in the Teruvannamalai and Chengam taluks of North Arcot District and Tirukovilur taluk of South Arcot District.

It is pointed out by the Madras Government, in this connection, that there are no major irrigation schemes fully investigated and ready for execution in the second Five-year Plan period. The financial commitments in the second Five-year Plan will, therefore, be modest and the carry-over will be only in respect of the Sathanur and Krishnagiri projects, if the latter two are started now.

The State Government is finally reported to have pointed out that the attempt to make the people Plan-conscious had succeeded in the State to such an extent that the people in every district wanted some scheme. The modest schemes suggested now would help in meeting such demands, thereby canalising the people's enthusiasm.

MOISTURE MEASURING EQUIPMENT

Moisture measuring equipment, which is accurate to within a quarter per cent. and takes only a few seconds to operate, will be exhibited by a British firm at the 1954 British Industries Fair when it opens on 3rd May. On the firm's stand in the Olympia (London) Section of the Fair will be a moisture meter, a condition meter, apparatus to test fatigue in wire, a micro-thermometer, and an instrument for determining humidity.

Most of the leading firms in the wool textile industry have installed the firm's moisture meters, and its instruments are going to many overseas countries, including the U.S., Australia, New Zealand, South Africa, Japan, Belgium, Holland and France.

A more recent development by the firm will also be exhibited. This is an electronic instrument for testing the condition of wool yarn and is claimed to be an entirely new testing method, based on changes in the dielectric constant of the yarn. The apparatus is designed to test closely-packed spools of yarn, where moisture content may be unevenly distributed along the length and might be well away from the surface of the package. A "magic eye" tuning indicator used in conjunction with a moving dial gives a precise result.

CANADIAN STEAM LOCOMOTIVES FOR INDIA

The Government of Canada has, at the request of the Government of India, agreed to give to India 120 steam W.P. type locomotives, as Canadian assistance to India under the Colombo Plan. The tentative schedule for the delivery of these locomotives to India is that deliveries would commence ten months from the date of the order and would be at the rate of six locomotives per month.

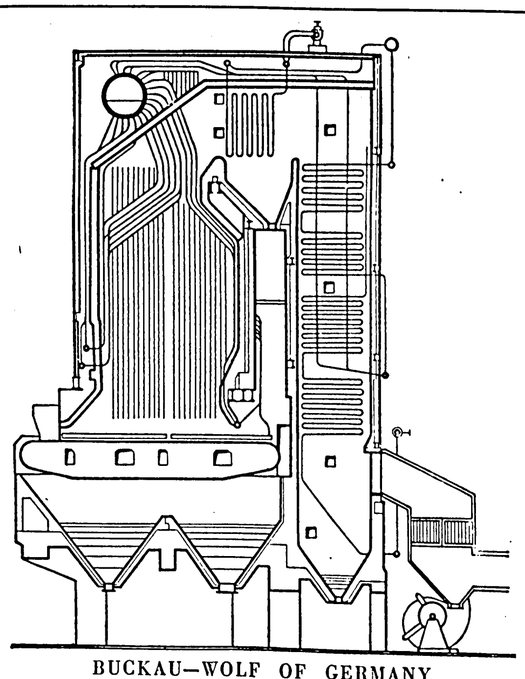
As in the case of Canadian raw materials, which are supplied to India under the Colombo Plan, the amount to be charged by the Government of India to the railways for these steam locomotives will be paid into a special development fund to be used for other economic development projects. The exact amount of the counterpart funds to be established, the administrative arrangements for its establishment and the projects for which it may be used will be agreed to later between the two Governments.

U.K. MELTING-SHOP CRANES FOR INDIA

An order worth just under £500,000 for melting-shop cranes for the Tata Iron and Steel Company's steelworks, at Jamshedpur, has been secured, in the face of competition from the U.S., and Germany, by a British firm of crane-builders (Adamson Alliance Group). The order is for two 250-ton ladle cranes, a 60-ton heavy crane with a 25-ton auxiliary hoist, and a 25-ton heavy crane of the steelworks type with a 10-ton auxiliary hoist. The cranes will be made by Joseph Adamson & Co., Ltd., of Hyde (Cheshire), and the Horsehay Company Ltd., of Wellington, Shropshire, which are connected in the operations of the Adamson Alliance Group.

WORLD PRODUCTION OF CRUDE OIL

World crude oil production in 1953 was higher by over 30 million tons at 634 million metric tons. The main production increases were in the Middle East (about 16 million tons), the U.S. (8 million tons), Canada (3 million tons), the U.S.S.R. and Rumania (5½ million tons). Production in Venezuela was 2½ million tons lower than in 1952. A somewhat smaller increase in world production is forecast for 1954.



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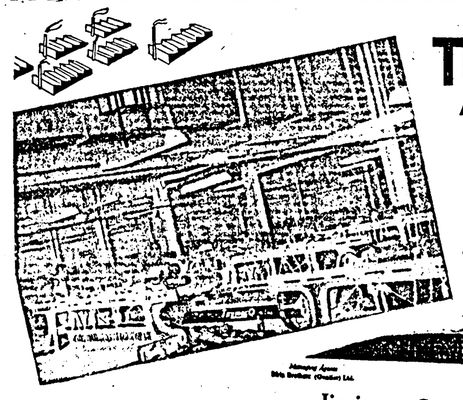

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GROWTH OF GENERAL INSURANCE IN INDIA

ROLE OF AGENTS AS HELPFUL GUIDES

THE Bombay Insurance Brokers' Association (President: Mr. Mangaldas M. Patel) celebrated its Silver Jubilee last month. Although the 25-year period, which it has completed, may not be a long one in the history of an institution, especially when compared with the hoary past of similar institutions in other countries, where insurance is much better developed than in India, it is a period which has seen many vicissitudes in India's economic history, with their inevitable repercussions on the history of insurance. The Association came into existence in 1927 when the First World War boom had ended, and has, since that period, witnessed the depression of the thirties, World War II, the Partition of the country, and a host of other events of considerable significance to the insurance business, such as the great explosion in Bombay in 1944.

In the history of the growth of general insurance, the brokers—agents, as they are now called—have played an important role. It was because many brokers were prepared to work for Indian insurance offices, they could grow from small beginnings into a big organisation, capable of extending their business operations even beyond the Indian frontiers. "Honesty and integrity of an insurance broker," as Mr. Arvindchandra A. Trivedi, Honorary Secretary of the Silver Jubilee Celebration Committee, says in an article contributed to the Souvenir of the Association, are of considerable value to both the parties concerned. At the time of underwriting the risks, the insurer does not know the nature of "material and/or moral hazard of the risks involved." He serves the insured persons too by assessing their requirements and protecting their interests.

Brokers' Services

Thus, the brokers' services are necessary in the interests of both parties, insurers and insured. It is through their services that general insurance business, as already stated, has come into its own at the present day. The history of this Association is, at least partly, the history of Indian general insurance itself. In an article contributed to the Souvenir, Mr. T. K. Desai, Deputy General Manager, the New India Assurance Company, Ltd., observes that, although Indian enterprise started taking active interest in life insurance business from the middle of the nineteenth century, one had to wait till the end of World War I to see the beginnings of Indian general insurance. Reviewing the beginnings of Indian general insurance at this period (the end of World War I), Mr. Desai says:

"Indian companies entered a new field which, up to that time, was a close preserve of foreign offices—mainly British and Colonial. The handful of Indian companies, which entered the field in 1919, did not allow their enthusiasm or ambitions to overlook the primary requisites which make for successful insurance undertakings. The companies were strongly financed. They secured the services of expert personnel. The building up of general insurance units, it was realised, was a lengthy process, and it did not permit of any departure from its basic principle of conservative underwriting policy, with caution as its watchword."

Early Beginnings

But the twenties were a difficult period for general insurance business all over the world. Because Indian general insurance came into existence at this period of world economic history, its progress has suffered somewhat through early troubles. Had the birth of Indian general insurance, as Mr. Desai points out, been followed by a period of trade buoyancy, the "progress and development of Indian general insurance would have reached far greater heights." Referring to the teething troubles of Indian general insurers, Mr. Desai says:

"The volume of business available to the Indian insurers in the twenties in their own home country was necessarily restricted. The economy was predominantly agricultural and the participation of Indians in the trade and industry of the country was also limited. The insurable values were also low and so was the premium income. The period witnessed some large claims. The fire at the Muljl Jetha Cloth Market, the riots following the visit of the Prince of Wales in 1921, the series of cotton and jute fires, throughout the decade, the conflagration at the Produce Yard in 1927, all tested, rather severely, the ability of Indian insurance to pay losses. The claims were met as they arose. Indian insurance thus came out of the trying twenties with enhanced confidence amongst the insuring public."

The *swadeshi* spirit of the thirties gave an impetus to Indian insurance, though the result could not be spectacular, because these years synchronised with the economic depression through which India was passing. The war years (World War II) saw a more rapid development of the Indian companies as also a significant increase in the number of Indian insurers. Many new composite companies were founded. There are now 79 Indian general insurers, with a premium income of over Rs. 11½ crores. General insurance in this country includes not only fire, marine and accident business but also aviation insurance and hull insurance. Subjecting the development of Indian general insurance to a critical scrutiny, Mr. Desai says:

"The development of Indian general insurance over its different classes or in different areas has not been quite uniform. There are reasons for this position. The Indian companies have naturally shown greater concentration on fire business on account of its steady profitability and its large size. Indian companies have, however, consistently shown increasing interest in marine as well as accident business and, today, Indian companies are no longer junior partners even in these lines of business. The development of Indian business was more rapid in Western India, but the position is getting more and more balanced from year to year. Today, almost every company operates on an all-India basis.

"A number of companies operate outside India. These operations are not confined to countries with an Indian trading community. Indian companies operate from Canada, on one side, to Fiji, on the other, and the operations are steadily growing to a global size. Units of Indian insurance provide their service in over 40 different countries."

Prospects

The industrialisation of the country and the increasing urbanisation that are now taking place will create greater opportunities for affording insurance coverage. Reviewing the prospects for general insurance business in India, Mr. Desai says:

"Indian general insurance has come to stay; though there are a number of young companies, there is an inherent strength which the market has acquired by adhering to old-established principles of sound insurance. The Indian companies are capable of providing efficient and economic cover for the country's needs.

"The business of Indian companies is growing at a rapid rate. The Indian companies, far from being junior partners in the market, do enjoy the patronage of the bulk of Indian business. It is regrettable that there are some Indian business houses which do not yet show appreciation of the remarkable progress made by Indian insurance. We should spare no efforts in persuading these elements to recognise the importance of supporting our well-established and successful industry. . . . Indian insurance commands not only confidence but respect of the international markets with which it has widespread relationships. The flag of Indian insurance flies over more than 40 countries of the world to offer the aid of Indian insurance service to the friends of India. In the international field, Indian insurance has shown a more active approach than any other organised Indian enterprise.

"This progress of Indian insurance has been achieved without securing any favourable position for Indian insurance either through discriminatory legislation or under active governmental support. It is a result of the trade's own efforts and initiative. There is great scope for further extension of the activities of Indian insurance both in our own home market and abroad. That scope will be enhanced in the coming era of planned progress."

Government's Role

In the task of improving and extending the general insurance business, the Government has a special role to play. Explaining this role, Mr. Desai says:

"Whilst the industry gets the utmost co-operation marked by a really sympathetic and imaginative approach from the two Government Departments that come into day-to-day contact with the trade, the Controller of Insurance and the Controller of Foreign Exchange, there is room for active assistance from the numerous Government Departments which follow the dangerous and illusory policy of self-insurance. At a time when Government is engaging itself to an ever-increasing degree in trade and industry, any withholding or withdrawal of business which normally belong to the indigenous market will cripple its strength and handicap its progress."

The insurance brokers, too, have a vital role to play in this development. There is at least one specific service which they ought to be in a position to render. This relates to the contribution they can make to the evolution of an economical schedule of tariff rates. In this connection, Mr. Ambalal A. Trivedi, a leading broker, in an article contributed to the Souvenir, says that Indian insurance must have its own tariff, with due regard to the existing conditions, for every specific class of insurance, of course, on parity with other foreign concerns of the same type and nature. In this task, he rightly believes that the Insurance Brokers' Association can play an effective role by "dint of their past knowledge and experience."

Again, by remaining honest in their dealings with the insurers and the insured, whom they serve, and by eschewing malpractices of all kinds, they will be able to promote the cause of insurance. Honesty, by itself, is not, however, sufficient, though it is, of course, absolutely necessary. What are equally important are knowledge and training. The brokers should be well-informed on matters connected with insurance, so that they could render real service to the insurers and the insured. Mr. Arvindchandra A. Trivedi rightly insists that the brokers should be trained "systematically and scientifically" in the art of canvassing and completing insurance business.

HEALTH INSURANCE SCHEME

The doctors of West Bengal have decided, it is learned, to boycott the panel system, which is to be introduced shortly in the State, under the State Insurance Act. The West Bengal branch of the Indian Medical Association has asked its members not to accept any post under the panel system, unless the Government brings down the number of patients to be placed under a panel doctor from 2,000 to 1,000 and relieves the doctors of the responsibility for the supply of medicines. And the demand is that zonal hospitals or wards should be opened in the existing hospitals. They have agreed to accept, for the present, a fee of Rs. 4 for a patient for a year, though it will mean a real income of only Rs. 2-13 when allowance is made for the cost of running the clinic. They have, therefore, stated that the question of remuneration for their services should be examined at a later date.

The State Government is of the opinion that a doctor can manage to have 2,000 patients on his panel, since he will have to attend to only 60 patients, 20 of them new, each day. This has been calculated on the basis of three per cent. sickness incidence as shown by the working of the Act in Kanpur. The Government thinks that a doctor can attend to these 60 patients in six hours, leaving him another six hours for private practice, as a doctor usually works for 10 to 12 hours a day. The doctors' plea that a panel practitioner will have to pay six visits a day has been rejected by the State Government on the ground that the actual working of the Act in Kanpur has shown that the visits by panel doctors averaged only one in two days.

As regards the medicine allowance of Rs. 2 for a patient per day of attendance, the Government points out that it has averaged only Re. 1-10 for each in Delhi. They do not favour shifting of the responsibility to the regional stores, because the doctors, in this case, would be tempted to prescribe costly medicines and drugs which has been the experience in the United Kingdom. The decision of the doctors to boycott the system has delayed the date of enforcement of the State Insurance Scheme in West Bengal.

NATIONALISATION OF INSURANCE

Emphasising that enterprise and competition are the "twin directive energies" that go to build any insurance business, Mr. S. Ramachar, General Manager, Hindusthan Ideal Insurance Company, Ltd., deplored, in the course of his speech at the Silver Jubilee celebrations of the Andhra Chamber of Commerce, all "irresponsible talk" about nationalisation of insurance. He added:

"The present Government has not the personnel with necessary experience to manage such a highly technical trade as insurance. The Government Administration is wooden, it lacks personal touch. Therefore, any industry that comes under the Government management does not grow. It will be extremely wrong on the part of the Government to think of nationalisation under the present circumstances. If they did so, they would check the progress of such a beneficial trade as insurance, a trade that provides the most important psychological and financial assistance to the individual and the industry—Security. No individual can be happy or work in peace without security and no business can grow without being assured of security in case of a catastrophe. I, therefore, hope that the politicians in their enthusiasm to catch votes will not indulge in irresponsible talk of nationalisation."

COMPULSORY INSURANCE FOR AIR TRAVEL

A scheme for the compulsory insurance of every passenger of the Indian Airline Corporation is likely to be finalised very soon, according to reports from New Delhi. The financial, technical and legal details of the scheme, it is stated, are being worked out by the authorities of the Corporation. The scheme contemplates, it is further reports from New Delhi. The financial, technical stated, that every passenger is automatically insured for the period of the journey as soon as he has bought his ticket. Although no decision has as yet been taken regarding the amount for which each passenger will be insured and the premium rate for the same, it is considered likely that such will be fixed at Rs. 1 lakh and Rs. 10, respectively. It may be mentioned, in this connection, that about 5½ lakh passengers travel by air in India every year, so that a premium rate of Rs. 10 per passenger will mean a total premium income of over Rs. 55 lakhs per year.

NEW PUBLICATIONS

Introduction to Rural Sociology in India. By Akshaya R. Desai. Published by the Indian Society of Agricultural Economics, 46,48, Esplanade Mansions, Mahatma Gandhi Road, Fort, Bombay. Price : Rs. 8.

IN the past, the need for a book of this type might not have been as great or urgent as it is today. For the book, *Introduction to Rural Sociology in India*, gives us an insight into the social aspects which ought to be borne in mind while bringing about changes in a rural economy. These changes are brought about by social, economic and political factors. Sometimes they are visible and sometimes they take place unnoticed, while deliberate attempts are also made by the State as well as social, political and economic institutions to bring about changes according to a desired pattern by means of reformation, or revolution or compulsion. In India, for instance, the Five-year Plan has been drawn up indicating the methods and means by which economic changes should be brought about to raise the standard of living of the people in the country. This Plan, while under implementation so far, has revealed that there has not been co-ordination among the various agencies, official and non official, and among the departments of Governments themselves. Lack of co-ordination of this kind is due to the tendency of concentrating attention on any one aspect or group of aspects of rural life, sometimes even without taking into consideration the bearing of social customs and practices on these aspects. It results either in the abortion or limited success of the programmes launched.

Apart from lack of co-ordination, other factors such as emotional approach, insufficient ability to assess results, absence of proper sociological perspective, attempts at doing far more than what is permitted by limited physical resources are also known to be responsible for failure or partial successes achieved by Government and other agencies in handling rural uplift schemes.

The utility of the book under review lies in assisting the agencies engaged in the task of rural reconstruction to avoid failure. Says the writer: "The present volume has the aim of, first, emphasising the vital need of studying the life processes of the rural society analytically and synthetically, and secondly, suggesting some of the appropriate lines of approach for such a study." An effort has also been made by the author to point out how a composite picture of the multi-sided rural life process has yet to be built up in India. In this work, he says, rural sociology has a role to play in helping scientific study of the rural society. And the author seems to have no doubt at all regarding its success. For he says: "Rural sociology, when it determines the programme of rural reconstruction, makes it scientific, conscious and organic and, therefore, fruitful. Rural sociology thereby becomes the indispensable guide to successful rural reconstruction." This bold assertion shows the author's faith in the subject, although one may not agree with his views in full.

The value of the publication has been enhanced by reproducing selections from various works on rural sociology by eminent scholars such as Zimmerman, Galpuri, Sims, Landis, Sanderson and a host of others each with a reputation of his own in the field. It has very useful lessons for those now engaged in the work of Community Projects. Persons connected with organisations such as National Extension Service, Bharat Sevak Samaj, etc., would undoubtedly benefit by a study of this volume. It will certainly widen their outlook and help them to have a correct grasp of the forces at work in the rural world.

The Economics of Chemical Production. By A. K. Madan. Published by Scientific and Technical Publications, Swastik Chambers, Carnac Road, Bombay-1.

Despite its somewhat misleading title, the book, *The Economics of Chemical Production*, is a valuable contribution to the literature on Indian chemical industry. The title may lead one to think that the author examines the economics of chemical industry in general. But what the book aims at giving—and succeeds eminently in giving—is a picture of the Indian chemical industry, particularly the economic aspects of the industry. The author, already familiar to Indian readers, through his earlier publication, *The Economic Prospects of Chemical Industries in India*, has examined, in a more detailed manner, the economic problems of the Indian chemical industry.

In its 11 chapters, the book deals with the capital investment in the industry, its location, its transport and labour problems, standardisation and marketing of products and the Government's economic and tariff policy. With his intimate knowledge of the industry, Mr. Madan gives a comprehensive account of the chemical industry and without allowing his account to be stiffened with too much technical details. His other book, *The Economic Prospects of Chemical Industries in India*, gives far more technical details, including the properties and uses of the different chemicals, and also a survey of India's chemical resources. Thus, the latest book is a good companion volume to its predecessor. Together, they ought to appeal to the specialist and the layman alike.

It is difficult to summarise the many suggestions which the author has made for the improvement of the chemical industry in India for they are not treated separately but are given where the discussion leads up to them. The basic responsibility of a chemical manufacturer, as Mr. Madan rightly insists, lies in "attaining maximum production efficiency and thereby reducing the production cost of the chemicals manufactured." He emphasises the importance of standardisation of products which he calls the "key" to the success of the industry. Manufacturers are urged not to remain content with the grant of protection but to strive for establishing the industry on sound lines. It is, however, interesting to note that the author stresses the fact that the Government's policy should not be "to own and manage chemical factories, since the technical problems of the industry call for a specialised knowledge and capacity for organisation which the existing civil servants may not be in a position to render." He, therefore, favours an organisation of the type of the Sindri factory, which combines both "the technical knowledge and ability of private enterprise and the adequacy of financial resources and prestige of the Government."

Economic Survey of Saurashtra. By Prof. C. N. Vakil, Dr. D. T. Lakdawala and Dr. M. B. Desai. Published by the Director, Information and Publication Department, Government of Saurashtra, Rajkot.

In this book of 663 pages, the authors have given the results of their research and investigation into the economic conditions of Saurashtra. The survey contained in the publication is very comprehensive and covers practically all aspects of the economic life of the State. It is divided into four parts dealing, respectively, with general conditions, rural economy, urban economy and surveys.

Part I, which is purely descriptive, gives an account of the natural environment of the State and population. In Part II, the authors make a study of the rural life in Saurashtra. The study covers agriculture and food supply, forestry, animal husbandry and fishery. Land tenures and problems, agricultural marketing and farm labour have been specially discussed. Part III is devoted to the examination of the position in urban areas. Among the topics included in the survey are industry, trade, transport, banking, public finance, and education and public health. Also dealt with are subjects like electricity, industrial labour and local self-government. Part IV confines itself to the surveys proper. Urban and rural survey, economic conditions of the rural classes, small-scale and cottage industries, and the State's economic plan constitute the subject-matter of this part. Included at the end is a note on the changes in the Five-year Plan and another on "Some new facts and figures."

The foregoing descriptive account will give one an idea of the detailed and comprehensive nature of the publication under review. Indeed, it contains a mine of information gathered and assimilated by such leading economists as Prof. C. N. Vakil, Dr. D. T. Lakdawala and Dr. M. B. Desai who have been ably helped by a host of research assistants and economic investigators. The many tables incorporated in the survey are a clear testimony to the fact that the authors of the publication have spared no efforts in their task. The publication is a useful addition to the literature on economic history and should serve as an invaluable guide to economic conditions in Saurashtra. It will also serve as a model for similar investigations in other States.

Yearbook of International Trade Statistics, 1952. Issued by the Statistical Office of the United Nations, New York. Available in India : Oxford Book and Stationery Co., Scindia House, New Delhi. Price: $4.

The figures relating to external trade, appearing in the *Yearbook of International Trade Statistics*, 1952, released by the Statistical Office of the United Nations, make possible an analysis of the importance of external trade. According to these figures, the production of goods for export in 1952 accounted for about 9 per cent. of the total production of goods and services in the world (excluding Albania, Bulgaria, Mainland China, Czechoslovakia, Eastern Germany, Hungary, Poland, Rumania and U.S.S.R.). In 1938, this proportion was about 7 per cent.

The proportion of foreign trade relative to the availability of goods and services for certain important countries in 1952 was: United Kingdom 33 per cent.; France 20 per cent.; Japan 20 per cent; India 11 per cent. Countries for which the importance of trade is high are: Southern Rhodesia (68 per cent.), Netherlands (59 per cent.), Belgian Congo (57 per cent.), Ceylon (55 per cent.), New Zealand (50 per cent.), Ireland (43 per cent.), and Belgium-Luxembourg (41 per cent.). The dependence of countries on foreign trade is generally greater in 1952 than in 1938, indicating a recovery of foreign trade from its relatively depressed condition in the immediate post-war period.

The *Yearbook*, which is the third issue in the series, contains 384 pages of statistics of the external trade of 70 countries (as against 52 in the second issue) covering 97 per cent. of world trade. For 25 of these countries (covering about 65 per cent. of world trade), the analysis by commodity of exports and imports is according to the United Nations Standard International Trade Classification. In addition, the *Yearbook* contains tables showing world trade according to regions and countries. Tables for individual countries include India, Burma, Ceylon, Indonesia, Japan, Malaya, Pakistan and Thailand. The figures for all countries are obtained from official sources published by the Governments of the countries concerned, from data supplied by the Governments for use in the United Nations *Monthly Bulletin of Statistics* or the United Nations *Statistical Yearbook*, and, sometimes in the case of data according to the S.I.T.C. from tabulations specially supplied by Governments for the purpose.



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PLEA FOR TRAINING PERSONNEL FOR INDUSTRY

A.I.M.O. TO HOLD S.E. ASIAN ECONOMIC CONFERENCE

THE dissatisfaction at the slow progress of India in the two most important spheres of welfare and wealth, namely, (a) education and (b) industrialisotion, expressed by Dr. M. Visvesvaraya, President of the All-India Manufacturers' Organisation, should impel administrators and business men in this country to take far more vigorous measures than they have done so far to make up the leeway. Presiding over the third quarterly meeting of the Central Committee of this body held at Bombay on the 10th inst., Dr. Visvesvaraya confined his remarks to education in so far as it applied to technical education and stated that the country's industrial progress was being arrested by the lack of technically trained personnel required to man the three tiers in our industrial concerns, namely, the technologist, the foreman, and the skilled worker or artisan. He wanted the last category persons to be trained by the million, so that their business habits are changed in order to make them acquire active, business-like and disciplined habits. Unless ambitious training schemes were launched and special schools and colleges or university of standing established, as was done in both Japan and Russia, there was no chance, Dr. Visvesvaraya opined, of the Five-year Plan making any appreciable headway in the country. These technicians were wanted for starting new industries as a means of fighting the growing unemployment and strengthening the defence industries in the country.

This emphasis on the need for building up technical education seems to have originated from the learned doctor's comparative study of business habits of the average Indian citizen *vis-a-vis* his confrere in America. In the U.S.A., the average citizen lives about 62 years and earns about Rs. 8,000 or more per annum, as compared with his counterpart here living only 30 years with an earning of about Rs. 240. In the U.S.A. the working population represents 52 per cent. of the total, as against 45 per cent. in India. The average American is intensely active, possesses ambition and a high sense of duty, and, above all, is imbued with team spirit. In India, people lead a quiet and inactive life, lack ambition and team spirit, and their sense of duty has yet to be developed. As the country is in its initial stages of development, healthy national policies have not yet been formulated. Dr. Visvesvaraya, therefore, pleaded that immediate attention should be given to develop the right kind of character and habits among the people.

With regard to the industrial development of the country, Dr. Visvesvaraya felt that many industries in India suffered for lack of steel. Development of the automobile, aircraft, locomotive and defence industries depended on steel and, therefore, there was a need, he said, for a steady supply of adequate quantity of steel. He did not understand the Government's policy regarding these big heavy industries. He did not see why the Government should buy aircraft and locomotives abroad, although it had the factories established in India. For quick promotion of large-scale industries, he suggested the establishment of two agencies in each State, one representing the Centre and the other representing the State concerned, for starting new industries in the States. As regards small-scale industries, he was glad to note that the scheme for rural industries suggested by the A.I.M.O. to the Government of Mysore was showing favourable results. We are told that the estimated value of industrial output in two districts, namely, Bangalore and Kolar, has risen from Rs. 7 lakhs in the first year of implementation to Rs. 2 crores in the fourth year. Details of the scheme are expected to be published shortly.

The speech of Dr. Visvesvaraya was followed by one from Mr. Morarji Vaidya who led a delegation of the A.I.M.O. to Middle East and Far Eastern countries. This speech is notable for spotlighting public attention on the necessity for organising a South-East Asian Economic Conference in India or in any other self-governing country for exchanging frank views on the common problems of countries of this region. The conference should consist of non-officials, economists, business men and bankers representing the various countries, namely, Ceylon, Burma, Indonesia, Malaya, the Philippines, Thailand and Japan.

The economies of most of the above are parallel in the sense that, with the exception of Japan and India, all other countries are dependent, at present, on the export of the same type of raw produce, viz., rubber, copra, tea, coffee, rice and some minerals such as tin. With the exception of rice which is purchased by India and Japan, other commodities are exported to the U.K., the Continent and the U.S.A. Consequently, the balance of payments position of these countries is dependent on earnings of foreign exchange from the exports to Western countries. On many occasions, it has been found that failure to export their produce to the U.K. or the U.S.A. handicapped their purchases from other countries such as India for lack of exchange resources. In order to overcome such an emergency, Mr. Vaidya posed three alternatives, namely, (1) the utilisation by India and Japan of the raw produce of the S. E. Asian countries especially rubber, copra and oil and sell plant and machinery to them for starting industries; (2) organisation of a co-operative or co-ordinated sale by all these countries including India of commodities such as tea, coffee and rubber to the Western countries without competition *inter se* among them; and (3) lastly, establishment of a South-Eastern Payments Union for pooling the resources of foreign exchange of this region and arranging for a Clearing House through which the surplus foreign exchange of one country could be made available to another. It is pointed out, in this connection, that Japan and the Philippines are the two countries which have a much easier dollar position than any other country in this region but run short of sterling. On the other hand, India, Ceylon, Malaya, etc., have a much easier position in sterling but are short of dollars. It is, therefore, felt that there is no reason why these surpluses and shortages could not be adjusted through a payments union. Such union would lead, we are reminded, to an increase in the volume of trade of the area to the benefit of the economies of the countries without having to wait for any action either from the I.M.F. or the World Bank.

It appears the proposal to start such a union was mooted in one of the meetings of the E.C.A.F.E. but had to be dropped on account of strong opposition from some representatives of Western countries. The Central Committee of the A.I.M.O. has, therefore, passed a resolution recommending the convening of an Economic Conference of countries in the Indo-Pacific Ocean region for considering the three alternative problems referred to above. The A.I.M.O. delegation is stated to have sounded the views of the business men and representatives of some of the Governments on the feasibility of holding a regional conference during its itinerary; and, according to Mr. Vaidya, all of them seem to have expressed their readiness to co-operate in holding a conference at some suitable future date. It is, therefore, now the responsibility of the A.I.M.O. to take further action in the matter. This conference, if convened would undoubtedly contribute towards knitting closer the economic relations of the countries of this region.

PROTECTION TO BICHROMATES INDUSTRY

The claim for continuance of protection to the bichromates industry was taken up for consideration by the Tariff Commission on 15th December last. The Commission's panel consisted of Messrs. B. N. Adarkar, B. N. Das Gupta and Mr. C. Ramasubban. This industry has been enjoying protection since 1946. In that year, the then existing revenue duty of 30 per cent. *ad valorem* on sodium bichromate, potassium bichromate and all chrome compounds was converted into protective duty. Besides, the industry has been enjoying a virtually sheltered domestic market owing to an almost complete ban on imports of bichromates since 1946, on balance of payments considerations.

Against an estimated annual demand of the order of 2,000 tons, the rated capacity of eight units of the bichromate industry is placed at 6,460 tons. Actual production was 2,021 tons in 1950, 3,183 tons in 1951 and 1,549 tons in 1952. It was 1,755 tons in the first nine months of 1953. The capital invested in the industry is stated to be Rs. 50 lakhs, and about 1,000 workers are employed directly by the industry.

As regards the quality of the indigenous product, it is stated that there has been improvement, and the product has been found to be generally satisfactory. The paint industry, however, has complained of a lack of standard purity, in that the large amount of sulphate ion content in the bichromate precipitates the soluble lead salts, used in the preparation of lead chromates, as lead sulphate. This means that the soluble lead salts get converted into insoluble lead sulphate which it is important to control in order to obtain correct shades. Some tanneries also have complained that the strength of indigenous bichromates varies from consignment to consignment.

The most crucial issue before the Tariff Commission is the question of costs, which is linked with that of fuller utilisation of capacity, on the one side, and the rates of consumption and prices of raw materials as well as the utilisation of by-products, on the other. The high cost of production is partly due to high prices of the raw materials it uses, namely chrome ore, sulphuric acid, lime or limestone and soda ash. The prices paid by the industry to some of these are stated to be higher than those paid by foreign manufacturers in their countries. To a certain extent, the high cost could be reduced by developing by-products of the industry.

The bichromate industry has asked for continuance of protection beyond 1953. The quantum of protection, it is suggested, may be so adjusted as to make the prices of Indian products to be lower than the landed cost of the foreign products by at least Rs. 2 per cwt. It has also asked for a complete ban on imports of sodium and potassium bichromates and chrome compounds for a period of 10 years. It has requested prohibition of imports into India of sulphur khaki dyes and vat khaki dyes and of any substitute which might replace indigenous bichromate. Other demands made include a ban on or restriction of exports of raw hides and skins, introduction of special freight rates for the transport of chrome ore and other raw materials and a host of other measures. One of the units has even asked for a subsidy of Rs. 5 per cwt. from out of the proceeds of a proposed cess on exports of raw hides. This long list of claims makes one lose faith in giving assistance to such industries as the bichromates industry which seem to be doing very little to improve their own efficiency and which need an endless number of props.

POPULARITY OF GRADED INDIAN TOBACCO

India earned Rs. 16.9 crores of foreign exchange through exports of tobacco during 1951-52. The earnings declined to Rs. 13.46 crores in 1952-53. Of these earnings, unmanufactured tobacco accounted for Rs. 14 crores and Rs. 11.9 crores in the two years respectively. The U.K. continued to be the principal buyer.

According to a brochure on the *Grading of Tobacco in India*, just released by the Agricultural Marketing Adviser to the Government of India, Indian tobacco appears to be gaining popularity in many countries and has already established itself, among others, in Pakistan, the Netherlands, Belgium, Egypt, Japan and Ceylon. This popularity is attributed to the enforcement of quality control on exports on the basis of Agmark grades. These grades for the different types of tobacco have become familiar in all the buying countries abroad. A good proportion of the trade now takes place on firm order, that is, the purchase money is collected by the seller through local banks on presentation of the shipping documents and a grading certificate issued by the Tobacco Inspectorate.

Statistics regarding the area and production of tobacco show that the area in 1949-50 was about eight lakh acres and the production 675 million lbs.

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DEVELOPMENT OF INDUSTRIES

CORPORATION TO BE SET UP.

REPORTS emanating from New Delhi indicate that the Government of India has, in principle, approved the proposal for the creation of an Industrial Development Corporation, first mooted by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, and vigorously supported by Lala Shri Ram in the course of his speech at the last annual meeting of the Industrial Finance Corporation. Since then, it has been talked about quite a lot, albeit in a vague fashion. It would appear that the proposed Corporation will be a statutory body, drawing its capital both from the Government and financial institutions such as banks and insurance companies. The State would, in the first instance, furnish a part of the capital for starting new industries which private enterprise is unlikely to start on its own. Such industries might be sold to private enterprise, after they have been demonstrated to be economic and profitable. The proceeds of such sales would be used, it is reported, for establishing further industries.

The Production Sub-Committee of the Cabinet, with the Prime Minister as its Chairman, will be responsible for the scrutiny and selection of the projects to be taken up by the Development Corporation.

It may be mentioned here that it was at the last meeting of the National Development Council which met early in October, 1953, that an announcement was made by Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, to the effect that an Industrial Development Corporation would be set up as part of the Five-year Plan. The acceptance now by the Government of this proposal is doubtless a step forward towards giving it concrete shape.

An important feature of the scheme, according to official circles, is that it is designed not to extend the public sector but to help stimulate the private sector of industry. It is stated that the Government is desirous of playing a more positive role in sponsoring new industries by tapping various industrial concerns, financial institutions, savings in rural areas and the like. The establishment of the Corporation is considered to be preparatory to the Second Five-year Plan, in which a more prominent place would be provided for industries than in the First Five-year Plan which laid great stress on the development of irrigation, agriculture and power. In this context, it is also emphasised that the Government has "no intention or haste to nationalise the existing industries which the private sector is handling." It would concentrate its energies, it is stated, on developing new industries and, therefore, there is no need to entertain any unnecessary apprehensions regarding nationalisation. The necessity for rapid industrialisation of the country in the second Plan period for both defence and development purposes underlines, it is stressed, the urgency for a long-term credit institution such as the Industrial Development Corporation, to be established shortly by the Government.

Another feature of the scheme is its suitability to implement the Government's avowed policy of mixed economy, in that the industries would be sponsored by the State, with or without private partnership, and then sold to the latter, as stated earlier. This method of 'self-liquidating investment' would not only enable the Government to start new enterprises without any further demand on public funds but places no limit, theoretically, on the total capital resources of the Corporation, as it promotes more new industries from the sale proceeds of earlier enterprises. It is also claimed that the scheme will avoid the inflation which will be an inevitable result of investments exclusively by the State on the entire range of contemplated industries.

From the above observations it will be seen that many merits have been claimed on behalf of the scheme. These claims, however, appear to be of a dubious nature, in that success will depend on the ability of the State to manage the undertakings started by it through the Corporation economically and profitably. Experience has invariably shown that State undertakings might be profitable, but not always economical. For profits yielded by these enterprises are known to be generally not commensurate with the resources spent on them. Consequently, the chances of disposing of these concerns rapidly to private operators may be both rare and remote.

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SEVENTH ANNUAL GENERAL MEETING

MR. IVOR BULL URGES ENQUIRY INTO COFFEE INDUSTRY

A VIGOROUS plea for a detailed and comprehensive enquiry into the condition in the coffee industry by an impartial body was put forward by Mr. Ivor Bull, Chairman of the Coffee Lands and Industries (Mysore) Ltd., in the course of his address at the seventh annual meeting of the Company held at Hunsur (Mysore State) on 31st December, 1953. Mr. Ivor Bull said that it was more than ever evident today that an enquiry covering the question of a fair return to the grower and the possibilities of developing the industry should be carried out "speedily and in a judicial, calm and dispassionate manner." He also urged the adoption of a consistent marketing and price policy for coffee.

The following is the full text of Mr. Ivor Bull's speech at the meeting:

"GENTLEMEN,

"As the Directors' report and the accounts have been with you for the statutory period, I propose, with your permission, to take them as read.

"Although the crop we have gathered is the highest in the Company's history, the profit unfortunately is the second lowest, and we have been able to recommend a dividend of 3 per cent. only. This is a disappointing result when the steady increase in the yield of our estates is remembered.

"Last year, in addition to transferring Rs. 52,030 to our dividend equalisation reserve, we were able to transfer Rs. 1,50,000 to general reserves. This year we have been unable to transfer any sum to general reserves.

Estate Expenditure

"Estate expenditure at Rs. 12,48,804 shows an increase of over Rs. 2 lakhs, as compared with 1951-52. Part of this increase is due to higher wages, but, with a heavier crop on the trees to be harvested this year, it was also essential to meet the cost of supporting the bushes with the additional fertiliser and spraying necessary to maintain their condition. The historic error in coffee growing in the past has been to use the proceeds of a heavy crop, after realisation, for additional expenditure on fertilisers. Meantime, the damage has been done. The only way to prevent the bushes from becoming exhausted is to support them before and during the period of crop strain. For obvious reasons, we have had to cry a halt to our rehabilitation programme this year, but we have given our coffee proper backing, and there is every sign that the estimate of 500 tons will be realised.

"For those who are only technically interested in coffee production, the result of the year's working is of considerable interest, although, for the shareholders, it is so disappointing.

Profit

"Our estates in Mysore are better than the average, our yield at 3 cwts. is higher than the average. We believe them to be carefully, economically and intelligently worked, yet the total profit per acre is only Rs. 12-9. From this minute profit, not only have dividends to be paid, but it is the only source from which money can be found for improving our labour quarters and introducing the many benefits devised under the Plantation Labour Act for labour. Actually, even if we could borrow the money and if we paid no dividend at all, the profit would be insufficient to meet even half the interest of the cost of rehabilitation. Where we have just succeeded in paying our way, there are many other Mysore and Madras estates which have suffered a severe loss.

"Our estates represent not merely a sample of a better-than-average Mysore estate but also a better-than-average Madras estate, and, unless a price for coffee which is fair to the producer is speedily fixed, there is little doubt that the famous arabica coffees of Mysore, the Nilgiris and the Shevaroys will go the same way as the indigo industries of Bengal, Bihar and Orissa.

"The arabica crop in both Mysore and Madras is declining, for in neither State has coffee fully recovered from the depression of the thirties. No separate figures are available for the arabica and robusta crops before 1941, but the six-yearly averages since then are given below:

Average Arabica Crop

Six seasons ended	*Mysore*	*Madras*	*Total*
	Tons	Tons	Tons
1946-47	5,999	4,142	10,141
1952-53	5,122	3,788	8,910

"This decline has taken place during a period of relatively stable prices. Now that prices have been forced down to a figure which is well below the average cost of production, the decline in the arabica crop will be greatly accelerated. Again for the observer, though not for our shareholders, this position regarding coffee on the average estate is curious.

Taxes

"On our own estates, the actual profit was only Rs. 33,723 last year, and yet we shall have directly met or provided no less a sum than Rs. 2,12,352 to the Central Government and Rs. 4,032 to the State Government, a total of Rs. 2,16,384 on 2,688 acres, or Rs. 80-8 per acre made up as follows:

	Per acre Rs. a.
Land tax	1 8
Excise duty on 351 tons of coffee at Rs. 21 per cwt.	55 0
Export duty on 53 tons (proportionate share of export)	24 0
Total	80 8

"The additional revenue which the Central Government is taking out of coffee is quite obviously strangling an industry which should be benefiting the whole of the Malnad areas of the States in the South.

"Although the effect of too low a return to the grower will upset the whole economy of large regions in the States, the fall in the Central revenues will be relatively so little that it may well escape notice. It is only the States which will really suffer, not the Centre.

Agreement Violated

"The reason why the good crop we have harvested has given such a poor return is a simple one. The return to the grower has been fixed arbitrarily at far too low a figure. In 1952, following an insistent directive from Government to export a large quantity of coffee, which inevitably left an insufficient supply for the internal market, prices shot up to unprecedented heights in August-October, though, in December last year, as I then reported to you, they had begun to reach more healthy levels. Now we are suffering from the rebound. An agreement was reached with Government in April last to reduce prices internally, and to subsidise the growers for such reductions by means of the export of 2,000 tons of robusta, for the price of coffee abroad is Rs. 140 to Rs. 250 per cwt. higher than in India. This agreement has not been observed, and now the benefit from exports, which was to have compensated growers for releasing their coffee in India at a price well below the cost of production, is being diverted, not even to the further assistance of the consumer but directly to Central revenues. There is a lack both of good faith and of logic in the new arrangements. From excise duty alone the Central Government will receive one crore of rupees from the coffee industry this season. The diversion of additional large sums to the Central revenues can only result in the death from starvation, of the goose which has been laying these golden eggs for them.

"Delivery of all coffee to the Board is compulsory. The low price fixed by Government is arbitrary and involves a loss to most growers. It is a nice matter for constitutional lawyers to work out whether an individual can be forced to part with his produce at a loss, when there is a profitable market on his doorstep.

"The finding of finance to work the estates has been troublesome throughout the year, mainly because of the low prices fixed, but largely because of the delay by the Board in making payments for the coffee delivered to them, the result of the attempt made by the Board, at the direction of Government, to hold stocks for which it had no finance.

Cleavage Between Government and Coffee Board

"The most disturbing result of recent Government policies is the complete cleavage which has arisen between the Government and the Indian Coffee Board. The advice of the Board on important and even unimportant matters is continually rejected and overridden. Yet the real knowledge of the coffee industry lies in Bangalore, not in Delhi. For years it was the Board that approached Government, again and again, to moderate their export programme, the effects of which would be disastrous for the consumer. All this is fully documented. It was only when disaster actually arose that Government's views altered and, in a strange and illogical way, the Board is now blamed for the inevitable result of Government's own policies. A frustrated countryside is now represented by a frustrated Board which can only watch, whilst mistake is piled on mistake. The failure to evolve any consistent marketing policy in 1953 is the main reason for internal sales shrinking from an anticipated 18,500 tons to only 15,500 tons.

Price Errors

"In 1952, although prices were completely out of hand for a long period, and although the releases for the December pool auctions were halved, internal sales reached 17,867 tons.

"The failure to implement the promise to export at least 2,000 tons of coffee as a preliminary step in May has aggravated the present stock position, so that no less than 8,500 tons of coffee which are urgently wanted abroad lie deteriorating and at heavy cost in the Board's godowns, even though the current crop which is being harvested is expected to be a bumper one. In spite of this, a decision regarding exports is being delayed till February.

"The result of the marketing errors prevents the Board from paying the growers for their coffee at the proper time. This adds to the cost of production, for the grower has now to find the finance and pay interest for it elsewhere. The harmful effects of the price errors will be numerous. Employment and production will be reduced, and the value of all estates will shrink. India could materially increase both her production and exports of coffee, but is prevented from doing so. The opportunity of earning additional foreign exchange is thrown away, and an opportunity to engage numbers of unemployed in the development of the large areas of land lying waste in our southern hills is lost.

Enquiry Into Coffee Industry

"The Indian Coffee Board, as long ago as last August, passed a resolution requesting Government to arrange for an enquiry into the coffee industry through the Tariff Board, such enquiry to cover not only what would be a fair return to the grower, but also the possibilities of developing the industry for which there is obviously such scope. This resolution received the support of planting associations in all districts. The request was refused, but it is more than ever evident today that such an enquiry should be carried out speedily and in a judicial, calm and dispassionate atmosphere. Growers are accused of stubbornness and many other things for persisting in this request, but the nature of the debate in Delhi, in which the export duty of Rs. 62-8 was passed through both Houses, shows clearly how essential it is that this problem, which affects so critically the fortunes not only of growers but also of districts, should be solved by an impartial body, and one free from all preconceived ideas and prejudices. Never was there a clearer need for the separation of the 'Judiciary' from the 'Executive.'

"Coffee presents a strange picture indeed today. World prices are high. Our rivals abroad are increasing their production, modernising their properties and building up their reserves against the day of stern competition which lies ahead. In India, on the other hand, the producer, and, in particular, the arabica producer is being squeezed out of business through erroneous policies and penal legislation, and, in what is designed to be a Welfare State, the sale proceeds of coffee are being diverted to the Central Exchequer to such a degree that no funds will be left with most estates to finance the welfare of their labourers. This diversion of the growers' funds to the Centre seems also to imply that the recent expressions of Governmental sympathy for the consumer is on the wane.

"Produce or Perish"

"The interest of the consumer and the producer can be combined, in fact, have to be combined, if both are to benefit, through an encouragement of production in India, an increase in exports from India and a sharing of the benefits arising from these exports. No plan for the development of our industry which could bring these benefits has ever been put forward by our Ministry, yet today India, as never before, has to produce or perish. The problem deserves attention which it should have received long before this.

"The main reason for the difficulties which have arisen so constantly between the producers and the Ministry must be put down to the mischance by which an agricultural subject is being dealt with by a Commerce Secretariat whose views have naturally always been related to the commercial exploitation of the fruits of our industry, never to the development of the industry itself. The trained agricultural approach which is so essential to solving our problems and which we would have received under different circumstances is inevitably lacking, whilst we remain as peculiarly placed as we are at present.

A Warning

"The differences between Government and growers represent the fulfilment of a warning given by Dr. Punjab Rao Deshmukh in October and are quoted below:

"'I fear that our attempts at the marketing of agricultural produce have all an atmosphere of isolation from the rural community, as it often appears to be an attempt to impose things from above. No structure which is not based on the co-operation of the parties concerned can be durable or expected to stand by itself.'

"As regards our estates, the result of our additional expenditure and the intensive work which has been done on them is really encouraging, and everywhere there is a real improvement to report. When reasonable and fair Government policies are again the order of the day, I am quite certain that our shareholders will have good reason to be satisfied with their investment.

"At Hunsur, they have had a very busy year. The crop cured was easily a record, and they expect to do better still in the coming season. The results of trading there also show an improvement.

Farewell

"This is the last year I shall be presenting the accounts and the reports to you and I am sorry that the former make such poor reading. As explained, the cause for this lies completely beyond our control, but, as the interest of all the States in the South are so deeply involved, I refuse to believe that our very real difficulties will remain for long unremedied.

"I must thank my fellow Directors for the thoughtful assistance they have always given to me, and our managers and staff for their excellent work in a year which has proved financially so disappointing to them."

(Concluded from page 71)

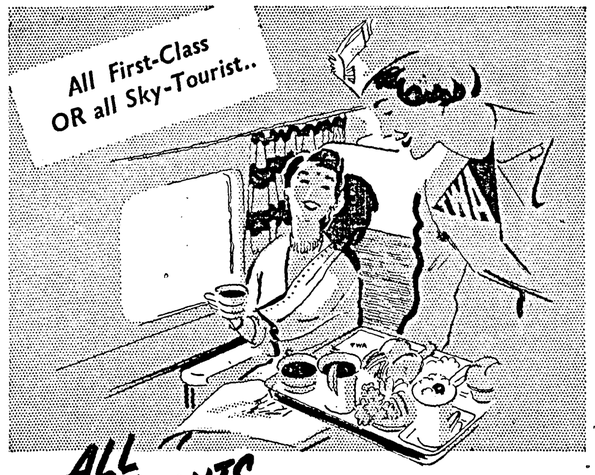
some 9 million tons of subsidiary foods, as detailed below, the major portion of which is directly consumed by the poorer sections of the population:

(Thousand tons, unless otherwise stated)

	1951-52
Crops	96
Papayas	895
Sweet Potatoes	1,682
Tapioca	1,850
Bananas	3,169*
Coconuts	1,701
Potatoes	3,037†
Groundnuts	

* Million nuts. † In terms of nuts in shell.

A confirmation of this conclusion is the keynote of the present food policy of the Food Minister, which has proved to be a complete success during its run of more than a year.



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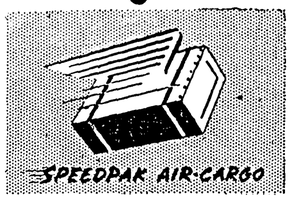

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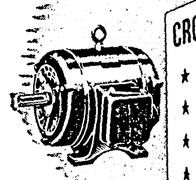
TO-DAY'S MOTOR



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RESULTS OF MACNEILL-BARRY COAL COMPANIES DISAPPOINTING

STOCKS ACCUMULATE AND COSTS RISE

THE group of coal companies under the management of Messrs. Macneill and Barry Ltd., Calcutta, has had another period of disappointing results during the half-year ended 30th June, 1953. While raisings of coal during the half-year were higher than in the previous half-year, despatches were lower; consequently there was an accumulation of stocks. At the same time, the raisings and other expenses increased more than proportionately. The aggregate gross profit of the four companies, which had dropped from Rs. 43.82 lakhs in the half-year ended 30th June, 1952, to Rs. 31.50 lakhs in the subsequent half-year, has, therefore, shrunk further to Rs. 12.82 lakhs in the half-year under review, though the performance of individual companies vary. The total net profit for the latest half-year is no more than Rs. 1.17 lakhs, as compared with Rs. 8.77 lakhs and Rs. 15.15 lakhs, respectively, for the previous two half-years under comparison.

The dividend distribution of the Companies does not follow a uniform pattern. Thus, the Equitable Coal Co., Ltd., has pruned the dividend from 30 per cent. per annum, which it had paid for the previous two half-years, to 20 per cent. per annum, thus bringing it back to the level that prevailed five years before. The Hurriladih Coal Co., Ltd., has maintained the dividend at 15 per cent. per annum for the eighth half-year in succession. It may be mentioned here that, barring two half-years, the Company has repeated this dividend from the half-year ended 30th June, 1946. The Dhemo Main Collieries Ltd. and the West Jamuria Coal Co., Ltd., have passed over the dividend, the former for the second half-year in succession and the latter for the third half-year in succession.

Equitable Coal

To review the performance of individual companies. The raisings of the Equitable Coal Co., Ltd., amounted to 836,096 tons for the half-year under review, as compared with 830,430 tons for the previous half-year and 891,022 tons for the corresponding half-year of 1952. Despatches declined from 850,992 tons in the six months ended 30th June, 1952, 858,991 tons in the half-year ended 31st December, 1952, to 781,300 tons, due to deterioration in the wagon supply position. Stocks of coal at the collieries increased steadily throughout the half-year, at the end of which they stood at 171,782 tons, as compared with 114,986 tons at the close of the previous half-year and 145,547 tons as on 30th June, 1952. Sale proceeds of coal, which had declined from Rs. 483.54 lakhs for the half-year ended 30th June, 1952, to Rs. 395.42 lakhs for the six months ended 31st December, 1952, were further down at Rs. 396 lakhs. Cost of raisings and other expenses amounted to Rs. 393.94 lakhs, as against Rs. 368.02 lakhs in the previous half-year.

The gross profit for the half-year amounts to Rs. 10.26 lakhs, representing a drastic fall of Rs. 21.19 lakhs from that for the previous six months and of Rs. 27.78 lakhs from the profit for the corresponding six months of 1952. Managing agency remuneration has taken up Rs. 3.21 lakhs, as against Rs. 3.98 lakhs six months ago. Provision for depreciation has been reduced by half from Rs. 10 lakhs to Rs. 5 lakhs. No provision for taxation has been made, whereas, in the previous half-year, a sum of Rs. 5.50 lakhs was set aside. In fact, a sum of Rs. 2 lakhs has now been written back being the excess provision for taxation no longer required. No addition to reserves has been possible, while, in the previous half-year, Rs. 6.88 lakhs were utilised to supplement the various reserves. The 6 per cent. preference dividend has absorbed Rs. 12,000 and the ordinary dividend at 20 per cent. per annum Rs. 2.96 lakhs. After paying Rs. 18,504 to the Directors by way of commission, a sum of Rs. 2.82 lakhs has been carried forward, which compares with Rs. 2.11 lakhs brought in from the previous year.

Commenting on the results of the Company, the Directors observe:

"As foreshadowed in our last report, the Company's profits have been severely curtailed, mainly due to the cessation of demand from those temporary and distant markets which resulted from a world shortage of coal in recent years, and in which your Company participated to a very substantial extent. There is at present very little prospect of a revival of these demands."

Dhemo Main

The raisings of Dhemo Main improved from 72,897 tons for the six months ended 31st December, 1952, to 91,188 tons in the half-year under review, but the latter show a fall from 98,807 tons for the corresponding six months of 1952. The output, however, did not reach the level hoped for, according to the Directors. Unlike in the case of the Equitable Coal Co., despatches were higher at 87,029 tons than that of 71,993 tons for the previous half-year. They, however, compared unfavourably with 100,815 tons for the half-year ended 30th June, 1952. Stocks were considerably higher at 7,439 tons, as against 3,280 tons and 2,376 tons at the close of the previous two half-years. Sale proceeds of coal were better at Rs. 13.85 lakhs, as compared with Rs. 11.42 lakhs for the previous half-year, while expenses rose fractionally from Rs. 14.25 lakhs to Rs. 14.89 lakhs. The net result is a gross loss of Rs. 0.48 lakh. Though this compares favourably with the loss of Rs. 2.42 lakhs suffered in the previous half-year, it is nonetheless far from satisfactory. The Directors observe, in this connection, that the process of stabilisation of the underground workings at the colliery has continued, but conditions remain extremely difficult. After providing Rs. 39,129 (as against Rs. 33,062 for the previous half-year) for Managing Agents' remuneration, Rs. 57,386 (Rs. 57,386) for depreciation and Rs. 25,050 (*nil*) for sales tax, the Directors have written back Rs. 15,000 being the excess provision for taxation no longer required and withdrawn Rs. 1.50 lakhs (Rs. 3.50 lakhs) from the general reserve in order to wipe off the net loss and carry forward a small sum of Rs. 20,518 which compares with Rs. 24,455 brought in.

Hurriladih

The raisings and despatches of the Hurriladih Coal Co., Ltd., during, and stocks at the close of, the past three half-years were as follows:

(Tons)

	Half-year ended		
	30-6-53	31-12-52	30-6-52
Raisings ...	1,33,899	1,41,126	1,40,024
Despatches ...	1,34,263	1,53,382	1,30,646
Stocks	19,312	19,676	31,932

Raisings during the half-year under review were lower than in the previous two half-years. It was, however, possible to despatch the whole output with the result that stocks at the colliery as at the close of June last did not show any increase. The Company's production ceiling for the year 1953 was finally fixed by the Coal Board at 270,000 tons. The Directors consider that the colliery can be worked economically on this output. Any reduction in 1954, however, would, they say, have an adverse effect upon the Company's results. Sale proceeds show a decline from Rs. 22.50 lakhs in the previous half-year to Rs. 19.78 lakhs, as also expenses from Rs. 18.35 lakhs to Rs. 17.64 lakhs. The gross profit amounts to Rs. 2.48 lakhs, nearly the same as that of Rs. 2.53 lakhs for the previous six months. Managing Agents' remuneration has been cut from Rs. 60,756 to Rs. 53,954, while depreciation has been maintained at Rs. 32,435. A sum of Rs. 80,000 has been provided for taxation, as against Rs. 77,000. By taking credit for Rs. 13,818, being the provision for cesses no longer required, and bringing in Rs. 44,466, being surplus of the previous half-year, the Directors have been able to maintain the dividend at 15 per cent. per annum. This has absorbed Rs. 60,000. The Managing Commission on the dividend takes up Rs. 3,000, leaving Rs. 76,888 to be carried forward.

West Jamuria

Raisings of West Jamuria were higher at 76,189 tons, as against 70,784 tons and 71,946 tons, respectively, in the previous two half-years. The deterioration in the wagon supply position, however, had an adverse effect on despatches which, at 56,285 tons, compares unfavourably with 70,602 tons in the previous half-year and 69,289 tons in the corresponding half-year of 1952. There was, therefore, a sharp increase in stocks to 29,253 tons from 9,349 tons at the end of December, 1952 and 9,167 tons at the close of June last. Sale proceeds amount to Rs. 8.84 lakhs, as against Rs. 10.98 lakhs in the previous six months, while expenses show a rise from Rs. 10.81 lakhs to Rs. 11.34 lakhs.

The gross profit of the Company at Rs. 57,105 compares well with a loss of Rs. 6,217 for the previous half-year. Managing Agents' remuneration has taken up Rs. 26,594 (Rs. 31,950) and depreciation Rs. 41,441 (Rs. 41,441). After bringing in Rs. 5,814 and writing back Rs. 63,663, being the excess provision for taxation, the Directors have set aside Rs. 3,600 as provision for doubtful debts and have carried forward a surplus of Rs. 53,989.

The Directors report that since the close of the period under review, the wagon supply position has improved, resulting in a reduction in stocks. They add: "The Taltore seam at West Jamuria colliery has now been reached in both shafts. Development is proceeding as rapidly as possible and it is hoped to commence raising coal from this seam in January, 1954. Conditions continue to improve at Ackhalpur colliery and the prospects for the Company for the coming year are brighter than they have been for some time."

COFFEE LANDS AND INDUSTRIES (MYSORE) LTD.

It is a none-too-happy feature that the Coffee Lands and Industries (Mysore) Ltd. (Secretaries: The Consolidated Coffee Estates (1943) Ltd., Hunsur, Mysore State), the output of which during the year ended 30th June, 1953, was a record one in its history, should have earned in that year one of the lowest profits. Thus, whereas the Company's output of coffee during the year under review amounted to 404 tons 8 cwts., exceeding the previous record of 371 tons 17 cwts. in 1951-52, its gross profit aggregated only Rs. 2.47 lakhs, as compared with Rs. 5.32 lakhs, a drop of 53.5 per cent. Even in 1947-48, which was the leanest year for the Company in terms of both output and earnings, the Company could earn a gross profit of Rs. 1.55 lakhs on a crop of 168½ tons. This disappointing state of affairs was clearly due to factors that were beyond the control of the management.

Sale proceeds of coffee of the 1952-53 season amounted to Rs. 12.53 lakhs, as against Rs. 14.36 lakhs in the previous year. In addition, the Company received a sum of Rs. 1.35 lakhs, as against Rs. 1.26 lakhs, by way of profit on previous season's stocks. Receipts from Hunsur works where curing is done aggregated Rs. 3.48 lakhs, as compared with Rs. 2.53 lakhs in the previous year. Estate expenditure and other administrative expenses showed an increase from Rs. 13.01 lakhs to Rs. 15.14 lakhs. As regards appropriations, the provision for depreciation is higher at Rs. 1.11 lakhs, as against Rs. 1.01 lakh. While no provision for taxation had been made in the previous year, the Directors have set aside Rs. 35,350 for that purpose this year. The net profit amounts to Rs. 92,955, as against Rs. 4.22 lakhs for the previous year.

Commenting on the results for the year under review, the Directors observe in their report: "Were it not for the fact that there was a carry forward of profit on the previous year's stocks, the working of our estates for 1952-53 would have resulted in a loss, owing to the lower prices which have been fixed for coffee, this in spite of the fact that the crop for the year was the highest harvested to date." The Company received from the Indian Coffee Board on its crop Rs. 2-2 per point, as against Rs. 2-9 in the previous year.

After providing Rs. 45,000 (*nil*) for debenture redemption fund and paying the 5 per cent. preference dividend absorbing Rs. 52,030, the Directors could declare a dividend of no more than 3 per cent. as against 9 per cent. paid for the previous two years, absorbing Rs. 54,000 (Rs. 1.62 lakhs) leaving to be carried forward Rs. 90,358 (Rs. 1.54 lakhs).

The financial position of the Company can be judged from the following summary of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	28,40,600	Gross block	30,95,909
Reserves and surplus ...	7,70,151	*Less*-Depreciation ...	3 71,255
Debentures ...	3,00,000		
		Net block ...	27,24,654
Provision for taxation ...	44,563	Stock-in-trade	10,04,850
Liabilities ...	13,22,251	Stores, spares, etc. ...	3,51,691
		Debts, deposits and advances ...	7,54,684
		Investments	25,940
		Cash ...	4,15,746
	Rs. 52,77,565		Rs. 52,77,565

TAXATION OF GOLD MINING COMPANIES

The tax problems of the gold mining industry have been discussed by Mr. M. A. Sreenivasan, Chairman of the Kolar Gold Mining Companies, in the course of his reply to the questionnaire issued by the Taxation Enquiry Commission. He has pointed out that gold mining in the Mysore State, where 95 per cent. of India's output of gold is produced, is probably the most heavily burdened industry in India. In addition to income-tax payable to the Central Government and a royalty, plus an additional royalty payable to the State Government, this industry has to make a further payment to the State called "contribution." This last mentioned levy, it is stated, absorbs 50 to 75 per cent. of the surplus over 6 per cent. on the paid-up capital. This levy is being collected in pursuance of an agreement between the Mysore Government and the Mining Companies executed in 1949. It would appear that, during the negotiations that preceded the said agreement, the Companies made representations that, if the industry was given the same treatment as other industries in the State and thus allowed to rehabilitate itself, and to intensify development, the Government would stand to gain a total sum by way of royalties and income-tax which would be several times larger, though spread over a longer period of years. During the longer period, the Kolar Gold Field and its population would be maintained together with the considerable indirect benefits and revenues derived by the State.

Excessive taxation prevents the exploitation of low grade ores. Mr. Sreenivasan has pointed out how the "pay-line—i.e., the grade of ore that just meets the cost of production—sternly and relentlessly decrees what shall be the ore that creates wealth and employment and what shall be condemned to lie buried fathoms deep for all the gold it may contain." The Mysore State, he observes, meets less than half of the annual demand for gold in India, the balance being met by smuggled gold. Every tola of gold produced helps to save foreign exchange, strengthens the nation's credit and also acts as a powerful anti-inflationary force. He has admitted that the effect has not been overwhelming, but it has not been insignificant either. Mr. Sreenivasan adds that "dwindling dividends of six, four and zero per cent. in a costly and hazardous enterprise which deals with wasting assets and must make provision for amortisation as well as continuous exploration, reveal the sorry state to which gold mining has been reduced in the Kolar Gold Field." He is of the view that "a fair and farsighted method" of taxing gold mining would be to have, in substitution of the numerous and onerous existing levies, only two, namely, (a) royalty payable to the State which is not *ad valorem* but is levied as a percentage of profits on a sliding scale (any *ad valorem* element may result in low grade ores being left unworked, which would be against the best interests of the State), and (b) income-tax payable to the Centre, according to revised system based on modern mining taxation practice in other countries where gold mining has been highly developed, and providing for depletion and amortisation allowances.

Points From The Chair

The Strange Picture of Coffee

"COFFEE presents a strange picture indeed today. World prices are high. Our rivals abroad are increasing their production, modernising their properties and building up their reserves against the day of stern competition which lies ahead. In India, on the other hand, the producer, and in particular the arabica producer, is being squeezed out of business through erroneous policies and penal legislation and, in what is designed to be a Welfare State, the sale proceeds of coffee are being diverted to the Central Exchequer to such a degree that no funds will be left with most estates to finance the welfare of their labourers. This diversion of the growers' funds to the Centre seems also to imply that the recent expressions of Governmental sympathy for the consumer is on the wane. The interest of the consumer and the producer can be combined, in fact have to be combined, if both are to benefit, through an encouragement of production in India, an increase in exports from India and a sharing of the benefits arising from these exports. No plan for the development of our industry which could bring these benefits has ever been put forward by our Ministry; yet today India, as never before, has to produce or perish. The problem deserves attention which it should have received long before this."

IVOR BULL,
Coffee Lands and Industries (Mysore) Ltd.

Control Over Tin will Retard Prospecting

"It is generally accepted by those best qualified to know, that the future of the Malayan tin industry will depend on the successful working of low-grade and, perhaps, deep areas. This is a matter of prime importance, not only to the mining companies but to the economy of Malaya as a whole and it is up to the Government to avoid entering into any arrangement which would again have the effect of preventing prospecting and new production. If Malaya is to maintain even its present relative position as a producer it is essential that the Government should take, as speedily as possible, all steps in their power to encourage not only the prospecting, but also the development, of new areas. There seems to be a considerable measure of inconsistency on the part of the Government; for, while stressing the necessity for prospecting, they are, at the same time, recommending the adoption of a control scheme which would, during the period of its operation, seriously retard the development of any new properties."

ERNEST V. PEARCE,
Malayan Tin Dredging, Ltd. and Southern Malayan Tin Dredging Ltd.

Development of Automatic Weaving

"The application of automatic weaving in the Lancashire cotton textile industry alone has risen from 26,000 to 42,000 looms in about five years. Automatic weaving in 1953 is about 13 per cent., as compared with 7 per cent. in 1948; this of total loom capacity. These figures are approximate; they illustrate a trend, and the indications continue favourable. . . . The loom is the integral part of a system that includes a wide and increasing range of ancillary machinery, and is an important section of the textile engineering industry that has made notable development in recent years.

JOHN HUNTER,
British Northrop Loom Co., Ltd.

Notice

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

INTERIM DIVIDEND FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 1953

AT THE MEETING OF THE BOARD OF Directors held on 26th December, 1953, the Directors have resolved to pay an interim dividend at the rate of Rupees two (Rs. 2/-) per share free of income-tax for the period of six months ended 30th September, 1953.

The transfer books of the Company will be closed from 31st January, 1954, to 3rd February, 1954, both days inclusive.

The interim dividend warrants will be posted on and after 22nd February, 1954, to all the shareholders whose names stand on the Register of members of the Company on 31st January, 1954.

By Order of the Board,
B. S. VISWESWARAIYA,
Secretary.

MYSORE, *26th December, 1953.*

MARKETING OF GROUNDNUTS IN INDIA

SOME SUGGESTIONS FOR IMPROVEMENT

FEW will deny that the revised edition of the *Report on the Marketing of Groundnuts in India*, published by the Directorate of Marketing and Inspection, Ministry of Food and Agriculture, Government of India (first published in 1940, which, however, included marketing in Burma also), is an interesting document. For it discloses how better returns can be secured to producers—this alone provides the stimulus for increasing the output of groundnuts—by effecting economics in distribution, cutting out wasteful practices and placing better quality seeds on the market. In this connection, the Report has highlighted the need for further development of oil-crushing industry. A striking feature of the Report is the review of futures trading in groundnuts, prior to its abolition in 1943, and suggestions for improving it, if the ban were to be lifted in future. This aspect of the Report is sure to attract considerable attention, as the Government has now established a new organisation, the Forward Markets Commission, for regulating forward trading in commodities in India including oilseeds. But a glaring snag is that the statistics on groundnuts contained in it are out of date, in that the latest figures relate to the year 1949-50.

A significant feature highlighted by the Report is the transformation in the trend of trade in groundnuts during the past four or five decades. Groundnut cultivation, which at the beginning of the century occupied only a minor position, has now assumed great importance and is playing a vital role in the country's economy. From being entirely dependent on export markets, virtually dictated to by exporters, groundnuts have, especially during the past decade, witnessed an increase in the internal utilisation from about 61 per cent. to 94 per cent. of total production. Such an increase has been made possible by a phenomenal development of the crushing industry in the country and ready market for the oil in the hydrogenated vegetable oil industry. This orientation in trade has also enabled the cake being retained in the country for manure or cattle feed. Unfortunately, the organisation of internal trade has progressed but little, despite the large increase in internal demand for groundnuts.

India is the leading country in the world in the production of groundnuts, accounting for over 26 per cent. Owing to their high fat and protein contents, groundnuts form a rich food. This explains its important place in the food budget of the Indian family. Despite its rich food content, the *per capita* consumption of 1.78 lbs. is very small. An increase in consumption can be effected by intensive cultivation of the crop by reducing the price charged to the consumer.

Improving Quality

The Report has recognised that this important industry needs to be placed on an efficient basis, with a view to deriving the maximum advantage alike to the producer and the consumer. It has, therefore, made a number of suggestions for improving the quality of nuts, as also for marketing the crop on scientific lines. With regard to improving the quality, the Report has recommended:

(1) Harvesting of mature nuts and proper drying and shelling;

(2) improvements in the crushing industry to produce oil of good and assured quality for export and internal consumption; and

(3) quality control of *kernels*, particularly H.P.S. types and oil through enforcement of compulsory grading under Agmark—intended for export to foreign countries.

For reducing the marketing costs and thereby increasing the cultivators' share in the consumers' price, the Report has proposed a serious of measures which include: (*a*) organisation of co-operatives, (*b*) distribution of improved seeds, (*c*) the pooling, decorticating, grading, storing, crushing and marketing of groundnuts and their products, and (*d*) the regulation of markets and market practices. Other steps recommended are standardisation of contract terms, improvement in storage and transport facilities and timely dissemination of market news.

In the section devoted to futures trading, the Report makes an interesting suggestion which deserves the attention of the trade as well as the Forward Markets Commission. It is suggested that, if the Government were to decide on withdrawing the present ban on futures trading in groundnuts, it would be advisable to have January, May and September as delivery months for settling futures contracts, instead of February, May and August as fixed by the trading organisations. The Report opines that this would help moderate the fluctuations in prices. The behaviour of February *delivery*, studied over a period of 12 years, has disclosed that it was subject to the maximum speculative activity, especially during earlier months of this contract, which commences in July. This is probably because the early arrivals differ widely in respect of moisture content. But the general rise in almost all the markets in January, and the subsequent tendency to fall in February, suggest that a January *delivery* will have the effect of smoothening fluctuations between January and February. This will also contribute to a more even distribution of the three deliveries over the year, as the interval between the August and February deliveries will be comparatively long. The shifting of August delivery to September is expected to help in moderating the fall in September by the arrivals of early varieties.

Futures Trading

The Report has brought out the relationship between the ready and "futures" prices over a period of years, in order to point out why a change in the delivery months as stated above is advisable. It observes:

"Before World War II, 'ready' and 'futures' prices generally moved close together and that, during the two periods, from July, 1933 to October 1934 and from August 1937 to September 1939, when average ready prices formed deep troughs, the average futures prices were invariably higher than the ready prices and apparently acted as a stabilising factor. The lower level of the February delivery quotations again exercised a stabilising influence, when ready prices soared high between July and October 1936. With the outbreak of the war in September 1939, the speculative tendency increased and the futures prices sky-rocketed. In 1940-41, when the ready prices registered a decline the futures prices maintained their high level and, except for a slight fall, appeared to be undisturbed. The futures prices during this abnormal period generally moved in sympathy with the ready prices, but the margin between them was as much as 5 to 7 times the ready prices.

"During the normal, i.e., the pre-war period (1931-32 to 1939-40), the February delivery was higher than ready on 136 occasions and lower on 105 occasions, that is, for every 8 occasions of futures being cheaper, they were dearer on 10 occasions. But, if 1931-32 and 1932-33 prices, when world prices of oilseeds were generally declining and February delivery prices appeared consistently below ready prices, are not taken into account, February delivery was dearer on 131 occasions and cheaper on 61 occasions, that is, for every one occasion of delivery being sold at a discount, a premium was obtained on two occasions. The May position was higher on 114 occasions and lower on 20 and August higher on 101 occasions and lower on 32. This shows that the futures market, apart from the stabilising influence, displayed, on the whole, a bullish tendency likely to encourage buyers for stock and was, therefore, advantageous from the point of view of cash prices.

"During the war period (September 1939 to June 1943), on no occasion the futures prices were below the ready prices. The stabilising influence of the futures did not operate during the abnormal times and the trade in futures became a mere gamble."

It may be noted that trading in groundnut futures is in respect of bold variety, which, in the pre-war period, formed only a quarter of the crop in Bombay State. This variety was probably selected for trading at a time when it formed a much bigger proportion of the production in Bombay. It is pointed out, in this connection, by the Report, that organised futures trading in Coromandels at Madras would help in bringing the influence of supply and demand and international values to bear more closely on Indian prices and would prove beneficial to producers.

COTTON

(*Concluded from page 70*)

carefully before they are imposed so that "agricultural commodities like cotton may be marketed more or less on a uniform basis as cotton is grown throughout the country."

There is no doubt that these duties do seriously impair, as the Association points out, the return to the grower. The Association urges that "the question which should be earnestly considered is whether raw cotton can bear all these duties." The question should be viewed against the background of the easier world supply position, on the one hand, and the need for increasing domestic cotton production in order to meet the growing demand for this commodity both from Indian mills and overseas importers, on the other.

INDIAN STEEL AND WIRE PRODUCTS MAINTAIN PROGRESS

ORIENT PAPER EARNS HIGHER PROFIT

Indian Steel and Wire Products Ltd.

THE directors of the above Company (Managing Agents: Messrs. Indra Singh & Sons, Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March, 1953.

The net profit of the Company, after providing for income and super taxes and setting aside a sum of Rs. 20,98,023 (Rs. 12,92,290), on account of depreciation amounts to Rs. 13,68,386 (Rs. 13,44,755) and adding the amount brought forward from last year's account of Rs. 74,117 (Rs. 22,336) the total amount available is Rs. 14,42,503 (Rs. 13,67,091). Out of this, the directors have transferred a sum of Rs. 3,75,000 (Rs. 3,75,000) to reserve fund, leaving a balance of Rs. 10,67,503 (Rs. 9,92,091). Out of this sum the directors have proposed to declare dividends as follows:—

Dividend at the rate of Rs. 3 (Rs. 3) per share, free of income-tax, on 1,70,000 ordinary shares of Rs. 10 each, fully paid up, and at the rate of As. 4-9.6 (As. 4-9.6) per share on 26,580 ordinary shares of Rs. 10 each, paid up Re. 1 per share, absorbing Rs. 5,17,974 (Rs. 5,17,974) and a dividend at the rate of Rs. 2 (Rs. 2) per share, free of income-tax, on 2,00,000 deferred shares of Rs. 2-8 each, fully paid up, absorbing Rs. 4,00,000 (Rs. 4,00,000) leaving to be carried forward to next year's account Rs. 1,49,529 (Rs. 74,117).

There has been a slight deterioration in the working results for 1952-53. Once again during the year under report, the raw material prices were twice revised and enhanced by the Government and the cost of store materials went up considerably consequent on the Government of Bihar having compelled all suppliers all over the country to levy the Bihar sales tax on all stores consumed, in addition to the sales tax being paid on the raw materials for the last three years.

The reorganisation programme of the Rod Mill is nearing completion and the modernisation of the Wire Mills department including Nail Mills and Galvanizing Sections has been commenced and is being very actively pursued.

Relations with labour continued to be very cordial and harmonious. The directors have provided a sum of Rs. 4,75,000 for the year under report as annual bonus to be paid to the employees. The building of houses for the employees has been completed and now an additional 190 quarters are ready for occupation. The Company is building a school up to the Middle English standard for the children of its employees in close proximity of the residential colony and it is expected that this school will be ready shortly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,26,580	Block ...	26,68,600
Reserves ...	1,65,38,593	Stock-in-trade	24,66,781
Provision for taxation ...	75,16,636	Stores, etc.	33,92,996
Liabilities ...	37,51,973	Debts, depositsand advances ...	96,05,479
Profit and loss account ...	14,42,503	Investments	23,83,000
		Cash ...	1,09,59,429
	Rs. 3,14,76,285		Rs. 3,14,76,285

Orient Paper Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March, 1953.

After payment of the managing agents' remuneration, directors' remuneration and transfer of Rs. 20,00,000 (*nil*) to dividend equalisation account and providing for depreciation and taxation and taking into account the balance of the previous half-year, there remained a surplus of Rs. 8,22,942 (Rs. 7,64,206) which, the directors disposed of as under:—

Paid dividend on 20,000 preference shares at 5½ (5½) per cent. per annum, free of income-tax Rs. 55,000 (Rs. 55,000), dividend on 60,000 preference shares at 5½ (5½) per cent. per annum, subject to income-tax Rs. 1,21,688 (Rs. 1,21,688) and dividend on 4,19,500 ordinary shares of Rs. 10 each fully paid up at Re. 1 (Re. 1) per share free of income-tax Rs. 4,19,500 (Rs. 4,19,500) and carried forward Rs. 2,26,754 (Rs. 1,68,019).

The mills worked satisfactorily during the period.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,21,95,000	Block ...	2,57,57,294
Debentures	1,00,00,000	Stock ...	12,42,327
Reserves ...	2,23,31,866	Stores ...	17,48,531
Provision for taxation ...	71,32,511	Debts, depositsand advances ...	82,88,880
Liabilities ...	57,29,787	Investments	1,31,95,198
Profit and loss account ...	2,26,754	Cash ...	73,83,688
	Rs. 5,76,15,918		Rs. 5,76,15,918

Upper Ganges Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The profit and loss account, after payment of interest, managing agents' remuneration and providing for depreciation and taxation and taking into account the balance of profit of the previous year, showed a net profit of Rs. 3,21,668 (Rs. 3,32,529). The directors paid dividend on 12,000 cumulative preference shares of Rs. 100 each at 5 per cent. per annum, free of tax, Rs. 60,000 (Rs. 60,000), dividend on 15,000 cumulative preference shares of Rs. 100 each at 5 per cent., per annum, subject to tax Rs. 55,312 (Rs. 55,312), dividend on 80,000 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2) per share, free of tax, Rs. 2,00,000 (Rs. 1,60,000) and carried forward the balance of Rs. 6,356 (Rs. 57,216).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	34,11,553
Reserves ...	9,85,863	Stock-in-trade	73,11,470
Provision for taxation ...	7,71,090	Stores ...	7,00,366
Liabilities ...	90,16,067	Other assets	4,20,912
Profit and loss account ...	6,355	Debts, depositsand advances ...	18,28,887
		Investments	4,85,464
		Cash ...	1,20,723
	Rs. 1,42,79,375		Rs. 1,42,79,375

Oudh Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st July, 1953.

After providing for managing agents' commission, depreciation, taxation, etc., and taking into account the balance of the previous year there remained a sum of Rs. 9,16,774 (Rs. 5,51,464) at the credit of profit and loss account, which the directors disposed of in payment of a dividend on 77,485 ordinary shares of Rs. 100 each at the rate of Rs. 11 (Rs. 6) per share, free of income-tax Rs. 8,52,335 (Rs. 4,64,910), dividend on 36,100 4 per cent. taxable preference shares of Rs. 25 each at the rate of Re. 1 (Re. 1) per share less annas four and pies two for income-tax Rs. 26,699 (Rs. 26,699), dividend on 14,662 4 per cent. tax-free second preference shares of Rs. 25 each at Re. 1 (Re. 1) per share Rs. 14,662 (Rs. 14,662) and carried forward Rs. 23,078 (Rs. 45,193).

The sugar factory worked satisfactorily during the year though the cane crushed during the year was lower as compared to the previous year. The Vanaspati factory's working was also better as compared to the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,17,550	Block ...	1,68,14,215
Reserves ...	1,30,22,414	Stocks ...	73,48,151
Provision for taxation ...	25,73,485	Stores ...	14,16,813
Liabilities ...	1,10,99,609	Other assets	31,74,854
Profit and loss account ...	23,078	Debts, depositsand advances ...	63,72,726
		Investments	2,26,033
		Cash ...	3,83,344
	Rs. 3,57,36,136		Rs. 3,57,36,136

New Swadeshi Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th June, 1953.

After providing for managing agents' commission, taxation and transferring Rs. 1,50,000 (*nil*) to dividend equalisation fund, there remained a profit of Rs. 2,72,979 (Rs. 3,05,263) including last year's balance. The directors paid a dividend on 10,875 ordinary shares of Rs. 100 each at the rate of Rs. 20 (Rs. 20) per share free of income-tax Rs. 2,17,500 (Rs. 2,17,500), paid a dividend on 10,875 quarter ordinary shares of Rs. 25 each at the rate of Rs. 5 (Rs. 5) per share free of income-tax Rs. 54,375 (Rs. 54,375) and carried forward Rs. 1,104 (Rs. 33,388).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,59,375	Block ...	59,49,207
Reserves ...	64,61,869	Stocks ...	40,51,342
Provision for taxation ...	6,52,500	Stores, etc.	4,98,464
Liabilities ...	50,42,444	Debts, depositsand advances ...	22,35,171
Profit and loss account ...	1,104	Investments	7,33,832
		Cash ...	49,176
	Rs. 1,35,17,292		Rs. 1,35,17,292

Bharat Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The profit and loss account, after payment of interest, managing agents' remuneration, providing for depreciation and taxation and after transferring Rs. 1,50,000 (*nil*) to renovations and renewals account and taking into account the balance of profit of the previous year, showed a net profit of Rs. 2,52,119 (Rs. 2,84,180). The directors paid a dividend on 5,000 cumulative redeemable preference shares of Rs. 100 each at 5 per cent. subject to tax Rs. 18,437 (Rs. 18,437) and dividend on 1,50,000 ordinary shares of Rs. 10 each at Re. 1-8 (Re. 1-8) per share free of tax Rs. 2,25,000 (Rs. 2,25,000) and carried forward Rs. 8,681 (Rs. 40,742).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	4,75,937
Reserves ...	12,31,314	Stocks ...	22,39,031
Provision for taxation ...	6,20,155	Stores ...	2,37,647
Liabilities ...	30,08,876	Other assets	20,890
Profit and loss account ...	8,681	Debts, depositsand advances ...	17,08,112
		Investments	21,40,250
		Cash ...	47,159
	Rs. 68,69,026		Rs. 68,69,026

New India Sugar Mills, Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The profit and loss account, after payment of interest, managing agents' remuneration, providing for depreciation and taxation, and transferring Rs. 2,00,000 (Rs. 7,50,000) to general reserve and taking into account the balance of profit of the previous year, showed a net profit of Rs. 3,78,102 (Rs. 3,57,263). The directors paid a dividend on 486 cumulative preference shares of Rs. 100 each at 9 per cent. free of tax Rs. 4,374 (Rs. 4,374), dividend on 10,000 cumulative redeemable preference shares of Rs. 100 each at 5½ per cent. subject to tax Rs. 40,562 (Rs. 40,562), dividend on 78,910 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2-8) per share free of tax Rs. 1,97,275 (Rs. 1,97,275) and carried forward Rs. 1,35,891 (Rs. 1,15,051).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,37,700	Block ...	11,34,562
Reserves ...	19,02,918	Stocks ...	44,04,046
Provision for taxation ...	6,63,067	Stores ...	6,22,697
Liabilities ...	50,51,563	Debts, depositsand advances ...	15,63,120
Profit and loss account ...	1,35,891	Investments	17,60,541
		Cash ...	1,06,173
	Rs. 95,91,139		Rs. 95,91,139

Teekoy Rubbers (India) Ltd.

The directors of the above Company (Managing Agents: East India Agencies Ltd., Patna) submitted the audited accounts of the Company for the year ended 31st March, 1953.

The area of the Company's estate remains unchanged at 1,178 acres seedling rubber, 276 acres budded rubber and 416 acres reserve land. The crop obtained during the year was 4,73,909 (64,217) lbs. and the average price realised Rs. 130 (Rs. 126-8) per 100 lbs. Due to the increase in wages and other emoluments to labour fixed by the Government, the estate expenditure increased to Rs. 69 per 100 lbs. from Rs. 57-8 per 100 lbs. in the previous year.

The net earning of the Company after providing for all charges including depreciation and interest on debentures, was Rs. 2,03,551 (Rs. 2,55,187). To this was added the previous year's balance of Rs. 936 (Rs. 34,499) making a total of Rs. 2,04,488 (Rs. 2,89,687). Out of this amount, the directors paid the dividend at 6 per cent. per annum on preference shares for the year ended the 31st March, 1953 amounting to Rs. 36,000 (Rs. 36,000). This left Rs. 1,68,488 (Rs. 2,53,686) for disposal. The directors disposed of this sum by paying a dividend on ordinary shares at 9 (9) per cent. Rs. 90,000 (Rs. 90,000), transferred to reserve for taxes Rs. 70,150 (Rs. 87,750), and carried forward Rs. 8,338 (Rs. 936).

The price of rubber in the international market pivots upon the United States synthetic price. For years now, natural rubber has been competing with a Government-produced and priced synthetic. The decision of the United States Government to transfer the synthetic plants to private hands would pave the way for free competition between natural and synthetic rubber. It is however, universally agreed that the future world demand for rubber will be insatiable, absorbing all rubber that can be produced—both natural and synthetic. India has, as regards rubber, a closed economy, with the price fixed and import and export restricted. The present price of Rs. 138 per 100 lbs., will be in force for two years more.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	20,41,193
Debentures	1,89,700	Stock-in-trade	8,21,653
Reserves ...	3,09,600	Stores and spare parts	72,717
Provision for taxation ...	1,53,660	Debts, depositsand advances ...	16,662
Liabilities ...	9,76,837	Investments	1,12,181
Profit and loss account ...	8,338	Cash ...	1,13,727
	Rs. 32,38,135		Rs. 32,38,135

A. V. Thomas and Co., Ltd.

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

During the year, Company was able to work with considerably reduced overdrafts from banks. The income-tax assessment has been brought up-to-date but the Government have appealed against the order of the Appellate Assistant Commissioner of Income-tax wherein a sum of Rs. 60,856 has been allowed to the Company as capital profit or casual income which cannot attract tax. The question of taking over the assets and liabilities of Messrs. A. V. Thomas & Co., (India) Ltd., has been abandoned.

The profit and loss account showed a net profit for the year of Rs. 1,75,531 (Rs. 2,13,768). After providing for tax liability and the cumulative preference dividend already paid for 1952, the amount available for distribution amounted to Rs. 41,456 (Rs. 39,697) which the directors utilised in payment of a dividend of 10 (10) per cent. on ordinary shares of Rs. 10 each Rs. 20,000 (Rs. 20,000), dividend of 10 (10) per cent. on "B" class ordinary share of Rs. 100 each on 351 shares Rs. 3,510 (Rs. 3,510) and carried forward Rs. 17,946 (Rs. 16,187).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,56,300	Block ...	4,41,790
Reserves ...	4,98,361	Stock-in-trade	1,81,568
Provision for taxation ...	2,60,000	Stores and spares, etc.	9,830
Liabilities ...	10,83,139	Other assets	1,69,732
Profit and loss account ...	41,455	Debts, depositsand advances ...	10,12,716
		Investments	2,98,530
		Cash ...	1,25,089
	Rs. 22,39,255		Rs. 22,39,255

East Indian Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th April, 1953.

After making allowance for depreciation and full provision for taxation, the year's working has resulted in a net profit of £67,261 (£46,402) to which has been added the amount at credit of profit and loss account at 30th April, 1952, of £78,839 (£58,331) and surplus on provision for processes relating to previous years £1,949 (*nil*) making a total of £148,049 (£134,294). The directors have provided for taxation contingencies £12,315 (£10,455), leaving a balance available of £135,734 (£123,839). From this amount is deducted interim dividend for the year at As. 14 (Re. 1-10) per share on 2,40,000 (1,20,000) shares without any deduction for Indian income-tax paid by the Company on 31st July, 1953 £15,750 (£15,750) and final dividend recommended for the year at Re. 1-10 (Re. 1-10) per share on 2,40,000 shares, without any deduction for Indian income-tax paid by the Company £29,250 (£29,250) leaving a balance at credit of profit and loss account, to be carried forward, of £90,734 (£78,839).

Raisings for the year were 582,631 tons—a decrease of 15,162 tons on the raisings in the previous year. Despatches amounted to 550,754 tons compared with 544,401 tons in the year ended 30th April, 1952—an increase of 6,353 tons. The stock of coal at the collieries has decreased by 354 tons.

In the report dated 21st November, 1952, mention had been made about the Coal Mines (Conservation and Safety) Act, 1952 and the policy of Government of India to conserve metallurgical coal. One of the methods adopted for the purpose of conservation was pegging of output of metallurgical coal. In 1952, such pegging applied to selected A and B only. In 1953, this was extended to the next lower grades, viz., grade I and grade II.

The maximum output for the collieries of the Company, which produce only selected grades, was fixed at 600,000 tons in 1953 as against 601,000 tons in 1952. The Technical Advisory Committee of the Coal Board visited our collieries early in 1953 and inspected the workings and discussed the position with the Company's technical advisers.

The directors have received advice from the Coal Board that the Technical Advisory Committee has recommended that early steps should be taken by the Company for installing a stowing plant at Bararee Colliery. The recommendation of the Coal Board is receiving the attention of the directors and the colliery superintendent. Plans have been made out and tenders obtained. The estimated expenditure will be about £210,000. The recommendations of the Technical Advisory Committee for South Bulliari/Kendwadih Colliery are not yet to hand.

During the second half of the year under review, there was a certain amount of labour agitation in South Bulliari/Kendwadih Colliery where the Union recognised by the Company gradually lost the confidence of the workers and a new set of labour leaders endeavoured to establish a hold. Various demands were put up to the management which were considered unreasonable. A lightning strike took place at the colliery on 26th January, 1953. Finally, a strike notice was served on the management with the demands and the usual conciliation proceedings took place where the management expressed the view that the demands were unreasonable and without justification.

A strike started on 23rd February, 1953 and continued till 21st March, 1953 when Government of India referred some of the demands to the Central Government Industrial Tribunal at Dhanbad and prohibited the continuance of the strike. Work was resumed on 23rd March, 1953 and the raisings were normal in a short time. Later another of the demands were referred to the same Tribunal as a separate reference. The hearing of the two References have already taken place but the Awards of the Tribunal are not yet known. Both the strikes, viz., that on 26th January, 1953 and that from 23rd February, 1953 to 21st March, 1953 were held to be illegal under the Industrial Disputes Act by the Tribunal. Since resumption of work, labour relations at the colliery have been more satisfactory.

In July, 1952, the management decided to discontinue generating electrical power at Kendwadih Power Station for the collieries as it was considered more economical to purchase electrical power which was now available.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	240,000	Block ...	215,838
Reserves ...	332,801	Stock of coal	51,272
Provision for taxation ...	16,750	Stores ...	74,860
Liabilities ...	129,237	Debts and advances ...	162,706
Profit and loss account ...	90,734	Investments ...	182,029
		Cash ...	122,817
	£ 809,522		£ 809,522

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

HAWKER SIDDELEY GROUP LTD.

SIR THOMAS SOPWITH'S ADDRESS AT ANNUAL MEETING

THE Eighteenth Annual General Meeting of the Hawker Siddeley Group Ltd., was held on 6th January, 1954 in London.

During the course of his speech, Sir Thomas Sopwith, C.B.E., the Chairman, said:—

"The trading profits of the Group for the year ended 31st July, 1953, after deducting reserve for increased replacement cost of fixed assets, amounted to £5,033,744, as compared with £5,184,552 for the previous year. Both production and sales of the United Kingdom subsidiaries show an increase on last year. Our Canadian company, A. V. Roe Canada Ltd., has shown a very marked increase in production arising from its important contribution to the Canadian defence programme.

"Turning to the consolidated balance-sheet, you will observe that after the provision of £1,775,551 for depreciation, fixed assets show an increase of nearly £8 million. In addition to the acquisition of certain Crown assets in Canada, other substantial expenditure has been incurred in the United Kingdom. It is the policy of your Board to keep abreast of scientific and technical developments and constantly to modernise capital assets, so that our resources are in line with latest developments in production technique.

"With these considerations in mind, we have this year set aside an additional sum of £1 million out of the profits of the year to reserve for replacement of fixed assets and development, thereby increasing this reserve to £6 million. Last year, I said that high taxation restricted both expansion and replacement. Whilst your Board welcomes the reinstatement of initial allowances, this is merely a slight palliative in relation to the fundamental problem. Taxation allowances are still related to historical cost and take no cognisance of the increased cost of replacement. The already high level of taxation, without appropriate reliefs based on replacement costs, results in too large a slice of profits being taken away in taxation and it adds to the burden of industry faced with the constant renewal and improvement of capital equipment.

"Your Board is recommending a final dividend of 9 per cent., less tax, making with the interim dividend already paid a total dividend for the year of 15 per cent., less tax. This compares with a total distribution last year of 10 per cent., less tax. Whilst your Directors hope to maintain this dividend in future, I must sound a note of caution. Our enterprise is, as you know, a vital link in the free world's potential for defence and it is imperative that we must progressively replace our plant, if we are to maintain our position. This factor must always be in the forefront when we are considering our dividend policy and, indeed, it is only by constant replacement and improvement that we can hope to ensure continuation of future dividends."

Sir Thomas then moved on to discuss the many products and activities of the Group... the Vulcan Bomber, the Hawker Hunter, the Sea Hawk, the Gloster Javelin, the CF. 100 long range fighter, the Sapphire and Orenda jet engines, the Sapphire motor car, diesel engines, guided missiles, alloys, and Hawksley houses. He reviewed the current status of British aircraft and called for bolder research policy. He concluded with these words:—

"We are now moving rapidly into an age of new weapons, of atomic and thermo-nuclear power. Let us be bold. Let there be no hesitation. Let us stride into the future confident that we are already wresting from it that pioneering leadership which has ennobled us in the past."

The report and accounts were adopted.

COMPANY MEETINGS AND DIVIDENDS

SHANGRILA FOOD PRODUCTS LTD. Annual General Meeting, Bombay, 23rd January, 1954.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 25th January, 1954. Dividend: As. 2 per share. Transfer books closed from 11th to 25th January, 1954, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 25th January, 1954. Transfer books closed from 12th to 25th January, 1954, both days inclusive.

CALCUTTA SILK MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 28th January, 1954. Transfer books close from 21st to 28th January, 1954, both days inclusive.

ELGIN MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 29th January, 1954. Dividend: Re. 1 per share. Transfer books closed from 12th to 29th January, 1954, both days inclusive.

INDIAN STEEL AND WIRE PRODUCTS LTD. Annual General Meeting, Calcutta, 29th January, 1954. Dividend of Rs. 3 per share, free of income-tax on ordinary shares of Rs. 10 each and Rs. 2 per share, free of income-tax on deferred shares of Rs. 2-8 each, for the year ended 31st March, 1953.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Ordinary dividend: Nil. Transfer books closed from 15th to 29th January, 1954, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Dividend: As. 10 per share. Transfer books closed from 15th to 29th January, 1954, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Dividend: As. 4 per share. Transfer books closed from 15th to 29th January, 1954, both days inclusive.

NIZAM SUGAR FACTORY LTD. Annual General Meeting, Hyderabad-Deccan, 30th January, 1954. Dividend: Rs. 4 per share (including bonus of Re. 1 per share), free of income-tax, payable on and after 10th February, 1954. Transfer books close from 18th to 30th January, 1954, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES LTD. Interim dividend of Re. 1 per share, for the year ended 31st December, 1953. Transfer books closed from 14th to 20th January, 1954, both days inclusive.

TEXTOOL CO., LTD. Dividend of Rs. 6 per share, for the year ended 30th April, 1953.

KALPETTA ESTATES LTD. Dividend of Rs. 2 per share, for the year ended 30th April, 1953.

HINDOOSTAN SPINNING AND WEAVING MILLS CO., LTD. *Ad-interim* dividend of Rs. 40 per whole ordinary share and Rs. 10 per quarter ordinary share, free of income-tax, for the half-year ended 30th September, 1953, payable on and after 16th February, 1954. Transfer books close from 19th to 28th January, 1954, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING CO., LTD. *Ad-interim* dividend of Rs. 40 per ordinary share, free of income-tax, payable on and after 16th February, 1954. Transfer books close from 19th to 28th January, 1954, both days inclusive.

INDIAN MANUFACTURING CO., LTD. *Ad-interim* dividend of Rs. 40 per whole ordinary share and Rs. 20 per half ordinary share, for the half-year ended 30th September, 1953, payable on and after 16th February, 1954. Transfer books close from 19th to 28th January, 1954, both days inclusive.

COMPANY REGISTRATIONS

JOHN FOWLER (INDIA) LTD. Business: Mechanical and General Engineers, Millwrights, Iron and Brass Founders, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Marshall's Building, Ballard Road, P.O. Box No. 654, Bombay 1.

ASSOCIATED APPAREL LTD. (First Director: Mr. S. T. Notanl.) Business: Silk Mercers, Silk Weavers, Cotton Spinners. Cloth Manufacturers, Drapers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: "Liberty House," Parel Village Road, Parel, Bombay 12.

GYAN-CHITRA LTD. (First Director: Mr. Ramesh Shastri.) Business: Producers, Financiers, Distributors and Exhibitors of Cinema Films. Authorised capital: Rs. 5,00,000. Private company. Address: First Floor, Sohrab House, 235, Hornby Road, Bombay 1.

D. D. CONTRACTOR & CO., LTD. (Managing Director: Mr. D. K. Contractor.) Business: Transport and Carting Contractors, Muccadams, Stevedores, Clearing Agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 78, Lamington Road, Bombay 8.

BOOK CENTRE LTD. (First Director: Mr. Krishnaji Ramchandra Samant.) Business: Booksellers and Publishers. Authorised capital: Rs. 5,00,000. Private company. Address: First Floor, Room No. 5, Mherwan Building, Sir P. M. Road, Bombay 1.

S. B. ENTERPRISES LTD. (First Director: Sri Murli Tahilram.) Business: Manufacturers and Dealers in Bricks, Tiles, Pipes, Pottery, Earthenware, and Quarry Masters, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Gazdar House, Dhobi Talao, Bombay 2.

TREASURY BILL RATE HARDENS

(From Our Own Correspondent)

BOMBAY, 13th *January*

The week under review witnessed no significant change in the short-term money-market. The seasonal demand for funds continued to broaden, while there were no signs of the supplies enlarging, with the result that most of the banks had to seek the aid of the Reserve Bank of India or the Imperial Bank of India. The turnover was also small due to paucity of supplies. There was, however, no rise in the inter-bank call money rate, which remained unaltered at 2½ per cent. among the Exchange banks and big Indian banks and at 3 per cent. among the smaller Indian banks, with borrowers over.

Short-term deposits were keenly bid at 2¼ per cent. for periods ranging from 1 to 6 months.

For the second week in succession in the current year, the Government of India Treasury Bill rate rose to a record level of Rs. 2-7-11 per cent. per annum this week, an increase of 2 pies per cent. over the previous record of Rs. 2-7-9 per cent. paid last week. The amount tendered was a little over Rs. 1.21 crores, as compared with over Rs. 1.32 crores offered last week.

A rise of Rs. 22.61 crores in notes in circulation is the outstanding feature of the Reserve Bank's statement for the week ended 8th January, 1954, as compared with that for the previous week. Notes held in the Banking Department have dropped by Rs. 4.18 crores, with the result that the *total notes issued are higher by Rs. 18.43* crores. This rise is covered by an increase of Rs. 20 crores in foreign securities and a decline of Rs. 1.57 crores in rupee coin. In the Banking Department, deposits of the Central Government show a decline of Rs. 6.02 crores, deposits of other Governments Rs. 4.43 crores and those of banks Rs. 6.65 crores. Cash balances have shrunk by Rs. 4.27 crores and balances held abroad by Rs. 17.07 crores. Ways and means advances to Government have gone up by Rs. 80 lakhs and other loans and advances by Rs. 2.97 crores, of which Rs. 30 lakhs represent advances to Scheduled Banks against usance bills.

The Scheduled Banks' statement for the week ended 1st January, 1954, as compared with that for the previous week, records an increase of Rs. 3.13 crores in demand deposits and a decline of Rs. 37.61 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 1.98 crores, while borrowings from the Reserve Bank are higher by Rs. 3.94 crores. Borrowings from the Imperial Bank show a drop of Rs. 53 lakhs. Advances and bills purchased and discounted have gone up by Rs. 4.84 crores. A decline of Rs. 7.39 crores is noted in investments. Cash on hand and balances with the Reserve Bank disclose an increase of Rs. 5.47 crores and balances with other banks in current account Rs. 3.10 crores. Money at call and short notice, on the other hand, has shrunk by Rs. 3.10 crores.

The Gilt-edged market was featureless, with hardly any developments of note. Conditions in the money market being stringent, the customary institutional investment demand was lacking. Most of the dated loans showed no variations in prices. The volume of business done was poor. The undertone, however, remained steady. 3 per cent. 1957 stood at Rs. 98-6, with no variation over the week. 3 per cent. 1958 were marked up by an anna to Rs. 98-1. 3 per cent. 1959-61 was dull at Rs. 96-2, 3 per cent. 1963-65 at Rs. 92-8, 3 per cent. 1964 at Rs. 92-7, 3 per cent. 1966-68 at Rs. 90-4 and 3 per cent. 1970-75 at Rs. 86-8. *3* per cent. 1986 Conversion Loan, however, came in for pressure and dropped 4s. 3 to Rs. 82-3. 3½ per cent. N.P. Bond was featureless at Rs. 98-14.

TEAS ACTIVE

(From Our Own Correspondent)

CALCUTTA, 12th *January*

Offerings during yesterday's export sale amounted to 56,400 chests. Very active conditions prevailed, and the best rise in prices were recorded. The strongest feature of the sale was B.O.P.s which realised prices As. 8 to As. 10 above brokers' valuations. Prices for fannings, medium broken and whole leaf grades were all very steady and were up by As. 7. Darjeelings were also in good demand, and prices improved by As. 3 to As. 4. The rates were: medium Assam B.P. Rs. 2-8 to Rs. 2-9, clean black pekoe Rs. 2-10 to Rs. 2-11, clean common B.P. Rs. 2-7, and best Assam C.T.C. B.P. Rs. 2-9 (nominal).

Steady conditions prevailed during last week's sale for domestic consumption. Prices were up as demand was strong. Dusts offered totalled 22,163 packages, of which the commonest varieties attracted the considerable attention of operators. Commons improved by an anna, and the improvement in the prices of other varieties ranged from ¼ to 1 anna above brokers' valuations. The rates were: best Assam C.T.C. Rs. 2-1 to Rs. 2-2, medium Assam grainy dusts Re. 1-14-6, and medium Dooars Re. 1-14. The leaf market was also buoyant, and prices improved by As. 2 above brokers' valuations. The quantity that was offered was 3,495 packages.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 11th *January*

The kip market has continued firm. U.K. importers have increased their prices by a penny to two, especially for medium and heavy kips, but the local market is still one penny above U.K. levels. Demand for buff calf has been insistent, but the prices have been 2d. below sellers' ideas. Enquiries for cow calf and buff heavies have been patchy.

In the tanned skins section, arrivals of goat skins have been small and shippers have been active buyers of the quantities arriving. There has been good clearance of sheep skins.

The next London auctions will commence on the 25th inst. About 525,000 tanned goat skins and 500,000 sheep skins are expected to be available for sale.

BULLION MOVES NARROWLY

(From Our Own Correspondent)

BOMBAY, 13th *January*

Narrow movement in prices characterised the trading on the Bullion Exchange during the week under review. The sudden revival of bullish activity in silver noted in the previous week persisted for a while early in the week under review, when the white metal touched a new high level for some *months. This, however,* was not sustained during the rest of the week, due to selling by leading bull operators. There was also some short-selling due to slow offtake both locally and from upcountry centres. There was, therefore, a break in prices from the week's best level. On balance, however, there was no notable change over the week.

So far as gold was concerned the most outstanding event of the week was the announcement by the Union Deputy Finance Minister, Mr. A. C. Guha, at a Press Conference on Thursday (7th inst.) evening, that the Union Government would shortly consider the question of disposing of the stock of refined smuggled gold with the Government mint worth about Rs. 2 crores. This statement gave a shock to the market on that day, but this happened late in the evening after the closure of the market. On the next day, however, the market quickly recovered, as operators felt that this was not the first time that such an announcement had been made and that even if the disposal were to materialise, it was not certain whether the gold would be sold to the public. The yellow metal was steady during the rest of the week, with movements confined to a narrow range, as arrivals and offtake were fairly even.

Silver for forward delivery (January settlement) began at Rs. 155-8 and appreciated to Rs. 156 on Friday. After sliding down to Rs. 154-14, forward silver came up to Rs. 155-9, but the closing was again lower at Rs. 155-3. Trading in the February settlement began yesterday at Rs. 156-3 and closed for the week at Rs. 155-14 today.

Ready silver (.996 Mint) was done at par with the forward rates for January settlement. The floating stocks of silver are estimated at 2,300 bars. The daily average offtake was no more than 15 bars.

Opening at Rs. 82-9, forward gold (January settlement) hardened soon to Rs. 82-15. In unofficial dealings, however, it came down to a low of Rs. 81-10. On Friday morning, official business was done at Rs. 82, but, as the week progressed, forward gold steadied up and closed at Rs. 82-13.

Ready gold was done at par with the forward rate almost throughout the week, but, at the close, it fetched a premium of an anna. The floating stocks of gold are reported to be 30,000 tolas. The *daily average arrivals were 6,500 tolas. The off*take was 6,000 tolas on an average.

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

	13-1-54	Highest	Lowest	6-1-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	82 14	83 0	82 0	82 8
Forward	82 13	82 15	82 0	82 8
Sovereign	56 4	56 8	56 4	56 8
SILVER				
Ready (.996 fine Mint)	155 5	156 0	154 14	155 6
Forward	155 3	156 0	154 14	155 6
London Ready ..	73*d.*	—	—	73*d.*
London Forward ..	73*d.*	—	—	73*d.*
New York Ready ..	85½c.	—	—	85½c.

METAL PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 12th *January*

Steadier conditions were in evidence in the metal market during the week. Business put through was on a larger scale and was not confined to most of the principal base metals. This was so because consumers showed keen interest on considerations of manufacturing commitments. Against such a background, the somewhat poor advices from the United States relating to copper electrolytic had no effect whatsoever on the course of the local quotation which moved up from Rs. 166 to Rs. 172. The upward trend was greatly assisted by tightness in supply.

Virgin lead was also in good demand, and the price was for a time better at Rs. 65, but soon receded to the opening level of Rs. 64-8. Tin opened at Rs. 425 and was noted for an improvement by Rs. 8, but, as there was no fresh development in world markets to justify an upward trend, the local rate soon gave way to Rs. 423. Star metal antimony was unaltered at Rs. 210, and although imports of this metal are not permitted during the current licensing period of six months ending June, the price is not expected to show any visible change in the upward direction, as stocks are quite satisfactory. Mercury was priced at Rs. 560 a flask, but no business was reported.

LINSEED QUIET

(Messrs. A. Bradley & Co.)

CALCUTTA, 11th *January*

Despite generally firm undertone, the linseed market remains quiet and prices appear to be almost unchanged. Supplies from upcountry are very small, following restrictions on railway bookings, and sellers are rather hesitant, whilst buyers have not shown much interest, except at lower prices. The oil section is generally weaker, and the local demand has fallen considerably, despite lower offerings from sellers. Trading has been on a very small scale. Latest quotation is:— Ready Rs. 21-12 per maund.

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 12th *January*

There is little to write now about the forward market in cotton. In fact, there will be no point in writing anything about its behaviour, which in many respects is not unlike a *prima donna* who is moved by her moods and whose tantrums are incalculable and unpredictable. Whatever one writes about the trend in the futures market is likely to be rendered wrong and useless the next moment. The only known effective remedy for a young woman's hysteria is to let her alone and to ignore the malady. Possibly, this is the course followed by many a wise operator in Kalbadevi.

Let us, therefore, turn our minds to the spot market. Here at least there is some room for exercise of sober judgment. Gradually, the market's idea about the size of the crop has now definitely weered to a target below four million bales. Some cautious men in the trade would place it even at not higher than 39 lakh bales. Much will depend on the vagaries of the weather during the next week or two, though the present indications almost everywhere, apart from a uniform cry for more dew, are favourable. The present cold spell in Gujerat and in the North does not appear to have caused any appreciable damage to the standing crop. North and South Gujerat as well as Saurashtra are on the whole doing well. The output of Vijay in the Broach area is expected to be about 3,85,000 bales, while Surat will yield about 1,60,000 bales. The *Jarilla* crop with a little more dew will give a satisfactory yield. In the North, the cold weather seems to have helped the L.S.S., 320F, and 216F varieties. In the South, in Madras B1 and B2 zones, the staple varieties are progressing well and would do better with a little more rain. Nearer the Western coasts in Hubli and Dharwar, the condition of the crop is good, except for the Laxmi variety in some areas. This picture is certainly not as dismal as the market is trying to make out.

The present arrivals are, in most places, of a modest nature, whereas they should be much larger at this time of the year. There is an explanation for this. So much noise has been made during the last few weeks about the possibility of a much smaller crop than expected that producers are a little inclined first to hold on to a part of their cotton in hopes of better prices later on. This has also affected the quality of cotton which is arriving in the upcountry markets. There is a tendency to shift the poorer quality cotton and to take it up to the market, while retaining the better part of the crop at home. This is because the scramble, in which the mills engaged themselves during the last two weeks for Indian cotton, encouraged the cotton growers and the small traders in producing centres to believe that it was the best time to pass off poor quality cotton at remunerative prices. While this scramble on the part of the mills still continues, it is now getting a little selective and shrewd observers in the spot market believe now that the mills have bought a little more than their immediate requirements, this rush for buying will begin to taper off for some time. The domestic cloth markets are also fairly well replenished and a slight falling off in demand for coarse and medium cloth from this source can also be reasonably expected for some time. This would prevent the mills from acquiring cotton at the present rate. The busy season stringency in the money market will also begin to be felt now as more commodities come into the market, to reduce the buying fervour to a certain extent.

This is also noticeable in the diversion of the mills to imported cotton. East Africans are naturally greatly in demand and prices of Bushoas as a result firmed up by about Rs. 20 per candy on the opening day of this week. There is also renewed enquiry in Californians ready lots also at better prices. Egyptian Karnak for early delivery too is being sought after, especially by the Ahmedabad mills. Contrary to earlier expectations, India does not seem to have done badly about acquiring a good part of this year's East African cotton. It is now estimated that the purchases so far amount to about 1,40,000 bales and it is expected that we might obtain half of this quantity during the rest of the season, which would bring us over two lakh bales from this source.

Erratic conditions, with a steady undertone, characterised trading in the forward section of the local cotton market during the week under review. Thus, I.C.C. February opened the week at Rs. 696 and moved up to touch a high of Rs. 706 on 11th instant. Although it reacted to Rs. 690, on the following day, it recovered, on bull support, to Rs. 694 today. I.C.C. May fluctuated between Rs. 701 and Rs. 686½ before closing the week at Rs. 688½. The following is the trend of prices over the week under review:

		Opening	High	Low	Closing
I.C.C. Feb. ...	Rs.	696	706	690	694
I.C.C. May ...	Rs.	693	701	686½	688½

The following are the latest available quotations from the spot market:

Bengal *Deshi* Rs. 640; Berar *Jarilla* Rs. 780; Khandesh Rs. 845; Vijay Rs. 875; Oomra *Deshi* Rs. 700 and Moglai Rs. 695.

Karachi is practically out of the world picture at present. Perhaps, now that Sao Paulo stocks of surplus cotton have been fairly well absorbed by the Continental and U.K. buyers, their attention might turn towards Karachi in the coming weeks. However, a clearer picture for the disposal of Pakistan cotton will emerge only after American policy with regard to exports of this commodity is finalised. The following are the latest available quotations from the Karachi market:

Punjab *Deshi* Rs. 63 to Rs. 65½; Sind *Deshi* Rs. 67; 4F Punjab R.G. Rs. 63½ to Rs. 64½; S.G. Rs. 68½ to Rs. 70½; L.S.S. Punjab R.G. Rs. 68½; S.G. Rs. 74½; N.T. R.G. Rs. 68½ to Rs. 74; 289F Punjab R.G. Rs. 75; S.G Rs 81½.

At Alexandria, the emphasis during the week under review has been not so much on exports as on demand for local consumption. This has been fairly active both for Karnak and Ashmouni type. Now that the premia for the medium-staple Ashmouni and Giza 30 have come down considerably, foreign interest in these cottons might revive. In the meantime, moderately good business is going on with the U.S.A., U.K., India and the Continental buyers such as France and Switzerland. Japan too has been in the Alexandria market for some supplies. The Egyptian Government, though desirous of allowing some relaxations in the export trade, is naturally waiting for the U.S.A. policy announcement before giving expression to its own scheme. The present indications are that the authorities in Egypt are not likely to allow an increased acreage for cotton during the next season.

At New York, sentiment has naturally been ruling very firm. The forward market has been registering a rise almost every day during the week under review, with talks of building up a stockpile as a defence reserve. On the one hand, there is a talk of the biggest carry-over since the war at the end of this season; on the other, there are fears that there may be a tight supply position later in the season. The price trend will depend more or less on the varying emphasis which is placed from time to time on either of these two aspects and the changes which might be brought about later in the level of price support for 1955 cotton.

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

(In cents per lb.)

	12-1-54	5-1-54	29-12-53
Spot	34.00	33.85	33.70
March	33.29	33.22	33.04
May	33.46	33.45	33.31
July	33.34	33.31	33.05
October	32.76	32.75	32.37

COTTON YARN LOOKS UP

(From Our Own Correspondent)

BOMBAY, 13th *January*

Steady conditions prevailed in the Bombay Cotton Yarn Market during the week under review. On encouraging advices from raw cotton and cotton piecegoods markets, yarn prices tended to look up. Improvement was particularly marked in yarns of 40 counts. Thus, Madura advanced by As. 8 to Rs. 26 per bundle of 10 lbs. Lakshmi and Meenakshi were also higher by As. 2 at Rs. 24-6 and Rs. 24-12, respectively. Among 10 counts yarns, J. Podar rose by As. 3 to Rs. 11-14. Colaba and Elphinstone were fully steady, the former at Rs. 13-2 and the latter at Rs. 12-8. 30 counts yarns also were steady, with Madura and Rajnagar continuing to be quoted, as last week, at Rs. 21-8 and Rs. 20-4, respectively, 20 and 80 counts yarns too were generally steady. Traders are somewhat of the view that the Central Government should grant some *ad hoc* quotas for exports of cotton yarns.

Dullness was the characteristic feature of trading in the art silk yarn market. In the absence of any encouraging development, business put through was greatly restricted and values fluctuated within a narrow range. Over the week, prices were more or less well maintained. Art silk yarn (150D) for January delivery opened the week at Rs. 746 and improved to Rs. 753 on the 7th inst. After receding to Rs. 748 on Saturday, the contract gradually rose to Rs. 751 today. At higher levels, profit-taking set in, and the contract finished a shade better at Rs. 745. In the ready section, 150 Japan lower at Rs. 4-4. 150 Italy was a shade gathered As. 2 to Rs. 4-4. 150 Italy was unaltered at Rs. 3-12½. 120 Japan was unaltered at Rs. 4-10. 120 Japan, on the other hand, lost an anna to Rs. 4.

The table below gives the prices of art silk yarn quoted today, as compared with those on the 6th inst. and 30th December, 1953:

	13-1-54	6-1-54	30-12-53
	Rs. a.	Rs. a.	Rs. a.
150 *January* (per case of 200 lbs.)	745 0	746 0	727 0
150 Japan (per lb.)	4 10	4 10	4 7
150 Japan ,, ...	4 4	4 2	4 1
150 Japan ,, ...	4 0	4 1	3 14
120 Italy ,, ...	3 12½	3 12	3 10
150 Italy ,, ...			

In the staple fibre yarn section, prices of Indian yarns (40/2) registered an improvement during the week under review. 40/2 century picked up an anna and a half to Rs. 3-14. Sitaram and New Great were done higher at Rs. 3-12½ and Rs. 3-13, as against Rs. 3-11 and Rs. 3-12, respectively, last week.

Traders in yarns are awaiting the amalgamation of the Yarn Merchants Association and the Bombay Yarn Exchange Ltd. An extraordinary general meeting of the two bodies has been convened to meet on 3rd February, 1954, when both the bodies will go into voluntary liquidation. A new association is expected to be registered by about the second week of next month.

GROUNDNUTS BULLISH

(From Our Own Correspondent)

BOMBAY, 13th *January*

The oilseeds market presented a mixed trend this week. Barring a few minor reactions on profit-taking at higher levels, the groundnuts section continued generally to rule bullish. The bull grip was so light that bears were almost nervous. Firmness in cotton, higher upcountry advices and low estimate of groundnut and *niger* crops, all combined to strengthen the long position of bulls. As a result, prices shot up and recorded sizable gains over the week. The linseed section, after an initial easiness, staged a recovery subsequently. There was lack of enthusiasm on the part of operators, despite free licensing of exports of linseed oil, on shipping bills, upto June, 1954. This was due to absence of overseas enquiries. The reports that the U.S. had sold linseed oil at £70½ per ton to the Continent and the U.K. dampened the enthusiasm of operators. In the castorseeds section, fluctuations were limited to a narrow range. Traders awaited the export policy for the first half of 1954. The statement of Mr. Eisenhower indicating that the U.S. had large stocks of vegetable oil was not conducive to push prices further up. Spots were quietly easy. The *niger* section put on an upward trend, following the free licensing of exports of the seed and oil, on shipping bills, upto end of June, 1954. But free licensing of *kardi* seed and its oil did not have any notable effect on the market. First, this is because there is no stock of the seed in the market. Secondly, February-March delivery in *kardi* seeds commenced only three days ago, and the demand for them from abroad is negligible.

The groundnuts section presented an excited appearance. The terminal markets were bullishly disposed of. The speculators who were long tried to maintain their position. The producers are reported to hold back their sales in anticipation of higher prices. The producers adopted this go slow policy, because they wanted to avoid the repetition of their experience. The prices continued to rise. Khandesh quality shot up from Rs. 34-10 to Rs. 36-4. Bold F.A.Q. which opened at Rs. 34-14, as against Rs. 34-4, shot up to Rs. 36, on the 8th inst. But, on profit-taking, it gradually declined to close at Rs. 35-10. But, over the week, it made a gain of Re. 1-6. December-January ruled generally firm and it disclosed a gain of Re. 1-3 at Rs. 35-10. February-March was higher by Re. 1 at Rs. 35-10. Groundnut oil ready and railway receipt rallied Re. 1-2 to Rs. 18-10 each. January, February and March were done at Rs. 18-10, Rs. 18-1 and Rs. 18-15, as against Rs. 17-14, Rs. 18-1 and Rs. 18-4, respectively.

The Government of Rajasthan is reported to have reduced customs duties on oil produced by oil mills by 50 per cent. It has reduced inter-State duty on export of *til* oil from Rs. 7 per maund to Rs. 3 per maund. Mustard oil will be charged Re. 1-8 per maund.

In the linseed section, better crop prospects and discouraging overseas advices neutralised the salutary effects of free licencing of exports of linseed oil. As a result, business reported done was very little and price fluctuations limited to a narrow range. After minor fluctuations, Bold ready closed the week at Rs. 29, the same as at the end of last week. February-March gained As. 2 to Rs. 25-4. Linseed oil lost As. 6 to Rs. 15-12.

In the castorseeds section, May delivery, which opened at Rs. 111-8 as against Rs. 110, oscillated between Rs. 114-14 and Rs. 111-14, before closing at Rs. 114-2. F.A.Q. lost As. 12 to Rs. 24 and Madras As. 4 to Rs. 24-12. Castor oil Commercial eased from Rs. 13-10 to Rs. 13-6 and I Pressure from Rs. 14-8 to Rs. 14-4.

Niger F.A.Q. shot up from Rs. 28-4 to Rs. 30 and Madras from Rs. 29 to Rs. 30-8. Despite discouraging overseas advices, the market is firm, because of prospects of a short *niger* crop. Ethiopia is reported to have offered *niger* seeds to the Continent at cheaper rates. *Kardi* February-March was steady at about Rs. 24-8.

The following table shows the prices of oilseeds and oil on the 13th inst. as compared with those on 6th January, 1954, and 30th December, 1953.

	13-1-54	6-1-54	30-12-53
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	36 4	34 10	35 4
Bold December-January ..	35 10	34 7	34 7
Bold Feb.-March	35 10	34 10	34 14
Linseed—			
Bold Ready (per cwt.) ..	29 0	29 0	29 8
Feb.-March	25 4	25 2	25 12
Castorseeds—			
May 1954 (per candy of 500 cwts.) ..	114 2	110 0	116 12
Madras (per cwt.)	24 12	25 0	26 8
Groundnut oil—			
Ex-mill Ready (per quarter).	18 10	17 8	17 14
Castor Oil—			
Commercial (per quarter) ..	13 6	13 10	14 0

SUGAR RECOVERS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 13th *January*

The easy conditions that prevailed in the Bombay sugar market in the past three weeks persisted during the initial sessions of the week under review also. The chief bearish factors that affected the market were: (1) Further release of domestic sugar produced during the fortnight ended 31st December, 1953. (2) arrivals of another consignment of Cuban sugar per s.s. *Marcella*, and (3) definite reports regarding arrival of East German crystal sugar per s.s. *Everest* on the 14th inst. Selling pressure that ensued as a consequence resulted in a fall in prices. There was some distress selling in Cuban sugar at rates much below landed cost to tenderers, the quotation at one time having touched a low of Rs. 35-12 per 100 lbs. net, as against Rs. 36-8. In sympathy, British refined sugar eased from Rs. 84 to Rs. 82-8 per bag of 2 cwts. Indigenous sugar also suffered a loss, the quotation for *Posh* delivery declining by As. 8 to Rs. 81-4 per bag.

The downward trend, however, was somewhat halted in the later sessions of the week, when, on reports that no further imported sugar would be reaching Bombay before mid-March next, both foreign and indigenous sugar staged a recovery. Reports of higher prices for *gur* also strengthened this sentiment. Cuban sugar recovered to Rs. 36-6 per 100 lbs. and British refined sugar to Rs. 84-4 per bag, which more or less correspond to the previous week's closing rates. Among the indigenous sugar in the forward section, *Posh* delivery moved up to Rs. 82-4. Not only the previous loss was completely erased but the quotation was higher by As. 6 as compared with last week. *Maha* delivery, which had dropped to Rs. 82-8 early in the week, improved to Rs. 84. Over the week, spot sugar prices were generally lower. Small and large grain sugars lost a rupee each to Rs. 92 and Rs. 98 per bag, respectively. Medium sugar, however, was fully steady at Rs. 95.

Arrivals of indigenous sugar into the Bombay market during the week under review amounted to 16,000 bags.

With the deliveries of sugar per s.s. *Everest* in Bombay and arrivals of a couple of shiploads into Madras and Calcutta, import of about 250,000 tons, as originally programmed by New Delhi, will be completed.

UNCERTAIN TREND IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 13th *January*

In the earlier part of the week, Malabar black pepper at Alleppey ruled steady at round about Rs. 1,900 under the pressure of buying by the exporters to cover their requirements for shipments by a couple of steamers due to sail for the U.S.A. during the week. Almost all the incoming peppers was taken up. In the later part, however, the market turned easy and the prices came down to Rs. 1,800, exporters having withdrawn. Arrivals at Alleppey during the last two days amounted to 400 *candies*, while sales failed to go beyond the poor figure of 100 *candies*. With such a sporadic demand from New York at this time of the season, when day-to-day arrivals in the primary centres are increasing, India may not be able to hold its own. The trade in India is reported to have been on the horns of a dilemma and is unwilling to take a definite view of the market either way; for if the merchants take a bearish view of the market and sell short, there is a fear of being caught at the time of shipment in case growers refuse to sell for one reason or another. Conversely, they are unwilling to go long, fearing the pressure of increased arrivals which, if not fully absorbed, may act as an unhealthy factor for the market. The present hand-to-mouth buying by the U.S. will keep New York market steady and the dealers there will be enquiring, though to a small extent, for goods by named steamers or for early shipment only, thus stopping the market to find a healthy level to attract free foreign buying. If the growers, misled by such foreign buying, continued to withhold sales during February-March, it is feared that they might miss the bus and may be forced to sell in competition when Sarawak and Lampong crops start moving during the month of May and onwards.

In the A.S.T.A. section, January was done from $0.86 to $0.87½, February from $0.86 to $0.85, March from $0.85 to $0.84 and April-May-June from $0.85 to $0.83, prominent sellers being long interests who accumulated contracts under the expectation of heavy purchases by Russia. Russia is reported to have purchased 400 tons only and the steamer from the U.S.S.R. which was to carry this parcel during January is now reported due at Cochin during the latter half of February.

The trend at New York is also reported uncertain in view of the fear of impending dock strike and under pressure of sales of unsold parcels of Malabar and Sarawak pepper.

In the delivery section, the market is weak as trade is expecting accumulation of stock in view of poor demand from Calcutta.

Following are today's nominal quotations:— Ready delivery Rs. 210-30 per cwt. February delivery Rs. 1,530-50 and March delivery Rs. 1,520-40 per candy of 5½ cwts.

TEAS FETCH HIGHER PRICES

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 9th *January*

The first dust sale of the new year, which was held on Monday, 4th January, comprised approximately 3,18,000 lbs. There was a very strong general demand and prices advanced As. 3 to As. 4 for all types.

Export Quota.—Business has been done at 38½ pies and there are sellers at this price.

Forthcoming auctions.—Dust Sale "B" will be held on Monday, 25th January, at 10 a.m.

The total offerings in Sale No. 1 which was held on Tuesday, 5th January, 1954, amounted to *approximately 13,25,000* lbs. *Quality* showed all-round improvement and there were some attractive, flavoury high-grown teas on offer. The sale opened to a very strong general demand with advances for all types. Commonest kinds were irregularly As. 2 dearer, as were low medium brokens and fannings. Medium and good medium brokens were As. 1 to As. 2 dearer, but similar fannings did not register the same advance. Best liquoring brokens and fannings were irregularly dearer and met with keen competition. Whole leaf grades, particularly O.P.'s, were As. 3 to As. 4 dearer and there was a much stronger demand for pekoes and flowery pekoes. The following were the quotations:—

	1954	1953
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	2 1 6	1 2 0
Medium grown Travancore B.O.P.	2 3 0	1 8 0
Anaimallais B.O.P.	2 6 0	1 14 0
Best liquoring Nilgiri B.O.P. ..	3 3 0	3 2 0
Well made black leaf O.P. ...	2 7 6 to 2 2 0	2 1 0

(*Continued on page* 99)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	1st Jan., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.64	1,132.15	1,125.52	1,114.42	1,099 30
Notes held in Banking Department	38.06	13.82	10 87	11 66	13.62
Foreign Securities	99 50	588 15	578 15	568.15	578.17
Rupee Securities	37.89	421.38	421 38	421 38	450.06
Banking Department					
Deposits of :					
Government of India	16.89	113 43	110 24	94 74	176 07
Other Governments	..	19.48	18 79	30.15	3 54
Balances held abroad	19.06	139.82	144 46	142 69	172 60
SCHEDULED BANKS					
Demand Liabilities	124.37	517.78	516 91	530 91	531 23
Time Liabilities	105.84	331 15	331 85	333 16	319 96
Borrowings from Reserve Bank	..	(1 51)† 5 00 (0.49)‡	(1 83)† 2 05	(2 40)† 1 29	(1 94)† 11.27 (0 99)‡
Borrowings from Imperial Bank	..	6.37	6 90	4 62	5 72
Cash in India	6.71	26 47	32.06	31 78	35 87
Balances with Reserve Bank	25.28	45 67	44.58	58.79	46 07
Excess over statutory limits	16.52	13 16	12 13	25.58	13 23
Balances with other banks in current account in India	..	14.12	11.02	11.24	11 69
Money at call and short notice in India	..	9 60	12.71	16.57	16 38
Investments (at book value)	..	329 65	336 04	337 11	320 36
Advances and bills	105.09	465 94	461 09	450 77	475 88
IMPERIAL BANK					
Deposits	87.76	206 62	207 08	211 19	206 91
Investments	51.99	94 16	97 78	98 17	97 25
Advances	30.37	104 85	101 84	99 01	114 01
Cash	14 69	18 23	20.67	21.89	19 14

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against inland bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	8th January, 1954		30th December, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,91,961	61,18,11,000	1,85,029	42,81,45,000
Calcutta	1,78,410	70,80,79,215	1,00,765	39,25,55,600
Madras	92,964	8,70,25,732	58,905	6,85,14,570
All Centres— 1953				
1953	.. ..	..	1,06 41 041	26,79,51,57,000
1953	.. ..	..	1,14 83 214	29,45,05 03,000
Oct., 1953	.. ..	..	25,77,16 43	5 01,02,41,000
Nov.,	.. ..	..	25,50,000	5,34,20,00,000

Reserve Bank of India

Statement of Affairs for the week ended 8th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	107,01,30,000
(2) Other Governments	15,05,32,000
(b) Banks	40,46,86,000
(c) Others	58,00,08,000
Bills Payable	16,99,74,000
Other Liabilities	16,99,74,000
Rupees	251,80,83,000

ASSETS	Rs
Notes	9,64,56,000
Rupee Coin	9,31,000
Subsidiary Coin	6,00,000
Bills Purchased and Discounted :—	
(a) Internal	30,00,000
(b) External	
(c) Government Treasury Bills	15,47,57,000
Loans and Advances to Governments	122,25,49,000
Other Loans and Advances	1,95,00,000
Investments	19,01,96,000
Other Assets	75,29,44,000
Rupees	2,71,80,000
	251,80,83,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 79,45,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available for by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 80,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	9,64,56,000	
Notes in circulation	1154,75,77,000	
Total Notes issued		1164,40,33,000
Total Liabilities		1164,40,33,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	608,15,11,000	
Total of A		648,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		94,85,83,000
Internal Bills of Exchange and other commercial paper		421,38,18,000
Total Assets		1164,40,33,000

Ratio of Total of A to Liabilities: 55.655 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 1st Jan., 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	6,54,49,000†
(ii) Other demand liabilities	5,11,23 97.000
2 Time Liabilities in India :	
(i) Borrowings from banks	1,51,00,000†
(ii) Other time liabilities	3,29,64,11,000
3. Cash in India	36,46,88,000
4. Balances with the Reserve Bank in India	45,67,09,000
5. Balances with other banks in current account in India	14,11,81,000
6. Money at call and short notice, in India	9,60,44,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,28,65,50,000
8. Advances in India	4,19,01,53,000
9. Inland Bills purchased and discounted in India	46,92,12,000

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

EXCHANGE RATES

	13th January, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	476¼	476¼
Buyers T.T.	476¾	476¾
London on New York	2 81½–2 81⅝	2 81½–2 81⅝
London on Paris	979–979¾	978–979¾
London on Berne	12 21–12 21½	12 21½–12 21½
New York on London	2.81–2.81½	2 81½–2.81⅝

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	6,780	255
Pakistan	1949	75 04	..	1,671	223
Burma	1951	18 67	Kyats 3,166	317	169
Ceylon	1951	7 74	..	451	582
Japan	1951	84 80	Y. 4,849 400	6,414	757
Philippines	1951	20 28	Ps. 7,586	1,826	856
New Zealand	1952	2.00	£(N.Z.) 646	861	4,307
Australia	1951	8 43	£(A.) 3,266	4,464	4,317
U.K.	1952	50 43	£ 13 646	18,197	3,608
U.S.A.	1952	158 98	$ 290,4.0	139,200	3,908
Canada	1952	14.43	$ 18,195	8,168	5,603
France	1952	42 60	F. Fr. 10,190 000	13 864	3,254
W. Germany	1952	49 48	Dm. 94,400	11,356	2,301
Italy	1952	46 88	Lr. 8,112 000	6,181	1,318
Norway	1952	3.32	Kr. 15,546	1,106	3,331
Sweden	1952	7.18	Kr. 29,170	3,552	4,122
Netherlands	1952	10.36	Fl. 17,660	2,213	2,104
Denmark	1951	4.30	Kr. 20,716	1,489	3,346
Switzerland	1952	5.02	S. Fr. 20,100	3,189	4,841

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

State Bank of Pakistan

Statement of Affairs for the week ended 1st Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	20,78,52,000
(b) Provincial Governments	5,42,97,000
(c) Banks	11,50,19,000
(d) Others	2,20,77,000
Bills Payable	12,42,000
Other Liabilities	3,04 82,000
Rupees	47,03,59,000

ASSETS	Rs
Notes	5,59,75,000
Rupee Coin	8,000
Subsidiary Coin	6,000
Bills Purchased and Discounted :—	
(a) Internal	
(b) External	
(c) Government Treasury Bills	69,00,000
Loans and Advances to Governments	41,25,000
Provincial Governments' Debtor Balances	5,89,00,000
Other Loans and Advances	24,72,000
Investments	8,91,02,000
Other Assets	47,03,59,000
Rupees	

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,59,75,000	
Notes in circulation	223,40,02,000	
Total Notes issued		228,99,77,000
Total Liabilities		228,99,77,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	39.47 25,000	
Government of India Securities	18.89 82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,81,000	
B. Rupee Coin	5,82,89,000	
Government of Pakistan Securities	127.64.73.000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		183,47,63,000
Gold Coin and Bullion	19.08,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		228,99,77,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued 41.58 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
20th October, ..	1.50	2 58	1.50	2 6 8	85
27th ,, ..	1.50	4.10	1.50	2 6 7	48
3rd November ..	1.50	2.71	1.50	2 6 10	66
10th ,, ..	1.50	1.51	1.50	2 7 0	100
17th ,, ..	1.50	1.99	1.50	2 7 0	8
24th ,, ..	1.00	1.56	1.00	2 6 10	93
1st December ..	1.00	1.10	1.00	2 7 0	91
8th ,, ..	1.00	1.72	1.00	2 7 2	57
15th ,, ..	1.00	1.00	1.00	2 7 0	100
1954					
5th January ..	1.00	1.83	1.00	2 7 0	70
12th ,, ..	1.00	1.22	1.00	2 7 11	82
Total ..	13.50	20.82	13.50	..	

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	25th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	23rd Sept., 1953	4½	5
Finland	7th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	27th July, 1948	16	18
India	16th Nov., 1951	3	3½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	6.84
Netherlands	7th April 1953	2	2½
New Zealand	26th July, 1951	3	4
Norway	9th Jan., 1948	3	2½
Pakistan	1st July, 1948	3	3½
Portugal	15th Jan., 1944	3	4
South Africa	27th Mar., 1952	3½	4
Spain	18th Mar., 1949	4	4
Sweden	20th Nov., 1952	3	2½
Switzerand	25th Nov., 1936	4	1½
Turkey	26th Feb., 1951	3	3
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1938	3	4
U.S.A.	16th Jan., 1953	1½	1
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months — April and May, 1952	Two months — April and May, 1953
Import Duties :				
Revenue	12 08	6,01	20,85	16.59
Protective	50	47	1 37	96
On surplus disposals	..	..	..	..
Total import duties	12 58	6 81	22 22	16 75
Export Duties	2.84	2.74	9 04	6 77
Land Customs	21	9	41	21
Miscellaneous	11	6	18	11
Gross total customs	15.14	12.40	23.75	23 81
Refunds and drawbacks	24	13	53	34
Net Customs	15 10	12 28	22 22	24 97
Gross excise	7.41	8.76	14 15	19 87
Refunds	16	5	20	11
Net Excise	7 25	8.71	13.95	19 76
Net total of customs and excise	25.35	20 99	46 07	41 73

Imperial Bank of India

Statement of Affairs for the week ended 8th Jan., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 79,000 shares of Rs. 500 each, fully paid	3,78,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders — Rs. 375 per share on 1,50,000 shares	5,62,50,000	9,63,50,000
Reserve Fund and other Reserves		6 25 00 000
Deposits and other Accounts		200,84,78,.00
Borrowings from other Banking Companies Agents		94 24,000
Bills Payable		2,16 89,.00
Bills for Collection being Bills Receivable as per contra		33 26,000
Acceptances, Endorsements and Other Obligations as per contra		1,23,000
Other Liabilities (including Inter-Office Adjustments)		3 46 24 000
Total .. Rs.		225,98 02 000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10 68,07,000
Balances with other Banks		3,49,71,000
Money at Call and Short Notice		1,20,67,000
INVESTMENTS—		
Government and other Trustee Securities	84,08 05,000	
Other Authorised Investments	10,78 67,000	
		94,76,72,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	95 23,84,000	
Bills Discounted and Purchased	16,74 44 000	
Bills Receivable being Bills for Collection as per contra		111,97,78,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		33.26 000
Premises less Depreciation		1 22 000
Furniture and Fixtures less Depreciation		1,30 24 000
Other Assets (including Inter-Office Adjustments)		37.16 000
Total .. Rs.		1,57,21,000
		225,98,02,000

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series. † Bombay Market closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,583	12,806,704
1951 ..	1,071	691,321	3,815,258
1952 ..	963	809,243	3,293,961
Nine months ended Sept., 1950	584	383,737	10,062,255
Do Sept., 1951	656	599,814	3,075,644
Do Sept., 1952	589	757,956	2,553,581
Do Sept., 1953	690	407,918	2,053,040
January 1953 ..	98	80,881	674,340
February ,, ..	87	42,440	215,807
March ,, ..	124	80,098	254,868
April ,, ..	118	59,251	247,043
May ,, ..	101	40,784	171,392
June ,, ..	93	48,588	148,558
July ,, ..	88	47,878	260,553
August ,, ..	96	78,181	349,616
September ,, ..	96	46,786	273,244
October ,, ..	87	37,522	158,017
November ,, ..	81	..	..
December ,, ..	..	42,388	244,414
January 1953†	85	26,477	128,411
February ,,	49	25,231	216,807
March ,,	67	49,153	218,653
April ,,	73	21,417	276,216
May ,,	88	25,357	252,279
June ,,	90	80,557	131,122
July ,,	88	49,066	223,154
August ,,	100	41,739(a)	452,266(b)
September ,,	..	..	..

* Revised

† Figures for 1953 are provisional.
(a) Not known in eleven cases. (b) Not known in nineteen cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951 52 ..	573	5 ·60.7	4,949 0
1952-53 ..	614	6 901.4	5,184.8
June 1953 ..	583	500.1	408.8
July ,, ..	588	534.0	429.7
August ,, ..	592	531.6	430.6
September ,, ..	597	545.3	441.5
October ,, ..	599	555.7	454.6
November ,, ..	606	558 2	457.8
December ,, ..	608	585.8	441.6
January 1954 ..	611	498 6	485.7
February ,, ..	614	458 0	438.1
March ,, ..	614	530.9	464.1
April ,, ..	620	560.4	450.2
May ,, ..	625	585.0	471.0
June ,, ..	627	567.9	468.9
July ,, ..	629	576.8	464.4
August ,, ..	633	..	..
September ,, ..	..	..	..

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1.54	1.47	76	74	20.40	22.86	83.26	29 91	— 12.31		
1951-52 ..	1.75	3.08	77	2.91	22.08	54.81	1,07.55	74.16	— 27.55	13.10	13.10
1952-53 ..	1.63	4.84	66	5.27	23.56	74.16	1,15.36	91.01	— 31.06	7.54	19.89
October 1952	11	6.48	5	5.14	1.71	76.77	..	0.86	85.25	..	19.89
November ,,	10	6.50	3	5.16	1.71	77.99	5.03	89.54	— 29.60	58	20.47
December ,,	8	6.51	3	5.16	1.86	79.84	8.45	84.95	— 30.23	58	22.02
January 1953 ..	10	6.54	4	5.19	2.05	80.77	8.38	86.09	— 30.51	58	23.45
February ,, ..	14	6.61	5	5.22	1.86	82.14	8.86	94.38	— 30.76	58	23.94
March ,, ..	22	6.54	9	5.27	2.64	84.18	12.75	91.01	— 31.06	58	24.49
April ,, ..	11	6.60	5	5.27	2.24	85.85	9.66	93.01	— 31.30	60	25.08
May ,, ..	22	6.82	4	5.29	2.06	87.57	9.45	93.80	— 31.30	60	25.64
June ,, ..	11	6.82	4	5.31	2.25	89.38	9.49	93.80	— 31.52	60	26.16
July ,, ..	1	6.72	11	5.38	2.23	91.08	10.28	96.23	— 31.78	60	27.00
August ,, ..	1	6.67	3	5.44	2.22	92.83	8.76	96.27	— 32.06	58	27.56
September ,, ..	—	6.60	12	5.52	2.04	94.38	9.20	97.72	— 32.36	60	28.20
October ,, ..	—	6.51	11	5.58	1.97	95.83	8.58	97.72	— 32.99	46	28.87
November ,, ..	..	..	..	..	..	..	..	..	..	46	29.41
December ,, ..	..	..	..	..	..	..	..	..	..	46	29.93
January 1954 ..	..	..	..	..	..	..	..	..	..	46	30.34

* At the end of period. @ Progressive net repayments at the end of period from 13th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued since June 1946. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base 1949-50=100)

Group and Sub-Group	Week ended 23-11-'53	26-12-'53	2-1-'54†
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.2	90.3	90.3
1. Government of India	90.0	90 1	90.1
2. Indian States	93.6	93 6	93.6
3. Municipal, Port Trust, etc.	89.2	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101 6	101 8	101.8
1. Electricity	102.8	103 4	103.4
2. Jute	98.6	98.6	98.6
3. Plantations	99.6	99.6	99.6
4. Sugar	100.1	100 7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	101.7	103.1	103.1
7. Shipping	103.1	103 1	103.1
8. Others	100 2	100 2	100.2
PREFERENCE SHARES	87.3	88 0	88.1
1. Cotton	100.0	98 6	98.6
2. Jute	84.0	84 0	84.0
3. Iron and Steel	87.0	87.0	86.9
4. Coal	91.8	91.4	91.0
5. Tea	90.6	90.8	90.8
6. Sugar	76.1	76.1	76.1
7. Miscellaneous	88.4	89.4	89.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	97.4	98.0	97.9
(a) Financial	88.3	88.1	88.7
1. Banks	95.2	95.4	88.5
2. Insurance	76 0	76 3	96.5
3. Investment Trust	105.6	107.6	76.1
(b) Public Utilities	116 0	114.8	107.8
1. Electricity	99.9	99 9	114.8
2. Shipping and other Transport	81 5	75 9	99.4
3. Railways	108.8	108 8	79.9
(c) Manufacturing Industries	95.8	95 8	108.7
1. Cotton, Woollen and Silk	85 8	85 8	96 1
2. Jute	107.9	105 3	83.8
3. Iron and Steel	165.8	165.8	105.1
4. Paper	121 1	121 0	164 7
5. Cement	116.7	121 1	122.0
6. General Engineering	85.8	85.7	85.7
7. Sugar and Breweries	102.7	102 7	103.1
8. Chemicals	108.4	108.4	108.4
(d) Non-Manufacturing Industries	74.6	76 0	75.9
1. Coal	143 0	139 2	140.2
2. Mining and Oil	97 8	103 2	102 9
3. Plantations	90.2	90.2	90.3
(e) Miscellaneous	..	..	..
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	89.8	..
1. Bombay	90.1	90 2	90.2
2. Calcutta	90.5	90.6	90.6
3. Madras	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS:	101.9	102.4	..
1. Bombay	101.9	102.4	102.4
2. Calcutta	100.1	100.1	100.1
3. Madras	..	..	..
PREFERENCE SHARES	92.0	92.7	..
1. Bombay	84.2	85 2	85.2
2. Calcutta	88.9	89.1	89.3
3. Madras	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	106.1	107 0	106.5
1. Bombay	91.8	92 4	92.4
2. Calcutta	94.3	94 4	94.5
3. Madras	91 4	92.4	92 5
4. Delhi	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series. † Bombay Market closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	26th Dec., 1953	19th Dec., 1953	27th Dec., 1952	November 1953	November, 1952	Percentage of increase (+) or decrease (—) in Nov., 1953 as compared with Nov., 1952	1953	1951
Food Articles	388.8	387.6	348.1	378.6	363.4	+ 4.8	389.8	499.8
Cereals	427	425	429	439	447	— 1.8	450	483
Pulses	427	419	547	449	551	—18.5	448	506
Other	274	271	212	278	227	+22.5	225	290
Industrial Raw Materials	474 5	464.9R	428 2	441.4	429.3	+ 2 8	452.8	502.2
Fibres	455	444	402	424	402	+ 7 0	434	522
Oil seeds	540	522	482	496	495	— 1 8	484	579
Minerals	447	464	472	450	457	— 1 5	458	426
Others	405	406R	373	359	367	— 2 2	341	518
Semi-Manufactures	387.5	385.7	348.2	385 5	348.1	+ 2 1	348.5	377.8
Leather	391	391	413	396	416	— 4.8	345	458
Mineral oils	221	221	223	227	226	+ 0 8	221	197
Vegetable oils	545	537	429	493	444	+ 13 2	469	679
Cotton yarn	429	429	434*	433	444*	+ 2 5	465*	448
Metals	236	236	229	229	226	+ 1 3	211	197
Oil Cakes	409	395	413	405	441	+ 6 1	440	500
Others	305	305	251	304	253	+20 2	273	330
Manufactured Articles	384.1	383.5	368 1	385 6	374 3	— 2 3	377.5	395.5
Textiles	410	400	403	403	412	— 2.2	423	468
Jute	430	428	397	429	406	+ 4.5	506	503
Cotton	397*	397*	406*	408*	406*	— 0 7	431*	400*
Rayon and Silk	408*	401*	440*	391*	445*	+12 1	485*	611*
Woollen	313	313	329	329	340	— 11 8	340	373
Metal products	357	357	342	357	342	— 1.5	321	235
Others	283	283	291	294	294	— 3.4	298	300
Miscellaneous	712.5	712.4	625.0	712 2	633 3	+12 8	638.6	729.6
All Commodities	392 8	390 2R	374 5	390 6	383.4	+ 1.9	388.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Bhaiapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
March 1952	135	313	239	300	412	362	340	333	136	177	140	150	142
April ,,	141	343	242	321	415	372	339	326	146	169	138	153	144
May ,,	140	339	264	310	412	377	339	327	148	168	143	153	143
June ,,	140	338	263	308	434	376	342	330	145	171	141	153	148
July ,,	142	338	263	306	456	375	354	331	143	173	143	161	153
August ,,	144	340	267	312	466	377	369	330	143	176	149	160	157
September ,,	143	341	269	310	463	380	364	328	145	176	143	157	150
October ,,	144	345	274	311	466	381	363	327	146	176	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	176	138	150	149
January 1953	139	344	260	310	444	377	342	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	351	136	167	132	150	144
March ,,	142	358	265	322	466	381	333	353	136

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,874	73,665	23,434	20,741
Wheat ..	,,	24,041	23,450	6,782	6,089
Jowar ..	,,	41,945	39,144	6,088	6,944
Bajra ..	,,	23,202	22,859	3,923	2,299
Barley ..	,,	7,800	7,835	2,664	2,298
Maize ..	,,	8,798	8,073	2,807	2,021
Ragi ..	,,	5,888	5,899	1,258	1,212
Gram ..	,,	17,267	16,857	3,771	3,298
Rabi Pulses* ..	,,	11,598	11,559	2,063	2,047
Small Millets ..	,,	15,170	11,834	1,923	1,891
Jute ..	bales	1,196†	1,817	3,128†	4,605
Cotton ..	,,	15,678	16,198	3,050	3,133
Sugarcane 2nd	tons	4,101†	4,258	5,100†	4,990
Groundnut	,,	11,862	11,798	2,894	3,045
Linseed ..	,,	3,304	3,402	855	818
Castors s d ..	,,	1,849	1,428	107	106
Rape s nc. Mustar. Seed	,,	5 155	5,915	828	916
Sesamum (supp)	,,	5,751	5,845	451	488
Tobacco (supp)	,,	798	712	219	206
Pepper ..	,,	203	202	22	23
Ginger ..	,,	46	47	14	18
Dry chillies	,,	1,280	1,384	301	341

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Refers to 1953-'54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Nov., 1953 ..	69.0
	Corresponding month 1952 ..	72.2
	Five months ended Nov., 1953 ..	358.4
	Corresponding period 1952 ..	377.0
Stocks	At the end of Dec., 1953 ..	93.9
	Corresponding month 1952 ..	114.9
		(In 000 bags)
Exports(JuteBags)	Week ended 5th Dec., 1953 ..	1,15,79
	Corresponding week 1952 ..	22,47
	From 1st Jan., to 5th Dec. '53 ..	29,47,25
	Corresponding period 1952 ..	36,46,62
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 5th Dec., 1953 ..	6,69,80
	Corresponding week 1952 ..	9,71,75
	From 1st Jan., to 5th Dec., 1953	1,35,88,10
	Corresponding period 1952 ..	1,05,23,81
	RAW JUTE	(In 000 bales)
Exports*	Week ended 21st Nov., 1953 ..	—
	Corresponding week 1952 ..	—
	During May, 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	Nov., 1953 (In lakh bales) ..	4.00
	Corresponding month 1952 ..	4.19
	Five months ended Nov., 1953 ..	20 60
	Corresponding period 1952 ..	21.88

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,70,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,500
April to December, 1953 ..	8,33,900	7,92,200	5,80,800
October 1952	99,400	90,100	67,900
November ,, ...	1,03,600	93,700	68,700
December ,, ...	98,200	91,400	68,700
October 1953	99,500	94,000	68,500
November ,, ...	1,00,800	95,800	68,400
December ,, ...	1,01,400	95,100	71,700
Indian Iron and Steel Co.			
Jan. to Dec., 1953 ..	5,63,840	5,41,480	2,55,870
July 1953	51,750	5,870	4,610
August ,, ...	20,230	7,710	4,190
September ,, ...	51,220	9,270	8,990
October ,, ...	55,880	30,670	21,250
November ,, ...	61,540	41,586	32,970
December ,, ...	64,010	43,050	41,740

FOREIGN TRADE OF INDIA

Particulars	August,		Five Months, April to August,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,67	15,63	64,06	115,39
Raw materials	16,05	13,77	78,84	88,60
Manufactures	21,31	27,91	112,45	128,78
Other items	27	25	1,54	2,43
Total	47,30*	57,56*	256,89*	336,20*
By land	2,70	1,77	8,55	7,47
Total Imports ..	50,00	59,33	265,47	342,67
Exports :				
By sea and air—				
Foodstuffs	12,12	13,64	50,67	65,05
Raw materials ..	7,92	13,14	46,14	33,60
Manufactures ..	19,15	25,79	97,59	122,03
Other items	84	86	1,73	1,70
Total	38,93	52,93	196,43	242,38
By land	91	2,06	2,47	13,72
Total Exports ..	39,84	54,99	198,90	256,10
Total Re-exports ..	30	45	1,88	1,48
Balance of trade in merchandise ..	—11,28	4,95	—72,24	—86,04
Balance of transactions in private treasure	1	—	5	2
Total visible balance of trade..	—11,29	4,95	—72,29	—86,06
Imports : ‡				
Total Coastal countries ..	25,15	25,30	123,12	115,11
Total Foreign countries ..	22,15	32,26	133,77	220,09
Exports : ‡				
Total Coastal countries ..	19,55	24,83	94,19	113,41
Total Foreign countries ..	19,38	29,06	102,84	128,97

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	x	176	192†	x	142	142	x	182	186	x	137	141	x	105	102	x	x	x	x	98	95
Sonali	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	234	199	199	278	310	310
Kudehi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	188	166	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Bamra	219	232	206†	85	96	99	130	186	148†	187	145	149	104	114	114	219	215	231	175	208	208
Muniguda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	163	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	180†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana Salamatpur ..	298	207	209	302	308	319†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

x Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 11th Jan., 1953-54 Bales	From 1st Sept., to 11th Jan., 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts ..	Week ended 7th Jan., 1954 ..	27,929	Cotton Exports to—United Kingdom ..	2,974	4,149
	Corresponding week, 1953 ..	52,909	Continent	10,384	40,656
	1st Sept., to 7th Jan., 1954 ..	4,31,687	China	251	818
	Corresponding period, 1953 ..	4,07,378	Japan	27,493	64,114
Cotton Exports ..	Week ended 7th Jan., 1954 ..	8,404	U.S.A.	7,194	7,578
	Corresponding week, 1953 ..	5,617	Other Countries ..	800	2,843
	1st Sept., to 7th Jan., 1954 ..	47,808	Total to all foreign countries ..	49,006	1,19,102
	Corresponding period, 1953 ..	1,17,487	Coastal Ports ..	34,871	34,808
Mill Consumption ..	1st Sept., to 7th Jan., 1954 ..	4,44,084		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953 ..	4,14,427			
Stock (with exporters dealers & mills) in Bombay	On 7th January, 1954 ..	2,98,133	Consumption of Cotton—India	September, 1953	3,10,837
	Corresponding date, 1953 ..	3,37,604	Foreign		62,819
Karachi (Pakistan)			Indian	Twelve months September 1953 to August, 1953	36,11,850
Receipts	Week ended 2nd Jan., 1954 ..	64,214	Foreign		8,49,786
	Corresponding period 1953 ..	82,252	India	Same Period 1951-52 ..	29,87,458
	1st Sept., to 2nd Jan., 1954 ..	5,03,850	Foreign		10,84,018
	Corresponding period, 1953 ..	5,05,202	Stocks (Mills and Elsewhere)—Indian		
Exports	Week ended 2dn Jan., 1954 ..	25,881	Foreign	As on 30th Sept., 1953 ..	8,64,164
	Corresponding period, 1953 ..	61,800	Indian	As on 30th Sept., 1952 ..	3,51,079
	1st Sept., to 2nd Jan., 1954 ..	3,80,780	Foreign		11,56,459
	Corresponding period, 1953 ..	4,85,700		Week ended 1st Jan., 1954 ..	3,02,705
				Corresponding week, 1953 ..	22,705
			Cotton Pressed † ..	1st Sept., to 1st Jan., 1954 ..	19,809
				Corresponding period, 1953 ..	5,02,878
					5,01,584

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4 % Bonds	1926-33	63,36,000	1960-70	101⅜
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3 ½ Loan	1950	30,10,00,000	1964	92⅛
3 ½ Loan	1942	1,10,11,73,000	1966-68	90⅜
3 ½ V. Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ Loan	1943	45,63,07,000	1970-75	86⅛
3 ½ Loan	1943	1,13,65,64,000	1959-61	96⅛
3 ½ Loan	1951	30,35,63,000	1958	98⅛
2½% Loan	1946	57,00,49,000	1960	93⅜
2½% Loan	1946	57,00,49,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	98⅛
2½% Loan	1946	34,77,48,000	1956	92⅛
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,43,01,000	1955	98⅛
2½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82⅛
3 ½ Loan	1946	248,91,90,000	On 5th November, 1986 or later at option of Government after three months' notice.	82⅛
REPATRIATE STERLING LOANS				
2½% Loan	1932	12,88,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105⅛
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,380	15th Sept. 1955	99⅛
3 ½% Bombay	1943	3,30,88,000	14th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	13th Aug. 1958	97⅜
3 ½% Bombay	1945	6,66,15,000	1st Aug. 1962	93
3 ½% Bombay	1950	3,01,87,700	31st July 1964	94⅜
3½% Bombay	1951	3,04,86,900	17th Sept. 1962	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
3 ½% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1943	1,00,00,000	16th Dec. 1953-58	98⅛
3½% Cochin	1936	78,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,97,100	1956-66	95⅛
3 ½% Madras	1939	1,29,76,000	21st June 1939	94⅛
3 ½% Madras	1942	1,25,25,000	18th Sept. 1955	99
3 ½% Madras	1943	1,23,10,000	14th Sept. 1956	98-7½
3 ½% Madras	1944	1,88,98,000	15th Aug. 1958	96⅜
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,98,78,700	1st Sept. 1954	91
3 ½% Madras	1950	4,47,90,000	31st July 1960	93⅛
3½% Madras	1951	2,98,86,000	17th Sept. 1962	98⅛
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
	1954	5,00,00,000	1st Aug. 1964	99⅛
3 ½% Mysore(J)	1938	1,63,44,300	1st Nov. 1955	104⅛
3 ½% Mysore(J)	1933	2,93,85,700	1st Dec. 1953-63	101
3 ½% Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅜
3 ½% Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
3 ½% Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	50,00,000	15th Sept. 1954	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,99,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	94⅛
3 ½% M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	97⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98⅛
3 ½% Punjab**	1942	2,35,20,000	15th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,93,81,600	14th Sept. 1960	97⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% U.P.	1936	1,61,96,500	15th Sept. 1951-66	90⅛
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97⅛
3½% U.P.	1945	2,24,80,300	14th Sept. 1960	94⅛
3 ½% U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,500	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,13,000	1st Aug. 1964	99⅛
	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
34,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅜N
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,800	4	1913	1974	D
80,00,000	4	1913	1974	96⅛N
28,25,800	4	1914	1975	99N
18,00,600	4	1915*	1960	
55,00,000	4	1915*	1975	
41,61,800	4	1924*	1960	
11,51,600	4	1924*	1960	
10,25,000	3½	1926*	1968	
35,00,000	3½	1929*	1957	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932	1962	
24,28,600	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,00,000	3½	1937*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	Rs.
76,90,100	4	1915	1975	95⅛
1,02,30,000	3½	1921	1981	79
1,50,00,000	3½	1922	1982	84N
1,24,86,300	6	1925	1955-85	105
98,11,600	3½	1926	1956-86	104⅛
99,84,5000	3	1926	1956-86	103⅛
1,49,49,500	3	1927	1957-87	103⅜
1,49,34,800	3½	1928	1958-88	104⅛
99,80,600	4½	1931	1991	100
21,73,098C	3	1933	1954	99⅛
60 00 000	3½	1935	1965	96⅛
25,00,000	3	1938	1943-48	98⅛
90,00,000	3	1945	2085	78N
50,00,000	3	1945	1975	82⅛
50 00 000	3	1946	1976	82⅛
50 00 000	3	1946	2006	76N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81⅛
50,00,000	3	1949	1979	84⅛
50,00,000	3	1950	1980	80
1,00,80,800	3	1950	1960	94⅛
1,00,00,000	3	1950	1960	94⅛
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	84⅛
50,00,000	3	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£992,808	5	1923	1953-83	£87⅜
£901,000	5	1924	1954-84	£87⅛
£835,100	5½	1932	1962	£96
MADRAS				
46,40 347	4	1912	1982	Rs.
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
2,42,251	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	
5,32,522	4½	1922	1952	M
4,47,997	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				Rs.
50,00,000	4	1899	1939	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅜N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
23,00,000	4	1912	1972	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97⅛N
25,00,000	4	1915	1975	
40,00,000	5	1919	1957-75	113⅜
44,00,000	5	1920	1935-80	
25,00,000	5	1926	1956-86	115⅜
25,00,000	4	1927	1961-70	98⅜
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1949	£95⅛
£333,000	4	1910	1978	£85⅜
CALCUTTA				Rs.
50,00,000	6	1922	1955	104
25,00,000	5½	1929	1959	107
25,00,000	5	1929	1964	103
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
30,00,000	3	1937	1962	98
20,00,000	3	1938	1943-48	98
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99⅜
20,00,000	4	1914-15	1974	99⅛
1,00,00,000	4	1913-15	1974	99⅛
10,80,000	5	1928	1958	110
1,00,00,000	5	1928	1968	111
25,00,000	5	1928	1958	102⅛
26,14,000	5	1929	1949-59	105
8,45,000	5	1929	1949-59	102⅛
26,21,500	5	1929	1959	102⅛
8,75,00,000	3½	1947	1977	88
2,50,00,000	3½	1947	1977	88
4,00,00,000	3½	1950	1965	94
1,00,00,000	4	1952	1964	100
2,00,00,000	3½	1951	1966	97
CALCUTTA				Rs.
34,45,500	6½	1923	1955	105⅛
84,70,000	6	1925	1955	104⅛
36 00 000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
25,00,000	5	1929	1958	103⅛
10 00 000	5½	1930	1958	108
33 91 000	3½	1935	1965	93⅛
60,00,000	3	1936	1966	88⅛
3,11,400	3	1937	1954	99
4,67,100	3	1937	1954	99
10,67,700	3	1938	1958	98⅛
15,56,800	4	1938	1955	97⅜
15,56,800	4	1939	1956	98⅛
15,56,800	4	1939	1956	99⅛
17,64,400	3½	1942	1957	-/-
21,10,000	3½	1942	1972	92
15,49,000	3	1951	1960	96
16,33,000	3½	1951	1966	96
86,86,000	3½	1951	1966	96
87,36,000	4	1952	1962	99⅛
Rs.				Rs.
MADRAS				
5,00,000	4	1903	1953	101N
3,00,000	7	1923	1953	107N
3,40,000	6	1925	1955	107⅛N

ABBREVIATIONS.—M—Held by Government of Madras. N—Nominal.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(e) The includes the amount of loan converted into First Development Loan 1970-75. (J) Income-tax free.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
§ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April.

*Loans held entirely by the Trustees. A—Held by Government of India.
**Quotations in Pak. Currency ***Rupee Counterpart.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	147	100
Deccan Sugar & Abkhari Co.	7,00,000	1920	7	July Apr.	110	100
East India Distilleries ..	£,200,000	1897	7	Jan. July	16	£1
Gwalior Sugar	£ 75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	5,00 000	1940	7B	Dec. ..	72	100
Parbatpore Co.	5,00,000	1922	10	Oct. ..	16	10
Rammugger Cane	4,00,000	1933-36	6	Aug. ..	75	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	64	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00 000	1895	6	Mar. Sept.	117xd	100
Karanpura Collieries ..	7,50,000	1931	5(a)	.. ..	82½	75(pp)
Khas Kajora	1,93,000	1931	5	Mar. Sept.	7N	10
New Beerbhoom	2,00,000	1920	6½	Jan. Oct.	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance ..	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	124½	100
Basanji Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,300	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	122	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	140	100
Do. 'B'	14,75,000	1919	7	June Dec.	92	100
Bradbury	21,30,200	1920	7½	Jan. July	326[	250
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	129	100
Cambodias	50,00,000	1912	5	Apr. Oct.	110	500
Central India	1,00,000	1935	6½	Nov. ..	124½	100
Coimbatore Pioneer ..	11,00,000	1912	8	May Nov.	147	100
Elgin	4,20,000	1943	5	July Jan.	104	100
Do. 'B' Pref. ..	25,00,000	1919	7(a)	May Nov.	87	100
Elphinstone	20,00,000	1919	7	June Dec.	130	100
Kesoram	10,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1937	6	.. ..	86½	100
Do. '2nd)	12,00

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	47	100	6 0	6 0	Nil		3	Y.P.T.
8,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	391½	250	17 8	20 0	20 0	7 8(i)	3	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	50	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,692	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	280	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	3,066(b)	V. J. Pilani (Chairman and Managing Director)											
26,00,000	27,40,080	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	40,668	698	Colaba Land & Mill	65	100	*Nil*	*Nil*	4 0(c)		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	27,308	680	Coorla Spg. & Wvg.	107½xd	100	8	7 8	7 8	7 8	3	Y.
84,00,000	24,00,000	62,31,113	37,35,000	5,622	Punamal Radhakishan & Co.	38,304		Dawn Mills	72	50	*Nil*	6 0	6 0		12	Y.
39,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Mulini & Co., Ltd.	50,296	928	Edward Textiles	255	200	15 0	15 0	15 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	50	50	5 0	(d)	3 0		12	Y.P.
12,00,000	74,49,589	1,16,84,975	90,91,500	7,391	Thackersey Mooljee & Co.	46,072	784	Finlay Mills	255	100	15 0	20 0	20 0		12	Y.
						45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	200 0	225 0*		
8,00,00,000									—	250	43 12	50 0	50 0	56 4*	3	Y.P.
80,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	10	10	0 12½	1 1½	*Nil*		12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	1-9½	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
									3,400	1,000	175 0*	200 0*	200 0*	225 0*		
39,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	1-10½	500	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	100	100	12 0	14 0	10 0	10 0	6	Y.P.
28,50,000A									1,400	100	140 0	140 0	100 0	100 0	12	Y.
9,60,600B	64,00,782*	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	89	100A	7 8	8 1	6 4	6 4	6	Y.P.
									—	20B	1 8	1 1	1 4	1 4		
82,11,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	3 0		6	Y.
51,75,000	24,92,735	1,71,30,016	1,44,15,016	2,80,686	Piramal & Sons	65,448	1,650	Morarjee Goculdas Spg. & Wvg.	187½	100	17 0	15 0	12 0		10	Y.P.
1,80,42,600	2,66,192	4,27,10,526	70,00,000	38,933	Chmni & Co., Ltd.			National Rayon Corporation	148½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	26,69,841	71,72,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	43,944	432	New City of Bombay Mfg.	167½	100	12 8	15 0	10 0		12	Y.
80,00,000	21,71,710	86,82,525	64,00,000	70,776	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	170	100	10 0	12 8	10 0		12	Y.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	26	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	121½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	127½	100	9 0	10 0	10 0		12	Y.P.
2,00,000	8,93,779	21,19,461	18,55,340	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	8,43,873	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	138	10	10 12	9 0	9 0		12	Y.
81,50,000	49,02,108	1,67,77,540	63,69,000	35,939	Marwar Textile (Agency) Ltd.	66,452	1,640	Shree Nirvana Cotton Mills	173½	100	14 0	17 8	12 8		12	Y.P.
86,00,000	1,30,69,660xp	1,18,80,653	78,39,301	36,116	Simplex Mills	15½	1,276	Simplex Mills	15½	50	14 0	17 0	15 0(i)	15 0	3	Y.
75,00,000	1,21,71,160	1,37,29,109	87,56,233	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	303½	100	15 0	20 0	20 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	269	100	16 0	18 0	16 0		12	Y.P.
32,54,938	39,55,268	88,88,347	29,93,248	5,71,220	James Finlay & Co., Ltd.	33,804	552	Swan Mills	332½	100	20 0	25 0	30 0		12	Y.
12,00,000	60,55,708	98,62,654	75,30,000	6,344	Tata Industries Ltd.	63,248	1,800	Tata Mills	50½	25	2 0	4 0	2 0		12	Y.T.
					Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.

AHMEDABAD

39,00,000	38,80,266	88,29,885	51,09,678	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	141½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	913	Arvind Mills	467½	100	15 0*	20 0*	20 0*		12	Y.P.
81,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	767½	100	25 0*	25 0*	25 0*		12	Y.P.
30,00,000	40,83,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	305	200	30 0	35 0*	15 0		12	Y.P.
1,24,77,072	1,06,99,227	3,71,68,168	2,37,53,344	2,87,005	Lalbhai Dalpatbhai & Co.	97,368	2,400	Calico	118½	125	12 8	18 0	16 0		12	Y.P.
30,00,000	64,86,000	88,87,870	62,25,000	4,885	Karamchand Premchand Ltd.	43,320	964	New Commercial Mills	125	100	12 8	18 0	16 0		12	Y.
39,00,000	70,78,334	96,79,263	74,68,970	1,795	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Shorrock Spg. & Wvg.	1,075	300	35 0	70 0	70 0		12	Y.
8,00,000	61,08,644	43,89,260	28,78,001	4,383	Mafatlal Chandulal & Co., Ltd.	47,952	1,176		611	125	15 0	20 0	35 0		12	Y.
					Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	670	100	25 0	25 0*	25 0*		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	46,680	1,093	Rajnagar Spg. Wvg. & Mfg.	110	250	15 0	20 0	*Nil*		12	Y.P.
84,90,150	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	640	Rohit Mills	125	100	20 0	9 0	9 0		12	Y.P.
19,52,500	1,18,86,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,525	Shri Ambica Mills	317	50	15 0	18 0	16 0		12	Y.
	52,12,187	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,053	16,259	Haridas Achratlal & Co., Ltd.	34,376	816	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	95,065	33,10,908	17,73,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	3½	10	0 8	0 5	*Nil*		12	Y.
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	*Nil*	*Nil*	*Nil*		3	Y.
6,00,000	22,76,247	77,20,924	51,55,000	—6,37,421	Kettlewell Bullen & Co., Ltd.	42,872	841	Berachah Cotton Mills	280	100	*Nil*	*Nil*	*Nil*		6.12	M.P.
19,00,000	25,16,186	97,02,818	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	175	100	*Nil*	7 0	*Nil*		6.12	
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	20½	15	1 14	1 14	1 12	2 12	3	H.
6,00,000										15	1 14	1 14	1 4			
33,94,284	9,75,000	84,54,400	47,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.

SOUTH INDIA AND OTHER CENTRES

11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	59,21,613	31,03,346	2,736	Kamal & Co., Ltd.	50,000		Alagappa Textiles(Cochin) Ltd.	9½	10	0 14 2/3	0 9 3/5			12	Y.P.T.
91,94,400	31,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Ambika Mills	67N	100	8	6 0	6 0		12	Y.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	285	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	*Nil*	6 0	6 0	4 0(i)	6.12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	908	Birla Cotton Spg. & Wvg. Delhi	471 N	100	2 8	2 8	3 0		3	Y.
1,78,47,800	1,57,95,696	3,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	136	100	14	7	4 0	4 0(i)	12	Y.P.T.
20,00,000	16,31,336	30,52,641	16,31,870	93,399	Prince, Leslie & Co., Ltd.	17,538	4	Cambodia Mills	12½	10	*Nil*	1 4	1 0		12	Y.
80,00,000	21,97,992	56,31,479	39,31,479	1,09,291	Begg, Sutherland & Co., Ltd.	28,700	591	Canmore Textiles	18	5	0 9	1 0	1 0	0 9	3	Y.
20,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheeme Naidu & Co.	28,864		Coimbatore Cotton Mills	166	100	12 8	12 8	9 0		12	Y.
20,76,900	9,19,870	25,04,987	13,33,422	1,32,496	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	130	100	7 0	6 0	6 0		12	Y.P.
44,87,500	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	137½	50	2 0	3 0	*Nil*		6	Y.
3,38,34,450	88,12,906	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	178	100	6 0	6 0	2 0	5 0	6	Y.P.
1,00,525									25	1	0 2	0 2	0 1	0 2		
24,34,800	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,830	Delhi Cloth & General Mills	31	25	*Nil*	0 8	1 2	1 8	6	Y.P.
63,00,000	16,26,596	57,15,169	25,47,428	20,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	202	100	25 0	20 0	10 0		12	Y.
39,04,700	46,00,000	1,40,85,212	1,13,21,631	71,424	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	172	10	1 2	1 8	1 8	1 0	9	Y.P.
	43,10,000	82,22,587	60,50,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	243	100	10 0	14 0	17 0*	5 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	50,420	1,420	Indore Malwa United	96½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	28,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	63	50	3 0	7 8	3 0		12	Y.
24,00,000	15,75,000	61,25,358	8,50,000	3,682	Kothari & Sons	30,512	200	Kotheri Textiles	10	10	0 11	0 12	0 12	0 8	12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	525	250	37 8	50 0*	37 8	10 0(i)	12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,473	14,287	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	86	50	4 0	4 0	5 0	5 0	3	Y.
									52	25	2 0	2 0	2 8	2 8		
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	382	25	2 0	2 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,416	13,52,890	—22,590	A. L. A. R. S. Chettiar and 2 others	21,856		Malabar Spg. & Wvg.	126	100	8 0	8 0	8 0		12	Y.
60,00,000	62,50,000	53,54,448	38,37,042	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mentor Industries Ltd.	218	200	8 0	12 0	8 0		12	Y.P.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	92	100	25 0	12 8	12 8	12 8	3	Y.
94,91,850	27,56,360	1,53,05,970	18,81,528	27,241	Bansilal Abirchand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	131½xd	250	15 0	7 8	7 8	7 8	6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,81,851	—7,20,290	Indian Textile Syndicate Ltd.	86,218	1,834	Model Spg. & Wvg.	190½	100	*Nil*				12	Y.
19,86,800	66,50,072	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,612	500	Mysore Spg. & Mfg.	146½	50	10 0	9 0	10 0*	10 0*	3	Y.P.
13,61,780	2,58,174	29,34,299	13,36,424	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	6½	10	0 8	0 10	*Nil*	*Nil*	12	Y.P.
82,89,880	3,07,09,510	25,62,533	98,01,625	52,78,826	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	0. 2½	0. 2½	*Nil*	*Nil*	*Nil*		12	Y.
				—25,85,856					D. 1	D. 1	*Nil*	*Nil*	*Nil*			
87,03,800	61,53,493	1,58,62,385	39,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanabad Mills	90N	100	5 8	6 8	7 0		12	Y.P.
4,00,000A	6,37,362	26,20,198	13,74,913	3,330	Bhaghyalakshmi & Co.	88	50A	Palani Andavar Mills	68	50A	5 0	5 0	5 0		12	Y.
6,00,000B						22,800	75B		93	75B	7 8	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	30	100	7 4	5 0			12	Y.
14,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. V. O. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	161½	100A	16 0	16 0	6 0		12	Y.
8,40,058B									79½	50B	8 0	8 0	3 0			
15,00,000	25,00,894	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	85	50	8 0	*Nil*	*Nil*		12	Y.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	600	Raza Textiles	10	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
22,41,300	10,52,678	21,98,011	17,73,000	65,528	G. Lisdhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½N	100	6 0				12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	50	*Nil*	3 0			6	Y.
14,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,46,498	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,425	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills	300	300	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
15,00,000	92,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	27,340	992	Suraj Cotton Mills	50	50	4 0	4 0	4 0	4 0*	3	Y.
									10	10	4 0	4 0	4 0	4 0	3	Y.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½	100	0 8	0 8	*Nil*		12	Y.
1,57,50,000									85	10P.O.	0 14 2/3	0 14 2/3	*Nil*			
99,21,070	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcrce & Sons (Travancore), Ltd.			Travancore Rayons	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
13,98,630	7,25,305	12,91,001	9,44,987	9,843	Mooljee Rampe & Sons	16,000		Trichinopoly Mills	10	10	1 0	0 10	0 10		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	172	100	5 0	10 0	12 0		12	Y.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	142½	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit[by]the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(c) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(d) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	*Nil*	2 12½	*Nil*	*Nil*	3	Y.P.
6,64,000	15 83,781	23,47 704	11.58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9	10	*Nil*	1 2x	*Nil*	*Nil*	3	Y.
16,20,630	2,56,155	23,47,704	11.58,077	16,143	Parry's Holdings Ltd.	East India Distilleries and Sugar	5½	5	1 0	0 8	0 8	0 8	3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421			15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£300,000B							24½	B. 41	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.
6,00,000	9,00,000	13,19,812	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.

CEMENT

11,37,700A.	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	10½	A. 100	3 12	7 8	7 8		12	Y.P.Y.
39 63,334B.							10⅜	B. 10	0 6	0 12	0 12			
43,14,600O.	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	¼	O. 10	0 8	*Nil*	*Nil*	*Nil*	3	Y.Y.
4,70,976D.							1½	D. 1	*Nil*	7 8	9 8	9 8	7	Y.
£0,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	18½		8 8					
80,00,00003.							7⅛	O. 10	0 8	0 10	0 10			
26,49,797O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1½	O. 2½	0 2	0 2½	0 2½		12	Y.P.Y.
50,00,00003.							1½	D. 1	*Nil*	*Nil*	*Nil*			
62,50,000O.							13⅜	O. 25	*Nil*	*Nil*	*Nil*	1 4	*Nil*	
7,50,000D.	4,00,000	1,43,54,423	31,47,637	6 15,163	Essen Ltd.	India Cements Ltd.	2—14½	D. 5	*Nil*	*Nil*	*Nil*	0 4	*Nil*	3 Y.P.
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Sonevalley Portland Cement

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,80,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	53½	25	1 4 / 1 4 / 1 4 / 1 4	1 9 / 1 9 / 1 9 / 1 9	Nil / 5 0 / 5 0 / 5 0	1 9 / 5 0 / 5 0 / 5 0	6,12	H.P.T.
90,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	188	100	4 0	5 0	5 0	5 0	3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mill	15½	10	5 0	5 0	5 0	5 0	1 0*	3 Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	44½	10	0 12	1 0	1 0	1 0	½ 0f	3,9 H.P.T.
90,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	19	10	0 8	0 12	0 12	0 12	6,12	H.P.T
80,00,000 / 14,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / Nil	Nil / 4	0 4 / 1 0	1 0 / 1 0	3,9	H.P.T.
96,00,000A. / 56,04,800B. / 4,37,900P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	35½	35½ / B. 10 / P.O. 2½	1 0 0 / 1 0 0 / 0 2	1 0 0 / 1 0 0 / 0 2	1 0 0 / 1 0 0 / 0 2	1 0 0 / 1 0 0 / 0 2	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	5 0	5 0	3 0	6	Y.
6,30,000	1,00,900	6,99,526	4,73,056	2,354	Pyne & Sons	Camperdown	86N	100	3 0	5 0	5 0	7 0	4	Y.
5,00,000	1,55,000	11,21,900	9,45,356	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y.
PROPERTY AND LAND														
10,00,7800. / 8,00,0000.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 9 3/5	0 8		
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	25½d	D. 1	Nil	Nil	Nil	Nil	9	Y.P.
94,00,0000	23,36,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	36½	100	2 0	1 8	1 0	1 0	1 8	Y.
								100	Nil	3 0	1 0	1 0	1 8	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	10	0 8	0 8	0 8	0 4		
94,50,000	3,75,07,295	3,01,90,100	1,23,54,693	63,264	Wallace & Co.	Bombay-Burmah Trading	37½	10	5 0	5 0	5 0	7 0	15 0	Y
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	13½d. New	50	5 0	12 0	Nil	22 8	6 0	5 Y
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	30N / 34½d	100 / 10	5 0 / 5 8	Nil / 5 0	Nil / 3 0	7 0 / 1 0	6	Y.P.
SUGAR (U.P. and Bihar)														
14 00 000	9,81,083	37,47,864	23,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	Nil	Nil	Nil		
82,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120N	A. 100	6 4	10 0	10 0	10 0	10-0	Y.
19,49,050	3,00,000	27,54,526	20,50,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	111N	B. 10	10 10	10 0	10 0	10 0	1-0	Y
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	8	Nil	0 10	1 0	1 0	1 8		
32,00,000	23,18,481	1,29,41,870	81,86,295	41,747	Gladstone Lyall & Co., Ltd.	Canew & Co.	16½xdN	10	1 0	1 8	1 8	1 8	1 8	Y.
15,00,000	55,34,712	96,28,542	75,34,740	31,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	78	10	Nil	Nil	1 0	1 0	6	Y.P.
18,00,000	33,12,562	63,47,636	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	37½	10	2 0	3 0	2 0	2 0	6	Y.P.T.
85,01,000A. / 10,00,0000.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	25½ / 130N	10 / 'A' 100	1 8 / 6 0	2 0 / 9 0	2 0 / 12 0*	2 0 / 15 0*	10 / 6	Y. / Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	50N	O. 100	6 0	9 0	12 0*	15 0*	6	Y.P.
7 89,100	19,02,918	27,31,285	15,96,723	1,35,891	*Cotton Agents Ltd.*	New India Sugar Mills	25N	40	3 0	4 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros. ..	New Savan	23½	10	1 0	2 0	2 8	2 8	6	Y.
1087,500 A. / 2,11,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	*New Swadeshi Sugar Mills* ..	6½ / 18½N	10 / 100	2 0 / 15 0	2 0 / 20 0	2 0 / 20 0	2 0 / 20 0	5	Y.
97,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	45N	100	3 12	5 0	5 0	5 0	20 0	Y.
12,00,000	12,71,178	28,94,458	19,81,746	60,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	20½N	100	4 0	5 0	5 0	5 0	11 0	Y.
9,00,000	14,71,701	33,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	10½N	100	4 0	10 0	6 0	6 0	7	Y.P.
8,00,000	6,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14½	10	1 0	1 0	1 0	1 0	10	Y.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	13N	10	1 0	2 0	1 0	1 0	6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gramoday Sugar	13½	10	1 0	2 0	1 0	0 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	10N	10	1 0	2 0	1 0	1 8	7	Y.P.
6,50 0000. / 1,75,000D. / 8,00,000	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	6½ / 3N	10 / O. 10	Nil / Nil	0 8 / Nil		0 6½	6	Y.
18,00,0000	9,19,618	78,11,307	43 99 754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	22½N	D. 2½	Nil	Nil	Nil		10	Y.P.
		30,61,947	24,91,617	36,663	James Finlay & Co., Ltd. ..	United Provinces Sugar	13½	10	1 12 / 0 4½	2 0 / 3 0	2 0 / 1 8	2 8	6	Y.P.
													9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	244½	50	12 8	14 0	16 0	16 0	16 0	9 Y.
87,68,900	2,51,646	37,63,451	16,01,711	21,013	*Sir J. P. Srivastava & Sons (Md.B.) Ltd*	Gwalior Sugar	25N	100	Nil	5 0	3 0			
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	23½	100	1 8	3 0	3 0			9 Y.P.
83,57,520	29,98,135	39,11,908	19,50,442	7 69 891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	5	0 12	1 4	1 4		10	Y.P.
89,98,050	89,98,050	1,08,04,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	101N	10	0 12	1 0	0 12		10	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	44	10	2 0*	2 0	2 0	2 0		
16,59,820	23,50,939	94,76,150	22,24,449	1,91,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar ..	99½	10	2 0	3 0	3 0	2 0	6	Y.
100,00,0000. / 4,00,0000.	24,67,609	74,55,840	43,71,339	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	18½	10	0 9½	0 12	0 12	0 8	6	Y.
19 99 800	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Reza Sugar	WN / 10N	D. 50 / D. 10	7 0	9 0	5 0 / 0 11½			
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	10½N	10	1 0	1 4	1 0		10	Y.P.T.
77,50,000A. / 83,50,000D.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	162½	10 / A. 100 / O. 100	Nil / 12 0 / 12 0	Nil / 14 0 / 14 0	Nil / 14 0 / 14 0		9	Y.P.T.
TRANSPORT														
123,00,0000. / 1,00,00,0000	1,11,04,304	1,24,61,121	8,22,019	3,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	165	100	10 0	12 8	12 8			
6655,580	81,123,737	3,00,22,740	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	93½	100	3 0	5 0	5 0		10	Y.P.
8,25,00,000	74,99,233	1 91 83,993	4,52,99,999	613 172	Kilburn & Co., Ltd.	India General Navigation & Rly.Co.	66½	610	Nil	Nil	Nil		12	Y.
6,39,62,018	3,81,43,387	12,98,97,421	8,04,30,000	1,58,231	Lionel Edwards Ltd.	India Steam Co.	5½	610	Nil	Nil	Nil		12	Y.P.
					Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	15-7½	15	Nil	Nil	Nil	0 8	3	Y.P.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	11,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0			
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	80	50	4 0	4 0	4 0		32 0	9 Y.
25,00,000	1,00 000	25,18,1308	8,079	4,955	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	10 0	12 0	12 0			3 Y.
99,99,250	18,35,373	1,24,92,333	14,08,040	4,425	Choonilal Manilal Ltd.	Estrella Batteries	23N	50	3 0	3 0	3 0		NG	3 Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	Premchand Roychand & Sons ..	Industrial Investment Trust ..	100	100	4 0	4 0	4 0			3 Y.P.
2,06,72,500A. / 10,00,0000.	5,61,813	2,27,70,083	98,44,166	3,43,577	B. D. Sheppard, Esq. (Mg. Director).	Killick Industries	137½ / 126½	100 / 75	4 0	4 8	4 8		10 0	12 Y.
10,31,200	3,56,603	14,71,107	12,41,107	36,733	Aero-Auto Ltd.	Premier Automobiles	49	A. 100	Nil	Nil	2 8			
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,855	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40	B. 10	Nil	Nil	Nil		10 0	6 Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	T. Rydin, Esq (Managing Director).	Western India Match Co.	199½	20	2 0	3 0	3 0		NG	
					Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	100	20 0	20 0	11 0*			12 Y.
								150	20 0	20 0	20 0			12 Y.
														12 Y.
Other Centres														
67,50,000O. / 2,50,000D.	15,00,000	1,56,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½	O. 10						
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Brica, Ltd.	3½	D. 2½	Nil	Nil	Nil	Nil	Nil	3 Y.P.T.
15,34,104	15,34,104	25,69,104	17,19,014	1,31,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 12	2 8				
20,00,000	18,97,883	96,60,365	39,87,830	21,355	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	16sr	10	2 0	4*	1 4*		8	Y.
100,00,0000.	97,71,800	53,87,807	29,87,807	3,15,018	O. T. Renkins, Esq. (Director)	*Balmer Lawrie & Co., Ltd.* ..	45sd	O. 10	0 9 3/5	0 9 3/5	0 9 3/5	1 4*	12	Y.
20,00,000	8,38,806	54,303,14088		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	120	D. 40	20 0*	25 0*	20 0*	4 0*	5 0(1)	3 Y.P.T.
30,94,400	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	16½	10	4 0	8 0*	4 0*	4 0*	12	Y.
8,25,00,000	93,00,000	2,34,42,360	1,90,64,169	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	16	10	1 4	1 4	1 4	1 4		Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	1,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	9½	5	0 12	1 4	1 4	0 8		Y.
51,26,000	47,57,061	1,26,55,4208	.....	8,15,469	Bird & Co., Ltd.	Eastern Investments Ltd.	30½	10	2 0	3 0	2 0			Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	138	100	9 0	12 0	10 0	8 0		Y.P.T.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	108xd	100	9 0	12 0	8 0	8 0		Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R Syndicate	Great Eastern Hotel	265	100	7 0	9 0	12 0	12 0	3	R.
13,42,800	5,06,040	60 60 790	41,30,369	33,919	Birla Bros., Ltd.	Hind Cycles	10½N	100	12 0	15 0	15 0	7 8		
4,98,12,650	1,92,800	13,64,147	60,52,713	3,78,557	Birla Bros., Ltd.	Hindustan Motors	2½	10	1 0	1 0	1 0		3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,21,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	5-9½	10	7 8	8 0	8 0		10	Y.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen .Esq.	Indian Cables	105	100	3 8	5 0	5 0		12	Y.P.T.
8 27,970	5,76,000	14,39,460	7,97,308	38,545	G. S. Mouton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	19½	10	2 8	3 0	3 0		12	Y.
8,00,00 000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	12½	10	1 0	1 0	1 0	1 0*	12	Y.P.
6,34,0000. / 60,000D.	6,05,270	6,91,531	4,08,253	—44,994	James & Co., Ltd.	Macfarlane & Co.	113	100	10 0	10 0	10 0	0 12	3	Y.P.
40,00 0000. / 3,00,00D.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co., Ltd.	2½ / 185xd	O. 5 / D. 10	Nil / 12 8	Nil / 12 8	Nil / 12 8	7 8	3	Y.P.
1,30 55,750	30 19,025	13,73,127††	4,61,594	2,31,093	*T. Leslie Martin, Esq. (Mg. Director).*	Martin Burn Ltd.	100	D.O. 10	12 8	12 8	0-4		12	Y.
4,35,235	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	19½	10	1 0	1 0	1 0			
4,88,040	8,84,829	9,71,921	3,93,1009	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	3½	10	0 10	Nil	Nil		9	Y.
10,00,000		11,45,854	3,91,906	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	16½	10	1 0	1 0	1 0	1 0	3	Y.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	10½	10	Nil	1 0	1 0	1 0	3	Y.P.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	15½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co., Ltd.	9½	10	0 8	0 8	Nil			
8,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	2	1	1 9 3/5	0 10½	Nil		12	Y.P.T.
8,14,00,000	78,53,108	6,09,39,407	2,16,88,823	7,17,486	Sahu Jain Ltd.	Rohtas Industries	6½	100	8 0	9 0	9 0	4 4½	12	Y.
40,00,000	92,32,582	1,19,84,861	70,89,235	3,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	11½	10	Nil	Nil	Nil		12	Y.P.T.
75,00,000	35,00,000	12,11,901‡	2,17,120	3,56,816	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 0	1 0		10	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	11½	10	1 0	1 0	1 0	0 8(1)	10	Y.P.
							3½	10	Nil	Nil	Nil		10	Y.P.

‖ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 23.17,685

‖ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818		McLeod & Co., Ltd.	312	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	416	Ananda (Assam) Tea	20	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	22,560	Gillanders Arbuthnot & Co., Ltd.	513	Ananda Bag	28½	10	1 4	3 0	Nil		12	Y.
3,50,000	7,21,418	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	369	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	4,75,673	63,629	Andrew Yule & Co., Ltd. ..	556	Balasan	33½	10	1 0	1 8	1 8		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Gillanders Arbuthnot & Co., Ltd.	4,038	Balijan	34½	10	3 0	2 8	2 0		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—17,182	Williamson Magor & Co., Ltd.	493	Bamunbari	9	10	1 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	1,31,948	82,500	Octavius Steel & Co., Ltd. ..	450	Barmah Jan Tea	13½	10	1 0	1 8	Nil		12	Y.P.
6,00,000		10,38,918	2,13,932	—36,227	McLeod & Co., Ltd.	2,602	Brooke Bond	12½	10	1 0	Nil	1 0	0 8	12	Y.
7,50,000	3,43,500	8,21,734	2,13,932	—32,144	Brook Bond India Ltd.	282	Dejoo Valley	12	10	1 0	Nil	Nil		12	Y.
35,00,000	9,05,083	72,59,232	12,50,143	12,511	McLeod & Co., Ltd.	1,220	Dessai & Parbutia	262	100	30 0	22 8	10 0		12	Y.P.
1,20,000	1,83,234	3,66,030	1,32,481	—29,101	Jardine Henderson Ltd.	610	Dhalakhat	13½	10	1 9 3/5	1 1 3/5	1 0		12	Y.
6,00,000	7,15,000	23,51,755	2,76,346	19,113	James Warren & Co., Ltd. ..	613	Dhunseri	13½	10	2 0	1 0	Nil		12	Y.P.
17,53,440	6,66,928	20,85,548	3,110	35,084	James Finlay & Co., Ltd. ..	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
4,68,970	2,20,000	8,09,426	32,879	—61,361	McLeod & Co., Ltd.	625	Dimakusi	36½	10	1 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	25,960	Williamson Magor & Co., Ltd.	669	Dufflathur	9	10	2 4	4 0	2 0		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	1,15,948	Williamson Magor & Co., Ltd.	1,178	East India Tea	20	10	2 4	2 4			12	Y.
5,60,500	4,50,000	16,38,157	9,38,157	45,079	Williamson Magor & Co., Ltd.	407	Gillapukri	19	10	3 0	3 0	Nil		12	Y.
10,00,000	3,65,000	18,91,120	3,51,120	—2,986	Andrew Yule & Co., Ltd. ..	522	Gohpur	12	10	4 0	2 12			12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	1,11,348	Williamson Magor & Co., Ltd.	1,393	Grob	31	A.10	3 0	2 0	2 0		12	Y.
3,38,000	4,00,000	12,09,149	5,36,149	33,724	Octavius Steel & Co., Ltd. ..			15½	B.5	1 8	1 0	1 0			
A. 4,94,360	13,22,810	17,77,138	5,02,656	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograhjil	33½	10	2 0	1 0	Nil		12	Y.
B. 2,40,790				—28,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolangooree	307 N	100	25 0	17 8	Nil		12	Y.
2,00,000	6,50,000	6,89,042	2,46,970	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	12½	10	1 4	1 8	Nil		12	Y.
4,35,000	8,04,216	18,38,487	2,02,650	—99,474	Shaw Wallace & Co., Ltd. ..	1,166	Kilmaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil		12	P.Y.
7,50,000	5,85,000	13,93,352	3,93,352	3,593	Duncan Bros. & Co., Ltd. ..	1,037	Ledo	9½	10	2 0	Nil	Nil		12	Y.
2,40,000	80,000	11,43,851	1,03,647	571	Duncan Bros. & Co., Ltd. ..	673	Mohesma	5½	10	Nil	Nil	Nil		12

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Number of Looms	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	Agarpara	879	15⅜	10	1+1	1+1	1+1	1f	3.9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,196	Babu Jain Ltd.	Albion	498	195	100	4+10	15+15	5+10	15f	5.11	H.F.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	Alexandra	446	160	100	Nil	Nil	Nil	Nilf	6.12	H.P.T.
80,00,000	2,10,000	1,17,26,264	97,54,009	—1,70,951	McLeod & Co., Ltd.	Alliance	1,264	165	100	Nil	5	Nil	Nilf	6.12	H.F.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	Anglo-India	2,561	200	100	Nil	10	10+15	15f	6.12	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,994	42,740	Bird & Co., Ltd.	Auckland	910	120	100	1½+4	6+3	5+4	2½+3	3.9	H.P.
20,00,000	29,77,365	97,37,334	63,51,882	77,634	Jardine Henderson & Co. ..	Ballly	939	156	100	4+6	6+3	5+4	2f	3.9	H.P.T.
4275,000	£639,470	£1,342,547	£1,046,810	£81,870	Sir John H. Burder (Chairman)	Barnagore	1,890	145	£5	£1	£1	£1	£1	3.9	Y.P.
22,50,000	55,95,000	54,72,523	24,75,686	4,28,770	Andrew Yule & Co., Ltd. ..	Belvedere	820	200	100	7+10	12½+15	7½+7½	7½f	6.12	Y.P.
30,42,000	2,64,46,567	3,06,30,766	1,23,13,242	1,03,646	Soorajmull Nagarmull	Bengal	600	135	100	13½	3	3	3	6.12	H.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Bore Bros., Ltd.	Birla	1,373	141XR	10	2½	3	3	3	6	Y.P.T.
7,47,180	4,29,739	49,77,150	38,73,499	95,461	Andrew Yule & Co., Ltd. ..	Budge-Budge	991	148	100	3+10	10+12	6½+6½	6f	3.9	Y.P.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Dayaram & Sons	Calcutta Jute Mfg.	502	144N	10	Nil	1+1	0+8	6f	4.10	H.
59,16,400	1,05,23,478	1,65,18,440	1,07,44,959	1,15,030	Andrew Yule & Co., Ltd. ..	Caledonian	616	162	100	4+10	10+12	6+6	6f	6.12	H.P.T.
15,95,000	28,39,282	76,79,086	54,30,736	84,099	Andrew Yule & Co., Ltd. ..	Chandannagar	1,400	143	100	3+5	7+7	7+8	3f	5.11	H.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	Cheviot	530	230	100	6+10	10+12	6+6	6f	5.11	H.
19,00,000	17,00,000	78,09,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	Chitavalsah	908	50	10	1½	3	3	3	3.9	H.
31,49,200	39,29,308	1,28,67,836	81,35,715	8,337	Bird & Co., Ltd.	Cline	969	100	10	½+8	1½+4½	2½+14	11f	5.11	H.P.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	Dalhousie	766	140	100	1½	½	½	Nil	6.12	H.T.P.
15,00,000	21,50,000	76,04,591	54,62,731	57,631	McLeod & Co., Ltd.	Delta	779	220	100	1+3	3+6	6+4	1f	4.8	H.
21,00,000	54,19,877	2,65,42,474	1,77,44,991	3,971	Andrew Yule & Co., Ltd. ..	Empire	500	200	100	5+12½	15+17½	10+10	10f	3.9	Y.P.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bettlewell Bullen & Co., Ltd.	Fort Gloster	1,884	350	100	1+1	1½+1½	3+3	3f	5.11	H.P.
84,32,100	3,13,094	2,09,73,148	1,34,77,243	—8,52,945	Bangur Bros., Ltd.	Fort William	1,016	326	100	2½+20	12½+12½	10 Nil	Nilf	3.9	H.P.T.
10,80,000	28,83,794	68,12,500	67,46,252	41,193	Macneill & Barry Ltd.	Ganges Mfg.	1,709	67	100	Nil	10+12	Nil	Nil+5	3.9	H.T.P.
24,00,000	27,30,694	2,19,25,184	1,62,21,337	1,57,647	Macneill & Barry Ltd.	Gondalpara	607	700	300	45	30	Nil	Nilf	3.9	H.P.
40,00,000	68,39,611	77,12,808	49,35,241	2,81,845	Bangur Bros., Ltd.	Gouripore	300	270	100	2½+15	10+10	10 Nil	Nilf	12	Y.
16,80,000	15,20,698	64,92,980	44,81,416	—1,95,248	Gillanders Arbuthnot & Co., Ltd.	Hastings	1,078	100N	100	10	7	10	10	3.9	H.P.
65,62,500	50,83,570	1,36,87,559	1,09,33,235	1,55,027	Gillanders Arbuthnot & Co., Ltd.	Hooghly	720	100	10	10	7	10	10	3	Y.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Jardine Henderson Ltd.	Howrah	1,940	75N	10	1½	3	1½	3	3	Y.P.
O. 87,00,000						Hukumchand	2,272	23 #cd	10	½+8	½+8	½+8	1f	3.9	H.
D. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..			40⅞	⅞	⅜	⅜	⅜	⅜		
24,00,000						India	1,076	121	10	3½+9½	3½+4½	3½+3½	3½f	3	Y.P.T.
*B' 19,20,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.			A 7.8 7.8	D. 123	2½+20	12½+12½	10 Nil	Nilf	3.9	H.
30,00,000								—	D. 1	Nil	10	Nil	Nil		
*B' 24,00,000	16,90,371	1,31,02,619	94,80,902	1,23,240	Jardine Henderson Ltd.	Kamarhatty	1,797	180	100	8½+8½	10+12½	8½+6	6f	6.12	H.P.
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	Kelvin	703	176	100	8½+8½	10+12½	8½+6	6f		
54,00,000	22,45,375	1,60,84,317	1,08,02,499	4,00,592	Anderson Wright Ltd.	Khardah	1,530	140	100	Nil	5+7½	6+4	5f	6.12	H.P.
48,00,000	95,73,829	*2,19,74,862	1,02,36,332	28,445	F. W. Heligers & Co.	Kinnison	1,250	136	100	Nil	5+7½	6+4	5f	6.12	H.P.
28,00,000	58,49,796	1,13,85,476	61,83,380	22,044	Bird & Co., Ltd.	Lansdowne	931	100Xd	100	Nil	5	5	5	3.9	H.P.T.
10,00,000	36,51,301	20,99,106	13,14,126	7,757	Bird & Co., Ltd.	Lawrence	440	200	100	14+4	10+9	10+7	4f	3.9	H.P.T.
41,65,200	25,15,448	1,93,98,406	1,16,00,448	20,020	Andrew Yule & Co., Ltd. ..	Mackinnon Mackenzie & Co.	558	130	100	2+10	11+8	7+3	2f	3.9	H.
29,70,500	41,01,000	1,39,39,916	90,71,921	—7,86,971	F. W. Heligers & Co.	Mahalti	1,008	104	100	2½+6½	2½+15	2½+15	15f	5.11	H.P.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd. ..	Rawsgunge	316	108	100	1+3	1+3	1+3	1f	4.10	H.T.
20,00,000	3,93,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd	Rewa	709	218	100	1½+15	2½+5	2+1	1f	6.12	H.P.
2,50,000	1,77,000	11,99,363	9,78,699	20,496	Gillanders Arbuthnot & Co., Ltd.	Samla Collieries ..	267	75	100	4+10	13+13	10+12	12f	6.12	H.
8,00,000	8,77,288	28,60,123	25,15,966	25,874	Andrew Yule & Co., Ltd. ..	Seamore	440	81N	10	Nil	1+1	1 Nil	Nilf	3.9	H.
6,21,450	8,74,490	36,99,197	26,21,250	—1,39,849	F. W. Heligers & Co., Ltd. ..	Sebpore	601	24	5	1½	2+1	1 Nil	Nilf	6.12	H.
	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Sendra	400	24	7	2½	2	2	Nil	6.12	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	9N	6⅜	5	2½+2	2+2	2+2	1f	6.12	H.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heligers & Co., Ltd. ..	South Karanpura ..	64	10	10	1+1	1+1	1+1	1f	6.12	H.P.
10,00,000	12,950	30,15,423	15,42,301	—3,64,336	Villers Ltd.	Standard	94	10	10	Nil	Nil	Nil	Nil	3.9	H.T.
3,50,000	3,30,000	18,94,910	14,86,513	54,954	Hindustan Investment Corporation.	Talcher	208	10	10	½+4	½+4	½+4	1f	4.8	H.
49,98,000	£849,927;	£990,805	£115,163	10,963	Bird & Co., Ltd.	Titaghur	401	13	10	1+1	1+1	1+1	1f	3.9	Y.P.
35,98,600	94,31,454	1,76,49,708	85,52,140	21,038	Thomas Duff & Co. (India), Ltd.	Union	1,794	126	100	3+6	9+8	8+1	1f	12	Y.P.T.
£400,000	£587,164	£1,059,917‡		£119,908	Bird & Co., Ltd.	Victoria	1,326	13	£1	10½	10½	10½	1f	3.9	H.
2,50,000	1,33,000	56,35,513	35,66,368	57,059	Thomas Duff & Co. (India), Ltd.	Waverley	1,331	171	100	1+7	12½+11	10+1	1f	3.9	Y.P.
					McLeod & Co., Ltd.		465	12½	£1	10½	10½	10½	1f	3.9	H.P.T.
								6⅛	1	Nil 1/40	1/40 Nil	Nil	Nilf	12	Y.P.
														6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
35,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19⅛	10	1+1	1+1	1+1	1f	3.9	H.
12,00,000	8,42,703	37,35,383	34,23,643	58,526	Jardine Henderson Ltd.	Barnere Coke	19	10	1+1	1+1	1+1	1f	3.9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7N	10	1+1	1+1	1+1	1f	6.12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	306	200	100	17½+17½	17½+17½	20+20	17½f	4.10	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	133	10	1+1	Nil	Nil	1+1	Nilf	4.10	H.P.
69,99,933	13,81,010	1,17,79,347	36,49,702	21,814	H. V. Low & Co., Ltd.	Bhelgora	42	10	Nil	Nil	Nil	Nil	Nilf	6.12	H.
18,00,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heligers & Co., Ltd. ..	Bharat Collieries	61	10	Nil	Nil	Nil	Nil	Nilf	6.12	H.P.
7,50,000	20,20,000	43,12,213	24,77,517	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bhulanbarsee	146	10	1+1	1+1	1+1	1f	9	Y.P.
90,92,480	1,70,58,749	4,07,13,995	1,64,07,682	83,552	F. W. Heligers & Co., Ltd. ..	Bokaro-Ramgur	7⅛	10	Nil	Nil	Nil	Nil	6	Y.T.P.
49,99,000	740	34,32,368	28,83,322	3,018	Bird & Co., Ltd.	Burrur	28	10	1½	1½	1½	1½	6.12	H.
8,00,000	13,30,330	48,70,116	37,64,882	5,018	Hindustan Investment Corpn., Ltd.	Burrakur	8⅛	10	1½	1½	1½	1½	6.12	H.
6,00,000	1,41,567	7,30,000	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central India	5⅜	10	1½	1½	1½	1½	6.12	H.P.
16,00,000	1,20,000	48,33,738	25,84,732	19,867	F. W. Heligers & Co., Ltd. ..	Central Kurkend	14⅜N	10	1½	1½	1½	1½	6.12	H.P.T.
£240,000	£312,011	£224 840	£9,002	20,518	Macneill & Barry Ltd.	Churia	2⅛	10	Nil	Nil	Nil	Nil	3	Y.
29,63,760	74,36,570	3,46,00,164	2,76,16,367	2,82,401	Jardine Henderson Ltd.	Dhemo Main	8⅜	10	½+8	½+8	½+8	½+8	6.12	H.
12,00,000	2,62,255	4,41,755	2,33,963	66,893	Macneill & Barry Ltd.	East Indian	25⅞	£1	1+1	1+1	1+1	Nilf	6.12	H.
8,00,000	1,57,000	35,84,154	17,61,189	1,843	Shaw Wallace & Co., Ltd. ..	Equitable	31⅛	10	1½	1½	1½	1½	6.12	H.
22,00,000	4,60,000	21,52,651	17,48,213	76,888	Killick Industries Ltd.	Hingir-Rampur	15N	50	3	3	3	3	6	Y.
3,50,000	1,08,577	31 70,015	10,56,245	—1,95,248	Macneill & Barry Ltd.	Hurriladih	38	10	3	3	3	3	6.12	H.P.
20,00,000	5,58,000	13,65,400	6,42,347	21,556	Bangur Trust Ltd.	Jogta Coal	12⅜N	10	½+8	½+8	1	1	3	Y.
3,00,000	12,00,000	23,92,791	1 50,648	1,838	Andrew Yule & Co., Ltd. ..	Kalapahari	8⅜N	10	Nil	Nil	Nil	Nil	6	Y.P.
1,38,400	93,000	12 94,951	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	80	100	1½+18	1½+18	1½+18	1½+18	6.12	H.
11,00,240	50,000	10 63,516	3,25,519	1,063	Bettlewell & Co.	Katras Jherriah	39½d	10	Nil	Nil	Nil	Nil	12	Y.P.
9,00,000	11,50,000	28,41,242	15,87,375	10,31,164	Bird & Co., Ltd.	Khas Kajora	7⅜N	10	1½+18	1½+18	Nil	1½+1	2.8	H.
7,48,240	1,50,000	11,24,142	22 43,025	13,548	H. V. Low & Co., Ltd.	Kurdih	5⅛	10	1+3	1+3	2+2	2+2	3	Y.P.
17 76,240	13,72,000	1,17,02,211	8,84,138	20,398		Laturka	10⅜N	10	3f	3f			1.7	H.
6 00,000	3,30,000	31,61,632	83 01,381	71,256	Andrew Yule & Co., Ltd. ..	Pasura	6f	10	1+3	1+3			6.12	H.P.
1,15,000			15,78,155	60,718	New Beerbhoom	New Manbhoom	17⅜	10	3,10x3,10	Nil	Nil	Nil	6	Y.
1,57 500	3,30,000	12,61,739	9,54,796	6,603	Andrew Yule & Co., Ltd. ..		11	10	Nil	Nil	Nil	Nil	4	Y.
7 50,000	10,51,868	3,07,666	2,77,666	1,06,566		North West	12⅜N	10	1½+8	1½+8	1½+8	1½+8	6.12	H.
10 00 000	1,10,000	35 60,122	14,26,827	34,421	F. W. Heligers & Co., Ltd. ..	Ondal	8⅜N	10	1½+8	1½+8	1½+8	1½+8	4.10	H.P.
5,34,000	83,596	17,23,582	6,27,675	15,769	K. C. Tharar & Bros.	Orumal Coal	19⅜	10	1½+8	1½+8	1½+8	1½+8	3.9	H.
15 75,000	8,75,000	39,37,649	26 12,649	31,995	Deepchand Kuhenlall	Peresea	11⅜N	10	1½+8	1½+8	1½+8	1½+8	6.12	H.
13,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	Shaw Wallace & Co., Ltd. ..	Pench Valley	2⅜	10	Nil	Nil	Nil	1f	6.12	H.P.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	B. N. Elias & Co., Ltd.	Rameegunge	10⅜	10	1+3	1+3	Nil	Nil	4.10	H.T.
20,00,000	3,93,008	32,32,218	13,30,500	438	Shaw Wallace & Co., Ltd. ..	Rewa	21⅜	10	1½+15	2½+5	2+1	1f	6.12	H.P.
2,50,000	1,77,000	11,99,363	9,78,699	20,496	Jaipuria Sons Ltd	Samla Collieries	7⅜	10	4+10	13+13	10+12	12f	6.12	H.
8,00,000	8,77,288	28,60,123	25,15,966	25,874	Gillanders Arbuthnot & Co., Ltd.	Seamore	8⅛N	10	Nil	1+1	1 Nil	Nilf	3.9	H.
6,21,450	8,74,490	36,99,197	26,21,250	—1,39,849	Andrew Yule & Co., Ltd. ..	Sebpore	24	5	1½	2+1	1 Nil	Nilf	6.12	H.
	13,25,954	3,24,72,792	2,26,34,594	65,560	F. W. Heligers & Co., Ltd. ..	Sendra	9N	10	2½+2	2+2	Nil	Nil	6.12	H.
					Industrial Trust Fund (Government of Hyderabad)				6+3	6+3			6.13	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6⅜	10	1½+8	1½+8	1½+8	1½+8	6.12	H.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heligers & Co., Ltd. ..	South Karanpura ..	9⅜	10	Nil	Nil	Nil	Nil	6.12	H.P.
10 00,000	12,950	30,15,423	15,42,301	—3,64,336	Villers Ltd.	Standard	20⅜	10	1½+8	1½+8	1½+8	1½+8	6.12	H.
3,50,000	3,30,000	18,94,910	14,86,513	54,954	Hindustan Investment Corporation.	Talcher	21⅜	10	½+4	½+4	½+4	1f	12	Y.T.
49,98,000	£849,927;	£990,805	£115,163	10,963	Bird & Co., Ltd.	Titaghur	22½d	10	Nil	Nil	Nil	Nil	3.9	H.
35,98,600	94,31,454	1,76,49,708	85,52,140	21,038	Thomas Duff & Co. (India), Ltd.	Union	1,794	126	1½+18	1½+18	1½+18	1½+18	4.12	H.
£400,000	£587,164	£1,059,917‡		£119,908	Bird & Co., Ltd.	Victoria	1,326	13	1½+8	1½+8	1½+8	1½+8	6	Y.
2,50,000	1,33,000	56,35,513	35,66,368	57,059	Thomas Duff & Co. (India), Ltd.	Waverley	1,331	171	10	1+7	12½+11	10+1	1f	3.9	H.
					McLeod & Co., Ltd.		465	12½	10	1+1	1+1	1+1	1f	6.12	H.
								6⅛	10	1+1	1+1	1+1	1f	3	Y.
														6.12	H.

* Including bonus. † Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

* The following explanatory notes relate to the abbreviations and marks shown on page 100 in the debentures section :—

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

(c) Option of repayment at any time at 5 per cent. premium.

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

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

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

(e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at 5 per cent. premium after 1st March, 1954, but before 1st March, 1957, and 3 per cent. premium on or after 1st March 1957

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

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

MARKET GOSSIP

(Concluded from page 59)

scheduled to be held at the end of this month at which I hope, a suitable plan for the implementation of the various welfare measures contained in the Act will be drawn up."

* * * *

With the deliveries of foreign sugar, which have been effected in Bombay, and the prospective arrival of a couple of more shiploads, scheduled, for Calcutta and Madras, the Government of India would soon be completing its import programme of 250,000 tons of sugar. And yet, it is doubtful if these imports, on which the Government relied so much in order to bring the sugar prices down to a reasonable level, have served the purpose for which they were intended. The sugar factories continue to charge Rs. 29 per maund, and not Rs. 27 per maund, ex-mill, at which rate, it was once believed, they would be compelled by these developments in the sugar import front to sell their sugar. It is true that one reason why sugar prices have not fallen is the expected shortfall in production for the 1953-54 season. The output is estimated at 1,200,000 tons, as against 1,316,000 tons in the 1952-53 season. But this does not explain fully why the policy of importing sugar has not succeeded in effecting a sizable decline in the prices for domestic sugar. It seems clear that, if the Government wanted to utilise the imported sugar to force domestic prices down to a more reasonable level, it ought to have gone about the business in a more realistic manner. Had the Government marketed its sugar in the *gur*-consuming areas, there might have been a curb on *gur* prices and thereby on *gur* manufacture. This would have diverted larger quantities of cane to sugar mills which might then have been enabled to manufacture and market their sugar at lower levels. The Government chose instead to market the imported sugar at port centres. Since this did not penetrate to the interior, particularly to the *gur*-producing countries, there was no marked fall in *gur* prices. And past experience shows that, so long as *gur* prices rule firm, there can be no substained fall in sugar prices.

MARKET REPORTS

(Concluded from page 89)

London Market.—Monday, 4th January sale: Market 1d. to 1½d. dearer.

Wednesday, 6th January sale: Today's market 1d. dearer.

Colombo Market.—Active demand. High-grown brokens generally dearer, following quality. Mediums advanced 5 to 8 cents. Low-grown and commonest ten cents dearer.

Calcutta Market—Export.—No sale this week.

Dust.—22,000. Strong demand. Market opened firm to half an anna dearer all round, but strengthened as sale progressed. Commons strongest feature.

Export Quota.—There has been an easier tendency and business has been done at 36 pies.

Forthcoming auctions.—Sale No. 2 will be held on Tuesday, 19th January.

SLIGHT RECESSION IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 12th *January*

A slight recession in prices characterised trading in the jute goods market during the week under review. The undertone was, however, steady, as confidence in the outlook for the future was not lacking. Purchases of both sacking and hessian for export were poor this week, and this factor accounted for the decline in prices. There was no alarm among the stockists, as more activity was to be expected. An impressive increase in the consumption of jute goods during 1953 is reported from Great Britain also, where the attempts of mills to oust substitutes among large industrial consumers were crowned with success. As an index, Dundee reports have reached the beginning of the New Year with a backlog of plenty of orders. Although Dundee mills have raised production, installed more automatic looms and made a beginning in reducing output costs by revising the wage structure, it is reasonable to expect that Indian mills would also be benefited by the increase in British demand for jute goods. In a similar manner, the expected decontrol of jute goods in Britain is looked forward with interest by Calcutta exporters. Although the earlier news that Australia would withdraw control on the jute goods import trade has not yet become a reality, the anticipation that Australia would increase import of jute goods from India is considerably strengthened by the reported poor stocks of woolpacks and cornsacks held in Australia. These factors encourage the hope that no difficulty would be experienced to find buyers for all the sackings that the Indian mills would be producing. And it is to be remembered that output of sackings has been progressively reduced during the past year or so by transferring looms to hessians, after taking into consideration the fall in demand from the Far Eastern markets.

As regards hessians, large orders are expected from Argentina this year also. The increase in American burlap consumption for commercial purposes during 1953 is expected to be maintained, and the news that the Indian Jute Mills' Association would send another goodwill mission to the United States and that the Association was considering a possibility of having a technical unit in America to find new industrial uses for burlap encourages the hope that in hessian also marketing of production would be smooth and that unlike last year mills would not have to carry huge stocks. It is in view of these considerations that, although business this week was poor, the undertone in both hessians and sackings was steady.

Last Tuesday, ready hessians 40" 10 oz. opened at Rs. 46-4 from an overnight rate of Rs. 46-6. During the next two days, the price fell to Rs. 45-8 as the only business that was put through was a small quantity with British buyers. Buyers on behalf of the United States kept off the market, as prices for both spot and futures in New York were receding. In addition, there was pressure from the local *fatka*. Friday's fractional improvement to Rs. 45-9, following the publication of stock returns, according to which the reduction in hessians held by mills as at the end of December amounted to 200 tons, was not maintained over the week-end, when the quotation was Rs. 45-6. However, at this stage, some business was put through with America. Follow-up demand was lacking, and the sagging to Rs. 44-6 yesterday was not surprising, with the *f.o.b.* rate at Rs. 48-7. The eight ounce hessians were quoted at Rs. 36.

There was an unwelcome increase in stocks of sackings, as at the end of December, by 1,500 tons. This news was made use of by *fatka* operators to push down the rate of B. twills to as low as Rs. 104-12 from Rs. 105-14. However, covering demand soon not only made good the loss but caused a gain at Rs. 106-8. The rate on Saturday was fractionally lower at Rs. 106-4. Yesterday the rate was as low as Rs. 103.

The raw jute market trod a lethargic line, as support from mills was guarded and finalisation of business was only for small quantities. Mills are in no mood to make hasty purchases, as they expect no difficulties to buy at any time as much as they need. Reports of an imminent shortage are discounted, while it is felt that any sign of unusual interest from mills might put up prices. For all these reasons mills would buy as sparingly as possible, as any disturbance in the upward direction to the present competitive nature of quotations for jute goods would have unwelcome effects. In transactions, northern bottoms fell to Rs. 28-8 from Rs. 29, and Assam bottoms gave way to Rs. 27-8 from Rs. 29. Interest in *Bimli* f.a.q. continued but the rate realised was lower at Rs. 25. Indian NC cuttings at Rs. 70 a bale lost by Rs. 3. Other latest quotations: Dalsee bottoms Rs. 30-8, Murshidabad bottoms Rs. 26, Western bottoms Rs. 25-8, *Jungli* bottoms Rs. 25, Orissa bottoms Rs. 29-8, Uttar Pradesh bottoms Rs. 25-8, and Pakistani northern bottoms Rs. 28-8.

FOODGRAINS QUIETLY STEADY

(From Our Own Correspondent)

HAPUR, 12th *January*

The Government of India's decision to decontrol coarse foodgrains, millets and gram with effect from the 1st inst., has had general reactions on the markets all over India. The decision has been welcomed in trade circles and private trading in millets has already been taken in hand. Uttar Pradesh has given the lead and is being followed by Punjab and Andhra. Madhya Pradesh is being tapped for

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,900				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	108	20	6 0	6 0	6 0	2 8(i)	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	12½	25	0 12½	0 12½	0 12½	—	12	Y.
2,50,00,000	3,12,00,000	6,36,553	Bank of India	154½	50	7 0	7 0	7 0	1 8(i)	6.12	R.L.Y.
18,30,375	54,00,000	63,200	Bank of Indore	60N	25	3 0½	3 0½	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	18½	20	1 8	1 8	1 8	1 8(i)	12	Y.
30,00,000	84,00,000	2,44,634	Bank of Mysore	284	100	16 0	16 0	16 0	8 0(i)	12	Y.
39,99,150	81,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	12	Y.
15,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	6	Y.P.T.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
8,62,11,375				85	50	5 0½	5 0½	5 0½	—	12	Y.P.
82,42,375 'A'	3,99,08,177	17,23,015	Central Bank of India Ltd.	64½	25	3 6	3 8	3 8	0 12(i)	12	R.L.Y.
50,00,000	24,00,000	1,47,808	Dhrkaras Nagpur Banking Co.	66½	25	3 8	3 8	3 8	0 12(i)		
5,00,00,000	1,00,00,000	10,10,825	Habib Bank (P)	34	10	1 8	1 12	1 12	—	12	Y.
5,33,00,000	16,20,000	10,609	Hindustan Commercial Bank	88N	20	2 0	4 0	4 0	—	12	Y.
50 00,000	1,30,000	1,412	Hindustan Mercantile Bank	8¾	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	†Hyderabad State Bank	11½	100	—	—	—	—	12	Y.
9,75,00,000				105N	100	6 0‡	6 0‡	5 0	5 0	9	Y.
1,87,50,000	6,35,00,000	37,39,076	Imperial Bank of India	1,835	500	80 0	80 0	80 0	40 0(i)	6.12	R.L.H.
24,00,000				443½	125	20 0	20 0	20 0	10 0(i)	6.12	R.L.H.
16,00,000	72,50,000	1,04,201	Indian Bank	169	100	12 0‡	12 0‡	12 0‡	6 0(i)		
15,40,000				140	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	99	60	7 3½	7 3½	7 3½	3 9 3(i)		
6,25,000				95	100	5 0‡	6 0	6 0	—	.12	R.L.H.
2,50,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	8 0	6 0	—		
10,00,000				18½	25(B)	2 4	1 14	1 8	—	6.12	H.
37,50,000	89,00,000	1,92,605	Punjab National Bank	39	50(C)	3 0	3 0	3 0	1 8(i)		
8,00,00,000	17,50,000	37,630	Travancore Bank	21	25	1 0	1 0	1 0	1 0(i)	12	V.
48,00,000	30,00,000	2,06,135	Union Bank of India	12½	25	—	—	—	—	12	V.
8,00,00,000	75,00,000	1,01,119	United Commercial Bank	6½	5	0 5	0 5	0 5	—	12	Y.
				41	50	2 0	2 0	2 0	—	12	M.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,960,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£-2-1-0	£5	14†	14†	16†	7†	12	R.L.Y.
				£7½	£5	7†	6†	7†	3†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank								
H.K.$20,000,000	H.K.$50,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£934	H.K. $125	5*	5*	5*	2½(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£3-1-7½	£1	12†	12†	12 †	5	12	R.L.Y.
£375,000				£1-7-0		5†	5†	5 †		12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24	A £125	12†	12†	14†	7½(i)		
£300,000				£24	B £125	12	12†	14†	7½(i)	12	R.L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India	£10	C £25	12†	12†	14†	7½(i)		
				£32½	£125	16†	16†	16†	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††U.S. Currency. (i) Interim. *6 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
8,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	98½	28th February .. 1960(i)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
85,00,000	4½	1st May and 1st November	Walchandnagar Industries	105	1st April 1956-61
		1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Bengal Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72
13,68,000	5½		Jaybhye Textiles	102	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	103	 1966-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..	102½	14th June .. 1960
96,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co. ..	100§	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,55,97,200	4	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	102½	1st January .. 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	88	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Bihar (Dherian) Electric Supply Co., Ltd.	96	30th June 1976
7,36,200	5½	1st January and 1st July ..	South Madras Electric Supply ..	97	 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply ..	94	1st October .. 1953-63
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply ..	94§	 1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	94	1st July 1957-67
47,75,000	4	1st April and 1st October ..	Tata Power	100§	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October ..	Tata Power	93§	15th September .. 1965-70
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridges and Roof (India), Ltd. ..	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£96	31st December .. 1966(k)
10,00,000	4	31st May and 30th November	Kumarkhali Engineering Works Ltd.	88	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	101	1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1960
JUTE					
12,90,000	4½	1st October and 1st April ..	Agarpara	99	31st March .. 1954
6,80,000	4½	30th June and 31st December	Alexandra	98	30th June .. .. 1954(b)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90§	30th June 1945
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	99½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. .. 1959(e)
10,69,000	5	30th June and 31st December	Chiaralah Jute Mills	97	30th June 1966
9,86,000	5	30th June and 31st December	Empire	95	15th July 1956
25,00,000	5½	1st January and 1st July	Hukumchand	97	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. ..	92§	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,800	5½	31st March and 30th September	Nellimala Jute Mills Co., Ltd. ..	98	31st March .. 1954
5,00,000	4½	14th November and 14th May	Northbrook Jute Co., Ltd. ..	98§N	14th May 1959
20,00,000	4	30th June and 31st December	Prodhoocoy	93	31st December .. 1964
6,00,000	4	30th June and 31st December	Reliance Jute Mills Co., Ltd. ..	93	30th June 1958
25,00,000	5	31st March and 30th September	Seerah Jute	96	5th September .. 1965
12,00,000	4½	14th March and 14th September	Union	96	14th September .. 1957
12,00,000	5½	30th June and 31st December	Waverley	97	30th June .. .. 1957(d)
		31st January and 31st July		84	31st July .. .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barsaet-Basirhat Light Railway ..	86	1st July 1956
£350,000	4½	1st January and 1st July ..		£66§N	1908 At 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	6	1st April and 1st October ..	Calcutta Tramways		
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	£77§N	1933 1st October .. 1974
				90§	1945 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway ..	105	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	£85§N	
				97	1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	513	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	105	1st April 1956-56
4,61,000	5½	30th June	Ouchterlony	520	30th June 1954-59
9,00,000	5	31st March & 30th September	Peria Karamalai	502½	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd. ..	101	30th September .. 1935
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	98	31st December .. 1965
26,80,000	4½	1st April and 1st October ..	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1965
21,35,000	4½	1st July and 1st January ..	Clive Buildings	88½	1st July 1956
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00 00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79§	
1,30,00,000	5	1st January and 1st July ..	Dunlop Rubber	102§	1st January .. 1971
80,00,000	4	15th March and 15th September	Mettur Chemical Industries	96	1964
39,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	30th September .. 1976
45 00 000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
75 00 000	5	1st April and 1st October ..	Macneill and Barry Ltd.	90N	
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	95	1st April 1971
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	84§	31st March 1961
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103§	31st December .. 1979
					1st May 1968

Note—See page 98 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th January, 1954.

	Closing quotations 7-1-'54	High	Low	Closing quotations 14-1-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	155	154½	153½	154½
Bank of Baroda (50)	109	109½	107½	107½
Central (25)	63½	64¼	63½	64¼
Central 'A' (25)	66½	67	66½	66½
Imperial (F.Pd.) (500)	1,840	1,840	1,815	1,815
Imperial (F.Pd.) (125)	443½	443½	440	443½
Union Bank (5)	6-3½	6¾	6 3½	6¾
United Com. (50)	44	42	40½	42
COTTON MILLS				
Ahm. Adv. (100)	138½	—	—	141½
Ajanta (2)	2⅛	2-1/16	2⅛	2-9/16
Bombay Dyeing (250)	393½	395	389½	391½
Central India (100)	179	180½	175	180
Century Mills (100)	277½	287	275½	285
Colaba (100)	67½	67½	65	65
Edward Textile (200)	250	257½	250	257½
Elphinstone (50)	41	40½	39½	40
Finlay (100)	256	257½	254½	257
Gokak (100)	242½	244½	241½	243½
Ind. Unit. Deld. (1)	1⅛	—	1-5/4	1⅛
Ind. Unit. Ord. (10)	10-13/16	—	10-1/16	1⅛
Indore Malwa (100)	—	11-3/4	10-11/16	11-3/4
Khatau (100)	191½	96½	93½	96½
Kohinoor (100)	295½	—	—	191½
Lakshmi (250)	555	297	293½	296½
Madhusudhan (100)	89	555	540	540
B. B. Cotton Mills (100)	47	—	—	89
Minerva Mills (100)	91	—	—	47
Model Nagpur (250)	140	—	—	92
Morarji (100)	187½	187½	183½	141½
Mysore (50)	152½	153½	146½	146½
New City (100)	167½	170	167½	170
New Great (100)	170½	172	166½	170
New Union (10)	26	—	—	26
Phoenix (100)	122½	122½	122½	121½
Rajkot Mills (100)	131½	131½	127½	131½
Rajnagar (1,000)	284	284	28	28
Shrinivas (100)	1,325	1,425	1,355	1,425
Simplex (50)	173½	—	—	173½
Standard (100)	151½	153	150	152½
Svadeshi (100)	309½	314½	308½	312½
Swan (100)	267½	270½	264½	270
Tata M.L. (25)	332½	335	332½	334
Vikram (100)	514	514	49½	51
Western India (1,000)	3,550	—	—	140
				3,550
ELECTRIC COS.				
Ahmedabad (100)	112½	112½	112½	112½
Amalgamated (10)	10½	—	—	12½
Andhra Valley (1,000)	1,230	1,235	1,217½	1,235
Bom. Sub-Bl. (100)	123½	123½	121½	123½
Surat (100)	128½	130½	126½	130
Tata Hydro (100)	137	137½	136	136
Tata Power (1,000)	1,340	1,342½	1,335	1,335
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	625	—	—	624
Ind. Mercantile (20	37½	37½	37½	37½
Jupiter (10)	6¾	—	—	6¾
New India (15)	40	40½	39½	39½
Oriental (200)	7,235	—	—	40
Universal (10)	8½	—	—	7,235
Vulcan (10)	11½	11½	11½	8½
				11½
STEAMER COS.				
Scindia (15)	15½	15½	15-5½	15–10½
STEEL COS.				
Ind. Iron (10)	25-4½xd	25-6½	25-2½	25-4½
Tata Steel Defd. (20)	1,906½	2,017½	1,973½	2,011½
Tata Steel Ord. (75)	337½	342	334	341½
MISCELLANEOUS				
Alcock Ashdown (100)	323½	83½	325	332½
Associated Cm. (100)	196½	187	180	Intd.
Belapur Sugar (5)	243	245½	242½	391½
Bom. Burmah (125)	361½	361	361	361
Do. (New) (50)	133	132½	129½	265
Br. B. Petrol (4 sh.)	2-3½	2-4½	—	133½
Br. Ex. Corpn. (5)	8½	9-2½	2-2½	2-4½
Indian Copper (2 sh.)	2-11½	3-1	2-11½	9-2½
Ind. Inv. Tr. (100)	74½	—	—	2-11½
Kemp (200)	261½	261½	260	74½
Killicks (100)	157½	—	—	261½
Killicks (75)	126½	—	—	157½
National Rayons (100)	118	149½	137½	126½
Phelton Sugar (50)	99½	101½	99	143½
Rest Lansing (100)	25	25½	24½	101½
Premier Cou. (50)	114½	115½	112½	25
Shivrajpur (10)	72½	74	70½	114½
Tata Chemicals (10	11⅛	11⅛	11⅛	72½
Tata Oil (25)	32½	32½	32½	11⅛
Walchand Ins. (100	163½	164½	161½	32½
W. I. Match (10)	200	201½	200	163½
				200½

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98§	—	3.55	98⅜
2½% 1955	97	—	3.47	98§
2½% 1956	90	—	3.93	98§
2½% 1960	91	—	3.87	93§
2½% 1962	91	—	3.88	93§
2½% 1974	82	—	3.88	91§
3% 1957	82	—	3.96	82§
3% 1958	98	—	3.47	82§
3% 1959-61	96	—	3.46	98§
3% 1964	96§	3.77	3.58	98§
3% 1963-65	92§	3.95	3.88	96§
3% 1966-68	90	3.96	3.81	92§
3% 1970-75	86§	4.12	3.93	92§
3% 1988 Con. Loan	82§		3.65**	86§
3½% 1954-59*	100	3.32	3.43	82§
4% 1960-70	101§	3.70	3.85	100§
4½% 1958-68	102§	3.76	4.02	101§
4½% 1938-48*	105	3.27	4.04	102§
3½% 1961 N.P. Bonds	98§	—	3.67	105
				98§

BRITISH GOVERNMENT SECURITIES	7-1-'54 £	High £	Low £	13-1-'54 £
5½% Brit. Consols	64§	64§	64⅜	64§
3 ½ Savings Bonds 1965-75	73	—	—	—
3 ½ War Loan 1955-59	89	89	87⅜	87⅜
3½% War Loan 1952	102	102§	102	102§
4½% Brit. Iron and Steel	84§	84§	84⅜	84⅜
1976-78	94	94	92⅜	99§
4 % Funding Loan 1960-90	101⅜	101⅜	101§	101⅜

x.d.—Ex-dividend. ** Current Income. * Rupee Consequents.

COMMERCE

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

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THE SYDNEY CONFERENCE

CONFERENCES of Commonwealth Governments, whether they are political or economic, have always been a colourless affair so far as the general public is concerned. No exciting developments or revolutionary decisions emerge from these high level talks. They cannot be otherwise, for such conclaves have no power to commit countries to any specific action, since each of the participating countries is a sovereign State. They merely exchange views and arrive at broad decisions on subjects of common interest. The seven-day Conference at Sydney, attended by the Finance Ministers of all the Commonwealth countries, was no exception to this special feature. If the reports that prevailed both before the Conference began and after were to be believed, the Commonwealth Ministers must have decided to abandon the G.A.T.T. and strengthen Imperial Preference, pitting the sterling area against the dollar area; they must have also taken a gloomy view of the outlook for international trade. But nothing of this sort has happened. Though we do not know what the Ministers spoke at the Conference, the lengthy joint communique issued by them—the full text of this is published elsewhere—reveals that they still believe in expanding world trade, in securing freedom from exchange control and import restrictions, in co-operating with the U.S. and in the continuation of the G.A.T.T. It also shows that they have dispersed in a spirit of subdued optimism. Indeed, in refreshing contrast to the crisis atmosphere that faced the Ministers when they met two years earlier, the Conference has ended in a note of confidence in the Commonwealth's ability to increase production and widen export markets.

The purpose of the Sydney Conference was to take stock, to consolidate, to reaffirm and to strengthen future plans. Its outcome is that at no time was the Commonwealth more united than at present in its determination to bring about freer trade and convertibility of currencies, to eschew restrictive practices, controls, etc., and to follow sound internal economic policies. The keynote of the Conference was struck by the Australian Prime Minister, Mr. R. G. Menzies, when he said: "We have freed ourselves from the false propaganda of 'sterling versus dollars,' 'Commonwealth versus the rest.'" The Conference has expressly reaffirmed all the objectives which the Ministers set for themselves in January, 1952, and amplified in December, 1952. It has again rejected the view that "any solution of our problems can be found in the creation of a closed system of discriminatory arrangements, which could lead only to chronic restrictions and recurring crises."

The Commonwealth Ministers did well to reiterate this view, for, in recent months, the failure of the U.S. to take energetic measures for enabling the rest of the world to trade with it more freely has engendered a feeling of despondency and strengthened the hands of votaries of Empire Preference not only in Britain but also in certain Commonwealth countries, such as Australia. While the delay on the part of the U.S. to clarify its attitude regarding access to its markets is regrettable, it would have been absolutely foolish if the Commonwealth had decided to pursue a policy of isolating the dollar area and achieving self-sufficiency for the sterling area as a whole. For the Commonwealth needs America as much as America needs the Commonwealth. Further, any stress on Imperial Preference at this stage would amount to weakening the hands of those liberal elements in the U.S. which are fighting for relaxation of tariffs and customs barriers. It would have also led to needless complications in the economic relationship of Commonwealth members with Japan and Continental countries, in fact, with all the countries that belong to the family of free nations.

There has, however, been a shift of emphasis in one of the chief objectives of the Commonwealth. Convertibility of currencies is no longer the immediate goal to be achieved at any cost. The emphasis is now on increased production, rapid development of Commonwealth resources but on sound economic lines, achievement of a surplus in trade not merely with the U.S. but with all non-sterling countries, and removal of import restrictions at least in regard to inter-Commonwealth trade. The significance of this change in emphasis is clear. The Commonwealth does not aim at self-sufficiency as a group, but it wishes to be solvent and self-reliant. Increased production is necessary to maintain employment, to expand exports and to raise living standards. If more cannot be exported to the U.S., an attempt should be made to export to other countries. Economic activity in the U.S. in 1953 was at its peak and it is doubtful whether it could be maintained at that level for ever. A slightly downward readjustment is, perhaps, as much in the interest of the U.S. as it is in that of other countries. Since the war, there has been a phenomenal rate of growth in the American economy based on armament programme which must, one day or another, pass its peak and stabilise at a normal level. It is, therefore, positively desirable that there should be a pause in U.S. economic expansion, so that a readjustment could be made, based on the more reliable, natural and long-term pattern of consumer demand. Accordingly, prudence demands that other countries should try to reduce their economic dependence on the U.S. by cultivating new sources of raw materials and outlets for finished goods.

Fortunately for the Commonwealth, as well as for European countries, there are some welcome signs of developing their trade with Russia and other Communist countries in East Europe. In recent weeks, this part of the world has shown an inclination to buy goods which the former countries are in a position to spare and for which it is prepared to make payment in gold. Russia wants food, agricultural raw materials, consumer goods, and plant and machinery for making such goods. Sceptics there are in plenty who feel that the scope for trade with the 'East,' by which they mean countries east of the Iron Curtain, is very little and that these countries have no surplus production to pay for imports. There may be something in what they say. But it is generally believed that Russia has plenty of gold and that it wants to increase the supply of such goods as clothes, boots and other things, so that the workers and farmers in the Iron Curtain countries may have the necessary incentive to increase their production. Some Continental bankers, too, feel that Russians are really embarking on a new commercial policy, brought about by the political necessity of satisfying the needs of the home market. This is a hopeful change in the Russian attitude which provides a chance for doing business. Whether or not it can amount to much does not matter. There is no reason why resumption of trade with Russia and the countries under its influence should not be regarded as part of the move for peaceful co-existence which the Berlin talks are designed to seek. Two points of contact with the Russians, as a British contemporary, the *Daily Herald*, admits, will be better than one. That the British business community also feels the same way is evident from the fact that a large delegation of textile machinery makers is now in Moscow negotiating for supply of textile machinery. The proposed deal is said to be one of the biggest in post-war years for the British textile machinery industry.

There are two more reasons for relegating convertibility of sterling as a distant objective. One is the prolonged uncertainty about U.S. foreign economic policy and the other the fact that the dollar and gold reserves of the sterling area are still not large enough to take the plunge. It is true that the I.M.F. announced, just before the issue of the Commonwealth Ministers' statement, its readiness to follow a more liberal policy in regard to providing accommodation to any member-country which is prepared to make its currency fully convertible. But this has not induced the Finance Ministers to alter their attitude towards the issue of convertibility. They cannot, of course, be blamed for it. In the first place, in the current half-year, imports of the sterling area are expected to expand by £160 million, as compared with the first half of 1953, while exports are anticipated to be lower by £30 million. Consequently, the Commonwealth's trade surplus is expected to go down from £430 million for the financial year ended 30th June, 1953, to £233 million for the year ending 30th June, 1954. The Ministers, therefore, feel that the sterling area's gold and dollar reserves must register a further substantial increase before the Commonwealth can begin to look at the problem of convertibility of sterling. Secondly, the Commonwealth must know in advance as to what policy the U.S. will follow in regard to its import trade. It is no use making sterling a convertible currency, unless the task of earning dollars is made less difficult than it is now.

It is significant that, despite the prospects of a fall in trade surplus, the Commonwealth Ministers have decided not to restrict imports. Admittedly, this decision is born of their experience that restriction of imports leads to a vicious circle and that the best way to build foreign exchange resources is to expand exports. And if exports are to be increased, production of goods must be stepped up at competitive costs. This realisation is fully reflected in the renewed emphasis made by the Finance Ministers on the intensive development of Commonwealth resources and on the need for pursuing sound economic policies designed to restrain inflation.

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THE HOUSING PROBLEM

ALTHOUGH there are signs that the high tempo of building activity, which followed the close of the war, has slowed down, there is no immediate prospect, whether in the larger cities or in the smaller towns and villages, of the end of the shortage in accommodation. The problem is no doubt less acute than in the early post-war years, but is yet far from solution. The strident increase in the urban population (about 54 per cent.) during the 1941-51 decade, the movement of the rural inhabitants to the towns, the war-born restrictions and scarcity of materials which hindered housing construction, and the great migration of population following the Partition, have all combined to make the problem of housing more acute than ever. To these factors must be added the effect of the social changes, brought about by the continuing break up of the joint family system. The country needs, according to the Planning Commission's estimate, about 4.3 million houses. This number will be higher, if provision is made for the normal growth in population, and the number of old houses which will have to be replaced by new construction. If the total number is assumed at five million houses, the solution of the housing problem would mean, at a cost of Rs. 3,000 per house, an outlay of Rs. 1,500 crores, or about three-fourths of the total outlay on the Five-year Plan itself. Although no precision can be claimed for this figure, it should convey some idea of the magnitude of the housing problem.

It would, however, be wrong to think that the housing problem is essentially a matter of finance. It is as much a matter of men and materials. Indeed, through the more economic use of these two factors, it should be possible to make every rupee of housing finance go further than it does. It is, in this context, that the organisation of exhibitions, such as the International Exhibition on Low Cost Housing, now being held at New Delhi, acquires a value through the impetus it gives to more economic utilisation of housing materials. In the 70 model houses exhibited there, some of which have been sent by overseas countries, there is food for new thought on housing. Inaugurating this Exhibition, Dr. Rajendra Prasad rightly suggested that the cost of building material should be brought down and houses should be built on a large scale to meet the housing needs of the people. The value of this Exhibition has been further enhanced, as the Union Minister for Works, Housing and Supply, Sardar Swaran Singh, pointed out, by the decision of the International Federation for Housing and Town Planning to hold its South-East Asia Regional Conference in Delhi during the Exhibition. Gathered at Delhi now is a "galaxy of talented men and women from various countries" who ought to be able to make many valuable suggestions for reducing the costs of housing construction in India.

Any attempt at bringing down the housing costs must, naturally enough, tackle the three principal elements of the structure of housing costs—land, labour and materials. The land cost is high. Two issues are involved here. In the first place, there is need to prevent speculation in land, the purchase and hoarding of land with an eye to profit. Secondly, there is the problem of unused housing sites. Neither of these two problems has been satisfactorily solved so far. It is not easy for the Government or the local authorities to acquire open sites. There are always legal complications. And, in any case, it cannot be done without compensation, which is prohibitively high. Thus, there are owners of housing sites who will neither construct houses nor let others do the job. Since expropriation is out of the question and payment of compensation raises complex and onerous financial issues, the best that could be done would be to impose penal taxation on the recalcitrant landowners. Even if it is impossible to compel them to build houses, it should at least be possible to make it difficult for them not to build them. It should, however, be recognised that this is at best only a negative approach to the problem. A positive solution is to make it easy for the owner of the site to build, and to make it economically worthwhile.

Perhaps, a sizable reduction in building costs would induce many of these people to put their land to the use for which it is intended. In any case, what deters people from owning houses is the high cost of construction. Land is only one part—and a minor part, at that—of the housing problem. Labour and materials form the bulk of the constructional costs. Although there is no dearth of unskilled workers, skilled labour force is strictly limited. Wages are, therefore, high. In the rural regions, it should be possible to reduce labour cost to a minimum by encouraging group effort. The position is different in urban areas. Here, the problem is one of training labour for constructional work and also of improving the efficiency of the workers through mechanisation of at least a part of the manual labour involved. Here is a great field for time-and-motion studies, for securing efficiency in constructional engineering. The facilities for training men for jobs below the level of engineers are also limited. Short courses, with adequate emphasis on practical knowledge, ought to be provided in a large number of centres, perferably one at each district town.

Next to the creation of trained labour, the provision of cheap and efficient building materials is an important step towards the reduction of building costs. The scarce materials are cement, steel and teakwood. But these materials could be substituted by clay, sand, earth and timber, which are more freely available. The supply of other building materials, such as bricks, stone and lime, is, however, satisfactory, though it is necessary to bring down their prices too. This could be done by producing them in larger quantities than now. It might be necessary to use mechanical equipment for such operations as quarrying and stone-cutting, as this would ensure larger production of these materials and their availability at lower prices. A more helpful timber selling policy by the Forest Departments, and concessions in railway freight on building materials are other measures that would help bring down housing costs. Finally, there is need for organising an efficient building industry, which would not only help make available such unmanufactured or semi-manufactured items as stones, lime and sand at reasonable prices but also produce, on a mass scale and in standardised sizes, door and window frames, hinges, chains, sockets, nails, screws and door panes. Given adequate facilities, there is vast scope for a well-organised building industry in India.

A word about research. The search for new and more advanced techniques of cheap construction, as Sardar Swaran Singh said recently in a broadcast talk, must be a constant one. At present, research in building techniques is being carried on at the Central Building Research Institute, Roorkee, Forest Research Institute, Dehra Dun, and the Buildings and Road Research Station, Karnal, and in certain other institutions. A new body, the National Buildings Organisation, has been set up to pool all information relating to building materials and constructional practices, and to disseminate information about the results of research. The Government has also set up a "rural cell" and an "experimental unit" in the Ministry of Works, Housing and Supply, with a view to designing cheap model houses for rural and urban areas. What is necessary is that research should be conducted with an eye to its practical value. Apart from conducting research, there is need to disseminate even elementary information about construction of houses and provide some guidance in regard to building costs, with standardised plans, through popular pamphlets in all Indian languages.

COFFEE INDUSTRY

THE debate on the levy of export duty on coffee during the last session of Parliament revealed an inadequate appreciation, on the part of Government and some members of the House, of the difficulties of the industry. The demand made by coffee planters and a few members of the House to refer the question of fair price for the growers to the Tariff Commission did not bring a favourable response from the Government side. In fact, the Minister turned down the suggestion, in the course of his reply to the debate, on the ground that there was no conflict between the consumer and the producer. In the circumstances, the visit of some of the members of Parliament to the coffee plantations on the Bababudan range, the Udigere and Balehonnur estates and the Coffee Research Station a few days ago, is to be welcomed. The object of the tour was to study on the spot the various difficulties confronting the industry and to assess the possible help that could be rendered both by the State and Central Governments to improve the position of the planter. The personal visit of the members of Parliament should enable them to understand the industry's case in its proper perspective when the Coffee Bill is taken up for discussion in the next session of Parliament.

At a meeting of the planters and the visiting members of Parliament, Mr. Ramanna, President of the Indian Planters' Association, outlined the difficulties of the planters and said that the planters needed financial assistance, as the Indian Coffee Board had not paid their dues for the last year's crop in full. He also urged that fair prices should be fixed for coffee from the planters', as well as the consumers', point of view. The earnings from exports should, he added, go to the industry and not to the Exchequer.

In his reply to the planters' representations, Mr. Nijalingappa, M.P., on behalf of the touring parliamentarians, deplored that a proper assessment of the magnitude of the difficulties of the planters had not been made by the Central Government to help them in bringing down the cost of production. The Central and State Governments should not only formulate plans to grow more coffee per acre but also rehabilitate the lands that were being eaten up by jungle for want of proper care. He, therefore, urged that the Central Government should also think in terms of expanding coffee cultivation, for which lakhs of acres were available in Mysore, Coorg and the Nilgiris. This would also solve the unemployment problem to a considerable extent.

That the correctness of the Government's attitude to the coffee industry is being questioned not by planters alone is evident from the statement of Mr. Nijalingappa referred to above. The problem of bringing down coffee prices paid by consumers, which seems to be the sole object of the Government's policy, does not offer any short-term solution. It is necessarily a long-term one, in that the cost of coffee to consumers can be reduced only by increasing production. That there are vast potentialities for expanding the area under cultivation of coffee is clear from Mr. Nijalingappa's statement referred to above, as well as from the speech of Mr. Ivor Bull, Chairman of the Consolidated Coffee Estates (1943) Ltd., at the annual general meeting of the Company. Not only is there a vast area of abandoned waste land in the Malnad but the conditions also could never be more favourable than they are at present. As Mr. Bull rightly remarked, if this area is cultivated, as much as 80,000 tons of coffee worth Rs. 50 crores and more can ultimately be exported. Even on a comparatively slower pace of development, we should be able to export at least 24,000 tons of coffee worth Rs. 17 crores within a period of 15 years. Consumers could also be subsidised to a great extent. But all this development will be possible only if the grower is encouraged to produce more by being given a fair price for his produce. The Government should reward the more efficient producers of coffee, so that the sub-standard and inefficient estates may have a desire to improve themselves and produce good coffee. This means that it should drop the idea of penalising the more efficient and economic estates with the object of subsidising the inefficient estates.

The sooner the Government of India concedes the demand of the planters for an enquiry by the Tariff Commission and paves the way for a rapid development of the industry, the better. World prices of coffee are attractively higher. The long-term outlook for world coffee, as the F.A.O. pointed out ere now, is favourable. Although the supplies may increase and prices may react to some extent from the present levels, indications are stated to be not wanting that the upward trend of demand will continue. More and more people, both in India and abroad, are taking to coffee. Further, the range of goods which India can freely export is diminishing and, even in those that can always be expected to figure in our export list, there are some, such as cotton textiles, tea and jute goods, in which there is bound to be keen competition in the coming years. Prudence thus demands that India must steadily diversify the commodities and manufactures that participate in its export trade. From this point of view, coffee is a valuable product. In many export markets, Indian coffee has always been preferred to coffee from other countries, because of its fine flavour. But if it is to play this important role in India's economy, every effort must be made to increase its production right from now. In fact, we would even suggest its inclusion in the first Five-year Plan, although three years of this Plan are drawing to a close. In view of the vast scope that this industry offers for increasing employment in rural areas, especially in areas which are now lying waste, we do not see why it should not be included as part of the additions that are being made to the Plan. In this connection, we would invite the attention of the members of the Planning Commission to the article of Mr. Ivor Bull, published in our 1953 *Annual Review Number*, in which he has convincingly brought out the advantages of expanding production of coffee to the country, as a whole, and to the Malnad in the South, in particular.

BULLISH FERVOUR IN ALL MARKETS

EXPERIENCE OF ELECTRIC UNDERTAKINGS IN RAISING ADDITIONAL CAPITAL ANALYSED

THURSDAY, 5 P.M.

A STRONG bullish psychology has come to prevail on all Stock Exchanges, with Dalal Street continuing to provide the lead in this respect. Almost every scrip has gone up, and steels and textiles have been prominent. Today, before closing at Rs. 2,077-8, Tata Deferreds touched a peak of Rs. 2,082-8, the highest level to be seen since July, 1951, when the Korean war boom was on. Only 10 days ago, they were standing at a low of Rs. 1,975. Thus, a rise of over Rs. 100 has taken place within a short time. Similarly, during these 10 days, Tata Ordinaries have advanced by Rs. 18-8 to Rs. 352-8 and Indian Irons by Re. 1-1. Among textile shares, Bombay Dyeings have moved up by Rs. 20 and Kohinoors by Rs. 16. Belapurs have spurted by Rs. 10, A.C.C. by about Rs. 4, despite the discouraging prospects regarding the price for the Company's cement, Bombay Burmahs by Rs. 22 to Rs. 386-4 and Scindias by As. 9 to Rs. 16. These figures will give one an idea of the extent to which markets have become buoyant. Whatever gain has taken place in equities is mostly due to speculative activity. Almost all leading brokers report that investors are still apathetic and distrustful of the improvement that has occurred so far.

MARKET GOSSIP

* * * *

No rational explanation for the rise in prices is possible. The most important point is that the sentiment of professional operators has undergone a fundamental change. They are all feeling bullish, because they feel that inflation is inevitable, as the Government has decided to spend something like Rs. 1,200 crores in the next two years. In fine, therefore, inflationary psychology is the cause of the upward movement of equities. The continuous rise in notes in circulation during the four weeks ended 15th January, 1954, aggregating about Rs. 37 crores, coupled with the expansion in the Five-year Plan, has strengthened this psychology. While this is the general reason for the bullish fervour, there are other causes for individual scrips going up. In the case of Indian Irons, for instance, expectations of a sizable increase in the retention prices and encouraging production returns are sustaining the bulls.

* * * *

Besides these factors, there are a few more that are responsible for the smart rise in the shares of the T.I.S.C.O. In the first place, the Conversion scheme is a certainty, now that it has received the sanction of the Bombay High Court and the prospects of dissident shareholders appealing against this judgment are slender. Secondly, the leading speculator who has been holding a short-sale to the tune of 6,000 to 7,000 Deferreds has not chosen to cover his position. Some are of the opinion that this operator will have to cover his sales before the dealings in Deferreds on the Exchange are suspended. This view is based on the belief that it will be more difficult to square up these sales in the form of Ordinaries than in the form of Deferreds. Thirdly, the nuisance that was being created by the *Mahajan* market has disappeared; so long as this market allowed trading in Deferreds, there was a sizable amount of options which used to have a restraining effect on wide variations. Moreover, dealings in this market were generally on behalf of small operators who are usually content with small gains. And, fourthly, the rise in prices is justified by the attractive yield that these shares offer. Even at current market rates, the yields on Deferreds and Ordinaries work out to 5.54 per cent. and 5.95 per cent., respectively, assuming that dividends will be maintained at 1952-53 levels, which is not an unreasonable assumption.

* * * *

The improvement in textile shares is attributable to two things. It is believed that the financial results of most of the mills in Bombay Island for 1953 will be quite satisfactory and that some of the leading ones will even be in a position to declare a higher return to their shareholders. Three mills are being specifically talked about in this connection. These are the Bombay Dyeing, Kohinoor and Century. The gross profit of Bombay Dyeing is placed by market circles at Rs. 1 crore, as against Rs. 70 lakhs for 1952, and that of Kohinoors at Rs. 58 lakhs, as against about Rs. 24 lakhs. An increase of Rs. 5 and Rs. 2 per share in the dividends of these Companies has been taken for granted; indeed, some are anticipating a rise of Rs. 4 per share in the case of Kohinoor. No such figures are being mentioned about the Century, but it is widely believed that it will not lag behind the other two. It remains to be seen how far these optimistic expectations will be fulfilled. In any case, in respect of Kohinoor at least, the market may not have to keep guessing for long, because we understand that the management proposes to announce the results much earlier than in previous years.

* * * *

The second reason for the rise in textile shares is the encouraging trend of the cloth market. It is stated that export demand for cloth made out of Indian cotton is good and that mills have been able to book forward orders at fairly remunerative rates. The bookings for domestic market, however, have not yet come up to expectations, but it is generally believed that, with the cotton market consistently moving up, upcountry dealers would not wait for long, lest they should miss the bus. The piecegoods market is thus optimistic. Some of the leading millowners, however, still feel that the present rate of production is more than the demand, both internal and external, and that it will not be long before stocks once again accumulate to uncomfortable levels. We have no means of either confirming or rejecting this view. Suffice it to say, however, that a similar view held in regard to sugar a year ago was completely belied and that these millowners have been expressing this view ever since November last.

* * * *

That speculation is the chief cause for the current upward movement in shares will be clear from one or two instances. It was only a few days ago that Phalton Sugars were placed on the forward list. Before this scrip was added to the forward list, it was standing at well below Rs. 100 (Rs. 50 paid-up); today they touched a high of Rs. 115 and finished at Rs. 114-8. This shows to what extent facilities provided for forward trading enhance the value of a scrip. Likewise, there has been a rise of about Rs. 10 in the price of Minerva, Mysore Spinning and Digvijay Cement. This, too, has been in expectation of these scrips being promoted from the cash section to the forward section. Again, the large-scale activity that has been going on in National Rayons would not have been possible but for this scrip being quoted in the forward list.

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The bullish fervour is not confined to the share market alone. It has spread to all the markets. Bullion, oilseeds and cotton, all have been lively, with a handsome rise in values during the week under review. The present upward trend in these markets is but a continuation of what was seen in the beginning of December. After being quiet for a while towards the closing days of 1953, these markets have again been displaying a distinctly firm undertone. The following figures will show to what extent prices have gone up:

	3-12-53	31-12-53	13-1-54	21-1-54
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Groundnut				
Khandesh ...	29 4	34 4	36 4	
Bold Dec.-Jan.	27 14	33 4	35 10	36 4
Oil ready ...	15 8	17 6	18 10	19 0
Linseed				
Bold ready ...	25 2	28 8	29 0	30 4
Feb.-March ...	23 8	25 12	25 4	26 5
Oil ready ...	15 8	16 10	15 12	16 4
Castorseed				
Ready ...	25 8	25 12	24 12	26 4
Forward ...	112 0	115 4	114 2	121 4
Oil ready ...	14 12	14 6	13 6	13 12
Cotton				
I.C.C. Feb. ...	647 12	675 0	693 0	716 4
I.C.C. May ...	650 0	674 0	689 4	710 8
Bullion				
Gold ready ...	81 2	82 4	82 14	84 1
Gold forward	80 15	82 5	82 13	84 0
Silver ready	151 3	152 6	153 6	158 10
Silver forward	150 15	152 6	155 3	158 10

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It will be seen that, in the case of bullion, the rise in prices really began only after the commencement of the year. This was, however, inspired by the spurt in commodities and shares. The technical position of the bullion market has also been in favour of the bulls. It is stated that, in view of the higher prices that are being received by agriculturists and of the talk of inflation in the coming months, the offtake of both gold and silver will improve in course of time and that the floating supplies will be found insufficient. The stocks of silver in the country are negligible and, since imports are not allowed, there are no means of augmenting them, unless the metal that is already with the public in some form or other comes back to the market. In the case of gold, there has been an abatement in the flow of smuggled gold, following the unusual vigilance of the customs and police authorities during the past few days. But this may prove a temporary development. In any case, what is being caught by the authorities is just a fraction of the contraband gold that is successfully brought in. Well-informed market circles say that 5 to 6 lakh tolas of gold have been smuggled into the country since the last monsoon and, with all that, the price had gone down only to Rs. 80 per tola. The seasonal demand for both the metals should commence at any time now and continue right up to the end of May next. If by chance the smugglers' activity is seriously hampered by the authorities and the traffic in gold slows down, a further rise in the value of the yellow metal seems likely.

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Among oilseeds, the sharpest rise has taken place in groundnuts. Since the beginning of December, this commodity has risen by about 28 per cent. The chief explanation for this lies in the fact that the latest crop estimates are appreciably lower than those made at the beginning of the season, while the demand from consumers is running at a fairly high rate. Further, the movement of crop in certain regions is a little late and, where it has started, the farmer is holding on to his produce in expectation of still higher prices.

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In the case of cotton, too, the reason is that the crop has failed to come up to earlier expectations. As against 42 to 43 lakh bales forecast in November, the latest estimate places the crop at no more than 39 lakh bales. Leaving 2 lakh bales for export, the quantity available for domestic consumption is only 37 lakh bales, as against the mills' current rate of consumption of about 38 to 39 lakh bales per annum. The entire statistical position of this commodity is described elsewhere in this issue. It will be seen therefrom that cotton is in a strong position and the rise in the price of futures contract merely reflects it. Indeed, considering that mills are buying 25/32" Jarilla, the basis of the contract, at a premium of Rs. 70 to Rs. 75, it can be argued that the futures market does not fully reflect the real position of Indian cotton as it is today. In other words, it cannot be seriously contended that the Rs. 100 rise that has taken place in I.C.C. during the past two months has been due to excessive or unhealthy speculation.

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Tea markets are still ruling firm. At the London tea sales last week, prices averaged 4s. 4.9d. per lb., as against 4s. 1.04d. previous week and 3s. 2.84d. a year ago. Another notable feature was the closing of the gap between the prices of quality and common teas. Prices realised in the latest Calcutta auctions were a fraction lower than those in the previous auctions, but the general undertone was firm. Final estimates of the North Indian 1953 crop, made available after we went to press last week, reveal a total of 491 million lbs., as against 508 million lbs. anticipated earlier in the season. This shortfall of 17 million lbs., however, has been partly made up by the South Indian gardens which have produced 8 million lbs. more than expected. Tea circles in Calcutta feel that, while a general shortage is unlikely, there may be a shortfall in some grades which is likely to cause a certain amount of inconvenience to blenders.

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The Shroff Committee, which is investigating the credit difficulties of the private sector, will stand to benefit by a study of the very impressive survey of the financial straits of electricity companies, made by the Federation of Electricity Undertakings of India. Although the survey was made by the Federation, in order to emphasise the importance of the early enhancement of the standard rate of return to electricity companies, now fixed at 5 per cent. of the capital employed, it will serve as a model for similar investigations in other sectors of private enterprise. The Federation had asked, from some of its member-companies, information about the capital they needed in the last two years, how it was raised, the terms of issue and extent of response, the efforts made by the companies at getting its capital needs from the Industrial Finance Corporation, and the success thereof, the additional capital requirements during the next three years and the form in which they proposed to raise the money they needed. This survey was conducted by the Federation in response to the Government's directive to show "specific instances State-wise where electricity undertakings have tried to raise funds but have not succeeded." The Federation has classified the information received from 79 of its member-companies. This information is revealing in the sense it confirms the claim, which the Federation has consistently made, for a reasonable increase in the statutory return on the capital of the electricity concerns.

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In the last two years, the unsatisfied balance of capital requirements of these concerns has been of the order of Rs. 170.84 lakhs. And in the next three years, they need an additional capital of as much as Rs. 2,560.33 lakhs. Their total capital requirements yet to be raised are stated to be of the order of Rs. 2,678.68 lakhs. The Federation's survey reveals that many companies have had to resort to borrowing at high rates of interest in order to get the necessary capital. Some companies have been able to get their capital requirements only because their proprietors or managers have chosen to advance the required sums of money to them. A few companies have, however, been able to meet their requirements by drawing upon their internal reserves. One company states that, although it has paid a dividend of 5 per cent. to the shareholders regularly for the last 17 years, it was only with utmost difficulty that it was able to get the new capital subscribed—and then, it could get only a part of the needed capital. Another company found, in 1948-49, that not even one of its ordinary shares, which were open to the public for subscription, was taken up. Some companies are nervous about raising additional capital, because their shares, which are already being quoted below par, would decline further in the market. Even the Industrial Finance Corporation has not always been helpful; this is not a criticism of the Corporation, which ought to act as any bank would act towards a client whose profits are strictly controlled by the Government. In some instances, the Corporation insisted upon a guarantee from the concerned State Government for repayment of the loan in the event of the undertaking being nationalised.

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The remarks, made by the companies, show how profoundly disturbed they are about the prospects for raising money. "No hope of raising capital," "at a loss to determine ways of raising additional finance," "present shareholders are unwilling to subscribe further," "no likelihood of raising any capital," "no hopes of raising capital by shares and will have to resort to borrowings at high interest"—these are some of the observations made by the companies on their prospects for obtaining fresh finance. One company sums up the causes of this *malaise* by saying that it must be traced to low standard rate of return, fear of nationalisation, and prevailing high rates at which money is being raised by the Centre and various State Governments.

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In the course of a communication to the Government of India, the Federation calls the former's attention to the survey and points out that "no different picture would emerge," even if the

(Continued on page 147)

SHARE MARKETS BUOYANT

TEXTILES WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, 21*st January*

WITH equity values forging ahead, conditions akin to a boom were witnessed on the Stock Exchange during the week under review. Activity was broadbased and, in lively dealings, almost the entire list of shares seemed to participate in the boom. In fact, many shares made strident advances and touched today the peak levels for the year so far. The rallying in steel shares noted last week gathered further momentum this week on resurgence of fresh speculative interest. The favourable outlook for textile mills as indicated by the broadened internal and overseas demand for cloth and the reported rise in price of cloth in the domestic markets brought forth large-scale support to textile shares which made notable headway during the week. There were also some counters in the textile and miscellaneous sections which had remained in the background in the past, but which received particular attention at the hands of speculative operators for special reasons.

Thus, the support to steels, textiles and miscellaneous shares paved the way for the all-round bullish sentiment in the market, which was sustained by firm advices from cotton, bullion and other commodity markets. Besides, the rising trend in notes in circulation and the decline in the overall unfavourable balance of trade during the period April to October, 1953, as compared with that in the corresponding period of 1952, as disclosed by the latest trade statistics, indicated the possible appearance of inflationary tendencies in the country. Emboldened by these favourable factors and in the absence of any unfavourable developments, bulls wielded an upper hand and tightened their grip over the market. The short-covering which followed caused prices to shoot up. The market closed on a firm note.

In the steel section, Tata Deferreds opened the week at Rs. 2,016-4 and advanced to Rs. 2,051-4 on Tuesday this week. After a mild reaction to Rs. 2,036-4 on that day, due to lack of follow-up and profit-taking, the upward trend was resumed, on fresh speculative buying and heavy bear covering, to surpass the 1953 peak levels and touch a high of Rs. 2,082-8 today before closing at Rs. 2,077-8. Tata Ordinaries were avidly bought and they registered a remarkable rise of Rs. 11-4 to finish at Rs. 352-8. Indian Irons were well supported to close with a gain of As. 15½ at Rs. 26-4.

The textile section was very active, for reasons already stated. Bombay Dyeings came in for good attention after being neglected in the previous two weeks. There was a revival of rumours regarding a bonus issue by the Company. The shares, as a consequence, looked up by Rs. 18-2 to Rs. 410. On expectations of a higher final dividend, Kohinoors were picked up keenly, thereby causing a rise in the value of these shares from Rs. 296-4 to Rs. 309. Central Indias strengthened from Rs. 180 to Rs. 186-8, Centurys from Rs. 285 to Rs. 295, Finlays from Rs. 257 to Rs. 266 and Gokaks from Rs. 243-8 to Rs. 255. Indu Ordinaries gained As. 5 to Rs. 11-8½, Indore Malwas Rs. 5-10 to Rs. 101-14 and Lakshmis Rs. 10 to Rs. 550. New Greats were taken up, Rs. 4 higher, at Rs. 174. New Citys, Rs. 7-8 higher, at Rs. 175 and Podars, Rs. 6-4 better, at Rs. 137-8. Sassoon Spinnings picked up Rs. 2-4 to Rs. 30-4 and Sholapurs Rs. 90 to Rs. 1;520. Standards were in keen request and rose by Rs. 15 to Rs. 327-8. Due to scarcity of sellers, Svadeshis move ahead by Rs. 12 to Rs. 292. Swans added Rs. 6-4 and closed at Rs. 341-4, Tatas Rs. 3-4 at Rs. 54-8 and Vishnus Rs. 3-12 at Rs. 143-12. Among the counters which received special attention were Minervas which rose by Rs. 9 to Rs. 101 and Mysore Spinnings which moved up by Rs. 10-10 to Rs. 157-8 on rumours that these shares would shortly be placed on the forward list. Simplex was a notable exception to the general trend, in that it declined by Re. 1-8 to Rs. 151.

Bank shares were quiet and trading was limited. Barodas lost Re. 1 to Rs. 106-8, Centrals Rs. 2-4 to Rs. 62 and their new shares Re. 1-4 to Rs. 65-8, Imperial Fully Paids were done at Rs. 1,790 *ex-div.* (dividend Rs. 40), as against Rs. 1,835 *cum-div.* last week, and the Partly Paid-ups at Rs. 435 *ex-div.* (dividend Rs. 10), as against Rs. 443-12 *cum-div.* Indias were a fraction down at Rs. 154-4. United Commercials were a shade better at Rs. 42-4.

Interest in insurance shares was restricted to a few counters. Indian Mercantiles were taken up, As. 12 better, at Rs. 38. Jupiters hardened by As. 10 to Rs. 7-8. New Indias were dull at Rs. 39-12. Vulcans were a fraction lower at Rs. 11-6. Orientals were unchanged at Rs. 7,235.

In the public utility section, Andhra Valleys were in good demand and as a result rose by Rs. 27-8 to Rs. 1,262-8. A similar rise was seen in Tata Powers which finished at Rs. 1,362-8. Tata Hydros were well held at Rs. 136. Ahmedabad Electrics strengthened by Rs 2-3 to Rs. 114-6. But Bombay Suburbans were a shade lower at Rs. 123-8 while Surats were unchanged at Rs. 130.

Activity in the miscellaneous section was very lively and several leading counters registered marked gains. Despite the unfavourable outlook for cement price, A.C.Cs. were favoured and at Rs. 174 *ex-div.* they compared well with Rs. 180-8 *cum-div.* last week. Belapurs forged ahead by Rs. 8 to Rs. 253-8. Bombay Burmahs advanced by Rs. 8-12 to Rs. 386-4. Scindias added As. 5½ to Rs. 16. Alcocks gained Re. 1-4 to Rs. 333-12. B.I.Cs were quiet at Rs. 9-0¼ and Killick Industries at Rs. 157-4. B.B. Petrols attracted good support and gained As. 8 to Rs. 2-12½ and Indian Coppers changed hands As. 14 higher at Rs. 2-13¼. National Rayons continued to be favoured and added Rs. 3-4 before closing at Rs. 146-12. Following the placing of the shares on the forward list, Phaltan Sugars were in demand to go up by Rs. 13 to Rs. 114-8. Premier Constructions had business, Rs. 3-12 higher, at Rs. 118-8. Shivrajpurs were quiet at Rs. 71-8. Despite heavy offerings, Tata Chemicals put on As. 4 to Rs. 11-7. Tata Oils gained, Rs. 3-8, to close at Rs. 36. Walchandnagars were wanted at Rs. 172-8, as against Rs. 162-8. Wimcos hardened by Rs. 7-8 to Rs. 207-8. Digvijay Cements came in for considerable attention on rumours that the shares would be placed on the forward list. Consequently, the shares appreciated by Rs. 9-8 to Rs. 104. Automobile shares continued to be well favoured, Hindustan Motors moving up by As. 10 to Rs. 6-9½ and Premier Automobiles by Rs. 2-4 to Rs. 56.

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Calcutta Stock Exchange

CALCUTTA, 20*th January*

Although the volume of transactions was limited, a note of steadiness was discernible on the Calcutta Stock Exchange during the week under review. Partaking in the steadiness was the tea section, in which, after the easier conditions witnessed in Monday's export auctions, a small reaction set in. This cautioned operators and thus put down the volume of business. Selected counters in the miscellaneous section were taken at improved rates, and paper shares were shown special attention. Coals would appear to be coming out of the recent dullness as attention is pointed to the prospects for increased exports of coal. Attention to jutes was guarded but selected scrips were sought at higher rates. Although the outlook for the jute industry is good, this week's depressed conditions in the jute goods market made operators less active.

Sectionwise, coals were shown better attention. At Rs. 3-1 Talcher added As. 9. Raneegunges were done at Rs. 11. Burrakurs changed hands at Rs. 8-8. But Bengals were lower at Rs. 505. East Indias were in demand at Rs. 25-6 and Central Indias received good support, and in the process, were raised to Rs. 6-9 from Rs. 5-10. Pench Valley looked up at Rs. 23-10, and New Beerbhooms at Rs. 18-3 were one anna higher.

In view of the improving trend in the exports of cotton piecegoods, textiles were noted for a longer volume of business. New Victorias, at Re. 1-10, were As. 2 higher. Dunbars were raised to Rs. 170 from Rs. 160, while, Bowreahs at Rs. 270, recorded a 10-point recession. Kesorams hardened to Rs. 21, Elgin Mills being quiet at Rs. 15-14.

A feature in the jute section was the recovery in Fort Glosters to Rs. 385 from Rs. 350. Indias were for a time better at Rs. 124, but subsequently lost the improvement to Rs. 121. Orients eased to Rs. 172 from Rs. 176, and Nellimarlas to Rs. 10-12 from Rs. 11-2. In transactions of small lots, Ballys rose to Rs. 163 from Rs. 159. Nationals invited attention at Rs. 23-12 and afterwards improved to Rs. 24-2, and at Rs. 221 Deltas scored one point. After being lower at Rs. 23-4, speculative Howrahs were put up at and realised Rs. 23-8. Budge Budges were traded at Rs. 149, Champadanies at Rs. 142 and Unions at Rs. 169-8. Birlas rallied from Rs. 13-4 to Rs. 13-14.

A few features were provided by the tea section. Choonabhutis at Rs. 292 added Rs. 13. Patrakolas were steady at Rs. 166 as were Hantaparas at Rs. 188. At Rs. 391, there was no addition in Banarhats, while Nagri Farms were fractionally higher at Rs. 23-4 and Jayabirparas at Rs. 21-2. Bishnauths changed hands at Rs. 34-10.

There were only narrow movements in Indian Irons earlier, and for most time, the quotation was sticking at about Rs. 25-8; to-day, however, there was a spurt to Rs. 25-13. Good attention was shown to Texmacos which, as a consequence, gained to Rs. 9-13 from Rs. 9. Continuing the upward trend, Indian Galvanisings moved up to Rs. 15-15 and Braithwaites hardened to Rs. 13-14. Jessop & Cos. realised Rs. 25-8 and Kumardhubis were offered As. 2 higher at Rs. 8-4. Britannias at Rs. 23-15 lost As. 3. Another feature to-day was the strength in Marshalls which were put through at Rs. 6-8 as against Rs. 5-15 at the beginning of the period.

Among paper mill shares, Titaghur sadvanced to Rs. 36 from Rs. 35-9, and Orients on good demand spurted to Rs. 46-8 from Rs. 44-10. Shree Gopals at Rs. 20-4 were As. 5 higher, but India Paper Pulps continuing the recession touched a low of Rs. 176-8. In the sugar section, interest was restricted, Champarans giving way to Rs. 23-10 from Rs. 23-12 and Carews to Rs. 6-14 from Rs. 7-1. Balrampores were put through at Rs. 7-7. A small improvement was noted in Champarans at Rs. 19.

A strong feature among miscellaneous industrials was Bathgates which on interested buying moved to Rs. 2-2 from Rs. 1-11 but subsequently lost the gain in its entirety. India Steamships were bought at Rs. 7-4, and Rohtas Industries at Rs. 11-9 put on As. 5. Indian Cables were picked up at Rs. 20-1, and at Rs. 108-8, Indian Alluminiums showed a gain of one point. Shaw Wallaces came to business at Rs. 11-7, and Metal Boxes at Rs. 19-7. Indian Coppers were enquired at Rs. 2-13 and Sone Valley Cements at Rs. 6-15.

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Madras Stock Exchange

MADRAS, 12*th January*

Activity on the Madras Stock Exchange this week was somewhat brisk and broadbased. The higher advices from the Bombay stock and commodity markets were responsible, to a considerable extent, for the relatively more enlarged activity. Favourites in the textile section looked up, on continued reports of steady export enquiry for Indian piecegoods. Among plantings, teas were again in the limelight, on good demand for tea leaves from the U.K. and the Continent. Coffee shares also met with fair enquiries and saw fractional improvement in values. Miscellaneous scrips too were not wanting in interest. As a result, business done in the market was encouraging and prices moved generally upward.

In the textile section, Dhanalakshmis shot up from Rs. 202 to Rs. 208. Coimbatore Spinnings advanced from Rs. 37-8 to Rs. 41 and Bangalore Woollens Rs. 285 to Rs. 287-8. Travancore Rayons were higher by As. 11 at Rs. 8, and K. Rajendras by As. 8 at Rs. 54-8 *cum-div.* Lakshmis (Rs. 50 paid-up) improved by As. 8 to Rs. 86-8 and 'A' (Rs. 25 paid-up) by As. 12 to Rs. 42-12. Maduras changed hands at Rs. 39-4 *cum-div.*, as against Rs. 38-12 *ex-div.* The Directors have recommended the maintenance of 20 per cent. (tax-free) dividend on the ordinary shares for the year ended 31st December, 1953, subject to audit. Pankajas, however, lost Rs. 5 and closed at Rs. 45.

Among plantings, the uptrend witnessed last week persisted this week also. United Nilgiri Tea disclosed a gain of Rs. 2-8 at Rs. 209. Talyar Teas hardened by As. 11½ and finished at Rs. 9. Hailey-burias and Parksides put on As. 8 each and closed at Rs. 15 and Rs. 17-2, respectively. Highland Produces and Twyfords were higher by As. 6 each at Rs. 12-4 and Rs. 12-12, respectively. Peermades improved by As. 4 to finish at Rs. 28 and Udayagiri As. 2 to close at Rs. 7.

Rubbers also met with some enquiry. Midlands were up by As. 11 at Rs. 12. Rajagiris improved by As. 5 to Rs.10-14 and Peninsulars As. 4 to Rs. 11. Cochin Malabars advanced by an anna and a half to Rs. 7 and Teekoys As. 2 to Rs. 6-13. Thirumbadis were done Rs. 3-6 *cum-div.*, as against Rs. 3-2½ *ex-div.* The Directors have recommended a dividend of 30 per cent. on ordinary shares for the year ended 30th September, 1953, as against 25 per cent. in the previous year.

Among coffee scrips, Coffee Lands were better by As. 5 at Rs. 8-4, Consolidated Coffee As. 4 at Rs. 16-2. Periakaramalais (tea and coffee) gained As. 4 to Rs. 7-14 and Neelamalais (tea and coffee) As. 7 to Rs. 5. Nilgiri Neerugundis, however, were fractionally lower at Rs. 3-8. Kadur Coffee was quiet at Re. 1-8.

Miscellaneous scrips came in for selective support. Binnys shot up from Rs. 120 to Rs. 121. India Cements improved by As. 13 to Rs. 16 and Mysore Gold As. 9-3½ to Rs. 3-9¼. Mysore Papers were done higher at Rs. 15-14 as against Rs. 15-8 and Bangalore Transport Rs. 11 *ex-right*, as against Rs. 13-12 *cum-right*. E.I.D.B. sugars, however, lost As. 4 to Rs. 23-14 and F.A.C.T. an anna to Rs. 3-7.

While reviewing the trend on the Madras Stock Exchange for the week ended 12th January in *Commerce* dated 16th inst., we stated that Cochin State Electrics moved up by Rs. 2-8 to Rs. 13. Explaining the rise in prices of these shares, Messrs. Maconochie & Co., Madras, write as follows: "The quotation for these shares was marked up to Rs. 13 during the period not because of buyers, but because of the fact that the Company called up the balance of Rs. 2-8 per share. Formerly, the shares were Rs. 7-8 paid, and they were quoted at Rs. 10-8. Now that the balance of Rs. 2-8 has been called up, the shares are Rs. 10 fully paid up. The market quotation for them also was correspondingly increased to Rs. 13."

THE UNITED COMMERCIAL BANK LTD.

The following *communique* was issued by the General Manager of the United Commercial Bank Ltd., on 21st January, 1954.

The profit of the Bank for the year 1953, subject to audit, including the amount brought forward from last year's accounts is Rs. 24,52,320-7-3. Out of this sum, the Directors have made the following appropriations:—

	Rs.	a.	p.
1. Provision made for taxes ...	9,50,000	0	0
2. Donations paid for public and charitable purposes ...	50,000	0	0
3. Transferred to reserve fund	5,00,000	0	0
	Rs. 15,00,000	0	0
4. Balance	9,52,320	7	3
	Rs. 24,52,320	7	3

Out of the above balance, the Directors propose to recommend to shareholders at the next general meeting payment of dividend at Rs. 2 per share, free of income-tax, which will absorb Rs. 8,00,000, leaving Rs. 1,52,320-7-3 to be carried forward to the next year's accounts.

The securities and investments of the Bank appear in the accounts on 31st December, 1953, at or below market rate ruling on that date.

NEWS IN BRIEF

ACCORDING to the latest estimates, the Indian coffee crop for the season 1953-54 will be slightly above 25,000 tons.

Indian railways are today hauling a 100 per cent. greater passenger load and 64 per cent. greater freight load, than they did 30 years ago in undivided India with about 1,300 fewer locomotives.

The Indian Central Tobacco Committee, constituted by the Government of India, has appointed an advisory committee to consider ways and means of disposing of Indian tobacco, particularly carrying out effective propaganda for it in foreign countries.

The U.P. Sugarcane Growers' Co-operative Federation has decided to withhold supply of sugarcane to sugar mills in the State from 1st February, unless the supply rates are enhanced from the present rate of Re. 1-7 per maund to Re. 1-12.

The Tripartite Industrial Committee on Plantations will meet in Calcutta on the 30th and 31st inst., when the question of implementing the Plantation Labour Act of 1951 and extending lay-off compensation benefits to plantation labour will be considered.

The sixty-ninth session of the Indian Central Cotton Committee will be held in Bombay on 3rd and 4th February, 1954. Questions relating to improved methods of cultivation and development of better varieties of cotton and cotton research will come up for discussion.

The Government of Bombay has announced that the present prices of cement at Rs. 71 per ton loose f.o.r. destination, with additional packing charges at the flat rate of Rs. 11-9 per ton of packed cement, also f.o.r. destination, will continue to be operative in Bombay State for a further period of three months from 1st January, 1954.

The first regular shipping between India and Japan by an Indian line will be inaugurated this month by the Eastern Shipping Corporation, Bombay, when the 8,000-ton *State of Andhra* arrives in Yokohama on the 21st inst. The ship will carry 3,000 tons of scrap iron, in addition to general cargo from India, Singapore and Hongkong.

The Assam Oil Company is using three different types of geophysical survey, employing the latest exploration methods known to petroleum scientists, for oil prospecting under the Brahmaputra Valley alluvium. If the survey indicates the presence of favourable geological structures, detailed prospecting will be undertaken to delimit the areas for possible testing by drilling.

The Government of India is considering a request from Italy for an air transport agreement between the two countries. Meanwhile, the Government of India has asked for full details of the Italian commercial civil aviation programme of air services to and across India and the type of aircraft to be used. It is reported that Italy intends to operate an air service from Rome to Tokyo across India.

The Saurashtra Government has announced that sales tax will be recovered from non-resident dealers with effect from 1st January this year on goods delivered in the State by them. Although, according to the interpretation given by the Supreme Court to clause 1 (a) of Article 286 of the Constitution, the State is entitled to levy sales tax on all inter-State dealings of non-resident dealers from 1st April, 1953, the Government does not propose to recover the tax with retrospective effect.

An agreement for the construction of 160 tube-wells in the Patiala and East Punjab States Union was signed on the 16th inst., between the P.E.P.S.U. Government and a group of French drilling companies. The agreement is part of the programme for 650 tubewells under the Indo-American Technical Assistance Programme. All the 160 tube-wells will be completed by 31st December, 1953, and are expected to irrigate about 65,000 acres of land and give an additional production of about 13,000 tons, annually.

The Government of India has decided to peg the production of selected A and B grade coking coals in 1954 at 7.4 million tons and to limit the output of Grade I and Grade II coals at the level of 1952. The production of selected grades of coking coals in the first 10 months of 1953 was 6.40 million tons, as against 6.41 million tons in the comparable period in 1952. The total output in 1953 is estimated at 7.3 million tons. The output of Grades I and II coking coals were 3.02 and 2.43 million tons, respectively, in the first 10 months of 1953. India despatched to Pakistan 48,988 tons of coal in December. The Pakistani Government has asked for 58,234 tons for January against the target quota of 81,000 tons.

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From Abroad

The Sixty-second International Utrecht Trade Fair of Netherlands will be held from 30th March to 8th April, 1954.

Israel has been accepted as a member of the International Bank for Reconstruction and Development and the International Monetary Fund.

The textile division of the U.S. Rubber Co. is making available, on a nation-wide basis, a new synthetic yarn of 100 per cent. orlon.

Production of automobiles in the U.S. aggregated 6.14 million cars and 1.20 million trucks and buses during 1953. Car production was the second best on record.

The British tourist industry earned about £125 million in 1953, including fare payments to British carriers, an increase of 9 per cent. over the 1952 figure of £114.5 million.

An Australian firm is negotiating with Indonesia for the establishment of a glass-making plant in that country. At present, there is an inadequacy of glass factories in Indonesia.

According to the Netherlands Minister of Economic Affairs, only a very limited number of branches of production—mainly in the sector of the so-called basic industries—come into consideration for State control or even for permanent participation by the State.

The interest rates on bank loans and advances in Greece have been reduced from 12 per cent. to 10 per cent. per annum with effect from 1st January, 1954. Commission collected by banks for supplementary services to borrowers has also been lowered from 4 per cent. to 2 per cent.

A firm of sewing machine manufacturers in Holland has received an order from America for the supply of 50,000 electric sewing machines, with accessories of the value of about $3 million. The first machines have already been delivered. The whole order will be executed within two years.

The consumption of rubber by the U.S. during 1954 will decline from 1.33 million tons in 1953 to 1.28 million tons, according to estimates made by the Natural Rubber Bureau in Washington. The consumption of natural rubber, however, will be higher at 600,000 tons, as against 550,000 tons in 1953.

A British mission of twelve textile machine makers from Lancashire and Yorkshire is now in Moscow to negotiate an export deal with the Soviet Union. If the negotiations are finalised, the proposed sale of British textile equipment to Russia will, it is stated, be one of the biggest since the war.

A proposal is afoot to erect a new factory in New South Wales (Australia) for the extrusion of aluminium. It is stated that there is a substantial unsatisfied demand for aluminium extruded products, of which imports have recently accounted for more than half of the total Australian consumption.

An elaborate trade agreement for the period January-June, 1954 has been entered into between Sweden and Germany, replacing the provisional one concluded at the end of December, 1953. Under the agreement, Germany has agreed to import 125,000 tons of grains during the first six months of 1954 and Sweden, on its part, to grant import licences for German automobiles to the value of Kr. 50 million (£3.45 million).

The Government of the Federation of Malaya has set up a committee of eight members, six representing the tin industry and two the Government, to administer domestically in Malaya the proposed International Tin Agreement's provisions. The Government is proceeding on the assumption that the control scheme will come into operation in the second half of 1954. Malaya will contribute 36.61 per cent. of the planned buffer stock of 25,000 tons, either in cash or in metal.

The U.S. and Pakistan Governments have signed five operational agreements which envisage the former's financial assistance for the development projects in Pakistan. The projects include the Karnafuli multi-purpose project in E. Pakistan, fertiliser factory in the Thal Area (Punjab), timber extracting in Chittagong hill tracts, supply of chemical fertilisers, and plant protection. The respective U.S. contributions to these projects amount to $750,000, $3.5 million, $100,000, $4 million and $300,000.

Petroleum continues to constitute the largest item in international trade, exceeding the combined total of the next two most important items, coal and cereals. Thus, in 1952, the latest year for which figures are available, world trade in petroleum amounted to 214 million metric tons (124 million metric tons of crude oil and 90 million metric tons of petroleum products), coal 138 million metric tons and cereals 47 million metric tons. All the three items have increased considerably since 1950, when petroleum aggregated 168 million, coal 120 million and cereals 40 million metric tons.

The output of crude steel by the British iron and steel industry in 1953 increased by over 1 million ingot tons. The production amounted to 17,609,000 tons, as compared with 16,418,000 tons in 1952 and 15,640,000 tons in 1951. In every month of 1953, steel output was higher than that in the corresponding month of 1952. In December, the annual rate of production reached 17.62 million tons, as compared with 16.31 million tons in 1952. The year's increase was the largest in any post-war year, except 1948. The rise in production was much more than sufficient to cover the increase in home and export requirements. While exports rose from 2.61 million to 2.75 million tons and home deliveries from 13.9 million to 16.15 million tons, imports of ingots and semi-finished steel were cut from 1.82 million to 1.1 million tons.

PERSONAL

MR. A. D. Shroff, a Director of Messrs. Tata Sons Ltd., has been elected Chairman of the Indian Society of Advertisers Limited.

Mr. Navanitlal Shodhan and Mr. Chandulal Satia have been elected President and Vice-President, respectively, of the Gujerat Chamber of Commerce.

Mr. J. L. Raina, an Indian co-operative expert, has been deputed by the I.L.O. to visit Iraq and assist the Government in the development of co-operatives.

Mr. C. F. Cobbold, Governor of the Bank of England, will shortly visit India, Pakistan and Ceylon, with a view to paying a courtesy visit to the central banks of these countries.

Mr. Chimanlal B. Parikh, of Messrs. C. Parikh & Co., Bombay, has been elected President of the Indian Merchants' Chamber for 1954. Mr. P. M. Chinai has been elected its Vice-President.

Mr. G. H. Latham, Chairman and Managing Director of the Whitehead Iron and Steel Co., Ltd., has been appointed President of the British Iron and Steel Federation vice Sir Ellis Hunter.

Mr. R. A. Butler, Chancellor of the British Exchequer, and Sir Frank Lee, Permanent Secretary to the Board of Trade, will be arriving in New Delhi on Monday next on a brief visit.

Mr. Ram Nath, Deputy Governor of the Reserve Bank of India and Chairman of the Committee for setting up a central training institute for bankers, has left for London on a short visit.

Mr. D. N. Shroff and Mr. Murarji J. Vaidya have been re-elected President and Vice-President, respectively, of the Silk and Art Silk Mills' Research Association, Bombay, for the year 1954.

Mr. P. S. Kumaraswami Raja, a former Chief Minister of Madras, has been appointed Governor of Orissa vice Mr. Sayid Fazl Ali, who has been appointed Chairman of the States Reorganisation Commission.

Mr. R. K. Tandon, Consul-General for India in Pondicherry, has been appointed as Acting Commissioner in British East and Central Africa and Consul General in Belgian Congo in place of Mr. A. B. Pant, who has been transferred to the Union Ministry of External Affairs.

Mr. Randal Hugh Vivian Smith, Managing Director of Morgan Grenfell and Co., and Mr. Frank Cyril Hawker have been appointed to the Court of the Bank of England for four years from 1st March next vice Mr. H. A. Siepmann and Mr. H. C. B. Mynors who has been appointed Deputy Governor of the Bank.

Mr. C. C. Desai, High Commissioner for India in Ceylon, will be the leader of the Indian delegation to the third meeting of the Inland Transport Committee, the sixth session of the Committee on Industry and Trade, and the tenth session of the E.C.A.F.E. now being held at Kandy, Ceylon. The other members of the delegation are: Mr. F. C. Badhwar, Chairman, Railway Board, Mr. K. B. Lall, Chief Controller of Imports and Exports, Mr. S. N. Mishra, M.P., Mr. R. Venkateswaran, Under Secretary, Union Ministry of Commerce and Industry, and Mr. P. Basu, Assistant Director, Ministry of Irrigation and Power.

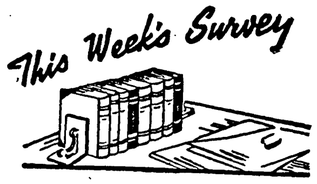
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 19*th January*

Key to Rubber Position

The key to the rubber position, obviously, is demand. Estimates of consumption indicate the probability of a steady upward trend, one set of calculations, published by the author of the article that appears on another page, suggesting that, from 704,000 tons last year, world consumption will increase to 700,000 tons this year, and so on by stages to 888,000 tons in 1931. On the basis of these figures, the future may be regarded with a certain amount of optimism, so long as the industry is allowed to settle down to the new conditions which commenced on the first day of November last. Therein is represented the long view. The immediate future is more obscure, but, so far as can be seen, not without points of encouragement. The ability of the producers to throw large accumulated stocks on the market is limited by the fact that labour supplies and equipment have to be provided for output to expand and that must reduce the prospect of dumping to some extent. In the meantime, the statistical position improves. Stocks are declining, American consumption is rapidly rising. Germany is using more of the material. British manufacturers are, like Oliver Twist, asking for more. These developments are not the reflection of eight-penny or nine-penny rubber, but of lower prices, and it was reasonable to expect that consumption would receive a fillip from current rates. The opinion may be hazarded that the British-owned rubber estates can never again be so badly situated as they now are and that a resumption of their prosperity of the past may be anticipated within the next two years. In the meanwhile, it would be unwise to make too much of the favourable indications that have been placed this week on the records. We do sincerely think, nevertheless, that the industry is actually on the threshold of better times.



FIVE-YEAR PLAN

THE Planning Commission's review of the working of the Five-year Plan which completes its third year with the end of 1953-54 makes encouraging reading. Before the end of the current fiscal year, a sum of Rs. 1,000 crores will have been spent in carrying out the Plan, which would leave a sum of Rs. 1,069 crores to be spent in the next two years, exclusive of the sum of Rs. 150-175 crores, covering the recent expansion of the Plan. Considerable improvement has taken place in the last three years. Thus, food production has increased by 4.4 million tons. The index number of industrial production has moved up from 117 in 1951 to 134 in the first eight months of the year 1953. There are indications that this trend has been maintained in more recent months. The index number of wholesale prices, which stood at 433 at the end of 1951, receded to 393.6 by the end of October, 1953; it is even slightly lower now. The balance of payments position has improved. The deficit of Rs. 134 crores witnessed in 1951-52 has been converted into a surplus of Rs. 64 crores in the year ended June, 1953. The Commission claims three main achievements: (1) control of the price situation, (2) increase in production, both agricultural and industrial, and (3) establishment of a stable economy.

Without being necessarily hypercritical, one could possibly wonder whether those achievements could be ascribed entirely to the Plan. In some sections, the improvement which has been registered seems considerably short of the targets. Thus, the increase in area under irrigation (major as well as minor irrigation) is of the order of 4 million acres; it is still far below the target of about 20 million acres, the additional area to be brought under irrigation (major and minor works) during the five-year period. The next two years may see a quickening of the tempo of irrigation development, but we wonder whether it will be so high as to hit the target. So far as the improvement in the 'price' sector, by which is meant the decline in the price level, is concerned, it seems part of a world-wide trend. Further, while the price levels to-day are lower than they were in 1951, they are still substantially higher than they were a year before. What is more, the current level of cost of living is higher than even in 1951, with the result that it cannot be seriously contended that the people of the country are happier than they were before the commencement of the Plan.

Although production shows an overall increase, many industries have witnessed either a setback or no progress at all. The production of jute goods and raw jute, for instance, has declined; it should have been higher according to the Plan. Again, whereas there ought to have been an expansion in coal output, there has been a slight fall. Even such improvement as there has been in industrial and agricultural production cannot to be ascribed entirely to the Plan, for nature has been bountiful and, in an agricultural country, the prosperity of this sector determines the prosperity in the industrial sector. That the Commission has not been unmindful of the influence of these factors is borne out by its acknowledgment for the improvement in Indian economy to the part played by two factors—the "end of the Korean war" and the fact that "nature has been kind." Nevertheless, it is difficult to resist the impression that the Planning Commission has given more credit to the Plan than its legitimate due.

It is equally difficult to concede the Commission's claim that the stage is now set for a period of sustained and vigorous effort to rebuild the economy. In fact, judged from a psychological standard, the Plan must be held disappointing to a degree, for at no time was there more frustration among those engaged in the private sector than now, nor were employment opportunities scarcer. Although this too could be traced to world trends in commerce and industry, the Government's continued insistence on arrogating to itself all available financial resources in the country and its interference with the rights of free enterprise are potent causes for the marked slackness in the private sector. Even the revision of the Plan, as now contemplated, does not strike one as capable of meeting the demands of the present-day economic situation. The additional expenditure now contemplated is Rs. 150-175 crores. Of this amount, the Central Government will absorb Rs. 70 crores (inclusive of Rs. 40 crores for rehabilitation of displaced persons), relief work in scarcity areas to be administered by the State Governments Rs. 40 crores, and additions to the State Governments projects, Rs. 25 crores. The details of the programme for the balance of Rs. 15-40 crores are being worked out, though it is revealed that this sum will be mainly utilised for relieving urban unemployment. It should, therefore, be clear that the revision does not contemplate any aid to the private sector which remains, even today, the largest employer.

INDO-U.S. AIR AGREEMENT

The notice of termination of the Indo-U.S. Air Transport Agreement served by the Government of India on the U.S. on the 14th inst., with a view to concluding a new agreement, is a step in the right direction. For, the present agreement, which was concluded as far back as in November, 1946, has curtailed the scope of the economic development of Indian airlines operating abroad in their legitimate areas of activity. This is so, because the agreement, which was entered into at a time when there were no Indian airlines operating abroad, did not restrict the fifth freedom traffic (traffic destined for or coming from third countries). Since then—with effect from June, 1948, to be precise—the Indian airline, namely, Air-India International, has been engaged in carrying overseas traffic. Consequently, the unrestricted carriage of fifth freedom traffic by foreign airlines is making serious inroads into the traffic that should be legitimately available to Air-India International. In this connection, an official Press note says:

"During the last six years, a thick network of international air communications has come into being. A stage has now been reached, where opportunity should be made available to the underdeveloped countries to make some progress, and there will be no chance for them to do this under this type of agreement. There are at present 15 foreign airlines operating scheduled air services across India and exercising traffic rights in this country. Between them, they are operating as many as 74 services a week or over 10 services a day. These airlines are competing with the Indian airlines for the traffic embarked and disembarked in India to and from countries other than those of the non-Indian airlines."

The fifth freedom traffic for the foreign airlines constitutes, to the Indian airlines, third and fourth freedom traffic (traffic between countries of the origin of the airlines and India), on which the latter depend mainly for their economic operation. An examination of the traffic carried by the Trans-World Airlines (T.-W.A.) and the Pan-American Airways (P.-A.A.), the two U.S. airlines, which ply to and across India on scheduled air routes, has disclosed that the capacity provided and utilised by them has been far in excess of the requirements of traffic between the territories of India and the U.S. and that the bulk of the traffic carried on these services to and from India has been fifth freedom traffic, including, in the case of P.A.A., a large proportion of such essentially local or regional traffic as that between India and Pakistan. In short, the main point of contention between India and the U.S. relates to the need for the restriction of the fifth freedom traffic to a certain determined percentage of the third and fourth freedoms, since fifth freedom traffic is only incidental to third and fourth freedoms, which should primarily determine the capacities to be offered by both the countries.

The Government's move has come not a day too soon. It has followed the failure of sincere and continuous efforts on the part of India to arrive at a mutually acceptable formula with the U.S. in the past two years. Not only did the informal discussions held in November, 1951, with the U.S. proved abortive, but also the consultations held subsequently in New Delhi from May to August 1953.

The new agreement proposed to be concluded is sought to be based on those concluded by India with Australia and the Philippines in 1949 and with the U.K. in 1951 and the recent revision of the 1946 agreement with Netherlands which restrict the carriage of fifth freedom traffic. Negotiations for the new agreement with the U.S. have to be concluded one year after the date of receipt of notice by the Government of the U.S.; otherwise, the present agreement will automatically terminate. The new agreements will have to provide for an equitable share of traffic between the designated airlines of the two countries so as to facilitate Indian airlines to face international competition confidently, by determining the third and fourth freedoms of traffic belonging to India and restricting the fifth freedom. Provisions requiring periodical review of the working of airlines on these routes will also have to be incorporated. It is to be hoped that the U.S. will appreciate India's desire to gain its legitimate share in overseas air traffic.

STANVAC BUILDING

The great poet who sang that "a thing of beauty is a joy for ever" could not certainly have had any idea of what modern architecture could produce. The new building of the Standard-Vacuum Oil Company at Bombay—it is, in its own way, a triumph of modern architectural design—the opening ceremony of which was performed by Bombay's Chief Minister, Mr. Morarji Desai, on Friday last week, is undoubtedly a thing of beauty. The building is beautiful in respect of not only architectural design but also amenities and comforts it provides for the dwellers. The building is designed to provide maximum comfort for employees and the whole structure was conceived and executed with this goal as its central architectural theme. This seven-storey, sun-controlled new building, built at a cost of Rs. 35 lakhs, is a notable and outstanding addition to this premier city's constructional monuments. The sun-control device eliminates the glare of the sun at all times of the day. The two-inch layer of cork insulation reduces further the sun's heat and noise. In the design and construction of the building, it is certainly creditable that the management of the Standard-Vacuum Oil Company has endeavoured to incorporate many of the more recent developments employed throughout the world in affording man the greatest convenience and comfort in his place of work. The sun-control installation, air-conditioning, sound-proofing and colour schemes are part of the plan to enable each employee to work in an atmosphere "which is free from strain."

Equally creditable is the fact that the management has endeavoured to make the maximum possible use of local materials and to give a fillip to the Indian building trade. An idea of the extent to which Indian skills and materials have been used in the construction of the new Stanvac building can be had from the following brief description, as given by Mr. R. T. Burton, General Manager of the Company, in the course of his welcome speech on the occasion of the opening ceremony:

A Bombay firm of architects was employed for the general design of the building, exclusive of the main entrance, the sun-control feature and treatment of the superstructure on the roof. Bombay contractors have been employed throughout in all phases of construction. Labour cost represents a substantial proportion of the total cost in building construction and Stanvac's experience in constructing this building indicates that this factor has accounted for approximately 35 per cent. of the total cost. India produced cement to the extent of approximately 1,600 tons has been used throughout. Plywood panelling of matched teakwood, made to the Company's specification and used to the extent of approximately 40,000 square feet, was made in Uttar Pradesh. The black granite framing the main entrance was specially quarried, cut and polished at Bangalore. The steel window frames were designed and fabricated in Bombay—the first to be galvanised and bonderised for protection against weather. The recessed or flush type lighting fixtures were likewise designed and manufactured in Bombay. The vertical concrete louvres were pre-cast at the site in special moulds designed for the purpose and the horizontal louvres were specially made in Bombay of cast asbestos cement. The building has been equipped throughout with furniture designed and specially manufactured in Bombay for Stanvac's use.

With the opening of the new Stanvac building, another chapter may be said to have been opened in the history of Stanvac's association with India and its people in the last 60 years. The building is, as Mr. Burton claimed, a "further evidence of Standard-Vacuum's interest in the development of India and of our interests in the people of India." Reassuring is his statement that, "as in the past, it shall always be the endeavour of the Standard-Vacuum organisation to serve the best interests in India, which, we firmly believe, will coincide with the best interests of the Company."

Surely, these words represent a highly commendable attitude towards India's problems. Incidentally, they also show how unjustified are the carping criticisms that are sometimes made by a section of Indian opinion about foreign capital. Considering the shortage of capital in India, the investment of Rs. 35 lakhs over the construction of the building alone and several times this sum on the refinery by the Standard-Vacuum Company are welcome additions to this country's resources. That apart, the desire of the Company's management to provide its employees comfortable conditions of work deserves to be particularly commended. The business concerns in Bombay and other parts of India will do well to emulate the example of Stanvac and create conditions whereby, as Mr. Morarji Desai rightly emphasised, the workers' efficiency can be increased and strikes and discords avoided.

THE KALAHARI

In the present context of the need for augmenting food resources in this country and in the Commonwealth as a whole, the recommendations of a British mission, for bringing 50 million acres of idle grassland in the Western Kalahari (Central Africa) into full production will be read with interest. The mission, it may be noted, was sent some time in 1952 by the Commonwealth Relations Office and the Colonial Development Corporation to investigate the possibilities of economic development in Bechuanaland Protectorate. In its report just published in London, the Mission has put forward a large cattle ranching project which seeks to envisage breeding of 1 million more cattle in the Kalahari. It recommends that, in the first instance, a pilot farm should be set up, financed and managed by a managing company, on land made available by the Government. It also urges construction of roads and provision of adequate water facilities along the trans-Kalahari cattle routes. If these recommendations of the mission are implemented in right earnest, the Kalahari, one of the largest remaining virgin areas of the world, will soon be populated by large herds of cattle, which will bring prosperity to the inhabitants of Bechuanaland and, at the same time, make a major contribution to the food supplies of the Commonwealth.

Apart from the purely economic importance of the cattle ranching project, the mission has done well in emphasising the human aspect of the problem. The mission feels that the allocation of ranches after the pilot ranch's existence for five years should be made by a selection board to Africans or European farmers, without any particular separation of areas. "We think it important," to quote it, "that racial discrimination should be avoided and that *every man be treated according to his character and ability*" (italics ours). These are, indeed, highly significant remarks which should be more than sufficient to open the eyes of the South African advocates of racial discrimination.

MR. KARMARKAR ON STATE OF INDIAN ECONOMY

Availing himself of the invitation to attend the half-yearly meeting of the Merchants' Chamber of U.P., held at Kanpur on the 14th inst., the Union Minister for Commerce, Mr. D. P. Karmarkar, reviewed the economic position of India in 1953. The picture of the Indian economy drawn by him was encouraging. He had good reasons to believe that the record of 1952 in industrial production would be exceeded in 1953. In nearly 50 industries, the output in that year was better than in 1952. There was remarkable improvement in the supply position of cotton textiles, cement, salt and coal, which played a vital role in the economy of India. But he admitted that in some industries production was lower on account of labour disputes, power cuts, and lack of consumer demand. The general picture of industrial production was, however, bright.

Turning to commerce, Mr. Karmarkar stated that the Government's aim in the exercise of import control was to ensure the maximum availability of goods required for the country's economy within the limits of the availability of foreign exchange. The deficits were financed through the country's resources and releases from sterling balances. Besides, there was also improvement in the balance of trade figures for September, October and November, in that the net favourable balance of trade amounted to Rs. 15 crores. The new import policy announced last month aimed at sustaining the tempo of agricultural and industrial production by means of increased imports of essential consumer goods, industrial raw materials and plant and machinery. Considerable stability in import policy was attained by keeping unchanged the broad outlines of policy during the last two years.

Mr. Karmarkar, however, expressed concern over the fall in exports. The overall export trade declined from Rs. 767 crores in 1951 to Rs. 716 crores in 1952. While the figures were not available for the whole of 1953, the Minister felt that exports might not exceed Rs. 550 crores. The fall was due to the disappearance of boom conditions resulting in decline in values. The Minister, however, did not forget to enumerate the measures taken by the Government in order to make up for the loss in foreign exchange. These included reduction in export duties on certain commodities, allowance of drawback of import duty on imported raw materials used in goods exported, grant of a rebate of As. 2-1.1/5 per lb. of cloth and yarn of certain specified counts, relaxation of controls over certain export items and the organisation of the Export Promotion Department at the Centre. As the U.P. was famous for its handicrafts, the Minister reminded those connected with these industries of the help given to their products abroad through showrooms and exhibitions.

Although the measures adopted by the Government are welcome, these need to be supplemented by vigorous efforts by trade and industry to exploit old markets and explore new ones. Success in this direction can be ensured only by production of standard quality goods at competitive prices.

OFF THE RECORD

(By "ROVER")

IT appears to me as if the proverbial worm has turned. Considering the abuse, insults, infamy and threats heaped on its head, the ever-increasing distrust and vigilance with which it has been regarded, and the progressively tightening bonds with which the poor worm has been circumscribed, what is to be surprised at is that it did not turn even earlier. It speaks something for its endurance that it has survived this vile treatment, even though it might not have prospered and multiplied itself under it. It also speaks something of its meekness and humility of spirit, which would look more becoming in the case of its tormentors, who claim to monopolise the heritage of Gandhiji and speak in his name often when it suits their book, while ignoring all the time the really precious part of his teachings.

I do not know if this delayed display of a little spirit and a sense of self-respect is going to help it or to change matters, which have advanced too far to be easily set right. But I am glad and gratified that the meek worm has turned and expressed its sense of injury. It was not to be expected that it would show any resentment and it would have been extremely impolitic on its part to do so considering its helplessness. An expression of indignation would have been out of place and even ludicrous. Threats of not offering active assistance but even of sulking or going on strike would have been unpatriotic, apart from being suicidal. Its determination to prepare its case and present it to the public has struck just the right note. It has supplied the necessary evidence that a worm, though it be, the life force is still working in it and that it is still aware of other values besides that of acquisition. I should be all the more gratified if this new determination also leads the worm to cleanse some of the filth which has worked itself through its nutrition in its system, and which today constitutes its one great weakness. It is this element of corruption in its composition which has exposed it to the calumny and cruel treatment, of which it has been a victim during recent years.

The fact that such filth and worse today contaminates the other members of the body politic as well, should not be taken as a cause for comfort or put forward as a defence by it. History has taught us that the vices of those who wield power are not only overlooked but virtually applauded by being imitated by the multitudes, so long as the power lasts, even though this corruption in the long run might lead to their ultimate ruin and collapse. It will not help private enterprise to point to the beams in the eyes of its detractors or to ask only those who are free from sin to throw stones at the sinners. *It is always the guilty* who clamour most loudly for the punishment of those who are sinful in their eyes. Only in such a clamour could they drown both the accusations against themselves and the inconvenient and discomforting voice of their own conscience. Those moved by real piety or genuine righteousness never even dream of throwing stones at the sinful ones. They would cease to be truly pious the moment they did.

Of course, I am referring to the all too meagre reports appearing in the Press about the meeting of eminent Industrialists called, of all people, by that genial and laughter-loving soul, Mr. Homi P. Mody, last week. Militancy is the last thing one would associate with a man like Mr. Mody, though I have for long suspected unplumbed depths and untested strength in this shrewd business man and public leader. He has fought humbug and hypocrisy but always with the non-militant but more deadly weapon of his tongue. He is, perhaps, not so non-violent as he makes himself out to be, because extremely affable though he is, he loves to smite and scourge an opponent by way of a pointed story or a neatly turned joke. That such a man should abandon his pose of light-hearted tolerance and choose to lead a movement is a proof of the fact that the powers-that-be have gone too far in this game of bullying private enterprise and that its enemies amongst the power-grabbing political crowd have transgressed the mark in their defaming tactics.

If the world can accommodate a militant church, militant trade unionism, a militant peace movement and militant feminism, I cannot see any reason why anybody should look askance at a militant business community. However, the stand which private enterprise has decided to take at this meeting, under the guidance of Mr. Mody, is by no means either militant or aggressive. All that one could say about it is that it is mildly defensive and one which is dictated alike by enlightened self-interest and the economic needs of the country at the present stage of its development. Private enterprise would deserve to go down and be extinguished, if it did not courageously stir to clear its position and to remove prevailing misconceptions. The heavy load of calumnies apart, it is being tied hand and foot, on the one hand, and upbraided for not functioning vigorously, on the other. Considering the plight of the country's economy, it could not think of going further than this in its resistance or protest. Considering its own future existence and its own self-respect, it could not do less, unless it contemplated committing *hara-kiri*.

Not being an industrialist and not having been present at this momentous meeting, I cannot claim to know anything in detail about the decisions taken there. But we know enough, from the reports which have appeared so far, that for once, the leaders of this community, who are traditionally wedded to caution, moderation and discretion, discarded their matrimonial yokes and indulged in outspokenness, and in some cases even bitterness. But I have noticed of late not only this essay in candidness in varying degree at business men's gatherings, but a new note of desperation and even despair which has inspired them with some courage and made them challenge their critics and oppressors. We had an earnest of this from Mr. Mody himself at the meeting of the Employers' Organisation last month, when he indulged in some straight and serious talk. The All-India Manufacturers' Organisation also cast aside its fear when it openly indulged in some pertinent criticism of the official economic policies under the guidance of that intrepid fighter, Dr. M. Visvesvarayya. It has also been obvious for some time from his public utterances that not quite a negligible quantity of iron has entered the philosophic soul of Mr. J. R. D. Tata.

Since this historic meeting of Mr. Mody, when knights of industry decided to enter the lists, I have noticed a new mood and a new temper individually amongst some of the other leaders of this community, on one or two recent occasions. This informal gathering, in my opinion, was more representative than the Committee of the Federation of the Indian Chambers of Commerce and Industry and spoke with greater authority than the Federation ever could, if we look to the great names that figured in the list of those who honoured Mr. Mody's invitation. It is, therefore, but natural that it should have inspired the individual members of this community with a new courage and a new sense of determination to vindicate its position. Mr. Dharamsey M. Khatau is no firebrand. He has his head screwed tight on his shoulders. His address to the shareholders of the Associated Cement Companies at its annual general meeting a few days ago is a classic instance of this new spirit in the private sector and the revival of a sense of dignity amongst its leaders. Similarly, last Friday, I was vastly entertained by the homily to which Mr. B. T. Thakur, a sedate and discreet banking man from Calcutta not given to extravagant utterances, subjected the Finance Minister of the State of Bombay, when Mr. Thakur was presented with an address by the Shikarpur Shroffs' Association of Bombay. Dr. Jivraj Mehta presided over this gathering. It did me good to watch this reversal of the usual role of boringly platitudinous Ministers preaching to business men about selflessness, with which most of the Ministers I have come across have not even a passing acquaintance.

All this is to the good. I have but one warning to utter to those who are starting on this new and very necessary crusade. What matters in all such campaigns is for the billigerents to embark on it with clean hands. A mere disapproval of the black sheep in their camp cannot be enough. A more vigorous and a more pronouncedly aggressive attitude of driving out this perversely anti-social element, which is not as insignificant as business men try to make out, from their camp might prove a good preparation for the coming struggle, in which private enterprise proposes to engage itself for its defence. Without it, their *bona fides* will not be accepted unreservedly and their otherwise strong case will stand the risk of being prejudiced from the very start.

Those who will not subject themselves to self-discipline must accept it from without. And more than half the mischief which has disabled industry and crippled private enterprise, to a degree where it has ceased to be either private or an enterprise, has been wrought by the effort to impose an unnatural and artificial order in this field by an ignorant and unimaginative bureaucracy, directed and controlled by inexperienced and arrogant Ministers. It is idle to ask for an autonomous free enterprise as an equal force co-existing with the public sector in the country's economy, each supplementing and fortifying the other and each functioning within a clearly defined sphere of activity, unless the private sector gave proof of effective self-discipline. Nobody who is not disciplined could hope to remain free for long.—*All Rights Reserved.*

INDO-CEYLON CITIZENSHIP CONCORD HERALDS NEW ERA

TWIN BODIES FOR RIVER VALLEY PROJECTS

(From A Special Correspondent)

NEW DELHI, 19*th January*

DELHI LETTER

THERE was considerable satisfaction yesterday at both camps, Indian and Ceylonese, when a broad understanding was reached over the vexed problem of citizenship rights to the Indian settlers in that Island. This problem has defied solution during the last few decades, creating, in its turn, much misunderstanding and controversy. The credit for the latest understanding, doubtless, goes to a large extent to the statesmanship, foresight and realism of the Ceylonese Prime Minister, Sir John Kotelawala, and his colleagues who evinced keen interest in finding a way out to this question. On the Indian side also, Mr. Jawaharlal Nehru, Prime Minister, displayed commendable restraint, dignity and understanding, especially over the apprehensions and difficulties that swayed the Ceylonese delegation from time to time, and was successful in convincing the Ceylonese spokesman that a broadbased agreement between the two neighbouring countries which have been bound by close and inseparable cultural and social ties over a period extending from the dim dawn of civilisation to the present day, is not only essential but also necessary for the proper development of the two countries in the coming years.

An agreement has as a result of the understanding, been signed by the two Prime Ministers subject to the approval and ratification by the two Governments. It contains eight clauses dealing with different aspects of the problem. The Ceylon Government has promised to maintain a register of all adult residents who are not already on the electoral register. It has stated that it will expedite the registration of citizens under the Indian and Pakistani (Citizenship) Act so as to complete the disposal of pending applications within two years. The registered candidates will be placed in a separate register, particularly in view of the fact that the bulk of the citizens does not speak the language of the area in which it resides. Citizens whose names are placed in the separate electoral register will be entitled to elect a certain number of members to the House of Representatives. In regard to those persons who are not so registered, it will be open to them to register themselves as Indian citizens, if they so choose, at the office of the Indian High Commissioner. The present arrangement will be continued for a period of 10 years after which a fresh assessment will be taken of the whole problem. At the same time, both Governments are determined to suppress illicit immigration traffic between the two countries with close co-operation with each other.

The implications of the agreement are far-reaching. The agreement heralds a new era of economic and political relations between India and Ceylon. What is more, it sets up a pattern which in future will become a basis for the solution of similar questions. Since thousands of Indians have gone to distant lands in search of occupation at the invitation of the then colonial authorities, during the last one century, and since citizenship rights to these people are not being granted in the natural course of things, the agreement with Ceylon now provides an indication as to how a fair approach could be made to tackle this problem. It is generally believed that as a result of the above agreement, about five lakhs people will acquire full citizenship rights by the end of 1955. It is hoped that the Government of Ceylon will consider favourably, for purposes of registration, another three to four lakhs people for absorbing them eventually to full citizenship rights. The Ceylon delegation is reported to have given an assurance that their Government will not disturb this class of people from their present employment. Besides, there may be another one to one and a half lakh Indians who have been living in that country, holding Indian passports or travel documents. Citizenship for this class of people will not arise, unless they qualify themselves for this purpose in due course.

Although the problem of the status of Indian settlers in Ceylon has not been fully solved, the present agreement will go a long way to meet the desideratum. The Indian Prime Minister has put this succinctly when he stated that "one would be on sounder grounds to go a few steps now and a few steps later on." Sir John Kotelawala also responded to the above sentiment when he expressed thus: "Ceylon looks to India not only in the matter of settlement of the status of Indians in Ceylon but in other spheres as well for the understanding, goodwill and co-operation which a small country can expect from a land as large and as rich in men and materials as India undoubtedly is."

The Production Ministry of the Government of India has been placed in an unenviable position in the matter of deciding the location of the steel plant. Four States have been vying with each other for this honour; and in their anxiety, they have raised considerable controversy on this question, by pointing out that each particular State has greater advantages over the rest in point of economical production of steel, as also in the availability of various raw materials. They have already submitted detailed memoranda on this subject to the Central Government. The Madhya Pradesh Legislature has also passed a resolution that the proposed steel plant should be located within the State, failing which the Central Government should appoint an independent body to assess the merits and demerits of each State in this connection and pronounce its judgment. Meanwhile, another German delegation which was in the Capital this week, has now left for Calcutta to have some discussions with the Secretary of the Production Ministry. This delegation will submit its report shortly to the Government of India on the question of location of the plant. It is only after this that Government will be deciding the location. Perhaps this decision will be announced some time in the first fortnight of February. In view of the controversy, the Government of India is likely to consider favourably the publication of the observations of the German delegation on the location of the steel plant. After the decision of this question, the work in connection with the construction of the factory will begin in right earnest from April next.

The Government of India has proposed to set up a Committee of Engineers and a Board of Ministers concerned for the purpose of co-ordinating the organisation, development and execution of river valley projects. According to Mr. Gulzarilal Nanda, Minister for Irrigation and Planning, the Engineers' Committee of Co-ordination (Chairman: Mr. Kanwar Sain) will include representatives of the major river valley projects and one representative each of the States having medium projects. The Board of Co-ordination of Ministers will decide questions of policy and steps to ensure effective implementation of that policy. The proposal to set up the Committee and the Board follows the deliberations at the seminar of engineers held recently at Nangal. These two bodies are expected to constitute "an essay on co-ordination" in the words of Mr. Nanda.

The proposal to constitute the Board and the Committee, though belated, is nevertheless welcome. For such co-ordination will promote effective utilisation of the available resources and will also evolve uniform methods of tackling common problems. The Committee of Engineers will help utilise the technical skill and professional experience of the engineers for the benefit of the nation. After all, engineering is the art of economic application of science to social purposes. Any defect in the application will increase the social cost of the projects to the community and this, at a time when India is faced with a woeful lack of capital, will really be deplorable. Proper co-ordination will also help remove the hiatus in the execution of projects by avoiding disbandment of trained personnel as soon as a project is completed, who could be transferred to places where they are required. The success of these institutions will, however, depend, in the last resort, on the realisation by the engineers and ministers concerned of the tremendous responsibility they are entrusted with and of acting according to the highest ethical and technical standards of their professions.

DEVELOPMENT OF THE COMMONWEALTH

HAS BRITAIN GOT ENOUGH CAPITAL FOR IT?

(From Our Own Correspondent)

LONDON, 16*th January*

LONDON LETTER

THE Sydney Commonwealth Conference of Finance Ministers certainly covered the ground intended, as far as can be judged from the final *communique*. The two major decisions that emerged comprised a general objective and a practical approach. The general objective was to strengthen the sterling area for which purpose exports must continue to be expanded, expanded, expanded. The theme is ceaseless and expansion is to cover not only "traditional goods but everything else that can be sold abroad. The long-term purpose of this sterling strengthening (the published figures suggest a substantially reduced net balance of payments surplus for the sterling area in the current year, as compared with the preceding year) covers the convertibility of sterling. But though the International Monetary Fund is now pressing hard its convertibility propaganda, the Finance Ministers have sensibly reaffirmed that sterling must be much stronger and American intentions regarding access to her markets clarified before convertibility can be considered.

The practical approach was the decision to increase access to the London capital market to the Commonwealth countries "in support of general programmes of development"—that would, however, assist in improving the sterling area's balance of payments. In the course of the Conference, a good deal of Press talk has taken place about the great stream of finance now to be undammed from the U.K.—the price of which, to make the whole thing sound more realistic, was to be consumer austerity in this country. So Mr. Butler and his Australian colleague—a great believer in incentives for entrepreneurs and the practical limits on domestic austerity—had to come out into the open and forthrightly declare that the reports had been running ahead of practicability. There was to be no "bonanza," said Mr. Butler, and the British Government, though it believed in encouraging saving both for home and Commonwealth development, was not proposing any new austerity programme. Access to the London market was to be *easier*, that was all, for London had no unlimited sums to lend; the U.K. had itself to be served and then there were the claims of the Colonies as well as of the Commonwealth.

Naturally, one is obliged to enquire how much easier access to London is going to be. Whitehall is not aware of anything more than an intention to help Commonwealth countries as much as possible when they approach the British Treasury with requests to be permitted to borrow on the market, in the light of the purposes of the borrowing and the position ruling on the capital market at the time. Indeed, unless the Treasury were to make loans itself, there is little more that Whitehall can do.

But, subject to the market being able to provide the funds, there is to be one important change in the Treasury's approach to the borrower; that is to be found in the phrase above "general programmes of development." Indeed, Mr. Butler has made it clear that he prefers projects where the borrowing country is also substantially involved. This is a sound and refreshing approach, for, whereas hitherto the Treasury has wanted to know precisely into what British money was going, henceforth it will be satisfied with British participation in a general development project which, for instance, may assist in the purchase of equipment that may have to be imported. The view is now taken that the general development of the Commonwealth is the surest way of increasing their contribution to the resources of the sterling area.

Although the City has failed to answer its own question as to how much more borrowing may be permitted under this new approach, the Commonwealth countries can rest assured that the Sydney decision was not empty. The Treasury will be more liberal in authorising borrowing and undoubtedly the Government agencies such as the Export Credits Guarantee Department and the Colonial and Commonwealth Development Corporations will be better able to make their own contributions. The limiting factor will necessarily be the British balance of payments surplus, but beyond this the London market will be as free to the Commonwealth as to the domestic economy.—*All Rights Reserved.*

AMERICAN LETTER

BUSINESS ROLLING ALONG SMOOTHLY

BANK PROFITS HIGHER—EAST-WEST TRADE

(From Our Own Correspondent)

NEW YORK, 14*th January*

PRESIDENT Eisenhower followed in the footsteps of his predecessors in asking Congress to hike social security taxes and grant coverage to 10 million more persons in the U.S. and boost old-age and survivor benefits for all. His aim, he said, is to "reduce both the fear and incidence of destitution to the minimum". In this particular respect, the President will most likely have the support of nearly all Democrats in the Congress and of most of the progressive Republicans. It should also increase his popular support.

Meanwhile, business is rolling along satisfactorily. The consensus of opinion, expressed by chairmen of the leading banks throughout the country, is that 1954 may not be as good a year as 1953, but that it will approximate the results of 1952 and may be the second or third best business year in the history of the U.S. There do not seem any particular hardships ahead of the financial business. The era of extreme and artificially low interest rates is past and is unlikely to be re-established.

Improved profits over the preceding year have characterised 1953 bank statements and the expiration of the excess profits tax should help to accentuate this trend further. All will depend, however, on the general course of business. Commercial loans for the past six months have been appreciably lower than in the preceding 12 months' period. With lower taxes and increased take-home-pay for corporations and individuals, the demand for loans is apt to remain lower in the future, except that, in the first half of the year, about 90 per cent. of annual corporation taxes are being paid. This will necessitate some borrowing.

Earnings from securities should be better, owing to higher interest rates and small loans of all categories carrying the highest interest rates should continue at a high level. With the accumulation of savings which has been proceeding since the war years, a new philosophy is reigning in American minds. Families with, say, $1,000 to $4,000 in cash savings will no longer, as they did 10 years ago, take $1,500 to buy a new automobile. They rather keep the money in the bank and buy whatever they wish in the way of capital goods on the instalment plan. It has become a nationally established pattern.

Savings Habit

The savings habit is most likely to continue, regardless of the rolling adjustments in the economy. Pension plans alone are increasing at the rate of $2,000 million a year and are now estimated to total $17,000 million. All such funds should provide a steady flow into the U.S. financial system and help maintain volume and earnings, despite soft spots in the economy.

Labour strategy this year, in the face of stable and even fractionally declining living costs, seems to be to have security benefits increased rather than ask for higher cash wages. This general trend should work in the direction of stable financial markets.

Political Tension

However, in the volatile atmosphere of East-West tension, any suggestions about future developments cannot ignore the possibilities of further explosions which, in turn, could have a profound effect on American business and psychology. The final conclusions of the Foreign Ministers' Conference at Berlin may leave their marks on Congressional thinking during this session of Congress. Korea is still a trouble spot, as is Indo-China.

The position of India's Prime Minister, Mr. Nehru, and his country's attitude in Asian affairs and the question of aid to Pakistan continue to exercise public opinion in the U.S., more or less as a result of Vice-President Nixon's report after his world tour.

In fact, India's position is widely questioned in the U.S. There is great doubt here whether Indian official policy is actually anti-Communist or just "Asian" without regard to the East-West question. Also, whether Prime Minister Nehru aspires to leadership of all Asian nations as a matter of principle regardless of political consequences. There is no doubt that most of the Asian foreign policy decisions of the Eisenhower Administration will be based upon the Nixon report, rightly or wrongly.

So far, the domestic U.S. markets seem to take a sanguine view of what the Administration is trying to accomplish. Far-sighted business managements have adjusted themselves to the new concept of less Government control and greater competition. Others will not or cannot do so, without revising their own thinking and reorganising their operations. The net result is that, even within specific industries, some concerns will be making progress and expand, while volume in others will drop.

This is not exactly a return to the rugged individualism of a quarter of a century ago, but merely a departure from the overdone Government paternalism of the past two decades. This trend is not confined, of course, to the United States alone. In Great Britain, too, many controls have been removed and markets have been turned back from Government manipulation to private initiative. While this has not achieved overnight results, it has led to a gradual and substantial improvement.

Aided by internal measures, gold and dollar exchange balances have been rising to the point where U.S. aid, outside of military aid shipments, is a mere gesture.

East-west Trade

One of the hottest subjects at the present time is the liberalisation of East-West trade, outside of strictly strategic materials. Some of the most conservative business men have made the point that American refusal to do business has driven the satellites into closer alliance with the Soviet Union.

Thus, it is argued, U.S. embargoes have helped Moscow as much as they have impeded the Communist Government. There are many Russian and satellite raw materials which the free world could use to advantage. This viewpoint is advanced, among others, by the National Foreign Trade Council and the United States Council of the International Chamber of Commerce.

Such thinking is analogous to the liberalisation of business from controls both in Britain and in the United States and to President Eisenhower's proposal for a pooling of atomic energy information for peaceful purposes. It is a trend which cannot be dismissed. It could be one of the contributing factors making for high level employment and business activity.

One of the most encouraging indicators is that spending for new plant and equipment in the first quarter is estimated to reach $6,600 million, up 5 per cent. from a year ago. Also, new housing units expected to be built in 1954 should equal the 1.1 million houses, constructed in 1953. Industrial expansion and building have always been two of the mainstays of the American economy.—*All Rights Reserved.*

PAKISTAN NOTES

MINING IN PAKISTAN

IMPORTS OF TEXTILES

THE completion of the aerial survey of land by the end of this year marks a significant step forward in the direction of utilising the vast potential resources of Pakistan. The survey—started about two years ago—is being carried out by the Photographic Survey Corporation of Canada. Four more Canadian experts are reported to have already arrived in Pakistan to join the original team of nine Canadian geologists who have been responsible for the completion of the photographic survey of Baluchistan. The survey is claimed to be the largest ever conducted of Pakistan's resources, the total area covered being 165,000 square feet. The cost of the survey is $2 million which are drawn from a $10 million fund set up by Canada under the Colombo Plan.

While the aerial survey is important only from the long-term point of view, the Government of Pakistan has taken several active steps to promote the development of the mining industry in the country. These include various forms of concessions to mining industries, scheme for training of six mining surveyors each year, setting up of a Chair of Geology at the Punjab University, training of mining engineers in the Punjab College of Engineering and Technology, scheme for sending students abroad for training in geology and oil technology, and improvement in the means of communications in the mining areas. All these steps have resulted in the discovery of a number of new minerals and increased production of various minerals, as will be seen from the figures given below:

	1948	1952	January-June 1952	January-June 1953
Crude oil (10 million gallons)	17.02	55.43	24.67	25.96
Chromite (tons)	18,000	17,230	9,568	11,129
Coal (tons)	241,000	599,000	321,967	328,088
Limestone (tons)	346,900	672,400	333,199	411,847
Gypsum (tons)	14,150	28,850	13,753	12,469
Fire-clay (tons)	..	6,302	3,069	4,159
Silica sand (tons)	..	4,615	2,478	3,128

Exploration of and prospecting for new oilfields are being continued. Pakistan Petroleum Ltd., which has been carrying out drilling operations for oil at Sui in Baluchistan, has struck a field of natural gas which is expected to yield 1.1 million tons of furnace oil for the next 50 years on a very conservative estimate. The World Bank is understood to have agreed to finance 50 per cent. of the cost of the project estimated at £10 million. Fresh oil is also reported to have been struck in the Jhelum and Attock Districts in the Punjab. Further prospecting is being carried out in several other parts of East and West Pakistan.

Iron Ores

Renewed investigations on iron ore have been made in Chitral, Mardan and Abbottabad. The work with a magnetometer has proved a deposit of 7 million tons of iron ore in Chitral. Iron ores have been reported at 15 places in the Salt Range in Mianwali and Sargoda Districts; these ores, it is stated, have an iron content varying from 42 to 66 per cent.

The Pakistan Government has started, in collaboration with private interests, construction of a 3,500-ton caustic soda plant at Nowshera. The Pakistan Industrial Development Corporation is installing a fertiliser plant at Daudkhel which will produce 50,000 tons of ammonium sulphate per annum. The cost of this plant is estimated at Rs. 6.35 crores, of which the U.S. Technical Co-operation Administration will contribute Rs. 3.12 crores ($7 million). The factory is scheduled to be completed by the end of March, 1956. Plans have also been completed for the erection of a superphosphate plant along with a sulphuric acid factory at Lyallapur.

Self-sufficiency in Cement

The plans of the Pakistan Industrial Corporation for attaining self-sufficiency in cement supplies are well under way. The decision to purchase and rehabilitate the two cement factories of the Associated Cement Companies—a brief reference to which was made in last week's notes—marks the first major step in the direction. The indigenous production of cement in Pakistan is now running at an annual rate of 600,000 tons which is far below the country's requirements. Plans are accordingly under way for the setting up of two cement factories—one at Hyderabad (Sind) and the other at Daudkhel (Thal) with annual installed capacities of 120,000 tons and 100,000 tons, respectively. Preliminary investigation into these projects has already

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been completed and the machinery and plant are on the way. The construction of the factories is expected to be completed in about two years' time. The cost of the Hyderabad factory is estimated at Rs. 1.7 crores. Of this, the Sind Government will subscribe 50 per cent. The Government of New Zealand has contributed Rs. 45 lakhs under the Colombo Plan. The cost of the cement factory at Daudkhel (Thal) is estimated at Rs. 2.5 crores. The bulk of this cost, namely, Rs. 1.8 crores, is being contributed by the Canadian Government.

Purchase of Japanese Textiles

Latest reports from Karachi indicate that negotiations between the Pakistan Government and the representatives of the Japanese firms for the purchase of textiles by the former on its own account have been concluded. An agreement is expected to be signed shortly. Under the proposed agreement, Japan will supply longcloth at As. 10-4 per yard. It may be recalled that, under the Pakistan-Japanese trade agreement, signed in April, 1953, Japan had agreed to sell cloth worth Rs. 5.5 crores. The purchase of cloth from Japan now envisaged is part of the Rs. 4 crores worth of cloth which the Government recently decided to import on its own account with a view to bringing down the prices which have soared high.

FINANCE FOR DEVELOPMENT OF PRIVATE SECTOR

VIEWS OF LEADING ASSOCIATIONS

THE points for discussion relating to provision of large-scale bank finance for the development of the private sector, circulated among financial institutions and business organisations by the Shroff Committee, have evoked replies from all the leading associations of industry, trade, banks and insurance. Apart from the replies sent by the Bombay Shareholders' Association, to the views of which a reference was made in our last issue, other well-known bodies such as the Bombay Exchange Banks' Association, the Federation of Chambers of Commerce and Industry, the Indian Merchants' Chamber, Bombay, and the All-India Manufacturers' Organisation, Bombay, have all submitted their views on this important question. Accordingly, the Committee now has plenty of material on the needs of the private sector and on how best they could be met. It will receive some more ideas when it visits other centres also. It is, however, to be hoped that this expert committee will not let itself be overwhelmed by the avalanche of suggestions and that it will have the equanimity of mind to put forward practicable proposals, consistent with the best traditions of commercial banking.

A perusal of the replies of some of the bodies referred to above discloses certain broad features which the Shroff Committee will do well to bear in mind, while arriving at final decisions. First, the replies place undue emphasis on the aid which the Reserve Bank could give to industries. Secondly, the replies seem to have been framed with a view to laying the blame for the present unsatisfactory position entirely at the door of the Government. Thirdly, while the insurance and banking laws have been modified with a view to eliminating certain dangerous tendencies in the sphere of banking and insurance, the Committee is now asked to liberalise them, so that more finance could be made available to the private sector. Lastly, one notes the absence of introspection on the part of most of these bodies, with a view to finding out to what extent the private sector itself would be able to help in augmenting the sources of finance needed by it. It is asked, for instance, as to why the private sector itself should not start a joint stock industrial bank with a large capital structure.

Specialised Banking Units

With these preliminary observations, it is proposed to outline here the various suggestions made by the organisations mentioned above. The Shroff Committee desired to know whether there was any need for starting specialised banking institutions for industrial purposes. The comments of the Exchange Banks' Association on this question are quite appropriate. The Association is of the view that the main conditions necessary for enlarging supply of bank credit to industries is increased deposits which would necessitate the growth of the banking habit throughout India. This can best be accomplished by the expansion of rural co-operative banks in districts where it would not be economic for commercial banks to operate. But it takes care to remind that it is still a common feature in this country for savings to be invested in gold and silver ornaments, etc., instead of in banks. The breaking down of this tradition can, however, only be gradual and no immediate augmentation of bank deposits can be expected from this source. The Association feels that there is need for starting specialised banking institutions for medium to long-term finance for industry. It considers that the supply of finance, other than short-term, should be by special institutions such as Industrial Development Corporations, Finance Corporations, Investment Trusts, etc. It opines that the supply of such finance does not come properly within the functions of a commercial bank and that the funds necessary to create such special institutions would require to be obtained from other sources or by assistance from the Reserve Bank of India. "A commercial banker would be departing," it says, "from one of the basic principles of bank lending were he to provide other than short-term finance."

One of the ways of augmenting deposits is to tap rural areas. On this subject, the Shroff Committee had asked for suggestions which would enable banks to open branches in undeveloped areas. Commenting on this point, the Exchange Banks' Association observes that labour legislation has undoubtedly led to increased costs of operation and this would tend to discourage the development of banking in undeveloped areas. The same views are held by the Federation of Chambers of Commerce and Industry (F.C.C.I.) and the Indian Merchants' Chamber also. The former, in addition, points out the other difficulties in the way of opening branches in rural areas. These are the need to maintain a larger cash balance, lack of adequate facilities for transfer of funds, greater cost of security arrangements, absence of earnings from remittances and bills and limited scope for bank advances except in those centres where there are big *mandis*. The Federation suggests that expansion of banking in rural areas would be greatly facilitated by a more realistic labour policy, adequate and free remittance facilities and, if necessary, an initial subsidy so as to cover working losses. There is also the question of evolving, it points out, a more convenient form of deposits and investments such as bearer bills which will induce persons to keep their savings in original banking centres.

Deposits

While the tapping of funds from rural areas is thus beset with a number of difficulties, the next question which arises relates to the other measures calculated to increase the resources of banks. One of the ways is to increase the non-rural deposits. The Federation, as well as the I.M.C., have made some interesting observations on this aspect. Incidentally, they all seem to have benefited by the articles on this subject contributed by Mr. Sadasivan and by a banker to our latest *Annual Review Number*. They observe that advance collection of income-tax, borrowings by the Government of India, State Governments and local bodies and diversion of funds from banks into Government Treasuries through the operation of States schemes for compulsory provident fund for industrial employees all have had the cumulative effect of drawing off natural accumulation of funds in the commercial banking sector. The Federation, in this context, draws attention to the fact that, in contrast with the experience of the commercial banks, the post office savings banks have recorded a spectacular increase in deposits. It feels that positive steps should be taken to assure expansion of deposits of banks and also to secure greater economy in the cash basis, thus releasing funds for credit expansion. The Federation feels that at least 50 per cent. of the uninvested balances of provident funds may be allowed to be deposited with commercial banks.

This tendency of the Government to force all available surplus funds to flow into its own obligations is considered to be partly responsible for the fall in bank deposits in India. The I.M.C. points out that, between the years 1948-49 and 1952-53, deposits of commercial banks were on the decline from Rs. 978.4 crores to Rs. 855.4 crores. This trend was in marked contrast with that in Pakistan where there was an increase in deposits from Rs. 107 crores to Rs. 148 crores during the period. The rise in deposits was more impressive in the U.S. where they rose from $78,383 million to $93,175 million. The Chamber feels that the Committee should go into the factors that have contributed to the fall in deposits of commercial banks.

Cash Ratio

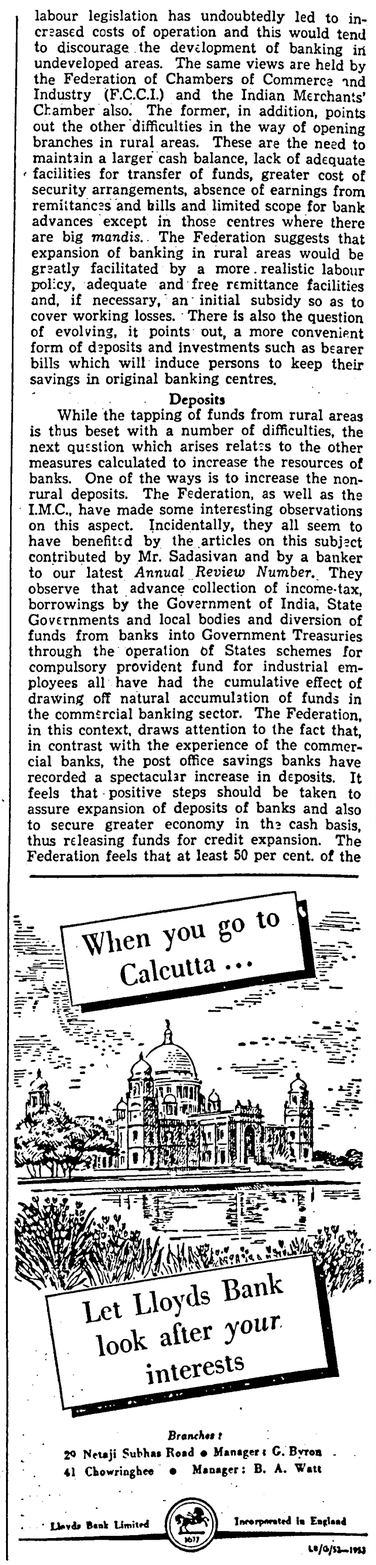
The question of augmenting the lendable resources of banks by reducing the present ratio of the Banks' cash to deposits has also received the attention of the Associations. The Exchange Banks' Association has answered this poser by a brief reply that it is inadvisable to reduce the ratio. But the Federation feels that there is some room for economy here, with the proviso that remittance facilities and tele-communications should be speeded up. Elucidating this point, the Federation remarks:

"At present, large cash balances have to be kept at widely scattered centres, because it takes one day to transfer funds even from Bombay to Calcutta and *vice versa* and longer in the case of mofussil centres. Quicker means of communication would enable the use of idle cash now lying in the vaults or branches of banks. There are also certain other suggestions which deserve consideration in this context. For instance, the moneys in transit should be treated as assets on hand for purposes of the returns sent to the Reserve Bank. Telegraphic transfers received from other places for credit of an account with the Reserve Bank or their agents should be credited on the same day, even if they are received late. This would release money for the maintenance of minimum cash balance without making the transit money blocked and also save the banks from paying interest charges. Further, it may be considered whether 2 per cent. and 5 per cent. of the statutory deposits which Scheduled banks are required to maintain with the Reserve Bank can be kept during the busy season in Government securities instead of in cash, thereby releasing such amount to banks towards the much needed financing of the industries and at the same time without impairing, in any way, the safety of bank deposits. Perhaps, 50 per cent. of the statutory deposits with the Reserve Bank could be in the form of Government securities throughout the year. Another suggestion is that the present facilities in the mofussil areas for exchanging smaller notes into notes of larger denominations should be increased, thus avoiding accumulation of small notes with the mofussil offices of commercial banks. If the Imperial Bank, as agents of the Reserve Bank, can enlarge their facilities for the exchange of small notes into big notes, the mofussil offices of commercial banks can work on a lower cash balance and the moneys thus realised could be remitted to the money market centres of Calcutta and Bombay and form the basis of additional bank credits. Further, the present restriction of free remittance facilities from the mofussil to Reserve Bank centres to once a week also results in accumulation of cash at the mofussil stations. This facility must be very much liberalised."

Touching on the question of telegraphic transfers, the Exchange Banks' Association suggests that, in order to counteract the delays in such transmission, the Reserve Bank should arrange to effect remittances for amounts of, say, Rs. 10 lakhs and over between the principal centres in India by telephone. Such applications for telephonic remittances would obviously have to be lodged, it says, with the Reserve Bank at a reasonable time and it is suggested that 11-30 a.m. should be the latest time up to which such remittances would be accepted. It is also suggested that remittances already in the Reserve Bank may be taken as held at destination for statutory requirements.

As regards the question of making the credit structure more elastic, the Federation, as well as the I.M.C., welcomes the scheme for rediscount of usance bills introduced by the Reserve Bank early in 1952. The former has suggested that not only should this scheme be made an integral part of the banking system but also that it should be further expanded so as to make it useful to a greater extent and to a wider sphere of industry. In this context, it emphasises the need for liberalising the conditions under which the Reserve Bank of India would discount the usance bills, so that smaller banks and industries could take advantage of the scheme.

The Federation draws the attention of the Committee to the practice of certain industrial concerns using *hundis* given by their customers for raising bank finance. The Federation feels that the extension of this practice should be encouraged, as there is no longer any stigma attached to *hundies*. It considers that it is also



desirable that short-term advances made by banks to industries against stocks-in-trade should be convertible into bills of nine months' duration and that such bills should be readily discounted by the Reserve Bank; in order to enable the latter to do so, it has advocated that the Reserve Bank Act should be suitably amended. Another suggestion made by the Federation is to explore the extent to which payments to be made by Government could be made in the form of bills which could be discounted by banks, and, if necessary, rediscounted by the Reserve Bank.

Industrial Finance Corporation

The Federation, the I.M.C. and the A.I.M.O. have acknowledged the utility of a financial institution such as the Industrial Finance Corporation of India in providing long-term finance. But they have suggested some changes in the scope and functions of this Corporation. The I.M.C. desires that the Corporation should be authorised to lend more than Rs. 1 crore to an individual applicant. The assistance extended by it so far is considered to be far below and short of the actual amounts applied for. Thus, in the four-year period 1949 to 1952, the Corporation loaned just over Rs. 14 crores, as against Rs. 32 crores applied for. Although opinion is divided as to whether the Corporation should be enabled to undertake promotion of new flotations, the I.M.C. wants that it should utilise its powers to underwrite new issues. The Federation, for its part, considers that the rate of interest charged on loans at 6½ per cent. is too high and deters even the most enterprising borrowers. Apart from this, it is stated that there are delays in dealing with the applications by the I.F.C. Besides, the fact that personal guarantees are required by the I.F.C. from the directors of the managed companies and managing agents which, it is pointed out, is difficult for public limited companies to comply with. Further, if shares of Central and State Finance Corporations are treated on a par with Government securities and freely accepted as collateral for loans by the Reserve Bank, banks would be in a position more freely to subscribe to the shares. The Federation has also suggested that the I.F.C. should circulate proposals for advances to industry among the leading commercial banks to ascertain whether they could participate in the loans to the extent of 5 or 10 per cent. Incidentally, if such participation were readily forthcoming, it might help the Industrial Corporation to ascertain whether such proposals are commercially sound. The A.I.M.O. suggests that scope of lending by the I.F.C. should be extended to private limited companies and proprietary or partnership industrial concerns.

Supplying more funds for the private sector for medium- and long-term requirements through Scheduled banks will be feasible, if the Reserve Bank agreed to lend against documents created on the basis of medium- and long-term advances made by banks to industrial concerns. Another method suggested is the grant of loans to commercial banks by the Reserve Bank along the lines adopted by the Bank in its grant to the extent of Rs. 5 crores to co-operative banks against intermediate finance ranging from three to five years

The Federation considers that resources available to the private sector could be increased, if the import trade is financed by means of D/A bills rather than by D/P bills and such D/A bills are accepted as eligible security for rediscount or advancing by the Reserve Bank of India. At present, the position is that most of the exports from India to European countries are on D/A terms, while in regard to imports into India, most banks insist on D/P terms. If D/A bills become the rule rather than the exception in the import trade of India, the Exchange Banks can assist considerably, it is stated, in making more finance available to the private sector. In order to encourage this method, the Reserve Bank should accept such bills for rediscounting purposes.

Foreign Aid

Apart from helping industry to obtain loans from the World Bank, the Government could also help private enterprise by earmarking a portion of funds arising out of foreign aid. It is pointed out that the counterpart funds were thus utilised in post-war Japan and played an important role in the financing of private industry.

In addition to the large-scale industry, there are small-scale units which too need credit facilities. The Federation states that no comprehensive statistics of the requirements of the small-scale industries are available. A survey conducted by the Bureau of Industrial Statistics, Calcutta, revealed that the credit available to these small units was less than that secured by large-scale industry. Of the total amount of credit, nearly half was supplied by moneylenders, 18.9 per cent. by banks and 30.4 per cent. by 'others' which included friends and relatives. The rate of interest ranged from 2 to 15 per cent. per annum. The rate, as a rule, was generally on the high side. The Federation states in this context: "In the case of large-scale units, while short-term finance is generally available, the intermediate and long-term finance is found to be short, particularly because of lack of response to equity issues. In the case of small units, however, it is not only the long-term finance which is inadequate, but even facilities for short-term credit do not exist on a sufficiently large-scale."

The Shroff Committee sought information as to whether the restrictions placed under the Banking Companies Act and the requirements the Scheduled banks had to comply with under the Reserve Bank of India Act retarded the development of banking in India, particularly, by increasing bank operations and narrowing the credit base. Dealing with this query, the Exchange Banks' Association observes that the restrictions as well as the requirements under the two Acts are in the interests of sound banking and, therefore, it would not seem prudent to relax them. Continuing, the Association says that with the increasing impetus of the Five-year Plan, commercial banks are called upon, more and more, to furnish guarantees to Government Departments in respect of which they are required to deposit Government securities with the Reserve Bank to the extent of 100 per cent. of the guarantees given. If the Reserve Bank were to reconsider the suggestion previously made that limits for each bank should be fixed for such guarantees up to which Government securities need not be deposited with the Reserve Bank, this would, in some measure, enable banks to increase their credit facilities.

The lien over these securities by the Reserve Bank is, the Association points out, sometimes not released for an unnecessarily long time after the guarantees have expired, owing to delays in Government Departments in advising the Reserve Bank that the release may be effected. Any assistance which the Reserve Bank can give in this respect will reduce the length of time banks' securities are tied up.

The Association has expressed its views on the question whether the present rediscount facilities offered by the Reserve Bank are adequate to encourage the Scheduled banks to extend the scope of their lending and investment policies consistent with the maintenance of their liquidity. It states that if the Reserve Bank's procedure is simplified, the rediscount facilities offered by it should be adequate to encourage the Scheduled banks to extend the scope of their lending and investment policies. It, however, considers that the method followed by the Reserve Bank is slow and cumbersome and should be re-examined by it with a view to expediting such transactions.



ASIAN MARKET FOR EUROPEAN TEXTILES

"SHRINKAGE IN EXPORTS WILL CONTINUE INEXORABLY"

DEVELOPMENTS in the world cotton textile industry and trade in recent years clearly indicate that the European textile markets in Asia and the Far East (A.F.E.) have suffered considerable irreparable damage. The share of Europe in the aggregate imports of textiles into the countries of the A.F.E. region is now approximately 44.5 per cent., as against over 70 per cent. in 1928. Four important factors have been responsible for this changed position. First, Japan, now deprived of its former possessions on the Chinese mainland, has come back as a major exporter. Secondly, shortages during and after the Second World War made it possible for the U.S. to introduce itself in the Far Eastern textile markets. Thirdly, India, from being the most important single market for European exports, has turned out to be a serious competitor. Lastly, China has, by and large, become self-sufficient in cotton textiles. A lucid account showing how all these factors have influenced the position of Europe in the textile markets of Asia and the Far East is contained in the *Study of Trade Between Asia and Europe*, which was recently released by the United Nations [copies obtainable from the Sales Section, European Office of the United Nations, Geneva (Switzerland) at 11s.], and a summary of it was published in an earlier issue of this *journal*.

The textile industry in Japan has registered a remarkable expansion, as witness the fact that the number of spindles in March, 1952 was as much as 6.5 million—it was higher still at 7.46 million as on 31st January, 1953—which compares very favourably with hardly 2.2 million in 1946. The expansion in spindleage has been followed by an appreciable increase in the output of textile manufactures, their index (base: 1932-36=100) rising from 23 in 1949 to 53 in 1951. Similarly, the volume index of exports has risen from 29 in 1949 to 41 in 1951. Incidentally, it may be noted that, during 1953, Japan held the pride of place as the world's largest exporter of cotton textiles, the quantity actually exported being 900 million square yards. Japan has largely replaced both the U.K. and India in Pakistan's textile imports. Indonesia comes next in importance as a market for Japanese goods. Exports to Hongkong and Malaya are largely for re-export to other Asian countries.

Prospects for Japanese Textile Exports

It is rather difficult to take a view of the prospects of further expansion of textile exports from Japan, for such hinges on so many factors. Alluding to this question, the United Nations report observes:

"An intensification of competition between European and Japanese textile exports in the E.C.A.F.E. markets is to be expected. But, while Japan enjoyed relatively favourable terms of trade in its recent export boom, a further expansion of its exports can probably take place only at the cost of deteriorating price relationships. Japanese price competition will probably be met by various attempts to apply discriminatory trade policies, but, given the low living standard in Japan and given the smaller number of overseas markets now politically dependent on European countries, such measures are likely to prove ineffective in the long run."

Textile Exports from U.S.

In the first few years after the recent world war, exports of U.S. textiles to Asian countries were very high. The year 1948, for instance, was the peak year for imports of American textiles. About half the total was accounted for by the Philippines. Malaya was the largest importer of American textiles. With the increase, however, in the supply of goods in Europe and Japan for export, U.S. exports have tended to decline of late. Indonesia is the only country in the region the imports of American textiles of which have so far increased steadily. This increase has its counterpart in a decline of imports from the Netherlands and the U.K., which in 1951, delivered no more than one-half and one-third, respectively, of the 1938 volume. On the other hand, Japan has succeeded in recapturing its Indonesian market. Under the free trade arrangements between the U.S. and the Philippines, the U.S. will probably be able to maintain its position in textile sales to that country, at least as long as the preferential treatment of its goods continues. It may be noted, however, that, though, in the post-war period, practically all Philippine import of textiles came from the U.S., before the war Japan had a considerable share of the trade. For the rest of Asia, the U.S. has been a marginal source of supply during years of shortage and there is nothing to indicate that a lasting position for American textiles has been established in these countries. It is reasonable to expect that Japanese competition will lead to a further reduction of American sales in the years to come.

India's Position

Referring to India's position in world trade in textiles, the report observes as follows:

"Even before the war, the output of cotton textiles in India surpassed the production of the United Kingdom or Japan, but even so, India (together with Pakistan) continued to import huge quantities of cotton goods, and exports (mainly to Burma) were on a relatively modest scale. During the war, however, the position changed radically; in 1941-42, exports of cotton tissues rose to 772 million yards, as against 177 million yards in 1938-39, while, in the same period, imports fell from 647 million yards to 182 million yards. By 1945-46, imports even shrank to a mere 3 million yards. In 1943-44, when production of cotton textiles reached its peak, the consumption of raw cotton was no less than 40 per cent. higher than in 1938-39. Notwithstanding this expansion of production, civilian consumption fell by more than half, since requirements for the armed forces absorbed 30 per cent. of total output of Indian cotton mills.

"In the first post-war years, Indian textile production declined because of lack of coal, worn-out machinery and industrial disputes, and in order to mitigate the shortage in the home market, the Government had to restrict exports and to increase imports. But, in 1948, and especially in 1950, the upward trend was resumed; India became the biggest single exporter of cotton goods to Asian countries in 1950. In the following year, exports again decreased somewhat, owing mainly to renewed restrictions for the benefit of the home market. In the beginning of 1952, the situation for Indian cotton exports again changed abruptly, the problem now being lack of outlets rather than the requirements of the home market.

"There are no prospects that India will again become an important market for European textiles. Nor can there be any doubt that India has come to stay as a major exporter of relatively cheap cotton goods, although the extraordinarily high figures of recent years may not again be reached. According to the Indian Five-year Plan, exports of cotton tissues would have to fall to some 600 million yards in 1955-56, that is to say, about half the record level of 1950. This reduction, together with the planned increase in production, would make possible an annual consumption of 16 yards per head, or about the same as before the war."

In some respects, the above account of the report is incorrect. It has, for instance, failed to mention the fact that the surplus of cloth which India has for export is chiefly the result of the Partition, which has deprived the Indian Union mills of a market for about 700 million yards. Again, it does not mention the fact that, if this sub-Continent is viewed as a whole, still a substantial quantity of cloth is being imported by it from Japan and the U.S.

China

Coming to China, the report points out that the development of China as a producer and importer of textiles is not unlike that of India. The rapid development of the Chinese cotton industry between the two world wars is indicated by the growth of the number of spindles from 1.5 million in 1919 to 5.5 million in 1936. This growth of home production was accompanied by a steady reduction of imports. In 1938, the only important market, almost wholly reserved for Japan, was Manchuria, which absorbed nearly one-third of Japan's exports to the E.C.A.F.E. region.

In the first post-war years, China's textile production recovered rapidly, but the output of cotton piecegoods in 1948 still remained 25 per cent. below that of 1936-38. In this period, China also ceased to be an important participant in world trade in textiles, either as an importer or as an exporter. The Central Peoples' Government further emphasised both the production of raw cotton and the reconstruction of the textile industry, and, in 1950, the output of cotton yarns and cotton tissues is reported to have surpassed the level of 1936 by 16 and 8 per cent., respectively. In 1951, exports of textiles to China and Manchuria amounted to only a fraction of the already low figure for 1938 and imports from Japan had practically ceased. This is, of course, to a large extent the result of political tension, but, even if the present political difficulties were removed, it is unlikely that Chinese textile imports would again increase to anything like their pre-war volume. The prospects are, therefore, that China will, by and large, remain self-sufficient at least in the field of cotton textiles, although a general normalisation of China's trading relationships with Europe might well open up some possibilities for imports of European textiles.

Basing itself on these developments, the U.N. report concludes that the shrinkage of European textile markets in Asia and the Far East will continue inexorably. According to the report, cotton textile production is expected to increase further in the three huge centres of the industry, namely, Japan, China and India. In addition, there are several other countries in the E.C.A.F.E. region which are also endeavouring to establish or expand textile industries. As the special post-war difficulties in the supply of raw materials are being overcome and since the textile industry requires comparatively less amount of capital and skilled man-power, the report does not find any reason as to why these efforts should not succeed.

Proceeding, the report states that the expansion in the textile industry in the Asian countries will affect Europe partly by competition in the third markets, such as Africa or South America. In its opinion, the E.C.A.F.E. region as a whole is a major net exporter of textiles even when jute products are left out of account. It may be technically easier for the European exporting countries, according to the U.N. experts, to prevent a further improvement in exports from Japan and India to the African colonies than to meet their competition in South-East Asia. Nevertheless, they are rather doubtful about the final results, since stronger competition in the E.C.A.F.E. countries will be the inevitable effect of keeping Japan and India out of the third markets.

Keener Competition

It will be seen from the foregoing account that the interests of Europe and Asia in the cotton textile trade are largely competitive. With the global volume of the trade likely to decline in the long run due to local industrialisation and advent of rayon, competition for the remaining markets for textiles will become sharper than now. In view of these, the U.N. experts feel that the extent to which resources should be utilised in expanding the cotton textile industry in India, Japan and the textile exporting countries of Europe should be carefully considered from the standpoint of the foreign exchange likely to be earned or saved.

Proceeding further, they observe that the shares of world trade in textiles held by European countries, on the one hand, and Japan and India, on the other, will depend to a large extent, on the geographic, cultural and political links, preferential treatment and currency regulations. Where political links have been loosened and preferential arrangements discarded, as, for example, in some parts of the Far East—these represent the largest world market for imported textiles—the play of free competition has tended to give India and Japan a fairer chance. On the other hand, the currency difficulties of sterling and other markets have tended to restrict competition. India, in the opinion of U.N. experts, has, as member of the sterling area, the widest market possibilities, but their exploitation depends on the supplies of textiles actually available for exports.

ITALIAN COTTON INDUSTRY

The Italian cotton textile industry is reported to be passing through very difficult times, as a result of shrinkage in exports in recent months. Thus, cotton yarn exports from Italy during 1953 were running at an average rate of 2.3 million lbs. per month, which compares unfavourably with 3.9 million lbs. in 1952 and 4.9 million lbs. in the years 1949, 1950 and 1951. Following such reduction in exports, the mills have curtailed output considerably. This is fully reflected in the increase in the number of spindles and looms lying idle and in the retrenchment of workers. Out of a total of 5,789,240 spindles existing in Italy, more than 1 million are idle. A proportionate number of looms is also not being operated. Several employees in the cotton industry have already been laid off and a further considerable number of workers are expected to be retrenched. How the slump in the export trade has hit the Italian textile trade is borne out by a recent report from Milan which avers that competition in the domestic market has become ruthless and is forcing prices down to so low a level that they are no longer remunerative.

The Italian Government has no doubt approved of several measures designed to help the exporting industries, but these are not considered to be effective. For the measures, it is stated, will not be applied for many months. Besides, they are "hopelessly inadequate." Two of the three measures approved already, namely, medium-term financing for exports and export credit insurance system, it is

(Continued on page 133)

PROSPECTS OF U.K. TEXTILE EXPORTS TO INDIA AND PAKISTAN

CLOTH OUTPUT MOVES UP

(By A Special Correspondent)

MANCHESTER LETTER

MANCHESTER, 12th January

FEARS that the present limit on Lancashire cotton goods shipped to India may have the effect of reducing the demand for Lancashire-made textiles when Indian import restrictions are lifted, were expressed by Mr. F. S. Winterbottom, Chairman of the India Section of the Manchester Chamber of Commerce at the annual meeting.

Exports of cotton piecegoods from the United Kingdom to India showed a further decrease in 1953, he said, and there was cause for regret that the Indian Government did not afford more liberal treatment to Lancashire's traditional textile exports. The increased rate of duty on shipments could not fail to have an effect on the volume of goods which would be purchased from Lancashire when restrictions were lifted.

Mr. Winterbottom said there was still a demand in India for some of Lancashire's specialities and the inability to keep marks and qualities before consumers in the market, despite their increased purchasing power, was extremely disappointing.

Discussing trade with Pakistan, he said official returns of cotton piecegoods exports in 1953 showed a "catastrophic decline." Pakistan had made considerable progress in expanding its spinning and weaving industry and Lancashire's export trade was greatly limited by the country's determination to supply as large a proportion as possible of its own basic textile requirements.

Purchase Tax

An appeal to the Government to make known its intentions over purchase tax on textiles without delay has been made by Sir Raymond Street, Chairman of the Cotton Board. Speaking at the end of a meeting of the Board, during which the Chancellor of the Exchequer's announcement of purchase tax concessions on a miscellaneous range of articles was discussed, Sir Raymond said Board members had found Mr. Butler's action "somewhat puzzling."

They had taken the view, however, that the case made to him recently by the various sections of the textile industry was "quite unaffected" by the latest revisions. The case for the textile industry was so important that they believed the Chancellor, who had personally acknowledged receipt of the representations, would deal with textiles separately.

But the Government should make known its intentions "at no distant date," added Sir Raymond. The principle of making purchase tax changes outside a budget had now been established and future policy towards a tax which exercised such a vital influence over the efficiency and production of the textile industry should be defined quickly so as to remove the "fog of obscurity" facing textile traders.

Synthetic Fibres

That Britain's national economy might demand increased use of man-made fibres in the future was suggested by Mr. R. W. Pennington, Chairman of the Rayon Weaving Association, when he opened a weaving exhibition sponsored by the Shirley Institute at Nelson.

Research on man-made fibres was, he declared, just as important and in some ways more important than for natural growths. He said: "I am not one of those who think that man-made fibres will ultimately displace natural fibres." And he added: "But I am certain that the future lies in the development of blends."

The textile industry would require research and still more research in the future, Mr. Pennington continued. Although this was a costly business the organisation of research to eliminate waste and duplication of expense and manpower would be an investment which, in the long run, would not only enable Britain's textile industries to survive but would pay handsome dividends as well.

Output Up

The output of cotton and rayon cloth from Lancashire weaving mills in November equalled the industry's best result for two years. The figures of production show that the industry's 141,000 operatives produced an average of 57,370,000 yards of cloth each week. This matched the result of the previous month but showed an improvement of almost 9,000,000 yards a week on production in November, 1952.

The last time the mills exceeded their November output was in December, 1951, when the average weekly production was 63,210,000 yards. November recruitment to the weaving mills totalled 910. Lancashire cotton spinning mills also recorded their highest output for almost two years in the week before Christmas. During the week the mills spun 20,850,000 lbs. of cotton and rayon yarn, which was 3,340 000 lbs. more than in the corresponding week of the previous year. Not since January, 1952, when output was 20,000 lbs. higher, has the week's production been exceeded.

Yarn Offtake

Any expansion of output by the Lancashire cotton spinning industry is bound to be slow because of labour recruitment difficulties, Mr. W. T. Winterbottom, Chairman of the Yarn Section of the Manchester Chamber of Commerce, declared. In a report to the annual meeting of the section, he confirmed that yarn production was increasing but, he said, it was not possible at present to see what further expansion was likely.

The fact that spinners generally had longer order books than they had known for two years accentuated the main problem, which was recruitment of workers. He said: "Only slowly is confidence returning following the recession, and in several sections, particularly mule spinning, lack of labour has been severely felt to the extent that most spinners are unable to offer near deliveries in any qualities."

Discussion export trade in Lancashire-made cotton yarns, Mr. Winterbottom said that shipments abroad in the first 10 months of 1953 aggregated 24,000,000 lbs., as compared with 29,600,000 lbs. in the same period of 1952. Exports were little more than half the 1951 total, however. The value of cotton yarn exports in 10 months of 1953 was £13,740,000. He said: "In the last few months enquiry from overseas has increased generally, especially in those countries where textile activity has followed the trend in the United Kingdom."

Statistics showed that Australia had returned to its position as a principal buyer of cotton yarns from Lancashire —at 4,700,000 lbs., exports in the first 10 months last year were almost double the quantity shipped in the same period of 1952.

Shipments to Canada, the Irish Republic and European countries also showed an increase but there was a "serious decline" in yarn exports to Finland, Yugoslavia, Switzerland and Pakistan.

Steadiness in Prices

One of the most outstanding features of trade in cotton goods last year was the stability in raw material rates which persisted in spite of developments which might well have caused substantial fluctuations. Unaided by the American Government's price-support programme, there is little doubt that values would have suffered a severe decline in view of the large surplus supplies which are in existence.

Since the Raw Cotton Commission revised its system of quoting selling rates for spinners

(Continued on page 135)

Variations in Prices

(In pence per lb.)

Date 1953	Cover symbol ATNY March delivery	American 15/16" Middling	Egyptian: Karnak Type KOKO	Egyptian: Ashmouni Type SWAN	American 38s ring bernia	Egyptian 60s rop twist
September 1	30.47	32.05	43.50	33.75	61.23	73.50
" 15	30.38	31.85	43.45	34.20	60.94	74.00
October 1	30.06	31.40	43.80	35.90	60.49	75.25
" 15	29.88	30.95	43.80	36.40	60.30	76.75
November 2	30.16	31.70	43.80	36.70	61.24	76.75
" 16	30.19	31.55	44.30	36.70	61.09	77.00
December 1	29.97	31.55	45.15	36.80	61.03	77.50
" 15	29.64	31.25	45.15	36.80	60.67	77.50
1954						
January 1	29.77	31.45	44.90	36.80	60.81	77.50
" 11	29.91	32.00	44.90	36.80	60.97	77.50

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MADRAS STATE — Dare House, 1st Line Beach, MADRAS
MADHYA PRADESH — Kingsway, NAGPUR; 41, Tukoganj Main Road, INDORE
PUNJAB STATE (India) — Saddarbazar Road, AMBALA CANTT.
PUNJAB (Pakistan) — 48, The Mall, LAHORE
SAURASHTRA STATE — Near Power House, BHAVNAGAR
UNITED KINGDOM — Friars House, New Broad Street, LONDON, E.C. 2
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INDIAN COTTON SITUATION BECOMING TIGHT

MILLS DIRECTED NOT TO EXCEED THEIR QUOTAS

COTTON mills have been advised by the Textile Commissioner to the Government of India to organise their purchases of cotton and production of cloth in such a way that there may be no need for them to exceed the cotton quotas allotted to them by the Government. The mills, it has been suggested, should utilise foreign cotton and staple fibre to meet any possible gap between their requirements and the allotted quotas of Indian cotton. It may be recalled, in this connection, that the Government has made a liberal allocation of Indian cotton for the 1953-54 season, which amounts to 120 per cent. of the Indian cotton allotted to them during the 1952-53 season. The mills, therefore, should not find it difficult to accept the Textile Commissioner's advice to "programme their provisioning of cotton and their production of cloth and yarn in such a manner that they will be able to maintain production of cloth and yarn without purchasing or consuming Indian cotton in excess of the quotas allotted to them."

The Government's warning to the mills not to exceed the quotas allotted to them will at least clear the air of any lurking uncertainty about Government's policy in regard to quotas. If the mills know beforehand that no increase in the allotted quotas is likely to be permitted, they might be more inclined to live within the quota of Indian cotton allotted to them or to supplement the quotas by other fibres or by imported cotton. Trade opinion is, however, divided on the question whether the quota system should be allowed to continue at all. Some observers hold the view that the quota system, along with the whole system of cotton control, has outlived its utility and should, therefore, be abolished. There is, however, another section which takes a more cautious view of the need for continuation of cotton control. This section believes that, so long as cotton production is not plentiful, there is need for maintaining some form of quota system. In this connection, this section points out that the current season's commercial cotton crop may be only of the order of 40 lakh bales, as against 42 lakh bales predicted some time ago. The quantity of Indian cotton brought into the current season is also comparatively smaller at 14.6 lakh bales, as compared with 19.5 lakh bales a year before. This gives a total supply of 54.6 lakh bales. This could hardly be called a very comfortable level of supply, considering that the mills might require about 37½ lakh bales of cotton and that the country might have to export at least two lakh bales. If this year's monsoon does not turn out to be satisfactory, the position might conceivably be worse. In these circumstances, it is held that, until a clearer and more hopeful cotton picture emerges, it will be necessary to maintain some system of allocation of cotton to mills.

Quota System

The Government, it is now clear, holds a similar view of the role of cotton allocation system. Thus, the Textile Commissioner's circular says:

"Suggestions have, however, been made from time to time that the system of quota allocations should be abolished altogether. Individual millowners have also been asking from time to time, that they should be allotted extra quantities of Indian cotton over and above the 120 per cent. already allotted. A commercial crop of nearly 42 lakh bales was tentatively estimated for the 1953-54 season, as being available. It is well known, however, that the outturn of cotton is subject to weather conditions to an exraordinary degree and the actual outturn can never be predicted with accuracy until about March.

"The control of cotton, although in a simplified and relaxed form, has been maintained only because we are not yet fully self-sufficient and for some time yet, in order to meet the requirements of mills and ensure a reasonable carry-over, the available resources of Indian cotton have to be carefully husbanded.

"The current season's crop, while it is bound to be a good deal better than last season's, is certain not to be so large as to render quota allocations unnecessary. So long as quota allocations are necessary, it is evident that they must be enforced in order to ensure equitable distribution of available supplies of Indian cotton *inter se* between mills."

The mills have also been warned that purchases of Indian cotton in excess of the allotted quotas is a "contravention of the Cotton Control Order and is punishable." Mills are, therefore, advised, as already stated, to utilise "foreign cotton and staple fibre as permissible, in order to meet any likely gaps between the requirements of fibres and their quotas of Indian cotton." They have further been told that they should not "bank upon fresh allocations being made when the full picture of the current season's cotton crop becomes known." Proceeding, the Government states that the country's cotton economy has for several years past been of a "hand-to-mouth" variety, that no prediction is possible as regards the next monsoon and also that it is "imperative" that an adequate carry-over is built up in order to "meet all contingencies." It adds:

"Excessive consumption of Indian cotton, without taking all factors into account, will be an indefensible gamble and will receive no quarter. It need not be emphasised that in order to continue to maintain adequate supplies of cloth and yarn both to the market within India and to our customers abroad at reasonable prices, production must be maintained without curtailment."

The Government's directive to the mills not to exceed the allotted quota of Indian cotton implies that imports of foreign cotton will be freely allowed, if not actually encouraged. There is, no doubt, that the world cotton supply position has eased significantly in recent years, and that it is, therefore, possible to arrange for imports of cotton even more easily than it was in the earlier seasons. No change has, however, been made by the Government in its licensing policy for raw cotton for the January-June, 1954, period. Licences will be given to mills and importers, as they were being given till now, for cotton of 1.1/16" staple and above from non-dollar areas, on the production of evidence of purchase from overseas supplier. The restriction, which prevents importers from selling cotton to parties other than mills without the prior approval of the Textile Commissioner, has been continued. Thus, the Government has provided for the easy importation of non-dollar cotton. It remains to be seen whether this will lead to more plentiful imports. Among non-dollar varieties, the East African varieties might have served the Indian mills, if the latter had been more prompt in ordering their requirements. The mills were too slow in taking them up, so that other countries seem to have benefited at India's expense. The demand for Egyptian cotton, another non-dollar variety, will be determined by considerations, such as the offtake of finer varieties of cloth by the Indian market, for there is no extensive overseas market for these varieties.

Non-dollar Cotton

So far as dollar cotton is concerned, the Government has announced that no application for this cotton will be considered. The Government has, however, revalidated the unutilised import licences originally issued for 900,000 bales of the 1951-52 crop U.S.A. cotton for shipment by 30th June, 1952. These licences have been extended upto 30th June, 1954. Incidentally, this is the fourth extension which Government has given to the importers, who now find that their default has paid them rich dividends. The other importers, who committed the indiscretion of abiding by the law, have no chance of participating in the import of cotton. When Government thus penalises commercial integrity which it preaches in and out of season, and rewards those who have repeatedly failed to import the cotton for which they showed evidence of purchase, it cannot blame the traders if they feel that it pays to disobey Government.

Since the import of dollar cotton is thus restricted only to the unutilised licences, it is difficult to estimate what quantity of this cotton is likely to be imported in the near future. The quantity of cotton covered by these licences is estimated at between 70 000 and 112,000 bales; no reliable figure is available. Whether a larger quantity of dollar cotton will become available to Indian mills is a question that will depend upon Government's import policy, the trend of cloth production in the country and U.S. export policy. If the U.S. is willing, as is widely believed, to export cotton against local currencies, it is possible that more American cotton, which would then cease to be "dollar" cotton, will be imported. Again, if the U.S. were to grant an export subsidy, it would certainly stimulate the offtake of American cotton in this country. But this is opposed by many interests in the U.S. Indeed, this possibility has already receded to the background.

The Government will, therefore, do well to give such facilities as are necessary in order to see that foreign cotton, both dollar and non-dollar, is imported in sufficiently large quantities. This will ensure that the allotted quotas of Indian cotton to mills are not exceeded. Further, it might serve as a corrective to unhealthy speculation in the domestic forward markets which has tended to raise its ugly head once again.

COTTON CONSUMPTION

During the first month of the current (1953-54) season, namely, September, 1953, the Indian mills consumed 310,827 bales of Indian cotton and 62,812 bales of foreign cotton, as against 269,606 bales and 89,464 bales respectively, in the same month of the previous season. Thus, the total consumption of cotton in September, 1953, aggregated 373,639 bales, as compared with 359,070 bales in September, 1952. That the rate of consumption of Indian cotton is going up will be evident from the fact that the September rate of consumption of Indian cotton at 310,827 bales is much higher than the monthly average of 300,970 bales in 1952-53 and of 248,950 bales in 1951-52.



COMMONWEALTH FINANCE MINISTERS' CONFERENCE AT SYDNEY

TEXT OF FINAL COMMUNIQUE

THE following *communique* was issued by the Commonwealth Finance Ministers at the conclusion of their Conference at Sydney on 15th January, 1954 :

The object of our present meeting was to consolidate the economic progress made by the Sterling Area and the Commonwealth during the last 12 months, to seek means to accelerate that progress, and to ensure that they make their full contribution to world prosperity.

During the last year, the Sterling Area countries of the Commonwealth have made great strides towards the objectives which they set for themselves in January, 1952, and confirmed and amplified in December, 1952. The Commonwealth countries rejected then, and we reject now, the view that any solution of our problems can be found in the creation of a closed system of discriminatory arrangements which could lead only to chronic restrictions and recurring crises. We, therefore, reaffirm our agreed objectives, which are to strengthen the position of each country and of sterling as a currency and to establish with other countries a wider and freer system of trade and finance in which the convertibility of sterling is an essential part. Thus we shall serve the best interests of all not only in our own countries but in the world as a whole.

Outlook for World Trade

We have considered the outlook for world trade. The Commonwealth is responsible for about one-third of that trade. We are conscious of the vital importance which the actions and policies of our countries could have when, as must be the case from time to time, there is some uncertainty about the future.

Our first resolve is to ensure that our own actions and policies will be such as to inspire confidence. We stand prepared to take appropriate steps, both individually and in concert with each other, to sustain production and trade and the sound development of resources and to ensure that temporary economic fluctuations are not permitted to interfere with our progress towards our long-term objectives. We are also ready to co-operate with other countries and international institutions to this end.

In this co-operation, the United States of America and Europe have a special part to play, because with the Commonwealth and the Sterling Area they are responsible for three-quarters of world trade.

We were, therefore, encouraged by the recent message from President Eisenhower to the United States Congress in which he said: "This Administration is determined to keep our economy strong and to keep it growing". . . . "This moment, we are in transition from a war-time to a peace-time economy. I am confident that we can complete this transition without serious interruption in our economic growth. But we shall not leave this vital matter to chance. Economic preparedness is fully as important to the nation as military preparedness."

Progress in Europe

The Chancellor of the Exchequer reported to the Conference developments during the last year in Europe and in the Organisation for European Economic Co-operation and called attention to the expansion of production and the strengthening of the position of European countries generally.

We also noted that the International Monetary Fund in its report to the Economic and Social Council of the United Nations stated that "in order to prevent small depressions from growing into large ones such supplementary reserves (i.e., international reserves in the International Monetary Fund) should be supplied early on liberal terms and in adequate amounts but primary reliance for the avoidance and cure of depressions must be placed upon appropriate measures at the national level, especially in industrial countries."

The sound economic policies pursued by the Commonwealth countries, the publicly expressed resolve of the United States Government to keep the economy of the United States strong and growing, the expansion of production in Europe, and the substantial increase in monetary reserves outside the dollar area provide in our judgment solid grounds for confidence.

The Conference then discussed current policies, namely, (a) the maintenance of a strong balance of payments position and the strengthening of the central gold and dollar reserves; (b) sound internal policies and the need to restrain inflation; and (c) economic development of resources.

Considerable progress has been made in the application of these policies during the past 12 months, a period when, despite weakness in certain commodity prices, economic conditions have been generally favourable. In the result, the overall deficit in the Sterling Area balance of payments in 1951-52 was turned into a surplus in 1952-53, the position of sterling in the world has been strengthened, and the central reserves have steadily increased. But we realise that much still remains to be done.

Balance of Payments

The policies adopted since the meeting of Commonwealth Finance Ministers in January, 1952, have been at the base of the remarkable change in the balance of payments of the Sterling Area. In the year ended 30th June, 1953, the Sterling Area had a surplus of over £400,000,000 in transactions with the outside world, as compared with a deficit of nearly £1,000,000,000 in the year ended 30th June, 1952. This marked improvement in the fortunes of the Sterling Area, to which all members have contributed, brought with it an increase of about £250,000,000 in the central reserves of gold and dollars. These reserves have continued to increase, although rather more slowly in the second half of 1953, and at the end of the year stood at £900,000,000. Through the period sterling has gained strength.

The Conference reviewed the prospects for the coming year. We agreed that the Sterling Area as a whole would seek to maintain a substantial surplus in its payments with the rest of the world. Earlier main emphasis was placed on dollar earnings. Although the dollar situation has improved, we should not relax our efforts to achieve a dollar surplus, but it is just as important today that we should earn a substantial surplus in other non-sterling currencies. We recognise that success in these aims will depend in part on the level of world trade, but we emphasise that the primary task of all Sterling Area countries in the forthcoming year is to increase their earnings by intensive efforts over the whole field of exports.

In this task, we must show ingenuity, increased efficiency and competitive strength. We cannot afford to disregard any market and we must develop our exports wherever we can. While we must continue to expand our traditional major exports, we must also expand our exports of the immense variety of other products which, in the aggregate, form so large a proportion of the total earnings of the Sterling Area.

The *communique* of the Commonwealth Economic Conference in December, 1952, referred to the extensive restrictions which some countries of the sterling Commonwealth had needed to impose upon imports from the United Kingdom and other Commonwealth sources. There was agreement at that time that these restrictions should be relaxed as the external financial position of these countries improved. We note with satisfaction the progress in this matter which has since been made by several Sterling Area countries and the prospects of further progress made possible by continuing improvement in their balances of payments.

Internal Policies

We have reviewed the internal policies of our countries and have observed that considerable improvement has been made during the past year. But more remains to be done and the importance of this part of our task cannot be over-emphasised. On the application of sound economic policies depends the purchasing power of money, the cost of living and the ability to sell exports in increasingly competitive world markets. Shortcomings in the internal policies of any one member affect the external fortunes of the whole Sterling Area by creating excessive demand for imports, diverting resources from export industries and throwing the balance of payments out of equilibrium. Our Governments will continue to follow the policies which have served satisfactorily in the past year. Where necessary, they will be adjusted so as to encourage increased production for export and to stimulate savings upon which the development of the Commonwealth substantially depends.

The Commonwealth has great resources—natural, human and industrial. The need for their development is urgent and vital. The aim of all Sterling Area Commonwealth countries is to concentrate on the development of these resources, which directly or indirectly contribute on an economic basis towards improving the balance of payments of the Sterling Area. In some countries of the Area, however, development plans have been made to provide for some basic improvement in the standards of living which is a necessary foundation for further economic developments.

The outstanding impression given by the reports made to us by our colleagues is of the immense variety and intensity of the efforts which are being made to turn to productive use the many resources, both large and small, of the Commonwealth countries.

Development Projects

It is impossible to describe briefly all these activities. The following are examples :

The development of food production has been intensified throughout the Commonwealth. This has called for irrigation and other schemes for bringing more land under cultivation, technical improvements, mechanisation and training. The production of such commodities as cotton, jute, wool, wood-pulp, timber, tobacco and sisal has been maintained. There has been continued development of the mineral resources of the Commonwealth, in particular uranium, gold, copper, nickel, chrome, asbestos, coal, iron ore and bauxite. The production of some commodities, such as tin and rubber, has been affected by fluctuations in world demand. In a number of countries, the search for oil and the development of oil and production of natural gas are in progress. The development of heavy industries continues to have an important place. The expansion of iron and steel production and of the production of aluminium is proceeding in a number of countries. A great variety of other industrial development is also taking place. Efforts to improve and extend transport facilities have continued and there has been considerable expenditure on roads, railways and harbour works. Substantial programmes for increasing electrical generating capacity, both thermo- and hydro-electrical, are in progress. Schemes for improvement of housing, education and health services are under way.

There is much evidence that development has everywhere gone ahead more smoothly and economically as inflation has been checked and excessive competition for resources has been materially lessened. This makes it clear that sound internal policies are just as important to economic growth as they are to a healthy balance of payments.

We have reviewed the factors which affect the scope and pace of development. Supplies of goods for development have much improved. But in most cases, finance is the major factor limiting development. Each of our Governments will continue policies designed to secure the highest possible level of internal savings. However, most individual countries and the Sterling Area as a whole still need additional financial resources from outside.

Finance From U.K.

At the Commonwealth Economic Conference of December, 1952, the United Kingdom Government undertook to make a special effort to provide additional capital for Commonwealth development in the knowledge that this required an adequate level of internal savings and an adequate surplus in its overseas accounts. In 1953, the United Kingdom Government authorised loans and grants totalling £120,000,000 for development in the sterling Commonwealth, including the colonial territories for which the United Kingdom has a special responsibility. The loans were made through a number of channels, including the London market, the Export Credits Guarantee Department, and the Colonial Development Corporation. The grants were made to the colonial territories from Colonial Development and Welfare funds. The United Kingdom Government will continue this policy in 1954 and will make special efforts to develop its own resources. While this involves burdens and risks, the United Kingdom Government has consciously undertaken the task in the faith that sound development is the basis of the future prosperity of Britain and the Commonwealth, that such development is needed in bad times as in good, and that the provision of finance from the United Kingdom will substantially help its own exports.

Finance from the United Kingdom for Commonwealth development flows through many channels. Two new channels were opened up in 1953. The Commonwealth Development Finance Company has started operations, its role being primarily to help the financing of development undertaken by private enterprise. A beginning has also been made in the use of the sterling which the United Kingdom made available for lending through the International Bank for Reconstruction and Development. There are cases, however, which International Bank finance does not fully cover, for example, where development consists of large self-contained projects combined with a mass of small items involving overall a high proportion of local expenditure. Commonwealth Governments may now approach the London market after consultation with the United Kingdom Government, not only in relation to particular projects but also in support of general programmes of development, provided the necessary conditions have been fulfilled. In view of the many claims upon this market, including provision for development in the United Kingdom, access has to be limited. The United Kingdom Government will, therefore, wish to be sure, first, that the programmes as a whole are in conformity with the general policy of concentrating on the improvement of the Sterling Area balance of payments and, secondly, that the country concerned is making an adequate contribution from its own resources. It is also necessary in the general interest for the timing of any such borrowing to be carefully regulated.

We have reaffirmed our determination to press on with development in conformity with our general policy to the limit of available resources. In some of our countries, private enterprise is making a large contribution to development. Governments will be concerned to promote balanced development, whether public or private, to pursue policies designed to increase the flow of savings, and to encourage private investment from both internal and external sources.

Collective Approach to Freer Trade

We reaffirm our support for the proposals shortly referred to as the collective approach which emerged from the Commonwealth Economic Conference of December, 1952. These proposals, which are set out in full in the *communique* of that Conference, are designed in general to bring about the widest possible system of multilateral trade and payments, the reduction and progressive elimination of import restrictions, and the convertibility of sterling and other important currencies. They are based on collective action by debtor and creditor countries to bring about a balance in the world economy on the basis of "Trade, not aid."

The growing confidence in sterling and the increasing strength and flexibility of the economies of the Sterling Area countries have enabled them to make progress in the move towards expanding trade and freeing currencies, but decisive action must be related to fulfillment of the conditions indicated in the *communique* of the Commonwealth Economic Conference. These conditions are (a) the continuing success of internal policies of sterling Commonwealth countries; (b) the prospect that trading nations will adopt trade policies which are conducive to the expansion of world trade; (c) the availability of adequate financial support through the International Monetary Fund or otherwise.

We have noted with great satisfaction the passage in President Eisenhower's recent message to Congress in which he referred to the creation of a healthier and freer system of trade and payments in which others could earn their own living and the United States economy could continue to flourish. All Commonwealth countries await with interest the detailed recommendations which the President will make to Congress after the Joint

(*Continued on page 147*)

SUGAR INDUSTRY IN MADHYA BHARAT

CANE DEVELOPMENT REQUIRES SPECIAL ATTENTION

THE sugar industry in Madhya Bharat seems to be passing through a period of crisis, owing to poor and inadequate sugarcane cultivation. An indication of this is provided by the fact that the industry has been working very much below actual capacity. Thus, out of the aggregate installed capacity of 29,304 tons per annum, not more than 25 per cent. is being utilised; the production of sugar during the 1952-53 season amounted to a bare 7,326 tons. The sugar output in the current season is expected to be less than even this low figure, if the present estimates of the sugarcane crop prove correct. Of the five factories in existence, two factories did not crush at all during 1952-53.

The crisis in the Madhya Bharat sugar industry, as noted above, has not developed all of a sudden. The industry has been moving in that direction since the past few years, although the 1951-52 season was somewhat encouraging. The following table reveals the actual working of the industry during the last five seasons:

Season	Cane crushed (Tons)	Sugar produced (Tons)	Duration of the season	Recovery percentage of sugar
1948-49	202,198	18,681	87	9.28
1949-50	126,007	11,355	64	9.05
1950-51	94,504	8,425	46	9.21
1951-52	190,110	17,949	74	9.31
1952-53	79,437	7,326	45	9.35

It will be evident from the foregoing statement that the fall in sugar output during 1952-53 closely followed the reduction in the quantity of cane crushed, which was the result of inadequate supplies of cane to the factories. Such inadequate cane supplies were due primarily to the decline in the sugarcane crop, despite the slight improvement in the per-acre yield from 8.49 tons to 9.05 tons. The total yield of cane during the 1952-53 season was 380,000 tons, as against 450,000 tons in the previous season, which represents a drop of 7 per cent. The fall in sugarcane crop was occasioned by reduction in acreage under cane from 53,000 acres in 1951-52 to 42,000 acres—a fall of 13 per cent. The acreage is expected to be still less in the current season. Thus, according to the first official estimate of sugarcane crop for 1953-54, the area sown for cane is placed at 40,000 acres. Assuming that the yield per acre is maintained at the previous season's level of 9.05 tons, the aggregate yield may be estimated at 362,000 tons, which, as compared with the 1952-53 season's output, represents a decline of 18,000 tons.

Consequent on reduced cane supplies to the sugar factories, the duration of the crushing period in Madhya Bharat was shorter, being only 45 days, as against 74 days in 1951-52. This compares very unfavourably with 118 days in Uttar Pradesh, Bihar and Bombay and 89 days in Madras. Although the recovery percentage of sugar in Madhya Bharat has registered an improvement in recent years, it continues to be as low as 9.35, which compares unfavourably with 9.75 in the U.P., 10.03 in Bihar, and 11.51 in Bombay.

Setback in Cane Cultivation

Two principal factors are said to have been responsible for the setback in sugarcane cultivation, namely, occurrence of droughts and lack of necessary irrigation facilities to the cane growers. Since there are no adequate canal irrigation available in the State, the sugarcane crop is today dependent solely on the monsoons. The authorities also do not appear to have been paying due attention to cane development work, despite the repeated representations made by the industry to the Government. In the course of a communication addressed recently to the Minister for Commerce and Industry, Government of Madhya Bharat, the Madhya Bharat Sugar Mills Association pointed out, for instance, that, unless a vigorous scheme for developing sugarcane cultivation, both intensively and extensively, was launched, the interests of cane growers and factories would ever remain at stake.

This warning of the Association is indeed quite timely, considering the vital role which the sugar industry plays in the economy of Madhya Bharat. The industry is the second largest industry of the State with the interests of a vast population of agriculturists inextricably bound up with it. The industry provides employment to as many as 5,000 people. There are five sugar mills in the State, with an aggregate cane crushing capacity of 2,400 tons per day. If the factories were to be assured of adequate cane supplies at reasonable price, the production of sugar could be maintained at over 29,000 tons, which is more than sufficient to meet the State's requirements fully.

To maintain the above level of output, about 290,000 tons of cane are required, on the basis of the percentage sugar recovery of 10 per cent. The quantity of cane now being available to the sugar mills falls short of this figure by 210,000 tons. Clearly, there is imperative need for bringing a larger area under cane cultivation, on the one hand, and introducing scientific methods of cultivation, on the other. After all, it must be remembered that sugar is made not in the factory but in the field.

Valuable Suggestions

The Madhya Bharat Sugar Mills Association has done well, therefore, to put forward the following suggestions:

(i) New wells should be dug in the cane-growing areas of the factories and the existing wells should be deepened and repaired.

(ii) Power pumps should be installed.

(iii) Dams should be constructed on the rivers flowing in the factories areas.

(iv) Tanks should be repaired and their storage capacity increased.

(v) Arrangements should be made for adequate supply of fertilisers and manure.

(vi) Good quality seeds of cane should be distributed to the cultivators.

(vii) Cane cultivators should be educated in scientific cultivation of cane—collective and mechanised farming, correct use of manure and fungicides, methods of controlling and preventing diseases of cane.

(viii) Roads should be constructed to link the cane centres to the factories to eliminate the difficulty of the cultivators for the transport of their crop, as the factories will then be able to make their own arrangements of trucks.

(ix) Above all, sizable plots of land should be made available to the factories to enable them to own their own farms for cane cultivation.

These are indeed valuable suggestions which deserve the careful consideration of the Madhya Bharat Government. The latter must examine the whole case and, if it finds that the proposals put forward by the Association will enable production of sugar at economic rates, that is, without placing an unduly heavy burden on consumers, it should proceed to implement them.

THE BANK OF MAHARASHTRA LIMITED

	Rs.	a.	p.
Net Profit for the year 1953 after writing off loss on sale of Investments (Rs. 34,156-3) and after providing for payment of bonus to Staff (Rs. 25,000)	2,88,857	13	6
	(2,54,520	3	11)
Add—Balance of Profit brought forward from previous year ..	58,369	14	10
	(54,849	10	11)
Total	3,47,227	12	4
	(3,09,369	14	10)
Less:—Appropriation (Proposed): Provision for Taxation	1,47,000	0	0
	(1,20,000	0	0)
Transfer to Reserve Fund and other Reserves (These will now be Rs. 7,00,000)	84,000	0	0
	(51,000	0	0)
Dividend at 5 per cent. per annum free of Income-tax	80,000	0	0
	(80,000	0	0)
To be carried forward to next year's account	36,227	12	4
	(58,369	14	10)

Figures in the brackets relate to corresponding items of the last year—1952.

TRANSPORT OF COAL AND COKE

ALLOTMENT OF WAGONS INADEQUATE

IN response to the request made by the Planning Commission some time back, most of the State Governments have submitted their present and prospective demands for wagons for transport of brick-burning coal and soft coke in the light of the present transport situation. Details about their demands are not yet available. But Press reports from New Delhi indicate that there is a large amount of pent-up demand for brick-burning coal and soft coke and that this is bound to increase as the Five-year Plan progresses. Transport facilities, however, are inadequate and, unless something is done quickly to remove this handicap, the supply of bricks will fall short of demand.

A brief review of the Press reports disclose the following:

(1) *Rajasthan*: The estimated requirements are 200 wagons per month for transport of brick-burning coal and 83 wagons for transport of soft coke, as against actual allotment of 164 wagons and 35 wagons per month, respectively.

(2) *Bihar*: The demand for transport of soft coke is estimated at double the present allotment of 800 wagons per month. Actual movement of soft coke at present, however, is 70 per cent. of the quota of 800 wagons.

(3) *P.E.P.S.U.*: The demand for transport of soft coke is put at 121 wagons per month, as against an allotment of 42 wagons per month during December-June and 60 during July-November.

(4) *West Bengal*: The present Coal Commissioner's monthly quota of 3,196 wagons for soft coke is said to be far below the requirements. The average monthly arrivals are, however, 2,706 wagons.

(5) *Bombay*: The present quota for the July-November period is 500 wagons per month for soft coke and for December-June, 395 wagons per month, but the full quota has never been received during the past two years and there has been usually a shortfall of about 10 per cent.

(6) *Madras*: The present quota of 63 wagons per month for transport of brick-burning coal is considered to be adequate. So far as soft coke is concerned, the State was till recently getting its supplies from Bengal and Bihar by rail route, but, at present, supplies are coming by ship from Calcutta due to the bottleneck in the Calcutta-Waltair-Madras rail route. This change has resulted in an increase in the price of soft coke from Rs. 50 per ton to Rs. 70 to Rs. 75 per ton in Madras. There has also been a deterioration in the quality of soft coke, consequent on extra handling to which it is subjected. As a result, the demand has fallen.

(7) *Saurashtra*: This State is suffering from considerable lack of wagons.

Siding Accommodation

From the above, it is clear that, unless the allotment of wagons is increased, there is hardly any prospect of satisfying even the pent-up demand. The Indian Collieries Union is reported to have informed the Planning Commission, through a memorandum, that, besides the shortage of wagons, there is woeful lack of loading space and siding accommodation. There are three types of sidings, namely, railway-owned sidings, assisted sidings and private sidings. It may be noted that, in the case of assisted sidings, the mine-owners have to provide for the cost of sub-grade work and the value of land and the Railway Administration all the permanent-way materials. Expressing the opinion that, as a matter of policy, construction of assisted sidings should be encouraged, the Indian Collieries Union has urged the Planning Commission to earmark sufficient funds for the extension of siding facilities.

The Planning Commission's recommendations on this subject are awaited eagerly, especially because the use of brick burning coal and soft coke has to be encouraged, with a view to conserving the fast depleting forests and cowdung. At present, forests are being depleted in many parts of the country, as a result of people cutting the trees for firewood, which is used both for brick-burning and domestic cooking. Cowdung is being used in rural areas as fuel for domestic purposes, instead of as manure. Soft coke is the cheapest form of fuel for household purposes, especially in urban areas, where charcoal is being used now. India's deposits of low-grade coal, from which soft coke is prepared, are large. Increased manufacture of soft coke can be easily organised in Bihar and Bengal collieries. It is to be hoped that the supply of wagons will be stepped up and construction of new sidings undertaken. Besides, the improvement of the existing tracks and construction of new ones should be expedited.

IMPERIAL BANK OF INDIA

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DANGERS FROM JUTE SUBSTITUTES

NEED FOR INDO-PAKISTAN CO-OPERATION STRESSED BY U.N. SURVEY

THE jute industry, and those in the Central and State Governments, both in India and Pakistan, which will be called upon, from time to time, to deal with problems concerning jute, have some food for thought in the observations on jute and jute manufactures appearing in *A Study of Trade Between Asia and Europe*, a United Nations publication released this week. This publication is prepared by the Secretariats of the E.C.A.F.E., E.C.A., and the F.A.O. of the world body. The rapid survey of the jute industry which it contains is not only objective but both critical and constructive. The conclusions of this survey, coming as they do from a world body and calculated to serve the larger interests of the jute industry, are impartial. They, therefore, deserve a careful consideration. The highlight of its suggestions is the emphasis on the need for close co-operation between India and Pakistan for stabilising the position of the industry in the world economy. It says:

"Co-operative action by India and Pakistan, including policies to promote Indian purchases of Pakistan jute and possibly steps to limit the Indian trend to jute self-sufficiency, may be considered as desirable alternatives to some of the existing programmes for action."

The need for such co-operation was emphasised by the consequences of Partition and the reiteration by the U.N. bodies of the same is a true remedy not only for the present ills of the industry but even for the conflicts between India and Pakistan.

Much of the ground covered by the survey—especially the sections dealing with production, consumption, supplies and prices of both jute and jute goods—is familiar to those connected with the industry and there is, therefore, no need to cover the subject here once again. But some of the dangers facing the industry and the action necessary to overcome them suggested by it are worthy of mention.

According to the U.N. survey, the greatest danger facing the jute industry is the inroad made by paper and other substitutes as alternatives to jute packing. The development of these substitutes was occasioned by the post-war shortages of jute and jute goods and the consequent prohibitive rise in the prices of these commodities. Says the survey: "During the period of post-war shortage, jute prices have advanced, almost continuously, reaching a peak at some 12 or 15 times the pre-war level (in terms of £) in consuming centres in 1950 and 1951, when prices in India were decontrolled and when the Korean war had added impetus to demand elsewhere. Even at the lower levels which prevailed during 1948-49, prices of jute were four or five times higher than the pre-war average, having advanced more than the prices for any other industrial fibre and substantially more than prices in general."

The result of the rising trend of prices was damaging. For the extraordinarily high prices for jute and jute goods after the war stimulated the search for cost economies in packing and transportation. The latter found itself expressed in "broader trends, some of which have been accelerated by the war, such as the integration of industry, the growth of co-operative marketing and the location of consuming industries in raw-material producing areas"—all of which helped bulk transport and reduced handling.

In addition to bulk handling, paper, too, made inroads into the uses for which jute cloth was suited. This is illustrated by the developments in the U.S. Whereas in 1939, hessians accounted for 33 per cent. of the materials used for the manufacture of bags in the U.S., by 1950 the proportion had fallen to 17 per cent. and there was a further sharp decline in 1951. The share of paper, on the other hand, rose from 29 per cent. in 1939 to 67 per cent. in 1950. In Europe, too, paper has been more widely used in place of jute, both as a packing material and as backing for carpets. In floor and other coverings, economies in the use of jute have been effected, it is stated, by a greater use of the materials with which it is combined.

While substitution of paper for jute goods has been taking place on a considerable scale affecting Indian mills, the substitution of other fibres for raw jute, though on a limited scale, such as *kenaf* and "Congo jute," also adversely affected raw jute, a matter which can hardly be ignored by Pakistan in formulating its jute policy. The survey says that of ultimate significance for European trade may be the expanding production of "Congo jute" in the Belgian Congo and French Equatorial Africa and the commencement of plantations in British Guiana. Again, Brazil, in the last few years, has quadrupled its output of jute fibre, and, by 1951, was almost self-sufficient, we are told.

The fall in the demand for jute goods and raw jute caused by paper and other fibres thus underlines the fact that winning the battle of jute is not the primary responsibility of either India alone or Pakistan alone. The responsibility devolves on both, for one is deficient in raw jute but fully equipped with plant and machinery with ability to process the jute goods in quantities almost as much as the world needs. The other is deficient in processing equipment but is capable of producing all the jute the world wants. While each is engaged in following a policy detrimental to the other, both are experiencing the sad spectacle of their products giving way to substitutes. If they have to regain their lost position and retain it by making further headway, "policies and programmes by both Government and industry in India and Pakistan" should be such as to achieve the triple aims suggested by the survey. These are as follows:

(1) supplies must be sufficiently abundant to assure continuous availabilities to all purchasers without the necessity of allocations. This will probably involve foreign trade policies designed to secure long-term contracts (the February 1953 Indo-Pakistan trade agreement follows this course) and/or a domestic buffer stock policy in the major producing country designed to absorb fluctuations in demand and prices, while long-term production is planned in suitable volume;

(2) increased attention is required to reduction of marketing and production costs, primarily through research and its application to improve yields, quality and efficiency of handling from producer to user; and

(3) there appears to be a need for continual efforts to recapture markets lost in part through the high price and scarcity of supply during most of the pre-war period, as well as a search for new uses of the product in order to offset, at least partially, the competition of substitutes.

The survey says that both the Governments have introduced policies to meet these foregoing three needs, but only partially.

The survey opines that despite the development of the jute industry in the various parts of the globe, "India will remain a very strong competitor in world trade in jute goods," in view of its lower labour costs and flexibility in the use of export taxes. It seems to be convinced that the industry can hardly bear the heavy export taxes—a fact which has been amply stressed in these columns ever since the Central Government embarked on raising the export duty on jute manufactures following the devaluation of the rupee. In this context, the concluding remarks on the Indian industry's position *vis-a-vis* the European industry are worth mentioning here.

"The world market for jute goods is becoming increasingly competitive. Unlike the recent past, the supply of raw jute in future will probably be sufficient to keep all jute-manufacturing industries as fully occupied as the demand for jute goods requires. Excess capacity was characteristic of these industries in pre-war years. An additional industry is being built in Pakistan, sharing many of the cost advantages of the neighbouring Calcutta industry and with the added benefit of recent technological advances. Much has been done in modernising the Dundee industry and its efficiency is increasing. In these circumstances, the exceptionally favourable position which the Indian industry has enjoyed in post-war years may very well be modified. It is unlikely that its output can any longer bear the heavy export taxes or the destinational quotas (now abolished) which were gradually undermining the industry's competitive position *vis-a-vis* the European industries."



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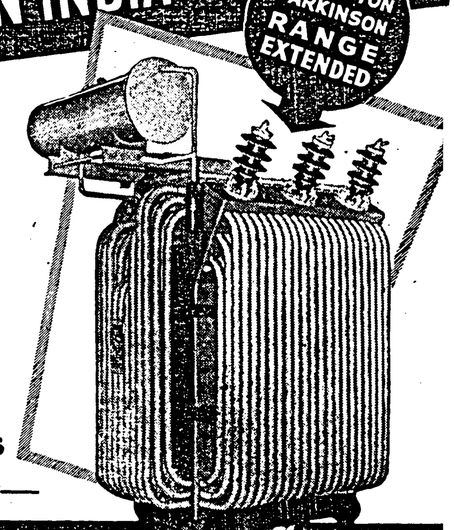
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EXECUTION OF KOYNA PROJECT

WORLD BANK LOAN SOUGHT

AT long last, work on the Koyna Project has begun. Inaugurating the project on the 16th inst., Mr. Morarji Desai, Chief Minister of Bombay, disclosed that, very shortly, experts from the World Bank would be inspecting the project, with a view to examining the request for a World Bank loan for its execution. The project is expected not only to end the shortage of power in the State of Bombay, but also to provide considerable irrigation facilities.

The Koyna power-cum-irrigation project will be carried out in three stages. The first stage, estimated to cost Rs. 33 crores, will provide 240,000 kw. of power, out of which 230,000 kw. will be used in the Bombay-Poona area and the rest in the Karad-Miraj area. In the second stage, power generation will be stepped up by 170,000 kw. to 410,000 kw. At the third stage, a "tail race" underground power house will be constructed to generate 60,000 kw. and another power house at the foot of the dam generating about 300,000 kw. (seasonal). The total power generation, when the whole project is completed, will thus be about 500,000 kw.

It is a pity that, although the potentialities of power generation from the waters of the Koyna, which is a tributary of the Krishna River, were realised as long back as in 1917, when Tatas commenced investigations for power generation, it is only now that work has commenced. This is due to a number of causes, including the State Government's failure to realise the importance of power generation at an earlier date. The interest in constructing a major project waned at the end of the First World War and a smaller scheme was examined by Tatas, but even this was given up subsequently for various reasons.

In 1947, however, interest in this project was revived. The Government of India, under its Electric Grid Department, undertook the work of surveying and investigating the power possibilities of the Koyna by utilising to the full the available water of the catchment at a distance, 2½ miles from Helwak, a village in Patan taluk of Satara North District on the main Karad-Chilun road, where a dam was proposed to be constructed. Later on, the dam site was inspected by the officers of the Geological Survey of India, as well as by some eminent engineers. The opinion of these experts in favour of developing the power site was stated to be unanimous. By the end of 1949, sufficient field data was obtained to adjudge the full possibilities and limitations of the site and it was decided to construct a dam, with a height of 300 feet, capable of storing 156,000 million cubic feet of water. The then estimated cost of the project was Rs. 63 crores; after allowing for pro rata debit for storage for irrigation, the net cost debitable to power was Rs. 51.9 crores.

Heavy Cost

The cost of the project, however, was considered very heavy and, therefore, it was subsequently decided to recast the whole scheme in such a way as to make it capable of execution in stages. Accordingly, in 1951, the Government of Bombay constituted an expert committee, under the chairmanship of Mr. A. N. Khosla, to advise on the feasibility of construction in stages and the types of dam and powerhouse most suitable for such development. The Committee reported favourably on the desirability of executing the project in stages.

Up to this time, there was no suggestion that there was any restriction on the use of all the water available from the Koyna catchment for power development. Subsequently, however, the other States having water rights on the Krishna, of which the Koyna is a tributary, raised an objection to the diversion of 119,500 million cubic feet of water to the sea. An inter-State conference of the States concerned was held under the ægis of the Planning Commission and it was decided that the maximum quantity of water to be utilised for power development should not exceed 67,500 million cubic feet.

This necessitated the modification of the original proposal for full utilisation of the Koyna waters for power purposes. The Government of Bombay directed that the first stage of the project should provide for water storage sufficient to generate 300,000 kw. of power, of which the needs of Bombay-Poona area was estimated at 240,000 kw. and those of Karad-Miraj area 60,000 kw.; the generation and transmission at the first stage, however, were to be planned only for the requirements of Bombay area.

Thereafter, the Government recommended the inclusion of the Koyna project in the First Five-year Plan. After further consideration, the Planning Commission included the scheme in the final Five-year Plan. Provision has been made in this scheme for power generation at the first stage only to the extent of 240,000 kw., of which only 10,000 kw. is meant for the Karad-Miraj area and the rest in the Bombay-Poona area. The unique feature of the scheme is that, for the first time in India, the power units will be located underground.

It is difficult to assess the cost of power to the consumer. But it is estimated that, if power is sold in bulk at 0.40 anna per unit (which is less than 5 pies), the scheme would become self-supporting from the third year of operation and will show a small profit when all power generated is utilised. As the scheme progresses beyond the first stage, it is expected that the power demands of the industrial units in Kolhapur, Bijapur and Sholapur districts in Maharashtra-Karnatak can be met. In fact, there is at present no large source of power, either coal or hydel, for this area. Accordingly, industrialisation of Maharashtra and a part of Karnatak is contingent almost entirely on the availability of power from Koyna.

ROUMANIAN PETROL FOR INDIA

The Western India Oil Distributing Co., Ltd., which had to suspend import of petrol and petroleum products from Russia in 1941, on account of war, has resumed its activities in this regard. The first post-war cargo, consisting of 2,700 tons of kerosene and 2,000 tons of petrol from Roumania, has already arrived at Bombay. The Company expects to import during the course of the year about 30,000 to 40,000 tons petroleum products. It is stated that the trade pact between Soviet Russia and India has helped to place the business of the Company on a more secure basis.

At present, the Company has a bulk oil installation at Wadala (Bombay) in complete working order and proposals are under consideration for putting up tankage at the Company's installation at Madras. There are also plans to construct bulk oil installations at other important ports in India.

The Company does not envisage any competition from the other oil companies distributing oil in India. It considers that there is not only a large pent up demand, but also great prospects for an increase in demand for petroleum products. It is of the opinion that, even after all the three oil refineries now under construction, go into production, there will be a substantial balance of demand for imported petrol.

INDIAN ROADS CONGRESS

The Indian Roads Congress will hold its eighteenth annual session at Bhubneswar (Orissa) from 4th to 11th February, 1954. About 300 highway engineers from all over the country are expected to attend. Mr. R. K. Batra, Chief Engineer, P.W.D., Madhya Pradesh, who is the President of the Congress, will deliver the presidential address. The Congress will discuss technical papers relating to highway engineering and allied subjects, standard designs and codes of practice. The Chief Engineers of the States and the C.P.W.D., and representatives of the Military Engineering Services will also hold a conference to discuss current road problems, policies and programme. Visits to engineering works, including the Hirakud Dam Project, are also scheduled. A technical engineering exhibition, in which various engineering firms, and Public Works Departments of the States are expected to participate, will be held at the time of the session.

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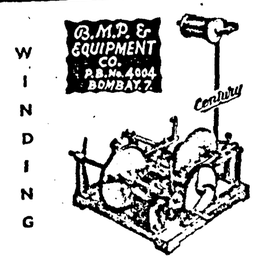

TUBEWELL PROGRAMMES IN INDIA

PROGRESS SO FAR SATISFACTORY

A BRIEF review of the progress of the tubewell programmes in India, as made by Mr. Shantikumar Raja, Tubewell Projects Administrator, Ministry of Food and Agriculture, Government of India, in the course of a broadcast from New Delhi, on the 15th inst., discloses the potentialities of tubewells as an important source of minor irrigation. How important they are will be clear from the fact that a tubewell serves the purpose of nearly 60 surface wells, while its capital and recurring cost will be less than that of constructing and running 60 surface wells. Each tubewell, including the cost of a pump set and expenditure on the construction of pump houses, channels and transmission lines, is estimated to cost about Rs. 50,000.

Among the various sources of minor irrigation in India, tubewells are of recent origin. It will be recalled that a beginning in tubewell construction was first made in U.P. and Bihar about 20 years ago. There were about 2,500 tubewells in these two States by 1950. For the first time in 1950, the Government of India sponsored a large-scale programme of tubewells construction in U.P., Bihar and the Punjab, as a part of the Grow-more-food campaign. This programme, which provides for the construction of 440 tubewells in U.P., 300 in Bihar and 225 in Punjab is nearly completed.

Encouraged by the progress of this scheme, the Government of India has embarked upon a still larger scheme, under the Indo-American Technical Assistance Programme. This scheme, the largest ever undertaken in the world, provides for the construction of 2,000 tubewells, of which 995 will be in U.P., 350 in Bihar, 355 in the Punjab and 300 in P.E.P.S.U. The aggregate expenditure on this scheme is estimated at Rs. 14.68 crores. The programme will be completed in three years. The financing arrangements are that the U.S. Government will provide the dollar exchange for imported articles, under the dollar aid being given to India, and the Government of India will find all the rupee expenditure required to finance the project. The proportion of dollar and rupee expenditure is roughly half to half. The entire expenditure on the tubewells will be treated as a loan to the State Governments from the Government of India. The State Governments have to repay the loan in regular instalments. Of the 2,000 tubewells, 495 will be constructed departmentally by the State of U.P., Bihar and Punjab. The remaining wells have been entrusted, on contract basis to foreign contractors, after inviting global tenders.

Exploratory Project

Two more programmes of tubewell construction schemes, involving a further expenditure of about Rs. 9 crores, have also been undertaken under the Indo-American Technical Assistance Programme for 1953-54. The first project covers the construction of 650 tubewells in the Indo-Gangetic alluvium area and the second project envisages exploratory programme of 350 tubewells in the hitherto unexplored regions of the whole country from north to south. The first programme may be considered more or less an extension of the 2,000 wells programme. Out of 650 tubewells, 165 will be constructed by State Governments departmentally and the balance of 485 tubewells by contractors. The work on this project is expected to commence some time in April 1954 and be completed by 31st December, 1955.

The exploratory project for 350 tubewells covers 16 States all over the country. The areas have been broadly demarcated on the basis of the preliminary investigations carried out by the Geological Survey of India. Allotment of wells to the various areas have been made on the basis of recommendations of the technical experts of the Government of India. A site selection committee, consisting of these experts and also the Chief Engineer of the State concerned, will visit these areas and determine the exact sites.

The sum up, by the end of 1955, nearly 2,650 tubewells, excluding the exploratory ones, will have been constructed. They are expected to bring under irrigation about 8 lakh acres of land and produce 1.6 lakh tons of additional foodgrains every year. The exploratory wells are expected to disclose the possible underground water resources in the scarcity regions and open new vistas for agricultural production.

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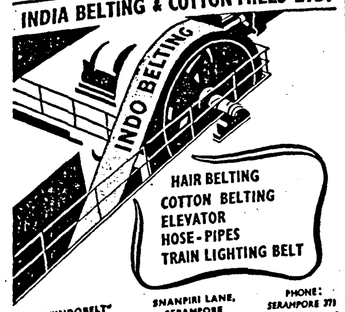

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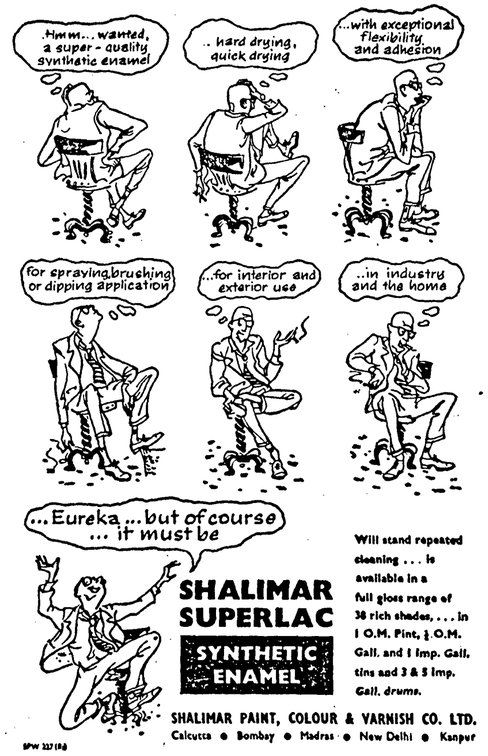

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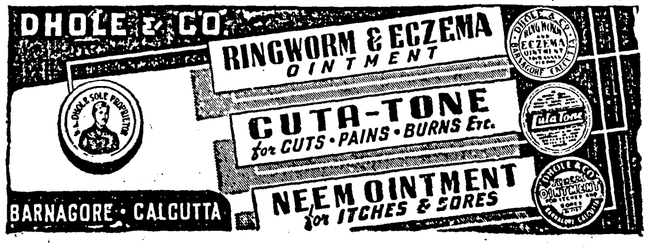

POSTAL INSURANCE AUTHORITIES' BID TO EXTEND THEIR OPERATIONS

INSURERS STRONGLY RESENT

LIKE the Mysore State Government, which is reported to have decided to extend the operations of its Insurance Department to wider fields, the Central Government, too, is considering the extension of the insurance facilities it provides through the Postal Insurance Fund, beyond the restricted sphere of Central Government officials to whom the scheme applies at present. Mr. H. L. Jerath, Director-General of Posts and Telegraphs, for instance, announced recently that the Department was considering the extension of the facilities provided by the Postal Insurance Department not only to semi-Government institutions, such as the Airlines Corporation and the Sindri factory, but also to the staff of "well-established and recognised firms," inclusive of "leading" newspaper offices. This has caused some resentment amongst private insurers, who feel that the Government's entry into the public arena will be to hit the insurers below the belt and to indulge in unfair competition.

"It is only natural that private insurers should be perturbed by the Government's move, since it signifies an invasion into a field which they hitherto regarded as one meant for being developed by them. The Government projects, such as Sindri Fertilisers and Indian Airlines Corporation, are pockets of high income in India. They might be lost irretrievably to private insurers. If the Government enters private offices, too, it would mean a still further loss.

Comparative Chart

That the Government has, on its part, been keen on extending its insurance activity is evident from the fact that it has already circulated a chart to departmental heads, in order to show that the Postal Insurance offers better advantages than what are offered by the leading private insurers, Indian and foreign. The chart compares the Postal Insurance rates with the rates of other insurers in the country. Thus, the premium rate for a 30-year endowment (with profits) policy for Rs. 1,000, taken at age 25, is only Rs. 33½ in the case of Postal Insurance, whereas it varies from Rs. 36-9 to Rs. 39-14 in the case of private insurers, who also charge an additional amount per year, varying from Rs. 2 to Rs. 2-8 for acceptance of payment by monthly instalments. The bonus rates declared by the Postal Life Insurance are Rs. 10 on new policies and Rs. 12 on old policies, whereas the bonus rates of the leading private insurers vary from Rs. 7 to Rs. 12 in the case of Indian insurers and from Rs. 9 to Rs. 17½ in the case of certain foreign insurers. Again, the expense ratio of the Postal Life Insurance is only 12.5, as against 21.7 to 36.9 of the leading Indian insurers and 20.6 to 26.42 in respect of the foreign insurers. The chart also compares the ratio of payments by death to payment by maturity in the case of Postal Insurance with that of each of the other leading insurers, in order to show that its survivance rate is higher than that of other insurers. Also, it compares the amount that an imaginary policyholder would pay throughout the 30-year endowment period and the amount he would be entitled to get on maturity of his policies, inclusive of bonuses. This comparison is instituted, in order to show that, whereas a policyholder of the Postal Life Insurance would pay only Rs. 1,012½ but receives Rs. 1,300—Rs. 1,360, there is no similar advantage for the policyholders of other insurers.

Insurers' Practice

Now, the insurers question not only the ethics of instituting such a comparison between the rates of Postal Insurance and those of other insurers, but also the validity of the results of this comparison. They recall, in this connection, that a similar practice prevailed, till recently, among the insurance agents in this country, which directly led to the evils of rebating. The insurers, therefore, reached a "gentlemen's agreement" which provided that such comparisons should not be made by insurance agents in their canvassing work. They are, therefore, surprised that the Government should do what the private insurers now desist from doing.

The insurers hold that Postal Insurance and the insurance offered by private insurers are not comparable items at all, and that it would be clearly wrong to draw any results from such a comparison. Not only does the organisation of private insurance companies differ from the Postal Insurance Fund but also the policy conditions and the methods of doing business differ substantially. Any comparison would have to take into account many factors, which have been ignored by the Government-sponsored comparative chart. For instance, it is wrong to compare the ratio of mortality to survivance of the Postal Insurance Fund with that of private insurers, because the former does not issue policies for ages beyond 55, whereas the other insurers issue policies maturing up to age 70. It is again wrong to show the additional amount which the insurers, unlike the Government, charge for payment of premia by monthly instalments, since they also show, unlike the Government, a corresponding concession where premium payments are made annually.

Wrong Comparison

It is true that the premium rate and the expense ratio of Postal Insurance are comparatively lower than those of private insurers. But the insurers rightly contend that this comparison is wrong. In the first place, the Postal Insurance Fund does not pay income-tax nor does it conform to other restrictions under the Insurance Act by which the private insurers are governed. Secondly, the collection of premiums for the Fund is undertaken by the Postal Department which does not render a similar service to other insurers. Thirdly, the medical examination of prospective policyholders is undertaken by Government doctors at a nominal cost. Fourthly, the Fund's investments are tax-free; it does not also incur other investment expenses such as brokerage, etc. Fifthly, it does not pay rent for its premises, nor for postages and stamps, nor for legal charges. Finally, it presumably gets audit and actuarial examination free of charge. With these advantages, the surprise is not that it is able to quote slightly lower rates of premium but why it does not quote still lower rates.

Nor should one ignore that somebody has to, and does, pay for these advantages. This "somebody" is, of course, the taxpayer. The taxpayers, who are far more numerous than the group of men who benefit from the Fund, pay for the advantages which this group enjoys. So long as the Fund restricts its activities to officials of the Central Government, the public might be inclined to ignore these special privileges of the Fund on the ground they are a part of the normal service which an enlightened Government might be expected to give to its employees. But, when the Fund, armed heavily with these privileges and special advantages, chooses to descend to the public arena to cross swords with private insurers, the affected interests are entitled to ask whether the Government is playing the game. In this connection, Mr. T. R. A. Pai, President of the Association of Mutual Life Offices in India, has, in a Press note, criticised the Central and State Governments for allowing their Insurance Departments to indulge in "unfair competition" with Indian insurers, especially when the latter are already facing competition from foreign insurers. He has appealed to the Governments to view the problem in its "correct perspective" and to "desist from their extremely unwise move."

Will It Work?

It may also be wondered whether the Government's scheme for extending the Fund's activities will work satisfactorily in actual practice. In the first place, how will it meet the objection that, whereas a full-fledged State Government employee is not allowed to benefit from Postal Insurance, an employee in a semi-Central Government project gets that facility? Secondly, if this consideration encourages the State Governments also to set up Insurance Departments of their own, as in the case of Mysore, will it not bring into existence far too many insurance organisations in a country where the available insurance business is strictly limited? Thirdly, since the Fund seeks to extend its activities to employees of "well-established" private offices and "leading" newspapers, how is the Government going to determine which of the private offices are good enough to come within the purview of the Fund's activities? Again, on what basis will it judge whether a newspaper occupies a "leading" position in order to entitle it to claim the Fund's benefits. On what will this depend—on quality, circulation or the political support it gives?

Constitutional Propriety

Apart from these considerations, there is the far more relevant question of the constitutional propriety of extending the Fund's services to only one section of the population. It is doubtful whether the Fund's authorities have examined the legal and constitutional implications of their move. Again, it is not clear whether this move is only a thin end of a nationalisation wedge. It would then be a very serious matter, indeed. If the move, on the other hand, is only a particular variant of the "mixed economy" policy, to which the Government is wedded, it is surely a travesty of that policy that the Government should fight private insurers from a vantage ground. If it decides to fight them at all, the least that it should do is to separate the Fund from the rest of the Government, to pay taxes, to publish its report, audited accounts and valuation reports, to conform to the provisions of the Insurance Act and, in short, to work, in every way, as any other insurer does. But before such a development takes place, it would be necessary to examine the question whether there is scope or need for a Government-sponsored insurance company.

HEALTH INSURANCE SCHEME

A review of the work already done in pursuance of the Employees' State Insurance Scheme and an indication of the future programme of extension of the Scheme were provided by the Union Minister for Labour, Mr. V. V. Giri, in the course of his address at the recent session of the Indian Labour Conference, held at Mysore. The scheme, as is well known, is in force only in Delhi, Kanpur and a few industrial centres in the Punjab. Mr. Giri admitted that the progress of implementation of the Scheme "has unfortunately not been very satisfactory." The Scheme now covers only about 8 per cent. of the total insurable labour population of the country. Referring to the work taken in hand in order to extend the Scheme to other areas, Mr. Giri said:

"Active preparations are afoot for the implementation of the Scheme in Calcutta City and Howrah District within the next few months. Thanks to the co-operation of the West Bengal Government, we hope to make rapid progress in our preparations. Local offices are being selected and set up, staff recruited and trained and the necessary arrangements for the selection of panel doctors made. The financial implications of the implementation of the Scheme in Bombay are being studied and as soon as we come to an agreement with the State Government, we hope to be able to make rapid progress there also. The number of employees in the Calcutta and Howrah regions is about 2¼ lakhs and in the Bombay region 4 lakhs. If we successfully extend the Scheme to these two places, we would have discharged a large part of our responsibilities. Simultaneously, however, steps are being taken to introduce the Scheme in Bangalore, Nagpur, Coimbatore and certain towns in Madhya Bharat in the near future. The Corporation has accepted, in principle, a proposal to extend medical benefits on a restricted scale to the families of workers. This will place a great burden on the finances of the Corporation, but even so, that decision was inevitable. I am sure that every section of this Conference is anxious to see the Scheme implemented throughout the country as quickly as possible. I would, therefore, appeal to every one of you to extend the fullest possible measure of co-operation in the implementation of this very difficult Scheme."

Mr. Giri did not explain how he proposed to meet the opposition of the doctors in West Bengal to the Scheme. Nor did he indicate when the Scheme would be implemented in South India.

(Continued on page 135)

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ASSOCIATED CEMENT COMPANIES LIMITED

MR. DHARAMSEY KHATAU ADDRESSES SEVENTEENTH ANNUAL MEETING

GOVERNMENT'S ATTITUDE TOWARDS PRIVATE ENTERPRISE DEPRECATED

THE Seventeenth Annual General Meeting of The Associated Cement Companies, Ltd., was held in Bombay on Friday, 15th January, 1954. The Chairman, Mr. Dharamsey M. Khatau, referring to the concepts of a Welfare State and a mixed economy, said: "A Welfare State must rely for its fulfilment on the efforts of its people. It is, therefore, vital at this stage of the nation's development that stress be laid on the responsibility for hard work and all out effort, which both industrialists and workers must face up to in order to achieve the national goal."

"So far as 'mixed economy' is concerned," the Chairman continued, "It is important that both the public and private sectors understand clearly the principles on which its operation is based. As I see it, these principles envisage the development of two distinct and clearly defined spheres of industrial activity, each complementary to the other, each fortifying the other, and both knowing that they can count upon operating within the security of a nationally accepted, long-term plan of economic development."

Speaking of the attitude of Government and the public towards private enterprise, the Chairman observed: "Today, the morale of the industrialist is at a low ebb. He constitutes a ready target, and is often the subject of abuse in public speeches. He is painted as an anti-social evil thriving as a parasite on the exploitation of other's efforts; as a person to be tolerated only for as long as is necessary to bring about his replacement. If private enterprise is to achieve that which the nation expects of it, then this attitude should change. We do not expect either molly-coddling or fulsome praise, but is it too much to hope that when we have been able to contribute very substantially to the advancement of national interest, at least some gesture of appreciation, or some word of encouragement should be forthcoming from the responsible leaders of our country? Whatever social and political form Indian economy might eventually take, it is clear that during the foreseeable future at any rate, private enterprise is not only necessary but is essential. No one can doubt that the industrialist will be encouraged to undertake his task with infinitely greater resolution when he knows that his initiative and endeavours are appreciated and accepted as an honourable contribution towards the betterment of the nation. We make no plea for the condoning of malpractices in the field of industry. Whenever these occur, either in the public or private sectors, they must be rooted out and given no quarter. What we do ask is that Government and the enlightened public learn to differentiate between the good and the bad, that all are not painted with the same brush, and that the good element is given the support and encouragement which it deserves and is entitled to."

Unemployment

The Chairman then referred to the crucial problem of unemployment in the country, the major cause of which was the terrifying rate at which the population was increasing, and hoped that the work being done to rationalise production would be further intensified, so that the rate of increase might be brought within manageable bounds in a reasonable period of time.

Referring to the role of industry in solving this problem, the Chairman continued: "I would like to take this opportunity of sounding a note of warning to those who advocate that one solution of the unemployment problem lies in industry being compelled to employ a larger number of workers than is necessary for the manufacture of its products. Such action would not only fail to ease the situation, but would inevitably further provoke it. This problem cannot be tackled by frustrating efforts at increasing the efficiency and output of labour. The best contribution which industry can make towards the provision of better jobs for more people is by the creation of greater wealth through higher efficiency, and the utilisation of this wealth to develop more industries. Thus alone will it be capable of providing expanding opportunities for employment."

Production and Sales

Reviewing the progress of the Company during the year, the Chairman said: "We have produced and sold a substantially larger quantity of cement than was the case last year. When it is remembered that the production and sales for the year 1951-52 were also considerably higher than the previous year, shareholders will appreciate the very strenuous and sustained efforts which the Company has made to increase production. Unfortunately, even though production and despatches have been very much higher this year than they were during the year 1950-51, the profits of the Company are less now than they were then. This unhappy position is due to an increase in production costs beyond our control, which has not been compensated for in the selling price allowed by Government.

Tariff Commission

Referring to the Tariff Commission enquiry, the Chairman stressed that the Company had pointed out the necessity of its being enabled to earn enough to provide for the modernisation and rehabilitation of its older plants, as well as to allow for the expansion programme laid down in the Five-year Plan. Continuing, he said: "It is understood that, arising out of this enquiry, the Tariff Commission had recommended to Government that the profits of the Company should be limited to a 10 per cent. return on the gross block and a 4½ per cent. return on the working capital employed. Out of this profit element the Company is expected to meet not only taxation and dividends, but also bonus to employees and Managing Agents' commission. The latter two items have not been accepted as items of cost. When it is so transparently clear that management is an integral part of the Company's organisation, and indeed is responsible for providing its very direction, and that bonus to labour results from adjudications ordered by Government itself, then it is difficult to understand the reasoning which excludes expenditure under these heads as being part and parcel of the cost structure. The result is that after paying agency commission, taxation and bonus to employees, the return of 10 per cent. on gross block is reduced to about 4 per cent. I submit that in any country, much more so in an underdeveloped one like ours, where the immediate need is for the production of greater wealth through rapid and efficient industrialisation, such a poor return is grossly inadequate to provide the incentive for people to save, and to risk their savings in the promotion of industrial expansion."

Price Prospects

The Chairman went on to say that, though he had hoped that the Government would take a more realistic view of the profits which the Company should be permitted to earn, the present indications were to the contrary, and that even the meagre increase in selling price recommended by the Tariff Commission was not likely to be sanctioned.

He then added: "The cement industry as a whole, and the A.C.C. in particular, can show a record of achievement which I submit will bear favourable comparison with other industries in the country. Your Company has always adopted a policy of producing and marketing the maximum quantity of cement at the lowest price possible, consistent with the aims of maintaining its plant efficiently; providing a reasonable return to its shareholders; anticipating and providing for the growing needs of the nation; and ensuring the well-being and welfare of its workpeople. Further, it has consistently followed the practice of ploughing back every surplus rupee into the strengthening of the business, so as to create greater national wealth and increasing employment. In fact, I believe that the A.C.C. can with every justification claim to have achieved all that is best in robust private enterprise It has justified the confidence reposed in it not only by its workers and shareholders, but also by its consumers, namely, the public and Government. In view of this record, it is my earnest hope that Government will allow this Company a fair selling price in the secure knowledge that the incentive so provided will be utilised to the fullest effect in furthering the interests of the industry and those of the country."

Plant Rehabilitation and Expansion

The Chairman next reviewed the progress maintained by the Company under its plant rehabilitation and expansion programme and stated that since the Company embarked upon its post-war expansion programme, it had already increased its annual capacity by 11 lakhs of tons. Plans had been translated to continue this expansion further, and to carry out a systematic programme for the modernisation and rehabilitation of several of the older factories. Under these schemes, it was intended to modernise the factories at Shahabad, Kymore, Dwarka, Kistna and Patiala.

Referring to the Sindri factory now under construction, the Chairman observed that the first unit of this plant with an annual capacity of 1,00,000 tons of cement would come into production in the latter half of 1955, and that a second unit with a similar capacity would begin operation a few months later. These expansion and rehabilitation projects had been designed and were being carried out entirely by A.C.C. engineers and technicians and a great majority of the machinery for these projects were manufactured in the Company's workshops.

The Chairman continued: "As and when this programme is completed, your Company will have added a further annual capacity of 10,00,000 tons of cement over and above the 11,00,000 tons which I have already reported. The ability of the Company to achieve this programme must, of course, depend on its earning capacity and this in its turn must necessarily be regulated by the selling price permitted to us by Government."

Pakistan

Referring to the Company's factories in Pakistan, the Chairman remarked that negotiations were still going on with the Pakistan Industrial Corporation for the formation of a new company in that country, and when negotiations were concluded, the matter would be placed before the shareholders for their consideration.

Labour-Management Relations

Turning to labour relations, the Chairman observed: "It is with some sorrow that I must again report to you this year that even though there has been an appreciable increase in the wage bill resulting from voluntary increments given by the Company, adjudication awards, labour legislation, etc., this has not been reciprocated by a corresponding increase in production effort on the part of labour.

"So far as the management of your Company is concerned, we believe that in the human will to work lies the greatest single source of productivity. We accept also that it is an inescapable function of management to ensure that our workpeople are given such material benefits as lie within the earning capacity of the Company. Further that they are provided with security and the opportunity to advance; and are treated as useful and essential members of society, whose day-to-day work is conducted in an atmosphere of personal dignity. It is to the attainment of these ends that we have dedicated our labour policies. And it is towards their achievement that we shall continue to strive.

"The attitude, however, of labour leadership, as I see it, is still most discouraging. It continues to emphasise increasingly the privileges which are due to labour, and to make on its behalf exorbitant and impossible demands. Little effort is made to enunciate the responsibilities that are labour's in the promotion of industrial progress, which alone can create the wealth required to provide a betterment in the standard of living. Government policy also takes the form of producing a bewildering succession of labour legislation without proper consideration of the impact which this must have on the industrial structure. The attitude is still abroad in Government that they must protect labour against the wiles of unscrupulous employers. These approaches to this essentially human problem on the part of Government and trades union leadership frustrate all attempts at increasing efficiency and the *per capita* output. Ultimately this will retard economic progress, and imperil the competitive position of Indian products in world markets.

"The crying need of the hour is for an immediate cessation of the studiously fostered

(Continued on page 126)

PROGRESS OF THE FIVE-YEAR PLAN

INFLATION HELD—WHOLESALE PRICES LOWER

THE end of the year 1953-54 will see the completion of a three-year period under the Five-year Plan. During this period, the amount spent on activities, for which provision has been made in the Plan, aggregates Rs. 998 crores. This includes the estimated expenditure of Rs. 413 crores for the year 1953-54, the actual expenditure for each of the other two years, namely, 1951-52 and 1952-53, being Rs. 261.5 crores and Rs. 323.5 crores, respectively. In the next two years, about Rs. 1,069 crores will be spent on the execution of the Plan, exclusive of a sum of Rs. 175 crores covering the recent expansion of the Plan.

As against this expenditure, already undertaken in order to execute the Plan, the country can show, according to a review of the working of the Plan during the first three years, made recently by the Planning Commission itself, some notable achievements on the credit side. Thus, production of foodgrains in 1952-53 had increased by 4.4 million tons. Industrial production had also increased. Thus, the index number of industrial production which stood at 117 in 1951, moved upto 129 in 1952 and still further to 134 in the first eight months of 1953. The index number of wholesale prices, which stood at 433 at the end of 1951, came down to 393.6 before the end of October, 1953. The balance of payments position, which showed a deficit of Rs. 134 crores in 1951-52, improved in the following years, so that the year ended June, 1953, witnessed a surplus of Rs. 64 crores. India's sterling balances now stand at Rs. 700 crores. Thus, the three main achievements of the Plan, according to the review, are: (a) Increase in production, both agricultural and industrial, (b) control of the price situation. and (c) establishment of a stable economy.

The Commission points out that, in spite of several initial difficulties, it has been possible to increase expenditure on the Plan progressively; as stated already, this was Rs. 261.5 crores in 1951-52, Rs. 323.5 crores in 1952-53, while the estimate for the current year is Rs. 413.0 crores. Many States were in a position to enlarge upon their current programmes, in several others the first task was to organise a minimum machinery of administration, especially in the field of development. The Commission observes: "Even if the expenditure actually incurred during 1953-54 should fall somewhat short of the budgetted amounts, as might indeed happen in the ordinary course, the effective increase in the level of development expenditure during the first three years of the Plan would still be quite substantial."

Although there has thus been a progressive increase in expenditure, its tempo has to be further increased to catch up to the targets of the Plan. The balance to be spent during the remaining two years of the Plan period is of the order of Rs. 1,069 crores plus the amount covering the recent expansion of the Plan (ceiling Rs. 175 crores).

Resources

Analysing the resources for the Plan, the review points out that, during the first two years, the rate of development expenditure did not require any large-scale deficit financing. The first year of the Plan closed with a small overall surplus. In the second year, there was a budgetary deficit of Rs. 120 crores, but this was accompanied by a net reduction in the indebtedness of the Government to the Reserve Bank to the extent of about Rs. 40 crores. Allowing for various relevant factors, the net creation of new purchasing power on account of the budgetary deficits in the first two years of the Plan is likely to have been in the neighbourhood of Rs. 40 to Rs. 45 crores.

During the first three years of the Plan, the State Governments have raised about Rs. 30 crores from measures of additional taxation. In view of the acceleration of the Plan from 1953-54, it will be incumbent upon them, the review says, to find additional resources to a much larger extent. Conditions in the capital market have steadily improved. During 1951-52 the State Governments were able to raise loans amounting to about Rs. 12 crores. In 1952-53, they raised Rs. 17 crores and in 1953-54, the net realisation was Rs. 39 crores.

There has been considerable activity also in the field of small savings. The target of the Five-year Plan period was Rs. 270 crores, of which Rs. 103 crores were secured during the first two years. A promising recent development has been the setting up of a National Advisory Committee for promoting small savings through voluntary women workers.

The Central assistance to the States during the first three years of the Plan amounted to Rs. 183 crores, out of which Rs. 163 crores were given as loans and Rs. 20 crores as grants.

The external assistance during the period of the Plan has been of the order of Rs. 133 crores. This assistance has come from the United States of America, from the Colombo Plan countries including Canada, Australia and New Zealand, from the Ford Foundation and Norway. Assistance in the form of loans has also been received from the International Bank.

Highlights of Progress

Highlights of progress since the beginning of the Plan period are indicated below :

(Except when specifically mentioned the figures relate to the period of the first two years of the Plan (i.e., 1951-52 and 1952-53). In considering the progress indicated below, it is important to bear in mind that they are *highlights*, and do not by any means indicate all the progress in all spheres that have so far been made.)

Agriculture and Community Projects

Production of *foodgrains* in 1952-53 increased by 4.4 million tons as compared to that of the basic year 1950-51.

National Extension Service.—One villager out of every eight is receiving attention either under community programme or National Extension Service. Over 47,000 villages with a rural population exceeding 37 millions have been covered so far.

Minor Irrigation Works.—Irrigation water provided to about 2.5 million acres of land upto the end of 1952.

Land Reclamation.—5,00,000 acres of *kans*-infested land reclaimed during the first half of the plan period.

Irrigation and Power

New land brought under irrigation by the river valley projects was about 1.5 million acres (upto 1952-53).

Additional Power Generated—425,000 kw.—Also, several phases of the multi-purpose projects on hand were completed and preliminary work in connection with a few new projects, e.g., Kosi, was taken up.

Industry

Cotton Textiles.—*Cotton yarn*: Production increased to 1,450 million lbs. in 1952-53 from 1,179 million lbs. in 1950-51.

Cotton Cloth (mill-made): Target for the Plan period, namely, 4,700 million yards, nearly reached.

Iron and Steel.—Agreement concluded with Messrs. Krupp and Demag for financial and technical collaboration in connection with the new Government-owned steel plant. Expansion schemes of Tata Iron and Steel Company, the Indian Iron and Steel Company and the Mysore Iron and Steel Company progressed. The Indian Iron and Steel Company was helped by the Government of India to obtain a loan of 31.5 million dollars from the World Bank for its expansion programme.

Cement.—Production increased to 3¼ million tons in 1952-53 from 2.69 million tons in 1950-51.

Fertilisers.—With the completion of the Sindri Fertiliser Factory, the production of sulphate of ammonia increased to 252,000 tons in 1952-53, as compared to 46,304 tons of indigenous production in 1951.

Locomotives.—The Chittaranjan Locomotive Works started production during the period. The total number of locomotives so far built is about 100.

Petroleum Refineries.—Work has commenced in the two petroleum refineries which are to be set up at Trombay Island by Burmah-Shell and the Standard-Vacuum Oil Company of New York. An Agreement has been finalised with the Caltex Company regarding a third oil refinery which is to be located at Vishakhapatnam.

Telephones.—The Indian Telephone Manufacturing Factory went into production in 1953, its annual output being 40,000 telephones.

Schemes in Public Sector.—The following important projects in the public sector are expected to go into production in 1954 :

The Machine Tools Factory, Jallahall; Indian Rare Earths Ltd., Travancore; U.P. Government Cement Factory; Nepa Mills Ltd., Madhya Pradesh; Penicillin Factory; D.D.T. Factory; Hindustan Cables Ltd; and Bihar Government's superphosphate Factory.

Coaches and Wagons.—During the first half of the Plan period, 1,751 coaches were built. The number of wagons built was 12,770.

Road Construction.—National Highways: 240 miles of roads completed within the first two years and work on 450 miles on hand.

Bridges: 17 new bridges completed and work on 20 more are on hand.

State roads: Nearly 7,200 miles of State roads were constructed or improved.

Shipping.—Coastal shipping tonnage increased by 77,000 g.r.t. The share of Indian ships in the coastal trade which was 80 per cent. in 1950-51 reached 160 per cent. in 1952-53.

Ships Constructed.—At the Hindustan Shipyard Ltd., Vishakhapatnam, six ships each of 8,000 d.w.t. were constructed during the first two years of the Plan.

Social Services

Displaced Persons from W. Pakistan.—Relief camps for displaced persons from West Pakistan were practically liquidated. From a population of 12.5 lakhs in these camps at the end of 1947, the number now is only 36,000, consisting mostly of unattached women and children and old and infirm persons. 2.5 million displaced persons from West Pakistan were settled on land left by evacuees and an equal number in urban areas.

As regards housing, in addition to making 179,000 evacuee houses available to displaced persons, the Government constructed 139,000 new houses and private parties constructed, 42,000 houses with assistance from Government. Altogether 14.7 lakh persons were allotted evacuee houses and 9.10 lakh persons went into new houses. To provide gainful employment, over Rs. 11 crores were granted as loans.

Displaced Persons from E. Pakistan.—About 2.49 lakh families have been settled on land owned by Government and private parties. Financial assistance by way of loans amounting to Rs. 8 crores were given for purchasing agricultural implements, while for housing, loans amounting to nearly Rs. 9 crores were granted.

Townships.—In addition, 12 new townships for displaced persons, both from West and East Pakistan, have been constructed or are in the process of construction.

Health.—Under the malaria control programme, protection given in 1953 is about 50 per cent. more than that of the previous year. Under the B.C.G. vaccination programme, 24 million people have been tested and 7½ million vaccinated.

Education.—A new scheme for opening a large number of single-teacher schools and social education centres has been started. The total employment potential is 80,000.

Social Welfare.—In addition to progress on social welfare schemes in the Five-year Plan, a Central Social Welfare Board has been set up to provide assistance to voluntary institutions for expanding their welfare activities. The Board has so far provided assistance of the order of nearly Rs. 18 lakhs to about 480 institutions.

People's Participation.—People's participation in those aspects of work in which such participation can be useful has been active and enthusiastic. In the Community Projects as well as in the Local Works Programme, there is welcome evidence of such participation. Nearly 12,000 local works costing over Rs. 3 crores have been launched with the people's initiative.

Employment

Complete data regarding employment figures are not available, but new employment has been provided in the multi-purpose river valley projects, industries in the public and private sector, in the Community Projects and in the National Extension Service and in new schemes launched last year. Nonetheless, the employment situation in 1953 was far from satisfactory, a most important contributory factor to this state of affairs being the appearance of a "slack" in the economy, consequent on the receding of the Korean war boom conditions. Recently, the Plan has been expanded and the investment programmes, both in the public and private sectors, are proposed to be stepped up. A number of new schemes, with large employment potential, are expected to be launched. It is hoped that the cumulative effect of all these steps will be favourable on the employment situation.

Indeed, it is the threat of the rising unemployment in the country that has compelled the authorities to revise the Plan so as to increase its employment potential. What is now proposed is that, during the next two years, additional projects should be undertaken. The ceiling for the additional expenditure is, as already stated, fixed at Rs. 175 crores; it is expected to be at least Rs. 150 crores. The schemes on which this additional expenditure would be incurred will fall under four broad categories :

(1) Additions in the programmes of the Central Ministries; (2) programmes of permanent improvement in scarcity areas; (3) additions in the programmes of the State Governments; and (4) new programmes for increasing employment especially in the urban areas.

The total addition to the Central Government's programmes would be Rs. 70 crores. Schemes for scarcity areas and additions to the programmes of the State Governments (items (2) and (3) above) would together amount to a total of Rs. 65 crores. The rest of the amount, ranging between Rs. 15 and Rs. 40 crores, will be utilised on special programmes for increasing urban employment.

The additions to the Central schemes cover projects for the rehabilitation of displaced persons (Rs. 45 crores), road development (Rs. 10 crores), construction of office and residential buildings (Rs. 2.5 crores), health schemes (Rs. 2 crores), agricultural schemes (Rs. 2.16 crores) and miscellaneous (Rs. 8.34 crores).

The rehabilitation programme for which an allotment of Rs. 85 crores had been made in the Plan for the first three years will thus be increased to Rs. 130 crores and cover the whole period of the Plan. Under the expanded rehabilitation programme, in addition to housing schemes, it is proposed to devote special attention to the development of refugee townships, a number of which have become centres of chronic unemployment. Under the road construction programme certain roads which are either important for inter-State communications or are likely to promote rapid development will be taken up.

Scarcity Areas

For the chronic scarcity areas which really come under the State sector, additional amount of Rs. 40 crores has been provided. The scarcity areas are those in which because of low purchasing power and repeated interruption of economic activity, relief work and other measures are needed from time to time. It is hoped that with the completion of these works local purchasing power will expand and the areas will develop greater capacity to start future development programmes. The programmes extend to twelve States, namely, Assam, Bihar, Bombay, Uttar Pradesh, West Bengal, Andhra, Madras, Hyderabad, Mysore, Saurashtra, Rajasthan and Ajmer. The schemes under the scarcity area development programme will be financed by loans from the Central Government, repayable over a period of 30 years. These loans will be interest-free for the first five years.

Besides works for the scarcity areas, the plans of the State Governments have been strengthened to the extent of Rs. 25 crores. The main fields of development to which funds have been allotted are: Power development (Rs. 9.1 crores); roads and road transport (Rs. 8.1 crores); irrigation (Rs. 3.5 crores); housing (Rs. 1.5 crores); social services (Rs. 1.8 crores); and industry and technical training (Rs. 1.1 crores).

On special programmes for relief of urban unemployment an amount ranging between Rs. 15 and Rs. 40 crores will be spent. The details of the schemes to be taken up under this head are being worked out by the Planning Commission in consultation with the appropriate authorities. The programme broadly would be of the following categories:

(1) Assistance in setting up State Finance Corporations for small-scale and cottage industries (over and above the provision in the Plan); (2) provision of additional thermal plants in urban areas; (3) loans for housing programmes for low income municipal and Government employees and for co-operative housing; (4) financial assistance for the development of road transport services; (5) work and training camps, apprenticeship and reorientation courses; and (6) implementation of the recommendations of the Standing Education Commission relating to the diversification of courses, introduction of crafts, improvement of teaching of science, etc.

The proposed establishment of an Industrial Development Corporation will also materially improve the employment position. This proposal has been approved in principle by the Central Government. Through this Corporation, it may become possible for the Central Government to promote an active policy for industrialisation and in particular to assume initiative in those spheres of the private sector where private enterprise is not readily forthcoming, but where in the public interest development may be desirable.

Already, a new scheme for increasing the employment opportunities for educated persons is being implemented. Introduced in August, 1953, the scheme aims at employing 80,000 additional primary school teachers in rural areas and to open 10,000 social education centres in urban areas.

GIANT PNEUMATIC TYRES

The large-scale engineering projects of India's First Five-year Plan called for earth-moving machinery of gigantic proportions and, consequently, giant pneumatic tyres upon which they could roll. Hitherto, these massive tyres were only available from abroad and, therefore, large sums of foreign exchange were being expended to import them into India. Firestone-India have come to the assistance of the Government of India by manufacturing these "New Super Giants" in their plant at Sewree, Bombay, which necessitated the factory being considerably enlarged, new equipment installed and the most experienced craftsmen selected to undergo extensive training. These huge tyres contain more than 100 pounds of rayon cord with a total length of 64 miles. The weight of rubber in the tyre is approximately 400 pounds (as against 11 pounds in an ordinary passenger tyre); and each tyre contains more than 200 pounds of various chemicals. The load capacity of the Firestone "Earthmover" is 15,490 lbs. at 25 m.p.h. and 17,350 lbs. at 10 m.p.h. The height of the tyre is 69 inches and the total weight is 748 lbs., as against 24 lbs. of an ordinary passenger tyre.

The earthmover machine is indeed one of the principal tools which will build the new developments in India and Firestone's "Earthmover" tyres will make it possible for them to keep rolling and ensure the continuity of the progress of the Five-year Plan.

NEW PUBLICATIONS

Capital Annual Review of Trade, Commerce and Industry. Editor: Neil McInnes. Published by "Capital" Ltd., 5, Mission Row, Calcutta. Price: Rs. 5.

A VARIED fare is provided by the *Capital Annuel Review* which carries articles on economic subjects of topical and more than merely topical significance. Mr. Colin Clark analyses the agricultural and industrial development in India in the light of the increase in population and tries to clear up much unnecessary pessimism over the problem of Indian population. Nothing brings out the essence of his attitude more clearly than his statement that, if only the Indian peasant "were able to learn the simple arts practised by the Italian peasant, of fruit growing and cheese making and similar skills, he would soon be twice as well off." For industrial development, he feels that, for India, "Japan is a more useful and encouraging model to take than Soviet Russia." In a stimulating article on foreign capital, Mr. Geoffrey Tyson, a former editor of *Capital*, clinches the whole argument for a more liberal treatment of such capital when he says that since there is "little prospect of the underdeveloped countries being swamped with foreign capital, either now or in the foreseeable future, there would seem to be a strong case for encouraging any kind of investment which will create new avenues of employment." After surveying the economic developments which have taken place in recent years in India, Mr. N. Das, in an article entitled "Economic Position of the Average Indian," reaches the conclusion that, if the average consumer has not felt the increases in production, it is "mainly because of the enormous increase in population." Dr. Sudhir Sen, Secretary of the Damodar Valley Corporation, writes engagingly on the implications of the concept of public corporations which are set up in order to run nationalised industries. He urges that Parliamentary control should be "restricted to important policy matters." "There is a crying need," he says, "for far more incisive thinking in this field." The subjects of other notable articles include trade unionism in India, money supply and credit control and radio-active minerals.

The Eastern Economist Annual Number 1953. Editor: E. P. W. da Costa. 52, Queensway, New Delhi. Price: Rs. 5.

The *Eastern Economist Annual Number, 1953*, is undoubtedly a commendable attempt at portraying a vivid picture of India in Asia. The Editor, Mr. da Costa, seems to have spared no pains to collect voluminous statistical data relating to Asian population, natural resources, railways, road transport, shipping, education, etc., with a view to giving the reader a true perspective of the economies of Asia. The picture of Asia emerging from his study has been put in a nutshell by him thus: "For Asia as a whole, it is the story of the old vicious circle. Because income is low, education is deficient, health is poor, capital formation low. And because of these things, productivity is low and incomes are low. And thus the cycle proceeds, making it almost impossible to narrow the widening gap." The Editor has also made a critical review of the foreign policy of the Government of India and drawn certain conclusions that are thought-provoking.

A separate section devoted to India in 1953 contains a review of the development of the Indian economy in the spheres of production, balance of payments position, business activity, transport, and stock exchanges.

Industrial Finance in India. By Dr. Saroj Kumar Basu. Published by Sibendranath Kanjilal, Superintendent, Calcutta University Press, 48, Hazra Road, Ballygunge, Calcutta. Price: Rs. 12.

That this book has entered the third edition—the first edition was published in 1939—is itself an indication of its wide popularity. In the present edition, all the chapters have been thoroughly revised and brought up to date. Thus, the war and post-war developments in the sphere of industrial finance in India and abroad have been amply reviewed. The problems of industrial credit during war years have been analysed against the background of the mechanism evolved in several belligerent countries for financing their industries, and the major gaps that existed in the financial mechanism in India indicated. The machineries established in several countries for the financing of post-war industry has also been studied. The utility of the publication is enhanced by the inclusion of a review of the structure, organisation and financial methods of the British F.C.I. and I.C.F.C., the Canadian Industrial Development Bank, and the Industrial Finance Department of the Commonwealth Bank of Australia. The present edition contains, besides, a critical review of the Industrial Finance Corporation of India (I.F.C.I.) during the years 1948 to 1952 and includes an entirely new chapter on State Financial Corporations.

The study of the I.F.C.I. has been based on the lessons drawn from the experience of the foreign institutions. Dr. S .K. Basu, the author, has offered several suggestions pertaining to the methods which the I.F.C.I. should adopt in granting financial assistance to the industries, the procedure it should follow in dealing with applications for assistance, and the departments it should establish for its successful financing. Dr. Basu's analysis of the whole problem clearly emphasises that, for the industrial development of India, what is required is not merely loan finance but provision of equity capital as well. Thus, he says:

"If the Government is at all unwilling to extend the scope of the I.F.C. by authorising it to provide equity capital, the Government should at least be prepared to confine the I.F.C. to function as an industrial mortgage bank to which it has been virtually reduced and establish an Industrial Development Corporation to work side by side with the I.F.C. which will develop, foster and pioneer new industrial projects and modernise and extend old ones and integrate such development into the Five-year Plan of the country. Such types of Institutions are specially called for in backward and underdeveloped countries and may help in the work of capital formation."

The recent reported decision of the Central Government to establish an Industrial Development Corporation, albeit for starting new industries, which private enterprise is unlikely to start on its own, fully bears out the force of Dr. Basu's contention. The publication under review will, there is no doubt, be widely read for the balanced and impartial analysis of the principles of industrial finance, and of the working and results of the various institutions which are engaged in the grant of industrial credit.

International Social Science Bulletin. Published by the U.N.E.S.C.O., 19, Avenue Kleber, Paris-16e. Price: $1.

The prediction of people's behaviour is not only a popular pastime, but also a matter of practical necessity in many aspects of modern life. Those whose personal or business success depends upon the reactions of the public must inevitably formulate their policies and programmes on the basis of certain assumptions about the public's probable behaviour. In recent years, business men, Government agencies and educational groups have been employing the public opinion survey for the purpose of predicting the public's response.

Through personal interviews in which a selected sample of the public are questioned about their habits, opinions and plans, it has been possible, in many cases, to achieve surprisingly accurate forecasts of how people will behave in the future. In other cases, however, events have proved these predictions wrong, and the question thus arises: Are public opinion surveys able to predict behaviour, and can they be relied upon to do so? Under the title, "Public Opinion Research," the problem is fully examined in the most recent number of the *International Social Science Bulletin*, the quarterly publication of the United Nations Educational, Scientific and Cultural Organisation.

The introduction to this 200-page issue of the *Bulletin* is written by Mr. George Gallup. In an article entitled "The Use of Surveys to Predict Behaviour," Dr. Paul B. Sheatsley, Director of the New York office of the National Opinion Research Centre of the University of Chicago, and Dr. Herbert Hyman, Assistant Professor of Sociology at Columbia University, analyse some of the problems presented by public opinion research. They describe the techniques used to solve them and give examples of the use of the public opinion survey to make predictions in such fields as probable election results. On the basis of results obtained by the Government Social Survey of Great Britain, of which he is the Director, Dr. Louis Moss seeks to determine the extent to which sample surveys can be useful to administrators. He sets forth, among other examples, the case of an enquiry made on the initiative of the British Government to find out about how many of the seven million British subjects entitled after the war to a total of some 20 million war medals and decorations would officially claim them if invited to do so.

IMPORTANCE OF TOURIST INDUSTRY

INDIA HAS YET TO DO A LOT FOR ITS PROMOTION

(By A. SITARAMAN, M.A., A.M. Inst. T. [Lond.])

THE extent to which tourism can contribute to a nation's economic welfare and further the cause of peace and international understanding has been receiving increasing recognition in recent times by the countries of the world. Tourism ordinarily implies both movement of internal population for holiday, recreational or private purposes, and also the reception and accommodation of visitors from abroad. The same services are performed in either case, but a greater significance attaches to the visit of the foreigner, in that he has a high value as an important invisible export of the country visited. Under the pressure of world events in the post-war era, nations are adopting economic policies which restrict the free flow of goods and direct the trade into particular channels. Tourism, viewed in this narrower definition of visitors from overseas, plays, indeed, a vital part in solving the balance of payments problem.

Very little is heard of the tourist industry in this country such as we recognise today. Even in the eafly thirties, when the railways were hard hit by the world economic depression and the rising competition from road motor transport, measures were directed only to find out possibilities in the development of inland tourist travel within the country. The habit of pilgrimage of the Indian masses was, however, greatly stimulated by the provision of cheap travel facilities and other amenities like pilgrim specials and tourist fares. It is true that the Central Publicity Bureau, which was then in existence doing publicity work on behalf of the Indian Railways, was concerned with the stimulation of foreign travel through its two branches in London and New York. But no substantial results seem to have been achieved in this direction. It can, therefore, be said that the international aspect of travel was virtually relegated to an insignificant place.

One must pause to consider as to how the transformation in outlook has been brought about to regard tourism in terms of international travel. Out of the bitterness and misery of conflict caused by the impact of two world wars, people's ideas and ways of thinking have been profoundly influenced and the hunger of the millions for peace has basically changed the attitude of the mind. The belief is gaining ground that direct contact between peoples of different nations can help secure much social good and further the cause of international understanding. We have seen that, during the last fifty years, there has been a constant and continuous improvement in the means of transport and the speed of technical progress has been greatly accelerated by the two world wars. With the diversification of the means of transport and in the improvement in the facilities created, an enormous increase in the movement of goods and persons has taken place, enlarging the scope and volume of international trade. Travel has become easier with the annihilation of distance and time, and the latent urge of the people has been stimulated towards a desire for travel. It is increasingly realised that it is in the general interest of the world to set in motion larger and larger sections of the population and the conviction is acquiring strength that travelling is in the common interest of all, with great social, cultural and economic value. It is thus clear that tourism is intimately connected with transport and there can be no tourist industry without transport, although transport without tourist industry can exist in a restricted pattern.

Role of Travel Agent

The history of the tourist industry in many countries, shows that it is the travel agent, who first conceived the idea of promoting travel and observed its possibilities and attractions. The methods he adopted to stimulate foreign travel differed from time to time. It was he who organised the first visits and put the places of interest on the tourist map. In modern times, the travel agent has to perform a vital role in the successful organisation of tours. He has to study the contemporary market and co-ordinate the facilities offered by the hoteliers, the providers of transport on the international routes and within the country, and search out new attractions, so as to present an acceptable picture to the prospective tourist. The responsibilities are manifestly great, requiring thought, initiative and courage.

Tourist industry embraces a network of industries concerned with supplying and servicing the travellers. The main production units of the industry are the providers of transport, both international and inland, and the undertakings which provide the amenities and amusements for the comfortable stay of the traveller. The travel organisations both function as wholesale and retail distributors of personal services. In fact, the basic raw material of the industry is personal service and the spread of interests on the economy of the country is, indeed, wider. The operation of the industry generates a spate of continuous activities, involving both internal and external trade, and its success depends on maintaining stable conditions. Yet, in times of financial stringency, Governmental action in many countries is not infrequently to adopt restrictive measures by way of depressing the tourist amenities and cutting down the allowances for foreign travel, treating tourism as an inessential item. This approach to the industry is definitely an unwise step and may have adverse reactions on a wide range of trades connected with the tourist industry and may even tend to destroy tourist values which have been created with great effort. There has, however, been lately a growing awareness and development in Governmental understanding of what tourism can achieve and how broadbased its impacts are on the nation's economy and on the international field.

What Tourism Implies

Tourism implies the stimulation of international travel of persons. Nearly every country in the world possesses a certain variety of climatic and geographical conditions and, moreover, has a national civilisation of some value. Every country can, therefore, exercise a growing attraction for the traveller from abroad and tourist promotion is essentially to sell the attraction of one's country to the foreign visitor. This is when the travel is undertaken for pleasure as distinguished from business travel, the stimulation of which requires planned effort to spread greater knowledge on the economic position of the country, its resources, trade and industry.

The promotion of tourism is a major task in a highly competitive market. In order to achieve the object, a well organised publicity campaign is essential. The function of publicity is to disseminate knowledge on scenic areas, historical spots, and places of resort in the country which may appeal as tourist attractions. The common methods of publicity adopted by the countries are Press advertising, exhibitions and display by bills, posters, descriptive booklets and publications illustrating tourist attractions in artistic make-up. Photographic films of interesting segments of travel are publicised and lecture tours by way of propaganda are organised. The method of propaganda has a greater effect as it goes psychologically deeper and helps fostering the goodwill of the foreign traveller.

Transport Must Be Efficient

The organisation of international travel depends upon providing the various means of transport for reaching the various resorts and the services for the comfortable stay of the traveller. The part that transport has to play is to make travel easy, convenient and cheap *in real value*. There must be adequate coordination of services so as to eliminate detention on route, as journeys may involve sea, air, rail and road transport. The facilities for transport should cover, *inter alia*, arrangement for through travel tickets with appropriate reservation and the provision of tourist and restaurant cars. For the comfortable stay of the traveller, the amenities should provide for the required standards in respect of food, accommodation and personal services. A guide or interpreter service may help the traveller in a correct appreciation of the tourist values of the places of interest visited.

International travel implies the crossing of national frontiers, and, in the disturbed post-war conditions of the world, considerable restrictions were placed on the free movement of persons resulting from international conventions. These restrictions are really in the nature of obstacles to transport operators as well as to transport users. Some of these are the customs regulations, passport procedure, currency control, immigration rules, epidemics, and other formalities. Steps are being taken by the countries to smoothen the restrictions and simplify the formalities so as to remove these barriers to travel.

The Government of India have been taking active steps for the last five years to promote tourist travel in this country. A committee was set up in 1948 consisting of representatives of Government and the various interests concerned to evolve a scheme, embracing the several facets of the tourist industry. With the assistance of the Committee, considerable developments have taken place and State-sponsored organisations have been rapidly expanded on a regional basis to disseminate correct information on tourist centres and the amenities provided and to render necessary assistance to the tourists to perform their travel without impediments or inconveniences. The "Tourist Introduction Card" is an instance in point, which is issued to every overseas visitor to enable him to obtain assistance of Government authorities in getting the essential facilities. Tourist publicity has been intensified, to spotlight the attractions of the country in artistic pictorial illustrations. Government regulations, which, *prima facie*, hamper the freedom of the foreign traveller, are being continually reviewed and adequate relaxations are made. The shift in the emphasis has lately been towards dollar tourism, forming an integral part of the export drive to hard currency countries. An informal committee has been working to take necessary steps to attract more dollar tourists. Advisory committees at regional levels have been constituted to improve the tourist facilities and to bring the regional organisations into closer contact with the various personal service trades connected with tourism.

Great Leeway To Be Covered

There is, however, still considerable leeway to be made up to raise the standard of amenities and the provision of facilities in transport to anything like these obtainable in Western countries. Nevertheless, the position in this country shows that efforts in this new line of business have been attended with progressively encouraging results from year to year. It has been estimated that about 20,000 tourists visited India in 1951, of whom 3,500 were Americans. For 1952, the estimated figure is about 25,000 tourists, of whom 5,000 were Americans. The figures for 1953, when available, are likely to show an increase as a large number of visitors in parties was received. A sample survey has lately been undertaken to assess the receipts from tourist traffic and our income on travel account is bound to show a steadily increasing record.

With the execution of the development schemes under the Five-year Plan, the country's industrial system is bound to make great advancement, and our nascent tourist industry will tend to occupy an increasingly important place in the national economy. India has a wealth of attractions to offer to satisfy diverse tastes and it must be our constant endeavour to attract the greatest possible number of tourists to this country and to create a real market for travel. Our transport system, which is the largest component of the tourist industry, should be maintained at high standards, providing a good network of services, making easy access to every corner of the land. With such promotional activities, tourism can undoubtedly be expected to rank high in the country's invisible export and make an important contribution to the national prosperity and international understanding.—*All Rights Reserved.*

ASSOCIATED CEMENT COMPANIES LIMITED

(Concluded from page 123)

propaganda by labour leadership that Indian capital is based on the exploitation of its workpeople. This attitude should be substituted by an approach which advocates joint endeavour by honourable men, imbued with a determination to make the country industrially prosperous, and in doing so to provide material well-being and social welfare."

Bonus Shares

The Chairman then announced that sanction of the Central Government to the issue of fully-paid bonus shares, in the ratio of one such share for every five shares held, had now been obtained, and steps were being taken to call an extraordinary general meeting of the shareholders for this purpose.

Bonus to Staff

The Chairman then stated that the Board had recommended this year the payment of a bonus equivalent to three months' basic earnings to the employees at the head office, the works, and other places, and concluded by referring to the Company's appreciation of the loyalty and efficiency of the staff and operatives.

The report and the audited statement of accounts for the year ended 31st July, 1953, were then adopted.

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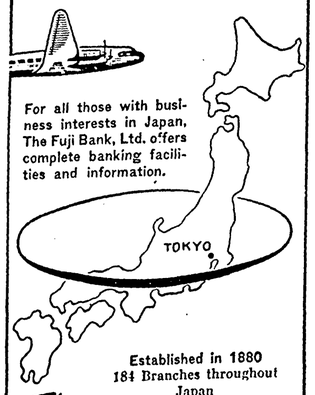

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CHOCOLATE INDUSTRY CLAIMS FURTHER PROTECTION

MR. ADARKAR REVIEWS POSITION

THE Tariff Commission's Panel, presided over by Mr. B. N. Adarkar, started the public enquiry into the claims of protection to the cocoa powder and chocolate industry on the 15th inst. Besides Mr. Adarkar, the Panel included Mr. B. N. Das Gupta and Mr. C. Ramasubban. Mr. Adarkar's opening remarks reviewing the present position of the industry spotlighted attention of the meeting on one crucial fact, namely, the gap between actual production and rated capacity. Last week, a similar situation was noted in the case of the bichromates industry. This is invariably the story repeated by a number of other industries which were started during the war years and which have appeared before the Tariff Commission. An analysis of the position of these industries discloses that it is due to fall in demand on account of high prices, consumers' resistance, low purchasing power in the hands of the people, and, to a certain extent, consumers' prejudice against indigenous manufactures arising out of low quality goods put on the market. Consequently, the question of raising the demand for the products should engage the serious attention of the Government and the Planning Commission which, it is believed, is now busy drafting the second Five-year Plan laying greater emphasis on industrial development of the country than in the first Five-year Plan. No plan can ever be expected to succeed, if it provides for starting new industries, while old ones are passing through critical times on account of their inability to utilise their idle capacity. The Tariff Commission also should carefully examine this problem and submit a memorandum to Government suggesting measures for arresting the growing tendency of plant and machinery remaining unused.

To return to the cocoa powder and chocolate industry. The total available supplies of cocoa powder and covering chocolate based on production and imports, according to Mr. Adarkar, were 4,602 cwts. in 1950, 8,676 cwts. in 1951 and 6,930 cwts. in 1952. During January-June, 1953, 5,256 cwts. were available. Although there are four units connected with the manufacture of cocoa powder and chocolate, only one of them, namely, Sathe Biscuits and Chocolate Co., Ltd., Poona, is manufacturing continuously on a commercial scale from cocoa beans. As a result of installation of additional machinery, the capacity of this firm has risen to 3,000 cwts. of cocoa powder and 9,000 cwts. of covering chocolate. These figures are taken from Mr. Adarkar's statement, but it is not clear how the productive capacity was arrived at. It will be interesting to know the basis followed for calculating such capacity, whether, for instance, it is on a single-shift basis or a double-shift basis.

The Government of India had some time ago sanctioned the establishment of a factory by the world-famous Cadbury-Fry, through the establishment of an Indian subsidiary, for manufacturing cocoa powder and covering chocolate directly from cocoa beans. It is understood that the Company has not yet imported the necessary machinery so far. The Tariff Commission must go into the reasons for this and see as to how long it will take for this Company to commence its manufacturing operations.

During the last three years, the actual output of cocoa powder amounted to 231 cwts. in 1951, 520 cwts. in 1952 and 1,041 cwts. during the 11 months of 1953. In the same years, the production of chocolate amounted to 3,032 cwts., 3,446 cwts., and 1,840 cwts., respectively. "It will be noticed," observed Mr. Adarkar, "that there is disparity between the installed capacity and actual production. The indigenous producers have attributed this to the lack of demand for indigenous products and to the fact that imports of foreign products were allowed for special reasons."

Imports of cocoa powder and chocolate were banned during 1950, 1951 and 1952, except during the second half of 1951 when actual users were allowed to import their six months' requirements from soft currency areas. During the first half of 1953, established importers were granted a token quota of 5 per cent. of one half of their best year's imports for covering chocolate. The same policy was continued in July-December, 1953, also, but was made applicable to cocoa powder as well as covering chocolate. While this was the general policy, Messrs. Cadbury-Fry (India) Ltd., who, as stated earlier, have been permitted by Government to set up a factory for the manufacture of cocoa powder and covering chocolate, were granted licences for import of these products for experimental purposes. Total imports during the last three years amounted to 5,393 cwts. in 1951, 2,964 cwts. in 1952 and 4,485 cwts. in January-August, 1953.

As regards the quality of the indigenous cocoa powder and chocolate, the opinions received by the Tariff Commission show, it is stated, that the taste and flavour of the indigenous products were as good as those of the imported ones. The source of this opinion is, however, not known, while one's personal experience hardly supports the view. Certain brands of chocolates sold in the market are not only below the standard, but some of them have neither the taste nor the flavour of the foreign-made chocolates. It is also not uncommon to come across chocolate toffees which are no more than *gur* drops coated with chocolate powder. It is the presence of spurious products such as these which kills whatever little taste there is in a consumer for chocolates. This danger must be eliminated at all costs, if the industry is to survive.

In 1946, the Tariff Board recommended conversion of the then existing revenue duty of 30 per cent. *ad valorem* on cocoa powder and covering chocolate into a protective duty. The duty was given effect to as from 19th April, 1947. The period of protection was extended, from time to time, and is due to expire on 31st December, 1954. The industry has thus enjoyed protection for about seven years. It has now asked for continuance of protection and for grant of assistance in various forms. It has, for instance, requested that cocoa beans should be placed on O.G.L. and that arrangements should be made to make sugar available at a fair price. High priority in the matter of transporting the finished product is also demanded. The last mentioned demand is evidence of the fact that transport facilities have not expanded to the extent necessary to cope with the increase in industrial and agricultural production in the country.

WILL U.S. SELL BUTTER TO RUSSIA?

The U.S. Administration has restated the U.S. export policy towards the Soviet bloc countries. Under this policy, the U.S. Government has been approving the export of non-strategic goods to the U.S.S.R. and other East European countries of the Communist bloc, except for transactions which would adversely affect the security interests of the free world. U.S. exports to Communist China and North Korea, however, continue under a complete embargo.

The statement on export policy contained in the Twenty-fifth Quarterly Report on Operations under the Export Control Act, prepared by the Secretary, U.S. Commerce Department, observes: "From the outset our security export controls have been selective—being concentrated on those goods specially indentified as of strategic value to the Soviet bloc. Despite the absence of export restrictions on goods of little or no strategic value, however, our exports of such goods to the Soviet bloc have fallen to extremely low levels over the past several years."

The aforesaid official restatement of the U.S. export policy was occasioned by the Soviet offer to purchase from the U.S. 150 million pounds of U.S. butter and an equal amount of cottonseed oil from the U.S. Government surplus stocks. In this context, it is pointed out that the Soviet fats and oils situation is most unsatisfactory, because of the failure to raise milk and butter production as desired and because of the poor showing with regard to flaxseed. The Malenkov regime has, for months now, been buying fats and oils abroad in an effort to make good the deficiency in domestic supplies. The demand for buying U.S. butter and cottonseed oil is evidently a part of this move.

In spite of the restatement of the official policy, as mentioned above, it is not clear whether the U.S. Government will meet the demand from Russia. Commenting on the Russian bid for U.S. butter, the *New York Times* observes thus:

"Whether or not these purchases will be accepted is apparently to be decided at the highest levels of the Eisenhower Administration. On the one hand, since the prices offered by the Soviet Union are below the support prices paid to acquire these commodities, there may be understandable reluctance to take an action that might seem like a subsidy to the Soviet Union. Yet, similar exports, at a loss, have been made before. On the other hand, President Eisenhower indicated only last Monday, in his farm policy message to Congress, that he wishes to promote farm exports as much as possible. Neither butter nor cottonseed oil is a strategic military commodity such as those whose export we have sought to prohibit."

It will be noted from the above quotation that there is no reason why the U.S. should turn down the Russian offer so long as the prices offered by the Soviet Government are in line with the world rates. Refusal on the part of the U.S. might be interpreted by the outside world as yet another instance of that country not wanting to live in peace with a Communist country. It will provide first class material to the Russian propagandists and they are sure to make capital out of it. It is to be hoped that the U.S. authorities will give no room for such an allegation. On the contrary, they should welcome this opportunity to prove to the people of Russia that they have no enmity towards them. They should not mind accepting the present offer, even if it means some loss to them, for they could get no better chance to carry their goodwill to Russian workers and peasants.

U.S. exports to Soviet bloc countries dropped to a new low of $220,000 in the second quarter of 1953, as compared with quarterly average exports of 1952 of $274,000. Tobacco and cigarettes comprised 73 per cent. of the exports in April-June, 1953. The balance was made up largely of clothing and other non-strategic commodities.

U.K. FOREIGN TRADE

The adverse balance of trade of the United Kingdom in 1953 at £660 million was 12 per cent. less than in 1952. Thus, according to provisional figures, imports into Britain in 1953 aggregated £3,347 million. This figure was 4 per cent. lower than in 1952 and 14 per cent. below the 1951 total, but 28 per cent. more than in 1950 when it amounted to £2,608 million. Exports, including re-exports, amounted to £2,687 million. Of this, exports, excluding re-exports, at £2,582 million were practically the same as those in 1952.

The monthly average of U.K. exports in the fourth quarter, provisionally estimated at £230,600,000, was higher than in any other quarter since the first quarter of 1952. Imports in the fourth quarter of 1953, at a monthly average of £276,800,000, were slightly above the third quarter level but 2 per cent. less than the rate in the first half of the year.

The highlight of the trade figures for the year under review issued by the U.K. Board of Trade is a rise of 14 per cent. in sales to North America.

With regard to the U.K.'s trade with India, the pattern was almost similar to that in 1952, with imports and exports almost balancing each other. Complete figures published relate to only 11 months of the calendar year 1953. Exports from the U.K., during this period, amounted to £104,894,000, as compared with £102,911,000 in the same period in 1952. Imports from India during the period amounted to £101,500,000, against £103,964,000 in the previous year.

The table below discloses the U.K.'s overall trade with India during the 11 months of 1953, as compared with that in the same period of 1952:

	Full year	11 months Jan.-Nov.	
	1952	1952	1953
	£	£	£
Total all exports	112,149	102,911	104,894
Of which:—			
Machinery	35,626	32,631	30,839
Vehicles (including ships and locomotives)	16,823	15,522	14,019
Electrical goods and apparatus ...	11,391	10,192	10,037
Chemicals, drugs, dyes and colours	9,967	9,480	9,242
Total all imports ...	114,554	103,964	101,500
Of which:—			
Tea	48,732	43,573	44,747
Jute manufactures	13,256	13,148	6,593
Seeds and nuts for oil, oils, fats, resins and gums ...	6,144	5,766	4,037
Leather and manufactures	9,284	7,786	13,000

It will be seen from the table above that machinery constituted the major item of imports into India. Valued at nearly £30.8 million in the period under review, they were, however, slightly lower than the value of imports in the same period in 1952. Vehicles, including ships and locomotives, come next, with a value of £14.02 million, as compared with £15.52 million in the previous year. Imports of electrical goods and apparatus amounted to £10.04 million, as against £10.19 million. Chemicals, drugs, dyes and colours imported in the period under review were valued at £9.24 million, as against £9.48 million.

As regards exports from India, tea accounted for 44.7 million or £1.17 million more than the value of imports in the 11 months of 1952. The value of jute manufactures dropped by almost 50 per cent. from £13.15 million to £6.6 million. There was also a marked decline in the value of exports of seeds and nuts for oil, oils, fats, resins and gums, from £5.7 million to £4.04 million. But exports of leather and leather manufactures staged a marked improvement from £7.78 million to £13.00 million.

Over the 11 month period of 1953, India had an adverse balance of trade of the order of £3.39 million, as compared with a favourable trade balance of £1.05 million in the same period of 1952.



B.I.F.—U.K.'S "SHOP-WINDOW"

The British Industries Fair for 1954 will take place in London and Birmingham from 3rd to 14th May this year. This Fair will be run by the Board of Trade as usual, but, in 1955, the London section of the Fair will be organised by a new non-profit-making company, the capital of which will be guaranteed by Government. No alterations are, however, contemplated in the arrangements for the Birmingham section of the Fair which will continue, as hitherto, to be organised by the Birmingham Chamber of Commerce. The transfer of responsibility for organising the London section is attributed to the desire of Her Majesty's Government to make industry take a direct interest in running the Fair which today has developed into the status of the nation's "shop-window."

The Fair will be held at Castle Bromwich, Birmingham, and the two London centres, Earls Court and Olympia. These three centres provide for more than 1,000,000 square feet for display. As many as 30,000 manufacturers of all types are participating in the London section alone.

The British Industries Fair was not originally intended to become an annual event. But, from its initial success, what started as a war-time expedient in 1915, has for the past 32 years grown into a national institution, attracting thousands of shrewd buyers from all corners of the globe every year. Its popularity is attributed to the inventiveness, flexibility of method and study of the customers' needs which have been brought into action on a scale never before done in the past.

RESEARCH IN VILLAGE INDUSTRIES

A plan for modernising techniques in rural industries through the establishment of an Industrial Research Institute has been submitted by the Research Committee of the All-India *Khadi* and Village Industries Board. The main function of the Institute will be the introduction, in village industries, of an improved technology calculated to improve the quality and reduce the costs of articles produced by these industries. The Institute will conduct practical research on the following industries, namely, village oil industry, village soap industry with special reference to neem oil, improved implements for hand-pounding rice, palm *gur* and village tanning glue and bone products. The objectives of the research, in general, are:

(1) The use of economic fuels by rural industries (e.g., methane gas produced by fermentation of cowdung and vegetable waste) and development of heat transfer equipment;

(2) the use of simple motive power;

(3) the development of low cost unit plant and machines designed on sound chemical engineering and mechanical principles;

(4) quality control, based on standardised plant, processes and improved technique as well as the introduction of simple quality control methods; and

(5) economies of tools and equipment.

The Institute will also pay attention to a number of other aspects bearing on village industries which require investigation such as utilisation of agricultural wastes, market analysis, co-operatives, management, etc.

The Institute will have a laboratory fitted with the necessary chemical and engineering equipment for conducting research. The Institute will get into touch with the big Research Institutes already in the field for the purpose of co-ordinating its work with the work of the big institutes.

E.C.A.F.E. MEETING AT KANDY

The three major conferences of the United Nations Economic Commission for Asia and the Far East have been in session at Kandy, Ceylon, since the 20th inst. The Inland Transport Committee which began its session on that day will sit till the 25th inst. The Committee on Industry and Trade will meet from 26th January to 5th February next. The Commission itself will be in session from 8th to 18th February.

INSTABILITY IN COMMODITY MARKETS

U.N. EXPERTS SUGGEST SETTING UP OF WORLD STABILISATION COMMISSION

THE most outstanding feature of the international trade in primary commodities in the post-war period has been its marked instability. Prices of some of the commodities have fluctuated more rapidly and more widely than in any previous period. Such violent fluctuations have had serious economic consequences for exporters, and even for importers of raw materials, with consequent dislocation of world trade and hindrance to economic development. If, therefore, the ship of world trade in primary commodities is to sail smoothly, it is of the utmost importance that vigorous measures should be adopted to overcome the instability in prices of commodities. It is precisely with a view to considering what these measures should be and how they should be adopted that the five U.N. experts have suggested, in their report submitted to the U.N.O. recently, the establishment of an inter-Governmental Trade Stabilisation Commission. The experts have also favoured the use of buffer stocks, by which price stability would be maintained by buying and withdrawing supplies from the market when prices are weak, and selling stocks when supplies fall short of demand—systems of compensatory payments to ensure international flow of money in the event of sharp fluctuations in primary commodity markets.

This report of the Committee of Experts on International Price Relations is the outcome of a decision of the U.N. General Assembly in 1952. The Assembly then recommended to Governments that, whenever they adopted measures affecting prices of primary commodities for international trade, they should consider the effect of such measures on the terms of trade of countries in the process of development, so that primary commodity prices would be kept in equitable relation to prices of capital goods and other manufactured articles. The Governments were also recommended to give serious consideration to all other aspects of the problem of undue fluctuations in the terms of trade.

At the same time as it approved these recommendations, the Assembly also asked that a report should be prepared about the practical measures which it might be advisable to adopt in carrying them out. To prepare this report, the Secretary-General selected a Committee consisting of five experts, namely, Mr. C. F. Carter (United Kingdom), Professor of Applied Economics, Queen's University, Belfast, Northern Ireland, Mr. Jan Goudriaan (Netherlands), Professor of Industrial Economics, University of Pretoria, South Africa, formerly President of the Netherlands Railways; Mr. Klaus Knorr (United States), Professor at the Centre of International Studies, Princeton University, Princeton, New Jersey; Mr. Francisco Garcia Olano (Argentina), business consultant and economic adviser, and Sumitro Djojohadikusumo (Indonesia), Professor at the University of Djakarta, until recently Minister of Finance in the Indonesian Government.

The Problem

The prices of many primary commodities entering into international trade have been for many years, and continue to be, subject to violent short-term changes. For example, the year-to-year variations of prices paid by the United States for primary products during the period 1922-49 show that, out of 218 averages, only 18 were below 10 per cent.; 143 were in the range 10-19.9 per cent.; 50 in the range 20-29.9 per cent.; and 7 were 30 per cent. and upwards.

For a selection of 11 commodities, the variation between the high and the low points of market prices within the same year averaged 27 per cent. over the half century from 1901 to 1950. In the case of rubber, the price in the London market quadrupled during 1950. In the case of wool, prices were multiplied by three and then fell back to their original level within a period of 18 months. What makes price variations so serious for primary producing countries is the fact that some of them are highly specialised in their exports, which are limited to one or a few products, and that some have a very high ratio of foreign trade to national production. Furthermore, capital development in the underdeveloped countries depends heavily on current export proceeds for its finance. Since much of those proceeds is required to pay for imports of essential consumer goods, the variations of trade have a violent effect on the margin available to finance capital goods imports.

Balance of National Advantage

All countries produce both primary and manufactured goods; many have significant exports of both, and many have significant imports of both. The balances of national advantage cannot, therefore, be explained by a simple division between the advanced manufacturing countries and the underdeveloped primary producers. The United States, for instance, is a major exporter of cereals, tobacco and cotton, and at times, of coal and petroleum. Primary products account for about 25 per cent. of its export trade. Even the United Kingdom, though its export trade is now largely concentrated in manufactures, has an import trade which is by no means specialised on primary products. It is also very interested in the earnings of the whole sterling area which is a major exporter of primary commodities. Both the United States and the United Kingdom, as well as the other industrial countries, have an interest in high and stable incomes in countries which form a major market for their exports. On the other hand, the primary producing countries have a great stake in the prosperity and high economic activity of the industrially advanced countries which are the main outlets for their raw commodities.

Single-commodity Agreement

The experts consider that single-commodity agreements can prevent excessive short-run fluctuations in the price of the commodity. If, however, they are used to hold in check the long-run movement of prices, by design or by accident, they will either break down or be maintainable only by restriction, which would be wrong except in rare special cases. The experts also think that buffer stocks for individual commodities, or for a group of them, are preferable to multilateral contracts, provided the problem of finance can be solved. They, however, point out that the nature and long-term movement of particular commodity markets may render them unsuitable for buffer stock schemes, while multilateral contracts may promise a measure of stability.

At present, the experts see no grounds for confidence that agreements for single commodities will be concluded in sufficient number to meet the more general demands of the underdeveloped countries for stability of earnings. In particular, multi-commodity buffer stocks would require an ample and assured source of finance, and the management of their price policy would be by no means easy. According to them, there is a useful place for general stabilising measures, such as contracyclical lending, which would enable industrial countries to maintain the disbursement of their currencies to the outside world at a time when they are afflicted by a business recession. They favour too compensatory schemes, under which, and in circumstances to be defined, the countries that gain from a shift in the terms of trade would be called upon to make compensatory payments to countries which have suffered income losses from that shift.

Internal Measures

On the national level, the experts indicate the various ways in which nations can, by measures within their domestic jurisdiction, help towards greater stability. These include the establishment of buffer fund and a smoothing of the flow of contracts for heavy engineering goods. There are, besides, the various ways in which nations can avoid causing violent disturbance to the economies of other countries, as, for instance, in the accumulation or liquidation of stockpiles. If the Governments wish to have an assurance of as much stability of price relations as is consistent with economic change and progress, then they must look beyond schemes relating to particular commodities and review the general structure of the world's monetary systems. The experts examined one such possibility for monetary reform, namely, the "commodity reserve currency" scheme which would authorise commodity units to qualify as monetary reserves.

The experts note that there is, at present, no effective international procedure for discuss-

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ing and proposing action on the broad aspects of stabilisation. They have, therefore, recommended the establishment of an inter-governmental Trade Stabilisation Commission. The proposed Commission should be advisory and not executive, and its main tasks would be:

(i) to consider and make recommendations to the Economic and Social Council on general proposals for stabilisation, whether they are referred to it by the Council as meriting examination, or originate in the Commission, and

(ii) to report, from time to time, on its activities to the Council, and when stability of the world's markets appears threatened, to make prompt recommendations to the Council for appropriate inter-governmental action which would be sent at once to all Governments.

In order to provide permanent representation for the most important trading countries and an adequate rotation of representation for the others, the experts believe that it would probably be necessary to have eight or nine member-Governments on the Commission. They also envisage that it would be necessary to have meetings for a number of weeks several times a year.

TRIPARTITE LABOUR CONFERENCE

TIME FOR FAIR WAGES NOT PROPITIOUS

IT will be recalled that, last week, we referred, in the course of an editorial, to some aspects of the labour policy of the Centre and the States, with special reference to the address of Mr. V. V. Giri, Union Minister for Labour, to the four-day session of the Tripartite Labour Conference which concluded at Mysore on the 10th inst. This week we propose to deal with the reactions of the employers to his speech. We also propose to deal with the proceedings of the Conference, which covered, among others, discussions on the fixation of minimum and fair wages, need for a Central law relating to maternity benefits and payment of provident fund dues.

Mr. Giri criticised the attitude of employers towards labour as unhelpful, if not altogether destructive. He warned against vague talk, among some employers, of breaking away from the machinery of tripartite discussions and bipartite agreements and declared that the old days, whether good or bad, were not going to return and that prudence demanded of them adjustment to changing conditions of the world. He alleged that there was a tendency among employers to hold labour alone as responsible for low productivity.

These allegations are grave, indeed, and it is not surprising that employers felt compelled to refute them in the same tone that was adopted by Mr. Giri. The employers, in general, criticised the Union Labour Minister's address as highly pro-labour, disregarding the contribution of employers towards ushering in better industrial relations. They felt that the stand taken by Mr. Giri was partisan and unbecoming of his status. They pointed out how untrue his remarks were and how they were calculated to accentuate the yawning gulf between labour and capital. Mr. Naval H. Tata, the employers' delegate, accused the Government of not honouring the agreements reached at tripartite conferences. He alleged that the changes made in these agreements were such as to vitate not only the letter but also the spirit of the agreements. Consequently, he is reported to have asked as to what good purpose would be served by employers being a party to such agreements.

The reactions of Mr. Tata are understandable. For, latterly, instances of Government altering the agreements reached between employers and workers in tripartite conferences have been quite a few, with some of them being of a glaring nature. Mention may be made here of three outstanding instances which have made employers to lose their faith in the utility of tripartite labour conferences.

Industrial Disputes Act

The most glaring one relates to the recent amendment by the Industrial Disputes Act in regard to compensation to workers, who are either retrenched or laid off. In this instance, the Ordinance promulgated in October, 1953, was beyond the agreement, in that it was strictly understood that legislation to implement this agreement would be enabled through a Bill in Parliament which would give scope and time for all the parties concerned to examine the provisions thereof. The resort to emergency powers of the Government for this purpose was thus a breach of understanding. Secondly, the important clauses which stated that no matter relating to lay-off shall be referable to conciliation or adjudication did not find a place in the Ordinance; it has been deliberately left out even in the Act which has replaced the Ordinance. Thirdly—and this is a very important deviation from the agreement—the Act which has replaced the Ordinance provides for payment of compensation for lay-off, in certain circumstances, even beyond the maximum period of 45 days laid down in the agreement. In fact, this clause was inserted at the last moment and had escaped the notice of many.

The second instance relates to provident funds. In this case, too, the Government of India promulgated an ordinance in November, 1951 (which was subsequently replaced by an Act of Parliament), in flagrant breach of its promise to circulate the draft Bill to the members of the Standing Labour Committee. The Bill to replace the Ordinance was introduced in Parliament in February, 1952, ignoring the request of the Federation of Employers to call an urgent meeting of the Standing Labour Committee, with a view to arriving at a workable scheme before replacing the Ordinance.

The third instance relates to holidays with pay. It is true that there was no unanimous tripartite agreement in this regard. But it was on the basis of seven days' leave with pay for every continuous year of service that the employers expressed their approval separately for the proposal. Workers and State Governments, too, had expressed their approval separately. A Bill was accordingly introduced and, after approval, came up for discussion before the Central Legislature during the budget session of 1945. At the last stage of the Bill, a non-official member moved an amendment to increase the number of holidays from seven to ten. The Labour Member with the Government of India having agreed to it, the measure was passed by the Legislature. It is true that Parliament is supreme in the matter of legislation and this is not questioned by anyone. But, in fairness to employers, with whom an agreement had been reached, the Government member ought to have explained the position to Government and should have refused to vote in favour of the amendment.

Mock Institution

The last mentioned instance is no doubt an old one. But the latest instance, referred to first, has turned out to be the last straw on the camel's back. And coming on top of these, Mr. Giri's remarks about employers in his prepared address to the Conference amounts to adding insult to injury. They have given rise to the impression among employers that even where Government, as the mediator, ought to hold the scales even, it is taking the side of labour, though it is not found wanting in delivering homilies to labour. They feel that the tripartite body is merely a mock institution, maintained by the Government of India only to show that the employers have been consulted in labour matters.

In fairness to Mr. Giri, however, we must quote his explanation for the manner in which Government has been implementing the agreements reached at tripartite conferences. Referring, in particular to the Ordinance relating to lay-off and retrenchment—the only one of the three instances that happened after he assumed office as Labour Minister—Mr. Giri said:

"I have heard certain criticisms from employers' organisations that we went far beyond the terms of the agreement in the matter of compensation for lay-off and that bipartite agreements would lose their importance, if Government chose to modify them unilaterally. I do not wish to go into the details of the particular case to which the criticisms relate, but it is my belief that the spirit of the agreement has not been violated by any of the provisions incorporated in the Ordinance or the Act. In this connection, I should like to draw the attention of both the parties to what I consider an important point. Bipartite agreements are invariably the result of compromise. In entering into compromises, parties, in their anxiety to achieve something, often avoid what ought to be faced in the interests of the proper working of the agreement. Bipartite agreements are sometimes incomplete in details and insufficient in scope and do not present a complete picture such as would be required for the enactment of legislation. We have found this on many occasions, while trying to enforce settlements and agreements between parties. If such an agreement has to form the basis of a law, the blanks have to be filled and the loopholes plugged. This, I maintain, is inevitable. In the absence of any emergency, the parties concerned get plenty of opportunity to examine the Bill as a whole and to express their opinion on all such supplementary provisions. It is unfortunate that, on account of the emergency, this normal process could not be gone through in the particular case to which the criticisms relate."

This explanation, however, is not satisfactory. The changes that were made in the Ordinance were fundamental and by no stretch of imagination can they be regarded as belonging to the variety described by him. Agreements arrived at tripartite conferences should be treated as sacrosanct. They should not be changed without the consent of the parties concerned.

Settlement of Disputes

Mr. Giri's retreat from his earlier policy of promoting mutual negotiation and settlement of disputes, in place of adjudication, is another subject which is receiving prominent attention. Almost all employers' organisations had extended their support to this new approach. They, however, failed to take the occasion by the forelock by not extending their wholehcarted support to Mr. Giri when he first enunciated his new policy. Instead of jumping at Mr. Giri's offer, they hesitated and stipulated conditions regarding Appellate Tribunal and so on. Their attitude was similar to that of a person who wanted to have the cake and also eat it. The delay and vacillation on the part of employers helped the States Labour Ministers, most of whom are politicians and not trade unionists, and the labour leaders to strengthen their position and dissuade Mr. Giri from implementing his policy. These people knew very well that, if Mr. Giri's policy were to succeed, they would lose the power they now hold. Thus, the reactionaries won the day and genuine trade unionists like Mr. Giri suffered a defeat. For this state of affairs, employers are more responsible than Mr. Giri himself. It is true that Mr. Giri ought not to have recanted and retreated, but he is more to be pitied than criticised, for he had no support from any quarters.

That, in our opinion, is the main reason for the continuation of the status quo in the sphere of industrial relations. We wish Mr. Giri had been honest enough to state this real reason for dropping his earlier policy, instead of throwing the blame on employers and painting them black. Explaining his failure to implement his first move, Mr. Giri said in his speech at Mysore:

"Unfortunately, we have entered on a period in which profits, particularly in the industrial sphere, are not what they used to be. Employers do not feel impelled to maintain their activities at the highest possible level, irrespective of the cost of production. The reduced margin of profit, with which they have now to be content, naturally compels them to explore all possibilities of economy, including retrenchment of workers and rationalisation of the methods of production. In such an economy, the bargaining power of labour is very limited, especially in sectors in which workers are not adequately organised. There can be no question of bargaining when one of the parties is in the position of being able to do without it. I cannot, therefore, blame workers and their organisations, if they feel that we have chosen the wrong time to make them self-reliant. There is also another important reason why we should avoid any radical experiments for the present. The first Five year Plan is only half-way through, and it is of the utmost importance that we should all pull our weight together in the full implementation of it. The Plan is for the benefit of the country as a whole and it would not be proper for sectional interests to indulge in activities or methods which might retard the progress of the Plan even though these might otherwise be unexceptionable."

Explanation Not Convincing

The aforesaid explanation is not convincing at all. When the "Giri Approach" was first enunciated, the economy of the country was by no means better than it is now. At that time, several industries had been suffering from the aftermath of a slump and were actually losing. Mr. Giri probably has in mind the cotton textile industry, a section of which threatened to close down in September last. But now the industry as a whole is better off than it was at the time of the Nainital Conference, as witness the firmness of cotton mill shares on the Stock Exchange to-day. The bargaining power of workers has always been strong and it has not diminished. If proof of this were needed, one need only to recall that, in the last round of negotiations beween the Tata Iron and Steel Company, Ltd., and its workers, the latter succeeded, and the management had to yield. Again, the Five-year Plan was there even when Mr. Giri announced his new policy.

Mr. Giri, more than anyone else, must be aware that the retention of the provision for compulsory adjudication takes away the incentive to trade unions to organise themselves on healthier lines. He must also be aware of the obvious truth that no living organism can grow when put in a strait jacket and, even if it did, it would be unbalanced and weak. It is, however, gratifying to find that Mr. Giri still realises the need for ending the system of compulsory adjudication, as witness his remark that "it ested in the eventual building up of a strong trade union movement to give the largest possible measure of support to the policy of mutual negotiation and settlement of disputes." Continuing, he observed:

"What is needed is not a mere arrangement for the day-to-day settlement of disputes but the development of a new and more desirable approach to the whole problem of labour-management relations. Let labour and management realise that they are not in opposite warring camps and that the greatest battle that they have to wage and win is the conquest of their own prejudices and predilections so that collective bargaining may take on a new meaning, putting more emphasis on collective thinking rather than on conflicting bargaining."

With Mr. Giri's unduly biased attitude towards employers, the Mysore session of the Tripartite Conference presented a very sorry spectacle this time. But this was not all. There was considerable divergence of opinion between workers and employers on the various items discussed at the Conference, with the result that it has left the impression that labour and capital are irreconcilable.

The most important subject discussed at the Conference related to the Fair Wages Bill. It is true that there was unanimity of opinion in regard to the basic principles of the measure. But, with regard to its enactment and implementation, workers differed from employers. The workers' representatives advocated the revival of the Bill, while those of employers were of the view that the present juncture was not opportune for its introduction. The employers felt that the concept of fair wage was still vague and the introduction of the Bill would add to the cost of industry, ultimately leading to greater unemployment.

The objection of employers is unassailable. At a time when it has become difficult even to assure minimum wages, the prescription of fair wages sounds ridiculous. How difficult has been the task of enforcing the minimum wages legislation, covering agriculture and sweated industries, will be evident from the fate of the Minimum Wages Act, 1948. The process of implementation, even after allowing for the fact that the Act came into force in Parts B and C States much later than it did in Part A States, has been rather slow with regard to sweated industries, let alone agriculture. Even the last date of fixing the minimum wages in industries, given in Part I of the schedule of the Act, expired on 31st March, 1952, while that in agriculture, mentioned in Part II, expired on 31st December, 1953. Accordingly, the time limit for the fixation of minimum wages is sought to be extended upto 31st December, 1954. But it is doubtful whether the States would be in a position to implement this Act even by that time.

Few can dispute the principle that the worker should get a wage that will guarantee a reasonable standard of living. But this should not be carried so far as to push up production costs to such an extent as to price the products out of the markets. In such cases, the only principle that should be followed is "what the traffic can bear" and not prescription of wage levels and other amenities which cut right at the root of the new industries and thus eliminate whatever chances there may be for increasing employment in the country.

Our leaders are never tired of drawing our attention to the rapid progress that has been made by Germany and Japan. It will be pertinent to mention here that the rapid reconstruction of these countries would not have been possible, if the workers there had demanded comfortable living conditions and costly amenities. In these two countries, there has been no Industrial Disputes Act. The workers there work almost 12 hours a day, so that costs might be lower and the projects completed quickly in the interest of the nation as a whole.

It is, of course, true that, where workers cannot be given a decent wage, wage levels must bear a reasonable relation to the market value of the product of their labour. But, at the same time, the workers must realise the need for setting apart sizable amounts for rehabilitation of plant and machinery and for future expansion. They must also appreciate the need for allowing a decent return on the capital invested, so that investors may have an incentive to save more and to invest their savings in new industries. They can neglect these aspects only at the expense of those large numbers for whom employment has to be found.

Uniform legislation for maternity benefits was another subject that was discussed at the Mysore Conference. The workers' representatives favoured Central legislation, in view of the lack of uniformity in regard to the various aspects of maternity legislation in the States. They were generally in favour of adopting the I.L.O. Convention, as the basis for minimum standards. They urged uniform benefit on the basis of average pay and the qualifying condition of 150 days of actual work. It is reported that the representatives of States and employers were generally against legislation on this subject, but no account of the reasons for this opposition is available.

On the question of payment of provident fund dues to a subscriber before retirement also, there was considerable divergence of opinion. The employers' group took a consistent and logical view on this question. The employers appreciated the objectives of the Provident Funds Scheme, as distinct from any unemployment or current savings scheme. They pointed out that a worker should not be permitted to consider the Provident Funds Scheme as a co-operative society. Each scheme has its objective and the Provident Funds Scheme should cater to the welfare of the worker in old age. Savings in the provident fund account should not, therefore, be expended on current needs. They did not support the proposal that T.B., leprosy and such other diseases should be regarded as sufficient grounds for payment of the provident fund due. They contended that all these diseases, though very serious, were curable and the worker should not be allowed to spend his old age provision when he is afflicted by such diseases. They did not consider it appropriate to make advances to workers on account of illness in the family or ceremonies, as such would lead to numerous fictitious claims for withdrawal.

Mr. Vithal Rao of the A.I.T.U.C. criticised the stand of employers on this subject. His main argument was that a man starving to death could hardly be expected to have patience or be amenable to the argument that the scheme was for the benefit of his old age. Even if all dues under the provident fund were given to a worker on retirement, he was still bound to be in difficulties. He pointed out that invariably railway employees, after satisfying all their debts from their provident fund money, go back into some employment. This being the position, the object of the provident fund should not be rigid and the money sacrosanct. While he suggested that immediate payment should be made in all cases of dismissal, discharge or retrenchment, he also suggested that a worker when he rejoined the same factory should not be asked to put in another period of 240 days for making himself eligible for provident fund membership.

The Conference reviewed the working of the I.L.O. Conferences and Committees held recently and felt that sincere efforts should be made to put into effect the spirit of the I.L.O. Conventions. The workers' delegates urged that some of the important conventions, especially those relating to social security, should be ratified at once. The Conference suggested that a tripartite committee should examine these conventions and see to what extent and how soon they could be observed in this country.

LABOUR CONDITIONS IN TRAMWAYS

An article on labour conditions in tramways has been published in the November, 1953, issue of the *Indian Labour Gazette*, which shows that the number of workers employed in the four tramway companies in India increased from about 15,000 in 1950 to about 19,000 in 1953. The most important department from the point of view of the number of workers employed is the traffic section which in January, 1953, accounted for 52 per cent. to 82 per cent. of the total employment in the different centres.

The basic minimum wage of the least skilled worker in the Tramway services is Rs. 30 p.m. in Delhi, Rs. 37-8 p.m. in Calcutta and Rs. 1-7-2 per day in Bombay. In addition to basic wages, workers are also paid dearness allowance which in the case of the lowest paid workers amounts to Rs. 40 p.m. in Delhi, Rs. 47-8 p.m. in Calcutta and Rs. 2-6 per day in Bombay. With the exception of the Calcutta *Tramways Company*, no annual profit bonus is paid by any of the tramway companies. The units in Bombay and Calcutta have provided housing to a small proportion of their workers, while the unit at Delhi has not provided any housing accommodation. Provident fund schemes are in operation in all the units.



ALWAYS IN THE LEAD . . .

It was the powerful acceleration of Hindusthan 14 that brought it victory at a recent motor sports event in Calcutta. This proves once again that Hindusthan 14, with its special features and outstanding qualities, tops every car in its range. The graceful modern lines of the mono-construction body ensure added speed and reduced petrol consumption by eliminating idle weight and wind resistance. The roomy interior seats six persons comfortably on latex-foam cushioning, cradled between the wheels, that have double shock absorbers for smoother ride. Topping everything is the price, as low as that of a smaller car.

HINDUSTAN MOTORS LTD. CALCUTTA

AUTHORISED DEALERS

Ahmedabad; Allahabad; Ambala; Bangalore; Bombay; Bareilly; Calcutta; Cuttack; Dibrugarh; Indore; Jaipur; Jodhpur; Jullundur; Jamshedpur; Kanpur; Lucknow; Madras; Madura; Nagpur; New Delhi; Patna; Rajkot; Secunderabad (Deccan); Trivandrum; Rangoon; Colombo.

PROCEEDINGS OF THE A.C.C. MEETING

CHAIRMAN EXPLAINS POSITION REGARDING CEMENT PRICE

THE annual general meeting of the Associated Cement Companies, Ltd., held on Friday last, proved to be, as usual, a long-drawn-out affair, having lasted nearly three and a half hours. The number of shareholders who took part in the proceedings and the several points relating to the affairs of the Company—even to the most minute details of the accounts—on which they sought elucidation from the Chairman, showed their keen interest in the welfare of this largest cement combine in the country. The shareholders wanted to know, in particular, the Government's attitude towards the investing public, the price of cement and the reasons for the rising trend of the Company's expenses and the difficulty in getting adequate supplies of cement by the public. They also desired information on the use of paper bags, the prevention of adulteration in cement, the sale of the Company's holdings of Government securities, the amalgamation of the Patiala Cement Company, the earnings and assets of the Company in Pakistan, the bonus shares and the dividend prospects.

Several shareholders expressed their concern over the attitude of the Government to the investing public. By not allowing the industry to earn adequate return, they said, the Government was jeopardising the interests of the investing public. In particular, they referred to the Chairman's remark that the Government was not likely to accept the Tariff Commission's recommendation of a 10 per cent. profit element, so far as the A.C.C. was concerned, and asked what use such an expert body as the Tariff Commission was, if the Government were to flout its recommendations. The Chairman's indication that even the meagre rise in the selling price recommended by the Commission was not likely to materialise, roused the anxiety of the shareholders who wanted the Chairman to throw more light on the latest position regarding the price.

Replying to the shareholders, Mr. Dharamsey M. Khatau, Chairman, said that the position was still fluid. He, however, disclosed that the Tariff Commission had recommended an increase in the price of cement manufactured by the A.C.C. and similar other old factories to Rs. 72 per ton. This price was based on a return of 10 per cent. on the gross block, and included an element of Rs. 2 per ton, specifically meant for rehabilitation. The Government was not willing to allow a return of more than 8 per cent. which meant a price of Rs. 70-8. It was, however, willing to pay a round sum of Rs. 71, that is, the same price as was being paid now, provided the Company was agreeable to control over the rehabilitation fund created out of the proceeds of Rs. 2 per ton. This rehabilitation fund was to be utilised for Government-approved schemes. Mr. Khatau said that the Company had sought clarification on the principle of joint administration of the fund. He, however, revealed that the Company had expressed its willingness to have Government control over the fund, provided the fund was allowed to be utilised for schemes already in hand. He hoped that a satisfactory solution acceptable to the Government as well as the industry would be arrived at.

Replying to the complaints about the increasing expenditure of the Company, the Chairman said that the Company's production was going up, consequent on the expansion programme taken up on hand. In these circumstances an increase in expenses was inevitable. Those items of expenses which were amenable to the management's control were being strictly regulated. But expenses such as freight, wages, bonus, etc., were beyond the control of the management. The solution, therefore, lay, he added, in increasing production per unit.

The reference to the rising trend of production of cement brought several complaints from shareholders of difficulty in obtaining cement even in small quantities without permit. But, they added, if a premium was paid cement was obtainable in any quantity without a permit. The shareholders asked as to how long the control over cement would continue. In his reply, Mr. Khatau said that production was going up every year by 10 per cent. but consumption also was rising by a similar extent. The Government alone was taking up 47 per cent. of the Company's production for its development purposes. The balance was available for public consumption. There might be some shortage in some parts of the country, but it was due, to a large extent, to transport difficulties. Generally speaking, he said that supply was normal to meet the demand. As regards black-marketing, Mr. Khatau asked the shareholders to bring such instances to the notice of the management.

As regards suggestions for the use of paper bags instead of jute bags, Mr. Khatau said that paper bags were not so popular in this country as jute bags. Further, the use of jute bags would be an encouragement to the jute industry. In order to prevent adulteration, one of the shareholders suggested that cement might be sold in sealed bags as had been done before. But Mr. Khatau said that sealed bags did not prevent adulteration. The Company was thinking of using valved bags which would close automatically when they got filled up.

The sharp decline of Rs. 123.61 lakhs in the value of the Company's holdings in Government securities, as shown by the accounts, prompted shareholders to ask why the Company liquidated the securities and incurred a loss on the sale. The Chairman replied that the Company required large funds for its capital expenditure and it had, therefore, to sell the securities.

While welcoming the Chairman's disclosure that the Government had given its consent for the issue of bonus shares, one of the shareholders asked whether the dividend of Rs. 9-8 per share would be maintained on the increased capital. Replying, Mr. Khatau said that the prospects were not very bright for maintaining the dividend.

Besides the foregoing, Mr. Khatau made the following points in the course of his reply to shareholders: (1) The Company was hopeful of getting sanction for the amalgamation of the Patiala Cement Co., Ltd., with the A.C.C., (2) the profit of the Company's factories in Pakistan this year was Rs. 25 lakhs, the book value of the assets in Pakistan was Rs. 83 lakhs and liquid assets amounted to about Rs. 82 lakhs; and (3) the prospects of return on the capital invested in the Burma Cement Co., Ltd., were better.

JOINT OIL VENTURE IN BURMA

After prolonged negotiations lasting two years, an agreement was signed last week in Rangoon, between the Burmese Government and the three British oil companies operating in Burma, namely, the Burmah Oil Company, the Indo-Burma Petroleum Company and the British Burma Petroleum Company, under which the Burma Government would participate on a one-third basis in the country's oil industry under a joint venture. The Burmese Government is at liberty to increase the proportion of its interest to any limit as and when it so desires.

The new company, which will be called the Burmah Oil Co. (1954) Ltd., will have a nominal capital of Rs. 30 crores divided into three million shares. The three oil companies will make a cash gift of Rs. 1 crore towards the funds of the new company as a goodwill measure. This they can well do, because of the fairly substantial grants received from the British Government for rehabilitation of their assets destroyed during the war. It is planned to provide for refining 4,500 barrels of petroleum daily in the first instance. Eventually, this output will be raised to 10,000 barrels daily, so as to enable Burma to revive its export trade in petroleum products. Neither the Burmese Government nor the oil companies are under any obligation to provide fresh capital for the new venture, apart from that required for producing 4,500 barrels in the first instance. This evidently means that the additional capital required for this purpose will be raised from the open market.

The Burmese Government may acquire a share in the marketing of petroleum products in Burma at any time after the country becomes nearly self-sufficient or at any time after it has acquired the majority interest in the joint company. Provision has been made for accelerated Burmanisation in the administrative and technical branches. The new company has undertaken to evolve a programme of training for Burmese citizens, both in Burma and abroad.

The Directors of the Kanpur Sugar Works Ltd. (Managing Agents: Messrs. Begg, Sutherland and Co., Ltd., Kanpur) have decided, subject to sanction by the Government of India, to capitalise a sum of Rs. 15 lakhs from out of the existing reserves and issue 1,50,000 ordinary shares of Rs. 10 each as capital bonus to the existing shareholders. The present paid-up ordinary capital of the Company is Rs. 15 lakhs made up of 1,50,000 ordinary shares of Rs. 10 each. The reserves stand at Rs. 63 lakhs, of which general reserve accounts for Rs. 35.5 lakhs.

JARDINE HENDERSON JUTE GROUP'S RESULTS

HOWRAH TO REHABILITATE ITS MACHINERY

THAT the fortunes of the Indian jute industry have been of a fluctuating nature is amply illustrated by the financial results of the three jute companies, Howrah, Reliance and Bally, under the management of Messrs. Jardine Henderson Ltd., Calcutta, for the half-year ended 30th September, 1953, as compared with those for the previous two half-years. All the three Companies, which had reported higher profits for the half-year ended 31st March, 1953, than those for the preceding one, have again suffered a setback in their results for the six months ended 30th September, 1953. Thus, their aggregate trading profit, which had shown a smart improvement from Rs. 19.05 lakhs for the half-year ended 30th September, 1952, to Rs. 34.54 lakhs for the subsequent half-year, has dropped to Rs. 24.49 lakhs for the half-year under review, all the three Companies sharing the decline. It is, however, gratifying to note that the profit for the period under review is higher than that for the corresponding half-year of 1952.

The trend of dividends of the three Companies, however, is not uniform. Howrah's dividend has been pruned from 17½ per cent. per annum paid for the previous two half-years to 12½ per cent. per annum. This Company's financial position is so satisfactory that the Directors could have easily maintained the dividend, but they have instead wisely chosen to reduce it and conserve a part of the profit for financing the rehabilitation of the Company's mill. It is encouraging to find that they have taken up this matter in right earnest. Reliance, which had returned to the dividend list only in the previous half-year (after a break of four years) with a payment of 5 per cent. per annum, has maintained the dividend at that level. This is not surprising because the dividend is a very modest one, being well covered by net profits. Further, the outlook for the current half-year being a little more encouraging, the Directors must be confident of the financial results for that half-year. Bally, on the other hand, has again gone off the list, after a welcome break in the previous half-year for which a distribution of 8 per cent. per annum was made. This has become inevitable, inasmuch as there has hardly been any net profit for distribution.

Commenting on the trading conditions which prevailed during the half-year under review, the Directors observe, in their report to the shareholders, as follows:

"Trading conditions during the period under review have not been easy. Due to the uneconomic price levels of raw jute ruling during the early part of the year, sowings for the 1953-54 crop were considerably curtailed which, followed by some-ther reduction in output, resulted in a general upward movement of prices for raw material. Ilea-sion prices improved due mainly to large purchases by the Argentine, but unfortunately, sacking prices lagged far behind and at no time during the half-year has it been possible to manufacture heavy goods at a profit. Consumer demand for hessians was further stimulated following the reduction by the Government of India of the export duty on hessians by Rs. 155 per ton (Rs. 275 to Rs. 120) on 15th September, 1953."

The Directors of the Bally Jute further add:

"We regret to report that a deliberate go-slow policy adopted by members of the mechanical staff has for some time seriously affected the productive capacity of the mill. Subversive elements were responsible for acts of gross indiscipline which resulted in a closure following a partial strike on 5th October, 1953. The mill restarted on 16th October, 1953."

To revert to the performance of individual companies. The trading profit of the Howrah Mills amounts to Rs. 15.35 lakhs for the half-year under review, as compared with Rs. 20.47 lakhs and Rs. 15.16 lakhs for the two half-years preceding the one under review. After maintaining the provision for depreciation at Rs. 2 lakhs and reducing the tax provision from Rs. 7.26 lakhs to Rs. 5 lakhs, the net profit amounts to Rs. 5.59 lakhs, representing a decline of Rs. 1.95 lakhs from the net profit for the half-year ended 31st March, 1953 and an increase of Rs. 0.98 lakh over that for the corresponding half-year of 1952. Following the provision of Rs. 2 lakhs to the machinery renewal reserve made in the previous half-year, the Directors have now added Rs. 1 lakh to this reserve from the profit for the half-year under review. After taking into account the surplus of the previous half-year, namely, Rs. 1.55 lakhs, the Directors propose to distribute Rs. 91,875 to the 7 per cent. preference shareholders and Rs. 4.10 lakhs to the ordinary shareholders, leaving to be carried forward Rs. 1.14 lakhs.

Referring to the appropriations made out of the profit, the Directors of the Howrah Mills say:

"Your Directors in considering the above appropriations, have borne in mind the need for conserving the resources of the Company in view of the large capital outlay necessary for the re-habilitation of the mills with modern machinery. The first of the new machinery has now arrived and more is in transit. The erection of the new machinery is likely to commence very shortly and it is hoped that it will be in operation during the coming year."

The trading profit of the Reliance Jute Mills shows a drop from Rs. 9.85 lakhs for the previous half-year to Rs. 6.66 lakhs, which, however, compares very favourably with Rs. 1.46 lakhs for the half-year ended 30th September, 1952. The provision for depreciation has been reduced from Rs. 1.50 lakhs to Rs. 1 lakh, while no amount has been set aside, as in the previous half-year, for taxation. The net profit of Rs. 3.15 lakhs compares with that of Rs. 6.06 lakhs for the previous half-year and a net loss of Rs. 1.07 lakhs for the corresponding six months of 1952. A sum of Rs. 1 lakh has been added to the provision for contingencies, while, six months ago, a sum of Rs. 1.50 lakhs had been transferred to the debenture redemption fund. The payment of dividend on the 7 per cent. preference shares requires Rs. 70,000 and that on ordinary shares Rs. 1.24 lakhs. The sum left to be carried forward is Rs. 71,971, as compared with Rs. 48,080 brought in.

The Bally Jute has earned a trading profit of Rs. 2.48 lakhs, as against Rs. 4.22 lakhs and Rs. 2.43 lakhs for the previous two half-years under comparison. Depreciation has been provided with Rs. 75,000 (Rs. 75,000) and taxation with Rs. 55,000 (nil). The net profit amounts to no more than 9,960, as against Rs. 1.75 lakhs for the previous half-year and Rs. 83,604 for the corresponding half-year of 1952. This net profit has been supplemented by withdrawing Rs. 51,493 from the general reserve and by Rs. 72,634 brought in from the previous half-year. After paying the 7 per cent. preference shareholders, the undistributed surplus is Rs. 64,088.

The following synopsis of the balance-sheets of the three Companies as on 30th September, 1953, provide an idea of their financial position:

		Howrah	Reliance	Bally
		Rs.	Rs.	Rs.
LIABILITIES				
Capital	..	91,87,500	60,50,000	40,00,000
Reserves and surplus	..	52,91,009	4,71,971	29,80,003
Debentures	..		25,00,000	
Provision for taxation	..	14,71,815	54,693	3,05,750
Liabilities	..	3,83,596	37,03,586	5,71,253
	Rs.	1,05,42,619	1,36,80,255	78,81,015
ASSETS				
Gross block	..	1,65,53,177	1,23,47,175	97,56,036
Less—Depreciation	..	1,11,34,865	86,07,248	84,26,882
	..	54,18,309	37,39,927	13,30,054
Net block	..	54,55,640	41,90,184	22,91,407
Stocks	..	27,12,300	17,51,452	7,15,300
Stores	..	10,22,576	8,93,091	22,40,219
Debts, deposits and advances	..	2,61,812	1,23,250	1,00,523
Investments	..	42,71,973	1,22,427	1,79,402
Cash	..			
	Rs.	1,05,42,659	1,36,80,255	78,81,015

It will be observed that, in the case of all the three Companies, the financial position is satisfactory. Only, the reserves of Reliance are small as compared with those of the other two, with the result that it has found it necessary to have a debenture capital of Rs. 25 lakhs to cover its needs of working capital.

BIRD-HEILGERS JUTE GROUP DIVIDENDS

Last week, the jute section of the Calcutta Stock Exchange had a pleasant surprise when the Directors of the jute companies under the management of Messrs. Bird & Co., Ltd., and Messrs. F. W. Heilgers & Co., Ltd., announced the dividends for the half-year ended 30th September, 1953. Though the dividend pattern is not uniform in all the cases, the fact that the dividends of as many as six companies of the group have been stepped up had a cheerful effect on the operators. The following table shows the dividends recommended for the latest half-year, as compared with those for the previous two half-years:

(Rupees per share)

	Half-year ended		
	30-9-53	31-3-53	30-9-52
Auckland (100)	2	2	4
Dalhousie (100)	3	1	1
Kinnison (100)	5	4	7
Lansdowne (100)	3	2	3
Lawrence (100)	3	2	4
Naihati (100)	Nil	Nil	Nil
Northbrook (10)	As. 8	As. 6	As. 4
Standard (100)	1	1	1
Union (100)	4	1	1

N.B.—The figures in brackets represent the face value of the shares.

Points From The Chair

Approaches to Labour Problem

"THE attitude, however, of labour leadership, as I see it, is still most discouraging. It continues to emphasise increasingly the privileges which are due to labour, and to make on its behalf exorbitant and impossible demands. Little effort is made to enunciate the responsibilities that are labour's in the promotion of industrial progress, which alone can create the wealth required to provide a betterment in the standard of living. Government policy also takes the form of producing a bewildering succession of labour legislation without proper consideration of the impact which this must have on the industrial structure. The attitude is still abroad in Government that they must protect labour against the wiles of unscrupulous employers. These approaches to this essentially human problem on the part of Government and trades union leadership frustrate all attempts at increasing efficiency and the per capita output. Ultimately, this will retard economic progress, and imperil the competitive position of Indian products in world markets."

DHARAMSEY M. KHATAU,
Associated Cement Cos., Ltd.

Freedom for British Sugar Refiners

"You will not be surprised at our intense disappointment, to say the least, with the way in which the refining industry had been handed back in partial freedom. Circumstances entirely outside our control gave the appearance that free enterprise had failed to reduce prices. We had foreseen these circumstances; I had commented on them in public statements; representations had been made to the Ministry. All were of no avail. We are energetically seeking means of reducing our selling prices, but we must look to the cost of raw material and duty for any large effect. Duty accounts for about £4 per ton, nearly ½d. a pound. We would welcome any change in duties which, while maintaining Empire preferences, abolished a revenue duty on an essential food. Apart from duty, there is the price of the raw sugar itself. This we buy from the Ministry of Food at a fixed price. We have been given to understand that the reduction of £1 6s. 8d. in the negotiated price to be paid to Empire producers during 1954 will not result in a reduced price to British refiners. From the best estimates we can make, we believe that, at the same time as carrying out the Empire Agreement to the letter, we could secure supplies at about £1 per ton less than the price with which we are at present being charged, if the responsibility was handed back to us."

LORD LYLE OF WESTBOURNE,
Tate & Lyle Ltd.

Convertibility Near at Hand

"Since the end of the war the world's hopes for convertibility have waxed and waned with Britain's exchange reserves. Today with reserves at $2,520 million and steadily improving, Britain can afford once more to consider freeing the pound sterling with the great advantage that now she will move from a position of strength rather than weakness. I think, we can say that Britain and her partners in the sterling area, as well as most of her N.A.T.O. partners in Western Europe, have not only accepted convertibility as desirable in principle, but have, in fact, subjected themselves to the discipline, in their domestic monetary and fiscal policy which is one of the prerequisites to convertibility. I believe, the time has come for the dollar area to show evidence of good faith by reducing trade barriers both in the form of tariff duties and in the form of customs formalities and red-tape. The dollar area must, in addition, show willingness to undertake certain responsibilities in the international monetary field."

JAMES MUIR,
Royal Bank of Canada

Insufficiency of Available Funds in Industry

"Sufficient funds are not left in industry after paying the high taxation to replace their worn-out assets, the tools by which they earn sufficient to pay wages and install new machinery. To purchase and pay for the new or modernised factory, the only alternative to incurring a fresh debt by issuing debentures is to invite the public to subscribe new risk capital. Even if the public has the cash available, after paying their own high taxes, there is little encouragement to put depleted savings into business which, if it is successful and makes a profit, has again to suffer penal taxation, and in an atmosphere where it is considered by some to be almost immoral to make a profit at all."

A. HAROLD BIBBY,
Martins Bank Ltd.

Rent Control in the U.K.

"It is to be regretted that the intentions of the Government to deal with the Rent Acts so far published do not make the bold attack upon the problem which is both necessary and desirable in the interests of property owners as well as tenants of rent-controlled properties. Present indications are that the Government's proposals will make a very minor contribution towards the problem of repairing the poorest type of slum property, but make no contribution at all towards the solution of the problem in connection with the better type of rent-controlled properties owned by your company, the maintenance and repair of which have to be supported from the finances provided by other operations."

SIDNEY H. J. BATES,
Thames Estates and Investments Ltd.

TEXTILES

(*Concluded from page 112*)

said, will hardly affect the cotton industry at all. The third measure, the refund of the turnover tax on goods exported, is considered inadequate. Under the proposed scheme, products for exports will go into four different lists, envisaging refund of 1 per cent., 2 per cent., 3 per cent. and 4 per cent., respectively. Even if cotton products are included in the fourth list, it is pointed out, it will not in any way suffice to render Italian prices competitive which are more than 4 per cent. higher than those of other exporting countries.

TEXTILE INDUSTRY IN SWEDEN

Textile circles in Sweden are expressing considerable concern over the prospects for the textile industry during 1954. This concern is born of the apprehensions regarding the growing foreign competition in the domestic market. The two factors which are said to have stimulated such competition are the high cost of manufacture and the Swedish Government's tariff system. This, at any rate, is the view expressed by Mr. N. W. Horstadius, Chairman of the Swedish Textile Council. Mr. Horstadius says:

"The industry, having recovered from the crisis in 1951-52 so far as employment is concerned, is now faced with a trade-political handicap that is severely hampering activities. Contrary to the case in most European countries, Sweden practically lacks protection for its home market and the country is an easy victim to exploitation for foreign manufacturers. In addition, waves of dumping from abroad have, from time to time, undermined the financial basis of the domestic industry."

The textile industry in Sweden, it is said, has completed the implementation of a programme of modernising the mills with up-to-date machinery and equipment. The capacity of the industry is said to be sufficient to meet 75 to 80 per cent. of the domestic requirements of textiles. The value of textile goods produced every year is estimated at about 1,500 million kroners (about £100 million).

MILLOWNERS' ASSOCIATION'S CHAIRMAN

In electing, once again, Mr. Vithal N. Chandavarkar, Managing Director of Messrs. N. Sirur & Co., Ltd., Bombay, as its Chairman for the year 1954, the Millowners' Association, Bombay, has added greatly to its stature. Mr. Chandavarkar brings with him ripe knowledge and rich experience in the field of cotton textile industry and trade. He joined the Committee of the Association as far back as 1933 and was elected its Deputy Chairman in 1935, 1942, 1951, 1952 and 1953. He has held the office of Chairman nine times in the past—a record surpassed only by the late Mr. Dinshaw Manekji Petit in the history of this 89-year old body.

Mr. Vithal has a long and varied record of public service to his credit. He was the Mayor of Bombay in 1932-33 and became a member of the Bombay Legislative Council in 1933. He represented the millowners of Bombay in the old Central Legislature, of which he was a member from 1941 to 1945. He became President of the Employers' Federation of India, following the appointment of Mr. Homi Mody as Governor of Uttar Pradesh. Mr. Vithal has always taken keen interest in the affairs of Bombay University and was its Vice-Chancellor for three terms from 1933 to 1939.

SOUTH AFRICA RAISES IMPORT DUTY ON CLOTH

The South African Government has raised the customs duty on plain cotton piecegoods imported from certain countries, including India, Japan, Spain, Hungary, Mexico and Pakistan, and imposed an additional dumping duty on cloth imported from Japan. It has, for instance, enhanced the import duty on woven cotton cloth, excluding prints, f.o.b. price of which does not exceed a specified value, from 15 per cent. to 50 per cent. This decision of the South African Government is only of academic importance to India, since there is an embargo on the trade between India and South Africa imposed by the Government of India as a protest against the colour bar policy towards non-Europeans.

Notice

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

NOTICE

THE DIRECTORS HAVE SANCTIONED THE payment of arrears of Preference Dividend of 6 per cent. per annum tax-free for the year ended 31st March, 1953. The dividend will be paid to the holders of Preference shares standing in our Books as on 14th February, 1954.

The Share Transfer Books of the Company in respect of Preference holdings will be closed from 15th February to 27th February, 1954, both days inclusive.

SESHASAYEE BROS. LTD.,
Managing Agents.

METTUR DAM R.S.,
16*th January*, 1954.

NIZAM SUGAR FACTORY REPORTS EXCELLENT RESULTS

ELGIN MILLS' PROFIT DWINDLES

Nizam Sugar Factory Ltd.

THE directors of the above Company (Managing Agents: Hyderabad Government Industrial Trust Fund, Hyderabad-Deccan), submit the audited accounts of the Company for the year ended 30th June, 1953.

The accounts show that the working of the year has resulted in a net profit of O.S. Rs. 48,33,545 (O.S. Rs. 36,26,739), after providing for depreciation Rs. 27,90,677 (Rs. 18,98,638), interest on loan Rs. 6,25,697 (Rs. 4,42,485), contribution to employees' provident fund Rs. 1,60,280 (Rs. 1,75,421), and managing agents' commission Rs. 5,37,061 (Rs. 4,02,941). This profit added to the balance of Rs. 3,402 (Rs. 48,633) brought forward from the previous year, makes up a total of Rs. 48,36,947 (Rs. 36,75,372) to the credit of profit and loss account. But a sum of Rs. 12,788 (Rs. 1,57,970) being the additional bonus paid to the employees in terms of the Award of the Hon'ble Industrial Tribunal, which being in excess of the provision Rs. 6,80,200 made in the previous year, has to be deducted from the aforesaid profit. Hence, the amount available for distribution is O.S. Rs. 48,24,159 (O.S. Rs. 35,17,402), which the directors propose to appropriate as under:—

Dividend on five per cent. cumulative preference shares at the rate of Re. 1-4 (Re. 1-4) per share of Rs. 25 fully paid, free of income-tax Rs. 60,000 (Rs. 60,000), dividend on 4 per cent. cumulative preference shares at the rate of Re. 1 (Re. 1) per share of Rs. 25 fully paid, free of income-tax Rs. 96,000 (Rs. 96,000), dividend on ordinary shares at the rate of Rs. 3 (Rs. 2-4) per share of Rs. 25 fully paid, free of income-tax, Rs. 11,04,000 (Rs. 8,28,000), bonus on ordinary shares at the rate of Re. 1 (As. 12) per share of Rs. 25 fully paid, free of income-tax Rs. 3,68,000 (Rs. 2,76,000) bonus to employees including Rs. 5,000 to operative director Rs. 9,92,783 (Rs. 6,80,200), labour welfare and amenities reserve Rs. 75,000 (Rs. 50,000), taxation reserve Rs. 18,00,000 (Rs. 14,00,000), special depreciation reserve Rs. 1,31,200 (Rs. 73,800), investment depreciation reserve Rs. 75,000 (Rs. 40,000), dividend equalisation reserve Rs. 20,000 (nil), general reserve Rs. 75,000 (Rs. 40,000) and balance to be carried forward to next year Rs. 27,176 (Rs. 3,402).

The directors inform, that the mortgage loan of I.G. Rs. 40 lakhs proposed to be obtained from the Industrial Finance Corporation of India was not taken, as the sugar sales position having since improved, it was not necessary to borrow it.

Accounts in brief are as under:—

Liabilities	O.S. Rs.	Assets	O.S. Rs.
Capital ...	1,27,46,557	Block ...	2,65,89,470
Reserves ...	2,32,34,203	Stock-in-trade	1,77,97,729
Provision for taxation ...	10,20,786	Stores, etc.	42,05,891
Liabilities ...	2,07,01,467	Cane plantation in progress ...	63,07,435
Profit and loss account ...	48,24,159	Other assets	2,93,902
		Debts, deposits and advances ...	67,24,664
		Investments	1,98,895
		Cash ...	4,09,176
	O.S. Rs. 6,25,27,162		O.S. Rs. 6,25,27,162

Elgin Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland and Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th September, 1953.

The result for the period, after making the usual provisions, shows a profit of Rs. 17,39,071 (Rs. 26,05,262) from which has been deducted depreciation Rs. 7,50,000 (Rs. 5,50,000) and rehabilitation reserve Rs. 3,00,000 (Rs. 10,00,000), leaving a balance of Rs. 6,89,071 (Rs. 10,55,262). To this amount has to be added the carry forward from the previous year of Rs. 1,23,353 (Rs. 1,22,091) leaving at credit of profit and loss account Rs. 8,12,424 (Rs. 11,77,353). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum for the year ended 30th September, 1953 Rs. 88,000 (Rs. 88,000), in payment of a dividend on the "B" preference shares of 5 per cent. per annum, free of income-tax, for the year ended 30th September, 1953 Rs. 21,000 (Rs. 21,000), in payment of a dividend at the rate of Re. 1 (Re. 1-8) per share for the year ended 30th September, 1953, on the vendors and ordinary shares Rs. 6,30,000 (Rs. 9,45,000) and carry forward to next account Rs. 73,424 (Rs. 1,23,353).

After provision of Rs. 10,00,000 has been made for the taxation estimated to be payable on the profits for the year, and for depreciation of Rs. 7,50,000, calculated at the rates applicable under the Indian Income-tax Act, the directors have transferred the sum of Rs. 3,00,000 to rehabilitation reserve.

In view of the high replacement cost of machinery, referred to in the two last preceding reports, and of the inadequacy, to meet that cost, of depreciation allowed under the Indian Income-tax Act, the directors considered it essential, in the shareholders' interest, that substantial sums be transferred to rehabilitation reserve whenever possible. The Indian Cotton Textile Industry in general has experienced most difficult trading conditions during the past year. For Mills situated in Uttar Pradesh which are subject to special disabilities—some of them within the control of the State Government—the outlook is most uncertain. In the inevitable struggle for survival, only those mills can hope to succeed which maintain their plant and machinery in an efficient and up-to-date condition.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	78,20,000	Block ...	27,63,531
Reserves ...	46,00,000	Stock - in - trade ...	87,62,530
Provision for taxation ...	2,14,978	Stores and spare parts ...	12,15,694
Liabilities ...	25,30,241	Debts, deposits and advances ...	12,39,034
Profit and loss account ...	8,12,424	Investments	1,67,540
		Cash ...	18,29,264
	Rs. 1,59,77,643		Rs. 1,59,77,643

Anglo-India Jute Mills Co., Ltd.

The directors of the Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 4,00,000 (Rs. 4,00,000) for depreciation and Rs. 3,25,000 (Rs. 9,50,000) for taxation, the accounts show a credit balance on profit and loss account of Rs. 3,87,126 (Rs. 9,18,270) to which was added the amount brought forward from the previous half-year Rs. 1,32,947 (Rs. 1,77,827), making a total of Rs. 5,20,073 (Rs. 11,46,097), from which the directors recommended that the following dividends be paid without any deduction for income-tax paid by the Company:

On preference shares at the rate of 7 per cent. per annum (Rs. 3-8 per share) Rs. 1,40,000 (Rs. 1,40,000) and on ordinary shares at the rate of 10 (20) per cent. per annum (Rs. 5 (Rs. 10) per share) Rs. 2,46,035 (Rs. 4,12,070) leaving to be carried forward the balance of Rs. 1,34,038 (Rs. 1,44,601).

Three canteens and two creches were completed and are in operation, thus the purpose for which the labour welfare reserve was created has been fulfilled. Accordingly, the balance standing to credit of that account has been transferred to machinery replacement reserve, in order to help finance the new machinery for Lower Mill which is due for shipment next summer.

In accordance with the Working Time Agreement of the Indian Jute Mills' Association 12½ per cent. of total looms remained sealed throughout the period and working hours continued at 42½ hours per week.

The gunny market for the major part of the half-year under review remained depressed by the volume of stocks in Calcutta godowns, but, on 14th September, Government reduced the hessian export duty from Rs. 275 to Rs. 120 per ton and since then there has been a welcome improvement in shipment and local stocks. Owing to a smaller crop, raw jute prices have in general been higher than parity with heavy goods hence trading conditions have been difficult for mills.

The last fortnight of the half-year was marred by strikes in the sewing departments of three of the Company's mills, where reduction of the number of workers was necessary following a change in production. Workers at Lower Mill forcibly detained two managers for twelve hours on two occasions in three days rendering the closure of that mill for three days unavoidable.

Trading results of the Company's subsidiaries Messrs. Landale & Clark Ltd. and Messrs. Landale & Clark (Pakistan) Ltd. for the year ended 31st May, 1953, showed an improvement on the previous year, but there was continued disparity between the price of jute obtainable in Calcutta and the purchase price at mofussil agencies in India and Pakistan which prevented the attainment of an economic turnover.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	89,20,700	Gross block	2,30,55,106
Reserves ...	79,44,144	Less—Depreciation ...	1,71,40,000
Taxation reserve ...	19,99,932	Net block ...	59,15,106
Liabilities ...	52,80,030	Stocks ...	85,99,720
Profit and loss account ...	1,34,038	Stores ...	10,14,198
		Investments	41,20,132
		Debts, deposits and advances ...	27,66,068
		Cash ...	3,63,600
	Rs. 2,33,78,844		Rs. 2,33,78,844

Naskarpara Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Howrah Trading Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended the 30th April, 1953.

The accounts showed a loss of Rs. 1,52,890 (profit of Rs. 2,20,791) after providing Rs. 1,52,953 (Rs. 3,23,093) for interest, commission allowance and other expenses which when adjusted with a credit balance of Rs. 5,104 (credit of Rs. 16,393) brought forward from the last half-year left a net loss of Rs. 1,47,786 (credit of Rs. 17,184 after having dividend of As. 12 per share, absorbing Rs. 30,000 and transfers to reserves and taxation) which was carried forward.

Regarding the observation of the auditors in connection with the absence of any entry in respect of Rs. 20,00,000, the directors mentioned that this item related to usance promissory notes executed in favour of the Imperial Bank of India by Soorajmull Nagarmull in connection with the overdraft arrangement which was since adjusted back.

During the period the mills worked in accordance with the supplement working time agreement of the Indian Jute Mills' Association.

As already observed in the last report the period had also been seriously affected due to heavy fall in the prices of jute goods which had a very adverse effect on the profits of the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	11,05,065
Debentures	5,00,000	Stock and stores ...	51,83,220
Reserves ...	15,80,000	Other assets	21,804
Provision for taxation ...	26,31,979	Debts, deposits and advances ...	22,41,383
Liabilities ...	23,46,242	Investments	48,502
		Cash ...	3,10,159
		Profit and loss account ...	1,47,736
	Rs. 90,58,221		Rs. 90,58,221

Central Kurkend Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson, Wright & Co., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1952.

The profit, after deduction of all working charges and commissions, amounts to Rs. 1,21,204 (Rs. 34,151) to which is added the credit balance, brought forward from the previous half-year Rs. 1,23,477 (Rs. 41,872). After providing for taxation Rs. 36,957 (nil) and depreciation Rs. 29,651 (Rs. 35,000) there remains a balance of Rs. 58,569 (Rs. 6,672) which the directors recommend should be carried forward.

In view of the urgent necessity of sand stowing at the collieries, the directors are of the opinion that the financial position of the Company should be strengthened to meet this contingency. They, therefore, do not recommend any dividend for the half-year under review.

Raisings of coal during the half-year were 68,070 tons as compared with 77,097 tons during the previous half-year and 68,566 tons during the corresponding period of 1951. Despatches were 82,013 tons as compared with 54,297 tons and 52,873 tons respectively.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	18,62,834
Reserves ...	13,30,330	Stocks ...	5,02,140
Provision for taxation ...	96,700	Stores ...	2,49,129
Liabilities ...	10,91,965	Other assets	22,318
Profit and loss account ...	56,569	Debts, deposits and advances ...	9,05,290
		Cash ...	33,853
	Rs. 33,75,564		Rs. 33,73,564

South Karanpura Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1953.

As much as 1,05,393 tons of coal were raised and 1,00,523 tons were despatched during the period in comparison with the figures of 1,00,000 tons and 1,00,283 tons respectively during the preceding half-year. Of these figures, the new quarry accounted for raisings of 20,025 tons and despatches of 14,370 tons, representing an increase of approximately 3,000 tons raised and a decrease of 3,000 tons despatched over the half-year ended 28th February, 1953.

It will be noted from the preceding paragraph that despatches did not keep pace with output, and in fact coal stocks rose by 4,870 tons during the period. Unfortunately this trend has not been reversed and the accumulation of colliery stocks presents a serious problem. In addition to the market difficulties which are affecting the coal industry in general, the company's colliery is subject to severe movement restrictions imposed by the railways. In order to reduce cross traffic to a minimum the railways have prohibited the movement of coal produced in the Karanpura field in any direction other than to the north and west. This action has naturally severely curtailed the markets for Sirka coal, and in fact the Company has been compelled to seek fresh outlets for the considerable tonnage which the colliery used to despatch regularly to consumers in the south and east.

It should be pointed out that the railways have not been consistent in the imposition of traffic restrictions. For while there is a total ban on downcountry movement from Karanpura, coal from the Ranigunge field is allowed to be despatched freely to higher priority consumers in the north and west of India. The company is thus subject to severe competition in the only markets permitted to it, while being denied access to those markets which it formerly supplied for many years.

Although the attention of the authorities has repeatedly been drawn to this anomalous situation no relief has yet been granted. Unless the railways can be persuaded to adopt a more liberal view the position at the colliery is bound to deteriorate, particularly during the early months of 1954, when traffic dislocation due to the Kumbh Mela is expected to have an adverse effect on the movement of coal to the only area permitted to the colliery.

For some years the electric power requirements of Sirka colliery were supplied from the power house at the neighbouring Argada colliery owned by the Government Railways. In 1952 the railways, apprehending an excess of demand owing to the increase in power consumption in their own mines, gave notice of termination of the agreement under which current was supplied to Sirka.

Through the continued co-operation of the Chief Mining Engineer, Railway Board, alternative supplies were made available in 1953 from the Government Railways' Bnurkunda colliery power house, current being passed over a high-tension line erected by the Bihar Government. This h.t. line is to form part of the distribution system in this area of the Damodar Valley Corporation's grid supply, which it was expected would be connected in the middle of this year. Simultaneously, further electrification of colliery plant had been undertaken in order to take advantage of the plentiful and comparatively cheap electricity to be made available from the grid.

Unfortunately, the grid is not now expected to make connection until some time in 1954, and meanwhile expenditure on power has increased considerably because the current supplied by the Government Railways has been charged at the original rate in force when overall consumption was low. In terms of the agreement with the Chief Mining Engineer, Railway Board, the company is liable to be charged the actual cost of supply. It is probable, therefore, that future accounts will contain a considerable rebate in respect of the period under review. It is anticipated that the colliery's full power requirements will be met at a satisfactory price once grid supply becomes available.

The profit and loss account, after providing for depreciation, Rs. 5,007 (Rs. 27,701) for current taxation, Rs. 18,200 (Rs. 31,444) for tax contingency reserve and including Rs. 24,000 (Rs. 14,000) for tax contingency reserve and including the sum of Rs. 26,614 (Rs. 28,050) brought forward from last half-year, shows an available balance of Rs. 50,663 (Rs. 81,493) which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 2½ (7½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 21,875 (Rs. 65,625) and in carrying forward Rs. 28,788 (Rs. 15,868).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,30,000	Block ...	21,64,546
Reserves ...	11,02,200	Capital expenditure-in-progress ...	65,864
Provision for taxation ...	42,537	Stock-in-trade	1,44,075
Liabilities ...	7,10,313	Stores and spare plant	3,89,963
Profit and loss account ...	28,788	Debts, deposits and advances ...	8,31,772
		Investments	4,076
		Cash ...	33,542
	Rs. 36,33,838		Rs. 36,33,838

Neelamalai Tea and Coffee Estates Ltd.

The directors of the above Company (Managing Agents: A. V. Thomas & Co. (India) Ltd.) submitted the audited accounts of the Company for the year ended 30th June, 1953.

During the year under report, 71 acres of coffee were uprooted and cleared for tea, in accordance with our plans to replace poor yielding coffee by tea. A small piece of land measuring 1.51 acres lying between Katary and Bhawani Estates was purchased in order to round off the boundaries of our Katary Estates New Clearings and also to facilitate free movement of labour force from one estate to another.

The crop of tea harvested during the season 1952-53 amounted to 13,24,155 lbs., as against an estimate of 15,35,000 lbs. and the crop of 14,41,471 lbs. in 1951-52.

Due to adverse weather conditions during the early period of the season, there was a shortage of 1,17,316 lbs. over last season's crop. The total f.o.b. cost per lb. for the season was Re. 1-4-8, as against Re. 1-4-2 in the previous year and the small increase is mainly due to the shortfall in crop. The average realisation was Rs. 2-1-4 per lb., as against Rs. 2-1-3 in the previous year.

The crop of coffee secured during the season 1952-53 amounted to 278.08 cwts., as against an estimate of 335 cwts. and 406.17 cwts. harvested in 1951-52.

The shortfall in crop is accounted for by adverse weather conditions. The cost of production was Rs. 139-0-8 per cwt., as against Rs. 173-0-8 per cwt. last season. The entire crop was delivered to the Pool and the average price realised was Rs. 215-2-5 per cwt. and the closing stock has been valued at Rs. 183-12-1.

The accounts show, after providing for depreciation, income-tax, estate manager's furlough pay and passage and managing agents' commission, etc., a net profit of Rs. 5,58,773 (Rs. 5,70,221). This, together with the balance brought forward from last year, Rs. 81,628 (Rs. 36,407), provided a sum of Rs. 6,40,401 (Rs. 6,00,628) for distribution, which the directors disposed of as under:

5 per cent. dividend on preference shares for 1952-53 already paid Rs. 90,000 (Rs. 90,000), 12 (10) per cent. dividend on ordinary shares for 1952-53 Rs. 4,32,000 (Rs. 3,60,000), dividend equalisation reserve Rs. 50,000 (Rs. 75,000), general reserve Rs. 25,000 (nil) and carry forward Rs. 43,401 (Rs. 81,628).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54,00,000	Block ...	60,65,142
Reserves ...	13,79,400	Stock-in-trade	7,19,625
Taxation reserve ...	4,04,131	Stores, spares, etc. ...	2,44,200
Liabilities ...	2,80,900	Debts, deposits and advances ...	5,22,310
Profit and loss account ...	5,50,401	Investments	48,134
		Cash ...	4,15,421
	Rs. 80,14,832		Rs. 80,14,832

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

COMPANY MEETINGS AND DIVIDENDS

CENTRAL KURKEND COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Dividend: Nil. Transfer books closed from 23rd to 29th January, 1954, both days inclusive.

GUZDAR KAJORA COAL MINES LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Transfer books closed from 22nd to 29th January, 1954, both days inclusive.

PURE SITALPUR COAL CONCERN LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Transfer books closed from 22nd to 29th January, 1954, both days inclusive.

SHREE MAHAKALI COAL MINES LTD. Half-yearly General Meeting, Calcutta, 29th January, 1954. Transfer books closed from 22nd to 29th January, 1954, both days inclusive.

NIZAM SUGAR FACTORY LTD. Annual General Meeting, Hyderabad-Deccan, 30th January, 1954. Dividend: Rs. 3 per share. Transfer books closed from 18th to 30th January, 1954, both days inclusive.

THIRUMBADI RUBBER CO., LTD. Annual General Meeting, Kozhikode, 2nd February, 1954. Dividend: 30 per cent. Transfer books close from 25th January to 2nd February, 1954, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay, 24th February, 1954. Dividend: As. 12 per share, payable on and after 1st March, 1954.

SRI KRISHNARAJENDRA MILLS LTD. Interim-dividend of Rs. 2 per share, free of income-tax, for the half-year ended 30th September, 1953. Transfer books close from 31st January to 3rd February, 1954, both days inclusive.

DALHOUSIE JUTE CO., LTD. Dividend of Rs. 3 per ordinary share, for the half-year ended 30th September, 1953.

LAWRENCE JUTE CO., LTD. Dividend of Rs. 3 per ordinary share, for the half-year ended 30th September, 1953.

KINNISON JUTE MILLS CO., LTD. Dividend of Rs. 5 per ordinary share, for the half-year ended 30th September, 1953.

NORTHBROOK JUTE CO., LTD. Dividend of As. 8 per ordinary share, for the half-year ended 30th September, 1953.

STANDARD JUTE CO., LTD. Dividend of Re. 1 per ordinary share, for the half-year ended 30th September, 1953.

UNION JUTE CO., LTD. Dividend of Rs. 4 per ordinary share, for the half-year ended 30th September, 1953.

SHREE AMBICA JUTE MILLS LTD. Dividend of Re. 1 per ordinary share, for the half-year ended 30th September, 1953.

NATIONAL IRON AND STEEL CO., LTD. Dividend of As. 6 per share, for the year ended 31st March, 1953.

NATIONAL ROLLING AND STEEL ROPES LTD. Dividend of As. 9¼ per ordinary share, for the year ended 30th June, 1953.

KHARDAH CO., LTD. Dividend of Rs. 10 per ordinary share, for the half-year ended 31st March, 1953.

ASSOCIATED MINING INDUSTRIES LTD. Dividend of As. 9 3/5 per ordinary share, for the year ended 31st December, 1953.

BRITANNIA BISCUIT CO., LTD. Interim-dividend of As. 5 per ordinary share, for the year ending 31st March, 1954.

NEW SAVAN SUGAR AND GUR REFINING CO., LTD. Dividend of As. 4 per share, for the year ended 31st May, 1953.

COMPANY REGISTRATIONS

PRABHA MILLS LTD. (First Director: Mr. N. L. Kanoria.) Business: Spinners, Weavers, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 33, Netaji Subhas Road, Calcutta.

BIHAR MINES LTD. (First Director: Mr. H. S. Singhania.) Business: Purchase, Acquire and Work on Mines, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 7, Council, House Street, Calcutta.

FRANCIS KLEIN & CO., LTD. (First Director: Mr. W. Elmenhorst.) Business: Mechanical and Structural Engineers, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 1, Royal Exchange Place, Calcutta.

ANTOINE BENTZ LTD. (First Director: Mr. P. Raj Bakshi.) Business: Merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 9 Stephen House, Calcutta.

NIRSHAH KHAS COLLIERY LTD. (First Director: Mr. Kumar, K. N. Maliah.) Business: Proprietors of Collieries and Coal Dealers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 14, Cullen Place, Howrah.

UNIVERSAL COMMERCIAL AGENCIES LTD. (First Director: Mr. R. P. Kayan.) Business: Importers, Exporters, etc. of General Produce, etc. of Coal Ores, Mica. Authorised capital: Rs. 5,00,000. Public company. Address: 3, Jagmohan Mullick Lane, Calcutta.

METAL AGENTS LTD. (First Director: Mr. R. L. Thirani.) Business: Steel and Iron Dealers. Authorised capital: Rs. 5,00,000. Public company. Address: 203/1, Harrison Road, Calcutta.

FLAVIEN (PROPERTIES) LTD. (First Director: Mr. A. Flavien.) Business: Acquire by Purchase, Lease, Exchange any Lands, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 12, Kyd Street Suite No. 7, Calcutta.

INSURANCE

(Concluded from page 122)

The tardy rate of progress of the Scheme is certainly reprehensible, especially because the employers are compelled to contribute their share of the expenditure without deriving any benefit whatever.

BARODA STATE INSURANCE

The Government of the Bombay State, with which the former Baroda State has been merged, has issued a Press note, clarifying the position of the Insurance Scheme which was in force in the Baroda State before the merger took place. After referring to the complaint that nothing has been heard about the scheme, after a bonus was declared, in July, 1948, for the period ended 31st July, 1945, the Government states that, following the merger of the Baroda State, the Baroda State Insurance Fund was taken over by the Posts and Telegraph Department as a closed fund, with effect from 1st April, 1950, with the stipulation that no further new policies would be issued from that fund but the policies active on 1st April, 1950, would continue, as usual, till maturity and would also be governed by the old Baroda State Insurance Rules. Accordingly, the existing policyholders, it is stated, are paying their premia by deductions from their pay bills as well as in cash into post offices, where deductions from pay bills are not convenient. Payments are also being made in respect of the policies discharged by death, maturity or surrender by the Post Master General, Bombay, through post offices. As regards bonus after 31st July, 1945, the valuation data of the Fund as on 31st March, 1950, the Press note says, have already been intimated to the Controller of Insurance, Simla, and orders of the Union Government on the subject are awaited. Those who seek any further information about the scheme are advised to contact the Director, Postal Life Insurance, Calcutta, or the Post Master General, Bombay.

AIR TRAVEL INSURANCE

The authorities of the Indian Airlines Corporation, as we stated last week, are believed to be contemplating the adoption of a system of compulsory insurance for air travellers, in order to provide cover against risk to life during air journey. In this connection, Mr. S. Rangarajan, Actuary, the Prithvi Insurance Company, Ltd., Madras, suggests, in a communication addressed to us, that the air travel insurance business should be distributed among all insurance companies. He says:

"When the various air services in India were being managed by private enterprise, a number of companies had their booths in the various airports and were issuing cover, thereby fulfilling a useful service. The fact that the Indian Airlines Corporation has under its consideration a proposal to take an agency of a single firm is very disconcerting in the sense that the business is likely to be monopolised by a single institution. If the proposal of the Corporation is to pass on the business to the Indian Insurance Companies Association Pool, then that will be the best way of tackling the problem. All the companies that share in the business of the Pool will be benefited, instead of one company alone taking away the business of the whole Corporation. If, however, there is any difficulty about the Indian Insurance Companies Association Pool taking up the business, the other alternative for the Corporation will be to arrange for the sharing of the business among the various companies that are now transacting this business. The fact that the air service is now under State monopoly should not, by itself, lead to a monopoly of the business by a single insurance company. As there is going to be a compulsory levy for insurance of all passengers, it is but fit and proper that the business should be shared among all the insurance companies transacting this business in India."

MANCHESTER LETTER

(Concluded from page 113)

in this country from the beginning of September last, the trend of values has kept relatively constant. Only minor fluctuations have been noticeable in the cover bases and the occasional movements in index prices have not been large. The table on page 113 shows the variations which have occurred in prices for the main cover base, index rates for actual cotton and representative yarns since the Commission's new scheme came into operation.

An interesting development in the past week or two has been the upward movement in the case of actual American cotton which was moved a little out of alignment with the ATNY cover symbol. When the price of 15/16" Middling reached 32d. it was at the highest level for four when the stock situation in the United States is recalled.

Raw Cotton Imports

The first week in 1954—year of freedom for raw cotton trading—brought a large intake of privately bought raw cotton into British ports. Out of total imports of 23,566 bales, only 3,345 bales were procured by the State-sponsored Raw Cotton Commission, which is to be wound-up at the end of August. Chief suppliers were the United States which contributed 17,217 bales and the Sudan with 2,749 bales. Among quantities of cotton still afloat for Britain are 15,095 bales from Egypt and 10,350 bales from Pakistan out of total expected arrivals of nearly 43,500 bales.

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ACTIVITY IN MONEY MARKET RESTRICTED

(From Our Own Correspondent)

BOMBAY, 20th *January*

Activity in the short-term money market was considerably restricted during the week under review, due more to paucity of funds than to any decline in demand for them. With no influx of funds from any quarter and with an expansive demand in evidence, conditions became extremely stringent. Inter-bank call money continued to be done at 2½ per cent. among the Exchange banks and big Indian banks and at 3 per cent. among the smaller Indian banks. House money at call was also placed at 2½ per cent.

Short-term deposits were offered 3 per cent. for periods from one to six months, but even this higher rate failed to attract funds in requisite quantity.

The upward trend in Treasury Bill rate noted in the past two weeks was maintained this week also when the rate touched a record high of Rs. 2-8 per cent per annum. The amount offered dropped from a little more than Rs. 1.21 crores to Rs. 1.01 crores against the usual invitation for Rs. 1 crore.

A further expansion of Rs. 3.68 crores in notes in circulation following the rise of Rs. 22.61 crores noted in the previous week, is disclosed by the Reserve Bank of India statement for the week ended 15th January, 1954. Notes held in the Banking Department have also gone up by Rs. 5.81 crores, so that the total notes issued are up by Rs. 9.49 crores. This increase in covered by a rise of Rs 10 crores in foreign securities and a decline of Rs. 50.63 lakhs in rupee coin. In the Banking Department, for the second week in succession, Central Government's deposits show a drop, the decline in the latest week being Rs. 8.82 crores. Deposits of other Governments have risen by Rs. 6.38 crores and those of banks by Rs. 2.48 crores. On the assets side, cash balances disclose an increase of Rs. 5.88 crores, while balances held abroad have fallen by Rs. 8.06 crores. Loans and advances to Governments are lower by Rs. 69 lakhs, while other loans and advances are higher by Rs. 1.09 crores, of which advances to Scheduled Banks against usance bills account for Rs. 40 lakhs. Investments have declined by Rs. 1.36 crores. Government Treasury Bills purchased and discounted account for a rise of Rs. 3.80 crores.

A decline of Rs. 5.62 crores in demand deposits and Rs. 2.03 crores in time deposits are revealed by the Scheduled banks' statement for the week ended 8th January, 1954, as compared with that for the previous week. Inter-bank borrowings show an increase of Rs. 1.39 crores. Borrowings from the Reserve Bank have increased by Rs. 2.53 crores and those from the Imperial Bank by Rs. 2.74 crores. Advances have recorded a sharp rise of Rs. 12.63 crores and bills purchased and discounted Rs. 3.92 crores. Cash on hand and balances with the Reserve Bank have together dropped by Rs. 10.32 crores, balances with other banks in current account by Rs. 2.73 crores and money at call and short notice by Rs. 99.75 lakhs.

Activity in the Gilt-edged market continued to be limited and hardly any variations in prices was noticeable in most counters. The decision of the Reserve Bank of India on Wednesday last week to suspend sale of securities was a short-lived one for the Bank commenced its operations again on Friday. The undertone remained steady. 3 per cent. 1957 was unchanged at Rs. 98-6, but buyers were found at Rs. 98-5½. 3 per cent. 1958 had buyers at Rs. 98-1½ and sellers at Rs. 98-2. 3 per cent. 1959-61 was wanted at Rs. 96-1½, but sellers quoted Rs. 96-2. Some business was done in 3 per cent. 1963-65 at Rs. 92-8. 3 per cent. 1964, 3 per cent. 1966-68 and 3 per cent. 1970-75 were all wanted at the unchanged rates of Rs. 92-7, Rs. 90-4 and Rs. 86-8. 3 per cent. 1986 Conversion Loan was a notable exception, in that it experienced a rise of As. 4 to Rs. 82-7 on scattered enquiries and short covering. 3½ per cent. N.P. Bonds was taken up at Rs. 98-13½.

FURTHER RISE IN METAL PRICES

(From Our Own Correspondent)

CALCUTTA, 19th *January*

The metal market presented a better appearance during the week under review, and further additions were recorded in most base metals. There was keen demand, as manufacturers continued to buy the raw material to meet commitments. The best feature again this week was the strength of electrolytic copper which advanced from Rs. 172 to Rs. 176. A small quantity of ingots changed hands and fresh supplies were difficult to be located. Scrap was almost hard to find.

There was good demand for copper and brass sheets for re-rolling. The price of mercury improved from Rs. 560 to Rs. 565, although there was no worthwhile business. Tin was throughout quoted at Rs. 424 and, because stocks were satisfactory, buying was limited. The early fall in the price of virgin lead from Rs. 65 to Rs. 62-8 could not be recovered, but a further decline to Rs. 62 was recorded. A moderate quantity was covered against tenders. More tenders are expected. Electrolytic zinc was held firm at Rs. 54.

TRADING IN LINSEED LIMITED

(Messrs. A. Bradley & Co.)

CALCUTTA, 18th *January*

A generally weaker undertone prevails in the linseed market this week, despite very scarce arrivals, and trading has been limited. Sellers are rather reserved, whilst crushers have shown little interest, except at lower prices. Dull conditions prevail in the oil section. Small transactions have been recorded, but local buyers have on the whole been very reserved. Latest quotation is:—Ready Rs. 21-6 per maund.

BULLION BULLISH

(From Our Own Correspondent)

BOMBAY, 20th *January*

The bullion market presented lively conditions during the week under review, particularly during the last three days. Both silver and gold registered fair gains over the week on enlargement of speculative activity induced by such favourable factors as increased offtake in the ready section of silver, reports that prominent bulls were prepared to take delivery of as much as 1,500 bars of silver in the maturing settlement, a decline in arrivals of gold and seizure of contraband gold worth Rs. 18.5 lakhs from a bullion merchant on Monday (18th inst.) morning. Expectations of improved offtake in silver continued to encourage bull activity, with the result that automatic margin was enforced today against bulls. On balance, silver recorded a rise of Rs. 3.9 per 100 tolas and gold Rs. 1-10 per tola over the week.

It will be interesting to note here that, since the beginning of the current year, forward silver has gone up by Rs. 6-6 and forward gold by Rs. 2-2.

The market remained closed on Thursday last (14th January) on account of *Makara Sankranthi*. Opening at Rs. 155-1 on Friday, silver for forward delivery (21st January settlement) remained featureless early in the week, but the undertone was fully steady, as witness the rise in price to Rs. 155-10 on Saturday. From Monday onwards, however, activity broadened considerably and prices began to soar on bull manipulation coupled with nervous bear covering. Purchases by option dealers also induced a rise in prices. Forward silver touched a high of Rs. 158-13 today and stood at Rs. 158-12 at the close. This rate was more than Rs. 7 above the official sterling rate for the current settlement. Consequently, payment of margin by bulls at the rate of Rs. 500 per bar on all their outstanding purchases came into fore automatically. Business for the February settlement opened at Rs. 155-11 and finished today at Rs. 159-8.

Ready silver (.996 Mint) was done at par with the forward rate for the January settlement, the opening and closing prices being Rs. 155-1 and Rs. 158-12, respectively. The floating stocks of silver are placed at 2,300 bars. The daily average offtake was 20 bars.

Gold for forward delivery (20th January settlement) was quiet early in the week and trading was colourless, with the quotation shading off from Rs. 82-13 to Rs. 82-8. A decline in arrivals from Saturday onwards gave a fillip to bulls. The seizure of contraband gold on Monday morning and decline in offerings of Kolar gold imparted further strength to them. Consequently, it advanced by quick stages to touch a high of Rs. 84-14, today, before closing at Rs. 84-9. Business in the February settlement was done at the opening at Rs. 82-9½, the *budla* charges being As. 1½ against sellers. On Saturday, the budla charges against sellers widened to As. 5½, but they again narrowed down to As. 2 at the close today, when February settlement was quoted at Rs. 84-7.

Ready gold opened at Rs. 82-12 and closed at Rs. 84-9. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were about 4,000 tolas; the daily average offtake was also at about the same rate.

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

	20-1-54	Highest	Lowest	13-1-54
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	84 9	84 15	82 0	82 14
Forward	84 9	84 14	82 8	82 13
Sovereign	56 8	56 8	56 4	56 4
SILVER				
Ready (.996 fine Mint)	158 12	158 13	155 0	155 5
Forward	158 12	158 13	155 0	155 3
London Ready ..	73½*d.*	—	—	73½*d.*
London Forward .	73½*d.*	—	—	73½*d.*
New York Ready .	85½c.	—	—	85½c.

TEA FOR EXPORT EASY

(From Our Own Correspondent)

CALCUTTA, 19th *January*

Although there was strong demand during yesterday's export auction, where offerings consisted of 61,900 packages, prices of most varieties eased. The easing tendency suggested that prices during the previous sale reached rather unnatural levels which could hardly be supported. It will be remembered that, during the auction a week ago, gains varying from As. 3 to As. 10 were recorded; but, yesterday, As. 2 to As. 3 were lost by medium B.O.Ps., medium fannings and brokens declining by an anna. After an early firm start, whole leaf grades fell in line with the general trend and sold at prices below brokers' valuations. Even an improvement in quality could not arrest the fall in prices of best liquoring varieties. The only varieties which were firm were the commonest teas. Quotations were: Best C.T.C. Assam B.P. Rs. 2-8 (nominal), medium Assam B.P. Rs. 2-6-6 to Rs. 2-7, clean black pekoe Rs. 2-9-6, and clean common B.P. Rs. 2-6-6.

Very steady conditions were witnessed during the internal sale held last week, when 21,209 packages of dust and 3,196 packages of other grades were offered. Demand was strong and attractive additions in prices were recorded. All varieties of dusts were supported and were taken at As. 4 to As. 5 above brokers' valuations. Thus, best Assam C.T.C. dusts were quoted at Rs. 2-5, medium Assam grainy dusts at Rs. 2-2 and medium Dooars dusts at Rs. 2-1-6. In the leaf market also, demand was active, the commonest varieties improving by As. 5.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 20th *January*

After behaving in a less fidgety manner for a whole week, with the range of fluctuations remaining within narrow limits, below the Rs. 700 pose early this week and registered an advance of nearly Rs. 22 in the price of the February contract after the last week-end. There was, however, some justification for this rise, if not on grounds of any inherent change in the situation with regard to cotton supply and consumer demand, at least on those of the general buoyancy prevailing in all the forward markets in the country. The speculative element in the business community has been caught in a wave of bullishness based mainly on ideas of currency inflation and deficit financing on a progressive scale during the next two years. Operators in the forward cotton market, therefore, cannot be blamed for collecting contracts and pushing up prices.

The only flaw, however, so far as cotton is concerned, is the widening of the difference on the wrong side between the February and May contracts. If the belief in scarcity of supplies or any continued inflation be well-founded, it must be repeated once again that either of these factors will operate with a greater emphasis when the May contract which would mature than in February and prices for the latter contract should not lag behind those of the one which would terminate next month. It is this unnatural difference of Rs. 9 in favour of February which indicates that the present strength in the market does not rest entirely on intrinsic factors but on the temporary technical position which is being exploited by the operators.

Consistently steady conditions prevailed in the spot market because of firm upcountry prices and the continuous purchases from mills direct in the producing areas. In view of the spurt in the cloth and yarn market and the general expectation that textile exports will possibly reach the 1,000 million yards target this year and might even overshoot it, there is a justified belief in the spot market circles that the present demand from mills for cotton of almost every description will not only be sustained in the future months but will possibly be broadened. This feeling is confined not merely to Indian cotton; it is getting stronger in the case of imported cotton. In the latter case, there has been a veritable scramble for the last two or three days. Apart from the various well-favoured Jarilla and the East Punjab varieties, Vijay has been in good demand during this week, because the supply of Gaorani 12 is expected to be of a restricted nature this season. There has been a steady increase also in the prices of imported cottons with East Africans taking a lead in this direction. There is good enquiry also for U.S. varieties and it is expected that imports from this source this year will increase considerably. Unused licences for American cotton now amount to only about 70,000 bales and though the grouse against the Government's policy to renew them repeatedly, thus denying opportunities for trade to those who used up their licences under pressure from the Government in the earlier stages, continues, it is believed that these importers, who have been out of business for some time so far as imports from the U.S.A. are concerned, will have fresh opportunities of resuming their imports from this source. There was also some demand in the spot market for Egyptian cotton which, however, was confined mainly to Karnak.

The trend of prices in the forward section of the local cotton market during the week under review was as follows:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 694½	718½	693	717
I.C.C. May ...	Rs. 688½	710	688	709

The following are the latest available quotations for some of the varieties in which trading took place:

Hansi 216F Rs. 980; Aurangabad G12 Rs. 801; Dhulia Rs. 115 on; Vijay Rs. 183 on; Bengal New Rs. 627 Jan. del., Mogial old Rs. 700.

In common with all the world cotton markets, prices at Karachi have also taken an upward swing of a substantial nature during the week. As the export position for the U.S.A. cotton is becoming clearer, attention in Continental centres has naturally once again turned to this market. Shortage of supplies elsewhere in Uganda and Sudan also had its effect in this revival. As cloth from Japan becomes available in bigger quantities, about which a hitch had been reported earlier, enquiries from Japan also are bound to increase in volume. The present rise, however, at Karachi is due not so much to large-scale orders from abroad as to sympathy with other markets and lesser readiness on the part of holders in expectation of better prices ahead. Exports upto the end of the first week of this month from Karachi amounted to 399,082 bales as compared to 506,097 bales during the same period in the previous season.

The following are the latest available quotations from the Karachi market: Sind *Deshi* Rs. 67½; Punjab *Deshi* Rs. 64½ to Rs. 68; 4F Punjab R.G. Rs. 66 to Rs. 67½; S.G. Rs. 71 to Rs. 72½; LSS. Punjab R.G. Rs. 71½; S.G. Rs. 77.

At Alexandria, trading has been, if anything, a trifle more active than in the preceding weeks. Curiously enough, the foreign enquiries are confined largely to medium grades of Karnak. The higher grades of this style are being offered at the *Commission's* prices, while a premium of three-quarters of a penny is being asked for for the medium grades. There is practically no demand for Ashmouni and Giza 30 which are now available for a premium of about 2½*d.* per lb. Market interest, however, at Alexandria has centered more round the future policy of the Government. It has now been authoritatively announced that the official buying prices for the next crop will continue unchanged except for a small premium of ½*d.* for December and a penny for February deliveries. The Ministry of Agriculture expects a profit from its trading operations this year. Three-quarters of these will be returned to the growers, with one quarter going to the cotton prices equalisation fund. One other thing which emerges from official circles is that the acreage under Ashmouni will show no increase next season as the seed for such an increase is not available. However, this position is likely to be improved from the season after the next, as the authorities are taking measures to ensure a sufficient supply of seed of good quality from the next crop.

At New York, the firm tone in the market continues unchecked with a rise of 50 points and over in prices. A part of this firmness is due to the increasing volume of the Government loan and brighter prospects for exports during the coming months. The spot demand by spinners also continues to be healthy and progressive. The authorities expect a moderate increase in exports over last year. This is based on the present estimates that while the world production during the season will be eight lakh bales short of last year, consumption during the year is likely to increase by half a million bales.

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

(In cents per lb.)

	19-1-54	12-1-54	5-1-54
Spot	34.15	34.00	33.85
March	33.53	33.29	33.22
May	33.74	33.46	33.45
July	33.70	33.34	33.31
October	33.86	32.76	32.75

COTTON YARN FORGES AHEAD

(From Our Own Correspondent)

BOMBAY, 20th *January*

The cotton yarn market continued to remain fully steady this week also. Following inspiring advices from Coimbatore and other South Indian centres, enquiries for yarn, especially of fine qualities produced by first class mills, broadened and values forged ahead. Besides, local dealers and consumers showed interest in purchasing yarn for forward delivery, in anticipation of a further rise in prices. This anticipation was the result of firmness in cotton in sympathy with the upward trend in Egyptian and American cotton markets.

As already noted, fine counts cotton yarn evoked special buying enquiries. Among 60s, for instance, Vasanta firmed up from Rs. 38-8 to Rs. 41 per bundle of 10 lbs. Coimbatore Spinning advanced by Rs. 2-4 to Rs. 41-8, Kothari and Vijayaed by Rs. 2 each to Rs. 43 and lakshmi hardened by Rs. 2 each to Rs. 1-12 Rs. 39, respectively. Rsjalakshmi put on Re. 1-12 to Rs. 40-4 and Pankaja Re. 1-8 to Rs. 37. Pioneer gained As. 12 to Rs. 43. Prices of 40s also registered improvement, Madura and Meenakshi being higher by As. 4 at Rs. 26-4 and Rs. 25, respectively. 30s and 20s were well maintained. Among 10s, Podar picked up As. 6 to finish at Rs. 12-4.

The art silk yarn market ruled bullish during the week under review. Besides the improvement in cotton yarn prices, there was good offtake in the ready section, on encouraging reports from the ready markets. Buying support that ensued lifted the values of art silk yarn to the rayon fabrics highest levels so far touched this year. Art silk yarn (150/D) for January delivery rose from Rs. 745 to Rs. 768 today before closing at the shade lower at Rs. 762 per case of 200 lbs. In the ready section, 120 Italy and 150 Italy were higher by an anna, the former at Rs. 4-1 and the latter at Rs. 3-13½ per lb. 150 Japan which had receded to Rs. 4-2 early in the week recovered to Rs. 4-4. 120 Japan was steady at Rs. 4-10.

The table below gives the prices of art silk yarn quoted today, as compared with those on the 13th and 6th inst:

	20-1-54	13-1-54	6-1-54
	Rs. a.	Rs. a.	Rs. a.
150 *January* (per case of 200 lbs.) ..	762 0	745 0	745 0
150 Japan (per lb.)	4 10	4 10	4 10
150 Japan	4 4	4 4	4 2
150 Japan	4 1	4 0	4 1
120 Italy	3 13½	3 12½	3 12
150 Italy			

The staple fibre yarn section was no exception to the general trend. Among Indian yarns (40/2), Sriram and New Great hardened by an anna and a half each to Rs. 3-13 and Rs. 3-14½, respectively. Hind gained an anna to Rs. 3-13½. Century was a shade higher at Rs. 3-14½.

GROUNDNUT FIRM AT CLOSE

(From Our Own Correspondent)

BOMBAY, 20th *January*

The oilseeds market presented a mixed trend this week also. The groundnut section ruled virtually dull during the first few sessions of the week, as buyers were hesitant awaiting further fall in prices, following heavy arrivals. But, subsequently, it depicted a firm trend in sympathy with the sharp rise in cotton and on renewed buying linseed section also looked up, on renewed buying induced by higher advices from North Indian markets. In the castorseed section, however, futures ruled easy, early in the week, on *mandi* option by a leading stock holder and on reports that the U.S. Commodity Credit Corporation had offered for sale 10,000 *tons* of castor oil. Thereafter, however, the trend was reversed, on revival of rumours about (*a*) free licensing of exports of castor oil for the first half of 1954 shortly and (*b*) reduction in the export duty of Rs. 300 per ton on the oil. Spots improved in sympathy with the futures.

In the groundnut section, Bold F.A.Q., which opened at Rs. 35-4 as against Rs. 35-10, declined to Rs. 35 on the subsequent day. Thereafter, it improved gradually to close, today, at Rs. 36. December-January gained As. 6 to Rs. 36 and February-March As. 9 to Rs. 36-3. Khandesh quality was done at Rs. 37, as against Rs. 36-4.

There were rumours that the Government of India would shortly announce export quotas in groundnuts and groundnut oil. But the upward trend in the market is hardly conducive to allow exports. With the exception of minor setbacks here and there, prices of groundnut particularly have been moving steadily up during the past few weeks. Today, Khandesh quality is quoted at Rs. 37, as against Rs. 33-2 on the 16th December, 1953. In the circumstances no export quotas will be possible as the Government is committed to allow exports only if prices declined to reasonable levels and stabilised there.

The linseed section presented a strikingly gay appearance after a long time, despite general absence of export enquiries. This was, as stated at the outset, due to covering by shorts on higher advices from upcountry centres. Bold ready gained Re. 1 to Rs. 30 and February-March Re. 1-2 to Rs. 26-6. Linseed oil advanced from Rs. 15-12 to Rs. 16-4.

In the castorseed section, May delivery which opened at Rs. 113-8 as against Rs. 114-2, declined to Rs. 112-4 on the 15th inst. Subsequently, it improved gradually to close today at Rs. 117. F.A.Q. disclosed a gain of Re. 1 at Rs. 25 and Madras As. 8 at Rs. 25-4. First Pressures were higher by As. 4 at Rs. 14-8 and Commercials As. 2 at Rs. 13-8. Oil B.S.S. was enquired at Rs. 14-10, as against Rs. 14-8.

Among others, *kardi* Bold declined from Rs. 25-8 to Rs. 24-8, while *niger* F.A.Q. advanced from Rs. 30 to Rs. 30-2. *Niger* Madras was quiet at Rs. 30-8 and February-March at Rs. 29-12.

Arrivals of oilseeds and oils from 1st January to 14th January, 1954, as against those in the corresponding period of the previous year, were as follows:

(In cwts.)

	1954	1953
Groundnut	208,810	205,037
Linseed	3,925	1,292
Castorseed	2,261	22,746
Groundnut oil	48,391	14,122
Linseed oil	2,617	386
Castor oil	749	4,115

The following table shows the prices of oilseeds and oil on the 20th inst. as compared with those at the end of the previous two weeks.

	20-1-54	13-1-54	6-1-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	37 0	36 4	34 10
Bold December-January ..	36 0	35 10	34 7
Bold Feb.-March	36 3	35 10	34 10
Linseed—			
Bold Ready (per cwt.) ..	30 0	29 0	29 0
Feb.-March	26 6	25 4	25 2
Castorseeds—			
May 1954 (per candy of 500 cwts.) ..	117 0	114 2	110 0
Madras (per cwt.)	25 4	24 12	25 0
Groundnut oil—			
Ex-mill Ready (per quarter).	18 15	18 10	17 8
Castor Oil—			
Commercial (per quarter) ..	13 8	13 6	13 10

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 20th *January*

The Bombay sugar market presented a rather curious trend during the week under review. Despite several bullish factors such as firmness in *gur* markets, reduced arrivals and strong advices from North Indian centres, its undertone was easy. This was chiefly due to rumours that a shipload of Czechoslovakian crystal sugar would be diverted to Bombay. This rumour was sufficient to place a curb on fresh buying support.

Sugar for *Posh* delivery, which had stood at Rs. 82-4 per bag last week, was squared up at Rs. 81-10. *Maha* delivery had buyers at Rs. 83-12, as against Rs. 84 last week. In sympathy with the forward section, the ready section also registered a fall in prices. Medium and large grain sugars dropped Rs. 2 each to Rs. 93 and Rs. 96, respectively. Small grain sugar, however, was unaltered at Rs. 92. Among foreign sugars, British refined receded by As. 8 to Rs. 83-12 per bag of 2 cwts. Cuban sugar was neglected at Rs. 36-8 per 100 lbs. net and Mexican at Rs. 40-8 per bag of 110½ lbs.

As already noted, arrivals of sugar into the Bombay market during the week were smaller, being 11,300 bags, as against 16,000 bags last week.

NARROW MOVEMENTS IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 20th *January*

Malabar black pepper at almost all the primary markets remained steady during the week, moving within a narrow range of Rs. 50, the highest and the lowest being Rs. 1,850 and Rs. 1,800 respectively. The daily arrival averaged at about 350 candies and the greater part of it was taken up by the exporters against their sales to the U.S.A. and Russia. Though the buying from New York is reported slow, yet, having proved steadier, it has so far sustained the prices at the present level. After haggling for a lower price for a day or two, some New York dealer or other appeared as a buyer and took up a fair quantity at full price, seeing the stability of the Indian market, in spite of limited foreign activities during the past three weeks. One analyst opines, under the *circumstances, that* if New York continues to buy at this rate, Indian growers are not likely to allow Alleppey prices to fall below the present resisting level of Rs. 1,700, expecting that foreign enquiries will surely develop after testing their holding strength during February when competition is likely to be rather keen between Alleppey and Tellicherry crops. The Indian trade is also watching the Korean P.O.Ws development. New York is reported to have bought January shipment at $0.87, while Feb/March was paid for at $0.85.

In the local A.S.T.A., section, January shipment was done from $0.87 to $0.86½, while Feb/March and March changed hands from $0.85 to $0.86 per lb. c. & f. New York.

In the delivery section, business is reported meagre, the highest and the lowest for February delivery being Rs. 1,570 and Rs. 1,500 respectively.

Following are today's nominal quotations:—Ready Rs. 200/240 per cwt., February Rs. 1,530/50 and March Rs. 1,540/60 per candy of 5½ cwts.

TEA VERY STRONG

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 15th *January*

There has been no dust sale this week due to holidays; the next dust sale, sale "B" will be held on Monday, 25th January, at 10 a.m. During the week there has been an extremely strong demand and at the sales held in London, Colombo and Calcutta, prices have advanced As. 4 to As. 5 per pound. From the U.K. comes news of an increase in retail prices of 4*d.* per lb.

London Market.—Excited market. Generally 3*d.* to 4*d.* dearer.

Colombo Market.—Very active. High-grown brokens below best generally dearer following quality. Mediums and low-growns advanced 15 to 20 cents.

Calcutta Market—Export.—Excited demand. Prices As. 6 to As. 7 dearer, especially at the bottom.

Dust.—2,100 packages. Very strong demand. Market opened As. 2½ to As. 3 dearer, but strengthened as sale progressed. C.T.C. and Middle East types strongest feature.

Export Quota.—The market advanced sharply at the beginning of the week and business was done up to 48 pies. The present quotation is 52 pies and business has been done at this rate.

Forthcoming auctions.—Sale No. 2 will be held on Tuesday, 19th January. Dust sale "B" will be held on Monday, 25th January, at 10 a.m.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire:—

"*Sale* 2.—9,32,000 lbs. Very strong general demand for all grades. Prices have advanced As. 4 to As. 5."

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 19th *January*

Conditions were depressed in all sections of the jute market during the week, and a further decline in prices was recorded. Foreign buyers of jute goods kept out of the market because of the declining trend. Likewise, mills were not interested in making offers. When, therefore, there were no sellers and buyers, it would be pertinent to ask as to how then a decline could occur. The answer is the *fatka* market and the manoeuvres of the speculative elements. A fall in prices of jute goods is indeed to be welcomed since this would increase their competitive capacity *vis-a-vis* that of the Continental mills. However, if this is not accompanied by a proportionate fall in prices of the raw material, as was unfortunately the trend this week, then the increase in the competitive capacity affects the economic functioning of mills. That was why mills this week preferred to refrain from making many offers at the declining prices. Although, however, goods were available to the foreign buyer at low rates, he did not show keen interest, since he always prefers to make purchases when the market is steady or, at any rate, after prices have touched lowest levels and then show signs of an upward movement. Any unusual or abrupt fall in the prices of raw jute is ruled out, as, although the supply position can by no means be considered tight, the availability is less than usual at this part of the year. In view of this, stockists look forward to an upward movement in prices, which, of course, is also ruled out in market circles, as purchases by mills would be cautious in view of the need to keep down prices of manufactured goods. For it is only by such a method the disposal of production of mills can be ensured and a repetition of the marketing problem again this year can be prevented.

Advices from New York were steady, but after the beginning of the year enquiries have not yet become normal. For some time is necessary for the foreign stockist to review his holdings and commitments, before ordering for replenishment. Although actual business was lacking, the feature last Tuesday was the rise in the price of ready 40" 10 oz. hessians to Rs. 45-4 from Rs. 44-6, and that of B. twills to Rs. 105-8 from Rs. 103-4, following speculative manipulations. Subsequently, these rates were more or less maintained, but on Friday hessians at Rs. 45-6 gained 2 annas and, on the other hand, B. twills lost ground to Rs. 104-14. Over the week-end, some business was put through, and yesterday, following covering demand, 40" 10 oz. hessians were better at Rs. 45-12 and B. twills at Rs. 105-6.

In the raw jute market, small business was transacted. Prices were mostly unchanged, but wherever changed, differences were just fractional, depicting the strength of raw jute in spite of the lethargic conditions in the jute goods sections. Thus Pakistani northern bottoms were unaltered at Rs. 29, and middles at Rs. 33. Indian northern

(*Continued on page* 147)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	8th Jan., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,154.76	1,132.15	1,123.20	1,116.61
Notes held in Banking Department	25.06	9.65	13.82	12.41	15.22
Foreign Securities	89.50	608.15	588.15	578.15	558.15
Rupee Securities	57.89	421.33	421.33	421.33	450.06
Banking Department					
Deposits of:					
Government of India	14.89	107.01	113.43	92.22	173.74
Other Governments	...	15.05	19.43	22.24	1.50
Balances held abroad	10.08	122.25	139.32	137.11	156.42
SCHEDULED BANKS					
Demand Liabilities	194.37	513.64 (8.02)†	517.78 (6.54)†	528.20 (12.04)†	521.40 (11.70)†
Time Liabilities	102.84	329.06 (1.45)†	331.15 (1.51)†	333.19 (2.11)†	315.24 (1.87)†
Borrowings from Reserve Bank	...	8.52 (0.70)‡	5.99 (0.40)‡	1.20 (0.40)‡	8.39 (0.99)‡
Borrowings from Imperial Bank	...	9.11	6.37	5.65	6.00
Cash in India	6.71	32.10	36.47	32.12	33.88
Balances with Reserve Bank	25.28	39.72	45.67	53.87	43.02
Excess over statutory limits	15.52	7.46	13.16	20.80	10.65
Balances with other banks in current account in India	...	11.39	14.12	11.32	10.59
Money at call and short notice in India	...	10.60	9.60	16.89	14.70
Investments (at book value)	...	329.02	328.65	338.40	315.87
Advances and bills	108.09	452.49	465.94	449.49	462.56
IMPERIAL BANK					
Deposits	87.76	206.85	206.62	210.26	206.09
Investments	51.99	94.77	94.16	99.24	93.11
Advances	30.37	111.93	104.85	95.48	116.27
Cash	14.89	14.18	18.23	27.57	11.04

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	15th January, 1954		8th December, 1953	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,56,707	52,06,77,000	2,01,061	61,13,11,000
Calcutta	1,55,060	54,45,04,000	1,73,410	70,46,70,215
Madras	62,107	5,78,35,672	62,964	8,70,20,735
All Centres—				
1952	...	...	1,06,41,041	26,79,51,57,000
1953	...	...	1,14,23,214	29,45,03,03,000
Oct., 1953	...	...	95,77,440	24,92,00,000
Nov., ,,	...	...	25,50,000	5,34,20,00,000

Reserve Bank of India

Statement of Affairs for the week ended 15th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	98,19,00,000
(2) Other Governments	21,37,32,000
(b) Banks	42,52,91,000
(c) Others	57,88,30,000
Bills Payable	5,25,11,000
Other Liabilities	17,22,27,000
Rupees	2,39,24,60,000

ASSETS	Rs.
Notes	15,46,00,000
Rupee Coin	16,40,000
Subsidiary Coin	5,74,000
Bills Purchased and Discounted:—	
(a) Internal	32,23,000
(b) External	...
(c) Government Treasury Bills	19,27,30,000
Balances held abroad*	114,19,17,000
Loans and Advances to Governments	1,20,04,000
Other Loans and Advances	20,11,15,000
Investments	73,93,00,000
Other Assets	7,76,01,000
Rupees	2,39,24,60,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 1,10,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 70,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	15,46,00,000	
Notes in circulation	1158,43,65,000	
Total Notes issued		1173,89,65,000
Total Liabilities		1173,89,65,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	...	
Foreign Securities	618,15,11,000	
Total of A		658,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		94,34,70,000
Internal Bills of Exchange and other commercial paper	....	421,38,13,000
Total Assets		1173,89,65,000

Ratio of Total of A to Liabilities: 56.067 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 8th Jan., 1954

	Rs.
1. Demand Liabilities in India	
(i) Borrowings from banks	8,01,00,000
(ii) Other demand liabilities	5,05,62,27,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,43,00,000
(ii) Other time liabilities	3,27,90,56,000
3. Cash in India	32,10,24,000
4. Balances with the Reserve Bank in India	39,71,34,000
5. Balances with other banks in current account in India	11,39,07,000
6. Money at call and short notice in India	10,60,19,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	3,29,02,34,000
8. Advances in India	4,31,04,63,000
9. Inland Bills purchased and discounted in India	50,84,15,000

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

†Besides borrowings from the Reserve Bank, and the Imperial Bank.

EXCHANGE RATES

	13th January, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	476 1/4	476 1/4
Buyers T.T.	472	472
London on New York	2.81 1/4 - 2.81 1/2	2.81 1/4 - 2.81 1/2
London on Paris	979-979½	978 978½
London on Berne	11 21-12 21/4	12 21/4-12 21/2
New York on London	2.81-2.81 1/4	2.81 1/4 - 2.81 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.13	..	6,730	255
Pakistan	1949	79.04	..	1,671	223
Burma	1951	18 67	Kyats 9,166	917	169
Ceylon	1951	7 74	..	451	582
Japan	1951	84 30	Y. 4,849 400	1,414	761
Philippines	1951	20 25	Ps. 7,546	1,520	354
New Zealand	1952	2 00	£(N.Z.) 646	861	4,307
Australia	1951	8 43	£(A.) 3,226	3,464	4,317
U.K.	1952	50 43	£ 13 648	18,197	3,608
U.S.A.	1952	156 86	$ 290,440	138,280	8,809
Canada	1952	14 43	$ 18,185	8,191	5,663
France	1952	42 60	F. Fr. 10,190 000	18 864	3,254
W. Germany	1952	48 48	Dm. 94,400	11 158	2,301
Italy	1952	46 98	Lr. 8,111,000	6,181	1,315
Norway	1952	3 32	Kr. 15,508	1,104	3,331
Sweden	1952	7 18	Kr. 39,170	3,652	5,122
Netherlands	1952	10 29	Fl. 17,600	2,212	2,104
Denmark	1951	4 30	Kr. 20,716	1,489	3,846
Switzerland	1952	4 82	S. Fr. 20,100	2,189	4,541

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

State Bank of Pakistan

Statement of Affairs for the week ended 8th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	19,63,49,000
(b) Provincial Governments	98,02,000
(c) Banks	10,02,41,000
(d) Others	2,41,74,000
Bills Payable	12,14,000
Other Liabilities	5,40,16,000
Rupees	45,18,53,000

ASSETS	Rs.
Notes	7,56,11,000
Rupee Coin	4,000
Subsidiary Coin	5,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,33,00,000
Provincial Governments' Debtor Balances	1,40,47,000
Other Loans and Advances	5,04,10,000
Investments	18,77,03,000
Other Assets	9,67,83,000
Rupees	45,18,53,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,56,11,000	
Notes in circulation	223,30,25,000	
Total Notes issued		230,86,00,000
Total Liabilities		230,86,00,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7 01 42 000	
Silver Bullion		
Sterling Securities	44 47 36 000	
Government of India Securities	13 80 82 000	
India Notes representing assets receivable from the Reserve Bank of India	29 03 01 000	
B. Rupee Coin	5,00 12,000	99,27,51,000
Government of Pakistan Securities	127 64 62 000	
Internal Bills of exchange and other commercial paper	....	
		133,33,74,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19 02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70 10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		230,86,00,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling securities and approved Foreign Exchange to total notes issued 42.86 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
27th October	1 50	4 10	1 50	2 6 7	65
3rd November	1 50	2 71	1 50	2 6 10	86
11th ,,	1 50	1 51	1 50	2 6 10	86
17th ,,	1 50	1 99	1 50	2 7 0	100
24th ,,	1 00	1 56	1 00	2 7 0	2
1st December	1 00	1 10	1 00	2 6 10	93
8th ,,	1 00	1 72	1 00	2 7 4	81
15th ,,	1 00	1 72	1 00	2 7 2	87
1954					
5th January	1 00	1 33	1 00	2 7 0	100
12th ,,	1 00	1 22	1 00	2 7 9	70
19th ,,	1 00	1 01	1 00	2 7 11	82
Total	13 50	20 62	13 50	2 8 0	100

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	29th Oct., 1953	3½	2½
Canada	17th Oct., 1950	2	2½
Ceylon	25th July, 1951	4½	3
Denmark	23rd Sept., 1953	4½	3½
Finland	19th Dec., 1951	7	6
France	17th Sept., 1953	3½	3
Greece	16th July, 1953	6	5½
India	18th Nov., 1951	3	3½
Italy	10th Nov., 1951	3	3½
Japan	8th April, 1950	5	6
Netherlands	1st Oct., 1951	3½	4
New Zealand	7th April 1953	3	3.84
Norway	2nd July, 1941	2	2½
Pakistan	9th Jan., 1948	3	3½
Portugal	1st July, 1948	3	3½
South Africa	18th Jan., 1952	3	4
Spain	27th Mar., 1953	3½	4
Sweden	1st July, 1948	2	2½
Switzerland	20th Nov., 1953	2½	3
Turkey	28th Nov., 1936	4	5
United Kingdom	25th Feb., 1951	2	2½
U.S.S.R.	1st July, 1936	4	5
U.S.A.	18th Jan., 1950	1½	2
West Germany	18th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months—April and May, 1952	Two months—April and May, 1953
Import Duties:				
Revenue	12 06	9 01	20 85	18 23
Protective	60	47	1 37	96
On surplus disposals	—	3	—	3
Total import duties	12 66	9 51	22 22	19 22
Export Duties	5 34	2 74	9 91	5 77
Miscellaneous	21	9	41	21
Gross total customs	18 21	12 40	33 75	24 11
Refunds and drawbacks	24	12	53	23 31
Net Customs	18 10	12 28	32 22	24 80
Gross Excise	7 41	8 76	14 15	21 97
Refunds	16	5	30	16 47
Net Excise	7 25	8 71	13 85	16 76
Net total of customs and excise	25 35	20 99	46 07	41 73

Imperial Bank of India

Statement of Affairs for the week ended 15th Jan., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1 87 50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50 000
Reserve Fund and other Reserves		6 38 00 000
Deposits and other Accounts		206 83 79, 00
Borrowings from other Banking Companies Agents		1 70,01,000
Bills Payable		2 24,78 000
Bills for Collection being Bills Receivable as per contra		83 84 000
Acceptances, Endorsements and Other Obligations as per contra		24 000
Other Liabilities (including Inter-Office Adjustments)		1 43 03 000
Total	Rs.	224 62 76 000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12 70 30 000
Balances with other Banks		8 36 67 000
Money at Call and Short Notice		3,00,00,000
Investments—		
Government and other Trustee Securities	70 51 81 000	
Other Authorised Investments	10 53 67,000	
Advances—		90 25,29,000
Loans, Cash Credits and Overdrafts, etc.	82 98	
Bills Discounted and Purchased	07 91 22 000	
	10,54 90 000	
Bills Receivable being Bills for Collection as per contra		114 45 22 000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		53 84 000
Furniture and Fixtures less Depreciation		24 000
Other Assets (including Inter-Office Adjustments)		1 30 31 000
		37 93 000
Total	Rs.	1 56 89 000
		224,62,76,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Saving Bank Deposits Outstandings	21/2% Ten-Year Treasury Savings Deposit Certificates	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,54	1,47	76	76	20,40	22,86	83 26	29 91	—	12,31	
1951-52	1,75	6,06	77	2,91	22,08	46,81	1,07,55	74,18	—	27,54	
1952-53	1,63	6,84	66	3,57	23,66	64,18	1,12,36	91,01	—	31,46	
October 1952	11	6,45	5	3,14	1 71	76,77	8,36	85,25	—	29,69	1210 1,24
November ,,	10	6,50	5	3,16	1,71	77,99	8,03	85,54	—	29,90	7,24
December ,,	9	6,51	3	3,16	1,66	79,34	8,45	85,54	—	29,90	
January 1953	10	6,54	4	3,19	2,02	80,77	8,35	86,09	—	30,23	
February ,,	14	6,61	5	3,22	1,96	82,14	8,16	86,36	—	30,51	
March ,,	82	6,84	9	3,27	2,66	84,16	13,75	91,01	—	30,74	
April ,,	11	6,80	5	3,27	2,24	85,95	9,46	91,01	—	30,74	
May ,,	12	6,83	4	3,29	2,04	87,57	9,48	93,11	—	31,06	
June ,,	11	6,82	4	3,31	2,25	89,33	9,53	93,80	—	31,30	
July ,,	1	6,73	11	3,38	2,23	91,02	9,43	93,80	—	31,22	
August ,,	1	6,67	9	3,44	2,23	92,63	10,28	95,23	—	31,78	
September ,,	—	6,59	13	3,52	2,04	94,34	8,74	96,07	—	32,05	
October ,,	—	6,51	11	3,58	1,97	95,83	8,58	97,72	—	32,36	
November ,,								97,72	—	32,71	
December ,,									—	32,99	

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 5-12-'53	2-1-'54†	9-1-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	90.3	90.3
Government of India	90.0	90.1	90.1
Indian States	95.6	95 6	95.6
Municipal, Port Trust, etc.	89.2	89 2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	101.5	101 3	101.3
1. Electricity	103.0	103 4	103.6
2. Jute	99.6	99 6	99.6
3. Plantations	100.1	99 6	99.6
4. Sugar	101.6	101 1	101.1
5. Coal	101.7	103 1	103.1
6. General Engineering	103.5	103 1	103.2
7. Shipping	101.2	101 2	101.2
8. Others	97.8	98 1	98.3
PREFERENCE SHARES	100.0	98 6	98.4
1. Electricity	84.4	84 0	83.4
2. Cotton	86.3	86 9	87.1
3. Jute	91.6	90 4	90.7
4. Coal	90.2	90 3	90.3
5. Iron and Steel	76.1	76 1	75.7
6. Sugar	88.4	90 5	90.0
7. Power	89.2	88 9	88.9
8. Plantations	87.1	87 4	87.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	98.3	97 8	97.4
(a) Financial	86.7	86 7	86.4
1. Banks	88.1	88 3	87.9
2. Insurance	95.1	96 5	96.3
3. Investment Trust	76.0	76 1	75.3
(b) Public Utilities	107.7	107 6	108.0
1. Electricity	113.7	114 8	114.7
2. Railways and other Transport	99.8	99 7	99.7
(c) Manufacturing Industries	97.5	97 2	97.0
1. Cotton, Woollen and Silk	100.7	98 1	97.8
2. Jute	110.0	104 7	106.0
3. Iron and Steel	105.2	104 6	104.6
4. Paper	123.0	121 6	121.6
5. Cement	119.2	122 0	121.2
6. General Engineering	88.2	85 7	85.2
7. Sugar and Breweries	103.2	103 1	105.0
8. Chemicals	102.8	103 1	103.2
(d) Non-Manufacturing Industries	75.7	75 9	75.8
1. Coal	142.3	140 2	139.4
2. Mining and Oil	103.1	102 9	102.4
3. Plantations	89.7	89.3	89.9
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.7	90 2	90.2
1. Bombay	90.5	90.6	90.6
2. Calcutta	90.5		
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	101.9	102 4	102.4
1. Bombay	102.0	102 4	102.4
2. Calcutta	100.1	100.1	100.1
3. Madras			
PREFERENCE SHARES	91.8	85 2	85.2
1. Bombay	84.9	89.2	85.1
2. Calcutta	88.9		85.5
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	106.8	92 2	106.0
1. Bombay	92.6	94 5	91.6
2. Calcutta	94.5	92 5	94.8
3. Madras	93.3		92.5
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised basis. † Bombay Market closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,363	12,496,704
1951	1,071	691,981	3,816,929
1952	963	809,243	3,356,961
Nine months ended Sept., 1950	584	533,737	10 992 253
Do Sept., 1951	856	727,506	2 550,081
Do Sept., 1952	800	607,919	2,055,940
Do Sept., 1953	695	505,891	674,240
January 1953	95	63,180	216,807
February ,,	87	59,487	234,848
March ,,	154	80,093	254,898
April ,,	118	69,581	257,063
May ,,	101	40,784	171,268
June ,,	82	48,858	146,553
July ,,	83	57,878	249,918
August ,,	96	78,181	272,845
September ,,	98	48,796	158,017
October ,,	87	37,853	
November ,,	81		
December ,,		42,283	244,414
January 1953†	85	54,477	216,317
February ,,	45	35,231	218,253
March ,,	87	49,135	276,216
April ,,	72	38,817	252,270
May ,,	68	30,257	131,122
June ,,	90	46,068	223,154
July ,,	83	53,053	332,560(b)
August ,,	74	41,730(a)	
September ,,	100		

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

ELECTRIC ENERGY† GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated §	Units Sold
1948-49	460	4,561.1	3,777.7
1951-52	572	6,301.4	4,649 0
1952-53	614	5,134 8	
June 1952	548	500 1	408.8
July ,,	567	534.0	439.7
August ,,	586	531 6	438 7
September ,,	598	552 2	457 8
October ,,	608		441.8
November ,,		585 6	477.6
December ,,	611	606 6	505.7
January 1953	614	558 0	435.7
February ,,	614	530 9	434.1
March ,,	616	580 6	458.1
April ,,	620	544 0	450 2
May ,,	625	544 0	471 0
June ,,	627	537 9	468 9
July ,,	629	576 5	494.4
August ,,	632		
September ,,			

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base Year ended August, 1939=100)

Particulars	26th Dec., 1953	19th Dec., 1953	27th Dec., 1952	December, 1953	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1953	1951
Food Articles	388 8	387 6	346 1	387.0	344.5	+ 8.5	359.8	409.8
Cereals	427	423	423	429	431	— 0.5	440	483
Pulses	424	419	547	424	541	—21.6	423	506
Other	274	274	212	209	207	+30.0	225	290
Industrial Raw Materials	474.5	464.9R	429 2	459.3	421.7	+ 8.9	453.8	608.2
Fibres	455	444	402	441	394	+11.9	434	622
Oil seeds	540	522	482	551	476	+ 7.4	494	629
Minerals	447	447	404	456	455	+ 0.4	458	498
Others	400	406R	373	397	372	+ 6.7	441	538
Semi-Manufactures	357.5	355.7	342 2	356.5	342.8	+ 4.1	348.5	377.5
Leather	391	391	413	391	422	— 7.3	345	443
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	545	537	420	528	422	+24.6	450	579
Cotton yarn	429	425	434*	432	430*	— 1.6	465*	643
Metals	236	236	229	236	224	+ 5.5	211	197
Oil Cakes	409	408	418	400	400	+ 4.5	440	500
Others	305	305	251	305	251	+21.5	273	330
Manufactured Articles	364 1	363 5	368 1	363.8	367.6	— 1.0	377.5	385.6
Textiles	410	410	403	400	402	— 0.5	423	464
Jute	430	428	397	427	392	+ 8.9	506	603
Cotton	397*	396*	406*	397*	406*	— 2.2	400*	600*
Rayon and Silk	403*	401*	440*	402*	442*	— 8.1	465*	611*
Woollen	313	313	240	313	240	+11.8	248*	378
Metal products	337	337	342	337	342	— 1.5	321	345
Others	283	283	291	290	284	+ 2.4	298	300
Miscellaneous	712 5	712 4	625.9	711.5	625.3	+13.8	635.6	729.8
All Commodities	392 6	390 2R	374 8	389.6	372.7	+ 4.5	388.9	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	June 1934	July 1927	January 1928	August 1939	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	166
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
April 1952	141	345	262	321	415	378	339	326	148	169	138	153	144
May ,,	140	339	264	310	412	377	339	327	148	168	143	153	143
June ,,	140	338	263	324	376	342	330	345	171	161	153	153	148
July ,,	142	330	263	304	456	373	354	...	143	175	143	161	153
August ,,	144	340	267	312	466	377	376	349	143	176	149	160	155
September ,,	143	341	269	310	463	380	364	328	145	178	143	157	150
October ,,	144	345	274	311	466	381	363	[illegible]	146	179	143	154	150
November ,,	143	347	271	306	459	380	347	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	381	354	351	136	167	132	150	144
March ,,	142	358	265	322	448	381	353	353	136	165	131	148	145
April ,,	142	359	268	327	434	384	344	354	137	166	134	146	146
May ,,	145	363	275	330	441	391	345	356	139	173	127	152	153
June ,,	150	371	282	334	453	393	363	360	140	180	129	156	159
July ,,	152*	373	288	333	463	394	375	353	142	176	130	158	160*
August ,,	152*	376	295	325	469	397	373	352	144	174	130	160	157*
September ,,	150	376	301	325	464	391	366	351	145	168	129	163	154*
October ,,	...	368	282	320	457	389	...	352	144	...	128	...	...
November ,,	...	361	260	319	453

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,676	73,665	23,414	20,741
Wheat	,,	24,041	23,460	6,782	6,039
Jowar	,,	41,945	39,144	8,086	8,944
Bajra	,,	25,382	22,630	2,982	2,299
Barley	,,	7,500	7,835	2,664	2,293
Maize	,,	8,796	8,073	3,607	3,051
Ragi	,,	5,888	5,599	1,255	1,212
Gram	,,	17,267	16,857	2,771	2,226
Kabi Pulses*	,,	11,693	11,559	2,068	2,047
Small Millets	,,	12,170	11,834	1,933	1,891
Jute	bales.	1,197†	1,817	3,125†	4,605
Cotton	,,	15,678	16,198	3,050	3,133
Sugarcane 2nd	tons	4,101†	4,228	5,100†	4,990
Groundnut	,,	11,562	11,798	2,894	3,045
Linseed	,,	3,594	3,402	855	816
Castors d	,,	1,349	1,428	107	105
Rape & Mustar Seed	,,	8,185	8,015	823	919
Sesamu (supp)	,,	5,751	5,845	451	433
Tobacc (supp)	,,	793	713	219	205
Pepper	,,	203	202	22	23
Ginger	,,	46	47	14	15
Dry chillies	,,	1,320	1,354	201	241

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Refers to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Nov., 1953	69 0
	Corresponding month 1952	72 2
	Five months ended Nov., 1953	355 4
	Corresponding period 1952	377 0
Stocks	At the end of Dec., 1953	98 0
	Corresponding month 1952	114 9
		(In 000 bales)
Exports(Jute Bags)	Week ended 5th Dec., 1953	1,15,70
	Corresponding week 1952	22,47
	From 1st Jan., to 5th Dec., '53	39,39,25
	Corresponding period 1952	36,46,62
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 6th Dec., 1953	6,69,80
	Corresponding week 1952	2,71,75
	From 1st Jan., to 6th Dec., 1953	1,35,88,10
	Corresponding period 1952	1,05,23,81
	RAW JUTE	(In 000 bales)
Exports*	Week ended 21st Nov., 1953	—
	Corresponding week 1952	—
	During May, 1953	—
	Corresponding period 1952	—
Consumption by Mills†	Nov., 1953 (in lakh bales)	4.00
	Corresponding month 1952	4 19
	Five months ended Nov., 1953	20 60
	Corresponding period 1952	21 88

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,80,000	10,87,100	7,99,200
Do 31st March, 1954	11,68,000	10,61,900	7,91,800
April to December, 1953	8,83,900	7,96,200	5,80,800
October 1952	99,400	90,100	67,900
November ,,	1,03,500	93,700	68,700
December ,,	98,200	91,400	68,700
October 1953	99,500	94,000	68,500
November ,,	1,00,300	95,800	68,400
December ,,	1,01,400	96,100	71,700
Indian Iron and Steel Co.			
Jan. to Dec., 1953	5,68,840	3,41,480	2,55,870
July 1953	21,750	5,870	4,810
August ,,	20,250	7,710	4,190
September ,,	21,320	2,270	8,990
October ,,	55,580	80,570	81,210
November ,,	81,240	41,350	32,070
December ,,	64,510	43,100	41,740

FOREIGN TRADE OF INDIA

Particulars	August,		Five Months, April to August,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,67	15,63	64,06	115,39
Raw materials	16,08	13,77	76,84	66,91
Manufactures	21,31	27,01	112,45	128,78
Other items	27	25	1,64	2,43
Total	47,30*	57,56*	256,89*	336,20*
By land	2,70	1,77	8,58	7,47
Total Imports	50,00	59,33	265,47	342,67
Exports :				
By sea and air—				
Foodstuffs	12,12	13,64	50,67	55,06
Raw materials	7,52	13,14	46,14	75,60
Manufactures	19,15	25,79	97,80	122,03
Other items	34	36	1,73	1,70
Total	38,93	52,93	196,43	242,38
By land	91	2,06	2,47	13,78
Total Exports	39,84	54,99	198,90	256,16
Total Re-exports	30	45	1,88	1,48
Balance of trade in merchandise	— 11,28	— 4,95	— 72,24	— 86,04
Balance of transactions in private treasure	— 1	—	— 5	— 2
Total visible balance of trade	— 11,29	— 4,95	— 72,29	— 86,06
Imports : ‡				
From C'wealth countries	25,15	25,30	123,12	115,11
From Foreign countries	22,15	32,26	133,77	220,09
Exports : ‡				
To C'wealth countries	19,55	24,88	94,19	118,41
To Foreign countries	19,38	24,05	102,24	124,97

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	#	176	192†	#	142	142	#	132	136	#	137	141	#	106	102	#	#	#	#	98	95
Sonsali	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	234	199	199	278	310	310
Kutchi	157	181	181	146	139	139	154	194	194	154	186	186	127	118	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	122	122	155	166	166	195	200	200
Bamra	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	215	215	231	175	208	208
Muniguda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh	159	163	167	164	165	171	164	168	173	158	165	170	103	98	101	160	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	180†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana	293	207	209	302	308	319†	196	211	225†	228	221	231	130	125	128	206	184	184	223	189	189
Salamatpur	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	189	139	139	309	279	277

Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 14th Jan., 1954	22,474
	Corresponding week 1953	41,456
	1st Sept., to 14th Jan., 1954	4,56,161
	Corresponding period 1953	5,15,734
Cotton Exports	Week ended 14th Jan., 1954	9,498
	Corresponding week 1953	5,817
	1st Sept., to 14th Jan., 1954	50,595
	Corresponding period, 1953	1,35,120
Mill Consumption	1st Sept., to 14th Jan., 1954	4,59,484
	Corresponding period, 1953	4,86,477
Stock (with exporters dealers & mills) in Bombay	On 14th January, 1954	2,84,714
	Corresponding date, 1953	3,55,009
Karachi (Pakistan)		
Receipts	Week ended 9th Jan., 1954	64,188
	Corresponding period 1953	58,577
	1st Sept., to 9th Jan., 1954	5,67,658
	Corresponding period, 1953	6,58,639
Exports	Week ended 9th Jan., 1954	18,858
	Corresponding period, 1953	19,700
	1st Sept., to 9th Jan., 1954	3,59,093
	Corresponding period, 1953	4,88,400

Particulars	From 1st Sept., to 18th Jan., 1953-54 Bales	From 1st Sept., to 18th Jan., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	8,874	4,149
Continent	10,844	45,827
China	251	818
Japan	29,098	68,588
U.S.A.	7,289	11,448
Other Countries	1,452	8,648
Total to all foreign countries	58,898	1,32,508
Coastal Ports	85,954	59,966

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian	
Foreign	
Indian	
Foreign	
Stocks (Mills and Elsewhere)—	
Indian	
Foreign	
Indian	
Foreign	
Cotton Pressed †	
September, 1953	8,10,827
Twelve months September 1953 to August, 1953	86,11,800
Same Period 1951-52	9 43,786
	10,84,013
As on 30th Sept., 1953	8,84,164
As on 30th Sept., 1952	5,51,079
	11,56,459
Week ended 8th Jan., 1954	8,82,766
Corresponding week, 1953	18,846
1st Sept., to 8th Jan., 1954	21,016
Corresponding period, 1953	6,36,084
	4,87,491

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101⅜
3 ½ Loan	1938-39	1,16,17,44,000	1946-65	97⅛
3 ½ Loan	1950	30,33,10,000	1964	92⅛
3 ½ Loan	1943	1,10,11,78,000	1966-68	90⅛
3 ½ V. Loan	1944	1,06,09,000	1957	96⅜
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅛
2½ Loan	1945	3,13,65,64,000	1959-61	96⅛
2½ Loan	1931	30,35,61,000	1958	98⅜
2½ Loan	1946	45,63,07,000	1960	93⅛
2½ Loan	1946	50,49,49,000	1961	90⅛
2½ Loan	1946	35,06,06,000	1954	98⅜
2½ Loan	1946	14,77,48,000	1976	82⅛
2½ Loan	1947	75,86,72,000	1962	91⅛
2½ Loan	1948	60,45,01,000	1955	98⅛
3½ % Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1996-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	42½
2 ½ % Loan	1946	248,91,90,000		32⅜
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,98,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3 ½ Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1957	97⅜
3 ½ Bombay	1949	4,00,15,000	1st Aug. 1962	93
3 ½ Bombay	1950	3,01,87,700	31st July 1962	94⅜
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	97⅛
3 % Bombay	1953	5,00,00,000	15th July 1963	101⅜
4 % Bombay	1942	3,56,72,700	1st Aug. 1955	99
3 % Cochin	1942	50,00,000	1st Oct. 1953–55	99
3 % Cochin	1943	1,00,00,000	16th Dec. 1955–58	98⅛
3½% Cochin	1951	70,09,000	1st June 1956–61	98⅜
3½% Howrah Bridge (New)	1936-37	2,31,97,100	1956-66	95⅛
3 % Madras	1919	1,29,76,600	21st June 1954	94⅜
3 % Madras	1942	1,21,25,000	18th Sept. 1955	99
3 % Madras	1943	1,25,10,000	14th Sept. 1958	91–7½
3 % Madras	1944	1,25,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93⅜
3 % Madras	1946	3,90,91,700	1st Sept. 1961	94
2½% Madras	1946	4,47,00,000	31st Jan. 1968	93⅛
3 % Madras	1950	3,00,00,000	17th Sept. 1962	98
3½% Madras	1951	5,00,00,000	15th July 1963	99⅛
4 % Madras	1953	5,00,00,000	1st Aug. 1964	99⅛
3 % Mysore(f)	1910	1,63,44,300	1st Nov. 1953	104⅜
3 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953–43	101⅜
3 % Mysore(f)	1936	3,99,72,900	30th April 1956–61	99⅛
3 % Mysore	1947	5,08,05,700	15th Jan. 1957	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	50,00,000	15th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1945	2,03,28,800	15th Sept. 1960	91⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94⅛
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅛
3½% M. P.	1953	2,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,71,400	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 % Travancore	1942	3,00,00,000	1st Nov. 1952–54	99⅛
3½% Travancore	1946	90,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1916	1,41,96,500	15th Sept. 1961–66	99⅛
3 % U.P.	1946	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1946	2,24,99,300	14th Sept. 1960	94⅜
3 % U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	96⅛
4 % U.P.	1951	4,11,13,000	1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅜
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅜
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅜

PORT TRUST LOANS

Amount	Interest Payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36 50 000	4	1904	1964	
25,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
40,00,000	4	1908	1969	97½N
40,00,000	4	1909	1970	
54,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1 00 00 000	4	1912	1973	
1,11,00,000	4	1913*	1960	D
80,00,000	4	1913	1974	99½N
88 25,000	4	1914	1975	99N
1,00,00,000	4	1915*	1960	
35,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11 75,000	4	1923*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
24,38,000	3½	1935*	1975	
13,00,000	3½	1936*	1966	
48,00,000	3½	1940*	1960	
10 00 000	3½	1940*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,00,000	4	1914	1974	93⅛
76,80,100	4	1915	1975	92⅜
68,02,100C	3½	1921	1981	79
1,50,00,000C	4½	1921	1981	104N
1,24,66,300	6	1925	1955–85	105
97 21 600	5½	1926	1956–86	104⅛
38,34,900C	6	1926	1956–86	105⅛
1,49,49,300B	5	1927	1957–87	101⅛
1,40,00,000B	5	1928	1958–88	104⅛
80,00,000	4½	1931	1991	102⅛
21,73,000C	3	1933	1954	99⅛
1,00,00,000	3	1937	1957	96⅛
25,00,000	3	1938	1963–68	96⅛
50,00,000	3	1945	2005	70N
50,00,000	3	1945	2005	70N
30 00 000	3	1946	1976	82⅛
50 00 000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
30,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94⅛
50,00,000C	3	1950	1980	89
1 00 00 000	3	1950	1960	94
1,00,00,000	3	1950	1980	94
50,00,000	3	1951	1961	97⅜
1,50,00,000	3½	1951	1981	97⅜
50,00,000	3	1952	1963	96
30,00,000	4	1953	1983	97
STERLING LOANS				
£992,600	3	1923	1933–53	£87⅞
£901,000	5	1923	1953–83	£87⅞
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40 547	4	1912	1962	
32 14,994	4	1917	1982	
2,71,489	5	1918	1982	A
3,42,951	5	1918	1982	
7,46 044	6	1918	1982	
2,15 852	6	1928	1982	
	6	1928	1952	M
3,72,722	4½	1922	1952	
4,47,997	5½	1923	1953	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
30,00 000	4	1939	1959	100
40,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
40,00,000	4	1915	1975	97½N
40,00,000	4	1916	1976	
66,00,000	4	1916–17	1976–79	
50,00,000	4	1920	1955–80	113N
25,00,000	4	1926	1956–86	115N
10,00,000	3½	1936–37	1961–70	98N
	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
GALCUTTA				
Rs.				Rs.
30,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
30,00,000	4	1934	1964	
30,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	84⅛
30,00,000	3	1937	1963	99
20,00,000	3	1938	1963–68	88
80,00,000	3	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913–14	1964	99⅜
20,00,000	4	1913–15	1976	99⅜
10,00,000	3	1913–15	1955	102
1,80,00,000	3	1920	1960	113
25,00,000	6	1924	1954	103
25,00,000	5	1924	1964	102⅜
26,14,000	5	1929	1959	105
8,45,000	5	1929	1964–69	to
26,21,300	5	1929	1934–39	102⅜
8,23,00,000	3½	1947	1997	56
2,50,00,000	3½	1948	1998	56
4,00,00,000	3½	1949	1979	87
2,50,00,000	3½	1950	1980	81
2,00,00,000	3½	1951	1966	97
Rs.		**MADRAS**		Rs.
34,45 500	6½	1925	1955	105⅛
36,00 000	6	1925	1955	104⅛
25,00 000	5	1928	1958	101⅛
25,00 000	5	1928	1958	101⅛
10,00 000	5	1929	1959	101⅛
33 91 000	3½	1932	1962	100
1,62,500	3½	1936	1966	88⅛
3,11,400	3	1937	1963	99⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
4,18,100	3	1937	1954	99⅛
47,50,000	3	1938	1958	99⅛
10,67,700	3	1938	1958	99⅛
15,56,800	3	1938	1958	99⅛
15,56,800	3	1938	1956	99⅛
15,56,800	4	1939	1958	99⅛
17,64,400	3½	1940	1957	99⅛
21,10,000	3½	1941	1970	99⅛
15,49,000	3½	1942	1972	99⅛
16,33,000	3½	1951	1966	96⅛
46,81,000	3½	1951	1966	96⅛
87,36,000	3½	1951	1966	96⅛
		1952	1962	99⅜
Rs.		**MADRAN**		Rs.
5,00,000	4	1907	1953	101⅜
5,00,000	7	1923	1953	107⅜
3,40,000	6	1925	1955	107⅜

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar		1931	5	Dec.	75N	100
Carew & Co.		1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works		1920	7	Feb. Aug.	147	100
Deccan Sugar & Abkhari A	7,00,000	1905-24	8	July Apr.	110	100
¶East India Distilleries	4,50,000(c)	1940	7B	Dec.	79	100
Gwalior Sugar	5,00,000	1940	7B	Dec.	72	100
Do. (Non-redeem.)	4,00,000	1922	10	Oct.	16	10
Purtabpore Co.	4,00,000	1933-34	10	Aug.	104	100
Rammuggur Cane	20,00,000	1943	5½	Oct. Apr.	75	100
Ravalgaon Sugar	3,00,000	1936	7(a)	Oct.	60N	100
South Behar Sugar	15,00,000	1946	5(a)	Dec.	8	10
Travancore	12,00,000	1946	5(a)	Dec.	70N	100
Upper Ganges	15,00,000					100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	8¼	10
Do. (2nd)	4,50,000	1946	6(a)		117xd	100
Burrakur Collieries	4,00,000	1895	6	Mar. Sept.	83	75(pp)
Do. (2nd)	4,00,000	1946	5½(a)		7N	10
Loutable	1,93,000	1931	7	Mar. Sept.	13	10
Katrapore Collieries	2,00,000	1920	6½	Jan. July	115	100
††Khas Kajora	2,00,000	1898-99		Apr. Oct.		
New Beerbhoom						
Ondal						
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	108⅛	100
Bangalore	6,00,000	1866	6	Jan. July	126½	100
Beawni Cotton	5,00,000	1896	6½	Nov. Jan.	8½	10
Benares Cotton	3,00,000	1900	6	Feb. Aug.	65	100
Bengal-Nagpur	6,00,000	1908	7	June Dec.	122	100
Bowrah 'A'	14,75,000	1919	7½	Jan. July	326½	100
Do. 'B'	21,30,000	1920	7½	Apr. Oct.	125½	100
Bradbury	1,00,000	1928	5	Apr. Oct.	510	100
Buckingham & Carnatic	1,00,000	1912	5	Nov.	124½	100
Cambodias	50,00,000	1935	6½	May Nov.	147	100
Central India	1,00,000	1913	8	May Nov.	104	10
Coimbatore Pioneer	11,00,000	1943	5	July Jan.	86½	100
Elgin	4,20,000	1919	7(a)	May Nov.	130	100
Do. 'B' Pref.	25,00,000	1919	7	June Dec.	—	100
Elphinstone	20,00,000	1925	6	Nov.	85½	100
Kesoram	10,00,000	1947	6	Nov.	10	10
Khatau Makanji	29,92,500	1937	6		231½	250
Do. (2nd)	12,00,000	1896	5(a)	January	34	100
Do.	12,00,000	1896	5	July	98N	100
Kothari	17,25,000	1900	6½	Jan.		50
Lakshmi Cotton (Bombay)	30,00,000	1944	6½		185	200
Morarjee Goculdas Spg. & Wvg.	7,45,050	1944	5(a)	Mar.	38	100
Muir Mills	8,00,000	1920	6	Apr. Oct.	79	100
Mysore Spg.	26,05,500	1943	6½	Apr.	56	100
New Great	10,00,000	1932	6			100
New Victoria	2,00,000	1944	6		80	100
Podar Mills	7,00,000	1943	5(a)		115	100
Rajalakshmi	32,00,000	1935	5	Apr. Oct.	90	100
Shree Nivas Cotton	15,00,000	1927	6	June	119	100
Sholavoor

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,23,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	47	100	6 0	6 0	Nil		12	Y.
8,80,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,855	Bombay Dyeing & Mfg.	505½	250	17 8	20 0	20 0	7 8(i)	12	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	Bradbury Mills	860	250	15 0	20 0	20 0	10 0	12	Y.
1,00,42,800	2,08,18,653	2,43,76,311	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg.	292½	100	18 0	20 0	100 0	100 0	3	Y.P.
40,00,000	16,04,856	1,06,30,358	59,37,373	5,066(d)	V. J. Piland (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65	100			8 0(c)	8 0(c)	12	Y.
24,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	27,308	680	Edward Textiles	257½	200	Nil	Nil	4 0		12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304		Ellora Spg. & Wvg.	50	100	13 0	15 0	15 0		12	Y.
24,00,000	24,00,000	62,31,113	57,35,006	5,622	Punamal Radhakishan & Co.	50,296	928	Edward Textiles	257½	200	15 0	15 0	6 0		12	Y.
20,25,700	12,93,292	1,10,11,972	73,09,225	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	816	Elphinstone Spg. & Wvg.	50	100	4 0	4 0	15 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	265½	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	200 0*	225 0*	12	Y.
5,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	11–6½	250	43 12	50 0	50 0	34 4*	3	Y.P
50,00,000(f)									1–3½	10	0 12½	1 12	Nil			
5,00,000	60,99,043	1,18,16,170	83,39,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	1D	10	0 2	0 4	Nil		12	Y.
									3,370	1,000	175 0*	200 0*	200 0*	225 0*		
20,92,900	49,54,660	2,07,51,457	1,57,18,665	22,865	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	191½	500	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,444	1,846	Kohinoor Mills	308½	100	12 0	14 0	10 0	10 0	6	Y.P.
80,80,000A	} 64,00,782	4,36,527	88,874	6,03,536	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	89	100A	7 8	8 1	8 0	6 0(i)	12	Y.P.
5,00,00,000B										20B	1 8	1 0	1 4	1 4		
22,13,930	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	4 0	7 0	6 0	6 0	6	Y.P.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,666	Piramal & Sons	65,448	1,650	Morarjee Goculdas Spg. & Wvg.	192½	100	17 0	15 0	12 0		12	Y.P.
1,00,42,800	2,66,192	4,27,10,524	70,00,000	38,935	Chunai & Co., Ltd.			National Rayon Corporation	146½	100	Nil	Nil	Nil		6	Y.
24,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	175	100	12 8	15 0	Nil		12	Y.P.
20,00,000	21,71,710	84,42,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	174	100	10 0	12 8	10 0		12	Y.P.
13,70,100	34,36,004	42,69,552	13,76,600	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	33,720	873	New Union Mills	26	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,236	27,380	Ramnarain Sons, Ltd.	54,208	1,196	Phoenix Mills	121½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,52,251	Podar Sons, Ltd.	32,900	930	Podar Mills	136½	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	10	10	2 0	2 0	10 0		12	Y.P.
33,00,000	60,49,474	1,17,57,612	81,93,464	31,949	M. G. Investment Corporation, Ltd.	60,248	1,254	Sassoon Spg. & Wvg.	291	10	0 12	1 0	1 4		12	Y.P.
80,00,000	64,20,061	76,08,371	39,83,892	3,43,873	Marwar Textiles (Agency) Ltd.	66,452	1,440	Shree Nivas Cotton Mills	172½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,540	63,00,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	149½	50	14 0	17 0	15 0(i)	15 0	3	
20,00,000	1,30,69,660(g)	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	330	100	15 0	20 0	20 0		12	Y.
10,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Swadeshi Mills	280½	100	16 0	18 0	16 0		12	Y.P.
24,00,000	70,08,399	66,38,473	23,43,077	5,71,238	James Finlay & Co., Ltd.	46,000	572	Swan Mills	267½	100	15 0	15 0	15 0		12	Y.P.
32,54,438	59,35,268	68,88,347	39,93,248	38,338	Tata Industries Ltd.	62,248	1,800	Tata Mills	54	25	Nil	Nil	Nil		12	Y.P.
12,00,000	60,35,708	98,62,634	73,80,000	6,346	Thackersey Mooljee Sons & Co.	45,888	1,176	Western India Spg. & Mfg.	3,365	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.P.
AHMEDABAD																
30,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	141½	100	8 0	12 0	10 0		12	Y.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Nutbeeing & Sons, Ltd.	42,766	912	Arvana Mills	467½	100	15 0*	20 0*	20 0*	10 0*	6	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,399	Narottam Lalbhai & Co.	42,644	1,216	Arvind Mills	467½	100	25 0	25 0	25 0		12	Y.P.
30,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Maneklals & Bros., Ltd.	35,884	864	Ayodaya Ginning & Mfg.	305	200	30 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,435	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	482½	100	17 0	22 0	22 0		12	Y.P.
1,84,77,073	1,04,99,227	3,71,68,168	2,33,53,344	2,87,095	Karamchand Premchand, Ltd.	1,39,120	2,498	Calico	318½	125	15 0	18 0	18 0		12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,316	964	New Commercial Mills	1,075	500	55 0	70 0	70 0		12	Y.
39,00,000	70,78,334	96,79,263	74,48,978	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	611	125	35 0	35 0	35 0		12	Y.
5,00,000	61,08,644	43,89,266	28,78,000	4,383	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	670	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,47,450	—13,90,310	Maneklals Gindhalal Parekh Ltd.	30,000	1,093	Ranapur Spg., Wvg. & Mfg.	170	250	15 0	20 0	Nil		12	Y.P.
32,50,000	18,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	640	Rohit Mills	125	100	15 0	15 0	15 0		12	Y.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	317	50	15 0	18 0	16 0		12	Y.
19,32,500	52,12,167	61,33,831	48,71,801	2,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	728	Shorrock Spg. & Mfg.	373	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,239	Haridas Ashratlal & Co., Ltd.	34,576	816	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,98,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	33	10	Nil	Nil	Nil		12	Y.P.T
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills	38N	40	Nil	Nil	Nil		3	Y.
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowrah Cotton Mills	270	100	Nil	Nil	Nil		6.12	M.P.
19,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	175	100	Nil	Nil	Nil		6.12	M.
1,20,00,000	2,88,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	20½	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000										15	1 14	1 14	1 12			
33,96,288	9,75,000	84,54,400	67,06,257	9,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,834	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aarss Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	Y.P.
18,00,000	9,09,109	39,21,813	21,03,546	2,736	Ramsi & Co., Ltd.	30,000		Aarupatti Textiles (Ceskin) Ltd.	6½	10	0 14 2/5	0 9 3/5	Nil		12	Y.P.
71,54,400	51,73,009	1,90,39,719	45,27,372	18,458	Industrial Trust Fund,	19,944	440	Asam Jahi Mills	67N	100	5 8	6 0	6 0		12	Y.P.
40,80,000	93,76,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	287½	100	17 8	20 0	15 0		12	Y.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	1 4	0 8	0 8	10 0(i)	12	Y.P.
15,00,000	95,71,590	84,27,674	58,07,674	4,66,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	2 8	3 0	3 0	0 4f	6.12	H.P.T.
1,78,47,800	1,57,93,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	135½	100	6 14	7 8	4 0		9	Y.
30,00,000	16,31,884	36,52,641	19,31,579	39,399	Perma, India, Ltd.	37,336		Cambodia Mills	12½	10	Nil	Nil	Nil	4 0(i)	12	Y.P.T.
30,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8f	2	0 9	0 8	0 4		12	Y.P.
13,00,000	13,07,000	27,82,848	17,28,989	—1,32,723	R. Bheema Naidu & Co.	28,644		Coimbatore Cotton Mills	170	100	12 8	12 8	9 0	9 0	3	Y.
30,00,000	9,10,870	21,13,870	13,31,422	—1,32,723	T. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	130	100	7 8	9 0	9 0		12	Y.
28,76,900	4,36,696	1,14,09,011	66,08,068	—10,23,340	R. G. B. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	41	50	2 8	5 0	4 0		12	Y.
46,87,500	88,12,906	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	61,158	2,062	Central India	106½	100	15 0	18 0	16 0		12	Y.P.
9,38,34,450										100	6 0	6 0	2 0	5 0	6	Y.
1,00,523	1,65,19,899	6,74,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	73,604	1,830	Delhi Cloth & General Mills	31	10	1 0	1 2	1 2	1 0	6, 12	H.
24,34,800	16,26,596	37,38,149	20,74,428	29,744	M. M. Chettiar & Sons	29,900	201	Dhanalakshmi Mills	208	25	0 4	0 4	0 4	0 2 4/3	6	Y.P.
63,00,000	46,00,000	1,40,85,212	1,13,21,631	71,424	Begg, Sutherland & Co., Ltd.	52,652	1,198	Elgin Mills	178	100	20 0	20 0	10 0		12	Y.
39,04,700	43,10,000	82,32,387	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	254	100	1 8	1 8	1 8	1 0	9	Y.P.
90,00,000	12,52,505	1,23,32,498	88,30,323	2,824	Govindram Sakseria (Indore)	50,420	1,420	Indore Malwa United	100	100	14 0	14 0	17 0*	8 0(i)	12	Y.
8,90,000	11,61,067	24,01,536	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Jasodarra Mills	63	50	4 0	7 0	6 0		12	Y.
24,00,000	15,75,000	61,55,358	8,79,000	3,682	Keihart & Sons	30,512	200	Kamani Textiles	10	10	0 11	0 12	0 12		12	Y.
32,00,000	70,45,345	1,38,43,886	93,43,334	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	550	250	37 8	50 0	37 8	0 8	6	Y.P.
53,46,150	53,30,000	94,98,025	59,73,673	14,347	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	861	50	4 0	4 0	3 8	19 0(i)	12	Y.P.
									42½	25	2 0	3 0	2 0	2 0		
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,694	A. & F. Harvey Ltd.	4,64,748		Madura Mills	39½d	13	2 4	3 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,016	12,52,000	—22,590	A. L. A. R. S. Chettiar and Others.	21,856		Malabar Spg. & Wvg.	126	200	8 0	8 0	8 0		12	Y.
60,00,000	62,50,000	33,34,648	34,17,062	77,484	W. A. Beardsell & Co., Ltd.	24,252	603	Mettur Industries Ltd.	218	100	25 0	12 8	12 8		12	Y.
29,50,184	22,90,000	73,06,256	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	92	100	6 0	6 0	6 0	12 8	12	Y.
94,91,850	27,56,360	1,53,05,970	18,81,528	37,241	Basalat Abirband Dadabhoy & Co.	36,416	952	Model Mills (Nagpur)	141½	250	15 0	7 8	7 8	7 8	12	Y.
30,00,000	52,19,800	1,33,39,372	1,03,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,312	1,834	Muir Mills	195N	100	17 0	15 0	7 8	7 8	12	Y.P.T.
19,86,608	66,50,972	93,64,233	39,85,374	42,197	N. Sirur & Co., Ltd.	49,632	500	Nirmal Spg. & Mfg.	146½	50	10 0	9 0			12	Y.
13,61,780	2,30,75,340	38,34,399	13,34,624	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	4½	10	0 8	1 0	10 0*	10 0*	12	Y.
32,89,885(i)										10	0 10	0 10	0 10	0 10	3	Y.
3,07,09SD	23,62,533	98,01,825	52,78,826	—25,83,856	A. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	2½	Nil	Nil	Nil	Nil		6	Y.
87,03,600	61,52,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	1D	Nil	Nil	Nil	Nil		12	Y.P.
4,00,000A									90N	100	5 8	6 8	7 0		12	
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	68	50A	5 0	6 0	5 0		9	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	75B	25	7 8	12 0	11 4		12	Y.
16,81,200A									45	100	7 8	12 0			12	Y.P.
8,40,600B	16,65,842	32,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	200	Radhakrishna Mills	161½	100A	16 0	16 0	6 0		12	Y.
									50B	50	8 0	8 0	3 0			
15,00,000	25,00,894	22,62,213	14,88,315	—43,566	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	85	50	4 0	4 0	3 0		12	Y.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	32,580	600	Rana Textiles	4½N	10	Nil	Nil	Nil		12	Y.P.
82,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Sisodhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½N	100					12	Y.P.
[illegible]	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	60	Nil	Nil	Nil		12	Y.
14,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,84,498	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg.	1,520	1,000	Nil	Nil	Nil		12	Y.
										500						
34,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pellegat, Esq.	25,200	292	Sri Krishnaraynidra Mills	541d	50	4 0*	4 0*	3 0*	Nil	3	Y.P.
15,00,000	92,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	27,340	993	Sulej Cotton Mills	50N	10	4 0	4 0	3 0	4 0*	3	Y.
														4 0	3	Y.
17,50,00,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8½	100	0 8					
1,37,50,000 PO									10	10P.O.	0 14 2/3	0 14 2/3	0 14 2/3	Nil		
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.	16,000		Travancore Rayons	9	10	Nil	Nil	Nil	Nil	12	Y.P.
13,98,830	1,25,505	12,91,001	9,44,987	9,843	Mootjee Ramjee & Sons	33,704	270	Trichinopoly Mills	10	10	1 0	1 0	1 0	11 1/5	12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	54,280	1,493	Vasanta Mills	173	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.			Vishnu Cotton	143½	100	9 0	14 0*	10 0		12	Y.

* Includes bonus. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	20	25	Nil	2 12g	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9	10	Nil	1 2g	Nil	Nil	3	Y.
16,20,600							5⅜	5	1 0	0 8	0 8	0 8	3	
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15¢	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							23⅜	B. £1	Sh. 1	Sh. 1	Sh. 1			
£300,000B	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil			8	Y.
24,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
6,00,000														
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	101	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							10½	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	4½ D.	10	0 8	Nil	Nil	Nil	3	Y.T.
4,70,976D							Nil	D. 1	Nil					
£300,000B	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	185½	100	8 8	9 8	9 8	9 8	7	Y.
10,56,25,938							7½	O. 10	0 8	0 10	0 10			
60,00,000O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1⅛	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
26,49,797D							Nil	D. 1	Nil	Nil	Nil			
50,00,000D							18	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
62,50,000O	4,00,000	1,43,54,423	31,47,637	6 15,163	Esseo Ltd.	India Cements Ltd.	2–14½	D. 5	Nil	Nil	0 4	Nil		
7,50,000D							6⅝	5	0 3½	0 6§	0 8		12	Y.
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Senevalley Portland Cement								
CERAMIC; MINING AND QUARRYING														
						Bengal Potteries	2½	2½	0 2	0 2½	0 2½		12	V
31,70,635	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bird & Co.,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,80,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	53	25	1 4 / 1 4	1 9 / 1 9	1 9 / Nil		6.12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	176½	100	5 0 / 5 0	5 0 / 5 0	5 0 / 1 0*	1 0*	3.9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	15½	10	0 12½	0 12	1 0*		3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	46½	10	1 8 / 1 8	1 0 / 1 0	1 0 / 1 0	1 0f	3.9	H.P.T.
80,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	20½	10	1 0 / 1 0	1 12 / 1 12	1 12 / 1 12		6.12	H.P.T
80,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9¾ / 9¾	O. 10 / A. 10	Nil / Nil	Nil / Nil	0 4 / 0 4	1 0pf / 1 0pf	3.9	H.P.T.
95,00,000A. / 50,00,000B. / 4,37,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	35⅜ / 4½	B. 10 / P.O. 2½	0 14* / 0 2	1 0* / 0 2	1 0* / 0 2	1 0pf / 0 2f	3.9	H.P
PRESSING														
8,00,000	5,92,365	13,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	3 0	3 0	6	Y
4,50,000	1,00,000	6,89,526	4,73,056	2,354	Camperdown	Camperdown	86N	100	6 0	6 0	7 0	7 0	6	Y
5,00,000	1,55,000	11,21,900	5,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y
PROPERTY AND LAND														
10,00,780O. / 2,00,000D.	6,02,582	42,65,284	19,09,280	419	E. A. Basil, Esq., & others (Directors)	Humayun Properties	10½	O. 10	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
60,00,000	20,01,686	98,66,088	15 00,000	. . .	David Sassoon & Co., Ltd. ..	Port Canning Land	252d	100	2 0	Nil	Nil	1 8	4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary ..	36½	100	Nil	3 0	2 0	1 8	4	Y. Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	380½ / 147½	Old 125 / New 30	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	15 0 / 6 0	5	Y
6,00,000	. . .	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	30½	100	5 0	Nil	3 0	1 0	6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products ..	34½d	10	3 8	3 8	3 0	1 0	6	Y.P. Y.
SUGAR (U.P. and Bihar)														
14 00 000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	Nil	
12,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120N / 111N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 0 12	10-0½ / 1-0½	4	Y.
14,40,000	3,00,000	27,54,526	20 80 462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	Nil	1 0	1 0		4	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8 681	Cotton Agents Ltd.	Bharat Sugar	16½dN	10	1 0	1 8	1 8	1 8	9	Y.
32,00,000	23 18,481	1,29,41,870	81 86,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7	10	Nil	Nil	Nil		6	Y.P.
15,00,000	55,34,712	96,28,542	75,34,740	51,891	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	37½	10	2 0	3 0	2 0		6	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	23	10	1 8	1 8	2 0	1 0	10	Y.P.
55,00,000A. / 10,00,000B.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindusten Sugar Mills ..	130N / —	A. 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	6	Y.
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kilachand Devchand & Co. ..	Kesar Sugar	50N / 22N	80 / 40	3 0 / 1 8	4 0 / 2 0	Nil / Nil	Nil / Nil	7	Y.P.
7 89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills ..	23½	10	1 0	1 0	2 8	2 8	6	Y.P.
11,00,000	4,20 000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	2 0	2 8	3	Y.P.
1087,500 A. / 2,11,875 B	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	18½N / 43N	100 / 25	15 10 / 3 4	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	3	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0	11 0	7	Y.
12,00,000	12,71,178	28,94,458	19 81,746	66,040	Narang Bros. & Co., Ltd. ..	Punjab Sugar	10½N	100	6 0	10 0	6 0		10	Y.
9,00,000	14 71,701	31,72,806	27,79,092	19,435	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	14½	10	1 8	2 8	1 0		10	Y.P.
8,00,000	6,04 162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	11½	10	1 8	2 8	1 0	0 8	6	Y.P.
21,00,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Sumatsupur Central Sugar	13½	10	1 0	1 0	1 0	0 8	6	Y.P.
20,00,000	20,68,560	1,03,56,230	49 26,000	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10½	10	0 6	1 0	1 8		6	Y.
9,99,950	61,825	22,84,311	11,98,645	7,667	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½		6	Y.
6,50 000O. / 1,75,000D. / 8,00,000	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 22N	O. 10 / D. 10	Nil / Nil	Nil / Nil			10	Y.
16,00,000	9,19,618	78,11,307	43 99 754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	10½	10	1 12	2 0	2 8	2 8	6	Y.P.
				36,065	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	13½	10	0 4½	2 0	1 8		9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13 758	61,916	W. H. Brady & Co., Ltd. ..	Belapur Company	254½	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51 646	37,63,451	16,01 713	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N / 23½	100 / 10	Nil / 1 8	5 0 / 2 8	5 0 / 2 8½		6	Y. Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..		10	0 12	1 4	1 8	1 4	9	Y.P.
33,37,520	29,59,135	39,13,908	19,50 442	7 69 801	Govan Bros. (Rampur), Ltd.	Buland Sugar	101N	10	0 12	1 0	1 0	1 0	9	Y.P.
21,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44	10	2 0*	2 0	2 0	2 0	10	Y.
30,00,000	47,49,630	1,09,00 623	54,15,463	4,86 704	Malaulai, Apte and Kanitkar Ltd.	Phaltan Sugar	115	50	8 0	8 0	8 0	8 0	6	Y.
16,39,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnuggur Cane and Sugar ..	10½	10	0 9½	0 12	2 0		6	Y.
80 00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Kilachand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 10 / D. 10	7 0 / 1 0	9 0 / 1 0	9 0 / 1 0½		6	Y.P.T.
19 99 800	34,21,961	44,37,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Rana Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	10½	10	Nil	Nil	Nil		7	Y.P.
77,50,000A. / 83,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries ..	162½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y. Y.P.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	12,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	165	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00 237	58,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	5 0		10	Y.P.
£655,980	£1 121 737	£3 428,105	£2,392,999	£13 113	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	69	£10	Nil	Nil	Rs.10		12	Y.P.
8,25,00,000	74,99,233	3 91 83,993	1,26 37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil	Nil	0 8		12	Y.P.
6,39,62,018	3,81,43,387	12,98,97,421	5,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	15-15½	15	Nil	Nil	0 8	0 8	6	Y.P.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	11,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		32 0	
15,98,860	1,03,801	2,28,588	60,000	7,343	Perakh Agencies Ltd.	Bombay-Uganda	34N	80	4 0	4 0	4 0			Y.
15,00,000	1,00 000	25,18,130	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Oriental Mantial Ltd.	Esrani Investment Trust ..	23½	50	2 0	2 0	2 8			Y.
99,99,250	18,35,375	1,26,92,333	10,033	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust ..	67	100	4 0	4 0	4 0	Nil	12	Y.P.
89 98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	157½ / 54	100 / A. 100	6 0 / Nil	6 0 / Nil	10 0 / Nil	10 0 / Nil	6	Y.
8,06,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asro-Auto Ltd.	Premier Automobiles	—	B. 10	Nil	Nil	Nil	Nil	9	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40	50	3 0	3 0	3 0		12	Y.
2,75,00,000	1,39,69,360	2,16,78,739	1,34,40,615	4,26,869	T. Rydin, Esq (Managing Director)	Western India Match Co. ..	206½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	330N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 8,50,000D.	13,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½ / 3½	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	Nil.	
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4		3	Y.P.T.
30,00,000	15 34,104	23,69,104	17,19,014	1,45,009	T. H. Rydin Esq. (Mg. Director)	Assam Match Co., Ltd. ..	16sr	10	1 0	1 0	1 0		4	Y.
20,00,000	18,97,883	96,60,363	39,87,830	23,355	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	44xd	10	0 9 3/5	0 9 3/5	1 0		12	Y.
30,00,7000. / 10,00,000D.	99,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	280	O. 100 / D. 10	20 0* / 2 0	25 0* / 2 0	20 0* / 2 0	5 0(3)	3	Y.P.T.
20,00,000	8,38,806	54,303,140½		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 2	1 4	1 4		12	Y.
30,64,640	33,27,348	99,11,869	21 85,999	98,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	15½d	10	1 0	1 0	1 0	1 0	9	Y.P.
8,25,00,000	95,00,000	2,39,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	8½	10	1 0	1 0	1 0	0 8	12	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,126	2,52,71,321	7,01 469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	30½	10	2 0	2 0	2 0		12	Y.P.
31,20,000	47,27,041	1,24,55,420‡		3,15,689	Bird & Co., Ltd.	Eastern Investments Ltd. ..	13½	100	1 0	1 0	1 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	191	100	10 0	10 0	10 0		3	Y.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	108xd	10	15 0	15 0	10 0	7 8	3	H.
30,00,000	11,42,354	62,81,816	29,19,773	29,418	B. P. R Syndicate	Great Eastern Hotel	265	250	13 0	13 0	10 0		3	Y.
12,42,800	5,06,049	60,60,790	41,30,169	1,39,258	Birla Bros. Ltd.	Hind Cycles	140N	100	7 8	7 8	8 0		6	Y.P.
4,96,12 650	1 92,800	2,83,64,147	60,52,719	3,78 557	Birla Bros., Ltd.	Hindustan Motors	10	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	38,65,000	3,07,68,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	100	100	3 0	3 0	3 0		12	Y.P.T.
1,52,29 220	1,07,77,146	1,11,09,713	37 29,419	13,94 449	A. R. Driessen, Esq.	Indian Cables Co.	104½	10	2 8	3 0	3 0		12	Y.
8 27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Mounon & Co. (India), Ltd.	Indian Rubber Manufacturers	12½	10	1 0	1 0	1 0	1 0*	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	114	100	3 0	3 0	3 0	0 12	3	Y.P.
6,34 000O. / 66,000D.	6,05,270	6,91,531	4,08,233	—64,994	James & Co. Ltd.	Macfarlane & Co.	1½ / 1	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil	7 8	3	Y.
40,00 0000. / 9,00,0000 O. / 1,20,35,750 / 6,15,255 / 4,48,040 / 10,00,000 / 20,00,000	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	185xd	O. 100 / D.O. 10	12 8 / 0 12	12 8 / 0 12	7-8 / 0-4		6	Y.
	30 19,025	13,73,127‡†	4,81,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	19½	10	1 4	1 4	1 4		12	Y.
	1,74,934	2,78,805	2,56,943	—72,313	Osaka Glass Works Ltd.	Mysore Glass and Enamel Works	5½	10	0 10	Nil	Nil		3	Y.
	8,84,829	9,73,621	3,93,109	2,059	G. Chandy Esq (Controller) ..	Mysore Lamp Works	15½	10	1 0	1 0	1 0	1 0	3	Y.
		11,45,854	3,94,946	11 329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10½	10	Nil	Nil	1 0	1 0	3	Y.
20,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	15½	10	0 8	0 8	0 12		10	Y.
79,97,000	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	0 4	0 8	Nil	1 0	3	Y.P.T.
40,00,000	24,00,000	41 38,146	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	44	2	1 9 3/5	0 10½	0 4½		12	Y.P.T.
2,25,00,000	25,18,049	1,89,49,507	37,33 370	24,847	G. U Euthymopulo, Esq.	Rallis (India) Ltd.	80	100	8 0	8 0	8 0		12	Y.P.
1,14,00,000	78,53,108	4,09,39,607	2,16,88,623	7,17,466	Sahu Jain Ltd.	Rohtas Industries	11½	10	Nil	Nil	0 12		12	Y.P.
40,00,000	92,32,582	1,19,94,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	13½	10	1 0	1 0	1 0		12	Y.P.
75,00,000	33,00,000	12,11,941‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	11½	10	1 0	1 0	1 0	0 8(3)	6	Y.P.
9,98,380	1,50 000	12,67,855	2,60,547	59 789	Osaic Bros., Ltd.	Travancore Osaic Glass	3½	10	0 6½	Nil	Nil		12	Y.P.

‡ Includes investments at cost. * Includes bonus.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 23,17,685

‡ Excluding goodwill (written down) Rs. 30 lakhs. § Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	. . .	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,968	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
1,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	3 0	Nil		12	Y.
3,50,000	7,21,416	14,91,943	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,50,000	7,36,053	9,47,122	2,27,561	83,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	33½	10	3 0	2 8	2 0		12	Y.
3,40,000	2,90,000	8,40,673	4,75,671	71,941	Williamson Magor & Co., Ltd.	556	Bateli	15¾	5	1 8	0 8			12	Y.
6,00,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	366	Beljan	28½	10	3 8	1 8	Nil		12	Y.
3,20,000	4,90,000	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	34½	10	5 0	0 8			12	Y.
16,50,000	17,31,058	10,38,918	1,51,948	—36,223	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
6,00,000	. . .	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
7,50,000	3,43,500	72,59,232	16,14,785	12,311	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 8	1 0	1 0	0 8	6	Y.P.
35,00,000	9,05,082	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deoo Valley	12	10	1 8	Nil	Nil		12	Y.
1,20,000	1,83,234	15,30,724	19,112	—32,144	Jardine Henderson Ltd.	1,220	Dessai & Parbutia	262	100	30 0	22 8	10 0		12	Y.
6,00,000	7,15,000	20,85,548	2,76,346	35,084	James Warren & Co., Ltd. ..	610	Dhekiakhat	13½	10	1 9 3/5	1 3½	1 0		12	Y.P.
17,53,440	6,66,828	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunacri	13½	10	2 0	1 0	Nil		12	Y.
4,68,970	2,20,000	8,03,461	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
4,50,000	2,75,000	8,93,119	4,63,177	25,960	Williamson Magor & Co., Ltd.	623	Dimakuel	36½	10	4 0	1 8	1 0		12	Y.P.
2,34,700	3,70,000	8,93,119	1,15,948	1,15,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	40	10	2 4	4 0	2 0		12	Y.P.
3,60,500	4,50,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	20	10	2 0	2 4			12	Y.
10,00,000	3,65,000	7,90,693	3,67,363	—2,588	Andrew Yule & Co., Ltd. ..	407	Gillapukri	19	10	3 0	1 0	Nil		12	Y.
2,60,000	3,00,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	30	10	4 0	3 0			12	Y.
3,38,000	4,00,000	. . .	. . .	. . .	. . .	. . .	. . .	. . .	10	1 8	2 0	2 0			
4,94,360 / B.2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Orob	15½ / B.5	10 / 1	1 8	1 0	1 0		12	Y.
3,00,000	3,55,000	7,81,350	2,52,528	7,308	Octavius Steel & Co., Ltd. ..	577	Chuudeoberra	33½	10	4 8	3 0	1 8		12	Y.
6,00,000	6,47,046	5,63,501	1,13,601	27,047	Duncan Bros. & Co., Ltd. ..	544	Dauracherra	8½	10	0 4	0 4	0 8		12	Y.
8,00,000	3,50,000	27,66,424	8,39,378	19,783	Octavius Steel & Co., Ltd. ..	2,154	Hattikhura	14½	10	1 0	1 0	1 0		12	Y.
12,60,000	2,500	2,58,954	. . .	—7,29,000	Octavius Steel & Co., Ltd. ..	1,189	Lachsoorah	9½	10	0 8	Nil	Nil		12	Y.P.
2,40,000	3,76,165	7,30,124	2,75,810	1,01,713	Gillanders Arbuthnot & Co. Ltd.	908	Loohai	9½	10	Nil	Nil	Nil		12	Y.P.
4,00,000	1,68 000	7,30,124	78,986	—4,87,764	Octavius Steel & Co., Ltd. ..	988	New Samaabagh

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	15½	10	3+4	1+1½	1+1	1f	3.9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,196	Sahu Jain Ltd.	498	Albion	195	100	4+10	15+15	8+10	12f	5.11	H.P.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil	Nil	6.12	H.P.T.
80,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	165	100	Nil	2½	Nil	Nil	6.12	H.P.T.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	200	100	Nil	10	10+10	10+15	6.12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+5	5+4	2f	3.9	H.P.
15,97,000	4,73,358	37,29,383	22,67,365	25,529	H. V. Low & Co., Ltd.	959	Bally	157	100	8+6	6+1	Nil	Nil	3.9	H.P.T.
69,99,953	13,81,010	1,17,79,347	56,49,102	2,51,414	Sahu Jain Ltd.	1,890	Barnagore	145	65	6f	6f	6f	4+Nil	3.9	H.P.
7,15,000	14,61,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	820	Belvedere	200	100	7+10	12½+15	7½+7½	7½f	6.12	Y.T.P.
14,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	1,373	Bengal	600	100	1½	3	1	6	6.12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	1,373	Bura	145	100	2½	3	1½	6	6.12	H.T.
90,92,480	1,70,58,348	4,07,13,995	1,64,07,883	83,552	Bird & Co., Ltd.	1,373	Burrakur	148	100	3+10	10+12	6½+6½	6f	6.12	H.P.
49,97,000	750	24,32,368	3,05,646	3,018	Hindustan Investment Corpn., Ltd.	1,373	Caltuta Jute Mfg.	148	100	Nil	1+1	0+8	6f	6.12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd.	1,373	Central Kurkend	145	100	4+10	10+12	6+6	6f	3	Y.
6,00,000	1,41,587	7,50,000	19,867	1,09,867	F. W. Heilgers & Co., Ltd. ..	1,373	Chuntia	148	100	3+5	5+7	7+8	3f	5.11	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	1,373	Dhenuo Main	148	100	6+10	10+12	6+6	6f	6.12	H.
£240,000	£3,12,801	£224 840	£90,764	£90,764	Jardine Henderson Ltd.	1,373	East Indian	148	100	4+10	10+12	6+6	6f	6.12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	1,373	Equitable	148	100	3+5	5+7	7+8	3f	5.11	H.
10,00,000	2,62,255	9,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	1,373	Chetvet	148	100	6+10	10+12	6+6	6f	5.11	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	1,373	Chitavalsah	148	100	10½	10	10	12½	6.12	H.T.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	1,373	Clive	148	100	2½	3½	2	Nil	3	Y.P.
22,00,000	1,06,377	31,70,015	10,56,245	—1,95,248	Barsare Trust Ltd.	1,373	Dalhousie	140	100	1+2	8+6	4+1	1f	6.12	H.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	779	Delta	221	100	5+12½	15+17½	10+10	10f	3.9	H.P.
20,00,000		25,62,791	1,50,646	1,938	Bird & Co., Ltd.	500	Empire	140	100	1+1	1½+1½	1+1	1f	5.11	H.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	1,884	Fort Gloster	385	100	2½+2½	12½+12½	10 Nil	Nil	3.9	H.P.T.
1,38,400	95,000	10 63,319	3,25,319	1,063	Benwala & Co.	1,014	Fort William	326	100	Nil	4	8	Nil	3.9	H.P.T.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	1,709	Gauges Mfg.	67	100	Nil	3f	Nil	Nil+5	3.9	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	607	Gondalpara	700	300	45	60	30	Nil	3.9	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	20,398	Nazira	1,394	Gourepore	270	100	2½+15	10+10	1½ Nil	Nil	12	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	71,764	Andrew Yule & Co., Ltd.	1,078	Hastings	140	100N	10	7	10	10	3.9	H.P.
6,00,000	3,30,000	31,61,632	15 78,155	60,718	Octavius Steel & Co., Ltd. ..	11	Hooghly	29½	10	1	3	1	1	3	Y.P.
1,15,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	121 N	Howrah	23½	10	1+2	3+3	1+2	1+3	3.9	Y.P.
1,57,500						28N	Hukumchand	40	7½					3	Y.P.T.
7,50,000	10,51,886	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	190	Ondal	121	10	3f+9f	3f+1f	3f+3f	3f	3.9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	1,130	Kharidah	D. 140	100	A 7-8 7-8	1	1+3	1f	3.9	H.
8,34,000	83,994	17,23,382	6,27,675	15,769	Deepchand Kishenlali	180	Kinnison	200	100	8½+8½	10+12½	8½+6	6f	6.12	H.P.
15 75,000	8,75,000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd. ..	'B' 176	Lansdowne	230	100	8½+8½	10+12½	8½+6	6f	6.12	H.P.
23,99,500	15,67,105	1,09,49,971	76,25,254	—4,53,764	B. N. Elias & Co., Ltd.	1,530	Lawrence	140	100	Nil	5	10+6	10+15	6.12	H.P.
13,50,000	7,38,185	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd. ..	'B' 136	Lothian	200	100	Nil	3+7½	6+9	10+7	3.9	H.
30,00,000	3,95,008	32,32,218	13,30,500	418	Jagjuria Sons Ltd	1,530	Magma	104	100	2+10	11+8	7+3	2f	3.9	H.
1,25,000	1 75,000	11,89,383	9,76,899	20,490	Gillanders Arbuthnot & Co., Ltd.	154	Maheshwari	140	100	5+9	12½+11	11+4	2f	3.9	H.P.
2,80,000	6 77,788	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	295	Lothian	100	100	5+10	12½+17½	15+15	15f	5.11	H.P.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	1,008	Magma	104	100	2½+6½	2½+1½	2½+2½	2½f	3.9	H.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	815	Naihati	130	100	Nil 5	10 + 6	6 Nil	Nil	3.9	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	425	Naskarpara	12	10	1+2	1+1½	1+1	1f	4.10	H.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	852	National	10	10	1+1	1+1½	1+1	1f	4.10	H.T.
10,00,000	12,950	30,15,423	15,43,301	—3,64,536	Villers Ltd.	316	Nellimarla Jute	11	10	1½+1½	2½+5	1+1	1f	4.10	H.P.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd.	507	New Central	295	100	4+10	11+15	10+12	12f	6.12	H.P.T.
49,98,000		£949,927	£990,895	£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Northbrook	10	10	Nil	Nil	1	1+½	6.12	H.P.
35,96,600	94,31,454	1,76,49,798	85,52,140	21,018	Bird & Co., Ltd.	1,326	Nuddea	43½	50	1½	1½+1½	1½+1½	Nil	3.9	H.P.T.
£400,000	£587,164	£1,099,9179		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Orient	177	100	4+10	12+12	6+6	6f	3.9	H.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Pesadency	5	5	Nil	Nil	3	Nil	5.11	H.P.
							Ramesh wara	5½	10	Nil			Nil	6.12	H.T.
							Reliance	1,276	10	Nil	Nil	Nil	Nil	3.9	H.P.
							Samnagaur	2,013	10	10½	10½	Nil	4+½	3.9	H.P.T.
							Shree Ambica	131rd	10	Nil	10½	10½		12	Y.P.
							Soorah	21½N	10	½	1+½	1		3.9	H.P.
							Standard	116	100	3+6	9+8	5+1	1f	12	Y.P.T.
							Titaghur	13	£1	10½	10½	10½	1f	3.9	H.P.
							Union	171	100	1+7	12+11	11+1		12	Y.P.
							Victoria	133	£1	10½	10½	10½	1f	3.9	H.P.T.
							Waverley	65	1	Nil 1.40	1.40 Nil	Nil	Nil	6.12	H.P.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up* Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	19½	10	1+1	1+1	1+1	1f	3.9	H.
12,00,000	8,42,703	37,55,383	34,23,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19	10	1+1	1+1	1+1	As. 11f	3.9	H.
4,49,350	70,000	8,49 159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	7N	10	Nil	Nil	Nil	Nil	6.12	H.P.T.
1,00,00,000	1,17,00,000	5,27,81,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	507	200	17½+17½	17½+17½	20+20	17½+c	6.12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Bird & Co., Ltd.	Bengal-Nagpur	13f	10	1½+6	1+1	Nil	Nil	6.10	H.P.
15,97,000	4,73,358	37,29,383	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	8+6	6+1	Nil	Nil	6.12	H.P.
69,99,953	13,81,010	1,17,79,347	56,49,102	2,51,414	Sahu Jain Ltd.	Barnagore	4½	10	6f	6f	6f	4+Nil	3.9	H.P.
7,15,000	14,61,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14½	10	1½	1½	1½	1½	6	Y.T.P.
14,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	7½	10	Nil	Nil	Nil	Nil	6.12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	2½	10	1½+1½	1½+1½	1½+1½	1½	6.12	H.T.
90,92,480	1,70,58,348	4,07,13,995	1,64 07,883	83,552	Bird & Co., Ltd.	Burrakur	8½	10	Nil	Nil	Nil	3	6.12	H.P.
49,97,000	750	24,32,368	3,05,646	3,018	Hindustan Investment Corpn., Ltd.	Centrai India	5½	10	1+1	1+1	0+8	6f	6.12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10	Nil	Nil	Nil	Nil	3	Y.
6,00,000	1,41,587	7,50,000	19,867	1,09,867	F. W. Heilgers & Co., Ltd. ..	Chuntia	2½	4	1+1	1+1	1+1	1f	6.12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhenuo Main	8½	10	Nil	Nil	Nil	Nil	6.12	H.
£240,000	£3,12,801	£224 840	£90,764	£90,764	Jardine Henderson Ltd.	East Indian	25½	£1	2+2	2+2	2+2	6f	6.12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	31½	10	2½+2½	2½+2½	3½ (d)	2½	6	Y.
10,00,000	2,62,255	9,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Chetvet	15N	10	1+1	8+6	2+1½	1f	6.12	H.
12,00,000	1,57 000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Chitavalsah	38	50	3	3	4	4	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Clive	15½d	10	1+1	3½	2	Nil	6	Y.P.
22,00,000	1,06,377	31,70,015	10,56,245	—1,95,248	Barsare Trust Ltd.	Dalhousie	14	10	1+2	8+6	4+1	1f	3	H.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	Kalapahari	40N	10	Nil	Nil	Nil	Nil	6.12	H.
20,00,000		25,62,791	1,50,646	1,938	Bird & Co., Ltd.	Karanpura Collieries	80	100	Nil	Nil	12+12	12+1	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	39½d	10	2½+2½	Nil	Nil	Nil	2.8	H.
1,38,400	95,000	10 63,319	3,25,319	1,063	Benwala & Co.	Khas Kajora	7½N	10	1+2	2+2	2+2	2+2	3	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	6½	10	1+2				1.7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10½N	10	3½	3½			6.12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	20,398	Nazira	Nazira	6½	10	1+2	3+3	1+2	1+3	6	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	71,764	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	3,10x3,10	1+1½	Nil	Nil	4	Y.
6,00,000	3,30,000	31,61,632	15 78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	11	10	1	Nil	Nil	1f	6.12	H.
1,15,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	North West	12½N	10	1+1	1+1	1+1	Nil	6.10	H.P.
1,57,500							28N	7½	1+1	1+1	1+1	1f	3.9	H.
7,50,000	10,51,886	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	19½	10	1+1	1+1	1+1	1f	3.9	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	11½N	10	1	1	1	1f	6.12	H.P.
8,34,000	83,994	17,23,382	6,27,675	15,769	Deepchand Kishenlali	Parasea	3½	10	Nil	Nil	Nil		12	Y.T.
15 75,000	8,75,000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	23½	10	Nil	Nil	Nil		6.12	H.P.
23,99,500	15,67,105	1,09,49,971	76,25,254	—4,53,764	B. N. Elias & Co., Ltd.	Ramagundam	10½	10	1+1	1+1	1+1	1f	6.12	H.P.
13,50,000	7,38,185	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd. ..	Rewa	9½	10	Nil	Nil	Nil		2.8	H.
30,00,000	3,95,008	32,32,218	13,30,500	418	Jagjuria Sons Ltd	Samla Collieries	7½	10	1+1	1+1	1+1	1f	3.9	H.
1,25,000	1 75,000	11,89,383	9,76,899	20,490	Gillanders Arbuthnot & Co., Ltd.	Sijua	8½N	10	1+1	1+1	1+1		6.12	H.
2,80,000	6 77,788	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	2½	5	1+1	1+1	1+1		6.12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Seodra	9N	10	2½+2	2+2	2+1	1f	6.12	Y.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	4+4	Nil	Nil	Nil	6.12	H.P. H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	9½	10					12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	20½	10	1+1	1+1	1+1	1+1	2.8	H.
10,00,000	12,950	30,15,423	15,43,301	—3,64,536	Villers Ltd.	Talcher	2½	2½	Nil	Nil	1+1	1f	6.12	H.
3,50,000	3,30,000	18,94,910	14,86,313	74,927	Williamson Magor & Co., Ltd.	Umrie	22½d	10					9	Y.
49,98,000		£949,927	£990,895	£115,163	Thomas Duff & Co. (India), Ltd...	West Bengal	1½	10	1½+1½	1½+1½	1½f		6.12	H.
35,96,600	94,31,454	1,76,49,798	85,52,140	21,018	Bird & Co., Ltd.	West Jamuria	17½	10	1+1	1+1	1+1		6.12	H.
£400,000	£587,164	£1,099,9179		£119,708	Thomas Duff & Co. (India), Ltd.				8+8	8+8	Nil	Nil	6.12	H.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.									

* Including bonus. ‡ Sales and amount written off. (h) Investments. † For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 148 in the debentures. section:—

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

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

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

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

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

(e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 103)

entire industry as comprised in the Federation were brought into the survey, inasmuch as the representative units have already been included in the present investigation. The Federation adds :

"It will be seen that the survey confirms the views of the President of the Federation which he expressed while presiding at its last general meeting, held in Bombay, last month, namely, 'where any success has been lately achieved (in raising capital), it is certainly due to the persistence of the confidence of habit amongst the investing public, coupled with an element of anticipation that Government would soon accept the strength of the industry's case for raising the rate of return.' Should events prove this 'anticipation' to have been wrong, then even the most favourably placed undertakings can be expected shortly to find that they have reached the point of impasse for the future."

MARKET REPORTS

(Concluded from page 137)

bottoms changed hands at Rs. 28-8, but Assam bottoms at Rs. 28 were lower by As. 8. *Bimli* f.a.q bottoms at Rs. 25, as were *tungli* bottoms at Rs. 25. On the other hand, Murshidabad bottoms declined to Rs. 25-8 from Rs. 26, and Orissa bottoms to Rs. 29 from Rs. 29-8.

SUGAR QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 19th *January*

Crystal sugar markets remained quiet to steady during the week under review. The sentiment at the ports was comparatively quieter, as the supplies position was satisfactory due to recurring imports. In the upcountry markets, traders complained of lack of stocks owing to railway loading difficulties.

In Uttar Pradesh and Bihar, the sugar industry is faced with serious trouble. The U.P. *Hind Kisan Panchayat* has been agitating for an increase in the sugarcane price from Re. 1-12 per maund. It has appealed to the peasants to stop supplying sugarcane to the mills from tomorrow if their demand was not met by the State Government.

The sugar import policy of the Government of India is on the anvil these days. Total imports last year came to 250,000 tons. The only indication given by the Centre so far has been that imports would not be halted so long as sugar shortage continued. So far, imports have been on Government's own account, but there are rumours that they may be handed over to private traders now. Domestic production has seemingly been given priority in distribution these days and imported stuff has been mostly confined to the ports and South India.

Local mill delivery quotations (per maund) are: Simchauli Rs. 30-12, Iaswant Rs. 30-12, Amroha Rs. 30-4, Bijnor Rs. 30-4, Sehora Rs. 30, Mansoorpur Rs. 31-12, Rohana Rs. 32 and Rampur Rs. 33.

The *gur* markets remained quietly steady with prices wavering within a narrow range. Lower prices attracted enlarged enquiry. There was slight increase in the market arrivals following the clearing of weather after the recent rains, but they were still below normal. There was good enquiry from importing areas.

Despatches from the local station were fairly good, but Meerut and Musaffarnagar complained of lack of similar facility. Although allotment for a larger number of wagons were received, actually few were made available for loading. Stocks have, therefore, accumulated there. Rajasthan has been an active buyer of *gur* at Hapur. Saurashtra and Madhya Bharat also drew some quantity. Meerut and Musaffarnagar had good enquiry from West Bengal and Assam which normally drew substantial quantities from Ankapalli during this part of the season. It is reported that arrivals of *gur* at Ankapalli this year are insufficient to meet the needs.

Pansera *gur* at Hapur is quoted at Rs. 15-3 and Balti at Rs. 16 per maund. Daily arrivals average 3,000 maunds. Local stocks are estimated at 20,000 maunds.

Forward trading in *gur* is being carried on in almost all surplus *gur* assembling markets of West Uttar Pradesh, Meerut, Musaffarnagar and Hapur in particular. Prices in the local market moved erratically on speculative manipulations stimulated by activities in the ready section. *Gur* fagan at Hapur is presently quoted at Rs. 15-7 per maund. The highest and the lowest levels touched during the week were Rs. 16-12 and Rs. 14-15½, respectively.

FOOD POSITION VERY SATISFACTORY

(From Our Own Correspondent)

HAPUR, 19th *January*

The overall food position in the country continued to be very satisfactory, although prices in most of the markets were well maintained. The Union Food Minister, Mr. R. A. Kidwai, has indicated that there will not be any need in future to import foodgrains from abroad. According to him, rice will be decontrolled after the Centre builds up a reserve stock of 1.5 million tons. The only thing preventing the decontrol of wheat is shortage of wagons. The Deputy Food Minister has stated that about 1.2 million tons of rice have been declared surplus by some of the States for the current year and this should be more than sufficient to meet the demands of the deficit States such as Bombay, Travancore-Cochin, Madras and West Bengal. If the price were favourable, the Centre may import some quantity of rice from Burma and Thailand to build up its reserve.

Free trading in coarse grains has been resumed in some of the States and will start in Bombay from the 21st inst. The actual movements of stocks from the surplus to the needy areas has, however not yet gathered any tempo. Nevertheless, the difference in prices between the despatching and the receiving markets is gradually narrowing down. There has been a general rise in wheat prices throughout North India resulting from transport bottleneck. The Central and the State Governments have taken note of this and steps are being taken to arrest the trend. The Punjab Government has decided to start distribution of wheat and *atta* in the non-rationed rural areas also. Similar steps have also been taken by the P.E.P.S.U. Government and fair price shops have been opened in all important towns. It is reliably understood that the Union Food Minister has persuaded the U.P. Government to reduce the price of wheat to Rs. 15-8 per maund in the near future. The Centre has already allowed the sale of imported wheat from Central storage depots directly to licensed dealers in West Bengal and Orissa without any quantitative limits. The Delhi State Government has decided to increase the quantity of wheat and *atta* from 9 ozs. to 12 ozs. for an adult per day. This has been done as a preliminary to the removal of all quantitative restrictions on all foodgrains obtained from ration depots and with a view to easing the food position in the State.

The supply position in regard to millets, maize, *juwar* and *bajra* is likely to improve in the needy areas very shortly, when movements of coarse grains outside Rajasthan gather momentum. It is learned that large stocks of millets purchased by traders from a number of States are awaiting transport. Despite moderate arrivals, coarse grain prices at Delhi remained firm and some of the quantity was re-exported from here to the needy markets in the country. The exporting centres are now diverting their supplies to far-off places in the South where prices are reported to be slightly higher. The movement of gram and its products from any place in Bihar to any other place outside the State within the Union of India is now free.

Current quotations (per maund) in the local market are: Wheat Rs. 17-8 to Rs. 19; gram Rs. 14-8; barley Rs. 11-6; *bejhar* Rs. 11-8; maize Rs. 13-3; *bajra* Rs. 12-4 to Rs. 13; *juwar* Rs. 9-8 to Rs. 11 and white Rs. 12-4; *guwar* Rs. 10-8, rice: *basmati* Rs. 30, sela Rs. 26, and coarse Rs. 19 to Rs. 20; peas Rs. 12; *arhar* Rs. 12

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,80,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	106	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	14,00,000	8,667	Bank of Bikaner	12½	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	6,30,253	Bank of India	154	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,00,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
80,00,000	15,00,000	35,324	Bank of Jaipur	19½	50	1 8	1 8	1 8	—	12	Y.
30,00,000	84,00,000	2,44,634	Bank of Mysore	287½	100	16 0	16 0	16 0	8 0(i)	12	Y.
39,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	19,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	5 0	5 0	5 0	—	12	Y.P.
8,42,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	611	25	3 8	3 8	3 8	0 12(i)	12	R.L.Y.
£2,42,375 'A'				165	25	3 8	3 8	3 8	0 12(i)		
30,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 8	2 2 0	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0	—	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,393	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	12	Y.
5,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,792½	500	80 0	80 0	80 0	10 0	6.12	R.L.H.
1,87,50,000				435	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				166	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	160	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
15,40,000				99	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,95,425	19,00,000	1,89,917	Indian Overseas Bank	95	100	6 0	6 0	6 0	—	.12	R.L.H.
6,25,000				73	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				39	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	21	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,830	Travancore Bank	12½	25	—	—	—	—	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	5-3½	5	0 3	0 5½	0 5½	0 5½	12	Y.
8,00,00,000	75,00,000	1,01,119	United Commercial Bank	42	50	2 0	2 0	2 0	—	12	H

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-0	45	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	67½	65	7†	6†	7†	3†	12	R.L.Y.
n.s. $20,000,000	n.s. $54,000,000	n.s. $9,469,174	Hongkong and Shanghai Banking Corporation	$95	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£3-0-3	£1	12†	12†	12†	—	12	R.L.Y.
£1,437,296				£1-7 0		5†	5†	5†	—	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24⅜	A £12½	12†	12†	14†	7†(i)	12	R.L.Y.
£300,000				£24⅜	B £12½	12	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£10	C £5	12†	12†	14†	7†(i)		
				£33	£12½	16†	16†	16†	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency. ††O.S. Currency (i) Interim *6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	99½	30th December .. 1950
10,00,000	6	1st August and 1st February	Ravulgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravulgaon Sugar (New)	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	103	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	30th May and 30th November	Bengal Nagpur	99½	15th November .. 1956(e)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72
13,68,000	5½		Jaysheree Textiles	79½	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	 1966-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June .. 1960
98,28,000	6	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	102½	1st January .. 1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	88	31st December .. 1970
15,00,000	5	1st January and 1st July	Sinha (Jherriah) Electric Supply Co., Ltd.	96	30th June .. 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	97	 1955-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1956
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	 1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,13,000	4	1st April and 1st October	Tata Power	104½	15th September .. 1951-55(i)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1965-70
ENGINEERING					
8,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December .. 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June .. 1958
80,00,000	3½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1st July .. 1957-62
41,83,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£96	31st December .. 1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	95	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1956
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1953
10,00,000	6	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	30th June .. 1966
8,86,000	3	30th June and 31st December	Empire	95	15th July .. 1958
25,00,000	4½	1st January and 1st July	Hukumchand	92½	30th June .. 1953
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	4½	31st March and 30th September	Naskarpore Jute Mills Co., Ltd.	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
4,00,000	6	30th June and 31st December	Presidency	37	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
11,00,000	5½	30th June and 31st December	Union	97	30th June .. 1957(d)
11,00,000	5½	31st January and 31st July	Waverley	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	6	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86
£350,000	4½	1st January and 1st July		1900	£60§N 1st July .. 1956
			Calcutta Tramways		A 110½ at any time on 6 months' notice or at par or every seventh year.
£201 067	5	1st April and 1st October		1933	£77§N 1st October .. 1974
6 50 000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90§ 31st December .. 1959
£200 00 0	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85§N
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	513	1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	505	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony	520	30th June .. 1954-59
9,00,000	5	31st March 30th September	Perakamalai	502§	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(f)
11,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
8,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	79½	 1960
8,30 00 000	5	1st January and 1st July	Dunlop Rubber	102½	1st January .. 1971
20 00 000	5	15th March and 15th September	Mettur Chemical Industries	94	 1961
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	30th September .. 1976
45 00 000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	410 (per note)	31st December .. 1972
75 00 000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	93	31st March .. 1961
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	84½	31st December .. 1959
4 00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd	103½	1st May .. 1968

Note—See page 146 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st January, 1954.

	Closing quotations 14-1-'54	High	Low	Closing quotations 21-1-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	154§	154½	154½
Bank of Baroda (50)	107½	108	106	106½
Central (25)	64½	64	61½	62
Central 'A' (25)	66§	67§	65½	65½
Imperial (F.Pd.) (500)	1,833	1,835cd	1,790xd	1,790xd
Imperial (F.Pd.) (125)	443§	443§cd	432§xd	435xd
Union Bank (5)	6⅛	6 9/16	6 3/16	6⅛
United Com. (50)	42	42½	42	42§
SOTTON MILLS				
Ahm. Adv. (100)	141§	—	—	141§
Apollo (2)	2-9½	2§	2§	2-11½
Bombay Dyeing (250)	391§	412½	395	410
Central India (100)	180	187	181	186½
Century Mills (100)	285	292½	285	293
Calabs (100)	65	—	—	65
Edward Textile (200)	257½	—	—	237½
Elphinstone (50)	40	40§	40	40§
Finlay (100)	257	267	258	266
Gokak (100)	243½	258	244	255
Ind. Unit. Dwld. (1)	1§	1-10§	1§	1-10§
Ind. Unit. Ord. (10)	11-3§	11§	11-3§	11-8§
Indore Malwa (100)	96½	101§	96½	101½
Khatau (100)	191§	195	191§	192§
Kohinoor (100)	296½	310	295§	309
Lakshmi (250)	540	550	545	550
Madhusudhan (100)	89	—	—	89
B. R. Cotton Mills (100)	47	—	—	47
Minerva Mills (100)	92	101	92	101
Model Nagpur (250)	141§	—	—	141§
Morarji (100)	187§	192§	191§	192§
Mysore (50)	146§	157§	146§	157§
New City (100)	170	175	170	175
New Great (100)	170	175	170	174
New Union (10)	26	26§	26	26§
Phenix (100)	121§	—	—	121§
Podar Mills (100)	131§	137§	131§	137§
Rasoon Bik (10)	19	—	—	19
Rasoon Spg. (10)	28	30§	28	30§
Shahpur (1 000)	1,425	1,520	1,440	1,520
Shrinivas (100)	173§	173§	172§	172§
Simplex (50)	152§	153cd	148§xd	151xd
Standard (100)	312§	330	313§	327§
Svadeshi (100)	270	283§	270	282
Swan (100)	335	341§	336§	314§
Tata Mf. (25)	51	54§	51	54§
Vishnu (100)	140	145	140	143§
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	112⅞	114§	111§	114§
Amalgamated (10)	12§	—	—	11§
Andhra Valley (1,000)	1,235	1,262½	1,233§	1,262½
Bom. Sub-Bl. (100)	123§	123§	121§	123
Surat (100)	130	131§	130	130
Tata Hydro (100)	136	136	135§	136
Tata Power (1,000)	1,335	1,362½	1,330	1,362½
INSURANCE COS.				
British India (10)	13§	—	—	13§
Empire of India (100)	625	—	—	625
Ind. Mercantile (20	37§	38	37§	38
Jupiter (15)	6§	—	—	6§
New India (15)	40	40§	39§	39§
Oriental (200)	7 235	—	—	1,737
Universe (10)	8§	9§	8§	9§
Vulcan (10)	11§	—	—	11§
STEAMER COS.				
Selindia (15)	15-10§	16§	15§	16
STEEL COS.				
Ind. Iron (10)	25-4§	26-5§	25-4§	26§
Tata Steel Defd. (30)	2,011§	2,082½	2,012§	2,077½
Tata Steel Ord. (75)	341§	353§	341§	352§
MISCELLANEOUS				
Alcock Ashdown (100)	332§	335	328§	333§
Associated Cis. (100)	169§	185§cd	173§xd	174xd
Belapur Sugar (5)	245§	255	245§	253§
Bom. Burmah (125)	377§	391§	376§	386§
Do. (New) (50)	132§	143§	135	142§
Br. B. Petrol (4 sh.)	2-4§	2-5	2-4§	2-5
Br. I. Corpn. (5)	2 3/16	2 3/16	2 3/16	2-1/16
Indian Copper (2 sh.)	2-1½	2-1§	2-1§	2-1§
Ind. Inv. Tr. (100)	74½	—	—	74-8
Kemp (200)	261§	—	—	261§
Killicks (100)	257	258	254	255
Killick (75)	157§	158	157§	157§
National Rayons (100)	143§	—	—	132§
Pakistan Sugar (50)	101§	150	140	140
Port Canning (100)	115	115	102§	114§
Premier Cos. (30)	25	25	24§	25
Shirmpur (10)	114§	119	114§	118§
Tata Chemicals (10	72§	74§	72§	74§
Tata Of (25)	11⅛	11⅛	11-4§	11⅛
Walchand Ind. (100	32§	32§	30	30
W. I. Match (100)	162§	175	162§	172§
	200	207§	200	207§

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	98⅜	3 48	—	99
2½% 1955	98§	3 47	—	99§
2½% 1956	99	3 47	—	99½
2½% 1960	97§	3 87	—	98
2½% 1962	97§	3 88	—	97§
2½% 1964	97§	3 96	—	97½
3 % 1957	98	3 47	—	98
3 % 1958	98⅛	3 46	—	98⅛
3 % 1959-61	96⅛	3 58	3.77	96§
3 % 1964	92⅜	3 87	—	92⅜
3 % 1963 65	92§	3 81	3 93	92§
3 % 1966-68	90§	3 88	3 98	90½
3 % 1970-73	86⅜	3 93	4 12	86⅜
3 % 1986 Con. Loan	82§	3 64	—	82§
3½% 1954-59*	100	3 45	3 32	100⅛
4 % 1960 70	101⅛	3 86	3 70	101⅛
4½% 1955-60	102⅜	4 02	2 76	102⅜
4½% 1958-68*	105	4 04	3.27	105
3½% 1961 N.P. Bonds	98§	3 67	—	98§

BRITISH GOVERNMENT SECURITIES	13-1-'54 £	High £	Low £	20-1-'54 £
2½% Brit. Consols	64§	64§	64	64
3 % Savings Bonds 1965-75	87⅜	88§	87§	87⅜
3½% War Loan 1955-59	102§	102§	102⅜	102⅜
3½% War Loan 1952	84⅜	84⅜	84§	84§
3½% Brit. Iron and Steel 1976-78	99§	92§	92§	92§
4 % Funding Loan 1960-90	101⅛	101§	101⅛	101⅛

x.d.=Ex-dividend * Rupee Counterparts.

COMMERCE

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

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FROM ONE FALSE STEP TO ANOTHER

THE irrational sugar policy adopted by the Government of India has started yielding bitter sweets. The fundamental defect of the Government's policy has been the pampering of sugarcane growers in Uttar Pradesh and Bihar, with the object of getting the peasants' support for the Congress. Two years ago, the Government of India realised that it was high time the consumer's interest was safeguarded. The price of cane was accordingly reduced from Re. 1-12 to Re. 1-5 per maund. But pressure from the U.P. Government forced the Centre to raise the price again, albeit by a fraction, to Re. 1-7 per maund for the current season. At the same time, the Centre stated that the same price would be maintained for the 1954-55 season as well, so that cane growers might know before they planted it. It is common knowledge that, when this upward revision was made in September last, the U.P. interests were not fully satisfied. Like Oliver Twist, they wanted more. The Centre, however, was adamant and refused to budge an inch. On the contrary, Mr. Rafi Ahmed Kidwai, under whose portfolio of Food and Agriculture sugar and sugarcane fall, told us, in reply to our criticism that the consumer had had a raw deal, that, under his revised policy of stabilising the price of sugarcane by announcing the minimum price of cane well in advance of sowing time, he would reduce the price of cane for the 1955-56 season before the commencement of planting for that season. The latest developments reveal that Mr. Kidwai had underestimated the power of U.P. cane growers and that, instead of a downward revision of cane prices, there might well be an upward revision, as we had then feared. The U.P. cane growers seem to have not only the appetite of Oliver Twist but also the tenacity for getting what they want. It would appear that Mr. Kidwai is unable to resist their demand. This is not surprising, because of the inherent defects in his sugar policy. It is again a case of one false step leading to another.

The cane growers in Uttar Pradesh have, in a body, demanded that the so-called minimum price of sugarcane should be raised from Re. 1-7 to Re. 1-12 per maund. They have threatened, through their co-operative marketing federation, to stop supplies of cane to the factories from Monday next (1st February), if their demand is not conceded. In the course of a resolution adopted to this effect a few days ago, the U.P. Sugarcane Growers' Co-operative Federation declared:

> "The Federation had made an appeal to the factories for increasing the price of sugarcane, but the appeal has gone unheeded. Though the fair price of sugar for this season has been determined as Rs. 27 per maund, nowhere is it possible to get sugar at lower than Rs. 30 per maund and, in many places, it is being sold as dear as Rs. 35 per maund. In the last season, too, sugar had been sold at Rs. 35 per maund, while the cane price had been fixed at Re. 1-5 per maund. In this manner, the growers have been deprived of crores of rupees legitimately due to them. The agricultural income-tax, increase in irrigation rates and increase in the prices of day-to-day necessaries, combined with the heavy reduction in cane price, have affected the economy of growers. In order to increase the purchasing power in villages, it is necessary to increase the cane price. It is not possible for the growers to wait any longer. If the increase in cane price is not effected by 31st January, the cane unions would stop supplies to factories from 1st February."

This move of the Federation constitutes a serious threat not only to the economy of the sugar industry in U.P. but to the consumers of sugar all over India, as U.P. accounts for more than 50 per cent. of India's total sugar production. How united the U.P. cane growers are will be evident from the fact that the Federation has a membership of nearly 1.4 million cane growers, representing 272 co-operative unions in the 25 districts of the State. The aggregate quantity of cane supplied by this body to the sugar mills, amounting to about 195 million maunds, forms as much as 91 per cent. of the total cane crushed by the factories.

According to reports published in the Lucknow daily Press, the foregoing demand is the result of agitation fomented by the Praja-Socialist Party, to which even a few Congressmen are said to have extended their support. Whoever might have initiated the movement, the case made out by the cane growers is well-reasoned, logical, in the light of the Government's policy, and no impartial observer can find fault with it. The price of Re. 1-7 per maund is described as the minimum. Mark our words; it is not we who say that it is the minimum, but the Government. If that is the minimum and if on that basis, the fair price for sugar is Rs. 27 per maund, then, when the price of sugar realised by the factories goes above that level and stays at that level for months together with no signs of falling in the foreseeable future, how can one expect the farmer to be satisfied with a price of Re. 1-7 per maund for his produce? The cane growers in U.P. and Bihar are no longer an ignorant lot. They are well organised and led, evidently by persons who are shrewd. They cannot be bluffed. Further, they have all along been pampered by the Party in power and have become the spoilt children of Indian agriculture. Now, the political parties in opposition are apparently trying to win the support of cane growers by adopting the same tactics followed by the Congress, namely, to secure higher and still higher prices for sugarcane. Naturally, the Congress Party cannot sit back with folded hands and see its supporters being won over by its opponents. It has, therefore, got to support the cane growers and it is no wonder that Mr. Kidwai could not resist the pressure and has had to find a compromise in favour of the growers. This is the result of allowing political considerations to influence decisions on purely economic issues.

Even at the time when the minimum price was fixed at Re. 1-7 per maund, the industry, instead of meekly accepting it, ought to have protested against fixing the minimum price at a level which is high enough to be called the maximum. But, strangely enough, some of the sugar manufacturers themselves said that the price of cane should be raised to Re. 1-12, on the score that Re. 1-7 was not adequate to encourage production of more cane. Evidently, they did not have the foresight to envisage what was likely to happen later. They should have realised that, after all, a minimum price is a minimum. It does imply that the farmer can ask for a higher price, if he so chooses and that a factory, too, can offer more, if it wishes to do so. Now the farmer wants more and he justifies that demand by saying that the factories are realising, on the sale of their sugar, much more than what they had accepted as fair price, and further, that the taxes he has to pay have been stepped up. Thus, the logic of his demand is sound. And he has a machinery through which he can make himself felt. The Co-operative Movement has come in quite handy for this purpose. All growers have joined together, because they know now that in unity lies strength. Incidentally, the Co-operative Movement was meant to safeguard the interests of growers, by preventing exploiting manufacturers and middlemen. But, in this case, it is being utilised by growers to fleece the consumer. Herein lies a new danger. One of the grounds on which Mr. Kidwai refused to abolish the minimum price for cane was his impression that cane growers were weak and would not be able to resist the attempts of factories to beat down the price of cane. It would now appear that he was very much mistaken.

The sugar factory owners, for their part, can argue that there is no ceiling on the price of their manufacture, that it is no concern of the cane growers whether they get a higher price or not for their sugar, that they are under no obligation to pay anything more than Re. 1-7 per maund, that just as the cane growers have the right to get together in order to hold a pistol against them, they, too, have the right to unite together and refuse to pay a pie more than the so-called minimum price, and that, since cane growers would not be willing to share the loss, if any, they have no right to ask for a share in the profit. Thus, the tug-of-war between the raw material producer and the processor of such material can go on, to be settled ultimately by the law of strength. Or, alternatively, the cane growers and factory owners may hit upon a mutually agreed solution, according to which each factory may agree to pay a higher price, based on the price it realises on its sugar.

But both the solutions have a drawback, in that they do not take into account the consumer's interest. The first solution may mean loss of production for some days, if not weeks, which may bring about a perceptible short-supply in, and, consequently, higher prices for, sugar. The second solution may mean the producer and the processor of sugarcane combining together and holding the consumer to ransom. The consumer can, of course, be protected against these eventualities by allowing liberal imports of sugar either freely or through State regulation, in case it is felt that unregulated imports of cheap sugar would inflict serious injury on the sugar industry and thereby endanger the long-range interests of the consumer himself.

Current reports have it that, instead of following this course, the Government proposes to

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pursue its policy of appeasing the cane grower. Thus, the latest position is that, while the factories in U.P. have refused to yield to the threat of the cane growers, Mr. Kidwai has decided to intervene. While he is unwilling to raise the minimum price of sugarcane, he is trying to evolve a scheme, whereby the cane grower would get a part of the extra price realised by the factories over and above the fair prices. This is undoubtedly a wrong step, in that it ignores the interests of the consumer and may have unhealthy repercussions on the other sectors of our economy, as we shall presently show.

The present embarrassing situation would not have arisen, if the Government's sugar policy had not been a bundle of inconsistencies. Surely, it was wrong on the part of the Government to have retained the price control on sugarcane after having removed the control on the price of sugar. If the Government had the courage to accept the suggestion of this journal, the present impasse in U.P. would probably not have arisen. Our suggestion was that the Government should remove all controls on sugar and sugarcane and regulate sugar prices through imports, as conditions in international markets were (and are even now) favourable for doing so. In order to ensure that free imports did not cause any undue hardship to cane growers and the sugar industry, we suggested that the import duty should be so fixed as to give a reasonable amount of protection to producers of both. The adoption of this policy would pave the way for the development of the sugar industry on sound economic lines. The price of sugarcane, for instance, would be determined on the basis of its quality which, in turn, would eliminate inefficient and uneconomic growing of sugarcane. It is only this policy that can ensure justice to consumers of sugar and prevent waste in the utilisation of the country's natural resources.

An alternative, but less satisfactory, method would be to fix the minimum price of cane at a level which, in a poor country like India, would ensure nothing more than a bare subsistence income to producers and which would leave some scope for prices to be paid according to quality. The object of minimum price it needs to be emphasised here, should not be confused with that of a fair price which would enable the farmer not only to have a decent standard of living but also to set aside something for a rainy day or for spending on luxuries. The minimum price would operate only when a depression sets in. In normal times, the actual price realised would be well above the minimum, such being determined by the quality of cane and other economic factors. The chances of excessive growing of sugarcane, and hence of prices declining to the bottom, can be prevented by a broad regulation of the acreage under cane.

As mentioned by us at the outset, the demand of U.P. sugarcane growers is logical, nay, even understandable, having regard to human nature. But that does not mean that the demand is either just or economically desirable. The so-called minimum price of Re. 1-7 is no minimum price but a fancy price. It is not justified either by the quality of sugarcane grown in U.P. and Bihar or by the return available on the competing crops. It provides for a generous return to the grower at the cost of the consumer not only in these two States but also in other States. The rate of Re. 1-7 itself represents an increase of 9.5 per cent. in the price of cane, as compared with that allowed in the 1952-53 season, which has nullified the advantage the consumer derived through the abolition of the special excise duty of Re. 1 per maund of sugar imposed in the past season. If the present demand of sugarcane growers were to be conceded, it would mean a further rise of 21.7 per cent. in the price of cane, or a total increase of 33 per cent. over the 1952-53 season rate, in striking contrast to the generally lower level of prices of other competing agricultural crops. Surely, the sugarcane grower does not deserve this increase. If conceded, it would encourage others to ask for more and amount to giving an inflationary twist to the economic trends in the country which are already tending towards that direction, once again. An increase in the price of cane, either through raising the minimum level or through a share in the extra profit earned by sugar mills, will lead to a rise in the prices of wheat and other foodgrains, thus reviving the vicious spiral of prices and wages chasing each other. Even as it is, the workers in some of the U.P. factories are asking for more wages and additional amenities. If the authorities bow to the growers now, as has been proposed by Mr. Kidwai, they cannot help doing the same to workers.

The solution to the present situation in U.P., therefore, lies in firmly dismissing the demand of growers. The authorities should explain the situation to cane growers and try to persuade them to be content with the present handsome price of Re. 1-7 per maund. If persuasion fails, they should leave the matter to be settled by the factories themselves. But, at the same time, they should import more sugar and sell it at substantially lower prices than now, so that the factories may not be attempted to pay more for cane growers and pass on the incidence to consumers. In fact, the Government should straightaway announce that it will allow further imports of foreign sugar and that such sugar will be sold at a price which will be low enough to compel the factories to mark down their selling prices. Further, the Government should avail itself of this opportunity to announce that the system of minimum prices for cane will not be in force from the next season onwards. Clearly, it is high time the present policy of pampering the sugarcane grower was dropped; we do not see any reason why, of all the agricultural producers, the sugarcane producer alone should receive such favoured treatment as the one he is getting at present. The abolition of the system of minimum price will do him no great harm, for, besides the general expansion that has taken place in the consumption of sugar, the prohibition policy of some of the State Governments provides him a substantial protection against falling prices by assuring an expanding market for gur. Indeed, this protection is so strong that it has now become necessary to provide counter-protection for the consumer of white sugar against excessive price.

PRIVATE ENTERPRISE

FOLLOWING the recent meeting of prominent industrialists in Bombay, called by Mr. H. P. Mody, there is evidence of some hard thinking going on amongst those who participated in these deliberations. Mr. Dharamsey M. Khatau's address to the shareholders at the last annual general meeting of the Associated Cement Companies, Ltd., gave an indication of the present mood and the new spirit that enlivens the thoughts of those associated with the management of industry. Mr. Khatau not only expressed the agony from which private enterprise suffers from being slighted and threatened at every turn, but also gave an indication of the search for lines of constructive contribution to the nation's economic effort by fitting itself in the new industrial set-up, in which the minds of those prominent in the private sector are at present engaged. Some further elucidation as to what was actually discussed and generally accepted at this important gathering in Bombay was forthcoming from Mr. M. R. Masani of the House of Tatas, which obviously has taken a lead in bringing about a new orientation in the attitude of private enterprise, in his speech at the Rotary Club of Hyderabad last week.

Mr. Masani wants accredited spokesmen of enlightened free enterprise to create a congenial climate by coming forward with what he called a Charter or Declaration of Faith, based on a policy of "clean hands" and "nation first," with an avowal of their readiness to live by it in a spirit of trusteeship of wealth, as preached by Mahatma Gandhi throughout his life. Mr. Masani is one of those who took part in the meeting called by Mr. Mody. Specifically welcoming this move on the part of private enterprise to prepare and present its case to the public at large, Mr. Masani says that, if industry were to be protected from further encroachments, it could be secured only by the co-operation of those engaged in industry and the sovereign people. Mr. Masani, in spite of his avowed socialistic leanings and personal affiliation to this school of thought, at least as an intellectual, has no hesitation in admitting that free enterprise is alive and kicking and that it refuses to become an anachronism. On the other hand, he is equally prepared to admit that not everything in this garden is rosy and quotes, in support of this view, Mr. Mody's emphatic denunciation, at the last annual general meeting of the Employers' Federation in Bombay, of those who were out to exploit by every means they could the undertakings of which they had acquired control and his (Mr. Mody's) declaration that good industrialists would have no truck with such people.

Mr. Masani's analysis of the basic facts of the country's industrial life today, if not altogether scientific, is workable and, to that extent, satisfactory. The basic facts include, according to him, first a discontented labour force, which does not understand the wide inequalities it sees, and which, in its keenness to secure a larger slice of the industrial cake, has failed to realise that, unless the size of the cake is first increased, there will be precious little to divide; secondly, the employers, who, being constantly abused by politicians of all parties, have become so sick at heart, at being burdened and shackled as anti-social elements, that their capacity for securing industrial expansion and contributing finance for nation-building activities has been impaired; and, thirdly, the Government, whose policy of mixed economy in the country's interests has led to developments threatening to disturb the delicate balance between the private sector and State enterprise to an extent, where it imperils the very functioning of private enterprise.

Mr. Masani puts two questions as arising from this analysis and tries also to answer them. He first asks whether free enterprise has still got a valued role to play in the future. His answer is, of course, in the affirmative and there can be no difference of opinion with this view. He thinks that the trend of world thought in recent years has been veering away from the dogma of State ownership and management and, in support of this, he points to the results of the general elections in Germany, Japan, the U.S.A., and the United Kingdom, as indicating a swing of the pendulum away from nationalisation. He finds further support for his view from the fact of the Trade Union Congress in Britain, guided by the experience gained so far, having refused to be committed to a fresh advance in this direction. To its detractors here, Mr. Masani pertinently points out the fact that it is the free enterprise that has given this country its present industrial structure and that, even in the last few years, the index of industrial production has been rising steadily.

The second question raised by him is: "If a continuation of the mixed economy is desired, in what way can an appropriate climate be created for its effective functioning?" It is when he attempts to answer this poser that Mr. Masani fumbles and fails to be convincing. His vague, undefined and impracticable panacea of a new approach to the problem in industry on the lines of the *Bhoodan Yagna* movement of Acharya Vinoba Bhave for the solution of the land problem, is, in the first place, not easily applicable in this field—one cannot give away a part of the productive machinery and buildings as an offering—and, secondly, it may not be acceptable to the general body of industrialists and shareholders. At the same time, Mr. Masani's belief that the challenge which faces both the have-nots, whom he calls, in a fit of sentimentalism, the "dispossessed," and those who control the instruments of production can be met, deserves to be supported. But the country, in general, and those elements which today stand apart and frown at each other, in particular, will have to go through some more hard thinking before a reasonable and generally acceptable approach to resolve the present ideological differences is discovered.

Mr. Masani, however, is right in holding that the bold lead taken by Mr. Jayaprakash Narayan, the Socialist leader, in telling the workers in unequivocal terms that they could improve their condition, only if organised labour was prepared to take joint responsibility for increased production, is an encouraging sign and augurs well for the future, as tending to bridge the gulf from the other end. The industrialists have been making sacrifices under pressure or compulsion; they are now in a realistic mood of making more sacrifices and that voluntarily, though not willingly, if they are treated better and allowed enough elbow room in the field of management. Indeed, even today, there are, in the private sector, some who are imbued by a new spirit, which is not confined to profits and incentives alone. If evidence of this is needed, one has only to look up the speech of Mr. J. R. D. Tata, delivered at the last annual meeting of the Tata Iron and Steel Co., Ltd., in which he candidly admitted the necessity for instilling "in the private sector a sense of trusteeship as advocated by Mahatma Gandhi." In such a situation as this, if leaders of the status and standing of Mr. Narayan were to prevail upon workers to be reasonable, to take a long view and be prepared at least to reduce their demands to what industry can bear, if not to make some sacrifice, at the same time helping in building up efficiency and raising production, the wide gaping chasm which keeps them asunder could be filled or bridged. But before this can happen, the Government, too, will have to cast away its fetish of false prestige and give up its pet fads, as well as mere vote-catching legislative activities.

KETTLEWELL BULLEN TRANSFER DEAL NOT APPROVED BY GOVERNMENT

SHARP RISE IN MONEY SUPPLY—RANDALL COMMISSION'S REPORT

THURSDAY, 5 P.M.

THERE has been no fundamental change in the trend of equities since we discussed it in these columns last week. The undertone of all the share markets continues to be strong and values are generally higher than those a week ago. The closing rates are, of course, not the highest for the week, but this is only natural, considering that there has been a substantial increase in recent days. There has been some profit-taking, but the offerings have been easily absorbed. Keen interest is being evinced in cotton textiles, while selective buying is the feature of miscellaneous industrials. Steel shares have, once again, been the cynosure of speculators, with a handsome advance in Indian Irons, which have crossed the limit of Rs. 28. Tata Deferreds have established a new high for recent years by piercing through the level of Rs. 2,100. Tata Ordinaries have caught the fancy of operators and are being well held at Rs. 360, despite sizable profit-taking. It looks as though the investor's idea of yield on this scrip is undergoing a distinct change in the downward direction. Hitherto, a yield of 6 to 6.5 per cent., free of tax, on the shares of T.I.S.Co. was considered to be the safe limit. But now investors and dealers seem to be prepared to be content with a yield of 5.5 to 5 per cent. For this change of attitude, the Conversion scheme is mainly responsible. When the Deferreds go off the list, the speculative risk in Tata Ordinary shares will be greatly reduced, thereby obviating the need for allowing a special margin in the yield for this risk. Although Tata Ordinaries will continue to be a leading counter even after the schemes for conversion and capitalisation of reserves are put through, they will not be so highly vulnerable to speculators' caprices as the Deferreds.

MARKET GOSSIP

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The bullion and commodity markets also continue to display bullish fervour, though such is not as strong as it was a week or fortnight ago. In bullion, silver has registered a further hardening, while gold is a shade quiet. Among some gain, while gold is a shade quiet. Among commodities, oilseeds are fractionally lower, following profit-taking by a section of bulls. It is too early to say from this development whether this is the beginning of the end of the 2½-month-old upward trend, or a temporary pause, though one would heartily wish that it were the former. There are, however, reports in market circles that a substantial amount of hoarding has been taking place, especially in groundnuts, in expectation of inflation. In cotton, the week has seen further advance in prices. Although, in the futures section, the contract rates are some 90 points below the ceiling, in the ready section, prices of several varieties are very near their ceilings. So far, none of them has touched, much less pierced, the ceiling. Nevertheless, the Textile Commissioner did well in addressing a stern reminder to the market that ceilings were still in force and that contraventions of the Cotton Control Order would be taken serious notice of. This warning has led to a certain measure of caution among operators. It is likely to induce the merchants to sell their cottons at the ceiling prices, as the advantages of holding on to their stocks are practically nothing. While one cannot completely rule out the possibility of dishonest deals taking place above the ceilings, it will not pay, generally speaking, to retain one's holdings in expectation of making something on the sly.

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In view of the inflationary psychology prevailing in all the markets at present, several readers have written to us asking for an indication of the extent to which money supply has increased in the current busy season. Our calculation shows that between 26th September, 1953 and 15th January, 1954, the last date for which complete figures are available, the total money supply has gone up by Rs. 85.89 crores, as against only Rs. 7.55 crores in the corresponding period of the previous year. A breakdown of this figure reveals that, while the currency with the public has expanded by Rs. 87.19 crores, as against Rs. 24.77 crores, the deposit money has declined by Rs. 1.30 crores, as against Rs. 17.22 crores. It will be noted from these figures that, so far during the current season, the expansion in money supply has been far greater than in the same period of the previous season. This is partly due to decontrol of many commodities and goods and partly due to an increase in Government expenditure. It may be mentioned here that, during the period under review, the Central Government's balances with the Reserve Bank have declined by Rs. 38.66 crores, whereas, in the corresponding period of last year, they had actually increased by Rs. 27.69 crores.

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While a certain amount of inflation cannot be avoided when a country tries to implement a huge programme for rapid development of its economy, it is easy to exaggerate the inflationary consequences. That India has decided upon deficit financing is well known, but it is rather premature to say what would be the size of this uncovered expenditure. Be that as it may, market men should not indulge in wild guesses. In this connection, they will do well to read with care the observations of Mr. C. D. Deshmukh, made in the course of his addresses at Madras early this week and referred to elsewhere in this issue. It will be noted, therefrom, that Mr. Deshmukh will take all precautions to see that deficit financing is not carried to such an extent or in such a manner as to affect adversely the fundamental structure of the country's economy. Speculators and hoarders should also bear in mind that the Finance Minister may one day come down on them, if they carried their activities too far and made his position uncomfortable. Surely, he is not going to resort to the device of created money merely to help them line their pockets.

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The Central Government is reported to have denied permission for the sale of a well-known British Managing Agency house of Calcutta, namely, Messrs. Kettlewell Bullen & Co., Ltd., to Indian interests. It would appear that the controlling interest in the Company was publicly offered to Indian buyers, and a certain bid, though not the highest, was accepted by the present management. Now that the Government has acquired powers to approve or reject such a transaction, it is reported to have utilised these powers in order to stop the contemplated sale. In this connection, it may be recalled that the Government issued an Ordinance, in July, 1951, which provided for prior approval by the Government for any change in the controlling interest of a company. It is not clear on what grounds the Government has taken this somewhat unprecedented step. One report has it that the reason given was that the price was too high. Another report has it that the Government insisted that 75 per cent. of the shareholders of the companies, for which Kettlewell Bullens are the managing agents, should also approve of the transaction.

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The Government's action has caused considerable resentment in the financial Press in London. It is asked whether this action does not run counter to the Government of India's assurances to foreign investors that their capital would be allowed to be repatriated. Again, it is asked whether this does not mean that the Government is prepared to allow a transaction to take place only when the price agrees with its own ideas of a correct price. In any case, since the matter affects all foreign interests in India and raises issues of far-reaching significance to the future of foreign investment in this country, the Government should clarify the position and state the grounds on which the permission for the deal was refused.

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One possible explanation is that the Government must have taken into account the sorry state of affairs in many a company, the management of which has changed hands in recent years from foreign to Indian. Many instances might be quoted to show how the once well-managed companies have become cesspools of corruption after their ownership passed into Indian hands. What happens in such cases is that a fabulous price is often paid for acquiring interest in the concerned companies. Since it is difficult to get an adequate return on such a large outlay through fair means, the new management is tempted to resort to foul means to get an adequate return. It must be remembered, in this connection, that the change in the ownership of the managing agency firm implies not merely the change in the ownership of that particular firm, but in the management of a host of other concerns for which that firm holds the managing agency. Thus, the change affects the fortunes of lakhs of shareholders of not only the managing agency firm but also those of all the managed companies. The result is that the interests of hundreds of innocent shareholders, not to mention the employees, are jeopardised. Experience has shown that, invariably, these shareholders suffer a loss in the intrinsic value of their holdings and also in the periodical return on their capital. Foreign managing agency firms will, therefore, do well to take care that, when they sell their interests, they do so after making sure that the purchasers are not merely men of resources but also of commercial integrity and experience, who can be expected to maintain the reputation of the companies under their management for efficiency and sound administration. They owe it both to themselves, and to the country of their adoption, to see that the concerns which they have built up with great care and devotion, pass into the hands of really capable and honest men.

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Among the countries which have recently shown an interest in investing their capital in India, Japan is one. Japan is reported to be seeking a loan of $25 million from the World Bank as a contribution to a proposed expenditure of some $50 million in developing South-East Asia's natural resources. The plan is to increase the output of crude salt, bauxite, iron ore, coking coal and copper ore in the South-East Asian countries; this would lessen Japan's dependence on the dollar area. The mineral output of these countries would be developed with the help of Japanese equipment and technical advice. It is estimated that Japan would then be able to save about $160 to $170 million in its dollar expenditure. Under this plan, Japan will invest $3.3 million in an aggregate development fund of $5.4 million in the Philippines, Siam, Indonesia and India for the development of salt resources. It will provide, under the plan, $5.7 million out of a total investment of $23 million for developing iron ore mines in Hongkong, the Philippines and in Bihar and Orissa. The plan also includes investment of $14 million for the development of coal mines in Formosa and Borneo and $845,000 for development of copper ore mines in the Philippines.

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Few reports have been awaited with such expectation as the Randall Commission's Report released last week-end. The Commission appointed by the U.S. President, Mr. Eisenhower, in August last, consisted of Presidential nominees and representatives of the Congress. It was authorised to indicate the pattern for American foreign economic policy. It was, indeed, a heavy responsibility, for, apart from the fact that such a policy is as much a political as an economic issue, it involves in the case of the U.S., an acknowledged leader of the free world to-day, questions of deeper international significance. That the Report was awaited with interest should, therefore, occasion little surprise. Whether the Report, now that its contents have been known, was worth waiting for may be a debatable question. It is arguable that some of its significant recommendations embody no novel feature, not known before. Nevertheless, that a Commission of this kind should have made them does add to the significance of the recommendations.

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Broadly, the Commission's recommendations fall into three groups—agriculture, trade and investment policy, and convertibility of currencies. This is a division made only for the sake of convenience, for it is impossible to contain the effects of any particular recommendation within the confines of any single economic sphere. The Commission's recommendations on American farm policy are in accord with the known predilections of the Republican party, and in line with the President's observations on this policy in his recent "State of the Union" message to the Congress. The Commission thus emphasises that "inflexible" price-support programme, which hold domestic prices above world prices, result in accumulations of surpluses that would otherwise have moved into consumption within the country or abroad. They breed, it is stated, fixed prices, open or concealed export subsidies, import quotas at home and abroad, excessive use of tariffs in the U.S. and in other countries, exchange restrictions and State trading. The Commission, therefore, urges the elimination of these price-support devices "as rapidly as feasible". But any revolutionary departure from price-support progammes, as anyone conversant with American politics knows, is a serious party issue, not to be lightly dealt with. Perhaps, the new flexible price support policy, now recommended by the U.S. President to the Congress, is as far as the Republican Party can be expected to go, without running the serious risk of losing the "farm vote."

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The Commission is probably conscious that it is treading on controversial ground when it deals with the U.S. tariff policy. Its recommendations steer clear of the plea, made by several non-American countries, for freer trade and a sizable reduction in tariffs, and of the opposition of the ultra-protectionist group in the U.S. to any lowering of the tariff walls. It is a concession to the latter group when the Commission declares that "free trade is not possible under the conditions facing the U.S. today." This view is based upon the consideration that many U.S. tariffs are low—although many are high—and more than half the U.S. imports enter free of duty. Nevertheless, a number of valuable, though cautious, recommendations has been made in the interest of the expansion of world trade. Among those recommendations are proposals to extend the U.S. Reciprocal Trade Agreement programme for at least three years, with presidential authority to reduce any existing tariff rate by as much as five per cent. in each of the years, to relax the so-called "Buy-American" Act to give foreign companies greater facilities in bidding for U.S. contracts and to simplify the U.S. customs procedure. Three other notable recommendations are: (1) the Tariff Commission should be asked to frame proposals for the simplification of commodity definitions and rate structures, (2) the President should be authorised, with or without receiving reciprocal concessions, to reduce tariffs by not more than one-half of the rates in effect in 1945 on products which are not being imported or imported only in negligible quantities; and (3) East-West trade, and trade with China and North Korea should be promoted in so far as it could be done without imperilling security.

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Although these recommendations will, when implemented, go some way towards enabling the free countries to have a larger volume of trade with the U.S., it must be recognised that they do not constitute a bold policy of freer world trade. Indeed, most countries have now realised that American aid, which did play an important role in the early years of post-war reconstruction, must give place, both in the American and world interest, to facilities for trade. So long as high tariff walls exist in the U.S., the country cannot hope to see an increasing volume of imports, and, therefore, cannot hope to increase its exports of a wide range of goods for which a market must be found. The more responsible section of American opinion has realised that the dollar gap in the rest of the world has cost the U.S. more than $5,000 million a year in foreign aid since the war, and that a reduction in tariffs would lessen the burden on the American taxpayer. Also, unless U.S. imports move, it cannot possibly export more. And, the export trade, at over $12,000 million a year since the war, has become a major outlet for a larger proportion of American industry than at any time previously. Indeed, to many American industries, export trade is vital to their prosperity to a relatively larger extent than it was in former years. "Trade, not aid" is thus a slogan not merely for British or European prosperity but also for the expansion of American economy.

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On the problem of convertibility of sterling too, the Commission follows the middle path. If it recognises the virtues of a convertible currency, it is also conscious of the dangers of any precipitate

(Continued on page 195)

BULLISH TREND PERSISTS IN SHARES

TATA DEFERREDS CROSS RS. 2,100 MARK

(From Our Own Correspondents)

BOMBAY, *28th January*

FOR the third week in succession a strong bullish fervour was sustained on the Stock Exchange, with steels and textiles vying with each other to assume the leadership of the market. Brisk deals were put through in almost all the counters of these two sections and fresh high levels were touched by the scrips under a spell of vigorous speculative buying and frantic short covering. Miscellaneous industrial shares witnessed selective buying and useful gains were recorded by the favoured ones. However, bank and insurance shares lagged behind, while support to public utilities was meagre and patchy.

The buoyancy in the market was kept up by a combination of bullish factors, such as the continued strong advices from the cotton, commodity, and bullion markets, reports of broadening demand for cotton piecegoods in the domestic markets and anticipation of further currency expansion leading to the creation of inflationary tendencies. However, operators were cautious at every bulge and were inclined to book profits. The closing levels were, therefore, below the best levels for the week.

Hectic activity marked the dealings in the steel section. Tata Deferreds opened on a confident note at Rs. 2,086-4, as against the previous week's closing of Rs. 2,077-8, but soon a corrective reaction set in, and the shares reacted to Rs. 2,072-8 early on Saturday. With the resurgence of a buying wave and frantic short-covering the shares crossed the Rs. 2,100-mark to touch a high of Rs. 2,103-12 on Monday this week for the first time after a period of over 2½ years. Although subsequently they dropped to Rs. 2,083-12, once again the upward trend was again resumed and the shares saw a peak of Rs. 2,116-4 today before settling down at Rs. 2,109-12. Tata Ordinaries advanced smartly from Rs. 352-8 to Rs. 361, but closed a shade lower at Rs. 360. Buoyant advices from Calcutta where big blocks of Indian Irons were reported to have passed hands, gave a fillip to trading in these shares. The buying in Indian Irons was based on expectations of imminent increase in steel retention prices. Consequently, the shares forged ahead from Rs. 26-4 to Rs. 28-0½ at the close today.

Textile shares attracted considerable speculative dealings on expectations of higher dividends and favourable outlook for textile mills. Bombay Dyeings were marked up from Rs. 410 to Rs. 423-12, but closed lower at Rs. 418-12. Kohinoors picked up strength from Rs. 309 to Rs. 320-4, but finished at Rs. 319-12. A rise of Rs. 6-4 to Rs. 147-8 was noted in Ahmedabad Advances. Central Indias were noted at Rs. 190, a rise of Rs. 3-8 over the week. Centurys added Rs. 7-12 and closed at Rs. 302-12. Edward Textiles firmed up by Rs. 10 to Rs. 267-8. Finlays rose by Rs. 8 to Rs. 274, Indu Ordinaries by As. 5½ to Rs. 11-14 and Khataus by Rs. 2-8 to Rs. 195. Dawns moved up by Rs. 7 to Rs. 80 and Mysore Spinnings by Rs. 3-12 to Rs. 161-4. New Citys came to the forefront with an advance of Rs. 5-8 to Rs. 180-8. New Greats were comparatively dull at Rs. 174-8. Phœnix shares were wanted Rs. 6-4 higher at Rs. 127-8. Simplex changed hands, Rs. 6 higher, at Rs. 157. Standards showed no variation at Rs. 327-8, while Svadeshis were done Rs. 4 better at Rs. 286. Vishnus were pushed up by Rs. 8-12 to Rs. 152-8. Bradbury made a big rally from Rs. 860 to Rs. 922-8. Sholapurs had buyers upto Rs. 1,700, as against Rs. 1,520 last week.

Bank shares were quiet, the sentiment having been further adversely affected by the cut in dividend of the Central Bank. Central Banks dropped from Rs. 62 to a low of Rs. 57, but recouped to close at Rs. 58-4. Their new shares came down from Rs. 65-12 to Rs. 60 before recovering to Rs. 61. Barodas were, however, a rupee better at Rs. 107-8. Imperial Fully Paids could add no more than Rs. 2-8 before closing at Rs. 1,792-8, while the Contributories were unchanged at Rs. 433. Indias stood at Rs. 154-4. United Commercials were a fraction lower at Rs. 41-12.

A rise of Rs. 13-8 to Rs. 1,376 in Tata Powers was the only feature of trading among public utilities. Tata Hydros were steady at Rs. 136-8. Andhra Valleys were unchanged at Rs. 262-8. Ahmedabad Electrics were down by As. 10 at Rs. 113-12. A similar decline was noted in Bombay Suburbans at Rs. 122-8.

Leading counters in the miscellaneous section also participated in the upward movement, but both the volume of business and rise in prices were not as spectacular as those in steels and textiles. A.C.C. attracted attention on hopes that a satisfactory compromise would be arrived at between the Company and the Government regarding the control of the rehabilitation fund. The shares put on Rs. 2 to Rs. 176. Belapurs were taken up Rs. 4-8 higher at Rs. 258. Bombay Burmahs received moderate support and advanced by Rs. 2-8 to Rs. 388-12. Scindias gained As. 11 to Rs. 16-11 on influential support. Premier Constructions were stagnant at Rs. 118-8. B.I.Cs. were dull at Rs. 8-15½. National Rayons staged a further rally from Rs. 146-12 to Rs. 152 on rumours of handsome dividend, but closed lower at Rs. 149-8 on profit-taking. Phalton Sugars met with selling and dropped Rs. 4 to Rs. 110-8. Tata Chemicals added a fraction to Rs. 11-11 and Tata Oils to Rs. 36-4. Walchandnagars were in demand and rose by Rs. 5 to Rs. 177-8. Wimcos were quiet at Rs. 206-4. Hindustan Motors were in enquiry and as a result moved up to Rs. 6-7.

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Calcutta Stock Exchange

CALCUTTA, *27th January*

With a striking increase in the volume of business, the Calcutta Stock Exchange commenced trading this week on an extremely cheerful note, which subsequently turned into almost buoyancy. Gains were recorded in all sections but they were only fractional. The main cause for this week's sudden wave of buying, which started first from the "light-weight" counters, was the good outlook for the major industries, which stand to be benefited by the proposed expansion of the Five-year Plan. Buyers were indeed cautious, and this was reflected by the gains being confined to selected counters. Note was taken of the Finance Minister's statement in Madras that the Government could not say how the deficit in finances required for the completion of the Plan would be met. This could either be met by increased taxation or borrowing or external assistance or more savings. However, market circles have noted that resort to the first alternative would only be after the Taxation Enquiry Commission had submitted its report. Evidently, therefore, no major changes in the taxation structure are expected in the forthcoming budget. No doubt, industry has already submitted its case for a reduction on the burdens imposed on it, and market circles hope that the Enquiry Commission, composed as it is, with eminent men well versed in the economic conditions of the country, would weigh the different points of view of industry in India before submitting its recommendations to the Government.

Among textiles, renewed interest was shown in Kesorams, and as a result the rate gained to Rs. 22-2 from Rs. 21. New Victorias were taken at Rs. 1-9. Dunbars touched Rs. 193 and Bengal Nagpurs were better at Rs. 13-5. Jayshrees changed hands at Rs. 4-8.

Coals were steady, and gains were maintained despite profit-taking. At Rs. 25-13 East Indians added As. 7, while Khatras Jherriahs spurted to Rs. 40-8 from Rs. 39-4. Pench Valley improved to Rs. 23-12 from Rs. 23-10, West Jamurias to Rs. 18-13 from Rs. 18-10, and New Beerbhooms to Rs. 18-6 from Rs. 18-3. Talchers were steady at Rs. 3-1 and Burrakurs were wanted at Rs. 8-11. Central Indias were bought at Rs. 6-3 and Raneegunges at Rs. 11-4, as against Rs. 6-9 and Rs. 11 respectively in the previous week.

There were moderate gains in selected jute shares. Howrahs at Rs. 24 were higher by As. 9, and at Rs. 137, Lansdownes gained Rs. 2. Good support was continued to Fort Glosters which were pushed up to Rs. 400 from Rs. 385. Reliances hardened to Rs. 15 from Rs. 14-4, Nuddeas to Rs. 45-8 from Rs. 43-8, and Presidencies to Rs. 5-7 from Rs. 5-5. Gourepores were bought at Rs. 269 ex-div.

Considerable activity centred on Indian Irons in the engineering section. Opening at Rs. 25-15, the rate was consistently pushed up, in active trading, to Rs. 27-6 but gave way to Rs. 27-2 on profit-taking on Friday. There was no lack of buying support on Monday, and it took no time to recover to Rs. 27-9, before closing at Rs. 27-7. Indian Galvanizings continued to attract attention, and realised Rs. 16-7, the improvement this week being by As. 8. Marshalls were steady at Rs. 6-9, Kumardhubis improving to Rs. 8-7 from Rs. 8-4.

In the miscellaneous group, Martin Burns gathered strength to Rs. 20-5, subsequently giving way to Rs. 20-2. Rohtas Industries looked further up at Rs. 11-9. Alkali Chemicals at Rs. 16-4 added Re. 1-8.

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Madras Stock Exchange

MADRAS, *26th January*

When almost all the markets in India have been depicting a bullish trend, under the influence of an inflationary psychology, the Madras Stock Exchange can hardly prove an exception. Here too, as in other markets, the sentiment has hardened with most of the scrips recording sizable gains. Among them, textiles and teas have been very prominent. The textile section has been firm. Activity has been broadbased, on continued support. Higher cotton advices and good export demand have been responsible for it. Teas have been in the lead, among the planting scrips, as the outlook for the tea industry is extremely encouraging. There have been repeated and continuous enquiries for tea leaves, especially from the U.K. and the Continent. Rubbers and coffees also have looked up in sympathy with the generally upward trend. The miscellaneous scrips have come to enjoy considerable support.

The market remained closed today, being Republic Day. During the remaining sessions, textile scrips came in for good support, as indicated at the outset. Rajalakshmis shot up from Rs. 83 to Rs. 90-8. Premiers put on Rs. 5 to Rs. 90. Coimbatore Cottons were also higher by a similar amount at Rs. 175.

Teas were the brightest among plantings. Mlamallays firmed up from Rs. 35-8 to Rs. 38-8 and Peermades from Rs. 28 to Rs. 30-4. Haileyburias improved from Rs. 13 to Rs. 16-4 and Emerald Valleys from Rs. 4-6 to Rs. 5. Udayagiris gained As. 6 to Rs. 7-6. Alageswar and Nilgiri teas put on As. 5 each to Re. 1-12 and Rs. 13, respectively.

Rubbers also put on a bright appearance. Rajagiris disclosed a gain of As. 4 at Rs. 11-2 and Be Bes As. 3½ at Rs. 2-7. Anandams and Vaikundams were higher by As. 2 each at Rs. 8-10 and Rs. 16 respectively.

Favourites among the miscellaneous scrips were in considerable demand this week. Thus, Spencers were demanded higher by As. 12 at Rs. 15-12 and Indian Cements by As. 10 at Rs. 16-10. Bangalore Transport was up by As. 8 at Rs. 11-8 ex-right. Mysore Papers advanced from Rs. 15-14 to Rs. 16-4 and Parrys Rs. 4-6 to Rs. 4-9. South Arcot Electrics were up by Rs. 5 at Rs. 100.

MORE BANK PROFITS

A few more scheduled banks in India have published their preliminary results of working during the year ended 31st December, 1953, which show that their profits for the past year, as compared with those for 1952, do not show any variation from the general trend disclosed by the results published in our earlier issues. Prominent among these is the Central Bank of India, the profit of which has suffered the sharpest decline, namely, about 24 per cent. A part of this decline has had to be passed on to the shareholders by cutting the final dividend and, consequently, the total distribution for the year. The list is, however, not altogether devoid of exception, which is provided by the Bank of Maharashtra Ltd., the profit of which is higher, albeit by a small extent, than that for 1952.

Bank of Baroda Ltd.

The preliminary results of working of the Bank of Baroda Ltd., during the year ended 31st December, 1953, show that the profit of the Bank, subject to audit, amounts to Rs. 22,45,006, which, as compared with that for 1952, shows a decline of Rs. 2,63,586. The amount brought in, at Rs. 2,38,382, compares with the corresponding figure of the previous year at Rs. 2,14,790. The provision for taxation has been maintained at Rs. 3,00,000, while the amount transferred to the Bank's investment account has been reduced from Rs. 4,50,000 to Rs. 1,50,000. Bonus to staff has been provided with Rs. 6,00,000, an increase of Rs. 65,000 over that set aside a year ago. The return to shareholders has been maintained at 12 per cent. (including an interim of 5 per cent.) made up of a bonus of 2 per cent. and a dividend of 10 per cent. This is the eighth year in succession that the Bank is paying this dividend. This requires Rs. 12,00,000, leaving a surplus of Rs. 2,33,389 to be carried forward.

Central Bank of India

The net profit of the Central Bank of India Ltd., subject to audit, discloses a contraction of Rs. 24,09,817, that is from Rs. 1,00,60,981 for the year 1952 to Rs. 76,51,364. The amount brought in from the previous year, at Rs. 1,23,014, represents a small drop from the corresponding figure of Rs. 17,65,629 of the previous year. Out of the total sum of Rs. 93,74,378, as against Rs. 1,00,60,981, available for distribution, the interim dividend paid for the half-year ended 30th June, 1953, at the rate of Re. 1-8 per share of Rs. 25, or 6 per cent. (same as in the previous year) absorbed Rs. 18,87,255. Out of the balance, the Directors have set aside Rs. 20,00,000 to the Bank's investments account, a reduction of Rs. 15,00,000 from that provided a year ago; Rs. 6,50,000 for taxation, as compared with Rs. 10,00,000; and Rs. 13,00,000 towards payment of bonus to staff, an increase of Rs. 1,00,000 over the year. The final dividend has been cut from Rs. 2 to Re. 1-8 per share, thus reducing the total distribution for the year from 14 per cent. to 12 per cent., the first cut in the Bank's dividend since 1946. The final dividend requires Rs. 18,87,255, as against Rs. 25,16,340, leaving Rs. 16,49,868 to be carried forward.

United Commercial Bank

To the rank and file of banks which have reported lower profits for the year 1953 is to be added the United Commercial Bank Ltd. The profit, subject to audit, shows a decline of Rs. 5,02,580 to Rs. 23,51,201, or a drop of over 17 per cent. The Directors have reduced the provision for taxes from Rs. 10,00,000 to Rs. 9,50,000 and the allocation to the reserve fund from Rs. 7,50,000 to Rs. 5,00,000. A sum of Rs. 50,000 has been utilised for paying donations to public and charitable purposes, while no appropriation had been made for such purposes in the previous year. Whereas a sum of Rs. 3.74 lakhs had been disbursed as ex-gratia payment to staff in the previous year, nothing has now been provided for the same. The dividend is proposed to be repeated, for the fourth year in succession, at Rs. 2 per share, or 4 per cent. per annum. This will absorb Rs. 8,00,000, leaving to be carried forward Rs. 1,52,320, as against Rs. 1,01,119 brought in.

Bank of Maharashtra

The Bank of Maharashtra Ltd. has earned a profit of Rs. 2,88,858, an increase of Rs. 34,338 over that of Rs. 2,54,520 for 1952. As in the previous year, the profit has been arrived at after writing off loss on sale of investments and providing for payment of bonus to staff. A sum of Rs. 34,156 (as against Rs. 31,654) has been utilised for the former and Rs. 25,000 (Rs. 21,000) for the latter. With the sum of Rs. 58,370 (Rs. 54,850) brought in from the previous year, the distributable sum stands at Rs. 3,47,228, as compared with Rs. 3,09,370. The provision for taxation has been raised from Rs. 1,20,000 to Rs. 1,47,000 and the transfer to the reserve fund from Rs. 51,000 to Rs. 84,000. The dividend has been maintained at 9 per cent. per annum, absorbing Rs. 80,000. These appropriations leave a surplus of Rs. 36,228 to be carried forward to next year.

NEWS IN BRIEF

THE Indian Telephone Industries, Bangalore, manufactured and supplied 40,000 telephone instruments in 1953, as against 25,000 in the previous year.

Coastal shipping recorded an increase of 77,000 tons (G.R.T.) in the first two years of the Five-year Plan. The share of Indian ships in the coastal trade, which was 80 per cent. in 1950-51, reached 100 per cent. in 1952-53.

The Government of India has decided to allow the export of iron and steel scrap up to a total of 65,000 tons in 1954. These include turnings, auto scrap, condemned old and broken machinery parts (not more than five per cent. of which will be cast iron), and sheet cuttings and punchings.

The Standing Committee of the all-India Handloom Board has decided to recommend to the Government of India that interest-free loans should be made available to a limited extent to State Central Weavers' Co-operatives Societies for purchase of handloom fabrics manufactured by primary societies.

The Foreign Operations Administration has allotted to India $25½ million out of the U.S. aid funds for the purchase of 240,000 tons of steel as part of the U.S. Technical Co-operation programme. Steel is to be bought in free world markets outside India and will be used in shipbuilding and repairs, railway car building and various other fields.

Senior flight executives of Air-India international are taking up a coarse of instruction on the Comet at the training school at Hatfield, U.K. They are studying technical and operational details of jet airliners to enable them to prepare plans for the commercial introduction of Comet planes, which the airline has recently ordered for its London-Bombay-Tokyo services.

Another meeting of the Commonwealth countries will be held "a few months" before October to ascertain if any common approach in regard to the future of G.A.T.T. can be evolved, according to the Union Finance Minister. Mr. Deshmukh told newsmen in Madras last week that the question of Imperial Preference did not arise at the Commonwealth Finance Ministers' Conference, but that there was some reference to the future of G.A.T.T., agreements in respect of which were due for renewal next October. It was, therefore, decided at the Conference that the best thing for the Commonwealth countries to do would be to meet a few months before October in order to ascertain if any common approach to the future of G.A.T.T could be evolved.

A few seats for specialised training in soap technology, edible oils, metallurgical engineering, steel foundry and radio servicing are available with the Bombay Regional Office of the Ministry of Education, Government of India, for immediate allotment to graduates or diploma holders in the relevant subjects. The period of training varies from one to two years, during which period the trainees will be paid stipends at the rate of Rs. 150 per month for graduates and Rs. 75 per month for diploma holders. Qualified candidates should apply immediately through the Principals of their colleges to the Assistant Educational Adviser (Technical) to the Government of India, Ministry of Education, Western Regional Office, Manecklee Wadia Building, 129, Bell Lane, Fort, Bombay-1.

The Madras Electric Tramways Co., Ltd. was ordered to be wound-up by the Madras High Court last week, on a petition filed on behalf of the Directors for the winding-up of the Company on the grounds that the Company was unable to pay its debts and it had also ceased to carry on business. The petition was opposed by the Madras Government, on whose behalf it was argued that the present petition was neither by a creditor nor by a contributor, but only by the Directors, and the Directors were not the Company. It was contended by the Government that Directors could not present the petition for the winding-up of the company, unless they were authorised to do so by a special resolution in that behalf. Dismissing the claim of the Government, the Court held that, when the affairs of the Company had come to such a stage that it was unable to pay its debts or could not carry on its business, the only rational thing to do was to wind-up its affairs in an orderly manner and salvage whatever could be salvaged.

A meeting of the Secretaries of the State Departments of Agriculture, held in New Delhi on the 19th inst., discussed the measures that should be taken to increase the consumption of chemical fertilisers in the different States during 1954. The State Governments agreed to distribute increased quantities of fertilisers, the total quantity decided upon for distribution during the year exceeding 400,000 tons. The question of reducing the incidental charges and equalising the railway freight, with a view to making the fertilisers available to the cultivators all over the country at a uniform price, was also considered. It was agreed that immediate steps should be taken to get this expenditure reduced and to fix a uniform price at which the fertilisers could be made available to the cultivators in all the States. The meeting also agreed to have a large number of demonstration centres throughout the country to popularise the use of ammonium sulphate, super-phosphate and other fertilisers.

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From Abroad

Japan is seeking a loan of $25 million from the World Bank to finance a part of the country's plan to develop South-East Asia's natural resources.

The output of tea in Indonesia in 1953 amounted to about 75 million lbs., as against 81 million lbs. in 1952 and 103 million lbs. in 1951, according to a firm of tea merchants of Rotterdam. Exports amounted to nearly 63 million lbs., as against 70 million lbs. in 1952 and 88 million lbs. in 1951.

The Egyptian Government has increased the 1953-54 cotton acreage in Upper Egypt from 33 to 37 per cent. of the cultivable area. Acreage in Lower Egypt has been fixed at 30 per cent. The increase has been made because of bigger foreign demand for Egyptian cotton and also to offset the low yield of the crop due to the use of unclean seed which is said to have caused a reduction in output by 10 per cent.

Malaya proposes to seek Indonesia's consent for the establishment of an international rubber buffer stock on the lines of the international tin agreement. If Indonesia agrees to the proposal, a joint demand will be made by the two countries at the third Rubber Study Group Conference to be held in Colombo in May, 1954. The buffer stock proposal was abandoned by the Rubber Study Group Conference in London last October.

In order to meet the cloth shortage in the country, Pakistan has purchased textiles worth £4 million, of which the U.K. has supplied goods of the value of £100,000. Supplies from the U.K. will reach Karachi next month. Textiles of inferior quality worth £3 million have been bought from Japan. The first consignment from Japan will reach Karachi by the end of February. By March, the bulk of the purchases will reach Pakistan for distribution to the Provinces.

The World Bank has agreed to give a loan of £7.8 million (Rs. 104 million) to the Ceylon Government to meet the full foreign exchange cost of the second stage of the latter's hydro-electric scheme. One of the conditions of the loan is said to be that the Ceylon Government will meet the full domestic cost of the project, estimated at about Rs. 45 million. Another condition is that the Ceylon Government should set up a statutory corporation to manage the hydro-electric scheme.

Deposits in Sweden's commercial banks touched an all-time record during the past year, increasing by Kr. 1,481 million or 14 per cent., to Kr. 11,839 million (£816.5 million). The heavy growth of the deposits in the commercial banks reflects the marked change on the money market in the 1417-half of 1953, during which deposits rose by Kr. 1,162 million. This development was due to heavy Government expenditure, largely financed through short-term borrowing in the banks. Loans granted to others than the Government rose by Kr. 240 million to Kr. 9,932 million.

The Canadian Government is considering a proposal to make a broad change in the mechanics of credit control by the Bank of Canada. According to this proposal, the cash ratio which chartered banks should maintain against deposit liabilities will be variable and will be altered by the Bank of Canada, according to circumstances. At present, chartered banks are required to maintain with the Bank of Canada not less than 5 per cent. of their deposit liabilities. The ratio that is usually kept is, however, about 10 per cent. Under the proposed plans, the Bank of Canada will set a minimum ratio of 8 to 12 per cent., the percentage varying according to circumstances.

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PERSONAL

MR. K. B. Bhatia, Divisional Commissioner, Planning Commission, has been appointed Planning Adviser to the Government of Nepal under the Colombo Plan.

Mr. J. B. Shah and Mr. M. R. Sanghvi have been elected President and Vice-President, respectively, of the Electric Merchants Association, Bombay, for 1954.

Mr. Madamohan R. Ruia, a prominent business man and industrialist of Bombay, has been re-elected President of the Cotton Buyers' Association, Bombay, for the year 1954. Mr. Jehangir P. Patel has been elected its Vice-President.

Mr. F. C. Badhwar, Chairman of the Indian Railway Board, and Mr. T. P. De Munasinghe, Director of Public Works, Government of Ceylon, have been elected President and Vice-President, respectively, of the E.C.A.F.E. Inland Transport Committee.

Mr. N. Dandekar, of the Scindia Steam Navigation Co., Ltd., has been elected President of the Indian National Steamship Owners' Association for the current year. The other office-bearers of the Association are: *Vice-President*: Mr. Pratapsinh S. Vallabhdas (Malabar Steamship Co., Ltd.); *Hon. Treasurer*: Mr. Vasant J. Sheth (Great Eastern Shipping Co., Ltd.); *Honorary Secretary*: Mr. S. N. Haji (Scindia Steam Navigation Co., Ltd.); *Members of the Committee*: Mr. Bijoy Prasad Singh Roy (India Steamship Co., Ltd., Calcutta); Mr. G. T. Kamdar (Bharat Line Ltd.); Mr. N. H. Dhunjibhoy (South East Asia Shipping Co., Ltd.); Mr. M. G. Kapadia (Merchant Steam Navigation Co., Ltd.) and Mr. S. Gill (Gill Amin & Co., Ltd.).

Mr. K. G. Milne, Vice-Chairman and Managing Director of the Managing Agency House of Killick Industries Ltd., has been elected Vice-President of the Bombay Chamber of Commerce for the year 1954-55. Mr. Milne has been intimately connected with the electric supply industry for more than 20 years, and for the last three years has been President of the Federation of Electricity Undertakings of India. He is also a Councillor of the Association of Electrical Undertakings, Bombay. In his capacity as Managing Director of Killick Industries Ltd., he is the *ex-officio* Chairman of the Ahmedabad, Surat and Bombay Suburban Electricity Companies. His other business activities include the chairmanship of the Central Provinces Railways Co., Ltd. and directorships of the Associated Cement Cos., Ltd. and the Kohinoor Mills Co., Ltd.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *26th January*

India Becoming Air-minded

The time is, therefore, very opportune for civil aviation to "take off" from Indian soil and boom into the great highway of aerial progress. Next month, the Karachi Aero Club hopes to start instructing its members in flying; and the Bombay Aero Club has already started. Two of the latest "Moths" with Gipsy engines are now at the Juhu Coast Aerodrome 12 miles from Bombay), and the Club has much influential support, both European and Indian, under the Chairmanship of Sir Victor Sassoon. The new Governor of Bombay, Sir Frederick Sykes, was formerly Director-General of Civil Aviation in England, so that Bombay's efforts to become "air-minded" should certainly not lack official sympathy. The Bombay Club assumes that it will take only 12 hours' flying on an average for a prospective pilot to obtain a licence; so that quite a number of trained pilots should be produced before the break of the monsoon next June turns the Juhu Aerodrome into a sea of mud, and renders flying impossible. Little imagination is needed to envisage the tremendous benefit the future development of air transport will bring to the vast "continent" of India. The flat plains of the Punjab, the United Provinces, and the Deccan, provide easy landing grounds, though the difficulty with regard to cities, such as Karachi, Bombay and Calcutta, is that the landing grounds so far used are too far away from the centres of these places. It is not improbable that in many parts of India an aeroplane for a civil official will supplant the method of transport in use for many hundreds of years—the elephant.

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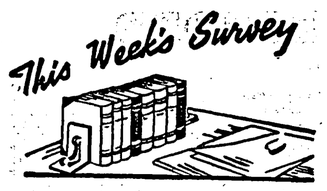


PROSPECTS FOR TEA FAIR

THAT the position of the tea industry has latterly improved in terms of prices realised is common knowledge by now. But that it has also improved in some other directions is evident from the observations made by Mr. S. H. Davies, Chairman, Indian Tea Association, in the course of his address at the annual meeting of the Dooars Branch of the Association on the 21st inst. According to him, supply of coal to the Dooars tea gardens has been very satisfactory. The gardens have saved considerably in freight by moving a much lower proportion of the coal by the river-cum-rail route, and, in addition, the loss in transit has been much lower. Anxiety over food supplies has been almost entirely absent during 1953, although the State Government has continued to charge more than the rate at which the Centre provided the grain in certain areas. There has also been no increase in rations but supplies have been regular.

The tea gardens in the Dooars area, however, still seem to be suffering from frequent labour troubles sponsored by irresponsible agitators who are misrepresenting the managements' policies, pursued in the true interests of the shareholders, the State, and the employees themselves. Mr. Davies' remarks in this context are noteworthy. He stated: "Not all the labour leaders are so irresponsible, and labour's interests will be better served when labour turn more to those who do not demand the impossible and who work genuinely in the interests of labour." He was glad to note that the cut in wages which the tea gardens had effected only in the last resort in 1952 had been restored. He justified the cut as being the lesser evil than the alternative of closing down the gardens.

The outlook for tea industry, according to Mr. Davies, appears to be fair, provided both Governments and labour base their expectations, on an average of 1952 and 1953, and not only on the 1953 results. Time should be given to the industry for recovering from the effects of the recent depression. For the gardens have to repay bank overdrafts and replenish reserves, in order to safeguard them against another crisis. Again, the factories also have to be improved and machinery replaced, if they have to raise the standard of manufacture. There is also the need to intensify the replanting programmes and provide for loss of revenue, while the replanted areas are out of bearing. All this can be achieved, Mr. Davies says, provided the gardens are not pressed too hard by the Government and labour for costly amenities to the latter. There is also the need to avoid growing bad quality tea and in excess of demand—the two factors which, in fact, were responsible for the crisis of 1952.

OUTLOOK FOR ART SILK

A note of optimism about the "definitely" bright outlook for the art silk industry in India was struck by Mr. Murarji J. Vaidya, Vice-Chairman of the Silk and Art Silk Mills' Association Ltd., in the course of a talk which he gave in Bombay on Thursday last week. For two important reasons, this note of optimism assumes more than ordinary significance. First, it was been struck by a person who has several years of intimate knowledge of the conditions of the industry. Secondly, Mr. Murarji has based the note on his personal impressions about the art silk industry and trade in the Middle and Far Eastern countries gathered during his recent visit to those countries.

Mr. Vaidya emphasised, in particular, the need for eradicating internal competition, on the one hand, between the silk and art silk mills and, on the other, among the art silk mills themselves. He also urged the need for improving the quality of the indigenous product by the adoption of scientific and technological processes of manufacture. How important is this aspect will be evident from the remarkable progress made by the other leading silk goods producing countries, especially Japan and Italy. According to Mr. Vaidya, Japan and Italy are bringing out new types of rayon yarns which are cheap as well as durable. Italy, for instance, is now producing a new type of art silk yarn—perlon yarn—manufactured out of castor oil (imported from India). Japan is producing scrimped yarn which has the appearance of woollen yarn. The remarkable progress of the art silk industry in these two countries has been rendered possible by technical advancement and general scientific outlook.

An important suggestion which Mr. Vaidya put forward relates to the establishment of a joint corporation of all the art silk mills, "with a view to improving their present lot." In the absence of more details regarding the suggestion, it is rather difficult to say whether it can be implemented with success.

Discussing the export prospects for Indian art silk goods, Mr. Vaidya felt that they were not bleak, provided prices were reduced and quality maintained. He urged the Government, in this connection, to grant a rebate of the import duty on foreign yarn used for the manufacture of cloth meant for export. Apart from the consideration that an industry's raw materials should not be made to carry heavy fiscal burdens, Mr. Vaidya's plea deserves special consideration, in view of the fact that art silk fabrics have now become an important earner of foreign exchange. Even the Government of India has conceded his aspect, as witness its withdrawal of the drawback on imported cotton and other raw materials used in the production of cloth meant for export. The issue would be automatically solved, if the Government were to treat the imported art silk yarn as a raw material used in the manufacture of art silk woven goods.

ANOTHER AWARD AGAINST BOMBAY COTTON MILLS

The Bombay Industrial Court has decided that the workers of the cotton mills, which were closed for certain days during 1951-52 on account of power shortage, should be paid compensation for the loss of wages they sustained. The dispute, arising from the workers' claim for compensation, was referred to the Court by the Government of Bombay. It may be recalled that the failure of the monsoon in 1951 led to a cut in power supply to the mills. It was then decided that the mills should work on five days of eight hours each instead of six days; there was thus an extra day of closure in addition to Sunday. This arrangement lasted between 1st November, 1951 and 13th July, 1952. The maximum number of days on which some mills were closed was 38. Several mills, however, did not cut down the normal working period, for they met the power cut either by economy in the consumption of electricity or by installing their own generating sets or both. The question of compensation for loss of wage refers only to the workers in the mills which were compelled, by the cut in power supply, to reduce their working week.

The mills denied the workers' claim for compensation on two main grounds. In the first place, they held that any claim for compensation would be contrary to Standing Order 16, which states that a company cannot be held liable for compensation for loss of working arising out of a "fire, catastrophe, breakdown of machinery or stoppage of power supply, epidemic, civil commotion or other cause, beyond the control of the company." Secondly, they relied on a precedent, the well known case, *Digambar Ramachandra* vs. *Khandesh Spinning and Weaving Mills Co., Ltd.*, where the Bombay High Court held that the "Industrial Court had no jurisdiction to determine a liability outside the standing orders and give relief on moral and humanitarian considerations."

The Industrial Court has, in the present case, turned down both these contentions. The Court states that Standing Order 16 cannot apply to the present case, inasmuch as it refers only to the stoppage of power supply, which "cannot be foreseen and which puts the mills out of action." Legal experts are bound to differ among themselves on the question whether such an interpretation could be put on the Standing Order. The closure of the mills, in the present instance, the Court stated, is not due to a "catastrophe" but is in the nature of a "planned closure." The Court has further held, in effect that the High Court's judgment in the Khandesh Mills' case cannot apply to the present case since the subsequent amendment to the Bombay Industrial Relations Act empowers an Industrial Court to decide a dispute involving the application and interpretation and the propriety and legality, of standing orders.

Having turned down the mills' argument, the Court upheld the claim of the workers for compensation. The Court has decided that the workers are entitled to compensation at the rate of 50 per cent. of the wages and dearness allowance they would have drawn but for such closure. In the case of piece-workers, the daily wages and dearness allowance will be determined by the average of wages and dearness allowance earned by them in the month in which the closure took place. *Badli* workers, who have completed six months' continuous service preceding the dates of the closure, will also be entitled to compensation.

The award raises some important issues of social justice, legal obligations and economic effects. In deciding this award, the Court took into account the "present-day concept of social justice", as revealed in the Industrial Disputes (Amendment) Act, 1953, which provides for compensation to workers for loss of wages through the closure of factory on account of shortage of coal, power or raw materials. The Court has also drawn attention to the fact that the Bombay High Court, which decided the Khandesh Mills' case in favour of the Mills, recommended the payment of wages on "compassionate grounds." It is not clear, in the present case, whether the workers' claim for compensation rested on compassionate or legal grounds.

In this connection, it must be said, to the credit of the Bombay mills, that they did carry on negotiations with workers' representatives for the settlement of the dispute without prejudice to their contention that no legal liability was involved. The award, however, rejects this contention. In effect, it means that the mills are liable to pay compensation for involuntary closure—a liability which now forms part of the Industrial Disputes (Amendment) Act. Since the award sets aside, at least apparently, the legal sanctity of standing orders, it is possible that it may be a prelude to more litigation. Incidentally, this serves to emphasise how difficult it is to legislate and to interpret the growing mass of labour legislation in the country.

The economic burden imposed on the mills by the award, though not onerous, is by no means light. It will involve more than one crore of rupees for the mills which are now engaged in paying to the workers the bonus for 1952 to the tune of Rs. 1.43 crores. It must be remembered that the mills have also spent several lakhs of rupees in installing generating sets, though this new equipment is a valuable addition to their block. Be that as it may, in giving this award, the Court stated that most of the mills had "good reserve" while it could not be "disputed" that the workers did not get a "living wage." Now, it is arguable that the reserves should be considered in relation to the enormous cost of replacement, and that the question whether the workers have a living wage or not should be settled in relation to the level of wages in other industries and occupations and to the industry's level of earnings. Judged by these standards neither the mills' reserves could be considered high nor the workers' wages low. At any rate, as the mills' profit position had already been examined in connection with the bonus award, the new award of compensation constitutes a fresh burden on them. To this extent, the mills are entitled to claim that the expenditure on account of this compensation should be set off against the profit on which subsequent bonuses might be awarded.

CONDITIONS OF SERVICE OF WORKERS

Much interest attaches to the forthcoming fifth meeting of the Joint Consultative Board of Industry and Labour to be held at New Delhi on 4th and 5th February, 1954. It will discuss, among others, the suggestions to amend the present law relating to alterations in conditions of service of workers during the pendency of conciliation or adjudication proceedings. The findings of the Board on this question will carry much weight and the tripartite character of this Board will ensure that decisions arrived at there will form the basis for any possible changes in the Centre's labour policy.

Section 33 of the Industrial Disputes Act, 1947, as amended in 1950, and section 22 of the Industrial Disputes (Appellate Tribunal) Act, 1950, deal with alterations in conditions of service during the pendency of conciliation or adjudication proceedings. Section 33 of the Industrial Disputes Act, 1947, as amended in 1950, provides that "during the pendency of any conciliation proceedings or proceedings before a Tribunal in respect of any industrial dispute, no employer shall (*a*) alter, to the prejudice of the workmen concerned in such dispute, the conditions of service applicable to them immediately before the commencement of such proceedings, or (*b*) discharge or punish, whether by dismissal or otherwise, any workman concerned in such dispute, save with the express permission in writing of the Conciliation Officer, Board or Tribunal, as the case may be."

Similar provisions are contained in the Industrial Disputes (Appellate Tribunal) Act, 1950 (*vide* section 22). Briefly, these provisions require that, in every case of discharge or dismissal or other punishment, the employer should seek the prior permission of the Conciliation Officer, Board or Tribunal, even for misconduct not connected with the dispute constituting the subject matter of the proceedings.

There is no doubt that the law, as it stands, has created genuine and serious difficulties to many employers. Since an employee or employees against whom a dispute is pending cannot be got rid of easily even in case of gross misconduct or indiscipline, such as misappropriation or violence, the maintenance of discipline in the factories has become a serious problem. It is true that there might be some unscrupulous employers who, by taking advantage of loopholes, may victimise workers. Consequently, there is a necessity to afford not only reasonable relief to employers, but also provide safeguards against victimisation to workers, particularly office-bearers who are most likely to suffer at the hands of vindictive employers. It may be recalled that this subject was discussed at the twelfth session of the Indian Labour Conference, held in October, 1952. As a result of consultations there and of discussions subsequently among employers' and workers' organisations and State Governments, it is now suggested that the law should be changed.

In the case of workers other than office-bearers of labour unions, there are two alternatives: either to evolve some new procedure or to revert to the original provisions of the Act, as they were before the 1950—amendment to the Act, which permitted employers to take action against workers for misconduct, not connected with the dispute constituting the subject matter of proceedings. The Government's view on this question seems to be that the original provisions would be ineffective in actual practice, as it would lead to victimisation of workers, under the plea that the action taken was for misconduct not connected with the dispute. In such a case, the only remedy available for the workers would be fresh adjudication.

The proposal, now suggested as an alternative, provides that, where an employer wishes to dismiss or discharge or remove a worker during the pendency of proceedings, he should give one month's wage to the worker which might be said to be in lieu of notice and ask him not to attend the factory. There will be no formal suspension of the worker; the employer, however, has simultaneously to file an application before the Conciliation Officer, Board or Tribunal concerned seeking permission to dismiss, discharge or remove the worker. Priority of disposal should be given to such an application. If the authority gives permission eventually, the employer will have no further liability in regard to the worker. If, on the other hand, such permission is refused, the employer will be required to re-employ the worker on payment of wages for the period of the worker's absence after making allowance for the month's wages already paid. The Joint Consultative Board's decision on this proposal will be awaited with interest. It is, however, learned that, generally speaking, the employers have no serious objection to the aforesaid alternative proposal.

WORLD BANK MISSION TO MALAYA

A World Bank Mission is now in the Federation of Malaya, busy conducting a general survey of economic conditions. It plans to remain there for some time. It will visit also the Crown Colony of Singapore.

After the survey, the Mission will submit recommendations designed to assist the Governments of the Federation of Malaya and Singapore in formulating long-term development programmes. The recommendations will relate to priorities for public capital expenditures, the rate at which these expenditures can be undertaken, measures which could increase production, and economic and fiscal administrative policies necessary for the success of the programme.

Addressing the Kanara District Co-operative Field Workers' Conference at Sirsi on the 22nd inst., Mr. M. P. Patil, Minister for Co-operation, Bombay State, stated that the Co-operative Movement had already covered 70 per cent. of the villages and 30 per cent. of the rural population and had achieved the targets set by the Nanavati Committee. He was confident that the Five-year Plan target of covering the entire population of the State would be achieved within the stipulated period. He advised co-operators in Kanara to derive the fullest advantage from the National Extension Service introduced in the district to spread the movement.

OFF THE RECORD

(By "ROVER")

I SUPPOSE it would be a sacrilege to select a text for my weekly sermon from the market place from any source other than the Congress President's address to the open session at Kalyani in East Bengal during the last week-end. For many in this country, what Mr. Jawaharlal Nehru speaks on such occasions has the force of scriptures. I, however, hope it is permissible to illustrate the text with a simple story.

A bright and bold flapper sat on a gate dangling her feet one sunny Sunday afternoon, when she should have been better employed at Sunday school. Her pastor, who happened to be passing by, gently rebuked her for her flightiness.

As if she were completely unaware of the constant challenge her provoking eyes threw to the otherwise placid and unimaginative young men in the village, the maiden demurely told the priest that she longed to be good but the boys won't let her be.

I do not know what retort the worthy man of God made to this damsel or whether he made any.

Like a wise Prime Minister in charge of the destiny of hundreds of millions of his countrymen, Mr. Nehru readily and earnestly agreed that "after the attainment of independence, our urgent task has been to devote ourselves to the economic betterment of our people, to raise their standards of living, to remove the curse of poverty and to promote equality and social justice. The extent to which we succeed or fail in this great task will be the measure of our achievement. That remains, therefore, and will remain, our first duty and concern."

But, having admitted this, he straightaway embarked on piling up excuses after excuses for his utter preoccupation with external affairs and the deaf ears he turned to the call of his countrymen. Like my legendary flapper, Mr. Nehru longs to love his home and work for it, but the wicked world will not let him be. He is possibly not aware that the compulsion driving his soul to stray abroad constantly, lies within his soul itself and within his temperament and not in the siren voice of the world outside India. It is his spirit of intellectual and international adventure which lures him away from the comparatively dull, drab and dreary field of household chores at home, which alone can bring sustenance, comfort and solace to his unhappy countrymen.

In a manner very characteristic of him, Mr. Nehru pleaded in defence that "the world presses in upon us from all directions and we cannot remain unconcerned with what happens elsewhere, more especially in Asia. . . . The geographical position of India in South Asia has throughout history brought her in intimate contact with the other parts of Asia. We cannot ignore or change geography."

It is true that we cannot ignore or change geography. We do not have to. There are others similarly situated as we are geographically. They are also similarly situated as we are in the matter of having just attained freedom from colonial rule. So we should all be naturally more busy building up our own countries and facing the innumerable problems this opportunity has brought in its wake. Apart from size, Ceylon, Burma, Indonesia do not differ from us materially in this respect. It cannot be said that they are shirking their normal international obligations and responsibilities in any manner. But they do not find that the world presses upon them from all directions so much that they cannot attend too their more humble task of national reconstruction.

Not unlike us, these countries and many others farther afield too "stand on the threshold of the atomic age, which knits together the world and makes it one integrated whole for good or ill." But these less ambitious and more modest countries, aware of their pressing internal needs, do not go gallivanting all over the world, on adventures which appear to some as not very far removed from quixotic. Mr. Nehru is, perhaps, not aware that even those who stay at home and try to set and keep their homes in order also serve the world and humanity. Our own problems, mostly economic and industrial, are piling up. Both the population and the number of those in it who cannot find gainful employment are increasing. The problem of poverty and that of the pitiably poor standard of living are no nearer solution today than on the day we assumed control over our own affairs. All these spell as much danger at home to ordered progress, as the constant threat of war, dreaded by Mr. Nehru, constitutes a menace to the well-being of humanity.

Nobody advocates a policy of isolation here. As Mr. Nehru says, we cannot live in isolation. Every time the question has been put, the country has backed, almost with one voice, his policy of non-alignment and dynamic neutrality. He has our full backing in developing friendly relations with all the countries and peoples in the world. But some of us are getting a little nervous at the amount of daily involvement in distant affairs, which our Prime Minister's policy of non-alignment and the dynamic part of his neutrality is bringing us.

Mr. Nehru's concept of neutrality is possibly too dynamic for our slow-moving brains. A neutrality, which instead of leaving us free to pay more attention to our own urgent affairs, keeps our Prime Minister, Governments and people on their toes all the time, is in a sense more disturbing and even destructive than active alignment, which, of course, nobody advocates. We are neutral to find ourselves, to find our feet economically, and to maintain an integrity when we have found it. Instead, we seem to be getting so involved as to feel almost lost in our pursuit of non-alignment.

But apart from this direct outcome of our Prime Minister's unceasing preoccupation with foreign affairs, there are many, especially in the business community, who deplore this tendency in him, which, instead of showing any reduction, is growing, because it leaves little time to him for solving the problems of industry. They are a legion, and one wrong step does not lead to another but to a score of wrong steps. Before any of the old problems are solved, many more new ones are cropping up. Our industrialists, without whose enthusiasm and spirit of enterprise, our economy can neither function in a wholesome manner or expand, are today in a mood of exasperation and desperation. The constant suspicion and abuse to which they have been subjected by his comrades in the party and the Governments have cooled their enthusiasm and maimed their spirit of enterprise.

In any country situated as ours, this would claim the immediate and almost exclusive attention of the head of the Government, especially so when we have reached a critical stage of the Plan and the next two years will make it or mar it. The private sector, however unenlightened and selfish many of its constituents might be, can boast of some who love their country as much as they love profits. In any case, it has a big part to play in the fruitful and successful implementation of the Plan. But in comparison to what is happening in distant Korea or North Africa and more distant Washington and Moscow, this is of little consequence to him. So far he has chosen to leave the economic section, except inasmuch as it affects elections, to his subordinates.

Even today, when things have reached a state of crisis, he has not much time for giving it a close examination or for taking private enterprise into his confidence and winning it over for unstinted co-operation in his Government's efforts for securing economic expansion. No one else can do it, because the Prime Minister is today the Government, the party-in-power and the country. And the Prime Minister would fain put aside any important job related to economic reconstruction within the country, at the entrance of his private secretary with a cable from the United Nations or Pan Mun Jon and Shantinagar in Korea or from any of India's Ambassadors in Cairo, Peking or Paris. These things cannot brook delay and so our most important problems must wait or be relegated to a colleague with a word or two, indicating the lines along which these may be settled. And this goes on day after day and month after month, till one has almost come to regard him as lost to us for our day-to-day affairs, such as, inflation or unemployment.

To my mind this is not a matter of any difference regarding foreign policy between the Prime Minister and the people. It is entirely a matter of emphasis and urgency. By training, temperament, experience and outlook, the Prime Minister has brought himself to a state of mind where it is apt to lay a greater emphasis on world affairs, however distant their effect on our humble economy, than on what is going on inside the country from day-to-day. And along with this emphasis goes urgency. It is not so with the administrative heads of other countries. They give due attention to what is going on in the world but their feet are firmly on the native soil and they view world affairs in the context not of how they will affect the future of humanity and spread of democracy in the world, but in that of the internal situation in the country at any given time.

Mr. Nehru, in the exaltation of his soaring spirit, is apt, on the other hand, to look upon his country's affairs in the light of world events. We are proud of this distinction, which has earned us immense prestige, but our small and circumscribed selves, with our puny struggle for getting half a loaf to satisfy our hunger, a bit of roof to lay our heads down to rest under and a piece of cloth to cover our none too healthy bodies, are bound to feel dissatisfied when the arrears of unsolved problems keep mounting up here, while Mr. Nehru exerts himself all the time to avert a clash between two aggressive giants, deliberately treading on each other's toes or in commiserating with some unfortunate people in Asia or Africa. Perhaps, if we all had a little more food in our stomachs and a little more strength in our bodies, we too might feel inclined to accompany our leader on this highly spiritual enterprise in search of "Peace, Absolute Truth and perfect Social Justice."

I shall illustrate my point by a rough and ready analysis of Mr. Nehru's address to the Kalyani Congress. The Indian National Congress is not the same as the Indian Council of World Affairs. It claims to be a cross-section of the people of this country and to represent them. The country's main problem, from every point of view, is economic. Almost a good half of this address at the very outset was devoted completely to a consideration of our foreign policy, about which, I repeat, there is no difference. It shows, like nothing else, the constant preoccupation of our Prime Minister with world affairs.

When he had hardly begun to touch upon some aspects of our economy and had started speaking in the vaguest of terms about his Government's policy about nationalisation, as if there were no other more specific economic problems apart from the Plan and social ownership of the means of production, he swiftly switched over once again to an enunciation of his views on colonialism which forms part of our foreign policy and which needed no great emphasis, because, here again, the country is entirely with him. And he almost ended his peroration on this note. The disproportionate importance and space given to the international situation and our relations with people abroad made me wonder for a while if Mr. Nehru was not by some subconscious urge addressing not so much hordes of his countrymen but the people of the world over our meek and bent heads.—*All Rights Reserved.*

ECONOMIC RECONSTRUCTION OF INDIA

MR. C. D. DESHMUKH ON MEANS TO DEVELOP RESOURCES

THE Union Finance Minister, Mr. C. D. Deshmukh, covered a wide ground of economic problems in the course of his two speeches at Madras early this week—at the Pachiappa's College and at the Andhra Chamber of Commerce—and made quite a few observations, which indicate, in a broad way, the Government's mind on the economic issues facing the country. He dealt with some of the wider problems of general significance, such as the goal of the Government's economic policy, as well as such urgent and day-to-day commercial issues as sales tax. Although he was, naturally enough, guarded and non-committal in his observations, and provided no cut-and-dried solutions to the problems, he was, at the same time, sufficiently communicative to let the listeners know that the Government was seized of the importance of these issues.

Mr. Deshmukh prefaced his address at the Pachiappa's College by a reference to the immensity of the Indian problem. In terms of human welfare, he said, the Indian problem was a "gigantic problem." Taking only one index, that of national income per head, there were countries whose national income was just 30 times India's. Tracing the history of India's backwardness, he said:

"History has played a considerable part in shaping our destiny. That alas, in the last century or two, has been a history of withdrawal of resources from us, not for our benefit, but for the benefit of someone else. But history has done us greater harm than that, because in that process of what may be historically regarded as exploitation, a system flourished in India which took us away from that classless society which had now been recognised as the objective of our new State. Secondary and tertiary exploitations flourished under foreign rule. Class consciousness increased and I believe that the verdict of history would be that the chief causes of India's decline were the jealousies, intrigues and the struggles for power among the privileged, who were very few as compared with the masses of the population.

"Now like a fairy princess, after a sleep of a thousand years, India has awakened to a dawn of new life with new horizons coming into its ken. The long dark night has ended and the first rays of hope come to us with our Independence. Today for the first time after centuries we are able to see the Indian problems as a whole, as they affect the whole of the country, through Indian eyes. Against this background it is easy to realise the urgency of economic development. But it would be a great mistake if we consider the problem to be merely a statistical one. It is far more than that. It is a psychological problem. Today the pathetic contentment which was part of our fallen state is showing signs of thawing, although luckily for those whose business it is to govern the country, it has not yet turned into sour discontent. The Indian soil is not still acid and the heart of the common man is still sweet. While we are all striving for a decent living. I do not believe we are yet consciously trying to hitch our wagon to the pole star."

India's planners, Mr. Deshmukh said, had to take stock of the country's resources—land, water, ores and men. Except perhaps in manpower, the country's resources were inadequate in "every conceivable respect." Nature, for instance, had not treated the country generously in oil. Since human resources were an important factor on which they could rely and which they had to use, they were "seeking ways and means for finding out projects which are labour intensive and not capital intensive." Again, since the physical resources were limited, the planners had to remember the question of conservation of resources also. He said: "So far as conservation is concerned, I believe that among the long-term problems, the problem of soil erosion is problem No. 1." They were also trying to harness the waters of the rivers for irrigational purposes. The total volume of water that the rivers carried was very considerable indeed. Till recently they were able to make use of only five per cent. of it. Here was a very vast field for development, a field in which they had already acquired a certain amount of expertness as a result of experience. What had been achieved already compared very favourably with all that had been achieved in the endless past. He said: "I feel myself that, within the next ten years, we shall have taken very great strides forward in harnessing our rivers for irrigation, for flood control and for the generation of power."

Created Money

The Government, Mr. Deshmukh said, had to utilise the country's resources to the "optimum extent." He did not think that "finance" need be regarded necessarily as a "limitation." The real limitation was the physical and technological resources that were available or could be available for development purposes. In these circumstances, it was not always easy to determine the size of the Plan. But one could determine the principle on which this size could be fixed and that principle should be "development without inflation but not necessarily development without the creation of money." Mr. Deshmukh expatiated upon this idea at the Andhra Chamber of Commerce. He said: "You have referred to deficit financing. I prefer to call it development by the creation of money without incurring the danger of inflation." He added that as to what limits should be prescribed for created money would be a matter for "current judgment," and no limit could be laid in advance except for a short period. He added:

"In other words, our sights have to be adjusted from time to time and if any modifications are required in the light of changed conditions, those modifications have to be brought about without imperilling the general pattern and content of the plans."

He recognised that there was one danger in deficit financing, namely, that the States would not be very careful about their projects. So long as the States themselves had to find the money for their projects, they would be particular about the economic prospects of their projects. If they received Central assistance, even if that assistance was in the form of loans, there was "danger of loose projects being formulated." He was, however, sure that those who were in charge of the governance of States were conscious of this danger but it was a tendency which had to be guarded against.

Mr. Deshmukh admitted that the Five-year Plan was largely a plan for the public sector. Although they had laid down targets for industry, they had not indicated the means by which those targets could be attained by the private sector. After referring to the complaint that the private sector had been starved of resources for the benefit of the public sector, he said: "I have always held the view that whatever we are abstracting from the common pool is something that will not only develop public utilities but will also provide social capital and provide the foundation on which private industry can develop within the field that might be assigned to it from time to time."

Foreign Aid

Since capital resources were limited, Mr. Deshmukh said that, if a foreigner was prepared to make a contribution to India's development without laying down conditions which are unacceptable to the country, he did not see "any reason why assistance so proferred should not be accepted." In this connection, he referred to India's accumulated sterling balances and said:

"In regard to foreign assistance, it will be recalled that we held a great deal of sterling accumulated during the war, and for the purpose of planning we have assumed that the releases of these balances will be obtained in accordance with agreements arrived at, which now are regarded as satisfactory to both sides. To the extent to which this sterling is convertible into goods on a wider and wider scale, to that extent obviously our interests are likely to be better served. In other words, any move towards multilateral and freer currencies is a move that is of special interest, and will be of special benefit to India. Sterling is one of the most important currencies of the world, and for historical and traditional reasons we are members of the Sterling area. The development of the resources of the Sterling area and the strengthening of its resources are matters of very great importance to us and these were the matters that were discussed at Sydney."

Since the Andhra Chamber of Commerce had drawn the attention of the Finance Minister to the importance of the development of mineral resources in the new State, Mr. Deshmukh referred to this problem and stated that it was a matter which related not only to Andhra but to the whole of India. He pointed out that the value of ores exports had risen from Rs. 4 crores in 1948-49 to Rs. 40 crores in 1952-53. He was sure that the problem was already receiving a "great deal of attention." In this connection, he referred to the discovery of lignite in the South and said:

"So far as the South is concerned, I believe that you are on the eve of a very significant industrial revolution. I refer to the deposits of lignite that are now being explored in one of the districts of the Residuary Madras State. I am told that the quality of the lignite is very good and that most of it can be won by open mines, and that the total available deposits are of the order of 3,000 million tons. If that is so, then I should think that the problems of fuel supply in the South, as well as the ancillary problems of transportation, must be affected to a very significant degree. I hope these early expectations will not be falsified and if they are realised to any appreciable extent I feel sure that industry will seek this cheaper fuel that will be made available in the South."

Sales Tax

Yet another problem, to which the Andhra Chamber of Commerce had referred and on which Mr. Deshmukh made a few notable observations, is sales tax on inter-State trade. He said:

"From the point of view of the States, it is a fact that certain items were escaping taxation because of the confusion in regard to places of delivery and of consumption. We also know that the Constituent Assembly thought it fit to insert the particular explanation, the ruling in regard to which has given rise to these difficulties. It will be recalled that there is another section to that Article 286, which deals directly with Inter-State trade and commerce. It is a somewhat confusing situation that inter-State trade and commerce is referred to directly under the second clause of Article 286 and is referred to indirectly in the first clause of that Article. Confusion is worse confounded by the attempt made in the explanation to define what is inside a State, rather than what is outside a State. I myself think that the original intention was to use the first part of the Article in regard to imports and exports, and the second in regard to inter-State trade and commerce. We are trying to exercise our influence in the direction of moderation, particularly in regard to retrospective taxation, where we have succeeded a great deal, though not cent per cent.

"I am not sure if the particular remedy which has been advocated by the President would be practicable or would be acceptable to the States. I do not really see what great difference it will make to you, for instance, whether the State of consumption collects the tax, or whether the State of origin or location collects the tax. The laws relating to sales tax in a large number of States would have to be studied by the manufacturer. So far as the entertainment of establishment is concerned, I do not believe that there will be any great saving. You will ask 'what is the remedy?'

"If counsels of moderation fail, I should myself think that the remedy then would be two-fold. This is an observation I am making without prejudice, so to say. I am only in a sense reporting to you the present state of our thinking, because there are many matters which are still being studied. The first remedy is to take advantage of the second clause of Article 286, and for Parliament, to define generally and adequately the limits within which the sales or purchase tax can be imposed on transactions entering into inter-State trade and commerce. After we have completed our investigation and taken our decision, it may conceivably take the form of a purchase tax, in which case many of the administrative difficulties, which, at the present moment, are proving so irksome, will naturally disappear. But even in the matter of purchase tax, there are administrative difficulties of another kind which we shall have to face.

"In any case, I am trying to see how a draft of legislation under the second clause of Article 286 would look like, and may be, if we get a draft cut, we shall again consult with the States, and see if

(Continued on page 185)

THE

CENTRAL BANK OF INDIA

LIMITED

The Net Profits of the Central Bank of India, Ltd., for the year ended 31st December, 1953, subject to audit, including the sum of Rs. 17,23,014-9-9 brought forward from the previous year's Account, amounted to Rs. 93,74,378-5-2 which the Directors have disposed of as follows:—

The following appropriations have been made:—

	Rs.	a.	p.
An *ad-interim* dividend paid for the half-year ended 30th June, 1953, at the rate of 6 per cent., free of income-tax, i.e., Rs. 1-8 per share on 12,53,170 shares..	18,87,255	0	0
Amount transferred to Bank's Investments	20,00,000	0	0
Amount provided for Taxation..	6,50,000	0	0
Amount provided for Bonus to Staff	13,00,000	0	0
	Rs. 58,37,255	0	0
The balance of Rs. 35,37,123-5-2 the Directors propose to recommend to the Shareholders to dispose of as follows:—			
To pay a final dividend for the half-year ended 31st December, 1953, at the rate of 6 per cent., free of income-tax, i.e., Rs. 1-8 per share on 12,56,170 shares (making in all 12 per cent. per annum for the whole year) ..	18,87,255	0	0
To carry forward to next year's account	16,49,868	5	2
	Rs. 93,74,378	5	2

PAKISTAN NOTES

ECONOMIC TRENDS IN PAKISTAN

DOMESTIC SUPPLY OF GOODS NEEDS TO BE RAISED

AFTER the sharp and all-round deterioration in 1952, Pakistan's economy displayed a certain measure of stability during 1953 both in its external and internal finances. The prices of jute and cotton—Pakistan's principal foreign exchange earners—which had fallen by some 100 per cent. during 1952 showed some steadiness during the year under review and, though still much below the dizzy heights reached in March-April, 1951, were higher as compared to the end-1952 levels. Exports were also moving at a fairly satisfactory rate; the quantity of cotton lifted during the cotton season ended August, 1953, for instance, attained a record level. This, together with a drastic cut in the imports, had a favourable effect on the external payments position of the country. Despite the heavy purchases (till the recent gift of 1 million tons of wheat from the U.S.A.) of foodgrains from abroad necessitated by the famine conditions, Pakistan earned a surplus—albeit modest—of Rs. 7.74 crores in her balance of payments during the first nine months of 1953 for which figures are available. This was a considerable improvement over the record deficit of Rs. 84 crores incurred during the year 1952. It was for the first time after the first half of 1951 that there was a surplus in the balance of payments in January-March, 1953. Government's budgetary position, as evidenced by the level of its balances with the State Bank, also showed less deterioration during the year, its balances going down by only Rs. 7 crores during 1953 (during the 11 months to November), as compared with Rs. 20 crores in 1952.

Interest Rates and the Banking System

The gradual return of the economy towards an equilibrium was very well reflected in the structure of interest rates and the seasonal variations in the Scheduled banks' liabilities and assets which during the year conformed to the usual busy and slack season pattern, as the following figures will bear out:

Scheduled Banks in Pakistan

(In crores of rupees)

	Busy season Sept. 1951-March 1952	*Slack season April-August 1952*	*Busy season Sept. 1952-March 1953*	*Slack season April-August 1953*	*Busy season Sept.-Nov. 1953*
Demand liabilities ..	+ 4	— 6	+ 4	+16	— 7
Cash and balances with State Bank	—10	— 2	+ 2	+11	— 8
Excess of balances with the State Bank over the legal minimum ..	—11	— 1	+ 2	+10	— 8
Advances and bills discounted	+86	—14	+ 1	—10	+ 6
Call money rate (during the period)	2%	2%	2½%	1¾%	1¾%

It will be seen that, in the recent slack season (April-August, 1953), in tune with the decline in business activity, the demand liabilities and cash and balances of the Scheduled banks went up by Rs. 16 crores and Rs. 11 crores, respectively, and their advances fell by Rs. 10 crores, while the call money rate eased to as low as ¼ per cent. With the progress of the busy season from September, the demand liabilities and the cash resources have declined, while advances are going up and the call money rate has tended to harden. At the end of the slack season in 1952, the position of the banking system was much less liquid and conditions in the money market had continued to remain stringent, owing mainly to the failure of exports to move up. Only Rs. 14 crores of the advances had been retired during that slack season, although, in the previous busy season, they had gone up by Rs. 36 crores. The call money rate also continued to rule high at the earlier busy season level of 2 per cent. The demand liabilities, instead of increasing, actually fell by Rs. 6 crores. Because of this distorted pattern, the changes in the following busy season—September, 1952, to March, 1953—also showed a deviation from the normal; demand liabilities went up, while advances practically remained stationary.

Governmental Policy

Unlike in 1952, Governmental policies were much more realistic during 1953 and helped in no uncertain measure to arrest the deterioration in the economy. First, imports were rigorously held in check throughout the year the cut in which was primarily responsible for balancing the external accounts. Secondly, the "price-support" schemes which had prevented a natural adjustment in prices last year were discontinued. Prices were not, therefore, kept up at artificially high levels and, consequently, exports were not affected. As internal incomes were not sustained, the demand for imports was also correspondingly reduced. Finally, the decision to cut down jute acreage drastically was in sharp contrast to the halting and piecemeal steps taken last year which were almost always too little and too late.

While some progress has been made in stabilising the economy, Pakistan is yet far way off from a completely secure position. First, as the following table indicates, a balance has been achieved in the external payments only by the negative method of severely cutting down the imports, especially those on private account:

(In crores of rupees)

	1952	1953 Jan.-Sept.	*Change*
Total receipts ..	191.77	117.14	— 74.63
Commercial imports ..	185.90	61.77	—124.22
Government imports ..	59.19	32.39	— 26.80
Other payments ..	31.49	15.30	— 16.19
Total payments ..	276.66	109.40	—167.26
Surplus/Deficit ..	—84.89	+7.74	

A surplus was secured by reducing the imports by over Rs. 167 crores of which the share of private imports was Rs. 124 crores. Export earnings actually declined by about Rs. 75 crores. This reduction in imports has resulted in an acute shortage of many consumer goods, notably textiles, and has pushed up the prices of many of them by anything between 50 and 100 per cent. The prices of longcloth, e.g., have shot up from Rs. 50 to Rs. 60 per piece at the beginning of 1953 to Rs. 126 per piece in November. This scarcity has also resulted in profiteering, speculation and hoarding of goods on a very large scale. The Government's recent decision to import quickly cloth worth about Rs. 4 crores and also to issue advance licences against the quotas in January-June 1954 period, are pointers to the acute urgency of replenishing supplies of essential consumer goods. Further, the fact that Government has decided to import cloth on its own account and not to entrust it to the trade is sufficient evidence of the degree of profiteering by the traders.

OUR LONDON LETTER

This customary feature of ours is published on page 195 of this issue.—ED.

Moreover, the margin of surplus is still precariously small. Besides, deficits still persist—although on smaller scale—with some of the areas, as will be seen from the table below:

Area-wise Balance of Payments

(In crores of rupees)

	1952	1953 Jan.-Sept.
Dollar area	—13	— 8
Sterling area	—81	—24
O.E.E.C. countries	+ 8	+17
Japan	—17	+20
Rest	+19	+ 3
Total ..	—84	+ 8

The imbalance with the dollar area, in particular, is chronic. Even in the days of record surpluses in 1951, Pakistan had a deficit with the dollar area. The position would have been very serious in the last quarter of the year but for the timely gift of 1 million tons of wheat which has saved Pakistan about Rs. 25 crores in foreign exchange. Finally, the level of the gold, dollar and foreign exchange reserves at about Rs. 67 crores is too low to meet any large-scale deficits in the balance of payments. At the moment, the balance of payments position is too sensitively balanced and much more will have to be achieved to give it sufficient strength and resistance to withstand the impact of the growing demands for development purposes.

Ways and Means Position

Similarly, the improvement in the Government's ways and means position has been only moderate. During the first half of the year, the Central Government balances were almost continuously being run down till they reached a record low of Rs. 16 crores on 12th June, 1953, and it was only the flotation of new loans on 17th June that arrested the fall. In the following three months, the balances were fairly steady at around Rs. 35 to Rs. 40 crores and reached Rs. 44 crores on 18th September, after which, however, they were again on the downward trend, partly perhaps due to transfers to the Provincial Governments, and stood at around Rs. 30 crores towards the end of November. Besides, it has also to be remembered that the contributions of individuals, firms and joint-stock companies to the new loans did not exceed a few lakhs, and the issues were subscribed largely by the Scheduled banks (the State Bank also probably subscribed Rs. 3 to Rs. 4 crores) who presumably had no alternative attractive sources for employing funds in view of the depressed state of the economy and the import cuts. Thus, it was not from the genuine savings of individuals, etc., that the Government's borrowing programme has been supported. The Central Government also has not really repaid the ways and means advance of Rs. 15 crores taken from the State Bank in October, 1952, as it has been merely converted into Treasury Bills.

The prospects of increasing revenues are far from bright, as Pakistan largely depends upon customs duties, and the yield from these in the foreseeable future is likely to be maintained at no more than the 1953-54 levels in view of the shrinkage of both exports and imports. It may be recalled that, during the year 1953-54, customs duties are expected to bring in only Rs. 31.75 crores; this compares with the amount of Rs. 82.20 crores realised in 1951-52. If, therefore, the Government is to look towards a genuine and larger surplus for going ahead with the development plans, it will have to seek economies of expenditure elsewhere, particularly defence and administration, or obtain a large amount of foreign aid.

Another disturbing feature of Pakistan's finances is the increasing recourse of the Provincial Governments to *ways and means* advances from the State Bank. As the Governor of the State Bank recently pointed out in his annual address, these have reached such a high level and have been so persistent that they can no longer be considered as temporary advances to tide over temporary difficulties. These ways and means advances to Provincial Governments like those to the Central Governments add to the level of the money supply in the country and this tendency will have to be curbed, if the inflationary forces are to be kept under control.

Future Prospects

After this review of the present situation, we may now attempt an assessment of the future prospects. As we have already noticed, at present the prices of Pakistan's chief export commodities are competitive and their offtake is also reasonably steady. The quantities of both jute and cotton exported during the year have exceeded those in 1952, although the export earnings have shrunk because of the low prices of both the commodities. In the context of the trends in world prices, the abundance of crops like cotton and the general feeling that some "adjustment" if not a recession is round the corner, it seems extremely unlikely that either the prices or the quantities of exports will pick up appreciably. Accordingly, the current level of export earnings should be regarded as normal. This fact rules out any possibility or need for any devaluation of the Pakistani rupee for the present, as any adjustment of the exchange rate is not likely to bring about any improvement in the total export earnings. On the other hand, by enhancing the internal prices of imports, devaluation will only retard development and also add to the inflationary tendencies. Therefore, with very limited prospects of increasing exports and the fact that imports have already been cut down to a bare minimum, the only long-term solution is to try to increase the internal supply of goods by producing as many of them in the country as possible.

For doing this, the development programme will have to be planned very carefully and it is on the proper handling of the development programme that the future will hang in balance. It would probably be difficult to support many heavy industries and it would be advisable to concentrate more on light industries such as textiles and also on small-scale production units which do not require much additional investment by way of transport facilities, housing, etc., as the heavy industries do. Much also will depend upon the loans and assistance (like the U.S. gift of wheat) which Pakistan will get from foreign countries. If they get it in adequate measure they will be able to finance a reasonably ambitious development programme. Otherwise, they will have to tighten their belts still further.

FINANCING OF INDUSTRIAL DEVELOPMENT

POSITION IN SOME LATIN-AMERICAN COUNTRIES

IN India the need to expand industry for providing employment has prompted an earnest search for new capital. The flow of loanable funds into the capital market has considerably diminished in recent years, especially since independence. The disappearance of the *zamindars* and princes has choked one of the biggest sources of supply of funds. Enforcement of higher wages and larger amenities to industrial workers with poor thrift habits coupled with high level of taxation, has reduced the investible amounts with industrial concerns. Little or limited return of funds from rural areas which have benefited from the high prices for agricultural produce and the resulting diffusion of money incomes have stunted the growth of savings available to capital markets in big cities. The disintegration of the middle class investors caused by inflationary conditions has almost dried up another source of capital. On top of this comes the progressive increase in taxation of incomes of individuals and industries which, too, has contributed to diminish funds available for investment. And last but not least, there has been an increasing tendency on the part of the Government to canalise the flow of surplus funds into its own bonds. The net result has been a great dearth of finance for developing industries in the country. This situation has now led to the appointment of the Shroff Committee which, as stated in previous issues of this journal, has set about collecting data for suggesting measures calculated to augment funds for development of industries, particularly from the banking sector. In this work, it can derive considerable benefit from the article on the financing of industries by credit institutions in Latin America, prepared by the Research Department of the Reserve Bank of India. A review here of this article, which appears in the December 1953 issue of the *Reserve Bank of India Bulletin*, may be useful to all those interested in the problem.

In Latin America, as in other underdeveloped countries such as India, there is a dearth of domestic capital for economic development. Low incomes, insufficient savings, excessive preference for real estate investment and undeveloped capital market have all combined to militate against adequate domestic capital for investment in industries. A study sponsored by the U.N. in 1951 estimated the net domestic savings for entire Latin America at a little over 8 per cent. of national income in 1949. This poor rate of savings in these countries has given rise to the problem of how best they can mobilise domestic private capital for meeting the increasing requirements of expansion in industry and agriculture. The way in which the countries have been tackling the problem makes interesting reading.

General Observations

Before dealing with the position in each of the several countries, namely, Argentina, Mexico, Brazil, Chile, Colombia, Venezuela, Bolivia, Puerto Rico, etc., it will be appropriate to mention here some general observations pertaining to all these countries. In Latin America, as in India, commercial banks are engaged mostly in short-term operations. This is partly due to profitability and safety of these operations and partly to legislation requiring the banks to maintain a certain degree of liquidity. Nevertheless, commercial banks of these countries do extend, either directly or through special official agencies, medium and long-term credit to industry. In certain countries commercial banks are persuaded to perform investment operations to a limited extent. Apart from these banks, in several Latin-American countries, the central banks also aid economic development by providing finance. As agents of Governments, they are intimately concerned with the financing of public enterprises, a fact which is of considerable significance to India. They also provide substantial credits to "Fomento" organisations or specialised industrial or mining credit institutions. These latter institutions, which have been started for the purpose of providing long-term credit to industry, function as autonomous Government agencies. They are engaged in the positive work of organising and financing new industries. They finance, participate in, or establish directly, various types of undertakings that are temporarily not attractive to private capital.

Now to give a brief account of the service rendered by (a) commercial banks, (b) central banks, and (c) Fomento credit organisations in each of the several big Latin States.

In Argentina, the method of industrial financing by commercial banks is different from that in other Latin-American States. The State renovated its credit system under the Banking Reform of 1946. Under this law, the Central Bank was nationalised and was invested with all the functions of carrying out the economic policy of the Government. All deposits with commercial banks are held for account of the Central Bank for which the commercial banks act merely as agents. The Central Bank provides funds for loans through rediscounts, which need not bear any fixed relation to the deposits held by the individual banks. Thus, with its overall control on bank deposits and loans, the Central Bank guides and controls the economic policy and makes funds available to finance industry, or for that matter, the economic plans of the Government. This accounts for the broader bank credit that is provided for industry.

There is no "Fomento" Corporation in Argentina, but, with a view to facilitating industrial financing, a special banking institution—*Banco de Credito Industrial*—was established in 1944. The capital of the Bank, wholly subscribed by Government, was originally fixed at 50 million pesos and was subsequently raised to 100 million pesos. Later, under the Banking Reform of 1946, this Bank became an integral part of the Central Bank. Its total capital was raised again to 155 million pesos consisting of (a) 50 million pesos for long and medium-term operations, (b) 25 million pesos for short-term operations, (c) 50 million pesos for special industrial loans, and (d) 30 million pesos for financing mining development. In 1949, the control of the Bank passed on from the Central Bank to the Ministry of Finance. The Bank works in co-operation with the Argentina Trade Promotion Institute and Banco de la Nacion. During 1951, the Bank granted loans of 4,070 million pesos, as against 2,646 million pesos in 1950.

Mexico

As a rule, there is a traditional aversion among commercial banks in Mexico to long-term financing operations. Specific measures were taken up by the Government to induce the banks to extend long-term credit. Along with raising the minimum capital requirements of commercial banks, they were authorised to grant installation and repair loans for a maximum period of two and five years, respectively. However, with a view to ensuring stability among commercial banks, it was provided that (a) the total of such loans and investment in private securities for terms of over two years should not exceed 20 per cent. of current liabilities, (b) the amount of loan should not exceed 50 per cent. of the real value of the property offered as security or of the capital and reserves of the borrowing institution, and (c) the institution receiving loan should not pay dividends while the loan was outstanding.

For providing long-term credit, the *Nacional Financiera* or the National Industrial Financing Corporation was created in 1933. Half the capital of 100 million pesos is owned by the Mexican Government and the remainder is held by private and official credit institutions. The functions of the *Financiera* are to supervise and regulate the national securities and long-term credit market, to promote investment of capital in the organisation and development of industries of national importance. It has obtained substantial credits from the World Bank. It raises funds for the sale of 3- to 15-year bonds and of certificates valid for an indefinite period.

There are also private finance companies which promote and organise enterprises and participate in the issue and distribution of public and private securities. They grant long- and short-term credit in the form of discounts, direct loans, pledge loans, and installation and repair loans. They grant letters of credit for the purchase of machinery and raw materials, contract public loans extending upto 30 years, and issue finance bonds with specific backing instead of general bonds. The resources of these banks rose from 67 million pesos in 1940 to 980 million pesos in 1948.

Brazil

In Brazil, until recently, there were no investment banks or full-fledged specialised industrial credit institutions. Consequently, private banks combined commercial with investment banking functions. At the end of 1952, of the total loans extended by the commercial banks, excluding loans to official entities, nearly 31 per cent. was for industry.

The Bank of Brazil, a Commercial bank, performs many of the central banking functions. It has a department of agricultural and industrial credit to extend loans to agriculture and industries for periods of one to five years. The Bank is authorised to issue bonds. Its resources also consist of deposits from social security institutions and public utility companies as well as amounts transferred to it from its general funds.

In Brazil, the credit institutions known as mixed industrial corporations are in charge of the publicly planned projects and generally each of them is associated with a specific industry. The bulk of their capital stock is held by the Federal Government. Much of the capital is also subscribed by semi-public institutional investors such as savings banks and social insurance agencies. Some of them receive substantial credit from the U.S. Import-Export Bank.

In 1952, a new investment banking company—*Interamericana de Financiamento e Investmentos*—was created in Brazil. The object of this company is to assist the mobilisation of Brazilian capital for productive purposes and to promote joint Brazilian-American industrial enterprises in Brazil. A part of the capital is subscribed by the Chase National Bank and the International Basic Economy Corporation of U.S.A. In the same year another institution, the National Bank for Economic Development, was started.

Chile

In Chile, on specific occasions, commercial banks have performed investment functions, where adequate guarantees have been furnished. The law does not permit the banks to make loans for terms not exceeding one year. But, in practice, they extend substantial credits to existing enterprises to carry out their normal operations through short-term loans and by the grant of overdrafts up to a certain sum which are renewed for so long that they actually amount to medium loans.

The central bank provides funds to the Industrial Credit Institute, the Mining Credit Bank and other specialised institutions for enabling them to carry out their credit operations.

The most important of the official agencies for the promotion of industrialisation is the Production Development Corporation. It was created in 1939 and, as an industrial development agency, it is intended to exploit the natural resources of the country, to co-ordinate the development of industry with that of mining and agriculture and to attract domestic capital to productive industrial activities. The resources of the Corporation comprise the proceeds of certain specified taxes, realisation from sales of stock participation and the receipt of amortisation, interest and dividend payments from companies. The Corporation is also authorised to borrow both internally and abroad. The Corporation's functions were initially confined to extending credit facilities to new and existing industries. But they now cover the supervision of the entire sphere of industry. Loans are generally extended for a period of three to ten years. As soon as an enterprise proves successful and is able to gain the support of private investors, its shares held by the Corporation will be disposed of in the markets.

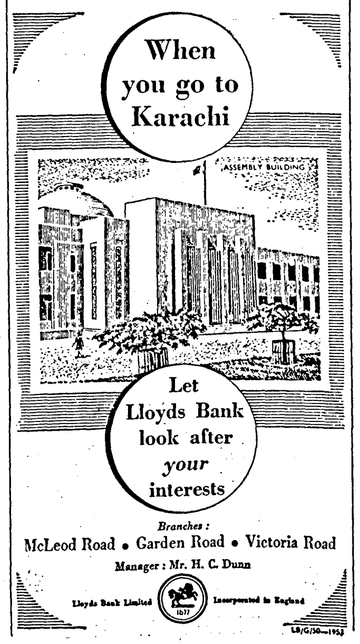
Chile has also an Industrial Credit Institute and a Mining Credit Bank to provide finance for small-scale industrial and mining enterprise. In 1953, the former was merged with the National Savings Bank, the Mortgage Credit Bank and the Agrarian Credit Bank to form a new State Bank, namely, the *Banco del Estado*. This new Bank has an authorised capital of 5 billion pesos and is empowered to borrow from the central bank or to issue bonds for financing development projects. The loan programme of the State Bank includes provision for industrial loans upto a term of 10 years.

Colombia

In Colombia, commercial banks provide ample short-term funds to industry. The banking law, modified in 1950, allows the banks to grant loans with maturities up to five years for the construction or enlargement of works exclusively for economically useful purposes. These loans, which may be re-discounted at the central bank, may not exceed 10 per cent. of a bank's deposits or the total capital and reserves of the bank.

The Bank of Republic is the central bank in Colombia. It was authorised in 1950 to make loans with maturities up to five years to specified industrial enterprises.

The Agricultural, Industrial and Mining Bank, a semi-official agency, provides short- and medium-term loans to agriculture and small industries. In the sphere of industry, the Industrial Development Institute, created by the Government, is entrusted with the development of basic industries and mines in areas not easily accessible to private enterprise. It can establish industries on its own account. The Government participation in developing industries is through this Institute.





SLIGHT EXPANSION IN COTTON MILL INDUSTRY'S CAPACITY

PAID-UP CAPITAL HIGHER BY RS. 2.68 CRORES

THE report of the Cotton Textile Enquiry Committee and the Government of India's decisions thereon are being awaited with considerable interest by both the textile industry and the trade, not to speak of the consumer of textiles. The interest is quite natural, since the future pattern of development of the cotton textile industry would probably be on the lines recommended by the Committee. In this context, the need for having a clear picture of the latest position regarding the size and composition of the mill sector of the industry assumes special significance. For the fulfilment of this need, one has only to refer to the customary annual Mill Statement (priced at Rs. 5 each) of the Millowners' Association, Bombay. The latest edition of this Statement relates to the cotton year ended 31st August, 1953, just published.

According to the aforesaid Statement, the number of spindles and looms in existence as at the end of August, 1953, was higher at 11,721,139 and 207,250, as against 11,427,034 and 208,786, respectively, a year before. It will thus be seen that, over the year, the number of spindles has gone up by 294,105 and that of looms by 3,464. The number of mills, too, has gone up from 453 to 457. The following table shows at a glance the progress of the industry in the past two years:

	As on 31st August		
	1951	1952	1953
Total No. of mills	445	453	457
No. of mills in course of erection ..	26	22	17
No. of mills idle	20	19	20
Paid-up capital (in crores of Rs.)	103.89	106.93	109.61
Spindles installed	11,240,635	11,427,034	11,721,139
Spindles working	9,794,260	10,104,719	10,592,112
Looms installed	201,484	203,786	207,250
Looms working	183,045	187,282	188,606
Cotton consumption (in bales of 392 lbs.)	3,637,154	4,132,632	4,419,702
No. of hands employed (day shift)	425,032	432,588	435,138

As will be seen from the above figures, the increase in the number of mills in 1952-53 was only four, as against eight in 1951-52 and 20 in 1950-51. This fall is understandable, in view of the fact that no new mills are allowed to be started and the increase that has taken place merely represents the completion of mills that had already been under erection. The latter had been planned before India obtained independence. Following the increase in the number of completed mills, the number of mills in course of erection and/or registered at the end of August, 1953, was smaller at 17, as against 22 a year before. The paid-up capital of the industry has gone up by Rs. 2.68 crores to Rs. 109.61 crores. Practically the whole of this increase represents capitalisation of reserves, as no new capital was issued to our knowledge. Despite the increase of one in the number of idle mills, the number of hands employed in day shift alone has risen from 432,588 to 435,138. This is evidently due to the increase in the number of spindles and looms actually working.

A Comparison

It will be interesting to compare, in this connection, the position of spindles and looms installed and operating in India with that in some of the leading textile manufacturing countries of the world. This is done in the following table; the figures relating to the foreign countries refer to the end of 1952:

(Spindles in millions; looms in thousands)

	Spindles		Looms	
	Installed	Working	Installed	Working
U.K.	27.23	21.10	350	230
U.S.	23.08	22.14*	899	829
India	11.72	10.29	207	189
Japan	7.46	6.87	290	156
Germany	7.16	N.A.	141	120
Italy	5.78	5.10	138	112

*1951. N.A.—Not available.

These figures show that, next to the U.K. and the U.S., India possesses the largest number of spindles in the world. As regards looms, though the number installed is smaller than in Japan, the number actually working is larger. The aggregate world cotton spindles and looms as at the end of July, 1952, stood at 129 million and 2.73 million, respectively.

A study of the progress of the cotton mill industry during 1952-53, as compared with that in the previous year, discloses that the number of mills in the State of Bombay declined from 212 to 211, but spindles and looms installed rose from 6,362,451 and 135,251 to 6,506,959 and 136,093, respectively. The number of idle mills in the Bombay State rose by three to 10, with the result that half of the total number of idle mills in the Indian Union was accounted for by this State. In the case of Madras and West Bengal, the number of mills increased by three and two to 93 and 38, respectively. Similarly, spindles installed in these States moved up from 1,968,590 and 469,830 to 2,034,864 and 505,944. Looms installed also were higher, being 9,195, and 10,427 as against 8,520 and 9,862. The number of mills in all the other States remained unaltered. The spindles installed, however, were larger in all the States, except Madhya Pradesh, which recorded a slight decline. With regard to looms installed, all the States, with the exception of Travancore-Cochin, recorded an improvement.

Although there was an expansion in the number of spindles and looms employed, such was well below that in the total installed capacity. Thus, as against a rise of 294,105 in spindles installed, the spindles actually working moved up by only 187,393. The experience in regard to looms also was the same. Whereas the number of looms installed advanced by 3,464, that of looms working was higher by no more than 1,324. This shows that the utilisation of the available productive capacity was not as high as it could have been, considering the growth that had taken place in the size of the industry.

Reflecting the rise in the spindles and looms working and the absence of any major labour strike, the production of cloth and yarn showed an impressive improvement. The quantity of cloth and yarn actually produced during the year ended August, 1953, was 4,902 million yards and 1,507 million lbs., as compared with 4,358 million yards and 1,389 million lbs., respectively, a year before.

An indication of the marked rise in the production of cotton textiles in the mills is also provided by the increase in the quantity of cotton consumed, which, during 1952-53, amounted to 4.42 million bales (of 392 lbs. net each), as against 4.13 million bales in 1951-52.

Pattern of Distribution

The statement below indicates the pattern of distribution of cotton textile mills in the different areas as on 31st August, 1953:

Situation	No. of mills	Spindles installed	Looms installed	Average number of hands employed
Bombay—				
Bombay City and Island.	65	3,017,049	65,628	113,429
Ahmedabad	74	2,035,710	42,578	71,833
Saurashtra ..	11	167,000	3,639	7,335
Other States	61	1,286,540	24,248	49,873
Total Bombay State.	211	6,506,959	136,093	242,466
Madras	93	2,034,864	9,195	56,578
W. Bengal	38	505,944	10,427	22,657
U.P.	29	811,428	13,231	27,034
Madhya Bharat and Bhopal	18	445,402	11,383	22,199
Madhya Pradesh	11	367,822	7,265	18,071
Rajasthan, Ajmer and P.E.P.S.U. ..	12	109,494	3,877	6,140
Punjab	11	213,232	5,132	6,820
Mysore	11	223,199	3,084	12,356
Travancore-Cochin ..	10	133,503	716	3,506
Hyderabad	7	150,704	3,244	7,699
Bihar and Orissa	8	79,699	1,011	2,296
Pondicherry	3	81,812	1,992	5,419
Grand Total ..	457*	11,721,139	207,250	435,138

* This number does not include 17 mills which have either been registered and/or are in course of erection.

It will be seen from these figures that Bombay State occupies the pride of place on the textile map of India. This State accounts, for instance, for as much as 54.4 per cent. of Indian aggregate spindleage and 65.7 per cent. of loomage, although its share in the number of mills is less than 47 per cent. This clearly reveals two striking features. First, the average size of cotton mills in Bombay is larger than that in the other States. Secondly, the mills are well-balanced composite units. It is no wonder, therefore, that Bombay accounts for the largest production of woven goods in India. Next in importance to this State is Madras, the share of which in the country's aggregate spindles and looms is of the order of 17.7 per cent. and 4.4 per cent., respectively. The growth of the cotton mill industry in the State of Madras thus shows a significant tendency towards the formation of single process (spinning) units. West Bengal and Uttar Pradesh also figure prominently on the textile map.

WOOLLEN INDUSTRY

The Central Government's decision to reduce the import quota for the current half-year period in respect of woollen fabrics from 25 per cent. to 12½ per cent. and of shady woollen goods from 40 per cent. to 25 per cent. has prompted the affected interests in the import trade to protest against the Government's policy. At a conference, recently organised by the Bombay Woollen Piecegoods Merchants' Association, a resolution was adopted stating that there was an acute scarcity of cheap qualities of woollen fabrics in the country and that imports in the past had not affected adversely the domestic woollen industry which already enjoys tariff protection. The prices of woollen goods, according to some spokesmen of the trade, have gone up by about 15-20 per cent. as a result of the reduction of the import quota. The woollen manufacturers, who stand to benefit by the reduction in the import quota, however, point out that there has been no rise whatever in the prices of woollen goods in the Indian market. Indeed, they would be happy if they could successfully dispose of all their stocks at the prices which prevailed in November-December, 1953, because in recent weeks, which generally constitute the busiest season for the industry, trading conditions have been dull and turnover has not been encouraging. They deny that there is any likelihood of the emergence of shortages in the woollen piecegoods market. Even if any shortage were to arise, such could, in fact, be more than met by the mills, it is stated. It would appear that the mills have been working only one shift, and some of them even less than a shift. If the ban on imports leads to an increase in demand, the industry has sufficient capacity to meet the needs of the internal market. The industry produced 18.5 million lbs. in 1950, 17.7 million lbs. in 1951, 16 million lbs. in 1952 and about 12.3 million lbs. in the first nine months of 1953. The woollen industry had 116,800 spindles at the end of 1950-51. Since then, 10,000 spindles have been installed, and licences for another 21,000 spindles have been issued. All this addition to the industry's capacity means an additional production of 5 million lbs. (both yarn and cloth), as against the average imports of only two million lbs. in the last two years. It is, therefore, evident that the industry is certainly capable of meeting the internal demand for woollen goods. But the traders' protest, irrational and needlessly panicky as it is, will nevertheless have served at least a good purpose, if it spurs the industry to further its efforts towards meeting the consumers' needs, both in price and quality.

EXPORT PROMOTION COUNCIL FOR COTTON TEXTILES

All available information shows that the Cotton Textiles Export Promotion Council will be constituted in about a month's time. The recommendations pertaining to the constitution of this Council, made by the *Ad Hoc* Working Committee at its meeting held in Bombay recently, are under the active consideration of the Central Government. If these recommendations were to be accepted in full, the formation of the Council would be on the following lines:

The Council will consist of the members of the *Ad Hoc* Committee with such additions as the Government may subsequently make in consultation with the Working Committee to be established for the purpose of running the organisation. The duration of the first Council will be one year from the date of constitution. It will be for this Council to decide upon the subsequent set-up. It will meet at least once in every three months.

The Council will be entrusted with the task of conducting market studies in individual markets on an *ad hoc* basis, including the sending out of missions, as has been done by the U.K. Cotton Board. The other functions cover: (1) appointment of representatives in important markets who will have to report continuously on prices, market preferences, reception accorded to actual deliveries of Indian textiles, etc.; (2) appointment of correspondents in markets which are rather less important; (3) continuous propaganda and promotion drives as in the case of jute, tea, etc.; (4) collection of statistics and dissemination of information relating to export trade in cotton textiles; and (5) laying down of standards of quality and setting up of, or in liaison with, an organisation which may be established for the inspection of exports.

The finance for the work of the Council is to be met from the Cotton Textiles Fund. According to tentative estimates drawn up, the financial requirements for the operation of the Council in the first year will amount to Rs. 5 lakhs.

MILLOWNERS ASSOCIATION'S DEPUTY CHAIRMAN

Mr. Neville N. Wadia, chief of the Bombay Dyeing and Manufacturing Company, Ltd., and Chairman of the Millowners' Association, Bombay, for 1953, has been elected its Deputy Chairman for 1954. Mr. Wadia became a member of the Committee of the Association 19 years ago and has held the office of Deputy Chairman four times in the past. A prominent industrialist of Bombay, Mr. Wadia is an active spectator of the cotton mill industry and is connected with various committees appointed by the Government. He is also Chairman of the Cotton Advisory Board. Mr. Wadia was a member of the Indian Delegation to the International Textile Conference which was held at Buxton (England) in September, 1952.

BONUS FOR BOMBAY'S TEXTILE LABOUR

All the workers of 40 cotton textile mills in Bombay City, which were directed to pay bonus under an award issued by the Industrial Court last month, received payment on the 25th inst., despite the propaganda by the *Rashtriya Mill Mazdoor Sangh* and the Red Flag Union against its acceptance. The Industrial Court had awarded a bonus equivalent to 15 per cent. of the basic wages earned by these workers in 1952.

Both the Millowners' Association and the *Rashtriya Mill Mazdoor Sangh* have appealed against this decision to the Labour Appellate Tribunal.

KEEN COMPETITION FROM JAPAN ANTICIPATED

SHORTAGE OF COTTON SUPPLIES FEARED

(From A Special Correspondent)

MANCHESTER, 19*th January*

OUTPUT of yarn by the Lancashire cotton spinning industry last year was over 181,000,000 lbs. higher than in 1952, according to the Cotton Board. The mills produced a total of 952,510,000 lbs. of cotton and rayon yarn in the 53 weeks ended 2nd January, 1954, as compared with 770,670,000 lbs. in the 52 weeks of the previous year when the recession severely curtailed production.

MANCHESTER LETTER

The following table shows the experience of the spinning industry in the final 17 weeks of 1953, together with the corresponding output of yarn in the previous year and the rate of recruitment:

Week ended	Yarn production (000's lbs.)		Recruitment	
	1953	1952	1953	1952
September 5	20,020	14,230	+659	+103
,, 12	19,770	15,040	+121	+417
,, 19	18,670	15,000	+ 85	+382
,, 26	19,450	15,550	+193	+323
October 3	20,220	16,310	+151	+337
,, 10	20,350	16,710	+152	+312
,, 17	20,310	16,780	+212	+223
,, 24	20,290	16,980	+176	+212
,, 31	20,380	16,940	+189	+214
November 7	20,620	17,390	+ 68	+239
,, 14	20,670	17,540	+ 73	+439
,, 21	20,660	17,620	+ 85	+368
,, 28	20,690	17,560	+ 95	+370
December 5	20,840	17,490	+171	+344
,, 12	20,820	17,740	+ 98	+255
,, 19	20,860	17,810	— 87	— 75
,, 26	16,420	10,400	—285	— 97

Gains recorded in securing new labour for the mills were not as encouraging at the end of last year as they were in 1952 when manpower was flowing back after the earlier exodus. In the final four months of 1953, the improvement was almost 2,000 full-time operatives and a further 1,000 part-timers, whereas, in 1952, the spinning industry recruited an extra 4,600 full-time operatives.

Fresh Labour

Recruitment experts have a difficult task ahead of them. The initial impetus of the return to the mills has largely spent itself and much depends on conditions during the next few months as to whether fresh labour is obtained in sufficient quantities to offset inevitable wastage.

In the opinion of at least one trade leader, the labour force "may now well be at its peak level." This was the view expressed by Mr. W. T. Winterbottom, Chairman of the Yarn Section of the Manchester Chamber of Commerce, in his annual report. "It is not possible at present to see what further expansion in yarn output is likely," he said, "but, with the present difficulties in recruitment of labour, it must be slow."

Sectional reports issued at this time of the year by the Manchester Chamber of Commerce usually follow a similar pattern based on the experience of the textile industries during the previous 12 months. On this occasion, the reviews can afford to be rather more optimistic than they were a year ago, and the tale told is a more encouraging one.

Underlying all the surveys of those sections which cater primarily for manufacturers and exporters of cotton goods, however, is the threat of latent competition from Japan. This "looking-over-the-shoulder" attitude is a characteristic of Lancashire men, who suffered so severely from Japanese inroads on their markets before the last war. It is a state of mind not easily banished.

One of the biggest setbacks for Lancashire export trade last year was the heavy decline in shipments to Pakistan. From a total of more than 42,000,000 yards in 1952, exports last year shrank to little more than 2,500,000 yards. Mr. Frank S. Winterbottom, Chairman of the India Section, spoke of the "very considerable disadvantage" under which Lancashire traders laboured because of the agreement between Pakistan and Japan linking imports of 100,000,000 yards of Japanese textiles with the provision of some 650,000 bales of Pakistan cotton.

Whether the newly-created Lancashire-Pakistan Cotton Committee will be able to make headway in some form of mutual trading arrangements has yet to be discovered. Certainly, no effort should be spared to open the way for some two-way plan to stimulate Lancashire trade with this large potential consuming area. India, herself a net exporter of cotton textiles, would seem to be no longer a likely market for Lancashire goods, and trade in this direction must inevitably be infinitesimal as compared with the palmy days of the past.

Empire Trade Threatened

Japanese competition is by no means confined to countries outside the British Commonwealth. The Dominions section of the Chamber has referred to the concern felt by the increased opportunities given to Japan to expand export trade with Australia in a wide variety of textiles. Representations have been made to the appropriate authorities in an effort to safeguard the interests of British exporters. Mr. Frank H. Beckett, Chairman of the section, says: "We are naturally anxious that conditions should not be allowed to develop which will plunge the trade into unbridled competition with Japan in the market."

Far Eastern rivalry has also made itself felt in trade with South Africa. Imports of cotton cloth from Japan increased considerably during the past year, aggregating more than 20,600,000 square yards in the first half of 1953, as against 9,400,000 yards for the whole of 1952. Only in Africa, where the import restrictions on Japanese goods have been maintained, is the picture brighter. According to the Africa Section of the Chamber, Lancashire exporters have taken advantage of the increased trade possibilities afforded by the continuance of import restrictions on Japanese textiles by the authorities in Nigeria and the Gold Coast. Assurances have been given that supplies will be readily available for the needs of these particular colonies. As a result, orders for about 120,000,000 yards of cloth have been secured which might otherwise have gone to Japan.

In East Africa, although advantage has also been taken of the more favourable position caused by the virtual embargo on Japanese cloth, there is anxiety among Lancashire shippers over future prospects. "Much concern is felt lest the shortage of sterling by Japan may influence the Government to open wider the doors to Japan, thus largely nullifying the good results achieved by the Lancashire mission to East Africa," declares the sectional report.

Raw Cotton Supplies

Because they believe that shortages of certain grades of raw cotton will halt production in Lancashire mills when the State-sponsored buying of the mills' raw material ends in August, the union leaders of 150,000 spinning workers have tabled a claim on employers for a pay protection pact. They want pay packets guaranteed, should a situation arise in which lack of raw cotton throws spinning machines idle. The claim—put forward by the Cardroom Workers' Amalgamation and the Operative Spinners' Amalgamation—will be the subject of a joint meeting with leaders of the Federation of Master Cotton Spinners' Associations in Manchester this week. Mr. Alfred Roberts, General Secretary of the Cardroom Amalgamation, said that the unions had made specific demands to the employers. Union leaders, he said, felt "pretty certain" shortages of cotton would occur.

Union advocates of State-sponsored buying of raw cotton for Lancashire's 450 spinning mills have claimed that stocks built up by private merchants in readiness for the take-over will not be sufficient to keep the mills running. Hinting recently in his report to 20,000 mule spinners that the unions might seek special safeguards, Mr. Charles Schofield, of Bolton, General Secretary of the Operative Spinners' Amalgamation, and a part-time member of the Raw Cotton Commission, said that there had been no evidence forthcoming that merchants would build up stocks in the future. "Fair warning is now given that, in the event of unemployment arising, a most serious view will be taken," he declared.

A "Gamble"—Or Not?

Reopening the Liverpool Futures Market and winding-up the Raw Cotton Commission is a "colossal gamble" which could easily lead to unemployment in Lancashire mill towns through shortage of supplies, Mr. Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, declared this week. In a report to the union's 50,000 members, Mr. Roberts said that, before the war, Liverpool carried a stock of 1,000,000 bales of every variety of cotton, but there was little likelihood of brokers and merchants carrying a tenth of that now. "Whatever criticism has been made of the Raw Cotton Commission, it is an unchallengeable fact that, throughout its existence, even with severe

(*Continued on page* 181)

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COTTON ECONOMY IN ASIAN COUNTRIES

PRODUCTION MOVES UP IN POST-WAR YEARS

RAW cotton continues to play an important role in the economy of the Asian countries, notably of India, Pakistan, China and Japan. The cotton economy of each of these countries has certain distinguishing features. Thus, India is at once a leading producer, consumer and importer of cotton. Pakistan is a producer and exporter. China is a producer and consumer of cotton. Japan, as is well known, is a leading consumer and importer of this commodity. Again, the economy of these countries has undergone some notable changes in recent years. Thus, Pakistan is beginning to rank as a consumer of cotton. Japan, which lost temporarily its position as one of the world's leading importers of cotton, thanks to the damage its textile industry suffered in the last war, is again coming into its own. In this connection, in the interesting analysis of the cotton economy of the Asian countries, which appears in the U.N. Report, entitled *A Study of Trade between Asia and Europe*, will be read with interest.

Before the First World War, the output of cotton in India (undivided) and China accounted for about 24 per cent. of the world total output. In the inter-war years, production in both India and China expanded more rapidly than did world production and by 1934-38, their share advanced to 27 per cent. In the post-war years, production has been on a much reduced scale. This is because the war-time and post-war need for food production, especially in India, limited the resources available for the expansion of cotton production. In China, production was adversely affected by the unsettled political conditions which prevailed in that country. The net effect of these factors, the Report points out, was that cotton production in Asia in 1948-49 was at its lowest ebb in 40 years and accounted for only 17 per cent. of the world total. The following table shows the changes in the cotton output of these countries in the pre-war, inter-war and post-war years:

World Output of Cotton

(In 000 tons)

	(1) *India*	(2) *Pakistan*	(3) *China*	(4) *Total of (1), (2) and (3)*	*World total*
1909-13 ..	780*	..	330	1,110	4,670
1924-28 ..	1,010*	..	550	1,560	5,810
1934-38 ..	1,150*	..	630	1,780	6,620
1946-47 ..	770*	..	420	1,190	4,670
1947-48 ..	570	195	495	1,230	5,480
1948-49 ..	435	175	460	1,070	6,280
1949-50 ..	520	220	370	1,110	6,760
1950-51 ..	595	265	520	1,380	6,030
1951-52 ..	645	250	675	1,570	7,470

* Undivided India.

Since then there has been, as the table will show, considerable recovery in cotton output. India expanded its acreage under cotton. In Pakistan, the yields of cotton have shown a significant improvement. So far as China is concerned, the Report says: "Little is known about the conditions governing the Chinese crop, except that economic incentives to planting have been greatly increased and production is reported to have increased very fast." By 1951-52, those three major cotton producers in Asia had reached a substantially larger volume of cotton output, and were together responsible for 21 per cent. of the world production of cotton, as against 27 per cent. in 1934-38.

Changes in Export Trade

Some changes have taken place in these countries' export trade too. Thus, China was, in pre-war years, an exporter of cotton, albeit on a variable scale and mostly to Japan. The Report says that China may again be an exporter of cotton, if the upward trend in cotton production continues. Pakistan now provides the major part of the Far East's exportable supply. With the major cotton-exporting areas of the Indian Sub-continent falling to Pakistan and the chief manufacturing centres to India, cotton is Pakistan's most valuable export commodity, representing as much as one-half of the total export trade. India, as is well known, has ceased to be an important exporter of cotton. Summing up the position of the E.C.A.F.E. region, the Report says: "The E.C.A.F.E. region as a whole is, and already was before the war, a net importer of cotton. This is due to the large volume of Japanese consumption requirements, all of which have to be imported, and to the import requirements of the Indian industry normally for longer staples."

In the Asian countries, the consumption of cotton went up steadily in the years preceding World War II. Thus, during the 1911-13 period, the consumption of cotton in India, Japan and China aggregated only 750,000 tons annually. It rose to 1,317,000 tons in the 1924-28 period and still further to 1,757,000 tons in the 1934-37 period. But World War II interrupted this growth, mainly as a result of the lower consumption in Japan. During the period 1947-48 to 1950-51, the annual rate of cotton consumption in these three Asian countries was 1,557,000 tons. The rise in cotton consumption in Asia in the inter-war years reflects the growth of the textile industry in this region. By 1934-37, the cotton requirements of Asia at 1.75 million tons almost equalled those of Europe. In more recent years, the European textile industry accounts for a higher rate of cotton consumption than the Asian textile industry. Thus, during the 1947-48 to 1950-51 period, Europe consumed 1,690,000 tons, as against 1,557,000 tons in the three main cotton consuming countries of Asia, namely, India, China and Japan.

Price-trend

Few commodities have seen such wide price-fluctuations as cotton, because the variations are influenced by prospective and actual outcome of harvests. The price of cotton is also sensitive to variations in the activity of textile industries. In more recent years, however, the changes in prices have been controlled by the Governments of the producing countries through measures, such as price-support legislation, fixation of floors and ceilings, and control on foreign trade in cotton. The following table shows the fluctuations in the American and Indian cotton prices in pre-war years, and in the American, Indian, and Pakistani prices in the post-war years.

Cotton Prices

(U.S. cents per lb.)

Year beginning 1st August	*American*	*Indian*	*Pakistani*
Liverpool market—Spot prices—			
1925	21.82	18.15	..
1926	16.57	14.58	..
1927	22.65	18.66	..
1928	21.36	16.30	..
1929	18.44	12.95	..
1930	11.61	8.19	..
1931	7.54	6.76	..
1932	8.52	7.29	..
1933	12.47	9.35	..
1934	14.24	10.78	..
1935	13.50	10.78	..
1936	14.62	10.87	..
1937	10.31	7.96	..
1938	10.16	7.14	..
Local markets—spot prices—			
1946	33.33	16.88	24.11
1947	32.38	21.56	28.50
1948	30.04	23.43	36.05
1949	30.30	17.50	30.03
1950	41.35	30.00	46.98
February, 1952	39.50	21.33	39.84

American: Middling fair staple (1"); post-war-spot middling (1"). Indian: Pre-war Oomra No. 1, fine; post-war—Jarilla fine. Pakistani: 289F, Punjab S.G.F.

It will be seen from the table above that Indian cotton prices have been maintained at below the world price-levels. This is because the Indian market for cotton, as the Report says, has been "insulated from international price development" by official control over prices.

Cotton Vs. Rayon

The U.N. Report discusses the prospects for cotton in the light of the emergence of rayon as an important textile fibre. Considerable inroads have been made by rayon into many of cotton's end-uses—apparel, household and industrial. The world production of rayon has increased since pre-war years. Thus, the output of continuous filament rayon moved up from 453,000 tons in 1938 to 875,000 tons in 1950 and of staple fibre from 422,000 tons in 1938 to 710,000 tons in 1950. The factors which have affected the competition between the two fibres are price relationship, quality differences, consumer preferences, industrial policies, technical considerations and currency difficulties. Discussing the relative quality of cotton and rayon, the Report says:

"Cotton's durability, absorbency and retention of strength when wet give it a quality advantage in laundering and consequently in such items as underwear, work clothing and more generally in apparel where climatic conditions are warm and humid. The same advantage prevails in towels and bed linen. In many end-uses, however, cotton's quality advantage in this respect is not absolute and, where rayon is less expensive, cotton may be adulterated or replaced. Rayon, on the other hand, has a quality advantage in its lustre and draping quality and may be preferred for women's dresses and in decorative household fabrics. In the industrial field, high-tenacity rayon is preferred for heavy truck tyres because of its high strength when dry."

Rayon was, at first—until well into the thirties—regarded as a substitute for silk, and, therefore, only as a competitor to silk. This was due both to the then existing price relationships and to rayon's lustre and continuous form. Hence, rayon came to be subjected to "luxury" tariffs. This is a factor which still affects its competitive capacity *vis-a-vis* that of cotton. In more recent years, the development of rayon staple has convinced industrialists and traders of rayon's potentialities as a substitute for cotton. But the use of rayon requires "adjustments to manufacturing equipment and in methods of handling." The Report concludes its discussion of the relative merits of rayon and cotton by pointing out that it seems "reasonable" to say that "the price disparity in favour of rayon has to be significant and persistent before a switch over from cotton to rayon is made. "The Report next discusses the recent changes in the comparative price-levels of cotton and rayon, and says:

"Cotton emerged from the war twice to three times more expensive while rayon was scarcely one-third dearer. Hereby, rayon has become the cheaper fibre. In 1946-47, the price of viscose rayon staple in the United States at 29 cents per pound was 7 cents below the comparable price for middling 15/16" cotton and in the United Kingdom at 14 pence it was 4 pence below it. This price advantage existed in other European countries. It has persisted ever since and was enlarged in Europe in 1949, as a result of currency adjustments, when prices of cotton advanced in terms of devalued currencies. There is little doubt that the price of rayon, produced as it is by a small number of large concerns, has been fixed with an eye to the level of cotton prices, the comparative stability of rayon prices being itself an advantage to textile industrialists."

Since rayon, which is a factory product, is capable of being marketed at relatively stable prices, as compared with cotton, an agricultural commodity, it would be seen that any measure which ensures stable prices for cotton also would increase its competitive capacity. Again, the cotton prices should be maintained at an attractive level. And those who continuously urge higher prices for cotton or ask for measures to support cotton at an artificial level of prices would do well to realise that they are not necessarily serving the long-term interests of this commodity.

PRIVATE BUYING OF COTTON IN U.K.

The Liverpool Cotton Association has warned the cotton industry that the present trend of price support policy in America gives little hope for an early return to pre-war trading conditions when spot cotton in Liverpool was sometimes cheaper than that offered for direct shipment from producer countries. On the other hand, the gradual introduction of private buying during last season has enabled spinners to readjust their conception of marketing methods after a long period of artificiality. Many have turned over from hand-to-mouth buying on the spot market to forward shipment contracts with considerable success.

A feature of most discussions about the re-introduction of private trading in raw cotton, the association says, has been the constant query as to whether private enterprise will produce a spot market to supply the spinning industry with such of its requirements as it may need to purchase by those means. The statement points out that it is first necessary to recognise a clear distinction between stockholding by the Raw Cotton Commission and by private merchants. The former, the report says, arises primarily by reason of a statutory duty to supply the industry with any reasonable requirements on demand, at either short or long notice. Stockholding by merchants, on the other hand, will only be undertaken where it is a reasonable commercial proposition. It adds:

"This fact should not be interpreted as meaning that a State trading organisation is prepared to provide a free service for which the merchant exacts a profit.

"Stockholding by any public body in this country, if not based on strictly commercial considerations, must sooner or later result in either generally higher prices to the industry or losses borne by the taxpayer. Recent experience of the centralised holding of excessive stocks of Egyptian-type cottons has illustrated this."

The price of spot stock, as compared with shipment cotton, the statement continues, must be considerably increased both by the costs of handling and storage and by the wider margin of profit required to offset the price risks involved.

It follows that the extent to which merchants will invest in such stock will depend upon the strength of indications that spinners are prepared to pay those higher prices, bearing in mind that the latter are free to buy direct from the country of origin. The statement says:

"Only experience can decide what is the right level of such spot stocks, and if those spinners who prefer to buy from stock and pay the additional costs indicate to the market their need and stand by their expressed intentions, then undoubtedly that need will be met.

"As a general policy for the industry, however, it would seem inevitable that the need to keep raw material costs to the minimum will mean that by far the larger part of its requirements will be catered for by direct shipment."

WOOL'S PLACE AS A WORLD TRADE COMMODITY

NEED FOR INCREASING PRODUCTION

(By EWEN M. WATERMAN, Chairman, International Wool Secretariat)

A VITAL fact emerging from today's world trade situation is that the British Commonwealth's material advancement and the well-being of its people rest substantially on the future of wool as an international commodity. Wool holds the confidence of traders and consumers throughout the world. Its importance as an item of primary produce to the people of Australia, New Zealand and South Africa is matched only by its high position in commerce and in its various manufactured forms.

While people in the Commonwealth wool-growing countries are apt to look upon wool only from its value as a raw commodity, in Britain it has assumed, in textile form, a forward position as a great dollar-earner. Many manufacturers have convinced themselves that producers are unable to meet the expanding demand for wool. This state of mind is a challenge which the Commonwealth growers, in common with those of other wool-growing countries must answer.

The need for greater production is made more urgent by the fact that today wool is being used as an upgrading or quality-increasing fibre to compensate for missing characteristics in other fibres or to overcome inherent disabilities. Even as wool holds its place in world trade, there is potential danger in any failure by wool-growers to meet the increased demand for their product. If they cannot supply the wool that is needed, then the manufacturers of other fibres are most certainly liable to step in. Once a market is lost, there is always the danger that it might never be won back.

Keen Demand

For wool, world markets are wide open and the demand is keen. The auction system of sale assured a highly competitive demand, a steady flow and a proper place. Apart from its quality as a natural fibre, wool has achieved greatness in international commerce by the smooth, orderly and regular manner in which it is allowed to flow from producer to consumer. Last season's flow from producer to consumer was particularly smooth and orderly. As manufacturers' and merchants' stocks of raw and processed wool and finished woollen goods are still well below the pre-war normal, an even flow of wool from Commonwealth wool-growers throughout the world in the immediate future seems assured.

A parallel taken from the use of wool from the end of World War II up to the present reflects the healthy state of demand. Accumulated war-time stocks that leading experts in the trade in London estimated, in 1944, would take 13 years to dispose of, were absorbed in five years. Production in the three main apparel wool production countries—Australia, New Zealand and South Africa—during the past seven years has increased by 25 per cent. In spite of forebodings in many quarters, Argentine's accumulation offered last season was absorbed without any serious effect on market prices. The comparative inactivity of the United States in last season's market—due to the anticipation of peace in Korea causing tight and light inventory maintenance and the general confusion connected with the marketing of synthetics—had little or no effect. (The outlook for immediate future American competition appears brighter.)

Prices Will Be Steady

Since the end of the war, there has been an annual increased consumption of wool—except in 1951, when the check was caused by the extremely high price of wool. As soon as the price fell, there was rapid recovery and adjustment, and there has been no setback since. Surely, there could be no better indication of public demand for wool when the price is reasonable.

Market prices for wool are now about half the peak price of 1950-51, and all indications are that they will remain steady. I believe that the confidence felt in wool throughout the world is rooted in the fibre itself. Wool has uniquely balanced properties and it remains unrivalled among its competitors. The more men try to imitate wool, the more valued becomes its outstanding characteristics. Synthetic fibre producers aggressively claim that they can produce fibre for every purpose. However, no synthetic products can approach the amazing versatility of the wool family of fibres in their properties, their quality, or their variety of purpose. Though boldly challenged by synthetics, wool remains supreme. No fibre has been produced yet that possesses all, or even the majority, of the characteristics of wool.

But the wonders of wool should not blind the growers of this commodity into complacency and contentment. The wool industry cannot rest on its laurels. The wool-growers must meet the demand of a trading situation which requires increased production. Growers in Australia, New Zealand, South Africa, and all other important wool-producing countries, must also realise that the great factors of international economics are related to their own security. There is danger for the producer in high prices. In fact, the only fear that wool-growers need have is that price rises might reach a level that keeps wool off the consumer's back.

Synthetic Fabrics

Synthetic fabrics of 100 per cent. composition have failed to usurp wool's place in public favour. Now, they are being blended in many forms with wool and are being promoted almost entirely upon their resemblance to pure woollens and worsteds. Wool blends and mixtures with other fibres are nothing new. Virgin wool has been mixed with its own re-used fibre, cotton, linen and silk for centuries. In most cases, the basic purposes have been to reduce price, thus making available the diluted qualities of wool in clothing at lower price ranges which might be more acceptable to sections of the public.

The acceptance of such fabrics is probably in ratio to the percentage of wool they contain and the expertness and care exercised in the construction. Most of the new synthetics today have little or no important price advantage. When rayon was introduced it was prophesied it would not be many years before wool was only a blending fibre. Today no more rayon is used in blends with wool than during the 1930's—although more rayon is used alone, because, like the new synthetics, it is more competitive with other fibres than with wool. Like rayon, the new synthetic fibres are again attempting to relegate wool to the role of a blending fibre. These synthetics are still in their experimental stages, and wool is being blended with them in increasing amounts to compensate for missing characteristics or quality and also to overcome the inherent defects of the new materials.

Science certainly has made and will doubtless continue to make important contributions to the clothing of man, but it is yet a long way from producing a man-made fibre that can equal wool in quality. Pure wool worsted suiting—to take one notable example—remains, in face of all opposition, unrivalled in real value. The world demand for wool goods depends largely on real income—after taxation and distribution of income. National incomes have continued to increase, and there is no sign of a change in this trend. A reversal of trading activities in the United States would inevitably bring about a fall in the demand for wool, along with other production goods.

Strong Influences

In some quarters, this is feared as a possible result of the end of the war in Korea and the slackening of international tension. It is by no means certain, however, that this would bring about a general reduction in capital expenditure at least for long. Other strong influences in the world today seem likely to prevent such a development. It is equally probable that reduction in expenditures on defence and associated stockpiling of material may give wider opportunities for capital expenditure.

The Westernisation of Japan is resulting in increased wool purchases to the point that makes Japan one of wool's most important buyers. In India and Pakistan, any man who serves in the army clings tenaciously to the woollen blanket and any other wool garment that may be issued to him. It is most significant that India consumes. 0.116 of a lb. a head a year of wool. In Europe, nobody has greater appreciation of wool today than the people of those countries—especially Germany and Italy—that were forced to use *ersatz* fibres during, and even before, World War II.

It is also a well-established fact that, as living standards improve, the *per capita* consumption of wool rises—so that the future of wool depends largely on the ability of the producer to keep his production up to the pace of consumption, bearing in mind that what will count most is better husbandry, improved pastures, growing the best type of wool experience and condition permit, close attention to the preparation of the clip for market, and, above all, wholehearted co-operation with the scientist. Science, it must be remembered, is aiding wool as well as the producer of synthetic fibres. Every wool-grower must remember that "There is no substitute for wool." Wool is a miracle of nature, perfected by man through hundreds of years of selected breeding. Whatever problems may be ahead, the wool-grower's future is, in my opinion, as certain as the future of any producer in the field of human endeavour.

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PROGRESS OF SUGAR INDUSTRY IN AUSTRALIA

A LESSON FOR INDIA

THE one conclusion that emerges from any dispassionate review of the developments in the Indian sugar industry so far is that the benefits of even a substantially long period of 18 years' protection have been defied by the unsatisfactory conditions under which the industry is carried on in India, namely, defective location, poor cane cultivation, and lack of attention to modern methods of sugar manufacture. If, therefore, the industry is to be stabilised and set on a solid footing, the removal of these defects is of utmost importance. It is precisely in this work that India has much to learn from the experience of the other sugar-producing countries of the world. Since Australia possesses a highly developed and most efficient sugar industry, the developments that take place in the industry there will be of much interest to us in India.

The sugar industry in Australia today rests on a sound foundation of 9,000 cane farms, with an average of 50 acres each. The establishment of these farms is in distinct contrast to the position in India, where the sugarcane growers are scattered all over the country and the average holdings are very small, being three to four acres. In Australia, the total cane yield in a normal year comes to about 6 million to 6.5 million tons. Another striking feature is the close relationship which exists between the sugar-producing units and the cane-growing farms. Thus, out of the 36 units manufacturing sugar, nearly half are owned and administered by sugarcane growers themselves on co-operative lines. In India, on the other hand, the agricultural and industrial sectors of the sugar industry, especially in the two major producing States, namely, U.P. and Bihar, are bifurcated and, except in the case of a few mills in the Deccan, the factories are generally at the mercy of cane cultivators for their requirements of cane supplies.

Cane Cultivation

In Australia, the sugarcane-growing areas lie along the plains of the eastern coast of the Continent. In its virgin state, cane land usually carries a heavy cover of jungle growth. Clearing, once a "heart-breaking business of ring-barking, grubbing and burning off," is now done with bulldozers. This operation is said to be costly. With a view to ensuring a thorough preparation of the soil, the farmers normally begin 18 months or two years before they harvest the first crop of the three which usually result from each planting. Three or four ploughings are carried out to a depth of 10 inches or 1 foot, according to the depth of topsoil overlaying the heavy clay sub-soil, with intermediate harrowings to break the surface into a comparatively fine tilth. Cane is propagated from short lengths of cane cut to embody three joints. The cane is cut into segments for various reasons. If rot attacks the sett in the ground, only six or eight inches of cane are lost. Some growers say that the cutting helps sprouting of the nodes, or eyes, which protrude at each joint and from which the stools of cane originate; and, if, in cultivation, the tines of a harrow should contact the cane, only a short length is disturbed or brought to the surface.

In the old method of planting, the setts were prepared by hand, hung in a bag around the shoulders of the planter, placed by hand in six inches deep furrows, and covered over with a hoe. Sometimes, the whole cane was placed in the furrow and there chopped into setts, but whichever way it was done, it was a time-consuming and back-breaking job. Now, the whole operation is done by a wheeled mechanical planter. Drawn by the ubiquitous tractor, it is operated by one person seated on the platform of the machine between two vertical bundles of cane which is stripped off the leaves or trash. In front of him is a funnel into which he feeds the length of cane. In the throat of the funnel, there is a knife moving backwards and forwards cutting the cane into the desired lengths of sett. As the cane is cut, it is coated with a mercurial spray to protect it from pineapple disease, a ground-dwelling virus that turns the heart of the stalk into pulp. Each acre absorbs about 17 to 18 gallons of this spray.

Fertiliser is added from a reservoir behind the operator in varying quantities, according to the needs of the land. Soil analyses are carried out by the Sugar Experimental Station and they are checked every three of four years. The land around Mackay, the most productive cane area of the north coast, takes up to 5 cwts. of superphosphate per acre, to which is added 37 lbs. of gammexane, a chemical exterminator for the control of worms and grubs that attack the setts. The furrow to accommodate the setts is dug by a small steel snout like a keel below the platform of the machine. Directly behind it, a hooked tine throws earth inwards to cover the setts and a small wooden roller, tailing the whole set-up, flattens the earth over them. Each loading of the machine is sufficient for 45 chains of planting. The opened furrow shows a continuous line of sets in the ground, surrounded by fertiliser and immunised from attack by disease.

Quality of Cane

The foregoing description indicates how the whole process of cane cultivation in Australia has been mechanised. It is no wonder, therefore, that both the yield of cane per acre and the sucrose content are considerably high in Australia *vis-a-vis* those in India. The average quantity of cane raised from one acre of land in Australia, for instance, amounts to more than 14 tons, as against about 12 tons in India. Again, the recovery percentage of sugar in cane is nearly 14, which compares very favourably with the all-India average yield of 9.97 (1952-53).

Thanks to the progress in cane development, production of sugar has turned out to be one of Australia's greatest and most highly organised industries. The rate of sugar output averages 800,000 to 900,000 tons per annum. The value of this sugar at present prices is estimated at more than £A23 million. The value of mill assets, farm equipment and land aggregates £A100 million. The industry, including the agricultural side of it, provides employment to over 39,400 persons, of whom 33,000 have direct employment on the cane farms and 6,400 in raw sugar mills. To add to these, there are about 51,350 persons who are indirectly employed, as, for instance, in the transport and distribution trades. The most outstanding feature of development of the Australian sugar industry is its high concentration in Queensland. This State accounts for as much as 95 per cent. of the total sugar output. About a fifth of the population of the State—200,000 to be precise—is supported by the sugar industry.

CANE DEVELOPMENT IN U.P.

Although the Annual Report of the U.P. Cane Development Department for the year ended June, 1952, is out of date, in that it relates to a period which is nearly two years old, it serves to emphasise the fact that the efforts of the Department in the direction of improving cane cultivation have not met with any success. Thus, according to the Report, the average yield of sugarcane grown in the reserved areas of the State during 1951-52 was not more than 278 maunds per acre, as against 296 maunds in the previous year. The highest per acre yield for the whole of the State, however, was as large as 2,048 maunds, as compared with 2,131 maunds. There was also a setback to recovery percentage, the figure for 1951-52 being 9.3, as against 9.8. The chief reasons adduced for this state of affairs are unfavourable weather conditions, ill-distributed and irregular rainfall, and drought in eastern districts. The fall in the recovery percentage of cane was the result of the early start and late closure of the factories. The trend of cane yield in the different parts of Uttar Pradesh during 1951-52 was as follows:

(In maunds)

	Western	*Rohilkand*	*Central*	*Eastern*
Average yield ...	331	270	242	284
Highest ...	2,048	1,993	1,706	1,643

The aggregate quantity of sugarcane raised in the reserved areas during the year under review was 399.6 million maunds. Of this, only 244.0 million maunds could go to the sugar factories. The average supply of cane per acre worked out to 170 maunds; the shares for the aforesaid four ranges were 195 maunds, 164 maunds, 133 maunds and 190 maunds, respectively.

Notwithstanding reduction in the supply of sugarcane from the reserved areas to factories and setback to recovery, the quantity of sugar produced was higher, being 22.74 million maunds in 1951-52 as against 16.12 million maunds in 1950-51. The factories had an abnormally long season. In the eastern zone, the factories worked on an average of 108 days and in the western zone on an average of 184 working days, as compared with 90 days and 112 days, respectively, in the previous season.

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RAILWAY FREIGHT ON COAL

MOVE FOR INCREASE REPORTED

THE official move for a further increase in the freight rate on coal and the possibility of the withdrawal of special concessions in fixing the terminal and short-distance rates have come as a bolt from the blue to producers, consumers and traders of coal. The move to increase the freight on coal is stated to be due to the need for augmenting railway earnings, which of late is believed to have been downward, and for offsetting the increasing demands of labour for higher emoluments and better amenities. The rumour about the possibility of the withdrawal of the special concessions is stated to have been based on the recent recognition by the authorities concerned that, as they are discriminatory in nature, they should no longer be retained. It is said that this question will be placed shortly before the Railway Rates Tribunal for its decision.

If the reported move to increase the freight rates is correct, it will surely be a matter for deep concern for the interests affected. It is being contended that the increase in rail freight by about 30 per cent. since 1st April, 1952, has adversely affected the fortunes of the industry. Any further increase will, therefore, only aggravate the situation. It is pointed out that coal is a major item that enters into the cost of manufactured commodities and any increase will raise the cost of manufactured goods. Consequently, the multiplier effect of such an increase will be to stimulate the inflationary spiral already in evidence in the case of many commodities. This will set in motion the demands for increased wages. Thus, there will set in the vicious circle of wages chasing prices and *vice versa*.

The railway authorities, however, may contend that coal constitutes about 40 per cent. of goods traffic carried by rail and, as such, it must bear a part of the increase in the operation cost of the railways. They may further argue that, as the cost of replacement of railway assets has gone up, freight rates should be such as to allow a reasonable return on the capital investment. Moreover, freight rates for coal in India are still the cheapest in the world and there is no reason why this public undertaking should continue to subsidise the private sector. Again, there is considerable scope for the private sector to economise its expenditure and to improve its efficiency. By keeping freight rates at low levels, the railways, it can be conceivably argued, are only covering the wasteful methods of operation of undertakings in the private sector. Another argument that is put forward in support of higher coal freights is that, by keeping them low, the railways are attracting the cargo that ought to go to coastal shipping. This is the other side of the picture and those who are opposed to an increase in coal freights must come forward and effectively counter these arguments.

NEW PLASTIC SAFETY ROLLER FOR COAL MINES

A new British conveyor roller made of plastic is likely to contribute to greater safety in the world's coal mines. Designed primarily to reduce the risk of fire from steel or cast iron rollers, it has the advantage of needing no inflammable oil or grease as lubricant. Moreover, it is not possible for stones or pieces of coal to generate enough heat to start a fire when rubbing on the surface of the roller.

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PEGGING THE OUTPUT OF COKING COAL

The Government of India has announced, as was mentioned in our last issue, its decision that the output of A and B grades of coking coal in 1954 should be limited to 7.4 million tons and that of Grade I and II coals to the level of production in 1952. It has also announced that the targets of production of various grades of coal for individual collieries in 1954 should be fixed by the Coal Board with due regard, among others, to the actual production of each in 1953. The target would be so fixed as to avoid any excessive retrenchment of labour and uneconomic working of the collieries. The pegging of the output will be regulated through the supply of wagons, each colliery being given a despatch target for a year, which may include the stocks left over from the raisings of 1933. All collieries under one management will be treated as one group, the production quota of each grade being transferable from one colliery to another. All collieries, including Government collieries, are subject to this scheme and any attempt to down-grade the coals to avoid pegging will be deprecated.

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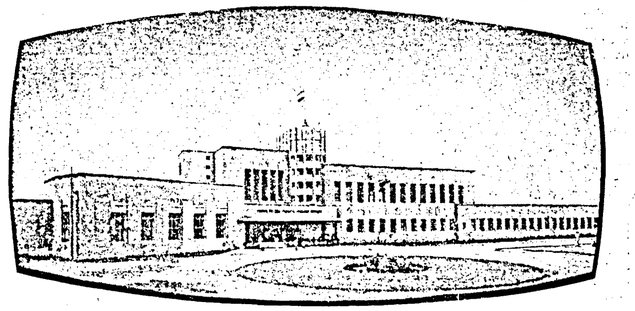

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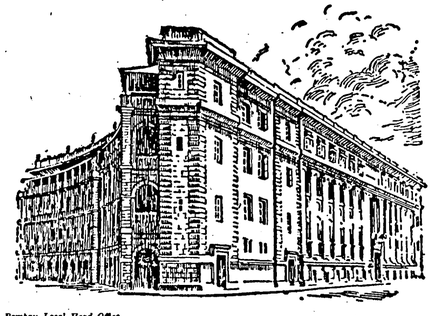

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PLANTATION LABOUR ACT

GOVERNMENT'S MOVE TO IMPLEMENT IT

THE fifth session of the Industrial Committee on Plantations, which is being held in Calcutta this week-end (the 30th and 31st instant), is expected to discuss two questions of considerable importance to the plantation industry, namely, the payment of compensation for lay-offs of labour and the implementation of the provisions of the Plantation Labour Act, 1951. It is understood that the Hon'ble Mr. Giri, the Labour Minister of the Government of India, will preside over the session.

The question of compensation for lay-offs of labour on plantations is a comparatively new one. During the debate on the Industrial Disputes (Amendment) Bill, 1953, some members of Parliament strongly urged the Government to extend the provisions relating to lay-off in that Bill to all sections of the plantation industry. The Minister for Labour is then reported to have stated that this would be considered at the forthcoming session of the Industrial Committee on Plantations.

It is not denied that compensation for lay-offs is a desirable and necessary provision in some industries, especially those situated in urban areas. In the case of the plantation industry, however, the position is slightly different. Unlike in many other industries, employment in the plantation industry is seasonal in character, as the work depends to a large extent on conditions of climate and the soil. In the case of a rubber plantation, for instance, there is practically no work done in the heavy monsoon periods which sometimes extend to two or three months in a year. Employers of plantation labour are nevertheless doing their utmost to provide as many days' work as possible for their labour, and there is, in practice, no lay-off except when seasonal conditions make it compulsory. It is recognised that there is a case for some sort of compensation for lay-offs even in agricultural industries, but the point to remember is the seasonal character of the plantation industry and the fact that the regulations applicable to non-seasonal industries should not be applied to that industry in toto.

The question of implementation of the Plantation Labour Act, 1951, is a more serious matter and it is to be hoped that this will be given the best possible care and consideration and not rushed through in an experimental fashion. In 1952, the Rajaram Rao Committee on Enquiry recommended to Government that the provisions of the Plantation Labour Act should not be implemented for a period of two years, in order to give adequate time to the tea industry to recover from the serious effects of the slump of that year. The industry should be thankful to Government for having acted in accordance with that advice. The question now arises whether the plantation industry as a whole, including coffee and rubber, has reached a position in which it can bear the incidence of the Plantation Labour Act without disrupting the industry's economy. The tea crisis of 1952 was so severe that the liquid reserves of a large number of gardens were liquidated, and it is only since the middle of 1953 that gardens have been able to make up for a part, at least, of the colossal losses, taking advantage of the improved prices. How long these prices will remain at their present, or improved, levels no one can foretell, but high prices in themselves have many undesirable attractions. The case of coffee is an instance in point. Recent improvement in coffee prices caught the Union Government's attention so much that it decided to divert some of it to the Exchequer by means of an export duty. It is strongly rumoured that tea may suffer the same fate as coffee if the present spurt in prices continues for some time. If this happens, and Government decides to enhance the export duty on tea—and it is to be hoped very much that it will not—tea growers must again prepare themselves for a lean period ahead.

The case would not be different with coffee or rubber. Government's decision to mop up a large part of the coffee price by means of an export duty has greatly weakened the coffee growers' ability to accept commitments such as those contemplated in the Plantation Labour Act. In addition, the recent attempt of the Income-tax Department in Madras to assess a portion of the income of coffee growers to income-tax must be regarded as a blow to a large majority of coffee growers who have already had a raw deal at the hands of Government.

No one now complains that the rubber price, pegged as it has been at Rs. 138 per 100 lbs. of No. 1 quality, is not enough to meet the normal working expenditure of a rubber plantation, or to provide for a small return on capital, but the price certainly does not cover any proportion of the expenditure that it will have to bear if the Plantation Labour Act is applied to it. The situation is, however, covered by the fact that the Government would agree to a revision of the price if there is any increase in cost of more than 10 cents per pound.

It is thus obvious that the plantation industry is still not ready to accept the burdens contemplated in the Plantation Labour Act. The burdens are numerous as well as costly. To mention only a few. There are sections 7, 9, 10, 11, 12, 14, 15 and 18 dealing, respectively, with the appointment of certifying surgeons, the provision of conservancy, medical facilities, canteens, creches, educational and recreational facilities, housing, and the appointment of welfare officers. Model rules in respect of these sections have already been drafted by Government and circulated for comments. Many of these model draft rules have been strongly criticised by the industry on the ground that they have been drawn up without practical knowledge or appreciation of the conditions prevailing in the plantation areas. It is thought that, as a result of this criticism, the Central Government may revise the draft rules with a view to making them more practical and easy of compliance. The Plantation Labour Act having gone on the Statute Book, the application of its provisions to the plantation industry can be rendered easy and practical only by ensuring that the Rules under the Act are properly drawn up and it is thought that the Industrial Committee on Plantations will devote a considerable part of its time to this aspect of the question.

It is understood that the Government has not yet circulated any model rules for educational and recreational facilities on estates or for the housing of employees. As far as housing is concerned, the plantations have already agreed to follow a housing plan which aims at rebuilding houses in accordance with a set standard during the course of 12 years, two of which have already elapsed.

In the absence of rules specifying the nature and extent of the amenities to be provided on the estates, it is probably not possible to reckon the cost of implementation of the provisions of the Plantation Labour Act. Assuming, however, that the draft model rules already circulated are going to be implemented without any change, and estimating the normal cost of providing other amenities for which draft model rules have not yet been circulated, one estimate puts down the capital cost at about Rs. 4-3 per worker per day for a year, and the recurring expenditure at about Re. 1-4 per worker per day. This may be an exaggeration for an estimate but there is hardly any doubt that the total cost of implementation of the Act is certainly going to make a very substantial addition to the unit cost of producing the plantation crops concerned.

In spite of all this, it may be expected that the Government of India will attempt the implementation of the Act soon after the Industrial Committee meeting. We do not think that the industry will be reluctant to go ahead with the implementation of some of the provisions of the Act, so long as it is within the practical limits of the industry's economic capacity. As already stated, the time has not yet come for all units in the industry to accept the additional responsibilities. The Government should, therefore, without doubt go slow in the matter. It would be best if they could draw up a five- or ten-year programme of gradual implementation of the provisions of the Act. It should begin with those provisions which are likely to cause the least practical and financial difficulties, and there should be some provision whereby the implementation can be held up in times of emergency. Unless the whole scheme is thus rendered flexible in its practical working, it is bound to cause a great deal of hardship on the different units in the industry. In addition, particular units of the industry, which for the time being are situated in a less fortunate position than the others, should be exempted from carrying out their obligations for the duration of the emergency.

PHYSIOLOGY OF JUTE PLANT

EFFECT OF LIGHT AND TEMPERATURE ON GROWTH

IT is common knowledge that jute is one of the most important commercial crops in India. It has been in cultivation for a long time in Bengal, parts of Bihar, Orissa, and Assam. The climatic conditions in these areas are very suitable not only for the growth of healthy plants but also for their retting necessary for the extraction of the fibres. But the different environmental factors such as temperature, light, humidity, rainfall, photoperiod, etc., all influence the growth and development of a plant like jute, but very little is known about the effects of these factors. It has for long been realised that it is extremely useful to have detailed knowledge of the influence of these factors with a view to obtaining improved strains. Experimental studies so far conducted on the physiology of jute plants seem to have yielded some valuable results. Among such studies, mention may be made of the results of scientific investigations made by Mr. J. C. Sen Gupta, Calcutta University, and his assistants, Mr. Gobinda Prasad Mitra and Mr. Jogendra Nath Halder. The team was also assisted by Mr. K. C. Basak, Director, Economic Research Section, Indian Central Jute Committee.

Mr. Sen Gupta's studies on the physiology of jute plants relate to two well-known species, namely, *Corchorus capsularis* L and C. *olitorius* L. It is believed that, as a cultivated plant, capsularis came to India from China or Cochin China and that olitorius might have originated in India. Experiments conducted on these two varieties were confined to finding out the effect of the time of sowing and vernalisation on growth and development on the plants. Although these experiments involve greatly complicated issues, they have revealed, it is stated, sufficient facts to devise improved methods of cultivation and to find out the most suitable sowing time under different environmental conditions. The summary of the findings given below make interesting reading.

The two species of jute, namely, capsularis and olitorius, were grown in pots at intervals of one month in 1945, commencing from 15th April, and at intervals of 15 days in 1946, commencing from 1st March; there were thus 12 sowings in 1945 and 24 sowings in 1946.

Time of Sowings

The sowings revealed that vegetative growth and development were greatly influenced by the time of sowings. It was found that, as the sowing was delayed from 15th April, the vegetative period was reduced in both the species, and for widely different times of sowing between April and July, the flowering time was between the middle of August to the end of September.

The daily light period increases from about 12½ to 13½ hours for April to the latter part of June and then falls to about 12 hours 15 minutes. From the response of the plants to the daily light periods, it was inferred that plants flowered in the long light periods and vegetation stunted during short light periods. It was found that plants sown in September and later, being exposed in November onwards to the lower temperature of the season, had their vegetating growth very much reduced. Sowings of 15th November to 15th January had plants of very stunted growth and sometimes these plants died soon after germination.

Again, total height reached by plants was greater in the sowings of 31st March or 15th April and progressively decreased with the lateness of sowing time. The plants showed a high rate of increase in height during the rainy season, but the best growth was found in plants which had been exposed to the high temperature and long hours of bright sunshine for about two months before the commencement of the rainy season.

The favourable time for sowing jute under these environmental conditions appeared to be between the end of March and end of April for capsularis and between the middle of April and the middle of May for olitorius. Plants, especially of the latter variety, flowered early even when they were sown towards the end of March.

It was generally found that June-July sowings produced larger number of fruits than the April-May sowings. This might be due to the fact that plants sown in June-July came to flower before its complete potential capacity for vegetative growth approached exhaustion, whereas the plants sown in April-May had greatly exhausted their potential capacity of vegetative growth when they came to flower.

(*Continued on page* 185)

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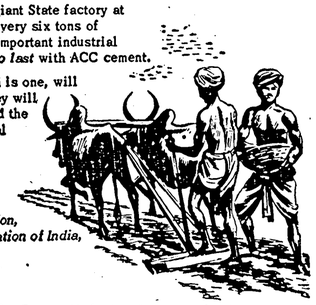

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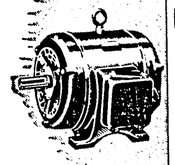

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IRON AND STEEL TECHNOLOGY

LATEST DEVELOPMENTS REVIEWED

FOR a nation like India, which has embarked upon expansion of its iron and steel industry, continuous touch with the developments taking place in iron and steel technology is of primary importance. In this connection, the Paper on the main developments in 1953 and the direction in which new developments may be expected, including an evaluation of their importance to the industry, prepared by the *U.N. Industry Division of the Economic Commission for Europe*, made available to us last week, is an extremely useful document.

The Paper is based largely on articles appearing in the world technical Press, as well as on specific contributions received from various experts. It is noteworthy that only those developments which appear to be of particular interest or of such a nature as to make a major contribution to the current production techniques have been described. The developments of a more experimental nature, which have not yet advanced sufficiently far beyond the preliminary experimental stages to permit of evaluation of their practical possibility, have not been discussed. It is true that the Secretariat, which prepared this Paper, is aware that opinions as to the value and importance of developments differ widely, but has proceeded with its task in the hope that it will provide some interesting material worth consideration.

The Paper is divided into three parts, namely, (1) pig-iron production and blast furnace practice, (2) steel-making, with particular reference to the use of oxygen, and (3) rolling and finishing processes.

The Paper cites, at the outset, some of the developments taking place on three completely different lines in the field of blast furnace practice. These relate to (1) improved efficiency in conventional blast furnaces; (2) further efforts to make the low-shaft furnace a practical proposition; and (3) the recent development of a small-capacity furnace with reasonable efficiency and suitable for less developed countries.

Conventional Blast Furnaces

So far as improved efficiency in conventional blast furnaces are concerned, the Paper states that the new development of "high top pressure" has recently produced interesting results. This method of operation is stated to have a far greater degree of flexibility than the conventional pressure. In order to assess the value of high top pressure on operating results, the Paper refers to the comparative tests made by the Clyde Iron Works of Colville's Ltd., Scotland, on two basically similar furnaces, each with 18′ x 3″ diameter hearths, the one equipped with high top pressure and the other with conventional pressure.

Dealing with further efforts to make the low-shaft furnace a practical proposition, the Paper sets out both the advantages and the disadvantages of the low-shaft blast furnaces. The advantages are:

(a) Owing to the low pressure in the stack, a softer grade of coke can be satisfactorily used, thus making these furnaces less dependent on hard metallurgical coke.

(b) The low-shaft blast furnace is suitable for reduction of fine ores, although the developments of high-top pressure in standard furnaces may make this advantage illusory in low-shaft furnaces.

(c) A subsidiary advantage of low-shaft furnaces is that a richer gas is produced.

The disadvantages are:

(i) The consumption of oxygen in the blast is high. For a furnace producing approximately 100 tons of iron per day and using 50 per cent. oxygen-enriched blast, the consumption will be some 40 to 50 tons per day.

(ii) The charge requires a far more careful preparation than is necessary for standard furnaces.

It appears too early to state definitely that low-shaft blast furnaces have reached the stage of development when they can be regarded as a serious rival to modern large-size furnaces with their high thermal efficiency. Oxygen-enriched blast has been used in the experimental furnaces and low-cost oxygen is essential, if this is to become standard practice. It is pointed out, in this connection, that preliminary results obtained with the rebuilt experimental low-shaft blast furnace at Oberhausen, in West Germany, appear to show that the furnace lends itself particularly well to the production of ferro-alloys, especially ferro-manganese, where considerable reduction in coke consumption has been noted. Despite the high cost of oxygen, the fuel consumption cost with this furnace is said to have disclosed some significant savings. As against the savings, however, the high cost of careful ore preparation and pelletising must be taken into consideration. Reliable figures on comparative costs involved in the operation are not available, but it seems that, in small-scale operations, the cost of ore preparation and pelletising may well exceed the savings in fuel cost. But, in large-scale operations, they may be reduced.

Small-capacity blast furnaces are of particular interest to less developed countries, especially those considering the development of a steel industry using local raw material resources, which may not be of the quality necessary for large-scale operations. The development has taken place, recently, of a small-capacity blast furnace with a pig-iron production of 10,000 to 15,000 tons a year, using ores with a Fe content of less than 30 per cent. and using solid fuel with a heating value of under 5,000 calories and with up to 30 per cent. ash. A pilot plant has been in operation near Lausanne, in Switzerland.

The value of this type of unconventional reduction furnace, as compared with other better known types such as the rotating furnace, can only be judged after trials have been made on a pilot plant with the ores and fuel available in the country in which it is proposed to install such equipment. This type of low-shaft furnace, owing to its simplicity and low cost, would appear to offer good chances of success with a very wide range of raw materials.

Steel-making

The Paper then deals with steel-making. The most interesting and extensive development in steel-making has been the improvement in quality by the use of oxygen in basic Thomas converters. Two developments are taking place at the same time. They are:

(1) The employment of the conventional bottom-blown converter, using a mixture of oxygen and superheated steam in place of air blast, the main object being to reduce the nitrogen content in Thomas steel and thus improve quality; and

(2) a more revolutionary development, using a simple converter without the complicated bottom-blast arrangement and relying entirely on high-pressure oxygen blown on the surface of the metal.

These two developments, which are of such outstanding interest for the industry as a whole, are described in this Paper in some detail.

Finally, the Paper has dealt with rolling and finishing processes. It is common knowledge that the problems associated with continuous casting of steel have been a matter of research for many years. The practice of continuous casting has been used on a commercial scale for some time in the non-ferrous metal industries, particularly aluminium, and developments have now reached the point where steel can be continuously cast satisfactorily for the production of billets or slabs, thus eliminating the need for high capital cost cogging equipment for ingot reduction.

There has also been an interesting development in the technique of hot-rolling steel strip. This is the so-called planetary mill, which is revolutionary in design and incorporates a basically new prnciple to reduce, in one pass, a thick steel slab into comparatively thin hot-rolled strip. Other developments relate to electrolytic tinning, the use of extrusion process for non-ferrous metals in the production of simple and complicated shapes, as well as tubes of all types, and the possibility of using oxygen cutting flame to replace hot slab and bloom shears.

(*Concluded from next column*)

grity of the engineer which should be given greater weight than hitherto, while making promotions. Above all, a code of ethics should be enforced among officers, in which integrity should be given a high place.

Such, in brief, are the recommendations of the first seminar, the implementation of which will go a long way towards reducing the cost of the projects to the nation. But much will depend upon the integrity and efficiency of the engineer. Unless he realises the importance of the job he is doing to the nation, no material improvement over the existing state of affairs can be expected. He must have his heart in the work, remain true to his science and base his efforts for public recognition upon acquired knowledge, scientific attainment and excellence of performance.

INDIAN IRRIGATION ENGINEERING

NEED FOR POOLING KNOWLEDGE STRESSED

THE seminar of engineers on problems connected with the execution of river valley projects, which took place at Nangal recently, was a very useful one. The recommendations of the engineers who took part in the seminar are, as pertinently pointed out by Mr. Gulzarilal Nanda, Union Minister for Planning, Irrigation and Power, "valuable, exciting and worthwhile in terms of application." Certainly, when a start is made to implement them by the Committee of Engineers and the Board of Ministers to be reconstituted shortly by the Government of India, as pointed out in our Delhi Letter last week, they are expected to usher in a new era of irrigation engineering in India.

The recommendations of engineers are designed to execute river valley projects efficiently, economically and speedily. They cover a wide range of subjects, from the formation of a pool of technical personnel to eradication of corruption, from the operation, maintenance and depreciation of machinery to provision of spare parts and from assessment of technical manpower for long-term planning to fixation of uniform unit rates for concrete and masonry dams.

The most important recommendation relates to standardisation and pooling of machinery, equipment and spare parts and their maintenance. The engineers recommended that, in view of the limited quantity of equipment in the country, paucity of technical personnel and India's dependence on foreign countries for the supply of spare parts, the sizes and makes of the machines should be standardised. There should be a Machinery and Spares Directorate, the duties of which should include "(1) integration of the record of spare parts on projects, (2) helping projects in scaling their forward requirements for spares, and (3) compiling statistics of capital and equipment on projects." They also suggested that the Government should encourage the production of spare parts within the country.

Deputation Reserve

The engineers urged that a Deputation Reserve—a pool of specialist officers drawn from different States—should be created at the Centre, so that experts may be moved from one project to another. It was unanimously agreed that no machine or technical man should be allowed to remain idle. Further, it was stressed that the execution of projects should be phased in such a manner that, when one project reached its peak, another must start and lie in readiness to receive the plant and personnel. It was also felt that the Government should maintain a Central Directorate of technical manpower for river valley projects. The Directorate should conduct training centres, issue certificates and keep up-to-date record of the operating personnel on all projects. It was disclosed at the conference that an assessment of the technical manpower required for the next seven to eight years and technical facilities available in the country was being made by the Government.

The engineers suggested that the authorities concerned with the projects should report to the Central Water and Power Commission the break-up cost on each item of work, which will help in making proper comparison of the varying rates of different projects. Also, the project progress reports should be so designed as to provide data for judging not merely quantitative progress but also efficient working of the organisation, including the condition of machinery.

Another important recommendation agreed upon was that, if the time factor was not an important consideration and if the estimated savings were not significant, hands should be preferred to machines. It was stated that, in certain cases, the use of machinery ultimately did not and would not lead to economy. Consequently, manual labour should be preferred for such work.

The oft-repeated charges of corruption among engineers were also discussed at the seminar. The engineers did not tend to minimise the seriousness of such charges but contended that the problem was a complex one and not peculiar to any one department and that no single remedy could be suggested to combat it. They also recommended that the scales of pay, wherever inadequate, should be revised and positive steps should be taken to appreciate the inte-

(*Continued in previous column*)

IRRIGATION AND POWER PROJECTS

PROGRESS OF WORK DURING FIRST HALF OF FIVE-YEAR PLAN

THE Planning Commission's progress review of irrigation and power projects during the first half of the Five-year Plan admits that what has been achieved, though encouraging, is only very little. There is, accordingly, need for a sense of urgency and intense effort among the administrators at the Centre and the States to step up their activities. The people, too, must take greater interest in these things than they have been doing hitherto and extend their wholehearted co-operation to the authorities. No nation can make rapid progress, unless its people participate with enthusiasm and determination to carry through the projects. It, however, goes without saying that mere appeals to people, especially to those who have been accustomed to take life easily and throw the blame on Providence for decades together will not do. The policies and actions of the authorities should be so designed as to evoke the maximum public co-operation and participation.

During the years 1951-53, irrigation and power projects already on hand progressed well and preliminary work in connection with the new projects, which are to be taken up for execution at the end of the Plan period, was started. Some idea of the progress that has been made on large irrigation schemes included in the Plan can be had from the fact that more than 1.5 million acres of new land have been brought under irrigation and that an additional power capacity to the tune of 425,000 kw. has been installed.

Multi-purpose Projects

Of the projects taken on hand, three multi-purpose projects are important. The first of them is the Bhakra-Nangal Project. This project consists of:

(1) The Bhakra dam across the Sutlej;
(2) the Nangal dam, 8 miles down the stream;
(3) the Nangal power channel;
(4) two power houses on the Nangal canal;
(5) the Bhakra canal system; and
(6) the transmission line.

Work on this project has been proceeding satisfactorily. Already partial irrigation has commenced and about 19,000 acres were under irrigation in 1951-52 and 100,000 acres in 1952-53.

The second is the Damodar Valley Project, the full development of which involves the construction of eight dams on the Damodar and its distributaries, a thermal station at Bokaro and an irrigation canal system. The first phase of the system, as included in the Plan, provides for:

(i) The Bokaro thermal station of 150,000 kw. capacity;
(ii) the Tilaiya dam with a power station;
(iii) the Konar dam;
(iv) the Maithon dam with a power house;
(v) the Panchet Hill dam;
(vi) the Durgapur barrage and canals; and
(vii) the transmission line system.

Some stages of the first phase of the Damodar Valley Project have been completed. Thus, the Bokaro thermal station of 150,000 kw. capacity has been completed and so also the construction of the Tilaiya dam. The hydro-power station on this dam, with two generating sets of 2,000 kw. each, has been commissioned. An area of 5,000 acres was irrigated during 1952-53. At the Konar dam, 80 per cent. of the earthwork and 95 per cent. of the concrete work have been completed. The construction of the Maithon dam is in full swing. The winter flow of the river has been diverted through a tunnel and about one-third of the work on the main dam has been completed. Over 150 miles of the main transmission lines have already been erected and good progress has been made on further 92 miles. Five grid-sub-stations and four receiving stations have already been brought into operation.

The third important multi-purpose project is the Hirakud. This project is the first in a series of three dams for the integrated development of the Mahanadi Valley in Orissa. The first stage of the Hirakud Project provides for:

(i) A dam built of concrete, masonry and earth;
(ii) earth dykes on both flanks;
(iii) the canal system one on either side;
(iv) a power house at the dam, with an installed capacity of 123,000 kw.; and
(v) transmission lines.

On the main dam, about 23 per cent. of the total concrete and masonry work was completed by the end of September, 1953. On the earth dam, about 28 per cent. of the work had been executed even before four months ago.

As regards work on the dykes, as much as 62.7 million c. ft. of earthwork had been done for the embankment on the left dyke, up to end of September, 1953. On the right dyke, however, excavation is behind the schedule. The total quantity of earthwork done on the main canals and drainages is 310 million c. ft. and distributaries and minors 50 million c. ft. The work on masonry structure has commenced.

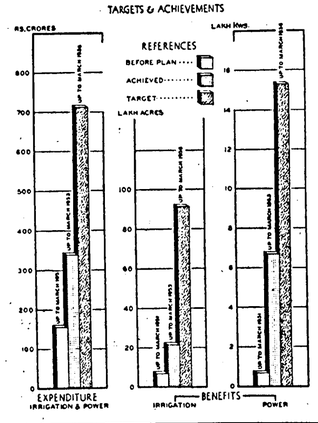
As regards the power house, draft tubes for two 24,000 kw. generators were received at site and the erection of these sets is expected to be taken up during the current working season. Detailed route surveys on 67 miles of the transmission system have been completed.

There has been some setback, due to bad foundation material, which has been met with in the power dam and spillway sections, necessitating deeper foundations and additional drilling and grouting.

New Projects

Five new irrigation projects are to be taken up for execution towards the end of the Plan period. They are Koyna, Rihand, Krishna, Chambal and Kosi.

As regards the Koyna Project, administrative approval to stage I of this project, which is estimated to cost Rs. 33.22 crores, has been recently accorded by the Government of Bombay. The International Bank has arranged for experts



to study the project, on the spot along with certain aspects of the power requirements of the city of Bombay, the Bombay-Poona area and other areas to be served by power from the Koyna.

The Rihand Project is expected to generate 240,000 kw. of power for agricultural and industrial advancement in the eastern parts of U.P., the western part of Bihar, and the neighbouring areas in Vindhya Pradesh and Madhya Pradesh. Work on the project will commence shortly. The project has been included in the Indo-U.S. Technical Co-operation Programme for 1953-54 for the supply of equipment.

Investigations and surveys on the Krishna Project on the lines recommended by the Technical Committee, appointed by the Planning Commission, have been in progress and will shortly be completed. Field-work on the Nandikonda dam has been carried out.

The first stage of the Chambal Project has been included in the Plan, the estimated cost of which, according to the joint project report by the Governments of Madhya Bharat and Rajasthan in 1952, is Rs. 33.75 crores. The excavation of foundations at the Gandhi Sagar dam site in Madhya Bharat has been taken on hand and up to June, 1953, about 1.5 million c. ft. of earthwork was accomplished. Surveys for the alignment and preparation of preliminary estimates for the main canal have been completed. Other phases of investigations, such as revenue, agricultural and soil surveys are under way.

Preliminary investigations for the first stage of the Kosi Project have been completed. An advisory committee, which recently scrutinised the proposals for the project, has recommended the implementation of the first stage of the project, which is to consist of:

(i) A barrage at Hanuman Nagar, costing Rs. 13.27 crores;

(ii) flood banks from Hanuman Nagar, extending nearly 70 miles on either side at an estimated cost of Rs. 10.67 crores; and

(iii) a canal system to irrigate 1.4 million acres in Bihar and 180,000 acres in Nepal, at an estimated cost of Rs. 16.32 crores.

The total cost of the first stage of the project is thus expected to be Rs. 40.26 crores, of which perhaps about Rs. 9 crores may be spent during the remaining period of the Plan. Besides affording irrigation facilities to about 1.6 million acres in Bihar and Nepal, the project will provide flood protection to a large area lying between Hanuman Nagar and Jhamta on the right bank and Bangaon on the left bank.

Employment Aspect

The Planning Commission's review also deals with the employment aspect, which, it states, is under close study. A rough estimate, however, is stated to indicate that nearly 2½ lakh persons are being employed annually. The actual increase in employment, consequent on the implementation of power schemes, will be known only after the completion. It will depend upon the expansion of existing industries and the starting of new ones. As an illustration of the expected magnitude of employment potential, the review points out that, roughly, about half a million persons can be provided with employment from the power generated from new projects like the Koyna or the Rihand.

As in other fields, public co-operation is essential for the effective implementation of irrigation and power projects in the Plan. The promotion of village labour co-operatives for the construction of distributaries and other local works is, therefore, an important element in the success of the Plan. Dealing with this aspect, Planning Commission says that, in Bombay, for instance, an effort has been made to entrust works to labour co-operatives without calling for tenders. The number of labour co-operative societies increased from 11 in June, 1949, to 43 in July, 1953. In Madras also, labour camps consisting of men from various districts have been organised in connection with the Lower Bhawani Project. In the Punjab, several minor schemes constructed by labour co-operatives were opened during the past few years.

In Rajasthan, labour co-operatives have been formed with the help of contractors and earth-work on channels is being done through them. These are a few examples of a more widespread trend which needs to be encouraged actively as an integral aspect of the execution of the Plan.

Imposition of betterment levy is one of the means through which additional funds required for river valley projects are sought to be raised. Dealing with the progress made in this direction, the review states that Bombay, Punjab, Hyderabad, Mysore, Rajasthan and P.E.P.S.U. have enacted legislation for the levy of betterment fees, while Assam, Madras, West Bengal, and Uttar Pradesh are considering proposals for legislation. Several other States, such as Bihar, Orissa, Madhya Bharat and Travancore-Cochin, have accepted the principle of betterment charges. Proceeding, it says that the levy of betterment fees and adjustments in water rates are among the major sources of additional finance which State Governments are expected to develop, with a view to financing their development programmes, and it is important that, in States which have not yet implemented this recommendation, the necessary steps should be completed at an early date.

In passing, it may be noted that the programme of irrigation and power projects of the first Five-year Plan forms a part of a more long-term objective, namely, the doubling, in a period of 15 to 20 years, of the area under irrigation and the production of power amounting to 7 million kw. The immediate programmes include about 140 large irrigation schemes and about 100 power schemes. The total outlay on irrigation and power development during the Plan period is Rs. 670 crores, of which the multi-purpose and major irrigation projects account for Rs. 430 crores, power schemes for Rs. 128 crores and minor irrigation schemes Rs. 112 crores.

INSURERS AND FINANCE FOR PRIVATE INDUSTRIAL SECTOR

NEED FOR RELAXING RESTRICTIONS ON INVESTMENTS

IN many of the Western countries, insurance companies have played and continue to play an important role as active participants in the task of promoting economic progress by diverting the funds which they derive from their policyholders for purposes of supporting new and promising ventures. It is true that an insurance company cannot take great risks, in the same way as individual and certain other institutional investors can, for their primary responsibility is towards the policyholders whose money they hold in trust. Within this limit, imposed either legally or accepted voluntarily by the insurers, they continue to make their contribution to economic development. Indeed, they constitute one of the largest sources of finance for the private sector of economic activity.

This position is in sharp contrast with that of Indian insurers who are prevented from aiding freely new undertakings, or even certain older and well-established undertakings, by the existing laws which lay down rigid restrictions on the investment activities of insurance companies. Briefly, the Insurance Act (section 27) lays down that 25 per cent. of the funds of life assurance companies should be invested in Government securities, 25 per cent. in Government or other approved securities, and the balance in "approved investments" specified in section 27A. The Central Government has powers, under section 27(A) (s), to declare, by notification in the official *Gazette*, any particular investment as an "approved investment." Besides these restrictions, the Act envisages certain other conditions for investment. Thus, section 27(A) (3) provides that an insurer should not invest in the shares of any one banking company or investment company, more than 2½ per cent. of his funds, or more than 2 per cent. of the subscribed share capital and debentures of the banking company or investment company concerned. Again, section 27(A) (4) lays down that an insurer should not invest in the shares or debentures of any one company, other than a banking company or investment trust, more than 2½ per cent. of his funds or 10 per cent. of the subscribed share capital and debentures of the company, whichever is less.

The question of insurers' investment of their funds has now assumed a new significance, in view of the fact that the Shroff Committee is engaged in investigating the availability of financial resources for the private sector. Indian trade and industrial organisations, which have submitted their replies to the Committee's questionnaire, have all stressed the need for relaxing the statutory restrictions on the investment of insurance funds. Thus, the Federation of Indian Chambers of Commerce and Industry has pointed out that the insurers should, "within certain limits, be allowed some latitude for investment in established undertakings, as also in new industrial undertakings." The Indian Merchants' Chamber, Bombay, recognises that similar restrictions prevail in the U.S. and Europe. It urges, however, that the conditions in India are different. Thus, the Secretary to the Chamber says:

"As far as India is concerned, the case of Japan is more apt, where the limitations and restrictions on insurance funds were, in the pre-war period, generously relaxed with a view to facilitating the flow of these funds for the purpose of bringing about rapid industrialisation in the country. There is no doubt that this policy largely contributed to the development of productive enterprise in Japan."

In its reply to the Shroff Committee's questionnaire, the Indian Life Assurance Offices Association has also struck the same note, namely, the need for the liberalisation of investment restrictions. The Association rightly points out that the insurance companies are in a better position to aid private sector than the banks since the former's investment, unlike the Bank's investments, are essentially of a long-term nature. The present statutory restrictions on their investments, it is pointed out, are onerous. This is because the insurers find that, after investing a part of their funds in Government and approved securities, making such normal investment as land and house property, and providing for agents' balances, loans on policies, outstanding interest, cash balances and similar items, they find that "very little margin is left for the insurance companies to invest freely in industrial shares and debentures." The Association has, therefore, urged that the Act should be so amended as to require life insurance companies to invest only 20 per cent. of their funds in Government securities, and 20 per cent. in Government and approved securities, leaving a balance of 60 per cent. for other investments as per section 27A.

Provident Fund Scheme

The Association has further pointed out that the Central Government should make a more liberal use of its powers under section 27(4), subclause (s). It would appear that the Government is "very reluctant" to exercise its powers under this sub-clause which, as already stated, empowers the Government to declare any investment as an "approved investment." The Association has also stressed the need for amending clauses (3) and (4) of section 27A, to which a reference has been made above. The Association wants that the figure 2½ per cent. which occurs in these clauses and also the figure 2 per cent. which occurs in sub-clause 3 should be increased to 5 per cent. In other words, the Association wants that each insurer should be permitted to invest a maximum of 5 per cent. of his funds in banks, investment trusts, shares and debentures of each company, as well as up to 5 per cent. of the total paid-up issues of banks and investment trusts. It further wants that the Employees' Provident Fund Scheme should be so amended as to "empower the Commissioner to make payment of insurance premia on policies of employees absolutely assigned to the appropriate boards direct to the insurers each time premia falls due on such policies, instead of the present provision, requiring the employee to apply to the Commissioner for the withdrawal of the insurance premium each time a premium falls due." Finally, it has emphasised the need for relaxing the limits of exemption for insurance premia from income-tax so as to raise them from the present limits of one-sixth of one's income, subject to a maximum of Rs. 6,000 in the case of an individual and Rs. 12,000 in the case of a joint-Hindu family, to one-fifth of the income, with a maximum of Rs. 10,000 for individual and Rs. 20,000 for joint-Hindu family.

There is thus a strong case for the liberalisation of investment restrictions, which deserves to be examined by the Shroff Committee and the Government. But it should, at the same time, be remembered that these restrictions were brought into effect because a section of the insurers ignored the consideration that they were trustees of the policyholders' money and that they should aim at maximum possible yield, consistent with security of capital. From this point of view, it is gratifying to note that the Association itself "appreciates the underlying reasons for these restrictions, namely, that of the safeguarding of the moneys of the policyholders and preventing interlocking." It should, however, be possible for the Government, without impairing the basic considerations of security of investment and prevention of interlocking of funds, to relax, in a judicious manner, the present restrictions on insurers' investments.

TAXATION OF REINSURANCE TREATIES

Indian insurers are perturbed by the Income-tax authorities' move to tax Indian insurance companies in respect of the profits earned by foreign companies on the reinsurance business which the former cede to the latter companies. Indian companies are, for purposes of taxation, treated as merely agents of the foreign companies with which they have reinsurance treaties. Indian insurers base their opposition to this move on three grounds:

(1) It shows an insufficient appreciation of the importance and value of reinsurance facilities; (2) such practice does not prevail in other countries and (3) it will affect adversely Indian general insurance business.

A representation on these lines, it is learned, has been made by the Indian Insurance Companies Association to the Government of India.

It would appear that the place of foreign insurance companies, which have treaty connections with Indian insurers, was considered by the authorities in this country at the time of the passage of the Insurance Act, 1938. The authorities then felt that there was no need to place any restrictions on foreign insurers, who accept reinsurance treaties from India, or even to require them to register themselves. In this connection, it is pointed out that when an Indian insurer buys a reinsurance cover from a foreign company, the Indian insurer stands in the same relation to the foreign company as the Indian insured does towards the Indian company with which he insures. An insurer's transaction with a foreign company is not subject to tax because, in the first place, the transaction is as between principal and principal and, secondly, the reinsurer sells his cover to India from abroad and does not trade in India. The Government's present move, it is stated, is contrary to those well-established principles of taxation of insurers.

What intrigues Indian insurers about the Government's present move is that it is contrary to the practice followed in other countries. Indian insurers have reinsurance treaty connections with many countries, none of which has ever sought to subject our insurers to tax. The present practice is that any profit which the Indian company makes through its reinsurance connections with a foreign company is subject to tax in India. Similarly, any profit which the foreign insurer makes through its reinsurance business with Indian insurers is subject to tax in the country of the overseas insurer. If the foreign insurer were made to subject itself to tax in India, in addition to the tax it would have to pay in its own country, the insurer would be compelled to pay taxes to this Government.

Indian insurers, therefore, feel that if the Government persists in its present move, it would interfere with the growth of reinsurance business. It might provoke other countries to take retaliatory measures which they would be perfectly justified in taking. This would affect adversely the position of Indian insurers in the international reinsurance market. Indian insurers point out, in this connection, that they have attained their present position only through the assistance provided by foreign insurers through the reinsurance facilities which the latter have provided for insurers in this country. It would be wrong for this country, they argue, to take any measure which would provoke other countries to retaliate and thereby disturb the happy relations between Indian and foreign insurers. Finally, they emphasise that reinsurance is vital to the growth of insurance, and further, that Indian insurers cannot afford to dispense with the services of their powerful foreign allies. Indeed, in some branches of insurance, such as aviation and hull insurance, since the risks involved are immense, it is necessary to spread them far and wide. The Government's move, it is stated, will kill the foreign insurers' incentive to offer reinsurance facilities to India, and thereby stifle the healthy development of Indian Insurance.



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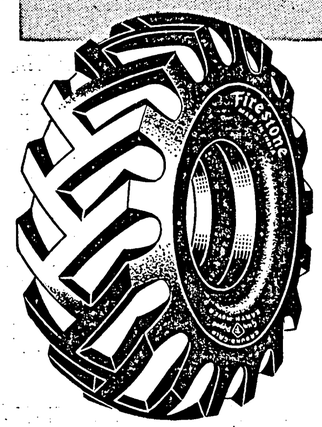

India has now entered a phase of development and construction of huge dams, irrigation projects and hydro-electric generation which is an integral part of its Five-Year Plan to raise the living standards of the people within the shortest possible time. To accomplish this, large quantities of earth-moving equipment are required and, to match this equipment, a correspondingly large number of special tyres are needed. Firestone immediately responded to this demand and now present with pride the *first* earthmover Tyre to be built in India.

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FINANCE FOR PRIVATE SECTOR

VIEWS OF SOME INDIAN BANKING INTERESTS

(Contributed)

THE Planning Commission has assigned an important role to the private sector in the implementation of the National Plan. Investment in this sector, however, has lagged behind the level assigned to it in the Commission's report. This has been due to a number of factors, among which difficulties of securing the needed finance must be reckoned to be an important one. As readers are aware, the Reserve Bank of India has, therefore, appointed, with the approval of the Government of India a Committee, under the chairmanship of the well-known industrialist and financial expert, Mr. A. D. Shroff, to examine how increased finance, particularly bank finance, can be made available to the private sector, through sources other than those which are under the consideration of the Taxation Enquiry Commission. The Committee has prepared three sets of "points for discussion with industrial insurance and banking interests" respectively. These interests have submitted detailed memoranda on the points to the Committee, which is now engaged in taking the oral evidence of the representatives of the interests. Reference has already been made, in the previous two issues of *Commerce*, to the viewpoints of industrialists, traders, investors and Exchange banks. It is proposed in this article to deal with some of the points raised by the Committee for discussion with banking interests, so as to indicate what some Indian bankers have been feeling about them.

Example of Germany

The first point is "general views regarding the advisability of banks participating in provision of finance to industries: (*a*) short-term, (*b*) medium term and (*c*) long-term. On this point, the Indian bankers feel that it is generally safe for commercial banks to make short-term advances to industrial concerns against good security in the form of stock-in-trade and the banks actually make such advances to a great extent. On 30th June, 1953, the advances of Scheduled banks to industrial concerns amounted to Rs. 189 crores out of the total advances amounting to Rs. 545 crores. Orthodox banking practice does not regard it advisable for commercial banks to make medium-term or long-term advances to industrial concerns, because their working funds consist chiefly of current or short-term deposits. But, on account of the present underdeveloped state of India and the urgent need for developing the country rapidly, it is necessary for commercial banks in India to adopt a broader and more national outlook. In this connection, it may be mentioned that German banks have again been playing a very active part during the last few years in rebuilding German industry. Some of the Indian banks may be prepared to make to industrial concerns short-term advances to a larger extent and medium-term or long-term advances to some extent, provided the following facilities are given to them:

(*a*) Short-term advances made by banks to industrial concerns against stock-in-trade may be converted into bills, which should be readily discounted by the Reserve Bank and readily renewable. Further, if the Reserve Bank undertakes to rediscount *Multani hundis* which have been discounted by commercial banks, in lump sums, with a limit fixed for each bank, it will give much encouragement to the *hundi* business, which provides finance to numerous small enterprises. The practice of the Imperial Bank of India, extending over many years, of discounting *Multani hundis* to a fair extent indicates that that this business is organised and conducted on fairly sound lines.

(*b*) The Reserve Bank should lend readily against documents created in connection with medium-term and long-term advances made by banks to industrial concerns against the latter's fixed assets. In this connection, it may be noted that the Reserve Bank Amendment Act, 1953, has permitted the Reserve Bank to grant accommodation to co-operative banks upto Rs. 5 crores against advances made by them for periods varying between 3 and 5 years.

(*c*) The Reserve Bank should lend readily against the investments of banks in debentures and shares of industrial concerns which are guaranteed by the Central Industrial Corporation, or a State Industrial Corporation or the Government.

It is true that the above suggestions are not in accordance with central banking practices in advanced countries. But it is felt that the central banking authority in India must also adopt a broader and more national outlook, in view of the special circumstances of the country, indicated above.

The second point refers to "present level of banks' investment in large-scale industries: (*a*) investments in shares, debentures, etc., and (*b*) investments in working capital." The present investments of banks in debentures and shares of industrial companies, it may be mentioned here, are not large, being about Rs. 12 crores out of total investments amounting to Rs. 384 crores. Banks also help in further provision of long-term finance to industries by making advances to business men, investors, share brokers, etc., against the security of debentures and shares of industrial concerns.

The third point is whether the demand for industrial advances is more than what the banks can satisfy or whether there is a paucity of borrowers. The position in this respect is that the demand of large and established industrial concerns is fully satisfied by commercial banks and that the banks can in fact give more of such advances against adequate and acceptable security. But small and medium-sized industrial concerns find it difficult to secure even short-term finance from banks, because they have no acceptable security to offer in the shape of standard goods which can be readily marketed and which are properly stored in godowns.

In the fourth point the Committee asks: What are the conditions under which the banks lend to industries at present? The answer is that they make short-term advances to industrial concerns mostly against pledge or hypothecation of the stock-in-trade of the concerns. Moreover, the banks often demand and obtain the personal signatures of the managing agents or one or more directors of the concerns. The advances are mostly repayable on demand, but they are generally continued for one year, may be renewed for another year and may continue for several years, if the financial position of the borrower and the lender remains satisfactory.

Bank Advances

The Committee then wants to know whether bank advances are confined to some industries and, if so, whether this is due to any special features of banking or of industries in India. The reply of Indian bankers is that banks make advances readily to large, well-established and creditworthy industrial concerns, which have been earning good profits from year to year. They are, however, reluctant to make advances to new concerns and even to old and large concerns, if the latter have not been earning profits regularly, unless the parties managing the concerns are creditworthy and sign pronotes, thereby giving their personal guarantee.

The sixth point is whether any special measures are necessary to enable banks to lend to industries, on the assumption that there is an increase in demand for finance by industries. The answer is that the assumption is correct, in view of the important role assigned by the Planning Commission to the private sector and the special measures needed are those indicated in the answer to the first point.

The seventh point raised by the Committee is whether the supply of credit would be enhanced and rendered easier if special institutions, such as Industrial Development Corporations, Industrial Finance Corporations, Investment Trusts, etc., are created. The reply is in the affirmative, provided the Reserve Bank is prepared to make advances against debentures and shares of such Corporations, both of which are trustee securities, as readily as it does against Government securities, thereby abandoning its present practice of not advancing to banks against such debentures and shares, except during an emergency and after the banks have used up their holdings in Government securities. This is necessary, because banks can never afford to neglect the liquidity of their investments.

The eighth point is whether labour legislation has led to increased costs of operating banks and retarded the development of banking in undeveloped areas. The reply to this question also is in the affirmative, because while, on the one hand, it has increased the remuneration which banks have to give to their employees, on the other, it has greatly diminished the control of banks over their employees, leading to a substantial reduction of efficiency, discipline and will to work. In 1947, the total earnings of Indian Scheduled banks were Rs. 29.83 crores and their establishment expenses amounted to Rs. 9.61 crores. By 1952, they had increased to Rs. 34.38 crores and Rs. 13.91 crores, respectively. This shows that the percentage of their establishment expenses to earnings increased from 32.2 in 1947 to 40.5 in 1952. This increase has been mostly due to the awards of various Tribunals.

While labour legislation has increased the remuneration of bank employees, it has paid no heed to the necessity of employees producing adequate output per man-hour. On the contrary, indiscipline and disloyalty have increased among employees of banks, because labour legislation has provided an elaborate and lengthy procedure for dealing with cases of indiscipline and even fraud. There have been cases of fraud on the part of employees, in which all that the banks could do was to suspend them and to go on paying them maintenance allowances and to refer their cases to Tribunals, which took many months to dispose of the cases. Moreover, in several cases, banks have been prevented from discharging surplus staff, resulting from the closing of unremunerative branches, by the orders of Labour Commissioners or Tribunals. Further, there have been cases of Tribunals ordering the reinstatement of some employees, whom banks had retrenched on account of the closing of a few branch offices. The employees resigned as soon as they received the arrears of remuneration awarded by the Tribunals and the banks discovered that the employees had served elsewhere during the interval and had obtained double pay. Although these cases were brought to the notice of the Tribunals as well as the Government of India, both expressed their inability to do anything in the matter.

Difficulties in Opening New Offices

These difficulties have made banks unwilling to add to their liabilities by opening new offices, particularly in undeveloped areas. This unwillingness to expand activities, even where there is scope for doing so, has checked the growth of banking in India. In recent years, the total number of banking offices in India, far from increasing, has diminished. This is shown by the fact that, between 1948 and 1952, the number diminished from 5,277 to 4,839.

The object of enacting labour legislation in India has been to protect illiterate and semi-illiterate labour employed in organised industries. Its recent application to bank employees, who, except the subordinates, are well-educated and have a career to work for, has proved disastrous. Banks are credit institutions, having their own peculiarities and needs. Labour legislation, devised for the benefit of industrial labour, therefore, is unsuited to banks. Cumbersome legal machinery, involving inordinate delays, has been interfering seriously with the smooth and efficient working of banks. This is not the case even in such advanced countries as the U.K., Canada, and the U.S.

Bank employees can be given protection by adding a section to the Banking Companies Act, empowering the Reserve Bank to regulate relations between banks and their employees. The Reserve Bank has wide powers of supervision over banks and they can be expanded so as to include regulation of employer-employee relations. With its intimate knowledge of the peculiarities and needs of banking and with a free hand, the Reserve Bank can lay down conditions of service either in banks, generally, or in particular banks, according to their capacity, and can encourage opening of new branches of banks by keeping terms of employment rather elastic. The Reserve Bank may set up a new Department for doing this work. New banking offices would mean additional employment and the unemployed would welcome this new employment, even on somewhat lower remuneration, in the confidence that, with good work, they would be able to secure better terms, with the progress of the new banking offices.

The ninth point is whether banks can make any suggestions which would enable them to open branches in undeveloped areas. The reply is that such branches should be exempted from the operation of bank awards and Shops and Establishment Acts and should be given a subsidy for a limited period, free facilities for watch and ward and adequate remittance facilities by Government.

The tenth point is whether there has been overconcentration of banking facilities in urban areas. The reply is in the negative, taking into consideration Western standards. If it is felt that there are more banking offices in urban areas than are required by the banking needs of the areas, this seems inevitable, because banks find it necessary to open offices in new places for handling there the business of their other offices, as their experience is that their agents in those places do not provide the direct and speedy service which their own offices can render. Further, urban areas offer far more business than rural areas and naturally banks are attracted to the former by this business.

Suggestions for Augmenting Deposits

The eleventh point is whether banks can make suggestions for augmenting bank deposits in areas where banking facilities are freely available. The reply is that, whereas in the U.K. bank deposits are nearly four times the amount of currency in circulation, in India they are only two-thirds of the currency in circulation. Further, whereas they have increased in the U.S., Canada, the U.K. and Pakistan, they have fallen in India by Rs. 120 crores between 1948 and 1953. This indicates that there is much scope for increasing bank deposits in India. With this object, the following suggestions are made:

(1) If the penalty against the misuse of cheques is made stringent in India, as it is in the U.S. and the U.K., the cheque habit will develop rapidly, because creditors will be more willing to accept payment by means of cheques than at present.

(2) Discreet and continuous educative propaganda should be conducted among the public to make them realise that keeping their money idle at home is anti-national and anti-social, in the present context of the underdeveloped conditions and low standard of living of the country, and that they must make it available for the development of the country by depositing it in banks.

(3) Government and the Central Banking Authority should not only refrain from doing anything, such as issue of statements or adoption of legislative or other measures, which would lower the confidence of the public in licensed banks, but should also take positive steps to increase the confidence of the public in these banks and to make the public feel that all licensed banks are safe. Some of these steps are to allow Government Departments, local and quasi-Government bodies, as well as concerns sponsored by Government, to open current accounts with licensed banks and to keep short-term deposits with them without demanding the deposit of an equivalent value of securities from the latter, to allow Government Departments to accept the guarantees of licensed banks, on behalf of suppliers and contractors, with a limit for each bank but without demanding deposit of Government securities, and to allow all companies to deposit provident funds of their employees, pending investment, with the licensed banks.

Further the Central Banking Authority should take all possible steps to prevent runs upon any licensed bank and to see that a licensed bank does not fail. For the failure of a bank means in practice loss of confidence even in sound banks. The Authority should, if necessary, even risk a part of its large annual income and change the directorate or management of a licensed bank and give it directions for strengthening its position, in order to ensure the stability of all licensed banks.

(4) A deposit insurance scheme, similar to that prevailing in the U.S. but with the necessary modifications to suit Indian conditions, may be sponsored by the Government of India, through the Reserve Bank, for insuring all deposits in licensed banks upto Rs. 10,000 and the burden of half of the premium may be shouldered by the Reserve Bank.

(5) The scrutinies of the Income-tax Department and the Income-tax Investigation Commission, often amounting to undue probing, and their peremptory demands upon banks for information regarding the customers' accounts are something which are not found in other countries and should be minimised, because their practical effect has been that a number of customers have either minimised their operations with banks or ceased to deal through them. Although these probings have secured some more revenue for Government, they have proved harmful to the larger economic interests of the country.

The next two points raised by the Committee are allied and are whether it is possible to reduce the present ratio of banks' cash to deposits and whether the remittance facilities available at present are handicapping banks in the maintenance of the minimum necessary cash balances. The answer is that the present remittance facilities are inadequate and compel banks to immobilise appreciable amounts of cash at their branches, with the result that the present average percentage of cash of Indian Scheduled banks to their deposits is as high as 16.5, as against 9 in the case of foreign Scheduled banks operating in India and 8 in the case of banks in the U.K. If free, quick and adequate remittance facilities as between all currency chests, Government treasuries, etc., are made available to banks on the lines mentioned on page 110 of the issue of *Commerce* dated 23rd January, 1954, Indian Scheduled banks will be able to reduce the existing percentage of their cash to liabilities by 5 and to give additional advances and to discount additional bills to the extent of Rs. 50 crores.

Branch Banking

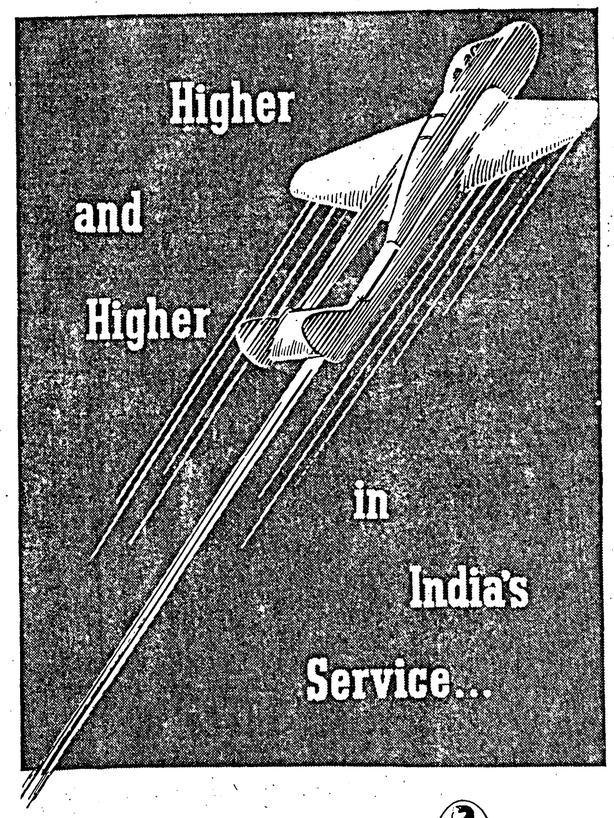
The final point is whether the present policy of the Reserve Bank in granting permission to open branches has led to the uneconomic working of branches in undeveloped areas. In answering it, it is pertinent to point out that, in a circular dated 13th March, 1947, issued to all banks, the Reserve Bank stated that, in order to avoid wasteful competition, banks should form associations for every place, district, province, etc., and enter into mutual agreements regarding the rates of interest for various classes of deposits or advances, exchange for drafts and telegraphic transfers, commission for the collection of bills, purchase and sale of securities, etc. Banks have tried to follow this sound advice, but either their attempts to enter into such mutual agreements have not succeeded or these gentlemen's agreements have not been kept. Hence, a certain amount of cut-throat competition has been prevailing among them in some places and this has produced an adverse effect upon their resources and development. It is, therefore, necessary for the Reserve Bank to take the initiative in bringing banks together for fixing their scales, rates, charges, etc., because, in the absence of sanctions, it is difficult to keep any understanding arrived at among banks in this respect, without such initiative.—*All Rights Reserved.*

WORLD BANK'S TRAINING SCHEME

The sixth annual general programme of the World Bank began on the 15th inst. The programme gives an opportunity to nationals of member-countries to become acquainted with all aspects of the Bank's operations. The trainees will learn, at first hand, the way the Bank is organised and administered, how it makes loans, how it markets its bonds, the various methods it uses in giving technical assistance in drawing up long-range development programmes and in analysing projects. It is intended that the experience and training received at the Bank will help the trainees to contribute more effectively to the economic growth of their own countries.

Participants in the 1954 programme come from eight of the Bank's member-countries, namely, Brazil, Burma, Colombia, Germany, India, Japan and Turkey.

The training programme was inaugurated in 1949. With the current year's group, the programme covers 40 of the Bank's 55 member-countries.



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U.S. PRESIDENT SUBMITS $65,600 MILLION BUDGET

AID FOR NON-EUROPEAN COUNTRIES

THE U.S. budget for the fiscal year commencing 1st July, 1954, which has been presented to Congress by the President, Dwight D. Eisenhower, estimates the revenue at $62,700 million and expenditure at $65,600 million. The budget, which is the first to be prepared entirely by the Eisenhower Administration, assumes fairly stable conditions, internally and externally, for the period it covers. American security and prosperity will depend, Mr. Eisenhower said in his message accompanying the budget, on the success with which the U.S. undertakes its responsibilities as a leader of the free world.

The budget recommends total expenditures of $65,600 million. This is $5,300 million less than estimated expenditures for the current year. These anticipated savings, the President said, are being reflected in some tax reductions effective from 1st January and in some further tax revisions recommended in the 1955 budget. These somewhat lower taxes, he said, will encourage continued high levels of capital investment and consumer purchases.

Deficit Forecast

Revenues for the 1955 fiscal year are estimated at $62,700 million indicating a prospective budget deficit of $2,900 million. This would compare with deficits of $4,000 million in the fiscal year 1952, of $9,400 million in the fiscal year 1953, and of $3,300 million estimated in the fiscal year 1954.

On a cash basis, however, the 1955 proposed budget has in prospect an estimated excess of public receipts over public payments of about $115 million. This is because the Government cash transactions with the public include receipts and payments of social security and other Government trust funds which are not considered part of the national budget.

National security programmes, estimated at $44,900 million, make up the largest budget item. This includes expenditures for the Department of Defence, the programme of aid to other countries, atomic energy, and stockpiling of strategic materials. Such expenditures aggregated $50,300 million in the 1953 budget, and are estimated at $48,700 million in the 1954 budget, thus accounting for the largest single element of budget reduction.

The President pointed out, however, that these savings result from revisions in programmes and improvements in operations. "Our security," he noted, "is being strengthened—not weakened." He observed, for example, that 1955 expenditures for air power will be the largest since World War II.

Economic Aid

The budget proposes expenditures of $1,028 million toward development of other nations—with most of such aid going to non-European countries. The message does not break down the proposed aid by area or country. Such a breakdown may be made later during Congressional consideration of proposed legislation to implement the President's requests.

The section dealing specifically with economic and technical development abroad (as distinguished from proposed military aid) stated:

"Net budget expenditures for economic and technical development in the fiscal year 1955 are estimated at $1,028 million, compared with $1,555 million in the fiscal year 1954 and $1,960 million in 1953. This budget, as did the fiscal year 1954 budget, reflects proportionately greater emphasis on programmes in Asia, Africa and Latin America. It contemplates new appropriations for aid to very few European countries.

"In the Far East, there is a need for contributions to provide for relief in Korea and, now that hostilities have been terminated, for an expanded reconstruction programme for that war-devastated country. Funds are also recommended to maintain the strength and security of Formosa and to support further the effort of our friends combating Communist aggression in Indo-China.

"The budget also provides for technical assistance and economic development in India, Pakistan, the Philippines and other nations of Asia to encourage continued progress in their efforts to improve the living conditions of their people.

"With respect to the Near East, the budget provides for helping relieve the plight of Arab refugees through contributions to the U.N. refugee agency, and for technical assistance and supplementary economic development in the Arab States, Israel and Iran.

"Provision is also made in the budget for continuing the technical assistance programme for Latin America. This programme, which has existed for a number of years, contributes to a reduction of social and economic problems upon which communism feeds and which hampers the development of stable and growing economies."

Military Aid

The budget estimates a total of $4,275 million will be spent in the fiscal year 1955 for continuing the mutual military programme, which represents military assistance to help other free nations deter aggression. This compares with an estimated $4,200 million in the current year and about $4,000 million for the year before. The message does not break down the proposed military aid by area or country.

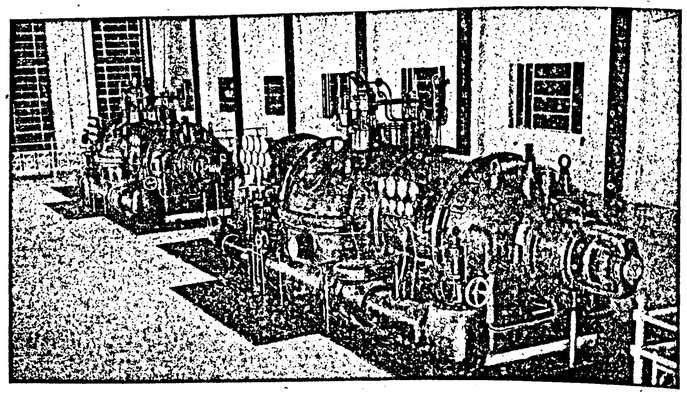
The President said the new budget represents a period of transition from heavy dependence by a large number of countries upon massive bilateral economic assistance from the United States to the use of such assistance in more limited circumstances. He noted that progress had been achieved through past aid from the United States and by "positive and constructive" measures taken by other countries. He added:

"My budget recommendations for the international programme of the Government will enable us to hold our newly won initiative in world affairs and move toward a lasting peace. Our national security and international programmes are designed to deter would-be aggressors against the United States and other nations of the free world and to strengthen our efforts for peace by all appropriate means, including diplomatic negotiations with the Soviets."

Atomic Energy

On the question of atomic energy, the President noted that authority is recommended "for new and advanced work on the peace-time uses of atomic energy in the earnest hope that present international relationships can be improved and the wonders of nuclear power can be turned gradually to the development of a

(Continued on page 195)



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U.S. FOREIGN ECONOMIC POLICY

MAIN POINTS OF RANDALL COMMISSION'S RECOMMENDATIONS

THE eagerly-awaited report of the Randall Commission on foreign economic policy of the U.S. has now been published. This report contains more than a score of recommendations designed to advance international trade in a spirit of mutual confidence. From available reports, it is not clear whether this report, covering 100 pages, is the final report of the Commission or any further reports will be submitted. It has a minute of dissent, written by two out of the 17 members of the Commission. This minority is of the opinion that the majority report is "too indefinite, too hastily prepared and unrepresentative of the U.S. industry." Both the members who have contributed this note of dissent belong to the Republican Party and have long advocated high tariffs.

It will be recalled that, in August last, President Eisenhower appointed a committee of 17 members, under the presidentship of Mr. Clarence Randall, Chairman of the Inland Steel Corporation and Vice-Chairman of the International Relations Committee of the National Association of Manufacturers, to "find acceptable ways and means of widening and deepening channels of economic intercourse between ourselves and our partners in the free world." The following are the main points recommended by the majority of the Commission:

1. Economic aid on a grant basis should be terminated as soon as possible, and no further aid is justified, unless it contributes to the security of the United States.

2. The offshore procurement programme should be governed by factors of cost and availability, as it is in the United States, or on "broad strategic judgments." This programme should not be used as a form of general economic aid.

3. Where friendly nations require support to maintain their military forces—"connected with U.S. own security"—grants should be made, not loans. In other cases, where substantial economic aid is necessary "in the interest of the United States" but cannot be obtained from private sources, loans should be made, not grants.

4. The Technical Co-operation Programme should be pressed forward vigorously. It should not become a "big money" programme and should not involve capital investments.

5. The U.S. should continue to support the United Nations' expanded Technical Assistance Programme and the programme of the Organisation of American States, but no country should contribute as much as 60 per cent. of the financing of the world-wide co-operative effort.

6. The U.S. Government should do all it can to create "a climate" that would encourage private investments abroad, because private capital, in the main, must "undertake the job of assisting in economic development abroad."

7. The U.S. corporate tax on income from U.S. investments abroad should be reduced by "at least 14 per cent." and private individuals should be able to offset in full against their domestic tax, the appropriate foreign tax.

8. The existing programme of guarantees against expropriation or inconvertibility of exchange—being administered by the Foreign Operations Administration (F.O.A.)—should be given a further period of trial.

9. The Export-Import Bank should continue to make loans "which are in the special interests of the United States," and which are based on sound credit policies.

10. The International Wheat Agreement of 1953 should be used to the full in resolving pressing wheat problems while it is in operation and "its termination in 1956 be given consideration."

11. The U.S. should move "as rapidly as feasible" towards elimination of inflexible price-support programmes in agriculture "which result in fixed prices, open or concealed export subsidies, import quotas at home and abroad, excessive use of tariffs."

12. Fluctuating prices of raw materials cannot be stabilised by commodity agreements. Greater stability of world prices should be sought, rather, through relaxation of trade impediments, diversification of economies of the countries "now excessively dependent on a small number of products" and through continued consultation and co-operation with other nations to improve knowledge of world supply and demand and to explore possible means of lessening instability.

13. The "Buy American" Act should be amended, so that the President might exempt from its provisions the bidders from other nations "that treat our bidders on an equal basis with their own nationals." Meanwhile, the President should direct procurement agencies to consider foreign bids which satisfy all other considerations on "substantially the same price basis as domestic bids."

14. Congress should direct the President to have the Tariff Commission undertake a study of the tariff schedules immediately, with a view to ensuring greater simplicity of the tariff "definitions" and also possible changes in rates.

15. The President's power to negotiate trade agreements under the Trade Agreements Act and to place them in force should be extended for not less than three years, "with appropriate safeguards." It should include the authority to reduce any existing tariff rate five per cent. in each of the three years.

16. The issuance of passports and visas to tourists should be made less difficult, and duty-free allowance for tourists should be increased from $500 to $1,000.

17. The present ban on exports by the United States to Communist China and North Korea, and U.S. efforts to secure similar action by other free nations must continue, until the present threat to free world security has been removed.

18. The U.S. efforts to prevent exports to the European-Soviet bloc that might contribute to its military strength must continue until genuine peace is assured.

19. So far as it can be done without jeopardising military security, and subject to the embargo on Communist China and North Korea, the United States should acquiesce in more trade in peaceful goods between Western Europe and the Soviet bloc.

20. Gradual but positive progress towards currency convertibility is urged, but responsibility for introducing currency convertibility should rest on the countries concerned.

21. Convertible currencies are "indispensable" for the attainment of world-wide multilateral trade and the maintenance of balanced trade in a relatively free market.

22. The $3,300 million in the gold and convertible currencies holdings of the International Monetary Fund—a United Nations institution—should be used more actively to effect "a gradual and controlled" approach to eventual full convertibility.

The foregoing recommendations are not binding on the U.S. President or Congress. Until acted upon, they simply constitute proposals aimed at promoting world trade and strengthening the economies of the U.S. and its friends among the family of nations.

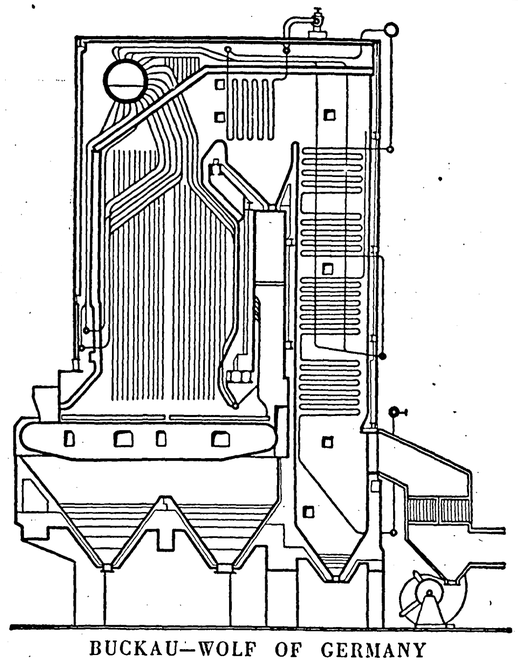
The minority views in the report included the following:

(1) Foreign aid recommendations envisage too much continued aid.

(2) Opposition to public foreign lending—loans by the U.S. Government—is too strong, considering that there are cases where such lending "is amply justified."

(3) The impact of U.S. farm policy at home must be fully considered in any consideration of farm prices in relation to U.S. foreign trade policies.

Even the 15 members, who have signed the majority report, did not reach unanimous agreement on each and all of their recommendations. We are told that on individual items there are more than 20 dissenting opinions.



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INDIA'S SEA- AND AIR-BORNE TRADE IN APRIL-SEPTEMBER, 1953

EXPORTS STAGE CONTINUOUS DECLINE

ALTHOUGH the total value of the sea- and air-borne trade of India during the first half of the current fiscal year, namely, April-September, 1953, discloses a fall of 18.8 per cent. over that in the corresponding period of the preceding year, it shows a rise of 5.5 per cent. over that of the preceding half-year, namely, October, 1952 to March, 1953. Thus in the half-year under review, the value of total trade amounted to Rs. 547.22 crores, which is Rs. 126.59 crores lower than that in April-September, 1952-53, but Rs. 29.20 crores more than that in the previous half-year.

The value of total imports in April-September, 1953, was Rs. 300.10 crores, as compared with Rs. 251.67 crores in the preceding half-year and Rs. 382.93 crores in April-September, 1952. The improvement in the value of imports is due to the liberalisation of import controls for the first half of the calendar year, 1953, announced towards the end of 1952, following the improvement noticed in the balance of payments position of the country.

Exports from India, on the other hand, showed a continuous decline during the successive three half-years. Thus, the value of exports in April-September, 1952, was Rs. 290.88 crores. It dropped to Rs. 266.35 crores in the next six-month period, namely, October, 1952 to March, 1953, and still further to Rs. 247.12 crores in the half-year under review, namely, April-September, 1953-54. The recession may be attributed to the aftermath of the sudden slump in March, 1952, continued high level of export duties on certain articles, and the resurgence of a strong buyers' market, following competition from many producing countries in world markets.

The net result of the variations in imports into and exports from India, during the first half of the current fiscal year, is an adverse trade balance of Rs. 52.98 crores, as against a surplus of Rs. 14.68 crores, in the previous six months and a large deficit of Rs. 92.05 crores in the corresponding half-year of the previous financial year. It will be appropriate to recall here the observations of the Commerce Minister, Mr. D. P. Karmarker, made at the recent half-yearly general meeting of the Merchants' Chamber of U.P. on trade deficits and the Government's method to cover them. He said:

"Our main aim in the exercise of import control has been to ensure the maximum availability of goods required for the internal economy of the country within the limits of the availability of foreign exchange. The balancing of foreign trade has, therefore, not been the sole objective of our trade control. If that was so, it would have been an easy matter to cut down imports and show a favourable balance on paper. The effect on our economy of such a course would have been disastrous. What we have been aiming at is to attain a satisfactory balance of payments. The deficits in the balance of trade, which we have allowed, have been such that it has been possible for us, throughout the last two or three years, to finance them from within our own resources and releases from the sterling balances. In fact, we have not utilised fully the sterling balance releases for the last two exchange years. The balance of trade has also begun to improve and, according to the trade figures for September, October and November, there has been a net favourable balance of trade of Rs. 15 crores."

It is evident from the foregoing remarks that the trade deficit is well within the capacity of the country to manage and for the present the question of any balance of payments difficulty does not, therefore, arise.

The following table shows, at a glance, the value of total imports, exports, the total trade and the balance of trade of India in the first half of 1953-54, as compared with the two preceding half-years:

(Rs. in crores)

	April-September, 1953	October March, 1952-53	April-September 1952
Total imports	300.10	251.67	382.93
Total exports	247.12	266.35	290.88
Total trade	547.22	518.02	673.81
Balance of trade (+) or (—).	—52.98	+14.68	—92.05

During the half-year under review, the total value of imports, as stated already, amounted to Rs. 300.10 crores, as compared with Rs. 251.67 crores in the previous half-year. Of this total, imports of foodgrains accounted for Rs. 57 crores or 19 per cent. of the total. In the preceding half-year, these imports, amounting to as much as Rs. 119 crores, represented as much as 44.5 per cent. of the total. The fall in imports reflects the improvement in domestic production. The other three main items which figure prominently in imports under the category of food, drink and tobacco are: (a) provisions and oilman stores which have gone up from Rs. 3.96 crores to Rs. 4.24 crores, (b) fruits and vegetables which have risen from Rs. 2.93 crores to Rs. 4.01 crores, and (c) spices. Imports of the last named item too have improved from Rs. 1.94 crores to Rs. 2.86 crores.

Among raw materials imported during the half-year, raw cotton declined sharply from Rs. 52.49 crores to Rs. 33.14 crores. But imports of oils of all types rose from Rs. 38.89 crores to Rs. 47.31 crores.

Of the total value of manufactures imported, machinery of all kinds accounted for Rs. 43.26 crores or a drop of Rs. 2.12 crores, as compared with those in the preceding half-year. Imports of chemicals and drugs amounted in value to Rs. 11.90 crores, as against Rs. 14.59 crores. The intake of iron and steel manufactures also was slightly lower at Rs. 11.70 crores, as against Rs. 13.88 crores. There was a marked decline in the value of vehicles imported from Rs. 17.51 crores to Rs. 9.99 crores. Dyes and colours were more or less the same at Rs. 7.9 crores. Purchases of electric goods rose slightly from Rs. 6.46 crores to Rs. 7.73 crores, but those of metals receded from Rs. 9.99 crores to Rs. 7.60 crores. But imports of yarns and fabrics of all types rose from Rs. 10.15 crores to Rs. 14.48 crores. Among other imports, cutlery and hardware amounted to Rs. 7.28 crores and paper and pasteboard to Rs. 6.27 cores. as compared with Rs. 7.28 crores and Rs. 6.27 crores, respectively

The table below gives the value of certain principal items of imports during the half-year under review, as compared with the corresponding period of the preceding two years.

Imports

(In crores of rupees)

	Six months, April to September		
	1951	1952	1953
CLASS I			
Food, Drink and Tobacco	109.72	130.62	88.44
Grains, pulses and flour	96.04	119.07	57.02
Provisions and oilman's stores ..	4.20	3.96	4.24
Fruits and vegetables	2.51	2.93	4.01
Spices	4.60	1.94	2.86
CLASS II			
Raw Materials	120.24	101.64	82.87
Oils	86.95	88.89	47.31
Raw cotton	64.45	52.49	33.14
CLASS III			
Manufactures	172.93	148.76	135.94
Machinery of all kinds	53.84	45.38	43.26
Chemicals, drugs and medicines..	16.75	14.59	11.90
Iron and steel manufactures ..	10.27	13.88	11.70
Vehicles (excluding railways) ..	14.22	17.51	9.99
Dyes and colours	11.82	7.88	7.95
Electric goods	4.51	6.46	7.73
Metals	10.06	9.99	7.60
Yarns and fabrics	21.10	10.15	14.48
Cutlery and hardware	9.88	7.66	7.28
Paper, pasteboard and stationery.	7.95	5.89	6.27

Exports of Indian merchandise in April-September, 1953, aggregated Rs. 247.12 crores, as compared with Rs. 266.35 crores in the previous half-year, that is, October-March, 1952-53. Of this total, the food group accounted for Rs. 67.02 crores. As much as Rs. 41.39 crores of this total was due to exports of tea, which, in the same period of the previous year amounted to Rs. 34.12 crores. Fruits and vegetables exported, however, declined from Rs. 8.84 crores to Rs. 7.90 crores. There was also a recession in the shipments of tobacco from Rs. 8.27 crores to Rs. 7.81 crores. Despatches of spices also were low at Rs. 6.80 crores, as against Rs. 9.77 crores in the corresponding period of the previous year.

Among the raw materials, with the exception of metallic and non-metallic mining products, practically every other principal item of exports reported declines, as will be evident from the table below. The value of non-metallic mining ore shipments improved from Rs. 4.98 crores to Rs. 5.13 crores. Similarly, exports of metallic ores and scrap iron rose from Rs. 14.59 crores to Rs. 18.37 crores. But raw cotton dwindled from Rs. 17.29 crores to Rs. 9.18 crores. Vegetable and mineral oils dropped precipitously from Rs. 14.78 crores to Rs. 4.50 crores. Gums, resins and lac receded from Rs. 4.21 crores to Rs. 3.32 crores. Exports of raw hides and skins, however, were more or less the same at Rs. 2.99 crores. Shipments of coal fell from Rs. 4.70 crores to Rs. 2.54 crores. Exports of wool and seeds for oils were also lower at Rs. 2.52 crores and Rs. 1.12 crores.

Indian manufactures recorded a further recession. Jute manufactures, for instance, amounted to Rs. 55.82 crores as against Rs. 77.94 crores and Rs. 150.23 crores in the same period of the preceding two years, respectively. The offtake of cotton yarns and fabrics declined from Rs. 40.56 crores to Rs. 33.29 crores. But shipments of tanned hides and skins improved from Rs. 7.08 crores to Rs. 11.79 crores. There was also a slight improvement from Rs. 1.23 crores to Rs. 2.04 crores in the value of exports of woollen manufactures. Sales of chemicals and drugs were also slightly better at Rs. 1.97 crores. Apparel and cutlery amounted to Rs. 1.60 crores and Rs. 1.21 crores, as against Rs. 1.66 crores and Rs. 1.13 crores, respectively.

The table below shows the value of principal commodities exported abroad during April-September, 1953, as compared with the values of exports in the same period of the two immediate preceding years:

Exports

(In crores of rupees)

	Six months, April to September		
	1951	1952	1953
CLASS I			
Food, Drink and Tobacco	73.17	66.06	67.02
Tea	39.72	34.12	41.39
Fruits and vegetables	6.72	8.84	7.90
Tobacco	9.84	8.27	7.81
Spices	13.95	9.77	6.80
CLASS II			
Raw Materials	80.98	75.58	56.21
Metallic ores and scrap iron ..	7.40	14.59	18.37
Raw cotton	17.53	17.29	9.18
Non-metallic mining products ..	8.50	4.98	5.13
Oils (vegetable, mineral, etc.) ..	13.74	14.78	4.50
Gums, resins and lac	9.25	4.21	3.32
Raw hides and skins	5.26	2.73	2.99
Coal	8.29	4.70	2.54
Wool	0.72	3.94	2.52
Seeds (for oils)	5.87	2.82	1.12
CLASS III			
Manufactures	220.41	144.08	121.86
Jute yarns and fabrics	150.23	77.94	55.82
Cotton yarns and fabrics	28.37	40.56	33.29
Tanned hides and skins	16.84	7.08	11.79
Woollen yarns and fabrics ..	4.55	1.23	2.04
Chemicals, drugs and medicines..	2.77	1.64	1.97
Apparel	1.81	1.66	1.60
Cutlery and hardware	1.16	1.13	1.21

The index number of average unit of declared values of exports for August, 1952, the latest month for which the figure is available (with 1948=100), was 113.2. This figure reveals a fall of 3.4 per cent. over the figure for August 1952. Similarly, there was a fall of 9.7 per cent. in the index figure for imports at 110.5. Again, the quantum index for exports shows a fall of 30 points to 96 and that for imports a decline of 13 points from 98 to 85.

Geographical Distribution

During the half-year under review, India's offtake of goods from Commonwealth countries showed an increase from Rs. 136.45 crores to Rs. 145.18 crores. The U.K. continued to be the chief supplier, accounting for a total sale of Rs. 70.16 crores or nearly half the total imports from this area. The next in importance was Australia which shipped goods of the order of Rs. 20.76 crores, as against Rs. 7.33 crores in the corresponding half-year of the preceding year. Canada which held the second rank in April to September, 1952, moved two places down, having sold goods worth Rs. 9.30 crores as against Rs. 21.18 crores. Kenya's shipments amounted to Rs. 11.88 crores as against Rs. 12.16 crores. Imports from Singapore aggregated Rs. 8.26 crores, as against Rs. 6.09 crores. Behrein Islands shipped to India goods valued at Rs. 8.20 crores, as against Rs. 8.16 crores. Imports from Sudan rose from Rs. 2.08 crores to Rs. 5.87 crores.

Among non-Commonwealth countries, the United States continued to be the chief supplier. Out of a total of Rs. 154.02 crores of goods imported from these countries, the U.S. share was Rs. 48.47 crores, as compared with Rs. 134.50 crores in the same period of the 1952-53 fiscal year. Burma accounted for Rs. 15.20 crores, as against Rs. 19.69 crores, and West Germany Rs. 14.82 crores, as against Rs. 11.91 crores. Egypt's sales doubled from Rs. 6.8 crores to Rs. 13.51 crores. Despatches from Italy also doubled from Rs. 5.04 crores to Rs. 11.9 crores.

The value of exports from India to Commonwealth countries declined from Rs. 135.38 crores to Rs. 119.65 crores. Britain's offtake, however, rose from Rs. 53.02 crores to Rs. 64.07 crores. But sales of Indian merchandise to Australia receded from Rs. 11.57 crores to Rs. 8.43 crores. Ceylon too purchased less at Rs. 7.93 crores as against Rs. 8.58 crores. Canada's offtake was fractionally better at Rs. 6.98 crores.

Despatches to non-Commonwealth countries also dropped from Rs. 153 crores to Rs. 125 crores. Although the U.S. offtake was less at Rs. 44.93 crores, the country continued to be the second best customer next to the U.K. Shipments to Burma and Japan amounted to Rs. 13.11 crores and Rs. 12.34 crores, as compared with Rs. 13.84 crores and Rs. 15.87 crores, respectively. Exports to Argentina were better at Rs. 11.90 crores. Western Germany's purchases were, however, slightly lower at Rs. 5.07 crores, as against Rs. 6.03 crores.

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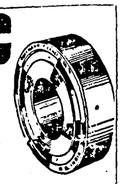
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LAND REFORM UNDER FIVE-YEAR PLAN

PROGRESS IN MANY SPHERES SLOW

THE Planning Commission's review of the progress of land reform in India during the first half of the Plan period reads more like a restatement of policy than like an accurate statistical assessment of progress so far made in the implementation of the land reform policies set down by the Commission. The review couches the progress in generic terms such as "land reform has received greater impetus," "progress, in varying degrees, has been made on many aspects of land reform," "in many States much remains to be done," etc. The Commission could not have done otherwise than generalise; for the issues involved are both very big and complex and in a democratic country such as the Indian Union, made up of over two dozen States with varying forms of land tenure, they cannot be solved in a short period. Besides, the executive authority in respect of land reforms is vested not in the Centre but in the States each of which differs greatly in regard not only to the level of administration but also to the state of economic progress. Moreover, land reforms touch the peasant classes and States Ministries are known to be chary of pushing ahead with these reforms, in the face of opposition from these classes. Consequently, no reform would be possible, unless the masses are educated to realise that a particular reform is in their as well as in the country's interests. The Commission is not unaware of these difficulties. For it observes:

"Land policy has to be worked out in each State in terms of local needs and conditions. Thus, while the pace of land reform and economic development cannot be the same all over the country, there should be a broad common approach in land reform progress. To ensure this, the Planning Commission had suggested the setting up of an organisation in the Central Government which could deal with the land reform problems as part of a national programme."

In pursuance of this, the Government of India constituted a Central Committee for Land Reforms in May, 1953. This Committee has, since its inception, advised on the land reform proposals of P.E.P.S.U., Delhi and Himachal Pradesh Governments. This is a notable step forward in the implementation of the Plan, even though the work done by this Committee hitherto was confined to tendering advice to the smaller States. The Commission expects the Committee to complete the first phase of the programme for the abolition of intermediaries and the reform of tenancies within the next two years.

Now let us turn to the Commission's review of the work done in several States in the various spheres of land reform, namely, abolition of intermediaries, reform of tenancy, fixation of rents, security of tenure, ceiling on land-holdings, sub-division and consolidation of holdings.

Abolition of Intermediaries

Abolition of intermediaries (such as *Zamindars*) between the State and the tiller of the soil, as a policy, has been universally accepted by all States. Since Independence, the States have been trying to implement the policy. The Planning Commission, too, has accepted it and urged the States to expedite the process. The progress in this sphere, however, seems to be not very encouraging. Most States have not passed beyond providing legislation for the abolition of intermediaries. Thus, all Part A and B States, except Mysore and Travancore-Cochin, have enacted legislation while, among Part C States, in Vindhya Pradesh, Delhi and Himachal Pradesh the relevant Bills have just been passed by the legislatures. The point to be noted here is that the mere passage of legislation does not mean that the reform has been carried out. For one thing, such legislation is not often effective, unless the concerned State has a well-developed Revenue-cum-Development Administration. If sufficient progress is to be made, there is need to establish a well-trained Revenue Administration in States where there have been no such agencies. This applies mostly to the areas ruled by the Princes in the pre-Independence period. For another, even where the agency exists, the enacted legislation is known to have not only resulted in a lot of confusion and agitation, but has brought the land improvement work almost to a standstill, because the State has merely stepped into the shoes of the *Zamindar* or other similar intermediary with no tangible improvement in the status of the tiller. Actually, in many places, the tiller is now at a disadvantage, because he is unable to have easy access to the officials of the State and get their assistance even for carrying out minor improvements in the land.

The fixation and payment of compensation for lands acquired under the *Zamindari* laws have not been fair in most cases. This has alienated the sympathies of these classes who were connected with the land development. The payment is mostly in bonds bearing low rates of interest from 2½ to 3 per cent. and redeemable after a long period which in some cases is upto 40 years. Preliminaries for issue of bonds, etc., are being worked out in various States. However, one good thing that has been done is that the intermediaries have been allowed to retain their home farm-lands. Attention is needed now to see to it that those who are willing to take to achieve cultivation and need of finance are provided with financial and other facilities required for land improvement and large-scale agriculture.

Tenancy Reform

Another sphere in which very little progress has been made is the tenancy. This problem, the Planning Commission itself admits, cannot be solved, until the rights of sub-tenants of intermediaries are properly safeguarded. These tenants form the bulk of the peasant classes and reforms relating to them are concerned with scaling down of rents, providing security of tenure and enabling tenants to purchase their holdings. The Planning Commission has laid down that the general level of rents should not ordinarily exceed one-fourth or one-fifth of the gross produce. In most cases legislation for reducing rents has been enacted, but "such regulation," says the Commission, "is not often effective, unless it is accompanied by security of tenure."

But the question of security of tenure is linked with the problem of fixation of limits for holdings of land. The Commission considered the problem in two separate parts, namely, (*a*) relating to tenants who hold lands more than three times the family holding and (*b*) tenants of small and middle-owners. With regard to group (*a*), confirment of occupancy rights on payment of the price of land as a multiple of rental value in instalments has been recommended. In the case of (*b*), the tenant has been given the right to purchase the land from the owner, if the latter were to fail within about five years, to resume land upto the limit of an area which the adult workers of his family can personally cultivate with the help of agricultural labour. These suggestions of the Commission still seem to be under consideration of Governments in a few States.

In many States, much remains to be done in regard to tenancy reforms. The States of Bombay, Madhya Pradesh, Orissa, Punjab, U.P., Hyderabad, Rajasthan, Mysore, Delhi, P.E.P.S.U. and Himachal Pradesh have decided on the area which a landlord can resume for personal cultivation. There are, however, variations regarding ceilings imposed by the State Governments. Again, some of the States like Assam, Bihar, Madras, West Bengal and Madhya Bharat have so far placed no limitations on the area which a landlord can resume for personal cultivation. Tenants' right of purchase of the land held by him in tenancy has been recognised in Bombay, U.P., Hyderabad, Madhya Bharat, P.E.P.S.U., Delhi and Himachal Pradesh. In most States, the provisions, however, have yet to be enforced.

Ceiling on Landholdings

Ceiling on landholdings has been the most debated problem. The Commission recommended (1) fixation of an absolute limit to future acquisition of land; (2) as an *interim* measure, the enactment of management legislation prescribing standards of cultivation and management and obligations to be observed by all landlords. Farms above a limit to be fixed should be divided into two groups, namely, those, whose break-up would lead to a fall in production and those which do not meet this test. In the case of the second group of farms, which will be the vast majority, the Government should take over management for the settlement of landless cultivators in co-operative groups; and (3) as a long-term measure, introduction of legislation for acquisition and redistribution of efficiently managed holdings, if such acquisition was considered in the public interests, after taking a regular land census.

The Commission dealing with this aspect says that U.P., Hyderabad, Madhya Bharat and Delhi have adopted legislation for imposing ceilings on future acquisition. In U.P. and Delhi, the ceiling is 30 acres, in Madhya Bharat 50 acres and in Hyderabad five-times the family holdings. Other States have yet to initiate action. In regard to the *interim* solution (2) above) only a few States have taken action. In Hyderabad and Himachal Pradesh, Bills have recently been passed by the State Legislatures. In other States, the matter is still under consideration.

The problems involved in the fixation of ceiling on landholdings have been dealt with at length ere now in some of the previous issues of this journal. Consequently, a repetition of these issues once again is not necessary. Suffice it to say that the end and aim of all land reforms is to improve the productivity of land. The present low agricultural production is not due to the existence of large holdings but to the fragmentations of holdings. Consequently priority in implementing land policies should be given to consolidation of landholdings and not to the break-down of large-scale farms. When once the consolidation of holdings is attained, a stage will be reached when the Government may think of imposing ceilings on landholdings, provided it finds, after the holding of a land census, that such ceilings are in the interest of the country. It is, therefore, to be hoped that the question of imposing a ceiling will be deferred till an approved scheme of consolidation is successfully implemented.

On this vital reform of consolidation of landholdings, the Commission observes that it is being effected voluntarily in many States but some States have introduced compulsion. In the U.P., Bombay, Punjab, P.E.P.S.U. and Delhi, compulsory consolidation has been introduced. Recently in Bombay, consolidation schemes have been prepared for 690 villages. In the Punjab, consolidation of 12 lakh acres has already been done and the initial aim is to complete the consolidation of the entire area throughout the State by 1956-57. Considerable progress has been made in P.E.P.S.U. and Delhi.

PAYMENT OF OCCUPANCY PRICE BY WATANDARS

Watandars, who are entitled to compensation under section 6(1) of the Bombay Paragana and Kulkarni *Watans* (Abolition) Act and have also to pay occupancy price for the resumed *watan* lands, regranted to them under section 4(1) of the Act, can have the amount of the occupancy price set off against the amount of compensation, according to the orders issued by the Government of Bombay in this respect recently.

According to the procedure prescribed, the holder of a *watan* who desires to appropriate a part or whole of the compensation due to him for the abolition of his cash allowance towards the payment of occupancy price payable for resumed *watan* lands regranted to him has:

(i) first to obtain a certificate in regard to the occupancy price payable by him from the *Mamlatdar/Mahalkari* of the *taluka/peta*, in which the resumed *watan* lands are situated;

(ii) then to apply to the *Mamlatdar/Mahalkari* of the *taluka/peta* from where he was getting a cash allowance for a certificate authorising payment of the occupancy price in full or in part, from the compensation money; and

(iii) then submit to the *Mamlatdar/Mahalkari* of the *taluka/peta* in which his lands are situated the certificate authorising payment of occupancy price from the amount of compensation.

In case the amount of compensation is less than the occupancy price payable, the *Mamlatdar/Mahalkari* of the *taluka/peta* from which the holder was getting a cash allowance will not issue the certificate authorising the payment of occupancy price from compensation money until the balance is paid in cash in his sub-treasury.

The applications to the *Mamlatdar/Mahalkari* are to be made in the forms which have been prescribed by the Government.

The holders have to submit to the *Mamlatdars/Mahalkaris* of *talukas/petas* in which their lands are situated the certificates authorising payment of occupancy price in full or in part from the compensation money before 30th April, 1954, in order to enable them to avail of the concession.

DISTRIBUTION OF AMMONIUM SULPHATE

The Central Fertiliser Pool, operated by the Government of India in the Ministry of Food and Agriculture, will be continued during the year 1954, the basis of distribution being the same as in the current year. The ex-factory price of the sulphate of ammonia produced at Sindri is Rs. 290 per ton, and the question of the ultimate price, at which it should be made available to the cultivators, is at present under consideration. Discussions are in progress with the State Governments in this regard.

As the indigenous production and the carry-over from the previous year is sufficient to meet local demands, there will be no import of ammonium sulphate during 1954, on Government or private account. Certain other kinds of fertilisers, which may be produced at Sindri later, under its expansion scheme, will, however, be imported for the present in small quantities on Government account only for experimental and demonstration purposes.

LAND TRACTS OF INDIA—II

SOIL AND RAINFALL POSITION ANALYSED

IN the first section of this article, published in *Commerce* dated 14th November, 1953, we gave an outline of the various land tracts of India, in terms of their topography, namely, mountain, hill, plateau and plain and the nature of soil in these tracts. These tracts, by themselves, are not useful for growing food unless they have access to water facilities. There is, therefore, the need to study the amount of rainfall in these tracts, particularly to determine how much land can be used to grow food and the degree of usefulness of the land for the purpose. Accordingly, this article deals with the rainfall belts of India as demarcated by the *Census Report*, 1951.

The amount of rain that falls on Indian territory every year is something colossal. An inch of rain falling on an acre of land weighs not less than 2,800 maunds. Now India gets, on an average, more than 42 inches of rain on every acre of land every year. In other words, an acre of land gets, on an average, well over a lakh of maunds of water every year.

There are, as stated in the previous article, 810 million acres of land in India. On the basis of rainfall calculated above, the quantity of rain received by this area will be 81,000,000,000,000 maunds of water. If only this amount of rain fell evenly both in space and in time, the amount of food which is grown on the land of India could be greatly increased. Unfortunately, nature distributes rain even more unevenly than it does soils. Some tracts get too much rain, many get too little, and what is more, a great deal of rain falls in such places and at such times that it cannot be used to any good purpose. On the basis of rainfall, the country has been divided into five broad rain belts: (*a*) areas with over 75 inches of rain, (*b*) between 50 inches and 75 inches, (*c*) between 30 and 50 inches, (*d*) between 15 and 30 inches and (*e*) below 15 inches. Regions under (*a*) and (*b*) cover exactly a third of the country. They are well provided with sufficient rain which is generally, though not invariably, also dependable. The region (*c*) covers exactly another third of the country, where rainfall, if timely, is adequate, but the vagaries of the monsoons are apt to cause occasional failure of crops and consequent distress. The regions (*d*) and (*e*) taken together comprise the remaining third of the country. Here seasonal fluctuations are so frequent that they are more or less regularly expected, and when they occur, they cause a great deal of hardship to the people and expense to the Government. The region (*d*) in which one-fourth of India's population lives, is exposed to special hazards which are a permanent problem for the people and the Government. The region (*e*) has so little rain that few people live there.

The cultivation of land depends not only on rainfall but also on topography and soil of the land. The division of the country should, therefore, be based on all these three factors. Accordingly, India is divided into two broad divisions, high density soil regions and low density sub-regions. The latter is again divided into five regions: (1) Lower Gangetic Plains, (2) Upper Gangetic Plains, (3) Malabar-Konkan, (4) South Madras, and (5) North Madras and Orissa coast.

The Lower Gangetic Plains include the whole of West Bengal, except the three sub-Himalayan Districts (Jalpaiguri, Darjeeling and Cooch Bihar), the whole of Bihar except Chhota Nagpur Division, and Eastern Uttar Pradesh (Banaras, Ghuzipur, Ballia, Gorakhpur, Deoria, Azamgarh, Gonda and Bahraich). The soils are among the best in India. West Bengal soils are almost wholly alluvial. North Bihar soils are alluvial and calcareous. In South Bihar plains, both alluvial and red sandy soils occur. The alluvial soils of East U.P. vary from sands to heavy clays. The rainfall is normally ample and the average rainfall varies from 44 inches in East U.P. and South Bihar to 56 inches in West Bengal. The area covers 538 lakh acres, 512 lakh acres of which are topographically usable. Of this, the net area sown is 356 lakh acres. About 700 lakh people live in the area, accounting for a density of 832 persons per square mile.

The Upper Gangetic Plains include all the remaining districts of the U.P., the five Himalayan Districts of Garhwal, Tehri-Garhwal, Nainital, Almora and Dehra Dun, the five upland and hilly districts of Jhansi, Jelum, Hamipur, Banda and Mirzapur. The soils of this region are mostly alluvial. They vary widely in texture from clay and loam to sandy types. Black cotton soils also occur. The rainfall is as heavy as in the Low Gangetic Plains. The main bulk of the plains (248 lakh acres) falls between 30 and 50 inches of rainfall and about 31 lakh acres come under 75 inches but above 50 inches. About 87 lakh acres fall between 15 and 30 inches of rainfall. Out of the total area of 366 lakh acres, 346 lakh acres are topographically usable. The net area sown is 237 lakh acres. About 389 lakh people live in the area; this area has thus a density of 681 persons per square mile.

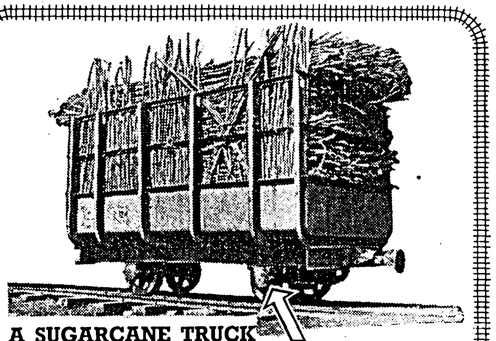
Malabar-Konkan includes the entire West Coast of India to the south of the Daman Ganga River. The soils vary from medium black in the north to red, loamy and lateric soils of the south. Rainfall is the heaviest in this part of India, being on an average above 100 inches. Out of the total area of 239 lakh acres, 128 lakh acres are topographically usable. The net area sown is 73 lakh acres. This tract, which has a population of 238 lakhs, has a density of 638 people per square mile.

South Madras consists mainly of Carnatic plains. In the major part of the interior of this region, there are red loams and medium black soils. Alluvial soils are found in the coasts. The principal rainy season of this region does not coincide with the south-west monsoon. The average annual rainfall is 37 inches. The months of October to December, cover the main rainy season when about 60 per cent. of the rain falls in the coastal strip and about 40 per cent. in the interior. The bulk of the sub-region (275 lakh acres) receives a rainfall of 30 to 50 inches. Out of 355 lakh acres 269 lakh acres are topographically usable. The net area sown is 134 lakh acres. Tallow land is relatively large, being 385 per cent. About 307 lakh people live in the region. The density of population in this area is 554 persons per square mile.

The sub-region of North Madras and Orissa coast includes all the East Coast Districts of Madras from Balsore, Cuttack, Puri, part of Gunjam, Visakhapatnam, Srikakulam, East Godavari, West Godavari, Guntur, Krishna and Nellore. The sub-region includes Eastern Ghats. The alluvial soils of the coast are very fertile. The average rainfall is 47 inches in the Orissa coastal division. The region covers a land area of 293 lakh acres. Of the land 193 lakh acres lie in the rainfall belt of 30 to 50 inches. The net area sown is 119 lakh acres, which gives a *per capita* land of 57 cents.

In the six low-density regions, namely, the desert, Western Himalayas, Eastern Himalayas, North-West Hills, North Central Hills and plateau and North-East plateau, the land area *per capita* is correspondingly high. The total population of the six sub-regions is 792 lakhs. The land area is 3,921 lakh acres. The *per capita* land area is 495 cents. The topographical conditions are dissimilar in different sub-regions. One sub-region where topography is eminently favourable is largely unusable on account of the desert. The rainfall conditions are somewhat more favourable here than in the country as a whole. About 55 per cent. of the area receives a rainfall of 30 inches to 75 inches, but where rain falls copiously, land suitable for cultivation is difficult to find. This region, however, possesses mineral resources of a distinctly higher range and value than any other part in India.

There are four medium density sub-regions, namely, trans-Gangetic plains, South Deccan, North Deccan, and Gujerat-Kathiawar, the total population of the four sub-regions is 974 lakhs. They cover a land area of 2,393 lakh acres. The soil, however, is poor and the rainfall unfavourable, with 60 per cent. of the land falling between the range of 15 ins. and 30 ins. of rainfall.



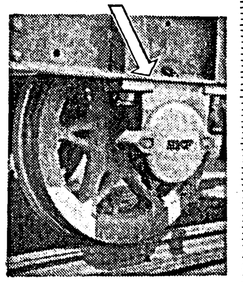
A SUGARCANE TRUCK WITH SKF ROLLER BEARING AXLEBOXES belonging to the Saraya Sugar Factory, Sardarnagar.

More than 200 trucks of the type illustrated with a maximum axleload of 8 tons were equipped with SKF Roller Bearing Axleboxes in 1939 - 1943. After 10 years of service the original bearings and boxes are still giving excellent service.

SKF Roller Bearing axleboxes help to reduce your transport costs.

As compared with plain bearing axleboxes the greatly reduced friction permits starting and hauling of much heavier trains with the same tractive effort. Maintenance and lubrication costs are drastically reduced as the only attention required is a relubrication once a year between seasons.

The services of our technical department are free and without obligation.



THE SKF BALL BEARING COMPANY LTD.

Bombay P.O. Box 71 Calcutta P.O. Box 588 Madras P.O. Box 66

PROFIT OF CAWNPORE SUGAR MORE THAN DOUBLED

FINANCES SOUND—BONUS SHARES TO BE ISSUED

THE decision of the Directors of the Cawnpore Sugar Works Ltd. (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur) to maintain the dividend on the ordinary shares for the year ended 31st October, 1953, at 20 per cent. (*to which level it had been reduced last* year from 30 per cent.), notwithstanding the fact that the profit for the year is more than double that for the previous year, may be somewhat disappointing to the shareholders. The gross profit, for instance, has improved from Rs. 13.15 lakhs for 1951-52 to Rs. 27.31 lakhs for the year under review. It may be noted here that this is only Rs. 1.04 lakhs less than that of Rs. 28.35 lakhs earned in 1950-51, for which year the Directors had paid a dividend of 30 per cent. However, with a big slice of the profit having been absorbed by the provision for taxation and with an extensive rehabilitation programme on hand, for which purpose the resources of the Company have to be conserved, the Directors' decision not to enhance the dividend is understandable. Further, the shareholders will soon be compensated in another way, if the Directors' proposal to capitalise a part of the reserves receives the sanction of the Government.

The quantity of cane crushed by the two factories of the Company, during the year, is substantially higher than that crushed in the previous year. Thus, the Marhowrah Factory crushed 3,613,618 maunds, as against 2,922,907 maunds in 1951-52, a rise of nearly 700,000 maunds. The quantity of cane crushed at Gauri Factory was 2,309,918 maunds, as compared with 1,788,214 maunds in the previous year, and was the highest ever crushed in the history of the factory.

The average yield was the same as in the previous year at 10.58 per cent. "The quality of cane at both the factories," the Directors observe, "was very similar to that of the previous year, but the tendency to deterioration continues, particularly in Gauri Factory, where the growing of unapproved cane varieties cannot apparently be checked by Government. If the *State Government departments would* co-operate, the Company's estates could supply good healthy seed to improve the quality of the crop. An improved yield of sugar from cane would be in the interests both of the growers and of the nation."

The salient features of the Company's financial results for the year are presented against the background of those for the previous three years in the following comparative table, which gives an idea of the Company's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st October			
	1953	1952	1951	1950
Sale proceeds ..	234.25	138.17	180.60	146.35
Government subsidy ..	6.94	..	..	..
Other income ..	2.14	1.78	1.01	1.89
Stocks	8.71	67.08	81.97	2.97
Manufacturing and other expenses	127.03	123.89	184.43	119.05
U.P. and Bihar Governments' cane cess ..	11.67	8.88	9.40	9.43
Sugar excise duty ..	29.13	9.96	12.29	10.50
Gross profit ..	27.31	13.15	53.35	13.19
Managing Agents' remuneration ..	2.23	1.30	3.60	1.54
Depreciation	5.75	5.00	5.00	5.50
Taxation	10.50	3.50	17.50	6.00
Net profit	11.83	6.36	16.41	6.26
Other receipts	..	1.50	1.61	..
To reserves	7.63	5.00	13.52	5.13
Dividends—				
8% preference ..	0.80	0.80	0.80	0.80
Ordinary	3.00	3.00	4.50	3.00
	(20%)	(20%)	(30%)	(20%)
Carry forward ..	0.94	0.43	0.28	0.76

It will be noted that the sale proceeds of sugar, molasses and spirit have gone up by Rs. 106.11 lakhs. This is evidently due to the larger quantity of cane crushed, the satisfactory prices realised on the sugar produced and the profitable disposal of the large quantity of sugar carried forward from the previous year.

Commenting on the cane price fixed by the Government, the Directors say, in their report to the shareholders, as follows:

"The cane price fixed by the Government of India at Re. 1-5 per maund was a reduction of As. 7 as compared with the previous season's rate. A concession was granted for cane purchased at outstations where the price fixed was Re. 1-3 per maund. It was the Government of India's view that the reduction in the cane price would result in a basic price for sugar of Rs. 27 per maund. In the event, however, despite the large carry-over of sugar stocks in India, the consumption of sugar in the country was such that the Government found it necessary to import sugar in order to stabilise prices. The sugar produced by both your factories realised satisfactory prices.

"The reduction in the cane price did not adversely affect plantings materially for the next crop, but disastrous floods during the monsoon of 1953 have reduced the crop available for crushing for the season 1953-54 both in quality and quantity."

Referring to the working of the Company's distilleries during the year under review, the Directors observe:

"The Company's distilleries worked intermittently throughout the year. Supplies of molasses and coal to the *Cawnpore Distillery* were more regular in the past year than in the previous year. At the Marhowrah Distillery, however, the imposition of an export fee on rectified spirit forced that Distillery to withdraw from the market. A further imposition of a cess on molasses increased the price of the Distillery raw material from As. 4 per maund to As. 12 per maund without a corresponding increase in the price obtainable for the spirit. Those impositions seriously affected operations at Marhowrah. The Government of Bihar has since removed the export fee and the cess on molasses and the Distillery can now resume normal working."

The Directors have approved of an extensive "capital replacement programme" covering both the factories of the Company. They have availed themselves of the favourable results produced during the year under review to transfer a sum of Rs. 5.66 lakhs to the rehabilitation reserves, in addition to Rs. 2 lakhs provided last year, in view of the high replacement cost of plant and machinery. They have also set aside from the year's profit a sum of Rs. 2 lakhs to the quarters building reserve, as they feel that the quarters provided for the supervisory staff and labour are inadequate and require to be extended and modernised.

The financial position of the Company, as seen from its latest balance-sheet, is quite satisfactory. The paid-up capital of Rs. 25 lakhs (made up of a preference capital of Rs. 10 lakhs, and an ordinary capital of Rs. 15 lakhs) is supplemented by reserves and surplus aggregating Rs. 63.53 lakhs, of which the general reserve alone accounts for Rs. 35.50 lakhs. Provision for taxation amounts to Rs. 10.49 lakhs and current liabilities Rs. 31.96 lakhs. The gross block of the value of Rs. 96.65 lakhs has been well written down to Rs. 18.57 lakhs. The current assets amount to Rs. 112.42 lakhs and cover the current liabilities and provision for taxation by a huge margin of Rs. 69.97 lakhs.

The Directors consider that the present issued capital does not adequately represent the current true capital position of the Company and, therefore, consider it desirable to increase the Company's issued capital. The Directors propose, as stated in these columns last week, to capitalise, subject to the sanction of the Central Government, a sum of Rs. 15 lakhs from out of the reserves and issue 150,000 ordinary shares of Rs. 10 each to the existing ordinary shareholders. This will work out to a ratio of one new share for one existing share.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 33, at which rate the latest dividend gives a yield of 5.1 per cent. per annum free of tax.

MYSORE SPINNING TO ISSUE BONUS SHARES

The Directors of the Mysore Spinning & Manufacturing Co., Ltd. (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay), have decided to capitalise a sum of Rs. 4,96,700 from out of the amount standing to the credit of the reserve fund and issue 9,934 ordinary shares of Rs. 50 each as bonus shares to the holders of the existing ordinary shares as on 15th March, 1954. The paid-up ordinary capital at present is Rs. 19.87 lakhs, made up of 39,736 shares of Rs. 50 each. The bonus shares will, therefore, be issued to the holders of the said 39,736 ordinary shares in the ratio of one share for every four shares. The consent of the Central Government to this issue has been obtained.

The present paid-up capital of the Company is Rs. 27.32 lakhs, made up of 39,736 ordinary shares of Rs. 50 each and 14,801 4½ per cent. cumulative preference shares of Rs. 50 each. The reserves of the Company stand at Rs. 61.53 lakhs, of which general reserve alone accounts for Rs. 52.25 lakhs. The proposed bonus shares are eligible for all dividends declared after 1st March, 1954. Accordingly, these shares will be entitled to the final dividend for the year ended February, 1954, which will be declared some time in August or September, 1954.

If the present proposal is carried out, it will be the third occasion, during the past decade, in which the Company capitalises a part of its reserves. In February, 1946, the Company transferred Rs. 7.45 lakhs from its reserves to the capital account and issued 14,901 preference shares of Rs. 50 each as bonus shares to the then existing ordinary shareholders in the proportion of one such share for every two ordinary shares held. In September, 1947, the Company again capitalised Rs. 4.97 lakhs and issued ordinary shares as bonus to the then existing ordinary shareholders in the ratio of one share for every three shares held.

THIRUMBADI RUBBER'S RECORD PROFIT

DIVIDEND RAISED

THE Directors' report and audited accounts of the Thirumbadi Rubber Co., Ltd. (Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), for the year ended 30th September, 1953, make very satisfactory reading, inasmuch as the output of rubber and the earnings have shown further, albeit small, improvement over those for the previous year. The crop harvested during the year amounted to 328,260 lbs., as compared with 325,000 lbs. in 1951-52. Though the increase of 3,260 lbs. was very much smaller than that of 21,121 lbs. noted in the previous year, it enabled the Company to establish a record crop since 1943-44. The improvement in crop harvested during the year, coupled with the higher price realised, led to an increase in the trading profit from Rs. 1,80,453 for 1951-52 to Rs. 1,96,486, the highest profit in the history of the Company. Incidentally, it may be noted that the Company's profit has, within the short span of five years, steadily advanced from Rs. 53,692 for 1947-48 to Rs. 1,96,486 for the year under review.

Commensurate with the rise in profit, the Directors have stepped up the allocation to the reserves during these years, the latest addition amounting to Rs. 1 lakh, being Rs. 25,000 more than that in the past year. The dividend has been stepped up to 30 per cent. for the year under review, after having been maintained at 25 per cent. for the previous two years. As compared with the dividend of 15 per cent. paid for 1947-48, the one that has been recommended for the year under review is double, but it is by no means a record one; for a dividend of 35 per cent. had been paid for the years 1944-45 and 1945-46.

The following comparative table brings out clearly the progress made by the Company during the last three years:

	For the year ended 30th September			
	1953	1952	1951	1950
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of rubber .	8,62,778	8,06,121	9,58,625	8,05,618
Stocks	99,907	97,961	98,058	90,988
Estate expenditure ..	3,31,037	3,24,200	1,94,249	1,79,578
Trading profit	1,96,486	1,80,453	1,54,570	77,250
Other expenses ..	13,806	13,690	10,888	10,008
Loss on sale of Government securities	Rs.	10,673	..	..
Agents' and Secretaries' commission	4,909	3,983	3,098	3,213
Depreciation	11,066	9,107	6,810	4,741
Taxation	1,879	..	..	..
Net profit	1,70,708	1,46,806	1,33,814	64,378
Transfer to reserve ..	1,00,000	75,000	50,000	25,000
Dividend	91,350	76,275	76,275	61,020
	(30%)	(25%)	(25%)	(20%)
Carry forward	10,669	81,510	97,450	1,141
Crop harvested in Lbs. ..	3,28,260	3,25,000	3,03,879	3,09,140
Cost of production per lb.	As. 11.23	As. 11.04	As. 10.13	As. 9.31
Average sale price per lb.	20.63	19.83	17.90	18.08

The increase in rubber prices granted by the Government of India at the end of October, 1952, accounts for the rise in average sale price of the Company from Rs. 19.83 to Rs. 20.63 per lb. A part of it has, however, been offset by the increase in cost of production from As. 11.04 to As. 11.23 per lb.

The balance-sheet of the Company as on 30th September, 1953, discloses a comfortable financial position, as will be seen from the following synopsis:

Liabilities	Rs.	Assets	Rs.
Capital	3,05,100	Gross block	7,19,603
Reserves and surplus ..	3,65,704	Less—Depreciation ..	54,697
Provision for taxation ..	618		
Liabilities	1,16,453	Net block	6,64,906
		Stock-in-trade	99,907
		Stores, spares, etc. ..	41,098
		Advances	15,220
		Investments	50,338
		Cash	1,56,606
	Rs. 9,87,875		Rs. 9,87,875

Thus, the reserves and surplus stand at Rs. 5.66 lakhs and represent 185.5 per cent. of the paid-up capital of Rs. 3.05 lakhs. The gross block of Rs. 7.19 lakhs includes development expenditure of the order of Rs. 4.61 lakhs. The current assets aggregate Rs. 3.24 lakhs and provide more than adequate coverage for current liabilities and tax provision at Rs. 1.17 lakhs.

The Company's Visiting Agent, Mr. I. D. Edward, visited the Estate in April, 1953, and has since made a further visit in the current season. His reports indicate that the Estate is in good order throughout and that the new clearings are developing most satisfactorily.

The ordinary shares of the Company in units of Re. 1 are being currently quoted at Rs. 3-6 *cum-div.* On an ex-div. basis, the proposed dividend gives a yield of 9.73 per cent. per annum.

Points From The Chair

Significance of Reduction of U.K. Bank Rate

"It was not an 'easy money' move, though it did mean, for both public and private borrowing as a whole, cheaper money. Its deeper significance arose from other considerations. One of them was the fact that the change was announced in the time-honoured manner after the weekly meeting of the Court of the Bank of England—a different procedure from that followed on the occasion of the two preceding upward movements. Another was the removal, in effect, of the special rate for Bank of England loans to the money market against Treasury Bills, a new device introduced when the Bank rate was first raised, in November, 1951. The abandonment of this device gave greater flexibility to the market, so that, although the Treasury is *still by far the largest borrower*, and to that extent, 'calls the tune' the preference it enjoys from its top credit standing is no longer augmented by special discrimination in its favour. The margin between discount rates for Treasury Bills and prime bank bills is now just about the same as before the war. These facts point to the conclusion that, as in industry and trade generally, the policy of the Government is to move towards the rehabilitation of what is often called the 'economics of the market place.'"

LORD HARLECH,
Midland Bank Ltd.

Importance of Long-term Credit

"With the disappearance of the sellers' market everywhere, the giving of long credit as a competitive factor has now assumed very considerable importance, in addition, of course, to the other factors of price and delivery. This is only natural in the case of large and expensive installations of a capital nature and following upon reports that Germany, in particular, was granting very long credit, efforts have been made here to form specialised institutions to give help in the same way to ships and aircraft and more recently to the export of capital goods in the engineering and electrical goods industries. In all these cases the Export Credits Guarantee Department has given invaluable help, but it may be that in some quarters there is a mistaken idea that the banks have not done as much as they might. I am sure that, if all the facts were known, it would be fully appreciated that the banks have played and are still willing to play a very full part right up to the limits which prudence and long experience have shown to be most necessary, and I notice that, at the end of the year, the German banks found it necessary to issue a warning, indeed a protest, on this subject to their own Government."

SIR ERIC A. CARPENTER,
Williams Deacon's Bank Ltd.

Tea Act Not Useful to Tea Industry

"The Union Government have recently put on the Statute Book the Indian Tea Act, which provides for the control of the tea industry by the Central Government. It is accepted that in the larger interests of the nation's industrial and economic development, the Government should exercise reasonable control and regulate the development of the major industries in the country. Tea is one of the largest earners of foreign exchange for India, besides providing employment to over a million workers. It is in the fitness of things that the Government should take more interest in the affairs of the tea industry to ensure that it is developed on the right lines. The provisions of the Act were, however, so drafted as to make the tea producers feel that the Act has gone too far to merit its usefulness for stabilising the industry. In their opinion, the Government have sought to take more powers than what the situation warranted. The tea industry has its own peculiar problems which require careful study. But the new Act will have served the industry usefully, if the Tea Boards to be set up, makes an earnest attempt to understand the problems and adopt effective measures to remedy some of the difficulties that face the industry from time to time. The Government have agreed to consider the representations made by the producers, while framing the rules under the new Act. It is hoped that these promises will be implemented."

A. V. THOMAS,
Neelamalai Tea & Coffee Estates Ltd.

Banking in Australia

"The decline in pressure for bank advances has been followed by a further relaxation of the selective advance policy laid down by the Central Bank. *Advance control* which had been gradually eased virtually came to an end in October, 1952, and since then has been confined to a provision to ensure that large advances would not be extended in a manner contrary to capital issues control. Relaxation in official lending policy has been accompanied by a more liberal policy regarding liquid resources of the banking system. A large part of the trading banks' cash resources, which had been impounded in special accounts at the Central Bank in past years, was released during the second half of 1951 and in 1952 to help in meeting public demands upon the banks. Owing to a change in central banking policy special accounts were further reduced after advances had begun to fall, so that banks obtained additional liquid resources for investment in Treasury bills and Government securities."

THE HON. G. C. GIBBS,
Australia and New Zealand Bank Ltd.

Notices

THE GANGES MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-sixth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday, the 10th February, 1954, at 11-00 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1953.

(2) To elect Directors.

(3) To appoint Auditors and fix their remuneration.

(4) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 4th to 10th February, 1954, both days inclusive.

By Order of the Board,
MACNEILL AND BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *19th January*, 1954.

THE GOUREPORE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday, the 10th February, 1954, at 11.30 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1953.

(2) To declare Dividends.

(3) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 28th January to 10th February, 1954, both days inclusive,

By Order of the Board,
MACNEILL AND BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *19th January*, 1954.

THE
BANK OF MAHARASHTRA
LIMITED

Head Office: Dajiraz Road, POONA 2

Board of Directors

Chairman: V. P. Varde (*Chairman*)
Lt. S. G. Marathe (*Vice-Chairman*)

Lt. D. K. Sathe — Lt. N. G. Pawar
" H. R. Joshi — " F. D. Padamjee
" H. V. Shah — " S. L. Kirloskar
" D. M. Gupte

Branches:

Bombay (Fort, Girgaum, Dadar), Kalyan, Poona (Deccan Gymkhana and Kirkee), Nasik, Chalisgaon, Dhulia, Jalgaon, Nagpur, Ratnagiri, Kopergaon, Hubli, Sholapur, Kolhapur, Hyderabad (Dn.), Sangli, Ahmadi, Thana, Harihar (*Mysore State*).

L. G. MARATHE, *Deputy Branch Agent.* — C. V. JOAG, *Manager.*

THE NUDDEA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday the 10th February, 1954, at 12 noon, for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1953.

(2) To declare a Dividend.

(3) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 28th January to 10th February, 1954, both days inclusive.

By Order of the Board,
MACNEILL AND BARRY LTD.,
J. LATIMER,
Managing Director,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *19th January*, 1954.

BENARES ELECTRIC LIGHT AND POWER COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Ordinary General Meeting of the abovenamed Company will be held at the Registered Office, No. 12, Mission Row, Calcutta, on Monday the 15th February, 1954, at 11-0 a.m., for the purpose of receiving and considering the Directors' Report and the Statement of Accounts for the half-year ended 30th June, 1953, and the balance-sheet as at that date and to transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 9th February, 1954, to the 15th February, 1954, both days inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

CALCUTTA, *27th January*, 1954.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 27th February, 1954, to 27th March, 1954, both days inclusive.

By Order of the Board,
R. C. CALDWELL,
Registrar.

KANPUR, *11th January*, 1954.

MANCHESTER LETTER

(*Concluded from page* 161)

world shortages of cotton and restrictions on supplies, no mill has ever had to stop for lack of raw material," he declared. "We find it difficult to believe there can be the same assurance for the future."

The biggest threat was to the small mill which could not tie up capital in raw cotton to the extent necessary to ensure continuity of production.

Cotton Imports

More privately-bought supplies of raw cotton reached British ports this week. Out of arrivals of 39,051 bales, private shippers obtained over 22,000 bales, leaving only 9,920 bales procured by the State-sponsored Raw Cotton Commission. Biggest supplies—all on private account—came from West African growers who sent 17,619 bales. Egyptian exporters provided 9,315 bales and American exporters 7,110 bales. Supplies at present at sea for Britain come from at least a dozen countries amounting to 45,604 bales, chiefly the Argentine, Pakistan, the United States and Brazil.—*All Rights Reserved.*

EARNINGS OF CONSOLIDATED COFFEE ESTATES LOWER

COIMBATORE SPINNING SUFFERS LOSS AGAIN

Consolidated Coffee Estates (1943) Ltd.

THE directors of the above Company (Managing Director: Mr. Ivor Bull, Pollibetta) submitted their tenth annual report and statement of accounts for the year ended 30th June, 1953.

The net profit earned by the Company for the year amounted to Rs. 19,29,700 (Rs. 19,32,315), to which was added the balance as per last directors' report of Rs. 4,37,964 (Rs. 3,74,070) of this sum, 6 (6) per cent. dividend on preference shares accounted for Rs. 1,12,500 (Rs. 1,12,500), reserve for debenture redemption fund for Rs. 1,00,000 (*nil*) and general reserve for Rs. 10,00,000 (Rs. 11,11,321), leaving a balance of Rs. 11,55,164 (Rs. 12,96,564). The directors disposed of this sum by paying a dividend of 15 (18) per cent. free of Indian Income-tax on the ordinary shares absorbing Rs. 7,15,500 (Rs. 8,58,600), leaving the balance of Rs. 4,39,664 (Rs. 4,37,964) to be carried forward.

The earnings from coffee were comparatively low, owing to the lower price fixed, but the income derived from a very heavy pepper crop and a substantial carry over of the profit from the previous years' coffee crop have enabled your Directors to recommend the dividend above-mentioned.

In December last, the Company offered for sale Rs. 10 lakhs of 5½ per cent. Indian Income-tax free Debenture stock 1957-63. This was very heavily over-subscribed and only a partial allotment was possible.

Crops—1952-53

	Estimated Tons	*Actuals* Tons
Coffee—		
Arabica	925	1,133
Robusta	700	804
Total coffee	1,625	1,938
Pepper	75	76
Cardamoms	1	1

Season 1953-54 Crop Estimate

	Arabica Tons	*Robusta* Tons	*Total* Tons
Estimated on blossom ..	1,100	873	1,973
Revised estimate	978	653	1,631
Pepper	Mds. 125	..	99
Cardamoms		..	..

Efforts are being made to complete the Company's labour housing programme as speedily as possible and, during the season, the total expenditure on buildings amounted to Rs. 5,57,459. The estates are in good condition. Crops of 1,938 tons was the highest to date by no less than 480 tons. The estimates for the year 1953-54 show a reduction of 342 tons, as compared with 1952-53. Considering the heavy crop of the previous year, this crop is reported to be satisfactory.

During the year under review, the Company cured 2,054 tons of coffee, as against 1,092 tons in the previous year. It is anticipated that there will be a further increase in curing this year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	66,45,000	Block ...	82,46,245
Reserves ...	49,62,500	Work in progress ...	12,984
Debentures ...	10,00,000	Stock ...	33,75,069
Provision for doubtful debts	34,038	Stores ...	13,48,721
Provision for taxation ...	10,08,538	Debts, deposits and advances ...	14,79,104
Liabilities ...	16,61,958	Investments	8,17,781
Profit and loss account ...	4,39,664	Cash ...	4,71,794
	Rs. 1,57,51,698		Rs. 1,57,51,698

Coimbatore Spinning and Weaving Co., Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. R. G. S. Naidu & Co., Coimbatore) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The directors regret that the result of the Company's working for the year under review resulted in a net loss of Rs. 7,52,342. Adding to this the previous year's balance of net loss of Rs. 2,70,999 the total loss amounted to Rs. 10,23,340 and this was carried forward. In view of the loss sustained by the Company no depreciation was provided on the assets of the Company.

The directors regret that for the second successive year the Company had to incur a loss mainly on account of the steep fall in the prices of foreign cotton in respect of the Company's outstanding commitments in this regard foreshadowed, last year. The Company had committed itself to very large purchases of foreign cotton as the market for higher counts of yarn was expected to be favourable and since the prices of such foreign cotton began declining very heavily by the latter half of 1952 with no signs of recovery, it was thought advisable to resell, which inevitably meant a loss in a falling market and or to settle a portion of the purchases by paying the differences. The Company had also to incur heavy carrying charges in respect of cotton held over by the suppliers.

Unfortunately, owing to reductions in the ceiling prices of yarn and the actual market prices declining to levels much below such ceiling rates and as the cost of cotton purchased was comparatively high, the parity between the price of yarn and cotton was very much narrowed down and, as such, a larger amount of trading profit could not be earned. The usual expenses of management which showed an increase of more than Rs. 2,00,000 when compared with the previous year, mainly as a result of increases in the expenditure under interest and insurance had also to be incurred. In addition, the Company had to face cuts in electricity, which is becoming a normal feature every year and to offset the effects of which the two generators were installed during the year under review. All these facts contributed to the loss sustained by the Company, which, in the circumstances, the directors consider could not be avoided. It was possible to keep down the loss sustained by the Company at a comparatively reasonable level mainly as a result of considerably writing down the stocks of cotton in the previous year itself.

The directors decided to bring the accounting period of the Company in line with the majority of the local mills and, accordingly, the accounts were closed again for the six months ended 31st December, 1953 and the necessary statement of accounts will be presented to the shareholders in due course. Thereafter, the accounts of the Company will be closed on 31st December every year.

In view of the losses incurred by the Company, the Agents and Secretaries took only the monthly allowance and waived the commission due to them on purchases and capital expenditure. The Directors hope that the Company's working will improve with better prospects prevailing in the future years.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,76,900	Block ...	48,00,946
Reserves ...	4,36,696	Stock-in-trade	42,28,000
Provision for taxes ...	3,61,985	Stores and spares ...	4,29,262
Liabilities	90,88,926	Debts, deposits and advances ...	14,60,732
		Investments ...	13,345
		Cash ...	8,882
		Profit and loss account ...	10,23,340
	Rs. 1,19,64,507		Rs. 1,19,64,507

Anderson Wright, Ltd.

The directors of the above Company (Chairman: Mr. G. J. K. Hook) submitted the audited accounts of the Company for the year ended 31st December, 1952.

The Company's profit for the year was Rs. 3,80,757 (Rs. 8,75,627), to which was added the amount brought forward from the previous year of Rs. 36,577 (Rs. 50,950). After deducting the provision for taxation of Rs. 70,704 (Rs. 3,50,000), there remained a sum of Rs. 3,46,630 (Rs. 5,76,577). Out of this the directors placed to debenture redemption reserve Rs. 50,000 (Rs. 1,00,000) and declared an interim dividend for the year ended 31st December, 1952, on the preference shares at the rate of 4½ (4½) per cent. per annum without any deduction in respect of income-tax paid by the Company Rs. 90,000 (Rs. 90,000), leaving a balance of Rs. 2,06,630 (Rs. 2,86,577). The Directors disposed of this sum in paying a dividend on the ordinary shares for the year ended 31st December, 1952, at the rate of 6 (12½) per cent. per annum without any deduction in respect of income-tax paid by the Company Rs. 1,20,000 (Rs. 2,50,000), leaving to be carried forward Rs. 86,630 (Rs. 36,577).

Trading conditions during the year under review continued to be difficult and there was a steep fall in the price of jute manufactures. This, coupled with the restricted import policy of the Government of India, resulted in reduced profits during the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	42,53,197
Reserves ...	9,50,000	Stock-in-trade	3,97,969
Debentures ...	10,31,718	Debts, deposits and advances ...	54,94,521
Provision for taxation ...	3,39,429	Investments ...	55,74,060
Profit and loss account ...	86,630	Cash ...	16,223
Liabilities ...	93,28,193		
	Rs. 1,57,35,970		Rs. 1,57,35,970

Madhusudan Mills Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. Dewan Dina Nath, Bombay) submitted the annual report of the Company together with the nineteenth audited balance sheet and profit and loss account for the year ended 30th June, 1953.

The profit and loss account for the year under report showed a profit of Rs. 2,19,528 (Rs. 10,85,051), after making a provision for taxation of Rs. 1,79,000. Adding to this the sum of Rs. 7,47,308 (Rs. 25,537), being the balance of the profit and loss account carried forward from the previous year and deducting Rs. 1,50,000 (Rs. 468,000), on account of reserve for depreciation of securities, the balance came to Rs. 8,16,836 (Rs. 11,10,608). The directors disposed of this sum in paying a dividend at 4 (4) per cent. on cumulative preference shares of Rs. 12-8 each (free of income-tax) Rs. 10,800 (Rs. 10,800), a dividend at the rate of Rs. 6-4 (Rs. 6-4) per ordinary A share of Rs. 100 each and Rs. 1-4 per ordinary B share of Rs. 20 each (free of income-tax) Rs. 2,02,500 (Rs. 2,02,500), leaving to be carried forward Rs. 6,03,536 (Rs. 7,47,308). The Directors sought confirmation for creating the above reserve of Rs. 1,50,000 for depreciation of securities.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,10,000	Block ...	2,65,364
Reserves ...	60,05,716	Stock ...	69,520
Provision for taxation ...	5,53,933	Stores ...	12,764
Profit and loss account ...	8,16,836	Debts, deposits and advances ...	75,60,130
Liabilities ...	5,56,147	Investments ...	33,37,287
		Cash ...	1,97,567
	Rs. 1,14,42,632		Rs. 1,14,42,632

COMPANY MEETINGS AND DIVIDENDS

THIRUMBADI RUBBER CO., LTD. Annual General Meeting, Kozhikode, 2nd February, 1954. Dividend: 30 per cent. Transfer books close from 25th January to 2nd February, 1954, both days inclusive.

SHREE GOPAL PAPER MILLS LTD. Annual General Meeting, Calcutta, 9th February, 1954. Transfer books will remain closed from 1st to 9th February, 1954, both days inclusive.

KHARDAH CO., LTD. Half-yearly General Meeting, Calcutta, 11th February, 1954. Dividend: Rs. 10 per share. Transfer books will remain closed from 5th to 11th February, 1954, both days inclusive.

AUCKLAND JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 2 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

DALHOUSIE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 3 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

LAWRENCE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 3 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

LANSDOWNE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 5 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 5 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: *Nil*. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

NORTHBROOK JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

STANDARD JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Re. 1 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

UNION JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 13th February, 1954. Dividend: Rs. 4 per share. Transfer books will remain closed from 31st January to 13th February, 1954, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay, 24th February, 1954. Dividend: As. 12 per share, payable on and after 1st March, 1954.

SRI KRISHNARAJENDRA MILLS LTD. Interim-dividend of Rs. 2 per share, free of income-tax, for the half-year ended 30th September, 1953. Transfer books close from 31st January to 3rd February, 1954, both days inclusive.

Upper Ganges Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1953.

The following table indicates the progress maintained by the Company:

Half-year ended	*Units sold*	*Revenue* Rs.
31st December, 1950 ...	3,264,547	5,08,254
30th June, 1951 ...	3,117,052	4,93,651
31st December, 1951 ...	3,301,039	5,40,694
30th June, 1952 ...	3,213,082	5,23,172
31st December, 1952 ...	3,475,879	5,80,689
30th June, 1953 ...	3,491,623	5,63,794

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities, there remains a balance of Rs. 35,768 (Rs. 29,270), including Rs. 9,228 (Rs. 5,902) brought forward from the previous half-year at the credit of profit and loss account as at 30th June, 1953, and this the directors disposed of in paying a dividend at the rate of 8¾ (7½) per cent. per annum free of income-tax Rs. 26,184 (Rs. 22,444), leaving to be carried forward to next half-year Rs. 9,584 (Rs. 6,826).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	4,79,059
Reserves ...	1,76,400	Stores, tools, etc. ...	1,17,384
Provision for taxation ...	61,702	Other assets	400
Liabilities ...	7,17,702	Debts, deposits and advances	2,31,953
Profit and loss account ...	35,768	Investments ...	3,89,883
		Cash ...	3,72,143
Rs.	15,90,822	Rs.	15,90,822

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

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 27*th January*

The already limited supply of floating funds in the short-term money market having dwindled further and the seasonal demand for funds having gathered further momentum, the degree of stringency was greater during the week under review than in the previous week. Exchange banks were not active in the inter-bank call money sector, but the big Indian banks were the chief borrowers, as their clients were stated to be taking full advantage of the credit facilities available to them. There was, however, no change in the inter-bank call money rate among the Exchange banks and big Indian banks; it was quoted at the self-same rate of 2½ per cent. The corresponding rate among the smaller Indian banks, too, was unchanged at 3 per cent. Short-term deposits fetched 3 per cent. for periods ranging from one to six months.

There was no change in the Government of India Treasury Bill rate this week, which remained at Rs. 2-8 per cent. per annum for the second week in succession. The response to this week's sale was a little better than that in the previous week, having brought an offer of over Rs. 1.31 crores, as against Rs. 1.01 crores. The poor response to the Treasury Bill sale in the previous week seems to have induced some market scribes to wonder whether the time was not opportune for the authorities to consider seriously the suspension of the sales of these Bills in a week or two. It may be stated, in this connection, that though the response to the Bills during this part of the season last year was equally poor, the authorities continued the sale throughout the season and when they increased the amount borrowed through this means to Rs. 1.50 crores, the slack season set in. Although funds are readily usuable now, the stringency in the money market is not so acute as to compel the authorities to drop the sale of Treasury Bills. It is true that, in such matters, one cannot be dogmatic, but the fact remains that the authorities have invited tenders for Rs. 1 crore next week also.

After four weeks of successive expansion, notes in circulation, as disclosed by the Reserve Bank statement for the week ended 22nd January, 1954, have recorded a contraction of Rs. 3.59 crores. Notes held in the Banking Department, on the other hand, have risen by Rs. 3.94 crores. The small increase of about Rs. 35 lakhs in the total notes issued is covered by a similar rise in rupee coin. Small variations are disclosed by the various portfolios in the Banking Department. Thus, deposits of the Central Government are higher by Rs. 66.34 lakhs and those of other Governments by Rs. 42.26 lakhs. Deposits of banks show a decline of only Rs. 42.94 lakhs, while those of others have gone up by Rs. 34.49 lakhs. On the other side, cash balances reveal an increase of Rs. 97.29 lakhs, while balances held abroad are almost unchanged. Ways and means advances to Governments have declined by Rs. 54 lakhs. Other loans and advances have risen by Rs. 1.46 crores. There have been no fresh borrowings by the Scheduled banks against usance bills during the week. Investments have fallen by Rs. 1.12 crores, as also Government Treasury Bills purchased and discounted by Rs. 3.01 crores.

The Scheduled banks' statement for the week ended 15th January, 1954, as compared with that for the previous week, reveals an increase of Rs. 3.55 crores in demand deposits and a fall of Rs. 97 lakhs in time deposits. Inter-bank borrowings have risen by Rs. 88 lakhs. A rise of Rs. 91 lakhs is noted in borrowings from the Reserve Bank, Rs. 1.16 crores in those from the Reserve Bank and Rs. 1.16 crores in those from the Imperial Bank. Advances and bills purchased and discounted show an increase of Rs. 4.93 crores, while investments have dropped by Rs. 4.33 crores. Cash on hand and balances with the Reserve Bank together account for a rise of Rs. 2.47 crores. Balances with other banks in current account show a fall of Rs. 55 lakhs, while money at call and short notice show a rise of Rs. 81 lakhs.

A steady undertone was maintained in the Gilt-edged market during the week, though business continued to be restricted and patchy. 3 per cent. 1957 stood at Rs. 98-6, though buyers appeared at Rs. 98-5½. 3 per cent. 1958 was in demand and improved by an anna to *Rs.* 98-2. 3 per cent. 1959-61 was wanted at Rs. 96-1½. 3 per cent. 1963-65, 3 per cent. 1964, 3 per cent. 1966-68 and 3 per cent. 1970-75 were all unchanged at the previous week's rates. 3 per cent. 1986 Conversion Loan attracted some investment demand and gained As. 4 to close at Rs. 82-11. Some moderate business was done in 3½ per cent. N.P. Bond at Rs. 98-13½.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, 24*th January*

Conditions in the hides and skins market were marked by a note of confidence during the week under review. Almost all categories of goods were in demand. Fresh arrivals were considerable according to present standards. The main purchasers were the local tanners and the Madras dealers. The country tanners were in lower grade cow, goat and some sheep.

Latest quotations are: Wet salted cow, 1st grade Rs. 320 to Rs. 360, 2nd grade Rs. 320 and 3rd grade Rs. 190 to Rs. 220 per score; wet salted buff, grade Rs. 190 to Rs. 220 per score; 1st grade 1 lb. 8 ozs. to 1 lb. 11 ozs., 2nd grade 1 lb. 14 ozs. to 2 lbs., 3rd grade 2 lbs. 4 ozs., and 4th grade 2 lbs. 6 ozs., per rupee; goat, 1st grade Rs. 270 to Rs. 300 and 2nd grade Rs. 250 to Rs. 300 per 100 pieces; sheep, Rs. 250 to Rs. 300 per 100 pieces.

SILVER ACTIVE

(From Our Own Correspondent)

BOMBAY, 27*th January*

Activity in the bullion market during the week under review was dominated by silver, which staged a further sharp rise over the week. Gold, on the other hand, was featureless, but the undertone was steady. Although the offtake in silver did not come up to expectations, the bull operators did not seem inclined to relax their grip on the market. A prominent bull operator was reported to have bought 10,000 bars, while another leading bear operator was short to the extent of 6,000 bars. Anticipations of an expansion in demand would appear to have induced the bulls to sit tight on their holdings. Further, the Bombay Government's disapproval of the Bullion Association Board's decision to amend its by-laws gave a fillip to bull activity.

Gold was unimpressive and was not inclined to follow the rise in silver. However, the main factor which helped the yellow metal to maintain the steady undertone was that unauthorised arrivals were less prominent, the main source of supply being only the Kolar Gold Mines.

The Government of Bombay has rejected the changes proposed by the Board of the Bullion Association in the by-laws of the Association, with a view to restricting the penalty for non-delivery of bars in an auction. At the same time, the Government has suggested that the Association might consider the adoption of a provision under which the Directors could postpone the auction by 24 hours in order that the goods might be purchased on behalf of the defaulting sellers. This resolution, in order to be effective, should be passed by a two-thirds majority of the Directors present at the meeting, provided three-fourths of the total strength of the Board was present. This period can also be extended with the permission of the Government. Market circles, however, state that there is nothing novel in the suggestion of the Government, as under the existing by-laws, the Board of the Bullion Association has powers to postpone auctions. Be that as it may, no further action on the part of the Board is said to be in the offing, in view of the forthcoming elections to the Board.

Silver for forward delivery (January settlement) opened the week on a quiet note at Rs. 158-5 and shaded off to Rs. 158-2 before the settlement ran out on Thursday last. Forward silver for the next settlement (18th February) began at Rs. 159-1 and dropped to Rs. 158-9. But soon the recovery movement started on fresh support from bulls and nervous covering by some of the short-sellers. The Bombay Government's rejection of the amendment to the by-law gave an inspiration to further speculative activity and, in the process, forward silver advanced to touch a high of Rs. 161-10 today before closing at Rs. 161-2.

Ready silver (.996 Mint) was done at a premium of As. 4 over the forward rate for the February settlement. The floating stocks of silver are placed at 2,300 bars. The daily average offtake was 15 bars.

Opening at Rs. 84-5, gold for forward delivery (17th February settlement) declined to Rs. 83-10 on Saturday, but recovered to close at Rs. 84-6 today.

Ready gold opened at Rs. 84-7 and closed at Rs. 84-6. The premium of As. 2, which it commanded early in the week, disappeared as the week progressed. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 6,000 tolas, while the offtake was about 5,000 tolas on an average.

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

	27-1-54	Highest	Lowest	20-1-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	84 6	84 9	83 10	84 9
Forward	84 6	84 9	83 10	84 9
Sovereign	56 6	56 12	56 6	56 8
SILVER				
Ready (.996 fine Mint)	161 6	161 14	158 1	158 12
Forward	161 2	161 10	158 2	158 12
London Ready ..	73*d.*	—	—	73*d.*
London Forward ..	73*d.*	—	—	73*d.*
New York Ready ..	85*c.*	—	—	85*c.*

TEA PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, 26*th January*

During the export sale yesterday, offerings were approximately 58,700 packages. Conditions were easy and prices eased. The varieties that were badly affected were low mediums, commons and commonest teas, which were sold at As. 2½ below brokers' valuations. There was only limited demand for the best liquoring autumnals. However, tippy teas were sold at high prices, and stylish leaf grades were favoured by buyers. The rates were: best C.T.C. Assam B.P. Rs. 2-7-6 to Rs. 2-8, clean black pekoe Rs. 2-8-6, medium Assam B.P. Rs. 2-5-6, and clean common B.P. Rs. 2-4-6.

The recent gains were almost maintained during last week's sale for domestic consumption. Demand was strong, and dusts offered consisted of 20,533 packages. Best Assam C.T.Cs. ruled firm, while commonest as well as common varieties were sold at valuation prices. Darjeelings with flavour were favoured at good prices. All other varieties lost by half to one anna. Thus, best Assam C.T.Cs. were quoted at Rs. 2-4-6, medium Assam grainy dusts Rs. 2-1-6, and medium Dooars Rs. 2-1. Leaf offerings amounted to 8,133 packages, the largest quantity so far this season. Most of this quantity consisted of stalky and fibrous sorts, which were reflected in realisations which were As. 1½ to As. 2 lower than valuations.

FORWARD COTTON MOVES UP

(From Our Own Correspondent)

BOMBAY, 25*th January*

While speculative activity in the forward cotton market continues unabated, the operators have turned their attention gradually to the May contract from the one which is due to expire next month. As a result of this, the unnatural gap of nearly Rs. 9 to Rs. 10 between February and May in favour of the former was at one time reduced to Rs. 5. Weak holders without resources are liquidating their contracts in February and buying May, in spite of the fact that it is the sellers in the nearby contract who are more anxious to get out of their commitments, lest they should be called upon early to deliver cotton which they haven't got. One prominent bull is believed to have sold the whole of his holding of 60,000 bales in the February contract. Many like him will be buyers in May and there is every possibility of the May contract gradually approaching the ceiling in view of the present condition of the spot market. Some rapid fluctuations are likely to take place during the coming weeks in the expiring February contract.

It is, however, the spot market which is experiencing greater activity these days. There is an all-round clamour for every variety of cotton from the mills. High premia are being paid for all staple varieties and in some cases official ceilings are believed to have been overstepped in this eagerness to secure supplies. There have been several causes for this scramble. In the first place, the cloth market, including the export section, is in excellent form. Even the fine and superfine varieties are now in good demand, leading to a greater demand for imported cotton. Secondly, the broad hint given by the Government that there will be no further increase in the mills' quota for Indian cotton and the rumours regarding Government's intention to offer incentives for bigger imports by way of a reduction of excise duty by 6 pies on cloth of finer varieties, have led mills to acquire stocks to their maximum holding and spinning capacities. Thirdly, there is from the present expectation of coming inflation an inducement which has brought about an investment demand for commodities in all markets. People with money are in a hurry to convert their cash into goods before the money loses its value. Quite a good deal of buying in the spot market is of an investment nature and as this will go into strong hands, prices are bound to jump up fiercely, as shortage of supply is felt in the market. Rumours of a fresh quota for exports of Bengal have helped in the enquiry for this variety which was otherwise somewhat neglected.

Apart from Egyptian and East African cotton of which Indian mills had become keen buyers, the attention this week of consumers has turned towards Californians to a greater degree. A request has been made, according to market reports, to the authorities at New Delhi to remove import controls on U.S. cotton and to allow a free flow of this cotton to a specified quantity, especially as there is a possibility of the U.S. Government accepting payment for such sales in the currency of the purchasing country. In the meantime, not relying wisely on such relaxation, both the mills and importers have been trying to secure as much of East African and Egyptian cotton as possible and it is believed that purchasers from India will bid fairly high in the coming auctions by the Lint Marketing Board at Kampala, in February. In the meantime, prices in this market have firmed up in view of India's known interest and enquiries from the Continent.

In the forward section of the local cotton market, I.C.C. February opened the week at Rs. 713 and moved up to touch a high of Rs. 731 today, before closing the day's session at Rs. 729. I.C.C. May fluctuated between Rs. 719 and Rs. 705 and closed at Rs. 716½. The trend of prices in the forward section of the local cotton market during the week under review was as follows:

		Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	(Rs.)	713	731	710½	729
I.C.C. May ...	(Rs.)	705	719	705	716½

The following are the latest available prices from the spot market:

Bengal Deshi Rs. 640; Berar Jarillas Rs. 800, Khandesh Rs. 860; Vijay Rs. 930; Oomra Deshi Rs. 710; Moglai Rs. 720.

At Karachi, the repercussions of the world markets are naturally felt. The U.K., Continent and the Far East have all once again turned their attention to this market. Unless the U.S. policy for disposing of certain surplus cotton takes the form of a separate price for exports or/and acceptance of payment in non-dollar currencies, Karachi will reap the reward of its patience. The future depends on the U.S. policy and here the Administration has promised that in their search for new and additional markets for their cotton, the U.S. will see to it that other countries having cotton to dispose of do not suffer or lose their customers. In any case, the market sentiment at Karachi is very favourable and shippers are in a mood to collect cotton with an eye both to the present and the future demand from abroad.

The following are the latest available quotations from the Karachi market: Sind Deshi Rs. 71; 4F Punjab R.G. Rs. 67-69; S.G. Rs. 75; N.T.R.G. Rs. 72½ to Rs. 73½; 289F Punjab R.G. Rs. 78; S.G. Rs. 84; L.S.S. Punjab R.G. Rs. 73½; S.G. Rs. 79.

At Alexandria, every week witnesses a more broadening activity. Now there are enquiries even for higher grades of Karnak and Giza 30. While a major part of this enquiry is from India, as stated above, other Continental countries and the U.S. have also been well interested. Ashmouni is in demand mostly for local consumption, with the result that premia for all varieties have gone up by ½*d.* to ¾*d.* over the previous week's levels.

It is, however, the position in the U.S. markets which is the most intriguing and to a very great extent confusing. Everything seems to be in

a fluid state there, as it is not known what final form the new farm programme will take. There are two opinions about changing the loan basis as well as having a two-price system and/or export subsidy. The market sentiment in the meanwhile is very firm because of the improved position of the cloth market, leading to a greater internal demand, a better export outlook and the volume of cotton going into Government loan.

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

(In cents per lb.)

	22-1-54	19-1-54	12-1-54
Spot	34.25	34.15	34.00
March	33.58	33.53	33.29
May	33.82	33.74	33.46
July	33.62	33.70	33.34
October	32.84	33.86	32.76

COTTON YARN BUOYANT

(From Our Own Correspondent)

BOMBAY, *27th January*

Under the impetus of continued and steep rise in raw cotton prices, the cotton yarn market exhibited buoyant conditions during the week under review. Besides, highly encouraging reports from the local and Ahmedabad cloth markets hardened the sentiment. Enquiries for cotton yarn, therefore, broadened greatly and sellers were somewhat reserved on expectation of still better prices. Values of yarn swiftly rose, the gains spreading to almost all the counts.

Among 10s, J. Podar advanced by As. 10 to Rs. 12-14 per bundle of 10 lbs., Elphinstone by As. 8 to Rs. 13"and Modern by As. 4 to Rs. 13-6. Among 20s, Modern picked up As. 11 to Rs. 17-8. Hind, Edward and Madura were higher, each by As. 8, at Rs. 17-2, Rs. 16-11 and Rs. 18-8, respectively. The extent of the improvement in prices registered during the week by the other counts yarn is indicated in the table below:

	19th Jan. 1953 Rs. a.	27th Jan. 1953 Rs. a.
30s		
Madura	21 14	23 0
Indian	20 2	20 8
40s		
Lakshmi	24 14	23 12
Hind	27 8	30 0
Meenakshi	25 0	25 14
Madura	26 4	27 0
Modern	25 4	26 8
60s		
Finlay	58 0	61 4
Rajalakshmi	40 4	42 12
Sriram	58 0	60 4
Pioneer	43 0	45 0
Pankaja	37 0	39 0
Kothari	43 8	45 0
Hind	45 0	46 0
80s		
Elphinstone	60 0	63 0
Finlay	67 8	69 8
Sri Ram	64 8	66 0
90s		
Seksaria	57 0	57 8

After remaining hesitant on the opening day of the week, due to technical correction, the art silk yarn market staged a marked recovery in the subsequent sessions. The recovery was primarily assisted by firmness in the cotton yarn market and good offtake in the ready section, following favourable reports from the rayon fabric market. Art silk yarn (150D) for January contract, which had receded to Rs. 757, as against Rs. 762 last week-end, recovered to Rs. 766. Today, however, it was a shade lower at Rs. 764. In the ready section, 120 Italy moved up by As. 2 to Rs. 4-3. 150 Japan gained an anna to Rs. 4-5. 150 Italy was better at Rs. 3-14. 120 Japan was well supported at Rs. 4-10.

The table below gives the prices of art silk yarn quoted today, as compared with those on the 20th and 13th inst:

	27-1-54 Rs. a.	20-1-54 Rs. a.	13-1-54 Rs. a.
150 January (per case of 200 lbs.) ..	764 0	762 0	745 0
120 Japan (per lb.)	4 10	4 10	4 10
150 Japan ,, ...	4 5	4 4	4 4
120 Italy ,, ...	4 3	4 1	4 0
150 Italy ,, ...	3 14	3 13½	3 12½

The staple fibre yarn section was fully steady this week, thanks to limited stocks. Among Indian yarns (40×2), New Great and Hindustan hardened by an anna and a half to Rs. 4 and Rs. 3-11½ per lb., respectively. Sitaram was higher at Rs. 3-13, as against Rs. 3-12½. Hind, Century and Vasanta were better at Rs. 3-14, Rs. 3-15 and Rs. 3-13½, as against Rs. 3-13½, Rs. 3-14½ and Rs. 3-14, respectively, a week before.

GROUNDNUTS EASE AT CLOSE

(From Our Own Correspondent)

BOMBAY, *27th January*

The oilseeds market depicted a variegated pattern this week. The groundnut section ruled firm till almost the end of the week, on continued speculative support. Today, a reactionary tendency set in, on profit-taking, at the high levels touched. The castorseed section also disclosed a more or less similar trend. During the major part of the week, the bull grip on futures remained tight and prices shot up. The bearish trend witnessed thereafter was due to rumours that there was no possibility of the Government licensing exports of castor oil in the near future. The linseed section presented a zig-zag trend, for no other reason than speculation.

There is a greater desire to hoard groundnuts, with a view to making profits some time later, when prices are expected to go still higher up. It is estimated that nearly 2 lakh tons of groundnuts have already gone into the hands of hoarders. The position in the castorseeds section too is in no way different. Small wonder, therefore, the Government is reluctant to allow exports in either section. Trade circles estimate the current year's groundnut crop at 22 lakh tons.

Sectionwise, groundnut Bold, which opened at Rs. 36-4, as against Rs. 36, shot up to Rs. 36-10 on the 25th inst. Subsequently, it declined to Rs. 35-10, where it closed for the week. February-March delivery lost As. 14 to Rs. 35-5, over the week. April-May delivery opened at Rs. 37-8 on the 21st inst. Today, it was quoted at Rs. 36-2. Groundnut oil ex-mill and railway receipt lost As. 5 each to Rs. 18-10 and Rs. 18-8, respectively. February and March deliveries were done at Rs. 18-9 and Rs. 18-12, as against Rs. 19 and Rs. 19-2, respectively.

In the linseed section, Bold ready, which was done at Rs. 30-4 on the 21st inst., as against Rs. 30 on the previous day, declined to Rs. 29-8 on the subsequent day. Then, it shot up to Rs. 30-6 to decline again gradually to Rs. 29-4, where it closed. February-March lost As. 10 to Rs. 25-12. April-May opened at Rs. 25-14 on the 23rd inst. It was done today at Rs. 25. Linseed oil was done lower by As. 2 to Rs. 16-2. Trade circles have estimated linseed crop to be lower than in last year.

In castorseeds future, there has appeared a tussle between bulls and bears. May delivery, which stood at Rs. 116-12 early in the week, as against Rs. 117 end of last week, shot up to Rs. 121-10 on the 23rd inst. Thereafter, it gradually declined to Rs. 115-8, where it closed. Among spots, Madras quality lost As. 4 to Rs. 25. F.A.Q. was also lower by a similar amount at Rs. 24-12. Oil B.S.S. was done at Rs. 14, as against Rs. 15-8, and I Pressures at Rs. 13-12, as against Rs. 14-8. Commercials eased from Rs. 13-8 to Rs. 12-14.

Among others, *kardi* Bold lost Re. 1 to Rs. 23-8 and February-March Re. 1-4 to Rs. 23. *Niger*, F.A.Q. was down by As. 8 at Rs. 29-10. February-March was done at Rs. 29-4, as against Rs. 29-12.

Arrivals of oils and oilseeds from 1st to 21st January, as compared with those in the corresponding period last year, were as follows:

(In cwts.)

	1954	1953
Groundnuts	276,006	313,059
Linseed	4,337	3
Castorseed	2,291	43,653
Groundnut oil	84,870	24,477
Linseed oil	3,898	748
Castor oil	749	5,254

The following table shows the prices of oilseeds and oil on the 27th inst., as compared with those at the end of the previous two weeks.

	27-1-54 Rs. a.	20-1-54 Rs. a.	13-1-54 Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	36 12	37 0	36 4
Bold December-January ..	—	36 0	35 10
Bold Feb.-March ..	35 5	36 3	35 10
Linseed—			
Bold Ready (per cwt.) ..	29 4	30 0	29 0
Feb.-March	25 12	26 6	25 4
Castorseeds—			
May 1954 (per candy) ..	115 8	117 0	114 2
Madras (per cwt.)	25 0	25 4	24 12
Groundnut oil—			
Ex-mill Ready (per quarter).	18 10	18 15	18 10
Castor Oil—			
Commercial (per quarter) ..	12 14	13 8	13 6

SUGAR ADVANCES

(From Our Own Correspondent)

BOMBAY, *27th January*

Disquieting reports from Uttar Pradesh sugar centres regarding cane prices and revival of the feeling that the output of sugar during the current season would be less than 12 lakh tons imparted strength to the Bombay sugar market during the week under review. Poor arrivals and good offtake in the ready section also aided the bullish fervour of the market. On top of these, there were firm advices from *gur* markets. The buying support that ensued as a consequence lifted up the prices of sugar which had sustained a fall in the past week. The improvement would have been more marked but for the tenders for 8,500 tons of Czechoslovakian beet sugar per s.s. *Maria*, invited by the Central Food Ministry.

In the forward section, *Maha* delivery, which had touched a low of Rs. 83-12 per bag on Wednesday last, recovered to Rs. 85-12, but finished lower at Rs. 84-6 today. *Posh* delivery was squared up at Rs. 81-14, as against Rs. 81-10. Prices of ready sugar recorded handsome gains. Large grain sugar spurted from Rs. 96 to Rs. 97-99. Medium grain was higher at Rs. 94-95, as against Rs. 92. Small grain was fully steady at Rs. 92. In sympathy with indigenous sugar, foreign sugar also registered a rise in values. British refined sugar moved up by Re. 1-4 to Rs. 85 per bag of 2 cwts. Cuban sugar put on As. 8 to Rs. 37 per 100 lbs. Mexican sugar, however, proved an exception and suffered a loss of As. 4 to Rs. 40-4 per bag of 110¼ lbs.

Tenders for Czechoslovakian beet sugar (8,500 tons) per s.s. *Maria* have been invited. Another steamer carrying Czechoslovakian sugar is expected to arrive in Bombay by about the end of next month. Tenders for this, it is reported, will be invited during the first week of February.

Arrivals of indigenous sugar into the Bombay market were lower this week too, the quantity actually received being 7,200 bags, as against 11,300 bags a week before and 16,000 bags two weeks before.

DEMAND FOR PEPPER FALLS

(Messrs. Parekh & Co.)

BOMBAY, *27th January*

The pepper market during the week turned easy owing to the falling off of demand from New York, where spot price is reported to have gone down from $1.01 to $0.90, under pressure of sales of unsold parcels by the Indian and Sarawak interests. The increase in arrivals at Cochin and Alleppey and the absence of demand from foreign source made growers easy sellers. Some sales of ungarbled at Alleppey are reported done at Rs. 1,600 and of garbled at Rs. 300 per cwt., at Cochin. The position at the moment appears uncertain as most of their requirements for the January shipment is already covered by the Indian exporters and the arrival of the Russian steamer to load the cargo purchased by the U.S.S.R. is further delayed. The trade is expecting broadening of demand from foreign sources at round about the present level as stock in almost all the foreign countries is reported to be small. It is also expected that, at every further fall from the present prices, the resistance from the growers will increase. But, if America, for one reason or another persists in its present slow buying, a further fall in prices is inevitable, for, in the coming month, there will be competition among the sellers from North Malabar and Travancore-Cochin area.

In the A.S.T.A. section, January was done at $0.82, while February-March was done at $0.79½. In the delivery section, prices are easy with restricted turnover.

Following are today's nominal quotations: Ready Rs. 160-220 per cwt., February Rs. 1,420-40 and March Rs. 1,430-50 per candy of 5½ cwts.

TEA PRICES RISE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, *22nd January*

The offerings in sale No. 2, which was held on Tuesday, 19th January, amounted to approximately 9,35,000 lbs. Throughout the sale, there was a very strong general demand for all types and prices advanced As. 4 to As. 5 all round. Best liquoring Nilgiri teas showed some improvement in quality and these met with keen competition, and prices were irregularly dearer by As. 4 following quality. There was a much stronger demand for whole leaf teas, particularly O.P.'s. The following were the quotations:—

	1954 Rs. a. p.	1953 Rs. a. p.
Low grown Travancore B.O.P.	2 6 6	1 5 0
Medium Travancore B.O.P. ...	2 7 6	1 13 0
Anaimallais B.O.P.	2 11 0	2 0 6
Best liquoring Nilgiri B.O.P.	3 8 0	3 12 0
Well made black leaf O.P. ...	2 12 0	2 3 0

London Market.—Market generally farthing to half penny easier. Commonest weakest feature.

Colombo Market.—Very active. High-grown brokens firm to slightly dearer. Corresponding leaf and fannings advanced 15 cents. Low-grown and medium brokens fully 10 cents dearer. Egyptian types substantially dearer.

Calcutta Market—Export.—Easier tendency, as sale progressed, especially medium B.O.P.'s. and O.F.'s.

Dust.—21,000 packages. Market generally half an anna easier.

Export Quota.—At the beginning of the week, the market rose to 60 pies, but on Tuesday there was a steep decline and today's quotation stands at 42 pies.

Forthcoming Auctions.—Sale No. 3 will be held on Tuesday, 2nd February.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire:—

"*Dust Sale B.*—2,90,000 lbs. Very strong general demand. Market opened As. 4 dearer and closed irregularly As. 4 to As. 6 dearer for all types."

SACKINGS DULL

(From Our Own Correspondent)

CALCUTTA, *26th January*

Although price movements were narrow, steady conditions were seen in the jute goods market during the week under review and moderate business was put through. The market remained closed last Saturday as well as today. The fractional decline in prices in New York was not taken notice of, and in December fell to 71 million yards from 74 million yards in the previous month did not have any effect on the market. Total consumption for 1953 was higher, by 2 millions, at 825 million yards, inclusive of deliveries to the army. Commercial consumption amounted to 809 million yards, an increase of 57 million yards as compared to 1952. This remarkable increase should not have been due to any proportionate increase in requirements of the packaging material, but suggests that burlap was able to capture consumers who had changed to substitutes. The new cheapness of burlap sustains the hope that this recovery would continue and that American purchases from this country would increase. Ready 40" 10 oz. hessians were steady at Rs. 43-11 last Tuesday, but when mills began to make offers, they declined to Rs. 43-4. Activity in the *fatka* aided this fall. Mills sat out of the market at this stage, and this factor coupled with some covering business by shippers pushed the rate to Rs. 43-14 on Friday. Conditions were visibly better yesterday, and a recovery to Rs. 46-7 was a feature following some business with foreign buyers.

In contrast with hessians, the sacking market was dull, and the pull throughout the week was in the downward direction. At the lower levels, mills did not make any offers. The lack of any concrete news from Australia relating to the proposed decontrol of the jute goods import trade was a factor for depression, and the consequent unloading caused prices to fall. From Rs. 104-10, ready B. twills touched a low of Rs. 103-2. Yesterday's quotation at Rs. 103-8 was nominal in the absence of business.

The raw jute market was steady. Only moderate support was visible from mills. Prices were well maintained. Business was transacted in locally packed northern jute at Rs. 27-8 basis bottoms. Assam upper bottoms were quoted at Rs. 28 and middles at Rs. 31. Murshidabad bottoms recovered to Rs. 26-8 from Rs. 25-8, while there was no change in northern bottoms and middles at Rs. 28-8 and Rs. 31-8 respectively. *Bimlis* were sought at Rs. 25, Westerns at Rs. 25-8, and Orissa bottoms at Rs. 29. The superior fibres were difficult to obtain and their supply position would become worse as the season comes to a close. No carry-over either in India or in Pakistan is expected, and the report from Karachi that the acreage in East Bengal would be doubled in the coming season was noted. This is indeed necessary, if Pakistan desired to maintain its markets for raw jute.

FOODGRAIN PRICES RECEDE

(From Our Own Correspondent)

HAPUR, *26th January*

The latest authoritative review of the overall food position in India indicates self-sufficiency not only in rice and coarse grains but also, to a large extent in wheat. Consequent on the improvement in the 1953-54 crop, a general fall in the prices of foodgrains is witnessed everywhere. This has also led to a decrease in demand for foodgrains from deficit areas and an increase in exports available from surplus areas. Since coarse grains and gram have been decontrolled with effect from the 1st inst., prices in the deficit and surplus areas are getting mutually adjusted. There is little rise in some areas and little fall in others.

The distribution of wheat by the States is being gradually withdrawn and the trade has started to regain its previous role. Direct sale of wheat from the Central Government's godowns to the trade at a price of Rs. 15-8 per maund has already started in some places, as, for example, in West Bengal, Orissa and Bombay. This will soon be followed in other places. The Union and State Governments hold wheat stock to the tune of 800,000 tons which are expected to carry us through for several months. If prices are suitable, the Government would import some wheat to build up stocks. The coming wheat crop is expected to be good. Only in the case of rice, controlled distribution is continuing, but, in 1954, the requirements of the country are expected to be fully met by internal surpluses.

Foodgrain markets in Uttar Pradesh remained quiet to bearish. The initial buying enthusiasm being over, coarse grain prices have declined in *Bajra*, gram and other deficit areas of the country. maize rates have fallen slightly in the surplus areas of Punjab, P.E.P.S.U., Uttar Pradesh and Rajasthan. In Delhi also, maize and *bajra* prices have fallen.

Coarse grain stocks in West U.P. *mandies* have been appreciably supplemented by receipts from Rajasthan. Substantial quantities of maize, *jowar* and *bajra* were received locally from the Rajasthan this week which induced good price decline. In U.P., the problem of disposing of the 53,000 tons of surplus imported wheat stock lying with the Government has been engaging serious attention for some time past. A few weeks ago, the State Government had allowed the export of flour to Bihar. But so far, only 18,000 tons of wheat out of the huge surplus at hand have been lifted by the flour mills. The latest news is that the U.P. Roller Flour Millers Association has now forwarded a proposal to the U.P. Government that it is prepared to lift, by the end of May, 30,000 tons of the 53,000 tons of surplus wheat. If the proposal is accepted, the remaining 23,000 tons may be utilised for austerity provisioning. It is further learned that the Food Ministry is favourably considering the suggestion that, pending disposal of the stock, imports of wheat into U.P. may remain suspended.

The pulses section too remained very unsteady. The declining trend in foodgrain prices, absence of demand, lower advices from east U.P. and Madhya Pradesh, and excellent next crop prospects have reacted very bearishly on the market sentiment. Prices have declined both in the ready and futures sections.

The Punjab exported 5,393 tons of rice during the fortnight ended 15th December, 1953, under the basic plan for the movement of foodgrains. This brings the progressive total of rice despatches to 31,674 tons. In all, the Punjab is to export 60,000 tons of rice out of the 1953-54 crop. Besides, 4,384 tons of paddy were despatched to Kashmir. The State Government purchased 9,997 tons of paddy under the rice monopoly procurement scheme during the fortnight, bringing the total purchases of paddy since September, 1953, to 156,744 tons.

It is authoritatively stated that the food situation in the Rajasthan State is very sound and that the Government is determined to go ahead with its programme of exporting 150,000 maunds of wheat from Bikaner outside Rajasthan. It is stated that a huge stock had been built up by the Government at Bikaner in 1952 and a large quantity was deteriorating. To avoid further deterioration and consequential financial loss, the Government has decided to sell the stock in Bikaner and create a fresh buffer stock of wheat. The Government has already expressed its willingness to sell wheat to the *Beopar Mandal* at the controlled rates till the next harvest.

Prices of coarse grains, *jowar* and *bajri* which had shot up in Bombay by about 20 per cent., following the introduction of free trade on the 21st inst., are now slumping and may go lower still as soon as supplies reach Bombay. It is expected that 4,000 tons of *bajri* would reach Bombay within a week's time. The railway administration has agreed to release a large number of wagons for the movement of *bajra* from Madhya Pradesh. Wagons will also be made available to transport *jowar* from the Punjab and P.E.P.S.U.

The latest quotations (per maund) in the Hapur market are: Ready wheat Rs. 17 to Rs. 19, gram Rs. 14, barley Rs. 11-6, *bejhar* Rs. 11-8, maize Rs. 12-10, *bajra* Rs. 11-12 to Rs. 13, *guwar* Rs. 10, *jowar* Rs. 9-12 to Rs. 11, white *jowar* Rs. 11-12, rice Rs. 30 to Rs. 19, peas Rs. 11-8, *arhar* Rs. 11-8, *urd* Rs. 17-8, *moong* Rs. 16-8, and *masoor* Rs. 16-4. Futures peas *jeth* Rs. 9-15, *arhar jeth* Rs. 10-8-9, *urd maha* and *baishak* Rs. 15-12 and *guwar maha* Rs. 8-9-6.

SUGAR BULLISH

(From Our Own Correspondent)

HAPUR, *26th January*

The threatened strike of the sugarcane growers reacted bullishly on the crystal sugar markets and prices tended to improve during the week under review. The strike constitutes a serious threat to the U.P. sugar industry, inasmuch as over 50 per cent. of India's total sugar production is accounted for by this State. Over 91 per cent. of the cane crushed, to the tune of 244 million maunds in 1952, was supplied through the co-operative societies which have now threatened to strike. The representatives of the sugar industry in U. P. are expected to meet in Lucknow this week to consider the whole situation and it is believed that, if goodwill prevails on both sides, the sugar factories might be induced to give up to As. 3 per maund extra, as against As. 5 demanded by the cane growers. What the growers are demanding is not an increase in the statutory minimum price of cane fixed by the Government of India but a share in the excess profits available to the industry because of the higher prices of sugar.

The Calcutta sugar market remained steady on scarcity of bold grains which was in demand. The Madras market eased, due to heavy arrivals of imported sugar. The Bombay market remained steady.

The *gur* markets were moderately active this week, with slightly reduced arrivals, on account of cloudy weather and restricted despatches, due to continued loading difficulties. In the ready section, sugar prices were maintained, thanks to sustained demand from the importing areas of Assam, Bombay and Gujerat. Reports from the South Indian *gur* exporting markets of Baramati, Akluz, Shrirampur, Kopergaon, Kolhapur and Ankapalli indicated increasing seasonal arrivals and an effective demand. There is general inclination in the deficit areas to stock *gur* at current prices. *Gur* arrivals have also begun in Madras State markets. Arrivals at Ankapalli are increasing appreciably and this would now be in a position to feed Bengal, Assam and a few other deficit areas.

Gur prices in the futures section moved erratically. The trend was very unsteady in the initial session of the week, in view of the threat to the sugar industry in U.P. The U.P. Sugarcane Growers Co-operative Federation has decided to stop supply of sugarcane to the mills in the State from 1st February, unless the supply rate was enhanced from Re. 1-7 to Re. 1-12 per maund. The Federation has also resolved to utilise the season's cane crop in manufacturing *jaggery* until the enhancement in prices demanded has been made by the mills. The futures section for some days were swayed by the concerted efforts of the bears, and prices suffered a precipitate fall on that account. Towards the close of the week, there was a good recovery. Not only profit coverings induced buyings, but prospects of the crisis in the sugar industry actually materialising were very much discounted.

Pansera *gur* in the ready section is quoted here at Rs. 15-6 per maund and Balti at Rs. 16-6 today. The lowest level touched during the week was Pansera Rs. 14-14. In the futures, Pagan is now quoted at Rs. 13-10-6, whereas the low touched earlier Rs. 14-12. There is increasing volume of business. Forward trading in *gur* has been resumed in Nizamabad also.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *26th January*

The uptrend in the metal market was arrested this week mainly due to weaker advices from London. Prices were affected, but, as demand for the base metals was moderate, steady conditions were imparted later in the week. Electrolytic copper touched a low of Rs. 170, but as supplies were limited and demand was strong in comparison, only little time was necessary for the local rate to disregard London advices and recover to Rs. 175. The fire-refined ingots were priced at Rs. 155. Electrolytic zinc declined from Rs. 53-8 to Rs. 51-12, following the fall in London and the satisfactory supply position. Lead was lower at Rs. 60, the decline this week being by two points. Tin changed hands at Rs. 425.

KIPS IN GOOD DEMAND

(From Our Own Correspondent)

MADRAS, *25th January*

Shippers have been buying moderate quantities of *kips* arriving in the local market. Stocks have not accumulated in the bazaar. Sellers demand one anna above U.K. levels, but importers do not seem anxious to pay Madras prices. Tanned buff hides and buff calf superior tannages are in good demand. Cow calf, however, is neglected.

The tanned goat skins market has ruled steady and sheep weak, despite good clearance.

ECONOMIC RECONSTRUCTION OF INDIA

(Concluded from page 156)

an agreed draft can then be taken to Parliament. That will leave the States with powers derived under the explanation to sub-clause (1), augumented, so to speak, or made clear by the ruling of the High Court. There will be power for the States to impose either kinds of tax which are not confined within the four walls of the legislation under the second part of the Article. In that case, i.e., if, even after the helpful attitude by the Centre in the form of enabling legislation, some of the States, or one or two recalcitrant States, refuse to be convinced, it seems to me then that the Government will have to consider whether there is any case for deleting that explanation. Progress will have to be made along these lines, and I am afraid I cannot take this matter any further at the present moment. All I can say is that we are well seized of the matter, and it is, as the phrase goes, under active consideration."

Finally, Mr. Deshmukh's observations on the larger questions of economic policy are worthy of notice. He warned that there was no easy solution of India's economic ills. Said he:

"The point to remember is that whichever *ism* one might be committed to in practice, it is impossible to bring about a quick transformation of society so as to make it ripe for one *ism* rather than for the other, historically speaking these are slow-maturing processes and there is always necessarily a period of overlap.

"It is important to my mind that, during this period while the country goes on trying to decide which kind of economy would be in its best interest, all parties, whatever their creed, should co-operate in the joint effort and observe the rules of the game, while not ceasing to urge their own particular point of view on the attention of the people. What seems to be undesirable and prejudicial to the interests of the nation is either sullen non-co-operation or ruthless obstruction."

Confidence in Government

Proceeding, he observed that the Government was often blamed for encouraging social injustices and for not doing enough to reduce existing inequalities. While he welcomed criticism, he urged that it should not be carried so far as to question the Government's *bona fides*. He said:

"To my mind although it is completely right that these objectives and ends must be kept in view and that Governments must be judged vigilantly, there is a stage at which Government's *bona fides* must be accepted because any controversy beyond that level only leads to a contraction of effort which is not in the interests of the country. There is a misunderstanding which frequently arises in regard to incentives, especially incentives for private industry. There is a misunderstanding even in regard to, what the Planning Commission has called mixed economy, which in other countries is called dual economy. There are misunderstandings in regard to the level of taxation or to the distribution of taxes as between the direct and the indirect categories. There are even misunderstandings in regard to the profits that are allowed to be garnered by industry. It is not my purpose to enter on these controversial grounds at all. What I am trying to explain is that a stage comes when at least the *bona fides*, if not efficiency of Governments, no matter which Government it may be, must be accepted if any progress is to be made and that does not exclude any reconsideration of matters as fresh light is shed on these problems. Therefore, in a sense, the implementation of any plan involves an act of faith on the part of the people as well as an act of confidence in themselves and, as far as theory would permit them, in Governments."

JUTE.

(Concluded from page 166)

The unexhausted capacity of vegetative growth of plants sown in June-July might have something to do with their production of a larger number of fruits.

The flowering and fruit bearing were somewhat early due to vernalisation, that is, imparting cold and warm treatment to seeds before sowing. However, the vegetative growth with reference to the total heights reached, daily increased in height, and mean length of each internode did not show any statistically significant differences due to vernalisation treatments.

Dissemination of this knowledge among jute growers in the various States should go a long way towards increasing the per-acre yield of raw jute. But this is only one aspect of the cultivation of raw jute. It may be noted that the depth of sowing, preparation of the soil and the dose of the right kind of manure to be applied also materially improve the quantity of jute grown on a given plot. Then there is also the question of improving the quality of jute itself, a problem which needs increasing attention at the hands of our agronomists.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	15th Jan., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,158.44	1,154.76	1,121.21	1,115.35
Notes held in Banking Department	35.05	15.46	9.65	14.61	16.33
Foreign Securities	39.50	618.15	608.15	578.15	558.15
Rupee Securities	37.39	421.33	421.33	421.33	450.06
Banking Department					
Deposits of:					
Government of India	14.89	98.19	107.01	106.11	170.22
Other Governments		21.47	15.65	18.97	2.37
Balances held abroad	10.08	114.19	122.25	141.21	159.22
SCHEDULED BANKS					
Demand Liabilities	134.37	518.10	513.64	519.35	524.44
		(8.03)†	(8.02)†	(9.61)†	(13.14)†
Time Liabilities	102.84	328.03	329.04	331.43	316.20
Borrowings from Reserve Bank	..	(1.40)†	(1.43)†	(2.01)†	(2.15)†
		0.43	8.52	2.90	5.71
		(1.19)‡	(0.79)‡	(0.49)‡	(0.99)‡
Borrowings from Imperial Bank	..	10.27	9.11	6.70	6.18
Cash in India	6.71	83.12	82.10	81.38	84.66
Balances with Reserve Bank	25.23	41.17	39.72	47.15	44.99
Excess over statutory limits	15.52	8.71	7.46	14.65	12.44
Balances with other banks in current account in India	..	10.84	11.39	10.91	11.56
Money at call and short notice in India	..	11.41	10.60	13.47	16.75
Investments (at book value)	..	324.69	329.02	337.30	310.91
Advances and bills	105.09	467.42	462.40	458.35	450.69
IMPERIAL BANK					
Deposits	87.76	206.85	206.85	207.15	208.01
Investments	61.99	90.25	94.77	94.15	85.24
Advances	30.37	114.45	111.98	100.32	115.51
Cash	14.69	16.37	15.44	22.80	21.18

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against unsecure bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	22nd January, 1954		15th January, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	259 835	54,98,20,0 0	2,54,707	52,06,77,000
Calcutta	152,433	52,34,06,796	1,55 060	54,45,01,680
Madras	77,223	7,49,24,4 2	62 107	5,78,35,672
All Centres—				
1952	..	..	1 06 41 041	26,79,51,57,000
1953	..	..	1,14 83 214	29 45 05 03,000
Oct., 1953	..	..	75,77,140	5,04,82,91,000
Nov.,	..	..	25,50,000	5,34,20,00,000

Reserve Bank of India

Statement of Affairs for the week ended 22nd Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	98,85,34,000
(2) Other Governments	21,80,58,000
(b) Banks	42,09,97,000
(c) Others	83,92,49,000
Bills Payable	5,03,76,000
Other Liabilities	16,34,38,000
Rupees	253,39,52,000

ASSETS	Rs.
Notes	19,40,21,000
Rupee Coin	18,76,000
Subsidiary Coin	6,52,000
Bills Purchased and Discounted—	
(a) Internal	85,75,000
(b) External	....
(c) Government Treasury Bills	16,26,26,000
Balances held abroad*	114,18,81,000
Loans and Advances to Governments	72,00,000
Other Loans and Advances	21,57,15,000
Investments	72,81,10,000
Other Assets	7,82,95,000
Rupees	253,39,52,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 1,19,45,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available for Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 70,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,40,21,000	
Notes in circulation	1154,84,17,000	
Total Notes issued		1174,24,38,000
Total Liabilities		1174,24,38,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	618,15,11,000	
Total of A		658,16,82,000
B. Rupee Coin		94,80,43,000
Government of India Rupee Securities		421,38,13,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1174,24,38,000

Ratio of Total of A to Liabilities: 56.050 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 15th Jan., 1954

		Rs
1.	Demand Liabilities in India:	
	(i) Borrowings from Banks	8,93,48,000
	(ii) Other demand liabilities	509,81,51,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,40,00,000
	(ii) Other time liabilities	326,65,54,000
3.	Cash in India	83,12,07,000
4.	Balances with the Reserve Bank in India	41,16,71,000
5.	Balances with other banks in current account in India	10,84,49,000
6.	Money at call and short notice in India	11,41,04,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	324,69,59,000
8.	Advances in India	436,63,98,000
9.	Inland Bills purchased and discounted in India	50,77,81,000

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

EXCHANGE RATES

	27th January, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-5 1/2	1-5 1/2
Buyers T.T. 10 to 12 months	1-5 1/2	1-5 1/2
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476	476
Buyers T.T.	Rs. 472	472
London on New York	$ 2.81-2 81 1/2	2.81 1/2-2 81 1/2
London on Paris	Frs. 979-979 1/2	979 980
London on Berne	Sw. Frs. 12 21 1/2-12 21 3/4	12 21 1/2-12 22
New York on London	$ 2.81-2.81 1/2	2 81 1/2-81 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	*Per capita* Income (Rs.)
India	1948	342.12	..	..	8,780	255
Pakistan	1949	70.04	..	..	1,671	238
Burma	1951	18 87	Kyats	9,166	717	76
Ceylon	1951	7.74	..	..	491	582
Japan	1951	84 30	Y.	4,849,400	6,414	761
Philippines	1951	20 58	Pe.	7,586	1,804	876
New Zealand	1952	2 00	£ (N.Z.)	646	861	4,307
Australia	1951	8 43	£ (A.)	3,338	3,454	4,317
U.K.	1952	50 43	£	13,048	18,197	3,608
U.S.A.	1952	156 98	$	290,400	188,280	8,608
Canada	1952	14.43	$	18,185	8,168	5,662
France	1952	42 60	Fr. Fr.	10,190 000	18,864	3,254
W. Germany	1952	48 48	Dm.	98,400	11,156	2,301
Italy	1952	46 58	Lr.	8,112 000	6,181	1,818
Norway	1952	3 32	Kr.	19,500	1,109	3,351
Sweden	1952	7 13	Kr.	39,170	3,652	5,122
Netherlands	1952	10 35	Fl.	17,500	2,213	2,104
Denmark	1951	4.30	Kr.	20,716	1,439	3,346
Switzerland	1952	4.82	S. Fr.	20,100	2,189	4,541

* National income as factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nations Monthly Bulletin of Statistics, August, 1953.

State Bank of Pakistan

Statement of Affairs for the week ended 8th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00 00,000
Deposits:	
(a) Central Government	19,63 48,000
(b) Provincial Governments	98,92,000
(c) Banks	10,62,40,000
(d) Others	2,41,94,000
Bills Payable	12,44,000
Other Liabilities	5,40,16,000
Rupees	45,18,53,000

ASSETS	Rs.
Notes	7,56,11,000
Rupee Coin	4,000
Subsidiary Coin	5,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,33,00,000
Provincial Governments' Debtor Balances	1,40,17,000
Other Loans and Advances	5,94,00,000
Investments	18,77,03,000
Other Assets	9,87,85,000
Rupees	45,18,53,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,56,11,000	
Notes in circulation	225,99,89,000	
Total Notes issued		233,56,00,000
Total Liabilities		233,56,00,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01 42 000	
Silver Bullion		
Sterling Securities	44 47 86 000	
Government of India Securities	13,89 82 000	
India Notes representing Assets receivable from the Reserve Bank of India	29 98 91 000	
B. Rupee Coin	5,69,12,000	96,27,51,000
Government of Pakistan Securities	127,64,62 000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		133,33,74,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4 24,75,000
Total Assets		233,56,00,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.86 per cent.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
3rd November	1.50	2.71	1.50	2 5 10	86
10th ,,	1.50	1.51	1.50	2 7 0	100
17th ,,	1.50	1.99	1.50	2 7 0	8
24th ,,	1.00	1.56	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 8	91
8th ,,	1.00	1.72	1.00	2 7 2	57
15th ,,	1.00	1.00	1.00	2 7 0	100
1954					
5th January	1.00	1.33	1.00	2 7 9	70
12th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
Total	12.50	16.46	12.50	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	26th Oct., 1953	2	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	23rd Sept., 1953	4½	5
Finland	14th Dec., 1951	7½	8½
France	17th Sept., 1953	4	3½
Greece	12th July, 1948	12	18
India	18th Nov., 1951	3	3½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands	7th April 1953	3	2½
New Zealand	27th July, 1951	2	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	3	3
Portugal	15th Jan., 1942	5	3½
South Africa	27th Mar., 1953	3½	4
Spain	17th Mar., 1948	4½	4
Sweden	20th Nov., 1953	3	2½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th Jan., 1953	10	8
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1941	5	4
U.S.A.	16th Jan., 1953	1½	2
West Germany	8th Jan., 1953	4½	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1953	May, 1953	Two months — April and May, 1952	Two months — April and May, 1953
Import Duties:				
Revenue	12 08	9,01	20,85	18,28
Protective	60	47	1 37	96
On surplus disposals	—	8	....	8
Total import duties	12.68	9 51	22 22	19 22
Export Duties	3.34	2,74	9.91	8,77
Land Customs	21	9	41	21
Miscellaneous	11	6	14	11
Gross total customs	18.34	12.40	23.75	25 21
Refunds and drawbacks	24	12	1 01	84
Net Customs	18.10	12 28	22 22	24 97
Gross excise	7.28	8.76	14.15	16 87
Refunds	16	5	80	11
Net Excise	7.25	8,71	13.85	16.76
Net total of customs and excise	25.35	20.99	46.07	41 73

Imperial Bank of India

Statement of Affairs for the week ended 22nd Jan., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		209 41,82 000
Borrowings from other Banking Companies Agents		73,35 000
Bills for Collection being Bills Receivable as per contra		2,61,42,000
Acceptances, Endorsements and Other Obligations as per contra		55,20,000
Other Liabilities (including Inter-Office Adjustments)		32,000
Total		1,42 93,000
	Rs.	Rs.
PROPERTY AND ASSETS		
Cash in hand and with Reserve Bank		12,26,28,000
Balances with other Banks		3,02,86,000
Money at Call and Short Notice		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities	80,50,19,000	
Other Authorised Investments	10,73 67,000	
		91,23,86,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	97 01 34 000	
Bills Discounted and Purchased	16,51 06 000	
Bills Receivable being Bills for Collection as per contra		114,42,40,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		55,20,000
Premises less Depreciation		32,000
Furniture and Fixtures less Depreciation		1,80 34 000
Other Assets (including Inter-Office Adjustments)		37,91 000
Total		1,53 21 000
	Rs.	Rs.
		226,62,54,000

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950	814	719,553	12,806,704
1951	1,071	691,921	8,818,928
1952	963	809,243	8,836,961
Nine months ended Sept., 1950	584	333,737	10 062 255
Do Sept., 1951	956	599,854	2,659,081
Do Sept., 1952	860	757,566	2,955,040
Do Sept., 1953	690	407,913	1,742,938
January 1953	95	808,881	674,849
February	88	42,490	148,498
March	87	49,457	184,846
April	118	60,092	264,886
May	101	89,881	287,062
June	88	40,764	171,288
July	88	45,589	160,533
August	96	57,876	249,618
September	96	78,181	273,245
October	87	48,766	158,017
November	81	37,525	....
December	....	....	....
January 1954†	85	42,883	244,414
February	45	24,477	124,415
March	72	83,221	216,207
April	88	49,139	218,653
May	88	35,617	272 216
June*	99	80 357	252 279
July*	88	48,066	131,122
August	74	53,054	154,154
September	100	41,789(a)	437,856(b)

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

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	578	5,946.1	4,849.0
1952-53	614	6 301.4	5,134.3
1952	588	500.1	406.8
June	588	534.0	429.7
July	588	531 6	428 7
August	597	530.4	441.5
September	599	545.2	436 4
October	608	559.7	457 9
November	606	553 2	....
December	....	....	441.8
1953	611	533.4	417.4
January	614	495 6	438.7
February	614	538 0	456.1
March	616	580.4	456.1
April	620	580.6	450.2
May	625	548.8	471.0
June	627	583 0	466.9
July	629	587.9	464.4
August	632	576.8	....
September	....	....	....

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡
	5-Year		7-Year		12-Year					
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts / Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,86	83,26	29,91	— 12,31	13,10 / 13,39
1951-52	1,75	6,08	77	2,91	22,08	64,81	1,07,55	74,18	— 19,91	7,54 / 25,64
1952-53	1,63	6,54	66	3,57	23,06	84,18	1,12,36	91,01	— 31,06	.... / ....
October 1952	11	6,48	5	3,14	1,71	78,77	2,36	88,25	— 29,69	54 / 22,92
November	10	6,50	5	3,16	1,71	77,99	5,03	86,54	— 29,99	52 / 23,45
December	6	6,51	9	3,16	1,56	79,34	8,45	85,95	— 30,52	45 / 23,94
January 1953	10	6,54	4	3,19	2,02	80,77	8,38	86,09	— 30,51	58 / 24,48
February	14	6,61	5	3,22	1,86	82,14	9,36	86,36	— 30,76	58 / 24,48
March	32	6,84	9	3,27	2,46	84,18	13,75	91,01	— 31,06	60 / 25,06
April	11	6,90	5	3,27	2,24	85,95	9,56	93,01	— 31,06	60 / 25,54
May	12	6,83	4	3,29	2,06	87,57	9,55	93,80	— 31,20	60 / 25,64
June	11	6,82	4	3,31	2,16	89,33	9,43	93 80	— 31,52	60 / 26,28
July	1	6,73	11	3,38	2,23	91,02	10,26	95,23	— 31,78	59 / 27,56
August	1	6,67	9	3,44	2,23	92,83	8,76	96,87	— 32,04	59 / 27,56
September	—	6,59	12	3,53	2,63	94,38	9,20	97,72	— 32,56	59 / 28,20
October	....	6,51	11	3,58	1,97	95,83	8,58	97,72	— 32,71	59 / 28,47
November	....	....	....	....	....	....	....	....	— 32,99	59 / 29,41
December	....	....	....	....	....	....	....	....	....	59 / 29,93
1954	....	....	....	....	....	....	....	....	....	46 / 30,34

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 12-12-'53	9-1-'54	16-1-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.3	99.3
1. Government of India	90.1	90.1	90.1
2. Indian States	95.6	95.6	95.7
3. Municipal, Port Trust, etc.	89.2	89.2	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.5	101.8	101.8
1. Electricity	103.1	103.4	103.0
2. Jute	98.6	98.6	98 8
3. Plantations	99.6	99.6	99 6
4. Sugar	100.1	100.7	100.7
5. Coal	90.6	90.6	90 6
6. General Engineering	101.7	103.1	103 1
7. Shipping	103.1	103.1	103.1
PREFERENCE SHARES	100.2	100.2	100.3
1. Electricity	87.7	87.8	87.6
2. Cotton	99.7	98.3	97.4
3. Jute	84 3	83.4	83.8
4. Sugar	86.7	87.1	86.3
5. Plantations	86.7	90.7	90.8
6. Iron and Steel	90.3	90.3	90.2
7. Paper	89.4	90.3	75.0
8. Miscellaneous	78.1	90.0	90.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	88.3	87.4	87.3
(a) Financial	87.4	88.4	87.8
(b) Industrial—	88.3	87.2	87.3
1. Banks	86.8	87.9	87.3
2. Insurance	98.3	98.3	98.3
3. Investment Trust	76.0	75.3	74.1
(b) Public Utilities	108.6	108.6	108.9
1. Electricity	115.5	114.7	115.1
2. Shipping and other Transport	99.4	91.7	94.1
3. Railways	82.1	81.0	82.6
(c) Manufacturing Industries	78.1	98.1	99.9
1. Cotton, Woollen and Silk	97.1	95.8	96.3
2. Jute	82.5	82.8	81.3
3. Iron and Steel	109.1	106.8	107.5
4. Paper	166.2	166.2	166.5
5. Cements	122.2	121.6	120.1
6. General Engineering	120.1	121.2	120.4
7. Sugar and Breweries	85.7	85.2	85.3
8. Chemicals	103.0	105.0	104.2
9. Miscellaneous	103.4	102.9	102.3
(d) Non-Manufacturing Industries	76.4	75.8	76.0
1. Coal	141.6	139.4	139.1
2. Mining and Oil	104.0	102.4	103.0
3. Plantations	80.6	89.9	89.9
(e) Miscellaneous			
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.8	89.7
2. Calcutta	90.2	90.2	90.2
3. Madras	90.5	90.6	90.5
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.9	102.4	102 4
2. Calcutta	102.1	102.4	102.1
3. Madras	100.1	100.1	100.1
PREFERENCE SHARES			
1. Bombay	91.8	92.2	91.9
2. Calcutta	85.1	85.1	84.8
3. Madras	89.0	88.5	88.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	106.9	106.0	105.9
2. Calcutta	92.7	91.6	91.1
3. Madras	94.3	94.3	93.3
4. Delhi	92.8	92.5	93.8

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	9th Jan., 1954	2nd Jan., 1954	10th Jan., 1953	December 1953	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1952	1951
Food Articles	380.1	377.2	356.2	367.0	344.5	+ 6.5	359.8	409.8
Cereals	436	437	436	429	431	— 0.5	450	443
Pulses	435	430	414	424	541	—21.6	483	506
Other	285	284*	219	269	207	+30.0	225	290
Industrial Raw Materials	480.4	471.4	433.8	459.3	421.7	+ 8.9	433.8	508.2
Fibres	461	451	414	441	394	+11.9	454	622
Oil seeds	545	538	484	554	417	+ 7.4	484	679
Minerals	453	442	441	456	458	— 0.4	458	628
Others	412	413	374	397	372	+ 6.7	341	513
Semi-Manufactures	358.9	357.6	344.1	358.5	342.6	+ 4.1	346.5	377.5
Leather	393	391	405	391	422	— 7.3	345	453
Mineral oils	221	223	221	223	223	— 0.9	221	197
Vegetable oils	550	546	444	444	422	+ 24.6	459	679
Cotton yarn	432*	432*	437*	432	432	— 1.6	465*	448
Metals	246	236*	223	236	224	+ 3.5	211	197
Oil Cakes	420	409	405	418	402	+ 4.5	440	500
Others	306	306	230	305	251	+21.5	273	330
Manufactured Articles	383.4	384.0	388.2	383.8	387.6	— 1.0	377.5	395.5
Textiles	400	400	401	400	402	+ 0.5	423	466
Jute	424	424	398	427	402	+ 5.9	506	603
Cotton	397*	397*	406*	406*	402	— 2.2	401*	400*
Rayon and Silk	407*	407*	415*	406*	412*	— 1.5	465*	511*
Woollen	313	313	310	313	280	+11.8	346	378
Metal products	337	337	342	337	342	— 1.5	221	235
Others	283	283*	238	283	290	— 2.4	239	300
Miscellaneous	709.9	712.2	621.0	711.5	625.3	+13.8	636.6	729.8
All Commodities	387.4	384.9	378.2	389.4	372.7	+ 4.5	386.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
April 1952	141	345	262	321	415	378	339	326	146	169	138	153	144
May ,,	140	339	264	310	413	377	339	327	146	168	142	153	148
June ,,	140	338	265	309	434	376	342	330	145	173	141	153	148
July ,,	142	330	263	304	456	372	354	331	143	175	143	161	153
August ,,	144	340	267	312	466	377	369	334	143	176	143	160	157
September ,,	143	341	269	310	463	380	364	328	143	178	143	157	150
October ,,	144	345	274	314	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	178	143	150	149
December ,,	139	346	262	303	457	378	346	327	137	178	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	354	331	136	167	132	150	144
March ,,	142	358	265	322	468	381	353	353	136	165	131	148	145
April ,,	142	359	268	327	484	384	344	354	137	166	134	148	155
May ,,	145	363	275	330	441	391	345	356	139	173	127	152	155
June ,,	150	371	282	334	453	393	363	360	140	180

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	78,665	23,424	20,741
Wheat	"	24,041	23,460	6,782	6,039
Jowar	"	41,945	39,144	6,058	5,244
Bajra	"	23,282	22,839	2,922	2,299
Barley	"	7,500	7,835	2,664	2,293
Maize	"	8,799	8,078	2,607	2,021
Ragi	"	5,388	5,390	1,235	1,212
Gram	"	17,267	16,557	3,771	3,298
Kahl Pulses*	"	11,593	11,559	2,063	2,047
Small Millets	"	12,170	11,834	1,932	1,891
Jute	bales	1,196†	1,317	3,120†	4,605
Cotton	"	15,678	16,198	3,050	3,133
Sugarcane 2nd	tons	4,101†	4,228	5,100†	4,990
Groundnut	"	11,882	11,798	2,934	3,045
Linseed	"	3,894	3,402	855	816
Castors d	"	1,849	1,628	107	106
Rape s & Mustar : Seed	"	5,155	5,915	838	916
Sesamum (supp)	"	5,751	5,845	451	438
Tobacco (supp)	"	793	712	219	205
Pepper	"	203	202	22	23
Ginger	"	46	47	14	15
Dry chillies	"	1,280	1,384	301	841

Source: Ministry of Food and Agriculture.

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

* Excluding gram.

† Refers to 1953-'54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Dec., 1953	77.8
	Corresponding month 1952	78.8
	Six months ended Dec., 1953	453.2
	Corresponding period 1952	455.8
Stocks	At the end of Dec., 1953	98.9
	Corresponding month 1952	114.9
		(In 000 bags)
Exports(Jute Bags)	Week ended 12th Dec., 1953	2,206
	Corresponding week 1952	4,293
	From 1st Jan., to 12th Dec. '53	296,221
	Corresponding period 1952	368,955
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 5th Dec., 1953	12,869
	Corresponding week 1952	12,263
	From 1st Jan., to 5th Dec., 1953	1,371,179
	Corresponding period 1952	1,064,684
	RAW JUTE	(In 000 bales)
Exports*	Week ended 12th Dec., 1953	—
	Corresponding week 1952	—
	During Sept., 1953	—
	Corresponding period 1952	—
Consumption by Mills†	Dec., 1953 (in lakh bales)	4.51
	Corresponding month 1952	4.57
	Six months ended Dec., 1953	25.12
	Corresponding period 1952	26.44

† Estimated * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,80,000	10,87,100	7,99,200
Do. 31st March, 1954	11,58,000	10,61,900	7,91,800
April to December, 1953	8,83,900	7,96,200	5,80,800
October '1952	99,400	90,100	67,900
November "	1,03,500	93,700	68,700
December "	98,200	91,400	66,700
October 1953	99,500	94,000	68,500
November "	1,00,800	95,800	68,400
December "	1,01,400	95,100	71,700
Indian Iron and Steel Co.			
Jan. to Dec., 1953	5,68,840	5,41,480	2,55,870
July 1953	21,750	8,370	4,610
August "	20,230	7,710	4,100
September "	21,320	2,270	5,990
October "	55,880	50,670	31,230
November "	61,240	41,550	32,970
December "	64,510	43,080	41,740

FOREIGN TRADE OF INDIA

Particulars	September,		Six Months, April to September,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	5,38	14,63	69,44	130,02
Raw materials	14,03	12,93	92,57	101,54
Manufactures	23,49	19,08	133,94	145,76
Other items	31	18	1,85	2,61
Total	43,21	47,72	300,10	382,03
By land	3,20	1,38	11,78	8,85
Total Imports	46,41	49,10	311,88	391,78
Exports :				
By sea and air—				
Foodstuffs	16,35	13,01	67,02	68,05
Raw materials	8,07	10,97	54,21	74,58
Manufactures	23,68	22,05	121,56	144,09
Other items	18	39	1,92	2,08
Total	48,24	46,42	244,71	288,80
By land	78	97	3,20	14,69
Total Exports	49,01	47,39	247,91	303,49
Total Re-exports	28	32	2,41	2,08
Balance of trade in merchandise	+2,81	— 1,44	— 60,35	— 87,47
Balance of transactions in private treasure	—	1	6	4
Total visible balance of trade	+ 2,88	— 1,45	— 60,41	— 87,51
Imports : ‡				
Total C'wealth countries	22,06	21,33	145,18	136,45
Total Foreign countries	21,15	26,39	154,92	246,48
Exports : ‡				
Total C'wealth countries	25,48	21,97	119,65	135,88
Total Foreign countries	22,82	24,45	125,05	153,42

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

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953
Malbang	z	176	192‡	z	142	142	z	132	136	z	137	141	z	105	102	z	z	z	z	98	95
Sonauli	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	234	199	199	278	810	810
Kudchi	157	181	181	146	159	159	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	168	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Bamra	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	203
Munjguda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh	159	163	167	164	165	171	164	168	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	206	163	171	147†
Nana	203	207	209	202	208	219†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
Salamatpur	282	244	250	240	252	289	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

z Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st Jan., 1954	32,993
	Corresponding week, 1953	58,659
	1st Sept., to 21st Jan., 1954	5,02,854
	Corresponding period, 1953	5,77,593
Cotton Exports	Week ended 21st Jan., 1954	3,286
	Corresponding week, 1953	5,317
	1st Sept., to 21st Jan., 1954	53,881
	Corresponding period, 1953	1,34,059
Mill Consumption	1st Sept., to 21st Jan., 1954	4,03,084
	Corresponding period, 1953	4,58,527
Stock (with exporters dealers & mills) in Bombay	On 21st January, 1954	2,83,325
	Corresponding date, 1953	3,70,041
Karachi (Pakistan)		
Receipts	Week ended 9th Jan., 1954	64,188
	Corresponding week, 1953	83,377
	1st Sept., to 9th Jan., 1954	5,67,538
	Corresponding period, 1953	6,68,539
Exports	Week ended 9th Jan., 1954	18,352
	Corresponding period, 1953	19,700
	1st Sept., to 9th Jan., 1954	3,90,063
	Corresponding period, 1953	4,58,400

Particulars	From 1st Sept., to 18th Jan., 1953-54 Bales	From 1st Sept., to 18th Jan., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	3,874	4,149
Continent	10,384	45,327
China	251	318
Japan	29,098	68,588
U.S.A.	7,339	11,488
Other Countries	1,452	2,543
Total to all foreign countries	52,398	1,32,508
Coastal Ports	35,954	30,968

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	September, 1953	8,10,827
Foreign		62,818
Indian	Twelve months September 1952 to August, 1953	86,11,860
Foreign		8,49,786
Indian	Same Period 1951-52	93,97,458
Foreign		10,84,018
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Sept., 1953	8,84,164
Foreign		63,079
Indian	As on 30th Sept., 1952	11,55,459
Foreign		3,02,766
Cotton Pressed †	Week ended 8th Jan., 1954	13,865
	Corresponding week, 1953	21,014
	1st Sept., to 8th Jan., 1954	6,30,484
	Corresponding period, 1953	4,67,491

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101⅜
2½% Y. Loans	1938-39	1,16,17,46,000	1963-65	92¼
3% Loan	1950	30,33,10,000	1964	92¼
3% Loan	1948	1,10,11,78,000	1966-68	90⅜
3% Y. Loan	1944	1,14,04,87,000	1957	98⅛
3% Loan	1945	1,15,05,83,000	1970-75	86½
3% Loan	1948	1,13,61,64,000	1959-61	94¾
3% Loan	1951	50,35,63,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1947	37,00,49,000	1961	90⅜
2½% Loan	1946	35,06,05,000	1954	99⅛
2½% Loan	1947	14,77,45,000	1976	82⅜
2½% Loan	1947	75,85,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000	On September, 1956 or later at option of Government after three months' notice.	82⅜
REPATRIATE STERLING LOANS				
3½% Loan	1931	12,88,18,000	1954-55***	100½
4½% Loan	1928	3,25,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅜
3 % Bombay	1949	6,00,15,000	1st Aug. 1959	94⅜
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅜
3½% Bombay	1951	3,54,96,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Coorg	1943	30,00,000	1st Oct. 1955-58	99
3 % Coorg	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st Jan. 1956-61	99
3½% Hyderab Bridge (New)	1936-37	2,31,97,100	1956-66	95½
3 % Madras	1939	1,29,74,600	21st Jan. 1956	94⅜
3 % Madras	1942	1,23,23,000	18th Sept. 1955	99
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,66,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,19,000	14th Sept. 1960	93½
2½% Madras	1946	3,99,93,300	1st Sept. 1961	91
3 % Madras	1950	4,47,00,000	31st July 1960	93⅛
3½% Madras	1951	3,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99½
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99½
3 % Mysore(J)	1930	1,63,44,300	1st Nov. 1955	104½
4 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-62	101⅛
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	3,68,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,25,800	15th Aug. 1958	96⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94
3½% M.P.	1951	1,02,18,100	17th Sept. 1962	97⅜
4 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅜
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,99,81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	16th Aug. 1952-54	99⅜
3½% Travancore	1936	90,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,61,96,500	15th Sept. 1961-66	96⅜
3 % U.P.	1944	3,07,79,600	15th Aug. 1958	97
2½% U.P.	1945	2,24,80,300	14th Sept. 1960	94
3 % U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅜
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1966	
44,00,000	4	1907	1968	
50,00,000	4	1908	1968	97⅛
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
50,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,15,276	4	1913*	1960	D
80,80,000	4	1913	1974	90¼N
88,25,900	4	1914	1975	99¼
48,00,000	4	1915	1960	
55,00,008	4	1915*	1970	
41,61,000	4	1922*	1940	
13,51,800	4	1924*	1940	
10,25,000	3½	1926*	1960	
35,00,000	3½	1926*	1957	
12,50,800	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,38,800	3½	1935*	1961	
15,58,000	3½	1936*	1966	
48,04,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	
78,90,100	4	1915	1975	98⅛
58,02,300	3½	1921	1981	79
1,50,00,000C	6½	1921	1981	104N
1,24,64,500	5	1925	1955-85	105
98 21 600	5	1927	1957-87	105½
99,84,300	5	1926	1956-86	104⅛
1,49,49,500	5	1927	1957-87	105½
1,49,38,000	5	1927	1957-87	105½
1,50,00,800	4½	1931	1991	92½
21,75,000	3½	1931	1991	92½
68,98,800	3½	1935	1965	99⅛
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	78N
8,45,300	5	1929	1979	82½
50,00,000	3	1946	1976	82
50,00,000	3	1947	2006	70N
50,00,000	2½	1947	1977	78
50,00,000	3	1947	1978	81
50,00,800C	3	1949	1979	84
1,00,00,800	3	1950	1980	80
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	99½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£87⅞
£901,000	5	1924	1954-84	£87⅞
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,50 347	4	1912	1982	
52,14,600	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	5	1920	1982	
2,15,852	6	1921	1952	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
60,00,000	4	1904	1964	97⅝N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1912	1972	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅝N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	113N
66,00,000	6	1920	1955-80	
25,00,000	4	1926	1956-86	115N
25,00,000	4	1927	1961-76	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1905	1960	£93½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1944	100
35,00,000	3½	1935	1945	99
30,00,000	3	1936	1946	98
50,00,000	3	1937	1963	90
20,00,000	3	1938	1943-48	98
80,00,000	3	1952	1962	100

MUNICIPAL LOANS

Rs.				
BOMBAY				
40,00,000	4	1913-14	1954	99⅜
20,00,000	4	1911-12	1955	99⅜
20,00,000	4	1011-13	1955	100
20,00,000	4	1928	1958	111
1,60,00,000	4	1928	1958	111
25,00,000	5	1928	1958	113
5,23,00,000	5	1929	1949-59	105
8,45,300	5	1929	1949-59	105
1,20,01,500	5	1929	1959	102⅜
2,50,00,000	3½	1929	1959	
2,50,00,000	3½	1947	1977	86½
4,00,00,000	3½	1949	1979	86½
2,50,00,000	3½	1950	1965	92
2,50,00,000	3½	1952	1962	100½
80,00,000	3½	1931	1966	97
CALCUTTA				
34,45 500	6	1925	1955	105⅜
84 70 000	6	1925	1955	104⅜
25 00 000	5	1928	1958	103⅜
25 00 000	5	1928	1957	103⅜
25 00 000	5	1929	1959	103⅜
33 91 000	5½	1932	1962	108
60,00,000	3	1936	1966	93⅜
28,11,400	3½	1936	1968	88⅜
4,67,100	3	1937	1954	99⅜
1,62,500	3	1937	1954	98⅜
4,18,100	3	1937	1956	97⅜
47,50,000	3	1938	1958	88
10,67,700	3	1938	1958	88
15,56,800	3	1938	1955	97⅜
15,56,800	4	1939	1956	99⅜
15,56,800	4	1939	1956	99⅜
17,64,400	3½	1940	1957	99⅜
21,10,000	3½	1942	1958	96⅜
15,49,000	3½	1942	1972	92
16,33,000	3½	1951	1960	96
66,18,000	3½	1951	1961	96
87,36,000	3½	1951	1966	96
		1952	1962	99⅜
MADRAS				
Rs.				Rs.
5,00,000	4	1903	1953	101N
3,00,000	4	1923	1953	107N
3,40,000	6	1925	1955	107½N

ABBREVIATIONS.—M=Held by Government of Madras. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(e) This includes the amount of loan converted into First Development Loan 1970-75. (J) Income-tax free.
Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April.
*Loans held entirely by the Trustee. A=Held by Government of India.
**Quotations in Pak. Currency ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	147	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	110	100
East India Distilleries	£200,000	1897	7	Jan. July	£1-14½	£1
Gwalior Sugar	9,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	16	10
Parbatpore Co.	6,00,000	1922 •	10	Oct. ..	16	100
Rammagar Cane	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Apr. Apr.	75	100
South Behar Sugar	2,00,000	1936	7(a)	Oct. ..	60N	100
Travancore	2,00,000	1946	5(c)	Dec. ..	90N	100
Upper Ganges	13,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8⅛	10
Equitable	4,00,000	1895	5	Mar. Sept.	117xd	100
Karanpura Collieries	1,50,000	1946	5½(a)	.. ..	83	75(pp)
††Khas Kajora	1,93,000	1931	7	Mar. Sept.	7N	10
New Beerbhoom	2,00,000	1931	7	Jan. July	13	10
Ondalf	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	9,00,000	1884	6	Jan. July	124½	100
Basanti Cotton	3,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,200	1898	7	Apr. Oct.	122	100
Bengal-Nagpur	2,00,000	1900	8	Feb. Aug.	140	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	92	250
Do. 'B'	14,75,000	1919	7	June Dec.	326½	100
Bradbury	21,30,200	1920	7½	Jan. July	133½	100
Buckingham & Carnatic	1,00,000	1928	7	Apr. ..	125½	100
Cambodias	50,00,000	1912	5	Apr. Oct.	510	500
Central India	1,00,000	1935	6½	Nov. ..	124½	100
Coimbatore Pioneer	11,00,000	1912	8	May Nov.	147	100
Elgin	4,20,000	1943	5	July Jan.	108	10
Do. 'B' Pref.	25,00,000	1919	7(a)	May Nov.	87	100
Elphinstone	25,00,000	1919	7	June Dec.	130	100
Kesoram	20,00,000	1923	6	Nov. ..	—	100
Khatau Makanji	29,92,500	1947	6	.. ..	86½	100
Do. (2nd)	12,00,000	1937	6	Nov. ..	10	10
Kothari	16,00,000	1895	5(a)	.. ..	221½	250
Lakshmi Cotton (Bombay)	17,25,000	1947	4½	January ..	74	100
Morarjee Goculdas Spg. & Wvg.	30,00,000	1900	4	Jan. July	98N	100
Muir Mills	4,45,050	1890	4½	.. ..	9⅜	10
Mysore Spg.	8,00,000	1913	5½(a)	Mar. ..	185	200
New Great	26,05,500	1920	5	Apr. Oct.	38	100
New Victoria	10,00,000	1943	4	Feb. ..	79	100
Podar Mills	2,00,000	1932	6½	Apr. ..	56	50
Rajnikanth	2,00,000	1944	6	.. ..	..	100
Shree Niwas Cotton	32,00,000	1943	3(a)	.. ..	80	100
Sholapoor	15,00,000	1935	6	Apr. Oct.	115	100
Svadeshi	33,00,000	1927	6	June ..	90	100
Swadeshi (Kanpur)	3,00,000	1931	6½

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nomina quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
20,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajkumna Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2¾	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,23,455	45,644	B. K. Sons, Ltd.	50,828	1,021	B.K. Cotton Mills	49¾	100	6 0	6 0	Nil	Nil	12	Y.P.T.
8,20,91,000	2,16,13,960	3,77,02,950	3,19,95,197	1,80,774	Nowrozjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing & Mfg. ..	422½	250	17 8	20 0	20 0	Nil	3	Y.P.T.
19,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,932	1,150	Hindhoy Mills	902½	250	75 0	100 0	100 0	100 0	3	Y.
1,89,42,800	2,08,18,653	2,43,74,511	1,60,92,413	5,38,569	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	306	100	18 0	20 0	20 0	8 0(i)	12	Y.P.
40,00,000	14,04,856	1,06,30,358	59,37,373	5,066(i)	V. J. Pilani (Chairman and Managing Director) ..	40,668	698	Colaba Land & Mill	65	100	Nil	Nil	Nil		12	Y.
36,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd. ..	27,308	680	Coorla Spg. & Wvg.	107½xd	100	7 8	Nil	4 0(c)		12	Y.
16,00,000	20,04,821	43,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	38,304	...	Dawn Mills	30	100	Nil	6 0	6 0	7 8	3	Y.
34,00,000	24,00,000	48,31,115	57,35,008	5,622	Parasmal Radhakishan & Co. ..	50,296	928	Edward Textiles	267½	100	15 0	15 0	15 0		12	Y.
29,92,700	12,93,292	1,10,11,972	73,99,223	41,842	Chidambaram Mulrs[& Co., Ltd..	44,768	886	Elphinstone Spg. & Wvg. ..	41¼	100	3 0	(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,732	64,00,705	8,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	268	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,40,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	43,752	1,022	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	200 0	225 0(c)	12	Y.
2,00,00,000									11¾	250	43 12	50 0	50 0	56 4(c)	3	Y.P.
50,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	1-10½	10	0 12½	1 1½	Nil		12	Y.
50,00,000 D.									1-10½	1D	0	1 4	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	47,172	1,191	Indian Mfg.	3,400	1,000	175 0	200 0	200 0	225 0(c)	3	Y.P.
39,92,500	49,54,660	2,97,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd. ..	77,404	1,517	Khatau Makanji Spg. & Wvg.	195	500	87 8	100 0	100 0	112 8(c)	3	Y.P.
1,00,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,23,085	Killick Industries Ltd.	1,11,444	1,846	Kohinoor Mills	318	100	12 0	14 0	10 0	10 0	6	Y.
20,00,000									89	100	18 0	25 0	18 0	6 0(i)	12	Y.
5,00,00,000	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,745	Madhusadan Mills	87	100A		5 1	6 4	6 4(i)	6	Y.P.
28,13,630	47,03,470	1,01,00,376	42,51,268	34,034	N. Sirur & Co., Ltd.	43,448	1,650	Modern Mills	90N	20B	1 8	2 0	1 4	1 4	6	Y.P.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,06,464	Piramal & Sons	50	...	Morarjee Goculdas Spg. & Wvg.	1981	100	17 0	15 0	12 0		10	Y.
1,40,42,000	2,66,192	4,27,10,526	70,09,000	38,933	Chisal & Co., Ltd.	45,944	432	National Rayon Corporation	150	100	Nil	Nil	Nil		12	Y.
34,00,000	26,69,841	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg. ..	174½	100	10 0	12 8	10 0		12	Y.
30,00,000	21,71,710	44,47,525	29,54,624	70,276	W. H. Brady & Co., Ltd.										12	Y.
12,70,100	36,34,004	42,49,552	13,76,688	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	26½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,32,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	125	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,38,251	Poddar Sons, Ltd.	52,600	1,300	Podar Mills	140	100	10 0	10 0	10 0		12	Y.
5,00,000	8,91,779	21,19,461	11,93,348	9,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	198	10	1 0	1 0	1 4		12	Y.
55,00,000	60,49,474	1,17,57,612	81,93,644	21,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	70½	10	1 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles (Agency) Ltd. ..	66,452	1,640	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,82,108	78,77,540	45,99,000	39,938	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	155xd	50	14 0	17 0	15 0(c)	15 0	3	Y.
55,00,000	1,30,49,560(e)	1,18,80,653	78,39,381	2,880	Mafatlal Gagalbhai & Sons ..	53,881	1,433	Standard Mills	330	100	15 0	18 0	20 0		12	Y.P.
12,00,000	1,21,71,160	1,37,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	288½	100	16 0	18 0	16 0		12	Y.P.
54,00,000	70,08,599	65,86,475	53,43,077	5,71,226	James Finlay & Co., Ltd.	35,804	552	Swan Mills	340	100	20 0	22 0	30 0		12	Y.
34,34,438	59,25,268	68,88,367	29,93,248	32,338	Tata Industries Ltd.	39,648	1,800	Tata Mills	53	25	2 0		2 0		12	Y.P.
12,00,000	60,35,708	98,62,654	75,30,900	6,346	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg. ..	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
30,00,000	38,80,266	88,39,883	51,00,670	3,879	Tata Industries, Ltd.	44,224	1,816	Ahmedabad Advance Mills ..	148½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,848	83,84,129	38,40,000	1,761	F. M. Muthoosing & Sons, Ltd. ..	42,768	912	Aruna Mills	167½	100	15 0*	20 0*	20 0*		12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,006	1,940	Narottam Lalbhai & Co.	42,448	1,218	Arvind Mills	767½	100	25 0*	30 0*	25 0*		12	Y.P.
10,00,000	40,52,169	76,03,158	51,50,900	1,11,383	Mangaldas & Bros., Ltd.	35,884	884	Ayyedaya Ginning & Mfg. ..	305	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,66,455	1,05,818	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	225½	100	17 0	22 0	22 0		12	Y.P.
1,24,37,500	1,06,96,329	3,71,46,168	2,37,51,344	2,17,965	Kirloskarvadi Premchand Ltd. ..	1,31,120	2,408	Calico	318½	125	12 8	15 0	15 0		12	Y.P.
50,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumal Bhogilal & Co., Ltd. ..	39,316	964	New Commercial Mills	1,075	500	35 0	70 0	70 0		12	Y.
30,00,000	70,78,334	94,79,263	74,68,978	1,785	Mafatlal Chandulal & Co., Ltd. ..	47,952	886	Shorrock Spg. & Wvg.	611	125	35 0	35 0	35 0		12	Y.P.
8,00,000	61,08,644	43,89,260	28,78,001	1,583	Jagabhai Bhogilal Narandey & Co., Ltd.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	37,598	836	Rajesh Mfg.	670	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,667	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	46,688	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	Nil		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	660	Rohit Mills	125	100	10 0	10 0	10 0		12	Y.P.
24,90,150	1,18,64,000	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co. ..	34,576	1,325	Shri Ambica Mills	317	50	15 0	18 0	18 0		12	Y.P.
19,32,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	728	Shorrock Spg. & Mfg.	375	100	15 0	20 0	20 0		12	Y.
88,00,000	29,08,070	91,15,078	47,72,855	16,259	Haridas Achratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
55,00,000	96,065	33,10,908	17,75,212	—3,06,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	38	10	0 8	0 5	Nil		12	Y.P.T
7,11,280	2,05,851	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Luxmi Cotton Mills ..	27N	40	Nil	Nil	Nil		3	Y.
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Ketkewell Bullen & Co., Ltd. ..	42,872	841	Bowrah Cotton Mills	270	100	Nil	Nil	7 0		12	H.P.
19,00,000	25,16,186	93,02,818	69,98,291	—1,73,621	Ketkewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	193	100	Nil	Nil	Nil		6.12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	21¾	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000									—	25	1 14	1 14	1 4			
33,96,288	9,73,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	10	10	0 12	0 12	0 8		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,338	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.
18,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	...	Alagappa Textiles(Cochin)Ltd.	10	100	0 14 2/5	0 8	9 3/5		12	Y.P.
91,94,400	51,72,009	1,90,39,719	45,27,372	18,458	Industrial Trust Fund, ...	19,944	440	Azam Jahi Mills	67N	100	Nil	Nil	Nil		9	Y.P.T.
48,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	290	100	17 8	20 0	15 0		6	Y.
87,80,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,836	782	Bengal-Nagpur Cotton Mills..	14	10	1 4	1 8	1 8	1 0	12	Y.P.
15,00,000	95,71,590	84,27,674	38,07,674	4,60,089	Birla Brothers, Ltd.	1,19,916	2,781	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	2 8	3 0	3 0	4 0(c)	12	Y.P.T.
1,78,47,800	1,37,95,666	5,14,53,572	2,64,81,551	3,79,284	Binny & Co. (Madras), Ltd. ..	37,536	391	Buckingham & Carnatic	137	100	6 14	7 8	4 0		3	Y.
20,00,000	16,31,836	30,32,641	16,31,870	93,399	Petrea, Leslie & Co., Ltd.	28,796	591	Cambodia Mills	121	10	Nil	1 4	1 4	4 0(i)	12	Y.P.T.
30,00,000	21,97,992	56,31,479	45,84,813	39,859	Begg, Sutherland & Co., Ltd. ..	28,864	...	Camperdown Textiles	5	10	0 9	1 0	1 0	0 9	12	Y.
12,90,000	15,07,000	27,82,848	17,29,993	—1,32,723	Ribemore Naidu & Co.	19,700	...	Coimbatore Cotton Mills	175	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	23,84,987	13,33,423	—1,31,496	T. R. N. Naidu & Co.	19,700	...	Coimbatore Mfrs. Mills	133	100	12 8	12 8	9 0		12	Y.
28,74,500	4,56,696	1,14,49,011	66,08,062	—10,23,340	Coimbatore Spg. & Wvg.	42-12	950	6	Y.
46,87,500	88,12,906	2,50,18,398	1,41,81,388	9,313	R. G. S. Naidu & Co.	1,15,188	2,062	Central India	194	100	6 0	6 0	Nil	Nil	6	Y.P.
3,38,34,450										100	12 0	12 0	12 0	12 0	6	Y.P.
1,00,523	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	Tata Industries, Ltd.	75,604	1,830	Delhi Cloth & General Mills..	31	25	2 0	2 8	1 4/3	1 12	6	Y.P.
34,34,800	16,26,596	37,58,169	25,47,428	29,746	B. R. Charat Ram & Co., Ltd. ..	29,900	201	Dhanalakshmi Mills	209	100	25 0	20 0	10 0	2 4/3	6	Y.P.
68,00,000	46,00,000	1,40,85,212	1,13,21,681	73,424	M. N. Chettiar & Sons	16	10	1 2	1 8	1 8	1 0		12	Y.
39,84,700	43,10,800	82,22,387	60,36,000	1,83,375	Begg, Sutherland & Co., Ltd. ..	22,652	1,198	Elgin Mills	16	10	1 2	1 8	1 8	1 0	12	Y.
50,00,000	12,52,505	1,23,32,498	88,30,323	2,824	Forbes, Forbes Campbell & Co., Ltd.	28,038	2	Gokak Mills	254	100	10 0	14 0	17 0*	9 0(i)	12	Y.
8,90,000	11,61,067	24,01,258	13,55,172	—2,58,281	Govindram Sakaria (Indore) ..	30,420	1,420	Indore Malwa United	100	100	3 0	5 0	6 0		12	Y.
24,00,000	15,75,000	61,55,358	8,50,000	3,682	G. V. Naidu & Co., Ltd.	23,784	200	Jaunsrdas Mills	65	50	3 0	7 8	3 12		12	Y.
52,00,000	70,45,345	1,38,43,856	93,43,354	1,99,524	Kothari & Sons	38,312	1,213	Lakshmi Cotton Mfg.	18	10	0 12	0 12	0 12		12	Y.
53,44,150	53,30,000	94,98,025	59,73,673	14,397	Bombay Co., Ltd.	33,642	...	Lakshmi Mills	550	250	37 8	50 0*	37 8	10 0(i)	12	Y.P.
1,78,02,480	2,82,94,292	4,16,07,733	5,11,43,987	8,90,994	G. K. Naidu & Co.	73,304	200	Lakshmi Mills	87	50	4 0	4 0	4 0	4 0(i)	6	Y.P.
12,00,000	4,17,363	24,32,416	13,52,890	—22,590	A. & F. Harvey Ltd.	4,64,748	...	Madura Mills	40½xd	25	2 0	3 0	2 8	2 8	3	Y.
60,00,000	62,50,000	55,54,648	38,37,862	77,484	A. A. Rasool & Co., Ltd.	24,252	603	Malabar Spg. & Wvg.	126	100	12 0	12 0	12 0		12	Y.
39,80,884	22,90,000	73,48,256	42,28,184	25,960	W. A. Beardsell & Co., Ltd.	36,416	678	Mestur Industries Ltd.	223	100	25 0	12 8	12 8		12	Y.
94,91,850	27,36,360	1,53,05,970	18,81,528	27,241	N. Sirur & Co., Ltd.	49,456	952	Minerva Mills	92	100	6 0	7 0	7 8	7 8	12	Y.
30,00,000	52,19,600	1,31,39,272	1,05,91,911	—7,77,290	Basalial Abirchand Dadabhoy & Co.	86,318	1,834	Model Mills (Nagpur)	141½	100	15 0	15 0	12 0		12	Y.
19,84,808	61,53,392	93,44,233	59,85,576	42,197	Indian Textile Syndicate Ltd. ..	49,432	500	Mulr Mills	195N	100	Nil	Nil	Nil		6	Y.
13,61,780	2,58,745	28,34,299	15,36,624	2,232	Mysore Spun Silk Mills	6,000	...	Mysore Spun Silk Mills	146½	10	Nil	Nil	Nil		12	Y.P.
82,89,883									1-8	10	0 2½	Nil	Nil		12	Y.P.
3,07,095 D.	25,62,533	98,01,625	52,78,826	—25,85,856	Sri N. G. Naik	50,228	1,148	New Victoria Mills	0. 2½	1	Nil	Nil	Nil		3	Y.
87,03,800									D. 1		Nil	Nil	Nil			
4,00,000 A	61,53,493	1,58,62,385	99,76,151	17,946	J. P. Srivastava & Sons, Ltd. ..	30,896	717	Osmanshahi Mills	90N	100	5 8	6 8	7 0		9	Y.
6,00,000 B									68	50A	5 0	5 8	7 8			
14,00,000	6,37,362	26,20,198	13,74,913	3,380	Industrial Trust Fund	22,800	...	Palani Andavar Mills	93	50B	3 0	3 0	3 8		9	Y.
6,00,000 B									45	100	7 4	12 0	11 4		12	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	Bhaghyalakshmi & Co.	27,980	...	Pankaja Mills Ltd.	163½	100A	16 0	16 0	6 0		12	Y.
16,81,200 A	14,65,842	52,66,772	24,17,974	2,062	C. S. R. Modaliar & Sons	38,864	200	Radhakrishna Mills	79½	50B	8 0	8 0	3 0		12	Y.
8,40,600 B									90	50	4 8	5 0	Nil		12	Y.
15,00,000	25,00,994	22,62,213	14,58,375	—48,364	A. G. Gurusamy Naidu & Co.	25,896	...	Rajalakshmi Mills	45N	100	Nil	Nil	Nil		12	Y.
60,00,000	62,46,508	1,03,28,822	30,52,326	—11,26,958	B. R. Naidu & Sons	12,500	600	Rasal Textiles	75xN	100	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,228	J. P. Srivastava & Sons (Rampur).	13,824	640	Shree Sajjan Mills	36	10	Nil	Nil	Nil		12	Y.P.
7,79,700	2,24,959	21,50,228	14,08,115	3,083	O. Lisdhar & Co., Ltd.	18,416	416	Sitaram Spg. & Wvg.	36	60	Nil	Nil	Nil		8	Y.
14,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,84,498	T. R. A. Iyer & Bros., Ltd.											
					Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	1,520	1,000	Nil	Nil	Nil	Nil	2	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	Sri Krishnarayendra Mills	25,200	992	Sutlej Cotton Mills	56½cd	100	4 0*	4 0*	3 0*	4 0*	3	Y.P.
15,00,000	92,52,602	81,28,140	52,31,896	32,22,471	H. N. Pallegar, Esq.	27,340			50N	50	4 0	4 0	4 0	4 0	3	Y.
					Birla Brothers, Ltd.					10					3	Y.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8½	100	0 8	0 8	Nil		12	Y.P.
1,57,50,000									8½	10P	0 0 14	2/5 0	14 2/5	Nil		
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.	16,000	...	Travancore Rayons	7-13½	10	Nil	Nil	Nil	Nil	12	Y.P.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	33,704	270	Trichunopoly Mills	10	10	1 0	1 0	0 11	1/5	12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. & Chetty & Brothers	54,280	1,495	Vasanta Mills	175	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,359	1,20,63,197	85,26,292	2,21,881	Bombay Co., Ltd.			Vishnu Cotton	143½	100	9 0	14 0	12 0		12	Y.

(b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

* Includes bonus.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X, R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	20½	25	Nil	2 12½	Nil	Nil	5	Y.P.
6,64,000							9	10	Nil	1 2½	Nil	Nil		
16,20,630	15 83,781	23,47 704	11.58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	1 0	0 8	0 8	0 8	3	Y.
680,000A	2560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	15§	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							23§	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		3	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman) ..	United Breweries	160	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	10¼	A. 100	3 12	7 8	7 8		12	Y.P.T.
39 63,334B							10¼	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	4 8

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	53	25	1 4 / 1 4	1 9 / 1 0	1 9 / Nil	1 9 / Nil	6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd. ..	India Paper Pulp	185	100	4 0	5 0	5 0	..	3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	16½	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	48½	10	0 12 / 1 0	1 0 / 1 0	1 0 / 1 0	1 0f / ..	3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	20½	10	0 8 / 0 10	0 12 / 0 12	0 12 / 0 12	..	6,12	H.P.T.
28,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / Nil	Nil / 0 4	Nil / 0 4	.. / ..	3,9	H.P.T.
56,00,000A. / 86,04,800B. / 4,87,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	35½	35½ / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0*f / 1 0*f / 0 2f	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y.
4,30,100	1,00,000	6 69,526	4,73,056	2,354	Pyne & Sons	Camperdown	86N	100	6 0	6 0	7 0	4 0	7	Y.
5,00,000	1,55,000	11,21,500	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y.
PROPERTY AND LAND														
10,00,780O. / 2,00,000D.	6,02,582	42,65,784	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8½ / Nil	.. / ..	9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	....	David Sassoon & Co., Ltd. ..	Port Canning Land	253d	100	2 0	Nil	1 0	1 8	4	Y.
84,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	36½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,334	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4	..	9	Y.
84,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	389 / 141	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	15 0 / 6 0	5	Y.
6,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Jarcine Henderson Ltd. ..	Bengal Timber Trading	300	100	5 0	Nil	3 0	1 0	6	Y.P.
15,00,000					Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	34½xd	10	3 8	3 8	3 0	1 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120A / 111N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10–0 / 1–0	4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½ / 164xdN	7½ / 10	Nil / 1 4*	0 10 / 1 4*	0 12 / 1 4*	..	9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	10	10	1 0	1 0	1 8	1 8	6	Y.P.
82,00,000	21 18 481	1,79,41,870	81 68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	7½	10	Nil	Nil	Nil	..	6	Y.P.T.
13,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	37½	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24	10	1 8	1 8	2 0	1 0	6	Y.
85,00,000A / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	130N / —	A. 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	6	Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co. ..	Kesar Sugar	50N / 22N	80 / 40	3 0 / 1 8	4 0 / 2 0	Nil / Nil	Nil / Nil	7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	23½	10	1 8	2 0	2 8	2 8	6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Savan	6xd	10	0 8	0 10	0 8	..	6	Y.
1087,500 A. / 2,11,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	18½N / 45N	100 / 25	20 0 / 3 12	20 0 / 5 0	20 0 / 3 0	20 0 / 3 0	6	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0	11 0	7	Y.P.
12,00,000	12,11,178	28,94,458	18,51,946	66,090	Narang Bros. & Co., Ltd. ..	Punjab Sugar	10½N	100	6 0	10 0	6 0	..	6	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Purabpore Co.	14½	10	1 0	2 0	1 0	1 0	10	Y.P.
8,00,000	6,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	13N	10	1 8	2 8	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,37,360	31,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	13½	10	1 8	2 8	1 0	0 8	6	Y.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	10N	10	1 0	1 8	1 8	..	7	Y.P.
9,99,950	61,825	22,84,311	11,58,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 6½	..	6	Y.
6,50,000O. / 1,75,000D. / 8,00,000	47,623	23 93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	1N / 3N	O. 10 / D. 25	Nil / Nil	Nil / Nil	.. / ..	.. / ..	10	Y.P.
14,00,000	9,19,618	30,61,987	24,91,617	30,665	Cotton Agents Ltd.	Upper Ganges Sugar	22N	10	1 12	2 0	2 0	2 8	6	Y.P.
	James & Finlay & Co., Ltd. ..	United Provinces Sugar	13½	10	0 4½	2 0	1 8		9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	31,13,758	63,916	W. H. Brady & Co., Ltd. ..	Belapur Company	259	50	12 8	14 0	16 0	..	9	Y.
27,64,900	2,31,644	37,63,451	16,01,711	21,083	Sir J. P. Srivastava & Sons (Pvt.) Ltd.	Gwalior Sugar	45N / 23½	100 / 10	Nil / 1 8	5 0 / 2 8	3 0 / 2 8	16 0 / ..	9	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	10½N	10	0 12	1 0	1 4	2 8	9	Y.P.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Goven Bros. (Rampur), Ltd.	Buland Sugar		10	0 12	1 0	1 0	1 0	10	Y.
21,79,280	19,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44	10	2 0*	2 0	2 0	2 0	6	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kanitkal Ltd. ..	Phalan Sugar	112	50	8 0	8 0	8 0	8 0	6	Y.
16,59,820	23,20,939	44,76,150	22,24,449	1,61,652	Andersen Wright Ltd.	Ramnagger Cane and Sugar ..	19	10	0 9½	0 12	2 0	0 8	6	Y.
20 00,000O. / 4,00,000D	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	6 11½	..	9	Y.P.T.
19,99,600	34,21,561	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	10½N	10	1 0	1 4	0 12	..	10	Y.
30,00,000	10,73,792	58,70,150	13,08,961	20,940	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil	..	7	Y.P.
77,50,000A / 13,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	162½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	..	9	Y.P.T.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	163	100	10 0	12 8	12 8	..	10	Y.P.
1,00,00,000	....	3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	5 0	..	12	Y.
4,65,380	£1 12s 737	£5 48,105	£3,512,999	£13,172	Kilburn & Co., Ltd.	India General Navigation & Rly.Co.	68	£10	Nil	Nil	8h10	..	12	Y.
8,25,00,000	74,99,233	2 91 13,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	7½xd / 16–14½	10 / 15	Nil / Nil	Nil / Nil	0 8 / ..	0 8 / ..	12	Y.P.
6,59,62,018	3,81,43,387	12,98,97,421	8,04,50,000	1,58,231	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..							6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	11,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	..	9	Y.
15,98,960	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0	..	12	Y.
85,00,000	1,60 000	25,18,130‡‡	8,079	8,955	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12	..	3	Y.
1,50,00,000	3,83,324	24,77,147	14,08,040	4,425	Choonilal Mansukhlal Ltd. ..	Dhanraj Investment Trust ..	23N	50	3 0	3 0	4 0	Nil	3	Y.
99,99,250	18,35,375	1,26,92,333‡‡	10,053	1,83,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74½	100	4 0	4 8	4 8	..	12	Y.P.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	157½ / 126½	100 / 75	8 8	8 8	10 0	10 0 / ..	12	Y.
8,06,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	54	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	40	20	2 0	0	0	..	12	Y.
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq (Managing Director).	Western India Match Co.	206½	100	11 0*	11 0*	11 0*	..	12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	..	12	Y.
Other Centres														
47,50,000O. / 2,50,000D. / 3,00,000B.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	48 / 38 / 21	O. 10 / D. 21 / ..	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4	..	3	Y.
30,00,000	15,34,104	23,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	16xr	10	1 4*	1 4*	1 4*	..	8	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Associated Hotels of India ..	Oberoi Hotels (India) Ltd. ..	94xd	10	0 9 3/5	0 9 3/5	0 9 3/5	..	12	Y.
90,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	285	O. 100 / D. 40	20 0*	25 0*	20 0*	5 0(f)	12	Y.
20,000	8,38,806	54,303,140@	....	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	161	10	1 4	1 4	1 4	..	4	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Bursula	12xd	10	1 4	1 4	1 4	0 8	9	Y.P.
8,25,00,000	95,00,000	2,34,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	8–15½	5	0 1	0 12	0 10	..	3	Y.P.
1,50,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,449	Cecil Stack, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	30	10	2 0	1 8	2 0	..	12	Y.P.
51,28,000	47,57,061	1,26,55,420‡	....	3,15,689	Bird & Co., Ltd.	Eastern Investments Ltd.	138	100	9 0	9 0	9 0	..	12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	191	100	10 0	12 8	20 0	..	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	108xd	100	7 0	10 0	10 0	7 8	9	H.
30,00,000	11,42,354	42,81,816	29,39,773	29,418	B. P. R Syndicate	Great Eastern Hotel	25½	250	12 0	15 0	15 0	..	3	Y.P.
12,42,800	5,96,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Indian Cables	10xN	100	7 8	7 8	9 0	..	3	Y.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	6–7½	10	Nil	Nil	Nil	..	10	Y.P.
1,60,00,000	18,55,000	3,07,87,993	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	50	3 0	3 0	3 0	..	12	Y.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	13,94,449	A. R. Driessen .Esq.	Indian Cables	20½	10	2 8	1 0	1 0	..	12	Y.
8,27,970	5,38,000	14,39,486	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	12½	10	1 0	1 0	1 0*	0 12	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	8,24,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	114	100	10 0	10 0	10 0	7 8	3	Y.P.
6,34,000O. / 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2½ / ..	O. 5 / D. ..	Nil	Nil	Nil	..	3	Y.P.
40,00,000O. / 5,00,000D. O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	185xd	O. 100 / D.O. 10	12 8 / 0 12	12 8 / 0 12	7-8 / C-4	.. / ..	12	Y.P.
1,30,55,750	30 19 025	13,73,127††	4,61,594	23,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	20½	10	1 4	1 12	1 6	..	9	Y.
8,15,255	7,74,603	7,74,603	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	34	10	0 10	Nil	Nil	..	12	Y.
4,88,040	8,84,829	9,73,621	3,93,109	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16½	10	1 0	1 0	1 0	1 0	12	Y.
10,00,000		11,49,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10½	10	Nil	1 0	1 0	..	3	Y.
20,00,000	36,41,172	50,75,803	33,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	15½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
99,97,000	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	10	10	0 4	0 8	0 8	..	12	Y.P.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 9 3/5	0 10§	0 4½	..	12	Y.P.
2,25,00,000	25,18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq. ..	Rallis (India) Ltd.	59½	100	8 8	9 0	Nil	..	12	Y.P.T.
1,14,00,000	78,53,108	6,09 39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	11½	10	Nil	1 0	1 0	..	12	Y.P.
40,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	Spencer & Co., Ltd.	C. W. Stephenson, Esq.	15½	10	1 0	1 0	1 0	..	6	Y.
75,00,000	35,00,000	12,11,9018	2,17,120	3,56,616	Shaw Wallace & Co., Ltd. ..	R. H. D. Campbell, Esq.	11½	10	1 0	1 0	1 0	0 8(f)	6	Y.P.
9,98,380	1,50 000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6§	Nil	Nil	..	12	Y.

§§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685
‡ Excluding goodwill (written down) Rs. 30 lakhs. ‖ Excluding Rs. 1,40,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8	..	12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	....	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12	..	12	Y.
3,50,000	5,68,250	10,44,174	3,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	2 0	Nil	..	12	Y.
5,50,000	7,21,414	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil	..	12	Y.
3,40,000	7,36,053	9,47,172	3,27,561	63,629	Andrew Yule & Co., Ltd. ..	369	Baamatia	34½	10	3 0	2 8	..	..	12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Batell	15½	5	1 8	0 8	..	..	12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	28½	10	3 8	1 8	Nil	..	12	Y.
16,50,000	17,31,034	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	34½	10	0 0	0 8	..	..	12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil	..	12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—22,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea	13½	10	1 8	1 8	Nil	..	12	Y.
35,00,000	9,05,082	72,59,232	16,14,783	12,511	Brooke Bond India Ltd. ..	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	12	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	12	10	1 8	Nil	Nil	..	6	Y.P.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd. ..	1,220	Dissai & Parbuttia	262	100	30	22 8	10 0	..	12	Y.
17,53,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhalakhat	13½	10	1 9 3/5	1 3½	1 0	..	12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	13½	10	2 0	1 0	Nil	..	12	Y.
4,50,000	2,75,000	8,03,461	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil	..	12	Y.P.
2,36,700	3,70,000	8,93,119	4,63,119	25,980	Williamson Magor & Co., Ltd.	423	Dimakusi	36½	10	1 0	0 8	Nil	..	12	Y.
5,60,500	4,50,000	16,38,137	9,38,157	1,15,948	Williamson Magor & Co., Ltd.	669	Duffaghur	40	10	2 4	4 0	2 0	..	12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	30	10	2 0	2 4	..	..	12	Y.P.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd. ..	407	Gillapukri	19	10	1 0	1 0	Nil	..	12	Y.
3,38,000	4,50,000	12,09,149	5,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	35½	10	1 4	2 0	..	..	12	Y.
4,94,360 / 2,40,790	13,22,810	17,71,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	31 / 15½	A.10 / B.5	3 0	3 0	2 0	2 0	12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,041	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	31½	10	1 8	1 0	1 0	..	12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolasgooree	307N	100	25	17 8	5 0	..	12	Y.
7,50,000	5,83,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 4	0 8	Nil	..	12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,146	Kignaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil	..	12	Y.P.
6,50,000	1,69,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16	10	8¾	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	16,99,800	45,53,094	32,11,551	4,42,186	Saho Jain Ltd.	498	Albion	193	100	4+10	15+15	8+10	12f	3, 9	H.P.
6,00,000	3,55,000	50,14,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil	Nilf	6, 12	H.P.T.
30,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	164	100	Nil	2½	Nil	Nil	Nilf	6, 12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	199	100	Nil	10	10+10	10+15	7½+5	3, 9	H.P.
40,00,000	38,68,132	1,32,58,243	81,24,904	42,740	Bird & Co., Ltd.	810	Auckland	120	100	13+4	6	6+3	5+5	6f	3, 9	H.P.T.
30,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co. ..	959	Bally	157	100	6+6	6+1	Nil	4+Nil	3, 9	H.P.
8,75,000	6,39,470	61,342,547	£1,046,810	£81,830	Sir John H. Barder (Chairman)	1,890	Barnagore	144	£5	£1	£1	£1	£1	3	Y.P.
28,80,000	35,49,623	88,18,168	48,06,254	62,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	199	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
23,50,000	55,95,000	54,22,523	24,75,686	4,28,770	Soorajmull Nagarmull	600	Bengal	13¾	10	1½	3	1	—	6	Y.P.T.
30,42,000	2,64,76,567	3,04,30,746	1,23,13,242	1,93,646	Birla Bros., Ltd.	1,373	Birla	14	10	2½	3	3	3	6, 12	Y.P.
36,00,000	29,72,925	1,08,11,310	70,78,743	27,143	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	150	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,380	4,29,738	49,77,158	36,73,499	93,461	Dayaram & Sons	502	Calcutta Jute Mfg.	143N	10	Nil	4	0+5	—	6, 12	H.P.T.
18,00,000	31,81,234	75,48,040	38,01,614	99,473	Andrew Yule & Co., Ltd. ..	616	Caledonian	162	100	4+10	10+12	6+6	6f	3, 11	H.
39,16,400	1,05,23,478	1,65,18,480	1,07,44,959	1,15,830	James Finlay & Co., Ltd. ..	1,400	Champdany	141	100	3+5	5+7	7+8	3f	3, 9	H.
15,95,000	38,39,283	79,79,086	54,30,736	84,809	Andrew Yule & Co., Ltd. ..	530	Chevriot	224	100	6+10	10+12	6+6	6f	5, 11	H.P.
30,15,000	46,90,000	59,26,842	42,86,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalash	11¾	10	4+4	4+4½	2½+1¾	1½f	6, 12	H.T.P.
16,00,000	17,00,000	78,84,949	64,24,448	18,647	Shree Krishna Investment Co., Ltd.	989	Clive	23½	10	1¾	½	Nil	Nil	3	Y.P.
31,49,200	59,29,308	1,28,67,836	81,35,715	8,357	Bird & Co., Ltd.	766	Dalhousie	140	100	1+3	8+6	6+1	1f	3, 9	H.P.
28,80,000	44,74,179	73,79,339	45,61,779	1,17,790	Andrew Yule & Co., Ltd. ..	779	Delta	221	100	5+12½	15+17½	10+10	10f	5, 11	H.P.
15,00,000	32,50,000	76,04,595	54,62,731	57,431	McLeod & Co., Ltd.	500	Empire	20½	10	1+1	1½+1½	1+1	1f	6, 12	H.P.
21,00,000	54,59,877	2,65,42,474	1,77,44,391	3,971	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	400	100	2½+20	12½+12½	10	Nil	3, 9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	328	100	Nil	4	Nil	Nil+5	3, 9	H.T.P.
64,32,100	3,13,094	2,09,72,140	1,34,77,245	—8,52,961	Macneill & Barry Ltd.	1,760	Ganges Mfg.	68	100	Nil	3f	Nil	Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Ghillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700	300	45	50	30	—	12	Y.
24,00,000	27,30,664	2,19,23,184	1,03,21,337	1,37,647	Macneill & Barry Ltd.	1,078	Gouripore	269xd	100	2½+15	10+10	10	Nilf	3, 9	H.P.
40,00,000	44,39,631	77,12,908	49,38,941	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100N	10	10	—	10	10	12	Y.P.
5,00,000	15,20,698	64,92,980	44,81,416	65,170	Ghillanders Arbuthnot & Co., Ltd.	720	Hooghly	29½	10	1	3	1½	1½	3	Y.P.
1,38,400	81,81,570	1,65,53,170	1,11,14,438	1,14,438	Jardine Henderson Ltd.	1,397	Howrah	24	10	1+3	8+6	6+1	1½f	3, 9	H.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	40⅞	7½	3½	5	5	3	3	Y.P.T.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	121	O. 125	39+9½	31+1½	34+3½	3½f	3, 9	H.
D. 30,000								—	D.	A 7-8 7-8	½	½	½		
24,00,000	24,95,613	1,36,83,508	1,17,96,380	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	181	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
"B" 19,20,000								176	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,40,962	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarah	140	Nil	3+7	5+7	6+4	5f	6, 12	H.P.
"B" 24,00,000								136	'B' 100	Nil	3+7½	6+4	5f		
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	170	100	10+10	12½+12½	7½+7½	7½f	6, 12	H.P.
24,00,000	22,65,373	1,60,84,337	1,08,05,489	4,98,392	Anderson Wright Ltd.	1,530	Khardah	190xd	100	11½	15	10+6	10+15	3, 9	H.P.
48,00,000	95,73,829	2,19,74,862	1,02,36,332	28,445	P. W. Heilgers & Co.	1,250	Kinnison	200	100	11+4	10+6	10+7	—	3, 9	H.P.T.
24,48,000	48,82,303	1,33,96,766	76,14,073	32,866	Bird & Co., Ltd.	931	Lansdowne	130	100	2+10	11+8	7+3	4f	3, 9	H.P.
38,00,000	38,69,796	1,13,85,476	61,83,386	7,757	Bird & Co., Ltd.	840	Lawrence	154	100	3+9	13½+11	11+4	2f	3, 9	H.P.
10,00,000	34,51,301	50,39,106	35,16,126	64,944	Andrew Yule & Co., Ltd. ..	295	Lothian	295	100	6+10	10+12	6+6	6f	3, 9	H.P.
81,45,200	25,35,448	1,93,98,406	1,16,00,448	38,020	Mackinnon Mackenzie & Co.	1,008	Megna	104	100	2½+6¼	2½+1¼	2½+2½	2½f	3, 9	H.
28,98,900	41,03,068	1,35,39,916	98,71,821	—7,86,971	P. W. Heilgers & Co.	1,115	Naihati	Nil	5	10+6	6	Nil	Nilf	3, 9	H.
20,00,000	13,80,000	77,31,786	56,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12	10	1+3	1½+1½	1+1	Nilf	4, 10	H.T.
33,00,000	44,27,437	27,58,552	8,93,551	1,01,832	Andrew Yule & Co., Ltd. ..	852	National	24½	10	1+1	1+1½	1+1	1f	4, 10	H.P.
7,50,000	40,00,000	24,25,148	17,12,518	31,895	McLeod & Co., Ltd.	516	Nellimarla Jute	11¾	10	1½+1½	2½+1	2+1	1f	6, 12	H.P.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Bahe Jain Ltd.	709	New Central	293	100	4+10	13+13	10+12	12f	6, 12	H.P.
16,79,880	47,26,931	1,21,23,908	54,32,587	36,283	Bird & Co., Ltd.	967	Northbrook	19½	10	Nil	Nil	1	1f	3, 9	H.P.T.
66,79,500	32,37,578	2,12,90,664	1,35,98,686	38,481	Macneill & Barry Ltd.	1,992	Nuddea	45½	50	Nil	1½	1½+1½	1 Nil	Nilf	3, 9	H.
24,91,000	26,56,049	70,68,289	48,27,892	1,85,356	Andrew Yule & Co., Ltd. ..	601	Orient	173	100	4+10	12+12	1+6	6f	5, 11	H.P.
23,06,000	4,41,364	80,71,921	61,33,411	—2,80,348	McLeod & Co., Ltd.	490	Premiency	5½	5	Nil	Nil	½	Nilf	6, 12	H.T.
39,00,000	58,659	63,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	1,276	Rameshwara	5¾	10	Nil	Nil	Nil	Nilf	3, 9	H.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,400	Reliance	15	10	10	Nil	Nil	Nil	3, 9	H.P.T.
£600,000	£1,102,561‡	£1,203,880		£82,440	Thomas Duff & Co. (India), Ltd.	1,513	Samnuggur	13	£1	10%	10%	10%	12½	12	Y.P.
30,00,000	13,07,220	97,26,210	59,19,652	6,85,668	Begaria More & Co., Ltd. ..	911	Shree Ambica	13½xd	10	Nil	1½+1	Nil	1f	3, 9	Y.P.
14,00,000	7,14,812	48,16,456	33,67,743	3,54,954	Hindustan Investment Corpn. ..	401	Soorah	23½N	10	Nil	Nil	Nil	Nil	6, 12	H.P.
25,19,600	49,32,957	97,24,215	56,00,072	10,963	Bird & Co., Ltd.	650	Standard	118	100	3+6	9+8	8+4½	1f	3, 9	Y.P.T.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13	£1	10%	10%	10%	10%	3, 9	H.P.
35,39,600	94,31,454	1,76,49,798	85,52,140	21,038	Bird & Co., Ltd.	1,328	Union	171	100	12½	12½+11	10+11	1f	3, 9	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	12½	£1	10%	10%	10%	10%	3, 9	H.P.T.
2,50,000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6¼	1	Nil	1/40	1/40	Nil	12	Y.P.
													Nilf	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaires	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,599	20,389	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	19¾	10	1+1	1+1	1+1	1f	3, 9	H.
12,00,000	8,42,703	37,55,383	34,23,543	38,826	Jardine Henderson Ltd.	Bararee Coke	19	10	½+½	½+½	½+½	Aa. 11½f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,827	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7N	10	½+½	½+½	½+½	½f	3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	507½	200	17½+17½	17½+17½	20+20	17½f	3, 9	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Andrew Yule & Co., Ltd. ..	12½	10	½+½	½+½	½+½	Nilf	4, 10	H.P.
15,97,000	4,73,358	37,29,385	22,67,565	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½	—	6, 12	H.P.
68,99,933	13,81,010	1,17,79,347	54,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	Nil	Nil	Nil	Nilf	6, 12	H.P.
7,15,000	14,67,077	51,08,472	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhuleshwaree	14½	10	Nil	Nil	Nil	—	9	Y.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	10	10	½	½	½	—	6	Y.T.P.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	7 6/8	10	Nil	Nil	Nil	Nilf	6, 12	H.
90,92,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	28½	10	1½+1½	1½+1½	1½+1½*	1½*	6, 12	H.T.
49,97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	8½	10	Nil	Nil	Nil	Nil	6, 12	H.P.
8,00,000	13,30,330	48,70,119	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Chuka	6½	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
6,00,000	1,41,587	7,50,000k	...	19,867	F. W. Heilgers & Co., Ltd. ..	Churia	14½N	10	1	1	1	1	3	Y.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	2⅜	10	1	1	1	—	6, 12	H.
£240,000	£332,801	£524,840	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	4	10	1+1	1+1	1+1	—	6, 12	H.
39,83,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	23½	10	2½	3	3	Nilf	6, 12	H.
10,00,000	2,63,255	8,41,725	2,33,943	66,865	Hastier's & Jones, Ltd.	Ghusick and Muslia	21½	£1	1½	3 (D)	2½	2½	9	H.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	15N	10	2½+2½	2½+2½	2+1½	1f	6, 12	H.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	38	10	3	3	4	3	3	Y.
£2,00,000	1,08,577	31,70,197	10,56,245	—1,95,348	Bajpaie Trust Ltd.	Joyte Coal	15½	10	Nil	Nil	Nil	Nil	6	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,256	Andrew Yule & Co., Ltd. ..	Kalapahari	1¾N	10	Nil	Nil	Nil	8f	6, 12	H.
20,00,000	...	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	40½N	10	1½+1½	1½+1½	1½+1½	1½+1	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherriah	80	100	Nil	Nil	Nil	Nil	2, 8	H.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berwala & Co.	Khas Kajora	40½	10	1½+1½	1½+1½	2+2	2+2	2	Y.P.
11,00,240	50,000	15,87,975	10,31,144	3,411	H. V. Low & Co., Ltd.	Kusrdi	74N	10	3+3	3½	—	—	1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Laturka	6⅝	10	3⅜	3⅜	—	—	6, 12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	38,398		Nature	10½N	10	—	—	—	—	6	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd. ..	New Beerbhoom	6⅝	10	1+1	1+1	—	—	4	Y.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Mashbhoom	18½	10	3/10x3/10	Nil	Nil	Nil	6, 12	H.
1,15,000	3,34,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd. ..	North West	11	10	1+1	1+1	Nil	Nil	4, 10	H.P.
1,57,500							121 N	10	1+1	1+1	Nil	Nil f	3, 9	M.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	8N	7½	1+1	1+1	1+1	1f		
18,00,000	1,10,000	33,60,122	14,26,827	56,421	K. C. Thaver & Bros.	Oriental Coal	19¾	10	1½+1½	1½+1	1+1	1f	3, 9	H.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Panaea	3¾	10	Nil	Nil	Nil	—	6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	23½	10	1½	1½	Nil	Nil	12	Y.T.
23,99,500	15,67,105	1,09,49,971	76,28,256	—4,53,764	B. N. Elias & Co., Ltd.	Ramagunga	10⅞	10	1+3	1+3	1+1	Nilf	6, 12	H.P.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd. ..	Rewa	Nil	10	Nil	Nil	Nil	—	2, 8	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	2¾	10	1+1	1+1	1+1	1f	3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Ghillanders Arbuthnot & Co., Ltd.	Seamore	7½	10	1+1	1+1	1+1	1f	6, 12	H.
2,80,000	6,77,288	28,40,123	15,19,969	25,876	Andrew Yule & Co., Ltd. ..	Seebpore	8½N	2½	1+1	1+1	1+1	—	6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	24	7	2½+2	2+2	2+1	1f	1	Y.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		9N	10	2½	Nil	Nil	Nilf	6, 12	H.P.
						Singareni	6⅜	10	1	1	1	1f	6, 12	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	9⅜	10	1½+1½	1½+1½	1½+1½	1f	12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	20⅜	10	1+1	1+1	1+1	1f	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3	2½	Nil	Nil	Nil	—	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	23½xd	10	1½+1½	1½+1½	1½+1½	1f	3, 9	Y.
49,98,000	...	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	5⅝	10	Nil	Nil	Nil	Nil	9	Y.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	18⅜	10	1+1	1+1	Nil	Nilf	6, 12	H.
													3	Y.
													6, 12	H.

* Including bonus. ‡ Sales and amount written off. (k) Investments. † For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 196 in the debentures section:—

H Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1¼ per cent. per annum (commencing in 1938) by drawings at 102 per cent. or by purchase at or 102 per cent.

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

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

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

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

LABOUR UNREST IN U.K.

MOVEMENT GATHERING MOMENTUM

(From Our Own Correspondent)

LONDON, 23rd *January*

LONDON LETTER

A NEW form of strike has suddenly directed attention to widespread labour unrest on the general level of wages. The labour unrest in itself is nothing new. Since last summer, union after union has been making claims for increased wages to keep up with the increased cost of living, and against these claims the attitude of both employers and the Government has hardened—the latter on the grounds that necessary expansion in this country's exports is made more difficult by increasing costs; the unions, on the other hand, argue that their proposals do not necessarily mean an increase in costs but a reduction in the amount of profit available for distribution.

The wages *versus* profit argument may be sound enough in the engineering industries, but it hardly applies to the claims by the transport workers or the miners—both in nationalised industries. Yet, interestingly enough, it is just in these industries that wage increases have already been granted! The railway men, for instance, who threatened to strike over the Christmas holidays because they were made an offer which they regarded as insulting, were induced to call off their strike on the promise of negotiations on a more reasonable level and in the end accepted an increase of nearly double the figure first proposed. The London busmen have had similar treatment, and a reasonable increase has also been negotiated with the mine workers. In all these cases, it is the public or industry which has to pay. Transport fares are being increased in order to meet the additional cost and industry will have a higher coal bill. But, in the competitive engineering industries, with their substantial export outlets, the same easy remedy is not available as it is to the public utilities. The increases would probably have to come out of profits—hence the very strong resistance to pressure by the unions.

Electrical Dispute

The present fight is between the Electrical Trades Union and the Electrical Contractors and covers only a small part of a field in which claims are being pressed by unions numbering some 5 million members.

In the public eye, the electrical dispute has assumed exceptional proportions, partly because of the Communist leadership of the unions, but mainly because of the way in which the strikes are being engineered. As regards the Communist leadership, this certainly exists; but, on the other hand; a Court of Enquiry set up to look into the dispute last autumn found no evidence at all that the dispute had any other than a wages objective. The Court rules out any suggestion of political motives. But the Union concerned has adopted an imaginative technique of organising strikes to take place at a moment's notice without warning—other than a general warning that strikes were proposed—and in individual firms or at individual plants at one time where they might have the maximum effect. Thus, a number of one-day strikes has taken place either in some of the Government's atomic plants or in small engineering concerns—and even in a large trade exhibition now taking place in London. Any firm employing members of the Union may find its work stopped without notice at any time: usually for one day, but possibly for longer, for the unions arrange to pay the men full pay and to call them out for an *indefinite* period. The employers for their part are retaliating by locking out the men on the day following a one-day strike, but, there again, the union pays the men the full rate.

In entering this battle, the Electrical Trades Union has counted on its many substantial funds to enable it to fight for a considerable period. But the employers, in spite of the inconvenience of this method of guerilla warfare, are so far showing no signs of yielding, fearing that to do so will prejudice their position in all other negotiations.

The general evidence is that an increase in wages is warranted on the cost of living increases, but the Union is reluctant to put the dispute to arbitration fearing that pressure from the employers would give an inadequate reward. Their strongest claim for consideration is the increases that have already been granted to the workers in the public utilities, and sooner or later the dispute may have to come to arbitration.

The real issue is whether the level of industrial wages ought to keep up with increases in the cost of living, and, although it could be argued academically that the "vicious spiral" of rising wages and prices has got to be stopped somewhere and that, until wage increases stop, there is no hope of preventing further price increases, yet the ground has been cut away under this argument by the increases awarded to the workers in the utilities. Why should the engineering unions be treated differently is the question that they are asking.—*All Rights Reserved.*

MARKET GOSSIP

(Concluded from page 151)

decision in favour of convertibility. It says that a "dash" for convertibility or letting the currency "find its own level" presents the danger of a vicious circle of inflation, and would require larger reserves than may be available to prevent currency depreciation from getting out of hand. It recognises that sterling, which finances about 40 per cent. of the total trade of the world, is a "key currency." In "proper" circumstances, the Commission would like to see the currency become convertible, in the interests of freer trade and payment in a world-wide multilateral system. Nevertheless, it advocates only "gradual and controlled approach to convertibility." To this end, it wants Britain's reserves to be strengthened. It recommends, in this connection, a "more active utilisation" of the I.M.F.'s holding of gold and convertible currencies, and reasonable relaxations by the Fund, such as relaxation of the time schedule for utilisation of quotas and the provision for maintaining fixed parities. It also suggests that the Federal Reserve System should explore with foreign central banks the possibilities of standby credits or line of credit arrangements. Such an arrangement, the Commission claims, would avoid an increase in the public debt of the creditor countries, could be handled more flexibly and effectively than a formal grant of credit by the U.S. Treasury. This suggestion is undoubtedly a great improvement over the proposal that the U.S. should open a stabilisation fund for underwriting the convertibility of the pound sterling.

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The key to the problem of convertibility lies as much in the sterling area's determination to cut down costs and increase its exports as in the U.S. willingness to adopt measures designed to augment its imports. And, in the matter of freer import trade, it is doubtful if the Commission's recommendations, admittedly cautious as they are, will be implemented. For one thing, the Commission is itself divided in its opinions; a powerful minority has dissociated itself from the Commission's recommendations. Secondly, the ultra-protectionist group is still in power in the Republican Party. Thirdly, the elections are approaching and the authorities are

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
10,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,61,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,80,00,000	1,28,00,000	2,38,382	Bank of Baroda	107	50	6 0	6 0	6 0	6 0	12	Y.
40,00,000	14,00,000	6,667	Bank of Bikaner	12½	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	6,36,553	Bank of India	156	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
10,30,375	24,00,000	63,200	Bank of Indore	40N	25	3 0	3 0	3 0	1 8(i)	12	Y.
90,00,000	15,00,000	35,574	Bank of Jaipur	19½	50	1 8	1 8	1 8		12	Y.
80,00,000	84,00,000	2,44,634	Bank of Mysore	290	100	16 0	16 0	16 0	8 0(i)	12	Y.
59,99,150	31,83,240	29,409	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
12,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	3 0	3 0	3 0		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85	50	3 0	3 0	3 0		12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd. ..	58½	50	3 8	3 8	3 8	3 0	12	R.L.Y.
R.42,375'A'				61½	25	1 8	1 8	1 8	3 0		
50,00,000	24,00,000	1,47,808	Daykarsee Nanjee Banking Co.	34½	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88N	20	2 0	4 0	4 0		12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank ..	11½	50	—	—	—		9	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank ..	105N	100	6 0	6 0	5 0	5 0		
3,75,00,000				1,790	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000	6,35,00,000	37,39,076	Imperial Bank of India	435	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				165	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	5 13 3(i)	6.12	R.L.H.
15,48,000				99	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,98,425	19,08,000	1,89,917	Indian Overseas Bank ..	95	100	5 0	6 0	6 0		.12	R.L.H.
4,25,000				73	50	9 0	7 12	6 0			
3,50,000	6,33,939	1,380	Indo-Commercial Bank ..	18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				39	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank ..	211	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	12½	25	—	—	—		12	Y.
40,00,000	80,00,000	2,06,139	Union Bank of India	6½	5	0 5	0 5	0 5	0 5½	12	M.
2,00,00,000	75,00,000	1,01,119	United Commercial Bank ..	41	50	2 0	2 0	2 0	2 0	12	

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 600,800	£4,860,000	£399,215	Chartered Bank of India, Australia and China	£2-1-0	£5	14½	14½	16½	7½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7½	6½	7½	3½	12	R.L.Y.
s.p.820,000,000	m.e.$96,000,000	m.e.$9,489,174	Hongkong and Shanghai Banking Corporation	$97	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£16,000,000	£418,242	Lloyds Bank	£2-19-9	£1	12½	12½	12½		12	R.L.Y.
£1 437 296				£1-7-0	£½	5*	5*	5*	2½*	12	R.L.Y.
£375,000				£24¾	A £12½	12½	12½	14½	7½(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank of India ..	£24¾	B £12½	12½	12½	14½	7½(i)	12	R.L.Y.
£300,000				£10	C £5	7½	7½	14½	7½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India ..	£33	£12½	16½	16½	16½	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

††O.S. Currency (i) Interim

*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1938
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage) ..	90½	1941
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	1936
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	1942
18,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1944
60,00,000	6	1st May and 1st November	Walchandnagar Industries ..	105	1941
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1944
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. ..	85	1942
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	1897
1,90,00,000	3	1st April and 1st October	Buckingham and Carnatic ..	100½	1952
13,68,000	3½		Jaykaret Textiles	78½	1949
40,00,000	3	1st June	Tata Mills.	101	1956–72
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	96	1950
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..	102½	1965
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1948
12,00,000	4½	30th June and 31st December	Bosaree Electric Light and Power Co., Ltd.	94	1949
2,55,97,300	3	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1958
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	96	1945
15,00,000	3	1st January and 1st July	Hisar (Dherriah) Electric Supply Co., Ltd.	96	1951
7,56,200	3½	1st January and 1st July	South Madras Electric Supply ..	97	1947
8,00,000	3½	1st May and 1st November	South Madras Electric Supply ..	94	1939
1,00,000	3	1st January and 1st July	South Madras Electric Supply ..	94½	
6,63,800	4½	1st April and 1st October	South Madras Electric Supply ..	94	1st July
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September
ENGINEERING					
3,60,000	3½	30th June and 31st December	Brijmania Engineering	98	1948
2,00,000	3	30th June and 31st December	Bridge and Roof (India), Ltd. ..	98	31st December
80,00,000	3½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	99	30th June
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	102	1st July
10,00,000	4	31st May and 30th November	Kumardhubi Fagneering Works Ltd.	106	31st December
1,50,00,000	3	1st April and 1st October	Tata Locomotive	88	31st May
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	101	1st October
				95	31st December
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	1939
6,00,000	4½	30th June and 31st December	Alexandra	98	1939
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	1945
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	99	1945
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	88½	1945
9,00,000	3	31st January and 31st July	Calcutta	91	1st July
10,69,000	3	30th June and 31st December	Chitavisah Jute Mills	97	30th June
8,86,000	3	30th June and 31st December	Empire	97	15th July
25,00,000	3½	1st January and 1st July	Hukumchand	95	30th June
25,00,000	3	30th June and 31st December	Kamarcon Jute Mills Co., Ltd.	98	31st December
25,00,000	3½	30th June and 31st December	Nuddea	98	31st March
5,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	30th June
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December
8,00,000	4	30th June and 31st December	Presidency	93	30th June
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September
4,00,000	4½	14th March and 14th September	Seoraj Jute	96	14th September
12,00,000	4½	30th June and 31st December	Union	97	30th June
10,00,000	3½	31st January and 31st July	Waverley	84	31st July
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsoot-Basirhat Light Railway ..	1936	86
£350,000	4½	1st January and 1st July	Calcutta Tramways	1904	£60‡N
£201,067	5	1st April and 1st October		1933	£77‡N
₹ 50 000	3½	30th June and 31st December	Katakhal-Lalabazar Railway ..	1915	90‡
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N
₹ 60,00,000	4½	1st March and 1st September	Scindia Steam Navigation	97	1st September
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	513	1st July
5,00,000	6	31st March & 30th September	Nilgiri Tea	505	1st April
4,61,000	5½	30th June	Ouchterlony	520	30th June
9,00,000	5	31st March .. 30th September	Periakaramalai	502½	31st March
1,89,700	5½	31st March & 30th September	Teckoy	100	31st March
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd	1946	101
10,00,000	3	1st January and 1st July	Aluminium Corporation of India Ltd	1948	98
26,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½
21,00,000	3½	1st February and 1st August	Chowringhee Properties	1915	93
21,35,000	4½	1st July and 1st January	Clive Buildings	1936	88½
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87
1,00 00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	79½
1,90,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½
20,00,000	5	15th March and 15th September	Metur Chemical Industries ..	1949	96
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1947	470 (per note)
45 00 000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	93
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	87½
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	103½

Last Available Quotations (per hundred Rs. or £	Principal Repayable
100	1st June .. 1963
90½	28th February .. 1960(f)
99½	30th December .. 1956
103	20th December .. 1952-62
91	1st November .. 1959-64
105	1st April .. 1956-61
92	1st November .. 1959-64
85	30th April .. 1964
98	15th November .. 1956(e)
100½	1st January .. 1967-72
78½	1st January .. 1956-59
101	 1956-71
96	31st March .. 1965
102½	14th June .. 1960
100½	1st October .. 1959
94	31st December .. 1964
101½	1st January .. 1970
96	31st December .. 1970
96	30th June .. 1976
97	 1957-61
94	1st October .. 1954
94½	 1953-63
94	1st July .. 1957-67
100½	15th September .. 1951-55(b
93½	15th September .. 1965-70
98	31st December .. 1954
99	30th June .. 1958
102	1st July .. 1957-62
106	31st December .. 1956(d)
88	31st May .. 1971
101	1st October .. 1960-65
95	31st December .. 1960
99	30th June .. 1954(h)
98	31st December .. 1955
99	30th June .. 1960
88½	30th June .. 1956(e)
91	1st July .. 1966
97	30th June .. 1966
95	15th July .. 1956
92½	30th June .. 1957
98	31st December .. 1964
98	31st March .. 1967
98½N	31st March .. 1954
93	14th May .. 1959
88	31st December .. 1964
93	30th June .. 1958
96	5th September .. 1965
96	14th September .. 1957
97	30th June .. 1957(f)
84	31st July .. 1960(e)
86	1st July .. 1956
£60‡N	A 1·10/32 at any time on 6 months' notice or at par or every seventh year.
£77‡N	1st October .. 1974
90‡	31st December .. 1959
£85‡N	
97	1st September .. 1963
513	1st July .. 1957-63
505	1st April .. 1956-58
520	30th June .. 1954-59
502½	31st March .. 1953-63
100	31st March .. 1949-59
101	30th September .. 1955
98	31st December .. 1965
86	31st December .. 1962
96½	30th June .. 1957(1)
93	1st February .. 1964
88½	1st July .. 1966
87	15th September .. 1960
79½	 1960
102½	1st January .. 1971
96	 1964
470 (per note)	30th September .. 1976
410 (per note)	31st December .. 1972
90N	1st April .. 1971
93	31st March .. 1963
87½	31st December .. 1966
103½	1st May .. 1968

Note—See page 194 for explanations re abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th January, 1954.

—	Closing quotations 21-1-'54	High	Low	Closing quotations 28-1-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50) ..	154½	154⅝	154	154½
Bank of Baroda (50) ..	106⅝	107½	106½	107⅛
Central (25)	62	62½	57	58½
Central 'A' (25)	65½	65½	60	61
Imperial (F.P.d.) (500) ..	1,790xd	1,792½	1,790	1,792½
Imperial (F.P.d.) (125) ..	435xd	436½	433½	435
Union Bank (5)	6⅝	6⅝	6⅜	6⅜
United Com. (50)	42⅛	42	40	41⅛
COTTON MILLS				
Ahm. Adv. (100)	141½	148⅜	140	147½
Apollo (2)	2-11⅛	2⅜	2⅜	2⅜
Bombay Dyeing (250) ..	410	423¾	402½	418¾
Central India (100) ..	186½	195	181	190
Century Mills (100) ..	293	306	295	302⅜
Calabe (100)	65	—	—	65
Edward Textile (200) ..	257½	267½	257½	267⅛
Elphinstone (50)	40½	42	40½	42
Finlay (100)	266	276	265	274
Gokak (100)	255	258	254	255½
Ind. Unit. Dwfd. (1) ..	1-10⅛	1⅜	1-9⅝	1⅜
Ind. Unit. Ord. (10) ..	11-3⅛	11⅛	11⅛	11⅛
Indore Malwa (100) ..	101⅛	102½	99½	100
Khatau (100)	192½	195	193½	195
Kohinoor (100)	309	320½	308½	319½
Lakshmi (250)	358	380	350	380
Madhusudhan (100) ..	89	91	89	91
B. R. Cotton Mills (100) ..	47	49½	47	49½
Minerva Mills (100) ..	101	101	99½	101
Model Nagpur (250) ..	141½	141½	140	140
Morarji (100)	192½	—	—	190⅜
Mysore (50)	157½	162½	157½	161½
New City (100)	174	180½	175	180½
New Great (100)	174	175	170½	174½
New Union (10)	24½	—	—	26½
Phoenix (100)	121½	127½	121½	127½
Podar Mills (100)	137½	141½	135	138⅝
Sassoon Silk (10)	19	19⅜	19⅛	19⅜
Sassoon Spg. (10)	30⅜	—	—	34
Shahjear (1,000)	1,520	1,600	1,520	1,600
Shrinivas (100)	172½	175	172½	175
Simplex (50)	151xd	159½	152	157
Standard (100)	327½	335	323⅜	327½
Svadeshi (100)	282	296½	279	296
Swan (100)	314½	343½	338½	340
Tata M'f. (25)	54⅜	54½	52½	54
Vishnu (100)	143⅜	157½	143⅜	152½
Western India (1,000) ..	3,550	—	—	3,330
ELECTRIC SOS.				
Ahmedabad (100)	114⅜	114½	113½	113⅜
Amalgamated (10)	10⅛	10⅛	10⅛	10⅛
Andhra Valley (1,000) ..	1,262½	1,275	1,262½	1,262½
Bom. Bub.El. (100)	121½	123½	122½	123½
Surat (100)	130	—	—	130
Tata Hydro (100)	136	137	135½	136½
Tata Power (1,000)	1,362½	1,377½	1,362½	1,376
INSURANCE SOS.				
British India (10)	13⅜	13⅜	13-5⅛	13-5⅛
Empire of India (100) ..	625	—	—	625
Ind. Mercantile (28 ..	38	—	—	38
Jupiter (13)	6⅜	—	—	7⅛
New India (15)	39⅜	40½	39½	40⅜
Oriental (200)	1,735	—	—	7,235
Universal (10)	9⅜	—	—	9⅜
Vulcan (10)	11⅜	—	—	11⅜
STEAMER SOS.				
Scindia (15)	16	17	16⅛	16⅜
STEEL SOS.				
Ind. Iron (10)	26⅛	28-0⅛	26⅜	28-0⅛
Tata Steel Defd. (50) ..	2,077½	2,116½	2,072½	2,108⅜
Tata Steel Ord. (75) ..	352½	361	353	360
MISCELLANEOUS				
Aimok Ashdown (100) ..	333⅜	336½	330	333⅜
Associated Cm. (100) ..	174xd	176½	173½	176
Belapur Sugar (5)	253½	260	253	256
Bom. Burmah (125)	386½	395	380	388½
Do. (New) (50)	142½	143⅜	140	142⅜
Br. B. Petrol (4 sh.) ..	2-12⅜	2⅜	2-10⅛	2-13⅛
Br. I. Corpn. (5)	9-0⅜	9⅛	8⅛	8-15⅛
Indian Copper (3 sh.) ..	2-13⅜	2⅛	2-13⅛	2-15⅛
Ind. Inv. Tr. (100) ..	74-8	77½	74½	77⅜
Kemp (200)	261⅛	265	261⅛	265
Killick (100)	157½	—	—	157½
Killicks (75)	126	—	—	126½
National Rayons (100) ..	146½	152	141	149½
Phalton Sugar (50)	114½	114	110½	112½
Port Lansing (100)	25	—	—	25
Premier Cos (50)	118½	120⅜	117½	118½
Shivrajpur (10)	71½	72½	71	72
Tata Chemicals (10	11⅛	11	11-4½	11⅜
Tata Oil (25)	36⅛	36⅜	35⅜	36⅛
Walchand Ind. (100	172½	182½	176½	177½
W. I. Match (100)	207½	207½	205	206½

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	3 48	—	99
2½% 1955	3 47	—	98⅜
2½% 1961	3 54	—	90⅜
2½% 1960	3 87	—	93
2½% 1962	3 88	—	91⅜
2½% 1964	3 95	—	82⅜
3 % 1957	3 47	—	98⅜
3 % 1958	3 45	—	98⅛
3 % 1948-61	3 58	3 77	96⅛
3 % 1962	3 87	—	92⅜
3 % 1963-65	3 81	3 93	92⅜
3 % 1966-68	3 88	3 98	90⅜
3 % 1970-75	3 93	4 12	86⅛
3 % 1986 Con. Loan ..	3 64	—	82⅜
3½% 1954-59*	3 45	3 22	100⅛
4 % 1960-70	3 86	3 70	101⅜
4½% 1955-60	3 84	2 76	102⅜
4½% 1958-68*	4 04	3 27	105
3½% 1961 N.P. Bonds	3 67	—	98⅛

BRITISH GOVERNMENT SECURITIES

	13-1-'54 £	High £	Low £	27-1-'54 £
2½% Brit. Consols ..	64	64⅛	64	64⅛
3 ½ Savings Bonds 1965-75	87⅛	88⅛	87⅛	88⅛
3½% War Loan 1955-59	102⅛	102⅛	102⅛	102⅛
3½% War Loan 1952 ..	84⅝	84⅝	84⅝	84⅝
3½% Brit. Iron and Steel 1976-78	92⅜	93	92⅜	93
4 % Funding Loan 1960-90	101⅛	101⅛	101⅛	101⅛

x.d.—Ex-dividend * Rupee Counterparts.

COMMERCE

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

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PROBLEM OF BONUS FOR LABOUR

THE defects in the system of buying industrial peace through payment of bonus which has been in vogue in this country for over a decade now are coming to light, as more and more industrial units cease making profits. The workers, who have been accustomed to getting large lump sums in cash by way of bonus, become disgruntled when they do not receive such payments for no other reason than the fact that the concerns in which they are employed have incurred losses. Human nature being what it is, this feeling of dissatisfaction becomes perceptibly strong and manifests itself in unpleasant forms when they find that their confreres working in other units belonging to the same industry receive some bonus. We thus have industrial unrest, instead of industrial peace for the maintenance of which the bonus system was introduced. This situation offers a wonderful chance to irresponsible rivals in trade unions for fishing in troubled waters and they do so with great delight to the discomfiture of those who are in authority both in the unions and the Government.

A striking instance of this state of affairs was provided the other day in this city. Under the award given by the Bombay Industrial Court for payment of bonus to mill workers for 1952, as many as 20 mills were exempted from payment of bonus on the ground that they did not show any profits, while the remaining 40 mills were ordered to pay 15 per cent. of their basic wage bill for 1952 as bonus. Workers of one of the 20 exempted mills protested against this award by staging a sit-down strike. One man was killed and six were injured when the police, in their attempts to disperse the workers who had become unruly after some time, resorted to firing. The Communist Union called for an one-day token strike as a mark of protest against the police action and the response to it exceeded expectations. Over 100,000 workers chose to stay away from work, even though they knew that this would cost them a day's wage. This seems to have caused some concern among the labour leaders belonging to the recognised trade union, namely, the I.N.T.U.C., about their hold over the rank and file.

This was, perhaps, the cause for two important suggestions, at last week's meeting of the State Labour Advisory Board, requiring an amendment to the Industrial Relations Act. One suggestion was that a registered trade union should be regarded, for all practical purposes, as the representative of all employees, whether they are its members or not. In order to give effect to this suggestion, the Act must be amended to provide that an agreement, settlement and submission of award to which a representative union is a party should be binding on all employees. The second suggestion related to the pooling of bonus. According to it, the Act should be so amended as to permit the distribution of the total amount of bonus awarded by the Industrial Court to all workers in the industry concerned in a particular centre, including workers in units which have suffered a loss. We propose to examine in this article only the latter proposition, leaving the former to be discussed in a subsequent issue.

The system of bonus that has been in force is a simple, though not a scientific, form of profit-sharing. It began as an *ex-gratia* payment by employers, but later the Industrial Courts described it as a deferred wage. The workers have got used to it so much and for so long that they have come to regard it as a matter of right. Nevertheless, the Industrial Courts have always held that a unit could be called upon to pay a bonus only if it shows a profit, after providing for essential allocations. The application of this principle to units belonging to an industry which has all along been paying bonus collectively, that is, industry-wise, has led to the present friction. The workers of those units of an industry which do not make a profit are not entitled to any bonus, while those belonging to units of the same industry that make a profit get a bonus. This state of affairs, as we stated at the outset, leads to discontentment and unrest. The easiest way to deal with it is to adopt the proposal made at the meeting of the State Labour Advisory Board. It can be argued in support of this proposal that, inasmuch as the workers of the most efficient mills, less efficient mills and marginal mills get the same rate of bonus so long as they all make a profit, irrespective of the margin of profit which each mill manages to earn, there is nothing wrong in stretching this practice a little further to include the sub-marginal units too, though they may not have made any profit. It can be further argued that the payment of bonus on a collective basis is a complement to collective wage determination and that it is necessary for a more equitable distribution of the surplus of the efficient units to which collective wage determination does contribute something.

The aforesaid argument sounds plausible, but it is fundamentally wrong, because the system of bonus itself is based on unsound economic principles. The bonus system came into practice as an expedient to distribute, as a sop to workers, a share of the excess profits arising from inflation. Its replacement by a more scientific wage policy, even when inflationary profits became a thing of the past, was never seriously tried, because it was most inconvenient. The greatest defects in the bonus system are that it is unrelated to production and that it confers equal benefit on the lazy and the industrious worker alike, thereby violating the principle of equal pay for work of equal value. This defect would be magnified many times if it were to be applied on a collective, industry-wise basis. It would simply drive a wedge right into productivity and penalise creative effort of individual workers.

Generally speaking, the bonus system, while suffering from all the defects of a profit-sharing scheme, possesses none of its virtues. Even in some of the most highly advanced industrial countries, profit-sharing scheme is losing its earlier supporters who thought that it could be used as an instrument of economic and social policy for relieving tension between capital and labour. In fact, trade unions all over the world are aiming generally at securing a fair share of the national product for all workers, not through profit-sharing, but through collective wage contracts. If, for some reason or other, this country is not in a position to discard the principle of profit-sharing as applied through the bonus system, then it will be well advised to do so only unit-wise. For it is only then the fundamental principle of profit-sharing, namely, that the worker should have a direct interest in the fortunes of the concern in which he works so that he can strive for higher production, can be fulfilled. This will inevitably mean no share for labour units which do not make profits. It is true that under this system, the efficient worker, who has the misfortune to be employed in an undertaking which makes no profit, must remain content with his normal wage, while an inefficient worker who has the good fortune to work in a profit-making concern will share in the prosperity of that concern. But should that be a ground for subsidising the inefficient concerns by the more efficient units in an industry? Surely, there is no sense in carrying the system of profit-sharing to such absurd limits as to reduce it to a scheme of special levy on selected units of an industry for the benefit of certain sections of labour not connected with them.

It is common knowledge that profits made by an industrial unit depend on several factors besides the efforts of labour. The productivity of labour itself is dependent upon, among others, the nature of equipment, efficiency of organisation and supervision. Profits depend not merely on productivity of workers but also on favourable trading conditions, monopolistic position of an industry and the like. Consequently, the bonus system in India, which is unrelated to productivity, gives a hotch

No profit-sharing scheme is free from defects. As a leveller of social and economic inequalities, the profit sharing system has proved a failure. Who gives, for instance, a share in profit to a school teacher, or a landless labourer, or a washerman, or a barber? Is a teacher in any way less productive or useful than an industrial worker? But the irony of it is that all these people, as consumers, have to pay for the cost of bonus to industrial workers. That apart, it has a great adverse psychological effect on investors and employers. The first question they invariably ask is whether labour will be prepared to share the losses too. What then is the alternative? This is a difficult question to answer. Indeed, the system of profit-sharing itself came into existence mainly because a finer and fairer system of remuneration proved difficult of getting a start. Nevertheless, the only equitable solution lies in evolving a wage policy which will ensure a just level of wages, taking into consideration the general economic standards of the country. This, however, does not mean that, in such a system, there will be no place for special bonus schemes which aim at securing increased production by rewarding hard and diligent work.

DEVELOPMENT OF ROAD TRANSPORT

THE last three weeks of February are always a period of expectation for business and industry in this country. For this is the period when all the State and Central Finance Ministries are busy giving final touches to their budget proposals for the new fiscal year to be presented to their respective Legislatures before the close of the month or early next month. This is also just the time when the business community avails itself of the opportunity for focussing public attention on the pressing problems of the day so that the Ministers may take note of them in framing their policies and programmes. Accordingly, the action of the Federation of Indian Chambers of Commerce and Industry (F.I.C.C.I.), in submitting to the Planning Commission a *memorandum* on the development of road transport and circulating it to other concerned authorities, is both timely and appropriate.

Owing to a lack of proper perspective of development problems, State Governments are noted for their being often caught napping by fast-growing events in the sphere of economic development. A typical instance of this is provided by the Bombay Government's policy towards generation of electric power in the State. While the demand for electricity has outstripped the supply, the State Government, which was caught unawares during the last war, has still shown no evidence of its being alive to the dangers of power shortage. It now looks as though, on account of a similar defect among State Governments, the country is heading towards a major transport crisis. For, judged by their reported replies to the Planning Commission's questionnaire on road transport, there is no indication, as was pointed out in these columns some time ago, that they are anxious to build more roads, to repair the existing ones and to allow private operators to participate freely in road transport services, in order to provide cheap, quick and efficient transport which usually results from competition. This complacent attitude towards road transport indicates that the State Governments are unwilling to take note of the writing on the wall, heralding the advent of an economic catastrophe, arising from the ever-widening gap between the stunted transport system and the all-round increase in domestic production.

It requires no prophet to say that the country's economic progress will soon be held up for want of adequate, speedy and economic means of transport. For this is clearly visible to all those who wish to see with some vision. Although the success in the implementation of the Five-year Plan has not been as much as one wished, there has undoubtedly been an appreciable improvement in both industrial and agricultural production during the first three years of the planned period, taken as a whole. Marked increases are noted in the output of cotton textiles, salt, cement, paper, power alcohol, and certain products of the chemical and engineering industries. In the field of agriculture, cereal production has registered tremendous increase. Food controls have been removed and movement of foodgrains in the country has expanded considerably. Many of the major industries such as steel, cement, etc., have expansion programmes which, when completed, will call for a large volume of transport facilities. The river valley projects and electric power schemes, on completion, will provide further immense scope for enhancing industrial and agricultural output in India. The population of the country has grown by several millions and promises to grow further. This means more and more movement of people and of goods needed by them. While all these factors make for increased transport of men and materials, the potential transport capacity in the country has not increased in proportion to its growing requirements.

India has no doubt several forms of transport, namely, railways, airways, water transport and roads. Of these, it is common knowledge that railways are overworked, airways are costly, inland waterways play only a limited part, and road transport remains neglected. Even if all these are pressed into full and effective service, they will fall far short of the growing needs of the country.

It is needless to add here that an easier and quicker solution to remove the transport bottleneck lies in tackling the country's road transport problem. This is the pressing need of the hour for several reasons. The expansion of road transport can effectively relieve the ever-growing strain on railways. The country can look to it as a fruitful source for providing increased employment for its unemployed, as is evident from the fact that road transport in the U.S. provides gainful occupation for over ten million people. Again, it is only a highly developed road transport system that can offer a market for our nascent automobile industry which is at present struggling through many difficulties and in which several crores of rupees have already been sunk and several more crores will have to be invested to achieve a large measure of self-sufficiency. In an agricultural country like India, where producing and consuming centres can easily be connected only by roads, a highly developed road transport system is necessary to prevent depression in the former and booms in the latter often created by a shortage of transport.

If, so far, there has not been a well co-ordinated, integrated and expanding road transport system in India, such is certainly not due to lack of any analysis of the problems involved. The Nagpur Plan is a concrete instance of much valuable thought having been paid to it. Not infrequently, the Press and the platform too have focussed public attention on the issues. In this context, the good work that is being carried on by the Indian Roads and Transport Development Association deserves to be commended. The Planning Commission, too, has shown sufficient evidence that it is quite alive to the importance of the problem, though it has not been able to do much for solving it. The latest warnings against the dangers of allowing road transport in the States to drift have come not only from the F.I.C.C.I. but also from a well-known Bombay M.L.A., Mr. N. Salivateeswaran, whose comprehensive note on the *Transport Problem* is reported to have evoked the attention of the Congress legislators at an informal meeting at Kalyani, presided over by the Prime Minister. These studies by various organisations and individuals provide ample material for those in authority to formulate a sound national policy for roads. But it is, we regret to say, the intransigence of the State Governments that is now blocking the implementation of such a policy.

Although we have analysed the problems of road development on several occasions ere now, we feel that, in view of the impending budget sessions of Parliament and State Legislatures, it is necessary, once again, to expatiate on them, so that the Ministers, M.P's and legislators may refresh their memories on this subject. Simply stated, the problem falls into two parts, one dealing with the road transport vehicles as such, and the other, the roads on which the vehicles are plied.

To take the latter, namely, road development, first. In India, road transport is severely handicapped by inadequate mileage of roads. The country has hardly 0.22 mile for every square mile of land. It has 256,000 miles of roads for 1,139,000 square miles, with a population of 360 million. Calculated on the basis of roads to villages, it has less than half a mile of road for every one of its 550,000 villages. The existing roads, besides being inadequate, are in a bad condition, owing to continued neglect of adequate repairs. While thus their maintenance is not quite satisfactory, the construction of new roads has fallen behind schedule, not always for want of funds, but invariably for lack of will and administrative deficiencies which, as has been pointed out by the F.I.C.C.I., has resulted in unspent balances even from the meagre amounts allotted for road development in the budgets both of the Centre and of the States. For instance, out of a planned expenditure of Rs. 15.8 crores for Part 'B' States, the actual expenditure on roads in the first two years of the Plan has been only about Rs. 4 crores. A similar state of affairs exists in the case of the Centre as well as 'C' States, not to mention the Part 'A' States. The problem thus is one of not only maintenance and development of roads and provision of adequate finances but also spending the same according to schedule.

As regards the motor vehicle, the position is most pitiable. The number of vehicles plying on the roads is also not adequate. How backward this country is will be evident from the fact that, for every 1,000 miles of road, there are only 829 vehicles in India as compared with 14,874 vehicles in the U.K., 12,146 in the U.S.A. and 3,717 in France. Again, according to the Federation, the number of persons served by one vehicle in India is on an average 1,270, as against 3 in the U.S. 5 in Australia, 15 in the U.K., and 16 in France. This unsatisfactory position is due, again, to paucity of funds for road construction and maintenance and to the high taxation of motor vehicles. It may be stated here that road vehicles in India are the most highly taxed item and are literally bleeding from various imposts. In addition, they have to spend more on their own upkeep, on account of bad roads, than in any other advanced country. It is calculated that the annual taxation per ton-mile comes to no less than 20 pies which is twice as much as the cost of moving goods by rail. To this has to be added the cost of repairs resulting from running the vehicle on bad roads. The Federation has calculated that the cost of operating a bus over 35,000 miles a year on bad roads would be some Rs. 2,900 more than if the bus were operated over good roads. Besides the high cost of operation, the threat of nationalisation and the policy of restricted licensing have also retarded the development of roads in India.

This depressing state of affairs is a sad commentary on the State Governments which seem to be blind to what revolutionary changes can be brought about in a free economy by the private-owned truck. Their attention has to be drawn, in this connection, to the following remarks which appear in the note prepared by the Bombay M.L.A. referred to already:

"Trucks in the U.S.A. not only haul the produce from the farms to the collecting point and to the consuming point but have also extended the stores trading area ten times. Big cities have been able to spread out, springing garden suburbs and relieving congestion in the heart. The suburban resident has no difficulty in getting all his requirements at his door, even as a city dweller does. He is able to lead a comfortable life, because of the service by trucks and buses. A New York daily employs 163 trucks to distribute its paper. The total number of trucks used by American newspapers for distributing newspapers works out to 10,000, travelling 200 million miles per year. In short, in America, all kinds of goods from pills to motor cars are carried by trucks. Cotton, tobacco and other raw materials, frozen food and household goods are all hauled by trucks. Highways transportation is the greatest simple combination of economic activities in man's history in America. It also yields 763 million dollars, one-sixth of the nation's taxes. It provides employment for over ten million people. It is also an important arm of National Defence. During the Second World War, not only trucks moved military personnel and military equipment and stores but the automobile factories, in their turn, contributed towards achieving the huge production of armaments in record time."

It is to be hoped that this quotation will open the eyes of our State Finance Ministers who now seem to be blind to the immense value of expanding road transport to the country.

In order to improve the road and the road transport system, the Federation has made some notable suggestions which deserve unstinted support. These suggestions include establishment of a Road Development Corporation at the Centre and in each State, provision of more finances for road development and maintenance, high priority for the construction of link roads, rationalisation of taxation of road transport, encouragement to private operators to enter the field, and creation of a class of contract carriers, as in the U.S., who carry goods under a special contract for particular clients. The State Governments need not feel that by reducing their taxes on vehicles they will incur a permanent loss in their revenue, for lower taxation will stimulate expansion in road traffic which will more than make good the loss they may suffer in the initial stages.

BULLS BOOK PROFIT IN ALL MARKETS

COTTON PHENOMENON—CEMENT PRICES—LABOUR UNREST IN COLLIERIES—AUSTRALIAN WHEAT

THURSDAY, 5 P.M.

THIS has been a week of profit-taking in all the markets, as a result of which values are generally lower at the time of writing. In the share market, equities do not show any appreciable fall over the week, but most of them are well below the highest levels touched earlier in the week. At the higher levels, leading bull operators seem to have thought it wise to book their profit and lighten their commitments. Although it is generally believed in market circles that the Central and the Railway budgets will not contain any fresh burdens on trade and industry, they are inclined to be rather cautious. While this may be one of the reasons why the upward trend in prices has received a check, a more satisfactory explanation is that the rise in recent weeks has been too rapid to continue without a break. Such a movement, as all students of markets know, is not a healthy one. The present reaction is, therefore, a good thing on the whole. In fact, it would appear that the shake-out has not been sufficiently strong to compel all the weak holders to retire from the scene with what little profit they see.

MARKET GOSSIP

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It would appear that some investors have availed themselves of the opportunity presented by the upward swing in prices to liquidate a part of their holdings. This is evident from the large delivery of shares, some of which are blue chips. Most of these investors are said to belong to the erstwhile princely class. There is nothing surprising about this, for, as we had pointed out on an earlier occasion, the princes have to pay super-tax on their income from non-Government securities and it does not pay them to hold large blocks of equities. While on the subject of liquidation by investors, we may add the market should remember that Estate Duty is now in force and that, as people of wealth die, large bundles of shares will come out for sale.

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The trend in the bullion and commodity markets has generally been downward. Following an improvement in arrivals and the failure of keen expectation that the Government would permit exports of castorseed and oil at lower rates of duty, oilseeds have receded for the second week in succession. Groundnuts today are standing at levels lower than those nearly a month ago and so also castorseeds. In the case of linseed, the current rates are the lowest since the middle of December last. But the sharpest fall in commodities has occurred in the futures section of the cotton market. Those who do not understand the intricacies of forward trading in this market are surprised why the Contract should have slumped as it has done, when the statistical position of Indian cotton is strongly in favour of holders and when the rates in the spot section are commanding a high premium, standing as they do very near the official ceilings.

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In so far as we can make out, the explanation is simple. The majority of operators who went long in the Contract must obviously be those who entered the ring purely for speculative profit and not for taking delivery of cotton. Another explanation is that, if any delivery were demanded, it may be given in such long-staple cotton as Laxmi which are high-priced and on which a large financial outlay must be made. This is not a simple affair, in the present seasonal stringency of the money market. Thirdly there are yet some 15 lakh bales of current season crop to be marketed; these will commence flowing into the market from next month onwards and what is more, most of it is high-priced cotton. Although at present the cloth market presents a cheerful picture and mills are working well, one cannot be dogmatic that mill activity will be maintained at the current level. Fourthly, the latest estimates place the crop a little above 40 lakh bales, as against 38 to 39 lakh bales a month ago. And, finally, though the statistical position is undoubtedly sound, the supply is nevertheless so large that it will be no easy joke to corner the Contract, as used to be done in the recent past. The task may not be within the resources of a few individuals. In any case, at the moment there does not appear to be any enthusiasm amongst any section of the market to indulge in this game. Whether an attempt will be made in this direction in future is, of course, something on which no one can be certain.

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It is said that the decision of the Government of India to permit imports of American cotton freely, albeit on mill account only, has been the factor that pricked the bubble in the cotton market before it gathered dangerous momentum. That may be so, for, in speculative markets, sentiment is an important thing and counts a lot. But the fact remains that Indian cotton and American cotton of staple 1.1/16" and over—anything shorter than 1.1/16" is not allowed to come into this country—are not competitive and the statistical position of the former will remain unchanged irrespective of imports of the latter. The Government's announcement, however, has made one thing clear. And that is that no extreme tightness in the supply of cotton will be allowed to take place. Further, by allowing imports of U.S. cotton, the Government has enabled the mills to buy the cheapest foreign cotton in the world today. At the moment, the mills are not showing much enthusiasm for American cotton, but it may not be long before they go in for it, as the prices of Egyptians and East Africans have hardened considerably. This does not mean that purchases of U.S. varieties will be as large as in 1951-52; at the most, they may amount to about 200,000 to 250,000 bales.

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Within a few days, the February Contract in the cotton market will run out, leaving only the May Contract to be traded in. The E.I.C.A. authorities, however, have already approached the Textile Commissioner for permission to allow trading in August delivery. We understand that the matter is receiving the attention of the Textile Commissioner and that an early decision is likely. Now that the upward trend in cotton has been reversed, he may be more inclined to give the permission than he would be if that trend had persisted. Although there may be no pressing need for this facility now, there is much to be said in favour of allowing two deliveries to function simultaneously. The most important consideration is that such may prevent wide fluctuations in prices and ensure a reasonable measure of stability. If there were to be only one Contract, it would encourage the speculators to concentrate all their attention on it and bring about marked variations in price either way.

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The long-awaited decision of the Government of India in regard to the selling prices of cement was announced this week. Thanks to the disclosure made by the Chairman of the Associated Cement Companies Ltd., at its last annual meeting, it was widely known that the Government did not see eye to eye with the recommendations of the Tariff Commission which had been asked, for the first time, to determine the fair price for this commodity. Nevertheless, the details that are now available reveal that the difference of opinion between the Government of India and the Tariff Commission is much wider than one had expected. Even now complete particulars are not available, as the text of the Government's resolution on this subject is yet to reach us. But sufficient information is available to show that the Government has ignored practically all the main recommendations of the Tariff Commission and followed its own understanding of the case. We, therefore, feel that the Government owes a detailed explanation to the public, as to why it has rejected the suggestions of an impartial body such as the Tariff Commission. This is all the more important, because the Government, as a large-scale consumer of cement, is an interested party. Moreover, its decisions are such that, while there is nothing to prevent it from meeting all its requirements of cement from the low cost producers, the public will have to take up a far larger proportion of, if not all, the cement produced by the high cost producers. This aspect makes one believe that, in taking a decision on the question of fair price, the Government was influenced by its own requirements.

NEW GREAT AND NEW CITY MILLS

As we go to press, we understand that the Directors of the New Great and the New City Mills, both of which are under the management of Messrs. W. H. Brady & Co., Ltd., have maintained the dividends of these Companies for 1953 at the previous year's level of 10 per cent. per annum. We further understand that, while the profit of the New City for 1953 is higher than that for 1952, such is somewhat lower in the case of the New Great.

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For considerations of space, we propose to mention here only the main recommendations of the Tariff Commission and the Government's action thereon. The Commission's recommendations were:

(1) There should be a uniform all-India selling price of Rs. 73 per ton of naked cement on f.o.r. destination basis.

(2) The basic price for all the companies should be fixed at Rs. 72 per ton f.o.r. destination, on the basis of the estimated price for cement adduced by the A.C.C. This basic price has been arrived at, after providing for a return of 10 per cent. on gross block and making a special allowance of Rs. 3.88 per ton for rehabilitation and expansion.

(3) An extra price of Rs. 8 per ton in the case of the Shree Digvijay Cement Co., Ltd., the India Cements Ltd., the Orissa Cement Ltd. and the Travancore Cements Ltd. and of Rs. 5 per ton in the case of the Mysore Iron and Steel Works should be allowed, in order to enable these high cost units to maintain their production and offset the disadvantage of the high cost of their plant and machinery.

(4) A fund should be set apart into which the difference between the basic price and the uniform selling price should be paid by the units other than the high cost ones. The proceeds of this fund should be used to reimburse the high cost units for the losses incurred by them owing to the fixation of a common selling price for all the units.

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Now let us see what the Government has done. It has rejected the Commission's recommendation for a uniform price for consumers of cement. This suggestion is undoubtedly a scientific one and the principle involved is in operation in regard to steel prices. It is not known why the Government has refused to follow it in the case of this commodity. Secondly, the Government has turned down the basis followed by the Commission in fixing the price payable to the factories, namely, return of 10 per cent. on the gross block. Instead it has adopted the rate of 8 per cent. on gross block, same as the one followed in fixing the prices for the products of the Tata Iron and Steel Co., Ltd. Incidentally, this makes one wonder whether the Government will agree to follow the basis of 10 per cent. return on gross block in fixing the prices for the products of the Indian Irons, a factor on which the share market is pinning its hopes now and boosting up the value of these shares. Thirdly, whereas the Tariff Commission recommended no restriction on the rehabilitation and modernisation allowance of Rs. 3.88 per ton except that it should be utilised for no other purpose, the Government has granted this allowance (adjusted to a round figure of Rs. 4 per ton), subject to the condition that its utilisation must receive the prior consent of the Government. This is a unique condition, in that it is being imposed for the first time; it is thus a new restriction on the freedom of private enterprise. While the A.C.C. and Dalmia Cement Companies have meekly reconciled themselves to this whittling down of their freedom, the Sone Valley Portland Cement Company, Ltd., has gallantly refused to compromise its freedom of action, with the result that it has been denied the allowance for rehabilitation and modernisation of its plant. The net loss to this Company, as a result, is a little over Rs. 2 per ton. This may constitute a substantial amount on its total production, a striking indication of its commendable courage of conviction and devotion to fundamental principles. In regard to the high-cost, that is, new, producers of cement, the Government is of view that there is no justification for providing for rehabilitation and expansion allowance, as they are not immediately in need of it. And, finally, the Government has made some adjustments in the extra price recommended by the Commission to high-cost companies. Thus, it has allowed an extra price of Rs. 12 per ton in the case of Travancore Cement and Rs. 8-8 per ton in the case of the Shree Digvijay Cement, as against only Rs. 8 per ton proposed by the Commission. It will thus be seen that the Government has made radical changes in the proposals made by the Tariff Commission. Although it is free to do so, this is the first instance where the Government has found it necessary to differ from the Commission on such a large scale.

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The emergence of a strong buyers' market in wheat is indicated by Australia's frantic search for buyers for its unsold stocks of wheat. The Australian Wheat Board has already sent a one-man Wheat Mission to four Singapore, Malaya, Hongkong, the Philippines and Japan. Another mission is shortly to visit South African towns, Aden, Bombay, Colombo and Djakarta. The object of these missions is to explore the prospects for selling its old wheat in these areas, before October next, when storage facilities have to provided for receiving the new crop. The Wheat Board estimates the crop to be of the order of 165 million to 170 million bushels, out of which it will have to provide accommodation for about 60 million bushels. Although officials are confident of expanding the storage capacity to take this surplus, the fact that sales have been slow is causing concern. This piquant situation seems to have been brought about by the improved supply position in most importing countries. Thus stocks of the U.K. Ministry would not be worked off for some months. With the recovery in rice production in Asian countries such as India and Burma, demand for wheat has fallen off. Again, due to improved stocks and hopes of price drops, many countries which need foodgrains are not buying far ahead. And bumper harvests in several countries have ended grain shortages. Moreover, Turkey has emerged as an exporter of wheat and is meeting the Middle East demand for soft wheat. France, too, has appeared in the market as a seller.

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In the face of growing competition and falling off of demand, Australia still hopes to do well in disposing of its wheat. It seems to be confident of holding its flour trade with Singapore, Indonesia and Malaya. In Japan, it sees a good customer for its flour, but any deals are only possible, if means of overcoming shortage of sterling facing Japan could be found. In this connection, the latest payments agreement which Britain has concluded with Japan providing for larger imports of Japanese goods into sterling area will be of some help to Australia. However, a point which strikes one most is, despite the difficulty in disposing of its stocks, the Board still plans to expand output and has offered to guarantee exports up to 100 million bushels per annum for five years. There is also no inclination to offer its wheat at competitive prices with a view to relieving the pressure on storage space. The position there is, therefore, worth watching. The price of wheat for local consumption at 14s. a bushel is close to the I.W.A. (International Wheat Agreement) floor of 13s. 10d. but still comfortably above the local production cost, estimated at 13s. a bushel.

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The Working Committee of the All-India Miners' Federation has threatened an indefinite nation-wide strike from 1st March, 1954, if the Government were to fail to take any steps towards settlement of its demand for the revision of the Conciliation Board Award, 1947, so as to provide for increased wages and other amenities. If this demand were to be conceded, the cost of production of coal would increase, we are told, by Rs. 8 per ton. It is reported that, by 31st January, all the affiliated unions of the Federation had served strike notices on their respective employers.

(*Continued on next page*)

EQUITIES REACT AT CLOSE

HEAVY PROFIT-TAKING ERASES GAINS

(From Our Own Correspondents)

BOMBAY, *4th February*

THE upward trend in equities, noted on the Stock Exchange during the previous four weeks, was carried a stage further up to yesterday during the week under review, with most of the counters recording fresh high levels. But since yesterday, a reactionary trend has been in evidence on lack of follow-up support and heavy profit-taking. This has resulted in the wiping out of the earlier gains. Equities have, therefore, finished around the lowest levels for the week, with a sprinkling of losses over a wide front.

There has been no change in the economic situation over which market men had been enthusiastic in the previous weeks. Nor has there been any disturbing political factors to undermine their confidence. In fact, there have been a few favourable developments during the week. Thus exports of textiles in January have reached a record figure of 79.6 million yards. The industry is said to have not only tided over the crisis of the last quarter of 1953, but improved its position regarding stocks and prices. The market has been enlivened by reports on top level discussions held at New Delhi this week between the ministries of the Government and representatives of the World Bank over the proposal to establish an Industrial Development Bank for financing new industries. Besides, production at the Tata Iron and Steel Works for the last month (January), though a little lower than that in the previous month, has been higher than that in any one of the preceding months of the current financial year. It is also reported that talks between a group of foreign experts and representatives of the Company are being held now at Jamshedpur over the Company's expansion programme. In spite of these favourable factors, the market has come under considerable selling pressure. This is because the high levels to which prices had gone in recent weeks has been found to be quite attractive to many holders to book their profits.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 2,096-4 and shaded off to Rs. 2,093-12 on end-of-account considerations and fears of heavy carry forward charges. But the new account opened on a optimistic note and under a spell of feverish buying Deferreds jumped to Rs. 2,132-8. After a drop to Rs. 2,115 on Tuesday, there was again a flare up, on heavy bouts of buying and short-covering, in which the shares came up to Rs. 2,136-4 yesterday morning. Subsequently, heavy profit-taking which followed the rise erased the earlier gains and the scrips closed at Rs. 2,101-4, registering a loss of Rs. 7-8 over the week. Tata Ordinaries, after being done up to Rs. 364-4, wound up at Rs. 367-12, that is Rs. 2-8 lower than the previous week's closing. Indian Irons displayed remarkable strength with an advance from Rs. 28-0½ to Rs. 28-12, but closed at Rs. 28-3. The shares would have gone down still further but for the heavy buying orders from Calcutta.

In spite of the encouraging position of the textile industry, textile shares became vulnerable to selling towards the close. Bombay Dyeings highlighted the section with a smart rise from Rs. 418-12 to a new high of Rs. 436-4, but receded to Rs. 422-8 at the close. Kohinoors, after being taken up from Rs. 319-12 to Rs. 326-8, moved down to Rs. 316-8. Central Indias disclosed a loss of Rs. 5 at Rs. 185, Centurys Rs. 3-12 at Rs. 209, Gokaks Rs. 2-8 at Rs. 253 and Indore Malwas Re. 1-4 at Rs. 98-12. New Greats were marked down by Rs. 7-8 to Rs. 167, Simplex by Rs. 3 to Rs. 154, Svadeshis by Rs. 3-12 to Rs. 282-4, Standards by Rs. 5 to Rs. 322-8 and Tatas by Rs. 2 to Rs. 52.

Bank shares appeared to have overcome the shock created by the lower profits and cut in dividend of the Central Bank of India. They were a steady feature with fractional gains over the week. Centrals were As. 4 better at Rs. 58-8 and their new shares Re. 1-4 at Rs. 62-4. Imperial Fully Paids moved up by Rs. 17-8 to Rs. 1,810 and Contributories Rs. 5 to Rs. 440.

In the miscellaneous section, Alcocks were a special feature with a rise of Rs. 7-8 to Rs. 341-4, on rumours regarding issue of bonus shares and expectation of higher dividend. Associated Cements came up to Rs. 179 from Rs. 176, but reacted to Rs. 176-8 at the close. Belapurs stood Re. 1-8 lower at Rs. 256-8, after touching a high of Rs. 260. Bombay Burmahs moved down by Rs. 3-12 to Rs. 385.

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Calcutta Stock Exchange

CALCUTTA, *3rd February*

Cheerful conditions were maintained on the Calcutta Stock Exchange during the week under review. The list of transactions covered a wide range and further gains were recorded. Jute shares came in for more attention, and although enquiries were not widespread selected counters scored attractive gains. Impressive spurts were seen in the textile section as prospects for exports of piecegoods were increasing. Coals maintained a firm ground and trading in teas was lively. In the miscellaneous section, papers and sugars attracted particular attenion.

Sectionwise, a striking feature among jutes was the further sharp advance in Fort Glosters from Rs. 400 to Rs. 470. Deltas, at Rs. 226, were a shade higher, and, at Rs. 183, Kamarhatties were better by Rs. 3. Nationals were fractionally raised to Rs. 24-10 but they closed a shade lower at Rs. 24-6. Speculative Howrahs appreciated from Rs. 24 to Rs. 24-8. Kanknarrahs hardened from Rs. 139-8 to Rs. 143, as were Chitavalsahs from Rs. 11-6 to Rs. 11-10.

Coals were in good form, and after the recent dullness Bengals were picked up at Rs. 516, the improvement being by Rs. 13. Telchers were strongly supported and in transactions were raised from Rs. 3-1 to Rs. 3-10, but subsequently reacted to Rs. 3-6. New Manbhooms were taken from Rs. 11-2 to Rs. 11-11, while Equitables stood at Rs. 31-12. Burrakurs had buyers at Rs. 8-12. New Beerbhooms closed at Rs. 18-8 being higher by As. 2.

In the engineering section, Indian Irons received distinct attention and on Thursday were taken up to Rs. 28-4, as against the overnight rate of Rs. 27-7. On Friday, the rate gave way to Rs. 27-13, but on fresh speculative support spurted to a new high of Rs. 28-12 yesterday before closing today at Rs. 28-6. Indian Standard Wagons gained from Rs. 61-8 to Rs. 62-8 and Indian Galvanizings, encountering fresh support, were taken to Rs. 17 from 16-7.

Sugar shares received some prominence, and a visible improvement was noted in Ramnugger Canes from Rs. 19 to Rs. 22-7. Champarans, at Rs. 24-3, were higher by As. 3, while Belsunds were steady at Rs. 9-1 and Carews strengthened from Rs. 7-6 to Rs. 8-8. Among paper shares, Titaghurs continued to be in the forefront with a rally from Rs. 37-4 to Rs. 39-2.

In the miscellaneous section, Alkali Chemicals were again keenly sought at, the rate improving further from Rs. 15-12 to Rs. 16-6. Dunlop Rubbers were shown considerable attention and were lifted from Rs. 30-6 to Rs. 33-12. Indo-Burma Petroleums were put through at Rs. 83-8, as against Rs. 79-12 previously.

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Madras Stock Exchange

MADRAS, *2nd February*

The Madras Stock Exchange ruled firm during the week under review in line with the markets in other parts of India. Textiles kept the lead gained some weeks ago on good export enquiries for and better offtake in cloth from the various consuming centres. India's cloth export business, which made an excellent start in the new year with a record figure of 79.6 million yards passed for shipment in January, hardened the sentiment of operators in this section. There was hectic trading in tea shares. There was also improvement in the values of rubber scrips on speculative support. Coffee scrips, however, presented a mixed trend, while miscellaneous shares kept pace with the generally upward trend in other sections. Consequently, a large volume of business was done in the market, with prices recording sizable gains over the week.

Textiles were in good form. Coimbatore Cottons and Rajalakshmis gained Rs. 10 each to Rs. 185 and Rs. 100-8, respectively. Dhanalakshmis shot up from Rs. 209 to Rs. 217 and Janardhanas from Rs. 65 to Rs. 70. Balasubramania (Rs. 70 paid-up) 'B' gathered Rs. 7 to Rs. 70 and Rs. 40 paid-up Rs. 2 to Rs. 40. Rangavilas were higher by Rs. 5-8 at Rs. 51. Vasantas hardened by Rs. 3 to Rs. 178. Bangalore Woollens improved from Rs. 290 to Rs. 295. Coimbatore Spinnings rallied by Rs. 2-4 to Rs. 46 and Coimbatore Pioneers by Rs. 2 to Rs. 135. Lakshmis (Rs. 50 paid-up) were done at Rs. 111 *cum-div.*, as against Rs. 87, and Rs. 25 paid-up 'A' at Rs. 55-8, as against Rs. 43. The Directors have declared an interim dividend of 10 per cent. for the year 1953-54. Krishna Rajendras advanced by Rs. 2-8 to Rs. 59 *cum-div.*

Among plantings, teas were again in the limelight. Mlamallays shot up from Rs. 38-8 to Rs. 40 and Udayagiris from Rs. 7-6 to Rs. 8-7. Nonsuch Teas gained Re. 1-12 to Rs. 34-12. Kalasas too were up by a similar amount at Rs. 13-10. Peermades were higher by Re. 1 at Rs. 31-4 and Twyfords As. 6 to Rs. 13-4. United Nilgiris disclosed a gain of Re. 1 to Rs. 212 *cum-div.*

Rubbers were firm. Nenmenys put on Re. 1 to Rs. 10 and Malankara As. 12 to Rs. 36-8. Mercaras advanced by As. 5½ to Rs. 3-6, Midlands by As. 5 to Rs. 12-10 and Be Bes As. 4 to Rs. 2-11. Kailas were done at Rs. 3-14, as against Rs. 3-10, and Vaikundams Rs. 16-8, as against Rs. 16.

In the miscellaneous section, Binnys and Rallis were higher by Re. 1 each at Rs. 122 and Rs. 61, respectively. Indian Cements gained As. 14 to Rs. 17-8 and Mysore Papers As. 12 to Rs. 17.

MARKET GOSSIP

(Concluded from previous page)

The threat of a nation-wide strike has been the outcome of the delay, on the part of the Govsment of India, to constitute a Tribunal, as announced by it in August, 1953. The reasons for this delay are not clear. One explanation is that the Government is still in two minds. Though, early this week, Mr. Abid Ali, Deputy Minister for Labour, reiterated at Calcutta the Government's decision to refer the dispute to a Board of Adjudication, there is a persistent report that the Government has not yet come to a final decision. The Government, according to this report, is wondering whether any quick and lasting result would materialise by leaving the issues to be decided by a Tribunal, especially in view of the sad experience in the field of banking, following the Shastri award. It is stated that the Government is inclined to feel that it would be better to appoint a Conciliation Board than a Tribunal.

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The workers want an increase in their minimum basic wage and dearness allowance in proportion to the rise in the cost of living since 1947 and the calculation of provident fund contributions on the basis of pay plus dearness allowance, as provided in the Employees' Provident Funds Act, 1952. This demand has naturally been opposed by the employers. They contend that the cost of production of coal is already high and that any further increase will price the product out of the markets, especially in South and South-East Asia. They point out that, unless the output per man increased, it would be difficult to justify an increase in wages and other emoluments. This can be brought about only by rationalisation of production techniques, which involves retrenchment of labour, and linking wages and bonus to productivity.

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The force of the employers' contention will be evident from the fact that the output per man-shift in India has been on the downward trend. It has declined from 0.45 ton in 1942 to about 0.34 ton at present. As against this, the output per man-shift in Australia is about 3.0 tons, in Canada 3.1 tons, in South Africa 1.8 ton, in the U.K. 1.2 ton and in the U.S. 6.3 tons. An even more unfortunate feature is that the output per man-shift has fallen, although economic and social position of mine workers has increased by virtue of the award of tribunals and various other developments. It is true that a decline in output is due, to a great extent, to the outmoded machinery and other equipment. But it is chiefly due to the apathy of workers. As wages and bonus are not linked to output, they do not care to exert themselves enough to increase their individual production. Further, the presence of too many workers naturally brings down the per capita output. So, the first things to be done before the question of wages can be tackled are to remove the surplus labour and to make the worker productivity-minded. These fundamental factors can be ignored only at the risk of imperilling the structure of the entire industry.

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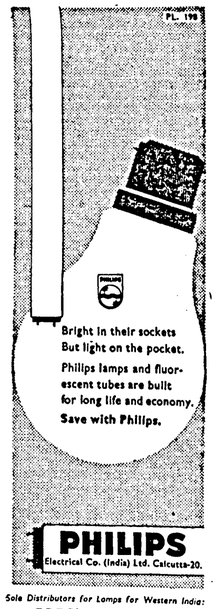
If the report that the Government has changed its mind and dropped its proposal to refer the dispute to a Tribunal in favour of a Conciliation Board is correct, it deserves to be complimented. For the dispute is so complicated that it can be handled better by a Conciliation Board than by an Industrial Tribunal. A Tribunal might take a purely legalistic or a humane approach, ignoring the economic factors governing the coal industry. A Conciliation Board, however, will be in a position to take all the factores into consideration and hit at a solution that will be satisfactory to both workers and employers.



Sole Distributors for Lamps for Western India:

Messrs. PRECIOUS ELECTRIC CO.

Yusuf Building, Churchgate Street, BOMBAY

NEWS IN BRIEF

THE Government of India has agreed to the free licensing of import of cotton staple 1.1/16" and over from the U.S. against prior sales to mills.

The Shroff Committee, set up by the Reserve Bank of India to enquire into the problem of financing the private sector of Indian industry is expected to submit its report early in April. The final meeting of the Committee was held this week in Madras.

The Mysore State, which is deficit in food, will get Rs. 1 crore for the promotion of Grow-more-food scheme during 1954-55, according to a decision reached between representatives of the Central and State Governments who met in New Delhi last week.

The Planning Commission has recommended that a sum of Rs. 30 lakhs be spent during the remaining period of the Five-year Plan, for implementing the recommendations of the Expert Committee on quality jute, which have been accepted by the Government.

The U.P. Government proposes to form a Finance Corporation during the next financial year. The seven-men delegation of the Ford Foundation which has ended its survey of small-scale and cottage industries in U.P. has suggested the provision of more convenient and less expensive credit facilities.

Exports of cloth from India touched a record figure of 79.6 million yards, of which more than half was made up of medium cloth. The figure, however, does not include cloth passed for shipment from centres other than Bombay during the second fortnight of the month, which is said to account for another 2 million yards.

The Cotton Buyers' Association, Bombay, in a telegram to the Railway Board, has pointed out that the main reason for the repeated bottlenecks is that cotton meant for delivery inland and that intended for export to foreign countries are not treated alike, the former receiving priority over the other, being placed under category 'D' as against category 'C' for export cotton. The Association has, accordingly, requested the Railway Board to intervene immediately and remove the discrimination before the situation deteriorates any further.

About 1,000 tons of iron ore have been exported from Madhya Bharat following the grant of a mining lease covering about 80 acres last year. Over 3,000 tons of ore are now ready for export. The ore is said to contain about 60 per cent. of ferric oxide. A second mining lease for about 130 acres has also been granted by the State Government and mining work is expected to start soon. Arrangements have been made to work a 100-year old blast furnace which will be used to produce ferro-manganese. Good quality iron ore has been located in several places in Madhya Bharat.

Madhya Bharat now forms one of the principal suppliers of slate pencils in India, with an annual production of ten crores a year. The industry, which has developed on an extensive scale during the last five years, provides employment to about 2,000 persons. Besides making slates and slate pencils, the shale deposits are being used for the manufacture of stoneware pipes and cheaper types of crockery. A factory on a large scale, with a capacity for turning out 21,000 pipes per month, will start working in Ratlam within a month, using these shale deposits as raw material. A factory-cum-cottage industries centre is being located in Mandsaur by the Industries Department, with the object of giving employment to potters who will use the shale as raw material for pottery.

The Government of India is reported to have sanctioned the inclusion of the first stage of the Tungabhadra Hydro-Electric Project in the Five-year Plan on the recommendation of the Planning Commission. The first stage of the Project which will generate 19,000 kw. electricity, is estimated to cost Rs. 3.25 crores. The Tungabhadra Hydro-Electric Project, it may be noted, will be completed in three stages at an over-all cost of Rs. 14 crores which will generate electricity of 100,000 kw. In the second stage of the Project, hydro-electric energy will be obtained from the Sivapur Reservoir, eight miles downstream on the main canal from Tungabhadra. The final stage of the Project will consist in linking up the transmission line from Raichur to Hyderabad and taking over the remaining power schemes under the Tungabhadra Project.

The Government of India has fixed the ceiling prices (per ton) f.o.r. destinations for unpacked cement to be charged by different companies. They are: Rs. 75.8 for Digvijay Cement Co.; Rs. 75 for India Cement Ltd. and Orissa Cements Ltd.; Rs. 72 for Mysore Iron and Steel Works; Rs. 70 for Travancore Cement Ltd.; Rs. 67 for Sone Valley Portland Cement Co. which has not agreed to the condition regarding earmarking of Rs. 2 per ton for rehabilitation and expansion purposes; Rs. 71 for the following companies: Associated Cement Cos. Ltd., Rohtas Industries Ltd., Kalyanpur Lime and Cement Co., Ltd., Banjari (Bihar), Dalmia Dadri Cement Ltd. and Dalmia Cement Bharat Ltd., and Rs. 74-8 for Jaipur Udyog Ltd., Sawaimadhopur, pending further examination of their costs. These prices will take effect from 8th February, 1954. Packing charges for the current quarter, according to the recommendation of the Tariff Commission, work out to a flat rate of Rs. 11-9 per ton of cement. These charges are applicable for cement packed in new bags only. Charges for packing in old bags are subject to settlement between the buyer and the seller.

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From Abroad

Output of coal in the Netherlands in 1953 is estimated at 12,297,000 tons.

The Commonwealth Development Finance Company will shortly enter on its first overseas investment project.

The U.S. steel companies, which spent $1,000 million on plant improvement in 1953, have provided for a capital investment of $775 million this year.

Thailand and the U.K. have signed a rice agreement, which provides for British territories to buy between 226,000 and 400,000 tons this year at a reduced price.

World cotton production in 1953-54 is estimated by the U.S. Agricultural Department at 36,770,000 bales (of 500 lbs. gross), as compared with 35,730,000 bales in 1952-53.

The Federal Legislative Council of the Malayan Federation has authorised the Federation Government to request the U.K. to sign the Geneva tin agreement on Malaya's behalf.

Industrial production in the U.K. in 1953 was higher than in any year since the last world war. The total output was 5.3 per cent. higher than that in 1952 and 2.6 per cent. above that in 1951, the previous peak post-war year.

For the first time since January, 1951, there were more than 2 million unemployed in the U.S. during the week ended 9th January, 1954, and for the first time since March, 1952, the number of people employed fell below 60 million.

The United States scheduled airlines have increased their capacity by 42 per cent. in the last three years. The number of aircraft has increased by only 194 planes, but many of these aircraft are faster and larger than those in the 1950 fleet.

A one-year trade agreement was signed between Denmark and Indonesia on 28th January. Under the agreement, Denmark will export machinery, cement and other products to Indonesia in return for import of copra, tobacco, coffee, rubber and tin from Indonesia.

The Anglo-Japanese Sterling Payments Agreement signed on 29th January provides for an export of £210 million in 1954 from the sterling area to Japan, as compared with £240 million in 1953. This represents a decrease of £30 million. The agreement, however, provides for an increase in Japanese imports into sterling area by £80 million at £210 million in 1954.

A party of thirty-three British business men are in Moscow, exploring possibilities of promoting trade between the U.K. and the U.S.S.R. in non-strategic goods. The party has the approval of the British Board of Trade. It has, however, no power to conclude a trade agreement. Business resulting from this trip is expected to run into several million pounds. The U.K. will offer a wide range of engineering products, most of which are already vetted by the Government.

Australia's first overseas trade mission will fly to Africa on 15th February. The Mission, sponsored by the Commonwealth Department of Commerce, will be led by Mr. E. P. McLintock, Department's Director of Trade Promotion. It will spend about two months in South Africa, Mauritius, the Belgian Congo and the countries of the Central African Federation. Delegates from 16 Australian business organisations will seek markets for earthmoving machinery, industrial, agricultural, and radio equipment and machinery, silverware, wheat and other products.

The Anglo-Iranian Oil Company has resumed talks with major world oil companies, five of them being American, on the means of getting Iranian oil back into world markets. This follows the assurance by the U.S. Department of Justice that no anti-trust law proceedings would be taken against American oil companies joining an international "consortium" to market Iranian oil. The U.K. is understood to be prepared to recognise Iranian nationalisation of the Anglo-Iranian Company's Iranian assets, on condition that equitable compensation is paid.

PERSONAL

MR. C. F. Cobbold, Governor of the Bank of England, who is on a tour of courtesy visits to the Central Banks of Pakistan, India and Ceylon, has arrived in Bombay.

Mr. St. Bahroem Sjah, formerly First Secretary in the Indonesian Embassy at New Delhi, has assumed charge as Consul for Indonesia in Bombay.

Mr. K. M. Khalil, Assistant High Commissioner for Pakistan in Bombay, arrived in Bombay on Monday last. His office is housed at 249, Hornby Road, Fort, Bombay.

Mr. R. M. Lee, Chairman of the Calico Printers' Association Ltd., Manchester, and a Director of the Lancashire Cotton Corporation, arrived in Bombay last week.

Mr. A. K. Chanda, Secretary to the Central Ministry of Production, has been asked by the Prime Minister to examine the existing financial and administrative rules and procedure and suggest such modifications as are necessary for the expeditious conduct of official business.

Dr. H. L. Dey, Head of the Asian Department of the International Monetary Fund, who is on a tour of India, Burma, Ceylon and Thailand to exchange notes on the economic development in these countries and the future prospects of their progress, arrived in Bombay on Tuesday this week, and left for Colombo on Thursday.

Mr. A. B. Lloyd, Member of the Institute of British Foundrymen, and Mr. T. D. Scaife, Consultant Production Engineer, the two British experts on foundry operation and machine tool industry, respectively, are now in India. The services of these experts have been made available by Britain under the Technical Co-operation Scheme of the Colombo Plan.

Messrs. T. V. Baddeley, C.B.E., Dharamsey Mulraj Khatau, Krishnaraj M. D. Thackersey, J. C. Burns, G. D. Somani, M.P., Ramnath A. Podar, Radhakrishna Ramnarain Ruia, M. L. Tapuriah, S. P. Jain, E. D. Sheppard, Pratap Bhogilal, F. Edwards, Arvind N. Mafatlal, Naval H. Tata, B. L. Bubna, F. H. Kemple, R. L. Gohlan, and L. N. Birla, have been elected to serve on the Committee of the Millowners' Association, Bombay, for the year 1954.

Messrs. Jwala Prasad Tiwari, Rameshwardas Saboo, Kantilal Manilal, Vasudeo Somani, Visheshwar Chirwawala, Mohanlal Tejmal, Maganlal Trikamlal, Jamnadas Tulsidas, Behru Ratan Damani, Jamnadas Kalidas, Mangal Das Ranchhoddas, Vadilal Chhaganlal, Maganlal Damani, Sitaram Jogunuwala, Chandulal Dalsukhbhai and Nandlal More have been elected to the Board of Directors of the Bombay Bullion Association.

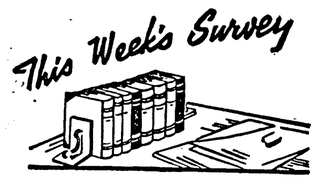
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *2nd February*

International Labour Conference

The next—the twelfth—session of the International Labour Conference will open at Geneva on May 30 next and the agenda includes certain items of vital importance to labour in general. As at present arranged the Conference will be called upon to discuss the (1) prevention of industrial accidents (final discussion); (2) protection against accidents of workers engaged in loading or unloading ships (final discussion); (3) forced labour (first discussion); (4) hours of work of salaried employees (first discussion). It will be remembered that the first two items went through the preliminary stage of the double-discussion procedure at the 1928 session of the Conference, which placed them on the agenda of the twelfth session for second discussion and the adoption of Draft Conventions or Recommendations. The questionnaire on these two items of the agenda, as agreed by the Conference at its 1928 session, were forwarded to the Governments in July last. The questions of forced labour and hours of work of salaried employees figure for the first time on the agenda of the Conference, and will, therefore, be the object of a preliminary discussion with a view to the drawing up of questionnaires. The International Labour Office is preparing, in accordance with its standing orders, a preliminary report on each of these questions, giving an account of law and practice in the different countries and finishing with a draft questionnaire. In addition to these four items a general report on unemployment may also be placed before the twelfth session, the Governing Body being of opinion that an examination of the present position with regard to unemployment and of the methods of improving the situation is necessary and will be of value. It should be noted here that in October, 1929, four months after the twelfth (general) session of the Conference, a thirteenth session will be held, to deal specially with the question of maritime labour.



DEVELOPMENT COUNCIL FOR BICYCLE INDUSTRY

THE inauguration of the Development Council for the bicycle industry on 29th January last at New Delhi marks another important phase of development in the sphere of promoting efficiency in industry through Development Councils as envisaged in the Industries (Development and Regulation) Act of 1951. This Council is one of the three so far constituted by the Government of India, the other two being the Councils for diesel engines and heavy chemicals. One more Council for the sugar industry yet remains to be constituted, though a decision to have a Council was taken some time ago. The idea of establishing Development Councils was borrowed from the U.K. where, according to the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, who inaugurated the Council for bicycle industry, it had failed. He, however, seems to believe that, conditions in India being different from those in the U.K., it would succeed here. He thinks that the influence of the Government of India here, unlike that of the U.K. Government there, is sufficiently great to act as a stabilising factor and to use its influence to make the work of the Development Councils a success. How far this hope of Mr. Krishnamachari will materialise remains to be seen. However, the fact that some of the minor industries have been approaching the Government to establish similar Councils for them indicates that these bodies are becoming popular with the industries.

If the idea of the Development Council were to fail in India, such would not be for lack of interest on the Part of the Government. For, besides being the sponsorer of the idea, the Government has assured the availability of the services of its officials to the Councils. Reiterating this assurance again, the Minister, in his inaugural address referred to above, was keen on drawing the attention of the Council for the cycle industry to two factors which need to be borne in mind by it. One is that "the ultimate master in any industry is the consumer, the only god whom the industry must worship and placate and not the Government; and the only means to please this master is improvement, in quality of the goods that industry produces." The other is the Government's disinclination to ban imports completely of any and every product that is produced in the country. In other words, no industry in this country can hope to have for ever a closed market through both tariff protection and complete ban on imports. This is a wholesome principle to adopt in that it is only then that industries would be compelled to strive "to eliminate wastage, improve quality, reduce cost and obtain maximum production," as was stressed by the Minister for Commerce and Industry.

The cycle industry in India has its own complex problems. In finding correct solutions to these problems, the Development Council has a very difficult task before it. At present, there are six bicycle factories with an ultimate rated capacity of manufacturing 417,500 bicycles on a single-shift basis, while their actual production in 1953 was 264,169. The first need, therefore, is to fill up this gap between actual production and the rated capacity. Secondly, among these, some are smaller and weaker units, lacking both the technical and financial resources necessary for maintaining high standards of quality of their products. Thirdly, there are many small units engaged in the manufacture of cycle parts and accessories spread all over the country, though their main concentration is in East Punjab. These units, besides presenting the same factors as the weak units of whole bicycle producing sections, are badly in need of coordination not only among themselves but also with the bigger factories engaged in the manufacture of parts. Lastly, there is the question of enabling all the units to produce quality products at competitive prices.

That the Development Council is aware of these salient problems is evident from the remarks of its Chairman, Mr. P. L. Kumar. In the course of his address at the inaugural meeting of the Council, he called on the experts who serve on the Council not only to recommend targets of production but also suggest measures relating to provision of finance, technical assistance, raw materials, etc. He admitted that high standard of quality and lowering of price could be achieved only progressively. But there was the need for a constructive approach to be made by the industry to achieve this object, "by introducing strict stage inspection, provisioning of adequate testing and research facilities, by improving production methods, by eliminating waste and by proper co-ordination between various units, wherever there is scope for the same." It is in the success of this approach that the future of the Council lies.

PLANTATION LABOUR

The fifth session of the Industrial Committee on Plantations, which concluded its two-day session at Calcutta on 31st January, disclosed, once again, that the employers were prepared to go more than they can afford to in conceding the demands of labour, with a view to ensuring healthier industrial relations. The tripartite Committee adopted the recommendations of its sub-committee providing compensation for lay-off and enforcement of the Plantation Labour Act, 1951, both with effect from 1st April, 1954. Another significant feature of the conference was the compromise arrived at regarding the conversion of foodgrains' concession into cash concession.

That the planters have readily agreed to apply the provisions of the Industrial Disputes (Amendment) Act, 1953, relating to compensation for lay-off to their industry, despite the fact that they are not suitable to industries of a seasonal character, bespeaks of their magnanimity. It is common knowledge that plantations demonstrate more clearly than any other form of activity the extent to which conditions of workers depend largely on the elements as well as world market trends which are clearly beyond the control of employers. In the case of rubber plantations, for instance, there is practically no work to be done during the heavy monsoon. It is gratifying to find that employers of plantation labour have nevertheless been doing their utmost to provide work for their workers for as many days as possible even during this period.

There was also agreement among the various interests on major points relating to enforcement of the Plantation Labour Act. The Committee accepted the proposal that the Act should come into force on 1st April next. The main provision of the Act relate, among others, to the provision of drinking water, tokens and fitness certificates, and annual leave with wages. Exemption for one more year in regard to annual leave was, however, pleaded for on behalf of planters in the Cachar, Tripura and Darjeeling areas, on the ground that they had suffered a serious setback during the 1952 crisis. It remains to be seen whether the Government will heed to this plea.

The implementation of welfare measures depends upon the formulation of reasonable rules. Small wonder, therefore, the Committee requested that the Government should frame rules and submit it for scrutiny and approval by a tripartite committee at any early date. It was felt that a phased programme of implementation of welfare proposals, after finalisation of rules, would be desirable. The Committee felt that first priority in the programme should be given to the provision of (1) medical facilities, (2) creches, (3) recreational facilities, (4) housing, (5) protection from weather and (6) appointment of welfare officers. Educational facilities, conservancy and canteen amenities will form part of the programme to be implemented later.

The agreement arrived at the meeting on the conversion of foodgrain concession in the three zones of Assam Valley into cash concession seems to be quite realistic. The rate agreed upon was the one suggested by Mr. V. V. Giri, Union Labour Minister, at the last meeting held in Shillong. The conversion rates are As. 9 (with grains at Rs. 20 per maund) for zones 1 and 2 and As. 8 (with grains at Rs. 17-8 a maund) for zone 3. The conversion rate for children will be half the above rates. The cash concession at these rates will be added to basic wages.

The representatives of the coffee industry asked for an enquiry into the cost structure of the industry, before the Plantation Labour Act and lay-off provisions were enforced. The spokesmen of rubber plantations felt that the implementation of the Plantation Labour Act should follow a suitable increase in prices of the produce. These reservations by the planters concerned are understandable. In view of the fact that future production costs are difficult to estimate, especially with large arrears of maintenance, the need to build up reserves, and the refusal of the Commerce and Industry Ministry of a similar request from the coffee planters last month.

E.C.A.F.E. AT WORK

With the forthcoming annual session of the Economic Commission for Asia and the Far East due to commence at Kandy (Ceylon) on Monday next, the Commission will be entering its eighth year. Since its inception in 1947, serving as a forum for discussion, the Commission has identified itself with the studies relating to a few specific economic problems bearing on the economic development of the Asian and Far Eastern regions. These problems include flood control and water resources development, electric power, mineral resources, iron and steel, highways, railways and waterways, trade promotion, economic planning, and financing of development programmes. The results of these studies have been not only made available to the various countries but also assessed and evaluated from time to time. An idea of the work done by the Commission can be had from the following brief summary culled from its latest annual economic survey:

The E.C.A.F.E. Secretariat has given advisory services to Burma and Pakistan in regard to their monetary and budgetary problems, in setting up steel factories in Burma and Ceylon, in the planning of a large dam in Thailand, in equipment and operating methods in mowing river country-craft in Pakistan and India, and in reconstructing some mines in Thailand. The services rendered in modern methods of road construction and advice to Governments of countries ravaged by floods are also worthy of mention. Since 1951, with the co-operation and help of the U.N. Technical Assistance Programme, the Commission has been able to send experts drawn from the Asian countries to visit Europe, America and Japan to study particularly the problems relating to inland waterways, railway signalling methods, and iron and steel industry. Asian experts went to Australia to study the technique of exploiting and utilising lignite for fuel, and this year another group will go to Japan to study cottage and small-scale industries. As a result of constant meetings and activities of the organisation, no country in Asia today is unfamiliar with what is happening in another country in various economic fields. Secondly, at least some of the work of the E.C.A.F.E.'s is apparent in the establishment of more factories and installations and development of mines. It has also succeeded in fostering regional co-operation in various ways. The E.C.A.F.E. has promoted several training centres, too, the latest one being the proposed training centre for railway signal operating officials in Pakistan.

Thus, it will be seen that the functions of the E.C.A.F.E. have so far been confined to the study of the various problems, the tendering of advice to Governments and the provision of technical assistance in certain spheres, although the Secretariat claims a part of the credit for the establishment of certain factories and installations in some countries. It is possible to criticise this body on the ground that, although seven years have elapsed since its establishment, it has not planned for any regional integration, in the sense that some countries may produce for others by conscious planning. But this criticism ignores the practical difficulties inherent in the affairs of the region. The political situation in the region is still fluid and national sentiment is too strong to permit any such integrated development. Further, the level of economic development is at present so low that there is no danger of wasted effort, even if each country attempts to do what can be done better in other countries. All that this Commission can be expected to do, in the present economic and political state of affairs is to strive for regional co-operation wherever possible. It is, indeed, gratifying that the Commission is trying to bring about such co-operation. In the course of his recent review, Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., for instance, observes:

"... the idea of regional co-operation is very much in the air. It is possible that, within a few years, common facilities and services might be provided on a joint basis for a group of countries with the assistance of Technical Assistance Programmes. It is also conceivable that the manufacturing facilities may be established for special products like D.D.T., penicillin and other drugs on a joint basis with capital and management supplied by more than a single country."

The pace of economic expansion in the E.C.A.F.E. countries has been very slow, thanks chiefly to paucity of finance, technical knowledge and preoccupation with political problems. In view of this and also of the rapid rate at which population is increasing, the efforts of the E.C.A.F.E. have not so far had any appreciable effect on the standard of living of the masses. Indeed, so long as these basic problems which are beyond the competence of this international body to tackle are solved, the E.C.A.F.E. can do nothing more than what it has been doing all along.

FIVE-YEAR PLAN FOR EGYPT

The new administration in Egypt, headed by General Neguib, the President, would appear to be concentrating its attention not only on such political issues as Sudan and the Suez Canal but also on economic problems. The present Government realises that sustained political stability cannot be had unless the economic development of the country is given the highest priority. As a first step in this direction, the Government of the Revolutionary Party introduced drastic land reforms aimed at eliminating huge landholdings and giving such land to landless tillers. But mere redistribution of land cannot bring about any increase in the real wealth of the country. That the present Government is aware of this elementary economic fact is evident from the drawing up of a Five-year Plan for agricultural and industrial development. The Plan, which includes several projects already under way, "is to come into force immediately."

The Plan lays considerable emphasis, and that very rightly, on quickening the pace of expansion in the agricultural sector. The Plan, for instance, covers projects which envisage (1) improvement in the quality of wheat, rice and maize seeds, in order to raise the per-acre yield, (2) intensification of the fight against plant pests and diseases, (3) reclamation of 350,000 acres, for which a credit of £E.12 million has already been approved, (4) provision of better storage space for cereals and erection of silos, and (5) construction of a fertiliser factory at Aswan. The chief consideration which has evidently weighed with the Revolution Command Council in according this special priority to agricultural development is the need for providing gainful employment to the agricultural labour class, which constitutes 70 to 80 per cent. of the total population (20 million in 1951) of Egypt. Although Egypt's population is small in relation to its physical size, it is big enough for the area available for cultivation. It must be remembered, in this connection, that, out of the total area of 240 million feddans (1 feddan=1.038 acres), only about 6 million acres are at present cultivable, which represents just 2½ per cent. of the total. Intensive and efficient cultivation of this limited area is, therefore, absolutely essential, if the masses are to derive any tangible benefit.

Next in importance to agriculture comes industry. That section of the Plan which relates to industrial development provides for two specific projects, one for the erection of an iron and steel mill and another for establishment of a paper factory. There are, besides these, several industrial schemes which are either under way or for the implementation of which steps are being taken. These include the establishment of a beet sugar mill and a factory for manufacturing tyre inner tubes, expansion of the national petroleum refinery at Suez, construction of a heavy furnace-oil pipeline from Suez to Cairo, erection of an electric power plant in South Cairo, setting up of factories for the manufacture of cables, electric wire, and bolts and nuts, and expansion of the production capacity of artificial silk, fine yarn, and tinned and preserved foodstuff industries.

The aggregate outlay of the Plan is not known. There are, however, indications to suggest that the implementation of the Plan entails expenditure of large sums of money over a relatively short period. The estimated expenditure for the building of the Aswan High Dam alone, for instance, amounts to as much as £E.200 million, of which actual building costs account for £E.60 million, indemnities for inhabitants who will be displaced for £E.10 million, hydro-electric power plants for £E.35 million, and fertiliser factory and other subsidiary works for £E.80 million. Since it is difficult to meet the huge capital outlay on the Plan by recourse to ordinary revenues—such would place an enormous strain on the annual budgets—the Government of Egypt is making efforts to exploit other sources of funds. It is proposed to meet the expenditure on the Aswan High Dam by means of an internal loan, while negotiating for loans from external sources (probably from the World Bank) and capital equipment which the West German firms are said to be willing to supply on comparatively favourable terms. Negotiations are also going on between the Egyptian and British Governments for a further release of £10 million of Egypt's sterling balances, in addition to the £5 million already released by Britain under the 1951 agreement.

OFF THE RECORD

(By "ROVER")

COUNTING of heads is a crude method of settling an important issue. There are heads and heads. Some look big but are merely swollen; many are half-empty; a few overflowing with grey matter. In this casual classification, I have not considered the case of those, whom their own fellow human beings delight in calling pig-headed. But democracy has done away with all these fine distinctions and for purposes of settling differences and for deciding what is right and what is wrong, it has ruled that a head is a head for a' that. At any rate, this machinery is ever so much more tidy than the old and messy method of settling issues with sabres and fisticuffs or, as we have been doing lately, with bombs.

I passed a very pleasant day last week in witnessing this simple process of counting heads at the office of the Indian Merchants' Chamber in Bombay. I was told that even this comparatively peaceful method of each member recording his preference for a team of twenty-four people to manage the affairs of the Chamber, could be, if not quite sanguinary, very noisy and undignified. Learning from past experience, things had been so well arranged this year that everything was extremely decorous and no battles were fought over the bodies of the voters or no attempt made to plague them into voting for X in preference to Y.

This election might have lacked colour and entertainment value but it had certainly gained in peace, dignity and leisureliness. I must say that, though long-drawn-out, it was an unusually pleasant affair, for all those who sought the suffrage of their fellow members, their agents and the voters. Even in the midst of keen rivalry, there was great good humour amongst them all. It was rendered still more pleasant for the first and the second of the above categories by the courtesy and helpfulness of the staff and the hospitality of the President of this august body. He provided a sumptuous buffet lunch and a gorgeous tea to break the monotony of wooing of hundreds of voters.

It is, however, not of the excellent cutlets and pastry served to scores of us who were present there, but of the decline which has overtaken this, the most important business organisation in Western India, that I propose to write today. In spite of the genuine atmosphere of friendliness and the complacent mood in which I was pushed for the rest of the afternoon by a pleasant meal in cheerful company, followed a few hours later by the cup with cheers but does not inebriate, I could not pretend to myself that the Indian Merchants' Chamber wielded the same influence and carried the same prestige as it did a decade or so ago. Try as I would, I could not get rid of this depressing reflection that the Chamber had been badly let down during late years, not so much by the authorities—Central and State—or its own rank and file, as by its great leaders.

The Chamber may have filled out. It might have increased its membership by hundreds. It might possibly be even more active today than it used to be in the less eventful past. But not even its best friends, amongst whom I count myself, can claim that it is as representative as it used to be or that its many memoranda and suggestions command the same attention or consideration of the Governments or the public. One of the main reasons for this unfortunate swing in its popularity and influence, according to some shrewd observers with whom I have discussed this point, is the element of extra-economic considerations which goes often to sway its general attitude and policy. When there was only one overriding issue before the country, prior to 1947, there was some justification for the strong political bias which coloured its day-to-day behaviour. But, with the emergence of a new pattern of economic thought and activity and a new political set-up in the country, a decided alignment with any political group in the country, especially with a group which has no economic principles, were bound to prove injurious to the inherent strength and integrity of any organisation, designed purely and exclusively for the development of economic activity on right lines.

Many weaknesses, which have crept into the structure of the Indian Merchants' Chamber in Bombay and which are responsible for the slow and as yet invisible disintegration which is there today, have flowed from its ill-concealed alignment with a powerful political organisation holding the reigns of power in the State and the country. Many who are dissatisfied but still remain in the body think that this close tie with the apron-strings of the massive matron has not even brought the few crumbs of favour, except, perhaps, individually to some more obstreperous and demonstrative leaders, either to the Chamber or to the interests which it is supposed to represent. They even point to some humiliating incidents in the recent past which certainly did not add to the lustre of this once powerful institution. On the contrary, as pointed out by this disgruntled group, this unofficial but nevertheless real affiliation to a political body has encouraged the State authorities, at times, to slight this organ of economic opinion, to mark their displeasure at its outspokenness in connection with some pet fad of theirs. Its critics maintain that the Government ignores its protests in the full confidence that, after having made enough noise to save its *amour propre*, the Chamber would allow itself to toe the line set by it. There may be an element of exaggeration in this criticism from within, but it must be admitted that there is an element of truth as well in it.

Such internal fissures cannot but lessen the strength of any organisation. But a greater weakness has assailed the Chamber from the secession of important people and business houses and the reported unwillingness on the part of many a mature and tried leader actively to take part in its affairs, though remaining nominally attached to it. Discipline and a certain degree of rigidity might be desirable characteristics of a political body. This is not true of loosely woven business organisations. Such bodies have few executive functions to perform or policies to enforce. Being mainly deliberative in character, a certain amount of fluidity of opinion from issue to issue and a changing group pattern from activity to activity make for greater endurance and stability in institutions of this nature.

Those in power in the Chamber, because this makes for smooth sailing for them, very possibly do not regret such non-intervention on the part of elders, but the loss in strength and maturity of judgment to the organisation as a whole is immense. I have no hesitation in admitting that, on most economic issues, what the Committee of the Chamber says is marked by wise thinking and deep study. What I want to convey is that, our State and national politics, and public opinion being what they are, it is not the opinion which is given that matters so much as who gives it. How is it that the Committee of the Indian Merchants' Chamber hardly includes any of the first six men who would invariably figure at the top of any list of most respected business men in the city?

As I have remarked, this is a deliberative and not an executive body. Certainly, there is room for younger and more energetic men on its committees, as there is on any other body. But there should be room for a few more tried and mature minds as well to guide its deliberations. When I put this question to some of these very elders, they are generous enough to plead either physical inability for the strain such participation involves or to take shelter behind the vague and amiable aphorism that older people must make room for the oncoming young. But I find most of these not only very actively engaged in their individual business or industry, but in the work of other bodies as well. I, therefore, cannot help questioning their sincerity when they put forth such excuses, when it comes to participate more actively only in the work of the Indian Merchants' Chamber. If they consider themselves, above occupying a position on this body, my accusation at the outset that they have let down and lowered the prestige of this important body, which they themselves had created and built up, stands. But few, if any, of these good people are so vain and so I fall back on my original plea that there is something in the ways and working of the Chamber itself which has kept some business leaders at a distance.

I should be failing in my very genuine friendliness for this once great institution, if I closed my evaluation of its present position, before lighting another red lamp of caution. The Chamber is and ought to remain a catholic and cosmopolitan body. There should be room and welcome in it for men engaged in commerce and industry in Bombay not only of every shade of political opinion but of every race, creed or language. Nothing in its constitution debars any business organisation or individual, but has not its political bias and the presence of a permanent and powerful group to uphold this not wrong but unnecessary and embarrassing association with active politics, resulted unconsciously and undesignedly in the Chamber itself being branded, most wrongly, as a predominantly racial and even linguistic institution?

It is no use pleading that its roll of membership includes business men belonging to all communities, races, creeds and languages. It is not enough that justice should be done but those seeking it and others should feel that it is being done. There are Parsis and Mahomedans, Maharashtrians and Rajasthanis, Hindus, Jains and Jews amongst its members and even on its Committee, but ere all these communities there in it in the same ratio as the stakes they hold in the business life of Bombay? Parsis may be a small community, but they figure very prominently in the business life of Bombay. Do they regard the Chamber as their own accredited mouthpiece? Or, again, why should Maharashtrians or Rajasthanis as business men have felt the need for separate bodies of their own in Bombay?

The business community which has an enviable record, despite the ignominy which a section of it has brought on its name during the last decade, has an even more constructive and creditable role to play in the builuing up of our country in the future. But, in a search for a scapegoat for things which have gone wrong, as much because of the weaknesses of other sections of society as of private enterprise, it has come very handy for being assailed from all sides. Even its professed political friends have not spared it from infamy or injury. It stands at the cross-roads today and its very future survival is at issue. A maligned and small community, its strength lies in its institutions and organisations, as well as the purity of their aims and behaviour.

In such matters, Bombay has to take a lead, being industrially and economically more advanced than the rest of the country. What it does today will be watched with eagerness elsewhere and copied tomorrow. It is, therefore, for the business community in Bombay to start putting its house in order. There could be no better beginning for this process of self-purification than the strengthening and consolidating of the Indian Merchants' Chamber on right lines during this year. Let those who have assumed charge of its affairs go out and persuade the best men in the community, wherever they be, to come back to the fold.—*All Rights Reserved.*

EXPORTS OF TEA REACH A RECORD TOTAL

KASHMIR DRAWS CLOSER TO INDIA

(From A Special Correspondent)

New Delhi, 2nd February

THE relations between India and Kashmir are expected to be placed on a more stable basis than hithertofore, especially when the State Constituent Assembly which meets at Jammu tomorrow, approves and ratifies finally the Indo-Kashmir Agreement of July, 1952. During the last week-end, the Kashmiri delegation which had been here, discussed the whole problem and decided to place the relations between the State and the Centre on a firmer footing.

DELHI LETTER

From the economic point of view, it is noteworthy that the State is stated to have agreed to relax the customs barrier against the Union gradually, so as to facilitate the increased flow of trade between Kashmir and the rest of India. As in the case of Rajasthan, Hyderabad, etc., the Indian Union will be compensating the State's loss of revenue in customs and income-tax by an immediate lump sum payment of about Rs. 2 crores which will be subject to the revision by a Finance Commission appointed for the purpose. The State authorities would appear to have been very reluctant to levy a sales tax, but were persuaded to do so with a modest beginning by taxing luxury articles. These apart, the fundamental rights of the Constitution will be made applicable with necessary adjustments to suit the abnormal conditions prevailing in the State at present. Further, the jurisdiction of the Supreme Court will be made applicable to Kashmir also. Although the State's accession to the Union will continue to be on the three subjects, namely, External Affairs, Defence and Communication, many of the gaps are stated to have been filled last week at the meeting between the leaders.

New Steel Plant

Although it may take some time for the Government of India to announce its decision on the location of the steel plant, it can now be taken for certain that the site will be Rourkela in Orissa. The German experts who had examined the various places for the location of the new steel plant are reported to have given their verdict in favour of Rourkela. In their decision they have been guided solely by economic considerations. Iron ore of very good quality is found at a distance of about 15 miles from this site, which can be transported by aerial ropeways. The place is also very near to other raw materials such as limestone. It has got good water facilities and will be in a position to secure abundant electric power from Hirakud. It is stated that coal could be imported from Bengal since the railway wagons which now carry limestone, dolomite, etc., from Orissa to the steel factories of Bengal are nowadays returning empty and these wagons could be utilised for getting coal to the Orissa factory. The Production Minister, who is now on tour of the competing sites, will be returning to the Capital shortly, after which a formal announcement will be made about the location of the new plant at Rourkela.

Tea Industry

The Indian tea industry has been doing quite well, particularly from the second half of 1953. The phenomenal recovery of the industry from the severe slump it experienced during the middle of 1952 may be seen from the following facts. The latest average export prices of North Indian tea in 1953-54 are now calculated at Re. 1-15-2 per lb., as compared with Re. 1-5-10 per lb. for the corresponding period in 1952-53. The improvement in prices may be better appreciated if one takes into account the latest weekly auction prices at Calcutta. For instance, in the auction sale No. 30 held on 18th January, the average export price of tea at Rs. 2-7-6 was nearly double that on the corresponding date a year ago.

The sharp rise in the price was attributable to a large extent to the impressive increase in the export demand, particularly from the U.K. During 1953, total exports of tea set up a new record in the history of this industry, the figure being placed slightly above 500 million lbs., as against 409.6 million lbs. in 1952 and 450.9 million lbs. in 1951. As per international agreement, India is not allowed to export this much quantity, the latest announced quota being limited to 427 million lbs. It is possible that from the current year onwards, Government might increase its quota to the maximum allowable extent. The higher export of 500 million lbs. last year was made possible by the carry forward from the export quotas of the previous years.

Not only from the point of view of quantity but also in regard to value, the year 1953 established a record for tea, the value being provisionally placed slightly above Rs. 100 crores. In the fiscal year 1952-53 and 1951-52, total tea exports amounted to Rs. 80.30 crores and Rs. 93.56 crores, respectively. As a result of this sharp rise in value, tea has begun to occupy the second place in the export trade of this country, being very close to jute manufactures whose exports in 1953 may now be estimated at less than Rs. 120 crores. Even the position of cloth has now been relegated to the third rank, despite the fact that exports of cloth showed a handsome recovery during the last quarter of 1953.

Some Problems

The improvement in prices as well as in exports of tea has brought to the forefront a few controversial problems to the industry and Government for solution. First of all, production of tea has to be increased and the restriction schemes that were introduced a year ago by North Indian gardens have to be shelved. The total production of tea in India in 1953 amounted to 612 million lbs. as against 621 million lbs. in the preceding year. If India were to maintain the present level of exports and to allocate about 200 million lbs. for internal consumption, it has to increase the output appreciably, now that it can expect to export a modest quantity of tea to the U.S.S.R. also.

Secondly, the industry has to ensure a contented labour force. The labour employed in this industry has become restive, being anxious to secure some welfare benefits, from the operations of which the industry had been exempt during the last two years, as per recommendations of the Rajaram Rao Committee. With the improvement in the fortunes of the industry, the Labour Ministry of the Government of India has been anxious to arrive at some decision about the enforcement of welfare schemes.

It is against this background that the conclusions of the Industrial Committee on Plantations which held its sessions in Calcutta should be judged. The decision that measures should be taken to apply the provisions of the Industrial Disputes (Amendment) Act of 1951 relating to lay-off to the plantations industry with effect from April next, will doubtless increase the cost of production of the plantation industries. Since the tea industry is largely dependent on the export markets for its prosperity, the lay-off compensation benefits cannot be rigorously enforced on this industry. It is a moot point as to whether the industry will be able to maintain the present prosperity. The latest reports from London suggest that a considerable resistance against the recent high prices has begun. Further, the Commerce and Industry Ministry has recently appointed Mr. P. M. Menon to go into the cost of production of the various plantation industries. Since the personnel of the Committee has not yet been decided, no progress has been made in this connection so far. In these circumstances, the time is not very opportune to enforce the welfare measures. It may be mentioned that many enlightened planters have already adopted welfare measures and in case Government is determined to go ahead with its labour welfare measures, it should proceed cautiously and methodically after taking into consideration the industry's ability to pay.

The other plantation industries such as coffee and rubber are not in a position to bear any extra cost at present. Even as it is, Indian rubber prices have been ruling somewhat higher than world prices. The higher prices have been fixed by Government partly in consideration of the fact that the industry should have to accelerate the progress of the rehabilitation and expansion programmes in order to satisfy a growing internal demand for this vital raw material. If the profits of the industry were to be reduced on account of higher production costs, the expansion plans will be curtailed and the scope for additional employment of labour will be restricted. The coffee industry has also been complaining about the rise in costs of production and hence its capacity to bear extra imposts will also have to be examined afresh. It is from this angle that the Government must approach the problem.

BANKING

(Concluded from page 206)

WORLD BANK

The net income of the International Bank for Reconstruction and Development for the six months ended 31st December, 1953, amounted to $10,122,649, as compared with $7,639,743 for the corresponding period in 1952. This income has been placed in the supplemental reserve, against losses on loans and guarantees, as a result of which the reserve has gone up to $86,636,160. Commissions on loans amounted to $5,563,593 and were credited to the Bank's special reserve, increasing that reserve to $42,800,010. Total reserves of the Bank as at 31st December, 1953, stood at the handsome level of $129,436,230.

Gross income, exclusive of loan commissions, was $23,930,935 as compared with $20,696,715 for the corresponding period in 1952. Expenses aggregated $13,808,266, including $2,926,679 of administrative expenses, $9,158,640 of bond interest, and $1,722,757 of bond issuance and other financial expenses.

During the six months under review, the Bank made 17 loans amounting to $190,392,000, the countries which received them being Brazil, Chile, Colombia, Iceland, Italy, Japan, Nicaragua, Panama, Turkey and the Union of South Africa. These loans increased the total loans signed by the Bank to $1,781,158,464. Disbursements on loans were $133,043,619, bringing total disbursements to $1,236,304,734.

Repayments of principal were received from borrowers as due. They aggregated $2,042,684 and brought the total principal repayments to $14,710,994 on 31st December, 1953. During the period, the Bank also sold or agreed to sell to private investors $14,038,384 principal amount of its loans. This included $8,965,687 without its guarantee and $5,072,697 with its guarantee. As at 31st December, 1953, these transactions brought total sales of effective loans to $84,053,038. Of these sales, $29,177,194 were made without the Bank's guarantee.

On 31st December, 1953, Czechoslovakia was suspended from membership in the Bank, because of failure to pay a balance of $625,000 due on its subscription to the Bank's capital.

INDIAN OVERSEAS BANK LTD.

The working of the Indian Overseas Bank Ltd., Madras, during the year ended 31st December, 1953, has resulted in a profit (subject to audit) of Rs. 13,24,875, as compared with Rs. 12,86,614 for the previous year. This is the fourth year in succession in which the Bank has maintained the upward trend in its profit. Thus from Rs. 5,34,764 for the year 1949 the profit has progressively expanded to the present level. It must, however, be stated that the pace of increase in profit has been slowing down. Thus, during the year under review, the rise in profit has been no more than Rs. 38,261, as compared with Rs. 1,40,471 in 1952, Rs. 4,43,158 in 1951 and Rs. 1,68,220 in 1950. With the undistributed surplus of Rs. 1,89,917 (Rs. 2,22,825) brought in from the previous year, the sum available for appropriation has gone up from Rs. 15,09,439 for 1952 to Rs. 15,14,793 for the year under review. The Directors have reduced the provision for taxation from Rs. 6,75,000 to Rs. 6,45,000 while the allocation to the reserve fund has been maintained at Rs. 3,50,000. The dividend is repeated at 6 per cent. per annum, free of tax, which requires, as in the previous year, Rs. 2,94,522, leaving to be carried forward a higher sum of Rs. 2,25,271, as compared with Rs. 1,89,917 brought in.

PUNJAB NATIONAL BANK LTD.

The Punjab National Bank Ltd. has earned a profit (subject to audit) of Rs. 39.86 lakhs in 1953, representing an increase of Rs. 5.74 lakhs over that in 1952. The profit for 1953 constitutes a record for the Bank since 1948. The sum brought in from the previous year is Rs. 1.93 lakhs, as compared with Rs. 5.34 lakhs a year ago, bringing the total amount available for appropriation to Rs. 41.79 lakhs, as against Rs. 39.46 lakhs. The total assets of the Bank, as on 31st December, 1953, exceed Rs. 79 crores, an increase of Rs. 5 crores over the year and of Rs. 27 crores over those at the end of 1949. Deposits as at the end of the year under review, at over Rs. 65 crores, are more than Rs. 6 crores above those at the close of 1952 and Rs. 3 crores over those as on 30th June, 1953. It may be recalled that, at the close of the half-year ended 30th June, 1953, the Bank had regained its former position of being the second largest amongst the Indian joint-stock banks, in the matter of total assets and deposits. It has not only retained that position but also surpassed the record figures touched at the close of the immediate pre-Partition year of 1946, when the total assets had stood at about Rs. 78 crores and deposits at Rs. 62 crores.

ANDHRA BANK LTD.

The net profit of the Andhra Bank Ltd., Masulipatam, for the year 1953 (subject to audit) amounts to Rs. 4,12,412, an increase of Rs. 44,159 over that of Rs. 3,68,253 for the previous year. The profit, as in the previous year, has been arrived at after payment of a month's salary as bonus to staff and making necessary provision for contingencies. The amount brought in from the previous year's account is Rs. 7,231 (as against Rs. 3,977). After taking this into account and after deducting the interim dividend at the rate of 6 per cent. per annum, free of tax, paid for the half-year ended 30th June, 1953, which had absorbed Rs. 75,000 (Rs. 75,000), the profit available for final appropriation stands at Rs. 3,44,643, as compared with Rs. 2,97,231.

AMERICAN LETTER

MILD RECESSION IN THE OFFING

NEW YORK STOCK EXCHANGE INTRODUCES NOVEL SCHEME FOR SMALL INVESTORS

(From Our Own Correspondent)

New York, 28th January

THE business curve is still declining, but, so far, the downturn is a mild one. Opinions differ widely as to the immediate future prospect for the economy. Chairmen and presidents of banks, presiding over the stockholder meetings in the first few weeks of the year, were optimistic. They said, in effect, that loan volume from industrial companies was going to hold up, according to all their projections. On the other hand, steel companies, which had calculated that they would operate at above 90 per cent. capacity in the first quarter, now figure that the figure may be nearer 80 per cent. This, however, applies to the new capacity which reached a new high figure as a result of the 1953 completion of the expansion programmes. Neither the Treasury nor the Federal Reserve authorities are concerned with the situation. The Federal Reserve Board still has not used the weapons of lower rediscount rates or the lowering of member-bank reserve requirements, but it may do so soon.

So far, the U.S. central banking system has probably done everything that was possible to accomplish in the field of monetary policy alone. This task in the U.S. is infinitely more complicated than, for example, in the United Kingdom, where credit policy makers have to reckon with only a dozen banks or so, against 14,000 and more in America. The Federal Reserve system's long-term calculations have been pretty accurate, but short-term guesses often go haywire. Recent bad weather, for example, disrupted air traffic, held up check and tax collections and led to a much higher float than expected.

At the moment, the situation is a bit confused. In order to provide greater stimulus to building, the Eisenhower Administration has come out with new plans for a long 40-years' Government guaranteed mortgage and lower down-payments. Most progressive people believe that encouragement of home ownership on more liberal terms is sound *per se*, but it remains to be seen what the Congress is going to legislate in this respect and what the administration of the new plan will be.

Randall Report

Foreign traders, as a whole, welcomed the report of the Randall Commission, although the American Tariff League assailed the paper as pulling "the rug from under American producers and workers faced with low-cost import competition." Mr. John S. Coleman, Chairman of the privately organised Committee for a National Foreign Trade Policy, however, suggested the breadth and the moderation of the Randall recommendation make possible the adoption of a programme that will provide a foundation for a U.S. foreign economic policy adequate to the needs of a growing American economy and of the United States role as leader in the free world. The report, he added, provides a programme in the national interest around which those concerned with an expanding international trade can unite.

Stock Exchange

Another interesting new development in the U.S. has been the beginning of the pay-as-you-go plan for investors on the New York Stock Exchange as from 25th January. On the first day the plan was in operation, odd-lot dealers—orders for less than 100 shares—received a total of 283 orders from 55 member-firms for 658 shares of 142 individual stocks. The dollar amount involved was $21,333. Monthly plans are topping quarterly plans three to one. Substantial orders were also taken for future execution. It must be remembered, however, that there are about 1,200 member-firms of the New York Stock Exchange. Thus, those actively participating are a very small percentage—so far. The pay-as-you-go plan for stocks involves no credit. Purchasers may pay as little as $40 every three months, or $1,000 every month towards a given amount of securities. Buyers pay only the regular Stock Exchange commissions for buying and selling.

Motor Industry

The American motor industry was in the news, too. At its recent exhibit of new automobiles, General Motors Corporation announced the largest private expansion programme ever undertaken. Mr. Harlow H. Curtis, President, said that General Motors will spend $1,000 million in the next two years for new production facilities. Mr. Alfred P. Sloan, Chairman, suggested the expansion programme may run to even $1,500 million. Just when and how these sums are going to be spent is not known, but the announcement in itself provided a psychological stimulus.

Meanwhile, steel companies which spent $1,000 million in 1953 in plant improvement, have scheduled a capital investment of $775 million this year. Government sources estimate at this point that outlays for capital and equipment will run about 5 per cent. higher in the first quarter of 1954 than in the first three months of 1953. Housing starts, an important indicator of construction activity, in 1953 were 2 per cent. under 1952, but it was still above the 1-million unit mark for the fifth consecutive year. The decline was less than seasonal in the closing months of the year.

President's Liberalism

As outlined in previous despatches, the Eisenhower Administration is now moving into a new phase. The erstwhile General has confounded the conservatives. He has come out for greater social security and for more liberalism than is palatable to the right-wing of the Republican Party. At the same time, he has retained the esteem and respect of the masses of the people. Meanwhile, Senator McCarthy's quizzes continue in search of Communists in Government and in other official positions. The tightly knit isolationist group in the country adores the Senator for his doings, while the great majority of the liberally-minded people in the United States take a very dim view of these proceedings because they remind them of Hitler and Mussolini.

The President, though, has now revealed his hand. He is on the side of liberalism, although he does not interfere with the constitutional processes which enable Senator McCarthy to continue with his investigations. This offhand attitude has probably made him many more friends than enemies. The development of the American economy will be the overriding question for the next few months to come. Eisenhower and his Cabinet will be judged, essentially, whether or not times are "good or bad." Except in some fringe areas, things are still satisfactory. Employment is high and personal income is also at levels which are just under the all-time peaks achieved during the inflationary period.

Therefore, while a downturn in the American economy cannot be denied—a slight downturn that is—present conditions are nothing to be alarmed about either by Americans or by any other nation in the world.—*All Rights Reserved.*

(Concluded from next column)

down cloth prices which have registered a sharp rise in recent months, thanks to the deterioration in the supply position consequent on the restrictive import policy. It was only recently that the Government of Pakistan had entered into arrangements with Japan for the purchase of £3 million worth of inferior quality cloth. As, however, the actual delivery will take place only after a few more weeks and with a view to arresting any further upward tendency in prices, the Government has, as already stated, brought the imported cloth under the purview of controls.

Cloth imported on private account and already lying with the importers or dealers has been exempted from the operation of the Control Order until the end of this month, on condition that the said lot should be distributed by the trade to consumers at reasonable prices. The indigenous cloth has also been exempted, because the textile millowners and traders of Pakistan have arrived at a Gentleman's Agreement with the Government, whereby they have undertaken to arrange distribution of mill-made cloth in various units at fair prices.

PAKISTAN NOTES

GOVERNOR-GENERAL OPTIMISTIC

COTTON EXPERT COMMITTEE SUPPORTS HEDGE TRADING

THE most striking feature of the address of Mr. Ghulam Mohammed, Governor-General of Pakistan, at the annual general meeting of the Associated Chambers of Commerce held at Karachi on Thursday last week, was the note of optimism over the future of Pakistan's economy. The economy, Mr. Ghulam Mohammed declared, had turned the corner, and the dawn of better and more stable economic conditions was already visible. In support of this claim, he mentioned the progress made in the spheres of agriculture, industry and transport. Alluding, in particular, to jute, Pakistan's most valuable earner of foreign exchange, he said: "Exports of jute to date have been up to expectations and no difficulty is likely to be experienced in the disposal of this year's crop, together with carry-over from the last two years."

The Governor-General referred to problems of industrial development. The discovery of natural gas at Sui in Baluchistan, he observed, would revolutionise power generation at a very cheap cost at least in Sind, Karachi and Baluchistan. An important pronouncement made by him was that, so long as foreign exchange earnings were restricted, the country should welcome offers made by some outside countries to supply machinery and capital goods on deferred payment basis. While on taxation, he revealed that proposals for entering into double taxation avoidance agreements with other countries were under consideration. Incidentally, it may be noted that Pakistan has already such an agreement with India.

In conclusion, Mr. Ghulam Mohammed called upon all Pakistan's business men and industrialists to maintain a high degree of integrity in their dealings. To quote him: "Pakistan is a new national entity and is yet in its infancy. We have to build traditions of trade and commerce and must lay such foundations as may command the respect and trust of the nations of the world."

Hedge Trading in Cotton

The Cotton Expert Committee has favoured reintroduction of futures trading in the Karachi market in the course of its report submitted to the Government of Pakistan a few days ago. This Committee was set up in June, 1953, with Dr. Nazir Ahmad as Chairman, to undertake a study of the cotton market and to examine the many issues relating to the cotton trade. The full details of the Committee's report are not yet available. From such information as is available, however, it is gathered that the report is quite a "comprehensive document," covering not merely the problems pertaining to the cotton trade but all issues relating to cotton economy in general.

While recommending the system of hedge contract in cotton trade, the Committee has urged the need for suitable legislation for the proper working of the system. It has also suggested measures for preventing sales of cotton on an unfixed basis.

As regards cotton cultivation, the Committee has opposed the idea of raising the acreage under cotton, since, in its opinion, such will adversely affect food production. It, however, emphasises that there should not be any further reduction in cotton acreage in future. If this recommendation were to be accepted and implemented by the Government, the area sown for cotton every year in Pakistan will continue to be 3.12 million acres (1953-54). The Committee has also suggested that all efforts should be made to raise the per-acre yield of cotton from 165 lbs. to 200 lbs. Referring to the subject of finance for cotton grower, the Committee feels that the State Bank of Pakistan should consider the desirability of providing larger credit to co-operative societies and agricultural credit banks directly or through commercial banks. Alluding to exports, it wants the quota to be increased to 2.2 million bales, as against the present 1.2 million bales.

Cloth Control

The Pakistan Government has imposed controls on prices and distribution of cotton piecegoods imported from abroad. The decision is in furtherance of the objective of bringing

(Continued in previous column)

CONVERTIBILITY OF STERLING STILL A DISTANT GOAL

VIEWS OF BRITISH BANK CHAIRMEN

BETWEEN the 10th and 17th inst., the annual meetings of the British "Big Five" banks are scheduled to take place. As preparatory to these meetings and according to customary practice, these banks, namely, Lloyds, Midland, Barclays, Westminster and National Provincial, have already circulated, along with their reports and accounts for the year ended 31st December, 1953, the annual statements of their respective chairmen among their shareholders. These statements are notable, as usual, for their critical analysis of the various banking trends, against the background of a comprehensive review of economic developments in the year under reference. They are, therefore, read avidly by the business community all over the world. In conformity with the general standards, this year's statements also make quite impressive and enlightened reading. The topics they have dealt with cover a wide range of subjects, such as banking trends, convertibility, reduction in the Bank rate, production trends, rising costs, crushing taxes, Government expenditure, savings, promotion of exports, etc. What is rather most striking about these statements is the similarity in the views of the bank chairmen on many of these topics.

To take the variations in banking trends first. The total bank deposits are higher in all cases. The expansion in deposits has been accompanied by an increase in the banks' holdings, of Government securities. As a good part of these Government obligations are of a short-term nature, banks have become highly 'liquid,' notwithstanding the large funding operations carried out during the year. In the result the liquidity ratio, that is, the percentage to deposits of cash, short loans to the money market, and short-term bills has risen to stand at about 38 to 39 per cent. Commercial advances, however, have declined. Referring to this feature, Lord Harlech, Chairman of the Midland Bank observes: "The demand for finance has been eased by the continued downward movement in prices of most basic raw materials. Further, as the post-war phase of irregularity of supplies of raw materials and components has come to an end, there has been less anxiety in industry to accumulate and carry stocks. Another factor contributing to the increased financial liquidity of business, as a whole, has been the considerable volume of new capital issues and other arrangements for augmenting the permanent resources of many undertakings."

Explaining the decline in bank advances further, Lord Harlech says that, in part, it results from an accidental factor, the irregular rise and fall of short-term borrowings by the nationalised gas and electricity undertakings to finance their capital expenditure in anticipation of periodical issues of stock to the public. In part too, it reflects the official policy of restraint in the provision of finance for personal and professional purposes. Even so, the fact is, he continues, that accommodation to industry and trade has, on balance, diminished over the year and that too at a time when the Government has been reducing controls and turning back to private hands the trade in a number of commodities.

Lord Harlech is not alone in criticising the British Government's policy of exercising restraint on non-Governmental borrowing from the banks. For Lord Aldenham of the Westminster Bank also is critical of this policy, as witness this remark of his: "The total of our advances, following the trend shown by bank advances as a whole, fell by £13 million, and the income from this item showed, therefore, a very substantial decrease as compared with 1952. The contraction in the assets may be attributed in part to the lower level of the prices of raw materials and to the more liquid position of the industry during the year. At the same time, it may be mentioned that the terms of the request made by the Chancellor of Exchequer to the banks to exercise restraint in their lending policy bears a little more hardly upon our Bank than upon some of the others because the proportion of our advances made to private and professional customers used normally to be larger than the average."

Economic Progress of Britain

Although there has been a fall in commercial advances, the general economic condition of Britain is healthier than before. This fact is recognised by most of the bank chairmen referred to above. Referring to this point, the Chairman of the National Provincial Bank, Mr. D. J. Robarts, says that, as months passed, one could sense a gradual change in the mentality of the country, and there was a revival of hope, and confidence, partly due to the Coronation of the Queen and partly due to relaxation in international tensions. There were, besides, other causes also. Thus, the alleviations in the 1953 budget were a welcome surprise, even though they left plenty to hope for in the future. The gradual demobilisation of wartime controls and of rationing and the better and more varied diet which became available have also helped. Lest there should be some in this country who do not understand the significance of freedom from official controls to economic development, we quote a couple of sentences from Mr. Robarts' statement:

"A love of freedom and a dislike of restrictions are in our blood and we look forward to the disappearance of the remaining controls. In every country, where this policy has been tried, it has been successful in providing incentives and stimulating enterprise. So it may be hoped that this year the nation will go forward in better heart to work together in the common task of rebuilding our prosperity by the only means by which it can be done, greater efficiency and higher productivity."

In the sphere of finance, too, there has been progress. An indication of this progress is seen in the strength of sterling which, according to Mr. Robarts, has become more and more a hard currency. He traces this progress to a number of factors among which he makes particular mention of the use of Bank rate as an instrument of financial management. He admits that, in the prevailing circumstances, it is difficult to make the Bank rate fully effective. "But even so," he adds, "the action taken has produced good results in tapering off some of the inflationary financing to which we have become accustomed and in enabling our economy to shed some superfluous fat. It has, therefore, helped to achieve what has been rightly described as a precarious balance." The Chairman of the National Provincial is neverthless not quite satisfied with the progress that has so far been made by Britain. He says that the country is consuming more and saving less. While recognising the increase that has taken place in the gold and dollar reserves of Britain, he feels that "there is still much to be done" before his country can reach a position of "financial security and independence." "If a chill wind should blow from overseas," he warns, "we might find ourselves again in grave difficulties."

Convertibility

After referring thus to the position of gold and dollar reserves, Mr. Robarts proceeds to consider the allied question of convertibility. His views on this subject are echoed practically in the statements of all other bank chairmen. He points out that the country is still indebted to the extent of £200 million to the E.P.U. It is also receiving substantial aid, both direct and indirect, from the U.S. The country is just paying its way and is very far from earning the target surplus of £300—£350 million. In this context, he draws attention to the efforts of Commonwealth countries towards achieving sterling convertibility. He says that, in the first six months, the colonies had a large surplus of £58 million with the dollar area, the rest of the sterling area had a surplus of £21 million; the U.K. had a surplus of £34 million but it had received £55 million from the U.S. on account of the U.S. defence aid. "At present, the strength of sterling seems to be due not so much to our efforts as to the efforts made by our partners in the Commonwealth." He, therefore, believes that sterling is not yet strong enough to face convertibility, and feels that it needs U.S. co-operation, especially in regard to lowering of tariffs.

The delay by the U.S. in dealing with the question of tariils and other barriers is viewed by all British bank chairmen with some disappointment. We may add here that since the release of these statements, the Randall Commission's Report has been published and from the Press version, its recommendations, as was pointed out in our last issue, go some way towards enlarging free trade but they do not go far enough. Nevertheless, even this limited approach is being strongly criticised by powerful vested interests in the U.S. and no one knows how long it will take for that country to implement the recommendations of the Randall Commission. Further, on the subject of convertibility, the Commission itself has advocated a policy of "hasten slowly." The only inference that one can draw from all this is that convertibility of sterling is a distant goal.

Export Drive

It is admitted by all that the achievement of convertibility is closely linked with export drive. This in turn depends on production costs and competitive ability, apart from tariff barriers and quota restrictions by importing countries. How crucial is this factor is evident by references made to it by all the chairmen including Mr. Robarts, Lord Balfour of Burleigh (Lloyds Bank), Lord Harlech (Midland) and Lord Aldenham (Westminster). It is generally held that delays in delivery and non-competitive prices are the two chief factors for the U.K. manufacturers' loss of export markets in favour of other countries. Mr. Robarts, particularly, points out that the loss is certainly not due to lack of credit facilities. For he says that the cost of credit in the continental countries, (and Japan, we may add) is higher than in the U.K. and believes that if their exporters can quote better terms, it is because their people are prepared to work harder for less wages than we are." Speaking in a similar vein, Lord Aldenham states: "All the reports that come to us from Western Germany tell of employers and employed there united in the most energetic drive for increasing exports, so that increasing competition is now no distant menace... It is most disturbing to find many instances of our having priced ourselves out of traditional markets. But almost as important as price is the ability to promise quick delivery, and the certainty of being able to keep those promises."

Some of the bank chairmen seem to agree that Governmental expenditure, over-taxation and inadequate savings are still responsible for undermining the British economy. Lord Balfour's remarks on this point are noteworthy. He says: "The important things are that over-taxation militates against all-out personal effort and extinguishes personal saving, while creeping inflation encourages excessive consumption and impedes the necessary expansion both of our capital goods industries and of exports. These are evils whose effects can only manifest themselves after a certain time but which in the long run, will be cumulative. They would be quite sufficient to account for the waning impetus of recovery and for the precarious state of our balance of payments, which are our major national problems."

Savings Inadequate

Lord Balfour says that there is ample evidence to show that the supply of savings in post-war Britain has been quite inadequate. Over the five-year period—1948-52—the U.K. devoted, on an average, just over one-eighth of its total output to the formation of capital in all forms, while in many countries of Europe the proportion of resources devoted to building up the national capital has been twice as much as in the U.K. During this period, in the U.K., persons, professional people and traders other than limited companies drew heavily on their past savings. The public corporations (nationalised industries) had a sizable current deficit for the period. This deficit as well as the large investment of over £1,000 million in these industries fell to be financed by others. Local self-governments had a small surplus, but only after receiving more than £1,500 million in grants from the Central Government which, in addition, financed most of the local authorities' net investment (in housing) of well over £1,500 million. Again, public and private companies, taken as a whole, had no doubt, a balance of savings left over for financing their own net investment. But this was possible on account of wide profit margins resulting from inflationary conditions and from dividend limitation and other restraints imposed on private investment. These considerations have led Lord Balfour to the conclusion that "there is no guarantee that expanding industry will get their share of the available savings or that new enterprise will be able to find capital at all." He further adds that no sufficient substitute has been found for the private investor as the source of the risk capital which is the life blood of enterprise. The private investor cannot provide, he remarks, risk capital, unless he has the income out of which to invest, and adds: "Maldistribution of company savings and a resultant slowing down of industrial progress is part of the concealed price that we pay for maintaining conditions in which dividend increase (or for that matter, tax concessions to the saving and investment classes) are inhibited by fears of aggravating the wage spiral."

In the circumstances noted above, Lord Balfour thinks that before the U.K. can face the future with confidence, it should pay attention to two factors both of which depend on adequate supply of savings. First is the great increase in the volume of productive investment at home. For it cannot hope to hold its own in world markets, unless the rate of modernisation of its industrial equipment at least keeps pace with that of its competitors. The second factor is the need for increasing its overseas earnings, so that they are sufficient not merely to pay for its imports of food and raw materials but to leave a substantial surplus throughtout the year. This, in effect, constitutes the crux of the problem of convertibility, for no country can have a freely convertible currency, unless it is economically solvent and strong.

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TAX MUSINGS

SECTION 42 OF INCOME-TAX ACT

DOES IT APPLY TO BOTH RESIDENTS AND NON-RESIDENTS?

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

A CONTROVERSY is raging at present on the moot question whether section 42 of the Indian Income-tax Act applies both to resident and non-resident or does it apply only to non-resident. Section 42 has a history of its own. It was enacted in the following terms prior to the amendment of the Act:

"In the case of any person residing out of British India, all profits or gains accruing or arising, to such person, whether directly or indirectly, through or from any business connection or property in British India, shall be deemed to be income accruing or arising within British India, and shall be chargeable to income-tax in the name of the agent of any such person, and such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax."

After the amendment in 1939 it ran as below:

"All income, profits or gains accruing or arising, whether directly or indirectly, through or from any business connection in British India, or through or from any property in British India, or through or from any asset or source of income in British India, or through or from any money lent at interest and brought into British India in cash or in kind, shall be deemed to be income accruing or arising within British India, and where the person entitled to the income, profits or gains is not resident in British India, shall be chargeable to income-tax either in his name or in the name of his agent, and, in the latter case, such agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such income-tax:

"Provided that, where the person entitled to the income, profits or gains is not resident in British India, the income-tax so chargeable may be recovered by deduction under any of the provisions of section 18 and that any arrears of tax may be recovered also in accordance with the provisions of this Act from any assets of the non-resident person which are, or may at any time come, within British India:

"Provided further that any such agent, or any person, who apprehends that he may be assessed as such an agent, may retain out of any money payable by him to such non-resident person a sum equal to his estimated liability under this sub-section, and, in the event of any disagreement between the non-resident person and such agent or person as to the amount to be so retained, such agent or person may secure from the Income-tax Officer a certificate stating the amount to be so retained pending final settlement of the liability, and the certificate so obtained shall be his warrant for retaining that amount:

"Provided further that the amount recoverable from such agent or person at the time of final settlement shall not exceed the amount specified in such certificate except to the extent to which such agent or person may at such time have in his hands additional assets of such non-resident person."

Sections 3 and 4 prior to the Amendment Act ran as follows:

3. "Where any Act of the Central Legislature enacts that income-tax shall be charged for any year at any rate or rates applicable to the total income of an assessee, tax at that rate or those rates shall be charged for that year in accordance with, and subject to the provisions of, this Act in respect of all income, profits and gains of the previous year of every individual, Hindu undivided family, company, firm and other association of individuals."

4. "Save as hereinafter provided, this Act shall apply to all income, profits or gains, as described or comprised in section 6, from whatever source derived, accruing or arising, or received in British India, or deemed under the provisions of this Act to accrue, or arise, or to be received in British India.

"Income, profits and gains accruing or arising without British India to a person resident in British India shall, if they are received in or brought into British India, be deemed to have accrued or arisen in British India and to be income, profits and gains of the year in which they are so received or brought notwithstanding the fact that they did not so accrue or arise in that year."

After the 1939 Amendment Act their frame was as follows:

3. "Where any Act of the Central Legislature enacts that income-tax shall be charged for any year at any rate or rates,... tax at that rate or those rates shall be charged for that year in accordance with, and subject to the provisions of, this Act in respect of the total income, of the previous year of every individual, Hindu undivided family, company and local authority, and of every firm and other association of persons or the partners of the firm or members of the association individually."

4. "Subject to the provisions of this Act, the total income of any previous year of any person includes all income, profits and gains from whatever source derived which—

(a) are received or are deemed to be received in British India in such year by or on behalf of such person, or

(b) if such person is resident in British India during such year—

(i) accrue or arise or are deemed to accrue or arise to him in British India during such year, or

(ii) accrue or arise to him without British India during such year, or

(iii) having accrued or arisen to him without British India before the beginning of such year and after the 1st day of April, 1933, are brought into or received in British India by him during such year; or

(c) if such person is not resident in British India during such year, accrue or arise or are deemed to accrue or arise to him in British India during such year."

Further, in 1941 section 14(2) (c) was enacted in the following terms:

"The tax shall not be payable by an assessee in respect of any income, profits, or gains accruing or arising to him within an Indian State, unless such income, profits or gains are received or deemed to be received in or are brought into British India in the previous year by or on behalf of the assessee, or are assessable under section 12B or section 42."

In order to appreciate these sections in the context of the scheme underlying, each one has to dig into the history of the Income-tax Legislation. Let us, therefore, refer to the charging sections 3 and 4 prior to their amendment in 1939. The basic principle of the charging section was to tax income with reference to income accruing or arising in British India—State being treated as outside the purview of the Income-tax Act. Since the *situs* of the source was the basis of the charge, the status of the assessee—whether resident or non-resident—did not matter. Emphasis was, therefore, on the source, rather than on the person. This being the fundamental of the scheme of taxation, naturally foreign income of a resident was not subjected to tax on the accrual basis. As the basis of taxation adopted was receipt or remittance into British India, such foreign income was subjected to tax, therefore, contingently on being received or brought into British India.

This basis was fundamentally altered in 1939. Foreign income, although outside the purview of territorial jurisdiction, was subjected to tax on accrual basis. Now to do so would necessarily entail transferring the emphasis from source to person. Assessees were, therefore, divided into "resident" and "non-resident" categories. In the case of the resident, the Government took the power to assess even his foreign income, even though not actually received; in the case of non-resident, owing to International law, foreign income, arising abroad under the auspices of another Government by reason of foreign allegiance, was not subjected to tax on accrual basis. The broad division between resident and non-resident had to be modified into *(a)* "ordinarily resident," that is, persons who habitually live in British India, *(b)* "not ordinarily resident," that is, persons who habitually live outside British India but who happen temporarily to acquire technical resident status, and *(c)* the "non-resident," that is, persons who habitually stay out and do not come within the purview of the Indian jurisdiction either ordinarily as "ordinary resident" or temporarily as "not ordinarily resident." Since a not-ordinarily-resident person acquires the status of a resident, he would have to pay tax on all his foreign income. In order to mitigate this hardship, section 4 limits his scope of liability.

Let me set out the respective liability of a "resident," "not ordinarily resident" and a "non-resident."

"Resident's" Liability.—Such a person is chargeable on:

(a) Income accruing or arising in British India;

(b) income accruing or arising outside British India;

(c) income received or deemed to be received in British India; and

(d) income brought into British India out of profits which accrued prior to 1938 but after 1933.

"Not Ordinarily Resident's" Liability.—Such a person is chargeable on:

(a) Income accruing or arising in British India;

(b) income received or deemed to be received in British India;

(c) income brought into British India; and

(d) income accruing or arising from a business controlled in India (including Indian States).

"Non-resident's" Liability.—Such a person is chargeable on:

(a) Income accruing or arising or deemed to accrue or arise in British India; and

(b) income received or deemed to be received in British India.

Having grasped the scope of the liability of each, let us now consider the alteration and the effect of the charging sections 3 and 4 *vis-a-vis* resident and non-resident.

Under these sections, a resident's liability was so enlarged that there was no income, either inland or foreign, that escaped the taxation net.

Section 42 has been enacted to catch the income under a fiction of law, income which otherwise would have been exempted under the charging section of the Act. Now, after the Amendment in 1939, if a resident's liability is such that nothing escapes tax under the charging sections, is it possible in the context to say that section 42 applied equally to resident and non-resident? It applied to non-resident, of course, for his foreign income was beyond the pale of the Income-tax Act. If it were so, then section 42 might throw the net wide to catch it, if it can, by a fiction of law. But, if the law catches the income normally, no fiction of law enacted under section 42 need be necessary to catch it. The position, therefore, is that "ordinarily resident" after 1939 was not contemplated under section 42 becomes clear. At least upto 1941, when section 14(2) (c) was enacted, non-residents were the only persons whose income could be hit by section 42.

But it will not be true to say that, because the liability of "ordinarily resident" is so large as to include all his foreign income, the same is also true of a "not-ordinarily resident." This person, as we said previously, pays tax on income accruing or arising in India. He does not pay tax on income accruing abroad. His foreign income could also be hit by section 42 on the ground of business connection. Thus, we come to this conclusion, that section 42, as amended after 1939, caught both "not ordinarily resident" and "non-resident," but not an "ordinary resident."

Support for this view is readily obtained from the internal evidence in section 42(2). If section 42 was intended to apply equally to all the three categories, why does sub-section (2) refer only to "non-resident" and "not ordinarily resident' and is silent as to resident? It is not an accidental omission but a deliberate enactment. Section 42(2), as we have explained before, can catch some incomes which are not caught under sections 3 and 4. Why should we, therefore, import the meaning by implication that section 42(1) applies to all the three categories?

The reason possibly advanced is the presence of section 42 in section 14(2) (c). This section exempts something which, but for it, would have been subjected to tax. Income of a resident under section 4(1) (b) (ii), i.e., income accruing or arising outside British India, would be taxed. This would include income accruing in the Indian State. To exempt what is caught under section 4 is the purpose of section 14(2) (c). Now the income of a resident accruing in Indian State was made liable under section 4, and that is sought to be exempted under section 14(2) (c) only if the two following conditions are fulfilled:

(a) Unless such income is received or deemed to be received in or brought into British India, or

(b) unless the income is assessable under section 42.

The genesis of this section was to avoid the Indian State Government also adopting for its residents a world income liability on accrual basis, so that, if a person is resident in Indian State by reason of his maintaining a dwelling house in the Indian State and visiting for short duration in the year, he would be resident there and also in British India, because he is trading and stays habitually in British India for most of the time. He will thus attract double resident status, once under the Indian Government and another under a State Government. The Government will collect tax from such a resident on world income basis both in British India and in Indian State, with the result that the Indian Government will have to part generally with half of its taxes in shape of double income-tax relief. In order to avoid such repayment, the basis was changed from accrual to remittance. If such persons are to be attacked under section 42 and their Indian State income subjected to tax under section 42, the whole purpose of the

(Continued on page 239)

PROGRESS OF SERICULTURE INDUSTRY

NEW SILK BOARD TAKING ACTIVE INTEREST

DESPITE tariff protection for a long period of two decades and active assistance from the Governments, the sericulture industry in India has failed to show any worthwhile progress. The production of raw silk continues to be at a low level, being not more than 2 million lbs. per annum, as against the country's present annual requirements of 3 million lbs. and the self-sufficiency target of 8 million lbs. The quality of silk, too, is still not up to expectations, being no higher than the International 'D' grade. What is worse, raw silk prices are ruling very high *viv-a-vis* those in other silk producing countries such as Japan and Italy. The chief factors responsible for this none too satisfactory position of the sericulture industry are absence of proper organisation, lack of adequate research and defective methods of production.

Viewed against this background, the statement of the Central Silk Board that it would be able "to lead the industry towards stability and ordered development" sounds too optimistic, if not heroic. Nevertheless, this statement is welcome as an indication of its earnestness to improve the affairs of the sericulture industry. In its latest annual report, that for the year 1953-54, the Board observes:

"The sericulture industry has been through a difficult time in the recent past, in the sense that either large imports from abroad or high prices within have prevented the stabilisation and orderly development of the industry. The Central Silk Board is addressing itself to the task of reducing the price of raw silk, increasing the offtake and increasing production. The Government of India has been good enough to place a considerable sum at the disposal of the Board for the first time during 1953-54 and the Board hopes, by promoting research, organisation of marketing and other means, to be able to lead the industry towards stability and ordered development."

Board's Activities

The Central Silk Board, it will be recalled, was created as early as in 1949. Until its reconstitution in September, 1952, the Board had not contributed anything substantial to the development of the sericulture industry. Barring the annual meetings—even those were not held regularly—the Board did not solve any of the long-term problems confronting the industry. With the reconstitution of the Board, the widening of the scope of its functions, and larger financial assistance made available by the Central Government, however, more vigour and drive would appear to have been infused into the Board. An indication of this is provided by the increase in the tempo of the Board's activities. The grants which the Board has made to the State Governments so far during the current (1953-54) financial year amount to Rs. 11.8 lakhs, as against Rs. 2.7 lakhs in 1952-53 and Rs. 1.46 lakhs in 1951-52. Before the close of the year, the Board is expected to provide another Rs. 2 to Rs. 3 lakhs. The aggregate grants for the whole of 1953-54 will thus amount to Rs. 14 to Rs. 15 lakhs which are over five times what were available during 1952-53.

The lines on which the Board has been assisting the development of the sericulture industry, as given in the latest annual report, may now be indicated. The real problem of the Indian silk industry is reduction in prices. One of the most effective ways of tackling it lies in the qualitative and quantitative improvement in raw silk production. This, in turn, is possible, if adequate and constant research is carried out towards increasing the yield and nutritive quality of the mulberry leaves. How important is this aspect will be evident from the fact that the cost of feeding the silk-worm on mulberry leaves alone accounts for as much as 60 per cent. of the cost of cocoon production. It is, indeed, gratifying to find that the Central Silk Board has been granting facilities in the form of supply of imported mulberry saplings and financial assistance to the State Governments for the establishment of mulberry nurseries for the preparation of improved grafts. Those facilities, it is said, have enabled the State Governments of Mysore, Madras and West Bengal to conduct trials with Japanese varieties on a large scale, in order to replace the existing poor yielding mulberry trees with improved and more nutritious varieties of mulberry grafts.

With a view to assisting the rearers to provide themselves with sufficient mountages on which the silk-worms spin cocoons, the Board has given financial assistance to the State Governments. It has also aided the setting up of foreign seed stations for the purpose of propagating foreign races of silk-worms crossed with indigenous races.

The production of good quality raw silk depends also on the improvement in the reeling of cocoons. The major part of this sector of the industry is still crude and primitive in its equipment and methods. The need for substituting the existing crude *charkhas* with improved appliances has, therefore, long been felt.

On the recommendation of the Technical Development Committee, the Standing Committee of the Board constituted a sub-committee of experts to put up concrete proposals for substituting the crude *charkhas* by domestic basins or other improved reeling appliances. This Sub-Committee has met twice and, after reviewing the comparative advantages of the three improved appliances, namely, the Mysore, Madras and West Bengal models, recommended that trials should be conducted at Channapatna (Mysore) and Malda (West Bengal) with these three types, in order to study their merits and deficiencies and to improvise a uniform type. Necessary funds have already been placed at the disposal of the State Governments of Mysore and West Bengal for the purpose of conducting these trials. The final report of the Committee is expected to be ready shortly when necessary steps will be taken by the Central Silk Board and the State Governments to arrange for the manufacture, on a large scale, of the model that is recommended by the Sub-Committee for introduction extensively in the rural areas. Necessary provision for assistance in this regard has been made in the budget estimates of the Board in the financial year 1954-55.

The question of affording increased facilities for the testing and conditioning of all raw silk before it is brought to the market has been engaging the attention of the Central Silk Board since its reconstitution in September, 1952. The Board, for instance, has granted financial assistance to the Government of Mysore for the construction of buildings for the silk conditioning and testing house at Bangalore. Efforts are also being made for the establishment of a similar house in Bombay with the help of the Silk and Art Silk Mills' Association. The Indian Standards Institution has finalised the standards for the testing of Indian silk.

Marketing of Raw Silk

Another field of activity which has engaged the attention of the Central Silk Board pertains to the marketing of raw silk. In the opinion of the Board, organisation of co-operatives comprising primary producers, rearers, reelers and sellers is the best method of stabilising the conditions in the silk industry. On the basis of the recommendations of one of its sub-committees, the Board has earmarked a sum of Rs. 2 lakhs for the establishment of such co-operative societies and also partly for the modernisation of reeling machinery. This sum is to be advanced to the States as loan carrying small interest.

The organisation of research is yet another important item of the Board's activities calling for intensive effort. The Board had appointed, in 1952, a Research Committee to draw up proposals for the delimitation of fields of work for the research institutions already existing and for the co-ordination of the work done by the various other agencies. The suggestions of this Committee have been accepted by the Board and are being implemented.

In view of the importance of deputing officers from the State Governments for training in the sericulture industry in Japan, the Board has been regularly subsidising the latter. So far, seven officers of the Sericulture Departments have been sent to Japan. Eight more officers will be sent in the near future.

Non-Mulberry Silk

The efforts of the Central Silk Board are not confined to the development of the mulberry raw silk industry alone. India produces about 800,000 lbs. of non-mulberry raw silk also —*Muga*, *Tassar* and *Eri* silk—and efforts have been made by the Board to assist the State Governments to develop this section also, especially with the improved type of indigenous reeling and spinning machines invented by Mr. Nidhi Ram Das of Gauhati. Demonstrations of experiments on these machines are at present being carried on with the co-operation of the State Governments concerned in Assam, Orissa, Madhya Pradesh, Bihar and West Bengal. The results achieved so far are encouraging and the *Eri* spinning machines are gaining popularity in the States of Orissa, Madhya Pradesh, Assam, Bihar and West Bengal. So far, the Central Silk Board has purchased 51 *Muga* reeling and *Eri* spinning machines at a cost of Rs. 3,200 for demonstration purposes. The question of getting these machines manufactured in a private workshop in Calcutta, as also the question of an outright grant to the inventor for his labour and the services rendered to the industry, is engaging the attention of the Board. The Board has also appointed five demonstrators, one each in the States of Assam, Orissa, Bihar, Madhya Pradesh and West Bengal, to carry on these demonstrations.

Stability of Raw Silk Prices

All these measures adopted by the Central Silk Board are, however, of long-term importance for the development of the sericulture industry. What is urgently required is stabilisation of raw silk prices. The Government of India's policy of linking imports of raw silk with an equal offtake of filature raw silk indigenously produced has, while seeking to protect the interest of the sericulture industry, overlooked the interests of weavers and consumers of raw silk who have been paying very high prices. It is common knowledge that, in the conditions of the purchasing power in the country, unless the price of raw silk is reduced, its offtake is bound to be lower. It is to be hoped that the special committee, recently constituted by the Board, to examine the question of ensuring stability of raw silk prices, will appreciate this point and suggest ways and means of bringing down the prices to a reasonable level. The Committee's report is expected to be submitted in the next few weeks.

EXPORT OF RAW WOOL

The latest decision of the Government of India to release, by 31st March, 1954, an additional quantity of wool equal to one-tenth of the allotments already held by established exporters is in keeping with the policy of liberalising exports. It was on 12th September, 1953, it will be recalled, that the Government announced that export of raw wool would be licensed to actual shippers up to 20 per cent. of the shipments effected by them during the first half of 1953. On representation, however, by the raw wool trade urging a further and more liberal quota for exports, on the score that the quota granted was too inadequate to prevent accumulation of heavy stocks and falling prices, the Government raised, on 24th November, 1953, the quota to 60 per cent. of the shipment during the January-June, 1953 period. Even this increase was considered by the trade as being not sufficient. A plea was accordingly put forward for a still liberal quota. The latest decision of the Government, referred to at the outset, is a sequel to this plea.

The above decision has been welcomed by the wool trade. But the Government's policy of broad-basing its export policy with a view to enabling a larger section of the trade to take part in export business has been criticised. Under the new policy, besides the actual shippers during the first half of last year, the following categories of firms will also be considered for granting licences for the export of a limited quantity of raw wool:

(a) Shippers who have not received any export allotment but who have exports to their credit during the period July-December, 1951 or July-December, 1952 or July-September, 1953;

(b) shippers who effected exports during any of the three calendar years 1951, 1952 or 1953 through an exporting house of a commission agent on consignment basis but who have not shipped the goods in their own names and hence are not eligible to claim any export quota; and

(c) internal traders not eligible to get any export allotment as a shipper but who have made outright sales of raw wool to established shippers or exporting houses or commission agents.

The raw wool traders feel that the foregoing procedure is rather complicated. In its opinion, the only equitable and practical way of distributing surplus wool for export is the "first come first served" principle "which affords an equal opportunity to all sections of the trade without calling for the existing complications." To quote the All-India Wool Trade Federation: "Had the Government seen their way to restore the aforesaid procedure of licensing followed by it since November, 1950, till September, 1953, which had worked generally satisfactorily and smoothly, the existing complications in the procedure of licensing and the dissatisfaction and confusion prevailing in the trade could have well been avoided without jeopardising the interests of any party."

The Federation goes even to the extent of saying that there is no need to control the export of raw wool, inasmuch as the exportable surplus is much larger than the average rate of export. If, however, the Government is not prepared to abolish all controls forthwith, it points out, it should at least release the entire surplus at a time based on a yearly policy on "first come first served" principle, instead of resorting to merely experimenting on various short-term policy announcements "which add confusion and uncertainty among trade circles, besides bringing in artificial fluctuations in prices."

TIME DRAWING NEARER FOR REOPENING LIVERPOOL COTTON MARKET

RENEWED FEARS REGARDING COTTON SUPPLIES

(From A Special Correspondent)

MANCHESTER, *26th January*

EXPORTS of cotton goods from Lancashire in 1953 showed little change as compared with the previous 12 months and remained substantially below the levels recorded in 1951. Earnings were £133,384,462, as against £148,039,772 in 1952 and the post-war peak of nearly £210,000,000 in the previous year. Lower price levels were the chief reason for this decline in earning power, as the quantity of cotton cloth shipped abroad was very similar to that exported in 1952, while sales of yarn showed an expansion in volume.

MANCHESTER LETTER

Cotton cloth shipments for the year amounted to 709,057,000 square yards, as against 710,813,000 square yards in 1952. The value was £87,928,460, an average of 29.76d. per square yard, as compared with £100,835,564 in the previous year, averaging 34.05d. per square yard. Yarn exports were 41,895,700 lbs., as against 35,721,600 lbs., earning £16,999,517 at an average price of 97.38d. per lb., as compared with £17,747,940, an average of 119.25d. per lb.

Volume of Exports

The following table shows the quarterly figures by volume in recent years:—

Cloth (in square yards)

	1951	1952	1953
1st quarter	211,961,000	211,646,000	173,106,000
2nd	240,390,000	162,220,000	169,604,000
3rd	213,995,000	151,540,000	182,020,000
4th	193,201,000	185,207,000	183,925,000
Total (adjusted to nearest million)	865,000,000	711,000,000	709,000,000

Yarn (in lbs.)

	1951	1952	1953
1st quarter	10,673,000	12,190,500	9,869,300
2nd	13,140,000	7,330,200	9,942,200
3rd	15,046,100	6,766,000	9,647,300
4th	12,754,900	9,359,200	12,388,400
Total (adjusted as above)	65,000,000	36,000,000	42,000,000

Although cloth shipments approximated to the 1952 level, there were some substantial changes in destinations. Whereas British West Africa remained the chief consumer, the total shipments to this area fell by 30,000,000 square yards to 145,050,000 square yards. The other main buyers were (in square yards, with 1952 comparisons): Australia 95,344,000 (72,940,000); South Africa 85,787,000 (59,421,000); British East Africa 31,074,000 (21,137,000); New Zealand 28,599,000 (30,518,000) and Malaya 26,466,000 (33,354,000).

Australia regained her place as the chief consumer of Lancashire-made yarn during the year, taking 5,968,900 lbs., against 2,942,800 lbs., with 1952 comparisons): Irish Republic 4,723,500 lbs. (3,199,100 lbs.); Canada 3,998,900 lbs. (2,132,700 lbs.); Western Germany 2,684,200 lbs. (1,207,100 lbs.); British West Africa 2,098,600 lbs. (2,175,900 lbs.) and South Africa 2,013,900 lbs. (1,486,000 lbs.).

Fall in Imports

As a result of the continued contraction in imports of grey cloth last year, it is estimated that the exports of cotton goods represented an extra 80,000,000 yards of Lancashire-made fabric as compared with 1952. The reduction in arrivals of foreign cloth amounted to about 70,000,000 square yards, the total being 76,069,000 yards, as against 144,256,000 yards in the previous year.

The system of buying unbleached material abroad, processing it in this country and re-shipping the finished product has been in operation for several years past, but the policy has been severely curtailed since the trade depression in 1952. Last year, the chief suppliers were again Japan and India, providing 38,319,000 sq. yards and 15,854,000 sq. yards, respectively. The total from Japan was little more than half the previous year, but there was an increase in shipments from India, mainly as a result of much bigger arrivals in the final two months of 1953.

The cost of all imported cotton goods last year at £13,569,789 was roughly one-third of the previous year. Finished cotton fabrics accounted for nearly £5,000,000 of the total, the main supplier being Belgium with 7,807,000 yards.

Sufficient Cotton Supplies

As the weeks go by, bringing the time nearer for the reopening of the Liverpool futures market, it would be idle to pretend either that the spinning trade or the raw cotton interests are fully at ease over the implications of the decision which has been taken. Recent developments have done little to create any feeling of security about the prospects. The attitude of the cotton trade unions has, of course, been uncompromisingly against the proposal. Their fears about possible shortages of raw cotton under the private buying system have culminated in an approach to the employers asking for a special wage agreement guaranteeing pay to any operatives whose earnings might be affected by a stoppage caused by a shortage of the raw material. The claim was rejected.

On the question of stocks, Mr. Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, says, in his latest quarterly report: "Before the war, Liverpool carried approximately one million bales of every variety of cotton. There appears little likelihood that former merchants and brokers will carry even a tenth of this amount." Raw cotton merchants have been complaining for some time past that the spinning trade is unable or unwilling to notify them of its future requirements. Whether a futures market can function adequately without substantial stocks being held in this country is open to question.

Meanwhile, some light has been thrown on future raw cotton trends as a result of the latest statement made by the Liverpool Cotton Association on the provision of a spot market. Merchants intend to charge more for spot cotton, arguing that they can only undertake to hold supplies where it would be a reasonable commercial proposition. The Association draws a contrast between the Raw Cotton Commission which has maintained large stocks of varied growths. This inevitably meant profits when world prices rose and a loss when values declined. The taxpayer has latterly been a loser in this venture. Merchants, on the other hand, have to compete in an open market and need to assess demand at the current high level of prices, which can easily lead to substantial losses in the event of supplies not being swiftly taken up by users. As a result, the price of spot stock must be considerably increased by handling and storage costs and wider profit margins charged to offset the risks involved.

Spinners with the necessary facilities are likely to obtain their raw material supplies direct from overseas sources, except in cases of emergency. The combines are, of course, well equipped to carry out this policy but smaller groups of mills may find the financial aspect of the problem beyond their powers.

Union "Blue-Print" For Industry

Mr. William Roberts, President of the United Textile Factory Workers' Association, said, after a meeting of the Association's legislative council in Manchester this week, that it was unlikely that the cotton unions' new policy document—the first for ten years—would be completed in time for submission to the unions' annual conference opening at Morecambe on 29th April. The policy document, running to more than 25,000 words, has been drafted by Mr. Harold Wilson, M.P., former Board of Trade President of the Labour Government, at the invitation of the U.T.F.W.A. Following joint discussions, certain sections of the document—which will cover every aspect of the industry from raw material to finished product—are now being revised.

"Learn Facts" Call

Allegations that Government spokesmen coming from London to speak in textile centres were inadequately briefed by the leading civil servants were made by Sir John Grey, Chairman of the Lancashire Cotton Corporation Ltd., in his final speech before retiring from the chairmanship. Sir John said at the annual meeting that permanent heads of departments in the Treasury and the Board of Trade should ensure that prominent Ministers, when they came to speak in Lancashire, were adequately supplied with the facts and did not have to be corrected in the following day's papers. He later declared that he was referring, in particular, to the speech made by Mr. R. A. Butler, Chancellor of the Exchequer, at Bolton in November, when he quoted export figures indicating that Lancashire was in danger of becoming a net loser of currency rather than an earner. Sir John also urged the Government to reduce taxation levels to enable industry to retain "a little more of its life's blood." The Government, he added, should "disentangle itself from G.A.T.T." and should fight "a little harder to support the interests of the cotton industry in any discussion."—*All Rights Reserved.*

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LAND REFORMS IN INDIA

DANGERS OF IGNORING SOCIO-ECONOMIC BACKGROUND

(By Prof. T. R. SHARMA, B.R. College, Agra)

THE era of modern land reforms was, perhaps, first introduced in Russia by the Soviet Government just after the First World War and the new system of land management was introduced in all the countries which came under the influence of the Soviet Government as one of the earliest measures undertaken by Communist Governments. After the attainment of independence, most of the State Governments in India have taken steps to introduce land reforms. Upto this time, these reforms were mainly concerned with the elimination of intermediary interests standing between the State and the peasant farmer—the actual tiller of the soil.

After the abolition of the intermediary interests, it is being realised that changes in the titles of ownership of land are more or less useless, unless they are accompanied by other measures concerned with the actual management of agricultural land so that deficit subsistence farming may be replaced by efficient and progressive methods of agriculture, producing ever-increasing quantities of food and raw materials for providing a broad basis for the establishment of modern progressive economy.

On account of these considerations, the second instalment of land reforms seems to be imminent. Establishment of registered and co-operative farms, introduction of tractors and other types of farm machinery, fixation of a ceiling for individual holdings, breaking up of big landed estates, re-distribution of land for rehabilitating the landless rural worker, etc., are some of the problems engaging the attention of State and Central Governments. In order to be able to formulate a sound land policy, the Central Government has asked the State Governments to have a land census for collecting the necessary data. At this time, people hold different, often divergent, opinions about the form of land management to be adopted. While some people regard the Western type of farms or co-operative or collective farms as necessary adjuncts of increased production, another set of people place equally great emphasis on Japanese methods of cultivation. In these circumstances, it is essential that we understand clearly the social and economic background of all the three forms—Western, Indian, Chinese and Japanese—of agriculture and land management.

Different Types of Land Management

Let us take the Western type of agriculture as practised in America, Russia and Western Europe. In America and Russia land is plentiful and the population in relation to land is not large. Consequently, the farms are big. There is no dearth of capital in America and, therefore, the farms are mechanised on individualistic basis; in Russia, capital is not so plentiful and the mechanisation is carried out on co-operative or collective basis. Both of these regions are sufficiently rich in liquid fuel resources and, under these conditions, large-scale mechanised farming is, perhaps, most suited to their economic needs. In Western Europe, both land and capital are not so plentiful as in America but the pressure of population on land is much less in comparison to India and China.

From the social point of view, meat is the staple diet of the people and dairy produce forms a very important part of their food. The number of cattle is sufficiently large and they are maintained mainly for supplying meat and dairy produce. Female calves are reared up to replenish the stocks of milch cattle and the majority of male calves are killed for food, often as soon as they are six weeks old. Generally, a part of agricultural land is used for growing grass which is turned into hay for the cattle. The animals, thus, are mainly a source of food-supply and play almost no part in farming and agricultural operations.

In China and Japan, on the other hand, the pressure of population on land is very heavy and, consequently, farms are of a very small size. Capital is also scarce. The food habits of the people are also different; the main items of food are rice and fish; pigs and sheep are the main sources of supply of meat. There is almost a complete absence of bovine cattle. Rarely, a buffalo may be seen here and there. The result is that beef or dairy produce does not form part of the normal diet of most of the people and bullock labour and farmyard manure play almost no part in the working of the agricultural fields. Man has to depend upon himself; most of the agricultural operations are performed by him; often he himself draws the plough and works the water-lifting wheel; his wife acts as a beast of burden moving the crop from the field to the barn; and human excreta is carefully collected to provide manure to the fields. Man, unassisted by bovine cattle or machinery, carries on intensive agriculture on tiny holdings. There is no alternative or choice; agriculture has to be labour intensive.

The Indian System

India lies midway between the West and the Far East. Her agricultural practices are also of an intermediary type. The number of bovine cattle in India is, perhaps, the largest in the world, but the majority of people abhor beef-eating and for most of them cattle-killing is forbidden by their religion. Cereals, pulses and vegetables are the staple food of the people; dairy produce, though now available in small quantities, is the most relished item of diet. The pressure of population on land is heavier in comparison to the West but land is not so scarce as in the Far East.

Cattle assist man in most of the agricultural operations; they draw the plough, work the water lift, draw the cart and assist in threshing. In spite of the fact that the dung is burnt as fuel, cattle provide most of the farmyard manure. In these circumstances, a team of bullocks and one or two cows or buffaloes are most essential elements of the equipment of a peasant's farm unit. Generally dual purpose crops are grown to provide cereals for men and fodder for the cattle. Holdings are small, capital is not available for purchasing farm machinery and the country's resources are extremely poor in liquid fuel. Consequently, any appreciable departure from the existing man-cattle partnership does not seem to be feasible. If there is any serious deflection in favour of machinery or human labour to the exclusion of cattle labour, while dairy produce retains its place in the dietery, the problem of male calves renders the position untenable. So on account of our socio-economic set-up, we cannot afford to introduce American or Japanese methods of agriculture on any extensive scale; we shall have to solve our problem of increasing agricultural production within the framework of our own socio-economic conditions.

The Government of a democratic country cannot act against the sentiments of the people in any short period of time. Public opinion has to be educated slowly. During the last four or five years, public sentiment has been reacting very strongly against cattle slaughter, although most of the agriculturists know well that, as a result of this policy, roving herds of wild cattle, more dangerous to crops than the blue bulls, are likely to come into existence. In some areas of U.P., they are already there. This is the type of public opinion that has to be taken into consideration.

Man-Cattle Partnership

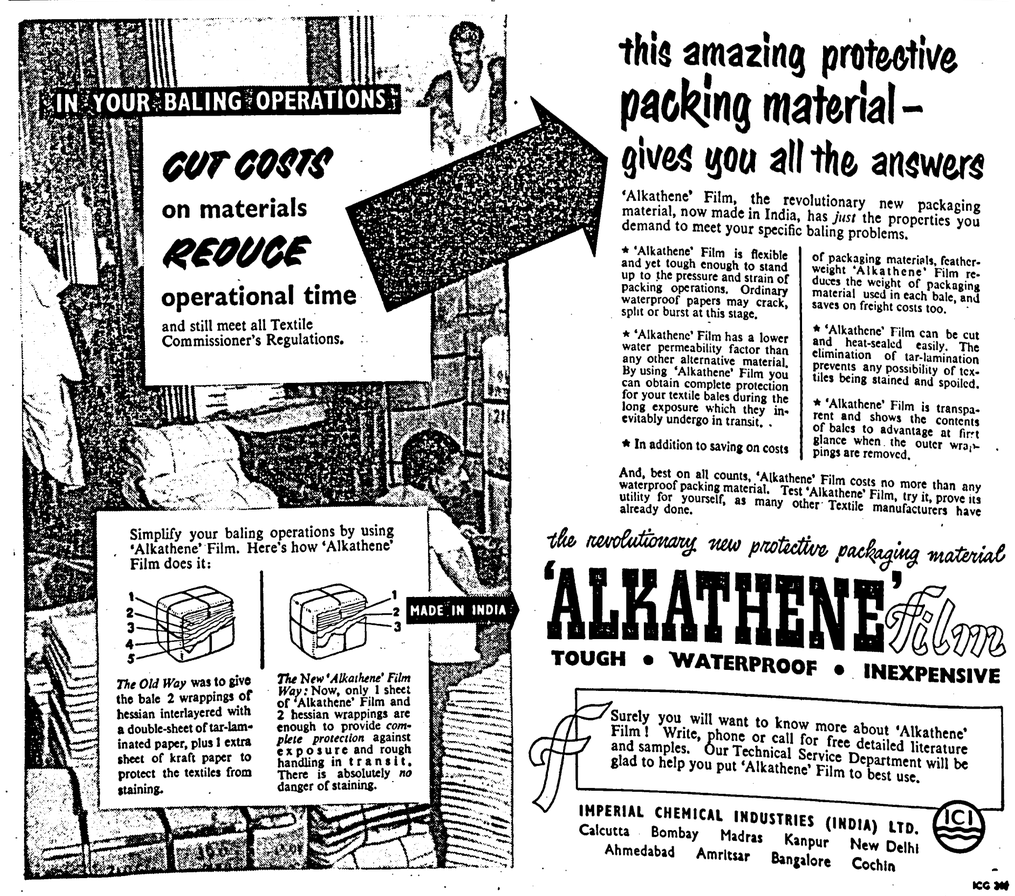
So before setting up regional ceilings to the size of holdings, the essential factor of man-cattle partnership should never be lost sight of. Whenever a farm-unit has to be considered, a team of bullocks and a milch cow or buffalo should be regarded as an essential part of the farm unit, besides the family of the peasant farmer. These holdings or farm-units can never be so small as they can be in Japan.

When fixing up the ceilings, perhaps some exception will have to be made in favour of well organised farms run on modern lines. They may be permitted to enclose more land than may be allowed to an average peasant cultivator. First of all, these farms give better yields per acre and, secondly, they are mostly owned by ex-proprietors of *zamindaris* and *jagirs* and to break up these farms would amount to disturbing the sources of livelihood of a section of population twice in one generation.

The size of holdings—minimum or maximum—will have to be determined in relation to the problems of farm management. In deciding the lower limit of an impartible holding, the minimum amount of land required for providing work and income to an average family possessing an average type of team of bullocks and a cow or buffalo should be the basic and most important consideration. Similarly, when we think of a regional ceiling to the size of holdings, to speak in terms of multiples of average family holding is entirely arbitrary. Really speaking, if we wish to have some modern farms at all, enough land will have to be permitted to be enclosed to form a suitable unit of farm management on a partially mechanised or fully mechanised basis.

In withdrawing land from larger holdings and farms for redistribution to landless workers, the Government and the people should make sure that they are not going to initiate a downward march by adopting the policy of least resistance on account of the clamour of certain interested or ill-informed groups of people. Some ordinary defects of an ill-considered and hasty policy of land re-distribution have been pointed out by many people. It is well known that the majority of landless labourers are likely to be inefficient and financially ill-equipped peasants. But the aim of this small article is to draw the attention of all thinking people to the basic social considerations underlying the very basis of the culture and civilisation of India. Man-cattle partnership in mainly vegetarian diet, in farm work and rural and urban transport, and in manuring and revitalising the soil is the bedrock of Indian society and culture. Any hasty and ill-considered decisions with regard to the re-distribution of land, leading to a progressive or steep fall in the size of holdings and pasture lands, are very likely to release the evil forces sure to undermine and eventually destroy the cherished age-old man-cattle partnership and, ultimately, to render man hopelessly lonely, as he is found in some of the regions of the Far East, to plough his own furrow with his own labour, to act as a beast of burden himself, to conserve every particle of his own excreta to manure the small patches of agricultural fields cultivated by him and to supplement his diet by eating lower forms of animals and insects.

In my opinion, it is the sacred duty of the people of India and their Government to resist the reduction in the size of holdings and pastures to save their cultural heritage for posterity. They must try to climb upwards by creating new fields of work and employment for the landless workers rather than choose the downward path of least resistance, of reducing the bigger holdings and re-distributing the land thus obtained in tiny fragments to landless workers—a path ultimately and surely likely to lead the people to a position worse than the one occupied by them socially, economically and culturally at present. Before taking a decision on the question of ceilings to land holdings, Government should have the patience at least to have before it the facts disclosed by the proposed land census.—*All Rights Reserved.*



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LORD BALFOUR OF BURLEIGH'S REVIEW

THE Annual General Meeting of Lloyds Bank Limited will be held on 12th February at the head office, 71, Lombard Street, London, E.C.

In his statement accompanying the report and accounts for the year ended 31st December, 1953, the Chairman, the Rt. Hon. Lord Balfour of Burleigh, D.C.L., D.L., states:

"Our profit at £2,083,781 is £119,116 higher than last year, but should the steady decline in our loans and advances persist and the growth of our staff costs and running expenses continue, our future earnings may not be maintained at the present level.

"With regard to the increase of 2 per cent. in the dividend making 14 per cent. for the year, which members will be asked to approve, I emphasise what I have indicated on previous occasions, that it has been considerations of public policy which have been largely in your Directors' mind in recent years in refraining from altering our rate of distribution. But—and especially in our own case, as our reduction was more drastic than that of others—it has become at last a matter of simple justice to the shareholder that we should permit some alleviation of the restraint which we have so long imposed on ourselves and on him.

"It is considered desirable to strengthen our published reserves, and a sum of £500,000 has been added to general reserve, making the total of the reserve fund £16,500,000. An amount of £300,000 has been allocated to reserve for future contingencies.

"Current, deposit and other accounts, at £1,204 millions, show an increase of £35 millions. The principal changes in our assets are increases of £50 millions in our holding of Treasury Bills and £4 millions in our investments.

"In conformity with the general trend of bankers' advances, as a result of the restrictive lending policy, our loans and advances show a reduction of £21 millions, the largest falls being in the categories of public utilities and personal and professional borrowers.

India, Pakistan and Burma

"There was no pronounced improvement in trading conditions in India and Pakistan during the past year and import and export trade remained at a low level, with a consequent reduction in the activities of the British Exchange Banks. There are, however, some encouraging signs, including an improvement in the prices of certain of the primary products which bulk so large in the economy of both countries.

"Industrial development, too, both in India and Pakistan, is proceeding at an increasing pace which, in the long run, should increase the demand for British exports, which, it is essential, should be competitive both in price and delivery with those of other European countries; at the same time, these developments should give rise to an increase in the demand for banking services.

"Our branches in both countries have maintained their position and the high standard of service they have always shown in the past.

"My warm thanks go to the officials and staff of all our Eastern branches who continue to give of their best in very trying conditions."

Comparing the record of the post-war period with that after the 1914-18 war, Lord Balfour of Burleigh said: "Nobody would deny that we have in most respects done much better than after 1918. Taking the country as a whole and the period as a whole, the distinguishing feature has been the high level and stability of employment. Another striking contrast with the post-1918 period is to be found in the success of the post-war export drive; our exports at their peak have been raised some two-thirds above the 1938 volume.

Effects of New Policies

"There has, undoubtedly, been some improvement in the financial climate since the return to more orthodox monetary techniques two years ago. The cost of living has been steady for many months past. It has been possible to remove many important commodities from rationing or control without untoward effects. Externally, the balance of payments has been steadily on the credit side for eighteen months. Sterling holds firm in relation to the dollar and is no longer quoted in any market at more than a trifling discount.

"All this makes a heartening catalogue of improvement; nevertheless, the level of public expenditure and the deaoweight of taxation remain one of the chief obstacles to our future stability and progress. Moreover, it is a matter for regret that the new monetary policies introduced in November, 1951, have not, in fact, meant a reduction in bank deposits. I should be happier if we had been funding bank deposits over the past year, instead of creating some £200 millions of additional purchasing power, particularly as it is the official view that the general situation calls for the maintenance of the restrictions on bank lending.

Two Essentials

"I cannot escape the conclusion that our position must still occasion grave concern. It is true that the acute peril of two years ago has been surmounted. The immediate threat to the stability of the pound sterling has receded. We have a breathing space gained by our own efforts, with the help of some good fortune. But before we can face the future with confidence, two things are necessary, both of them dependent upon an adequate supply of savings.

"First, we need a great increase in the volume of productive investment at home, for we cannot hope to hold our position in world markets unless the rate of modernisation of our industrial equipment at least keeps pace with that of our competitors. Secondly, our overseas earnings must somehow be increased until these are sufficient not merely to pay for our food and raw materials in a good year but to leave a substantial surplus year in year out.

"In this context, I recall Mr. Butler's statement that an annual surplus of the order of £300 millions is needed, if we are to play our proper part in the development of the Commonwealth. Notwithstanding the progress made in checking inflation during the past two years, the continuance of the wages spiral is sufficient evidence that inflation persists. We have to ask ourselves whether the last two budgets have after all been sufficiently realistic. Moreover, it is clear that monetary policy in the sense of higher rates of interest alone cannot do everything. It is the inescapable duty of the Government to put a stop to inflation at its source, which is the additional supply of money derived from Government spending. The question which still awaits an answer is whether any Government can today hope to survive the unpopularity which effective disinflation would provoke.

"Without effective disinflation maximum production of the right things is not within our reach, though in addition it requires the fullest co-operation of capital and labour. To secure this co-operation is more than ever the essential task of management. Utterly dependent as we are on the sale of exports in a buyers' market, nothing will get us through but tremendous efficiency and the fullest competitive power."

SUGAR INDUSTRY UNDER FIVE-YEAR PLAN

PROGRESS DURING FIRST 2½ YEARS DISAPPOINTING

SO far as the sugar industry is concerned, the latest progress report of the Planning Commission on the Five-year Plan during the "first phase," covering the period April, 1951 to September, 1953, makes disappointing reading. This is so for more than one reason. The Report, for instance, does not give any precise information regarding the progress made in regard to the implementation of the development programme for the sugar industry mentioned in the Plan. Again, it fails to adduce reasons for the setback to sugar production and cane cultivation seen in recent years. Further, it has failed to indicate the lines on which the implementation of the Plan for the sugar industry will take place during the rest of the Plan period, barring a very vague statement to the effect that, if sufficient cane is available, the production of 1.5 million tons of sugar can be achieved "without difficulty." Nevertheless, the references to the sugar industry in the Report serve to emphasise at least one aspect, namely, that a greater part of the task remains to be accomplished and that more earnest measures have to be adopted for successfully implementing the development programme for the industry during the next two and a half years of the Plan period than those undertaken during the "first" phase.

From the little information furnished in the Progress Report, it is evident that there has been a small addition to the capacity of the sugar industry, as a result of three units, which were under construction in April, 1951, going into production. The annual installed capacity of the industry—based on 120 working days per season—in September, 1953, amounted to 1,550,000 tons, as against 1,540,000 tons at the commencement of the Plan (March, 1951), which equalled the target set for 1955-56. The whole of this increase of 10,000 tons in the installed capacity was registered in the first six months of 1953-54.

The following table shows the progress made in the implementation of the development programme for the sugar industry during the "first" phase of the Plan:

(In thousand tons)

Installed capacity	
March, 1951	1,540
September, 1953	1,550
Target for 1955-56	1,550
Actual production	
1950-51	1,116
1951-52	1,462
1952-53	1,316
April-September, 1953	1,500
Target for 1955-56	1,500

It will be seen from the above figures that the sugar industry had almost achieved, in 1951-52, the target of 1.5 million tons. This, however, was due to certain exceptional factors as, for example, high level of sugar prices and bumper cane crop. The Government's free market sales policy was another helpful factor. The financial assistance rendered by the Industrial Finance Corporation was yet another helpful factor. Out of the aggregate loans of Rs. 445.25 lakhs granted by the Corporation during the year ended June, 1952, the sugar industry alone accounted for Rs. 95 lakhs. The upward trend in sugar output registered in 1951-52 was, however, not maintained in the following season. In fact, the season witnessed an appreciable fall, the quantity actually produced being 1,316,000 tons. The output is expected to register a further fall during the current season, to about 1,200,000 tons.

What is this state of affairs due to? The inadequate supply of sugarcane to mills, consequent on diversion of supplies to *gur* manufacture, thanks to enlarged demand both for direct consumption and for the production of illicit liquor, was one of the reasons. Another reason was the heavy opening stocks in the 1952-53 season which disabled several mills from commencing their operations in time. A third reason is that a substantial part of the productive capacity of the industry is represented by old and worn-out plant, set up several years ago—about 20 years. Accordingly, the efficiency of this sector of the industry is low. The sugar industry has thus large arrears of replacement and modernisation which require considerable funds. The aggregate capital required for rehabilitating the industry is estimated at more than Rs. 25 crores.

It is unfortunate that the Planning Commission has not paid adequate attention to this important question. All that the Commission emphasises is only the need for shifting some of the sugar factories at present located in areas where sufficient cane supplies are not available to other areas in the same State or outside the State, depending on facilities for the supply of cane. Even here, the progress so far made is none too happy. The Progress Report merely says that, "in conformity with the recommendations of the Planning Commission, a few factories have been allowed to shift to more favourable areas in the country." It does not state anything about the Commission's suggestion for the setting up of an expert committee to examine carefully all the factories which are not working or which are working below capacity, due to paucity of cane supplies, with a view to determining which of the factories should be shifted from their existing location. If the Commission is under the impression that the Development Council proposed by the Government of India under the Industries (Development and Regulation) Act of 1951 will serve the purpose it had in view, then it is making a mistake.

The establishment of this Council cannot, by itself, be expected to ensure a smooth reorganisation of the sugar industry, inasmuch as it depends on the attitude of the State Governments concerned. In the first place, the Government of the State from where a factory has to be shifted must agree to give its consent. Secondly, the Governments of Bombay, Hyderabad, Andhra, Mysore and Madras States, all of which are in the tropical region and as such possess a more congenial climate for growing sugarcane, must revise their policies towards the sugar industry in such a way as to induce the factories in the sub-tropical regions to migrate to their jurisdiction.

Be that as it may, with regard to cane development also, the Progress Report furnishes little useful information. All that it has to say on this subject is: "Sugarcane recorded an increase of 450,000 tons in 1951-52, but, owing to a decline in prices, this improvement was not maintained in 1952-53. The latest reports for the current year indicate some increase over last year."

This is, indeed, a very vague statement; in fact, it is not even quite correct. The reduction in the minimum price of cane payable by the factories could not have adversely affected the sugarcane crop in the 1952-53 season, as the price was reduced only months after the crop had been planted. What happened was that this reduction led to diversion of a part of the cane crop to *gur* making, with the result that the factories received a smaller quantity of cane. Even as regards the 1953-54 season, the lower price for cane had no adverse effect on the crop planted, as will be seen from the following extract from the latest report of the Directors of the Cawnpore Sugar Mills, who ought to know better than the Planning Commission: "The reduction in the cane price did not adversely affect plantings materially for the next crop, but disastrous floods during the monsoon of 1953 have reduced the crop available for crushing for the season 1953-54 both in quality and quantity."

Further, the Commission does not seem to be aware that cane output in the Deccan for the 1953-54 season has been adversely affected by drought and poor supply of irrigation water. It is surprising that such an authoritative body as the Planning Commission should incorporate incorrect information in its Progress Report.

The Commission would have done well to examine the progress registered in cane development work, if only to see whether its expectations are being fulfilled. Such a study would have shown that, despite the stress laid on "improving quality and increasing the yield per acre, rather than extending the acreage," and the attempts made in this direction in the different States, nothing worthwhile has been achieved. In fact, the yield of cane has not only not increased but has actually declined. Thus, the average yield of cane per acre for the 1953-54 season, based on the second estimate of the crop, is expected to be just 12.4 tons, as against 13.3 tons in the base year of the Plan (1950-51). There has also been a setback in the recovery percentage of sugar. Thus, the all-India average recovery for 1952-53 was 9.98, as against 10.03 in 1950-51.

The figures below give the trend of cane cultivation during the "first" phase of the Plan period, as compared with the base year:

	1950-51	1955-56 *target*	1951-52	1952-53	1953-54 (Based on 2nd estimate)
Area (000 acres) ..	41,38	41,38*	47,92	43,76	41,01
Production (000 tons) ..	5,40,20	6,07,10	6,06,80	5,20,00	5,10,00
Yield per acre (tons) ..	13 2	14 6	12 6	12 0	12 4
Recovery percentage ..	10 3	..	9 57	9 98	..

* The Planning Commission emphasises concentration of attention on intensive cultivation. This estimate does not, therefore, provide for an expansion in acreage over the base year.

All these clearly bring out the imperative need for stepping up the yield of high sucrose content cane per acre, especially in areas like Uttar Pradesh and Bihar. After all, the fortunes of the sugar industry are closely linked to a healthy and prosperous sugarcane economy. It is to be hoped that the Planning Commission would impress upon the State Governments the necessity for taking vigorous measures in this direction at least in the rest of the Plan period.

THERMAL STATION FOR SOUTH ARCOT

MADRAS GOVERNMENT'S SCHEME

THE Government of Madras has proposed the erection of a thermal generating station at Neivaille (South Arcot). Reports from Madras indicate that the station, which is estimated to cost Rs. 17 crores, will generate 100,000 kilowatts of power per annum by utilising one million tons of lignite. As the erection of this station is dependent on the progress made in regard to recovery of lignite in South Arcot, it is stated that arrangements are being made, with a view to speeding up the work on the pilot scheme for the extraction of brown coal.

Already, one-third of excavation work has been completed and the rest is expected to be over in about six months, if the giant 'shovels' donated by the Technical Co-operation Administration were to arrive early enough. Each shovel, it is stated, can excavate about 2½ tons of earth at each turn. The Lignite Experts Committee, which met at Neiville on 21st January, decided to speed up excavation work with human power, utilising 'Euclids' for the removal of earth until the arrival of the 'shovels.' Each Euclid is capable of removing at a time about 9½ tons of earth. Ancillary plans are also to be speeded up, in order that everything might be got ready at the earliest possible time for the establishment of the thermal station. It is learned that Mr. Paul Eyrich, American mining expert and adviser to the Government, has submitted proposals for the utilisation of different kinds of lignite and other materials that can be extracted in South Arcot.

A gratifying result of the work that has been done so far is that the serious water percolation feared earlier has not materialised. The problem of sub-soil water has not been apparent even at a depth of 50 feet, upto which excavation has now reached. This circumstance, it is considered, will make it possible to have sharper slopes for the mining pits exposing a larger lignite area than otherwise—possibly about 400 sq. feet, where previously it was considered possible to expose only 100 sq. feet. This is also expected to reduce the cost of extraction of lignite substantially. Thus, conditions regarding extraction of lignite, to quote Mr. V. S. Hejmadi, I.C.S., Adviser to the Planning Commission, are "much more favourable than was at first believed to be."

The erection of the thermal station, as proposed, will bring immense prosperity to South India. It is common knowledge that the industrial backwardness of South India is due to lack of power, which in turn is the result of the high cost of transport of coal. This handicap will be removed to a considerable extent, when the exploitation of lignite in South Arcot becomes a practicable commercial proposition. All available reports indicate that commercial possibilities of mining have been fairly well established. Nevertheless, it is too early to say that no further difficulties will have to be faced in the course of actual mining.

ION EXCHANGERS FROM INDIAN COALS

A new method for the preparation of ion-exchange material from coal has recently been developed at the Fuel Research Institute, Digwadih.

The ion-exchange material prepared from coal finds extensive use in water-softening. The technique provides a cheap and readily available supply of soft water for various industrial purposes. The water so softened is used in boilers, laundries, textile mills, dyeing houses, breweries, etc. When regenerated with acid, these materials form part of the equipment used for the production of de-mineralised water for pharmaceutical purposes, aerated water and other beverage industries. The ion-exchange materials from coal in various forms can also find use in other industries, such as metal-concentration, sugar-refining, preparation and purification of solutions, refining of hydro-carbons, etc. In certain chemical processes, ion-exchangers are used as catalysts.

The water-softening capacity of the ion-exchanger, has been tested experimentally in a large-scale softening plant, in which water with a total dissolved solids equal to 440-480 parts per million was softened to zero hardness at an operating cost of As. 8 per 1,000 gallons. All the materials for the manufacture of the exchanger are easily available in India. The equipment required is simple and can be easily fabricated. The method is covered by patent, but the C.S.I.R.O. is offering it for commercial production.

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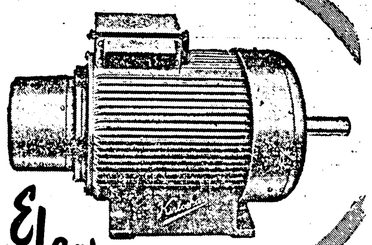

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JUTE LOOMS IN THE WORLD

INDIA OWNS ONLY 56 PER CENT.

THAT India does not enjoy a monopoly in jute manufacture at present, as it did towards the end of the last century, is evident from the fact that, out of a world total of 122,510 jute looms, it had in 1952 only 68,557 looms or 56 per cent. The balance of 44 per cent. of the looms was in Europe and other continents. The next biggest holder of jute looms in the world is the U.K. which had in 1952 11,151 looms or 9.1 per cent. of the total. Then comes France with 7,698 looms representing 6.3 per cent. of the total, Germany with 6.349 (5.2 per cent.) and a large number of other countries with a very small percentage of looms. Pakistan had in 1952 only 1,000 looms but a further 2,000 looms were expected to function by the end of 1953.

These figures, as well as others relating to the position of jute looms in India, are contained in a neatly printed booklet entitled *Loom Statistics*, published by the Indian Jute Mills Association, Calcutta. The booklet gives details of distribution of hessian, sacking and other looms according to reed space and mills as they stood on 30th June, 1953. A similar booklet was published in 1952 and it contained figures corrected up to 30th June, 1951. The present publication covers statistics relating to the whole of the Indian Union and Nepal and gives separately for each individual mill the reed space of hessian, sacking and other looms. All looms of 40-inch reed space and over (unless they are "other looms") have been classified as hessian looms. It is, however, pointed out that this classification does not mean that mills do not use any looms above 40-inch reed space for sacking production.

Over the period since 30th June, 1951, when the last loom census was taken, upto 30th June, 1953, the date of the present census, no appreciable change has taken place, except an increase of 131 looms. Of this increase as many as 29 looms were on account of the expansion of Shree Ganesh Mills, the balance of 102 looms (other than hessian and sacking) being the addition to Hukumchand Mills. The net result of the change was that the total hessian and sacking loomage of the I.J.M.A. increased during the period from 65,720 to 65,749. The total recorded hessian sacking looms and mills outside the I.J.M.A. remained stationary at 3,225, there having been a transfer of 35 looms from hessian to sacking. On an all-India basis, the number of hessian and sacking looms rose, thus, to 68,974 by June, 1952. Including 3,728 looms other than hessian and sacking, the total loomage of mills, on an all-India basis, aggregated 72,702 as against 72,572 in 1951.

The table below gives the distribution of looms according to States as on 30th June, 1952:

1	2 Hessian	Sacking	4 Total (2+3)	5 Other looms	6 Grand total (4+5)
West Bengal	43,352	22,218	65,570	3,728	69,298
Madras	387	655	1,042	..	1,042
Bihar	131	869	1,000	..	1,000
U.P.	224	681	805	..	805
C.P.	25	195	220	..	220
Nepal	115	222	337	..	337
Total ..	44,234	24,740	68,974	3,728	72,702

Thus, it will be seen from the table above that, of the total of 68,974 hessian and sacking looms, West Bengal accounts for 95.1 per cent., Madras 1.5 per cent., Bihar 1.4 per cent., U.P. 1.2 per cent., and C.P. 0.3 per cent. Nepal's share of the total is 0.5 per cent.

The distribution of looms according to the I.J.M.A. mills and those outside is indicated in the table below:

	Hessian	Sacking	Total of hessian and sacking	Others	Total
I.J.M.A. mills	42,771	22,978	65,749	3,225	68,974
Mills outside I.J.M.A. ..	1,463	1,762	3,225	503	3,728
Total ..	44,234	24,740	68,974	3,728	72,702

It may be mentioned here that, over the two-year period, the total hessian and sacking loomage of the Association mills in West Bengal has increased from 63,939 to 63,968, while that of the mills which are not members of the Association has remained stationary at 1,602. The total hessian and sacking loomage of mills outside West Bengal has remained stationary at 3,404.

The census reveals the dominance of West Bengal in the location of hessian and sacking looms. The State accounts for as many as 43,352 hessian looms out of a total of 44,234. In the case of sacking looms, its share is 22.218 out of 24,740. Again, in West Bengal, hessian loomage is only a little less than double that of sacking; but, in all the other States, sacking looms exceed those of hessian. As for looms other than hessian or sacking, all the 3,728 are in West Bengal. Expressed in percentages, 66.1 of the West Bengal looms are hessian and 33.9 sacking, as against 25.9 hessian looms in mills outside West Bengal and 74.1 sacking. Further, West Bengal accounts for 98 per cent. of all the hessian looms and 89.8 per cent. of all sacking looms in India, leaving other States with 2 per cent. of all hessian looms and 10.2 per cent. of all sacking looms.

A noteworthy feature of this industry is that the number of steam-driven looms among Association mills declined during the period under review from 24,688 to 19,997, a fall of 4,691 looms which switched over to electric power. The number of electrically-driven looms within the Association rose from 41,032 to 45,752. The position outside the Association remained unchanged in respect of the use of both steam and electric power.

A perusal of the figures relating to the growth of looms within the Association discloses that the number of looms rose from 6,700 in 1885 to 15,336 in 1900. During the following decade the number doubled to 31,755; that was in 1910. Thereafter, the figure climbed up till it reached 65,762 in 1949. The year 1951 saw a fall to 65,720. With the addition of 29 looms, as stated at the outset, the total rose to 65,749 in 1953. The percentage of hessian looms to total rose from 27 in 1885 to 65 in 1944. It has remained at this figure ever since.

U.P. FORGES AHEAD WITH JUTE QUALITY DRIVE

The official drive to improve the quality of U.P. grown jute seems to have resulted in some success. The fibre arriving in the markets this season is gaining wide acceptance, because manufacturers find it, we are told, much better in colour and strength than any they bought on the home market during the last four years. The colour has improved as a result of intensive propaganda backed by village-to-village demonstrations of the correct retting processes conducted by the Jute Development Department of the State.

Jute mills in Uttar Pradesh are reported to have reacted favourably to the Government's "quality drive" by renewing their buying support for the locally grown fibre. To the end of November 1953, the three jute mills in the State together lifted 14,332 mds. as against 26,600 mds. purchased by Calcutta mills and 28,662 mds. by local merchants. Mill buying has enlivened the market and prices, as a result, have firmed up at levels which may be said to bear some relationship with the cost of production.

The co-operative jute trading movement in U.P., aimed ultimately at eliminating the middleman, is growing in strength and popularity. Nine jute co-operative credit sale societies have sprung up in Lakhimpur District, while 13 more are being set up. The State Government's target is 90 such societies.

BRAZIL'S JUTE CROP SWEPT AWAY BY FLOODS

Brazil's jute production in 1953 has, it is reported, suffered severe loss from floods. Owing to delay in financing the current crop, stocks piled along the river banks for transportation were swept away by floods on the Lower Amazon. Growers lost as much as 50 per cent. of their crop. The local dealers who had been financing them also suffered heavily. As a measure of relief to the distressed growers and traders, the Government is distributing large quantities of seeds free, extending the period for refunding loans and facilitating further advances until conditions become normal again. It is believed that there will be no need to import jute this year, the depleted crop notwithstanding. Banks have 8,000 tons on hand and the harvest should yield 12,000 tons of jute and 24,000 tons of *uacima* and similar fibres, while consumption is not likely to exceed 43,000 tons.

PRODUCTION WELL MAINTAINED IN FRANCE

A new burst of activity in the French market for jute goods has, according to the latest statistics recently made available, partly offset France's almost total loss of the U.S. burlap market, as well as enabling the industry to maintain production well during the months of July and August, 1953. During the two months under review production in the yarn section increased greatly to 7,078 tons and 4,984 tons, respectively, from a mere 7,256 tons during the same two months of the previous year.

Production of cloth, which was somewhat on a reduced scale from the normal monthly totals, amounted to 5,111 tons and 3,812 tons, respectively, compared with a total of only 6,500 tons during July and August, 1952. Compared with 1938, yarn and cloth production was up in the two months under review by 10 and 11 per cent., respectively.

FINANCE FOR PLANTING INDUSTRY

U.P.A.S.I.'S MEMORANDUM TO SHROFF COMMITTEE

THAT the plantation industry, particularly the tea and coffee sections, plays a very useful role in the economy of India is an undeniable fact. Unfortunately, this important section of free enterprise has been treated by the Government in such a manner during the last few years that it is no longer self-reliant. Its resources have considerably dwindled, due partly to the crisis through which it had to pass in 1952 and partly to the heavy burdens which it has been called upon to shoulder. It has, therefore, to look for external assistance to finance its expansion. This point was stressed last week by the United Planters' Association of South India (U.P.A.S.I.), in the course of its memorandum to the Shroff Committee, which is currently touring the country to enquire into the question of financing the private sector of industry. The Association pleaded for certain reliefs, which would help the industry to build up its own resources.

Referring to the tea industry, the U.P.A.S.I. pointed out that, in the past, the expansion of planted areas had been financed mainly out of accrued profits of established companies, which were conserved without being frittered away by way of dividends to shareholders. Conditions are entirely different now. Taxation and cost of production are at such high levels that there is practically little left out of the profits for financing new openings. Submitting how high the taxation applicable to tea estates was, the memorandum said that 40 per cent. of the profits was liable for ordinary taxation in Madras State, while estates in Travancore-Cochin were, in addition to being charged ordinary tax on 40 per cent. of the profits, liable to pay agricultural income-tax. An excise duty at the rate of one anna per lb. on packages of over 60 lbs. and at the rate of As. 4 per lb. on packages of 60 lbs. and under was levied on tea sold in India. There was also an export duty of As. 4 per lb. Referring to the last mentioned levy, the U.P.A.S.I. recalled that the industry was given an assurance, when the export duty was raised to As. 4, that should prices fall, the export duty would be reduced or abolished. But, when in 1952, tea prices fell sharply, there was no reduction in export duty, in spite of repeated representations made to the Government. The incidence of payment of duty fell on tea which was already selling at less than the cost of production.

Besides the above levies, the industry has been compelled to provide many labour welfare measures. Thus, tea producers, the memorandum pointed out, were squeezed between the Government on the one hand, and the workers on the other, both demanding more money to an extent which did not apply to industry in general. In these circumstances, it added, there was no possibility of tea producers finding enough money to maintain existing fixed assets in an efficient condition, let alone building up a reserve to enable them to open new acreage. "Should the Government feel that the acreage of tea in India should be expanded," the memorandum urged, "it is the responsibility of the Government to produce an atmosphere of incentive rather than that of disincentive which now prevails." It went on to warn that, if another slump were to occur and last longer than the one in 1952, estates, both large and small, would find it impossible to meet their wage bills and would have to close down.

Alluding to the coffee industry, the U.P.A.S.I.'s memorandum submitted that finance for coffee was required in the event of the crop being poor owing to adverse seasonal conditions. The industry was in need of short-term loans to finance immediate working expenditure to cover payment of wages, and purchase of stores, tools, spraying materials and fertilisers; medium-term loans for growers to carry on after one or two adverse seasons; and long-term loans for capital improvements and extensions, such as buildings, machinery and labour quarters. As in the case of the tea industry, heavy taxation and the additional cost of implementing the provisions of labour legislations, it is stated, left no margin for the industry to build up reserves for essential capital improvements. Whatever benefit that might have accrued to the industry out of the exports had been taken away by the Government by levying an export duty of Rs. 62-8 per cwt.

The need of the rubber industry was in the nature of assistance for rehabilitation of estates long overdue. In this connection, the memorandum drew the Shroff Committee's attention to the plans prepared and submitted by the Indian Rubber Board to the Government for capital assistance and expressed the hope that these would receive favourable attention at the hands of the Government.

Now that the Plantation Labour Act of 1951 and the Industrial Dispute (Amendment) Act relating to lay-off will be brought into force from 1st April, 1954, the burden on the industry will be higher than ever before. It is, therefore, to be hoped that the Shroff Committee would recommend suitable measures to place the industry on a sound footing and help it to expand.

South Indian tea production in 1953 is estimated at 122 million lbs., or 9 million lbs. more than in 1952, which was itself a record-making year. The net shortfall of total Indian output over 1952 production is 10 million lbs. Ceylon has advanced its output to a record of 330 million lbs., but Indonesian output has dropped further by 8 million lbs. and that of African colonies by 3 million lbs.

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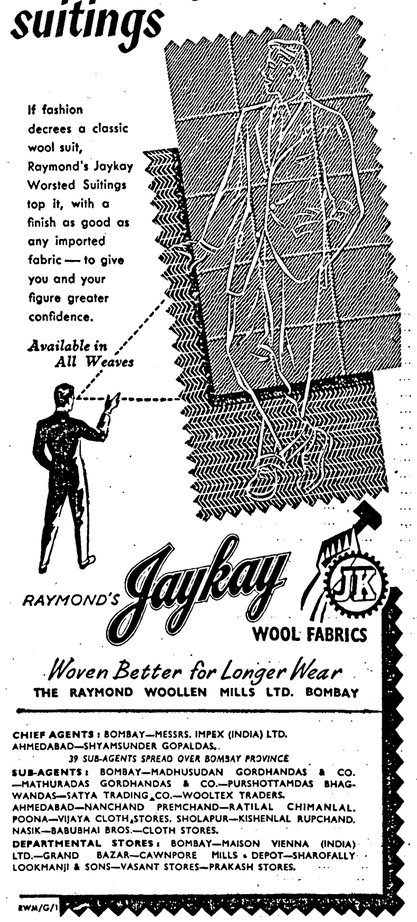

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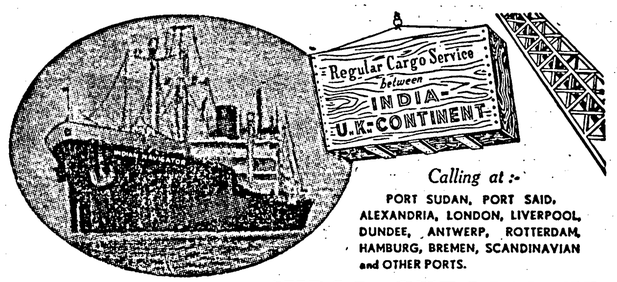

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MARKED EXPANSION IN TANKER FLEET

THE world's mercantile marine has been steadily expanding. According to the 1954 edition of the *Appendix to Lloyds Register Book*, just released, the total world tonnage of shipping, as at the end of June, 1953, was 93,352,000 gross registered tonnage (G.R.T.), which is higher by 3,171,000 G.R.T. over that on 30th June, 1952. A significant feature of this expansion was the marked growth in the output of oil tankers. The world total of tankers at 21,964,000 tons gross accounted for 24 per cent. of all steamships and motorships on 30th June, 1953, as against 19,989,000 tons gross representing 22 per cent. a year before. Another important feature was the sharp decline in the mercantile marine of the U.K., Canada and Greece. The U.S. fleet also declined but only slightly. The following table shows the principal merchant fleets of the world and the increase or decline over the previous year.

Country	*Thousand tons gross*	
Great Britain and N. Ireland ...	18,584	(—40)
Canada	1,652	(—40)
Total of Commonwealth	22,356	(+29)
*U.S.A.	27,237	(—8)
Norway	6,263	(+357)
Panama	3,907	(+166)
France	3,826	(+188)
Italy	3,456	(+167)
Netherlands	3,372	(+107)
Japan	3,250	(+463)
Sweden	2,575	(+244)
Russia (U.S.S.R.)	2,292	(+32)
Germany	1,750	(+352)
Denmark	1,529	(+139)
Liberia	1,434	(+536)
Spain	1,271	(+55)
Greece	1,222	(—52)
Argentina	1,057	(+24)

N.B.—Figures within brackets show increase (+) or decrease (—) from the previous year.

* Includes U.S. reserve fleet estimated at 13 million tons gross.

Of the ships built since the last war, by far the largest amount of tonnage falls in the size group of 10,000 to 15,000 tons. Nearly 78 per cent. of all ships of this size, under ten years of age, and 90 per cent. of all ships between 15,000 and 20,000 tons under five years of age is accounted for by oil tankers. Although nearly half the aggregate tonnage of all tankers comprises ships from 10,000 to 15,000 tons, recent trends are in the direction of construction of ships of much larger tonnage than these. The principal oil tanker fleets of the world on 30th June, 1953 and the amount of increase over the previous year were as follows:

Country	*Thousand tons gross*	
Great Britain and N. Ireland ...	4,656	(+124)
U.S.A.	4,461	(+51)
Norway	3,362	(+286)
Panama	2,151	(+308)
Liberia	1,029	(+421)
France	896	(+107)
Italy	834	(+112)

The *Lloyds Appendix* also discloses that motorships represented 31 per cent. of the steam and motor tonnage owned on 30th June, 1953, as compared with 23 per cent. a year before. An analysis of the position in the principal maritime countries discloses wide variations. In Norway, motorships accounted for 79 per cent. of tonnage owned, in Sweden and Denmark 76 per cent. each, in Greece 3.9 per cent. and in the U.S. 4.4 per cent. The figure for Great Britain and Northern Ireland was 40 per cent.

Oil was used as fuel in 87 per cent. of the total steam and motor tonnage. The rest depended on coal. In striking contrast with this, coal was used as fuel in 45 per cent. of total steam and motor tonnage in 1939 and 97 per cent. in 1914. Thus, oil is steadily replacing coal as fuel for shipping.

According to Mr. R. D. Ropner, a director of the Ropner Shipping Line, nearly 40 per cent. of dry cargo ships afloat today were built between 1940 and 1945. If we were to take the average economic age of these vessels at about 15 years, the whole of this block, representing 4 million tons, would have to be replaced and this is expected to cost something like £450 million to £500 million.

Activity in shipyards other than British increased substantially in 1953. Thus, the tonnage launched increased by 669,000 tons to 3,759,000 tons or 74 per cent. of the world total, as against 70 per cent. in the previous year. The tonnage completed also rose substantially by 740,000 tons to 3,687,000 tons or 75 per cent. of the world total, as against 70 per cent. in the previous year. But there was an indication that the peak of activity there had passed. In fact, the order books of shipyards were shrinking.

As against the rapid growth of activity in non-British shipyards, the U.K. shipyards presented a somewhat discouraging picture. The U.K. yards completed only one quarter of the total world tonnage in 1953, as compared with 30 per cent. in 1952 and over 50 per cent. in the immediate post-war period, that is, before there was any revival of shipbuilding abroad. About 28 per cent. of current work in the U.K. yards continues to be for export. But, in other countries, 34 per cent. of the tonnage under construction is for registration in countries other than the country in which they are built.

Oil tankers account for 53 per cent. of the tonnage now being built in the U.K. This represents 32 per cent. of tankers being built in the world, as compared with 37 per cent. at the end of 1952 and 53 per cent. at the end of 1951.

The outlook for shipbuilding is not quite bright, although not distinctly discouraging. It is true the sellers' market is no more there. The buyers' market has come in, because of the uncertainty about world trade and general fall in freight rates. But a buyers' market is "a long way short of a depression," as one of our London contemporaries puts it.

MANUFACTURE OF CYCLES

The progress of T. I. Cycles of India, Ltd., Ambattur, manufacturing "Hercules India" bicycles, in collaboration with Tube Investments in the U.K., has been encouraging. With the formal opening of the "B" factory to produce components on 29th January, 1954, by H. H. the Rajapramukh of Mysore, the factory has embarked, in a full-fledged manner, on its career to reach the target production of one lakh bicycles. The Company is hoping to reach 80 per cent. of the target this year. The full target is expected to be reached in a couple of years. The Hercules Bicycle Company of England has lent its experienced personnel to train Indian workers in specialised processes.

It will be recalled that T. I. Cycles of India Ltd. was registered in September, 1949. The factory was opened in October 1951. The Company started marketing its bicycles in January, 1952. The Company is now making serious efforts to manufacture as many parts as possible at its factory. Working on single shift, the factory, with its machinery valued at about Rs. 50 lakhs, is designed to reach a target of 100,000 bicycles a year. In the first year of production, 33 per cent. of the target was reached. In the second year, with components partly imported and partly manufactured locally, 50 per cent. of the target was reached.

Free-wheels, chains and bottom brackets necessary for cycles are the only components imported, because it is considered economical to get them from foreign manufacturers specialising in their production on a mass scale. There are prospects of bicycle chains being manufactured in India in the near future. The other components not manufactured in this factory but got from other factories within India are tyres and tubes, tyre rims, brake and pedal rubbers, reflectors and handle-bar grips.

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The Ambattur factory is designed to turn out, besides 100,000 complete cycles, 50,000 sets of spare parts for meeting the requirements of Hercules cycles in use in India. The annual saving in foreign exchange by the manufacture of spare parts and other components at the factory is estimated at about Rs. 40 lakhs.

All the steel required for the factory is now imported from the U.K. It is stated that Tatas have plans for the production of the required quality of steel in sufficient quantities in about three years. When Indian steel becomes available, the cost of production will also go down.

NEW STEEL PLANT

The Production Committee of the Central Cabinet will shortly announce its decision on the recommendation of the German Experts Committee with regard to the selection of the site for the proposed State-owned steel plant. The Experts Committee of the German Combine Krupps-Demag, which will erect the steel plant in partnership with the Government of India, has recommended Roerkela in Orissa as the best site for the location of the steel plant, in preference to other competing sites, namely, Durgapur in West Bengal, Sindri in Bihar and Bilhai in Madhya Pradesh.

The factors that are said to have influenced the German consultants to recommend Roerkela are that the place is very near the source of raw materials like iron ore, limestone and power supply, which would be available in plenty after the completion of the Hirakud Project. Although coal will have to be transported from Bengal, it has been felt that this would not prove an additional strain on transport. The wagons carrying iron ore and limestone to the factories in Bengal are stated to be returning practically empty to Orissa and these could be utilised to move the coal required for the steel plant. Further, the fact that there are already steel plants in West Bengal and Bihar to supply the requirements of Calcutta industrial area seems to have also weighed heavily against the location of the site for the steel plant in these States. The German consultants were, it is stated, guided entirely by considerations of economy and speed of construction, among others, in the selection of the site.

GIANT FIRESTONE "EARTHMOVER"

The Firestone Tyre and Rubber Company of India, Ltd., has commenced the manufacture of giant "earthmover" tyres. Speaking at the Taj Mahal Hotel, Bombay, (on the 23rd ultimo), where the unveiling ceremony of the first giant "earthmover" tyre, manufactured by the Company at its plant at Sewree, was held, Mr. A. D. Wenzel, Managing Director of the Company, described the earthmover tyre as "the newest and greatest achievement—our (the Company's) contribution to the success of the Five-year Plan." He forecast large savings in foreign exchange, as the Indian-made tyres were designed to replace the imported ones.

Few can dispute the claim that the services of Firestone to India by undertaking the manufacture of giant earthmover tyres, for the success of the Five-year Plan, are significant. For large-scale engineering projects under the Plan call for earthmoving machinery of gigantic proportions and, consequently, giant pneumatic tyres upon which they roll. So far, these massive tyres have been available only from abroad, resulting in a large expenditure of foreign currency. To the extent the Company helps the country to reduce its dependence on foreign sources, it will be making a solid contribution to the economic development of India, both by way of savings in foreign exchange and by providing additional employment for India's men and materials.

RESERVES OF IRON-ORE IN INDIA

The latest Issue (Vol. VII, No. 1) of *Indian Minerals*, published by the Geological Survey of India, gives the estimated reserves of high grade iron-ore containing 60 per cent. and over of metallic iron, in India. According to Dr. M. S. Krishnan, Director of the Geological Survey of India, the author of the article, the estimates are as follows:

(In million tons)

Hematite ores	
Bihar and Orissa	8,000
C.P. (Madhya Pradesh)	3,000
Mysore	1,000
Sandur	250
Magnetite ores	
Madras	1,000
Mysore	200
Limonitic and spathic ores	
West Bengal	500

BONE-DIGESTER

The Government of India has succeeded in evolving a new type of bone-digester and is now taking steps to popularise it. This newly designed digester, manufactured by a Bombay firm, has been experimented upon at the National Physical Laboratory during the last few months. These trials have led the Government to recommend this digester for commercial utilisation. The economic advantage of this digester over that tried in 1952 is mainly due to its being bigger.

Nearly 500,000 tons of animal bones, the meal of which can be utilised as manure, are available every year in India. Alive to the necessity of conserving the existing bone resources for manurial purpose to the maximum extent, the Government of India intends to establish small-scale village industries on a decentralised basis for preparing bone-meal and availing of all its by-products, such as glue and tallow.

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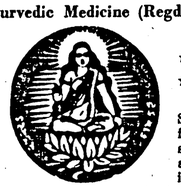

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FIRE INSURANCE IN AUSTRALIA

RATES OF PREMIUM RELATIVELY HIGH

IN India, fire insurance is still largely confined to urban areas, which constitute only a fraction of this vast country. The vastness in a way reflects the extent to which there is scope for expanding the fire business in this country. But the expansion is conditioned by several factors which one has to take into consideration while framing fire insurance policies and evolving the rates applicable to rural areas. Long distances, climatic differences, predominance of primary produce, existence of grass or wooden roofed houses, lack of good storage facilities, absence of fire-fighting equipment, ignorance among the general masses regarding the benefits of insurance and the generally low standard of living hinder the progress of fire insurance business in India. There is, therefore, a need for insurers in India to find a solution for overcoming these hurdles, and in this work of theirs, they stand to be benefited by the experience gained by their confreres in Australia and New Zealand. For, in many respects, the problems faced by the fire offices in these countries are similar to those facing the insurers here, although there can be no comparison between the two in respect of income and literacy of the people. Thus, in Australia, too, as in India, distances are great, the economy is based on primary production—industrial development there dates only from World War I—and risks are, excepting in the big cities, widely scattered. These have been largely overcome by Australian insurers over a period of years. In this context, the speech delivered by Mr. C. W. R. Little, Joint General Manager, General Accident, Fire and Life Assurance Corporation, Australia, at a recent meeting of the Insurance Institute, London, makes interesting reading.

Australia did not attract immigrants on a large scale until the end of the eighteenth century, while, in New Zealand, the first batch of Europeans arrived only in 1840. From the outset, the newcomers settled on land and, therefore, the economy in both the countries is largely based even today on primary production. It is particularly so in the case of New Zealand, as the country has not developed secondary industry to any appreciable extent. But Australia with its large mineral deposits has, in the last half century, entered the industrial field. Rapid development, however, dates back, as stated already, only from the First World War, for it was only the economic dislocation caused by the war that made it necessary for Australia to set about manufacturing many articles. And today there are some 45,000 factories employing nearly one million workers, who together earn wages of over £500 million a year, and whose output is valued at £2,500 million. In New Zealand, too, there are factories engaged in the lighter trades such as clothing, footwear, foodstuffs, furniture, woollen goods, glass, rubber goods and small items of machinery and plant for use in homes and farms.

In both the countries, the first assets seeking insurance are the homes of the people. There are two million of them for the combined populations of nearly eleven million, each with its own household furniture and personal effects. The average value of these possessions for each family is greater than in the U.K., because the standard of living is higher. There is, therefore, a larger volume of premium income available from insurance of private dwellings in Australia and New Zealand than in the U.K. The premium rates charged by Australian insurance companies are also higher, because the houses are below the British standards and the companies have to contribute heavily for the upkeep of fire brigades.

Wood-frame houses are in the majority. Over 90 per cent. of the houses in New Zealand are of this type, because of the earthquake hazard, and, in Australia also wooden houses abound. As the distances are great, many risks are situated in areas remote from close settlements and in places where fire-fighting equipment and public water-supply mains do not exist. The fire underwriter has, therefore, to take into consideration rather more factors than his counterpart in the U.K. His rates are, according to a combination of (a) trade, business or occupation of the common man and particular hazards appertaining thereto, (b) materials used in building construction, (c) nearness to fire-fighting services and water-supply mains and (d) exposure to contiguous hazards, the forces of nature and the menace of bush and grass fires. On the basis of these factors, towns and places have been divided into six classifications, each having a different structure of rates.

In Australia, people are highly civilised. They have plenty of leisure, time and good incomes. They have, therefore, created for themselves all the convenience and amenities of modern life. Immense values are represented by shops and warehouses, theatres and cinemas, hotels and restaurants, banks and mercantile offices, schools, colleges and universities, hospitals, museums, and art galleries, churches and meeting halls, exhibitions and newspaper offices, public garages, billiard saloons and the like. All these seek insurances and the rates charged are relatively high.

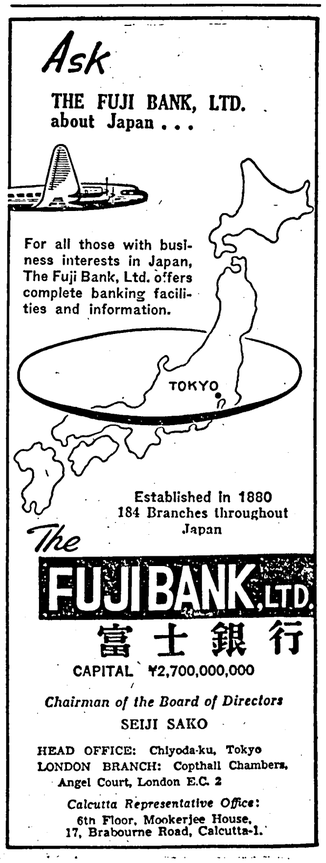
The 45,000 factories in Australia represent a capital investment in building, plant and machinery of nearly £700 million. The corresponding investment in New Zealand is about £100 million. A good volume of premium income accrues from covering these assets also.

Then there are insurances appertaining to primary production, its handling and transport. The Commonwealth of Australia produces 1,000 million lbs. of wool (or 30 per cent. of the world's total), 200 million bushels of wheat and other cereals, about 200,000 tons of butter, half a million tons of beef, 300,000 tons of mutton and lamb, 1,000,000 tons of cane sugar, and 1,500 million superficial feet of sawn timber. New Zealand, with a population (1.8 million) of less than one-fourth that of Australia, produces nearly 40 million pounds of wool, 20 million carcases of mutton and lamb, 750,000 carcases of beef, a similar number of slaughtered pigs, 150,000 tons of butter and 100,000 tons of cheese. Both the countries market their primary products in the U.K. Every capital city is adjacent to the sea or has large port facilities. Consequently, in order to store the produce, there are many wharves with storage buildings thereon. Enormous cold storage is necessary at the height of the meat killing and fruit harvest seasons. The arrivals exceed shipping space available. In like manner, wool clips have to be stored, and, in view of the continuing high values, the accumulation of risks on occasions assumes embarrassing proportions.

Between large centres such as Brisbane, Sydney, Melbourne, Adelaide and Perth, lie smaller communities varying from a few dozens to a few thousands who also require insurance service. It is uneconomic to get up branch offices in many of these settlements. So the insurance offices rely on agents for both production and service. Consequently, there has arisen an army of chief and second chief agents, local directors, sub-agents, brokers, listed persons, etc. This phenomenon has proved to be a thorny problem to Australian insurance offices; for if each of the 128 offices in the State of Victoria appoint, for instance, agents, chief agents and so on, the crowd receiving commmission and other remuneration would become unmanageable and make insurance an uneconomic proposition. Accordingly, attempts are being made to impose limits to the appointment of these agents.

Fire offices are also called upon to provide indemnities against loss caused by the forces of nature such as wind, storm, hailstorm and earthquake. The last mentioned is not a serious risk in Australia, but it is in New Zealand. Wooden buildings enjoy a lower rate of premium than buildings constructed out of bricks; for the former stand up to the stress of tremors, while the latter are liable to collapse like a house of cards. Prior to 1944, earthquake insurance in New Zealand was provided by private offices. But, since the beginning of 1945, all property insured against fire under any contract of indemnity has been deemed to be insured for the same amount against earthquake and war damage established under the provisions of the War Damage Act, 1941. Premium at the rate of 1s. per cent. per annum is collected by the offices and handed over to the Government. The offices are allowed 2½ per cent. commission towards expenses of collection. At the end of the fiscal year, 1952, the Earthquake and War Damage Fund stood at just under £9 million.

Figures relating to 1951 reveal that, in Australia, fire premiums amounted to £14,762,721, householders' comprehensive £2,347,044, sprinkler leakage £27,309, loss of profits £1,145,052 and hailstorm, £1,113,243, the total for the five classes normally handled by the fire department being thus a little short of £20 million. Income appears to have been rising in recent years at a rate of about 20 per cent., and therefore, it is assumed that the total for 1953 will be in excess of £25 million. Losses in 1951 amounted to £5.25 million, or approximately 27 per cent. of the premiums which is stated to be slightly higher than the ratio in each of the preceding five years. In New Zealand, net fire premiums in 1951 were £2,889,000, with a loss ratio of 30.7 per cent. On the basis of an increase of 10 per cent. per annum, the 1953 income may be £3.5 million or more than twice as much as that in 1946.



ISRAEL SOCIAL SECURITY SCHEME

On the 18th November the Knesset (Israel Parliament adopted the National Insurance Bill, the first instalment of a wider Social Security Plan for Israel. The full plan, inspired by the British "Beveridge Plan," was first introduced to the Constituent Assembly about four years ago, but the Bill was voided by the dissolution of the First Knesset.

The Bill now promulgated is limited only to old age pensions, workmen's compensation and maternity payments. Under the provisions of the law, a Social Insurance Institute has been created under the auspices of the Ministry of Labour to run the scheme. Residents of Israel will be entitled to old age pension at 65 years of age in the case of men, and 60 in the case of women. Non-salaried persons, however, will receive pension on reaching 70 and 65 years respectively. Every resident will enter the scheme on reaching the age of 18, and 3.3 per cent. of his earnings will be deducted for the Social Insurance Fund. Non-salaried persons will pay 2.9 per cent. of their earnings.

The contributions under the workmen's compensation section will vary from 0.5 per cent. to 3 per cent. of wages paid, according to the risk involved. This part of the scheme provides for coverage of the worker's hospital fees from two to 26 weeks of illness and for compensation in case of incapacity caused by accident.

The scheme is scheduled to start on the 1st April, 1954. It is expected that private insurers will continue to grant cover to employers in respect of their liability to workmen under the Civil Wrongs Ordinance, but a special committee at the Labour Department is studying the possibility of transferring this liability insurance to the State, in one form or another. Insurers, however, are convinced that this is entirely impracticable. At the same time, they doubt whether writing employers' liability under the Civil-Wrongs Ordinance only would continue to be a profitable class of business in future.

INDO-JAPANESE CO-OPERATION IN TRADE AND INDUSTRY

LARGE SCOPE IN BOTH SPHERES

(By P. B. ADVANI, M.Sc. Tech., M.I.E.)

AS is well known, Japan, as a result of the war, has lost its empire, that is, such territories as Korea, Monchukuo and Formosa, etc., which formed about 46 per cent. of its total pre-war area. It now comprises four major islands and numerous small islands surrounding them. It is situated in the centre of the temperate zone, with a climate which is, in many respects, much the same as that of Southern and Central Europe.

Its present population is about 85 million or about 3.6 per cent. of world's population and its area is about 0.28 per cent. of the world's total land area. Japan is a mountainous, volcanic country. The flat land constitutes about 20 per cent. of the total land area. It is a beautiful country. The Japanese are traditionally very hospitable and very courteous A traveller can spend a pleasant and enjoyable vacation in Japan in surroundings which are really picturesque and different from those in Europe or America. The best seasons for a visit are spring, that is, March to May, or again autumn, that is, September to November. There is plenty all over Japan which will interest a tourist. But it is not of tourism and sightseeing of which there is a great deal in Japan that this article is about. It is about that country's present industrial rehabilitation and possibilities of co-operation in trade and industries between it and India.

Japan is industrially the most developed country in Asia. Its industrial development is comprehensive. Going through their trade exhibitions and department stores, it is obvious at a glance that there is very little, whether of consumer articles or capital goods, that is not made in the country itself.

Post-war Development

World War II destroyed a sizable percentage of their industrial potential; where public electric supply is concerned, about 25 to 30 per cent. of the generating capacity is said to have been destroyed. Rehabilitation has taken place rapidly and is remarkable. It was specially facilitated by Korean war demands. Barring some special industries like cement, heavy chemical and coal, etc., which, in many cases, have their own power plants, most factories are run by electric power purchased from the public supply companies. The extent and rapidity of rehabilitation and extensions to manufacturing capacity will be appreciated from the fact that electrical energy generated by the various hydro and thermal plants of the public utility concerns in the year 1951 aggregated some 47.7 billion units and in 1952 some 52 billion units. The 1952 figure is about 130 per cent. of the pre-war all-time high. In other words, industrial activity is now appreciably higher than pre-war. The index of industrial production, which, when the Korean war started, stood at 80 per cent. of the pre-war level of 1934-36, rose in 1952 to 140 per cent.

The Japanese *per capita* income in 1952 in constant yens of 1934-36 basis was practically the same as in the pre-war year. It is stated to be about three times that in India. The common man in both urban and rural areas is on the whole comparatively well dressed, well shod and well nourished. This remarkable recovery has been made possible by co-operation between all the concerned authorities and the policies adopted by the Government of Japan and the Bank of Japan. The Japan Industrial Bank, a semi-Government organisation, Japan Development Bank, Long-term Credit Bank and the Export-Import Bank of Japan—these three are Government institutions—and private banks have all played their part and are still doing so in the sphere of industrial development of Japan. Private banks have advanced as much as 90 per cent. of their fixed deposits as loans to industries. Savings of people have been relatively small and hence their investment in industries has been very limited. The rates of interest have been relatively high. The industrial assets destroyed in the war could not have been so quickly recreated and extended without the bold steps taken and assistance given to industries by the Government and the aforesaid organisations.

One might consider Japan's industry under six major groups. Giving these groups the order of priority according to the number of persons employed, they are machine industry, spinning and weaving, foodstuff processing, chemical, metal, and metal products industries. The importance of the machinery industry will be appreciated from the fact that it is responsible for about 24 per cent. of all the persons employed in industry. The three allied groups, namely, machinery, metal and metal products industries account for no less than some 36 per cent. of all the persons employed in industry. In keeping with this, the productive capacity of steel is some 7 million tons, although the actual production in 1952 was about 4.6 million tons and that of aluminium was of the order of 50,000 tons.

Our own backwardness will be glaringly apparent when we note the fact that, with about four times the population of Japan, our present steel production is some 1 million tons and in 1956-57 or thereafter, when the projected extensions to the existing steel works are carried out and the new Government of India works goes into production, it will be about 1.6 million tons, against an estimated demand of 2.8 million tons in 1956-57. Electricity generated in our country in 1952 was 6.2 billion units, as against 52 billion units in Japan.

In Japan, before the war, industry and commerce were dominated and controlled by a very small number of big business houses like Mitsui Busban and Mitsubishi. In the post-war period, these were broken up by the occupation authorities into a large number of small units. One such organisation was broken up into as many as 250 concerns. Anti-monopoly law has now been relaxed and many such divided units are endeavouring to recombine and some have already succeeded in doing so. It is felt by them that this will lead to efficiency of organisation and reductions in cost of production, which latter is essential if export is to be developed. One of such recombined groups, the factories of which I visited, has some 17 factories, making electrical plant, appliances, equipment and apparatus and its President gave me to understand that their turnover, in the year ended in September, 1953, had been of the order of £30 million. This is by no means an isolated example of the strength of the new combines which are being formed.

Small-scale and Cottage Industries

In Japan, as is well known, small-scale and cottage industry has always co-existed and flourished along with very big manufacturing concerns. This continues to be so at present. Small-scale industries form a very important feature of Japan's industrial structure and contribute appreciably to the export trade in Japanese manufactures. This is illustrated by the fact that, even in the engineering industry, nearly 30 per cent. of the factories employ five to 49 persons, producing a little less than one-third of the total output. Many and varied are the articles made by the cottage and small-scale industry. I visited several. Some such concerns make even such highly specialised articles like X-ray apparatus. Many such concerns specialise in making individual parts required for an apparatus or article and these parts are assembled, and marketable articles are completed and finished in another factory. The output of many concerns, however, as may be expected, suffers from lack of uniformity in quality and high standard. To help the small-scale industry to improve its products and contribute further to foreign trade, the Japanese Chamber of Commerce and industry has recommendcd that Government should (1) create trade investigation machinery and encourage tours abroad; (2) encourage publicity; (3) bring about rationalisation of the small-scale industry and (4) stimulate promotion of co-operative system.

It is of special interest to note that, unlike our country, there is no objection on ideological or other grounds to power being used wherever it is available and it is possible to use it. While Government encourages and helps small-scale cottage industries, so far as I know, there are not any artificial restrictions imposed on large-scale industry for the specific benefit of small-scale and cottage industry.

From what has been stated above, it will be noted that the machinery industry is about the largest among the six groups mentioned. This was not so before the war. Japan now makes practically all the power plant, including very big units of 100,000 kw. each of both steam and hydro, extra high tension voltage equipment and more or less all the industrial and transportation machinery and equipment it requires for its needs.

Need for Developing Heavy Industry

The present-day development in the machinery and other industries is impressive and has been brought about, despite such adverse factors as lack of finance at reasonably low rate of interest (which may at present be as high as 11 per cent.), and lack of raw materials most of which have since the end of the war to be imported from the U.S.A., India and other non-Japanese territories.

Since the end of the war, Japan's machinery industry has become an important export industry. It has been exporting progressively large quantums of its products. In 1950, it exported machinery valued at some 70.5 million U.S. dollars, and, in 1951, the value of export orders received was some 177.5 million U.S. dollars.

All countries of Asia, including India, would be specially interested in Japan's machine and metal industries. Where India is concerned, this is specially so. We make more or less all the cloth and many other consumer goods for our needs and are looking for export markets for some of our manufactures. We want to industrialise our country rapidly and must for some time import machinery. Other Asian countries are also developing their textile and other industries. It is in the export of machinery and metal products that Japan can build up a useful export market to other Asian countries for some considerable time to come.

Japan depends at present for 87 per cent. of her essential industrial raw materials (coking coal, iron ore, crude oil, raw cotton, wool, rubber, zinc ore, industrial salt, phosphate, soya beans, bauxite, sugar). There is little prospect of lowering this percentage in future. It must also import large quantities of foodgrains as it can grow only about 80 per cent. of its needs and it is doubtful if its annual increment in production could cover the additional needs on account of increase in population each year.

Japan Must Export

It is estimated that, even if Japan does not engage in any export activities at all, there are certain minimum imports of raw materials and food which are essential for her people's sustenance. The cost of these materials, which are essential for its present population and present standard of living, is estimated at about 1.3 billion U.S. dollars. Japan must, therefore, earn at least this much of foreign exchange net, that is, after paying for raw materials needed for export industries. To be able to do this it is estimated that it must export goods at least of the value of 1,850 million U.S. dollars a year.

In 1952, the value of its exports was 1,272.9 million U.S. dollars. It is the opinion of some authorities that, for a healthy viable economy, Japan must export goods of the value of about twice this figure. In this connection, it must be borne in mind that Japan has lately enjoyed an extraordinary income of some 750 to 800 million U.S. dollars a year on account of the United Nations forces in Korea and the expenditure of U.S.A. soldiers stationed in Japan. This dollar income is a temporary one, it will start diminishing and will cease sooner or later. In 1953, for the first time since 1949, it was found that it did not cover the big export-import deficit.

Indo-Japanese trade statistics show that Japan imported from India in 1951 and 1952 goods of the value of £15.7 million and £22.96 million sterling, respectively, and exported to India in the same years goods of the value of £18 million and £14.2 million sterling. The most important items from the point of view of value exported to India were textiles, metal and metal products and machinery, and of imports from India, mostly raw materials such as iron ore, coal, cotton and salt. My visit to Japan and study of the various factors leads me to the conclusion that there is considerable scope for development in both export and import trade between India and Japan.

Since the Korean war, however, prices of many Japanese manufactures, specially several classes of machinery, have been higher than similar products of European manufacture. The Korean war boom experienced by Japan has now levelled off, freeing manufacturing capacity for exports. The Government of Japan and indus-

(*Continued on page 239*)

INDIAN SHEET GLASS INDUSTRY

CASE FOR CONTINUANCE OF PROTECTION BEING EXAMINED

NEARLY four years have elapsed since protection was granted to the Indian sheet glass industry. It was early in 1950 that the Government of India converted, on the recommendations of the Tariff Board, the then existing revenue duty of 45 per cent. *ad valorem* into an equivalent protective duty. And, thereafter, the rate of protective duty was actually raised to 47½ per cent. *ad valorem*, under the Finance Act of 1951. Protection was granted, in the first instance, only for two years ended 31st March, 1952. It was, however, subsequently extended for a further period of 21 months. As protection is due to expire at the end of the year, the industry has submitted its claim for continuance of protection and assistance. This claim was taken up by the Tariff Commission for examination early this week.

From a review of the existing position and problems of the Indian sheet glass industry, as made by Mr. M. D. Bhat, Chairman, Tariff Commission, in the course of his address while opening the public enquiry into the industry's claim, it looks as though the industry has a good case for continuance of protection. First of all, four years is not a period long enough for the stabilisation and expansion of a new and rather difficult industry like the sheet glass industry. Secondly, although opinions may vary on the question whether the industry has justified protection or not, there is no doubt that there has been some improvement in the product manufactured by the industry and, given protection for a further period, it may be in a position to raise the quality of its product. Thirdly, there is a big gap between production and installed capacity.

Installed Capacity

The estimates of installed capacity of the industry vary. The total capacity of the three factories under production, namely, the Sodepore Glass Works, Ltd., Sodepore; the Seraikella Glass Works Ltd., Kandra and the U.P. Glass Works Ltd., Bahjoi, was 15 million square feet per annum, at the time of the last enquiry by the Tariff Board. Since then, the Sodepore Glass Works have closed down their factory at Sodepore and have started another under the same name at Bhadaninagar, with an annual rated capacity of 29 million sq. feet. The other two factories have also raised their installed capacity sizably. The aggregate capacity of the three units is now estimated at 64.6 million sq. ft. per annum. There is also the new unit, the Hindustan Pilkinton Glass Works, with a capacity of 21 million sq. ft. set up at Asansol, which is expected to go into production shortly. The Development Wing of the Ministry of Commerce and Industry has, however, estimated the capacity of the four units at about 97 million sq. ft., a figure which is some 13 million square feet in excess of the aforesaid estimates. The actual output of the industry was 9.4 million sq. ft. in 1950, 11.1 million sq. ft. in 1951, 9.0 million sq. ft. in 1952 and 11.6 million sq. ft. during January-June, 1953. This discloses that only a small proportion of the installed capacity is being utilised at present.

The under-utilisation of the capacity is attributed to various reasons. They are, among others, lack of transport facilities for the movement of raw materials and finished products, shortage of coal due to allotment of inadequate quotas, supply of inferior quality coal, inadequate supplies of soda ash and heavy imports of sheet glass. The imports of sheet glass were 31.19 million sq. ft. valued at Rs. 91.27 lakhs in 1951, 15.04 million sq. ft. valued at Rs. 50.14 lakhs in 1952, and 4.31 million sq. ft. valued at Rs. 15.25 lakhs during the first eight months of 1953.

The main question before the Tariff Commission now is not whether protection should be continued but what should be the quantum of protection. This involves a comparison of the fair works prices of the indigenous product with the c.i.f. prices and the landed cost of the imported product. There is also the need to enquire into the quality of indigenous production, the selling prices and the selling arrangements made by the indigenous manufacturers of sheet glass.

On the question of quality, the consensus of opinion of importers and consumers, who have replied to the Commission's questionnaires seems to be that the indigenous sheet glass is defective and inferior to the imported one. The various defects mentioned by them are: the existence of bubbles, stones, waviness, blisters, scratches, uneven thickness, etc. It is also pointed out that there is absence of proper grading, and that, as packing is defective, there is heavy breakage in transit. These are serious complaints indeed. It is needless to emphasise that the quality of the glass manufactured is of vital importance to the future progress of the industry and it can be neglected by the industry only at its peril. Incidentally, the Commission must conduct a detailed investigation into the causes for the defects in the finished products of this industry and see whether all the factories have the right type of equipment. If the defects are the result of bad or lack of up-to-date machinery, there is, of course, no point in giving further protection to the industry.

Supply of Raw Materials

One more important question to be enquired into by the Tariff Commission relates to the supply of principal raw materials and consumable stores used by the industry. The principal raw materials required by the industry are sand, limestone, dolomite, soda ash, sodium sulphate and borax, all of which, with the exception of heavy soda ash and borax, are available in the country. Heavy soda ash is imported from British East Africa. The supply position of this ash is now stated to be easy. Meanwhile, the soda ash industry in India has planned to raise its capacity from 54,000 tons to 90,000 tons per annum by the end of 1955. As part of this expansion programme, the industry has planned to produce about 6,000 tons of heavy soda ash per year. Besides this expansion scheme, there are proposals for setting up new plants for the manufacture of soda ash, which, however, have not yet been finalised. When the various expansion schemes are implemented, the glass industry will be in a position to get all its requirements of soda ash from indigenous production. Meanwhile, it is worthwhile examining whether the industry cannot make use of the light soda ash produced in the country for at least a part of its requirements. So far as borax is concerned, it is imported principally from the U.S., although small quantities are also obtained from the U.S. and Bhutan. As its requirements of borax are very small, the industry may not perhaps have any difficulty in obtaining its full requirements of this material.

The supply position of stores has improved. A large number of refractory manufacturers have undertaken to meet the requirements of the glass industry. Recently, silliminite blocks made from raw Assam silliminite were offered to the glass industry and it is reported that they were found suitable after extensive tests carried out by Messrs. Steel Brothers, England. The views of producers regarding the suitability of these blocks based on their own experience should, however, be called for and examined.

(*Concluded from next column*)

The Textile Division Council dealt with physical characteristics of textiles, textile chemistry, cotton, yarn and cloth, jute, wool, rayon and its products, hosiery, handloom cloth, coir and coir products, textile sizing and finishing materials, textile stores and machinery and the National Flag of India.

The Building Division Council was concerned with cement, concrete, building limes, bricks and stones, flooring materials, timber and its products, builder's hardware, tar and bituminous products, application of building finishes and steel and test sieves.

The Chemical Division Council considered the problems relating to heavy chemicals, fine chemicals, coal and coke, plastics, paints and rubber, lubricants, essential oils, vegetable oils, soap, lac, paper, leather and glassware.

A notable feature relating to the establishment of standards for the items mentioned above is that all controversial or ambiguous points, arising out of the work of different committees and requiring further experimental, testing or research work, are referred to well-established and adequately equipped laboratories for investigation. The results of these investigations are incorporated before finalising the standards. It is gratifying to note that in this work, the I.S.I. has been receiving valuable help from the National Laboratories.

INDIAN STANDARDS INSTITUTION

ITS ROLE INCREASES IN IMPORTANCE

THE role of the Indian Standards Institution in providing assistance to Indian industries to ensure production of quality goods has been increasing in importance. The Institution started only six years ago. Since then, it has expanded its activities considerably. In 1947, only one Division Council was working. By the end of March, 1953, four fully constituted Councils and one section were functioning. The formation of the section referred to was almost the precursor of a new Agricultural and Food Products Division to be formed for dealing with the formulation of standards for foodgrain storage structures and a standard code of practice for the storage, handling and transport of grains. Two more sections to deal with steel and statistics were on the point of creation at the end of the fiscal year 1952-53. The Certification Marks Scheme, based on the I.S.I. (Certification Marks) Act, passed by Parliament in February, 1952 was also a new development which awaited the promulgation of the necessary Rules under the Act. The Scheme should prove a powerful instrument not only for maintaining but also improving the quality of the indigenous products and raising the general level of production in the country.

An index of the nature of the Institution's work and the increase in its activities is provided by the data given in its latest annual report covering the year 1952-53. There were, in the year, 350 active Committees and Councils working on different subjects. The membership of these bodies, selected from the various industries, consumer interests and technologists, consisted of 3,750 experts. The corresponding figures for the previous year were 300 Committees with a membership of 2,700 members. Again, during the year under review, 181 meetings of Committees and Sub-committees were held, as against 142 meetings in 1951-52. The I.S.I. published 81 new standards raising the total to 372. In addition, 19 standards were under print, and 93 draft standards had passed the committee stage of finalisation. The Institution received increased support from the various interests in the country, as witness the rise in its membership from 758 to 813. The income from subscriptions alone in 1952-53 was Rs. 2.19 lakhs which is nearly twice the figure in 1948.

Participation in Work of World Bodies

The I.S.I. participated actively in the administrative, as well as the technical, work of the International Standards Organisation and the International Electric Commission. The Director of tre I.S.I. was re-elected Vice-President of the I.S.O. for the second term of three years. The meetings of the I.S.O. Technical Committees on Lac and Mica were very helpful in arriving at decisions which would eventually lead to a final international agreement on the standards for these materials, and thus smoothen out the many difficulties in the Indian export of these commodities for which India holds almost a monopoly.

Good progress was made by the Engineering, Textile, Chemicals and Building Division Councils of the I.S.I. The standards set up by each of these Councils, being the result of the cooperative efforts of consumers, producers and technologists, should be acceptable to all concerned for voluntary adoption. Since the purchase specifications of the various Government departments are taken into consideration in the formulation of Indian standards, manufacturers should find these standards suitable for replacing their present specifications. The I.S.I. has taken up the matter of implementing Indian standards with the States and Union Governments. Its achievements in this direction, though notable, remain yet to be fully recognised by the Governments. Out of 372 published standards, the Central Government Departments have adopted only 192 and there is still a good deal of leeway to be made up with regard to the acceptance of these standards by the State Governments. The causes for the delay in the acceptance by the Governments of the standards are worth looking into by an impartial committee of private organisations.

The work of the Engineering Division Council covered a wide range of goods such as non-ferrous metals, manganese ore, electrical conductors, insulators, plant, switchgear and accessories, radio equipment, batteries, refractories, sports goods, bicycles, parts and accessories, internal combustion engines, oil-burning domestic appliances and hand tools.

(*Continued in previous column*)

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION
(Incorporated in the Colony of Hong Kong)
The Liability of Members is Limited to the extent and in manner prescribed in Chapter 70 of the Laws of Hong Kong.
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Reserve Funds Sterling ... ... £ 6,000,000
Reserve Liability of Members ... Hk. $20,000,000
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EUROPE: Hamburg, Paris, Lyons
HONG KONG: Hong Kong, Kowloon, Mongkok
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J. WILKIE, Manager.

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Paid-up Capital ... ... ,, 50,00,000
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Branches at:—Arsikere (Bangalore:—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade), Bangarpet, Bhadravati, Channapatna, Chickballapur, Chickmagalur, Chintamani Chitaldroog, Coimbatore, Cochin, Davangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Oorgaum, Sagar, Sakleapur, Shimoga, Tiptur and Tumkur.
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Notices

W. H. BRADY AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-first Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Royal Insurance Buildings, Veer Nariman Road, Bombay, on Monday the 1st day of March, 1954, at 11-30 a.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1953.
2. To sanction the payment of a Dividend.
3. Messrs. R. S. Smith and E. F. Morrey, Whole-time Service Directors and Technical Advisers, retire, and being eligible offer themselves for re-election.
4. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
JOSEPH KAY,
Managing Director.

BOMBAY, 5th *February*, 1954.

To the Shareholders of W. H. Brady & Company, Ltd., and in particular to:—

W. J. Pearce, F. W. Bennetts, Mrs. A. A. Dickinson, Mrs. O. M. Sharpe, T. W. Beneetts, Mrs. L. B. Postlethwaite, Mrs. I. C. Foxley, Mrs. J. A. Shelton, Warren H. Brady, Mrs. E. O. Cock, Mrs. M. M. Katgara, Sir A. G. Gray, A. V. Crowle, S. J. Crowle, Mrs. B. J. Peek, Mrs. Margaret Vernon, F. W. Reddaway.

THE EMPIRE DYEING AND MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Fifty-fourth Ordinary General Meeting of the Shareholders of THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Royal Insurance Buildings, 12/14, Veer Nariman Road, Fort, Bombay, on Monday the 1st day of March, 1954, at 12-15 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1953.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. Maneklal Premchand as a Director of the Company.

(4) To appoint Directors in place of Mr. Tansukhrai M. Karundia and Mr. J. Symon, who retire by rotation in accordance with Article 135 of the Articles of Association, but are eligible for re-election.

(5) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February, to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 3rd *February*, 1954.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after 15th day of March, 1954. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th March, 1954.

To the Shareholders of The Empire Dyeing and Manufacturing Company, Ltd. and in particular to:

Mr. A. H. Baker, Mr. H. G. H. Everitt, Mr. W. L. A. Radcliffe, Mr. J. Slater, Mrs. J. S. Forrest.

G. CLARIDGE & COMPANY, LIMITED BOMBAY

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FOURTH ANNUAL ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay, on MONDAY the 1st Day of March, 1954, at 12-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1953.
2. To sanction the payment of a Dividend.
3. To confirm the appointment of Maneklal Premchand, Esq., as a Director.
4. To appoint Directors in place of J. Symon, Esq., and Kantilal Nahalchand, Esq., who retire by rotation, but are eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February, 1954, to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 3rd *February*, 1954.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 15th Day of March, 1954. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1954.

To the Shareholders of G. Claridge & Co., Ltd., and in particular to:—

A. H. Baker, Esq., Warren Hollinshed Brady, Esq.

THE NEW CITY OF BOMBAY MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the Shareholders of the New City of Bombay Manufacturing Company, Limited, will be held at the Company's Registered Office, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 1st March, 1954, at 2-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Statement of Accounts for the year ended 31st December, 1953.
2. To sanction the payment of Dividend.
3. To approve the appointment of Mr. Maneklal Premchand as Director of the Company.
4. To appoint Directors in place of Mr. Nenabhoy B. Jeejeebhoy and Mr. J. L. B. Heale, who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February, 1954, to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 4th *February*, 1954.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 15th March, 1954. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1954.

To the Shareholders of The New City of Bombay Manufacturing Company, Ltd., and in particular to:—

Mrs. Amy Blanche Connell, Mrs. Beatrice De Coninck, H. G. H. Everitt, Esq., Francisco X. D. Quadros, Esq., John Pitkerthly Ross, Esq., and Jose Vetarino Alvares E. Britto, Esq.

THE NEW GREAT EASTERN SPINNING AND WEAVING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eightieth Ordinary General Meeting of the Shareholders of the New Great Eastern Spinning and Weaving Company, Limited, will be held at the Company's Registered Office, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 1st March, 1954, at 3-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December, 1953.
2. To declare a Dividend on Preference and Ordinary Shares of the Company.
3. To approve the appointment of Mr. Maneklal Premchand as Director of the Company.
4. To elect two Directors in place of those who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February, 1954, to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director,
Secretaries and Agents.

BOMBAY, 4th *February*, 1954.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after Monday the 15th March, 1954. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 11th March, 1954.

To the Shareholders of The New Great Eastern Spinning and Weaving Company, Ltd., and in particular to:—

A. M. A. Karimjee, Esq.; Mrs. Allu Faredoon Dastur; Cyril M. Carvey, Esq.; Domingos Roque DeSouza, Esq.; T. M. Fernandes, Esq.; Jose Joaquim de Piedade Falleiro, Esq.; Mrs. Meherbanoo P. Dubash; Antonio Augusto do Rego, Esq.; Dr. John H. E. Sequeira; Dr. Francis C. G. Sequeira; Vaikunthlal M. Clerk, Esq.; Miss Dina B. Sethna; Miss Freny B. Sethna; Mrs. Bessie Julia Peek; H. G. H. Everitt, Esq.; Lloyd Knibb, Esq.; G. P. Cooke, Esq.; Dr. Fernando Rodrigues.

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Shareholders of the Brady Engineering Company, Ltd., will be held at the Registered Office of the Company, Royal Insurance Buildings, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 1st March, 1954, at 4-45 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1953.
2. To sanction the payment of a Dividend.
3. To confirm the appointment of Mr. Maneklal Premchand as a Director of the Company under Article 146 of the Articles of Association.
4. To appoint Directors in place of Mr. Maneklal Premchand and Mr. Kantilal Nahalchand, who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 19th February to Thursday the 11th March, 1954, both days inclusive.

By Order of the Board,
W. H. BRADY & Co., LTD.,
JOSEPH KAY,
Managing Director.
Managing Agents.

BOMBAY, 3rd *February*, 1954.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after the 15th day of March, 1954. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 11th day of March, 1954.

To the Shareholders of the Brady Engineering Company, Ltd., and in particular to:—

Arthur Henry Baker, Esq., William Vans Agnew, Esq., Mrs. Aimai Merwanjee Bamboat, Rustom Merwanjee Bamboat, Esq., George Albert Carter, Esq., H. G. H. Everitt, Esq.

Notices

THE PHALTAN SUGAR WORKS LTD. SAKHARWADI, DISTRICT SATARA NORTH

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at Sakharwadi, District Satara North on Saturday, 27th February, 1954, at 3 p.m. (S.T.), when the undermentioned resolution will be proposed as a Special Resolution.

RESOLUTION

"That the Articles of Association be amended in the manner following:—

(1) Article 2. Definition of "The Indian Companies Act 1913" the portions "as applied in the Phaltan State and" and the words "British India" wherever they occur shall mean Phaltan State unless the context shows otherwise, be deleted.

(2) Add the following to the Article 30:

"No renewal fee shall be charged except when a certificate is torn through, defaced, destroyed or lost."

(3) Article 42, 1st line. For the word "befought" the word "brought" be substituted.

(4) Article 46, 2nd line. For the words "be applied the satisfaction of such towards in or debts" the words "shall be applied in or towards the satisfaction of the debts" be substituted.

(5) Article 48, 6th line. For the word "purchaser" the word "purchase" be substituted.

(6) Article 59, 1st line. The word "shall" be inserted between the words "share" and "be".

(7) Article 79, 5th line. For the word "adequate" the word "aliquot" be substituted.

(8) Article 101, 3rd line. For the word "or" the word "on" be substituted.

(9) Article 114. Delete words beginning with "if in the form" up to "by the letter (b)".

(10) Article 121, 3rd and 4th lines. Delete the portion "that any person . . . a Director of the Company".

(11) Article 127, 4th line. Delete words "either" and "otherwise."

5th line. Insert the word "in" between the words "either" and "addition".

7th line. Substitute word "incurred" for the word "occurred".

(12) Article 130, 6th line. After the word "but" the word "it" be inserted.

(13) Article 138, 3rd line. The word "and" be deleted.

(14) Article 146, 5th line. For the word "confirm" the word "conform" be substituted.

(15) Article 152, (16) 2nd line. After the words "Managing Agents" the word "by" be inserted.

(16) Article 156 (*a*), 6th line. For the word "convened" the word "concerned" be substituted.

(17) Article 172, 4th line. For the word "distributor" the word "distribution" be substituted.

30th line. The word "or" occurring after the word "partly" be deleted.

31st line. The word "or" be added after the word "paid".

32nd line. For the word "or" the words "and partly" be substituted.

33rd line. For the word "filled" the word "filed" be substituted.

(18) Article 179, 7th line. For the word "one" the word "are" be substituted.

(19) Article 183 (1). The words "Phaltan State" be omitted and the words "Government of Bombay" be inserted therefor.

(20) Article 185, 4th line. The word "and" occurring after the word "Company" be deleted.

(21) Article 188, 1st line. For the word "or" the word "of" be substituted.

(22) Article 196, 7th line. The word "in" be inserted after the word "him".

(23) Article 200, 3rd line. The word "as" occurring after the word "distributed" be deleted and the word "so" be substituted therefor.

(24) Article 201, 4th line para (2). The word "of" occurring after the word "case" be deleted."

By Order of the Board of Directors,
For MAFATLAL, APTE & KANTILAL LTD.,
L. V. APTE,
Managing Director,
Managing Agents.

Dated 1st February, 1954.

BURN AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at the Registered Office of the Company, 12, Mission Row, Calcutta, on Monday the 1st day of March, 1954, at 11 a.m., to consider and if thought fit to pass, with or without modification, the following resolutions, namely:—

1. (*As an Extraordinary Resolution.*)—That the Authorised Capital of the Company be increased from Rs. 70,00,000 to Rs. 1,20,00,000 by the creation of 50,000 Ordinary Shares of Rs. 100 each.

2. (*As a Special Resolution.*)—That the Articles of Association of the Company be altered in manner following:—

In Article 4, the words "at the date of adoption of these articles" shall be deleted and in the same article the figures "70,00,000" and "42,000" shall be deleted and the figures "1,20,00,000" and "92,000" substituted therefor respectively.

3. (*a*) That it is desirable to capitalise a sum of Rs. 42,00,000 being part of the undivided profits of the Company standing at the credit of the General Reserves and accordingly that the said sum of Rs. 42,00,000 be capitalised and that this amount be used as a capital bonus which shall be applied on behalf of the persons who are on the 1st day of March, 1954, holders of the 42,000 issued Ordinary Shares of Rs. 100 each in payment in full for 42,000 new Ordinary Shares of Rs. 100 each and that such 42,000 new Ordinary Shares credited as fully paid, shall be accordingly allotted to such persons respectively in the proportion of one new Ordinary Share for every issued Ordinary Share held on the 1st day of March, 1954, by such persons respectively and that the said new Ordinary Shares so distributed shall rank in all respects *pari passu* with the existing Ordinary Shares save and except that they will not participate in dividends declared in respect of any period ending on or before 30th April, 1953, and shall also be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such Ordinary Shareholder and not as income.

(*b*) That pursuant to the above resolution and in satisfaction of the said special capital bonus the Directors be and they are hereby directed to allot and distribute 42,000 new Ordinary Shares credited as fully paid up amongst the persons who are on the 1st day of March, 1954, holders of the 42,000 issued Ordinary Shares of the Company in proportion to the issued Ordinary Shares held by them.

(*c*) That the draft of the Agreement providing for the allotment of the said new Ordinary Shares in satisfaction of the said capital bonus submitted to this Meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such Agreement as and when the same shall have been signed on behalf of the members holding Ordinary Shares in the Company on the 1st day of March, 1954, by some persons to be appointed by the Directors in that behalf under Article 168 of the Articles of Association of the Company.

The Share Registers of the Company will be closed from 19th February, 1954, to 1st March, 1954, inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

CALCUTTA, 30*th January*, 1954.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The Mysore Spinning and Manufacturing Company, Ltd. will be held at the Registered Office of the Company, 70, Forbes Street, Fort, Bombay, on the Twenty-fifth day of February, 1954, at 4.00 p.m. (S.T.), when the subjoined resolutions will be proposed:—

(1) *As a Special Resolution* :—

That Article 102 of the Company's Articles of Association be altered by substituting the words "One Hundred" in place of the word "Fifty" in line 2 of that Article.

(2) *As an Ordinary Resolution* :—

That it is desirable to capitalise a sum of Rs. 4,96,700 being part of the undistributed profits of the Company standing to the credit of the Reserve Fund and accordingly that the said sum of Rs. 4,96,700 out of that Fund be capitalised and distributed amongst the holders of Ordinary Shares on the footing that they become entitled thereto as Capital in pursuance of Article 149 of the Articles of Association of the Company and that the said Capital sum be applied on behalf of the persons who on the 15th day of March, 1954, are the holders of 39,736 Ordinary Shares of the Company of Rs. 50 each in payment in full for 9,934 Ordinary Shares of the Company of Rs. 50 each and that such 9,934 Ordinary Shares credited as fully paid-up be accordingly allotted to such persons respectively in the proportion of one such new Ordinary Share for every four Ordinary Shares then held by such persons respectively and that the shares so distributed shall be treated for all purposes as an increase of the nominal Capital of the Company held by each shareholder and not as income and that such new shares shall rank *pari passu* with the existing shares of the Company and for all dividends declared after the 1st day of March 1954 and that the Company shall complete and have ready for delivery the certificates in respect of the said issue of 9,934 Ordinary Shares within six months from the allotment.

The Transfer Books of the Company will be closed from 4th February, 1954, to 13th February, 1954 (both days inclusive). If the abovementioned Ordinary Resolution for capitalisation of a part of the Reserve Fund is passed by the Company in General Meeting, the Transfer Books of the Company will again be closed from 11th March, 1954, to 15th March, 1954 (both days inclusive), for the purpose of giving effect to the scheme of capitalisation.

By Order of the Board,
N. SIRUR & COMPANY, LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 22*nd January*, 1954.

N.B.—The holders of 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by proxy in respect of their holdings of such Preference Shares at the above Extraordinary General Meeting.

(The consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinion expressed with regard to them.)

SCINDIA STEAM NAVIGATION'S EARNINGS SLIGHTLY LOWER

DIVIDEND, HOWEVER, RAISED

THE welcome return to the dividend list by the Scindia Steam Navigation Company, Ltd., last year—after a break of three years—as a result of the striking improvement in its earnings during the year ended 30th June, 1952, has been followed up with an enhancement in the return to the shareholders from As. 8 to As. 12 per share (of Rs. 15 each) for the year ended 30th June, 1953. This does not mean that the year under review was more prosperous than the previous one in terms of earnings and profit. On the other hand, the gross profit for the year under review has recorded a slight fall. After providing a substantially higher sum for depreciation, at Rs. 93.64 lakhs (as against Rs. 72.68 lakhs), Rs. 10 lakhs (Rs. 10 lakhs) for debenture sinking fund and setting aside Rs. 60 lakhs (*nil*) for deferred taxation reserve, the net profit works out to no more than Rs. 58.08 lakhs, a drop of as much as Rs. 85.02 lakhs from the corresponding figure of Rs. 143.10 lakhs for 1951-52. It must, however, be said, in fairness, that the results of working during the year under review are not strictly comparable with those for the previous year, inasmuch as the previous year's results included those of the Vizag Shipyard for a period of eight months; this year, there has been no account about the Hindustan Shipyard. Again, while the results of the year under review include those of the Bombay Steam Navigation Company, Limited, those for 1951-52 did not, as it was only in the year under review that this latter Company was absorbed.

Nonetheless, an increase in the dividend this year has been possible, because there has been no loss to be written off from the year's profit, as in the previous year. Last year, it may be remembered, the Directors had to wipe out such a huge deficit as Rs. 89.05 lakhs brought in from the preceding year and, in addition, to write off a loss of Rs. 41.02 lakhs on the sale of the Company's shipyard at Vizag. However, to some extent, this had been offset by writing back a sum of Rs. 10.55 lakhs, being the provision for taxation no longer required. Whatever that may be, the net surplus for appropriation this year, at Rs. 59.66 lakhs, compares favourably with that of Rs. 23.58 lakhs last year.

The following comparative table presents the salient features of the year's results, as compared with those for the previous three years, from which an approximate idea of the Company's progress since 1949-50 can be had:

(In lakhs of rupees)

	For the year ended 30th June			
	1953	1952	1951	1950
Freight and passage money	1,141.74	934.07	756.00	607.44
Other income	107.81	130.88	185.18	72.93
Expenses	1,007.25	823.67	855.69	733.85
Gross profit	242.29	242.79	88.03	29.18
Agents' commission	20.57	17.01	8.80	2.38
Provision for depreciation	93.64	72.68	64.47	55.54
Deferred taxation reserve	60.00	..	..	..
Debenture sinking fund	10.00	10.00	10.00	10.00
Net profit (+) or loss (—)	+58.08	+143.10	+4.75	—38.73
Provision for taxation written back	..	10.55	..	..
Loss on sale of shipyard written off	..	41.02	..	..
Fleet replacement account	10.00	..	..	..
Dividend equalisation fund	..	..	..	..
Dividend	11.75 (6%)	.. (3½%)	..	..
Carry forward	35.18 +2.74	22.00 +1.58	—89.05	—93.80

N.B.—Expenses include the amounts transferred to capital account which are: *Nil*, Rs. 1.52 lakhs, Rs. 2.54 lakhs and Rs. 82.60 akhs for the years 1952-53, 1951-52, 1950-51 and 1949-50, respectively.

The rise of Rs. 207.67 lakhs in freight and passage money in the year under review has been due to the larger earnings of the B.S.N. Co., Ltd., from its workshop and increased passenger traffic due to the Exposition Pilgrimage to Mormugao. The earnings on cargo traffic, however, have been considerably lower, due to substantial decline in the freight rates on bulk cargo. The Company's fleet is stated to have been generally adequately employed during the year. If this is not reflected in the results of the year, it is mainly due to the decline in cargo rates referred to above. The comparative figures (excluding those of the B.S.N. Co.) for total cargo lifted and freight earned for the last two years are as follows:

		1952-53	1951-52
Cargo lifted	...	Tons 1,880,240	1,722,550
Freight earned	...	Rs. 8,92,85,841	8,73,81,562

The operating costs are reported to have been more or less steady, having regard to the voyaging done during the year, except for a small increase in the rates of fuel oil and wages for the floating staff.

Under the provisions of the Indian Income-tax Act, the Company is allowed additional depreciation, in the nature of initial and double normal depreciation, in respect of new ships purchased by it. The Company's liability for income-tax with regard to the profit is thereby deferred at present. However, the Directors have thought prudent to provide for this liability when the going is good. The liability so deferred in respect of the profit for the year under review is estimated at Rs. 60 lakhs and this sum has, accordingly, been transferred to the deferred taxation reserve. It must, however, be mentioned here that no such provision was made in respect of previous years.

In addition to the small increase in dividend for the year under review, the shareholders of the Company will soon be benefited by way of capital appreciation of their holdings, when the Directors' proposal to capitalise the sum of Rs. 2.35 crores, being part of the amount standing to the credit of the premium on shares account, is approved by the Government. If this move materialises, the paid-up value of the shares will be written up from Rs. 15 to Rs. 20 each. The Directors have decided upon this capitalisation, because, in their opinion, the paid-up capital of the Company is small *vis-a-vis* the total funds employed in the business and the time is opportune to "rearrange" the capital structure. An important point to be noted here is that the bonus scheme will not result in any increase in the number of the Company's shares.

The following synopsis of the Company's balance-sheet as on 30th June, 1953, reflects its financial position:

Liabilities	Rs.	Assets	Rs.
Capital	7,04,60,608	Gross block	17,21,48,094
Reserves and surplus	8,63,17,341	*Less*—Depreciation	3,71,00,000
Debentures	4,57,24,373	Net block	13,50,48,094
Deferred taxation reserve	82,00,000	Stores and spares	54,01,137
Liabilities	5,95,57,927	Work-in-progress	5,31,466
		Investments	6,09,86,600
		Debenture trustees' account	1,59,06,620
		Debts, deposits and advances	2,41,68,357
		Cash	2,62,56,288
		Debenture issue expenses	19,61,687
	Rs. 27,02,60,249		Rs. 27,02,60,249

The Company's capital is higher by Rs. 44.86 lakhs due to addition of 2,99,046 shares of Rs. 15 each issued to the shareholders of the B.S.N. Co., Ltd., pursuant to the scheme of amalgamation. The Company's reserves and surplus stand strengthened by Rs. 175.59 lakhs over the year, of which (1) capital reserve represents Rs. 137.64 lakhs being the difference between the cost of the assets of the B.S.N. Co. taken over and the cost of shares of the B.S.N. Co. held by the Company, (2) fleet replacement reserve accounts for an increase of Rs. 29.22 lakhs, made up of Rs. 19.17 lakhs being the income-tax refunds received during the year, Rs. 5,185 being the surplus on sale of the Company's property at Gopalpur and Rs. 10 lakhs being transfer from the profit for the year, (3) annual and special survey reserve for Rs. 3.43 lakhs being the amounted transferred to the debit of repairs account, (4) investment reserve fund for Rs. 1.88 lakhs being the difference between the cost and the redemption value of part of the Company's debentures representing the sinking fund investments redeemed during the year and the profit on other investments realised during the year and (5) staff amelioration fund for Rs. 1.25 lakhs being the amount transferred from the B.S.N. Co. under the scheme of amalgamation. There has been a decline of Rs. 50.49 lakhs in the debenture loans, on account of the redemption of debentures of the value of Rs. 49.65 lakhs. The current liabilities show an increase of Rs. 2.13 crores, mainly due to the taking over of the B.S.N. Company's debenture holders. There has been an addition of Rs. 4.73 crores to the value of the gross block, of which Rs. 2.41 crores represent assets taken over from the B.S.N. Co. Investments show a rise of Rs. 2.33 crores and debenture trustees' account Rs. 76.67 lakhs, while debts, deposits and advances account for a decline of Rs. 2.58 crores mainly due to the repayment of Rs. 2.72 crores being the dues from the Hindustan Shipyard.

KHARDAH JUTE CUTS DIVIDEND

PROFIT DROPS BY NEARLY 50 PER CENT.

AFTER staging an improvement during three successive half-years, the earnings of the Khardah Company, Ltd. (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta), for the half-year ended 31st March, 1953, have suffered a setback. The gross profit, which had risen from Rs. 9.91 lakhs for the half-year ended 31st March, 1951, to Rs. 22.53 lakhs for the six months ended 30th September, 1952, has dropped to Rs. 11.56 lakhs for the half-year under review. As compared with the results for the previous half-year, the profit for the half-year under review represents a decline of 48.7 per cent. In fact, barring the earnings for the six months ended 31st March, 1951, it is the lowest in the last three years. In tune with the decline in profit, the dividend on the ordinary shares has been reduced to 20 per cent. per annum from 30 per cent. per annum paid for the previous half-year, to which level it had been raised from 12 per cent. per annum for the half-year ended 30th September, 1951.

The following comparative table, giving the salient features of the Company's results for the last four half-years, brings out clearly its progress in recent times:

(In lakhs of rupees)

	Half-year ended			
	31-3-1953	30-9-1952	31-3-1952	30-9-1951
Sale proceeds	137.31	192.42	261.45	232.78
Manufacturing expenses	84.08	124.48	196.93	181.84
Other expenses	42.93	43.45	46.91	37.90
Gross profit	11.56	22.53	17.87	13.59
Managing Agents' remuneration	1.35	2.47	2.00	1.87
Depreciation	1.50	1.50	1.50	1.50
Taxation	3.80	8.25	5.80	5.76
Net profit	4.91	10.31	8.58	4.41
E.P.T. refund	..	5.33	..	..
To reserves	0.18	5.33	3.00	2.32
Dividends—				
6% preference	0.27	0.27	0.27	0.27
Ordinary	5.40 (20% p.a.)	8.10 (30% p.a.)	5.40 (20% p.a.)	5.24 (12½% p.a.)
Carry forward	8.07	6.01	2.06	1.90

The foregoing table indicates that the period under review was not one of smooth sailing for the Company, as was the case with all other jute mills in India. Describing the trading conditions that prevailed during the half-year under review, the Directors observe, in their report to the shareholders, as follows:

"In the period under review, prices of both raw jute and manufactured goods advanced during the first two months, but subsequently there was a steep decline in both sections, with rates registering the lowest points. In consequence, it was difficult to maintain the previous half-year's working results. While stocks of hessian had diminished, those of sacking continued to increase substantially and mills had perforce to sell heavy goods at a loss. These adverse market conditions were mainly responsible for the low working profits during the half-year under review."

The Directors have welcomed the cut in export duty on hessian from Rs. 275 to Rs. 120 per ton, announced in September, 1953. They say that this concession has helped to promote a better demand from consuming markets and has imparted a fair degree of stability to local prices. This will be reflected in the Company's results for the half-year ending 31st March, 1954.

It will be noted from the foregoing table that the net profit, at Rs. 4.91 lakhs, shows a decline of Rs. 5.40 lakhs from that for the previous half-year. After transferring Rs. 18,000 to provision for doubtful debts, the profit available for distribution does not permit of paying a dividend at the rate of 20 per cent. per annum. However, the large surplus of Rs. 4.01 lakhs brought in from the previous half-year has come in handy and the Directors have proposed to utilise a part of this surplus to pay the above dividend.

The Company's financial position, as seen from its latest balance-sheet, is satisfactory. As against a paid-up capital of Rs. 63 lakhs, the reserves and surplus stand at Rs. 25.90 lakhs. The provisions for taxation amounts to Rs. 23.33 lakhs. The gross block of the value of Rs. 161.13 lakhs has been well written down to Rs. 51.60 lakhs. The current assets, at Rs. 90.37 lakhs, more than adequately cover the current liabilities, aggregating Rs. 55.74 lakhs, and the provision for taxation.

The Company's Rs. 100 paid-up ordinary shares are currently being quoted at Rs. 188, at which rate and on the basis of the latest dividend the yield works out to 10.6 per cent. per annum, free of tax.

Points From The Chair

Britain's Economy Still Cause for Concern

"SUMMARISING my analysis of the post-war period, I cannot escape the conclusion that our position must still occasion grave concern. It is true that the acute peril of two years ago has been surmounted. The immediate threat to the stability of the pound sterling has receded. We have a breathing space gained by our own efforts, with the help of some good fortune. But before we can face the future with confidence, two things are necessary, both of them dependent upon an adequate supply of savings. First, we need a great increase in the volume of productive investment at home, for we cannot hope to hold our position in world markets unless the rate of modernisation of our industrial equipment at least keeps pace with that of our competitors. Secondly, our overseas earnings must somehow be increased until these are sufficient not merely to pay for our food and raw materials in a good year but to leave a substantial surplus year in year out."

LORD BALFOUR OF BURLEIGH,
Lloyds Bank Ltd.

Government Should Economise

"An aspect of this question which is fundamentally unsatisfactory is that there is no inescapable pressure on any Government to economise, in the sense that a Board of Directors or a private individual has to economise. If it is prepared to forget that there will be a day of reckoning, there is in the last resort no limit to the amount of money that a Government can raise internally by taxation, or failing that by inflation. And every item of economy which may be proposed involves inconvenience, or perhaps even hardship to somebody; . . . A specious case can be made out for a reprieve in each separate instance, and there are always people with vested interests who will resist any divesting economy. No one likes, for example, to have the number of men under his command reduced. That applies even to bank managers, who have to find the salaries of their staff, if not out of their own pockets, at any rate out of their branch profits; how much more to Government servants, whose salaries fall like manna from heaven and who never have to sully their thoughts with base considerations of profit and loss."

ANTHONY WILLIAM TUKE,
Barclays Bank Ltd.

Domestic Finances Should be Set in Order

"The freeing of commodity markets promises once more to restore London's supremacy in this field, with the trading profits that result. The reopening of free markets enables the holder of sterling to acquire almost any commodity here at the lowest world price. As a result, there has been a satisfactory increase in the demand for sterling and a consequent improvement in the rate not only for free sterling but for the various categories of switch and securities sterling. All this is to the good and it may be hoped that we may soon see the abrogation of the remaining restrictions on sterling transferability, which only harm our credit and hamper our export trade. It should be borne in mind, however, that the freeing of the commodity markets entails most of the risks and strains on our exchange, without all of the advantages, that would follow the restoration of full convertibility; and accordingly, whichever course we adopt, it is necessary to set our domestic finances in good order."

DAVID JOHN ROBERTS,
National Provincial Bank Ltd.

Home Market Should be Revitalised

"For so highly industrialised a country as ours there should be no doubts about the need for expansion and development. The revitalised home market is but another step towards the desired end and a move which, with the re-created monetary and price mechanisms, should make our economy more flexible and, therefore, more efficient. The need for efficiency is a continuing one in industry and especially so just now when discovery and invention are proceeding rapidly in so many fields. Indeed, it is impossible to over-estimate the importance of efficiency at the present juncture when, in the interests of the nation at large, production has to cope with an active domestic trade and make a bid for exports at one and the same time—a time moreover when no day passes without reports of mounting competition in world markets."

SIR THOMAS D. BARLOW,
District Bank Ltd.

Acquisition of Modernised Plants

"Export of manufactured goods still remaining a vital question for our country, and with an obvious keen desire on the part of the Board of Trade to give all possible assistance to manufacturing exporters, I would suggest that one of the most effective ways of doing so would be to give more favourable consideration than our experience tells us to be the case to applications for the acquisition of modernised plant, even though payment for this be in dollar currency. 'Give us the tools and we will finish the job,' still rings in our ears and is equally as true in peace-time as in war."

DESMOND TUCK,
Raphael Tuck & Sons, Ltd.

COMPANY MEETINGS AND DIVIDENDS

GANGES MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 10th February, 1954. Dividend: *Nil*. Transfer books remain closed from 4th to 10th February, 1954, both days inclusive.

NUDDEA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 10th February, 1954. Dividend: As. 8 per share. Transfer books remain closed from 28th January to 10th February, 1954, both days inclusive.

GOUREPORE CO., LTD. Half-yearly General Meeting, Calcutta, 10th February, 1954. Dividend: Rs. 3-12 per share. Transfer books remain closed from 28th January to 10th February, 1954, both days inclusive.

ATHIMATTAM RUBBER CO., LTD. Annual General Meeting, Thodupuzha, Travancore-Cochin, 13th February, 1954. Transfer books will remain closed from 6th to 13th February, 1954, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 15th February, 1954. Dividend: As. 10 per share. Transfer books will remain closed from 9th to 15th February, 1954, both days inclusive.

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 22nd February, 1954. Transfer books will remain closed from 8th to 23rd February, 1954, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 23rd February, 1954. Transfer books will remain closed from 15th to 23rd February, 1954, both days inclusive.

SCINDIA STEAM NAVIGATION CO., LTD. Annual General Meeting, Bombay, 24th February, 1954. Dividend: As. 12 per share, payable on and after 1st March, 1954.

MADURA MILLS CO., LTD. Annual General Meeting, Tuticorin, 25th March, 1954. Dividend: Rs. 3 per share. Transfer books will remain closed from 5th to 25th March, 1953, both days inclusive.

INDIA PAPER PULP CO., LTD. Dividend: Rs. 6 per share for the half-year ended 30th September, 1953.

ATTOCK OIL CO., LTD. Interim dividend: 1s. per share, less income-tax at 9s. in the £, for the year 1953. Dividend payable on 5th March, 1954.

COMPANY REGISTRATIONS

BOMBAY BRICKS AND TILES LTD. (First Director: Mr. E. M. Bahadurji.) Private. Authorised capital: Rs. 5,00,000. Business: Manufacture of Bricks, Tiles, Pipes, Pottery and Ceramicware of all kinds. Address: Prospect Chambers Annexe, 4th Floor, Dadabhoy Naoroji Road, Fort, Bombay 1.

ALL MINERALS (INDIA) LTD. (First Director: Mr. Shankar Vinayak Sovani.) Private. Authorised capital: Rs. 5,00,000. Business: Exploration, Prospecting and Mining in India and outside. Address: 101, Mugbhat Street, Girgaon, Bombay 4.

HINDUSTAN MATERIALS LTD. (First Director: Mr. K. H. Tilak.) Private. Authorised capital: Rs. 5,00,000. Business: Mechanical and Electrical Engineers, Manufacturers, Importers and Exporters of Machinery. Address: Commissariat Building, 231, Dadabhoy Naoroji Road, Fort, Bombay 1.

ALTA LABORATORIES LTD. (First Director: Dr. R. K. Dhole.) Private. Authorised capital: Rs. 10,00,000. Business: Manufacturers and Dealers in Pharmaceuticals, Patent Medicines, etc. Address: Vasanji Park, Naigaum Cross Road, Bombay.

GUNNY DEALERS LTD. (First Director: Mr. G. J. Wadhwa.) Private. Authorised capital: Rs. 5,00,000. Business: Trading in Jute and Jute products, Gunnies, etc. Address: P-31, Mission Row Extension, Calcutta.

S. B. (HOUSE AND LAND) LTD. (First Director: Mr. G. D. Mundhra.) Private. Authorised capital: Rs. 5,00,000. Business: Manufacture, Import, and deal in Electric Wires, Bulbs and other Electrical Goods. Address: 2, Ganpat Bagla Road, Calcutta.



Notices

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Fifth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, No. 16, Hare Street, Calcutta, on Tuesday the 23rd February, 1954, at 3.30 o'clock in the afternoon, for the following purposes:—

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st August, 1953, and the Balance Sheet as at that date.

(2) To elect Directors.

(3) To appoint Auditors and to fix their remuneration.

(4) To transact such other competent business as may be brought before the meeting.

The Share Transfer Books of the Company will be closed from 15th February, 1954, to 23rd February, 1954, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA, *28th January*, 1954.

THE PHALTAN SUGAR WORKS LIMITED
SAKHARWADI

NOTICE

Under Section 289-B of the Indian Companies Act, 1913.

To,

THE MEMBERS OF
THE PHALTAN SUGAR WORKS LIMITED

NOTICE IS HEREBY GIVEN IN PURsuance of Section 87-BB of the Indian Companies Act, application will be made to the Central Government for their approval to

A change in the constitution of Messrs. Mafatlal, Apte and Kantilal Ltd., Managing Agents of the Company, by reason of change in the registered ownership of shares in that Company as indicated below.

Out of the 80 shares of Messrs. Mafatlal, Apte and Kantilal Ltd., standing in the names of late V. S. Apte and late Sau. Yamunabai Apte, 40 shares are to be transferred to Mrs. Manoramabai Apte, 20 shares to Mr. Madhav Laxman Apte and 20 shares to Mr. Arvind Laxman Apte.

Dated, 1st February, 1954.

For THE PHALTAN SUGAR WORKS LTD.,
K. G. APTE,
General Manager.

HERCULES INSURANCE CO., LTD.
16, Hare Street, CALCUTTA

NOTICE

THE DIRECTORS AT THEIR MEETING held on the 25th January, 1954, decided to recommend to the Shareholders, subject to the approval of the Central Government, to capitalise Rs. 12,00,000 out of the amount standing to the credit of the General Reserve by issuing Bonus shares in the proportion of one share for each existing share with right to participate in any dividend that may be declared in respect of any year ending after 31st December, 1953.

By Order of the Board,
G. RAMABADRAN,
Secretary.

RESULTS OF SOME BIRD GROUP JUTE COMPANIES

PURTABPORE SUGAR REPEATS DIVIDEND

Dalhousie Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., *Calcutta*) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 60,000 (*nil*) for reserve for taxation contingencies and Rs. 83,051 (Rs. 27,876) for depreciation, the profit and loss account shows a profit of Rs. 3,49,351 (loss of Rs. 2,00,498) to which is to be added the amount brought forward from previous half-year Rs. 8,357 (Rs. 80,807) making a total of Rs. 3,57,708 (loss of Rs. 1,19,691), from this the directors have transferred to general reserve Rs. 1,25,000 (*nil*) and to jute stock reserve Rs. 50,000 (*nil*) leaving an available balance of Rs. 1,82,708 (Rs. 1,05,309 after transferring Rs. 1,00,000 from dividend equalisation reserve and Rs. 1,25,000 from general reserve).

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500) in paying a dividend on the ordinary shares of Rs. 3 (Re. 1) per share, without any deduction for income-tax paid by the Company Rs. 94,374 (Rs. 31,453) and in carrying forward Rs. 33,834 (Rs.,21,356).

Stocks of jute have been valued at under cost and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association, the Mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review.

The electrification of the Mill has now been fully completed. Plans for the modernisation of the Mill section of the Mill are at present under consideration and a final decision will be made in the near future after detailed proposals have been approved by the Directors.

During the period under review trading conditions continued to be difficult owing to the disparity between the prices of raw jute and those of manufactures, particularly sacking, the price of which remained unremunerative throughout the period due to overproduction and lack of demand. Hessians, however, remained in good demand mainly on account of substantial buying by the Argentine with moderate demand from other hessian consuming countries. The Government of India, reduced on 14th September, 1953, the duty on hessian goods from Rs. 275 per ton to Rs. 120 per ton.

Although the industry's output of sacking has now been adjusted to the lower demand and stocks have decreased during recent months, overseas interest remains disappointing and prices are still unremunerative.

A Jute Enquiry Commission has been set up by the Government to enquire into a wide range of subjects affecting the industry including speculation in both raw jute and jute goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,49,200	Block ...	67,09,185
Reserves ...	61,69,975	Stock ...	28,54,187
Provision for taxation ...	66,024	Stores ...	11,35,245
Liabilities ...	16,51,386	Debts, deposits and advances ...	13,32,700
Profit and loss account ...	35,834	Investments	4,61,487
		Cash ...	79,615
	Rs. 1,25,72,419		Rs. 1,25,72,419

Northbrook Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 39,000 (*nil*) for taxation, Rs. 67,000 (Rs. 67,000) for reserve for taxation contingencies and Rs. 1,84,332 (Rs. 2,08,794) for depreciation, the profit and loss account shows a profit of Rs. 2,34,509 (loss of Rs. 18,193) to which is to be added the amount brought forward from previous half-year Rs. 30,203 (Rs. 75,380) making a total of Rs. 2,64,712 (Rs. 57,187) from this sum, the directors have transferred to general reserve Rs. 1,00,000 (*nil*) leaving an available balance of Rs. 1,64,712 (Rs. 89,187 after writing back Rs. 32,000 being the provision against contingent loss on forward jute purchases no longer required).

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 41,250 (Rs. 41,250) in paying a dividend on the ordinary shares of As. 8 (As. 4) per share, without any deduction for income-tax paid by the Company Rs. 83,968 (Rs. 41,983) and in carrying forward Rs. 39,494 (Rs. 5,954).

Stocks of jute have been valued at under cost and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act 1946, and the Working Time Agreement of the Indian Jute Mills' Association, the Mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,79,880	Block ...	66,93,415
Reserves ...	48,96,093	Stock-in-trade	27,40,742
Debentures ...	20,00,000	Stores, spares, etc. ...	7,76,574
Provision for taxation ...	39,000	Debts, deposits and advances ...	7,25,075
Liabilities ...	11,54,114	Investments	3,17,803
Profit and loss account ...	39,494	Cash ...	54,972
	Rs. 1,13,08,581		Rs. 1,13,08,581

Standard Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 31,565 (Rs. 20,915) for depreciation, the profit and loss account shows a loss of Rs. 4,593 (Rs. 1,84,766). The loss has been more than offset by the amount brought forward from previous half-year Rs. 10,963 (Rs. 1,24,587) and transfer from equalisation of dividend reserve Rs. 60,000 (Rs. 25,000 and Rs. 1,00,000 from reserve for roof repairs) leaving an available balance of Rs. 66,370 (Rs. 64,821) at the credit of the profit and loss account.

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 6 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,000 (Rs. 27,000) in paying a dividend on the ordinary shares of Re. 1 (Re. 1) per share, without any deduction for income-tax paid by the Company Rs. 25,168 (Rs. 25,168) and in carrying forward Rs. 14,202 (Rs. 12,665).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association the Company's mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review.

The directors state that the roof repairs to the Mill have now been fully completed, but results during the half-year have been adversely affected by the difficult working conditions which prevailed.

The majority of the Company's production is in the form of heavy goods, and but for the substantial stocks of jute held at relatively low prices, a considerable loss would have been shown on the half-year's working. The writing down of jute stocks to market values as at 31st March, 1953, favourably affected the results for this half-year, as early in the period, the price of jute increased appreciably and remained steady only to recede however at the close.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,19,600	Block ...	44,48,626
Reserves ...	48,76,263	Stock ...	26,25,299
Debentures ...	25,00,000	Stores ...	9,51,053
Provision for taxation ...	2,20,859	Debts, deposits and advances ...	10,09,574
Liabilities ...	12,14,461	Investments	6,36,828
Profit and loss account ...	14,202	Cash ...	25,74,005
	Rs. 1,22,45,385		Rs. 1,22,45,385

Union Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 45,000 (*nil*) for reserve for taxation contingencies and Rs. 65,300 (Rs. 54,641) for depreciation, the profit and loss account shows a profit of Rs. 3,69,977 (a loss of Rs. 2,24,607) to which is to be added the amount brought forward from previous half-year Rs. 21,038 (Rs. 34,682) making a total of Rs. 3,91,015 (loss of Rs. 1,89,925) from this, the directors have transferred to general reserve Rs. 75,000 (Rs. 1,00,000 and Rs. 1,50,000 from reserve for roof repairs and Rs. 12,000 from provision against contingent loss on forward jute purchases no longer required) and to jute stock reserve Rs. 1,00,000 (*nil*) leaving an available balance of Rs. 2,16,015 (Rs. 72,075).

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 21,000 (Rs. 21,000) in paying a dividend on the ordinary shares of Rs. 4 (Re. 1) per share, without any deduction for income-tax paid by the Company Rs. 1,43,908 (Rs. 35,977) and in carrying forward Rs. 51,107 (Rs. 15,098).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association, the Company's mills worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the mills was maintained at full strength throughout the period under review, but 25½ hours were lost at the North Mill in September when the management was forced to close the mill following a "go slow" policy adopted by the labour as a protest against the introduction of double shift working hours, which the Company considered essential for the satisfactory installation of the new machinery. 8½ hours were also lost at the South Mill in September when the labour demanded the payment of a *Puja* bonus.

The installation of the modern Mackie's Mill Machinery at the North Mill is proceeding satisfactorily and the switching of sacking looms to the manufacture of hessian is taking place gradually, the eventual target being a 100 per cent. hessian unit.

The majority of the Company's production is in the form of heavy goods, and but for the substantial stocks of jute held at relatively low prices, a loss would have been shown on the half-year's working. The writing down of jute stocks to market values as at 31st March, 1953, favourably affected the results for this half-year, as early in the period, the price of jute increased appreciably and remained steady only to recede, however, at the close.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,98,600	Block ...	96,71,084
Reserves ...	96,57,600	Stock-in-trade	55,42,556
Provision for taxation ...	1,07,261	Stores, spares, etc. ...	11,70,920
Debentures ...	12,00,000	Debts, deposits and advances ...	33,25,186
Liabilities ...	47,65,699	Investments	1,52,989
Profit and loss account ...	51,107	Cash ...	1,17,532
	Rs. 1,99,80,267		Rs. 1,99,80,267

Purtabpore Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur) submit the audited accounts of the Company for the year ended 31st October, 1953.

The results for the year, after making the usual charges, show a profit of Rs. 2,70,166 (Rs. 2,08,186), from which has been set aside for depreciation Rs. 65,000 (Rs. 65,000) for rehabilitation reserve Rs. 50,000 (*nil*) and for contingencies reserve Rs. 4,778 (*nil*) leaving a balance of Rs. 1,50,388 (Rs. 1,43,186). To this has to be added the carry forward from the previous year Rs. 19,435 (Rs. 25,249) leaving at credit of profit and loss account Rs. 1,69,823 (Rs. 1,69,823) this sum, the directors recommend, should be disposed of as follows:—

In payment of a dividend of 10 per cent. on the preference shares, free of income-tax, for the year ended 31st October, 1953 Rs. 60,000 (Rs. 60,000), in payment of a dividend of Re. 1·(Re. 1) per share, free of income-tax, on the ordinary shares for the year ended 31st October, 1953 Rs. 90,000 (Rs. 90,000) and in carrying forward Rs. 19,823 (Rs. 19,435).

The Company's factory commenced crushing operations on 8th December, 1952 and finished on 4th April, 1953. The quantity and quality of cane crushed was average, the relative figures being 19,39,270 maunds of cane with an extraction of 10.30 per cent.

Supplies of cane from the Company's estates again assisted materially in maintaining the quality and quantity of cane supplied to the Mill.

The cane price fixed by the Government of India was Re. 1-5 per maund at the Factory gate and Rs. 1-3 per maund at outstations, a reduction of As. 7 per maund, as compared with the season 1951-52. It was the Government of India's view that the reduction in the cane price would result in a basic price for sugar of Rs. 27 per maund. In the event, however, despite the large carryover of sugar stocks in India, the consumption of sugar in the country was in excess of the production, and the market price of sugar tended to rise. In order to stabilise prices, the Government of India imported considerable quantities of foreign sugar. The sugar produced at the Company's Factory realised prices slightly in excess of the basic rate of Rs. 27 per maund, in spite of the competition from imported sugar.

The lower cane price for the season 1952-53 has not affected to any great extent the cane plantings for the season 1953-54. Unfortunately, however, as a result of excessive drought followed by flood conditions, there will be a considerable reduction in the quantity and quality of cane available for the current season's crushing.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	5,50,819
Reserves ...	15,26,479	Stock-in-trade	75,745
Provision for taxation ...	2,39,406	Stores, spares, etc. ...	7,24,012
Liabilities ...	7,92,812	Debts, deposits and advances ...	22,36,883
Profit and loss account ...	1,69,823	Investments	54,532
		Cash ...	5,86,529
	Rs. 42,28,520		Rs. 42,28,520

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

MONEY RATES HARDEN

(From Our Own Correspondent)

BOMBAY, *3rd February*

Conditions in the short-term money market were extremely stringent during the week under review. While pressure for funds was heavier than in the previous weeks, the volume of floating funds was so small that borrowers remained unsatisfied. Large-scale drawings on the Reserve Bank and the Imperial Bank by all sections of the banks were the order of the day. The increased demand during the last few weeks for funds from traders in cotton, sugar and other commodities resulted in heavy withdrawal of funds from deposits and current accounts of banks. Some of the business houses of Calcutta, which had placed their funds at call in Bombay, are stated to have recalled their funds. Further, there were the usual month-end withdrawals for payment of wages and salaries. As a result, the available funds fell very much short of the day-to-day requirements. Consequently, turnover in the inter-bank call money sector dwindled considerably.

Inter-bank call money which had been quoted at 2½ per cent. among the Exchange banks and big Indian banks was bid at 3 per cent. But even at this higher rate funds were not available. The rate among the smaller Indian banks stood at 3 per cent. House money fetched 3 per cent. Almost all Exchange banks were reported to have raised their interest rates for term deposits. They were willing to pay 3 per cent. for one to three months and even upto six months. Deposits for 12 months were quoted at 2½ to 2¾ per cent.

The stringency is expected to become more acute in the coming weeks, when demand for funds will be greater for financing import of American cotton and payment of dividends by jute companies.

The Treasury Bill rate was, however, unchanged this week at Rs. 2-8 per cent. per annum. The amount offered, against the usual invitation for Re. 1 crore, was a little less at Rs. 1.14 crores than that of Rs. 1.31 crores in the previous week. Nevertheless, tenders for Rs. 1 crore of Bills have been invited for next week.

Minor variations in the portfolios of the Issue Department are disclosed by the statement of affairs of the Reserve Bank of India for the week ended 29th January, 1954, as compared with that for the previous week. Thus, notes in circulation show an increase of Rs. 1.16 crores, while notes held in the Banking Department are lower by Rs. 1.03 crores. In the Banking Department, the liabilities side reveals an increase of Rs. 2.75 crores in deposits of the Central Government and Rs. 1.40 crores in those of other Governments. Deposits of banks, on the other hand, have gone down by Rs. 3.60 crores. On the assets side, cash balances have shrunk by Rs. 1.02 crores, while balances held abroad have risen by Rs. 1.98 crores. Loans and advances other than to Governments show an increase of Rs. 2.36 crores. Government Treasury Bills purchased and discounted are lower by Rs. 1.44 crores.

A rise of Rs. 3.13 crores in demand deposits and of Rs. 93.15 lakhs in time deposits is disclosed by the consolidated statement of position of the Scheduled banks for the week ended 22nd January, 1954, as compared with that for the previous week. Inter-bank borrowings show little variation. Borrowings from the Reserve Bank have risen by Rs. 1.39 crores, while those from the Imperial Bank have declined by Rs. 49 lakhs. Advances and bills purchased and discounted have risen by Rs. 4.70 crores. Investments show a fall of Rs. 51.82 lakhs. Cash on hand and balances with the Reserve Bank have contracted by Rs. 1.93 crores, while balances with other banks in current account and money at call and short notice have gone up by Rs. 30.29 lakhs and Rs. 86.19 lakhs, respectively.

The Gilt-edged market displayed steadiness during the week under review. Although there was some demand, business put through was small and price variations were negligible. 3 per cent. Reserve Bank of India stopped today sale of 3 per cent. 1959-61 was unchanged at Rs. 96-2. 3 per cent. 1959-61 was unchanged at Rs. 96-2. 3 per cent. 1963-65, 3 per cent. 1964, 3 per cent. 1966-68 and 3 per cent. 1970-75 at quoted rates, at which rates there were buyers in the market. 3 per cent. 1986 Conversion Loan was put through at Rs. 82-11 and 3 per cent. 1961 was done at Rs. 98-14.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, *1st February*

The kip market has ruled weak, due to paucity of shipment business. U.K. importers seem to be following a hand-to-mouth policy and are buying only against actual requirements. Enquiries were mostly for medium and heavy weights and demand for lights was poor. Prices in the raw centres have eased to a small extent, but not to the level of tanned parity. Tanners are not in a happy position, due to price resistance on the part of U.K. importers. There was steady demand for buff heavies and enquiries for cow calf and buff calf were patchy.

Arrivals of tanned goat and sheep skins have been restricted, and clearances have kept pace with arrivals. In the London public sales, prices of tanned skins—primes were unchanged at 3d. higher than December levels, and other tannages declined up to 6d. There were some enquiries from the U.S.A. for middle class goat skins.

GOLD FIRM

(From Our Own Correspondent)

BOMBAY, *3rd February*

The bullion market witnessed an irregular trend in prices of both silver and gold during the week under review. While silver closed on a quiet note, due to profit-taking attracted by the higher prices, gold displayed firmness with a gain of Re. 1-6 per tola over the week. Satisfactory offtake in gold, *vis-a-vis* the arrivals, and reports that the Central Government did not propose to sell the large stocks of confiscated smuggled gold (*no official confirmation of these reports has so far been forthcoming*) were said to be mainly responsible for the better tone in gold.

The market remained closed on Saturday (30th January) on account of Mahatma Gandhi Day and on Tuesday, the 2nd inst., on account of elections to the Board of the Bullion Association.

Silver for forward delivery (18th February settlement) opened on a steady note at Rs. 161-7 and hardened to Rs. 161-15. But profit-taking, due to diffidence of operators to follow up the advance, brought a reaction to Rs. 160-4 on Friday. A sharp upturn to Rs. 162-3 was, however, noted on Monday inspired by reports of good offtake, but this trend was not maintained today, due to selling by bull operators and the white metal finished at Rs. 160-15.

Ready silver (.996 Mint) opened at Rs. 161-11 and, after advancing to Rs. 162-9 on Monday, wound up the week at Rs. 161-3. The premium of ready rate over the forward widened from As. 4 early in the week to As. 8 at one time on Monday, but again narrowed down to As. 4 at the close. The floating stocks of silver are placed at 2,300 bars. The daily average offtake was 20 bars.

Opening at Rs. 84-8, forward gold (17th February settlement) moved up to Rs. 85-4 on better offtake, but shaded off to Rs. 84-10 following an increase in arrivals on Friday. However, an upward reaction soon set in and forward gold touched Rs. 86-2 today, before closing at Rs. 85-12.

Ready gold opened at Rs. 84-8 and closed at Rs. 86. The ready metal which was quoted at par with the forward at the opening of the week came to be done at a premium of As. 4 at the close. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals and offtake were even at 5,000 tolas.

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

	3-2-54	Highest	Lowest	27-1-54
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	86 0	86 6	84 7	84 6
Forward	85 12	86 2	84 7	84 6
Sovereign	56 8	56 8	56 6	56 6
Silver				
Ready (.996 fine Mint)	161 3	162 9	160 8	161 6
Forward	160 15	162 3	160 4	161 2
London Ready ..	73*d.*	—	—	73*d.*
London Forward ..	73*d.*	—	—	73*d.*
New York Ready ..	85*c.*	—	—	85*c.*

TEA PRICES DEARER

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, *30th January*

The quantity on offer in Dust Sale 'B' which was held on Monday, 25th January, amounted to approximately 2,90,000 lbs. From the outset there was an excited general demand and prices for all types were As. 4 dearer. As the sale progressed the demand became even stronger and at the close, rates had advanced fully As. 4 to As. 6.

London Market—Sale of the 25th January.—"*Market half to one penny down.*"

Sale of the 27th January.—"Good tea fully firm. Commons occasionally half penny lower."

Colombo Market.—"Opened very quiet, became stronger, closed lower sorts down 25 cents, mediums 15, better sorts unchanged."

Calcutta Market—Export.—"58,000 packages. Market generally lower by As. 2 to As. 3, but fairly good demand at the drop."

Dust.—"21,000. Market As. 1½ to As. 2 easier."

Export Quota.—After a further decline in the early part of the week to 28-29 pies, the market re-acted strongly at the end of the week and returned to 45 pies, at which figure business has been done.

Forthcoming Auctions.—Dust Sale 'C' will be held on Tuesday, 9th February.

As we go to press, Messrs. Forbes Ewart and Figgis, Ltd., wire as follows:

"*Sale* 3.—8,10,000 lbs. Good general demand, but prices irregularly As. 2 to As. 3 lower for everything, except improved highgrown which are dearer. Weakest feature whole leaf grades."

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, *1st February*

Despite a general decline in the price of seeds, there have been very few enquiries in the local linseed market and the undertone continues to be easy. Supplies, however, are still very scarce, owing largely to transport restrictions. Although ready stocks are negligible, there are somewhat keener sellers for forward delivery. Interest from crushers has weakened and business has been reported on a very restricted scale. The oil section has been dull and, despite lower offerings from local sellers, the turnover has been very poor. Latest quotation is: Ready Rs. 21-4 per maund.

FORWARD COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, *3rd February*

After touching a high of Rs. 734-8 early in the week, the February contract in the forward cotton market has receded, owing to technical reasons. The room rates and price differentials fixed for this week are, however, such as not to encourage deliveries by holders. These on the first day amounted only to 450 bales. Besides, the spot position is so bright that those who hold stocks find it more profitable to lift their hedge sales in February than to tender cotton. It is, therefore, likely that the total quantity tendered will be comparatively very small and most of the transactions in February will come to be squared up round about the *present* rates with occasional spurts and dips.

Interest, as pointed out last week, is centring itself on the May contract. Though this contract has reacted sharply this week, buyers are naturally very reserved, in view of the uncertainty in regard to the exact demand and supply position after a couple months.

In the spot section, activity is naturally progressively increasing and the Textile Commissioner's warning has proved of little avail, even though it has led the mills to divert their attention more and more to imported cotton for the time being. After the gradual disappearance of all staple varieties of domestic cotton, a situation leading to a deadlock may develop compelling the Government to reconsider its ceilings and allow certain relaxations to break this deadlock. The old demands for removing prices control, in view of cloth prices having been decontrolled, is bound to revive with greater insistence. Not only are the mills now allowed to sell cloth at uncontrolled prices, but actually, incentives are being demanded by way of reduction in excise duties to increase their margin. The cotton growers, therefore, naturally feel dissatisfied that they should be compelled to contribute to the prosperity of the mills by supplying them with cotton at controlled rates.

Be that as it may, in order to ease the situation, the Government is reported to have agreed to the free licensing of imports of U.S. cotton of 1.1/16" staple and over against prior sale to mills. Whether any conditions would be attached to this move, for which the trade had been agitating for some time, will not be known till the notification embodying this is issued.

Nothing of great interest to the trade has emerged from the meeting of the Indian Central Cotton Committee here this week. Most of the subjects dealt with by the Committee and the Sub-committees were of a technical nature. From the market point of view, however, the belief held by the Committee that the total production of cotton during this season was not likely to be very much below the target of 42 lakh bales might have a bearish effect on the market, perhaps, only temporarily.

In the forward section of the local cotton market, I.C.C. February opened the week at Rs. 728-8, as against Rs. 729 towards the close of last week. After improving to Rs. 734-8, it gradually receded to Rs. 699 today. At the close, however, it was slightly better at Rs. 699-8. I.C.C. May improved from Rs. 716-8 to Rs. 721. It moved down to Rs. 690-8 before closing at Rs. 692-8. The trend of prices in the forward section during the week under review was as follows:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 728½	734½	699	699½
I.C.C. May ...	Rs. 715½	721	690½	692½

The following are the latest available prices from the spot market: Bengal *Deshi* Rs. 640; Berar *Jarilla* Rs. 800; Khandesh Rs. 820; Vijay Rs. 910; Oomra *Deshi* Rs. 735; Moglai Rs. 720.

As was to be expected, there has been an all-round advance in prices at Karachi during the week under review in *sympathy* with the world trend. The increase this week amounts to about Rs. 40 to Rs. 50 per candy on an average, as a result of expanded enquiries from the U.K., China, Continent and Australia. Japan, however, seems to be holding out. Exports from Karachi till 21st January amounted to 436,011 bales, as against 561,213 bales in 1952-53 for this period.

The following are the latest available quotations from the Karachi market: Punjab *Deshi* Rs. 75½; Sind *Deshi* Rs. 76; 4F Punjab R.G. Rs. 73½; S.G. Rs. 79½; N.T. R.G. Rs. 75½; S.G. Rs. 81½; L.S.S. Rs. 76½; S.G. Rs. 81½; 289F R.G. Rs. 81; S.G. Rs. 87.

Of all the cotton-growing countries in the world it is, perhaps, Egypt which has reaped the largest benefit from the supply situation, as it has developed from an expected plenty into one of regional scarcity. In spite of the general increase in the official selling differentials for all varieties being naturally followed by higher quotations by shippers to purchasers abroad, demand for medium grades of Karnak has in no way been affected, and the U.K., France and India continue to be deeply interested in this cotton, stocks of which with the Government have come down to 165,000 bales. The recent rise in prices has, however, affected, to a certain extent, enquiry for Ashmouni and Giza 20. As a result of the new trade agreement signed by the Egyptian Government with Poland and Rumania in Eastern Europe, which are likely to absorb sizable quantities of Egyptian cotton, the pressure on the market during coming weeks is expected to increase considerably. The Government has allowed an increase up to 25 per cent. in the acreage under Ashmouni, but it is feared that, due partly to the permission having come too late and partly to the shortage of good seed, the actual increase might be much smaller for the next season.

At New York, the week under review experienced a state of affairs not witnessed before since the commencement of the current cotton season. Spot prices in the American cotton markets were perceptibly higher than the average loan rate as applicable to these markets. If this difference widens sufficiently to make redemption of cotton already entered into the loan profitable after covering expenses, the supply position might ease to a certain extent. But, till prices reach this stage, the present indications are of supplies getting tighter in the spot markets, leading to large-scale short covering and a rise in the futures. In the U.S. also, the export prospects have improved out of all recognition and what appeared at one time to be an exaggerated claim that the exports from the U.S. will exceed the quantity sold abroad during the previous season by about 500,000 bales now appears to be fully justified, in view of the broadening export enquiry and the shippers making purchases to meet them. A recession does not seem likely, in spite of the continuous rise in the near deliveries at least till a position is reached when loan cotton begins to be redeemed.

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

(In cents per lb.)

	2-2-54	22-1-54	19-1-54
Spot	34.80	34.25	34.15
March	34.17	33.58	33.53
May	34.33	33.82	33.74
July	34.19	33.62	33.70
October	33.37	32.84	33.86

COTTON YARN RISES FURTHER

(From Our Own Correspondent)

BOMBAY, 3rd *February*

The cotton yarn market exhibited buoyant conditions this week too, although the extent of improvement in values was not as marked as it was a week ago. Renewed encouraging reports from cloth markets broadened the enquiries for cotton yarn. The volume of business transacted during the week under review was, therefore, large and prices continued their upward march. The rise would have been more pronounced but for the weak advices from the cotton market which experienced a setback to values on fears regarding the possibilities of importing American cotton.

Buying support was particularly in evidence for fine count yarns. Thus, among 60s, Coimbatore Spinning advanced by a rupee to Rs. 42-8 per bundle of 10 lbs. Pankaja gathered As. 12 to Rs. 39-12. Rajalakshmi was As. 8 higher at Rs. 43-12. Pioneer was fully steady at Rs. 45. Medium and low count yarns also recorded gains. Among 40s, Gokak and Meenakshi picked up As. 8 each to Rs. 26-8 and Rs. 26-6, respectively. Madura was steady at Rs. 27 and Modern at Rs. 26-8. A handsome improvement of As. 10 to Rs. 23-10 was the feature of trading in 30s. Among 20s, Madura improved from Rs. 18-8 to Rs. 18-12. Edward and Seksarias fared better, the former at Rs. 16-14, as against Rs. 16-11, and the latter at Rs. 16-14, as against Rs. 16-12. Among 10s, Elphinstone rose by As. 4 to Rs. 13-4. Modern and Podar put on As. 2 each to Rs. 13-8 and Rs. 13-6, respectively.

Latest reports have it that several mills have enhanced the prices of their yarns. They have also been quoting distant deliveries, which, in some cases, extend up to April-May, 1954. Some of the prominent mills, it is said, have arranged further sales of their popular varieties at higher prices. Even at higher prices, the dealers are reported to have shown inclination towards fresh purchases on expectation, evidently, of still better prices. Demand for yarn from handlooms and powerlooms have been steadily enlarging.

Aided by the upward trend in cotton yarn and by persistent good demand, art silk yarn also registered improvement in values. In the ready section, 120 Japan were picked up an anna and a half higher at Rs. 4-11½. 150 Japan and 120 Italy gained an anna each to Rs. 4-6 and Rs. 4-4, respectively. 150 Italy was a shade higher at Rs. 3-13½. In the forward section, trading in art silk yarn remained suspended, pending the amalgamation of the Yarn Merchants' Association and the Bombay Yarn Exchange. An extraordinary general meeting of these two bodies was held today. It was decided that both the bodies should go into voluntary liquidation. A new association is expected to be registered in about a week's time. Forward trading in art silk yarn will be resumed under the auspices of this new Association.

The table below gives the prices of art silk yarn quoted today, as compared with those on the 27th and 20th January, 1954:

	3-2-54	27-1-54	20-1-54
	Rs. a.	Rs. a.	Rs. a.
120 Japan (per lb.)	4 11½	4 10	4 10
150 Japan ,, ...	4 6	4 5	4 4
120 Italy ,, ...	4 4	4 3	4 1
150 Italy ,, ...	3 13½	3 14	3 13½

In contrast to the general upward trend, in other sections staple fibre yarn prices staged a retreat, owing to decline in offtake following unsatisfactory reports from consuming centres. Among foreign (40 x 2) yarns, Paramount fell by an anna to Rs. 4-8 per lb. S. Fuji and Aurora lost a like amount to finish both at Rs. 4-8½. Among Indian yarns, City dropped As. 2-9 to Rs. 4-3½. Hind shed an anna and a half to Rs. 3-12½. New Great slipped down from Rs. 4 to Rs. 3-15. Hindusthan was neglected at Rs. 3-11, as against Rs. 3-11½.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 3rd *February*

The oilseeds market ruled easy during the week under review and there was an all-round decline in values. The easiness was chiefly due to a natural reaction after a steady rise for a long time. The easiness in the groundnut section was assisted by some nervous sales by weak holders, on renewed rumours that the Government may not allow export of groundnut oil. There was hesitancy in the castorseed section, in which operators were inclined to know the Government's policy regarding the trade's persistant demand for a reduction in export duty and the announcement of fresh export quotas. The linseed section had on inherent strength of its own. Consequently, it ruled easy in sympathy with the rest. *Kardi* and *niger* seeds proved no exception to the generally downward trend.

Groundnuts ruled easy, on fairly large arrivals in all the upcountry and other centres in the South, as also in the local market. The occasional support lent by *vanaspati* interests and crushers had, therefore, no effect on prices. Bold F.A.Q. declined from Rs. 35-10 to Rs. 34. February-March was lower by Re. 1-3 at Rs. 34-2, and April-May Re. 1-6 at Rs. 34-12. Khandesh quality ready eased from Rs. 36-12 to Rs. 35. Groundnut oil ex-mill and railway receipt disclosed a loss of Re. 1 and As. 14, respectively, at Rs. 17-10 each. February and March deliveries were done at Rs. 17-11 and Rs. 17-15, as against Rs. 18-9 and Rs. 18-12, respectively.

Groundnut oil at about Rs. 18 per quarter works out to about £124 per ton, including freight and other expenses. It is stated that buyers can be found for it at £162 per ton, provided exports are allowed immediately.

In the castorseed section, upcountry interests, who were long, were reported to be liquidating their holdings. May 1954, which opened at Rs. 115-4 as against Rs. 115-8, fluctuated between Rs. 116-10 and Rs. 111-8, before closing at Rs. 112. F.A.Q. was down by As. 12 at Rs. 24 and Madras by As. 8 at Rs. 24-8. Castoroil I Pressure and Commercial declined from Rs. 13-12 and Rs. 12-14 to Rs. 13-8 and Rs. 12-10, respectively. Export of castoroil from 1st to 28th January from Bombay was 482 tons.

The easiness witnessed last week in the linseed section gathered momentum this week. Bold ready fell from Rs. 29-4 to Rs. 26. February-March and April-May changed hands to-day at Rs. 23-10 and Rs. 23-2, as against Rs. 25-12 and Rs. 25, respectively. Linseed oil lost As. 12 to Rs. 15-6. Export of linseed oil from 1st to 28th January from Bombay was 34.4 tons.

Among others, *kardi* ready Bold sustained a loss of Re. 1-13 to Rs. 21-11 and February-March Re. 1-8 to Rs. 21-8. *Niger* F.A.Q. was lower by Re. 1-8 at Rs. 28-2 and Madras Re. 1-4 at Rs. 28-4. February-March eased from Rs. 29-4 to Rs. 28. In the U.K. and the Continent, *kardi* was quoted at about £40 per ton and *Niger* £53 per ton.

Arrivals of oilseeds and oils from 1st to 28th January, 1954, as compared with those in the corresponding period last year were as follows:

	1954	1953
Groundnuts	350,851	398,587
Linseed	5,128	4,397
Castorseed	2,291	49,871
Groundnut oil	106,239	32,618
Linseed oil	5,048	1,000
Castoroil	1,896	7,358

The following table shows the prices of oilseeds and oil on the 3rd inst., as compared with those at the end of the previous two weeks.

	3-2-54	27-1-54	20-1-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	35 0	36 12	37 0
Bold Feb.-March	34 2	35 5	36 3
Linseed—			
Bold Ready (per cwt.) ..	26 0	29 4	30 0
Feb.-March	23 10	25 12	26 6
Castorseeds—			
May 1954 (per candy) ..	112 0	115 8	117 0
Madras (per cwt.)	24 8	25 0	25 4
Groundnut oil—			
Ex-mill Ready (per quarter).	17 10	18 10	18 15
Castor Oil—			
Commercial (per quarter) ..	12 10	12 14	13 8

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 3rd *February*

The firm tendency that prevailed in the Bombay sugar market last week yielded place to a slightly easy trend during the week under review. This was due chiefly to the further release of 100,000 tons of sugar from the 1953-54 season's production for sale in the free market. The basis of this release is 70 to 75 per cent. of the total production upto 22nd January, 1954, less the total releases made up to date. The two other factors which imparted easiness were the allotments of imported Czechoslovakian beet sugar among tenderers and the Union Food Ministry's announcement that two more shiploads of sugar from Czechoslovakia, amounting to 6,600 tons, would arrive before the end of the month. Weak advices from Kanpur, following the withdrawal of the strike notice served by cane growers to stop supplies to sugar factories from the 1st inst., too, chilled the enthusiasm of operators. For want of support, therefore, sugar prices tended to decline.

The fall in prices was pronounced in the forward section. *Maha* delivery receded by Rs. 2 to Rs. 82-6 per maund, but recovered slightly to Rs. 82-8 at the close. *Fagan* delivery was quoted lower at Rs. 83-10, as against the opening rate of Rs. 83-12. In the spot section, foreign sugars suffered losses. Cuban sugar dropped As. 8 to Rs. 36-8 per 100 lbs. and Mexican sugar As. 4 to Rs. 40-8. British refined sugar was neglected at Rs. 85 per bag of 2 cwts. East German sugar is freely available at Rs. 82 per bag of 2 cwts. Last week's quotation was Rs. 83-8. Prices of indigenous sugar, however, were unaltered, small, medium and large grains being quoted at Rs. 92, Rs. 94 and Rs. 97-99 per bag, respectively.

There was a further reduction in the arrivals of sugar into the market this week, the quantity actually received being 6,500 bags, as against 7,300 bags last week, 11,300 bags two weeks before and 16,000 bags three weeks before.

As already stated, allotments for Czechoslovakian beet crystal sugar per s.s. *Maria* were announced by the Regional Director (Food), Bombay. Out of the total of 1,280 tenderers, only 722 have been allotted quotas, the quantity for each tenderer being 311 maunds. Tenders are available freely in the free market at a premium of Rs. 125 each. Two more shiploads carrying 4,000 tons and 2,600 tons of Czechoslovakian beet sugar, respectively, are scheduled to arrive within the next three weeks. The whole of this quantity will be distributed among the remaining 558 tenderers on a uniform basis, namely, 311 maunds per tenderer.

NARROW MOVEMENTS IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 3rd *February*

The pepper market during the week remained quiet to steady, prices moving within a narrow range of Rs. 50, from Rs. 1,600 to Rs. 1,650, owing to continued enquiries by the New York dealers for shipments during early February and February at price between $0.80 and $0.81. Though the Indian exporters, who are bears and who have sold short a fairly good quality both in New York and in Bombay, are trying to bring down prices, the growers all over the coasts are reported showing resistance at round about the present prices. The coming two to three weeks will prove a testing period for the holding capacity of the growers for the arrivals in all the principal markets like Alleppey, Cochin and Calicut are likely to increase day by day. If both New York and Russia remained out of the market for some time, the prices would likely come down, but not without resistance from the growers at every subsequent decline. Most of the Indian growers fully know that the U.S.A. will need Malabar pepper for their consumption at least until the new crop of Sarawak and Lampong come into the market and also that the operators there are marking time and want to pick up a fair-sized quantity at reduced prices.

In the A.S.T.A. section, business in February was done at prices from $0.79½ to $0.81, while March was done at $0.79 to $0.81.

In the delivery section, prices improved from Rs. 1,510 to Rs. 1,545 for February and from Rs. 1,420 to Rs. 1,480 for March, mainly due to short covering operations.

Following are today's nominal quotations:—Ready delivery Rs. 220 per cwt., February delivery Rs. 1,440-60 and March delivery Rs. 1,480-1,500 per candy of 5½ cwts.

FRACTIONAL DECLINE IN JUTE GOODS PRICES

(From Our Own Correspondent)

CALCUTTA, 1st *February*

Moderate export business was put through in the jute goods market between Wednesday and Saturday last. In spite of this, prices were down fractionally, and this was due to the cautious attitude adopted by buyers. Stockists of raw jute are disappointed to find that prices of raw jute are not moving up, as they had expected earlier and increased their holdings. On the other hand, raw jute is closely following the jute goods market. Mills are not showing any anxiety about supplies of raw jute, and such an attitude on their part throws out the expectation of the stockists. Stocks with mills would see them through the end of April, and the supplies in the bazar are estimated to be sufficient for another two months. If these anticipations prove correct, then mills would have to look to East Bengal for finding the raw materials required between the end of June and the short period that would be necessary for the crop to move to the market after harvest.

Although the superior quality of raw jute of Indian origin is difficult to obtain, it is believed that a fair quantity of the better variety is available in the producing centres. This jute is evidently withheld from the market, on the expectation of higher prices. However, instances are not wanting where sales have been put through by holders, after being hardpressed for money. The present trend of the jute goods market completely dispels any possibility of an increase in prices. Therefore, the assumption that these holders, after waiting for some time, would release their stocks, can be entertained. It is also possible that these stocks would get exhausted, as a result of the small sales here and there for immediate needs of money. This week, business took place in Assam Bottoms at Rs. 27-8, as against Rs. 28 a week ago, and middles at Rs. 30-12 as against Rs. 31. Pakistani jat bottoms were priced at Rs. 30. *Bimlis* were quoted at Rs. 25-8. Other rates were: Indian N.C. cuttings Rs. 70 a bale, long group Dalsee Rs. 170 a bale, mill firsts Rs. 183 a bale, northern bottoms Rs. 28-8, tossa bottoms Rs. 29-8, and locally packed northern bottoms Rs. 28-8.

In the jute goods market, ready hessians 40" 10 oz. closed on Saturday at Rs. 45-15, representing a loss of As. 7 as compared to the rate on Wednesday. Forward positions were in fair demand. After giving way to Rs. 45 from Rs. 45-10, February-March goods recovered to Rs. 45-8. April-June goods were at one time raised to Rs. 45-10 from Rs. 45-4, but the closure on Saturday was at Rs. 44-12. B. twills ready fluctuated narrowly between Rs. 102-14 and Rs. 103-14, closing last Saturday at Rs. 103-13. Forward positions, however, made small additions. Thus April-June at Rs. 105-13 was better by As. 11, and the February-March position was taken to Rs. 104-9 from Rs. 104-6.

The report from Chittagong that 3,000 bales of gunny bags were shipped to South Africa last Tuesday as the first consignment to that country is a reminder to the Indian mills of the coming competition from Pakistan where mills are being established with the most up-to-date machinery. No doubt, India is not interested at present in the South African market in view of the trade sanctions but the Chittagong report should be able to bring into more light the need for Indian mills to re-equip themselves with more up-to-date plants. Certain mills have made a small beginning in this direction, but it is realised that without Government's help, no tangible results can be achieved. Meanwhile, valuable time is being lost. The Indian jute goods industry has paid considerable amounts of money to the exchequer in its heyday. This time can again be brought back if only Government desired to part with a portion of the money that it had taken from this industry.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 2nd *February*

The downward trend in the foodgrains market witnessed last week was maintained during the week under review also. The difference in the price level between the surplus and deficit areas is fast disappearing, as considerable quantities of coarse grains are moving from surplus to deficit areas. The railway authorities have arranged to run special goods trains for transport of such grains. Following actual receipt of consignments and in anticipation of further arrivals, foodgrain prices eased in all importing areas. Not only coarse grains but wheat and rice have been affected.

It is reliably understood that the Government of India will withdraw all controls on wheat from the beginning of the next financial year. There is little apprehension of the prices going up and the Centre holds huge wheat stocks and will be willing to issue wheat to foodgrains licence holders at the rate of Rs. 15-8 per maund and, at the same time, ensuring that the retail price never goes up beyond the present level of Rs. 16-4 per maund.

As regards rice, the Union Food Minister has announced that, he will decontrol it, the moment the Government has a stock of one million tons of rice. What is needed for the decontrol of rice is, he says, the import of 700,000 tons of rice. He has reiterated his earlier declaration in the country now and that shortage of foodgrains in the country now and that imports are being made to create confidence among the people. According to him, because of procurement by the State Governments, foodgrain prices remained high. They will fall when procurement is stopped. The States should see that the economic level of prices of foodgrains does not fall to that level where cultivators suffer. They should also buy foodgrains at reasonable prices to protect farmers' interests.

It is understood that the Central Government has accepted the suggestion of the Delhi State to constitute Delhi and U.P. into one zone for purposes of supply of rice to the consumer. As a result of this, a reasonable quantity of rice will be allowed to be imported into Delhi from the free market in U.P. through normal trade channels, instead of on Government account as has been the case all these years since the imposition of the controls.

A final decision in respect of the disposal of imported wheat stock with the Uttar Pradesh Government has still not been taken. The flour millers in the State are not prepared to pay the high price of Rs. 17-11 per maund which the Government has asked for to avoid any financial loss on the wheat deal. The millers want the State Government is considering a proposal to dispose of this stock at the earliest in the free market at Rs. 16 per maund. It is understood that the State Government is considering a proposal to dispose of this stock at the earliest in the free market at Rs. 16 per maund. This stock has considerably deteriorated in quality and must be got rid of before the next wheat crop arrivals reach the market.

In the local market, prices of all grains, including wheat and pulses, have registered a fall this week, on account of arrivals of millers from Rajasthan and prospects of early wheat decontrol and bumper next crop yield. Pulses futures have also reacted very bearishly on speculative unloadings and bear pressure. Latest quotations (per maund) are: Wheat Rs. 16 to Rs. 18; gram Rs. 11-8; barley Rs. 10-8; *bejhar* Rs. 10-8; maize Rs. 8; *badam bajra* Rs. 11 to Rs. 12; *jowar*: red Rs. 29 to Rs. 19; Rs. 10 and white Rs. 11-8; rice Rs. 29 to Rs. 19; *guwar* Rs. 9-0; peas Rs. 10; *arhar* Rs. 10-8; *urd* Rs. 16; *moong* Rs. 16; *masoor* Rs. 10-2-3; *guwar maha jeth* Rs. 9-2-6; *arhar jeth* Rs. 15-4; futures peas Rs. 8-0-6 and *urd maha* Rs. 15.

SUGAR QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 2nd *February*

The crystal sugar markets remained quiet to steady. Kanpur steadied on active offtake, due to the threatened sugarcane supply strike and Bombay on improved mofussil demand. Calcutta complained of poor arrivals and small rise in ready and mill delivery prices. Madras eased slightly, due to pressure of clearance from the harbour and expected further shipments of imported sugar. In the upcountry markets, there was moderate demand and fairly good activity.

The situation with regard to the threatened strike of cane growers remained extremely fluid. The Union Food Minister stated that the Government was not prepared to increase the price of sugarcane, since the prices of all agricultural produce were going down. He said that the Government was trying to evolve a scheme which would entitle the cane growers to a share of the extra profits that the sugar factories might earn on account of the prevailing high price of sugar. The U.P. sugar industrialists had also taken a tentative decision disfavouring any increase in the price of cane.

The U.P. Chief Minister was later nominated as the mediator in the dispute and a high level Conference of States' officials was held to evolve a formula for the settlement of the dispute between the cane growers and sugar millowners over the price of sugarcane. According to latest reports, the U.P. Cane Growers Co-operative Federation has announced the postponement of the strike of the cane growers which was to have started on the 1st inst. Mr. Pant has proposed to call a tripartite conference which will be attended by representatives of the Government, the millowners and the sugarcane growers. The Central Government and the U.P. Government have accepted the principle that growers should share in the extra profits made by the mills during the current and last year's seasons.

Latest quotations (per maund) are: Sugar ready: retail Rs. 33-12; Mill delivery: Simbhauli Rs. 31, Jaswant Rs. 30-14, Daurala Rs. 32, Mansoorpur Rs. 32-4, Rampur Rs. 33-8, Sehora Rs. 30-14, Mawana Rs. 31 and Amroha Rs. 30-12.

The *gur* markets remained fairly active during the week under review, although prices moved within a narrow range. There were increased arrivals in both the North and South Indian markets and there was sustained demand from importing areas. Increased arrivals have induced some price fall not only in West U.P. markets but also at Akola and Ankapalli. *Gur* futures have also declined in sympathy.

Despatches by rail were on a moderate scale, due to the availability of only limited number of wagons. Rajasthan and Assam drew *gur* stocks from Hapur this week. There has been little stock accumulation in the local market, as despatches have been fairly regular. Meerut and Muzaffarnagar hold comparatively heavier stocks. Latest quotations (per maund) in the local *gur* market are: Ready *pansera* Rs. 15 and *balli* Rs. 15-8; future *fagan* Rs. 15-13.

HIDES IRREGULAR

(From Our Own Correspondent)

KANPUR, 31*st January*

During the week under review, the conditions in the hides and skins market were slightly indifferent. There was a slight fall in the demand for buff, while that for wet salted cow continued to be brisk. The main purchasers were the local tanners headed by Cooper Allens. The country tanners were concerned with lower grade cow and goat. Fresh arrivals were considerable.

Latest quotations are: Wet salted cow 1st grade Rs. 320 to Rs. 360 and 2nd grade Rs. 190 to Rs. 220 per score; wet salted buff heavy 1 lb. 8 ozs. to 1 lb. 11 ozs., medium 1 lb. 14 ozs. to 2 lbs. and light 2 lbs. 4 ozs. to 2 lbs. 8 ozs. per rupee; goat skins 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 250 to Rs. 300 per 100 pieces; sheep skins Rs. 250 to Rs. 300 per 100 pieces.

TEA DUST DECLINES

(From Our Own Correspondent)

CALCUTTA, 2nd *February*

During last week's internal sale, prices receded as there was a fall in demand. Dusts offered amounted to 21,204 packages. The commonest varieties lost As. 1½, while all other sorts gave way by As. 2. The rates were: Good red Assam C.T.C. Rs. 2-2-6, medium Assam grainy dusts Re. 1-15-9 and medium Dooars Re. 1-15-3. The quantity of leaf offered was 11,496 packages. Here also dull conditions prevailed and prices were lower by As. 2 to As. 3 below brokers' valuations.

44,000 packages were offered in the export sales held on Monday this week. A fairly good demand at lower levels was in evidence except for flavoury Darjeelings and well-made whole leaf grades, as also the very best autumnal invoices which sold readily at dearer rates. B.O.Ps. with tip were well supported at about half to one anna below valuations. Fannings were irregularly As. 1 to As. 2 lower, while B.Ps., except for the best, were the weakest feature of the sale and were up to As. 3 lower. The following were the quotations: Clean black pekoe Rs. 2-9; clean common B.P. Rs. 2-2; medium Assam B.P. Rs. 2-3; best C.T.C. Assam B.P. Rs. 2-7 (nom.).

Offerings in this week's internal sale No. 32 held on the 2nd inst. amounted to 23,263 packages. Demand for dusts was again limited to a few buyers and there was less competition than last week. At first, prices were As. 2 to As. 3 lower, except for the best C.T.C. types which were As. 1½ to As. 2 below last week's level. Towards the close, however, demand fell off and many withdrawals were noted towards the close of the sale. Prices were As. 3 easier for all kinds. The following were the quotations: Medium Dooars dust Re. 1-12-6; medium Assam grainy dust Re. 1-3; best Assam C.T.C. dust Rs. 2.

Offerings of leaf grades aggregated 9,379 packages. There was comparatively little demand for internal leaf teas and only those lines of reasonable appearance came in for any competition. Others were As. 2 to As. 3 easier and a number of lots were withdrawn. Green teas met with an irregular demand.

Notice

THE BOMBAY DYEING AND MANUFACTURING CO., LTD.

Neville House, Ballard Estate
BOMBAY

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the Registered Office of the Company, Neville House, Ballard Estate, Bombay, on Thursday the 25th day of February, 1954, at 10-30 a.m., when the subjoined resolution will be submitted as an Ordinary Resolution.

"RESOLVED that the Company do become a member of The Bombay Textile Research Association and pay to the Association a sum of Rs. 3,68,925 as entrance fee and also such sum or sums as annual subscription or as contribution to the capital expenditure as may from time to time be determined by the said Association, and that Mr. Neville N. Wadia, a Director of the Company, be and is hereby authorised to sign the Memorandum of Association of the said Association for and on behalf of the Company."

Dated the 20th day of January, 1954.

By Order of the Board.
NOWROSJEE WADIA & SONS LIMITED,
NEVILLE N. WADIA.
Director,
Agents.

To,

The Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., and in particular to:—

Mr. Abdulla Rahimtullah, Mr. Ahmed Ismail, Miss Beatrix E. Alston, Miss Margaret S. Alston, Capt. John S. Alston, Miss Ethel B. Ashby, Mr. Ebrahim Mamoojee Badat, Mr. P. J. Chinoy and Mrs. Arnavaz P. Chinoy, Mr. I. C. Chopra, Mr. V. M. Clerk and Mrs. Rasila V. Clerk, Mr. M. H. Crowder, Mrs. Goolcher F. Dadachanji and Mr. Faridun K. Dadachanji, Mr. Framroz C. Dadyseth, Dr. L. Das, Mr. Domingos Roque de Sousa and Miss Teresinha Adeline de Sousa, Mrs. Allu F. Dastur and Mr. Fredun P. Dastur, Miss Ludomila Benedita da Piedade e Sousa and Mr. Francisco Teodore de Sousa, Mr. Eruch E. U. Dinshaw and Mrs. Naja E. E. Dinshaw, Mrs. Meherbanu P. Dubash and Mr. P. S. Dubash, Mr. J. Armando Fernandes and Mrs. Henriqueta Fernandes, Mrs. Eileen Gomes and Mr. Arthur Louis Gomes, Mr. A. F. Gonsalves and Mrs. Eslinda Gonsalves, Mr. Stanley Hampson, Mr. Ismail Essack, Mr. Saiffudeen I. Jafferji, Mr. T. I. Jafferji, Mrs. Nan Ellis Jones, Mr. W. Ellis Jones, Mrs. Dorothy M. H. Maclean, Mr. Jivanlal V. Madhvani and Mrs. Nirmala Jivanlal Madhvani, Mr. Vrajlal G. Mehta and Mrs. Savitri Vrajlal, Mr. Hassen Saleh Mia, Mr. Chhagan Khoosal Mistry, Mr. Naran K. Mistri, Mrs. Freny R. Mody, Mr. M. A. H. Moosa, Mr. Syed M. Muslim, Mrs. Shirinbai R. Motiwala and Mr. M. P. Wania, Mrs. Shireen P. Mulla, Mr. Pestonjee E. Pader and Mrs. Perin P. Pader, Mr. Jalbhoy P. Panthaky, Mrs. Fatima A. Parak, Mr. Ahmed H. Bamath and Mr. A. M. Parak, Mr. Kantilal P. Patel, Mr. A. G. Powell, Mr. Govindji Valji Radia, Mr. T. O. Schmid, Mr. G. M. D. Seedat, Mr. I. A. Shaikh, Mr. James Arnott Thomson, Mr. W. E. S. Thomson, Mrs. Elizabeth S. Thomson, and Mr. John Henderson, Dr. J. Meason Thomson, Mr. Hansraj Ebji Velji and Mrs. Chandubai Hansraj, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana, Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Rani Beda Bhakta Laxmi Devi, Miss Khorshed J. Merchant, Miss Dhun Mancherji Khambata, Miss Sara Mancherji Khambata and Miss Rhoda Mancherji Khambata.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	22nd Jan., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,164.84	1,168.44	1,125.52	1,110.20
Notes held in Banking Department	35.05	19.40	15.46	10.37	21.62
Foreign Securities	89.50	618.15	618.15	578.15	558.15
Rupee Securities	37.89	421.88	421.88	421.88	450.06
Banking Department					
Deposits of:					
Government of India	14.89	98.85	98.19	110 24	164.03
Other Governments	..	21 90	21 47	18.79	7 14
Balances held abroad*	10.08	114.19	114.19	144.46	157.52
SCHEDULED BANKS					
Demand Liabilities	134.37	523 00	518 10	516.31	524 70
		(8 01)†	(8 03)†	(8.21)†	(11 61)†
Time Liabilities	102.84	328.08	328 03	331.85	315 53
Borrowings from Reserve Bank	..	(1 42)‡	(1 40)‡	(1 83)‡	(1 89)‡
		10 82	9 43	2 05	5 13
		(1.19)‡	(1 19)‡	(0.49)‡	(0.90)‡
Borrowings from Imperial Bank	..	9.78	10 27	6 90	5 43
Cash in India	6.71	32.12	33 12	32 03	33.84
Balances with Reserve Bank	25.23	40 24	41.17	44.58	46 60
Excess over statutory limits	15.52	7.51	8 71	12.13	15.06
Balances with other banks in current account in India	..	11.15	10.84	11.02	10.87
Money at call and short notice in India	..	12.27	11 41	12.71	16.44
Investments (at book value)	..	324 16	324 60	336 04	309 82
Advances and bills	105.09	437.42	437 42	461.09	451.34
IMPERIAL BANK					
Deposits	..	87.76	299 42	206 85	207 08	208 33
Investments	..	51 99	91 23	90 25	97 78	85 23
Advances	..	30 37	114 42	114 45	101 84	116 37
Cash	..	14 89	19 26	16 37	20 67	19 51

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	20th January, 1954		22nd January, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	230,506	51,24,46,000	259,835	54,08,20,000
Calcutta ..	107,607	40,49,29,073	152,433	62,34,46,700
Madras ..	65,807	6,35,88,026	77,223	7,40,24,452
All Centres—				
1952 ..	..	..	1,06,41,941	26,79,51,57,000
1953 ..	..	..	1,14,83,21,426	45,05,05,93,000
Nov., ,, ..	..	..	2,50,00,000	8,34,20,00,000
Dec., ,, ..	..	..	2,80,000	9,26,43,000

Reserve Bank of India
Statement of Affairs for the week ended 29th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	101,60,23,000
(2) Other Governments	23,20,28,000
(b) Banks	84,84,92,000
(c) Others	50,01,05,000
Bills Payable	6,80,30,000
Other Liabilities	15,23,71,000
Rupees ..	254,51,49,000

ASSETS	Rs.
Notes	18,86,89,000
Rupee Coin	23 05,000
Subsidiary Coin	3,74,000
Bills Purchased and Discounted—	
(a) Internal	86,75,000
(b) External	..
(c) Government Treasury Bills ..	14,82 36,000
Balances held abroad*	116,17,36,000
Loans and Advances to Governments	..
Other Loans and Advances	23,08,15 000
Investments	72 47,03 000
Other Assets	8 11,15,000
Rupees ..	254,51,49,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 1,10,00,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 1,10,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	18,86,89 000	
Notes in circulation	1150,00,75,000	
Total Notes issued		1174,87,64,000
Total Liabilities ..		1174,87,64 000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities ..	618,15,11,000	
Total of A ..		658,16,82,000
B. Rupee Coin		94,82,60,000
Government of India Rupee Securities		421,88,13,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1174,87,64,000

Ratio of Total of A to Liabilities: 56.044 per cent.

Scheduled Banks *
Statement of Affairs for the week ended 22nd Jan., 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	8,50,07,000†
(ii) Other demand liabilities	514 20,43,000
2 Time Liabilities in India:	
(i) Borrowings from banks	1,42,00,000†
(ii) Other time liabilities	327,55,60,000
3. Cash in India	32,11,57,000
4. Balances with the Reserve Bank in India	40,24,25,000
5. Balances with other banks in current account in India	11,14,78,000
6. Money at call and short notice, in India ..	12,27,23,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	324,15,77,000
8. Advances in India	441,54,80,000
9. Inland Bills purchased and discounted in India	50,57,60,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

EXCHANGE RATES

	27th January, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months .. s.	1-5 1/4	1-5 1/4
Buyers T.T. 10 to 12 months .. .. s.	1-5 1/4	1-5 1/4
Bombay on New York—		
Sellers T.T.D.D. .. Rs.	476 1/4	476 1/4
Buyers T.T. .. Rs.	475 1/4	475 1/4
London on New York .. Fcs.	2 81-2 81 1/2	2 81 1/2 2 81 1/2
London on Paris .. Fcs.	979.4-979.7	979 980
London on Berne .. Sw. Fcs.	12 21 1-12 21 1/2	12 21 1-12 22
New York on London .. $	2.81-2 81 1/2	2 81 1/2 81 1/2

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India ..	1948	342.13	..	6,730	255
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18 67	Kyats 3,166	317	169
Ceylon ..	1951	7.74	£	451	582
Japan ..	1951	84 30	¥. 4,849,400	6,414	761
Philippines ..	1951	20 23	Ps. 7,564	1,820	894
New Zealand ..	1952	2.00	£ (N.Z.) 646	861	4,307
Australia ..	1951	8 45	£ (A.) 3,886	3,484	4,317
U.K. ..	1952	50 45	£ 13,548	18,197	3,606
U.S.A. ..	1952	156 98	$ 290,4 0	138,280	8,808
Canada ..	1952	14.43	$ 19,135	8,189	5,602
France ..	1952	42 60	Fr. Fr. 10,190 000	19,864	3,254
W. Germany ..	1952	48 48	Dm. 98,400	11,156	2,301
Italy	1952	46 88	Lr. 8,112,000	6,181	1,318
Netherlands ..	1952	10 36	Fl. 17,650	2,213	3,104
Denmark ..	1951	4 30	Kr. 20,716	1,489	3,346
Switzerland ..	1952	4 82	S. Fr. 20,100	3,189	4,541

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

State Bank of Pakistan
Statement of Affairs for the week ended 22nd Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00 00,000
Deposits:—	
(a) Central Government	20 20,36,000
(b) Provincial Governments	1,61,21 000
(c) Banks	10,98 09 000
(d) Others	2,14,07,000
Bills Payable	11,58,000
Other Liabilities	4,19,04 000
Rupees ..	45,27,08,000

ASSETS	Rs.
Notes	7,07,42,000
Rupee Coin	3,000
Subsidiary Coin	10,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	40,07,000
Loans and Advances to Governments.	2 03,80,000
Provincial Governments' Debtor Balances	74,05,000
Other Loans and Advances	4,90 00,000
Investments	20,05,14,000
Other Assets	9,99,26,000
Rupees ..	45,27,08,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	7,07,42 000	
Notes in circulation	220,76 19,000	
Total Notes issued		233,83,61,000
Total Liabilities ..		233,83,61 000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,91 42 000	
Silver Bullion		
Sterling Securities	44 47 36 000	
Government of India Securities	13,80,82,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,98,91 000	
B. Rupee Coin	5,66,73,000	96,27,51,000
Government of Pakistan Securities	127,64,62 000	
Internal bills of exchange and other commercial paper	....	
	70	133,31,35,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	8,06,15,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
	....	4,24,75,000
Total Assets ..	....	233,83,61,000

Ratio of Gold Coin and Bullion, Silver Bullion, sterling Securities and approved Foreign Exchange to total notes issued: 42.88 per cent.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
10th November ..	1 50	1.51	1.50	2 7 0	100
17th ,, ..	1 50	1 99	1 50	2 7 0	8
24th ,, ..	1 00	1 56	1 00	2 6 10	93
1st December ..	1 00	1.10	1.00	2 7 9	91
8th ,, ..	1 00	1 72	1 00	2 7 2	87
15th ,, ..	1.00	1.00	1.00	2 7 0	100
1954					
5th January ..	1 00	1 33	1 00	2 7 9	70
12th ,, ..	1 00	1 22	1 00	2 7 11	82
19th ,, ..	1 00	1 01	1 00	2 8 0	100
27th ,, ..	1 00	1 31	1 00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
Total ..	12 00	14 89	12 00	..	..

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	30th Oct., 1953	3	2½
Canada ..	17th Dec., 1950	1½	2
Ceylon ..	25th July, 1953	3	2½
Denmark ..	23rd Sept., 1953	2½	3
Finland ..	16th Dec., 1949	4½	5
France ..	17th Sept., 1953	7½	6½
Greece ..	12th July, 1945	4	3½
India	16th Nov., 1951	3	2½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands ..	7th April 1953	3	2½
New Zealand ..	25th July, 1941	3	2½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1953	3	2½
Portugal	18th June, 1944	3	3½
South Africa ..	27th Mar., 1953	3½	4
Spain	26th Feb., 1948	4½	4
Sweden	20th Nov., 1952	4	3½
Switzerland ..	26th Nov., 1936	3	2½
Turkey	26th Feb., 1938	4	5
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1948	3	4
U.S.A.	18th Jan., 1933	3	4
West Germany ..	8th Jan., 1948	4½	6

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In lakhs of Rs)

	May, 1953	May, 1953	Two months — April and May. 1952	Two months — April and May. 1953
Import Duties:				
Revenue ..	12 08	9,01	20,85	18,23
Protective ..	60	47	1 37	96
On surplus disposals ..	—	8	—	3
Total import duties ..	12 68	9 51	22 22	19 22
Export Duties ..	5 24	2,74	9 01	5 77
Land Customs ..	21	9	41	21
Miscellaneous ..	11	6	18	11
Gross total customs ..	18 31	12,40	23,75	25 31
Refunds and drawbacks ..	24	12	53	24
Net Customs	18 10	12 28	23 22	24 97
Gross excise	7,41	8,76	14 15	16 87
Refunds	16	5	80	11
Net Excise	7.25	8,71	13,35	16,76
Net total of customs and excise	25 35	20 99	46 07	41 73

Imperial Bank of India
Statement of Affairs for the week ended 27th Jan., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1 87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares		5,62,50,000
Reserve Fund and other Reserves..		
Deposits and other Accounts ..		223 00 000
Borrowings from other Banking Companies Agents		208 00 82 000
Bills Payable		1,13,63 000
Bills for Collection being Bills Receivable as per contra		2,31,80,000
Acceptances, Endorsements and Other Obligations as per contra		51,71,000
Other Liabilities (including Inter-Office Adjustments)		82 000
Total .. Rs		8 27,65,000
		227,91,49,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		8,50,25,000
Balances with other Banks ..		4,11 02,000
Money at Call and Short Notice ..		1,75,33,000
Investments—		
Government and other Trustee Securities		
Other Authorised Investments ..	79 44 05 000	
	10,73 67,000	
		90,18,62,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	42,38,8	44,414
Bills Discounted and Purchased ..	102 76 05 000	
	10,56 43 000	
		119,82,48,000
Bills Receivable being Bills for Collection as per contra		51,71 000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		82,000
Premises less Depreciation ..		1,80 38 000
Furniture and Fixtures less Depreciation ..		38 09 000
Other Assets (including Inter-Office Adjustments)		1,35 02 000
Total .. Rs		227,91,49 000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS										SAVINGS BONDS	
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@		2½% Ten-year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49 ..	1.54	1.47	76	74	20.40	22.86	83.26	29.91	—	12.31	..	..
1951-52 ..	1.75	6.06	77	2.91	22 08	90.81	1,07.55	74.18	—	27.55	13.10	13.39
1952-53 ..	1.63	6.84	66	3.27	23.66	84.18	1,13.36	91.01	—	31.06	7.54	25.64
November 1952	10	6.50	2	3.16	1.71	77.99	8.03	85.54	—	30.61	58	23.48
December ,,	8	6.51	2	3.18	1.54	79.34	8.45	85.95	—	30.23	48	23.94
January 1953 ..	10	6.54	4	3.19	2.02	80.73	8.38	86.09	—	30.51	58	24.45
February ,, ..	14	6.61	5	3.22	1.86	82.14	8.36	86.38	—	30.81	58	25.08
March ,, ..	22	6.54	9	3.27	2.46	84.18	13.75	91.01	—	30.76	62	25.84
April ,, ..	11	6.60	5	3.27	2.24	85.95	9.94	93.01	—	31.06	50	26.54
May ,, ..	12	6.83	4	3.29	2.06	87.57	9.55	93.90	—	31.30	50	26.84
June ,, ..	11	6.82	4	3.31	2.25	89.33	9.43	93.80	—	31.52	66	27.00
July ,, ..	1	6.73	11	3.38	2.23	91.08	10.38	94.41	—	31.78	59	27.26
August ,, ..	1	6.67	9	3.44	2.23	92.83	8.76	95.23	—	32.08	66	28.20
September ,, ..	—	6.59	12	3.52	2.04	94.36	9.20	96.87	—	32.36	69	28.87
October ,, ..	—	6.51	11	3.58	1.97	95.83	8.56	97.72	—	32.71	59	29.41
November ,, ..	1	6.38	9	3.65	2.03	97.37	7.89	97.55	—	32.96	56	29.96
December ,, ..	..	..	..	..	..	..	..	..	—	33.23	46	30.84
											45	30.79

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base 1949-50=100)

Group and Sub-Group	Week ended 19-12-'53	16-1-'54	23-1-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.3	90.3	90.3
1. Government of India ..	90.2	90.1	90.1
2. Indian States	95.6	95.7	95.6
3. Municipal, Port Trust etc. ..	89.2	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS ..	101.8	101.8	101.7
1. Electricity	103 2	103 0	103 2
2. Jute	98.3	98 8	98.6
3. Plantations	99 6	99 6	99 6
4. Sugar	100 3	100 7	100.7
5. Coal	90 6	90 6	90.6
6. General Engineering	102 2	103 1	103.1
7. Shipping	103 1	103 1	103.1
8. Others	100.2	100.2	100.2
PREFERENCE SHARES ..	87.8	87 9	87 9
1. Electricity	98.7	97.4	96.7
2. Cotton	84 0	85.3	84.7
3. Jute	86 0	86 3	85 9
4. Coal	91.2	90 8	90.8
5. Iron and Steel	87.9	90 2	90.1
6. Sugar	76.1	75.0	74.7
7. Tea	88 4	90.0	90.1
8. Plantations	87.1	87.3	89.7
9. Miscellaneous			87.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES ..	88 0	87.3	88.4
(a) Financial	87.0	87.3	87.7
1. Banks	87 4	87 3	87.3
2. Insurance	90.7	98.3	98.7
3. Investment Trust ..	73.4	74 2	74 1
(b) Public Utilities	107 8	108 2	107 8
1. Electricity	114 0	114 2	115.7
2. Shipping and other Transport.	99.0	94.1	96 1
3. Tramways	77.7	82 6	82.5
(c) Manufacturing Industries ..	100 3	100 3	100 3
1. Cotton, Woollen and Silk ..	90 6	90.3	97.7
2. Jute	85.6	91.5	91.5
3. Iron and Steel	108 1	107.5	111 1
4. Paper	106 5	106.5	107.5
5. Cement	121 3	119 3	119 3
6. General Engineering ..	120 8	120.4	122 4
7. Sugar and Breweries ..	85 5	85.3	86.5
8. Chemicals	102 4	104 2	104 7
d) Non-Manufacturing Industries	102.7	102 3	104 7
1. Coal	70 0	70.0	71.5
2. Mining and Oil	139.9	139 0	146 9
3. Plantations	103.5	103.0	104 3
(e) Miscellaneous	99.1	99 9	99.9
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.8	89.7	89.8
1. Bombay	90.2	90.2	90.2
2. Calcutta	90.5	90.5	90.5
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	102 0	102.4	102.4
1. Bombay	102.3	102.3	102.3
2. Calcutta	100.1	100.1	100.1
3. Madras			
PREFERENCE SHARES ..	92.0	91.9	91.7
1. Bombay	85.1	84.9	84.9
2. Calcutta	88.9	89.8	88.8
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	108.5	105.9	107.7
1. Bombay	92.5	91.1	91.6
2. Calcutta	94.5	95.3	95.8
3. Madras	92.7	93.3	96.6
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,801	3,818,925
1952	963	809,243	5,236,951
Nine months ended Sept., 1950	584	532,737	10 082 255
Do Sept., 1951	956	757,506	3,073,944
Do Sept., 1952	900	407,913	2,055,940
Do Sept., 1953	690	308,881	674,340
January 1953 ..	95	62,180	218,807
February ,, ..	88	42,433	134,846
March ,, ..	97	52,480	234,846
April ,, ..	124	80,093	257,062
May ,, ..	118	89,881	171,268
June ,, ..	101	40,754	145,576
July ,, ..	88	48,888	460,562
August ,, ..	96	57,878	249,015
September ,, ..	96	78,181	272,245
October ,, ..	87	48,766	155,017
November ,, ..	81	37,825	..
December ,, ..	65	42,388	244,414
January 1953† ..	45	26,477	216,307
February ,, ..	57	30,231	124,853
March ,, ..	67	49,198	276,216
April ,, ..	73	35,817	252,279
May ,, ..	86	80,257	131,128
June ,, ..	57	48,066	253,154
July ,, ..	74	53,005	407,27
August ,, ..	105	44,851	303,005(b)
September† ..	95	71,369(a)	..
October ,, ..	..	..	..

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

ELECTRIC ENERGY: GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1950-51	578	5,948.1	4,848.3
1951-52	614	6,801.4	5,134.8
July 1952	538	531.6	429.7
August ,, ..	597	530.4	441.5
September ,, ..	599	546.5	439.4
October ,, ..	599	529.7	437.8
November ,, ..	608	553 3	..
December ,, ..	..	585.5	441.8
January 1953 ..	611	598 6	417.4
February ,, ..	614	558 0	434.1
March ,, ..	616	630 9	458.1
April ,, ..	620	560.4	454.2
May ,, ..	625	548.8	471 0
June ,, ..	627	548.0	468 9
July ,, ..	626	576 5	464.4
August ,, ..	632	578.1	463.71
September ,, ..	634	563.1	..
October ,, ..	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	16th Jan., 1954	9th Jan., 1954	17th Jan., 1953	December 1953	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1952	1951
Food Articles	383.5	389.1	355.6	387.0	344.6	+ 6.5	359.8	409.8
Cereals	412	438	433	429	431	— 0.5	450	483
Pulses	440	435	503	424	541	—21.6	443	506
Other	288	285	221	269	207	+30.0	225	290
Industrial Raw Materials ..	483.2	480.4	428.2	459.3	421.7	+ 8.9	453.8	522.2
Fibres	485	481	395	441	394	+ 11.9	454	522
Oil seeds	550	545	487	551	476	+ 7.4	484	579
Minerals	450	453	489	456	458	— 0.4	458	526
Others	511	514	397	397	372	+ 6.7	541	538
Semi-Manufactures	391.4	389.8 R	344.4	356.6	342.6	+ 4.1	346.5	377.5
Leather	398	393	402	391	422	— 7.3	345	453
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	551	550	444	528	422	+24.6	459	579
Cotton yarn	437	433 B	430*	432	439*	— 1.6	465*	493
Metals	237	236	223	236	228	+ 3.5	211	197
Oil Cakes	420	420	407	418	400	+ 4.5	440	500
Others	305	306	250	305	251	+21.5	273	330
Manufactured Articles ..	384.8	383.4	384.4	383.8	387.6	— 1.0	377.5	395.5
Textiles	402	400	393	400	402	— 0.5	423	468
Jute	425	424	396	427	396	+ 8.9	396	403
Cotton	397*	397*	406*	397*	406*	— 2.2	401*	400*
Rayon and Silk	425*	407*	403*	405*	412*	— 1.6	385*	611*
Woollen	313	314	299	313	284	+11.8	346	378
Metal products	837	837	842	837	842	— 1.5	821	285
Others	283	283	283	290	275	— 2.4	298	300
Miscellaneous	706.8	709.9	612.7	711.5	625.3	+13.8

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,876	78,865	22,424	20,741
Wheat	,,	24,041	23,450	6,768	6,089
Jowar	,,	41,946	39,144	6,084	6,944
Pulses	,,	55,542	52,859	5,972	5,299
Barley	,,	7,800	7,835	2,664	2,298
Maize	,,	8,798	8,078	2,607	2,021
Ragi	,,	8,849	8,399	1,253	1,218
Gram	,,	17,267	16,457	3,771	3,298
Kabli Pulses* ..	,,	11,549	11,559	2,063	2,047
Small Millets ..	,,	12,170	11,834	1,932	1,801
Jute	bales	1,196†	1,117	3,124†	4,605
Cotton	,,	15,874	16,194	3,060	3,153
Sugarcane 2nd	tons	4,101†	4,224	5,100†	4,990
Groundnut ..	,,	11,962	11,748	2,894	3,048
Linseed	,,	2,304	2,476	355	316
Castors d ..	,,	1,349	1,428	107	106
Rape & Mustar. Seed	,,	8,155	8,918	823	916
Sesamum (sesp)	,,	8,761	8,845	451	435
Tobacco (sesp)	,,	794	713	219	206
Pepper	,,	203	202	22	23
Ginger	,,	46	47	14	15
Dry chillies ..	,,	1,240	1,344	301	341

Source: Ministry of Food and Agriculture.

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

* Excluding *gram*.

† Refers to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Dec., 1953 ..	77.8
	Corresponding month 1952 ..	74.8
	Six months ended Dec., 1953 ..	453.2
	Corresponding period 1952 ..	455.8
Stocks	At the end of Dec., 1953 ..	98.9
	Corresponding month 1952 ..	114.9
		(In 000 bales)
Exports(Jute Bags)	Week ended 19th Dec., 1953 ..	4,806
	Corresponding week 1952 ..	2,994
	From 1st Jan. to 19th Dec. '53 ..	301,117
	Corresponding period 1952 ..	271,653
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 19th Dec., 1953 ..	4,447
	Corresponding week 1952 ..	19,247
	From 1st Jan. to 19th Dec., 1953	1,376,026
	Corresponding period 1952 ..	1,068,911
	RAW JUTE	(In 000 bales)
Exports*	Week ended 19th Dec., 1953 ..	—
	Corresponding week 1952 ..	—
	During Sept., 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	Six months ended Dec., 1953 ..	4 53
	Corresponding month 1952 ..	67
	Six months ended Dec., 1953 ..	25 12
	Corresponding period 1952 ..	26 44

† Estimated * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,80,000	10,87,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,81,800
April 1953 to January, 1954..	9,36,700	8,56,600	6,52,200
October 1953	99,400	90,100	67,900
November „	1,03,500	95,700	69,700
December „	93,200	91,600	64,700
October 1952	99,500	94,000	66,500
November „	1,00,800	95,800	68,400
December „	1,01,400	93,100	71,700
January 1953	1,02,800	99,000	71,400
Indian Iron and Steel Co.			
Jan. to Dec., 1953 ..	5,63,340	5,41,480	2,55,370
July 1953	21,750	9,870	4,610
August „	20,230	7,710	4,190
September „	21,200	2,270	8,990
October „	65,540	30,870	21,250
November „	61,240	41,050	32,970
December „	64,510	43,040	41,740

FOREIGN TRADE OF INDIA

Particulars	September,		Six Months, April to September,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	5,34	14,63	60,44	130,02
Raw materials ..	14,13	12,93	98,87	101,84
Manufactures ..	23,49	19,05	133,94	141,78
Other Items ..	81	18	1,85	2,61
Total ..	43,21	47,78	300,10	382,03
By land	3,20	1,34	11,74	9,85
Total Imports ..	46,41	49,10	311,84	391,78
Exports :				
By sea and air—				
Foodstuffs ..	16,85	19,01	67,92	69,06
Raw materials ..	8,07	10,97	54,31	74,58
Manufactures ..	23,84	22,16	131,56	144,09
Other Items ..	16	89	1,92	2,06
Total ..	48,24	48,48	244,71	288,80
By land	78	97	3,20	14,69
Total Exports ..	49,01	47,39	247,91	303,49
Total Re-exports ..	24	32	2,41	2,08
Balance of trade in merchandise ..	+2,81	— 1,44	— 60,55	— 87,47
Balance of transactions in private treasure	— 1	— 1	— 6	— 4
Total visible balance of trade.	+ 2,84	— 1,45	— 60,61	— 87,51
Imports ‡ §				
Total C'wealth countries ..	22,06	21,89	145,18	138,45
Total Foreign countries ..	21,18	26,89	154,92	246,65
Exports ‡ §				
Total C'wealth countries ..	23,46	21,07	119,65	135,88
Total Foreign countries ..	22 82	24,45	125,06	163,42

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

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944—100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbeng	#	176	192†	#	142	142	#	132	136	#	137	141	#	105	102	#	#	#	#	98	95
Sonaili	277	218	250†	158	160	160	194	199	217†	202	196	213	125	125	125	234	199	199	278	810	810
Kuchli	157	181	191	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	168	197	198	126	149	154	149	197	201	92	89	89	138	129	128	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Damra	219	232	206†	85	98	99	130	136	146†	137	145	149	104	114	114	219	215	231	175	208	208
Manirenda	108	244	268†	194	178	191†	190	241	268†	104	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	168	167	164	165	171	154	168	173	158	165	170	108	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Maisr	171	216	222	128	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana	293	207	209	302	308	319†	196	211	225†	229	221	231	130	125	128	206	184	184	222	189	189
Salamatpur	262	244	250	280	282	289	194	204	216	220	229	234	239	129	129	139	139	139	269	279	277

Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 28th Jan., 1954 ..	43,411
	Corresponding week, 1953 ..	53,442
	1st Sept., to 28th Jan., 1954 ..	5,40,045
	Corresponding period, 1953 ..	6,31,035
Cotton Exports ..	Week ended 28th Jan., 1954 ..	1,611
	Corresponding week, 1953 ..	6,817
	1st Sept., to 28th Jan., 1954 ..	65,492
	Corresponding period, 1953 ..	1,47,005
Mill Consumption ..	1st Sept., to 28th Jan., 1954 ..	5,18,484
	Corresponding period, 1953 ..	4,80,577
Stock (with exporters dealers & mills) in Bombay ..	On 28th January, 1954 ..	2,92,057
	Corresponding date, 1953 ..	3,06,230
Karachi (Pakistan)		
Receipts	Week ended 23rd Jan., 1954 ..	—
	Corresponding period 1953 ..	24,877
	1st Sept., to 23rd Jan., 1954 ..	6,22,555
	Corresponding period, 1953 ..	8,15,795
Exports	Week ended 23rd Jan., 1954 ..	—
	Corresponding period, 1953 ..	24,500
	1st Sept., to 23rd Jan., 1954 ..	6,20,164
	Corresponding period, 1953 ..	5,26,100

Particulars	From 1st Sept., to 1st Feb., 1953-54 Bales	From 1st Sept., to 1st Feb., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	6,087	7,229
Continents ..	13,847	52,258
China	251	318
Japan	31,754	74,926
U.S.A. ..	9,143	13,925
Other Countries ..	1,452	2,743
Total to all foreign countries ..	62,534	1,51,415
Coastal Ports ..	54,706	45,501

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	September, 1953	8,10,827
Foreign		62,018
Indian	Twelve months September 1952 to August, 1953 ..	86,11,866
Foreign		8,49,786
Foreign	Same Period 1951-52 ..	29,87,468
Stocks (Mills and Elsewhere)—		10,84,018
Indian	As on 30th Sept., 1953 ..	8,54,164
Foreign		2,51,079
Indian	As on 30th Sept., 1952 ..	11,55,459
Foreign		3,52,766
Cotton Pressed † ..	Week ended 22nd Jan., 1954 ..	10,925
	Corresponding week, 1953 ..	1,54,526
	1st Sept., to 22nd Jan., 1954 ..	8,81,898
	Corresponding period, 1953 ..	12,20,181

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4½% Bonds	1926-33	63,30,26,000	1960-70	101⅞
3½% Loan	1936-39	1,16,17,46,000	1963-65	92½
3½% Loan	1930	30,33,10,000	1964	92⅜
3½% Loan	1943	1,10,11,78,000	1966-68	90½
2½% V. Loan	1944	1,21,06,19,000	1957	91⅛
2½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1945	1,13,65,64,000	1959-61	96⅜
2½% Loan	1945	50,35,43,000	1958	95⅛
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	37,00,49,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	99
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1946	75,86,72,000	1962	92⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loss	1896-97	8,93,35,000	At option of Government after three months' notice. On 1st September, 1964 or later at option of Government after three months' notice.	82½
3 % Loss	1946	248,91,90,000		82⅜
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,88,18,000	1954-56***	100½
4½% Loan	1938	1,85,00,000	1958-64***	103
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	15th Sept. 1955	99½
3 ½% Bombay	1943	3,50,00,008	14th Sept. 1956	99½
3 ½% Bombay	1944	3,50,00,000	15th Aug. 1958	97⅜
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93½
3½% Bombay	1950	3,01,87,700	31st July 1960	94⅜
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	93½
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,96,72,708	1st Aug. 1966	101
3 % Cochin	1945	30,00,000	1st Oct. 1953-55	99
3½% Cochin	1945	1,00,80,000	16th Dec. 1955-58	98⅛
3½% Cochin	1951	70,09,000	1st June 1956-61	99
3½% Hewrah Bridge (New)	1936-37	2,31,97,100	1956-66	95½
3 ½% Madras	1941	1,39,76,600	21st June 1959	94⅜
3 ½% Madras	1942	1,23,25,000	18th Sept. 1955	98⅛
3 ½% Madras	1944	1,25,10,000	14th Sept. 1958	98⅛
3 ½% Madras	1944	1,00,00,000	15th Aug. 1958	98⅛
3 ½% Madras	1945	2,82,19,000	14th Sept. 1960	94⅛
3 ½% Madras	1945	2,98,91,300	1st Sept. 1961	93½
3½% Madras	1950	4,47,80,900	31st July 1960	93½
3½% Madras	1951	3,00,00,000	17th Sept. 1962	92
4 % Madras	1953	5,00,00,000	15th July 1963	98⅛
4 % Madras	1952	5,00,00,000	1st Aug. 1964	99⅛
3 ½% Mysore(I)	1939	1,63,44,300	1st Nov. 1955	104½
3 ½% Mysore(I)	1933	2,95,85,200	1st Dec. 1953-63	101⅜
3 ½% Mysore	1946	5,99,72,900	30th April 1956-61	98⅛
3 ½% Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	32,69,800	15th Aug. 1958	98⅛
3 ½% M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 ½% Punjab**	1938-44	1,49,87,200	31st July 1960	94
3 ½% Punjab**	1942	2,35,20,088	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,400	15th Aug. 1958	98⅛
3 ½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	80,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% U.P.	1936	1,61,96,500	15th Sept. 1961-66	90⅞
3 ½% U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1945	2,24,80,900	14th Sept. 1960	94
3½% U.P.	1946	2,29,08,600	15th Sept. 1961	93⅜
3½% U.P.	1951	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
1,00,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅛N
40,08,000	4	1909	1968	
96,00,000	4	1910	1971	
75,00,000	4	1911	1972	D
1,10,00,000	4	1912	1973	
14,35,878	4	1913*	1960	
80,00,000	4	1913	1973	99⅛N
88,25,000	4	1914	1975	99N
80,00,000	4	1915*	1960	
55,00,008	4	1915	1975	
61,61,008	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
31,00,000	3½	1929*	195-	
12,50,800	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,52,800	3½	1935*	1975	
15,00,000	3½	1936*	1966	
44,00,000	3½	1936	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	98½
68,02,300C	3†	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,64,300	4	1925	1955-85	103
98,21,600	3½	1926	1956-86	104½
99,84,300B	3	1926	1956-86	103½
1,49,49,500B	3	1927	1957-87	103⅜
1,49,38,000	3	1928	1958-88	104½
80,00,000C	3½	1928	1958	93½
21,75,008C	3	1933	1954	99⅜
68,00,000	3½	1935	1965	96½
32,00,000	3	1938	1943-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000C	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,800	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	93½
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,800	5	1923	1953-83	£87⅛
£901,000	5	1924	1954-84	£87⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60,547	4	1912	1982	
32,14,994	4	1917	1982	
31,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6½	1921	1952	
3,32,923	4§	1922	1952	M
4,47,597	5§	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
Rs				Rs
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅜N
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅜N
25,00,000	4	1916	1976	
40,00,000	4	1918	1957-79	113N
66,00,000	6	1920	1955-80	
25,00,000	6	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1968	
STERLING LOANS				
£566,600	4	1909	1969	£93⅜N
£333,000	4	1910	1970	£93⅜N
Rs.		**CALCUTTA**		Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	108
35,00,000	3½	1935	1965	96½
50,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
49,40,000	4	1913-14	1954	99⅜
20,60,000	4	1913-15	1974	99⅜
20,00,008	4	1913-15	1953	100⅛
10,00,000	5	1920	1980	113
1,80,00,000	5	1924	1954	102
25,00,000	5	1928	1958	
26,14,000	5	1929	1949-59	105
8,45,000	5	1929	1954-59	106
24,21,300	5	1929	1959	102⅛
8,25,00,000	3½	1947	1977	86⅜
2,50,00,000	3½	1949	1979	86⅜
4,00,00,000	3½	1950	1965	92
2,00,00,000	4	1952	1966	100⅜
2,00,00,080	3½	1951	1966	97
Rs.		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	105⅜
184,70,000	5	1928	1958	104⅜
36,00,000	5	1928	1958	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1929	1958	103⅜
6,00,00,000	5½	1932	1962	108
33,91,000	5½	1933	1963	93⅛
60,00,000	3	1936	1966	88½
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	99
1,62,500	3	1937	1954	98⅛
1,48,100	3	1937	1954	98⅛
+7,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1939	1962	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
86,88,000	4	1951	1966	96
87,36,000	4	1952	1962	99⅛
Rs		**MADRAS**		Rs
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1953	107N
3,40,000	6	1923	1955	107⅛N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137½	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	101	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari* A	10,00,000	1920	7	July Apr.	110	100
Do. B	£500,000	1897	7B	Dec. ..	73	100
East India Distilleries ..	₹ 75,00,000(c)	1940	7B	Dec. ..	72	100
Gwalior Sugar	3,00,000	1940	7	July Jan.	13§	10
Do. (Non-redeem.)	6,00,000	1922	10	Oct. ..	103	100
Punjabore Co.	4,00,000	1933-36	6	Aug. ..	103	100
Ramnuggar Cane	4,00,000	1943	5½	Oct. Apr.	75	100
Ravalgaon Sugar	20,00,000	1943	7(a)	Oct. ..	161½	100
South Behar Sugar	5,00,000	1936	5(c)	Dec. ..	90N	100
Travancore	15,00,000	1946	5	Dec. ..	90N	100
Upper Ganges	12,00,000	1946	5(a)	Dec. ..	70N	100
Do.	15,00,000	1946				
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borea	4,00,000	1896-97	7	Apr. Oct.	118	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	84	10
Do. (2nd)	4,50,000	1946	6(a)	.. ..	117	100
Equitable	4,00,000	1895	6	Mar. Sept.	81	75(pp)
Karanpura Collieries ..	1,93,000	1931	5(a)	.. ..	10	10
Tinplate	2,00,000	1946	7	Jan. July	125	10
New Beerbooom	2,00,000	1898-99	6½	Apr. Oct.	117	100
Ondalj						
COTTON						
Ahmedabad Advance	10,00,000	1939	6	Apr. Oct.	105	100
Bangalore	6,00,000	1938	6½	Jan. July	124§	100
Basanu Cotton	1,05,300	1919	7	Nov. ..	6§	10
Benares Cotton	3,00,000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	4,00,000	1900	8	Feb. Aug.	132	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	101§	100
Do. 'B'	6,00,000	1919	7	June Dec.	126	250
Bradbury	14,75,000	1920	7½	Jan. July	131§	100
Buckingham & Carnatic ..	21,30,200	1920	7	Apr. Oct.	125§	100
Cambodias	1,00,000	1912	5	Apr. ..	124§	100
Central India	50,00,000	1935	6½	May Nov.	144	100
Coimbatore Pioneer ..	1,00,000	1912	8	May Nov.	10§	10
Elgin	11,00,000	1943	7(a)	July Jan.	10§	10
Do. 'B' Pref.	4,20,000	1943	7(a)	May Nov.	86	100
Elphinstone	25,00,000	1919	7	June Dec.	127§	100
Kesoram	20,00,000	1925	6	Nov. ..	—	100
Khatau Makanji	10,00,000	1937	6	.. ..	86§	100
Do. (2nd)	2,92,500	1937	6	Nov. ..	10	10

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs	Rs a.	Rs a.	Rs a.	Rs a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	Apollo Mills	2-13½	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	49½	100	6 0	6 0	*Nil*		12	Y.
8,58,08,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,82,072	4,855	Bombay Dyeing & Mfg.	428½	250	17 8	20 0	20 0	7 8(f)	3	Y.P.T.
10,00,000	27,25,779	54,19,515	48,70,797	80,357	Ramaraju Sons, Ltd.	38,532	860	Bradbury Mills	955	250	75 0	100 0	100 0	100 0	3	Y.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	Century Spg. & Mfg. ..	302½	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	50,37,373	5,046(d)	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65	100	*Nil* 8	*Nil* 8	4 0(e)		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cowasjee Jahangir & Co., Ltd. ..	27,308	680	Coorla Spg. & Wvg. ..	107½xd	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	20,04,821	63,03,745	48,46,941	76,866	Ramnarain Sons, Ltd.	38,304		Dawn Mills	80	50	*Nil* 6	6 0			3	Y.
24,00,000	24,00,000	62,31,113	57,35,800	5,622	Purnamal Radhakishan & Co. ..	50,296	928	Edward Textiles	267½	200	15 0	15 0			12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	Chidambaram Muiraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	42	50	4 0	3 0			12	Y.
40,00,000	68,86,875	80,34,752	64,00,765	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	277	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,389	1,16,64,975	90,91,580	7,391	Thackersey Mooljee & Co. ..	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	200 0*	225 0*	12	Y.P.
										250	43 12	50 0	50 0	56 4*	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	11⅛	100	1 12	1 14	*Nil*		12	Y.
90,00,000D.									1D	10	0 2	0 4	*Nil*			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co	47,172	1,191	Indian Mfg.	3,400	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
										500	87 8	100 0	100 0	112 8*		
39,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd. ..	77,404	1,517	Khatau Makanji Spg. & Wvg.	214½	100	12 0	14 0	10 0	12 0	6	Y.P.
1,80,00,000	1,49,00,000	2,90,52,252	2,07,80,831	2,33,085	Killick Industries Ltd.	1,11,464	1,846	Kohinoor Mills	318	100	18 0	25 0*	18 0	6 0(i)	12	Y.
58,80,000A									89	100A	7 8	5 1	6 4	4 4		
3,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills		20B	1 8	1 0	1 4	1 4	6	Y.P.
22,13,050	47,03,470	1,01,00,576	42,51,298	24,834	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	90N	50	5 0	7 0	5 0		10	Y.T.
11,75,000	24,92,735	1,71,00,016	1,44,58,016	2,80,066	Piramal & Sons	65,448	1,650	Morarjee Goculdas Spg. & Wvg.	198½	100	17 0	15 0	12 0		6	Y.P.
1,60,42,600	2,66,192	4,27,10,526	70,00,000	38,953	Chinai & Co., Ltd.			National Rayon Corporation	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
84,00,000	26,69,841	71,22,988	42,20,172	42,033	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	180½	100	12 8	15 0	10 0		12	Y.
50,00,000	21,71,710	86,82,525	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg. ..	170	100	10 0	12 8	10 0		12	Y.
12,70,100	36,36,004	42,69,552	13,76,640	423	Mafatlal Chandulal & Co (Bombay), Ltd.	33,720	873	New Union Mills	26½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	133⅛	100	10 0	10 0	8 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	140	100	9 0	10 0	10 0		12	Y.
5,00,000	8,93,779	21,19,461	18,29,340	3,815	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	19½	10	2 0	1 0	1 4		12	Y.P.
23,00,000	60,49,474	1,17,57,612	81,93,664	81,949	M. G. Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg. ..	32	10	0 12	1 0	1 4		12	Y.
60,00,000	61,53,392	93,64,233	59,85,574	42,197	Sarabhai Chandulal & Co. ..	66,452	1,640	Shree Niwas Cotton Mills ..	172½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,40,000	33,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	155½	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,640(g)	1,18,80,653	78,39,381	2,880	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	326½	100	15 0	20 0	20 0		12	Y.
75,00,000	1,21,71,160	1,57,29,109	87,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Svadeshi Mills	285	100	16 0	18 0	16 0		12	Y.P.
84,00,000	70,08,599	65,86,475	53,43,077	5,71,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	347½	100	20 0	25 0	30 0		12	Y.P.
32,54,438	29,55,268	68,88,347	29,93,248	25,188	Tata Industries Ltd.	23,520	525	Tata Mills	225	100	2 0	4 0	5 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,90,000	6,248	Thackersey Mooljee Sons & Co. ..	45,888	1,176	Western India Spg. & Mfg.	3,370	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
88,00,000	38,80,266	88,29,185	51,99,678	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills ..	147½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Aruna Mills	467½	100	15 0*	20 0*	10 0*		12	Y.P.
21,00,000	2,07,45,673	1,18,76,139	76,33,000	1,389	Narottam Lalbhai & Co.	42,448	1,216	Arvind Mills	769	100	25 0	25 0	25 0		12	Y.P.
50,00,000	40,83,169	76,03,158	51,70,000	1,11,393	Mangaldas & Bros., Ltd.	31,504	884	Bharat Shree Ginning & Mfg.	1,035	100	20 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	61,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	482½	100	17 0	22 0	22 0		12	Y.
1,34,77,072	1,04,99,227	3,71,68,168	2,37,53,344	2,87,065	Karamchand Premchand Ltd. ..	1,39,120	2,400	Calico	125	25	12 0	18 0	18 0		12	Y.T.
80,00,000	84,86,000	1,08,87,870	62,23,000	4,885	Tricumlal Bhogilal & Co., Ltd.	42,116	964	New Commercial Mills	500	100	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	627	125	35 0	35 0	35 0		12	Y.P.
3,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Narsavaty & Co., Ltd.	24,840	528	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	670	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,510	Rajnagar Spg., Wvg. & Mfg.	46,688	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	20 0		12	Y.P.
82,50,000	16,11,650	81,93,993	46,17,803	9,864	Lalubhai Gordhandas Ltd.	33,156	640	Rohit Mills	125	100	30 0	9 0	9 0		12	Y.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	317	50	15 0	18 0	16 0		12	Y.P.
19,52,300	52,12,167	61,33,831	48,71,881	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg. ..	375	100	15 0	20 0	20 0		12	Y.
88,00,000	29,08,070	91,15,078	47,72,053	16,259	Haridas Ashratlal & Co., Ltd. ..	34,576	816	Vijaya Mills	500	400	35 0	35 0*	35 0*		12	Y.
																Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	31	10	0 8	0 5	*Nil*		12	Y.P.T
7,11,280	2,05,851	37,16,898	20,48,033	12,931	Bengal Textile Agency, Ltd. ..	28,448	936	Bengal Laxmi Cotton Mills ..	38N	40	*Nil* 3	3 0	3 0		3	Y.
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	270	100	*Nil*	*Nil*	*Nil*		6.12	H.P.
										100	*Nil*	*Nil*	7 0			
19,00,000	25,16,186	97,02,018	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	193	100	*Nil*	*Nil*	*Nil*		6.12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	22⅜	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	10	0 12	0 14	0 8		12	Y.P.
83,96,280																

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs	Rs a.	Rs a.	Rs a.	Rs a.		
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4⅜	10	0 3	*Nil*	*Nil*		12	Y.
18,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	10	100	0 14 2/5	0 9 3/5			12	Y.
71,24,400	51,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund, ...	19,944	440	Azad Jahi Mills	67N	100	5 8	6 0	6 0		9	Y.P.T.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	295	100	17 8	20 0	15 0	10 0(i)	12	Y.
										10	1 4	0 8	0 8			
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills ..	14	10	1 4	0 8	0 8			Y.P.
15,00,000	95,71,590	84,27,674	58,07,874	4,68,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	2 8	2 8	3 0	4 0(e)		
1,78,47,800	1,57,95,696	5,14,83,572	2,84,81,555	2,39,790	Binny & Co. (Madras), Ltd. ..	1,19,916	2,781	Buckingham & Carnatic	137½	100	6 14	7 8	3 4		3	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd.	37,536	591	Cambodia Mills	141	100	*Nil* 8	8 0	8 0	4 0(i)	12	Y.T.
30,00,000	21,97,994	54,31,479	34,51,479	1,49,859	Begg, Sutherland & Co., Ltd. ..	28,784		Cawnpore Textiles	83	100	0 9	0 9	0 9	0 9	12	Y.P.
12,00,000	15,07,000	27,82,848	17,29,989	—1,52,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills ..	185	100	12 8	12 8	9 0		12	Y.
20,00,000	9,19,870	23,84,987	12,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Cotton Mills ..	135	100	7 0	6 0	9 0		12	Y.
20,74,900	4,36,040	1,14,09,011	64,08,063	—10,23,340	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg. ..	46	50	2 8	5 0	*Nil*		12	Y.
46,87,500	88,12,906	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	194	100	6 0	6 0	2 0	5 0	6	Y.P.
9,38,34,450										10	1 0	1 0	1 0	1 0		
1,00,523	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,830	Delhi Cloth & General Mills..	31	25	*Nil* 0	0 4	0 1 4/5	0 2 4/5	6	Y.P.
										100	25 0	20 0	10 0			
84,34,800	16,26,596	37,58,169	25,47,428	30,746	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	217	100	10 0	8 0	8 0		12	Y.
63,00,000	46,00,000	1,40,35,212	1,13,21,831	73,424	Begg, Sutherland & Co., Ltd. ..	52,652	1,198	Elgin Mills	16	10	1 2	1 8	1 8	1 0	9	Y.
39,04,700	43,10,000	82,22,587	60,58,000	1,98,375	Forbes, Forbes Campbell & Co., Ltd.	78,030	2	Gokak Mills	254	100	10 0	14 0	17 0*	8 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Sakseria (Indore) ..	50,000	1,420	Indore Malwa United	100	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	24,01,526	13,58,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	70	50	5 0	7 8	3 12		12	Y.
24,00,000	13,75,000	61,35,358	8,58,000	3,682	Kothari & Sons	38,512	200	Kothari Textiles	111	100	10 0	12 0	12 0	0 8	6	Y.P.
32,00,000	70,43,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mfg.	550	250	37 8	50 0*	37 8	10 0(i)	12	Y.P.
									111cd	50	4 0	4 0	5 0	5 0		
53,46,150	53,80,000	94,98,025	59,73,673	14,397	G. K. Naidu & Co.	73,504	200	Lakshmi Mills	155-8cd	25	2 0	3 0	3 0	2 8	3	Y.
									41cd	12	2 4	3 0	3 0			
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,98,094	A. & F. Harvey Ltd.	4,64,748		Madura Mills	126	100	8 0	12 0	8 0		12	Y.
12,00,000	4,17,363	24,32,416	15,52,000	—22,590	A. L. A. R. S. Chettiar and 2 others.	21,856		Malabar Spg. & Wvg.	220	100	12 0	14 0	10 0		12	Y.
60,00,000	62,50,000	35,34,648	38,37,062	77,464	W. A. Beardsell & Co., Ltd. ..	24,252	603	Mettur Industries Ltd.	223	100	25 0	12 8	12 8		3	Y.
29,80,884	22,90,000	73,68,250	42,28,184	55,960	N. Sirur & Co., Ltd.	36,416	678	Minerva Mills	92	100	6 0	6 0	5 0		12	Y.
94,91,850	27,56,360	1,53,05,970	18,81,528	27,241	Model Mills (Nagpur)	49,456	952	Model Mills (Nagpur)	141½	250	15 0	7 8	7 8	7 8	6	Y.
30,00,000	52,19,400	1,53,39,272	1,05,91,651	—7,77,290	Bansilal Abirchand Dadabhoy & Co.	84,318	1,834	Muir Mills	195N	100	10 0	11 0	8 0		6	Y.
19,86,800	61,53,392	93,64,233	59,85,574	42,197	Indian Textile Syndicate Ltd. ..	49,632	500	Mysore Spg. & Mfg.	146⅜	50	10 0	9 0	10 0*	10 0*	12	Y.P.
13,61,780	2,58,745	29,34,299	15,36,824	2,232	N. Sarur & Co., Ltd.	6,000		Mysore Spun Silk Mills	6⅜	10	0 8	0 10	*Nil*	*Nil*	2	Y.P.
82,89,88300									1⅜							
3,07,095D	25,62,533	98,01,625	52,78,826	—85,85,856	J. P. Srivastava & Sons, Ltd. ..	50,228	1,148	New Victoria Mills	O. 2½	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.
87,03,800	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanlakhi Mills	D. 1	*Nil*	*Nil*	*Nil*	*Nil*			
4,00,000A									90N	100	5 8	6 8	7 0		9	Y.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	68	50A	5 0	8 0	7 8			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Modaliar & Sons	27,980		Pankaja Mills Ltd.	93	75B	7 8	12 0	11 4		12	Y.
16,81,200A									46-8	100	7 0	5 0				
8,40,600B	16,65,842	52,66,772	24,17,950	2,862	A. G. Gurusamy Naidu & Co. ..	25,896	200	Radhakrishna Mills	165	100A	16 0	16 0	6 0		12	Y.
									100	50B	8 0	8 0	3 0			
75,00,000	25,00,896	22,62,213	14,88,315	—43,364	B. R. Naidu & Sons	32,580	600	Rajalakshmi Mills	100½	50	4 8	5 0	*Nil*		12	Y.
60,00,000	62,96,508	1,03,28,822	30,52,376	—11,26,958	J. P. Srivastava & Sons (Rampur).	15,824	440	Raza Textiles	44N	10	*Nil* *Nil*		*Nil*		12	Y.P.
12,41,300	10,52,825	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	18,416	416	Shree Sajjan Mills	75N	100	7 0	9 0	7 0		3	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd. ..			Sitaram Spg. & Wvg.	36	60	*Nil* 3	0			3	Y.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	82,992	2,234	Sholapoor Spg. & Wvg. ..	(1,520	1,000	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
										500	4 0*	4 0*	4 0*			
56,49,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	59d	50	4 0	4 0	3 0*	4 0*	3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	34,440	1,250	Sutlej Cotton Mills	50N	10	4 0	4 0	4 0	4 0	3	Y.
17,50,000O	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8⅜	100	0 8	0 8	*Nil*		12	Y.P.
1,57,50,000P									8½	10P.O.	0 14 2/5	0 14 2/5	*Nil*			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Empcote & Sons (Travancore), Ltd.			Travancore Rayons	9-14	10	*Nil* *Nil*	*Nil*	*Nil*		12	Y.P.T.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramoo & Sons	16,000		Trichinopoly Mills	9-3	10	1 0	1 0	0 11 1/5		12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	178	100	9 0	10 0	12 0		12	Y.
82,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	143⅜	100	9 0	14 0*	10 0		12	Y.

* Includes bonus.

(*b*) Subject to taxation and workers' bonus. (*c*) Paid out of reserves.

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*f*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Rights.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	20½	25	*Nil*	2 13g	*Nil*	*Nil*	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6⅜	5	1 0	0 8	0 8	0 8	3	Y.
16,20,630							15⅜	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	23⅜	B. £1	Sh. 1	Sh. 1	Sh. 1			
£300,000B							4⅝	5	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	54½	25	1 4 / 4 0	1 9 / 4 0	1 9 / Nil		6,12	H P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	185	100	4 0	5 0	5 0		3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17	10	0 5h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,23,31,666	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	48½	10	0 12 / 0 12	1 0 / 1 0	1 0 / 1 0	1 0f /	3,9	H.P.T.
50,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	21½xd	10	0 10	0 12	0 12		6,12	H.P.T
89,00,000 / 18,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9⅜ / 9⅜	O. 10 / A. 10	Nil / Nil	Nil / 0 4	Nil / 0 4		3,9	H.P.T.
							35½	A. 10	1 0 / 0 14*	1 0 / 1 0*	1 0 / 1 0*	1 0*f /		
86,00,000A. / 86,04,800B. / 4,37,500P.U.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	37½	B. 10	1 0 / 0 14*	1 0* / 1 0*	1 0* / 1 0*	1 0*f /	3,9	H.P.
							41	P.O. 2½	0 2	0 2	0 2	0 2f		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	5 0	6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyke & Sons	Camperdown	86N	100	3 0	5 0	7 0	7 0	7	Y.
5,00,000	1,53,000	11,21,500	9,45,536	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	7 0	6	Y.
PROPERTY AND LAND														
18,00,780O. / 8,70,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1⅛	O. 10 / L 1	10 9 3/5 / Nil	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8 /	9	Y.P.
60,00,000	20,01,696	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	25xd	100	2 0	1 8	1 0	1 8	4	Y
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	36½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,59,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7⅜	3	0 8	0 8	0 4		9	Y.
94,50,000	3,75,07,299	3,01,50,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	38½ / 141	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	15 0 / 6 0	5	Y
8,00,000	.....	2,03,569	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	30N	100	6 0	Nil	Nil	3 0	6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½xd	10	3 8	3 8	Nil	3 0	1 (i)	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅜	5	Nil	1 0	Nil	Nil		
12,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	120N / 111N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10-0† / 1-0†	6 / 4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Banpur Bros., Ltd.	Behund Sugar	9⅛	7½	Nil	1 0	0 12		9	Y.
15,00,000	12,31,314	15,57,578	10,91,641	8,681	Conron Agents Ltd.	Bihar Sugar	141xdN	10	1 4	1 8	1 8	1 8	6	Y.P.
32,00,000	24,18,461	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Eastern Sugar	7⅛	10	Nil	Nil	Nil		12	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	37½	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,658	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	24	10	1 8	2 0	2 0	1 0	6	Y.
35,00,000A / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.... ..	Hindustan Sugar Mills	130N / 50N	'A.' 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	6	Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,348	Kilachand Devchand & Co.	Kesar Sugar	25N	80	3 0	4 0	Nil	Nil	7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Conron Agents Ltd.	New India Sugar Mills	23¼	40	1 8	2 0	Nil	Nil	6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Savan	6	10	0 8	0 10	0 8	2 8	5	Y.
1087,500 A. / 2,71,875 B.	47,59,869	59,49,307	17,02,000	1,104	Conron Agents Ltd.	New Swadeshi Sugar Mills	19½N / 4½N	100 / 25	15 0 / 3 0	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	6	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0	11 0	7	Y.P.
12,00,000	12 71 178	24 94 458	16 81 746	66 0 0	Begg, Sutherland & Co., Ltd. ..	Punjab Sugar	10½N	100	1 0	2 0	1 0	1 0	10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Puraitpore Co.	14½	10	1 8	2 8	1 0	0 8	10	Y.P.
8,00,000	6 04 162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	13N	10	1 8	2 8	1 0	0 8	10	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	11½	10	1 8	2 0	1 0	0 8	6	Y.
20,00,000	20,68,560	1,03,56,230	49,26,000	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	10N	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6⅝	10	Nil	Nil	0 8		6	Y.
6,50 0000. / 1,75,000D.	47,623	25 93,256	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 22N	O 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil		10	Y.P.
8,00,000	.....	78,11,207	43,99,756	6,356	Conron Agents Ltd.	Upper Ganges Sugar	11½	10	1 12	2 0	2 0	2 8	6	Y.P.
16,00,000	9,19,618	30,81,367	24,51,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar		10	0 4½	2 0	1 8		9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	257½	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Jaunpur Sugar	43N	100	Nil	Nil	Nil		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	24—4 / 3	10	0 8 / 0 12	1 0 / 1 4	1 0 / 1 4	1 0 /	9	Y.P.
33,57,520	29,98,135	59,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	10	0 12	1 0	1 0	1 0	10	Y.
21,79,240	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	45—4	10	2 0*	2 0	2 0	2 0	6	Y.
30,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Malaviat, Apte and Kantilal Ltd. ..	Phalian Sugar	111	50	8 0	0	2 0	2 0	9	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnugger Cane and Sugar ..	21½	10	0 9½	0 12	2 0	2 0	9	Y.
80 00 000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	90N / 7N	O. 10 / D. 10	7 0	9 0	7 0 / 0	9	9	Y.P.T.
19,99,800	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	10½N	10	1 0	1 4	0 12		9	Y.P.
30,00,000	10,73,392	56,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugar	4½	10	1 0	1 4	1 0		10	Y.
77,50,000A / 83,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	162½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		7	Y.P.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	165	100	10 0	12 8	12 8		10	Y.P.
8,00,00,000		30,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	Nil	4 0	3 0	12	Y.
1655,380	£1 123,737	£5 428,105	£2,532,999	£13 172	Kilburn & Co. Ltd.	India General Navigation & Rly.[Co.	68	410	Nil	Nil	Sh 10		12	Y.
8,25 00,000	74,99,233	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	7⅞xd	10	Nil	Nil	0 8	0 8	3	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	17—4½	15	Nil	Nil	Nil	0 12	6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	350	200	30 0	30 0	35 0	32 0		
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	56N	80	4 0	4 0	4 0		9	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	Dew Sons & Ltd.	Dew Sons Hang Investment Co.	8⅜	25	3 0	3 0	3 0		12	Y.
3,25,00,000	95,00,000	2,31,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	Estrela Batteries	23N	50	3 0	3 0	2 8	Nil	3	Y.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,069	Cecil Stack, Esq. (Mg. Director)	Industrial Investment Trust ..	76½	100	8 0	8 0	4 8	4 8	12	Y.P.
51,28,000	47,37,061	1,26,55,420‡	....	3,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	138	100	8 0	8 0	4 8	4 8	12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	191	100	9 0	10 0	12 8	12 8	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	168xd	100	7 8	10 0	10 0	10 0	3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	265	250	15 0	15 0	15 0	7 8	3	Y.
17,42,803	5,06,049	40,60,734	41,30,455	33,939	Birla Bros. Ltd.	Hind Cycles	104N	100	9 0	15 0	15 0		3	Y.
4,96,12 650	1 92,800	2,83,64 147	60,52,719	3,78 557	Birla Bros. Ltd.	Hindustan Motors	6—7½	10	Nil	Nil	Nil	Nil	3	Y.P.T.
1,60,00,000	38,65,090	3,07,84,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	5 8	5 0	5 0		3	Y.P.T.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Dnessen ,Esq.	Indian Cables	20½	10	2 8	5 0	5 0	3 0	3	Y.
8 27 970	5,36,000	14,39 460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	12½	10	1 0	1 0	1 0	1 0*	12	Y.P.
2,00,00 000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	114	100	10 0	10 0	10 0	10 0	12	Y.
6,34,000O. / 60,00 0D.	6,05,270	6,91,531	4,08,253	—64,594	James & Co., Ltd.	Macfarlane & Co.	2½ / 4½	O. 5 / D. 10	Nil	Nil	Nil		3	Y.P.
40,00 0000O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	185xd	D.O. 100	12 8	12 8	7 8		3	Y.
3,00,00D.O.	30 19 025	13,73,127††	4 61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	20⅜	10	1 4	1 8	0 4-4		12	Y.P.
9,35,255	1,74,934	9,74,505	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	0 10	1 0	1 2		9	Y.
4,88,040	8,84,829	9,73,621	3,93,109	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16½	10	1 0	1 0	1 0		12	Y.
10,00,000	.....	11,45,554	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10⅜	10	Nil	1 0	1 0	1 0	12	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co. Ltd.	National Insulated Cable	15⅜	10	0 8	0 8	Nil	1 0	3	Y.T.
					B. N. Elias & Co., Ltd.	National Tobacco Co.	10⅜	2	0 4	0 8	0 12		3	Y.P.T.
79,97,000	28,12 725	1,12,79 603	42,96,020	10,37,035	Parry & Co.	Parry's Holdings Ltd.	4⅜	2	1 9 3/5	0 10	0 10½	Nil	12	Y.P.T.
40,00,000	24,00,000	41,59,536	17,74,953	1,52,611	G. U. Euthymopulo, Esq.	Rallis (India) Ltd.	58	100	8 8	9 0	9 0½	9 0	12	Y.P.T.
8,25,00 000	25,18,049	1,69,49,507	37,33,570	24,847	Sahu Jain Ltd.	Rohtas Industries	11⅜	10	Nil	0 12	1 8		12	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,446	Spencer & Co., Ltd.	Shaw Wallace & Co., Ltd. ..	15⅜	10	1 0	1 0	1 8		8	Y.P.T.
40,00 000	92,32,582	1,19,84,861	70,89,235	5,36,552	R. H. D Campbell, Esq.	Travancore Ogale Glass	11⅜	10	1 0	1 0	1 8	0 8(i)	10	Y.P.T.
75,00,000	35,00,000	12,11,901§	2,17,120	3,56,616	Ogale Bros., Ltd.		3⅜	10	1 0	1 0	Nil		12	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	59,789				10	0 6§	Nil	Nil	Nil	12	Y.P.

§§ Includes investments at cost.
‡ Excluding goodwill (written down) Rs. 30 lakhs.
† Includes bonus.
† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685.
§ Excluding Rs. 1,49,08,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amlookie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	—2,98,910	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	3 0	Nil		12	Y.
5,30,000	7,21,416	14,91,943	4,25,000	63,629	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	3,27,561	71,941	Andrew Yule & Co., Ltd.	369	Bazmazia	34½	10	3 0	2 8	3 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	—37,182	Williamson Magor & Co., Ltd.	566	Bazmazia	15½	5	1 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	82,500	Gillanders Arbuthnot & Co., Ltd.	566	Belsa	28½	10	3 0	0 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	—36,227	Williamson Magor & Co., Ltd.	4,038	Bishnauth	54½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—32,144	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	12,511	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
83,00,000	9,03,082	72,59,232	16,14,785	—29,101	McLeod & Co., Ltd.	282	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	19,112	Jardine Henderson Ltd.	1,220	Brooke Bond India Ltd.	12½	10	1 0	1 0	1 0		12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	35,084	James Warren & Co., Ltd.	610	Bsio Valley	12	10	1 8	Nil	Nil		12	Y.
17,33,440	6,66,828	20,85,548	4,76,346	31,010	James Finlay & Co., Ltd.	1,208	Desoi Valley	262	100	30 0	22 8	10 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	—61,561	McLeod & Co., Ltd.	458	Dessai & Parbuttia ..	13½	10	1 0	1 0	Nil		12	Y.
4,50,000	2,75,000	8,03,661	1,17,960	—2,15,109	Williamson Magor & Co., Ltd.	625	Dhalakhat	13½	10	3 8	2 12	Nil		12	Y.P.
2,36,700	3,70,000	8,93,119	4,63,119	1,15,048	Williamson Magor & Co., Ltd.	669	Dhunseri	13½	10	2 0	1 8	Nil		12	Y.P.
5,60,500	4,50,000	16,38,157	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	Dibrugarh	458	10	3 0	2 0	2 0		12	Y.
10,00,000	3,65,000	18,91,120	3,67,343	—2,856	Andrew Yule & Co., Ltd.	407	Dimakusi	36½	10	4 0	3 0	2 0		12	Y.P.
3,60,000	3,00,000	7,99,692	2,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Doomdooma	42	10	2 4	2 4	2 0		12	Y.P.
3,38,000	4,00,000	12,09,149			Octavius Steel & Co., Ltd. ..	1,393	Dullaghur	33½	10	4 0	3 0	2 0		12	Y.
4,44,96,360 / 2,40,790	13,22,810	17,77,138	3,02,656	33,724	Andrew Yule & Co., Ltd.	476	Dooplajuli	15⅜ / 4	10 / B.5	1 8 / 1 8	3 0 / 1 0	1 8 / 1 0		12	Y.
2,00,000	6,50,000	8,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	1,288	Doolagooree	307N	100	25 0	17 8	Nil		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 4	0 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Shaw Wallace & Co., Ltd. ..	1,166	Kignaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil		12	P.Y.
2,40,000	80,000	5,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Ledo	94	10	2 0	Nil	Nil		12	Y.
6,50,000	1,69,133	8,53,647	87,540	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesma	5⅜	10	Nil	Nil	Nil		12	Y.P.
4,80,000	.....	8,87,549	2,033	.....	Kettlewell Bullen & Co., Ltd. ..	433	Mohnoli	400N	100	45 0	35 0	Nil		12	Y.
1,50,000	5,34,390	7,45,452	3,81,992	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	27½ / 33½	O 10 / P.O.10	3 0 / 3 8	2 0 / 2 8	2 0 / 2 8		12	Y.
O. 50,000 / P.O.2,00,000	3,65,000	8,80,913	4,99,415		S.C. Sen, Esq., Supervising Director	540	Naga Hills	16½	10	2 8	2 4	Nil		12	Y.
4,00,000	3,41,211	5,78,550	3,61,800	20,242	Shaw Wallace & Co., Ltd.	810	Nambarnadi	9	10	1 0	Nil	Nil		12	Y.
5,35,000	.....	3,92,221	1,97,159	20,602	Duncan Bros. & Co., Ltd.	935	New Cinnatollah ..	75N	100	Nil	Nil	Nil		12	Y.
3,00,000	4,77,500	6,23,984	2,48,752	59,392	James Finlay & Co., Ltd.	513	New Terai	27	10	1 0	0 12	Nil		12	Y.
2,00,000	2,82,640	10,86,022	2,86,202	59,392	Octavius Steel & Co., Ltd.	495	Nitolian	13½	10	1 0	1 0	Nil		12	Y.
3,00,000	6,55,000	9,60,684	1,63,010	63,374	Gillanders Arbuthnot & Co., Ltd.	504	Nitolian	23½	10	3 0	1 8	0 12		12	Y.
3,98,000	5,40,127	7,23,258	1,63,010	12,076	Shaw Wallace & Co., Ltd.	2,115	Nonoi	21	10	3 8	0 12	Nil		12	Y.
4,00,000	9,44,803	12,40,671	1,79,471	1,09,260	McLeod & Co., Ltd.	1,050	Nonoi	25½	10	2 8	2 0	Nil		12	Y.
15,86,310	9,44,803	20,41,253	7,88,563	—37,349			Tyroon								
3,20,000	9,50,000														
SACHAR															
3,00,000	1,75,000	5,00,750	1,69,181	—4,74,430	Gillanders Arbuthnot & Co., Ltd.	862	Arcutlipore	4	10	Nil	Nil	Nil		12	Y.
7,00,000	.....	7,80,032	44,842	—4,90,718	Octavius Steel & Co., Ltd. ..	577	Eastern Cachar ..	42½	10	6 0	5 0			12	Y.
4,50,000	1,67,837	2,97,260	7,468	—1,76,871	Bullion Co., Ltd.	599	Kallougger and Khoreal ..	55N	100	6 0	5 0			12	Y.
3,60,000	.....	3,59,567	1,19,567	—2,84,896	Duncan Bros. & Co., Ltd.	1,344	Kunchungore	6½	10	1 0

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	15½	10	½+½	1+½	1+1	1½	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,196	Sahu Jain Ltd.	498	Albion	195	100	4+10	15+15	8+10	15	3, 11	H.P.
4,00,000	3,35,000	50,14,068	30,69,557	—59,045	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	Nil	Nil	Nil	6, 12	H.P.T.
80,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	164	100	Nil	Nil	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	200	100	Nil	10+10	10+15	7½+5	3, 9	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+5	5+4	2+2	3, 9	H.P.T.
20,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson Ltd.	959	Bally	157	100	6+6	6+1	Nil	4+Nil	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,890	Barnagore	144	£5	£1	£1	£1	£1	3	H.P.
28,00,000	35,49,823	88,18,148	48,06,254	62,117	Andrew Yule & Co., Ltd.	820	Belvedere	205	100	7+10	12½+15	7½+7½	7½	6, 12	H.P.
22,50,000	55,95,000	64,20,523	24,75,646	4,28,270	Soorajmull Nagarmull	600	Bengal	13½	10	1½	3	1		6, 12	H.
80,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14	10	£1	£1	£1	£1	6, 12	Y.P.T.
36,00,000	29,72,925	1,08,11,310	70,70,743	27,143	Andrew Yule & Co., Ltd.	991	Budge-Budge	150	100	3+10	10+12	6½+6½	6f	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	202	Calcutta Jute Mfg.	141N	10	4½	1+1	0+8		6, 12	H.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	166	100	4+10	10+12	6+6	6f	6, 12	H.P.T.
59,16,400	1,05,23,478	1,65,18,400	1,07,44,959	1,15,030	James Finlay & Co., Ltd.	1,400	Champdany	141	100	3+5	5+7	7+8	3f	3, 9	H.
15,95,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	330	Cheviot	224	100	6+10	10+12	8+6	6f	3, 11	H.P.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	11½	10	½+½	1½+4½	2½+1½	1½	6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,440	18,647	Shree Krishna Investment Co., Ltd.	569	Clive	23½	10	1½	3½	2	Nil	3	Y.P.
31,49,200	61,69,975	1,28,92,451	61,83,266	25,834	Bird & Co., Ltd.	766	Dalhousie	140	100	1+3	3+6	6+1	1+3	3, 9	H.
28,00,000	44,74,179	73,79,359	45,61,779	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	221	100	5+12½	15+17½	10+10	10f	5, 11	H.P.
15,00,000	32,50,000	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	500	Empire	20½	10	1+1	1½+1½	4+4	1f	6, 12	H.T.P.
34,50,877	54,39,877	2,65,42,444	1,77,44,559	3,971	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	436	100	2+20	12½+12½	10	Nil	6, 12	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	326	100	Nil	Nil	Nil	Nil+5	3, 9	H.P.T.
84,32,100	2,81,692	2,09,97,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	68	100	Nil	3f	2½+2½	Nil	Nil+Nil	H.P.
10,80,000	29,41,794	68,12,340	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700	300	4½	5½	30	Nil	3, 9	Y.
24,00,000	29,-5,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gouripore	269xd	100	2½+15	10+10	12½	Nil+3½	3, 9	H.P.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100N	100	10	7	10	10	3	Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	29½	10	1½	3½	1½	1½	3	Y.P.
65,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	24½	10	½+½	½+½	1½+½	½+½	3, 9	H.P.
40,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Rajmudri Ramkissendas	2,272	Hukumchand	40½	10	2½	3	3	3	3	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	121	O. 125	3½+9½	3½+1½	3½+3½	3½f	3	
D. 30,000									D. 1	A 7-8 7-8	½	½	½+½		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	181	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
'B' 19,20,000								176	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarah	140	100	Nil	5+7½	6+4	5f	6, 12	H.P.
'B' 24,00,000								136	'B' 100	5+7½	7½+7½	6+4	5f		
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	230	100	10+10	12½+2½	7½+7½	7½f	6, 12	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	190xd	100	Nil	15	10+6	10+15	3, 9	H.P.
48,00,000	98,02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	200	100	14+4	10+9	10+7	7+5	3, 9	H.P.T.
24,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	130	100	2+10	11+8	7+3	2+5	3, 9	H.P.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	154	100	5+9	12½+12½	8+4	5+3	3, 9	H.P.
10,00,000	36,51,301	50,54,108	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	295	100	5+10	15+17½	15+15	15f	5, 11	H.P.
81,65,200	25,15,448	1,93,98,406	1,16,00,448	2,9 020	Mackinnon Mackenzie & Co. ..	1,008	Magna	104	100	2½+6½	2½+1½	2½+2½	2½f	3, 9	H.
19,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	230	100	Nil	10+4	6	Nil	3, 9	H.
20,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12	10	½+½	½+½	½+½	Nil+	4, 10	H.T.
35,00,000	44,27,437	27,38,552	8,93,551	1,81,832	Andrew Yule & Co., Ltd.	852	National	24½	10	1+1	1+1½	1+1	1f	4, 10	H.P.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	316	Neilimaria Jute	11½	10	1½+1½	2½+5	2+1½	1f	6, 12	H.P.T.
10,50,000	49 78.375	48 94 020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	295	100	4+10	15+15	10+12	12f	6, 12	H.
16,79,880	48,96,093	1,22,95,504	56,02,789	39,494	Bird & Co., Ltd.	567	Northbrook	19½	10	Nil	Nil	1+½	½+½	3, 9	H.P.T.
66,79,500	33,26,497	2,13,29,378	1,36,90,475	67,545	Macneill & Barry Ltd.	1,092	Nuddea	45½	50	Nil	1½	1½+1½	Nil	6, 12	H.
84,91,000	26,56,049	70,68,289	48,27,892	1,05,356	Andrew Yule & Co., Ltd.	601	Orient	174	100	4+10	12+12	1+6	6f	5, 11	H.P.
25,00,000	4,41,364	80,71,921	61,33,411	—1,80,148	McLeod & Co., Ltd.	400	Prasidency	5½	Nil	Nil	Nil	Nil	Nil	6, 12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Macneill & Barry Ltd.	305	Rameshwara	5½	10	Nil	½	Nil	Nil	3, 9	H.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	15	10	Nil	Nil	Nil	Nil	3, 9	H.P.T.
£600,000	£1,102,6619	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13	£1	10%	10%	10%		3, 9	H.P.T.
30 00 000	13,07,220	97,20,210	59,19,652	6,05,669	Begaria More & Co., Ltd.	911	Shree Ambica	14	10	Nil	Nil	Nil		12	Y.P.
£4,00,000	7,74 812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	½	½	Nil		12	Y.P.
25,19,000	46,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd	650	Standard	118	100	3+6	9+8	8+1	1+1	3, 9	H.P.
£600,000	£844,927;	£940,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13	£1	10%	10%	10%		12	Y.P.
25,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	171	100	1+7	12½+11	10+1	1+4	3, 9	H.P.T.
£600,000	£387,184	£1,089,9175		£119,308	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	12½	£1	10%	10%	10%		3, 9	Y.P.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil 1/40	1/40 Nil	Nil	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	19⅜	10	1+1	1+½	½+½	½f	3, 9	H.
12,00,000	8,42,703	37,55,383	34,23,643	58,826	Jardine Henderson Ltd.	Barakar Coke	19	10	½+½	½+½	½+½	As 11½f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhadee	7N	10	½+½	½+½	½+½	½	6, 12	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	507‡	200	17½+17½	17½+17½	20+20	17½f	6, 12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	12⅜	10	1½+½	½+½	½+½	Nil	4, 10	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	24,559	H. V. Low & Co., Ltd.	Bhaigora	11½	10	½	½+½	½+½	Nil	6, 12	H.P.
69,99,953	13,81,010	1,17,79,347	56,69,702	23,814	Sahu Jain Ltd.	Bharat Collieries	6½	10	½	½	½	½	9	Y.
7,15,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14§	10	½+½	½	½	Nil	6	Y.T.P.
14,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	7 6/8	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	28§	10	1½	1½	1		6, 12	H.T.
90,92,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	8§	10	1+1	1½+1½	1½+1½	1½	6, 12	H.P.
49 97 000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6§	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14‡N	10	½+½	½+½	½+½	½	3	Y.
6,00,000	1,41,587	7,50,000k		19,867	F. W. Heilgers & Co., Ltd. ..	Churia	2⅜	4	½+½	½+½	Nil	Nil	6, 12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	8§	10	½+½	½+½	½+½	½f	6, 12	H.
£240,000	£332,101	£224 840	£9,002	28,042	Jardine Henderson Ltd.	East Indian	25½	£1	5	5	2½ (i)	Nil	6, 12	H.
89,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	31⅜	10	2½+2½	2½+2½	2½+1½	2½	4	Y.
10,00,000	2,62,255	8,41,728	2,33,983	66,805	Bhatter's Agency Ltd.	Chunck and Mudia	13⅝N	10	6+10	10+12	8+6	6f	6, 12	H.P.
12,00,000	1,57 000	35,64,154	17,61,189	1,843	Kilkick Industries Ltd.	Hingir-Rampur	38	50	3	3	4	3	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	13§	10	½+½	½+½	½+½	3	6	Y.P.
22,00,000	1,08,577	31 70,015	10,56,249	—1,95,248	Jogta Coal	Jogta Coal	2⅜	10	Nil	Nil	Nil	½f	6, 12	H.
3,50,000	5,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	40‡N	10	1½+1½	1½+1½	1½+1½	1½+1	12	Y.P.
20,00,000	....	25,62,791	1,50,646	1,338	Bird & Co., Ltd.	Karanpura Collieries	80	100	Nil	Nil	Nil	1½+1	2, 8	H.
5,00,000	12,00,000	42 94 951	33,08,631	77,361‡	Andrew Yule & Co., Ltd.	Katras Jherriah	40½	10	1½+1½	Nil	Nil	Nil	2	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berwala & Co.	Khas Kajora	73N	10	1½+1½	1½+1½	2+2	2+2	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuasi	6§	10	½+½	½			6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	10½N	10	3½	½	½		6	Y.
7,48,240	1,50 000	11,24 142	8,84 138	20,398		Nasra	6§	10	½+½	½	½		4	Y.
17,76,230	19,72,000	1,17,02,211	81,01,381	73,764	Andrew Yule & Co., Ltd.	New Beerbhoom	16⅜	10	½+½	½+½	½+½	½+½	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	11⅛	10	3/10x3/10	Nil	Nil	½	4, 10	H.P.
1,15,000	3,38,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	North West	123N	10	½+½	½+½	Nil	Nil	3, 9	H.
1,57,500							8N	7½	½+½	½+½	½+½	½f		
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	19§	10	1½+1½	1½+1½	½+½	½f	3, 9	H.
20,00,000	1,10 000	35,60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	11‡N	10	1	1+1	1+1	1f	6, 12	H.P.
2,34,000	83 594	17,23,582	6,27,675	15,769	Deepchand Kishenlall	Parasea	3§	10	Nil	Nil	Nil		12	Y.T.
15,75,000	8,75 000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd.	Pench Valley	23§	10	Nil	Nil	Nil		6, 12	H.P.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	11§	10	½+½	½+½	½+½		6, 12	H.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	24§	10	Nil	½	½		3, 9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jajpuria Sons Ltd.	Samla Collieries	7§	10	½+½	½+½	½+1	1f	6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,496	Gillanders Arbuthnot & Co., Ltd.	Sarisatolli	8‡N	10	½+½	½+½	½+½		6, 12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	5⅛	7	½	½	½		6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	9N	10	2½+2	2+2	2+1	1f	1	Y.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6§	10	½+½	Nil	Nil	Nil	6, 12	H.P. H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	19§	10	½+½	½	½	½	12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	20§	10	½+½	½+½	½+½	½+½	2, 8	H.
10,00,000	12,950	30,13,423	15,43,501	—3,64,336	Villiers Ltd.	Talcher	3⅛	2½	Nil	Nil	½+1	1f	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd. ..	Union	22½xd	10	1½+1½	1½+1½	1½f		9	Y.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	5⅛	10	½	½			6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	18⅜	10	½+½	½+½	Nil	Nil	3	H.
													6, 12	H.

* Including bonus. ‡ Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 196 in the debentures section:—

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

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

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

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1960.

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

INDO-JAPANESE CO-OPERATION IN TRADE AND INDUSTRY

(*Concluded from page 219*)

trialists appreciate the fact that it is imperative for the Japanese economy that export trade must be developed very considerably and they are trying their best to devise means to make the prices of their products competitive. Meanwhile, they seem willing to take special steps to meet competition in individual transactions. Indian development calls for continued import of many types of machinery at present not made in the country. Obviously, however, no great expansion of export trade in this direction will be possible, unless prices become favourable. To this end, they are seriously endeavouring to get over the present political difficulties of importing some of their raw materials at lower cost than is the case at present from nearby China, instead of distant U.S.A., making fuller and better use of indigenous raw materials, including development and use of Hydro power and rationalisation and modernisation of their industry. Some other important steps being taken are that the Export-Import Bank of Japan is advancing loans to industries at low rates of interest for export orders and Government is permitting import of essential raw materials like copper in bond free of duty for export orders.

It is to be noted that, despite the great progress in industrialisation which Japan has achieved, it has found it necessary to conclude many Technical Assistance agreements with foreign countries. By the end of 1952, it had concluded 211 such agreements with foreign firms. The machinery manufacturing industry, especially its electrical power plant and equipment, automobiles and aircraft branches, leads in the number of these contracts. The chemical industry is the next. This is obviously due to the great strides recently made in both these fields in Europe and the U.S.A.

Emulate Japan

We must emulate Japan in the matter of machinery industry and take steps to ensure that we make at the earliest possible time all our key requirements like heavy power plant and industrial machinery of various categories and road, rail, water and air transport machinery, as well as various types of defence equipment. For this purpose, production of steel, aluminium, etc., must be stepped up quickly and new metals like titanium must be produced in the country. In the new projected steel works of the Government of India, we must make different and special kinds of steel to meet the needs of our various engineering industries. In order to hasten production of our essential requirements, we should, like Japan, enter, where necessary, into technical know-how arrangements with foreign manufacturers in various fields in Europe, U.S.A., as well as, where suitable, in Japan. After prolonged negotiations, Government has recently entered into an agreement with German interests for the establishment of a new steel works to produce 500,000 tons a year to begin with. This new production and extensions under way by the existing steel works will still leave us in appreciable short supply of steel.

According to newspaper reports, Government has just concluded a technical agreement with a foreign firm for the manufacture of heavy power plant in India at a capital cost of Rs. 7 crores. The proposals for a heavy power plant had been submitted to the Government some five or six years back and a committee was appointed by it to examine these proposals. As a result of this, two U.S. and one British firm sent out technical missions which made detailed surveys and each of them submitted an elaborate project report. On the basis of these, the Committee carried out negotiations with the concerned foreign firms and recommended, some three years back, a technical tie up with one of them. The investment was estimated to be of the order of Rs. 20 crores. No action was taken then, and, meanwhile, many crores worth of heavy plant which could have been made in India by the projected factory has had to be ordered from abroad.

Proposed Power Plant Scheme

The report that Government has reopened negotiations and has at last entered into an agreement for a Rs. 7-crore project with a German firm is heartening but one wonders as to what can be done these days with the relatively meagre capital of Rs. 7 crores. Japan has some six or more heavy power plant manufacturing works and supplies more or less all its own needs. Our reported seven-crore scheme, the first of its kind in India, cannot meet anything like our requirements of heavy power plant. We will unfortunately, therefore, still need to continue to import much of our heavy plant requirements even after the projected factory goes into production. We must lay much greater stress and attach much greater importance and urgency to engineering industries than is the case at present. For, we cannot industrialise our country rapidly or satisfactorily nor defend our independence, unless we have a flourishing engineering industry which is capable of supplying the bulk, if not all, of our needs of industrial machinery, as well as transportation and defence equipment.

As in Japan, Government and various financial institutions must make it possible for private enterprise to do its part in the great and important task of making India prosperous and strong. Japan has, as stated earlier, made sufficient progress in machinery industry to be able to meet practically all its own requirements. There are certain types of machinery and consumer goods in the manufacture of which it will, I believe, be advantageous for Indian industrialists to arrange for technical assistance contracts in Japan. Industrialists in that country are willing to co-operate with Indian industrialists in this direction.

Japanese Willing To Assist

Apart from providing the know-how, they seem willing, in some cases, to participate in financing the industries in question. The Export-Import Bank of Japan would appear to be willing to advance long-term loans, at reasonably low rates of interest to acceptable Japanese industrialists to enable them to do this.

Much interest is being taken, both in India and Japan, in Indo-Japanese trade and possible Japanese assistance in the development of certain classes of industries in India. A large number of Indians has been recently visiting Japan and likewise quite a number of Japanese business people and industrialists have paid visits to India. These personal contacts will, I am sure, lead to an understanding of each other's needs and difficulties and pave the way for development of export and import trade and co-operation in the matter of establishment of some new industries in India. My recent visit to Japan has convinced me that there is a large area in both spheres of trade and industry wherein Indo-Japanese co-operation will be mutually advantageous.

TAX MUSINGS

(*Concluded from page 207*)

enactment will be frustrated. It would almost neutralise the exemption given to a resident under section 14(2) (c) by taking it away under section 42(1). This will not achieve the purpose the Government had in view.

But the question is, if they so intended to exempt ordinarily resident, then nothing was simpler than deleting reference to section 42 in section 14(2) (c). This argument seems plausible, but the obvious reply is that they cannot do so, for we have seen that the resident status may be either that of "ordinarily resident" or "not ordinarily resident

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,90,500	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,58,000				191	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
83,59,000				59	50	3 0	3 0	3 0	1 8(i)		
1,90,40,800	1,28,00,000	2,38,382	Bank of Baroda	107	100	6 0‡	6 0‡	6 0	6 0	12	Y.
76,00,068	14,00,000	8,667	Bank of Bikaner	12½	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,12,00,000	6,36,553	Bank of India	134½	20	7 0	7 0	7 0	7 0	6.12	R.L.Y.
12,38,373	24,00,000	63,200	Bank of Indore	60¾	25	3 0‡	3 0	3 0	1 8(i)	12	Y.
80,00,000	15,00,000	35,324	Bank of Jaipur	19½	20	1 8	1 8	1 8		12	Y.
80,00,000	84,00,000	2,44,434	Bank of Mysore	290xd	100	16 0‡	16 0‡	16 0‡	8 0(i)	12	Y.
59,99,150	81,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8‡	2 8	2 8	2 8	6	Y.P.T.
18,00,000	16,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
7,50,000	18,00,000	9,244	Canara Banking Corporation Ltd.	85	20	3 0‡	5 0‡	5 0		12	Y.P.
£42,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	58½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
£8,42,375 'A'				62½	25	3 8	3 8	3 8	3 0		
80,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	20	2 0	2 0	2 0	2 0	12	Y.
1,00,00,000	1,00,00,000	18,10,825	Habib Bank (P)	88¾	10	2 0	4 0	4 0		12	Y.
£25,00,000	16,20,000	10,609	Hindustan Commercial Bank	18	20	—	—	—		12	Y.
80,00,000	1,30,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,00,395	†Hyderabad State Bank	105N	100	6 0‡	6 0‡	5 0	5 0	9	Y.
5,75,00,000	1,81,00,000	37,39,076	Imperial Bank of India	1,810xd	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000	6,25,00,000			442½xd	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				166½	100	12 0‡	12 0‡	12 0‡	6 0(i)		
16,00,000	72,50,000	1,04,201	Indian Bank	138	50	10 3½	10 3½	10 3½	5 13 3(i)	6.12	R.L.H.
15,40,000				98½	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,59,425	19,00,000	1,89,917	Indian Overseas Bank	95	100	5 0‡	6 0	6 0		12	R.L.H.
6,25,000				73	100(A)	5 0	5 0	5 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				39	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	21	25	1 0	1 0	1 0	1 0(i)	12	Y.
1,00,00,000	17,50,000	37,630	Travancore Bank	12½	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	5	5	0 5‡	0 5‡	0 5‡	0 5‡	12	Y.
6,00,00,000	75,00,000	1,01,119	United Commercial Bank	42	50	2 0	2 0	2 0	2 0	12	M

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-0	£5	14‡	14‡	16‡	7‡	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7‡	9‡	7‡	3‡	12	R.L.Y.
$.20,820,000,000	$.8,96,000,000	$.89,469,174	Hongkong and Shanghai Banking Corporation	$97½	H.K. $125	5*	5*	5*	2*(i)	12	Y.
£14,372,956	£14,000,000	£418,242	Lloyds Bank	£2-19-9	£1	12½	12½	12 ‡		12	R.L.Y.
£1,437,296				£1-7-0		12½	—	5 ‡		12	
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£24‡	A £125	12½	12½	14‡	7½(i)	12	R.L.Y.
£375,000				£24‡	B £125	12	12½	14‡	7½(i)		
£300,000				£10	C £5	12½	12½	14‡	7½(i)		
£8,281,250	£3,675,000	£323,703	National Bank of India	£33‡	£125	16‡	16‡	16‡	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency ††U.S. Currency (i) Interim. *6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	18th February .. 1960(f)
9,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Kesvigeon Sugar	103	27th December .. 1952-62
10,00,000	6	1st May and 1st November	Kesvigeon Sugar (New)	91	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Wakbadnagar Industries	105	1st April 1956-61
93,00,000	4½	1st May and 1st November	Wakbadnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Bauxun Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic ..	1952	100½	1st January 1967-72
13,68,000	5½		Jaipore Textiles	1949	78N	1st January 1956-59
40,00,000	5	1st June	Tata Mills.		101	 1966-71
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1938	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		102½	14th June 1966
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1948	100‡	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964
2,35,97,200	3	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January 1970
15,00,000	6	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1950	86	31st December .. 1964
25,00,000	6	1st January and 1st July	Bihar (Dhurbish) Electric Supply Co., Ltd.	1951	96	30th June 1976
7,56,200	3½	1st January and 1st July ..	South Madras Electric Supply	1948	97	 1957-61
15,00,000	4½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October .. 1954
1,00,000	3	1st January and 1st July ..	South Madras Electric Supply		94½	 1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply		94	1st July 1957-67
47,92,000	4	1st April and 1st October ..	Tata Power	1940	100½	15th September .. 1951-55(i)
2,50,000	4	1st April and 1st October ..	Tata Power		93½	15th September .. 1965-70
ENGINEERING						
5,00,000	3½	30th June and 31st December	Britannia Engineering	1942	98	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Piston Pipe (2nd mortgage)	1942	102	1st July 1957-62
41,183,400	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	£96	31st December .. 1946(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd. ..	1946	88	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95	31st December .. 1960
JUTE						
12,00,000	4½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1938	98	30th June .. .. 1954(A)
80,00,000	5	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December .. 1966
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June 1955
10,00,000	6	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	98	30th June 1960
5,00,000	6	31st January and 31st July ..	Calcutta	1949	91	31st July .. .. 1959(e)
10,49,000	5	30th June and 31st December	Chitavalah Jute Mills	1951	97	30th June 1966
8,66,000	5	30th June and 31st December	Empire	1951	95	15th July 1966
25,00,000	5½	1st January and 1st July ..	Hukumchand	1947	92½	30th June 1957
23,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1951	98	31st March .. 1965
5,00,000	5½	31st March and 30th September	Nasharpore Jute Mills Co., Ltd.	1947	98½N	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	91	14th May 1956
20,00,000	4	30th June and 31st December	Northcote Jute Co., Ltd	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1945	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	3th September .. 1958
8,00,000	4½	14th March and 14th September	Scottish Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June .. .. 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	1925	84	31st July .. .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway	1938	86	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£60‡N	At 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October ..	Katakhal-Lalabazar Railway	1933	£77‡N	1st October .. 1974
6,50,000	5½	30th June and 31st December		1945	90½	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		97	1st September .. 1963
PLANTING						
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102-9 3/5	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April 1954-56
4,61,000	5½	30th June	Ouchterlony		104	30th June 1954-59
9,00,000	5	31st March & 30th September	Periakaramalai		100½	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Tenkey		100	31st March .. 1949-59
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd. ..	1946	101	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	98	31st December .. 1965
86,80,000	4½	1st April and 1st October ..	Associated Hotels of India	1948	86	31st December .. 1962
4,00,000	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June .. .. 1957(H)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1913	92	1st February .. 1964
81,35,000	4½	1st July and 1st January ..	Clive Buildings	1936	91½	1st July 1964
80,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September .. 1960
80,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	75‡	 1960
1,00,00,000	5	1st January and 1st July ..	Dunlop Rubber	1950	102‡	1st January 1971
1,30,00,000	5	15th March and 15th September	Metur Chemical Industries	1949	98	 1964
80,00,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September .. 1976
39,57,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410 (per note)	31st December .. 1972
45 00 000	4				90N	
75 00 000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	1st April 1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	96	31st March .. 1961
1 00 00 000	4	30th June and 31st December	Robtas Industries Ltd.	1946	67½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	103‡	1st May 1968

Note—See page 238 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th February, 1954.

	Closing quotation on 28-1-'54	High	Low	Closing quotations 4-2-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154‡	155	154‡	154‡
Bank of Baroda (50)	107‡	107‡	107	107
Central (25)	59‡	59‡	58‡	58‡
Central 'A' (25)	61	62‡	61‡	62‡
Imperial (F.Pd.) (500)	1,792‡	1,810	1,791‡	1,810
Imperial (F.Pd.) (125)	435	442‡	435	440
Union Bank (5)	6‡	8‡	6‡	6‡
United Com. (50)	41‡	42‡	41‡	41‡
COTTON MILLS				
Ahm. Adv. (100)	147‡	—	—	147‡
Apollo (2)	2‡	—	2–13‡	2–11‡
Bombay Dyeing (250)	418‡	436‡	416‡	422‡
Central India (100)	190	194	186‡	185
Century Mills (100)	302‡	308‡	298‡	299
Colaba (100)	65	—	—	65
Edward Textile (200)	267‡	—	—	267‡
Elphinstone (50)	42	43	41	41‡
Finlay (100)	274	279	271‡	274
Gokak (100)	255‡	258	253	253
Ind. Unid. Defd. (1)	1‡	1‡	—	1–1‡
Ind. Unid. Ord. (10)	11‡	11–13‡	11‡	11‡
Indore Malwa (100)	—	102‡	98‡	98‡
Khatau (100)	195	215‡	194‡	214‡
Kohinoor (100)	196‡	326‡	315	316‡
Madhusudan (100)	380	397‡	380	396‡
B. R. Cotton Mills (100)	91	—	—	91
Minerva Mills (100)	49‡	50	—	49‡
Model Nagpur (250)	101	103‡	101	101
Morarji (100)	140	141‡	135	140
Mysore (50)	198‡	—	—	198‡
New City (100)	161‡	165	161‡	163
New Great (100)	174‡	—	—	180‡
New Union (10)	176	176	167	167
Phenix (100)	26‡	26‡	26‡	26‡
Podar Mills (100)	127‡	133‡	130	134‡
Seaman Mills (10)	138‡	140	137‡	137‡
Seaman Spg. (10)	19‡	19‡	19‡	19‡
Shahpur (1,000)	34	32	30‡	32
Shrinivas (100)	1,600	1,750	1,725	1,750
Simplex (50)	175	—	—	175
Standard (100)	157	159	153	154
Sydenham (100)	327‡	331‡	322‡	322‡
Swan (100)	286	288	281	282‡
Tata Mfg. (25)	340	351‡	337‡	346‡
Vishan (100)	54	54	51‡	52
Western India (1,000)	1,550	153‡	152‡	153‡
		—	—	3,350
ELECTRIC COS.				
Ahmedabad (100)	113‡	115	113‡	114‡
Amalgamated (10)	9‡	—	—	10‡
Andhra Valley (1,000)	1,262‡	1,275‡	1,225‡	1,262‡
Bom. Suh-Bl. (100)	122‡	122‡	121‡	122‡
Surat (100)	130	131‡	130	131‡
Tata Hydro (100)	136‡	138	130	131‡
Tata Power (1,000)	1,376	1,390	1,365	1,380
INSURANCE COS.				
British India (10)	13–5‡	—	—	—
Empire of India (100)	625	640	625	635‡
Ind. Mercantile (20	38	—	—	640
Jupiter (14)	7‡	—	—	—
New India (15)	40‡	40‡	39‡	39‡
Oriental (200)	7,235	7,235	7,075	40
Universal (10)	9‡	9‡	9‡	7,065
Vulcan (10)	11‡	11‡	11‡	9‡
				11‡
STEAMER COS.				
Scindia (15)	16‡	17‡	16‡	17–1‡
STEEL COS.				
Ind. Iron (10)	28–0‡	28‡	27–12‡	28‡
Tata Steel Defd. (30)	2,108‡	2,136‡	2,093‡	2,101‡
Tata Steel Ord. (75)	360	364‡	356‡	357‡
MISCELLANEOUS				
Alcock Ashdown (100)	333‡	346‡	331‡	341‡
Associated Cin. (100)	176	179	175‡	176‡
Belapur Sugar (5)	256	260	256‡	256‡
Bom. Burmah (125)	388‡	397‡	383‡	385
Do. (New) (50)	142‡	143‡	141‡	141‡
Br. B. Petrol (4 sh.)	2–13‡	—	2–12‡	3–1‡
Br. I. Corpn. (5)	8–15‡	9‡	—	9
Indian Copper (4 sh.)	2–15‡	5–4‡	2–13‡	5–1‡
Ind. Inv. Tr. (100)	77‡	—	—	—
Kemp (200)	265	—	—	764
Killick's (100)	157‡	160‡	157‡	265‡
Killick's (75)	126‡	—	—	160‡
National Rayons (100)	149‡	152	147‡	126‡
Phallon Sugar (50)	102‡	112	109‡	147‡
Port Canning (100)	25	25	24	110
Premier Con. (50)	118‡	119‡	114‡	24‡
Rallis Agro (10)	72	72‡	71‡	114‡
Tata Chemicals (10	11‡	11–14‡	11‡	72
Tata Oil (25)	36‡	36‡	35	11‡
Walchand Ind. (100	177‡	182‡	174‡	35
W. I. Match (100)	206‡	207‡	204‡	178‡
				207‡

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs
2½% 1954	99	3.48	—	99
2½% 1955	98‡	3.47	—	98‡
2½% 1961	90‡	3.47	—	90‡
2½% 1960	93	3.87	—	93
2½% 1962	91	3.88	—	91
2½% 1974	82‡	3.96	—	82‡
3% 1957	98‡	3.47	—	98‡
3% 1958	98‡	3.45	—	98‡
3% 1959-61	96‡	3.38	3.77	96‡
3% 1964	92‡	3.87	—	92‡
3% 1963-65	92‡	3.81	—	92‡
3% 1966-68	90‡	3.88	3.93	90‡
3% 1970-75	86‡	3.93	3.98	90‡
3 % 1986 Con. Loan	82‡	3.64*	4.12	86‡
3½% 1954-59*	100‡	3.43	3.72	82‡
4% 1960-70	101‡	3.85	3.68	100‡
4½% 1958-68	102‡	4.02	3.76	101‡
4½% 1958-68*	105	4.04	3.27	102‡
3½% 1961 N.P. Bonds	98‡	3.67	—	103
				98‡

BRITISH GOVERNMENT SECURITIES

	27-1-'54 £	High £	Low £	2-2-'54 £
3½% Brit. Consols	64‡	64	63‡	63‡
3 % Savings Bonds 1965-75	88‡	88‡	88‡	88‡
2½% War Loan 1955-59	102‡	102‡	102‡	102‡
3½% War Loan 1952	84‡	84‡	84‡	84‡
3½% Brit. Iron and Steel 1974-78	93	—	—	93‡
4 % Funding Loan 1950-90	101‡	101‡	101‡	101‡

x.d.—Ex-dividend * Rupee Counterparts.

COMMERCE

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

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I.M.F. EXPERTS ON FIVE-YEAR PLAN

A YEAR ago, when four experts of the International Monetary Fund under the leadership of Mr. E. M. Bernstein, a distinguished economist and Director of the Research Department of the Fund, visited this country on a fact-finding tour and were invited by the Government to express their views on the Five-year Plan, some were sceptical of the utility of such an examination. They felt that there was no need for it, because, in their opinion, the Plan had already been sufficiently examined by economic experts and any further analysis would be a waste of time. A few of them, in fact, felt offended, as they interpreted it to mean that it amounted to a lack of confidence on the part of the Government in the judgment of Indian economists, who had expressed themselves on the Plan in a forthright manner. The report of the Mission's findings, released early this week, conclusively proves that these critics were wrong. The Mission has, in our view, rendered a valuable service to the country, for which the latter ought to be grateful to the I.M.F. The Mission has, of course, not said anything sensational or anything new which others in this country had not observed before. Nevertheless, its report is far more forceful and convincing on a number of issues than any critic in this country has been. Of even greater value is the support it extends to that minority section in this country which has been pleading for a saner and practical approach to such issues as controls, deficit financing, foreign investment and incentives to production. The success of the present Five-year Plan, as well as the subsequent plans, depends on the correct approach to these vital questions. It is gratifying to find that the Mission has viewed them not on any doctrinaire lines but with a clear understanding of the aspirations, needs and capacity of this country today. Praise is also due to the Government of India for its thoughtfulness in inviting the I.M.F. experts to express their frank views on its Plan and for its readiness to make public the findings of these experts, even though they have exposed some of its cherished shibboleths.

Boardly speaking, the I.M.F. experts have approved of the fundamental objectives of the Five-year Plan, of the approach made in it, and of its priorities and basic assumptions. They sound even more emphatic than our planners on the imperative need for India to go ahead with the implementation of this Plan, so that the economy can be transformed from a stagnant to a progressive one. Such a transformation, it is needless to add, is absolutely essential, in view of its rising population. At the same time, the experts have sounded a note of warning against resorting to investment through inflationary methods. The keynote of their advice is "economic development with stability." In short, the Government's policy should be "bold, without being reckless."

After their preliminary remarks on general policies that should be adopted by an underdeveloped country such as India in planning for an improvement in its living standards, the experts have examined the question whether the present economic situation in India offers a suitable base on which a development programme of the magnitude of the Five-year Plan can be mounted without any serious adverse repercussions. This is no mere academic issue, for, although more than 2½ years of the period are over, the major portion of the investment contemplated in the Plan is yet to be made. Moreover, the first two years of the Plan had been relatively more easy than the remaining three would be, because, in these two years, the country had some sizable windfalls. The real difficulty of finding resources without generating inflation has commenced only now. Accordingly, the experts' views on this question are important. These are more or less similar to those which Mr. C. D. Deshmukh, our Finance Minister, has been expressing in recent months. The experts observe that the piled-up latent inflation of the past has at last disappeared, that Indian prices have been reasonably stable, and that the deficit in the balance of payments has been reduced to what can properly be met by the use of sterling balances. "With this restoration of economic stability," they remark, "the country is now in a position to undertake a larger volume of investment, without the risk of an inflation that could get out of hand." To those whose vision is blurred by the present level of prices which are four times the pre-war level, these remarks will no doubt come as a surprise. But, as the I.M.F. experts rightly argue, "the test of inflation is not whether prices are now higher than they formerly were, and certainly not whether they are higher than in the pre-war years. The test of inflation is whether aggregate demand exceeds the value of output at current prices. Inflation is indicated by prices that are rising in the present, not by prices that have risen in the past." They do not say that nothing should or could be done to redress the wrongs arising from inflation in the past, but they contend that it is not feasible to do this, as it will necessitate a serious deflation which will undoubtedly halt any progress in the country. The pre-war price levels have thus become of historic importance only and it is no use even to dream of their return. The proper base-year to be taken for judging the economic conditions in the country is 1948.

The experts' analysis of the financial estimates of the Plan has confirmed the widespread belief in this country that the investments contemplated in it are beyond the available resources of the country. The experts hold that domestic savings, private and public, cannot be expected to reach the estimates and that a large part of the foreign resources required is not assured. Active measures will, therefore, have to be taken to increase the total resources available to carry out the Plan. In the absence of additional resources, the implementation of the Plan will result in inflation. The alternative is to reduce the contemplated level of investment, but this is unthinkable, because failure to give a forward momentum to the economy of India will prove as disastrous as inflation itself. So, determined efforts must be made to secure the necessary resources, both domestic and foreign, and the problem should be attacked with renewed energy and ingenuity. "In view of the low income *per capita* prevailing in India and the modest increases that may occur, it is difficult to believe," say the experts, "that the desired savings will come about automatically." Accordingly, they urge that careful consideration must be given to policies that will stimulate saving by both business firms and individuals. They feel that, to make up a deficiency in voluntary saving, it may be necessary to rely on compulsory measures such as social security contributions, taxes, and higher prices for services of public enterprises. They have examined the feasibility of some of these measures and come to the conclusion that, given the will and political courage, there is scope for raising a sizable amount, a view which conforms to the stand taken by this journal. Considerations of space do not permit a detailed consideration of this important chapter of the experts' report, but suffice it to say that the Mission is not unrealistic in its suggestions. It is, however, regrettable that the Mission, which has been very frank in some of its criticisms of the Planning Commission's estimates, has not been equally frank enough to express its views on abolition of prohibition and reintroduction of salt duty, both of which will, in our opinion, bring a substantial revenue.

The major part of the experts' report is devoted to a discussion of deficit financing and physical controls, as opposed to controls through the monetary mechanism. Their views on these two subjects are well balanced, in refreshing contrast to the extreme opinions held by some sections in this country. The experts do not say that deficit financing is inconsistent with a sound credit policy. What they say is that it is only excessive deficit financing which is not consistent with a sound credit policy and can lead to inflation, even if it is for the purpose of undertaking development. The practical problem for the monetary authorities here is "to determine how much is proper and how much is excessive deficit financing within the framework of a sound credit policy." The experts have not clearly indicated the safe limit of deficit financing for this country, for they feel that it is not possible to fix any precise limit, as it will depend on a number of factors which vary from time to time. But, from the broad criteria mentioned by them, one can safely conclude that an annual developmental expenditure of the order of Rs. 600 crores, now contemplated by Mr. Deshmukh, will necessitate deficit financing of an order that will be inflationary, unless he succeeds in getting large foreign aid.

The chapter on "price controls, rationing and allocations" must be read and re-read not only by the whole of the Planning Commission but also by all those who blindly urge that a rigid system of physical controls is a prerequisite for the success of any planned economic development. It is impossible to summarise in a brief paragraph the impressive arguments that have been advanced by the I.M.F. experts, but their firm conclusion will be evident from the following extract:

"Price controls and rationing, in conjunction with credit expansion, do not offer a solution to the problem of inadequate resources. The controls are difficult and costly to administer. Their successful enforcement

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on a comprehensive scale and for a long period of time cannot be taken for granted and might prove impossible. The controls involve economic costs in the form of rigidities, waste, and disrupted production. If long continued, they weaken incentives to work and to supply goods in exchange for money. In the long run, the resources for development—and development is a long-run problem—must come from taxes or savings out of the current income of the people, or they must come from resources provided from abroad. The problem of inadequate resources must be faced and met. It cannot be hidden by the excessive creation of credit reinforced by controls to avoid an obvious and active inflation."

India's experience of controls in the war and post-war years, and of decontrol in the last eighteen to twenty months, clearly confirms the correctness of the stand taken by the I.M.F. experts.

The conclusion that emerges from the I.M.F. Mission's study is that India cannot afford a cut in the investments planned in the five-year programme, but it has not adequate resources to carry out these investments. Inflationary financing is dangerous, as it will ultimately bring about a fall in the moral and material standards of the Indian people, thereby defeating the very object of the Plan. The only solution is to supplement its resources through aid from those countries which are fortunate to enjoy a high degree of prosperity and can spare a part of their savings. It is as much the responsibility of these countries as of India to make this solution feasible. India has yet to make conditions favourable for inducing foreign capital to come in, while the prosperous countries on both sides of the Atlantic must do something more effective than they are doing at present. But we admit that, in the present state of political conditions in the world, one can legitimately criticise this statement as being somewhat unrealistic.

NEW ERA IN INDUSTRIAL RELATIONS?

THE decision of the Joint Consultative Board of Industry and Labour, which concluded its two-day session on 5th February at New Delhi, to reconstitute itself into a purely non-official and bipartite body, is expected to usher in a new era of industrial relations. Whether or not it will actually do so remains to be seen, considering the setback suffered by the "Giri approach" in the not distant past. Before examining this question, it is necessary to state briefly the history of the body now sought to be reconstituted. It will be recalled that the present Joint Consultative Board was brought into existence in July, 1951, on the advice of the Development Committee on Industries which itself was formed in December, 1950, on the advice of the Planning Commission. The official notification regarding the constitution of this Board was, however, not announced till as late as on 6th February, 1952. But, as its life was fixed at two years from 18th July, 1951, by the Government, the Board became *functus officio* as early as 18th July, 1953. The Board, therefore, can be stated to have met in a defunct capacity. This is, indeed, something strange.

The main purpose of reconstituting the Board is to enable it to serve effectively the original purpose of creating it, namely, to tackle problems relating to retrenchment, as a result of rationalisation and any other matter mutually agreed upon between capital and labour. The Board is expected to establish healthy conventions and create conditions for the avoidance of disputes on a fair and rational basis. Further, it is expected to take effective steps to secure implementation of agreements and conventions and help the growth of bipartite machinery at all levels, that is, at the level of individual undertakings, industry and State, not to mention the country as a whole. Another function expected of it is to offer advice and co-operation to the Government in regard to all matters concerning industrial relations.

The Government's move to reform this defunct body in such a manner as to induce co-operation between workers and management through mutual discussion and understanding is a welcome one. It is also significant, in that it shows that the Government is still keen on pursuing the philosophy underlining the famous "Giri approach." It is gratifying to find that even Mr. Shantilal H. Shah, Bombay Minister for Labour, who was once strongly opposed to this approach, now admits that the right method of settling industrial disputes is conciliation and not running to industrial courts every now and then. Expressing this view in the course of a speech at Pachora (East Khandesh) last week, Mr. Shah declared that labourers and employers should sit round the table and settle their disputes by mutual discussion and that the help of industrial courts should be sought only in the last resort, after all means of amicable settlement had failed.

While this change in official attitude is commendable, it is advisable not to be too optimistic about the success of the new move. At the Conference referred to above, labour was opposed at the very outset to the constitution of the bipartite machinery, on the ground that it was a weaker party and, therefore, its bargaining power was not sufficient to make itself felt on the machinery. It, therefore, favoured the participation of the Government in the machinery. It was, however, only on the advice of Mr. Gulzarilal Nanda, Minister for Planning, who is the real author of the "Giri approach," that labour agreed to the reconstitution of the Board on a bipartite and non-official basis. Thus, labour has accepted this move only reluctantly. Nevertheless, the fact remains that it has agreed to come in and for this, considerable credit goes to Mr. Nanda. Apparently, he has succeeded where Mr. Giri had failed.

The success of the bipartite machinery depends not only on the sincerity of purpose of all those participating in it but also on the strict observance of neutrality by the Government. It should not intervene in employer-employee disputes, unless there is a national emergency or a serious threat to peace, or severe inconvenience to consumers. This is an essential prerequisite, because, so long as either party to the dispute is under the impression that it can get the scales tipped in its favour through the support of the Government, there will be no inclination on its part to settle disputes through mutual negotiations and voluntary conciliation.

Another basic condition for the success of a bipartite machinery is the realisation among workers and management that their interests are identical. They must remember that labour and capital are not irreconcilables, but part and parcel of a living organism and that the one without the other is like a horse without a chariot. There should be a spirit of give and take born of the realisation that maintenance of peaceful industrial relations is not a one-way street: the responsibility does not rest on the employer alone, but also on labour which must be as ready to give as it is ready to take. While employers must bear in mind that, if workers are to be efficient and devoted, they need to be assured of freedom from want, the employees must not forget that, if their share in the earnings of an undertaking is to be large, then they will have to help their employers to earn large profits and that "wealth can be created only by the sweat of one's brow and not by the strength of one's clamour." Failure to realise these fundamental requisites for a healthy employer-employee relationship will render the bipartite body a useless machinery and increase the dependence on the machinery of adjudication, which everybody admits is detrimental to such relationship.

AMERICA ON FREE TRADE AND FREE CURRENCIES

THE Randall Commission's Report to the U.S. President on liberalisation of trade and currencies, more details of which are now available, adds yet another to the list of documents advocating bringing America into a regime of free trade with other countries, which will assist them in turn to make their own currencies convertible. Unfortunately, the only material recommendation of the Commission which has secured unanimous approval by its members concerns the desirability of sterling convertibility and the cautious steps which the sterling area might make to that end. All the other recommendations of the Commission are hedged round with reservations or dissents of one or more members and look as if they are likely to have little chance of acceptance, if they are put before the House and Senate Committees which would have to approve any legislation embodying them. The Chairman of the Senate Finance Committee, for instance, dissents from all the provisions concerning liberalising American import policy and the Congress is likely to follow his lead. The only refreshing factor is the unexpected approval given by the Trade Unions' representative on the Commission towards a freer American import policy, since the American Trade Unions have traditionally been highly protectionist.

The Report contains a factual survey of the dollar problem which shows the illusory nature of the present surplus being earned by the non-dollar world. In 1953, American military and stock-piling expenditure provided the non-dollar world with $3,000 million, to which economic aid added a further $2,000 million, making a total of U.S. special expenditure of $5,000 million. Over the same year, the non-dollar world increased its gold and dollar resources by over $2,000 million, so that the normal deficit on trade account of the non-dollar world with the dollar world would appear to be somewhat less than $3,000 million. Yet there is no doubt that this special American expenditure will rapidly come to an end and the Commission recommends that it should. What then is to be put in its place, if the dollar and the non-dollar worlds are to trade in balance? The Commission's Chairman attempted to answer this question in a liberal manner—but, in deference to many of his colleagues, accepted less sweeping recommendations than he would otherwise put forward—however, without success, and he might as well have worded his report more forthrightly. Somehow or other, foreign nations must either receive or earn more dollars. They can receive them by increased American commercial investments overseas, and the Report suggests specially reduced taxation on income from overseas investments and, in appropriate cases, guarantees against capital losses. More dollars can only be earned by the rest of the world if they can sell more to the United States. Thus, the Report recommends a modification of the "Buy America" Act to enable foreign firms to compete for U.S. Government contracts on equal terms with American firms.

Import policy should also be as liberal as that of other countries, though with protection against low-wage production. The Report does not consider American tariffs unduly high, but wants the President to have powers to reduce current rates by 5 per cent. per annum for the next five years and to reduce all rates down to no more than 50 per cent. But, more important, the Report asks for a simplification of the commodity definitions and classifications which, in practice, are a more formidable barrier to exporters to the United States than the actual tariff rates themselves. On the other hand, it is proposed that America should retain the right to increase tariffs at any time; this perpetuates an ever-present danger to seekers after U.S. markets.

There is also a liberal recommendation that the European countries should strengthen their trade by importing and exporting more freely with Iron Curtain countries without suffering American disapproval, provided, of course, that non-strategic goods (to be more liberally interpreted than hitherto) only are involved. On the other hand, the Report condemns inter-Governmental agreements to stabilise the prices of raw materials, thus presumably putting an end to any scheme for stabilising American purchases of sterling rubber and tin. This is an example of the Chairman's devotion to the principle of the maximum freedom to trade, but it would be more readily acceptable, if the Report's general recommendations had any chance of being adopted. In an un-free trading world, it is a gain to make agreements covering even single commodities.

The Report will give no encouragement to those who wish to see sterling make a "dash for convertibility." It advocates a policy of gradualness, convertibility depending upon an expanding and strengthening of trade. The Commission agrees that the European Payments Union, which has worked very well, should not be destroyed until it is certain that something better can be put in its place and would be prepared to see what it calls "floating" exchange rates while currencies find their own levels. It would also like to see substantial support from the International Monetary Fund, and even from the Federal Reserve System, to assist countries to make their currencies freer. But, generally, the Report adheres to the school which says that right conditions must precede convertibility.

If the Report has done nothing else, it has served to show what, in the opinion of one more American Government Commission, are the conditions precedent to the full convertibility of currencies. The Congress may reject most of the recommendations, or water them down to an extent which renders them valueless, but it will then only have itself to thank if sterling, through which 40 per cent. of the world's foreign trade is done, continues to be a thing apart from the dollar.

SEASONAL DEMAND FOR MONEY STRONG

BANK RATE IN FRANCE AND U.S. CUT—PLIGHT OF TOBACCO PRODUCERS

THURSDAY, 5 P.M.

THE profit-taking by bulls in the Share Market witnessed last week has proved to be a short-lived affair. There has been enthusiastic buying again in most of the counters, more especially in textiles. The decision by the management of the Svadeshi and Central India Mills, both of which are under the management of Tatas, to issue bonus shares, has revived hopes of similar action by the managements of other mills which have sufficient resources and are in a position to issue bonus shares. Prominent among these are Gokak, Bombay Dyeing and Century. An increase of Rs. 2 in the final dividend by the Kohinoor Mill has also imparted some strength to textile shares. This increase had been fully anticipated by the market. Usually, when the market discounts in advance a particular development, the share concerned slips down. That such has not been the case with Kohinoors is significant, in that the market expects still better results for the current year. If the present trend of cloth market persists, this expectation will be justified. It looks as though for the textile mills, in general, and for well-managed ones, in particular, 1954 may turn out to be a better year than 1953. Among steels, Indian Irons took the lead on reports that the Tariff Commission has submitted its recommendations to the Government in regard to the retention prices for the products of the Company. There are reports that the Commission has proposed a liberal increase of Rs. 65 per ton in the price, but it remains to be seen whether the Government will accept it without making any downward adjustment. The firmness of Indian Irons has had a sympathetic effect on Tata Steel shares also. In the miscellaneous section, there has been selective buying in engineering shares, on reports that all leading engineering companies are doing well, with their order books full for a fairly long period, which, in some cases, is believed to be two years. The undertone of all sections is quite steady, if not firm.

MARKET GOSSIP

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Among the other markets, cotton has staged a recovery, thanks to covering by leading mills which had gone short and which were waiting for the market to react a little for fixing their call. The continued firmness of the ready section has also been a contributory factor. It is reported that quite a large turnover took place in the ready market, both in Indian and foreign cotton. There has been no appreciable variation in oilseeds, while in bullion, gold has staged a further rise for the fourth week in succession. This is due to an improvement in offtake in the face of lower arrivals. Silver, however, has been a shade quiet, which is not surprising, considering that there had been a fairly heavy rise in the past few weeks.

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Sometimes, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, behaves like King Canute. The latest instance of this was his statement at Madras a few days ago that the prices of groundnuts and oil were standing at unduly high levels and that they should decline. He alleged that dealers were hoarding this commodity and pushing up its price in the expectation of Government allowing exports. He reiterated what he said in Bombay a few months ago when he remarked at Madras that, unless the price of groundnut oil declined below Rs. 1,000 per ton, he would not allow it to be exported. It is not known why he has chosen this limit of Rs. 1,000 per ton. But, in a free market, prices do not move according to the whims of ministers. They are determined by the law of supply and demand and by the view which merchants take of the future. It is not, therefore, surprising that Mr. Krishnamachari's statement has made no impression on the trend of the market. The ruling rate for groundnut oil in Bombay is over Rs. 1,300 per ton, which is only a shade lower than that prevailing before the Minister's threat. There was, of course, some selling, but that was offset by consisting buying by consumers. Arrivals of groundnut have broadened, but, at the same time, demand from crushers and *vanaspati* interests has been brisk. The fact reports that the Commission has proposed a liberal increase of Rs. 65 per ton in the price, but it remains to be seen whether the Government will accept it without making any downward adjustment. The firmness of Indian Irons has had a sympathetic effect on Tata Steel shares also. In the miscellaneous section, there has been selective buying in engineering shares, on reports that all leading engineering companies are doing well, with their order books full for a fairly long period, which, in some cases, is believed to be two years. The undertone of all sections is quite steady, if not firm.

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Enquiries in market circles reveal that Mr. Krishnamachari's allegation that traders are hoarding in expectation of exports being allowed is, however, not without foundation. This is evident from the trouble in which some of the exporters have entangled themselves. It would appear that a number of shippers had already entered into firm commitments for export with overseas buyers. A sizable volume of business was booked at rates varying between £122-10 and £131 per ton, which compare with the ruling price of £118 per ton in the local market and £156 to £160 per ton on the Continent. As shippers are not able to honour their commitments, the Continential buyers are pressing them to pay heavy damages. They are not prepared, it is said, to square up this business at anything less than £146 per ton. If the shippers were to accept a settlement on this basis, they would have to forgo a part of their profits. It seems that they are refusing to pay the difference on the ground that their commitments were subject to the condition of export licences being granted by the Government.

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While traders in oils and oilseeds appreciate the Government's reluctance to permit exports of groundnuts in any form, they are at a loss to understand its continued silence over exports of castor oil, in which the country has a definite surplus of more than 30,000 tons in terms of oil. The traders are of the view that there is a good case not only for allowing exports of this oil but also for a reduction in the export duty on it. Some are offering to book export orders at low rates, subject to export licences, but buyers are not readily forthcoming. It is reported that some scattered business has been done at about £120 per ton for oil with the U.K. and the Continent. But even at the current price of Rs. 12 per quarter, Indian castoroil is out of parity with world prices. It works out to 13.5 cents per lb., as against 11.5 cents quoted by the U.S. buyers. It may be noted here that export duty at Rs. 300 per ton works out to 2.75 cents per lb. It will thus be seen that no business with the U.S., the main market for Indian castor oil, will be possible so long as the present rate of export duty continues.

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In the money market, the speed with which demand for funds has gathered momentum has exceeded earlier expectations. Till recently, the market was sluggish and market scribes were at considerable pains to explain it. Latest money market indices reveal that funds are in much greater demand than they were this time last year. Between 11th December, 1953 and 29th January, 1953, the Scheduled banks advances and bills discounted had gone up by no less than Rs. 56.09 crores, as against only Rs. 32.66 crores in the corresponding period of the previous year. The combined total of advances and bills stood at Rs. 505.57 crores, as against Rs. 488.96 crores a year before. Again, borrowings from the Reserve Bank were higher at Rs. 11.91 crores, as against only Rs. 1.70 crores. Similarly, borrowings from the Imperial Bank, too, were larger at Rs. 5.69 crores, as compared with only Rs. 2.58 crores. At the same time, balances with the Reserve Bank dropped by as much as Rs. 17.26 crores, as compared with only Rs. 2.28 crores in the same period of last year. In fact, the Scheduled banks cash balances at the end of January, this year, were lower at Rs. 38.50 crores, as compared with Rs. 45.08 crores a year before. If the call on banks for accommodation persists at this rate in the remaining months of this busy season, the stringency may be quite acute. There will not, however, be any further perceptible hardening of short-term money rates, inasmuch as the Reserve Bank is a willing supplier of credit at the rate of 3 per cent. per annum under the usance bill market scheme and at 3½ per cent. against Government securities.

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Soon after we went to press last week, two countries, namely, the U.S. and France announced a cut in their respective Bank rates. The U.S. discount rate was reduced from 2 per cent. to 1½ per cent. That was on the 5th inst. The last change in the U.S. Bank rate was in the middle of January, 1953, when it was increased from 1½ per cent. to 2 per cent. Thus, the present cut of ½ per cent. restores the rate to its former position a little over a year ago. Simultaneously, on the same day, a similar cut of ½ per cent. in the French Bank rate was announced. With this cut, the discount rate of the Bank of France now stands at 3½ per cent. instead of 3½ per cent., as hitherto since 17th September last when it was brought down from 4 per cent. to 3½ per cent. The reduction in the discount rate by both the countries by the same extent and at the same time is said to be for the same causes, namely, fall in industrial output and increase in unemployment. In other words, both have resorted to the Bank rate as a weapon to initiate changes in credit policy. Here, the similarity between the two countries ends.

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In the U.S., the cut in the discount rate is the continuation of the cheap money policy adopted by the Federal Reserve Bank system last year. Since May last year, American authorities have been providing as much credit as the commercial banks needed by means of purchasing Government securities in the open market. Money, therefore, became more plentiful with the commercial banks. But demand for advances from private business not only failed to expand but actually suffered a decline during the past few months. The result has been a drop in the Treasury Bill rate to as low as 1 per cent. followed by a corresponding fall in other short-term interest rates. It is with a view to bringing the discount rate into line with the short-term rates that the U.S. discount rate has now been cut. Commercial banks need not resort now to sales of Treasury Bills to obtain funds, for they can now borrow them straight from the Central Bank.

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In France, the decline in the discount rate is part of a development plan aiming at a 10 per cent. rise in industrial production. It is chiefly intended to make credit very cheap in the hope that it would stimulate investment, increase employment, and bring down internal price levels—which are higher than world prices—through higher production. This decision has been taken regardless of its effect on the country's balance of payments position which discloses a deficit on current account. This is possible, because dollars accruing to the French Treasury on account of the U.S. aid have been steadily expanding. Yet the French economy seems to derive very little benefit. In spite of severe import restrictions and heavy export subsidies, the commercial balance of payments remains critical. Commenting on the present French economy, the *Financial Times*, London, says:

"While nearly every country belonging to the O.E.E.C. registered a recovery in industrial production in 1953, France showed a drop of 4 per cent. below the 1952 level. Unemployment has increased, trade has gone slack, and yet there has been no sign of the benefit that might have expected to result from these deflationary conditions—a sharp downward adjustment in French prices towards world competitive levels. In these circumstances, Mr. Faure, the Finance Minister, seems to have decided that the only course open to him is to take the financial risks of a policy of pump-priming directed particularly at a higher level of industrial investment."

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This is a risky step, as the situation in France is already inflationary. Generally interest rates are given an upward twist to fight inflation. But the French Government is trying to control inflation through cheap money policy. This seems to be a shot in the dark.

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As already mentioned the Directors of the Svadeshi Mills sprang a pleasant surprise on the market this week by announcing their proposal to capitalise (subject to Government sanction) Rs. 25 lakhs out of the amount standing to the credit of the reserve fund and issue 25,000 ordinary shares Rs. 100 each to the existing ordinary shareholders, in the ratio of one share for every three shares held. The implementation of this proposal does not require any increase in the authorised capital of the Company, as there are still 35,000 unclassified shares of Rs. 100 each to be issued. The Directors propose to issue the aforesaid 25,000 shares out of this balance of authorised capital.

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The present paid-up ordinary capital of the Svadeshi Mills stands at Rs. 75 lakhs made up of 75,000 ordinary shares of Rs. 100 each; it is supplemented by a reserve fund of Rs. 50 lakhs. When the present move materialises, the paid-up ordinary capital will stand at Rs. 1 crore and the reserve fund at Rs. 25 lakhs. This is not, however, the first occasion that the Company is capitalising its reserves. It has already done so twice, both within the last seven years. The first occasion was in July, 1948, when it capitalised Rs. 30 lakhs and issued bonus shares to the then existing ordinary shareholders in the ratio of one share for each share held by them. Within an interval of 13 months from this, in August, 1949 to be precise, a sum of Rs. 15 lakhs was again capitalised and bonus ordinary shares were issued in the ratio 1 : 4. When the proposed capitalisation is carried out, the Company will earn the distinction of having increased its capital by way of capitalisation alone by as much as Rs. 70 lakhs. The total paid-up capital of the Company is at present Rs. 90 lakhs, as against a gross block (as on 31st December, 1952) of Rs. 129.98 lakhs. As the Company has a long-term plan for reorganisation and renovation of the mills, the Directors have thought it fit to have a more balanced capital structure.

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Close on the heels of the above proposal came the decision of the Directors of the Central India Spinning to increase its capital. But this is to be done partly by capitalisation of reserves and partly by the issue of new shares. The Directors propose to capitalise Rs. 15,62,500 out of the reserves (which stand at Rs. 47.56 lakhs) and issue 15,625 ordinary shares as bonus to the holders of the existing 46,875 ordinary shares in the ratio of one share for every three shares held by them. This will raise the ordinary capital to Rs. 62.50 lakhs, made up of 62,500 shares of Rs. 100 each. After this proposal is carried out, they propose to issue 37,500 new ordinary shares of Rs. 100 each. These shares will be offered for subscription at par to the holders of ordinary shares existing after the issue of the aforesaid bonus shares in the ratio of one new share for every two shares. As there will be only 62,500 ordinary shares, the new issue will absorb only 31,250 shares. The remaining 6,250 shares will be offered to these shareholders in addition to those issued in the aforesaid ratio of 1 : 2. If, however, the issue of 37,500 shares is not fully taken up by the ordinary shareholders, preference shareholders will be given the right to apply for the shares. In case the issue is not taken up by both the ordinary shareholders and the preference shareholders, the Directors will have the right to issue them at their discretion. In order to carry out these proposals, the existing authorised capital needs to be increased and the Directors propose to raise it to Rs. 2 crores. Perhaps this is the first time that this Company is issuing both bonus shares and new shares. So far as we can make out from the statistics available with us, it has not done so in the last two decades. The gross block of the Company (as on 30th June, 1953) stands at Rs. 221.33 lakhs, while the paid-up capital is no more than Rs. 96.87 lakhs. There is thus a good case for an increase in the capital structure of the Company.

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For some months now, the Indian tobacco producers have been passing through a crisis brought about by a depression in the market. The small growers who account for the bulk of tobacco grown in this country have been hard hit by the large accumulation of unsold tobacco stocks and heavy slump in prices. In Guntur, the country's major tobacco-producing district, for instance, about 32 million pounds of tobacco are reported to be lying in

(*Continued on page 287*)

IRREGULAR MOVEMENT IN EQUITIES

TEXTILES FIRM

(From Our Own Correspondents)

BOMBAY, 11*th February*

AN irregular movement in equities characterised trading on the Stock Exchange during the week under review under alternate spells of speculative support and profit-taking. The undertone was, however, steady. Values were sustained under the leadership of textile shares on account of favourable factors, such as announcement of bonus issues by two cotton mills, expectation of similar issues by a few more companies in the textile group and encouraging reports regarding continued demand for cloth from consuming centres. Besides, reports of a possible increase in retention prices of steel for the Indian Iron and Steel Co., Ltd., as a result of the Tariff Commission's recommendations and the big rise in notes in circulation were additional factors which sustained the sentiment. Nonetheless, equities failed to stage any big spurts, except in a handful of counters. The main reason for this was a general disinclination to enter into fresh commitments on account of the usual pre-budget cautiousness among operators. Though the Finance Minister had indicated that there would not be any major changes in the tax structure till the Taxation Enquiry Commission submits its report, the market seemed to entertain some misgivings regarding the probable effect on budget proposals of the reported heavy fall in Government revenues.

A notable development of the week was the announcement by two cotton textile mills of their proposal to issue bonus shares and the declaration of dividends by three mills. The Directors of the Svadeshi Mills Co., Ltd., have decided, subject to sanction by the Central Government, to capitalise Rs. 25 lakhs out of the reserve fund and issue 25,000 ordinary shares of Rs. 100 each to the existing shareholders as bonus shares in the ratio of one share to every three existing shares. The Directors of the Central India Spinning, Weaving and Manufacturing Co., Ltd., have also decided to capitalise Rs. 15.6 lakhs and issue bonus shares in the proportion of one share for every three held. They also propose to issue 37,500 new ordinary shares of Rs. 100 each at par and to offer them to the existing ordinary shareholders after the issue of bonus shares and, if necessary, to the preference shareholders.

The Directors of the two mills under the management of Messrs. Brady and Co., Ltd., namely, the New Great and the New City, have decided to maintain their dividends for 1953 at Rs. 10 per share. In the case of New Great, the dividend was beyond the expectations of the market. The Directors of Kohinoors propose to raise the final distribution for 1953 from Rs. 12 per share to Rs. 14 per share, by paying a bonus of Rs. 2 per share. This is in line with the market expectations.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 2,087-8, as against the previous week's closing of Rs. 2,101-4 and moved in a narrow groove between Rs. 2,086-4 and Rs. 2,112-8 up to Tuesday this week. Yesterday, there was a fresh advance on emergence of buying support and Deferreds touched a high of Rs. 2,127-8. To-day, however, profit-taking intervened due, to end-of-account considerations and the scrips closed lower at Rs. 2,117-8. Tata Ordinaries came up to Rs. 361-4 before closing at Rs. 359, a gain of but Re. 1-4 over the week. After an initial dullness, Indian Irons brightened up on unconfirmed reports that the Tariff Commission had recommended an increase of Rs. 65 per ton in the retention price of steel to compensate higher costs. The shares, after being marked down from Rs. 28-3 to Rs. 28-0¼, looked up to Rs. 28-7, before settling down at Rs. 28-4.

The textile section was cheerful for reasons stated at the outset. Bombay Dyeings were prominent with a rise of Rs. 10-10 to Rs. 433-2 in view of the proximity of dividend announcement and rumours about bonus issue. The shares at one time during the week touched a high of Rs. 437-8. Kohinoors advanced from Rs. 316-8 to Rs. 321-8, but closed at Rs. 319-8. Central Indias were featureless early in the week, moving between Rs. 187 and Rs. 184-8 up to Monday. But following the announcement of the bonus issue, they spurted to Rs. 197-8. The buoyancy was short-lived in view of the proposal to increase the Company's capital by the issue of new shares after the bonus issue, and the shares came down to Rs. 187. Centurys came under the influence of rumours regarding bonus shares and closed with a gain of Rs. 9-8 at Rs. 318-8. For similar reasons, Gokaks staged a rise of Rs. 11-8 to Rs. 264-8. Morarjis advanced by Rs. 7-8 to Rs. 206-4. Mysore Spinnings were done at Rs. 160 *ex-div.* as against Rs. 165 *cum-div.* (dividend Rs. 3). Minervas gained Rs. 2-4 to Rs. 106. These two shares will be placed on the forward list of the Stock Exchange next week. New Greats, after being lower for a while, looked up to Rs. 167. Shrinivas appreciated by as much as Rs. 7-8 to Rs. 182-8. Simplex showed no gain at Rs. 154. Standards put on Rs. 6-4 to Rs. 329-12, Svadeshis Rs. 9-12 to Rs. 292, Swans Rs. 6-4 to Rs. 352-8 and Tata Mills Re. 1-8 to Rs. 53-8. Bradbury, which had been consistently going up for the past few weeks, received a check this week and came down by Rs. 30 to Rs. 925. Khataus dropped Rs. 8-12 to finish at Rs. 205-10.

Bank shares were featureless and price variations were small. Barodas were a fraction higher at Rs. 107-8, while Indias were a shade lower at Rs. 154. Centrals were unchanged at Rs. 58-8, while their new shares were better by As. 12, at Rs. 63. Imperial Fully Paids were marked down by Rs. 7-8 to Rs. 1,802-8, while Contributories were stagnant at Rs. 440. United Commercials were fractionally lower at Rs. 41.

There was a slight revival of investment demand in select electricity shares, but the volume of business was not large. Ahmedabad Electrics gained As. 10 to Rs. 115. Tata Hydros put on Re. 1 to Rs. 139 and Tata Powers Rs. 10 to Rs. 1,390. Andhra Valleys dropped Rs. 5 to Rs. 1,257-8. Bombay Suburbans were lower by As. 15 at Rs. 121-4 and Poona Electrics by As. 10 at Rs. 128-2.

Barring some activity in select counters, insurance shares, as a whole, were featureless. New Indias were done As. 4 better at Rs. 40-4. Industrial Prudentials were wanted Re. 1-8 higher at Rs. 31-8, as also Vulcans Re. 1 better at Rs. 12-12. Orientals were unchanged at Rs. 7,085, Empires at Rs. 640 and Jupiter at Rs. 7-4.

A marked rise of Rs. 18-12 to Rs. 360 in Alcock Ashdowns, due to scarcity of sellers, was the outstanding feature in the miscellaneous section. On reports that the Company would get a loan of Rs. 8 crores for its expansion programme, Scindias appreciated from Rs. 17-1½ to Rs. 17-10, but finished lower at Rs. 17-7½. A.C.C.s were featureless at Rs. 177. Belapurs picked up Rs. 2-8 and closed at Rs. 259. Bombay Burmahs moved between Rs. 387-8 and Rs. 382-8, before closing at Rs. 385. B.I.C.s were a little better at Rs. 9-4. Killicks gained Rs. 2-4 to Rs. 162-12. National Rayons evoked fresh interest owing to proximity of dividend announcement and advanced by Rs. 6 to Rs. 153-12. Phaltan Sugars were marked down by Rs. 6-12 at Rs. 103-4. Premier Constructions changed hands Rs. 4-4 higher at Rs. 118-12. Tata Chemicals hardened by As. 1¼ to Rs. 11-9½ and Tata Oils by As. 4 to Rs. 354. Wimcos were unchanged at Rs. 207-8. Digvijay Cements were a fraction better at Rs. 114-8. The shares will be placed on the forward list next week. Bhopal sugars, which also will be added to the forward list, came to be done at Rs. 12-6.

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Calcutta Stock Exchange

CALCUTTA, 10*th February*

The three-week old lively sentiment that prevailed on the Calcutta Stock Exchange gave way to an easy trend during the week under review. The easiness was occasioned by profit-taking and short selling, both being induced by fears regarding the outcome of the proposed colliery labour strike from 1st of March. There was, besides, extreme cautiousness among operators generally, a phenomenon usually associated with the weeks immediately preceding the Railway and the Central budgets. As some weak holders were inclined to reduce commitments in view of budget uncertainties, the market showed a tendency to drift downwards with most equities reporting losses on balance. Jute shares, however, proved an exception to the generally declining trend, as many of them registered smart gains.

The fall in prices was pronounced in the coal section. New Beerbhooms and Equitables receded by As. 4 each to Rs. 18-8 and Rs. 31-8, respectively. Central Indias receded from Rs. 6-3 to Rs. 6. Burrakurs were done an anna lower at Rs. 8-11.

Engineering scrips also met with selling pressure and suffered losses. Textile Machineries declined by As. 6 to Rs. 9-8. Jessop and Cos. dropped As. 4 to Rs. 26. Indian Irons declined by As. 2 to Rs. 28-6. Marshalls lost an anna to Rs. 6-11. Britannia Engineerings and Khumardhubis were dull at Rs. 27 and Rs. 8-11, respectively.

The sugar section too failed to evoke support. Among the former, Carew and Cos. slided down from Rs. 8-8 to Rs. 8. Ramnugger Canes eased by As. 7 to Rs. 22. Belsunds were lower by As. 2 at Rs. 8-15.

Among paper scrips, Titaghurs were marked down by Re. 1 to Rs. 38. Shree Gopals fell by As. 12 to Rs. 21.

Textile scrips were easy, New Victoria Ordinarys and Kesorams being quoted lower, the former at Rs. 1-11, as against Rs. 1-13, and the latter at Rs. 23-15, as against Rs. 24.

In the miscellaneous section, Rallis India were the worst sufferers, on reports of unsatisfactory results of working of the Company. The shares were marked down by Rs. 2-8 to Rs. 56-8. Dunlop Rubbers dropped As. 14 to Rs. 32-14 tor want of support. Jardine Hendersons shed As. 8 to Rs. 115 and Rohtas As. 3 to Rs. 11-13. India Coffees, Sone Valley Cements and India Steamships lost an anna each to Rs. 3-2, Rs. 7 and Rs. 7-9, respectively.

Tea scrips ruled dull with limited turnover and minor variations in prices. Dhelakhat declined by As. 3 to Rs. 13-5. New Terais were quoted at Rs. 13-12, Roopcherras at Rs. 8-10 and Jutlibais at Rs. 13-1. Patrakolas changed hands at Rs. 162-8.

In distinct contrast to the general trend, the jute section presented a fully steady trend. Deltas firmed up by Rs. 13 to Rs. 239. Fort Glosters advanced by Rs. 4 to Rs. 474. Indias spurted by Rs. 2 to Rs. 126-8. Nuddeas rose by a rupee to Rs. 47. Nationals improved by As. 8 to Rs. 24-14 and Presidencys by As. 7 to Rs. 3-13. Reliances were a shade better at Rs. 14-14. Howrahs were steady at Rs. 24-8.

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Madras Stock Exchange

MADRAS, 9*th February*

Except for textile and a few miscellaneous scrips, the Madras Stock Exchange ruled generally easy. The uptrend witnessed in the textile section last week persisted this week also for the same reason, namely, continued export enquiries for piecegoods and good offtake of cloth at various consuming centres in Madras. Prices of textile shares as a result shot up and recorded sizable gains. Selective buying on yield considerations caused some enlivened activity in the miscellaneous section this week. Plantings, however, put on a cheerless appearance, on profit-taking at the high levels touched towards the end of last week. The easiness was more pronounced in the tea section in which prices drifted downwards on selling pressure. There was, however, scattered enquiry in rubbers, while coffees remained generally neglected.

Textile shares put on a bright appearance, on continued buying support. Unusually smart gains were recorded in some of them. Thus, Bangalore Woollens gained Rs. 7-8 to Rs. 302-8, and Gnanambikai Rs. 6 to Rs. 82. Metturs were higher at Rs. 229, as against Rs. 223. Cannanores and Coimbatore Cottons put on Rs. 5 each to Rs. 91 and Rs. 190, respectively. Vasantas gathered Rs. 4 to Rs. 182. Premiers too were up by a similar amount at Rs. 99. Coimbatore Pioneers rallied Rs. 2-8 to Rs. 137-8 and Coimbatore Spinnings As. 8 to Rs. 46-8. But Lakshmis, (Rs. 50 paid-up) lost Rs. 4 to Rs. 107 *cum-div.* and 'A' (Rs. 25 paid-up) Re. 1 to Rs. 54-8 *cum-div.* Rajalakshmis eased from Rs. 100-8 to Rs. 97-8. Krishnarajendras were done at Rs. 56-4 *ex-div.*, as against Rs. 59 *cum-div.*

Teas, among Plantings, presented a mixed trend. Twyfords gained As. 14 to Rs. 14-4 and Udayagiris As. 7 to Rs. 8-14. Devon Teas rallied As. 2 to Rs. 16-2 and Alageswaar an anna and a half to Re. 1-15½. Peermades, however, lost As. 4 to Rs. 31. Nonsuch teas were also lower by a similar amount at Rs. 34-8. Highland Produces lost As. 2 to Rs. 13-4.

Among rubbers, Rajagiris lost As. 6 to Rs. 10-15. Cochin Malabars and Thamarapallys were lower by As. 2 each at Rs. 7-1 and Rs. 16-2, respectively. Midlands eased from Rs. 12-10 to Rs. 12-7½. Teekoy and Nilambur, however, put on As. 2 each to Rs. 7 and Rs. 8-8, respectively. Kailas were fractionally better at Rs. 3-14½.

In the coffee section Coffee Lands lost As. 4 to Rs. 8-13 and Consolidated Coffees an anna to Rs. 16-3. Nil. Neergundis were unchanged at Rs. 3-11, while Mysore Coffees were fractionally better at As. 12½.

Among miscellaneous scrips, Andhra Cements 'A' put on Rs. 4 to Rs. 105 and 'B' As. 4 to Rs. 10-8. India Cement (Rs. 25 paid-up) gained Re. 1-2 to Rs. 18-10. Travancore Cements rose up by As. 4 to Rs. 5-2. Mysore Paper rallied As. 8 to Rs. 17-8. Deccan Sugars, Rs. 10 paid-up, gathered As. 4 to Rs. 9-4 and, Rs. 25 paid-up, As. 10 to Rs. 23-2. Rallis, however, lost Rs. 5 to Rs. 56, against Rs. 15-14. The Directors have declared a final dividend of 10 per cent. on ordinary shares, thereby making a total dividend of 15 per cent. for the year ended 30th June, 1953 (the same as in the previous year).

TRAVANCORE CEMENT LTD.

The Government of India has fixed the ceiling price f.o.r. destination for unpacked cement, to be charged by the Travancore Cement Ltd., at Rs. 79 per ton and not Rs. 70 per ton as was stated in the News-in-brief columns of our last issue.

THE BANK OF BARODA

LIMITED

(Estd. 1908)

are glad to announce that two Branches of the Bank have been recently opened at:—

CROSS STREET, CALCUTTA

AND

BANGALORE

MATHEW S. D'SOUZA,

General Manager.

NEWS IN BRIEF

DURING the first two years of the Five-year Plan, 240 miles of national highways and 17 new bridges were constructed.

The President has given his assent to the Madras Indebted Agriculturists' Temporary Relief Bill which gives a moratorium on all debts of agriculturists for a period of one year.

More than 200 Australian sheep will shortly be received by the U.P. sheep wool station from Melbourne. The sheep are being consigned under the auspices of the F.A.O. for improving the Indian breeds.

A 13-man Japanese industrial delegation has arrived in Calcutta from Nagoya. The delegation will tour India and Pakistan to explore the possibility of increasing trade and securing economic and technical co-operation between the two countries.

The Bombay Rent Control Amendment Bill, which permits landlords to charge a graded increase in rents to their tenants from 5 to 50 per cent., will come into force on 1st April this year. The Bill provides for the increase in rent on premises which were let out on or before 1st September, 1940.

The Coir Industry Act of 1953, which empowers the Central Government to set up a statutory board to regulate coir production and exports and to impose a duty on exportable coir goods, has come into force with effect from the 9th inst. The personnel of the 40 member-board will shortly be announced.

The Central Government has turned down the Andhra Government's request for the reservation of coloured *saris* for the handloom industry. The extension of the existing principle of reserving bordered *dhotis* for the handloom industry will, it is felt, adversely affect the textile industry.

The fourteenth annual conference of the All-India Manufacturers' Organisation will be held in Calcutta on 27th and 28th March, 1954. Mr. M. Visvesvaraya will preside. Important subjects relating to the vital problems of the day affecting industry and trade of the country will be discussed at the Conference.

The Government of India will take a decision on the location of the Rs. 75-crore steel plant well before the middle of this month. This was announced by the Union Minister for Production in Nagpur last week. Mr. Reddy held discusslons with the State Cabinet on the Madhya Pradesh case for setting up the plant at Bhilai.

The Electricity Branch of the Punjab Public Works Department has introduced a new tariff for energy consumed from last month onward. The rates will now vary according to consumption. Five annas per unit will be charged up to 15 units, two annas per unit for the subsequent 25 units and one anna for each unit beyond 40 units. This change has been welcomed by consumers.

Work will begin immediately in the works of the Canadian Locomotive Company, Montreal, on the $20 million order for 120 steam locomotives for India. The Company will try to make initial deliveries in twelve months and complete the order by the end of 1955. A firm commitment was received from the Canadian Commercial Corporation, Crown agency of the Trade Department. The Crown Company placed the order as agent for the Government which is financing the job out of India's 1954-55 allocation of credits from Canada's $25 million-a-year contribution to the Colombo Plan.

The Government of India has constituted a Standing Committee of the Central Board of Forestry with Dr. Punjabrao Deshmukh, Union Minister for Agriculture, as Chairman. This is in pursuance of a resolution adopted by the Board at its meeting in Dehra Dun in June last. The main functions of this Committee will be to assess the progress in the implementation of the Planning Commission's recommendations regarding forestry and generally to assist the furtherance and fulfilment of the objects of the Forestry Board. For the purpose of representations on the Committee, the country has been divided into five regions.

The Union Ministry of Production is considering measures to raise the operational efficiency of the Sindri Fertiliser Factory, so that production might reach its full capacity of 1,000 tons of ammoniuum sulphate a day. The rate of production of the plant at present is 750 to 800 tons a day. Production at capacity, it is stated, will lead to a good reduction in the present pool price of fertilisers which is Rs. 290 a ton ex-Sindri. Another factor which is expected to help reduction in prices is the going into production of subsidiary industries at Sindri. The consumption of Sindri fertilisers by States is expected to increase by about 50,000 tons this year over last year's figure of a little less than 400,000 tons.

The Central Government is considering the request of Madras State for the grant of Rs. 1 crore towards furthering road and national highways development in the State. Disclosing this, Mr. H. P. Mathrani, Chief Engineer for Roads, Government of India, said in an interview that, under the second Five-year Plan, the Government proposed to build 1,000 miles of roads. Mysore State has also joined the National Highways System and henceforth there would be better co-ordination in inter-State road development programmes. The schemes sanctioned by the Central Government included a bridge over the Palar near Ranipet, another over the Pennar, near Villupuram, and a third over the Cauveri, near Tiruchirappalli. All these works had been taken up and would be completed. The construction of a bridge in Alwaye would be taken up during the next cold weather to be followed by another bridge at Aroor.

An Ordinance to amend the Air Corporations Act of 1953 has been issued by the President, seeking to amend sections 22 and 23 of the Act. Section 22 has been amended to extend, from 90 days to six months, the period, after the submission by the air companies of accounts relating to book debts, investments and agreements, within which the air corporations can notify the companies that specified debts and investments will not be considered as vested in the corporations. The amendment to section 23 provides for extension, from six months to one year of the period from the date of nationalisation, within which the air corporations can terminate any of the agreements entered into by the air companies without justification and in bad faith. The amendments have been necessitated because the examination of the books and other documents cannot be completed within time.

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From Abroad

Istanbul is shortly to have an underground railway. A French firm has been asked to prepare the plans required for the purpose.

Japan opened its first regular international air service since the war on the 2nd inst., by setting in flight a Douglas D.C.—6.B airliner between Tokyo and San Francisco.

The Eisenhower Administration has proposed to ask this session of the Congress $3,500 million for foreign aid. This amount is $1,000 million less than that voted by the Congress last year.

Norway's Student Bank, created by Act of Parliament after the war, has, in the last six years, lent £2,135,000 to students to help cover their living expenses while at college. The loans are repaid at a low rate of interest after the students have qualified.

Japan is expected to purchase surplus U.S. farm products using yen currency under the U.S. Mutual Security Aid. Under this plan, Japan may buy about $50 million worth of farm products, including large quantities of wheat and barley.

Work on a new dry dock is to begin at Marseilles (France) shortly. The new dry dock will be 250 metres long, 36 metres wide and 12 metres deep. The work will go on for four years and is estimated to cost three milliard francs. The cost will be borne by the State and the Marseilles Chamber of Commerce equally.

A new trade agreement signed in Oslo recently between Norway and the Soviet Union envisages an exchange of goods of the value of about £10 million in 1954. This is almost the same as last year. Norway will supply chiefly herrings and fats, and receive from Russia mostly grain, ores and phosphate. Russian cars will also be imported.

An economic depression in the U.S. more accentuated than in 1948-49, but less violent than in 1929-33 has been forecast by Dr. G. Haberler, Professor, Harward University. The cause of the depression, according to him, will be over-mechanisation and over-production, resulting in the saturation of the market with articles of consumption.

Asian countries, including the Philippines, Hongkong, Thailand, Indonesia, Burma, Malaya, Singapore, Ceylon and South Korea are expected to purchase a total of 675,000 tons of cement from Japan this year out of an estimated total export amount of 900,000 tons. Other countries expected to buy Japanese cement include Australia, New Zealand, and Okinawa.

The Ceylon House of Representatives passed on the 6th inst. a Bill empowering the Government to raise loans in foreign countries to the tune of Rs. 600 million to finance the Island's development project. The Government, according to the Bill, may raise loans either in the London money market or from the International Bank for Reconstruction and Development.

The U.K. Government has warned against purchase of too much dollar wheat by private British traders, as it is threatening to damage the sterling area's economic health. It proposes to re-enter trade for the import of wheat, if the traders fail to heed its warning. It will be recalled that, in May last, the Government stopped State purchase of wheat and handed over the trade to private merchants.

The population of France is estimated at 42,995,000. Of these, men account for 20,779,000 and women for 22,216,000, the latter outnumbering the former by 1,437,000. The division of the population by age groups discloses the following: up to 15 years, 10,134,000; 15 to 64, 27,950,000; over 64, 4,911,000. The difference in age of the two sexes over 65 shows that there are 1,887,000 men and 3,024,000 women.

PERSONAL

SARDAR Abdul Hussain Khan Aziz has been appointed Ambassador of Afghanistan to India.

Mr. Chimanlal B. Parikh of Messrs. C. Parikh & Co., Bombay, has been re-elected Vice-President of the Indian Central Cotton Committee.

Mr. C. C. Desai, High Commissioner for India in Ceylon, has been elected Chairman of the 10th Plenary Session of the U.N. Economic Commission for Asia and the Far East.

Mr. Loy W. Henderson, American Ambassador in Iran and formerly American Ambassador in India, paid a brief visit to Bombay this week *en route* to Colombo to attend a Conference of U.S. Ambassadors in Asia.

Mr. Richard M. Lyman, Director, I.L.O. Asian Field Office at Bangalore, has returned from five months' leave in the U.S. and assumed charge. On his way back from leave, Mr. Lyman visited the U.N. headquarters at New York and I.L.O. headquarters at Geneva for discussions on the operational activities of the I.L.O. under its expanded programme of technical assistance. He also held discussions with Government officials at Karachi and New Delhi on technical assistance matters.

Mr. Jwalaprasad Tiwari has been re-elected President of the Board of the Bombay Bullion Association for the current year and Mr. Kantilal Manilal Vice-President. The other members of the Board are: Messrs. Rameshwardas Sabu, Nandlal More, Jamnadas Tulsidas, Basudev Somani, Bishesharlal Chirawawalla, Mangaldas Ranchhoddas, Mohanlal Tejmal, Maganlal S. Damani, Chandulal Dalsukhbhai, Mangulal Trikamlal, Sitaram Jhunjhunwala, Vadilal Chhaganlal, Mangaldas Kalidas Chokshi and Bhewratan Damani.

Air Commodore Sir Frank Whittle, the British pioneer in the field of jet propulsion, has taken up an appointment with the Bataafsche Petroleum Maatschappij (B.P.M.), of The Hague, which is one of the principal operating companies of the Royal Dutch/Shell Group. In his present assignment, Sir Frank will give advice in the field of mechanical engineering relative to the development of techniques and equipment in the petroleum and chemicals-from-petroleum industries. He has already familiarised himself with the activities, including the work of the research laboratories, of the Royal Dutch/Shell Group.

Mr. D. S. Seth, Superintendent of the Soda Ash Plant, and Mr. C. B. Joshi, Superintendent of the Brine Evaporator and Marine Plants at the Tata Chemical Works, Mithapur, have been granted Economic Development In-Training Fellowships by the Technical Assistance Administration of the United Nations. Mr. D. S. Seth will undergo a training course in Chemical Engineering for one year, under the guidance and supervision of Mr. William Licht, Professor and acting Head of the Department of Chemical Engineering, University of Cincinnati, Ohio, U.S.A., while Mr. C. B. Joshi will undergo two months' practical training in Western Germany, learning the modern processes in the recovery and manufacture of marine chemicals under the guidance and supervision of Dr. Gerhardt at Frankfurt (Main).

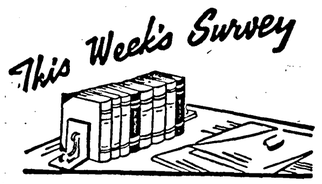
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 9*th February*

Fire Insurance in Bombay

The Bombay Fire Insurance Association has rejected, by an overwhelming majority, a proposal for the suspension of tariff. The Bombay Fire Insurance Association held a general meeting on the 24th ultimo to consider the report of the Special Committee on Tariff Reform. After some discussion, someone moved a resolution which practically meant the suspension of tariff. Looking to the seriousness of the proposal and to the fact that it was sprung on the meeting at the last moment and without due notice, the meeting postponed its consideration till last week. In the course of last week's meeting, Mr. Price of the North British and Mercantile Insurance Company, far from having wished to see the fire tariff suspended, went so far as to put forward a specially prepared scheme "as a last effort to preserve the tariff control in Bombay." He proposed an amendment that, if the members wished to suspend rules controlling brokerage and commission, it would be advisable to suspend the tariff rules as well. Mr. F. E. Bharucha of the Central Insurance Company, Ltd., advocated keeping the tariff and observing all the rules and regulations, and he voted for the accepted resolution put forward by the representative of an Indian insurance company, whose cause he had warmly supported throughout. Withdrawal of the tariff would have meant on insurance rate-war, and a destructive blow to the infant Indian insurance companies struggling for existence. Fortunately, however, the Association threw out the resolution by a very large majority. This speaks volumes for the wisdom of those who took part in the meeting and the wise lead given by men like Sir Ness Wadia, Mr. C. N. Wadia, Sir Manmohandas Ramjee, Mr. F. E. Dinshaw and other leading merchants of Bombay, who warned non-Indian offices that, if they suspended tariff, it would be construed as a blow aimed at the Indian companies. All's well that ends well.



ANGLO-SOVIET TRADE TALKS

THE parleys at Moscow between the unofficial party of British business men and the Soviet interests for the promotion of Anglo-Soviet trade is stated to be progressing satisfactorily. The Soviet Union has offered to place orders worth about £400 million in the next three years (1955-57) with the U.K. According to Mr. I. Kabanov, the Soviet Minister for External Trade, these orders include the following:

(1) Shipping—1,500 million roubles (about £116 million);

(2) power equipment—600 million roubles (about £46 million);

(3) forging and pressing equipment and machine tools—400 million roubles (about £36 million);

(4) textile and tool industry machinery—375 million roubles (more than £33 million);

(5) miscellaneous equipment—125 million roubles (about £11 million); and

(6) raw materials, food and industrial consumer goods—about 1,300 million roubles (about £116 million).

The aforesaid Russian offer has been received with mixed feelings in the free world's important capitals and commercial centres. While the Board of Trade and other commercial circles in the U.K. have welcomed the offer, U.S. officials have viewed it with misgivings. They see in this offer a surreptitious, but major, move to ease the existing strict control on shipments of strategic goods to the Soviet bloc. There is a feeling that, although such items as tankers, cargo ships, electrical equipment are considered as civilian goods, they are as much strategic as any other material earmarked to be strategic, because they can be switched over to military purposes in times of emergency. Meanwhile, doubts have also been expressed in regard to the capacity of Russia to pay for the U.K. exports, as it may find it difficult to earn sterling currency needed to pay for them. Russia, however, is believed to have sufficient reserves of gold to pay for sterling imports, but there are some who feel that this requires to be checked up.

Typical of American reactions to the present trade talks is the opinion of the *New York Times* which, in the course of an editorial on Tuesday, observes as follows:

"The glittering possibility of Soviet orders averaging about $400 million annually during each of the three years 1955-57 has been held out to a group of British business men who have been visiting Moscow. The fact that the Soviet offer was made by the Minister of Foreign Trade seemingly gives it a more solid base than the unofficial talk about billions of dollars of Soviet trade with the West which marked the so-called World Economic Conference in Moscow two years ago. Talk at the latter meeting led to little of consequence in terms of real business subsequently. Is there reason to suppose that the present Moscow assertion is more serious? One factor leading to doubt is the obviously propagandistic setting and timing of the Soviet announcement. In so far as Russia may wish to buy non-strategic goods in Great Britain this can be done through normal trade channels and negotiation with the producers involved. Instead, the delegation of British business men was invited to come to Moscow; entertained there until a critical point had been reached in the Berlin Foreign Ministers' meeting; and then given this pleasant prospect of business at a time and in a manner to reap the greatest propaganda advantage. Secondly, there is yet no indication that firm, hard, specific bargaining about prices, delivery dates and specifications has taken place, and virtually none of the goods covered by this offer has yet been contracted for. Experience has shown that trade negotiations with the Russians often bog down precisely when discussions leave the cloudy realm of vague promises and enter the area of specific commitments. Finally, the Soviet Foreign Trade Minister seems to have been vague in explaining how the Kremlin would pay for such a vast volume of imports, vast as compared with last year's imports of less than $40 million from Great Britain. Does Russia intend to pay with gold, or does it maintain that it can find enough surplus grain, timber and other commodities so as to quadruple last year's sales of little more than $100 million to Great Britain? Or is the Kremlin looking for a large British credit?"

Although the *New York Times* says that no details are available, a Moscow report, dated lined 5th inst., claims that a deal for textile machinery of the value of £1.25 million has been concluded with British textile machinery makers and that delivery of this machinery would start in the second half of this year.

A significant feature of the present parleys in Moscow is that the British business men who have been negotiating trade orders have been doing so on their own initiative. It is, therefore, not a move for any trade agreement on a Government-to-Government level. The firm which has been taking the leading part in the organisation of this collective mission to Moscow is Crompton Parkinson, which has already established trading contacts with the Russians.

Although the present British Commercial Mission to Russia is thus of an unusual kind, it is reported to have the blessings of the U.K. Government. The latter, however, has warned the business men not to include strategic goods in their talks. In fact, all exports from the U.K. to Russia are generally vetted by the Government. There is thus no fear of the British business men selling strategic goods to Russia. If the mission were to succeed, it would have achieved, to quote a London contemporary, "The same kind of sounding of Russian intentions on trade at the highest level as Sir Winston Churchill has been seeking for so long in the political sphere." Unlike the Americans, the Britishers seem to feel that a real change has come to prevail over the Russians. In support of this view, they point out Russia's readiness to buy butter and sell iron and steel automobiles and oil, which are strategic goods, to all free countries. In fine, a strong section of British traders is of the view that there is sufficient ground for making some radical readjustments in the policy relating to trade with Russia.

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Reports received since the above account was written reveal that, excepting a few minor deals, no contracts have yet been placed in the heavy engineering field. Several of the British business men now in Moscow have been given a detailed breakdown of specific items on the Russian list and asked whether their firms can fulfil such contracts. Half of the goods sought by the Russians are believed to be on Britain's list of strategic exports and include tankers and machinery for textiles, oil and coal production, power stations and floating docks. Mr. Harry L. Dowsett, the Lowestoft shipbuilder, has already secured orders for a fleet of 20 trawlers worth £6 million. Some of the U.K. business men now in Moscow are also planning to visit Poland, with a view to exploring possibilities of trade expansion with that country.

The British business men feel that, since Russia has great trading possibilities, they should try to ensure a common basis in trade, if not in politics. They look to Russia as a long-term market for their goods. In the course of a talk broadcast from the Moscow radio station the other day, Mr. J. B. Scott, leader of the British trade group to Russia, stated: "With the local manufacture in many countries of the world, particularly the British Empire, of all kinds of products which were normally exported from the U.K., we must, as a nation, search for new markets. We are now turning to an expansion of East-West trade, in general, particularly with the U.S.S.R."

The move of the British and Russian business men to enter into trade contracts, however, has raised much opposition among traders in the U.S. Some describe the Russian offer of contracts worth £400 million as an "effective bait" which will hit the U.S. at the most vulnerable points in its relations with the non-Communist world. It is accordingly felt that the U.S. should adopt such measures as would enable British exporters to sell more goods in the U.S.

E.C.A.F.E. CONFERENCE ON TRADE AND INDUSTRY

The Industry and Trade Conference of the Economic Commission of Asia and the Far East, which met at Kandy (Ceylon) recently, provided an opportunity for full-scale discussions on some basic and urgent economic problems of the region. The discussions revealed certain important points on which the delegates were in general agreement. First, Asian countries should favour multilateral trade, as it was more conducive to an expansion in the volume of foreign trade than bilateral trade treaties. This is a significant point, in that it shows that Asiatic countries are opposed to any closed arrangement such as Imperial Preference. The need for a further increase in trade within the region, which is now 35 per cent. of the region's total foreign trade, was also strongly emphasised. Secondly, there was general recognition, among Asian countries, of the continued need for foreign capital and foreign technical assistance. It was pointed out by some that considerable increase in the flow of both foreign capital and technical assistance was not only desirable but also essential. Thirdly, while considerable emphasis was laid on the need for industrialisation, there was greater appreciation than in previous years of the imperative need for the improvement of agricultural productivity as an essential basis for economic development. Finally, in view of the sharp fluctuations in prices affecting Asian raw materials, the delegates were unanimously in favour of international commodity agreements, which would guarantee the producers a stable and equitable price.

The importance of recognition of these factors as an essential prerequisite for the development of the region as a whole is obvious. More so, when the impact of a recession in the major industrial countries of the West will be more pernicious on the economies of this region, as their living standards are dependent on the steady flow of their primary produce at a stable price. There is a need for increasing not only the extra-regional trade but also intra-regional trade. India, for instance, has a variety of manufactured goods to offer for export in return for scarce metals, oil and oleaginous produce, rice and the like.

The Conference did well in emphasising the need for favouring multilateral trade agreements. This is because bilateral agreements tend to perpetuate the colonial economy and barter agreements are restrictive and untenable with the objective of expanding world trade. A multilateral approach will reduce dependence on any particular country or group of countries and provide better bargaining opportunities, provided conditions are normal. It will also provide wider contacts with a large number of countries which in turn may be useful in obtaining help for economic development from a number of sources. The only snag here is the difficulty of reconciling this attitude with the demand for commodity agreements for stabilising prices.

Be that as it may, the Conference was right in emphasising that more attention should be paid to the export of processed articles. The suggestion made at the Conference that the possibilities of successfully exporting hydrogenated oil, instead of crude coconut oil, and blended tea, instead of unblended tea, should be carefully examined. Its implementation, however, will not be so easy as it may seem, for it requires considerable organising ability, expert handling and plenty of financial resources all of which are deficient in this region. In any case, it will require the whole-hearted co-operation of the Western countries, the principal consumers of these products.

The countries outside the E.C.A.F.E. region can help in a number of ways to accelerate the pace of development of the region by co-operating in promoting international price stabilisation schemes and providing the requisite capital and know-how. It is gratifying to note, in this connection, that the Western countries and, to some extent, Japan, announced at the Conference their intention to help in the development of the region. The Soviet Union, too, offered technical assistance by inviting Asian experts to the Soviet Union, on the basis of arrangements sponsored by the E.C.A.F.E. and the U.N. Technical Assistance Administration.

The future of this poverty-ridden region is of great importance to the whole world. For poverty anywhere constitutes danger to everywhere. The E.C.A.F.E. region, though it covers only a little over 20 per cent. of the world's surface, has half the world's population. The young democracies of this region have been striving hard to preserve their newly won political freedom and are engaged at the same time in an unequal battle against the evil giants of poverty, disease, idleness, ignorance and squalor. It is high time that the more fortunate members of the world, which are already rendering aid, realised the gravity of the situation and increased their quantum of assistance and guidance. It is also necessary to add, in this connection, that the Governments of countries in this region must create a favourable climate for the flow of foreign assistance. It will not do to express a need for foreign assistance in such conferences and then place all sorts of obstacles in the way of receiving such assistance. Further, these Governments must take assistance only from those foreign countries which are democratic and are prepared to respect democratic ways of life. To ignore this vital condition is to endanger their newly won political freedom.

TAX ON INTER-STATE SALES

(By J. S. MENON)

VARIOUS State Governments have recently issued Press Notes demanding payment of tax from non-resident dealers on their sales into State territory from 1st January onwards. There is no sufficient legal authority in support of these demands. Evidently, the Governments concerned have done so basing themselves on the Supreme Court's judgment in the Bombay appeal. It is true that, in the course of that judgment and at different paragraphs, the Supreme Court have stated that the delivery State has the power, right and freedom to tax inter-State sales or purchases. But all these statements have to be read and understood in the light of the passage on page 7 of the judgment which clearly and unequivocally discloses the true position so far as the taxing rights in this regard are concerned. The judgment lays down:

"The latter State (i.e., the State where goods are actually delivered as a direct result of a sale for consumption within the State) is left free to tax such sales or purchases which power it derives not by virtue of the Explanation but under Article 246(3) read with Entry 54 of List II."

The Supreme Court have thus laid down beyond a shadow of doubt that Article 286(1)A and the Explanation thereto do not confer any power of taxation on State Governments. That power is conferred by Article 246(3). Under Article 246(3), State Governments have, subject to the other provisions and restrictions contained in the Constitution, a right to tax sale or purchase of goods. The restrictions are contained in Article 286. One of these restrictions is that States cannot levy tax on inter-State sales or purchases. The Supreme Court held, in the same judgment, that all sales of purchases under which goods move from one State into another are inter-State sales irrespective of whether the sale is for purpose of resale or for manufacturing purposes or for own use and consumption.

A State's right to tax sales or purchases is thus circumscribed by this limitation, namely, a ban on taxation of inter-State sales or purchases. One class of cases is lifted out of this ban. That class is the group of inter-State transactions falling within the scope of Article 286(1)A read with the Explanation. The whole question, therefore boils down to the query: What transactions of sale or purchase come within the scope of Article 286(1)A read with the Explanation? The Supreme Court have given a clear-cut reply to this query. In para 3, page 6, the judgment states:

"Thus, all buyers within the State of delivery from out-of-State sellers, except those buying for re-export out of the State, would be within the scope of the Explanation and liable to be taxed by the State on their inter-State transactions."

In view of this clear-cut exposition of the whole position by the Supreme Court, the States will not be justified to assume that the judgment in the Bombay appeal confers on them any right to tax a non-resident seller in the case of an inter-State sale. The question whether, in the case of an inter-State sale, the delivery State has power to tax the non-resident seller or only the resident purchasing dealer was not a point at issue in the Bombay appeal. Nor was there any room for counsel to address any argument to the Court on this point. The whole concept of taxation, as envisaged in Article 286(1)A and the Explanation thereto, is a use tax or purchase tax or property tax and not a tax on sale. In spite of certain passages in the judgment where the Court may have indiscriminately used both the words, sale and purchase, when dealing with the rights of taxation by delivery States, the fact remains that all these remarks have to be read subject to the overriding observation made by them to the effect that the delivery State does not get any power of taxation by virtue of the Explanation to Article 286(1)A.

Until a further judgment of the Supreme Court is delivered in the appeal filed by the Bengal Immunity Company, Ltd., Calcutta, against the State of Bihar which will come up for hearing before the Court, in all probability during this month, I am of the opinion that the judgment in the Bombay appeal is not decisive on the point and there is, therefore, not sufficient legal authority on which the States now demanding tax on outside dealers can justify their demand. In my opinion, they would be well advised to wait for the next decision which would be available for them in a month or two, when the position will become clear to them. Today the State Governments concerned are after the non-resident dealers, but, if, by any chance, the next judgment throws a bombshell on the premises from which they have proceeded, it would be the turn of the non-resident merchants concerned to proceed against the

(Continued on page 287)

OFF THE RECORD

(By "ROVER")

AFTER six years of travail, tears and seeming frustration, an altogether new spirit is struggling to emerge in industrial India. I say struggling to emerge advisedly, because, to many in the other camps, this is not yet visible to the naked eye. The public, as such, has been so tragically and repeatedly exploited both by the captains of industry and labour, for short-term and selfish gains, that it has lost faith in any display of good intentions on the part of either. This is not to be surprised at in the atmosphere of demoralisation and disillusionment which followed first the technical end of world War II and then the sudden and almost despaired of independence of the country. Whatever social values were left, in spite of this spiritual frustration, were shattered by the starkly crude and nauseating scramble for power amongst those who professed to live for and serve the people, after the passing of Mahatma Gandhi.

But some of the poison in the body economic seems to have worked itself out, undoubtedly at great cost and injury to the organism itself. One of the reasons for this glimmer of a new spirit which though not divorced from the sole guiding principle of "profits at any cost," seeking re-entry and acceptance in the revised social and political set-up is the cruel and pariah-like isolation and ignominy to which the business man has been subjected during this period of strife and disintegration. I have always maintained that 'alone' is one of the most tragic words in the English language and he has felt, while he was minting money, the full intensity of this position of being alone and unfriended. Though there was as much an element of injustice as of social justice, possibly in the ratio of half to half, in his being pilloried during these fateful years, this rough mode of chastisement was necessary for his spiritual rebirth.

I do not mean to say that this new spirit of accommodation, if not of service, has touched all and sundry in the business world. The damage done by the orgy of moral destruction during the war years has been so great that it would be a miracle if the business community as a whole were to subscribe to this new doctrine. But the best amongst them have been set thinking seriously in terms of social and even moral rehabilitation. The search which was begun in more general terms by earnest minds like Mr. J. R. D. Tata and Mr. Homi Mody has been taken up by other enquiring and sensitive minds in the community and each one of these new band of thinkers is pushing it further in his own country, according to his innate bent and previous experience. A couple of weeks ago, *Commerce* editorially reviewed the thesis advanced by Mr. M. R. Masani in his address to the Rotary Club at Hyderabad. This, though constructive and positive in its contents, still preoccupied itself, albeit partly, with the defence of the private sector and pointing out the severe handicaps under which private enterprise had to function.

Unfortunately, it is true that the Governments, partly in their distrust born of sad past experience and partly in their overemphasis on securing rapid but grievously unplanned welfare in isolated and uncorrelated fields, have rendered it difficult even for basically good men in industry to contribute their best. Perhaps, the present lot of inexperienced but arrogant and know-all politicians will go on rendering this disservice both to industry and society in general, till they are either thrown out or re-educated. But it would ill serve the cause of private enterprise, if it were to keep on harping on the difficulties in the path of virtue which it now wishes to follow. The more sensible course for those who are earnest about rebuilding this sector on new and more enlightened lines is to accept the present conditions and to start about designing the new structure on the only site which is available today. Let them plan their edifice, knowing that the politicians would be constantly and mischievously pulling down a part of a wall here and of an arch there, if for nothing else, to give the merchant a feel of the power and authority they have usurped. A good workman does not waste his time and breath quarrelling with his tools: he uses them.

It is from this point of view that I welcome the advance copy of a speech with which I have been favoured by one of our most progressive industrial concerns, with its units spread all over the country. It is an address which would have been delivered by the time my piece appears in print at the end of this week. I consider this speech of Col. S. Sawhny of the Associated Cement Companies, Ltd., a very worthwhile and valuable piece of close thinking on one of the basic aspects of industry. It is remarkably free from rancour or ego, as all creative thinking is, and inspired with a spirit of humility and service to the worthy cause which Col. Sawhny has at heart—the cause of consolidating industry into an accepted place in the new society which mankind aims to achieve. It is not a spectacular cause but a solid and simple one, which today would help millions of our countrymen more in their life of want and distress, than so many of the empty slogans of the politicians roaming the countryside at election times.

Starting with this simple aim, Col. Sawhny attempts to achieve it with the help of what he calls "industrial statesmanship." This is a highly pregnant phrase to my mind and deserves to have its full implication developed in an independent paper devoted to this very purpose. In the meantime, one who has coined it, elaborates it as a concept of industry, which, apart from providing material goods and benefits, is rooted in the spiritual and psychological fabric of Indian life. Any industrial policy for this country, as, indeed, for any other, has, therefore, to be such as to set a purpose to which those engaged in industry can respond. This alone could inspire workers to a loyal and harmonious effort.

According to Col. Sawhny, unless this spiritual foundation forms the basis of whatever new policy our industrial statesmanship evolves, there will always be the danger of industry reverting once again to the purely materialistic profit motive, which has brought it to its present plight and which has been rejected once for all as having no place in the new India of enlightened values, which we are endeavouring to build up. No industry even in a mixed economy could keep going for long without adequate and material returns, but Col. Sawhny is quite right in taking it for granted that, if the revised policy of the private sector fulfils the fundamental human needs of both the individual and the working team, the material side will be automatically taken care of.

I do not want you to think from the high-brow stuff I have been perpetrating that what Col. Sawhny gave at Madras was some highly metaphysical discourse. As a matter of fact, after defining the basis of his belief as an industrialist, what this one-time soldier did was to get down to real brass tacks of the right type of business management, which he considered necessary for the implementation of this policy. You would be surprised to know that this responsible managing director of one of the country's greatest industries could be so frivolous as either to coin or quote the following limerick:

The young lady of the Niger,
Who went for a ride on a Tiger,
Came back from the ride
With the lady inside
And a smile on the face of the Tiger.

This was to illustrate the fear in the mind of petty-minded, old-time management, who took care to see that they selected a staff of the docile and submissive type and not able and independent-minded assistants, who might supplant them one day. This speech, which I am commenting on at some length, was perfectly suited to the occasion. Col. Sawhny was invited to preside at the All-India Council of Labour and Welfare Officers, over one of its sections dealing with the functions of management and management training. An employer is apt to think of his workers as a part of the plant. This outlook vitiates their relations from the outset and everything which follows naturally goes wrong on either side. He reminds the old stick-in-the-mud that the proper study of management is not machine or finance or markets but man. The days of "hiring and firing" or even of benevolent despots are gone. What is wanted is a new concept of leadership and a new basis of human and not purely economic relations between the two vital wings of industry.

I think it was the once famous but now sadly forgotten genial American philosopher and psychologist, Prof. William James, who first made the phrase "moral equivalents of war" popular and started thinkers on this quest. The idea is that, in spite of its frightfulness, destruction and cruelty, war is believed to have certain values in the evolution of human society, and, in banishing war or armed conflict between nations, we should try to preserve these values by searching for their equivalents in other more peaceful but equally adventurous pursuits of life and promoting them. The defence services are naturally regarded as representing the non-constructive activities of life, but they have, and more especially the army has, developed certain modes and techniques of organisation, training, and disciplined action, which get results. It is, therefore, on his experience of army life that Col. Sawhny draws upon, for borrowing this successful mechanism for use in the field of industrial management.

I have often noticed that, in the post-independence India, almost every institution has gone wrong at one time or another except its judiciary, the army and the Press. Apart from his intimate association, therefore, it is inevitable that he should want to bring the traditions and training he received in his earlier career to the field of industry. Going right back to the old Iron Duke, he quotes one of the famous sayings of this crusty old soldier that "there are no bad battalions; there are only bad officers." The implication of this is obvious. In industry, as in any military campaign, not only success or failure turns on leadership, but the responsibility for failure lies on it.

But what I have come to regard as the most valuable idea in this somewhat original thesis is his insistence on the absolute necessity for defining the aim of any joint enterprise, industrial or military. This has to be done carefully, because the new management must convey the purpose and the aims of the organisation to all who work for it. He puts it graphically, when he illustrates this rather startling demand in the opinion of some old diehards that "a man who is hewing limestone in a quarry" will work with better heart if he knows that he is doing this fatiguing job to satisfy ultimately the vital need of the country for cement than if all he knew was that "wielding a hammer and cracking rocks for eight hours a day is the sum and substance of his existence."

And even more important than this instruction to all workers in the aim of every activity is the need to fortify them with the knowledge, as in the defence forces, that they will be well cared for and well led in a united endeavour to reach this goal. The last on the list of Col. Sawhny's requirements for new and enlightened management is decentralisation. I have known industrialists and top executives who abhor any idea of sharing authority and initiative with those whom they regard as juniors. For them, however, I am afraid, Col. Sawhny's whole discourse is beyond the limited range of their imagination and mental grasp. It is only when the last of these ditchers has retired that private enterprise will come into its own.—*All Rights Reserved.*

AGENDA FOR BUDGET SESSION OF PARLIAMENT

SIGNIFICANCE OF BERNSTEIN REPORT

(From A Special Correspondent)

NEW DELHI, *9th February*

THE budget session of Parliament will begin on the 15th inst., with a customary address by the President. The President's speech will not reveal any fresh line of thought but will be a short replica of what he had stated in his Message on the eve of Republic Day. In addition, he will give a brief resume of the business before Parliament for the forthcoming session. The duration of the session will be about 100 days, extending up to the last week of May. Apart from the presentation and discussions on the Railway and the Central budgets and the passing of the budgetary grants of various Ministries, a few pending Bills will be taken up, especially during the last three to four weeks prior to the close of the session. So far as the Commerce and Industry Ministry is concerned, some of the pending Bills, such as the Rubber Marketing Board Amendment Bill, will be taken up. The Finance Ministry will take up the Companies Bill which will be referred to the Select Committee. In view of the gradual expansion of the ownership of commercial enterprises in the public sector, a new chapter will be added to the existing Bill dealing with this subject. The Shipping Control Act, which is due to expire shortly, will be extended for two years. Necessary amending legislation is expected to be undertaken during this session. The Motor Vehicles Amendment Bill, the Cinematograph Bill, etc., will also be brought before this session. Perhaps, the most important is the necessity for the Government to put through some suitable amendments to the existing provisions of the Constitution relating to the sanctity of private property following the Supreme Court's interpretation invalidating the Sholapur Mills Act.

DELHI LETTER

I.M.F. Experts' Report

The Report submitted by the International Monetary Fund Mission which visited India early last year under the leadership of Mr. E. M. Bernstein is of particular interest, especially from the timing of its release to the public. With barely two weeks for the presentation of the Central Budget, the suggestions contained in the Report in the sphere of taxation will doubtless receive more attention at the hands of the Finance Minister. In recent weeks, Mr. C. D. Deshmukh has categorically stated that there would not be any fresh impost pending the submission of the Taxation Enquiry Report. All the same, he will not be averse to collect a few crores of rupees not only by minor adjustments but also through levy of fresh taxation on some commodities and manufactured articles. During the last few years, the commercial community has been vociferous that it has not been able to bear the weight of heavy direct taxation and that the high level of taxation has been largely responsible for thwarting the proper development of private enterprises. The question of direct taxation must, therefore. be ruled out, but the Finance Minister may deeply consider why he should not collect some amount by resorting to indirect taxation. In the present position of the country, the latter will take the form of an excise duty. Another justification for this kind of tax is that, with the development of domestic industry, the Government's customs revenue has been showing some shrinkage due to a decline in imports of finished products. During the post-war period, an impressive development has taken place in certain spheres of industry which have not yet attracted the covetous eyes of the Finance Minister. Prominent mention may be made in this connection of cement, bicycles, paper, soap, etc. The levy of an excise duty on salt will doubtless secure handsome revenue to Government, without at the same time taking up the price of salt by any sizable extent. But Government will not touch this subject for historical and sentimental reasons, until, perhaps, it gets the backing of the Taxation Enquiry Commission.

In the sphere of taxation, the Report of the I.M.F. Mission points out that special attention should be given to the possibility of increasing (a) taxes that have not kept pace with rising prices and revenue requirements over the past 10 or 15 years, (b) taxes and charges that will claim a part of additional income directly attributable to the Five-year Plan, and (c) taxes that will restrain unnecessary consumption. From the point of view of State Governments, betterment levies and water charges which have been proposed by the Planning Commission in connection with multi-purpose irrigation projects are considered by the Mission as "amongst the most desirable means of capturing by the Government a part of the additional income directly attributable to the Five-year Plan." The I.M.F. Mission also points out that, so far, the progress of the States in achieving additional resources has been disappointing. It seems very doubtful at this stage that the States will be able to find their share of resources, unless they impose new taxes in the coming years and reduce their non-developmental expenditures.

It is from the above angle that the Finance Minister will approach the taxation problems. Even after making reasonable efforts to raise additional resources, it is, however, certain, the Report observes, that available home resources will fall short of the amount needed to proceed with the modest development programme laid down in the Five-year Plan and will have to be augmented from outside.

Sugar

If the Government of India has achieved a notable success on the food front under the leadership of Mr. Kidwai, it has failed miserably on the sugar front. It has recently been stated that the Government would be importing about three lakh tons of sugar within the next few months, but the latest reports suggest that there will be additional imports to the extent of about four lakh tons. The total costs of these imports will go up to the record figure of about Rs. 50 crores. This means that a sizable portion of savings effected through reduction in food imports will be spent on those of sugar. This state of affairs conclusively proves that, even after two decades and more of protection, the sugar industry has not been able to take deep root in U.P. and Bihar and offer sugar at competitive prices to the consumer. If the Government of India, which has been pampering the sugar industrialists and the cane growers of these two States, were to spend a modest portion of Rs. 50 crores in the improvement of irrigation, both large-scale and small-scale, in the Deccan and further South, this industry would have become not only strong but also be able to export a moderate quantity overseas. This aspect of the question will have to be examined afresh from all angles by the Planning Commission at the time of the preparation of the second Five-year Plan. If sugar is to be made available in plenty, the Planning Commission will have to double the current rate of production during the next plan period and this would be possible only if encouragement is given for this industry to spread itself in the Deccan, Hyderabad, Andhra and in parts of Madras.

Rationing in Delhi

The citizens of Delhi will practically be bidding good-bye next month to the food rationing system introduced some ten years ago. There will be some semblance of control in regard to wheat and rice, which is perhaps necessary before full decontrol is implemented. The State Government will continue to regulate the price of rice through fair price shops where rice will be made available to the people at fixed rates. In order to improve the supply of rice, the Government will be allowing private traders to import 10,000 tons of rice from U.P., under a system of licence. They will be permitted to sell this rice in the open market. In regard to wheat, the retail price of wheat under rationing will be fixed at Rs. 15-8 per maund, while the private trade will be allowed to sell it without any control in the retail market.

(Concluded from next column)

in its Customs and Tariff policy, and to provide the reserves without which such action would fail. The Chairman of Westminster, however, saw no advantage in present convertibility, since it would be bound to carry a further depreciation of sterling in terms of dollars and he lined up solidly with the conclusions of the Sydney Conference in putting the achievement of a healthy trade balance first.—*All Rights Reserved.*

BANKERS ON CONVERTIBILITY

NATIONAL PROVINCIAL WANTS IT NOW

(From Our Own Correspondent)

LONDON, *6th February*

THERE was a danger this year that the annual speeches of the "Big Five" Bank Chairmen would be dull—excusably so since the Chancellor of the Exchequer had recently had occasion to say nearly all that seemingly could be said on the country's external position. Instead, the bankers' individualism came out to attack soft domestic policies (the Chairman of Lloyds deplored the rise in bank deposits which were accompanying the wages spiral and evidenced an excessive circulation of money), with their excessive ratio of consumption to production and to urge the need for those more self-denying Continental policies which were raising up such severe competitors in our export fields. To cap it all, the Chairman of the National Provincial Bank demanded sterling convertibility *now*.

LONDON LETTER

The rise in the sterling area's gold reserves was noted with approval, but it was argued that the credit belonged mainly to the Commonwealth countries and the Colonies. This presupposes that the repayment of the U.S. and Canadian lines of credit, which are shown as charges against the U.K. balance of payments, is in no way an extra-U.K. liability; yet surely profligacy of dollar spending in 1946 and 1947 was a sin common to the whole sterling area. The bankers also noted that the U.K.'s sterling liabilities had increased to a much greater extent than the gold reserves and pointed out that the British balance of payments simply had no surplus of the order of £300 million per annum with which to finance Commonwealth development.

This circumstance called for less consumption at home, more exports and more investment. But, while one Chairman deplored the high level of taxation which prevented companies from financing their own expansion and drove them to the capital market to raise more funds, another put forward a thesis that has not come from the bankers' quarters before. It is that, in the national interest, it is more desirable that, after a company has put aside adequate reserves, it should pay out its remaining profits as dividends and then go out into the competitive capital market and take its chance on its own merits of raising new development capital. This argument, however, put forward by Lloyds, did not run counter to the general complaint of inadequate capital formation at home and it was pointed out that, whereas here gross capital formation takes one-eighth of the national income in a group of six Continental countries, the corresponding figure averages one-quarter, while net investment (after allowing for maintenance and depreciation) is 50 per cent. higher (as a proportion of the national income) than in this country.

A Danger

There was a danger of this country pricing itself out of its export markets (though North America appears an exception) and our exporters were urged to do better on delivery dates as well as on price—but the bankers stressed that credit to exporters was not a difficulty and that they were giving all the assistance needed. There was a great danger in assuming that, because the terms of trade were moving in the U.K.'s favour, all was well: they would move that way if our export prices were too high and we might find ourselves with no trade. To the National Provincial Chairman this argument led straight to the point that we needed to be able to quote firm prices (without escalator clauses for rising costs) and this could only be done if our prices moved in line with world prices, which in turn implied sterling convertibility. Here was nineteenth century economics with a vengeance and the speaker immediately faced the argument about the Welfare State being more important than the exchange rate, by declaring that nothing could be more to the long-term advantage of wage earners than stable prices, ensured employment and healthy exports. No one else had the temerity to suggest that sterling should be made convertible now, though some did deplore that facts made present convertibility impossible and put the next move with the United States, both

(Continued in previous column)

PAKISTAN NOTES

CENTRAL GOVERNMENT REVENUES LOWER

LOAN FROM COMMONWEALTH BANK—PROGRESS OF TEA INDUSTRY

PAKISTAN'S budget for 1954-55 will be presented to the Constituent Assembly in a few weeks' time. In view of this, the latest figures relating to the Pakistan Government's revenues will be of some interest. The total revenues of the Government during the seven months ended October, 1953, amounted to Rs. 87.30 crores, as compared with Rs. 103.80 crores in the corresponding period of 1952. The fall in revenues has been accounted for entirely by the decline in customs receipts from Rs. 42 crores to Rs. 23.86 crores. On the basis of these figures, the aggregate customs revenue for the whole of the fiscal year 1953-54 is estimated at Rs. 34 crores to Rs. 35 crores. It may be noted, in this connection, that customs duties contribute 50 to 60 per cent. to the Central Exchequer. This source had registered an appreciable rise during 1951-52, being Rs. 84 crores, as against Rs. 31 crores in 1948-49. Since the last two years, however, there has been a fall. Receipts from income-tax, on the other hand, have shown an improvement, the sum actually collected during the period April-October, 1953, being Rs. 10.86 crores, as against Rs. 9.13 crores. It is expected that the total for 1953-54 will amount to Rs. 17.5 crores to Rs. 18 crores.

With the announcement of the Commonwealth Development Finance Corporation's decision to grant a loan of £1 million to the Sui Gas Transmission Co., Ltd., Pakistan—this is the first commitment of the Corporation since its formation—the implementation of the scheme for tapping the vast resources of natural gas recently discovered in Sui (S.E. Baluchistan) has been carried a stage further. This loan forms part of the total capital cost of the project, estimated at about £9 million. The Company has also applied for a World Bank loan of £5 million. The remaining £3 million of the equity capital is to be provided equally by the Pakistan Industrial Development Corporation, the Burmah Oil Company and private investors. Under a long-term contract, the Burmah Oil Company will be responsible for the management of the Sui Gas Company.

The Sui Gas Company proposes to transmit the natural gas from the field by a pipeline over some 350 miles to Karachi through the lower valley of the river Indus. The exploitation of the natural gas resources will result in two distinct benefits to the economy of Pakistan. First, it will accelerate the development of the agricultural and industrial capacity of the country. Secondly, it will, by supplementing the indigenous fuel and power resources, enable Pakistan to save large sums of foreign exchange which are now being utilised for importing petroleum.

Foreign Capital Investment

Foreign capital investment in Pakistan during the past six years has been to the tune of Rs. 21.48 crores, as per details below:

Country	*No. of companies*	*Investment (Crores of Rs.)*
U.K.	51	12.28
India	14	3.31
U.S.A.	2	0.17
Others	38	5.72

From the above, it will be seen that the U.K. ranks first and that American interest is lagging very much behind in the trade and industry of Pakistan. Out of the 105 foreign companies registered in Pakistan, it is noteworthy that only 33 are industrial concerns involving Rs. 16.70 crores. The rest are trading and banking concerns.

Foreign investment in Pakistan is subjected to three important conditions: First, sugar, cloth mills, electricity, cement, hides and skins, coal mining, oil-refining, shipyard and ship building—all these industrial concerns can be floated only with 51 per cent. of Pakistani capital. Secondly, trading and other industrial concerns can be floated with at least 30 per cent. of Pakistani capital. Finally, all profits are permissible to be transferred subject to the usual tax payments.

Most of the capital flow from abroad has been during the past two years; thus, up to March, 1952, foreign capital investment in Pakistan was placed at only about Rs. 3.40 crores, of which Rs. 3 crores were accounted for by Britain.

The coal industry in West Pakistan is reported to be passing through difficult times, thanks to a fall in demand and non-availability of mining materials at a reasonable price. The mineowners in Baluchistan have complained that they have been adversely affected by the rise in the rates of royalty from As. 12 to Rs. 3 per ton and the increasing use of firewood, instead of coal, in some of the industrial concerns. Forced by circumstances thus, these mineowners have put forward a vigorous plea for Government protection. The three specific demands which they have made in this connection are: (1) Imports of foreign coal should be curtailed to the minimum; (2) import duty on coal should be raised to such a level as would remove chances of competition with domestic coal; and (3) use of indigenous coal should be made compulsory in West Pakistan by discouraging use of oil by factories.

Industrial Research

The Governing Body of the Pakistan Council of Scientific and Industrial Research has decided to set up four industrial research laboratories in the country, one each at Karachi, Lahore, Peshawar and Dacca. The budget estimates for these laboratories for the year 1954-55 have been approved. The capital expenditure during the first phase of planning, construction and equipment is estimated at Rs. 36.86 lakhs. A part of the equipment worth Rs. 10 lakhs is to be provided in the near future by the British Government under the Colombo Plan.

Recovery in Tea Industry

A note of relief at the recovery made by the Pakistani tea industry during the past year, after two years of successive crises, and of optimism at the prospect of return to better times was struck by both Mr. Goodchild, Chairman of the Chittagong Tea Association, and Mr. S. A. Salim, Minister for Commerce, Industry and Labour, East Pakistan, and Chairman of the Pakistani Tea Board, in their speeches at the annual general meeting of the Association held a few days ago in Chittagong. A noteworthy feature of the Association's annual meetings is that it is usually addressed by the Minister of Commerce and Industry also, presumably because of his position as Chairman of the Tea Board. Whatever that may be, it serves to emphasise the close liaison that exists between tea producers and the Government in Pakistan.

Efforts of Planters

A great deal of credit for the recovery of Pakistan's tea industry during 1953 goes to the planting community and the agency houses who faced the black years of 1951 and 1952 in a spirit of doggedness. The past year saw the industry well on the road to recovery and much of what had been gained could not have been achieved without the determined efforts of planters to solve the problems that stood in their way. This does not mean that the tea industry has completely overcome the ill effects of the previous two years. For, as Mr. Goodchild pointed out, it is still suffering from these.

The recovery which the tea industry has made is due in no small measure to the assistance which the Government of Pakistan has rendered to it during the period of crisis. The first step taken in this direction was the abolition of export duty on tea. Secondly, the Regional Office of the Pakistan Agricultural Development Finance Corporation at Dacca formulated plans for giving financial assistance by way of loans to tea estates. According to these plans, all "unencumbered" tea estates became eligible for receiving loans. Even those tea estates which, though mortgaged, had a margin for a further charge on their assets were granted loans. A sub-committee consisting of representatives of exporters, shippers and the State Bank of Pakistan was also constituted to examine how best the gardens could secure reasonable price for their produce. That the Government has not relaxed its efforts in rendering assistance to tea producers is evident from the words of appreciation spoken by Mr. Goodchild. He said: "It is encouraging, indeed, to feel that the Government realise their problems and are prepared to assist in resolving them, for in that lies the future prosperity of the tea industry, bound up as it is, not only with the welfare of this province, but with that of the State of Pakistan."

Not content with the assistance which it has so far rendered to the industry, the Pakistan Government has been actively co-operating with the producers in their efforts at expanding the industry. A few months back, the Government of Pakistan appointed a sub-committee to examine the question of augmenting the tea production from the present level of 53 million lbs. to 80 million lbs. in the course of the next ten years. The Minister for Commerce and Industry disclosed that the output would be stepped up by 10 million lbs. within the next two years, followed by an additional 20 million lbs. spread over another eight years. He also revealed that land of 18 acres has been obtained in Sylhet for establishing a tea research station, for which capital expenditure of Rs. 2.50 lakhs had been sanctioned.

Pakistan is stated to feel that there is a need for substantially increasing its output of tea for two main reasons, namely, (1) steady rise in domestic consumption, and (2) urgency of maintaining a high level of exports.

The aggregate quantity of tea exported by Pakistan tea producers during the period from 1st April to 31st December, 1953 was 16,204,315 lbs. as against 17,529,532 lbs. in the corresponding period of 1952-53. There has thus been a fall in tea exports recently. Referring to the question of Pakistan's foreign trade in tea, Mr. Salim pointed out that, although tea producers had built up a fair-sized export trade in relation to output, there was still room for expansion of exports to friendly, neighbouring countries. He alluded, at the same time, to the growing home market which, he said, should not be neglected. "The level of local consumption," to quote Mr. Salim, "is rising fast and is bound to go up further."

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AUGMENTING FINANCE FOR INDUSTRIES

BANKS AND INVESTMENT IN EQUITIES

THE Shroff Committee appointed to suggest measures for augmenting bank finance for development in the private sector is understood to have completed examination of all the memoranda submitted to it by various bodies and oral evidence tendered by prominent persons and associations. Shortly after its return from South India last week, the Committee met in Bombay for two days and took some broad decisions on a number of issues. Thus, a general picture of what the Committee has to say would appear to have taken shape. Its draft report is now under preparation and final conclusions are expected to be drawn early next month. If the present rate of progress is maintained, it would not be surprising if the Committee's report were to be in the hands of the Reserve Bank Governor, Mr. B. Rama Rau, who is primarily responsible for the appointment of this Committee, before the end of March or early in April.

The rapidity with which the Committee has proceeded with its work is remarkable indeed, and is in keeping with the traditional character of speed and efficiency commonly associated with the enlightened section of private enterprise. The Committee, it will be remembered, was appointed by the Reserve Bank only four months ago, that is, in the first week of October, 1953. During these four months, it issued a simple but effective questionnaire, toured the length and breadth of this sub-continent, met individuals and representatives of State Governments, merchant bodies, stock exchanges and other business associations, recorded their oral evidence and has now reached the last stage of its work.

Voluminous Evidence

That the evidence tendered before the Committee is undoubtedly voluminous is further substantiated by the response it had in its tour of the southern peninsula. For copies sent to us of the memoranda submitted to the Committee, as also reports in the daily Press, reveal that some valuable suggestions have been put forward for the consideration of the Committee by such organisations as the Andhra Chamber of Commerce, Travancore-Cochin Bankers Association, the Southern India Chamber of Commerce, the Shikarpuri Banker (Shroffs) Association and the Madras Stock Exchange.

A perusal of the various memoranda submitted to the Committee discloses one chief underlying idea, namely, the hardships caused to trade and industry by an acute shortage of finance. This point has been brought out by the Southern India Chamber of Commerce, Madras. It points out that the proportion of bank finance to private lending in the financing of trade and commerce had never been correctly determined. The disparity between the actual lending rates of banks, on the one hand, and the bazar money rates, on the other, was a proper barometer of the inadequacy of bank finance for both trade and industry. Interest charges had become a significant item in industrial balance-sheets. Bank finance accounted for only a part of the finances of industry and this position had not been greatly altered by the war-time influx of new banks. Another cause for the inadequacy of bank finance, according to the Chamber, was the pressure put on banks by State Governments for buying large chunks of loans issued by them, while banks had every inducement to increase their holdings of Gilt-edged securities, as the yield on them were over 4 per cent.

Plans Given Up

As interest charges were thus high on account of lack of funds, many concerns started during the war had to give up their plans and programmes. The Andhra Chamber of Commerce says:

"Many of the concerns having completed their erection work, are now finding it difficult to carry on their business for want of working capital. Some of the concerns that have started working are not now able to pay satisfactory dividends on account of numerous restrictions and unforeseen difficulties It may also be noted that some of the concerns have not completed their original capital programme on account of inadequate capital and increased costs."

On the question whether commercial banks should provide long-term finance to any industry, the Travancore-Cochin Bankers Association is emphatic in its reply by stating that it is not advisable to provide long-term finance to any sort of industry and that such demand should be met by specialised industrial finance institutions. Holding more or less similar views, the Southern India Chamber of Commerce looks at this question from a different angle. It states that the nature of a bank's obligation—both demand and time liabilities—militate against their acting as an Industrial Finance Corporation. But it points out that though bank finance is seasonal for the most part, a portion of it is in the nature of long-range overdrafts and loans to certain well-established industrial ventures. Thus, in a sense, the banks are already acting as an Industrial Corporation. This is also a reason why banks are not able to call up the loans which became superannuated, though the company owing the money may have large assets. Such a position, the Chamber says, could not be described as over-trading; it is a symptom of a chronic state of under-capitalisation.

Should Banks Invest in Shares?

Another question on which there would appear to be considerable unanimity of opinion among private organisations is whether commercial banks should be allowed to invest in shares. The Travancore-Cochin Bankers Association, commenting on this issue, points out that investments of banks, as on 30th June, 1953, reveal that out of Rs. 385 crores, only Rs. 12 crores are invested in shares and debentures and these too must naturally be in leading industrial units only, as the investment by Non-scheduled banks is only Rs. 66 lakhs. Investments in shares and debentures of small and medium-sized industries should, therefore, be presumed, it considers, to be practically nil. The Association attributes this lack of interest to the fact that "such investments are not now approved under section 24 of the Indian Banking Companies Act (1949) for the purpose of 20 per cent. of eligible assets and also because such shares and debentures are not really marketable or realisable. The heavy burden of taxation on new industrial companies leaves precious little for profits and are, therefore, not yielding, and hence their shares and debentures are not attractive for investment; and successful individual concerns, again due to heavy taxation, are reluctant to seek incorporation under the Companies Act, and, therefore, they are unable to provide themselves with finance by the issue of shares or debentures for further development." The Association, in the circumstances, considers it desirable that, in order to make available increasing bank advances to industry, section 24 of the Banking Companies Act should be so modified as to encourage banks to invest in industrial securities by including them as eligible assets and by reducing the limit of 20 per cent. of eligible assets to a lower level. It is also suggested that rediscounting facilities by the Reserve Bank should be extended to these investments.

The Andhra Chamber of Commerce points out that the Reserve Bank of India looks with disfavour on any advance made by banks against industrial equities. This has not created a proper atmosphere for many investors to go in for industrial shares. If the Reserve Bank's control over such advances were more discriminating and liberal than at present, more finance would flow to finance industrial development. Like the Travancore-Cochin Bankers Association, this Chamber too advocates that advances made against shares or securities by joint-stock banks may be converted into the form of usance bills for a period of nine or 12 months and made eligible for rediscounting with the Reserve Bank. It, however, suggests that, in such cases, proper safeguards regarding fixation of limits to the maximum amounts eligible for such discount facilities may be adopted without mentioning the names of shares eligible for such discount.

Small and Medium-scale Industries

A pressing case has been put forward by the Travancore-Cochin Bankers Association for quick provision of bank finance to small and medium-scale industries of the State. So far as large-sized industries are concerned, there appears to be no difficulty for finance. For most of these are either quasi-Government concerns or those being financed by Exchange and leading banks. It is only the medium and small-scale industries which form the vast majority of industries that lack short- and medium-term finance. Even where such finance is offered by commercial banks to these small industries the supply is far short of demand. The peculiar economy of the State needs, it is stated, special consideration. Most of its agricultural produce such as tea, rubber, coconut, lemon grass, coir, jaggery, sugarcane, cashew nut, etc., have to be industrially processed for marketing. In this industrial processing are engaged many small and medium units which now need short-term finance. Whatever money these units require is now supplied against the security of stock-in-trade, machinery and plant, and often, to a considerable extent, against personal and real estate security of the industrialist concerned. But finances provided thus are too inadequate to meet their total requirements. What is needed, therefore, are advances on a larger basis than at present and this, the Association says, can be provided by the Reserve Bank by means of extending rediscounting facilities to medium-sized banks against their advances to industries also.

To sum up, in the opinion of the Association, the Reserve Bank could help industries by the adoption of the following measures:

(1) slight relaxation of the rigid control on the proportion of advances to deposits of commercial banks;

(2) extension of rediscounting facilities to smaller banks against their industrial investments and industrial accommodation;

(3) supply of industrial information to commercial banks and of the service of experts to help banks in the valuation of industrial assets through the Industrial Investment Corporation; and

(4) distribution of industrial credit by the Investment Corporation to small industry through commercial banks.

Co-operative Departments

The Andhra Chamber, however, for its part insists that medium and small industries should be started with the assistance of the Co-operative Departments of States "as they alone will be able to mobilise rural savings and divert them for purposes of developing small-scale and cottage industries." It adds: "The question of providing short-term credit to small-scale and cottage industries should be left to the co-operative societies, while other Scheduled banks should look to the needs of large-scale industries."

Both the Travancore-Cochin Bankers Association and the Andhra Chamber welcome the usance bill scheme of the Reserve Bank of India and plead for its extension to smaller banks. The latter body says that the facilities of the scheme should be extended to co-operative banks also.

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U.S. ECONOMIC TRENDS

In his recent Economic Report to the U.S. Congress, President Eisenhower finds that the American economy is sound and flexible, and that it is heading for further growth. Pointing out that the urge to improve living standards, exercises a strong and continuous pressure on the society, the President notes many elements of strength in the American economic scene. Thus, for instance, today American purchasing power is greater than ever, with prices stable and income after taxes close to $250,000 million a year. Another $5,000 million in tax reductions will be added to this purchasing power in 1954. Liquid savings of Americans now total more than $200,000 million, and some two-thirds of American families have incomes of more than $3,000 a year. Business investments for new plant and equipment, which aggregated $27,800 million in 1953, are expected to reach an annual rate of $28,000 million in the first quarter of 1954. A continued rise is expected in spending by State and local Governments, apart from federal spending, to meet increasing needs for schools, roads and other public facilities. These expenditures, which amounted to less than $15,000 million in 1947, are now running at an annual rate of more than $26,000 million.

Also important to the American economy in this interdependent world are the improved economic conditions of other free nations. Their production reached new highs in 1953, and their gold and dollar reserves rose about $2,200 million.

The President acknowledges that the United States is in the midst of a "readjustment," marked by some declines from the record highs of 1953. But this readjustment, he believes, will be "brief and self-correcting." Principal cause of the recent downturn, according to the report, is a general inventory correction. What does this mean? At the end of the lengthy steel strike in 1952, many manufacturers who were left with depleted inventories began to build up their stocks—too rapidly in a number of cases. Cutbacks in the defence programme in 1953 led to a further piling up of inventories. Many manufacturers then began to cut back their production and to reduce their inventories to more realistic levels. The Report notes that "over the last two months of 1953 inventories declined while retail sales were generally sustained. Should this development continue, the moderate contraction now under way could come to a halt soon." It is noteworthy that so far in 1954, department store sales have been running 2 per cent. ahead of 1953.

This month's report of the Business Survey Committee of the National Association of Purchasing Agents—the men and women who buy and sell the products used by American business—says that inventory adjustments, while not completed, are making sufficient progress to foreshadow an "early end to the current business decline." The purchasing executives find that economic adjustments have been "orderly." Most of them believe that a "levelling-off may come this quarter, with a possible upward trend."

The employment situation is already showing signs of improvement. Within the past week, Government officials have noted a distinct slowing up in the rate of unemployment, which now amounts to about 2.3 million. Estimates are that this approximate level will hold for the year as a whole. If it does, the number of jobless—which includes unemployables or persons in the process of changing jobs in the free American economy—will come to no more than 4 per cent. of the entire civilian labour force. From 1946-50, before the outbreak of the Korean fighting, the ratio of unemployment averaged about 4.5 per cent. It is small wonder, then, that President Eisenhower's Economic Report was able to conclude: "There is every reason for confidence that our system of individual enterprise, which is one of the wonders of the world, will long continue to be a producer of ever-increasing wealth and widely diffused well-being."

INDIA'S STERLING BALANCES FIGURE IN U.K. COMMONS DEBATE

During the House of Commons' debate on the Chancellor of the Exchequer's report on the recent Commonwealth Conference at Sydney, concern at India's non-utilisation of its sterling balance was expressed by certain members. The discussion arose out of Mr. R. A. Butler's statement that India had a balanced budget and was, therefore, not drawing upon its sterling balances. Mr. Butler observed that, in India, there had been some remarkable recovery. During his visit to India, he said, he had seen something of the Five-year Plan and discussed it with India's "excellent Finance Minister." India had cured inflation and as a result, the country was to-day not using its usable reserve balances even for development. He quoted this instance of India to point out how the Commonwealth countries were tackling their internal payments problems.

Commenting on the statement of Mr. Butler, a Labour M.P., Mr. H. A. Marquand, said that he was concerned about the fact that India was not drawing on its sterling balances. He argued that non-utilisation of sterling balances was not in accordance with the expectations created by the Five-year Plan, which envisaged deficit financing and an import surplus to be met by withdrawal of sterling balances. Did the Chancellor's statement mean, he asked, that India had had to abandon its Plan. Replying to this poser, Mr. John Foster, Under-Secretary for Commonwealth Relations, simply stated that the Plan was progressing well.

Another member expressed concern at India's sterling balances in a different context. Opposing convertibility of sterling as aimed at at the Commonwealth Conferences. Mr. Hugh Gaitskell, a former Labour Chancellor of the Exchequer, feared that, if sterling was made freely convertible, all the holders of sterling would use that opportunity to convert them into dollars. Answering this criticism, Mr. Butler stated that sterling balances as a whole were controlled by release agreements and that India had not even drawn upon its usable balances. This explanation, however, did not satisfy Mr. Gaitskell; he pointed out that the release agreements were only gentlemen's agreements about not converting into dollars and that, if any member of the sterling area got into trouble, there was not the slightest doubt it would be forced to draw on those balances.

ARAB BANK OF ECONOMIC DEVELOPMENT PROPOSED

Proposals are under consideration for the establishment of an Arab Bank of Economic Development, with a capital of £E.200 million, divided into 2,000 shares of £E.100,000 each. Of these shares, Egypt would hold 800, Iraq 340, Saudi Arabia 320, Kuwait 240, Syria 80, Qalai 60, Lebanon 48, Sudan 40, Jordan 40, Libya 24, and Bahrein 8. Subscriptions are payable 2 per cent. in gold and the rest in the currencies in which the member-countries receive their incomes. One quarter would be payable within six months after the signing of the Bank's agreement by the member-countries and the balance later at the Bank's request. Apart from the paid-up capital, the Bank's funds would consist of its reserves, loans obtained through issuing bonds, or loans received from the International Bank for Reconstruction and Development.

The Arab Bank would grant loans to Governments of member-countries or to development institutions guaranteed by the Governments. Under certain conditions, it would make loans without guarantee to industrial or agricultural banks or share in regional development schemes carried out by companies on a commercial basis. Another feature of the proposed Bank is that it would grant loans to borrowers in any currency at its disposal, according to the needs of the project for which the loan was requested. The rate of interest charged, the date of maturity of loans and all other conditions would be left to the Bank's management.

The Bank would be run by a Board of Governors consisting of representatives of member-countries. It will be assisted by an Executive Board and a Board of Advisers. The former will consist of ten members and will be responsible for the management of the Bank. The Board of Advisers would consist of four members appointed for two years and chosen by the Board of Governors from a panel of eight experts nominated by the World Bank.

U.S. AID TO INDIA

Two more supplementary agreements providing for U.S. economic assistance to India were signed by the representatives of the Governments of the two countries in New Delhi on Saturday last. One of them provides for the extension of the engineering consultant services to the Damodar Valley Corporation up to the end of June, 1956, for which the U.S. Government will make available a sum of $632,000. The other relates to the supply of 5,000 long tons each of urea and ammonium sulphate-nitrate (worth $1.15 million) for the purpose of demonstrating, popularising and testing the chemical manures in India. Besides these two, another agreement covering the supply of 40,200 tons of steel is expected to be signed shortly. Preparatory to this agreement, the U.S. Foreign Operations Administration has already announced an allotment of $12.5 million for the purchase of steel. The steel is meant for such purposes as agricultural expansion, rural development, shipbuilding and repairs to industrial machinery, river valley projects and small-scale industries.

The aggregate U.S. outlay on the aforesaid three projects amounts to more than $14.28 million. The allocation is a part of the total authorisation of $77.1 million as assistance to India by the U.S. Government for the current financial year. It was only recently—on 24th December, 1953—that the first operation agreement between India and the U.S. under the Indo-U.S. Technical Co-operation Programme for 1953-54 was signed. The project financed under this agreement relates to the rehabilitation of Indian railways for which the U.S. Government has allocated $20 million.

The agreements under which the U.S. will supply India with fertilisers and steel are significant, in that they represent, just as the one relating to railway rehabilitation, direct economic aid, as distinct from technical aid, provided by the U.S. They should, therefore, be considered another landmark in Indo-U.S. economic co-operation.

The agreement covering fertilisers acquires special importance in the present context of the need for augmenting agricultural output in the country. The urea and ammonium sulphate-nitrate are new types of fertilisers which have not so far been tried in India. If the demonstration programme were to prove successful, it would, it is claimed, enable Indian farmers to obtain nitrogenous fertilisers at rates far cheaper than sulphate of ammonia. It may be mentioned here that there is a proposal to produce the new fertilisers at Sindri, in addition to the 300,000 tons of sulphate of ammonium now being produced every year.

HIND BANK RAISES DIVIDEND

The Directors of the Hind Bank Ltd., propose to raise the dividend for the year ended 31st December, 1953, to Re. 1-8 per share of Rs. 50 each, free of income-tax, from Re. 1 which they had paid for the previous two years. It may be noted here that the maiden dividend of the Bank was paid only in 1951. The stepping up of the dividend for 1953 is in tune with the encouraging results for the year. The profit of the Bank amounts to Rs. 7,91,038, which, as compared with that for 1952, shows an increase of Rs. 1,16,115. With the addition of Rs. 86,185 (Rs. 86,262) brought in from the previous year, the sum available for appropriation amounts to Rs. 8,77,223, as against Rs. 7,61,185 for the previous year. The provision for taxation has been raised from Rs. 2,90,000 to Rs. 3,86,000, while the addition to the reserve fund has been reduced from Rs. 2,50,000 to Rs. 2,00,000. The addition to the reserve fund brings it to Rs. 22,00,000. Bonus to staff absorbs Rs. 5,000 more at Rs. 40,000. The dividend payment at 3 per cent. per annum requires Rs. 50,000 more, that is, Rs. 1,50,000, leaving a sum of Rs. 1,01,223 to be carried forward to the next year's accounts.

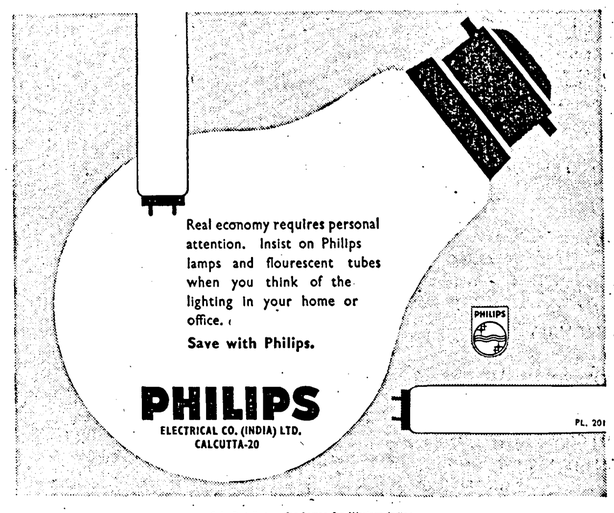
The securities and investments of the Bank, as on 31st December, 1953, stand at or below market rate ruling on that date.

WEST EUROPE AND COMMONWEALTH MOVE TOWARDS CONVERTIBILITY

The four-day unofficial conference of more than 200 delegates from over 20 Commonwealth and West European countries held at London was over on the 1st inst. The delegates favoured the creation of a secondary preferences system between Western Europe and the Commonwealth within the framework of the G.A.T.T. They suggested that such preferences should be a reduction of tariffs accompanied by the gradual establishment of currency convertibility within the group. The Conference urged the Governments of the Commonwealth and the Western European countries to meet and discuss agricultural and industrial development of their dependent territories and draw plans for investment in the development schemes.

A resolution on trade made it clear that a European-Commonwealth link would not be aimed at building up tariffs against the rest of the world, but at promoting the fullest flow of trade between Europe, the overseas territories and other countries.

A special emergency resolution urged the closest possible association between Britain and the six-nation European coal and steel community in developing Europe's basic industries.



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PRODUCTIVITY IN TEXTILE INDUSTRY

I.L.O. EXPERTS' SUGGESTIONS FOR IMPROVEMENT

AN important problem of the cotton mill industry in India which received the special consideration of the Joint Consultative Board of Industry and Labour at its fifth meeting held in New Delhi last week related to productivity. This is hardly surprising, considering the imperative need for raising the productivity of labour employed in cotton mills in order to make cloth cheaper for consumers in this country and to raise the competitive ability of Indian cotton goods in overseas markets. Although the need has been stressed time and again, the output in relation to the total effort expended has not shown any improvement at all. On the contrary, there has been a distinct setback. According to the Planning Commission, the productivity in the cotton industry has generally declined by 20 to 30 per cent. during the period following the Second World War. This has happened at a time when the productivity of workers in other cotton goods producing countries such as the U.S., the U.K., Japan and the European continent has gone up. India's backwardness in this respect is clearly borne out by the fact that an operative in the Indian cotton textile industry handles, on an average, 280 ring frame spindles, as against 800 spindles and 1,200 spindles handled by his confreres in the U.K. and the U.S. respectively. Similarly, an Indian operative handles an average of 2.5 ordinary looms, as against 5 ordinary looms in the U.K. and 32 automatic looms in the U.S.

The foregoing brief account serves to emphasise one aspect, namely, that, if India is to compete effectively in world cotton textile markets, it is of the utmost importance that productivity of labour should be increased. For, to the extent this is done, cost of production will be reduced and prices to consumers can be lowered. Indeed, it would be no exaggeration to say that the future of the Indian cotton textile industry hinges on the success of measures that are taken to increase productivity.

Viewed thus, the efforts of the International Labour Office (I.L.O.) in helping India to adopt measures for achieving higher productivity are certainly commendable. It will be recalled that, under the I.L.O.'s expanded programme of technical assistance, the Government of India has obtained the services of experts for organising productivity studies in selected industries. The experts who came to India in December, 1952, split themselves into two units to carry out studies in the textile industry and the engineering industry. The experts working in the cotton textile industry have, by means of pilot studies, already demonstrated how, even with a short course of training, results can be achieved quickly by training local staff in the fundamentals of work study and productivity techniques. They have also suggested that an experiment in the application of work study techniques and the introduction of a system of payments by results may be carried out in one complete unit or an independent section of a mill. This specific proposal made by the experts in this regard may be summarised as follows:

The productivity studies should cover all the sections, from the blow room to the winding and warping sections. Incentives or piece-work schemes should be introduced in all the departments, unless, of course, it is decided that there are overriding considerations, as, for example, the possibility of bad quality work. The mill or a section of a mill should consist of 50 to 100 cards and 20,000 to 40,000 spindles so that the results can be demonstrated in a reasonable time. The machinery in the selected plant must be in a reasonable state of repair; otherwise, time must be allowed for overall and maintenance. "Training Within Industry" facilities should be provided, so that training can be given to all grades of management and labour.

When the plant has been brought to a reasonable state of maintenance, it is proposed to install a Quality Control System, department by department, throughout the mill, so that the quality of the products, whether it be lap, sliver, roving or yarn, shall be maintained between agreed limits. This will avoid the wide variation in the product which now exists. It has been stated that the work will proceed as far as winding and warping. This is in the first instance only. If it is later agreed that weaving and finishing shall be included, this can be done. It is intended, however, to keep a close watch on weaving, while the experiment is being carried out in the spinning sections. The improvement in the quality of yarn should have a definite effect on the quality of cloth and on the weaver's work-load.

The management of the mill must be genuinely interested in increasing its production and the productivity of its plant and its employees; in improving the quality of the yarn and cloth produced in its mills; and in reducing costs to the consumer. Before the experiment commences, a spinning programme will be agreed to for six months or for the duration of the experiment, and the management must adhere to this programme.

The Mission realises and accepts the fact that in India there are more workers than there are jobs available. It will, therefore, require a guarantee from the management that there will be no retrenchment of workers from the selected mill as a result of work done by the Mission. At the same time, the Mission will require an undertaking from the trade unions that, subject to the guarantee above, there shall be redeployment of workers throughout the mill, if it is found that there is a surplus to requirements in any particular department. It shall be understood that the surplus workers who are redeployed shall suffer no reduction in wages as a result of the move.

The experiment shall continue for at least three months, or other mutually agreed period, after the completion of work study in order to allow the experiment to have a fair trial in all departments.

Although more than eight months have passed since these proposals were made, no worthwhile progress has been made in the direction of implementing them. In fact, the activity of the I.L.O. textile productivity experts has come to a standstill. This is due to the divergent attitudes taken by both employers and workers. A section of millowners has criticised, for instance, the recommendations of the experts in regard to maintenance of plant, working conditions and training of supervisory staff. In its opinion, the experts should not make any suggestion with regard to working conditions in the mills but should confine themselves only to their own field of work, namely, methods study with a view to suggesting measures for raising productivity. On the other hand, the workers point out that a mere study of methods and techniques will not be of much use, unless steps are taken to improve working conditions. Further, they state that any future experiments should be confined only to piece-rated occupations, so that increased productivity might automatically result in higher wages without interfering with the existing wage awards.

Owing to this divergence of opinion, as noted above, no final decisions could be arrived at at the recent meeting of the Joint Consultative Board of Industry and Labour. Now that the establishment of the National Productivity Centre has become a *fait accompli*, the existing deadlock in the textile industry must needs be resolved. There is sufficient reason to feel that the attitude taken by both the employer and the employed is of a retrograde nature. The employees' stand is at least understandable, in the light of fears of retrenchment. But it is difficult to appreciate the stand taken by employers. Commonsense suggests that they ought to welcome any sound proposal that is calculated to raise the productivity of workers. Will the millowners care to explain, in simple language, as to why they are afraid of carrying out the suggestion made by the I.L.O. experts?

HANDLOOM WEAVERS' CO-OPERATIVE YARN PRODUCING MILL

What is claimed to be the first of its kind in India is the establishment of a co-operative cotton yarn producing mill by the handloom weavers of Andhra at Guntakal, which was declared open on Monday this week by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. The estimated capital cost of the mill is Rs. 37.5 lakhs. Of this, Rs. 22 lakhs were met by way of contribution to share capital from 500,000 handlooms of Andhra made through 500 primary weavers' co-operatives. The balance of Rs. 15.5 lakhs was taken up by the Andhra State Handloom Weavers' Co-operative Society, the federal body of primary societies. The number of spindles installed in the new mill is said to be 11,000.

Declaring open the mill, Mr. Krishnamachari said that the venture was a turning point in the history and fortunes of the handloom weavers of Andhra. "The Union Government," he observed, "was interested in the venture, because it was an experiment in a new direction—a great progress in the co-operative movement." To quote him: "The newly established mill is an acid test for the co-operative movement. Neither the Andhra nor the Union Government will allow the venture to fail." Proceeding, Mr. Krishnamachari stated that, in providing monetary assistance to the handloom weavers, the Centre had been keen that they should not be cheese-paring, because the money would be well spent with the machinery that was existing in the State.

In the course of his address, Mr. T. Prakasam, Chief Minister of Andhra, congratulated the weavers on their fruitful efforts at setting up the co-operative spinning mill. He assured them that his Government would give full assistance to weavers so that they could rehabilitate themselves. Mr. Prakasam revealed, in this connection, that the Andhra Government had represented to the Centre that the apportionment of the handloom cess fund between Andhra and residuary Madras was not equitable and that the Centre had agreed to revise the allotment.

BOMBAY YARN MERCHANTS' ASSOCIATION AND EXCHANGE LTD.

With the inauguration of the Bombay Yarn Merchants' Association and Exchange Ltd. by Mr. Purshotamdas Thakurdas, President of the East India Cotton Association, on Monday last, a new chapter has been opened in the history of the yarn trade in Bommay City. The existence hitherto of two separate bodies, namely, the Yarn Merchants' Association, Bombay, and the Bombay Yarn Exchange Ltd., had made it practically impossible to introduce unitary control over futures trading in yarn. Now that these two bodies have been merged into one single association and a new set of by-laws governs forward trading, one can expect that speculation in yarn trade will not degenerate into gambling, as it had invariably done in the past, and that crises which spoil the fair name of the trade will not recur. Mr. Gordhandas Jadavji, President of the new Association, did well to exhort the members, in the course of his address at the inauguration ceremony, to refrain from undue speculative activity and to bear in mind the fundamental principles of forward contract regulations. Mr. Gordhandas expressed the hope that the new Association would help foster the yarn trade on sound lines. Sentiments more or less similar to these were also expressed by Mr. Sankalchand G. Shah, the Vice-President, and Mr. M. R. Bharucha, the President of the erstwhile Yarn Merchants' Association, Bombay.

Inaugurating the new Association, Mr. Purshotamdas Thakurdas blessed the Association with a "bright and luminous future like the blooming flowers in the spring." He prayed that the Goddess of Wealth might bestow her favour and shower wealth on the yarn market.

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TEXTILE CIRCLES' CONCERN OVER U.K.-JAPAN TRADE PACT

EXPORTS OF COTTON MACHINERY DECLINE

(By A Special Correspondent)

MANCHESTER, *2nd February*

SIGNING of the Anglo-Japanese trade agreement for 1954 has been the focal point of all interest in textile circles this week. As can be expected, the publication of the details has caused considerable alarm in Lancashire and many protests have already been made. In the House of Commons, an attempt to debate the subject was turned down by the Government, but there is considerable anxiety among Members of Parliament of all political parties on the effect which the pact will have on the cotton trade. In particular, attention has been drawn to the fact that the Government did not consult the industry in any official capacity before undertaking the negotiations and, from this point of view, there is intense dissatisfaction with the subsequent arrangements. Trade leaders in all sections have expressed their opposition to the agreement in outspoken comments over the week-end.

MANCHESTER LETTER

How the actual scheme will work out in practice is not quite clear from the initial reports. In some quarters, it is felt that the Treasury and Board of Trade have purposely kept the full facts quiet, hoping that the storm will die down.

Imports of up to £300,000 worth of cotton and rayon piecegoods and the same value of apparel are not in themselves large, but they represent a bridgehead for Japan, which the textile trades in Britain will watch very warily in the light of possible future developments. It must be remembered that this pact is for a year only—at the moment.

Controversy will again flare up in Lancashire over the quota of £3,000,000 for imports of cotton grey cloth for processing and re-export. The contrasted views of the finishers and manufacturers are by now well established. Lengthening delivery terms, caused by labour shortages in the mills, however, cannot be blamed on any one section. Confronted with a *fait accompli* in the shape of this new and unwanted burden, Lancashire traders can do little more than protest—and, in view of past experience, their pleas will be acknowledged and forgotten. Meanwhile, Japan last year went further ahead as the leading world exporter of cotton goods, and still goes marching on.

The Slump's Toll

It was a remarkable feature of the recent depression in the Lancashire textile industry that so few cases of actual failure took place. The strong financial reserves built up during the prosperous years undoubtedly helped traders to weather the storm when it came.

The total number of bankruptcies, deeds of arrangement, liquidations and receiverships during 1953, however, increased to 120, as compared with 68 in the previous year and 22 liquidations in 1951. The first post-war bankruptcies in the trade were experienced in 1952 and, again last year, there were three such failures, all affecting merchants and agents. In addition, four receivers were appointed, one each affecting spinning, manufacturing, finishing and merchant firms.

The number of compulsory company liquidations increased from four in 1952 to eight last year, all concerned with the merchanting section of the trade. Creditors' voluntary liquidations numbered 17, as against 12 in the previous year, in which three manufacturing firms were involved, 11 merchants and agents and three miscellaneous companies. Members' voluntary liquidations aggregated 88, as against 46 in 1952, there being 45 merchants firms affected, 14 spinners and 15 manufacturers.

There was a further increase in the number of new limited companies registered during the year, the total being 236, as against 197 in 1952. The nominal capital involved was also much larger, being £1,941,300, as against only £883,200 in the previous year, and £2,054,825 involving 164 firms in 1951. Again, the majority of companies registered comprised merchants and agents, numbering 173, while 21 miscellaneous textile traders were included in the list, along with 12 spinners and 12 manufacturers.

One Way To Reorganise?

In the second half of last year, the number of cotton mill deals which took place in Lancashire created a good deal of talk and, already, in 1954, there has been evidence that the trend has by no means ended. In fact, there are indications to show that another aspect of the phase may be taking shape.

Following swiftly upon the acquisition of the Maple Mill, Oldham, by the Fine Spinners and Doublers Ltd., the same combine has made a bid for the Asia Mill at Hollinwood. In addition, it is not long since the Lancashire Cotton Corporation bought the Briar Mill, Shaw. The interest displayed by these large groups in raising their productive capacity in this way has stimulated the belief that more deals of this kind are on the way and a number of mills have been mentioned as "takeover" possibilities. There are reasons also for the fact that single unit concerns are not altogether averse to throwing in their lot with a larger company. The directors have many problems before them at the moment, not the least being the provision of sufficient liquid assets to finance adequate stocks of raw material in the light of circumstances expected to prevail in the latter part of this year.

The bigger groups of mills, particularly in the spinning trade, have been favoured by circumstances in the past few years. They were assisted by the provisions of Government's modernisation plan, and the revival of private trading in raw cotton gives them certain advantages over their smaller colleagues. A gradual reorganisation programme, involving scrapping of uneconomic mills and their replacement by modernised redeployed units arranged within the orbit of the chief combines, would be of benefit to the trade as a whole and each group, in particular.

It is doubtful whether any voluntary scheme would receive sufficient support to carry it through without a great deal of discussion and argument. By quietly adapting their affairs to create greater efficiency, the big combines could be of immense value to the industry at this juncture.

Machinery Exports

Shipments of British textile plant last year continued the decline which was already becoming evident in 1952. Exports amounted to 1,687,340 cwts., a fall of more than 500,000 cwts. as compared with the previous year. Despite higher charges, the earnings from these sales were nearly £10,000,000 less than in 1952, aggregating £40,796,807. The average price obtained was £484 per ton, as against £448 in the previous twelve months. All the leading buyers of textile machinery took smaller quantities of plant during the year, India remaining the biggest consumer with 316,518 cwts. Pakistan received 193,661 cwts., Italy 150,750 cwts. and Brazil 118,975 cwts. There was also a general decline in the amount of each particular type of machinery which was shipped abroad. Spinning plant exported fell from 1,297,288 cwts. to 931,211 cwts. and weaving machinery from 358,475 cwts. to 307,259 cwts.

Imports of textile plant aggregated 113,946 cwts. last year, as against 133,851 cwts. in 1952. A large part of this machinery was for hosiery and knitting, which cost over £2,000,000 out of the total value of imports of £4,900,000. Chief suppliers of all types of textile plant were the United States, providing 43,922 cwts. and Germany 19,608 cwts.

Rayon Output Rises

Rayon was in the van of the revival in the textile trade which gathered momentum throughout 1953. Output of spun rayon yarn, in fact, reached record heights during the year and made up for the only partial recovery in purely cotton output. Average weekly production of cotton yarn at 13,080,000 lbs. during 1953 compared with 11,360,000 lbs. in the previous year, but with 16,630,000 lbs. in 1951. On the other hand, rayon and mixture yarns increased from a weekly average of 1,720,000 lbs. in 1952 to 2,800,000 lbs. weekly last year, which exceeded the previous best of 1,920,000 lbs. per week in 1951.

According to the latest figures issued by the International Cotton Federation, there was a sharp advance in the number of spindles in Lancashire spinning rayon staple fibre in the first half of last year. In January, the total was 1,831,000 spindles, rising by July to 2,522,000. An even more remarkable increase was evident in the same period in France, where spindleage on rayon jumped from 263,000 to 1,265,000. The only other countries with any pretentions to large spun rayon activity were Germany, with 1,350,000 spindles on this type of trade, and the United States, where 1,337,000 spindles were so employed.

Owing to the single shift in operation in Lancashire, however, the quantity of rayon staple consumed in cotton spinning mills in this country was only 33,300 metric tons in the six months ended July, 1953, as compared with 78,337 tons used in the United States and 39,090 tons in Western Germany.—*All Rights Reserved.*

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RAISING PRODUCTION OF IMPROVED VARIETIES OF COTTON

MR. K. R. DAMLE'S EMPHASIS AT I.C.C.C. MEETING

REVIEWING the developments in the sphere of raw cotton in India during the year 1953, we observed in our *Annual Review Number*—*vide* page 128—that the chief problem before the cotton planners today was not only the quantitative improvement of cotton but also its qualitative improvement. It is gratifying to find that this was the main theme of the address of Mr. K. R. Damle, President of the Indian Central Cotton Committee, too, delivered at the Committee's sixty-ninth meeting held in Bombay last week. Mr. Damle said that a "more vigorous and systematic effort" in substituting the area under indigenous variety with improved medium and long-staple varieties would further increase the production of those types of cotton which the Indian cotton textile industry required. The question of accelerating production of long-staple cotton of 1-3/16" staple, Mr. Damle maintained, was of paramount importance from the point of view of national economy. In this connection, he drew particular attention to the following two specific recommendations of the Agricultural Research Sub-Committee:

(1) Schemes for the production of long-staple (1-3/16") cotton in the country should be invited from the principal cotton-growing States where experiments in that direction are already in progress. These States are the Punjab, Bombay and Madras.

(2) Production of long-staple cotton should qualify for special treatment and schemes should be financed in full, although the general policy of the Committee in regard to financial assistance to be given to the various States should be not to permit the full grant of the expenditure on research schemes beyond a period of 10 years and no grant after a further period of five years.

Pertinent Suggestions Indeed

These are, indeed, very pertinent suggestions and the Committee has done well in endorsing them. For whatever amount that is spent on such schemes will ultimately bring considerable benefit to the country as a whole in the form of higher returns to the grower and saving in foreign exchange. The Committee has done well in continuing to accord special attention to the problem of accelerating increased production of improved varieties of cotton. An indication of the progress already made in this direction will be evident from the rise of 1.2 million bales of cotton during the current (1953-54) season, as compared with the 1949-50 season, the year previous to the introduction of the Grow-more-cotton Scheme. Practically the whole of this increase is accounted for by long- and medium-staple cottons. Well could Mr. Damle claim: "We (the Committee) can look upon the current year's production with a certain amount of justifiable pride." Proceeding, he observed:

"An outstanding development which deserves special notice today is the fact that the consumption of Indian cotton by mills in India during the season ended 31st August, 1953, reached the record figure of 36 lakh bales, representing an increase of more than 6 lakh bales over the previous season's corresponding consumption figures. The consumption of foreign cotton, which was 8¼ lakh bales, showed a reduction of 2.3 lakh bales compared to the previous year's figures. Very little of the imported cotton was of Pakistan origin. The loss of supply of Pakistan cotton has been made good by increased supplies of corresponding varieties of Indian cotton. This achievement was possible on account of the efforts of this Committee in developing and extending improved varieties of cotton in the country in co-operation with the State Departments of Agriculture. Cotton extension schemes sponsored by the Government of India have also contributed, in a large measure, to accelerating the increased production of improved varieties of cotton. In assessing the value of the work done in this regard, it may not be out of place to refer here to the fact that the value of imported foreign cotton in India declined from Rs. 124.6 crores in the cotton year 1951-52 to Rs. 58.9 crores in 1952-53, resulting in a saving of over Rs. 65 crores in foreign exchange."

There is still great scope for further augmenting the output of medium- and long-staple varieties. This is evident from the recommendations made by the Committee for the consideration of the Central and State Governments concerned. Thus, the Committee has commended a scheme for the improvement of Tinnevelly and Karunganni cottons. Under this scheme, three new strains, namely, 6189-9, 6188-8 and 6874 have been evolved which are superior to the local strains K.2 and K.5 both in staple length and ginning outturn. Another strain, 6312-4, although yielding as much as the local strains, is superior to the latter in spinning performance, as it spins up to 42s. These four strains are now being tried out in the Tinnevelly-Karunganni tract with a view to determining as to which of these would be most suitable for general cultivation in the central and southern districts of the Madras State. Another suggestion made by the Committee covers the extension of schemes for the improvement of white Northerns and evolving white linted cotton for Cocanada tract in Andhra State. It will be interesting to note that new methods are being evolved with a view to producing long-staple cotton. At Indore, for instance, Karnak (*G. barbadense*), a leading Egyptian variety, has been successfully grafted with Jarilla (*G. arboreum*). The Committee has suggested that further grafting trial should be carried out at Indore on acre basis so as to obtain more definite results in respect of both the growth of cotton and its economics. It has also suggested that similar trials should be carried out at two or three other suitable centres in the country to confirm the results obtained at Indore.

Cotton Seed Distribution Schemes

The success of these steps will depend, to a large extent, on the attitude of the cotton growers. Now that the growers would appear to have come to realise the value of improved seed, the work of distributing such seed has been rendered less difficult than what it was some years ago. Now a question that has arisen is whether the responsibility for the work should continue to be shouldered by the Committee or be transferred to the respective State Governments. Alluding to this question, Mr. Damle felt that it should be possible for the States to undertake cotton seed distribution schemes in future without additional staff, since the staff of the Agricultural Departments in most of the States has been considerably expanded and strengthened in recent years. Another ground on which Mr. Damle justified his view was that the Committee was spending large sums of money on seed distribution schemes and any saving of funds would make available large amounts for important schemes of research. The State Governments, too, need not incur huge expenditure on this account, if only they pay heed to the advice of Mr. Damle that the State Governments should emulate the example of Bombay where the seed distribution schemes are being worked on the principle of making the growers themselves responsible for the expenditure on production and distribution.

This suggestion sounds good enough, but it is doubtful whether all the States will do this work as conscientiously as the Committee has been doing. In any case, if the responsibility for seed distribution is shoved on to the States, there must be some check on them to ensure that the work is being well done. Otherwise, all the good work that has been done so far in this direction would, in course of time, prove to have been in vain. Be that as it may, the Governments of Andhra, Mysore and Hyderabad have been asked to undertake multiplication and distribution of Laxmi cotton, a superior variety.

The President of the Indian Central Cotton Committee referred to the production plans for the years 1954-55 and 1955-56 and struck a note of optimism in regard to the prospects. He said:

"Given favourable weather conditions, no difficulty is likely to be experienced in attaining the target of cotton production which has been fixed by the Planning Commission for the country. These plans were discussed ... at an informal meeting of the Directors of Agriculture who have agreed with this view. The targets which have been prescribed for individual States seem capable of achievement and the State Directors have assured me that they will try to reach them."

Recent Progress

The optimism is not without foundation. This, in a way, is indicated by the satisfactory progress made in cotton production in recent years, a brief summary of which is given below:

While the total production of cotton in the country during 1952-53 was about 3.6 million bales —250,000 bales less than the figure for 1951-52— the target of total production for 1953-54 was fixed at 4.2 million bales. During the current season, several extension schemes sponsored by the Union Government were continued, for the fourth year in succession, in the States of Punjab, P.E.P.S.U., Rajasthan, Bhopal, Madhya Bharat, Madhya Pradesh, Saurashtra, Bombay, Uttar Pradesh, Hyderabad, Madras, Orissa, Mysore, Andhra and West Bengal. For this purpose, the Central Government made an outright grant of Rs. 10.1 lakhs for staff and other items of expenditure and a loan of Rs. 34.28 lakhs for the purchase of improved seed for distribution to growers. As a result of the implementation of these schemes, the final area under cotton is expected to be about 17 million acres, as against 15.7 million acres during the previous year.

From the all-India point of view, the current cotton season could be described as the most favourable in recent years. Almost all the States had fairly good and timely rains which helped the completion of sowing in time, and reports received from most of the States indicate that the yields are fair. However, in Madhya Pradesh and Hyderabad, two main cotton growing areas, weather conditions during the growth of the crop were not so favourable as originally anticipated, resulting in lower yields. Despite these and other conditions, the total production of cotton is not expected to be much below the target of 4.2 million bales.

For the 1954-55 season, the Planning Commission has fixed a target of 17¼ million as the acreage under cotton, the total cotton production target being about 4 million bales. The plans submitted by the cotton-growing States indicate that there would be no difficulty in achieving these targets.

Two other important aspects to which Mr. Damle alluded in the course of his address related to inter-specific hybridisation in cottons (at Surat) and supply of cotton baling hoops. While on the former, he pointed out that the hybrid type 170-CO.2, which had a staple length of 1⅛", was capable of spinning up to 48s counts. It had found favour with the cultivators in the Deccan canal tract and Gujrat. This variety was expected to cover, in a couple of years, over 100,000 acres in the areas to be served by the Khakrapara Project in the Surat District. As regards the supply of cotton baling hoops, Mr. Damle said that the position had been satisfactory and that he did not anticipate any difficulty in meeting the full requirements of cotton pressing factories. As regards fuel, he said that timely allotments of coal had been made by the Committee's office to cotton ginning and pressing factories. And the question of removing the difficulties in the actual despatch of adequate quantities of coal to some factories situated in Punjab and P.E.P.S.U. had been taken up with the Coal Commissioner.

Mr. Damle expressed satisfaction at the decision of the Madhya Pradesh Government to defer the imposition of sales tax on cotton up to 30th June, 1954 in respect of sales effected on or before that date. He even favoured the complete withdrawal of sales tax on cotton in all the States. This was also the unanimous view of the Committee as a whole. Thus, in a resolution adopted at the meeting, the Committee said:

"The Indian Central Cotton Committee desires to convey its thanks to the Madhya Pradesh Government for suspending the levy of the sales tax on cotton upto 30th June, 1954. In agreeing to this suspension, as the State Government has already accepted that the heaviest impact of the tax would be on the cotton grower, the Committee strongly urges the State Government in the interests of the cotton grower to see that cotton which is an essential commodity is permanently exempted from the sales tax in the State.

"The Committee also reiterates its previous recommendation that there should be no sales tax on cotton in any State, as that would tantamount to double taxation, as cloth and yarn are already subject to sales tax.

"The Committee also notes with concern the heavy incidence of the export tax on cotton levied in Hyderabad State which would ultimately fall on the cotton grower in the State and requests the State Government to withdraw the tax forthwith."

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SUCCESS OF INDUSTRIAL MANAGEMENT—I

ON WHAT DOES IT DEPEND?

(By Col. L. SAWHNY, Managing Director, Associated Cement Companies Ltd.)

[The complexity of business administration has brought to the fore the imperative need for the attainment of a high degree of knowledge and experience. Further, in this age of enlightened democracy, the success or failure of a management depends on the extent to which it identifies itself with the ideals of a Welfare State. It was precisely these aspects which Col. L. Sawhny, Managing Director, Associated Cement Companies Ltd., emphasised, in the course of a lucid and thought-provoking presidential address delivered at the meeting of the section dealing with the functions of management and management training at the Second Annual Conference of the All-India Council of Labour and Welfare Officers held in Madras on Friday the 12th inst. In view of the importance of the subject, we reproduce below the address of Col. Sawhny—Ed.]

THE Duke of Wellington once remarked: "There are no bad battalions, there are only bad officers." Even though the constituents which go to make up the organisation of industry vary in detail from those which constitute fighting forces, yet the basic truth of this statement can, generally speaking, be applied to industrial management. For we may take it that the working class and the weapons of production in any individual country are of a fairly standard pattern, and, therefore, that the effectiveness or otherwise of the use which they are put to, will depend substantially on the quality of management which they receive.

In the same way as "the proper study of mankind is man," so I believe that a proper study of management is also man. Where some managements have failed in the industrial field in the past has been in their inability to achieve a proper balance between the rapidly advancing technical skills which science was continuously making available to them, and the higher skill which was needed to ensure human co-operation.

The days are past and gone when the "hiring and firing" type of management was able to achieve results by arbitrary means. Even the days of the "benevolent despot" are numbered, for that technique is no longer acceptable either. Everywhere today, men demand a new leadership, one that will fulfil the basic human needs of an individual. The balance-sheets of the past must now be rewritten in terms of human aspirations and individual values. The industrial pattern of today must be one in which the endeavours and ambitions of men are so co-ordinated as to produce a driving force that will consolidate industry in an accepted place in the new society which mankind aims to achieve. This will be only when management is able to guarantee an efficient and successful industrial community in which men may work willingly and live abundantly.

Measure of Success

In India today, our national goal, as expressed through the representatives of the people in Parliament, is the establishment, as speedily as possible, of a Welfare State. The success or failure of industrial management will be judged by the extent to which it is able to identify itself with this national aim and to prove, by its actions and its policies, that it can champion the hopes of those people who, in working for industry, are striving to achieve security and well-being.

In this connection, it is of interest to note the cleavage that has developed in the ranks of Britain's Labour Party, where the trade unionists have rejected the advocacy by the intellectual left wing of that party of more rigorous State control and speedier nationalisation of industry, as a means of achieving the idea of a Welfare State in England. They have apparently decided, as a result of the experience which they have gained in trying out the theories of public ownership, that the Welfare State will be more rapidly realised through vigorously directed free enterprise.

Industrial Policy

The Government of India has accepted the principle of a "mixed economy" so far as the future industrial development of the country is concerned. This concept envisages the co-existence of State control and private enterprise operating alongside each other within clearly defined spheres, and in accordance with the nationally accepted long-term plan. Within this overall national policy, that of the private sector must be based on certain sound and well-tried principles, it must satisfactorily fulfil certain conditions and it must guarantee to produce certain results. Apart from the provision of material goods and benefits, it should also be rooted in the spiritual and psychological fabric of Indian life.

In order that this link with spiritual values is maintained, an industrial policy must be ethical and accepted as being above suspicion. Moreover, such a policy must set a purpose to which men can respond with a high sense of duty and service to their fellow men. It should inspire its work-people to loyal and harmonious effort in the secure faith that their endeavours are contributing towards the betterment of society. Unless this spiritual foundation forms the basis of industrial policy, it is in danger of being dominated by the motive of materialism, and, when this occurs, industry finds itself back in a position which has been rejected as having no place in our new world of enlightened values.

Provided that the industrial policy fulfils these fundamental human needs of both the individual and the working team, it will automatically accomplish its material aims, and the entire picture of free enterprise will fall into place and be seen in its right perspective. Finally, it is of the utmost importance that an industrial policy should be positive, attainable, easily recognisable, and easily understood by the men and women who go to make up the society of industry. This, in its turn, means that it must be as sound in detail as it is in broad principle, and that it can be analysed, implemented and co-ordinated down to the lowest level necessary.

Responsibility of Management

It will be realised from the foregoing that one of the most significant factors in modern industrial development is the great emphasis which is now laid upon the responsibility of higher management. The complexity of business administration, when considered in the light of the national aim of establishing as early as possible a Welfare State, clearly shows that a very high degree of industrial statesmanship is called for. Let us now consider what are the responsibilities which face management today. These are:

1. A successful and efficient management must guarantee adequate rewards for the services rendered by its members, in addition to providing them with reasonable incentive. Further, it must not only give a fair return on invested capital but also provide the reserve funds which are necessary for the maintenance of the industry and for its future development. In achieving these aims, the management must shoulder the responsibility for holding an honest balance between the various interests reflected in its enterprise, that is, its work-people, its shareholders, and the consumers of its product.

2. Management is always responsible for technical efficiency in all its aspects, such as costs, quality, volume of production, etc. In the process of achieving this, however, it has a further responsibility, that of building up and maintaining a high morale and the proper attitude of mind and spirit among its work-people. This can be accomplished by sound leadership and effective organisation, and once it has been achieved, technical efficiency will normally and automatically result.

3. While management must be prepared to take advice from all those who are in a position to give it, it must, at the same time, be prepared to make, and to stand by, its own decisions. It is an inescapable function of management to face up to the making of such decisions as are necessary to ensure that the endeavours of its organisation are directed towards the attainment of its ultimate aim. A weak or vacillating management which attempts to pass on the responsibility for decision making to others stands immediately self-condemned. It will lose the respect and confidence of those who look to it to provide for their leadership and security.

4. Management is responsible for the selection of its staff, for a definition of their functions, and for training them to be able to undertake their responsibilities. Management must further ensure that it is prepared to delegate both responsibility and authority down to whichever level is necessary to achieve efficient working.

5. Finally, management is responsible to see that its actions and policies always further the nation's social and political aims, and are never in conflict with them.

Leadership

Having defined these responsibilities, let us next consider those attributes which management must seek to attain in order to fulfil them. The first attribute which a management must have is that of leadership, as on this will depend the effectiveness of its direction. Leadership no longer employs the power of imposing the will of any single individual upon those of others. Rather, it means the ability to organise the combined capacities of a group and to inspire them to a willing and enthusiastic participation in responsibility. It means the power to harness the human resources of industry towards co-operative and constructive endeavours for the achievement of an accepted end.

Such leadership can only be provided by men of ability. It is not only the qualities of character and personality that are the marks of a successful leader. There must also be the quality of intellect which permits the giving of reasoned counsel; the quality of sound judgment, arising from experience and knowledge, that provides a special aptitude for anticipating future situations. In addition to these qualities, a leader must be prepared at all times to set an example by his own behaviour and to live up to the theories and precepts which he advances. Once such leadership is provided, then the management concerned will be in the happy position of having people working with it and not for it. This spirit of leadership once established at the top level of management will certainly seep downwards to the lower level of middle management, and finally to the lowest level of the supervisor who should be regarded as the hard core around which industry is built.

It will be of interest to know that, in the Defence Services, in spite of the tremendous weapons of destruction which science has made available to modern armies, it is still considered that the maintenance of a high morale is the most important single factor in the successful prosecution of war. In order to achieve and maintain this morale among its soldiers, sailors and airmen, the Defence Services concentrate, at every stage of an officer's career, on leadership training. There is a mistaken conception that military leadership is based on military discipline and on a fear of punishment. In fact, military leadership implies the negation of punishment. Its basis is to provide a mutual confidence between the officer and the man by which the latter will automatically follow the former in the secure knowledge that to do so is in his best interests and that he will never be let down. I venture to suggest that, if the same high degree of morale prevailed among the workers in industry, as it does among the men of India's fighting services, the advancement of industrial progress would be readily assured.

Definition of an Aim

If people are to combine for a common purpose, they must be told what that purpose is. It is the responsibility of management to state with utmost clarity the purpose and aims of its organisation, and then to ensure that all its policy decisions assist in the implementation of the overall aim. It is a cardinal task of management to discern with accuracy those economic factors and trends which are likely to influence the future welfare of the enterprise and to ensure that, except for the occurrences of unforeseeable events and the projection of factors over which they have no control, that its resources will be at least as economically productive in the foreseeable future as they are today. It is for the management to take decisions today on the problems which will confront the enterprise tomorrow.

A proper discharge of this very vital function of management requires that it should constantly examine the main purposes of its existence and be ready, if changing circumstances warrant it, to redefine and reorientate that purpose. To put it briefly, it is the responsibility of management to decide what the business of the enterprise really is, and having done so, to make quite certain that every single man and woman employed by it understands clearly the ultimate objective towards which their efforts are directed.

Even though this definition of an aim for an industrial enterprise may appear to be an inevitable process and mere commonsense, I would like to give you an example to illustrate that this is not so. In the early days of the industrial development of the United States of America, two rail-road companies were operating with a similar object, that of transporting cattle from the farmland country of the mid-western States to the consuming markets in the East. In the course of time, competition between these two companies grew more and more intense and, eventually, a bitter and relentless rate-war was waged. As soon as one company reduced its charges, the other followed suit until a time came when the more powerful of the two decided to drive the other out of the business altogether by transporting cattle free of charge. After it had done this for some time and had practically ruined itself in the process, it woke up one day to find that the cattle which it had been

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SOME PRESSING PROBLEMS OF INDIAN SUGAR INDUSTRY

CANE DEVELOPMENT SHOULD BE INTENSIFIED

CAN the sugar industry in India attain that high level of efficiency which has been attained by its confreres in other countries? This question was posed by Mr. S. Lal Singh, M.P., Vice-President of the Indian Central Sugarcane Committee, in the course of his presidential address at the Second Biennial Conference of Sugarcane Research and Development Workers in the Indian Union held at Jullundur on Sunday this week. Evidently, Mr. Lal Singh must have been provoked by the sad state of affairs prevailing in the sugar industry. Despite the long period of 18 years of protection granted by the Government, the efficiency of sugar making in India has not improved appreciably. If anything, conditions have deteriorated greatly, belying the expectation of the consumer getting his requirements of sugar at reasonable prices. Indeed, no other industry in India has been nursed so much by the consumers and for which they have made such a heavy sacrifice as the sugar industry. Certainly, Mr. Lal Singh was not at all exaggerating when he said:

"It is a sad commentary on, and hardly creditable to, us that, even after such detailed and prolonged control by the Government, the local production should again be considered inadequate and that India should have to import in this season (1952-53) alone about 250,000 tons of sugar; plans are afoot to import a large quantity of raw sugar for refining in this country, and we may have to import still larger quantities in the coming season, and this at a time when we are terribly faced with the problem of unemployment and when there is so much need to save foreign exchange."

What is the factor which has stood, and is still standing, in the way of a flourishing sugar industry? The answer to the poser is not far to seek. The most important factor is the inefficient growing of cane, especially in those States where the major portion of the sugar industry is situated. Ever since the grant of protection to the sugar industry in 1932, the manufacturing stage has received more attention than the primary stage, barring a couple of States as, for example, Bombay, so much so that the primary stage has been lagging far behind the manufacturing stage. As Mr. Lal Singh rightly pointed out, the overall picture of the sugar industry in regard to yield of cane per acre and recovery per cent. sugar in cane has remained more or less the same during the past two decades and, in some cases, has actually deteriorated, in spite of natural factors being favourable for its development. The statement at the bottom of this page admirably brings out the force of this contention.

Setback to Cane Cultivation

It will be seen from the statement that, while the area devoted to sugarcane has appreciably expanded in recent years, the yield per acre and the sucrose content have not only not improved but actually suffered a setback. How India compares unfavourably with the other sugar-producing countries of the world in this respect is clearly brought out by the following figures:

	Yield of cane per acre Tons	Recovery per cent. of sugar in cane
India	13.50	9.98
Cuba	17.12	12.25
Mauritius	19.63	12.08
Lousiana	19.84	8.06
Australia	21.34	14.33
Puerto Rico	24.16	12.23
Java	56.00	11.49
Hawaii	62.05	10.46

These figures show that both the per acre yield of cane and the sucrose content in India are the lowest in the world (with the exception of Lousiana in respect of sucrose content), the yield being not even one-fourth of that in Hawaii and recovery being just two-thirds of that in Australia. Referring to this aspect, Mr. Lal Singh said that there was a wide gap between the research institutes and the field which should be filled in if cane development were to be intensified. Any dispassionate observer of the sugar industry in India will fully appreciate the force of this contention. After all, as one of the leading sugar industrialists of India has very aptly remarked, sugar is made not in the factory but in the field.

It is, however, difficult to agree with Mr. Lal Singh when he says that the absence of remunerative prices for sugarcane growers has also been responsible for the slow pace of cane development. To quote him:

"The injustice to Indian cultivators reaches the limit when he neither gets a guarantee of minimum price for his produce, as done in most other civilised countries nor is he allowed, in full measure, the benefit of the 'law of supply and demand.' Ceiling price is fixed when he is likely to get high price but gets no protection when prices touch bottom level—the price of *gur* in 1952 at harvest time fell to Rs. 5 per maund, as against the control rate of Rs. 20 per maund. While the cane cultivator was groaning with pain, all other parties, including the Government, felt jubilant and expressed satisfaction in Press statements on the fall of prices, and mind it please, it was not the proverbial or hated capitalist, but two crores of petty cane cultivators, who were the victims. ... Cane growers in U.P. have acted rightly in demanding not only for this season's crop a price of Re. 1-12 per maund, but, in addition, a share in the abnormal profit made by sugar mills last year, as a result of higher price of sugar and reduced price of cane. They deserve support from all quarters believing in justice and fair play."

An Unjustified Demand

The anxiety of Mr. Lal Singh to better the lot of the sugarcane grower is commendable indeed. He is, however, not wholly correct in contending that the interests of sugarcane growers have been neglected. He would, of course, be correct, if he meant that the cane-growers had not been enabled to grow better varieties of cane and improve the yield per acre. But he is wrong when he says that the farmer is not being given a proper price for his cane. On the contrary, the farmer has been paid a much higher price for his cane than he deserved. As we have so often pointed out, the policy of the Central and State Governments has all along been the pampering of sugarcane growers. It is unnecessary to go into this question once again, since detailed editorial comment on this issue was made only two weeks ago. Suffice it to say that the demand of the grower for an increase in the price of cane and a share in the profit of factories must be firmly rejected.

Be that as it may, Mr. Lal Singh dwelt at length on the issue relating to sugar prices and emphasised the need for their reduction. The four suggestions which he put forward, in this connection, were: (1) Reduction in the cost of cane cultivation, (2) downward revision in Central and State Government taxes, (3) revision of policy in regard to molasses, and (4) utilisation of by-products. There is, of course, nothing new or novel in these suggestions, for these have been put forward for a considerable time ere now. But there is no gainsaying the fact that, despite repeated emphasis, they have not received the adequate attention of the powers-that-be. It is for this reason it is proposed to deal with them once again.

To take the question of reducing the cost of sugarcane cultivation first. Mr. Lal Singh rightly stressed the need for providing facilities to cultivators in the form of cheap and ready credit, supply of fertilisers, labour-saving appliances, etc., at subsidised rates, more economical and effective control measures for combating diseases and pests, and better transport facilities. Referring to taxes, he said that the various types of taxes imposed on the sugar industry amounted to as much as Rs. 8-4-6 per cwt., which represented about 17 per cent. of the total cost of sugar. He asked: "Cannot the Governments forgo a portion of this, in order to cheapen the sugar?" There is considerable force in these observations of Mr. Lal Singh, as also in his statement that the imposition of sugarcane cess was least justified. Here are his own words:

"Cess on cane, as imposed in India, is not known to be levied in any other cane-producing country. Further, even if levied, it is supposed to be utilised for cane development work only. During the period 1944-45 to 1950-51, cess collection on sugarcane supplied to the sugar factories and the expenditure therefrom for development purposes were as follows:

(In lakhs of Rs.)

	Cess collection	Expenditure on development
U.P.	13,25	1,55
Bihar	4,10	90
Bombay	1,80	6
Total ...	19,15	2,51

Thus, the balance of Rs. 16,64 lakhs were absorbed in general revenue. A tax on the raw material of an industry is hardly justifiable, but to absorb the bulk of it to general revenues is nothing short of misappropriation of funds."

On the question of molasses also, Mr. Lal Singh made a few interesting observations. Said he:

"The Government buys from the sugar mills, molasses at about As. 4 per maund or Rs. 6-12 a ton for use in distilleries for power and potable alcohol and Government derives tremendous income by way of excise duty on the same. The actual sugar content of a ton of molasses is valued at Rs. 150 to Rs. 200 at the present cost of sugar, i.e., Rs. 6 to Rs. 8 per maund, as against As. 4 allowed by the Government. The total amount of molasses in India was estimated at about 550,000 lakh tons in 1951-52, worth about Rs. 10 crores, for which the Government was to pay only Rs. 35 lakhs. It is noteworthy that the cost of manufacturing power alcohol in India is extremely low, as compared with that in other countries. In 1939, the Indian Tariff Board had calculated it at only As. 6 per gallon, as compared with Rs. 2-8 in Italy, Rs. 2-3 in Czechoslovakia, Rs. 2-3 in Germany, Re. 1-8 in Australia and As. 12 in the U.S., and the Government makes tremendous profit by excise duty. Why should not a reasonable price be allowed for molasses?"

Utilisation of By-products

The Vice-President of the Indian Central Sugarcane Committee alluded next to the problem of utilising the by-products of the sugar industry as a means of reducing the cost of sugar manufacture. He felt that there should be no unsurmountable difficulty either in the manufacture of power alcohol or in its economic disposal. For, according to him, 400,000 to 500,000 tons of molasses available in India can produce only 25 to 30 million gallons of power alcohol. The Government of India allows 15 to 20 per cent. of alcohol to be mixed with petrol, so that at least 40 million gallons of alcohol will be required for mixing in about 240 million gallons of petrol used in India at present, leaving apart the alcohol required for numerous other purposes. Likewise, there are excellent prospects of producing paper and cardboard, insulating material, etc., out of bagasse and wax out of press cake.

In conclusion, it must be said that, on the whole, Mr. Lal Singh made a constructive criticism of the Government's sugar policy. It has become a fashion with politicians in this country to uphold the cause of agriculturists, whether right or wrong. It is not surprising that Mr. Lal Singh is no exception to this. Nevertheless, his address was marked by one

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SOME SUGAR STATISTICS

Season	Acreage (000 acres)	Production (000 tons)	Yield per acre (Tons)	Sucrose content %	Quantity used for the manufacture of (000 Tons) Sugar	Gur	Khandsari	Chewing and planting
1931-32 ..	2,971	43,316	14.1	....	1,784	29,013	4,999	7,520
1932-33 ..	3,317	51,129	15.2	8.66	3,349	34,083	5,501	8,196
1933-34 ..	3,481	52,455	15.2	8.80	5,157	36,147	4,002	7,149
1934-35 ..	3,481	54,346	15.2	8.66	6,674	37,972	3,000	6,700
1935-36 ..	4,024	61,202	15.1	9.29	9,805	41,109	2,497	7,791
1936-37 ..	4,450	67,322	14.9	9.50	11,876	41,443	1,999	12,004
1937-38 ..	3,346	46,450	14.3	9.38	9,727	27,689	1,918	7,116
1938-39 ..	2,662	36,068	10.7	9.29	6,889	22,036	1,536	5,605
1939-40 ..	3,117	39,511	12.8	9.45	12,751	18,922	1,908	5,930
1940-41 ..	3,985	51,157	12.6	9.70	10,718	28,910	3,064	8,865
1941-42 ..	2,944	37,906	12.5	9.69	7,891	22,198	1,524	6,493
1942-43 ..	3,062	45,278	14.5	10.28	10,196	23,889	3,265	7,928
1943-44 ..	3,602	51,908	14.1	10.02	11,944	28,866	2,289	8,809
1944-45 ..	3,631	49,775	13.3	10.21	9,218	29,099	1,912	8,546
1945-46 ..	3,201	46,528	14.2	10.09	9,110	27,716	1,782	7,918
1946-47 ..	3,528	49,769	13.9	9.88	9,117	30,976	1,613	8,063
1947-48 ..	4,056	58,170	14.3	9.85	10,331	34,919	2,333	10,587
1948-49 ..	3,752	48,690	13.7	9.97	10,118	27,661	1,884	9,027
1949-50 ..	3,624	49,380	13.6	9.89	9,901	27,431	2,918	9,130
1950-51 ..	4,214	56,160	13.3	9.99	11,013	31,320	2,078	11,749
1951-52 ..	4,727	58,950	12.5	9.67	15,498	31,002	1,491	10,959
1952-53 ..	4,376	52,600	12.0	9.98	13,172	....	....	....

Note.—Figures prior to 1937-38 refer to undivided India.

EXPORTS OF INDIAN COAL

PROSPECTS FOR 1954 NOT BRIGHT

INDIA is strenuously trying to recover its export markets this year. Representatives of Indian coal producers are now in Japan negotiating contracts for export of Indian coal to Japan. According to a spokesman of the Coal Commissioner's Office, Japan is expected to renew its contract for about 700,000 tons. But trade circles are doubtful about this, their estimate of Japan's imports being no more than 200,000 tons. Japan is buying coal from the U.S., even though it is more expensive, not only because of shortage of sterling but also because the quality of American coal is better than Indian.

Burma, another important importer of Indian coal, is also expected to renew its orders for about 300,000 tons. But, in view of the possibility of a trade agreement between Burma and China shortly, it remains to be seen to what extent Burma will prefer Chinese to Indian coal. Reports from Rangoon disclose that, in the event of a successful conclusion of the trade agreement, Chinese coal may replace a good part of the 300,000 tons of Indian coal annually imported by the Burmese railways.

India is hoping to obtain a portion of South Korean orders for non-metallurgical coal, which is estimated at 200,000 tons. Negotiations are progressing in this direction. Even here, it is difficult to forecast success. If the present uneasy truce in Korea were to lead to permanent peace there, Korea may well satisfy a part of its needs from China itself.

The only hopeful feature so far is that Ceylon has already agreed to import 250,000 tons of coal, but this is, indeed, a very small quantity. Some exports to Hongkong and Singapore may be made, but those, again, depend on competition from Australian coal.

The picture thus is not encouraging. Unless the real causes for the downward trend in India's exports are spotted and eliminated, it may not be long before India loses its hold over the present markets, owing to emergence of keen competition from China, Australia and South Africa in the South and South-East Asian markets. There is need for relaxing restrictions on export of metallurgical and other high-grade coals. Again, proper attention should be given to the provision of storage and transport facilities, besides large-scale washing and blending centres, with a view to up-grading low-grade coals.

The cost of coal is already high and it is imperative that it should be brought down to reasonable levels by the introduction of rationalisation measures. Unfortunately, rationalisation which involves substantial retrenchment is prohibited. That apart, there is a fear of increase in costs, thanks to exorbitant demands of labour, which has threatened a nation-wide strike from 1st March, if no action were to be taken towards meeting its demands.

In view of all these, it is held that India must count itself lucky even if it were to manage to export as much coal as it did in 1953, which itself was alarmingly lower than in the previous year. It will be recalled that, last year, there was a decline of 50 per cent. in the volume of exports to countries other than Pakistan. Thus, India exported only 1,181,403 tons in 1953, as against 2,363,251 tons in 1952, a decline of 1,181,848 tons.

Exports to Pakistan also were lower by more than 32 per cent. They were 766,000 tons in 1953, as against 1,142,193 tons, a decline of 376,193 tons. It is stated that Pakistan, too, is trying to reduce its dependence on India for its coal, in view of the friction between the two countries over Kashmir and the proposed U.S. military aid to Pakistan.

The decline in exports in 1953, despite the abolition of surcharge on exports of coal to Pakistan and subsequently in May on exports to all other countries, is, indeed, alarming. It is high time the Government came to the rescue of the coal industry not only for arresting this down-trend but for recovering the lost markets.

LABOUR RELATIONS IN AUSTRALIAN COLLIERIES

Industrial relations in Australian coal mines should prove an eye-opener to Indian interests connected with the coal industry, as they are healthier than here. An interesting account of the position in that country was given by Mr. F. H. Cockerill, Vice-President of the Northern Branch of the Coal and Shale Employees' Federation, who visited this country recently. Addressing the National Mine Workers' Federation, a body affiliated to I.N.T.U.C., Mr. Cockerill said that the workers there had not to face such problems as the bonus system in India. This was because wage rates were fixed at reasonable levels.

A significant feature of the wage structure in Australia, however, according to Mr. Cockerill, is that it is adjustable, according to variations in coal prices. For instance, an upward rise in coal prices is automatically accompanied by an increase in the wages of workers and *vice versa*.

Unlike in India, no one in Australia can be an executive of any union, unless he is a working member of the industry. Labour unions are detached from political organisations. Although some of the office-bearers may be attached to some political party or other, they are so scrupulous that their political views do not influence the union decisions. In other words, decisions are taken industrially and not politically. Every member has to register himself compulsorily, as otherwise he will have to deal with his grievances individually.

There is a Central Council and various district councils which deal with settlement of disputes between management and labour. Disputes are sought to be settled without interference from the Government as far as possible, according to certain prescribed procedure. Minor disputes are decided in about two days.

Labourers have their own houses built by their co-operative societies. The labour unions maintain special funds for the benefit of their members, such as funeral fund. Pithead baths for coal miners are of a high standard in Australia, higher than in India. These and several other facilities are responsible for the healthier labour relations that exist in Australia.

According to the terms of the Award given by the Industrial Tribunal at Dhanbad, recently, in the dispute between the management of the South Bulliaree-Kendwadih Colliery and Bihar Colliery Mazdoor Sangh, all the workers in that Colliery will get dependent's ration and cash concessions irrespective of the fact whether they reside in the company's quarters or not. The retrenched employees of the Kendwadih Power House will get 15 days wages (total emoluments in cash and kind) for every year of service, as retrenchment compensation in addition to trainfare, proportionate bonus and leave pay. The machine loaders will get Re. 1-1, instead of As. 15 per tub, with retrospective effect from 28th October, 1952.

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JUTE MILLS FARING BETTER

RAW JUTE SUPPLY COMFORTABLE

A STUDY of the latest available statistics relating to the jute industry reveals that the industry has been faring reasonably well in recent months. The position in regard to the supply of raw material has been comfortable; production has been tending to go up; despatches have been distinctly better; prices realised on both hessians and sackings have been higher on an average; and, finally, stocks of manufactured goods have been steadily declining since July last. An important conclusion that emerges from these trends is that the earnings of mills for the second half of 1953 must be better than those for either the first half of that year or the corresponding half-year of 1952. Details of these trends are given in the following paragraphs:

Imports of raw jute into Calcutta and other mill stations in December, 1953, the latest month for which figures have been released, amounted to 607,000 bales as against 637,000 bales in the same month a year ago. As compared with the arrivals in November, 1953, the receipts were, however, higher by 101,000 bales. Of the total imports during December, 1953, raw jute of Indian origin accounted for 479,000 bales and of Pakistan origin for 128,000 bales which correspond to 415,000 bales and 222,000 bales respectively, imported in December, 1952.

With the December receipts, the total jute imports into Calcutta and mill stations during the first half of the season 1953-54 aggregated 2,908,000 bales, as compared with 2,927,000 bales in the same period in 1952-53. Of this total, Pakistan's share was 866,000 bales, while India's was 2,042,000 bales, as against 830,000 bales and 2,097,000 bales respectively in the same period in the 1952-53 season. Thus, these figures indicate that, whereas the total offtake by mills remained more or less the same at 2.9 million bales in the half-year under review, receipts from Pakistan rose by 36,000 bales while those from India dropped by about 55,000 bales, as compared with those in the first half of the 1952-53 season. The improvement in the purchases of raw jute from Pakistan is due to the trade agreement signed in March, 1953, between the two countries, under which India offered to buy 1.8 million bales to 2.5 million bales from Pakistan.

Imports of Raw Jute

The table below gives imports of raw jute into Calcutta and mill stations during the first six months of the 1953-54 season from both India and Pakistan, as compared with those in the corresponding period of the preceding season:

Imports of Raw Jute into Calcutta and Mill Stations

(In bales, 000 omitted)

Months	Indian Jute		Pakistan Jute	
	1952-53	1953-54	1952-53	1953-54
July	2,69	2,57	22	1,02
August	2,37	2,63	58	1,05
September	3,31	2,73	46	1,76
October	4,07	3,41	2,20	93
November	4,38	4,24	2,62	82
December	4,15	4,70	2,22	1,28
Total ..	20,97	20,42	8,30	8,66

While total imports of raw jute into Calcutta and other mill areas were stationary at 2.9 million bales, consumption of raw jute during the first half of the season 1953-54 amounted to 2,525,600 bales which was 1,944,000 bales lower than the consumption in the corresponding period of 1952-53. Stocks of raw jute, partly due to low consumption and partly due to continued purchases, recorded a gradual rise as at the end of each month of the period under review. This is reflected in the table below giving stocks of raw jute at Calcutta with mills as also with press houses of the Calcutta Baled Jute Association during the period under review:

Stocks of Raw Jute at Calcutta

(In bales, 000 omitted)

End of the month	With I.J.M.A.		With Press Houses of C. Baled Jute Association		Total	
	1952	1953	1952	1953	1952	1953
July	6,60	11,04	44	41	7,04	11,45
August ..	5,40	11,40	29	36	5,78	11,76
September ..	5,22	11,47	32	42	5,54	11,89
October ..	6,88	12,00	22	55	7,10	12,56
November ..	9,59	12,77	50	49	10,09	13,26
December ...	11,10	13,75	63	51	11,87	14,26

It will be seen from the table above that the total stocks rose from 1,145,000 bales in July, 1953, gradually to 1,426,000 bales in December the same year. Of these, I.J.M.A. mills accounted for 1,375,000 bales, and press houses for 1,187,000 bales. Calculated on a consumption basis of about 415,000 bales per month, the mills had, at the end of December, stocks which would last them for approximately 3¼ months, working 42½ hours a week with 12½ per cent. of looms sealed. Mills may thus be said to have experienced a fairly comfortable supply position during the period under review.

A higher consumption of raw jute depends on the rate of offtake of jute goods by overseas countries, especially the U.S. The trend of offtake in recent months has been encouraging, with the result that production of jute goods has been tending to go up. Thus, after going down from 73,100 tons in September, 1953, to 66,800 tons in October, 1953, production was progressively higher in November and December, 1953, at 69,000 tons and 77,800 tons respectively. Some idea of the improvement in offtake can be had from the fact that gunny despatches in July to December, 1953, amounting to 469,000 tons, were 30,500 tons more than those in the same period of 1952. Of this total, internal consumption amounted to 61,300 tons and exports 407,700 tons, as compared with 87,700 tons and 350,800 tons, respectively, in the corresponding period of the previous year. Thus, while internal consumption declined by 26,400 tons, exports rose by 56,900 tons or 16 per cent. The increase in exports was chiefly reflected only in hessians, the despatches of which, during the six-month period, aggregated 215,500 tons, as compared with 159,400 tons. Exports of sackings, however, remained more or less stationary at 188,000 tons.

Burlap Consumption in U.S.

While exports have been better, the trend of burlap consumption in the U.S. since October, 1953, has not been favourable. The consumption which stood at 83 million yards in that month declined gradually to 74 million yards in November and to 71 million yards in December last year. The decline may be attributed to a slight recession in the U.S. economic conditions, coupled with the high level of price of hessians in this country. Thus, hessians 40" x 10 oz., which were quoted at Rs. 43 early in October, rose to Rs. 49-8 per 100 yards in the middle of November. Since then, however, owing to consumer resistance the rate has declined to Rs. 45-8, as on 6th February last. Stocks of burlap in the U.S. at 213 million yards at the end of December were the highest for any month in the whole of the calendar year, 1953.

The effect of higher despatches is perceptible on stocks of manufactured goods with the mills. These stood, at the end of December, 1953, at 98,800 tons, which represents a substantial drop as compared with those at the end of June, 1953, when they aggregated no less than 133,800 tons. The stocks at the close of 1952, too, were comparatively higher at 115,000 tons.

Now a line about the trend of prices. From the close of September, 1953 to the end of December, 1953, the prices of both hessians and sackings followed a generally upward trend, subject to minor setbacks. From Rs. 42-12 on 23th September, 1953, hessians (40" x 10 oz.) ready advanced to a high of Rs. 47-13 on 30th November, 1953 and after hovering between Rs. 47-3 and Rs. 45-12, finished at Rs. 46-14. Similarly, sackings B. twill ready marched forward from Rs. 91-8 to Rs. 104-14, and, after falling to Rs. 102-8 in mid-December, 1953, jumped up to finish the year at Rs. 107-4. A year before, hessians and sackings stood at Rs. 42-8 and Rs. 92-12, respectively.

(Concluded from next column)

of the delay in permitting exports of coffee was that most of the growers became heavily indebted to agents and others. In some cases, they were in debt to an extent more than the value of their crop. The Coffee Board's payment had been delayed and payments for new crop would be at half the rates.

The Convention also urged that coffee, being purely an agricultural crop, should be transferred from the Ministry of Commerce and Industry to the Ministry of Food and Agriculture, so that it might receive the sympathy and attention it deserved as an agricultural crop, in which the vast majority were small growers.

The Convention expressed its protest against the Commerce Minister's proposal to subsidise the small grower at the expense of the big grower and to make the return per acre equal, as, in its opinion, it was intended not to help the small producer, but to divide the ranks of the growers. The effect of this proposal was too serious to contemplate for the entire coffee industry, as no inducement would exist for raising the efficiency of production.

The Convention resolved that the export duty already levied be appropriated to create a special coffee development fund, so as to expand and improve coffee cultivation in the country. It also requested the Union Finance Ministry to examine the financial implications of a permanent levy of Rs. 62-8 on coffee exports before the proposal was incorporated in the Finance Bill for 1954-55.

By another resolution, the Convention requested the Government not to alter the present structure of the Indian Coffee Board and the present broad outlines of the Indian Coffee Market Expansion Act.

CEYLON TO ASK FOR HIGHER EXPORT QUOTA FOR TEA

The output of tea in Ceylon during 1953 was over 343 million lbs., a record in the history of the Island's tea industry. This country has already exported 335.5 million lbs. in the current tea year. In 1952, it exported 314.4 million lbs., out of its crop of 316.8 million lbs. In view of the record output on hand, Ceylon expects that its exports in the current year will far exceed the quota fixed by the International Tea Committee. Ceylon has been permitted to export 339.6 million lbs. of tea for the year ending 31st March, 1954. It is reported that Ceylon will shortly ask the International Tea Committee to raise its quota so as to enable it to market its increased output in the current year.

COFFEE GROWERS OPPOSE GOVERNMENT POLICY

IMPARTIAL ENQUIRY DEMANDED

THE Government of India's policy towards the coffee industry and the various pronouncements of official spokesmen, both in Parliament and outside, on coffee have caused so much concern and indignation among coffee planters that they have thought it fit to meet and discuss the Government's policy and its implications to their industry. Accordingly, a convention of coffee growers in South India was held at Kalpetta in Wynaad, on 30th January last, under the auspices of the Wynaad Coffee Growers' Association. The Convention, which was inaugurated by Mr. A. Karunakara Menon, a former M.P., and presided over by Mr. K. A. Damodara Menon, M.P., belonging to the K.M.P. Party, was attended by the representatives of as many as eleven planters' associations of Madras, Mysore and Coorg.

The coffee industry provides livelihood for over 100,000 families and it is as much the concern of the growers to protect the interests of these families as it is of the Government to protect the consumer from high prices. This does not mean that coffee growers are not alive to consumers' interests, as witness the open admission by the Convention that growers recognise that a high price for the consumer will adversely affect consumption and, consequently, the interests of growers. As has been pointed out in these columns ere now, the only effective way in which consumers' interest can be served is through higher output at an economic cost. This is essentially a long-term solution, but, if sustained results are to be achieved, there is no other alternative. The only thing that can be done is to expedite the implementation of this solution in such a way as to secure early results. The Convention, therefore, reiterated that a higher production was in the best interests of the consumers and the country, inasmuch as it would employ more labour, allow more coffee for the home market and export, a larger income to the Central and State Governments by way of sales tax, excise duty, etc., more money in the hands of the people of the coffee-growing region and a reduction in the price for consumers.

Scope For Increasing Output

The Convention pointed out that there is considerable area of suitable land in Wynaad, Coorg, Mysore and Nilgiri-Wynaad for further expansion of coffee acreage and, when fully utilised, this should add substantially to exports and national wealth. In Wynaad alone, it is stated that cultivation of coffee has increased by 13,000 acres to 33,000 acres during the last 15 years. This is claimed to be the highest rate of increase for any coffee district and when the whole area comes into bearing, Wynaad will produce no less than 6,000 tons.

The Government of India does not seem to have taken any steps to examine how far these potentialities can be utilised to the national advantage. The growers have been contending that the Government's present policy and action are not conducive to an expansion in coffee growing. The Convention held at Kalpetta confirmed this contention. It viewed with concern the attitude of the Commerce and Industry Ministry in the matter of fixing the price, marketing and export of coffee. The Central Government, the coffee growers' Convention said, had been directly controlling the distribution of coffee since December, 1952 and, in advance of the Government Cost Accountant's report, the Ministry of Commerce and Industry fixed arbitrarily a price of Rs. 2-4 as return to the grower. The inaccurate and misleading public statements made by the Ministry had helped to undermine the confidence of traders and large quantities of coffee offered at the auctions by the Board had not been taken up. In this connection, the Convention pointed out an anomaly in the sale of coffee. It is stated that, whereas over 19,000 tons were sold in 1952 when prices were admittedly higher, only 15,000 tons were sold throughout 1953 when coffee prices were about Rs. 50 per cwt. lower. The benefit of this reduction in price did not reach the consumers in areas not served by the Coffee Board as the Government's policy had disturbed the trade.

The Convention felt that, unless there was a free, unbiased and open examination of the whole coffee problem, a satisfactory settlement would be impossible. Accordingly, it suggested the appointment of a special committee, independent of the Ministry of Commerce and Industry, to conduct a comprehensive, impartial and open enquiry into all aspects of the industry and thereafter formulate the policy regarding coffee. Pending the report of that Committee, the Convention said, the Government of India should fix coffee prices at Rs. 2-7-1 per point, of which As. 3-1 per point might be allowed to be held by the Coffee Board and Rs. 2-4 be paid to the growers in the interim period.

Consequences of Delay in Export

The Coffee Board had requested the Government of India to allow the export of the surplus coffee above India's requirements, but the Government did not take any decision in regard to export of coffee until October, 1953, by which time a surplus of about 10,000 tons had accumulated, which, worth nearly Rs. 6 crores. The present surplus of coffee out of the last season's crop is 7,300 tons and this at least, the Convention urged, should be permitted to be exported immediately, as otherwise, there would be a further deterioration in quality and further storage charges. Another consequence

(Continued in previous column)

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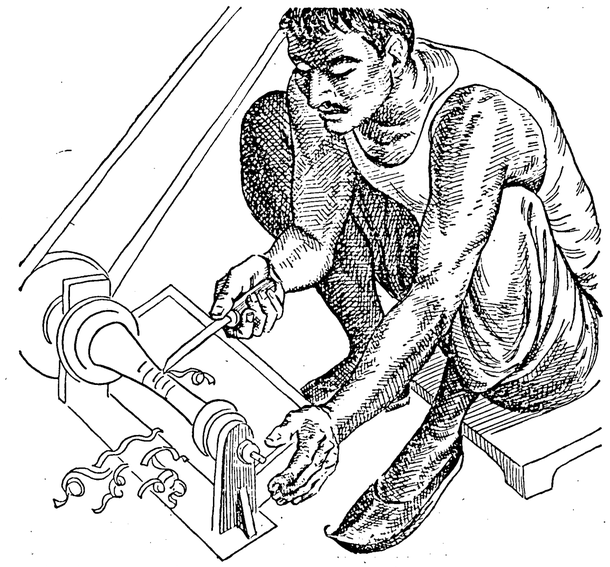

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AUTOMOBILE LEAF SPRING INDUSTRY

GAP BETWEEN INSTALLED CAPACITY AND OUTPUT WIDE

THE Tariff Commission is currently enquiring into the claim of the automobile leaf spring industry for protection and assistance. The indigenous producers have demanded levy of a protective duty of 60 per cent. on products of British manufacture and 66⅔ per cent. on those of non-British manufacture, imposition of restrictions on import of leaf springs, abolition or refund of import duty on raw materials used in the manufacture of leaf springs, liberal allocation of ordinary mild steel sections required for the manufacture of clamps, bushes, tools and accessories, etc., fixation of a uniform price for alloy spring steel needed by all indigenous producers of leaf springs, assistance for the development of the manufacture of spring steel within the country and grant of concessional railway freights for the transport of raw material and finished products. It must, however, be mentioned here that, in the individual claims made by the producers, there are variations in approach and emphasis, though they all include some of the forms of protection and assistance referred to.

The present enquiry into the industry's claim marks the commencement of the second phase of the question of protection and assistance to the automobile industry. It will be recalled that the first phase of this investigation came to a close after the Commission submitted its report on the automobile industry and the Government's resolution thereon issued in June, 1953.

The automobile leaf industry is an important ancillary industry and needs to be placed on a sound footing, if the manufacture of motor vehicles in India is to become an economic proposition. There is an imperative need to prevent haphazard and unregulated growth of ancillary industries, so that the number of units to be set up and the total capacity of each industry are correlated to the actual or potential demand for its production. Every possible method of collaboration between the automobile and components manufactures should be explored.

Installed Capacity

The brief review of the present position and prospects of the automobile leaf spring industry, as given by Mr. M. D. Bhat, Chairman of the Tariff Commission, while opening the public enquiry into this industry's claim for protection and assistance, reveals that there are, at present, three organised manufacturers of leaf spring in the country. They are the Metropolitan Springs Ltd., Bombay, the Premier Automobiles Ltd., Bombay, and the Canara Workshops Ltd., Mangalore. Of these, only the Premier Automobiles Ltd. has the benefit of foreign collaboration for the manufacture of automobiles and components required for them. As in the case of most of the industries seeking protection, estimates of the total installed capacity of this industry also vary. The Development Wing of the Ministry of Commerce and Industry has put it at 78,000 springs or about 975 tons on single-shift basis. But, according to producers, it is 142,000 leaf springs or about 1,775 tons per annum on single-shift basis. Shortly, Messrs. Simpson & Co., Ltd., Madras, will be erecting a factory with a capacity of 45,000 springs or about 562.5 tons on single-shift basis. There is no agreed estimate even in regard to the actual production of the existing three units. According to the Development Wing of the Ministry of Commerce, it was 55,000 springs or about 687.5 tons in 1952, while, according to producers, it was 52,000 springs or about 660.9 tons.

Be that as it may, that there is a large gap between installed capacity and actual production is beyond dispute. This, however, is not due to demand falling short of production. Actually, it is the other way about. Thus, the demand is estimated at between 187,000 and 262,000 springs, both for original equipment and replacement purposes. Estimates of future demand vary from 187,000 to 275,000 springs for 1955 and from 187,000 to 290,000 springs for 1956. It will be clear from this that there is great scope for the full utilisation of the installed capacity, if not for expanding it. Before deciding whether or not the industry requires protection, the Tariff Commission will have to reconcile the large difference in the demand estimates. Then, the total demand, current and future, for original equipment, separately for cars and commercial vehicles has to be estimated. The Commission will also have to examine whether, in view of the possibility of restriction on the types of vehicles to be manufactured or assembled in the country, the production of leaf springs too should be concentrated on particular specifications.

An assessment of the quantum of protection to the industry necessarily involves a comparison of the fair ex-works prices of the indigenous leaf springs with the c.i.f. prices and landed costs of the imported products. It has also to enquire into the question of selling prices of indigenous and imported leaf springs, as well as the selling arrangements made by the producers of indigenous springs.

Quality of Indigenous Springs

An important question to be considered by the Commission relates to the quality of indigenous springs. Some of the assemblers of automobiles are of the view that indigenous leaf springs are not as good as the imported ones, as the indigenous manufacturers are not able to give satisfactory heat treatment to springs. The view of some of the consumers is that spring leaves made out of imported material are as good as imported ones, but, when they are manufactured from mild steel, their quality is not satisfactory. The Indian Standards Institution has not formulated any standards for the automobile leaf springs so far. It is to be hoped that it would be done at an early date.

Of the three organised units, Metropolitan Springs Ltd. is manufacturing springs according to British Standard Specifications, and the Canara Workshops according to the A.S.T.M., that is, American standards. Premier Automobiles Ltd. is manufacturing according to the specifications laid down by their foreign associates, namely, the Chrysler Corporation, U.S.A., though they are also prepared to manufacture according to any given specification.

Yet another question to be considered relates to the availability of raw materials. The important basic raw material required by the industry is alloy spring steel of the silico-manganese or chrome vanadium or chrome silicon kind. The other materials required are mild steel flat bars or strips and plates, phosphor bronze bushes, tubes for bushes and centre bolts, clip bolts, nuts and rivets. It is reported that only one manufacturer of automobile leaf springs is using indigenous spring steel. It is, however, stated by other manufacturers that they are prepared to use indigenous spring steel, provided they can obtain it, according to their correct specifications. It is also stated that some of the steel and steel re-rollers would be able to manufacture the steel of certain specifications. Some of them do not, however, have the necessary facilities for rolling of sections. Consequently, the task before the Tariff Commission in this regard is to enquire into the available capacity for the manufacture of spring steel and the facilities available for rolling sections. It will also have to enquire into the market price of both imported and indigenous spring steel. Another important question relating to the supply of raw materials is the levy of import duty on alloy spring steel, for one of the proposed forms of assistance to the industry is a reduction in the import duty on alloy spring steels. The Commission will have to reconcile this demand with the need for encouraging manufacture of spring steel within the country.

INDIAN CABLES AND TABLES

The Indian Cable Co., Ltd., Calcutta, has brought out a small booklet entitled *Indian Cables and Tables*, which will be very useful to electrical engineers and architects. The booklet gives a variety of data on copper wires and strands, flexibles, carrying-capacity of cables, fuse wires, amperage of motors, capacity of conduits etc., besides extracts from the I.E.E. Regulations.

It may be noted that the Company was founded as early as in 1920. Being the first factory of its kind, it has been the pioneer in the manufacture of rubber cables from the humble house wiring cable of small diameter to the heavy duty trailing, colliery and mining type cables, as well as solid and stranded copper, A.C.S.R. and aluminium conductors. It has given India a cable in "Paramite," which, since it is manufactured for tropical conditions, has no equal in endurance and quality wherever tropical conditions are encountered. Its bare copper, A.C.S.R. and aluminium conductors known as "Cableco" conductors are manufactured under the strictest test conditions and are noted for their unvarying reliability. An expansion programme now in progress provides for an increase by 33 per cent. of its existing production, and new buildings and plant for the manufacture of P.I.L.C. power cables, synthetic enamel winding wires and plastics cables. In view of the Company's long experience in the manufacture of cables and of Indian conditions, the booklet is an authoritative and a highly valuable guide to electrical engineers.

STATE TRANSPORT IN PUNJAB

Now that the three-year "truce" period during which nationalisation had to be stayed in Punjab (I) has expired, the State Government proposes to go ahead with its plans for extending its activity in this sphere. Reports from Chandigarh disclose that a tentative agreement has been reached between the Governments of India and the East Punjab on the question of formation of a corporation for the running of the State's transport services. A significant feature of the Corporation, according to Press reports, is that, besides the State Government and the Railway Administration, private operators also will be permitted to become partners. Each of the first two will contribute 40 per cent. of the share capital, while the private operators will be allowed to provide the rest, that is, 20 per cent. If the private operators refuse to participate, the Railway Administration and the State Government will contribute the entire capital.

The Corporation will start with an initial investment of Rs. 1.5 crores, which will be increased to Rs. 3.5 crores in three years. It will take over routes from private operators in stages. At present, over 300 routes are being run by private operators and about 100 by the Government transport services. To begin with, those which are adjacent and contiguous to the existing nationalised routes will be acquired. In doing so, the question of effecting proper rail-road co-ordination is expected to be kept in view.

It will be recalled that, last year, the State Government had offered to private operators 49 per cent. share in the proposed Corporation, as against 20 per cent. now. But, as private operators wanted the day-to-day administration to be in their hands, the plan was shelved. There seems to be no indication of affording private operators, who would become partners of the Corporation, any hand in the day-to-day operations even in the present proposal and, consequently, no chance of their participation in the Corporation.

HIGH FREQUENCY WELDING APPARATUS FOR PROCESSING PLASTIC

In co-operation with plastic-processing concerns in the Netherlands, the Technical Apparatus Factory A. J. Versteege at Zandvoort, Netherlands, has developed two types of high-frequency welding apparatus. By applying electronic welding current limitation, the welding machine is automatically cut out after completion of the weld. The welding electrode cuts out the plastic material round the weld in such a way that superfluous material can easily be removed. The machine thus has a high productive capacity, without waste. These welding apparatuses are manufactured in two sizes. The large welding bench has a surface area of 800×450 m.m. (31½×17¾ ins.), with a maximum current consumption of 4 kw. The smaller machine has a welding bench of 750×400 m.m. (29½×15¾ ins.) with a useful weld face of 400×140 m.m. (15¾×5½ ins.) and a current consumption of 1.8 kw. These roomy welding benches makes it possible to use a wide variety of electrodes. The pressure of the electrodes on the welding benches is exerted by means of a pedal. The larger type is fitted with two guides with heavy ball joints to ensure even pressure distribution; the smaller type has one guide.

ANDHRA IRRIGATION PROJECTS

The Government of Andhra has submitted six major irrigation schemes to the Union Government for its approval. They are Nandikonda (Guntur District), Gandikota (Cuddapah District), Siddeshwaram (Kurnool), Pulichintla (Krishna), Somasila (Nellore) and Vamsadhara (Srikakulam).

The Chief Engineers of Hyderabad and Andhra will be meeting next week at Hyderabad to arrive at an understanding over the allocation of expenditure regarding the Nandikonda Project, which is now under dispute between the two States. This follows the Planning Commission's recent request to expedite an agreement over the outstanding issues involved. The Nandikonda Project, on the river Krishna, is estimated to cost about Rs. 35.3 crores.

PERAMBUR COACH FACTORY

Global tenders are stated to have been invited for the supply of plant and machinery to the Perambur Coach Factory. With easier market conditions in Europe, the authorities in India expect to procure the plant and other necessary equipment early in 1955. The factory, which is scheduled to go into production by the middle of 1955, will be the largest of such units in Asia and the second largest in the world. Its production capacity will be about 350 coaches a year. A batch of 20 technicians will shortly leave for Switzerland, where they will undergo advanced training in the construction of railway coaches.

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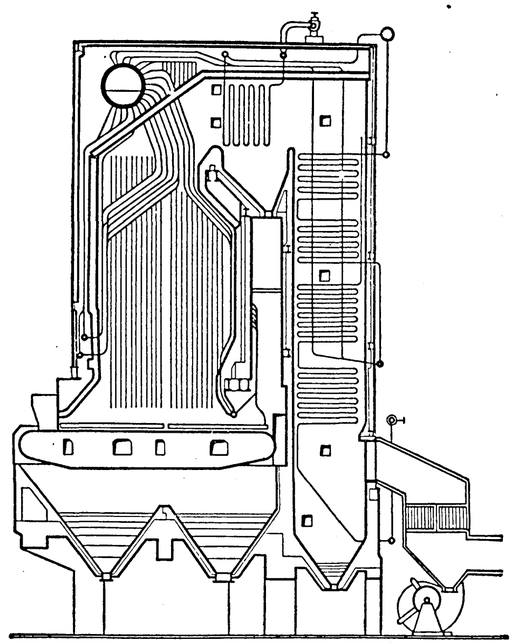

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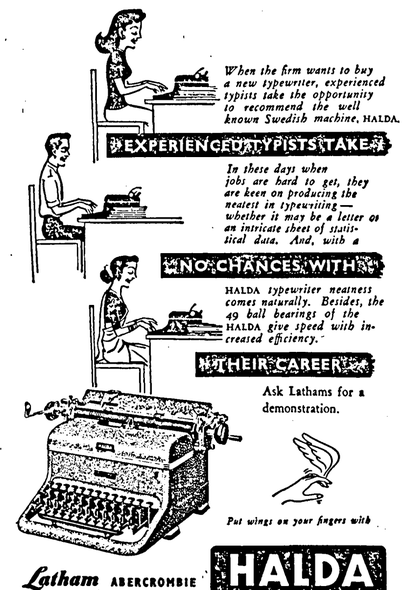

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POST-WAR INSURANCE IN JAPAN

RATIONALISATION HELPS REMARKABLE RECOVERY

FIGURES relating to progress of Japanese insurance in the post-war period make impressive reading. The latest year for which particulars are available is 1952. In life business the total value of policies sold by all offices during that year amounted to 996,200 million yen, yielding a total premium of 39,450 million yen, an increase of 36 per cent. over the figure for the previous year. New policies issued in 1952 amounted in value to 442,400 million yen, or an increase of 1.4 times over that of the previous year at 324,900 million yen. These figures eloquently show how Japan's life insurers made a remarkable stride in business promotion all through the year under review. Following this expansion, their total assets increased by 22,230 million yen to 75,230 million yen. Of these assets, 36 per cent. accounted for securities amounting to a total of 27,340 million yen, most of them stocks aggregating 23,360 million yen. Next to stocks come loans which are generally considered a good investment, and these rose by 9,930 million to 30,580 million yen or 4.1 per cent. of the total assets. Other assets included real estates and deposits, and the average rate of interest earned on them in 1952 was 15 per cent. as compared with only 4.4 per cent. five years before. Apart from the premium of 39,450 million yen, as stated already, income from other sources, interest and dividends amounted to 7,260 million yen. The total revenues stood at 49,410 million yen.

On the debit side, insurance money payments, including refunds, aggregated 7,690 million yen, and maintenance and tax amounted to 21,100 million yen. Taking these along with others, the combined expenditure ran to 36,020 million yen.

With revenues at 49,410 million yen and expenditure at 36,020 million yen, the accounts for the year 1952 showed a net gain of 3,390 million yen which was transferred to the reserve fund for dividends.

These figures, though quite encouraging, are stated to be still far from the pre-war business level in every respect. For, as compared with the previous 1934 level (as represented by the price index), the progress of business in 1952 was no further than 4.5 per cent. in total assets and 9.6 per cent. in policy sales. Again, the life insurance companies' share of the total assets credited to the country's financial institutions—which amounted to 4,456,400 million yen. was 79,800 million yen or 2 per cent. as against the pre-war share of 10 per cent. This low percentage is attributed to shrinkage of accumulated assets owing to post-war vicious inflation from which Japan suffered severely. Insurance circles in Japan seem to be confident that, by sustaining the recent rate of progress, the industry will recover its pre-war strength in a few years.

Premiums Reduced

The remarkable recovery of the life insurance business in Japan in the post-war period was not achieved without hard battles. In fact, it was the outcome of both the business and the Government making joint efforts to lift the industry from the morass into which it had sunk in the early post-war years. The fight was from both 'within' and 'without.' Internally, the insurance companies took bold measures to rehabilitate the business with extraordinary initiative, drive and energy. Thus, the business was rationalised, canvassing system was strengthened considerably, companies' services to policyholders including sale of new policies were greatly improved, and—what was more exemplary—with commendable courage, premiums were reduced, and payment of dividends, as well as grant of various tax concessions, was revived in 1949 after four years of interruption. This led to revival of confidence among the people which in turn yielded more business and premium income. When premiums were first reduced, life insurance circles were worried about the inevitable cuts in their revenues, but to their satisfaction, such never happened. On the contrary, the lower premium rates stimulated sales of life insurance policies.

These measures from within coincided with the stimulus provided by an external factor, namely, the Korean war which generated an upward trend in the national income of Japan. Increased national income naturally resulted in increased national savings, a part of which found its way into life insurance. Along with the rise in national income came also the unstinted and enlightened support from the Japanese Government. In 1951, the Government, in compliance with the earnest demand from life insurance offices, approved a 2,000 yen a year basic exemption in the individual income-tax and a 100,000 yen non-taxable limit on insurance money paid to beneficiaries. Again, in 1953, the Government granted the upward revision of the two tax exemption limits to 8,000 and 300,000 yen respectively. Now the industry is prevailing upon the Government to raise them further to 24,000 and 1,000,000 yen respectively. There is also another tax benefit, that is when employers or corporations earmarked the employees' retirement funds for life insurance premiums, they are entitled to cross out as 'loss' a certain amount of such premiums in relation to their obligations under the individual income and corporation tax laws. This benefit is not limited to life insurance premiums alone, but it has gone a long way towards helping the nation's life insurance companies to augment their business.

Non-life Insurance

Japan's non-life insurance business, which received a telling blow from the non-stop inflation during the first few years immediately after the end of the war, is also stated to be in good shape again. In the early post-war years, marine insurance companies saw their premium incomes tapering off due to the war-time losses of shipping and post-war interruption of foreign trade. Poor business also overtook the nation's fire offices, indicating the existence of social insecurity as well as the inadequate fire defence system which had resulted in increased fire hazards. In 1947, both fire and marine insurance companies increased their premium rates and embarked on a dual campaign, designed to promote fire prevention, on the one hand, and to strengthen whatever fire defence facilities were available, on the other. Further, they established the Fire and Marine Insurance Rating Association of Japan, with the object of drawing a new rate structure. These rates were exempted from the application of the Anti-Monopoly Law.

These measures greatly helped the general insurance companies to rebuild their business. A survey of the nation's 20 major non-life insurance concerns for 1952-53 revealed that their total capital amounted to 2,422 million yen, reserves to 2,794 million yen and profits to 2,001 million yen. Premiums earned aggregated 39,502 million yen. Total assets of these companies were of the order of 51,419 million yen.

Among the measures adopted by the companies to expand their business were the reduction of premiums relating to certain types of business and the reorganisation of agents into three categories in accordance with the premium involved. The latter was intended to enable the agents to get the right share of their commissions on an efficiency basis. A 10 per cent. cut was effected in the rates for cargoes of internal shipping services. The major import items such as grain, wool, cotton, salt and coal were under the reinsurance pool system enabling the companies to cede half of the amount originally insured. This arrangement would appear to have gone a long way towards eliminating unfair practices. Shipping insurance had registered a poor show prior to 1951, consequently, in 1952, premium rates were raised by 20 per cent. and this brought about smooth sailing in 1952.

Indian insurers will do well to take a leaf from the Japanese example noted above and improve their business, especially in the sphere of life insurance, on a rational basis. Insurance companies are bound to gain by effecting a reduction in their premiums which were increased during and immediately after the last war. The business can also be improved by strengthening their canvassing system as also by offering better services to the policyholders, as Japan has done.

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SOCIAL SECURITY IN U.S.

PRESIDENT EISENHOWER URGES EXPANSION

IN his recent State of the Union message presented to the U.S. Congress on 7th January last, President Eisenhower urged expansion of the U.S. social security system to cover more than ten million persons not included in the present system and to raise the benefits provided under the federal Old Age and Suvivors Insurance (O.A.S.I.) programme. The expanded programme would increase the number of jobs in which social insurance benefits can be earned to 93 per cent. of all paid civilian jobs in the country. The proportion of the aged population eligible for benefits would increase from 45 per cent. to 75 per cent. The U.S. social security system, established with the passage of the Social Security Act in 1935, is primarily a programme of insurance protection for the worker and his family against complete loss of income through old age or death, although other benefits were added later. Limited at first to workers in industry and commerce, the programme in 1950 was extended to cover farm and household employees and many persons—other than farmers—who work for themselves. Some 66,500,000 persons are insured under the programme today. At the end of 1953, about 5,970,000 persons were drawing benefits. That is almost a million more than in 1952, and nearly double the 1950 figure.

Under the present system an average worker who retires at the age of 65 receives about 35 per cent. of his previous average monthly wages. In addition his wife, if she is 65 years old, receives an amount equal to half her husband's benefit. Together the retired couple can receive as much as $127.50 a month for life. The widow, single surviving child, or parent of a deceased worker receives three-fourths of what he would have received at 65, while, if there is more than one surviving child, each receives one-half of the worker's monthly-benefit amount, up to a family maximum of $169 a month.

Benefits and the cost of administering the programme are paid wholly from the contributions of workers, employers and self-employed persons. The worker's contribution, which on 1st January increased from one and a half to two per cent. of his earnings up to $3,600 a year, is deducted from his wages or salary. The employer adds an equal amount and periodically sends the combined contributions to the Federal Government. Self-employed persons are now taxed at 3 per cent. of their net earnings up to $3,600 a year. These payments, or insurance premiums, go into a special trust fund. Benefits are paid by the Treasury Department after the Department of Health, Education and Public Welfare.

For many U.S. workers, the Federal programme is only a supplement to benefits received through labour-business agreements existing in major industries such as the automobile industry and coal mining. In addition, many workers join retirement plans operated by various private insurance companies. Certain other groups also are assisted under the Federal programme. Such persons as the needy aged, the blind, the totally disabled, and dependent children who have lost the care of a parent receive monthly cash allowances.

The Social Security Administration formerly also had responsibility for unemployment. This programme, which is administered by the individual States, now receives Federal assistance under the U.S. Department of Labour. The U.S. social security programme also helps the individual States carry on broad programmes of social services in behalf of children. These include maternity clinics, public-health nursing services, and health supervision of school-age children, including medical, nursing, dental and nutrition services. Crippled children are provided medical, surgical, corrective and prosthetic services. Child welfare workers are provided to give service to children with special needs which their families cannot meet unaided.

To broaden the present system the President, in a special message to Congress, recommended the following six steps:

(1) legislation to bring approximately ten million more persons under the O.A.S.I. system. These persons would include self-employed farmers, many more farm and domestic workers, doctors, dentists, lawyers and others now excluded from the retirement programme;

(2) liberalisation of the present O.A.S.I. provisions which now deprive a beneficiary of his benefit payment for any month in which he earns wages of more than $75;

(Continued on page 287)

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PRIVATE INDUSTRY IN MIXED ECONOMY

BASIS OF STATE'S POLICY TOWARDS IT DEFINED

[The Government of India has adopted "mixed economy" as its policy. The implication here is that undertakings owned and operated by the State and private enterprise either in the same field or in different fields or in both will be in operation. What should be the details of this basic policy, if it is to succeed in bringing about an expanding economy? An answer to this question is attempted by the Tata Quarterly *in its January (1954) issue. If this country is to remain a virile democracy, this question must be tackled on right lines. The attempt made by the* Tata Quarterly *in this connection is a valuable contribution to correct policy-making. We are reproducing here its observations on this subject, in the hope that it will assist the public to make a diligent appraisal of Government's policies and to appreciate the kind of climate necessary for the effective and efficient functioning of the system of private enterprise.—*Ed.]

MIDWAY through the five years of the Plan, it might be helpful if, instead of examining a specific problem in detail, an attempt were made to draw attention to some of the basic issues in the operation of a private sector in a planned economy. The appropriateness of a policy towards private industry is dependent not merely on the objectives aimed at but also on the general economic situation which influences and circumscribes industrial activity. The present article seeks to discuss, in a general way, the major considerations in the light of which a consistent approach could be evolved.

India is trying to build up a "Welfare State," but, basically, this is not different from the direction in which every other country in the free world has been moving since the Great Depression of the 'thirties or, at any rate, since the end of World War II. The objective in India is not new or novel because there is now a Plan. With the end of *laissez faire*, it is universally agreed that the State must actively exercise its power or influence to secure, from the working of economic forces, the maximum possible contribution to social happiness. Differences lie only in the extent to which, from country to country, it is considered necessary for the Government to intervene in the working of private enterprise.

What is Mixed Economy?

The "mixed economy" which India has adopted for itself implies that, besides influencing the course of private enterprise, the Government will itself build up and operate several productive works—the so-called public sector—and thereby contribute directly to economic progress. Even so, it must be emphasised that, within the field allotted to it, private enterprise in a "mixed economy" cannot be different from private enterprise anywhere else. Everywhere, its paramount object would be the maximisation of profits. There is no way of harnessing it to social goals, except, in so far as, in the search for larger profits, it produces more goods, makes them more cheaply, expands the volume of employment and discovers new ways of satisfying consumer-wants. Private enterprise may be acceptable for these *incidental* advantages to the nation, but it cannot be had at all, unless it is itself allowed to operate for profit.

Industry is not, however, necessarily at its best during a period of good profits. Actually, for obvious psychological reasons, fear of loss may often be a greater spur to efficiency and reduction in waste than the hope of earning larger profits. Private industry could not be really efficient and vigorous, if, as a general rule, losing businesses were not allowed to lose. A dynamic economy requires constant shifts of capital and labour between one industry and another, and, although the State may take steps to minimise the social consequences of such shifts, the need for allowing shifts is implicitly accepted when private enterprise, which depends on the effective functioning of the market mechanism, has been allotted a field of its own.

Briefly, the concept of a mixed economy connotes the following ideas:

(i) There is an adequate and understandable basis on which industries and enterprises falling in the public sector are demarcated from the rest. As regards new developments, if there are lines to which private enterprise cannot be admitted, they are announced in advance.

(ii) Extensions of activity in the public sector are governed by an accepted order of priorities in relation to the available resources. The volume of public investment in any year is determined with reference to the prevailing situation regarding employment and the supply and prices of consumer goods.

(iii) While the fields of private and public enterprise may generally be complementary to each other, if there are areas over which the two are in direct competition with each other, such competition is on a basis of strict equality.

(iv) The behaviour of private enterprise is sought to be influenced by general measures in the sphere of monetary policy, taxation, labour legislation, etc.

(v) Priorities as between different industries in the private sector are made effective by adopting measures which apply to whole industries. As a general rule, no differentiation is made between an individual unit and another in an industry.

(vi) Official intervention in the affairs of an individual concern is limited to situations of an exceptional character and not for overcoming problems which arise in the ordinary course of business.

Programmes and Policies in the Five-year Plan

Besides the investment programmes of the Central and State Governments, the Five-year Plan also incorporated a schedule of approved investment in the private sector of industry with a corresponding schedule of production targets. These schedules were based on information about their plans supplied by the industries themselves, and, at that time, the provision of incentives for the attainment of those targets did not appear to be particularly necessary. In fact, owing to the underlying inflationary tendencies, which were then strong, it was possible to think of planning chiefly from the negative angle of controlling non-essential development. A general slackening of business activity and unemployment were not feared. There was no problem of *stimulating* private investment and, on the assumption of negative restraints, investment in desired channels could be predicted. The financial burdens which welfare legislation placed on industry were borne in the context of rising commodity prices. As regards consumers, price ceilings were the obvious step to be taken and there was no question of inducing consumers to buy more to keep up the demand for industrial products. Overseas expenditure was expected to conform to a specific pattern if only expenditure on certain classes of imports was restricted.

The situation today, 2½ years after the inauguration of the Plan, is different in many essential respects. Unemployment, which was not considered even a possibility, is here, suggesting, *prima facie*, that the investment programmes are not producing expected reactions. In the case of the State Governments, which have been unable to raise the required funds, investment is behind schedule. According to the information given in Parliament by the Finance Minister, the rate of new investment in private industry is not much at variance with that visualised in the Plan. Apparently, however, while some industries are expanding, there are others which are curtailing their activities owing to sluggishness of demand. In any event, the total volume of public and private investment has been unable to prevent the rise of unemployment. Foreign exchange, which was expected to be a bottleneck, has not been used rapidly enough. The volume of overseas trade has shrunk. Imports of plant and machinery are slack and imports of foodgrains are being sharply cut down.

One Possible Remedy

The emergence of unemployment notwithstanding the operation of the Plan suggests that some modification of the original strategy for development is required. Two alternative courses of action may be considered.

First, with a sudden and drastic expansion of public investment, financed by budget deficits, inflationary conditions resembling those in 1951 may be reproduced. Direct Government controls like investment control, licensing and price control may then be re-employed, partly to suppress the symptoms of inflation and partly to bring about the desired pattern of development in the private sector of industry. Inflation may encourage investment in essential industries while direct controls prevent investment in non-essential industries.

A solution of this kind is obviously unsatisfactory. It will set at naught the result obtained by the one policy (policy in the financial sphere) which the Government has consistently followed since the raising of the Bank rate in November 1951. While unemployment is eliminated, employment will be worth much less as prices rise and commodities in demand cease to be available in the market.

The alternative solution is to allow private industry to develop as fast as it can and to make that marginal addition to public investment which will help to maintain effective demand and prevent a worsening of the employment situation. The three assumptions on which the approach is based are: (i) that unemployment is the most serious problem today, (ii) that wider opportunities for employment should be provided with as little net inflation as possible, and (iii) that it would not matter if, as a price to be paid for this result, the pattern of development in the private sector differs from that visualised in the Plan.

Pattern of Development

It is generally considered desirable that private industry should expand and provide more work. It is even suggested that private enterprise should be "encouraged" to expand. Before the question of *encouragement* arises, however, logically there should be readiness to *accept* whatever the private sector can by itself do. The scope for the expansion of private enterprise is limited by restraints which are a legacy of the past and which, in the conditions of to-day, are inappropriate. Since the problem at present is not of conserving capital but of creating it, the *pattern* of development should not be an obsession, and investment in non-essential industry should be as much welcome as other investment so far as its favourable impact on the volume of employment is concerned.

If industry is to be allowed to expand, there would have to be the minimum of "licensing" in industrial policy. Control over capital issues, the licensing of capital goods imports and the licensing of industrial enterprises under the Industries (Regulation and Development) Act should be suspended and, if retained, should be no more than a formality, chiefly of statistical value. Secondly, although price control in respect of consumer goods would continue to be a necessary standby, price control in respect of investment goods should be re-examined. The availability of investment goods at cheap rates is obviously desirable but against this the handicaps involved in the dependence on the Government's scheme of distribution and the effect of price control on the further production of the goods concerned have also to be considered. Thirdly, the field for small-scale industry should be mapped out once for all. Certain lines of production may be reserved for them. But it should be made clear that, if small-scale units develop in other industries, they can survive only by their own competitive strength.

Retrenchment and Labour Legislation

It should be recognised that the general problem of unemployment is the responsibility of the State even if the solution is made easier by an expansion of private industry. It is the State's responsibility to create, chiefly by means of monetary, credit, fiscal, and investment policies, conditions in which persons retrenched by undertakings which can no longer afford to keep them find alternative employment either in industry or with Government in a reasonably short period. For safeguarding the interests of labour, the State may properly lay down the procedures to be adopted for retrenchment or re-employment and fix the scale of compensation payable to retrenched staff. At a suitable time, the introduction of unemployment insurance may also be considered. There can, however, be no general opposition to retrenchment, which must be accepted as the concomitant of the inevitable ups and downs of business. Generally speaking, a steady increase in the labour bill is both a cause and a product of an efficient and expanding industrial system. The State would have to see that the portion of the labour cost which, by legislation, it determines does not recoil on the volume of employment; but, once determined, it is the proper responsibility of private enterprise to meet the cost. In any case, State legislation involving a general increase in labour costs is a less serious question than intervention by the State or by Industrial Tribunals in the administration of individual undertakings aimed at placing an artificial barrier against retrenchment of workers. The former is, but the latter is not, a kind of State control which conforms with the principle of allowing private enterprise to carry out its normal functions.

Attitude Towards State Intervention

The present general attitude towards State intervention is born of a solicitude for increase of production "up to capacity" in each industry. As this required production in each unit to be up to its officially assessed productive capacity, it was felt that, in *some* way, the State was responsible for operations in every undertaking in each major industry. Superficially, it seemed logical that before the State *sanctioned* additional capacity in an industry it should see that the existing capacity was fully utilised. This quantitative-cum-licensing approach to the problem of industrial production could succeed, however, only if the State could undertake the marketing of the output of each undertaking at rates profitable to the owner. That was, of course, an impossible task. Policy-making, today, should recognise that, almost at all times, a portion of the productive capacity in an industry would remain unutilised even if investors rate highly creation of further capacity in that industry and are ready to put up money for it.

The foregoing is basically a plan for removing the artificial barriers in the way of industrial expansion and in the way of intra-industrial adjustments of resources. In the present atmosphere characterised by a general dependence on Government aids, subsidies, patronage and permits, a simple plan of this kind may not appear to carry us far. Actually, it should go much farther than is commonly supposed. Notwithstanding retrenchment by individual concerns, the total volume of employment should increase in the measure in which private industrial activity in the aggregate expands. There are two further considerations. First, an expansion of private industry which comes about in response to market conditions will serve the consumer better than an expansion of public investment undertaken chiefly for its impact on employment. Secondly, if the so-called "multiplier" principle is to come into play as a sequel to an increase in public investment, it would require a private sector which reacts promptly to the stimulus of increased purchasing power and adjusts itself readily to shifts in effective demand. With a given change in Government's investment programmes, even under a mixed economy, a private sector which is allowed to function in full recognition of the underlying dynamics of private enterprise will produce more favourable reactions on the volume of employment than a sector that is straddled with restraints imposed in deference to an assumed "order of priorities" and in fulfilment of a vague Governmental responsibility for the affairs of individual business units.

In any event, a policy for allowing business expansion in different directions has logically to precede consideration of general *assistance* to industry, through measures, like tax relief, which cost the State money, or measures, like a reduction in the Bank rate or a general tightening of import regulations, which do not. As regards "assistance" in the form of public disbursements on schemes of research, etc., this would, generally speaking, appear to be required more by small-scale and cottage industries than by the organised large-scale industries. Similarly, if State trading is to be extended, the State may try to market the products of small-scale industry (if necessary, at a loss) before it tries to solve the problem for large-scale industry. In regard to the provision of finance, too, the Government may contribute to meeting the requirements of small-scale industry (to the full extent to which it is administratively feasible) before lending funds to large-scale industry.

Reports from New Delhi indicate that the Government of India will institute an elaborate inquiry into agreements entered into by industrial and commercial concerns in India with foreigners, involving remittances on account of royalty or technical aid. This step is being taken under the Collection of Statistics Act, 1953. As a preliminary to the inquiry, all types of commercial firms, including those engaged in banking, insurance, shipping and navigation are stated to have been asked to submit before 1st March, 1954, accurate information on several items.

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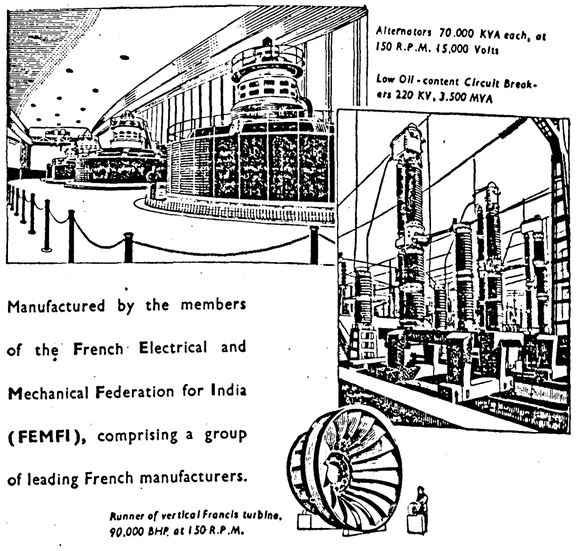

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ECONOMICS OF THE ATOM

BIGGEST SINGLE SOURCE OF POWER

(By GRAHAM HUTTON)

IN all the international excitement about atomic bombs and hydrogen bombs, the peaceful uses of atomic energy have taken a back seat. Even more has the economics of peaceful atomic energy been overlooked. Yet there have been some remarkable announcements about the peaceful utilisation of nuclear energy as fuel for machines, and it is worth while trying to read between the lines of these statements in America and Britain so that we can get an idea of the cost involved and the economic effects.

One of the Atomic Energy Commissioners of the United States announced that a full-scale atomic electricity generating station was to be built by the Westinghouse Electric Corporation, a private enterprise which has been closely associated from the very beginning with the American Government monopoly of atomic energy. And the Deputy-Controller of Britain's atomic-energy production department, in a speech in New York announced that within a few years electric power made from nuclear energy would be flowing into Britain's electricity grid. He said that in three or four years' time the British atomic-energy organisation would be able to pass on to private enterprise the necessary knowledge for making the generating plant and other incidental apparatus. He also thought that Britain's nationalised Electricity Board ought then to build further reactors to produce electricity. In other words, instead of being anything from ten to twenty-five years away from the civilian use of nuclear energy as a source of power, we are within three to five years of it.

This alters our picture of the future considerably. It also alters the economics of the older-established sources of power for the machines of mankind, the rivers and lakes, coal and oil. True, the beginning of the peaceful use of atomic energy as a fuel will be small, even insignificant in comparison with the total output of energy from hydro-electric dams, furnaces producing steam fired by coal, coke, or oil and engines burning oil or gas to turn machinery. But big things from little causes spring and all beginnings are relatively small affairs.

New Era

Still, I am more concerned as an economist to try to assess the longer run effects and the costs of the civilian development of nuclear energy. What are these likely to be? Do we all stand on the threshold of a new era in which the so-called under-developed countries will be on as favourable a footing as those, like Britain or America, which already possess enormous equipment for producing energy in the familiar ways? Or, do we face a new era of energy which will only come in gradually and at great economic cost?

Britain began the whole world's Industrial Revolution with coal and steam. Today, Britain's main economic problem is the cost of getting its coal, which will last for 200 years more. It now lies deeper and farther underground, and it is costing the British people from £500,000 to £1,000,000 a week, on the average, in new capital equipment for their coal-mines, in order to help the miners to get out the coal. So the cost of that coal continually rises and that continually raises the cost of electricity, which in Britain is mainly produced from coal-fired furnaces.

On the other hand, according to the latest official statements, the initial cost of producing electricity from nuclear energy will probably be "competitive" with that of producing electricity in the old-fashioned ways, and, as with all new inventions after they are first put to work, that nuclear-energy cost is likely to fall steadily rather than to rise. Moreover, a strange aspect of atomic energy is that, in the future nuclear reactors envisaged for making electricity, the atomic material will breed new material which, in turn, can be further split in atomic operations. In other words, whereas all forms of making energy till now have been ways of transforming some fuel—coal or oil, for instance—into another fuel (electricity) at a consequent loss of material somewhere in the process, the new atomic fuel not only produces the electricity but also replaces itself to a considerable extent. This is, indeed, something unparalleled in economic development and it offsets a good deal of the cost of producing electricity from a nuclear reactor.

But there remain several problems to be overcome, before we all enter the atomic-energy era and throw away our coal-mines, hydro-electric stations, and oil refineries. First, there is the geological and geographical problem of finding and getting enough of the raw material for atom-splitting uranium. It is mainly found in the Belgian Congo, Canada, and Australia, and a few other places. Doubtless in time, we shall overcome this problem, and also develop machinery and methods for using lower-quality uranium ore; but it still costs a lot of money.

Secondly, there is the problem of safety for the human beings working on the nuclear reactors, or even those living within, perhaps, 100 or 200 miles of them. That is a problem for countries like Britain, France, Belgium, Italy, Germany, and most of Western Europe—or for Japan, for that matter—where towns are close together and people live densely. It is easier for newer countries with great open spaces like America, Australia, Canada, or old but sparsely settled big countries like China and Russia, where there are still vast uninhabited spaces. We do not yet know enough about the risks of civilian nuclear reactors. One accident alone would suffice to kill hundreds of thousands of people, and perhaps slowly destroy millions, if indeed an accident did not do worse.

Safeguarding Plant

This means that one big item alone in the cost of peaceful atomic energy will be that of safeguarding the plant against any and every risk of an accident, however, remote. This safety factor becomes much more important—and much more costly—when we progress from the simple nuclear reactors now being built to the more complex ones (called "fast reactors") which breed nuclear material as they produce energy and therefore become (as scientists hope) self-supporting. We in Britain are already looking for a remote isolated spot in the north of Scotland, where we can build our first "fast reactor," the breeder-reactor, the dangerous one.

So you can see that it is only the industrial countries—Russia, America, Britain, France, and so on—which are within measurable distance of the civilian atomic-energy era. What none of us yet really knows is how much it will all cost, in order to be perfectly safe. We are all in the hands of our scientists and they can only judge by the awful effects of the atom bombs already exploded. And merely on the production of such atomic bombs and other weapons the industrial nations of the world have already spent something like £6,000-million, enough to produce civilian atomic energy quite safely and on a scale sufficient to make Britain independent of coal, or to make Western Europe independent of imports of oil. We are still a very long way from cheap atomic energy for all.

The tragedy of atomic energy is, of course, the tragedy of mankind's two natures, namely, the evil nature making for war and the good nature making for prosperity, co-operation, and welfare. It has always appeared to me to be illogical to condemn men for using atomic bombs but not to condemn them for dropping just as destructive a quantity of ordinary explosive from 1,000 aeroplanes over an enemy city. Seven hundred years ago there was a unified Christendom which spoke with one voice. In the Lateran Council, it condemned the use of the artificial, mechanical bow instead of the ordinary bow and arrow. Gunpowder was condemned in its turn. So was poison gas, the machine-gun and everything else.

Today, in the atomic energy age we face on the one hand the penalties of being a divided mankind. On the one hand, there is the race in atomic armaments, the Iron Curtain of mistrust and enmity and, on the other, the Russians as much as the Americans or British are forging ahead with the application of nuclear energy for civilian and peaceful purposes. Indeed, the British have the biggest export trade of all in atomic isotopes for medical purposes.

Comparative Costs

What we all need to know—indeed, what we can perhaps get to know more easily and co-operatively than about armaments—is the comparative costs of producing energy in this new way, the best ways of securing the safety of human beings, the best methods of applying this new form of energy and the best ways of cushioning the social and economic shock of the new energy upon the old-fashioned forms and their industries, such as coal, oil, gas, and others.

Now, very fortunately for mankind, these really are peaceful and civilian questions of atomic energy. They are not so very different from, say, the international co-operation required to make the seas safe with lighthouses, or the air safe with radio beams, or to make the letter and parcel post work smoothly, or to control pests and plagues by the international brotherhood of medicine. I think it is a very good piece of news that the British and Americans are going rapidly ahead with their civilian, peaceful production of electricity from nuclear reactors, because it may bring nearer the day when true and full international co-operation can take place for the safeguarding of all humanity from both civil accidents and from warlike experiments, with this biggest single source of power available to the human race.

After all, it is no longer a case of fearing war with atomic weapons. It is perhaps only three or four years from our having to fear an accident to the peaceful, civilian electricity plant of a neighbouring country, which might kill us and our children. I may be a queer economist, but I take comfort from the fact that, when all the industrial lands have built their peaceful civilian atomic energy plants, the whole world will stand to lose from both a war and a civilian accident. We may then look on war itself as the deplorable human accident it has always been. If the discovery of atomic energy by the western world brings us all to that point, it will have been worth it.

U.S.-SOVIET ATOMIC TALKS

Discussions on the procedure for handling President Eisenhower's proposal for setting up an international agency for the peaceful development of atomic energy have been continuing between the U.S. and Soviet Governments in Berlin. These talks also cover the Soviet proposal for a ban on atomic weapons.

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TECHNIQUES OF MATERIAL RESOURCES BUDGETTING

THEIR IMPORTANCE TO ASIA AND THE FAR EAST

ONE of the important papers which was presented for consideration at the sixth session of the Committee on Industry and Trade of the Economic Commission for Asia and the Far East, which concluded on 5th February at Kandy, Ceylon, describes the techniques of budgetting material resources. It is not clear as yet whether any discussion on this paper took place at the session or was deferred, as suggested earlier, for consideration by a working party, to be convened in course of time, in view of the need for a detailed study of the subject. The central aim of this paper is to survey the extent to which the assessment and analysis of the requirements of material resources have been carried out by the countries concerned and to bring to their consideration the basic concepts behind resources budgetting. Certain methods and techniques are described in the paper at some length. These are based on some fundamental principles of economic theory which, it has been found necessary, should also be explained in describing these methods. These methods and techniques, as studied in the U.S., the U.K., Denmark, the Netherlands, Israel and Australia, are described in an easily understandable form.

The importance of this paper to the underdeveloped countries of Asia and the Far East is obvious, for the resources budget is a new concept for the underdeveloped countries. In fact, even in more developed countries, resources budgetting is a very recent development and new techniques and methods are still being developed and tried to achieve the object in view. Although the countries of the E.C.A.F.E. region have started preparing resources budgets, the methods adopted are *ad hoc*. There is great scope for the application, with profit, to the conditions prevailing in the countries of this region some of the techniques being continuously developed elsewhere. It may, however, be noted that, as resources budgetting constitutes only one aspect of the problems and techniques confronting economic planning, it would be desirable if other aspects such as the determination of targets and priorities and the co-ordination of private and public investment, etc., could also be examined.

Need for Improvement

The gap between the approach of Asian countries in preparing resources budgets and the ultimate goal of a scientific method according to the paper, is too wide. It has been impossible to indicate whether there is any lack of balance between the material resources available or likely to be available and the requirements thereof, according to targets contemplated. Consequently, the paper attempts to bring out the stages by which the present approach of the Governments can be progressively improved.

A material resources budget is a counterpart of a financial budget of a development plan. It is true that the monetary yardstick is a valuable instrument of measurement of the broad magnitude of a plan, but it cannot adequately give an idea of the physical resources that should be devoted to the implementation of the plan. Investment of money will create demand for materials and services of personnel. A material resources budget is, therefore, an account of a requirement of materials that will be involved in the implementation of a plan.

As the material resources budget is a counterpart of a financial budget, it should be envisaged in the same way as the annual financial budget of a plan. Of course, the materials involved will be numerous and a list of all the requirements may mean an inventory of over thousands of items. For practical purposes, therefore, material resources can be confined to those essential and key commodities required for development. In the main, they are (1) construction materials, such as iron and steel, cement, timber and other building materials, (2) development commodities, such as electric power, coal, other fuels, fertilisers, etc. and (3) raw materials, such as mineral raw materials, agricultural and other raw materials which are constantly required in the manufacture of end-products.

A resources budget has multifarious uses. First of all, it will aid in the determination of correct targets of production. The targets can have no meaning, unless they are pitched in the context of the estimated requirements of these for development. Therefore, in judging whether a plan is balanced or not, it will be difficult to relate the estimates of requirements to the targets projected, without a resources budget. Similarly, it will be difficult to assess the gap between total requirements and domestic production which will call for expenditure of foreign exchange. Thus, even a foreign exchange budget will be unreliable, unless it is based upon the quantities of materials and goods which are considered to be important items of import during the implementation of a plan. In fact, in projecting targets of production for various commodities, more particularly, the developmental commodities and raw materials, the only reliable method will be first to assess the requirements of individual projects as well as of the entire economy. When the requirements are compared with targets, the deficiency in the plan will be automatically revealed.

This is not to convey that there should always be a balance between the requirements and targets of production. But the comparisons will make it possible to investigate further whether a plan can be so revised within its overall content as to make it easily workable and whether it will be possible to revise a target for a particular commodity which might become a crucial factor in the implementation of a plan. As is well known, in many countries in Asia and the Far East, several projects are often delayed because of scarcity of a particular material, which should have been anticipated.

Planning Import Programme

The budget of material resources will also indicate the deficiency that is likely to develop during the course of the plan in respect of a particular commodity. Such a forewarning could be most important in planning an import programme. The material resources budget will help not only the country concerned itself, but also other countries interested in the regular flow of exports of commodities required. Many of the key commodities are subject to international agreement. So the material resources budget will help planning international commodity agreements.

The material resources budget is a prerequisite for policy making. Without an entire picture of the requirements and availabilities of material resources, it is impossible to plan their use among alternative ends. The diversion of resources to desired uses can be done, for instance, through price policy or through a policy of regulation, allocation, restriction or rationing.

An estimate of material resources requirements reveals one of the important features of an economy, in the sense that it reveals interdependence of various industries. Further, the interdependence of the economies of any region can be gauged through a study of materials, their requirements and availabilities in the context of a development plan. Thus, it will provide basis for the study of regional planning and international aspects of planning. Again, it is a prerequisite to a programme of research and experimentation. Moreover, where a plan envisages a mixed economy in which many of the development commodities are partly provided by Government undertakings and partly by private enterprise, resources budgetting will help both the sectors to know the extent to which they will be called upon to supply the materials.

The main objective of material resources budgetting is to match available factors of production with the maximum rate of economic growth. A balance must be struck between the set targets and the resources that can be freed and mobilised to achieve them. There are two methods of framing a resources budget, namely, the aggregate method and the input-output table.

Even a cursory study of how this delicate task of striking a balance between set targets and the resources is being sought to be achieved in countries of Asia and the Far East disclose glaring anomalies. In most cases, for instance, the assessment of future requirements is confined to certain broad estimates of individual projects in respect of particular types of commodities. This method of analysing demand for, or supply of, particular commodities does not take into account the aggregate needs of the whole economy in respect of material resources. In other words, the method of adding up estimated material requirements of individual projects ignores the secondary demand for material resources. This is particularly so when the aim is to estimate the demand for raw materials and intermediate goods which are "versatile," that is to say, which can be used for a variety of uses. Empirical research has, therefore, to follow a different approach, which would enable the estimation of aggregate demands for resources in relation to changes in national income and its main components, namely, consumption and investment. Obviously, these major aggregates can be split into a series of end-products. The resulting estimates of growth in specific end-products can then be applied to current consumption of materials in the production of these specific end products to build up the estimates of demand for materials. This is the aggregate method which gives an overall view of demand for goods and services. This overall view is carried a step further by the use of national input-output table.

Input-Output Table

Such a table provides a comprehensive view of an economy in such a way that it has the merit of showing the points of contact between the various sectors in an economy and the amount of pressure exerted by each one on the others. The various flows become visible, showing the working of an economy. The planning authorities are provided with an overall detailed view and are thus made aware of the repercussions of their policy decisions spreading to the various inter-dependent units in the economy. This table helps in the formulation of mutually consistent development policies in the different sectors of an economy.

The success of the techniques referred to above depends on the awareness of the importance of inter-industry relations and the connection between the various sectors of the economy. For, without them, the whole process of development will not be clearly revealed. The fundamental question, however, is whether the vast amount of technical data required in adopting these techniques are available or can be collected in the countries of the region. It is, however, believed that, at least, some of the countries in the region might examine the availability of such data which in fact do exist but in various scattered ways. Furthermore, sample surveys might be profitably used in certain cases. Thus, for example, the data on consumption demands which are generally not available can be inferred from sample surveys or from the results of *ad hoc* market surveys of private enterprise. Thus, it will be possible for some countries, without undertaking any costly statistics-collecting work to combine their present techniques with the aggregative method. It should be remembered, however, that, in most of the underdeveloped countries, especially when there is an interruption due to war, projections into the future from the past is not sufficiently accurate for policy-making.

As regards the input-output technique, it is realised that, for the time being, it will be sufficient for the countries and particularly the officials in the planning agencies to become familiar with these concepts with the primary purpose of keeping in mind the inter-dependence of an economy. Whenever planning for the production of a certain commodity is framed, the repercussion on other commodities must always be kept in the forefront so that bottlenecks may not develop. It must be mentioned here that the input-output study of one country cannot be applied to other countries, however similar their economies might be. It would, therefore, be far more impossible to apply to countries of the region results of studies made for the United States or the United Kingdom economies in this regard. Every country will have to make its own individual study and the input-output table will have to be tailor-made. On the other hand, in many of the underdeveloped countries, industrial bases are thin and kinds of industries are few so that projections of resources requirements from the present input-output tables are not reliable. What is, however, immediately required and can be done is to perfect the production statistics, with a view to bringing about a clear understanding of the picture of the interdependence flow.

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ECONOMIC SURVEY OF ASIAN REGION

"UNREALISTIC TO HOPE FOR RAPID PROGRESS," SAYS E.C.A.F.E.

DRAWING attention to the outstanding events in the Asian economic situation in 1953, the United Nations Economic Commission for Asia and the Far East observes, in its latest annual economic survey, that the most outstanding problem of the countries in its region during 1953 was an accentuation of the problem of finding the resources to fulfil the need and the desire for economic progress in the face of lower export earnings. This was so because the need for adjusting consumption to lower income levels and the paucity of finance had caused difficulties—these persist even today—in the way of implementing the development programmes in the countries of the region. The prominent features of economic developments in Asia during the year under review, as described in the Survey, were:

(1) The effects of the Korean "boom and bust" period had worked themselves out and there were indications that Asian export earnings had settled down since the second half of 1953 on a level slightly higher than that registered in the immediate pre-Korean war period (before June, 1950).

(2) The food situation since the second half of 1953 had changed from scarcity to surplus and, with the break in rice prices, the last vestiges of the sellers' market had disappeared.

(3) While export prices had, until recently, continued to decline, domestic prices in most Asian countries showed an upward tendency.

(4) The purchase of capital goods acquired a different aspect; whereas, until not too long ago, delivery difficulties on the part of foreign suppliers were a limiting factor, the volume of purchases was governed by considerations of available foreign exchange on the part of Asian importers.

(5) Asian countries were hit by the price "squeeze," resulting from Asian raw material prices having suffered a sharper drop than prices of imported capital goods.

(6) Lower revenues confronted all the Governments of Asian countries with the dilemma of either to curtail economic projects or to resort to controlled deficit financing in the interest of uninterrupted economic development.

Agricultural Production

The year 1953 witnessed a rise in food production in the countries of Asia and the Far East, which was the post-war record. Despite such a rise, however, the supplies available were insufficient to restore the pre-war level of consumption per head of the population. Rice production in 1952-53 increased by 7 per cent., the greatest improvement in any of the post-war years; it was well above the pre-war level. The rise in food output was due, in large measure, to good weather and better yields and also to widespread grow-more-food measures and improved security conditions in some countries. The other helpful factors were construction of irrigation works, distribution of agricultural requisites, and suitable incentives.

Examining the food prospects for 1954, the Commission observes:

"Present indications are that the 1953 crops may turn out to be larger in deficit countries than in 1952, with the exception of Japan, where the 1953 rice crop is down by about 20 per cent., as compared with 1952. Reduced import needs in other parts of the region are likely to offset the increase in Japan's rice requirements and rice surpluses available from Burma, Thailand, and Indo-China are expected to exceed last year's availabilities by approximately one million tons. Mainland China has announced its intention of exporting 270,000 tons of rice to Ceylon in fulfilment of a trade agreement.

"The 1954 picture of the food position would thus indicate a considerable increase in export availabilities in the region and only limited changes in effective demand at current prices, though price reduction could appreciably stimulate demand and shift consumption back to the pre-war import pattern, where rice was the largest import, wheat and other cereals being of minor importance."

In contrast to the general improvement in food output, the production of raw materials and other agricultural commodities showed divergent, but usually downward, trends. During 1953, the long persistent sellers' market for food finally broke and effective demand once again became a controlling factor for both food and raw materials. The sellers' market which had made room for a buyers' market for most materials by the end of 1951 and for industrial equipment in 1952, had, with the change in the food market, gone out of existence in the whole range of production. Price declines would appear to have been brought to a halt in 1953 or given way to small increases (except for tin and rubber where prices registered a sharp drop in the first half of the year). Despite this not unfavourable price development, production of a number of commodities declined or land had been diverted from industrial crops to food production.

Industrial Capacity

As deliveries of 1951 and 1952 orders were effected, industrial capacity in several Asian countries expanded during the year under review. The production of basic industries (coal, power, iron ore, and cement) throughout the region showed increases over 1952, and the same applied to textiles. The increases were widespread and appeared to reflect a fairly general expansion of production. Notable examples of this kind were the textile industry in Pakistan and cement and power production in Malaya. In India, a considerable expansion in production was achieved, as a result of the Five-year Plan. In Japan, investment continued on a high level.

Balance of Payments

The variations in the balance of payments position of the Asian countries during 1953 were much smaller than in previous years. The value of both imports and exports contracted, as a result of the general decline in the price level. Burma and Thailand provided an exception, since they could still obtain high prices for rice during the major part of the year, and the Philippines secured increased value for its exports. With the break, however, in rice prices of late, Burma and Thailand are expected to experience serious readjustment problems in the current year.

Export earnings of the region tended towards stability at a level somewhat higher than before the outbreak of the Korean War. The countries in the region exported in the first half of 1953 goods of approximately $3,300 million, as against $2,600 million in the first half of 1950, immediately before the outbreak of the Korean War. Part of this improvement was, however, due to the substantial increase in Japanese exports. If Japan is excluded, the picture was less favourable, for export values would show a somewhat less marked increase from $2,300 million to $2,700 million between the first half of 1950 and the first half of 1953.

Commodity Prices

Commodity prices and, to a lesser degree, changes in export volumes, determined the development of export earnings. The reduction in export earnings gradually tapered off. Whereas the decline was extremely rapid between the first and the second half of 1951, when it amounted to some $1,000 million, it gradually fell to about $270 million between the second half of 1952 and the first half of 1953. Figures for the 14 countries in the region for which data are available for the third quarter of 1953 show that the downward movement had at last come to an end.

Export Trade

The following statement gives the volume and value of exports from the E.C.A.F.E. countries.

*Value of Exports**

(Monthly Averages)
(In millions of $'s)

	Total†	Total
1950:		
January-June	350.0	433.8
July-December	597.5	680.8
1951:		
January-June	792.5	892.6
July-December	607.6	723.1
1952:		
January-June	547.2	661.0
July-December	498.2	596.5
1953:		
January-June	451.9	552.8

* Including Malaya and British Borneo, Indonesia, Pakistan, the Philippines, Ceylon, Thailand, Burma, Cambodia, Laos and Vietnam, China, Taiwan, Hong Kong, India and Japan.
† Excluding Japan.

*Volume of Exports of Selected Commodities**

(Thousand tons)

	1938	1948	1949	1950	1951	1952	1953*
Rubber	871	1,435	1,417	1,752	1,770	1,643	1,543
Tin-in-concentrates†	30	42	40	43	41	46	40
Tin metal	63	49	59	83	66	64	64
Jute, raw	..	413	302	812	672	812	1,004
Jute manufactures ..	917	941	772	648	805	720	..
Oilseeds and oils‡ ..	1,412	981	1,049	1,154	1,306	1,183	841
Cotton, raw	403	259	219	239	247	298	330
Cotton piecegoods§ (mill. sq. metres) ..	2,563	505	1,016	1,051	1,552	1,126	1,165
Tea	856	819	877	861	412	382	355
Rice	5,338	2,103	2,500	2,801	2,230	3,083	2,563
Sugar	1,800	231	..	1,050	856	1,224	1,409

* Annual rate based on January-June figures.
† Includes exports to Malaya.
‡ Oil equivalent.
§ Length figures for India converted on basis of one yard width.

The intra-regional trade showed a substantial increase which is reflected in the total rise in export values. Leaving out intra-regional trade, the net exports of 13 countries in the region (excluding Japan) showed, in the first half of 1953, an increase of 25 per cent. over the corresponding period of 1952. Since, during the same period, import prices had risen slightly less (of goods from Britain by about 22 per cent., United States 15 per cent. and Continental Europe 29 per cent.), it might be assumed that countries of the region had slightly improved their ability to import manufactured goods from its main sources of supply.

The Commission emphasises the dependence of Asian countries on the export of their primary products and their sensitivity to export fluctuations. It is, however, observed that the degree of instability is not much less pronounced in those countries of the region which export mostly industrial products than in the predominantly agricultural countries. Thus, diversification of production is not likely to promise, by itself, a greater automatic resistance to external influences.

Balance Between Supply and Demand

In marked contrast to the decline in import and export prices, the trend in domestic wholesale prices and cost of living had been upward in most countries of the region, except in the Philippines and Malaya. Money wages, too, continued their upward movement and real wages appeared to be almost universally higher than they were before the outbreak of the Korean War. Nevertheless, inflationary pressure had generally lessened, if not completely disappeared. Domestic controls and rationing had been relaxed in many countries, though import controls had been preserved. Conditions had thus reappeared which were favourable for a restoration of the balance between supply and demand.

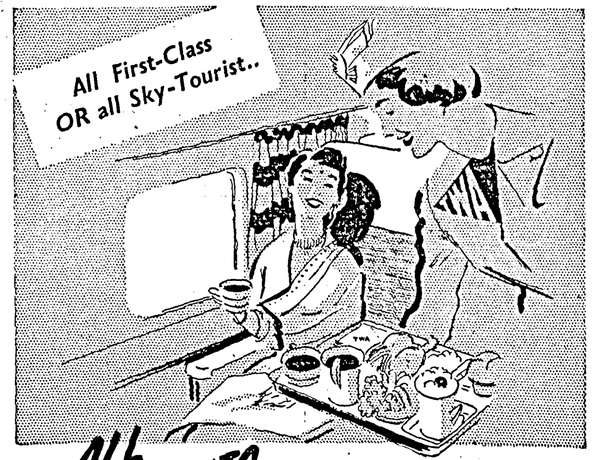
While spending in the private sector was generally reduced as a result of more stringent import or exchange restrictions, the Governments found, as a rule, their revenues declining more rapidly than they were prepared to reduce expenditure, although some efforts to curtail spending were made. In fact, with the exception of the Philippines, total expenditure had risen both in money and in real terms. More significantly, investment expenditure had risen more than total expenditure. This development has been most rapid in Mainland China, India, and Burma.

The Commission has drawn a rather pessimistic picture about the prospects for the economic development of the region during the current year (1954). In its opinion, the immediate problem in many countries of the region arises from the fact that levels of export earnings and of Government revenue are hardly likely to provide a sufficient and increasing amount of resources for economic development projects to which the Governments are committed.

An Acute Conflict

The Commission foresees that, in 1954, a conflict may develop in an even more acute form between the requirements of economic development growth and monetary stability. In addition, many countries of the region are committed to a policy of social welfare expenditure which it may be difficult and, perhaps, inadvisable to curtail. On the basis of present available financial resources and in view of the still low level of genuine savings for investment, the Commission is of the view that it would be unrealistic to hope for very rapid economic progress. The need for adjusting consumption to lower income levels and the problems of finance have caused difficulties for economic development programmes. The effects of the recession have become more widespread and imports of capital goods continue to decline in all countries, except Thailand, Burma, and the Philippines. On the other hand, the incentive to expand industrial capacity has been prodded by the continued increase in domestic consumption which, in many countries, more than offset the adverse effects of declining exports.

The present situation is characterised by the growing importance of Government expenditure for economic development in almost all countries of the region. At the same time, however, budget deficits are appearing or growing in several countries, as, despite lower export earnings, larger funds are used for basic developments which are essential to the increase of national output and higher productivity. Proceeding, the Commission remarks that several countries are already running close to the borderline at which the balance of payments deficits might lead to serious difficulties. Because of some overhang of purchasing power still remaining from the period of the 'boom,' the situation may, in some cases, even be worse than it was in 1950.



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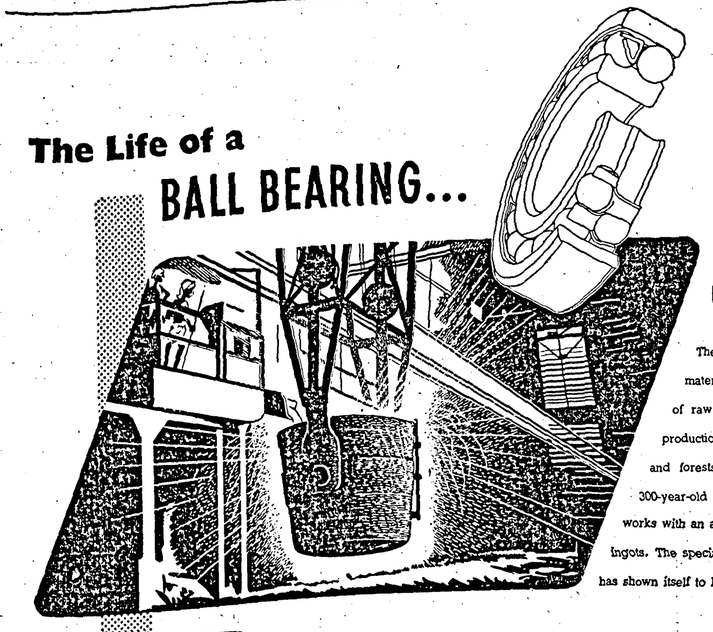

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EARNINGS OF MACNEILL BARRY JUTE GROUP IMPROVE

GOUREPORE AND NUDDEA RETURN TO DIVIDEND LIST

THE financial results of the three jute mill companies under the management of Messrs. Macneill and Barry Ltd., Calcutta, namely, the Ganges Manufacturing Co., Ltd., the Gourepore Co., Ltd., and the Nuddea Mills Co., Ltd., for the half-year ended 30th September, 1953, are more favourable than those for the previous half-year and really quite impressive as compared with those for the corresponding half-year of 1952. Thus, the aggregate gross profit of the three Companies for the half-year under review amounts to Rs. 17.81 lakhs, as compared with that of Rs. 4.11 lakhs for the half-year ended 31st March, 1953, and a gross loss of Rs. 33.16 lakhs for the half-year ended 30th September, 1952. The aggregate net profit at Rs. 10.39 lakhs is in refreshing contrast to the loss of Rs. 2.24 lakhs and Rs. 37.51 lakhs in the previous two half-years under comparison.

The profits of individual Companies for the last three half-years are compared in the following table:

(In lakhs)

	Half-year ended		
	30-9-53	31-3-53	30-9-52
Gross Profit			
Ganges	+5.54	+4.58	−17.60
Gourepore	+8.24	+0.74	−11.76
Nuddea	+4.03	−1.21	−3.80
Net Profit			
Ganges	+4.10	+3.13	−19.05
Gourepore	+4.71	−2.71	−13.21
Nuddea	+1.58	−2.66	−5.25

The improvement in the profit of Gourepore and Nuddea is more encouraging than in that of Ganges. The first two Companies have been able to transfer a part of their net profits to the general reserve and return to the dividend list. After transferring a sum of Rs. 1 lakh to the general reserve and clearing off the arrears of preference dividend, the Directors of Gourepore have declared a dividend on the ordinary shares at the rate of 7½ per cent. per annum, thus resuming the ordinary dividend after a break of two half-years. The last half-year for which ordinary dividend had been paid by the Company was the one ended 31st March, 1952, at 2½ per cent. per annum, to which level it had been reduced from 20 per cent. per annum for the preceding six months. Nuddea, too, has returned to the dividend list, after a break of two half-years, with a payment of 2 per cent. per annum. This represents only half of what had been paid for the half-year ended 30th March, 1952. The dividend for the half-year under review has been declared after providing Rs. 50,000 to the general reserve which had not received anything in the previous four half-years. For the fourth half-year in succession, the ordinary shareholders of Ganges, however, have had to go without any return. In fact, the Company is in arrears of divided on the preference shares for the third half-year. This is because the Company has to wipe off a large accumulated deficit. The profit earned during the half-year under review has enabled the Company to reduce the loss of Rs. 8.53 lakhs brought in from the previous half-year to Rs. 4.62 lakhs.

The foregoing analysis shows that the working of the Companies is still far from very remunerative. The profit is not sufficient even to provide adequate amounts for plant rehabilitation and replacement, let alone distribute to the shareholders a handsome dividend. Alluding to the trading conditions that prevailed during the half-year under review, the Directors observe in their reports as follows:

"Trading conditions during the period under review continued to be difficult, both the hessian and heavy goods markets remaining depressed, as the result of the high level of stocks held in Calcutta godowns. Jute sowings were curtailed owing to the uneconomic prices ruling during the early part of the year and the current crops both in India and Pakistan have been much reduced from former levels. This resulted in an upward movement of prices for the raw material. Hessian prices improved on substantial purchases by the Argentine through ordinary trade channels, but the prices for heavy goods lagged far behind and were at no time in parity with the cost of raw jute. On 14th September, 1953, Government reduced the export duty on hessian from Rs. 275 per ton to Rs. 120 per ton which led to a further stimulation of hessian prices and a material improvement in the overall stock position.

"The reduction in labour costs effected in the previous year has been maintained. The management's relations with labour were satisfactory and a further improvement in production efficiency was achieved."

It may be noted here that the results of Gourepore include those of its oil mill. The working of the oil mill has been unremunerative. Consequently, the oil mill has ceased to be a good source of supplementary income. Referring to the working of the oil mill, the Directors of Gourepore say:

"Market conditions for linseed oil showed little improvement. In view of the capital involved and the unsatisfactory prospects for future trading, particularly in export markets, your Directors have decided to close down this section of the Company's operations."

The financial position of the Companies can be judged from the following synopsis of their latest balance-sheets:

	Ganges	Gourepore	Nuddea
LIABILITIES	Rs.	Rs.	Rs.
Capital	90,32,100	50,50,000	66,79,500
Reserves and surplus ..	2,81,602	31,34,253	33,93,042
Provision for taxation ..	....	....	....
Liabilities	74,44,769	1,22,11,155	40,83,659
ASSETS			
Gross block	2,10,72,458	2,19,25,904	2,18,29,378
Less—Depreciation	1,34,24,379	1,54,07,937	1,36,90,475
Net block	76,48,079	65,17,967	76,38,903
Stocks	85,60,993	33,99,339	25,07,097
Shares	12,43,435	14,89,759	13,22,488
Debts, deposits and advances	80,11,427	80,70,177	21,85,013
Investments	4,83,215	42,42,295	4,22,010
Cash	49,018	1,75,371	1,05,868
Profit and loss account ..	4,61,794	....	....
Total .. Rs.	1,67,58,561	2,03,95,408	1,41,61,201

The gross blocks of all the three Companies have been well written down. The current assets more than adequately cover the current liabilities. Stocks of raw materials have been valued at cost and those of manufactured goods at contract or market rates.

RALLIS IN ARREARS OF PREFERENCE DIVIDEND

The second complete year of trading since its conversion from a private limited company into a public one in April, 1951—that is the year ended 31st August, 1953—has also, unfortunately, proved to be a disappointing one for Messrs. Rallis India Ltd. (Chairman and Managing Director: Mr. T. A. Lykiardopulo, Calcutta). On account of the world slump of March-April, 1952, the Company had suffered a net loss of Rs. 2.75 lakhs for the year 1951-52, with the result that it had to skip over the dividend to the ordinary shareholders for that year. The year under review has been an even more disappointing one, in that the net loss amounts to as much as Rs. 12.87 lakhs, due to continued fall in commodity prices during the first half of the year. The result is that the Company has not been able to pay even the preference dividend. The Directors have decided to wipe off the deficit by drawing heavily from the reserves.

A more detailed picture of the Company's working results for the year under review, against the background of those for the previous years, is presented in the following comparative table, which gives an idea of the extent to which the fortunes of the Company have been affected during the last two years:

(In lakhs of rupees)

	Year ended 31st August			
	1953	1952	1951	1950
Sale proceeds	31,73.94	46,04.28	50,05.47	38,93.78
Stocks	4,09.76	5,83.06	6,18.88	6,23.91
Purchases and charges thereon	29,10.44	44,63.23	48,19.14	39,28.90
Trading profit	90.19	1,07.84	1,81.31	1,74.87
Other income	18.43	21.40	29.16	18.88
Establishment and other expenses	1,08.80	1,21.01	1,24.84	1,27.48
Bad debts	8.33	..	..	..
Provision for—				
Depreciation ..	10.35	10.78	10.09	8.90
Taxation	..	..	33.86	27.03
Net profit(+) or loss(−)	−12.87	−2.75	+41.99	+30.34
Transfer from reserves ..	14.00	2.00	..	..
To reserves	1.20	0.30	15.75	7.75
Dividends—				
6% Preference	..	8.32	8.32	8.37
Ordinary	..	..	20.25 (9%)	19.12 (6½%)
Carry forward	0.18	0.25	4.62	1.95

Describing the conditions of trading and the causes that led to the loss during the year under review, the Directors observe thus:

"Trading conditions continued difficult throughout the year under review. The trend of falling commodity prices, keen competition and conditions of demand, referred to in our last report to you, continued during the first half of the year and, although there was a partial recovery in prices during the later months, trading conditions, particularly for those articles whose main market is overseas, remained unfavourable. These general trading conditions resulted in a sharp fall in the turnover of the Company (which amounted to over 30 per cent. in value from the previous year's level) and trading losses in some articles. In most of the articles in which the Company deals, the quantities handled were maintained and the reduction of turnover, especially in jute and gunnies, is attributable to the decline in prices to which reference has been made. In certain cases, however, there was a reduction in both quantities and value of the goods handled, the notable examples being oil and oilseeds, in which the reduction in quantity was the result of a poor crop of seeds throughout India, and lac, in which there was an overall reduction in the total exports from India as compared with the previous year. Despite the difficult conditions, the ratio of profit to turnover was well maintained.

"The burden of the permanent establishment expenses continued to weigh heavily on the Company. Important steps were taken during the year to effect economies, but the full benefit of such measures, as it has been possible to introduce, will only be reflected in the accounts of the current and future years."

The net loss of Rs. 12.87 lakhs has been arrived at after providing for full depreciation on fixed assets. To this loss has been added the sum of Rs. 1.20 lakhs transferred to the reserve for depreciation on investments, resulting in a total loss of Rs. 14.07 lakhs. This has been covered by transferring Rs. 3 lakhs from contingency reserve and Rs. 11 lakhs from general reserve and bringing in the undistributed surplus of Rs. 24,847 from the previous year, leaving a tiny sum of Rs. 17,649 to be carried forward.

The latest balance-sheet shows that the reserves and surplus stand at no more than Rs. 13.45 lakhs (including a profit of Rs. 2.09 lakhs on assets sold during the year), as against a paid-up capital of Rs. 3 crores, having been depleted to the extent of Rs. 14 lakhs for reasons stated above. Provision for taxation amounts to Rs. 11.99 lakhs. The current liabilities are down from Rs. 7.76 crores as at the end of the previous year to Rs. 4.55 crores. Of this decline, bank overdraft and short-term loan account for Rs. 2.78 crores. The gross block of the value of Rs. 1.66 crores has been written down to Rs. 1.20 crores. The current assets aggregate Rs. 6.60 crores, as against Rs. 9.83 crores as on 31st August, 1952, of which stocks (valued at cost or market price, whichever lower) have fallen from Rs. 5.83 crores to Rs. 4.10 crores, stores from Rs. 33.51 lakhs to Rs. 21.51 lakhs, debts, deposits and advances from Rs. 3.29 crores to Rs. 1.92 crores. The current assets, however, exceed the current liabilities and taxation by a margin of Rs. 1.93 crores.

BHOPAL SUGAR SUFFERS LOSS

A gross loss of Rs. 2.30 lakhs is disclosed by the audited accounts of the Bhopal Sugar Industries Ltd. [Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Ltd., Sehore, Bhopal] for the year ended 30th September, 1953, as compared with a gross profit of Rs. 4.71 lakhs for the previous year. The results of the Company's working during the two years under reference are, however, not strictly comparable, for there was no crushing of cane by the Company during the year under review due to non-availability of cane. The Company's earnings during 1952-53 are, therefore, entirely out of the sale of previous season's stocks of sugar and molasses. As the loss is not heavy, the Directors seem to have thought it fit not to deny the shareholders any return. They have, accordingly, drawn a sum of Rs. 1.72 lakhs from the dividend equalisation fund to pay the 5 per cent. preference dividend and the ordinary shareholders a modest dividend of 6¼ per cent., as against 10 per cent. paid for the previous year and 12½ per cent. for 1950-51.

The Company's factory had to remain idle during the year under review, as no cane was available for crushing owing to acute drought in Bhopal in the previous rainy season. Sale proceeds of the previous season's sugar and of molasses amounted to Rs. 13.59 lakhs. There was no stock of sugar at the end of the year under review. No provision for depreciation has been made. The Directors state that the Company has suffered the aforesaid loss, in spite of a subsidy of Rs. 2.22 lakhs sanctioned by the Government of India on old stock of sugar produced during the previous season. Needless to add that but for this subsidy, the loss for 1952-53 would have been much greater. After deducting from the loss of Rs. 2.30 lakhs the sum of Rs. 47,919 brought in from the previous year's account, a loss of Rs. 1.82 lakhs is proposed to be carried forward.

The following synopsis of the Company's latest balance-sheet will give an idea of the financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Gross block ...	31,58,596
Reserves ...	13,25,000	*Less*—Depreciation ...	18,25,419
Provision for taxation ...	66,396	Net block ...	13,33,177
Liabilities ...	2,06,621	Crop-in-progress ...	10,45,377
		Stock-in-trade	4,493
		Stores, spares, etc. ...	7,82,333
		Debts, deposits and advances ...	1,26,823
		Investments ...	7,90,865
		Cash ...	3,33,056
		Profit and loss account ...	1,81,893
Rs.	45,98,017	Rs.	45,98,017

BURN AND CO. TO ISSUE BONUS SHARES

As announced in our last week's issue, the Directors of Messrs. Burn and Co., Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) propose to capitalise a sum of Rs. 42 lakhs out of the reserves and issue, as bonus, 42,000 ordinary

(*Continued on next page*)

Points From The Chair

Convertibility of the Pound Sterling

"IT does not seem likely that full convertibility between the pound and the dollar would help us much at present. Until our national shop window has become as attractive to the whole world as the shop window of the United States, convertibility would seem to imply either a lower price for the pound sterling measured in dollars, or an even more severe restriction of dollar imports than we suffer from now. The latter device would be highly unsatisfactory, since it would lessen the volume of our own trade, while any foreign holder or earner of sterling would be free to acquire with that sterling, dollar goods, unhampered by our own import restrictions."

LORD ALDENHAM,
Westminster Bank Ltd.

Dual Role of London Discount Market

"As I see the position of the London discount market today, it has a dual role to play in our national economy. The first is its traditional and primary role of buying and selling bills of exchange in their great variety. And the second, which through force of circumstances has of recent years fallen to its lot, is to provide a free market in short-dated Government securities. In fulfilling these functions, especially the latter, there is a serious element of risk, and it behoves your Board, with every consideration for you the shareholders, to maintain its policy of building up and maintaining our resources. It is by this policy, and this policy only, that we shall be able to face with confidence a future, which, not only in its domestic but also in its wider and international aspects, does not, for the British Commonwealth of Nations, yet rest on firm foundations."

SIR ERIC GORE BROWNE,
Alexanders Discount Co., Ltd.

Price of Wool

"Personally, I am of the opinion that a moderate fall in the price of wool would be in the best interests of the industry, and I certainly do not exclude the wool growers, who, in fact, have more to lose than anyone if a high price for wool should encourage the use of man-made fibres. Provided the price is reasonable, the characteristic qualities of wool are such that there will always be a demand for its products. An interesting development during the year under review has been the establishment of a futures market in wool tops. This is an innovation in this country—unlike cotton, in which there was an active futures market before the war. It has, however, I think, yet to be proved that a futures market in wool will be of the same value to the wool textile industry as the futures market for cotton has been to the cotton industry."

SIR JOHN KEELING,
West Riding Worsted and Woollen Mills Ltd.

Risk Taking—Essence of Progress

"No one has yet devised, and I do not believe anyone will ever devise, a substitute for the process which fertilises with capital the less well developed parts of the world, and by raising the standard of life of millions of people in those areas establishes a market for the goods made in industrialised countries such as our own. The financier's responsibility in this process is to place the capital he controls at the disposal of those who, by their integrity and ability, can contribute to the general well-being and as a consequence, will probably make a satisfactory profit commensurate with the risk involved. Risk taking is the very essence of progress, and we should be grateful to those who, in the past, took great risks financially and otherwise in developing the trade of this country. Present taxation, both here and overseas, makes the taking of such risks relatively unattractive financially, but that doesn't alter the fact that if we are to survive as a great nation the process must go on."

H. NUTCOMBE HUME,
Charterhouse Investment Trust

COMPANY AFFAIRS

(Concluded from previous page)

shares of Rs. 100 each to the holders of ordinary shares as on 1st March, 1954, in the ratio of one share for every share. The bonus shares will rank in all respects *pari passu* with the existing ordinary shares, except that they will not participate in dividends declared in respect of any period ended or before 30th April, 1953. In other words, the new shares will rank for dividend to be declared for the current year, that is, the one ending 30th April, 1954.

The present authorised and paid-up capital of the Company is Rs. 70 lakhs, made up of 13,000 7 per cent. cumulative preference shares of Rs. 100 each, 15,000 6 per cent. cumulative preference shares of Rs. 100 each and 42,000 ordinary shares of Rs. 100 each. The reserves stand at Rs. 106.90 lakhs. The proposed capitalisation will raise the paid-up capital to Rs. 112 lakhs. The authorised capital, therefore, requires to be raised and the Directors propose to increase it to Rs. 120 lakhs.

This is the third occasion the Company is capitalising a part of the reserves. The first occasion was as far back as in January, 1904, when it capitalised Rs. 9 lakhs and issued 9,000 ordinary shares of Rs. 100 each. The second was in April, 1923, when a sum of Rs. 21 lakhs was capitalised and 21,000 ordinary shares of Rs. 100 each were issued as bonus shares. If the present proposal materialises the Company will earn the distinction of having increased its paid-up ordinary capital from its original level of Rs. 12 lakhs to Rs. 84 lakhs, that is by Rs. 72 lakhs, all out of its earnings conserved year after year.

COMPANY MEETINGS AND DIVIDENDS

CHEMICAL, INDUSTRIAL AND PHARMACEUTICAL LABORATORIES LTD. Annual General Meeting, Bombay, 22nd February, 1954. Transfer books remain closed from 8th to 23rd February, 1954, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Calcutta, 23rd February, 1954. Dividend: As. 10 per share. Transfer books will remain closed from 17th to 23rd February, 1954, both days inclusive.

NORTH-WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 25th February, 1954. Dividend: *Nil*. Transfer books will remain closed from 17th to 25th February, 1954, both days inclusive.

SPENCER & CO., LTD. Annual General Meeting, Madras, 26th February, 1954. Final dividend: Re. 1 per share (interim As. 8 per share). Transfer books will remain closed from 19th to 26th February, 1954, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 27th February, 1954. Final Dividend: As. 9 3/5 per share (Interim As. 3 1/5 per share). Transfer books will remain closed from 15th February to 1st March, 1954, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 10 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 10 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

EMPIRE DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 4 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 20 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

BRADY ENGINEERING CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 3 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

G. CLARIDGE & CO., LTD. Annual General Meeting, Bombay, 1st March, 1954. Dividend: Rs. 12-8 per share. Transfer books will remain closed from 19th February to 11th March, 1954, both days inclusive.

LAKSHMI MILLS LTD. Interim dividend: Rs. 5 per share of Rs. 50 and Rs. 2-8 per share of Rs. 25. Transfer books will remain closed from 17th to 24th February, 1954, both days inclusive.

UNITED BREWERIES LTD. Interim dividend: Rs. 7-8 per share. Transfer books will remain closed from 18th to 20th February, 1954, both days inclusive.

CHAMPDANY JUTE CO., LTD. Dividend: Rs. 3 per share for the half-year ended 30th September, 1953.

UNITED NILGIRI TEA ESTATES CO., LTD. Interim dividend: Rs. 6 per share. Transfer books remain closed from 11th to 15th February, 1954.

UNITED COFFEE SUPPLY CO., LTD. Interim dividend: As. 6 per share. Transfer books remain closed from 6th to 13th February, 1954, both days inclusive.

COMPANY REGISTRATIONS

MERWANJEE POONJIAJEE AND SONS LTD. (First Director: Mr. Cawasji Rustomji Patel.) Authorised capital: Rs. 10,00,000. Private. Business: Manufacture of condiments, jams, jellies, etc. Address: Poonjiajee Building, Frere Road, Princess Dock, Bombay 9.

ASHOKA CYCLES LTD. (First Director: Mr. Shantilal Sankalchand Parikh.) Authorised capital: Rs. 5,00,000. Public. Business: Manufacture and assembly of bicycles, motor cycles, etc. Address: Khadia Char Rasta, Ahmedabad.

INDIA FERRO-ALLOY INDUSTRY LTD. (First Director: Mr. M. Shamsuddin.) Authorised capital: Rs. 5,00,000. Business: Mining. Address: P-16, Bentinck Street, Calcutta.

KAYAR LTD. (First Director: Mr. R. P. Kayar.) Authorised capital: Rs. 5,00,000. Business: Importers and Exporters. Address: 103, Park Street, Calcutta.

HINDUSTAN-THAI TRADING CO., LTD. (First Director: Mr. S. Bujakowski.) Authorised capital: Rs. 5,00,000). Business: Jute Spinning. Address: 25-B, Park Street, Calcutta.

JEMEHARI KHAS EAST COLLIERY LTD. (First Director: Mr. Kumar K. N. Mallah.) Authorised capital: Rs. 5,00,000. Business Dealers in Coal. Address: 14, Cullen Place, Calcutta.

NEW JEMEHARI KHAS COLLIERY LTD. (First Director: Mr. Kumar K. N. Maliah.) Authorised capital: Rs. 5,00,000. Business: Dealers in Coal. Address: 14, Cullen Place, Calcutta.

INDIAN RIVER TRANSPORT CO., LTD. (First Director: Mr. N. C. Ghosh.) Authorised capital: Rs. 5,00,000. Business: Steamer Services. Address: 4, Lyons Range, Calcutta.

J. C. COMPANY LTD. (First Director: Mr. J. K. Saha.) Authorised capital: Rs. 5,00,000. Business: Dealers in Raw Materials. Address: P-98, B. K. Pal Avenue, Calcutta.

Notices

THE CENTRAL INDIA SPINNING, WEAVING & MFG. CO., LTD.

NOTICE

THE DIRECTORS HAVE DECIDED, SUBJECT to the receipt of the Government of India's sanction thereto, to increase the capital of the Company as mentioned below:—

(*a*) To raise the authorised capital of the Company to Rs. 2,00,00,000, made up as under:—

	Rs.
Preference shares	50,00,000
Ordinary shares	1,00,00,000
Unclassified shares	50,00,000
Rs.	2,00,00,000

(*b*) Out of the authorised capital mentioned in (*a*), to issue 15,625 fully paid-up Ordinary shares of Rs. 100 each and to allot to the holders of existing Ordinary shares in the ratio of one new share to every three existing shares by capitalising Rs. 15,62,500 from Reserves.

(*c*) Issue of 37,500 Ordinary shares of Rs. 100 each to be offered for subscription at par to the holders of ordinary shares as existing after the issue of shares as provided for in paragraph (*b*) in the ratio of one new share to every two existing shares which will absorb 31,250 Ordinary shares. Holders of Ordinary shares may apply for the balance of 6,250 shares in addition to the shares to be issued in the ratio of one new share to every two existing shares mentioned above.

If the issue of 37,500 shares is not fully taken up by the Ordinary shareholders. Preference shareholders will be given the right to apply for the shares. In case all the shares are not taken up by Ordinary shareholders and Preference shareholders, the Directors are authorised to issue shares not taken up at their discretion.

An Extraordinary General Meeting of the Company will be convened in due course for the purpose of considering and if thought fit passing the necessary resolutions.

For and on behalf of
THE CENTRAL INDIA SPG., WVG. & MFG. CO., LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, *8th February*, 1954.

THE SVADESHI MILLS CO., LTD.

NOTICE

THE DIRECTORS HAVE DECIDED, SUBJECT to receipt of the Government of India's sanction thereto, to recommend to the shareholders the issue of 25,000 fully paid up Ordinary shares of Rs. 100 each, out of the unclassified share capital of the Company, by capitalising Rs. 25,00,000 from the Reserve Fund and their allotment to the holders of the existing Ordinary shares in the ratio of one new share to every three existing shares. An Extraordinary General Meeting of the Company will be convened for this purpose in due course.

For and on behalf of
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES, LTD.,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, *8th February*, 1954.

THE GOKAK MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 5th March, 1954 to 25th March, 1954, both days inclusive.

The Dividend, if sanctioned, will be paid to those Shareholders whose names stand on the Register of the Company on the 25th March, 1954.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, *8th February*, 1954.

BOWREAH AND DUNBAR SUFFER LOSS

FORT GLOSTER JUTE PASSES OVER DIVIDEND FOR THIRD HALF-YEAR

Bowreah Cotton Mills Co., Ltd.

THE directors of the above Company Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The accounts show a loss of Rs. 3,41,307 (Rs. 40,441) to which has to be added the debit balance brought forward from the last account, namely Rs. 6,27,420 (credit balance of Rs. 12,017) giving a total debit balance of Rs. 9,68,728 (Rs. 28,432) which the directors recommend should be carried forward to the next account.

No reservation for depreciation has been considered necessary as in the opinion of the directors adequate provision has been made in previous accounting periods.

Trading conditions during the half-year continued to be most discouraging, and rising costs, coupled with the general shrinkage in demand experienced throughout the industry, rendered it impossible to dispose of productions on a profitable basis. The situation was aggravated by keen competition amongst mills throughout India to dispose of their accumulated stocks, and, although the Central Government removed all price controls, the restrictions still enforced, as regards the production of many popular varieties of cloth, rendered it very difficult for mills to operate on an economic basis. This was particularly so in the case of dhoties, for the manufacture of which a large part of the installed capacity of the Company is specifically designed. By an ordinance promulgated early in the period under review, however, for the purpose of assisting the handloom industry, mills were prohibited from manufacturing more than 60 per cent. of their 1952 outturn of these cloths and this has had a very detrimental effect upon the half-year's results. The restricted enquiry from overseas markets was most disappointing and keen foreign competition resulted in a further contraction of margins.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Block ...	25,90,873
Reserves ...	22,75,078	Stocks ...	32,91,199
Provision for taxation ...	11,926	Stores and spares ...	8,78,666
Liabilities	45,73,376	Debts, deposits and advances ...	8,38,146
		Investments	50,034
		Cash ...	42,734
		Profit and loss account ...	9,68,728
Rs.	86,60,380	Rs.	86,60,380

Dunbar Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

The accounts show a loss of Rs. 3,50,465 (Rs. 39,706) to which has been added the debit balance brought forward from the last account, namely, Rs. 1,73,620 (credit balance Rs. 11,912) giving a total debit balance of Rs. 5,24,085 (Rs. 27,794) which the directors recommend should be carried forward to the next account.

No reservation for depreciation has been considered necessary as in the opinion of the directors adequate provision has been made in previous accounting periods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,00,000	Block ...	27,52,688
Reserves ...	25,16,009	Stocks ...	30,26,821
Provision for taxation ...	1,05,040	Stores and spares ...	7,30,576
Liabilities ...	34,59,662	Debts, deposits and advances ...	8,00,097
		Investments	35,252
		Cash ...	91,192
		Profit and loss account ...	5,24,085
Rs.	79,80,711	Rs.	79,80,711

Fort Gloster Jute Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

The accounts show a period of Rs. 3,34,840 (loss of Rs. 12,07,399) to which has been added the balance brought forward from the last account, namely, Rs. 3,971 (Rs. 25,700) resulting in a credit balance of Rs. 3,38,811 (Rs. 68,301 after transferring Rs. 12,50,000 from reserves). From this has been deducted the amount written off for depreciation Rs. 85,000 (*nil*) proportionate amount written off for debenture issue expenses Rs. 1,060 (*nil*), provision for taxation Rs. 6,200 (*nil*) and the amount transferred to debentures sinking fund Rs. 1,75,000 (*nil*) leaving a balance for disposal of Rs. 71,550 (Rs. 68,301) the directors recommend that this should be dealt with as follows:—

To pay a dividend on the 7 per cent. preference shares for the half-year ended 30th September, 1953 at Rs. 3-8 per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000) to pay a dividend on the 2nd Preference shares for the half-year ended 30th September, 1953 at Rs. 2-8 per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500) and to carry forward Rs. 5,050 (Rs. 1,801).

The additions to block account include the cost of a new fuel economiser plant, two more jute softeners and a water softening plant for the North Mill.

In compliance with the Working Time Agreement of the Indian Jute Mills' Association, the Company's mills continued to work throughout the period under review 42½ hours per week with 12½ per cent. of the total loomage sealed.

During most of the half-year, the markets for manufactured goods remained depressed as a result of the accumulation of stocks in Calcutta and a restricted volume of demand from overseas. On 14th September the Government of India announced a welcome reduction in the export duty of hessians from Rs. 275 to Rs. 120 per ton, and since the close of the half-year there has been a considerable improvement both in shipments and the level of values for these goods. Raw jute prices have, however, closely followed the trend of manufactured goods and trading on a simultaneous basis remains difficult and unremunerative.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,00,000	Block ...	90,70,286
Reserves ...	56,16,752	Stocks ...	69,15,294
Debentures ...	25,00,000	Stores and spares ...	23,86,577
Provision for taxation ...	14,818	Debts, deposits and advances ...	20,39,874
Liabilities ...	84,96,765	Investments	1,82,758
Profit and loss account ...	1,38,051	Cash ...	3,44,027
		Debenture issue expenses ...	27,570
	Rs. 2,09,66,386		Rs. 2,09,66,386

Naihati Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 1,31,136 (Rs. 1,45,587) for depreciation, the profit and loss account shows a profit of Rs. 99,593 (loss of Rs. 3,40,671) which reduces the loss brought forward from the previous half-year to Rs. 6,87,375 and this the directors recommended should be carried forward.

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association the Company's mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the mill was maintained at full strength throughout the period under review, but 6 hours were lost in September when the labour demanded the payment of a *Puja* bonus.

An improvement in both efficiency and costs has been achieved during the half-year, but the Mill will not become a fully economic unit until the electrification and modernisation schemes have been implemented, together with the conversion of a percentage of sacking looms to hessian. The directors inform that full electrification of the Mill is expected to be completed by July, 1954.

The trustees for the debenture holders have consented to the sale of plot No. 2 of the Company's land consisting of an area of approximately 238 cottahs to Messrs. India Paper Pulp Co., Ltd., at a price of Rs. 1,37,000 and to the utilisation of this sum for the purchase of modern machinery.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,48,900	Block ...	65,00,704
Reserves ...	41,07,583	Stock ...	28,18,063
Debentures ...	25,00,000	Stores ...	12,66,833
Provision for taxation ...	4,17,766	Debts, deposits and advances ...	24,59,061
Liabilities ...	26,34,805	Investments	5,89,633
		Cash ...	87,385
		Profit and loss account ...	6,87,375
Rs.	1,44,09,054	Rs.	1,44,09,054

Lawrence Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 1,60,000 (Rs. 1,00,000) for taxation, Rs. 5,000 (*nil*) for reserve for taxation contingencies and Rs. 43,308 (Rs. 46,791) for depreciation, the profit and loss account shows a profit of Rs. 2,06,402 (Rs. 1,54,267) to which has been added the amount brought forward from previous half-year Rs. 7,757 (Rs. 32,655) making a total of Rs. 2,14,159 (Rs. 2,13,922 after writing back Rs. 27,000 being provision for contingent loss on forward jute purchases no longer required). From this the directors have transferred to jute stock reserve Rs. 50,000 (Rs. 50,000 for plant renovation reserve) leaving an available balance of Rs. 1,64,159 (Rs. 1,63,922).

The directors propose to dispose of this in paying a dividend on the "A" preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 17,500 (Rs. 17,500) in paying a dividend on the "B" preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500) in paying a dividend on the ordinary shares of Rs. 3 (Rs. 4) per share, without any deduction for income-tax paid by the Company Rs. 83,988 (Rs. 1,11,968) and in carrying forward Rs. 35,171 (Rs. 6,954).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association, the Company's mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review, but 8½ hours were lost in September when the labour demanded the payment of a *Puja* bonus.

The directors state that they still await definite information regarding power being made available by the Damodar Valley Corporation through the Calcutta Electric Supply Corporation, but it now appears more likely that negotiations will be successfully concluded in the relatively near future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	43,00,000	Block ...	51,61,161
Reserves ...	59,32,760	Stocks ...	29,26,274
Provision for taxation ...	1,25,699	Stores, spares, etc. ...	9,07,167
Liabilities ...	12,04,406	Debts, deposits and advances ...	16,55,897
Profit and loss account ...	35,171	Investments	8,57,990
		Cash ...	89,547
Rs.	1,15,98,036	Rs.	1,15,98,036

Kinnison Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 2,76,000 (Rs. 3,00,000) for taxation, Rs. 74,000 (Rs. 75,000) for reserve for taxation contingencies, Rs. 2,13,555 (Rs. 2,25,638) for depreciation and Rs. 2,975 (*nil*) for doubtful debts, the profit and loss account shows a profit of Rs. 4,60,214 (Rs. 4,50,317) to which has been added the amount brought forward from previous half-year Rs. 28,445 (Rs. 1,65,736) making a total of Rs. 4,88,659 (Rs. 6,55,053 after writing back Rs. 39,000 being the provision for contingent loss for forward jute purchases). From this the directors have transferred to general reserve Rs. 1,00,000 (Rs. 1,50,000) and to jute stock reserve Rs. 50,000 (*nil*) leaving an available balance of Rs. 3,38,659 (Rs. 5,05,053).

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500) in paying a dividend on the ordinary shares of Rs. 5 (Rs. 7) per share, without any deduction for income-tax paid by the Company Rs. 2,39,945 (Rs. 3,35,902) and in carrying forward Rs. 46,214 (Rs. 1,16,651.)

Stocks of jute have been valued at under cost and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association, the Company's mills worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mills was maintained at full strength throughout the period under review, but 20 hours were lost during August on account of a strike due to a change in line of production.

The mill section of No. 1 Mill has now been fully electrified and it is expected that the electrification of the factory section will be completed by March, 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	1,21,15,351
Reserves ...	98,02,034	Stock ...	45,32,819
Debentures ...	25,00,000	Stores ...	15,32,029
Provision for taxation ...	4,15,584	Debts, deposits and advances ...	23,27,437
Liabilities ...	35,44,903	Investments	17,80,555
Profit and loss account ...	46,214	Cash ...	1,20,344
	Rs. 2,26,08,735		Rs. 2,26,08,735

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

PRONOUNCED STRINGENCY IN MONEY MARKET

(From Our Own Correspondent)

BOMBAY, 10*th February*

Stringency in the short-term money market noted during the past several weeks became more pronounced during the week under review, with a further broadening of demand and acute shortage of floating funds. The major sources of supply for most of the banks were the Reserve Bank and the Imperial Bank. Exchange banks were reported to have been meeting their requirements by drawing on their foreign offices through sales of sterling. There was, therefore, a dwindling of the turnover in the inter-bank call money sector. The call money rate among the Exchange banks and big Indian banks stood unchanged at 3 per cent. with no lenders. The corresponding rate among the smaller Indian banks was also 3 per cent. House money at call fetched 3 per cent. Short-term deposits were offered 3 per cent. for one to six months and 2½ to 2¾ per cent. for 12 months.

The three months' Government of India Treasury Bill rate, after having remained unchanged at Rs. 2-8 per cent. per annum in the previous three weeks, hardened this week to the record level of Rs. 2-9 per cent. per annum. The amount offered was no more than Rs. 1.01 crores, a decline of about Rs. 13 lakhs from last week. It is significant that neither the hardening of the interest rate nor the none-too-encouraging response has induced the authorities to withdraw the sale of these bills; they have invited tenders for another Rs. 1 crore for next week.

An expansion of Rs. 17.81 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 5th February, 1954, as compared with that for the previous week. Notes held in the Banking Department have declined by Rs. 8.94 crores, so that the total notes issued are higher by Rs. 8.88 crores only. This is covered by a rise of Rs. 10 crores in foreign securities and a fall of Rs. 1.12 crores in rupee coin. In the Banking Department, Central Government deposits have gone down by Rs. 8.32 crores, deposits of other Governments by Rs. 3.78 crores and those of banks by Rs. 41.87 lakhs. On the assets side, cash balances show a dwindling of Rs. 9.06 crores. Balances held abroad are also lower by Rs. 8.04 crores, evidently due to the transfer to the Issue Department. Loans and advances other than to Governments have risen by Rs. 4.42 crores, of which advances to Scheduled banks against usance bills account for Rs. 3.30 crores. There has been a fresh expansion of Rs. 7.30 crores in advances against usance bills during the week, as against which there has been repayment to the extent of Rs. 4 crores. Government Treasury Bills purchased and discounted account for a decline of Rs. 2.04 crores.

The consolidated statement of position of Scheduled banks for the week ended 29th January, 1954, discloses a fall of Rs. 1.86 crores in demand deposits and of Rs. 1.21 crores in time deposits. Inter-bank borrowings have also fallen by Rs. 1.03 crores. Borrowings from the Reserve Bank have increased by Rs. 2.29 crores and those from the Imperial Bank by Rs. 1.56 crores. A rise of Rs. 12.74 crores is noted in advances and of Rs. 71 lakhs in bills purchased and discounted. Investments have gone down by Rs. 1.44 crores. Cash on hand and balances with the Reserve Bank are together lower by Rs. 2.44 crores, balances with other banks in current account by Rs. 64 lakhs and money at call and short notice by Rs. 1.76 crores.

The Gilt-edged market continued to experience dull conditions during the week under review also. Business passing was of small nature, though the undertone remained steady. 3 per cent. 1947 was unchanged at Rs. 98-6, though there were buyers at that level. 3 per cent. 1958 and 3 per cent. 1959-61 were up by an anna at Rs. 98-3 and Rs. 96-3, respectively, having attracted attention due to proximity of interest payment. 3 per cent. 1966-68 and 1963-65, 3 per cent. 1964, 3 per cent. 1960-75 and 3 per cent. 1970-75 stood unchanged at previous week's levels. 3 per cent. 1986 Conversion Loan changed hands an anna lower at Rs. 82-10. A fair amount of business passed in 3½ per cent. 1961 N.P. Bonds at Rs. 98-14.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 8*th February*

The kip market ruled weak during the week under review, due to price resistance by U.K. dressers who did not book fresh orders for finished leather. There were enquiries for medium and heavy cow hides at one penny below last week levels and for lights at 1*d.* to 2*d.* less and some weak holders seemed to have accepted business.

Prices are likely to show declines in the local market shortly, except for inferior selections which are taken up for inland trade at 2*d.* to 3*d.* above U.K. levels. Demand for cow calf and buff calf has been patchy, while buff heavies are in good demand.

In the tanned skins section, there was good clearance of sheep at lower prices by exporters to Japan who anticipated allocation of licences shortly. Arrivals of goat skins continued to be meagre and the U.S. buyers showed some interest in medium goat.

In the London auction, prices of tanned sheep skins primes advanced up to 6*d.*, middle class were unchanged to 6*d.* down, and commons declined by 6*d.* to 12*d.* Lower selections suffered badly.

Shipments during the month of January were (in bales): To the U.K.: 3,397td. cow hides, 206td. cow calf, 200td. buff hides, 381td. buff calf, 749td. goat and 888td. sheep; to the Continent: 307td. goat, 63td. sheep and 12 drysalted goat; to the U.S.A.: 159td. cow hides, 4td. cow calf, 178td. buff hides, 43td. buff calf, 88td. goat, 294 drysalted goat and 3td. snake skins; to Japan: 90td. sheep skins.

BULLION FEATURELESS

(From Our Own Correspondent)

BOMBAY, 10*th February*

Trading on the Bullion Exchange during the week under review was featureless. Values moved in a narrow groove, but the undertone remained steady, in the absence of any adverse factors. After a minor recession in the earlier part of the week, due to lack of support and increased arrivals of gold, values tended to steady up, due to continued strength of the ready position, revival of moderate support from longs and scattered bear covering. The decline in arrivals of gold in the last three days and better offtake *vis-a-vis* the arrivals helped to keep the bullish sentiment intact.

Silver for forward delivery (18th February settlement) began at Rs. 161-9 and slipped down to *Rs. 159-10 on Friday.* After moving between that level and Rs. 160-6, values hardened to Rs. 161-5 on Monday and continued to make headway to Rs. 161-14 today before closing at Rs. 161-13.

Ready silver (.996 Mint) was quoted throughout the week at a premium of As. 4 over the forward rate, the opening and closing quotations being Rs. 161-13 and Rs. 162-1, respectively. The floating stocks of silver are placed at 2,300 bars. The daily average offtake was of the order of 10 to 15 bars.

Opening at Rs. 85-14, gold for forward delivery sagged a little to Rs. 85-1 under the weight of large arrivals in the initial days. But later there was a decline in arrivals and offtake by upcountry dealers looked up. Consequently, the forward rate slowly edged forward and saw a high of Rs. 86-2 today, before closing at Rs. 86-1.

Ready gold dropped from the opening rate of Rs. 86-2 to Rs. 85-4, picked up strength before the week passed to Rs. 86-6 and finally closed at Rs. 86-5.

The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 6,500 tolas; the offtake was also of the same order on an average.

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

	10-2-54	Highest	Lowest	3-2-54
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) .. .	86 5	86 6	85 4	86 0
Forward .. .	86 1	86 2	85 1	85 12
Sovereign	56 8	56 8	56 8	56 8
Silver				
Ready (.996 fine Mint)	162 1	162 2	159 14	161 3
Forward	161 13	161 14	159 10	160 15
London Ready .	73½*d.*	—	—	73½*d.*
London Forward .	73½*d.*	—	—	73½*d.*
New York Ready .	85½*c.*	—	—	85½*c.*

COMMON AND LOW MEDIUM TEAS DECLINE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 6*th February*

Offerings in sale No. 3, which was held on Tuesday, 2nd February, amounted to approximately 8,10,000 lbs. Quality showed some improvement, particularly amongst the high grown teas. There was good general demand, but prices were irregularly As. 2 to As. 3 easier for all common and low medium teas. Good medium brokens and fannings with improved quality were slightly dearer, as were high grown teas with flavour. The weakest feature of the sale were whole leaf teas which declined by As. 2 to As. 4. The following were the quotations:—

	1954 Rs. a. p.	1953 Rs. a. p.
Low grown Travancore B.O.P.	2 4 6	1 6 0
Medium Travancore B.O.P. ...	2 6 0	1 13 0
Anaimallais B.O.P.	2 10 0	2 4 0
Best liquoring Nilgiri B.O.P.	3 6 0	4 1 0
Well made black leaf O.P. ...	2 10 0	2 2 0

London Market.—Sale held on 1st February. Market irregular, farthing to half penny dearer.

Sale held on 3rd February.—Market hardened. Commons advanced full farthing.

Colombo Market.—Strong general demand. Lowgrowns firm to dearer. Mediums advanced five cents. Highgrowns 10 cents dearer. Egyptian types lower.

Calcutta Market—Export.—Although prices generally declined by As. 2 to As. 2-6, except for whole leaf, there was good general demand.

Dust.—23,000 packages. Less demand. Market As. 2 to As. 3 down.

Export Quota.—At the beginning of the week the market again declined to 38 pies, but later strengthened to 43 pies. Today's quotation stands at 42 pies sellers.

Forthcoming Auctions.—Sale No. 4 will be held on Tuesday, 16th February.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire:

"*Dust Sale C.*—1,60,000 lbs. Less demand. Prices generally As. 3 lower."

READY COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 10*th February*

With only a nominal quantity tendered on the second delivery day in the February contract, the difference between the two contracts has, again, almost doubled. In view of the obvious reluctance of shorts to tender cotton, it is expected that the February contract will have a further fillip before it finally expires this month. Sentiment in May delivery, however, has remained more or less unsteady, as a result of the large quantity of U.S. cotton expected in the country, as also of the more optimistic estimate with regard to the crop by the Indian Central Cotton Committee. While the trade is still inclined to place the crop for the season at 3.9 million bales, the Committee considers that, in the final calculations, it will not be found to be much short of the earlier estimate of 4.2 million bales. It is, however, a matter of time as to how long the operators will wait before making a fresh attempt to squeeze the market by collecting contracts in May, in view of the obvious preference of Indian mills for indigenous cotton. In cloth production, in spite of larger enquiries for the fine varieties, the emphasis is still on the medium and coarse grades, which means higher consumption of Indian cotton. The imported cotton may ease the supply and the carry-over position at the end of the season, but it cannot replace Indian cotton in any manner.

In the spot section, the position has remained almost unchanged. The demand for medium- and long-staple cotton has continued to be as active as before and that for short-staple varieties such as Bengal, Oomras and Mathias has also revived. This latter interest is a sequel to more enquiries from the Continent and the U.K. for short-staple cotton. Amongst imported styles, while the mills are still keen on medium grade Karnak, a good deal of business is believed to have been registered in U.S. cotton. The trade is nourishing a grievance in this respect, because the Government has allowed imports of U.S. cotton subject to prior sale to mills. Nothing is now being heard about paying for this cotton in Indian currency and it is being taken for granted that the payment will be in dollars. While mill interest continues in East African and Sudanese cotton, for which certain textile units have always shown a preference, both the supply position and the price trend for these are unreliable and it is uncertain as to how much more cotton from these sources India will be able to obtain during the rest of the season.

In the forward section of the cotton market, I.C.C. February opened the week on a steady note at Rs. 702½ and hardened to Rs. 705½ on the following day. But profit-taking brought a reaction to Rs. 699½ on the 6th inst. After recovering to Rs. 706 on Monday, it again slided down to Rs. 701 yesterday. A sharp upturn was, however, noted towards the close when the Contract finished at Rs. 710. Opening at Rs. 695, I.C.C. May moved up to Rs. 699½ on Friday, but shaded off to Rs. 692½ yesterday. But it finished higher at Rs. 696½ today. The trend of prices in the forward section during the week under review was as follows:

	Opening	High	Low	Closing
I.C.C. Feb. ...	Rs. 702½	713	694½	710½
I.C.C. May ...	Rs. 695	701	688½	696½

The latest available prices from the spot market are: Bengal *Deshi* Rs. 640-670; Berar Jarilla Rs. 845; Khandesh Rs. 832-845; Vijay Rs. 925-930; Oomra *Deshi* Rs. 740; Moglai Rs. 725.

The Karachi market has failed to maintain the advance registered last week. In fact, prices have slided back a little, though not to the previous week's levels, as enquiries from various sources both from the East and the West failed to materialise into actual business. One of the reasons for this back-sliding at Karachi was the arrest in the price improvement at New York, after a long spell of consistently bullish trend. Perhaps, the lowering of prices at Karachi will result in some business, especially as supplies from East Africa and Sudan are not forthcoming.

The latest available quotations from the Karachi market are: Punjab *Deshi* Rs. 71-72½; Sind *Deshi* Rs. 72-76; 4F Punjab R.G. Rs. 68-73½; S.G. Rs. 79½; N.T. R.G. Rs. 73½; S.G. Rs. 79½; L.S.S. Rs. 74½; S.G. Rs. 79½; 289F R.G. Rs. 77½; S.G. Rs. 83¾.

The Alexandria market continues to ride on the crest of a wave of prosperity. The spot premia over the price of the commission for Karnak, Giza 30 and Ashmouni have all increased. As usual, India has been the biggest buyer in the market during the week. As outside demand is mainly for Karnak, the stocks of this variety will soon be depleted. Even the internal demand for domestic textile industry has been fairly active and there is a tendency on the part of spinners to secure their supplies for the whole season, leading to a gradual improvement in prices. The only snag in the situation is that American prices have cried a halt and, when Sudan comes into the market later in this month, some of the interest in Egyptian cotton might be diverted. There is, therefore, just a possibility of a moderately downward trend at Alexandria next month and the Indian purchasers might do worse than wait for a technical reaction which is not unlikely.

At New York, after the big spurt in prices in the preceding week, a natural reaction had overtaken the market early in the week though there was no appreciable reduction in the quotations. The quantity of loan cotton continues steadily to increase. Towards the close, however, there was again a spirit, following mill buying and covering by shippers, with the result that closing rates were higher than even those a week ago.

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

(In cents per lb.)

	9-2-54	2-2-54	22-1-54
Spot	35.00	34.80	34.25
March	34.28	34.17	33.58
May	34.37	34.33	33.82
July	34.14	34.19	33.62
October	33.41	33.37	32.84

ART SILK YARN FIRM, STAPLE FIBRE YARN WEAK

(From Our Own Correspondent)

BOMBAY, *10th February*

The notable event of the week under review was the resumption of forward trading in art silk and staple fibre yarns on the 8th inst., under the auspices of the newly formed Bombay Yarn Merchants' Association and Exchange Ltd. Trading was permitted in 150D March delivery in art silk yarn, and was subject to the ceiling and floor prices at Rs. 850 and Rs. 700 respectively, fixed by the Association. 150D (March delivery) opened at Rs. 760 per case of 200 lbs. Scarcity of goods in the ready section and expectation of very poor imports lent much support to the market and the contract was lifted up to Rs. 776 today. Prices of yarn in the ready section were well maintained, today's closing rates being the same as those a week ago. 120 Japan was quoted at Rs. 4-11½. 150 Japan was done at Rs. 4-6. 120 Italy had buyers at Rs. 4-4 and 150 Italy at Rs. 3-13½.

The table below gives the prices of art silk yarn quoted today, as compared with those on the 3rd inst. and 27 January, 1954:

	10-2-54	3-2-54	27-1-54
	Rs. a.	Rs. a.	Rs. a.
120 Japan (per lb.)	4 11½	4 11½	4 10
150 Japan	4 6	4 6	4 5
120 Italy	4 4	4 4	4 3
150 Italy	3 13½	3 13½	3 14

In contrast to the trend in the art silk yarn section, the staple fibre yarn section ruled easy. Removal of restrictions on counts and taste of yarn to be included for forward trading, coupled with the increase in the number of mills (from 11 to 15) the yarn production of which was allowed to be traded, had a bearish effect. Consequently, there was a fall in values. Staple fibres yarn (40×2) March delivery contract which opened at Rs. 710 per case of 200 lbs. receded to Rs. 688 today. The ready section staged a retreat during the week under review. An idea of the extent of the fall in values (per lb.) of some of the foreign and indigenous varieties (40×2) can be had from the table below:

	10-2-54	2-2-54
Foreign	Rs. a.	Rs. a.
Suico	4 6½	4 9½
Shinco	4 5	4 7½
Paramount	4 5	4 8
S. Fuji	4 5½	4 8½
Aurora	4 5½	4 8½
Indian		
City	4 0	4 3½
New Great	3 12	3 15
Vasanta	3 11	3 13½
Hindustan	3 9	3 11

The buoyant conditions noticed in the cotton yarn market in the past few weeks gave way to a slightly easy trend during the week under review. The easiness was in sympathy with the cotton and other commodity markets where prices tended to decline. Demand from consuming centres also was rather reduced which greatly restricted the volume of business. Cotton yarn values, as a result, drifted downwards with quotations closing lower than those a week ago.

The fall in prices was more pronounced in fine and medium count yarns. Thus, among 60s, City receded by Rs. 2-4 to Rs. 47-8 per bundle of 10 lbs. Finlay dropped Re. 1-8 to Rs. 59 and Pioneer Re. 1-4 to Rs. 43-12. Rajalakshmi shed As. 4 to Rs. 43, Coimbatore Spinning, however, was fully steady at Rs. 42-8. Among 80s, Elphinstone, Sriram and Finlay lost a rupee each to Rs. 62-8, Rs. 64-8 and Rs. 68, respectively. 40 count yarns also suffered losses, Gokak and Modern being each quoted lower by As. 4 at Rs. 26-4. Meenakshi shed As. 8 to Rs. 25-14. Madura declined by As. 2 to Rs. 26-14. Among coarse varieties, 20s were the worst sufferers. Hind and Edward were lower, the former by As. 4 at Rs. 16-14 and the latter by As. 3 at Rs. 16-11. Seksaria and Madura lost As. 2 each to Rs. 11-12 and Rs. 18-10, respectively. 30 count yarns, however, proved an exception and their prices were generally well maintained. Indian advanced by As. 8 to Rs. 21. Madura shed As. 2 to Rs. 23-12.

GROUNDNUTS SLIGHTLY EASY

(From Our Own Correspondent)

BOMBAY, *10th February*

The oilseeds market presented a cheerless appearance this week. The groundnut section was slightly easy. This was chiefly due to the declaration made by the Commerce and Industry Minister in Madras, on the 5th inst., that the Government would not allow export of groundnut oil, unless its prices declined below Rs. 1,000 per ton from the present ruling rate of about Rs. 1,305 per ton. The castorseeds section ruled hesitant, in the absence of any possible indication of the Governments policy regarding export quotas and the demand for reduction of export duties. The linseed market had no strength of its own. It ruled quietly easy in sympathy with groundnuts and lack of export enquiries. Among others, *kardis* were steady, while *nigers* came in for some support.

Market circles expected heavy selling in groundnuts, following the warning of the Commerce and Industry Minister against cornering of groundnuts, as stated above. These expectations did not, however, materialise as, at every dip, there was some support on estimates of a short crop and enlarged demand from *vanaspati* interests. The decline in prices, therefore, was far less than what the market anticipated. Groundnuts Bold which opened the week at Rs. 34-6, as against Rs. 34, was placed at as high as Rs. 34-14 on the 5th inst. But, subsequently, it gradually declined to close at Rs. 33-10, on profit-taking. February-March and April-May deliveries were done lower at Rs. 33-10 and Rs. 34-10, as against Rs. 34-2 and Rs. 34-12, respectively. Khandesh quality eased from Rs. 35 to Rs. 34-2. Groundnut oil ex-mill and railway receipts lost As. 9 each to Rs. 17-1. March and April deliveries were down at Rs. 17-4 and Rs. 17-7, as against Rs. 17-15 and Rs. 18-4, respectively.

In the castorseed section, May delivery which opened at Rs. 113-4 as against Rs. 112, fluctuated between Rs. 115-4 and Rs. 112-10, before closing at Rs. 113-12. Madras quality was unchanged at Rs. 24-8 and F.A.Q. at Rs. 24. But castoroil I Pressure and Commercial declined from Rs. 13-8 and Rs. 12-10 to Rs. 12-6 and Rs. 11-2, respectively.

Except for some small enquiries from Australia, there have been no encouraging export enquiries. As a result, linseed Bold eased from Rs. 26 to Rs. 25-4. February-March and April-May disclosed a loss of As. 2 each to Rs. 23-8 and Rs. 23, respectively. Linseed oil was lower by Rs. 10 at Rs. 14-12.

Among others, *kardi* Bold ready and February-March were down by Re. 1-3 and Re. 1, respectively, at Rs. 20-8 each. *Niger* F.A.Q. however, gained As. 6 to Rs. 28-8 and Madras As. 12 to Rs. 29. February-March was higher by As. 8 at Rs. 28-8.

Arrivals of oilseeds and oils from 1st January to 14th February, 1954, as compared with those in the corresponding period previous year, were as follows:

(In cwts.)

	1954	1953
Groundnut	421,535	489,448
Linseed	7,451	7,030
Castorseed	3,373	67,504
Groundnut oil	141,284	43,511
Linseed oil	5,432	1,001
Castor oil	2,148	9,737

The following table shows the prices of oilseeds and oil on the 10th inst., as compared with those at the end of the previous two weeks.

	10-2-54	3-2-54	27-1-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.) ..	34 2	35 0	36 12
Bold Feb.-March	33 10	34 2	35 5
Linseed—			
Bold Ready (per cwt.) ..	25 4	26 0	29 4
Feb.-March	23 8	23 10	25 12
Castorseeds—			
May 1954 (per candy) ..	113 12	112 0	115 8
Madras (per cwt.)	24 8	24 8	25 0
Groundnut oil—			
Ex-mill Ready (per quarter).	17 1	17 10	18 10
Castor Oil—			
Commercial (per quarter) ..	11 2	12 10	12 14

SUGAR BULLISH

(From Our Own Correspondent)

BOMBAY, *10th February*

The sentiment of the Bombay sugar market was generally bullish during the week under review. The chief factor responsible for the bullish undertone was the import ban barring imports of 6,600 tons of Czechoslovakian sugar for which tenders have already been invited, no other imports would be arriving before the end of next month. There were, besides, expectations of appreciably lower production in the current season based on disquieting sugarcane supply position in Uttar Pradesh and Bihar. The total production is estimated by one section at not more than 1 million to 1.1 million tons.

Despite the bullish sentiment as noted above, the market failed to make any impressive showing. Prices of sugar in the forward section registered only a minor improvement, *Maha* and *Fagan* deliveries being quoted at Rs. 85, and Rs. 83-4 per bag, as against Rs. 83-10 and Rs. 82-6, respectively, a week before. In the ready section, large grain sugar remained unaltered at Rs. 97-99 per bag, while small and medium grains suffered a loss of Re. 1 each to Rs. 91 and Rs. 93, respectively. Foreign sugars did not experience any change in prices. British refined sugar was quoted at Rs. 85 per bag of 2 cwts., East German sugar at Rs. 82 per bag of 2 cwts., and Mexican sugar at Rs. 40-8 per 100 lbs. Cuban sugar was higher by As. 4 at Rs. 36-12 per 100 lbs.

In contrast to the three preceding weeks, arrivals of sugar into the market this week were somewhat larger, the quantity actually received being 6,700 bags, as against 6,500 bags last week.

Among the imported sugar which has so far arrived in Bombay, the Czechoslovakian sugar is considered to be the best. The grain, lustre and purity of this sugar are said to be exceptionally good. The parcel of 8,500 tons of sugar which arrived in Bombay per *s.s Maria* on Sunday this week consists of different grains, small, medium and large. The respective quotations (per bag of 220 lbs.) for these different qualities are Rs. 83-4, Rs. 86-4 and Rs. 88-4.

Now that definite indications are available pointing to a lower output of sugar during the current season, a section of sugar traders has come forward with a vigorous plea for more liberal imports of sugar. The only prudent course opened to the Union Food Ministry, it is felt, is to permit imports of foreign sugar through private trade channels under an Open General Licence and regulate prices of sugar so imported by making suitable adjustments in the import tariff.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, *10th February*

During the major part of the week, the pepper market ruled steady in all primary centres, almost all the incoming arrivals from the interior having been taken up by exporters. Most of the shippers in the coastal markets who were bearish in the beginning of the year are now reported bullishly inclined. There also appears little anxiety on the part of the growers to press sales when the market reaches a level of Rs. 1,600 which price is considered by them as a bottom for some months to come. It is generally believed in trade circles that the greater resistance will be put up by growers, if the market, for one reason or the other, pierces through the level of Rs. 1,600. The growers are expecting better demand by the end of this month from the U.S. and the Continent, as soon as the traders there realise that no concession in the prices is coming forward even though the peak of the season is almost reached.

In the A.S.T.A. section, the speculators were free buyers whenever the price of $0.80 for shipment positions is reached. A fair quantity changed hands from $0.80 to $0.82 for February-March shipments.

In the delivery section, the lowest reached for February was Rs. 1,380 and Rs. 1,420 for March.

Following are today's nominal quotations:—Ready delivery Rs. 180-220 per cwt., and February Rs. 1,440-60 and March Rs. 1,470-90 per candy of 5¼ cwts.

JUTE GOODS DULL

(From Our Own Correspondent)

CALCUTTA, *9th February*

The jute goods market presented dull conditions during the week. There were, of course, a few enquiries from the U.K. while some negligible quantities of heavy goods were lifted by Australia and Burma. But these had only a temporary effect on prices, in that a mild rise was registered in the values of both hessians and B. Twills. That was on the 2nd inst. At the rise, demand dried up and with bears inclined to press down sales, the rates resumed a downward trend, and touched the week's lowest on the 5th inst. Mills, however, preferred to keep out of the market as they were not interested in the current rates. But some stray shipping enquiries caused some improvement in the tone, and as a result, a part of the earlier losses was recovered towards the end. The undertone remained quietly steady at close.

B.Twills opened the week at Rs. 103-12 per 100 bags. Following sporadic enquiries from shippers and others, bear-covering appeared, with the result that B.Twills rallied to Rs. 104-8. Subsequently, however, in the absence of any business, the quotation drifted down to Rs. 101. But later a slightly better tone prevailed and the rate improved to Rs. 102-8 today. Hessians 40 oz. x 10" moved in sympathy with B.Twills. At the commencement of the week they stood at Rs. 45-7 per 100 yards. On favourable foreign advices, they rallied to Rs. 45-11. But profit-taking coupled with short-selling brought down the quotation to Rs. 45 on the 5th inst. Later on, there was a slight improvement, following the upward trend in sackings, and hessians wound up the week better at Rs. 45-9.

Raw jute market was relatively better than the jute goods section, owing to restricted arrivals. Imports into Cossipore dwindled to about 40 to 50 wagons a day and consisted of inferior quality jute. In anticipation of a possible rise in prices, stockists were generally not inclined to reduce their rates. Mills for their part, having been well placed in respect of stocks, were not showing any anxiety to make purchases.

Assam bottoms which were normally quoted at about Rs. 28 per maund in the earlier sessions of the week lost As. 8 in the latter part, on sporadic selling by a few weak holders.

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, *8th February*

The trend of the foodgrains markets was bearish and prices were coming down everywhere. There was increased movement of coarse grains stocks from the surplus to the deficit areas, while there was no panicky purchases by stockists and consumers. In fact, the traders who held stocks were anxious to reduce their commitments, in view of the excellent next crop prospects.

The Union Food Minister, Mr. Kidwai, has expressed the hope that, with the arrival of the new wheat after the harvesting season, the price of foodgrains would touch still lower levels. The downward trend this week was not confined to foodgrains alone but extended to *gur*, crystal sugar, edible oils and seeds as well. Futures remained as unsteady as ready. Shorts were reluctant to cover, while bulls preferred to lighten their commitments.

The position in regard to rice is fully confident. It is authoritatively stated that the Government of India desires to build up a rice stock of 1 to 1.5 million tons, nearly half of which would be from internal procurement and the rest from imports, presumably from Burma. The Union Food Minister has declared that he would not hesitate to decontrol rice the moment the contemplated reserve stocks are built. The Government has decided that all work connected with the promotion of the Japanese method of paddy cultivation in future form part of the Grow-more-food campaign. It is said that the results obtained from the adoption of this method, particularly in the form of higher yield and low seed rate, has made the Government to take this step towards large-scale application of this method.

There has been a general fall in foodgrains prices in the Uttar Pradesh markets. Millets and pulses gave the lead. Wheat and rice too were affected. Heavy quantities of maize, *jowar* and *guwar* are being received from the surplus areas, particularly from Rajasthan, and tightness of stocks has disappeared. Rice supplies also seem to be plentiful.

The U.P. Government has agreed to sell 30,000 tons of its stocks of imported and indigenous wheat by 31st May, 1954—15,000 tons at the rate of Rs. 18-8 per maund and the remaining at Rs. 15-8. Under the agreement, the mills will be allowed to extract unlimited quantity of flnes from wheat sold at Rs. 18-8 and the product will be allowed to be exported to other States. The mills will be allowed to produce only wholemeal *atta* out of the wheat sold at Rs. 15-8 to be sold in U.P. and exported to Bihar only. The Government of India will not make any wheat issues directly to the mills in U.P. There is a possibility of the State Government selling the remaining 20,000 tons of wheat with it in the free market. The State Government has agreed not to sell wheat at a rate lower than Rs. 15-8 to trade or any other agency in the State, except in areas covered by the hill provisioning and austerity provisioning schemes where the price is Rs. 14 per maund.

Prices of peas and *arhar* have declined sharply on lower advices from east U.P. and absence of enquiry from any quarter. Trade stockists were frantically trying to dispose of their stocks. Lower price advices from Madhya Pradesh induced an appreciable price decline in *urd*. Futures reacted in sympathy with the spot section. Good showers were received this week which benefited the crops immensely. The latest quotations (per maund) in the local market are: Rice *basmati* Rs. 29, *sela* Rs. 24 and coarse Rs. 19, wheat Rs. 15-14 to Rs. 18, gram Rs. 13-8, barley Rs. 10, *bejhar* Rs. 10, maize Rs. 11 to Rs. 11-8, *bajra* Rs. 10-12 to Rs. 11-8, *jowar* red Rs. 8, *badami* Rs. 9 and white Rs. 11-8, *guwar* Rs. 9, peas Rs. 9-8, *arhar* Rs. 10-8, *urd* Rs. 16, *moong* Rs. 16 and *masoor* Rs. 14-8.

In pursuance of its policy of gradual decontrol of foodgrains, the Delhi State Government is understood to have decided to introduce a system of partial decontrol of rice by allowing the import of 10,000 tons of rice from U.P. on trade account through its nominees who will be permitted to sell it in the free market. The system is likely to be given a trial early next month. Relaxation in the price control, quantitative restrictions, and sale and distribution of wheat within the State will be maintained. The Government has decided to reduce the retail price of wheat to Rs. 15-8 with effect from 7th March next, when there will be no price control on the sale of wheat on retail basis. The Inter-State restrictions on the movement of wheat and rice will, however, continue. To check the tendency of rise in prices, the Government will continue to maintain its reserve and storage of foodgrains.

CRYSTAL SUGAR UNSTEADY

(From Our Own Correspondent)

HAPUR, *8th February*

The crystal sugar markets remained unsteady during the week under review and there was a fall in the prices in most of the markets. Futures were first to react bearishly under the impact of heavy pressure from weak holders who were anxious to liquidate their commitments. The declining trend in all other markets—ready or forward—also had a very depressing affect. In the upcountry markets, unloadings were induced from reports indicating that the cane growers' strike threat had not materialised. Ready demand remained poor, owing to persistent drizzles and the *Kumbh* fair.

The ports continued to receive further consignments of imported sugar. There was increased demand for bold grain Indian sugar. Activity was on a reduced scale. The Government of India is likely to import 400,000 tons of sugar in order to maintain the price of sugar in the free market at a reasonable level. These imports will be in addition to the 300,000 tons of sugar already imported. The Indian Food Minister, Mr. R. A. Kidwai, claims that the policy of sugar imports has not only maintained a steady level of prices at Calcutta, Bombay and Madras, where it was actually released for sale, but also prevented a rise in prices in the States like the U.P. The Minister has expressed his determination to prevent any rise in prices, and, for the achievement of this end, he would not hesitate to import any quantity from abroad. The Government of India released a further quantity of 100,000 tons of sugar for sale in the free market out of the 1953-54 production.

The sugar industry in Uttar Pradesh is facing a rather difficult situation. The U.P. Cane Growers' Co-operative Federation had decided to postpone the sugarcane strike but the *Hind Kisan Panchayat* and the Praja Socialist Party are inducing the cane growers to press the strike. The spokesmen of these two bodies claim that 40 out of the 68 sugar mills in the State have been closed for want of supplies. Government circles have not contradicted this claim, although they assert that the situation will return to normal within the next few days.

The Central Government is reported to have asked for a detailed report from the U.P. Government regarding the reported closure of certain mills and other developments in the industry. Mr. Kidwai has also discussed with the U.P. Chief Minister the situation created by the stoppage of cane supplies to the mills by the growers. He is reported to have made it clear that there is no question of sharing the excess profits made last year by the sugar millowners in U.P.

The cane growers of Bihar have decided to stop the supply of sugarcane to all the 27 sugar mills in the State from the 15th inst., if the price of sugarcane is not raised to at least Re. 1-12 per maund. It is argued that the cost of cane production per acre is Rs. 1,037-8. The average yield per acre is 570 maunds. It is, therefore, not profitable for the *kisans* to supply sugarcane to the mills at the rate of even Re. 1-12 per maund. It is reported that there will be substantial reduction in the availability of cane for crushing by the sugar mills in Bihar this year as compared with last year.

Gur markets remained easy with a general fall in prices in both the ready and 'futures' sections. Arrivals were reduced, following cloudy weather and rains in some areas. Despatches were slow, due to availability of a limited number of wagons and reduced enquiries from importing areas. The Gujerat *gur* market was unsteady. The stockists are reported to be well equipped and totally disinclined to increase their weights. Besides, prices fell steeply in the South Indian markets of Kolhapur, Ankapalli and Belapur and some of the enquiry tended to turn that way. The downward trend in other commodity markets, including crystal sugar, reacted bearishly on *gur* futures and there were occasional unloadings. Meerut and Muzaffarnagar continued to present bearish conditions, as there had been large stock accumulations.

Recent rains have not only benefited the standing sugarcane crop but have improved next sowing prospects and, as sugarcane prices are comparatively steadier in face of the common fall in all other agricultural produce markets, there is a possibility of increased sowings. All these factors have combined to produce a reactionary tone in the *gur* section.

The latest *gur* quotations (per maund) in the different markets are: Bombay: *pansera* Rs. 18, *khurpapar* Rs. 18-4, *chaku* Rs. 19-8; Calcutta: *gur pansera* Rs. 17; Madras: dry Rs. 105 and wet Rs. 95; Muzaffarnagar: *pansera* Rs. 14-12, *khurpa* Rs. 14-12, *chaku* Rs. 15-10 to Rs. 15-14, *laddoo* Rs. 15-4; Akola: *gur* Rs. 16-4 to Rs. 17-4; Belapur: Rs. 17-8 and local Rs. 20 to Rs. 21; Ankapalli *gur* Rs. 19 to Rs. 19-8; Nadiad: *chaku* Rs. 18, *phatwa* Rs. 16-12, *napri* Rs. 17. Ankapalli: No. 1, Rs. 18, No. 1½ Rs. 17-8. No. 2 Rs. 17-6, No. 3 Rs. 16-12; Ahmedabad: *chaku* Rs. 18-1, *khurpapar* Rs. 17, *phatwa* Rs. 16-11; Delhi Rs. 16 to Rs. 16-4; Ghaziabad Rs. 14-4; Agra Rs. 15-12; Hapur Rs. 14-8 to Rs. 14-12; Bali Rs 15-12.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, *9th February*

No appreciable change has been recorded during the week and generally firm conditions have prevailed throughout, whilst trading has taken place on a very small scale. Shortage of supplies still remains the chief feature; there have been fair enquiries from crushers for ready goods at higher prices, but sellers are very reserved, although they have made lower offerings for forward delivery. Little business has, however, resulted. Prices have been maintained in the oil section owing to the prevailing scarcity of stocks and a small local demand, but buyers are generally reserved and the market is dull. The latest quotation is as follows: Ready Rs. 21-4 per maund.

ARRIVALS OF HIDES LOWER

(From Our Own Correspondent)

KANPUR, *7th February*

During the week under review, conditions in the local hides and skins were more or less the same as those noted during the previous week. The new arrival was slightly less than the usual weekly average. The local tanners were the main purchasers. The Madrasi dealers and the country tanners were lukewarm. The latest quotations are as follows:—

Wet salted cow, 1st grade Rs. 400, 2nd grade Rs. 320 and 3rd grade Rs. 200 to Rs. 240 per score; wet salted buff. 1st grade 1 lb. 8 ozs., 2nd grade 1 lb. 14 ozs. to 2 lb. and 3rd grade 2 lb. 4 ozs. to 2 lb. 8 ozs. per rupee; goat 1st grade Rs 275 to Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

THE RAYALASEEMA MILLS LIMITED ADONI

NOTICE TO SHAREHOLDERS

THE EIGHTH ORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company, Rayanagar, Adoni-Tungabhadra Road, Adoni, P.O., on the 7th March, 1954, at 2-00 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Directors' Report and the Audited Statements of Account for the year ended 31st December, 1953.
2. To sanction the payment of Dividend.
3. To elect two Directors in the place of Sri M. Goolappa and Sri M. Narayanappa who retire by rotation but being eligible, offer themselves for re-election.
4. To elect two Directors in the place of Sri H. Sitarama Reddy and Sri M. Ramanna, who were co-opted as Directors on the 12th April, 1953, under Article 86 of the Articles of Association of the Company and who retire under the same Article but being eligible offer themselves for re-election.
5. To appoint Auditors for the current year and fix their remuneration. Messrs. Brahmayya & Co., the retiring Auditors, offer themselves for reappointment.

Notice is also given that the Transfer Books of the Company will be closed from 1st March, 1954 to 15th March, 1954, both days inclusive.

By Order of the Board of Directors,
For THE RAYALASEEMA DEVELOPMENT CO.,
M. SOMAPPA,
Senior Partner,
Managing Agents.

ADONI, *31st January*, 1954.

Note.—The Dividends, if sanctioned at the General Meeting, will be paid by Warrants to all those shareholders whose names stand on the Register of the Company on the 15th March, 1954.

HUMAYAN PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Ordinary General Meeting of Humayan Properties Ltd. will be held at the New Empire Theatre, Calcutta, on Tuesday, 2nd March, 1954 at 11 a.m., for the following purposes:—

1. To receive the Directors' Report.
2. To pass the Audited Accounts.
3. To declare the Dividends on Ordinary and Deferred Shares recommended by the Directors.
4. To elect Directors under Article No. 123 in place of Mr. S. A. Basil and Mr. H. A. Fowler who retire by rotation (Mr. Basil and Mr. Fowler being eligible, offer themselves for re-election).
5. To appoint Auditors.

The Share Transfer Register of the Company will be closed from 23rd February, 1954, to 2nd March, 1954, both days inclusive.

By Order of the Board,
S. A. BASIL,
Director.

1, HUMAYAN PLACE,
CALCUTTA, *5th February*, 1954.

Notice

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Tuticorin on Thursday the 25th March, 1954, at 4 p.m. The Share Transfer Books will be closed from 5th to 25th March, 1954, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 5th March, 1954.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI, *2nd February*, 1954.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	29th Jan., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,156.01	1,154.84	1,132.15	1,106.38
Notes held in Banking Department	35.05	18.37	19.40	13.82	25.67
Foreign Securities	39.60	618.15	618.15	588.16	558.16
Rupee Securities	37.39	421.88	421.88	421.88	450.06
Banking Department					
Deposits of:					
Government of India	14.89	101.60	98.85	113.43	163.07
Other Governments		23.29	21.90	19.48	12.72
Balances held abroad	10.08	116.17	114.19	139.32	159.97
SCHEDULED BANKS					
Demand Liabilities	134.37	520.09	523.00	517.78	529.10
		(7.66)†	(8.91)†	(6.54)†	(12.29)†
Time Liabilities	102.84	327.97	328.98	331.15	315.29
		(1.62)†	(1.42)†	(1.51)†	(1.93)†
Borrowings from Reserve Bank	..	13 11	10.82	5.99	4 26
		(1.10)‡	(1.10)‡	(0.49)‡	(0.99)‡
Borrowings from Imperial Bank	..	11.34	9.78	6.37	6 49
Cash in India	6.71	31.74	32.12	36.47	32.96
Balances with Reserve Bank	25.28	38.18	40.24	45.67	44.71
Excess over statutory limits	15.62	5.62	7.51	13.16	11.95
Balances with other banks in current account in India	..	10.51	11.15	14.12	10.38
Money at call and short notice in India	..	10 51	12.27	9.60	18.09
Investments (at book value)		322 72	324.16	328.65	$11.38
Advances and bills	105.09	505.57	497.42	465.94	468.96
IMPERIAL BANK					
Deposits	87.76	208.70	209.42	206.62	207.95
Investments	51.99	90 19	91.23	94.16	87.03
Advances	80 37	119.32	114.42	104.85	118.12
Cash	14.60	14 35	15.28	19 43	17.74

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	5th February, 1954		29th January, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	262,265	59,61,55,000	230,596	51,24,46,000
Calcutta	155,644	64,31,56,161	107,807	40,49,29,073
Madras	80,399	8,29,75,508	65,807	6,35,88,029
Centres—				
1952	..	..	1,06,41,941	28,79,51,57,000
1953	..	..	1,14,83,214	26,45,01,98,000
Nov., ,,	..	..	2,550,000	5,34,20,00,000
Dec., ,,	..	..	2,986,400	6,26,45,000

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
17th November	1.50	1.99	1.50	2 7 0	3
24th ,,	1.00	1.56	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 0	91
8th ,,	1.00	1.72	1.00	2 7 2	87
15th ,,	1.00	1.00	1.00	2 7 0	100
1954					
5th January	1.00	1.33	1.00	2 7 0	70
12th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
Total	11.50	14.39	11.50	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	8,780	255
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18 87	Kyats 8,166	817	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20.18	Ps. 7,500	1,900	854
New Zealand	1952	2.00	£(N.Z.) 946	851	4,307
Australia	1951	8 43	£(A.) 2,285	2,454	4,317
U.K.	1952	50 43	£ 19,648	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	138,280	8,808
Canada	1952	14.43	$ 18,155	8,188	5,602
France	1952	42 60	F. Fr. 10,190,000	13,664	3,254
W. Germany	1952	48 48	Dm. 98,400	11,158	2,301
Italy	1952	46.88	Lr. 8,112,000	8,181	1,816
Norway	1952	3.32	Kr. 16,596	1,106	3,331
Sweden	1952	7 13	Kr. 89,170	5,652	5,122
Netherlands	1952	10.38	Fl. 17,460	2,213	3,104
Denmark	1951	4 30	Kr. 20,716	1,439	3,348
Switzerland	1952	4.82	S. Fr. 20,100	3,159	4,541

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

State Bank of Pakistan

Statement of Affairs for the week ended 29th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Central Government	22,18,16,000
(b) Provincial Governments	1,34,15,000
(c) Banks	10,39,03,000
(d) Others	2,24,80,000
Bills Payable	24,11,000
Other Liabilities	4,52,24,000
Rupee	46,02,49,000

ASSETS	Rs.
Notes	6,48,00,000
Rupee Coin	8,000
Subsidiary Coin	8,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	49,97,000
Loans and Advances to Governments	2,43,00,000
Provincial Governments' Debtor Balances	60,46,000
Other Loans and Advances	4,07,00,000
Investments	21,81,71,000
Other Assets	10,12,15,000
Rupee	46,02,49,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,48,00,000	
Notes in circulation	227,36,75,000	
Total Notes issued		233,86,84,000
Total Liabilities		233,86,84,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	44,47,36,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91 000	
B. Rupee Coin	5,69,06,000	96,27,51,000
Government of Pakistan Securities	127,64,62 000	
Internal bills of exchange and other commercial paper		
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		133,84,58,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		233,86,84,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.86 per cent.

Reserve Bank of India

Statement of Affairs for the week ended 29th Jan., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	101,60,23,000
(2) Other Governments	23,29,28,000
(b) Banks	3,56,02,000
(c) Others	59,01,85,000
Bills Payable	6,86,30,000
Other Liabilities	15,23,71,000
Rupee	254,51,49,000

ASSETS	Rs.
Notes	18,36,89,000
Rupee Coin	23,05,000
Subsidiary Coin	3,74,000
Bills Purchased and Discounted	
(a) Internal	36,75,000
(b) External	....
(c) Government Treasury Bills	14,82,36,000
Balances held abroad*	116,17,36,000
Loans and Advances to Governments	72,47,08,000
Other Loans and Advances	8,11,16,000
Investments	23,93,15,000
Other Assets	72,47,08,000
Rupee	254,51,49,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 1,10,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances available by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 1,10,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	18,36,89,000	
Notes in circulation	1156,00,75,000	
Total Notes issued		1174,37,64,000
Total Liabilities		1174,37,64,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	618,15,11,000	
Total of A		658,16,82,000
B. Rupee Coin		94,82,69,000
Government of India Rupee Securities		421,38,13,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1174,37,64,000

Ratio of Total of A to Liabilities: 56.044 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 29th Jan., 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	7,66,00,000†
(ii) Other demand liabilities	512,43,19,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,62,00,000†
(ii) Other time liabilities	326,35,30,000
3. Cash in India	31,74,19,000
4. Balances with the Reserve Bank in India	38,17,51,000
5. Balances with other banks in current account in India	10,50,91,000
6. Money at call and short notice in India	10,51,12,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	322,71,01,000
8. Advances in India	454,25,18,000
9. Inland Bills purchased and discounted in India	51,29,24,000

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

EXCHANGE RATES

		27th January, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	£	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	£	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	£	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476¼	476¼
Buyers T.T.	Rs.	475¼	475¼
London on New York	$	2.81-2 81¼	2.81¼-2 81¼
London on Paris	Fcs.	979½-979¾	979-980
London on Berne	Sw Fcs.	12 21¼-12 21⅝	12 21⅛-12.22
New York on London	$	2.81-2.81¼	2 81¼-81¼

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	2nd Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	2½	3
Denmark	23rd Sept., 1953	4½	5
Finland	16th Dec., 1951	7½	8½
France	4th Feb., 1954	3½	3½
Greece	12th July, 1948	10	12
India	14th Nov., 1951	3	3½
Italy	8th April, 1950	3½	4
Japan	1st Oct. 1951	5 11	5.84
Netherlands	7th April 1948	3	2½
New Zealand	26th July, 1941	2	1½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	3	2½
Portugal	18th Jan., 1944	3	2½
South Africa	27th May, 1952	3½	4
Spain	18th Mar., 1948	4	4
Sweden	20th Nov., 1952	3	2½
Switzerland	26th Nov., 1936	4	1½
Turkey	24th Feb., 1951	3	5
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	6	4
U.S.A.	5th Feb., 1954†	2	1½
West Germany	8th Jan., 1948	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE

GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months—April and May, 1952	Two months—April and May, 1953
Import Duties:				
Revenue	12.08	9.01	20.85	18.28
Protective	64	47	1 87	96
On surplus disposals	—	3	—	5
Total import duties	12.68	9.51	22.22	19 29
Export Duties	4.84	5.74	9.04	8.77
Land Customs	21	8	41	21
Miscellaneous	6	18	14	11
Gross total customs	18.34	12.40	28.75	29.31
Refunds and drawbacks	24	12	58	34
Net Customs	18.10	12 28	28.22	24 97
Gross excise	7.41	8.76	14.15	16.87
Refunds	16	5	30	11
Net Excise	7.25	8.71	13.85	16.76
Net total of customs and excise	25.35	20.99	46.07	41.73

Imperial Bank of India

Statement of Affairs for the week ended 5th Feb., 1954

SAPITAL AND LIABILITIES	Rs.	Rs.
Capital—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6 35 00 000
Deposits and other Accounts		210,98,10,000
Borrowings from other Banking Companies Agents		4,45,27,000
Bills Payable		1,78,14,000
Bills for Collection being Bills Receivable as per contra		47,88,000
Acceptances, Endorsements and Other Obligations as per contra		77,000
Other Liabilities (including Inter-Office Adjustments)		1,04,90,000
Total	Rs.	230,72,56,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		8,90,94,000
Balances with other Banks		9,97,91,000
Money at Call and Short Notice		1,26,67,000
Investments—		
Government and other Trustee Securities	72,62,44,000	
Other Authorised Investments	10,80,05,000	
		90,22,49,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	42,88	122,50,23,000
Bills Discounted and Purchased	105,87,64,000 16,62,59,000	
Bills Receivable being Bills for Collection as per contra		122,50,23,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		47,88 000
Premises less Depreciation		77 000
Furniture and Fixtures less Depreciation		1 30 35 000
Other Assets (including Inter-Office Adjustments)		30 98 000
		1,65,34,000
Total	Rs.	230,72,56 000

CUSTOMS AND EXCISE REVENUE

GOVERNMENT OF INDIA

(In lakhs of Rs.)

	May, 1952	May, 1953	Two months—April and May, 1952	Two months—April and May, 1953
Import Duties:				
Revenue	12.08	9.01	20.85	18.28
Protective	64	47	1 87	96
On surplus disposals	—	3	—	5
Total import duties	12.68	9.51	22.22	19 29
Export Duties	4.84	5.74	9.04	8.77
Land Customs	21	8	41	21
Miscellaneous	6	18	14	11
Gross total customs	18.34	12.40	28.75	29.31
Refunds and drawbacks	24	12	58	34
Net Customs	18.10	12 28	28.22	24 97
Gross excise	7.41	8.76	14.15	16.87
Refunds	16	5	30	11
Net Excise	7.25	8.71	13.85	16.76
Net total of customs and excise	25.35	20.99	46.07	41.73

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings	2½% Ten-Year Treasury Savings Deposit Certificates	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,86	83 26	29,91	— 12,81		
1951-52	1,75	6,08	77	2,91	22,08	46,81	1,07,56	74,18	— 27,55	13,10	18 29
1952-53	1,63	6,84	66	3,27	23,66	64,18	1,12,26	91,01	— 31,06	7,54	25,64
November 1952	10	6,50	3	3,16	1,71	77,99	8,03	85,54	— 29,89	58	23 48
December ,,	8	6,51	2	3,16	1,86	79,84	8,45	85,95	— 30,23	48	23 94
January 1953	17	6,54	4	3,19	2,02	80,77	8,33	86,09	— 30,51	58	24 48
February ,,	14	6,61	5	3,22	1,88	82,14	8,86	86,38	— 30,76	62	25 06
March ,,	32	6,84	9	3,27	2,66	84,18	13,75	91,01	— 31,06	62	25 64
April ,,	11	6,80	5	3,27	2,24	85,35	9,66	93,01	— 31,30	60	26,20
May ,,	12	6,83	4	3,29	2,08	87,57	9,55	93,90	— 31,52	66	26,80
June ,,	11	6,82	4	3,31	2,25	89,33	9,43	93,80	— 31,58	66	27,00
July ,,	1	6,78	11	3,38	2,23	91,02	10,36	95,23	— 31,78	59	27,56
August ,,	1	6,77	1	3,44	2,23	92,83	8,76	95,23	— 32,04	66	28,20
September ,,	—	6,69	12	3,53	2,04	94,38	9,20	97,72	— 32,26	59	28,79
October ,,	—	6,61	11	3,58	1,97	95,93	8,58	97,72	— 32,71	59	29,41
November ,,	1	6,38	9	3,65	2,03	97,37	7,89	97,55	— 32,99	56	29,93
December ,,	..	..	..	..	..	..	..	..	— 33,23	46	30,84
January 1954	..	..	..	..	..	..	..	..	..	45	30,75

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 26-12-'53	23-1-'54	30-1-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.3	90.3
1. Government of India	90.1	90.1	90.1
2. Indian States	95.6	95.6	95.6
3. Municipal, Port Trust, etc.	89.2	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	101.7	101.6
1. Electricity	103.4	103.2	103.1
2. Jute	98.6	98.8	98.6
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.1	103.1	103.5
7. Shipping	103.0	103.0	102.5
8. Cotton	100.2	100.3	100.3
9. Miscellaneous	88.1	87.9	87.6
PREFERENCE SHARES	96.6	96.7	96.4
1. Electricity	84.0	84.7	85.3
2. Cotton	87.0	86.9	86.8
3. Jute	91.4	90.8	90.8
4. Coal	90.8	90.1	90.3
5. Iron and Stee	74.6	74.7	74.1
6. Sugar	89.4	90.1	90.1
7. Paper	90.0	89.7	89.8
8. Plantations	87.3	87.4	87.4
9. Miscellaneous			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	98.9	98.4	100.0
(a) Financial	88.6	87.1	87.5
1. Banks	96.4	96.7	97.5	75.6
2. Insurance	76.8	74.9	77.3	108.8
3. Investment Trust	107.6	107.8	108.8	16.0
(b) Public Utilities	114.8	114.9	116.0	99.6
1. Electricity	98.9	98.1	99.2	82.6
2. Shipping and other Transport	79.9	82.5	82.6	108.3
3. Railways	100.9	100.3	100.3	100.0
(c) Manufacturing Industries	98.3	97.7	97.7	81.4
1. Cotton, Woollen and Silk	85.2	81.2	81.4	115.7
2. Jute	108.3	111.1	115.7	172.5
3. Iron and Steel	165.3	167.6	172.5	117.3
4. Paper	121.6	119.3	117.3	124.7
5. Cement	121.1	122.4	124.7	108.1
6. General Engineering	85.7	86.5	108.1	107.2
7. Sugar and Breweries	102.1	104.9	107.2	107.0
8. Chemicals	102.4	104.7	107.0	98.2
(d) Non-Manufacturing Industries	76.0	76.6	98.2	154.2
1. Coal	139.2	140.9	154.2	105.6
2. Mining and Oil	103.2	104.8	105.6	82.4
3. Plantations	90.2	91.0	82.4	
(e) Miscellaneous				
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	89.8	89.8	89.8	
1. Bombay	90.2	90.2	90.2	
2. Calcutta	90.6	90.5	90.5	
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	102.4	102.4	102.0	
1. Bombay	102.3	102.3	102.3	
2. Calcutta	100.1	100.1	100.1	
3. Madras				
PREFERENCE SHARES	92.7	91.7	91.8	
1. Bombay	85.2	84.9	84.6	
2. Calcutta	89.1	88.8	88.9	
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	107.0	107.7	109.2	
1. Bombay	92.4	91.6	93.0	
2. Calcutta	94.4	95.0	97.4	
3. Madras	92.4	96.6	99.8	
4. Delhi				

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work	Number of workers involved	Number of man days lost
1950	814	719,883	12,806,704
1951	1,071	691,881	2,818,928
1952	963	509,243	2,235,961
Nine months ended Sept., 1950	884	383,737	10,062,255
Do Sept., 1951	956	599,864	2,073,644
Do Sept., 1952	889	757,866	2,559,081
Do Sept., 1953	690	407,918	2,058,040
January 1952	95	806,821	674,849
February ,,	88	63,160	218,607
March ,,	97	49,437	142,682
April ,,	134	60,098	254,888
May ,,	118	69,881	257,062
June ,,	101	47,734	171,254
July ,,	83	40,784	148,538
August ,,	88	48,559	450,952
September ,,	98	57,575	549,915
October ,,	96	78,181	272,248
November ,,	87	45,788	156,017
December ,,	81	27,923	244,414
January 1953†	85	42,288	128,411
February ,,	45	38,221	216,207
March ,,	67	49,132	218,653
April ,,	73	28,617	272,216
May ,,	88	39,357	252,279
June ,,	98	48,066	181,128
July ,,	87	53,083	225,154
August ,,	74	46,851	467,257
September*	105	71,859(b)	338,502(b)
October ,,	95	..	..

† Figures for 1952 are provisional. * Revised.
(a) Not known in four cases. (b) Not known in five cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	578	5,948.1	4,849.0
1952-53	614	6,301.4	5,134.8
July 1952	588	534.0	429.7
August ,,	598	531.4	430.5
September ,,	597	548.2	441.5
October ,,	599	529.7	436.4
November ,,	606	552.3	457.6
December ,,	608	535.5	441.8
January 1953	611	498.6	417.4
February ,,	614	558.0	455.7
March ,,	614	550.9	458.1
April ,,	616	560.4	450.2
May ,,	620	548.8	471.0
June ,,	625	538.0	468.9
July ,,	627	537.9	464.4
August ,,	629	578.5	483.71
September ,,	633	553.1	
October ,,	634	..	

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1952=100)

Particulars	23rd Jan., 1954	16th Jan., 1954	24th Jan., 1953	December 1953	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1953	1951
Food Articles	386.3	383.5	360.8	387.0	344.6	+ 6.5	369.8	409.8
Cereals	445	442	433	429	431	— 0.5	450	453
Pulses	424	440	410	424	541	—21.6	468	506
Other	294	288	230	269	207	+30.0	225	290
Industrial Raw Materials	424.3	423.2	425.4	459.3	421.7	+ 8.9	453.8	502.2
Fibres	464	465	394	441	394	+11.9	454	522
Oil seeds	560	550	488	551	476	+ 7.4	464	570
Minerals	442	442	450	464	458	— 0.4	458	426
Others	409	411	374	397	372	+ 6.7	441	538
Semi-Manufactures	382.9	381.4	344.5	356.5	342.6	+ 4.1	346.5	377.5
Leather	395	395	402	391	422	— 7.3	345	453
Mineral oils	221	221	228	221	223	— 0.9	221	197
Vegetable oils	551	551	445	528	422	+24.6	459	678
Cotton yarn	442	442	437	434*	432	+ 1.6	468*	468
Metals	236	237	229	236	228	+ 3.5	211	197
Oil Cakes	422	420	407	419	400	+ 4.8	440	500
Others	305	305	250	305	251	+21.5	273	320
Manufactured Articles	384.2	384.8	383.6	383.8	387.6	— 1.0	377.5	388.5
Textiles	401	402	396	400	402	— 0.5	423	468
Jute	421	425	378	427	392	+ 8.9	506	503
Cotton	397*	397*	406*	406*	442*	— 8.1	405*	400*
Rayon and Silk	428*	429*	408*	406*	442*	— 8.1	485*	611*
Woollen	313	313	304	313	260	+11.8	346	378
Metal products	337	337	342	337	342	— 1.5	351	295
Others	283	283	238	283	290	— 2.4	298	300
Miscellaneous	711.4	705.6	612.2	711.5	625.3	+13.8	635.6	729.5
All Commodities	400.7	399.5	377.5	389.4	372.7	+ 4.5	388.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta June 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
May 1952	140	339	264	310	412	377	339	327	146	168	143	153	143
June ,,	140	338	265

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.	Acreage		Outturn	
	1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice tons	74,674	78,565	29,424	30 741
Wheat "	24,041	23 450	6,762	6 639
Jowar "	41 925	39 44	6 008	5 014
Bajra "	25 592	25 [illegible]	2 922	2,299
Barley "	7 800	7 835	2 564	2 795
Maize "	8 796	8 073	2 617	2 621
Ragi "	5 [illegible]	5 [illegible]	1 [illegible]	1 212
Gram "	17,267	16,857	3,771	3,295
Rab Pulses* "	11,583	11,589	2,053	2 047
Small Millets "	12,170	11,844	1,932	1,901
Jute .. bales	1,196†	1,817	3 [illegible]	4,645
Cotton 15 [illegible]	15 [illegible]	3 [illegible]	3,138	
Sugarcane 2nd tons	4 1017	4 [illegible]	4 [illegible]	4 990
Groundnut "	11 [illegible]	11 [illegible]	2,894	3,045
Linseed "	2,304	2,402	253	316
Castorseed .. "	1,349	1,428	107	146
Rape and Mustard seed "	5 155	5,015	898	916
Sesamum (supp) "	6,751	6,845	451	439
Tobacco (supp) "	794	712	210	205
Pepper "	203	202	22	23
Ginger "	46	47	14	16
Dry chillies "	1 [illegible]	1 [illegible]	301	341

Source: Ministry of Food and Agriculture.

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

* Excluding urad.

† Refers to 1953-54.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Dec., 1953 ..	77.8
	Corresponding month 1952 ..	74.8
	Six months ended Dec., 1953 ..	453.2
	Corresponding period 1952 ..	455.8
Stocks	At the end of Dec., 1953 ..	93.9
	Corresponding month 1952 ..	114.9
		(In 000 bales)
Exports(JuteBags)	Week ended 9th Jan., 1954 ..	2,624
	Corresponding week 1953 ..	3,973
	From 1st Jan., to 9th Jan., '54 ..	16,376
	Corresponding period 1953 ..	6,756
		(In 000 yds.)
Exports*	Week ended 9th Jan., 1954 ..	42,495
(Jute Cloth) ..	Corresponding week 1953 ..	11,920
	From 1st Jan. to 9th Jan., 1954 ..	92,318
	Corresponding period 1953 ..	63,309
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 9th Jan. 1954 ..	—
	Corresponding week 1953 ..	—
	During Sept., 1953 ..	—
	Corresponding period 1952 ..	4 61
Consumption by Mills† ..	Six months ended Dec., 1953 ..	25 12
	Corresponding period 1952 ..	28.44

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10 57 100	7 99,200
Do 31st March, 1953..	11 50 [illegible]	10 61 900	7 81 900
April 1953 to January, 1954..	9,36,700	8 96 000	6,62,200
October 1952	90,400	90,100	67,900
November "	1,03,500	93,700	64,700
December "	98,200	91 600	65,700
October 1953	90 500	84,100	68,500
November "	1,00,300	95,800	68,400
December "	1,01,400	95 100	71,700
January 1954	1,02,800	99,600	71,400
Indian Iron and Steel Co.			
Jan. to Dec., 1953 ..	5,63,340	5,41,480	2,55,870
August 1953	20,230	7,710	4,190
September "	21,320	2,220	8,900
October "	20,570	20,570	11,210
November "	61,210	41,550	32,070
December "	64,510	43,960	41,740
January 1954	65,100	42,600	39,870

FOREIGN TRADE OF INDIA

Particulars	September,		Six Months. April to September,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs (lakhs)
Imports :				
By sea and air—				
Foodstuffs	5.38	14.63	69.44	130 02
Raw materials	14 08	12 03	92,87	101.84
Manufactures	23.49	19 98	135.04	144.76
Other Items	81	18	1 65	2.81
Total	43.21	47.72	300,10	388 93
By land	3.20	1.38	11.78	8.85
Total Imports ..	46.41	49.10	311,88	891,78
Exports :				
By sea and air—				
Foodstuffs	16.35	13 01	67.02	63.05
Raw materials	8 07	10.07	54 21	74 55
Manufactures	23.85	22.05	121.56	144.08
Other Items	18	39	1,92	2.08
Total	48.28	40.42	244 71	283.80
By land	72	97	3.20	14.60
Total Exports ..	49.01	47.39	247,91	303.49
Total Re-exports ..	28	32	2.41	2.08
Balance of trade in merchandise ..	+ 2,81	— 1,44	— 60,35	— 87,47
Balance of transactions in treasure ..	1	—	5	— 4
Total visible balance of trade..	+ 2.82	— 1.45	— 69.41	— 87,51
Imports* ‡				
Total Cwealth countries ..	22.06	21.35	145.19	138.45
Total Foreign countries ..	21,15	26,39	134,92	246,48
Exports ‡ ‡				
Total Cwealth countries ..	25.46	21.07	119.65	135.38
Total Foreign countries ..	22 [illegible]	24 45	125.05	153.42

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

‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1952	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	s 277	178 218	192† 250†	s 158	142 160	142 160	s 194	132 199	136 217†	s 202	137 196	141 213	s 125	105 125	102 125	s 254	s 199	s 199	s 278	98 310	95 310
Sonasil																					
Kudehi	187	181	181	148	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Banira	219	232	205†	85	96	99	130	136	146†	157	145	149	104	114	114	219	215	231	175	208	203
Munlunda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	216	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	103	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	159	134	132	206	157	189†
Malur	171	216	222	128	147	150	138	163	160†	143	172	184	100	100	100	244	195	196	163	171	147†
Nana	203	207	209	202	208	210†	196	211	225†	228	221	231	130	125	128	206	144	184	222	189	189
Saiamatpur	262	244	250	200	242	268	204	218	230	229	234	239	129	129	129	139	139	139	259	279	277

s Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 4th Feb., 1954 ..	37,364
	Corresponding week 1953 ..	52,752
	1st Sept. to 4th Feb., 1954 ..	588 729
	Corresponding period 1953 ..	683,787
Cotton Exports ..	Week ended 4th Feb., 1954 ..	19 513
	Corresponding week 1953 ..	5,817
	1st Sept., to 4th Feb., 1954 ..	119 471
	Corresponding period, 1953 ..	208 647
Mill Consumption ..	1st Sept., to 4th Feb., 1954 ..	542,984
	Corresponding period, 1953 ..	509,097
Stock (with exporters dealers & mills) in Bombay	On 4th February, 1954 ..	282 915
	Corresponding date, 1953 ..	389,305
Karachi (Pakistan)		
Receipts	Week ended 30th Jan., 1954 ..	27,864
	Corresponding period 1953 ..	77,279
	1st Sept., to 30th Jan., 1954 ..	695,116
	Corresponding period, 1953 ..	893,074
Exports	Week ended 30th Jan., 1954 ..	30,016
	Corresponding period 1953 ..	42,900
	1st Sept. to 30th Jan., 1954 ..	466 027
	Corresponding period, 1953 ..	569,000

Particulars	From 1st Sept., to 8th Feb., 1953-54 Bales	From 1st Sept., to 8th Feb., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	6,187	8 550
Continent	18,947	54 444
China	251	316
Japan	34,101	84,000
U.S.A.	9,243	14 100
Other Countries	1,462	3,016
Total to all foreign countries ..	65,081	164 426
Coastal Ports ..	66,838	63,843

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	September, 1953	8,10,827
Foreign		62,812
Indian	Twelve months September 1953 to August, 1953 ..	86,11,860
Foreign		8,45,786
Indian	Same Period 1951-52 ..	99,87,458
Foreign		10,64,418
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Sept., 1953 ..	5,84 164
Foreign		2,51 079
Indian	As on 30th Sept., 1952 ..	11,55 450
Foreign		3,62 766
	Week ended 20th Jan., 1954 ..	22 347
Cotton Pressed † ..	Corresponding week, 1953 ..	141 243
	1st Sept., to 20th Jan., 1954 ..	1,015 008
	Corresponding period, 1953 ..	1,361,304

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
	Rs.			
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4 ½ Bonds	1939-40	63,30,26,000	1960-70	101⅜
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3 ½ Loan	1930	30,33,10,000	1966	92⅛
3 ½ Loan	1941	1,10,11,78,000	1966-68	90⅛
3 ½ V Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅛
3 ½ Loan	1945	1,13,65,44,000	1959-61	96⅛
3 ½ Loan	1951	50,35,61,000	1958	96⅛
2½% Loan	1946	45,45,07,000	1966	91⅜
2½% Loan	1946	57,50,49,000	1961	90⅛
2½% Loan	1946	35,04,06,000	1956	92⅛
2½% Loan	1946	14,77,48,000	1974	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	'A' portion of Government after three months' notice On 5th November, 1986 or later at option of Government after three months' notice	82⅛
3 % Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,48,18,000	1958-68****	100⅛
4½% Loan	1938	1,83,20,000	1958-68****	103
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,100	18th Sept. 1955	99⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	96⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	3,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1968	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1942	3,66,72,200	1st Aug 1964	101
3 % Cochin	1945	30,00,000	1st Dec. 1955-56	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,67,100	1956-66	95⅛
3 % Madras	1939	1,29,74,600	21st June 1949	94⅜
3 % Madras	1942	1,21,21,000	18th Sept. 1955	96⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	96⅛
3 % Madras	1944	1,08,00,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,82,10,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,90,93,200	1st Sept. 1961	91⅛
3 % Madras	1948	4,47,00,000	31st July 1963	93⅛
3½% Madras	1951	1,00,00,000	17th Sept. 1962	98⅛
4 % Madras	1953	5,00,00,000	15th July 1963	99⅜
4 % Madras	1952	3,00,00,000	1st Aug. 1964	99⅛
3 % Mysore(/)	1930	1,63,44,300	1st Nov. 1955	104⅛
4 % Mysore(/)	1933	2,91,83,200	1st Dec. 1953-63	101⅛
3 % Mysore(/)	1936	3,99,72,900	30th April 1956-61	98⅛
3½% Mysore	1947	3,08,37,700	17th Sept. 1962	98⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 % M.P.	1950	1,01,84,700	31st July 1960	94⅛
3½% M.P.	1951	1,92,18,100	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,48,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,100	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1948	50,00,000	16th Aug. 1954	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1914	1,81,96,500	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
3½% U.P.	1944	2,24,24,800	14th Sept. 1960	94⅛
3 % U.P.	1946	2,29,08,600	1st Sept. 1961	91⅜
3½% U.P.	1941	2,00,28,800	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,11,700	1st May 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅜

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
			BOMBAY	
Rs.				Rs.
30 50 000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
84,00,000	4	1907	1968	97⅜N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913	1974	D
90,00,000	4	1913	1974	99⅛N
24,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
35,00,000	4	1915*	1975	
41 61 000	4	1915*	1960	
11 51 000	4	1924*	1960	
10 25 000	3½	1924*	1960	
12,50,000	3½	1924*	1960	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
24,38 000	3½	1931*	1962	
15,00,000	3½	1934*	1975	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
			CALCUTTA	
Rs.				Rs.
90,24 100	4	1914	1974	93⅜
76,90,100	4	1915	1975	93⅜
68,68,900	3†	1921	1981	79
1,50,00,000(a)	4	1921	1981	144N
1,24,08,300	4	1925	1985-85	105
89 21 600	3½	1926	1986-86	104⅜
99,54,500(b)	5	1926	1986	104⅜
1,49,45,500(b)	5	1927	1987	104⅜
1,49 10,000	5	1928	1988-88	104⅜
80,00,000	4½	1931	1991	92⅜
21,73,09,000(c)	3	1931	1965	96⅜
66,08,000	3½	1935	1965	96⅜
25,00,000	3	1938	1968-68	88
50,00,000	3	1942	2005	70N
50,00,000	3	1945	1975	82⅜
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅜
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅜
50,00,000(d)	3	1950	1980	80
1,00,00,000	3	1950	1960	96
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1991	97⅜
50,00,000	4	1953	1963	99⅜
50,00,000	4	1953	1983	97
			STERLING LOANS	
Rs.				Rs.
£992,600	5	1923	1953-83	£87⅜
£801,000	5	1924	1954-84	£87⅜
£835,100	5½	1932	1962	£96
			MADRAS	
Rs.				Rs.
46 60 347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,981	4	1918	1982	
7,46,044	4	1920	1982	
2,15 852	6	1921	1932	
3,32,322	4½	1922	1952	M
4,47,597	5½	1923	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
			BOMBAY	
Rs				Rs
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅜N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1910	1970	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
40,00,000	4	1914	1974	D
25,00,000	4	1916	1976	99⅜N
40,00,000	5	1919	1957 79	113N
66,00,000	5	1919	1955-80	
25,00,000	5	1926	1956 86	115N
25,00,000	5	1927	1961-70	98N
10,00,000	3½	1936	1966	
			STERLING LOANS	
£466,600	4	1906	1969	£95⅜N
£333,000	4	1910	1978	£95⅜N
			CALCUTTA	
Rs.				Rs
50,00,000	5	1923	1953	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94⅜
56,25,000	3	1936	1966	89
50,00,000	3	1937	1982	90
20,00,000	3	1938	1961-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs				Rs
			BOMBAY	
49,40,000	4	1913-14	1954	99⅜
20,60,000	4	1913-15	1974	99⅜
20,00,000	4	1914-15	1955	100
10,00,000	3	1920	1980	113
1,00,00,000	6	1924	1944	102
25,00,000	5	1924	1958	103
26 14 000	5	1929	1949-50	103
48,45,500	5	1929	1954-59	104
76,21,500	5	1929	1959	102⅜
8,25,00,000	3½	1947	1977	86⅜
2,50,00,000	3½	1948	1978	86⅜
4,00,00,000	3½	1949	1979	86⅜
2,50,00,000	4	1952	1964	100⅜
2,00,00,000	3½	1951	1966	97
			CALCUTTA	
Rs				Rs.
54,45,500	6½	1929	1959	105⅜
66,70,000	5	1929	1954	104⅜
36 00 000	5	1929	1957	103⅜
25,00,000	5	1929	1957	103⅜
25,00,000	5	1929	1958	103⅜
10,00,000	5½	1932	1958	108
33,91,000	3½	1935	1965	93⅜
60,00,000	3	1936	1966	89⅜
3,11,400	3	1937	1954	99⅜
4,67,100	3	1937	1954	99
3,52,500	3	1937	1956	98⅜
4,18,100	3	1937	1954	98⅜
47,50,000	3	1938	1968	88
10,67,700	3	1938	1955	97⅜
15,56,800	4	1939	1956	97⅜
5,56,800	4	1939	1956	90⅜
15,56,600	4	1939	1958	90⅜
17,64,400	3½	1942	1970	96⅜
21,10,000	3½	1942	1970	96⅜
15,46,000	3½	1951	1972	92
16,31,000	3½	1951	1961	96
26,88,000	3½	1951	1961	96
87,36,000	3½	1952	1962	99⅜
			MADRAS	
Rs				Rs
5,00,000	4	1903	1953	101N
5,00,000	7	1923	1951	107N
3,40,000	6	1923	1953	107N

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

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137½	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	103	100
Champore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	145	100
Deccan Sugar & Abkhari* ..	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	61	10
Do. (Non-redeem.)	2,00,000	1940	7B	Dec. ..	72	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	13⅜	10
Ramnugger Case	4,00,000	1933-36	6	Aug. ..	103	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,00,000	1932	5(a)	Dec. ..	6 per ct	10
Upper Ganges	12,00,000	1946	5	Dec. ..	90N	100
Do	15,00,000	1948-99	6½	Apr. Oct.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	121	100
Borree	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6		8½	100
Equitable	4,00,000	1946	6	Mar. Sept.	117	100
Karanpura Collieries ..	7,50,000	1946	5½(a)		83	75(pp)
††Khas Kajora	1,93,000	1931	7	Mar. Sept.	6	10
New Beerbhoom	12,00,000	1920	7	Jan. July	12⅜	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	117	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	128⅛	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6⅛	10
Bearee Cotton	1,05,200	1919	7	Jan. ..	85	100
Bearee Cotton	3,00,000	1896	7	Apr. Oct.	121	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	132⅜	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	101⅜	100
Do. 'B'	6,00,000	1919	7	June Dec.	326⅜	250
Bradbury	14,75,000	1920	7½	Jan. July	133⅜	100
Buckingham & Carnatic ..	21,30,200	1928	7	Apr. ..	125⅜	100
Cambodias	1,00,000	1912	5	Apr. Oct.	510	500
Central India	50,00,000	1935	6½	Nov. ..	124⅜	100
Coimbatore Pioneer ..	1,00,000	1915	8	May Nov.	146	100
Elgin	11,00,000	1943	5	July Jan.	10⅜	10
Do. 'B' Pref.	4,00,000	1919	7(a)	May Nov.	86	100
Elphinstone	25,00,000	1919	7	June Dec.	127⅛	100
Kesoram	20,00,000	1925	6	Nov. ..		100
Khatau Makanji ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published half-yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

Shares.—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns "Paid-up Ordinary Capital" and "Paid-up per share".

Accounts.—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and should be taken as the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	24,700	898	2½	2	6 0	6 0	6 0	4 0	12	Y.
40,00,000	24,00,000	1,22,39,983	72,25,655	45,446	B. R. Sons, Ltd.	50,828	1,021	4½	100	8 0	8 0	Nil	Nil	3	Y.P.T.
8,50,98,000	2,16,13,960	3,77,02,950	3,10,94,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,82,072	4,851	415	250	17 8	20 0	20 0	20 0	7	P(1)
10,00,000	27,25,759	54,19,515	49,70,797	80,357	Ramnarain Sons, Ltd.	38,532	860	925	250	75 0	100 0	100 0	100 0	12	Y.P.
1,09,42,800	2,08,18,653	2,43,76,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,09,320	2,706	310½	263	18 0	20 0	20 0	20 0	12	Y.
40,00,000	16,04,856	1,06,30,358	59,37,373	5,06,610	V. J. Pilani (Chairman and Managing Director)	40,668	698	Colaba Land & Mill	65	100	Nil	Nil	Nil	3	Y.P.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	27,308	680	Coorla Sug & Wvg.	107½xd	100	7 8	7 8	7 8	12	Y.
10,00,000	20,04,721	43,01,745	48,46,041	76,768	Ramnarain Sons, Ltd.	38,304		Dawn Mills	50	Nil	6 0	6 0	6 0	12	Y.
24,00,000	24,00,000	62,31,113	57,35,000	5,622	Punarmal Radhakishan & Co.	50,296	928	Edward Textiles	262½	200	15 0	15 0	15 0	12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,223	41,862	Chidambaram Mulraj & Co., Ltd.	44,768	886	Elphinstone Spg. & Wvg.	41	50	4 0	(a)	3 0	12	Y.P.
40,00,000	68,86,875	80,34,552	64,00,703	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	100	10	20 0	20 0	20 0	12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	45,752	1,022	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	0 0	225 0*	Y.
3,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,40,842	6,412	India United Mills	3,600	250	43 12	50 0	50 0	36 0*	Y.P.
13,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	47,172	1,191	Indian Mfg.	3 400	10	0 12½	1 1½	Nil	13	T.
										1,000	175 0*	200 0*	200 0*	225 0*	
29,92,500	49,54,660	2,07,51,457	1,57,18,645	22,665	Khatau Makanji & Co., Ltd.	77,404	1,517	Khatau Makanji Spg. & Wvg.	207½	100	12 0	14 0	10 0	12 P*	Y.
1,00,00,000	1,49,00,000	2,90,32,252	2,07,80,831	2,23,085	Kothari Industries Ltd.	1,17,464	1,846	Kohinoor Mills	321½	100	12 0	14 0	10 0	6	Y.
28,80,000	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,742	Madhusudan Mills	100A	100	18 0	25 0*	18 0	6 0(i)	Y.
										100	2 1	3 0	1 0	1 4	
82,11,000	47,03,470	1,01,00,576	42,51,748	24,034	N. Sirur & Co., Ltd.	33,750	451	Modern Mills	50	4	3 0	3 0	3 0	10	Y.P.
51,75,000	24,92,735	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	65,448	1,650	Morarjee Goculdas Spg. & Wvg.	203½	100	15 0	15 0	12 0	6	Y.P.
1,60,47,600	7,46,192	4,21,10,526	3,70,00,000	58,913	Chinai & Co., Ltd.			National Rayon Corporation	156	100	Nil	Nil	Nil	Nil	Y.
24,00,000	26,60,741	71,22,988	42,20,172	42,053	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	180½	100	12 0	8 0	10 0	12	Y.P.
30,00,000	21,71,710	86,82,205	59,84,624	70,276	W. H. Brady & Co., Ltd.	48,395	1,018	New Great Spg. & Wvg.	166½	100	12 0	8 0	10 0	12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,980	423	Mafatlal Chandulal & Co. (Bombay), Ltd.			New Union Mills	26½	10	0 8	1 0	1 4	12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	54,208	1,190	Phoenix Mills	133½	100	10 0	10 0	10 0	12	Y.P.
40,00,000	40,66,750	24,14,688	13,52,690	—22,390	Podar Sons, Ltd.	32,600	930	Podar Mills	136½	100	9 0	10 0	10 0	12	Y.P.
5,00,000	8,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	10	10	0 8	0 8	0 8	12	Y.
25,00,000	60,49,484	1,17,57,612	81,93,664	21,949	M. G Investment Corporation, Ltd.	60,240	1,254	Sassoon Spg. & Wvg.	32	10	0 12	1 0	1 4	12	Y.
60,00,000	64,20,061	76,00,373	39,83,898	3,43,573	Marwar Textiles (Agency) Ltd.	66,452	1,940	Shree Niwas Cotton Mills	176½	125	14 0	12 0	12 0	12	Y.P.
31,50,000	49,02,108	78,77,540	43,69,000	35,939	Forbes, Forbes Campbell & Co. Ltd.			Simplex Mills	154	25	14 0	17 0	15 0(i)	15 0	Y.
86,00,000	1,30,69,660	1,18,80,653	78,39,301	2,889	Mafatlal Gagalbhai & Sons	36,116	1,276	Standard Mills	25½	25	2 0	2 0	2 0	3	Y.P.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	65,040	2,000	Swadeshi Mills	320½	100	15 0	20 0	20 0	12	Y.P.
84,00,000	70,00,399	1,45,76,475	83,43,077	5,21,220	James Finlay & Co., Ltd.	35,904	552	Swan Mills	350	100	20 0	25 0	30 0	12	Y.
19,52,500	52,12,167	61,33,831	40,71,801	8,070	Tata Industries Ltd.	63,748	1,800	Tata Mills	63½	25	3 0	3 0	3 0	12	Y.
					(Ahmedabad), Ltd.			Thackersey Mooljee Spg. & Wvg.	375	100	20 0	25 0	30 0	12	Y.
13,63,629	23,68,979	81,15,673	47,72,625	16,229	Haridas Achratai & Co., Ltd.	34,576	816	Vijaya Mills	153	125	12 0	12 0	12 0	12	Y.

AHMEDABAD

25,00,000	32,80,268	53,29,885	31,09,670	3,879	Tata Industries, Ltd.	44,224	1,016	Ahmedabad Advance Mills	147½	100	8 0	12 0	12 0	12	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	477½	100	15 0	25 0	25 0	12	Y.P.
81,00,000	2,07,45,675	1,18,76,179	58,11,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	760	100	25 0	25 0	25 0	12	Y.P.
30,00,000	40,95,169	76,03,158	51,50,000	1,11,303	Manguldas & Bros., Ltd.	35,884	1,004	Arvindeep Ginning & Mfg.	290½	100	15 0	20 0	20 0	12	Y.P.
12,00,000	10,23,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	482½	100	12 0	15 0	15 0	12	Y.P.
1,24,77,975	1,06,39,277	3,71,68,108	2,37,17,344	2,87,065	Ahmedabad Premchand Ltd.	1,39,170	2,400	Calico	333½	125	12 0	12 0	12 0	12	Y.
30,00,000	64,86,000	88,67,878	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	39,516	964	New Commercial Mills	1,122½	100	15 0	15 0	15 0	12	Y.
30,00,000	70,78,154	99,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	884	New Shorrock Spg. & Wvg.	630	125	12 0	12 0	12 0	12	Y.
5,00,000	61,08,644	49,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co. Ltd.			Rajnagar Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	0 0	225 0*	Y.P.
18,00,000	1,07,77,635	73,98,913	42,91,887	3,999	Lalbhai Dalpatbhai & Co.	24,840	528	Nutan Mills	677½	100	25 0*	25 0*	25 0*	12	Y.P.
12,00,000	13,93,067	74,95,069	59,61,450	—13,90,310	Manguldas Girdhardas Parekh Ltd.	31,120	636	Raipur Mfg.	670	100	25 0	25 0	25 0	12	Y.P.
82,50,000	10,11,658	81,93,993	46,19,803	9,366	Lallubhai Gordhandas Ltd.	33,156	640	Rajnagar Spg., Wvg. & Mfg.	119½	250	15 0	25 0	25 0	12	Y.P.
84,90,150	1,18,44,544	1,01,07,709	77,25,000	—1,32,703	Harivallabhdas Kalicas & Co.	53,796	1,325	Shri Ambica Mills	317	125	15 0	15 0	15 0	12	Y.P.
19,52,500	52,12,167	61,33,831	40,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	34,624	729	Shorrock Spg. & Mfg.	375	125	12 0	12 0	12 0	12	Y.
13,63,629	23,68,979	81,15,673	47,72,625	16,229	Haridas Achratai & Co., Ltd.	34,576	816	Vijaya Mills	153	125	12 0	12 0	12 0	12	Y.

WEST BENGAL

15,00,000	96,065	53,10,908	17,75,212	—3,82,100	Calcutta Agency, Ltd.	13,046	356	Basanti Cotton Mills	41	25	Nil	Nil	Nil	3	Y.P.T.
7,11,280	2,05,651	37,16,898	20,49,033	32,931	Bengal Textile Agency, Ltd.	28,448	936	Bengal Laxmi Cotton Mills	34½	25	Nil	Nil	Nil		
6,00,000	22,76,247	77,20,924	51,55,000	—6,27,421	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	270	125	Nil	Nil	Nil	6.12	H.P.
89,00,000	25,16,186	97,02,918	69,98,291	—1,73,621	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	200	125	Nil	6 0	Nil	6.12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,424	Birla Brothers, Ltd.	69,352	1,890	Kesoram Cotton Mills	243	125	14 0	14 0	12 0	12	Y.P.
6,00,000										10	1 14	1 14	1 12	1 12	
83,94,268	9,75,000	84,54,409	67,04,257	5,158	Chakravarti Sons & Co.	23,484	642	Mohini Mills	—	125	8 12	8 12	8 12	12	Y.P.
										10	1 4	1 4	1 4		
										10	0 6	0 12	0 6		

SOUTH INDIA AND OTHER CENTRES

11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	48	25	Nil	Nil	Nil	3	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	30,000		Alagappa Textiles (Cochin) Ltd.	33½	25	Nil	Nil	Nil	3	Y.P.
11,94,400	31,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	19,944	440	Azam Jahi Mills	61½	125	9 0	12 8	10 0	12	Y.P.
40,50,000	93,34,283	2,73,75,545	2,09,08,486	2,69,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	302-8	125	17 8	25 0	15 0	12 C(i)	Y.P.
87,08,000	22,25,163	73,36,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	131	10	1 8	2 0	1 8	6,12	H.P.T.
15,00,000	95,91,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	471 N	10	1 8	2 0	1 8	6	Y.
1,78,47,900	1,57,95,996	3,14,83,573	2,44,81,535	2,39,790	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	137	10	0 14	1 4	0 14	4 C(i)	Y.P.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Prince, Leslie & Co., Ltd.	27,536		Cambrook Mills	4	10	1 0	1 0	1 0	12	Y.P.
30,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	100	10	1 8	1 8	1 8	12	Y.
12,00,000	15,07,049	27,82,648	17,79,949	—1,32,723	K. Bhemna Naidu & Co.	28,564		Coimbatore Cotton Mills	190	100	12 0	12 0	12 0	12	Y.
20,00,000	9,19,870	25,84,587	13,33,422	1,33,496	T. R. N. Naidu & Co.	19,700		Coimbatore Pioneer Mills	137-8	100	12 0	12 0	12 0	12	Y.
20,76,900	4,78,696	1,14,09,011	84,08,065	—10,23,340	R. G. S. Naidu & Co.	19,700		Coimbatore Spg. & Wvg.	464	100	8 0	8 0	8 0	12	Y.
44,87,500	88,12,958	2,30,16,198	1,41,93,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Delhi Cloth & General Mills	194	100	8 0	8 0	8 0	6,12	Y.P.
1,36,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,830	Delhi Cloth & General Mills	31	10	1 0	1 0	1 0	12	Y.
1,00,52,7										5	0 12½	1 1½	Nil	13	T.
24,34,400	16,26,596	37,58,169	25,47,428	20,748	M. N. Chettiar & Sons	29,500	201	Dhanalakshmi Mills	217	10	1 0	1 0	1 0		
63,00,000	46,00,000	1,40,85,212	1,13,21,631	72,424	Begg, Sutherland & Co., Ltd.	32,652	1,198	Elgin Mills	18	25	2 8	2 8	2 8	12	Y.P.
39,04,700	43,10,000	82,22,587	60,30,000	1,03,375	Forbes, Forbes Campbell & Co. Ltd.			Gokak Mills	78,030	2					
23,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Sakseria (Indore)	50,420	1,420	Indore Malwa United	254	125	12 0	14 0	12 0	12 C(i)	Y.
8,90,000	31,61,067	28,01,526	13,55,172	—2,58,761	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	109	25	2 0	2 0	2 0	3	Y.P.
24,00,000	15,75,000	61,35,358	8,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	70	10	1 0	1 0	1 0	12	Y.
32,00,000	76,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	53,642	1,213	Lakshmi Cotton Mills	550	125	15 0	15 0	15 0	12	Y.P.
53,46,150	53,40,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	73,504	250	Lakshmi Mills	107½	25	2 0	2 0	2 0	3	Y.
									545½	125	15 0	15 0	15 0	12	
4,75,02,470	2,82,94,297	4,16,07,735	3,11,45,007	8,90,084	A. & F. Harvey Ltd.	1,44,748		Madura Mills	411½	125	15 0	15 0	15 0	12	
12,00,000	4,17,362	24,32,416	15,52,690	—22,390	A. L. A. R. S. Chettiar and 2 others	21,858		Malaiba Spg. & Wvg.	125	25	2 0	2 0	2 0	3	Y.P.
60,00,000	62,50,000	55,34,648	38,37,082	77,484	W. A. Brandrell & Co., Ltd.	24,252	603	Mayor Industries Ltd.	229	100	8 0	8 0	8 0	12	Y.
84,00,000	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	678	Meenakshi Mills	92	100	8 0	8 0	8 0	12	Y.
29,91,850	27,36,160	1,51,05,970	18,81,528	27,241	Banalal Ambichand Dadabhoy & Co.	49,456	952	Model Mills (Nagpur)	141½	250	15 0	15 0	15 0	12	Y.
30,00,000	32,19,400	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	86,318	1,834	Muir Mills	195½	100	Nil	Nil	Nil	Nil	Y.
19,50,000	61,53,574	1,04,84,233	59,83,574	42,197	N. Sirur & Co., Ltd.	49,632	1,000	Nipsom Spg. & Wvg. Mills	146½	50	10 0	8 0	10 0	12	Y.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	16	10	0 8	0 8	0 8	12	Y.
12,89,863										100	15 0*	15 0*	15 0*		
3,07,09,5	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	50,228	1,148	New Victoria Mills	18	O. 25	Nil	Nil	Nil	Nil	Y.
87,03,400	61,53,493	1,58,62,385	99,76,151	17,946	Industrial Trust Fund	30,896	717	Osmanshahi Mills	90N	D. 1	Nil	Nil	Nil	9	Y.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	22,800		Palani Andavar Mills	68	100	5 0	8 0	7 0	12	Y.
6,00,000B									75B	50A	3 0	4 0	3 8		
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	46-8	100	7 4	15 0	11 4	12	Y.
16,81,200A	16,65,842	32,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	829	Radhakrishna Mills	165	100A	15 0	16 0	6 0	12	Y.
8,40,000B									81	50B	7 8	8 0	3 0		
15,00,000	25,00,896	22,62,213	14,88,315	—63,346	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	97½	25	4 0	5 0	Nil	12	Y.P.
60,00,000	62,66,508	1,03,26,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	32,580	608	Reza Textiles	41 N	10	0 8	0 8	Nil	12	Y.P.
22,41,300	10,52,625	23,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	15,824	440	Shree Sagan Mills	100	100	Nil	Nil	Nil	Nil	Y.
7,79,700	2,24,959	21,30,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sriram Spg. & Wvg.	36	60	Nil	3 0	Nil	12	Y.
96,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—83,86,498	Under Council of Bombay Government	82,992	2,234	Shahpoor Spg. & Wvg.	1,520	1,000	Nil	Nil	Nil	Nil	Y.P.
						25,200	292	Sri Krishnendra Mills	300	100	4 0	4 0	2 0	12	Y.
26,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	34,440	1,250	Suby Cotton Mills	56½	50	4 0	4 0	4 0	12	Y.
13,00,000	1,59,52,602	81,28,140	52,31,896	52,52,471	Birla Brothers, Ltd.				30N	10	1 4	1 4	1 4	12	Y.
17,50,00,000	3,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,13,216	2,677	Swadeshi Cotton (Kanpur)	68	100	6 8	6 8	Nil	12	Y.P.
1,57,50,000									67½	10	0 12½	0 12½	Nil		
99,42,020	3,25,000	2,67,68,703	83,91,774	2,34,553	Emcrie & Sons (Travancore), Ltd.			Travancore Rayons	79	10	Nil	Nil	Nil	12	Y.
13,98,830	7,25,505	12,91,001	9,44,987	5,843	Moulvie Ramee & Sons	16,000		Tuticorin Spg. Mills	56	10	1 0	1 0	1 0	11 1/2	
21,00,000	28,00,000	47,61,131	28,75,811	50,000	K. K. S. Chetty & Brothers	33,704	776	Vasanta Mills	182	100	10 0	10 0	12 0	12	Y.
82,00,000	20,43,359	1,29,85,197	83,26,392	2,21,881	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	143½	125	9 0	14 0	14 0	12	Y.P.

(a) Includes bonus. (b) Subject to taxation and work-ins' bonus. (c) Paid out of reserves.

(C) The cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the interim holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(C) Contingency logo of Rs. 20 lakhs against shortages of fixed assets. (I) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 25 each; final dividend of Rs. 12 per share was paid on 63 capital of 63,629 shares of Rs. 20 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	Nil	2 12½	Nil	Nil	6	Y.P.
6,64,000							9½	10	Nil	1 12	Nil	Nil		
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	10	0 0	0 8	0 8	0 8	3	Y.
£80,000A							15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	23½	R. 21	Sh. 1	Sh. 1	Sh. 1	Sh. 1	3	Y.
£300,000B							4N	5	Nil	Nil	Nil	Nil	3	Y.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	164cd	175	11 4	7 8	15 0	15 0	3	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries								
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	29,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	105	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							10½	B. 10	0 6	0 12	0 12			
13,14,600D							4½	O. 10	0 8				3	Y.T.
4,70,976D	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Benga Cement	11	D. 1	Nil	Nil	Nil			
0,36,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	177xd	100	9 8	9 8	9 8	9 0	7	Y.
50,00,000							7½	O. 10	0 8	0 10	0 10			
26,49,7970	43,46,389	69,78,269	10,07,434	39,836	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2	O. 25	0 2	0 24	0 24		12	Y.P.T.
10,00,000D.							1½	D. 1	Nil	Nil	Nil			
10,00,000D.							18½	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
82,50,000	4,00,000	1,43,54,423	31,47,637	6,15,163	Esaro Ltd.	India Cements Ltd.	2½	D. 1	Nil	Nil	0 4	Nil		
7,50,000D.							7½	D. 3	0 3½	0 6½	0 8		12	Y.
75,00,000	23,05,000	1,72,56,055	1,33,85,165	58,658	Martin Burn Ltd.	Sonevalley Portland Cement								
CERAMICS; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,333	19,86,102	14,713	S. Lal Bhagat & Co.	Bengal Potteries	2½	2½	0 2	0 24	0 24		12	Y
10,00,000	22,36,815	55,44,474	31,63,961	4,985	Bird & Co., Ltd.	Bisra Stone Lime Co.	29xd	10	0 14	0 14	0 14	0 14F	3, 9	H.
	£914,200	£1 030,500	£1,704 558	£913,936	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3-1½	£h. 2	0 14	0 14	0 14		12	Y.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
48,80,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	55½	25	1 4 / 1 4 / 1 9 / 1 9				6.12	H.P.T
90,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	187	100	4 0 / 5 0 / 5 0 / Nil				3.9	H.
25,00,000	13,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	17½	10	0 8h / 0 12 / 1 0 / 1 0				3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	48½	10	0 12 / 1 0 / 1 0 / 1 0				3.9	H.P.T.
90,04,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	21½	10	0 8 / 0 12 / 0 12 / 0 12				6.12	H.P.T
80,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9¼ / 9¼	O. 10 / A. 10	Nil / Nil	0 4 / 0 4			3.9	H.P.T.
86,00,000A. / 86,04,800B. / 4,87,800P O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	35½ / 37½ / 4⅜	A. 10 / B. 10 / P.O. 2½	0 14* / 1 0 / 0 2	1 0* / 1 0 / 0 2	1 0 / 1 0 / 0 2	1 0* / 1 0* / 0 2f	3.9	H.P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0 / 6 0 / 7 0	3 0 / 4 0	5 0 / 6 0	3 0 / 4 0	6	W.
4,30,000	1,00,000	4,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	86N	100	6 0 / 6 0	5 0 / 5 0	7 0 / 7 0	4 0 / 4 0	7	Y.
5,00,000	1,55,000	11,21,500	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0 / 5 0	3 0 / 5 0	5 0 / 5 0	3 0 / 4 0	6	Y.
PROPERTY AND LAND														
10,00,780O. / 8,00,000D. / 60,00,000 / 94,00,000	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½ / 24½ / 35	O. 10 / D. 1 / 100 / 100	0 9 3/5 / Nil / 2 0 / Nil	0 9 3/5 / Nil / 3 0	0 8½ / Nil / 2 0	/ Nil / 1 8	9 / 4	Y.P. / Y.
	20,01,686	98,66,088	15 00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land								
	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary								
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.'	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	386½ / 141½	Old 125 / New 50	13 0 / 6 0	37 8 / 15 0	22 8 / 9 0	15 0½ / 6 0	5	Y
8,00,000	....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	30N	100	5 0	Nil	Nil	Nil	6	Y.P.
85,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	34½	10	3 8	3 8	3 0	1 (0	9	Y.
SUGAR (U.P. and Bihar)														
14,98,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 9,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros & Co., Ltd.	Basti Sugar	11¼N	A. 100 / B. 10	6 0 / 0 10	10 0 / 1 0	10 0 / 1 0	10-0 / 1-0	4	Y
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9	74	Nil	0 10	0 12	9	4	Y.
15,00,000	12,31,314	15,97,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	10	10	1 0	1 8	1 8	1 8	6	Y.P.
82,00,000	23 18 481	1,29,41,870	81 68,295	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8	10	Nil	Nil	Nil	1 8	6	Y.P.T.
50,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	37½	10	2 0	3 0	2 0	2 0	10	Y.P.T.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24	10	1 8	2 0	2 0	1 0	6	Y.P.
83,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd...	Hindustan Sugar Mills	130N / —	'A' 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0 / 12 0*	11 0* / 15 0*	6	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kilachand Devchand & Co.	Kesar Sugar	50N	80	3 0	4 0	Nil	Nil	6	Y.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	25½	40	1 8	2 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Savan	6½	10	1 0	2 0	2 8	5	9	Y.
1057,500 A. / 2,11,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N / 45N	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0	20 0½ / 5 0	6	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	100N	100	3 4	11 0	6 0	11 0	7	Y.P.
12,00,000	12 71 778	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	10¼N	100	1 0	1 0	6 0	6 0	10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	2 0	1 1	1 0	10	Y.P.
8,00,000	4,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	11½	10	1 0	2 8	1 0	0 8	6	Y.P.
11,90,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	12½	10	1 0	2 0	1 0	0 8	6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6⅝	10	Nil	0 8	0 6⅝		6	Y.
6,50,000O. / 1,75,000D.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 24	Nil / Nil	Nil / Nil			10	Y.P.
8,00,000	....	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	22N	10	1 12	2 0	2 0	2 8	6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	14½	10	0 4‡	2 0	1 8		9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	259	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,013	Bir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	100	Nil	5 0	5 0	3 0		6	Y.P.
13,00,000	20,25,936	24,51,980	14,55,776	3,71,334	Indis Sugar Agencies Ltd.	Indis Sugar and Refineries ..	24—4 / 5	10	1 2 / 0 12	1 4 / 1 4	1 4 / 1 4		9	Y.P.
83,57,520	29,59,135	39,13,908	19,50,442	7,69,951	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10¦N	10	1 0	2 0	1 0	0 12	10	Y.
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	45—4	10	2 0*	2 0	2 0	2 0	6	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kantilal Ltd. ..	Ramnagar Cane and Sugar ..	103½	50	2 0*	2 0	2 0	2 0	6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Rawalgaon Sugar Farm	22½	10	0 9⅜	0 12	2 0		8	Y.P.
20 00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Shree Vishnu Sugar	90N / 7N	O. 10 / D. 10	7 0	9 0	9 0 / 1 0		9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	101N	10	1 0	1 4	0 12		10	Y.
30,00,000	18,73,192	58,70,150	33,08,961	20,980	Parry & Co. Ltd.	Samastipur Sugar	14	Nil	Nil	Nil	Nil		7	Y.P.
77,30,000A. / 85,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries	162½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		9	Y.P.T.
TRANSPORT														
25,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	165	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	3 0		10	Y.
£655,380	£1,123,737	£5 428,105	£3,512,599	£13 172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	8½	Nil	Nil	Nil	Sh 10		12	Y.
8,25,00,000	74,90,233	3 91 83,993	1,26,37,485	1,00,765	Lionel Edwards Ltd.	Scindia Steamship Co.	7 10/16	10	Nil	Nil	0 8	0 8	3	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	17½	15	Nil	Nil	0 8	0 12	6	Y.P.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,176	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	4 0	30 0	35 0		9	Y.
13,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0	32 0	9	Y.
25,00,000	1,00,000	25,18,130‡‡	8,079	8,955	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	8‡	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,049	4,820	Choonilal Manilal Ltd.	Gujarat Ambuja Cements	23N	50	3 0	3 0	2 8	Nil	3	Y.
99,99,250	18,35,375	1,26,92,333‡‡	10,053	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 0	4 0	2 8		12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	162‡ / 20½ / 54	100 / 25 / —	8 0	8 8	10 0 / 2 8	10 0 / 5 0	6	Y.
2,06,72,500A. / 10,00,000B. / 10,21,200	5,61,813	2,27,70,083	98,44,166	3,43,577	Asero-Auto Ltd.	Premier Automobiles	A. 100 / B. 10	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	40	20	2 0	1 0	1 0		6	Y.
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,613	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co.	207½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000O. / 8,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5‡ / 3‡	O. 10 / D. 24	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	37,50,000	31,41,173	18,88,668	5,24,909	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	19¦	10	1 12	2 8	1 4		8	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin. Esq. (Mg. Director)	Assam Match Co., Ltd.	16ar	10	1 1 4*	1 0	1 4	1 4*	12	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	41xd	10	0 9 3/5	0 9 3/5	0 4	0 3½	12	Y.
30,00,7000. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	285 / —	O. 100 / O. 40	20 0* / 6 0	25 0* / 8 0*	20 0* / 6 0*	20 0* / 5 0(0	12	Y.P.T.
20,00,000	8,38,806	54,303,140‡‡		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	14‡	10	1 2	1 4	1 4		6	Y.
30,64,880	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	12½	10	1 0	1 4	0 12	0 8	9	Y.P.
8,25,00,000	95,00,000	2,36,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd. ..	9‡	5	0 1	0 1	0 12	0 8	3	Y.P.T.
1,60,00,000	1,25,00,000	3,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	35	10	2 0	1 8	1 8		12	Y.P.T.
51,26,000	47,57,061	1,26,55,420‡	....	5,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	138	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gasgoe Rope Co., Ltd.	198	100	10 0 / 10 0	12 8 / 12 8	10 0 / 10 0		12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	109	100	7 0	10 0	10 0		3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R Syndicate	Great Eastern Hotel	265	250	15 0	15 0	15 0	7 8	9	Y.
12,42,800	5,06,069	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Lever	100N	10	7 0	7 8	8 0		12	Y.P.
4,96,12 650	1 92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	6–7½	10	Nil	Nil	Nil	Nil	12	Y.P.T.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	12,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	105	100	3 8	5 0	5 0	Nil	3	Y.
1,52,89,220	1,07,77,190	1,11,09,713	31,29,459	15,94,449	A. R. Dickson, Esq.	Indian Cables	203	100	2 0	2 8	2 0	1 0*	3	Y.P.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	12½	10	1 0	1 0	1 0	0 12	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,24,477	4,44,163	G. M. Mackinlay, Esq.	Jardine Henderson	116½	10	10 0	10 0	10 0	7 8	3	Y.P.
6,34,000O. / 60,000D.	6,05,270	6,91,531	4,08,253	—44,994	James & Co., Ltd.	Macfarlane & Co	2‡ / 185xd	O. 5 / D. 1	Nil	Nil	Nil		3	Y.
40,00,000O. / $100,000D.O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co	100	O. 100 / D.O. 100	12 8 / 0 12	12 8 / 1 0	7-8 / 1 0		12	Y.P.
1,30,55,750	30 19 025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21	10	1 4	1 2	1 6		9	Y.
4,35,255	1,74,936	7,74,803	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3‡	10	1 0	1 0	1 0		12	Y.
4,88,040	8,84,829	9,73,621	3,93,609	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16½	10	1 0	1 0	Nil		12	Y.
10,00,000	....	11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10‡	10	1 0	1 0	1 0	1 0	3	Y.P.
10,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	15½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	9‡	10	0 4	0 8	Nil		12	Y.P.
99,97,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry & Co.	Parry's Holdings Ltd.	4‡	10	1 9 3/5	0 10½	0 6‡		12	Y.P.
8,25,00,000	25 18,049	1,69,49,507	37,33,570	24,847	G. U. Euthymopulo, Esq.	Ralli (India) Ltd.	56	100	8 8	9 0	Nil		12	Y.P.T.
1,14,00,000	78,53,108	6,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	11‡	10	Nil	0 12	1 0		12	Y.P.
60,00,000	92,32,582	1,19,84,861	70,89,235	5,36,552	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½d	10	1 0	1 0	1 8		10	Y.P.T.
95,00,000	35,00,000	12,11,901‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0	1 0	1 0	0 8(0	6	Y.P.
9,98,380	1,50,000	12,67,853	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3‡	10	0 6‡	Nil	1 0		12	Y.P.

‖ Includes investments at cost. † Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,665.

‡ Excluding Rs.31,40,08,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.*	1952 Rs. a.	1953 Rs. a.	Accounts Closed Rs. a.	Reference Rs. a.
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,033	9,47,122	2,27,361	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	34½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,973	4,75,673	71,941	Williamson Magor & Co., Ltd. ..	556	Baseli	15½	5	1 8	1 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	28½	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,46,333	18,68,359	82,500	Williamson Magor & Co., Ltd. ..	4,038	Bishnauth	34½	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,164	McLeod & Co., Ltd.	450	Bormeh Jan Tea	13⅜	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,052	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
24,00,000	11 28,535	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deton Valley	12	10	8	Nil			12	Y.
6,00,000	1,83,234	4,92,008	1,36,570	—85,911	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	262	100	30 0	22 8	10 0		12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	James Warren & Co., Ltd. ..	610	Dhrinkhat	13½	10	1 9 3/5	1 3½	1 0		12	Y.
87,53,440	6,66,828	20,85,548	2,76,346	35,084	James Finlay & Co., Ltd.	613	Dhunseri	13½	10	2 0	1 0	Nil		12	Y.P.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	625	Dimakusi	36‡	10	4 8	1 8	1 0		12	Y.P.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	669	Duffalghur	40	10	2 4	4 0	2 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,38,157	1,15,948	Williamson Magor & Co., Ltd.	1,178	East India Tea	10½	10	2 4	4 0			12	Y.
10,00,000	3,65,000	18,91,120	7,31,120	25,079	Williamson Magor & Co., Ltd.	407	Gillapukri	19	10	3 0	1 0	Nil		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	522	Gohpur	33½	10	4 0	3 0			12	Y.
3,38,000	4,00,000	12,09,149	3,56,149	1,11,346	Octavius Steel & Co., Ltd. ..	1,393	Grob	31	A. 10	3 0	2 0	2 0		12	Y.
A. 4,94,360 / B.2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..				B 5	1 8	1 0	1 0			
2,00,000	6,50,000	6,80,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	34½	10	4 8	1 8	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,06,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	307N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd. ..	879	Agarpara	15½	10	4+4	1+1	1+1	1F	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	4+10	15+15	1+10	12F	5, 11	H.P.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd. ..	446	Alexandra	Nil	5	Nil	Nil	Nil	6, 12	H.P.T.
30,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd. ..	1,264	Alliance	Nil	25	Nil	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	Nil	10	10+10	10+10	10+15	7½+5	3, 9	H.P.
4,25,000	3,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	810	Auckland	1½	4	6 +5	5 +4	2+2	3, 9	H.P.T.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd. ..	959	Bally	6	6	6 +1	Nil	4+Nil	3, 9	H.P.
49,99,953	13,91,010	1,17,79,347	56,69,702	23,914	Sahu Jain Ltd.	1,890	Barnagore	£1	£1	£1	£1	£1	9	Y.
7,15,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd.	820	Belvedere	7+10	12½+15	7½+7½	7½F	6, 12	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	1,373	Bengal	1½	2½	3	3	6, 12	6	H.P.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd.	146	Bhairab	3+10	10+12	10+12	6½+6½	3	6, 12	H.T.
90,92,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	3,552	Bhatpara	7,47,180	100	10+10	10+12	10+12	6F	4, 10	H.P.
49,97,000	750	34,32,368	27,66,646	3,018	Hindustan Investment Corpn., Ltd.	502	Caledonian	166	100	4+10	10+12	6 +6	6F	6, 12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd.	616	Champdany	142	100	3+5	5 +7	7 +8	3F	5, 11	H.S.
6,00,000	1,41,587	7,50,000k		19,867	F. W. Heilgers & Co., Ltd.	1,400	Chengail	229½	100	6+10	10+12	7 +8	3F	3, 9	H.
16,00,000	1,20,000	48,13,738	25,84,732	20,518	Macneill & Barry Ltd. ..	530	Cheviot	9	10	9 +8	8 +8	6 +6	6F	5, 11	H.P.
£240,000	£332,401	£224 840	£9,002	£90,714	Jardine Henderson Ltd. ..	500	Chitavalsah	11½	10	8 +8	11+4½	2½+1½	18F	6, 12	H.T.P.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd. ..	966	Clive	23½	10	1 +3	3½	3½	Nil	3	Y.
10,00,000	2,62,255	8,41,725	2,33,993	66,865	Bhatter's Agency Ltd. ..	766	Dalhousie	134	100	1+3	8 +6	6 +1	1½	6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd. ..	779	Delta	229	100	5+12½	15+17½	10+10	10F	5, 11	H.P.
15,00,000	32,50,000	76,04,593	36,42,731	57,631	Macneill & Barry Ltd. ..	500	Empire	20½	10	1+1	11+11	3+3	1F	6, 12	H.T.P.
31,00,000	54,39,877	2,65,42,474	1,77,44,591	3,971	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	465	100	2½+20	12½+12½	10 +10	1F	6, 12	H.T.P.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	326	100	Nil	6	Nil	Nil	Nil+9	3, 9	H.T.P.
84,32,100	2,81,692	2,09,90,458	1,34,34,379	—4,61,794	Macneill & Barry Ltd. ..	1,709	Ganges Mfg.	491	100	Nil	3½	2½+2½	Nil	Nil+Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,44,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	700	300	45	90	30	Nil	2, 8	H.P.
24,00,000	29,-5,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd. ..	1,394	Gourepore	269xd	100	2½+15	10+10	10	Nil+3½	3, 9	H.P.
40,00,000	44,39,431	97,53,908	49,35,341	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100N	100	10	7	10	10	6, 12	H.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,176	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	29½	10	1	3	1½	1½	3	Y.
65,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd. ..	1,940	Howrah	24½	10	3+3	3 +3	1 +½	1+1	3, 9	H.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramkutt Ramkissendas ..	2,272	Hukumchand	40¾	10	3+3	5 +5	3 +3	3F	6, 12	H.P.
O. 87,00,000	19,43,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co.	1,076	India	127	O. 125	3½+9½	3½+1½	3½+3½	5½F	3, 9	H.
D. 30,00,000									D. 1	A 7½ 7½	2½	2½	2½F		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd. ..	1,797	Kamarhatty	181	100	8½+8½	10+12½	8½+6	6F	6, 12	H.P.
"B" 19,20,000								176	'B' 100	8½+8½	10+12½	8½+6	6F		
30,00,000								136	'B' 100	Nil	5 +7½	6 +5	5F		
"B" 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd. ..	1,527	Kankanrah	230	100	10+10	12½+2½	7½+7½	7½F	6, 12	H.P.
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd. ..	1,530	Khardah	190xd	100	Nil	5 +5	10 +6	10F	6, 12	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd. ..	1,250	Kinnison	193	100	1½+4	10 +9	10+15	10F	5, 11	H.P.
48,00,000	98 02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co. ..	931	Lansdowne	130	100	2+10	11 +8	10 +7	4+5	3, 9	H.P.T.
24,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	840	Lawrence	148	100	2+10	11 +8	7 +3	2+5	3, 9	H.P.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	1,394	Ludlow	295	100	5+10	13+17½	10+4	2+3	3, 9	H.
10,00,000	36,51,301	50,59,106	35,14,126	64,044	Andrew Yule & Co., Ltd.	558	Lothian	107½	100	2½+6½	2½+1½	15+15	15F	5, 11	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	29,020	Mackinnon Mackenzie & Co.	815	Naihati	130	100	Nil	2½+1½	2½+2½	2½F	3, 9	H.
29,98,900	41,07,593	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co. ..	425	Naskarpara	12	10	Nil	3 +3	6 Nil	Nil	3, 9	H.
20,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd.	852	National	24½	10	1+1	1½+1½	2 +1	Nil	6, 10	H.T.
35,00,000	44,29,437	27,58,552	8,93,551	1,91,832	Andrew Yule & Co., Ltd.	316	Nellimarla Jute	11½	10	1½+1½	2½+2	2 +1	1F	4, 10	H.P.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd. ..	709	New Central	299	100	4+10	15+15	10+12	12F	6, 12	H.P.T.
10,50,000	49 78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	567	Nonbrook	19½	10	Nil	Nil	Nil	1F	6, 12	H.P.
16,79,880	48,96,093	1,22,95,594	56,02,089	39,494	Bird & Co., Ltd.	1,092	Nuddea	46	50	Nil	1½	1½+1½	1 +½	3, 9	H.P.T.
66,79,500	33,26,497	2,13,29,378	1,36,90,475	67,545	Macneill & Barry Ltd. ..	1,811	Orient	601	100	4+10	12+12	1 +6	6F	5, 11	H.
24,91,000	26,56,049	70,68,289	48,27,892	1,05,356	Andrew Yule & Co., Ltd.	400	Prasidency	5½	5	1	1	1 +6	6F	5, 11	H.P.
15,00,000	4,41,364	80,71,921	61,33,411	—1,90,348	McLeod & Co., Ltd. ..	305	Rameshwara	52	10	Nil	½	Nil	Nil	6, 12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Macneill & Barry Ltd. ..	1,276	Reliance	14	10	Nil	Nil	Nil	Nil	3, 9	H.
49,50,000	1,50,000	1,23,47,173	56,07,248	71,971	Jardine Henderson Ltd. ..	2,013	Samnuggur	13	£1	10%	10%	10%	4+4	3, 9	H.P.T.
£600,000	£1,102,661	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	911	Shree Ambica	14	10	Nil	1½+1	1F		6	Y.P.
30,00,000	13,07,220	97,20,210	59,19,652	6,03,669	Begaria More & Co., Ltd. ..	403	Soorah	231N	10	½	Nil	Nil		12	H.
14,00,000	7,74,812	48,14,456	35,67,743	5,34,994	Hindustan Investment Corporation.	650	Standard	118	100	3+6	9 +8	8+1	1+1	3, 9	Y.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	1,42,202	Bird & Co., Ltd	13	Titaghur	£1	10%	10%	10%	10%	1+1	2, 8	H.P.
£600,000	£449,927	£490,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13	10	1+7	12½+11	10+1	1+4	6, 12	H.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	162½	100	1+7	12½+11	10+1	1+4	3, 9	H.P.T.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	£1	£1	10%	10%	10%		3, 9	Y.P.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40 1/40	Nil	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1 + 1	1 + ½	½ + ½	1F	3, 9	H.
12,00,000	8,42,703	37,53,383	34,25,643	38,826	Jardine Henderson Ltd. ..	Bararee Coke	19	10	½ + ½	½ + ½	½ + ½	As 11½F	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	7N	10	½ + ½	½ + ½	½ + ½	½F	3, 9	H.
1,00,00,000	1,17,00,000	5,25,91,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	507½	200	17½+17½	17½+17½	20 + 20*	17½F	4, 10	H.P.
2,25,000	3,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	12½	10	½ + ½	½ + ½	½ + ½	2+2	3, 9	H.P.T.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd. ..	Bhalgora	3	10	½	½	½ + ½	Nil	6, 12	H.P.
49,99,953	13,91,010	1,17,79,347	56,69,702	23,914	Sahu Jain Ltd.	Bharat Collieries	6½	10	½	½	½		9	Y.
7,15,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	14½	10	½	½	½	Nil	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	7 6/8	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	1½+1½	1½*+1½*	1½*+1½*	1½*	6, 12	H.T.
90,92,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	8½	10	½ + ½	½ + ½	½ + ½	½F	6, 12	H.P.
49,97,000	750	34,32,368	27,66,646	3,018	Hindustan Investment Corpn., Ltd.	Central India	6	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd.	Central Kurkend	14½N	10	½ + ½	Nil	Nil	Nil	3	Y.
6,00,000	1,41,587	7,50,000k		19,867	F. W. Heilgers & Co., Ltd.	Churia	2½	4	½ + ½	½ + ½	½ + ½	½F	6, 12	H.
16,00,000	1,20,000	48,13,738	25,84,732	20,518	Macneill & Barry Ltd. ..	Dhemo Main	9	10	½ + ½	½ + ½	½ + ½	Nil	6, 12	H.
£240,000	£332,401	£224 840	£9,002	£90,714	Jardine Henderson Ltd. ..	East Indian	25½	£1	1½	1½	Nil	Nil	6, 12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd. ..	Equitable	31	10	2½ + 2½	2½ + 2½	3½ (i) + 2½	2½	6	Y.
10,00,000	2,62,255	8,41,725	2,33,993	66,865	Bhatter's Agency Ltd. ..	Ghusick and Mualia	15N	10	1+3	8 + 6	6 + 1	1½ + 1½	6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd. ..	Hingir-Rampur	38	50	3	3	4	3	3	Y.
15,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd. ..	Hurriadih	15½	10	½	½	½ + ½	1F	6	Y.P.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajaaj Trust Ltd.	Jogta Coal	2½	10	Nil	½ + ½	Nil + ½	1F + ½	6, 12	H.
3,50,000	3,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	40½N	10	1½ + 1½	1½ + 1½	Nil + Nil	Nil + Nil	12	Y.P.
20,00,000	.. ..	25,62,791	1,10,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	80	100	Nil	Nil	Nil	1½+1	2, 8	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Kairas Jhernah	40½	10	1½ + 1½	1½ + 1½	Nil	Nil	2	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berwasla & Co.	Khas Kajora	73N	10	½ + ½	½	2+2	2+2	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd. ..	Kumardi	6½	10	1½	3½			6, 12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd. ..	Lakurka	10½N	10	1	3			6	Y.
7,48,240	1,50,000	11,24,142	8,84,138	20,398		Nazira	6½	10	½ + ½	½ + ½			6	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	3/10x3/10	Nil	Nil	½	6, 12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd.	New Manbhoom	11	10	½ + ½	Nil	Nil	Nil F	4, 10	H.P.
1,15,000	3,36,004	12,61,739	7,54,794	6,603	Andrew Yule & Co., Ltd.	North West	12½N	10	½ + ½	½ + ½	½ + ½	½F	3, 9	M.
1,57,500							8N	7½	½ + ½	½ + ½	½ + ½	½F		
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	Ondal	19½	10	1½ + 1½	1½ + 1½	½ + ½	1F	3, 9	H.
10,00 000	1,10 000	35,60,122	14,26,827	56,421	K. C. Thayer & Bros. ..	Oriental Coal	11½N	10		½ + ½	½ + ½		6, 12	H.P.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kabenlal) ..	Parasea	3½	10	Nil	Nil	Nil	1F	6, 12	Y.T.
15,75,000	8,75,000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd.	Perch Valley	23½	10	½ + ½	½ + ½			6, 12	H.P.
23,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd. ..	Ramagunge	11½	10	Nil	½	Nil		2, 8	H.
13,50,000	7,38,385	30,56,328	26,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	24½	10	½ + ½	½ + ½	½ + ½	1F	3, 9	H.
20,00,000	3,95 008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	10½	10	½ + ½	½ + ½	½ + ½		6, 12	H.
1,25,000	1,75 000	11,69,383	9,78,899	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½N	2½	½	½	½		6, 12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	24	5	2½ + 2	2 + 2	2 + 1	1F	6, 12	Y.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd.	Sendra	9N	10	½ + ½	½ + ½	Nil	Nil	6, 12	H.P.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.T.
					Bird & Co., Ltd.	South Karanpura	9½	10	½ + ½	½ + ½	½ + ½		12	Y.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	F. W. Heilgers & Co., Ltd.	Standard	20½	10	1 + ½	½ + ½	½ + ½	½ + ½	2, 8	H.
8,00,000	13,89,545	1,69,570	21,910	87,018	Villiers Ltd	Talcher	3½	2½	Nil	Nil	½ + 1	1F	6, 12	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Williamson Magor & Co., Ltd.	Umaria	23½	10	1½ + 1½	½ + ½	1½F		6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Hindustan Investment Corpn., Ltd.	West Bengal	3½	10	½	½			6, 12	H.
49,98,000		44,91,158	13,91,545	63,500	Macneill & Barry Ltd. ..	West Jamuna	18½	10	½ + ½	½ + ½	Nil	Nil	6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989									6, 12	H.

* Including bonus. a Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 288 in the debentures section:—

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

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

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

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

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case

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

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

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

MARKET GOSSIP

(Concluded from page 243)

godowns. Although tobacco prices have collapsed from As. 6 a pound to as low as As. 1½ a pound, there have been no buyers. Consequently, widespread distress is prevailing among the growers.

• • • •

It is most unfortunate that the interests of the tobacco growers, who constitute an important sector of the Indian economy, have remained neglected, despite repeated cries for assistance. Although the attention of the State and Central Governments was drawn to the deteriorating position of the growers as far back as in December last, when the Indian Central Tobacco Committee was in session at Madras, no concrete measures would appear to have been taken so far to save the grower from the miserable plight in which he finds himself today.

• • • •

The causes for the present crisis in the tobacco industry are rather deep-rooted. The output last year, estimated at 219,000 tons, was higher by 6.8 per cent. than that in 1952. But the crop was affected by unfavourable weather conditions and, consequently, suffered adversely in respect of both yield and quality. The average yield of tobacco in Andhra is about 1,094 lbs. per acre which is less than half of the yield, say, for instance, in West Germany, in which it is as high as 2,352 lbs. per acre. In several parts of the State, which is the principal tobacco-producing area in the country, not only has the yield been lower than the average stated above, but the qualities grown have fallen, according to the Commerce and Industry Minister, Mr. T. T. Krishnamachari, under as many as 18 grades, most of them being inferior varieties. The presence of too many lower grades is attributed, according to Mr. Raghuramaiah, President, Andhra State Tobacco Growers' Conference, to a lack of application of results of agricultural research to the cultivation of tobacco. This complaint is significant, in that it underlines the lapses on the part of the Indian Central Tobacco Committee in its work of passing on some of the valuable results of research work carried on by the Tobacco Research Institute, Rajahmundry, to the actual field. This Institute has worked out manurial schedules, evolved better processes of cultivation and discovered economic methods of curing tobacco with less coal. But it is difficult to understand why the benefits of these results have not yet reached the grower.

• • • •

Lack of adequate finance would appear to be another great handicap of the tobacco growers in India. The present distribution of loans through *tacavi* and co-operative societies has fallen far short of the requirements of the cultivators. A suggestion has been made that a separate finance corporation with a capital of Rs. 2 crores should be started to cater to the needs of tobacco merchants. This is a strange demand and we wonder what made Mr. Krishnamachari give the assurance that he would consider this proposal. By doing so, he is giving rise to a false hope, because the suggestion is not workable. The best way of inducing finance to flow into this trade is to improve the marketing methods and to provide proper storage facilities.

• • • •

A part of the present crisis in the tobacco industry is traced to the existing method of excise levy on tobacco sales. The complaint of the President of the Andhra Tobacco Growers' Conference in this context is quite legitimate. The flat rate of excise duty on all Virginia tobacco, irrespective of quality, has forced manufacturers of cigarettes to pay the same rate of excise levy and go in for top varieties costing Rs. 3 a pound rather than purchase low grades costing As. 3 a pound. This indiscriminatory flat rate is in a large measure responsible for the accumulation of low grade tobacco stocks. The accumulation has been so heavy that the growers have perforce been compelled either to convert these grades of tobacco into manure or to export them on a consignment basis, without obtaining sufficient returns to meet even shipping freight, let alone a remunerative price.

• • • •

The trade in tobacco is governed by the Madras Commercial Crops Marketing Act. Under this Act, regulated markets have been established in only two districts, namely, Krishna and Guntur. In these markets, sales of tobacco through a compulsory system of auctions take place. Although this system is good in principle, it has not worked to the advantage of growers on account of the non-existence of organised markets in other parts of the country. It is stated that bulk buyers have often combined either to beat down prices at auctions or purchase at low rates in unorganised markets, with the result that the growers have had to submit to disturbingly low prices.

• • • •

This unsatisfactory state of affairs should not be allowed to continue in an important cash crop such as tobacco. Its role in the Indian economy is by no means an inconsiderable one. Next to the U.S. and China, India is the third biggest producer of tobacco in the world. As an earner of foreign exchange, its place stands high in the export list. In 1950-51, exports of tobacco earned for the country as much as Rs. 16.55 crores worth of foreign exchange. The earnings rose to Rs. 17.45 crores in 1951-52, but again dropped to Rs. 14.69 crores in the following year. In the first half of 1953-54, they amounted to only Rs. 8.07 crores as compared with Rs. 9.39 crores and Rs. 9.93 crores in the corresponding periods of the preceding two years respectively. The decline in exports is indeed a cause for concern and calls for immediate measures calculated to promote expansion of exports of tobacco.

• • • •

The Government has already sent two officers abroad to explore the possibilities of finding sales for Indian tobacco. It is now proposed to send a few more. Further, with a view to encouraging export of tobacco seed oil, the Government abolished the export duty on it in July last. These by themselves are not adequate to produce results. The Government should expedite the appointment of the Export Advisory Committee to be in charge of the promotion of tobacco exports as promised by Mr. Krishnamachari at the last Export Advisory Council meeting. It has to reduce excise duty on low grades of flue-cured Virginia tobacco and to abolish the *ad valorem* export duty on Indian cigars. It is also necessary to extend the market yard system to the entire tobacco-producing area, to install tobacco redrying plant and to revise tobacco grades on a more scientific basis than at present. Possibilities of expanding the internal market for low grade tobacco should also be explored as a long-term measure.

SUCCESS OF INDUSTRIAL MANAGEMENT—I

(Concluded from page 255)

transporting free belonged to its rival company, which, having foreseen the result of the rate-war, had decided to abandon its rail-road business and had instead gone into the cattle trade.

The statement

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotations Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	382	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				191	50	9 0	9 0	9 0	4 8(i)		
1,21,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,14,000	1,28,10,000	2,38,382	Bank of Baroda	107½	50	6 0	6 0	6 0	6 0	12	Y.
40,00,000	14,00,000	8,667	Bank of Bikaner	12½	25	1 0	1 0	1 0	12	12	Y.
2,50,00,000	3,52,50,000	6,36,553	Bank of India	154½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,00,000	24,00,000	63,260	Bank of Indore	61½	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	55,324	Bank of Jaipur	198	50	8 0	8 0	8 0		12	Y.
50,00,000	84,00,000	2,44,634	Bank of Mysore	292½d	100	16 0	16 0	16 0	8 0	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	10,50,000	9,417	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	85	50	5 0	5 0	5 0		12	Y.P.
8,62,31,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	59	25	3 8	3 8	3 8	3 0	12	R.L.Y.
82,42,575 A				63	25	3 8	3 8	3 8	3 0		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12	2 0	12	Y.
1,80,00,000	1,00,00,000	18,10,925	Habib Bank (P)	8⅝N	20	2 0	4 0	4 0		12	Y.
8,25,000	16,20,000	16,609	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
80,00,000	1,30,00	1,412	Hindustan Mercantile Bank	11½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,00,395	Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	9	Y.
9,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,500xd	500	60 0	70 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				440xd	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				166	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	138	85	10 3½	10 3½	10 3½	5 1 3(i)	6.12	R.L.H.
15,00,000				98½	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,96,425	19,00,000	1,89,917	Indian Overseas Bank	95	100	5 6	5 6	5 6		12	R.L.H.
6,25,000				73	100(A)	9 0	7 8	6 0		6.12	H.
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 0			
10,00,000				39	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,665	Punjab National Bank	21	25	1 0	1 0	1 8	1 0(i)	12	Y.
8,65,61,410	37,50,00	37,630	Travancore Bank	13	25	—	—	—		12	Y.
4,00,00,000	30,00,00,0	2,66,175	Union Bank of India	6½	5	0 5	0 5½	0 5½	0 5½	12	Y.
6,60,00,000	75,00,000	1,01,119	United Commercial Bank	41½	50	2 0	2 0	2 0	2 0	12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
40,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-1-0	£5	14½	14½	16½	7½	12	R.L.Y.
41,00,00,000	£1,250,000	£102,597	Eastern Bank	£7½	£5	7½	9½	7½	3½	12	R.L.Y.
H.K.$20,00,00,000	H.K.$50,00,00,000	H.K.$9,69,174	Hongkong and Shanghai Banking Corporation	H.K. $125	H.K. $125	5%	5%	5%	2%(i)	12	Y.
£14,375,976	£16,000,000	£418,242	Lloyds Bank	£2 10-9	£1	12½	12½	12½		12	R.L.Y.
£1,437,256				£1-7-0	5s	1½	1½	1½			
£375,00,00				£24½	A £12½	12½	12½	14½	7½(i)		
£375,00,00	£1,500,000	£200,143	Mercantile Bank of India	£24½	B £12½	12½	12½	14½	7½(i)	12	R.L.Y.
£50,00,00				£10	C £5	12½	12½	14½	7½(i)		
£2,581,250	£3,675,000	£323,703	National Bank of India	£37½	£12½	16½	16½	16½	8½(i)	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency ††O.S. Currency (i) Interim. *6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
8,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	90½	28th February 1960(f)
6,00,000	5½	30th June and 30th December	Ram Rupper Cane & Sugar Co., Ltd.	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November 1959-64
10,00,000	6	1st May and 1st November	Wahkaddaqar Industries	105	1st April 1956-61
85,00,000	4½	1st May and 1st November	Wahkaddaqar Industries (New)	92	1st November 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Parsotti Cotton Mills Ltd.	85	30th April 1964
4,00,000	4½	10th May and 10th November	Ferozi Nagpur	55½	15th November 1956(a)
8,00,00,000	5	1st April and 1st October	Ekshingji and Carnatic	100½	1st January 1957-72
13,65,000	5½		Jupiter Textiles	79⅝	1st January 1956-59
40,50,000	5	1st June	Tata Mills	101	1966-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102½	14th June 1959
88,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October 1958
12,00,000	4½	30th June and 31st December	Baroda Electric Light and Power Co., Ltd.	94	31st December 1964
2,25,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	102½	31st December 1970
15,00,000	4	30th June and 31st December	Gwalior Electric Supply Co., Ltd.	94	31st December 1970
35,00,000	5	1st January and 1st July	Shiva (Partial) Electric Supply Co., Ltd.	96	30th June 1976
7,50,000	5½	1st January and 1st July	South Madras Electric Supply	97	1957-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October 1954
3,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1953-63
6,63,000	4½	1st April and 1st October	South Madras Electric Supply	96	1st July 1957-67
47,73,000	4	1st April and 1st October	Tata Power	104½	15th September 1951-55(i)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September 1963-70
ENGINEERING					
8,00,000	3½	30th June and 31st December	Britannia Engineering	98	31st December 1954
8,00,000	5	30th June and 31st December	Bilcare and Roof (India) Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Iron & Pipe (2nd mortgage)	102	1st July 1957-62
61,83,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	96	31st December 1956(ii)
10,00,000	4	31st May and 30th November	Kumaschni Engineering Works Ltd.	88	31st May 1971
8,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	90½	31st December 1960
JUTE					
82,00,000	4½	1st October and 1st April	Agarpara	99	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	99	31st December 1964
30,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July 1959(c)
10,49,000	5	30th June and 31st December	Chiswalah Jute Mills	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire	95	15th July 1966
25,00,00,000	3½	1st January and 1st July	Hukumchand	97½	30th June 1957
25,00,000	5	30th June and 31st December	Kurnioon Jute Mills Co., Ltd.	98	31st December 1964
25,00,000	5	30th June and 31st December	Nasban	98	31st March 1967
5,00,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98½N	31st March 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	98	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	5th September 1965
8,00,000	4½	14th March and 14th September	Scottish Jute	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	84	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	86	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1908 £66½N	At 110% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933 £77½N	1st October 1974
6,50,000	3½	30th June and 31st December		1945 90½	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £85½N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	1st September 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102-9 3/5	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April 1954-56
4,41,000	5½	30th June	Ouchterlony	104	30th June 1954-59
9,00,000	5	31st March & 30th September	Perukamalai	100½	31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June 1957(i)
21,00,000	4½	1st February and 1st August	Chowringhee Properties	92	1st February 1964
21,35,000	4½	1st July and 1st January	Clive Buildings	88½	1st July 1966
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
1,00,00,000	5	31st March and 30th September	Dalmia Cement Ltd.	79½	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102½	1st January 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	96	1964
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	410 (per note)	31st December 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	97	31st March 1961
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	87½	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	103½	31st May 1968

Note—See page 286 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th February, 1954.

	Closing quotations 4-2-'54	High	Low	Closing quotations 11-2-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	154½	151½	154
Bank of Baroda (50)	107	107½	107	107½
Central (25)	58½	59½	58½	58½
Central 'A' (25)	62½	63½	63	63
Imperial (F.Po.) (500)	1,810	1,805	1,800	1,082½
Imperial (F.Pd.) (125)	440	440	437½	440
Union Bank (5)	6⅞	6⅞	6-6½	6⅞
United Com. (50)	41½	41½	40½	41
COTTON MILLS				
Abm. Adv. (100)	147½	148½	147½	148½
Apollo (2)	2-11½	2⅜	2⅜	2⅜
Bombay Dyeing (250)	423½	433½	420	433½
Central India (100)	185	196	183	193
Century Mills (100)	299	311	296½	308½
Colaba (100)	65	—	6-6½	6⅞
Edward Textile (200)	263½	262½	256½	263
Elphinstone (50)	41½	42	41	42
Finlay (100)	274	276	271	275
Gokak (100)	253	265	252	264½
Ind. Unit. Defd. (1)	1-10¼	1⅛	1⅛	1-1⅛
Ind. Unit. Ord. (10)	11⅛	11⅛	11⅛	11⅛
Indore Malwa (100)	98½	100½	97½	98½
Kaisar (100)	214½	203	203	205½
Kohinoor (100)	316½	321½	265	319½
Lakshmi (250)	506½	596½	592½	592½
Madhusudhan (100)	91	91	87½	89½
B. R. Cotton Mills (100)	49½	50	49	50
Minerva Mills (100)	101	116	103½	106
Model Nagpur (250)	140	141½	140	141½
Morarji (100)	198½	206½	195	206½
Mysore (50)	165	166	165	166
New City (100)	180½	—	—	180½
New Great (100)	167	168	165	167
New Union (10)	26½	—	—	26½
Phoenix (100)	133½	—	—	134
Podar Mills (100)	137½	136½	135	136½
Raseson Silk (10)	104	—	—	104
Raseson Spg. (10)	32	—	—	32
Shahpur (1,000)	1,750	1,730	1,710	1,730
Shrinivas (100)	175	182½	175	182½
Sir Pratap (50)	154	155	152	154
Standard (100)	322½	331½	325	326½
Swadeshi (100)	282½	295½	281½	293
Swan (100)	346½	352	340	352½
Tata Mf. (25)	52	54½	51½	53½
Vishnu (100)	153½	159	150	159
Western India (1,000)	3,350	—	—	3,350
ELECTRIC COS.				
Ahmedabad (100)	114½	115½	114½	115
Amalgamated (10)	10½	10½	10½	10½
Andhra Valley (1,000)	1,252½	1,257½	1,252½	1,257½
Bom. Sub-El. (100)	122½	—	—	121½
Surat (100)	131½	—	—	131½
Tata Hydro (100)	139	139	138	139
Tata Power (1,500)	1,380	1,396½	1,375	1,390
INSURANCE COS.				
British India (10)	135½	—	—	13-5½
Empire of India (100)	640	—	—	640
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7½	—	—	7½
New India (15)	40	40½	39½	40½
Oriental (200)	7,085	—	—	7,085
Universal (10)	9½	—	—	9½
Vulcan (10)	11½	12⅛	11½	12½
STEAMER COS.				
Scindia (18)	17-1½	17⅜	16⅜	17-7⅛
STEEL COS.				
Ind. Iron (10)	28⅛	28⅛	27-14½	28⅛
Tata Iron. Defd (30)	2,101½	2,127½	2,085½	2,117½
Tata Steel Ord. (75)	357½	365½	355½	359
MISCELLANEOUS				
Alcock Ashdown (100)	341½	360½	338½	360
Associated Cn. (100)	176½	177½	173½	177
Belapur Sugar (5)	256½	260	253	259
Bom. Burmah (125)	365	367½	362½	385
Do. (New) (50)	141½	141½	139½	140
Br. D. Petrol (4 sh.)	3 1⅛	3 3¼	3	3 3⅛
Br. I. Corpn. (5)	9	9½	8-15½	9⅛
Indian Copper (2 sh.)	3-1⅛	3⅛	3⅛	3-1⅛
Ind. Inv. Tr. (100)	76½	—	—	76½
Kemp (200)	265	—	—	265
Kirloskar (100)	160½	162½	160½	162½
Kilachs (75)	126½	130	126½	130
National Rayons (100)	147½	154½	146½	151½
Phelton Sugar (50)	110	111	101	101½
Port Lanching (150)	24½	—	—	24
Premier Cm. (30)	114½	120	113	118½
Shivaram (10)	72	72	71½	71½
Tata Chemicals (10	11½	11⅝	11-5½	11-9½
Tata Oil (25)	35	35½	35	35½
Watchand Ind. (100	178½	180	177½	178½
W. I. Match (100)	207½	208½	206½	207½

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Later Redemption
	Rs	Rs.
2½% 1954	99 3 42	— 99⅜
2½% 1955	99⅜ 3 47	— 99⅜
2½% 1961	90⅜ 3 91	— 90⅜
2½% 1960	93⅜ 3 87	— 91
2½% 1962	91⅜ 3 88	— 91⅜
2½% 1974	82⅜ 3 96	— 82⅜
3 % 1957	98⅜ 3 47	— 98⅜
3 % 1958	99⅜ 3 43	— 99⅜
3 % 1959-61	96⅜ 3 59	3.77 98⅜
3 % 1964	92⅜ 3 87	— 92⅜
3 % 1963 65	92⅜ 3 81	3 93 92⅜
3 % 1966-68	90⅜ 3 58	— 90⅜
3 % 1970-75	84⅜ 3 83	— 84⅜
3 % 1989 Con. Loan	82⅜ 3 64*	4 12 84⅜
3½% 1954-59*	100⅜ 3 45	3 22 100⅜
4% 1960 70	101⅜ 3 85	3 88 101⅜
4½% 1955-60	102⅜ 4 02	3 76 102⅜
4½% 1958-68*	105⅜ 4 04	3.27 105⅜
3½% 1961 N.P. Bonds	98⅜ 3.67	— 98⅜

BRITISH GOVERNMENT SECURITIES	2-2-54 £	High £	Low £	9-2-54 £
2½% Brit. Consols	63⅜	64⅛	63⅛	64⅛
3 ½ Savings Bonds 1965 75	82⅛	88⅛	88⅛	88⅛
3½% War Loan 1955-59	102⅛	102⅛	102⅛	102⅛
3½% War Loan 1952	84⅛	85⅛	84⅛	85⅛
3½% Brit. Iron and Steel 1976-78	93⅛	93⅛	93⅛	93⅛
4 % Funding Loan 1960-90	101⅛	103⅛	101⅛	101⅛

x.d.—Ex-dividend * Rupee Counterparts.

COMMERCE

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

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MORE ABOUT SUGARCANE PRICE

THREE weeks have passed since we last commented on the U.P. sugarcane growers' demand for a higher minimum price for their produce. Some important developments have taken place in the interval and it is worthwhile assessing their significance, if only to see whether the handling of the situation by the authorities has been on sound lines. The strike, sponsored by the Praja Socialist Party and a couple of other leftist parties, did materialise, as was scheduled, on the 1st inst., but it did not go very far. It is actually fizzling out at the time of writing. Only a few factories have been affected and that too for a short period. All available indications go to show that the cane growers did not show much enthusiasm for the strike. They were concerned at the prospect of their cane drying up and of losing the chance of selling their crop and raising much needed cash, for which they had toiled for well-nigh a year. Their stake was something substantial and real, whereas the politicians who were instigating them to go on strike had hardly any, except their reputation. It would have been a great tragedy for the U.P. farmers, if these politicians had succeeded. The cane growers, [illegible] deserve to be congratulated on the [illegible]ing they displayed by them. Congratu[illegible]high due to the Central and Uttar [illegible]sants for the firmness with [illegible]as strike threat. Undoubtedly, [illegible]ds Kidwai, the Union Food [illegible] Govind Ballabh Pant, [illegible]ear fr Uttar Pradesh, did their best [illegible]eme One prime growers from following the [illegible]rity shared given by the Praja Socialist [illegible]e mediat, unfortunately, they have, in their decided to appease the cane growers, committed is lee themselves to a course of action which is fraught with serious consequences to the economy of the country. We wish they had heeded the warning sounded in these columns against such a course and firmly resisted the temptation to give a little more to cane growers.

The Governments were right in turning down the cane growers' demand, inspired by the socialists and other left-wingers, for a straight increase in the so-called minimum price for cane from Re. 1-7 to Re. 1-12 per maund. But they were wrong in deciding to give the growers "a legitimate share of the additional profits made by factories during the current season." As was pointed out by us three weeks ago, the present minimum price itself assures the grower a far more handsome return than he could hope to get by growing other crops. It is a misnomer to call it a minimum price. It is, really speaking, more than a fair price; in fact, it is unduly high considering the poor quality of cane grown in U.P. and Bihar, where the average sugar recovery is no more than 9.5 per cent., as compared with 11 to 12 per cent. obtained from the cane grown in the Deccan. Now, to pay something more for this cane is surely absurd, as it tantamounts to giving a reward for inefficiency. In agreeing to do so, the authorities have, in a way, capitulated to the growers' threat. Mr. Kidwai himself is reported to have stated at Ramkola, where he addressed the Northern India Sugarcane Growers' Conference last week, that he could not appreciate the clamour for enhancement of sugarcane price when the prices of foodstuffs and other commodities were falling. Why then has he agreed to secure for the cane growers an extra price for them through a scheme of profit-sharing with the sugar mills? The answer to this question is politics. He must somehow keep the cane growers contented, lest the Congress should lose their support.

As readers are aware, the cane growers' demand for a higher price has arisen, because the sugar mills have been realising on the sale of their sugar a price higher than the so-called fair price of Rs. 27 per maund. That logically this line of argument is correct has already been conceded by us. But, then, the best solution for it is to remove the cane growers' jealousy of the mills making a little extra profit, by completely decontrolling the price of cane and by allowing, at the same time, larger imports of foreign sugar which is now cheaper than Indian. The Government of India, it is true, has now decided to allow imports of 5 lakh tons of sugar for about a year from 1st February, 1954 to 13th March, 1955, but it has chosen to retain the control on sugarcane price. Even in regard to imports, the Government has not dropped its present policy which has been largely responsible for defeating the very object for which imports were decided upon. The policy of controlled distribution of imported sugar at a uniform price, fixed at a level which provides an effective floor of Rs. 30 per maund to domestic producers in U.P., Bihar and other centres situated far away from the ports, has failed to bring down the price of sugar as was envisaged when the price of cane was fixed in September, 1953. If this state of affairs is not to be perpetuated, the Government should revise its policy in regard to disposal of imported sugar.

This can be done in two ways. One way is to allow imports of sugar freely, subject to one safeguard. It is necessary to see that both the domestic industry and cane growers are not allowed to suffer unduly through competition from cheap foreign sugar. This can be ensured by raising the import duty to the required level. It has been decided, rightly or wrongly, that Rs. 27 per maund, ex-factory, represents a fair price for the current season, on the basis of Re. 1-7 per maund for cane. The import duty, which is rather low at present, should be so adjusted as to see that the sale of imported sugar in the consuming centres below that price would be uneconomical. In making such adjustment, the authorities should take into consideration the fact that domestic sugar has been fetching a premium over imported sugar, as the former is said to be sweeter than the latter by about 10 per cent. If this point is ignored, then all calculations will go wrong as they have done ere now. Such an adjustment, however, will have to be fairly frequent, if prices of sugar in foreign countries fluctuate widely and frequently. Whether frequent adjustments in import duty will be feasible is a question that needs to be examined.

The other way is to continue the present system of imports, but the Government should be ready to vary the price at which it is selling imported sugar to the trade from time to time to keep down the price of domestic sugar at a reasonable level. This would mean a reduction in the profit which the Government is now making on imported sugar. The advantage which this method has over the former is that the import duty need not be altered from time to time. But it suffers from three defects. One is that purchases of sugar are not being made as efficiently as would be done by private enterprise—under the present system, the Government's agents buy sugar in foreign markets and the sugar thus bought is sold to the trade in this country through tenders. Secondly, all foreign sugars are sold at a uniform price, irrespective of difference in their quality. Thirdly, this is most important, the Government is usually very reluctant to give up its share of profit by reducing the price at which it accepts tenders. Consequently, adjustments in prices may not be made in good time. In short, both the methods have some advantages as well as disadvantages. It is for experienced business men and officials to put their heads together and decide which one of the methods would be more suitable.

So much for the Government's policy in regard to imports of sugar. The next issue that needs to be discussed is the proposed profit-sharing scheme. Now that the Government has definitely committed itself to this system, its implications and practicability deserve to be carefully studied. In the ultimate analysis, the Government's move amounts to increasing the favouritism it has already been showing to cane growers. It is economically inexplicable why the Government should show so much bias in favour of those who grow sugarcane. If the system of profit-sharing is introduced for sugarcane, the question that naturally arises is: Why not for other crops too? Cloth has been decontrolled, but cotton is subject to control, as a result of which the grower of cotton is being compelled to sell his crop at appreciably below world prices. The cotton grower will, therefore, be induced to ask for a share in the profits of textile mills. Indeed, the cotton grower has a greater justification for making this demand than the cane grower, because, whereas he is being paid well below world prices for his cotton, the cane grower gets a price which is higher than the world price. It is quite conceivable that producers of other agricultural crops also may ask for a similar arrangement with the processors of their produce. It will thus be seen that a profit-sharing scheme for sugarcane will be a bad example for the whole country. The fact that it is in force in one or two centres in the country is no argument in favour of its extension throughout the country. A wrong practice cannot become a right one by wider adoption.

Just as profit-sharing with workers unrelated to productivity is bad, so is profit-sharing with cane growers which has no relation to the quality of cane. It will only accentuate the evils of the present system of fixing a high level of minimum price on the basis of weight, with no consideration whatever for the quality of cane. Under such a system, farmers will be keen on growing only heavy-weight cane and not cane with high sucrose content. The country has had enough of this defective price policy, a policy

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which has not helped it to produce sugar at a price which suits the pockets of consumers. It would be most regrettable if this defect were to be magnified, as it would certainly be, by the introduction of the profit-sharing system. As the public has learned through bitter experience, a concession once shown to sugarcane growers always remains, for it becomes politically difficult to withdraw even when everyone realises that it will be in the larger interests of the country to do so. The Government of India, therefore, must think a thousand times before introducing the profit-sharing scheme it has in mind now.

In actual practice, no proposition is, perhaps, more complicated than a profit-sharing scheme. The Government's efforts to try this scheme for industrial workers had to be abandoned, because it was not practicable. Details of the Government's move for sugarcane growers have not been made available yet. It is still only a vague idea. Mr. Kidwai is believed to have told Press men at Lucknow that his aim was to let the cane growers have 60 or 62 per cent. of the excess profit, leaving the balance for the mill-owners. It is not known what would be the basis for determining the excess profit. According to some, the fair price of Rs. 27 per maund of sugar should be taken as the basis, while there are some who say that the current price should be regarded as the basis. Whatever that may be, one of the reasons why the Praja Socialist Party had turned down this proposition was that it would, in actual practice, mean a benefit of no more than one anna. Whether this conclusion is right or wrong only Mr. Kidwai knows. It is quite probable that even he does not know, for everything will depend upon the prices realised by the factories on all their production. That means the exact benefit to cane growers will not be known until the current season is over.

A detailed criticism of the profit-sharing scheme will be possible only when all the particulars about it are known. It remains to be seen whether it will be on unitwise basis, or regional basis or the whole State-industrywise basis. Whatever the method adopted, the outcome will not be perfect; it will suffer from many inequities, for profit is the outcome of several factors, of which raw material is only one. The most iniquitous feature will be to penalise the efficient producer of both cane and sugar in favour of the inefficient. Inequities apart, introduction of profit-sharing system will not be conducive to smooth relationship between the factories and the cane growers, for the latter is bound to demand a say in, or at least an enquiry into, the working of factories, so that they may satisfy for themselves that the factories are being efficiently managed. This may lead to a fresh series of litigation analogous to the present industrial labour disputes. Considering all these possibilities, it is, indeed, surprising that, so far, not a word of criticism of the proposed move has emanated from the spokesmen of the sugar industry in Uttar Pradesh. What does this silence on their part mean? Does it mean that they do not mind all this bother, so long as they are allowed to work in peace and keep their factories going? If the answer is in the affirmative, it will mean that they do not care for either principles or consumers but only for profits. In fact, a Lucknow paper, which can be relied upon to know the mind of sugar millowners, observes that the industry is ready to meet the growers half-way and that it has assured the Government of its co-operation in this direction. It is high time the U.P. sugar industry came out with a statement explaining its stand on this vital issue.

There is also another aspect to this issue. If the profit-sharing scheme is introduced, it will mean a decline in the industry's profit assessable to income taxation. In other words, the Centre and all the States will get less tax revenue. Thus, the consumer will suffer in two ways; as a consumer of sugar (because he will have to pay a higher price) and as a taxpayer. The question, therefore, is one which concerns not only the Centre and Uttar Pradesh but also other States. It will be interesting to know whether the Food Ministry consulted the Finance Ministry before deciding to pursue the course it has decided upon.

HOME FOR STATE-SPONSORED STEEL PROJECT

AT long last, the Government of India has decided on the selection of the site for the location of the Rs. 72-crore new State-sponsored steel project. According to a Press note issued on the 16th inst., Orissa will have the honour of housing this new project in a place called Rourkela. A gratifying feature of this decision is that it has been arrived at by the Centre entirely on economic considerations. The heavy political pressure that was sought to be used on the Central Government was firmly resisted. What is even more encouraging to find is that every one of the rival claimants, namely, West Bengal, Bihar and Madhya Pradesh, appears to have been convinced of the justness of the Centre's decision. Even Mr. Ravi Shanker Shukla, Chief Minister of Madhya Pradesh, who had sometime back threatened to "expose the Centre," if the claims of Bilhai were to be ignored, has quietly reconciled to the decision and taken it in the right spirit. He has consoled himself by saying that it is "inevitable in the existing circumstances." The fact that the Government of India's final choice has left no trace of bitterness in the minds of the Chief Ministers of the competing States is a tribute to their spirit of tolerance and respect for the rules of federal Government.

In taking its decision, the Centre has accepted the recommendation of the technical experts of Krupps and Demag, the German participants in the project, that Rourkela is preferable to Durgapur in West Bengal, Bilhai in Madhya Pradesh and Sindri in Bihar. Few can dispute the impartiality of the recommendation of the German experts. They have nothing to gain by supporting any particular State. On the contrary, they will have everything to lose by not recommending the best of the four sites, for they have not only their reputation at stake but also a sizable risk capital which they are investing in this venture. The main factor that influenced the German experts to decide in favour of Rourkela is its proximity to the developed and successfully workable sources of raw materials, such as iron ore and limestone, and electric power, the supply of which would be available in plenty after the completion of the Hirakud project. There are also other factors in favour of this site. The supply of labour, for instance, is quite adequate. The presence of a cement factory and a large equipped repair shop, including a foundry at Hirakud, is expected to be of advantage to the erection of the steel works. Water-supply from the river Brahmani appears to be reliable, although further investigations are necessary to determine the character of the measures necessary to ensure adequate and continuous water-supply throughout the year to the steel plant. It is true that coal will have to be transported from West Bengal, but this, it is felt, will not prove an additional strain on transport. The wagons carrying iron ore and limestone to the factories in West Bengal are now returning practically empty to Orissa and these can be utilised to move the coal requirements of the new steel plant.

The fact that there are already steel plants in West Bengal and Bihar to supply the requirements of the Calcutta industrial area seems to have weighed heavily against the location of the new plant in any of these States. As regards the claims of Madhya Pradesh, it is pointed out that the iron ore and coal reserves at Bilhai are yet to be explored. Further, transport facilities are woefully inadequate. It is stated that, if this site were to be chosen, the necessary railway extension and/or improvement would cost about Rs. 11.5 crores in case coal were to come from Jharia and Rs. 17 crores if it were to be transported from Jhimili. The corresponding cost in the case of Rourkela would, however, be only Rs. 1.9 crores and Durgapur Rs. 3.3 crores. It will thus be seen that Rourkela has a distinct advantage over Bilhai, even though both belong to areas which are relatively underdeveloped as compared with other parts of India.

There is, however, no doubt that Madhya Pradesh's desire to have a steel plant must also be fulfilled as early as possible. Since India's steel needs will not be fully met even after the proposed plant at Rourkela comes into full operation; there is room for another steel plant. This plant may be located at Bilhai in Madhya Pradesh. But, before a final decision in this regard is taken, this area must be fully surveyed and the type of resources available investigated. The Centre has already recognised this need, as witness its decision to undertake forthwith a further intensive survey, examination and analysis of the mineral resources of this State, with particular reference to iron ore and coal. This decision must have doubtless gone a long way towards tempering the emotions of Pandit Shukla and securing his consent to the Centre's decision in favour of Orissa.

Now that the question of selecting the site has been amicably settled, it is to be hoped that the execution of the project will go forward smoothly and quickly and that it will be completed within four years, as has been promised, to the dismay of critics who are almost cock-sure that it will not be over even within twice that period. The completion of the project within the time limit will undoubtedly bring credit to the Government, disproving the general assumption that, in planning and executing big industrial enterprises, the State cannot be as efficient as private entrepreneurs.

PRODUCTIVITY IN WEST EUROPE

THE Organisation for European Economic Co-operation (O.E.E.C.) has called upon its 14 member-nations to reinforce the campaign for increased productivity. It has warned that failure to do so is fraught with dire consequences to West Europe, inasmuch as it would jeopardise even the maintenance of the present position of member-countries in world markets in general, and the dollar markets, in particular. Elucidating the position through its fifth annual report entitled *Progress and Problems of European Economy*, just published, the O.E.E.C. has pointed out that productivity does not mean mere increase in the quantum of output, but also an improvement in the quality of the product manufactured, both simultaneously, at a cost which would make their products easily marketable in world markets. It has contended that, in the absence of specific policies to foster output, production in West Europe will rise only slightly and that too on the assumption that world economic conditions will remain unchanged.

The O.E.E.C. has told its members that increased productivity is not easily realisable, especially in the face of possible economic fluctuations. It requires, in the long run, major adjustments in balance of payments between the member-nations and the U.S. Such adjustments, which include those in the field of tariff, import restrictions and foreign investments, have to be made on both sides and that too before the present extraordinary dollar outlays are reduced, so that the economic expansion o Europe may proceed on a durable basis.

The report admits that, even in the sh run, greater economic exp ansion would ad affect the balance of trad by incr into home markets. Bu this says, be offset, to a co siderable d greater flow of overseas manufactures. Increased create greater demand fo the agricultural countries of East, among others, which, in i for greater flow of European manu these countries. Larger European d dollar goods would, it is however, state almost a negligible effect on the economy o North America, inasmuch as it is unlikely to lead to any appreciable import of European goods by North American countries. The expansion of European output in the immediate future would mean a slower build up in the Continent's exchange reserves than if production remained stagnant. This would, therefore, constitute a real problem for those countries, the reserves of which are seriously inadequate at present.

Expressing concern at the slow expansion of European output, the O.E.E.C. says that what little improvement in balance of payments has been achieved is, to a certain extent, of a precarious nature. First of all, the dollar problem has not yet been solved once and for all, the existing disequilibrium being concealed by heavy extraordinary military expenditure by the U.S. Government and continued restrictions on imports from the dollar area. The low rate of expansion on industrial production in Europe stands in significant contrast to that in the U.S. But there is a heartening feature, namely, the sizable increase in agricultural production, which, in 1952-53, reached the highest level since the end of the war.

In view of all these, the call for increased productivity in West Europe is most appropriate. Although this call is confined to the nations belonging to the O.E.E.C., it applies with equal force to most of the countries in other parts of the world as well. Unless production is increased, there can be no expanding economy. Conversely, it is only in an expanding economy in which the flow of goods and services increase that productivity can secure a high and stable level of employment. In order to obtain increased productivity, there is a need for greater mobility of manpower, so that labour can take advantage of the opportunities offered by new and expanding sectors of activity. Increased productivity after all is a social, if not moral, responsibility, and in the last resort, an attitude of the mind which alone can make the wheels whirl as fast and as smooth as is needed.

BULLISH TREND IN SHARES PERSISTS

SIR JEREMY RAISMAN ON DEFICIT FINANCING AND GOVERNMENT'S LABOUR POLICY

MARKET GOSSIP

THURSDAY, 5 P.M.

SHARE Markets are still dominated by a strong bullish fervour. Even the customary pre-budget caution, which was there for a while a fortnight ago, has disappeared, although the Central budget is only 10 days ahead. The absence of any fresh taxation in the Bihar and Bengal State budgets presented this week, in spite of heavy deficits, has evidently encouraged operators to take an optimistic view of the contents of the Central budget, too. This impression will be confirmed tomorrow by the Railway budget. Advices from the bullion, jute, jute goods, tea, cotton and oilseeds markets also have been favourable to the bulls. The publication of the Directors' report and statement of accounts of the Kohinoor Mills has also infused confidence among them. This report, as we shall presently show, makes impressive reading and has raised hopes that other first class mills also will show similar results. There has been a revival of expectation of Bombay Dyeing and Century paying higher dividends for 1953. At one time, the shares of the former were depressed a little following the report that Australia, where the goods of Bombay Dyeing are popular, has raised the tariff rates on imports of cotton sheetings used in bedding and pillow cases. But this was only a momentary phase, for the market soon took the view that the effect of this development on this Company would not be appreciable. On the whole, textile shares have ended the week on a cheerful note.

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All the steel shares also were active, but Indian Irons were, and are still, specially fancied. Speculators are confident that, in fixing the retention prices, the Government will give a better deal to this iron and steel company than it did to the A.C.C. and other cement companies. Strong efforts are being made in New Delhi by the spokesmen of the Company, according to reports from the capital, to convince the Government that the Tariff Commission's recommendations are by no means liberal and that they are the absolute minimum that should be accorded to the Company. An early announcement of the Government's decision in this issue is expected. It is on this basis that T.I.S.Co. shares have jumped up by nearly Rs. 10 during the week under review to stand at Rs. 71-12, the highest level for the past two years. This good buying in T.I.S.Co. shares has led to a handsome gain of Rs. 166-4; a year ago, this scrip was quoted at Rs. 71-12. This means that the shares are now commanding a premium of 66.25 per cent. over their paid-up value, a remarkable performance for a share yet to be included in the dividend list and belongs to a Company which has no reserves to its credit. This appreciation is based on the expectation that, in 1953, the Company fared so well that it can now easily afford to pay a dividend of Rs. 10 per share. Late on Monday next one will know to what extent this expectation is justified, for it is on that day the Directors are scheduled to meet and decide the malden dividend. Meanwhile, it is pertinent to recall here that the Company has borrowed from the Industrial Finance Corporation Rs. 30 lakhs and that no company which is indebted to the I.F.C. can pay an ordinary dividend higher than 6 per cent. on the paid-up capital, unless it has the special permission of the Corporation. If the market's expectation is correct, the Company must have either obtained this permission or already repaid the loan. Another point to be noted is that to pay a maiden dividend of Rs. 10 per share, the Company should have a minimum distributable profit of Rs. 24.76 lakhs, including Rs. 8.73 lakhs to meet the 5 per cent. preference dividend. Considering that, in the previous year, the Company was able to distribute Rs. 26.20 lakhs towards preference dividend (for three years), such cannot be beyond the ability of the Company, especially as it is believed to have fared quite well, in the past year. The only other question that has to be considered is whether it will be prudent for a new company to start with such a high maiden dividend as 10 per cent. There will, of course, be nothing wrong in doing so, provided the profits are large enough to pay such a dividend and also to set aside, at the same time, a sizable amount to the reserve fund. If the Company is able to fulfil this criterion, it can truly be said to have achieved phenomenal success.

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The performance of the Kohinoor Mills Co., Ltd., in 1953 has been excellent. Its gross profit has nearly trebled, as compared with that for 1952, being as much as Rs. 65.22 lakhs, as against Rs. 23.22 lakhs. The net profit for 1952 was scarcely half a lakh, but for the year under review it is no less than Rs. 25.88 lakhs. Last year, the Company could pay a dividend of 18 per cent. per annum without drawing on its reserves, simply because it had a post-war refund of Rs. 18 lakhs, which represented accumulated fruits of war-time profits. This year, the enhanced distribution of 20 per cent. to shareholders (of which 2 per cent. represents bonus) has been fully earned. Besides this higher dividend to shareholders, the Company has also been able to strengthen its reserves by Rs. 6 lakhs, an increase of Rs. 5 lakhs over the provision made a year ago. An outstanding feature of the Company's results for 1953 is that its expenses have dropped from Rs. 703.64 lakhs to Rs. 642.02 lakhs, a fall of Rs. 61.62 lakhs, although sales have declined by only Rs. 18.53 lakhs. This saving in expenses has been almost solely due to the decline in the cost of cotton and raw materials consumed, from Rs. 4.32 crores to Rs. 3.38 crores. If the whole of this decline is not fully reflected in profit, it is mainly because of a sharp increase of about Rs. 33 lakhs in salaries and wages. In fine, the encouraging results of the Company seem to have been due chiefly to the skill displayed by its management in buying raw materials.

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A reader wants to know as to what has happened to the proposal for converting the Oriental Life Assurance into a mutual company. Since this is an old move and nothing at all has been heard about it in recent months, he wants to know whether he can take it for granted that the scheme has been dropped. Our enquiries reveal that such a presumption is unwarranted and that the scheme is still alive. It looks as though the Directors of the Company have more or less decided that the Company should be converted into a mutual society, by paying compensation to the shareholders. The precise reasons for the delay are, however, not known. Nor does one know what will be the rate of compensation per share. According to a reliable source, however, it may be anything between Rs. 8,000 and Rs. 9,000 per share, which compares with the ruling market rate of Rs. 7,085. One thing, however, is certain and that is, if and when the scheme is put through, the shareholders will get payment not in cash but only in the form of short-term bonds or debentures. It is believed that the bonds will be for a period of five years, freely negotiable, and carry interest at the rate of 4½ per cent. per annum.

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Sir Jeremy Raisman, who distinguished himself as India's able war-time Finance Member and is now one of the two Deputy Chairmen of Lloyds Bank Ltd., returned to the U.K. last week-end after a brief visit of about four weeks to this country. Just before his departure, we had the opportunity of meeting him and obtaining an idea of his impressions about India as it is today. Even while he was the Finance Member, Sir Jeremy was not very communicative to the Press. Being a banker now, he was even more reserved in expressing his views. Nevertheless, he was good enough to give his thoughts on a few of the burning topics of the day. One of these was deficit financing. On this subject, he was in full agreement with what the I.M.F. has said—the views of the Mission are published elsewhere in this issue. He was generally of the opinion that deficit financing was not harmful in a period of depression. But, he added, "in a country like India, too much inflation is really serious. It is the most regressive method of raising resources. It is something like clipping the coinage in the old days. It is extremely unjust in its incidence and has disastrous effects on incentives and savings." These words, coming from a person who resorted to the heaviest inflation in the history of this country in order to finance the war, may sound strange. Apparently anticipating this criticism, he added: "In times of war, inflation may be inevitable, because we have to develop and utilise resources so rapidly that we cannot erect the machinery necessary to distribute the burden equitably, but, in times of peace and when we are planning in a leisurely way, we really ought not to rely on inflation at all, especially in a country with a very low standard of living. It will result in everybody's standard being imperceptibly reduced, though that may become palpable only over a period."

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We then discussed with Sir Jeremy the subject of commercial banks providing long-term finance for industries. He said he was strongly opposed to this idea, as it was too risky a business for banks in India to undertake. "India," he remarked, "has suffered in the past from excessive venture-someness. Several banks which tried it have failed. India has still to acquire absolutely sound banking traditions. In my opinion, the need has to be met by some special type of institutions. The way the problem has been solved in England is by the banks participating in the institution specially set up for the purpose of providing long-term financing to industry. Moreover, mere provision of finance will not ensure development. You can't make a man fat, as they say, by giving him a bigger belt. Further, rapid advance for the sake of advance is no good. It is no good unless it is also sound advance. I don't think we can advance by these means. Presumably being a conservative in these matters, I am rather doubtful."

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Asked whether he was in favour of this country resorting to the system of depositors' insurance as in the U.S. for enabling banks to attract more deposits and spreading the banking habit speedily, the Vice-Chairman of Lloyds Bank said that he was not very much enthusiastic over it. He remarked that it was the function of a central bank to ensure sound banking system. The insurance system would penalise the sound banks, inasmuch as it would mean that these banks should make a contribution to guarantee the depositors of smaller and unsound banks. He was afraid that well established sound banks might not readily agree to work such a proposition.

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Another subject on which Sir Jeremy commented was the labour policy of the Government. Describing the existing employer-employee relations as "almost anarchical," he observed that, "unless something can be done to cure this deep-seated evil, I am very pessimistic about the future of industrial enterprise in India. Explaining this point, he said: "I am entirely in favour of a square deal for the worker, but I see a great danger that the people who happen to be in jobs at a particular time become a privileged class and that a very large part of the resources of industry is mortgaged to preserving and extending the amenities of that particular section of the community, regardless of the effect of the power of industry to adapt itself to changing conditions to provide further opportunities of employment. In fact, the rigidity which legislation and awards relating to industrial labour is introducing into the economy is fatal to the prospect of reducing unemployment. Unless industry can remain flexible and able to meet changing factors in the economic situation, it will soon become incapable of supporting the existing establishments and will shrink from commitments in regard to new and larger establishments. In this way, the intervention of the State is capable of militating against the cure of the very evil which it is seeking to prevent, namely, unemployment. The best chance for the worker is when industry is free to expand wherever it sees opportunities. But, if the engagement of a hand means a perpetual liability, the employer will think a thousand times before he embarks on any expansion or new venture. Thus, the interests of the working population as a whole and the economic future of the State are subordinated to the sole object of protecting the position of those who happen to be in jobs at a particular moment."

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Sir Jeremy did not at all approve of the idea of the Government trying to interfere too much with the working of private enterprise even if it was with the best of intentions. When we drew his attention to the Central Government's recent decision to obtain control over the rehabilitation reserves of cement companies such as the A.C.C., he remarked, with his characteristic frankness thus:

"All attempts to impose models of conduct will throttle private enterprise. No doubt, there may be some owners of industry who do not use the reserves in the best way for the development of the industry which is also the best way for the development of the economy. But, if the State comes in too deeply, it will remove all initiative from the private sector and that is dangerous. In any case, I do not believe that, if a private Industrialist is not running his business in the best way, anything that the State can do can improve matters."

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It is understood that the question of renewal of the current International Tea Agreement which expires on 31st March, 1955, is already engaging the attention of the participating countries as well as of the International Tea Committee in London. The signatories to the present Agreement are India, Ceylon, Pakistan and Indonesia, and, despite all efforts, it has not been possible to bring East Africa into the scheme. Nevertheless, it seems to be the general feeling in the producing countries that the Agreement should be renewed for a further term, in view of the harm that would be caused to the tea industry of the world by unrestricted exports.

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The attitude of the Government of India in this matter is yet to be known. There is a feeling that the Government of India may not look upon restriction of production or exports as desirable so long as there are countries outside the International Agreement like East Africa which are free to produce or to export as much as they like. It is, however, believed that East African production has not reached a level at which it can materially alter the equilibrium between world production and world demand either at the present time or

(Continued on page 339)

BRISK BUYING IN SHARES

ELECTRICS WELL FAVOURED

(From Our Own Correspondents)

BOMBAY, 18*th February*

TRADING on the Stock Exchange assumed fresh vigour during the week under review. Under a spell of brisk buying orders and frantic short covering, prices were lifted up all round to new high levels. However, the rise in prices was not uninterrupted; for, at every bulge, operators hastened to book profits. But values again moved up following revival of additional support. The cheerfulness in the prebudget week was something unusual. For, usually, at this time of the year, the market would be in an expectant mood on account of budget uncertainties. However, the departure from this behaviour this year only reflected the market's faith in the Finance Minister's assurance held out in December last that there would not be any change in tax structure until the Taxation Enquiry Commission submitted its report. Besides, bulls appeared to have been encouraged by other helpful factors also. Thus, the strength of the commodity, cotton and bullion markets, firm advices from Calcutta indicating a move to approach the Government of India to announce its decision on the Tariff Commission's recommendations in respect of the retention price for steel manufactured by the Indian Iron and Steel Co., Ltd., and expectations of good corporate results from the textile section—this was confirmed by the excellent results disclosed by the Kohinoor Mills—were cumulatively responsible for fanning the revival of bullish enthusiasm at every decline. The undertone at the close was, therefore, firm.

The steel section brightened up on strong speculative support, and fresh high levels, for several months, were recorded this week. Tata Deferreds, for instance, opened on a buoyant note, with a jump from the previous closing of Rs. 2,117-8 to Rs. 2,140, owing mainly to higher Calcutta advices; but end-of-account consideration brought some realising, as a result of which the scrips moved down to Rs. 2,115. At this level appeared renewed buying and frantic short-covering, lifting the rate again to Rs. 2,152-8. After being marked down once again to Rs. 2,137-8, the shares came up today to Rs. 2,157-8 which was only Rs. 10 short of 1951 peak. The closing was, however, only a shade lower at Rs. 2,150-12. Tata Ordinaries appreciated from Rs. 359 to Rs. 367, the highest since September, 1951, and closed at Rs. 366. Indian Irons were well favoured and were taken up from Rs. 28-4 to Rs. 29-3, a level not seen since January, 1952.

The textile section was again the cynosure of attention and almost the entire body of shares was sought after keenly. Some of the scrips which had lagged behind all this time came in for particular attention. Bombay Dyeings advanced on unabated demand from Rs. 433-2 to Rs. 441-4. After a sharp reaction to Rs. 431-4, they once again forged ahead to Rs. 437-8. Kohinoors hardened from Rs. 319-8 to Rs. 323. After drifting lower to Rs. 316, they moved up to Rs. 322 at the close. Century was conspicuous with a rise of Rs. 10 to Rs. 318-8, while Central Indias lost Rs. 2-8 to Rs. 184-8. Finlays gained Rs. 3 to Rs. 278 and Gokaks Rs. 8-8 to Rs. 273. Indore Malwas, which had remained in the background all these days, attracted attention and bagged as much as Rs. 12-8 to Rs. 111-4. Khataus added Rs. 6-14 before closing at Rs. 212-8. Minervas were taken up Rs. 3-6 higher to Rs. 109-6, following the transfer of the scrip to the forward list. A similar promotion was greeted by Mysore Spinnings with a gain of Rs. 2-8 to Rs. 162-8. Podars were wanted Rs. 7-8 higher at Rs. 143-12. Sholapurs were put through Rs. 25 higher at Rs. 1,755. Simplex was popular and gained Rs. 6 to Rs. 160. Standards put on no more than Re. 1-4 to Rs. 330. Svadeshis had buyers Rs. 3 better at Rs. 295 and Swans Rs. 3-12 more at Rs. 356-4. Elphinstones rose by Rs. 2 to Rs. 44. Models came in for enquiries and advanced by Re. 1-14 to Rs. 143-2. Morarjis hardened by Rs. 3-12 to Rs. 202-8. Hindustans were done up to Rs. 3,810 *ex-div.* as against Rs. 3,600 *cum-div.* (dividend Rs. 40 interim), Indian Manufacturing up to Rs. 3,500 *ex-div.*, as against Rs. 3,400 *cum-div.* (dividend Rs. 40), and Western India up to Rs. 3,500 *ex-div.*, as against Rs. 3,370 *cum-div.* (dividend Rs. 40).

A quiet tendency was in evidence in the bank section, in distinct contrast to the general trend of the market, and values were marked down a little. Barodas, after being done at Rs. 108, closed at Rs. 107-8, Centrals were lower by As. 8 at Rs. 58 and their new shares by Rs. 2 at Rs. 61. Imperial Fully Paids were down by Rs. 7-8 at Rs. 1,795 as also the Contributories at Rs. 432-8. Indias shed a rupee to Rs. 153 and United Commercials As. 4 to Rs. 40-12.

Electric shares moved into the limelight on good demand and scarcity of sellers, in expectation that the Electricity Act would be shortly amended to provide a higher return to electrical undertakings. Thus, Ahmedabad Electrics cheered up from Rs. 115 to Rs. 118-2 and their new shares from Rs. 110 to Rs. 112-8. Bombay Suburbans put on Rs. 2-8 to Rs. 123-12. Tata Hydros were in keen demand and were, therefore, put up by Rs. 2 to Rs. 141, Tata Powers by Rs. 50 to Rs. 1,440, and Andhra Valleys by Rs. 35 to Rs. 1,292-8.

Insurance shares were steady and values were marked up in select scrips. After a long time, New Indias came in for favour and gained Rs. 2 to Rs. 42-4. Industrial Prudentials were placed Re. 1 higher at Rs. 32-8 and Indian Mercantiles As. 8 better at Rs. 38-8. Vulcans, which had spurted by a rupee last week on enquiries influenced by reports of a higher dividend, rose by As. 2 to Rs. 12-14 this week. Orientals were stagnant at Rs. 7,085, as also Empires at Rs. 640.

Among sugar shares, Belapurs were prominent with a rise of Rs. 2-4 to Rs. 261-4. Bhopal Sugars closed As. 10 higher at Rs. 13, following the transfer of the shares to the forward list. Phaltans were, however, quiet with a loss of Re. 1-4 at Rs. 102.

The miscellaneous section provided several features on yield considerations, prominent among them being Scindias, Bombay Burmahs, B.B. Petrols, National Rayons, Premier Constructions, Tata Chemicals, Tata Oils, Wimcos and Digvijay Cements. The undertone in this section was firm. Associated Cements which were listed *ex-right* on Monday this week at Rs. 150, as against last week's closing of Rs. 177 *cum-right*, closed at Rs. 154-8. Digvijay made a fine debut on its inclusion in the forward list and forged ahead from Rs. 114-8 to Rs. 123-8. Scindias were in brisk demand and forged ahead from Rs. 17-7½ to Rs. 17-15. At one time during the week, the shares touched a high of Rs. 18-0½. Alcocks covered fresh ground to Rs. 362-8, as against Rs. 360. Bombay Burmahs revived on good support from Rs. 385. B.B. Petrols picked up As. 4½ to Rs. 3-6½. B.I.Cs continued to be in demand on expectation of favourable dividend and rose by As. 5½ to Rs. 9-9½. Indian Coppers were steady at Rs. 3-2½. Killick Industries rose by Re. 1-4 to Rs. 164, on good results announced by Kohinoor Mills and expectations of favourable results from other managed concerns. National Rayons staged a sharp rise of Rs. 11-12 to Rs. 165-8 due to proximity of dividend announcement. Premiers shaped well with a rise of Rs. 6-12 to Rs. 125-8. Shivrajpurs firmed up from Rs. 71-8 to Rs. 76 on expectations of favourable results. Tata Chemicals made a smart jump of Rs. 2-1½ to Rs. 13-11 on expectations of favourable recommendations by the Tariff Commission. Anticipation of higher dividend pushed up Tata Oils by Rs. 5-4 to Rs. 40-8. Wimcos gained Rs. 2-8 due to scarcity of sellers. Tata Locomotives were done at par, on reports that the Company would commence manufacture of cars in conjunction with a German firm.

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Calcutta Stock Exchange

CALCUTTA, 17*th February*

The Calcutta Stock Exchange put on a steady note during the week under review, in contrast to the easy trend it displayed last week. The sentiment of operators was well sustained by a series of several favourable factors. Trading was enlivened by expectation of early and fair increase in steel retention prices. Added to this was the firmness in the jute goods section. Besides, prospects of higher dividend payments by several companies and bullish advices from commodity markets too imparted strength to the market. Equity values, particularly in the jute, engineering and coal sections, recorded sizable gains, while they were generally maintained in other sections, in spite of hesitancy among operators on account of pre-budget uncertainty.

Jute shares were particularly in the limelight. There was enlarged buying support induced by hopes of better trading conditions in jute goods markets in the coming weeks and expectations of a possible reduction in, or even abolition of, export duty on jute goods. This was fully reflected in the handsome improvement in some of the leading counters. Fort Glosters forged ahead from Rs. 474 to Rs. 495. Alliances and Deltas rallied Rs. 6 each to Rs. 172 and Rs. 245, respectively. Indias moved up by Rs. 4-8 to Rs. 131. Howrahs advanced by As. 10 to Rs. 25-2, Nationals by As. 9 to Rs. 25-7 and Nuddeas by As. 8 to Rs. 47-8. Aucklands were fully steady at Rs. 118 and Reliances at Rs. 14-14.

The coal section also evoked special attention of operators, following reports of a notable rise in coal output during the month of December, 1953. Talchars were specially favoured at Rs. 4, as against Rs. 3-4. Central Indias and Burrakurs rose by As. 3 each to Rs. 6-3 and Rs. 8-14, respectively. Unions and Equitables were better by As. 2 each, the former at Rs. 22-12 and the latter at Rs. 31-10.

Expectation of higher steel retention prices for Indian Irons lent active support generally to engineering scrips. Indian Irons scored a gain of As. 10 to Rs. 29. Burn and Cos. firmed up from Rs. 338 to Rs. 350 and Bhartia Electric Steels from Rs 11-8 to Rs. 13-5 yesterday. Textile Machinerys improved by As. 9 to Rs. 10-1. Jessop & Cos. and Indian Standard Wagons were in good demand, their respective quotations yesterday being As. 11 and As. 8 higher at Rs. 26-7 and Rs. 63-12.

Selective buying enquiry was in evidence in the miscellaneous section. F. and C. Oslers were specially supported at Rs. 11-2, a rise of Re. 1-14 as compared with the previous week. Indian Cables advanced by As. 8 to Rs. 56. Rallis Indias which had dropped Rs. 2-8 last week recovered As. 8 to Rs. 56. B.B. Petrols and National Insulated Cables hardened by As. 6 each to Rs. 3-7 and Rs. 15-14, respectively. Martin Burns and British India Corporations gained As. 3 each to Rs. 21-5 and Rs. 9-9.

The textile section provided an exception to the general trend and continued to be easy, on account of persistent profit-taking. Kesoramos receded by As. 5 to Rs. 23-10. Elgin Mills shed an anna to Rs. 15-15. New Victoria Ordinarys lost a like amount to Rs. 1-10. Bengal Nagpurs, however, met with support and were lifted up from Rs. 13-5 to Rs. 14.

Activity in tea scrips was subdued, ing bearish advices from tea auctions, slackness in demand, values tende Nagri Farms were pushed down Rs. 22-10. Ethelbarls suffered a Rs. 7-12. Dibrugarhs fell by an

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Madras Stock Exchang

MADRAS, 17*th Fe*

Although the Madras Share Market did no expect any surprises in the proposals to be made by the Finance Minister next Saturday, it was not completely free from the influence of budget uncertainties. Consequently, it depicted a somewhat hesitant tone. Textiles and tea scrips came in for selective enquiry, as a result of which prices of some shares looked generally upward, while others witnessed minor losses. The enquiry in textiles was induced by continued export advices for piecegoods, and in tea it was due to U.K. and Continental enquiries for better grade teas. Rubbers fared slightly well, but coffee and miscellaneous scrips ruled generally easy and disclosed fractional losses over the week. The undertone, however, remained quietly steady.

In the textile section, Bangalore Woollens shot up from Rs. 302-8 to Rs. 307-8 and Vasantas from Rs. 182 to Rs. 185. Metturs and Radhakrishnas gained Re. 1 each to Rs. 230 and Rs. 166, respectively. Kotharis were higher by As. 12 at Rs. 11-12 and Venkateshas As. 8 to Rs. 63 *ex-right*. Premiers, however, lost Rs. 5 at Rs. 94 and Vijayalakshmis Rs. 2-8 at Rs. 77-8. Krishna Rajendras were down by Re. 1-4 at Rs. 55. Lakshmis, Rs. 50 paid-up, by Re. 1 at Rs. 100 *cum-div.* and Rs. 25 paid-up by Re. 1-12 at Rs. 52-12. Travancore Rayons were lower by an anna at Rs. 7-10.

Among plantings, tea scrips presented a mixed trend. Devasholas put on Re. 1-4 to Rs. 21-4 and Twyfords Re. 1-2 to Rs. 15-6. Udayagiris and Peermades gathered As. 4 each to Rs. 9-2 and Rs. 31-4, respectively. Highland Producers, however, lost As. 4 to Rs. 13 and Kalasas As. 2 to Rs. 13-4.

Rubbers were generally bright. Malankaras gained As. 8 to Rs. 37. Travancore Rubbers rallied As. 6 to Rs. 15-8. Nenmenys also put on a similar amount to Rs. 16-6. Thirumbadis advanced by As. 5 to Rs. 3-9 and Teekoys by As. 2 to Rs. 7-2.

In the coffee section, Consolidated Coffee eased from Rs. 16-3 to Rs. 16. Puthuthottam were slightly lower at Rs. 3-4. But Nilgiri Neerugundis gained an anna to Rs. 3-12. Shevroys also were up by a similar amount at Re 1-7. Coffee Lands were unchanged at Rs. 8-13.

Miscellaneous scrips came in for selective enquiry. Andhra Cement 'A' shot up by Rs. 3 to Rs. 110. Andhra Cements 'B' were higher by As. 8 at Rs. 11. Bruntons gathered As. 10 to As. 12 at Rs. 5-14 and Mysore Papers by As. 8 at Rs. 18.

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NEWS IN BRIEF

THE annual general meeting of the Bombay Chamber of Commerce will be held on Wednesday, 17th March, 1954, at 11-30 a.m.

The three-member Prohibition Enquiry Committee appointed by the Government of Andhra has submitted its report to the State Government.

The National Income Committee signed its final report in New Delhi on Sunday last. The report is expected to be submitted to the Government of India shortly.

An Indo-West German trade agreement was signed at Bonn on Tuesday this week by the representatives of the Governments of the two countries. The agreement covers a period of one year, from 1st February, 1954 to 31st January, 1955.

The Government of India has sanctioned a loan of Rs. 10 lakhs to the Madras Handloom Weavers' Co-operative Society for starting a spinning mill on co-operative basis at Tinnevelly. The mill is intended to provide relief to the drought-stricken areas.

A vegetable milk plant to produce milk from groundnuts has been set up at Trichur by the Central Food Research Institute, Mysore. Each pound of groundnut kernels yields seven to eight lbs. of milk. It is said to be cheap, the price being one-third the cost of cow's milk.

A proposal to declare a moratorium to low-income groups among non-agriculturists is under the consideration of the Andhra Government. A Cabinet Sub-Committee has already been set up to enquire into the extent and nature of indebtedness of the non-agricultural classes in the rural and urban areas of the State.

The registration of export sales of *kardi* seed and *niger* seed has been stopped with effect from the 15th inst. Shipment against sales registered prior to the 15th inst. will, however, be allowed. Exports of *kardi* and *niger* oil will continue to be licensed freely to all permissible destinations up to the end of June, 1954.

A donation of Rs. 14 lakhs to establish an agricultural college and hostel in West Bengal has been offered to the Chief Minister by Mr. G. D. Birla, the noted industrialist of India. The Chief Minister has accepted the offer and the proposed college will, it is learned, be located in Haringhata, where the State Government already has a dairy and agricultural farm.

The Punjab Government is reported to have decided to organise a number of cottage industries in the State on a co-operative basis to place them on a strong footing. The industries that will be taken up at the initial stage are leather and tanning, handloom, with emphasis on durrie, curtain and upholstery, dairy farming, with emphasis on milk and poultry, rope-making, sports goods, low-cost furniture, smithy and lock-making.

According to Sardar Ujjal Singh, Minister for Industries and Finance, Punjab (I), the State is now producing cycle parts of fine quality which can compete with those of foreign manufacture. Government offices, police and military departments will extend patronage to Indian-made cycle parts. The State Government has decided to advance to the industry loans, carrying interest at 5 per cent, and recoverable in easy instalments over a period of seven years, in order to help it to tide over its financial troubles.

Raisings and despatches of coal from Indian collieries during 1953 declined by approximately 400,000 tons, as compared with 1952, according to latest figures. Raising and despatches last year were nearly 35.8 million and 36 million tons, respectively. The fall in despatches is attributed mostly to the fall in overseas export which was not fully balanced by despatches within the country. India's coal export last year amounted to 1,246,000 tons, Japan being the main consumer importing nearly 425,000 tons.

The Railway Testing Research Centre at Lucknow was inaugurated by Pandit G. B. Pant, Chief Minister, U.P., on the 12th inst. The range of research at this Centre will relate to many aspects of railway working, including operational problems and improvement of amenities for railway passengers. Safety measures, prevention of accidents and steps to achieve economy will also receive the highest priority. The trials, tests and research at this Centre will be co-ordinated with the design and development wings of the railways and there will always be close and constant liaison between this Centre and the railway chief design engineers.

The Government of India has decided to extend the term of the Trade Marks Enquiry Committee. The Committee, appointed by the Government on 18th November, 1953, to review the laws in India bearing upon trade marks, etc., had issued a questionnaire to the various chambers of commerce and associations asking for their views by the end of January, 1954. As replies from all organisations have not been received and as the expectation that the Committee would submit its report by the end of February is not likely to materialise, the Government of India has decided to extend the term of the Committee upto the end of April, 1954.

A small plant to manufacture about two tons of synthetic rice per day is proposed to be erected in the Central Food Technological Research Institute at Mysore in a month or two. This quantity, though small, would correspond to the production of rice from about four acres of land and will help to meet the rice requirement of nearly 10,000 persons. It is proposed to distribute the grain in selected areas with a view to assessing the reaction of consumers and observing the effect on their health. The nutritive value of synthetic rice was improved recently by treating it with a thin coating of calcium caseinate. Recent experiments have shown that the final product has about two and a half times the nutritive value of the natural grain. Synthetic rice is chiefly manufactured from tapioca and groundnut flour.

In reply to a letter from the Andhra Chamber of Commerce seeking clarification in regard to inter-State sales tax in respect of automobile and electrical goods, etc., the Revenue Board, Government of Madras, has stated that, if a Bombay dealer sells electrical goods or motor vehicles to a Madras dealer and if delivery and consumption take place in the Madras State, this State will levy tax on the Bombay dealer under Article 286(i)(*a*) of the Constitution read with the explanation. The communication further states that the tax will be levied at the higher rate under section 3(2) of the Madras General Sales Tax Act. If the tax has been collected from the Bombay dealer at the higher rate, additional tax cannot be levied again on the first dealer residing in this State, as the higher rate of tax under section 3(2) can be levied at a single point only. Further, under rule 4(b) of the Turnover and Assessment Rules, tax under section 3(2) can be levied on a person, who in the Madras State, is the first dealer in the goods specified. In the above case, the Bombay dealer becomes the first dealer, as his sales take place in this State under section 3(2) and the tax under section 3(2) will be levied only on him.

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From Abroad

The British Government has decided to return the trade in jute to the private sector "as soon as it can be arranged."

Canada's population stood at 15,005,000 on 1st December, 1953, showing a rise of 112,000 in three months since 1st September last.

The British trade mission to Soviet Russia has signed £16 million worth of orders. Orders for £48 million more are under negotiation.

The third session of the Advisory Committee on Salaried Employees and Professional Workers of the International Labour Organisation will be held from 10th to 22nd May, 1954, instead of from 29th March to 10th April, 1954, as had been announced earlier.

The British Overseas Airways Corporation has placed orders for 5 Comet III Aircraft, deliveries of which are expected to begin in 1956. The Comet III will carry 58 passengers in first class accommodation, on stage lengths of 2,500 miles, and will cruise at more than 500 m.p.h.

The United States has given the United Nations nearly $4 million for providing technical assistance to the less developed countries. This is the first payment on a United States pledge of nearly $14 million for the expanded technical assistance programme for 1954.

The Japanese Government has borrowed £500,000 from London banks, against the security of a deposit of an equivalent amount in dollars in New York to the credit of the banks. At the end of three months, London will pay back the dollars and Japan the sterling.

Output of cars in Japan during 1953 reached a post-war record, with the manufacture of 46,167 chassis of all cars, trucks and buses, as against 38,964 in 1952. Export of Japanese cars also reached a post-war high. Japan shipped 1,089 ordinary cars and nine small cars, as against 849 and six, respectively, in 1952.

Two senior executives of a British electrical engineering firm, Metropolitan Vickers Ltd., have gone to Moscow to examine trade prospects there. The firm had a long pre-war history of trade with Russia and much of its machinery is still in service there. The firm is expected to seek orders for heavy electrical generating equipment.

An "Atoms for Peace" conference is scheduled to commence at the University of Michigan on 20th June, 1954, under the auspices of the American Institute of Chemical Engineers. The conference is expected to attract more than 1,000 experts, including nuclear scientists. Besides the U.S. and India, countries which will be represented are Argentina, Belgium, Canada, England, France, Italy, Mexico, the Netherlands, Norway, Spain, Sweden and Yugoslavia.

The Australian Government has enhanced the tariffs on a number of imported goods ranging from sheeting to motor vehicle parts. The major changes proposed affect cotton sheetings, paper and paper products, and motor vehicle gear box and differential assemblies. In the case of cotton sheetings used in bed and pillow cases, the duty has been increased to four pence (Australian) per pound weight plus a further 15 per cent. according to the value of the vehicle where this is admissible under British preferential tariffs.

A Bill seeking to set up a new non-departmental authority to control atomic energy research and development in Britain was introduced in the House of Commons last week. The proposed atomic energy authority will take over from the Ministry of Supply the nuclear side of schemes ranging from Britain's proposed atom-driven electric power station in Scotland to the production of hundreds of species of industrial isotopes. The authority will develop and produce atomic weapons, but only under arrangements with the Ministry of Supply. It will be free to carry out experiments leading to improved types of warheads for such weapons.

The United States Government's Bureau of Labour Statistics has reported a drop of two million people employed by industry, transport, Government and trade between December, 1953, and January, 1954. The non-farm total of employment last month—47,700,000—was 646,000 smaller than a year ago because of factory lay-offs. But, in non-manufacturing industries, January employment was the highest on record. Factory employment declined by 380,000 between mid-December and mid-January. The decline is appreciably larger than usual and is described as the sharpest reduction for the season since the recession year 1949. Seasonal trends accounted for the reductions in the lumber, food and miscellaneous manufacturing industries.

Establishment of a new joint shipping service under the name of American Mideast Line, providing regular monthly sailings from the U.S. Gulf and Atlantic ports to the Red Sea, Gulf of Aden, Persian Gulf, Pakistan and India, has been announced in New York. The Lines participating in the service include Alexandria Navigation Co. and Societe Misr Navigation Maritime S.A.E. of Alexandria, British Steamship Co. of London, and Fisser, Schiffahrt G.M.B.H. of Emden, of Germany. All the ships planned to maintain the service are modern 15-knot motor ships, of which some provide accommodation for 40 passengers. The first to commence sailing will be the Egyptian vessel *Port Said*, which will begin loading at Gulf of Mexico ports by about 20th March. This Line has already submitted applications to join the various shipping conferences serving the area.

PERSONAL

MR. Louis St. Laurent, Prime Minister of Canada, will arrive in New Delhi tomorrow.

Mr. Dharam Vira, India's Minister-designate to Czechoslovakia, left for London *en route* to Prague.

Mr. C. F. Cobbold, Governor of the Bank of England, who was on a brief courtesy visit to India, left Madras for Colombo on Tuesday last.

Mr. P. C. Bhattacharya, Financial Commissioner for Railways, who was recently nominated as a member of the Industrial Finance Corporation of India, is likely to be appointed its Chairman, *vice* Lala Sri Ram who has resigned.

Sir Alfred Egerton, Professor of Chemical Technology, University of London, has arrived in India at the invitation of the Central Government to help the special committee to be appointed to review the working of the various laboratories established in the country during the last five years by the Council of Industrial and Scientific Research.

Mr. H. P. Mathrani, Consulting Engineer, Road Development, and Joint Secretary, Ministry of Transport, Government of India, has been elected President of the Council of the Indian Roads Congress for next year. Mr. C. M. Bennett, Chief Engineer of Orissa, Mr. U. N. Mahida, Chief Engineer of Bombay, and Dr. F. P. Antia of the Cement Marketing Co. of India were elected Vice-Presidents.

"COMMERCE" 1929

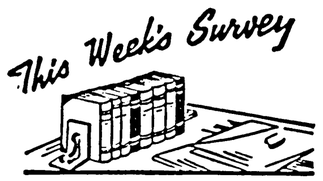
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 16*th February*

Indian Railways

The report by the Railway Board on Indian railways for 1927-28, issued last week, affords nothing sensational. The local advisory committees have more than justified their *raison d'etre*; considerable advance has been made in the publicity activities of the different railways. But we have not yet been offered any opportunity of judging the merits or otherwise of the central and individual railway efforts at amateurish journalism. We do not get any of their "journals" or "magazines"—whatever these might be called. Besides the formation of a central bureau and the appointment of a Chief Publicity Officer, a publicity office has been opened in London since July, 1927. The enterprise of the department is employed in cinema film production and display, poster production and display, pamphlet production and display, publication of an Indian State Railway Magazine, demonstration trains, upper and lower class excursion trains, Press propaganda in India, Europe, America and other parts of the world, and reciprocal publicity with the leading railways of the world.

We are, naturally, watching with considerable interest the development of these activities, as they, to no inconsiderable extent, encroach upon the precious preserve of professional journalism. The monsoon during the year was normal and trade on the mend. The result was that taken all round the year was a most profitable one for railways, the gross earnings of State-owned lines reaching the record figure of Rs. 104 crores, or an increase of Rs. 5¾ crores as compared with 1926-27. Goods traffic was responsible for most of the increase in gross receipts, the earnings from goods carried on all railways amounting to Rs. 69¼ crores, as compared with Rs. 65 crores in 1926-27.



ANGLO-JAPANESE TRADE AND PAYMENTS AGREEMENT

FEW recent events have evoked such keen controversy in the U.K. as the Anglo-Japanese trade and payments agreement concluded towards the close of last month. It unleashed so much emotion that the present Government in Britain has had to face a storm of protests both inside and outside Parliament. The Government was assailed by both the Opposition and some of its party members when the matter was raised in Parliament. In the debate that took place last week on this agreement, there was more politics than economics. It was, indeed, ununderstandable how the Labour Party pressed for a division, albeit unsuccessfully, in spite of the fact that the agreement was only a renewal of an arrangement concluded by itself when it was in office.

A dispassionate study of the terms of the agreement discloses that all this heat over the agreement was unwarranted. The agreement is designed to facilitate a two-way trade between Japan and the sterling area to the extent of £420 million. The implication here is that, while the agreement will help the maintenance of the level of sterling area exports, the sterling area should be prepared to buy more goods from Japan. It is expected that the agreement will enable Japan to export more of cotton and rayon piecegoods, toys, buttons and studs, electric lamps, bulbs and shades, paper manufactures, brooms and brushes, lacquerware and ivory fancy goods than it has been able to do all along. In return, Japan has undertaken to provide sterling sufficient to maintain U.K. exports to Japan in 1954 at the current level. It has, in particular, agreed to provide sterling quotas upto a value of £2 million for the import of wool and worsted yarn and manufactures, for which no provision was made in the previous year. Japan has also guaranteed payment in sterling for sales of sterling oil and facilities for remittance of earnings of British firms in Japan.

This agreement with Japan has become inevitable. For Japan has been having a severe deficit in its trade with the sterling area which is based on payments agreements, the first of which was signed in August, 1951. Under this type of agreement, all payments by Japan are to be made in sterling. Any serious disequilibrium in trade should be adjusted by mutual consultations between the two countries. The provision for consultation, however, is a one-sided affair, in that it comes into effect only when Japan accumulates large quantities of sterling. When the situation is otherwise, that is, when Japan runs short of sterling, the remedy lies in drawing upon its working balances in London or in borrowing in the open market in London or in resorting to forward exchange operations. The balance sought to be achieved by resorting to such stop-gap measures last year proved to be extremely unsatisfactory. It meant that Japan was not in a position to pay for its imports from the sterling area by exports to that area. In other words, it meant a one-way traffic, which is not conducive to expanding trade between any two areas. It is obvious that, unless Japan were enabled to pay for its imports from the sterling area, the latter's trade with Japan would shrink. Hitherto, Japan could settle its adverse balance with the sterling area through its U.S. dollar holdings, but its position in this respect, too, is not as comfortable as it used to be when the Korean war was at its peak. It is this state of affairs that necessitated the conclusion of a new payments agreement, an agreement designed to strike a balance in trade between Japan and the sterling area.

The agreement is criticised on the ground that Japan has been gratuitously admitted into third markets in which the U.K. exporters are interested. As Japanese goods are and will be cheap, they will, so argue the critics, slowly but steadily price the British manufactures out of the many sterling markets. The opposition, especially from the Lancashire textile interests, is great, as they fear that the biggest battle in sterling markets will be between the Japanese and the British textiles. The fear has been accentuated by the U.K. Government notification to the colonial Governments that they may import from Japan in 1954 "up to their estimated requirements for consumption and *entrepot* trade." They further fear the revival of pre-war Japanese dumping and other unfair practices.

There may be some justification for the opposition fears, considering that, in pre-war years, Japan indulged in all sorts of unfair practices to gain markets for its goods, but that is not the whole truth. Most of the opposition is born of either selfish or other political motives. Small wonder, therefore, that leading newspapers in the U.K., the concern of which for the larger interests of the nation cannot be questioned, have supported the British Government on this issue. To quote, for instance, the *News Chronicle*:

> "Japan has a black record of treachery and brutality. But the idea of this pact is not to fatten up the perfidious Japanese, but to help our own hard-pressed exporters. Last year, our exporters sold goods worth nearly £15,500,000 to Japan. They will sell next to nothing this year, unless the pact goes through and gives Japan enough sterling to go on buying British goods. Our exporters have been struggling hard for months past to get a market in the Far East. The individual items are impressive. Are we now going to tell the motor, engineering, chemical and other industries, who are making a brave fight in the Far East, to surrender to subsidised German competition? Millions of pounds are at stake. We find it frankly funny that this newspaper should be applauding the Conservative Chancellor of the Exchequer and the President of the Board of Trade for their efforts to liberate trade. But Mr. Butler and Mr. Thorneycroft are right on this issue. They have courage."

It is admitted by a section of British public opinion that the fear of Japanese competition is being overplayed. The quota of £3,000,000 for imports of Japanese cotton and rayon cloth into the U.K., for instance, is no concession to Japan and involves no hardship to the British textile industry, especially because the whole of it is to be re-exported after processing. The quotas in regard to many other commodities also is sizably small and mosly smaller than pre-war imports. It is further pointed out that Japan's manufacturing costs are on the ascent, due chiefly to high inflation. Again, Japan's exports are being maintained by a system of dual prices and export subsidies, the continuance of which are subject to serious limitations in the present-day Japan. There is already a proposal to cut Governmental expenditure by reducing export subsidies. Moreover, in an effort to curb inflation, interest rates in Japan have been pushed up and credit is severely restricted. There are no such handicaps to exporters in Britain or in other sterling area countries.

The opposition of Lancashire cotton textile interests, in particular, has been subjected to strong criticism in the British Press itself. While it is admitted that Japanese competition in this field cannot be underestimated, the imports into the sterling area as a whole are not, however, expected to be more than that attained in 1951. In any case, Lancashire goods cannot seek a protected market in the sterling area. Those days were over long, long, ago. It is inexplicable why the sterling area countries should be denied the cheap Japanese cloth and be forced to buy the high-priced Lancashire goods. What economic justification is there for the underdeveloped countries in the sterling area to pay for the maintenance of the high standard of living of the Lancashire workers and that, too, at the cost of their own living standards? Even our conservative contemporary, the *Economist*, London, has aired similar views. It says, for instance:

> "It is in these markets that the export industries in Britain, and the textile industry in particular, may feel the draught of competition, for they have hitherto been preserved for British imports by the quantitative restrictions of import licensing. But this prospect hardly warrants the shouts of angry dismay that have come this week from Lancashire. Is it seriously contended—in the home of free trade—that the Malays and the Africans whose labour produces so many of the dollars with which the British people indulge their taste for both essentials and luxuries should be thanked and rewarded for their efforts by an indefinite continuance of the embargoes which compel them to buy their cloth in Lancashire, whether they like to or not, and exclude the competition of, perhaps, cheaper manufactures from Japan? If so, it would be difficult to conceive of a shorter cut to losing the colonial empire."

It is too early to forecast whether or not the object of the agreement, namely, a neatly balanced trade between Japan and the sterling area, will be realised. There are many imponderables. To mention only two. First, much will depend on the policy of the South African and Australian Governments. Will these Governments allow liberal imports of Japanese goods? Secondly, it will depend on the maintenance of at least the current level of export prices in Japan, which in turn depend on the measures taken or to be taken to arrest the inflationary spiral in that country.

As a member of the sterling area, India, too, is interested in this trade and payments agreement. It will also be affected more or less in the same manner as Britain. Its exports of cotton goods, for instance, will no longer have the same sheltered markets in British territories as hitherto. But that is no reason why India should oppose this agreement. The very fact that no notice of this development has at all been taken in this country shows that the Indian Government and businessmen fully realise that foreign trade is a two-way traffic. While Indian goods may have to face somewhat stiffer competition from Japan, it may also be in a position to improve its exports (of coal, iron ore, cotton, etc.) to Japan, as a result of this agreement.

Be that as it may, if the payments agreement had not been signed, the Japanese would have probably concluded separate bilateral agreements with the Dominions. In that event, it is likely that Japan would have tried to force on the Dominion markets larger quantities of its goods. Such a course would have doubtless proved worse than the present agreement to Britain and other members of the sterling area.

DEFICIT BUDGET FOR BIHAR

The daily Press version of the Bihar Government's budget estimates for 1954-55, presented to the State Assembly on Monday last by Dr. A. N. Sinha, Finance Minister, reveals certain peculiar features. Thus, while the capital account for the ensuing year discloses a surplus of Rs. 2.05 crores, the revenue account shows a sizable deficit of Rs. 10.48 crores, so that the overall deficit amounts to Rs. 8.43 crores. Again, the deficit is to be covered largely by setting off the opening balance of Rs. 8.12 crores. The remaining Rs. 31 lakhs, together with what is called the ordinary specified balance of Rs. 43 lakhs, have been left uncovered. It is noteworthy that the Bihar budget does not contain any new tax proposals or alterations in the existing rates. Evidently, Dr. Sinha must have realised that, as it is, taxes have been loaded up to the last straw. As he himself remarked, "raising the level of existing taxes is no more a solution to the State's financial problems," although he took care to add that the Government might adopt expedients later in the year, if necessary, as, for example, recourse to taxes for specific services rendered to particular sections of the community and fresh taxes or duties on the more well-to-do sections.

The deficit of Rs. 10.48 crores on revenue account estimated for 1954-55 compares very unfavourably with the estimated deficit of Rs. 34 lakhs for the current year. This widening of the deficit is the result of a fall of Rs. 3.75 crores in revenue estimates, on the one hand, and an appreciable rise of Rs. 6.39 crores in expenditure, on the other. The estimates of revenue and expenditure for 1954-55 are placed at Rs. 29.25 crores and Rs. 39.73 crores, as against Rs. 33.00 crores and Rs. 33.34 crores, respectively, for 1953-54. The fall in revenues is expected mainly under receipts from sales tax, agricultural income-tax, sale of text books, sugarcane cess and stamp duties. Electricity and land revenue, however, are expected to register improvement. The estimate of expenditure is placed higher, despite the reduction of Rs. 1.17 crores (as compared with revised estimates for 1953-54) in outlay on famine relief, thanks to a good harvest. This is chiefly due to the rise (as compared with revised estimates for 1953-54) of Rs. 2.78 crores in civil expenditure, of Rs. 1.75 crores under education and of Rs. 16 lakhs under general administration. Incidentally, it is stated that the Post-war Fund will be completely liquidated in the course of next year.

An idea of the financial position (budget estimates only) of the State Government during 1954-55 can be had from the following statement:

(In crores of rupees)

Revenue Account		
Revenue		29.25
Expenditure		39.73
Surplus (+) or deficit (—)		—10.48
Capital Account		
Receipts—		
Grants-in-aid		2.86
Loans		10.78
	Total	15.64
Disbursements—		
Capital expenditure		10.59
Grant of loans		2.29
Repayment of debts		0.71
	Total	13.59
Surplus (+) or deficit (—)		+2.05
Opening balance		—8.43
		+8.12
Uncovered deficit		—0.31

It will be seen from the above figures that, in framing the capital budget for the ensuing year, the Finance Minister of Bihar has taken for granted a sum of Rs. 10.78 crores as loans and another sum of Rs. 2.86 crores as grants-in-aid. It is, however, not known how the loan of Rs. 10.78 crores is to be raised. Does the Finance Minister propose to enter the capital market for a public loan or does he depend entirely on the Central Government? In the absence of full details, these posers cannot be answered. This much, however, can be said. In the present state of the capital market, the Finance Minister cannot hope to raise even half the target of Rs. 10.78 crores from the public. He will, therefore, have to fall back upon the Centre for loans. The Centre's finances, unfortunately, are none too comfortable. It can meet the large capital needs of States only by exercising its right to issue notes.

SOME PROBLEMS OF IMPORTERS

Among the points raised by Mr. Shantilal M. Shah in his presidential address at the annual meeting of the All-India Importers' Association held at Bombay on the 16th inst., the one relating to his complaints against the attitude of manufacturers towards the established import trade merits every consideration. He says: "Even before an industry is established, there is a hue and cry for protection by banning imports. And once protection has been obtained from the Government and the field of competition is reduced or eliminated altogether, they prefer to distribute their goods through either their own created agencies or organisations controlled by them." This exclusive tendency on the part of manufacturers is desirable neither in their own interests nor in the interests of the import trade, nor, for that matter, those of the consumer. The exclusion of established trade channels deprives the manufacturers themselves of the benefit of sound marketing experience developed over a long period, causes unemployment among these classes and leads to bitterness between the two important sections of the economy. The established import trade, therefore, plead for a change in the attitude on the part of manufacturers.

This plea has been strengthened by the fact that the import traders have, to quote Mr. Shah, "agreed, in principle, to protection being granted to our industries, either through the import trade control or by imposing high tariffs, and, although this means gradual restrictions on our field of business, we are ready to make a sacrifice in the national interests."

This important admission under the principle "Indians first and importers next," as was pointed out by Mr. R. G. Saraiya, President of the Federation of Indian Chambers of Commerce and Industry, in his inaugural address at the meeting, represents a welcome change in the attitude of the import traders towards Indian industry. Thus, the domestic manufacturers have a good climate in which they can work in co-operation with established and experienced middlemen to the mutual benefit of both. Mr. Shah, however, desires that the Government should compel manufacturers to sell their products through normal trade channels. This is hardly a wholesome procedure to follow; for, through compulsion, one can only lead the horse to water but cannot make it drink. Nor is such a demand for Government intervention in keeping with the demand for freedom for private enterprise.

But Mr. Shah is right in criticising the Government's policy of giving double protection to an industry, that is, by means of imposing a ban on imports, as also by levying high tariff duties. When there is a Tariff Commission with wide powers to examine the claims of industries for protection, it is not understandable how the Government can ignore, as Mr. Shah has emphasised, its recommendations and place restrictions on imports under the advice of its Development Wing. While prescribing import quotas, Mr. Shah is of the opinion that the quotas should cover the gap between demand and internal supplies for the commodity concerned. Although this principle appears sound at first sight, even that is not calculated to serve the consumer, for, the demand and supply being equal, there will scarcely be scope for competition. Consequently, the quantum of quotas fixed should be such as would leave enough room for healthy competition so essential for the establishment of reasonable price levels. Granting that such a principle is accepted, there is the difficulty of arriving at accurate estimates of demand and supply. This difficulty is being solved by the Federation by inviting the producers and importers to sit together and arrive at agreed figures on the basis of data before them. According to Mr. Saraiya, this practice would appear to have met with some success, as the Government has accepted the estimates thus arrived at by the Federation.

OFF THE RECORD

(By "ROVER")

I WONDER if the time is far ahead when the advocates of handlooms and other cottage industries, being in power, will compel us all by law to use only articles produced by these industries. From the day the Congress Governments came into power some seven years ago, they have been undisguisedly devising ways and means to bolster up what is almost a lost cause. It began only with modest State patronage for handloom cloth and hand-made paper. It was soon found that this spoon-feeding on a token scale neither helped this section of industry, which because of natural causes had been wasting away like a tuberculous patient, nor advanced the cause in any manner with the indifferent public. After all, it is only the free and voluntary preference of the masses and not official patronage, that can keep any industry in commission for long. And the masses refused to be moved.

Exasperated at this failure, those amongst the Governments, who are not much troubled with the political niceties of democracy or much concerned about respecting the wishes of the people, began to think of more drastic means of inveigling the public into buying the products of cottage industries. All this was to be done, of course, with the taxpayers' money. If the people, as such, had the slightest regard or soft corner for hand-made goods, they would have shown their preference in the one and unmistakable way of purchasing these articles even at a higher cost. But subsidies and other financial aids failed to create a big enough market for these products to enable the handloom and other cottage industries to keep their heads above water. It takes an expert swimmer with a fund of stamina to make his way against a strong current and even he cannot just go on doing it indefinitely.

Any sensible Government would have been put on its guard by these initial failures. Such a Government would have gauged the true capacity of these industries about the number of persons or families they could keep profitably in employment and they would then have started looking about for ways and means of finding work for those in excess. Even the most mechanised country offers some scope for specialised and artistic products and, with every rise in the standard of living of its people, this scope is automatically increased. A poor people with low living standard like us cannot afford the luxury of maintaining a huge handicraft industry.

It is not as if these votaries of the mediæval age in economic evolution, who are in authority today, are not aware of the implications of their outmoded policy. They are not so unintelligent or out of touch with the times in which they live as not to realise the incongruity of their schemes with the economy of the country or of the rest of the world. But almost unlimited political power has an unfortunate tendency to cloud and confuse reason and the capacity to take a balanced and unbiased view of things. And, in this particular instance, as in that of prohibition, it is not merely a case of power going to the head of certain party leaders and Ministers. With most of them, *khadi*, hand-pounded rice, *ghani* oil and similar other things have assumed the sacredness of religious symbolism.

These things are no longer primary, physical necessities of life and as such merely matters of economic adjustments. When religious emotions came to be combined with political power, the resulting product, most frequently, by some strange spiritual alchemy is not chastened and tolerant exercise of authority, but unbridled fanaticism. When so moved, these potentates are apt to throw all the wise and wholesome limitations with which power in a democracy is hedged in and to use the last dram of it in cramming what they rever as great spiritual truths down the unwilling throats of poor, misguided unbelievers. Failure only drives them into greater desperation and, as in the case of prohibition in some of the States, into progressively more and more savage forms of punishment for transgressors. Things have not yet come to this pass in the case of cottage industries in general and handlooms in particular. However, those who have followed the course of this movement with any care, could not have helped noticing that, when modest measures fail, more arbitrary and powerful weapons are drawn from the political armoury and used without any scruples or without counting the cost.

When positive aid failed to bolster up these decayed and dying industries, these priests of the temple turned their eyes to rival creeds. If these could be put into heavy chains and weakened, a greater field might be opened for their gods. From unfair discrimination in favour of hand-made goods in the matter of taxation and official purchases, it was an easy, though not a short, step to the levy of special financial burdens on mechanised industries and directing these funds towards granting further monetary aid to the unfortunate products of handlooms, which few outside the Government offices wanted to purchase. Even oxygen and forced feeding failed to put them back on their feet which, the worshippers in their devotion failed to notice, were of clay. The public continued to be perverse and refused to accept the lead from its rulers.

This unhelpful attitude of the public towards their pet fads virtually infuriated some of our satraps. To overcome their chagrin and virtually to compel people to buy goods of the Government's and not of their own choice, they cut down the field of operation of the cotton industry, by restricting their production of the articles most in demand. Like all desperate and ill-conceived measures, this one misfired. It did not have the desired effect, unless it was to punish the obdurate public. The handlooms failed to benefit from this partial reservation in their favour. Even the increased price they received for their bordered *dhotis* and coloured *saris* did not help them to be self-supporting. All it did was to make the people pay more for these articles to the mills. Even an unsophisticated villager knows that he can take his bullocks to the trough; he cannot force them to drink. Perhaps, our wiseacres in New Delhi, Madras, Calcutta and Bombay take the masses to be less self-willed than horses and bullocks. They hold that the people can be made to drink from a *Sarvodaya* trough by an overriding ordinance.

It was at this stage of near despair that a crisis came to the help of the determined priests of this temple, which was fast losing its following. Unemployment, which had always been there, took a menacing form. It threatened not only the political stability of the party in power but of the country as a whole. Not being sufficiently schooled in the operation of economic forces, these priests of the temple almost welcomed this new development. When knowledge is made to wait outside, superstition gets hold of the mind and many a religion has found a good ally in superstition. It was put forth with the confidence of a quack, in spite of all evidence to the contrary, that cottage industries alone could supply the required exent of scope for employment. It was forgotten that, for fifty years or more, this wing of industry had failed to find gainful employment even for those who were traditionally born within its sphere.

Cottage industries had failed to maintain, even in comparative penury and poor living standards, those few who found themselves unable to abandon them for various reasons. This failure was all the more remarkable, in view of the powerful impetus given to them by Mahatma Gandhi, with the full force of his great personality and influence with the masses of the country. It was all the more significant, because the use of these products was raised to the status of a political cult for winning independence from foreign rule. It was promoted and practised and it is still being practised, rightly, as a symbol of culture and refinement. If handicrafts could not rise beyond a symbol of cultured and protected life of a few even with this tremendous backing, if they failed to wield a mass appeal even with the aid of the organisation which Gandhiji built up for popularising them, when all the social forces worked in their favour, there is little hope of their expanding to a scale large enough to solve, within any reasonable period of time, the widespread unemployment of today, merely as a result of the futile and puny efforts of the few fanatics, who have been left in the country with their blind faith in cottage industries.

When the Prime Minister and the Union Minister for Industries, after paying a sentimental and token tribute to cottage industries, and mentioning them merely as a testimony of their faith, are talking of rapid industrialisation of the country and when they are busy launching great schemes for mechanised production of steel, fertilisers, locomotives, machine tools, aircrafts and ships as a part of Government's own programme for the public sector, the Rip van Winkle of Mr. Gulzarilal Nanda, who unfortunately has been put, at least nominally, in charge of planning, is still thinking exclusively and piously in terms of cottage industries as the economic panacea for the country. Having lavished funds and political influence and prestige on the All-India *Khadi* and Village Industries Board and found it still ineffective and barren, he now proposes, as he gave out at Ahmedabad the other day at a Press interview, to turn this into a statutory organisation.

This could only mean that persuasion and propaganda by the Board having failed to advance its sacred cause, it should now be invested with some sort of authority to coerce large-scale and mechanised industry and the people into worshipping his gods and making compulsory offerings to them. I frankly see in this innocent-looking announcement of the still more innocent-looking Minister, a great threat and menace to the economy of the country. I want the industrialists in the country to underscore his words that Government would effect some control on large-scale industries, so that selected small-scale industries could not be subjected to unfair competition. Any competition which adversely affects one's pet institutions is bound to be taken as unfair and so, of course, rightly to be exterminated, provided one has the power to do so.

It was kind of Mr. Nanda to discountenance the proposal for organising picketing against the use of machine-made goods, but the fact that the advocates of cottage industries are contemplating such measures not only shows to what length they are prepared to go, but also exposes, as nothing else could, that the people in the mass are at any rate indifferent, if not against, cottage industries. For any Government to go persistently against the wishes of the sovereign people and to tax them for a purpose in which they have no faith is anything but democratic. Even if such a political attitude be right, it is more in keeping with Hitler's Germany and Stalin's Russia than Nehru's India.—*All Rights Reserved.*

PRESIDENT'S ADDRESS TO PARLIAMENT

PURCHASE TAX TO REPLACE SALES TAX

(From A Special Correspondent)

NEW DELHI, 16*th February*

DELHI LETTER

THE President's address at the opening of the budget session of Parliament yesterday was a somewhat dull and disappointing affair. His speech did not reveal any new lines of Government's policy. Nor did it indicate the policy that the Union Government would be pursuing in the coming months. The general tenor of his speech was insipid, inasmuch as the public already knew the various developments both in the political and economic spheres. When such is the case, it is ununderstandable as to why Parliament should spend two to three days in discussing his address, especially as it will have a good deal of opportunity to offer constructive criticisms at the passing of grants to the various Ministries in the next month.

On the economic front Dr. Rajendra Prasad was full of praise for the community projects and the National Extension Service, particularly for the encouraging contribution of the people. He expressed satisfaction at the continued improvement in the general economic situation. Production of foodgrains which recorded a substantial improvement of five million tons in 1952-53 is expected to show a further handsome increase during the current year and the goal of self-sufficiency in food is now very near reach. The President stated that industrial production was standing at the highest level since the war, but showed great concern at the existence of a considerable volume of unemployment.

The President's partiality to cottage industries is well known and on this subject, he observed: "My Government attach special importance to the development of cottage industries. I regret, however, that progress in this respect has not been very satisfactory. It is hoped that the efforts of the All-India Khadi and Village Industries Board as well as the All-India Handloom Board and the All-India Handicrafts Board will yield substantial results in the near future." In regard to river valley projects, he pointed out that five new projects, namely, the Kosi, the Koyna, the Krishna, the Rihand and the Chambal had been included in the first Five-year Plan. According to the President, the present budget session has a vast legislative programme. There are 28 Bills pending and among these, he mentioned specially the Bills dealing with the reform of the Hindu law and also that relating to judicial procedure with a view to expediting these processes and lessening the expenditure involved in them.

Purchase Tax

The possibility of the purchase tax substituting the existing sales tax in certain directions is becoming brighter in the near future. The Officials Committee which discussed the whole question in October last, following the situation created by the recent Supreme Court judgment relating to the tax on inter-State sales, is reported to hold the view that "a permanent solution in respect of sales tax on inter-State trade (where a State desires to levy such tax) must be sought on the lines of a purchase tax to be levied on its own residents by the taxing State, so as to avoid the vexations and complications of taxing non-resident dealers." In other words, for internal transactions, the sales tax will continue to stay, while for inter-State transactions, the purchase tax is likely to be enforced. Although there is a section of the public which holds the view that the sales tax should be made a Central subject and that the proceeds thereof could be distributed by the Centre to the States on a certain basis, many State Finance Ministers have been opposing this development on the ground that each State differs from the other in respect of social and economic conditions and that a uniform all-India sales tax cannot be a workable proposition. In the States also, the sales tax has now become more or less a purchase tax in the sense that it is the purchaser who has been asked to pay the tax, thus shifting the incidence of the tax on the purchaser.

In many foreign countries, the sales tax has either taken the form of a purchase tax or turnover tax. In the U.K., for instance, since there is no question of inter-State transaction this tax is called purchase tax. In April, 1946, the then Chancellor of the Exchequer said: "I do not regard this as a temporary tax or as a wartime aberration . . . to be hastily swept away. On the contrary, my view is that the purchase tax has got to stay, and must yield an increasing revenue over the next few years to help pay the bill for social betterment. Its yield will rise as the production of taxable goods increases. This tax, in present conditions, not only raises revenue but also . . . 'mops up' . . . purchasing power, and also helps to prevent inflation." Thus in the post-war period, the tax has remained, not only as a device for combating inflationary tendencies, but also as an important source of revenue. In 1951-52, the total yield from this tax amounted to an impressive amount of £338 million. This tax is not a turnover tax since this tax is being levied in that country largely on luxuries and some other consumption goods such as tooth brushes, razor blades, knives and forks, electric light bulbs, clocks, pens, pencils, writing paper, etc. In India also the amount from the sales tax and the proposed purchase tax is likely to go in an upward direction with the improvement in the living standards of the people.

The Government of India is stated to have come to a definite agreement with the Burma Government regarding the bulk purchase of rice. As per this agreement, India will be importing about six lakh tons of rice during this year from that country. The price settled is stated to be high at £50 per ton and inclusive of transport and incidental charges, it will work out at well above Rs. 800 per ton. As compared with the current prevailing prices in the producing centres, the rate for Burma rice may be considered somewhat high, especially if the quality of rice to be imported is taken into consideration. This rice deal costs India Rs. 40 crores and it is suggested that a part of the above sum will be adjusted against the debt which Burma has to pay to India under the Separation Agreement of 1935. The outstanding amount is now computed at about Rs. 48.15 crores. This sort of agreement will be helpful to India from two angles. First, India will be able to build up its reserve of rice appreciably and may be able to pursue its policy of progressive decontrol at an accelerated pace. Secondly, to the extent that India is able to set off a portion of the purchase money against the debt due from Burma, it will have a disinflationary effect on the Indian economy.

Steel Plant

At long last the Government of India has been able to arrive at a definite decision regarding the location of the steel plant after prolonged discussion and consultation. This prolongation has largely been the result of the Government's anxiety to avoid unnecessary and unedifying controversy during the coming weeks on this subject. In coming to the decision to establish the plant at Rourkela (Orissa), the Government is mainly motivated by economical and technical considerations in accordance with the recommendations of the German combine which will be associated with its execution. The Production Minister, Mr. K. C. Reddy, will be making a statement on this subject today in Parliament when he will narrate the reasons that guided the Government of India to prefer Rourkela to Bilhai or Durgapur. According to the German collaborators, the proposed plant in Orissa will produce steel at relatively attractive rates as compared with those prevailing in the world. This apart, Government has favoured the site at Rourkela from a strategic point of view as against the claims advanced by West Bengal for Durgapur where there is already a concentration of a number of industries. Further, if the Madhya Pradesh site were to be selected, the problem of electrical supply will arise and additional expenditure will have to be incurred for erecting a thermal plant which will again take some time. The location of the new steel plant in Orissa will build up the economy of this backward State, since Orissa is stated to possess vast mineral resources of varied nature. Now that the Government of India proposes to establish another steel plant during the second Five-year Plan, it is expected that it will choose Bilhai for its location at that time.

DOMESTIC BUDGET PROSPECTS

NO RELIEF IN PURCHASE TAX

(From Our Own Correspondent)

LONDON, 13*th February*

LONDON LETTER

WITH less than two months to go before the end of the financial year, the annual exercises on the part of Government and industry are taking place to patch up the wrong estimates of the past budget and to provide for the future. This coming week, Parliament will be asked to vote additional expenditure of about £80 million partly for Service needs but largely also for the Home Departments, of which the Ministry of Food is the principal in this case —the additional money being required to sustain the agricultural guarantees to the farmers in the face of falling world prices. Up to date the Government have already exceeded the expenditure estimates by £150 million, so the grand total of unbudgetted-for expenditure will be £230 million. Of this total, nearly two-thirds is accounted for by the Ministry of Food—again for the same general purpose of sustaining the guaranteed farm incomes.

Up to date, revenue has been coming in above expectations and the current surplus covers a substantial part of the excess expenditure. It is also possible that hidden economies have been made which will further offset some of the additional spending. A year ago, the Chancellor reckoned to end his budget with a surplus of some £100 million, and, although the indications are that this will not be achieved, neither will the possible shortfall be as great as the new expenditure estimates presented to Parliament might suggest.

Need for Tax Reductions

Industry has begun making representations to the Chancellor about the need for tax reductions in various directions and insistent pressure has come from the trades which have to pay substantial purchase tax varying from 25 to 75 per cent. of cost prices. This tax brings in £260 million a year and, although it was first introduced as a means both of contributing to the revenue during the war and of reducing consumption, it was regarded as a temporary expedient. It now appears to be suffering the same fate as Mr. Gladstone's income-tax and looks likely to go on for ever. The trouble with it is that it brings in too useful a revenue to be lightly disposed of.

Unlike income-tax, the tendency since the war has been to reduce it and, although on some occasions in the past there were increases, a Chancellor who increased the purchase tax under other than crisis conditions could hardly now hope to get his budget through the House. But since reductions in tax mean losses for traders holding the goods concerned, and whenever rumours of possible tax reductions are about the public hold off buying, the tax has become a considerable nuisance to trade. Ever since Christmas, retailers have been pressing the Government to make their intentions about the tax clear, the more so since the Chancellor has the right to alter the rate of tax at any time in the course of a financial year. Mr. Butler has now ended the uncertainties and told the country that the realities of budgetting make it impossible to reduce purchase tax either before or in the Budget. However unpalatable this news is—and it bears especially hard on the textile trades, the least prosperous section of British industry—there is some compensation in the ending of uncertainty. It is apparently the first time that a Chancellor of the Exchequer has revealed a major Budget decision well in advance of the Budget.

An important implication of the decision not to reduce the tax is that the Budget prospects for the coming year are not particularly favourable. No doubt if the Chancellor is able to make any remissions in taxation it will be principally through changes in personal taxation. But, undoubtedly, Mr. Butler's Budget has been made more difficult by the constantly rising tide of expenditure. He had been hoping by now to have eliminated the food subsidies, instead of which he finds that, as fast as he gets the consumer subsidies down, the producer subsidies to the farmers have to go up. It is no longer the consumer who is getting the benefits of cheap food through the incidence of taxation, but the consumer who has to pay the producer through taxation for maintaining the level of British agriculture!—*All Rights Reserved.*

AMERICAN LETTER

ECONOMIC READJUSTMENT WILL BE COMPLETED SOON

BIG INDUSTRIES PLAN FOR MORE INVESTMENT

(From Our Own Correspondent)

NEW YORK, 11*th February*

AMONG the outstanding events influencing business in the last two weeks were the successful U.S. Treasury $21,000 million refunding financing, the lowering of the Federal Reserve re-discount rate from 2 to 1¾ per cent., the easing of money rates in other segments of the markets as well as the issuance of the report by the President's Randall Commission which proposed a more liberal foreign trade policy.

Easiness of money is a deliberate policy of the monetary and credit authorities, while there is no sign that the business adjustment has come to an end, in order to provide an ample flow of funds to satisfy the necessary needs of the Treasury, States, Municipalities and private business.

The markets reacted splendidly. Bond prices rose further in response and the average yield for general obligations dropped below 2.4 per cent. in the first week of February. It was 3.06 per cent. last June and prices for tax-exempt bonds have been rising 13 per cent. since that time.

Lower financing costs will enable the various turnpike and thoroughfare authorities to finance their vast construction programme cheaper and it should help stimulate business activity in all industries contributing their materials, including machinery, heavy construction and building.

The Treasury securities markets have been all on new highs. And one of America's leading corporations, General Motors, announced it would spend between $1,000 and $1,500 million for expansion within the next two years. Confidence is the by-word in most segments of the economy.

The General Motors statement was followed by reports from the steel industry that it would spend about $750 million this year for expansion, against about $1,000 million last year.

Statements by bank chairman and presidents at their annual stockholders' meetings in January were of the same buoyant note. Most of them thought that demand for loans would be high in the first half of the year, although obviously depending on immediate money market conditions. None ruled out the possibility that interest rates would turn down further and that the prime lending rate may be cut as well, following that for commercial paper and other instruments.

Commodity Prices

Commodity prices have continued fairly steady, with the exception of coffee and cocoa which have continued to rise. One somewhat disturbing element which remains to be solved is that of farm surpluses, price supports and international distribution. The deadline is now past for getting 1953 wheat under Federal loan. Estimates are that the Government currently controls some 899 million bushels, of which more than 460 million bushels come from the 1953 crop and 439 million bushels from previous harvests. It is a new record.

A similar situation prevails in cheese. The seasonal output rise is now under way and indications are that the volume which will come in for price support will be very large. In the early part of January, cheese production was up 20 per cent. over 1953 and 15 million pounds of cheddar cheese sought official support on top of the 219 million pounds in the last nine months of 1953.

These are two glaring examples of farm surpluses. Both the Department of Agriculture and Congressional quarters are debating what to do about them.

Consumer credit rose to a new high in December, but the rate of increase slowed sharply, as compared with 1953. Consumer short-term credit climbed up by $644 million that month. It brought total outstandings in that category to $28,800 million on 31st December last, or more than $3,000 million above the figure reported twelve months previously. The significant element was, however, that the increase of last December was only about one half as much as the $1,200 million addition in December, 1952. Instalment loans, in fact, dropped to a level more than $500 million below that of 31st December, 1952. Smaller instalment purchases accounted for some of the retail-sales slow-down, especially in such goods as appliances and automobiles.

Meanwhile, deposits of the more than 14,500 commercial banks in the U.S. exceeded the $200,000 million mark for the first time at the year-end. The rise was about $6,000 million for the year.

There is also very little to complain about income receipts for individuals which ran at the rate of $285,000 million annually during December. This was $1,000 million below the November pace because of factory payroll reductions, but these were mostly overtime and not necessarily layoffs.

Thoughtful observers report that industrial business picked up momentum towards the end of January. Production and orders declined somewhat, but at a lower rate than in December, so that the predictions by President Eisenhower and others to the effect the American economic adjustment will be completed fairly soon, sound plausible.

Construction activity continued extremely strong in January. The total value was placed at $2,425 million, off 9 per cent. from December which is seasonal, but still 3 per cent. higher than in January, 1953.

Foreign Scene

On the foreign scene, the quasi-deadlocks in Korea and Berlin proved no particular surprise to the American public, although the Indo-Chinese situation is causing some serious concern to insiders.

American exports in 1953 were estimated at more than $15,500 million, but, if military exports are excluded, this means commercial exports were probably 8 per cent. below the 1952 aggregate. Imports to the United States totalled an estimated $10,877 million, just about the same as in the preceding two years.

This development, coupled with the growing loss of gold by the U.S.—to the tune of more than $1,000 million last year—continues to contribute to the increasing economic health in the Western world's international trade.

The recommendations of the President's Randall Commission aim in the same direction. They suggest for the President to reduce duties gradually and to have price supports changed, so that U.S. crops could be sold overseas.

The report criticised international pacts to regulate trade in raw materials, but it did advocate measures to foster more trade for "peaceful goods" between Eastern and Western Europe. It suggested to keep the embargo on exports to Red China and the continuation of regulations for shipments of strategic items to the Soviet bloc, generally.

Politically, it is a sound report which will no doubt be backed by President Eisenhower who enjoys as much popular confidence today as when he took office early last year.—*All Rights Reserved.*

(Concluded from next column)

order to enable Pakistan to tide over the critical food situation, about 550,000 tons have already been delivered. Another consideration which seems to have weighed with the Pakistan Government in its latest move is the highly encouraging wheat crop due to be harvested in April next. The crop, it is said, may turn out to be quite sufficient to meet the country's needs in full and even to leave a small surplus.

Pakistan had a favourable balance of trade with the U.K. to the extent of over £2 million during the first two months of 1953. The value of Pakistan's exports to the U.K. was £24.68 million, while that of imports was £22.54 million.

It is understood that the Indo-Pakistan rail conference, which was to have been held at Karachi this week, has been postponed. No new date has been fixed, but indications are that the conference will be held towards the end of the month.

PAKISTAN NOTES

STATE TRADING IN COTTON

GOVERNMENT TO INSTITUTE ENQUIRY

THE reported decision of the Government of Pakistan to institute an enquiry into State trading in cotton (and also jute) during 1952-53 has come not a day too soon. The decision is a sequel to the bitter criticisms that have all along been expressed by cotton circles in Pakistan against the bulk handling of cotton by Government through the Pakistan Cotton Board. These criticisms are on the score that the system of bulk purchases and bulk sales adopted by the Government is defective in several respects. It is pointed out, for instance, that a disquieting effect of the official interference with the cotton market has been the distortion of the cotton price pattern. Again, the price support scheme followed by the Board during 1952-53 resulted in considerable loss to the Exchequer, amounting to as much as Rs. 4.5 crores, thanks to the world-wide recession in cotton prices. It may be noted here that the price support scheme was withdrawn on 1st September, 1953. Incidentally, the Government lost no less than Rs. 9.5 crores on its jute price support scheme.

The proposed enquiry into State trading in cotton is expected to cover two important issues: (1) Whether the purchase and sales of cotton during 1952-53 were effected by the Cotton Board in the appropriate manner; and (2) whether the heavy loss sustained by the Government could have been reduced. The findings of the enquiry will be awaited with much interest, not merely by cotton traders in Pakistan but also by the overseas importers of Pakistan cotton. The enquiry, it is to be hoped, will result in the adoption, by the Government, of such measures as would enable the cotton market to function effectively without the need for official interference in its day-to-day affairs.

Industrial Development

The implementation of the several projects undertaken by the Pakistan Industrial Development Corporation is expected to be in full swing during the current calendar year. Thus, according to Mr. Gulam Faruque, the Corporation's Chairman, ten factories will commence operation before the end of the year. These include four jute mills in East Pakistan, one sugar factory at Jauharabad, a caustic soda factory, a D.D.T. plant and a paper board mill at Nowshera, a cotton mill in East Pakistan, and a strawboard mill at Rehwali.

The successful completion of these projects is expected to be rendered possible by adequate Government assistance to the tune of Rs. 17 crores. Assuming that this sum will be advanced, the aggregate capital outlay incurred by the Corporation up to the end of the year will amount to nearly Rs. 60 crores. The major portion of this sum, Rs. 35 crores to be precise, is accounted for by advances from Government, the remaining being contribution from the public.

Further U.S. Aid

One more operational agreement providing for U.S. economic aid to Pakistan has been signed by the Governments of the two countries. Under this agreement, the U.S. Government will make available $750,000 towards meeting the expenses for the engineering services for the Karnafulli multipurpose project. A reputable U.S. firm will visit Pakistan shortly to help the Government in drawing up detailed designs and specifications of the project. The firm is also ready to prepare a schedule of construction and to assist in inviting tenders. Four other operational U.S. Pakistan agreements were signed a few days earlier and these relate to fertiliser factory, timber-extracting project, supply of chemical fertilisers and plant protection project.

Supply of U.S. Wheat

It is learned that the Pakistan Government is contemplating to cancel the request for the 300,000-ton free emergency wheat supply from the U.S. This move is said to be a sequel to the difficult conditions with regard to storage. The shipments of U.S. wheat have been so rapid in recent months that the Government is said to be faced with the problem of finding storage accommodation. Out of the free wheat aid of 700,000 tons (this excludes the emergency allocation of 300,000 tons referred to above) granted by the U.S. Government last spring, in

(Continued in previous column)

ROLE OF BANK CREDIT IN FINANCING THE PLAN

I.M.F. MISSION ENVISAGES ONLY LIMITED SCOPE

THE Mission of the International Monetary Fund, headed by Mr. E. M. Bernstein, has in its report on the economic and financial situation in India, entered into an intelligent discussion on the effect of the expansion of bank credit (by which is meant not only the credit provided by commercial banks but also by the central bank of a country) to finance development projects under the Five-year Plan. This discussion evidently originates from the controversy in this country on the issue of deficit financing. One section holds the view that, with the widespread under-employment of labour, no great impetus to inflation would result from the expansion of bank credit for productive investment. As opposed to this, another school of thought has expressed apprehension at the dangers of inflation, since it would be difficult to judge as to when and to what extent bank credit could be safely resorted to finance the Plan. In view of this controversy, the I.M.F. Mission has done well in addressing itself to this and making certain well-considered observations, which merit the close and careful attention not only of our policy-makers and administrators but also of our economists and students of economics.

At the outset, the Mission examines the assumption that deficit financing in underdeveloped countries where a considerable part of the labour force is employed in low output work in agriculture, will not be inflationary. The contention of this school of thought is that the contribution of such marginal workers to output is exceptionally small in India, because of the limited supply of land. If such marginal workers are transferred to the construction of dams, roads and other investments, it will result in little or no reduction in the output of food. And, in time, the investment which is undertaken with their labour will increase the output of food and other consumer goods. The conclusion is then reached that for these reasons the expansion of bank credit to finance development would not be inflationary. The Mission says that this assumption is wrong, because when the workers are transferred from agriculture to other works, they must be paid. The result will be that their wages will add to the income arising from agriculture. Thus, the aggregate incomes will be increased as a result of investment and prices will rise because there will be no automatic increase in the supply of consumption goods. Thus the argument that investment results in increased production in future is no guarantee that the creation of bank credit to finance such investment will not give rise to inflation *now*. In other words, the time lag between current demand and future supply is bound to create inflationary tendencies in an underdeveloped country.

The Mission then proceeds to consider another question which arises from the above, namely, whether, at a later stage, when the investment results in a larger output of consumer goods, the same level of investment will be inflationary. Suppose that, after an interval of two years, the effect of the new investment is to increase agricultural production annually by an amount equivalent to the additional investment financed by bank credit. Even then, it observes, the maintenance of the same level of investment would generate inflation. Explaining this point further, it states that the increase in output accrues as income to some part of the economy, except when it results in additional tax revenue, or is set aside as reserves for depreciation. While some of the increase in income will be saved, most of it will be spent. Thus, the larger part of the increased output is matched by increased expenditure. Only that part which remains as savings, taxes or depreciation reserve is available to finance the new higher level of investment.

Positive Role of Bank Credit

On the strength of reasoning noted above, the Mission does not rule out entirely the method of resorting to bank credit for financing development. It says that "it must not be assumed that because the creation of bank credit to finance development may lead to inflation, there is no positive or constructive role for an appropriate credit policy. On the contrary, because there is a deficiency of real resources, credit policy must be alert to ensure that a deficiency of money, as distinguished from a deficiency of real resources, does not further impede development. And it must be alert to ensure that whatever credit is made available through the banking system has the greatest possible effect by increasing production." Thus, the Mission points out that, because there is a gap between money supply and material resources, there is scope for using bank credit. For as the Indian economy develops, a gradual increase in money supply will be needed. The increase in money supply that will be necessary is likely to be not less than in proportion to the increase in production, and it may have to be somewhat more if industry and commerce and even agricultural production for market gain in importance relative to agricultural production for the village community. Such an increase in the money supply is clearly not inflation, and a smaller increase may prove to be inadequate for the needs of a stable economy.

Two Ways of Increase

How to increase the money supply when it is needed? This is the poser which the Mission sets out to explain after establishing the need for increasing the money supply as stated above. It points out that there are only two ways in which money supply can be increased, namely, (*a*) by strengthening monetary reserves, which is possible by the acquisition of foreign exchange assets, and (*b*) by the creation of bank credit. For India, says the I.M.F. Mission, it would not be desirable, in the next few years, to link the growth of the money supply with the accumulation of additional reserves for the development programme. For only for a time it can draw on its sterling balances. But soon a time will come when the reserves will have to be brought into appropriate relation with India's needs. It may become necessary to begin a gradual process of building up reserves to keep pace with the expansion of India's international trade and payments. The time when such a change in policy will be necessary is, we are told, beyond the period covered by the Five-year Plan. For the present development programme, growth in the money supply will not be accompanied by any increase in monetary reserves; on the contrary, it will have to be brought about, it is stated, in the face of a decrease in monetary reserves.

After pointing out how there are limitations for increasing money supply by building up reserves, the Mission next proceeds to examine

(*Continued on page 339*)

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SATISFACTORY RESULTS OF HABIB BANK

LIQUIDITY RATIO STILL HIGH

THE monetary and banking trends of a country are inevitably linked to the state of its overall economic activity. Any change, either for the better or for the worse in the economic conditions of the country will, therefore, be reflected in the working results of its banks. The past year witnessed a contraction in the economic activity in Pakistan, particularly in the field of foreign trade. Commodity prices were lower than in the previous year and there was a fall in money income in the agricultural sector. All these factors, therefore, cast a greater responsibility on the part of banks to follow a cautious policy in their activities, even if it meant a decline in their earnings.

Judged in the light of the foregoing factors, the performance of the Habib Bank Ltd. (General Manager: Mr. Razak H. Mahomed, Karachi), one of the leading commercial banks of Pakistan, in 1953, as testified by its audited accounts for that year, can be said to be satisfactory. The gross profit (before providing for taxation) amounts to Rs. 56.66 lakhs, a drop of nearly Rs. 11 lakhs as compared with the record profit for the previous year. The provision for taxation has been reduced from Rs. 40 lakhs to Rs. 28 lakhs, so that the profit available for other appropriations is actually higher by more than Rs. 1 lakh. The Directors have not chosen to strengthen the reserve funds this year also. But this does not matter, because the Bank has already a large reserve fund. Further, the undistributed surplus is higher than a year before, being as much as Rs. 26.77 lakhs as compared with Rs. 18.11 lakhs brought in. The dividend has been maintained at the liberal rate of 20 per cent. per annum, a rate which had been paid for the preceding two years.

The following comparative table provides an idea of the Bank's progress during the last three years:

(In lakhs of Pak. rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross income	134.80	139.23	137.02	125.44
Interest paid	20.80	16.66	17.12	17.76
Expenses	55.11	52.67	50.82	49.64
Depreciation	2.22	2.23	8.31	8.76
Profit	56.66	67.63	67.37	54.29
Appropriations—				
To taxation ..	28.00	40.00	28.00	21.00
To reserve	..	..	15.00	17.50
Dividend	20.00	20.00	20.00	10.00
	(20%)	(20%)	(20%)	(10%)
Carry forward ..	26.77	18.11	10.48	6.11

	As on 31st December			
	1953	1952	1951	1950
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserve funds ..	1,00.00	1,00.00	1,00.00	50.00
Deposits	87,27.06	84,57.84	43,82.81	35,13.05
Advances and bills discounted and purchased ..	7,74.84	7,72.56	11,45.20	8,99.65
Investments	24,03.45	20,24.89	23,11.41	22,81.81
Cash	7,09.74	9,82.81	13,38.76	6,95.90
Balance-sheet total ..	47,69.02	43,81.51	62,01.01	45,72.77
Ratio to deposits of—	%	%	%	%
Advances	20.8	22.8	26.1	25.6
Investments ..	66.9	58.5	52.7	63.8
Cash	21.4	28.4	30.4	19.6

It will be seen that there has been a drop of Rs. 4.93 lakhs in the gross income. In the absence of the break-up figures, it is not possible to say whether the decline is due to a fall in interest and discount earned or in commission and exchange or in both. Accompanying this shrinkage in earnings is the rise of Rs. 3.64 lakhs in interest paid and of Rs. 2.44 lakhs in expenses. These variations account for a contraction of Rs. 10.97 lakhs in the gross profit.

As will be noted from the latter half of the table above, there has been an increase of Rs. 3.88 crores in the balance-sheet total. This does not mean that there has been an increase in the Bank's turnover. Of this increase, deposits account for Rs. 2.69 crores. This is in consonance with the general trend of bank deposits in Pakistan, which is said to be due to increase in idle balances, consequent on the slackness in economic activity, sizable Government disbursements inside the country and a favourable turn in the balance of payments on private account. There has practically been no increase in the Bank's advances and bills purchased and discounted, with the result that the ratio of bank credit to deposits has fallen from 22.3 per cent. at the end of 1952 to 20.8 per cent. at the close of 1953. Investments have been strengthened by Rs. 4.68 crores, while cash balances are lower by Rs. 1.83 crores. However, the total liquidity ratio stands at a very comfortable level of 88.3 per cent., as compared with 86.9 per cent. at the end of 1952. Investments are shown at cost or market value, whichever is lower. A break-up of investments shows that Government, municipal and trustee securities have been increased by Rs. 4.49 crores, shares in joint-stock companies by Rs. 9.33 lakhs and bullion by Rs. 10.28 lakhs.

EARNINGS OF LLOYDS BANK RISE FOR SEVENTH YEAR IN SUCCESSION

DIVIDEND RAISED AFTER OVER TWO DECADES

THE financial results of Lloyds Bank Ltd. (Chairman: Lord Balfour of Burleigh, London) for the year ended 31st December, 1953, show no deviation from the general pattern of earnings of British banks to which reference was made in an earlier issue of this journal. They disclose that, despite the fall in credit portfolio for the second year in succession, in common with most others, the Bank's profit has gone up, but only by an extent less than that noted in the previous year. The improvement in profit may have been due partly to higher interest rates on advances and bills and partly to the steady trend of Gilt-edged values during 1953 which did not call for any large-scale drawings from the earnings to cover the capital losses as in the previous year. It cannot, however, be presumed that no provision has been made for any diminution in value of assets, for the published profit has been arrived at only after making transfers to the contingency accounts, out of which full provision is usually made for any such depreciation.

The profit, after providing for taxation and after making transfers to contingency accounts as stated above, amounts to £2,083,781, an increase of £119,116 over that earned in 1952. Thus, the upward trend in earnings that started in 1946 has been maintained. This increase, however, slightly falls short of that of £148,807 witnessed in the profit for 1952. The profit would have been much higher but for the decline in advances and the continued increase in administrative expenses. Nonetheless, the Directors have thought it fit to raise the dividend level, which had been maintained from 1932 onwards at 12 per cent., to 14 per cent. for the year under review. A notable feature of the Directors' decision to raise the dividend level is that it has been done at a time when the outlook for profit on (*sic*) no means promising. In saying this, we do not mean that the ability of the Bank to repeat the higher dividend in the coming years is in doubt. The dividend is so well covered by the present level of profits that, even if the latter were to decline a little in the coming years, it should be possible for the Bank to maintain this dividend. But, generally, no board of directors will recommend a higher dividend when there is a likelihood of reversal of the trend of profit. The Bank's Chairman himself is not sure that the future earnings will be maintained at the present level, if the steady decline in loans and advances persist and the growth of the staff costs and running expenses continue. Why then did the Directors of Lloyds Bank decide to pay a higher dividend? The answer is the need for doing justice to shareholders. Explaining this point, the Chairman remarked:

". . . It has been considerations of public policy which have been largely in your Directors' minds in recent years in refraining from altering our rate of distribution. But—and especially in our own case, as our reduction was more drastic than that of others—it has become at last a matter of simple justice to the shareholder that we should permit some alleviation of the restraint which we have so long imposed on ourselves and on him."

It is necessary to add here that readers should also peruse the further elucidation given by the Chairman which is published on page 319 of this issue.

The dividend level has been raised by stepping up the final distribution from 6 per cent. to 8 per cent., the interim one having been kept unchanged at 6 per cent. The higher distribution has, however, been made only after allocating a sum of £500,000 to the general reserve and £300,000 to the reserve for future contingencies. Last year, it may be recalled, the general reserve was strengthened by the addition of £1.2 million, while the inner reserve did not receive anything from the published profit. The undistributed surplus left to be carried over is higher, at £555,780, than that of £418,242 brought in from the previous year.

The decline in the balance-sheet total noted at the end of 1952 was partially restored at the end of the year under review, as will be seen from the table in the adjacent column, thanks mainly to a rise in deposits. In refreshing contrast to the small contraction in 1952, the Bank's deposits have risen by as much as £35 million to stand at a record level of £1,203 million. For the second year in succession, the Bank's liability for acceptances, endorsements, guarantees and other obligations (contra item) has declined, the drop in 1952 being, however, of a smaller degree than in 1952. On the assets side, loans and advances show a fall of £21 million; in 1952 too, this item suffered a decline, of £32 million to be precise. This is not a feature in the case of Lloyds Bank alone; it is in conformity with the general trend of bankers' advances which is the result of the Government's policy of restricted credit. The largest decline in advances is said to have been in the categories of public utilities and personal and professional borrowers. The Bank's holdings of British bills of exchange have gone down by £2 million. These, together with the decline of £27 million in acceptances, endorsements, etc., have brought down the Bank's main forms of advancing to the private sector by as much as £50 million, as against £93 million in 1952. This has been offset by expansion in Government obligations, both short-term and long-term. Thus, British Treasury Bills have risen by £50 million and Dominion, Colonial and foreign Bills by over £2 million. The Bank's investments in Gilt-edged securities continue to constitute the largest individual class of assets and these show a rise of £4 million, though their relative position has suffered a slight recession, as witness the drop in their ratio to deposits from 34.8 per cent. to 34.1 per cent. Cash balances with banks abroad and money at call have not shown any worthwhile change, but the rise in deposits has brought down the cash coverage from 21.6 per cent. to 20.9 per cent.

The Bank's investments in British Government securities, amounting to £374.7 million are all redeemable at fixed dates, the majority maturing within 10 years, and are taken at or under cost and below redemption price. The market value of these and other quoted investments as on 31st December, 1953 was greater than that shown in the balance-sheet.

The following comparative table brings out the salient features of the Bank's balance-sheet as at the close of the last four years:

(In thousands of £'s sterling)

	As on 31st December			
	1953	1952	1951	1950
Capital	15,810	15,810	15,810	15,810
Reserve fund ..	16,500	16,000	14,800	14,800
Undistributed surplus	556	418	597	624
Deposits	1,203,039	1,168,011	1,169,647	1,147,720
Acceptances, endorsements, and guarantees (contra Item) ..	94,784	121,770	164,524	96,153
Cash, money at call and balances with other banks ..	252,049	252,165	254,524	264,317
Bills	247,156	195,664	188,580	236,104
T.D.R.'s ..	..	..	15,500	54,000
Items in transit ..	18,526	15,143	18,876	15,598
Investments—				
Gilt-edged	410,055	406,019	360,189	273,749
Trade	8,119	8,184	8,020	7,413
Loans and advances ..	288,976	309,779	341,904	288,953
Bank premises ..	8,515	7,956	7,537	7,350
Balance-sheet total ..	1,332,702	1,323,908	1,367,211	1,276,445
Ratio to deposits of—	%	%	%	%
Cash	20.9	21.6	21.7	23.0
Gilt-edged investments	34.1	34.8	30.8	23.8
Loans and advances.	24.0	26.5	29.0	25.0

(*Concluded from next column*)

overdrafts account for Rs. 58.35 lakhs and bills purchased and discounted for Rs. 57.91 lakhs. As the increase in advances has been sharper than that in deposits, the advances ratio has jumped up from 38.5 per cent. to 50.4 per cent. which, however, is much lower than that of over 55 per cent., the average for all Scheduled banks. Investments have risen by Rs. 63.16 lakhs, in contrast to the decline of Rs. 23.47 lakhs in the previous year. We are told 91 per cent. of the total investments represents Government securities maturing within the next ten years. The market value of the investments in Government securities is higher than their book value by Rs. 2.04 lakhs. Cash balances have shrunk by Rs. 1.23 crores, but the cash coverage to deposits is still at a very comfortable level of 25.4 per cent. which is double the all-India average. It will thus be seen that the Bank continues to maintain a high liquidity in the disposition of its assets.

The year under review has seen impressive progress in other directions also. The most outstanding of these is the opening of foreign department. The Bank is stated to have concluded agency arrangements with other banks in all important countries of the world and is now in a position to give world-wide banking service to its customers. The scheme of advanced foreign training for its officers, started in 1952, has now been completed with the return of the third batch of two officers from the U.K. During the year under review the Bank opened two more branch offices, bringing their total number to date to 46.

CANARA BANK MAKES STRIDENT PROGRESS

RECORD TURNOVER IN 1953

THE distinction of being the first among the Scheduled Banks in India to publish the full text of the Directors' report and the audited accounts for the year ended 31st December, 1953, and that too within such a short period as four weeks of the close of the year, goes to the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Mangalore). The Bank has also earned the credit of being one of the very few banks to register an increase in their profits for the past year, in refreshing contrast to the decline in profits generally experienced by banks. In fine, the year under review is a notable one for the Bank, in that there has been a substantial increase in its turnover. The balance-sheet total stands at a record level, reflecting a sizable rise in its resources.

The Bank's profit for 1953, at Rs. 8.67 lakhs, is a fresh record in its history and represents an increase of Rs. 1.13 lakhs over that for 1952. With this increase, the Bank has kept up an unbroken upward trend—barring, of course, a break in 1949—in its profit since 1940. It is gratifying to find that the increase of Rs. 1.13 lakhs in its profit for 1953 compares favourably with that of Rs. 0.15 lakh witnessed in 1952 and of Rs. 0.41 lakh in 1951.

The dividend to ordinary shareholders has been well maintained at 9 per cent. per annum, a return which the Bank has been paying for over a decade now. It must, however, be mentioned here that, from 1941 to 1947, the distribution was made up of a dividend of 8 per cent. and a bonus of 1 per cent. and that this was consolidated in 1948 into a dividend of 9 per cent. The dividend has been maintained only after making larger provisions for taxation, reserves and bonus to staff.

The progress which the Bank has made during recent years can be seen from the following comparative table giving the salient features of its profit and loss account and balance-sheet for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned	28.17	24.89	21.27	21.84
Commission and exchange	9.19	8.25	8.74	6.43
Gross income	39.84	34.80	32.65	29.68
Interest paid	10.10	8.86	8.80	8.14
Expenses	20.30	17.78	15.91	13.54
Depreciation	0.77	0.66	0.55	0.40
Profit	8.67	7.54	7.39	6.98
Provision for—				
Taxation	3.40	3.10	3.40	3.10
Reserves	2.50	2.06	1.50	1.50
Bonus to staff ..	0.85	0.75	0.65	0.49
Dividends—				
5% preference ..	0.52	0.52	0.52	0.52
Ordinary	1.35	1.35	1.35	1.35
	(9%)	(9%)	(9%)	(9%)
Carry forward ..	0.14	0.09	0.33	0.37

	As on 31st December			
	1953	1952	1951	1950
Capital	29.00	29.00	29.00	29.00
Reserves	21.00	16.50	15.00	13.50
Deposits	7,89.89	7,31.85	7,48.07	7,49.58
Advances	3,98.45	2,82.18	3,20.88	3,46.57
Investments	2,60.62	1,97.46	2,20.93	2,20.97
Cash	2,00.86	3,23.99	2,74.05	2,15.58
Balance-sheet total ..	10,45.63	9,19.31	9,57.19	9,15.68
Ratio to deposits of—	%	%	%	%
Advances	50.4	38.5	42.9	46.2
Investments	33.0	27.0	29.5	29.5
Cash	25.4	44.3	36.6	28.8

It will be observed that the marked rise in earnings by way of interest and discount noted in the previous year was more than maintained in 1953, thanks to the sharp rise in the advances and investment portfolios. Commission and exchange earned has gone up by nearly a lakh of rupees, in refreshing contrast to the small drop noted in the previous year. This again is the result of an enlargement in the Bank's bills business, which it has been strenuously trying to build up with the assistance of two foreign banking experts. The rise in interest paid by the Bank is accounted for by the increase in deposits. The expansion in the Bank's business during the year, brought about by the opening of a foreign exchange department and the extension in the number of branches coupled with the general increase in administrative costs of banks, explains the rise in the Bank's expenses during the year under review. Out of the profit, the allocation to the general reserve has been stepped up from Rs. 1.50 lakhs provided last year to Rs. 2.50 lakhs. No contribution to the contingency reserve has been made, whereas a year ago, a sum of Rs. 56,000 was provided for this purpose.

In addition to the sum of Rs. 2.50 lakhs provided out of the profit for the year under review, the Directors have transferred from the inner reserves (now no longer required) a sum of Rs. 2 lakhs to external reserves, thus bringing the latter to the handsome total of Rs. 21 lakhs. The rise in deposits from Rs. 7.32 crores to Rs. 7.90 crores is in tune with the general trend of bank deposits. A break up of the Bank's deposits shows that fixed deposits have gone up by Rs. 31.72 lakhs, saving bank deposits by Rs. 11.86 lakhs and current accounts and other accounts by Rs. 14.45 lakhs over the year. As in the case of deposits, the decline in advances noted in the previous year has been more than offset by the sharp rise in 1953. Of this rise in advances, loans, cash credits and

(*Continued in previous column*)

INTERNATIONAL COTTON SPINDLE STATISTICS

FALL IN MULE SPINDLES

A SLIGHT fall in world cotton spindleage is disclosed by the latest issue of *International Cotton Statistics*, published by the International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester. According to this publication, the aggregate number of spindles in the world as at 31st July, 1953, was lower at 129,318,000, as against 129,330,000 on 31st January, 1953, a reduction of 12,000 spindles. This fall is in distinct contrast to the rise of 186,000 spindles, 1.39 million spindles and 1.87 million spindles registered in the three preceding half-years, respectively. If, however, the year ended 31st July, 1953, is taken as a whole, the world cotton spinning capacity shows expansion. But the number of additions to spindles installed in the course of the year was a bare 258,000, as compared with as much as 1.2 million in the previous year.

The foregoing analysis shows that the upward trend in spindles installed was definitely arrested in the first half of 1953. That is the broad conclusion. But a closer analysis of the statistics reveals that the fall has been due chiefly to the scrapping of the outmoded mule spindles. The ring spindles installed were actually higher, as we shall presently show. The significance of this change in the character of spindles is that the world today has more modern spindles than before.

The drop in cotton spindles during the six months under review has taken place entirely in the countries of Europe and North America, the actual decline in the spindles installed in these countries being from 72.28 million and 25.51 million to 72.21 million and 25.27 million, respectively. On the other hand, the countries of Asia (and Oceania), South America and Africa accounted for an upward trend in spindleage, the number of spindles as at the end of July, 1953, being 25.75 million, 5.16 million and 935,000 as against 25.63 million, 5.03 million and 885,000, respectively, six months before. The expansion in the cotton spindleage in these countries indicates the efforts on their part to develop the cotton textile industry with the twin object of providing more employment opportunities to people and of reducing dependence on foreign textiles.

An idea of the changes in the spindleage in the world's leading cotton producing countries during the half-year under review as compared with the two preceding half-years can be had from the following statement:

(In millions)

	Feb., 1952 to July, 1952	Aug., 1952 to Jan., 1953	Feb., 1953 to July, 1953
U.K.	27.98	27.23	27.26
U.S.A.	23.23	23.08	22.83
India	11.24	11.43	11.44
U.S.S.R.	9.90	9.90	9.90
France	8.06	7.96	7.81
W. Germany	6.24	6.28	6.31
Japan	6.95	7.46	7.50
Italy	5.72	5.78	5.78
China	4.10	4.10	4.10
Brazil	3.25	3.33	3.37
Czechoslovakia	2.38	2.38	2.41
Spain	2.23	2.23	2.23
Belgium	1.85	1.93	1.94
Pakistan	0.43	0.63	0.68
Other countries	15.50	15.63	15.87
Total	129.06	129.25	129.32

It will be seen from the foregoing figures that the U.S. and France witnessed a fall in the number of spindles installed, which indicates that the spindles which had been worn out were not replaced but scrapped, following slackness in the export demand for cloth and downward trend in prices. The pace of expansion in the cotton spinning capacity was retarded in Japan also, where the number of spindles added during the six months under review was only 42,000 as against 49,000 in the previous half-year. From this, one should not, however, rush to the conclusion that the *tempo* of activity in the Japanese textile industry has declined. For, according to recent reports, the Japanese cotton spinners have been concentrating their attention not so much on the expansion in the size of the industry as on modernisation of equipment, with a view to improving the technical efficiency and quality of textile output. The number of spindles in Japan at the end of July, 1953, was 7,502,000 which is equal to about 61.09 per cent. of that country's pre-war capacity of 12.28 million spindles. The increase in the number of spindles installed in the U.K. too was negligible, being only 25,000, which no doubt compares favourably with the fall of 750,000 spindles in the preceding half-year. India did not witness any addition to the spindleage; in the previous half-year, it may be noted, there was an addition of 190,000 spindles.

The contraction in the world cotton spindleage during the half-year ended July, 1953, as noted above, has been solely in mule spindles, the number of which declined from 20.87 million to 20.45 million. Ring spindles, however, accounted for a rise from 108.46 million to 108.87 million. The number of spindles spinning Egyptian cotton and rayon staple fibre was also higher, the former at 20.69 million, as against 20.40 million, and the latter at 7.84 million, as against 6.33 million. The table below shows the distribution of the different kinds of spindles in different countries as at the end of July, 1953:

(In thousands)

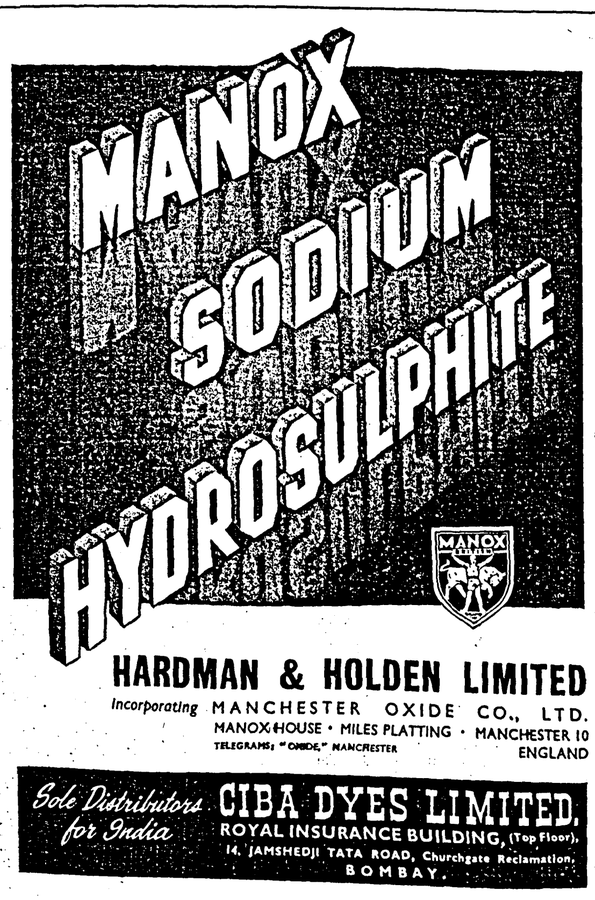
	Ring spindles	Mule spindles	Spindles spinning Egyptian cotton	Spindles spinning rayon staple
U.K.	10,548	16,709	11,150	2,522
U.S.A.	22,830	13	1,321	1,337
India	11,182	245	1,580	171
U.S.S.R.	8,700	1,200	155	..
France	6,945	862	1,300	1,265
W. Germany	6,103	202	590	1,350
Japan	7,502	..	107	4
Italy	5,735	44	1,500	400
China	4,100	..	250	..
Brazil	3,369	..	..	12
Czechoslovakia	2,010	400	450	..
Spain	2,081	145	350	150
Belgium	1,793	46	..	..
Pakistan	674	5	..	..

The above table reveals that ring spindles constitute the major portion of the spindleage of most of the countries. Mule spindles occupy a predominant place only in one country, that is the U.K. As the efficiency of ring spindles is greater than that of mule spindles, the spinners in the U.K. are making efforts to replace the latter by the former.

COMPENSATION FOR MADRAS TEXTILE LABOUR

Those workers of the cotton mills in Madras State who were denied employment by reason of the cut in power supply in 1952-53 will have to be given compensation by the managements. This is the result of the award of the Special Tribunal appointed by the Government of Madras to adjudicate the dispute between the cotton textile workers and managements in the State. It will be recalled that, owing to the failure of the monsoon and the consequent shortage in the output of electric energy during the years 1952 and 1953, the Madras Government effected a cut in the electric power supplied to the textile mills. The managements of the mills were, therefore, not able to give full employment to workers and the workers were paid only for the days they worked. The workers claimed compensation for involuntary unemployment due to power cut but the managements denied their liability to pay such compensation, on the ground that the unemployment was due to causes beyond their control. As there was no possibility of a settlement, the Government of Madras referred the dispute to a Special Tribunal for adjudication.

After conducting the enquiry, the Tribunal has submitted the award, as stated at the outset. Under the award, the workers who have been denied employment by reason of the cut in the supply of power by the Government are entitled to compensation for such involuntary unemployment. Such compensation shall be limited to a total period of 45 days in each of the calendar years 1952 and 1953, when the total period of unemployment is 45 days or in excess thereof, and in other cases, to the actual number of days of unemployment. It shall apply only to employees who have been permanent employees on the rolls of the mills, that is persons who have been employed for one year or more. The number of days of such unemployment would be gathered from the registers of the connected mills. The quantum of such relief shall be 50 per cent. of the total of basic wage and dearness allowance. The Tribunal has also ordered that 68 of the 74 textile mills involved in the dispute should pay Rs. 30 each towards the costs of the workers and that the amounts should be remitted to it for distribution to the representatives of the workers' unions or workers' unions concerned.



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LANCASHIRE STILL AGITATED OVER TRADE AGREEMENT WITH JAPAN

"A CHALLENGE TO COTTON INDUSTRY," SAYS MANCHESTER CHAMBER PRESIDENT

(By A Special Correspondent)

MANCHESTER LETTER

MANCHESTER, 9th *February*

THERE has been no sign of any slackening in the protests made in Lancashire against the trade agreement with Japan, negotiated by the British Government. Although soothing voices have been trying to allay the fears, so widely expressed in the textile industries that the new pact will have important repercussions on future trade, the industry has been roused by a subject on which it invariably speaks with one voice.

As the agreement has actually been signed and accepted, it must be regarded as an accomplished fact and the inevitability of some reduction in Lancashire's export trade in cotton goods, particularly to Colonial markets, is taken for granted. On the other side of the picture, it has been stated that British exports of all types of goods to Japan were valued at around £17,500,000 last year. Main shipments were woollen yarn and cloth, aircraft, cars and various types of machinery. Traders in Lancashire are astonished to read of the possible loss of export business in motor cycles worth £70,000 or shipments of whisky of the value of £160,000, when they take into consideration the threat to their own orders which amount to millions of pounds.

More Pact Deputations

As more Jap pact protest meetings were held in Manchester this week, Mr. Peter Thorneycroft, Board of Trade President, agreed to meet a deputation representing owners of 1,500 cotton spinning and weaving mills in London.

Following a special meeting of union leaders of 280,000 cotton operatives, telegrams were sent to Mr. Butler, Chancellor of the Exchequer, and Mr. Thorneycroft, calling on them to receive a deputation from the trade unions to hear protests about opening up Commonwealth markets to Japanese mills. If the Ministers agree, all the 24 members of the Legislative Council of the United Textile Factory Workers' Association will travel to London. At the end of the union meeting, Mr. Harold Bradley, the Secretary, said: "We are taking a very serious view of the matter. Whatever anybody might say about the agreement, our main interest is to look after the welfare of the Lancashire textile worker irrespective of the Government in power."

Meanwhile, in the course of a speech at Manchester, Lord Woolton, Minister of Materials, said: "This agreement will create profitable trade and employment in this country and I appeal to my friends in Lancashire on two issues. I beg them to look at this problem from a national standpoint and I beg them to have faith in their own capacity. In the past, they have overcome competition vastly more extensive in volume and much keener in price than anything they are likely to have to face as a result of this recent agreement." Added Lord Woolton: "We need to trade with Japan and we have made an agreement by which we in this country shall sell to Japan more than we shall buy. That seems to me to be good business."

Chamber of Commerce View

The new pact with Japan was described as "a challenge" to the Lancashire cotton industry by Mr. Benjamin Pickup, retiring President of the Manchester Chamber of Commerce, at the annual meeting. "The full implications of this loosening up of trade, not only in the Colonial markets, but in our own home market," Mr. Pickup declared, "have to be faced with realism and are indeed a new challenge. We shall certainly tell the Government of the considered views of our members directly affected, but, meanwhile, there must be no slackening of effort in the trade itself to ensure that our volume of exports is kept up to its largest possible figure." According to him, the problems created by the agreement are to be critically examined by the Chamber's committees and trade sections. To quote him: "We shall then get from them the best possible advice as to how we are to go about the tasks which are now before us. We all know from past experience that the impact of trade from the East can quickly bring chaos in many markets, with resultant grave disturbance to our exports and with its consequent effect on productive output and employment."

Mr. Pickup warned against relaxing efforts or slowing down of the rate of modernisation, development and scientific advancement in cotton mills. He perceived a mounting strength and a realisation throughout Lancashire that the textile trade must be kept at concert pitch in all its methods of manufacture and craftsmanship. Proceeding, he observed: "I am not a pessimist about its future. I have seen enough of its new developments, in colour, design and production generally, to say without hesitation that, given a fair deal in world markets, it will hold its own for good workmanship, presentation and merchanting."

Fair Criticised

Unanimous agreement that the British Industries Fair has "outlived its purpose so far as textiles are concerned" has been expressed by interested members of the Cotton and Rayon Merchants' Association. According to a survey undertaken by the Association, textile exhibitors have declined from 412 in 1947 to 192 last year, and, in each case, merchant converters have been in a minority as compared with garment manufacturers.

Principal objection to the Fair is its cost under present conditions. "For the same expenditure, trade representatives would visit several important markets and secure business," the Association declares. "Little export business in textiles resulted from the Fair that could not be secured by normal methods. Overseas textile buyers would not continue to visit at considerable cost to themselves an exhibition so unrepresentative of the British textile industry."

Trade promotion by exhibitions run by private enterprise might be favoured by groups of traders, either at home or in overseas markets, but there is no strong urge at the moment for a grand exhibition representing the whole industry on the scale of the British Industries Fair.

Cloth Output Up

Over 340,000,000 more yards of cotton and rayon cloth came off the looms in Lancashire's 1,000 weaving mills last year than in 1952. This measure of the way the cotton industry has climbed out of the slump is given in production returns issued by the Cotton Board.

Output of cloth from the mills in the 53 weeks ended 2nd January, 1954, was 2,632,210,000 yards, as compared with 2,291,740,000 yards in the 52 weeks of the previous year. But production is still running well below the level of the pre-slump period. Compared with 1951—the industry's peak post-war production year—output in 1953 was down by 328,000,000 yards. A bigger labour force is helping the mills to turn out more cloth. During 1953, manpower in the weaving section of the cotton industry rose by over 6,000 to 140,960, and the labour force in the industry as a whole increased from 272,230 to 288,130.

Case for an Egyptian Contract

In view of the anxiety which has prevailed in various sections of the spinning trade over the conditions likely to be encountered when the Raw Cotton Commission's cover scheme comes to an end, further representations have been made to the appropriate Government departments. There is particular concern as to the position of producers of fine yarns in the Egyptian section who feel that their interests will not be fully served by the provision of merely an American contract in Liverpool.

These spinners are calling for the introduction of an Egyptian futures contract at any early date to enable them to be equally well placed as users of American cotton. In some quarters, it has even been suggested that the operation of the Commission's merchanting section should be extended for a further year beyond the end of August to assist this branch of the industry through the transitional period. It is contended that such a move would take considerable weight off the American futures contract when the Liverpool market opens and help it to function more smoothly.

At the same time, there is still a body of opinion, even among spinners of Egyptian cotton, who contend that freedom is the most important objective to be sought and that the trade must be ready to stand on its own feet. While admitting that dangers exist as regards the cover position for raw cotton not balanced by orders, they feel that, by prolonging the activities of the Commission, the full establishment of a free market is correspondingly hindered.

(*Continued on page 329*)

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
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Telephone: Bank 4310/19 Telegrams: YULINSURE

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WORLD RAW COTTON SUPPLY POSITION

CURRENT SEASON OUTPUT ESTIMATED AT 29.5 MILLION BALES

IF the latest estimates of the International Cotton Advisory Committee (I.C.A.C.) were to materialise, the free world output of raw cotton in the 1953-54 season, that is, the current season, would touch a new post-war record of 29.5 million bales (of 478 lbs. net weight), which surpasses the previous record of 28.8 million bales established in the 1952-53 season by 700,000 bales. Of this increase, the U.S. is expected to contribute the major portion. The latest estimate of U.S. cotton crop for the current year is placed at 16.3 million bales (running bales of 500 lbs. each), as against 15.1 million bales in 1952-53. India is another country which is expected to show an increase of 675,000 bales in its crop for the current season as compared with the previous season. The remarkable improvement of 1.9 million bales in cotton output in these two countries has been offset, to a considerable extent, by the fall in output in some of the leading countries on the world cotton map, such as Egypt, Brazil and Pakistan. In Egypt, for instance, raw cotton output is assessed at no more than 1.27 million bales, as against 2.06 million bales. Similarly, production in Brazil and Pakistan is expected to decline from 1.60 million bales and 1.54 million bales in 1952-53 to 1.40 million bales and 1.27 million bales, respectively, in 1953-54.

The following figures culled from the Quarterly Statistical Bulletin of the I.C.A.C. shows the production trends in the several countries of the free world during the season under review, as compared with the 1952-53, 1951-52 and 1938-39 seasons:

(In thousand bales)

	1938-39	1951-52	1952-53	1953-54
North America—				
United States ..	11,617	15,155	15,166	16,270
Mexico	293	1,280	1,250	1,230
Nicaragua	6	40	65	75
El Salvador ..	4	45	49	35
Guatemala	1	11	16	17
Others	27	16	15	15
Total ..	11,948	16,547	16,551	17,642
Asia and Oceania—				
India	5,151	2,735	3,160	3,650
Pakistan	†	1,320	1,540	1,270
Turkey	249	610	700	650
Syria	83	225	195	230
Iran	173	125	185	200
Burma	88	75	100	100
Korea	185	103	65	75
Afghanistan ..	50	55	55	60
Iraq	12	28	15	20
Thailand	6	28	22	25
Others	32	27	22	20
Total ..	5,979	5,756	5,858	6,300
Europe—				
Greece	73	131	112	140
Spain	10	36	75	60
Italy	35	25	31	35
Yugoslavia ..	6	6	3	2
Total ..	124	198	221	237
South America—				
Brazil	1,989	1,950	1,600	1,400
Argentina	260	487	500	550
Peru	378	427	400	430
Colombia	29	49	60	65
Paraguay	25	70	55	50
Others	24	29	26	30
Total ..	2,705	3,012	2,641	2,525
Africa—				
Egypt	1,728	1,673	2,066	1,265
Anglo-Eg. Sudan ..	230	285	400	400
Uganda	254	318	265	345
Belgian Congo ..	181	240	225	225
Mozambique ..	22	134	135	155
Fr. Eq. Africa ..	87	145	130	140
Nigeria	80	110	85	100
Tanganyika	37	40	65	40
Others	68	127	142	156
Total ..	2,637	3,076	3,503	2,826
Grand Total ..	23,393	28,589	28,774	29,540

† Included with India.

Prospects in the Southern Hemisphere now appear to be somewhat more promising than earlier in the season, particularly in South Brazil. After a slow start, plantings in this country in November were reported to have been very heavy and any reduction in acreage may now be more moderate. One unofficial report mentions an acreage decline of 15 to 20 per cent. Satisfactory progress in new crop plantings is reported from Argentina and present indications, based on seed distribution, are for a possibly larger acreage, particularly in Formosa Province. Rainfall and growing conditions are described as satisfactory in most areas. Increased acreages planted to cotton in Paraguay and Nicaragua may result in larger crops this season, but, in El Salvador, some reduction is expected.

Thanks to the rise of 700,000 bales in production and an increase in the carry-over from 13.3 million bales to 15.4 million bales, the raw cotton supply position in the free world during the season under review is quite comfortable. The aggregate supplies amount to 44.9 million bales which compares very favourably with 42.1 million bales in 1952-53.

The comfortable raw cotton supply position, as noted above, has tended to limit the world trade in this commodity to immediate requirements. The underlying factor here is unquestionably price—the keen competition which makes buyers selective and the continuing uncertainty with regard to future price movements in the main cotton exporting markets, especially in the U.S. The second influence, operating in the opposite direction, is the expanding consumption of raw cotton in strictly net-importing countries, which must, in the long run, encourage trade. The demand for non-dollar cotton in the past few months has been very active, leading to a perceptible, though irregular, upward trend of prices in these markets, particularly for the higher grades. In contrast, raw cotton prices in the U.S. have remained consistently at the loan level, so that U.S. cotton today is the cheapest in the world, barring, of course, the Indian cotton for domestic consumption which is held down appreciably below world prices through controls.

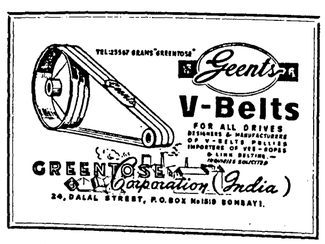
Since the U.S. plays a significant role in the world trade in raw cotton, whatever changes that occur in that country have wide repercussions on the latter. Referring to some of these changes in recent months, the I.C.A.C. makes the following interesting observations:

Several new or additions to existing procurement authorisations for purchases of cotton from the U.S. have recently been made available by the Foreign Operations Administration (formerly M.S.A.). These include $20 million to the United Kingdom which, up to the end of October, 1953, had not received any dollar aid in respect to raw cotton and a further $5.4 million to Formosa supplementing the $8.1 million already granted to this country. Up to date, therefore, authorisations for cotton purchases in monetary terms are virtually equal to the total for the entire 1952-53 season, but, in view of the lower price of raw cotton, they represent a significantly greater purchasing power.

Arrangements for the granting of a 60 million dollar credit to Japan by the Export-Import Bank were finalised at the beginning of December last; it is estimated that this amount would finance imports of approximately 330,000 bales at present prices. According to an American source, these funds will soon be allocated. The same source estimates that 860,000 bales of the total Japanese import programme of 1,350,000 bales for the October 1953-March, 1954 period will be dollar cotton—dollar in this context means Mexican, Brazilian, Argentinian and Egyptian, as well as cotton of U.S. origin. The volume of raw cotton imports from the U.S. will, it is reported, be influenced by developments under the Japanese agreement with Pakistan.

United States exports this season could conceivably be favourably affected by the recent decision in the United Kingdom to liberalise completely the cotton import trade and to reopen the Liverpool futures market at the earliest possible date in the new year. Futures contracts will be based on U.S. middling 15/16" cotton and only this growth will be tenderable. This presupposes the carrying of substantial stocks of U.S. cotton by this market.

A further factor in U.S. cotton trade to which I.C.A.C. draws attention relates to the introduction of insurance cover for exporters against the risk of loss from war or expropriation of cotton shipped on consignment to foreign countries. Again, the importance of the U.S. even in the capacity of a residual cotton exporter, the I.C.A.C. says, must not be underestimated for quality reasons; supplies outside this country are more limited this season and, in particular, in the better quality cottons. Finally, it is said that the pressure of demand in certain markets outside this country has narrowed the differential between prices there and in the U.S. and, in some cases, non-dollar cotton has reportedly risen above international parity.



HIGHER TARGET FOR COTTON OUTPUT

ADVISORY BOARD'S RECOMMENDATIONS

AT a meeting held in Bombay on Friday last week, the Central Cotton Advisory Committee is reported to have urged the Government of India to effect an upward revision in the Planning Commission's target of cotton production for the 1954-55 season from 4.2 million bales to 4.5 million bales. In doing so, the Committee was only endorsing the recommendations made by the Indian Central Cotton Committee early this month. The need for this upward revision of the target has arisen because the present target of 4.2 million bales, which is the same as that for the current (1953-54) season, is not sufficient to cope with the increase in demand for cotton, especially of medium- and long-staple varieties, from the mills. From the trend of cloth production in recent months and the strong statistical position of Indian cotton, it can be stated that a crop of 4.5 million bales is the minimum which this country should aim at, if the current rate of cloth output is to be maintained.

In recommending the aforesaid target, the Cotton Advisory Committee is said to have drawn "special and immediate" attention to the need for increasing the supply, within the country, of medium- and long-staple cottons and continuing the efforts at producing extra long-staple cotton. This is also the endorsement of the view expressed by the I.C.C.C., as witness its remarks: " ... the Committee's recommendations for accelerating the production of long-staple cotton 1⅛" and above should not result in any reduction of the output of coarse and medium staple varieties which are mainly the types required by the textile industry." As regards the means of achieving the target, the Cotton Advisory Committee laid stress on intensive cultivation, since, in its opinion, the area target of 17.5 million acres fixed for the ensuing (1954-55) season was quite adequate to secure this yield, provided, of course, climatic conditions were favourable. Some of the members of the Committee are, however, said to have favoured an expansion in the area devoted to cotton by 1.5 million acres.

Another important suggestion which the Committee has made to the Central Government relates to allocations of quotas to mills. In the Committee's view, no further quotas of Indian cotton can be allotted to the mills this season "in any circumstances." This view of the Committee may seem strange, considering the increase in the latest estimate of the outturn of cotton in 1953-54, at 4.1 million bales, as against the previous estimate of 4.02 million bales and the actual production of 3.6 million bales in 1952-53. But the Committee is understood to have based its view on the necessity to maintain a "safe" carry-over into the 1954-55 season. The estimated balance-sheet of cotton, for 1953-54, as drawn up by the Committee, are as follows:

(In thousand bales of 400 lbs. each)

Supply:		
Carry-over—		
Indian		1,478
Foreign		318
		1,796
Production		4,100
Imports		600
Total		6,496
Distribution:		
Mills' consumption—		
Indian		3,900
Foreign		700
		4,600
Exports		200
Total		4,800
Carry-over (on 31st August, 1954):		
Indian		1,478
Foreign		218
Total		1,696

These figures reveal that the stocks at the end of the current season are expected to be lower by 100,000 bales at 1,696,000 bales, as compared with the position in the previous season. The figures also reveal that imports for 1953-54 are estimated at 600,000 bales. Examining the question of imports, the Committee would appear to have felt that the raw cotton supply in the sterling area, particularly in Egypt, is short and as such imports from the U.S. would have to be larger. This decision seems to have been approved by the Government of India.

Habib Bank Limited

KARACHI

Authorised Capital .. .. .. Pak Rs. 2,00,00,000 — **Paid-up Capital .. Pak Rs. 1,00,00,000**

Issued and Subscribed Capital .. „ „ 1,00,00,000 — **Reserve Funds .. „ „ 1,00,00,000**

Deposits as on 31-12-1953 .. Pak Rs. 37,27,00,000

TWELFTH REPORT OF DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1953

TO THE SHAREHOLDERS,

The Directors have pleasure in submitting herewith the Twelfth Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1953, together with the Auditors' Report.

	Pak Rs.	a.	p.
Net profit for the year 1953	28,66,323	10	11
Amount brought forward from last year's account	18,10,824	12	9
Total .. Pak Rs.	46,77,148	7	8
Appropriations made during the year :—			
Interim Dividend paid at Rs. 3·0 per share on 5,00,000 shares	15,00,000	0	0
The Directors now propose :—			
Payment of final dividend for the year ended 31st December, 1953, at Rs. 1·0 per share on 5,00,000 shares	5,00,000	0	0
To carry forward to next year's account	26,77,148	7	8
Total .. Pak Rs.	46,77,148	7	8

By the Grace of God the Bank has shown good progress during the year.

In accordance with Article 91 of the Articles of Association, Mr. Ali Akbar H. Ebrahim, Mr. Huseinali A. Jumani and Mr. Rashid D. Habib, Directors of the Bank, retire by rotation and, being eligible, offer themselves for re-election.

You are requested to appoint Auditors for the year 1954 and fix their remuneration.

The Directors place on record their appreciation of the enthusiasm, loyalty and devotion to duty of the officers and other members of the staff.

By Order of the Board,
MAHOMEDALI HABIB,
Managing Director.

KARACHI, *dated 21st January*, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953

LIABILITIES	Pak Rs. a. p.	Pak Rs. a. p.
AUTHORISED CAPITAL—		
10,00,000 Shares of Rs. 20 each	2,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
5,00,000 Shares of Rs. 20 each		1,00,00,000 0 0
RESERVE FUNDS		1,00,00,000 0 0
CURRENT, SAVINGS BANK, FIXED DEPOSITS AND OTHER ACCOUNTS..		27,27,05,014 0 10
BILLS PAYABLE AND OTHER SUMS DUE BY THE BANK		1,64,92,238 2 0
BILLS FOR COLLECTION as per contra		1,42,34,652 3 4
CUSTOMER'S LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra		5,02,91,755 13 8
PROFIT AND LOSS ACCOUNT—		
As per Balance Sheet as at 31st December, 1952	23,10,824 12 9	
Less—Payment of Dividend	10,00,000 0 0	
Balance brought forward ..	13,10,824 12 9	
NET PROFIT FOR THE YEAR 1953	28,66,323 10 11	
	46,77,148 7 8	
Less—Interim Dividend Paid	15,00,000 0 0	31,77,148 7 8
CONTINGENT LIABILITIES—		
Pak Rs. 3,000 is on Investment in Shares of Joint Stock Companies.		
Total .. Pak Rs.		47,09,01,808 11 6

ASSETS			Pak Rs. a. p.	Pak Rs. a. p.
CASH ON HAND			1,23,11,432 2 2	
CASH WITH BANKERS			6,76,62,397 8 0	7,99,73,829 10 2
INVESTMENTS AT COST OR MARKET VALUE whichever is lower ..				24,93,45,884 4 10
		Pak Rs. a. p.		
(a) Government, Municipal and Trustee Securities		23,79,46,172 10 5		
(b) Shares in Joint-Stock Companies ..		71,62,552 12 9		
(c) Bullion		42,36,534 13 8		
INTEREST ACCRUED ON INVESTMENTS				7,48,904 5 2
LOANS, OVERDRAFTS, CASH CREDITS AND OTHER SUMS			6,45,08,910 0 2	
BILLS DISCOUNTED AND PURCHASED			1,29,25,344 13 5	7,74,34,254 13 7
Particulars Required by Act VII of 1913 —				
1. Debts considered good and in respect of which the Bank is fully secured		Pak Rs. a. p.	6,60,44,676 3 5	
This amount includes debts fully secured, due by Firms or Companies in which Directors of the Bank are Partners or Directors		27,54,371 13 7		
2. Debts considered good, secured by the personal liability of one or more parties in addition to the personal security of the debtors			66,49,729 14 1	
This amount includes Bills Discounted and Purchased ..		4,83,649 10 1		
The Liability of Directors or their Firms under this head is		*Nil*		
3. Debts considered good in respect of which the Bank holds no security other than the debtors' personal security			47,39,843 12 1	
This amount includes Bills Discounted and Purchased		17,11,181 4 9		
The liability of Directors or their Firms under this head is		*Nil*		
4. Debts considered doubtful			*Nil*	
5. Debts considered bad			*Nil*	
6. Debts due by Officers of the Bank other than Directors (fully secured)		17,536 4 8		
BILLS LODGED FOR COLLECTION as per contra				1,42,34,652 3 4
CUSTOMERS' LIABILITY FOR ACCEPTANCES AND GUARANTEES as per contra				5,02,91,755 13 8
LANDED PROPERTIES (at cost as at 31st December, 1952)			30,46,356 0 5	
Additions during the year			57,659 5 8	
			31,04,015 6 1	
Less—Depreciation for the year			78,942 12 8	30,25,072 9 5
FURNITURE AND FIXTURES—				
Balance as per last Balance Sheet			20,81,242 7 3	
Additions during the year			66,641 6 6	
			21,47,883 13 9	
Less—Depreciation—		Pak Rs. a. p.		
Written off up to 31-12-1952 ..		7,17,596 8 9		
For the year		1,43,537 2 1	8,61,133 10 10	12,86,750 2 11
STOCK OF STATIONERY AND STAMPS				5,51,204 9 5
Total .. Pak Rs.				47,69,01,808 11 6

Profit and Loss Account for the Year ended 31st December, 1953

	Pak Rs. a. p.		Pak Rs. a. p.
Interest Paid	80,30,262 14 2	Interest, Discount, Commission, Exchange and Miscellaneous Receipts	1,34,19,823 2 8
Salaries, Allowances, Contribution to Provident Fund and Bonus to Staff	35,88,313 12 11	Transfer Fees and Splitting Charges on Shares	9,974 6 0
Directors' Fees	9,950 0 0		
Directors' Remuneration	1,35,729 0 0		
Auditors' Fees	3,000 0 0		
Rent, Insurance, Lighting and Telephone Charges	5,68,594 10 11		
Printing, Stationery and Advertisement Charges	2,89,684 15 11		
Postages, Telegrams, Conveyance, Travelling, Law and Miscellaneous Expenses ..	9,35,469 12 1		
Depreciation on Furniture, Fixtures and Buildings	2,22,479 14 9		
Provision for Taxation	24,00,000 0 0		
Balance (Net Profit)	28,66,323 10 11		
Total .. Pak Rs.	1,34,29,797 8 8	Total .. Pak Rs.	1,34,29,797 8 8

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of Habib Bank Limited, as at the 31st day of December, 1953, and also the above Profit and Loss Account of the Company for the year ended on that date, in which are incorporated the certified Returns of all the Branches and report that:

(a) We have obtained all the information and explanations we have required; (b) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; (c) such Balance Sheet exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company, and (d) in our opinion, books of account have been kept by the Company as required by Section 130 of the Companies Act, 1913.

AHMED B. KHAN & CO.
Registered Accountants, Auditors.

KARACHI, *21st January*, 1954.

AHMED HABIB, *President.*

DAWOOD E. PAREKH, RAHIMALI G. CHAGLA, ALI AKBAR H. EBRAHIM, HUSEINALI A. JUMANI, YUSUF QASIM, FIDAHUSEIN I. HAJI, YUSUF AHMED — *Directors.*

MAHOMEDALI HABIB, RASHID D. HABIB — *Managing Directors.*

RAZAK H. MAHOMED, *General Manager.*

D. A. BIJOOR, S. H. MAHOMED — *Deputy General Managers.*

M. B. PIRBHAI — *Secretary.*

H. S. JAMANI — *Chief Inspector.*

M. Y. KHERATI — *Agent, Foreign Exchange Branch.*

N. R. KAPADIA — *Superintendent of Accounts.*

A. HAKIM, A. L. LADAK — *Superintendents of Foreign Exchange*

FINANCE FOR REHABILITATION OF SUGAR INDUSTRY

TOTAL REQUIREMENTS FOR NEXT SEVEN YEARS ESTIMATED AT RS. 28 CRORES

ONE of the most important factors responsible for the low level of efficiency in the Indian sugar industry *vis-a-vis* that in other sugar-producing countries is the heavy backlog of replacement and modernisation. As readers are aware, a large part of the productive capacity of the industry is represented by old and worn-out plant. When protection was first granted the sugar industry in 1932, a number of second-hand units imported from other countries were installed and several of these units have been in operation continuously all these years. During the war and the period following it, even the normal replacements could not be carried out, as machinery parts were not easily available. If, therefore, the efficiency of the sugar industry is to be raised, it is necessary to replace the worn-out machinery with up-to-date plants, incorporating all the latest developments in sugar technology. This issue has been ably brought out by the Indian Sugar Mills' Association, Calcutta, in the course of a memorandum submitted to the Shroff Committee now examining the question of finance for the private industrial sector.

The aggregate capital outlay required by the sugar industry for carrying out the rehabilitation programme is estimated by the Association at Rs. 28 crores. Of this, the investment necessary to keep the existing assets in efficient condition accounts for Rs. 8 crores; the additional funds required for the modernisation of plants and introduction of schemes such as fuel economy, etc., is placed at Rs. 10 crores; and capital expenditure for organising better transport of cane by laying down tramway lines is expected to absorb Rs. 10 crores. Assuming that this total outlay of Rs. 28 crores is spread over a period of seven years, the annual investment required will be of the order of Rs. 4 crores.

This investment of Rs. 4 crores per annum is considered by the Association to be too heavy to be met out of the sugar industry's own resources; at best, it can find no more than Rs. 2 crores. In support of this view, the Association observes:

". . . . the gross profit allowed to an average factory is only 10 per cent. on the block which is taken to be Rs. 18 lakhs. Therefore, the gross profit allowed is only Rs. 1,80,000. The 1937 Tariff Board had also recommended that the profit to sugar factories should be allowed on the above basis. While there could be some justification for allowing this profit margin during the pre-war years when taxation accounted for only 20 per cent. of the gross profit and the balance was available to factories for reserves and dividends to shareholders, there can be no justification for continuing the same basis, in spite of sharp increase in the tax rate. Now taxation alone absorbs about 40 per cent. of the gross profit. Further, about 20 to 25 per cent. of profits are absorbed in payment of bonus to labour which was not paid in pre-war years. What is actually left is not sufficient even to pay a small return to the shareholders. As a result of the above policy, the factories have not been able to build up reserves to carry out renovation and modernisation of plants. Moreover, much of the earnings of the factories in recent years have been utilised for providing the additional working capital required. . . . Some of the factories might get some funds through refund of E.P.T. deposits, but it cannot be of any material assistance, in view of the size of the expenditure involved. It will also not be propitious to float new issues in the existing conditions of the money market."

In view of this position, the sugar industry has been forced to depend on sources other than its own. One such source is commercial banks. But these banks, it is common knowledge, are not making advances for undertaking capital expenditure. The only other source on which the industry has to fall back upon is, therefore, the Industrial Finance Corporation. The Association wants the Corporation to treat the financial requirements of the sugar industry for purposes of renovation and modernisation on the same footing as that of other industries, such as cotton textiles.

The Association refers next to the industry's needs of working capital. The working capital of an average factory is at present estimated at Rs. 50-60 lakhs. It would be 25 per cent. more, if the production of sugar were to reach the Planning Commission's target of 1.5 million tons. It urges the Reserve Bank of India to facilitate provision of increased working capital to the industry as and when the output registers a rise.

Explaining its case fully, the Association observes:

"Factories are at present able to raise the required working capital from banks through hypothecation of the stocks and movable assets and through personal guarantees of the managing agents or directors. It may, however, be stated that factories had considerable difficulty in raising their working capital during the season 1951-52 when the requirements on this account increased considerably, due to the production reaching almost the target figure of 1,500,000 tons. The banks, however, did not agree to increase the cash credit limits of the factories, in spite of the Government's guarantee to ensure deliveries of controlled stocks at controlled rates. It is, therefore, essential that, in the event of any difficulty, the Reserve Bank of India should facilitate increased working capital being made available to the industry with the increase in its output."

The Indian Sugar Mills' Association has also examined the question of dispersal of sugar factories from congested areas where sufficient cane supplies are not available to more favourable areas. It fully appreciates the urgency of such dispersal as witness its remarks that "it is a national loss that these factories should continue to operate at their existing sites with only limited cane supplies, while the country has to import sugar from outside." But, at the same time, it points out that it is beyond the resources of the factories, which have been working only partially, to undertake the huge expenditure involved in the dispersal; the cost of shifting a factory is estimated at Rs. 15 lakhs. In view of this and with a view to encouraging the shifting of such factories, the Association pleads for the assistance of Governments—Central and State. In its opinion, the Government of India and the Governments of Uttar Pradesh and Bihar should contribute 50 per cent. towards the cost of shifting. For the remaining half, the Central Government should arrange for a loan to the factories through the Industrial Finance Corporation or any other institution at a low rate of interest, say, 3 per cent.

Few would dispute the reasoning behind this suggestion. Even the Planning Commission has fully conceded the need for financial assistance to the sugar industry for this purpose. Here are its own words: "It is necessary to work out and finalise such arrangements (in the form of financial help, railway facilities and issue of import licences for new machinery) *as soon as possible* (italics ours) for helping the industry to shift the necessary factories to new locations and achieve full production."

Although nearly three years have elapsed since the Five-year Plan began, no efforts have been made by either the Central or the State Governments in the implementation of this suggestion. This is due to no other factor than the opposition of the State Governments of Bihar and Uttar Pradesh. It was only the other day that Mr. Deep Narain Sinha, Development Minister of Bihar, declared, in the course of his address at the Northern India Sugarcane Growers' Conference held at Ramkola (Deoria), that the shifting of sugar factories from the north to the south would seriously disturb the economic equilibrium of the north and that, therefore, the question should be given up for all time to come.

The argument of Mr. Sinha is least convincing. Considering the fact that the Bihar Government—one may as well include the U.P. Government too—has done scarcely anything to enable the sugar factories to get sufficient supply of good quality cane at economic price, one could surely ask: "What moral justification has Mr. Sinha got to oppose the shifting of a factory to areas best suited for growing sugarcane and closer to consuming centres?" As the Indian Sugar Mills' Association rightly remarked, the refusal of the State Governments to permit the shifting of factories to other States is not in the national interest.



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STOWING IN COLLIERIES

PROPOSAL FOR LOW INTEREST LOANS

PRESS reports from Calcutta indicate that the Coal Board is considering the question of granting loans at concessional rates of interest to collieries producing coking coal, which undertake stowing as a measure of conservation of metallurgical coal. It is stated that the Board has proposed grant of loans for the installation of plant and equipment necessary for conservation of coking coal, at a rate of interest considerably lower than the current 4½ per cent. There is also a proposal for payment of subsidies to collieries undertaking stowing as a measure of conservation. So far, subsidy has been granted only to those which have taken up stowing for safety. We are told that 67 collieries have been sanctioned assistance for voluntary stowing for safety in collieries during 1953-54. It is expected that production in these collieries will be about 3.5 million tons.

The proposals referred to above are a step in the right direction. For stowing is a costly but necessary process. It is necessary not only as a means of conservation, but also for prevention of losses (of both men and coal) arising from collapses, a common feature in collieries. Many of the collieries, however, do not possess the wherewithal to undertake stowing measures. Conditions in the capital market are such that it is not easy to raise a loan at low rates of interest, which is necessary inasmuch as stowing is not an investment that is immediately productive and profitable. At the same time, the Technical Advisory Committee of the Coal Board has brought to the notice of the Board a number of cases where it is considered necessary to take immediate steps for stowing, with a view to conserving coal and preventing accidents.

Long-run Benefits

The progresss of stowing in coal mines has been poor, as compared with other countries. Stowing in coal mines in this country started only some four decades ago, though collieries have been in existence much earlier than that. To be precise, it was first introduced in Ballarpur collieries in Chanda District of Madhya Pradesh in 1914. Five years later, it came to be practised in the Jharia coalfields. Till recently, it was practised only as a measure of safety. Latterly, however, a number of mines has been resorting to it for purposes of maximum extraction also. It is true that stowing adds to the cost of extraction, but mining interests have come to realise that, without stowing, only a small fraction of available coal resources in any mine can be extracted and that, as such, stowing is a profitable proposition in the long run.

The most successful technique developed so far is hydraulic sand stowing. But stowing in coal mines with materials other than sand is of greater importance, because stowing is very costly. Sand has to be transported over long distances. At times, the distances are so vast that the use of sand for stowing becomes uneconomic. In fact, the cost of transport of sand to areas where it is needed most for stowing is a formidable obstacle to the widespread adoption of stowing, despite improvement in the methods of transport, as, for instance, the aerial ropeway system. Again, although the availability of sand is for the present considerable, it is not unlimited. The sand that is removed from river beds for stowing is replaceable only by floods. The rate at which it can be replaced is a factor which is entirely beyond human control. This factor, as well as the high cost of transport, clearly points to the need for suitable, cheap and readily available materials to replace, wholly or partially, sand. It is only when suitable substitutes for this purpose are discovered that stowing can be popularised.

It is, however, gratifying to note that the question of stowing in coal mines, with materials other than sand, for safety and conservation, has been engaging the attention of the Coal Board for some time past. We are told that stowing can be practised successfully with a mixture of reasonable amount of sand, ash, clinker and colliery rejections. Even the presence of small quantities of combustible material in ash or clinker will not, it is stated, render the materials unsuitable to stowing. At present, hydraulic stowing with crushed stones is being effectively practised in Angarpthra colliery. This colliery is utilising stone and debris of the goafed areas for stowing purposes. The process is said to have helped the colliery in recovering lost coal from the goafs. There are certain other collieries which are stowing with a mixture of sand and ash on a fifty-fifty basis.

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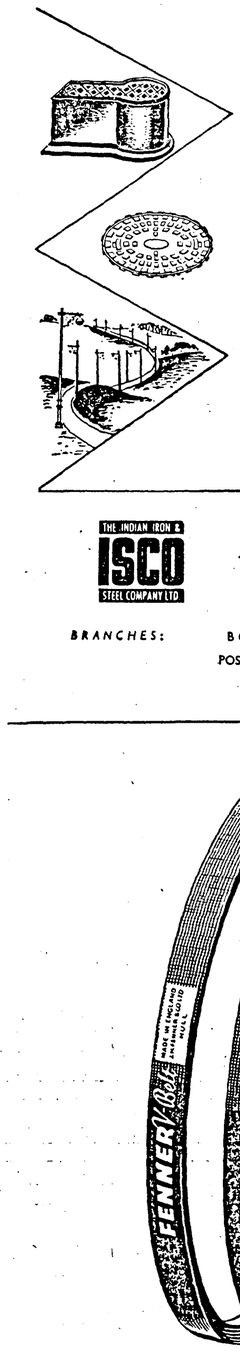

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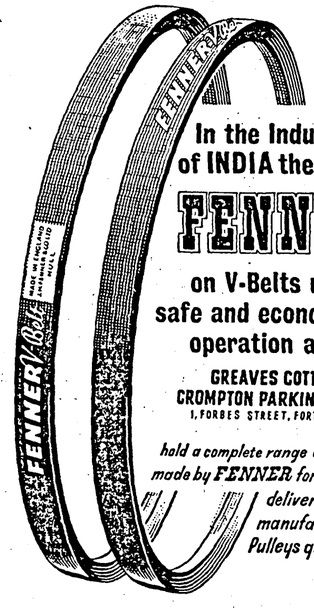

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TRENDS IN TEA TRADE

FUTURE RESTS WITH PRODUCERS

THE latest advices from Calcutta and Cochin indicate that the break in tea prices during the past few weeks, after a spell of continuous advance lasting over several months, was only a temporary feature, for prices are once again steady to firm though no perceptible increase in them has taken place. In the export sale held last week in Calcutta, for example, a fairly good general demand was once again in evidence with exporters buying a larger quantity than they did in recent weeks. Whole leaf grades and more stylish types were dearer and there was a good demand for best liquoring sorts with autumnal character at firm rates. According to one source, the recent break in prices appears to be only a "trade device to check the upward pressure, but the supply position is too strongly against any such check."

The following table gives the trend of prices of the different varieties of tea since the beginning of January:

	9-2-1954	1-2-1954	11-1-1954	21-12-1953
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean black pekoe ..	2 9 6	2 9 0	2 10 0 to 2 11 0	2 5 0
Clean common B.P. ..	2 3 0	2 2 0	2 7 0	2 1 0
Medium Assam B.P. ..	2 3 0	2 3 0	2 8 0 to 2 9 0	2 1 6 to 2 2 0
Good Assam B.P. ..	2 7 0	2 7 0	2 9 0	2 4 6
Medium Dooars dust ..	..	1 12 6	2 1 6	1 13 0 to 1 13 6
Medium Assam grainy dust ..	..	1 13 0	2 2 0	1 14 0
Best Assam (T.C. dust) ..	..	2 0 0	2 5 0	2 1 0

The sharp rises witnessed during the December sales were carried further in the first export sale of the new year held on 11th January and in the first two sales for internal consumption held on 5th and 12th January, due to an exceptionally strong and general demand. As will be seen from the foregoing table, the prices of the first four varieties, which are generally for export, on 11th January, were As. 6 higher than those in the last sale for 1953 held on 21st December. The strongest feature was broken orange pekoes, suitable for Eire, which were As. 8 to As. 10 dearer. Alluding to this sharp rise in prices, Messrs. J. Thomas and Co., Ltd., Calcutta, in their monthly review for January, 1954, say that this rise was caused by operators for all markets buying, it would appear, without limits. It seemed to be universally thought, according to this firm, that there was an acute shortage of "spot" teas and that there would be every likelihood of a tea "famine" during the next eight months. It is true that prices in London also soared during that week, but the rise there was not so sharp as in Calcutta, where the buyers for Indian consumption placed our market to about a level of As. 2 to As. 3 above London, due to a shortage of tea for consumption in this country. Following the increase in the retail price for tea in the U.K. on 4th January, there was an increase in auction sale prices by a further 4d. per lb. It looked as though prices—both retail and wholesale—would continue to rise until the price of tea would become so costly to the public that consumption would decline and an unhealthy situation would develop.

But this upward trend did not last long. As was only to be expected, after the limitless bidding and "long-at-best" orders, a reaction took place and prices during the next two sales fell, first by one anna and then by a further As. 2 for all mediums and commons, which formed the bulk of the sale. Broken orange pekoes, which had displayed the sharpest rise in the first sale, suffered the heaviest fall. All out-markets in general, and Eire, in particular, limited or withheld their orders. However, local operators continued to be active and, consequently, the closing sale of January saw the market standing As. 2 above London and As. 3½ above the last sale of December.

More tea other than dusts was offered for local consumption, as a result of the sudden rise in the price of export rights by nearly As. 3 per lb. These teas sold readily throughout the four internal sales held in January, reflecting the strength of the local demand.

Summing up the present position of tea and the prospects, Messrs. Thomas and Co., Ltd., observe, in their review referred to above, thus:

"(i) There is likely to be for some time to come—perhaps for the next 6 to 8 months—a serious shortage of tea at the consuming centres, the chief of which are the U.K. and India. (ii) The reason for this shortage is *not* that the world crops have shown a short-fall—actually, it is estimated that they are about 2½ million lbs. above the previous year. (iii) It is, therefore, only reasonable to surmise that world consumption has increased—and increased much more than the crop increase of 2½ million lbs. (iv) As we pointed out in our last issue, deliveries from the U.K. bonded warehouses, especially during the last 6 months, have shown a big increase and may be this shows that there has been an increase in consumption in that country. Perhaps, in the future, when this mere surmise can be more firmly established, there may be shown an increase of consumption of between 20 and 30 million lbs. (v) The future of the industry largely rests with the producers. They have one clear policy to go by, which is to regulate their crops in quality as well as quantity to the requirements of the consumers. They see Indonesia falling back in supply to the outside world—possibly only temporarily—and they feel, therefore, that they are entitled to produce as large a crop as possible on the standard of quality of the past year. In this way, the consumer's taste will be retained and the price they pay will have to depend on its retail cost, as compared to other beverages which, even with the recent rise, is still comparatively low."

The following table shows the progress of exports of North Indian tea from 1st April to 30th January during the last three seasons:

(In million lbs.)

	1953-54	1952-53	1951-52
U.K.	202.33	192.50	200.74
Canada	13.03	12.44	9.94
U.S.	15.62	17.03	13.45
Eire	20.03	9.82	20.45
Kenya	7.84	6.57	2.01
Red Sea ports ..	6.07	7.76	2.23
Amsterdam and Rotterdam ..	3.62	5.13	3.25
Hamburg and Bremen	3.59	1.92	1.74
Istanbul	3.24	4.04	3.63
Persian Gulf	3.87	7.31	7.06
Australia	1.43	6.03	3.54
New Zealand	1.02	0.74	0.21
Other places	9.08	11.32	20.49
Total ..	350.67	281.61	288.82

It will be observed that exports in the first 10 months of the 1953-54 season have gone up as compared with the previous season, by about 25 per cent., the U.K. and Ireland being mainly responsible for this improvement.

WORLD OUTPUT OF RUBBER

The world output of natural rubber during December, 1953 amounted to 167,500 tons, bringing the total for the year to 1,717,500 tons. Consumption during the month was of the order of 122,500 tons, such for the whole year being 1,565,000 tons. There was an apparent surplus of about 152,500 tons of natural rubber, but much of it was absorbed in stockpiles. Commercial stocks as on 31st December, 1953, amounted to 860,000 tons, made up of 245,000 tons in producing areas, 392,500 tons (excluding Government-held rubber) in consuming areas and 222,500 tons afloat.

Synthetic rubber production in December amounted to 65,000 tons bringing the world total for 1953 to 935,000 tons. Consumption in December was 57,500 tons and during the whole year 867,500 tons. Stocks at the close of the year were estimated 197,500 tons.

CEYLON RUBBER OUTPUT

Official estimates place Ceylon's production of rubber during the current year at 95,000 tons, as against 90,000 tons last year. The increase is expected to be largely in sheet rubber, on account of the favourable world prices. Last year's production of sheet rubber amounted to 60,000 tons, of which 59,500 tons were exported, China's share alone constituting 59,000 tons. The prospects for crepe rubber is considered dull and prices are not expected to show any improvement, as the London market is stocked heavily.

(*Concluded from next column*)

the three months ended January, 1954, as also in the corresponding month of 1953:

(In tons)

	January, 1954	December, 1953	November, 1953	January, 1953
Civil—				
Hessian	31,447	36,681	32,169	28,251
Sacking	33,234	37,806	33,529	39,338
Others	2,856	2,858	2,609	2,834
Total ..	67,191	77,347	68,307	70,423
Government—				
Hessian	21	300	484	2,083
Sacking	115	202	186	422
Others	..	..	..	67
Total ..	136	502	650	2,572
Grand total ..	67,327	77,849	68,057	72,995

JUTE CROP ESTIMATE IN WEST BENGAL

The final estimate of the area under jute, (excluding *mesta*) in West Bengal in 1953-54, published this week by the State Government, places the area at 534,700 acres yielding 1,498,400 bales (of 400 lbs. each) as compared with 819,800 acres and 2,363,100 bales in 1952-53. The figures for the year 1953-54 thus show a decrease of 285,100 acres or 34.8 per cent. in area and of 867,700 bales or 36.6 per cent. in production. This decrease in acreage is due to unfavourable weather conditions and to low price of jute prevailing at the sowing time last year. The average yield in the last season was 2.88 bales per acre, whereas this season it was slightly lower at 2.80 bales per acre.

JUTE STOCKS DECLINE IN JANUARY

OUTPUT DROPS BY 14 PER CENT.

THE latest monthly statistical returns of the jute industry, namely, those relating to January, 1954, show a slight improvement in the industry's position. Stocks at the end of the month were lower; this was particularly so in regard to hessians. It is true that production, too, was down by a sizable amount, but the major part of this fall was the result of two additional holidays in the month. Stocks of jute manufactures held by the jute mills reporting to the I.J.M.A. at the end of January, 1954, reveal a further fall. At 96,087 tons, they are 2,500 tons lower than those at the end of December, 1953, and 3,300 tons lower than the stocks in the same month of the previous year. The January-end stocks were, in fact, the lowest since October, 1953, when they stood at 102,871 tons.

To a large extent this reduction in stocks may be attributed to the cut in export duties on hessians effected in two instalments in the last two years, once in May, 1952, from Rs. 750 to Rs. 275 per ton, and again in September, 1953, from Rs. 275 to Rs. 120 per ton, the rate at which it still continues. The effect of the reduction is fully reflected in the downward trend in hessian stocks. These stocks amounted to 36,684 tons at the end of September, 1953. Thereafter they gradually declined to 30,508 tons in October, 24,550 tons in November, 24,176 tons in December and to 21,357 tons in January, which constitute 22.2 per cent. of the total for the month.

The trend of sacking stocks during the period under reference, however, was not so encouraging. Thus they rose from 70,166 tons in October, 1953 to stand at 73,087 tons in January, 1954. This quantity is equal to about 2½ months' output. The deterioration in the position of sacking stocks is certainly a cause for concern. In order to stimulate despatches from the mills, the Government will do well to examine the question of effecting a reduction in the export duty on sackings which now stands at Rs. 80 per ton. The industry has been demanding the total abolition of the duty.

The table below gives the position of stocks of various types of jute goods as at the end of January, 1954, as compared with those at the end of the preceding two months as also in the same month a year ago:

(In tons)

	As on			
	31-1-1954	31-12-1953	30-11-1953	31-1-1953
Civil—				
Hessian	21,126	23,734	24,138	26,439
Sacking	72,448	72,163	70,793	85,389
Others	1,643	1,630	2,290	2,544
Total ..	95,217	97,527	97,221	1,24,372
Government—				
Hessian	231	442	412	838
Sacking	639	619	719	3,052
Others	..	4	14	156
Total ..	870	1,065	1,145	4,046
Grand total ..	96,087	98,592	98,336	1,28,418

The output of jute goods during January, 1954, staged a fall of 14.2 per cent., that is, from 77,849 tons in December, 1953 to 67,327 tons in the month under review. Consumption of raw jute during the month, calculated on the basis of production, may be placed at 390,496 bales, as compared with 423,371 bales in the same month a year ago. With the output of jute goods for January, the total for the seven months of the season, 1953-54, amounts to 500,511 tons which compares with 528,925 tons in the same period of the preceding season, namely, 1952-53. Consumption of jute during the period, based on the output of jute goods, may be put at 2,902,963 bales, as compared with 3,067,765 bales in the seven months of the 1952-53 season.

Of the total output of 67,327 tons during January, hessians accounted for 31,468 tons and sackings for 33,349 tons, other varieties making up the balance of 2,510 tons. The corresponding figures in the previous month were, in all cases, higher at 36,981 tons, 38,010 tons and 2,858 tons respectively. Thus, the fall in output has been shared by all the three varieties. The table below gives a summary of the position of the various types of jute goods produced in each of

(*Continued in previous column*)

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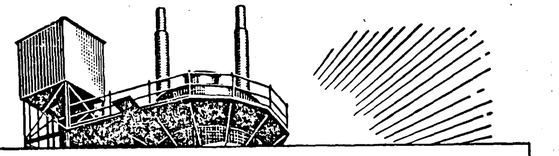

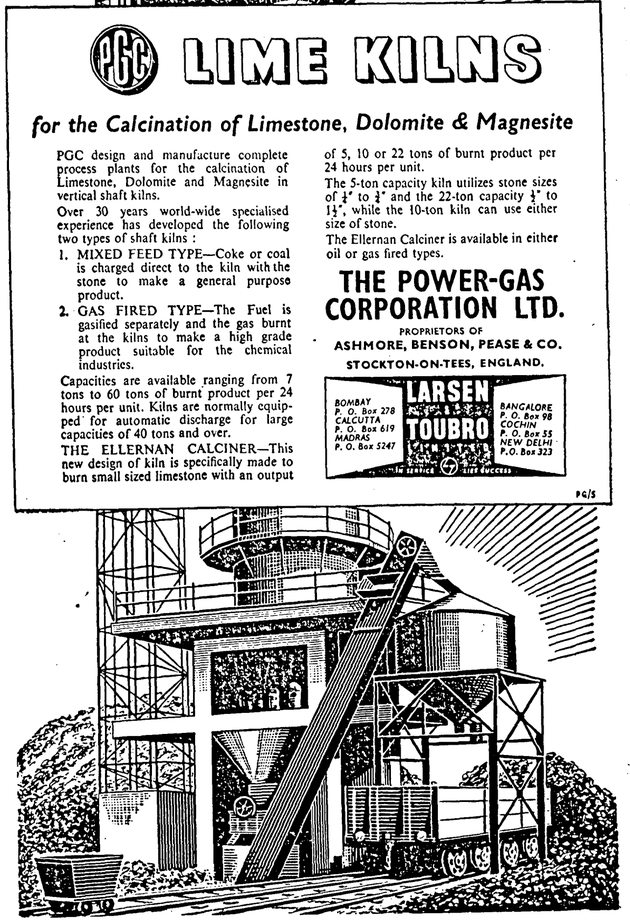

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INDIAN MACHINE TOOL INDUSTRY

PRODUCERS' PLEA FOR PREFERENTIAL TREATMENT

READ together, the Annual Report of the Indian Machine Tool Manufacturers' Association, Bombay, and the presidential address of Mr. M. B. Jambhekar to the seventh annual general meeting of the Association, held in Bombay last week, highlight the nature and magnitude of the problems facing the development of the Indian machine tool industry. Mr. Jambhekar strongly criticised the Government's policy of placing tenders for the machine tool requirements of the factories built and being built under State ownership, in foreign countries, instead of in India, without consulting Indian manufacturers. He characterised this policy as "niggardly" and highly detrimental to the progress of the industry. As an instance, he quoted the issue of a large number of tenders on a global basis by the Government of India for the supply of nearly 800 machine tools comprising lathes, drilling, shaping and milling machines, hacksaws, power presses and a variety of other equipment required by the proposed factory to manufacture electronics equipment in Bangalore.

It is not the mere issue of tenders in outside countries that is criticised but also the manner in which the specifications for the manufacture of tools required by the electronics equipment factory were fixed by technical consultants. Characterising the manner in which they were fixed as "ridiculous," Mr. Jambhekar observed:

"Before the tenders were issued, the consultants called, from some Indian manufacturers, specifications and details of machine tools being produced by them and then they issued tenders laying down specifications which slightly differed from those supplied by the Indian manufacturers. Anyone conversant with engineering would be able to say that slight differences in specifications do not materially matter for production and even for precision jobs. But this move was deliberately taken to obviate the necessity of buying machine tools available in India and justify purchases from French and other producers on grounds of exact suitability of specifications."

Tenders for Machine Tools

Mr. Jambhekar did not mean that the Indian manufacturers should be given merely the opportunity to quote, even which has so far been denied to them, but that the Government should actually issue instructions for according preferential treatment to Indian manufacturers at the time of consideration of quotations of foreign and Indian tenders. To quote him:

"This is the least that we could expect of our Government to do for an industry which is in the throes of difficulties through lack of demand and is of such paramount importance for the defence of the nation. There is nothing new in our claim that we should be given this preferential treatment, for it is the practice followed by even the most advanced industrial nations of the world. In my opinion, mere leaving Indian tenders to stand in competition with well established foreign producers of vast resources, who could underquote with disastrous effects, would be most illogical and unjust. We rightfully expect our Government to show preference to items manufactured in India when they are required for projects to be established with the Indian taxpayers' money. In conclusion, I should like to reiterate, with all the emphasis at my command, that, in future, all such tenders should be first issued in India and not through any foreign capital city, that the specifications fixed for requirements should not ignore specifications available from Indian production, and lastly utmost preferential treatment should be given to tenders from Indian suppliers."

Mr. Jambhekar also criticised the Government for failing to have on the Board of Directors of the Hindustan Machine Tools Ltd. at least one representative of the Association who is technically conversant with the development of the machine tool industry and whose counsel and guidance would be of immense assistance in the formulation of policy of the factory and its execution. He remarked:

"Running a huge machine tool establishment is no mean job and it once again shows, in a clear light, how things are managed when it is realised that, apart from the technical consultants whose representatives will be on the Board, there will be perhaps no one amongst the Indian Directors, who can even claim having had a bare association with the development of the machine tools industry. Government have, with their eyes open, disregarded the co-operation of the Association, the responsibility for which lies squarely at their door."

The Association has expressed grave fears of overproduction of lathes in India once the first stage of the State-owned Hindustan Machine Tools Ltd. is fully implemented. It may be noted that this factory will manufacture only 400 lathes of 8½" size in the first stage of production of the factory. The manufacture of the following types and sizes will be left to private enterprise during the first stage:

(1) High-speed geared head lathes (7" centre entirely and 8½" centre to the extent produced at the end of 1952);

(2) High-speed shaping machines (20" stroke entirely and 24" if produced by 1951 end);

(3) High-speed drilling machines below 1½"; and

(4) Universal horizontal and vertical milling machines, unit-milling heads and horizontal boring machines of the type already produced.

The industry has been ceaselessly demanding the imposition of a restriction on the manufacture of certain sizes of lathes in the State factory, as the private sector of the industry has already developed them and is actually manufacturing these sizes. It is stated that, in spite of repeated protests that the production of the private sector and that of the State-owned factory would be far too large for the estimated demand for these lathes, the Government had not thought it fit to revise its plan for the production of 8½" centre lathes in the first stage of its production programme.

Rationalisation

Another problem facing the industry is rationalisation; this has been defying solution for a long time. One reason for this is the differences of opinion amongst the members in the demarcation of manufacturing operations and lack of an adequately remunerative field for the manufacture of any one type of machine tool by one producer, which would be the basis of rationalisation. It is felt that it is necessary to have a joint selling organisation of all manufacturers without which the working of any rationalised scheme of production would be unsuccessful. But the question of setting up such an organisation has been held up because of the varying commitments already entered into by producers with the consumers, some of which have still a few years to run.

The production of machine tools in India is somewhat on the uptrend. It was valued at Rs. 33.15 lakhs during January-September 1953, as against Rs. 44.37 lakhs during January-December, 1953. It is gratifying to note that the manufacturers have been progressing in their attempt to manufacture new types of machine tools. The following summary gives a brief picture of the progress made by the members of the Association in this direction during 1952-53:

Cooper Engineering Ltd: The 24" fully electric heavy duty centrally lubricated shaping machine went into production. The development work on the 20" type shaping machine was well under way.

India Machinery Co., Ltd: The SKD-25 heavy duty all-geared-head motorised lathe was undergoing trials. The 18" and 24" all-geared heavy duty power feed shaping machines and cone drive horizontal boring machine were successfully marketed. A new range introduced during the year was the Universal No. 3 milling machine, which was undergoing trials. The Company has also commenced manufacture of 4-jaw lathe chucks from 10" to 18" sizes.

Investa Machine Tools & Engineering Co., Ltd.: The Company reported further progress on the production of various types of drilling machines. The 1¼" capacity auto-feed pillar drill with 6 speeds and fully-geared direct motor-drive and also the 1.5/8" capacity fully-geared pillar drill went into production. Machine tools under development were 2" capacity radial drill with 12 speed 6 automatic spindle feeds and a 1¼" capacity radial drill with 9 speeds.

Mysore Kirloskar Ltd.: Its development on all-geared-head motorised lathes continued at a rapid pace. The 7", 8", 8½" and 9½" all-geared-head motorised lathes were well under production and successfully marketed, mostly in Government factories and railway workshops. Its 10½" all-geared-head motorised lathe reached the prototype stage. They are now developing a new 12½" heavy duty geared-head lathe.

Praga Tools Corporation Ltd.: Its 18" hydraulic shaping machine and 1.1/8" capacity ball-bearing auto-feed drilling machine reached the prototype stage. It had under development a Universal No. 2 milling machine. Its Universal No. 1 milling machine with attachments and 1/2" and 3/4" single and multi-head drills were in production and successfully marketed. It was also producing a complete range of drill chucks from 1/4" to 3/4" and lathe chucks (scroll type 3-jaw) from 4" to 12".

Shree Ram Mills Ltd.: It was producing 4-jaw independent lathe chucks upto 24" size.

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STEEL IN INDIA

Inaugurating the first meeting of the Structural Steel Sectional Committee of the Indian Standards Institution, held in Calcutta last week, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, forecast that the annual output of finished steel would reach 2 million tons by 1958. Briefly elucidating this statement, he stated that the steel industry in India reached the peak production of 1,360,000 tons in 1941-42. But, owing to the intensive use of steel plants during the war period without proper facilities for repair and replacement, this rate of production could not be maintained thereafter. The annual production, therefore, had declined to as low as 854,000 tons in 1948. In subsequent years, it could be increased through repairs and renewals to about one million tons only by 1952. The expansion and modernisation programmes, which were already in the process of implementation, were expected to increase the annual outturn by 600,000 tons. The new steel plant, the proposal for which had recently been almost finalised by the Government, would have, to begin with, a capacity of 350,000 tons.

Emphasising the need for economic use of steel, the Commerce and Industry Minister said that, in the opinion of experts, more than 25 per cent. steel now used in structural engineering in India might be considered as wasted. This waste resulted from the use of uneconomic sections and the adoption of wasteful and outmoded designs and building practices. Even with the present restricted use of steel, the cost of this wastage was estimated at over Rs. 9 crores. It was against this background, said the Minister, that the revision of the present standards for production of heavy sections, standardisation of lightweight sections, popularisation of the use of welding and the preparation of rational codes for the use of steel should be taken up expeditiously.

Addressing the meeting, Mr. Jehangir Ghandy, Chairman of the Committee, supported the plea for maximum economy in the use of steel and urged the Government, the single largest consumer of steel today, to lead the rest by adoption of new designs and techniques to achieve the object in view. In his view, rationalisation and standardisation of structural steel sections, side by side with new lightweight sections, would not only economise production, but also would reduce the cost of transportation and erection. It would further ensure convenience in handling. He pointed out that structural engineers at present had large-range sections and a large quantity of steel was being wasted on this account. Merely to provide a wide range of supply was of little use. To balance the interests of the consumer and producer, it was, he said, necessary to standardise quality and designs. Performance specifications also kept the standard under constant review and helped to improve the standard, in the light of new technological developments. Another way of conserving steel, Mr. Ghandy said, was to use low-alloy high-strength steel. This would be particularly useful in the construction of long-span bridges, ships and railway wagons.

MYSORE IRON AND STEEL WORKS

The Government of India has approved of the plan of the Mysore Iron and Steel Works to install a spun-cast iron pipe plant. It is stated that, when this plant goes into production, the output of small-size pipes, which is 9,000 tons per year at present, will increase to 22,000 tons per year. The Government of India is also reported to have sanctioned a loan of Rs. 35.8 lakhs for the installation of a sintering plant at the lower terminus of the ropeway at Kemmangudi iron ore mines. The estimated cost of the sintering plant scheme is Rs. 43 lakhs. When this plant is implemented, the Mysore Iron and Steel Works will not only be utilising the large quantities of iron ore which are at present thrown away as waste, but will also be able to reduce the cost of production of pig iron. It may be noted, in this connection, that the erection of the second electric furnace at Bhadravati and the fixation of the new bi-cable ropeway at the Kemmangundi mines have been completed and power supply arranged. Both units will be in regular operation shortly. Trial operations on the new bi-cable ropeway have been found to be satisfactory.

INSULATOR PLANT FOR MYSORE

Reports from Tokyo indicate that the Government of India has approved of a 295 million yen contract (about £840,000) between a Japanese firm and the Mysore State Government for the establishment of an insulator plant at Bangalore (Mysore State). Officials of the Japanese firm will leave Tokyo shortly for Bangalore to make an on-the-spot survey for installing the equipment, as soon as the advance money, equivalent to 20 per cent. of the contract amount, is received. The plant will have a production capacity of 300 tons per month. The shipment of the equipment is expected to start late this year.

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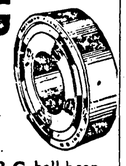

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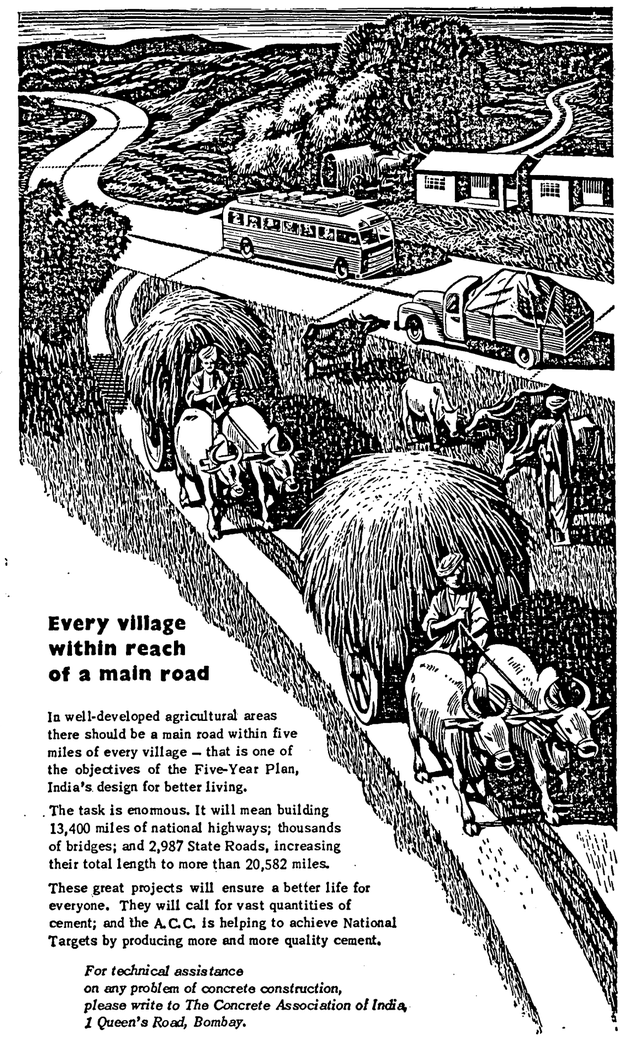

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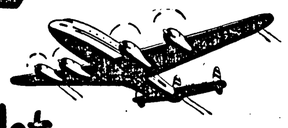

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TAXATION ON GENERAL INSURANCE

PLEA FOR MODIFICATION OF PRESENT METHODS

AVAILING itself of the questionnaire issued by the Taxation Enquiry Commission, the Indian Insurance Companies' Association, Bombay, is understood to have put forward a strong case for getting certain existing methods of taxation of general insurance companies so modified as to enable them to play a more significant role in building up Indian economy than has been possible hitherto. Some of the grievances relating to the present system of taxation of these companies have remained unredressed for a long time by the income-tax authorities, despite repeated appeals, and general insurance business circles now fervently hope that the justification of their cause will be admitted by the Taxation Enquiry Commission.

It is common knowledge that Indian insurance will be required to play an important part in the economic development of the country under the Five-year Plan. In order to enable them to perform their obligations in the coming years satisfactorily, they have been pressing the Government to permit them to build up adequate reserves against unexpired risks and catastrophes. They have been stressing all along the fact that, in the matter of reserves, they have been placed at a disadvantage *vis-a-vis* the non-Indian companies operating in India. These latter, having entered the field earlier when there was little competition from indigenous concerns and when reserves were outside the scope of taxation, have consolidated their position with large reserves. With this strong reserve position making for greater underwriting capacity, these companies even today enjoy a substantial participation in general insurance business in this country. If Indian companies were to compete with them, it would be essential, it is stated, that these companies too should be enabled to attain a sound financial position by affording them necessary facilities to build up reserves.

Apart from the point of view of enabling the insurance companies to improve their competitive capacity, there are also other grounds which emphasise the need for strengthening their reserves. The problems of underwriting capacity and reserve building are so interlinked that the strength of reserves is of paramount importance for their progress not only in the home market but also in the international market. Indian insurance companies have been taking increasing interest in recent years in developing their business abroad and, with improved financial pisition, it will be easier for them to extend the field of their operations in foreign countries also, where ample opportunities exist to expand their business profitably. A strong reserve position will certainly go a long way towards inspiring confidence amongst foreign clientele.

Reserves for Unexpired Risks

At present, the companies are allowed to set aside as reserve up to 50 per cent. of their premium income free of income-tax for fire and miscellaneous insurance and 100 per cent. for marine. This percentage is considered to be not adequate to stabilise their financial position. In fact, reserve for unexpired risks really consists of premiums paid in advance for which there are liabilities that continue in the subsequent year. The reserves are built up in the basis of normal trading conditions, that is, on the normal expectation of losses. It is, therefore considered not practicable to assess the profits of general insurance in terms of a single year. Besides, as far as possible they have to keep these reserves in hand so that, in the event of big losses, they can be met without any serious adverse effect on the finances of the companies concerned and on the investment market. Accordingly, they have to provide for this contingency by strengthening their reserves year after year. Their demand, therefore, is that they should be allowed to add every year to the unexpired and additional reserves at the rate of 5 per cent. of their annual premium income till the reserves reach a total of 100 per cent. of their premium income in respect of fire and miscellaneous insurance, 150 per cent. in respect of marine cargo business, and 200 per cent. in respect of marine and aviation hull business.

Another development which is causing considerable anxiety to general insurers is the proposed move by the income-tax authorities to levy income-tax on reinsurance payments made outside the country on business of Indian and foreign insurers operating in India. If this proposal is given effect to, it is needless to say that it would not only check the progress of Indian insurance but retard its development. This point needs to be elaborated here in order to emphasise how harmful the effects of the proposal would be on the industry.

An insurer underwrites risks of unequal amounts and of varying hazards. In order to establish a balance in his portfolio, the insurer fixed his own retention, according to capacity to underwrite the risk, and reinsures the excess with other companies in India or abroad. If it is reinsured overseas, the reinsurance assumes an international character. Such reinsurance dealings represent trading between two different parties, the company placing reinsurance becomes the insured and the foreign company, with its head office abroad, underwriting the reinsurance cover becomes the insurer. The relationship between the two is none other than that of a buyer and seller and, therefore, is not such as to warrant it being considered an internal dealing by the company in respect of whose assessment, tax could be levied on reinsurance profits payable outside the country. Reinsurance with overseas concerns is, in fact, foreign trade, and is also a two-way trade. For insurance companies generally get reciprocity against the business ceded by them to their reinsurers. The insurers reinsuring abroad, under a reinsurance contract given by the reinsurer and signed by him at his head office, are considered to have purchased a reinsurance cover from the reinsurer the same way as the reinsured buys his insurance cover from the insurer. This transaction has not been subjected to tax so far, because (1) the transaction of reinsurance is as between principal and principal and (ii) the reinsurer selling the reinsurance cover from his head office is not considered as "trading in India." The Indian Insurance Companies' Association says—and in our opinion rightly—that "the practice so far followed in this country is sound and is almost universally followed, based, as it is, on the fundamental principles on which taxation laws are generally framed in all countries."

Tax on Reinsurance

An attempt to tax the profits earned by foreign reinsurers would seriously jeopardise the cause of Indian insurance in the international insurance market for the reasons given below:

(1) It would restrict facilities of reinsurance available to Indian insurers in foreign markets.

(2) If treaty reinsurance facilities are hampered or withdrawn, there would be a crisis in the market, causing great hardship to smaller insurers in the country who might be forced to curtail their activities.

(3) The reinsurers who are subject to a double tax would find it less attractive to have reinsurance dealings with Indian companies, and would divert their attention to companies of other countries.

(4) Indian insurers who would be able to build up good reciprocal relationship over a period of years would suffer a substantial shrinkage of business.

(5) Premium income and profits of Indian insurers from reinsurance would be reduced, and this, in turn, would adversely affect the tax payable by them to the income-tax authorities.

(6) Any retaliatory tax measures adopted by foreign countries would affect the reinsurance business of Indian insurers abroad.

In view of these considerations, it is submitted that the Government should desist from imposing taxes on reinsurance payments made outside the country in respect of Indian business.

Stamp Duty

The Indian Insurance Companies' Association has also claimed certain concessions in regard to the incidence of stamp duty on insurance policies. In recent years, insurance policies have become so complex that it is very difficult to decide under which item or items of the present schedule of the Indian Stamp Act, 1899, they should be classified. The schedule prescribing the various stamp duties was drawn at a time when insurance was in its infancy in India and was confined to the basic forms of policies dealing with risks of fire and marine and a small amount of accident insurance. It has now become archaic and is generally out of step with modern insurance developments.

Again, with the growth of air travel, more and more persons are taking out policies for substantial amounts for which the rate of premium is very reasonable and stamp duty based on the sum insured makes a heavy additional burden on the insured.

In the circumstances, it is felt that a single uniform rate of duty for all types of insurance, other than life, based on the present rate for fire insurance, is desirable. Alternatively it is suggested that, where the rate of stamp duty is directly related to the sum insured under the policy, there should also be a provision that the amount should not exceed a certain percentage of the premium chargeable. This method is considered specially helpful in respect of two specific types of policies, namely, personal accident and marine time policies.

Another concession asked is in respect of sea insurance for time. This type of insurance generally applies to the insurance of steamer hulls, the values of which in recent times have reached very high figures. The stamp duty of As. 4 for every Rs. 1,000 charged is stated to be a heavy burden on the shipping industry.

There are occasions when composite offices, in order to restore the solvent position of the life section, transfer funds from profits of the general departments. Such transfers reduce the profits of the companies, and in such cases the transfers should be allowed, the Association says, as an expense, and should not be taxed. It, however, concedes that when the amount so transferred is returned to the general department from the life section, the same should be treated as income.

PROVINCIAL INSURANCE CO., LTD., U.K.

History has innumerable examples of how business concerns started in humble, unpretentious and unostentatious circumstances have grown into great international institutions. One can see the instance of such development in the career of the Provincial Insurance Company, Ltd. (Chief Office: London and Kendal: Indian Branch, Bombay), during a period of 50 years from 1903-53. A perusal of the booklet entitled *Personal Account*, published by the Company, discloses that in the making of big institutions such as the "Provincial," it is the character and personality of men who build them that count most. This publication is a short personal memoir written by two brothers, Sir Samuel Scott, who was the second Chairman of the Company, and Mr. F. C. Scott, its present Chairman.

Started in 1903 in the town of Bolton, North England, by Sir James Scott, Bart., with the purpose of giving the opportunity of a career for his younger son, the "Provincial" was purely a private venture. The whole of the subscribed capital of £150,000, with £75,000 paid-up, was, in fact, provided by Sir James himself, and the Company was, therefore, a one-man company. There were, consequently, no shareholders looking for a return on investment. Even today, the Company is a family concern, its holders being limited to the family of Sir James Scott. "The Provincial escaped," writes *Personal Account*, "the dilemma of the newly-founded insurance Company which is charged with heavy initial expenses and saddled with demands for dividends, and is forced to expand rapidly to meet them. The business of the Provincial was a selected business from the start, and its policy was to expand gradually. The small Company's balance-sheet was not charged with an item for organisation expenses and there was no lavish appointment of a directorate or officials." Being a non-tariff company, the Provincial has done useful service to the public by quoting competitive rates which have hardly interfered with its good and friendly relationship with the tariff companies. It is here one sees the strong foundations on which the Company was laid. From £5,107 in 1925, the premium income has grown to over a million and a half pounds. Its reserves now exceed a million pounds. Started as a purely domestic insurer, it has a network of world-wide business at present. Today this Company has branches overseas not only in India but also in South Africa, Canada, etc. It has braved the stormy weather under two world wars and several minor, and one of the worst depressions, and several minor, and one of the worst depressions, It can look forward to a great future and may well be proud of its past record.

Writes Mr. F. C. Scott, the second son of the founder and the present Chairman of the Company: "With some justice, we might, perhaps, claim that there have been few companies which have shown underwriting profits so consistently good or have never made any draft on interest earnings for the benefit of the shareholders. The fact that the building up of a reserve fund of over a million pounds has taken place over a period when the average rate of tax was the highest this country ever had to endure is further proof of the sound lines of the Company's progress."

Few will grudge these claims, especially when it is noted that the staff found in the management the most generous provisions made from time to time to safeguard its interests against rising living costs. The pension fund stood in 1953 at as high a level as £900,000. This Company has had the unique distinction of having on its Board of Directors the brilliant economist, Lord Maynard Keynes. He served as the Chairman of the Finance and Investment Committee of the Company for some 23 years.

Personal Account, containing as it does some recollections of Sir S. H. Scott and Mr. F. C. Scott, provides an insight into the nature of qualities one should possess to build up a lucrative industry. Those who choose insurance for their career have much to profit by a perusal of this neat little book.

THE BANK OF BHOPAL LIMITED, BHOPAL

(INCORPORATED IN BHOPAL IN 1944.) (LIABILITY OF MEMBERS IS LIMITED.)

NINTH REPORT OF THE BOARD OF DIRECTORS

The Directors beg to submit to the Shareholders the Audited Balance Sheet of the Bank as on, and Profit and Loss Account, for the year ended 31st December, 1953.

The Bank's working during the year, including Rs. 4,017-5-3 brought forward from the previous year's account, yielded a net profit of Rs. 84,785-13-1.

The Directors propose to make the following appropriations out of the net profit:—

		Rs.	a.	p.
(1)	To be transferred to Reserve Fund under section 17 of the Banking Companies Act, 1949	17,500	0	0
(2)	To provide for taxation	25,000	0	0
(3)	To bonus to Staff	5,000	0	0
(4)	To pay a dividend at the rate of two per cent. free of tax, i.e., Re. 5 per share on 5,000 shares (Rs. 500 each, Rs. 250 paid up) for the year ended 31-12-1953	25,000	0	0
(5)	To be carried forward to next year's account	12,285	13	1
	Rs.	84,785	13	1

The Bank continues to make satisfactory progress. The dividend paid last year at the rate of two per cent. free of tax, i.e., Re. 5 per share is being maintained.

The Directors are thankful to the shareholders and clients of the Bank for their continued support.

The Directors express their warm appreciation of the work done by the Chairman and all officers and other members of the staff for their able and efficient services to the Bank.

Seth Rajmal Phoolchand Agrawal and Shri Syed Akhtar Abbas due to their preoccupations regretted their inability to continue as Directors of the Bank and resigned from the Board during last year. Shah Hiralal Chhaganlal and K. H. Sahibzada Dewan Anjur Rahim Khan, retiring Directors under the provisions of Articles 105 and 107 of the Articles of Association of the Bank, being eligible, offer themselves for re-election.

The shareholders are requested to appoint Auditors for the year ending 1954 and to fix their remuneration.

By Order of the Board,
B. M. VENCOBA RAO,
Chairman.

BHOPAL, 6th February, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 10,000 Shares of Rs. 500 each	50,00,000	0	0			
ISSUED CAPITAL— 5,000 Shares of Rs. 500 each	25,00,000	0	0			
SUBSCRIBED CAPITAL— 5,000 Shares of Rs. 500 each	25,00,000	0	0			
AMOUNT CALLED UP— At Rs. 250 per Share	12,50,000	0	0			
LESS—Calls unpaid	Nil					
	12,50,000	0	0			
ADD—Forfeited Shares	Nil					
				12,50,000	0	0
2. Reserve Fund and Other Reserves				12,500	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	2,33,840	11	0			
Savings Bank Deposits	2,83,255	4	0			
Current Accounts, Contingency Accounts, etc.	6,22,343	12	2			
				11,18,039	11	2
4. Borrowing from Other Banking Companies, Agents, etc.—						
(i) In India	....					
(ii) Outside India	....					
PARTICULARS—				....		
(i) Secured	....					
(ii) Unsecured	....					
				....		
5. Bills Payable	....			....		
6. Bills for Collection Being Bills Receivable (as per contra)—						
(i) Payable in India	66,151	15	9			
(ii) Payable outside India	....					
				66,151	15	9
7. Other Liabilities (including Employees' Provident Fund and Security Deposits amounting to Rs. 18,768-7-0)				34,813	15	0
8. Acceptances, Endorsements and Other Obligations (as per contra)				25,978	8	0
9. Profit and Loss—						
Profit as per last Balance Sheet	54,517	5	8			
LESS—Appropriations—	Rs.	a.	p.			
To Reserve Fund	12,500	0	0			
To Provision for Taxation	7,500	0	0			
To Bonus to Staff (including Rs. 2,000 as a Director)	5,500	0	0			
To Dividend Account	25,000	0	0			
	50,500	0	0			
	4,017	5	8			
ADD—Profit for the year	80,768	7	10			
				84,785	13	1
10. Branch Adjustments (in Karachi)				2,84,016	7	0
Total .. Rs.				28,76,686	6	0

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				1,42,580	2	1
2. Balance with Other Banks in Current Account—						
(i) In India	1,05,925	8	10			
(ii) Outside India	....			1,05,925	8	10
3. Money at Call and Short Notice	....			....		
4. Investments (at below cost)—						
(i) Securities of the Central and State Governments and other Trustee Securities *including Treasury Bills* of the Central and State Governments	5,36,930	0	0			
(ii) Shares	79,500	0	0			
(iii) Debentures or Bonds (outside Indian Dominion)						
	6,16,430	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil					
				*6,16,430	0	0
* (Securities of the face value of Rs. 6,70,000 are held as security against Karachi Branch borrowings outside India. Market value of Investments Rs. 6,19,150)						
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash, Credits, Overdrafts, etc.—						
(i) In India	13,99,879	2	10			
(ii) Outside India	....					
(II) Bills Discounted and Purchased (excluding *Treasury Bills* of the Central and State Governments)—						
(i) Payable in India	1,92,381	15	0			
(ii) Payable outside India	....					
				15,92,261	1	10
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	13,32,061	6	2			
(ii) Debts considered good for which the Banking Company holds no other security other than the debtors' personal security	2,51,526	14	8			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	8,672	13	0			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	15,92,261	1	10			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	22,997	6	0			
(vi) Debts due by Companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members	39,491	11	7			
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	35,445	6	0			
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members	2,52,703	1	4			
(ix) Due from Banking Companies	....					
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	66,151	15	9			
(ii) Payable outside India	....					
				66,151	15	9
7. Provident Fund and Staff Security Deposit Investments	....			18,000	0	0
8. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				25,978	8	0
9. *Premises* Less Depreciation—						
At cost as at 1st January, 1953	78,168	8	7			
LESS—Total depreciation upto 31st December, 1953	6,168	8	7			
				72,000	0	0
10. Furniture and Fixtures Less Depreciation—						
Furniture at cost as at 1st January, 1953	69,711	15	9			
ADD—Cost of additions during the year	2,286	10	0			
	71,998	9	9			
LESS—Sales	80	0	0			
	71,918	9	9			
LESS—Total Depreciation written off upto 31st December, 1953	48,233	9	9			
				23,685	0	0
11. Other Assets, including Silver—						
Interest accrued on Investments	11,998	0	0			
Stationery and Stamps on hand	3,016	6	6			
				15,014	6	6
12. Non-Banking Assets Acquired in Satisfaction of Claims				....		
13. Branch Adjustments (in India)				1,88,659	11	9
Total .. Rs.				28,76,686	6	0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

EXPENDITURE	Rs.	a.	p.	INCOME (Loss Provision made during the year for Bad and Doubtful Debts)	Rs.	a.	p.
To Interest paid on Deposits, Borrowings, etc.	13,044	6	0	By Interest and Discount	1,16,849	5	9
,, Salaries and Allowances and Provident Fund (including Rs. 9,292-8 Salary and Allowances and Provident Fund to General Manager)	49,131	7	0	,, Commission Exchange and Brokerage	22,040	14	9
,, Directors' and Local Committee Members' Fee and Allowances	1,100	0	0	,, Rents	Nil		
,, Rent, Taxes, Insurance, Lighting, etc.	5,198	2	3	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Law Charges	1,502	8	9	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Postage, Telegrams and Stamps	4,426	12	9	,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
,, Auditors' Fees	1,250	0	0	,, Other Receipts	34,229	14	0
,, Depreciation and Repairs to the Banking Company's Property	6,771	10	0				
,, Stationery, Printing, Advertisement, etc.	4,900	11	6				
,, Loss from Sale of or Dealing with Non-Banking Assets	Nil						
,, Other Expenditure (including a sum of Rs. 151 donated to Charities)	6,535	4	5				
,, Balance of Profit (subject to Taxation)	80,768	7	10				
Total .. Rs.	1,74,629	2	6	Total .. Rs.	1,74,629	2	6

REPORT OF THE AUDITORS.

We have audited the annexed Balance Sheet of the Bank of Bhopal Limited, as at 31st December, 1953, and also the annexed Profit and Loss Account of the Bank for the year ended 31st December, 1953, in which are incorporated certified Returns from Sehore Branch in India, but the Returns from Karachi Branch have not been incorporated as the Returns have not been received from the State Bank of the Pakistan which has taken possession of that Branch, and report that:—

(a) We have obtained all the information and explanations that we have required and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) That returns received from Sehore Branch of the Bank in India have been found adequate for the purposes of the audit;
(d) In our opinion the annexed Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law;
(e) Such Profit and Loss Account shows a true Balance of Profit for the year;
(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the Books of the Bank; and
(g) In our opinion Books of Account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

S. B. BILLIMORIA & CO.,
Chartered Accountants,
Auditors.

BOMBAY, 25th JANUARY, 1954.

B. M. VENCOBA RAO, Chairman.
MULKRAJ,
RAMSHAROSE,
H. R. NAIR,
AZIZUR RAHIM KHAN,
MAHESH RIHARILAL,
AMIR HASAN SIDDIQUI,
CHHAGANLAL, } Directors.

V. S. MANI, General Manager. S. D. SHRIVASTAVA, Accountant. Y. M. SANT, Accountant. P. V. CHATI, Chief Accountant.

EFFECTS OF INDUSTRIAL AWARDS ON INDIAN BANKING SYSTEM

PROFITS WILL FAIL TO KEEP PACE WITH INCREASE IN EXPENSES

(Contributed)

SINCE independence, Industrial Tribunals have made a number of awards conferring considerable benefits on workers in various industries in India. The immediate effect of these awards has been to improve the economic conditions of workers in the industries concerned. But it is necessary to consider their effect upon the capacity of the industries to maintain their scale of operations and to expand it. If it is found that the awards have produced adverse effects upon the capacity of industries to maintain the scale, it will have to be admitted that the awards have adversely affected the interests of the existing workers by compelling the industries to retrench some of them. Even if the awards have not produced this effect upon any industry, but if they have adversely affected its capacity to expand, the awards must be said to have adversely affected the interests of those who are in search of work, because such persons cannot secure any employment in the industry concerned. The number of such persons is already large in India and is increasing rapidly every year, on account of the rapid growth of population in the country. In this note, it is proposed to consider briefly the effect of industrial awards on the Indian banking system, on the above lines.

History of Awards

Until 1947, there were no industrial awards for the Indian banking system and banks were free to give salaries and other emoluments to their employees according to their capacity to pay. Moreover, they were not obliged to give annual increments in pay to their employees, if they could not afford to do so. This enabled banks to take advantage of the favourable economic conditions, which were brought into existence by the Second World War, by expanding their operations with a fair degree of rapidity. This is seen from the fact that the total number of offices of Scheduled banks increased from 1,128 in 1938 to 1,888 in 1943 and to 3,469 in 1946. The total number of offices of non-Scheduled banks with capital and reserves of Rs. 1 lakh and over increased from 1,161 in 1943 to 2,688 in 1946. Then came the industrial awards.

Mr. Justice Divatia made an award, covering 30 banks in Bombay, on 8th April, 1947. Subsequently, he made a similar award with regard to certain banks at Ahmedabad. Mr. V. B. Singh, Labour Commissioner of the United Provinces, made an award in respect of 40 banks in the said Province on 11th March, 1947. Mr. R. Gupta made an award regarding the Imperial Bank in West Bengal on 4th August, 1947. In December, 1947, Mr. S. K. Sen made an award regarding the Calcutta branches of the Central Bank of India Ltd. In 1948, Mr. S. C. Chakravarty made another award regarding the Imperial Bank of India in Calcutta. In the same year, Mr. P. R. Mukherjee made an award in regard to the Hindustan Commercial Bank in Calcutta. The All-India Industrial Tribunal (Bank Disputes), consisting of Mr. Justice K. C. Sen, Mr. Justice J. N. Majumdar and Mr. Justice N. Chandrasekhara Aiyar, made an award on 30th March, 1950 covering all banks as defined in section 5 of the Banking Companies Act, 1949, having branches in more than one State and the Imperial Bank of India. Although this award was declared void *ab initio* by the Supreme Court in 1951, the Industrial Disputes (Amendment and Temporary Provisions) Act, passed by Parliament immediately afterwards, prohibited banks from altering to the prejudice of their employees, the scales of pay or rates of dearness allowance, which they had begun to pay in terms of the above award save in accordance with the terms of any award that might be made afterwards. Another All-India Industrial Tribunal (Bank Disputes), consisting of Mr. Justice Panchapagesa Sastry, Mr. M. L. Tannan and Prof. V. L. D'Souza, made an award on 20th March, 1953, for the same banks for which the Sen Tribunal had made an award. Appeals against this award, made by the All-India Bank Employees Association and some banks, have been heard by the Labour Appellate Tribunal, which will publish its award shortly.

These awards have increased considerably the establishment expenses of banks. In 1947, the total earnings of Indian Scheduled banks were Rs. 29.83 crores and their establishment expenses amounted to Rs. 9.61 crores. By 1952, they had increased to Rs. 34.38 crores and Rs. 13.91 crores, respectively. This shows that the percentage of their establishment expenses to earnings increased from 32.2 in 1947 to 40.5 in 1952. While the awards have increased the remuneration of bank employees, labour legislation has paid no heed to the necessity of employees turning out adequate work per man-hour. On the contrary, indiscipline and disloyalty have increased among the employees of banks, because labour legislation has provided an elaborate and lengthy procedure for dealing with cases of indiscipline and even fraud. These difficulties have been one of the chief causes for a sharp fall in the number of offices of banks in India. The fall in the number of offices of Scheduled banks from 3,469 to 2,961 and of non-Scheduled banks, with capital and reserves of Rs. 1 lakh and over, from 2,688 to 1,833 between 1946 and 1947 must be attributed chiefly to the partitioning of the country. But the progressive fall in the number of offices from 1948 onwards must be attributed mainly to the burden imposed by the tribunals' awards upon banks. The total number of offices of Scheduled banks fell to 2,913, 2,864, 2,766 and 2,647 and of non-scheduled banks to 1,767, 1,572, 1,545 and 1,504 in 1948, 1949, 1950 and 1951, respectively.

Effect on Employment

The fall in the number of offices of banks, as noted above, has not yet produced any appreciable effect upon the volume of employment in them, because, in many cases, banks have been prevented from discharging surplus staff, resulting from the closing of unremunerative branches, by the orders of Labour Commissioners or Tribunals. This means that banks have been prevented, to a large extent, from benefiting from the closing of unremunerative branches. There is no doubt, however, that the awards and the labour legislation have made banks unwilling to add to their liabilities by opening new offices, particularly in undeveloped areas. This unwillingness to expand activities, even where there is scope for doing so, has not only checked the growth of banking in India, but has prevented the Indian banking system from providing additional employment, which it would have otherwise been able to do. The unemployed would welcome, even on somewhat lower remuneration, additional employment that would be provided by new branches of banks, in the confidence that, with good work, they would be able to secure better terms, with the progress of the new banking offices. Banks, however, would be prepared to open new banking offices only if they are allowed to remunerate their employees according to their capacity to pay. To enable them to do so, it is suggested that a section may be added to the Banking Companies Act, empowering the Reserve Bank to regulate relations between banks and their employees. The Reserve Bank has already powers of supervision over banks and they can be expanded so as to include regulation of employer-employee relations. With its intimate knowledge of the peculiarities and needs of banking and with a free hand, the Reserve Bank can lay down conditions of service either for banks generally or in particular banks, according to their capacity, and can encourage opening of new branches of banks by keeping terms of employment rather elastic. The Reserve Bank may have to set up a new department for doing this work.

The Minimum That Should Be Done

If for any reason the above suggestion is regarded as impracticable, the least that should be done is to carry out the recommendation made by the Rural Banking Enquiry Committee in 1950 on page 60 of its report, namely, that awards of industrial tribunals should not be made applicable to the offices of banks situated in towns having a population of less than 50,000. The Committee stated that the opening of new branches by banks in semi-urban or rural centres was found to be difficult, because of the high operating costs in relation to the earning capacity of such branches; that the enforcement of awards of industrial tribunals was likely to result in salary scales, fixed largely with reference to conditions obtaining in large urban centres, being made applicable to the smaller branches and would thus make the maintenance of such branches unremunerative for banks; that costs of living in the smaller towns would be lower than in the larger cities, particularly for locally recruited staff; and that, in any case, it would have to be recognised that the salaries which banks could pay to their staff would have to be related to the paying capacity of the areas concerned, as no bank could be expected to maintain indefinitely branches which were uneconomic, simply because overall profits were good or its income at other offices was considerable.

Impediment To Rural Banking

The check imposed upon the growth of the banking system by the awards is doing considerable harm to the economy of the country in another respect also. On account of the compulsion imposed upon the banks to pay the scales of emoluments laid down by the awards to their employees working in their branches located even in rural areas and townships, banks find that establishing their offices in such localities would involve them in a loss. Thereby they are prevented from mobilising the savings of the people living in those areas and making them available for the economic development of the country. They would have been very willing to mobilise these savings for the good of the country by establishing offices in such areas, if the awards had not prevented them from paying their employees in such areas according to their capacity to earn there. Commercial banks are the best agency for mobilising the savings of such areas on account of their ability to establish personal, friendly contacts with the people and to give them quick services much more effectively than any other agencies.

It is to be feared that these harmful results of the awards will increase in the near future, as they compel banks to give increments on a graded scale to their employees, regardless of the ability of the banks to pay and of the productivity or willingness to work on the part of their employees. This will impose on banks a cumulative burden, the worst effect of which may be felt by the country after a few years. Looking to the present trend, it seems safe to say that, in the near future, it will be impossible for banks to increase their income in the same proportion as the increase in their expenses that will surely follow consequent on the awards.—*All Rights Reserved.*

WORLD BANK'S LOAN FOR ECUADOR

A loan of $8.5 million was sanctioned to Ecuador by the International Bank of Reconstruction and Development on the 10th inst. It is intended for the execution of a highway construction programme designed to stimulate the development of agricultural production in the Province of Guayas and neighbouring parts of the coastal region.

This is the World Bank's first loan to Ecuador and is made to an autonomous local authority charged with the responsibility for developing the road system. Under the highway construction programme, eight of the existing roads radiating from Guayaquil, Ecuador's largest city and its most important port, will be converted to all-weather highways. The individual roads to be built under the programme will have a total length of about 365 miles.

The programme includes three other items namely, (a) the construction of a central maintenance shop for the repair and overhaul of construction equipment; (b) the building of a suspension bridge over the Daule River and (c) the acquisition of car ferries for use between Guayaquil and Duran. The programme is expected to take about four years to complete. It will cost 179 million sucres ($11.8 million) including the foreign exchange being financed by the Bank. The Bank's loan will pay for the import of road-building equipment and materials, ferryboats repair shop and maintenance equipment.

The loan is for a term of 10 years and the rate of interest is 4½ per cent. per annum, including the 1 per cent. commission allocated to the special reserve. Amortisation will begin on 1st March, 1956. The loan is guaranteed by the Government of Ecuador.



WINNING THE BATTLE AGAINST FUEL-FORMED DEPOSITS

SALIENT FEATURES OF MOBILGAS WITH S-54 DESCRIBED

THE recognition that fuel contributes to the formation of deposits and that they have an important bearing on the operation of the automobile gasoline engine opened up a new field of research investigation into the means of their amelioration. Fuel-formed deposits may be found in combustion chambers, on other parts of the intake system and the exhaust passages. These deposits make themselves felt in plug malfunctioning, pre-ignition, knocking, and engine stalling, with the result that the engine does not develop its full power.

In the research laboratories, studies were made extending over many years on the deposition tendencies of fuels in different makes of engines and for evaluating the ability of a new gasoline to ensure proper acceptance. Extensive improvements in refinery practices were made to provide a high quality gasoline, but, with the advent of high compression engines and the use of TEL (tetra-ethyl-lead) as an anti-knock agent, the problems of building into the gasoline properties to meet the more severe requirements became more complex and difficult.

This article is devoted to a description of the factors that contribute to fuel-formed deposits, their influence on engine operation and how Mobilgas with S-54, developed by Standard-Vacuum's Principals in one of the world's largest laboratories and proven by road performance in America and Europe, overcomes the problems associated with them.

Sources of Deposits

The carburettor is designed to supply the engine with the proper mixture of air and gasoline over a wide range of speeds and loads. However, under certain conditions of driving, combustion of the gasoline air mixture in the cylinders is often incomplete, with the result that various parts are likely to become more or less covered with fine carbon, as, for example, the plugs, combustion chambers, piston tops, exhaust passages and pipes. This carbon by itself would not be so objectionable as it is of a sooty nature. However, other factors such as gum and Tel in the gasoline contribute to deposit formation and, in combination with the carbon may foster relatively hard deposits of a troublesome nature.

Tel is now almost universally used in gasoline to suppress 'knocking.' If used alone in gasoline it forms lead oxide on cumbustion, which tends to accumulate on the spark plugs and exhaust valve seats. In order to overcome this, a product is incorporated to assist in the evacuation by the exhaust gases of the Tel-formed deposit. However, some amount of this deposit will be left in the combustion chamber, the extent of which will be influenced, to a great extent, by the amount of gum in the gasoline, by the nature of the carbon left by the burning of the lubricating oil and by engine operating conditions.

Small Amount of Gum

A small amount of gum exists in dissolved form in all gasoline. When, however, gasoline is stored for long periods, it absorbs oxygen from the air to form additional gum. This gum can form residues that can cause more trouble than other gasoline deposits. When gum goes into the engine, it does not evaporate along with the rest of the gasoline and some is deposited wherever the gasoline evaporates, as on carburettor jets, in the intake manifold or on inlet valve stems and it may also be carried into the combustion chamber. At first, the deposited material is sticky like varnish. It combines, however, with other deposits, absorbs more oxygen from the air and, under the drying action of heat, it may assume a form ranging from molasses to a hard flint-like deposit.

It will be seen, therefore, that, if the structure of the gum can be altered to prevent it from sticking on the parts of the intake system and from promoting the formation of hard deposits in the combustion chambers and on exhaust valves, deposit accumulation can be overcome to a great extent. This is what Mobilgas with S-54 does in a gasoline engine. It prevents the gum from being deposited in a sticky state when the gasoline is vaporised; instead, the gum-forming material is modified so that it is in a non-adherent state.

What Mobilgas With S-54 Does

The power output of a gasoline engine can be seriously impaired by fuel-formed deposits. Mobilgas with S-54 not only assists in minimising the deposits in the combustion chamber but it improves the functioning of the separate parts of the intake or breathing system, with the result that the power output is maintained at a peak. Let us consider how Mobilgas with S-54 improves the functioning of the engine, beginning with the throttle valve in the carburettor and continuing to the exhaust valves.

The throttle valve in a carburettor consists of a pivoted disc located in the venturi tube, which the driver operates by means of an accelerator pedal. The gasoline-air mixture from the carburettor is drawn by the suction of the engine via the manifold and the supply is controlled by the throttle valve. When the throttle valve is "closed," the engine is said to be idling. Actually, however, in the "closed" position, the throttle valve allows a small quantity of gasoline mixture to be drawn into the engine. This is done by providing an annular space between the periphery of the disc and the walls of the venturi tube. However, the annular space is very restricted and, if the rim of the disc gets gummy or sticky, the passageway may actually be sealed, thus stopping the flow of the intake charge of the air-gasoline mixture and causing the engine to stall.

Mobilgas with S-54 prevents the "gum" from being deposited on the throttle valve.

In modern gasolines, there are incorporated several components like inhibitors and anti-knock agents, which contain much non-volatile material. These added materials do contribute somewhat to the deposition of residues in the engine manifold, particularly if the interior surfaces are coated with gum. Mobilgas with S-54 prevents this material from being deposited and clogging the passages.

Prevention of Formation of Harmful Deposits

Near the intake ports of the combustion chamber, all the while that the engine is running, there is a constant pulsation of gases, including the fresh air-gasoline mixture about to enter the ports and a mixture of products of combustion tending to get past the intake ports, owing to the designed overlapping action of the intake and exhaust valves. In course of time, the products of incomplete combustion tend to deposit a coating of varnish-like substance on the walls of the passages at the intake ports.

Sometimes, the gumming on the underside of the inlet valve head may be so severe as to reduce considerably the power output of the engine. The valves must also effectively seal the gases in the combustion chamber at pressures up to or possibly exceeding 600 pounds per square inch. If gummy deposits collect on the underside of the valve heads, power is lost and the valves and valve seats may also suffer damage.

Mobilgas with S-54 serves to prevent the formation of these harmful deposits.

Lungs of Gasoline Engine

It may be said, therefore, that the inlet valves and manifold are the lungs of a gasoline engine and, like mortals, when affected with congestion of the respiratory system, cannot breathe freely, if the passages are clogged with deposits. In the automotive engine, such deposits will result in the cylinders not receiving the right amount of air-fuel mixture and, therefore, the engine cannot develop its full power.

The stems of the intake valves are fitted into cylindrical guides and are normally lubricated by a thin film of lubricating oil supplied from the engine sump. The valves are required to operate at lightning-like speed and open and close in a fraction of a second. However, when the engine is overloaded, it is likely to run "hot" and there is a tendency for the oxidised lubricant to combine with the gum in the fuel and accumulate in a sticky film in the clearance space near the top of the valve guides. When this happens, the valves stems stick and the valves operate sluggishly. Mobilgas with S-54 assists in free movement of the inlet valves.

The intake valve, being constantly cooled by the incoming charge of the gasoline-air mixture, operates at a comparatively cool temperature. The exhaust valve, on the other hand, is subjected to a very high temperature, sometimes high enough to cause it to operate at red heat. If deposits find their way on the valve seat, it ultimately results in burnt out or broken valves.

Mobilgas with S-54 alters the characteristics of the deposits in the combustion chamber resulting from gum or material incorporated in the gasoline, making them non-adherent, with the result that combustion chamber deposits are minimised.

Effectiveness Established

Proof of the effectiveness of Mobilgas with S-54 in minimising deposit formation has been established in actual use in America and Europe. Summarising, therefore, its use helps to (1) create better engine breathing and hence more efficient utilisation of fuel resulting in greater power and lower fuel consumption, (2) reduce the knocking tendency due to better breathing and minimum deposit formation (3) provide easier starting and warm up as valves move freely and the carburettor does not stick, (4) greatly reduce valve and hence engine maintenance.

A Modern Motor Oil

So far, we have dealt with fuel-formed deposits. However, cleanliness of the moving parts in the crankcase and of the pistons is also equally important, since deposits on these parts can be a great source of trouble. Mobiloil, a modern motor oil, developed by Standard-Vacuum, is a highly detergent oil. This powerful property enables Mobiloil to hold in suspension in a finely divided state contaminants such as fuel soot and any oxidation products resulting from the fuel and lubricant that find their way into the engine sump. When the oil is changed, the impurities are drained out of the sump with the oil and permanently removed. To coin a phrase, Mobiloil keeps engine crankcases and pistons "Mobiloil clean."

The best advice that can be given for keeping down to a minimum the formation of deposits in the automotive engine is, first, to use only the best gasoline and, second to use a selected motor oil. Mobilgas with S-54 and Mobiloil, when used together in the gasoline tank and engine sump, respectively, will provide complete engine cleanliness.—*Advt.*

ARE PRICE CONTROLS, RATIONING AND ALLOCATIONS NECESSARY?

VIEWS OF I.M.F. EXPERTS

[Alluding to the views of the experts of the International Monetary Fund on price controls, rationing and allocations, in the course of an editorial last week, we observed that they should be duly taken note of not only by the whole of the Planning Commission but also by all those who blindly argue that a rigid system of physical controls is a prerequisite for the success of any planned economic development. For considerations of space, however, we could not refer in detail to the impressive arguments advanced by the I.M.F. experts in support of their conclusion that a system of controls that is terminated by a burst of inflation or by confiscation of savings cannot be regarded as an acceptable means of securing resources for development in a democratic country in which the Government is concerned with the well-being of the people. We, therefore, reproduce in these pages the relevant chapter from the Mission's report. This is, of course, somewhat lengthy, but, as it is necessary to educate public opinion on the harmful effects of these controls, we have thought it worthwhile to publish the views of the experts in full. It will be seen from what follows that the experts have questioned the very assumption of the Planning Commission that controls "are an integral and integrated part of the Plan." It is true that there are not many price controls, rationing and quotas now. Nevertheless, there are still some controls such as those on cotton, sugarcane, cement and steel. A perusal of the views of the experts will show that there is no need for continuing even these.—Ed.]

WHERE credit policy is used actively to provide the country with no more than the appropriate money supply that can finance a growing output at stable prices, there can be no inflation arising from deficit financing and credit creation by the banks. At the same time, such a credit policy does not increase the real resources available for development. It merely allocates the real resources represented by the drawing down of exchange reserves and the savings of the public in the form of cash balances. Credit policy could be used to expand the money supply beyond the appropriate amount. Under such circumstances, additional real resources would become available for development, if the response of the economy to the inflation were not of a sort to diminish the availability of resources arising in other ways.

The inflation resulting from the excessive creation of credit transfers real income to profit receivers. It would be a mistake to assume, however, that all of the inflation profits become available for development. The savings of other groups in the community are reduced in an attempt to protect the level of consumption. The consumption of profit receivers is also increased, as their real incomes rise. Thus, only a fraction, perhaps only one-half or one-third of the inflation profits, emerge as an addition of real resources for development. And even this is accomplished only at the cost of severe disruption in the economy and grave injustice to large numbers of the people. It has been argued in India, as elsewhere, that the disruption and the injustice caused by inflation can be avoided by controls, while credit creation is used to secure real resources for development.

Controls and Real Resources

It should be made clear what controls can and cannot do under circumstances where credit has been expanded excessively, because real resources for development are inadequate. As resources cannot be transferred to investment without taking them away from consumption, there must be some reduction in consumption below the scale that would otherwise prevail at the new level of income. No system of controls can avoid that. What controls can accomplish, if they are successful, is to prevent a sharp rise in the real incomes of profit receivers and a sharp fall in the real incomes of other groups in the community. And controls can prevent, if they are successful, the concentration of the ownership of the newly saved wealth in the hands of the profit receivers, instead of the consumers whose consumption is reduced to provide real resources for development.

The inflationary pressures arise from the excessive demand which cannot be met by output. The rise in prices is the response to the excessive demand, and the effect of the higher prices is to restrict the demand to the available output. Although the rise of prices is a symptom and not the cause of inflation, it is the mechanism by which the transfers of income take place. If prices could be prevented from rising, the public would be unable to spend as much of its income as it would wish. The unspent part of the income would remain as the savings of consumers; it would not be dissipated in bidding up prices and transferring real income to profit receivers.

Price controls in one form or another were used in practically all countries during and immediately after World War II. Their effectiveness varied from country to country, and everywhere, they were much less effective in holding down prices in the later than in the earlier years. For example, in the United Kingdom, the cost of living rose by nearly 15 per cent. between 1941 and 1945; it rose by more than 20 per cent. between 1945 and 1949. Wholesale prices of all goods rose by 10 per cent. between 1941 and 1945; they rose by 40 per cent. between 1945 and 1949. Over the whole period, from the beginning of the war to the end of 1949, the rise in prices was larger in the European countries that maintained price controls throughout these years than in the United States and Canada where price controls were abandoned about one year after the war. Obviously, the important factor was that inflationary pressures were not as great in North America as in Europe.

Problem of Allocations

If prices are successfully controlled, the supply of consumer goods cannot satisfy the demand at prevailing prices. If the excess of demand is moderate, there may be no great harm in permitting consumption to be reduced haphazardly by the exclusion of those buyers who come when supply is exhausted. Where the excess of demand is considerable, however, great injustice would be done by this procedure. To assure a tolerably equitable distribution of the available supply of consumption goods, it would be necessary to resort to rationing. As shortages would also appear in the supply of production goods, allocations to business firms would be equally necessary. It should be pointed out that the problem of allocation is far more complex than consumer rationing. Fairly equal access for all consumers to the supplies of scarce goods is socially just and administratively simple. No such rule can be applied to producers competing for limited materials and equipment to produce an almost infinite variety of goods.

Price controls, rationing, and allocations involve significant real costs of their own. A comprehensive system requires a large and elaborate Government organisation for its administration. Where trained people are scarce, as in India, the necessary staff can be assembled only at the expense of handicapping other Government or private activities. Furthermore, the efforts required to ensure compliance by business men and consumers are costly and time-consuming. Experience in many countries indicates that, even with a well-organised and efficient administration, it may prove impossible to enforce the controls in a reasonably effective and equitable manner. The problems increase with the severity and duration of the controls. If the public loses sympathy with the policy and attempts to evade the controls on a large scale, a breakdown in their administration becomes almost inevitable. Since incompletely enforced controls are both unjust and ineffective, these hazards cannot be lightly dismissed.

It should be emphasised again that price controls, rationing, and allocations do not obviate the need to sacrifice consumption in order to secure real resources for development. They serve, rather, as a method of apportioning the compulsory reduction in consumption more or less equitably throughout the community. If successful, the controls would prevent the injustice inherent in the redistribution of income originating in a rise in prices. The creation of credit would provide borrowers with the means of securing real resources; the corresponding savings would be accumulated by those whose consumption is curtailed. The accumulation of such savings is a partial offset to the sacrifice entailed in restricting consumption.

Broadening Area of Controls

The philosophy underlying controls is that a rise in prices would be followed by a demand for a rise in wages in order to restore the level of consumption, while stable prices with controls would be accepted without insisting on an unrestricted level of consumption. The key element in this philosophy is the necessity of avoiding a rise in the cost of living. Some of the advocates of the view that inflation can be suppressed in this way seem to believe that price controls and rationing will be necessary only for foodgrains, cloth, and perhaps a few other goods of special importance. The experience with controls in most countries, however, shows that in order to assure the effectiveness of the basic controls, it becomes necessary to extend the regulatory system more and more widely.

Effective price controls and rationing of necessities leave the public free to try to buy other things with a part of the income that otherwise would be spent for necessities. This spill-over of purchasing power, if not checked, causes prices of other goods to rise, makes their production more profitable, and induces producers to shift production from necessities to non-necessities. Producers of controlled goods cannot afford to pay as much as other producers for scarce materials or labour. To stop this diversion, it is necessary to put price ceilings on more and more commodities and attempt to check the production of non-essentials by limitation orders, allocation of materials and the like. Thus, the network of controls becomes very wide, even though the original purpose may have been only to assure an equitable distribution of necessities.

If there are any parts of the economy in which there are enough unused resources to permit an increase in production without diverting labour, materials or equipment from other activities, a spill-over of spending into these areas will be harmless and even desirable. Although there may be some possibilities of this nature, especially as regards services, they cannot be of great importance in India.

In general, controls must be operated in an environment of scarcity. Where real incomes are low, the demand for the particular types of consumption on which income would be spent is likely to be very inelastic. There is thus extraordinary pressure to offer illegal prices for supplies outside the official ration, and these higher prices become an inducement to divert supplies from official channels into black markets. It becomes necessary to extend control over supply as well as demand.

As controls continue in force and become broader in coverage, they make for inflexibility in cost-price relations. For example, the prices of industrial raw materials, if rigidly controlled, cease to reflect the influence of relative scarcity or abundance. The process of development always requires important shifts in the use of economic resources. One of the functions of the price system is to facilitate this shift by making the new uses comparatively more attractive than the old—a simple case of a functional price adjustment. The most skilful administration cannot hope to anticipate all these shifts and to achieve, by regulation, a close approximation to the operation of a free price system. The usual course is to attempt to hold prices rigidly, making changes only as they become obviously inescapable.

Wasteful Use of Materials

Price controls may lead to wasteful use of materials. For example, steel, being in short supply, is subjected to price control. By keeping down the price of steel, the community foregoes the opportunity of employing a powerful incentive for careful use of the material. At the controlled price, it will become necessary to allocate steel, just as rationing must accompany price control for basic foods. If the price of steel were allowed to rise, every business man would be given an economic inducement to shift to another material the relative supply of which is greater than that of steel. The pattern of relative prices of raw materials is a powerful force to induce successive substitutions of less expensive materials which are more plentiful for more expensive materials which are scarcer.

Controls also result in a domestic cost-price structure that is out of line with world prices and production costs. Imports and exports, therefore, become less responsive to changes in the outside world and greater reliance must be placed on import and export controls and exchange restrictions. These problems are familiar ones in India and need not be elaborated. It is only necessary to mention that, if internal prices of grain, for example, are kept below the world level, it will be necessary to restrict exports and to subsidise imports. If, to take a different example, the price of raw cotton is held down at home, while the price of commercial fertiliser is equal to the world price, Indian growers will have less incentive to apply fertiliser than will growers in other countries and India's relative output is likely to suffer.

The establishment of controls to deal with excessive demand requires comprehensive regulation to restrict consumption and use of goods of all kinds and to assure the flow of supplies to those authorised to buy such goods in specified amounts at regulated prices. In a country like India, large in area, where production is undertaken by innumerable small producing units, with small incomes, and with supplies of the most essential goods barely adequate for needs under ordinary conditions, such comprehensive regulation presents a formidable administrative problem. These difficulties are certain to be enhanced, if the controls are retained for an extended period. For, after a time, controls affect the incentive to produce and the willingness of producers to supply output for controlled markets.

Where production is organised on a price-cost basis, the ability of producers to maintain and expand output depends upon their receiving a remunerative price. The complexity of the pricing process compels the authorities to depend primarily on the maintenance of the price relationships existing at the time the controls are imposed. As these prices are not all equally remunerative, there is a tendency for producers to concentrate output on those goods the price-cost relationship of which is most favourable. These are likely to be, although not necessarily, the higher priced goods of each type. To assure low-income consumers a proper proportion of the output, it becomes necessary to regulate the types of goods produced, as under the utility goods schemes in various countries.

An effective system of price controls inevitably requires the control of costs, including wages, materials and equipment. Where costs cannot be controlled, or cannot be prevented from rising even with controls, there will be a need for repeated adjustment of prices to assure a proper relationship with costs. As costing necessarily lacks precision, particularly when output cannot be maintained at levels for which capacity is installed, there is great risk that the proper relationship of price to cost will not be established. Business firms may be induced to reduce or to limit output, because regulated prices are regarded as too low to cover costs, including reasonable profits. Acute shortages of particular goods may develop for this reason.

Restrictions on Consumption

Even if prices and production are successfully controlled, the restrictions on consumption may affect the willingness to work or to sell output. Restrictions on consumption provide resources by preventing the public from spending a part of its income. The resulting forced savings, by definition, appeal less to the income recipients than the goods they would buy if they were allowed to do so. If controls continue, the accumulation of money which cannot be spent will in time become less and less attractive. Workers may not be motivated to put in extra effort to earn money to add to unwanted savings. Cultivators will almost certainly prefer to consume more of their foodgrains, if they are forced to save money that they would prefer to spend, or, if they are able, to spend money only for goods that appeal to them less than more food.

The principle is the obvious one that income encourages work, because it can be used to buy goods. For a time, people may pile up money claims which they confidently expect to be able to redeem in the near future. But, as rationing persists, the motivating power of unspendable money begins to weaken. That is why absenteeism becomes a serious problem in countries in which consumption is rigidly restricted by rationing, and that is why the most thoroughly controlled economies are ultimately compelled to devise consumption incentives to maintain work standards.

Quite apart from the discouraging effect on production, comprehensive controls are likely to hamper the flow of supplies. Because goods have a premium over money, consumers are induced to buy goods whenever they can get them and to hoard goods in preference to holding money. This is the familiar experience that people will take up a ration in full even when it is more than they would buy under free conditions. For business men, inventories in all stages of production tend to be held in larger amount than necessary. As prices always creep up, and may ultimately burst upward even with the best system of price controls, speculation in inventories is certain to prove profitable. That is why inventory control becomes a common feature of every comprehensive system of price fixing, rationing and allocations.

In agriculture and in small industrial units, particularly cottage industries, the difficulty of securing goods induces producers to circumvent the restrictions by marketing their output outside the usual commercial channels. In small and relatively self-sufficient communities, this can be done by trading agricultural products for cloth and other consumer goods. For larger producers and for higher income consumers, black markets, with their higher prices and their availability of supplies outside the ration, become important alternatives to the fixed-price rationed market. In time, such markets acquire a tinge of respectability and even legality as parallel markets or free markets.

If controls are successful in preventing an active inflation, their incentive effects and welfare implications, with the passing of time, come closer and closer to those of an especially severe form of taxation. Comprehensive rationing in practice comes to resemble a tax imposed at extremely high rates on all money income in excess of that required to buy the rations at controlled prices. An individual cannot hope to increase his family's present consumption of rationed goods to any significant extent by working harder or bringing more produce to the market. Of course, it would be possible to relate the size of the ration to the amount of work done or the quantity of agricultural products marketed, but this would conflict with the egalitarian philosophy which is usually urged as the justification of rationing. In contrast, the ordinary tax system, which allows some increase in consumption with a larger money income, may actually impel the worker to try to earn more or the farmer to sell a larger part of his crop. When the people begin to respond to these implications of rationing, and they will not be long in doing so, its psychological and political advantages over outright taxation also tend to disappear.

Controls and Inflation

Any general expectation that prices can be kept from rising by any system of controls, however comprehensive, when there are persistent inflationary pressure, is certain to be disappointed. In one form or another, these pressures gradually act on prices. No country that has had extensive experience with controls has been able to avoid at least a gradual rise in prices. That has been the experience of India in the war and post-war periods; it has been the experience of countries more plentifully supplied with goods and in which the administrative difficulties were far less formidable than they would be in India. The most successful experience with war-time price controls involved a war-time rise in the cost of living of about 20 per cent. (somewhat less for Canada, somewhat more for Australia). This was for high-income countries which are normally very large exporters of foodstuffs. India could not hope to do as well.

Few people would argue that controls should be expected to do more than slow down the rate at which prices rise in response to inflationary pressures. Even a modest rise of 5 per cent. per annum in prices—and that would indicate very successful use of controls—would, after a few years, bring considerable distortion in the Indian economy and result in grave injustice to large numbers of people. After eight years, covering the completion of the present Plan and another Five-year Plan, the cost of living would be nearly 50 per cent. higher than at present. To superimpose such a rise in prices on the large rise that took place between 1940 and 1950 would be to compound the injury that has already been suffered by many people whose income cannot respond to inflation. Nor is there any way of making certain, through the use of controls, that the rise in prices will not be considerably greater than 5 per cent. per annum.

The Task of Development

The task of development with which the people of India are confronted is not one of providing an extraordinary amount of real resources for a relatively short period of time. Development requires a larger flow of resources into investment for a generation or more, if India is to escape from poverty and stagnation. The people cannot be expected to pile up forced savings which they will hold in more or less liquid form, but for which there can be no use in consumption over so long a period. In one way or another, these savings, in the form of money or money claims in excess of what people wish to hold in preference to current consumption, will have to be removed, if the economy is to continue to function efficiently.

There are only two ways in which this can be done. One would be to allow the forced savings gradually to be used for consumption expenditure. As the output of consumer goods in the future will at best be only enough to meet expenditure out of current income, this will involve activating the latent inflation represented by these accumulated savings. Even if controls are continued indefinitely, these savings, as they rise higher and higher, will at last break through the controls, and the money savings will be dissipated in open inflation. In practically no country could the public be induced to continue to hold the unwanted war-time savings resulting from price control and rationing. In the end, by allowing prices to rise, the savings gradually disappeared, until they no longer exerted pressure on the economy.

Monetary Reform

The other way to remove the unwanted savings that impede the operation of the economy is to confiscate them through a monetary "reform." Even in the most thoroughly controlled economies of Eastern Europe, it was impossible to make the price and rationing systems work under the pressure of these piled-up and unusable savings. That is why these countries have had to resort to monetary reforms which wiped out a large part of past savings in the form of currency, deposits, and even Government bonds. The resentment created by such reforms, in which the Government confiscates the savings accumulated by consumers as a result of restrictions imposed on their consumption, is even greater than that caused by inflation.

A system of controls that is terminated by a burst of inflation or by confiscation of savings cannot be regarded as an acceptable means of securing resources for development in a democratic country in which the Government is concerned with the well-being of the people. Either course means that the promises implicit in rationing would then turn out to be equivalent to a form of taxation in practice as well as in theory. Moral questions aside, a Government should recognise that either open inflation or monetary reform weakens the urge to accumulate money savings in the future and thereby complicates a financial programme relying on either voluntary or forced saving.

Price controls and rationing, in conjunction with credit expansion, do not offer a solution of the problem of inadequate resources. The controls are difficult and costly to administer. Their successful enforcement on a comprehensive scale and for a long period of time cannot be taken for granted and might prove impossible. The controls involve economic costs in the form of rigidities, waste, and disrupted production. If long continued, they weaken incentives to work and to supply goods in exchange for money. In the long run, the resources for development—and development is a long-run problem—must come from taxes or savings out of the current income of the people, or they must come from resources provided from abroad. The problem of inadequate resources must be faced and met. It cannot be hidden by the excessive creation of credit reinforced by controls to avoid an obvious and active inflation.

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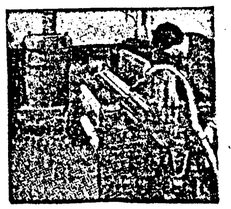

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GENERAL AGREEMENT ON TARIFFS AND TRADE

A NEW PROPOSAL FOR REDUCTION OF CUSTOMS TARIFFS

AT the eighth session of the G.A.T.T. held at Geneva in October, 1953, the plan of the French Government for a new method of reducing tariffs was presented as a technically feasible scheme and was submitted to Governments for study, so that they can give their views in the course of this year. The main features of this proposal are explained in a small pamphlet entitled "A New Proposal for the Reduction of Customs Tariffs." Published by the G.A.T.T., the pamphlet sets out in simple language what the plan is and how it would work. It also includes the rules of the plan, in which the commitments are set out and an annex in which some of the technical regulations and definitions are formulated.

The first section of the pamphlet—Origin and Development of the Plan—refers briefly to the technique for tariff reduction which, in the three post-war Tariff Conferences—Geneva in 1947, Annecy in 1949 and Torquay in 1950-51—led to remarkable results: in all, some 58,000 concessions were negotiated among countries that conduct four-fifths of world trade. It states that "although this method of negotiation was responsible for the fruitful results of the post-war conferences, there was some feeling at Torquay . . . that the time had come to search for new methods."

Reasons for New Approach

After explaining the technique of product by product bargaining on which the Geneva, Annecy and Torquay negotiations were based, the pamphlet states that "one of the principal reasons for the need to find a new approach to tariff reduction lay in the weak negotiating position of the countries with relatively low tariffs. . . . At Torquay, these countries considered that the renewed binding of their tariffs should be accepted as a concession equivalent to further reductions in the higher tariffs of other countries. But, when they came to negotiate, they found that the high tariff countries were not prepared to make further reductions merely in return for a rebinding of low rates. . . . Therefore, in their opinion (i.e., the opinion of the low tariff countries) it was essential that the negotiating technique should be reconsidered if further progress was to be achieved in the process of tariff reduction. For this and other reasons, efforts have been made since the close of the Torquay Conference to find new methods of reducing tariffs by collective action under the General Agreement."

The pamphlet then reviews the history of the new plan. The first proposal was put forward by the Benelux Governments. Their scheme was directed mainly towards the reduction of the disparity in the tariff levels within Europe. But this would have involved the unilateral reduction of duties by high-tariff countries—reductions which would have had to be extended to non-European countries under the most-favoured-nation provisions of the General Agreement. As an alternative, the French Government suggested a plan of broader scope which, it was thought, would meet the difficulties of the Benelux Governments and which would, at the same time, require of non-European countries the same kind of reductions as would be required of European countries. This French plan called for an agreement among Governments to reduce their tariff levels by 30 per cent. in three years.

In brief, what are the main characteristics of the new approach to tariff reduction? "In place of bilateral negotiations between countries on a product-by-product basis aimed at a strict balance of concessions, there would be an obligation on all participating Governments to reduce the protective incidence of their tariffs in accordance with a common standard. . . . The balance for any particular country is measured not by setting off specific concessions obtained against specific concessions granted, but by setting off overall reductions made by it under the common standard against overall reductions made by others under the same standard. Another feature of the plan is that it requires efforts proportionate to each country's tariff level. And, finally, it provides an additional obligation to reduce individual rates of duty that exceed given levels."

The Governments of Belgium, Denmark, France, the Federal Republic of Germany and the Netherlands have indicated their support of this plan in principle, but clearly, states the pamphlet, it cannot be brought into operation unless it is accepted by all the main trading countries in Europe and North America.

How the Plan Would Work

(a) *30 per cent. reduction in stages of 10 per cent*: Each Government participating in the plan would undertake to reduce the average incidence of its customs tariff in a base year by 30 per cent. in stages of 10 per cent. in each of three successive years. Governments would not be required to reduce every tariff rate by this amount, for, within certain limits, they would be free to choose the items on which to make reductions. The reductions would, however, have to be distributed throughout the tariff and not concentrated in any one part of it, thus ensuring that the benefits would accrue to all supplying countries, even to one whose interest might be limited to products of a certain class. In order to achieve that object, the tariff would be divided into sectors covering broad categories of related products, such as primary foods, products of the chemical industry, etc., and the 30 per cent. reduction would be applied to each sector.

An example: The average incidence of the tariff in each sector is taken to be the percentage of the value of imports collected by the customs. If, for example, the value of the imports of the items in a certain sector of the tariff is 1 million francs and the duties on those items are 100,000 francs, the average incidence for that sector would be 10 per cent. In this example, assuming no change in the total value of imports in the sector, the plan would require reductions of duties sufficient to bring the duty collections down to 90,000 francs in the first year, to 80,000 francs in the second and, finally, to 70,000 francs in the third year.

(b) *How the plan would work for low tariff countries*: Reduction by 30 per cent. is the general rule, but less than that is required of countries having comparatively low duties. This would be accomplished by the establishment of a demarcation line and, below that, a floor for each sector. A country whose average duty incidence in any sector was below the demarcation line would be required to make less than the 30 per cent. reduction, and, if the incidence was below the floor rate, no reduction at all would be required.

(c) *Special obligation to reduce all very high duties*: Each participating Government would undertake the further obligation to reduce all duties which exceed certain upper limits. If a country has some very high duties in a given sector, it will have to reduce those duties to the level of the ceilings during the first three years. These reductions can be counted in the reduction of the average incidence for that sector, but will have to be carried out even if no reduction is required under the 30 per cent. rule.

Ceiling Rates to be Fixed

It is proposed that a ceiling rate should be fixed for each of the four categories of imports, namely, industrial raw materials, semi-finished goods, manufactured articles and agricultural products. The authors of the plan feel that, if this additional obligation were not included in the plan, there would be no guarantee that the high duties which are the greatest obstacles to trade would be reduced.

Freedom to Select Items for Reduction in each Sector

Apart from their obligation to observe the ceiling rates, and to achieve a definite quantum of reductions in the course of each of the three years, Governments would be free to select the items in each sector on which to make reductions and to determine the degree of reduction for each item. Moreover, the method by which the reductions would be effected would be left to the discretion of each Government. In some cases, reductions would be brought about unilaterally, while, in others, they might result from bilateral negotiations on the basis of reciprocity; in other cases, again, they might be made under regional plans for economic co-operation. No Government would be obliged to make reductions on the same items in each of the three years; that is, a rate of duty which is reduced in the first year would not need to be further reduced.

Special Arrangements for Less Advanced Countries

The Governments of countries recognised as being in the process of economic development and which elect to be governed by special rules would not be required to make duty reductions on products included in their development programmes. The right to exclude any particular product from the operation of the plan would be granted for a fixed period of time. These exclusions would be limited to products covered by a country's programme of economic development on which production had started before the plan entered into operation or was expected to start soon after the exclusion was approved. Further, for these countries, the average incidence of duties would be computed on the tariff as a whole, instead of by sectors, so that they would have ample freedom in the selection of items for the application of the percentage reduction. The same advantages would be available to overseas customs territories of industrialised countries which are recognised as being in the process of economic development.

Exclusion of Fiscal Duties and Other Items

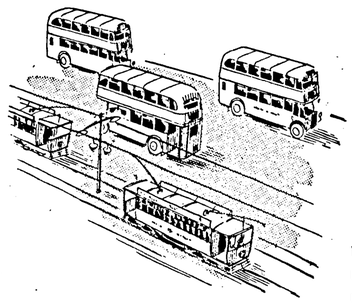
The plan also provides for the exclusion of certain items from the operation of the plan, that is, Governments could omit the value of imports of these items and the duty collections from the calculation of the average incidence and also omit those items from the obligations to reduce rates of duty. In the first place, Governments would be permitted to exclude fiscal duties, that is, duties which are imposed for the purpose of raising revenue rather than to afford protection to domestic production. Secondly, they could exclude duties on goods imported mainly from countries which do not participate in the plan. This exclusion is provided for, because Governments would probably not wish to extend the benefits to countries outside the General Agreement and because the plan is based on the principle that every reduction of duty would have to be extended to all the contracting parties to the General Agreement, whether they participate in the scheme or not.

Length and Conditions of Operation

It is proposed that the plan should operate in the first instance for a period of five years. The reduced rates of duty and the reduced average incidences in the various sectors would remain bound until the end of that period. There is, however, an escape clause, under which exceptions to this rule could be allowed. A Government could ask for authority to modify a duty which had been reduced on the ground that the maintenance of the bound rate would involve serious economic or social dangers. In addition, a Government could be authorised, in exceptional circumstances, to maintain a particular rate above the ceiling fixed for goods of its category.

Administration of the Plan

Once in operation, the plan would be administered by a permanent board composed of all participating countries. For administrative purposes, the board would be considered as a subsidiary body of the contracting parties. Unless all contracting parties should decide to participate, the plan would be embodied in a separate instrument governed by its own provisions, but, in order to safeguard the benefits to be derived from the duty reductions, this instrument would incorporate some of the provisions of the General Agreement such as those relating to margins of preference and the imposition of other duties or charges. The plan would not affect the obligations of contracting parties under the General Agreement, it would merely impose additional commitments.



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SUCCESS OF INDUSTRIAL MANAGEMENT—II

PROPER SELECTION AND TRAINING OF STAFF IMPERATIVE

(By Col. L. SAWHNY, Managing Director, Associated Cement Companies Ltd.)

[The following is the second and final instalmnt of the author's address at the Second Annual Conference of the All-India Council of Labour and Welfare Officers held in Madras on the 12th inst. The first instalment of this address was published on page 255 of our last issue.—Ed.]

MANAGEMENT must be the co-ordinator of the policies and functions of its enterprise. It is vital that management always keeps before its eyes the broader picture and combines the various parts of the organisation into a harmonious and consistent whole. Unless this is done, there will be an inevitable waste of effort which may result in a serious slowing down process, and possibly in disintegration. Co-ordination is not only necessary at the top level of management but must be exercised at every organisational level of industrial administration. In order to provide for this, authority and responsibility must be delegated down as far as is necessary to achieve the best results. A man must have as much responsibility as goes with the function of his task, and he must be given as much authority as is necessary to undertake this responsibility.

Co-ordination does not mean a rigid acceptance of conformity. Wherever possible; executives should be allowed to run their respective departments in their own way and with the least possible interference from headquarters. Also, they should be encouraged to use their own initiative in taking decisions. Management must, however, be particularly careful of individually brilliant executives and more so of those of the "technical" variety. In the same way as a brilliant soloist often makes a poor member of an orchestra, so a brilliant specialist may create disharmony in an industrial organisation. An industrial team, like an orchestra, depends upon the blending, timing, and harmonising of all performances. However good individual performances may be, it is the general performance that counts.

Co-ordination implies an ability on the part of management to look ahead and to effect such changes and adjustments in the existing structure of an organisation as may be dictated by the future requirements of its development. Proper co-ordination will promote in the individual executive and supervisor a sense of intelligent participation in the management function. It will also instil in the individual worker a feeling that he is managing his own job, and thus provoke a sense of responsibility. By thus sharing control and leadership, management will bring about well organised departments and a full acceptance of the principle of decentralisation. Senior executives will be relieved of unnecessary administrative detail, and top-level management will be given an opportunity to think ahead as to how best to stimulate the morale and the effectiveness of the whole organisation.

Selection of Staff

A vital factor in the success of any business is the right selection of its administrative staff. In this matter, management has the inescapable function not only of making the right selection, but, after having made it, also of providing the fullest scope for legitimate ambition and individual advancement. A management which is so petty as to be jealous of its powers and authority will naturally select staff of the submissive type, docile men who are accustomed to obey without question. It would not take the risk of engaging able and independently-minded employees for the fear that it may one day be supplanted by them. In fact, they would be scared that they might suffer the same fate as:

"The young lady of the Niger,
Who went for a ride on a Tiger,
They came back from the ride,
With the lady inside,
And a smile on the face of the Tiger."

A really go-ahead management which understands the mood of the present times will do the direct opposite. It will seek out men capable of evolving policies within their own sphere, and will train them to rise to the highest position.

Management Training

In common with most administrative bodies, management is self-perpetuating and is responsible for providing for its own succession. Even the ablest management cannot foresee the future with certainty, its decisions for the future are at best intelligent guesses. What, however, it can and must do is to make available to the enterprise men who will be capable of taking the decisions of the future and who are qualified trained, and tested during the present to do so. No management can rely upon a constant supply of geniuses. It must so train its staff that, during normal times at any rate, the enterprise is capable of being run effectively by men of not much more than average ability and with a robust sense of purpose.

The best method of providing this training is, in my opinion, a combination of practical experience and formal instruction. So far as formal instruction is concerned, no one would seriously suggest that the education of a future manager should end with the attainment of a University degree. Yet, in our country, there are as yet no institutions which are designed to impart instruction in management training. The young business executive is left "to train himself," to "learn as he goes along." This haphazard and unplanned education of the managers of the future is a very serious national shortcoming and one which requires to be remedied as quickly as possible.

A Lesson from the Military

Here, again, if I may draw upon my experiences with the Indian Army, I think that industry can learn something from the manner in which the education of the army officer is organised. Throughout an officer's career, he is perpetually sent to school. At every stage of his advancement he is taken away from the cares and responsibilities of carrying out his day-to-day duties and is sent to do a course of instruction which teaches him the technical knowledge that is necessary to carry out the future task which has been assigned to him.

At the most junior levels the army officer is sent to schools of instruction where he is taught the proper handling of small arms weapons; the functions of a leader concerned with the tactical handling of a minor infantry unit; or, again, of the technical duties involved in the maintenance of sub-unit inter-communications. At the peak of their careers, the future Generals, Admirals, and Air Marshals of the Defence Services, upon whom the responsibility for the defence of their country devolves, are sent to institutions like the Imperial Defence College, where they are taught the integrated use of all weapons and organisations of war, as also the functions of the various civil administrations and of the industrial organisations which go to make up a nation's war effort. When it is appreciated how, from a comparatively small number of professional soldiers, such a rich harvest in ability and national leadership has been achieved, then it will be realised that this careful system of training at all levels of a military career pays the most handsome dividends.

If business will face up to this problem of training its leaders of tomorrow, it will find, as the fighting services have found, that formal instruction and practical experience must be planned and provided for throughout an executive's career. The practical experience is provided by means of an orderly progression of jobs, each of which calls for a larger measure of intellectual capacity and moral responsibility from the individual.

Academic and Technical Instruction

The academic and technical instruction should, I suggest, be planned to provide training at two periods of a business career. The first at a stage when the young executive has, after, say, eight or ten years, assimilated experience of direct practical management at a comparatively low level, and requires the teaching which is necessary to enable him to bridge the gap between this type of management and the higher, more indirect, role of co-ordination that his future assignments will necessitate. The second should be at a stage just before a manager, who has proved himself worthy of promotion, is required to function at a really high level of responsibility involving the integrated problems of various industries, as also their relation to governmental policy. At such a time, he must be permitted to lay aside the cares of his daily work and spend six months or a year in an atmosphere of intellectual stimulation where a deep study can be made of the science of high level management. During this time, he will also be given the opportunity of exchanging ideas and experiences with his fellow students, drawn as they will be from the various official and non-official organisations that represent a nation's industrial effort.

At the moment in India, there are no such courses available for the education of future managers. Recently, however, I was very pleased to read that the Minister for Commerce and Industry has taken the initiative in calling for the formation and early establishment of an Administrative Staff College. The object of the instruction to be given at this College will be much the same as its military counterpart, namely, a study of the higher technique of the executive's profession after he has assimilated 8 to 12 years of practical experience. I understand, however, that the average age of business men going to this course will be between 35 and 40, and also that the duration of the course itself will be for a period of approximately three months. I feel that there is some danger that the course will suffer from the disadvantages of being "too little and too late." "Too little," because I doubt whether a period of three months is sufficient to achieve the education which I have described as being needed, and "too late," because of the average age of student entry. Nevertheless, it is definitely a step in the right direction and as such is most welcome.

Training Within Industry

Training within industry has a significant role to play in teaching leadership to the supervisory staff in industry which has been described earlier in this talk as the "hard core" of its organisation. At present, the supervisory staff, namely, the foremen, the shift engineers, the charge hands, etc., of Indian industry are concerned with the idea that their task is to carry out the mechanical operations of their departments during an eight-hour shift. Having done this, they feel that they have completed their job for the day and have discharged their responsibilities to the company. It is vital that this attitude should change and that each member of the supervisory staff should realise that the carrying out of the actual technical operations of their departments is only half their work. The other half is to be welfare officers and the true leaders of the men who are placed in their charge. Unless this attitude exists in the supervisor, it is impossible to create in the individual worker a sense of purpose in the job which he is doing and to imbue him with a team spirit.

Though T.W.I. functions through the technical application of the methods which it has evolved to perfect job relations, job instructions, and job methods, the final impact of this science, if properly introduced, will achieve the result of making each member of the supervisory staff function as his own welfare officer and his own efficiency officer. T.W.I. really adds up to the promotion of human relations at the all-important level of the actual working man so as to give him a sense of purpose and pride in the job he is doing. Its goal is to make the worker's life more joyful by making his work more meaningful and to increase efficiency of output through the development of the best qualities inherent in man.

Conclusion

Management is, therefore, concerned with the attainment of the aim of the organisation through a maximum co-ordination of work and the voluntary co-operation of those it employs. It is concerned with the delegation of authority and responsibility right down the lines. It must lay down a clear definition of duties and be responsible for the proper selection and training of all its staff. It is concerned with the flexibility of its structure and with intelligent future planning. It must ensure the economy and efficiency of all operations. It must see that its human resources are utilised to the greatest advantage through justice and decency and all that is compatible with the rights and dignity of man.

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LLOYDS BANK LIMITED

FACTS ABOUT DIVIDENDS AND WAGES

LORD BALFOUR OF BURLEIGH'S STATEMENT

THE Annual General Meeting of Lloyds Bank Limited was held on the 12th February, 1954, at the Head Office, 71, Lombard Street, London, E.C.

The Right Hon. Lord Balfour of Burleigh, D.C.I., D.L., the Chairman presided.

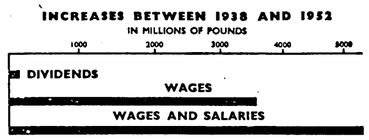
With the concurrence of the members present the Report and Accounts and the Statement by the Chairman, all of which had been previously circulated, were taken as read.

In moving the adoption of the Report and Accounts, the Chairman said:

"As I notice a tendency in some quarters to make the small increase in dividends recommended by some bank boards, including our own, an excuse for still further pressing wage claims, I want as an addendum to my statement already in your hands to try to bring into proper perspective the relative importance of wages and dividends in relation to inflationary pressure.

"The additional dividends declared for 1953 by the clearing and other banks were considerably less than £1 million gross: to be precise, £853,000. In the calendar year 1953 wage increases amounted to £125 millions. And remember that the present series of increases in bank dividends are the first changes since the drastic reductions of more than twenty years ago, whereas the £125 millions of wage increases are simply the continuance of a process that has been going on since 1939.

"Our present dividend of 14 per cent. nominal actually represents a smaller money payment to a holder liable to tax at the standard rate than the 12 per cent. dividend paid in 1938. In 1938 a holder of 100 'A' shares received £12 less tax at 5s. 6d., i.e., £8 14s. Today he receives £14 less tax at 9s., i.e., £7 14s. So he is down £1 even in money terms, and the real purchasing power of his present dividend is only two-fifths that of the 1938 dividend. The yield on an investment in our shares, with the 14 per cent. dividend, at a price of 60s. is 4⅔ per cent., or in actual cash after deduction of tax at 9s. just over 2½ per cent.



Wage Inflation

"May I now put the relationship of wages and dividends in a wider setting? What we are concerned with is the weight of money as spending power in causing inflation, and the facts can surely leave no doubt that any contribution of higher dividends is quite negligible compared with that of wages and salaries.

"The amount of money received as wages in 1952 was £5,460 millions, and in wages and salaries taken together £8,215 millions, compared with £472 millions in ordinary dividends. This means that in 1952 dividends on all ordinary shares were something less than 50 per cent. higher than in 1938; on the other hand, salary incomes were about two and a half times as great as in 1938 and wages had more than trebled. In actual money, the increase since 1938 in wages alone was nearly twenty-five times as great as the increase in ordinary dividends. The increase in wages and salaries taken together was thirty-five times as great. (*See diagram above.*)

"It is also a fact that industrial production in 1952 was no higher than in 1950, yet during those two years wage incomes in the relevant industries increased by £542 millions, and salaries by £153 millions. To adapt a familiar advertisement: that's inflation, that is.

"And while I am unlikely to be asked in this company what service the ordinary shareholder performs in return for his dividend, it is perhaps worth reminding ourselves that he is the source of the life-blood of industry, the risk capital without which labour could not have been set to work in the first instance. And without a constant supply of fresh risk capital, industry cannot work properly or continue to provide full employment. Moreover, of the millions of equity shareholders a large proportion are people of quite small incomes. The average individual holding of the 60,000 shareholders in our Bank is in the 'A' shares 248 and in the 'B' stock £56.

"What seems to me so regrettable is that attempts are being made in certain quarters to engender class bitterness by statements about wages and dividends which represent the dividend receiver as a profiteer, whereas in sober fact it is the wage earner who has been the real beneficiary of the inflationary process.

"The *Daily Herald* has in fact taken pride in pointing out in its advertising that the real purchasing power of wage earners in 1952 was about one-third higher than before the war. And that is true even after payment of taxes and before making allowance for social security benefits. I think it is undeniable that this change has been brought about largely at the expense of other, and not only the wealthier, sections of the population.

"We, British, are a magnanimous lot and no one, I believe, grudges the redistribution brought about by progressive taxation and designed expressly to help the poorest. But superimposed upon this process there is continuing a further redistribution due purely to inflation and benefiting all wage earners as such, regardless of the scale of their earnings.

"The wage earner is at heart as magnanimous as anyone else, and I believe that if these facts could be brought home to him he would hesitate before pressing a claim to a still larger share of the national income. For that is what is involved by any increase in wages without a corresponding increase in productivity; for example, if wages are raised to meet every rise in the cost of living—itself often engendered by increased wages—other sections of the population have to meet the bill.

Unemployment Danger

"It is, I think, beyond doubt that, if the wage earners exert their full power, they can under present conditions, and in the short run, secure for themselves a still greater share of the national cake. In the light of the facts and figures I have just given you that would not seem to be a generous course, but in suggesting to the wage earner that it would be unwise, I am thinking less of magnanimity than of his own self-interest. For it is the stark truth that in our present economic position higher costs will, in a period quite short in terms of years, price us out of our export markets to an extent which, in my opinion at least, will create grave unemployment in this country—unemployment which no atempt to whip up internal purchasing power by cheap money or other expedients of the kind could conjure away.

"What a wonderful thing it would be if we could wake up one morning to find each pound buying more; cost of living falling; real wages rising automatically. Yet this miracle could be brought about quite simply by higher productivity without higher costs. No one has more to contribute to, or more to gain by, that process than the earner of weekly wages. Moreover, he can nowadays rely with certainty on his bargaining power to secure for himself his full share of any increase in the national cake. My point is that—as things are now—he cannot safely take more until there is firmly and solidly a larger cake to divide, and a stable pound in which to draw his weekly wage.

"It is a simple recipe; could we not try it?"

The Report and Accounts were adopted and the other ordinary business transacted.

Votes of thanks were passed to the Chairman and Directors and to the staff.

CAUSTIC SODA AND BLEACHING POWDER INDUSTRY

HIGH COST OF PRODUCTION IMPEDES PROGRESS

THE Tariff Commission is now enquiring into the claim of the caustic soda and bleaching powder industry for protection and assistance. This is the third such tariff enquiry. It will be recalled that the first enquiry was conducted in 1945-46 by the Tariff Board, which recommended that the Mettur Chemical and Industrial Corporation Ltd., the only applicant for protection, should be granted a subsidy at specified rates, on the basis of actual sales of caustic soda and bleaching powder. Although the Government accepted this recommendation, the subsidy was not paid, as the conditions attached to the grant of subsidy were not satisfied. The second enquiry was conducted by the Board in 1949-50. The Board recommended levy of protective duties at specified rates on caustic soda, bleaching powder and liquid chlorine until 31st March, 1954. But the Government, in its resolution of 18th May, 1951, declared that there was no need to levy such protective duties, as the landed costs of imported caustic soda had increased considerably since the Board's enquiry and the sales of indigenous caustic soda had been allowed at the higher selling price fixed for imported caustic soda. But, in May, 1952, the industry complained that increase in its cost of production and heavy imports were undermining the stability of the industry and its future progress. The present enquiry is a sequel to this complaint.

The various units in the industry have asked for varying measures of protection. One unit, for instance, has asked for abolition of the preferential rate of duty on imports of caustic soda from the U.K. or a British Colony. Another unit has suggested that a protective duty, which would equate the cost of imported caustic soda at Indian ports, with the fair ex-works price of indigenous caustic soda, should be levied and that a protective duty of 30 per cent. should be imposed on imports of bleaching powder. Yet another suggestion is that the import duty on caustic soda should be fixed at such a level as to ensure a minimum price of Rs. 40 per cwt. to the indigenous manufacturers.

Measures of Assistance

About measures of assistance, however, the views of the manufacturers are generally in agreement. They have asked for the exemption of the manufacturers of caustic soda from the cess payable on salt, concessional freight rates on salt, coke, caustic soda, hydrochloric acid, liquid chlorine, etc., supply of tank wagons for the transport of liquid caustic soda and hydrochloric acid, supply of good quality salt and coal and of electricity at cheaper rates, and the abolition of duty on barium chloride and of freight on chlorine containers. They have also asked for restrictions on imports of caustic soda.

Even a cursory glance at the working of the industry discloses that the industry is passing through bad days. There is a big gap between installed capacity and actual output. The industry is suffering not only from the high cost of manufacture, but also competition from imported products. There is, therefore, an immediate need for improving the quality of its products so that they may stand a favourable comparison with imported goods.

There are eight units manufacturing caustic soda in India. At the time of the first Tariff Board enquiry in 1945, there were only four units in production, namely, the Mettur Chemicals, the Tata Chemicals, the Alkali and Chemical Corporation of India and the Rohtas Industries. By the time of the second enquiry in 1950, there were two more units, namely, the Calico Mills' Chemical Division and D.C.M. Chemicals. Since then, two more units, namely, the Travancore and Mettur Chemicals, Alwaye, and the Hindusthan Heavy Chemicals, Calcutta, have come into being; both of them are producing caustic soda at present. All the eight units are manufacturing caustic soda by the electrolytic process, but Tata Chemicals produce by the causticisation process also.

The estimates of installed capacity, actual output and demand vary. Consequently, the first task of the Commission is to enquire into the estimates and arrive at a reasonable figure. The annual productive capacity of caustic soda of these units is estimated by the Development Wing of the Ministry of Commerce and Industry at 30,618 tons, on the basis of 330 days' working, while, according to the manufacturers, it is 31,871 tons. There is no correct estimate of the installed capacity of caustic soda not only of the industry but also of each individual unit. Actual output according, to the manufacturers was 7,221 tons in January-June 1953, as against 12,944 tons during January-December, 1952, 12,563 tons during January-December, 1951, and 10,657 tons during January-December, 1950. The output as estimated by the Development Wing of the Ministry of Commerce and Industry is somewhat different. The demand also is estimated variously. According to the Planning Commission, the demand for caustic soda in 1952-53 was 58,000 tons and this is expected to rise to 87,000 tons by 1955-56. The Development Wing of the Ministry of Commerce and Industry has estimated the current demand at 60,000 tons and that in 1956 at 90,000 tons. The current estimates of demand given by indigenous producers vary from 50,000 tons to 58,000 tons and those of future demand from 62,000 to 75,000 tons.

Liquid Chlorine

The installed capacity of liquid chlorine is estimated by the producers at 15,124 tons, while the Development Wing of the Ministry of Commerce and Industry has put it somewhat higher, at 15,741 tons. Production, according to the manufacturers, was 3,348 tons in January-June, 1953, as against 6,124 tons in the year 1952, 5,156 tons in 1951 and 3,670 tons in 1950. These figures exclude the rated capacity and actual production of different manufacturers in respect of other chlorine products.

Three units, namely, Mettur Chemicals, Tata Chemicals and Rohtas Industries, are engaged in the manufacture of bleaching powder. The manufacturers have estimated the annual rated capacity at 8,170 tons, while the Development Wing has put it at 7,755 tons on the basis of 330 days' working. Actual output, according to the producers, in January-June, 1953, was only 735 tons, as against 791 tons in the year 1952, 3,581 tons in 1951 and 3,247 tons in 1950.

As regards chlorine products, the Tariff Board in 1950 estimated chlorine requirements of the country at 12,000 tons, irrespective of the form in which it was utilised, i.e., whether as bleaching powder, bleach liquor, liquid chlorine or chlorine gas. It was envisaged by the Board that the demand for chlorine would go up to 15,000 tons per annum by the end of 1953, on the basis of an increase of 25 per cent. in the then existing demand. In connection with the present enquiry, the Development Wing of the Ministry of Commerce and Industry has placed the estimate of demand for chlorine at 14,200 tons for 1954 and 19,200 tons for 1956. Other estimates of demand vary between 7,500 tons and 14,000 tons for the present requirements, while it is estimated to increase to 26,700 tons in 1955-56.

Assessment of Quantum of Protection

After arriving at a fairly accurate estimate of installed capacity, actual output and demand, the Tariff Commission will have to determine whether protection should be granted and, if so, the most suitable form, and the appropriate quantum and duration of protection. The assessment of the quantum of protection will necessarily involve a comparison of the c.i.f. prices and landed cost of the imported products with the fair ex-works price of the indigenous products. It should also enquire into the question of selling prices with special reference to ceiling prices fixed by the Government, both for imported and indigenous caustic soda. Another matter which should be examined in this connection is whether the selling arrangements made by indigenous manufacturers of caustic soda and bleaching powder are adequate and of a nature to stimulate demand for their products.

One important question that has to be enquired into by the Tariff Commission is the quality of the product. The information gathered by the Tariff Commission on this point has brought out certain defects. These defects, to quote the Chairman of the Tariff Commission, Mr. M. D. Bhat, are as follows:

"The general trend of opinion appears to be that, while there has been some improvement in the quality of caustic soda, it is still inferior to that of the imported product. The quality of bleaching powder is stated to be unsatisfactory and most of the consumers complain about its instability and low chlorine content. Since both caustic soda and bleaching powder are used by a number of industries, it may, perhaps, be desirable to ascertain the opinion of each individual consumer industry. Some of the soap manufacturers have pointed out that the salt content of the indigenous caustic soda is higher and NaOH content lower than that of the imported product and that, therefore, the consumption of caustic soda in saponification is greater, resulting in higher cost per ton of soap. It has also been stated that the indigenous caustic soda has certain action on the tank wagon and, if the wagon is in transit for a considerable time, the resultant liquor is very dark in colour. Regarding solid caustic soda, it is mentioned that the quality varies according to the quality of the drums in which it is packed. A drum which is rusty inside results in brownish coloured caustic soda, which cannot be used, as the iron content has an effect on the colour of the soap produced. Excess of salt in caustic soda is also said to lead to sweating of soaps, particularly during monsoon. Some of the textile manufacturers have pointed out that the Na_2O content of indigenous caustic soda is lower than that of the imported product and the colour is also greenish due to the presence of iron impurities. It is also stated that there is iron contamination caused by the use of inferior containers which affects the whiteness and finish of the cotton textiles.

"In respect of the quality of the indigenous bleaching powder, it is stated that its strength is lower than that of the imported product and goes on diminishing while in transit or in storage, leading to increased consumption. It is also complained that the strength is not uniform from package to package, packing is of inferior quality and the high content of free lime results in heavy deposits of lime on textiles. The paper manufacturers have stated that the purity of the indigenous caustic soda varies from consignment to consignment and is generally not more than 93 per cent., as against the guaranteed 98 per cent. of the imported products. The paper manufacturers further complain that chlorine content of bleaching powder is not guaranteed by the indigenous producers and the quality deteriorates rapidly in storage. Some units manufacturing vegetable ghee and refining oil have also stated that there is scope for improvement in the quality of the indigenous caustic soda, particularly in respect of strength and salt content."

Raw Materials

Related to the question of quality of indigenous products is that of availability and quality of raw materials required by the industry. The principal raw material required in the electrolytic process of manufacture of caustic soda is common salt. The supplies of this material in this country are ample, but the salt generally obtained is not pure, as it contains impurities of calcium, magnesium and sulphates. Besides salt, coal or furnace oil is required for the evaporation and final fusion of caustic soda solution obtained by electrolysis into caustic soda. The electrolytic process of manufacture also involves the consumption of large quantities of electricity. In the other process of manufacture of caustic soda, namely, the causticisation process, the principal raw materials required are soda ash and Lime. The Tariff Commission has to enquire into the availability, quality and price aspects of each of the principal raw materials and find out what assistance the industry requires in regard to improving the quality of caustic soda and reducing the cost of production.

The two materials required for the manufacture of bleaching powder are limestone and dry chlorine. The supplies of limestone are plentiful, but its quality, it is stated, is not up to the requisite standard. Chlorine is also available in plenty as a co-product in the manufacture of caustic soda by the electrolytic process. "Indeed, it is to be examined," says Mr. Bhat, "whether apart from the trend towards the replacement of bleaching powder by chlorine, the non-availability of good quality limestone in India would exclude for all time the possibility of manufacturing good quality bleaching powder."

Finally, the Tariff Commission has to enquire into the question of import control policy and import duties. Imports of caustic soda were 21,993 tons valued at Rs. 1 crore in 1950-51, 61,713 tons valued at Rs. 3.79 crores in 1951-52, 25,552 tons valued at Rs. 1.46 crores in 1952-53 and 17,041 tons valued at 0.99 crore in the first six months (April-September) of 1953-54. Imports of bleaching powder were 5,633 tons valued at Rs. 20.8 lakhs in 1950-51, 8,810 tons valued at Rs. 14.4 lakhs in 1951-52, 2,749 tons valued at Rs. 14.0 lakhs in 1952-53 and 2,114 tons valued at Rs. 11.0 lakhs in the first six months (April-September) of 1953-54. There have been practically no imports of liquid chlorine into India since 1940-41.

The imports of caustic soda and bleaching powder are based on the quota system. Caustic soda and liquid chlorine are subject to a standard rate of 37.8 per cent. and a preferential rate of 27.3 per cent. In the case of caustic soda, these duties are assessed on a tariff value of Rs. 28 per cwt. Bleaching powder is allowed free of duty from all sources.

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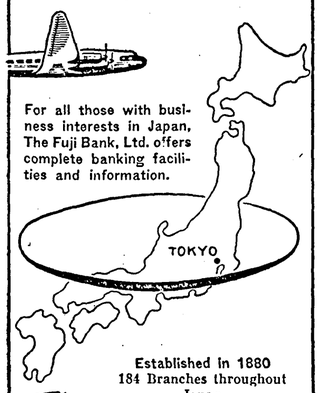

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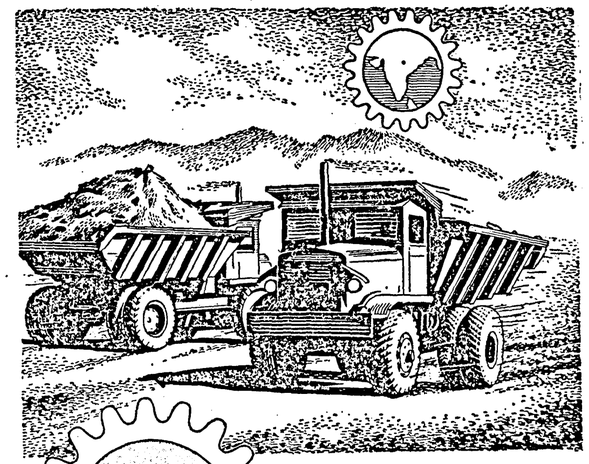

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Managing Director.
(1)

TRANSMISSION OF RESEARCH RESULTS TO FARM LANDS

I.C.A.R. ASKED TO REVIEW POSITION

PROBLEMS concerning development of agriculture came up for review and discussion last week at the meetings of the Standing Committee of the Indian Council of Agricultural Research (I.C.A.R.), the Governing Body of the I.C.A.R. and the sixth annual convocation for the award of certificates, etc., to students in agricultural statistics who passed in the examinations conducted by the I.C.A.R. Dr. Punjabrao S. Deshmukh, Minister for Agriculture, addressed the first two meetings held on the 9th and 10th inst., respectively, while the convocation address at the last mentioned function was delivered by the Vice-President of India, Dr. S. Radhakrishnan.

In the deliberations of the meetings, the chief problem which did rightly receive due attention was the question of filling the gap between the research and knowledge available in the agricultural research institutions and the Indian farmer. The Vice-President's address too dealt at length with this urgent problem. He did well in impressing upon the recipients of diplomas the place of agriculture in the economy of the country and the task before them, namely, of improving agriculture by conveying the knowledge of research and information to the worker in the field. Agriculture, the Vice-President said, was a major national issue and the Five-year Plan had recognised its importance. It was because culture had its roots in agriculture, that great civilisations developed round large rivers which made the surrounding soil fertile and offered easy communications. These civilisations centred round, he said, the Yangtse, the Ganges, the Nile, the Tigres and the Euphrates. "If one looks into history, one finds that there is no civilisation which does not have a legend about floods. Wherever one may go, one may find something lingering in people's minds about floods which tried to destroy civilisation." Continuing, Dr. Radhakrishnan said that there was a time when, in India, they had built dams and canals to overcome, or at least mitigate, their dependence on rains and meet the threats of destruction by flood. According to Greek books, the dams built by Chandragupta Maurya functioned till A.D. 150. Even today in the country could be found, he observed, remains of canals and dams built in earlier ages. But some circumstances intervened and their society had become stationary. But now there was all-round renaissance in the country, and the Council of Agricultural Research and the Statistical Institute attached to it were one of the ways in which the renaissance was expressing itself.

Modern Techniques

Then referring to agricultural practice in India, Dr. Radhakrishnan said that, if only the people were taught how to utilise modern techniques, they would not lag behind in utilising them. He admitted that the Indian farmer was illiterate, but he was quite certain that he was not lacking in intelligence. What was necessary was that information gathered in research should be brought home to the farmer through visual education, radio, bulletins, micro-film services and other means. This fact was pronouncedly visible to him when, as Chairman of the University Education Commission, he visited agricultural colleges and schools. These visits revealed the gap between these institutions and the farms. He remarked: "This gap has to be bridged. Even where the cultivator is willing to improve his technique, debts and lack of resources stand in his way. We are bringing about an agrarian revolution by legislation. But some of us feel that a bolder and more imaginative treatment of this land problem is necessary in some parts of our country." He then called upon the students to undertake the work and said that it was their duty to spread knowledge of advanced agricultural techniques among the people.

Presiding over the meeting of the Standing Committee of the I.C.A.R., Dr. Punjabrao Deshmukh called upon the members to take stock of the overall position in respect of the various research schemes completed or continued by the I.C.A.R. during the last 25 years of its existence. The revision was necessary because the agricultural authorities were making serious efforts to carry the results of research to the cultivator. In this context, it was but natural and inevitable that there should be proper arrangements for research from which the cultivator might benefit. The same point was reiterated by Dr. Deshmukh in his speech at the Governing Body of the I.C.A.R. too. Here he stated that the Council had done useful work. In the course of 25 years, many developments had taken place and several research institutions had been set up both under the Central and State Governments. A large amount of research work had already been done and a national plan of development was under way. The national extension organisation had been reorganised, with a view to forging an instrument to carry to the tiller the results of research in laboratories and on experimental farms. But, if the research organisations had not developed in consonance with the requirements of the country or was inadequate, what would the extension staff, the Doctor asked, take to the farmers? He, therefore, requested the Governing Body also, as he had done in the case of the Standing Committee on the previous day, to review the research work done so far by the I.C.A.R. both at the Centre and in States and to examine carefully whether the arrangements for agricultural research were adequate or not. He suggested that the Governing Body should find a solution for eliminating delays in starting and financing schemes of research approved by the technical experts.

The Governing Body examined the schemes and proposals as recommended and approved by the Finance and Standing Committees of the I.C.A.R.

It may be mentioned here that the Standing Committee at its meeting on the 9th inst., considered the report of the Secretary of the I.C.A.R. The latter explained the salient features of the budget estimates for 1954-55 and the financial position of the Council. The Committee approved of all the current and new agricultural and animal husbandry schemes, with the exception, among others, of two schemes relating to the supply of milk to Patna and Chandigarh towns. These two schemes were not approved, as no research was involved and they were of a commercial nature to be financed entirely by the State Governments concerned.

The Committee also approved of the formation of two new scientific committees, namely, the Agricultural Engineering and Soil Conservation Committee and the Agricultural Economics Committee. Previously, the number of schemes relating to agricultural implements and soil conservation was very small and they used to be scrutinised by the Agronomy Committee.

Economics Committee

Similarly, in order to intensify investigations into agro-economic problems and to coordinate the research activities undertaken by the various institutions in the country, it was thought advisable to have a separate Economics Committee.

An account of the research schemes carried out by the I.C.A.R. in 1952-53 makes interesting reading. A summary of this is given below for purposes of record.

By 31st December, 1953, the 34 Extension Training Centres, organised by the Indian Council of Agricultural Research all over the country, had turned out 3,492 key personnel, comprising 549 supervisory staff and 2,943 multi-purpose village-level workers, for community development work. These Training Centres, set up with financial assistance from the Ford Foundation and the U.S. Technical Co-operation Administration, are situated in different States. They have at present 1,877 personnel, including 1,678 village-level workers, under training. By their own example and manual labour, the village-level workers have been demonstrating the results of research in agriculture, health, education and social organisation and assisting the village population in the adoption of improved farm practices. In order to establish closer contact between research stations and extension workers, the Council has proposed that a number of refresher courses should be arranged at these institutions for them on agricultural matters and cultural practices. In addition, certain selected agricultural colleges were helped during the year to set up extension wings to impart practical training to graduates in agricultural methods under village conditions.

In view of the high yields obtained by the adoption of the Japanese method of paddy cultivation, the Government of India decided to launch a country-wide campaign during the *kharif* season of 1953 for stepping up rice production. Crop-cutting surveys of cereals and non-food crops (jute and oilseeds) were continued, as also the assessment of the results of the grow-more-food campaign.

A five-year scheme for the improvement of statistics relating to livestock and fisheries was sanctioned by the Government of India, and it is expected that at the end of the period definite sampling techniques will have been evolved. A critical statistical study of the data collected at the Indian Dairy Research Institute, Bangalore, and the Livestock Research Farm, Hissar, was made for an appraisal of the cattle-breeding programmes. Fellowships were awarded for research work in agriculture and animal husbandry statistics.

Agricultural Research

During the year under review, a series of manurial and agronomic trials were conducted and tests carried out in connection with the eradication of weeds by the use of chemicals.

As a result of rice-breeding experiments, a number of varieties were produced suitable for varying environmental conditions, resistant to attack of various pests and diseases and giving high yields. In the Central Rice Research Institute, Cuttack, 112 cross combinations were completed in this scheme for hybridisation between *japonica* and *indica* rices. These trials have been undertaken for stepping up yield.

As the rust disease is a serious menace, limiting production of wheat in the country, the Council concentrated its attention during the period on the investigation of wheat-rust. Five hundred and seventy-two cultures of wheat received from the U.S.A. were artificially infected in the adult stage with a mixture of all the races of the three rusts at the I.A.R.I. Of these, 82 were found to be resistant to all the three rusts simultaneously. The Council has since sanctioned a new scheme for studies on the chemical composition and nutritive value of wheat at the I.A.R.I.

As regards millets, promising results were obtained in the scheme for the breeding of *jowar* varieties resistant to the parasitic weed *striga*. Some short-duration strains of *bajra* were also evolved giving higher yields. In respect of maize, experiments revealed that seeds treated with fungicides gave significantly higher yields than the untreated seeds. In view of the nutritive value of pulses, a co-ordinated scheme of research has been in progress in the country. In addition to the breeding experiments, the value of pulses in rotation and mixed-cropping was investigated. Experiments on gram-wilt in the Punjab indicated that sub-soiling is very effective in controlling the disease.

Animal Husbandry

On the animal husbandry side, the scheme for putting milk cows to work was continued at the Indian Dairy Research Institute, Bangalore, but it is yet premature to draw any definite conclusion from the experiments. Proposals for research on artificial insemination of cattle in the country and selection of places for the location of regional centres were finalised. A scheme was sanctioned for investigation of pregnancy diagnosis tests in animals. The various sheep and goat breeding schemes financed by the Council showed steady progress.

In the pilot scheme on the control of rinderpest, about 14,000 animals, including cattle, buffaloes, sheep and goats were vaccinated, using lapinised virus and lapinised goat-reactor virus in different parts of the country, and the immunity given by them under different conditions were studied. Various strains of viruses causing the foot and mouth disease and suitable methods of vaccination for its control were studied at the Indian Veterinary Research Institute, Izatnagar.

A new method of manufacture of ghee prestratification in newly-designed ghee boilers proved more economic and hygienic and produced ghee of a better taste. Experiments were conducted for better preservation of raw butter. Phytosteryl acetete was found most sensitive and reliable for detecting the presence of vanaspati in ghee.

Paints are his Province

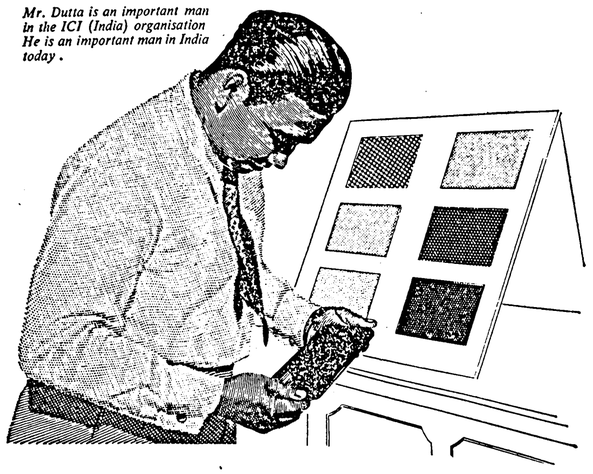
Mr. J. Dutta, whom you see here, is a specialist on paints.

Paints, for both decorative and protective use, are essential to many industries today. Their wide and varied application in many new directions gives rise to a number of allied problems. Which paint would suit a specific purpose? How can a paint be made to do a better job? Why is a particular paint behaving in an unsatisfactory manner?

These are the types of queries, vital to industrial efficiency, that demand the attention of our Technical Experts. Mr. Dutta, as Plant Superintendent of the modern paint factory at the Alkali & Chemical Corporation of India, Rishra, near Calcutta — a subsidiary of ICI (India) — plays an important part in solving these problems.

His work results in many benefits to our industries . . . in indicating more effective paint-defence against rust and corrosion . . . in giving a better finish to the wide range of products now made in India.

Mr. Dutta is an important man in the ICI (India) organisation He is an important man in India today.



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Notices

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Ordinary General Meeting of the Members of the Company will be held on Friday, 12th March, 1954, at 3-30 p.m. at the Registered Office, 18, Strand Road, Calcutta, to transact the following business:

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1953.
(2) To declare Dividends on Ordinary Shares.
(3) To elect Directors.
(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from the 26th February, 1954 to the 12th March, 1954, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED,
Secretaries.

CALCUTTA, *5th February*, 1954.

To

The Shareholders of The Alkali and Chemical Corporation of India, Limited, and in particular to:

Mr. J. V. A. e Brito, Mr. W. A. Bell, Mrs. A. L. Baxendale, Mr. H. M. Cox, Her Highness Bada Maharani Deela Kumari Devi, Mrs. M. Duncan, Mrs. H. C. D'Cruz, Mrs. E. M. Fanthome, Mrs. J. Guest, Mr. P. H. Guest, Mr. W. A. T. Hollingbery and Mrs. E. M. Hollingbery, Commdg. Genl. Mohun S. S. Jung B.R., and Major Genl. Bijaya S. S. Jung B.R., Genl. Sir Baber S. S. Jung B.R., and Major Genl. Mrigendra S. S. Jung, B.R., Mrs. M. A. Edney, Mr. A. Y. Kadwa, Mr. F. J. C. Melhuish, Mrs. N. M. McCann, Major Sirdar K. M. Panikkar, Mrs. C. V. Pandit, Mr. B. R. Goodfellow, Mr. A. R. Sahasranam, Mr. S. P. Upadhya, Mr. C. R. Witcher, Mr. K. W. Young.

CALCITE DEPOSITS OF SAURASHTRA

A recent investigation by the Geological Survey of India has shown that the calcite deposits in the Saurashtra peninsula are unique in their kind, not only in India but also among the world deposits. Similar deposits of a large magnitude have not been reported in the Deccan traps in other parts of India. Although there are many instances of calcite occurring in big cavities in basic rocks and plateau basalts in many parts of the world, nowhere the deposits assume such an extent as in Saurashtra. In Iceland, the source of the world's best optical materials, calcite is found in a large cavity in basalt, 75 feet long, 25 feet wide and 60 feet deep. In Saurashtra the calcite veins occur in the plateau basalts and run over considerable distances. The bigger ones are up to 5 feet wide and 2 miles or more in length, persisting down to 30-50 feet or even more in depth. The reserves appear to be large but detailed geological mapping and exploratory works will, it is stated, be necessary before a correct estimate can be obtained.

The important calcite deposits are found in Nawanagar, Porbandar, Junagadh and Amreli. Minor occurrences are seen in many parts of Saurashtra. In recent years, a good trade has developed with the material from Nawanagar and Porbandar, where it is ground to fine powder and marketed to Calcutta, Bombay and elsewhere, for use in rubber, textiles, paper mills, glass works, tanneries, etc. This industry, once very prosperous in war-time due to scarcity of certain mineral powders, is at present facing keen competition from cheap fine mineral products. This is due to increasingly higher mining and production costs.

The Geological Survey has recommended that efforts should be made to encourage the existing industry, as otherwise it may not survive for a long period and that prospects for the manufacture of chemicals with the calcite should be explored. Analyses of Nawanagar calcite have shown that it is exceptionally pure and may be used for manufacture of calcium carbide, bleaching powder, as a flux in metallurgical operations, for making glaze in pottery and in making industrial lime for a variety of purposes. The ground calcite is suitable for use as whiting in rubber, textiles, paper mills, glass works, tanneries, sugar factories, etc. It can also be employed as a non-scratch metal polish. The calcite crystals are generally too opaque to be suitable for optical purposes, but the Survey has recommended that attempts should be made to isolate transparent and suitable crystals for the preparation of nicols prisms, as a high price is paid for the requisite varieties.

Prior to the integration of the Princely States, the leases of fields containing calcite deposits were held by a few parties holding monopoly rights over extensive areas in various parts of Saurashtra. This practice was not conducive to proper development of the deposits and led to considerable waste. The new Mineral Concession Rules eliminate this danger and can go a long way towards the proper development of the calcite industry.

THE BANK OF BHOPAL LIMITED
CHOWK, BHOPAL

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINTH ORDINARY GENERAL MEETING of the Shareholders of THE BANK OF BHOPAL LIMITED will be held at the Registered Office of the Bank at Chowk Bhopal, on Saturday the 27th February, 1954, at 4 p.m., to transact the following business:—

1. To receive the report of the Directors and the Audited Balance Sheet, as at, and Profit and Loss Account for, the year ended 31st December, 1953.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of those who have been longest in office and who retire under Articles 102 and 103 of the Articles of Association of the Bank.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact such other business as the Directors may place in the Meeting.

By Order of the Board,
V. S. MANI,
General Manager.

BHOPAL, *6th February*, 1954.

N.B.—The Transfer Books of the Bank will be closed from the 15th February to the 27th February, 1954, both days inclusive.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE SIXTY-FIRST ORDINARY GENERAL MEETING OF THE CHAMPDANY JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, No. 2, Netaji Subhas Road, Calcutta, on 11th March, 1954, at 12 noon, for the following purposes:—

1. To receive and pass the Directors' Report and Audited Accounts for the half-year ended 30th September, 1953.
2. To declare a Dividend.
3. To transact any other competent business that may be brought forward.

The Share Register of the Company will be closed from 24th February to 11th March, 1954, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 24th February, 1954.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *15th February*, 1954.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

THE ADJOURNED THIRTY-SIXTH ORDINARY General Meeting of the Shareholders of The Indian Iron and Steel Company Limited, will be held on Wednesday, the 10th March, 1954, at 11-0 a.m., at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:—

(1) To receive the Directors' Report and pass the Audited Accounts for the year ended 31st March, 1953.
(2) To confirm the Interim Dividend declared on the Ordinary Share Capital.
(3) To elect Directors.
(4) To appoint Auditors and fix their remuneration.

The Share Registers of the Company will be closed from the 4th to the 10th March, 1954, both days inclusive.

By Order of the Board,
MARTIN BURN LIMITED,
Managing Agents.

CALCUTTA, *19th February*, 1954.

RESULTS OF BRADY GROUP MILLS SHOW SLIGHT IMPROVEMENT

DIVIDENDS MAINTAINED—FINANCES SOUND

THE financial results of the two cotton textile mills under the management of Messrs. W. H. Brady & Co., Ltd., Bombay—the New Great Eastern Spinning and Weaving Co., Ltd., and the New City of Bombay Manufacturing Co., Ltd.—for the year ended 31st December, 1953, are in line with the general expectation that the past year was a little more favourable for textile mills than the previous one. The gross profits of both the mills for 1953 are slightly higher than those for 1952; the New Great has recorded an increase from Rs. 2.68 lakhs to Rs. 4.32 lakhs and the New City from Rs. 0.97 lakh to Rs. 6.97 lakhs. The profits for the past year, however, fall very much short of those for 1951 and are less than those for any of the preceding years in the post-war period. To this extent the results of the two mills for 1953 are disappointing, particularly in view of the fact that the year was a record one so far as production was concerned.

The rise in the profit of the New City is more encouraging than that of the New Great, as will be seen from the foregoing figures. This has enabled that Company to add Rs. 2 lakhs, a sum equal to about a third of the gross profit, to the reserves. No such addition, however, has been possible in the case of the New Great. Nevertheless, both the Companies propose to pay the same rate of dividend, namely, 10 per cent. per annum for the second year in succession.

If the two mills have not been able to show a greater improvement in their profits than they have done, it was due to the difficult trading conditions that prevailed during the year. Alluding to these, the Directors observe in their reports to the shareholders as follows:

"The year under review was subject to varied trading conditions, notable for a falling away of consumer interest in the latter part of the year, which led to a general decline of prices of both cloth and yarn and some degree of accumulation of stocks. The Government of India's decision to abandon control on price and distribution of textiles was also announced during July.

"As forecast at the close of 1952, increased manufacturing charges had to be met during 1953 arising principally from the increased quantum of dear food allowance paid to operatives and the first full year of employers' contribution to the Workmen's Provident Fund Scheme."

Evidently, the removal of price and distribution controls in July, 1953, and the measures taken to improve the marketability of cloth in the last quarter of 1953 have not had any markedly favourable effect on the Company's results for the year under review.

New Great Eastern

The following comparative table, giving the salient features of the results of the New Great, clearly brings out the Company's progress in recent years:

(In lakhs of rupees)

	Year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	221.13	192.40	230.04	169.10
Expenses	217.06	190.28	214.09	160.55
Gross profit	4.32	2.68	15.29	8.77
E.P.T. refund (less tax) ..	0.09	3.90	..	..
To Secretaries' and Agents' commission	0.54	1.11	1.83	1.05
Provision for—				
Taxation	..	..	5.50	2.25
Depreciation	1.12	1.77	1.62	1.30
To reserves	..	0.25	1.70	0.75
To dividends—				
5½% preference	0.44	0.44	0.44	0.44
Ordinary	3.00	3.00	3.75	3.00
	(10%)	(10%)	(12½%)	(10%)
Carry forward	0.01	0.70	0.68	0.24

It will be noted that the increase in sale proceeds since 1950 is as much Rs. 52 lakhs, attributable partly to increased production and partly to the rise in cloth prices over these years, while the gross profit has dwindled by over 50 per cent. This is clearly due to the rise in expenses on account of the increase in the cost of raw material, wages and other manufacturing costs. Of the rise of Rs. 26.80 lakhs in expenses in 1953 over those in 1952, cotton and stores, fuel, etc., consumed account for Rs. 10.08 lakhs, dyeing and bleaching charges for Rs. 4.36 lakhs, wages for Rs. 2.96 lakhs, dear food allowance for Rs. 5.03 lakhs, contribution to provident fund for Rs. 2.13 lakhs and other expenses for Rs. 2.23 lakhs. Except for the sum of Rs. 25,000 added to the pension and gratuity and welfare fund in the previous year, the Company has not strengthened its reserves for the last two years.

It will be noted from the above table that the Company has made no provision for taxation for the second year in succession. That may probably be due either to depreciation allowance exceeding the profit available or to the existence of adequate taxation reserves or to both.

The Company's financial position, as seen from its latest balance-sheet, is, however, quite satisfactory. The reserves and surplus at Rs. 21.63 lakhs are nearly equal to 57 per cent. of the paid-up capital of Rs. 38 lakhs. Provision for taxation stands at Rs. 8.38 lakhs. Current liabilities aggregate Rs. 32.09 lakhs. The gross block of the value of Rs. 88.89 lakhs has been written down to Rs. 27.92 lakhs. The current assets amount to Rs. 72.20 lakhs (of which stock-in-trade amounts to Rs. 44.41 lakhs, stores, spares, etc., Rs. 10.72 lakhs, debts, deposits and advances Rs. 5.16 lakhs, investments Rs. 10,000 and cash balances Rs. 11.81 lakhs) and exceed current liabilities and provision for taxation by a wide margin of Rs. 31.73 lakhs.

The Rs. 100 paid-up ordinary shares are being currently quoted at Rs. 168 *cum-div.* At this rate, the proposed dividend gives a yield of about 6 per cent. per annum.

New City of Bombay

The progress of the New City of Bombay Manufacturing Co., Ltd., during the past three years is reflected in the following comparative table:

(In lakhs of rupees)

	Year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	154.06	149.24	182.52	131.88
Expenses	147.24	148.74	161.67	120.74
Gross profit	6.97	0.97	20.94	11.23
E.P.T. refund (less tax) ..	0.12	4.40	..	..
To Managing Agents' commission	0.70	0.10	2.09	1.12
Provision for—				
Taxation	..	..	8.60	4.00
Depreciation	2.26	2.52	2.72	1.80
To reserves	2.00	0.75	3.95	1.50
To dividend	2.40	2.40	3.60	3.00
	(10%)	(10%)	(15%)	(12½%)
Carry forward	0.16	0.42	0.82	0.23

Unlike in the case of the New Great, the expenses of the New City, as compared with 1952, are lower by Rs. 1.50 lakhs. There has been a drop in the value of cotton, stores, spares, etc., consumed by Rs. 10.01 lakhs, but this has been nearly offset by increases in other items of expenditure. Thus, dyeing charges have gone up by Rs. 1.29 lakhs, wages by Rs. 1.71 lakhs, dear food allowance by Rs. 2.80 lakhs, provident fund contributions by Rs. 1.47 lakhs and other expenses by Rs. 1.24 lakhs. A sum of Rs. 75,000 had been added to the reserve for rehabilitation of plant and machinery in the previous year, which has received another Rs. 50,000 from the profit for 1953. The reserve fund has been strengthened by Rs. 1 lakh, reserve for contingencies by Rs. 25,000, and pension, gratuity and welfare fund by Rs. 25,000, none of which had been provided with anything a year ago.

The latest balance-sheet of the Company reveals that the reserves and surplus, aggregating Rs. 28.61 lakhs, exceed the paid-up capital of Rs. 24 lakhs by a sizable amount. The provision for taxation stands at Rs. 3.80 lakhs and current liabilities at Rs. 26.58 lakhs. The gross block of the value of Rs. 73.05 lakhs has been written down by Rs. 44.46 lakhs to a net value of Rs. 28.59 lakhs. The current assets amount to Rs. 54.55 lakhs (made up of stock-in-trade Rs. 20.23 lakhs, stores and spares Rs. 7.52 lakhs, debts, deposits and advances Rs. 4.93 lakhs, investments Rs. 7,500 and cash balances Rs. 21.80 lakhs) and exceed current liabilities and provision for taxation by Rs. 24.17 lakhs.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 180-8, at which rate and on the basis of the latest dividend, the yield works out to 5.54 per cent. per annum.

KHATAU MILLS TO CAPITALISE RESERVES

To the rank and file of companies which have proposed to capitalise a part of the amount standing to the credit of their reserves, must be added the Khatau Makanji Spinning and Weaving Co., Ltd. The Company has received the consent of the Controller of Capital Issues to increase its authorised capital and issue thereafter ordinary shares as capital bonus to the existing shareholders, by capitalising a part of its reserves.

The present authorised capital of the Company is Rs. 70 lakhs, made up of 40,000 ordinary shares of Rs. 100 each and 30,000 4 per cent. (tax-free) cumulative preference shares of Rs. 100 each. This is sought to be raised to Rs. 90 lakhs by increasing the ordinary shares to 60,000 shares of Rs. 100 each. A sum of Rs. 29,92,500 is proposed to be capitalised out of the reserve fund which stands at Rs. 35.32 lakhs and issued in the form of 29,925 ordinary shares of Rs. 100 each as bonus to the holders of the existing 29,925 ordinary shares, in the ratio of one share for every existing share, thus raising the paid-up ordinary capital from Rs. 29,92,500 to Rs. 59,85,000. The new shares will rank *pari passu* in all respects with the holders of the existing ordinary shares as on 13th March, 1954. This means that the bonus shares will be entitled to dividend that may be declared for the year ending 30th June, 1954.

This is the third occasion in its history when the Company is capitalising its reserves. The first was in 1944, when a sum of Rs. 9,97,500 was capitalised and issued in the form of 9,975 ordinary shares of Rs. 100 each to the then existing ordinary shareholders in the ratio of one share for every two shares held. The second occasion was in 1947, when the Company issued 29,925 4 per cent. (tax-free) cumulative preference shares of Rs. 100 each as bonus shares to the then existing ordinary shareholders in the ratio of one preference share for one ordinary share.

The present paid-up capital of the Company is Rs. 59.87 lakhs. The gross value of the block is Rs. 207.51 lakhs, the book value of which is Rs. 50.33 lakhs. The Company had paid a dividend of Rs. 10 per share for each of the years 1951-52 and 1952-53, to which level it had been reduced from Rs. 14 paid for 1950-51. The payment of dividend at the rate of Rs. 10 per share had taken up only Rs. 2.99 lakhs. Judged from the performance of textile mills in recent months, it can reasonably be expected that the Company's results for the year ended 30th June, 1954, will be more favourable than those for the past year. One can, therefore, easily expect the Company to be in a position to pay the same dividend on the enhanced capital, if not a somewhat higher one. A dividend of Rs. 10 per share on the enhanced capital will require only a sum of Rs. 5.98 lakhs. This is not too high a figure for a mill which has 77,404 spindles and 1,517 looms. Further, the Company's 6 per cent. cumulative preference shares having been repaid, the Company has a saving of Rs. 60,000 per annum being the dividend on these shares. This amount itself is sufficient to cover an increase of Re. 1 per share on the enhanced capital.

RAYALASEEMA MILLS

The 12 months ended 31st December, 1953, was the third full year of working of the Rayalaseema Mills Ltd. (Managing Agents: The Rayalaseema Development Co., Adoni), since it commenced production on 22nd May, 1950. The year under review, however, proved to be less favourable than the previous one, in that the gross profit, which had gone up from Rs. 6.79 lakhs for 1951 to Rs. 13.80 lakhs for 1952, has dropped to Rs. 7.69 lakhs for 1953. The provision for depreciation has been more than maintained at Rs. 3.15 lakhs and that for taxation at Rs. 50,000. The Directors, who had transferred as much as Rs. 7.50 lakhs to the reserves in the previous year, have had to reduce the same to Rs. 2 lakhs. But the dividend is proposed to be maintained at 6 per cent. per annum, which is the same as that for the previous two years.

The following comparative table gives the salient features of the Company's financial results for the last three years:

(In lakhs of rupees)

	For the year ended 31st December		
	1953	1952	1951
Sale proceeds	40.50	45.17	46.02
Stocks	0.87	5.82	3.04
Expenses	37.03	33.30	42.89
Gross profit	7.69	13.80	6.79
Managing Agents' remuneration ..	0.84	0.85	..
Depreciation	3.15	5.12	3.10
Taxation	0.50	0.50	..
Net profit	3.40	9.33	3.69
To reserves	2.00	7.50	2.10
To bonus to employees ..	0.18	0.36	..
Dividend	1.34	1.34	1.32
	(6%)	(6%)	(6%)
Carry forward	0.42	0.44	0.35

Founded in 1945, as the first cotton spinning mill project in the Ceded Districts at Adoni, the Company, as already stated, commenced production on 22nd May, 1950, with 7,696 spindles. A further addition of 2,800 spindles was made during the year under review and production on these spindles commenced during the year. Unfortunately, the Company could not get the benefit of the increased spindleage during the year under review, on account of the high cost of cotton and unfavourable market for yarn. Referring to the trading conditions during the year, the Directors observe thus:

"The control over price and distribution of yarn was removed by the Government of India on 10th July, 1953, up to which date the Company was allowed to levy the retail margin for sales through the Company's own retail depots. With the removal of the above control, prices fell sharply. The Company had to close the retail depots and sell yarn through appointed agents. In common with all post-war mills, the fall in prices during the year affected your Company also severely. The two half-yearly quotas of export allowed by the Government of India in 1953 were fully utilised."

However, the carry-over of stocks of cotton from the previous year at lower costs helped the Company achieve the results mentioned at the outset.

The financial position of the Company, as seen from its balance-sheet on 31st December, 1953, is satisfactory. The paid-up capital of Rs. 22.14 lakhs is supplemented by reserves and surplus amounting to Rs. 12.02 lakhs, of which general re-

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Points From The Chair

A Serious Misconception

"IT seems to me, therefore, to indicate a serious misconception of the realities of our economic position that at this time a general movement should be afoot to raise further our industrial costs. I can only ascribe this policy to the fact that wage increases have been more or less regularly secured year by year, and that manufacturers' order books are still on the whole comfortably filled. Full order books, like full employment, carry their own dangers for the future, if they result in constantly rising costs. If our prices are not competitive, a time will certainly come when replacement orders cannot be secured. That time, I suggest, is ominously near and in some cases has actually arrived. It is, then, surely unwise, to say the least, to speed its approach by our own deliberate action. The level of wages should by this time have regard to the need to secure orders in the future rather than being based on existing orders which are, in fact, being steadily worked off. It is, perhaps, unfortunate that the nationalised industries do not have to face foreign competition, as they are apt to set the pace for wage increases affecting those industries which do not enjoy a sheltered market."

SIR HAROLD E. YARROW,
Clydesdale & North of Scotland Bank Ltd.

Development of Rubber Estates

"... we will await Government orders on the scheme for assisted development of rubber estates which the Indian Rubber Board prepared and which the Tariff Commission commended. The small allowance of 6 cts. included in the controlled price, as provision for rehabilitation, is ludicrously insufficient to rescue large acreages of old seedling rubber, the economic life of which is now numbered. It is, therefore, a case for special subsidy, if these old rubber areas are to be resuscitated and fresh lands opened up. With the fresh slant given to Government planning, viewing schemes from their potentialities as employers of labour, one would expect a scheme for development of rubber plantations to receive high priority. Possibly only the textile industry exceeds plantations as employers of labour, but there must be few textile mills which, in addition to employing their labour also house them and minister to their health, recreation and welfare as plantations do."

W. W. KILGOUR,
Thirumbadi Rubber Co., Ltd.

Higher Productivity—A Simple Recipe

"What a wonderful thing it would be if we could wake up one morning to find each pound buying more; cost of living falling; real wages rising automatically. Yet this miracle could be brought about quite simply by higher productivity without higher costs. No one has more to contribute to, or more to gain by, that process than the earner of weekly wages. Moreover, he can nowadays rely with certainty on his bargaining power to secure for himself his full share of any increase in the national cake. My point is that—as things are now—he cannot safely take more until there is firmly and solidly a larger cake to divide, and a stable pound in which to draw his weekly wage. It is a simple recipe; could we not try it?"

LORD BALFOUR OF BURLEIGH,
Lloyds Bank Ltd.

New Zealand's Economy

"The overall picture of New Zealand economy shows an undoubted state of prosperity. Business is buoyant and this has been helped considerably by the fact that Britain had, in 1953, her best post-war year, and that in the U.S.A. business activities were well maintained. On the other hand, although during the year under review there has been some halt to the spiral of rising costs, the recent general increase of 10 per cent. in award wages throughout New Zealand will, undoubtedly, result in further inflationary pressure. A rise in the charges for all public and private services has followed quickly, and any benefits derived by the wage-earner have already been partly absorbed by the increased cost of living."

LORD GLENCONNER,
National Mortgage and Agency Co. of New Zealand, Ltd.

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serve is Rs. 7.50 lakhs, plant replacement reserve Rs. 2.50 lakhs, dividend equalisation reserve Rs. 1.50 lakhs and employees' benefit reserve Rs. 10,000. Provision for taxation stands at Rs. 1 lakh and current liabilities at Rs. 10.21 lakhs. The gross block of the value of Rs. 37.50 lakhs, including additions of the value of Rs. 6.68 lakhs made during the year, has been written down to Rs. 27.08 lakhs. The current assets amount to Rs. 18.29 lakhs (of which cash balances alone account for Rs. 8.55 lakhs) and more than adequately cover current liabilities and provision for taxation.

During the year under review, in addition to raising the spindleage, a new hall was added to house the preparatory machines. The entire cost of the machinery and the new building has been met from the Company's own resources. Regarding the Company's outlook for the current year, the Directors report as follows:

"The general improvement in the seasonal conditions of the country and the consequent increased demand for handloom cloth and the efforts of the State Government and the Government of India in improving the export trade of the handloom goods give the spinning industry hope of a steady and regular market in future. In these circumstances, your Directors expect satisfactory results during the present year."

COMPANY MEETINGS AND DIVIDENDS

FORT GLOSTER JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 23rd February, 1954. Dividend: *Nil.* Transfer books remain closed from 12th to 23rd February, 1954, both days inclusive.

ANGELO BROTHERS LTD. Annual General Meeting, Calcutta, 24th February, 1954. Dividend: Re. 1-4 per share. Transfer books remain closed from 13th to 26th February, 1954, both days inclusive.

NORTH WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 25th February, 1954. Dividend: *Nil.* Transfer books remain closed from 17th to 25th February, 1954, both days inclusive.

KUMERGODE ESTATES LTD. Annual General Meeting, Kozhikode, 27th February, 1954. Dividend: *Nil.* Transfer books remain closed from 20th to 27th February, 1954, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES LTD. Annual General Meeting, Kozhikode, 27th February, 1954. Dividend: As. 9-3/5 per share. Transfer books remain closed from 15th February to 1st March, 1954, both days inclusive.

HUMAYAN PROPERTIES LTD. Annual General Meeting, Calcutta, 2nd March, 1954. Transfer books remain closed from 23rd February to 2nd March, 1954, both days inclusive.

NATIONAL COMPANY LTD. Half-yearly General Meeting, Calcutta, 5th March, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 20th February, to 5th March, 1954, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 5th March, 1954. Dividend: Rs. 4 per share. Transfer books remain closed from 20th February to 5th March, 1954, both days inclusive.

RAYALASEEMA MILLS LTD. Annual General Meeting, Rayanagar, Adoni-Tungabhadra Road, Adoni, 7th March, 1954. Dividend: Rs. 6 per share. Transfer books will remain closed from 1st to 15th March, 1954, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 11th March, 1954. Dividend: Rs. 3 per share.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1954. Transfer books will remain closed from 26th February to 12th March, 1954, both days inclusive.

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD. Annual General Meeting, Ramganj Mandi, 14th March, 1954. Transfer books will remain closed from 7th to 13th March, 1954, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Interim dividend of Rs. 8 per share, for the year ending 31st March, 1954.

UNITED COFFEE SUPPLY CO., LTD. Interim dividend of 2½ per cent. for the year ending 30th June, 1954.

UNITED BREWERIES LTD. Interim dividend of Rs. 7-8 per ordinary share, free of income-tax, for the year ending 31st March, 1954.

BENGAL ASSAM STEAMSHIP CO., LTD. Dividend of Rs. 10 per ordinary share, for the year ended 31st October, 1953.

COMPANY REGISTRATIONS

YERROWADA INVESTMENTS LTD. (First Director: Mrs. Tarabai Maneklal Premchand.) Business: Purchase, Lease, Exchange or otherwise Land, Buildings and Hereditaments of any Tenure, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 7, Narayan Dabholkar Road, Bombay 6.

FOUNTAIN INVESTMENTS LTD. (First Director: Mrs. Tarabai Maneklal Premchand.) Business: Purchase for Investment, Land and House and Other Properties of any Tenure, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 7, Narayan Dabholkar Road, Bombay 6.

CELESTIAL PICTURES LTD. (First Director: Mr. D. B. Patel.) Business: Cinematograph Trade and Industry and all its Allied Trades. Authorised capital: Rs. 5,00,000. Private company. Address: 6A, "Ivanhoe," Back Bay, Bombay 1.

FILMS LTD. (First Director: Mr. K. K. Kapur.) Business: Cinematograph Trade and Industry and all its Allied Trades. Authorised capital: Rs. 3,00,000. Private company. Address: Nilam Mansions, Lamington Road, Bombay 4.

INDIAN ORE MARKETING CORPORATION LTD. (First Director: Mr. M. A. Rathor.) Business: Commission Agents, Managers, Managing Agents, etc. Authorised capital: Rs. 4,50,000. Private company. Address: 5, Clive Row, 3rd Floor, Calcutta.

QUESTION HOUR IN PARLIAMENT

Textile Enquiry Committee Report

THE Kanungo Committee's report on the textile industry is likely to be submitted to the Government before the middle of this year.

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Tea Production

The estimated production of tea in India in 1953 was 608 million lbs., as compared with 629 million lbs. in 1951 and 620 million lbs. in 1952. The fall in production was due to selective plucking. The Government endeavours to bridge the gap between fall in production and increased export by increased internal consumption. So far as India is concerned, its internal consumption is estimated at 170 million lbs. a year.

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Sholapur Mill Management

The decision of the Supreme Court declaring as *ultra vires* the law under which the Government of India has taken over the management of the Sholapur Mills has not involved the Government in any monetary loss, but its implications may. The present management continues to be the management for the time being. The Press reports that there has been some settlement between the Government and the shareholders of the Sholapur Mills by which the Centre will hand over the Mills to the former Board of Directors are, unfortunately, ahead of events and are not even half-truths. The position cannot be remedied by amending the law, but be remedied by amending the Constitution.

—Minister for Commerce and Industry

G.A.T.T. Schedules

All contracting parties to the G.A.T.T. except Australia, Brazil and Peru, have signed the declaration extending the life of the G.A.T.T. schedules till 1st July, 1955. According to the G.A.T.T. Secretariat, the Government of Australia has decided to sign the declaration. The contracting parties are now considering the question of extending the time limit to sign the declaration up to 30th April, 1954. It is not our understanding that, by declining to sign the declaration, Brazil and Peru have gone out of G.A.T.T. These two countries have signed the protocol of provisional application of the G.A.T.T. and have not given any notice of withdrawal. So far as the Government of India are concerned, they have no reason to believe that either Brazil or Peru is anxious to withdraw the tariff concessions granted to India.

—Minister for Commerce

Second Five-year Plan

The Planning Commission has not yet considered the projects for the second Five-year Plan. The Central Government has asked for lists for inclusion in the schemes which are intended to be incorporated in the first Five-year Plan itself when certain readjustments are contemplated. The Planning Commission is considering the whole question of the second Five-year Plan and steps will be taken very shortly. In regard to irrigation and power schemes, the States have been asked to submit their proposals which will be considered by a special committee.

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Nandikonda Project

Reports about the Nandikonda Project are expected to be submitted by the Andhra and Hyderabad Governments by the end of this month. Reference is made to the Krishna-Pennar scheme, which is one of the five schemes mentioned by the Planning Commission. As regards the question whether the Krishna-Pennar Project is preferred now, in spite of the fact that the Khosla Committee has categorically recommended the Nandikonda Project, it is not at all the intention. The Report made by Mr. Khosla suggested certain further investigations being undertaken by various participating Governments. Those investigations are nearly complete. There is no going behind any earlier decision. Reports of the Hyderabad and Andhra Governments will be considered by the Government of India. They are not final or binding.

—Minister for Planning

Smuggling of Goods

With the partition of India creating wide land frontiers and with import controls being tightened up, smuggling was naturally apprehended to increase, but indications are that, of late, it is on the decline. Concerted measures have been taken to check smuggling. Searches of passengers and vehicles have been intensified. The intelligence system has been improved and informers are rewarded more liberally. Vessels suspected of carrying smuggled goods are watched throughout their stay in port and are searched whenever considered necessary. Patrols by land and sea have been intensified by the sanction of additional staff, jeeps and launches; a barbed wire fence has been put up at a vulnerable land frontier. Prosecutions are being launched in suitable cases and heavy penalties are imposed under the Sea Customs Act in deliberate cases of smuggling, in addition to confiscation of the goods attempted to be smuggled.

—Deputy Minister for Finance

SPENCER MAINTAINS DIVIDEND LEVEL

EARNINGS OF NATIONAL COMPANY HIGHER

Spencer and Co., Ltd.

THE directors of the above Company (Secretary: Mr. C. W. Stephenson, Madras) submit the audited accounts of the Company for the year ended 30th June, 1953.

The net profit for the year after charging all expenses other than depreciation and taxation is Rs. 24,03,773 (Rs. 23,45,166) from which must be deducted depreciation Rs. 4,32,303 (Rs. 5,21,288) and provision for taxation Rs. 9,00,000 (Rs. 10,50,000) leaving a balance of Rs. 10,71,470 (Rs. 7,73,878). To this sum is added the amount brought forward from the last account of Rs. 5,36,552 (Rs. 6,61,628) making a total of Rs. 16,08,022 (Rs. 18,35,530). From this amount falls to be deducted, the dividends already paid on "A" and "B" preference shares Rs. 3,41,905 (Rs. 3,23,409) and *ad-interim* on ordinary shares at 5 (5) per cent. free of income-tax Rs. 2,00,000 (Rs. 2,00,000) leaving available for further distribution a sum of Rs. 10,66,117 (Rs. 13,12,121). The directors recommend that the dividends already paid be confirmed and that the above amount be dealt with as follows:—

In payment of a final dividend for the year of 10 (10) per cent. (free of income-tax) on ordinary shares Rs. 4,00,000 (Rs. 4,00,000), transfer to pension and gratuities reserve Rs. 1,00,000 (*nil*), transfer to exchange reserve Rs. 19,050 (*nil*) and carry forward Rs. 5,47,067 (Rs. 5,36,552).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,00,000	Block ...	46,37,599
Reserves ...	94,66,946	Stock-in-trade ...	67,09,523
Provision for taxation ...	5,66,642	Stores and spare gear etc. ...	7,20,831
Liabilities ...	41,65,205	Debts, deposits and advances ...	46,20,436
Profit and loss account ...	5,47,067	Investments	23,58,550
		Cash ...	56,98,921
Rs.	2,47,45,860	Rs.	2,47,45,860

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1953.

After providing Rs. 3,15,000 (Rs. 3,60,000) for taxation, there is a balance of Rs. 5,08,818 (Rs. 4,17,233) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 17,500 (Rs. 17,500) and on ordinary shares at Re. 1 (Re. 1) per share Rs. 3,50,000 (Rs. 3,50,000) leaving Rs. 1,41,118 (Rs. 49,733) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	18,53,389
Reserves ...	44,27,437	Stocks ...	29,23,265
Provision for taxation ...	5,13,941	Stores and spare gear ...	11,01,206
Liabilities ...	10,40,666	Debts, deposits and advances ...	5,82,042
Profit and loss account ...	1,41,118	Investments	85,200
		Cash ...	35,78,080
Rs.	1,01,23,162	Rs.	1,01,23,162

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half year ended 30th September, 1953.

After providing Rs. 18,500 (Rs. 15,000) for depreciation and Rs. 4,500 for cesses and bringing in Rs. 90,000 (*nil*) from general reserve and Rs. 8,000 (*nil*) surplus in cesses provision, there is a balance of Rs. 552 (Rs. 12,237 after paying dividend of 2½ per cent. absorbing Rs. 6,813) at the credit of profit and loss account which is being carried forward.

Raisings during the half year were 44,065 tons as compared with 42,196 tons and despatches 34,818 tons as compared with 46,842 tons during the last half year. During the period under review the Company has been successful in concluding agreements with contractors for the raising and selling of coal mined at Ena Colliery.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Block ...	5,00,805
Reserves ...	2,46,004	Stock of coal	4,26,472
Provision for taxation ...	22,969	Stores ...	1,16,152
Liabilities ...	8,68,011	Debts, deposits and advances ...	3,63,732
Profit and loss account ...	552	Cash ...	2,875
Rs.	14,10,036	Rs.	14,10,036

Empire Dyeing and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts show a net profit on the year's working after writing off depreciation of Rs. 41,811 (Rs. 44,617) on machinery and plant, etc., setting aside Rs. 2,00,000 (Rs. 90,000) for taxation; and charging the managing agents' commission amounting to Rs. 76,920 (Rs. 31,991), of Rs. 4,42,101 (Rs. 1,50,587) which together with the balance brought forward from last year's account of Rs. 9,446 (Rs. 3,859) gives an amount for disposal of Rs. 4,51,548 (Rs. 1,54,446). This sum the directors propose to dispose of as follows:—

Dividend of Rs. 4 (Rs. 3) per share on 30,000 shares of the Company, free of income-tax to those shareholders on the register of the Company as at the 11th March, 1954, Rs. 1,20,000 (Rs. 90,000), to general reserve Rs. 1,50,000 (*nil*), to transfer to reserve for rehabilitation of machinery and plant Rs. 50,000 (Rs. 20,000), to staff gratuity fund Rs. 40,000 (Rs. 25,000) and to contingencies Rs. 50,000 (*nil*) leaving a balance to carry forward to next year's account of Rs. 41,548 (Rs. 9,446).

An increase in output over the immediate preceding year's workings was registered in all departments, and which increase is reflected in the figures shown.

The Company's property, including buildings, machinery and stock has been insured against fire and riot for Rs. 65,57,200. The profit and standing charges of the Company have been insured for Rs. 3,00,000; such insurance to run from 31st March, 1953 to 31st March, 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,50,000	Block ...	5,61,171
Reserves ...	10,62,212	Stock-in-trade	47,821
Provision for taxation ...	3,74,928	Stores and spare gear	1,54,489
Liabilities ...	5,10,893	Debts, deposits and advances ...	2,03,274
Cash ...	4,51,547	Investments	3,19,133
		Cash ...	15,63,672
Rs.	28,49,580	Rs.	28,49,580

G. Claridge and Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts after charging Rs. 55,682 (Rs. 64,188) for depreciation and providing Rs. 1,00,000 (Rs. 3,00,000) for taxation shows a net profit of Rs. 1,57,778 (Rs. 1,50,283), which together with the balance of Rs. 5,799 (Rs 5,516) brought forward from last year's profit and loss account, gives Rs. 1,63,577 (Rs. 1,55,799) and this the directors propose to dispose of as follows:—

To pay a dividend of Rs. 12-8 (Rs. 12-8) per share on 8,000 shares of the Company, free of income-tax, to those shareholders on the register of the Company as at 11th March, 1954 Rs. 1,00,000 (Rs. 1,00,000), to transfer to general reserve Rs. 25,000 (Rs. 25,000), and to transfer to rehabilitation of plant fund Rs. 25,000 (Rs. 25,000), leaving a balance to be carried forward to next year's account of Rs. 13,577 (Rs. 5,799).

During the year costings have increased considerably as a result of Industrial Court Awards on Wages, etc., and although turn-over has been fairly well maintained, the profit margins have been much lower.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	3,80,187
Reserves ...	8,94,346	Stock-in-trade	13,48,017
Provision for taxation ...	5,89,188	Debts, deposits and advances ...	8,75,323
Liabilities ...	4,81,513	Investments	2,716
Profit and loss account ...	1,63,577	Cash ...	3,22,381
Rs.	29,28,624	Rs.	29,28,624

Brady Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts after charging the managing agents' commission amounting to Rs. 9,861 (*nil*) shows a profit of Rs. 1,59,779 (Rs. 1,74,893) which together with the balance brought forward from last year's account of Rs. 33,319 (Rs. 47,626), gives an amount of Rs. 1,93,099 (Rs. 2,22,520). Out of this amount the directors have written off depreciation on machinery and plant, etc., of Rs. 75,387 (Rs. 64,201) leaving a balance of Rs. 1,17,711 (Rs. 1,58,319), which the directors propose to dispose of as follows:—

Dividend at Rs. 3 (*nil*) per share on 25,000 shares of the Company, to those shareholders on the register of the Company as at 11th March, 1954 Rs. 75,000 (*nil*) and transfer to reserve fund Rs. 25,000 (Rs. 1,25,000) leaving a balance to carry forward to next year's account of Rs. 17,711 (Rs. 33,319).

The directors again have to report that the Company has not been able to obtain sanction to erect an additional cupola and that, to some extent, retarded development of the business. It is hoped, however, that there will be a relaxation of the restriction shortly.

The Company entered into an agreement for a period of five years commencing from 1st January, 1954, with the Polygram Casting Co., Ltd., of England, for securing the right to the Company for the manufacture of casting by their patented process on payment of a royalty of £500 per year.

Capital expenditure amounting to Rs. 5,869 (Rs. 7,681) was incurred in purchasing machinery and plant. The Company's property, including building, machinery and stock has been insured against fire and riot for Rs. 18,20,000.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,99,960	Block ...	10,82,533
Reserves ...	1,25,000	Stock-in-trade and work-in-progress ...	1,18,549
Liabilities ...	40,221	Stores ...	72,504
Profit and loss account ...	1,17,711	Debts, deposits and advances ...	60,723
		Cash ...	4,48,583
Rs.	17,82,892	Rs.	17,82,892

Auckland Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 1,60,000 (Rs. 3,10,000) for taxation, Rs. 14,000 (*nil*) for reserve for taxation contingencies and Rs. 70,771 (Rs. 66,464) for depreciation, the profit and loss account shows a profit of Rs. 1,66,058 (Rs. 2,81,850) to which has been added the amount brought forward from previous half-year Rs. 42,740 (Rs. 61,145) making a total of Rs. 2,08,798 (Rs. 3,42,995). From this, the directors have transferred to jute stock reserve Rs. 25,000 (*nil*) leaving an available balance of Rs. 1,83,798 for general reserve). The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 5½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500), in paying a dividend on the redeemable preference shares at the rate of 4½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 33,750 (Rs. 33,750), in paying a dividend on the ordinary shares of Rs. 2 (Rs. 4) per share, without any deduction for income-tax paid by the Company Rs. 80,000 (Rs. 1,60,000) and in carrying forward Rs. 42,548 (Rs. 71,745).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills Association the Company's mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review.

The directors inform that delivery of the modern Mackie's mill machinery for the hessian section of the Mill is expected during March, 1954.

During the period under review trading conditions continued to be difficult owing to the disparity between the prices of raw jute and those of manufactures, particularly sacking, the price of which remained unremunerative throughout the period due to overproduction and lack of demand. Hessians, however, remained in good demand mainly on account of substantial buying by the Argentine with moderate demand from other hessian consuming countries. Government on 14th September, 1953, reduced the duty on hessian goods from Rs. 275 per ton to Rs. 120 per ton. Although the industry's output of sacking has now been adjusted to the lower demand and stocks have decreased during recent months overseas interest remains disappointing and prices are still unremunerative.

The majority of the Company's production is in the form of heavy goods and but for the substantial stocks of jute held at relatively low prices, a loss would have been shown on the half-year's working.

The writing down of jute stocks to market values as at 31st March, 1953, favourably affected the results for this half-year as early in the period the price of jute increased appreciably and remained steady only to recede however at the close.

A Jute Enquiry Commission has been set up by Government to enquire into a wide range of subjects affecting the industry including speculation in both raw jute and jute goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	65,00,000	Block ...	32,39,386
Reserves ...	39,11,041	Stock ...	27,51,503
Debentures ...	15,00,000	Stores ...	7,31,046
Provision for taxation ...	14,044	Debts, deposits and advances ...	13,23,352
Liabilities ...	16,06,896	Investments	34,59,046
Profit and loss account ...	42,548	Cash ...	70,196
Rs.	1,35,74,529	Rs.	1,35,74,529

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

CALL MONEY RATE UNCHANGED

(From Our Own Correspondent)

BOMBAY, *17th February*

The extreme stringency in the short-term money market, witnessed during the past several weeks, almost reached the climax during the week under review. Following the heavy drawings on their foreign offices and borrowings from the Reserve Bank and the Imperial Bank, the foreign banks were able to meet fully the demand for funds from their clients and are now reported to have withdrawn completely from the inter-bank call money sector. It appears that these banks do not expect such a keen demand for funds as ere now. Some of them are even reported to have turned lenders, albeit on a small scale. Indian banks, however, were still very keen borrowers. With supplies remaining scanty, they had to seek accommodation from the Reserve Bank and the Imperial Bank. Consequently, the inter-bank call money continued to be bid at 3 per cent.

The present famine-like conditions in the money market are expected to improve a little from now and remain so for some time, unless shipments of American cotton and sugar arrive much earlier than expected. However, with the much earlier than expected. prospects of the demand reviving once again on account of these imports, banks continue to bid short-term deposits at the high rate of 3 per cent. for one to six months and 2½ to 2¾ per cent. for longer periods.

The only change in the money rates this week was the sharp rise in the Government's borrowing rate against Treasury Bills from Rs. 2-9 per cent. to a fresh record of Rs. 2-9-11 per cent. per annum. The amount offered was only Rs. 8.5 lakhs more than that invited (Rs. 1 crore), but this is a little better than that offered last week, the authorities have invited tenders for another Rs. 1 crore next week.

A further expansion of Rs. 5.74 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 12th February, 1954, following the rise of Rs. 17.81 crores noted in the previous week. Notes held in the Banking Department also have gone up by Rs. 3.95 crores, so that the rise in total notes issued is of the order of Rs. 9.69 crores. This rise has been offset by the increase of Rs. 10 crores in foreign securities and a decline of about Rs. 4 lakhs in rupee securities and of Rs. 27 lakhs in rupee coin. In the Banking Department, for the second week in succession deposits of Governments show a contraction, the decline in Central Government deposits being of the order of Rs. 1.73 crores and that in other Government deposits of Rs. 2.51 crores. Deposits of banks have, on the other hand, risen by Rs. 2.22 crores and those of others by Rs. 3.61 crores. On the assets side, cash balances have enlarged by Rs. 4 crores, while balances held abroad have shrunk by Rs. 6.71 crores. Ways and means advances to Governments are higher by Rs. 47 lakhs and other loans and advances by Rs. 5.44 crores. There has been a fresh rise of Rs. 6.83 crores in advances against usance bills, against which repayments during the week amounted to Rs. 37 lakhs.

The Scheduled banks' statement for the week ended 5th February, 1954, discloses, as compared with that for the previous week, a contraction of Rs. 2.37 crores in demand deposits and an expansion of Rs. 1.58 crores in time deposits. Inter-bank borrowings are lower by Rs. 1.26 crores. A rise of Rs. 4.23 crores is noted in borrowings from the Reserve Bank and of Rs. 1.31 crores in those from the Imperial Bank. Advances have recorded an increase of Rs. 4.86 crores and bills purchased and discounted of Rs. 82 lakhs. Investments have declined by Rs. 52 lakhs. Cash on hand and balances with the Reserve Bank have shrunk by Rs. 72 lakhs and balances with other banks and money at call by Rs. 1.90 crores.

Dull conditions prevailed in the Gilt-edged market during the week under review, with very little business passing now and then. The undertone, however, was steady. 3 per cent. 1957 was quoted at Rs. 98-7, though there were willing buyers at Rs. 98-6½. 3 per cent. 1958 had business at Rs. 98-0½ *ex-voucher*, half anna less than the quoted rate. 3 per cent. 1959-61 was done at Rs. 96-1 *ex-voucher*. 3 per cent. 1963-65 and 3 per cent. 1964 were each placed at Rs. 92-8. 3 per cent. 1966-68 was unchanged at Rs. 90-4 and 3 per cent. 1970-75 at Rs. 86-8.

The Bombay State Transport Corporation will shortly approach the long-term capital market with an offer of Rs. 1 crore. The loan will have a maturity of 11 years and will carry interest at the rate of 4 per cent. per annum. The issue price will be Rs. 99 per cent. Both the principal and interest will be guaranteed by the Bombay Government.

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, *15th February*

A somewhat firmer tendency has developed in the linseed market during the past week and an appreciable advance in prices has been recorded. The availability of ready goods locally is very poor. Sellers are, therefore, extremely reserved, despite keener enquiries for near positions from local crushers. Business, however, has been reported on a small scale for new crop forward delivery. Following the report of some export business to Australia, oil prices have advanced appreciably. The local demand has improved, but ready goods are very scarce. Latest quotation is: Ready Rs. 21-12 per maund.

MARGINS ENFORCED IN BULLION

(From Our Own Correspondent)

BOMBAY, *17th February*

Brisk trading and sharp rise in prices were the notable features of trading on the Bullion Exchange during the week under review. While silver became active only in the latter half of the week, gold was in the limelight almost from the beginning. Nevertheless, as the week advanced, both the metals moved up so high that they attracted enforcement of automatic margins.

Gold gave the lead this week. Following fresh bull support and frantic covering by short-sellers, there was a good spurt in rates. Heavy purchases in the ready position by both local and upcountry dealers, especially from Calcutta, coupled with reports of bull squeeze in Calcutta fanned the bullish fervour. Other factors that accentuated it were a fresh attempt to squeeze by a leading operator in the new settlement, a shrinkage in the floating stocks of gold due to despatches to Calcutta and encouraging advices from other markets. Forward gold, therefore, touched a high of Rs. 89-7 today, the highest since the end of June, 1953. However, just before the close, there was a sharp reaction, due to profit-taking.

After a spell of idleness in the initial days of the week, silver also followed suit and brisk advances were registered as the week progressed. Heavy purchases by a leading bull operator, fairly good offtake in the ready position and upward trend in other markets, all combined together and lifted the price to high levels not seen for several months now. Towards the close, the bulls themselves made frantic efforts to bring down the prices by booking profits, in order to avoid payment of margin. But short-sellers were successful in resisting the efforts of the bulls and forced them to pay margin yesterday on their outstanding purchases. The enforcement of margin, however, did not have any effect on the bullish sentiment. On the other hand, the battle was carried to a further stage today, when there was a further rise in silver prices. In this tug-of-war, the bears would appear to have overdone their part, with the result that the *budla* charges, which were till this morning in their favour, turned against them at the close.

Gold for forward delivery (17th February settlement) began at Rs. 86-1 and soared to Rs. 87-15 on Monday. As the closing rate on that day stood at Rs. 87-13, that is, above the margin levels, the bulls were obliged to pay the margin. Despite this, forward gold continued its upward trend and touched today a high of Rs. 89-7 before closing at Rs. 88-8. The next settlement began at Rs. 85-14 and registered a high of Rs. 89-2 today, but was lower at Rs. 88-4 at the close.

Ready gold opened at Rs. 86-6 and closed at Rs. 88-12, after being marked up to Rs. 89-12. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 10,000 tolas. The daily average offtake was of the order of 9,000 tolas.

Forward silver (18th February settlement) began at Rs. 161-14 and, after a drop to Rs. 161-7 early on Saturday, appreciated to Rs. 164-2 yesterday. The closing level on that day having stood at Rs. 164-1, that is nearly a rupee more than the margin levels, the bulls were obliged to pay the margin. However, the upward trend continued further today, when a high of Rs. 166-5, a record since the middle of May, 1953, was touched. The closing was, however, a shade lower at Rs. 166-2. Forward trading in the next settlement opened the week at Rs. 162-5 and advanced to Rs. 165-11 at the close today.

Ready silver (.996 Mint) was done at a premium of As. 4 over the forward rate for the first settlement. The floating stocks of silver are placed at 2,250 bars. The daily average offtake was 25 bars.

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

	17-2-54	Highest	Lowest	10-2-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 12	89 12	86 5	86 5
Forward	88 8	89 7	86 0	86 1
Sovereign	57 4	57 4	57 0	56 8
SILVER				
Ready (.996 fine Mint) ..	166 6	166 9	161 11	162 1
Forward	166 2	166 5	161 7	161 15
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73¼d.
New York Ready	85¼c.	—	—	85¼c.

HIDES IN GOOD DEMAND

(From Our Own Correspondent)

KANPUR, *14th February*

During the week under review, the hides end skins market put on a confident note. There was strong and persistent demand for wet salted buff which registered a substantial rise in prices. The fresh supply of both wet salted cow and buff was considerable. The local tanners and the Madras dealers were the main purchasers. The country dealers effected considerable business in second grade cow.

Latest quotations are: Wet salted cow, 1st grade Rs. 400 to Rs. 320, and 2nd grade Rs. 260 to Rs. 240 per score; wet salted buff, 1st grade 1 lb. 8 ozs. and 2nd grade 1 lb. 14 ozs. to 2 lbs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

SPOT COTTON FIRM

(From Our Own Correspondent)

BOMBAY, *17th February*

...owly but steadily, the world supply position with regard to cotton seems to have changed from a fear of plenty to apprehensions of paucity. At the beginning of the season, every cotton-producing country, except Egypt, was worried about the disposal of its crop. There was a slump in cotton markets everywhere, including the U.S.A. and India. The world production has not dwindled. If it has gone down a little at some places, as in Egypt, it has gone up elsewhere, as in India, China, Russia and the U.S. What has possibly happened is that consumption has increased imperceptibly but steadily and the demand on the supplies has grown, with the result that prices have been pushed up. Sudan and East Africa, together with Egypt, are today almost in a position to dictate their terms. The U.S.A. is now fully assured of over-stepping last year's figure for exports which at one time looked absolutely unlikely.

In this context, the increasing firmness in the spot market in Bombay and upcountry is nothing to be surprised at. All available staple varieties are being clamoured for and high premia are being paid for these. As Indian mills are not likely to get any further quotas of indigenous cotton, they have started looking for supplies abroad. As stocks at Alexandria are depleted and East Africa and Sudan can give us only limited quantities, their attention is centred on the U.S. and quite a considerable amount of business is believed to have been put through during the week in Californian cotton, after it was known that the auctions of 30,000 bales of Sudan cotton realised what amounted to almost boom prices. Even the short-staple varieties are in better demand than at any other time in the season, because of a fresh interest displayed by the Continent, Japan and the U.K. in these styles.

It is this situation which has led the Central Cotton Advisory Board, to recommend to the Government that the target of cotton production in the country for the coming season be revised from 42 to 45 lakh bales. A similar recommendation had been made by the Indian Central Cotton Committee only a week before. The Board has also concurred with another recommendation of the Indian Central Cotton Committee, namely, that special and immediate attention should be paid to increasing the production in the country of coarse and medium counts cotton alongside the present efforts made for producing more of extra long-staple cotton.

In spite of all these, the forward market appears to be worried. Heavy bouts of buying and selling are a sign of nervousness, which characterises the attitude of the operators. They are worried, because they fear that hedging pressure will be the heaviest during the interval between the February and May contracts. The forward market has got itself into a stage where it cannot work on long-term views and has to be swayed frantically by temporary developments. It is also worried because there is no escape contract at present after May. Strong pressure is, therefore, being brought on the Government to allow trading in the August contract.

The authorities do not seem to be in any hurry to oblige the operators. But once this permission is given—it is bound to be given sooner or later—there will be a tremendous buying pressure on the market, with August standing at a heavy premium over May. In the meantime, the market developed a slight diffidence early this week and the longs in both February and May contracts considered it wiser to pocket gains. This gave an opportunity to those who had hedged cotton to lift these hedges at rates much lower than they expected to pay for squaring up their commitments. This is the one forward market which is not troubled with any apprehensions about unforeseen burdens in the coming budget and, to that extent, it is free from this complicating factor.

In the forward section of the cotton market, I.C.C. February opened the week firm at Rs. 712-8, as against Rs. 710-4, the closing rate of last week. Under the impetus of persistent call-fixing by mills and bear-covering, the contract gradually moved up to Rs. 747 on the 13th inst. At higher levels, profit-taking set in and the contract staged a retreat, today's closing quotation being Rs. 713-8. The net gain over the week was thus reduced to only Re. 1. I.C.C. May was higher at Rs. 697-8 on the opening day, as against Rs. 696-4 last week. After advancing to Rs. 718 on Saturday, the contract slided down to Rs. 699-8 today, the net gain over the week being no more than Rs. 2. The trend of prices in the forward section during the week under review was as follows:

	Opening	*High*	*Low*	*Closing*
I.C.C. Feb. ...	Rs. 712½	747	711½	713½
I.C.C. May ...	Rs. 697½	718	697½	699½

The latest available prices from the spot market are:

Bengal *Deshi* Rs. 660-670; Berar *Jarillas* Rs. 840; Khandesh Rs. 850-860; Vijay Rs. 935-945; Oomra *Deshi* Rs. 730; Moglai Rs. 725.

Karachi has failed to profit by the recent rise in the New York prices. All its habitual customers are still finding prices of Pakistan cotton above the U.S. parity and there is, therefore, little inclination on their part to patronise it. In fact, the U.K. and the Continent are more interested in the short-staple *Deshi* varieties at Karachi than those styles for which the Karachi market is famous. Some business in *Deshi* cotton and N.T., however, seems to have materialised with the U.K. China, France and Pondicherry at a fairly attractive price and, if Karachi has more Sind or Punjabi *Deshi* cotton to offer, there may be buyers from the Continent at good prices. For the rest, it looks doubtful that substantial business can result at present prices, as they are higher than those for the comparable varieties in the other cotton markets of the world.

Karachi is, however, contemplating to send a delegation to the U.K. for the purpose of creating a Pak-Lancashire Cotton Committee.

The latest available quotations from the Karachi market are: Sind *Deshi* Rs. 74-12 to Rs. 75-4; Punjab *Deshi* Rs. 72-4 to Rs. 73-12; 4F Punjab R.G. Rs. 70-12; S.G. Rs. 76-12; L.S.S. Punjab R.G. Rs. 75-12; S.G. Rs. 80-12; N.T. R.G. Rs. 74-12 to Rs. 75-4; S.G. Rs. 79-12 to Rs. 80-4; 289F Punjab R.G. Rs. 79-12; S.G. Rs. 85-12.

At Alexandria, with every day, demand on its depleted supplies is growing from India and several countries on the Continent. The U.K. too has been a persistent buyer and Spain has also entered this ring. The shippers, therefore, are offering only small lots which are snapped up immediately. Internal consumption has also accounted for a good deal of Ashmouni cotton. Curiously enough, Egyptian cotton interests were keen bidders at the auction held at Khartoom in Sudan. The Cotton Commission is expected to put up its prices some time this week for all varieties.

After a long stretch of rising prices, New York has shown a very small recession for the first time during the last two days from the 34.50 cent level. This may be only a technical reaction and Indian mills would do well to take advantage of any such setbacks. The price situation is getting technically very complicated in the American markets, because of the basis of calculations on which the loan rate is based and the possibilities of withdrawals from the loan at certain price levels. Any further rise in spot prices, induced by tight supplies, might result in large-scale withdrawals, which are sure to be hedged in the forward markets. In spite of all these conflicting factors, the export demand at New York continues to be fairly brisk and no falling off from this is feared in view of the world supply position.

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

(In cents per lb.)

	16-2-54	9-2-54	2-2-54
Spot	35.05	35.00	34.80
March	34.33	34.28	34.17
May	34.38	34.37	34.33
July	34.25	34.14	34.19
October	33.58	33.41	33.37

ART SILK YARN SHOOTS UP

(From Our Own Correspondent)

BOMBAY, 17th *February*

Hectic buying by bulls, induced by scarcity of stocks and expectation of very poor imports, imparted a firm tone to the art silk yarn market in the initial sessions of the week under review. There was a swift and steady advance in prices of art silk yarn. The upward trend was, however, somewhat halted on Monday, when, on account of profit-taking, values staged a retreat. This persisted on the following day too erasing thereby a part of the earlier gains. But today, again, the market picked up strength on good demand in the spot section and values registered strident advances. The closing quotations were substantially higher than those at the end of last week.

In the forward section, 150D March contract rallied 30 points to Rs. 806 on Saturday. After receding to Rs. 791 yesterday, it recovered to Rs. 798 today. The net gain over the week was Rs. 22. Spot prices of yarn also registered handsome improvement. 120 Japan was specially favoured and hardened by As. 4 to Rs. 4-14. 120 Italy evoked enquiries and rose by As. 4 to Rs. 4-8. 150 Japan and 150 Italy were transacted each As. 2 higher at Rs. 4-8 and Rs. 3-15½, respectively.

Traders in art silk yarn feel that there is no possibility of any further bulk arrivals of yarn imported under the confirmed licences of last year. They also expect very negligible arrivals of tenderable qualities in 150 denier brights, owing to the severely restricted import policy. Under this policy, the Government has allowed only 5 per cent. of 150 denier bright yarns of the total licence value. This expected low arrivals, however, do not seem to have been based on the actual imports in recent weeks which show a rise. Thus, the quantity of art silk yarn actually imported into Bombay during the month of January, 1954, amounted to over 2.68 million lbs., as against 2.25 million lbs. in the previous month and 2.05 million lbs. two months before.

Firmness in the art silk yarn section and announcement of Government's decision not to entertain applications from established importers for importing staple fibre imparted strength to the staple fibre yarn section early this week and values tended to move upwards. Staple fibre yarn (40 x 2) March contract spurted from Rs. 693 to Rs. 721 on Saturday, due to increased buying enquiries from consuming centres. On Monday, however, a reaction set in, following pressure of sales by local and upcountry mills. There was also a rumour that a few Bombay mills were eager to sell considerable part of their output for forward delivery. Consequently, the contract slided down to Rs. 704 today. The net gain over the week was only Rs. 11. Prices of 40 x 2 staple fibre yarn—foreign and indigenous—were well maintained at about last week's levels. Among foreign yarns, Suico was quoted at Rs. 4-6, Shinco at Rs. 4-5-6, Paramount at Rs. 4-5, S. Fuji at Rs. 4-5-6 and Aurora at Rs. 4-5-6 per lb. Among Indian yarns, New City was steady at Rs. 4, New Great at Rs. 3-12-3, Vasanta at Rs. 3-12 and Hindustan at Rs. 3-9-6.

Turnover in the cotton yarn section was greatly restricted this week, and values moved within a narrow range. Superior variety yarns met with special buying support and registered handsome improvement in prices. Among 60s, Rajalakshmi advanced by a rupee to Rs. 44 per bundle of 10 lbs. Finlay and Pioneer put on As. 12 each to Rs. 59-12 and Rs. 44-8, respectively. City was higher by As. 8 at Rs. 48. Among 80s, Finlay rose by Rs. 2 to Rs. 70 and Sri Ram by As. 8 to Rs. 65. Prices of 40 count yarns also were better, Meenakshi, Madura and Gokak being quoted at Rs. 26-10, Rs. 27-4, Rs. 26-6 as against Rs. 25-14, Rs. 26-14 and Rs. 26-4, respectively. Values of 10s, 20s, and 30s were fully steady.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with the previous week:—

	17-2-1954	10-7-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	798 0	776 0
120 Japan (per lb.)	4 14	4 11½
150 Japan (per lb.)	4 8	4 6
120 Italy (per lb.)	4 8	4 4
150 Italy (per lb.)	3 15½	3 13½
Staple fibre yarn—		
40 x 2 March (per case of 200 lbs.)	704 0	693 0
Suico (per lb.)	4 6	4 6½
New Great (per lb.)	4 5½	4 5½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 8	13 8
20s Hind	16 14	16 14
30s Madura	23 14	23 12
40s Gokak	26 6	26 4
60s Raguvanshi	53 4	..
80s Finlay	70 0	68 0

GROUNDNUTS DECLINE AT CLOSE

(From Our Own Correspondent)

BOMBAY, 17th *February*

The notable development during the week under review was the announcement by the Joint Controller of Exports, Bombay, on the 16th inst., that registration of export sales, *kardi* and *niger* seeds had been stopped with effect from 15th February, 1954. It was, however, simultaneously announced that export of *kardi* and *niger* oils would continue to be licensed freely to all permissible destinations upto the end of June, 1954. It will be recalled that it was announced on 12th January, 1954, that export of *kardi* and *niger* seeds would be allowed only against prior sales to buyers abroad. These sales were required to be registered with the export control authorities, before shipment was effected.

This development had a bearish effect on the market. The groundnut and linseed sections which ruled almost firm, prior to the announcement on Tuesday, staged a mild recession thereafter. The initial firm trend in groundnuts was due to bull support on reports of small arrivals. In the linseed section, prices were marked up, on news of an export business of about 300 tons of oil having been put through with Australia at £109 c. & f. per ton; it was also rumoured that crop prospects this year were not as bright as expected earlier. The castorseeds section, however, ruled slightly easy, in the absence of any indication of announcement of export quotas in the shortrun.

In the groundnut section Bold ready, which was done early in the week at Rs. 34-8, as against Rs. 33-10, shot up to Rs. 35 on the 15th inst., and thereafter declined to Rs. 34-8. February-March gained As. 9 to Rs. 34-3 and April-May As. 6 to Rs. 34-6. Khandesh quality was higher by As. 14 at Rs. 35. Groundnut *ex*-mill and railway receipt each improved by As. 5 to Rs. 17-6. March and April deliveries were done at Rs. 17-9 and Rs. 17-12, as against Rs. 17-4 and Rs. 17-7, respectively.

The linseed section came in for considerable enquiry. Bold ready which changed hands at Rs. 26-10 on the 11th inst., as against Rs. 25-4, shot up to Rs. 27-8, before gradually declining to close at Rs. 26-8. February-March improved from Rs. 23-8 to 24-8 and April-May Rs. 23 to Rs. 24. Linseed oil rallied As. 4 to Rs. 15.

Operators in the castorseeds section were hesitant to commit themselves, in the absence of any possible insight into the export policy likely to be adopted by the Government. May delivery which opened steady at Rs. 113-12, fluctuated between Rs. 114-14 and Rs. 113-2, before closing at Rs. 114-4. Madras quality lost As. 4 to Rs. 24-4. Castor oil B.S.S. was done at Rs. 13-10 as against Rs. 12-10, I Pressures at Rs. 12-14 as against Rs. 12-6 and Commercials at Rs. 11-14 as against Rs. 11-2.

Among others, *kardi* bold, which improved from Rs. 20-8 on the 11th inst. to Rs. 21 on the 13th inst., declined gradually to close at Rs. 19-8. *Niger* F.A.Q., which was steady at Rs. 28-8 on the 11th inst., advanced to Rs. 29 before closing at Rs. 28-6. Madras quality lost As. 10 to Rs. 29.

Arrivals of oilseeds and oils from 1st January to 11th February, 1954, as compared with those in the corresponding period last year, were as follows:

(In cwts.)

	1954	1953
Groundnut	470,656	602,575
Linseed	8,095	7,171
Castorseed	3,594	94,856
Groundnut oil	166,582	155,892
Linseed oil	6,148	2,763
Castor oil	2,610	21,408

The following table shows the prices of oilseeds and oil on the 17th inst., as compared with those at the end of the previous two weeks.

	17-2-54	10-2-54	3-2-54
	Rs. a.	Rs. a.	aR. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 0	34 2	35 0
Bold February-March	34 3	33 10	34 2
April-May	34 6	34 0	34 12
Linseed—			
Bold Ready (per cwt.) ..	26 8	25 4	26 0
February-March	24 8	23 8	23 10
April-May	24 0	23 0	23 2
Castorseeds—			
May 1954 (per candy)	114 4	113 12	113 0
Madras (per cwt.)	24 4	24 8	24 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 6	17 1	71 10
Castor Oil—			
Commercial (per quarter) ..	11 14	11 2	12 10

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 17th *February*

Barring slightly easy conditions today, the Bombay sugar market ruled fully steady during the week under review. The chief factor which imparted steadiness to the market during the major part of the week was the firm advice from the London sugar market where the price of British refined sugar has spurted by 10s. to £39-10 per ton c.i.f. Bombay, following the Government of India's decision to import larger quantities of foreign sugar. The bullish feeling was also sustained by renewed expectation of appreciably lower sugar output in the current season and reports that fresh imports of sugar would not be arriving earlier than two months. On top of these, there were firmness in *gur* prices and strong advices from U.P. sugar markets. The buying support that ensured as a consequence lifted up the prices of sugar. But the improvement was halted today, when, on announcement of the Government's decision to effect immediate shipments of sugar to meet the internal shortage, prices staged a retreat. Over the week, however, sugar values were more or less maintained at last week's levels.

In the ready section, small, medium and large grain sugars were quoted today at Rs. 91, Rs. 93 and Rs. 97-99 per bag, respectively, same as last week. Among foreign sugars, British refined was steady at Rs. 85 per bag of 2 cwts., Cuban at Rs. 36-12 per 100 lbs. and Czechoslovakian at Rs. 83-88 per bag of 220 lbs. Mexican sugar was higher by As. 4 at Rs. 40-12 per 100 lbs. German sugar hardened by As. 12 to Rs. 82-12 per bag of 2 cwts.

In the forward section, *Fagan* delivery firmed up from Rs. 83-4 to Rs. 85-6, but reacted to Rs. 84-8 today. *Maha* delivery was quoted at Rs. 82-12, as against Rs. 83 a week before.

Arrivals of sugar in the market were larger this week too, the quantity actually received being 7,100 bags, as against 6,700 bags last week and 6,500 bags two weeks before.

A notable development during the week under review was the Central Food Ministry's announcement of the decision to import 500,000 tons of foreign sugar with a view to meeting a part of the country's demand, estimated at 1,700,000 tons. The present time being the fag end of the season on the Continent, the sugar markets there are ruling firm. British refined sugar is now being quoted at £39-10 per ton c.i.f. Indian ports. Since the offers are invited on c. & f. basis for immediate shipment, it is understood that important offers are currently being negotiated in New Delhi for shipments during the next month.

UPWARD TREND IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 17th *February*

The pepper market during the week showed a slow but steady rising tendency under pressure of buying by the exporters against their sale to Russia and the U.S. New York, after waiting in vain for a lower price, is also reported in the market and has been a continuous buyer for February shipment at prices ranging from $0.81 to $0.84½. Once again, Indian growers have showed their holding power and forced the bears, both in India and in New York, to cover at sellers' price. Selling pressure from pepper growers in Alleppey area is now reported to be on the wane, the small holders in need of money having already liquidated a major part of their harvest. Arrivals in Tellicherry are reported on an increase, but the steadiness on the part of Alleppey growers has its sympathetic reflection on their counterparts in Tellicherry, who are revising their price idea from time to time in parity with the quotations from Alleppey.

Representatives of a couple of New York dealers are now on a visit to Bombay. Their constructive views on the immediate future of pepper are also responsible for the present reserved attitude of the Indian exporters. Russia is reported to have bought about 1,250 tons, and it is possible that the country may take a few hundred tons more for shipment during February.

The Indian exporters' present policy of shipping pepper on consignment basis to New York has also had a steadying effect on the prices in the Indian market though such consignments may weaken at times the technical structure of the New York market. As long as the spot price in New York is quoted at a premium, the shipping of consignments in most cases has so far proved a paying proposition, particularly, in view of the policy of the New York dealers of keeping their market half-starved.

Some exporters are reported to have paid Rs. 1,850 for ungarbled at Alleppey.

In the A.S.T.A. section, February was done from $0.81 to $0.84½, while March found buyers up to $0.85 April-May-June shipments also were in demand at $0.84½.

In the delivery section, a sympathetic rise in the prices was recorded and February and March delivery were done at Rs. 1,520 and Rs. 1,545 respectively.

Following are today's nominal quotations:—Ready delivery Rs. 190-240 per B.m. February Rs. 1,500-1,520, March Rs. 1,530-50 and April Rs. 1,550-70 per candy of 5¼ cwts.

JUTE GOODS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 16th *February*

The jute goods market continued to present steady conditions during the week under report. Excepting a small rise in the value of goods, the market was devoid of any development worth reporting. The rise was more due to short-covering than to any actual business activity in the market. Factors such as lower stocks with mills, as indicated by the figures released for January, the prospects of lower production in February which is always a short-working month and revival of purchasing demand after the ensuing Central budget, all indicated the possibility of a bear-squeeze in the coming weeks. Consequently, bears preferred to cover their sales and prices, as a result, staged minor advances. Overseas enquiries were few and far between, and activity remained restricted.

On reported low stocks of hessians sentiment of the market changed with quotations for 40 oz. 10" recording gradual improvement. Opening the week at Rs. 45-9 per 100 yards, the rate rose steadily and slowly to Rs. 45-12 on the 12th inst., Rs. 46-6 on the 15th inst., and to Rs. 46-12 today. B. twills moved in sympathy with hessians from Rs. 102-8 to Rs. 105-10.

Raw jute market remains dull. In the absence of any enquiries for jute goods, mills were not showing any anxiety to make purchases. Quotations, therefore, remained unchanged. Assam bottoms were quoted nominally at Rs. 27-8 per maund throughout the week.

TEA DUSTS RECEDE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 13th *February*

1,60,000 lbs. were offered in dust sale "C" which was held on Tuesday, 9th February. There was less demand this week after the steep rise in prices in dust sale "B" and the market declined fully As. 3.

London Market—Sale of 8th February.—Half to one penny dearer.

Sale of 10th February.—Half penny dearer.

Colombo Market.—Dearer, particularly lower sorts, and all leaf. Good B.O.Ps. opened dearer and closed at last rates.

Calcutta Market—Export.—Opening little disappointing, but in general rates remained steady with stronger tendency towards the close.

Dust.—No sale this week.

Export Quota.—The market strengthened during the beginning of the week and business was done at 46 pies, which remains today's quotation.

Forthcoming Auctions.—Dust sale "D" will be held on Tuesday, 23rd February.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire:—

"Sale 4.—8,44,000 lbs. Good general demand. Low and low medium irregularly As. 1 to As. 2 dearer. Medium fully firm. Best liquoring irregular and sometimes easier. Whole leaf weakest feature."

CEREAL PRICES RECOVER

(From Our Own Correspondent)

HAPUR, 15th *February*

Foodgrain markets have been quiet to steady during the week under review and prices in the open market have tended to get stabilised after the recent post decontrol fall in coarse grains. In some of the markets, there has been slight recovery in cereal prices, while in others the downward march has been arrested. Movements of coarse grains from surplus to the needy areas have been well maintained. Rice and wheat movements continue to be controlled and it is thought very probable that the Union Government will prefer to wait at least till the end of June this year by which time the *kharif* crop prospects may be assessed with some confidence. The State Governments are free to relax such restrictions, as there may be on distribution and consumption of rice within their States. Such restrictions in respect of wheat are already withdrawn.

The overall food position in the country continues to be very satisfactory. Mr. Kidwai says that prices have been declining everywhere. The policy of the Government of India to sell imported wheat at Rs. 15-8 per maund in the market, according to him, has greatly helped to maintain a low trend in the prices of foodgrains. Mr. Kidwai has expressed the hope that, with the arrival of new wheat after the harvesting season, the prices of food will touch still lower levels. The Government of India has reduced by Re. 1 per maund the price of imported wheat to be supplied to flour mills for the manufacture of fines. The new price of imported wheat to be so supplied to the mills will be Rs. 18-1 per maund. Owners of flour mills are prohibited from manufacturing fines from indigenous or imported wheat not specifically issued to them by the Central or State Governments.

It is now authoritatively stated that the Government of India will import 600,000 tons of rice from Burma this year for the purpose of building a reserve stock. Negotiations for the purchase of rice have been conducted on a Government-to-Government basis. No immediate major changes in the food policy are likely to follow this rice agreement. The Government will continue to meet the needs of the deficit States from internal procurement by other States, the declared surplus of which is stated to be quite comfortable for the purpose. It is reliably learned that the Burma rice may cost about Rs. 25 per maund, whereas the bulk of internal procurement falls within the range of Rs. 15 to Rs. 20 per maund. Thus, the internal price structure in respect of rice may not be affected by the imported stocks. It is learned further that shops may be started in Calcutta from where people would be enabled to purchase the rice imported from Burma at the controlled price in any quantity.

During the week ended 3rd February, 1954, India received 15,600 tons of foodgrains from abroad. The total arrivals since 1st January are: wheat 2,400 tons, rice 13,200 tons and milo 8,100 tons.

In the local market, foodgrains and pulses remained depressed for most of the period. The decline in the price of peas recently gave a stimulus to the speculators to indulge in heavy short coverings. Futures rallied after a sharp fall and the volume of business increased. The latest local market quotations (per maund) are: Ready wheat Rs. 16-4 to Rs. 18-8; gram Rs. 13 to Rs. 13-8, barley Rs. 10, *bejhar* Rs. 10; maize Rs. 11 to Rs. 11-8; *bajra* Rs. 11 to Rs. 11-12, *jowar* Rs. 9 to Rs. 11-8, *guwar* Rs. 9 to Rs. 9-6, *rice: basmati* Rs. 29, *sela* Rs. 22 to Rs. 24 and coarse Rs. 19; peas ready Rs. 9-8 and *jeth* Rs. 9-5-6, *arhar* Rs. 10-8, *jeth* Rs. 10-5-6, *urd* ready Rs. 16, *baishak* Rs. 14-12 and *guwar maha* Rs. 8-3.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 15th *February*

Crystal sugar markets ruled generally steady. There was considerable speculative activity in the bigger centres like Kanpur. Troubled conditions continued in the sugar industry in Uttar Pradesh this week also. Mr. Kidwai's efforts to bring about a settlement between the cane growers and the industrialists failed and eyes are now set towards the tripartite conference which the U.P. Government propose to convene this week on the advice of Pandit Pant. The U.P. Hind Kisan *Panchayat* which has sponsored the cane strike in U.P. rejected Mr. Kidwai's formula for the sharing of the excess profits, since the Committee's view was that the formula would bring only an extra anna per maund to the sugarcane producers.

The Bihar cane growers who were scheduled to stop supplies to sugar mills from today have postponed their strike. Mr. M. P. Sinha, Chairman of the State branch of the P.S.P., said that the decision to postpone was taken as the crushing season in most of the mills was about to close. The position is very much different in U.P. According to the Kanpur office of the *Amrit Bazar Patrika*, sugarcane worth Rs. 10 crores is estimated to be standing in the fields in U.P. and, if the strike move succeeds, a large number of the *kisans* will be involved in it. The total estimated sugar produce in U.P. is about 7 lakh tons and the 66 sugar mills consume 70 lakh tons of sugarcane every year. By this time, about 40 lakh tons of sugarcane must have been consumed. If the rural cane crushing industry's usual consumption is to be taken into account, about Rs. 4 crores worth of cane requires to be diverted to that channel.

Pointed atention was drawn to the present short supply of home sugar, its high cost and mounting consumption which necessitated the import of 240,000 tons at a cost of over Rs. 17 crores, by Mr. K. L. Khanna, Director, Sugarcane Research and Development Section, at the Research and Development Workers Conference held at Jullundur this week. For augmenting the existing sugar production, he suggested strict demarcation of "white sugar" areas for factories save for manufacture of *gur* for bona fide domestic use, rapid rail and road transport, harvest control and mist spraying of cane in transit at 2 gallons per 10 ton wagon.

The Union Food Minister has stated that the Government of India is likely to import 4 lakh tons of sugar in order to prevent any undue rise in sugar prices. It would be in addition to the 3 lakh tons already imported. Mr. Kidwai is satisfied that sugar imports have not only maintained a steady level of prices in Calcutta, Madras and Bombay markets where it was actually released for sale, but they have also prevented a rise in the States, like the U.P. which produce sugar, by not taking away sugar from them to other parts of the country.

The latest mill delivery quotations in the Hapur markets are: *Jaswant* Rs. 30-13, *Simbhauli* Rs. 30-15, *Amroha* Rs. 30-8, *Bijnor* Rs. 30-9, *Dautala* Rs. 31-12, *Mansoorpur* Rs. 31-12, *Rampur* Rs. 33, *Sakoti* Rs. 30-14, and *Sehora* Rs. 30-11 and retail Rs. 33.

Gur markets remained quiet to steady. There was reduced offtake due to small arrivals and only restricted railway loading except on one or two days of the week. Receipts were unexpectedly low and there were fears that the overall production of *gur* might record a shortfall this year. Besides, the weather remained overcast and peasants have suspended *gur* manufacture in preference to preparing for next crop sowings. There was not much encouraging enquiry from the importing areas, particularly from Gujerat. *Gur* stockists in the South are inclined to hoard at current prices, while their counterparts in the North do not favour that. There has been some stock accumulations now in Hapur, Meerut and Muzaffarnagar markets, but this has not been by choice. Railway clearance being restricted, stocks went on piling. The continued fall in other agricultural produce prices and Mr. Kidwai's repeated declarations that his Government would keep sugar prices quite low were the strong incentives not to hoard at the prevailing high prices. Prices in the futures section moved low for some time, but towards the close of the week growing uncertainties about the sugarcane strike in U.P. and a spectacular rise in cotton futures induced heavy speculative activity in *gur* futures also, with the result that prices staged a good recovery. In the ready section *Pansera gur* at Hapur was quoted today at Rs. 15-2, while *Fagan* future was quoted at Rs. 15-6. *Low* during the week had touched Rs. 14-6.

Ankapalli in the south has yet to receive over 60 per cent. of the seasonal *gur* arrivals. There was good enquiry from Gujerat. Biltlicut was quoted at Rs. 16 to Rs. 18-8. Kolhapur quoted Rs. 17-8 to Rs. 25, and had already received nearly 13 lakh lumps and was expected to get another 6 or 7 lakhs. Karnatak and Gujerat met with sustained enquiry. Baramati was getting 3 to 3½ thousand maunds of *gur* daily. There, the trader stockists were hoarding at these prices. Yellow was quoted at Rs. 20 to Rs. 20-4, and red Rs. 17.

KIPS CLEARANCE SLOW

(From Our Own Correspondent)

MADRAS, 15th *February*

Arrivals of kips were as usual and clearance slow. Inferior fifths were in good demand lowly at one to two pence over U.K. levels. Enquiries from the U.K. have been at a penny below Madras prices for selected grades and weights and trading has been restricted and the tone is bearish especially for light weights. Buff heavies were firm but calf skins were neglected. There were some enquiries from U.S. for buff calf and buff lights at low prices which however resulted in business, more for financial reasons.

In the tanned skins section, clearances of stocks in the local market were good and prices ruled unchanged.

The Government of India wish to introduce the *agmark* scheme to control the quality of tanned hides and skins exported from Madras and have asked the trade to give their reactions before the end of the month. The Government want to enforce it at the port of export; the shippers desire to have it at the place of origin viz., tanneries, and the local tanners do not want any control as they are able to find a market for anything produced. At a meeting of the shippers held last week, it was decided to suggest to the Government of India to call a joint meeting of the tanners and shippers with the Government to arrive at a workable scheme.

MANCHESTER LETTER

(*Concluded from page* 301)

It is generally agreed that Egyptian spinners will either be forced to purchase supplies only when they book orders or speculate by securing quantities of cotton ahead without being able to obtain any satisfactory cover. In both directions, they stand to lose, whether by lack of continuity of suitable qualities, or financially when the market moves against them.

It is highly unlikely that merchants under the proposed conditions will build up a reasonable stock of Egyptian type cotton for spot purposes. The Government has been warned that there is no chance that a strategic stock of suitable cotton of such qualities will be available, if the need should arise.—*All Rights Reserved.*



MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	5th Feb., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,173.82	1,156.01	1,154.76	1,123.93
Notes held in Banking Department	35.05	9.43	18.37	9.65	16.97
Foreign Securities	39.50	628.15	618.15	608.15	568.15
Rupee Securities	37.39	421.35	421.35	421.35	450.06
Banking Department					
Deposits of :					
Government of India	14.89	93.28	101.60	107.01	157.46
Other Governments	..	19.51	23.29	15.05	5.70
Balances held abroad*	10.08	108.14	116.17	122.25	151.48
SCHEDULED BANKS					
Demand Liabilities	134.37	516.55	520.09	513.64	525.00
		(6.50)†	(7.66)†	(8.02)†	(12.89)†
Time Liabilities	102.84	329.45	327.27	329.04	315.27
Borrowings from		(1.52)†	(1.62)†	(1.43)†	(1.83)†
Reserve Bank	..	17.84	13.11	8.52	6.48
		(4.40)‡	(1.10)‡	(0.79)‡	(0.74)‡
Borrowings from Imperial Bank	..	12.85	11.84	9.11	7.11
Cash in India	6.71	32.10	31.74	32.10	32.09
Balances with Reserve Bank	25.23	87.10	88.18	89.72	41.96
Excess over statutory limits	15.52	4.68	5.62	7.46	9.41
Balances with other banks in current account in India	..	10.49	10.51	11.39	10.54
Money at call and short notice in India	..	8.63	10 51	10.60	16.87
Investments (at book value)	105.09	322.20	322.72	329.02	307.45
Advances and bills		511.26	505.57	484.49	497.57
IMPERIAL BANK					
Deposits	87.76	210.98	208.70	206.85	208.69
Investments	51.99	90.22	90.19	94.77	85.48
Advances	30.37	122.56	119.32	111.98	121.85
Cash	14.49	12.89	14 35	14 18	14 24

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	12th February, 1954		5th February, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	262,824	53,32,96,000	262,265	59,61,55,000
Calcutta ..	130,572	47,64,42,817	155,644	64,31,56,161
Madras ..	75,250	7,24,43,246	80,892	8,29,75,558
All Centres—				
1952 ..	..	..	1,06,41,041	26,79,51,57,000
1953 ..	..	..	1,14,88,214	26,45,08,000
Nov., ..	..	..	2,550,000	5,84,20,00,000
Dec., ..	..	..	2,886,000	6,26,45,000

Reserve Bank of India
Statement of Affairs for the week ended 12th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	91,54,42,000
(2) Other Governments	17,00,09,000
(b) Banks	40,30,72,000
(c) Others	62,62,08,000
Bills Payable	5,42,94,000
Other Liabilities	16,65,87,000
Rupees	243,56,12,000

ASSETS	Rs.
Notes	13,37,96,000
Rupee Coin	14,51,000
Subsidiary Coin	4,58,000
Bills Purchased and Discounted—	
(a) Internal	36,75,000
(b) External	..
(c) Government Treasury Bills	13,70,83,000
Balances held abroad*	101,42,75,000
Loans and Advances to Governments	1,02,00,000
Other Loans and Advances	23,78,90,000
Investments	71,21,49,000
Other Assets	8,46,54,000
Rupees	243,56,12,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 10,86,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 15,23,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,37,96,000	
Notes in circulation	1179,56,33,000	
Total Notes issued		1192,94,29,000
Total Liabilities		1192,94,29,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	638,15,11,000	
Total of A		678,16,82,000
B. Rupee Coin		
Government of India Rupee Securities		421,84,27,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1192,94,29,000

Ratio of Total of A to Liabilities: 56.848 per cent.

Scheduled Banks *
Statement of Affairs for the week ended 5th Feb., 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	6,49,64,000†
	(ii) Other demand liabilities	510,05,82,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	1,52,00,000†
	(ii) Other time liabilities	327,93,15,000
3.	Cash in India	32,09,83,000
4.	Balances with the Reserve Bank in India	87,09,91,000
5.	Balances with other banks in current account in India	10,48,52,000
6.	Money at call and short notice in India	8,62,95,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	322,19,95,000
8.	Advances in India	459,14,64,000
9.	Inland Bills purchased and discounted in India	52,11,12,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1953					
24th November	1.00	1.56	1.00	2 6 10	93
1st December	1.00	1.10	1.00	2 7 0	91
8th ,,	1.00	1.72	1.00	2 7 2	87
15th ,,	1.00	1.00	1.00	2 7 0	100
1954					
5th January	1.00	1.88	1.00	2 7 9	70
12th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
16th ,,	1.00	1.09	1.00	2 9 11	92
Total	11.00	13.49	11.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India	1948	342.12	..	2,730	255
Pakistan	1949	75.04	..	1,671	222
Burma	1951	18.87	Kyats 3,166	317	169
Ceylon	1951	7.74	..	451	582
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1951	20.35	Ps. 7,564	1,886	926
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1951	8.48	£ (A.) 2,228	2,464	2,917
U.K.	1952	50.42	£ 18,643	19,197	3,808
U.S.A.	1952	156.98	$ 290,400	125,250	2,808
Canada	1952	14.48	$ 19,315	8,161	1,362
Norway	1952	3.32	Kr. 10,100,000	13,564	4,224
Sweden	1952	7.13	Kr. 29,170	2,852	5,122
Netherlands	1952	10.58	Fl. 17,600	5,218	3,104
Denmark	1951	4.30	Kr. 20,716	1,429	3,246
Switzerland	1952	4.82	S. Fr. 20,100	3,189	4,841

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

State Bank of Pakistan
Statement of Affairs for the week ended 5th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	19,09,94,000
(b) Provincial Governments	1,83,68,000
(c) Banks	22,09,00,000
(d) Others	2,30,34,000
Bills Payable	15,89,000
Other Liabilities	4,87,20,000
Rupees	44,38,07,000

ASSETS	Rs.
Notes	4 93,12,000
Rupee Coin	4,000
Subsidiary Coin	7,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	49,97,000
Loans and Advances to Governments	2,63,00,000
Provincial Governments' Debtor Balances	1,67,77,000
Other Loans and Advances	5,45,00,000
Investments	19,04,72,000
Other Assets	10,25,26,000
Rupees	44,38,07,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,93,12,000	
Notes in circulation	231,72,95,000	
Total Notes issued		236,66,07,000
Total Liabilities		236,66,07,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	47,47,92,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B Rupee Coin	5,49,19,000	99,28,07,000
Government of Pakistan Securities	127,64,06,000	
Internal Bills of Exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		133,13,25,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,66,07,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.62 per cent.

EXCHANGE RATES

	16th February, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅜	1-5⅜
Buyers T.T. 10 to 12 months	1-5⅜	1-5⅜
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476½	476½
Buyers T.T.	Rs. 471	472
London on New York	$ 2.81⅛-2.81⅛	2.81-3.81½
London on Paris	Fcs. 980⅜-980⅝	979¼-979½
London on Berne	Sw. Fcs. 12 20⅜-12.20⅝	12.21⅛-12.21⅜
New York on London	$ 2.81⅛-2.81⅛	2 81-2.81⅛

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1952	5	4
Belgium	26th Oct., 1953	2	2½
Canada	17th Oct., 1951	2	3
Ceylon	25th July, 1952	2½	3
Denmark	23rd Sept., 1953	4½	4
Finland	16th Dec., 1951	7	6½
France	4th Feb., 1954	3½	3½
Greece	18th July, 1946	18	15
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1948	7.11	5.84
Netherlands	7th April 1948	3	2½
New Zealand	24th July, 1941	3	4
Norway	9th Jan., 1946	2	1½
Pakistan	1st July, 1948	3	3½
Portugal	16th Dec., 1951	3	..
South Africa	27th Mar., 1952	3	3½
Spain	20th Nov., 1940	3½	4
Sweden	20th Nov., 1946	4½	4
Switzerland	24th Nov., 1936	2	2½
Turkey	28th Feb., 1951	5	8
United Kingdom	17th Sept., 1953	3	4
U.S.S.R.	1st July, 1936	6	4
U.S.A.	31 Jan., 1954	2	1½
West Germany	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In lakhs of Rs.)

	May, 1952	May, 1953	Two months — April and May, 1952	Two months — April and May, 1953
Import Duties :				
Revenue	12 05	9.01	20.85	16.23
Protective	60	47	1.57	96
On surplus disposals	..	..	..	..
Total import duties	12.68	9.51	22.22	19.23
Export Duties	5.84	2.74	9.94	5.77
Land Customs	21	9	41	21
Miscellaneous	11	6	18	11
Gross total customs	18.84	12.40	32.75	25.31
Refunds and drawbacks	24	12	53	54
Net Customs	18.10	12.28	32.22	24.97
Gross excise	7.41	5.76	14.18	16.87
Refunds	16	5	30	11
Net Excise	7.25	5.71	13.88	16.76
Net total of customs and excise	25.35	20.99	46.07	41.73

Imperial Bank of India
Statement of Affairs for the week ended 12th Feb., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25 00,000
Deposits and other Accounts		209,24,94,000
Borrowings from other Banking Companies/Agents		10,45,27,000
Bills for Collection being Bills Receivable as per contra		1,75,56,000
Acceptances, Endorsements and Other Obligations as per contra		51,65,000
Other Liabilities (including Inter-Office Adjustments)		77,000
Total	Rs.	1,90,54,000
		235,86,33,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,75,80,000
Balances with other Banks		3,79,54,000
Money at Call and Short Notice		1,00,00,000
Investments	79,73,06,000	
Government and other Trustee Securities	10,58,20,000	
Other Authorised Investments		90,31,26,000
Advances— Loans, Cash Credits and Overdrafts, etc.	107,44,91,000	
Bills Discounted and Purchased	18,02,97,000	
Bills Receivable being Bills for Collection as per contra		125,47,88,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		51,65,000
Premises less Depreciation		77,000
Furniture and Fixtures less Depreciation		1,80,33 000
Other Assets (including Inter-Office Adjustments)		40,20,000
		1,55,88,000
Total	Rs.	235,86,33,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †									
	5-Year		7-Year		15-Year		Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Saving Bank Deposits. Outstandings ●	2½% Ten-Year Treasury Savings Deposit Certificates ‡
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts / Outstandings*
1948-49 ..	2.54	1.47	76	74	29.40	22.56	83.26	29.91	—	12.31 / 12.19
1951-52 ..	1.75	3.08	77	1.91	23.98	46.81	1,07.55	74.18	—	27.55 / 18.39
1952-53 ..	1.63	4.84	66	3.27	23.64	64.18	1,12.36	91.01	—	21.06 / 25.64
November 1952	10	6.50	3	3.16	1.71	77.29	8.03	85.54	—	29.99 / 22.49
December ,,	8	6.51	3	3.16	1.66	77.84	8.45	89.95	—	30.23 / 48.54
January 1953 ..	19	6.54	4	3.19	2.02	80.77	8.88	89.09	—	30.51 / 24.48
February ,,	14	6.61	5	3.22	1.56	82.14	9.36	84.36	—	30.76 / 23.06
March ,,	22	6.86	9	3.27	2.64	84.18	12.75	91.01	—	31.06 / 23.29
April ,,	11	6.80	5	3.27	2.34	85.95	9.64	93.01	—	31.80 / 26.38
May ,,	12	6.83	4	3.29	2.06	87.57	9.55	92.80	—	31.52 / 27.00
June ,,	11	6.83	4	3.31	2.28	89.33	9.43	95.80	—	31.78 / 27.54
July ,,	1	6.72	11	3.38	2.23	91.02	10.26	95.18	—	32.06 / 28.20
August ,,	1	6.67	9	3.44	2.22	92.33	8.76	96.67	—	32.56 / 28.20
September ,,	—	6.59	12	3.53	2.04	94.38	9.20	97.72	—	32.71 / 29.41
October ,,	—	6.51	12	3.58	1.97	95.83	8.58	97.72	—	32.93 / 29.93
November ,,	1	6.38	9	3.65	2.08	97.57	7.89	97.55	—	33.23 / 30.84
December ,,										45 / 30.75

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *
(Base 1949-50=100)

Group and Sub-Group	Week ended 2-1-'54†	30-1-'54	6-2-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.3	90.3
1. Government of India	90.1	90.1	90.2
2. Indian States	95.6	95.6	95.6
3. Municipal, Port Trust, etc.	89.2	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.6	101.6	101.6
1. Electricity	103.4	103.1	103.1
2. Jute	98.8	98.8	99.8
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.1	103.5	103.8
7. Shipping	103.1	103.1	102.8
8. Others	100.2	100.3	100.3
PREFERENCE SHARES	88.1	87.6	87.7
1. Electricity	96.6	96.4	96.4
2. Cotton	84.0	84.7	85.3
3. Jute	86.9	85.3	84.8
4. Coal	91.0	91.0	90.8
5. Iron and Stee	90.8	90.3	91.6
6. Sugar	76.1	74.1	74.1
7. Paper	90.4	90.1	90.1
8. Plantations	90.5	89.8	89.8
9. Miscellaneous	87.4	87.4	87.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	97.9	100.0	101.0
(a) Financial	88.7	87.8	87.9
1. Banks	93.5	92.9	93.7
2. Insurance	95.5	97.5	97.6
3. Investment Trust	76.1	75.6	77.2
(b) Public Utilities	107.4	109.2	110.4
1. Electricity	114.8	116.0	116.7
2. Shipping and other Transport	98.4	99.6	102.9
3. Railways	79.2	79.2	84.7
(c) Manufacturing Industries	99.7	102.3	103.7
1. Cotton, Woollen and Silk	98.1	100.0	101.8
2. Jute	83.8	81.4	81.7
3. Iron and Steel	108.1	115.7	116.6
4. Paper	164.7	172.5	177.4
5. Cement	121.6	117.3	118.7
6. General Engineering	122.0	124.7	126.1
7. Sugar and Breweries	85.7	88.1	89.4
8. Chemicals	103.1	107.2	108.7
d) Non-Manufacturing Industries	102.4	107.6	108.2
1. Coal	75.9	77.1	77.0
2. Mining and Oil	140.2	154.2	160.0
3. Plantations	102.9	105.6	105.8
(e) Miscellaneous	90.3	92.4	92.9
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	—	89.8	89.8
2. Calcutta	90.2	90.2	90.3
3. Madras	90.6	90.6	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	—	102.0	101.9
2. Calcutta	102.4	102.8	102.8
3. Madras	100.1	100.1	100.0
PREFERENCE SHARES			
1. Bombay	—	91.8	92.6
2. Calcutta	85.2	84.6	84.8
3. Madras	89.2	88.9	88.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	—	109.2	110.2
2. Calcutta	92.2	93.0	93.8
3. Madras	94.2	97.4	99.3
4. Delhi	92.5	99.8	100.8

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series. † Bombay Market closed during the week.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	19,806,704
1951 ..	1,071	491,381	2,818,928
1952 ..	965	809,242	3,336,961
Nine months ended Sept., 1950	584	513,787	10,062,255
Do Sept., 1951	956	599,884	3,075,644
Do Sept., 1952	889	757,556	2,859,081
Do Sept., 1953	690	407,915	2,084,040
January 1952 ..	95	108,831	674,249
February ,,	66	62,180	218,807
March ,,	87	42,436	148,493
April ,,	124	49,437	234,546
May ,,	118	80,099	254,895
June ,,	101	99,281	257,093
July ,,	62	40,754	171,288
August ,,	88	48,585	148,533
September ,,	96	57,876	466,841
October ,,	96	78,181	349,816
November ,,	87	45,766	272,249
December ,,	91	37,855	158,017
January 1953†	85	42,383	244,414
February ,,	45	26,477	128,411
March ,,	67	30,231	218,207
April ,,	72	49,182	218,853
May ,,	88	38,617	276,216
June ,,	89	30,857	253,279
July ,,	67	48,066	181,122
August ,,	74	53,085	225,154
September*	105	44,851	467,271
October ,,	95	71,889(a)	398,502(b)

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

ELECTRIC ENERGY : GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	460	4,681.1	3,777.7
1951-52 ..	573	5,948.1	4,849.9
1952-53 ..	614	6,501.4	5,334.5
July 1952 ..	558	534.0	429.7
August ,, ..	592	531.6	423.7
September ,, ..	597	520.4	430.6
October ,, ..	599	545.2	441.6
November ,, ..	605	529.7	435.4
December ,, ..	608	552.3	457.6
January 1953 ..	611	535.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	533.0	435.7
April ,, ..	616	510.3	434.1
May ,, ..	620	560.4	458.1
June ,, ..	625	548.8	450.2
July ,, ..	627	558.0	471.0
August ,, ..	629	567.9	468.9
September ,, ..	633	576.5	464.4
October ,, ..	634	583.1	468.71

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base : Year ended August, 1939=100)

Particulars	30th Jan., 1954	23rd Jan., 1954	31st Jan., 1953	December 1952	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1952	1951
Food Articles	378.8	388.3	384.2	367.0	344.5	+ 9.5	358.9	409.3
Cereals	439	445	436	429	431	— 0.5	450	483
Pulses	411	424	399	424	541	—21.6	483	506
Other	288	294	234	269	207	+30.0	325	390
Industrial Raw Materials	436.7	434.3	427.5	459.3	421.7	+ 3.9	453.8	608.2
Fibres	472	464	394	441	394	+11.9	454	624
Oil seeds	548	560	551	476	446	+ 7.4	484	670
Minerals	456	442	460	458	455	+ 0.4	456	626
Others	405	409	391	397	372	+ 6.7	441	533
Semi-Manufactures	385.2	382.9	348.4	358.5	342.6	+ 4.1	348.5	377.5
Leather	398	398	409	391	422	— 7.3	345	453
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	542	551	447	526	422	+24.6	459	678
Cotton yarn	452	442	439*	432	439*	— 1.6	468*	488
Metals	236	238	228	236	228	+ 3.5	211	197
Oil Cakes	428	422	416	400	416	+ 4.5	440	500
Others	305	305	249	305	251	+21.5	273	330
Manufactured Articles	384.9	384 7R	388.0	363.8	367.8	— 1.0	377.5	395.5
Textiles	402	402R	404	400	402	— 0.5	423	468
Jute	402	421	388	427	402	+ 5.9	506	503
Cotton	398*	398*R	407*	397*	406*	— 2.2	401*	400*
Rayon and Silk	423*	428*	470*	406*	442*	— 8.1	485*	411*
Woollen	313	313	290	314	290	+11.8	345	378
Metal products	337	337	342	337	342	— 1.5	321	238
Others	283	283	288	283	290	— 2.4	298	300
Miscellaneous	708.9	711.4	617.3	711.5	625.3	+13.8	636.6	729.8
All Commodities	399.6	401.0R	380.6	389.4	372.7	+ 4.5	386.9	439.3

R = Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ..	141	337	259	310	441	380	351	330	143	174	142	154	159
May 1952	140	339	264	310	412	377	339	327	148	168	143	153	143
June ,,	140	338	263	308	434	376	342	330	146	171	141	153	148
July ,,	142	350	263	304	458	378	354	331	143	173	143	161	155
August ,,	144	340	267	312	466	377	369	330	143	176	149	162	157
September ,,	143	341	269	310	463	380	364	328	145	178	145	157	150
October ,,	144	345	274	311	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	326	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	331	136	167	132	150	144
March ,,	142	358	265	322	448	381	333	333	135	165	131	148	145
April ,,	142	359	268	327	484	384	344	334	137	166	134	148	146
May ,,	145	363	273	330	461	391	345	336	139	172	132	153	155
June ,,	150	371	282	334	453	393	363	360	140	180	129	156	159
July ,,	152	373	288	333	465	394	375	355	142	174	130	158	160
August ,,	152	376	285	325	469	397	373	352	144	174	130	159

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice 1st	tons	67,452†	65,374††	23,424	20,741
Wheat ..	,,	24,041	23,450	6,762	6,089
Jowar ..	,,	41,945	39,144	6,038	5,944
Bajra ..	,,	25,282	22,859	2,922	2,299
Barley ..	,,	7,500	7,835	2,664	2,293
Maize ..	,,	8,796	8,073	2,607	2,021
Ragi ..	,,	5,888	5,899	1,235	1,212
Gram ..	,,	17,257	16,857	3,771	3,294
Rabi Pulses*	,,	11,593	11,659	2,063	2,047
Small Millets	,,	12,170	11,854	1,938	1,891
Jute ..	bales	1,156†	1,617††	3,128†	4,505††
Cotton ..	,,	15,676	16,198	3,050	3,138
Sugarcane fnd	tons	4,101†	4,225††	5,100†	4,990††
Groundnut ..	,,	11,662	11,788	2,894	3,048
Linseed ..	,,	3,394	3,402	855	818
Castorseed ..	,,	1,849	1,422	107	106
Rape and Mustard Seed }	,,	5,155	5,915	828	916
Sesamum ..	,,	4,393†	4,219††	..	451††
Tobacco (unpp)	,,	793	712	219	205
Pepper ..	,,	203	202	22	23
Ginger ..	,,	46	47	14	15
Dry chillies ..	,,	1,520	1,584	201	241

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane conform are in terms of raw sugar (our).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Jan., 1954 ..	87.8
	Corresponding month 1953 ..	78.0
	Seven months ended Jan., 1954 ..	500.5
	Corresponding period 1953 ..	533.7
Stocks	At the end of Jan., 1954 ..	96.1
	Corresponding month 1953 ..	128.4
		(In 000 bags)
Exports(JuteBags)	Week ended 23rd Jan., 1954 ..	5,034
	Corresponding week 1953 ..	2,144
	From 1st Jan., to 23rd Jan., '54 ..	23,094
	Corresponding period 1953 ..	10,007
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 23rd Jan., 1954 ..	16,044
	Corresponding week 1953 ..	11,675
	From 1st Jan. to 23rd Jan., 1954 ..	1,29,658
	Corresponding period 1953 ..	71,293
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 23rd Jan., 1954 ..	—
	Corresponding week 1953 ..	—
	During Oct., 1953 ..	—
	Corresponding period 1952 ..	3.90
	Jan., 1954 (in lakh bales) ..	4.23
Consumption by Mills†	Corresponding month 1953 ..	29.02
	Seven months ended Jan., 1954 ..	30.67
	Corresponding period 1953 ..	30.67

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,900
April 1953 to January, 1954..	9,36,700	8,96 000	6,52,200
October 1952	99,400	90,100	67,900
November	1,03,500	93,700	68,700
December	98,200	91,400	68,700
October 1953	99,500	94,000	65,500
November	1,00,300	95,800	68,400
December	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
Indian Iron and Steel Co.			
Jan. to Dec., 1953	5,68,840	2,41,480	2,55,870
August 1953	20,280	7,710	4,190
September	21,320	2,270	9,990
October	56,840	50,070	21,250
November	61,240	41,550	22,970
December	64,510	43,080	21,240
January 1954	63,100	42,600	39,670

FOREIGN TRADE OF INDIA

Particulars	September,		Six Months, April to September,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports†				
By sea and air—				
Foodstuffs ..	5,38	14,63	69,44	130,02
Raw materials ..	14,03	12,93	92,87	101,54
Manufactures ..	23,49	19,98	135,94	148,78
Other items ..	81	18	1,85	2,61
Total ..	43,21	47,72	300,10	382,93
By land	3,20	1,58	11,78	8,85
Total Imports ..	46,41	49,10	311,88	391,78
Exports				
By sea and air—				
Foodstuffs ..	16,35	13,01	67,02	68,06
Raw materials ..	8,07	10,97	54,21	74,58
Manufactures ..	23,83	22,05	121,56	144,08
Other items ..	18	89	1,92	2,08
Total ..	48,23	46,42	244,71	288,80
By land	78	97	3,20	14,69
Total Exports ..	49,01	47,39	247,91	303,49
Total Re-exports ..	28	32	2,41	2,08
Balance of trade in merchandise ..	+2,81	— 1,44	— 69,35	— 87,47
Balance of transactions in private treasure ..	— 1	— 1	— 6	— 4
Total visible balance of trade..	+ 2,88	— 1,45	— 69,41	— 87,51
Imports : ‡				
Total C'wealth countries ..	22,06	21,33	145,18	138,45
Total Foreign countries ..	21,16	25,39	134,92	249,48
Exports ‡ ‡				
Total C'wealth countries ..	25,46	21,07	119,65	135,88
Total Foreign countries ..	22,82	24,45	125,06	153,42

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and lighting			Clothing			Miscellaneous		
	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	£ 277	176	192†	£ 158	142	142	£ 194	132	136	£ 202	137	141	£ 125	105	102	£ 234	199	£ 199	£ 278	96	95
Bonalli		218	250†		160	160		199	217†		196	213		125	125		199			310	310
Kudchi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	158	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	128	123	123	155	166	166	195	200	200
Bamra	219	232	205†	85	98	99	130	136	148†	137	145	149	104	114	114	219	216	231	175	208	208
Munigunda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	105	98	101	149	122	127	139	161	160
Krishna	190	209	212	178	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur	171	216	222	153	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana	293	207	209	302	308	319†	196	211	225†	228	221	231	130	125	128	206	184	184	222	189	189
Salamatpur ..	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 11th Feb., 1954 ..	38,036
	Corresponding week 1953 ..	45,914
	1st Sept., to 11th Feb., 1954 ..	6,21,765
	Corresponding period 1953 ..	7,29,701
Cotton Exports ..	Week ended 11th Feb., 1954 ..	5,858
	Corresponding week 1953 ..	—
	1st Sept., to 11th Feb., 1954 ..	1,25,229
	Corresponding period, 1953 ..	2,26,526
Mill Consumption ..	1st Sept., to 11th Feb., 1954 ..	5,65,207(a)
	Corresponding period, 1953 ..	631,147
Stock (with exporters dealers & mills) in Bombay	On 11th February, 1954 ..	2,90,218
	Corresponding date, 1953 ..	3,82,425
Karachi (Pakistan)		
Receipts	Week ended 6th Feb., 1954 ..	48,538
	Corresponding period 1953 ..	73,988
	1st Sept., to 6th Feb., 1954 ..	7,41,654
	Corresponding period, 1953 ..	9,67,042
Exports	Week ended 6th Feb., 1954 ..	13,810
	Corresponding period, 1953 ..	70,000
	1st Sept., to 6th Feb., 1954 ..	4,79,837
	Corresponding period, 1953 ..	6,39,000

(a) Adjusted.

Particulars	From 1st Sept., to 15th Feb., 1953-54 Bales	From 1st Sept., to 15th Feb., 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	6,087	8,580
Continent	14,057	56,424
China	251	818
Japan	34,722	90,466
U.S.A.	9,548	15,105
Other Countries ..	1,452	8,016
Total to all foreign countries ..	66,112	1,78,859
Coastal Ports ..	69,681	68,187

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian	
Foreign	
October, 1953	3,26,586
Indian	61,164
Foreign	6,87,358
Two months ended Oct., 1953	1,23,968
Same Period 1952 ..	5,58,953
Stocks (Mills and Elsewhere)—	1,63,718
Indian	
Foreign	
As on 31st Oct., 1953 ..	7,33,759
Indian	2,28,676
As on 31st Oct., 1952 ..	1,016,476
Foreign	8,50,311
Week ended 6th Feb., 1954 ..	14,888
Corresponding week, 1953 ..	161,345
1st Sept., to 6th Feb., 1954 ..	12,21,023
Corresponding period, 1953 ..	15,22,789
Cotton Pressed † ..	

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4½% Bonds	1926-33	63,30,26,000	1960-70	101⅞
3½% Loan	1938-39	1,16,17,44,000	1963-65	92
3% Loan	1950	30,33,10,000	1962	92
2½% Loan	1943	1,10,11,78,000	1966-68	90½
2½% V. Loan	1945	1,14,06,89,000	1957	95⅛
2½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1945	1,13,65,64,000	1959-61	98⅛
2½% Loan	1951	50,35,63,000	1958	98⅛
2½% Loan	1946	45,63,07,000	1960	93⅜
2½% Loan	1946	97,00,69,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	99½
2½% Loan	1946	14,77,48,000	1978	82⅜
2½% Loan	1947	75,86,72,000	1967	84⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅛
3 % Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,98,18,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	9,54,23,300	18th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1957	97⅞
3 % Bombay	1949	4,00,15,000	1st Aug. 1962	93
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,500	15th Aug. 1964	91
4 % Bombay	1953	5,00,00,000	15th July 1963	101
3 % Bombay	1952	3,46,72,700	1st Aug. 1964	91½
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1950	70,00,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,108	1956-66	95½
3 % Madras	1939	1,23,95,600	21st June 1939	94⅜
3 % Madras	1942	1,23,25,800	18th Sept. 1955	99-0⅜
3 % Madras	1943	1,93,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅜
3 % Madras	1945	2,78,44,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1948	4,38,25,400	31st July 1948	93⅛
3½% Madras	1951	5,00,00,000	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅜
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99⅛
3 % Mysore(/)	1938	1,63,44,300	1st Nov. 1955	99½
3 % Mysore(/)	1943	2,52,85,200	1st Dec. 1953-43	101⅜
3 % Mysore(/)	1936	3,99,72,900	30th April 1956-61	98½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99½
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅜
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	91⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	94
3½% M.P.	1951	1,02,18 100	17th Sept. 1962	97⅜
3 % M. P.	1952	2,48,78,800	16th Sept. 1963	99⅜
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅜
3 % Punjab**	1943-	2,48,78,800	14th Sept. 1956	98⅜
3 % Punjab**	1943	2,93,81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99-⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99-6⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,61,96,500	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,07,99,600	15th Aug. 1958	97
2½% U.P.	1943	2,24,80 300	14th Sept. 1960	94
3 % U.P.	1946	2,29,08,600	1st Sept. 1961	93⅜
3½% U.P.	1951	4,00,28,500	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99½
4 % U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
15,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅛
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
70,00,000	4	1911	1972	
1 10,00,000	4	1912	1973	
1,43,37,500	4	1913	1974	D
80,00,000	4	1913	1974	99⅛
88,25,000	4	1914	1975	99⅜
10,00,000	4	1915	1960	
55,00,000	4	1915	1975	
41,41,000	4	1924	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959*	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1963	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1968	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,300	4	1914	1974	99⅛
76,90,100	4	1915	1975	99⅛
68,02,300C	3½	1921	1981	72
1,50,00,000C	3½	1921	1981	144N
1,24,86,300	6	1923	1955-85	103
98 21 600	5½	1926	1956-86	104⅜
99,84,500B	3½	1926	1956-86	103⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49,49,500	5	1928	1958-88	104⅛
80,80,000	4½	1931	1991	99⅛
21,75,000C	3	1933	1956	99⅛
68,00,000C	3	1934	1964	96⅛
25,00,000	3	1938	1963-68	96⅛
50,00,000	3	1943	2005	88
50,00,000	3	1945	1975	78N
50,00,000	3	1946	1976	83⅛
50,00,000	3	1946	1976	82
58,00,000	2½	1947	2006	70N
50,00,000	3	1947	1977	78⅛
50,00,000	3	1948	1978	81
70,00,000	3	1949	1979	84⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1980	84
50 00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	97⅜
50,00,000	4	1953	1963	97⅜
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£87⅞
£901,000	5½	1924	1954-84	£87⅞
£835,100	5½	1932	1962	496
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	
3,42,951	5	1918	1882	A
7,46,044	6	1920	1882	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1904	1964	97⅜
20,00,000	4	1905	1965	
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
20,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅛
50,00,000	5	1916	1976	
40 00,000	5	1916	1976	
66,00,000	6	1919	1957-79	113⅜
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	113⅜
25,00,000	4	1927	1961-70	98⅛
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£93⅛
£333,000	4	1910	1970	£93⅛
CALCUTTA				
Rs.				Rs
50,00,000	5	1925	1955	104
25,00,000	5½	1926	1956	107
50,00,000	5	1926	1956	107
35,00,000	3½	1934	1964	100
30,00,000	3	1936	1966	94⅛
50,00,000	3	1936	1966	93
20,00,000	3	1937	1962	98
80 00,000	4	1952	1963-68	99⅛
		1952	1962	100

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
49,40,000	4	1914-15	1954	99⅜
20,60,000	4	1913-15	1974	99⅜
10,00,000	4	1913-15	1955	100
10,00,000	5	1913-15	1955	100⅛
1,40,00,000	6	1924	1956	102
25,00,000	6	1924	1958	102
26,14,000	5	1929	1958	103
1,50,00,500	5	1929	1958-59	103
26,21,500	5	1929	1956-59	103
2,25,00,000	3½	1929	1959	102⅛
2,50,00,000	3½	1947	1977	86⅜
4,00,00,000	3½	1949	1979	89⅜
2,50,00,000	3½	1950	1965	92
2,00,00,000	3½	1952	1966	100⅜
1,30,00,000	4	1953	1968	99
100,00,000†	4	1952	1964	100
CALCUTTA				
Rs.				Rs.
34 45 500	6½	1925	1955	105⅛
84 70 000	6	1925	1955	104⅛
36 00,000	5	1928	1958	103⅛
25 00 000	5	1928	1957	103⅛
25 00 000	5	1929	1957	103⅛
10 00 000	5	1932	1962	108
35 91 000	3½	1932	1962	108
60,00,000	3	1936	1966	93⅛
1,00,000	3	1936	1966	93⅛
+7,50,000	3	1937	1954	99⅛
10,67,700	3	1938	1968	88⅛
15,56,800	4	1938	1955	97⅛
15,56,800	4	1939	1958	97⅛
15,56,800	4	1939	1956	97⅛
17,64,400	3½	1937	1957	90⅛
21,00,000	3½	1942	1972	90⅛
15,49,000	3½	1942	1972	92
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1961	96
87,36,000	4	1951	1966	96
		1952	1962	99⅛
MADRAS				
Rs.				Rs
71,700	6	1925	1955	
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15 00 000	3½	1952	1962	107N

ABBREVIATIONS. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan) 1970-75. (/) Income-tax free. A=Held by Government of India
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. **Securities in Pak. Currency ***Rupee Can be paid at par.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April. † Bombay State Transport.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	75N	100
Carew & Co.	8,00,000(b)	1895	6½	Mar. Sept.	108	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	139xd	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	110	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6 75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	5,00 000	1940	7B	Dec. ..	72	100
Puriatanpore Co.	6,00,000	1922	10	Dec. ..	15½xd	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6⅜	100
Upper Ganges	12,00,000	1946	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	10,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	81	10
Equitable	4,00,000	1895	6	Mar. Sept.	117	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	82	75(rp)
††Khas Kajora	3,00,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00 000	1920	7	Jan. July	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1864	6	Jan. July	124½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8½	10
Benares Cotton	1,05,300	1919	7	July Jan.	85	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	142	100
Do. 'B'	6,00,000	1900	8	Feb. Aug.	102	100
Bradbury	14,75,000	1919	7	June Dec.	326½	250
Buckingham & Carnatic ..	21,30,200	1920	7	Jan. July	133½	100
Cambodias	5,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1912	5	Apr. Oct.	510	500
Coimbatore Pioneer ..	5,00,000	1935	6½	Nov. ..	124½	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published half-yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2½	2	0 4	0 5	8 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,23,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills ..	5½	100	6 0	6 0	Nil	Nil	3	Y.P.T.
8,98,98,000	2,16,13,960	3,77,02,930	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	432½	250	17 8	20 0	20 0	7 8(i)	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd. ..	38,208	860	Bradbury Mills ..	100	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg. ..	313½	100	18 0	20 0	20 0	8 0(i)	12	Y.
48,00,000	16,04,856	1,06,30,358	59,37,373	5,066(d)	V. J. Pilaai (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	65	100	Nil	Nil	4 0(e)		12	Y.
36,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg. ..	107½	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd. ..	30,304		Dawn Mills	90	Nil	4 0	6 0	6 0		12	Y.
24,00,000	24,00,000	62,31,113	37,35,900	5,622	Punamal Radhakishan & Co.	50,296	928	Edward Textiles	265	200	15 0	15 0	15 0		12	Y.
89,25,700	12,93,792	1,10,11,972	73,99,225	41,862	Chidambaram Mudali & Co., Ltd.	43,376	886	Elphinstone Spg. & Wvg.	44½	50	4 0	(d)	3 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	278	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,84,975	90,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,600	1,000	175 0	200 0	200 0*	225 0*	3	Y.P.
									12½	250	43 12	50 0	50 0	56 4*		
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills ..	1-10¾	10	0 12½	1 1½	Nil	Nil	12	Y.
80,00,000 D.									3,500	10	0 2	0 4	Nil			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.		1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
89,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	215	500	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Kilick Industries Ltd. ..	1,18,392	1,846	Kohinoor Mills	317	100	12 0	14 0	10 0	10 0	12	Y.
38,80,000 A									89½	100	6 0	15 0	10 0	10 0*		
3,40,000 B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,664	Madhusudan Mills	—	100A	1 8	1 8	1 8	1 8	6	Y.P.
22,13,050	41,03,470	1,01,00,576	42,51,248	24,834	N. Sirur & Co., Ltd. ..	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0		10	Y.
81,75,000	24,92,735	1,71,00,016	1,44,58,016	2,80,666	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	202½	100	17 0	15 0	12 0		12	Y.
1,60,42,600	2,66,192	4,27,10,526	70,06,000	38,933	Chinai & Co., Ltd.			National Rayon Corporation	180½	100	12 8	15 0	10 0	10 0	12	Y.P.
24,00,000	28,00,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	169	100	10 0	12 8	10 0	10 0	12	Y.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..		100	10 0	12 8	10 0	10 0	12	Y.
12,70,100	36,36,004	42,69,552	13,76,880	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	26½	10	0 8	1 0	1 4		12	Y.
48,80,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd. ..	55,228	1,190	Phoenix Mills	133½	100	10 0	10 0	8 0		12	Y.
40,00,000	40,46,550	24,14,488	21,28,000	1,25,251	Fedar Sons, Ltd.	32,600	930	Podar Mills	143½	100	9 0	10 0	10 0	6 4	12	Y.P.
5,00,000	3,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	19	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg. ..	32	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,984	5,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	182½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,60,008	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	155½	50	14 0	17 0	15 0(p)	15 0	3	Y.
64,00,000	1,30,69,660(g)	1,18,80,653	78,59,381	2,889	Mafatlal Gagalbhai & Sons	33,892	1,633	Standard Mills	325½	100	15 0	20 0	20 0		12	Y.P.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd. ..	74,608	2,000	Svadeshi Mills	293½	100	16 0	18 0	16 0		12	Y.P.
84,00,000	70,08,599	65,86,475	33,43,077	5,71,228	James Finlay & Co., Ltd. ..	39,948	800	Tata Mills	357½	100	20 0	25 0	30 0		12	Y.P.
32,34,438	59,55,268	68,88,347	29,93,248	23,338	Tata Industries Ltd.			Western India Spg. & Mfg.	54	25	4 0	4 0	3 0		12	Y.T.
12,00,000	60,55,708	98,62,654	75,30,800	4,346	Thackersey Mooljee Sons & Co. ..	54,224	1,176		3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
30,80,000	38,80,246	88,29,885	51,09,678	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	150	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	28,91,868	85,84,129	58,40,008	1,761	P. M. Hutheesing & Sons, Ltd. ..	62,648	1,216	Arvind Mills	470	100	15 0*	20 0*	20 0*		12	Y.P.
31,00,000	2,07,45,675	1,18,76,139	76,33,006	1,300	Narottam Lalbhai & Co. ..	35,884	884	Aryodaya Ginning & Mfg.	300	200	30 0	25 0*	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,098	1,11,393	Mangaldas & Bros., Ltd. ..	37,368	914	Asoka Mills	525	100	17 0	22 0	22 0		12	Y.P.
12,00,000	1,00,27,000	1,22,29,958	63,45,455	1,95,810	Lalbhai Dalpatbhai & Co. ..	1,39,120	2,370	Calico	1,206½	125	12 0	15 0	18 0		12	Y.P.
1,24,77,072	1,04,99,227	3,71,48,168	2,37,33,344	2,87,062	Kasturchand Premchand Ltd.	46,160	867	New Commercial Mills ..	1,122½	500	55 0	70 0	70 0		12	Y.P.
30,00,000	64,86,000	88,67,870	62,33,000	4,885	Trisumlal Bhogilal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	635	125	35 0	35 0	35 0		12	Y.P.
30,00,000	70,78,354	94,79,263	74,68,978	1,795	Mafatlal Chandulal & Co., Ltd.											
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	549	Nutan Mills	677½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,720	636	Raipur Mfg.	262½	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,482	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	20 0	20 0		12	Y.P.
2,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,154	1,125	Rohit Mills	125	100	30 0	9 0	9 0		12	Y.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	327	50	13 0	16 0	16 0		12	Y.P.
19,32,500	52,12,167	61,33,831	48,71,891	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.
88,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Ashrutlal & Co., Ltd.	34,576	776	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 5	Nil		12	Y.
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	31,080	936	Bengal Laxmi Cotton Mills ..	38N	10	Nil	3 0	3 0		3	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,58,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	400	100	Nil	Nil	Nil	Nil†	6-12	H.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	202	100	Nil	Nil	Nil	Nil†	6-12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills ..	23½	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	1 0	1 4		12	Y.P.
33,96,288												0 12	0 8			
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,341	—9,51,536	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	29,99,109	99,21,615	51,03,244	2,736	Kamal & Co., Ltd.	50,000	665	Alagappa Textiles (Cochin) Ltd.	6½	100	0 14	2/5 0	3 1/5		12	Y.
71,54,400	31,73,009	1,90,39,719	45,27,372	18,458	Industrial Trust Fund, ..	36,136		Azam Jahi Mills	67 N	100	5 8	6 0	6 0		12	Y.P.T.
40,50,000	93,74,285	2,73,75,545	2,09,08,488	2,49,881	Bunny & Co. (Madras), Ltd.	40,068	1,085	Banaloor Woollen, Cotton and Silk Mills	302½	100	17 8	20 0	15 0	10 0(i)	12	Y.
87,80,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills ..	13½	10	Nil	2 0	2 8		12	Y.P.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	474 N	10	2 8	3 0	3 0		12	H.P.T.
1,78,47,800	1,37,93,496	5,14,83,572	2,64,81,555	2,19,790	Binny & Co. (Madras), Ltd.	118,300	2,781	Buckingham & Carnatic ..	137	100	6 14	7 0	5 0		3	Y.
30,00,000	16,31,836	30,52,641	14,11,870	5,622	Burne, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	13½	10	Nil	1 0	1 4	4 0(i)	12	Y.P.
30,80,008	21,97,992	56,51,479	45,84,815	39,859	Begg, Sutherland & Co., Ltd.	28,794	591	Camprore Textiles	8½	100	0 9	1 0	1 0	0 9	12	Y.P.
12,80,000	15,07,000	27,82,845	17,29,961	—1,52,723	K. Bhesma Naidu & Co. ..	28,864		Coimbatore Cotton Mills ..	190	100	12 0	12 0	12 0		12	Y.
30,00,000	9,19,870	23,84,987	13,33,432	1,33,496	T. R. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills ..	137	100	7 0	9 0	9 0		12	Y.
30,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	46,350	407	Coimbatore Spg. & Wvg. ..	46	50	2 0	3 0	3 0		12	Y.P.
44,81,750	88,12,906	2,30,16,398	1,41,82,888	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	185½	100	6 0	5 0	Nil	Nil	6	Y.P.
3,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills ..	32½	25	2 8	3 0	3 0	1 12	6	Y.P.
1,00,221									2½	1	Nil	Nil	0 1	0 2		
84,34,800	16,26,596	37,58,169	25,47,428	30,746	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills	217	100	25 0	20 0	10 0	4 5	2 4/5	6	Y.P.
63,00,000	46,00,000	1,40,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.	52,815	1,198	Elgin Mills	16	10	1 2	1 8	1 8	1 0	9	Y.
39,04,700	43,10,800	82,22,587	60,36,000	1,89,175	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	271	100	10 0	14 0	17 0*	5 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,30,333	2,824	Govindram Sakaarla (Indore)	51,180	1,420	Indore Malwa United ..	110	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	24,01,528	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd. ..	23,784		Jaandarna Mills	70	50	5 0	7 8	10 0	10 0	6	Y.P.
24,00,000	15,75,000	61,55,358	8,50,000	9,682	Kothari & Sons	30,512	200	Kothari Textiles	11½	10	0 11	0 12	1 0	1 12	12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,534	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	592½	250	37 8	50 0*	37 8	0 8	12	Y.P.
23,44,150	33,10,000	94,98,025	53,73,673	14,247	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	106cd	50	4 0	4 0	3 0	10 0(i)	12	Y.P.
									528cd	25	2 0	2 0	2 0	2 0	3	
1,15,02,480	2,82,94,292	4,16,07,732	3,11,43,807	8,98,894	A. & F. Harvey Ltd.	4,66,932		Madura Mills	422cd	15	2 0	2 0	2 8	2 8	3	Y.
12,00,000	4,17,363	24,32,416	15,52,490	—22,598	A. L. A. R. S. Chettiar and 2 others.	22,592		Malabar Spg. & Wvg. ..	126	200	12 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720	603	Mattur Industries Ltd. ..	230	100	25 0	12 8	12 0		12	Y.
39,80,884	22,90,000	73,48,250	42,36,184	25,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	110	100	6 0	6 0	6 0	12 8	3	Y.
94,91,850	27,56,360	1,53,05,970	78,81,328	37,241	Basanlal Abirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur) ..	142½	250	15 0	7 8	7 8		12	Y.
50,00,000	52,19,600	1,53,39,272	1,00,00,321	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	200	100	Nil			7 8	4	Y.
19,86,800	61,52,392	93,64,233	59,83,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg. ..	163½	50	10 0	9 0	10 0*	10 0*	12	Y.P.
13,61,780	2,58,745	29,34,299	15,36,634	2,232	Sri N. G. Naik	7		Mysore Spun Silk Mills ..	1½	10	0 8	0 8	0 8		3	Y.P.
82,89,883	25,62,533	98,01,625	52,78,826	—25,85,882	J. D. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	2½	10	Nil	Nil	Nil		3	Y.P.
3,07,095 D											Nil	Nil	Nil			
87,03,800	61,53,493	1,58,62,385	59,76,131	17,946	Industrial Trust Fund ..	37,788	902	Osmanshahi Mills	90N	100	5 8	6 8	7 0		12	Y.P.
4,00,000 A									68	50A	5 0	6 8	7 0		9	Y
4,00,000 B									93	75B	7 8	12 0	11 0			
6,00,000 B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co. ..	27,980		Pankaja Mills Ltd.	46½	100	7 4	10 0	11 4		12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	38,864	301	Radhakrishna Mills	166	100 A	16 0	16 0	6 0		12	Y.
16,81,200 A									81	50B	8 0	8 0	3 0		6	
8,40,600 B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896		Rajakrishna Mills	93	50	4 8	5 0	Nil		12	Y.
15,00,000	23,00,894	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	31,900	600	Sarvamangala Textiles ..	6½	100	Nil	Nil	Nil		12	Y.P.
60,00,000	62,86,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	15,824	440	Shree Sajjan Mills	75½N	100	Nil				12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	O. Ullethar & Co., Ltd. ..	18,416	416	Sitaram Spg. & Mfg. ..	—	60	Nil	3 0			3	Y.
7,70,000	2,24,959	21,50,128	16,08,115	3,083	T. A. Iyer & Bros., Ltd. ..										3	Y.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,84,498	Under Control of Bombay Government	86,048	2,234	Shoisapoor Spg. & Wvg. ..	1,745	1,000	Nil	Nil	Nil		12	Y.
						25,200	292	Sri Krishnaswamy Mills ..	—	500	Nil					
16,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	35,556	992	Sutlej Cotton Mills	55½d	50	4 0*	4 0*	3 0*	4 0*	3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.				50N	10	3 0	4 0	4 0	4 0	3	Y.
17,50,000 O	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	71	100	0 8	0 8	Nil			
1,57,50,000 P.O									71	100 P.O.	0 14	2/5 0	14 2/5	Nil	12	Y.P.
99,92,000	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.	16,000		Travancore Rayons	7½	10	Nil	Nil	Nil	Nil		
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons ..	33,704	270	Trichinopoly Mills	9½	10	1 0	1 0	1 0	1 0	12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	183	100	Vasanta Mills	100	100	9 0	10 0	11 1/5		12	Y.
32,00,000	50,43,359	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,483	Vishnu Cotton	147½	100	9 0	14 0*	12 0		12	Y.P.
													10 0		12	Y.P.

* Includes bonus.

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*b*) Subject to taxation and workers' bonus.

(*p*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(*c*) Paid out of reserves

X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	23	25	Nil	2 13g	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	9½	10	Nil	1 2f	Nil	Nil	3	Y.
16,20,630							6¼	5	1 0	0 8	0 8	0 8	3	Y.
£80,000 A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	154cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000 B							24cd	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil			8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	164cd	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
£1,37,700 A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	110	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334 B							11	B. 10	0 6	0 12	0 12			
43,14,600 O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	4½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976 D							2½	D. 1	Nil					
£0,36,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	154½	XR. 100	8 8	9 8	9 8	9 8	7	Y.
40,00,0000.							7½	O. 10	0 8	0 10				
26,49,7970.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡ ..	1½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	55½	25	1 4 1 9 1 9 Nil				6,12	H.P.T.
30,00,000	28,69,805	92,03,368	67,49,843	1,12,120	Andrew Yule & Co., Ltd.	India Paper Pulp	187	100	5 0 5 0 5 0 Nil				3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18	10	0 12 1 0 0 12 1 0*				3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	48	10	1 8 1 0 1 0 1 0				1 0f	3,9 H.P.T.
80,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	21xd	10	0 10 0 12 0 12 0 12					6,12 H.P.T
80,00,000 / 10,00,000A.	5,04,968	30,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 37½	Q. 10 / A. 10	Nil Nil 0 4 0 4 1 0* 1 0 1 0* 1 0				1 0*f	3,9 H.P.T.
96,00,000A. / 86,04,800B. / 4,87,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	37½ / 4½	B. 10 / P.O. 25	0 14* 1 0* 1 0* 1 0* 0 2 0 2 0 2 0 2				1 0*f 0 2f	3,9 H.P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0 3 0 3 0 3 0				6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	3 0 3 0 3 0 3 0				7	Y.
5,00,000	1,35,000	11,21,500	9,45,254	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0 3 0 3 0 3 0				6	Y.
PROPERTY AND LAND														
10,90,780O. / 2,00,000D.	6,02,582	42,65,984	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 1½	O. 10 / L. 1	0 9 3/5 0 9 3/5 0 9 3/5				9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	24½	100	Nil 2 0 1 8 1 0 1 8				4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil 3 0 1 0 1 8				4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8 0 8 0 4				9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	388½ / 140	Old 125 / New 50	15 0 15 0 15 0 15 0				5	Y
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	Nil Nil Nil				6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	34½	10	3 8 3 8 3 0				1 0	9 Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil 1 0 Nil Nil				6	Y.
12,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N / 111N	A. 100 / B. 10	6 4 10 0 10 0 10 0				4	Y.
19,49,050	5,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	Nil 0 10 0 12 0 12				3	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,581	Cotton Agents Ltd.	Bharat Sugar	171N	10	1 0 1 8 1 8 1 8				9	Y.P.
32,00,000	21 18 481	1,29,41 870	81 68 295	41 747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	Nil Nil Nil Nil				12	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	391xd	10	2 0 3 0 2 0 2 0				10	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	24½	10	1 8 2 0 2 0* 2 0*				6	Y.
85,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	165N / 'A' 100 / O. 100 / 50N / 25N	'A' 100 / O. 100 / 50 / 25	6 0 9 0 12 0* 12 0* 12 0*				13 0*	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kilachand Devchand & Co.	Kesar Sugar	45N	10	1 8 2 0 Nil Nil				7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	27½	10	2 0 2 8 2 8				6	Y.P.
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Saven	6½	10	1 0 1 0 0 8 0 8				5	Y.
1867,500 A.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	180N / 45N	100 / 25	13 0 20 0 20 0 20 0 / 3 2 3 0 3 0 5 0				8	W.
2,11,875 B.	47,59,869	59,49,307	17,02,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4 11 0 6 0 11 0				7	Y.P.
77,48,500	50,22,414	1,68,14,215	80,00,000	66 000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	100N	100	6 0 10 0 6 0 10 0				10	Y.P.
12,00,000	12 71 178	28 94 458	18 61 746	19 823	Begg, Sutherland & Co., Ltd. ..	Purnapore Co.	13½	10	1 8 2 0 1 8 1 0				10	Y.P.
9,00,000	15,26,479	33,86,925	28,36,105	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	12N	10	1 8 2 8 1 8 1 0				10	Y.P.
8,00,000	4,04,102	25,10,182	20,51,613	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	13	10	1 8 2 0 1 8 0 8				7	Y.P.
11,99,000	17,25,204	36,77,360	31,32,129	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	1 8 2 0 1 8 1 0				6	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,088	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	68	10	Nil Nil Nil Nil				6	Y.
9,99,930	61,825	22,84,311	11,98,645	2,07,926	N. K. Jain & Co. Ltd.	South Behar Sugar	1N / 25N	O. 10 / D. 2½	Nil Nil 0 6¼				10	Y.P.
6,50 000O. / 1,75,000D.	47,623	25 93,296	11,46,770	—14,94,408	Cotton Agents Ltd.	N. K. Jain & Co. Ltd.	1N	D. 2½	Nil Nil Nil Nil				6	Y.P.
8,00,000	.....	78,11,307	43,99,754	6,356	James Finlay & Co., Ltd. ..	Upper Ganges Sugar	25N	10	1 12 2 0 2 0 2 8				6	Y.P.
16,00,000	9,19,618	30,61,987	24,51,617	36,665	James Finlay & Co., Ltd. ..	United Provinces Sugar	14½	10	0 4§ 2 0 2 0				9	Y.
Other Centres														
46,99,750	79,06,443	65,05,218	51,15,758	43,916	W. H. Brady & Co., Ltd.	Belapur Company	260	50	12 8 14 0 16 0 16 0				9	Y.
87,68,900	2,51 646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil Nil Nil Nil				9	Y.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	24½	10	1 8 2 8 2 8				6	Y.P.
					Govan Bros. (Rampur), Ltd. ..	Buland Sugar	5	5	0 12 1 0 0 12				9	Y.P.
33,57,520	29,59,175	39,13,908	19,50,442	7,49,891	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	10N	10	0 12				10	Y.
21,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	Mafatlal, Apte and Kanuilal Ltd. ..	Phalian Sugar	45	10	2 0* 2 0 2 0 2 0				6	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Anderson Wright Ltd.	Rajnagar Cane and Sugar ..	102½	50	8 0 8 0 8 0 8 0				6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652		Rawalgaon Sugar Farm	21½	10	0 9§ 0 12 2 0 2 0				6	Y.P.
80 00,000O.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.		90N / 75	O. 10 / D. 10	Nil Nil 0 4 0 4				8	Y.P.T.
4,00,000D.					Govan Bros. (Rampur), Ltd. ..	Raza Sugar	10½N	10	7 0 9 0 10 0 11½				9	Y.P.T.
19 99,600	34,21,961	44,57,626	19,38,191	6,05,982	Parry & Co., Ltd.	Travancore Sugars	14	10	1 0 1 4 1 0* 1 0*				10	Y.
30,00,000	10,73,392	58,70,150	13,04,961	20,980			4§	10	Nil Nil Nil Nil				7	Y.
77,50,000A. / 83,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	177½	A. 100 / O. 100	12 0 14 0 14 0 14 0*				9	Y.P.T.
TRANSPORT														
25,00,000	1,11,04,304	1,24,61,121	8,22,019	2,64,690	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	160	100	10 0 4 0 12 8 12 8				10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	95	100	3 0 4 0 3 0				12	Y.P.
£655,580	£1,123,737	£5,428,105	£3,552,999	£13 172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	70	£10	Nil Nil Nil 8h 10				12	Y.P.
8,75,00,000	74,99,253	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	7½	10	Nil Nil Nil Nil				12	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	17–13½	15	Nil Nil Nil Nil				6	Y.P.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	3,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0 30 0 35 0 32 0				9	Y.
13,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	40	4 0 4 0 4 0				6	Y.
15,00,000	1,00,000	25,18,130‖	8,99,169	4,425	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	8‖	25	1 0 1 0 1 0				6	Y.
14,96,150	3,83,231	24,77,147	14,08,040	1,85,258	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0 4 0 4 0 12				6	Y.
99,99,250	18,35,375	1,26,92,233‖	10,053		Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	4 0 4 0 4 0 4 0				Nil	3
89,98,350	19,49,340	17,65,055	4,98,441	20,637	E. D. Sheppard Esq. (Mg. Director).	Killick Industries	163‖ / 130	75	8 0 8 0 8 0 10 0				10 0	3
8,06,72,500A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asso-Auto Ltd.	Premier Automobiles	564 / —	A. 100 / B. 10	Nil Nil Nil Nil				6	Y.
10,00,00,000‖					Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	40	20	2 0 7 0 11 0* Nil				6	Y.
10,21,200	3,56,605	14,71,107	12,41,107	36,733	T. Rydin, Esq. (Managing Director).	Jardine Matheson & Co.	212½	100	15 0 20 0 20 0				12	Y.
2,75,00,000	1,59,69,360	2,16,78,230	1,34,40,615	4,30,569	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0 20 0 20 0				12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429									12	Y.
Other Centres														
47,50,000O. / 8,50,000D.	15,00,000	1,56,92,044	58,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½ / 3½	O. 10 / D. 2½	Nil Nil Nil Nil				3	Y.P.T.
20,00,000	38,21,355	‖ 31,54,314	20 12 443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	171xd	10	1 12 2 8 Nil Nil				3	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	10½	10	1 4* 1 4* 1 4*				8	Y.
20,00,000	18,97,883	96,80,365	59,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	4½	10	0 9 3/5 0 9 3/5 1 4* 1 4*				12	Y.
80,00,7000. / 18,00,000D	97,71,800	53,57,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	286 / 20	O. 100 / D. 40	20 0* 25 0* 20 0* 20 0*				12	Y.P.T.
20,00,000	8,38,806	54,303.14098		1,25,380	Lovelock & Lewis	Birds Investment Ltd.	14§	10	1 0 1 0 1 0 1 0				12	Y.
30,44,680	33,27,348	99,11 669	21,85,999	96,133	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	1 4 1 4 1 4 1 4				6	Y.P.
3,25,00,000	95,00,000	2,24,62,360	1,30,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd. ..	9–9½	100	7 0 9 0 9 0 9 0				9	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,131	2,52,71,321	7,01,449	Cecil Stack, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	33½	10	1 0 1 0 1 0 1 0				8	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,131	.....	3,15,489	Bird & Co. Ltd.	Eastern Investments Ltd.	142	100	2 0 9 0 9 0 9 0				12	Y.P.T.
51,26,000	47,57,061		1,26,53,420‖	.....		Ganges Rope Co., Ltd.	190	100	9 0 9 0 9 0 9 0				12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	110	100	10 0 12 8 20 0 20 0				12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,453	2,11,148	Sir Anthony J. Elkins.	Great Eastern Hotel	265	100	7 8 10 0 10 0 10 0				3	H.
30,00,000	11,42,354	42,81,816	29,39,773	29,418	B. P. R Syndicate	Hind Cycles	250	100	15 0 15 0 15 0 15 0				9	Y.
12,42,800	5,06,049	60,80 790	41,30,369	33,939	Birla Bros., Ltd.	Hindustan Motors	100N	100	7 8 Nil Nil Nil Nil				3	Y.P.
4,96,12 650	1 92,800	2,83,64 147	60,52,719	3,78,557	Birla Bros., Ltd.	Indian Aluminium Co.	6–2½	10	1 8 2 0 1 8 1 0				10	Y.P.
1,60,00,000	38,85,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables	110	100	3 8 Nil Nil Nil Nil				12	Y.P.
1,52,89 220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Dykes, Esq.	Indian Rubber Manufacturers ..	20½	10	3 8 1 0 1 0 3 0				12	Y.P.
8 27,970	5,58,000	14,39 460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Jardine Henderson	13	10	1 8 1 0 1 0 1 0				1 0*	3 Y.P.
8,00,00,000	57,45,280	29,81,4772	6,24,477	4,64,163	G. M. Machairas, Esq.		116	100	10 0 10 0 10 0 10 0				9 12	Y.P.
6,34,0000. / 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	3 / 2½	O. 3 / D. 1	Nil Nil Nil Nil				7 8	Y.P.
40,00 0000. / 8,00,000D.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co....	185xd	O. 10 / D. 10	12 8 — 7-8				3	Y.
1,30,35,750	30 19,025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21½	10	0 12 0 12 C-4				12	Y.
6,35,255	1,74,934	7,74,805	2,64,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	18	10	1 0 1 0 1 0 1 0				9	Y.
4,88 040	8,84,829	9,73,621	3,93,009	2,099	C. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16½	10	Nil 1 0 1 0 1 0				12	Y.
10,00,000		11,45,854	3,95,906	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10½	10	Nil 1 0 1 0 1 0				10	Y.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	15½	10	0 8 0 8 0 12				3	Y.P.
					B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	0 4 0 8 0 8 0 8				3	Y.T.
79,97,000	28,12 725	1,12,79,603.	42,96,020	10,37,035	Parry & Co.	Parry & Co.	43	2	1 9 3/5 2 0 2 0 2 0				3	Y.P.T.
40,00,000	24,00,000	41,58,516	17,74,953	1,52,611	Parry's Holdings Ltd.	Rallis (India) Ltd.	56½	100	4 0 8 0 10 0 0 4§				12	Y.P.
8,25,00,000	13,27,473	1,45,91,420	46 13 194	7,17,646	G. U. Euthymopulo, Esq.	Rohtas Industries	11§	100	Nil 8 9 0 Nil Nil				12	Y.P.T.
1,14,00,000	78,33,108	6,09,99,407	2,16,88,823	5,47,067	Sahu Jain Ltd.	Spencer & Co. Ltd.	16 8cd	10	1 0 1 0 1 0 1 0				Nil	3
40,00,000	84,66,946	1,21,52,814	75,55,215	3,56,616	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0 1 0 1 0 1 0				10	Y.P.T.
75,00,000	35,00,000	12,11,901‖	2,17,120	59,789	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	1 0 6§ Nil Nil Nil				12	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547		Ogale Bros., Ltd.								12	Y.P.

‖ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down) Rs. 30 lakhs.

† Excluding goodwill at cost Rs. 30 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

§ Excluding Rs.81,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,926	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
3,30,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	35	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Bateli	15½	10	3 8	0 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Beljan	27½	10	3 8	1 8	Nil		12	Y.
£6,50,000	17,31,058	44,86,333	18,68,359	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	34	10	5 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—52,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea ..	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,783	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	4	Y.P.
1,20,000	1,83,234	3,56,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	12½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	23,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia ..	265	100	30 0	22 8	10 0		12	Y.
£7,53,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd. ..	610	Dhaiakbat	13½	10	1 9 3/5	1 3¼	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	13½	10	2 0	1 7	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	438	Dibrugarh	11½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakusi	36½	10	4 8	1 8	1 0		12	Y.P.
5,60,000	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	39½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea ..	19½	10	2 4	2 4			12	Y.
3,60,000	3,00,000	7,99,692	3,67,563	—2,586	Andrew Yule & Co.	407	Gilapukri	21	10	3 0	2 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	3,56,149	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	36	10	4 0	3 0			12	Y.
£4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	291xd	A. 10	1 8	2 0	2 0		12	Y.
£2,40,790								154xd	B. 5	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	34½	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	£46,970	26,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolungooree	308 N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,152	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd. ..	1,166	Kignsley-Golaghat (Assam)	200 N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	59,50,000	95,96,550	49,34,716	18,243	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	1 + ½	1 + ½	1 + ½	½f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Alipore	190	100	4+10	15+15	8+10	12f	5, 11	H.P.
4,80,000	3,53,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	160	100	Nil	5	Nil	Nilf	6, 12	H.P.T.
30,00,000	2,10,000	1,17,26,264	87,54,069	—70,951	McLeod & Co., Ltd.	1,264	Alliance	171	100	Nil	2½	Nil	Nilf	6, 12	H.P.
46,20,700	70,44,144	2,30,35,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	208	100	Nil	10	10+10	10+15	7½+5	H.P.
46,00,000	36,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	118	100	1½ + 4	6 + 5	5 + 4	7½+5	3, 9	H.P.T.
30,00,000	29,17,170	97,56,916	64,06,882	64,098	Jardine Henderson & Co.	559	Baily	158	100	6 + 6	6 + 1	Nil	2 + 2	3, 9	H.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	151	£5	£1	£1	£1	4 + Nil	3, 9	H.P.
80,00,000	39,49,823	88,18,148	48,06,254	82,117	Andrew Yule & Co., Ltd.	920	Belvedere	207	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
22,50,000	55,93,000	54,22,323	24,73,646	4,28,770	Soorajmull Nagarmull	600	Bengal	14⅜	10	½	Nil	½	Nilf	6, 12	Y.P.T.
30,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	13–15	10	2½	3	3	3	3, 9	Y.P.
36,00,000	29,22,926	1,06,31,702	71,14,743	Nil	Andrew Yule & Co., Ltd.	991	Budge-Budge	140	100	3+10	10+12	6¼+6½	6+4	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	14¾N	10	½	1	Nil		6, 12	H.
18,00,000	31,81,234	75,48,040	38,01,614	99,673	Andrew Yule & Co., Ltd.	616	Caledonian	166	100	4+10	10+12	6 + 6	6f	6, 12	H.P.T.
59,16,400	1,05,23,478	1,65,18,440	1,07,44,959	1,15,830	James Finlay & Co., Ltd.	600	Champdany	142½	100	3 + 5	5 + 7	7 + 8	3f	5, 11	H.S.
15,95,000	28,39,282	79,79,086	54,30,736	84,009	Andrew Yule & Co., Ltd.	510	Cheviot	233	100	6+10	10+12	6 + 6	3f	3, 9	H.
30,15,000	44,90,000	99,26,842	42,86,385	1,06,004	McLeod & Co., Ltd.	900	Chitavalah	11½	10	½ + ½	1½ + 4½	2½ + 1½	11f	6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	22½	10	1½	3½	2	Nil	3	Y.P.
31,49,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	133	100	1+3	8 + 6	6 + 1	Nil	2, 8	H.
28,00,000	44,74,179	73,79,359	45,81,179	1,17,790	Andrew Yule & Co., Ltd.	779	Delta	242	100	3+12½	15+17½	10+10	10f	3, 9	H.P.
13,50,000	32,50,000	76,04,593	54,62,731	37,631	McLeod & Co., Ltd.	500	Empire	20	10	1+1	1½+1½	1 + ½	1f	5, 11	H.P.
21,00,000	56,16,752	2,64,99,877	1,78,29,391	5,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	500	100	2½+20	12½+12½	10 + Nil	6f	6, 12	H.P.T.
14,40,000	1,00,000	74,03,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	320	100	Nil	Nil	Nil	Nilf	3, 9	H.P.T.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	76	100	Nil	3½	2½+2½	Nil+5	3, 9	H.T.P.
10,80,000	28,83,794	68,12,508	47,42,252	41,193	Gillanders Arbuthnot & Co., Ltd.	467	Gouripore	740	300	45	50	30	Nil+Nil	3, 9	H.P.
84,00,000	29,15,542	2,19,23,944	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	290	100	2½+15	10+10	1½ Nil	Nil+3½	3, 9	H.P.
40,00,000	44,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	3	1½	Nil	3, 9	H.
16,50,000	15,20,848	64,71,980	44,81,416	73,264	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	103	10	1	3	1½	1½	3	Y.P.
65,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	24⅜	10	½ + ½	½ + ½	1 + ½	1 + ½	3, 9	H.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,97,203	Ramdutt Ramkissendas	2,272	Hukumchand	40⅜	10	¾	½	½	½	3, 9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	120	O. 125	3½–9½	3½+1½	3½+3½	3½f	3, 9	H.
D. 30,00,000								—	D. —	A. 7-8	7-8	7-8	7-8		
24,00,000	24,95,613	1,36,83,508	1,17,96,380	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	181	100	8½+8½	10+12½	8½+6	6f	6, 12	H.
"B" 19,20,000								175	"B" 100	8½+8½	10+12½	8½+6	6f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarah	142	100	Nil	5	5+2½	5f	6, 12	H.P.
"B" 24,00,000								138	"B" 100	Nil	7½	7½	5f		
81,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	230	100	10+10	12½+12½	7½+7½	7½f	6, 12	H.P.
84,00,000	22,83,375	1,61,13,039	1,09,52,490	3,07,185	Anderson Wright Ltd.	1,536	Kharach	198xd	100	Nil	15	10 + 6	10+15	10f	6, 12	H.P.
48,00,000	98,02,034	2,23,65,171	1,04,49,620	46,214	J. W. Heilgers & Co.	1,250	Khardah	198xd	100	11+4	10 + 9	10 + 7	10f	3, 9	H.P.
84,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	137xd	100	2+10	11 + 8	7 + 3	4+5	3, 9	H.P.T.
38,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	852	Lawrence	152	100	3+ 9	12½+11	11 + 4	2+3	3, 9	H.P.
18,00,000	34,31,301	50,59,106	33,14,126	64,844	Andrew Yule & Co., Ltd.	558	Lothian	290	100	3+10	15+17½	15+15	15f	3, 9	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	38,920	Mackinnon Mackenzie & Co. ..	1,008	Megna	108	100	2½+6½	2½+13	2½+2½	15f	5, 11	H.
89,98,900	41,07,583	1,57,03,661	92,03,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	123	100	Nil	5	10 + 6	6 Nil	Nilf	3, 9	H.
80,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12	10	½	1½+1½	½ + ½	Nilf	3, 9	H.
35,00,000	40,27,437	27,73,940	9,29,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	24½	10	1+1	1 + 1½	1 + 1	Nilf	4, 10	H.
7,50,000	60,00,000	24,25,140	17,12,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11⅜	10	1½+1½	2½+2	2 + 1	1f	6, 12	H.P.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Saha Jain Ltd.	709	New Central	290	100	4+10	15+15	2 + 2	1f	6, 12	H.P.T.
16,79,180	48,96,093	1,22,95,304	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	19⅜	10	1+4	15+15	6+12	12f	6, 12	H.P.
66,79,300	33,76,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	48	50	Nil	1½	1	1 + ½	3, 9	H.P.T.
84,91,000	26,56,049	70,66,289	48,27,892	1,85,356	Andrew Yule & Co., Ltd.	601	Orient	184	100	4+10	12+12	1 + 6	Nil	3, 9	H.
25,00,000	4,41,364	80,71,971	43,12,611	—1,88,348	McLeod & Co., Ltd.	400	Presidency	5⅜	10	Nil	Nil	Nil	Nilf	4, 10	H.P.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Jtr. R. N. Banerjee.	305	Rameshwara	5⅜	10	½	½	½	½	6, 12	H.T.
49,50,000	1,50,000	1,23,47,175	86,07,248	71,072	Jardine Henderson Ltd.	1,276	Reliance	14⅜	10	Nil	Nil	Nil	Nilf	3, 9	H.P.
£600,000	£1,102,661§	£1,203,880	——	£82,640	Thomas Duff & Co. (India), Ltd..	2,013	Samnuggur	14⅜	10	Nil	Nil	Nil	½+½	3, 9	H.P.T.
30,00,000	13,07,220	97,28,210	39,19,652	8,05,669	Bagaria More & Co., Ltd. ..	911	Shree Ambica	13⅜	10	10%	10%	10%	10%	12	Y.P.
14,00,000	7,74,812	48,14,456	33,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	14⅜	10	Nil	1½+1	1f	1+1	6, 12	H.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	23⅜N	10	½	Nil	Nil	Nil	9	Y.
£600,000	£869,927§	£990,895	——	£115,163	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	120xd	100	5+6	9 + 8	8+1	1+1	12	Y.P.T.
83,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	13⅜	£1	10%	10%	10%	10%	3, 9	H.
£400,000	£587,164	£1,059,917§	——	£119,708	Thomas Duff & Co. (India), Ltd..	1,331	Victoria	165xd	100	7+7	12½+11	10+1	1+4	12	Y.P.
2,50,000	1,35,000	56,35,513	55,66,368	57,039	McLeod & Co., Ltd.	465	Waverley	13⅜	£1	10%	10%	10%		3, 9	H.P.T.
								6½	1	Nil	1/40	1/40	Nil	Nilf	6, 12	H.P.T.

§ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
82,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20⅜	10	1 + 1	1 + ½	½ + ½	½f	3, 9	H.
12,00,000	8,42,703	37,53,383	34,23,643	38,876	Jardine Henderson Ltd.	Barsree Coke	19⅜	10	½ + ½	½ + ½	½ + ½	Nilf	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6⅜N	10	½ + ½	½ + ½	½ + ½	½f	3, 9	H.
1,80,00,000	1,17,00,000	3,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	517½	200	17½+17½	17½+17½	20 + 20	15f	6, 12	H.
2,25,000	3,07,662	25,82,001	22,40,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	½ + ½	½ + ½	½ + ½	17½f	4, 10	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	5	10	Nil	Nil	Nil	Nilf	6, 12	H.P.
46,20,000	14,93,810	1,26,82,109	61,11,074	6,260	Sahu Jain Ltd.	Bharat Collieries	6½xd	10	½	½	½	½	9	Y.
9,15,000	14,67,077	31,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhuiabarave	14	10	½	½	½	½	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	10	10	Nil	½	½	Nilf	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	29	10	1½ + 1½	1½+1½	1½+1½	1½	6, 12	H.
66,92,480	1,70,38,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	14⅜	10	½	½	½	½	6, 12	H.T.
49,97,000	750	34,32,368	37,644	5,038	Hindustan Investment Corpn., Ltd.	Central India	6⅜	10	Nil	½	½ + ½	½	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14⅜N	10	½	Nil	Nil	½	3	Y.P.
6,00,000	1,41,587	7,50,000k	——	19,867	F. W. Heilgers & Co., Ltd. ..	Churlia	2⅜	10	½ + ½	Nil	Nil	Nil	6, 12	H.
14,00,000	1,20,000	48,31,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	8⅜	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.
£240,000	£332,801	£224,955	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	25⅜	£1	1½	3	Nil	Nilf	6, 12	H.
29,83,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	31⅜	10	2½ + 2½	2½ + 2½	3½ (I)	2½	4	Y.
10,00,000	2,62,275	9,41,725	2,33,963	66,865	Bhutan's Agency Ltd.	Ghusick and Musli	15N	10	½	½	2 + 1½	1½	6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	30	50	3	3			3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,188	Macneill & Barry Ltd.	Hurmuldih	15⅜	10	½	½	4	3	6	Y.P.
22,00,000	3,08,577	31,70,013	10,56,245	—1,35,248	Bagaun Trust Ltd.	Jogta Coal	3⅜	10	Nil	Nil	½ + ½	½	6, 12	H.
3,50,000	5,58,000	13,65,400	8,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	40¾N	10	Nil	Nil	Nil	Nil	12	Y.P.
30,00,000		23,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	79	100	1½ + 1½	1½ + 1½	1½ + 1½	1½+1	2, 8	H.
8,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherrah	41⅜	10	Nil	Nil	Nil	Nil	2	Y.P.
1,38,400	93,000	10,63,519	3,23,519	1,083	Barrwala & Co.	Khas Kajora	6⅜N	10	1½ + 1½	1½ + 1½	2+2	2+2	6, 12	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kumardi	6⅜	10	½ + ½	½ + ½			1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	6⅜	10	3½	½			6, 12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	28,398		Nazira	11⅜N	10	½	½			6	Y.
17,76,240	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd.	New Beerbhoom	6⅜	10	½ + ½	½ + ½			4	Y.
6,00,000	2,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	18⅜	10	3/10 3/10	Nil	Nil	½	6, 12	H.
1,15,980	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	11	10	½ + ½	Nil	½ + ½	Nil f	4, 10	H.P.
1,57,500							12 N	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	M.
7,50,000	10,51,866	3,97,666	2,77,666	1,04,566	F. W. Heilgers & Co., Ltd. ..	Ondal	7⅜N	7½	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
10,00,000	1,10,000	35,60,232	19,97,827	56,421	K. C. Thayer & Bros.	Oriental Coal	19⅜	10	1½ + 1	1½ + 1	1 + 1	1f	6, 12	H.T.
8,34,000	83,996	17,23,582	8,27,675	15,789	Deepchand Kabenlall	Parasea	12N	10					6, 12	Y.T.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	Shaw Wallace & Co., Ltd. ..	Pench Valley	4⅜	10	Nil	Nil	Nil		12	H.P.
83,99,500	15,87,110	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	23⅜	10	½ + ½	½ + ½	Nil	½ + ½	6, 12	H.
13,50,000	7,38,385	30,56,328	24,50,328	24,964	Shaw Wallace & Co., Ltd. ..	Rewa	10⅜	10	Nil	Nil	Nil	Nil	2, 8	H.
20,00,000	3,95,008	32,32,218	13,30,360	618	Jayanti Sons Ltd.	Samla Collieries	25⅜	10	½ + ½	½ + ½	½ + ½	½	3, 9	H.
1,25,000	1,70,000	11,89,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Sarnoie	7⅜	10	½ + ½	½ + ½	½ + ½	1f	6, 12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Sarnoie	8N	2½	½	½	½ + ½		6, 12	H.
8,00,000	8,74,000	36,56,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Seebpore	24	7	½	½	½	Nilf	3, 9	Y.
63,21,450	13,23,954	3,24,72,792	2,26,34,394	65,560	Industrial Trust Fund (Government of Hyderabad)	Sendra	9⅜N	10	2½ + 2	2 + 2	2 + 1	½f	6, 12	H.P.
										½	Nil	Nil	Nil	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6⅜	10	½	½	½		6, 12	
8,00,000	13,89,545	69,570	21,310	87,018	F. W. Heilgers & Co., Ltd. ..	South Karanpura	10	10					12	Y.T.
10,00,000	12,xx,xx	30,15,423	19,43,501	—1,84,536	Villers Ltd.	Talcher	21	10	½ + ½	½ + ½	½ + ½	½+½	2, 8	H.
3,50,000	3,xx,xxx	14,xx,xxx	14,xx,513	74,427	Williamson Magor & Co., Ltd. ..	Tirodih	2⅜	10	Nil	1 + ½	1 + 1	1f	6, 12	H.
99,98,000		44,91,178	11,91,545	63,540	Hindustan Investment Corpn., Ltd	Union	22⅜	10	½	½	Nil		9	Y.
7,00,000	6,63,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Bengal	5⅜	10	½ + ½	½ + ½	½ + ½	½	6, 12	H.
						West Jamuria	18⅜	10	½ + ½	½ + ½	Nil	Nilf	6, 12	H.

* Including bonus. ‡ Sales and amount written off. (k) Investments. † For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 340 in the debentures section:—

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

(c) Option of repayment at any time subject to one month's notice.

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

e Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

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

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

MARKET GOSSIP

(Concluded from page 291)

during the next two or three years. One might, therefore, hope that India would be willing for a renewal of the Agreement for a limited number of years, if not a full five-year term, as is the case with the present Agreement.

• • • •

Assuming that this will be so, it is more than likely that India and the other participating countries will ask for some important changes in the terms of the Agreement. One of them would be with regard to the calculation of the figure of "standard exports" of the participating countries. The existing figures of standard exports were arrived at on the basis of the maximum exports of tea by each of the producing countries during the three years 1929, 1930 and 1931. It is felt that this basis of calculation is too much out-of-date and unreal. It would be much more preferable for all the countries concerned to calculate their respective figures of standard exports on the basis of the actual exports during the past three or four years, say 1951, 1952 and 1953.

• • • •

The second major question would be with regard to the fixation of permissible extensions or replacements of tea. Under the present Agreement, it is possible for plantations in the signatory countries to carry out extensions up to 5 per cent. of their acreage as at 31st March, 1950, and to undertake replacements upto 10 per cent. of the same acreage. These percentages appear to be adequate, taking into account the fact that they represent about 70,000 acres of new plantings and 140,000 acres of replacements for all the participating countries taken together. It is believed that new plantings and extensions already granted under the current agreement have not be fully utilised and are not likely to be so utilised before 31st March, 1955. On the other hand, it is also thought that both in India and in other producing countries, there has been a large number of cases of violation of the regulations relating to extensions and replacements, the culprits having undertaken these works either without licences or in excess of the limits authorised by the licences. A correct assessment of the actual areas planted in the last five years against the licences already issued by the Licensing Committee and the extent to which unauthorised plantings have been carried out would be of value at this juncture.

BANKING

(Concluded from page 298)

th[illegible] question of increasing by bank credit. It sa[illegible]s that, in India, the effective force in the growth of the money supply is the action of the Reserve Bank of India in creating central bank credit and of the commercial banks in creating commercial credit. Of course, changes in cash balances of the Central Government also serve to increase or decrease the supply of money, but the scope here for any appreciable increase over a long period is limited. So it is to bank credit that the Government should turn for undertaking a considerable part of its investment in development, because bank credit can fill up a considerable portion of the gap between its revenues, and proceeds of loans from the public, on the one hand, and its huge expenditure under the Plan, on the other. Accordingly, the Mission says: "The Government will find it necessary to draw down its cash balances and borrow from the Reserve Bank of India. The financing of the uncovered deficit in this way is called 'deficit financing' in India; and this is the sense in which this term is used in the Report." The poser whether such deficit financing could be resorted to or not is answered by the Mission thus: "If deficit financing is undertaken without any regard to its effect on the money supply and the availability of resources, it will inevitably lead to inflation and hamper the achievement of the Plan. Whether deficit financing is desirable or not depends fundamentally on the amount, the environment in which it is undertaken and the policies that go along with it." In other words, it is ultimately a matter of judgment. For, there is, the Report says, no formula by which one may determine the amount of deficit financing that may properly be undertaken in the near future.

Deficit Financing

Assuming that the present supply of money in India is approximately suited to its needs, a further contraction in the money supply, the Mission observes, is not called for, unless there is a very sharp change in the payments position in India: The carrying out of the Plan will result in the drawing down of sterling balance. The process by which monetary reserves are used involves in the diminution in the money supply equal to the decline in reserves, unless other measures are taken to offset it. As a minimum, the use of cash balances by the Government, and the creation of Reserve Bank credit and commercial bank credit should, therefore, be undertaken equivalent to the further use of sterling reserves. How this use of bank credit could be made use of without creating inflationary conditions in the country has been clearly described by the Mission in its Report. The relevant extracts are given below:

"Clearly, some deficit financing is consistent with a sound credit policy designed to avoid inflation and to facilitate economic development with stability. Clearly, too, excessive deficit financing is not consistent with a sound credit policy and can lead to inflation, even if it is for the purpose of undertaking development. Deficit financing is but one aspect of credit policy, and it is only on the whole range of credit policy that a judgment can be made. The practical problem for the monetary authorities is to determine how much is proper and how much is excessive deficit financing within the framework of a sound credit policy.

"One magnitude of which rough estimates can be made is the aggregate amount of credit creation that may reasonably be undertaken without risking a serious inflation. The money supply at the end of March, 1953, was Rs. 18.5 billion. Disregarding adventitious factors, it is probable that, if the economy develops, as foreseen by the Five-year Plan, an appropriate money supply for India by March, 1956 (the close of the Plan) would be close to Rs. 19.5 billion. If the drawing down of sterling balances in this three-year period should

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000 / 1,01,000 / 83,99,000	1,08,33,956	10,66,174	Allahabad Bank	384 / 192 / 116 / 59	100 / 50 / 50 / 50	18 0	18 0	18 0	9 0(i) / 4 8(i) / 3 0(i) / 1 8(i)	12 / 6.12	Y.P.
1,00,00,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
1,00,80,000	1,28,00,000	2,38,382	Bank of Baroda	107½	50	6 0	6 0	6 0	6 0	12	Y.
40,00,040	14,00,000	8,647	Bank of Bikaner	12½	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	154	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
13,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0	3 0	3 0	1 8(i)	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	19½	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	257½d	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,83,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,03,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
1,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85xd	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,875	3,99,08,177	17,23,015	Central Bank of India Ltd.	59	25	3 8	3 8	3 8	3 0	12	R.L.Y.
98,42,375 'A'	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	62½	25	3 8	3 8	3 8	3 0		
50,00,000	1,00,00,000	26,77,148	Habib Bank (P)	34½	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	16,20,000	1c,609	Hindustan Commercial Bank	88N	20	2 0	4 0	4 0	4 0	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	9½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	12½	50	—	—	—	—	12	Y.
9,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	105¾	100	6 0	6 0	5 0	5 0	9	Y.
1,87,50,000				1,297½d	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
24,00,000				432½d	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
16,00,000	73,50,000	1,04,201	Indian Bank	166	100	12 0	12 0	12 0	6 0(i)	6.12	R.L.H.
15,40,000				138	55	10 3½	10 3½	10 3½	5 13½(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	99	60	7 3½	7 3½	7 3½	3 9 3(i)	6.12	R.L.H.
6,25,000				98	100	5 0	6 0	6 0	—	.12	R.L.H.
2,50,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0	—	6.12	H.
10,00,000				18½	25(B)	2 4	1 14	1 8	—		
87,50,000	89,00,000	1,92,605	Punjab National Bank	38	50(C)	3 0	3 0	3 0	1 8(i)	12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	22½	25	1 0	1 0	1 8	1 0(i)	12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	6-7½	5	0 5	0 5	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,01,119	United Commercial Bank	41	50	2 0	2 0	2 0	2 0	12	M.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-5-11	£5	14½	14½	16½	7½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7½	9½	9½	3½	12	R.L.Y.
H.K.$20,000,000	H.K.$56,000,000	H.K.$9,489,174	Hongkong and Shanghai Banking Corporation	£95xd	H.K. $125	5%	5%	5%	8%(i)	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£2-19-6	£1	12½	12½	12	14½	12	R.L.Y.
£1,437,296				£1-6-3		5½	5½	5	5½	12	R.L.Y.
£375,000	£1,500,000	£200,143	Mercantile Bank o India	£24§	A £125	12½	12½	14½	7½(i)		
£375,000				£24§	B £125	12	12½	14½	7½(i)	12	R.L.Y.
£300,000				£11	C £5	12½	12½	14½	7½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£33§	£125	16½	16½	16½	8½(i)	12	L.Y.

§Includes bonus. †Less Tax (P) Pakistan Currency. ††O.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
5,50,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	1941	90½	28th February	1960(f)
4,00,000	6½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December	1956
12,00,000	4½	1st August and 1st February	Ravalgaon Sugar	1942	103	27th December	1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1944	91	1st November	1959-64
80,00,000	6	1st May and 1st November	Wakhaodeogar Industries	1941	105	1st April	1956-61
83,00,000	4½	1st May and 1st November	Wakhaodeogar Industries (New)	1944	92	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1956
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November	1956(a)
8,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100½	1st January	1967-72
13,68,000	5½		Jupiter Textiles	1949	71¾	1st January	1954-59
40,00,000	5	1st June	Tata Mills		101	1st January	1966-71
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March	1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		102½	15th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1964
2,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102½	31st January	1970
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	86	31st December	1970
13,00,000	5	1st January and 1st July	Hisar (Punjab) Electric Supply Co., Ltd.	1941	96	30th June	1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1940	97		1957-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½		1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
4,73,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1951-55(b)
8,50,000	4	1st April and 1st October	Tata Power		93½	15th September	1965-70
ENGINEERING							
3,00,000	3½	30th June and 31st December	Britannia Engineering	1945	98	31st December	1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June	1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102	1st July	1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	96	31st December	1960(ii)
10,00,000	4	31st May and 30th November	Kumarchubi Engineering Works Ltd.	1946	88	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	96½	31st December	1960
JUTE							
£2,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June	1954(h)
13,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	99	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99½	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1940	91	31st July	1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1964
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July	1966
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92½	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March	1967
3,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	31st March	1954
2,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1945	93	30th June	1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Serarah Jute	1937	96	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	5½	31st January and 31st July	Waverley	1925	84	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	6	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86	1st July	1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£60§N	A 110½ at any time on 6 months' notice or at par or every seventh year.	
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£77§N	1st October	1974
6,50,000	3½	30th June and 31st December		1945	90½	31st December	1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85§N		
£,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September	1963
PLANTING							
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102-9 3/5	1st July	1957-63
5,00,000	5	31st March & 30th September	Nilgiri Tea		101	1st April	1956-56
4,61,000	5½	30th June	Peachbrook		104	30th June	1954-59
9,00,000	5	31st March & 30th September	Periakaramalai		104½	31st March	1953-63
1,89,700	5½	31st March & 30th September	Teekoy		100	31st March	1949-59
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1948	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
86,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June	1964
11,00,000	5½	1st February and 1st August	Chowringhee Properties	1912	92	1st February	1964
11,55,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July	1956
80,00,000	4	15th March and 15th September	Dalhousie Properties	1948	87	15th September	1960
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	79½		1960
8,80,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January	1971
80,00,000	4	15th March and 15th September	Mysore Chemical Industries	1949	98		1964
39,57,000	6	31st March and 30th September	Martin Burn Ltd. (Cesserrible Notes)	1946	470	30th September	1976
45,00,000	6	30th June and 31st December	McLeod & Co. Ltd. (Cesserrible Notes)	1947	470 (per note) 410 (per note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April	1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	97	31st March	1961
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	1947	87½	31st December	1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	103½	1st May	1968

Note—See page 338 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th February, 1954.

—	Closing quotations 11-2-'54	High	Low	Closing quotations 18-2-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154	154½	153	153
Bank of Baroda (50)	107½	108½	107½	107½
Central (25)	58½	59	58	58
Central 'A' (25)	63	63	62½	61
Imperial (P.Pd.) (500)	1,082½	1,805	1,795	1,795
Imperial (P.Pd.) (125)	440	440	432½	432½
Union Bank (5)	6¾	6½	6-7½	6¾
United Com. (50)	41	41½	40½	40½
COTTON MILLS				
Ahm. Adv. (100)	148½	150	148½	150
Apollo (2)	2⅛	2-15/16	2⅛	2-13/16
Bombay Dyeing (250)	435½	441½	431½	437½
Central India (100)	187	193½	184	184½
Century Mills (100)	308½	320½	308½	315½
Calabia (100)	65	—	—	65
Edward Textile (200)	262½	267½	263½	265
Elphinstone (50)	42	44	42	44
Finlay (100)	275	279	275	278
Gokak (100)	264½	273	264½	273
Ind. Unit. Defd. (1)	1-9/16	1⅛	1-9/16	1-11/16
Ind. Unit. Ord. (10)	11⅛	12⅛	11-14/16	12⅛
Indera Mahen (100)	98	117½	100	111
Khatau (100)	205½	215	205½	212½
Kohinoor (100)	319½	323	316	322
Lakshmi (250)	592½	—	—	592½
Madhusudhan (100)	89½	—	—	89½
N. B. Cawnpore Mills (100)	50	53½	50	52½
Minerva Mills (100)	106	110	106	109½
Model Nagpur (250)	141½	142½	141½	142½
Morarji (100)	206½	206½	200	202½
Mysore (50)	166	165	162½	165
New City (100)	180½	—	—	180½
New Great (100)	167	172	166	166½
New Union (10)	26½	26½	26½	26½
Phenix (100)	133½	—	—	133½
Podar Mills (100)	136½	145	136½	143½
Sassoon Silk (10)	19½	19½	19½	19½
Sassoon Spg. (10)	32	32	31½	32
Shahjapur (1,000)	1,730	1,755	1,730	1,755
Shrinivas (100)	182½	—	—	182½
Simplex (50)	154	160	153½	160
Standard (100)	326½	333½	326½	330
Swadeshi (100)	292	298½	292½	295
Swan (100)	352½	360	352½	356½
Tata Mfg. (25)	53½	53½	53½	54
Vishan (100)	150	150	146½	148½
Western India (1,000)	3,350	—	—	3,350
ELECTRIC COS.				
Ahmedabad (100)	115	119½	115½	118½
Amalgamated (10)	10½	10⅞	10½	10⅝
Andhra Valley (1,000)	1,252½	1,292½	1,252½	1,292½
Bom. Sub-Bl. (100)	121½	123½	121½	123½
Surat (100)	131½	—	—	131½
Tata Hydro (100)	139	141	139½	141
Tata Power (1,000)	1,390	1,442½	1,390	—
INSURANCE COS.				
British India (10)	13-5/8	—	—	13-5/8
Empire of India (100)	640	—	—	640
Ind. Mercantile (20)	38½	—	—	38½
Jupiter (10)	7¾	—	—	7¾
New India (15)	40½	42½	40½	42½
Oriental (200)	7,085	—	—	7,085
Universal (10)	9⅛	—	—	9⅛
Vulcan (10)	12½	12½	12½	12½
STEAMER COS.				
Scindia (15)	17-7½	18-0½	17⅞	17⅜
STEEL COS.				
Ind. Iron (10)	28½	29⅞	28-7½	29-2½
Tata Iron Defd. (20)	2,117½	2,157½	2,115	2,153½
Tata Steel Ord. (75)	359	367	357½	366
MISCELLANEOUS				
Alcock Ashdown (100)	360	366½	360	362½
Associated Cm. (100)	177	177½	150xr	154½
Belapur Sugar (5)	259	261½	258	261½
Bom. Burmah (125)	385	396½	382½	395½
Do. (New) (50)	140	143½	138½	143½
Br. B. Petrol (4 sh.)	3-2§	3⅜	3-2§	3-6§
Br. I. Corpn. (5)	9½	9⅝	9⅜	9-9§
Indian Copper (2 sh.)	3-1§	3⅛	3-1§	3-2§
Ind. Inv. Tr. (100)	76½	—	—	76½
Kemp (200)	265	—	—	265
Killick (100)	162§	164	163½	164
Killicks (75)	130	—	—	130
National Rayons (100)	153§	166½	148	159
Phalton Sugar (50)	103½	106½	101§	102
Port Canning (100)	24§	—	—	24§
Premier Cas. (10)	118§	127	120½	125½
Shivranjan (10)	71	76§	71§	76
Tata Chemicals (10	11-9§	13-11§	11⅞	13§
Tata Oil (25)	35§	41	35§	40§
Waleland Ind. (100	178§	178§	176½	176§
W. I. Match (100)	207§	212§	206§	210

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	99§	—	3.42	99§
2½% 1955	98⅜	—	3.47	98⅜
2½% 1961	90§	—	3.94	90§
2½% 1962	93	—	3.87	93
2½% 1962	91	—	3.88	91
2½% 1974	82	—	3.96	82§
3% 1966-86	98	—	3.48	98⅛
3% 1958	98⅜	—	3.47	98⅜
3% 1929-61	96⅜	3.77	3.60	96§
3% 1964	92§	—	3.87	92§
3% 1963-65	92¼	3.93	3.81	92§
3% 1966-86	90§	3.98	3.88	90§
3% 1970-75	86§	4.12	3.93	86§
3% 1986 Con. Loan	82§	—	3.64*	82§
3½% 1954-59*	100§	3.22	3.45	100§
4% 1948-78	101§	3.68	3.84	101⅜
4½% 1958-68	102⅜	4.76	4.02	102⅜
4½% 1958-68*	105	3.27	4.04	105
5½% 1961 N.P. Bonds	98§	—	3.67	98§

BRITISH GOVERNMENT SECURITIES	9-2-'54 £	High £	Low £	17-2-'54 £
2½% Brit. Consols	64⅜	64½	64⅜	64½
3 ½ Savings Bonds 1965-75	83⅜	88§	88⅜	88§
3½% War Loan 1955-59	102§	—	—	102§
3½% War Loan 1952	85§	85⅜	85§	85§
3½% Brit. Iron and Steel 1976-78	93⅜	—	—	93⅜
4 % Funding Loan 1960-90	101⅜	101½	101⅜	101⅜

x.d.=Ex-dividend * Rupee Counterparts.

COMMERCE

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

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RAILWAY TRANSPORT NEEDS LARGER EXPANSION THAN ENVISAGED

THE contents of the Railway Budget, presented to Parliament last week by Mr. Lal Bahadur Shastri, Minister for Railways and Transport, provide cause for only negative satisfaction, in that the revenue estimates indicate a measure of stability and the curve of working expenses, which had been steadily rising, has flattened out. There is, however, no cause for positive satisfaction, for the traffic receipts have ceased to be buoyant, as they should be in an expanding economy. Industrial production in India in 1953 had gone up by about 12 per cent., as compared with that in 1952. There had been an equally substantial improvement in agricultural output also. These trends are anticipated to continue in the coming year, too. It is true that there has been a fall in imports of foodgrains and a few other items. But this has been nearly offset by increases in others and the prospects for 1954-55 are that the volume of India's foreign trade will expand. Despite all this, the gross traffic receipts of railways have shown hardly any improvement in the year (1953-54) now drawing to a close; nor are they expected to expand in coming year.

What are the causes for this state of affairs? There seem to be at least two important ones. In the first place, the railways are not in a position to handle all the traffic that is available. This is evident from the fact that the railways are still rationing the facilities and that complaints of inadequate supply of wagons are being heard from almost all industries and trade. Secondly, their existing capacity is not being utilised efficiently, as is borne out by the delays in movement of traffic and the annual reports of auditors. The only gratifying feature is that the Railway Administration is conscious of these shortcomings and is taking steps to meet them.

In order to overcome the first handicap, the Administration has decided to step up the expenditure on development of railway services in the next two years. Thus, in 1954-55, a sum of Rs. 95 crores, an increase of Rs. 17 crores over the revised estimates for the current year, is proposed to be spent on works, machinery and rolling stock. A similar or slightly larger amount will be expended in the following year. Details of how the sum of Rs. 95 crores is going to be expended in 1954-55 are published elsewhere in this issue. It will be seen therefrom that arrangements have been made to get a larger supply of locomotives from abroad, to expedite and expand manufacture of locomotives in the Chittaranjan and Tata Locomotive Works in this country, to increase the indigenous production of wagons, to secure more passenger coaches from abroad, and to speed up the construction of the Integral Coach Factory at Perambur. The other steps that are being taken to enhance the carrying capacity of the railways relate to augmentation of line capacity. Certain sections have, during recent years, become so congested that they are unable to cope with the current and anticipated traffic. The line capacity of these sections can be improved by doubling the lines, building more cross stations, extending loops, improving the standard of signalling and interlocking, and creating additional facilities in marshalling and transhipment yards. Accordingly, a larger sum of Rs. 3.3 crores, as against Rs. 2.1 crores, is proposed to be spent in this direction. It is expected that, when these physical bottlenecks are removed, the existing carrying capacity of railways can be more profitably employed.

The second drawback in our railway system referred to above, namely, poor efficiency of railways, is sought to be tackled through the establishment of an Efficiency Bureau in the Railway Board and the association of railway users' representatives with the Railway Administration in advisory capacities. The Efficiency Bureau will study carefully the operation, workshop, marshalling yard and other statistics with the object of improving progressively efficiency and economy on Indian railways. It will investigate and eliminate outmoded and costly practices and evolve suitable techniques for efficient measurements in diverse fields of railway operation and management. It will particularly enquire into the causes for the delay at various changing and transhipment points and make recommendations for reducing these delays to the minimum. Given freedom of action and proper incentive for drive and initiative, this Bureau can do quite useful service, provided the Administration makes sincere endeavours to implement its suggestions.

There is no clear indication, either in the Minister's speech or in the report on the progress of the Five-year Plan, of the extent to which the railways will be able to carry passengers and goods at the end of the Plan period. From what little information that is given in these documents, it is, however, apparent that its present plans to improve the capacity of railways, even assuming they will be fully implemented, will not help the railways to an extent fully to meet the transport needs of the country. The Administration proposes to spend no more than the originally planned amount of Rs. 400 crores for the rehabilitation and expansion of railways. By the end of the current year, it will have spent more than half this amount, Rs. 208.99 crores to be precise. By the close of next year, this will go up to Rs. 303.99 crores, leaving about Rs. 96 crores to be expended on development in the final year of the Plan. The Planning Commission itself has admitted that, even after all this investment, the railways will not be able to meet the entire transport requirements of the country. The number of overaged locomotives to be replaced will be almost as large as in the beginning of the Plan. The portion of tracks to be renewed will still be quite sizable. There will not have been any notable net increase in route mileage. It is, therefore, a misnomer to [illegible] to carry out the development programme in the Plan considering the needs of the country. [illegible] the first two years, the pace of the implementation of the proposals for rehabilitation and expansion of railways was being retarded by non-availability of materials. Now, the limiting factor is lack of adequate finance. As railway transport is a basic necessity, lack of finance cannot be regarded as a sufficient ground to hold back its expansion. From the point of view of increasing employment opportunities also, development of railways is eminently desirable. If the required funds cannot be found by the railways themselves, then they must be provided by the Government by a rearrangement of priorities in the general Five-year Plan. Efforts must also be made to secure more foreign assistance for this specific purpose. In the present world economic situation showing indications of surplus engineering capacity, the chances of getting such help seem to be more favourable than in the immediate past. This, however, does not mean that the Railway Administration should not endeavour to increase its income through economy in expenditure and efficiency in its operations. There is, doubtless, considerable scope for doing so. Anyone who goes through the audit reports of this greatest State commercial undertaking in India will agree with this view. But the saving that can be made in this direction will not, by itself, be sufficient to meet the development needs of railways. Nor is there much room for raising their traffic receipts by stepping up fares and freights. So far as fares are concerned, the present rates are so high that the law of diminishing returns seems to have come into operation already. There may be some scope for enhancing freights on some goods, but that will not be much. In any case, all possibilities in this direction must be carefully explored, if possible, in consultation with representative bodies of the mercantile community. The latter must readily concede that, when the country is engaged in eradicating the evils of poverty and illiteracy, wherever freight rates are such as to amount to an unwarranted subsidy to producers, the railways would be justified in effecting an increase. There can, therefore, be no objection to the Railway Ministry's decision to re-examine the question of rationalisation of freight rates, especially as it proposes to do this after discussion with such commercial bodies as the Federation of Indian Chambers of Commerce and Industry.

While on this subject, a reference may be made to Mr. Shastri's proposal for finding finance for development. This is best done by quoting the relevant passage:

"There is the need for maintaining and, if possible, accelerating the pace of construction of new lines. The present high levels of cost of material and labour involve unremunerative investment, at least for some time to come. The balances in the Development Fund are rapidly dwindling. How are these new constructions going to be financed? The only way in which such construction seems to be possible is to provide for a recovery of charges on the basis of inflated mileage for a limited period, so that the projects may not be financially burdensome. This device may also profitably be adopted in cases where a shorter route is provided reducing the cost of trans-

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portation substantially, the whole of which need not be passed on to the consumer."

The foregoing quotation means that those who directly benefit from the new constructions must pay for it. On the face of it, this principle may appear to be unobjectionable. But, on closer examination, it will be found that it is not so sound as it seems. Most of the new constructions will have to be in the under-developed parts of the country. To expect the people in these areas to bear the cost of this development will not be quite fair. Really speaking, that cost, or at least the major portion thereof, must be borne by the developed areas of the country. Further, the rates on the new sections will have to be very high if the object which the Minister has in mind is to be served. In that case, they may be so high as to render the use of new lines uneconomical. Moreover, when an existing commercial undertaking expands, it does not pass on the cost of such expansion by raising the selling prices of only a few products. It is generally reflected in the prices of all the products made by it, unless market conditions are favourable to follow the former course. The best thing to do would be to spread the cost of new constructions over the entire system to the maximum extent possible.

In his budget speech, Mr. Shastri claims that a substantial improvement has been brought about in travelling conditions on the Indian railways. This claim, we must say, is not totally unjustified, especially when viewed against the chaotic conditions that prevailed in the war years and in the subsequent four or five years. The number of train services has been increased. Accommodation for third class passengers has been enlarged in almost all the ...ns, in addition to running exclusively third ... special trains, popularly known as the ...a Express. Better types of third class com... ...s and, in a few cases, of upper class ... nts also, have been introduced. The ... of trains has improved perceptibly. ... y officials, if not the entire staff, are ... ous to passengers, willing to attend ... nts promptly and receptive to ideas. ...nities to passengers are also a little ... But still a lot remains to be done. The ...ard of comforts and conveniences provided ...y our railways is far below that provided in advanced countries. Overcrowding, especially in the long-distance mail trains—India is a country of long distances—and in the suburban trains, is yet to be eliminated. The percentage of improved types of coaches to the total on the rails is very small. The service that is provided to upper class passengers is not worth the fare that is being collected from them. So long as these deficiences persist, the railways will continue to be the target of criticism. The earlier they are removed, the better. The authorities will do well to realise that one of the best ways of building up public opinion in favour of the Government is to improve the facilities offered by the railways.

PLANNING AND EMPLOYMENT

THERE is no denying the fact that the problem of unemployment continues to be a potential menace to the security of this country. It is common knowledge that this problem assumed such serious proportions in the months which followed the slump in March, 1952, that it compelled a revision of the Five-year Plan. The outcome of this revision was the announcement of an eleven-point programme, emphasising the need, among others, for increasing output and creating more employment opportunities in the country to cope with the increase in the number of job-seekers. Ever since this programme was announced in August last, public interest in the Plan has increased. There is scarcely any public meeting of importance in which a discussion on the Five-year Plan does not take place. The latest instance of this interest is provided by the appraisal of the Plan by Mr. Ambalal Kilachand, the retiring President of the Indian Merchants' Chamber, Bombay, in his address at the forty-sixth annual meeting of that body held in the city on the 24th inst.

Mr. Ambalal assessed the progress of the Plan in terms of employment opportunities provided by it. His study reveals that, in many respects, the position is disappointing. In regard to food production and irrigation schemes, there has, no doubt, been considerable improvement. But, in other directions, there has been no significant progress, chiefly because State Governments have not made available adequate finances for implementing the Plan. In several respects, they have been behind the targets set in the Plan. Some of these Governments have not only indulged in development schemes not provided for in the Plan, but spent on these schemes funds granted from the Centre for development purposes. What is more, in respect of the Plan as a whole, after taking the various available resources into consideration, there will yet remain a gap of Rs. 750 crores between the targeted expenditure and the finance required for its implementation. This will have to be covered "by additional taxation and borrowing, further external assistance, and in the last resort, by still further deficit financing." But the prospects for covering such a gap are, according to Mr. Ambalal, bleak. For the level of taxation and other burdens having remained high, much resources cannot be raised through additional taxation. As regards borrowing, the results of State loans reveal that there is some scope for increasing the amount, especially under the small savings campaign, provided the necessary climate is created and proper techniques are adopted. Even after making allowance for all these, there will be need for resorting to deficit financing which, as Mr. Ambalal rightly observes, "is not without its dangerous spots." In the circumstances, if Mr. Ambalal is asked to choose between the two alternatives, namely, additional burdens in the shape of new taxes and deficit financing, on the one side, and the spreading over of the period of the Plan, on the other, he will have no hesitation at all to express his choice in favour of the latter. In other words, he is for hastening slowly.

Is this a desirable choice? There is an authoritative reply to this question. In its report on *Economic Development with Stability*, submitted to the Government last year, the I.M.F. Mission has made it plain that there is no choice but to implement the Plan. It says: "So far as can be foreseen at this time, the resources available to the Government of India are not adequate for carrying out the Five-year Plan. It would be tragic, if this essential development programme, designed to give momentum to the economy of India, had to be pared down for lack of resources."

It is, however, encouraging to note that Mr. V. T. Krishnamachari, Deputy Chairman, Planning Commission, thinks that no need will arise for the nation to choose between the two alternatives mentioned above. Thus, in his inaugural address at the annual meeting of the I.M.C., he stated: "If prices continue to be steady and production shows a continuous increase, the financing of the Plan need not present insuperable difficulties." This robust optimism of the Deputy Chairman of the Planning Commission is, no doubt, welcome, but, unfortunately, the grounds on which he seems to base his optimism do not carry conviction to us. He is, of course, realistic enough to admit that there are limitations to both new taxation and deficit financing. He, however, relies for additional funds on the mobilisation of small savings by methods adopted in Madras in raising the State loan last year. There may be savings in rural areas. But we are not sure that they can be garnered in the manner in which the Madras Government attempted to do last year. For though this loan was apparently successful, it amounted, in reality, to not mobilisation of rural savings but drawing upon the funds in the organised money market. Perhaps, Mr. Krishnamachari is not aware that most of the subscribers in rural areas soon cashed their investments in the Madras loan, even though it involved some sacrifice on their part. Again, he seems to be optimistic about the prospects of the States raising funds through enhancement of water rates and land assessments and levy of betterment contributions. This optimism, too, is not justified. It is common knowledge that no State Government has so far implemented any of these proposals to any worthwhile extent, as they are afraid of becoming unpopular with the masses in rural areas.

In the circumstances noted above, if the Five-year Plan is to provide an effective answer to the problem of unemployment, such would be possible only by a modification in the Plan. The emphasis should not be on the State doing everything, but on the State helping the people to help themselves. We do not say that the State should curtail its plans for expanding the basic services and resources. That should go on as planned. What we wish to say here is that the Government's economic policies should be so designed as to encourage entrepreneurs to come forward and start new enterprises which will provide greater opportunities for employment. As readers are aware, private industry in India has been appealing to the Government to refrain from placing obstacles in the way of business and enterprise. Factors such as heavy taxes, high and inflexible labour costs, restrictions on managerial discretions, excessive restraints and regulations on business, all foisted without proper consideration of their effects, have all inhibited attempts at opening up new channels of employment. These appeals should be considered sympathetically, with a view to allowing private enterprise to play its role effectively in the task of raising the living standards of the people.

COFFEE GROWERS AND CENTRAL INCOME-TAX

IT is now definitely known that Income-tax Officers in some districts of Madras and Mysore have issued notices to coffee growers, asking them to submit returns of their income for 1953-54—in some cases even for the previous two or three years—and to state why a portion of the income should not be taxed on the ground that it is derived by industrial processing. This attempt on the part of income-tax authorities to levy tax on coffee income has produced consternation among growers who regard the proposal as wrong, unsound and inequitable.

Ever since the Indian Income-tax Act was passed, coffee has enjoyed complete exemption from income-tax, on the ground that the income is purely agricultural. This finds support from a study of what happens to coffee beans before they are put on the market. The coffee bean has two coverings, the pulp and the parchment skin. The grower usually removes the outer cover, the pulp, either by hand or by a simple machine, and then sends the coffee beans with the thin parchment skin to the curing works. Here, the parchment skin is removed and the coffee graded into different sorts. No other operation takes place either at the estate or at the curing works. The bean does not undergo any sort of physical change during the processes above described. The entire process is carried out merely to make the coffee fit for the market, since the ripe bean without removing the husk and skin has no market as such.

Under section 2 of the Indian Income-tax Act, any process ordinarily employed by a cultivator to render a commodity fit for the market cannot be deemed to be an industrial process and as such cannot attract income-tax. In the case of tea, however, there is clearly a manufacturing process involved in the conversion of green tea leaves into black tea, and the final shape has no resemblance whatever to the raw product. In consequence, the Government of India decided, many years ago, by means of rule 24 of the Income-tax Rules, to regard 40 per cent. of the profits of a tea garden as comprising manufacturing profits and liable to income-tax. Surely, there can be no justification to levy an income-tax on coffee on similar grounds. This is apart from the fact that coffee income has, in one or two High Court decisions, been specifically regarded as agricultural income and none other.

It would seem worthwhile to know from what source the proposal to levy income-tax on coffee has emanated. If it is the Board of Revenue, one does not appear to have seen any Press Note or statement or rule in this connection. Is it to be presumed that the notices have been issued by the Income-tax Officers in the different States of their own accord in their anxiety to find new pastures? It is learned that one or two officers have already made their assessments, on the basis of about 30 per cent. of the total income from coffee being liable to assessment. How they arrived at this figure passes one's comprehension.

The implications of this levy are likely to prove to be quite serious. There are likely to be some anomalies, particularly with respect to the liability to agricultural income-tax. In some States, the whole of the income from coffee pays agricultural income-tax, on the score that the income is agricultural. Will a portion of the same income be now held to be liable to Central income-tax as well? Besides, what is going to be the case with other agricultural crops such as paddy? Will the de-husking of paddy and making it into rice attract income-tax on the same grounds as coffee? The position, to say the least, is highly intriguing.

It seems unfortunate that, at a time when coffee growers are bitterly complaining about the Government's interference in their affairs, including the fixation of an arbitrary basic price and the scaling down of profits, they should be told by Government that they would have to pay income-tax as well on a portion of the profits. In our view, the Government should lose no time in considering the grave implications of the Income-tax Department's proposal stated above.

BULLS RUSH TO BOOK THEIR PROFITS

ORIENTAL LIFE—I.C.I.—IMPORTED SUGAR—WORLD WHEAT AGREEMENT

THURSDAY, 5 P.M.

THE city markets which were presenting a steady to firm trend till this morning suddenly got the jitters in the afternoon. Bulls in all the markets rushed to book their profits and get out as early as possible. Unfavourable rumours about the Central Budget, due to be presented to Parliament this week-end, were responsible for this. These rumours claimed that the Finance Minister would freely resort to some excise duties to raise the funds needed for economic development. There was one report which said that there would be an increase in the excise duty on cloth. There was another which mentioned an excise duty on *vanaspati* and cement. Although a few newspaper correspondents had forecast this possibility some two weeks ago, the markets had taken no notice of them. It is inexplicable how they fell a victim to them just this afternoon. It is probable that somebody might have given an authoritative colour to it, just to play upon the frayed nerves of the bulls, many of whom have undoubtedly bitten much more than they can chew.

MARKET GOSSIP

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Some idea of the extent to which rumourmongers have played havoc in the markets can be had from the fact that, in the share market, Bombay Dyeings dropped 17 points within a few minutes this afternoon, Kohinoors 7 points and Centurys 6 points. Even the steel shares were adversely affected, although there were no bearish reports about them. Thus, Tata Deferreds lost 15 points, Tata Ordinaries Rs. 3 and Indian Irons As. 4, all within twinkling of an eye as it were. Similarly, in cotton, I.C.C. May shrunk from Rs. 682 to Rs. 673. The drop in oilseeds was even more sharp, with groundnuts and castorseeds being the worst sufferers. In bullion, gold lost nearly a rupee and silver more than a rupee. Over the week, the fall in the value of equities, bullion and commodities is quite substantial.

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While we know nothing of what the Finance Minister has in his mind regarding the budget proposals, the rumour that the excise duty on cloth will be increased sounds incredible to us. This may be just wishful thinking on our part, but considering the heavy burden of taxation that has already been imposed on the textile industry and consumers of cloth, we wonder if any fair-minded Finance Minister—Mr. C. D. Deshmukh is certainly a fair-minded person—will choose to add to the burden further. Be that as it may, the technical position of the share market seems to have become rather unhealthy. Much of the buying that has taken place in shares is on account of persons who long to get rich quick. Well-informed brokers tell us that some big parties are behind the recent impressive rise in Indian Irons. That may be so; nevertheless, the fact remains that this scrip is now standing at a level at which the yield is scarcely 3 per cent. per annum and that these operators have bought it in large numbers with the object of booking their profit within a short period. The working of the Company is doubtless smooth and production is running at a high level. All the same, the current market value is higher than its intrinsic merits.

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An indication of the unhealthy position of the equity market is provided by the short but swift shake-out it had today. It is also evident from the fact that a scrip, which remains almost neglected so long as it is in the cash section, becomes quite popular immediately after it is listed in the forward section. This tendency has now become so strong that the mere mention of the possibility of a share being included in the forward section attracts speculative buying. All this shows that the market is being frequented more by people who want to make money without making any immediate outlay than by those who wish to invest their hard-earned savings in shares in the hope of earning a decent steady return.

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As was anticipated in these columns last week, National Rayon was placed on the dividend list this week, the Directors having decided to recommend a dividend of Rs. 9 per share. It is reported that the Company has received the permission of the Industrial Finance Corporation for doing so. The proposed dividend is, of course, a rupee less than the optimistic expectation of Rs. 10 per share; nevertheless, it is a handsome one. Preliminary reports of the profits of the Company reveal that the dividend has been well earned. It is not, however, fair to comment on the appropriation policy followed by the Board of Directors until the full statement of accounts is available. The reaction of the market to the dividend announcement was not quite favourable, in that the value of the shares declined from Rs. 170-8 to Rs. 162. This is not surprising, for those who had bought earlier must have decided to book their profit. Even at the ruling rate, the yield works out to a little over 5.5 per cent. only, which is not very high for a new share. For big investors, whose incomes are large, the net yield will be still less, because, as the Company is not paying tax owing to the benefit of extra and initial depreciation allowances, one cannot claim refund of tax on its dividend. The impression given in certain sections of the Press yesterday that this is not so is incorrect.

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A subdued optimism about the outlook for the Scindia Steam Navigation Co. Ltd., is discernible in the speech of Mr. Dharamsey M. Khatau, Chairman, delivered at the annual meeting of the Company held on Wednesday. His remarks about the current year's earnings suggest that a slight fall in profit is quite likely. They also reveal that much will depend upon a satisfactory arrangement being arrived at with the other indigenous shipping companies in regard to the coastal trade. But these are only short-term factors. For the long-term, the outlook appears to be promising. The Company has rid itself of the costly undertakings, such as the shipbuilding yard, the overseas passenger trade and the civil aviation subsidiary, on all of which it was losing heavily. The Government is taking keen interest in the progress of mercantile marine and is prepared to render substantial financial assistance on easy terms. The Scindia Company, as the largest unit in Indian shipping, will be the chief beneficiary of this recent development. The Company has decided to carry out a bold plan of expansion of its fleet, involving a capital investment of Rs. 12.30 crores. Two-thirds of this amount will be provided by the Government as a long-term loan at low rates of interest—believed to be 2½ per cent. per annum—while the balance of one-third will be found by the Company from out of its own present and prospective resources. The Chairman has promised to provide the shareholders full details of this ambitious programme later and take their consent before going ahead with its implementation. The whole scheme will be placed before the Parliament [illegible] meeting, which would be called for the purpose, so that there would be opportunity to consider [illegible] This [illegible] doubt [illegible] democratic principles [illegible] system.

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At a time when conjectures and assertions of an economic recession are in the air both in America and in the U.K., it may sound strange to some in this country to hear that big industrial enterprises in those two countries are planning to make large capital investments in order to improve the efficiency of their plants and to expand their production. But it reflects the confidence of those who are in charge of these enterprises in the future. Evidently, they are looking ahead. As readers will have noted from the despatch of our New York correspondent published in our last issue, General Motors of America have announced that it would spend some $1,000 to $1,500 million for expansion within the next two years. Steel companies in the U.S. have planned an investment of $750 million this year for expansion. The American chemical companies also propose to invest large amounts to improve their efficiency and to reduce their costs through higher production. There are similar moves in the U.K. also. The latest instance of such large-scale investment in that country comes from Imperial Chemical Industries.

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I.C.I. has just announced the biggest financing operation ever proposed by an industrial company in Britain. It proposes to issue unsecured loan stocks to the tune of £30 million, in order to provide money for the further expansion of the undertaking for some considerable time. The loan stocks will bear interest at the rate of 4½ per cent. per annum and are redeemable in 1972-74. These stocks will be issued at par to the existing preference and ordinary stockholders of the Company. We are told that it has still to spend £60 million on projects already sanctioned and that it is expected to sanction projects costing another £70 million within the next three years. The Company also proposes to capitalise £80 million from its reserves and issue a scrip-for-scrip bonus to ordinary holders and a two-for-five scrip preference stock bonus to the preference stockholders.

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The proposed £30 million I.C.I. loan is not meant for any particular project, but for the expansion programme as a whole. Some of the projects included in the programme are: extension of production of soda ash, caustic soda and chlorine, and substantial expansion of nylon and Terylene production. It is not known whether the expansion programme will be confined to the Company's factories in the U.K. only or it will include those of its foreign affiliated concerns, including I.C.I. (India) Ltd. However, Dr. Alexander Fleck, Chairman of I.C.I., who was on a tour of India recently, said that the Company proposed to take up the building of a factory for the production of industrial explosives in Bihar at a cost of Rs. 4 crores. There are also reports that Tata Industries Ltd. are seeking the collaboration of I.C.I. for starting a new venture for the manufacture of dyes in India.

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An impressive rise is noted in the new life assurance business written by the Oriental Government Security Life Assurance Co., Ltd., during the year ended 31st December, 1953. The number of policies issued during the year was 78,292, assuring a sum of Rs. 23,42,17,204, representing an increase of 6,933 policies covering a value of Rs. 2,19,72,627 over the corresponding figures for 1952. The figures for 1953 are, however, subject to a slight adjustment. With this expansion in new business in the past year, the Company has not only more than made good the decline in the business suffered in the preceding year, but has established a record for the post-Partition period. In 1952, it may be recalled, there was a decline in the Company's new business from 73,459 policies for Rs. 22.22 crores (for 1951) to 71,359 policies for Rs. 21.22 crores. In 1946, the Company wrote a record business in its history, issuing 1,08,700 policies for Rs. 28.62 crores. In the Partition year, the business dwindled to 76,297 policies for Rs. 20.03 crores and in the subsequent year to 66,884 policies for Rs. 18.58 crores, the lowest in the last decade. Another interesting feature of the Oriental's new business in 1953 is that the average sum assured per policy, at about Rs. 3,000, is higher than that in the peak year, that is 1946, when it was only a little over Rs. 2,600. The news of the Company's encouraging results for 1953 was greeted today by the share market with a rise of Rs. 40 to Rs. 7,125 in its share value.

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Apropos the reference in these columns last week to the Oriental's move to convert itself into a mutual company, we understand that the delay is due to the Government sitting tight over the Directors' scheme. The latest reports are that the Government has decided to give its consent and that the Company will soon be informed of it. The rate of compensation is believed to have been fixed at about Rs. 8,800, which is approximately Rs. 200 less than the figure suggested by the Directors.

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The Government of India has decided to change the system of distributing the imported sugar to the trade in Bombay. Under the present system, imported sugar is distributed on the basis of tenders at a fixed price of Rs. 29-8 per maund. Tenders are accepted from all and sundry before each shipload reaches this city and quotas are allotted *pro rata*. This has given rise to an evil. As there is a good margin of profit on the sale of this sugar to the retailer, there has been a great rush for getting as large a quota as possible. The established sugar trade complained that they were losing their business to outsiders and that they had to buy the sugar from them by paying a premium for the quota. The Government too, has been finding it difficult to handle a large mass of applications. [illegible] Government has decided to import [illegible] tons of sugar in the next year and the [illegible] for securing quotas of imported sugar is increasing, these difficulties will become great and cause considerable inconvenience to both the Government and the trade. It is not, therefore, surprising that the authorities have decided to scrap this system in favour of the one obtaining in Calcutta.

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In order to bring about this change, Mr. P. Gopalakrishnan, I.C.S., Joint Secretary of the Department of Food and Agriculture, was appointment yesterday. He, along with the Regional Controller of Food, Bombay, talked to the sugar trade always and has secured their consent for funds candistribution of imported sugar and the price. Under this scheme, a syndicate of the Government by blished *bona fide* wholesale traders will to which all the foreign sugar in the general Bombay will be sold by the Government made to fixed price, believed to be Rs. 28-12 per specific The share of each member of the syndicate situadetermined on the basis of a formula related to turnover in a basic period yet to be determined by the Government. The members of the syndicate will sell this sugar wholesale at Rs. 30 per maund, subject to local taxes, for retail distribution. It is stated that, on this basis, the imported sugar will be available to consumers in Bombay City at about As. 12-9 per seer of 2 lbs.; it may, however, cost a little more in the interior. The members of the syndicate will have to give an assurance to the Government that they will not allow any increase in prices to take place, whenever there is some delay in the arrival of shipments. They must also get suitable guarantee from the retail dealers that they will not sell sugar to consumers at prices higher than those fixed by the syndicate. The implementation of the scheme will be under the supervision of the Regional Director of Food, Bombay. This scheme is now awaiting the sanction of the Central Government.

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As the aforesaid scheme offers an assured handsome margin of profit, it is quite a lucrative proposition to the sugar merchants. It was first feared that the whole scheme will be entrusted to the care of the Bombay Sugar Merchants' Association Ltd. The control of this Association is in the hands of only a few merchants who belong to the "A" class. The other sugar dealers in Bombay are either "B" class members of this Association or non-members. The latter feared that, in case the Government were to favour this Association with the privilege of distributing the entire sugar imports into Bombay, they might not get their due share. This led to dissensions among the members of the Association, and the "B" class members and non-members formed themselves into a new association overnight and claimed a share in the right for distributing the imported sugar. It must, however, be said to the credit of Mr. Gopalakrishnan and the Regional Director of Food, Bombay, that they understood the real cause of this dissension and prevented it from spreading further by deciding that the right of distribution will be given to all *bona fide* sugar dealers on the basis of their turnover in a particular period.

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So far as consumers are concerned, the new scheme seems to have no particular advantage over the existing one. If anything, it may mean an increase in the cost of their sugar, for the dealer who buys from the syndicate will have to pay the Bombay State purchase tax, amounting to about a rupee per maund which he has not to pay now, as he gets it direct from the Government. The Centre, however, will continue to make its usual profit, both by way of import duty and the difference between the landed cost and the selling price to dealers. It is estimated that, on an import of 500,000 tons of sugar, the Government will make in all a gain of about Rs. 18 crores, Rs. 10 crores by way of import duty and Rs. 8 crores by way of profit on the deal. On the domestic sugar of about 12 lakh tons—the estimated production in the 1953-54 season—the Central and State Governments will raise by way of excise, cane cess and sales tax about Rs. 13 crores. Thus, consumers of sugar will pay approximately Rs. 31 crores by way of taxes which work out to

(*Continued on page* 391)

EQUITIES REACT AT CLOSE

HEAVY SELLING IN TEXTILES

(From Our Own Correspondents)

BOMBAY, *25th February*

THE Stock Exchange was in the grip of pre-Budget uncertainties during the week under review. Trading during the major part of the week was characterised by a general desire to lighten existing commitments rather than enter into fresh ones. Though the Railway Budget was well received, the Railway Minister's indication about the possibility of a rise in freight rates induced caution among operators. However, sentiment was more or less intact, having been favourably influenced by revival of speculative support to Indian Irons and persistent demand for a few select counters in the miscellaneous group of industrials. However, on the closing day, that is today, rumours regarding the possibility of an additional levy of excise duty on cloth coupled with expectations of heavy *budla* charges in the next settlement, brought about a wave of liquidation in the textile group and values tumbled. This affected adversely the sentiment in other sections of the list.

In the steel section, Tata Deferreds opened the week on a bright note with a jump from Rs. 2,153-12 to Rs. 2,162-8, but soon succumbed to pressure which brought them down to Rs. 2,130 on Monday. After recovering temporarily to Rs. 2,158-12 yesterday, due to the strength of Indian Irons, they drifted again lower to Rs. 2,142-8 at the close today, on selling attributed to the weakness of textile shares and expectations of heavy *budla* rates. Tata Ordinaries came down from Rs. 366 to Rs. 360-8 on Tuesday. After a mild spurt to Rs. 364 yesterday, they finished today at Rs. 361-8. The Company's transfer books will be closed from 15th to 29th March, 1954 for the purpose of conversion of deferred shares into ordinaries and issue of bonus ordinary shares. In early dealings, Indian Irons were marked up from Rs. 29-2½ to Rs. 29-12½, but subsequently there was a recession to Rs. 29-3. Yesterday, however, there was a spirited rise to Rs. 30-6 on consistent Calcutta support. Today, they shaded off to Rs. 30-2 at the close.

The textile section was depressed owing to a wave of heavy selling pressure induced by budget rumours, as stated at the outset. Leading counters disclosed losses over the week, while some of the other counters managed to score small gains. After an initial rise from Rs. 437-8 to Rs. 440, Bombay Dyeings came down to Rs. 431-14, but a temporary spurt lifted them up to Rs. 436-4 yesterday. This rise was short-lived and today the shares crumbled to Rs. 418-12, before closing at Rs. 420. Kohinoors closed with a loss of Rs. 7 at Rs. 315. Century was lower by Rs. 4 at Rs. 314-8, Finlays by Rs. 6 at Rs. 272, Gokaks by Rs. 3 at Rs. 270, and Simplex by Rs. 5 at Rs. 155. A drop of Rs. 5 was noted in Standards at Rs. 325 and Rs. 4-8 in Svadeshis at Rs. 290-8. Bradburys had a loss of Rs. 30 at Rs. 890. Central Indias were, however, unchanged at Rs. 184-8, while Khataus disclosed a gain of Rs. 5 at Rs. 217-8, Minervas Re. 1-4 at Rs. 110-10 and Morarjis Rs. 2-8 at Rs. 205. Srinivas spurted by Rs. 37-8 to Rs. 220, following the promotion of the shares to the forward list.

Bank shares were steady with moderate rises in values. Barodas put on Re. 1-8 to Rs. 109, Centrals As. 12 to Rs. 58-12, and their New shares As. 4 to Rs. 61-4. Imperial Fully Paids gained Rs. 10 and Contributories Rs. 6-4 to Rs. 438-12. Indias were maintained at Rs. 153, while United Commercials advanced by Re. 1-12 to Rs. 42-8.

In the insurance section, the highlight was provided by New Indias which, on expectations of higher dividend, rose by Rs. 5-12 to Rs. 48. Orientals appreciated by Rs. 40 to Rs. 7,125. British India Generals dropped As. 5½ to Rs. 13.

A few bright spots were noted in an otherwise featureless trading in the miscellaneous section. A.C.C. stood Re. 1-8 lower at Rs. 133 and Belapurs Rs. 2-12 down at Rs. 258-8. Bombay Burmahs (Old) were, however, better, but by no more than Re. 1-14 at Rs. 397-8. B.I.Cs, after being marked up to Rs. 10, closed a shade lower at Rs. 9-9. Disappointment over dividend declared at Rs. 9 per share, as against the market's expectation of Rs. 10, caused a decline of Rs. 3-8 to Rs. 162 in National Rayons. Scindias were well favoured during most part of the week and this lifted them from Rs. 17-15 to Rs. 18-13. But the Chairman's remarks about the not very bright outlook for the current year at the annual general meeting yesterday pushed them back to Rs. 18-3½. Tata Chemicals were supported up to Rs. 14-14, but they drifted today to Rs. 13-15. Tata Oils were marked down by As. 8 at Rs. 40. Shivrajpurs lost Rs. 2-12 to Rs. 73-4 and Premier Constructions Re. 1-4 to Rs. 124-4.

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Calcutta Stock Exchange

CALCUTTA, *24th February*

Strong bullish fervour dominated the Calcutta Stock Exchange during the week under review. It was generated by several inspiring factors, such as absence of any fresh taxation in the West Bengal budget despite heavy deficit, larger dose of deficit financing in coming years, prospects of better financial assistance to industries and the generally encouraging trend in production. There were, besides, renewed hopes of an early increase in retention prices of steel produced by the Indian Iron and Steel Co., Ltd. Encouraging advices from jute goods and bullion markets also helped to brighten the sentiment of the market. Absence of jitters in the Railway budget induced operators generally to take an optimistic view of the forthcoming Central Budget. Under the stimulus of these factors, equity values forged ahead, with gains spreading to almost all counters.

Buoyant conditions were in marked evidence in the jute section. Following good overseas business in jute goods, the British Government's decision to decontrol jute and the reported removal of restrictions on import trade in jute goods by the Government of Australia, operators evinced keen interest in jute shares. Gourepores assumed the leadership with their quotation advancing by 30 points to Rs. 320. Kamarhattys rallied Rs. 26 to Rs. 202. Belvederes and Deltas firmed up by Rs. 11 each to Rs. 221 and Rs. 256, respectively. Champadanys picked up Rs. 9 to Rs. 154, Lansdownes Rs. 8 to Rs. 143 and Indias Rs. 7 to Rs. 138.

Coal shares evoked good buying enquiries on prospects of strike notice being withdrawn, following the appointment of a tribunal to adjudicate the colliery labour dispute. Equitables moved up by Rs. 2-12 to Rs. 31-4. Central Indias and New Manbhooms hardened by As. 11 each to Rs. 6-14 and Rs. 11-11 (yesterday), respectively. South Karanpuras gathered As. 7 to Rs. 10-5 and Burrakurs As. 4 to Rs. 9-2. East Indias steadied up from Rs. 25-10 to Rs. 25-12.

Among engineering shares, Indian Standard Wagons provided the bright spot with a rise of Rs. 5-4 to Rs. 69. The highly speculative counter, Indian Irons, strengthened by Re. 1-8 to Rs. 30-8. Textile Machineries improved by As. 14 to Rs. 10-15, Bhartia Electric Steels by As. 12 to Rs. 14-1, Jessop and Cos. by As. 11 to Rs. 27-2 and Marshalls by As. 9 to Rs. 7-3. Indian Galvanisings were As. 3 higher at Rs. 16-10.

Handsome improvement in values was also recorded in the miscellaneous section primarily on yield considerations. Indian Aluminiums were specially favoured and firmed up by Rs. 20-8 to Rs. 129. Rallis Indias appreciated by Rs. 4 to Rs. 60 and Midnapore *Zamindaris* by Rs. 2-4 to Rs. 38. India Steamships were up at Rs. 9-4, as against Rs. 8-9. F. & C. Oslers were taken Re. 1-1 higher at Rs. 12-4. Rohtas and Assam Saws shaped well with a rise of As. 8 each to Rs. 12-6 and Rs. 7-15, respectively. Indian Cables hardened by As. 8 to Rs. 21-2. Sone Valley Cements gained a like amount to Rs. 7-10.

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Madras Stock Exchange

MADRAS, *23rd February*

The Madras Stock Exchange ruled generally steady this week. Although operators did not expect any prospective surprises in the Central budget proposals to be announced on Saturday next, they generally preferred to remain cautious. But in the few transactions which were put through, prices tended to look up on buying support. Textiles particularly persisted to rule steady on continued encouraging export and domestic demand for cloth. Teas came in for some selective support, on demand for better grade tea leaves from the U.K. and the Continent. Rubber and miscellaneous scrips also fared better in sympathy with the improvement noted in other sections.

In the textile section P. Andavar 'A' shot up from Rs. 68 to Rs. 72-8 and 'B' from Rs. 93 to Rs. 110. Radhakrishnas and Rajalakshmis gained Rs. 3 each to Rs. 169 and Rs. 100, respectively. Vasantas were done higher at Rs. 188, as against Rs. 185. Janardanas rallied Rs. 2-4 to Rs. 72-4 and Balasubramanias 'B' Rs. 2 to Rs. 72. Metturs changed hands at Rs. 232, as against Rs. 230. Coimbatore Cottons were done at Rs. 210 *cum-div.*, as against Rs. 190 *ex-div.* The Directors have declared a dividend of 20 per cent. for the year ended 31st December, 1953, as against 9 per cent. in the previous year. Premiers, however, lost Re. 1 to Rs. 93.

As stated at the outset, some favourite tea scrips came in for special enquiry. Nilgiri Tea improved by As. 3 to Rs. 13-14 and Twyfords by As. 2 to Rs. 15-8. Talyars and Udayagiris gained an anna each to Rs. 9-11 and Rs. 9-3, respectively.

Among rubbers, Nelmenys advanced from Rs. 10-6 to Rs. 10-8 and Rajagiris from Rs. 10-14 to Rs. 11. Anandams gathered As. 3 to Rs. 8-13. Malankaras and Travancore Rubbers however, lost Rs. 2 each to Rs. 96-14 and Rs. 15-4, respectively. Thirumbadis were lower by an anna and a half at Rs. 3-7½ and Ouchterlonys by an anna at Rs. 4-6.

Coffee scrips were mostly steady. Coffee Lands and Consolidated Coffees were down by an anna each at Rs. 8-12 and Rs. 15-15, respectively. Nilgiri Neerugundis were also higher by a similar amount at Rs. 3-13. Puthutotams were fractionally better at Rs. 3-4½. Periakaramalais (tea and coffee) were done at Rs. 8 *cum-div.* The Directors have declared an *interim* dividend of 15 per cent. for the year 1953-54. The aggregate dividend for 1952-53 was 40 per cent.

(*Concluded from next column*)

those in Government and trustee securities amount to Rs. 2.91 crores, the market value of which is Rs. 2.82 crores, and those in equities Rs. 1.81 lakhs, the market value of the same being Rs. 2.08 lakhs. The difference between market value and the cost of the investments is fully covered by provision for depreciation amounting to Rs. 9.64 lakhs. Cash balances have shrunk by over Rs. 66 lakhs to Rs. 87.14 lakhs which provides a coverage of 9.8 per cent. to deposits, as against 17.5 per cent. at the end of 1952. The low ratio of cash and the high percentage of advances to deposits clearly show that the Bank has been employing its resources to the maximum extent possible.

MYSORE BANK'S PROFIT BETTER

RESOURCES WELL EMPLOYED

THE year ended 31st December, 1953, was an important landmark in the history of the Bank of Mysore Ltd. (General Manager: Mr. B. V. Narayana Reddy, Bangalore), for the privileged position which it had been enjoying all these years as bankers to the State Government was taken over by the Reserve Bank of India on 1st January, 1953. With this change, the management of the funds and public debt of the State was handed over to the Reserve Bank. However, an arrangement between the Reserve Bank and the Mysore Bank was agreed upon under which the latter was appointed agent of the Reserve Bank and as such continued to handle Government funds. Referring to this arrangement in his address to the shareholders at the last annual general meeting, the Chairman of the Bank assured them that it would be beneficial. The audited accounts of the Bank for the past year reveal no effect of this change on its financial results.

The profit of the Bank for the year under review amounts to Rs. 17.91 lakhs, representing a small, but welcome, increase from that of Rs. 17.30 lakhs for the previous year. No provision for depreciation on investments has been found necessary; it may be noted here that in the previous year, a sum of Rs. 2.81 lakhs had to be set apart for this purpose. The saving on this account has enabled the Directors to maintain the dividend comfortably at 16 per cent. per annum, including a bonus of 4 per cent., which they have consistently been paying from 1947 onwards. Last year, a sum of Rs. 1 lakh had to be drawn from the dividend equalisation fund in order to supplement the profit available for distribution before the dividend could be maintained. No addition to the reserves has, however, been made. But the undistributed surplus left to be carried over is higher at Rs. 2.27 lakhs, as against Rs. 0.86 lakh brought in.

The salient features of the Bank's profit and loss account for the past four years and balance-sheet at the close of these years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount	47.35	43.18	43.42	32.06
Commission and exchange	5.69	5.79	6.48	5.49
Gross income	53.24	49.18	50.09	37.79
Interest paid	19.47	19.13	19.49	8.80
Expenses	15.10	18.04	17.15	14.80
Depreciation on and repairs to property	0.76	0.71	0.59	0.53
Profit	17.91	17.30*	21.85*	14.16
Appropriations for—Taxation	6.00	6.00	5.10	4.50
Depreciation on investments	..	2.81	5.41	..
Reserves	..	..	1.50	1.00
Bonus to staff	2.50	2.25	2.20	1.78
Dividend†	8.00‡ (16%)	8.00‡ (16%)	8.00 (16%)	8.00 (16%)
Carry forward	2.27	0.86	1.59	1.06

	As on 31st December			
	1953	1952	1951	1950
Capital	50.00	50.00	50.00	50.00
Reserve fund	94.00	92.00	85.00	83.50
Deposits	8,88.90	8,77.93	9,92.08	9,31.78
Advances (including bills purchased and discounted)	6,67.78	6,03.20	7,22.61	6,21.84
Investments	2,02.51	2,00.34	2,85.15	3,04.06
Cash	87.14	1,53.86	1,44.81	1,59 18
Balance-sheet total	11,58.26	11,84.23	12,19.57	11,40.97
Ratio to deposits of—Advances	% 77.4	% 68.8	% 72.8	% 66.6
Investments	22.9	22.8	23.7	32.6
Cash	9.8	17.5	14.6	17.1

* Before providing for depreciation on investments.
† Includes a bonus of 4 per cent. per annum.
‡ Includes Rs. 1 lakh drawn from dividend equalisation fund.

The gross income of the Bank for 1953 at Rs. 53.24 lakhs is the highest in its history and represents an increase of Rs. 4.06 lakhs over that for 1952 and of Rs. 3.15 lakhs over the previous highest for 1951. This increase in gross income mainly reflects the rise of Rs. 4.17 lakhs in interest and discount earned. Commission and exchange earned are only a shade lower. The increase in earnings has been largely offset by the rise of Rs. 2.34 lakhs in interest paid and of Rs. 1.06 lakhs in expenses. The rise in interest paid is accounted for by the expansion in fixed, thrift and savings bank deposits. Though the profit is only Rs. 0.61 lakh better than that for 1952, it is pleasing to find that it constitutes the second highest in the history of the Bank.

An increase of about Rs. 11 lakhs is noted in deposits, but this is not shared by all classes of deposits. For, while fixed deposits have gone up by about Rs. 81 lakhs to Rs. 3.40 crores and thrift and savings bank deposits by Rs. 14 lakhs to Rs. 1.81 crores, current accounts, contingency accounts, etc., have gone down by nearly Rs. 84 lakhs to Rs. 3.68 crores. Of the rise of Rs. 83 lakhs in advances, loans, cash credits and overdrafts account for Rs. 77 lakhs (to Rs. 6.02 crores) and bills purchased and discounted for Rs. 8 lakhs (to Rs. 86 lakhs). As the rise in advances is larger than that in deposits, the advance ratio has gone up to as high as 77.4 per cent. Investments (at or below cost) are lower by only Rs. 7 lakhs. Of these investments,

(*Continued in previous column*)

NEWS IN BRIEF

AN experimental unit for the more efficient extraction of starch from tapioca has been developed by the National Chemical Laboratory of India, Poona.

During the first three years of the Five-year Plan, the total Central assistance to State Governments in the form of loans and grants has amounted to Rs. 289 crores.

The Government of Madras has filed an appeal in the Madras High Court against the order of Mr. Justice Balakrishna Aiyar, directing the winding-up of the Madras Electric Tramway Co., Ltd.

The Bombay Sales Tax (Amendment) Bill, 1953 has received the assent of the President. The date from which the amended Act will come into force and the procedure regarding registration, etc., will be announced shortly.

The report of the Ford Foundation team of international experts on small-scale and cottage industries in India will be ready early next month. The team may also make an interim report on the development of certain industries.

The West Bengal Assembly has passed the West Bengal Estates Acquisition Amendment Bill giving the Government powers to check *mala fide* transfers of land by landlords seeking to evade the provisions of the *Zamindari* Abolition Act.

The all-India second estimate of rice for 1953-54 puts the current year's area at 71,198,000 acres, as against the corresponding adjusted estimate of 69,591,000 acres for 1952-53, thereby showing an increase of 1,607,000 acres or 2.3 per cent. in area.

The sales tax relief given to non-resident dealers in Mysore in respect of inter-State transactions has been extended from 1st April, 1953 to 1st January, 1954. This will not, however, apply to those non-resident dealers who have already collected sales tax from their customers or charged sales tax in the accounts of customers.

The President of India has given his assent to the West Bengal Estates Acquisition Bill, 1953, popularly known as the *Zamindari* Abolition Bill. The Bill has now become an Act and the Government of West Bengal is now free to proceed with the abolition of *zamindari* without let or hindrance. Thus, the last legislative barrier to bring to an end the Permanent Settlement of Lord Cornwallis has been removed.

The date for the proposed tripartite conference in U.P. to evolve a formula for a share to the canegrowers in excess sugar profits, has not yet been fixed. Disclosing this in the State Assembly last week, the State Minister for Industries said that the Government wanted the Conference to be held in a "peaceful atmosphere." The Deputy Minister for Industries added that the principle of profit-sharing would apply not only to excess profits in the current season, but also in the future.

The Government of India has abolished the import duty on raw pearls (other than cultured) with effect from 23rd February, 1954, following the representations made to the Government that, with the levy of duty of 20 per cent. *ad valorem* last year, the artisans skilled in the special processes of drilling, bleaching and polishing raw pearls are suffering for lack of adequate raw material and are also facing difficulties in the export markets. Being in the nature of a cottage industry, processing in bond or export under claim for drawback is not easy.

A process for the extraction of starch from the stems of the banana plant has been worked out at the Central Food Technological Institute, Mysore. The annual Indian requirement of starch is in the vicinity of 2 lakh tons. The quantity has never so far been manufactured inside the country. During the last few years, the production of starch has considerably gone down due to the non-availability of maize, which was used as raw material for its extraction. It is estimated that about ten thousand tons of starch are being manufactured in the country at present. Investigations to find out a suitable substitute for maize revealed the possibility of the use of banana stems.

Tenders received from all over the world for the supply of plant and machinery for the Integral Coach Factory at Perambur are now being examined by the Central Government. Meanwhile, construction work is under progress at the site of the Factory and the erection of the assembly shop is expected to be started shortly. The erection programme is scheduled to be completed by the end of this year. Proposals for the construction of three additional shops have also been finalised, it is stated. A batch of technicians has already left for Switzerland to receive advanced training in the construction of railway coaches. A school for training trade apprentices is likely to be opened in March this year. The course of instruction is expected to last 18 months.

The Rajasthan Labour Advisory Board, which met recently at Lakheri, has, among other things, decided that a three-man committee, consisting of a representative each from labour and employers and an independent person as chairman, be constituted for standardisation of wages in the cement, cotton and metal industries. The Board has also recommended that survey should be conducted in the wool cleaning and pressing industry, cotton ginning and pressing industry and printing presses for finding out whether there was any scope for fixing minimum wages. The Board has further suggested that the Rajasthan Government should approach the Union Government for acquiring the services of I.L.O. experts for introducing certain schemes for training among the various industries.

Six scholarships, types 'A', 'B' and 'C', intended for industrial training of Indian nationals in the U.K., have been offered by the Federation of British Industries. Applicants must be graduates from an approved university or technical college and undertake to follow their profession after the training. Applicants for types 'A' and 'B' should not be more than 30 years old and should have at least one year's practical industrial experience since graduation. Applicants for type 'C' should not be more than 35 years old and should have at least three years' practical experience since graduation. The application forms and further necessary particulars can be had from the Ministry of Education (Scholarships and Information Division). The last date for the receipt of applications is 31st March, 1954.

A Bill to impose on the Barsi Light Railway Company an obligation to make certain payments to the Central Government following its purchase by the latter on 1st January, 1954, has been introduced in the House of the People. The Bill seeks to replace an Ordinance promulgated on 31st December, 1953. The statement of objects and reasons of the Bill says that, on the purchase of the undertaking of the Barsi Light Railway Company, the staff of the Company was also taken over by the Government of India. In order to secure continuity of service of such staff, it is necessary that the Company should pay to the Government suitable sums to cover the liability of the Company in regard to gratuity, special contribution to the provident fund, and leave salary of the staff in respect of the period of service of such staff under the Company. It was to remove any legal incompetency on the part of the Company to make such payments that the said Ordinance was promulgated.

From Abroad

Britain proposes to spend £163.9 million on defence in 1954-55 which is just over £3 million more than was planned for the current year.

A Japanese shipbuilding company has signed a provisional contract with Soviet Russia to build seven small ships worth about 1,000 million yen (about £1 million).

A £8 million pulp and paper mill has been opened near Auckland in New Zealand. The mill will produce 45,000 tons of pulp and 25,000 tons of paper annually.

The final step in the "dismantling" of the war-time food rationing system in the U.K. will be taken during the first half of July this year, when rationing of meat and bacon will end.

Fourteen employees of Bernecchia Brothers, Inc., a New York bus line, are now owners of the concern. Fifty-one per cent. of the controlling interest of the firm were sold last week to the employees who already held the balance of the stock.

The Ford Motor Company of America is engaged in atomic research to develop metals and other materials that might be used in manufacturing automobiles. According to Mr. Andrew A. Kucher, Director of the Company's laboratory, engineers are trying to develop metals that will withstand the extreme heat produced by atomic energy.

The U.S. Patent Office has granted to a Californian inventor a patent for a sound-producing device designed to increase the output of oil in wells. The device delivers high-powered sound waves into the well and generates heat in the rock. The heat creates gas pressure and causes more oil to flow from the oil-bearing formation.

The U.K. export prices of re-rolled steel products have been reduced so as to bring them in line with the prices ruling in the domestic market. The basic untested price for angles has been cut from £35 per long ton f.o.b. to £31-14½ and for flats and rounds from £35 per long ton f.o.b. to £32-4½.

The French Ministerial Council has fixed a new general price ceiling, under which it will be illegal to raise prices above the level existing on 8th February last. The measure is designed to prevent any rise in prices which might originate from the increase made in the first week of February in the wages of the lowest paid workers and thus offset the concessions made to these workers.

Egypt has signed a £4.1 million-barter agreement with Russia and Rumania for the exchange of cotton for petroleum. Russia and Rumania will supply Egypt with 350,000 tons of petroleum products at prices 16 per cent. below those in the world market. They will use the proceeds to buy Egyptian cotton in the free market. The first consignment of petroleum is due at Alexandria on the 28th inst.

More than 400 classes of goods will be permitted to be freely imported into Australia from 1st April this year, under the relaxation of import restrictions. Under the new relaxation importers from British and other sterling areas will be able to bring in any quantity of unassembled motor cars, carpets, linoleums, yarns, canned fish and numerous other goods, provided they can be got there within a year from 1st April, 1954.

Sweden proposes to import coffee from Colombia to a value of $6 million, at least $3 million of which in direct purchases and the remainder via Britain against payment in sterling. An agreement to this effect was concluded in Bogota on 8th February and will remain valid until 27th January, 1955. Colombia on its part is to permit imports of certain Swedish goods—primarily radio sets, glass, pottery and automobiles—which are subject to conditional import restrictions in Colombia.

Hungary has planned to exhibit goods in 15 big world cities this year. This is a considerable increase on last year when Hungarian goods were on show at nine exhibitions. The first exhibition this year was opened in Cairo on 29th January. Others will be in Casablanca, Milan, Frankfurt, Sao Paulo, Montevideo, Leipzig, Helsinki, Vienna, Stockholm, Toronto, Teheran, Djakarta, and in Pakistan. Syria has asked for an exhibition in Damascus.

PERSONAL

MR. Louis St. Laurent, Prime Minister of Canada, has arrived in India.

Mr. R. J. Rebello, B.A. (Cantab), I.A.S., has been appointed Vice-Chairman of the Bombay State Road Transport Corporation.

Mr. K. Shamsuddin Khan, former Director of Sericulture, Mysore, and a member of the Central Silk Board, has been appointed Vice-President of the Central Silk Board.

Nawab Ali Yavar Jung Bahadur, erstwhile Ambassador of India in Argentina and Ambassador-designate to Egypt, has arrived in India from Buenos Aires for consultations with the External Affairs Ministry prior to his taking up office in Cairo.

Mr. I. C. Alspach, Manager of the Industrial Products Department of the Goodyear Tyre and Rubber Export Co., U.S.A., has arrived in India to render technical advice in connection with Goodyear's expansion programme for industrial products in India.

Mr. S. S. Iyengar, General Technical Manager of the Hindustan Machine Tools Factory, Bangalore, has returned from a six-week stay abroad, where he recruited 85 European technicians for the Factory. He also obtained the services of 15 Indian technicians who are now under training in Europe.

Mr. J. D. Choksi, Director, Tata Industries Ltd., and Mr. S. T. Modgaokar, Director, Tata Locomotive and Engineering Co., Ltd., have left for Geneva en route to Stuttgart (Germany) to examine the possibility of manufacturing motor buses and trucks in India in co-operation with a German automobile firm.

Messrs. A. [illegible], B. J. Christie, A. E. Cooke, M. Heeramaneck, Dharamsi and P. K. Sahgal have been elected members of the Committee of the Upper India Chamber of Commerce for the year 1954. The election of Mr. Herbert Hill as President of the Chamber for the current year has already been announced in these columns.

Dr. Punjabrao S. Deshmukh, Union Minister for Agriculture, left for Colombo early this week to attend the Technical Meeting on Co-operatives in Asia and the Far East, jointly sponsored by the F.A.O. and the I.L.O., which began on the 23rd inst., at Kandy. Dr. Deshmukh is the leader of the Indian delegation to the meeting. The other members of the Indian delegation are: Mr. Deep Narain Sinha, Minister for Co-operation, Bihar, and Mr. M. S. Menon, Assistant Economic and Statistical Adviser, Union Ministry of Food and Agriculture.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *23rd February*

The Railway Budget

In the railway estimates presented by the Railway Member, the Hon'ble Sir George Rainy, in the Legislative Assembly on Tuesday, an important feature is the considerable increase of traffic receipts expected in 1928-29 over the high-water mark of last year, in spite of the failure of the monsoon rains in parts of the United Provinces and the Punjab and the strikes at Tatanagar and Bombay. The goods traffic is anticipated to bring nearly Rs. 2 crores more, in spite of the reductions made in the freight rates on certain commodities. The passenger earnings are practically the same notwithstanding the considerable reductions in the third-class passengers' fare on seven important lines, given effect to during the year. The total traffic receipts from the commercial lines are over Rs. 104 crores, an increase of Rs. 1¼ crore over last year's figure. All the principal commodities share in the increased traffic, except coal and coke. Except in the single case of kerosene oil, there has been generally a marked increase in traffic in commodities on which reductions were effected during the year. The opening of new lines and the larger traffic carried by the railways have increased the working expenses, generally, and as a result the total administration and operation costs combined is about a crore higher. To the extent of Rs. 35 lakhs this is due to the exceptional non-recurring expenditure on gratuities to workmen at Negapatam on the South Indian Railway and at Parel on the B.B. and C.I. Railway not transferred when the workshops were transferred to Trichinopoly and Dohad.



THREAT TO TOBACCO INDUSTRY

PUBLICITY given to supposed harms arising from the use of certain articles of daily consumption sometimes does more harm to the economy than the harm itself rightly or wrongly attributed to the article. India has had a bitter taste of such publicity twice in recent years. Once it was when news gained currency that wrist-watch straps made of plastic tied round the wrist continuously would result in damaging the skin. The news created such consternation among the public that plastic straps were flung off the streets and their sales suddenly dropped. The currency given to this belief played such havoc that the trade in plastic straps has not so far recovered from the impact of that blow. Another instance, which must be still green in the minds of the public, was the bitter experience of the *vanaspati* industry. This industry was, for some years past, in the throes of total extinction on account of prejudice which gave currency to the view that the eyesight of the third generation of a family consuming *vanaspati* would be adversely affected. The matter went so far as to encourage some to seek a statutory ban on the manufacture of the vegetable oil in which the country had invested several crores of rupees. It took quite a good few years for the industry as well as the Government to fight their way towards the total elimination of the ill-founded belief and not without expending enormous money, time and energy. Now it looks as though it is the turn of the tobacco industry to fall a victim to publicity abroad which has linked cigarette smoking with cancer of the lung. This publicity has adversely affected tobacco shares on the Stock Exchanges in both New York and London. Imperial Tobaccos (ordinary), for instance, which were quoted in London at £2.29/32 before the news was flashed declined to £2.3/4 before recovering to £2.27/32. The subsequent rally was occasioned by a statement from a group of tobacco companies casting doubts on the evidence adduced to link cancer with smoking.

The events leading to the development above deserve to be noted here. The suggestion that there is relationship between smoking and cancer of the lung was first made in the British Parliament by the Minister of Health on the 12th inst. He stated that the Standing Advisory Committee on Cancer and Radiotherapy, after having considered for three years, all the statistical evidence, had given the following opinion: "(1) it must be regarded as established that there is relationship between smoking and cancer of the lung; and (2) though there is a strong presumption that the relationship is casual, there is evident that the relationship is not a simple one, since: (a) the evidence in support of the presence in tobacco of a carcinogenic agent causing cancer of the lung is not yet certain; (b) the statistical evidence indicates that it is unlikely that the increase in the incidence of cancer of the lung is due entirely to increases in smoking, and (c) the difference in incidence between urban and rural areas and between different towns suggests that other factors may be operating—for example, atmospheric pollution, occupational risks, etc." The Committee felt, therefore, the need for cautioning young people against the dangers of excessive smoking.

The Minister's statement naturally caused concern in British tobacco industrial circles. A group of companies soon after came forward with an offer of £250,000 for research into the causes of cancer. Issuing a statement at the same time, they raised certain doubts regarding the findings of the Committee. These are: "The disease occurs in those who have never smoked; the number who smoke and contract the disease is a very small proportion of those who smoke and do not contract it; the disease is much more common in towns than in country districts, yet there is no corresponding difference in the average amount smoked by people living in towns and people living in the country; and there are medical authorities here and in other countries who are laying increasing emphasis on atmospheric pollution as a possible cause of the disease." The force of these remarks can hardly be disregarded. In view of the difference of opinion even among experts, it is difficult to prove or disprove the theory that smoking might be a contributory cause of cancer of the lung. It is, however, for medical scientists to make vigorous research and give its final verdict.

GOVERNMENT AND INDUSTRIES

If India is to forge ahead in the industrial field, the Centre and the States Governments should take such steps as will dispel the fear complex in the investing sector. This, in brief, was the substance of the presidential address of Mr. G. E. Longdin, to the sixty-sixth annual general meeting of the Upper India Chamber of Commerce, held at Kanpur on 19th February. Evidently, Mr. Longdin had been provoked by the series of hasty legislations passed by the authorities partly in their anxiety to better the lot of labour, partly to have control over the irresponsible section of business men, and partly to gather as much revenue as possible in utter disregard of their ill effects on the growth of industries. At the outset, Mr. Longdin cited the adverse consequences to industries of the extension of lay-off compensation in excess of 45 days in a year and of the provision for referring to conciliation or adjudication in matters relating to lay-off or retrenchment, even where compensation had been made. He deplored the Government's failure to amend or expunge sect a 33 of the Industries Disputes Act which has been encouraging indiscipline in the factories among workers. He referred to a special disability from which many employers in Uttar Pradesh have been suffering. This was the anomalous situation created by the fact that the aged and infirm employees could not be retrenched even with gratuity without the risk of being challenged in the courts. Mr. Longdin also criticised the Industries (Development and Regulation) Amendment Act, 1953, on the ground that it tended to restrict the initiative of private entrepreneurs. Further, while accepting the basic principles underlying the Companies Bill, 1953, he feared that a number of clauses of the Bill might tend to restrict the legitimate business activity of many concerns. Finally, he dwelt on the piquant situation created by the judgment of the Supreme Court in regard to sales tax on goods in the course of inter-State trade.

These are only a few glaring instances of the way in which the Central and State Governments have been consciously or unconsciously inflicting hardship after hardship on the industries at a time when profits are declining, with the return of the consumers' market. It is true that these measures are aimed at converting the country into a Welfare State. Taken individually, they may inflict only a small burden on the industries, but their cumulative effect is crushing and not conducive to ensuring an expanding economy.

The picture, however, is not altogether gloomy. For, latterly, there appears to be a growing awareness on the part of the Government of the adverse consequences of its ill-considered and hasty measures. The appointment of the Taxation Enquiry Commission with a level-headed economist-cum-business administrator, such as Dr. Matthai, as Chairman, to enquire into the structure of taxation, and of the Shroff Committee to enquire into the finances available for the private sector, the keen interest taken in the move sponsored by the World Bank and American financiers to start an investment bank with a view to providing risk capital to industries in the private sector and the attempt to get some relief to the branches of banks in small towns from the heavy burdens imposed by the awards given by the various tribunals, are instances that confirm this impression.

WELFARE STATE OR SOCIETY?

Addressing a meeting in Delhi University, Prof. T. H. Marshall of the London School of Economics questioned the appropriateness of the term Welfare State to depict the state of social development that had taken place or had to take place. For Welfare State might connote, according to him, some kind of an imposed "benevolent totalitarianism," which is not what it is intended to mean. He, therefore, preferred to use the expression "Welfare Society" in place of "Welfare State" which is being widely used now. Welfare Society, he remarked, presumed the attainment of a sense of dignity by its members which they did not possess before.

Explaining the principles and problems of the Welfare State in Britain, Prof. Marshall stated that the nineteenth century *laissez faire* individual, who was a "disintegrated" entity, was being sought to be "reintegrated" under the Welfare State in Britain. He pointed out how the impact of industrial revolution in Britain had produced a sense of being "uprooted" among the common man. The latter was torn amidst a host of social, cultural and economic problems which he could not cope with. The idea of a Welfare State in the twentieth century meant for him the fulfilment of a new right, namely, "the social right of citizenship," a right which enables the individual to claim equality of opportunity in regard to education, maintenance, culture and health, because this social right was being expressed in terms of economic value. The British idea of a Welfare State, in the opinion of Prof. Marshall, also meant that the difference between higher and lower classes in society should be substantially reduced, so that the average man might become the dominant type. He was, however, careful to add that it did not mean the total elimination of the difference. A significant feature of the Welfare State in Britain, to which Prof. Marshall drew pointed attention, was that it was not run entirely by the Central Government, as a very large sector of the State was run by voluntary agencies.

TRAINING IN MANAGEMENT

One of the striking features of the second annual conference of the All-India Council of Labour Welfare Officers, which concluded its three-day session at Madras on the 14th inst., was the recognition of the need for management training. Col. L. Sawhny, who was the Chairman of the section relating to management training, pointed out that it was high time that industrial executives were trained in modern business administration. His section recommended that colleges and universities should include in their curriculum a course in business training and that theoretical instruction in the approach to human relations should form a part of the course. It was suggested further that theoretical instruction should later be reinforced and sustained by practical experience.

The recognition of the need for training business executives has come none too soon. For the success of modern business enterprises depends entirely on the efficiency of management. In fact, it is the management which makes the wheels go round. The managers have to take basic decisions and co-ordinate the efforts of all company employees into an effective organisation, with a view to ensuring successful operation of the enterprise concerned. He must be in close touch with not only the needs and desires of consumers but also with the policies of the Government affecting the fortunes of the company. As David Lilienthal, a prominent American with experience in both Government and industry recently described, the manager should essentially be "a man with a strong and practical sense of responsibility to the public" and should have "an awareness of the ethics of present-day business competition."

The greatest function of management lies in ushering in and maintaining healthy labour relations, a function more easily defined than realised. As this involves dealings with human elements and not with statistical data, the problem should be approached from a psychological angle. This requires on the part of management an understanding of the difficulties and aspirations of the employees and their tactful handling. It is, for instance, rarely realised that there is only a short step from an ignored suggestion to a grievance. But, it is common knowledge that once the suggestion of an employee is accepted and credit is given to him for the idea, it helps him to sustain his ego and thereby his warmer feelings towards the management. Again, recognition for a job well done costs little, but it is often a means of earning the co-operation and productiveness of the employees. Further, praise in the presence of others is effective as long as one worker is not compared with another. More than all, there is the need to recognise that to err is human and that one is seldom wrong or right all the time.

The management has yet another function and that is planning of jobs ahead of time. This planning has much to do in improving labour relations and also efficiency. For planning often saves many needless steps and false starts.

It will be evident from what has been stated above that the functions of management constitute a complicated business. This explains why management has become a profession. Professional managers are hired because of their training, their judgment and ability to work with others. It is true that some people advance to managerial responsibility by demonstrating their capabilities in subordinate positions. But they are only very few. In the industrialised West, most of the managers are often selected from among those who have been trained for that profession.

Most of the industrialised nations have some form of management training. The foremost among them is the U.S., which realised the importance of management training decades ago. As far back as in 1900, for instance, the Harvard University introduced its Graduate School of Business Administration. Now this successful School has been joined by similar departments in most of the leading American universities. Scores of companies enrol their most promising executives in advanced management courses.

In India, however, management, be it in the private or the public sector, is far below Western standards. Corruption, nepotism, callous disregard to feelings of the employees and greed for immediate profit are generally so rampant that it has made the successful working of the organisation concerned a doubtful proposition. That explains why there is a marked preference among ambitious young men to seek a career in concerns managed by Europeans or in Indian concerns which are known to be following Western standards. That again explains why firms managed by Europeans are making steady progress year by year, as compared with the slow and often halting, if not haphazard, growth of Indian-managed companies. Management is both an art and a science. Unless private enterprise in India realises this and improves its managerial efficiency, its future will be at stake.

BOOSTING OUTPUT OF FISH PONDS

The possibility of using hormones to stimulate the spawning of fish was examined by the Indo-Pacific Fisheries Council, a 16-nation body sponsored by the Food and Agriculture Organisation of the United Nations, at its recent session in Bangkok. One of the difficulties in the pond fish culture, a programme being encouraged by the F.A.O. in a number of countries as a means of boosting the supply of protein-rich-food, is the fact that certain species of carp from India and China will not spawn in confined waters. In Brazil, it is reported, fisheries experts have achieved some success in using sex hormones on other species of fish with the same characteristics. Experiments along the same line are going forward, but it is still too early to draw any conclusion from the results.

The Council also discussed a paper by Dr. S. Y. Lin, F.A.O. expert working in Haiti, on compatible combinations of different species to make the best use of fish ponds. Some fish feed on the surface, others at the bottom, some on vegetation and others on animal matter. If a proper combination of fish with these varying characteristics can be worked out, the resources of a pond, it is stated, can be utilised to the fullest extent.

A popular fish in South-East Asia is the amazing tilapia. Under good conditions, one pair of matured tilapia may produce as many as 10,000 fish in one year. Moreover, it takes only about four months for the young fingerlings to grow to a good size for the table. Dr. Ling says that tilapia live well in many kinds of water, require no particular feed and that their flesh is "firm and delicious with few bones, also excellent for fresh consumption." Another interesting fish experiment reported by the F.A.O. recently from the South-East Asia region is in Indonesia. There, it is thought, ponds can be freed of malarial parasites by combining two species of fish, and that production will be increased by two million kilograms a year.

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outside the usual run of day-to-day administration at great cost to the country, and relegating them, for some unknown and unspecified reasons, to purely routine posts such as that of Collectors or Deputy Commissioners in distant backwaters.

While it is true that the district administration needs to be strengthened, in view of our concentrated efforts for rural uplift, it is not necessary to waste talents and training, painfully and laboriously imparted and acquired, in important subjects like defence, road transport, shipping, etc. Even if a change is considered necessary and it is thought advisable to train additional personnel in these out-of-the-common-run activities, it will be more economical and more to the advantage of the country as a whole, in which administrative standards, by all accounts, are still very poor, if such persons, of whom there must be possibly a dozen in the whole of the Union, are fitted into more responsible posts in the administration.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

IF it was a body constituted for the spiritual uplift of our countrymen, there would be nothing wrong or incongruous in the highly negative and serenely contemplative attitude of the Forward Markets Commission. I wonder if this on the whole placid and inactive Commission is perchance labouring under some misapprehension about its functions, though the fact that its headquarters has been purposely located in the market place at Bombay, and not on the heights of Hardwar, should have been enough to remove any such misunderstanding on its part. Being only a babe in arms, nobody expects it to be up and kicking, but no six-month-old child, when it is not asleep, sits as if in a trance engaged in the eternal verities of the universe, as Dr. B. V. Narayanaswamy Naidu and his colleagues seem to have been doing.

From what I have been able to gather so far, the Forward Markets Commission, and especially its Chairman, have been leisurely touring the country, visiting important centres of forward trading in commodities and bullion and unhurriedly studying the working of these markets. Apart from this, Dr. Naidu, who, perhaps because of official discipline, is the only vocal member of the high-powered body, has been making tolerably amiable and somewhat reassuring speeches to the vested-in-the-wool and tough members of the governing bodies of the various exchanges and associations sponsoring and conducting large speculative activities in futures trading, on somewhat goody-goody lines. I earnestly hope that the good-natured Chairman of the Commission is not taken in by the flattering words of the many addresses of welcome which have been showered on him, wherever he has gone, and by the high and lofty sentiments expressed regarding the great services to the public these philanthropic bodies are rendering, by their selfless activities in the trading rings.

In any case, the time for these mutual compliments, exchange of pleasantries and welcome addresses is over and the Commission has got to come down to brass tacks. One would naturally have thought that the head and other members of this important body were selected for their close and intimate acquaintance with the working of forward markets in the country and knowledge of the clever manipulations and machinations for the exploitation of every new situation which it covers. They certainly could not have been so innocent of this necessary knowledge as to need almost a year of peripatetic study at the taxpayers' expense, of an activity which they are paid to control and regulate.

There were certainly men knowing the subject from A to Z and steeped deep in it, like the late Mr. T. B. Dalal, within the official cadre, and many outside it in the actual commercial, academic and journalistic world, available to the authorities for manning this body at the outset, if the Government were serious about their intention of introducing some discipline in these dens. But it is not the first time that officials have helped in smothering a good idea at the very start, by regarding such newly created bodies as aids to some people's careers. They are looked upon either as a dumping ground for getting some of the unwanteds out of the way or of finding safe and comfortable billets for some not very competent favourites, or, again, of side-tracking certain stumbling blocks in the cadre, preventing the rapid rise of some V.I.P.'s more fortunate than capable protegees.

Why I have all of a sudden thought of the Forward Markets Commission at this time, though I have been closely watching its activity, or, more properly speaking, a lack of it, is the way in which some of the forward markets have been behaving of late. Nobody expects these markets to sail along a set course; they are bound to be swayed somewhat exaggeratedly and jerked out of their path violently, from time to time, by every passing gale and current. They are, in a sense, shock absorbers for more regular and sedate forms of economic activity, and, to that extent, liable to steep ups and downs. But, when these threaten the welfare of the community and its ordered life, not as a result of the play of unforeseen forces, but as a direct outcome of sheer over-trading and frenzied buying or selling, it is time the authority specially created for regulating unwholesome economic activities stepped in and took some drastic action, at least to jusify its costly existence.

Textiles still constitute the country's biggest industry. Cloth is our biggest item of exchange-earning exports. Cotton not only forms the raw material for this industry, but is one of the most important crops of our agriculture. To hundreds of thousands of families it is a means of physical existence. We, therefore, cannot afford to let it be a plaything of reckless and dare-devil speculators. I am neither enamoured of official controls, nor do I, by any means, regard forward trading in cotton as more desperately cynical than in any other commodity. In fact, there are worse culprits going loose in this field. Why I have mentioned cotton is just because, at the moment, it happens to be behaving in a bewildering criss-cross manner, like a reveller returning home late after hectic hours of glorious life in a night club or possibly a series of them. All the markets are quite capable of behaving and do often behave in a similar irresponsible manner or worse. And it is the business of the Commission, if it be worth its salt, to get tough with them and pull them up both *in* their own interest and that of the community at large.

In a matter of a week or so, the whirling and howling crowd at Kalbadevi has pushed cotton up by thirty rupees and then down by as many or more. If even a microscopic quantity of cotton bales tendered against deliberate purchases and sales pushed up prices for the part of the delivery period, in the hope that no seller would be delivered, could inflate or depress values to such an extent as witnessed recently, it should be obvious even to the meanest intelligence that most of those who operate and who are allowed to operate unchecked on a large scale in this market could not be men of substance. For ought I know, speculation in forward markets may be an honourable calling, it possibly is; but I should think that so distinguished a calling as dealing in futures on an impressionable scale would demand certain attainments and resources, as in the case of most other professions. A system of margins or deposits for all transactions would soon eliminate much of the undesirable element from these markets and reduce trading to reasonable dimensions. If the Forward Markets Commission is still busy studying things, I would willingly make a gift of this idea to Dr. Naidu, if he would promise to enforce it in the various forward markets, as his Commission's first contribution to the economic health of the country.

There is another very valid reason for my so rudely awakening this body from its comfortable slumber. The country has really never been free from the harassing effects of inflation at any time during the last fifteen years, since World War II shook the world and played havoc with its currencies. We are once again embarking, on a large scale, on the painful, but, perhaps necessary, adventure of deliberately reducing the purchasing power of our rupee. In such times, forward markets tend to inflate inflation itself and make life a greater misery for millions than that brought forth inevitably by pumping of extra currency in circulation by the Government as a part of its chosen plan and policy. This is the time for the Forward Markets Commission to watch every trend in the markets suspiciously and to get busy before things get out of hand. Let us hope that the addition of one more member, Mr. W. R. Natu, fresh from the super-active atmosphere of New York, will add vim, if not lasting vigour, to the work of this somewhat complacent body.

Wasted Talents and Training

It has been freely admitted often in the past that the Government of India and the State Governments have undertaken many unusual activities, for which the administrative machinery was neither well trained nor well geared, with the result that there were frequent breakdowns, delays and general loss of efficiency. In fact, whenever anything has gone wrong with any of the major industrial or irrigation-cum-power projects, or again, when controls have been administered in a wooden and unimaginative manner creating avoidable difficulties both for commerce and industry, the plea put forward, when driven to bay, has been the dearth of administrative officers with necessary training and experience of these subjects. It is therefore, all the more surprising that, during recent months, there should have been several instances both at the Centre and in the States of removing key-men, who have been trained in activities

(Continued on first column)

MOVE TO REFORM INDEX NUMBER OF PRICES

PARLIAMENT DISPOSES OF NUMBER OF BILLS

(From A Special Correspondent)

NEW DELHI, *23rd February*

DISCUSSIONS on the question of reconstruction of the index numbers of wholesale prices on a more reliable and dependable basis have been going on in Government circles for the past few months. The present index is considered somewhat unreliable, since it does not interpret the true state of the economic health of the country. In fact, the credit for focussing the Government's attention on the undependability of the index numbers of wholesale prices, as also on the urgency for their reform, must, doubtless, go to the I.M.F. Mission, particularly to Mr. E. M. Bernstein. According to this international financial expert, the wholesale prices index is defective in several respects. First of all, it has been constructed on the basis of the pre-war year when prices were generally at a low level, and, in consequence, this base has been unduly magnifying the rise in the commodity prices during the war and post-war periods. Again, it has for its basis undivided India for the purpose of weightage, etc. For instance, in regard to raw jute, raw cotton, wheat, raw wool, raw hides and skins, the area now constituting Pakistan was the major producer in pre-independence days. As a result of Partition, the share of the Indian Union in the production of some of these commodities has dwindled considerably. Consequently, any index number which does not take the change into consideration should be unreliable. Thirdly, India was not then as integrated as it is now, because of the prevalence of a large number of Indian States in the Pre-partition days. Further, greater weightage has been given to raw jute, manganese ore, mica, jute goods, tea, etc. According to informed statisticians, nearly 40 per cent. of the base could be computed as belonging to exportable commodities and goods which play an insignificant part in the determination of the internal price structure in the country. For instance, the increase in the wholesale prices during the last few months has been largely the result of the rise in the prices of many export goods such as tea, shellac, etc.

DELHI LETTER

In this connection, the Report of the I.M.F. makes interesting observations: "As the wholesale price index is weighed heavily with goods that enter into international trade, it did show a sharp rise and fall, characteristic of all raw materials since the beginning of the Korean War. A price index which reflects the operation of internal monetary and fiscal forces would show greater stability from year to year as well. Such an index can be constructed by taking into account only those goods that are both consumed and produced almost entirely at home. In view of the constant necessity of judging the effectiveness of internal fiscal and monetary policies in maintaining economic stability, it would be extremely useful for the Government of India to publish regularly an index of prices of goods produced and consumed domestically and which would be free, as far as possible, from the direct effects of external fluctuations."

The proposed new index now under construction will have 1948-49 as its base year. The weightage to each commodity has been given in such a way as to represent its true place in the national economy of this country. In order to assess weekly fluctuations in the price level, prices of commodities in different places are being taken into consideration. It is stated that as the Government of India has to resort to deficit financing to some extent with a view to implementing the Five-year Plan, during the next two years, this reform of the wholesale prices index might enable the Finance Ministry to assess more correctly the impact of deficit financing on the general economy of the country. This new index is expected to be computed from the beginning of the next fiscal year and when published, it will substantiate the statement made by the I.M.F. Report, namely: "There are many people to whom the conclusion that inflation has been eliminated in India and economic stability restored will come as a surprise."

The presentation of the Railway Budget this week did not provide any thrill to both the Houses of Parliament, especially when members were more or less sure that the Budget would not contain any surprises. However, as Mr. Lal Bahadur Shastri, the Railway Minister, began reading his speech slowly, the feeling became uppermost in their minds that the Railway Administration had been doing creditable work these years in the matter of speedy rehabilitation and construction of the main arteries of transport in the country. That the Administration has been spending vast sums during the last few years in regard to development, rolling stock, etc., could be appreciated only when the present rate of expenditure is compared with that prevailing before World War II. The average expenditure per annum during the five-year period before the war hardly worked out to Rs. 8 crores, while for the forthcoming fiscal year, it is budgetted at the high figure of Rs. 95 crores. During this period, the allocation to the depreciation reserve fund was about Rs. 13 crores per annum, as against nearly Rs. 34 crores at present. The latter is exclusive of the allocations to the Development Fund which is being enriched to a moderate extent from time to time. From the point of view of capital expenditure, the progress must be considered satisfactory. The capital-at-charge of the Indian railways in 1948-49 (the post-Partition year) amounted to Rs. 701.89 crores as compared with Rs. 807.76 crores for undivided India in 1946-47. When the ex-Indian States railways were amalgamated with those of the Union railways, this figure was marked up to Rs. 827.04 crores in 1950-51. Since then, there has been a progressive increase in the capital-at-charge as a result of new constructions and by the end of 1954-55, the cost is likely to go up to Rs. 909.09 crores.

The debate on the President's Address to the joint session of both the Houses of Parliament was not impressive. It was for the most part desultory in character, with the exception perhaps of a notable speech from the Prime Minister. There was, however, considerable anxiety in his face when he referred to the proposed U.S. military aid to Pakistan, following the Turco-Pakistan Pact. He was emphatic when he stated that this aid would add to the uncertainty, fears and apprehensions of the various Asian States instead of adding to the security of this part of the world. According to him, it would be a reversal of history since the symbol of Asia's struggle for freedom had been the withdrawal of foreign troops. In regard to Kashmir, he observed that, while India's international commitments continued to remain, the U.S. military aid to Pakistan had somewhat changed the context of events. The financial effect of this military aid was not referred to by him, but this aspect of the question is expected to be dealt at length by the Finance Minister in his forthcoming Budget speech this week. Although India cannot afford to have an armament race, it will be compelled to spend more money on defence forces, equipment and also in the building up of defence industries at an accelerated pace in the coming years.

A number of minor Bills was disposed of during this week in Parliament. The Council of States passed the Health Minister's Bill to control the advertisement of drugs in certain cases and to prohibit certain types of advertisements in regard to remedies alleged to have been advertised by these druggists. During the debate, the Minister disclosed that she proposed to bring forward, as early as possible, an amendment to the Drugs Act with a view to preventing manufacture and sale of spurious drugs. The House also disposed of four Bills in brisk succession yesterday. These Bills were the Absorbed Areas (Laws) Bills, 1953, the Control of Shipping (Amendment) Bill, 1954, the Indian Railways (Second Amendment) Bill, 1953 and the Lushai Hills District (Change of Name) Bill, 1954. The Deputy Minister of Transport who piloted the Shipping Bill stated that a consolidated Bill on shipping was already under preparation. The present Bill only intended to continue the existing arrangements till March, 1956, by which time he hoped that a comprehensive legislation on the subject would have been passed by the House.

WAGES AND EXPORTS

CHANCELLOR TO ENCOURAGE HIGHER PRODUCTIVITY

(From Our Own Correspondent)

LONDON, *20th February*

MR. Butler, Chancellor of the Exchequer, was talking to a sympathetic audience of the Conservative Party in Glasgow, when he told his listeners that wages had risen more than prices since the Government took office. He could say with truth (though he did not use the figures) that wage *rates* had gone up by 14 per cent. since 1951, while retail prices had risen by only 12 per cent. Moreover, earnings had probably increased more than rates.

LONDON LETTER

But, in these comparisons, a great deal depends upon the exact basis taken. If January, 1952, is compared with January, 1954, Mr. Butler is still right, for the indices show that wage rates have gone up by 7 per cent. and retail prices by only 5.6 per cent. His political opponents, however, say that a proper comparison cannot be made on the basis of the most convenient date for the purpose of a particular argument and the Trade Unions add that they are not concerned with the movements of wage rates under a Labour or a Conservative Government; they want wages to keep up with prices over a long-term and, over the post-war years as a whole, wages have, in fact, barely held their ground with prices. Since 1947, the wage rate index has gone up by 38 per cent., but the price index by 140 per cent. and the narrowing of the gap in recent years has been due, the unions declare, to their efforts on behalf of their members, efforts which they are still making to close the gap completely.

The price index has been very stable this year—it has only gone up by two points, or little over 1 per cent., and this only because of an increase in the general level of rents, as more and more of the new, but higher rented, houses have come into occupation. For the wage earner who has gone on living in the same house at the same rent, the cost of living has not really increased.

Dividend Payments

But the Chancellor was making the point that this country was now coming up against really serious German competition and that productivity and productive investment must be increased. He wants to see no increase in national consumption, except as the result of higher output, and he does not consider that wage rates for the same work should be raised. It was up to everyone concerned to increase their income only by increasing their output. Mr. Butler wanted to defend the industry against the charge of increasing dividends, while resisting the pressure for wage increases. "In the four years to 1952," he said, "earnings went up by 30 per cent. and dividends by 23.5 per cent."—But a more recent comparison, since most companies abandoned dividend limitation, would not have shown such a gap. He was on much firmer ground with a pre-war comparison, where he pointed out that, in terms of real income, shareholders are only drawing 65 per cent. of their pre-war income, while the wage-earner is drawing 128 per cent. Moreover, the *rate* of dividend paid on capital has tended to decline, accompanying, of course, the general decline in money rates.

There is a pointer in all this for the coming fiscal year. "It is my policy," said Mr. Butler, "to encourage all in industry with the hope of a greater reward from higher and more efficient output." But how can he translate this into action through taxation policy? He can reduce the rate of tax on overtime earnings (though this sometimes leads to workers scamping on normal hours in order to earn more on overtime rates), and he can reduce the tax on earned income, though he wants to encourage investment, which means not unduly penalising the unearned income which results. He can also reduce the rate of tax on the higher ranges of income, thus removing the present disincentive to increasing output. Otherwise, he must use his influence on the Trade Unions to encourage methods of pay depending on output and to remove the brakes which unions put on individual workers increasing their output for fear of leading to rate-cutting or unemployment. Industry and the workers must get together on these problems and Mr. Butler is right to concentrate attention on the encouragement of higher productivity. But he has a lot of educational work to do on both sides before any success can result. Perhaps, however, his Budget will produce some further devices.—*All Rights Reserved.*

PAKISTAN NOTES

FURTHER U.S. AID TO PAKISTAN

STATE BANK FIXES EXCHANGE LIMITS FOR VISITORS TO INDIA

YET another agreement providing for U.S. economic aid to Pakistan was signed in Karachi this week by the Governments of the two countries. The agreement, which is an amendment to, and an expansion of, the one signed in 1953, covers the financing of the agricultural research programme for the current year. The U.S. Government will make available to Pakistan a sum of $290,000—an equal sum will be contributed by the Pakistan Government—towards meeting the expenditure in connection with the establishment of research centres in universities and experimental stations throughout the country. U.S. assistance in the form of services of technical advisers and research equipment, technical books, etc., is also envisaged.

The above agreement is one more indication of the U.S. Government's desire to help Pakistan in the development of its economy. It was only recently that several operational agreements providing for U.S. economic aid in the sphere of agriculture were signed. Mention, for instance, may be made of those relating to (1) the Ganges-Kobadak Irrigation project in East Bengal and (2) soil and water conservation project in West Punjab. For the former project, the U.S. Government is contributing a sum of $1.9 million. The project envisages provision of adequate water-supply during the dry season by perennial pump irrigation and removal of surplus water during the monsoon by an open drainage system, with a view to raising agricultural output. Towards the pilot project for soil and water conservation, the U.S. Government will contribute $850,000. The project envisages a programme of practical demonstration of soil and water conservation and application of conservation methods best suitable for local conditions and most effective for preventing soil erosion. The other agricultural fields in which U.S. economic aid is being used cover supply of chemical fertilisers and plant protection service.

Exchange Limits for Visitors to India

Pakistan is still suffering from keen shortage of foreign exchange. This is evident from the State Bank of Pakistan's announcement this week fixing exchange limits for Pakistan visitors to India. The limit is Rs. 100 (India) per person who travels by air, provided he possesses a valid *visa*. Those who visit India by land route are allowed exchange upto Rs. 50 per head; children below 16 years will be allowed half the amount only. Banks authorised to deal in foreign exchange will extend the facility to travellers, the releases in excess of Rs. 50 being made in the form of travellers' cheques valid for encashment in India only.

Provision of these exchange facilities will be available only once in each calendar year to all persons domiciled in Pakistan. Nationals of the countries, except India, who have resided in Pakistan for at least six months will also be eligible.

Indo-Pakistan Electricity Agreement

West Pakistan will continue to get supply of electric power from the Punjab(I) for one more year. This is the result of a decision arrived at by the Chief Engineers of the two Punjabs at a conference held in Chandigarh last week. Under the revised agreement, the quantum of power supply, however, has been reduced from 5,000 kw. to 4,000 kw. The reduction is a sequel to the growing demand of the Punjab(I).

At the Conference, the Chief Engineers also discussed the terms of a long-term agreement for supply of power from the Nangal Project, but no decisions could be reached. The question is expected to be examined again at a meeting of electricity officials in Lahore some time next week, when the metering arrangements at the Pakistan receiving grid station at Shalimar Gardens in Lahore too will be discussed.

Trade Pacts

Pakistan seems to be busy entering into bilateral trade pacts with a number of countries. An indication of this is provided by the conclusion of a trade agreement with West Germany and negotiations for trade pacts with France and Japan. The Pakistan-West German pact covers the calendar year 1954 and provides for the exports of cotton, jute, hides and skins, wool and sports goods, in exchange for machinery, photographic equipment, optical instruments, vehicles, dyestuffs and plastics. Trade talks are currently being held between the French trade mission and the Pakistan Government. The talks are designed to pave the way for a fresh trade agreement between the two countries replacing the one which expired in December last. A thirteen-member Japanese mission arrived in Karachi recently to study the possibilities of improving trade relations.

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The Government of Pakistan is "actively considering" measures for bringing about a downward revision in the prices of consumer goods throughout the country. Reduction of coal and oil prices is also being examined and announcement is expected to be made shortly. In the meantime, the Government has reduced the prices of steel, bringing approximately a saving of Rs. 50 lakhs to consumers.

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A recent Press report from Hyderabad (Sind) avers that the Sind Government proposes to introduce prohibition in the Province.

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Prof. Lawrence Witt of Michigan State College feels that dollars to pay for imports are a major problem for countries which would like to expand purchases from the U.S. According to him, if a substantial percentage of America's farm crop is to be sold abroad, it will, be necessary for the U.S. to increase imports from other countries. An active foreign trade and an expanding domestic economy are essential, if agriculture is to remain fairly prosperous in the next few years. Mr. Louis H. Bean, former U.S. Agriculture Department Economic Analyst, has suggested grants of surplus food to hungry persons. "The main point is," to quote him, "that grants of surplus food destined for needy people whose poverty isolates them from regular commerce should not be checked by requirements that the goods be sold for local currencies. Grants to them are not, and indeed should not, be a threat to normal commerce." Mr. C. Claude Mitchel, Chairman of the University of Nebraska's Agricultural Economics Department, opines that American foodstuffs can be employed in foreign aid and development programmes in such a way that the population dilemma of the underdeveloped nations can be solved. He observes: "Whenever America's food is directed specifically towards students and vocational trainees in such countries, the ultimate effect will be greater agricultural and industrial productivity, higher levels of living, greater urbanisation to the point where a proper balance between people and resources can be achieved."

AMERICAN NOTES

U.S. BUSINESS FACES GREAT CHALLENGE

FOREIGN TRADE EXPANSION URGED

THE American business man today is facing a great challenge—and a great opportunity. He must bear, in large measure, the responsibility for completing the successful transition from a war-time to a peace-time economy. The extent of this responsibility was indicated by President Eisenhower in his recent economic report to the U.S. Congress. Said the President: "The best service the Government can render to our economy, besides helping to maintain stability and insuring a floor of protection for the population, is to create an environment in which men are eager to make new jobs, create new products and develop new markets, increase efficiency all around, and thus be able and willing to pay higher wages and provide better working conditions."

The U.S. Government has been creating that environment. It has, for instance, provided tax reductions for the American public and it has scheduled tax relief later in the year for American business. These tax revisions will help boost up mass purchasing power through the stimulation of business expansion leading to more and better job opportunities. This is in line with the President's belief that the prosperity of the U.S. lies in the prosperity of all the people, not merely of a few corporations. The U.S. Federal Reserve System recently reduced its rediscount rate, that is, the rate of interest at which member-banks can borrow money. This, it is anticipated, will stimulate banks to seek out profitable business investments and loans, thereby encouraging new construction and new production.

In addition to these and similar measures, the President has signified the readiness of his Administration to intervene more directly in the economy through such "bold steps" as public works and large-scale credit expansion, if a serious economic decline should threaten and business is unable to take up the slack.

The attitudes and actions of the business man, then, are matters of vital concern. How is he meeting his responsibilities? One significant measure of business intentions and capabilities lies in plans for capital investment. Business expenditures for the expansion and modernisation of the nation's productive plant, which hit a record of $27,800 million last year, are estimated at an annual rate of $28,000 million for the first quarter of this year.

Foreign Trade

Increased U.S. exports and imports have been urged as steps towards easing problems of food surpluses and distribution, by witnesses before the Congressional Joint Committee on the Economic Report, which is studying U.S. economic conditions. Greater imports by the U.S., it is pointed out, will help those nations acquire the means of obtaining goods which are surplus in the U.S.

(Continued in previous column)

A shining Example

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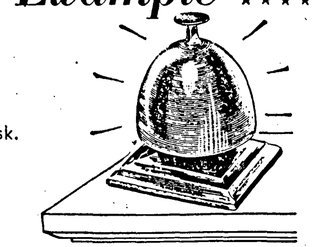

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RURAL BANKING IN TRAVANCORE-COCHIN

RELAXATION OF LEGAL PROVISIONS URGED

EVER since the Indian Banking Companies Act, 1949, came into force, the banking community in Travancore-Cochin has been stressing the unsuitability of the legislation to the conditions prevailing in the State. In fact, the passing of this legislation created such a stir that a number of joint stock banks in the State recognised at once the need for starting an association of their own to safeguard their interests against any common danger. The result was the coming into existence of an association, at Kottayam, now known as the Travancore-Cochin Bankers Association. That was in 1951. Its membership then was 26, whereas today there are 60 members on the role out of a total of about 150 banks operating in the State.

The third annual conference of this Association, held under the presidentship of Mr. M. Ct. M. Chidambaram Chettiyar, a well-known South Indian banker and industrialist, once again provided a venue, just as it did last year, for focussing the attention of the Central authorities on problems facing the bankers. These problems were explained effectively and forcefully by Mr. Chidambaram Chettiyar as well as by the Chairman of the Association, Mr. George Thomas in their respective presidential and welcome addresses. Those two speeches, together with that of Mr. A. J. John, Chief Minister, Travancore-Cochin, who inaugurated the conference, form a comprehensive survey of the banking problems in the State and the lines of action which, according to them, are necessary for overcoming the difficulties facing the bankers there.

Banks in Travancore-Cochin have spread out in rural areas and operate even in remote villages and in places where, as pointed out by Mr. Chidambaram Chettiyar, there is not even a post office. There are, we are told, about 150 to 200 banks functioning in the State and of these, 10 banks have established 175 branches. The banks claim—with some well deserving pride—that not only nave they been able to drive out the usurious moneylenders but have brought down the rate of interest charged from 24 per cent. to about 9 per cent. The clients of these banks are mostly agriculturists, who are engaged in trade and business as a sideline and these have been enabled to carry on with the help of loans raised on personal credit supported by land as collateral security. To quote Mr. Chettiyar: "There is a strong prejudice, in theory, against such loans being advanced by banks, but land, which is accepted as collateral security, is different in many ways from land in the rest of India, in that not only valuable plantations of tea, rubber, and cardamoms but commercial crops such as pepper, coconuts, etc., are raised on holdings both small and large. These banks have thus operated in a field not familiar to other banks and have done invaluable service to the lower middle class people of the State."

Role of Small Banks

These small banks have thus rendered a signal service—which probably would be beyond the scope of big banks—by promoting thrift and saving habit among the rural folk and by supplying cheap and easy credit to them. The Bankers Association, while pointing out these special features of the banking system in the State, has always been emphasising the point that there is a difference between the system, the methods and the conduct of the people in the regions on the Malabar Coast and those elsewhere, and that these differences find themselves reflected in the systems of banking that have developed in the regions. It is, therefore, argued that legislation such as the Indian Banking Companies Act, framed to suit the requirements of the whole country, cannot be applicable straightaway to an area like Travancore-Cochin with a special set of conditions peculiar to it. Emphasising this point, Mr. A. J. John, Chief Minister of the State, makes certain notable observations thus: "I can understand the apprehension of the banks in Travancore-Cochin, that an all-India administration, keeping in view the general economic setup of India as a whole, might not be able to fully assess, in the correct perspective, their peculiar difficulties. We have here a highly congested populous area, wherein small landholders, small traders and small industrialists predominate. Here land is the most coveted form of investment. The small banks here being asked all on a sudden to conform to all-India standards, might cause them serious hardships. The rural aspect of our economy and the role our banks play in the development of our agriculture and trade have all to be given due weight when advising them to change their methods of business and to bring in new methods of activity."

Now let us see how the provisions of the Act are causing hardship to the banks in Travancore-Cochin. These have been clearly brought out by Mr. George Thomas in his speech. One of the provisions, namely, section 24, requires all banks to maintain 20 per cent. of their total deposits in cash, gold and unencumbered approved securities and balances with the Reserve Bank of India and/or the Imperial Bank of India. Commenting on this requirement, Mr. George Thomas points out that there is not even one branch of the Imperial Bank in the interior State, let alone branches of the Reserve Bank of India. Consequently, the State banks have had to deposit their funds with Scheduled and Non-scheduled banks serving in the interior. If the funds are to be diverted to the Reserve Bank of India or the Imperial Bank of India which are outside the orbit of the business of these banks, as insisted by the provision, the area will suffer from lack of finance for its normal trading.

Twenty Per Cent. Cash Ratio

Pointing to another difficulty caused by this requirement, Mr. Thomas says that to insist on a cash ratio of 20 per cent. might work all right in cities and urban centres where generally demand liabilities and time liabilities of banks form two-thirds and one-third respectively of their deposits. But this is not so in Travancore-Cochin; here, as banks function in rural areas and attract more surplus funds, not from traders but from agriculturists, time liabilities account for as much as two-thirds of their total deposits. Interest rates on fixed deposits, as everyone knows, are higher than on demand deposits. If these banks are to work profitably and survive, they must naturally invest a larger proportion of their deposits in commercial loans and advances. That being so, Mr. Thomas asks, how could these banks be expected to maintain such a high ratio of liquidity. In short, his contention seems to be that the cash ratio for those banks the deposits of which are predominantly fixed should be fixed at a lower level. The specific suggestion of T.-C. State bankers is that either there should be a reduction in the percentage or banks' balances with other banks, Reserve, Imperial or others, should be taken into account for the purpose of calculating the 20 per cent. [illegible] provision which has caused a considerable amount of hardship is section 11. This section enjoins banks to raise their paid-up capital in relation to the number of their branch offices. This section, in other words, asks the banks to go to the capital market. For this the climate is stated to be not at all suitable at the moment. Besides, the position seems to have been worsened by another provision which forbids payment of dividend before the preliminary expenses are entirely written off.

Pattern of Securities

Then again, there is the question of acceptable pattern of securities against loans granted by the banks. The difficulty arising out of this provision has been put forward forcibly by Mr. Thomas thus: "In an area of lower middle class agriculturists, land is the only available security. But land is banned from the accepted patterns. In Travancore-Cochin, pearl-fishing in the turbulent tempestuous Arabian Sea is easier than to secure Gilt-edged, or bullion or stock exchange shares, for loans. This is the stress and strain that occur from the attempt to streamline the entire banking structure of a sub-continent like India which is as vast and varied as Europe minus the red region."

These provisions seem to irritate the Chairman of the Association so much that he questions the very essence of Central control of banks. His remarks are in this context quite interesting. He observes: "A large number of our banks were started, were working, were prosperous and were acknowledged to be rendering a useful service to agriculture, industry and trade, before the establishment of the Reserve Bank of India was thought of. They were able to carry on a modern, efficient banking service into the remotest regions of the land as in other States in India. No acknowledgment of their good work was forthcoming from the central organisation. The Central Banking authority should have been the first to assess, in the right perspective, the tremendous significance of developing rural banking in a country of vast dimensions like India with few cities and thousands of far-away villages... Police force can curb crime, but it cannot promote virtue."

Need for Control Advisable

It must, however, be pointed out here that both Mr. Chidambaram Chettiyar and the Chief Minister of the State were not at all moved by these emotional observations of Mr. Thomas. For both laid stress on the need for control and regulation. Mr. Chidambaram Chettiyar, for instance, pointed out that, in a planned economy it is very necessary that there should be an orderly growth and organisation of the country's credit system. He declared that on fundamentals there could be no relaxations but felt that the Reserve Bank of India would consider sympathetically when its attention was drawn to any peculiar difficulties. An indication of such sympathetic consideration was, he said, provided by the establishment of an office of the Department of Banking Operations in Trivandrum. He advised them to adopt strict banking principles in their operations and also to explore the possibilities of bringing about amalgamation of smaller banks wherever possible.

Similarly, the Chief Minister of Travancore-Cochin also stated that credit institutions such as banks dealt with people's money and, therefore, there was a need to have control over the working of such institutions. He welcomed the control now exercised by the Reserve Bank of India, as he felt that the advice tendered by the Bank could help strengthen the banking structure in the State. He was also certain that by mutual consultation between the Bank and the Association, the difficulties of banks in the State could be overcome. The fact that the Reserve Bank had already allowed time to the banks in the State to comply with the requirements of the new banking law on the recommendation of the State Government was adequate proof of its recognition of the difficulties of banks in Travancore-Cochin.

It may be mentioned here that, while addressing this Association last year, Mr. C. R. Srinivasan, Chairman of the Local Board, Southern Circle, Reserve Bank of India, stated that the authorities would certainly relax the law, if a proper case was made out for such relaxation. According to him, Cochin is that some of them are indulging in spheres beyond the capacity of their resources and are, therefore, exposing themselves to dangers of unsound banking practices. It is with a view to preventing such practices that one looks to the Reserve Bank of India for initiating timely action. The banks can, however, rest assured that no genuine grievance of theirs would go unredressed by the authorities concerned.

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MYSORE BANK'S NEW PREMISES AT MADRAS

The Madras branch of the Mysore Bank Ltd. will, in the course of the next few months, be moving into its own new premises for which the foundations were laid by His Highness Sri Jayachamaraja Wadiyar, Rajpramukh of Mysore, on the 20th inst. A solid building of its own in that important centre has been a long-felt need of the Bank. The new building is being constructed in the old China Bazar Road, now known as Netaji Subhas Chandra Bose Road, on the plot where formerly the "Anderson Hall" stood. This site, with the old building, was purchased by the Bank for Rs. 3 lakhs in 1946. But the property came into the possession of the Bank only in 1949. It was subsequently decided to put up a new structure in place of the old at a cost of Rs. 15 lakhs. The building when completed will consist of six floors and a basement consisting of godowns, strong room, lockers, garages, etc. The ground and first floors will contain the banking hall, office and showrooms, banking balcony, manager's and accountant's office rooms. Living quarters and other offices of the Bank will also be provided in the building.

On the occasion of laying the foundation-stone of the building, high tributes were paid to the services rendered by the Bank of Mysore, by both His Highness and Rajaji, who attended the function. Speaking on the occasion, Rajaji stated that the Bank of Mysore had served not only Mysore but the whole of South India in a creditable manner. "Banks render," he said, "a great service. A bank is like a reservoir, the Mettur Reservoir, for example, which collects the waters of the river during good seasons and bad, and distributes the water to the peasants who cultivate the land down below. In the same manner banks manage to keep in reservoir the moneys of the rich and the poor and distribute them carefully, wisely and whenever wanted. The more banks we have the better for us. Whether it be the Bank of Mysore, the Bank of Baroda or some Scotch bank, if they would receive deposits from the people and lend to people, any bank is good, as it serves as a reservoir for making intermittent supply into a regular unbroken supply. That is the function of banks."

His Highness the Rajpramukh of Mysore, in his address on the occasion, stated that the Bank of Mysore had a consistent record of steady progress and sound traditions. Judged by its past record one could confidently look forward to a career of enterprise and service to the business community. After tracing the origin of the Bank, His Highness pointed out that, in the earlier stages, it was an institution of the Government and private agencies for fostering Mysore trade, industry

(Continued on page 391)

WHAT IS IT THAT STUDY OF ECONOMICS PURPORTS TO DO?

RIGHT APPROACH TO ECONOMIC PROBLEMS WANTED

(By Dr. JOHN MATTHAI)

[Few will dispute that progress in the field of economic research in India has not gone beyond the fact-finding stage, and, even here, it is neither full nor suited to the needs of the country. Considering the rapid strides that the countries of the West have made in economic studies, the need for a new line of economic thinking and teaching in India cannot be stressed too strongly. Before deciding upon such a new line, our academic men will do well to pay some thought to the question: What is it that the study of economics purports to do? After all, it must be remembered that, if the study of economics is to serve its purpose, it should be lifted out of its academic isolation and related more closely to the current realities of Indian life. It was precisely this aspect which Dr. John Matthai, one of India's leading economists, chose as the main theme of his address delivered at the Annual Foundation Day of the Delhi School of Economics in New Delhi on Thursday this week. The address of Dr. Matthai is so lucid and thought-provoking that it deserves to be reproduced. We have no doubt that the points raised by Dr. Matthai will receive the prompt attention of our academic men and the powers-that-be.—ED.]

IT is a significant fact obvious to students of public affairs that, in common with the rest of the world, the greater part of the problems facing us in India today is economic. It is important, therefore, that both the Government and the people should be helped to understand the nature of these problems and the right approach to them. This need has never been greater than in the years following the attainment of independence and the creation of a Government based on the widest possible franchise. There is now a positive awakening of interest in economic matters and a keen desire to know the why and the wherefore of these matters. The teaching and study of economics have thus become a matter of pre-eminent public interest and an institution like the Delhi School of Economics has a function to perform of deeper import than at any comparable period in the past.

It is but natural that we should ask ourselves the question: what is it that the study of Economics purports to do? Those of us who have been connected with it throughout our working lives are apt to take many things for granted and seldom pause to make clear to ourselves the nature of the task on which we are engaged and where it leads. If I was asked what the study of economics implied, I would state my answer as follows:

It is to analyse the manner in which men and women react to the problem of satisfying their material wants in a world in which, for the time being, there is not enough to go round. Three things at least are involved in this, namely, (i) to know the technique of ascertaining and measuring economic facts, (ii) to understand the behaviour of human beings, while engaged in the pursuit of desired ends, and (iii) to examine the developments resulting from such behaviour in the light of ascertained facts in a given situation.

Appreciation of Relevant Facts

All these three are important. But I venture to think that the greatest of these is the first, namely, a correct appreciation of relevant facts. If this goes wrong, the results yielded by the other processes will possess little validity. On the other hand, one can, without special training, obtain a working understanding of human behaviour by observing oneself and others one comes across. One can also, by the exercise of a reasonable degree of common sense, reach a tentative estimate of the form that human behaviour would assume in a given situation and the consequences to which it might lead, which would be good enough for working purposes. But nothing can replace the effort and the skill required for a correct ascertainment and evaluation of facts. I attach high priority to this aspect of the study of economics at the stage we have reached in India.

By its very nature, the study of economics differs from that of other subjects with which a university is occupied. It differs, for example, from natural sciences, in that, unlike the latter, economics cannot be studied in a laboratory; its scope is too wide and ramified for the essential elements to be reproduced in the narrow compass of a laboratory. It differs from engineering, since no pilot plant can bring within manageable dimensions the conditions in which economic problems occur in real life. It is unlike also such studies as history, literature and philosophy, in the sense that the material required for these can be made reasonably accessible in libraries, whereas books by themselves cannot yield to the student of economics the necessary insight into the varying reactions of human beings, which are his proper study. There is, in fact, for him no satisfactory alternative to direct contact with men and women both as individuals and as organised in groups. It is the lack of direct contact with the realities of human life which must account for the failure of economic studies adequately to fulfil their ultimate object of promoting knowledge on which purposive action can be based.

A Wrong Start

In this country the teaching of economics made altogether a wrong start when it was first taken up by universities more than 50 years ago. It did so for reasons which it is now possible to see more clearly in the light of the advances made in recent years. The textbooks on which most teaching was based had been fashioned in a foreign country in conditions fundamentally dissimilar to ours. Their background was a highly individualistic society which had broken away from mediæval feudalism and was in violent reaction against it. They were based on the circumstances of a community which was in a stage of rapid and widespread transition from an agricultural to an industrial economy. They presumed a large-scale employment of power-driven machinery, in place of human labour, with little conception of its drawbacks and limitations. Lastly, they reflected the powerful impact on Liberal thinking in Western Europe of the idea current at the time of an unending struggle for existence in which only the fittest, as judged by certain narrow tests, could survive.

Nor were the teachers who based their work on these books qualified by their experience or training to appreciate the difference between the conditions pictured in them and those which prevailed in the country in which they or their pupils lived. The teaching was, therefore, unreal in the highest degree and provided the student with neither interest in his work nor stimulus to individual thinking. The lectures, dictated for the most part in those days in the form of ready-made notes, represented a mass of inert propositions whose only use was to enable those who received them to survive an examination which tested neither knowledge nor ability to think.

The irony of it was that, while the teaching of economics was pursued in this barren way by Indian universities, important developments on the economic front had been taking place in the country, which urgently called for the services of trained economists. If some effort had been made to put to practical use such knowledge as they possessed, it would have provided Indian students with invaluable opportunities for checking their academic knowledge against hard facts and sharpening their minds by contact with real problems. These problems, however, were handled then by hardened bureaucrats, educated in another country, who had little use for Indian universities and little faith in the people who received their education in them. No responsible position concerned with the administration of economic affairs or the investigation of economic problems was open to graduates of Indian universities. There was almost a complete divorce between the universities which attempted, however feebly, to train economists and those great departments of Government which dealt with live problems in economics.

Beginnings of New Tradition

It was during the years that followed the First World War that the importance of utilising the services of Indian economists in the handling of economic problems began to be realised. This was partly because, as a result of the war, economic problems had begun to assume a new urgency and partly also because the practice which arose in England during the war of associating economists from the universities with Government activities was known to have yielded useful results. The beginnings of a new tradition in this respect could be seen in the appointment of Indian economists as members of important committees of enquiry, such as the Indian Fiscal Commission, the Indian Tariff Board and the Royal Commission on Indian Agriculture. The tradition thus created soon developed until, during the inter-war period, Indian economists found increasing opportunities of employing their knowledge in practical work, which provided a much needed link between academic studies and important fields of economic activity. Since the advent of independence, this tradition has grown into a well-established practice, the value of which is acknowledged and is above dispute.

While the study of economics has thus been lifted out of its academic isolation and related more closely to the current realities of Indian life, it has brought in its train another problem which portends serious consequences of a different character, calling for urgent consideration. Economists are now in greater demand than ever before, not merely in Government positions but also in industry and trade. One result of this is that, since these positions are more attractive in terms of income as well as prestige, universities are beginning to be drained of the services of their abler men. An economist who has made his mark in his subject now finds greater opportunities of interesting work, well-rewarded elsewhere than in universities, [illegible] therefore [illegible] hands. To careful observers, it is becoming patent that, unless something is done to curb this tendency, the situation may become critical for the universities. While it is essential that those who teach economics in universities should be in continuous contact with economic activities and movements, it is also important that the universities whose primary purpose it is to train economists should have their due share of the best available talent in the country. The danger has already assumed formidable dimensions and its solution cannot be delayed.

Status and Salaries of University Teachers

An improvement in the status and salaries of university teachers would undoubtedly be an important step in meeting this problem and I am happy to find that an endeavour is being made by the Government of India to make university teaching worthwhile to those who are engaged in it. It is high time also that an inter-university convention was established which would restrict the title of 'Professor' to teachers of recognised standing and proficiency and restore to the title something of its lost dignity and status. More than this, however, is required, if an effective solution is to be found.

One way in which, in my judgment, an approach may usefully be made is that, in seeking the assistance of universities in the investigation of economic problems, Government and business organisations should make a practice of approaching not individual teachers but the universities themselves. When an important problem which concerns Government or business calls for investigation, it should be referred to a university which has made a reputation in the particular field and it should be the responsibility of the university, with such financial assistance as it might get, to arrange for the work to be done by its teachers. Such a system would help to preserve the spirit of team-work in universities, to give the whole teaching staff the benefit of contact with the work-a-day world, and to generate a spirit of healthy rivalry among universities and raise the standard of work all round.

Another direction in which the problem might be tackled is that, since the need has arisen for trained economists to be appointed to several permanent positions in Government service, Government should prepare a list of these appointments and constitute the holders into an economic civil service for which recruitment should be made in the ordinary way by a competitive examination open to graduates having the requisite qualifications. The practice of recruiting university teachers for these positions as and when required should be discouraged, except in rare cases. If university teachers have a reasonable status and salary assured to them and are given opportunities of doing interesting and useful work on current problems, it will go a long way towards improving the stability and worthwhileness of university teaching as a profession and also enabling universities to maintain an adequate staff in point of both numbers and quality.

(Continued on page 391)

EXPORTS OF INDIAN COTTON CLOTH

UPWARD TREND WELL MAINTAINED

THE distinctly upward trend in exports of cotton piecegoods witnessed in the last quarter of 1953 seems to have gathered further momentum during the first month and the subsequent two weeks of this year. Thus, the quantity of cloth passed for shipment at the port of Bombay alone during the first fortnight of February, 1953, was as much as 47.2 million yards, as against 36.0 million yards and 44.0 million yards in the previous two fortnights, respectively. This figure does not include cloth passed for shipment from the other centres such as Madras, Calcutta and Tuticorin. Assuming that this trend of export is maintained during the fourteen days ending 28th February also, the aggregate exports for the whole month of February will be of the order of 94 million yards, which compares favourably with 79.6 million yards in January, 1954, and 38.6 million yards in February, 1953. The estimated figure of 94 million yards, it may be noted here, exceeds the monthly average of exports that must be maintained in the coming months, if India is to attain the Buxton target of 1,000 million yards, by over 10 million yards.

A striking feature of the foreign trade in cotton piecegoods in recent months is the marked rise in the exports of medium cloth. During the first fortnight of February, for instance, 28.2 million yards of this variety were passed for shipment. Similarly, the bulk of the cloth exported during the month of January, 1954, was accounted for by medium varieties, the quantity exported being 48.8 million yards, as against 34.2 million yards in the previous month and 15.0 million yards in January, 1953. This significant rise in exports of these varieties must be attributed to the abolition of the 10 per cent. export duty on them with effect from 24th October, 1953. Exports of coarse cloth, however, have not been quite encouraging, evidently because of the continuation of export duty. During the first fourteen days of February, 1954, only 11.7 million yards of this variety were passed for shipment. The figure for January, 1954, was 21.0 million yards, as against 21.9 million yards a month before and 17.7 million yards twelve months before. The low level of exports has revived the plea for the complete abolition of the 10 per cent. export duty on coarse cloth. With regard to exports of fine and superfine counts, the position is none too satisfactory. The quantity of cloth passed for shipment during the first fortnight of February was a bare 6.7 million yards, while that during the month of January was not more than 10 million yards, as against 12.6 million yards in December, 1953 and 10.7 million yards in January, 1953.

Japanese Competition

From the improvement in exports of cloth witnessed in the past few months, one should not, however, rush to the conclusion that prospects for cotton piecegoods exports are very bright. For, as a result of the Anglo-Japanese trade and payments agreement concluded recently, India's export of cotton goods will no longer have the same sheltered markets in British territories as hitherto. Further, Japan has recently entered into a long-term trade agreement with Burma in which cotton textiles figure prominently. It is making strenuous efforts, too, to boost up its exports of cloth to the other Asian and African markets. It was only recently that this country concluded a deal with Pakistan for the supply of Rs. 3 crores worth of cotton textiles.

Notwithstanding the stiff Japanese competition, traders feel that prospects for Indian textiles are better, at any rate, so far as the immediate future is concerned. In support of this view, they point to the decision of the Sudan Government to allow imports of grey sheetings which were hitherto subject to a ban, in view of the large stocks that had accumulated in the past. It is reported that the Government is considering the question of allowing free imports of cloth as soon as the stocks held with it are sold out. Business amounting to about 1,500 bales of grey cloth is reported to have already been booked with Sudan. With regard to other export markets, the latest position is described as follows:

Hongkong is, as usual, interested in medium grey sheetings and drill grey 17½×17½, but the price factor is hampering materialisation of business. There are again enquiries from Singapore for bleached shirtings in 42" width, and some business is also reported to have been booked in this line. Indonesia is also interested in grey and bleached shirtings, while there are only negligible enquiries from Australia in cotton duck and work shirtings. Ceylon is interested in printed chintz, white shirtings, poplins, etc., and business is booked in these lines on a fair scale. Burma was entirely out of the market for about three or four months, but has since resumed interest in Indian cloth. It is reported that fair quantities of bleached shirtings 42", poplins and printed voiles have been booked for shipment to this market. In fact, several lots have been shipped regularly in recent weeks.

Iraq is interested in booking grey sheetings, mulls, white shirting, etc., but the price factor has proved to be a handicap in concluding business. Saudi Arabia is rather quiet, while the Persian Gulf ports are interested in booking printed voiles, bleached mulls, black permatto, dyed twills, etc., though the quantity booked so far is rather small.

The United Kingdom is interested in grey cloth 37" and 50", etc., but business has proved to be most difficult due to price disparity. It is also feared that the recent trade pact between Japan and Britain may lead to a slackening of interest on the part of the Lancashire cotton "finishers" in Indian grey cloth, despite the competitive position of the Indian varieties, consequent on the abolition of the export duty on medium cloth.

West Africa has shown some interest in grey sheetings calendered and is also reported to have booked some quantity, though not large. It has also booked a fair quantity of "domestic" cloth. Reports from East Africa do not indicate a satisfactory state of affairs, due probably to political situation in Buganda. It is, however, hoped that conditions will improve soon, rendering business smoother.

As regards the last mentioned market, it may be mentioned here that the Governments of East Africa have decided to continue the embargo on imports of Japanese textiles. This means that, at least in one British territory, India will have no competition from Japan, its only main rival being Britain. Another item of interest to exporters of cotton piecegoods is the comment made by a British newspaper, Discussing the outlook for textile exports to Malaya and Singapore, the *Manchester Guardian* observes as follows:

"Growing competition from India is one of the factors responsible for the decline in Japanese textile trade with Singapore. India's cheapest cloths, for which there is a large domestic demand in Malaya and Singapore, are in fact the cheapest available in many lines and have largely replaced the comparable Japanese fabrics. As a consequence, the rivalry of Japanese and U.K. cloths is always tending to move to the higher qualities."

Following good overseas enquiries, and also better demand for domestic consumption, the offtake of cotton piecegoods has been quite encouraging and the recent gains in prices have been well maintained. Reports from Ahmedabad centre, however, indicate dull trading conditions. Despatches of cloth to consuming areas are said to have been slow of late, consequent on transport difficulties. To quote one report: "Textile mills in Ahmedabad have about 50,000 bales of cloth worth Rs. 6 crores. The major part of this quantity has been duly registered, but are not being despatched, as the railway authorities are not handling more than 2,500 bales per day." It is, therefore, pointed out that, unless the railway authorities make available more wagons for the despatch of cloth, the Ahmedabad mills will once again be faced with the problem of heavy accumulation of stocks.

EXPORTS OF COTTON YARN

Textile traders are somewhat intrigued at the delay in the announcement by the Government of India of its policy in regard to exports of cotton yarn in the current half-year. The export quotas granted by the Government for the period July-December, 1953, are said to have almost been exhausted. The quotas, it will be recalled, were fixed on the basis of yarn supplies made by the mills to the handlooms in 1950-51 plus 25 per cent. of the production resulting from any new spindles installed since that year. The delay in the announcement of export policy perhaps reflects the Government's anxiety to conserve supplies for the handloom sector, the offtake by which is reported to have gone up of late. The traders also fully appreciate this anxiety on the part of the Government. But they point out that the cotton yarn output has been steadily rising and, even after fully meeting the requirements of handlooms, there will still be surplus left for exports. In the course of his presidential address at the recent annual meeting of the All-India Exporters' Association

(*Continued on page 377*)

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NO PURCHASE TAX RELIEF TO TEXTILES

E. AFRICA'S DECISION TO RETAIN EMBARGO ON JAPANESE CLOTH HAILED

(From A Special Correspondent)

MANCHESTER, 16th *February*

THE year 1954 is starting with a whole series of shocks for the Lancashire cotton trade. Following closely on the heels of the Japanese trade agreement, the Government has refused to give way and make any concession in purchase tax on textiles, and to add to the confusion the upheaval in cotton supply prospects in Egypt and the Sudan has now come into prominence.

MANCHESTER LETTER

Deputations from cotton trade leaders have been visiting London to protest against the possible implications of the Jap pact. They have all come away empty-handed, meeting a firm refusal to consider that the agreement will harm Lancashire to the extent they envisage. Mr. Peter Thorneycroft, President of the Board of Trade, is convinced that the pact is of benefit to the country as a whole and that Lancashire will not be very adversely affected. Representatives of the spinning and weaving employers made the first visit and they were later followed by the Legislative Council of the United Textile Factory Workers' Association which speaks for all the 285,000 spinning and weaving operatives.

The Cotton Board has denied the Government statements that the industry was consulted before the Jap pact was signed. "Exchanges were limited to prior information given in confidence a short time before public announcement and decisions already taken by the Government for which the Cotton Board are in no way responsible," an official statement declared.

No Purchase Tax Relief

Mr. R. A. Butler, Chancellor of the Exchequer, again disappointed the textile trades when he announced that there would be no change in purchase tax either before or in his Budget statement due in April. There had been widespread hopes in Lancashire that some relief would be forthcoming, especially in view of the recent changes which had assisted other industries.

The contention among textile men is that the tax deters enterprise by stifling new constructions which, if found unsuitable abroad, cannot be sold at home without carrying a large tax burden. On behalf of 19 textile trade organisations which had strongly urged purchase tax cuts, Sir Raymond Streat said that Mr. Butler's news had been received with profound regret. "While it is appreciated that the decision removes uncertainty, it is," he stated, "nevertheless a blow to those firms who are seeking to develop Britain's export trade in high quality textiles."

Lancashire traders are very anxious over the recent developments in the Sudan, following the large purchases made by Egyptian cotton interests at the latest auction. Although it is appreciated that the amount involved was small in relation to the total crop, there are fears that supplies may be seriously interfered with, if similar action is taken at subsequent auctions.

The immediate result in Lancashire was the withdrawal of Sudan cotton prices by the Raw Cotton Commission and by spinners of Egyptian type yarns. Higher rates were later quoted ranging up to as much as 7*d.* a lb. over the previous prices. In addition, there is nervousness over the likely shortage of Egyptian cotton, according to reports from Alexandria. The Raw Cotton Commission, before its dissolution at the end of August, has already promised to ensure that adequate supplies of Sudan cotton are made available for the trade, particularly to those spinners who elected to remain with the organisation to the bitter end. Whether this pledge can be fully implemented, in view of current conditions, is a point for the industry to talk[illegible]

More About Mill Deals

[illegible] Company's take-over bids have received [illegible] as a result of the debate on [illegible] in the House of Commons. Varying [illegible] expressed as to how the [illegible] should be treated, whether the attitude of the possible victims in raising their dividend distributions was altogether advisable. In Lancashire, there have been further developments along these lines and, although one Rochdale group which reported an offer has since announced its withdrawal, an impending bid for the Granville Mill at Oldham has subsequently been reported. The trend is clearly not yet over.

East African Decision Hailed

The gloom caused by the new Japanese trade agreement was lifted, to some extent, by the announcement in Lancashire this week that the Governments of British East Africa had decided to retain the virtual embargo on imports of Japanese cloth for a further eight months from the beginning of May. A statement issued by the Hon. A. D. Campbell, leader of last year's trade mission to East Africa, expressed profound satisfaction at the news. Instead of large-scale Jap textile imports, as feared by many Lancashire traders, East Africa will limit its trade with Japanese mills to kikois (women's undergarments) and unbleached sheetings from 1st May to the end of the year. This is an eight months' extension of the agreement operating before the announcement of the new trade pact with Japan. "This announcement," says Mr. Campbell, "is in keeping with the spirit of co-operation accorded to the team by the East African Governments and will be warmly welcomed by all sections of the cotton industry in Lancashire."

In reaching their decisions, the East African Governments must have taken into account the large volume of orders now booked with Lancashire firms and of the effect on the economic stability of the market of a sudden large influx of Japanese goods. "The cotton industry as a whole is very grateful to the East African Governments for adopting this considerate policy and will continue the efforts it has made to meet the needs of the East African peoples to the fullest extent possible," declared Mr. Campbell.

Bolton Mills' Recovery

Trade union pessimists who have declared that reopening of the Liverpool Cotton Exchange will bring raw material shortages and unemployment to the mills were answered by Mr. W. Howarth, Chairman, at the annual meeting of the Bolton Master Cotton Spinners' Association. He said: "I believe their fears will prove groundless whatever difficulties managements themselves may have to contend with during the inaugural period. Most things will work when there is a determination to make them do so."

It would be the desire and intention of millowners to do their utmost to ensure that working conditions and regularity of employment were maintained. All 182 mills covered by the Bolton Master Cotton Spinners' Association had achieved complete recovery from the textile recession and, in the past year, could have produced more if they could have found more workers. Cases had occurred of mills closing down because only a part of their machines was operating, due to labour shortages. Describing this as "disturbing," Mr. Howarth told the meeting: "If a well-equipped mill had to be closed, because of the lack of operatives, it would be deplorable."

One of the best insurances for the future of Lancashire's cotton industry was working at near full capacity. "For this reason," Mr. Howarth said, "it is essential for all of us to do our utmost to extend a welcome to adults returning to the trade and to those entering for the first time."

Lancashire, there have been further developments along these lines and, although one Rochdale group which reported an offer has since announced its withdrawal, an impending bid for the Granville Mill at Oldham has subsequently been reported. The trend is clearly not yet over.

When the makers of these offers are firms already within the industry who are endeavouring to increase their productive capacity or ensure a closer relationship with suppliers or customers, there is usually no valid objection to the deals. But when, as sometimes happens, outsiders knowing little or nothing of textiles show an interest in mills, the industry as a whole is not happy about the prospects. Although the situation is vastly different, the memory of the 1920-21 era still lingers.

Giving voice to the fears which have been expressed in certain quarters at these developments, the Lord Mayor of Manchester had this to say at the annual meeting of the Manchester Chamber of Commerce: "I have become a little apprehensive during the past few years when there seemed to be more profits available from the cotton mills and rather avaricious eyes have been put on our industry by people from other parts of the country who have never been in the cotton trade at all." The Lord Mayor, himself a textile man, described how he had visited many mills where the directors personally assisted in the activity of production. He contended that, in these firms, output was higher and the relationship between workpeople and management of the most friendly character.—*All Rights Reserved.*

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SCINDIA STEAM NAVIGATION COMPANY LIMITED

MR. DHARAMSEY M. KHATAU'S ADDRESS AT ANNUAL MEETING

IRREGULAR PRACTICES IN COASTAL TRADE CONDEMNED

REVIEWING the progress made by the Scindia Steam Navigation Company Ltd., during the past year, in the course of his address to the shareholders at their Thirty-fourth Annual General Meeting held in Bombay on the 24th inst., Mr. Dharamsey M. Khatau, the Chairman, referred to two important developments which have a bearing on the working of shipping companies in general. One was the "go-slow" policy of port labour which has resulted in a reduction of output at all coastal ports. Mr. Khatau was of the opinion that the "go-slow" movement has reached such a stage now that immediate action to remedy the situation effectively was necessary. The other one was the irregular practices adopted by a section of the Coastal Conference Lines, since the latter half of 1952, to secure cargoes. In this connection, he suggested that the most satisfactory way of solving the problem now facing the Conference was to fix quotas for member lines, having due regard to the size of the fleet owned by each company and the past performance of each line during the three years ended December, 1952.

Addressing the shareholders, Mr. Khatau said:

"GENTLEMEN,

"Before we begin, I am sure, it is the desire of all those assembled here that we should pay tribute to the memory of our great former Chairman, Sheth Walchand Hirachand. In enterprise, daring and imagination he was equalled by none; his vision was wide, and his plans were always drawn on a large canvas. In the field of industry generally, and of transport in particular, he has left indelible marks of great and lasting achievement. Shipping and shipbuilding, aviation and aeronautical construction, the manufacture of motor vehicles and the execution of large civil engineering projects in cement, steel and concrete—these are the living monuments to his constructive imagination and ceaseless energy. His place in our recent economic history will assuredly be among the few really great industrialists which this country has produced.

Working Results of 1952-53

"The Company's operations in 1952-53 have yielded satisfactory results. The provision for normal depreciation in 1952-53 is higher than in the previous year by over Rs. 20 lakhs; and the provision made for deferred taxation relative to the profits of the year under report is Rs. 60 lakhs, as against only Rs. 3 lakhs provided in the previous year. Notwithstanding these larger provisions, the profits earned during the year have enabled the Board not only to recommend an increase in the rate of dividend from As. 8 per share to As. 12 per share but also to create, for the first time, a dividend equalisation fund with an initial allocation of Rs. 11,75,000. It has also been possible to transfer from the profits a sum of Rs. 10 lakhs to the fleet replacement account which at the end of the year stands at Rs. 2,13,19,434.

"The broad picture of our present total capital resources, inclusive of the paid-up capital, the reserves and surpluses, and the debentures (excluding the debentures of the Bombay Steam which are to be paid off), is that they aggregate Rs. 19.72 crores, of which Rs. 7.05 crores only is accounted for by the paid-up capital. As against this, our total fixed capital expenditure and investments in subsidiary and associated companies, aggregate Rs. 20.01 crores. In these circumstances, your Directors have recommended in their report that, subject to the sanction of the Controller of Capital Issues which has been applied for, the paid-up value of the shares of your Company may be increased from Rs. 15 each to Rs. 20 each, by capitalising the sum required for this purpose from the premium on shares collected on the issues of capital made in 1946 and 1948, and at present forming part of the reserves and surpluses of the Company. Certain aspects of this proposal are, however, under further examination by your Directors. The scheme of capitalisation as it may finally emerge after this examination will then be placed before the shareholders at an extraordinary general meeting to be specially convened for the purpose.

The B.S.N. Line

"The cargo and passenger trade on the West Coast, in which the former Bombay Steam Navigation Company Ltd. (hereinafter referred to as the B.S.N. Line) operated, constitutes a distinctive part of the coastal trade of India. In spite of our continued efforts at rationalisation, the total cargo carried by the B.S.N. Line during 1952-53 was considerably less than in the previous year, though we did carry extra traffic in foodgrains. As regards the causes responsible for the general decline in our liftings, a material factor was the increasing resort to irregular practices, due to overtonnaging on this sector of the coastal trade. Other contributory causes were the virtual stoppage of all movement of cargoes by sea between India and Pakistan, and the diversion to rail routes of some of the traffic which used formerly to move to Saurashtra by sea.

"As for passenger traffic, we carried about 20,000 passengers more during 1952-53 than in the previous year. This was due mainly to the pilgrim traffic to Mormugao in connection with the Exposition of St. Francis Xavier. During the year under review, we have implemented the recommendations of the Deck Passenger Committee as regards increased space and amenities on our passenger-carrying ships, as a result of which their carrying-capacity has diminished by about 20 per cent.; but the fares were not increased. It is hoped that the travelling public will appreciate the better amenities now available.

Coastal and Adjacent Trades

"The aggregate liftings of cargo in all the above trades by the Company's fleet rose by about 1.98 lakh tons in 1952-53 compared with the previous year; and the aggregate freight earnings from these operations rose by about Rs. 76.22 lakhs, notwithstanding considerable reductions in the rates of freight on rice from Burma to India and Ceylon and in the rates for the carriage of salt from Saurashtra and Tuticorin to Calcutta.

"While the inordinate delays which colliers used to experience both at loading and discharging ports lessened considerably during 1952-53, normal despatch of ships was hardly attained at any port, owing mainly to labour trouble in one form or another and deteriorating labour output at almost all the coastal ports. This 'go-slow' policy of Port labour, resulting in reduction of output at all coast ports, has reached such a stage that the Government must devise suitable measures immediately, and must effectively enforce the same, so as to restore the normal rate of working and ensure quicker turnround of ships on the Indian coast.

"While the early months of the current year began with prospects which, so far as the coastal trade was concerned, seemed decidedly gloomy, the picture does not seem quite so bad to me now. Certainly, we may still not do as well as we did last year, mainly because of the fall in some of the main bulk-commodity rates; but I now feel equally certain there is no cause for undue concern.

Indian Coastal Conference

"Gentlemen, you will no doubt recall the prominent part your Company played in securing reservation of the Indian coastal trade for Indian shipping. Soon after reservation, in the general interests of all Indian lines and with a view to promoting healthy development of Indian shipping, we contributed our full share of effort in the formation of the Indian Coastal Conference and in working it wholeheartedly. However, it is to be regretted that since the latter half of 1952, we have been observing a steady growth of irregular practices on the coast, especially in the West Coast trade, designed to secure cargoes by improper means. During the second half of 1952, this problem became so serious that the Conference had specifically to consider these developments and try to rectify the situation; but these efforts were unsuccessful. Basically, there was a serious state of imbalance between the supply and demand factors in the coastal trade; and this resulted in a disparity between the tonnage capacity available, the cargoes offering and the prevailing level of freight rates.

"These developments naturally caused serious concern to your Directors. After watching the situation for some months it was found that the position was steadily deteriorating and cargoes were being frequently diverted from our ships by irregular practices. Under these circumstances, your Directors were reluctantly compelled to the conclusion that no useful purpose would be served by continuing in the Conference. Your Company, therefore, regretfully gave the required six months' notice, at the end of August of last year, of termination of the Conference Agreement so far as we were concerned. Our withdrawal from the Conference will thus be effective from the first of next month. In the light of our experience of the working of Conference arrangements on the Indian coast in recent years as well as over a long period prior to the formation of the present Indian Coastal Conference, your Directors are convinced that the most satisfactory way of solving the problem now facing the Conference, so as to ensure orderly progress of Indian shipping in the coastal trades, lies in fixing a system of quotas for member lines having due regard to the size of the fleet owned by each company and the past performance of each line during the three years ended December, 1952. Under a proper quota system, there would be no restriction on expansion of tonnage as, in practice, the supply of tonnage for the requirements of coastal trades would then be bound to adjust itself almost automatically to trade requirements on a fairly long-term basis. Further, it will also facilitate rationalisation of berthings which is essential not only for offering a better, more regular, frequent and reliable service to the public but also for better utilisation and, therefore, for more economic employment of available tonnage.

Overseas Trade—India/U.K-Continent

"The two passenger ships, the s.s. *Jalazad* and the s.s. *Jaljawahar*, continued to maintain regular services in the India/U.K. trade during the year under review. But it has since been decided to withdraw them from India/U.K. passenger service and to sell them to the Eastern Shipping Corporation for employment in the India/Africa and India/Malaya passenger services. The decision to withdraw the *Azad* and *Jawahar* from the India/U.K. passenger service was taken by your Directors with a heavy heart. The prestige and advertisement-value of those vessels in that service were not overlooked; nor did we, or the Government of India for that matter, forget for a moment what our continuance in that particular service meant in terms of the prestige and standing they gave to our country. All these and several other relevant factors were weighed with anxious concern before purely commercial considerations were allowed ultimately to prevail.

"I appreciate how deeply disappointed you all are that the Government of India should have declined to shoulder even the modest share, we suggested, of our heavy burden in continuing to run the U.K. passenger service, and in consequence of which your Directors have felt reluctantly compelled to discontinue that service altogether. But while I share your feeling of despondency at this outcome, I would ask you to remember that what we and the country may lose by way of prestige in the field, from which we shall now withdraw, will probably be more than made up for in the new field we shall enter through the Eastern Shipping Corporation with which we are so closely connected. Indeed, in some respects, the need for suitable Indian-owned passenger vessels operating in the India-Africa service and the India/Malaya service where these two vessels will, in future, be employed is, in my judgment, perhaps more acute than in the India/U.K. service, though the 'glamour value' of the latter may be greater.

"The withdrawal of these vessels from the U.K. passenger trade will not be allowed to affect the regularity and frequency of the cargo service which your Company has been maintaining between the West Coast of India and U.K. and Continental ports. Two fast vessels, namely, the m.v. *Nordhval* and the m.v. *Nordvard*, have been chartered as immediate replacements, to be substituted, eventually, by owned vessels as early as possible, so that the service we offer in this trade may continue to be maintained at the same level of efficiency as heretofore.

"Towards the close of the year opportunity was taken to reorganise these services by the employment of 12 steamers; and it is expected that the cargo services, as now reorganised, will provide more regular shipping opportunities to the mercantile community.

"The joint service operated by your Company in collaboration with India Steamships Ltd. from the ports of Hamburg and Bremen to ports in India, Pakistan and Ceylon, has been functioning satisfactorily and is very much appreciated by the shippers in Germany and the importers at this end.

"Your Company has now been admitted to partial membership of the Western Italy/India-Pakistan-Burma Conference. We have accordingly commenced berthing our vessels at Genoa; but as our membership is restricted to the Indian section of the Conference only, we may have some initial difficulty in securing adequate loads.

"During the current year all the overseas agents and branch managers of your Company were invited to Bombay for personal discussions on current matters with the management and departmental heads. The problems considered were essentially of a practical nature, though ranging over a wide field.

Overseas Trade—India/U.S.A.

"As indicated in my speech last year, the decline in the availabilities of cargoes from Atlantic ports (U.S.N.H. range) adversely affected the freight earnings in the American service. As a result, more vessels were diverted to the Far East and Pacific trades during the year under review, on account of the fact that the earning position there was somewhat better than in the North Atlantic American trade. Even so, freight rates eventually went down so low as to necessitate our gradual withdrawal from the India/U.S. trade altogether. The American service thus remains suspended for the present; but under the expansion programme we have now in hand, we have planned for its revival with faster vessels such as will enable us to re-enter the trade with adequate support from shippers at both ends.

Tonnage Position

"The keels of three out of the five 7,000-dwt. cargo motor ships of Maierform design, ordered from Messrs. Hindustan Shipyard Ltd. at Visakhapatnam, have been laid and it is expected that they will be completed and delivered to us during our next accounting year. The remaining two will be delivered during 1955-56. These five ships are primarily intended for coastal services; but they are of a type and design which will readily fit them for operation in overseas trades also. In fact, it is intended to employ two of them in our overseas services from the very start.

"I referred last year to the question of expansion of Indian shipping and the provision made in the Five-year Plan for loans from Government on attractive terms for purchase or building of ships suitable for the overseas trade. As a result of further discussion, it has been decided that loans will now also be available from Government, though at a higher rate of interest, for purchasing or building ships for the requirements of coastal trade.

"Your Directors have, therefore, given careful consideration to the question of additional tonnage required to enable your Company to participate adequately in the coastal and overseas trades and the extent to which the acquisition of such additional tonnage should be financed by accepting loans from Government. The conclusion they have reached is that, in addition to the six ships already ordered from Messrs. Hindustan Shipyard Ltd., there is scope for adding two or three cargo vessels of small size and three cargo vessels of intermediate size, partly by way of replacement of old units due for scrapping and partly as net additions to the fleet employed in the coastal trade. Furthermore, six modern cargo vessels suitable for the overseas trade will also be required; two in replacement of the *Azad* and *Jawahar* and four for the India-U.S.A. service. This large programme will be financed by loans from Government to the extent of about Rs. 820 lakhs, the balance to the extent of about Rs. 410 lakhs being found from out of our own present and prospective resources.

"These are ambitious plans, involving long-term financial commitments on a large scale, and requiring, therefore, very careful consideration by the shareholders also. Your Directors have, accordingly, decided that it would be best to place the whole scheme before the shareholders at a meeting which will be specially called for the purpose, so that all shareholders may have an opportunity to consider our plans and proposals in some detail and at leisure. I believe this way of dealing with the matter will have your approval; and I shall not, therefore, go into further details at this stage.

Subsidiary and Associated Companies

"I am sure you will have noted with satisfaction the number of subsidiaries that have already been wound-up or are in process of liquidation. Of the remainder, the Air Services of India Ltd. will be taken into liquidation as soon as the compensation receivable by it from the Indian Airlines Corporation, to which its assets and undertaking were statutorily transferred last year, is determined. This compensation is not expected to exceed Rs. 5 per fully-paid up share of Rs. 15. The result will be a substantial loss on this investment, for which, however, adequate provision exists in the investments reserve fund.

"The B.S.N.-Scindia Merger Scheme, to which effect was given at the close of the year under review, calls for special comment. It was a major operation involving conformity with intricate legal procedure and requiring the solution of difficult questions of fact and principle. Organisationally also it was a difficult task. I take this opportunity to thank the officers on whose hard and thorough work the success of this important scheme so very much depended. I am also grateful to the various classes of shareholders and debenture-holders who so readily appreciated the substance of the scheme and did not wander unduly into its shadows.

"The Merger Scheme was mainly [illegible] the issue of three new fully-paid shares [illegible] Company in exchange for every one fully-paid share of the old Bombay Steam Navigation Company, Ltd. That, I think, was eminently fair, having due regard to all the circumstances. An essential part of the scheme as it finally emerged from the High Court was that the Managing Agents of your Company, who would otherwise have been entitled to commission at ten per cent. on the profits of the merged Bombay Steam's business, and that too *before* charging depreciation, were to be restricted to only 1 per cent. commission on such profits *after* charging depreciation. I must not fail to express our gratitude to the Managing Agents for having so readily consented to this important modification.

"As a result of this merger two new wholly-owned subsidiaries have come into being, one for ship-repairing workshop and the other for the purely passenger services on the Konkan coast.

"I turn now to our associated companies. The Eastern Shipping Corporation Ltd., of which your Company is the Managing Agents, has done well over the last three years of its working; but it has difficult times ahead of it during the current year and over the next two or three years. It has on hand an adequate expansion programme such as will enable it to cover all the important trades within its sphere of activity.

"The Hindustan Shipyard Ltd. is another associated company in which we hold a substantial minority interest. It is going ahead well with its development programme. It has already three building berths in operation, instead of two when we owned the shipyard; and two more berths are under construction. A development plan in regard to certain changes in lay-out, installation of new and additional machinery and cranes, and the erection of certain essential engineering shops has been sanctioned. The decision to construct a dry dock as part of the shipyard development project has also been taken in principle. All this certainly adds up to good progress in the direction of firmly establishing [illegible] industry of which [illegible] was the proud [illegible]

[illegible] Floating Staff [illegible] During the year under review the position as regards the numerical strength of navigating and engineering officers improved considerably; and it is expected that no difficulty will be experienced in manning the additional tonnage that will be acquired during the current and ensuing years.

"As I stated last year, the Maritime Union of India, representing the floating officers, had submitted demands for higher pay and substantial improvements in other terms and conditions of service. After prolonged negotiations, an

(*Continued on page 391*)

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BEST TODAY—STILL BETTER TOMORROW

COTTON IMPORT POLICY LIBERALISED

SEQUEL TO TIGHT STOCK POSITION OF INDIAN COTTON

FURTHER liberalisation of the Central Government's policy relating to imports of cotton was announced by the Joint Chief Controller of Imports soon after we went to press last week. Accordingly, imports of cotton of staple 1.1/16" and above against prior sales to mills have been permitted from the entire dollar area, not from the U.S. alone, as had been announced earlier. Import licences will, however, be given only to those who have exhausted their licences on U.S. cotton issued previously and extended for shipment up to 30th June, 1954. The announcement is a partial modification of the one made on 4th February last, under which licences for import of cotton of staple length of not less than 1.1/16" from the U.S. for the January-June, 1954, period are being issued freely.

The above decision of the Government to liberalise imports of cotton is evidently a sequel to the need for maintaining adequate supplies of cotton in the country, in view of the high level of consumption by mills in the face of not-quite-comfortable domestic crop. At one time the crop was expected to be no more than 3.8 million to 3.9 million bales, as against the earlier estimate of 4.2 million bales. It is true that, at present, the production is expected to be about 4.1 million bales. Nevertheless, the demand for Indian cotton is so keen that prices of some of the varieties have tended to exceed the ceilings. It is widely believed that the margin between the demand and supply on the present basis of mill consumption is so narrow that, unless the overall supply is increased through larger imports, the position might become acute as the current season draws to a close.

Latest available figures relating to stocks of cotton with mills relate to October last. These show that, as at 31st October, 1953, mills had only 962,635 bales, as against as much as 1,366,787 bales a year before. The fall has been steeper in the case of Indian cotton, the stock of which had declined from over 1 million bales to 733,759 bales. Stocks of foreign cotton were lower at 228,876 bales, as against 350,311 bales a year before. An idea of the stock position of cotton—according to varieties—at the end of October, 1953, as compared with that obtained a year prior to that date, can be had from the following statement:

(In bales of 400 lbs. each)

	Stocks as on 31st October	
	1952	1953
Indian cotton	1,016,476	733,759
Of which:		
Jarilla	371,121	199,389
Benzal Deshi	66,884	35,821
Jayadhar	79,054	21,802
Farm	60,017	44,621
Surti	34,091	25,174
Gaorani 6 and 18	72,065	44,346
216F	27,850	16,251
Munzari	8,286	2,093
Cambodia	42,024	33,146
Karunganni	34,946	22,524
Buri	22,876	15,926
Virnar Vijay	99,909	72,102
Wavad	30,774	46,328
Laxmi	38,589	45,347
Rajapalayam	10,057	12,022
Foreign cotton	350,311	228,876
Of which:		
U.S.A.	222,161	38,817
Peruvian	4,530	2,104
Pakistani	1,199	370
Egyptian	43,414	62,822
Sudan Egyptian	17,277	82,716
East African	60,902	82,449

In view of the downward trend in stocks of Indian cotton and with a view to maintaining production of cloth and yarn, the Textile Commissioner to the Government of India recently advised all the cotton mills to organise their purchases of cotton (and also production of cloth) in such a way that there might not be any need for them to exceed the quotas allotted to them for Indian cotton. He also advised the mills to utilise foreign cotton and staple fibre to meet any possible gap between their requirements and the allotted quotas of Indian cotton. It was doubtless in pursuance of this directive that the Government allowed imports of U.S. cotton of staple length of 1.1/16" and above, which have since been liberalised to include cotton of the entire dollar origin, as stated at the outset.

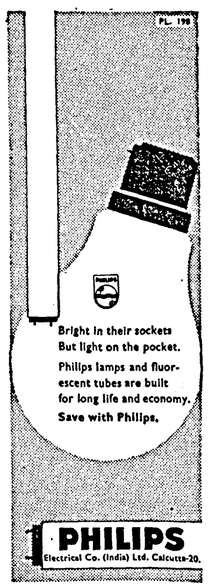
The sharp decline in stocks of cotton—Indian and foreign—has been mainly the effect of the steady upward trend in mill consumption of cotton and partly also of the reluctance of mills to maintain large stocks of cotton, as they were very uncertain about the trend of the cloth market. Further, they were so severely bitten by the unexpected slump in 1952 that they had lost the courage to keep more stocks of raw material than was absolutely necessary. They were, therefore, living only on a hand-to-mouth basis. During the first two months of the current cotton season, the monthly average rate of consumption of cotton by mills was more than 380,659 bales, which compares favourably with 300,970 bales in 1952-53 and 248,950 bales in 1951-52. The quantity of cotton actually consumed during the two-month period under review was 761,319 bales, as against 717,671 bales in the corresponding period of the previous season. If the trend of consumption were to be maintained at this rate throughout, the aggregate consumption of cotton by mills during the whole of the 1953-54 season would be of the order of 4,568,000 bales, a record in post-war history.

The rise in cotton consumption during the two months under review, as noted above, was entirely accounted for by Indian cotton. The consumption of this cotton amounted to 637,353 bales, as against 553,953 bales a year before. Consumption of foreign cotton, on the other hand, receded from 163,718 bales to 123,966 bales. The decline in consumption was primarily in that of American which fell from 143,324 bales to 77,999 bales. Egyptian varieties, however, accounted for an increase from 20,078 bales to 45,777 bales.

Textile mills in Bombay State consumed the largest quantity of cotton during the September-October, 1953 period, being 372,812 bales, a rise of 6,326 bales as compared with the corresponding period of 1952-53. Consumption of cotton by mills in all the other chief consuming States, excepting Mysore and Ajmer-Merwara, was also higher, as will be seen from the figures below:

(In bales of 400 lbs. each)

	Sept.-Oct., 1952	Sept.-Oct. 1953
Indian Union	717,671	761,319
Of which:		
Bombay Island	193,577	204,707
Ahmedabad	103,214	104,295
Other areas	63,605	63,810
Total Bombay State	362,486	372,812
Madras	106,834	120,039
Uttar Pradesh	65,560	61,632
Madhya Bharat	41,984	45,369
West Bengal	27,836	24,063
Madhya Pradesh	27,856	29,365
Mysore	16,948	16,019
Rajasthan	9,033	10,349
Ajmer-Merwara	7,010	5,743



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WORK OF COTTON LABORATORY

ANOTHER YEAR OF ALL-ROUND PROGRESS

IN the present context of the growing need for improving the quality of cotton textiles and reducing the cost of manufacture, the development of better varieties of cotton to meet the varying needs of the textile industry assumes special significance. Great importance is, therefore, accorded to the work done by the Cotton Technological Laboratory, Matunga, (Bombay), the technical adjunct of the Indian Central Cotton Committee. The Laboratory recorded an all-round progress during the year ended 31st May, 1953. Thus, according to the twenty-ninth Annual Report issued by the Director of the Laboratory, the Spinning and Testing Sections worked, despite their limited capacity, a second shift for six months to clear the arrears of a large number of samples accumulated in previous years. The total number of yarns spun during 1952-53 was 4,121, as against 2,761 in 1951-52.

As in previous years, so also during the year under review, the cotton industry and trade took full advantage of the facilities offered by the Laboratory's Testing House. Numerous enquiries from mills, firms and other organisations seeking expert advice on the difficulties in processing encountered by them were successfully tackled. The total number of fibre, yarn and fabric samples handled in the House was 413. In addition, 102 samples were received from the East India Cotton Association Ltd., Bombay, for staple length tests. During 1952-53, 1,894 samples of all types were received for tests and 517 technical reports were issued. Much of the testing work related to new strains and improved varieties, with a view to helping the Agricultural Officers to select strains for further propagation.

Notable progress was also made in the field of research. The technological investigations conducted at the Laboratory during the year under review were concerned primarily with the problems connected with the ginning of cotton. Experiments, for instance, were carried out with long-staple cottons on single-roller gin, after suitably converting it from double action to single action. These experiments revealed a rise in the output of lint per hour, reduction in power consumption by the gin, elimination (practically) of seed cutting, minimisation of blow-room loss, and improvement in yarn strength. Another investigation conducted on the formation of neps due to ginning reveal that the lint separated from seed-cotton by hand gives the least number of neps and the saw-ginned lint the highest, while the roller-ginned lint gives an intermediate value. The Laboratory evolved a new dye-technique for determining the maturity of cotton. It also devoted considerable attention to investigations on spinning and fibre properties. These investigations covered:

(1) Adoption of suitable formulæ for connecting the lea strengths obtained for the 10 lbs. samples and for the 60 100 gm. samples in small-scale spinning tests, which have proved extremely useful to the cotton breeders and mills;

(2) performance of mixings of Indian cottons with special reference to their fibre properties;

(3) effects of different processing treatments on the spinning performance of some Indian cottons whose spinning value, estimated from fibre properties, was found to be abnormal; and

(4) comparative merits of fabrics prepared from combed yarns of good quality Indian cottons and those prepared from carded African cottons.

The Laboratory has nearly completed work on standardising a suitable nep-counting technique for raw cotton.

In view of the ever-increasing work which the Laboratory has been called to tackle, it is noteworthy that proposals are under consideration for establishing a new spinning laboratory and expanding the other research sections.

Imports of cotton into the U.S. during November, 1953 amounted to 8,510 bales, according to the U.S. Department of Agriculture. The total of 45,625 bales for the August-November, 1953, period included 7,409 bales from India, 1,437 bales from Pakistan, 17,190 bales from Egypt, 10,107 bales from Mexico, 4,393 bales from Peru, 2,799 bales from Anglo-Egyptian Sudan and 2,290 bales from Brazil.

FINANCES OF IN...

BUDGET ESTIMATE... SMA...

A SMALL net surplus of Rs. 5.14 cr... disclosed by Mr. Lal Bahadur... India's Minister for Railways and Tr... the Railway budget for 1954-... Parliament on Friday, the fifth... net surplus has been arrived... setting apart Rs. 30 crores for dep... after providing Rs. 35.50 crores for... General Revenues, calculated at ... the capital invested in railways, ... Convention introduced in 1950-... envisaged for the coming year c... favourably with Rs. 3.18 crore... mate) for 1953-54, but is apprec... the actual net surplus of Rs. ... 1952-53. Revenue and expend... 1954-55 reveal no appreciable ... pared with the revised est... While the revenue is sl... expenses are a shade lowe... tional increase in the net su...

The following table sho... financial results of the ra... in the budget for 1954-55 b... of the revised and budg... and the actuals of the ...

(In crores of rupees)

	Actuals, 1952-53	Budget Estimate, 1953-54	Revised Estimate, 1953-54	Budget Estimate, 1954-55
Traffic Receipts				
Gross Traffic Receipts	270.56	272.23	272.00	273.25
Working Expenses				
Ordinary Working Expenses	187.96	190.99	197.63	194.31
Appropriation to Depreciation Reserve Fund	30.00	30.00	30.00	30.00
Payments to Worked Lines	0.21	0.21	0.24	0.22
Total Working Expenses	218.17	221.20	227.87	224.53
Net Traffic Receipts	52.39	51.03	44.13	48.72
Miscellaneous Transactions				
Receipts	0.31	0.32	0.32	0.31
Expenditure	5.52	7.32	6.81	8.39
Net Miscellaneous Expenditure	5.21	7.00	6.49	8.08
Net Railway Revenues	47.18	44.03	37.64	40.64
Dividend to General Revenues	33.99	34.77	34.46	35.50
Net gain or surplus	13.19	9.31	3.18	5.14

The anticipated surplus of Rs. 5.14 crores will be credited entirely to the Development Fund. The Depreciation Reserve Fund is expected to open with a balance of Rs. 107.86 crores on 1st April, 1954. During the year, the Fund will be credited with Rs. 30.00 crores chargeable to working expenses and Rs. 0.38 crore in respect of capital assets of the Chittaranjan Locomotive Works chargeable to its manufacture suspense, making a total contribution of Rs. 30.38 crores, against which the withdrawals from the Fund will be about Rs. 43.30 crores. Thus, including Rs. 3.22 crores on account of interest accruing on the balance during the year, the Fund is expected to close with a balance of Rs. 98.16 crores. The withdrawal from the Development Fund in the coming year is estimated at Rs. 10.59 crores. With Rs. 5.14 crores added to this Fund as contribution during the year and Rs. 50 lakhs as interest accruing on the balance, the Fund will close with a balance of Rs. 13.67 crores. There will be neither withdrawals from, nor contributions to, the Revenue Reserve Fund during the budget year. Taking into account the interest, etc., of Rs. 1.18 crores accruing on the balance, the closing balance of the Fund at the end of the year will stand a little higher, at Rs. 38.36 crores.

Reserves

The following table provides a comparison of the reserves of the railways over a period of five years:

(In crores of rupees)

	Depreciation Reserve	Revenue Reserve	Development Fund	Total Reserves
1949-50	109.01	6.82	13.80	129.63
1950-51	123.65	13.58	19.44	156.67
1951-52	122.02	33.72	23.48	179.22
1952-53	116.36	36.05	27.14	179.55
1953-54*	107.86	37.18	18.62	163.66
1954-55†	98.16	38.36	13.67	150.19

* Revised estimate. † Budget estimate.

It will be seen from the above table that the total reserves, including depreciation, after improving from Rs. 129.63 crores in 1949-50 to Rs. 179.55 crores in 1952-53 have actually declined by about Rs. 16 crores in the current year and is expected to go down further by Rs. 13.50 crores in the next year.

1954-55, the ... being ... against Rs. 78.2 crores in 1953-54. He said ... arrangements had been made ... proposed. The budget estimates ... provided for an increased outlay of ... ture on works and also to increase the pur... chases of rolling stock during the remaining two years of the Five-year Plan in such a manner as to ensure that the target expenditure of Rs. 400 crores was reached.

Main Features

The main features of Mr. Shastri's 25-page budget speech are summarised below:

The net surplus for the current financial year is Rs. 3.18 crores, as against Rs. 9.31 crores estimated in the budget. The fall has been mainly due to an increase in the working expenses on account of the acceptance of the recommendations of the Gadgil Committee to treat 50 per cent. of the dearness allowance paid to employees as pay, which involves an additional expenditure of about Rs. 3 crores annually, and to the increased diversion of coal by sea for the Southern, Central and Western Railways.

Certain financial and accounting changes have been proposed to be introduced with effect from 1st April, 1954, in order to assess the financial results of the working of individual zonal railways.

The budget estimate of passenger earnings for 1954-55 is placed at Rs. 101.51 crores, which is nominally higher than the revised estimate but slightly lower than the original estimate for the current year. As regards goods earnings, a more optimistic view is taken, on account of the increasingly encouraging trends of industrial production and agricultural production. The goods earnings is, therefore, placed at Rs. 148.6 crores, or one per cent. higher than the revised estimates for 1953-54. The overall estimate for gross receipts is thus placed at Rs. 273.25 crores, against Rs. 272.0 crores in the revised estimates for 1953-54.

The ordinary working expenses for 1954-55 is placed at Rs. 3.32 crores lower than the revised estimate for the current year. The appropriation to the Depreciation Reserve Fund has been maintained at the same level as in the current year, namely, Rs. 30 crores. After providing for a net miscellaneous expenditure of Rs. 8.08 crores and a dividend of Rs. 35.50 crores to the general revenues, the net surplus expected to accrue in 1954-55 is estimated at Rs. 5.14 crores.

Higher Expenses, Diminished Revenue

The Railway Minister referred to "the trend of continued increase in the working expenses of the railways and the progressive diminution of the railway surplus," and said: "Although there has been a slow improvement of the position, I cannot see in the present conditions any indications to expect in the near future a marked spurt in passenger traffic. At the same time, working expenses have been going up owing to factors over which we have but little control. The budget estimates for 1954-55 show an increase of nearly Rs. 50 crores over that for 1948-49. Except for a sum of Rs. 10 crores which is due to the taking over of the State Railways, the bulk of this increase is attributable to the liberalisation of benefits to staff. The fuel bill accounts for an increase of about Rs. 7 crores. This is consequent on expansion of services to meet the demands of traffic."

In a brief reference to the progress made under the Five-year Plan, the Minister said that the railways actually spent Rs. 131.04 crores during the first two years of the Plan period and a sum of Rs. 77.88 crores was likely to be spent during the current year, leaving a balance of about Rs. 191.08 crores out of Rs. 400 crores allowed to the railways under the Plan. He revealed that arrangements had been made to step up expenditure on works and also to increase the procurement of rolling-stock during the remaining two and about 44 per cent. over the actuals for 1952-53. The provision made for rolling stock reflected a heavier procurement programme than in the past. Orders for a large number of locomotives were placed abroad recently to accelerate the rehabilitation of railways. He expected to receive, during the Plan period, a total number of about 1,600 locomotives. This should result in an overall improvement in the power position of the railways. The Minister acknowledged the assistance from Canada under the Colombo Plan for supply of 120 broad-gauge passenger locomotives and from the United States Government under their foreign aid programme of 100 broad-gauge locomotives.

Utilising and Expanding Indigenous Resources

The Minister said that the objective of utilising indigenous resources to the maximum extent continued to guide and regulate all orders. It was his intention to step up the production target of the Chittaranjan Locomotive Works from 120 to 150 and, thereafter, to 200 average-sized locomotives in the course of the next four years. The Tata Locomotive and Engineering Company had so far produced and delivered 50 locomotives in all, but they were expected to reach their target of 50 locomotives a year in 1954-55.

As regards wagons, practically all the increased procurement had been planned on indigenous production. New manufacturers had come into the field and established manufacturers had agreed to expand their production capacity. Orders for about 11,000 wagons were being placed against the 1954-55 programme with manufacturers in India. The Minister said that 5,000 wagons were also expected to be received under the foreign assistance programme of the Government of the United States.

The policy of not placing new orders for passenger coaches abroad was being continued this year. The capacity of the Hindustan Aircraft Limited and of railway workshops was being stepped up. The construction of the Integral Coach Factory at Perambur was making satisfactory progress, and coach body-shells would start coming out during the second half of 1955. The Minister disclosed that he had decided to set up a committee to advise how the manufacture of certain special types of wagons, narrow-gauge locomotives and other stock and fittings, which were still being imported, could be established in the country. He hoped that the Indian industry would rise to the occasion and take to the manufacture of specialised railway items in increasing numbers.

New Major Works

The Minister said that, in 1954-55, it was proposed to concentrate on the execution of the works already in hand, although certain new major works would also be undertaken. A major project that had been included was the electrification of the suburban services in the Calcutta area and work on the electrification of the Howrah-Burdwan main line section of the Eastern Railway would commence forthwith. Provision had also been made for a traffic survey for rail connection to Garo Hills in Assam. In addition, the construction of the Pathankot-Madhopur broad-gauge line, 7.06 miles in length, was proposed to be undertaken to facilitate movement to Jammu and Kashmir State. The line was estimated to cost about Rs. 35 lakhs.

Proposals for new constructions under examination include the Indore-Ujjain broad-gauge line, rail connection to Etah, the Mangalore-Hassan, the Diva-Dasgaon, the Teldanga-Khajurla-Malda, the Bhavnagar-Tarapur and the Patehpur-Churu lines. The question of providing electrification for the

(Continued on page 381)

estimates—in the different States during 1953-54 and 1952-53:

(In tons)

—	1952-53	1953-54
.. ..	10.4	11.1
.. ..	5.9	5.9
.. ..	11.8	10.1
.. ..	28.9	26.1
.. ..	24.1	23.8
.. ..	26.6	30.7
.. ..	19.0	20.9
.. ..	16.7	16.7
.. ..	17.1	17.2
.. ..	10.7	11.8
.. ..	18.6	18.0
.. ..	10.7	9.8
.. ..	11.6	13.3
.. ..	9.8	9.2
.. ..	7.7	8.5
.. ..	16.1	22.5
.. ..	11.8	12.4

ing figures reveal that the im- e trend of yield during 1953-54 ed principally by Saurashtra, thra, the actual rise in the yield States being to the extent of cent. and 16 per cent.

R TRADE IN U.K.

of raw sugar have, since the ar, become wholly responsible in refined sugar. The freedom has prompted the sugar trade the possibilities for evolving tures market in raw sugar. market will have to be a 's home requirements of sugar, amounting to nearly 2,000,000 tons, are still being handled by the Food Ministry. Consequently, any scheme for starting futures trading may have to be restricted only to the raw sugar privately imported by refiners. These imports, however, are by no means so large as to permit futures trading on a sound basis, the amount involved being only about 650,000 tons per annum. In addition, about 40,000 tons of imported raw sugar are used in the manufacture of certain export goods containing sugar. This total of about 690,000 tons, privately imported for both refining and re-export, would prove so narrow a basis for futures trading that the hedge it could offer would be of little value. Yet, the London trade seems to feel that futures trading in this commodity might serve as a pilot market till the Food Ministry unfolds its plan for the future marketing of sugar imported for domestic use. Commenting on the issues involved in starting a limited futures market in raw sugar, the *Economist*, London, makes the following interesting observations:

"The main problem is to prevent the market from being used as a place where foreign holders of sterling could buy dollar sugar. As in other futures markets, delivery abroad of dollar goods could be prohibited, unless payment was made in dollars; but this would probably weaken foreign confidence in the contract. The foreign operator would have to decide what he would do, if dollar sugar, which he could not export, were tendered to him in London, and might think that British refiners would call the tune. But if the Bank of England was prepared to take a fairly liberal view of the dollar risks involved, it might tolerate a limited delivery of dollar sugar to be swapped on the actual market for sterling sugar. It might then also be possible to broaden the market by extending its facilities to participants in Britain's large entrepot trade of some two million tons a year—roughly half the sugar traded through the free world market."

yield of sugarcane, the area under the crop in the current season may be estimated at 56.7 million tons, as against 52.6 million tons in 1952-53 and the area at 4.57 million acres, as against 4.38 million acres. The improvement in cane output is thus to the extent of 7.8 per cent. This is in distinct contrast to the marked setback in cane cultivation experienced during the 1952-53 season, when the yield had fallen by over 13 per cent. as compared with 1951-52.

Trend of Cane Cultivation

The trend of area and yield of sugarcane crop in the different States during the season under review, as compared with that in the previous season, are indicated in the following table:

—	Area (000 acres)		Yield (000 tons)	
	1952-53	1953-54	1952-53	1953-54
Uttar Pradesh ..	2,653	2,581	27,590	28,720
Bihar	254	294	2,079	1,740
Punjab	356	373	4,210	3,790
Bombay	179	166	4,920	4,980
Madras	88	89	2,120	2,520
Andhra	83	87	2,200	2,570
Hyderabad	62	58	1,180	1,110
Orissa	60	60	1,000	1,000
Mysore	46	46	770	790
P.E.P.S.U. ..	70	75	750	880
West Bengal	49	46	910	830
Assam	33	34	620	630
Madhya Pradesh ..	42	35	490	430
Madhya Bharat ..	44	39	410	350
Rajasthan	47	41	860	850
Saurashtra	13	12	210	270
Other States	25	20	190	170
Total ..	4,228	4,101	49,900	51,000

It will be seen from the above figures that the State of Bihar has suffered a severe setback in cane cultivation, in that both the area and the outturn have been downward, the actual fall in each being as much as 17 per cent. This has been the result of adverse weather conditions, thanks to floods in vast areas of the State. Consequent on the poor sugarcane crop and considering the high level of *gur* prices, the supplies of cane to the sugar factories have greatly been restricted. The aggregate quantity of cane that will be crushed by the factories in the State during 1953-54 is estimated at not more than 50 million maunds, which compares unfavourably with 75 million maunds in 1952-53. Sugar production is, therefore, expected to be "unusually low." Hyderabad, West Bengal, Madhya Pradesh, Madhya Bharat and Rajasthan have also accounted for a fall in the area and yield of sugarcane crop in 1953-54. In the case of the Punjab, while the acreage under cane cultivation shows an improvement, yield has fallen appreciably.

In distinct contrast to the aforesaid trend, the sugarcane crop in Uttar Pradesh is reported to be excellent during the current season. Thus, the total yield is of the order of over 28.7 million tons, as against 27.6 million tons in 1952-53, which represents a rise of 4 per cent. It is noteworthy that this increase in the yield has occurred, despite a decline in acreage, thereby indicating that the yield of cane per acre must have been upwards. Similarly, in the State of Saurashtra, a larger yield of sugarcane is expected, although the area devoted to cane has

In Hawaii, for instance, the average yield of cane per acre is as high as 62 tons, in Java 56 tons and in Puerto Rico 24 tons. Even in some parts of India, the average per-acre yield is as high as 54 tons. This means that, in many parts of the country, the actual yield must be very much less than the average yield. It will thus be seen that the trend of per-acre yield of sugarcane has not registered any worthwhile improvement. This indicates that adequate attention has not been paid to improving the cultivation of cane. This is indeed highly surprising, considering the crores of rupees that the State Governments have all along been collecting by way of cane cess.

Inasmuch as the fortunes of the sugar industry rest chiefly on a healthy and prosperous sugarcane economy, it is of the utmost importance that attention should be concentrated on intensive development of cane, that is, raising higher yield of cane in the same area by enhancing the fertility of the soil and by growing appropriate types of cane. By intensive cultivation, not only the yield of cane can be increased but a larger area can be devoted to the growing of food and other commercial crops.

The table below indicates the approximate yield of cane per acre—based on the second

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AMY-5

COAL MINES PROVIDENT FUND SCHEME

PROPOSAL FOR CHANGING THE BASIS OF CONTRIBUTION

THE main question discussed at the tenth meeting of the Board of Trustees of the Coal Mines Provident Fund Scheme, held at Dhanbad on 10th inst., under the chairmanship of Mr. Vishnu Sahay, I.C.S., Secretary to the Ministry of Labour, Government of India, was the proposal for extending the basis for the calculation of provident fund in such a manner as to include not only basic wages but also dearness allowance and value of food concessions. Press reports indicate that the Coal Commissioner suggested a formula, not yet officially made public, for recovering contributions in the various States, in the event of the proposal materialising. The employers' representatives are stated to have expressed their approval to the formula but reiterated that the implementation of the proposal should be accompanied simultaneously by a rise in the controlled selling price of coal, in proportion to the increase in the cost per ton of coal as a result of this burden.

The employers' demand for a rise in the controlled price is logical. The new proposal would, according to competent circles, result in an increase in the cost per ton of coal by As. 2½ to Rs. 3½. The industry cannot be expected to meet this increase in cost from its already low margin of profit. It is needless to point out, in this connection, that even the present scheme, under which contributions are calculated on basic wages only, is causing a serious drain on the resources of the industry. Under the present scheme, which covers as many as 852 collieries in Bihar, West Bengal, Madhya Pradesh and Orissa, the employers and the workers are contributing 6¼ per cent. each of the basic wages. Besides, the employers are required to pay an administrative charge of 5 per cent. of the aggregate contribution, which accounts for 10 per cent. of their contribution. Small wonder, therefore, the employers have been complaining against its heavy incidence.

It may be asked as to why the Government should not allow an increase in the controlled price in proportion to the increase in the burden on the industry that would follow the implementation of the proposal. This is a very complex question. For any increase in the selling price of coal will reflect itself in the price structure of all the manufactures in the production of which the cost of coal constitutes a major factor. In short, any increase in the price of coal will give rise to a fresh wave of rising prices and wages. The rise will further adversely affect the already dwindling exports of coal, consequent on increased competition from Chinese, Australian and South African coal in the South and South-East Asian markets.

While an increase in the selling price of coal will undoubtedly affect the cost of fuel to consumers, the colliery workers demand for basing the provident fund contributions on the aggregate of basic wages and dearness allowance (either in cash or in kind) cannot be brushed aside, inasmuch as the workers in six other leading industries are getting provident fund on these lines. It is too late now to deny this demand. That such a demand would arise should have been anticipated at the time the provident fund scheme was compulsorily introduced in these six industries. The argument that, while the other industries can afford to pay higher provident fund contributions, the coal industry cannot, is no argument at all. For, then the colliery workers can turn round and say that these industries are able to do so, because of the low cost of fuel, among other factors, and that they do not see as to why they should make a sacrifice for the sake of workers employed in other industries. There are only two ways of meeting the consequential increase in the price of coal. One is for consumers of this fuel to effect economies in their cost of production. The other is for colliery workers to increase the per-man output to an extent which would not necessitate an increase in the selling price of coal.

The Conference also discussed a proposal which contemplated recovery of contributions at fixed flat rates for various categories of workers irrespective of attendance and amount of wages. In other words, contribution under this proposal will not be linked to actual earnings; instead, an arbitrary amount will be fixed for different categories of wage earners. While welcoming the proposal, the employees deferred their comments as they desired to study the proposal in detail. The proposal, of course, appears to be simple, in that it avoids a lot of clerical work every week as the total emoluments of workers vary from week to week and lets the worker know the exact amount deductible. But it is difficult to comment on the merits of the scheme, for the amount deductible in the case of workers who work for one day will be the same as that in the case of those who work for six days in a week.

Further, the Board of Trustees decided that retrenched members should be allowed refund of the accumulations to their credit in the fund after a period of six months from the date of retrenchment and, accordingly, recommended a suitable amendment to the Coal Mines Provident Fund Scheme. They also recommended that the rate of interest allowed to members on their accumulations during the financial year 1954-55 should continue to be 3 per cent. These recommendations are not objectionable and, therefore, could be implemented without any further delay.

COAL AND COKE OUTPUT IN DECEMBER 1953

More persons were employed daily and more coal and coke were produced during December, 1953. As many as 843 collieries and eight coke plants worked in December, 1953, as compared with 839 collieries and eight coke plants in November, 1953.

On an average, 324,644 persons were engaged daily which was 7,264 persons more than those employed in the previous month. The overall percentage of absenteeism dropped from 14.51 in November to 12.38 in December.

Output of coal during December was 5,705,[illegible] tons, which was 630,734 tons more than the figure for the previous month. As much as [illegible] of soft, hard and other kinds of coal were produced in December, 1953, as compared with 571,[illegible] tons in the previous month. The [illegible] tons of soft coal and slack and the [illegible] tons of hard coal, coke, bituminous coal, bituminous coal and smithy nuts

RUBBER INDUSTRY IN INDIA

RESEARCH CENTRE TO BE SET UP

THE story of the utility of rubber is, indeed, an interesting one. At one time, rubber was known to be useful only as eraser, but it has now developed itself into a vital raw material for a wide variety of manufacturing industries. Thanks to the latest advances in the science and technology of natural rubber, much progress in the direction of proper utilisation of rubber in all possible ways has been made in the advanced countries abroad. Although the achievement in India in this respect is not very encouraging, the progress, in the context of the existing facilities, is considered to be satisfactory. The Five-year Plan has opened a vista for the further development of the utility of rubber. But any such development is possible only if some of the handicaps facing the industry are removed by concerted action on the part of both the Government and the industry. In this context, it must be stated that the six-day Conference and Exhibition organised by the Indian Rubber Industries Association (I.R.I.A.) which began in Bombay last week-end has done well in focussing attention on the progress made so far by the industry and on the problems confronting it today. The Conference and Exhibition were inaugurated by Mr. Morarji Desai, Chief Minister of Bombay.

The Indian rubber industry has made rapid progress during the short span of its history which dates back only from 1920 when the first factory for the manufacture of rubber goods was started in Calcutta. But it was not until the thirties that the rubber manufacturing industry established itself on any large-scale footing in India. Today, there are about 130 solid rubber factories and about 170 latex factories in operations, manufacturing almost every type of rubber goods from toy balloons to giant tyres and tubes, including extremely intricate parts required by a highly technical industry. The consumption of rubber in India, which was almost negligible up to 1930, rose to 5,600 tons in 1938. By 1941, the domestic consumption reached 14,292 tons. In 1951, it touched a record level of 22,427 tons and in 1953 it amounted to 22,373 tons. The manufacturing industry has developed so much that rubber consumption is more than what the country produces today. India has, therefore, been importing rubber to meet its full requirements.

Strident Progress

The strident progress made by the rubber goods manufacturing industry is also evident from a decline in the value of imports and a rise in those of exports of manufactured rubber goods since the pre-war years. Thus, in 1939-40, India imported rubber goods of the value of Rs. 148.42 lakhs and exported goods worth Rs. 9.53 lakhs. In 1952-53, imports were no more than Rs. 53.35 lakhs, while exports were of the order of Rs. 142.25 lakhs, though in 1946-47, they were Rs. 26.65 lakhs and Rs. 275.26 lakhs, respectively.

The industry is, however, not without its troubles and tribulations. For, according to Mr. Lalit Mohan Jamnadas, Honorary General Secretary of the I.R.I.A., who addressed the Conference, most of the plants are not well equipped with testing facilities very essential for the sound development of this industry. There are, we are told, many well qualified and trained rubber technicians in the industry, but they have not been able to achieve results expected of them, due to lack of necessary testing equipment. This is because the average unit in the industry is a small one and, therefore, cannot afford a well equipped testing laboratory. Mr. Lalit Mohan is quite right when he emphasises that a central service laboratory should be set up in each centre to give necessary service to these small-scale manufacturers. He notes that a skeleton scheme for the setting up of a rubber research institute has been prepared by the Council of Scientific and Industrial Research for the consideration of rubber goods manufacturers in India, but he considers that by itself the proposed rubber research institute will not serve the purpose of small factories and that it should be supplemented by such service laboratories as proposed by him. Considering the conditions prevailing in the industry, he says that both types of laboratories are of great importance. His request to the Government of Bombay, in this connection, to contribute a part of the capital and recurring expenditure towards the establishment of a service laboratory in Bombay deserves full support. For Bombay is an important centre of rubber manufacturing industry in the country.

As Dr. J. C. Ghosh, Director, Indian Institute of Technology, Kharagpur, rightly pointed out in his message to the Conference, at no time in the industrial history of India, a higher degree of technical skill in the field of standardisation and quality control under mass production conditions has been in demand as it is at present. "Most of the problems connected with popularisation of various products of industries," he says, "call for the most scientific answer to the needs of the user and operator alike. This is more so in the rubber industries." An expert committee is, as he says, examining the question of imparting advanced knowledge in applied research and development of processes and methods of manufacture on modern lines, as also training technical personnel engaged in rubber industries. The recommendations of this committee is expected to be made available shortly. A start will also be made soon to provide post-graduate short-time courses in rubber technology in the Kharagpur Institute.

Scheme for Reclaim Rubber Plant

Another direction in which the Association has made a useful contribution is the working out of a skeleton scheme for setting up a reclaim rubber plant. Some of the member manufacturers are being induced to implement this scheme. At present, reclaim rubber is being imported from abroad, while old tyre and tube cuttings, old tyres with lead wires cut off and all types of vulcanised rubber scrap and waste are being exported. If these old waste rubber products can be utilised for reclaiming rubber, the import of reclaim rubber can be eliminated. The Association has planned for setting up a reclaim rubber plant of a capacity of 2,000 tons per year.

Other important raw materials for producing rubber goods, such as refined sulphur, accelerators and anti-oxidants, carbon black and synthetic rubber, have given rise to a number of problems of their own. Attention is drawn particularly to the shortage of synthetic rubber which is necessary for special types of rubber goods which require such properties as oil resistance, petrol resistance, flame resistance, etc. The Association, therefore, urges that, unless suitable synthetic rubber is used in the manufacture of finished goods in order to obtain these properties, the industry cannot meet with the exacting requirements of the expanding economy of the country. The Association is willing to contribute its mite towards the development projects and to co-operate with the Government in such projects.

(Concluded from next column)

vision of the G.A.T.T. Sooner or later, therefore, the U.K. authorities will have to find alternative arrangements to safeguard the interests of the British industry.

One of the suggestions put forward relates to the raising of import tariffs on jute goods as an alternative. If this suggestion were followed, the U.K. would be violating the Indo-British Trade Agreement signed at Ottawa in 1932. Under this Agreement, jute and jute manufactures are duty-free commodities and, therefore, no duties are leviable on Indian imports. This suggestion can, therefore, be implemented only through negotiations with India.

It will be interesting to refer here to the views of the *Financial Times*, London, on this question:

"The continuance of the present system of protection will, understandably, be received with feelings of relief in Dundee. At the same time, the fact that the Government has now openly recognised the claim of the U.K. industry for protection must mean that the present system will continue for some time to come. For, by the provision of G.A.T.T., this country is precluded from placing a tariff on Indian goods and it is difficult to see what alternative there is to the present method of control which will safeguard the industry in this country as the Government wishes. The practical choice is between existing arrangements and no protection at all. The Government, for the time being, adheres to the former, but this still leaves a major problem to be solved in the longer term."

The above quotation suggests that the *Financial Times* is not aware that even the present method of protecting the Dundee industry is against the provisions of the G.A.T.T., a point which has been admitted by a section of the British financial Press.

U.K. RESTORES FREE TRADING IN JUTE

BUT CONTROL ON GOODS STAYS

THE U.K. Government has decided to restore the trading in imported raw jute to private trade. This decision was announced by Mr. Heathcoat-Amory, Minister of State, Board of Trade, in the House of Commons on the 16th inst., and is in accordance with the Government's policy of handing back trade to private channels. The exact date on which the trade would be returned to private hands, however, has not yet been decided. The announcement fixing the date is being awaited, as the authorities are holding a series of discussions with leading members of the industry for making arrangements preparatory to implementing the decision.

The Jute Control was set up in Dundee at the beginning of the war. At first, it was limited to raw jute, jute waste, cuttings, yarns and twist. In 1940, the Control was extended to imported jute goods. In addition to the centralised purchase of both jute and jute goods, the processing of raw jute and jute yarn was controlled and licences were required to dispose of the imported jute goods obtained from the Control. Yarn prices and the use to which second-hand bags could be put were also controlled. These controls were gradually relaxed after the war. On 16th September, 1952, all internal licensing of processing and use was abolished. Only the centralised purchase and sale of jute and imported jute goods remained.

At present, the U.K. Jute Control is still, as has been described in *Commerce*, dated 5th December, the sole importer of both raw jute and jute goods. With the abolition of control over raw jute, there will still remain the trading imported jute goods in the hands of the Government. Referring to this aspect of the Jute Control, the Minister, mentioned above, announced that State trading in imported jute goods would continue until appropriate measures to safeguard the U.K. jute manufacturing industry under conditions conducive to efficiency could be worked out and introduced.

Consequently, the present arrangements for imports and selling of jute goods would continue for some time. Under these arrangements, the Control does not trade in home-made jute goods. This is left to private channels but the prices of these goods are controlled on the basis of an agreement with the jute industry in Dundee allowing a generous margin of profit. Imported goods are also sold at these levels. This system of equalising the prices of cheaper imported jute goods with the dearer domestically produced products, introduced during the war, has in it an element of protection against Indian-made jute goods, which are favoured by the British export industries, because they are relatively cheaper. If the control over imports are removed, the Dundee interests feel that their manufactures would be priced out of the home market by Indian goods. An indication of the fears of these interests is provided by the expression of relief by Mr. L. M. Hill, Chairman, British Jute Trade Federal Council, over the present decision of the U.K. Government. Commenting on the Minister's statement referred to at the outset, Mr. Hill said:

"The momentous part of the Minister's statement is the acknowledgement of the broad principle of protection for an efficient jute manufacturing industry. If protection had not been given, it would have meant that, on the abolition of Jute Control, there would have been a marked increase in the quantity of imported jute goods on the British markets which, in turn, would have led to serious unemployment in Dundee and districts.

"The Government's decision to safeguard the home industry brings the U.K. into line with every other jute processing country in the world. At the same time, it seems reasonable to assume that imports into the U.K. of Indian manufactured jute goods will continue at approximately the same level as in the immediate past."

The present policy is undoubtedly favourable to the Dundee industry, but it must be mentioned here that it violates the British obligations under the General Agreement on Tariffs and Trade which prohibits quantitative restrictions for purposes of protection to industries. It is also against the spirit of the system of Imperial Preference. This is so because only 60 per cent. of Britain's requirements are supplied by Dundee mills, the balance of 40 per cent. being covered by purchases from makers, mostly from India. In other words, this policy tantamounts to a total ban on imports in excess of this 40 per cent. It thus goes against the pro-

(Continued in previous column)

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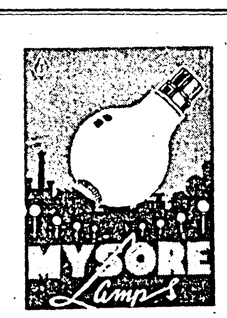

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RAILWAYS IN INDIA

PROGRESS OF FIVE-YEAR PLAN SO FAR REVIEWED

A REVIEW of the progress of the Five-year Plan on Indian railways so far discloses that, as in other sectors, so also in the railway sector, the plan is becoming increasingly effective and the main weight of expenditure will be felt in the latter half of the period. There was a fall in expenditure in the first two years of the Plan. Thus, as against an estimated annual investment of Rs. 80 crores, the expenditure in the first year fell short by Rs. 10 crores and in the second year by about Rs. 20 crores. In the current year, it is expected to aggregate, according to revised estimates, Rs. 78 crores, as against the budgetted estimate of Rs. 80 crores. The expenditure in the fourth and fifth years is expected to be about Rs. 95 or Rs. 96 crores, annually.

The lag in expenditure in the second year was larger than in the first. This was chiefly due to the non-receipt of rolling stock ordered in the pre-Plan years, and short supplies of essential materials like cement and steel which retarded progress all round, namely, restorations of discontinued services, opening of new lines, widening of line capacity and welfare work. Should the arrangements for the import of the large number of rolling stock units and track materials on order go through, according to schedule, the planned expenditure of Rs. 400 crores for five years would be completed.

The Five-year Plan in regard to the railways has a threefold objective, as follows:

(i) An extensive rehabilitation of the fixed and mobile assets of railways so as to recover the standards of efficiency which had declined since the pre-war years;

(ii) the removal of the principal bottlenecks on existing lines in order to handle currently traffic offering, and the provision of additional facilities, to the extent possible, to meet new traffic arising out of implementation of the Five-year Plan; and

(iii) the policy of improving amenities to the travelling public and measures designed to improve the housing and welfare of staff.

Problem of Rehabilitation

These objectives were determined partly with particular reference to the problem of rehabilitation which developed as far back as in the depression of the thirties and partly by the situation obtaining at the time of the formulation of the Plan. Indeed, the situation then was such that the main objective could be conceived in terms no wider than embarking upon a planned rehabilitation of the systems so as at least to recover the loss of efficiency that had occurred and to keep in step at the same time, with the traffic currently offering. The impact on railways of the progress of various projects in other sectors would, it was realised, generate a 10 per cent. increase in traffic during the course of the Plan years. The planners felt that, while this general increase could not be satisfactorily handed within the Plan period, special measures would be necessary to cope with particular problems. While even this limited objective called for an all-round investment of a massive nature, the resources indicated as being available to the railways did not admit of the planning being undertaken to meet all possible demands. The allotment to the railways was placed initially at Rs. 350 crores and later raised to Rs. 400 crores out of the aggregate investment of Rs. 2,069 crores.

When the draft Five-year Plan was prepared in July, 1951, the first year of the Plan had already advanced and the allocations for the second year were taking shape. It was anticipated that the impact of the Plan, as finally approved by Parliament, would actually be felt in the budgets for 1953-54 and the succeeding years of the Plan period. The anatomy of the expenditure in 1951-52 and the forecast for 1952-53 indicated the general pattern on which the Plan expenditure could be expected to run in increasing measure during the rest of the Plan years. Accordingly, a key plan was prepared showing the main classes of expenditure and the proportions in which they were to be spread over the Plan period. This key plan affords the clue to the inclusion from time to time of new works, the rate of expenditure on works in progress and the relative priorities within the objectives, set in the Plan.

The following table sets out the structure and the general features of the key plan.

Railway Plan for 1951-56

Estimates of Expenditure on the Principal Categories Comprising the Plan

(In crores of rupees)

Rehabilitation and additions	1951-52	1952-53	1953-56	Five years' total	Percentage of the total
Rolling stock and machinery	37.91	42.55	127.50	207.96	52.2
Track	5.51	14.36	42.00	64.87	16.2
Bridges	0.85	1.15	3.60	5.60	1.4
Other structural and engineering works	7.89	8.52	27.00	43.41	10.9
Restorations	0.52	1.14	4.00	5.66	1.4
New lines, special projects, major bridges, electrification of track, conversion of narrow gauge into metre gauge and broad gauge	6.55	5.97	16.00	28.52	7.1
Passenger amenities	3.00	3.00	9.00	15.00	3.8
Labour welfare, staff quarters and welfare works	4.55	4.54	15.00	24.09	6.0
Collieries	0.06	0.39	1.00	1.45	0.6
Ports	0.16	0.18	0.70	1.04	
Miscellaneous items	2.61	—2.70	2.49	2.40	0.6
Total	72.61	79.10	248.29	400.00	100.0

The progress of the Plan in the initial two years, the position in the current year and the forecast for the fourth year of the Plan are as follows:

Progress of the Plan

(In crores of rupees)

Categories of expenditure and percentages of allocation	1951-52 1st year (Actuals)	1952-53 2nd year (Actuals)	1953-54 3rd year (Revised estimate)	1954-55 4th year (Budget)
Rolling stock and machinery	34.36	33.23	45.06	56.17
	(52.2)	(48.4)	(55.2)	(67.3)	(59.1)
Track	9.72	13.46	11.30	12.86
	(16.2)	(13.7)	(22.4)	(14.5)	(13.0)
Bridges	1.00	0.50	0.73	1.02
	(1.4)	(1.4)	(0.8)	(0.9)	(1.1)
Other structural and engineering works	6.68	7.24	10.44	13.42
	(10.9)	(9.4)	(12.0)	(13.4)	(14.1)
Collieries and ports	0.15	0.10	0.62	0.94
	(0.6)	(0.2)	(0.2)	(0.8)	(1.0)
Labour welfare, staff quarters and other welfare works	3.74	3.14	4.97	5.55
	(6.0)	(5.2)	(5.2)	(6.4)	(5.8)
Restoration of dismantled lines	0.60	0.50		
	(1.4)	(0.7)		
New lines including electrification of track and major bridges	5.76	3.71	4.77	5.09
	(7.1)	(6.2)	(5.1)	(5.4)
Passenger amenities	2.45	2.34	2.99	2.85
	(3.8)	(3.5)	(3.8)	(3.0)
Miscellaneous items	5.49	—3.54	—2.99	—3.43
	(0.6)	(7.8)	(—4.8)	(—3.8)	(—3.5)
Total	70.86	60.18	77.88	95.00

Note:—Figures within brackets indicate percentages.

In 1955-56, a balance of Rs. 96.08 crores out of the Rs. 400 crores allotment will be available for distribution among the above categories in the budget year.

So far, the acquisition of new rolling stock has been progressing to the extent permitted by the availability of finance, the ability of foreign manufacturers to supply locomotives and the pace of growth of domestic manufactures of locomotives, carriages and wagons in India, which is, however, severely restricted by inadequacy of trained technicians and machine tools. Nevertheless, as a result of action taken by the Railway Board in enlarging supplies from home as well as foreign sources, the problem of rehabilitation is being steadily overcome. The drive towards self-sufficiency has been particularly marked in the field of carriage and wagon production. The Chittaranjan Locomotive Works and the Tata Engineering and Locomotive Works have generally maintained their production targets almost according to schedule. The following table furnishes the procurement action taken during the Plan period in regard to locomotives, coaches and wagons, as well as the actual receipts thereof.

Orders Placed

Items	*Year*	*India*	*Abroad*	*Total*
Locomotives ...	1951-56	407	1,097	1,504
Coaching vehicles	,,	4,997	789	5,786
Wagons	,,	41,268	18,025	59,293
Receipts				
Locomotives ...	1951-56	146	321	467
Coaching vehicles	,,	1,940	335	2,275
Wagons	,,	14,639	8,478	23,117

In regard to the restoration of the dismantled lines and the construction of new ones, the record is claimed to be satisfactory. Twelve out of 26 branch lines which were dismantled during the war years will have been restored, according to the Plan, by the end of the Plan period. The Plan started with 12 new lines in progress, the most important of them being the Assam Rail Link project and the Kandla-Deesa railway. During the course of the Plan year, 12 additional lines have been sanctioned. All these are in various stages of progress and will add 336 miles to the existing route mileage. The more important of the projects are:

(1) Chunar-Robertsganj; (2) Quilon-Ernakulam; (3) Khandwa-Hingoli; (4) Champa-Korba; (5) Gua-Manoharpur; and (6) Ganga Bridge at Mokameh.

In addition to these, the execution of the major project of the electrification of the Calcutta-Burdwan main lines, which will make a substantial utilisation of power from the Damodar Valley Corporation possible, will commence in the fourth year of the Plan.

The progress of the rehabilitation and expansion scheme is reflected in the operating performance. Between 1951 and 1953, as many as 492 additional passenger services were introduced and 303 existing services were extended. In the coaching section, passenger train-miles rose from 101.27 million in 1950-51 to 106.53 million in 1952-53. Similarly, in the goods section, freight train-miles operated increased from 69.31 million in 1950-51 to 74.69 million in 1952-53.

There has been good progress of the plans for providing amenities to passengers. The total allotment under this trend for the Plan period is Rs. 15 crores and this amount is expected to be fully utilised.

The record in the field of amenities for staff is also considered satisfactory. To take housing, for instance. During the first four years of the Plan, as many as 32,212 quarters will have been built, the major portion of them being for Class IV employees.

Financial Position

The financial position of the railways was the best in the first year of the Plan. Thus, the railways finished this year with a surplus of Rs. 28.34 crores. This surplus declined to Rs. 13.19 crores in the second year. The surplus for the third year, according to revised estimates for 1953-54, is even lower, being no more than a mere Rs. 3.18 crores. If the budget for 1954-55 is an indication, the fourth year, however, may fare somewhat better than the third, in that the surplus is expected to be Rs. 5.14 crores. This shortfall in the surplus has to be compensated by proportionately larger allocation from the general revenues, that is, from the Central Government's other resources. While it was envisaged that the Central Finance was to allot from its resources an amount of Rs. 80 crores from the entire period, its contribution will have exceeded the amount planned for by more than Rs. 10 crores by 1954-55. The railway resources have fallen short of expectations and, consequently, railway fund balances will be standing at considerably lower levels at the end of the Plan period.

Expenditure on the major projects which have been commenced in the Plan years and will be in progress in 1955-56, will naturally become the first commitment in drawing up the outlines of the second Five-year Plan. The Mokameh Bridge, the new lines already sanctioned and those that may be started in the concluding year of the Plan and the large line capacity works on the North-East and South-West lines are anticipated to absorb about Rs. 60 crores in the next period. On the other hand, luckily, the burden of replacement of rolling stock will not press so heavily. For instance, the number of locomotives and wagons attaining overage during 1956-61 will be of a markedly lower order, as additions to stock during the years immediately following the First World War were extremely limited.

Even so, the railway resources will need to be carefully conserved and developed, if the development of the railways were to keep pace with progress in other sectors. And with greater support from Central Finance, the scope for flexibility and expansion in the second Five-year Plan will be wider. Also, there will be more opportunity to broad-base the Plan and build it up from below. The first Five-year Plan will have been one of consolidation, while the second Five-year Plan should open a period of development.

MANUFACTURE OF BABY CARS

Reports from New Delhi indicate that three schemes relating to the manufacture of baby cars have been approved by the Government of India. The schemes submitted were "Morris Minor" by Messrs. Hindusthan Motors Ltd., "Standard Eight" by Messrs. Standard Motor Products of India Ltd. and "Fiat 1100" (somewhat of a bigger model) by Messrs. Premier Automobiles. No price ceiling, it is said, has been determined yet, but it is likely that the Government may do so after full data needed are available on the manufacturing and other items of cost.

Since the manufacture of baby cars in India is a new line altogether, the Government, it is understood, will permit the firms concerned to start with assembly from the imported components and progress thereafter towards the manufacture of essential components. It is expected that baby cars assembled in India by the firms referred to above will be available in the country by the middle of the year.

So far as the manufacturing programmes of bigger types of automobiles and trucks are concerned, various schemes, apart from those already approved, are, it is stated, under the consideration of the Government and a decision on them will be announced shortly.

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BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Capital—			1. Cash—		
AUTHORISED CAPITAL—			In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		1,42,16,886 10 1
70,000 Ordinary Shares of Rs. 50 each	35,00,000 0 0		2. Balance with Other Banks—		
30,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	15,00,000 0 0	50,00,000 0 0	(a) In Current Account—		
			(1) In India	26,00,768 15 1	
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—			(2) Outside India	14,84,803 7 10	
30,000 Ordinary Shares of Rs. 50 each	15,00,000 0 0		(b) In Deposit Account—		
28,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000 0 0	29,00,000 0 0	(1) Staff Security Deposits with Scheduled Banks in India	1,75,700 0 0	42,61,272 6 11
2. Reserve Fund and Other Reserves—			3. Money at Call and Short Notice—		
Reserve Fund—			(1) In India	6,00,000 0 0	
Reserve Fund as at 31st December, 1952	16,50,000 0 0		(2) Outside India	10,08,000 0 0	16,08,000 0 0
ADD—(1) Transfer from Current Year's Profits	2,50,000 0 0		4. Investments—		
(ii) Transfer from Contingencies Account	2,00,000 0 0	21,00,000 0 0	(i) Securities of the Central and State Governments and other Trustee Securities of the face value of Rs. 2,51,29,800 at cost (Market value as on 31-12-1953 Rs. 2,47,70,485-13-0)	2,45,05,825 6 2	
3. Deposits and Other Accounts—			[illegible]	[illegible]	[illegible]
Fixed Deposits	2,64,45,383 13		[illegible]	[illegible]	[illegible]
Savings Bank Deposits	1,78,46,492 12		[illegible]	[illegible]	[illegible]
Current Accounts, Contingency Accounts, etc.	3,51,96,777 0		[illegible]	[illegible]	[illegible]
	7,94,88,653 9		[illegible]	[illegible]	[illegible]
4. Borrowings from Other Banking Companies, Agents, etc.			[illegible]	[illegible]	[illegible]
	6,66,000		[illegible]	[illegible]	[illegible]
5. Bills Payable			[illegible]	[illegible]	[illegible]
	1,00,000		[illegible]	[illegible]	[illegible]
6. Bills for Collection being Bills Receivable as per contra—			[illegible]	[illegible]	[illegible]
(i) Payable in India	76,39,001 15		[illegible]	[illegible]	[illegible]
(ii) Payable outside India	21,22,972 15		[illegible]	[illegible]	[illegible]
	97,61,974 14		[illegible]	[illegible]	[illegible]
7. Other Liabilities—			[illegible]	[illegible]	[illegible]
(i) Rebate on Bills	7,921 6 6		[illegible]	[illegible]	[illegible]
(ii) Unclaimed Dividends	30,431 6 6		[illegible]	[illegible]	[illegible]
(iii) Branch Adjustments	31,25,747 10 2		[illegible]	[illegible]	[illegible]
(iv) Staff Security Deposits	1,75,700 0 0		[illegible]	[illegible]	[illegible]
(v) Provision for Taxes	11,54,171 2 8		[illegible]	[illegible]	[illegible]
(vi) Outstanding Charges and Sundries	7,13,339 13 11	52,07,311 7 9	[illegible]	[illegible]	[illegible]
		41,42,199 6 4	[illegible]	[illegible]	[illegible]
8. Acceptances, Endorsements and Other Obligations as per contra			[illegible]	[illegible]	[illegible]
			[illegible]	[illegible]	[illegible]
9. Profit and Loss—			[illegible]	[illegible]	[illegible]
Profit as per last Balance Sheet	6,37,517 4 5		[illegible]	[illegible]	[illegible]
LESS—Appropriations— Rs. a. p.			[illegible]	[illegible]	[illegible]
To Reserve for Income-tax 3,10,000 0 0			[illegible]	[illegible]	[illegible]
,, Contingency Reserve 50,000 0 0			[illegible]	[illegible]	[illegible]
,, Bonus to Staff 74,600 0 0			[illegible]	[illegible]	[illegible]
,, Dividends 1,87,500 0 0			[illegible]	[illegible]	[illegible]
	6,28,100 0 0		[illegible]	[illegible]	[illegible]
	9,417 4 5		[illegible]	[illegible]	[illegible]
ADD—Profit for the year brought from Profit and Loss Account	8,67,124 5 8		[illegible]	[illegible]	[illegible]
	8,76,541 10 1		[illegible]	[illegible]	[illegible]
LESS—Transfer to Reserve Fund under Section 17 of the Banking Companies Act	2,50,000 0 0	6,26,541 10 1	[illegible]	[illegible]	[illegible]
10. Contingent Liabilities—			[illegible]	[illegible]	[illegible]
(i) Liability on Account of Letter of Guarantees given on behalf of Constituents Rs.	80,958 6 0		[illegible]	[illegible]	[illegible]
(ii) Liability on Bills of Exchange Re-illecounted ,,	6,569 5 4		[illegible]	[illegible]	[illegible]
(iii) Liability on Account of Outstanding Forward Exchange Contracts Rs.	49,00,899 9 1		[illegible]	[illegible]	[illegible]
NOTE.—Figures in respect of the Bank's Karachi Branch have been converted at the rate of 100 Pakistan Rupees=144 Indian Rupees.			[illegible]	[illegible]	[illegible]
Total .. Rs.		10,45,63,094 6 7	Total .. Rs.		10,45,63,094 6 7

Schedule of particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1953

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	2,04,76,049 11 9
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several pro. notes)	54,80,807 0 4
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	39,38,255 1 1
(iv) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	2,98,45,111 13 2

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	32,092 0 7
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	6,64,402 5 10
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers, or Officers of the Banking Company or any of them either severally or jointly with any other persons	59,396 10 2
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	15,62,749 1 10
(ix) Due from banking companies	5,13,134 9 6

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Rs. a. p.	INCOME (less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, etc.	10,09,917 9 4	1. By Interest and Discount	28,17,838 4 8
2. ,, Salaries and Allowances and Provident Fund (inclusive of salary of the General Manager Rs. 24,072-4-1)	13,79,956 9 11	2. ,, Commission, Exchange and Brokerage	9,19,279 0 8
3. ,, Directors' and Local Committee Members' Fees and Allowances (inclusive of the remuneration to Supervising Director Rs. 12,000)	30,726 0 6	3. ,, Rents	2,675 0 0
	1,67,927 0 4	4. ,, Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	Nil
4. ,, Rent, Taxes, Insurance, Lighting, etc.	2,065 8 6	5. ,, Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	Nil
5. ,, Law Charges	1,16,185 9 0	6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	277 4 0
6. ,, Postage, Telegrams and Stamps	3,450 0 0	7. ,, Other Receipts	2,44,751 6 11
7. ,, Auditor's Fees and Travelling Expenses	77,157 10 2		
8. ,, Depreciation on and Repairs to the Banking Company's Property	1,87,947 7 9		
9. ,, Stationery, Printing, Advertisement, etc.	Nil		
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	1,41,564 2 1		
11. ,, Other Expenditure	8,67,124 5 8		
12. ,, Balance of Profit			
Total .. Rs.	39,84,321 0 8	Total .. Rs.	39,84,321 0 8

AUDITOR'S REPORT.

1. I beg to report that I have examined the foregoing Balance Sheet of the Canara Bank, Ltd., as at 31st December, 1953, and the Profit and Loss Account for the year ended 31st December, 1953, with the books and vouchers of the Head Office and the certified returns from the branches and that I have visited the major branches of the Bank during the year and have examined the books and accounts and cash and securities as at the time of my visit and that I have obtained all the information and explanations I have required.

2. In my opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law, and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of my information and the explanations given to me and as shown by the books of the Bank. Further, in my opinion, the books of accounts have been maintained by the Bank as required by Section 150 of the Indian Companies Act.

3. The information and explanations required by me have been found to be satisfactory.

4. The transactions of the Bank which have come to my notice have been within the powers of the Bank.

5. The returns received from the branch offices of the Bank have been found adequate for the purposes of the audit; and

6. The Profit and Loss Account shows a true balance of profit and loss for period covered by such accounts.

A. UMANATH RAO, B.A., F.C.A., Chartered Accountant, } Auditor.

MANGALORE, 15th January, 1954.

A. DAMODAR PAI, Chairman.
K. P. J. PRABHU,
H. LAXMINARAYANA KAMATH, } Directors.
P. SARVOTHUM NAYAK, General Manager.

INSURANCE IN CANADA

OBSTACLES TO PROGRESS OF NATIONAL CONCERNS

FEW countries in the world are so richly endowed with natural resources as Canada. The country has not lagged behind in exploiting these resources to its advantage. It has undergone, and is still undergoing, intensive development. In the spheres of industry, trade, transport, banking, etc., Canada has made rapid strides during the past few decades. But the organisation of general insurance has not kept pace with the general progress of the economy. Consequently, this field is dominated by non-Canadian offices which have been providing sound and efficient service to Canadian business and industry. The predominance of these offices would appear to have latterly given rise to an intensive spirit of nationalism which is manifesting itself in the plea for the extension of support for indigenous insurance companies.

An accurate picture of the position of Canadian-owned and controlled companies *vis-a-vis* other companies emerges from the figures published in the *Report of the Dominion Superintendent of Insurance* for 1951. On 31st December, 1951, as many as 277 companies were registered in Ottawa to transact fire insurance business. Of these, 68 were classed as Canadian, 83 British and 126 foreign (U.S.A.). The 68 Canadian companies included those the capital of which is controlled from outside Canada, the number of such companies being 32. Thus, companies owned and controlled by Canadian nationals were only 36 or 13 per cent. of the total number registered in the year. These companies accounted for only 14.83 per cent. of fire insurance business, their share in absolute figures being $19.9 million out of a total of $134.5 million.

During 1951, as many as 292 companies were engaged in underwriting casualty insurance. Of these, 79 were Canadian, 78 British, and 144 foreign. Again, 206 of these companies also underwrote fire business. In addition to these 292 casualty insurers, there were 22 fraternal societies carrying on accident and sickness insurance. Of the 70 Canadian companies, details of which are not given in the *Report*, it is estimated unofficially that about 42 were Canadian controlled and owned.

The table below gives the classes of business written, total premiums of all companies and the share of Canadian-controlled companies in 1951:

	Total premiums all companies $	Canadian-controlled companies $	Percentage Canadian companies
Fire	134,496,218	19,951,174	14.83
Accident and sickness	63,823,775	2,176,434	3.44
Aircraft	1,075,359	4,374	0.40
Automobile	105,244,462	30,552,978	29.00
Boiler insurance	2,064,541	1,913	0.09
Credit insurance	473,257	..	..
Guarantee insurance	4,873,630	1,131,515	23.25
Hail insurance	4,012,309	19,020	0.47
Inland transportation	4,134,320	414,462	10.02
Liability insurance	13,096,319	2,515,343	19.40
Livestock	65,373	..	..
Machinery	1,306,870	..	..
Personal property	16,093,271	1,442,989	8.97
Plate glass	1,774,901	376,182	21.17
Real property	309,148	5,742	12.32
Theft	3,780,832	688,312	18.20
Windstorm	295,816	125,317	42.36
Miscellaneous classes	164,140	27,103	16.20
Marine insurance	8,886,985	504,042	5.40
Totals	$365,768,196	$59,937,984	16.38

It will be observed from the table above that the fire, casualty and marine insurance business transacted by all the companies registered in Canada, amounted to $365.8 million of which the Canadian-controlled companies accounted for $59.9 million or 16.38 per cent. of the total.

Life Insurance

The position of Canadian owned and controlled insurance companies in the sphere of life insurance was, however, far better than that of those in general business. This is indicated by the *Report of the Dominion Superintendent of Insurance* for 1950. In that year, 55 companies were engaged in life assurance. Of these, 30 were Canadian, five British and 20 foreign. The total sum assured in force at the end of the year was $10,756 million written by Canadian companies, $343 million by British and $4,647 million foreign, the total of all companies being $15,746 million. These figures reveal that the share of the Canadian companies was as much as 68 per cent. of the total which compares with 16.38 per cent. in the sphere of general insurance.

The low percentage of Canadian insurers of the total general insurance business becomes all the more significant when it is noted that, in the case of other financial institutions, national concerns predominate. Thus, out of the ten Canadian chartered banks, nine are Canadian-controlled and only one is British-owned, the latter accounting for a mere 0.3 per cent. of the total assets of all the banks. Same is the case with trust, mortgage and loan companies; with one exception all the rest are Canadian-controlled.

The causes for the predominance of non-Canadian companies in the sphere of general insurance have been analysed by Mr. W. W. Foot, General Manager, Economical Mutual Insurance Company, Canada. His analysis makes interesting reading. According to him, the most evident shortcoming of Canadian management is the lack of insurance capacity, especially in fire insurance. The very foundation of insurance is capital, the greater the capacity demanded the greater the capital required. Canadian capital has not been easy to attract in the establishment of insurance companies for two reasons. One is the substantial amount required to start individual companies and the other the little prospect of profit in such enterprises.

Legal Hurdles

Legal restrictions, too, have retarded expansion of Canadian-controlled insurance companies. The minimum requirement for starting an insurance company is $100,000 for fire business. Varied additional amount for additional classes is also fixed. The capital must be raised in cash and is not to be impaired by expenses of organisation. This means that the Canadian investor should be prepared to provide a premium of, say, 25 per cent. above the par value of his stock in order to get a Canadian office going. This has worked harshly against attracting Canadian capital into the business. On the other hand, a well-organised foreign company, with its large resources, can easily fulfil this obligation by transferring a part of its existing resources to the Canadian account.

After getting over the hurdles of incorporation, the Canadian companies are required to face a series of other hurdles. Non-intercourse rule in the Province of West Canada, for instance, has closed many agency doors to Canadian companies.

Canadian insurance companies are required to pay heavier income taxes than British and foreign companies operating in Canada. Thus, the Canadian company is required to pay income-tax on profits arising from underwriting and taxable investment income. But a foreign company is only required to pay profits taxes on its underwriting gain. The exemption of the investment income of British and foreign insurers encourages development of their business, because, investment income is earned on the premium reserves and loss reserves provided by the premiums of the Canadian public.

Another obstacle in the way of development of Canadian companies is the practice of a number of trust and loan companies to accept the fire insurance policies of only those fire companies which maintain deposits or investments with them. Some trust and loan companies, which are substantial mortgage lenders, require a deposit or investment of as much as $50,000 before they accept fire policies submitted as collateral to mortgage loans. Canadian companies with their limited capital resources are stated to be not in a position to keep their funds with these trusts fetching a relatively low rate of interest. In the circumstances, the majority of the companies preferred by trust and loan companies is British and foreign.

Canadian insurance agents, too, would appear to have preferred to serve foreign companies because of superior service facilities provided by them. In many cases, "agents have been," says Mr. Foot, "pressured into the position where they must support the non-domestic companies with a substantial portion of their business under threat of withdrawal of facilities." Further, the agent, too, has been influenced, it is stated, by the national advertising, particularly of the American companies, which overflows into Canada in numerous publications stressing the greatness of these companies.

Last but not the least is that rates and rating are controlled by the most powerful and numerous British and foreign companies in Canada. With only 16.38 per cent. of the total underwriting, Canadian companies have no influence over the fixation of rates.

NEW BUSINESS OF LIFE OFFICES IN U.K.

Preliminary new business figures issued by 62 offices in the U.K. in respect of ordinary life assurance show that net new sums assured written under individual and group contracts in 1953 amounted to £736 million, as compared with £695 million transacted by the same offices in 1952, an increase of 6 per cent. These figures include the ordinary life business of the industrial life offices. The Industrial branch figures notified so far show a total new sum assured of £222 million in 1953, as compared with £217 million transacted in 1952.

THE
BANK OF MAHARASHTRA
LIMITED
(Established 1935.)
Head Office: BAJIRAO ROAD, POONA 2.

BOARD OF DIRECTORS
Shri V. P. Varde (*Chairman*)
Shri S. G. Marathe (*Vice-Chairman*)
Shri D. K. Sathe — Shri N. G. Pawar
,, M. R. Joshi
,, M. V. Shah — ,, F. D. Pudumjee
,, B. M. Gupte — ,, S. L. Kirloskar

Total Working Funds:
OVER Rs. FOUR CRORES

ALL BANKING BUSINESS TRANSACTED

L. G. Marathe — *Bombay Branch Agent*
C. V. Joag — *Manager*

NAS 851



It's time you realised..

that after a certain age you will have to retire and your age will keep any profitable occupation away from you.

In which case, would your savings be sufficient to enable you to enjoy a comfortable retirement?

Or would you regret that you did not put by enough when you had the strength and the means to do so?

Think now and choose your future. The Bombay Mutual agent will be glad to show you how you could draw a neat regular income when you retire!

THE
BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.
Bombay Mutual Building, Hornby Road, Fort, BOMBAY 1.



EVERY POLICYHOLDER A SHAREHOLDER

CHIEF AGENTS:
MOHAN SONS & CO., 125, Maneckjee Wadia Building, Mahatma Gandhi Road, BOMBAY.
M. C. SHAH & CO., 54, Gandhi Road, AHMEDABAD.

THE
CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA
(Incorporated in England by Royal Charter, 1853)
(Liability of Shareholders Limited)
Capital (Paid-up) - £3,500,000
Reserve Fund - - £4,500,000
Branches throughout India, Pakistan and the East

AFFILIATED BANK IN INDIA & PAKISTAN:
THE ALLAHABAD BANK LTD., with over 70 offices in India & Pakistan.

The Bank offers a complete Overseas Banking Service and provides exceptional facilities for financing every description of trade with the East.

Deposits for Fixed Periods or repayable at call or at short notice are received at rates which may be ascertained on application.

The Bank's London Office undertakes Trusteeships and Executorships.

Head Office:
38, BISHOPSGATE, LONDON, E.C. 2
Branch: 28 Charles II St., Haymarket, London S.W.1.
Manchester Branch: 52 Mosley Street.
Liverpool Branch: 27, Derby House, Exchange Buildings, Liverpool, 2.
Hamburg Agency: Borsenbrucke 2A, Hamburg 11.
New York Agency: 65 Broadway, New York City
Bombay Branch: H. C. MacCOLL *Manager.*
23-25, Mahatma Gandhi Road, Bombay 1.

THE
SOUTH INDIA INSURANCE
COMPANY, LIMITED
(Incorporated in India)
(Established 1934)

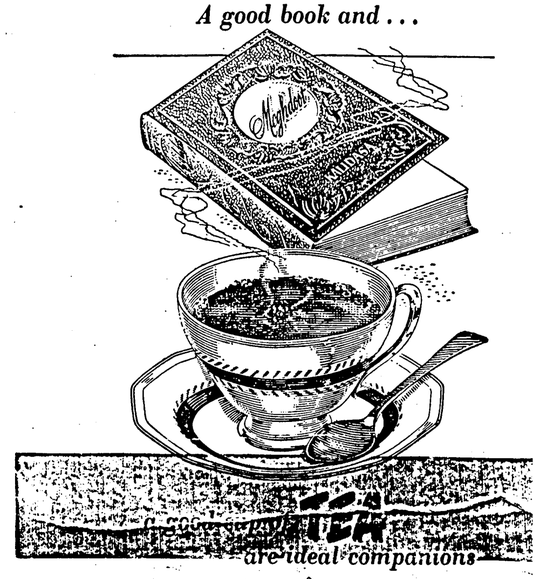
Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business

Authorised Capital Rs. 1,00,00,000
Subscribed Capital ,, 50,00,000
Paid-up Capital - ,, 10,00,000

Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)
Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. ,, 30,60,750
Paid-up Fund .. .. ,, 15,30,375
Reserve Fund .. .. ,, 24,00,000
Head Office: Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Sivaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar (Madhya Bharat), Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Sivaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Ratlam, and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, *Manager.*

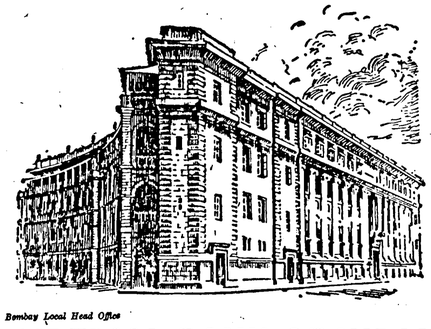
A good book and . . .



are ideal companions

AND A GOOD CUP OF TEA IS MADE THIS WAY
• Boil fresh water • Rinse out teapot with boiled water • Put in one teaspoonful of tea for every person and one extra teaspoonful for the pot • Stand tea for four to six minutes before serving • Add milk and sugar after tea has been poured into cup

1,250,000 workers are employed in the Indian tea industry.
ISSUED BY CENTRAL TEA BOARD CTB-G-54



Bombay Local Head Office
IMPERIAL BANK OF INDIA
constituted under the Imperial Bank of India Act, 1920 for the purpose of taking over the undertaking of the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843).

Local Head Offices:
CALCUTTA—BOMBAY—MADRAS
and over 400 branches and sub-offices throughout India, Pakistan, Burma and Ceylon
London Offices:
25, Old Broad Steet, E.C. 2.

THE BANK OF INDIA LIMITED

(Established 7th September 1906.)

CAPITAL AUTHORISED & ISSUED .. .. Rs. 5,00,00,000 **CAPITAL PAID-UP**.. .. .. Rs. 2,50,00,000

CAPITAL SUBSCRIBED .. .. Rs. 5,00,00,000 **RESERVE FUND** .. .. Rs. 3,52,00,000

HEAD OFFICE—MAHATMA GANDHI ROAD, FORT, BOMBAY.

LOCAL BRANCHES:—ANDHERI .. Ghodbunder Road (Greater Bombay). BANDRA .. Hill Road (Greater Bombay). BULLION EXCHANGE .. Shaikh Memon Street. COLABA .. .. .. Cusrow Baug. KALBADEVI .. Princess Street. MALABAR HILL .. Hughes Road.

BRANCHES: Ahmedabad. Ahmedabad, Ellis Bridge. Ahmedabad, Gandhi Road. Ahmedabad, Manek Chowk. Ahmedabad, Station Branch. Amritsar. Bhuj (Kutch). Calcutta. Calcutta, Bara Bazar. Calcutta, Chowringhee Square. Coimbatore. Gandhidham (Kutch). Hyderabad (Deccan). Jamshedpur. Junagadh. Kozhikode (formerly Calicut). Madras. Nagpur. Nagpur City. New Delhi. Palanpur. Poona. Poona City. Rajkot. Sholapur. Surat. Veraval.

LOCAL COMMITTEES

AHMEDABAD— Mr. Ambalal Sarabhai. Mr. Narottam Lalbhai. Mr. Madanmohan Mangaldas.

AMRITSAR— Lala Dewan Chand Mehra.

CALCUTTA— Mr. Jugmohan Prasad Gorenka. Mr. M. P. Birla. Mr. N. R. Elias.

JAMSHEDPUR— Sardar Ajaib Singh. Mr. Ranglal Agarwala.

MADRAS— Dewan Bahadur Sir Arcot Lakshmanaswami Mudaliar. Mr. S. Lalchand Dadha. Mr. M. S. M. S. Meyyappa Chettiar.

NAGPUR— Rao Bahadur Sir Madhavrao G. Deshpande, K.B.E.

POONA— Khan Bahadur Sir Mancherji N. Mehta, C.I.E., M.B.E. Mr. S. H. Rathi, M.L.C.

SURAT— Mr. Lalitmohan C. Gandhi, B.Sc., M.A., LL.B. Mr. Moir S. Vasi.

FOREIGN BRANCHES:

LONDON BRANCH:—17, MOORGATE, LONDON, E.C. 2. ADEN. KAMPALA. KARACHI. MOMBASA. OSAKA. SINGAPORE. TOKYO.

AGENTS IN ALL THE PRINCIPAL COUNTRIES OF THE WORLD.

ANNUAL REPORT

To be submitted to the Shareholders at the Forty-eighth Annual Ordinary General Meeting to be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay on Thursday the 4th March, 1954, at 4 o'clock in the afternoon (Standard Time).

Directors' Report for the year ended 31st December, 1953.

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953. The Auditors' Report is also annexed.

	Rs.	a.	p.
The transactions for the past year, including the balance brought forward from the previous year, Rs. 6,36,553-4-6, have resulted in a profit of	82,39,778	2	6
An interim dividend was paid for the half-year ended 30th June, 1953, at the rate of 6 per cent. free of income-tax on the Paid-up Capital of Rs. 2,50,00,000, which absorbed	15,00,000	0	0
Provision made for Income-tax and Super-tax for the year	29,00,000	0	0
Bonus to Staff	11,10,000	0	0
The Directors now propose:— To pay a final dividend for the half-year ended 31st December, 1953, at the rate of 8 per cent. free of income-tax, making 14 per cent. for the year, on the Paid-up Capital of Rs. 2,50,00,000, which will absorb	20,00,000	0	0
To carry forward to the next account	7,29,778	2	6
Total .. Rs.	82,39,778	2	6

The Bank's business continued to function satisfactorily.

The Official Bank Rate remained stationary at 3½ per cent.

Sir Kikabhai Premchand resigned his seat on the Board during the year, and the Directors report with deep regret his subsequent death on 5th December, 1953.

Branches have been opened during the year in India at Gandhidham and New Delhi, and abroad at Aden, Mombasa and Kampala.

In accordance with Article 92, read with Regulation 78 of Table "A" of the Indian Companies Act, Mr. Ambalal Sarabhai, Mr. Bhagvandas C. Mehta and Mr. A. D. Shroff retire from the Board by rotation, but are eligible and offer themselves for re-election.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

COWASJEE JEHANGIR, *Chairman.*

AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, *Directors.* BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, A. D. SHROFF

H. T. COULTAS, *Chief Accountant*

A. C. CLARKE, *General Manager.*

BOMBAY, *28th January*, 1954.

N.B.—The Dividend, when sanctioned, will be payable on and from Saturday, the 27th March, 1954, to Shareholders whose names are on the Register on 6th March, 1954.

Dividend Warrants will be posted to Shareholders at their Registered Addresses. Early intimation should be given to the Bank of any change of address.

Balance Sheet as at 31st December, 1953.

CAPITAL AND LIABILITIES.	Rs.	a.	p.	Rs.	a.	p.
Capital—						
1. Authorised Capital— 5,00,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
Issued Capital— 5,00,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
Subscribed Capital— 5,00,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
Amount Called up at Rs. 50 per Share	2,50,00,000	0	0			
Less—Calls unpaid	Nil					
	2,50,00,000	0	0			
Add—Forfeited Shares	Nil					
				2,50,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund				3,52,00,000	0	0
3. Deposits and Other Accounts— Fixed Deposits	11,87,37,005	7	5			
Savings Bank Deposits	5,54,41,524	0	9			
Current Accounts, Contingency Accounts, etc.	24,46,94,569	12	0			
				54,88,73,099	4	2
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
Particulars— (i) Secured	Nil					
(ii) Unsecured	Nil					
				20,74,378	7	
5. Bills Payable						
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	59,95,654	7	10			
(ii) Payable outside India	52,94,555	7	3			
				1,12,90,209	15	1
7. Other Liabilities— (i) Unexpired Discounts	1,19,755	13	4			
(ii) Branch Adjustments	48,27,240	1	9			
(iii) Unclaimed Dividends	2,56,679	10	0			
				52,03,675	9	1
8. Acceptances, Endorsements and Other Obligations per contra				5,68,41,458	4	11
9. Profit and Loss— Balance as per Balance Sheet as at 31st December, 1952 ..	26,36,553	4	6			
Less— Final Dividend at 8 per cent., making 14 per cent. for the year 1952, free of Income-tax	20,00,000	0	0			
	6,36,553	4	6			
Add—Profit for the year ended 31st December, 1953 ..	76,03,224	14	0			
	82,39,778	2	6			
Less— Provision for Income-tax and Super-tax for the year	29,00,000	0	0			
Interim Dividend at 6 per cent. for the half-year ended 30th June, 1953 ..	15,00,000	0	0			
Provision for Bonus to Staff for the year 1953	11,10,000	0	0			
	55,10,000	0	0			
				27,29,778	2	6
10. Contingent Liabilities— (i) On partly paid Shares ..	Rs. 2,750	a.	p. 0			
(ii) Claims against the banking company not acknowledged as debts ..	2,06,722	0	0			
(iii) Liability on Bills of Exchange Re-discounted :- U. S. Dollar Bills Re-discounted $ 85,759·16, of which $ 10,742·83 have run off as at 28th January, 1954.						
(iv) Liability on account of outstanding Forward Exchange Contracts ..	91,80,787	1	10			
Total .. Rs.				68,72,12,599	11	1

Note.—The Profit and Loss Account includes expenses of the Bank of India (U.K.) Nominees Limited, a subsidiary Company of this Bank.

PROPERTY AND ASSETS.	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank of India and Imperial Bank of India (including foreign currency notes)				7,08,28,883	14	11
2. Balances with Other Banks on Current Account— (i) In India	32,89,610	4	4			
(ii) Outside India	1,08,98,301	12	0			
3. Money at Call and Short Notice				1,41,87,912	0	4
4. Investments at below Market Value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments ..	18,47,68,087	11	2		Nil	
(ii) Shares— (a) Fully paid Preference Shares ..	8,35,954	4	0			
(b) Fully paid Ordinary Shares ..	21,50,000	5	0			
(c) Partly paid Ordinary Shares ..	1,250	0	0			
(iii) Debentures or Bonds	39,58,633	7	0			
(iv) Other Investments— Pakistan Government and Trustee Securities ..	17,49,474	0	0			
(v) Gold	Nil					
				19,34,93,899	11	2
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— (i) In India .. Rs. 26,86,36,467 8 6						
(ii) Outside India 98,80,664 1 5						
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. Rs. 2,53,67,717 11 10	27,85,17,131	9	11			
(ii) Payable outside India .. 2,19,55,513 6 6	5,73,23,231	2	4			
Particulars of Advances— (i) Debts considered good in respect of which the banking company is fully secured	25,56,40,859	5	10			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security ..	1,71,62,474	13	6			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	Nil					
(iv) Debts considered doubtful or bad, not provided for ..	6,30,37,028	8	11			
	33,58,40,362	12	3			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	27,78,044	0	6			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	5,78,75,588	13	3			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	34,61,793	7	4			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	5,39,68,533	10	5			
(ix) Due from banking companies	8,60,883	4	6			
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	59,95,654	7	10			
(ii) Payable outside India	52,94,555	7	3			
				1,12,90,209	15	1
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				5,68,41,458	4	11
8. Premises, Less Depreciation— At cost as at 31st December, 1952	90,44,354	12	7			
Additions during this year	5,65,958	8	0			
Less—Written off up to 31st December, 1952	96,10,312	4	7			
	72,84,301	10	3			
9. Furniture and Fixtures, Less Depreciation				23,26,011	10	4
10. Other Assets— (i) Shares of the Bank of India (U.K.) Nominees Limited, at cost				Nil		
(ii) Compulsory Excess Profits Tax Deposits	1,835	10	5			
(iii) Advance Payments of Tax	4,641	0	0			
(iv) Stamps	19,58,553	12	1			
(v) Interest accrued on Investments to 31st December, 1953 ..	11,663	7	4			
(vi) Silver	9,28,167	8	3			
	Nil					
11. Non-Banking Assets Acquired in Satisfaction of Claims ..				29,04,861	6	2
Total .. Rs.				Nil		
				68,72,12,599	11	1

(Continued on next page)

TRUTH ABOUT SOAP INDUSTRY

LEVER BROTHERS' REJOINDER TO STATEMENTS OF INDIAN SOAP MAKERS

IN an article recently published in one or two newspapers and doubtless sent to many more, which set out the views of the Indian Soap and Toiletries Makers' Association, various allegations have been made against Lever Brothers, leading up to the following propositions:

(1) "In view of the extreme unbalance in the industry, it would be a wise thing if Government instituted a system of production quotas." In other words, let everyone's production be limited to a quota, and, as Levers are said to produce to their full capacity, their quota should be so limited as to transfer part of their market to others.

(2) Lever Brothers are "indulging in price-cutting in one or the other of their major lines, choosing in particular a period of falling sales." In other words, prevent Lever Brothers from reducing prices, although it is known that they are making profits and are able to pay the highest wages in the industry and a bonus as high as one-third of the basic earnings of the years 1952 and 1953.

(3) Lever Brothers are spending lavishly on advertisement and this should be prevented.

If these proposals were implemented, one would visualise something of a soap cartel which would operate on the basis of restricted production, high prices and little advertising effort to expand the market. The Association says, moreover, that the indigenous industry has "almost reached the end of its tether," thus inferring that all possible efficiency has been achieved in its production and distribution systems, that there is no scope for further expansion of the market and what remains to be done is a re-distribution of the market through State intervention. We submit that such an attitude is neither conducive to the industrial progress of the country nor in consonance with the spirit animating the Five-year Plan nor in the service of the consumer.

Our detailed comments on the points brought out in the said article are as follows:

It is stated that Indian soap had very good export markets, developed during the later years of the last war, in Indonesia, Malaya, Ceylon and Pakistan and that these markets have been lost by reason of the establishment of factories by Levers in these countries. The inference is that Levers had no markets of their own in these countries, that their factories came into existence only after the end of the war to capture the market developed by Indian exporters, and that Indian exporters today cannot export to these markets. It is a fact, however, that Levers first established a factory in Indonesia in 1934 and in Ceylon in 1941. Their factory in Malaya came into production in 1952, to replace supplies previously imported into Malaya by them and to conform to the desire of the Malayan Government to establish local industries. The Lever factory in Pakistan is barely yet in production.

Pioneers in the Field

Apart from the fact that factories in two of the four countries mentioned have been long in production and those in the other two have hardly begun to affect the market, it is equally important to note that Lever were the pioneers of the soap industry, who, introduced quality soaps in those countries as in India, and that they had built up, long before the war, years of goodwill for their products. The remarks of Mr. J. R. D. Tata, again, in export markets for their products. The remarks of the Indian Soap and Toiletries Makers' Association in fact [illegible] Lever Brothers, as they did not have the initial difficulties and expenses of creating and organising a soap market for themselves. What Levers have done is to pioneer the Soap markets, developing the demand for their products and, incidentally, for soap in general, and when their own sales reached a high enough level to make local production economical, opening up factories on the spot.

If today soaps manufactured in India cannot be sold in such markets in as great a quantity as before, it is precisely because Indian prices are too high.

Prices

It is suggested that, in order to destroy competition, Levers deliberately depress their prices in India below those at which similar brands are offered in other countries where competition is less strong. The fact, however, is that the price of Sunlight Soap is 39 per cent. higher in India than in the U.K., where purchasing power is much greater, and some 15 per cent. higher than the general export price from the U.K. Apart from that, to suggest, as has been done, that Indian soap prices are about the lowest in the world, is astonishing in the face of statements made in this country by fully competent spokesmen. Take, for instance, these statements: (a) that of Mr. J. R. D. Tata to the shareholders of his company in 1950, reading, "In spite of their good quality, Indian soaps cannot compete in these foreign markets, because of their high costs," or (b) that of the Secretary of the South Indian Soap Makers' Association in his report for the year 1950, reading, "Due to high prices of Indian-made soaps, no entrance could be got in the foreign markets"; or (c) that of the President of the Association itself at its annual meeting in 1952, reading, "Indian soaps are finding it extremely difficult to compete in the Far Eastern markets with those manufactured in the U.K. and U.S.A., due mainly to the comparatively high [illegible] Mr. J. R. D. Tata, again, in [illegible] these countries have [illegible] improving its export business with neighbouring countries. Established European exporters to these territories have the advantage of lower cost of production." These quotations are sufficient to show the truth of the matter and, what is more, that, given the effort to reduce prices, improve packaging and increase sales promotion activities, India can build up an export market; and also that the export market is not static, notwithstanding the long-established trade of Levers in all these countries.

THE BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December 1953

EXPENDITURE.	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	42,24,923	4	0			
2. Salaries and Allowances and Provident Fund .. .. .. Salary and Allowances to General Manager Rs. 1,12,072-6-0.	71,90,417	14	8			
3. Directors' and Local Committee Members' Fees and Allowances	51,429	0	0			
4. Rent, Taxes, Insurance, Lighting, etc.	10,50,819	8	2			
5. Law Charges	32,113	1	3			
6. Postage, Telegrams and Stamps	1,37,430	6	5			
7. Auditors' Fees	30,000	0	0			
8. Depreciation on and Repairs to the Banking Company's Property	48,623	12	5			
9. Stationery, Printing, Advertisement, etc	4,17,817	0	5			
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil					
11. Other Expenditure	7,04,413	12	11			
12. Balance of Profit (Subject to Taxation)	76,03,224	14	0			
Total .. Rs.	2,16,30,711	10	3			

INCOME. (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	1,76,76,509	3	5
2. Commission, Exchange and Brokerage	33,84,846	15	0
3. Rents	2,77,741	9	8
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil		
6. Income from Non-Banking assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	4,41,613	14	2
Total .. Rs.	2,16,30,711	10	3

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of India Limited, as at 31st December, 1953 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from Branches, and report that:—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO., *Chartered Accountants.*

S. B. BILLIMORIA & CO., *Chartered Accountants*

Statement pursuant to Section 132-A of the Indian Companies Act of 1913 as amended by Act XXII of 1936.

The Profit and Loss Account of the Bank of India Limited for the year ended 31st December, 1953, does not include any profit or loss of its subsidiary, the Bank of India (U.K.) Nominees Limited (a Nominee Company operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by the Bank.

COWASJEE JEHANGIR, *Chairman.*

AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, *Directors.* BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, A. D. SHROFF.

H. T. COULTAS, *Chief Accountant.*

A. C. CLARKE, *General Manager.*

BOMBAY, *28th January*, 1954.

THE BANK OF INDIA (U. K.) NOMINEES LIMITED.

Balance Sheet 31st December, 1953.

Capital Authorised and Fully Paid Up— 100 Ordinary Shares of £1 each .. £100	£100	Cash at Bankers £100	£100

Signed on behalf of the Board,
J. DONALDSON,
S. H. BRADFORD, } *Directors.*

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance Sheet which is in agreement with the books of account. In our opinion such Balance Sheet gives the information required by the Companies Act 1948 in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1953 according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

27, Old Broad Street,
London, E.C. 2.
1st January, 1954.

FERGUSON, GILCHRIST & CO.,
Chartered Accountants, Auditors.

To quote Levers' prices in some Eastern countries can be most misleading, unless it is stated whether they are manufacturers' prices or market prices, what the import duty and taxes are, etc., quite apart from the fact that manufacturers have no control on the wild fluctuations of market prices brought about by the irregularity of supplies arising from import and other restrictions. Furthermore, the inference that Levers deflate soap prices in India and recoup their loss in other countries is directly refuted by the fact that Levers pay in India the highest wages and bonuses in the soap industry and regularly pay large sums in taxes on profits to the Indian Exchequer. Besides, if market prices in some Eastern countries are as high as the Association quotes them, we do not understand what prevents the Indian manufacturers from exporting to those countries and making handsome profits.

No Price Cutting

It is said that, in India, Levers indulge in price cutting in one or other of their major lines, choosing in particular a period of falling sales. In fact, the major Lever lines are quality products, usually selling at a premium and any price reduction that has been made has been the result of a commensurate fall in raw material prices. Indeed, the industry as a whole was morally obliged to make the last general price reduction in October, 1953, in response to the Government's helpful action in removing (or reducing) the import duties on palm oil. Further, if manufacturers are not prepared, in a period of falling sales, to stimulate trade by reducing prices as much as they can, how else can they achieve the progress of their industry? Levers have consistently made profits in India and it is obvious that their prices are not uneconomic.

In this context, reference may be made to the relation of soap prices to oil prices. The Association's statement on this aspect of the problem is likely to mislead the public. It is true to say that coconut oil prices were at one period 10 times their pre-war level and that soap prices have, in the same period, increased only four to five times. In a normal washing soap, however, the cost of oil, after allowing for the glycerine recovered, is only some 39 per cent. of the consumer price. The fact is that, where coconut oil is the only oil used in soap making (which it is not), or even assuming, for the sake of argument, a tenfold increase in the cost of all soap-making oils, the influence upon the ultimate consumer price, other factors remaining equal, is under fourfold. Thus, though soap prices may have gone up only four or five times over their pre-war level, they have increased sufficiently, at any rate, to absorb the greater cost of oil without loss of profit. This situation will be more readily appreciated, when it is realised that glycerine, a valuable by-product of the soap industry, has risen in value to four times its pre-war level. In fact profits have apparently been sufficiently encouraging at one time or another to prompt many soap makers to go in for what the Association calls "bold expansion of capacity."

Advertising

It is stated that Levers spend crores of rupees on advertising every year and that the advantage that they reap thereby is unfair. In fact, their advertising expenditure on soap products has never reached even half a crore of rupees in a year. Mr. J. R. D. Tata, in the course of his address to the shareholders of his company in 1953, stated as follows: "Publicity is an unavoidable item of expenditure in selling a competitive product like soap . . . I wish to point out that, even with our increased rate of expenditure of over Rs. 8 lakhs per year, representing approximately 2 per cent. of our gross realisation, we are lagging behind our more successful rivals, who are able to afford bigger advertising budgets in proportion to their turnover." It may be stated here that, on Sunlight Soap, which is advertised widely, Levers do not spend at any higher rate than the 2 per cent. of gross realisation indicated by Mr. Tata as his company's expenditure. Levers' advertising expenditure in India in relation to turnover is in fact very much less than that of leading soap manufacturers in Europe and the U.S.A.

Recently, Mr. A. D. Shroff, also of the House of Tatas, and now Chairman of the Indian Society of Advertisers, emphasised in his speech to his society the importance of advertising as a factor in increasing turnover and reducing distribution costs.

Levers are also said to indulge in publicity which cannot be considered to be ethical. This is, of course, a matter of opinion. Levers take considerable care when preparing their advertising and follow themes which are internationally acceptable and used and which, in fact, they have used for many years in many countries. It is equally important to note that advertising can only introduce the product to a consumer and that the continuation of the consumer's patronage depends entirely on his appreciation of the qualities of the product. If Lever products enjoy goodwill, it is because their quality meets with the approval of the consumer. Neither Levers nor anyone else can afford to tell false stories in advertisement without reaping a loss of patronage as a natural consequence.

Oils

Levers in India buy oils for soap manufacture both in the Indian and international markets according to their availability. They pay market prices which are openly quoted to anyone according to the quantities required. As to the import of oil in bulk, there are others in India who do this. The United Africa Company, to which reference has been made by the Association, sell such products as come into their hands to the highest bidder without discrimination. Levers buy steadily, directly and with the sole end in view of supplying their factories. Any benefits arising from such a consistent policy are open to all.

New Factory

It is stated that Levers have precipitated a crisis in the industry in India by making an application for a licence to import a new plant. The fact is that, as long ago as 1951, they were exploring the advisability of establishing a small new soap factory elsewhere in India and discussed the matter informally with the Government. They have not made an official application for sanction of such a project and, what is more, such an application would now come within the scope of the Industries (Development and Regulation) Act.

Monopolistic Tendencies

The article holds that it is the declared aim of Unilever, the parent Company, to control at least 75 per cent. of the trade wherever it operates. If this refers to a statement reported by a well-known journal some years ago as having been made by a spokesman for the Company, it is a gross distortion. As reported, that statement, having emphasised the *need for competition*, in fact ran: "It is unhealthy to get more than 75 per cent. of the trade in any of the commodities it sells." In India, Levers' sales are barely 25 per cent. of what they believe to be the total sales of soaps in the country.

It is further said that countries such as the U.S.A. have legislated against combines. The fact is, however, that all such legislation in the U.S.A. and other countries is aimed against cartels which seek the division of markets, restriction of production, non-exploitation of patents, price maintenance and other such objectives, all of which are against the interests of the consumer. Such legislation is not against integrations which lead to efficiencies, keen competition and progressive utilisation of all scientific achievements.

Enquiry Into the Industry

It is said that too large a proportion of aspects of the soap industry are kept secret. The fact, however, is that all relevant information on every important aspect of the industry is known to the Government, who collect it under the Statistics Act, the Industries (Development and Regulation) Act, the Factories' Act and other pieces of legislation, or through Commissions such as the Press Commission, or through departments such as those dealing with Income-tax, Import-Export, Customs, etc. It is difficult to see what additional information can reasonably be supplied. It is understood that the Government have rejected the demand for an enquiry, and this is presumably because they are in possession of all relevant information regarding the organised sector and are obtaining such information as can possibly be gathered from the rural sector through the National Sample Survey, etc.

Levers believe that there is room and need for co-operation among all units in the industry for solving common problems; that India holds an enormous potential demand for soap, which needs only to be awakened by the collective marketing efforts of the industry, coupled with the success of the Five-year Plan in raising the standard of living, for all soap manufacturing capacity to be kept fully at work.

U.S. STEEL INDUSTRY SETS NEW RECORDS

DRIVE TO RAISE EFFICIENCY

THE U.S. steel industry established a new production record for a single year in 1953. It also accomplished the second largest yearly increase in steel-making capacity in the industry's history. Leaders of steel industry are confident that 1954 will also be a good year. The U.S. steel mills produced 111,600,000 short tons of raw steel last year. This output was six per cent. above the 105,200,000 short tons of steel ingots and castings produced in 1951, the previous peak year. It was also 20 per cent. above the 93,200,000 short tons poured in 1952 when a strike reduced steel production.

The American steel industry surprised itself last year by making a net gain in steel-making capacity of 6,782,940 short tons, a total that exceeded an industry estimate early last year by about 2,500,000 tons. The capacity increase last year was surpassed only by the gain of almost 9,000,000 tons during 1952. The American Iron and Steel Institute estimated the nation's steel-making capacity on 1st January, 1954, at 124,330,410 short tons. This is the potential capacity figure on which the industry's weekly operating rate will be computed during 1954. In this connection, *Iron Age* magazine recently pointed out that the United States, with its present steel-making capacity, can make about three times as much steel as was turned out by Soviet Russia last year. It estimated Soviet production last year at just under 42,000,000 short tons, as compared with U.S. production of 111,600,000 short tons.

After the United States and Soviet Russia, the biggest steel producing country last year, according to *Iron Age*, was the United Kingdom, with a production estimated at nearly 20,000,000 short tons. Next came West Germany, with an estimated 17,000,000 short tons, followed by France with 11,000,000 short tons. The world steel production for 1953 was estimated by *Iron Age* magazine at 234,000,000 short tons.

Because the rated capacity of U.S. steel mills on 1st January last was increased nearly 7,000,000 tons, the weekly operating rate, expressed in terms of percentage of rated capacity, will drop out of proportion to whatever decline in production occurs. In order to avoid misinterpretations of this so-called ingot rate, a barometer closely watched for appraisal of the industrial situation, the American Iron and Steel Institute in December, 1953, adopted an index of steel output, based on the average annual production of 1947, 1948 and 1949. The new index will be issued weekly along with the weekly operating rate. As registered by the index, the 1953 output was 133.2 per cent.

The Institute also reported that the new annual capacity of the U.S. steel industry is a gain of more than 32,000,000 short tons or 35 per cent. in the eight post-war years, and an increase of 52 per cent. since 1940. Post-war expenditures on plant and equipment by American steel companies amount to more than $5,000 million.

While the steel expansion is past its peak and probably will taper off for several years, the steel mills are continuing to spend large sums to modernise their facilities. An indication of this is the recent announcement that the U.S. Steel Corporation will spend approximately $300 million during 1954 on new equipment and replacement of its production facilities. In 1953, this Corporation, the largest steel producer, spent more than $350 million on capital investment. Its sprawling $400 million Fairless Works, at Morrisville, Pennsylvania, was completed in December, 1953. Started in March, 1951, the steel works is considered the fastest built installation of its size in the United States.

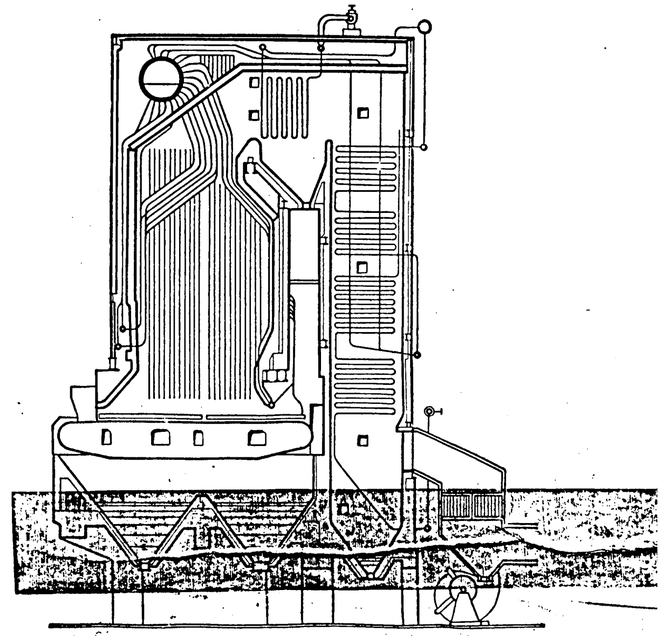
Other steel companies also are planning high capital outlays this year, even though demand for steel in 1954 may be lower than 1953's total output. The President of the Armco Steel Corporation, W.W. Sebald, believes 1954 will be "a year of good business." "As an indication of our confidence," Sebald said, "we at Armco plan to spend as much for capital improvements in 1954 as we did in 1953—not to enlarge capacity but to increase efficiency and reduce production costs."

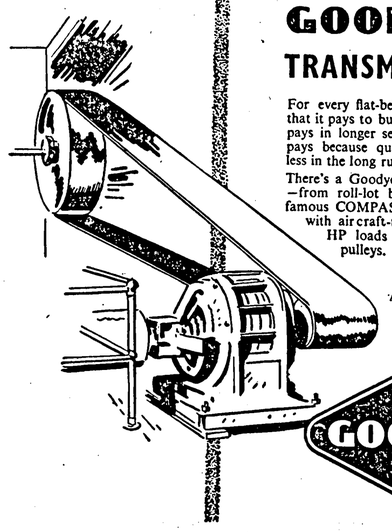
With production pressure off after many years, the emphasis generally in the industry has swung to bettering production efficiency. Companies plan to make better utilisation of low-cost facilities and to replace marginal plants and equipment with modern plants and equipment.

THE
UNITED COMMERCIAL BANK LTD.
Head Office: CALCUTTA.
PAID-UP CAPITAL: Rs. 2 CRORES.
RESERVE FUND: Rs. 80 LACS.
FOREIGN BRANCHES:
IN PAKISTAN: Chittagong, Karachi.
IN BURMA: Rangoon, Moulmein, Akyab, Mandalay,
IN MALAYA: Singapore, Penang.
IN UNITED KINGDOM: London.
ALSO AT: Pondicherry, Hongkong.
Agents throughout the world.
All Types of Banking business transacted.
G. D. BIRLA
Chairman.
B. T. THAKUR
General Manager.
INVEST IN OUR 3-YEAR Cash Certificates
ASP UC-1/54

THE
PUNJAB NATIONAL BANK
LIMITED
(Established 1895)
Head Office: 8, Underhill Road, DELHI
OFFERS
A COMPLETE RANGE OF BANKING AND EXCHANGE SERVICES
THROUGH ITS 300 OFFICES AND CORRESPONDENTS ALL OVER THE WORLD
DEPOSITS EXCEED Rs. 65 Crores
ASSETS EXCEED Rs. 79 Crores
AS ON 31-12-1953
B. N. PURI
General Manager

THE TRAVANCORE BANK
LIMITED
UNDER THE PATRONAGE OF AND LARGELY SUPPORTED BY THE GOVERNMENT OF TRAVANCORE-COCHIN
Authorised Capital .. Rs. 2 Crores
Issued and Paid-up Capital .. .. Rs. 1 Crore
Reserves .. .. Rs. 17,50,000
OFFERS COMPLETE BANKING SERVICES INCLUDING FOREIGN EXCHANGE FACILITIES
Branches at Bombay, Madras and other important centres in South India.
R. F. WISHART,
Managing Director.


BUCKAU—WOLF OF GERMANY
WATER TUBE BOILERS
for ALL INDUSTRIES and POWER PLANTS
PROTOS ENGINEERING COMPANY LIMITED
LAXMI BUILDING, BALLARD ROAD, BOMBAY.
CALCUTTA P-8, Mission Row Extension.
NEW DELHI No. 3 Hanuman Road.
MADRAS Safaiya Chambers, No. 7 Second Line Beach.

Your Best Buy for the Long Pull...
GOODYEAR
TRANSMISSION BELTS

For every flat-belt transmission drive, you'll find that it pays to buy and specify Goodyear belting—pays in longer service, pays in lower maintenance, pays because quality Goodyear belting costs you less in the long run.
There's a Goodyear construction to fit every need—from roll-lot belting for agricultural use to the famous COMPASS Steel Cable Belt that is bodied with air craft-type steel cables to handle highest HP loads and cope with small, high-speed pulleys.
Ask us for help in belting your drives—and always insist on Goodyear transmission belting.
INDUSTRIAL GOODYEAR PRODUCTS

THE BANK OF MYSORE, LIMITED

(INCORPORATED IN MYSORE STATE IN 1913. LIABILITY OF MEMBERS IS LIMITED.)

Head Office: AVENUE ROAD, BANGALORE, 2

BRANCHES

1. ARSIKERE
2. BANGARAPET
3. BHADRAVATI
4. BOMBAY
5. CHANNAPATNA
6. CHICKBALLAPUR
7. CHICKMAGALUR
8. CHICKPET BRANCH, BANGALORE CITY
9. CHINTAMANI
10. CHITALDROOG
11. CITY BRANCH, ARCOT SRINIVASACHAR STREET, BANGALORE CITY
12. COCHIN
13. COIMBATORE
14. DAVANGERE
15. FORT BRANCH, BANGALORE CITY
16. HASSAN
17. KOLAR
18. KRISHNARAJANAGAR
19. LADY CURZON ROAD, BANGALORE CIVIL AREA
20. MADANAPALLE
21. MADRAS
22. MANDYA
23. MARKET SUB-BRANCH, MYSORE
24. MYSORE
25. GORGAUM
26. SAGAR
27. SAKLESPUR
28. SHIMOGA
29. SOUTH PARADE BRANCH, BANGALORE CIVIL AREA
30. TIPTUR
31. TUMKUR

DIRECTORS

RAJASEVASAKTHA SRI. P. SUBBARAMA CHETTY, *Chairman*
SRI. TUBAGERE NANJAPPA
SRI. P. HANUMANTHIAH
RAJASEVAPRASAKTHA SRI. M. VIRARAJA URS, B.A., B.L.
SRI. D. M. SHANKARAPPA
DHARMAPRAKASA SRI. L. S. VENKAJI RAO
SRI. S. M. RAMAKRISHNA RAO
LOKASEVANIRATHA DHARMAPRAKASA SRI. V. R. CHIKKACHANNANJAPPA SETTY
SRI. S. RAMANATHAN
SRI. G. V. RUDRAPPA
SRI. N. C. SEN GUPTA, I.C.S., Central Government Nominee
SRI. N. MADHAVA RAO, I.A.S., Mysore Government Nominee
SRI. T. K. RAMASUBRAMANIAM, Reserve Bank of India Nominee

REPORT OF THE DIRECTORS TO BE PRESENTED TO SHAREHOLDERS AT THE FORTY-FIRST ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE BANK IN BANGALORE CITY

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement as at 31st December, 1953.
The result of the Bank's working for the year ended 31st December, 1953, is a surplus of Rs. 17,90,687-3-7, which sum, together with Rs. 86,306-7-3 brought forward from 31st December, 1952, aggregates Rs. 18,76,993-10-10.

The following appropriations have been made:—

	Rs.	a.	p.
An Interim Dividend at the rate of 12 per cent. per annum and a Bonus at the rate of 4 per cent. per annum, free of Income-tax, was paid for the half-year ended 30th June, 1953, which absorbed	4,00,000	0	0
Transferred to Reserve for Income-tax and Super-tax	3,50,000	0	0
The Directors now propose:			
To pay a final Dividend at the rate of 12 per cent. and a Bonus of 4 per cent. per annum for the year ended 31st December, 1953, free of Income-tax, which will absorb	4,00,000	0	0
To provide for Income-tax and Super-tax	2,50,000	0	0
To pay a Bonus to Staff of three months' salary about	2,50,000	0	0
To carry forward to next account	2,26,993	10	10
Total .. Rs.	18,76,993	10	10

The Head Office accounts and the returns from the Branches, as at 30th June and 31st December, 1953, have been audited by Messrs. Fraser and Ross, Chartered Accountants, while the accounts of the Branches have been audited by Messrs. Brahmayya & Co., Chartered Accountants, B. K. Ramadhyani & Co., Chartered Accountants, and D. S. Subrahmaniya & Co., Chartered Accountants. Sri. R. V. Subramanyam, Deputy Comptroller, has examined the accounts for the year on behalf of the Government of Mysore.
Sri. Tubagere Nanjappa and Sri. P. Hanumanthiah are the two Directors who retire on this occasion. They are eligible for re-election but do not offer themselves for re-election.
The Auditors, Messrs. Fraser and Ross, Brahmayya & Co., B. K. Ramadhyani & Co. and D. S. Subrahmaniya & Co., also retire and offer themselves for re-appointment.
The Dividend, when sanctioned, will be payable on and after 10th March, 1954.

By Order of the Board,
B. V. NARAYANA REDDY,
General Manager.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY,
29th January, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—1,00,000 shares of Rs. 100 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH—50,000 shares of Rs. 100 each				50,00,000	0	0
2. Reserve Fund and Other Reserves—Reserve Fund				84,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	3,39,80,813	14	4			
Thrift and Savings Bank Deposits	1,80,87,025	14	10			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 9,63,737-1-8)	3,68,21,942	5	11	8,88,89,782	5	1
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil			Nil		
5. Bills Payable (Demand Drafts)				5,94,245	4	10
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	58,44,278	12	4			
(ii) Payable outside India	62,685	0	0	59,06,963	12	4
7. Other Liabilities—						
Provision for Income-Tax and Super-Tax	19,36,068	2	6			
Staff Gratuity Fund	5,40,354	14	1			
Unclaimed Dividends	1,09,380	1	8			
Sundries Payable	1,54,074	1	5			
Rebate on Bills discounted	24,460	9	0			
Branch Adjustments	25,72,577	1	10	53,86,934	14	6
8. Acceptances, Endorsements and Other Obligations per contra				5,70,201	15	3
9. Profit and Loss—						
Balance brought forward from 31st December 1952 (after appropriation)	86,306	7	3			
ADD—Profit for the half-year ended 30th June 1953	9,08,327	4	1			
	9,94,633	11	4			
LESS—Appropriated to—	Rs.	a.	p.			
Dividend Account	4,00,000	0	0			
Provision for Income-Tax and Super-Tax	3,50,000	0	0			
	7,50,000	0	0			
	2,44,633	11	4			
ADD—Profit for the half-year ended 31st December 1953 before providing for Taxation	8,82,359	15	6	11,26,993	10	10
10. Contingent Liabilities—	Rs.	a.	p.			
(i) Claims against the Bank Company not acknowledged as debts	1,14,870	10	4			
(ii) Money for which the Banking company is contingently liable showing separately the amount of any guarantee given by the banking company on behalf of directors or officers:—						
(a) Guarantee given on behalf of directors or officers	Nil					
(b) Guarantee given on behalf of others	24,860	10	0			
(iii) Arrears of cumulative preference dividends	Nil					
(iv) Liability on Bills of Exchange re-discounted	Nil					
(v) Liability on account of outstanding Forward Exchange contracts	Nil					
Total .. Rs.				11,58,25,121	12	10

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with the Reserve Bank and Imperial Bank (including foreign currency notes)				74,40,883	11	4
2. Balances in Current Accounts with Other Banks—						
(i) In India	6,42,398	13	0			
(ii) Outside India	30,464	4	1	6,72,863	1	1
3. Money at Call and Short Notice				6,00,000	0	0
4. Investments (at or below cost)—						
(i) Rs. 2,87,96,400 of the Central and State Government Bonds and other Trustee Securities (Market Value Rs. 2,82,16,020-4-0)	2,80,80,317	10	0			
(ii) Ordinary Shares of Banks or other Joint-Stock Companies:	Rs.	a.	p.			
Fully paid-up shares	1,14,150	0	0			
Partly paid-up shares	66,715	8	0			
	1,80,865	8	0			
(Amount uncalled Rs. 33,350-0-0) (Market Value Rs. 2,08,069-12-0)				2,92,61,183	2	0
Full provision for the difference between the market value and the cost of the Investments has been made as per contra						
(The above Investments include securities to the value of Rs. 5,41,000-0-0 held on behalf of the Staff Gratuity Fund)						
5. Advances (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)						
I. Loans, Cash Credits, Overdrafts, etc.:	Rs.	a.	p.			
(i) In India	6,01,95,315	5	6			
(ii) Outside India	Nil			6,01,95,315	5	6
II. Bills Discounted and Purchased:						
(i) Payable in India	84,63,327	9	11			
(ii) Payable outside India	1,19,979	3	0	85,83,306	12	11
PARTICULARS OF ADVANCES:				6,87,77,722	2	2
(i) Debts considered good in respect of which the Banking company is fully secured				5,68,47,220	5	8
(ii) Debts considered good for which the Banking company holds no other security than the Debtors' personal security				45,62,709	11	1
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors				73,67,792	1	8
(iv) Debts considered doubtful or bad, not provided for				Nil		
Total Rs.				6,87,77,722	2	5
(v) Debts due by Directors or Officers of the Banking company or any of them either severally or jointly with any other persons				9,52,571	15	2
(vi) Debts due by companies or firms in which the Directors of the Banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				30,16,184	13	11
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking company or any of them either severally or jointly with any other persons				16,01,278	11	8
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the Directors of the Banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				39,36,369	3	10
(ix) Due from Banking companies				9,74,358	2	0
6. Bills receivable being Bills for collection as per contra—						
(i) Payable in India	58,44,278	12	4			
(ii) Payable outside India	62,685	0	0			
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				59,06,963	12	4
8. Land and Buildings				5,70,201	15	3
	Bank Premises			Other Properties		
	Rs.	a.	p.	Rs.	a.	p.
At cost as at 31-12-1952	9,21,708	10	2	4,76,810	1	11
Additions during the year	Nil			3,35,356	14	6
	9,21,708	10	2	8,11,967	0	5
LESS—Depreciation to date	5,55,708	10	2	1,13,967	0	5
	3,66,000	0	0	6,98,000	0	0
						10,64,000	0	0
9. Furniture and Fixtures—						
At cost as at 31-12-1952				3,99,869	1	9
Additions during the year				52,839	1	3
				4,52,708	3	0
LESS—Deductions during the year				6,208	14	1
				4,46,499	4	11
LESS—Depreciation to date				2,90,499	4	11
						1,56,000	0	0
10. Other Assets—						
Interest accrued on Investments				2,15,532	4	3
Advance payment of Income-Tax and Super-Tax				10,22,765	10	0
Balances with Mysore Government Treasuries				1,27,143	4	2
Deposit with Government Departments				6,302	14	0
						13,72,304	0	5
11. Non-Banking Assets—						
ACQUIRED IN SATISFACTION OF CLAIMS—						
Lands and Buildings (at or below cost)						8,000	0	0
Total .. Rs.						11,58,25,121	12	10

(Continued on next page)

KANDY SESSION OF E.C.A.F.E. ENDS

PLEA FOR ENLIGHTENED SELF-INTEREST AMONG MORE DEVELOPED COUNTRIES

AFTER deliberations spread over eleven days, the Economic Commission for Asia and the Far East (E.C.A.F.E.) concluded its tenth session at Kandy, Ceylon, on Thursday last week. The session was widely attended by as many as 200 member-delegates, 23 observers, 6 representatives of U.N. specialised agencies and 7 members from non-Governmental organisations. At this session, the Commission reviewed the activities of its subsidiary bodies in the past year, considered questions of general policy and approved of the programme of work for the coming year.

Three days had been devoted for the review of the economic situation in the countries of the E.C.A.F.E. region. There was a threadbare debate which was packed with statements of facts and expressions of opinion by Cabinet Ministers, diplomats, high-ranking Government officials, economists, and representatives of the business community. Throughout the debate, world attention was focussed on the several outstanding economic problems confronting the Governments and peoples of the region. All the delegates sought to drive home the fact that, since world economic prosperity was indivisible, international co-operation in the economic and political fields was of the utmost importance. Stress was laid on larger flow of capital, goods and services from the economically more advanced countries to the countries of the E.C.A.F.E. region. In asking the countries to ensure such flow, the delegates, however, made it clear that they were not "begging for aid," but only appealing to the advanced countries to remember that it would be a matter of "enlightened self-interest" to help the underdeveloped areas.

The other highlights of the debate that took place at this Conference were as follows:

(1) There was general concern over the adverse effects of violent price fluctuations in exports on the region's economic situation. The downward trend of export earnings appears at present checked, with the exception of rubber and tin, on a level slightly higher than that early in 1950. Export earnings, however, are lower and foreign exchange balances practically used up. Many Asian countries are, therefore, facing the dilemma of either to cut vital development programmes or to run up budget deficits.

(2) The need for stable and fair prices of primary raw materials and equitable price relationship between primary commodities and manufactured goods was strongly emphasised. The delegates felt that work in the field of price stabilisation had not yet made much progress, and as such called for greater efforts on the lines of international long-term commodity agreements (similar to those concluded for sugar and tin) and other measures.

(3) In considering the possibility of a recession in the industrialised countries, the delegates expressed the view that such a danger might be averted and, at the same time, Asian market possibilities enhanced, if industrialised countries increased sufficiently their exports of capital, including machinery and equipment, to the underdeveloped countries. The Commission, it will be recalled, had, in its annual report to the Economic and Social Council, expressed the hope that foreign capital, public and private, would flow into the region in larger amounts. It had also urged that capital exporting as well as capital importing countries should try to promote such flow.

(4) Countries outside the region voiced determination to continue their efforts to increase their trade and financial co-operation, including technical assistance, with the region. The U.S. delegate said that his country was expected to be at least as good a customer of Asian products this year as last year and he drew attention to the U.S. assistance given bilaterally and through the United Nations. Reassuring statements were also made by the delegates of Britain, France, Netherlands and Japan. The Soviet Union delegate followed up specific technical assistance offers made at the E.C.A.F.E.'s Committee on Industry and Trade and invited experts from 12 Asian countries to visit the Soviet Union this September and October "for a month or so to [illegible] trial and exploitation of [illegible] appropriate Soviet organisations would be ready to finance the trip on Soviet territory.

(5) Dissatisfaction was expressed by most of the delegates over the slow rate of economic development in Asian countries. In particular, it was pointed out that imports of capital goods were small; progress in industrialisation not speedy enough; that very little, if any, progress had been made in the diversification of Asian economies; and mobilisation of domestic capital had produced only limited successes. One of the main arguments was that economic development was thus not keeping pace with the growth in population.

(6) A certain shift in emphasis was noticeable in ideas put forward for priorities to be fixed in economic planning. While the necessity of industrialisation was as fully recognised as ever, it was thought that "high priority" should be given to agricultural production as a prerequisite for industrialisation. Development of transport and electric power was also felt to be basic, and the development of cottage and small-scale industries was considered particularly necessary to provide increased employment opportunities.

(7) Production of foodgrains in 1952-53 exceeded the pre-war level for the first time after the war, but output per head of the population was still below pre-war. Sellers' market in rice had turned into a buyers' market, but it was felt that price reductions might help food countries to increase substantially the rice imports. On the other hand, it was recognised that prices of rice should be kept at a level which should not discourage production and reduce exports.

(8) Much encouragement was derived from the possibilities and good results achieved in community development programmes which had utilised voluntary rural labour from the ranks of the underemployed. Many rural facilities, such as roads, canals, tanks, wells, and community houses, have thus been provided, with the Government supplying materials and technical supervision.

The Commission considered next the various reports submitted by its subsidiary organs. In the past year, nearly 100 studies and documents were prepared by the E.C.A.F.E. More than a dozen meetings, including two large regional conferences, were held. There was, besides, a study tour, a seminar and an inter-Secretariat Working Party. In particular, the Commission approved the reports of its Committees on Inland Transport and Industry and Trade, and the report of the Bureau of Flood Control and Water Resources Development.

The Commission also discussed the E.C.A.F.E.'s co-operation with the U.N. Technical Assistance Administration and the U.N. Technical Assistance Board, as well as with various U.N. specialised agencies. Considerable importance was attached to the development of co-ordinated national technical assistance programmes which would allow the maximum possible use of the services extended to each country. It was felt that, without prejudice to [illegible] in certain cases, be most effective and, in special circumstances, [illegible] proposed by India and adopted by 12 votes to none, the Commission recommended that regional projects should be permanent elements in the planning and allocation of funds to the Technical Assistance Programmes.

A Soviet resolution calling for normalisation of trade relations with all countries which would be prepared to vote on the basis of equality and mutual advantage, was defeated by 10 votes to 1 (U.S.S.R.) with three abstentions (Burma, India, Indonesia). Objections were raised by several delegates, particularly to the part of the resolution blaming, among other things, the official limitation of markets and the frustration of normal trade with countries which could provide substantial markets for the "unfavourable" economic development of the countries of the region. The resolution, it was pointed out, would contravene the U.N. General Assembly resolution on embargo against China.

Two Japanese resolutions concerning associated membership were adopted. The first of these urged the Economic and Social Council to give effect to the Commission's wish that the E.C.A.F.E. associate members who were responsible for their own international relations should be admitted to membership. The second resolution related to the amendment of Rules of Procedure 13 and 15, to enable associate members to be elected to chairmanship and vice-chairmanship.

The next session of the E.C.A.F.E. will be held in Tokyo.

THE BANK OF MYSORE, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Rs.	a.	p.	INCOME	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	15,46,624	4	7	1. Interest and Discount	47,35,204	15	5
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 21,450)	14,98,671	12	4	2. Commission, Exchange and Brokerage	5,69,248	6	5
3. Directors' Fees and Allowances	18,964	8	0	3. Rents	19,234	4	0
4. Rent, Taxes, Insurance, Lighting, etc.	1,55,174	6	6	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Law Charges	5,824	1	9	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postages, Telegrams and Stamps	35,649	15	7	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	12,000	0	0	7. Other Receipts	12	0	0
8. Depreciation on and Repairs to the Banking Company's Property	76,299	6	5				
9. Stationery, Printing, Advertisement, etc.	1,51,353	1	10				
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil						
11. Other Expenditure	32,451	13	2				
12. Balance of Profits before providing for Taxation carried to Balance Sheet	17,90,687	3	7				
Total .. Rs.	53,23,699	9	10	Total .. Rs.	53,23,699	9	10

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE, LIMITED

We have audited the Balance Sheet of the Bank of Mysore, Ltd., as at 31st December, 1953, and the Profit and Loss Account for the year ended that date and report that:

(a) We have obtained all the information and explanations we have required.
(b) Such information and explanations have been found to be satisfactory.
(c) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank.
(d) The returns received from the Branches have been found adequate for the purpose of our audit.
(e) In our opinion the Profit and Loss Account shows a true balance of profit and loss for the period covered by the audit.
(f) In our opinion the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given us and as shown by the books of the Bank.
(g) We are further of the opinion that the books of account have been maintained in accordance with the Law.

BRAHMAYYA & CO.,
B. K. RAMADHYANI & CO.,
D. S. SUBRAHMANIYA & CO.,
FRASER & ROSS,
Chartered Accountants.

P. SUBBARAMA CHETTY, *Chairman.*
L. S. VENKAJI RAO,
T. NANJAPPA,
S. RAMANATHAN,
M. VIRARAJA URS,
D. M. SHANKARAPPA,
S. M. RAMAKRISHNA RAO,
P. HANUMANTHIAH,
G. V. RUDRAPPA,
V. R. CHIKKACHANNANJAPPA SETTY,
Directors.

G. VENKATANARANAPPA, *Chief Accountant.*
B. V. NARAYANA REDDY, *General Manager.*

BANGALORE, 25th *January*, 1954.

PARLIAMENTARY CONTROL OVER STATE-OWNED INDUSTRIES

AN INTERESTING DEBATE IN BRITAIN

THE exercise of Parliamentary control over nationalised undertakings has always given rise to some very difficult administrative problems. Excessive interference with the work of these undertakings will rob their administrators of the spirit of initiative and enterprise, a quality very essential for the success of any commercial undertaking, whether owned by the State or by private entrepreneurs. At the same time, it is also true that, if no control is exercised, there is likely to be wastage, corruption and lack of responsibility. Even in large private-owned undertakings, a large measure of control is exercised by the Board of Directors who, in turn, are subject to the control of shareholders. Similarly, the taxpayer, who finances these undertakings, is entitled to know how they are being run.

Viewed against this background, the debate in the British House of Commons on the report of the Select Committee on Nationalised Industries, which took place recently, makes interesting reading. It is worthwhile to record here the main features of this debate, because a similar problem is facing this country also. It will be recalled that the Select Committee, in its report submitted in August, 1953, suggested the appointment of a permanent committee of the House of Commons to examine the report, accounts and activities of the Committee. It was stipulated that the Committee should include an officer of the status of Comptroller and Auditor-General and at least one professional accountant. It was further provided that the Committee should act as a liaison body between Parliament and the State Boards administering the State-owned undertakings. After considering the report of the Select Committee, the British Government has accepted, in principle, the idea of a select committee, subject to the condition that it should be a joint committee including members of the House of Lords.

The debate disclosed the existence of diverse opinion on the method of Parliamentary control over nationalised industries. Mr. Harry Crookshank, Leader of the House, while accepting the principle of constituting a select committee, made plain the Government's anxiety lest even this cautious approach held hampering risks for the progress of nationalised industries. He revealed that the proposal that the permanent examining committee, recommended by the Select Committee, should include the Comptroller and Auditor-General or a member of equal authority did not appeal to the Government. The Conservative back-benchers, however, pleaded strongly for the inclusion of a Comptroller on the proposed body for examining the nationalised undertakings. But Mr. Crookshank remained unmoved. He contended that, in the field of Parliamentary control over State-owned undertakings, it was better not to go too fast and added: "We have got to feel our way. Nobody knows what the right answer is yet, but a great number of people think that we ought to start looking for one. We do agree that there should be some direct contact between the Boards and Parliament but with a big proviso. The position and duties of responsible ministers should be safeguarded."

Although he accepted in principle the idea of a select committee, the Government, he said, wanted to keep open the possibility of a joint committee, including the House of Lords. He suggested that the Committee should have between 10 to 14 members and discounted the proposal of sub-committees as they were liable to go into too much of detail. Nor did he think that it would be wise to publish all the evidence. Reports from time to time, he felt, should satisfy the House, without every industry having to go yearly before a committee. Care should be taken not to frighten the Boards. If every thing was published, they might well take refuge in red-tape. In short, the theme of Mr. Crookshank's contention was that any nationalised industry would lose its nerve, if Parliament constantly looked over its shoulder. With this view, almost all front-benchers belonging to both Labour and Conservative parties agreed, though the back-benchers of both the parties were for a certain measure of direct control by Parliament.

Mr. Herbert Morrison from the opposition front bench stoutly opposed the idea of a select committee for a number of other reasons. His main argument was that the Select Committee's proposal could imperil the commercial freedom of the undertakings. He was of the view that, if the leaders of the State Boards were constantly liable to have their decisions questioned and "put through the mill" by the members of Parliament, they would inevitably begin to play for safety. He considered that, with a permanent select committee sitting in judgment over the activities of the Boards, centralisation was bound to increase. There would be more references to the central offices of the Board. Fear of politics would creep in. He maintained that the best course would be for the Government to initiate a mixed type of enquiry like that which went with the affairs of the British Broadcasting Corporation. Proceeding, he remarked that, left to him, he would start with electricity and would not have the enquiry more than once in seven years, except for special reasons. Not all Labour members shared Mr. Morrison's views. Not even Mr. Ernest Davies, an opposition authority on transport, would agree with him. On the contrary, he said he was in favour of establishing an examining committee on State undertakings responsible to Parliament.

That there is need for sufficient Parliamentary control over State undertakings is indisputable, especially when they are national trusts and, therefore, require to be managed efficiently in the larger interests of the nation. But, at the same time, there is considerable force in the argument that any control that is imposed on administrations in charge of State-owned undertakings should not deprive them of freedom of action, so essential for initiative and drive. Commenting on this subject the *Financial Times*, London, observes as follows:

"The more Parliament debates the problems of its own control over the nationalised industries, the better adapted the company system seems to the administration of modern industry on a large scale. In the public company, a device has been hit on which gives the management the necessary freedom to act, while at the same time providing just the right amount of check on efficiency. All but the blind can see that it ensures responsibility to the national interest as well. In the Public Board, on the other hand, at any rate as the 1945 Government adapted it, Parliament seems to have invented something which even its supporters now feel to be neither fish, flesh, nor good red herring. Each Board is specifically enjoined to pursue the national interest. But somehow its interpretation of the national interest does not always agree with Parliament. Meanwhile, the Boards can be treated neither as though they were ordinary Government departments—because, though their capital is publicly guaranteed they do not, on the whole, handle public money—nor as though they were some special form of public company—not only because they are deliberately removed from the ordinary discipline of profit and loss, but because the Minister, who is presumably supposed to act as a shareholder's representative, more often, in fact, operates either as an agent of Government policy or as a kind of Parliamentary Public Relations Officer."

After recognising the need for filling in the vacuum between Parliament and the Boards of nationalised industries, this paper examines the question whether the link between the two should be a select committee or septennial enquiries, as advocated by Mr. Morrison, and concludes thus:

"There seems little real substance in Mr. Morrison's objection to this (the appointment of a select committee) on the grounds that it would unduly upset the day-to-day management of the industries. Any Parliamentary enquiry will be inclined to do this, whether it occurs once in two years or once in seven. Indeed, it might well be that the longer the period between enquiries, the more paralysing the prospect of it might be. The real argument for the Select Committee is that if any kind of Parliamentary means of communication between the nationalised industries and the public is to be successful, it must be open to the passage of information and ideas in both directions. It may be that Parliament should examine the methods of organisation of the nationalised industries to see whether they are adapted to promote technical efficiency. A Select Committee is the more likely to be able to provide the platform for the informed debate which at present is so sadly lacking."

The British Parliament, however, could reach no conclusion on this question. After debating for six long hours, the debate concluded, with the problem still open to solution at a later date. This shows how intricate the problem is.

IMPORT OF PLASTIC P.V.C. SHEETINGS

Traders in plastics raw materials are perturbed over the Central Government's policy of restricting imports of P.V.C. sheetings. These sheetings, it will be noted, have not been included in the list of items for which the basic period for purposes of calculating import quotas is extended to include the financial year 1952-53. The restricted import policy is said to have resulted in shortage of goods in the market leading to a rise in prices, so much so that the consumers of plastics P.V.C. sheetings, especially the small producers of *chappals*, purses, brief cases, spectacle cases, etc., are subjected to much hardship. There are reports even of a curtailment of output, followed by retrenchment, in some units. Why then should the Government still persist in not liberalising imports of the sheetings? The one possible answer to the poser is that the Government wants to protect the interests of indigenous manufacturers. This, no doubt, is a laudable objective. But the point is whether the indigenous manufacturers are in a position to satisfy the requirements of the manufacturers of plastics goods. It is stated that they are not. The P.V.C. plastics sheets were until recently not being produced at all. The rate of output is at present very poor. "It does not," to quote one report, "meet even a fraction of the requirements of those engaged in the manufacture of plastic goods."

The P.V.C. plastic sheetings are an important raw material for the manufacture of a wide range of utility articles—wallets, brief cases, purses, spectacle cases, to mention only a few—besides being used extensively for tapestry, upholstery, shoes, etc. What is more, the sheetings, it is said, are more economical in value than leather goods. To the extent that the industry is assured of adequate supplies of P.V.C. sheetings at reasonable prices, production will be maintained at a high level, which is imperative, considering the growing demand for the utility articles—indigenous and foreign. Prospects of a sizable export trade in these goods with Ceylon, East Africa and Burma are stated to be quite bright. In view of all these factors, it is contended that larger imports of P.V.C. sheetings should be allowed.

SMALL-SCALE INDUSTRIES

The international team of experts on village and small-scale industries is now visiting various places in India. After investigating into the present position of the village and small-scale industries, the team of experts will make recommendations for alleviating the problems facing them. They will suggest measures for developing existing approaches to service these industries. They will also explore new approaches. Further, they will enquire into the possibilities of setting up a multi-purpose institute of technology for village and small-scale industries.

The importance of the recommendations that will be made by the team of experts needs no emphasis. For, as aptly pointed out by the Ministry of Commerce and Industry, Government of India, in its note on *A Plan for the Development of Village and Small-Scale Industries*, one of the pressing problems facing India today is that of limited opportunities for employment in village and small-scale industries. This has not only resulted in increasing unemployment and under-employment in both rural and urban areas but has also resulted in adding more man-power to the already overcrowded ranks of agricultural workers. The problem is further complicated by the fact that industrial growth—both large and small—has not been rapid enough to provide expanded employment opportunities for India's increasing population. The Government of India recognises that all segments of the population must be gainfully employed if the basic goals set forth in the Five-year Plan are to be achieved. It, therefore, logically follows that immediate steps must be taken to launch a comprehensive programme for village and small-scale industries directed towards increasing national production and providing constructive employment for people.

INDIA AND G.A.T.T.

It is learned that the 15-nation Inter-Sessional Committee of the General Agreement on Tariffs and Trade (G.A.T.T.) voted unanimously, on the 19th inst., authorising India to negotiate duties on a limited range of imported goods. No date is believed to have been fixed for the new negotiations to be held between India and the major suppliers of those items on which it wishes to raise tariffs. Strictest secrecy is being maintained about the individual items concerned. India has been prompted to make this request in order to raise sufficient revenue for financing development schemes and to give protection to certain domestic industries. It is said that the contracting parties took a sympathetic view of India's request and agreed to give the required authority for negotiations with member nations.

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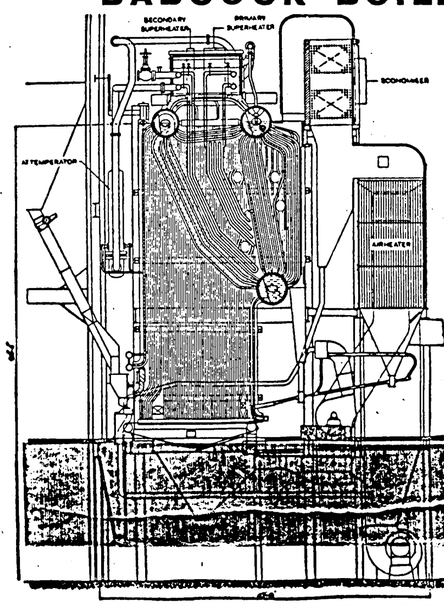

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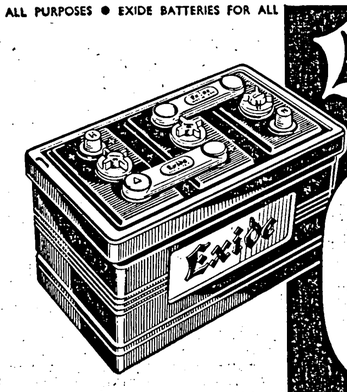

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EBX-27

PROFIT OF KOHINOOR MILLS NEARLY TREBLED

SHAREHOLDERS TO GET 2 PER CENT. MORE

ONE of the main inspiring factors behind the present strength of textile shares on the Stock Exchange has been the fond hope that textile mills in this country would be able to show excellent results for 1953, in refreshing contrast to the unfavourable results for the preceding year. The financial results of the Kohinoor Mills Company, Ltd. (Agents: Messrs. Killick Industries Ltd., Bombay), for the year ended 31st December, 1953, a brief reference to which was made in our last issue, have fully justified this expectation. The gross profit for the year amounts to Rs. 65.22 lakhs, which is nearly three times that of Rs. 23.22 lakhs earned for the previous year. It, however, falls short of the profit for 1951 by no less than Rs. 27.8 lakhs and of that for 1949 by Rs. 6.11 lakhs. This comparison with some of the previous years has been made just to show that, although 1953 was a year of record production, the profit for that year was not.

Nevertheless, the Company's performance during the year under review is very encouraging and the Directors have thought it fit to pass on part of the increase in the profit to the shareholders. They have done this by enhancing the final distribution from 12 per cent. to 14 per cent., the interim distribution having been maintained at 6 per cent. It is significant that this increase is in the form of a bonus. This means that the Directors are confident of maintaining the dividend at 18 per cent., that the additional 2 per cent. is being given just because the profit for the year permitted it and that it is not certain whether the Company will be able to repeat this extra in future.

The salient features of the Company's results for the past four years are compared in the following table, which shows at a glance the Company's progress since 1950:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net) ..	706.74	725.27	814.88	524.63
Other receipts ..	0.49	1.59	1.46	8.14
Expenses	642.02	703.64	722.82	468.16
Gross profit ..	65.22	23.22	93.02	64.59
Agents' remuneration ..	6.56	5.42	9.39	6.05
Depreciation	14.97	14.38	18.22	20.14
Taxation	17.80	4.00	28.00	15.00
Net profit	25.88	0.42	37.41	18.70
E.P.T. post-war refund (net) ..	..	18.33	..	..
To reserves	6.00	1.00	12.00	4.50
Dividend	20.00	18.00	25.00	18.00
	(D.18%+B.2%)	(D. 18%)	(D.18%+B.7%)	(D.18%)
Carry forward ..	2.11	2.23	2.48	0.53

It will be noted that the decline in net sale proceeds by Rs. 18.53 lakhs has been more than offset by the drop of Rs. 61.62 lakhs in expenses. The saving in expenses is mainly due to the decline in cost of cotton and fibre consumed by Rs. 93.76 lakhs and in that of silk and other yarn consumed by Rs. 16.59 lakhs. On the other hand, cost of stores and fuel consumed and repairs account for an increase of Rs. 8.50 lakhs, cost of power consumed for Rs. 1.22 lakhs, salaries, wages and allowances for Rs. 32.95 lakhs, yarn and cloth commission for Rs. 1.11 lakhs, insurance for Rs. 1.99 lakhs and interest for Rs. 2.41 lakhs, the last mentioned item of expenditure being due to larger borrowings. The provision for depreciation has been more or less maintained at the previous level, despite the substantial additions made to the gross block during the year. Provision for taxation has been raised by Rs. 14.80 lakhs. The Directors state that all taxation upto and including the Company's year ended 31st December, 1952, has been agreed with the income-tax authorities.

Out of the net profit of Rs. 25.88 lakhs, as against Rs. 0.42 lakh for the previous year, a sum of Rs. 5 lakhs has been transferred to the machinery reserve account which had received only Rs. 1 lakh in the previous year. The dividend equalisation fund which had not been provided with anything a year ago now receives Rs. 1 lakh. The dividend at 20 per cent. requires Rs. 20 lakhs, leaving Rs. 2.11 lakhs to be carried forward to the next year.

The foregoing results can be considered quite satisfactory in the light of the difficult trading conditions that prevailed during the major part of the year. Referring to these conditions, the Directors observe as follows:

"All price and distribution controls on cotton fabrics were removed during the course of the year, and the only control remaining was that on production. However, even in regard to this, there was some relaxation to the extent that, if mills wished to make fabrics which fell outside the control, Government usually issued deviation orders.

"In order to protect the handloom industry, Government brought into force the *Dhotis* Control Order in December, 1952. By this order all mills were restricted in the production of *dhotis* to 60 per cent. of their previous production. All restrictions on exports were removed, except the quantitative control on yarns and sewing threads. Cotton prices showed a marked upward tendency towards the middle of the year. Due to a shortfall in the Indian crop, foreign cottons were also marked up towards the close of the year. Despite the rise in the price of cotton, however, cloth prices remained at a low level."

The financial position of the Company is as sound as ever. The reserves and surplus, as on 31st December, 1953, amount to Rs. 157.11 lakhs, of which general reserve accounts for Rs. 23 lakhs, machinery reserve for Rs. 98 lakhs, dividend equalisation fund for Rs. 23 lakhs and employees' pension and gratuity fund Rs. 11 lakhs. The reserves and surplus represent over 157 per cent. of the paid-up capital. Provision for taxation stands at Rs. 5.53 lakhs and current liabilities at Rs. 187.44 lakhs. Of the latter, which have risen from Rs. 128.79 lakhs, loans from the Company's bankers (secured by stocks and stores) show an increase from Rs. 64.43 lakhs to Rs. 98.84 lakhs, unsecured loans from Rs. 3.85 lakhs to Rs. 9.47 lakhs, and other liabilities from Rs. 60.51 lakhs to Rs. 79.13 lakhs. The gross block of the value of Rs. 327.03 lakhs has been written down to a book value of Rs. 104.81 lakhs, the depreciation provided so far being Rs. 222.22 lakhs. There has been an addition of Rs. 37.09 lakhs to the block during the year under review, of which the value of machinery represents Rs. 36.55 lakhs. Of this, machinery worth Rs. 25.54 lakhs was erected during the year. The current assets stand at Rs. 345.27 lakhs, of which stock-in-trade alone accounts for Rs. 273.45 lakhs and stores, fuel, etc. for Rs. 54.24 lakhs. The current assets exceed the current liabilities and provision for taxation by a large margin of Rs. 152.30 lakhs.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 320-8 *cum-div.*, at which rate and on the basis of the latest dividend, the yield works out to 6.25 per cent. per annum, free of tax.

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KIL KOTAGIRI'S RECORD RESULTS

DIVIDEND STEPPED UP

A RECORD tea crop, followed by a welcome decline in cost of production, has been responsible for the record earnings of the Kil Kotagiri Tea and Coffee Estates Company, Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar) for the year ended 31st October, 1953. The average price realised for tea was, on the other hand, lower than in the previous year. There was also a sizable drop in the crop of coffee and the average price realised on it, but the effects of these have been more than offset by the increase in tea crop and the fall in cost of production. As a result, the trading profit for the year under review has jumped up from Rs. 3.93 lakhs for 1951-52 to Rs. 5.47 lakhs and the net profit from Rs. 2.44 lakhs to Rs. 3.26 lakhs, both constituting a record in the history of the Company. The dividend on ordinary shares has been stepped up from 30 per cent. to 40 per cent.—which is also a record—but the allocation to the reserve has been slightly reduced from Rs. 1.66 lakhs to Rs. 1 lakh.

Due to favourable weather conditions, the crop of tea harvested, which had declined to a low of 2,57,200 lbs. in 1951-52, has risen to a record of 3,70,500 lbs. in the year under review and has even exceeded the estimate of 3,50,000 lbs. The Directors had expected to produce tea at an average cost of 88.32 cents per lb. f.o.b., but the cost has exceeded this and gone up to 96.39 cents per lb. However, it is the lowest in the history of the Company and represents a decline of 40.68 cents per lb. as compared with that for the previous year. The average price realised is lower by 7.81 cents per lb.

In the case of the coffee crop, the Company's experience has not been favourable, though this was not unexpected. The crop of coffee harvested amounts to 297 cwts.; although this is some 97 cwts. more than the estimate, it falls short of the previous year's crop by 357 cwts. The decline in yield has been accompanied by a fall in price, the year's crop having been valued at Rs. 2 per point or Rs. 155.16 per cwt. as compared with Rs. 2.11 per point or Rs. 213.15 per cwt. in the previous year.

The following comparative table shows at a glance the Company's progress since 1950:

	For the year ended 31st October			
	1953	1952	1951	1950
Sale proceeds of—	Rs.	Rs.	Rs.	Rs.
Tea	7,46,742	5,53,173	6,20,223	6,25,062
Coffee	49,814	1,40,162	24,462	44,545
Stocks of tea	1,72,224	93,328	2,10,806	63,410
Tea estate expenditure	3,57,125	3,52,555	3,38,013	3,08,236
Coffee estate expenditure	64,661	61,405	42,051	51,567
Trading profit ..	5,47,242	3,92,911	4,87,599	3,74,261
Managing Agents' commission ..	25,272	21,512	28,988	21,849
Depreciation	48,338	39,383	39,214	38,435
Taxation	1,14,000	45,100	89,000	60,000
To reserve	1,00,000	1,86,292	..	4,25,000
Dividends—				
6% Preference ..	15,000	15,000	15,000	15,000
Ordinary	2,00,000 (40%)	1,50,000 (30%)	1,50,000 (30%)	55,000 (10%)
Carry forward ..	90,631	79,174	1,05,865	85,273
Tea crop (in lbs.) ..	3,70,500	2,57,200	3,44,400	2,86,000
Cost per lb. (in cents) ..	96.39	137.07	97.56	107.77
Average price realised per lb. (in cents)	209.24	217.05	216.46	206.92
Coffee crop (in cwts.) ..	297	654	174	262
Value per cwt. Rs.	155.16	213.15	178.80	169.05

The Company's earnings would have been still higher but for the setback in the yield of coffee and the fall in price thereof. The decline in coffee crop is not surprising, for a period of a progressively continuous increase in the crop cannot be expected in coffee estates. A period of high yield will usually be followed by one of lower yield. The estate expenditure on coffee has, however, advanced from Rs. 61,405 to Rs. 64,661. The provision for depreciation has been stepped up by nearly Rs. 9,000, evidently due to the additions made during the year to staff and labour quarters and other minor buildings.

The Company's dividend record is impressive. Established only in July, 1948, the Company paid a maiden dividend of 10 per cent. for 1948-49 and this was repeated in the subsequent year. The dividend was trebled, that is, to 30 per cent., for 1950-51, on a capital which had been doubled in February, 1952, by the capitalisation of part of the reserves. After maintaining this rate for 1951-52, the dividend has now been raised again to 40 per cent. for the year under review. Thus, in the course of three years, the Company has not only issued a scrip-for-scrip bonus but stepped up the dividend fourfold, and that too on the enhanced capital.

The financial position of the Company is quite satisfactory. Even after the capitalisation of a sum of Rs. 2.50 lakhs in February, 1952, the reserves and surplus stand at Rs. 6.16 lakhs, as against a paid-up capital of Rs. 7.50 lakhs. Reserve for taxation amounts to Rs. 2.44 lakhs, while current liabilities aggregate Rs. 2.78 lakhs. The gross block of the value of Rs. 12.93 lakhs has been written down to Rs. 10.79 lakhs. The current assets, amounting to Rs. 8.08 lakhs, more than adequately cover the current liabilities and taxation reserve.

The Rs. 2 paid-up ordinary shares of the Company are being quoted at Rs. 7-9 *cum-div.* On an *ex-div.* basis, the yield works out to nearly 12 per cent. per annum, free of tax.

Points From The Chair

Irregular Practices in Coastal Trade

"YOU will no doubt recall the prominent part your Company played in securing reservation of the Indian coastal trade for Indian shipping. Soon after reservation, in the general interests of all Indian lines and with a view to promoting healthy development of Indian shipping, we contributed our full share of effort in the formation of the Indian Coastal Conference and in working it wholeheartedly. However, it is to be regretted that since the latter half of 1952, we have been observing a steady growth of irregular practices on the coast, especially in the West Coast trade, designed to secure cargoes by improper means. During the second half of 1952, this problem became so serious that the Conference had specifically to consider these developments and try to rectify the situation; but these efforts were unsuccessful. Basically, there was a serious state of imbalance between the supply and demand factors in the coastal trade; and this resulted in a disparity between the tonnage capacity available, the cargoes offering and the prevailing level of freight rates. Remedial measures were considered in the direction of voluntary agreement to restrict tonnage, fixing freight rates at realistic levels and strict observance of freight rates and enforcement of agreed practices. However, in practice it was found impossible to make any headway in implementing such measures, although the Chairman of the Conference was empowered to institute enquiries and to impose penalties on the offending lines."

DHARAMSEY M. KHATAU,
Scindia Steam Navigation Co., Ltd.

Shipbuilding in U.K.

"I do not wish to sound too pessimistic a note, but common prudence calls for some reference to the uncertainties with which the shipbuilding industry is now faced. Foreign competition on an ever-increasing scale and the continued demand for higher wages are not assisting United Kingdom shipyards in obtaining the necessary work to fill their rapidly dwindling order books. Shipowners, both at home and abroad, not unnaturally buy in the most advantageous markets, and if wages cannot be maintained at a reasonable and economical level, coupled with high productivity, the future of our shipyards must remain uncertain. Rights imply responsibilities, and it would be hypocritical to suggest that output per man in our yards could not be appreciably increased. Also, in these days of payment by results, increased output means more in the wage packet with no corresponding increase in the cost of living."

J. A. MILNE,
J. Samuel White and Co., Ltd.

Future of Sisal

"The future of sisal prices depends upon world factors outside the control of producers, although they can contribute by orderly marketing organisation, and appreciable headway in this respect has been made since the war. We can form a fairly accurate short-term estimate on facts within our knowledge. At present, stocks in producers' hands are low and unsold stocks for six months ahead in very short supply. The world carry-over of sisal at the end of 1953 was just over 5 per cent. of the year's production, a figure lower than in any other commodity, while for hard fibres as a whole it was 10 per cent. We look to 1954 for a steady expansion in consumption, with a decline in world production and a satisfactory adjustment of the stock position."

E. F. HITCHCOCK,
Bird & Co. (Africa) Ltd.

Twofold Benefits of Thrift and Saving

"All who have been connected with the saving and thrift movement realise the immense benefit the practice of these habits means to the individual in giving him or her a strong, self-reliant and independent character and position which will serve them and their families immeasurably. It is also a twofold benefit to the nation, as savings have never been more necessary to it than now, and individuals of the characteristics I have outlined above, as developed by these habits, are equally necessary to it. It is, therefore, to be hoped that circumstances can be contrived that will bring about an increasing margin of income available for this purpose. The importance of this individually and nationally, cannot, I am sure, be exaggerated."

LIEUT.-COLONEL F. W. MOORE,
Provincial Building Society.

Strike by Workpeople

"The Companies Act has seen to it that the interests of the shareholders are widely and amply protected. They have the right to act and the power to investigate, while their leaders, the directors, can be subjected to serious penalties, if they fail in their duties. When shareholders make a decision by a majority vote, the world at large knows it is the expressed opinion of the majority because it has been reached within the framework of the law. When, however, we come to the affairs of the workpeople, and a strike is declared by a majority vote, are we all content and certain in our own minds that it is really the expressed opinion of the majority?"

CAPTAIN ALLAN KYLE,
Jonas Woodhead and Sons, Ltd.

Notices

THE PHALTAN SUGAR WORKS LTD. SAKHARWADI, DISTRICT SATARA NORTH

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at Sakharwadi, District Satara North on Saturday, 27th February, 1954, at 3 p.m. (S.T.), when the undermentioned resolution will be proposed as a Special Resolution.

RESOLUTION

"That the Articles of Association be amended in the manner following:—

(1) Article 2. Definition of "The Indian Companies Act 1913" the portions "as applied in the Phaltan State and" and the words "British India" wherever they occur shall mean Phaltan State unless the context shows otherwise, be deleted.

(2) Add the following to the Article 30:

"No renewal fee shall be charged except when a certificate is torn through, defaced, destroyed or lost."

(3) Article 42, 1st line. For the word "befought" the word "brought" be substituted.

(4) Article 46, 2nd line. For the words [illegible] debts" be substituted.

(5) Article 48, 6th line. For the word "purchaser" the word "purchase" be substituted.

(6) Article 59, 1st line. The word "shall" be inserted between the words "share" and "be".

(7) Article 79, 5th line. For the word "adequate" the word "aliquot" be substituted.

(8) Article 101, 3rd line. For the word "or" the word "on" be substituted.

(9) Article 114. Delete words beginning with "if in the form" up to "by the letter (b)".

(10) Article 121, 3rd and 4th lines. Delete the portion "that any person . . . a Director of the Company".

(11) Article 127, 4th line. Delete words "either" and "otherwise".

5th line. Insert the word "in" between the words "either" and "addition".

7th line. Substitute word "incurred" for the word "occurred."

(12) Article 130, 6th line. After the word "but" the word "it" be inserted.

(13) Article 138, 3rd line. The word "and" be deleted.

(14) Article 146, 5th line. For the word "confirm" the word "conform" be substituted.

(15) Article 152, (16) 2nd line. After the words "Managing Agents" the word "by" be inserted.

(16) Article 156 (*a*), 6th line. For the word "convened" the word "concerned" be substituted.

(17) Article 172, 4th line. For the word "distributor" the word "distribution" be substituted.

30th line. The word "or" occurring after the word "partly" be deleted.

31st line. The word "or" be added after the word "paid".

32nd line. For the word "or" the words "and partly" be substituted.

33rd line. For the word "filled" the word "filed" be substituted.

(18) Article 179, 7th line. For the word "one" the word "are" be substituted.

(19) Article 183 (1). The words "Phaltan State" be omitted and the words "Government of Bombay" be inserted therefor.

(20) Article 185, 4th line. The word "and" occurring after the word "Company" be deleted.

(21) Article 188, 1st line. For the word "or" the word "of" be substituted.

(22) Article 196, 7th line. The word "in" be inserted after the word "him".

(23) Article 200, 3rd line. The word "as" occurring after the word "distributed" be deleted and the word "so" be substituted therefor.

(24) Article 201, 4th line para (2). The word "of" occurring after the word "case" be deleted."

By Order of the Board of Directors,
For MAFATLAL, APTE & KANTILAL LTD.,
L. V. APTE,
Managing Director,
Managing Agents.

Dated 1st February, 1954.

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE FIFTY-NINTH ORDINARY GENERAL MEETING of the Shareholders of THE KOHINOOR MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Home Street, Fort, Bombay, on Monday the 8th March, 1954, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts made up to 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors in the place of those retiring by rotation under Article 107.
4. To appoint Auditors and to fix their remuneration.

The Transfer Books of the Company will be closed from the 8th February to 8th March, 1954, both days inclusive.

By Order of the Board,
For THE KOHINOOR MILLS COMPANY, LIMITED,
KILLICK INDUSTRIES LTD.,
E. D. SHEPPARD,
Managing Director,
Agents.

BOMBAY, 8*th February*, 1954.

BENGAL PAPER MILL COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO recommend to the forthcoming General Meeting of the Shareholders to be held on 12th March, 1954, dividends for the half-year ended 30th June, 1953, as follows:—

(*a*) Dividend on Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(*b*) Dividend on "A" Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(*c*) Dividend on "B" Cumulative Redeemable Preference Shares at 6 per cent. per annum (subject to deduction of Income-tax).

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT PURsuant to the Scheme of Arrangement sanctioned by the High Court of Bombay, the Directors will allot the new fully paid Ordinary Shares in lieu of existing Deferred Shares and the additional fully paid bonus shares to holders of Deferred and Ordinary Shares on the Register of Members on 29th March, 1954.

Notice is also given that the Transfer Books of the Company will be closed from Monday, 15th March, 1954, to Monday, 29th March, 1954, both days inclusive.

By Order of the Directors,
TATA INDUSTRIES, LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, dated 22*nd February*, 1954.

A DIFFICULT YEAR FOR ANGELO BROS.

DELTA AND ORIENT JUTES MAINTAIN DIVIDEND

Angelo Bros., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Turner, Morrison & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st August, 1953.

The profit for the year after providing for depreciation, directors' fees and taxation amounted to Rs. 1,68,989 (Rs. 5,43,895) to which was added the amount transferred from provision for taxation Rs. 1,05,892 (*nil*) and the balance brought forward from previous year of Rs. 5,24,909 (Rs. 5,31,014) making a total of Rs. 7,99,790 (Rs. 10,74,909). After transferring to general reserve *nil* (Rs. 1,75,000) there remained a balance of Rs. 7,99,790 (Rs. 8,99,909). The directors disposed of this by paying a dividend of 12½ (12½) per cent. which absorbed Rs. 3,75,000 (Rs. 3,75,000), leaving a balance to be carried forward of Rs. 4,24,790 (Rs. 5,24,909).

The year under review has been a very difficult one for the Company and for the shellac industry as a whole. Trading conditions were very unfavourable throughout the period because the cost of raw material remained at an abnormally high level owing to poor crops, whereas world prices for shellac were low in comparison. Competition was severe and the margin of profit very small. Taking into account the difficult conditions prevailing however, the result of the year's working is considered satisfactory. Although sales were somewhat less than the previous year, the Company's share of total shellac exports increased.

T.N. was quoted at Rs. 70 at the commencement of the season and fluctuated around this level until June when there was a revival of activity which carried the market to Rs. 104 by the end of the Company's financial year. The steadier tone has been maintained with rather better demand from foreign countries and the present level of prices is more economic, if raw material could be obtained at a reasonable parity. As far as can be seen at the time of writing this report, the difficulties of the situation are likely to remain until the next main crop is marketed in March-April, 1954.

The factory plant and buildings were maintained in good condition. No major capital expenditure was incurred during the year in view of the uncertain situation, but improvements were made in the handling of shellac by installing conveyors in two buildings.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	11,41,871
Reserves ...	38,21,355	Stock ...	14,41,936
Provision for taxation ...	4,26,000	Stores ...	3,68,780
Liabilities ...	8,65,583	Debts, deposits and advances ...	32,30,095
Profit and loss account ...	4,24,790	Investments ...	9,76,126
		Cash ...	13,78,900
	Rs. 85,37,728		Rs. 85,37,728

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1953.

After providing Rs. 1,75,000 (Rs. 2,00,000) for taxation, there is a balance of Rs. 3,57,157 (Rs. 3,43,326) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 2-8 (Rs. 2-8) per share Rs. 12,500 (Rs. 12,500) and on ordinary shares at Rs. 10 (Rs. 10) per share Rs. 2,80,000 (Rs. 2,80,000) leaving Rs. 64,657 (Rs. 50,826) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	27,94,213
Reserves ...	44,74,179	Stocks ...	28,38,027
Provision for taxation ...	16,33,858	Stores and spear gear	9,76,159
Liabilities ...	8,04,222	Debts, deposits and advances	4,82,829
Profit and loss account	64,657	Investments	15,13,569
		Cash ...	16,72,019
	Rs. 1,02,76,916		Rs. 1,02,76,916

Orient Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1953.

After providing Rs. 55,000 (*nil*) for taxation there is a balance of Rs. 2,82,927 (Rs. 2,30,816) at the credit of profit and loss account from which the directors recommend payment of a dividend on ordinary shares at Rs. 6 (Rs. 6) per share, absorbing Rs. 1,49,460 (Rs. 1,49,460) and leaving Rs. 1,33,467 (Rs. 81,356) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,91,000	Block ...	21,96,151
Reserves ...	26,56,049	Stocks ...	20,81,722
Provision for taxation ...	1,96,170	Stores ...	10,68,110
Liabilities ...	5,79,587	Debts, deposits and advances ...	4,59,386
Profit and loss account ...	1,33,467	Investments	53,243
		Cash ...	1,97,661
	Rs. 60,56,273		Rs. 60,56,273

Kumergode Estates Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie and Co., Ltd., Kozhikode, Malabar) submitted the audited accounts of the Company for the year ended 31st October, 1953.

After providing for depreciation and all charges, and after writing off loss prior to incorporation, the accounts showed a profit of Rs. 22,943 (Rs. 42,769) to which was added the balance brought forward from the previous year of Rs. 72,138 (Rs. 29,369) making a total of Rs. 95,081 (Rs. 72,138). The directors carried forward this amount.

Additions amounting to Rs. 8,030 (Rs. 7,999) represent cost of constructing one concrete water dam, a five-room line for labourers, and other minor works. The amount of Rs. 1,169 (Rs. 1,793) spent on additions during the year represents cost of one bungalow, lighting plant and one paddy thresher.

Additions amounting to Rs. 28,099 (Rs. 24,133) include expenditure on replanting 34.26 acres arabica and upkeep charges on earlier immature replantings. The 1930-51 replanted area of 10.70 acres arabica coffee has been included under bearing area as from the commencement of the current season.

A total crop of 1,987-0-6 cwts. of coffee was delivered in full to the Coffee Board and has been valued at Rs. 2-4 per point or Rs. 178-3 per cwt. of arabica and Rs. 125-5 per cwt. of robusta. Payment received to date amounts to Rs. 1-15 per point. The 1953-54 crop is estimated at 84 tons and present indications show that this might be slightly exceeded.

A total crop of 269½ lbs. of cardamoms was harvested, which were sold and realised Rs. 1,190-4-6. The estimate for 1953-54 is 85 lbs.

The visiting agent reports that the estate has been well maintained. The policy of replanting poor areas and of consolidating and exploiting the good, by generous treatment and reduction of shade, has paid dividends in the form of crops which tend to increase despite the reduction of cropping area consequent upon uprooting and replanting. There now appears to be another good crop on the trees, as well as plenty of wood forming for 1954-55.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	5,19,363
Debentures ...	3,00,000	Stock-in-trade	1,03,035
Reserves ...	3,447	Stores and spare parts	17,585
Liabilities ...	1,11,523	Other assets	32,085
Profit and loss account ...	95,081	Advances, etc.	20,526
		Investments	250
		Cash ...	17,207
	Rs. 7,10,051		Rs. 7,10,051

Bharat Collieries Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar) submitted the audited accounts of the Company for the year ended 30th June, 1953.

The revenue profit for the year ended 30th June, 1953 amounted to Rs. 14,70,526 (Rs. 14,61,888). After providing depreciation of Rs. 6,41,372 (Rs. 6,60,569), there remained a profit of Rs. 8,29,154 (Rs. 8,01,319) to which was added Rs. 23,814 (Rs. 19,183) being the last year's balance, making a total of Rs. 8,52,968 (Rs. 8,20,501) for which the directors disposed of as follows:—

Payment of dividend on or after 16th March, 1954, on 30,000 cumulative preference shares at 5½ (5½ per cent.) less income-tax for the year ended 30th June, 1953 Rs. 1,21,687 (Rs. 1,21,687), on 4,00,000 ordinary shares at As. 10 (As. 10) per share, i.e., 6¼ (6¼) per cent. for the year ended 30th June, 1953 Rs. 2,50,000 (Rs. 2,50,000), provision for taxation Rs. 3,75,000 (Rs. 3,75,000), transfer to general reserve Rs. 1,00,000 (Rs. 50,000) and carried forward the balance of Rs. 6,280 (Rs. 23,814).

The Company have commenced deep sinking of a pair of pits at Chapui Khas Colliery to win coal from the lower seams, one of which contains the well-known Dishergarh Seam at about 1,150 feet from surface.

The directors are considering the installation of a modern coal washery at one of the collieries producing coking coal. Owing to gradual exhaustion of high grade coking coal in the country, it is essential to improve the quality of lower grade coal by beneficiation and the installation of a washery will go a long way towards meeting the demand for washed coal. The prospects of the Company continue to be favourable.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	69,99,998	Block ...	63,71,036
Debentures ...	30,00,000	Stock-in-trade	13,87,818
Reserves ...	13,81,010	Stores, etc. ...	13,09,726
Provision for taxation ...	7,33,417	Debts, deposits and advances ...	28,79,536
Liabilities ...	9,98,317	Investments	3,92,161
Profit and loss account ...	8,52,967	Cash ...	14,25,432
	Rs. 1,39,65,709		Rs. 1,39,65,709

Budge-Budge Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1953.

After providing Rs. 67,000 (Rs. 15,000) for taxation and transferring Rs. 50,000 (*nil*) from dividend equalisation reserve there is a balance of Rs. 1,76,498 (Rs. 2,91,098) at the credit of profit and loss account from which the directors recommend payment as follows:

Dividend on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 31,500 (Rs. 31,500), and on ordinary shares at Rs. 4 (Rs. 6-8) per share Rs. 1,44,000 (Rs. 2,34,000) leaving Rs. 998 (Rs. 25,598) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the Mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	37,18,958
Reserves ...	29,22,925	Stocks ...	35,91,265
Provision for taxation ...	2,67,153	Stores ...	11,04,669
Liabilities ...	13,52,154	Debts, deposits and advances ...	5,39,421
Profit and loss account ...	998	Investments	75,813
		Cash ...	13,105
	Rs. 90,43,232		Rs. 90,43,232

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Swiss Industries Fair
Basel 8th-18th May 1954

The watchmaking section has been considerably increased
A watchmaking display with a world-wide reputation

National Rolling and Steel Ropes Ltd.

The directors of the Company (Managing Agents: Associated Industrial Development Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June, 1953.

After providing Rs. 2,87,838 (Rs. 97,382) for depreciation Rs. 7,601 (Rs. 40,000) as debenture interest and Rs. 4,08,102 (Rs. 1,24,339) as other interest, the net profit for the year amounted to Rs. 18,65,549 (Rs. 5,23,783). To this was added Rs. 24,520 (Rs. 1,25,697) being carry forward from last year making a total of Rs. 18,90,078 (Rs. 6,49,401), out of which a sum of Rs. 9,68,979 (Rs. 2,40,000) has been set apart for taxation, Rs. 5,00,000 (Rs. 3,00,000) as general reserve, Rs. 2,50,000 (*nil*) as preference shares redemption reserve and Rs. 50,000 (Rs. 5,000) as investment depreciation reserve, thus leaving a balance of Rs. 1,21,099 (Rs. 1,04,481) which was disposed of as under:—

In payment of dividend on cumulative preference shares at 6 per cent. per annum free of income-tax Rs. 30,000 (Rs. 17,452), in payment of dividend on ordinary shares at As. 9-6 (As. 10) per share, free of income-tax Rs. 59,375 (Rs. 62,500) and balance to be carried forward Rs. 31,724 (Rs. 24,529).

In view of the fact that one of the main purchasers of electrolytic copper rods from this Company have installed their own copper rod mill, it was considered uneconomical to run the copper rolling business by this Company for a rather comparatively small offtake and accordingly the copper rolling was stopped.

The Company's activities have been diverted to the rolling of steel and every assistance has been received by the Company from the Iron and Steel Controller and the Ministry of Commerce and Industry, Government of India, in the project of manufacture of steel wire ropes which are now produced by this Company for the first time in India.

The present rod mill plant requires modifications some additions and alterations to make it suitable for rolling high quality rods. Orders for some of the mechanical equipments from abroad have already been placed.

Under the circumstances, the production in the current year is bound to be adversely affected which would mean that the trading results would be equally affected.

The directors were not in a position to recommend any higher dividend for the accounts under review having regard to the fact that the Company has received a loan from the Industrial Finance Corporation of India and it has been provided as a condition of the loan that the Company will not be entitled to declare a higher dividend than 6 per cent. till their loan is squared.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	31,74,413
Reserves ...	29,00,000	Stock ...	16,79,631
Provision for taxation ...	11,40,000	Stores ...	3,14,064
Liabilities ...	45,47,762	Investments	2,44,546
Profit and loss account ...	1,21,099	Debts, deposits and advances ...	47,73,090
		Cash ...	23,117
	Rs. 1,02,08,861		Rs. 1,02,08,861

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

In order to assist in providing funds to meet the cost of additional mains and services, to enable the Undertaking to meet the obligations under its licence, a sum of Rs. 55,000 has been set aside for development.

Normal progress is being maintained as will be seen from the following schedule for the past three years.

Half-year ended	*Units sold*	*Revenue* Rs.
31st December, 1950 ...	7,881,723	11,40,343
30th June, 1951	8,243,843	11,12,177
31st December, 1951 ...	8,978,556	13,71,950
30th June, 1952	9,544,518	12,56,950
31st December, 1952 ...	9,926,818	14,50,157
30th June, 1953	10,983,183	14,38,649

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities and setting aside Rs. 55,000 (Rs. 15,000) to development and extensions account there remains a balance of Rs. 1,44,279 (Rs. 1,34,777) including Rs. 33,248 (Rs. 31,100) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 84,995 (Rs. 84,995) an additional As. 2 per share Rs. 21,249 (Rs. 21,249) and carrying forward to next half-year Rs. 38,035 (Rs. 28,534).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,99,900	Block ...	47,36,252
Reserves ...	14,57,454	Stocks, stores, etc. ...	9,92,236
Debentures ...	12,31,349	Debts, deposits and advances ...	8,56 839
Provision for taxation ...	7,68,300	Investments	1,33,460
Liabilities ...	23,43,055	Cash ...	8,71,643
Profit and loss account ...	1,44,279	Other assets	51,906
	Rs. 76,42.336		Rs. 76,42,336

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

COMPANY MEETINGS AND DIVIDENDS

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 8th March, 1954. Dividend: Rs. 20 per share, for the year (including interim dividend Rs. 2 and Rs. 2 bonus) payable on 9th March, 1954. Transfer books remain closed from 8th February to 8th March, 1954, both days inclusive.

INDIAN IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 10th March, 1954. Dividend: Re. 1 per share. Transfer books will remain closed from 4th to 10th March, 1954, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 11th March, 1954. Dividend: Rs. 3 per share. Transfer books remain closed from 24th February to 11th March, 1954, both days inclusive.

BENGAL PAPER MILL CO., LTD. Half-yearly General Meeting, Calcutta, 12th March, 1954. Transfer books will remain closed from 4th to 12th March, 1954, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 12th March, 1954. Dividend: Rs. 6 per share. Transfer books remain closed from 27th February to 12th March, 1954, both days inclusive.

DELTA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 12th March, 1954. Dividend: Rs. 10 per share. Transfer books remain closed from 27th February to 12th March, 1954, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1954. Transfer books will remain closed from 1st February to 12th March, 1954, both days inclusive.

ASSOCIATED [illegible] Annual General Meeting, 13th March, 1954. Dividend: Rs. 7 per share. Transfer books will remain closed from 7th [illegible]

IND[illegible] ral Meeting, Calcutta, 16th March, 1954. Dividend: Rs. 6 per share. Transfer books will remain closed from 2nd to 16th March, 1954, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, 26th March, 1954. Dividend of 10 per cent "A" shares and 20 per cent. on "B" shares free of Indian income-tax, for the year ended 30th September, 1954.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD. Interim dividend of As. 4-4/5 per share, for season 1953-54. Transfer books will remain closed from 5th to 15th March, 1954, both days inclusive.

CHEVIOT MILLS CO., LTD. Dividend of Rs. 6 per share, for the half-year ended 30th November, 1953.

COMPANY REGISTRATIONS

INDIAN DYESTUFF INDUSTRIES LTD. (First Director: Shri Anandlal Hiralal.) Business: Manufacturers, Importers and Dealers in Chemical Products of all nature, Dyemakers, etc. Authorised capital: Rs. 30,00,000. Private company. Address: 28, Apollo Street, Bombay 1.

K. T. DONGRE & CO., LTD. (First Director: Mr. R. V. Dongre.) Business: Chemists, Druggists and Dealers in Chemicals, Pharmaceuticals, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 384, Lamington Road, Bombay.

NATIONAL HELICOPTERS LTD. (First Director: Mr. K. S. Cambata.) Business: Establish, Maintain and Operate Air Services, Airlines and other Lines of Conveyances, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Cambata Building, 42, Queen's Road, Churchgate Reclamation, Bombay.

A-ONE COMMERCIAL TRADERS LTD. (First Director: Mr. K. H. Surana (Bima Kesari.) Business: Manufacturers and Dealers in Agricultural Manures, Chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Advani Chambers, S. P. Mehta Road, Fort, Bombay.

ASHOKA CYCLES LTD. (First Director: Mr. Shantilal Sankalchand Parikh.) Authorised capital Rs. 5,00,000. Public. Business: Manufacture and assembly of bicycles, motor cycles, etc. Address: Khadia Char Rasta, Ahmedabad.

GUARDIAN ASSURANCE
COMPANY, LIMITED
(INCORPORATED IN ENGLAND)
ALL CLASSES OF INSURANCE BUSINESS TRANSACTED
8, CLIVE ROW - - CALCUTTA
Telephone: BANK 4310/19
Telegrams: "YULINSURE"

TEXTILES

(*Concluded from page 352*)

held in Bombay, Mr. Sankalchand G. Shah, for instance, observed that, in the past, there had always been a certain exportable surplus in yarn, which continued to be exported and some overseas markets were regularly supplied with Indian yarn. Urging the Government to adopt a "clear-cut" policy with regard to exports of cotton yarn, Mr. Shah observed:

"The Government should maintain a regular and uniform policy irrespective of the quantity involved, as this alone would create confidence in the export markets regarding the availability and continuity of the supply of our cotton yarns. I am afraid, if overseas buyers do not get our cotton yarns regularly, even in limited quantities, our valuable export markets for cotton yarns would be lost in course of time and we would be faced with serious difficulties to find outlets for our surplus cotton yarns."

In the absence of accurate details regarding the supply position in respect of cotton yarn in the country at present, it is difficult categorically to say whether or not the Government should allow exports of this commodity. So far as the Government's policy is concerned, it is stated that cotton yarn cannot be treated as an item of export, although small quantities will be permitted for export now and again to meet temporary situations of overstocking in the mills.

WOOL AND WOOLLEN GOODS

Messrs. John Worral, Ltd., Oldham, England, have [illegible] annual publica[illegible] introduction. It is a comprehensive and authoritative record of the developments in the wool economy of India and Pakistan in recent years. Besides the customary review of the different sections of the woollen industry, namely, the wool, worsted, carpet and hosiery sections, the publication covers raw wool production, classification, marketing, and import and export.

There are several feature articles on wool and woollen industry written by experts in the line. Mention may be made, for instance, of the interesting articles "Carding Wool for Worsted Yarns" by Dr. P. P. Townend, "Wool Combing" and "Manufacture of Worsted Yarns" by Mr. H. Beevers, "Wool Dyeing" by Mr. R. J. Hannay, "Tentering" by Mr. D. Hill, and "Knitting Yesterday and Today" by Mr. James Norbury. The utility of the publication has been enhanced by bringing up-to-date the statistical material on various aspects of the wool and woollen industries in India and Pakistan, as also the directory of individual firms, factories and associations connected with those industries. Also given at the end is a revised illustrated list of advertisers' trade marks and designs and alphabetical lists of trade and brand names.

TEXTILE RESEARCH INSTITUTE AT COIMBATORE

A textile research institute will be established at Coimbatore, if the scheme drawn up by the South Indian mills is accepted by the Cotton Textile Fund Committee. This institute is in addition to the one proposed to be set up in Bombay under the auspices of the Millowners' Association. It was as early as in May, 1950, it will be recalled, that the Committee decided to go ahead with its original decision to have two textile research institutes—one at Bombay and the other at Coimbatore—provided the textile mills in these two regions were prepared to meet a part of the capital and recurring expenditure.

The proposed textile research institute in Coimbatore, it is reported, will be modelled on the lines of the Shirley Institute of Manchester. The aggregate capital outlay of the project is estimated at Rs. 36 lakhs. The South Indian mills have already constituted Rs. 7 lakhs. After Rs. 3 lakhs more are collected, the Cotton Textile Fund Committee will make available a sum of Rs. 10 lakhs. The recurring expenditure of the Institute is expected to be about Rs. 4 lakhs, to be shared equally by the mills and the Fund. The proposed institute will concentrate its attention on research in spinning, which is only as it should be, in view of the fact that the major part of the cotton mill industry in South India consists of spinning units only.

Imperial Chemical Industries Ltd. has concluded a licence agreement with Algemene Kunstzijde Unie N.V., Velperweg 76, Arnhem, the Dutch manufacturers of rayon and nylon, under which the latter company will have the right to manufacture the new versatile synthetic fibre "Terylene" in the Netherlands and Belgium. I.C.I. is already building a big factory at Wilton in North Yorkshire (U.K.) to produce "Terylene." This fibre will also be produced in France, Italy and Western Germany, as also in Canada where Imperial Chemical Industries of Canada Ltd. is building its own plant for the production of "Terylene" at a cost of more than $20,000,000.

QUESTION HOUR IN PARLIAMENT

Engines Manufacture

A PROPOSAL for the manufacture of engines and boilers at the Hindustan Shipyard is under the consideration of the Government.

—Minister for Production

Air-India International

Air-India International is contemplating an increase in the frequency of the air service after it gets the new types of aircraft for which orders have been placed. There has been an overall increase in the traffic carried by the Air-India International Corporation during January-November, 1953, as compared with the corresponding period of 1952. Passenger traffic has increased by 7.66 per cent. and cargo and mail traffic by 6.87 per cent. The increase in the overall traffic is 7.4 per cent. Air-India International is not running at a loss.

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Purchase of New Aircraft

The Indian Airlines Corporation has under consideration the question of purchasing a few new aircraft for operation on the trunk routes. A demonstration of "Convair" has been arranged by the manufacturers on their own initiative in Delhi in the presence of officers of the Directorate-General of Civil Aviation and the Indian Airlines Corporation. A committee of experts is at present studying various economies in operation as between the British "Viscount" and the American "Convair" and will soon submit its views to the Government. The Government will then take a decision as to the type of aircraft to be purchased.

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Compulsory Insurance

The Government is considering the question of introducing a scheme of compulsory insurance for passengers travelling by Indian Airlines and Air-India International. Facilities are available at present for passengers to get themselves insured, covering the risk of air travel. After detailing the facilities provided in each line, the Director-General of Civil Aviation has leased out insurance booths to certain insurance companies at Delhi and Madras airports for providing insurance facilities for air passengers. The question of providing similar booths at other import aerodromes, especially Calcutta and Bombay airports, is also under consideration.

—Deputy Minister for Communications

National Income

The *per capita* national income in the country was Rs. 246.9 (revised) in 1948-49, Rs. 253.9 for 1949-50 and Rs. 265.2 for the subsequent year. The figure for 1948-49 was revised for technical reasons, as more up-to-date data were later available. So far as the aspect of the question relating to increase in national income is concerned, I may state that there has been an improvement in the national income, but it is probably true that there has not been an increase in real income.

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Dollar Debt

During the five years ending 1953-54, a sum of $243,954,170 has been added to the dollar debt of India, while $888,024 has been repaid. No sinking fund has been established for the repayment of the various loans. The major part of the debt is $196,164,486 by way of the wheat loan.

—Minister for Finance

Quilon Rail Link

Work on the Ernakulam-Kottayam section of the Quilon rail link has been taken in hand before the other sections and approximately 80 per cent. of the land acquisition, 60 per cent. of the earthwork in formation and 30 per cent. of bridge work have already been completed on the section. On the other sections, land acquisition is still in progress. Thirty-seven bridges have been completed.

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New Railway Lines in Andhra

No new lines are at present proposed to be opened in the Andhra State during the first Five-year Plan period, but the Renigunta-Gudur line is being converted into a broad-gauge section.

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Shipping Conferences

The Government of India is aware that Indian shipping companies have been refused admission to some of the shipping Conferences governing the intermediate trades in the India-Pakistan-U.K.-Continental trade sectors. Some of the U.K. shipping companies are members of these Conferences. The matter is, however, one for the Indian shipping companies themselves to settle direct with the Conference Lines concerned, and it is expected that the Indian Lines would make further sustained efforts at a commercial level to secure admission to the Conference in question.

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Loans to Shipping Companies

The question of liberalisation of the terms of loans to shipowners is under consideration of the Government, but, meanwhile, on an *ad hoc* basis, the Government has started granting a higher percentage of the cost of ships as loans and allowing a longer period of repayment than before. There is no proposal made by shipowners for acquisition of any tankers, but the matter is under the consideration of Government.

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Calcutta Port Development

The estimated cost of the Calcutta port development programme is Rs. 10.61 crores. So far, estimates amounting to Rs. 6.46 crores have been sanctioned. An expenditure of Rs. 1.07 crores is likely to be incurred in the current year and of Rs. 4.58 crores during 1954-55.

—Deputy Minister for Railways

New D.V.C. Board

The new Board for the Damodar Valley Corporation is expected to be constituted on 5th April, 1954. The life of the present Board will expire on 4th April. The Rao Committee's report on the working of the D.V.C. would be published shortly. Before reconstituting the D.V.C. Board, the Government would take a decision on the recommendations of the Committee.

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Andhra Irrigation Works

A sum of Rs. 5 crores is allotted by the Planning Commission for a programme of permanent improvements in scarcity areas in Andhra State. The Andhra Government has proposed 28 irrigation schemes for consideration by the Planning Commission. Of these, in consultation with the representatives of the Andhra Government, 17 schemes have been selected and tentatively approved for execution during 1954-55 and 1955-56.

—Deputy Minister for Planning, Irrigation and Power

Wage Boards

Wage Boards for fixing wages in important industries, as recommended by the Planning Commission, have not been set up, but advisory committees, sub-committees, advisory boards, etc., have been set up by various appropriate Governments under the Minimum Wages Act to assist in the fixation and revision of minimum wages. In fact, the Planning Commission's recommendation was based on the Fair Wages Committee's report. These advisory committees and boards are, in fact, functioning as wage boards. A Fair Wages Bill was introduced in Parliament and the Government is considering whether it should be introduced again. The question of implementing the provisions of the Minimum Wages Act in a particular industry was considered at the tripartite conference held recently at Mysore, and the conference expressed certain views on the matter, which would be considered by the Central Advisory Board meeting in New Delhi shortly.

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Training Within Industry

The Government has formulated a "Training Within Industry" scheme. The services of two foreign experts have been requisitioned for the purpose and one of them has already been in the country for the last six months. It is proposed eventually to establish a National "T.W.I." Institute in India and officers to man the Institute are proposed to be trained under the foreign experts. It will cover all categories of workers and training will be given within the working hours of the workers.

—Minister for Labour

Food Position in 1954

The food position in 1954 is likely to be much more favourable than in the last several years. The *kharif* crop of 1953-54 is good and there is promise of a good winter crop which will be harvested in the next two or three months. In view of the satisfactory supply position, coarse grains have been completely decontrolled since 1st January, 1954, except that movement from Saurashtra, Madhya Bharat and the eleven districts of Banaras food region of U.P. which are considered to be deficit in coarse grains, has not been permitted. Wheat has also been decontrolled, though its inter-State movement on trade account is still not permitted. There is ample stock of wheat in the Central reserve and arrangements are being made to sell this wheat freely to consumers and traders at Rs. 15-8 per maund wholesale without any quantitative restriction. As regards rice, it is expected that there will be sufficient internal surplus to meet the requirements of deficit States. Bombay will be allotted 175,000 tons of rice this year, Madras 150,000 tons, West Bengal 200,000 tons, Jammu and Kashmir 50,000 tons and Travancore-Cochin 375,000 tons.

—Deputy Minister for Food

Indo-Burma Rice Deal

The Government of India is negotiating to buy 600,000 tons of rice from Burma to build up a reserve. Negotiations started last year when India wanted to buy Burmese rice at £40 a ton, while Burma wanted £60 per ton. Therefore, no deal could be got through. Talks were resumed some time last month and they have almost concluded an agreement for the purchase of 600,000 tons of rice.

—Minister for Food and Agriculture

(Concluded from next column)

since Independence. Among the industries dealt with in detail are cotton textiles, plantations, radio manufacturing, plastics, cement and soap. Shipbuilding, industrial finance, motor transport, import and export policy, and full employment form the subject-matter of separate articles. In one of the special articles, a writer has analysed the trend of profits in industries based on the financial statistics relating to 80 companies covering coal, engineering, electricity, cotton, jute and other industries. In another article, Dr. J. D. Sundaram has sought to emphasise the beneficial role which the private sector can successfully play in the Indian economy, provided the powers-that-be adopt rational policies.

NEW PUBLICATIONS

Problems of Indian Economics. By P. C. Jain. Chaitanya Publishing House, 10-B, Beli Road, Allahabad. Price: Rs. 10-8.

THE book is a useful addition to the literature on the economic history of India. For, unlike several other books which are purely of a descriptive nature, the publication under review gives not only a descriptive but also a critical account of the Indian economic problems. By breaking away from the traditional way of writing books, Mr. P. C. Jain, the author, has certainly avoided the common mistake of being lost in a wealth of details. Indeed, the author has ably fulfilled the object of focussing the attention of readers on current problems of Indian economics.

Although the author discusses each individual topic in a separate chapter he has arranged the matter in such a way as to give a connected picture. The first ten chapters deal with the various issues pertaining to agriculture and co-operation. Special mention must be made of the interesting chapter on agricultural planning. Industry and labour constitute the subject-matters of the subsequent 14 chapters. Other chapters deal with trade, tariffs and transport, currency, banking and finance, public finance and planning. The publication under review will be useful to students of economics, in particular, and to the public interested in current economic problems, in general.

Directory of Chambers of Commerce and Associations. Compiled by the Indian Merchants' Chamber, Churchgate, Fort, Bombay. Price: Rs. 2.

The Indian Merchants' Chamber, Bombay, has served the business community well by publishing this Directory. Neatly printed, attractively got up and well bound into a handy size of 280 pages, the publication gives the names and addresses of chambers of commerce, industrial and commercial associations in India and in foreign countries. A list of Indian chambers set up abroad is also included. The Directory undoubtedly supplies a missing link between trade and industry in this country with those overseas. It opens up a new vista for the exchange of useful, valuable commercial information between India and other countries. Through the addresses made available by this Directory to the business community, enterprising exporters in India can now reach their customers easily for developing and establishing valuable contacts to expand Indian trade abroad. The utility of the Directory has been further enhanced by providing information concerning Indian and foreign missions, consulates and trade commissions. We have no hesitation in saying that, by reason of its utility, it will not be long before the Chamber comes out with the second and enlarged edition of the Directory.

A Simple Guide to Estate Duty. By Babu Lal Goyal and Nemi Chand Goyal. Published by Ram Prasad and Sons, Agra. Price: Rs. 5.

To those who need an elementary, but at the same time, a comprehensive, introduction to the Estates Duty Act, adopted by the Indian Parliament, last year, it is safe to recommend *A simple Guide to Estate Duty*. The authors, Mr. B. L. Goyal and Mr. N. C. Goyal, have been at some pains to explain the main features of the Act, in language which ought to appeal to the layman. The main chapters of the book deal with the scope and rates of estate duty, assessment and valuation of property and procedural matters connected with assessment and collecion of duty. The text of the Act is given in the appendix. A notable feature of the book is the large number of worked examples which will serve to show how property is assessed, the exemptions are presided and the duty is calculated. An additional feature is the Estate Duty Reckoner, which gives at a glance the duty that will become due to Government on properties (both joint Hindu family property and other property) ranging in value from Rs. 50,000 to Rs. 20 lakhs.

Free Press Journal Industries Review. Republic Day, 1954. Acting Editor: M. Sivaram. 21, Dalal Street, Fort, Bombay. Price: As. 4.

For a price of just As. 4, the *Free Press Journal Industries Review* provides the reader a variety of food for thought on the economic problems facing the country. The *Review* has sought to assess the progress of Indian industries

(Continued in previous column)

STRINGENCY IN MONEY EASES A LITTLE

(From Our Own Correspondent)

BOMBAY, 24th *February*

The extremely difficult conditions witnessed in the short-term money market during the past several weeks eased a little in the week under review. No further perceptible expansion in the demand for funds was reported; on the contrary, there was a small inflow of funds. The supply, however, was too meagre to bring down the interest rates to any appreciable extent. The inter-bank call money among the Exchange banks and big Indian banks, which had been unavailable even at 3 per cent. throughout the day in the previous two weeks, was still done at 3 per cent. in the morning hours, while after clearing hours there were a few lenders at 2½ per cent. The corresponding rate among the smaller Indian banks was unchanged at 3 per cent.

Borrowers did not find it so hard to get their requirements fulfilled as in the previous weeks, because conditions in Calcutta were easier, due to maturity of tea bills, and borrowers in Bombay could get funds from there, albeit in a small measure. Exchange banks were not borrowers, as their books were well balanced. Even when they needed funds, they found it cheaper to get them from their foreign offices than to pay 3 per cent. here. Some of the Indian banks were able to repay a part of their borrowings from the Reserve Bank and the Imperial Bank.

House money at call was, however, on offer at no less than 3 per cent. Short-term deposits were taken up at 3 per cent. for one to six months and at 2½ to 2¾ per cent. for longer periods.

The Government of India Treasury Bill rate, on the other hand, hardened further from Rs. 2-9-11 per cent. to Rs. 2-10-6 per cent. per annum, the upward trend thus being kept up for the third week in succession. The amount offered was also higher at Rs. 127.5 lakhs, as against Rs. 108.5 lakhs, in response to the invitation for Rs. 100 lakhs. Tenders for a like sum have been invited for next week also.

After three weeks of successive rise, notes in circulation have contracted by Rs. 5.66 crores. Disclosing this, the Reserve Bank's statement for the week ended 19th February, 1954 records an increase of Rs. 6.11 crores in notes held in the Banking Department. The net increase of Rs. 45 lakhs in total notes issued is covered by a similar rise in rupee coin. A decline of Rs. 4.31 crores is noted in the Central Government deposits, a part of which may be attributed to the payment of interest on loans which fell due during the week. Deposits of other Governments and banks have risen by Rs. 4.79 crores and Rs. 70.58 lakhs, respectively, while those of others have declined by Rs. 32.90 lakhs. Cash balances show an increase of Rs. 6.15 crores and balances held abroad of Rs. 2.56 crores. Loans and advances to Government have gone down by Rs. 72 lakhs and other loans and advances by Rs. 3.18 crores. The total amount of advances availed of by Scheduled banks against usance bills from the beginning of the current year is Rs. 16.19 crores, of which borrowings during the week amounted to Rs. 96 lakhs. The outstandings of such loans at the close of the week, however, show a decline of Rs. 2.60 crores.

The consolidated statement of position of the Scheduled banks for the week ended 12th February, 1954, as compared with that for the previous week, discloses a decline of Rs. 3.34 crores in demand deposits and an increase of Rs. 97.37 lakhs in time deposits. Inter-bank borrowings have risen by Rs. 43.20 lakhs. Borrowings from the Reserve Bank are higher by Rs. 5.62 crores and those from the Imperial Bank by Rs. 13 lakhs. Advances have gone up by Rs. 2.53 crores and bills purchased and discounted by Rs. 1.45 crores. The total advances at Rs. 515 crores are higher than those in the corresponding week of 1953 by over Rs. 14 crores and fall short of the peak touched in the previous busy season by only Rs. 25 crores. Investments are lower by Rs. 1.59 crores, while cash on hand and balances with the Reserve Bank are together higher by Rs. 2.81 crores. Balances with other banks and money at call and short notice are better by Rs. 25 lakhs.

No noteworthy change either in prices or in volume of business was witnessed in the Gilt-edged market during the week under review. Enquiries were small and selective, and fractional rises in prices were recorded in those securities which were in demand. The persistent stringency in the money market and the proximity of the Budget kept away institutional investors. 3 per cent. 1957 was unchanged at Rs. 98-7. 3 per cent. 1958, which was listed *ex-voucher* last week at Rs. 98-1, held its ground. 3 per cent. 1959-61 experienced some enquiries, after it was listed *ex-voucher* at Rs. 96-1 last week, and rose by an anna to Rs. 96-2. 3 per cent. 1963-65 and 3 per cent. 1964 were unchanged at Rs. 92-8. 3 per cent. 1965-68 was maintained at Rs. 90-4, as also 3 per cent. 1970-75 at Rs. 86-8. though some business was reported in the latter. 3 per cent. 1986 Conversion Loan was put up by As. 2 to Rs. 82-10 on the emergence of buyers. 3½ per cent. 1961 N.P. Bond had some business at Rs. 98-14. 4 per cent. 1960-70 changed hands As. 2 better at Rs. 102. 4½ per cent. 1955-60 was on offer and dropped As. 7 to close at Rs. 102-6.

LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, 22nd *February*

A somewhat quieter tendency has developed in the market towards the close and prices have registered a small decline. Trading has been limited, despite keen enquiries from crushers, and ready supplies are still scarce, owing to transport restrictions; there has been very little interest both from buyers and sellers for forward delivery. The oil market has been generally inactive with buyers showing little interest, except for a small local demand for ready goods. The latest quotations is as follows:—Ready Rs. 21-8 per maund.

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 24th *February*

The upward surge in bullion noted in the previous week abated during the week under review and a narrowly irregular movement in prices developed in both the metals. On balance, values were a shade lower, but the undertone at the close was steady.

In the earlier part of the week, the market turned a little easy, the sentiment having been adversely affected by the heavy arrivals in gold, the application of *mandi* option by professional operators and the poor offtake in silver. Subsequently, however, both the metals hardened a little, mainly due to the fall in arrivals and better demand for gold, covering by short-sellers and revival of bull support in silver.

Silver for forward delivery (18th February settlement) opened the week at Rs. 165-9 and closed on the same day at Rs. 165-5 when the settlement ran out. Business in the next settlement (22nd March) began at Rs. 164-15 and prices reacted to Rs. 163-12 on Saturday, but recovered to Rs. 164-8 on Monday. After a temporary setback to Rs. 163-6 yesterday, forward silver climbed to Rs. 164-15 and still further to Rs. 165-6 today before closing at Rs. 164-15.

Ready silver (.996 Mint), which was done on par with the forward rate for the second settlement early in the week, came to command a premium of As. 4, the opening and closing rates being Rs. 165-9 and Rs. 165-3, respectively. The floating stocks of silver are estimated at 2,200 bars. The daily average offtake was of the order of 10 bars.

Opening at Rs. 87-15, gold for forward delivery (19th March settlement) turned soft consequent on an increase in arrivals and paucity of sufficient [illegible] take in the ready position. As more arrivals were reported in the next two days, forward gold [illegible] down to Rs. 86-4 on Saturday, but a change for [illegible] better was noted from Monday onwards, when [illegible] prices began to [illegible] on good [illegible] local operators [illegible] a high [illegible] was again a shade lower at Rs. 87-6.

Ready gold opened at Rs. 88-5 and wound up the week at Rs. 87-12, commanding a premium of As. 6 over the forward. At one time during the week, the premium had narrowed down to just an anna, reflecting the weight of the arrivals. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 7,500 tolas, while the offtake was 7,000 tolas on an average.

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

	24-2-54	Highest	Lowest	17-2-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 12	88 6	86 5	88 12
Forward	87 6	88 0	86 2	88 6
Sovereign	57 4	57 8	57 4	57 4
SILVER				
Ready (.996 fine Mint) ..	165 3	165 12	163 10	166 6
Forward	164 15	165 9	163 6	166 2
London Ready	78¼d.	—	—	78¾d.
London Forward	78¼d.	—	—	78¾d.
New York Ready	85⅛c.	—	—	85⅛c.

KIPS OFFTAKE SLOW

(From Our Own Correspondent)

MADRAS, 22nd *February*

Arrivals of kips into the market have been as usual and offtake slow. U.K. buying has been selective and demand centred round 8/8½ lbs. average only at 42d. basis which is one penny below Madras prices. U.K. buyers report that sales have been freely made on 42d. basis. Light-weights have been neglected even at 53d. basis and heavies at 39½d. Inferiors are in keen request at 37d. and 30d. for lights and heavies, while sellers' idea was ½d. to 1d. more, due to good inland demand for these. Enquiries for cow calf, buff calf and buff heavies are patchy. There has been some call for buff calf and lights from the U.S.

The tanned skins section has ruled steady and arrivals are restricted in the goat section. The next London auctions will take place on 15th March, 1954, when large stocks are likely to be available for sale.

The U.S. buyers of drysalted goat skins are bidding at $9.00 basis with sellers at 50 cents more. The raw skins market is easier by Rs. 10 per hundred skins.

HIDES INDIFFERENT

(From Our Own Correspondent)

KANPUR, 21st *February*

During the week under review, the hides and skins market presented a rather confused and indifferent note. There was brisk demand for buff, but it was not sufficiently strong to effect a rise in prices. The local tanners were the main purchasers. The Madras dealers were inactive during the week.

The latest quotations are: Wet salted cow 1st grade Rs. 340 and 2nd grade Rs. 300 per score; wet salted buff 1st grade 1 lb. 6 ozs. and 2nd grade 1 lb. 14 ozs. to 2 lbs. per rupee; goat 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 225 to Rs. 250 per 100 pieces and sheep Rs. 250 to Rs. 300 per 100 pieces.

FORWARD COTTON REACTS

(From Our Own Correspondent)

BOMBAY, 24th *February*

The forward section of the cotton market, nay even the spot market, to a certain extent, is suffering from cold feet. It was but natural that the *tempo* of hectic buying during the previous weeks could not be kept up indefinitely. A severe reaction was bound to come and the increased deliveries against the February Contract provided the psychological excuse for staging this retreat. The mills' interest in Indian cotton had by no means been lessened, but, having gorged themselves to temporary satisfaction and having turned their attention to the acquisition of foreign cotton, which is also necessary for their production programmes, the mills slackened their buying somewhat for the time being. The over-bought forward market reacted sharply to this with a loss of more than Rs. 38 from the highest peak of Rs. 718 touched last week.

The ostensible reason advanced for this behaviour of unloading contracts of the longs is the fear of large-scale hedging in the coming months. Undoubtedly, the volume of hedging will increase, but this does not provide a valid reason for a severe fall, inasmuch as, under tight supply conditions, these hedges are bound to be lifted before the delivery period. Perhaps, a more pertinent reason is the monetary stringency and comparative fall in the offtake of cloth, resulting from unduly inflated prices.

In any case, the fall in cotton futures at Kalbadevi should not be regarded as an unhealthy feature. It has made forward trading in cotton more healthy and realistic. It is not unlikely that moderate support will be forthcoming round about Rs. 680-685.

The E.I.C.A. authorities, however, should consider seriously the position of trading which [illegible] with a loss of morale as was witnessed on [illegible] in the past few weeks, merely because of [illegible] daily dealings in less than 7,000 bales [illegible] allowed. The [illegible] position of [illegible] in particular, is [illegible] comparatively high, should indulge in building up huge long positions. If the elders in the Association are really serious about their frequent advices to the operators against over-trading, they should give proof of it by sponsoring some system of margins to prevent unhealthy manipulations and wide fluctuations. It seems that even the Forward Markets Commission is sitting inactive, as if it did not exist. One thought that the Commission would at least justify its existence by drawing the attention of the market authorities to unhealthy trends, instead of sitting Buddha-like in deep contemplation.

In the spot market, the volume of business has gone down to a certain extent, with the reduction in enquiries for domestic cotton. This, however, does not point to any imminent recession in prices, because both mill and investment interests are bound to revive at any slackening of prices. Amongst imported cotton, the main concentration is still on the U.S.A., as, on price parity, it is still the cheapest cotton available outside the country. The search for Mexicans continues, but it is not likely to yield spectacular results, in view of the conservativeness of most of the mills. Demand for Egyptian and East African cotton is good. But the offers are only for small lots at hardening prices.

With regard to exports, fresh rumours seem to have seized the market regarding release of an additional quantity of Bengal *deshi*, as the supply position of this cotton is believed to be very satisfactory. The local mills have had enough time to satisfy their requirements and it is reasonable to expect that the Government might now be induced to allow any surplus that remains to be exported, in view of the advanced nature of the season. In any case, fresh representations are being made to the authorities to allow an additional quantity of 35,000 bales of Bengals for exports.

In the forward section, I.C.C. February Contract met with good buying support, induced by strong advices from spot section and reports of remarkable advance in world cotton consumption, and forged ahead to Rs. 735 on the 19th inst., as against Rs. 713-8 last week. The improvement could not be sustained, as the Government's decision to allow futures trading in August delivery and continued fears of larger tenders adversely affected the sentiment of operators. There was nervous long liquidation and the Contract staged a retreat. Not only were the previous gains completely erased, but the closing quotations today was substantially lower at Rs. 695. At one time, it had gone down even lower, namely, Rs. 692-8. The net loss during the week was to the extent of Rs. 18-8. I.C.C. May Contract moved up from Rs. 699-8 to 709 on Friday, but reacted to Rs. 681-8 before finishing a shade higher at Rs. 682, the net loss during the week being Rs. 17-8. The spread between the two contracts which was Rs. 14 last week narrowed down to Rs. 13 this week.

The trend of prices in the forward section during the week under review was as follows:

		Opening	*High*	*Low*	*Closing*
I.C.C. Feb.	... Rs.	718	735	692½	695
I.C.C. May	... Rs.	698½	709	681½	682

The latest available quotations from the spot market are: Bengal *deshi* Rs. 625 to Rs. 650; Berar Jarillas Rs. 790; Khandesh Rs. 860 to Rs. 870; Vijay Rs. 895 to Rs. 900; Oomra *deshi* Rs. 750; Moglai Rs. 715.

Prices at Karachi have been steady without any important development during the week under review. There are hopes of the Continent turning gradually to Pakistan for supplies, as prices elsewhere tend to rise and the gap between the general run of world prices and those ruling at Karachi is narrowed down. Japan being the general buyer

in this market under a trade agreement, the situation in this market will, however, not be cleared till this Far Eastern country makes up its mind about its offtake from the source.

The latest available quotations from the Karachi market are: Sind *deshi* Rs. 74-8; Punjab *deshi* Rs. 71-8 to Rs. 74; 4F Punjab R.G. Rs. 70-8; S.G. Rs. 76-8; L.S.S. Punjab R.G. Rs. 75-8; S.G. Rs. 80-8; N.T.R.G. Rs. 74-8 to Rs. 76; S.G. Rs. 79-8; 289F Punjab R.G. Rs. 76-8; S.G. Rs. 85-8.

At Alexandria, the tempo of trade has remained accelerated with one lakh bales accounted for within a week. Enquiries are pouring in from every side—the U.S.A., the U.K., the Continent, India and Japan—while Iron Curtain countries are also interested in supplying petrol to Egypt at concession rate so as to utilise the earnings for purchase of Egyptian cotton. The spot basis has gone up for every variety and it will not be long before prices harden much further. The position with regard to East Africa is dark and no fresh light will be thrown on it till the Lint Marketing Board fixes the date definitely for auction. The exports from Alexandria so far have reached 452,739 bales, as against 365,000 bales for the same period during the last season.

Once again, New York prices have been creeping up to the 34.50 cent level after the reaction and somewhat selling pressure in the nearby deliveries, though internal consumption in the U.S.A. has been as brisk as during the last season. This is more than made up for by increased demand for exports, prospects for which continue to be singularly bright. The fact that spot prices are firm should be taken as a pointer to the future trend.

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

(In cents per lb.)

	19-2-54	16-2-54	9-2-54
Spot	35.20	35.05	35.00
March	34.33	34.33	34.28
May	34.40	34.38	34.37
July	34.30	34.20	34.24
October	33.61	33.58	33.41

STAPLE FIBRE YARN RECEDES

(From Our Own Correspondent)

BOMBAY, 24th *February*

Persistent pressure of sales by local and upcountry mills, coupled with poor enquiries from consuming centres, weakened the sentiment of operators in staple fibre yarn during the first four sessions of the week under review. Values, as a result, drifted lower. The downward trend was, however, halted yesterday, on budget rumours of an increase in import duty on staple fibre, with a view to giving protection to the indigenous industry, and expectation of the imposition of excise duty on Indian-made staple fibre (and also cotton) yarn. Incidentally, it may be noted that the gap in the prices of indigenous and imported staple fibre is about As. 2 per lb. Traders, therefore, showed an inclination towards fresh business and values staged a recovery. But the recovery was not sustained enough to regain in full the previous losses, with the result that the closing quotations today were lower than those a week before.

Staple fibre yarn (40×2) March contract receded from Rs. 704 to Rs. 682 on Monday, but recovered to Rs. 696 today before finishing at Rs. 690. The net loss over the week was thus to the extent of Rs. 14. Spot prices of (40×2) yarn—indigenous and foreign—also suffered losses. Among indigenous yarns, Hindusthan dropped an anna and a half to Rs. 3-8 per lb. Vasanta shed an anna to Rs. 3-11. New Great was lower at Rs. 3-11, as against Rs. 3-12½. Among foreign yarns, Shino and Aurora declined by an anna and a half to Rs. 4-4 and Rs. 4-4½, respectively. Sinco eased by an anna to Rs. 4-5. Paramount and S. Fuji also lost a like amount to Rs. 4-4 and Rs. 4-4½.

In the art silk yarn market, the forward section presented easy conditions. Operators were not keen on fresh business, as they preferred to await the Central budget proposals to be presented on Saturday next. 150 March contract, after improving from Rs. 798 to Rs. 802 on Friday, receded to Rs. 788 on Monday. Lower levels attracted support and values recovered slightly. The recovery was also assisted by steadiness in the ready section. Spot prices were well maintained, on account of good buying support, thanks to shortage of tenderable yarn and expectation of tighter stock position in coming weeks, because of restricted import policy of the Government of India in respect of art silk yarns. For the Silk and Art Silk Mills' Association, Bombay, has been granted, it is stated, import licences of art silk yarn valued at Rs. 1.86 crores for the current half-year, as against Rs. 2 crores for July-December, 1953. 150 Japan advanced by an anna to Rs. 4-9. 120 Japan was fully steady at Rs. 4-14, 120 Italy at Rs. 4-8 and 150 Italy at Rs. 3-15-6.

The differences in prices of yarns of various deniers and qualities ruling in the local and upcountry markets at present, it is reported, do not at all conform to the actual spinning costs. To quote one report: "It appears rather strange and ridiculous that prices of 120 deniers bright are about As. 8 per lb. higher than the prices of 150 deniers bright, although foreign manufacturers and suppliers have been booking business for forward delivery at more or less the same prices. This sort of irregularity and anomaly in prices creates considerable difficulties for the silk mills and various other consumers, including handlooms and powerlooms, as a result of which they are not able to produce cloth at reasonable price and, in many cases, stand to suffer heavy losses."

The cotton yarn market presented slightly easy conditions, due chiefly to bearish advices from the local cotton market. Prices of yarn tended to decline, and the actual turnover was greatly restricted. Among 80s, Finlay dropped a rupee to Rs. 69 per bundle of 10 lbs. Sriram receded by As. 8 to Rs. 64-8. Among 60s, City shed a rupee to Rs. 47. Finlay and Pioneer lost As. 4 each to Rs. 59-8 and Rs. 44-4, respectively. Yarns of 40 counts also were quoted lower. Thus, Meenakshi declined by As. 5 to Rs. 26-5 and Gokak by an anna to Rs. 26-5. Among 20s, Seksaria and Madura changed hands, As. 2 and As. 4 lower, at Rs. 16-10 and Rs. 18-8, respectively. Edward lost an anna to Rs. 16-10. Yarns of 10 counts, however, were steady, Modern, Podar and Colaba being quoted at Rs. 13-8, Rs. 13-5 and Rs. 13-6, respectively. Yarns of 30 counts evoked special support and recorded improvement. Madura, for instance, rose from Rs. 23-14 to Rs. 24-4.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those in the previous week:—

	24-2-1954	17-2-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	790 0	798 0
120 Japan (per lb.)	4 14	4 14
150 Japan (per lb.)	4 9	4 8
120 Italy (per lb.)	4 8	4 8
150 Italy (per lb.)	3 15½	3 15½
Staple fibre yarn—		
40×20 March (per case of 200 lbs.) ..	690 0	704 0
Sulco (per lb.)	4 5	4 6
New Great (per lb.)	3 11	4 5½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 8	13 8
20s Seksaria	16 10	16 12
30s Madura	24 4	23 14
40s Gokak	26 5	26 6
60s City	47 0	48 0
80s Finlay	69 0	70 0

OILSEEDS DECLINE

(From Our Own Correspondent)

BOMBAY, 24th *February*

The oilseeds market ruled generally easy during the week under review. Operators were inclined to be cautious against enlarged commitments, pending the announcement of the Central Budget on Saturday next. The easiness in groundnuts was also due to liquidation of over-bought position, which had resulted in expectation of the announcement of export quota, the prospects for which have turned out latterly to be extremely bleak. Further, offtake of *vanaspati* interests was poor, with the volume of arrivals of groundnut oil enlarged. The weakness in rapeseeds in North Indian markets was another contributory factor. The castorseed section too put on a downward trend, profit-taking by upcountry interests at the high levels touched at the end of last week. Linseed, *kardi* and *niger* seeds also declined in sympathy with the groundnut and castorseed sections.

In the groundnut section, Bold F.A.Q. ready declined from Rs. 34-8 to Rs. 33-12. February-March was lower by As. 11 at Rs. 33-8. April-May delivery eased from Rs. 34-6 to Rs. 33-8. Khandesh quality was lower by As. 12 at Rs. 34-4. Groundnut oil ex-mill declined from Rs. 17-6 to Rs. 16-13. Railway receipts disclosed a loss of As. 10 at Rs. 16-12. March and April deliveries changed hands at Rs. 17 and Rs. 17-3, as against Rs.17-9 and Rs. 17-12, respectively.

In the absence of any possible indication of the Government's policy towards castor oil exports, both bulls as well as bears were trying to minimise their risks, so that they might not be caught unawares. Moreover, arrivals of new crop have commenced during the week. Consequently, prices tended to decline. May 1954, which opened at Rs. 113-12 as against Rs. 114-4, fluctuated between Rs. 117-6 and Rs. 113-2, before closing at Rs. 113-4. Madras quality declined from Rs. 24-4 to Rs. 23-12 and F.A.Q. from Rs. 24 to Rs. 23-4. Castor oil B.S.S. eased from Rs. 13-6 to Rs. 13, I Pressure from Rs. 12-12 to Rs. 12-10 and Commercials from Rs. 11-14 to Rs. 11-10.

Last week's uptrend in the linseed section, following business deal with Australia, gave way to an easier trend. But Bold ready was a solitary exception to the general trend in that it gained As. 8 to Rs. 27. Bold February-March and April-May deliveries eased from Rs. 24-8 and Rs. 24 to Rs. 23-12 and Rs. 23-2, respectively. Linseed oil fell from Rs. 15 to Rs. 14-12.

Among others, *kardi* Bold ready declined from Rs. 19-8 to Rs. 18. February-March was lower by Re. 1-10 at Rs. 17-14. *Niger* F.A.Q. eased from Rs. 28 to Rs. 26-4 Madras was down by Re. 1 to Rs. 27 and February-March by Re. 1-12 at Rs. 28-4.

Arrivals from 1st January to 11th February 1954 in oilseeds and oils were as follows:

(In cwts.)

	1954	1953
Groundnut	4,70,856	6,02,575
Linseed	8,095	7,171
Castorseed	3,594	94,856
Groundnut oil	1,66,582	1,55,892
Linseed oil	6,148	2,763
Castor oil	2,610	21,408

The following table shows the prices of oilseeds and oil on the 24th inst., as compared with those at the end of the previous two weeks.

	24-2-54	17-2-54	10-2-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	34 4	35 0	34 8
Bold February-March	33 8	34 3	33 10
April-May	33 8	34 0	34 0
Linseed—			
Bold Ready (per cwt.) ..	27 0	26 8	25 4
February-March	23 12	24 8	23 8
April-May	23 2	24 0	23 0
Castorseeds—			
May 1954 (per candy)	113 4	114 4	113 12
Madras (per cwt.)	23 13	24 4	24 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	16 13	17 6	17 1
Castor Oil—			
Commercial (per quarter) ..	11 10	11 14	11 2

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 24th *February*

Following the reported move on the part of the Central Government to hand over the responsibility of distributing imported sugar to the trade in Bombay to a syndicate of sugar dealers, the sugar market presented easy conditions during the week under review. There was a distinct tendency for prices to recede. The downward movement was further assisted by larger arrivals of sugar into the market. In the forward section, *Fagan* delivery, which had risen to as high as Rs. 85-6 per bag some time last week, was quoted today at Rs. 83-14. Spot sugar prices also staged a retreat, the quotations for small, medium and large grains being each a rupee lower at Rs. 90, Rs. 92-94 and Rs. 96-97, respectively. Among foreign sugars, Czechoslovakian declined from Rs. 83-88 to Rs. 82½-87 per bag of 200 lbs. German sugar lost As. 4 to Rs. 82-8 per bag of 2 cwts. British refined, however, was steady at Rs. 85 per bag of 2 cwts. So also Cuban at Rs. 36-12 per 100 lbs. and Mexican at Rs. 40-12 per 100 lbs.

Arrivals of sugar into the Bombay market this week were larger, the quantity actually received being 8,600 bags, as against 7,100 bags and 6,700 bags in the previous two weeks, respectively.

As stated at the outset, the Central Government proposes to entrust the task of distributing the imported sugar to a syndicate of dealers on the same basis as is being done in Calcutta. Mr. P. A. Gopalakrishna, Joint Secretary, Union Food and Agriculture Ministry, who was in Bombay this week, held a meeting with the local sugar merchants to discuss the question of sugar distribution. The proposed scheme of the Centre has found favour with the traders. It is, however, reported that there has arisen some differences of opinion among the members of the Bombay Sugar Merchants' Association over the manner in which the scheme should be worked. Some members are said to have criticised the Association for refusing to treat 'B' class members on a par with 'A' class members. These dissident members have, therefore, organised themselves into a new association, called the *Shakkar Vyapari Mandal*. In view of this split among members of the sugar trade, it remains to be seen how the proposed scheme of sugar distribution will be implemented. In any case, a clear picture of the developments is expected to be available in the course of next week. In the meantime, it is reported that no concrete decisions for distributing the March shipments of imported sugar have yet been taken by the Union Food Ministry.

No fresh purchases of foreign sugar has so far been made. Traders are, therefore, inclined to feel that there will be no continuity in the arrivals of imported sugar and that there is bound to be a gap in the availability of sugar imported into Bombay port towards the close of March, 1954.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 23rd *February*

The jute goods market put on a slightly cheerful appearance this week. Early rumours of withdrawal of complete control over jute in the U.K. and decontrol of import trade in jute goods in Australia induced some speculative activity in the first few sessions of the week. Subsequently when it was clarified that decontrol in the U.K. was confined, at the moment, to only raw jute, activity, particularly, in hessians tapered off with quotations disclosing fractional declines. But in sackings strong speculative support boosted up values, with B.Twills witnessing the week's best rates on the 22nd inst. At this level, profit-taking set in and erased a large portion of the earlier gains. The undertone, however, remained steady at close.

B. Twills commenced the week at Rs. 106 per 100 bags as against the previous day's close of Rs. 105-10. On reports of decontrol of the import trade in jute in Australia, operators indulged in speculative deals and lifted the quotation gradually to Rs. 107-8 on the 22nd inst. The rise, however, did not persist, as some weak holders preferred to book profits, and the rate declined to Rs. 106. Hessians 40 oz. "A" opened the week at Rs. 46-6 per 100 yards. They oscillated between Rs. 46-8 and Rs. 46-6, till 22nd inst., when owing to selling pressure they developed weakness. As a result, prices declined and stood today at Rs. 45-13.

The raw jute section continued to depict an easy tone with sellers keen on lowering quotations for bulk orders. But mills continued to make their purchases sparingly, showing preference to quality. In spite of occasional support by mills as well as balers quotations were a shade lower with Assam bottoms fetching Rs. 26-8 to Rs. 27 per maund. Trading continued to remain dull and uninteresting at the close, following weaker advices from East Bengal.

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Ways and means of increasing the yield of high quality jute in Assam are suggested in a memorandum submitted to the Jute Enquiry Commission by the All-Assam Jute Growers' Association. Drawing attention to the present 'disastrous' practice of growers of taking private loans at 100 per cent. interest by executing sale deeds on their lands, the Association urges the grant of State loans on easy terms to deserving cultivators. According to the Association, facilities for ratting jute, available to growers in the State's four main jute growing districts—Nowgong, Darrang, North Lakhimpur and Goalpara—are inadequate. At present, cultivators they cannot harvest their mature crop for want of sufficient accumulation of water in the ditches. An elaborate chain of canals should be dug throughout the jute growing districts. The proposed canal net-work, besides providing ratting and irrigation facilities, will help drainage where the land is low and surrounded by high lands, as well as create new avenues for water transport.

The Association advocates setting up of a State-run model agricultural farm at Nowgong to train up young cultivators in the modern, scientific methods of jute cultivation. In order to remove the marketing difficulties of growers in areas lying far in the interior and inaccessible by road from the nearest markets, the Association suggests construction of a number of good roads. But the most urgent remedy sought for is fixation of a minimum selling price for jute.

PULSES WEAK

(From Our Own Correspondent)

HAPUR, 22nd *February*

Foodgrains markets remained quiet to bearish, reflecting an excellent overall food situation in the country and growing optimism regarding the immediate future. Reviewing the food position in Parliament this week, the Government spokesmen stated that the *kharif* crop of 1954 was good and there was a promise of good winter crop which would be harvested during the next two or three months. The food position in 1954 thus was likely to be much more favourable than in the past several years. There is reported to be sufficient internal supply of rice to meet the requirements of the deficit States, while ample stocks of wheat in the Central reserve have induced the Government to sell this week freely to consumers and the traders at Rs. 15-8 per maund wholesale without any quantitative restrictions. New Delhi's decision to reduce the price of imported wheat to be supplied to the flour mills for the manufacture of fines by a rupee per maund has been welcomed by wheat grinders in Bombay. It is stated that this step will, to some extent, help in bringing the rates of their products in line with the consumers' prices of imported wheat which were reduced a fortnight ago when private trading in imported quantities was resumed.

As was reported last week, the Central Government is negotiating for the purchase of 600,000 tons of rice from Burma to build up a reserve in the country. Rice supply, according to Mr. Kidwai, has to be made now to Calcutta, Travancore-Cochin and Bombay. Hyderabad and Madras have become self-sufficient and Andhra has been declared a surplus State. The surplus that has been declared by the States exceeds the requirements of the deficit States by 300,000 tons. The rice position is so good in U.P. that procurement has been stopped. Rice has been decontrolled in Punjab and rationing discontinued. Rationing of rice in Delhi is also expected to be abolished shortly. Superior quality rice imported from U.P. will be available at cheaper rates in the market after decontrol. Rationing of rice continues in Calcutta and in Travancore-Cochin side by side with the free market. In Bombay, the rice ration quantum has already been increased to 6 ounces.

In Uttar Pradesh, the State Government has started selling both indigenous and imported wheat to the public and the trade at the uniform rate of Rs. 16 per maund, inclusive of the cost of the bag ex-Government godowns with no extra charges levied for weighment. The minimum units of sale are five bags. There will be no quantitative restrictions on the sale of wheat lifted under the above scheme, but such wheat will not be utilised for the manufacture of fines. This move has not only affected the sentiment in the wheat section but has also had a general bearish reaction on all foodgrains sections. Stock holders of wheat, millets and coarse grains are generally anxious sellers in the markets. Supplies which had been augmented by receipts from surplus areas are plentiful now and prices have continued to recede.

There will be no import or export or procurement of foodgrains on Government account in U.P. in the next financial year. No provision has been made for these operations in the budget for 1954-55 presented to the legislature.

Pulses futures have reacted very bearishly this week and there has been a spectacular fall in prices. Heavy rains were received this week over a wide area in Northern India and at some places slight harm to the crops has been done. Generally the crops are progressing well. The latest quotations (per maund) are: Ready wheat Rs. 16 to Rs. 18, gram Rs. 10-8 to Rs. 13, barley Rs. 10, *bejhar* Rs. 9-8, maize Rs. 10 to Rs. 11, *bajra* Rs. 10-4 to Rs. 11-4, *jowar* Rs. 7-8 to Rs. 11, *guwar* Rs. 9, rice Rs. 29 to Rs. 19, peas Rs. 9, *arhar* Rs. 9-8, *urd* Rs. 14-8 to Rs. 16-8, *moong* Rs. 14-8 to Rs. 16, and *masoor* Rs. 14. Futures peas *jeth* Rs. 8-10, *arhar jeth* Rs. 9-10-6, *urd baishak* Rs. 14-4, *guwar baishak* Rs. 7-10.

SUGAR BEARISH

(From Our Own Correspondent)

HAPUR, 22nd *February*

The Government of India's decision to import adequate quantity of sugar and to associate private traders with the import business reacted bearishly on the Indian markets. There was poor demand in most of the centres. At ports, sugar prices moved within a narrow range, due to adequate supplies of better quality foreign sugar which reduced the premium on Indian sugar. Kanpur reported unsatisfactory enquiries from outstations.

Offers of foreign sugar March shipments which will be arriving in April will first be considered and later shipments arriving in May and June will receive second preference. While it will take some days before the Government receives offers from the shippers and the price and sources of supply are known, the general belief is that the bulk of imports will be of British refined quality. Conditions in the world markets have lately been dull, it is reported that, if sizable orders appear on the market, prospective buyers may be faced with selling reserve. Cuba, Mexico and Czechoslovakia are reported to be unable to promise shipments before April.

The strike of sugarcane growers in U.P. continues in name only. Spokesmen of the U.P. Hind Kisan Panchayat claim that nearly all sugar mills in east U.P. have closed down or are on the verge of closure with the exhaustion of cane stocks in their possession. The Indian Food Minister, on the other hand, says that there is no strike at all and that supplies of sugarcane to the factories are normal. The closure of the mills in east U.P. may be accounted for by the fact that no sugarcane is left in the fields in that region. No date has yet been fixed for the proposed tripartite conference to evolve a formula for a share to the cane growers in excess sugar profits. It has been officially stated that the principle of profit-sharing would apply not only to excess profits in current season but also in the future.

Mill delivery quotations (per maund) in the local market are: Jaswant Rs. 30-12, Simbhauli Rs. 31, Daurala Rs. 31-8, Mansoorpur Rs. 31-6, Amroha Rs. 30-9, Bijnor Rs. 30-9, Sehora Rs. 30-10, Rohana Rs. 32 and Rampur Rs. 33.

Gur markets remained quiet to steady and prices in the ready section moved within a narrow range. Movements in the futures section were fairly erratic on speculative manipulations, particularly after the initiation of the *Baishak* delivery contracts in the local market. The long-term trend in the *gur* markets is now viewed with some apprehension, for there are growing indications that there may be a fall in overall production of *gur* along with sugar during the current season. Already, the Indian Food Minister has hinted that sugar production is expected to decline from 1,370,000 tons to about 1,200,000 tons.

Gur stocks in west U.P. surplus *mandies* are not burdensome, while there is sustained demand at current rates. Stock accumulations are comparatively high in South Indian markets and traders there are inclined to build stocks at current rates. Baramati has a stock of 450,000 rounds and Shrirampur over 400,000 rounds. This has induced speculative sales on the [illegible] price decline.

The U.P. Hind Kisan *Panchayat* which is conducting the strike of the cane growers in the State has decided to launch an intensive campaign to persuade them to divert their cane for making *gur*, instead of delivering it to sugar mills. It is said that there is no question of making *gur* in the eastern districts, as the crushing season is closing there and some of the mills have already stopped crushing. The leaders of the *Panchayat* expect that the price of *gur*, which is higher than in the previous year, will not be affected, if the cane now still in the field is used for making *gur*.

Gur arrivals in the assembling markets were satisfactory this week, except on cloudy and rainy days. There were heavy rains this week and, for about a week, *gur* receipts would be very small. Despatches from west U.P. *mandies* were again small, due to wagon shortage affecting loadings. There was moderate enquiry from importing areas where traders are inclined to build stocks. Pansera *gur* at Hapur is now quoted at Rs. 15 and *balti* at Rs. 15-12 per maund.

FINANCES OF INDIAN RAILWAYS

(Concluded from page 357)

operation of the Quilon-Ernakulam line was also under consideration. Extension of electrification to Tambaram-Villupuram section of the Southern Railway was receiving attention.

Work for augmenting the line capacity in congested sections was being programmed on a larger scale, a sum of Rs. 3.1 crores having been provided in the budget year, against Rs. 2.1 crores in the current year, for this purpose. Special attention is being paid to the following:—

(i) Siliguri-Alipur Duar section of the Assam rail link, the capacity of which is proposed to be more than doubled;

(ii) Bezwada-Madras section of the Southern Railway including the remodelling of the Bezwada yard and the conversion of Gudur-Renigunta section from metre-gauge to broad-gauge. The capacity of the section will be increased from 300 to 420 wagons per day.

(iii) Central India coalfields via Katni-Marwara, where movement will be stepped up from 265 to 350 wagons per day.

(iv) Via Chheoki on the Central Railway, where movement is proposed to be increased from 190 to 240 wagons per day.

(v) Raichur-Arkonam section, for running additional goods trains.

(vi) Anara-Jaychandi Pahar-Burnpore section and Sini-Gomharria section, the doubling of which is being carried out for the movement of raw materials for increased production of steel.

Railway Convention Committee

Mr. Shastri disclosed that he would invite the House during the present session to set up a committee to go into the question of the rate of dividend payable by the railways to general revenues of the Central Government. Such a review was provided for in the resolution passed by the Constituent Assembly (Legislative) in 1949 defining the relationship between railway finance and general finance.

Proceeding, the Minister said that considering the vast areas which were awaiting economic exploitation through the introduction of satisfactory transport facilities, he felt that it was necessary to adopt a bold policy of development and expansion of the railways. But the prospects of increased financial resources were none too bright. Against Rs. 320 crores to be contributed by the railways for the execution of the Five-year Plan, the contribution in the first three years was likely to be Rs. 165 crores only and a shortfall of about Rs. 60 crores was expected during the Plan period. "I am examining in the above context," he added, "the implications and practicability of certain suggestions for adjustments in our fare and freight rate structure which it is claimed are necessary for a developmental economy."

He said that there was also the need for maintaining and, if possible, accelerating the pace of construction of new lines. The present high levels of the cost of materials and labour involved unremunerative investment at least for some time to come. The balance in the Development Fund were rapidly dwindling. He observed: "The only way in which new construction seems to be possible is to provide for a recovery of charges on the basis of inflated mileage for a limited period so that the projects may not be burdensome. The device may also profitably be adopted in cases where a shorter route is provided reducing the cost of transportation substantially, the whole of which need not be passed on to the consumer."

Operational Performance

The Minister said that the punctuality of trains further improved during 1953. The revised procedure for movement of commodities introduced in August, 1953, had so far worked satisfactorily. An Efficiency Bureau had been set up in the Railway Board to investigate and eliminate outmoded and costly practices and to evolve suitable techniques for achieving efficiency and economy in diverse fields of railway operation and management. As regards the working of the regrouped railways, the Minister remarked that the data available was only for a limited period which did not permit of reliable comparison being made. Some more time [illegible] made. The accounting changes to be [illegible] would also enable the [illegible] of each zone being ascertained [illegible] Amenities [illegible] the Minister said that it was his intention in the budget year to see that more of these amenities were provided at small and wayside stations. The amenities would include provision of improved platform and waiting facilities, electrification, improved lighting and foot overbridges, etc., at a large number of stations. A representative Amenities Committee had also been set up on each railway. Mr. Shastri contended that the fears entertained in some quarters about the effects of the abolition of first class on railway earnings had proved to be without foundation. Moreover, with the abolition of first class, it had been possible to increase the lower class accommodation: He added that it was the Railway Ministry's object to reduce, as far as possible, the difference that existed today between the lower and higher classes. The new third-class coaches were an appreciable improvement on the old ones. Wider seats, fans, better lights and improved lavatories had been provided. New coaches were being manufactured, keeping this standard in view. Efforts had been continued to reduce overcrowding in passenger trains. Between April, 1953, and November, 1953, 190 new trains were introduced and 126 trains extended. During 1952-53, 184 broad-gauge and 135 metre-gauge third-class coaches were put on the line. While the number of the third class passengers decreased from 1,163 million in 1951-52 to 1,120 million in 1952-53, the number of seats provided for third-class passengers increased from 856,000 to 864,000 over the same period. The position was expected to improve further. The previous year's improvement in regard to the disposal of compensation claims had been maintained.

Definite steps had been taken to improve the watch and ward and the security organisations on the railways. It was proposed to appoint for each zonal railway a security officer of the rank of a Deputy Inspector General of Police who would have direct access to the General Manager. The Home Ministry, too, was considering measures to co-ordinate action with the railways in this connection. In order to secure better representation of the vast body of railway users, National Zonal and Regional or Divisional Railway users' consultative committees had been set up.

The Minister said that, although he had not found it possible to offer at present any relief in the matter of freights and fares generally, the following travel concessions were being introduced:

(i) Circular tour tickets for distances of 1,500 miles and over at concessional fares of three-fourth the public tariff rates for second, inter and third classes. These concession tickets will apply not only to the standard circular tours notified by railways but also to circular tours suggested by parties themselves and approved by the railways.

(ii) Round tour tickets for students available for 45 days at the usual concessional rates when they undertake travel in parties of not less than four instead of in parties of not less than ten as at present. The existing concession for educational tours in parties of not less than ten will also apply to such students travelling in parties of not less than four.

(iii) Students' concessional monthly tickets in non-suburban areas, for students proceeding daily from their homes to attend schools or colleges and returning therefrom. These monthly tickets will be issued from stations not more than 30 miles distant from the station of the school or college attended, on payment of 12 single journey fares.

(iv) Concessional hill station return tickets at 1½ single journey fares to certain selected hill stations during April to October for second, inter and third classes, available for three months from all stations from which the chargeable distance is 150 miles or more.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	12th Feb., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department.					
Notes in circulation	172.44	1,179.56	1,178.82	1,158.44	1,129.20
Notes held in Banking Department	35.05	13.88	9.43	15.46	11.10
Foreign Securities	39.50	638.15	628.15	618.15	568.15
Rupee Securities	37.89	421.84	421.88	421.88	449.86
Banking Department.					
Deposits of :					
Government of India	14.89	91.54	93.28	98.19	157.40
Other Governments	..	17.00	19.51	21.47	1.02
Balances held abroad	10.08	101.43	108.14	114.19	152.00
SCHEDULED BANKS					
Demand Liabilities	134.87	513.66	516.15	518.10	526.64
		(6.94)†	(6.50)†	(8.93)†	(11.58)†
Time Liabilities	102.84	330.41	329.26	328.03	314.70
		(1.51)†	(1.52)†	(1.40)†	(1.83)†
Borrowings from Reserve Bank	..	22.96	17.34	9.43	7.03
		(10.86)‡	(4.40)‡	(1.19)‡	(0.74)‡
Borrowings from Imperial Bank	..	12.98	12.85	10.27	7.14
Cash in India	6.71	82.60	32.10	33.12	34.31
Balances with Reserve Bank	25.28	39.40	37.10	41.17	44.60
Excess over statutory limits	15.52	7.11	4.68	8.71	11.98
Balances with other banks in current account in India	..	10.54	10.49	10.84	11.00
Money at call and short notice in India	..	8.83	8.63	11.41	15.06
Investments (at book value)	..	320.61	322.20	324.60	301.82
Advances and bills	105.09	515.24	511.26	487.42	500.65
IMPERIAL BANK					
Deposits	87.76	209.25	210.98	206.85	207.96
Investments	51.99	90.31	90.22	90.25	81.94
Advances	30.87	125.48	122.50	114.45	123.72
Cash	14.69	14.58	12.89	16.37	15.94

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	16th February, 1954		12th February, 1954	
	Number of Cheques	Amount (In Rupees)	Number of Cheques	Amount (In Rupees)
Bombay	259,588	58,26,59,000	266,224	58,32,96,000
Calcutta	160,653	58,40,64,239	130,678	47,64,42,817
Madras	73,661	9,44,92,196	75,250	7,24,43,246
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,88,214	26,45,06,98,000
Nov., ,,	..	..	9,550,000	5,34,20,00,000
Dec., ,,	..	..	2,886,000	6,26,45,000

Reserve Bank of India

Statement of Affairs for the week ended 19th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	87,23,79,000
(2) Other Governments	21,78,95,000
(b) Banks	41,01,30,000
(c) Others	62,29,18,000
Bills Payable	5,26,87,000
Other Liabilities	19,11,89,000
Rupees	246,71,98,000

ASSETS	Rs.
Notes	19,48,78,000
Rupee Coin	18,72,000
Subsidiary Coin	5,33,000
Bills Purchased and Discounted—	
(a) Internal	38,00,000
(b) External	....
(c) Government Treasury Bills	12,75,33,000
Balances held abroad*	103,98,58,000
Loans and Advances to Governments	30,00,000
Other Loans and Advances	30,60,69,000
Investments	70,75,69,000
Other Assets	8,20,86,000
Rupees	246,71,98,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 8,26,00,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 16,19,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	19,48,78,000	
Notes in circulation	1173,93,48,000	
Total Notes issued		1193,39,26,000
Total Liabilities		1193,39,26,000

ASSETS	Rs.	Rs
A Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	638,15,11,000	
Total of A		678,16,82,000
B. Rupee Coin		93,88,17,000
Government of India Rupee Securities		421,84,27,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1193,39,26,000

Ratio of Total of A to Liabilities: 56.827 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 12th Feb., 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	6,94,34,000†
	(ii) Other demand liabilities	506,71,61,000
2.	Time Liabilities in India :	
	(i) Borrowings from banks	1,50,50,000†
	(ii) Other time liabilities	328,90,52,000
3.	Cash in India	33,40,39,000
4.	Balances with the Reserve Bank in India	39,40,14,000
5.	Balances with other banks in current account in India	10,54,31,000
6.	Money at call and short notice in India	8,82,58,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	320,60,97,000
8.	Advances in India	461,67,61,000
9.	Inland Bills purchased and discounted in India	53,56,05,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotments Rs. a. p.	Allotted at minimum rate %
1953					
1st December	1.00	1.10	1.00	2 7 0	91
8th ,,	1.00	1.72	1.00	2 7 2	57
15th ,,	1.00	1.00	1.00	2 7 0	100
1954					
5th January	1.00	1.83	1.00	2 7 9	70
12th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
16th ,,	1.00	1.09	1.00	2 9 11	92
23rd ,,	1.00	1.28	1.00	2 10 6	64
Total	11.00	13.21	11.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India	1948	342.13		8,730	255
Pakistan	1949	75.04		1,671	223
Burma	1951	18.67	Kyats 2,166	451	165
Ceylon	1951	7.74		451	582
Japan	1951	84.20	Y. 4,849,400	6,414	761
Philippines	1951	20.24	Ps. 7,586	1,896	846
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1951	8.48	£ (A.) 3,328	3,464	4,317
U.K.	1952	50.43	£ 18,545	18,197	3,608
U.S.A.	1952	156.95	$ 290,400	135,280	8,806
Canada	1952	14.48	$ 18,135	8,168	5,602
France	1952	42.60	F. Fr. 10,190,000	13,264	3,254
W. Germany	1952	68.00	DM. 96,400	11,156	2,201
Italy	1952	46.88	Lr. 8,112,000	6,181	1,818
Norway	1952	3.32	Kr. 10,596	1,106	3,331
Sweden	1952	7.18	Kr. 39,170	3,652	5,122
Netherlands	1952	10.25	Fl. 17,950	2,218	3,104
Denmark	1951	4.30	Kr. 20,716	1,189	3,846
Switzerland	1952	5.02	S. Fr. 20,100	3,189	4,541

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

State Bank of Pakistan

Statement of Affairs for the week ended 12th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	20,94,30,000
(b) Provincial Governments	1,14,03,000
(c) Banks	11,63,05,000
(d) Others	2,21,04,000
Bills Payable	8,79,000
Other Liabilities	4,35,83,000
Rupees	46,37,04,000

ASSETS	Rs.
Notes	4,22,71,000
Rupee Coin	4,000
Subsidiary Coin	9,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	49,97,000
Loans and Advances to Governments	2,63,00,000
Provincial Governments' Debtor Balances	2,29,27,000
Other Loans and Advances	6,56,00,000
Investments	5,26,87,000
Other Assets	19,71,89,000
	10,32,35,000
Rupees	46,37,04,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,22,71,000	
Notes in circulation	232,36,80,000	
Total Notes issued		236,59,51,000
Total Liabilities		236,59,51,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	47,47,86,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B Rupee Coin	5,42,63,000	99,28,01,000
Government of Pakistan Securities	127,64,12,000	
Internal bills of exchange and other commercial paper	....	
		133,06,75,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,61,000	
		4,24,75,000
Total Assets		236,59,51,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.63 per cent.

EXCHANGE RATES

	24th February, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D.	Rs. 476 1/2	476 1/2
Buyers T.T.	Rs. 477 1/2	477 1/2
London on New York	₹ 2.81 3/4	2.81 3/4–2.81 1/2
London on Paris	Fcs. 981 1/2	980 1/2–980 3/4
London on Berne	Sw. Fcs. 12.20-12.20 1/2	12.20 1/2–12.20 3/4
New York on London	$ 2.81 1/2	2.81 3/4–2.81 1/2

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1952	5	4
Belgium	28th Oct., 1953	2	2 1/2
Canada	17th Oct., 1950	1 1/2	2
Ceylon	25th July, 1953	2 1/2	3
Denmark	23rd Sept., 1953	4 1/2	5
Finland	16th Dec., 1951	7	6 1/2
France	4th Feb., 1954	3 1/2	3 1/2
Greece	15th July, 1948	18	12
India	14th Nov., 1951	3	3 1/2
Italy	6th April, 1950	4 1/2	4
Japan	1st Oct., 1951	8.11	5.84
Netherlands	7th April 1953	3	2 1/2
New Zealand	26th July, 1941	2	1 1/2
Norway	9th Jan., 1940	3	2
Pakistan	1st July, 1948	4	3
Portugal	16th Jan., 1944	3	3 1/2
South Africa	27th Mar., 1953	3 1/2	4
Spain	18th Mar., 1949	4 1/2	4
Sweden	20th Nov., 1952	3	2 1/2
Switzerland	26th Nov., 1936	1	3
Turkey	26th Feb., 1951	4	5
United Kingdom	17th Sept., 1953	3	4
U.S.S.R.	1st July, 1938	6	3 1/2
U.S.A.	5th Feb., 1954†	2	1 1/2
West Germany	4th Jan., 1953	4 1/2	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	Eight months ended April to November		November	
	1951-52	1952-53	1952	1953
CUSTOMS DUTIES				
Sea—				
Imports	79.41	76.60	8.81	9.98
Exports	38.48	26.59	3.23	3.13
Total sea customs	117.89	103.19	12.04	13.11
Land customs and miscellaneous	2.72	1.71	0.30	0.25
Gross customs duties	120.61	104.90	12.34	13.36
UNION EXCISE DUTIES	55.87	60.82	4.61	7.67
Grand total of Customs and Union Excise revenue	176.48	165.72	16.95	21.03

Imperial Bank of India

Statement of Affairs for the week ended 19th Feb., 1954

CAPITAL AND LIABILITIES	Rs	Rs.
Capital—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,35,00,000
Deposits and other Accounts		210,87,07,000
Borrowings from other Banking Companies Agents		5,76,23,000
Bills Payable		2,52,27,000
Bills for Collection being Bills Receivable as per contra		52,24,000
Acceptances, Endorsements and Other Obligations as per contra		69,000
Other Liabilities (including Inter-Office Adjustments)		2,42,95,000
Total	Rs.	235,06,95,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,99,09,000
Balances with other Banks		8,91,42,000
Money at Call and Short Notice		1,80,00,000
Investments—		
Government and other Trustee Securities	79,68,16,000	
Other Authorised Investments	10,53,72,000	
		90,21,88,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	105,37,80,000	
Bills Discounted and Purchased	19,85,18,000	
		125,22,98,000
Bills Receivable being Bills for Collection as per contra		52,24,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		69,000
Premises less Depreciation		2,80,000
Furniture and Fixtures less Depreciation		1,33,27,000
Other Assets (including Inter-Office Adjustments)		40,40,000
		1,52,48,000
Total	Rs.	235,06,95,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	2½% Ten-Year Treasury Savings Deposits Certificates‡	
	5-Year		7-Year		12-Year						
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstanding*
1948-49	1,54	1,47	76	74	20,40	22,86	83,26	29,91	—	12,31	..
1951-52	1,75	6,08	77	2,91	23,08	64,81	1,07,55	74,18	—	27,55	13,10	16,39
1952-53	1,53	6,84	66	3,27	23,66	84,18	1,12,86	91,01	—	31,06	7,54	25,64
November 1952	10	6,50	2	3,16	1,71	77,99	8,03	85,54	—	29,99	53	23,47
December ,,	8	6,51	3	3,16	1,58	79,84	8,45	85,95	—	30,23	48	23,84
January 1953	10	6,54	4	3,19	3,02	80,77	8,88	86,09	—	30,51	58	24,43
February ,,	14	6,61	5	3,22	1,86	82,14	8,36	86,36	—	30,76	62	25,08
March ,,	82	6,84	9	3,27	2,56	84,18	13,75	91,01	—	31,06	60	25,64
April ,,	11	6,80	5	3,27	2,24	85,95	9,56	93,01	—	31,30	50	26,28
May ,,	12	6,83	4	3,29	2,08	87,57	9,55	93,80	—	31,52	66	27,00
June ,,	11	6,82	4	3,31	2,25	89,33	9,43	93,80	—	31,78	59	27,56
July ,,	1	6,73	11	3,38	2,23	91,02	10,28	95,23	—	32,06	66	28,20
August ,,	1	6,67	9	3,44	2,23	92,83	8,78	96,67	—	32,36	69	28,87
September ,,	—	6,59	13	3,52	2,04	94,38	9,20	97,72	—	32,71	59	29,41
October ,,	—	6,51	11	3,58	2,03	95,83	8,58	97,72	—	32,99	56	29,93
November ,,	1	6,38	9	3,65	2,03	97,37	7,89	97,55	—	33,23	46	30,34
December ,,	..	..	..	..	..	..	..	..	—	..	45	30,75

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 9-1-1954	6-2-'54	13-2-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.3	90.3
1. Government of India	90.1	90.2	90.2
Indian States	95.6	95.6	95.6
2. Municipal, Port Trust, etc.	89.2	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	101.6	101.6
1. Electricity	103.4	103.1	103.0
2. Jute	98.3	98.8	98.5
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.1	103.8	103.8
7. Shipping	103.1	102.3	102.3
8. Miscellaneous	100.2	100.8	100.3
PREFERENCE SHARES	87.8	87.7	88.0
1. Electricity	98.3	98.4	98.0
2. Cotton	85.4	85.3	85.3
3. Jute	87.1	84.8	85.5
4. Coal	90.7	90.8	90.8
5. Iron and Steel	90.3	91.6	92.1
6. Sugar	75.7	74.1	74.1
7. Paper	94.0	90.1	90.1
8. Plantations	88.9	89.8	89.4
9. Miscellaneous	87.3	87.4	87.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	87.4	101.0	101.2
(a) Financial	86.4	87.1	87.5
1. Banks	87.9	87.1	87.0
2. Insurance	96.3	97.6	97.1
3. Investment Trust	91.4	92.9	93.3
(b) Public Utilities	106.8	110.5	110.9
1. Electricity	114.7	116.7	116.7
2. Shipping and other Transport	101.4	102.9	103.3
3. Railways	81.0	84.7	85.4
(c) Manufacturing Industries	99.1	103.7	103.9
1. Cotton, Woollen and Silk	92.3	101.8	101.9
2. Jute	82.8	81.7	82.7
3. Iron and Steel	106.8	116.6	116.9
4. Paper	166.1	177.4	175.9
5. Cement	121.6	118.7	118.6
6. General Engineering	121.2	126.1	127.0
7. Sugar and Breweries	85.2	89.4	89.3
8. Chemicals	105.0	108.7	108.6
(d) Non-Manufacturing Industries	102.9	108.8	108.6
1. Coal	75.8	77.0	77.0
2. Mining and Oil	139.4	160.0	162.4
3. Plantations	102.4	105.8	105.3
(e) Miscellaneous	89.9	92.8	93.4
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.8	89.8
2. Calcutta	90.2	90.3	90.3
3. Madras	90.6	90.5	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	102.4	101.9	101.9
2. Calcutta	102.4	102.8	102.8
3. Madras	100.1	100.0	100.0
PREFERENCE SHARES			
1. Bombay	92.2	92.6	93.1
2. Calcutta	85.1	84.6	84.8
3. Madras	88.5	88.9	88.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	106.0	110.2	110.3
2. Calcutta	91.6	93.8	94.1
3. Madras	94.8	99.2	99.3.
4. Delhi	92.5	100.8	100.9

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,706
1951	1,071	691,981	2,818,928
1952	963	809,242	3,336,961
Nine months ended Sept., 1950	584	585,737	10,062,255
Do Sept., 1951	956	599,884	2,073,644
Do Sept., 1952	849	757,666	2,559,081
Do Sept., 1953	600	407,917	2,055,040
January 1953	95	208,881	674,249
February ,,	88	62,180	218,607
March ,,	87	45,480	184,248
April ,,	124	49,437	254,586
May ,,	118	60,092	257,062
June ,,	101	99,881	171,263
July ,,	88	45,588	145,534
August ,,	88	47,575	460,552
September ,,	96	78,181	249,618
October ,,	96	49,746	272,245
November ,,	87	37,128	155,017
December ,,	81	42,888	244,414
January 1953†	85	26,477	128,411
February ,,	45	58,231	216,207
March ,,	67	49,122	218,853
April ,,	72	38,017	276 216
May ,,	88	80,357	252 278
June ,,	99	48,056	181,122
July ,,	87	53,083	225,164
August ,,	74	44,851	457,271
September ,,	105	71,269(a)	348,602(b)
October ,,	95	..	..

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

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,965.1	4,849.9
1952-53	614	6 301.4	5,134.8
July 1952	588	534.9	429.7
August ,,	598	531.6	432.5
September ,,	597	548.2	441.4
October ,,	599	559.7	456.4
November ,,	608	553 2	457.8
December ,,	608	585.5	441.8
January 1953	611	468.6	417.4
February ,,	614	498.0	435.7
March ,,	614	535.0	438.1
April ,,	616	540.4	458.1
May ,,	620	563.5	450.8
June ,,	625	548.8	471.0
July ,,	627	567.9	468.9
August ,,	629	576.5	464.4
September ,,	632	553.1	463.71
October ,,	634	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	30th Jan., 1954	23rd Jan., 1954	31st Jan., 1953	December 1953	December, 1952	Percentage of increase (+) or decrease (—) in Dec., 1953 as compared with Dec., 1952	1952	1951
Food Articles	379.8	386.3	384.2	387.0	344.5	+ 6.8	359.8	409.8
Cereals	439	445	436	429	431	— 0.5	450	458
Pulses	411	424	399	424	541	—21.6	482	506
Other	288	294	284	269	207	+30.0	225	290
Industrial Raw Materials	488.7	484.3	427.5	459.3	421.7	+ 8.9	453.8	508.2
Fibres	473	464	394	441	394	+11.9	454	522
Oil seeds	548	560	502	551	478	+ 7.4	484	679
Minerals	452	442	402	460	436	+ 0.4	458	425
Others	405	409	361	397	372	+ 6.7	341	538
Semi-Manufactures	365.2	362.9	345.4	356.5	342.8	+ 4.1	346.5	377.5
Leather	398	398	409	391	422	— 7.3	345	453
Mineral oils	221	221	223	221	222	— 0.9	221	197
Vegetable oils	542	551	447	526	422	+24.6	459	679
Cotton yarn	452	442	439*	432	439*	— 1.6	455*	488
Others	236	236	228	236	228	+ 3.5	211	197
Oil Cakes	428	422	415	418	400	+ 4.5	449	500
Others	305	305	249	305	251	+21.5	278	330
Manufactured Articles	364.9	364.7R	368.0	363.8	367.6	— 1.0	377.5	398.5
Textiles	402	402R	404	400	402	— 0.5	423	468
Jute	321	321	388	327	302	+ 8.9	506	808
Cotton	398*	398*R	405*	397*	406*	— 2.2	401*	400*
Rayon and Silk	428*	428*	470*	406*	442*	— 8.1	485*	511*
Woollen	313	313	290	313	280	+11.8	346	378
Metal products	337	337	342	337	342.	— 1.5	321	295
Others	283	283	288	283	290	— 2.4	298	300
Miscellaneous	708.9	711.4	617.3	711.5	625.3	+13.8	636.6	729.8
All Commodities	399.6	401.0R	380 6	389.4	372.7	+ 4.5	388.9	439.3

R = Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944 = 100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
		June	June	January	August	August	August	June	1944	1944	1944	1944	1944
1951 Average	144	139	140	127	137	140	141	160	141	140	160	148	148
1952	141	137	139	119	137	140	139	160	143	134	159	143	142
May 1952	140	136	138	118	136	140	138	160	143	133	159	143	142
June	140	135	138	118	136	140	138	160	143	133	159	143	142
July	141	136	139	118	136	140	138	160	143	133	159	143	142
August	141	136	139	118	136	140	138	160	143	133	159	143	142
September	141	136	139	118	136	140	138	160	143	133	159	143	142
October	141	136	139	118	136	140	138	160	143	133	159	143	142
November	143	137	141	119	137	140	139	160	143	134	159	143	142
December	139	134	138	119	137	140	139	160	143	134	159	143	142
January 1953	139	134	138	119	137	140	139	160	143	134	159	143	142
February ,,	139	134	138	119	137	140	139	160	143	134	159	143	142
March ,,	139	134	138	119	137	140	139	160	143	134	159	143	142
April ,,	139	134	138	119	137	140	139	160	143	134	159	143	142
May ,,	139	134	138	119	137	140	139	160	143	134	159	143	142
June ,,	139	134	138	119	137	140	139	160	143	134	159	143	142
July ,,	139	134	138

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice 1st	tons	67,452†	65,374††	23,424	20,741
Wheat	,,	24,041	23,460	6,762	6,089
Jowar	,,	41,945	39,144	6,088	5,944
Bajra	,,	25,892	22,939	2,902	2,299
Barley	,,	7,500	7,835	2,664	2,293
Maize	,,	8,794	8,073	2,507	2,021
Ragi	,,	5,358	5,399	1,235	1,212
Gram	,,	17,267	16,857	3,771	3,298
Rabi Pulses	,,	11,593	11,559	2,083	2,047
Small Millets	,,	12,170	11,854	1,932	1,891
Jute	bales	1,196†	1,617††	3,128†	4,606††
Cotton	,,	15,576	16,104	3,050	3,133
Sugarcane 2nd	tons	4,101†	4,228††	5,100†	4,990††
Groundnut	,,	11,862	11,798	2,894	3,045
Linseed	,,	8,394	8,476	855	816
Castorseed	,,	1,849	1,428	107	105
Rape and Mustard Seed	,,	5,165	5,915	828	916
Sesamum	,,	4,893†	4,219††	...	451††
Tobacco (supp)	,,	798	712	219	205
Pepper	,,	208	202	22	23
Ginger	,,	46	47	14	15
Dry chillies	,,	1,290	1,384	801	841

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Jan., 1954	67.8
	Corresponding month 1953	73.0
	Seven months ended Jan., 1954	500.5
	Corresponding period 1953	528.7
Stocks	At the end of Jan., 1954	96.1
	Corresponding month 1953	128.4
		(In 000 bags)
Exports(Jute Bags)	Week ended 30th Jan., 1954	10.895
	Corresponding week 1953	3.749
	From 1st Jan. to 30th Jan., '54	33.959
	Corresponding period 1953	13.758
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 30th Jan., 1954	37,452
	Corresponding week 1953	54,959
	From 1st Jan. to 30th Jan. 1954	166,088
	Corresponding period 1953	126,252
	RAW JUTE	(In 000 bales)
Exports*	Week ended 30th Jan., 1954	—
	Corresponding week 1953	—
	During Oct., 1953	—
	Corresponding period 1952	—
Consumption by Mills†	Jan., 1954 (in lakh bales)	3.90
	Corresponding month 1953	4.23
	Seven months ended Jan., 1954	29 02
	Corresponding period 1953	30.67

† Estimated * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10 57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,81,900	7,91,800
April 1953 to January, 1954..	9,36,700	8,96 000	6,52,200
October 1952	99,400	90,100	67,900
November ,, ...	1,03,000	93,700	69,700
December ,, ...	98,200	91,400	68,700
October 1953	99,500	94,000	68,500
November ,, ...	1,00,300	95,800	68,400
December ,, ...	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
Indian Iron and Steel Co.			
Jan. to Dec., 1953 ..	5,63,840	8,41,480	2,55,870
August 1953	20,280	7,710	4,190
December ,, ...	21,320	6,270	8,990
October 1953	55,880	30,670	81,230
November ,, ...	61,240	41,550	82,970
December ,, ...	63,100	43,080	1,14,740
January 1954	63,100	42,600	39,870

FOREIGN TRADE OF INDIA

Particulars	September,		Six Months, April to September,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	5,38	14,63	69,44	130 02
Raw materials ..	14,03	12,93	92,87	101,54
Manufactures ..	23,49	19,98	135,94	149,76
Other Items ..	21	18	1,85	2,61
Total	43,21	47,72	300,10	382,93
By land	3,20	1,38	11,78	8,55
Total Imports ..	46,41	49,10	311,88	391,78
Exports				
By sea and air—				
Foodstuffs	16,35	13,01	67,02	68,06
Raw materials ..	8,07	10,97	54,21	74,58
Manufactures ..	23,63	22,05	121,56	144,09
Other Items ..	18	39	1,92	2,08
Total	48,28	46,42	244,71	288,80
By land	73	97	3,20	14,69
Total Exports ..	49,01	47,39	247,91	303,49
Total Re-exports ..	28	32	2,41	2,08
Balance of trade in merchandise ..	+2,81	— 1,44	— 60,55	— 87,47
Balance of transactions in private treasure ..	— 1	— 1	— 6	— 4
Total visible balance of trade..	+ 2,88	— 1,45	— 69,41	— 87,51
Imports: ‡				
Total C'wealth countries ..	22,06	21,33	145,18	136,45
Total Foreign countries ..	21,16	26,89	154,92	246,43
Exports: ‡				
Total C'wealth countries ..	25,46	21,07	119,65	135,88
Total Foreign countries ..	22,82	24,45	125,05	153,42

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base: 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July, 1952	June, 1952	July, 1953	July, 1952	June, 1952	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953
Malbang	# 277	176 218	192† 250†	# 158	142 160	142 160	# 194	132 199	136 217†	# 202	137 196	141 213	# 125	105 125	102 125	# 234	199	199	# 278	98 310	95 310
Sonalli																					
Kudchi	157	181	181	146	139	139	154	194	194	154	186	186	127	113	116	147	120	120	192	194	194
Lakh	224	374	374	158	197	198	126	149	154	149	197	201	92	89	89	138	129	128	138	168	169
Multapi	124	139	139	127	156	156	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Bamra	219	232	205†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	231	175	208	208
Munjguda	108	244	268†	194	178	191†	190	241	268†	194	231	256	145	135	152†	215	160	163	266	200	202
Shankargarh ..	159	163	167	164	165	171	154	168	178	158	165	170	108	98	101	149	122	127	139	161	160
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	189†
Malur	171	216	222	153	147	150	138	163	180†	143	172	184	100	100	100	244	195	195	163	171	147†
Nana	293	207	209	802	808	819†	196	211	222†	228	221	231	130	125	128	206	184	184	222	189	189
Salamatpur	262	244	250	280	282	289	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 22nd Feb., 1953-54 Bales	From 1st Sept., to 22nd Feb., 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts	Week ended 18th Feb., 1954	42,457	Cotton Exports to—United Kingdom	7,087	9,180
	Corresponding week 1953	42,977	Continent	14,847	57,361
	1st Sept., to 18th Feb., 1954	6,65,422	China	251	318
	Corresponding period, 1953	7,72,673	Japan	37,099	93,547
			U.S.A.	9,743	15,470
Cotton Exports	Week ended 18th Feb., 1954	2,872	Other Countries	1,462	3,016
	Corresponding week, 1953		Total to all foreign countries	70,479	1,78,892
	1st Sept., to 18th Feb., 1954	1,28,201	Coastal Ports	62,730	67,322
	Corresponding period, 1953	2,43,702			
Mill Consumption	1st Sept., to 18th Feb., 1954	5,75,732(a)		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953	5,53,197			
Stock (with exporters dealers & mills) in Bombay	On 18th February, 1954	8,17,407(a)	Consumption of Cotton—Indian	October, 1953	3,26,526
	Corresponding date, 1953	9,88,030	Foreign		61,154
Karachi (Pakistan)			Foreign	Two months ended Oct., 1953	6,37,353
Receipts	Week ended 13th Feb., 1954	56,250	Indian		1,23,976
	Corresponding period 1953	75,073	Foreign	Same Period 1952	5,08,953
	1st Sept., to 13th Feb., 1954	7,47,904	Stocks (Mills and Kiln-where)—Indian		1,63,718
	Corresponding period, 1953	10,40,115	Foreign		
Exports	Week ended 13th Feb., 1954	19,789	Indian	As on 31st Oct., 1953	7,33,759
	Corresponding period, 1953	47,000	Foreign		2,28,576
	1st Sept., to 13th Feb., 1954	4,90,417	Indian	As on 31st Oct., 1952	1,016,476
	Corresponding period, 1953	6,86,000	Foreign		3,50,311
				Week ended 12th Feb., 1954	21,672
				Corresponding week, 1953	1,20,168
				1st Sept., to 12th Feb., 1954	13,05,257
				Corresponding period, 1953	16,48,907

(a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	2,05,64,000	1955-60	102¾
4 ½ Bonds	1926-33	2,20,26,000	1960-70	102
3 ½ Loan	1938-39	1,16,17,46,000	1965-85	92½
3 ½ Loan	1950	30,33,78,000	1964	92½
3 ½ Loan	1943	1,10,11,78,000	1966-68	90¾
3 ½ V. Loan	1944	1,14,06,89,000	1957	98 ⅛
3 ½ Loan	1949	1,15,01,83,000	1970-75	86½
3 ½ Loan	1945	1,13,65 64,000	1979-81	96½
2½ Loan	1951	50,35,61,000	1958	98 ⅛
2½ Loan	1946	45,43,87,000	1960	93⅜
2½ Loan	1946	57 00,69,000	1961	90½
2½ Loan	1946	35,06,06 000	1954	99½
2½ Loan	1946	14,77,48,000	1956	82½
2½ Loan	1947	75,86,72,000	1962	91½
2½ Loan	1948	60,45,01,000	1955	98 ⅛
2½ % Loan(N.P. Bonds)	1953	75,00,00,000	1961	98¾
NON-TERMINABLE LOANS				
5 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice On Servenoak, 1986 or later at option of Government after three months' notice.	82¾
3 % Loan	1946	248,91,90,000		82¾
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-55***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	103

PROVINCIAL LOANS

3 % Bombay	1942	3,54,23,300	18th Sept.	1955		99½
3 % Bombay	1943	3,50,00,000	14th Sept.	1956		99½
3 % Bombay	1944	3,44,00,000	15th Aug.	1958		97½
3 % Bombay	1949	4,00,15,000	1st Aug.	1963		93
3½% Bombay	1950	3,01,87,700	31st July	1960		94⅜
3½% Bombay	1951	3,04,06,500	17th Sept.	1962		98
4 % Bombay	1953	5,00,00,000	15th July	1963		101
4 % Madras	1952	3,66,72,700	1st Aug.	1964		101
3 % Cochin	1943	30,00,000	1st Oct.	1953-55		99
3 % Cochin	1945	1,00,80,000	16th Dec.	1955-58		98⅜
3½% Cochin	1936	70,09,000	1st June	1956-61		99
3½% Howrah Bridge (New)	1936-37	2,31,07 100		1956-66		95⅛
3 ½% Madras	1939	1,21,95 800	21st June	1959		94⅜
3 ½% Madras	1942	1,23,25,000	18th Sept.	1955		99-09
3 ½% Madras	1943	1,29 10,000	14th Sept.	1956		98⅛
3 ½% Madras	1944	1,07 91,000	15th Aug.	1958		96⅜
3 ½% Madras	1945	2 78 44 000	14th Sept.	1960		94-01
2½% Madras	1946	3,81 77 200	1st Sept.	1961		91
2½% Madras	1950	4 38,23,000	31st July	1960		93⅜
3½% Madras	1951	3,01,49,300	17th Sept.	1962		98
4 % Madras	1953	3,00,00,000	15th July	1963		99½
4 % Madras	1953	5,34,81,200	1st Aug.	1964		99⅛
3 ½% Mysore(1)	1930	1,63,44,300	1st Nov.	1955		104⅛
4 ½% Mysore(2)	1933	2,95,85,200	1st Dec.	1953-65		101⅜
4 ½% Mysore(3)	1936	3,99,72,900	30th April	1956-61		98⅜
4 ½% Mysore	1951	3,08,03,900	25th Jan.	1958		99⅜
4 % Mysore	1953	3,00,00,000	15th July	1963		99½
2½% M.P.	1942	50,00,000	18th Sept.	1953		99
2½% M.P.	1943	50,54,000	15th Sept.	1956		98⅜
2½% M.P.	1944	52,69,800	15th Aug.	1958		96½
2½% M.P.	1948	2,03,00,000	15th July	1963		91⅜
2½% M.P.	1950	1,00 24,800	31st July	1960		94
3½% M.P.	1951	1,00,00,000	17th Sept.	1962		97⅜
3 % M. P.	1953	1,00,00,000	15th July	1963		99½
3½% Punjab**	1938-44	3 49,87 200	15th Aug.	1958		98
3½% Punjab**	1942	2 35,20,000	18th Sept.	1953		99⅛
3½% Punjab**	1943	2,48,78,300	14th Sept.	1956		98⅛
3½% Punjab**	1945	2,93 81,400	14th Sept.	1960		97⅜
3½% Travancore	1944	3,00,00,000	15th May	1952-54		99⅛
3½% Travancore	1946	90,00,000	16th Aug.	1958		99⅜
4 % Travancore Cochin	1953	3,00,00,000	15th July	1963		99½
3 % U.P.	1936	1 69 39 800	15th Sept.	1961-66		90½
3 % U.P.	1946	3,23 96 800	15th Aug.	1958		97
3 % U.P.	1945	2,36,31 900	14th Sept.	1960		94
2½% U.P.	1946	2 41 19,800	1st Sept.	1961		91⅜
2½% U.P.	1951	2,00,00,000	17th Sept.	1962		97⅛
3½% U.P.	1952	4,11,13,000	1st Aug.	1964		99⅛
4 % U.P.	1953	5,00,00,000	15th July	1963		99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept.	1962		98
4 % W. Bengal	1952	2,00,00,000	1st Aug.	1964		100⅛
4 % W. Bengal	1953	3,00,00,000	15th July	1963		100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,50,000	4	1910	1971	
75,00,000	4	1911	1973	D
1 10,00,000	4	1912	1973	99¼N
14,35,000	4	1913*	1662	
80,00,000	4	1913	1974	
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
13,00,000	3½	1927*	1962	D
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1963	
24,58 000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,00,000	3½	1937*	1960	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24 300	4	1914	1974	98½
76,40,100	4	1915	1975	98½
68,02,300C.	3½	1921	1981	79
1,50,00,000C	4½	1921	1981	144N
1,24,66,300	5	1925	1955-85	105
98 21 600	5½	1926	1956-86	104½
99,84,300B	5	1926	1956-86	103½
1,49,35,000	5	1927	1957-87	103½
1,49 30,000	5	1928	1958-88	103½
80,00,000	4½	1931	1991	92½
21,72,000	5	1931	1954	99½
66,00,000	3½	1935	1965	94½
25,00,000	3	1938	1943-48	88
90,00,000	3	1938	2003	70N
90,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82½
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	84½
50,00,00C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,800	5	1923	1953-83	£87⅞
£901,000	5	1924	1954-84	£87⅞
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
12 14,944	4	1917	1982	
3,21,489	4	1918	1982	A
2,42,951	4	1918	1982	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97½N
50,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
19,00,000	4	1914	1974	97½N
23,00,000	5	1916	1976	
40,00,000	5	1919	1937-76	113N
66,00,000	5	1915**	1960-75	
25,00,000	5	1915	1935-80	
25,00,000	4	1926	1956-86	115N
25,00,000	4	1922	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£166,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
50,00,000	4	1919	1955	104
25,00,000	5½	1929	1959	107
35,00,000	5	1934	1964	108
35,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	94½
50,00,000	3	1937	1962	98
20,00,000	3	1938	1963-68	88
50 00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				
BOMBAY				
49 40,000	4	1913-14	1954	99⅜
20,60 000	4	1913-14	1974	99⅛
40,00,000	4	1913-15	1955	100
20,00,000	5	1920	1980	113
1,60,00,000	5	1924	1954	102
25,00,000	5	1928	1958	
26,14,000	5	1929	1949-59	105
8,45,500	5	1929	1949-59	104
26,21,500	5	1929	1959	102
8,25,00,000	5	1929	1979	
2,50,00,000	3½	1947	1977	87
4,00,00,000	3½	1948	1978	87
2,50,00,000	3½	1950	1965	92
2,00,00,000	3½	1951	1966	100½
1,30,00,000	3½	1952	1967	97
100,00,000†	4	1953	1963	100⅛
Rs.				Rs.
CALCUTTA				
34,45 500	6½	1925	1955	105½
84 70 000	6	1925	1955	104½
50 00,000	5	1928	1958	103½
25 00 000	5	1928	1958	103½
25 00 000	5	1929	1958	103½
10 00 000	5	1935	1962	103½
33 91 000	3½	1935	1962	108
60,00,000	3½	1936	1965	93⅜
3,11,400	3	1936	1966	88½
4,67,100	3	1937	1954	99⅜
1,62,500	3	1937	1954	99⅜
4,18,100	3	1937	1954	98½
47,50,000	3	1938	1968	88½
10,67,700	3	1938	1968	88
13,56,800	3	1938	1955	97⅜
15,56,800	3	1939	1956	99½
15,56,800	3	1939	1956	99½
17,64,400	3½	1940	1957	99½
21,10,000	3½	1942	1959	96½
15,49,300	3	1942	1972	92
16,33,000	3½	1951	1960	96
66,88 000	3½	1951	1966	96
87,36,000	4	1952	1962	96
Rs.				Rs.
MADRAS				
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15 00 000	3½	1952	1962	107½N

ABBREVIATIONS.
N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
*Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India
Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April. †† Rate of interest reduced from 5½ to 4 per cent. with effect from 1st April. † Bombay State Transport. **Quotations in Pak. Currency ***Rupee Counterpart.

PREFERENCE SHARES

Company.	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	108	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	139xd	100
Dasean Sugar & Abkhari 'A'	7,00,000	1920	7	Jan. July	110	100
East India Distilleries ..	£200,000	1897	7	Jan. July	161	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.)	5,00 000	1940	7B	Dec. ..	72	100
Parbhpore Co.	4,00,000	1922	10	Oct. ..	15½xd	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	20,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	90N	100
Upper Ganges'	12,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..		
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,900	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	84	10
Equitable	4,00 000	1895	5½(a)	Mar. Sept.	117	100
Kurapura Collieries ..	7,50,000	1946	5	.. ..	82	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	5	July ..	13	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance ..	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1886	6	Jan. July	128½	100
Basanji Cotton	5,00,000	1919	7	July Jan.	65	10
Benares Cotton	1,05,200	1896	7	Apr. Oct.	118½	100
Bengal-Nagpur	3,00,000	1898	7	Apr. Oct.	142	100
Bowrah 'A'	6,00,000	1900	7	Feb. Aug.	104	100
Do. 'B'	6,00,000	1919	7	June Dec.	110	100
Bradbury	14,75,000	1919	7	June Dec.	133½	100
Buckingham & Carnatic ..	21,30,200	1920	7½	July ..	125½	100
Cambodias	1,00,000	1928	7	Apr. ..	510	100
Central India	50,00,000	1913	5	Oct. ..	124½	100
Coimbatore Pioneer ..	1,00,000	1933	6½	Nov. ..	131½	100
Elgin	11,00,000	1912	8	May Nov.	10	10
Do. 'B' Pref. ..	4,20,000	1943	5	July Jan.	87	100
Elphinstone	25,00,000	1919	7(a)	May Nov.	132½	100
Kesoram	20,00,000	1919	7	June Dec.	6	10
Khatau Makanji	10,00,000	1923	6	Nov. ..	87½	100
Do. '(2nd)	29,92,500	1947	6	.. ..	10	10
Kothari	12,00,000	1937	6	N

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2-14‡	2	0 4	0 5	0 4			
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	56,828	1,021	B. R. Cotton Mills	524	100	6 0	6 0	Nil		12	Y.
8,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd. ..	1,91,520	4,855	Bombay Dyeing & Mfg. ..	434‡	250	17 8	20 0	20 0	7 8(i)	12	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	897‡	250	75 0	80 0	100 0	100 0	3	Y.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	319	100	18 0	20 0	20 0	8 0(i)	12	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,06(i)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	65	100	Nil Nil	Nil	Nil		12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd. ..	30,412	680	Coorla Spg. & Wvg.	107‡	100	7 8	7 8	7 8		12	Y.
10,00,000	20,04,821	63,03,745	48,46,041	76,808	Ramnarain Sons, Ltd.	30,304	50	Dawn Mills	80	50	Nil	5 0	7 8	7 8	3	Y.
84,00,000	24,00,000	62,31,133	57,35,000	5,622	Puranmal Rathakishan & Co. ..	50,296	928	Edward Textiles	263‡	200	15 0	15 0	15 0		12	Y.
99,93,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg. ..	44‡	50	4 0	(d)	3 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	276	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills.	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
8,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	121	10	0 12½	1 12½	Nil	36 4*	3	Y.P.
80,00,000D	9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	55,704	1,191	India Mfg.	11	1	0	0	Nil	12	Y.
29,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg	218‡	100	87 8	100 0	100 0	225 0*	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	312‡	100	12 0	14 0	10 0	112 8*	6	Y.P.
28,50,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,664	Madhusudan Mills	89‡	100A	7 8	5 0	5 0	20 0*	6	Y.
3,60,000B									4	50B	1 8	1 0	1 0	4 0*		
22,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0	5 0(i)	12	Y.
51,75,000	24,92,735	1,71,00,616	1,44,55,016	2,80,686	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg	205	100	17 0	15 0	12 0		10	Y.T.
1,00,47,600	2,66,192	4,27,10,536	70,00,000	38,954	Chenai & Co., Ltd.			National Rayon Corporation	163‡	100	Nil	Nil	Nil		6	Y.P.
24 00 000	28 60 686	73 05 363	44 45 960	15 887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	180‡	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	167‡	100	10 0	12 8	10 0	10 0	12	Y.
12,70,100	36,36,004	42,69,552	12,76,840	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	26‡	10	0 8	1 0	1 4		12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	132‡	100	10 0	10 0	1 4		12	Y.
40 80 000	40,66,550	24,14,688	21,58,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	145	100	9 0	10 0	10 0		12	Y.
2,00,000	8,93,379	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	19‡	10	2 0	2 0	1 4		12	Y.
85,00,000	60,49,474	1,77,57,612	81,93,664	21,949	M G Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	311‡	50	10 0	12 0	10 0		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	3,43,873	Marwar Textiles Agency) Ltd	66,836	1,640	Shree Niwas Cotton Mills ..	202‡	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,69,000	25,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	156‡	50	14 0	17 0	13 0(i)	15 0	3	Y.
96,00,000	1,30,69,660‡	1,18,80,853	78,39,301	2,889	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	330	100	15 0	20 0	20 0		3	Y.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	74,608	2,000	Swadeshi Mills	295‡	100	15 0	15 0	15 0		12	Y.
84,00,000	70,08,599	63,86,435	53,43,977	8,71,220	James Finlay & Co., Ltd. ..	35,804	552	Swan Mills	356‡	100	20 0	25 0	30 0		12	Y.P.
82,94,418	59,35,268	68,81,347	29,59,248	25,338	Tata Industries Ltd.	59,048	1,800	Tata Mills	53	25	2 0	4 0	2 0		12	Y.
12,00,000	60,55,708	99,62,654	35,50,000	6,244	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg. ..	3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
55,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	151‡	100	8 0	12 0*	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	38,40,000	1,761	P. M. Hutheesing & Sons, Ltd. ..	42,768	912	Arvind Mills	470‡	100	15 0	20 0*	20 0*		12	Y.P.
91,00,000	2,07,45,673	1,18,76,139	70,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvindo Mills	764	100	25 0	25 0*	25 0*		12	Y.P.
80,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	894	Ajudhya Ginning & Mfg. ..	300	100	30 0	35 0*	35 0*		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,368	914	Asoka Mills	535	100	40 0	50 0*	50 0*		12	Y.P.
1,24,77,072	1,06,99,227	3,71,48,168	2,37,53,344	2,87,005	Karamchand Premchand Ltd. ..	1,39,120	2,370	Calico	338‡	125	12 8	18 0	18 0		12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	46,160	867	Calico Commercial Mills ..	1,123‡	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,354	99,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	641‡	125	35 0	50 0	70 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagadhai Bhogilal Nanavaty & Co. Ltd.	24,840	549	Nutan Mills	67‡	100	28 0*	35 0*	35 0*		12	Y.P.
10,00,000	1,07,77,635	72,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	682‡	100	25 0	25 0*	30 0*		12	Y.P.
12,00,000	13,93,067	34,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Saraspur Spg., Wvg. & Mfg.	125‡	250	15 0	25 0*	25 0*		12	Y.P.
82,50,000	16,11,650	81,93,963	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,154	648	Rohit Mills	127‡	100	15 0	20 0*	20 0*		12	Y.P.
24,90,150	1,19,66,544	1,01,07,709	66,08,065	1,23,351	Hiravallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	342‡	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg. ..	392	100	15 0	20 0	20 0*		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,014	356	Basanti Cotton Mills	4½	10	0 8	9 5	Nil			
7,11,280	2,05,651	37,16,898	20,48,033	32,511	Bengal Textile Agency, Ltd. ..	31,080	936	Bengal Luxmi Cotton Mills ..	35N	40	Nil	Nil	Nil		12	Y.P.T.
6,00,000	22,75,078	77,43,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	4‡	100	Nil	Nil	3 0		12	Y.P.T.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	205	100	Nil	Nil	Nil	Nil‡	6-12	H.P.
8,00 00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	27½	15	1 14	1 14	1 12	Nil‡	6-12	H.
6,00,000	9,75,000	84,54,400	67,04,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	15	1 14	1 14	1 12	1 12	3	Y.P.
33,96,288										10	0 12	0 12	1 4		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil	Nil			
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000	...	Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2½	0 9 3½	Nil		12	Y.P.
11,94,400	51,73,009	1,90,39,719	45,27,372	18 456	Industrial Trust Fund, ...	1,00,136	665	Bangalore Woollen, Cotton	67 N	100	5 8	6 0	6 0		12	Y.P.T.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore & Cotton Mills ..	307‡	100	17 8	20 0	15 0		9	Y.
87,00,000	22,25,163	73,26,199	52 12,199	19,993	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills.	13½	10	1 4	0 8	0 8	10 0(i)	12	Y.P.
15,00,000	91,91,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	2 8	2 8	3 0	0 4‡	6,12	H.P.T.
1,78,47,800	1,57,95,906	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	135‡	10	2 14	7 8	4 0		12	Y.
20,00,000	16,31,836	30,52,642	16,31,870	93,399	Prince, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	138	10	Nil	Nil	4 0(i)		3	Y.T.
30,00,000	21,97,992	56,51,479	34,04,811	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Coimbatore Textiles	81	5	0 9	0 9	1 0		12	Y.P.
12,00,000	15,07,000	27,82,848	17,29,989	—1,21,723	R. Bheema Naidu & Co.	28,864	...	Coimbatore Cotton Mills ..	210cd	100	12 8	12 8	9 0	0 9	12	Y.P.
20,00,000	9,10,870	25,84,587	13,33,422	1,33,496	Coimbatore Pioneer Mills ..	19,798	...	Coimbatore Spg. & Wvg. ..	137‡	100	7 0	6 0	4 0		6	Y.
20,76,900	14,76,696	1,14,09,011	66,08,065	—10,23,340	G. S. Naidu & Co.	42,772	1,188	Cotton Spg. & Wvg.	42	50	2 8	5 0	Nil		6	Y.
46,87,500	88,12,906	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	188‡	100	6 0	6 0	9 0	Nil	6	Y.
8,38,14,450	1,65,19,859	6,76,75,908	3,88,00 000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills.	33½	2½	1 0	2 0	2 0	5 0	6	Y.P.
24,34,800	16,26,596	37,58,169	25,47,428	20,746	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	217	100	2 0	2 0	4 0	1 4/5 0 2 4/5	6	Y.P.
63,00,000	48,00,000	1,40,85,212	1,13,21,833	73,424	Begg, Sutherland & Co., Ltd. ..	52,812	1,198	Elgin Mills	15‡	10	1 2	1 8	1 8	1 0	12	Y.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	270	100	10 0	14 0	14 0	9 0(i)	12	Y.P.
80,00,000	12,52,505	1,33,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	113‡	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	...	Janardana Mills	72‡	50	5 0	7 8	5 0		12	Y.
24,00,000	15,75,000	61,35,358	8,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	113‡	10	0 11	1 0	3 12		12	Y.
32,00,000	70,45,343	1,38,43,856	93,43,334	1,99,524	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	585‡	250	37 8	50 0*	37 8	10 0(i)	12	Y.
33,46,150	53,40,000	94,98,025	53,73,673	14,247	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	108cd	50	4 0	5 0	5 0		6	Y.P.
1,75,02,480	2,82,94,292	4,16,07,732	3,11,45,007	8,90,094	A. & F. Harvey Ltd.	4,66,932	...	Madura Mills	153cd	25	2 0	3 0	3 0	5 0	12	Y.P.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	22,592	...	Malabar Spg. & Wvg.	42cd	15	2 0	2 0	2 8	2 8	3	Y.
80,00,000	62,50,000	55,34,948	38,37,062	77,484	W. A. Beardsell & Co., Ltd. ..	24,720	603	Mestur Industries Ltd. ..	126	200	3 0	3 0	3 0		12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	232	100	25 0	12 8	5 0		12	Y.
84,91,850	27,36,360	1,53,05,970	78,81,528	27,241	Banasiel Abirchand Dadabhoy & Co	47,560	952	Model Mills (Nagpur)	143‡	100	10 0	12 8	5 0	12 8	3	Y.
30,00,000	52,19,600	1,53,39,772	1,05,91,851	—7,77,290	Indian Textile Syndicate Ltd. ..	88,640	1,834	Muir Mills	195N	100	15 0	20 0	20 0		12	Y.
19,80,800	61,53,392	93,64,233	59,85,574	42,197	Mysore Spg. & Mfg.	49,478	500	Mysore Spg. & Mfg.	164‡	100	7 8	10 0	7 8		6	Y.
13,81,780	2,58,745	29,34,299	15,36,624	2,232	Mysore Spun Silk Mills	6,000	...	Mysore Spun Silk Mills	7	10	0 8	0 10	10 0*	10 0*	12	Y.P.
82,80 850	3,07,095D	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,196	New Victoria Mills	4‡	D. 1	Nil	Nil	Nil	2	Y.
1,00,000A	61,53,493	1,58,62,385	59,76,151	17,946	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	100	5 8	8 0	7 0		12	Y.P.
6,00 000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200	...	Pandaveshwar Mills	72	50A	5 8	8 0	7 0		9	Y.
15 00,000						27,980	...	Pankaja Mills Ltd.	110	75B	7 8	8 0	7 8			
16 81 200A	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	38,864	301	Radhakrishna Mills	46‡	100	7 4	5 0	11 4		12	Y.P.
8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896	...	Rajalakshmi Mills	169	100A	16 0	16 0	6 0		12	Y.
15 00,000	23,00,000	22,62,213	14,88,315	—83,746	B. R. Naidu & Sons	33,984	600	Raza Textiles	82	50B	8 0	8 0	8 0		12	Y.
80,00,000	46,96,000	1,03,18,822	30,52,526	—11,25,954	J. P. Srivastava & Sons (Kanpur).	53,824	440	Shree Rajpur Mills	71	50	4 0	5 0	Nil		12	Y.
22 41 300	10,52 625	21,98,011	17,73,000	65,528	G. Lisdhar & Co., Ltd.	13,824	240	Shree Rajpur Mills	75‡N	100	Nil	Nil	Nil		12	Y.
1,79,700	2,24,950	21,50,228	18,08,115	1,043	T. R. A. Iyer & Bros., Ltd. ..	18,416	416	Sitaram Spg. & Wvg.	9‡	100	6 0	Nil	Nil		12	Y.
16,00,000	1,60,39,517	2,37,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg. ..	1,755	1,000	Nil	3 0			3	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	500	500	Nil				3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,898	32,22,471	Birla Brothers, Ltd.	35,556	992	Sutlej Cotton Mills	55cd	50	4 0*	4 0*	3 0*	Nil	3	Y.
									50N	10	4 0	4 0	3 0	4 0*	3	Y.
17,50,000O	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8	100						
3,57,50,000P									8½	10P.O	0 8	0 8	Nil	Nil		
99,92,070	3,25,000	2,67,68,703	53,91,774	2,34,553	Encore & Sons (Travancore), Ltd.			Travancore Rayons	8½	10	0 14 2½	0 14 2½	Nil	Nil	12	Y.P.
13,98,830	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000	...	Trichinopoly Mills	10	10	Nil	Nil	Nil	Nil		
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	270	Vasanta Mills	1	10	1 0	1 0	11 1/2		12	Y.P.T.
12,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54,280	1,483	Vishnu Cotton	188	100	9 0	14 0*	12 0		12	Y.
									150	100	9 0	14 0*	10 0		12	Y.P.
															12	Y.P.

* Includes bonus.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	23½	25	Nil	2 12½	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	9⅛	10	Nil	1 2½	Nil	Nil	3	Y.
16,20,630							6⅛	5	1 0	1 0	1 0	0 8	3	Y.
£60,000A	£560 156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	12-6d.	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£300,000B							26-6d	B. £1	Sh. 1	Sh. 1	Sh. 1		9	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		3	Y.
6,00,000	9,00,000	13,19,818	31,961		Vittal Mallya, Esq (Chairman)	United Breweries	156½xd	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,7[illegible]4	25,89,341	20,534	Andhra Engineering Co., Ltd ..	Andhra Cement Co.	110	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							11½	B. 10	0 6	0 12	0 12			
43,14,600	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	0 8½	Nil	Nil		3	Y.T.
4,70,976D							1⅛	D. 1	Nil					
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies ..	155½XR	100	8 8	9 8	9 8	9 8	7	Y.
80,00,000O							7⅜	O. 10	0 8	0 10	0 10½			
26,40,797O	43,46,380	69,78,209	10,87,424	39,834	Hari Brothers Ltd. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	28,54,000	1,95,77,779	1,28,90,079	—4,69,859	Balmer Lawrie & Co.	Bengal Paper Mills	55	25	1 4	1 9	1 9		6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	189	100	1 4	1 9	Nil	6	3,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8h	0 12	1 0	1 0*	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	48½	10	1 8	1 0	1 0	1 0f	3,9	H.P.T.
30,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	20½	10	0 8	0 12	0 12		6,12	H.P.T.
80,80,000 / 80,00,000 A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / 1 0	Nil / 1 0*	0 4 / 1 0*	1 0*f	3,9	H.P.T.
24,00,000 A. 24,04,800 B. 4,37,800 O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	38½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0 / 0 14* / 0 2	1 0* / 0 14* / 0 2	1 0* / 0 2	1 0*f / 0 2f	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0	4 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0	3 0	5 0	4 0	6	Y.
PROPERTY AND LAND														
18,00,7800. / 2,00,000 D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10½ / 27	O. 10 / D. 10	0 9 3/5 / 2 0	0 9 3/5 / 1 8	0 8 / Nil		9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	100	100	Nil	3 0	2 0	1 8	4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,75,07,299	3 01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	402½ / 144	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	0 4 / 9 0	15 0 / 6 0	5	Y
6,00,000	.....	2,03,769	1,57,315	—2,50,505	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	Nil	Nil	Nil		6	Y.P.
15,00,000	18,43,037	16 83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	1 (0)	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000 A. 3,00,000 B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N / 111N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10-0 / 1-0	4	Y
15,47,250	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	8½	10	0 8h	0 12	0 12		9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	179N	10	1 0	1 0	1 0	1 8	6	Y.P.
32,00,000	23 18 481	1,25,91,870	81,98,292	41,741	Ghanshyam Ujjai & Co., Ltd.	Carew & Co.	8¾	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	40	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,856	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	24	10	1 8	2 0	1 0	1 0	6	Y.
35,00,000 A. 10,00,000.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	165N / —	'A' 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	6	Y.P
18,00,000.	8,62,508	73,26,508	96,33,242	29,948	Kilachand Devchand & Co.	Kesar Sugar	55N	80	3 0	4 0	Nil	Nil	7	Y.P.
18,00,000	19,02,918	27,31,285	13,56,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	45N / 27½	40 / 10	1 8 / 0 8	2 8 / 0 10	2 8 / 0 8	2 8	6	Y.P.
11,00,000	4,30,000	36,39,370	22,28,180	3,895	Karamchand Thapar & Bros., Ltd.	New Savan	6½ / 110N	10 / 100	1 0 / 15 0	1 0 / 20 0	1 0 / 20 0	20 0	5	Y.
1087,500 A. 2,71,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	7½ / 45N	10 / 25	Nil / 3 12	Nil / 5 0	Nil / 6 0	20 0 / 5 0	6	Y.
17,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4	11 0	6 0	11 0	7	Y.P.
12,00,000	12 71 178	28,94,458	18 81,746	66,000	Narang Bros. & Co. Ltd.	Punjab Sugar	170N	10	1 0	2 0	1 0		10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Puraspore Co.	13½	10	1 0	2 0	1 0	1 0	6	Y.P.
8,00,000	6,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	12N	10	1 0	2 0	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,17,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13	10	1 0	1 0	1 0	0 8	6	Y.
20,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	0 6	1 0	1 8		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shahpore Sugar	6½	10	Nil	0 8	0 6f		6	Y.
6,50,0000 / 1,75,000 D. / 8,00,000	47,623	25 93,256	11,46 770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	15N / 3N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	Upper Ganges Sugar	30	10	1 12	2 0	2 0	2 8	6	Y.P.
						United Provinces Sugar	14	10	0 4½	2 0	1 8		9	Y.
Other Centres														
44,90,750	79,06,443	65,05,214	51,13,758	83,916	W. H. Brady & Co., Ltd.	Belapur Company	260	100	12 8	14 0	15 0	16 0	9	Y.
27,56,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N / 24½	100 / 10	Nil / 1 8	3 0 / 2 8	2 0 / 2 8	1 0*	6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	5	10	0 12	1 0	0 12	1 0f	3	Y.
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Buland Sugar	10N	10	0 12	1 0	0 12		10	Y.
21,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq (Managing Director)	Mysore Sugar	45	10	2 0*	2 0	2 0	2 0	6	Y.
30,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	100½	50	8 0	8 0	8 0	8 0	6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.	Ramnagar Cane and Sugar	21½	10	0 9½	0 12	1 0	6 0	6	Y.
20,00,000 A. 4,00,000 D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co. Ltd.	Rawalgaon Sugar Farms	90N / 7N	O. 50 / D. 10	7 0	9 0	1 0 / 0 11½		8	Y.P.T.
19,99,600	34,21,961	44,37,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10N	10	1 0	1 4	0 12		9	Y.P.T.
30,00,000	10,73,392	38,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	10	Nil	Nil	Nil		10	Y.
77,50,000 A. 23,50,0000.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	176½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0		7	Y.P.
TRANSPORT														
23,00,000	1,11,04,304	1,24,61,121	8,22,019	2,04,690	Andrew Yule & Co.	Bengal-Assam Steamship Co.	175	100	10 0	12 8	12 8		10	Y.P.
1,00,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	97½	100	3 0	4 0	3 0		12	Y.
£655,588	£1,121,737	£3 428,105	£3,572,999	£13 172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	81	£10	Nil	Nil	5s 10		12	Y.
2,25,00,000	74,99,233	3 91 83,993	1,24,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	9 4/xd	10	Nil	Nil	Nil		12	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	18—12½	15	Nil	Nil	0 8	0 8 / 0 12	3	Y.P.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0		9	Y.
15,98,860	1,03,801	2,28,388	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0	32 0	9	Y.
25,00,000	1,00,000	25,18,130‡‡	8,079	8,955	Dena Bank, Ltd.	Dewkaran Nanji Investcorns Co.	25	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	10	2 0	2 0	2 8		9	Y.
99,99,230	18,35,375	1,26,92,333‡‡	10,053	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	76½	100	4 0	4 8	4 8	Nil	3	Y.P.
89 98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard Esq (Mg. Director).	Killick Industries	164 / 130	100 / 75	8 0	8 0	10 0 / Nil	10 0 / Nil	12	Y.
2,06,72,500 A. 10,00,000 D.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd	Premier Automobiles	56½	A. 100 / D. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40	20	3 0	3 0	3 0		6	Y.
2,75,00,000	1,39,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)	Western India Match Co.	210	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	130	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,0000. / 2,50,000 D.	15,00,000	1,56,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½ / 3½	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	38,21,355	31,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17½	10	1 12	2 8	1 4	1 4	8	Y.
30,00,000	15,34,104	23,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	16½	10	1 4*	1 4*	1 4	1 4	8	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Oberoi Hotels of India	10	10	0 9 3/5	0 9 3/5	0 4		12	Y.
50,00,7000. / 10,00,0000 D.	97,71,850	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	29½	O. 100	20 0*	23 0*	20 0*	0 3½ / 3 0(0)	3	Y.P.T.
20,00,000	8,38,804	54,303,140‡‡	1,25,380	Lovelock & Lewis	Birds Investment Ltd.	14½	D. 40	6 0	8 0*	6 0*		12	Y.	
30,64,680	33,27,348	99,11,669	21,85,999	94,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12½	10	1 2	1 4	1 0	1 4	9	Y.
3,25,00,000	95,00,000	2,39,42,360	1,90,64,167	1,99,112	Sir Robert Menzies	British India Corporation Ltd.	91	5	2 0	3 0	0 12	8	3	Y.P.T.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Suck, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	33½	10	2 0	2 0	2 10		12	Y.P.
31,26,000	47,57,061	1,26,55,420‡‡	9,15,489	Bird & Co., Ltd.	Eastern Investments Ltd.	142½	100	2 0	3 0	1 8	1 6		12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Gangue Rope Co., Ltd.	190	100	10 0	12 8	20 0		12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	116	100	10 0	15 0	10 0		3	H.
30,00,000	11,42,354	42,81,816	29,39,773	29,418	Great Eastern Hotel	Great Eastern Hotel	250	15	0 10	1 0	0 12	7 8	3	Y.P.
12,42,800	5,06,049	60,60 790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	15	10	1 0	1 8	1 0		3	Y.
4,96,12 650	1 92 800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	7½	10	1 8	2 0	1 8		12	Y.P.T.
1,60,00,000	38,25,000	3,07,88,155	1,21,00,053	22,27,807	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	122½	100	Nil	Nil	Nil	Nil	3	Y.
1,52,89 220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen Esq.	Indian Cables	21½	10	3 8	5 0	3 0		3	Y.P.
8,27 970	5,38,000	14,39 460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	13	10	1 0	1 0	1 0	1 0*	3	Y.P.
2,00,00,000	57,45,280	25,81,477‡	4,24,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	116	100	2 0	3 0	0 12	0 12	3	Y.P.
6,34,0000. / 86,0000 D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2½ / 1½	O. 10 / D. 2½	Nil	Nil	Nil	7 8	3	Y.P.
40,00,0000. / 5,00,00 D.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	185xd	O. 100	12 8	12 8	7-8		3	Y.
1,30,35,750	30 19 025	13,73,127††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21½	D. 10	0 12	0 12	0-4		12	Y.P.
6,15,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 4	1 2	Nil		9	Y.T.
4,68,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	3½	10	Nil	Nil	Nil		12	Y.
10,00,000		11,45,854	3,93,996	11,329	B. V. Ganapathy Iyer, Esq.	Mysore Tobacco	16	10	1 0	1 0	1 0	1 0	3	Y.P.
20,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	11	10	Nil	1 0	1 0	1 0	3	Y.P.
99,97,000	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	16½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
40,00,000	24,00,000	41 58,116	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	10	10	0 4	0 8	Nil		3	Y.P.
2,25,00 000	13,27,473	1,65,91,420	46,12,194	17,549	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	4½	2	1 9 3/5	0 10½	0 4½		12	Y.P.
1,14,00,000	78,51,108	6,09,39,407	2,19,38,623	7,17,486	Sahu Jain Ltd	Rohtas Industries	58½	100	8 8	Nil	Nil	Nil	12	Y.P.
40,00,000	94 66,946	1,21,92,814	75,55,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17cd	10	Nil	0 12	1 0		8	Y.P.
75,00,000	35,00,000	12,11 901‡	2,17,120	3,56,616	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0	1 0	1 0	1 8	10	Y.P.T.
9,98,380	1,50,000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	32	10	1 0	1 0	1 0		6	Y.P.
									0 6½	Nil	Nil		12	Y.

‡‡ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 28 lakhs. †† Excluding goodwill at cost Rs. 25,17,685 ‡ Excluding goodwill (written down Rs. 30 lakhs. § Excluding Rs.81,49,08,808 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	19,484	McLeod & Co., Ltd.	325	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	72,560	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	4,25,000	—2,58,910	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28	10	4 0	3 0	Nil		12	Y.
3,50,000	7,21,416	14,91,743	5,25,000	61,629	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	71,941	Andrew Yule & Co., Ltd.	556	Banasia	35	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	—37,182	Williamson Magor & Co., Ltd.	356	Betjan	27½	10	3 8	1 8	Nil		12	Y.
3,20,000	4,90,000	8,79,729	3,76,121	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	33½	10	5 0	0 8			12	Y.
16,50,000	17,31,058	44,86,333	18,68,359	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
6,00,000		10,38,918	1,51,948	—32,144	McLeod & Co., Ltd.	450	Borrmah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
7,50,000	3,43,500	8,21,734	3,13,632	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12	10	1 0	1 0	0 8		6	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	12½	10	1 0	Nil			12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	265	100	30 0	22 8	10 0		12	Y.
8,00,000	7,15,000	25,31,755	2,76,146	35,084	James Warren & Co., Ltd.	610	Dheiakhat	13½	10	1 9 3/5	1 3½	1 0		12	Y.
17,51,440	6,66,828	20,85,548	3,110	McLeod & Co., Ltd.	613	Dhunseri	13½	10	2 0	1 0	Nil		12	Y.P.
4,68,970	2,20,000	8,09,426	32,879	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	11½	10	1 0	0 8	Nil		12	Y.
4,50,000	2,75,000	8,01,461	1,17,960	25,960	Williamson Magor & Co., Ltd.	625	Dimakuri	14	10	1 8	1 8	1 0		12	Y.P.
2,36,700	3,70,000	8,93,115	1,63,119	1,15,948	Williamson Magor & Co., Ltd.	669	Duffanghur	39½	10	2 8	1 0	2 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	20	10	2 4	2 4			12	Y.
10,00,000	3,65,000	18,91,120	7,31,120	—2,586	Andrew Yule & Co., Ltd.	407	Gilapukri	21	10	3 0	1 0	Nil		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	1,11,346	Williamson Magor & Co., Ltd.	522	Gohpur	36	10	4 0	3 0			12	Y.
3,38,000	4,00,000	12,09,149	5,56,149												
4,94,360 / B. 2,40,700	13,22,810	17,77,138	3,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	29½xd / 15½xd	A. 10 / B. 5	3 0 / 1 8	2 0 / 1 0	2 0½ / 1 0½		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	33½	10	4 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,847	2,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	308N	100	25 0	17 8	Nil		12	Y.
7,50,000	3,85,000	13,93,352	2,02,650	—1,52,000	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 0	0 8	Nil		12	Y.
2,40,000	80,000	13,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	200N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Lalo	9½	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,549	87,549	—1,89,615	Duncan Bros. & Co., Ltd.	673	Mohenga	5½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	2,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	550N	100	45 0	35 0	Nil		12	Y.
1 O. 50,000		8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	35½	P.O. 10	3 0	3 4	2 0		12	Y.
P.O. 2,00,000	3,65,000							17	10	2 4	2 4				
4,00,000	3,41,211	5,78,550	4,06,665	20,262	S. C. Sen, Esq., Supervising Director	540	Naga Hills	88½	10	1 4	Nil			12	Y.
5,35,000	—	10,14,665	59,000	59,000	Shaw Wallace & Co., Ltd.	810	Namburadi	76N	100	Nil	Nil			12	Y.
3,00,000		3,92,221	44,129	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnamoli Hah	26½	10	3 0	1 12	Nil		12	Y.
2,00,000	4,77,500	6,98,742	1,97,159	20,602	Andrew Yule & Co., Ltd.	345	Rajgarh	13½	10	1 0	Nil	Nil		12	Y.
6,00,000	2,82,640	17,57,382	2,48,752	—69,162	James Finlay & Co., Ltd.	902	Sapoi	13½	10	2 0	1 0	Nil		12	Y.
3,00,000	6,55,000	10,86,222	2,86,202	59,392	Octavius Steel & Co., Ltd.	513	Teen Ali	25½	10	3 10	1 12	Nil		12	Y.
5,98,000	6,50,455	9,60,684	2,12,258	65,352	McLeod & Co., Ltd.	493	Tolailan	14½	10	1 12	1 0	Nil		12	Y.
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JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Asarpara	17	10	3+4	1+4	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,064	32,11,551	4,47,196	Sahu Jain Ltd.	498	Alliance	190	100	4+10	15+15	8+10	12f	5, 11	H.P.
4,00,000	2,55,000	50,34,068	30,69,557	—59,145	McLeod & Co., Ltd.	446	Alexandra	167	100	Nil	5	Nil	Nil	Nil	6, 12	H.P.T.
80,00,000	2,10,000	1,17,26,264	87,34,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	172	100	Nil	5	Nil	Nil	Nil	6, 12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,078	Duncan Bros & Co., Ltd.	2,361	Angio-India	213	100	Nil	10+10	10+15	7½+5	3, 9	H.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	120	100	1½+4	6+5	5+4	2+2	3, 9	H.P.T.
80,00,000	29,17,170	97,56,916	64,26,682	64,086	Jardine Henderson & Co.	959	Bally	100	100	6+6	6+1	Nil	4+Nil	3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	160	£5	£1	£1	£1	£1	3	Y.P.
28,00,000	37,49,823	88,18,148	48,06,254	62,117	Andrew Yule & Co., Ltd.	870	Belvedere	216	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
12,50,000	35,95,000	54,22,523	24,75,686	4,28,770	Soorajmull Nagarmull	600	Bengal	158	10	1½	3	1	..	6	Y.P.T.
30,42,000	2,64,16,567	3,06,30,766	1,21,11,242	1,03,646	Birla Bros., Ltd.	1,373	Birlia	113 15	10	1½	3	3	..	3	Y.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	149	100	3+10	10+12	6½+6½	6+4	4 10	H.P.
7,47,300	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons.	502	Calcutta Jute Mfg.	15¾	10	Nil	1+1	0+¾	..	6, 12	H.P.T.
1,00,00,000	51,81,234	93,48,040	38,01,614	66,673	Andrew Yule & Co., Ltd.	616	Caledonian	167	100	4+10	10+10	6+6	6f	5, 11	H§
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	152xd	100	3+5	5+7	7+8	3+3	3, 9	H.
15,95,000	28,39,282	74,79,096	54,30,736	84,089	Andrew Yule & Co., Ltd.	510	Cheviot	240	100	6+10	10+12	6+6	6f	5, 11	H.P.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,086	McLeod & Co., Ltd.	500	Chiapalah	12½	10	¾+¾	1¼+4½	2½+1¼	1½f	6, 12	H.T.P.
14,00,000	17,00,000	78,04,949	64,24,440	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	23¾	10	1½	3½	2	Nil	3	Y.P.
31,49,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	132	100	1+3	8+6	6+1½	1+3	3, 9	H.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	256	100	5+12½	15+17½	10+10	10+10	5, 11	H.P.
15,00,000	36,50,000	76,14,561	54,92,731	57,611	McLeod & Co., Ltd.	500	Empire	20¾	10	1+1	1½+1½	1+¾	1f	6, 12	H.T.P.
21,00,000	36,16,752	2,68,90,777	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	470	100	2½+20	12½+12½	10	Nil	Nil	3, 9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	3,411	Bangur Bros., Ltd.	1,014	Fort William	320	100	Nil	4	Nil	Nil+5	3, 9	H.T.P.
84,12,000	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	80	100	Nil	3½	2½+2½	Nil	Nil+Nil	3, 9	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	240	100	48	90	30	30	3	12	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,438	Macneill & Barry Ltd.	320	Gourepore	320	100	2½+15	10+10	1½ Nil	Nil+2½	3, 9	H.P.
84,10,000	29,45,542	2,19,25,904	1,64,07,917	—1,95,248	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	10	3	Y.P.
40,10,000	48,98,611	77,52,998	49,35,241	2,81,942	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	25¾	10	1	3	1½	1½	3	Y.P.
16,20,000	15,20,698	64,92,980	44,81,416	65,170	Jardine Henderson Ltd.	1,040	Howrah	25¾	10	¾+¾	¾+¾	1+¾	¾+¾	3, 9	H.P.
65,42,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Ramsott Ramkissendas	2,272	Hukumchand	40¾	7½	3½	5	5	3	3	Y.P.T.
50,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Mackinnon Mackenzie & Co. ..	1,076	India	142	Q. 125	31+90	31+1¾	3¾+3¾	3¾f	3, 9	H.
87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Jardine Henderson Ltd.	1,797	Kamarhatty	7 & N	D. 75	A 7·4 7·8	¾	¾+¾	¾f	3, 9	H.
10,000								202	100	8¾+8¾	10+12½	8¾+6	6f		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224				186	100	8¾+8¾	10+12½	8¾+6	6f	6, 12	H.P.
19,20,000								150	100	Nil	5+7½	6+4	5f		
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	143	100	Nil	5+7½	6+4	5f	6, 12	H.P.
24,00,000								216	100	10+10	12½+25	7½+7½	7½f	6, 12	H.P.
21,00,000	47,00,000	92,15,648	70,45,276	1,04,320	McLeod & Co., Ltd.	703	Kelvin	108xd	100	Nil	15	10+15	10f	3, 9	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,498	3,07,185	Anderson Wright Ltd.	1,510	Kharadah	197	100	1½+4	10+9	10+7	4+5	3, 9	H.P.T.
48,00,000	98,02,054	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinmion	138	100	2+10	11+8	7+3	2+5	3, 9	H.P.
24,48,000	50,32,314	1,36,71,285	76,99,271	45,481	Bird & Co., Ltd.	840	Lawrence	155	100	5+9	12½+11	6+4	2+3	3, 9	H.P.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	558	Lothian	299	100	5+10	15+17½	15+15	15f	5, 11	H.P.
10,00,000	36,31,301	50,34,106	35,14,128	84,044	Andrew Yule & Co., Ltd.	1,008	Magna	113	100	2½+6¼	2½+1¼	2½+2½	2½f	3, 9	H.
81,65,200	25,15,448	1,93,98,406	1,16,00,448	2,70,020	F. W. Heilgers & Co.	815	Naihati	122	100	Nil	5	10+4	6+Nil	Nil	3, 9	H.
43,98,900	41,07,593	1,57,03,661	92,02,957	—4,87,375	Howrah Trading Co., Ltd.	425	Naskarpara	12	10	¾+¾	1½+1½	¾+¾	Nil	4, 10	H.T.
20,75,000	34,80,000	27,11,796	16,26,727	—1,47,786	Andrew Yule & Co., Ltd.	852	National	25¾	10	1+1	1+1½	1+1	1+1	4, 10	H.P.
35,00,000	44,27,657	27,73,940	9,20,551	1,41,118	McLeod & Co., Ltd.	316	Nellimarla Jute	12¾	10	Nil	2½	1+1	1f	6, 12	H.P.T.
7,50,000	40,10,000	26,25,140	24,51,252	31,345	Sahu Jain Ltd.	709	New Central	292	100	4+10	15+15	10+12	12f	6, 12	H.P.
10,50,000	49,78,375	48,94,020	26,12,949	76,212	Bird & Co., Ltd.	567	Northbrook	20¾	10	Nil	Nil	1	1+¾	3, 9	H.P.T.
16,79,880	48,96,093	1,22,95,504	56,02,689	39,494	Macneill & Barry Ltd.	1,092	Nuddea	50	50	Nil	1½+1½	1+¾	Nil+¾	6	H.P.
64,79,300	33,26,497	2,13,70,743	1,36,90,475	66,942	Andrew Yule & Co., Ltd.	601	Orient	190	100	4+10	12+12	1+6	6+6	5, 11	H.P.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	McLeod & Co., Ltd.	400	Presidency	52	5	Nil	Nil	Nil	Nil	6, 12	H.T.
25,00,000	4,41,164	80,71,927	61,33,411	—1,41,148	Mr. R. N. Banerjee	305	Ramakrishna	52	10	Nil	Nil	Nil	Nil	3, 9	H.P.
20,00,000	58,659	1,23,47,175	56,07,248	—2,36,541	Jardine Henderson Ltd.	1,276	Reliance	15¾	10	Nil	Nil	Nil	¾+¾	3, 9	H.P.T.
49,50,000	1,50,000	71,971			Thomas Duff & Co. (India), Ltd...	2,013	Samnuggur	13¾	£1	10%	10%	10%		12	Y.P.
£600,000	£1,102,661	£1,203,890	£952,640	£82,640	Begaria More & Co., Ltd.	911	Shree Ambica	14¾	10	Nil	1½+1	1f	1f	3, 9	H.P.
30,00,000	13,07,220	97,26,210	59,19,652	4,05,669	Hindustan Investment Corporation.	401	Sonarah	21¼N	10	¾	Nil	Nil		12	Y.P.T.
14,00,000	7,74,812	48,14,456	35,67,743	3,54,944	Bird & Co., Ltd.	650	Standard	130	100	3+6	9+8	8+1	1+1	3, 9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	11¾	£1	10%	10%	10%		12	Y.P.
£600,000	£949,927	£940,995		£115,163	Bird & Co., Ltd.	1,326	Union	171	100	1+7	12½+11	10+1	1+4	3, 9	H.P.T.
53,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	13¾	£1	10%	10%	10%		12	Y.P.
£400 000	£587,164	£1,059,917‡		£139,798	McLeod & Co., Ltd.	465	Waverley	6¾	1	Nil 1/40	1/40 Nil	Nil	Nilf	6, 12	H.P.T.
2,50 000	1,35,000	56,35,513	35,66,368	57,059											

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	20	10	1+1	1+¾	¾+¾	¾f	3, 9	H.
12,00,000	8,42,500	37,55,343	34,25,643	58,926	Jardine Henderson Ltd.	Bararee Coke	19¾	10	¾+¾	¾+¾	¾+¾	¾f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾N	10	¾+¾	¾+¾	¾+¾	As. 11¾f	6, 12	H.
1,80,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	516	200	17½+17½	17½+17½	20+20*	17½*f	4, 10	H.P.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	¾+¾	¾+¾	¾+¾	Nilf	6, 12	H.P.
15,97,000	4,73,358	37,29,185	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	3	10	¾+¾	¾+¾	¾+¾	Nilf	9	Y.
40,00,000	14,81,010	1,26,82,109	61,11,674	6 280	Sahu Jain Ltd.	Bharat Collieries	6¾	10	¾	¾	¾	..	9	Y.
7,15,000	14,91,077	51,08,475	35,54,099	—41,444	F. W. Heilgers & Co., Ltd. ..	Bhulanbarare	14	10	¾+¾	¾+¾	¾+¾	..	6	Y.T.P.
16,00,000	14,10,773	66,15,834	39,31,704	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9¾	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Burrea	29	10	1½+1½	1½*+1½*	1½*+1½*	1½*	6, 12	H.T.
10,92,480	1,70,38,398	4,07,13,905	1,64,07,883	83,552	Bird & Co., Ltd.	Burrakur	9¾	10	¾+¾	¾+¾	¾+¾	¾f	6, 12	H.P.T.
49 97 000	7 50	34,32,368	57,646	3,018	Hindustan Investment Corpn., Ltd.	Central India	6¾	10	Nil	Nil	Nil	..	3	Y.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14¼N	10	¾+¾	¾+¾	¾+¾	Nilf	6, 12	H.
4,00,000	1,41,367	7,50 [illegible]		19 867	F. W. Heilgers & Co. Ltd.	Churia	2¾	4	¾+¾	¾+¾	¾+¾	..	6, 12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	2¾	10	¾+¾	¾+¾	¾+¾	Nilf	6, 12	H.
£240,000	£332,811	£224 [illegible]	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	6¾	10	¾+¾	¾+¾	¾+¾	Nilf	6, 12	H.
89,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	£1	10	1½	5	3½ (1)	2½	4	H§
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghunick and Mustia	31¾	10	2½+2½	2½+2½	2+1½	1½	6, 12	H.P.
12,00,000	1,57 000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	42	50	3	3	..	..	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,438	Macneill & Barry Ltd.	Hurriadih	50	50	3	3	4	3	6	Y.P.
82,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bangur Bros., Ltd.	Jogta Coal	13¾	10	¾+¾	Nil+¾	Nil	¾f	6, 12	H.
3,50,000	5,58,000	13,65,400	9,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	40¾N	10	Nil	Nil	Nil	Nil	12	Y.P.
20 00 000	..	25,62,791	1,90,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	75	100	Nil	Nil	1½+1½	1½+1	2, 8	H.
5,00,000	12,00,000	47,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherrah	42	10	1½+1½	1½+1½	2+2	2+2	2	Y.P.
1,38,400	95,000	10,63,519	3,25,519	1,063	Berriwala & Co.	Khas Kajora	6¾N	10	¾+¾	..	..	..	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusunda	6¾	10	3½	3½	..	..	6, 12	H.P.
9,00,000	11,50,000	28,47,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11¾N	10	..	..	..	..	6	Y.
7,48,240	1,50 000	11,24,142	8,84,138	20,398		Nanira	6¾	10	¾+¾	¾+¾	¾+¾	..	4	Y.
17,76,240	13,72,000	1,17,02,211	83,01,381	71,764	Andrew Yule & Co., Ltd.	New Beerbhoom	18¾	10	¾+¾	¾+¾	¾+¾	¾f	6, 12	H.
6,00,000	3,30,000	31,61,432	15 78,155	60,718	Octavius Steel & Co., Ltd.	New Manbhoom	11	10	3/10x3/10	Nil	Nil	Nil f	4, 10	H.P.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	12 N	10	¾+¾	¾+¾	¾+¾	¾+Nil	3, 9	H.
1,57,500							7¾ N	7½	3½	5	5	¾+Nil	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	19¾	10	¾+¾	Nil	¾+¾	¾+Nil	6, 12	H.P.
10,00,000	1,10,000	35,80,122	14,26,827	56,421	K. C. Thapar & Bros.	Orsenal Coal	12N	10	¾+¾	¾+1	¾+¾	1f	6, 12	H.P.
8,34,000	83,596	17,23,582	4,27,675	15,769	Deerchand Kishenlall	Perasea	4¾	10	Nil	Nil	Nil	..	12	Y.T.
15,75,000	8,75,000	39,37,649	26 12,949	31,995	Shaw Wallace & Co., Ltd.	Perch Valley	24	10	¾+¾	¾+¾	Nil f	..	6, 12	H.P.
83,99,300	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	10¾	10	¾+¾	¾+¾	¾+¾	..	2, 8	H.
13,50,000	7,38,385	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	25¾	10	Nil	Nil	Nil	..	3, 9	H.
20,00,000	3,95 008	32,32,218	13,30,300	438	Jaipuria Sons Ltd.	Sanla Collieries	7¾	10	¾+¾	¾+¾	¾+1	1f	6, 12	H.
1,25,000	15,67,105	11,99,383	9,78,999	20,449	Gillanders Arbuthnot & Co., Ltd.	Seanole	8N	25	¾+¾	¾+¾	¾+¾	..	6, 12	H.
2,80,000	6,77,288	28,40,123	15,19,968	25,876	Andrew Yule & Co., Ltd.	Seebpore	23¾	7	2½+2	2+2	2+1	..	1	Y.
8,00,000	8,74,490	36,99,197	26,21,250	—1,54,849	F. W. Heilgers & Co., Ltd. ..	Sendra	91N	10	¾+¾	Nil	Nil	Nilf	6, 12	H.P.
63,21,450	13,23,954	3,24,72,792	2,26,34,394	65,540	Industrial Trust Fund (Government of Hyderabad)	Singareni	6¾	10	¾	¾	¾	Nilf	6, 12	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	10¾	10	¾+¾	¾+¾	¾+¾	..	12	Y.T.
8,00,000	13,89,543	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	21	10	Nil	1½+1	1f	1f	2, 8	H.
10,00,000	12,950	30,15,423	15,43,301	—3,64,536	Villers Ltd.	Talcher	4¾	2½	Nil	Nil	1+1	1f	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Umaria	22¾	10	1½+1½	1½+1½	1½f	..	9	Y.
49,98,000	..	44,91,178	13,91,545	63,560	Hindustan Investment Corpn., Ltd.	West Bengal	5¾	10	¾+¾	..	..	..	6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	18¾	10	¾+¾	¾+¾	Nil	Nilf	3	Y.
													6, 12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 392 in the debentures section:—

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

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

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

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

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case

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

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

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

MARKET GOSSIP

(Concluded from page 343)

about Rs. 7-4 per maund. Roughly speaking, 25 per cent. of the price the consumer pays for sugar today represents taxes to Central and State Governments.

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When such is the case, all talk of the Government wanting to reduce the price of sugar for consumers seems a farce. The new distribution scheme sought to be introduced in Bombay will actually raise the cost of imported sugar to consumers, thereby defeating the very object of importing sugar. There seems to be no need for it. The evil in the present system referred to at the outset could be effectively met by preventing those who are not *bona fide* sugar merchants from applying for tenders. In actual practice, the new scheme amounts to subjecting the imported sugar to both distribution and price controls. This is against the principles which Mr. Kidwai has been preaching all along in regard to controls.

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The emergence of a strong buyers' market in wheat in the wake of a large world crop would appear to have been making itself felt on sellers at the terms of the International Wheat Agreement. Only recently, we had occasion to refer to the frantic search for new buyers of its wheat initiated by Australia, one of the parties to the pact. Now comes the turn of another participant, namely, Canada, which has cut down wheat prices by as much as seven cents a bushel to $1.79, the lowest rate touched in that country during the current crop year. This reduction is evidently designed to attract customers from Europe where, we are all told, *non-agreement* countries, such as, for instance, Turkey, France, Russia and the Danubian countries have been successful in expanding their wheat sales. Canadian officials are reported to have complained that some members of the Agreement have bought nothing, although the offtake by Britain, which is not a party to the pact, has been good.

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The most disquieting development which threatens the future of the International Wheat Agreement is the disinclination of importing countries to lift their agreed quotas. Austria, Brazil, Denmark, Italy, Jordan, Korea and Sweden have not purchased even a single bushel under the Agreement, while Ireland, Mexico and Peru have taken only small quantities. India's purchases, amounting to about 345,000 bushels out of its share of 36.7 million bushels, are stated to be the lowest among the deals so far put through by the member countries. It may be mentioned here that importing countries are under no obligation to lift their quotas except at the minimum price of $1.55 a bushel for the current season. It is, therefore, not at all surprising that figures relating to wheat sales under the pact make poor reading. Thus between 1st August, 1953 the date on which the pact came into operation, and 2nd February, upto which figures have been published, sales under the Agreement amounted to no more than 142 million bushels. This compares very unfavourably with a total sale of 342 million bushels in the same period a year previously. During the period under review, the U.S. was able to sell only 71 million bushels out of its export quota of 210 million bushels. Similarly, Canada and Australia could sell 56 million bushels and 14.8 million bushels out of their respective quotas of 163 million bushels and 48 million bushels. In other words, the sellers under the Agreement have not been able to dispose of more than a third of their quota. In this context, the *Corn Trade News* make interesting reading. It says that the experience of the present season and the general trend of world production and demand may well send the Agreement to its grave. "Monopoly selling of wheat," it observes, "is rapidly becoming outdated and the movement towards vastly increased grain output throughout the world, to which selling has given impetus, are too real to be ignored." These remarks show how correct Britain has been in judging the trend of the wheat market and refusing to sign on the dotted line indicated by the U.S. when the renewal of the Wheat Agreement came up last year.

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It is understood that two of the producing countries which contribute to the expenditure of the Tea Council of the U.S.A., viz., Ceylon and Indonesia, have agreed to make an increase in their respective contributions for 1954. Ceylon's contribution is to be raised from $350,000 to $375,000, and Indonesia's from $50,000 to $55,000. It is not known whether there would be any increase in India's present contribution of $450,000. The contributions received by the Tea Council during the first six months ended 30th September, 1953 were stated to be as follows: U.S.A. trade $304,402; producing countries $373,090; total $677,492. Expenditure for the period amounted to $528,267, the major part of which is in respect of advertising. Excess of receipts over income for the period amounted to $149,225. The Council is stated to have had an operating balance of $581,768 on 30th September, 1953.

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It is understood that the Council has been considering a proposal to offer facilities for training nationals of the producing countries in the various aspects of tea business and trade in the U.S.A. Following the experience of the U.S.A., it is learned that arrangements are almost complete for the setting up of a Tea Council for Canada and that representatives of the Canadian tea trade and of producers in India and Ceylon have already met and discussed the matter. The scheme is expected to come into force from 1st June, 1954.

AMERICANS AND ECONOMIC SECURITY

The subject of economic security in a free society is one that concerns all Americans, from President Eisenhower down. How far should the Government go in promoting individual security? How much security, and of what kinds, do the American people have? These questions take on added significance today, with the United States experiencing a moderate business decline in the transition from a war-time to a peace-time economy.

A report issued a few weeks ago by the American Assembly—a national non-partisan research programme—throws some light on this important subject. The Assembly, incidentally, was established in 1950 by Mr. Eisenhower, when he was President of Columbia University.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	384	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				192	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,38,382	Bank of Baroda	108½	50	6 0	6 0	6 0	6 0	12	Y.
40,00,000	14,00,000	8,447	Bank of Bikaner	12½	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	152½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,00,375	65,00,000	83,200	Bank of Indore	64 N	25	3 0	3 0	3 0	1 8(i)	12	Y.
80,00,000	15,00,000	95,324	Bank of Jaipur	19½	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	292½cd	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,81,240	29,609	Bombay State Co-operative Bank	57½	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,03,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
1,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	85cd	50	5 0	5 0	5 0	—	12	Y.P.
8,62,11,875	3,99,08,177	17,23,015	*Central Bank of India Ltd.*	59	25	3 8	3 8	3 8	3 0	12	R.L.Y.
6,42,375 A'				61	25	3 8	3 8	3 8	3 0		
50,00,000	24,00,000	1,47,908	Devkaran Nanjee Banking Co.	344	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	8¾N	10	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	10,20,000	31,609	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	13½	50	—	—	—	—	12	Y.
72,00,000	75,00,000	1,00,395	†††Hyderabad State Bank	105¾	100	6 0	6 0	5 0	5 0	9	Y.
9,75,00,000	6,35,00,000	37,39,076	Imperial Bank of India	1,802½	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				439½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				166	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	12 3(i)	6.12	R.L.H.
15,40,000				99	60	7 3½	7 3½	7 3½	8 9 3(i)		
48,98,425	19,00,000	1,59,917	Indian Overseas Bank	97	100	5 0	6 0	6 0	—	.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0	6 0	6.12	H.
2,50,000				18¾	25(B)	2 4	1 14	1 8	—		
10,00,000				38	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	23	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	13	25	—	—	—	—	12	Y.
48,00,000	30,00,000	2,06,135	Union Bank of India	6¾	5	0 5	0 5	0 5	0 2½	12	Y.
2,00,00,000	80,00,000	1,01,119	United Commercial Bank	42	50	2 0	2 0	2 0	2 0	12	W.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-2-6	£5	14†	14†	16†	7†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8¾	£8	7†	6†	7†	3†	12	R.L.Y.
£ or $20,000,000	$ or £50,000,000	$ or £9,489,174	Hongkong and Shanghai Banking Corporation	£95	H.K. $125	5*	5*	5*	2½(i)	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£2-19-6	£1	12†	12†	12 †	14†	12	R.L.Y.
£1,437,296				£1-7-0	5/-	5/9	5/-	5 †	5/-		
£375,000				£25	A £12½	12†	12†	14†	7†(i)		
£375,000	£1,500,000	£200,143	Mercantile Bank of India	£25	B £12½	12	12†	14†	7†(i)	12	R.L.Y.
£300,000				£10½	C £5	12†	12†	14†	7†(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India	£33⅓	£124	16†	16†	16†	8†(i)	12	L.Y.

(Includes bonus. †Less Tax (P) Pakistan Currency. ††O.S. Currency (i) Interim. *£ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £)	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
8,50,000	5½	*1st March and 18th September*	Carew & Co. (2nd mortgage)	96	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	103	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	91	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	105	1st April .. 1956-61
93,60,000	4½	1st May and 1st November	Walchandnagar Industries (New)	92	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	6	30th May and 30th November	Textool-Nagpur	99½	15th November .. 1956(a)
8,10,000	5	1st April and 1st October	Buckingham and Carnatic	100½	1st January .. 1967-72
13,68,000	3½		Jaypore Textiles	79 N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.	101	1964-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	102	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	102	1st January .. 1970
15,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	86	31st December .. 1970
15,00,000	5	1st January and 1st July	Giaus (Dhenkal) Electric Supply Co., Ltd.	96	30th June .. 1970
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	97	1st October .. 1956-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1956
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1st July .. 1955-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93½	15th September .. 1965-70
ENGINEERING					
3,00,000	5½	30th June and 31st December	Britannia Engineering	98½	31st December .. 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June .. 1958
10,00,000	5½	15th September and 15th March	Indian Iron Pipe (2nd mortgage)	102	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	102	31st December .. 1961(ii)
10,00,000	4	31st May and 30th November	Kirkaldy Engineering Works Ltd.	88	31st May .. 1971
8,50,00,000	5	1st April and 1st October	Tata Locomotive	101	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1956
4,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(a)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	90	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,49,000	5	30th June and 31st December	Chinsurah Jute Mills	97	30th June .. 1956
8,86,000	5	30th June and 31st December	Empire	95	30th June .. 1960
25,00,000	5½	1st January and 1st July	Hukumchand	92½	30th June .. 1957
25,00,000	5	30th June and 31st December	Jamuna Jute Mills Co., Ltd.	98	31st December .. 1959
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	4½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	98¾N	31st March .. 1956
5,00,000	4½	14th November and 14th May	Nathurmull Jute Mills Co., Ltd.	93	14th March .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	93	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	88	31st December .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	93	5th September .. 1965
8,00,000	4½	14th March and 14th September	Scorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	96	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	97	31st July .. 1956(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaet-Basirhat Light Railway	86	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	£60¾N	A 1105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933	£77¾N 1st October .. 1974
£ 50,000	3½	30th June and 31st December	Kaukhali-Lalabazar Railway	1945	90½ 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85¾N
£,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½ 1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102-9 3/5	1st July .. 1957-63
3,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
5,00,000	5	31st March & 30th September	Peria Karamalai	100½	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December .. 1965
86,90,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,53,000	4½	1st July and 1st January	Crew Buildings	88½	1st July .. 1965
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	82	1960
1,30 00,000	5	1st January and 1st July	Dunlop Rubber	102½	*1st January* .. 1971
20 00 000	5	15th March and 15th September	Mettur Chemical Industries	96	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	30th September .. 1976
45,00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	525 (per note)	31st December .. 1972
75 00 000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	97	31st March .. 1961
1 0o 00 000	4	30th June and 31st December	Robins Industries Ltd.	86	31st December .. 1959
4 00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	104	1st May .. 1968

Note—See page 390 for explanations re abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th February, 1954.

	Closing quotations 18-2-'54	High	Low	Closing quotations 25-2-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	153	153	152½	153
Bank of Baroda (50)	109	109	107½	109
Central (75)	58	59	58	58
Central 'A' (25)	61	62½	60¾	61½
Imperial (F.Pd.) (500)	1,795	1,805	1,790	1,805
Imperial (F.Pd.) (125)	432½	440	431½	438½
Union Bank (5)	6¾	6¾	6½	6¾
United Com. (50)	40¾	43	40¾	42½
COTTON MILLS				
Abm. Adv. (100)	150	151½	150	151½
Apollo (2)	2-13½	2-15½	2-13½	2-15½
Bombay Dyeing (250)	437½	440	418½	420
Central India (100)	184½	189½	184½	184½
Century Mills (100)	319½	322½	313	314½
Colaba (100)	65	—	—	65
Edward Textile (200)	265	267½	263½	263½
Elphinstone (50)	44	44	44	44
Finlay (100)	278	278	270	272
Gokak (100)	273	275	268	270
Ind. Unid. Defd. (1)	1-11½	1-14½	1⅜	1⅜
Ind. Unid. Ord. (10)	12½	12¾	11¾	11¾
Indore Malwa (100)	111	115	110	110
Khatau (100)	212½	218½	215	217½
Kohinoor (100)	322	323½	314½	315
Lakhani (250)	592½	592½	585	585
Madhusudhan (100)	89	—	—	89½
M. R. Cotton Mills (100)	52½	—	50	50
Minerva Mills (100)	110	110½	108½	110
Model Nagpur (250)	142½	—	—	143¾
Morarji (100)	202½	205	202½	205
Mysore (50)	162½	165	162½	164½
New City (100)	180½	—	—	180½
New Great (100)	166½	169	166½	167½
New Union (10)	26½	—	—	26½
Phenix (100)	133½	133½	130	130
Podar Mills (100)	143½	146½	143½	144½
Saneon Silk (10)	19½	—	—	10½
Saneon Spg. (10)	32	32	31½	31½
Shahpur (1,000)	1,755	—	—	1,735
Shrinivas (100)	182½	220	195	220
Simplex (50)	160	162	155	155
Standard (100)	330	336½	325	325
Svadeshi (100)	295	296½	290½	290½
Swan (100)	356½	359½	350	350
Tata M. (25)	54	54½	52½	52½
Wehna (100)	148½	151½	148½	150
Western India (1,000)	3,350	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	118½	118½	117½	117½
Amalgamated (10)	10½	10½	10½	10½
Andhra Valley (1,000)	1,295	1,325	1,293½	1,309½
Bom. Sub-Bl. (100)	123½	123½	123½	123½
Surat (100)	131½	144	130	130
Tata Hydro (100)	141½	144	141½	141½
Tata Power (1,000)	1,440	1,455	1,430	1,432½
INSURANCE COS.				
British India (10)	13-5½	13-5½	13	13
Empire of India (100)	640	—	—	640
Ind. Mercantile (20	38½	—	—	38½
Jupiter (15)	7½	—	—	7½
New India (15)	42½	48½	42	48
Oriental (200)	7,085	—	—	7,085
Universal (10)	9¾	—	—	9¾
Vulcan (10)	12½	—	—	12½
STEAMER COS.				
Scindia (15)	17½	18½	17½	18-3¾
STEEL COS.				
Ind Iron (10)	29-2½	30½	29½	30½
Tata Steel Defd. (10)	2,153½	2,162½	2,130	2,142½
Tata Steel Ord. (75)	366	367½	360½	361½
MISCELLANEOUS				
Alcock Ashdown (100)	362½	368½	362½	363½
Associated Cm. (100)	154½	155½	153	153
Belapur Sugar (5)	261½	262½	258½	258½
Bom. Burmah (125)	395½	407½	391½	397½
Do. (New) (50)	143½	144½	141½	144½
Br. B. Petrol (4 sh.)	3-6½	3-10½	3-6½	3-8½
Br. I. Corpn. (5)	9-6½	10	9-6½	9¾
Indian Copper (2 sh.)	3-2½	3-6½	3¼	3-4½
Ind. Inv. Tr. (100)	76½	—	—	76½
Kemp (200)	265	—	—	265
Killick (100)	164	171½	164	171½
Killicks (75)	130	—	—	130
National Rayons (100)	165½	173	—	162
Phalon Sugar (50)	102	102½	100	100½
Port Canning (100)	24½	25	25	28
Premier Cm. (30)	125½	126½	123½	124½
Shivaspur (10)	76	79½	73½	73½
Tata Chemicals (10	13½	14½	13-10½	13½
Tata (25)	41½	41½	39½	40
Walchand Ind. (100	176½	176½	175½	175½
W. I. Match (100)	210	211½	208½	210

GOVERNMENT SECURITIES

	Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	99½	—	3 42	99½
2½% 1955	98½	—	3 47	98½
2½% 1961	90½	—	3 94	90½
2½% 1960	93½	—	3 94	90½
2½% 1962	91½	—	3 87	93½
2½% 1974	82½	—	3 88	91½
3% 1957	98½	—	3 96	82½
3% 1958	98½	—	3 48	98½
3% 1959-61	96½	—	3 47	98½
3% 1964	92½	3 79	3 60	96½
3½% 1963-65	92½	3 93	3 87	92½
3½% 1964-66	90½	3 98	3 81	92½
3½% 1970-75	86½	4 12	3 88	90½
3 % 1986 Con. Loan	82½	—	3 93	86½
3½% 1954-59	100½	3 22	3 64**	82½
4% 1960-70	101¼	3 66	3 48	100½
4½% 1955-60	102⅜	3 76	3 83	102
4% 1958-68*	103	3.27	4 08	102⅜
3½% 1961 N.P. Bonds	98½	—	4 04	103
			3.67	98½

BRITISH GOVERNMENT SECURITIES

	18-2-54 £	High £	Low £	23-2-54 £
2½% Brit. Consols	64½	64½	64⅛	64⅛
3 ½ Savings Bonds 1965-75	82⅜	88⅛	88⅛	88⅛
3½% War Loan 1955-59	102⅜	102⅜	102⅛	102⅛
3½% War Loan 1952	85⅜	85⅜	85⅛	85⅛
3½% Brit. Iron and Steel 1976-78	93⅜	93⅜	93⅛	93⅜
4 % Funding Loan 160-90	101⅜	101⅜	101⅛	101⅛

** Current Income. x.d.—Ex-dividend. • Rupee Counterparts.

COMMERCE

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

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ON RAZOR'S EDGE

THE Government of India's budget for 1954-55, presented to Parliament last week by Mr. C. D. Deshmukh, can be criticised on two main grounds. One is that it does not provide sufficient incentive to stimulate economic activity so essential for achieving the objectives of the Five-year Plan. The other is that it relies rather too much on deficit financing, a risky method of finding resources, even if it be for productive purposes. But, in the circumstances in which the Finance Minister finds himself today, there is little else that he can do. It is the misfortune of this country that, right from the beginning of the Plan, those who have been in charge of its destiny should have bungled in choosing priorities. Take, for instance, the Taxation Enquiry Commission. The one reason why the Finance Minister is not in a position to present what is compendiously called an "incentive budget" is that, "with the Taxation Enquiry Commission at work, it is neither proper nor desirable to initiate any large-scale change in the present structure of taxation, until the whole problem has been considered in the light of the Commission's recommendations." The same explanation is being offered by the State Governments, too, for not raising additional resources needed for implementing the Five-year Plan. This, in turn, has left no choice but to depend to a greater extent than is necessary on deficit financing. Perhaps, the country would not have been in this plight had the Taxation Enquiry Commission been appointed before the Plan was launched or at least simultaneously. When the Plan was framed, the right thing to do would have been to explore not only the resources available for the implementation of the Plan but also the manner in which such should be collected. For this and similar other initial mistakes in planning, the country is now paying the penalty of inadequate, if not haphazard, economic growth.

Another instance of wrong priority is to be found in the social objectives of the Plan. This may sound stale to many, for it has been reiterated so often. Nevertheless, it is very important, in that it has directly contributed to many evils, infinitely worse than the disease to cure which it was brought into being. We have in mind here Prohibition. It is true that Prohibition is not in force all over the country. But the loss to the community, even as a result of its application only to a part of the country, is so large that it should not have been given the high priority that it enjoys now. In terms of money value, the loss is anything between Rs. 50 and Rs. 60 crores per annum. If Prohibition had not been introduced, there would have been no necessity to rely on deficit financing of the magnitude now proposed. In fine, it is no exaggeration to say that the priority given to Prohibition is leading the country through the path of inflation. This is not the only evil. The loss of revenue to the States where Prohibition is in force has compelled them to resort to regressive forms of taxation which, in turn, are acting as strong disincentives to individual enterprise without which there can be no economic progress in a democratic society. In saying this, it is not suggested that the forms of taxation that have been introduced to offset the loss of revenue through Prohibition would not have come into being had Prohibition not been introduced. They would have surely found a place in the armoury of a State Exchequer, for they are generally accepted as a legitimate source of taxation. But there would have been no necessity to resort to these forms of taxation in such rapacious manner as to mar the growth of trade and give impetus to the law of diminishing returns in certain sectors.

It is easy to give a few more instances of defects in the basic policies of the Government. But the purpose of this article is to examine the budget under reference and not to expatiate on the general policies of Government. A reference to this subject in the introduction, however, became necessary, in order to enable one to view the budget in its proper perspective. It can certainly be argued that the defects referred to are not irremediable. If the Congress High Command were to see the problem as we do, the defects could be remedied quickly and the economic development of the country fostered on sound lines with minimum sacrifice by the people. But it is not prepared to do so. The Finance Minister has, therefore, no choice before him. The only alternative before him is to slow down the expenditure on development. This, however, would mean economic stagnation, if not retrogression, for the country. He has courageously preferred to tread not this path of comparative safety but the bold, if somewhat risky, path of reflation. He has deliberately chosen the razor's edge, for the difference between inflation and reflation is only one of degree. Whether it will safely take the country to the goal it has chosen will depend on the efficiency and skill with which the Administration implements the whole Plan.

The implications of resorting to credit expansion of the order of Rs. 250 crores to the economic stability of the country are so serious that it is difficult to resist the temptation of dwelling on it at some length. But before doing so, it is necessary to examine the other features of the budget, details of which are published elsewhere in this issue. The Finance Minister has continued to follow the policy of taking the instalments of debts due from Pakistan in the revenue budget. In the revenue estimates for the current year, he took two such instalments aggregating Rs. 18 crores and it is because of their non-receipt that the year will end with a deficit of nearly Rs. 17 crores, instead of with a nominal surplus of Rs. 45 lakhs anticipated a year ago. For the next year, he has taken credit for Rs. 9 crores under this head and he is confident of getting this amount from Pakistan. How far this confidence is justified remains to be seen. Another procedural innovation which the Finance Minister has made in preparing the revenue budget is to transfer certain items of grants to the States to the capital budget. This transfer will reduce the expenditure in the revenue budget. The amount involved will, however, be written back to revenue over a period of 15 years. The result of this change will be that the annual burden of grants to States on Central revenue will be relatively small. In the light of the explanation given by the Finance Minister it looks as though this is an innocuous change.

The actuals for 1952-53 and the revised estimates for 1953-54 bear testimony to the conservative policy of the Finance Ministry in preparing the budget. In both the years, the revenue has turned out to be more than expected, while the expenditure is less than that provided for. This is not such a bad policy as many consider it to be, especially in these days when Governments are more inclined to spend rather than save. In saying this, we do not mean that the Government of India is fully conscious of the need for utmost economy. It is true that the revised estimates of expenditure for 1953-54 show a fall of Rs. 1.57 crores in the expenditure on the cost of revenue collections and Rs. 2.7 crores in the provision for Civil Administration. These savings are due more to certain adjustments and non-utilisation of amounts provided for certain specific purposes than to any conscious effort at securing economy in the cost of administration. Considering that a large number of controls has been abandoned, one would naturally expect a reduction in this item. But the Finance Minister has given no hope of any saving in this direction even for the next year.

As regards other items of expenditure, a larger provision has been made for nation-building and development services. It is doubtful whether the large sums that are being expended on Community Projects will yield any tangible return of a productive nature and one can justifiably question the appropriateness of devoting sizable resources on a dubious experiment at a time when funds are scarce. While the need for teaching people in rural areas better methods of living and efficient forms of raising their productivity is not questioned, one wonders whether that goal cannot be reached through vigorous efforts at spreading education among them. More schools staffed with trained and well-paid teachers are likely to secure sustained results than the building of model villages at enormous cost. The decision not to enter into any race for armaments, in spite of the latest provocative developments in Pakistan, which, by inviting U.S. military assistance, has brought the cold war to India's borders, is commendable. It reflects the presence of mind of the Government of India and its sense of proportion. A mere addition of Rs. 50 crores or even Rs. 100 crores to the Defence expenditure is not going to make India a militarily strong power. Nor will such an expenditure suffice to help it to meet aggression from any of the big power blocs, if and when it comes about. Indeed, the attainment of such a position or preparation for such a contingency is beyond its material resources. India's security lies in abolishing its grinding poverty, maintaining goodwill with all nations and striving for world peace.

The new taxation proposals of the Finance Minister mean that the limits for direct taxation have been reached and that the scope for even indirect taxation is so restricted that the net has to be cast far and wide. With export markets remaining pronouncedly in favour of buyers and with the internal economy bedevilled by both rigidity of costs and buyers' resistance, there is scarcely any room for expecting customs duties to yield more than they do. On the contrary, there might have to be further reductions in export duties if there were to be a recession abroad. The reliance on import duties should be even less, for they are bound to be a progressively diminishing source of revenue as industrialisation advances. The

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excises are, therefore, the main source on which the Finance Minister has to depend for broad-basing the country's tax structure. But, even in this sphere, there is not much room left. Already almost all important commodities are subject to excise duties. Then, on top of this, the State Governments are collecting sales tax at stiff rates on all commodities, including industrial raw materials and food. The burden of indirect taxation is so heavy that great care must be taken to see that expansion of industries is not affected by the curb that will be placed on consumption by excises and sales taxes.

Excepting, perhaps, the increase in excise duties on cloth, the new taxes imposed by the Finance Minister in this budget are not objectionable. The relief given to cotton textile industry by abolition of the import duty on cotton has been more than offset by the increase in excises on all varieties of cloth. This industry is already groaning under the weight of excessive tax burden that the additional impost now thrust on it is unreasonable. Mr. Deshmukh has very ably and impressively argued the case for raising the import duty on betelnuts and for bringing soap, art silk and footwear into the sphere of excises, but he is not so convincing in regard to cement, though it must be said that the additional burden will discourage waste in the use of this commodity which is still scarce. The excise duty on soap, in particular, is a well-thought-out measure, in that it will lead to an efficient utilisation of the available raw materials, which is very essential in view of the fact that they are not in plentiful supply. It is true that this will give an additional advantage to soap-making on a cottage industry basis and, to that extent, there will be a wastage of raw materials. But that cannot be helped; in any case, large-scale soap manufacturers have many advantages which the cottage industry sector has not.

There is a school of thought which argues that the Finance Minister need not have resorted to the additional taxation referred to above, inasmuch as he is depending on deficit financing for as much as Rs. 250 crores and he can as well add another Rs. 15 crores to it. This contention is not convincing, because, as Mr. Deshmukh has rightly pointed out, every effort should be made to keep the amount raised by recourse to deficit financing as low as possible, "so that it fills only the unavoidable gap between the available resources and the inescapable requirements for development and is not used to cover any shortfall in resources which could otherwise be currently raised." In other words, it is absolutely essential to keep down inflationary financing to the minimum and every effort must be made to raise resources through taxation wherever possible and such other ingenious means as a State lottery. Mr. Deshmukh would be setting a bad example to the States if he were not to do so. In fact, we wish he had the courage to fight with his colleagues for the reintroduction of the salt duty, instead of raising the excise on cloth. There is no need for him to await the verdict of the Taxation Enquiry Commission for taking this step.

Mr. Deshmukh is, perhaps, right in saying that not many in the country will have doubts as to the wisdom of launching upon deficit financing. But, we wonder whether he is equally right in adding the words "on this scale." While many in the country have, of course, now reconciled themselves to the necessity for deficit financing to some extent, we are not so sure that they would view without concern the prospect of deficit financing of the order of Rs. 250 crores per annum. The economic climate in the country or outside is not so favourable as to absorb inflation of this order. Cost of living in the country, which is more relevant than the index number of wholesale prices, is still quite high everywhere, being higher in some centres than in the period of the Korean war boom. Nor are we convinced that production in the country has gone up to such an extent that one can confidently assert that pressure on prices is unlikely to emerge again vigorously. It is, therefore, to be hoped that the Finance Minister will proceed warily. He cannot be unaware of the fact that, in deciding to wield this weapon, he is playing with fire and that, if his calculations in regard to increase in production, availability of imports at appropriate prices, etc., which, he expects, will offset the expansion in money supply, were to go wrong, the final result would be a permanent dilution of the currency. Another prerequisite for the successful use of deficit financing is a suitable domestic political climate. That, we are afraid, is not there, at any rate, not to the extent to which it is necessary. There is no evidence yet of the State Governments acting in perfect unison with the Centre. And more than half the developmental expenditure contemplated for the coming year is to be carried out by the States. It is the complaint of many competent observers that the States are neither raising adequate resources nor spending the funds placed at their disposal in the right manner, let alone in the right direction. It would indeed be a double tragedy to the country if the funds raised through deficit financing were to be squandered away through unproductive expenditure and mismanagement of the projects undertaken. The Centre must, therefore, exercise greater control over the States, particularly on the implementation of the various projects which are left to their care.

BOMBAY BUDGET

SIR James Grigg, a former Finance Member of the Government of India, who took as well as gave many hard knocks in his battle with the opposition, once said that the only commodity which he would not tax was the patience of the House, and added that it was primarily because such taxation would yield him no revenue. The Bombay State's Finance Minister, Dr. Jivraj Mehta, shines by contrast. He inflicted on the House a 44-page address. The members, however, must at least have been relieved by the thought that he imposed no new taxes. This is a great relief; for this State, as Dr. Jivraj himself confessed, is one of the most heavily taxed of the Indian States. If he proposed no fresh imposts, it was perhaps because he was convinced of the "inelasticity of our resources." There is, however, scope for really worthwhile expenditure. Indeed, there is, as the Minister pointed out, a "pressing need for development expenditure in different fields." This line of reasoning is true, and yet perhaps not wholly true, considering how grievous has been the loss of revenue through Prohibition, and how heavy is the cost of administration, notably in regard to the police.

Dr. Jivraj is entitled to the satisfaction that he has been able to present a surplus budget for 1954-55, though only time can prove whether his optimism is correct. So far as 1953-54 is concerned, his estimates, as is now clear, were on the low side. He estimated the revenue and the expenditure for the year at Rs. 67.83 crores and Rs. 67.76 crores respectively—a small surplus of Rs. 7 lakhs. But the revised estimates place the revenue and the expenditure at Rs. 70.46 crores and Rs. 72.06 crores, respectively—a deficit of Rs. 160 lakhs. We are told that this deficit is due to some technical difficulty in treating certain receipts under revenue account and that, if allowance were made for them, there would actually be a surplus of Rs. 10 lakhs. Even so, the fact remains that, in the 1953-54 budget, individual items on the receipts side show very large variations, as, for instance, an increase of Rs. 157 lakhs under "other taxes and duties," of Rs. 146 lakhs under "agriculture" and Rs. 45 lakhs under "land revenue." On the expenditure side, the increase in the revised estimates over the budgetted figures is partly due to larger expenditure on irrigation works in scarcity areas, and bunding works. The following table shows the budget figures for the three years ending 1954-55:

(In crores of rupees)

	Receipts	Expenditure
1952-53 (Accounts) ...	62.50	68.44
1953-54 (Estimates) ...	67.83	67.76
1953-54 (Revised) ...	70.46	72.06
1954-55 (Budget) ...	72.38	72.22

It will be seen that the difference in receipts between the revised estimates for 1953-54 and the budget estimates for 1954-55 is of the order of Rs. 191 lakhs. Dr. Jivraj explained that this was mainly due to the proposed withdrawal of Rs. 250 lakhs from the State Development Fund in 1954-55, as against Rs. 50 lakhs in 1953-54. The estimates for the current year take into account receipts from Estate Duty to the extent of Rs. 25 lakhs. The other differences between the revised estimates for 1953-54 and the budget estimates for 1954-55 on the receipts side are: a decrease of Rs. 46 lakhs in the State's share of the Union excise duties, an increase of Rs. 29 lakhs in "land revenue," a decrease of Rs. 160 lakhs under "agriculture" due mainly to the absence of transactions in fertilisers and an increase of Rs. 115 lakhs under "civil works." Although the overall difference between the 1953-54 revised estimate of expenditure and the 1954-55 budget estimate shows only a slight variation, there are, as Dr. Jivraj explained, substantial differences under individual heads. These differences include: an increase of Rs. 48 lakhs under "land revenue" on account of new schemes for survey; an increase of Rs. 58 lakhs under debt charges; an increase of Rs. 78 lakhs under "general administration," partly due to the National Extension Service, an increase of Rs. 135 lakhs under "education," a decrease of Rs. 230 lakhs under "agriculture" partly on account of absence of transactions in fertilisers, an increase of Rs. 202 lakhs on "electricity schemes," a decrease of Rs. 104 lakhs under "famine" and an increase of Rs. 70 lakhs under "community development projects."

A notable feature of the Bombay Government's budgets is that the capital expenditure shows a steady increase. In 1952-53, it amounted to Rs. 11.38 crores and was met through loans (Rs. 3.67 crores), withdrawal from Development Fund (Rs. 2.50 crores), and the balance from the Central Government's loans and other funds. The revised estimate for 1953-54 places capital expenditure at Rs. 11.81 crores, which will be financed through loans (Rs. 5.50 crores), loans from the Central Government (Rs. 4.96 crores) and withdrawal from State funds (Rs. 1.24 crores). A somewhat more ambitious programme has been drawn up for 1954-55. The total capital expenditure is placed at Rs. 18 crores. This includes Rs. 7.86 crores for irrigation works, Rs. 3.44 crores for electricity schemes (inclusive of Rs. 1.27 crores for the Koyna project), Rs. 2.50 crores for buildings and roads, Rs. 1.50 crores for rehabilitation of displaced persons, Rs. 1 crore for investment in the Bombay State Road Transport Corporation, Rs. 64 lakhs for water-supply schemes and Rs. 51.66 lakhs for tube-well scheme. These capital projects will be financed by the Central Government to the tune of Rs. 7.28 crores and by the withdrawal of Rs. 2.50 crores from the Development Fund and of Rs. 0.32 crore from other funds. There is thus a deficit of about Rs. 8 crores in the capital budget, which, it is stated, will be met by raising a development loan and from past balances.

A matter on which the State deserves to be congratulated is the successful manner in which it has implemented its part of the Five-year Plan. The State's share of the total outlay on the Plan is Rs. 146.3 crores. During 1951-52 and 1952-53, it spent Rs. 23.1 crores and Rs. 28.3 crores, respectively, on implementing the various aspects of the State's share of the Plan. In 1953-54, such expenditure is estimated to reach Rs. 31.5 crores. All this expenditure has certainly enabled the State to make steady progress on a wide front, particularly on the agricultural front. A large area has been brought under irrigation. The targets for agricultural production are now within measurable distance. If they have not already been reached, it is due to the severe scarcity conditions which the State witnessed in recent years. In rice production, the State bids fair to exceed the target. Although the day of complete decontrol has not yet arrived, rationing has been withdrawn or liberalised in most centres where it had been introduced. Roads are being laid at a rapid pace. Although this is a sphere where even a high level of expenditure would be too little, it is encouraging to find that actual expenditure will be well above the level provided in the Plan. Whether as part of the Plan or otherwise, some fillip has been given to industrial production through the grant of loans to industries, particularly small-scale industries. In order to aid industries more effectively, the State has set up a State Financial Corporation, in which the State's share of the Rs. 1 crore capital structure is Rs. 31 lakhs. Although expenditure on the Plan has been incurred according to schedule, one would like to know whether the actual results achieved are worth the money that has been spent. No precise data are available either in the Finance Minister's speech or in the budget paper to judge these results. It is the duty of the members of the legislature to scrutinise carefully the expenditure that has already been incurred and find out whether there has been any wastage and, if so, to what extent.

The Finance Minister has provided for Rs. 32.8 crores to be spent on the Plan in 1954-55. This amount, together with the amounts already expended on the Plan, would leave only about Rs. 30 crores to be found in the final year of the Plan. This should not, as the Minister admitted, "present a difficult task," considering the large amounts that the State has already found for the purpose of carrying out the Plan. Only, it would mean that all the reserves would have been exhausted by then, that the State's indebtedness would have gone up substantially and that, in course of time, it would necessitate, for want of funds, a postponement or at least restriction of expenditure on certain very necessary activities, such as education and public health. It is against this background that one should consider the loss of revenue through Prohibition.

COMMODITIES REACT ADVERSELY TO BUDGET PROPOSALS

LIFE INSURERS REDUCE PREMIUM RATES

THURSDAY, 5 P.M.

THE taxation proposals made by Mr. Deshmukh in his budget for 1954-55 did not come as a surprise to markets in this city. Even 24 hours before he announced them to the House the markets were agog with rumours, most of which turned out to be correct. In fact, as readers will recall, in the afternoon of last Thursday itself, textile, cement and rayon shares were hammered down, in expectation of excise duty on the products of their respective industries, with the result that there was a sizable fall in prices. This trend continued for a while even after the budget proposals were known. It may be argued that, if these proposals had been discounted in advance, share values could not have declined further after the budget was out. But the fact is the market had become heavily overbought and the bulls, who had increased their commitments in expectation of the Finance Minister plumping in favour of heavy deficit financing, decided to cash in, especially as the transfer books of a number of companies, the shares of which are the leading counters, were scheduled to be closed. Operators were reluctant to enter into fresh commitments, as they knew they would have to pay heavy budli rates on the settlement day, which fell a day after the budget, on account of transfer charges. Once this technical factor was out of the way the market presented a steady trend which later yielded place to a distinctly buoyant undertone.

MARKET GOSSIP

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Excepting for the increase in excise duty on cotton textiles which is not fully compensated by the abolition of import duty on cotton, there is little in the budget that could be regarded as bearish. On the contrary, the decision to raise resources through deficit financing may be regarded as a somewhat bullish factor. But one should not exaggerate the inflationary implications of this method. The extent of increase in money supply will hinge on the progress of the implementation of the Plan. If the past is any guide, the increase may not be as large as is envisaged by Mr. Deshmukh. Again, it is well to remember that the Government may, at any time, take countermeasures to keep under control the effects of inflationary finance. The imposition of excise on a few new articles and the enhancement of that on cloth, the increase in import duties on betelnuts, and the hint that liberal imports will be allowed are, in fact, an indication of the Finance Minister's awareness of the need to keep prices under check. The upward trend in Indian cotton prices, for instance, has already been brought under control by the increase in the excise duty on cloth and by the abolition of the import duty on foreign cotton, coupled with permission given for unlimited imports of foreign cotton. The excise duty on soap and the refusal of the Government to reduce the export duty on castor oil are also evidently meant to keep the prices of vegetable oils under check. The increase in import duty on betelnuts is an instance to show that the Government will not permit middlemen to earn large profits at the expense of consumers.

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How will the increase in excise duty on cloth and the abolition of import duty on cotton affect the cotton textile industry? The Finance Minister expects to lose Rs. 4 crores following the abolition of import duty on cotton but hopes to raise Rs. 6.5 crores through the increase in excises on cloth. Thus, the industry is a net loser to the tune of Rs. 2.5 crores. But, in actual practice it may be a little more, that is, Rs. 3 crores to Rs. 3.5 crores. The net effect of the variations of these duties on the different groups of cloth according to counts is difficult to determine. But a rough calculation reveals that the superfine cloth will have to bear a net increase in its burden to the tune of 2 to 2.5 pies per yard. This means that manufacturers of superfine goods will be hard hit, except to the extent they succeed in exporting their products. The manufacturers of *dhotis*, however, may be able to pass on a part of the extra burden they are now being called upon to carry to consumers, inasmuch as supplies of *dhotis* are not plentiful and there is no control on prices. Fine counts, made out of foreign cotton, actually get a net relief of about 2 pies per yard and, to this extent, the injustice done last year when the excise was converted from an *ad valorem* duty to a specific duty has been undone. The abolition of import duty offers only a limited relief to medium counts but that is negligible as compared with the increase in excise duty. In the case of coarse counts, there is no relief at all but a rise in its burden. The effect of these changes will not, however, be appreciable on those mills as, for instance, Bombay Dyeings, which export the bulk of their production. In fact, a general outcome of the steps now taken by the Government will be a tendency among the mills to export as much cloth as possible.

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The Finance Minister's analysis of the ways and means position of the Government and indication of the future borrowing programme have had no perceptible effect on the Gilt-edged market. The trend is quite steady, though the volume of business is small. This is only as it should be, for the Finance Minister does not propose to borrow more than Rs. 75 crores, of which Rs. 48 crores will be towards repayment of two loans that mature this year. In other words, he has no intention of depleting the resources of the capital market except to the extent of Rs. 27 crores. Thus, he has in mind only a modest borrowing programme, which he can easily fulfil without trying such artificial methods as a reduction in the Bank rate. It is to be hoped that the Finance Minister will realise that, ultimately, artificial stimulation of the capital market does more harm than good to the economy and that he will not succumb to the theory that lower interest rates are necessary for inducing business activity. If he were to reduce the Bank rate at a time when he is contemplating deficit financing on a large-scale, he would simply be adding fuel to fire. In a semi-developed country such as India, the effect of cheap money policy will be of limited and passing nature. Moreover, when the time for a readjustment comes, as it is bound to, the Government will be faced with strong opposition from the vested interests which thrive under a cheap money policy. It was only two years ago that India found how difficult it was to readjust interest rates in an upward direction.

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It is too early to anticipate the terms of the new loan. But, in the light of what has been stated above, they cannot differ very much from the current yields. On this basis, it looks as though the new loan will be a 10-year one, carrying interest at 3½ per cent. and issued at a discount of about a couple of rupees.

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The artificial silk yarn market was the worst to suffer from the Central budget proposals. Immediately following the imposition of an excise duty of 18 pies and an additional excise of 3 pies per yard on art silk fabrics, the yarn market was subject to a stampede of selling and values sank heavily. Art silk yarn (150D) for March delivery, for instance, was hammered down to Rs. 750 per bundle of 200 lbs. on Monday, as against Rs. 790 on Saturday, that is, before the announcement of the budget proposals. Spot prices also suffered losses. Traders in yarn are greatly intrigued at this fresh heavy impost of 21 pies for yarn on art silk fabrics which, they fear, would lead to drastic curtailment of demand for yarn. Already, the small art silk weaving mills of Ludhiana have closed down. Several mills in Surat it is stated, propose to close down. The Textile Manufacturers' Association of Amritsar has decided to do likewise with effect from 10th April next, if the Centre does not withdraw the proposed excise duty on art silk fabrics.

Scrips	Closing on 25-2-1954	Post-budget closing 27-2-1954	Lowest after budget	Closing on 4-3-1954
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
STEEL				
Tata Defd. ..	2,142 8	2,150 0	2,111 4	2,175 0
,, Ordy. ..	361 8	362 8	356 4	366 4
Indian Iron ..	30 2	30 3½	29 8	29 10
TEXTILES				
Bombay Dyeing ..	420 0	418 12	405 0	428 12
Century	314 8	316 0	311 0	324 8
Central India ..	184 8	182 8	178 0	181 8
Finlay	272 0	271 0	266 8	270 0
Gokak	270 0	269 0	264 0	269 0
"Indu" Defd. ..	1 13	1 13½	1 11	1 12
,, Ordy. ..	11 12	11 15½	11 7	11 13
Kohinoor	316 0	317 8	311 8	319 8
National Rayon ..	162 0	161 0	152 0	154 0
Simplex	155 0	154 8	151 0	156 8
Svadeshi	290 8	291 0	285 0	295 8
MISCELLANEOUS				
A.C.C.	153 0	150 0	147 8	154 0
Belapur	258 8	259 0	255 8	259 0
B. Burmah (F.P.) ..	397 8	398 12	391 4	407 8
Central Bank ..	58 12	59 0	58 4	59 0
I. C.	9 9	9 8	9 3½	9 6½
New India	48 0	48 0	47 0	48 4
Tata Oils	40 0	39 8	37 12	39 4
Wimco	210 0	210 0	208 2	210 0

The levy, it is pointed out, has imposed a burden of 10 to 25 per cent. on most of the art silk varieties, which, in the present context of a buyers' market, has to be borne by the industry itself. Already, the industry is paying as much as 50 per cent. *ad valorem* import duty on art silk yarn (on the basis of market value), while the cotton mills are now enabled to get raw cotton imports duty-free. Further, the wage bill of the art silk mills is said to have gone up by about 120 per cent. in the past five years. These factors, coupled with the slackness in the indigenous and export demand, have caused considerable hardship to the mills, the majority of which consists of small units. The imposition of excise duty is, therefore, considered to be highly regressive. Criticising the levy, the Silk and Art Silk Mills' Association, Bombay, has urged, in the course of a telegram addressed to the Union Finance Minister, abolition of the excise duty. The new duty, it warns, will act like a strangle-hold on a struggling industry, as, in the present circumstances, the entire burden is bound to fall on the industry itself. Even the total profits of the industry, the mill interests point out, are far less than the amount estimated to be realised from the duty. The result would thus have, they say, an adverse affect on production and employment and deal a severe blow to the industry.

It is but natural that the soap industry should resent the levy of excise duty on soaps. Further, the levy itself is considered heavy. On the basis of a levy of Rs. 5-4 per cwt. on washing soap in bars of one pound and more in weight, of Rs. 6-2 per cwt. on other washing soaps, and of Rs. 14 per cwt. on toilet and other soaps, the levy will work out to 9 pies on a bar of one pound weight of washing soap, 4 pies on a cake of 6 ounces of washing soap and 3.3 pies on toilet soaps of 3½ ounces. Following this imposition, soap manufacturers have increased the selling prices of their products. Messrs. Lever Brothers (India) Ltd., for instance, have increased the price of Wheel oar soap of 1 lb. in weight from Re. 1-1-6 to Re. 1-2-6, Sunlight washing cake of 6 ozs. from As. 5 to As. 5-3, Lifebuoy soap of 6 ozs. from As. 5-3 to As. 5-6 and Lux toilet soap of 3½ ozs. from As. 5-9 to As. 6. Messrs. Tatas, the other important manufacturers of soaps, have also decided upon a similar increase in prices. It is hardly five months since the prices of soaps were first reduced. It is unfortunate that there should now be a restoration of prices almost to their original levels. The increase in selling prices, however, is not proportionate to the incidence of the levy; rather, it is less. Thus, a major portion of the levy has been passed on to consumers, the rest being borne by the manufacturers. A significant feature to be noted, in this connection, is that soap produced by cottage industry is not subject to the levy and, therefore, it gives a price advantage to this soap. This is only an extension, although in a restricted manner, of the principle adopted in the textile industry to protect the handloom weavers against the mills.

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Now that the prices of groundnut and other edible oils are declining and that, although the import of palm oil is not placed on the O.G.L., its import being liberally allowed, a pertinent question that may be asked is: Will it not be possible for the manufacturers to bear the levy entirely? It is true that there are one or two efficient firms which can afford to bear it, but it is contended that the industry, as a whole, cannot. There are many marginal firms in this industry and it is feared that the present levy will affect them most, unless they try to minimise their cost of production by rationalisation. It is further pointed out that, latterly, the demand for soaps is on the downtrend. Soap production has, in fact, gone down from 85,000 tons in 1952 to 80,000 tons in 1953.

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It may be argued that the demand for soap is inelastic, in that those who have acquired the habit of using soap will be reluctant to forgo the use of this article. That may be so only in the urban areas, but the demand for soap is certainly elastic in rural areas. The soap interests, therefore, urge the Government to reconsider the position and abolish the levy. They point out, in this connection, that the *per capita* consumption of soap is only 0.75 lb. per annum, as against 22 lbs. to 23 lbs. in western countries, and that, unless soap is made available at the cheapest possible rates, there is no likelihood of a rise in the *per capita* consumption of this article. The popularisation of the use of soap, they say, is vital even to the preservation, let alone improvement, of the health of the people. It should be treated on par with other essential articles of consumption, and not as a luxury, in the levy of duties.

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With the increase in the preferential rate of import duty on betelnuts from As. 9½ to Re. 1 per pound, betelnut prices have staged a sharp rise. The enhanced duty per Bengal maund comes to more than Rs. 82-4. Singapore (split) betelnut, for instance, has shot up from Rs. 95 to Rs 112. Penang (split) has advanced from Rs. 90 to Rs. 105 and whole from Rs. 100 to Rs. 120. Mangalore whole new crop has rallied Rs. 25 to Rs. 150. Prices would have advanced still further had it not been for the issue of licences for the import of betelnuts on a liberal basis to establish importers as well as newcomers. Although market circles admit that there is a case for increase in duties, as the profit margin on imported betelnuts range from 25 per cent. to 40 per cent., they contend that the increase in duty by over 68 per cent., as it is in the present case, is unwarranted. The aggregated value of betelnuts imported in 1952-53 was Rs. 3.6 crores, as against Rs. 5.78 crores in 1951-52. The value of imports during April-October, 1953, was Rs. 1.9 crores as against Rs. 2.5 crores in the corresponding period of the previous year.

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A veritable bombshell has been thrown into the insurers' camp by the decision of the New India Assurance Co., Ltd., to effect substantial reduction in its premium rates with effect from 1st March, 1954. The reduction varies from about two to ten per cent. in certain classes of endowment policies to as much as 25 per cent. in some classes of whole life policies. The fact is, according to insurance circles, that, in certain tables, the reduction is too attractive to be brushed aside as a minor readjustment in premium rates. There is, therefore, no doubt that the decision will have far-reaching repercussions on insurance. Already, other insurers are perturbed. They are holding feverish parleys with their Board of Directors, in order to act, at least, in pure self-defence. They have asked their learned pundits in that esoteric science which deals with life and death in the aggregate, namely, the actuarial science, to commence working on a downward revision of premium rates. Very soon, life insurance premium rates will be marked down—and marked down substantially. There is, of course, no knowing whether it will stop there, or it will be but a prelude to a calamitous rate war.

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In the meanwhile, some insurers are asking the question whether it is right for an insurer to take so momentous a step in such a unilateral fashion. Whether it is in strict conformity with

(Continued on page 443)

EQUITIES CLOSE FIRM

TATA DEFERREDS TOUCH NEW HIGH SINCE JULY 1947

(From Our Own Correspondents)

BOMBAY, 4th *March*

THE Stock Exchange witnessed a remarkable steadiness in equities during the Budget week. There was, of course, a fair-sized liquidation in two sessions of the week, the one on Friday preceding Budget day and the other on the following Monday. But the liquidation did not cause such serious erosions in equity values as to undermine the confidence of operators. For the market staged a marked recovery in the last two sessions of the week with the result that *most equities closed on a firm note* with fair gains over a wide front.

The Budget proposals themselves did not cause any big surprises or upsets, because most of the proposals were well anticipated in the market a few days in advance. Though the levy of excise duty on cotton cloth, art silk fabrics and soap was viewed with a certain amount of disappointment, the relief granted by way of abolition of import duty on raw cotton was well received. Further, the Finance Minister's encouraging account of the general economic situation, implications of deficit financing, absence of any direct taxation and the prospects of setting up two Industrial Development Corporations *imparted strength to the market.* Although most of the budget proposals were, as already stated, well anticipated, the operators thought it wise to lessen their commitments before Budget day. This accounted for the liquidation on Friday last. If the market failed, as it did, to stage a quick recovery after the announcement of the Budget proposals, it was due to apprehensions of heavy carry forward charges in the forthcoming settlement, in view of the closure of books by several companies. The oversold position on Monday attracted heavy short covering and replacement buying on Tuesday and today, which paved the way for a sizable recovery under the leadership of Tata Steels. The market remained closed yesterday on account of *Mahashivarathri.*

In the steel section, Tata Deferreds opened the week at Rs. 2,136-4 and retreated to Rs. 2,123 on pre-Budget liquidation. But in the immediate pre-Budget session and in the special Budget session the loss was more than retrieved when the scrips touched a high of Rs. 2,170 in the Budget session. *Fears about heavy carry-over charges* in the coming settlement acted as a damper and in the consequent realisation, Deferreds touched a low of Rs. 2,111-4 on Monday. But revival of speculative buying and bear covering lifted them up to Rs. 2,177-8 today—*a level not seen since July, 1947—before closing at* Rs. 2,175. Tata *Ordinaries* came up to Rs. 368-4 at the close, after receding to Rs. 356-4 on Monday, thus recording a rise of Rs. 4-12 over the week. Indian Irons advanced from Rs. 30-2 to Rs. 30-10 in the Budget session, but a steep fall occurred on Monday when they dropped to Rs. 29-3. In the subsequent recovery, the shares could not wipe off the entire loss and they closed at Rs. 29-10 with a loss of As. 8 over the week.

The abolition of import duty on raw cotton brought in substantial support to cotton textile mills, particularly those which export a substantial part of their production. Had it not been for the excise duty on cloth, the gains in equity values would have been more perceptible. Bombay Dyeings appreciated from Rs. 420 to Rs. 428-12 earlier in the week. After a dip to Rs. 405 on Monday, they came up to Rs. 436-4 before closing at Rs. 428-12. The Company has announced today a final dividend of Rs. 12-8 per share and a bonus of Rs. 2-8 per share, as against the corresponding distribution of Rs. 12-8 without any bonus in the previous year. This announcement was not well received by the market for two reasons: (1) it fell short of market expectation of a final dividend of Rs. 17-8 and (2) the distribution has been split up into dividend and bonus. Reflecting this disappointment was the initial drop today from Rs. 436-4 to Rs. 423-12. But the subsequent recovery to Rs. 428-12 was due to reports that the Company's project for manufacture of hydrogen peroxide, in collaboration with a British firm, had reached an advanced stage and that the Directors' report would throw full light on this. It is also rumoured that the shareholders of Bombay Dyeing would be allowed to subscribe to the capital of the new project, by issuing the shares of the latter as bonus to them.

Among other textile shares Kohinoors moved up from Rs. 315 to Rs. 322 on Saturday, but dropped to Rs. 311-8 on Monday. The subsequent recovery to Rs. 319-8 at the close was not marked, because of reports that the levy of excise duty on art silk fabrics would affect its earnings in the current year, as one of the units of the Company's mills is entirely producing art silk fabrics. The declaration of a higher final dividend of Rs. 14, as against Rs. 12 in the previous year, was greeted by Centurys, *with a gain of Rs. 10 over the week* to Rs. 324-8. It will be noted that these shares, which had been lagging behind Kohinoors, have *gone ahead* of the latter this week. Standards were steady with a rise of Re. 1-14 to Rs. 326-14. The Company has maintained the dividend for 1953 at Rs. 20 per share. Svadeshis added Rs. 5 and closed at Rs. 295-8 and Swans Rs. 7-8 at Rs. 357-8. Central Indias, however, declined by Rs. 3 to Rs. 181-8, Finlays by Rs. 2 to Rs. 270, Gokaks by a rupee to Rs. 269 and New Greats by Rs. 2-8 to Rs. 165. Sassoon Silk dropped As. 14 to Rs. 18-12.

Bank shares were steady with fractional rise in values over the week. Barodas were better by As. 8 at Rs. 109-8, Centrals by As. 4 at Rs. 59 and their New shares by as much at Rs. 61-8, Indias by As. 8 at Rs. 153-8 and United Commercials by As. 4 at Rs. 42-12. Imperial Fully Paids were, however, a shade lower at Rs. 1,800 and the Contributories at Rs. 436-4.

A sharp rise of Rs. 415 to Rs. 7,500 in Orientals was a feature in the insurance section. New Indias, added As. 4 to last week's gain and closed at Rs. 48-4. British India Generals were better by As. 2 at Rs. 13-2.

The miscellaneous section showed a mixed pattern. However, Bombay Burmas, were conspicuous with a rise of *Rs. 10* to Rs. 407-8, on continued demand inspired by encouraging reports about the Company's timber trading. After being marked down from Rs. 153 to Rs. 147-8, A.C.C. appreciated to Rs. 154, despite the levy of an excise duty of Rs. 5 per ton. Alcocks reacted from Rs. 363-12 to Rs. 336-4. Belapurs could gather no more than As. 8 to Rs. 259. B.B. Petrols were steady at Rs. 3-9½, while B.I.Cs looked down from Rs. 9-9 to Rs. 9-6½. National Rayons suffered a decline of Rs. 8 to Rs. 154 *cum-div. Premier Constructions* moved up by Rs. 2 to Rs. 126-4. Scindias, after being listed *ex-div.* at Rs. 17-4, as against Rs. 18-3½ *cum-div.* last week, improved to Rs. 17-14½ *ex-div.* Tata Chemicals continued its upward trend with a further rise of As. 7 to Rs. 14-8. Tata Oils reacted to the levy of excise duty on soap with a drop of As. 12 to Rs. 39-8. Wimcos were unchanged at Rs. 210.

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Calcutta Stock Exchange

CALCUTTA, 2nd *March*

The strong bullish fervour that dominated the Calcutta Stock Exchange last week yielded place to irregular conditions during the week under review. This was due to the mixed feelings with which the operators received the Central Government's budget. One section among them was jubilant over the Finance Minister's encouraging account of the general economic situation and announcement of a larger dose of deficit financing to the tune of Rs. 250 crores during 1954-55. It viewed with satisfaction the absence of any upward revision in income-tax, corporation tax and export duty on tea. Another section, however, was greatly disappointed at the levy of additional excise duty on mill-made cotton piecegoods and new ones on rayon fabrics, cement, footwear and soap. Absence of abolition or reduction of export duty on jute goods was also viewed with some disappointment. But abolition of import duty on cotton was welcomed. The dividend feelings in fact reflected in the irregular movement of values created by bouts of selling and buying. Closing quotations, on balance, revealed sprinkling of both gains and losses over the entire list.

The earlier sessions of the week witnessed a fairly large turnover in jute shares on renewed support from bulls. Towards the later sessions, however, profit-taking set in and the previous gains of several counters were completely erased, while a few scrips continued to remain firm till the close. Over the week, Kamarhatys lost 6 points to Rs. 196. Unions dropped Rs. 3 to Rs. 168. Nationals and Howrahs receded by As. 9 to Rs. 25 and Rs. 25-9, respectively. Nellimarlas declined by As. 6 to Rs. 12-4. Agarparas and Presidencys were lower by As. 4 each, the former at Rs. 16-12 and the latter at Rs. 5-9. Kelvins on the other hand, received good enquiries and put on Rs. 5 to Rs. 235. Chitavalsas and Reliance were better by As. 2 each at Rs. 12-7 and Rs. 15-6, respectively. New Centrals were fully steady at Rs. 295 and Champdanys at Rs. 154.

In the coal section, Bengals evoked special buying support and picked up Rs. 6 to Rs. 520. Equitables advanced by Rs. 2-6 to Rs. 34-1. Sendras rallied As. 15 to Rs. 9-12. East Indias rose by As. 8 to Rs. 26-4 and New Beerbhooms by As. 3 to Rs. 18-6. Talchars, on the other hand, dropped As. 9 to Rs. 3-7. Central Indias shed As. 6 to Rs. 6-8. Burrakurs and Western Bengals fell by As. 4 each to Rs. 8-14 and Rs. 5-9, respectively. South Karanpuras were a shade easy at Rs. 10-2, as against Rs. 10-5.

Among engineering scrips, Indian Irons were subjected to nervous liquidation induced by unconfirmed reports that the increase in retention prices would not be appreciable. The quotation of this scrip tumbled down from Rs. 30-8 to Rs. 29-8. Marshalls were neglected at Rs. 6-13, as against Rs. 7-3. Braithwaite Indias, however, provided a bright spot and gathered As. 11 to Rs. 15-4. Kumaradhubis were also favoured As. 4 higher at Rs. 9-4. Jessop and Co. and National Irons gained As. 2 each to Rs. 27-6 and Rs. 6-6, respectively.

Mining shares ruled slightly easy. For want of support, Indian Coppers slided down by As. 3 to Rs. 3-3. Tavoy Tins declined by As. 2 to As. 14. Consolidated Tins lost an anna to Rs. 2-3.

Despite encouraging reports from local and London tea markets, and absence of an increase in export duty, as was originally expected, shares of tea companies failed to display an impressive performance, and fluctuations in prices were confined to narrow limits. The highlight was, however, provided by Hassimaras which, on special request, advanced by Re. 1-6 to Rs. 33-8. Banarhats were better by As. 5 at Rs. 410 and Hattikhiras by As. 4 at Rs. 14. Bishunauth, Brooke Bonds and Huldibaris improved by As. 2 each to Rs. 33-8, Rs. 12-2 and Rs. 24-8, respectively. But Basmatias dropped As. 10 to Rs. 34-6 Dufflaghurs As. 9 to Rs. 39-4, and Hantaparas As. 8 to Rs. 189. East Indias lost As. 2 to Rs. 19-4. Dhelakhats were a shade easy at Rs. 13-8.

The outstanding feature of trading in the paper section was the spurt of Rs. 3-8 to Rs. 60-8 in the price of Bengal Papers. Orient Papers and Shree Gopals improved by As. 4 each to Rs. 52 and Rs. 20-12, respectively. Titaghurs, on the other hand, drifted lower from Rs. 39-2 to Rs. 38-8. Stars lost As. 5 to Rs. 9-4.

Share values in the miscellaneous section showed a general tendency to decline. India Steamships fell by As. 8 to Rs. 8-12. British India Corporations receded by As. 6 to Rs. 9-5. Martin Burns and Rohtas decreased by As. 2 each to Rs. 21 and Rs. 12-4, respectively. British Burma Petroleums, Indian Coppers and Metal Boxes lost an anna each to Rs. 3-10, Rs. 21-1 and Rs. 17-11, respectively. Jardine Hendersons, however, met with investment support and moved up by Rs. 4-8 to Rs. 120-8. Similarly, Rallis India hardened by Re. 1-2 to Rs. 61-2 and Calcutta Landings by As. 14 to Rs. 21-14. National Tobaccos scored a gain of As. 2 to Rs. 11. Dunlop Rubbers were steady at Rs. 33-8 and Calcutta Electrics at Rs. 14-1. F. & C. Oslers were transacted at Rs. 11-10 *ex-div.*, as against Rs. 12-4 *cum-div.*

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Madras Stock Exchange

MADRAS, 2nd *March*

The Madras Stock Exchange presented a mixed trend during this week. The *materialisation* of the apprehensions of levy of agricultural income-tax on plantation products, such as coffee, tea, rubber, and cardamom, and the imposition of extra sales tax of 15 pies on mill cloth, as well as additional Union excise duties on it induced longs to liquidate their positions, especially in certain planting shares. Although there was evidence of support at low levels, the market failed to gather strength. Consequently, the steady trend witnessed last week gave way to a generally easy tendency, with planting scrips in the lead. The textile section, however, came in for selective enquiry on better prospects of export demand. Miscellaneous scrips also received some support.

In the textile section, Bangalore Woollens shot up from Rs. 307-8 to Rs. 312-8. Saradas gained Re. 1-8 to Rs. 63-8. Rajalakshmis and Rangavilas rallied Re. 1 each to Rs. 101 and Rs. 49, respectively. Travancore Rayons and Janardhanas gathered As. 4 each to Rs. 8-7 and Rs. 72-8, respectively. Kotharis were higher by As. 2 at Rs. 11-14. Buckinghams, however, lost Rs. 4 to Rs. 131-8 and Radhakrishnas Rs. 2 to Rs. 167. Coimbatore Spinnings eased from Rs. 46 to Rs. 45. Maduras were down by As. 12 at Rs. 41-4 *cum-div.* Rubbers, among plantings, came in for considerable selling pressure. Cochin Malabars lost As. 6 to Rs. 6-10 and Thirumbadis As. 5 to Rs. 3-2½. Vaikundams and Pullangodes eased from Rs. 16-3 and Rs. 3-2½ to Rs. 16-2 and Rs. 2-15½, respectively. Malankaras were, however, higher by As. 8 at Rs. 37-4 and Mercars As. 4 at Rs. 3-10. Kailas gained an anna and a half to Rs. 4.

Teas presented a mixed performance. United Nilgiri Tea declined from Rs. 206 to Rs. 195. Nilgiri Tea lost As. 14 to Rs. 13 and Parksides As. 12 to Rs. 17-4. Kalasas fell down by As. 4 to Rs. 13 and Highland Produces As. 4 to Rs. 12-12. Mlamallays, however, shot up by Re. 1 to Rs. 41 and Twytords As. 4 to Rs. 15-12. Haileyburias rallied As. 2 to Rs. 16-11. Devoshalas were unchanged at Rs. 21-4, Devons at Rs. 18-12 *cum-right* and Emerald Valley at Rs. 5-1.

Coffee scrips were out of shape. Coffee Lands and Consolidated Coffees declined As. 2 to Rs. 8-10 and Rs. 15-13, respectively. Nilgiri Neerugundis eased from Rs. 3-13 to Rs. 3-9 and Puthuthotams from Rs. 3-4½ to Rs. 3-3. Shevroys were down by As. 1½ to Rs. 1-5½.

Among miscellaneous scrips, Rallis gained Rs. 3-8 to Rs. 59. Mettur Chemicals were higher by As. 2 at Rs. 6-3 and South Madras Electrics by an anna to Rs. 10-13. Mysore Chemical Manufacturings were up by As. 4 at Rs. 12-4. But for some of these scrips, the rest were either easy or dull. Aluminium Industries declined by As. 10 to Rs. 13 and India Cements by As. 5 to Rs. 18-6. Andhra Cement 'B' were lower by As. 2 at Rs. 11. Spencers changed hands at Rs. 16 *ex-div.*, as against Rs. 17 *cum-div.*

STANDARD MILLS

The financial results of the Standard Mills Co., Ltd. (Managing Agents: Messrs. Mafatlal Gagalbhai and Sons, Bombay) for the year ended 31st December, 1953 make impressive reading. The gross profit (after providing for managing agency commission) shows a rise of Rs. 8.14 lakhs at Rs. 39.18 lakhs. The provision for depreciation has been raised from Rs. 4.70 lakhs to Rs. 5.70 lakhs and that for special depreciation from Rs. 3.30 lakhs to Rs. 10 lakhs. The allocation to taxation has been stepped up from Rs. 7.50 lakhs to Rs. 11.50 lakhs. Consequent on these larger allocations, the Directors have not been able to strengthen the reserves, while last year they added Rs. 3 lakhs to the dividend equalisation fund and Rs. 1 lakh to the general reserve. The dividend on the 4 per cent. preference shares absorbs Rs. 48,000. The dividend on the ordinary shares has been maintained at Rs. 20 per share which requires Rs. 11.20 lakhs. The surplus left to be carried forward is Rs. 32,648, which compares well with Rs. 2,888 brought in.

NEWS IN BRIEF

THE Government of India has decided to permit export of chicory for the purpose of admixture with coffee.

The Central Tea Board has sanctioned a sum of Rs. 2 lakhs for the welfare of tea garden workers in Assam.

The amount of tax recovered by the Income-tax Investigation Commission, since it began its operations, is Rs. 8.86 crores.

The Government of Mysore has decided to conduct an unemployment survey with a view to collecting information on the nature and extent of unemployment in the State.

The Government of India may establish two new national laboratories, namely, an electronics and radio engineering research institute and a mechanical engineering research institute.

There are 13,477 miles of national highways in India. The State of Bombay tops the list with 1,546 miles, Uttar Pradesh and and Madhya Pradesh standing next with 1,390 and 1,199 miles, respectively.

The Government of India has decided to continue, till the end of June, 1954 the present system of free licensing of the export of certain varieties of paper and paper boards. *Free licensing of processed paper, strawboards, millboards and grey boards* and paper and boards manufactured by paper mills *was to have ended on the 28th ult.*

The Government of India has informed the International Wheat Council that it is not taking India's quota of one million tons of wheat under the International Wheat Agreement for the first year, namely, July, 1953 to June, 1954. Under the Agreement, India has to take its quota of wheat, only if the international wheat price reaches the fixed minimum.

The Government of India has decided to nationalise the mineral sands industry in Travancore-Cochin. A Central and State Corporation is to be formed to take over the industry. A provision of Rs. 20 lakhs has been made in the 1954-55 Budget estimates for this purpose. The Budget estimates also provide Rs. 10 lakhs for obtaining project reports on the prospects of manufacturing synthetic oil from lignite.

A Land Revenue Commission of seven members has been established in Hyderabad under the Hyderabad Tenancy and Agricultural Land Act. The Commission will advise the Government on fixing the extent of basic and family holdings and areas to which they applied, on problems relating to the acquisition of lands by Government, on prevention of fragmentation and generally on agrarian policy as a whole.

The Pharmaceutical Enquiry Committee is now touring Assam where it is discussing with the State Government problems relating to the pharmaceutical industry and visiting pharmaceutical factories, other institutions and the drug plantations within the State. The Committee will visit cinchona and drug plantations in Darjeeling District on 7th, 8th and 9th March and the Sindri Fertilisers and Chemicals Ltd., Sindri, on 11th and 12th March, 1954.

The Government of India has decided to issue licences for the import of betel-nuts on a liberal basis to established importers as well as newcomers. Established importers who have already applied for or obtained import licences for the current half-year may apply for additional licences to the licensing authorities at the ports. Newcomers who have previous experience of dealing in betel-nuts may also apply to the licensing authorities at ports.

Electricity generated by 637 public utility power stations in India during November, 1953, amounted to 563 million kw. h., of which 455.7 million kw. h. were sold to ultimate consumers. There was a decrease in production of about 20 million kw. h. as compared to October, 1953. The corresponding figures of output and sale for November, 1952, were 629.7 million kw. h. and 436.4 million kw. h. and for November, 1939 216.6 million kw. h. and 181.3 million kw. h., respectively.

A new cleaning device, the industrial vacuum cleaner, developed by Messrs. Robert Munster, Muttenz, Basel, Switzerland, has been gaining popularity all over the world and has been introduced in India. The cleaner, which is the result of careful research, is expected to satisfy the long-felt need of the industries for a device to keep their machines clean and smooth. The use of the vacuum cleaner makes it unnecessary for plants to be stopped for cleaning purposes which would result in loss of production.

The trend of the employment situation in January, 1954 conformed more or less to the pattern as it was in the same month of the years 1952 and 1953. 19,254 vacancies were notified to the Employment Exchanges and 13,606 applicants were placed in employment, as against 20,344 and 15,215, respectively in December, 1953. The total number of unemployed persons on the registers of the Exchanges on 31st January, reached the figure of 534,317. A study of statistics relating to the educated unemployed disclosed that at the end of 1953, the number of such persons requiring employment assistance was 163,176, as compared with 120,019 at the end of December, 1952.

The Government of India announced on 15th February, 1954, that it had decided to import sugar and would consider offers of foreign sugar of polarisation 99.8 and moisture content not exceeding 0.2 per cent. Several offers have since been received in which polarisation of less than 99.8 has been specified. The Government wishes to make it clear that, while polarisation of 99.8 is preferred, it would be prepared to accept a lower polarisation also, provided the price and other terms are attractive and the quality is otherwise acceptable to Indian consumers.

The Government of India has agreed to grant a loan of over Rs. 1 crore towards the Rs. 9-crore Matatila Dam Project during the next financial year. According to present plans, the U.P. Government, which is bearing the entire construction cost of this dam, intends to levy irrigation rates in the two States of Vindhya Pradesh and Madhya Bharat, which will be directly benefited. The proposed dam is to be built on the river Betwa and will be constructed partly in Madhya Bharat and partly in U.P. territory. The capacity of the dam is estimated at 45,000 million c. ft. According to details available, the dam will be about three miles long with a maximum height of 160 feet. In all, about 316,000 acres of land will be irrigated, out of which 9,000 acres will be in the Bhander and Lahar tehsils of Madhya Bharat and the rest of the area lies in U.P. and Vindhya Pradesh to the extent of 264,000 and 43,000 acres, respectively.

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From Abroad

Negotiations for a long-term Sino-Burmese trade agreement are now in progress at the usual diplomatic level.

One of the world's biggest sugar refineries, capable of treating 500,000 to 600,000 tons of cane a year, will be established in the next few years in the north-west of Madagascar.

The statutory control on distribution of newsprint in the U.K. may be removed next year, if an additional 100,000 tons were made available. At present, supplies are not sufficient to permit lifting of the control.

A delegation of U.K. industrialists will visit Burma this month to discuss the Burmese Government's long-term plans for developing the resources of the country and consider how best British industry can contribute towards the development.

A programme of economic and industrial development of war damaged Burma has just been drawn up. The plan, which was thrashed out at a nine-day conference of experts, will now go before the Economic and Social Board and the Cabinet for final approval.

The foreign trade surplus of the U.S. last year amounted to $500 million, the lowest for any post-war year. Exports of non-military goods and services aggregated $17,000 million, a decline of $1,000 million from 1952. Payments for imports and services, on the other hand, rose by $700 million to about $16,500 million.

Indonesia will export 20,000 tons of tin to the U.S. during the next 12 months, under the new contract between the two countries to be concluded shortly. The price charged to the U.S. will be the average market price in New York for a period of 30 days after delivery of the tin in New York.

The Norwegian State Railways have taken delivery of the first of three locomotives, said to be the most powerful in Europe. The locomotives have engines capable of developing 5,000 h.p. and are designed to haul 65 loaded ore wagons weighing 3,100 tons. The locomotives are built in Sweden.

Sales of Goodyear Tyre and Rubber Company of U.S.A. reached an all-time high for the third year in succession during 1953. The sales during the past year amounted to $1,210.51 million. Net earnings touched a record with group income aggregating $49.32 million, or $10.28 per common share.

The General Electric Company of U.S.A. is now producing the most powerful airborne search radar yet developed. The new equipment is being built under a multi-million dollar contract with the U.S. Navy's Bureau of Aeronautics. The new radar is about twice as powerful as previous airborne search units.

The International Bank for Reconstruction and Development has given a loan of $3.8 million to Turkey for port development. This supplements the loan of $12.5 million made in July, 1950, to finance foreign exchange costs involved in work to build new ports and improve existing port establishments. The present loan is for a period of 21½ years, and carries interest of 4½ per cent., including the usual one per cent. commission. Amortisation will begin on 1st April, 1956.

Financial and trade negotiations between the United Kingdom and Hungary, which were broken off by the British Government in 1949, will be resumed in London on the 15th inst. Financial questions for settlement include British claims under the economic clauses of the peace treaty. It is pointed out in London that, in the matter of trade, both sides would welcome an increased exchange of commodities, Hungary notably being understood to require raw materials for industry.

The International Bank for Reconstruction and Development has granted a loan of $18.79 million to the Brazilian Traction Light and Power Company for financing construction of a thermal electric power plant. The loan is for a period of 20 years, bears interest at the rate of 4½ per cent. per annum, and is guaranteed by the Brazilian Government. Amortisation of the loan will begin on 1st September, 1955.

PERSONAL

MR Louis St. Laurent, Prime Minister of Canada, who arrived in India last week in the course of his six-week world tour, left for Colombo early this week.

Mr. T. C. Puri, I.C.S., Deputy Secretary, Ministry of Works, Housing and Supply, has been appointed to officiate as Joint Secretary of the Ministry vice Mr. S. Ranganathan, who is officiating as Secretary.

Mr. D. V. Potdar, Working President of the Maharashtra Chamber of Commerce and Industry, has been appointed member of the Western Area Local Board of the Reserve Bank of India.

Mr. W. R. Natu, former Executive Director, International Monetary Fund, who has been appointed member of the Forward Markets Commission, Government of India, assumed charge of his office last week.

Mr. Shankar Prasad, Chief Commissioner of Delhi, has been appointed Principal of the I.A.S. School. Mr. A. D. Pandit, Chief Commissioner of Ajmer, has been appointed Chief Commissioner of Delhi.

Mrs. Durgabai Deshmukh, member of the Planning Commission, has relinquished her membership of the Commission to take up the post of whole-time Chairman of the Central Social Welfare Board from the 1st inst.

Mr. George Wood, Vice-President of Messrs. Thos. W. Ward Ltd., Sheffield, England, and Chairman of Messrs. Thos. W. Ward (India) Ltd., Bombay, has arrived from the U.K. on a short visit to India en route to Australia.

Mr. Chinoobhai C. Jhaveri, member of the Export Advisory Council, has been elected President of the All-India Exporters' Association, Bombay, for the current year. Mr. Purshotamdas R. Ashar has been elected Vice-President.

Mr. G. M. Mackinlay, Director, Messrs. Jardine Henderson Ltd., Calcutta, has been elected to succeed Mr. E. J. Pakes as President of the Bengal Chamber of Commerce and Industry for the year 1954-55. Mr. G. A. S. Sim, Director, Messrs. Andrew Yule & Co., Ltd., has been elected Vice-President. The other members of the Committee are: Mr. D. Beath of the Chartered Bank of India, Australia and China, Mr. R. H. D. Campbell of Messrs. Shaw Wallace & Co., Ltd., Sir Allan Eliott Lockhart of Messrs. Gladstone Lyall & Co., Ltd., Mr. K. R. Fettes, of Messrs. Gillanders Arbuthnot & Co., Ltd., Mr. N. D. Harris of I.C.I. (India) Ltd., Mr. O. T. Jenkins of Messrs. Balmer Lawrie & Co., Ltd., and Mr. A. S. Officer of Messrs. Bird & Co., Ltd.

"COMMERCE" 1929

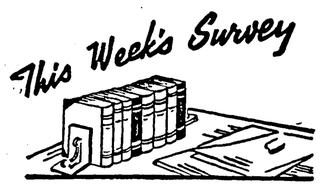
FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 9th *March*

The Central Budget

On the last day of last month, Sir George Schuster, the new Finance Member, presented, in the Legislative Assembly, the budget for 1929-30. It was the first occasion that Sir George was called upon to tackle the finance of a vast dependency where the success of the Minister lies not so much with himself as with the Providence that determines the seasons. If the country is blessed with a succession of good monsoons, his task, no doubt, becomes comparatively easy; if not, difficulties beset his path. But Sir George is a financier of the first rank and he does not possess a lily-heart. "Difficulties," he says, "are also opportunities, for it is by those that the strength of a system is tested, and success in overcoming them may lead to its permanent strengthening." He recognises that the time before us is not one for the achievement of spectacular results—and he does not wish to claim credit for them, if they are achieved. His only ambition is to learn, when he lays down the reins of office, no matter whether during his regime the country encountered good season or bad, that he served India to the utmost of his powers and that in all that he did his main thought was for the interests of the people of India. A noble ambition, and, let us hope, when his task is done, he will be leaving behind him a nobler achievement to fully justify the high reputation he has won in the realm of finance. India till now has had one priceless possession in her credit with the outside world and the economic advancement of the country depends on the maintenance and use of this credit both within and without; and Sir George warns us that the economic foundations of this country must always rest upon political stability.

The National Bank of Australasia Ltd. has decided to finance the hire-purchase business which, in the past, did not form part of normal banking business, thus following the footsteps of the English, Scottish and Australian Bank Ltd., which established a hire-purchase department for purchasing articles and goods and then virtually re-selling them on terms to its customers. The National Bank of Australasia Ltd. will act as financial agent for a Sydney firm. It will take 800,000 ordinary shares of 5s. each in a £A350,000 issue by the firm. The firm will provide a full range of hire-purchase facilities throughout Australia.



POOLING OF BONUSES

THE Government of Bombay is determined to pursue its scheme of pooling and distributing bonuses on an industry-cum-region basis. It has proposed, through a Bill published in the *Bombay Government Gazette*, dated 24th February, 1954, to amend the Bombay Industrial Relations Act, 1946, to this effect. The Bill authorises the Industrial Court to frame a scheme for pooling amounts of bonuses and for distribution thereof through a Treasurer of Bonus Schemes, to be appointed by the Government. The Court will specify, among others, the following:

(1) The employers who are directed to pay the bonus, the basis on which the bonus is payable to them and the date on which the amount of bonus due by them shall be paid to the Treasurer;

(2) the employers who are not directed to pay bonus;

(3) the employees or class of employees amongst whom the amount paid to the Treasurer is to be distributed; and

(4) the conditions under which the employees will be eligible for the bonus or debarred from getting the bonus in whole or in part.

Provision is also made for crediting the unclaimed or any other surplus amount of bonus to the Labour Welfare Fund set up under the Labour Welfare Fund Act, 1953.

The statement of objects and reasons says that, when a claim for bonus is made on industry-cum-region basis, the award for payment is usually based on the results of the financial working of the industry. The employees in the loss-making units in the local area concerned are excluded from the benefit of receiving the bonus, even if the employees in the local area are willing to pool the bonus and distribute it equally among all the employees, including those of the loss-making units, since the Court has at present no powers to order such pooling and distribution of bonus. The proposed amendment to the Act is to rectify the position, with a view to authorising the Court to frame a scheme for pooling the amounts of bonuses.

The proposed amendment is, indeed, unfortunate. It is true that it will not in any way add to the liability of the employers to pay bonus under the award. But the principle on which the scheme is based is unsound. It drives a wedge into the productivity of workers which is already low and places a premium on inefficient mills. In effect, it seeks to subsidise inefficient concerns at the expense of the more efficient ones. It will not help usher in healthier industrial relations, but would set in motion such demands in almost all industries, thus leading to more industrial unrest. Certainly, it would have been better if the Government had advocated a better wage policy in place of the bonus scheme. In the alternative, the bonus scheme, which is part of the wage policy, should have been based on the productive idea so as to guarantee in advance the intimate coupling together of individual effort and remuneration which alone can provide spontaneous incentive to increased productivity. It is to be hoped that the Government will not go ahead with the Bill in the teeth of all logical opposition to it.

This is not all. The Government has also proposed to amend sections 114 and 115 relating to registered agreement, settlement, submission or award to which a registered union is a party. According to a recent judgment of the Bombay High Court, it has been held that such an agreement or settlement, submission or award to which a registered union is a party would be binding on the members of only that union and not on the members of other unions. The present amendment seeks to amend the sections in such a way as to provide that they bind all the employees in the local area. A provision is also made for giving retrospective effect to amendments to sections 114 and 115. This, it is stated, arises from the need to preserve the binding character of all agreements, settlements, submissions and awards to which registered unions are parties and which may still be in force.

Even these amendments are unwarranted. They tantamount to coercing the members of the non-registered union to the authority of the registered union. It may be argued that this will help develop a single trade union for a unit or industry, as the case may be. But a pertinent question that may be asked is: Do the means proposed to be adopted justify the end sought to be realised? After all, only those trade unions which are developed under a democratic atmosphere can survive the test of time.

MADRAS BUDGET

In line with the budgets of most of the other Part A States, the budget of Madras for the year 1954-55 also discloses a deficit. The deficit amounts to Rs. 58 lakhs, with revenue estimated at Rs. 44.60 crores and expenditure at Rs. 45.18 crores. It is difficult to say whether this deficit is due to a fall in revenue receipts or a rise in expenditure. For the budget estimates relate to the Government of the new Madras State after the Separation of Andhra and as such comparative figures (revised) for the current year are not available. The deficit, which reflects the financial difficulties of the residuary State, is causing serious concern to the Government. Thus, the State's Finance Minister, Mr. C. Subramaniam, stated: "We have to take a crucial decision whether to follow the line of least resistance and give up the Plan or to make a determined effort to tap new resources so as to implement as much of the Plan as practicable."

Out of the deficit of Rs. 58 lakhs for 1954-55, Rs. 40 lakhs are to be covered by additional taxation, the balance being left uncovered. The new tax proposals contemplated in the budget are as follows:

(1) Surcharge on the total land revenue assessment on large holdings, the rate being calculated on a sliding scale; *pattadars* with a total assessment below Rs. 500 will be exempted;

(2) agricultural income-tax on plantation products such as coffee, tea, rubber and cardamom;

(3) betterment levy on holders of land benefited by Government irrigation works after 1st January, 1947;

(4) sales tax of 15 pies in the rupee at one point, in addition to the existing tax, on all mill-made cloth, including woollen and silk fabrics but excluding coarse cotton cloth of 16 counts and less; and

(5) inclusion of gold and silverwares and precious and imitation stones in the list of luxury articles, such as motor cars, which are now taxed at 6 pies in the rupee at one single point, in addition to the normal tax at all points; in addition, a higher rate of tax at another point is also proposed.

Considering the depletion of the Madras Government's cash balances in recent years and the none-too-comfortable financial position of the Centre on which the State can rely for larger financial assistance, the need for raising more resources within the State cannot indeed be disputed. But the point is that the Government is not tapping the right sources of revenue. Apart from persistently refusing to revoke prohibition which has denied to the Exchequer considerable revenue, the Government of Madras has come out with fresh tax burdens on the community. It is a pity that the Government should not have realised that, as it is, taxes have been loaded up to the last straw.

There is no justification whatever for the imposition of an additional sales tax of 15 pies per yard on mill-made textile fabrics. The Central Government has already enhanced the excise duty on superfine cloth by six pies to As. 2-6 per yard and on other varieties by three pies. As a result of this and also of the proposed increase in the rate of sales tax in Madras, the price of cloth in that State will rise by a further 21 pies per yard. This is, indeed, a heavy impost which, in the present context of the buyers' market, will have to be borne by the mills themselves. It looks as though the Madras Government is only too ready to sacrifice the mill industry in its anxiety to provide sustenance to handloom weavers.

Viewed from the angle of social cost involved also, the imposition of the additional sales tax on mill-made textile fabrics will be highly unjustified. The number of handloom weavers in the State of Madras is about 1.3 million which accounts for a bare 3.5 per cent. of the total population. In other words, for the sake of protecting this minority, the entire population, the majority of whom consists of people with very low incomes, has to pay a considerably higher price for mill-made cloth.

Considering, however, the difficult financial position in which the Madras Government is placed at present, the proposed agricultural income-tax on plantation products is certainly a fruitful source of revenue. It may even be said that the levy could have been introduced earlier, especially as the Travancore-Cochin Government had done so years ago. The new measure will no doubt adversely affect the plantation industries, what with increased labour costs and high incidence of Central income-tax —as much as 40 per cent. of the profits of tea estates is liable to income-tax—and the export duties such as the one on coffee. But one might ask: Is the Centre justified in imposing heavy burdens on plantation industry? The answer to this poser is not far to seek. Since plantation products are nothing but agricultural commodities, the State Governments should have the priority to tax this source. The Centre should, therefore, reduce the imposts it has placed on the plantation industry.

NATIONAL INCOME OF INDIA

A summarised version of the final report of the National Income Committee (now under print), released to the Press on Thursday last week, is published on page 410 of this issue. It will be seen therefrom that the national income of India has increased from Rs. 8,650 crores in 1948-49 to Rs. 9,530 crores in 1950-51, which represents a rise of 10.15 per cent. The increase in *per capita* income, however, has been less than proportionate, being 7.41 per cent., that is, from Rs. 246.9 to Rs. 265.2. Such is due to the advance of 2.55 per cent. in population; the population in 1950-51 was 359.33 million, as against 350.38 million two years before. This, incidentally, emphasises the increasing pressure of population on resources which must be limited if economic progress is not to be retarded.

The rise of 10.15 per cent. in the total national income during the year under review, as compared with 1948-49, should not, however, be taken to mean that there has been an appreciable improvement in the country's economic standards. For the major portion of the increase is accounted for by a rise in prices. The index of wholesale prices (Base: August, 1939=100) during 1950-51, for instance, was as high as 409.7, as against 376.2 in 1948-49, or an advance of 8.90 per cent.. The "real" increase in national income over the three-year period will thus be of the order of 1.25 per cent. However, judged against the background of the post-Partition difficulties and considering the inflation under which the country was groaning, even this small rise in national income is indeed creditable. With the increase in the tempo of economic activity under the Five-year Plan, the national income must have increased in the past three years.

A striking feature revealed by the estimates of income from different economic sectors during the period 1948-49 to 1950-51 is that the contribution from the agricultural sector (including animal husbandry, forestry and fishery) has gone up by a little more than 15 per cent., while that from mining, manufacturing and hand trades has risen by a bare 3.4 per cent. and the output from commerce, transport and communications by 5.6 per cent. One conclusion that can be drawn from these figures is that the agricultural community has benefited much from the rise in the prices of their products, while industrial and commercial sectors have been handicapped by the heavy cost structure, thanks to rise in raw material prices, labour charges and tax imposts. The rise in the net output from "services" has also been less, being 7.5 per cent., as against the rise of 8.9 per cent. in the price level.

Another striking feature revealed by the estimates relates to the share of the Government in domestic product. The net output of Government enterprises and administration during 1950-51 as compared with 1948-49 was higher by 11.9 per cent. at Rs. 720 crores, as against an increase of 9.9 per cent. in that of the private sector, from Rs. 8,030 crores to Rs. 8,830 crores. Yet another feature is the rise of 11.6 per cent. (to Rs. 770 crores) in Government draft on private income. This increase is accounted for largely by indirect taxes, which have risen from Rs. 360 crores to Rs. 430 crores. Direct taxes, on the other hand, have fallen from Rs. 240 crores to Rs. 230 crores. The increasing reliance of the Government on indirect taxes has become inevitable, in view of the already high level of direct taxation. But it is needless to add that too much reliance on indirect taxes has the danger of checking consumption and ultimately economic activity.

BOMBAY STATE TRANSPORT NEW LOAN

The Bombay State Transport Corporation (B.S.T.) owes the remarkable progress it has made so far as much to its monopolistic character as to the ability for organisation of its sponsors and administrators. At a recent Press Conference in Bombay, the Chairman of the Corporation, Mr. Chhotabhai S. Patel, gave a brief account of the growth of this nationalised enterprise. When it was started in 1948, it had a fleet of only 35 vehicles. It now has about 2,500 vehicles to serve the cause of the State's transport. It now plies its vehicles on 1,420 routes, the route mileage having increased since 1948 from 310 to 37,933. It carries, on an average, about 3½ lakh passengers every day, as against a mere 2,500 it did at the time it was started. Considering it is at all times difficult to keep a strict watch over economy in such a vast organisation as the B.S.T., it is noteworthy that the cost per bus mile which in 1948-49 was 15.07 pies has come down to 10.30 pies. The establishment cost per bus mile has declined from 62.54 pies to 59.76 pies and the cost on spare parts from 27.10 pies to 16.87 pies.

The Corporation has neither sought nor obtained any concessions by way of exemptions from Government taxes or local taxes or other imposts. But it has not, on that account, allowed its programme of providing amenities to the travelling public to go by default. Its buses are the most modern of their kind. The amenities which it has provided to the passengers include bus stations, waiting sheds and bus stops, canteens and welfare centres for its workers. It has done all this without raising the rate structure which has remained unaltered at nine pies per mile since its inception. The B.S.T's activities have hitherto been generally confined to the sphere of passenger transport. It has, however, made a small beginning in the sphere of goods transport. This has been made possible by the gift of 800 and odd trucks from Canada, under the Colombo Plan.

The capital for the Corporation, as is well known, has been contributed by the Union and the State Government in the proportion of one to two. The Corporation's capital amounts to Rs. 864 lakhs which will increase, with the capital budget estimate of Rs. 150 lakhs for 1953-54, to Rs. 1,014 lakhs on 31st March, 1954. The magnitude of the B.S.T.'s operations will be evident from the fact that its gross receipts during 1954-55 are expected to exceed Rs. 10 crores. In order to supplement its working capital, the Corporation is issuing a 4 per cent. Rs. 1 crore loan, at Rs. 99 per cent., repayable at par on 1st March, 1966. The loan is being raised on the security of the present and future revenue of the B.S.T. and has been guaranteed by the Bombay Government. The list for this loan will be open for public subscription on Monday, the 8th March, and will close on 13th March, 1954, though it might be closed earlier, if the loan is fully subscribed. There is no doubt that it will be fully subscribed, considering that the terms of the loan are in accordance with the ruling ideas of the market. It may be noted here that this is the second loan to be raised by the B.S.T. The first loan, repayable in 1964, is now being quoted at Rs. 99-10. Further, the terms of the present loan compare favourably with the last loan raised by the Bombay Government, namely, 4 per cent. 1963 which is now standing at a premium of one rupee.

CO-OPERATION IN ASIA

The stress laid on the need for accelerating the pace of the co-operative movement in Asia and the Far East by the Food and Agriculture Organisation's nine-day technical meeting on co-operation in the region, held at Kandy (Ceylon) recently, is certainly very appropriate. For, in a vast continent like Asia which is underdeveloped and where poverty and undernourishment is appalling, the co-operative movement has a great opportunity for service. If the movement is to succeed and if it is definitely to pass beyond the stage of a scattered collection of sporadic organisations, it must win the support of the people and generate the force of a real popular movement working on a nation-wide scale.

Sir John Kotelawala, Ceylon's Prime Minister, who inaugurated the Conference, said that the definition of co-operation which appealed to him most was the one given by Mr. Kagawa, a Japanese citizen and one given of the world's most outstanding co-operative leaders, who once referred to co-operation as "brotherhood economics." That description, as Sir John said, indicates how those who are economically weak and oppressed can seek the aid of the co-operative movement in their struggle for survival. Proceeding, he pointed out how every country had developed its own special type of co-operative movement. The Scandinavian countries were models of co-operation in agriculture. The U.K. had encouraged large-scale development in consumer co-operation. Japan had organised one of the most extensive co-operative health and hospitalisation schemes that the world had known.

OFF THE RECORD

(By "ROVER")

WHO would have thought that Mr. Rafi Ahmed Kidwai, the hero of the food front, would come out such a cropper, over a series of minor skirmishes in the comparatively almost insignificant battle over sugar. Some of my fellow observers are inclined to think that, coming from the typical sugar State of Uttar Pradesh, he has too long been involved in the politics centring round sugar in that State, to be able to take a detached and dispassionate view of the situation. When preconceived notions and past associations, either by way of prejudices or prepossessions, colour a man's faculty of judgment in a given case, his brain loses its sharp edge. It is apt to lead him astray. This is possibly the reason why a good surgeon never operates on a patient closely related to him and even the best of physicians prefers to obtain a second and independent opinion on his diagnosis, where his heart is involved as much as his head.

Be that as it may, the Union Food Minister has been singularly unsuccessful in unravelling the knots, which a combination of strange circumstances and unforeseen developments has tied round the comparatively simpler problem regarding sugar. I cannot think of a single step of his, where sugar is concerned, which has gone right. With an amazing consistency, he has fumbled and faltered and failed in every one of his policies concerning price fixation of cane or sugar, releases, exports, imports and distribution. The manufacturers, especially those in U.P. and Bihar, the State Governments, the sugar trade and, in most cases, his own secretariat have all served him ill and foiled one move of his after another, to the detriment of the consumer and his own political reputation. His Ministry let him down badly in the matter of exports and later, though to a smaller extent, in the case of imports as well. The U.P. State Government played him false in his sound policy of reducing the price of cane. The industry betrayed him, especially when he offered subsidies for surplus stocks of sugar to be sold at reduced prices, and ever since then about prices in general. The trade took its revenge for a long stretch of unemployment, by continuing to create *temporary pockets of scarcity* and manipulating distribution in such a way as to maintain prices at an unduly high level.

But Western India is more concerned at present with a more localised problem than the general one affecting the whole country. Repeatedly, some of those who have an intimate association with the sugar industry and indirectly with the sugar trade, have advised the Food Ministry to wash its hands clean of all controls, including those on cane prices, imports and releases and to let the problem solve itself. Repeatedly has this sane advice been ignored, possibly because the Ministry officials could not part with the last vestige of power they had enjoyed for a long time, and, perhaps, in part, because Mr. Kidwai's greed was greater than his avowed intention to bring down the price of sugar. While congratulating him for his courage in taking a prompt decision about arranging for imports—another man in his place might have been frightened out of his wits and would have played with the idea for some time—I cannot absolve him for his cupidity in trying to turn this measure to the advantage of the Central treasury.

Apart from the duty earned on imports, the Food Ministry has, not unlike merchants and manufacturers, taken advantage of the shortfall in production and supplies and made a handsome profit from a transaction, which was intended not only to fill the gap in supplies, but to act as a lever to bring down the unjustifiably high price of home-made sugar. But for this lure of profits to be earned, I am positive, he would have, as originally decided upon, left the task of importing the requisite quantity and distributing it to the trade. Private channels would have done it better; they would have obtained better sugar than he did, at a price more competitive than what he was inveigled into paying. The importers, if the whole business had been thrown open to them without favour or monopoly, would have certainly made some money out of it, but that gain would have been more at the expense of shippers abroad and not at the cost of the consumer in India. And what is more pertinent and important in the present context, these imports would have worked better towards bringing down the general run of prices. But the milk has been spilled and it would serve no purpose to cry over it now.

In this series of successive blunders, there was one bright spot. It was the Food Minister's last minute decision to throw open the shiploads of imported sugar to the trade and large industrial consumers. At Calcutta, the arrangement was different. Mr. Kidwai has a soft corner both for the trade and industry and, in his anxiety not to deprive the established trade, he had created an extra middleman, by agreeing to hand over distribution of these imports to the trade association in that centre for a consideration. Perhaps, it was a suitable device for Calcutta and the region served by that port. Luckily for the consumers and for hundreds and, possibly, thousands of small merchants in the city of Bombay and in all upcountry centres, the negotiations for such an arrangement in Bombay failed at the last moment, partly because of the rapacity of the local Association and partly because of dissensions amongst its members. This not only diminished an intervening agency, but saved one extra stage of sales tax, which would have added to the ultimate cost to the consumers. This also benefited the few confectionery, fruit preservation, soft drink and biscuits and allied industries, by enabling them to obtain their supplies at an uninflated rate.

While I should be in the front line of battle, whenever the legitimate interests of Bombay's trade are at issue, my loyalty to and admiration for this great city will not stand the strain of being stretched so far as to back up a claim of the Bombay sugar merchants that they should hold the whole of the area served by this port in fee and exact a profit from whatever is unshipped in its docks. The upcountry merchants in Maharashtra and Gujerat have every right to obtain their supplies of merchandise direct, if and when they can get it. Under the present arrangements for imported sugar, they could, and I see no reason why they should, enrich the members of the Bombay Sugar Merchants' Association, by being compelled to contribute a part of the margin to these worthies, when till now they have been able to get on, so far as imported sugar is concerned, without their services.

What has brought up this exploded idea once again to the fore is the difficulty experienced by the Food Ministry officials in Bombay, in handling the great rush of applicants for getting a slice off the last consignment from Czechoslovakia. It was, indeed, a trying time for the Regional Director for Food in Bombay and his staff and I must congratulate him for the tactful and patient manner in which he met the situation without giving rise to any mishap or heartburning. It is true that the readily available margin, at almost a token investment for a short period, had gradually attracted a large number of people, who had nothing to do with the sugar trade, to apply for this money for jam. But this defect in the present system could be easily remedied by insisting upon some proof of belonging to the trade to be furnished along with the tenders. This would have weeded out the money-for-nothing crowd and reduced the labour of the local officials. Now that imports are going to be of a larger measure, and, if not a permanent feature, at least, one of some duration, a list could have been opened of those genuinely engaged in the sugar trade, necessitating work only for a few days at the outset.

This difficulty, which was not superlative and certainly not one which could not be surmounted, did not justify the revival of the old idea of entrusting this work to the Sugar Merchants' Association, which by all accounts does not cover the whole sugar trade of the State or even of the city. Another reason given for the proposed change in distribution machinery is that sugar prices fluctuate widely at times when shipments are either delayed or when stocks run down. But my own study of the sugar market reveals that price movements have been within a narrower range since imports started coming, because distribution was over a more comprehensive field. The system of periodical releases from factories in the country, without any set programme, is as much responsible for these ups and downs in the market as the irregular arrivals of consignments of imported sugar. And, in any case, there is no guarantee that the creation of a new agency for distribution of this sugar would not result in the same situation as at present. It is much too flimsy and transparent a ground for reviving an indirect pseudo distribution and price control to deceive anybody. Reasonable fluctuations form a regular feature of a free market and it is the market's method of adjusting itself to the changing conditions.

While this is the basic objection to the proposed move, there is a very cogent but secondary objection also, which should make the authorities pause before deciding upon entrusting the work of distribution of imported sugar in Bombay to the Bombay Sugar Merchants' Association or any new body sponsored by it. It is not a body representative of the whole sugar trade even in the city and its chequered history has been marked by ugly squabbles and internal fissures, exposing it to many alleged irregularities, partiality and discriminating treatment for newcomers. In any case, there is no gainsaying the fact that, with its tiers of membership classes—the heaven-born and the outcast—its constitution and composition are undemocratic and out of harmony with the times. The underprivileged, though otherwise powerful, parties in the trade, together with some who are outside this close preserve of outmoded caste system, are believed to have already formed a rival body and to have offered more competitive terms to the authorities at New Delhi for undertaking this work. By entering this fray at this stage, the Food Ministry will be inviting a host of troubles, deadlocks and petty breakdowns in the distribution and marketing of imported sugar, all to the detriment of the consumers. As a result of this step, there will be chaos, where there is at least some order and rough justice at present.

The best course, therefore, for the authorities would be to ask the Association to put its own house in order, before presuming to speak or negotiate in the name of the sugar trade of Bombay, and carry on with the work as they have been doing so far, after weeding out those who are not in the trade. The ideal arrangement, however, would be to throw the import trade open to all and ask the industry and the cane growers in India to adjust prices of cane and sugar on a parity with the world prices. This is the only solution for the problem of sugar, which has baffled the country for twenty years, if the Central Government has the requisite moral strength to rise above the petty, political intrigues and importunities of the sugar States in the Union.—*All Rights Reserved.*

SOME REFLECTIONS ON CENTRAL BUDGET

ARE REVENUES UNDERESTIMATED?

(From A Special Correspondent)

New Delhi, 2nd March

DELHI LETTER

CANTANKEROUS critics apart, most members of Parliament are of the opinion that Mr. Chintaman Deshmukh has done his job well. Mr. Deshmukh has been holding the stewardship of the nation's finances for the last four years with considerable success. In fact, his handling of the fiscal and kindred problems during these years has evoked great admiration and unstinted praise from well-informed financial *pundits* within and without. Perhaps, when the economic history of India is written, Mr. Deshmukh's name will find an honoured place as a man who began his task with a purpose and plan, faced colossal problems and handicaps with courage and conviction and, finally, achieved notable success in the implementation of his objectives. Just as the illustrious Sir Basil Blackett, whose reputation as a financier was well known and who was mainly instrumental in restoring order and stability to the country's finances after World War I, Mr. Deshmukh has, during the last few years, been able to achieve a remarkable measure of success in his task. In certain respects, Mr. Deshmukh has been called upon to fulfil still more difficult tasks than those that confronted Sir Basil Blackett. For instance, unlike his great English predecessor, Mr. Deshmukh has had to formulate and evolve financial policies that could be made applicable to a Welfare State.

Even a perusal of the budget figures will suffice to show that the revenue estimates both in the budgets of 1953-54 and 1954-55 have, as usual, been moderately underestimated. For instance, a year ago, the revised budget estimates in regard to revenue for 1952-53 were placed at Rs. 418.64 crores, while the actuals amounted to Rs. 435.11 crores. In this year, the revenue from the Central excise, corporation and income taxes rose by about Rs. 18 crores. It is, therefore, not impossible that the revised revenue budget estimates for 1953-54 will show a higher figure by about the same figure as the preceding year and so the deficit of Rs. 16.96 crores for 1953-54 caused as a result of the non-receipt of the Pakistan loan, is likely to be wiped out eventually, especially as the Government of India has to collect substantial sums by way of arrears of income-tax.

Corporation and Income-tax

The receipts by way of corporation and income taxes continue to be an underestimate, despite the fact that the trend of industrial production has been maintaining an upward trend. In 1951, the monthly average index of industrial production hovered around 117, while in 1952 and 1953, the indices stood at 129 and 134. Since many new industries started during the last few years have been coming into full production, the current year's index is expected to show a still higher figure. In 1952-53, the revenue from these two taxes amounted to Rs. 185 crores, while in 1953-54 and 1954-55 they are placed at Rs. 165 crores only. In the coming fiscal year, the tempo of the economic activity is expected to be maintained at a higher level than the current year, and, as the profit trend in industry has been satisfactory, these taxes will yield more revenue to Government. It is, therefore, possible that the revenue for 1954-55 will show a substantial rise from the budget figure of Rs. 452.88 crores, eventually wiping out the deficit of Rs. 14.21 crores. The total yield from taxes might not be adversely affected by the possibility of a slight economic recession in the U.S.A., inasmuch as the huge development finance as envisaged by Mr. Deshmukh during the forthcoming fiscal year will maintain the economic activity of the country at a high level, perhaps isolating the operation of the world forces to some extent.

In another respect also, the budget appears to be an underestimate. The Finance Minister has provided a receipt of Rs. 9 crores from Pakistan towards loan repayments, but has discreetly omitted those which are likely to be got from Burma with whom the Government has now entered into a rice deal. In case all these were to materialise, there would no longer be any deficit of Rs. 14.21 crores; on the contrary, he might be able to report even some surplus.

At the conclusion of his speech, the Finance Minister referred briefly to the achievements of the Government of India during the last seven years since the attainment of independence and spoke eloquently that "in this period, the country's economy has been strengthened, inflationary stresses have been subsided or eliminated and production expanded in many directions." He listed, among other things, the creditable progress on the food front, the rehabilitation of the railways, construction of large irrigation and power works, establishment of many vital industries with active Government support, the rehabilitation of displaced persons, integration of Princely States into well knit administrative units, etc.

Revenue Resources

During this period, there has also been a steady increase in the Government of India's revenue resources. In 1947-48, the total gross tax revenue amounted to Rs. 177.50 crores. There has been a gradual rise in this sphere, the figure touching the peak level of Rs. 459.99 crores in 1951-52, largely owing to the fortuitous circumstances generated by the Korean War. For the current year (1953-54), the revenue is placed at Rs. 363.51 crores, while for the next year the estimates are around Rs. 379 crores. The customs receipts have gone up from Rs. 72.74 crores in 1947-48 to Rs. 175 crores in 1954-55 (barring 1951-52 when they were marked up to the record level of Rs. 231.69 crores). The revenue from the Central excise has been moved up more than fourfold. In 1947-48, it stood at Rs. 24.38 crores, while the budget estimates for 1954-55 place it at Rs. 108.89 crores, including Rs. 16.29 crores being the divisible share of States. The increase in regard to corporation and income taxes has not been so impressive as that of the Central excise. In 1947-48, the receipts from corporation and income taxes amounted to Rs. 78.11 crores, excluding the States' share, while the estimates for 1954-55 are placed at Rs. 109.02 crores. In 1951-52, they came to the high figure of Rs. 134.74 crores. During the war period, when the E.P.T. was in operation, the collections in undivided India (excluding States' share) were higher, the peak figure being Rs. 164.74 crores in 1944-45.

From the above, it will be noted that there has been a shift in favour of indirect taxes as against direct taxes during the last few years. With the increase in the living standards of the people, the consumption of many articles on which the Union excise is being levied at present will increase, thereby resulting in a further rise in the yield from these taxes. The Finance Minister last year admitted that the incidence of the Central excise was pretty heavy on the urban people as against rural population and that 20 per cent. of the people living in urban centres was bearing these taxes to the extent of 90 to 95 per cent. From the equity point of view, therefore, the Finance Minister and the States Government will have to see to it that, in the coming years, a part of the tax burden is transferred to people living in rural areas.

Considerable stimulus to the economic activity of the country will be provided during the forthcoming fiscal year, both in the private and public sectors if the proposal to start two credit institutions takes concrete shape. In regard to the public sector, the Industrial Development Corporation will come into existence within the next few months so as to stimulate the flow of capital into new industries. With a view to assisting the progress of this scheme, the Commerce and Industry Ministry will shortly appoint one of its top personnel to be in charge of this organisation. As regards the other organisation, details are now being worked out in co-operation with the World Bank members, as to how it could be made to foster private enterprise in India. This organisation will be designed in such a manner as to attract the flow of foreign capital into the country, especially from the U.S.A. and the U.K.

Among the important schemes that will receive encouragement at the hands of Government, particular mention may be made of the expansion of key industries. With a view to increasing the output of steel, loans are being granted to the Indian Iron and Steel Company, Ltd., Calcutta. In addition to the loan of Rs. 5 crores granted in 1949-50, the Government will be giving another loan of Rs. 2.9 crores and a special repayable advance of Rs. 10 crores. As a result of its expansion policy, this Company will raise its annual production capacity ultimately to 620,000 tons of finished steel and 500,000 tons of foundry pig iron for sale by 1956-57 or alternatively 700,000 tons of finished steel and 400,000 tons of pig iron for sale. The estimated

(Continued on page 443)

PRIVATE FINANCE IN AGRICULTURE

MR. M. A. SRINIVASAN'S CRITICAL REVIEW OF ITS ROLE

THERE are two classes of persons who habitually come in for much—and often, undeserved—criticism at the hands of politicians and reformers. They are the village moneylender and the absentee landlord. Should they necessarily be regarded as the chief villains of rural India? Have they not contributed in any way towards the country's agricultural prosperity? Even if it is politically unwise to support them, it seems necessary to consider whether they can be supplanted from their present position without making prior arrangements for other men or institutions to take their place. In a very thought-provoking address, at the Government Agricultural College, Hebbal (Bangalore), Mr. M. A. Srinivasan, Chairman of the Kolar group of gold mining companies, made a critical review of the problem of agricultural finance and entered a strong plea for some consideration being shown to the absentee landlord who has utilised his money for the improvement of the land he owns.

Mr. Srinivasan agreed that Indian agriculture had to be "lifted out of the slough of despondency and penury, where it has remained sunk for centuries, and to be improved and transformed into a prosperous industry." He, however, wondered whether the path the country was now treading would lead it to that goal. This was because some recent measures had tended to block the flow of finance to the agricultural sector. He said:

"It is common knowledge that finance is the life blood of every industry. The other day, the wise and revered Rajaji, one of the clearest thinkers our land is blessed with, likened a bank to a great reservoir like Mettur or Krishnarajasagar which collects water from streams and rivers during good seasons and bad and distributes it to a thousand farms and cultivators. In the same way, finance can itself be likened to a river that fertilises and enriches the land through which it runs, or is made to flow. If the stream dries up, or is blocked, crops wither away and the land is bleak and famine-stricken. I have often wondered whether in their wholly laudable zeal for agrarian reform, and their eagerness to improve the lot of the peasant, our leaders and legislators have not often adopted measures that have tended to block and dry up the flow of finance to the great and important industry called agriculture."

Restrictions on Absentee Landlordism

The present tendency to legislate against the absentee landlord, Mr. Srinivasan said in effect, checked the smooth flow of agricultural finance. In fact, he questioned the economic or even the ethical basis of the measures designed to place restrictions on absentee landlordism. In this connection, he said:

"In the olden days, and till not very long ago, investment in land was accepted as a traditional and safe form of investment. A lawyer in Madras, a doctor in Bangalore, a merchant in Mandya, or a banker in Poona, inherited or invested his savings in land. In return for his investment, and the additional rupees he spent from time to time on having a new well dug, or a pump installed, or a bund or fence put up, he received an agreed share of the produce, raised by the tenant. Today he is called an absentee landlord—an expression that platform oratory and electioneering eloquence have equated to a term of abuse. I know I tread a thorny field, but if one comes to think of it dispassionately, how is the landowner really different from the owner of any other form of property? We have not abolished property. A man or woman may hold shares in the Mysore Sugar Company at Mandya, or the Tata Iron and Steel Works at Jamshedpur or the Andhra Cement Company and receive the dividend on his or her investment, and without being castigated as an absentee sugar-owner or an absentee steel or cement lord. He may own houses in Madras or Coimbatore, and let them to tenants—the Rent Controller may sometimes prevent him from occupying his own house—yet he may receive rent and not be dubbed as an absentee houseowner.

"The hapless landowner, however, finds the scales weighed continuously against him, and his return precarious and diminishing. He has no heart to spend more on his land. Indeed, he feels inclined to dispose of his land in a market that is already bearish, with the result that land values go further down. He finds that what was once regarded as the most immovable and secure of least secure. Meanwhile, the cultivator also is denied the funds he used to get for his farming needs. Production goes down, and costly and ambitious schemes like the Grow-more-food campaign produce results that are acknowledged as disproportionately poor."

Although Mr. Srinivasan admitted that there were bad landowners as well as callous moneylenders, he rightly insisted that the evils, which their presence causes, could not be remedied by legislation. He said:

"True, there were and are bad landowners—just as there are bad bankers or politicians or administrators. It is true too that Agrarian discontentment and unrest, like poverty, is a fertile field for Communist propaganda and infiltration. At the same time, it is well to remember that legislation, however well-intentioned, cannot cure economic ills, nor counter subversive propaganda. It is important to see that, in our attempt to remedy an evil, we do not administer something that ultimately debilitates the patient or aggravates his condition—to see that, in our efforts to reduce unemployment, we do not generate conditions which discourage employment; that, in our anxiety to improve agriculture, we do not impoverish it; that, in our determination to fight communism, we do not take some of the very steps that the communists would love to see us take. If a cobra menaces, surely the thing to do is to destroy it, and not to go about amputating the limbs of the people in the neighbourhood, in anticipation of snake-bite.

"If some landlords are callous or *zowcars* extortionate, the obvious step to take is to encourage the genuine investors and to build up rural credit facilities like co-operative societies. It is doing poor service to a slum dweller whose room is dingy and whose roof leaks to demolish his habitation before you have built a new low-cost house he can move into.

"I have heard it said that, in a democracy based on adult franchise such as ours where the electorate is largely illiterate, and the havenots are so much more numerous than the haves and where tenants have more votes than owners, it would be unreasonable to expect Governments dispassionately to foresee and weigh the long-term effects of measures that popular clamour goads them to undertake. But it is surely the part of statesmanship to plan not for the next election, or the election after that, but for this generation and the next. The ballot box was not invented to be turned into a Pandora's Box by politicians, however hard-pressed or ambitious."

Mr. Srinivasan cited the plantation industry as an instance to show what "adventure and enterprise" could do to agriculture. Referring to the role which private capital could play in the sphere of agriculture, he observed:

"Agriculture can and should be made an efficient, progressive and paying industry—an enterprise that attracts capital and revitalises villages, that pays good wages and builds good houses and hospitals and schools, and temples, that is able to afford and adopt modern and improved machines and methods to produce more, and to pay income-tax. The plantation industry, which is also agricultural, is still a fine example of what adventure and enterprise can do to open up jungle and make it productive, conquer malaria and pest, build townships, provide better living conditions all round, pay taxes, and earn valuable foreign exchange."

Entering a plea for raising the status and prosperity of Indian agriculture to a higher level that is rightfully its due, Mr. Srinivasan said: "Let us not, in planning to make our agriculture prosperous, refuse to learn from the examples and experience of other free countries who have succeeded in making it so. Should it be said of us who belong to a land famed for its learning, that we are slow to learn? Should we await the advent of a new Mahatma to rid us of the curse of unteachability?

COMMONWEALTH BANK LOAN TO SOUTH AFRICA

The Commonwealth Development Finance Company is making a £2 million loan to the South African Electricity Supply Commission.

The loan is for 15 years at an effective issue price of 98½ per cent. and will carry interest at 5 per cent. per annum. Its purpose is to increase power generation for the Rand and Orange Free State gold mines.

This is the second project to be undertaken by the Company under the terms of its formation—assisting in providing financial aid for the development of the Commonwealth's resources.

The first announced recently this month, was an investment of the rupee equivalent of about £1 million in the equity of the Sui Gas Transmission Company, of Pakistan.

WORLD BANK LOANS

The International Bank for Reconstruction and Development has granted 18 loans amounting to $190.4 million during the seven months ended 31st January, 1953. With these loans, the total amount lent by the Bank so far aggregates $1,781 million and covers 31 countries. Disbursements on loans during the seven-month period amounted to $158 million bringing the progressive total disbursements to $1,261.3 million.

The Bank's 18 loans were for economic development programmes and went to Brazil, Chile, Colombia, Iceland, Italy, Japan, Nicaragua, Panama, Turkey and the Union of South Africa.

RUSSIAN LOAN TO AFGHANISTAN

The U.S.S.R. has granted a loan, the amount of which has not been disclosed to the Government of Afghanistan for the purpose of constructing two grain elevators, a mill and a mechanised bakery. The loan will be utilised for payment towards equipment and materials delivered by the U.S.S.R. as also towards cost of the surveying and designing of the construction work by U.S.S.R. technicians. An agreement to this effect was signed by the representatives of the two countries on 27th January last.

DINAJPORE BANK LTD.

The Dinajpore Bank Ltd., Calcutta, has been refused a licence to carry on banking business in India under the Indian Banking Companies, Act, 1949. The refusal of licence makes it obligatory on the part of the bank to cease transacting the business of banking.

BOMBAY STATE ROAD TRANSPORT CORPORATION

LOAN NOTIFICATION

No. ST/SCR/565/3

Bombay, dated the 4th March, 1954.

The 4% Rs. One Crore Loan

Issued at Rs. 99/- per cent. and redeemable at par in 12 years

REPAYMENT GUARANTEED BY THE GOVERNMENT OF BOMBAY

1. With the sanction and guarantee of the Government of Bombay, the Chairman, on behalf of the Bombay State Road Transport Corporation, hereby invites applications for debentures of the value of Rs. 1 crore.

2. Constitution of the Corporation

Nationalisation of the Road Transport Services in the State of Bombay was commenced on the 1st June, 1948, as a Government Department under the administrative control of the Home Department of the Government of Bombay. The administration was later passed on to a statutory public Corporation on the 8th December, 1949. This Corporation has been set up under an Act of the Parliament (Road Transport Corporations Act). The Management of the Corporation consists of 11 members, six of whom are non-officials and five represent the Government of Bombay and the Union Government.

Management

1. Shri Chhotabhai S. Patel, J.P.	Chairman.	
2. Shri R. J. Rebello, B.A. (Cantab), I.A.S. ...	Vice-Chairman, ex-officio representative nominated by the State Government.	
3. Shri Santappa S. Yelamali, Merchant ...	Member.	
4. Shri Maganbhai Shankarbhai Patel, Member of the Legislative Assembly	Member.	
5. Shri Vasantrao N. Naik, Member of the Legislative Assembly.	Member.	
6. Shri Sonusingh D. Patil, Member of the Legislative Council	Member.	
7. Shri R. B. Shirke, Member of the Legislative Assembly ...	Member.	
8. Shri U. N. Mahida, I.S.E., Chief Engineer (Roads and Buildings), Government of Bombay	Ex-officio representative nominated by the State Government.	
9. Shri V. L. Gidwani, I.C.S., Deputy Secretary, Finance Department, Government of Bombay	Do.	
10. Rajkumar Shri Ajit Singh, Road Superintendent, Western and Central Railways ...	Ex-officio representative of the Central Government.	
11. Shri S. S. Gore, B.A., M.I.R.A., I.R.A.S., Deputy Chief Accounts Officer and Financial Adviser, Central Railways	Do.	

3. Progress

During the period of a little over five years, from 1st June, 1948, to the 31st December, 1953, nationalisation of passenger transport services has been extended over nearly four-fifths of the entire State of Bombay. The figures below indicate the extent of the progress:

	As on 1-6-48	As on 31-12-53
Number of routes	8	1,420
Route mileage	310	37,933
Daily service mileage	3,627	1,56,968
Number of vehicles held	36	2,351
Number of passengers carried daily	2,459	3,49,590

4. Capital

The capital for the Corporation has so far been contributed by the Government of Bombay and the Union Government in the ratio of 2:1. As on 31st of March, 1953, the capital contributed by the two Governments stood at Rs. 864.09 lakhs. The capital budget estimate for the financial year 1953-54 is Rs. 150.00 lakhs. This will place the capital invested as on the 31st of March, 1954 at Rs. 1014.09 lakhs.

5. Objects

The loan is being raised for the purpose of supplementing the working capital of the Corporation.

6. Security for the Loan

The loan is raised on the security of the present and future revenue of the Bombay State Road Transport Corporation. The repayment of the principal and interest is guaranteed by the Government of Bombay. The debentures are, therefore, approved and Trustee Securities.

7. Description

The loan is being raised in the form of debentures of the face value of Rs. 1,000 each and the stocks will be registered and transferable in amounts of Rs. 1,000 or multiples thereof. Any debenture-stocks outstanding on 1st March, 1966, will be repaid on that date at par together with interest due thereon.

8. Amount of Issue

The amount of the loan will be Rupees One Crore.

9. Issue Price

Issue price will be Rs. 99-0-0 per cent.

10. Subscription

Subscriptions will be received from 8th of March, 1954, to 13th March, 1954. The loan will be closed without notice as soon as it appears that the total subscriptions amount approximately to one crore of rupees and in any case, not later than the close of business on 13th March, 1954. The Corporation reserves the right to accept applications for subscriptions received in excess of the sum of Rs. 1 crore upto 10 per cent.

11. Date of Repayment

The loan will have a currency of 12 years from 1st March, 1954, and will be repaid on 1st March, 1966.

12. Interest

Interest will be payable half-yearly at the Local Head Office of the Imperial Bank of India, Bombay, on the 1st of March and 1st September each year in respect of half-years ending on the last days of February and August, respectively. The first payment of interest will be made on 1st September, 1954, and will be Rs. 20 less income-tax, for each Rs. 1,000 of debenture-stock.

13. Form of Securities

The loan will be issued in the form of debentures transferable by endorsement and will be in denominations of Rs. 1,000 or multiples thereof.

14. Applications for Loan

(i) Applications for the loan must be for Rs. 1,000 or for a multiple of that sum and will be received at the Head Offices of the Imperial Bank of India, Bombay, Calcutta, Madras and all the branches in the Indian Union.

(ii) Applications will be made in the form available at the Imperial Bank of India, Bombay, Calcutta, Madras and all its Branches.

15. Method of Paying Subscriptions

Applications should be accompanied by the necessary payment either in cash or by cheque for the amount of the loan applied for. Cheques should be drawn in favour of the Imperial Bank of India and cheques drawn on local Banks will be collected at par. Where the application money is received by cheques, the debentures will be issued only after the cheques have been realised.

16. Brokerage

Brokerage will be paid at the rate of annas four per cent. to Banks and recognised brokers on allotments made in respect of applications for the loan bearing their stamps.

17. Sinking Fund

Sinking Fund will be created and maintained by paying an equated sum each year. The amount set aside for the Sinking Fund will be invested in approved securities.

18. Scrip Receipts

Scrip receipts for payment made by the applicants will be granted by the Imperial Bank of India and will be exchanged for the debentures as soon as possible.

CHHOTABHAI S. PATEL,
Chairman,
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PATTERN OF INTEREST RATES ON DEPOSITS AND ADVANCES

SPREAD BETWEEN LENDING AND BORROWING RATES FAIRLY WIDE

SOME very interesting light is thrown on the structure of interest rates and their relationship to bank deposits and advances in an article published in the latest issue of the Reserve Bank of India monthly bulletin. The article, prepared by the Bank's Department of Research, covers the position of deposits and advances as on 30th September, 1953. An outstanding feature disclosed by this study is that, on nearly 50 per cent. of their total deposits, banks paid interest at rates ranging from more than one per cent. to not more than 3 per cent., while, on 94 per cent. of the advances, they charged a rate of interest ranging from over 3 per cent. to not more than 6 per cent. Again, on as much as 26.06 per cent. of the total deposits, no interest was paid, whereas, on as much as 28.03 per cent. of deposits, the rates offered ranged from over 0 per cent. to 1 per cent. but not above that rate. With regard to advances, however, only on 5.74 per cent. of the total advances, the interest rates charged varied from upto and including one per cent. to 3 per cent. inclusive. The highest rate of interest paid on deposits was 4½ per cent. and that was in respect of three-year fixed deposits paid by only one Scheduled bank.

Another feature revealed by the Bank's analysis is that, in respect of both interest paid on deposits and that charged on advances, the smaller banks' rates appeared to be higher than those charged by big Scheduled banks. This is attributed partly to local conditions in which the small banks operate, namely, a relatively high demand for capital in relation to available funds and partly to the more risky nature of business at higher rates handled by them. This enabled them to offer higher rates of interest for deposits.

The table below discloses deposits of Scheduled and Non-scheduled banks at various rates of interest as reported by 194 banks (figures in brackets relate to percentage to total):

(In crores of rupees)

Rate of interest	Scheduled banks	Non-scheduled banks	Total
Nil	220.43 (26.80)	3.12 (8.83)	223.55 (26.06)
More than 0 per cent. but upto and including ½ per cent. ..	143.75 (17.41)	0.59 (1.67)	143.84 (16.77)
More than ½ per cent. but upto and including 1 per cent. ..	92.87 (11.29)	3.71 (10.50)	96.58 (11.26)
More than 1 per cent. but upto and including 2 per cent. ..	123.81 (15.05)	7.62 (21.56)	131.43 (15.32)
More than 2 per cent. but upto and including 3 per cent. ..	192.44 (23.39)	9.37 (26.51)	201.81 (23.52)
Over 3 per cent. ..	49.80 (6.05)	10.94 (30.95)	60.74 (7.08)
Total ..	822.59	35.35	857.94

N.B.—Total deposits in the above table include inter-bank deposits but not inter-bank borrowings and contingency unadjusted accounts.

It will be evident from the table that, of the total deposits of Rs. 857.94 crores, as much as Rs. 822.59 crores were on account of Scheduled banks, while Non-scheduled banks accounted for only 35.35 per cent. or about 4 per cent. of the total. Of the total deposits, as much as Rs. 224 crores carried no interest at all. Another Rs. 240 crores or 28 per cent. of the total carried interest upto and including 1 per cent. and Rs. 131 crores or 15 per cent. of the total over 1 per cent. but not exceeding 2 per cent. A substantial amount of Rs. 201.81 crores, or 23.52 per cent. of the total, bore interest at over 2 but not more than 3 per cent., while the balance of 7 per cent. or Rs. 60.74 crores were secured at over 3 per cent.

Deposits of Scheduled Banks

To take deposits of Scheduled banks alone. Of the total of Rs. 822.59 crores held by them, as much as Rs. 220 crores or 27 per cent. carried no interest, while on about 17 per cent. of the total interest was paid at ¼ per cent. The proportion of *nil* or low-interest bearing deposits was, however, not the same for all Scheduled banks. It was 24 per cent. in the case of Exchange banks and 48 per cent. in the case of seven major Indian banks, Rs. 13 crores or barely 2 per cent. of the deposits of all Scheduled banks were held at ¼-½ per cent.

Again, on about 25 per cent. or Rs. 204 crores of the total deposits, the Scheduled banks paid interest at between ½ and 2 per cent. inclusive, of which Rs. 80 crores were held at between ½ and 1 per cent., Rs. 75 crores at 1 and 1½ per cent., and Rs. 49 crores 1½ and 2 per cent. In the case of seven major Indian banks, deposits bearing interest between ½ and 2 per cent. comprised about 29 per cent. of their total deposits, the corresponding percentage for Exchange banks being 15 per cent.

On nearly a quarter—Rs. 192 crores to be precise—of the Scheduled bank deposits, the interest rates varied between 2 and 3 per cent. Exchange banks paid interest rates above 3 per cent. on only Rs. 2 crores of deposits, while Indian Scheduled banks paid the same rate of interest on deposits aggregating Rs. 12 crores.

Advances

The table below shows advances of Scheduled and Non-scheduled banks at various rates of interest.

(In crores of rupees)

Rate of interest	Scheduled banks	Non-scheduled banks	Total
Upto and including 1 per cent. ..	4.46 (1.04)	0.39 (1.84)	4.85 (1.07)
Over 1 per cent. to 3 per cent. inclusive. ..	18.96 (4.40)	2.11 (10.08)	21.07 (4.67)
Over 3 per cent. to 6 per cent. inclusive. ..	300.58 (83.74)	7.84 (37.44)	368.42 (81.59)
Over 6 per cent. ..	46.61 (10.82)	10.60 (50.62)	57.21 (12.67)
Total ..	430.61	20.94	451.55

It will be seen from the table that, out of the total advances of Rs. 451.55 crores, as much as Rs. 368.42 crores fell within the medium range of interest, that is, between 3 and 6 per cent. Of this, the bulk was accounted for by the Scheduled banks, their advances in this range amounting to Rs. 360.58 crores. About Rs. 57.21 crores of the total advances fall in the higher range of interest, namely, above 6 per cent. Non-scheduled banks' advances in this range, amounting to Rs. 10.60 crores, formed 50.62 per cent. of their total deposits.

Advances carrying low interest rates, that is, upto and including 3 per cent., comprised about 7 per cent. of the total advances of Exchange banks, and 4 per cent. in the case of major Indian Scheduled banks.

The medium-interest advances, that is, advances earning over 3 but no more than 6 per cent., formed 92 per cent. of advances in the case of Exchange banks, followed by 91 per cent. in the case of major Indian banks.

The average rate of interest on deposits with Scheduled banks works out to 1.25 per cent. The rates for Indian Scheduled banks and Exchange banks were 1.27 per cent. and 1.17 per cent., respectively. On advances, the average rate for all Scheduled banks was 5.02 per cent.; for Indian Scheduled banks and Exchange banks, the rates were 5.18 per cent. and 4.61 per cent., respectively. The rates are in respect of only advances and not bills purchased and discounted. It will thus be seen that the spread between the rates of interest paid by banks on their deposits and those charged by them on advances is much wider than is made out by the spokesmen of banks.

Term Deposits

An analysis of rates in respect of the call and term deposits discloses that a number of Scheduled banks in upcountry centres did not have any call money transactions at all. In Bombay and Calcutta, the common rate for call money was 2 to 2½ per cent. The call money rate quoted by Exchange banks was somewhat lower at between 1 and 2½ per cent.

On current deposits, most banks generally allowed interest at ¼ to ½ per cent., though rates upto 1 per cent. were not uncommon. Smaller Scheduled Banks generally paid higher rates. In some centres, the rates were higher than in the major cities such as Bombay and Calcutta. In Delhi, for instance, one bank allowed as high as 2 per cent.

For savings deposits, the general rate was 1 to 2 per cent. Indian Scheduled banks did not allow interest on savings accounts above 1½ per cent., while most of the Exchange banks did not have savings deposits, but those which had, offered 1½ to 2 per cent. The rates allowed on savings deposits were generally higher in centres other than Ahmedabad, Bombay, Calcutta, Nagpur and Rajkot.

The rates for three and six months' funds varied between 1 and 3 per cent., going up to 3½ per cent. in some cases. In Bombay and Calcutta, the rates varied from 1½ to 2½ per cent. Some banks in Calcutta quoted for six months' rates lower than that for three months. The minimum quotation for one year deposits was 1½ per cent., but 2 per cent. was a more common rate in Calcutta and 2½-3 per cent. in Bombay. In a number of centres, 4 to 4½ per cent. was also allowed. A large number of banks did not hold deposits for three years; where they had such deposits, the rates appeared a shade higher than those for one year deposits. Disparity in rates on the same class of deposits in the same centres may be attributed partly to the difference in the standing of banks.

Non-scheduled Banks

Low interest bearing deposits comprised only about 11 per cent. of the total in the case of Non-scheduled banks as against 44 per cent. in the case of Scheduled banks. Deposits carrying ¼ to 2 per cent. accounted for 24 per cent. and those bearing 2-3 per cent. for 27 per cent. of the total.

Only about 12 per cent. of the total advances of Non-scheduled banks were charged interest upto and including 3 per cent. The proportion of advances at over 3 but not more than 6 per cent. was 37 per cent. (as against 84 per cent. in respect of Scheduled banks) of the total, but the proportion of those at over 6 per cent. was as high as 50 per cent.

The average rate paid on deposits by Non-scheduled banks was 2.29 per cent., while the average rate charged on advanced was 6.87 per cent.

The rates on current deposits was generally around 1 to 2 per cent. But on savings deposits the rate allowed was 2-3 per cent. in Madras and 3 per cent. in Travancore-Cochin, the common rate in other areas being 2 per cent. On three months' deposits, the ruling rates in Madras and Travancore-Cochin were 3-3½ per cent., going up to 5½ per cent. in the former and 4½ per cent. in the latter State. Six months' deposits were accepted at 4 to 4½ per cent. in Madras, Travancore-Cochin and West Bengal. One-year fixed deposits were accepted at 3½ per cent. in Bombay and 3 per cent. in U.P., 4 to 4½ per cent. in Madras and 4½-5 per cent. in Travancore-Cochin.

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BRANCHES IN INDIA, PAKISTAN, BURMA & KASHMIR

LLOYDS BANK LIMITED — INCORPORATED IN ENGLAND

LB/G/96—1954

FRACTIONAL FALL IN BANK OF INDIA'S PROFIT

DEPOSITS LOWEST SINCE 1942

A SMALL drop of Rs. 1.48 lakhs in profit, that is, from Rs. 77.51 lakhs to Rs. 76.03 lakhs, is disclosed by the audited accounts of the Bank of India Ltd. (General Manager: Mr. A. C. Clarke, Bombay), for the year ended 31st December, 1953. Though this is the second year in succession in which the Bank has sustained a fall in its profit, the extent of fall during the year under review has been much smaller than that (of Rs. 2.04 lakhs) noted in the previous year. The results must, however, be said to be satisfactory considering that demand for bank finance during the major part of the year was somewhat smaller than in 1952. Reflective of the contraction in profit is the fall in the balance-sheet total from Rs. 71.33 crores at the end of 1952 to Rs. 68.72 crores at the close of the year under review. At the end of 1951, it may be remembered, it stood at a high of Rs. 81.93 crores.

The provision for taxation which had been raised from Rs. 25 lakhs to Rs. 31 lakhs in the previous year, notwithstanding the fall in profit in that year, has now been reduced by Rs. 2 lakhs to Rs. 29 lakhs. As in the previous year, no addition has been made to the investment reserve—the general reserve has not received anything for the last seven years. The provision for payment of bonus to staff, on the other hand, has been increased by Rs. 35,000 to Rs. 11.10 lakhs. The dividend at 14 per cent. per annum, free of tax, requires, as in the previous year, Rs. 35 lakhs, leaving to be carried forward Rs. 7.30 lakhs, which compares well with Rs. 6.36 lakhs brought in.

The progress of the Bank during the last three years is well brought out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned ..	175.76	175.90	151.06	154.59
Commission and exchange ..	33.35	40.44	42.72	16.06
Gross income	216.31	223.63	200.25	174.29
Interest paid	42.25	46.23	32.88	27.38
Expenses	97.54	99.09	87.85	71.87
Depreciation and repairs ..	0.49	0.80	0.48	0.58
Profit	76.03	77.51	79.55	75.04
Taxation	29.00	31.00	25.00	23.00
To property fund	..	..	..	7.50
" investment reserve	..	..	12.00	7.50
" bonus to staff ..	11.10	10.75	10.00	9.55
Dividend	35.00 (14%)	35.00 (14%)	31.55 (14%)	20.00 (14%)
Carry forward	7.30	6.36	5.61	4.90

	As on 31st December			
	1953	1952	1951	1950
Paid-up capital	2,50.00	2,50.00	2,48.86	2,00.00
Reserve funds	3,52.00	3,52.00	3,49.76	2,50.00
Deposits	54,88.73	58,12.52	57,78.93	59,50.44
Borrowings from other banks	..	..	1,75.00	..
Advances (including bills purchased and discounted	33,58.40	32,21.76	42,43.10	36,33.09
Investments	19,84.03	19,57.01	15,48.44	19,26.14
Cash	8,45.17	10,48.26	7,77.20	8,49.32
Fixed assets	23.26	17.60	14.92	14.29
Balance-sheet total ..	68,72.13	71,33.07	81,92.60	75,09.65
Ratio to deposits of—	%	%	%	%
Advances	61.2	57.4	73.4	61.0
Investments	35.2	34.9	23.8*	32.4
Cash	15.4	18.7	13.4	14.3

* Arrived at after taking into consideration the securities pledged against borrowings from other banks, to the extent of such borrowings.

It will be noted that, while there has been practically no change in interest and discount earned, there has been a sharp fall in income through commission and exchange earned. The effect of this decline on the profit would have been quite perceptible but for the saving made in expenses and interest paid. Though the upward trend has been reversed to some extent, the decline has not been very marked, the level of expenses in 1953 being much higher than that in 1951 and still higher than in 1950.

The downward trend in the Bank's deposits noted in the previous two years persisted in the year under review also when there was a shrinkage of Rs. 1.24 crores. If the year 1950, when the deposits were a shade better than in 1949, is excluded, there has been an unbroken downward trend in the Bank's deposits from 1947, the fall over these years being of the order of Rs. 13.74 crores. Another interesting feature is that the deposits as at the end of 1953 were the lowest since 1942 when they stood at Rs. 36.82 crores. A break-up analysis of the Bank's deposits as at the close of the year under review shows that, while fixed deposits have risen by Rs. 2.36 crores, savings bank deposits and current and other accounts have gone down by Rs. 14.49 lakhs and Rs. 3.46 crores, respectively. Bills for collection show an increase of about Rs. 30 lakhs to Rs. 1.13 crores, while acceptances, endorsements and other obligations have fallen by Rs. 2 crores to Rs. 5.68 crores.

Over the year, total advances have risen by Rs. 1.36 crores, but this rise offsets only by a fraction the decline of Rs. 10.21 crores experienced in the previous year. Even this increase is due only to the rise of Rs. 1.87 crores in bills purchased and discounted. Loans, cash, credits and overdrafts have been down by Rs. 50 lakhs. However, the rise in total advances in the face of a decline in deposits has raised the advances ratio from 57.4 per cent. to 61.2 per cent., but it is very much lower than that of 73.4 per cent. at the end of 1951. Investments (shown at below market value) have fallen, but the fall is of the order of Rs. 23 lakhs only, so that the ratio of investments to deposits is slightly higher at 35.2 per cent. as against 34.9 per cent. a year ago. The increase in advances in the face of a decline in deposits has resulted in a fall of over Rs. 2 crores in cash balances with the result that the cash coverage has dropped from 18.7 per cent. to 15.4 per cent. which is however, well above the all-India average.

The Bank increased its number of branches during the year by opening two offices in India, one at Gandhidham and another in New Delhi, and three abroad, at Aden, Mombasa and Kampala.

PAKISTAN SECURITIES

The procedure regarding the payment by the Government of India of the interest and redemption proceeds on Pakistan securities and *vice versa* follows the general pattern of the Partition arrangements under which the payments on either side before the Partition were continued. There is no question of any agreement between the two countries regarding the types of remittances which they should permit. Each country is free to determine the types of remittances it will allow. Under the present exchange control regulations of both countries, however, the remittance of interest and dividends on securities and shares held by non-residents is permitted. Such remittances have to take place at the official rate of exchange. The redemption proceeds and interest on Pakistan securities to the Indian holders were originally expressed in Indian rupees before Partition and, as they are the liability of Pakistan, in the absence of specific authority from Pakistan to pay at the official rate, these payments are being continued at par. This information was disclosed by the Parliamentary Secretary to the Finance Minister in the Union Parliament recently.

BANK CREDIT IN CANADA

The Canadian Government has asked Parliament to give the Bank of Canada more control over credit issued by the chartered banks. The Finance Minister, Mr. Abbott, has introduced another provision which would tend to strengthen the central bank's influence over prices on the country's bond markets. A third change proposed would enable the Bank of Canada to make short-term loans to the chartered banks on the security of insured mortgages on which they would be allowed to lend money for building homes.

The powers of the Bank of Canada over bank credit would be increased by an amendment giving the Bank authority to alter the ratio of cash reserves which each of the chartered banks must maintain to its total deposits. The minimum figure of the amount of deposits would be raised to between 8 per cent. and 12 per cent. instead of the present 5 per cent.

Hitherto the Bank of Canada has been discouraged from holding Government securities not maturing in two years after their acquisition by the Bank. The amendment would take away this restriction and permit the Bank to buy and sell any securities issued or guaranteed by the Federal Government or the Provinces.

(*Concluded from next column*)

Members (who already enjoy free travel to their constituencies) free postage, a free office and free secretarial assistance—in other words, the same facilities that a Civil Servant enjoys. Had this been done it might have been even better for the Members than the proposed "salary" increase while provoking hardly a fraction of the controversy and probably none of the jokes! As it is, there is a danger that the Members may have to sacrifice their rights on the altar of political expediency.—*All Rights Reserved.*

POLITICS AND SPENDING

M.PS.' SALARIES TO BE RAISED

(*From Our Own Correspondent*)

LONDON, *28th February*

THIS last fortnight has shown just how difficult Parliament can find it to discuss objectively issues on which any sort of party capital can be made when the balance between the parties is so fine. First there have been arguments about the high cost of the agricultural subsidies (which were higher still when they were called food subsidies under the Labour Government) which the Opposition have attributed to Government profligacy and bad budgetting. Instead of the long explanations into which it entered, the Government would have done better to point out that the high cost is nothing more than the cost of insurance: the Government has given guarantees to the farming community about their minimum incomes and as world prices have fallen and domestic demand has slackened with the increase in all varieties of food, the minimum incomes have had to be found increasingly by the Treasury. Both parties in the House support the principle of guaranteeing the home farmer and if the Opposition were not out to annoy the Government as much as possible, it would not suggest that the cost of meeting the farm guarantee is not wholly legitimate.

LONDON LETTER

The second issue is more delicate. Several wage negotiations are in progress at present and the courts of enquiry into wages in the engineering and shipbuilding industries have just recommended an increase of 5 per cent. against the 15 per cent. asked for by the Unions. If the award is accepted and applied to all the 3¾ million men and women workers in the industries concerned, the cost to industry will be some £57 million. But while the general level of negotiations is around 5 to 10 per cent. increases on current earnings, a special commission of both Houses of Parliament has recommended a 50 per cent. increase in the pay of Members of the House of Commons. Already the 50 per cent. increase has become a music-hall joke and members on both sides of the House are highly concerned both about keeping a common front, while the recommendation is debated and about keeping their constituents informed of the realities of the case. It looks too much as if the Government is counselling restraint in all earnings except that of Members of Parliament.

This is very far from being the case. The £1,500 it is proposed to pay the Members is, in terms of net income, no more than the £1,000 that was voted in 1946 or the £400 voted in 1911. No increase is, in fact, proposed in real terms over the 1911 income level: Members of Parliament, alone among the country's workers, are debarred any increase in their living standard over forty years! Actually it appears that of the £1,000 currently received by members, £750 goes in unavoidable expenses, leaving a net salary of £250. How do members live on this? Of course, they don't, either they have private means, or they are financed by their businesses or by their trade unions. Even under the new proposals Members will earn net £750 only —the salary of a senior clerk! Yet the London *Times* seriously suggests that this salary will make membership of Parliament lucrative! The *Times* is even more bothered about the proposal to pay a small pension to Members who have served upwards of ten years—it argues that Members will cling to their seats till they earn the pension. The counter to this is that a pension will make the older Members more, not less, independent of the Party Whips, since if they lose their seats at an Election they will not thereby lose their livelihood.

However, there seem to be some vested interests in keeping Membership of the House confined largely to those classes who can either finance themselves or rely on the Unions, and meanwhile the proposed increase is being made out to be far more than it is. It is now apparent that the recommendations were not made as skillfully as might have been: in view of the fact that such a high proportion of the salary is absorbed by expenses, it would have been much more objective to propose to pay each Member a tax-free expense allowance of £500 in addition to the salary, which could then have been left at £1,000. Even better is one suggestion to give

(*Continued in previous column*)

INDIA BEGINS MANUFACTURE OF STAPLE FIBRE

SIGNIFICANT LANDMARK IN HISTORY OF TEXTILE INDUSTRY

INDIA'S first factory designed to manufacture staple fibre and fabrics made out of that fibre has commenced production. The samples of these products were shown to a party of journalists in Bombay last week. The factory goes under the name of the Gwalior Rayon and Art Silk Mills Ltd. It is situated at Nagda, near Gwalior, on the Western Railway. The credit for pioneering this industry goes to Messrs. Birla Bros. Ltd., who are the Managing Agents of the Company. Some idea of the financial stake in this bold venture can be had from the fact that the capital invested in it is Rs. 3.25 crores. The factory has been brought into existence in record time, as we shall presently show. It is needless to add that this event constitutes an important landmark in the history of our textile industry, nay, in the whole of South Asia, for nowhere else in this region is staple fibre being made. It is important, because it constitutes another successful effort at taking India towards self-sufficiency in the production of textile fibres. It marks no threat to Indian cotton but to cottons that are now being imported.

In taking to the manufacture of staple fibre, India is keeping step with the developments in textiles in other parts of the world. Though of recent origin, staple fibre has come to hold an important place among textile fibres. An indication of this is provided by the fact that staple fibre today accounts for nearly 20 per cent. of the aggregate world output of cotton yarn, the quantity actually produced being 650,000 tons per annum. It is being produced both in countries which grow large quantities of cotton and also in countries which do not. An example of the former is provided by the U.S. which is now producing about 120,450 tons of staple fibre. Germany is an example of the latter and it is one of the world's biggest producers of staple fibre; during war years, this country was producing at the rate of about 346,750 tons per annum. The production of the fibre in the U.K. is at the rate of 47,450 tons and efforts are being made to step up output substantially. Incidentally, it will be interesting to note that, out of the aggregate spindleage amounting to 27.26 million in the U.K., 2 million spindles are now permanently engaged in the spinning of staple fibre. The *per capita* consumption of staple fibre fabrics in the U.K. is placed at 10 yards.

Uses of Staple Fibre

This brief account will suffice to show how popular the staple fibre has become of late. It is claimed that this man-made fibre is the most versatile available which can be spun over every known system and which presents an extensive range of yarns unsurpassed by any other textile fibre. One great advantage in the spinning of staple fibre is the reduction in waste. Under proper conditions, staple fibre produces only 2 per cent. waste, against as much as 20 per cent. on cotton. Further, the fibre yields its maximum strength with a low-twist factor. Thus, staple fibre of 1.7/16" 1.5 denier requires a finish factor of only 2.7, as compared with 4.5 to 5.5 in the case of Indian cotton and 3.75 to 4.25 in the case of American cotton. This fibre has led to the manufacture of fabrics "with characteristics and a distinctive beauty of their own." An idea of the several uses to which this man-made fibre can be put can be had from the following extract culled from the interesting brochure, *Why Import Cotton*, published some time ago by Messrs. Dobson and Barlow (Rayon Plants) Ltd., the well-known British firm of rayon machinery makers who, incidentally, designed, manufactured and erected the plant at Nagda, Gwalior:

One distinct advantage in staple fibre is that, unlike natural fibres, it is produced to specification and factors such as staple length, filament denier, extensibility, lustre and colour may be arbitrarily controlled. The staple fibre spinner can now command staple length and fineness in almost any combination. Staple fibre is extensively used in union with natural fibres and many interesting and practical fabrics result from such blends. In blending cotton with staple fibre, one great advantage is that a yarn can be produced with virtues of the man-made fibre such as whiteness, cleanness and good draping qualities, together with a wet yarn strength equal to the dry strength.

Spun dyed staple fibre has also found great favour. Here the viscose is pigmented prior to extrusion. Low cost, fastness and the range of shades opens new possibilities to the spinner. Furthermore, spun dyed will process as easily as standard viscose staples which is the reverse of stock dyed natural fibres. Viscose fibre loses about 40 per cent. of its strength on wetting, but this may be corrected by blending with cotton when the properties of both the fibres may be utilised. The effect of blending staple fibre with cotton reduces the dry strength of the staple fibre—which is greater than cotton—but increases its wet strength. Staple fibre, on the other hand, possesses high extensibility, particularly when wet. The product of tensile strength and extensibility is a matter of great concern, particularly to the weaver. It is, therefore, a combination of factors which affects the strength of a yarn, the chief of which are fibre length, hair weight, clinging power, amount of twist and fibre resistance to bending. Finally, the construction of the individual fabric is a matter of great importance.

A large field is opening in the cotton industry for staple fibre/wool blends. A short staple wool of 64s to 80s quality is used and, if the staple length of 2¾" can be handled, the wool can be blended with the staple fibre at the draw frames. Alternatively, the wool may be "stapled," usually to 1.9/16", and blended with 1.7/16" staple fibre at the openers. High quality worsted type yarns suitable for dress wear, underwear and tropical suitings can be produced in this manner on normal cotton spinning machinery. The high hygroscopic character of viscose fibre makes it particularly suitable for wear in tropical climates. At a temperature of 75° F. and relative humidity of 90 per cent. viscose will regain moisture up to 25 per cent. of its dry weight. Moisture from the body is thus taken into the fabric of the material, imparting a general feeling of comfort to the wearer. This is quite the reverse with certain textiles of low hygroscopic regain, such fabrics are cold and clammy to the wearer in tropical climates.

Vast Scope for Expansion

There is vast scope in India for the manufacture of staple fibre and staple fibre fabrics. Even on the basis of a *per capita* consumption of only one yard of fabric, the total quantity of staple fibre required will be about 34,000 tons per annum, which is more than six times the present capacity of the Nagda factory, estimated at 5,400 tons per annum. The importance of developing the staple fibre industry lies in the saving of considerable foreign exchange, amounting to about Rs. 3 crores, which is now being spent on fibre and yarn. During the seven months ended October, 1953, for instance, India imported more than Rs. 1.85 crores worth of staple fibre and yarn from abroad. Again, to the extent that staple fibre is used, the consumption of raw cotton in the manufacture of textile goods will be reduced. Two advantages accrue from this, namely, (1) lesser dependence on imports of foreign cotton, which means saving of foreign exchange, and (2) reduced pressure of cotton cultivation on land, which means availability of more land for production of food crops.

In view of the vast potentialities for development, the pioneering efforts of Messrs. Birla Brothers Ltd. in undertaking the manufacture of staple fibre and fabrics are indeed commendable. The Nagda factory, as already stated, has been designed and equipped with up-to-date machinery supplied by Messrs. Dobson and Barlow Ltd. of England. Plant and machines have been erected under expert supervision of foreign technicians. Built over an area of 200,000 square feet, on the banks of the river Chambal, the factory comprises a pumping station delivering about 8 million gallons of water per day for process and auxiliaries, an extensive water treatment station for settling, filtering and softening water for process purposes, an 8,000 kw. power station, an air-conditioning and refrigeration plant of 1,000 tons capacity for process cooling, and extensive caustic soda and sulphuric acid recovery plants. Plants have also been erected to manufacture sulphuric acid and carbon-bisulphide, the two important raw materials from imported sulphur. As regards cellulose (generally in the form of wood plup), the basic raw material, it is proposed to develop in subsequent stages the use of indigenous material which can be derived from several potential sources, such as cotton linters, cotton waste, bamboo and bagasse. In the initial stages, rayon grade pulp will be imported. Yet another important raw material that goes into the manufacture of this fibre is caustic soda which is already being produced in India in substantial quantities, though not sufficient to meet the demands of the rapidly expanding rayon industry.

The whole installation of machinery and equipment has been completed in 14 months from commencement of erection to start-up of the factory, a record practically without parallel in any plant installation of comparable size. Throughout this period, there has been the closest collaboration with the British firm of designers and manufacturers. Every item of plant and machinery has been erected under the expert supervision of foreign technicians and no less than 14 such experts have been resident at the factory site.

EXPORT OF COTTON YARN

The Central Government is reported to have decided not to allow any quotas of cotton yarn for exports during the current half-year. The chief consideration which has weighed with the Government is, it is stated, "the excellent demand for yarn within the country."

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COTTON BILL PASSES THIRD READING

WILL IMPORTS OF JAPANESE GREY GOODS BE BOYCOTTED?

(From A Special Correspondent)

MANCHESTER, *23rd February*

AMID the already well-established contrasting arguments of the politicians, the Cotton Bill, which paves the way for the reopening of the Liverpool futures market, has now received its third reading in the House of Commons. In barely three months, the industry will have returned to a system which was in force prior to the war, although the extent of the facilities to be offered will be by no means as comprehensive. Discussions are proceeding on the new arrangements, but the industry at large is still without details as to what opportunities for covering transactions will be put at its disposal. The opponents of the system whisper darkly of the threat to supplies and the possibility of widespread difficulties arising from the narrow nature of a purely American contract.

MANCHESTER LETTER

The present situation concerning long-staple cotton in Egypt and the Sudan strikes a warning note as to the problems yet to be faced, but these would equally affect the Raw Cotton Commission if it was to remain in being. Spinners as a whole are anxious to test the re-formed market and believe that they will be able to make it work effectively, even if the transitional period creates some confusion.

Arguments About Japan

Mr. Peter Thorneycroft, President of the Board of Trade, visited Manchester last week for discussions with the Cotton Board about many problems affecting the industry. The meeting had been called some time ago and was not solely in connection with the recently negotiated Japanese trade agreement. In view, however, of the widespread concern expressed in Lancashire about this pact, the talks were bound to centre on the subject of Far Eastern competition.

Almost providentially for Mr. Thorneycroft, the East African Governments announced their decision to maintain the restrictions on imports of Japanese cotton goods for a further eight months to the end of the year, in time for him to take some credit for this action. The goodwill extended to the Lancashire mission to those territories has now been borne out by events and the team merits the warm thanks of the industry for their efforts. If one area is prepared to maintain its ties with Lancashire, it only means that even more intensive competition must be expected in other markets where the Japanese are sure to press for entry. In view of its significance to Lancashire, some assurances from West Africa would be doubly welcome at the present time.

In spite of its overriding importance just at the moment, the Japanese trade agreement was only one of a series of problems which the President of the Board of Trade discussed with the leaders of the industry. For some time, there has been pressure in Lancashire for members of the Government to give an indication of their attitude towards Lancashire's staple trade. There are many who feel that London is convinced that an even smaller, if more compact, Lancashire cotton trade would suit the national economy better than the existing structure.

Confirmation that this view prevails in Government circles came almost immediately, in the course of a speech made at Cardiff by Mr. D. Heathcoat-Amory, Minister of State to the Board of Trade, who said that many of Britain's traditional markets had gone for ever. We had, he added, to develop and prepare for a new pattern of trade. We would have to sell more capital goods, instead of consumer goods.

Jap Cloth Boycott

Mr. Percy C. Fish, Chairman of J. F. and H. Roberts Ltd., the £1,300,000 Lancashire textile concern, stated, at the annual meeting in Manchester, that the Company would not handle any Japanese cloth brought into this country. Other "like-minded companies who have the Lancashire industry at heart," he declared, are also refusing to book business which involves the purchase of Japanese grey cloth." Claiming that it was sometimes advisable to forgo an order, Mr. Fish said that his Company preferred to support a "British spun, woven and finished" policy to help a fine industry maintain its hard-earned reputation.

Proceeding, Mr. Fish said: "No matter what we think of the Japanese, we must admit they are altogether too clever and farseeing for some of our leaders of the textile industry who are only too anxious to grab immediate gains without any consideration for the industry's future." Mr. Fish said that it was penny wise and pound foolish to prejudice deliveries of home-produced cloth and to "go on merrily supporting an unenviable foreign competitor."

Under the new payments agreement with Japan £3,000,000 worth of Japanese grey cloth is to be allowed into Britain for finishing and re-export.

Home Trade Supplies

Further evidence that any expansion in output of cotton and rayon goods in Britain is more likely to benefit the home trade than result in export business is contained in the figures showing the distribution of supplies during 1953. Although production made a recovery from the low levels of 1952, the share obtained on export account was negligible and the vast majority of this extra cloth went to home trade sources.

The reduction in imports of foreign fabrics during the past two years has further restricted supplies, but the struggle to maintain export trade in the face of competition and other difficulties is equally obvious. The quantity of cloth used by industrial consumers at home appears to be increasing, while the regular trade in such goods as dress materials and the wide variety of household uses for cotton and rayon goods shows no sign of diminishing.

The table below shows the comparative distribution of cotton and rayon cloth in recent years:

(In million yards)

Year	Output (a)	Imports (b)	Total (a) and (b)	Exports	Balance for home trade
1937 ..	4,122	75	4,197	2,001	2,196
1947 ..	2,012	174	2,186	539	1,647
1948 ..	2,440	248	2,688	896	1,792
1949 ..	2,502	400	2,902	1,078	1,914
1950 ..	2,840	342	3,182	1,017	2,165
1951 ..	2,960	476	3,436	1,105	2,331
1952 ..	2,192	210	2,402	871	1,531
1953 ..	2,632	143	2,775	895	1,880

Cloth Output

Rayon's revival, lately noted in the figures for yarn production, is equally obvious from the cloth output totals for 1953. The quantity of rayon and mixture goods turned out by the mills last year showed an almost equal advance over 1952, as compared with cotton, but, whereas rayon's full production exceeded the previous peak in 1951, cotton cloth output remained well below the aggregate for that year, as the following table shows:

(In million linear yards)

Cloth production	1953	1952	1951
Total	2,632.21	2,201.74	2,960.10
Cotton	1,903.67	1,600.93	2,201.41
Rayon and mixtures	768.54	600.81	758.69

In the 12 months, spinning and weaving employers gained an extra 16,000 workers, the labour force rising from 272,230 to 288,130 available for employment. Manpower gains were more noticeable in the spinning and doubling branch than in the weaving section, but the increase can only be described as moderate in the circumstances.

Smaller Shipments—Larger Imports

Lancashire's export prospects for 1954 do not seem particularly bright and the year has made only a moderate beginning, according to the January figures. Total earnings from cotton goods were slightly below £10,000,000, a reduction of £500,000 on the corresponding month a year ago. Yarn shipments, however, showed an expansion on the previous month, although they remained below the level recorded towards the end of 1953. Exports amounted to 4,178,033 lbs. worth £1,814,377. Chief buyers were Australia 506,380 lbs., Western Germany 462.829 lbs., Irish Republic 422,931 lbs., Canada 255,270 lbs. and India 251,089 lbs.

The volume of cotton piecegoods shipped abroad in January was rather lower than the monthly average in 1953, being 57,887,000 square yards at a value of £7,328.320. The average for last year was slightly in excess of 59,000,000 yards per month. Chief consumers of cotton cloth in January were (in square yards): Australia 8,446,000, South Africa 6,814,000, Nigeria 6,106.000. Gold Coast 3,279,000 and New Zealand 3,142,000.

Imports of cotton grey cloth were nearly twice as big as in January, 1953, the total being 9,983,000 square yards, valued at £554,205. Arrivals of finished cotton cloth amounted to 3,118,000 square yards, as against 2,012,000 yards a year ago and yarn imports exceeded 1,000,000 lbs., as against 115,000 lbs. in January, 1953.—*All Rights Reserved.*

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INTENSIFYING DEVELOPMENT OF SUGARCANE

RESEARCH WORKERS MUST ACCEPT THE CHALLENGE

RESEARCH and development of sugarcane in India have been lagging behind; it is essential that a sense of urgency permeate the entire body politic of the hierarchy concerned with the well-being of the sugar industry. This, is brief, is the sum and substance of the presidential address of Mr. K. L. Khanna, Director of Sugarcane Research and Development, Bihar, delivered at the meeting of the Sugarcane Development Section of the Second Biennial Conference of Sugarcane Research and Development Workers in the Indian Union, held at Jullunder recently. As has been pointed out ere now in these columns, if, in spite of the protection for well over 18 years, the sugar industry cannot endure the weather of a free market, it is undoubtedly due to the rather unhealthy state of affairs in the sugarcane economy. The yield per acre and the sucrose content of cane have not only not improved but have actually suffered a setback in recent years in U.P., Bihar and other parts of Northern India. It is no wonder, therefore that the cost of sugar in India has been high. Surely, the expectation of the consumer getting his requirements of sugar at an economic price has been belied. The Government of India, of course, has now decided to import large quantities of sugar from abroad with a view to ensuring supply for domestic consumption. But this is not the correct way of solving the problem of assuring adequate supply of sugar to the people at reasonable prices. At best, it can be regarded only as a short-term solution. As Mr. Khanna pertinently remarked, the lure of cheap sugar from abroad may eventually kill the goose that lays golden eggs. What is wanted now is not negative approach but positive action. To quote the words of Mr. Khanna:

"I submit that the answer to either short supply or high cost of production lies not in imports but in a well conceived plan to raise home production by improving acre-yield and quality in a concerted manner with the least possible delay. Else it would be a reverse gear movement and we would be undoing the labours of the past quarter of a century or more. It is, therefore, here that this assemblage of devoted and experienced workers in sugarcane can lend its full weight and see to it that the cost of production is progressively cheapened in the field and a rich quality raw material is made available to the factories where it is processed under conditions of least loss in available sugar. This is a challenge that has to be accepted on all fours, if the research and development organisations have themselves to survive, for it will be little consolation to own them and not the industry—both cultivating and milling—for whose abiding interest and lasting benefit they were specifically brought into being.

"The sugar industry is too precious a possession to be treated lightly, much less lost, and my plea is that we set about doing our honest and earnest bit in whatever sphere we are placed to see that the acre-yield factor and quality show an immediate and progressive rise and that all the present waste of the industry is turned into wealth . . . The situation demands work being done on a war footing where delays, however small, may make all the difference between success and failure. The State development schemes in their entirety must be pushed ahead and research function, wherever lacking in facilities and personnel, must be assisted such that the science of cane agriculture and technology is made to reach the door of the cultivator in a continuous stream."

Cane Supplies to Factories

Turning to some of the specific problems relating to sugarcane supplies to the factories, Mr. Khanna drew particular attention to the time lag between the cutting of the cane in the field and its actual crushing in the factory. This has been due to the fact that the factories, more especially those located in the northern sugar belt, have to tap small growers who are placed at varying distances and who have small holdings. The loss under such conditions during the latter half of the crushing season is estimated at 6 to 8 per cent. in weight and 0.6 per cent. in sugar recovery. This loss, Mr. Khanna feels, can be greatly reduced if the factory roads are rapidly improved and quick means of transport in the form of tractor trailers or tramway locomotives are ensured. He also suggests mist-spraying of cane in transit at the rate of 2 gallons to a 10-ton wagon which will result in additional sugar recovery of 0.4 to 0.7 unit.

Another direction in which rapid development is feasible, and to which Mr. Khanna alluded, relates to time schedules of sugarcane supplies. As these schedules are based on the quantity of cane offered by a cultivator, instead of on quality at the time of cutting and despatching, the initial recovery is abnormally low. Thus, the average purities of cane supplied in the early part of the crushing season range between 62 and 83 per cent., 30 per cent. of which falls below 70 per cent. parity, while the same during the middle part of the season varies between 74 and 89 per cent., the difference will be even less pronounced as the season draws to a close. In the opinion of Mr. Khanna, the existing rules of issuing supply challans in an equitable manner, as provided for under the Sugar Factories Control Act, are detrimental to the efficient utilisation of the crop. The loss in recovery under this system, for instance, is said to be not less than 0.5 unit for every 100 maunds of cane crushed. On this basis, the aggregate loss which the two States of Uttar Pradesh and Bihar alone suffered during 1952-53 is estimated at 1.3 million maunds of sugar worth Rs. 4 crores. The Central Government also lost about Rs. 35 lakhs in that year by way of reduction in excise duty. If this is true, then something must be done to avoid this loss which is quite sizable. Mr. Khanna's solution for this is the adoption of a "system of harvest control in succession of ripening."

Price of Sugarcane

Closely allied to the question of time schedules of cane supplies is the issue relating to price of sugarcane. Inasmuch as this issue has assumed special significance in the present context of the agitation of sugarcane growers of Uttar Pradesh to secure a higher price for their produce, it is but natural Mr. Khanna should have referred to it in his address. His remarks on this question are as follows:

"The benefits accruing from the industry have not been distributed equitably to its two essential counterparts, namely, the miller and the grower, and I fear the present upsurge of dissatisfaction and even suspicion in the latter is in no small way due to this cause. Governments both at the Centre and in the States have doubtless endeavoured to keep the scales even, but, in the very nature of things, this has neither been very easy nor feasible. The discriminatory price incentives have not wholly delivered the goods for the simple reason that parities with competitive crops have not always been maintained nor sustained long enough, the data on crop costings is meagre and is certainly not as elaborate and meticulously calculated as that on the milling side; while defaults or departures from normal (anticipated) rarely, if ever, remain uncompensated, for, so far as the milling industry is concerned, there is little or no reflection of a similar dispensation in the case of the cane-growing community. Unlike other advanced sugar countries, the crop is paid for on its weight and not quality, thus widening the gulf between the two parties, one concerned with production of the raw material and the other with its processing into white sugar. Moreover, the country as a whole is a near continent in size with large variations in the edaphic and environmental factors under which the crop has to grow and the impress thereof cannot but be expressed in the differential output not only of the sugarcane crop but also of crops that rotate or compete with it and whose parity prices enter significantly into the wise counsels of the cultivator, thereby making it difficult to fix a uniform price for the raw material.

Cane prices cannot be divorced from those of other agricultural commodities and, in a trend of falling prices, any disconcerting rise can only complicate the already difficult price structure. The criterion, however, has to be whether or not a crop can be sustained at a desired level by the offer of a certain price and, if it cannot be, some price stimulus has to be provided for, its quantum and variations thereof to meet different conditions, being in accordance with the essential needs of the objective referred to above. Besides, certain basic principles, if accepted, would retrieve, to a large extent, the present difficult position."

Mr. Khanna finds little justification for the sugar price determining that of the raw material. For, according to him, the basis should be the cost of cultivation of the crop with a reasonable margin of profit. He emphasises that such of the items in cost analysis as interest on working and block capital, insurance against crop failures and incidence on account of transport and supervision, that still remain controversial, need to be critically examined and reconciled to the best advantage of the industry.

Few would dispute the reasoning behind those observations of Mr. Khanna. But the point is whether the cost of cane cultivation can be accurately assessed. The former Tariff Board felt that it was extremely difficult to determine, with any degree of accuracy, the cost of production of a commodity, industrial or agricultural. In support of this view, it said: "... the factors influencing the cost are many and complex. Moreover, such factors vary widely from year to year, from place to place and even from cultivator to cultivator ... reliable data of costs are not available, because the cultivators do not maintain any accounts regarding their expenses of cultivation. Owing to these difficulties, all attempts of ascertaining the cost of cultivation of sugarcane in this country have been attended with unsatisfactory results."

Fixation of sugarcane prices purely on the basis of cultivation costs, therefore, may not be quite feasible. At the same time, there is no gainsaying the fact that, whatever may be the basis chosen, it will be quite unreal if that basis does not take into account the cost of producing cane. Again, due attention must be paid to the quality aspect. The price of cane should be linked not to its weight but to the sucrose content. In other words, the cultivator who supplies cane with higher recovery per cent. sugar should be assured of higher price *vis-a-vis* the cultivator who grows inferior quality cane. That is the most effective way of giving encouragement to the cultivation of better quality cane. It is a pity that Mr. Khanna failed to stress this point in his otherwise interesting address.

QUALITY OF SUGAR

A perceptible improvement in the quality of sugar produced in India was recorded during the 1952-53 season. According to the review made by the Director, Indian Institute of Sugar Technology, Kanpur, the bulk of the sugar output was accounted for by the two highest colour grades, namely, I.S.S. 29 and 28, the actual share of both being 82.72 per cent., as against 35.54 per cent. in the previous season. The improvement was more marked in the case of I.S.S. 28, the percentage share of which in the total sugar production rose from a bare 15.08 to as much as 60.15, while that of I.S.S. 29 increased from 20.46 to 22.57. Lower colour grades of sugar, on the other hand, suffered a setback, a welcome development indeed. The share of I.S.S. 27 and 26 in the total sugar manufactured in 1952-53 was not more than 14.42 per cent. and 1.85 per cent., as against 23.64 per cent. and 3.26 per cent., respectively, in 1951-52. Although colour standards below I.S.S. 26 have been dropped from the schedule of Indian Sugar Standards since 1950-51, a few factories still continue to report production under colour grades below I.S.S. 26. But the quantity actually produced is negligible, representing only 0.07 per cent. of the total.

The following table indicates the production of different colour grades of sugar during the 1952-53 season, as compared with the previous season:

I.S.S. colour grades	1951-52		1952-53	
	Quantity (Tons)	Percentage share	Quantity (Tons)	Percentage share
29	301,589	20.46	293,011	22.57
28	762,845	51.06	780,900	60.13
27	348,390	23.64	187,105	14.42
26	48,029	3.26	20,043	1.85
Below 26	11,803	0.80	846	0.07
Ungraded *Kori* and other sugar ..	10,889	0.74	11,639	0.90
Crushed sugar ..	378	0.02	606	0.05
Total ..	1,473,982	100.00	1,298,149	100.00

The trend of sugar production with regard to grain size during the season under review did not show any marked deviation from that in 1951-52, except the fall in the percentage of production under I.S.S./E from 31.9 to 25.03. The figures below give the production of sugar corresponding to different grain sizes in the past two seasons:

I.S.S. grain size	1951-52		1952-53	
	Quantity (Tons)	Percentage share	Quantity (Tons)	Percentage share
AA	222	0.02	5,060	0.39
A	15,108	1.03	10,677	0.82
B	35,571	2.41	42,845	3.29
C	220,003	14.93	242,563	18.66
D	710,069	48.18	638,805	49.19
E	470,199	31.90	324,977	25.03
F	9,010	0.61	20,249	1.57
G	2,446	0.17	1,529	0.11
Crushed and ungraded sugars ..	11,267	0.76	12,244	0.95
Total ..	1,473,982	100.00	1,298,149	100.00

It will be seen from the above figures that the percentage of sugar production under I.S.S. AA, B, C, D and F registered a small rise during 1952-53, while that under A and G declined. I.S.S. "D" grain accounts for the highest production, a trend which has been in evidence for the past seven years.

The position regarding production of a number of grades of sugar by the same factory during 1952-53 shows a slight improvement over the preceding year. The number of factories manufacturing only five grades of sugar was 90, representing 56.5 per cent. of the total, as against 87, representing 45.3 per cent. of the total. The number of factories producing more than 15 different grades was also higher at 3, as against 1.

The foregoing account reveals that the Indian sugar industry has been making efforts to improve the quality of its product. In this task, the industry is advised and assisted by the Bureau of Sugar Standards. Nevertheless, much remains to be done. There is considerable scope for raising the quality still further. This can be done by enhancing the technical efficiency of the sugar-producing plants. It is here that the scientists and technologists connected with the sugar industry play a vital role.

MANUFACTURE OF STEEL WITHOUT COKING COAL

JAPANESE EXPERIMENTS REVIEWED

THE production of steel with as little, if not completely without, use of coking coal as far as possible is of importance today to Asia and the Far East, for the known reserves of coking coal in this region are limited. In those countries of this region where they exist, the distance between the sources of coking coal and iron ores is generally wide. So far, only in China, including Manchuria, and in India are there large deposits of high-grade coking coal. But, even in these countries, the resources are not unlimited. So far as India is concerned, it is stated that the coking coal reserves would be exhausted before the iron ore reserves are fully exploited. This is the reason why the Government of India has ushered in a programme of conservation of coking coal. Although deposits of coking coal are reported to exist in the Philippines and Indo-China, their extent and coking quality have yet to be fully investigated.

In the light of the above situation, experiments now being conducted in Japan in manufacture of iron and steel by the use of "coal blends," not commonly considered to be of coking quality, will be of considerable interest to nations in South and South-East Asia desirous of developing their iron ore reserves. More so to India, now that the erection of a State-owned iron and steel plant will commence shortly and there is also a move to establish another plant under the second Five-year Plan. We, therefore, give below a review of the experiments conducted so far in Japan, as published in one of the recent issues of the *Iron and Coal Trades Review*, London:

"For making blast-furnace coke, a blend of indigenous and imported coal has been used in Japan, where there are relatively large reserves, but no coking coals. The imported coal comes mainly from North China and Saghalin, and is blended with local coal in the proportion of roughly 30:70. Experiments have been conducted with a view to making the country independent of imported coal and the best results so far have been obtained by blending low-temperature coke with indigenous coal in proportions of about 20:80. The coke, finely pulverized, is itself low volatile, but when blended with the indigenous coal, produces a coke of suitable characteristics and a drum index of from 85 to 90 per cent., for use in small blast furnaces, although it is unsuitable for furnaces of more than about 300 tons daily capacity.

"For best results, the coal must undergo careful preparation, including: (a) Double washing in order to reduce ash content; (b) careful screening to obtain small size which in Japanese coals possesses the best characteristics; and (c) double pulverizing of low-temperature coke to ensure maximum blending. By this method of preparation, it has been demonstrated that a satisfactory metallurgical coke can be made from Japanese coal. The capacity to produce low-temperature coke, however, is limited and will remain so until suitable coking capacity can be acquired.

"Experiments in Japan have also demonstrated that anthracite from Indo-China (Hongey) can be blended with coking coal from North China (Kailan) to make a suitable metallurgical coke, tests showing a drum index of about 90 per cent. using about 40 per cent. Indo-China anthracite, above this there is a decline in coke strength. Indo-China anthracite has been used successfully at the Yawata plant, but other anthracite only when a small proportion was used in the mixture.

"Another promising experiment being conducted in Japan is that of increasing the coking quality of a coal by the addition of a solvent, this being either creosote oil or pitch oil. Coal is crushed and mixed with the solvent in a proportion of 1:1.5 and the mixture is heated for several hours at about 200 deg. C. to make depolymerized coal. The second stage is the blending of a poor quality coking coal with depolymerized coal and fine coke in proportions of about 85:10:5 and putting the blend through the ordinary high-temperature carbonization process. The resulting coke in these experiments has a drum index of approximately 90 per cent. and promises to be suitable for metallurgical uses. Further, in the process, most of the solvent is recovered."

COAL IN ASSAM

The output of coal in Assam in 1953 was 486,321 tons. Taken together with the carry-over of 22,249 tons from the previous year, the total amount available for disposal during the year was 508,570 tons. Out of this, nearly 5,00,000 tons were despatched to different industries. It is stated that the producers in Khasi and Jaintia hill districts have been finding it difficult to dispose of their stocks due to ban on imports of Kasi coal into East Pakistan. Meanwhile, it is learned that the Government of India has taken up the matter with East Pakistan authorities.

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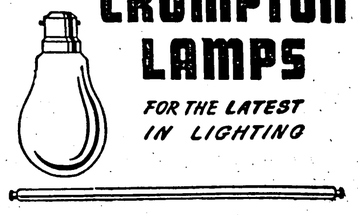

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RATIONALISATION OF WAGES IN DUNDEE JUTE MILLS

WAGES LINKED TO PRODUCTIVITY

A COMPREHENSIVE account of a new scheme of wage structure introduced in the Dundee jute industry is contained in the February (1954) issue of the *Times Review of Industry*, London. The scheme is based on a very detailed job analysis carried out by the managements of jute mills with the co-operation of their staff workers. A study of this scheme should be of some interest to Indian jute mills, for they have to compete with the Dundee mills not only in the U.K. but also in a few other markets. Further, while the conditions that existed in Dundee before the introduction of the new scheme and those prevailing in the Indian jute mills now may not be exactly similar, there may still be something in the new scheme followed by Dundee from which mills in this country may benefit. A brief reference to it, therefore, will not be out of place.

Before the new scheme was introduced in Dundee—there are still some units there which have yet to follow it—there were numerous anomalies in the wage structure. Thus, for the same work carried on by different operators, different wages were being given. Again, wages differed from department to department in the same mills and from mills to mills in the same area. There was no uniform scale of wages and each mill had its own rate. Some operatives were being paid by piece rates, while others were receiving wages on a time-rate basis. There was, generally speaking, no link between work done and the wage packet received. Some were paid more than what was commensurate with their work, while others were getting actually less than what was due to them. This was due to independent bargaining in the past between workers and managements. These anomalies attracted the attention of the Government's Working Party on Jute and figured prominently in its report submitted to the Government in 1948.

Job Analysis

Shortly after the publication of the Report, the managements of the jute industry conducted exploratory talks with trade unions concerned. The principle of job analysis as the basis of a new wage structure was, as a result, accepted by both. In order to carry out the analysis, industrial experts were called in, and a three-point progress plan was drawn up. The latter was intended to ensure smooth progress of the work, as far as possible, towards achieving three objectives, namely, (1) establishment of merit ratings for all occupations, (2) translation of merit ratings into money rates, and (3) scientific measurement of the work content of each occupation to enable the money values arrived in (2) above to be related to work done.

The work of rating all the jobs in the industry was Herculean. For it concerned a number of departments in the mills such as (*a*) batching and preparing, (b) spinning and winding, (c) weaving, (d) cloth finishing, (*e*) sewing, etc. Committees were set up to deal with these departments in all the mills of members of the Association of Jute Spinners and Manufacturers. Altogether 111,744 assessments were made by 504 members of management, supervision and workers' staffs. In making the assessments—and this is important to note—four main considerations were taken into account. These were:

(1) Skill, training and experience required for a given work,

(2) responsibility and mental requirements of the job concerned,

(3) physical requirements, and

(4) hazards.

Once the assessments had been completed and collated by the consultants, a base rate analysis, or merit rating as it is called, for every job in the industry was finally agreed. This formed the first stage of the implementation of the new wage structure. The second stage concerned linking these merit rates to money values and getting the consent of the contracting parties to it. The third and last stage related to the implementation of the agreement.

Agreement Signed in 1952

Although the work of scientific measurement in the industry had begun shortly after the end of the war, the agreement embodying the principle of job evaluation was not signed by the parties till November, 1952. The industry in Dundee is now passing through the last stage. In the last 14 months since it was signed, 50 per cent. of the member firms of the Association of the Jute Spinners and Manufacturers have begun to introduce the new wage structure in their establishments. The entire scheme covers a wide variety of occupations and many different departments. The main feature of the agreement is that there is in it a plan of incentive, built up carefully through scientific work study, which ensures to the industrious operative a bonus averaging 33⅓ per cent. of the basic wage under conditions of full work loading at standard performance. It is claimed that this plan provides adequate recompense not only for ability but also for effort.

In the majority of instances, the new scheme of wage structure gives the operative the opportunity of increasing his or her wage packet. But it is not free from minor difficulties. For, in a few instances, it has been found, on scientific work assessment, that the wages paid under the old system were in excess of the new target earnings. In such instances, the agreement provides for a protection of the earnings award which is progressively reduced at six-monthly intervals. While such cases are regretted, it is generally felt that an outstanding advantage will be gained in labour relations, provided, of course, there are consistency and equity in the potential earnings of the various operations in the industry.

Modernisation

Fortunately, the implementation of the new wage scheme has coincided with the modernisation of the industry in Dundee, as, in most units, new plant and methods have been introduced. The resulting joint effect of redeployment and labour-saving devices has, it is stated, greatly helped the industry to overcome a post-war shortage of workers. Where automatic machinery has been used, the number of looms handled by an operator has gone up to 6, 8, 10 or even 12, according to the type of cloth being woven, whereas in mills where the looms are non-automatic, the number handled is as low as two to four looms. In one works, where redeployment has been carried out, as a result of the new wage scheme, 11 women in the bag printing department now turn out the same number of branded bags as 15 did before and wages have risen in a typical case from £4-5*s.* to £5-12*s.* a week.

By introducing the new wage structure, by revolutionising production methods, by establishing research laboratories and by adopting other production and administrative aids, the jute industry in Dundee has, we are told, improved its status and demonstrated, in the most practical way, its determination to keep abreast of the rapidly changing conditions of industrial life in Britain. Indian jute mills should not lag behind in following the example of Dundee in improving their productivity and reducing costs of production.

A point which clearly emerges from the Dundee experiment in wage fixation is that it is the outcome of a bipartite agreement between labour and management. The Government finds no place at all there, unlike in India where it is associated, in some way or other, with industrial disputes. It is to be hoped that workers' organisations, in particular, will understand the significance of the Dundee example which seeks to serve the benefit of the employee and the employer alike.

RECORD TEA PRICE IN U.K.

NO REIMPOSITION OF CONTROL

TEA prices have once again been in the news in London. This is on account of the sharp increase in the price of Indian common tea which, at last week's tea auctions in London, improved by as much as 1½d. per lb. over the previous week's auction price to touch a record level of 4*s.* 4¾d. per lb. The advance in price was, it is stated, due to the emergence of a strong demand, as also to the efforts of blenders to cover their requirements in the coming months when there is a seasonal gap in supplies from Northern India. A year ago, the price of Indian common tea fetched 2*s.* 7½d. per lb. and in the autumn of 1952 it stood at a low of 1*s.* 6d.

About two weeks ago, there was a strong suggestion in tea trade circles in London to the effect that a rise in retail price of tea was inevitable, in view of the substantially higher prices fetched in auction sales. For the retail price of tea has been standing around 4*s.* 1d. for some weeks past after it had been raised by 4d. to 4*s.* per lb. early in January this year, while the auction price stood last at 4*s.* 3½d. It was stated two weeks ago that if the auction prices continued to go up, a rise in packet tea prices was certain. According to a spokesman of the tea trade, the increase is likely to take place before the end of the first week of March. Now that the auction price has staged a further rise, it will not be surprising if the increase in retail price of tea comes off sooner than expected. There is, however, no price-fixing body or agreement in trade and it is a matter for individual firms.

The retail price has, as already stated, been standing around 4*s.* 1d. per lb. It would have risen from this level much earlier than now expected but for the large stocks held by retailers at the time when prices first started moving up. This does not mean that the statistical position of tea in London has undergone a sudden change, and to such an extent, that the overall supply is much less than the demand for tea. The North Indian tea crop is, no doubt, far from being large; it has fallen short by about 17 million lbs., thanks to the unfavourable weather conditions. On the other hand, larger crop in other parts of the world, such as in South India, seems to have offset the fall in the North Indian crop. The statistical position would not by itself have brought about the rise in tea prices. If the world consumption of tea had not risen, as it has done, the suppy and demand would have balanced each other. But consumption has actually risen to a remarkable extent not only in the U.K. and other traditional tea-drinking countries but also in the U.S. The de-rationing of tea and sugar in the U.K. is one of the factors which have been responsible for the rise in tea consumption.

When the North Indian tea estates begin placing their crop, as they will do, from April onwards, it will have a psychological effect on the market. But it will not be until September this year, that the weight of the exportable quantity will be felt to a marked extent. It is, therefore, not surprising that in the meantime prices have shown a tendency to harden. Commenting on this, the *Financial Times*, in the course of an editorial, says:

"Blenders have to provide for the time-lag which inevitably exists between a higher demand and an increased supply. Even if there is an overall adequacy of tea, blenders have to make sure that they obtain what they want to cover their requirements in the next few months. They are, in fact, suffering from the post-war attitude towards stocks which is affecting a number of other commodities. Before the war, the pipeline was filled with generous supplies, so that blenders were better able to cushion themselves against sudden changes in the statistical position. This they can no longer do, and thus they remain exposed to sudden shortages like the present. It is probably true to say that blenders have only managed to keep retail prices as low as they have by forward contracts entered into some months ago at prices lower than the present. But these contracts—for North India at least —are running out and, in any case, they cover only marginal supplies. Not until the weight of tea comes to the Calcutta market in September is there likely to be any slackening of demand. Whether the price of tea at the auctions will be higher in the meantime is unpredictable, but it seems very unlikely that it can fall substantially from its present level before the last quarter of the year."

The rising trend in tea prices in London seems to have caught the close attention of a member of Parliament, who asked the Minister of Food whether the latter would reintroduce price control on tea. Major Lloyd George, Minister of Food, replied in the negative. When

(Continued in previous column)

(Concluded from next column)

his attention was drawn to the fact that it was the distributors and not the producers who were asking for an increase, the Minister declared that the cost of production had a great relevance to the matter. "To say that by controlling tea prices to the consumer tea would come down is completely untrue." he added.

TEA CONSUMPTION IN U.S.

Every index of activity in tea in the U.S. market showed a rise in 1953. Thus, iced tea sales in restaurants were 28 per cent. higher than in 1952. Retail grocery sales increased by 6.5 per cent. Total imports of tea increased to 105 million lbs., that is 11 per cent. more than in 1952. Americans drank, it is computed, 1.6 billion more cups of tea. The Tea Council in the U.S. has intensified its efforts to increase tea drinking in restaurants. If Americans chose tea in restaurants as frequently as they do at home, the U.S. consumption could be increased, according to the Tea Council, by 14 million lbs. per annum.

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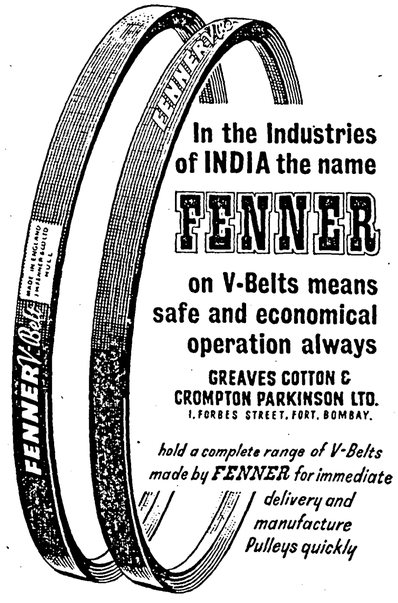

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NATIONAL INCOME OF INDIA FOR 1950-51

GROSS INCOME ESTIMATED AT RS. 9,530 CRORES

THE National Income Committee has submitted its Final Report to the Government of India, 33 months after submitting its first report. The Committee estimates the gross national income of India at Rs. 9,530 crores for 1950-51, which compares favourably with Rs. 9,010 crores for 1949-50 and Rs. 8,650 crores (revised) for 1948-49. The *per capita* income at current prices works out to Rs. 265.2, as against Rs. 253.9 for 1949-50 and Rs. 246.9 for 1948-49. When calculated in real terms, the *per capita* income, however, does not show any appreciable change during the period.

The following table shows at a glance the estimates of India's national income for the year 1950-51, as compared with the preceding two years:

Items		1950-51	1949-50	1948-49
Population	(millions)	359.33	354.82	350.38
National income	(Rs. crores)	9,530	9,010	8,650
Per capita income	(Rs.)	265.2	253.9	246.9
Net domestic product at factor cost	(Rs. crores)	9,550	9,030	8,670
Net national product at market prices	(,,)	10,030	9,460	9,060
Net output of Government enterprises	(,,)	290	270	240
Net output of Government administration	(,,)	430	410	400
Net output of private sector	(,,)	8,330	8,350	8,030
Government share in national expenditure	(,,)	820	810	850
Government draft on private income	(,,)	770	710	690

The estimates of national income for 1950-51, 1949-50 and 1948-49 are presented in different economically useful forms. With four chapters and four appendices, the Report is a comprehensive document replete with a large volume of statistical information. The narrative portion of the Report describes in detail the method of estimation employed, reviews the gaps in the existing statistics, makes recommendations for the improvement of the quality of the available data and for the collection of essential statistics required for estimation of national income, and discusses the ways and means of improving national income estimates and of promoting research in this field. The First and Final Reports thus, between them, cover all the terms of reference of the Committee. An appendix to the Report gives estimates for 1950-51, 1949-50 and 1948-49—all expressed at 1948-49 prices enabling the reader to get some broad idea of the variation in real output during the period. Another appendix presents approximate margin of error to be attached to the estimate presented. A comprehensive bibliographical list is also given.

National Income Estimation

The longest chapter in the Report is devoted to the estimates of national income. A seetion each has been devoted for describing the generation of national income in a particular industrial sector. For each sector, the Committee gives a detailed account of the sources used with critical remarks on the quality of material. Then, the actual method of estimation is elaborated. In most of the sectors, the Committee has given a table on the total value of the output generated by commodity classes and a second table giving the procedure of getting the net value of production from this total value. Thus, in this respect, the final Report gives considerably more material than was released in the first Report of the Committee.

The treatment of procedure of estimation and the examination of data is very detailed in most of the cases. In the Agricultural sector, for instance, the Committee fully examines the available area statistics, statistics bearing on yield rates, price statistics and the various material needed for getting the net value. As regards price statistics, various alternative price data have been examined from the standpoint of their usefulness for national income estimation. For calculating the net value, the Committee has considered, among other things, the question of depreciation of implements, cost of materials required for cultivation and repairs, maintenance of bunds, irrigation works, etc., uses of various kinds of manures and fertilisers, availability of data on seed rate, and feed of livestock.

Per Capita Real Income

After covering all the sectors in this fashion, the Committee devotes the last part of the chapter for presenting the national estimates which are built up from the sectoral estimates considered earlier. The national tables are more or less in the form as given in the first Report. In all the tables, estimates are presented side by side for the three years 1950-51, 1949-50 and 1948-49.

The Committee has also drawn some very broad conclusions about the estimates presented. The most important finding is, perhaps, the stability of *per capita* real income during the three years. As regards the sectoral estimates, the industrial enterprises as a whole show a decline during the period, while Government activities, including Government enterprises, depict a marked increase.

Industrial Sectors

The most important table of the Committee's report is the one which gives the contribution of different industrial sectors to national income. These contributions are presented in the table below:

National income of the Indian Union by industrial origin

(Rs. abja*)

Items	1950-51	1949-50	1948-49
Agriculture:			
Agriculture, animal husbandry and ancillary activities	47.8	43.8	41.6
Forestry	0.7	0.7	0.6
Fishery	0.4	0.4	0.3
Total of agriculture	48.9	44.9	42.5
Mining, manufacturing and hand trades:			
Mining	0.7	0.6	0.6
Factory establishments	5.5	5.4	5.5
Small enterprises	9.1	9.0	8.7
Total of mining, manufacturing and hand trades	15.3	15.0	14.8
Commerce, transport and communications:			
Communications (post and telegraph)	0.4	0.3	0.3
Railways	1.8	1.8	1.7
Organised banking and insurance	0.7	0.5	0.5
Other commerce and transport	14.0	13.9	13.5
Total of commerce, transport and communications	16.9	16.6	16.0
Other services:			
Professions and liberal arts	4.7	4.6	4.8
Government services (Administration)	4.3	4.1	4.0
Domestic service	1.3	1.3	1.2
House property	4.1	4.0	3.9
Total of other services	14.4	13.8	13.4
Net domestic product at factor cost	95.5	90.3	86.7
Net earned income from abroad	—0.2	—0.2	—0.2
Net national output at factor cost—National income	95.3	90.1	86.5

* abja=100 crores=Rs. 1,000 million.

The table, incidentally, gives revised figures for 1948-49. Thus, the national income in 1948-49 is now estimated at Rs. 8,650 crores, as against Rs. 8,710 crores given in the Committee's first report. This revision is due mainly to availability of fresh data. In so far as incomes in money terms are concerned, the table indicates a steady rise in income generated in agriculture and a relative stagnation in industries, as also in some other sectors. However, when appropriate adjustments are made for the price changes, as has been done by the Committee in an appendix, it becomes clear that this tendency is more apparent than real.

Working Population

It may be recalled that when the first report was prepared, data collected during the 1951 census were not available to the Committee. This material has since been used for estimation purposes for all the three years. The revised estimates of the working force as derived by the Committee are presented below:

Distribution of working force by industries in the Indian Union

(In thousands)

	1950-51	1949-50	1948-49
Agriculture and animal husbandry	10,27,11	10,11,35	9,95,91
Forestry	2,50	3,49	3,48
Fishery	5,79	5,78	5,77
Total	10,36,40	10,20,62	10,05,16
Mining	7,80	7,78	7,77
Factory establishments	29,69	30,70	30,65
Small enterprises	1,15,21	1,13,23	1,12,30
Total	1,52,70	1,51,71	1,50,72
Communications	1,95	1,75	1,09
Railways	11,78	11,81	11,02
Banks and insurance	1,47	1,47	1,47
Other commerce and transport	95,33	94,37	93,43
Total	1,10,53	1,09,40	1,06,51
Professions and liberal arts	64,25	61,91	60,16
Government administration	35,66	37,65	35,97
Domestic service	29,47	28,47	27,91
House property	..	..	..
Total	1,32,58	1,28,03	1,23,64
Total working force	14,32,21	14,09,76	13,86,03

The table is prepared on the basis of 1951 and 1941 census data supplemented by currently available statistics relating to employment in a number of industrial sectors. It will be seen that about 72 per cent. of the working population is engaged in agriculture and allied activities, while about 11 per cent. is engaged in mining and industries. The remaining 17 per cent. is engaged in the tertiary enterprises.

Role of Government

The Committee attempts to portray the role of Government in the national economy as follows:

Share of Government in domestic product and expenditure

(Figures in Rs. abja*)

Items	1950-51	1949-50	1948-49
Government share in generation of net domestic product:			
Net output of Government enterprises	2.9	2.7	2.4
Net output of Government administration	4.3	4.1	4.0
Net output of the private sector	88.3	83.5	80.3
Net domestic product	95.5	90.3	86.7
Government share in national expenditure:			
Government current expenditure on commodities and services (Government administration)	5.6	5.4	6.4
Government administrative capital expenditure	1.0	1.2	1.0
Government enterprises capital expenditure	1.6	1.5	1.1
Net national expenditure at market price	100.3	94.6	90.6
Government draft on private income:			
Direct taxes	2.3	2.2	2.4
Indirect taxes	4.3	3.9	3.6
Miscellaneous fees, etc.	1.1	1.0	0.9
Private income	95.7	90.5	87.0
Government capital formation and finance:			
Surplus on current account and maintenance provision	1.9	1.6	0.1
Government borrowing at home	0.5	0.1	2.7
Government borrowing abroad	0.1	0.2	—2.2
Extra budgetary receipts and adjustments for cash balances	0.2	0.8	1.5
Gross capital formation on Government account	2.7	2.7	2.1

* abja=100 crores=Rs. 1,000 million.

The above table gives the income generated in the Government sector and the share of Government in national expenditure, side by side with comparable aggregates of national income and national expenditure. It presents next a concise account of the Government draft on private income by way of direct and indirect taxes and other miscellaneous receipts and relates these magnitudes with an estimate of private income. This has been followed by a summary statement of the gross capital formation in the Government account and its finance.

The Report contains a number of other tables. A table gives the net output per engaged person by different types of industries. Another table is concerned with a classification of productive sectors by large- and small-scale enterprises. Three tables elaborate the international transactions of the country. Several tables give detailed accounts of the public authority sector as a whole. Current transactions for the administrative departments and the public enterprises are given in two separate tables, while all capital transactions have been consolidated in a single table. One table gives the generation of national income in various Government activities in considerable detail. Lastly, there is a table which depicts the relations between the different national aggregates such as domestic product at factor cost, national income, private income, national income at market prices, etc.

(Continued on page 412)



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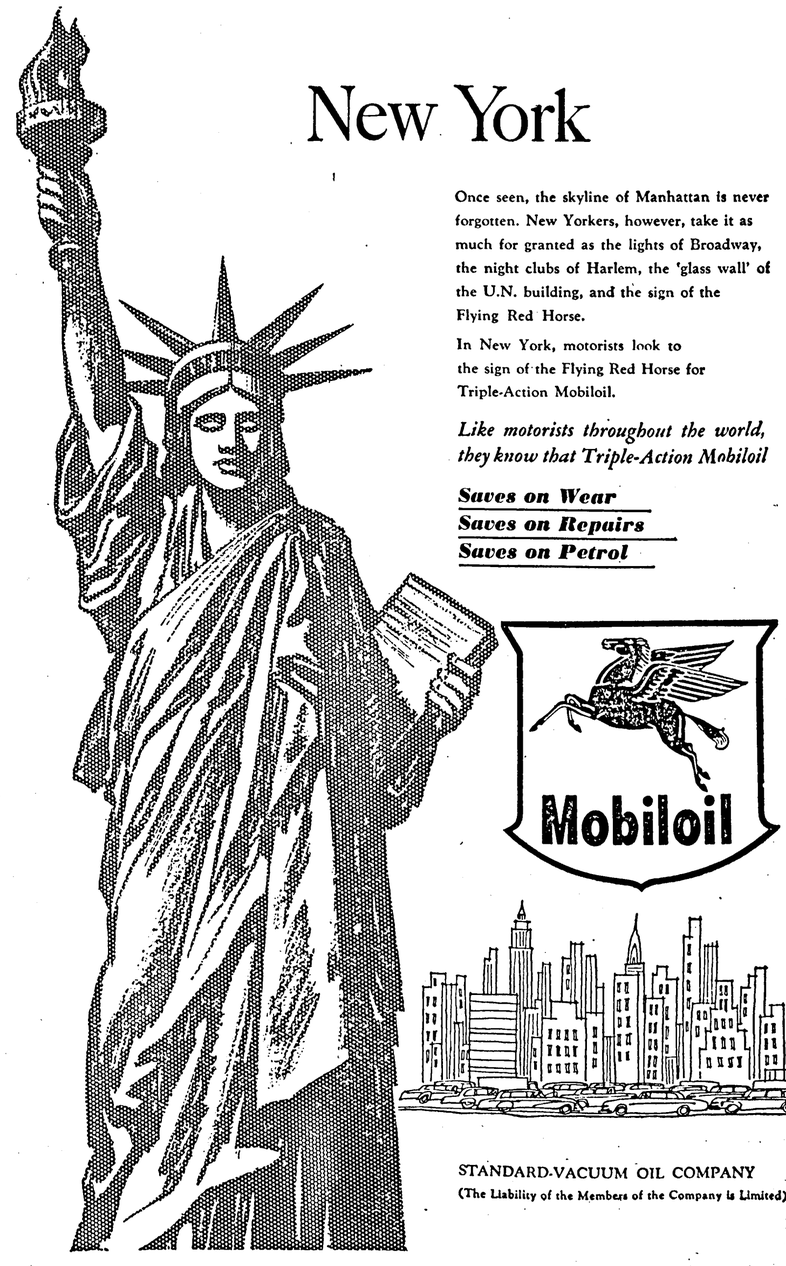

New York

Once seen, the skyline of Manhattan is never forgotten. New Yorkers, however, take it as much for granted as the lights of Broadway, the night clubs of Harlem, the 'glass wall' of the U.N. building, and the sign of the Flying Red Horse.

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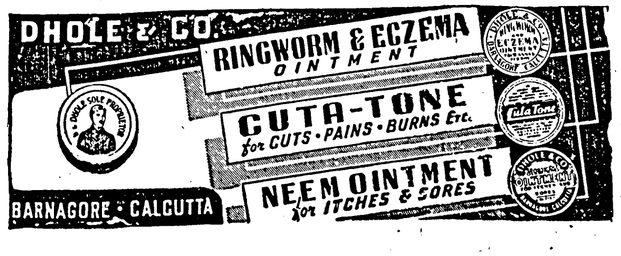




NATIONAL INCOME OF INDIA FOR 1950-51

(*Concluded from page 410*)

The next chapter of the Report is devoted to a critical examination of the available data in various fields and incorporates recommendations of the Committee on the improvement of data. The Committee has important and significant recommendations to make in almost all the fields of data collection some of which are given below:

In the field of agriculture, it has been recommended that reporting agency should be introduced in all the non-reporting areas. Present area reporting should be arranged in such a way that the primary reporters could cover a fifth of the villages every year. This will enable them to have complete coverage in the course of every five years. As regards wages and employment statistics, the Committee has recommended that the Labour Bureau should be made responsible for the entire body of the work and that the collection of such statistics should be extended to some special fields in which such statistics are not being collected at present.

The Committee suggests that the Central Government should take measures for bringing out uniformity in the reporting of statistics relating to sales tax. With regard to certain aspects of agriculture, animal husbandry, trade, transport, small enterprises, etc., the Committee recommends small-scale structural studies to be undertaken mainly by research institutions and academic bodies. In the case of small enterprises, such studies should be initiated by the Central Government, and State Bureaus and all-India private organisations for encouragement and protection of such industries should fully co-operate. The National Income Unit should prepare periodic reports on the implementation of the various recommendations.

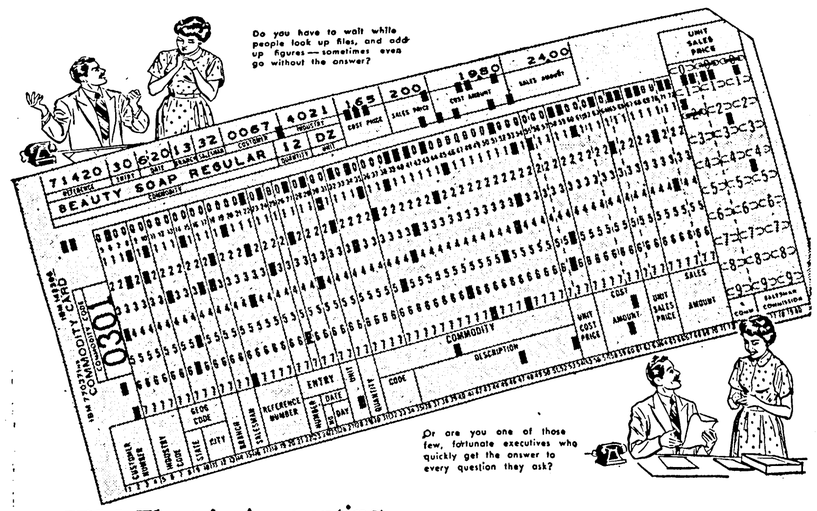
Institutional Set-Up

The last chapter of the Report is devoted to the institutional set-up for national income estimation. Here, the Committee recommends that the National Income Unit should prepare an annual paper on national income analogous to the White Paper on National Income in the United Kingdom. The Committee also suggests that the National Income Unit of the Ministry of Finance should be put on a permanent basis. The Committee is, however, of the opinion that a good deal of work on national income analysis and research could profitably be undertaken in research institutions and universities. For this, the Committee recommends that suitable grants should be provided by the Government for research in the field of national income.

The Committee further recommends formation of an interim Advisory Committee on national income. This Committee should review all current work on national income and advise Government on various matters related to national income. Ultimately, this Committee should be replaced by a non-official National Income Conference which should come into being through private initiative of various research workers in the field of national income, both official and non-official. When such a Conference starts, the work of the Advisory Committee should devolve on the Conference and the Advisory Committee should cease to exist. The Government should give all possible financial support to the National Income Conference once it is formed.

Margin of Error

The main body of the Report is followed by 4 appendices. The first appendix is concerned with an estimation of the movement of real output in the country. The second appendix is concerned with the method adopted for estimating the overall margin of error of the estimates presented. It is interesting to note that the Committee puts the overall margin of error of their estimates of national income at about 10 per cent. or slightly higher. In the third appendix, estimates for 1948-49 as given in this Report are presented side by side with the estimates as given in the first Report of the Committee. The Report concludes with a fairly long bibliography which gives the various publications used by the Committee.



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DEVELOPMENT OF INDIAN SHIPPING

MR. K. C. REDDY DEFENDS GOVERNMENT POLICIES

READ together, the addresses of Mr. K. C. Reddy, Union Minister for Production, and Mr. N. Dandekar, President of the Indian National Steamship Owners' Association, to the annual general meeting of the Association held on 20th February in Bombay, disclose that the progress of shipping has not been all plain sailing. Mr. Reddy tried to paint a moderately attractive picture of the progress of the industry during the past few years, while Mr. Dandekar presented an almost discouraging one. As was only to be expected, Mr. Dandekar gave a clear account of the views of private *entrepreneurs* on the development of the shipping industry and the Government's policy in relation to that industry. He selected for special comment problems relating to the Centre's aid to shipping, the ascertainment of the U.K. parity price for Indian-built ships, the agreements between the Government and the international oil companies building refineries in India, regarding the transport of oil on Indian coast and the like. These are live issues in the sphere of Indian shipping today. To these might be added the difficulties of the industry in running overseas passenger services which have compelled the leading shipping company, Scindias, to close down the U.K.-India passenger service. Mr. Reddy dealt with every one of these issues in a lucid manner and pointed out how the Government could not, under the existing circumstances, follow a course different from the one it was following.

Rate of Progress

Prefacing his address with a review of the progress of shipping, since the end of World War II, Mr. Dandekar pointed out how deplorably slow was the rate of this progress. He pointed out that the Indian shipping tonnage had increased from about 75,000 tons at the end of the war to only about half a million at the end of 1953. During the same period, Germany has increased its shipping from about 75,000 to 1.7 million tons and Japan from about 750,000 to over 3 million tons. He rightly held that judged by any standard, "the rate of progress continued to be disappointing." Mr. Dandekar ascribed the low rate of progress, among others, to the absence of substantial Government aid and the high cost of shipbuilding at the Vishakapatnam Shipyard and the difficulty involved in ascertaining the U.K. parity price to Indian-built ships. It is true he welcomed the recent attitude of the Centre in liberalising the terms of loans to shipping interests, but regretted the reluctance of the Government to pay direct operating subsidies even in the case of passenger vessels. He characterised the withdrawal of the India-U.K. passenger service—the only two Indian passenger-carrying vessels that operated here—by the Scindias as "tragic." It may be recalled that Mr. Dharamsey M. Khatau, Chairman of Scindias, referred to this problem in his address at the annual meeting of the Company held in Bombay on 24th February and observed as follows:

> "The two passenger ships, the s.s. *Jalzazd* and the s.s. *Jaljawahar*, continued to maintain regular services in the India-U.K. trade during the year under review. But it has since been decided to withdraw them from India-U.K. passenger service and to sell them to the Eastern Shipping Corporation for employment in the India-Africa and India-Malaya passenger services. The decision to withdraw the *Azad* and *Jawahar* from the India-U.K. passenger service was taken with a heavy heart. The prestige and advertisement value of those vessels in that service were not overlooked; nor did we, or the Government of India for that matter, forget for a moment what our continuance in that particular service meant in terms of the prestige and standing they gave to our country. All these and several other relevant factors were weighed with anxious concern before purely commercial considerations were allowed ultimately to prevail. I appreciate how deeply disappointed you all are that the Government of India should have declined to shoulder even the modest share, we suggested, of our heavy burden in continuing to run the U.K. passenger service, and in consequence of which your Directors have felt reluctantly compelled to discontinue that service altogether."

To revert to Mr. Dandekar's address, he called for the grant of a number of concessions by the Centre to overcome the existing difficult problems facing the industry. He said:

> "Shipowners have often put forward the plea that because of the nascent stage of Indian shipping, the industry should be exempt from taxation at least on the profits ploughed back into the industry for the acquisition of ships and that loans should be made interest-free at least until such time as the companies are able to show some profit from the units purchased or built with such assistance. They have also often requested the Government of India to exempt coastal ships' bunkers and stores from the payment of customs duty as is done in the case of overseas ships. These aggregate a heavy bill of expenditure for shipowners; and in addition there is also the burden of State sales taxes on bunkers and stores consumed by coastal ships. It is unfortunate for the shipping industry that Government have not yet appreciated the need for granting these exemptions. When the Government of India themselves have not yet properly appreciated the need for exempting coastal ships from payment of customs duty on bunkers and stores, we wonder with what justification we can go to the State Government with a request to forgo the levy of sales tax."

Mr. Reddy was plainly on the defensive. He emphasised how liberal were the terms of loans to companies going in for new ships. He pointed out that the period of amortisation, for instance, had been increased and it had been possible to agree to provide a larger percentage of the funds, namely, 80 per cent. or even 85 per cent. of the cost of new ships. The substance of his speech was that it was not the lack of financial provision that had held back the ordering or purchase of ships but the problem of how to utilise effectively the financial provision already made, after effecting whatever adjustments were desirable and feasible in the Government's terms for loans. He did not expect that, in practice, any shortfall in the finances provided in the Five-year Plan would be of a substantial order. He did not also anticipate any difficulty in making available the additional funds required as loan in order to ensure that the development of shipping went forward as far and as fast as possible. Referring to the withdrawal of the India-U.K. passenger services Mr. Reddy remarked that the Government could not aid a company unless there was reasonable prospect of its passenger services being placed on an economic footing within a limited period of time. As regards the incidence of customs duty and sales tax on bunkers and other ship stores, he called upon the Association either to reinforce its case with additional arguments or reconcile itself to the fact that it was not possible for the Government to assist in that direction.

U.K. Parity Price

Dealing with the U.K. parity price for Indian-built ships, Mr. Dandekar felt that it was difficult of ascertainment. Besides, as the cost of shipbuilding in British shipyards, as compared with those in other yards in Europe and Japan, had been on the uptrend, he remarked that the U.K. parity price could no longer be considered as a "standard price." He, therefore, appealed for an alternative formula that could be worked easily and at the same time would be fair both to the shipowners and the shipyard.

Mr. Reddy, on his part, admitted that it was difficult to ascertain the U.K. parity price, but rightly urged that it would be much more difficult to ascertain the "world parity price." He said:

> "I must admit that I do not myself see how the task of ascertainment of 'world parity price,' if I may put it that way, i.e., the task of ascertaining the lowest price at which, say, the Scandinavian, German, Japanese, Dutch or British shipyards can deliver a ship of a particular type can at all be anything but much more difficult and troublesome than the task of ascertaining the U.K. parity price."

Justifying the action of Hindustan Shipyard in basing its prices on those at which the U.K. shipyard would deliver similar ships, Mr. Reddy observed:

> "Of all countries of the world, the U.K. constructs the largest number of ships for the requirements of other countries. In spite of the immense fleet of the United States held back partly in reserve, the U.K. fleet still remains the largest active merchant fleet in the world and there has certainly been justification for treating U.K. prices as standard prices. The position is certainly more fluid now and it does seem not unlikely that the U.K. shipyards may find themselves faced with increased building costs but then it does not follow that the British shipyards will not somehow bring themselves to cutting their prices to strictly competitive levels, for shipbuilding plays a very important role in the U.K. There is certainly more than one legitimate point of view to be taken into account and beyond saying that the issues raised today will receive careful attention, I am unable to add anything useful at this stage."

Mr. Dandekar criticised the clause in the agreement between the Central Government and the international oil companies establishing refineries in India which provides that the oil would be carried in tanks owned by the oil companies concerned or by other foreign concerns owning tanker fleets and that even the movement of refined products along the coast of India would would not necessarily be by Indian-owned tankers, unless they were owned by the Government or unless the Government had a substantial financial interest in them. He expressed his difficulty in understanding "the exclusion of Indian-owned tankers from operating even the coastal oil traffic, notwithstanding the general reservation of coastal trade for Indian shipping."

Adverting to this conclusion, Mr. Reddy indicated that just as in the field of coastal shipping, the acquisition of a certain amount of Indian tonnage capable of meeting a substantial part of the requirements of coast-wise movement preceded the formal legal and effective reservation of passenger and dry cargo trade on the coast, a nucleus at least of Indian-owned tankers would obviously be necessary before complete reservation could be contemplated. He assured, however, that the Government would readily consider any specific proposal that might be put forward by the Indian shipping companies for the coast-wise movement of refined products or for the carriage of crude oil from the foreign countries to the Indian refineries. This assurance is heartening. And it is to be hoped that the Indian companies will be able to present such concrete proposals as will facilitate the growth of a tanker fleet in this country.

RIVER VALLEY PROJECTS

The constitution of a committee, with Mr. P. C. Aggarwal, retired Chief Engineer of Uttar Pradesh, as Chairman, Mr. Raunaq Lal, Deputy Chief Accounts Officer of the Bhakra Nangal Project, as member and Mr. G. G. Dhamak of the Bombay Public Works Department as member-Secretary, to evolve a comprehensive schedule of rates for the estimation of the cost of river valley projects accurately, is a step in the right direction. For, latterly, periodic revision of the estimates of cost of construction of river valley projects in the upward direction has presented serious problems. It has, for instance, necessitated the exploration of ways and means of providing the additional finance required, beyond that specifically provided in the Five-year Plan. As a result of the difficulty in finding additional funds needed, the successful implementation of the river valley projects has been delayed. That apart, the wide variations in rates between project and project has created a very anomalous position.

The task before the Aggarwal Committee is by no means an easy one. First of all, it has to examine the causes which have led to the difference in rates at present prevalent on the various major river valley projects. It has then to evolve a comprehensive schedule of rates for manual as well as machinery work to be used as a basic schedule for all projects, with such modifications as may be necessary for zonal considerations. The comprehensive schedule will include an analysis of the rates for the main items of project estimates, so that rates can be worked out for any project with the help of the basic schedule, after allowing for the difference in transportation costs and other local factors. The Committee is expected further to suggest modifications to the P.W.D. forms, so that they can serve the purpose of better cost accounting on all projects. It is to be hoped that the Committee will be in a position to report on the matter within the stipulated period of three months.

TWIN-TWISTED STEEL

A small plant for the production of twin-twisted steel, in working condition, is now on display in the Central Building Research Institute's pavilion at the International Low-cost Housing Exhibition, New Delhi. The process consists in twisting two mild steel bars of equal length and diameter into one twisted unit whereby the strength and other qualities of reinforcing steel are considerably improved. By this process of cold deformation, the yield strength of the ordinary mild steel is raised by 50 per cent. over that of plain mild steel bars. The building regulations of almost all Western countries allow a 50 per cent. increase in the working stresses of this steel. In other words, two tons of the twin-twisted steel do the work of three tons of ordinary mild steel. A saving of one-third of reinforcing steel can thus be obtained.

A capital expenditure of approximately Rs. 50,000 is usually required for the plant producing twin-twisted bars. Introducing a radical simplification in this production process, the Central Building Research Institute, Roorkee, has evolved a small pilot plant of simple equipment made in a local workshop at a cost of less than Rs. 2,000. This has opened up the possibility of making twin-twisted bars with small capital expenditure so that the process could be used on all major construction jobs with a considerable saving of steel.

"CARBON" DEPOSITS IN PETROL ENGINES

Ignition Control Additive And Its Technical Background

(By the Technical Editor, "The Times of India.")

THERE is, at the present time, a great deal of inaccurate thought not only on the part of motorists, but of many automobile engineers, in regard to the so-called "carbon" deposits which form in the combustion chambers of a modern petrol-driven engine.

"Carbon," in this context, really means the products formed by the incomplete combustion of pure hydrocarbon substances such as the straight petrol and the undoped lubricating oils used in early engines, which were of relatively low compression ratio and of low speed.

Development in engine design, resulting from demands for more power, greater economy and, to a lesser extent, reduction in overall weight in units of given capacity, has led to higher and higher compression ratios and speeds which, in turn, have made the use of leaded fuels and doped lubricating oils essential.

The result of this has been that combustion chamber deposits, although still referred to by most people as "carbon" are, in practice far from it and, in fact, consist of lead compounds derived from the fuel, to the extent of 70 to 90 per cent. of the total.

It is, of course, well known that tetra ethyl lead is added to motor spirit to raise its octane value to a level suitable for the requirements of the modern high compression engine and, the difference in combustion chamber deposits resulting from lead compounds and those of carbonaceous origin are clearly seen by visual examination as, while the latter are black, the former are of a greyish colour.

The problems arising from the ill effects of lead compound deposits in combustion chambers first became acute in the case of aero engines where, of course, fuels of a very much higher tetra ethyl lead content are employed than that of Motor Spirit, and plug fouling became so pronounced that it formed the major cause, in the Second World War, of unscheduled delays of aircraft, rapid increase in maintenance and, in some cases dangerous power loss at take-off.

Plug Fouling

The problem was more pronounced in the case of in-line engines than in the radial type, on account of the greater difficulty involved in obtaining uniform fuel air mixture distribution to all cylinders in the former design, and Shell Research Laboratories first gave thought to the possibilities of improving the "scavenger" introduced with tetra ethyl lead which is normally ethylene dibromide.

The purpose of the introduction of a "scavenger" into gasoline along with the tetra ethyl lead is, as its name implies, to combine with it chemically and scavenge it from combustion chambers in a form in which it is readily dissipated.

Very complete investigation of the performance and effect of ethylene dibromide then took place and, although alternative "scavengers" were tried, it was found that as ethylene dibromide was already removing 97 or 98 per cent. of the lead compounds formed during the combustion the remedy did not lie in this direction, as the remaining 2 or 3 per cent. were generally the result of inequal lead distribution between cylinders caused by inlet manifold design features, which could not be eradicated because of general engine layout.

In view of this conclusion, research was then directed towards a thorough investigation of the mechanism of plug fouling in which X-ray analysis was the key technique used to identify deposits, which proved to be complex combinations of lead, bromine, oxygen and sulphur—these compounds constituted 70 to 90 per cent. of the total, the remainder being carbonaceous material.

Cause of Failures

The particular compounds found on plugs were then examined for their physical and electrical properties and it was found they were capable of causing plug failure as a result of three main causes:—

(i) Under operating conditions resulting in high plug temperatures they are capable of causing short circuits, as their electrical resistance diminishes rapidly with temperature. This phenomenon is most likely to be noticed by motorists when accelerating after a spell of traffic driving in the form of a mysterious misfire, which disappears when the engine cools off, only again to reappear on further acceleration.

(ii) Bridging of the plug gap by flying chunks of deposit. This cuts out the plug completely by forming a direct short circuit, and it will not function again at all until it has been removed from the engine and cleaned. This phenomenon may be mistaken for "oiling up" by the motorist although, in practice, it has nothing to do with it.

(iii) The third, more common, is caused by the formation of an electrically conductive track to earth along the inside of the plug insulator. This phenomenon is exceedingly difficult to detect in the modern type of automobile plug which cannot be dismantled for inspection and cleaning and, although its effect is similar to that described under (i) above, it will not respond to sand blasting, whereas the former can be corrected, temporarily, by this means; current aircraft practice is now swinging to chemical cleaning methods to remove such deposits.

In view of the fact that Shell investigators had reached the conclusion that complete eradication of lead deposits from combustion chambers was impracticable, and having acquired data in regard to the particular features of these deposits which were responsible for plug failures, they set about a new line of investigation to find a substance, to be added to the fuel, which would change these deposits chemically into a form in which they would be innocuous.

Combustion chamber and piston head deposits were found to consist mostly of lead bromide, lead oxybromide and lead oxysulphate which have melting points of 370 deg. C., 710 deg. C. and 980 deg. C., respectively. Those on plug insulators were slightly more complex, they too contained a large proportion of lead bromide of the low melting point of 370 deg. C., which also has the undesirable features of losing all electrical resistance at engine operating temperatures and, when combined with carbon, a catalytic effect is obtained. This reduces the latter's ignition temperature from 500 deg. C. to approximately 200 deg. C., a figure which, of course, is well within the operating temperature of a petrol engine.

New Additive

The substance found the most satisfactory for reducing plug fouling was tri-cresyl phosphate which, by forming lead phosphate complexes, raised the general melting point of the deposits from 370 deg. C. for lead bromide to temperatures ranging from 950 deg. C. to over 1,000 deg. C.; furthermore, the lead phosphate complexes so formed have excellent electrical resistance at temperatures as high as 600 deg. C. and still retain resistance at 750 deg. C., which is beyond the range normally encountered in a petrol engine.

In 1930 the average compression ratio of petrol driven automotive engines was slightly less than 5:1 whereas today it is 7:1, and, there are cars on the road with ratios of 8.5:1.

This change alone has meant an improvement in consumption of 15 to 20 per cent., and it has been met by increasing the octane number of Motor Spirit.

There is, naturally, a desire on the part of engine manufacturers to pursue this policy to new levels, but experience has shown that the production of fuels of high octane value to meet the need of still higher compression ratios, is not the only obstacle to development.

Pre-ignition

Pre-ignition which, in the automotive engine, usually takes the form of uncontrolled ignition of the fuel/air mixture by incandescent deposits is a problem quite separate from what is known as "knock", is much less amenable to treatment by increased octane quality and is, to some extent, more serious than plug fouling, as the latter could be corrected by fitting new plugs but, before the introduction of I.C.A., the former could only be corrected by stripping the engine and removing the deposits physically.

Road vehicle engines are generally of in-line construction that is to say, they are generally of straight four-cylinder, straight six-cylinder, straight eight or V-8 design and, as such, they tend to suffer from uneven lead distribution between cylinders with its attendant plug fouling and pre-ignition troubles.

The symptoms of pre-ignition vary considerably and are not easy to define but, generally speaking, mysterious noises, lack of power and rough running which show up when an engine is hot, subside when it cools off only to reappear when full power is again employed, have their basis in pre-ignition.

Another symptom which may have the same cause is "running on", i.e., the engine continues to run when the ignition is switched off but, on the other hand, "running on" is not necessarily caused by incandescent cylinder head deposits, as a hot spot of any kind such as a plug electrode or exhaust valve can have the same effect.

Tri-cresyl phosphate does not, itself, improve the octane value as measured by the Motor or Research Methods on the C.F.R. variable compression ratio test engine, but the actual octane requirement of an engine which has covered many miles in a road vehicle increased appreciably as a result of fouling and tendency to pre-ignition and it is found, in practice, that it is generally possible to advance ignition settings appreciably with a consequent gain in economy and power as a result of its use.

I.C.A. (Ignition Control Additive) now contained in all supplies of Shell and B.O.C. leaded Motor Spirit is Tri-cresyl phosphate, which converts combustion chamber deposits into lead phosphate complexes thereby rendering them harmless is, itself, a major discovery which will be of incalculable assistance in engine development.—*Advt.*

EMPLOYEES' STATE INSURANCE SCHEME

BOMBAY GOVERNMENT AGREEABLE TO BEAR HIGHER COSTS

ACCORDING to the original schedule, the Employees' State Health Insurance Scheme should have been implemented in Greater Bombay some time last year. But the latest information goes to show that it is not likely to take effect before October this year. The delay in the implementation is due to considerable difference of opinion among the Government of Bombay, the Employees' State Insurance Corporation and the Indian Medical Association on the issue of providing medical facilities for industrial workers under the scheme. Thus, the medical practitioners in the city demand a high capitation fee which in the opinion of the Corporation is beyond its ability to pay. Again, the Corporation had suggested that the State Government should contribute one-third of the total cost of the scheme in respect of medical benefits to the workers. It may, incidentally, be mentioned here that many State Governments have agreed to bear this proportion of the costs. But this suggestion is not acceptable to the Bombay Government. The latter's contention is that being a highly industrialised zone, the total expenditure that it will have to incur would be much higher as compared with other less industrialised States in the country. The Bombay Government, therefore, wants its share to be reduced to one-sixth of the total cost.

It is now learned that representatives of the Corporation are busy having a round of discussions with the officials of the State Government as also the medical practitioners in the city. Hopes of reaching some understanding with the Bombay Government are now being entertained, as a result of talks held at a meeting of the officials of the Corporation and Mr. Shantilal Shah, Minister for Labour and Public Health and Dr. Jivraj Mehta, Minister for Finance, Bombay Government, early last week. The Corporation was represented by Lt.-Col. V. N. Albuquerque, and Mr. K. K. Bhargava, the Director-General and the Insurance Commissioner, respectively, of the Corporation. Mr. K. N. Subramanian, Joint Secretary of the Ministry of Labour, also participated in the discussions. It is understood that the Bombay Government is likely to give its consent to bear one-fourth (instead of one-sixth as it originally intended) of the expenses incurred for providing medical benefits to factory workers. While agreeing to this arrangement, the State Government is stated to have urged the Corporation to enter into an agreement with the Indian Medical Association on a long-term basis, for example, of five years. Further, it has demanded an undertaking from the Corporation that, in case the Association decided to terminate the agreement, a reasonable notice period of not less than a year should be given to enable the State Government to make alternative arrangement for conducting the scheme. The Corporation proposes to take up the question with the Medical Association shortly.

Capitation Fee

With regard to the capitation fee payable to panel doctors in Greater Bombay, it is stated that they are demanding Rs. 7-8 per worker per annum plus expenses on costly medicines. The Corporation does not seem to be agreeable to this rate, as it is now paying Rs. 5 in the Punjab and proposes to pay Rs. 6 in Calcutta. It is stated that negotiations with the Medical Association in Calcutta having failed, the Corporation has invited applications from medical practitioners to serve on the Panel, and the response to this seems to have been very encouraging. After the selection of doctors from among these applicants, the Corporation and the State Government would proceed ahead with the implementation of the scheme in that great city of the Far East. In so far as Greater Bombay is concerned, implementation depends on the agreement yet to be reached with the medical practitioners.

Although it was the Madras Government's desire to implement the State Health Insurance Scheme with effect from 1st April, 1954, it was doubtful whether the Government would be able to do so. This was revealed by Dr. V. Krishna Rao, Minister for Industries and Labour, in the State Assembly. He stated that the doctors had finally agreed to work the Scheme. The proposal to introduce medical benefit scheme in the first instance in Coimbatore and its suburbs was under the Government's consideration. If it was approved, it would benefit 36,000 workers in that area. The Government selected Coimbatore first, because there were 12,000 women workers out of 36,000 workers in that area. The Government would introduce the Scheme in Madras and Madurai also, if funds were available. A rough survey made by the Government revealed that there were 30,000 workers, including 8,000 women in Madras and an equal number, including 10,000 women, in Madurai. These were big pockets where the scheme might be profitably introduced. Referring to the financial implications of the Scheme, he said that no amount had yet been sanctioned by the Government. Expenditure on the medical benefit scheme would be shared by the Employees' State Insurance Corporation and the State Government in the ratio of two to one when the scheme was finally introduced. The Minister stated that the share of the Government in implementing the Scheme in Coimbatore would be about Rs. 1 to Rs. 1½ lakhs.

It may be noted that the scheme was first instituted in Kanpur and Delhi on 24th February, 1952. Two years have elapsed since and yet the scheme has not progressed as quickly as one would wish. Ordinarily, this delay would not have mattered much, but the fact that industries in the areas where it has not come into force are required by law to pay contributions at a special rate of ¾ per cent. of their total wage bill without any adequate return either to their employees or to the units themselves, is really a matter for great concern. For these industries cannot afford to incur an unrequited expenditure for an indefinite period. It is, therefore, the moral responsibility of the Corporation as well as the State Governments to see to it that the pace of its implementation is accelerated as quickly as possible.

SOME MARINE UNDERWRITERS' PROBLEMS

This week's foreign mail bag contained the full text of the speech delivered by Mr. A. Glanville Smith, Chairman, Institute of London Underwriters, at the annual meeting of the Association held in mid-January last. The speech is of considerable significance to marine insurers in India, in that it gives briefly the conditions which prevailed in the marine insurance market in 1953. It goes to support the claims of general insurers in India for the need to keep higher reserves to meet extraordinary contingencies.

As regards hull insurance, the underwriters' experience seems to be not quite encouraging. For, in the post-war years, the upward trend in the cost of hull repairs witnessed during the war has, we are reminded, not come to a halt, and a series of major casualties at the end of 1952 and in the early months of 1953 came as a serious shock to hull underwriters. At one time, premiums kept pace with the increasing cost of repairs, but, in recent years, the tendency appears to have been for the cost of repairs to increase more rapidly than the rate of premium. Figures reveal that the first year's settlements on 1952 account were 5 per cent. higher than those for 1951 account. Similarly, the second year's settlements on 1951 account were 8 per cent. higher than those for 1950 account. Consequently, in March, 1953, a 10 per cent. surcharge was levied on the basis of the existing rates of premiums. It was, however, subsequently found that it would not be possible to continue the application of the surcharge to all vessels irrespective of their flags and, as there was no desire to penalise British owners by placing them in a disadvantageous position *vis-a-vis* foreign shipowners, the surcharge was withdrawn in October, 1953.

Marine insurers seem to be worried over the existence of many unclassified vessels of old vintage and much miscellaneous craft that was never built for the carriage of cargo operating on the high seas. Granting too easy terms of insurance to their owners, underwriters are, states Mr. Glanville, unduly prolonging the life of these indifferent vessels which otherwise ought to have been with shipbreakers. Much of the loss and damage could be avoided by diverting the cargo to better fitted vessels. Mr. Glanville suggests that an enquiry should be conducted into the ownership and management of those vessels which are fit to be scrapped.

The question of cover after discharge is another issue which is causing concern among marine underwriters. The insurers are incurring heavy losses arising in respect of cargo after discharge for which no premium is received for additional hazard involved. This question, it may be noted, was discussed at the San Sebastian Conference of the International Union of Marine Insurance and the consensus of opinion was that the existing clause should be revised in order to apply to time limit. The Joint Cargo Committee, however, did not approve of the suggestion. The only course open to insurers is to charge a suitable premium for cargoes destined to ports where delays of transhipment usually occur.

Underwriters have been granting facilities to an insured to insure against inevitable losses even beyond the terms covered by the Institute's All Risks clause. Mr. Glanville considers that this practice has been extended to absurd lengths. He advocates that cover should be limited to "All Risks" clause. Again, theft and pilferage claims are also causing concern, as their total still shows that the hazard is a most serious feature in cargo underwriting.

There is also a growing tendency in certain countries to introduce restrictive measures with the object of curtailing the freedom of their subjects in the placing of their insurance business. This tendency is against the sound principle of spreading risks to as large areas as possible for reasons of stability and safety. Besides, some foreign banks are endeavouring, it is stated, to control the placing of insurance, while some Governments are seeking to confine insurance facilities to the national market. These tendencies check export of premium ignoring the fact that marine insurance is international in character. This important question is now receiving the attention of the International Chamber of Commerce, G.A.T.T. and other international organisations.

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The following table shows the progress of the Company during the four years ended 31st December, 1953:

(Rs. in lakhs)

	1953	1952	1951	1950
New business	50 04	44 57	52 11	57 01
Premium income	17.94	17.56	17.72	16.78
Net income from interest and other sources	3 34	2 45	1 90	1 78
Life fund as at end of year	93.80	82 40	71 03	61 91
Expense ratio .. .. %	12	11 57	10 83	10 93

The increasing cost of procuring new business and of running the office is reflected, as will be seen from the table above, in the slight increase which has taken place in the Company's expense ratio, though the ratio itself is at a comfortably low level. The life fund of the Company, which has nearly trebled since 1947, now stands at Rs. 93.80 lakhs. It is gratifying to note that over 70 per cent. of the fund is held in Government and other approved securities. Besides the life fund, the Company has built up from year to year a special fund, namely, the investment reserve fund which amounted to Rs. 3.79 lakhs as at the end of the year under review.

INSURANCE FOR AIR PASSENGERS

The Central Government is, as already indicated in these columns, considering the question of introducing a scheme of compulsory insurance for passengers travelling by Indian Airlines and Air-India International. A reference to the Government's intentions was made recently by Mr. Raj Bahadur, Deputy Minister of Communications, in Parliament. He said that facilities were available at present for passengers to get themselves insured, covering the risk of air travel. After describing the facilities provided in each centre Mr. Raj Bahadur said that the authorities had leased out insurance booths to certain companies at Delhi and Madras airports for providing insurance facilities to air passengers. The question of providing similar booths at other important aerodromes, especially at Calcutta and Bombay airports, was also under the Governments' consideration. He added that the question of utilising the services of Indian insurance companies for the purpose would be considered along with the general question of compulsory insurance.

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During the year 1953, the New India Assurance Company completed Rs. 19.91 crores worth of new life business as against Rs. 18.04 crores in the previous year. The following figures give the number of policies and sums assured in the three years ended 1953:

	No. of policies	Sums Assured (Rs. crores)
1953	57,467	19.91
1952	53,275	18.04
1951	47,639	16.69

The increase in new life business in 1953 has, as will be seen from the figures cited above, been greater than the corresponding increase in 1952 over 1951.

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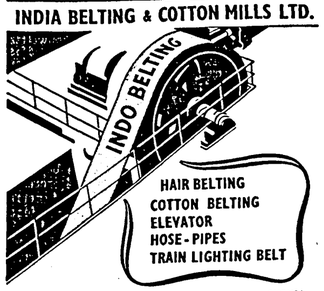

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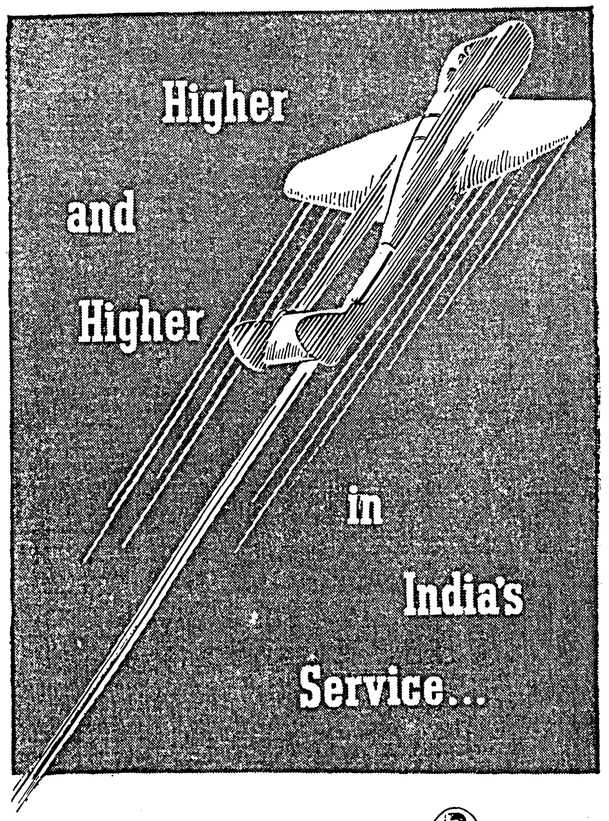

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GOVERNMENT OF INDIA'S BUDGET

OVERALL DEFICIT OF RS. 250 CRORES

PROVISION FOR DEVELOPMENT SCHEMES STEPPED UP

A SUBSTANTIAL deficit of Rs. 14.21 crores on revenue account is disclosed in the Central Government's budget for 1954-55 presented to Parliament by Mr. C. D. Deshmukh, India's Finance Minister, on 27th February, 1954. Based on the rates of taxation that prevailed before the presentation of the budget, the revenue budget for the next year showed a deficit of Rs. 26.06 crores, but this has been reduced to the figure mentioned mainly by raising the excise duties on cloth, by subjecting cement, soap, footwear and artsilk fabrics to excises and by increasing the preferential import duty on betelnuts rather steeply. The Finance Minister has stepped up the expenditure on development schemes so sharply that the overall deficit is as high as Rs. 250 crores, after taking into consideration the aid that would be available from friendly foreign countries and the amount he hopes to borrow from the long-term capital market. The whole of this deficit will, therefore, remain uncovered. In other words, assuming that the capital expenditure envisaged in the budget is actually incurred, the Government will be indebted to the Central Banking authority to the extent of Rs. 250 crores.

The following table provides a synoptical view of the revenue and expenditure in 1952-53 (actuals), in 1953-54 (budget, as well as revised) and 1954-55 (budget):

(In crores of rupees)

	1952-53 (Actuals)	1953-54 (Budget)	1953-54 (Revised)	1954-55 (Budget)
Revenue	435.11	439.26	413.60	452.88
Expenditure	396.18	438.81	430.65	467.09
Surplus (+) or Deficit (—)	+38.93	+0.45	—16.96	—14.21

N.B.—The budget figures for 1954-55 are the final figures, taking into account the new taxation proposals made by the Finance Minister.

It will be interesting to note here that, whereas the revised estimates for 1952-53 had shown a deficit of Rs. 3.79 crores the year has actually ended with a surplus of Rs. 38.93 crores. This has been due to an increase of Rs. 16.47 crores in revenue and to a fall of Rs. 26.25 crores in expenditure as compared with revised estimates. Such a wide variation between the revised estimates and the actuals is a striking commentary on the difficulties in preparing the budget even on the basis of actual experience in the first ten months of a year.

1953-54

The revised estimates for the current year also reveal a decline both in revenue and expenditure, but, as the fall in the former has been heavier than in the latter, the nominal surplus of Rs. 45 lakhs has turned out to be a deficit of Rs. 16.96 crores. This is not surprising, considering that, in the revenue estimates budgetted for last year, the Finance Minister had included a sum of Rs. 18 crores due from Pakistan by way of repayment in instalments of its debt to India which almost everybody expected would not be received. It was almost a foregone conclusion even a year ago that the revised budget would end in a deficit of the order now expected. Referring to this point, the Finance Minister mentioned that he had been having discussions with the Pakistan Finance Minister and both hoped that it would be possible to commence repayment in the coming year.

Although the fall in the revised estimates of revenue for this year is due to non-receipt of the debt instalments from Pakistan, it does not mean that, in all other respects, the budget estimates have proved correct. Customs revenue, for instance, is expected to be Rs. 10 crores less than the sum provided in the budget, largely due to the readjustment of export duties made during the course of the year, particularly the export duties on jute, in order to enable India to maintain its position in world markets where there has been a gradual shift from a sellers' to a buyers' market. Union excise duties are expected to show a drop of Rs. 50 lakhs, while income and corporation taxes will bring Rs. 6 crores more. Half of this will, of course, go to the States.

On the expenditure side, the revised estimates show a drop of over Rs. 8 crores. This is made up of a saving of Rs. 1.57 crores in the cost of revenue collections, of Rs. 2.7 crores in the provision for Civil administration and of Rs. 8.73 crores in the provision for "extraordinary charges," which mainly relate to Community Development schemes, partly offset by increases in interest payments, a carry-over of certain payments to sugar factories from the previous year and an unforeseen expenditure by way of subsidy on rice supplied to Travancore-Cochin. It is noteworthy that Defence expenditure is not anticipated to exceed the budgetted level.

1954-55

For the next year, the revenue is expected to go up by Rs. 39.19 crores over the revised estimates for the current year. Of this increase, the taxation proposals made by the Finance Minister account for Rs. 11.85 crores. Details of the new proposals will be referred to shortly. As regards the balance of increase, namely, Rs. 27.34 crores, a glance at the table published in the centre of this page will show the principal heads under which taxes are expected to go up. In this connection, the following extract from the Finance Minister's budget speech will enable one to understand the variations in the main sources of revenue:

"The revenue from customs in the coming year has been placed at Rs. 175 crores, as against the current year's revised estimate of Rs. 160 crores. The improvement of Rs. 15 crores is due firstly to the additional duty expected to be

SUMMARY OF FINAL ESTIMATES

(In lakhs of rupees)

	Budget, 1953-54	Revised, 1953-54	Budget, 1954-55
REVENUE			
Customs	1,70,00	1,60,00	1,75,00
Union Excise Duties	94,00	93,55	92,60
			+11,85*
Corporation Tax	36,62	38,40	88,35
Taxes on Income other than Corporation Tax	63,08	69,31	70,67
Estate Duty	2,25	..	1,85
Opium	2,00	2,07	2,78
Interest	3,05	2,78	2,78
Civil Administration	11,18	10,34	10,48
Currency and Mint	15,09	15,41	20,42
Civil Works	1,53	1,02	1,63
Other Sources of Revenue ..	8,09	10,09	7,02
Posts and Telegraphs—Net contribution to general revenues ..	2,30	2,02	1,50
Railways—Net contribution to general revenues	7,65	7,50	7,37
Extraordinary Items	15,47	...	10,21
Total—Revenue ..	4,39,26	4,13,69	4,41,03
			+11,85*
EXPENDITURE			
Direct Demands on Revenue ..	32,49	30,92	32,19
Irrigation	19	19	16
Debt Services	37,17	38,95	40,00
Civil Administration	71,27	68,57	80,08
Currency and Mint	2,57	2,56	2,63
Civil Works and Miscellaneous Public Improvements ..	15,06	14,75	15,54
Pensions	8,36	8,59	8,45
Miscellaneous—			
Expenditure on Refugees ..	12,67	12,67	10,23
Subsidy on Foodgrains ..	..	1,77	..
Other Expenditure	8,34	9,96	9,74
Grant to States, etc.	26,37	26,36	32,48
Extraordinary Items	14,43	15,78	21,97
Defence Services (Net)	1,99,84	1,99,68	2,05,62
Total—Expenditure ..	4,38,81	4,30,05	4,67,09
Surplus (+) or Deficit (—)	+45	—16,96	—14,21

* Effect of Budget Proposals.

collected next year on the increased imports of sugar on Government account, now estimated at between 4 and 5 lakh tons, against 2.5 lakh tons this year, secondly to increased yield from the import of commodities which carry high revenue duties, which may be expected with the easing of our foreign exchange position, and, thirdly, to the normal expansion of revenue. The revenue from Union excise duties is placed at a crore less than in the current year. The yield from sugar will be Rs. 2½ crores less than in the current year, receipts in which were somewhat inflated by the proceeds of the special excise which was withdrawn last November, but this will be partly set off by an improvement of Rs. 1 crore in the receipts from tobacco and about half a crore from the other excises. Under income-tax, I am repeating the revised estimate for the current year. I expect that the progressive drop in the arrears of excess profit and other taxes will be made good by the improvement in normal collections. Revenue from the estate duty, recently levied, is likely to come in for the first time in the coming year. It is a new tax, the yield from which is most difficult to estimate. The administrative machinery for the assessment and collection is being specially assembled and trained and I hope it will be possible to get it in full working in the coming year. I have taken credit for a gross revenue of Rs. 4 crores from this duty nearly the whole of which will be transferred to the States in accordance with the provisions of the Constitution. Under Currency and Mint, following the increase in the gross income of the Reserve Bank from the increased yield on Treasury Bills in the Issue Department, the surplus profits paid to the Government next year are expected to be Rs. 5 crores more than the current year's payment of Rs. 12½ crores. I have also taken credit for the receipt of one instalment of Rs. 9 crores from Pakistan. As I explained earlier, I hope to reach a settlement of this issue in the near future and I am confident that it will be possible to commence these repayments with effect from the coming year."

Expenditure

The expenditure estimates at Rs. 467.09 crores reveal an increase of Rs. 36.44 crores over the revised estimates for the current year. Of this increase, Defence accounts for Rs. 5.78 crores and Civil expenditure for Rs. 30.66 crores, the exact total expenditure under these heads being Rs. 205.62 crores and Rs. 261.47 crores, respectively. The share of Defence expenditure to the total expenditure is just 46 per cent. Practically the whole of the increase in this expenditure reflects the cost of bringing the Navy and Air forces upto reasonable efficiency in men and material. It is gratifying to find that, in spite of the U.S. decision to extend military aid to Pakistan which is likely to affect the balance of power in the area in which India and its vital interests are located, the Government is not embarking on any scheme of expansion of its armed forces. Referring to this aspect of Defence, the Finance Minister declared:

"While the recent developments have underlined the need for continuous vigilance on our part that the country's security is not in any way jeopardised, and the House may rest assured that this vigilance is being kept; it is not our intention to halt or slow down the economic development of the country, on which, in the long term, the country's inherent strength depends, by entering into any race for armaments."

As regards the rise in Civil expenditure, the following quotation from the Finance Minister's speech will provide an idea of the increases in the more important items and the reasons for such variations:

"I must remind the House that the coming year will be the fourth year of the Five-year Plan and it is reasonable to expect a rise in the tempo of developmental expenditure during that year. The bulk of the increase of Rs. 30.5 crores in civil expenditure is due to this factor. For example, the total expenditure on what may compendiously be called the nation-building and developmental services in the coming year is likely to amount to Rs. 33.67 crores, as against Rs. 39.52 crores in the current year. Expenditure on scientific departments, mainly on grants to scientific institutions and outlay on scientific services, is likely to be about a crore more than in the current year. The budget for education, providing for substantial grants for the expansion of basic and social education throughout the country, will be about Rs. 8 crores more than in the current year. Nearly a crore and three-quarters more will be spent on medical and health services and about Rs. 2 crores more on agriculture and allied services.

"Increased provision has also been made for the development of village and small-scale industries, so vital to the balanced development of the country. Community projects and national extension services between them will cost Rs. 8½ crores more than in the current year; about a crore more will be spent on grants for grow-more-food schemes and a crore and a quarter on schemes of social welfare. These increases in developmental expenditure together account for Rs. 25 crores roundly of the total increase of Rs. 30½ crores.

"The increase of Rs. 5½ crores in the rest of the expenditure is mainly due to two factors. A lump-sum provision of Rs. 3.6 crores has been made under grant-in-aid to States for meeting any assistance that may have to be given to the State of Jammu and Kashmir if the scheme for financial integration of that State with the Indian Union, somewhat on the pattern of the former Princely States, which is under discussion with it, materialises. The payment of the States' share of Union excise duties next year will, on the basis of the estimated revenue from the shared excises, be about three-quarters of a crore more than in the current year. Increased provision has also been made under grant-in-aid to States for the welfare of scheduled tribes, scheduled castes and other backward classes. While, obviously, there are bound to be small increases here and there on account of the normal growth of expenditure, I think I could truthfully claim that the increase in expenditure in the coming year is mostly on development in accordance with the approved plan."

The Finance Minister then gave an account of the provision for capital expenditure. According to him, the Revised Estimate has been put at Rs. 63.90 crores, as against Rs. 76.64 crores in the original estimate. The saving of nearly Rs. 13 crores has occurred mainly under Defence Civil Works and Government Trading. For the coming year, the provision for Capital Expenditure has been considerably increased and put at Rs. 145.75 crores. This large increase in expenditure, reflects the rising tempo of development expenditure. "In the first 3 years of the Plan," said Mr. Deshmukh, "developmental expenditure was necessarily somewhat smaller than the proportionate outlay for that period. This is partly due to the essential time taken in the preparatory work on new schemes. It is also partly due to the fact that, in the earlier period of the Plan, Government had to be cautious in going forward with expenditure so as to keep inflationary trends under control. Now that the economic climate is better suited for stepping up investment and the schemes themselves are gathering momentum, and in some cases nearing completion, the expenditure during the last two years is bound to be much more than in the current year."

Answering the question whether it would be possible for the Government to incur additional expenditure of this order, the Finance Minister pointed out that the savings in development expenditure of the current year, as also of the previous years which reflected slower progress of development schemes, had been a matter of some concern to the Government. A senior officer was conducting a quick examination of the existing procedure in regard to the drawing up, sanction and execution of development schemes and the causes leading to the present unsatisfactory position. "Government attach greatest importance," he observed, " to the implementation of the Five-year Plan within the period contemplated in the Plan and it is their intention to take all measures possible to remove the procedural and other impediments to the progress of the development schemes. I hope it will be possible to take early decisions on the findings of this enquiry."

Ways and Means

Discussing the Ways and Means position, the Finance Minister said that the overall deficit in the current year would be Rs. 128 crores, as against Rs. 138 crores in the budget estimates. The opening balance for the year had been Rs. 19 crores more than was expected, the improvement reflecting the lapses in the provision made under various heads of expenditure. The market loan during the year amounted to only Rs. 75 crores, as against the budget anticipation of Rs. 100 crores. But this shortfall had been more than offset by an improvement of Rs. 40 crores in the cash outgo on the repayment of debt, because, of the large holdings of the maturing loan in the cash balance investment account, only Rs. 76 crores had to be paid in cash against the estimate of Rs. 116 crores. The yield from small savings had been "rather disappointing"; the yield might not amount to more than Rs. 40 crores, as against the Rs. 45 crores expected from this source. This had been partly due to certain special causes, but the question of maintaining a continuous and rising flow of small savings was constantly before the Government. Recently, the system of authorised agents had been extended to all the States; the use of village *Panchayats* as authorised agents was being tried as an experiment and steps have been taken to invoke the help of women's and other voluntary organisations in developing the movement.

For the coming year, the Finance Minister expected an overall deficit of Rs. 250 crores, largely due to increased provision for developmental schemes. Two maturing loans with an outstanding of Rs. 48 crores will be paid off. Credit had been taken for Rs. 75 crores from market loans and Rs. 45 crores for small savings. Taking the budget as a whole, he said that it would be necessary to expand the Treasury Bills by Rs. 250 crores to balance the budget overall.

Summarising the position, the Finance Minister pointed out that the Government would have to find next year Rs. 26 crores for meeting the revenue deficit, Rs. 395 crores for financing essential capital outlay and assisting the State Governments, Local Bodies, etc., for financing their development schemes and Rs. 53 crores for the repayment of the matured debt. Against this, it was hoped to raise Rs. 75 crores from the market. Foreign assistance and dollar loan might bring in Rs. 48 crores and small savings Rs. 45 crores. Other miscellaneous debt and remittance transaction would bring in Rs. 56 crores. This would leave a gap of Rs. 250 crores in the available resources to balance the budget. As the cash balance would just provide the necessary till money and could not be drawn down any further, the whole of this gap would have to be met by the issue of Treasury Bills.

Deficit Financing

Can the country stand the deficit financing to the extent of Rs. 250 crores? Answering this poser, Mr. Deshmukh said:

"I have given the most careful thought to this question, and, on a balance of considerations, I am convinced that in the conditions as they now are and are likely to be in the near future, we are not taking any undue risks in going forward in the manner I have indicated. In fact, deficit financing to a moderate extent is necessary under present conditions. The period of inflationary stresses is now well behind us and there are signs that the high levels of production we have attained in various lines—and which we would like to improve upon—cannot be sustained without some increase in money supply in the hands of the public. In judging the economic effects of the budgetary deficit, it has to be borne in mind that part of it might well be neutralised by a balance of payments deficit. For some time past, as I have indicated earlier, we have not, on balance, been drawing upon our sterling balances. This is an indication that the level of economic activity in the country so far is not high enough to create any large demand for external resources; in other words, the optimum level or tempo of development has yet to be reached. A country's balance of payments is subject to many uncertain and unpredictable factors, and there is always need for caution. Nevertheless, so long as the domestic price situation is well in hand, and there are internal reserves which can be drawn upon in case of need, deficit financing for development involves very little risk. Indeed, it can be said that deficit financing, subject to safeguards, has a definite part to play in bringing into use the unutilised resources in the system. It was in view of these considerations and in the context of the recent increase in unemployment in certain sectors that the expansion of the Plan was decided on, and the budget proposals for the next year have been framed in pursuance of this decision. With domestic food production at a satisfactory level, and with the outlook for larger imports from abroad better, should need arise, the budgetary deficit envisaged will, I expect, prove reflationary rather than inflationary. If, however, major changes in the economic situation or climate take place, obviously, Government policies will have to be reconsidered. For the time being, I should say that, in the context of our developmental needs, it is important for us not only to live within our means but also to live upto our means."

Appeal to States

The Finance Minister then made an appeal to the States for greater efforts in raising additional resources. By doing so, they would, he said, help in reducing the amount to be found by recourse to deficit financing and thereby strengthen the country's economy. He also appealed to the public to save more and lend more to Government. In this connection, he said:

"National development is not merely the concern of Governments. In a democracy like ours, it is also the concern of the people and, now that we are having substantial recourse to deficit financing, I would like to make a strong appeal to the public to save more and to lend more to Government. I referred a short while ago to the somewhat disappointing results of the small savings movement this year. It is not merely for support to this movement that I appeal. It is the duty of the people to support it on the widest possible front, if the process of national development has to be carried on, as it must be, over a long period. Development involves sacrifice, and the essence of democratic planning is that the sacrifice should, as far as possible, be evenly spread and should readily and voluntarily be forthcoming. To increase capital formation, which is the agreed objective, firstly, current consumption must be kept within limits, and, secondly, the production potential must be built up through utilisation of idle man-power. This means stinting as well as harder work. So far, in the first three years of the Plan, we have done reasonably well but the stage has now been set for a much larger effort."

New Taxation Proposals

After the above appeal to the public, the Finance Minister proceeded to announce the new taxation proposals. He prefaced this announcement by saying that he approached the problem of dealing with the revenue deficit not so much from the orthodox angle of balancing the revenue budget as from the larger angle of raising the maximum resources. While the economic climate was suitable for a moderate amount of deficit financing, it was obvious that it had to be kept as low as possible and not used to cover any shortfall in resources which could otherwise be currently raised. The Taxation Enquiry Commission was at work and no large-scale change in the present structure of taxation could be made. He added that he was, therefore, confining the changes to a restricted field. He then made the following proposals:

"My first proposal is to increase the preferential import duty on betelnuts by 6¼ annas a pound. Profit margins on betelnuts have for some time been very high, often leading to the payment of premium on import licences. There is little justification for the importer and the middlemen retaining such profit and I am sure the House would welcome this attempt to divert a part of it for the benefit of the exchequer. I do not think that this would in any way affect the available supplies or occasion any significant increase in prices. The additional revenue from this is estimated at Rs. 3 crores.

"In the budget for the current year, the House will remember that certain changes were made on import duties as part of the normal readjustments in these duties. Customs duties cover a very wide variety of goods and the level and incidence of theses duties are under constant review so that readjustments could be made from time to time. The annual budget provides the most suitable occasion for making these changes, except when, during the course of the year, it is found desirable in the public interest to make such changes without waiting for the annual Finance Bill. In pursuit of this policy, I propose to make certain changes in the import tariff. Duties on some articles like plastic and rubber insulated cables, electric fans and electric conduits are being raised. On the expiry of the period agreed under the General Agreement on Trade and Tariffs, the preference given to the United Kingdom on the imports of motor-cars, motor-car parts and batteries is being abolished. The net effect of these and other minor changes, with which I do not propose to weary the House, will be a net increase of Rs. 1.25 crores in revenue.

"The third change I propose to make is to abolish the present import duty on raw cotton. Imported raw cotton enters not merely in the production of cloth consumed internally but to some extent in the exports of Indian cloth. I mentioned earlier the arrangements which have been made for the grant of a rebate of duty paid on imports of raw materials which enter into the manufacture of our exports. The whole problem of regulating the import duty on essential raw materials came under review in that context and, while obviously no final view has yet been taken, it is felt that a move towards the gradual replacement of import duties on raw materials by excise duties on the goods manufactured from them could be made. This replacement seems more or less inevitable, as the country is progressively industrialised; it will also make the export trade simpler by removing the complication involved in the grant of rebates of import duty. I feel that a useful beginning should be made with the import duties on raw cotton. The loss in revenue is estimated at Rs. 4 crores.

"In pursuance of the same policy, the import duty on some varieties of steel—a basic material—is being abolished with immediate effect. They are steel sheets (both black and galvanised) plates and rails. The loss of revenue involved is likely to be Rs. 25 lakhs.

Changes in Union Excise Duties

"With the abolition of the import duty on raw cotton, I propose to raise the excise duty on superfine cotton cloth by 6 pies per yard and on the other varieties of cotton cloth by 3 pies a yard. This is designed partly to replace the revenue lost by the abolition of the import duty on raw cotton and partly to rationalise the existing structure of the excise. The abolition of the import duty will avoid the complications involved in the somewhat cumbrous procedure of giving drawbacks on exports. It will also facilitate the free imports of foreign cotton required by the industry by reducing the amount required to finance it. The increase in excise duties will, to some extent, also reduce the possibility of diversion of manufactures from one tariff category to another by making it less profitable than at present, and will also, I hope, ease the current pressure on Indian cotton. I consider that the changes, taking customs and union excises together, will make the structure of taxation of Indian cloth more rational than at present. The net effect of these changes will be an increase in revenue of Rs. 6.5 crores.

"My next proposal is to levy an excise duty of 1 anna and 6 pies per yard on artificial silk fabrics. The use of artificial silk fabrics is now very widespread and they compete, to some extent, with cotton cloth which has to bear an excise duty.

(*Continued on page 421*)

DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts less Expenditure)	Currency and Mint (Receipts less Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total Net Revenue	Interest on Debt	Reduction or avoidance of Debt	Extraordinary Payment	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay on Commercial Departments (Posts and Telegraphs and Civil Aviation) Met from Revenue	Total Net Expenditure	+| Surplus / Deficit
1943-44	1,70,23	5,15	1,65,08	46,61	—2	7,70	1,62	15,43	4,20	2,40,71	9,09	8,00	30,66	3,58,40	29,47	—1	4,30,61	— 1,89,90
1944-45	2,32,87	7,05	2,25,82	42,18	—3	10,38	1,78	18,78	6,50	3,24,89	10,70	8,00	21,80	3,95,49	30,65	4	4,81,04	— 1,56,15
1945-46	2,81,54	7,47	2,74,07	41,17	—55	12,84	1,67	9,41	6,93	3,49,56	80,62	8,00	21,80	3,60,23	57,75	2	4,72,09	— 1,22,43
1946-47	2,73,04	8,01	2,64,13	10,45	—41	13,92	1,37	2,46	37,00	3,29,81	38,66	5,00	2,47	1,07,37	78,00	1	3,30,41	— 50
1947-48	1,76,63	8,93	1,72,03	2,54	61	—25	50	..	9,01	1,85,66	93,31	5,00	1,15	1,77,57	24,20	..	1,41,20	+ 44,46
1948-49	3,17,24	7,37	3,09,91	9,66	83	10,50	1,41	14,37	12,52	3,58,92	37,53	5,00	19,15	1,46,64	1,00,03	1	3,08,48	— 50,44
1949-50	3,06,33	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,08	34,43	5,00	11,54	1,48,86	99,96	..	2,99,29	+ 33,79
1950-51	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,89	3,93,46	32,73	5,00	7,03	1,61,13	1,25,80	12	3,34,24	+ 59,22
1951-52	4,56,89	12,84	4,43,71	10,21	70	8,70	1,77	5,59	23,85	4,94,50	34,00	5,00	10,91	1,70,06	1,15,45	9	3,35,41	+ 1,59,09
1952-53	3,61,05	11,02	3,50,03	8,08	55	7,52	2,01	3,01	19,03	3,87,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+ 28,93
1953-54 (Budget)	3,49,77	11,00	3,37,67	9,02	—25	13,12	3,05	15,47	19,23	4,00,73	32,17	5,00	24,49	1,99,84	1,38,64	15	4,00,54	+ 45
1953-54 (Revised)	3,43,30	11,57	3,31,70	9,47	—61	12,96	2,73	..	20,39	3,76,67	33,85	5,00	15,76	1,99,84	1,39,10	15	3,93,83	— 16,96
1954-55 (Budget)	3,53,45	12,66	3,45,79	8,32	—10	17,79	2,78	10,22	17,75	4,03,05	35,00	5,00	23,97	2,05,62	1,59,41	11	4,29,11	— 26,06*

Note 1.—Accounts for 1947-48, 1948-49, 1949-50, 1950-51, 1951-52 and 1952-53 have not been finally closed and the figures given here are only provisional.
Note 2.—Figures for 1947-48 are for the period from the 15th August, 1947, to the 31st March, 1948.
* Before budget proposals.

CENTRAL GOVERNMENT'S CAPITAL BUDGET

AN INCREASE OF 80 PER CENT. IN EXPENDITURE PROPOSED FOR 1954-55

AS the work on the Five-year Plan progresses year by year, the Central Government's capital budget acquires more and more significance. The Plan, as is well known, provides for a total outlay of Rs. 2,244 crores, inclusive of the recent readjustments which seek to increase the outlay by Rs. 175 crores. In the first three years of the Plan, the expenditure (both by the Centre and the States) will be of the order of Rs. 1,000 crores. This leaves about Rs. 1,200 crores to be spent in the next two years, which will include direct expenditure by the Centre as well as assistance provided by it to the States. It will thus be seen that increased capital expenditure will become necessary in the next two years. Indeed, as the Union Finance Minister, Mr. C. D. Deshmukh, pointed out in his budget speech in Parliament, such an increase in outlay is "inevitable." Emphasising that the Government attached the "greatest importance" to the implementation of the Plan, he observed that "they will strain their utmost to see that the development envisaged in the Plan and provided for in the Budget goes forward."

Against this background, it is worthwhile to take a look at the Government's capital budget. The revised capital budget for 1953-54 consists of receipts at Rs. 285.28 crores and capital disbursements of Rs. 318.10 crores, thereby showing a deficit of Rs. 32.82 crores. The receipts include new loans (Rs. 77.36 crores), net receipts from Treasury Bills (Rs. 80.0 crores) and repayment of loans by States (Rs. 18.69 crores). Capital disbursements (Rs. 318.10 crores) for the year 1953-54 include a capital outlay of Rs. 63.90 crores by the Centre while the rest consists of discharge of permanent debt (Rs. 116.50 crores), advances to State Governments (Rs. 118.37 crores), mainly for development expenditure, and other loans and advances (Rs. 19.33 crores).

The capital budget for 1954-55 envisages receipts at Rs. 433.08 crores and expenditure at Rs. 406.62 crores, thereby showing a surplus of Rs. 26.46 crores. Under receipts, the provision for new loans stands at Rs. 78.28 crores, as against Rs. 77.36 crores in the revised budget for 1953-54 and Treasury Bills at as much as Rs. 250 crores, as against Rs. 80 crores in the revised budget for the previous year. Capital disbursements (Rs. 406.62 crores) include a capital outlay of Rs. 145.75 crores by the Centre, while the rest consists of discharge of permanent debt (Rs. 53.02 crores), advances to State Governments (Rs. 178.79 crores) and other loans and advances (Rs. 29.06 crores). Thus, capital outlay by the Central Government accounts for Rs. 145.75 crores in the 1954-55 budget, as against only Rs. 63.90 crores in the revised 1953-54 budget—that is an increase of nearly 134 per cent. The allocations to State Governments have also been increased from Rs. 118.37 crores to Rs. 178.79 crores. The aggregate capital expenditure by both the Centre and the States has been stepped up from a mere Rs. 182.27 crores to as much as Rs. 324.54 crores, or by about 80 per cent.

The details of capital disbursements in the 1953-54 budget, the revised budget for 1953-54 and the 1954-55 budget are as follows:

(In lakhs of rupees)

	Budget, 1953-54	Revised, 1953-54	Budget, 1954-55
Capital Outlay—			
Railways	18,07	17,78	33,93
Irrigation	40	40	25
Posts and telegraphs	7,60	7,72	11,49
Industrial development	6,75	7,43	24,10
Aviation	2,82	2,17	3,34
Broadcasting	47	32	1,34
Ports	3,25	2,05	5,31
Mint	50	33	72
New capital at Delhi	1,59	1,30	6,07
Multi-purpose river schemes ..	3,80	4,34	3,94
Electricity schemes	45	23	76
Civil works	17,82	13,98	25,05
Commutation of pensions ..	39	30	26
Sterling pensions	—7,16	—7,16	—7,05
Defence capital outlay	15,00	10,36	17,75
Schemes of Government trading	3,52	13	—3,11
Development grants	..	..	16,00
Other civil heads	97	1,58	5,70
Discharge of Permanent Debt ..	1,19,65	1,16,50	53,02
Advances to State Governments..	93,23	1,18,37	1,78,79
Other loans and advances ..	22,72	19,33	29,06
Total ..	3,12,26	3,18,10	4,06,62

Capital outlay on the railways, as the table above shows, is the largest single item of its kind. The details regarding this outlay form part of the Railway Budget. Mr. Deshmukh, however, referred to this item in his budget speech and said that the increased provision—that is, as compared with the provision in the revised 1953-54 budget—has been made partly to meet essential commitments and partly to make good the fall in resources which the railways themselves were expected to provide under the Five-year Plan. The item "Posts and Telegraphs" will absorb Rs. 11.49 crores, of which telephones alone will claim Rs. 8.79 crores.

By far the most significant items is the one with the title "Industrial development." This includes provisions which the Government has made for a variety of undertakings, both Government and quasi-Government undertakings. A total provision of Rs. 24.10 crores has been made under this item. The details of expenditure under this heading include the following. (Figures in brackets refer to the provision in the revised budget for 1953-54):

(In lakhs of rupees)

Grants to the Council of Scientific and Industrial Research (69.10) 55.00; Indian telephone industries (82.00) 85.00; Hindustan Shipyard Ltd. (64.16) 33.78; Penicillin factory (30.00) 39.45; Hindustan Machine Tools Ltd. (50.00) 200.00; National instruments factory (6.50) 32.00; D.D.T. factory (2.00) 13.00; Heavy electrical equipment factory (.30) 50.00; Establishment of iron and steel plant (23.00) —; Hindustan Steel Ltd. (4.00) 10,00.00; Overseas communications service (15.00) 36.97; Housing Corporation, Delhi (12.50) 7.50; Eastern Shipping Corporation (92.50) 92.50; Hindustan Cables Ltd. (50.00) 40.00; Air Corporation (Indian Air Lines) (1,48.00) 4,49.37; Air Corporation (Air-India International) (55.40) 1,60.00; Oil Exploration Scheme (—) 25.00; Synthetic oils (—) 10.00; Civil explosives factory (—) 40.00; National Research Development Corporation (—) 5.00; and Diesel engine factory (0.01) —.

Provision has been made in the capital budget for all civil works estimated to cost Rs. 1 lakh or over. This item will absorb Rs. 25.05 crores. A broad analysis of the sum provided in the revised and budget estimate is given below:

(In lakhs of rupees)

	Budget, 1953-54	Revised, 1953-54	Budget, 1954-55
National highways and other roads	8,55.00	8,47.21	13,82.30
Construction of houses, etc., for displaced persons	4,55.00	3,00.17	3,75 00
Other buildings	4,72 00	2,51.00	7,07 64*
Total ..	17,82.00	13,98.38	25,04.99

* Includes recovery of Rs. 1.95 lakhs from Ford Foundation.

A new item of capital outlay, which used to figure in revenue budgets in previous years, but which is now included in the capital budget, is development grants to States. A provision of Rs. 16 crores has been made for this purpose in the budget for the next year. This represents mainly grants for industrial housing, grants for local works and grants to certain State Governments. But this expenditure does not create any durable asset for the Centre. Hence, the Union Finance Minister has proposed that, although this expenditure will be met from the capital account, it should be written back to revenue over a period of 15 years, so that ultimately all this expenditure is met from revenue.

The next important item of capital outlay is what comes under the title "Other civil heads." This item will absorb Rs. 5.7 crores, as against Rs. 1.58 crores in the revised budget. The large increase in this outlay is mainly accounted for by the fresh provision of Rs. 4 crores which has been made for payment to displaced persons. This item includes Rs. 28.76 lakhs by way of capital outlay on forests and Rs. 125.56 lakhs by way of provision for schemes of agricultural improvement, particularly "Grow-more-food" schemes in Part "C" States.

Apart from the items of capital outlay, described above, the capital disbursements in the 1954-55 budget include, as already stated, loans and advances (Rs. 29.06 crores), advances to State Governments (Rs. 178.79 crores) and discharge of permanent debt (Rs. 53.02 crores).

The details of the advances to State Governments are as follows:

(In lakhs of rupees)

	Budget, 1953-54	Revised, 1953-54	Budget, 1954-55
Irrigation loans	46,27	50,87	66,22
Miscellaneous development loans..	26,22	37,03	45,16
Loans for rehabilitation of displaced persons	10,30	6,49	12,45
Loans for "grow-more-food" schemes including tube-well schemes and agricultural finance	27,86	23,70	41,12
Loans for community development and national extension projects.	11,00	3,87	11,85
Loans for industrial housing schemes	4,84	2,40	6,00
Loans for relief work in natural calamities and improvement in scarcity areas	3,00	7,40	17,00
Loans for development of handloom and small scale industries.	..	1,53	2,30
Other loans	1,71	20,86	12,81
	1,31,20	1,60,20	2,14,41
Less—Amount met from Special Development and other Funds.	—37,92	—41,83	—35,62
Net ..	93,28	1,18,37	1,78,79

The men in the Gilt-edged market will be interested to know that under the item "Discharge of Permanent Debt," the Government has made provision for the discharge of the 2½ per cent. Loan 1954 which falls due for payment in November, 1954, and the 3½ per cent. Loan 1954-59 which the Government has the option of repaying in the current year. The budget also includes a provision of Rs. 3.02 crores from the International Bank for Reconstruction and Development and Rs. 2 crores for the possible discharge of the Centre's share of State Loans.

Debt Position of Government of India

The outstanding public debt of the Government of India is expected to go up by Rs. 275.45 crores during the next year, that is, from Rs. 2,130.63 crores at the end of March, 1954, to Rs. 2,406.08 crores by the close of March, 1955. The major portion of the rise, Rs. 250.00 crores to be precise, will be short-term in the form of Treasury Bills and ways and means advances which, incidentally, indicates the extent to which the Finance Minister proposes to resort to deficit financing with a view to covering the bulk of the deficit on capital account. Current rupee loans and dollar loans are also expected to be higher by Rs. 25.24 crores and Rs. 1.56 crores, respectively. Current sterling loans, however, are placed lower by Rs. 38 lakhs and capital portion of railway annuities (sterling) by Rs. 1.15 crores.

The statement below gives a broad analysis of the debt position of the Centre as on 31st March, 1954 and 1955, as compared with that at the end of 1938-39:

(In crores of rupees)

	As on 31st March		
	1939	1954	1955
Rupee Loans—			
Current loans	437.87	1,308.05	1,891.29
Treasury bills and ways and means advances ..	46.30	405.29	655.29
Treasury deposit receipts ..	..	212 60	212 60
Special floating loan	..	8 76	8 94
Expired loans	.65		
Total ..	484 82	1,992.70	2,268 12
Sterling Loans—			
Current loans	206 50	1 12	.75
War contribution	20.62	20.62	20.62
Capital portion of railway annuities	47.82	4.33	3.18
Expired loans	.01	.05	.05
Total ..	464.95	26.13	24.60
Dollar Loans	..	111.80	113 36
Grand total ..	949 77	2,130 63	2,406 08

The liability for the British war loan remains suspended, while the outstanding railway annuities are covered by an equivalent deposit with the United Kingdom Government, who provide the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 2,106 crores at the end of the current year and Rs. 2,382 crores at the end of 1954-55. At the end of the budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 1,501 crores.

In addition, the Government is liable to repay the balances in the various provident funds, the post office savings banks, the post office cash and national savings certificates, the depreciation and reserve funds of the railways, posts and telegraphs, etc., and certain other deposits, mainly relating to excess profits tax and income-tax. These balances are estimated at Rs. 786 crores at the end of the current year and Rs. 829 crores at the end of 1954-55, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:

(In crores of rupees)

	As on 31st March	
	1954	1955
Regular loans	2,130 63	2,406 08
Other liabilities	785.80	829 21
British war loan and railway annuities	—24 95	—23 80
Total ..	2,891.43	3,211 49

This outstanding debt may be analysed with reference to the purpose for which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In crores of rupees)

	As on 31st March	
	1954	1955
Railways	875	909
Posts and telegraphs and other commercial departments	88	105
Loans and advances (including outstanding debt due from Burma)	631	715
Purchase of annuities for sterling pensions	176	171
Subscription to the International Monetary Fund and World Bank	213	213
Debt due from Pakistan	300	300
Cash and other investments	109	130
Total ..	2,294	2,543

Allowing for these, the uncovered debt will amount to Rs. 668 crores at the end of the budget year, as against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years are not entirely unremunerative, and, similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the capital outlay on New Delhi and Defence capital outlay) is not without value.

Interest-bearing Obligations

Out of the total debt noted above, the interest-bearing obligations of the Government of India are expected to stand at Rs. 3,013.71 crores by the end of 1954-55, as against Rs. 2,694.62 crores (revised) at the end of the current year and Rs. 1,205.76 crores at the end of 1938-39. The major part of this liability is covered by interest-yielding assets, the actual amount of such as on 31st March, 1955 being Rs. 2,251.84 crores. This figure compares well with Rs. 2,003.83 crores (revised) at the end of March, 1954, and Rs 946.38 crores at the end of March, 1939. The most important of these assets are the railways, commercial departments, loans advanced to States, debt due from Pakistan and Burma, and purchase of annuities for sterling pensions. The details of these items are given below:

(In crores of rupees)

	1938-39 (Pre-war year)	1953-54 (Revised)	1954-55 (Budget)
Capital advanced to railways	725 24	875.10	909.14
Capital advanced to other commercial departments ..	27.42	88.24	105 24
Investments in commercial concerns	..	27.14	48.15
Capital advanced to States ..	123 28	422 00	579 89
Other interest-bearing loans ..	20 71	60 76	87.11
Debt due from Burma	49.73	48.15	48.15
Deposits with the U.K. Government for redemption of railway annuities	..	4 33	3.18
Purchase of annuities for sterling pensions	..	178 03	170 98
Debt due from Pakistan	..	300 00	300 00
Total ..	946 38	2,003 83	2,251 84

Besides the above interest-yielding assets, the Central Government has cash and securities on Treasury account. These are expected to be of the order of Rs. 70.71 crores as on 31st March, 1955, as against Rs. 70.44 crores at the end of 1953-54 and Rs. 30.30 crores at the end of 1938-39. The interest-bearing obligations not covered by assets are expected to rise from Rs. 620.35 crores to Rs. 691.16 crores. The corresponding figure at the end of March, 1939, was Rs. 229.08 crores.

Interest Payments

Consequent on the increase in the Central Government's ordinary debt, unfunded debt and other obligations, the aggregate interest charges to be paid by the Government during 1954-55 show a rise of Rs. 6.88 crores to Rs. 83.73 crores as compared with the revised estimates for the current year. The bulk of this rise is accounted for by interest on ordinary debt, which is expected to improve from Rs. 51.95 crores to Rs. 57.98 crores. Interest on unfunded debt and other obligations shows a negligible rise from Rs 24.90 crores to Rs. 25.75 crores.

The following table gives a broad summary of the interest payments on account of rupee, sterling and other debt and the transfers on account of interest charged on commercial departments:

(In lakhs of rupees)

	Budget, 1953-54	Revised, 1953-54	Budget, 1954-55
INTEREST ON ORDINARY DEBT:			
Rupee debt—			
Management of debt ..	22.00	22.01	22.15
Expenditure connected with the issue of new loans and sale of securities held in the cash balance investment account ..	7.60	7.54	6.54
Discount written off to revenue	60 74	60 74	90 40
Interest on temporary loans ..	6,15 22	7,63 47	10,70.00
Payments of prizes in respect of 5-year interest free prize bonds	0 20	0 01	0 05
Interest on all other loans ..	40,60 80	39,76 55	42,83 75
Other items	+ 0 35	0 40	0 40
Sterling debt—			
Interest on loans contracted in England	4 63	4 23	3 50
Interest on railway annuities.	19 17	19.17	15.08
Interest on outstanding liabilities of railway companies taken over on purchase ..	0 16	0 16	0 16
Management of debt	0 04	0 04	0 04
Other items	12 93	12 93	13.56
Other debt—			
Interest on dollar loan from International Bank for Reconstruction and Development	89 10	92 69	96.24
Interest on American wheat loan	2,26 20	2,26 20	2,26 20
Total ..	51,24 14	51,05 19	57,96 07
INTEREST ON UNFUNDED DEBT AND OTHER OBLIGATIONS:			
Bonus on post office certificates	6,07 20	6,01 55	6,75 33
Post office cash & bank deposits	4,22 00	4,21 00	4,41 00
Interest on Ten-year Treasury Savings Deposit Certificates ..	02 24	80 72	1,12 47
State Provident Funds	4,32 74	4,50 01	4,77 03
Service funds	14 24	13 53	13 19
Railway Depreciation Fund ..	3,22 31	3,47 14	3,21 46
Railway Revenue Reserve Fund	1,07 05	1,11 50	1,16 33
Railway Development Fund ..	64 94	70 49	50 36
Posts and Telegraphs Renewals Reserve Fund	16 40	16 54	15 80
Telephone Development Fund.	4 14	2 53	3 76
Other items	2,80 09	3,58 93	3,45 75
Total ..	24,81 65	24,90 01	25,74 70
Gross Payments ..	76,01 19	76,85 19	83,72 77

Out of the total interest charges, the share (net) of the Government of India during 1954-55 is estimated at Rs. 35.00 crores, as compared with Rs. 33.85 crores in 1953-54. Of the balance of Rs 48.73 crores, the bulk is to be borne by railways, the actual amount being Rs. 28.13 crores, as against Rs. 26.97 crores. The shares of posts and telegraphs, State Governments, irrigation and other heads amount to Rs. 1.98 crores, Rs. 15.55 crores, Rs. 1 lakh and Rs. 3.06 crores, respectively. The corresponding figures for the current year are Rs. 1.73 crores, Rs. 11.35 crores, Rs. 1 lakh and Rs. 2.94 crores, respectively.

GOVERNMENT OF INDIA'S BUDGET

(*Concluded from page 419*)

There is no reason why, when the bulk of the cotton cloth is subject to taxation, artificial silk fabrics should be exempt. The new duty will not be levied on the manufactures of handlooms and small units which have less than 10 power looms. Art silk fabrics will also be placed in the same position as mill-made cotton textiles by the levy of an additional 3 pies per yard, corresponding to a similar levy which is now being made on cotton cloth under the *Khadi* and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953. The proceeds will be appropriated to the Special Fund for the development of the handloom industry. The revenue from this is estimated at Rs. 1.60 crores.

"With the progress of industrialisation, revenue from customs duties is bound to be progressively less stable source of revenue. Even otherwise, the revenue from customs is inevitably subject to the vicissitudes of trade policies and the availability of foreign exchange. It is therefore, necessary to turn increasingly to indigenous industries producing consumer goods for the replacement of a part of the revenue which, in the past, we used to derive from customs duties on such goods. It is also only appropriate that those industries which have in the past developed with the assistance of protectionist policies, for which the consumer paid by way of increased duties, should, when they have reached the stage of full development, make a fair contribution to the country's exchequer. The country's tax structure can be made stable only by broad-basing its excises without affecting the economy of the industries taxed or placing an undue burden on the consumers. We are already levying excises on most of the important commodities produced in the country and the scope for further additions is somewhat restricted, but, even so, I feel that there is room for some expansion in this source of revenue. I, therefore, propose to levy a moderate duty on three commodities, namely, cement, soap and footwear. The duty on cement will be Rs. 5 per ton, that on soap Rs. 5-4 per cwt. on washing soap in bars of one pound and more in weight and Rs. 6-2 per cwt. on other washing soap and Rs. 14 per cwt. on toilet and other soaps and that on footwear at 10 per cent. *ad valorem*. The incidence of taxation on all these commodities will not generally exceed 10 per cent. of the value. In the case of soap and footwear, the products of cottage industry will be exempted either by executive orders or directly by definition in the tariff. From such figures as are available, I expect that the revenue from the excise on cement would amount to Rs. 1.75 crores, that from footwear to Rs. 80 lakhs and that from soap to Rs. 1.20 crores.

Income-tax

"No changes are proposed in the income-tax rates which, for next year, will continue to be the same as at present. Certain formal amendments to the Indian Income-tax Act, intended to continue till 1956 some of the existing concessions like special depreciation allowance, exemption of profits upto 6 per cent., etc., have been included in the Finance Bill. This will maintain the *status quo* until Government have had an opportunity of re-examining the need for these concessions in the light of the Taxation Enquiry Commission's Report. Opportunity is also being taken of making two small amendments, both of the nature of drafting changes, in the Estate Duty Act.

Net Effect of Proposals

"The effect of the above changes may now be summarised. The increased duty on betelnuts will yield Rs. 3 crores and minor readjustments in import duties another Rs 1.25 crores. This will be offset by a drop of Rs. 4.25 crores from the abolition of import duties on raw cotton and some varieties of steel leaving the total revenue from customs duties unchanged at Rs. 175 crores.

"The increase in the excise duty on cotton cloth will yield Rs. 6.5 crores and the new excise duty on artificial silk fabrics Rs. 1.60 crores. The new excises on cement, soap and footwear will together yield Rs. 7.5 crores. The total additional revenue from excise duties will thus amount to Rs. 11.85 crores. This will reduce the prospective revenue deficit for the coming year from Rs. 26.06 crores to Rs. 14.21 crores which I propose to leave uncovered.

"I mentioned that the overall deficit for next year would amount to Rs. 250 crores, which will be met by expansion of Treasury Bills. The taxation proposals will reduce the deficit to about Rs. 238 crores. For the present, I do not propose to change the figure taken in the budget for expansion of Treasury Bills. The actual amount of this expansion will depend on developments during the course of the year. I am, therefore, carrying the effect of these proposals into the cash balances and leaving them about Rs. 12 crores more than would otherwise be the case."

In conclusion, the Finance Minister made a brief review of the achievements of the country since it became politically independent. "Seven years," he said, "are not a long period in the history of a nation, but, in the life-time of a generation, they certainly count for something. One can, therefore, understand the continuous urge for improvement and the frequent criticism that the progress achieved has not been sufficient. Such criticism is always welcome, both as a corrective and as a spur to further effort, but it is apt to obscure the sum of our achievement and place the problem of development out of its proper prospective. In 1947, India inherited a weakened administration, a war-ravaged economy and a country with only the rudiments of a Welfare State. Immense problems of rehabilitation of displaced persons and integration of over 500 princely States of varying sizes and in widely disparate stages of development had to be faced. In these seven years, the country's economy had been strengthened, inflationary stresses eliminated and production expanded. The transport system had been largely rehabilitated and large irrigation and power schemes taken in hand. Vital industries had been started and effective steps taken to step up steel production and assist basic industries like shipping. The rehabilitation of displaced persons was nearing completion, while the integration of the princely States had been completed. A well-knit National Plan was in process of implementation and what was more vitally important, 'the people have been encouraged successfully to co-operate in the fulfilment of this high endeavour.' In this task, the country had received a significant and important measure of assistance from friendly countries for which it was grateful. No idea of the vast upsurge in the national life can be conveyed, by translating all this in terms of money or compressing it into a classified table of estimates and expenditures. The face of the country is changing and changing for the better. We know—and none more than those on the Government Benches—that much still remains to be done. But we can bend our energies to the tasks ahead fortified by the knowledge that, in spite of mistakes and difficulties, we have made progress and, conscious that we are on the right road, however long and arduous it may be, we shall persevere, with a stout heart, with the task of building up a more prosperous India."

BUILDING FOR TOMORROW

A new publication giving the progress of Community Projects during the first year of its operation has just been issued. The Community Projects which were inaugurated on 2nd October, 1952, now cover nearly 23,650 villages in all the States of India with a population of 21.5 millions. In addition, the Government of India decided to launch the more comprehensive National Extension Service from October, 1953, and the Community Programme was integrated into the National Extension Service. Under the Extension Programme about 23,700 villages with a population of 15.6 millions are receiving attention.

The publication entitled, *Building for Tomorrow*, gives details of information on the progress of work in only those Community Development blocks where the operations began between October, 1952 and September, 1953. In 77 development blocks comprising about 7,700 villages, work began on 2nd October, 1952, and in 67 other blocks comprising about 6,700 villages, work began in June, 1953. In these villages the progress of work made during the period is indicated in the brochure.

Apart from physical achievements in the fields of agriculture and allied services, education, health, road construction, formation of village councils and *panchayats* and training programmes, the brochure places particular emphasis on the scope of peoples' participation in the Community Programme. The enthusiastic response from the people received during the first year's working of the Community Projects has to be sustained, and a change of outlook developed which is the most primary aim of the Community Programme. The present availability of trained personnel and the effort that is necessary to produce such personnel in very large numbers are brought out in the publication.

The annexures to the publication bring out briefly the administrative set-up of Community Projects in the Centre as well as in the States, progress in physical terms under various heads of development and the names of areas in various States in which the Community Programme is in operation. The publication is priced at six annas and has been released by the Community Projects Administration, Government of India.

REVOLUTION "MADE IN DETROIT"

DEVELOPMENT OF INDUSTRIAL COMMUNITIES FREE OF OFFICIAL CONTROL WANTED

(By RICHARD W. LINDHOLM, Professor of Economics, Michigan State College, Michigan, U.S.A.)

FASCISM, Nazism and Communism are answers to the problems of the industrial society as it originally developed in the 1840's. But the answers of these three "isms" deny political and economic liberty and justify this denial on the ground that the solutions which they provide to the evils of industrial society are of greater benefit than the harm arising from the loss of nearly all liberties. This justification has received sufficient support in some countries to make it possible for self-appointed leaders to bring about the political changes required by their particular ideology.

A fourth answer to the problems of the industrial society, which also developed around 1840, is democratic socialism. It is a solution that does not require the elimination of political liberty. More will be said later of the problems besetting an industrial society operating under the rules of democratic socialism, but at the outset it is desirable to point out briefly that this answer requires actual management of the industrial units by workers—workers, by the way, who for years have been fighting the management point of view and its emphasis on efficiency and the realisation of a profit.

New Problems in Industrial Society

The other answer, which I prefer to call the experimental solution to the nineteenth century shortcomings of the industrial society, is also a solution that permits the continuation of political and other liberties. However, because it is experimental, it has changed with the development of new problems within the industrial society. The experimental solution is best exemplified in the most advanced capitalist country of the world, the United States of America.

I call the U.S.A. the most advanced capitalist country in the world, because the average value of industrial equipment available to each worker is greater there than in Great Britain, Belgium, Canada, Russia, Brazil or any other nation. The word "capitalist" is used here in its true sense and in the only way it can be used to differentiate industrial societies, so that a person looking only at the productive process can distinguish one society from another. Another way in which industrial societies may be distinguished meaningfully is on the basis of the portion of production set aside for improving the machines of the society—or profit—and, on this basis, Russia perhaps leads the world. It might be added here that profits in some countries—let us take Pakistan, for example—need not be as high and, therefore, current consumption as low as in Russia, because Pakistan has the possibility of investment from foreign countries and thus need not rely entirely on profits from domestic production.

The mid-twentieth century characteristics of the experimental answer provide for the industrial plant remaining largely an antonomous unit within the society with day-to-day management of production carried out by experts and with broad policies established, or at least agreed to, by labour, Government and owners. Community functions of the plant are more and more the sole responsibility of workers.

The old industrial society—that is, the industrial society before the world revolution of mass production with the label "made in Detroit"—and its weaknesses which the "isms" were developed to eliminate are rather accurately described by Marx and by many writers before and since Marx. These people dissected this pre-revolution nineteenth century society, and, on the basis of their dissection, made forecasts of future developments; then, on the basis of their forecasts of future developments, they established a plan of reform. Briefly, the characteristics of the industrial societies prior to the revolution in Detroit (part of the superstructure, as it were, of this revolution in Detroit is the revolution in economic theory, called the Keynesian Revolution) selected as being more undesirable were:

(1) Labour was being exploited; it was being paid only a subsistence wage. Profits were of little benefit to the ordinary citizen, because he did not benefit from increased productivity in higher consumption levels.

(2) Businesses were being concentrated in fewer and fewer hands, and consumers would, therefore, have soon been at the mercy of a few uncontrolled private monopolies.

(3) Severe depressions would continue to arise and would become worse and worse.

(4) To find markets for the products of industry, it would be necessary to intensify the imperialistic policies in effect at the time, and this would cause greater and more frequent wars.

A very brief comparison of these four shortcomings with the basic principles of Fascism, Nazism and Communism clearly shows how they are related to the greatly expanded function allocated to the State by these "isms," particularly the types of functions allocated. In the answers offered by Fascism, Nazism and Communism, the powers that the State must exercise to eliminate these shortcomings have been so great and necessarily so closely associated with the everyday workings of the economy that the State has been given autocratic powers.

Democratic Socialism

Democratic socialism to destroy the shortcomings, must assume that efficiency and profits can arise with management by the workers. The probable outcome is inefficiency until either autonomous management groups arise and are allocated certain powers, in which case democratic socialism would lose its basic unique quality, or autocratic powers are given Government, in which case the workers completely forfeit independence to increase productive efficiency and profits.

Examination of the current scene leads one to conclude that neither Fascism, Nazism and Communism nor Socialism was accepted by large numbers of people until the economic problems to which their answers related had lost their first-rate importance in the most advanced industrial societies. This situation can be illustrated by considering briefly the developments in relation to the four problems outlined.

All readily available wage data of the United States show that exploiting labour, in the sense of a labour supply made up of proletariat, does not exist. In fact, the census data indicate that labour is becoming less important and that technicians—machine fixers and layout experts—are the rapidly expanding wage-earner group. High profits are still opposed but because they necessitate deficit financing when they are too high, and not because they take bread from the starving and the underfed. Also, high profits are still opposed as a carry-over of the old exploitation idea. Their importance here remains largely in the minds of the older labour leaders.

Businesses in advanced industrial societies have continued to grow, but small businesses have also expanded. Also, anti-monopoly legislation, Government control, Government operation, and competition among big businesses prevent most monopoly abuse, and, in addition, labour unions basing wage demands on profits exercise a controlling effect. Finally, the higher incomes of everyone, as the industrial societies have advanced, have permitted large numbers of wage earners to own stock in corporations. In the U.S.A., for example, there are more than six million owners of common stock of corporations. If each owner represents a family of three, about 20 million persons are partially dependent on returns from ownership of capital of corporations. Also, stock ownership by employees has been adopted as an aggressive company policy in a number of instances.

Economists' Confidence

Keynesian economics plus the increased activity of the trade union movement have made most economists confident that modern industrial societies will never have another depression of the seriousness of that of the 1930's. The literature and procedures developed are far too comprehensive to be carefully considered at this time. The basic idea, however, is to maintain aggregate expenditures sufficiently high to remove goods produced at customary prices.

Now the final point—that of imperialism—which is currently being given so much emphasis by the Communists in Asia. The less developed countries are not needed to provide markets for goods of modern industrial nations, because the purchasing power of all producers is necessarily equal to the value of all production; and, with this purchasing power in the hands of workers, it will be spent. If the purchasing power is not used to buy the goods produced, the Government through deficit financing can readily remedy the situation. In fact, the expansion of the industrial revolution has made the whole idea of an industrial nation profitably selling to underdeveloped areas an anachronism. The revolution made in Detroit—or modern industrial society—to function efficiently must have its products largely consumed by its workers and not by people of distant lands.

It is not surprising that the Communist and other solutions are related to economic problems of the past and not of the present or the future. This is typically the situation of economic solutions. Before they receive acceptance sufficient to put them into action and are understood by the politician, they are no longer applicable to current conditions. In fact, the existence of this situation is one interpretation of the social lag. Examples of this sort of relationship are commonplace in the economic-political movements of all nations; the silver movement of the 1930's in the U.S.A. and the anti-foreign investment movement in Pakistan are two that come to mind.

Enough for the problems of the pre-revolution industrial society. Actually, it is the current situation in the post-revolution society of the mid-twentieth century that is of greatest importance.

Basic Tendencies

The basic tendencies of a post-revolution industrial society appear to be the following:

(1) The development of a manager class separate from the owners, whether the owners are Government or private individuals. Malenkov's statements regarding the modernisation of Marxism indicate that he understands this point. It is natural that he should, for he is a production man.

(2) The development of the industrial community providing for social and Government obligations to be met without destroying the economic obligations which, of course, remain paramount. These economic obligations are productive efficiency and profits sufficient to permit the use of the most efficient techniques. The importance of this industrial community is easily as great as that of political parties and the army which are dependent, more or less, on the Government, whereas the industrial community is autonomous.

(3) The individual is not productive, but only the organisation is productive. This destroys the sense of worker productivity. The worker must, therefore, have individual productive activity outside his labour. This can be provided by the social and Government obligations of the industrial community.

(4) The spirit of the post-revolution society is determined by large manufacturers; the small manufacturers function principally as part of development and decay.

(5) There is a reduction in the portion of labourers used in production and an increase of the number of technicians.

It is no doubt somewhat surprising that the development of strong, independent labour unions able to bargain effectively with management, Government social security programmes that assure protection from poverty, the collection of very much higher taxes from the large income receivers than from the low income receivers have not been included. These developments are important, but they are excluded, because they are not intimately associated with Detroit—the mass production revolution—and only secondarily with Keynesian superstructure, or with the determination of whether this revolution will eliminate the political and other liberties or whether it will strengthen these liberties.

Two Unstoppable Drives

I have great confidence in the success of the revolution made in Detroit, which has already changed the world greatly. I believe this because it seems to me that the revolution is backed by two unstoppable drives. The first drive is that for a higher standard of living which the revolution made in Detroit provides. The second is the need for a successful military organisation which the revolution made in Detroit also provides.

If it is permissible to assume, at this time, that the mass production revolution made in Detroit will succeed, and I think this is a reasonable assumption, it is worthwhile to examine the five major aspects of this revolution. The examination will also help to arrive at a conclusion of the possibility of the economies of the world to be free.

Essential Points

The first point—the separation of management and ownership—has been much discussed in the U.S.A. by James Burnham in his *Managerial Society* and by numerous corporate studies. There is also evidence in Russia of the independence and power of the manager group. A major weakness of Western Europe has been the slow development of this manager group.

In regard to the second point, and its related third point, it is well established that the satisfactions of life are mostly related to the job. This requires, under mass production conditions, that the workers of each factory or division establish rules and regulations, pensions, etc. Such, of course, is a major portion of the activity of independent labour unions. Also, experience has shown that these activities are carried out much more efficiently by workers than by management. The other solution is that of the democratic socialists who would have the workers manage economic activity, but their experiments, wherever carried out, have failed. For the worker in a modern industrial society fully to benefit from active participation in industrial citizenship, the group must be on a small enough unit basis, so that each worker actually sees his participation. This basic need obviously mitigates against dictatorship. This force away from dictatorship can only be neutralised in peacetime by an artificially created hysteria.

The third point is related to the second, but, in addition, emphasises plant efficiency. In mass production, the productive process alone does not give the necessary, psychological satisfaction. The use of democratic action in social and Government affairs is the only readily available method of meeting the need.

The fourth point relates to innovation and elimination of the inefficient. Under a private enterprise system, this important organic function of a healthy industrial community can be carried out by enterprises that are not Government-owned and, in this way, avoid involving the prestige of the Government. The fact that this cannot be done either under Communism or democratic Socialism is a serious source of weakness and points to the need for considerable private ownership of productive processes. However, a weakness of democratic Socialism and the experimental method that has not developed in Communism is the tendency through taxation and price control to reduce the profits of industry below those necessary to cover risks.

The development of the fifth point (decrease of labourers and increase of technicians) is likely to reduce the weakness of low profits in the experimental society and in a democratic socialistic society, because the attitude of the majority of the citizens will change as the portion made up of its labourers decreases and the remnants of the attitude of the proletariat are replaced by the attitudes of a citizen of an industrial community. Also, this tendency of labourers to decrease in numbers and importance destroys the basic idea of a dictatorship of the proletariat. The dominant productive group, therefore, is not an exploited mass with nothing to lose but their chains, but rather citizens with a stake in continued operation under conditions of high efficiency.

My conclusion is that the solution to the problems of mass production—outside of war hysteria or some other type of hysteria—points to the development of free political institutions and industrial communities free of minute Government control. This, of course, points to a free economy in a free world. Also, even as the new industrial developments in underdeveloped areas do not use nineteenth century machines but rather mass production techniques, so also will these countries find it worthwhile to utilise the owner, the manager, and the other social relations that have developed in the modern post-revolution industrial communities. If this is done, the following developments will arise with industrialisation of underdeveloped areas:

(1) A separate manager class,

(2) an autonomous industrial community regulated by the State,

(3) the assumption of social and Government obligations of these communities by the workers,

(4) the small manufacturer functioning principally as a part of the organism of efficient production, and

(5) the substitution of technicians and citizens of industrial communities for the proletariat.



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MANUFACTURE OF X-RAY APPARATUS

According to Mr. B. B. Bhownik, President of the Engineering and Metallurgical Section of the Indian Science Congress, a major portion of the country's requirements of X-ray diagnostic apparatus can be manufactured in India itself. In his institute at Calcutta, Mr. Bhownik, it is stated, is manufacturing all kinds of X-ray apparatus, except X-ray tubes and high tension cables, which are imported. India is now importing annually about 100 X-ray apparatus and a large number of X-ray machines. It is claimed that X-ray apparatus can be manufactured in large quantities at a cost which is 25 to 30 per cent. cheaper than the imported ones.

(Concluded from next column)

should it be made retrospective out of a Company's current financial year."

The accounts and balance-sheet as at 30th June, 1953, were unanimously approved and adopted. A further and final dividend of 10 per cent., free of income-tax on the ordinary shares, as recommended by the Directors, was declared, making in all a total dividend of 15 per cent. free of income-tax for the year.

SPENCER & CO., LTD.

SPEECH OF MR. S. W. EDWARDS AT ANNUAL MEETING

ADDRESSING the ordinary shareholders of Spencer & Co., Ltd., at their Fifty-sixth Ordinary General Meeting which was held on 26th February, 1954, at the registered office of the Company at Madras, Mr. S. W. Edwards, Chairman of the Company, said:

"On behalf of the Board, I have great pleasure in welcoming you here this morning.

"You have no doubt fully studied the accounts, which have been in your hands some days and which, I believe, you will have found pleasing. To me, they reflect considerable credit to the management and all those who have so conscientiously worked for these commendable results. No requests have been received for more detailed particulars or explanations of what is shown in the accounts, and this, I trust, reflects your satisfaction with the results; if, however, there are any questions you would care to raise, I will endeavour to answer them before proposing the adoption of the accounts.

"There has been, as you will have noticed, an encouraging increase in sales, but, with corresponding increases in expenditure and a reduction in the rate of gross profit, the net trading return remains much the same as in 1952.

"It has always been your Board's policy to try and safeguard the future. How right that policy has been. Legislation and awards which allow for liability with retrospective effect are, I maintain, unwarranted and unjust and must surely negative the managements' endeavours to plan ahead. Recent legislation involves most companies in very heavy contingent liabilities and this Company is no exception. It involves expenditure which, if it had to be met, should have been borne in past years' accounts. The crippling effect of this does not, I think, need enlarging.

"Wars, sooner or later, bring in their wake, periods of economic depression or, as more commonly applied to trade, 'A slump.' Many industries in many countries are already feeling that slump and it is too much to hope that your Company will come out of any such depression unscathed.

"Your Board plans to be in a position to withstand any such eventuality, but it is unreasonable to expect it to visualise contingencies such as I have just spoken of.

"As to the future, I hesitate from attempting to prophesy; it is apparent that the spending power of the general public is diminishing the world over and in common with most concerns your Company is now experiencing a decrease in turnover; the trouble is that it is becoming increasingly difficult to effect economies to counteract such diminishing revenue. Are we overtaxed—beyond the economic level? Perhaps; but I think the real answer lies elsewhere.

"The incidence of the sales tax and its application is now becoming so confused as to be a serious hindrance to trade and is causing heavy increases in administration costs.

"The practice has recently started of States attempting to tax inter-State transactions, thereby causing a great deal of confusion. There are about nineteen States in India today which are levying sales tax under Acts, rules and regulations which are far from uniform. Head offices of business with transactions throughout India are now expected to be familiar with the taxing laws of nineteen different States, and to maintain separate accounts for each of them. During the last few weeks, some action has been taken by the Central Government to overcome the present difficulties, but, unfortunately, the steps taken do not go far enough to achieve the requisite uniformity throughout the country. If a tax on such inter-State transactions is to be continued, I suggest that the only practical way is to tax the purchaser in the taxing State or, in other words, make it a purchase tax and not a sales tax.

"Another direction in which immediate action is necessary is in respect of the demands for payment of the tax on inter-State transactions retrospectively from 1st April, 1953. Some States have decided to collect only from 1st January, 1954, and in urging other State Governments to do likewise—I do so because it would enable your Company to make provision in the current year of account—under no circumstances

(Continued in previous column)

"VANASPATI" INDUSTRY IN INDIA

VIOLENT FLUCTUATIONS IN OIL PRICES IMPEDE PROGRESS

IF the development of the *vanaspati* industry is to be assured, prices of vegetable oils, especially groundnut oil, which accounts for nearly 80 per cent. of the cost of *vanaspati*, should be maintained at reasonably stable levels. Unfortunately, in recent years, the market for vegetable oils has been subject to violent fluctuations. These fluctuations have, to quote from the address of Mr. C. S. Patel, Chairman of the *Vanaspati* Manufacturers' Association of India, delivered at the eighth annual general meeting of the Association held on 24th February, 1954, "so much dominated the production and prices of *vanaspati* that the *vanaspati* manufacturer is more inclined to concentrate on cleverer buying of oil than on securing a larger demand for his product." This, as he rightly remarked, is a very unhealthy development as the industry cannot hope to utilise its idle capacity until the increased consumption of *vanaspati* can be fostered in a context of stable prices.

There is also another reason why prices of vegetable oils should remain reasonably stable. Vegetable oils provide the bulk of fat requirements of the people in India, besides being the raw materials of *vanaspati* and soap industries. It is true that it is difficult, if not impossible, to limit violent fluctuations in prices, because the supply of primary commodities and oilseeds is dependent on the vagaries of nature. But that is no reason why the Government should be complacent and leave things to fate. It is certainly possible to mitigate sharp fluctuations in prices of oils. There are three ways by which this can be done. One is to take positive measures to encourage production of oilseeds. The second is to follow a sensibly flexible export-import policy. And the third is to regulate speculation in oils and oilseeds. Mr. Patel did well in availing himself of the opportunity offered by the annual meeting of his Association to stress all these three methods.

Production of Oilseeds

The need for securing an increase in the production of oilseeds is a long-felt one. Although the Government has been proclaiming from the house-tops that prices of oilseeds should be brought down to reasonable levels, the measures it has taken in that direction are not only woefully inadequate but often inappropriate to the situation. What has the Government done to encourage production of oilseeds? Nothing very much, except to appoint a Central Oilseeds Committee—a body of unwieldy size. On the contrary, by encouraging the inefficient and wasteful village *ghani* industry, it has handicaped the progress of the *vanaspati* industry. Its failure to appreciate the need for bringing about a large increase in production of oilseeds is evident from the low target fixed in the first Five-year Plan. This Plan provides for an increase of only 400,000 tons. This increase, if achieved, will be just sufficient to maintain the present miserably low level of *per capita* availability of edible fats in India, namely, 7 lbs., as against the world average of 22 lbs. and the recommended nutritive requirement of 45 lbs. per annum. But, even the achievement of this target, in the opinion of Mr. Patel, is doubtful, as in the "Grow-more-food" campaigns, the cultivation of oilseeds has received very little attention so far. This is certainly not the way to promote the health and energy of India's manpower.

In his address at the Association's annual meeting, Mr. Patel lucidly explained why high priority should be given to the increased production of oilseeds, especially groundnuts. Thus, he said:

"Fat, providing twice as much energy as carbohydrates, which cereals are, deserves greater attention than hitherto in raising the dietary standards of our people. As the consumption of milk is increasing, which is a healthy development, the production of milk fat cannot be increased substantially. Therefore, only an increase in the supply of edible oils, selling at reasonable prices, can increase the fat consumption in India. As the total supply of edible oils and oilseeds is, at present, just sufficient to meet the minimum requirements of the country, even slight variations in the crop or exports have considerable influence on the price level of those commodities. Thus, the need for increased production of oilseeds, particularly of groundnut, is most urgent. It is, indeed, in the larger interest of the country that the production of groundnuts should be increased substantially, because its yield per acre even on a poor soil is larger and hence brings much larger return to the farmer than the millets grown in its place. Groundnut being a leguminous crop enriches soil. Further, it not only provides oil for human consumption but also protein-rich oilcake for feeding cattle, or for use as manure to increase the yield of other food crops. Even from the viewpoint of increasing supplies of cereals, it would be well if more land is devoted to the production of groundnut and surplus groundnut oil exported, because the foreign exchange earned would enable the country to import larger quantities of millets than what can be grown on the land devoted to groundnuts. I, therefore, suggest that greater attention should be paid to the cultivation of groundnuts in Government campaigns for increased agricultural production."

The supply of edible oils can also be increased significantly if, as suggested by Mr. Patel, crushing of cottonseed is actively encouraged. India produces nearly 12 lakh tons of cottonseed, which can yield one lakh tons of good edible oil. Realising the value of oil, the Planning Commission has strongly recommended the development of cottonseed crushing. But so far the country has made no perceptible progress in this direction. Perhaps, a factory here or a factory there may have been established. That, however, is not adequate. It may be noted here that all the major cotton-producing countries, except India, have taken to crushing cottonseed. In India, however, it is used as cattle feed. Experts maintain that, used in this way, it is wasteful as the cattle cannot digest 15 to 20 per cent. of the oil contained in the seed. They aver that cottonseed cake is more nutritious than the whole cottonseed containing fibrous, difficult to digest, linters. Cottdnseed oil, though not edible in crude form, is as good as any other oil, after it is refined or used in the manufacture of *vanaspati*. It can also replace edible oils at present used in the manufacture of soap.

Export-Import Policy

It was stated earlier that a judicious export and import policy in regard to oils and oilseeds would go a long way towards mitigating the wide fluctuations in oil prices. Explaining this point, Mr. Patel observed as follows:

"The manner in which the Government policy, in regard to exports and imports of edible oils, can influence the price level was effectively shown in 1953, when every announcement of small concessions in the export of groundnut seed and oil led to a substantial rise in their prices. It must be recognised that, at the present level of production, India has little surplus of edible oils for export. However, as groundnut oil fetches attractive prices abroad, it may not be in the interest of the country to lose her established export markets. It is possible to encourage groundnut oil export provided adequate supplies of edible oils within the country are maintained by increased production or by imports of cheaper oils from abroad. For example, palm oil can be imported for use in *vanaspati*, for which it is quite suitable, and a corresponding quantity of groundnut oil released for export. As palm oil is much cheaper than groundnut oil, the country will earn a valuable surplus of foreign exchange. A flexible export-import policy, encouraging imports when oil prices begin to rise owing to a small crop, and encouraging exports when the domestic prices decline heavily, should help to mitigate the price fluctuations."

The violent fluctuations in prices of edible oils are also due to the absence of effective regulation of forward trading in oilseeds and oils. The restriction in the scope of speculation in grain and other commodities due to Government control, according to Mr. Patel, has made the oil market one of the principal centres of speculative interest. This has led to frequent and violent fluctuations in oil prices for no rational reasons. With the Forward Contracts (Regulation) Act now in force, it is to be hoped that the Government will take active steps to check unhealthy speculation in the market.

The increased supply of vegetable oils at reasonable prices will help increase the output of *vanaspati*. There is now a large gap between installed capacity and output. The principal problem of the industry, therefore, is that of securing fuller utilisation of its productive capacity, which, when the factories under construction are completed, will amount to about 389,000 tons. The Planning Commission has recommended increase in the output of *vanaspati* from 152,000 tons in 1950-51 to 300,000 tons by 1955-56. The output in 1953 was no more than 191,182 tons. Apart from what needs to be done by the Government, the industry itself must pay greater attention than is being done at present to achieve sales promotion and marketing, so that the market for *vanaspati* may be expanded and large production made possible.

INDIAN COTTON AND HAIR BELTING INDUSTRY

CLAIM FOR CONTINUANCE OF PROTECTION

FOR nearly six years now, the cotton and hair belting industry has enjoyed protection. It was in the year 1948 that the Government of India, on the recommendation of the former Tariff Board, converted the then existing revenue duty of 7½ per cent. *ad valorem* on cotton and hair belting into a protective duty. Protection was to have remained in force till 31st March, 1950, but it was subsequently extended for a further period of two years, that is, till 31st March, 1952. Subsequently, pending a detailed investigation by the Tariff Commission, the period was extended by another period of 33 months.

Although opinions may vary on the question whether the industry has justified the protection given to it or not, there is no doubt that there has been considerable improvement, both qualitative and quantitative, in the products which the industry is turning out. The industry, however, has not yet attained stability and it is believed that, given a further substantial period of protection, India will be self-sufficient in the products of the industry.

The industry has asked for continuance of protection and the grant of assistance in various forms. The manufacturers have, for instance, requested a total ban on imports of every type of belting. They have based this demand on the score that, in view of the emergence of rubber ply belting industry in India and the consequent increase in the potential capacity of the belting industry in the country, there has been a slump in prices. If, however, imports of leather belting were to be allowed, there should be, according to them, a protective duty at such a rate as would give them a price margin of 31½ per cent. in favour of rubber ply belting of indigenous origin. But it may be mentioned here that the use of import control as a method of protection is strictly not within the purview of the Commission.

Even a cursory glance at the present position of the industry, as revealed by Mr. B. N. Adarkar, member of the Tariff Commission, in his address opening the public enquiry into the industry's claim for continuance of protection, discloses that the industry is not passing through good days. There is considerable lag between the capacity of the industry and the actual output. At the time of the first enquiry by the Tariff Board, that is, in 1947, there were only four units in the industry, with a total estimated capacity of 1,770 tons per annum on two-shift basis. By 1949, when the second enquiry was held by the Tariff Board, two more units had entered the field. Besides, two of the then existing units had increased their capacity. Consequently, the productive capacity had gone up to 2,300 tons per annum. Thereafter, a new unit, namely, Asia Belting and Spinning Mills Ltd., Serampore, came into existence in January 1953, to be precise, thereby raising the total number of manufacturing units to seven. The present estimated installed capacity according to the manufacturers is 1,124 tons per annum, on single-shift basis. The production of cotton belting during January-September, 1953, was 272 tons, as against 394 tons in January-December, 1952, and 372 tons in January-December, 1951. The output of hair belting during January-September, 1953, was 310 tons, as compared with 338 tons in January-December, 1952, and 331 tons in January-December, 1951.

The ability of the industry to utilise its full installed capacity is dependent on domestic demand. The estimates of demand, however, vary largely. The Development Wing of the Ministry of Commerce and Industry has estimated the present demand for cotton belting at about 350 tons and that for hair belting at 500 tons. The Indigenous Belting Association, Calcutta, has placed the demand at 500 tons for hair belting and 700 tons for cotton belting. The British Solid Woven Belting Association, Calcutta, has estimated the demand for hair belting at 650 tons per annum. Messrs. Parry & Co., Madras, are of the considered opinion that the present annual consumption of cotton belting is about 800 tons and that of hair belting at 550 tons. According to this firm, the demand is likely to go up by at least 10 per cent. during the next three years.

Mr. Adarkar revealed that, since the last enquiry by the Tariff Board, there had been a tendency to switch over from the use of cotton and hair to rubber ply belting. It is not, however, clear whether this tendency is peculiar to India alone or whether a similar tendency is evident in foreign countries also. If, however, the trend is peculiar to India, it is necessary to enquire into the reasons for it and to ascertain the extent to which rubber ply belting can satisfactorily replace hair and cotton beltings. Since the substitution of rubber ply belting for cotton and hair beltings would affect the quantum of demand for cotton and hair beltings, this new trend will have to be taken into account in assessing the country's requirements of the latter.

The next important question to be considered relates to the quality of the belting. While, for instance, many of the consumers have expressed satisfaction over the performance of indigenous beltings in power transmission, all importers and a few consumers have offered unfavourable opinions. Amongst the defects pointed out by the latter are poor impregnation and the tendency of the indigenous beltings to stretch soon after their initial use. It is also pointed out that some of the beltings crack and that a high percentage of the belts slip when they are used in high speed machinery.

The principal raw materials for the manufacture of cotton belting and hair belting are cotton yarn and hair yarn, respectively. While sufficient quantities of cotton yarn are available in the country, most of the requirements of hair yarn are met from imports. The Jay Shree Textiles, Ltd., and the Bharat Woollen Mills, Ltd., both situated in Calcutta, have been manufacturing hair and belting woollen yarn. One of these units is stated to have claimed that its yarn is of satisfactory quality and that it has enough capacity to meet the entire requirements of the hair belting industry. Referring to this, Mr. Adarkar observed:

"If indigenous hair yarn is really of satisfactory quality as claimed by the producers, the hair belting industry should continue to use indigenous yarn, as far as possible, and eschew imported raw material; the stable establishment of the raw material industry is vital to the healthy development and eventual security of the consuming industry itself."

It is pointed out, in this connection, that, while hair yarn is allowed to be imported free of duty, camel hair tops are subject to a duty of 31½ per cent. *ad valorem*. The indigenous hair yarn industry has represented that this is a tariff anomaly which requires rectification and that imports of hair tops should be permitted free of duty.

U.N. STATISTICAL YEAR BOOK

The world's industrial production rose by 189 per cent. since 1932 and the value of world trade mounted 250 per cent. since 1938, according to the United Nations 1953 *Statistical Year Book* released last week. This monumental volume of 580 pages, published in French and English, provides international statistics on demographic, economic, financial, social and cultural subjects. These statistics show general increases in agriculture, health and medical facilities, as compared with data for the years just before World War II. Food consumption in some countries, however, was not keeping up with the general increase in food production. In 16 out of 40 countries listed, calorie consumption was lower than just before World War II.

The U.N. Yearbook reveals that world production of coal increased by 34 per cent., petroleum by 229 per cent., electric energy by 294 per cent. and motor vehicles by 199 per cent., during the 20 years up to the end of 1952. In addition, 89 per cent. more goods were carried on the world's seas and 182 per cent. more freight traffic on its railways. The rise in world trade was the result of a 40 per cent. increase in volume and a 150 per cent. increase in world prices. The statistics cover the world outside the Soviet orbit, because Communist regimes follow a pattern of withholding such data. From such statistics as are available, however, it has been calculated that the average Russian works about 38 hours a week to buy the same food he bought in 1928 with about 26 hours of labour.

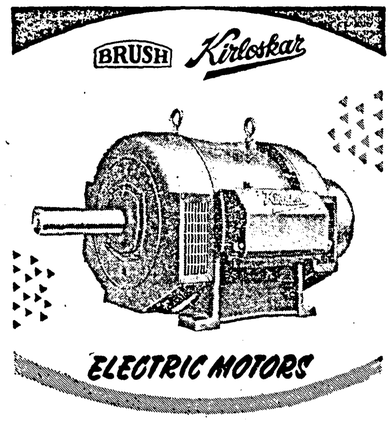
Another known basic figure is the livestock population. Under the last Czar, the Russians had 58,400,000 head of cattle. This figure rose to 66,800,000 in 1928. In 1953, it was 56,600,000 and this included the land and livestock annexations that meanwhile had swelled the Soviet Union by some 280,000 square miles.

TRANSPARENT PAPER

India, it is stated, has become self-sufficient in transparent paper, the annual demand for which is estimated at 1,60,000 reams. This has been made possible by doubling the output of the Travancore Rayons Limited—the only manufacturers of this essential commodity in India today. It is also learned that, from the middle of this year, this Company will commence the production of transparent paper in moisture-proof, heat-sealing varieties needed for specialised packaging requirements of the tobacco, confectionery and other industries.

IMPORT QUOTAS

While referring to the address delivered by Mr. Shantilal M. Shah, President, All-India Importers' Association, Bombay, at the last annual meeting of the Association, it was mentioned in our issue of 20th February last (*vide* page 295) that "Mr. Shah is of the opinion that the (import) quotas should cover the gap between demand and internal supplies for the commodity concerned." Readers will kindly note that it was not Mr. Shah but Mr. R. G. Saraiya who held the views attributed to Mr. Shah in this sentence. The error is regretted.



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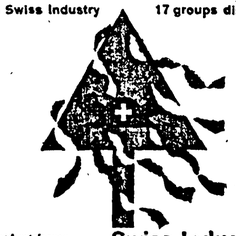

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Notices

THE SASSOON SPINNING AND WEAVING COMPANY, LTD., BOMBAY

NOTICE

THE EIGHTY-FIRST ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Monday the 12th April, 1954, at 5 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Arvind N. Mafatlal who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Hariprasad S. Mahadevia who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Bhupendra Ehikhabhai who retains office till the General Meeting under the Company's Articles of Association but is eligible for re-election.
6. To appoint Auditors for the current year and fix their remuneration.
7. To pass the following Resolution:—
   "RESOLVED that the Company do become a member of the Bombay Textile Research Association and pay to the Association a sum of Rs. 94,950 as entrance fee and also such sum or sums as annual subscription or as contribution to the Capital Expenditure as may from time to time be determined by the Association and that Mr. Arvind N. Mafatlal, a Director of the Company, be and is hereby authorised to sign the Memorandum of Association of the said Association for and on behalf of the Company."
8. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 26th March to Friday the 16th April, 1954, both days inclusive.

By Order of the Board of Directors,
M. G. INVESTMENT CORPORATION LTD.,
N. MAFATLAL,
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD,
FORT,
BOMBAY, 1st *March*, 1954.

N.B.—If Dividend, as recommended by the Directors is passed at the Meeting, the payment will be made at the Registered Office of the Company on and after Monday the 19th April, 1954, during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 16th April, 1954.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE STANDARD MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, at 29, Rustom Building, Veer Nariman Road, Fort, Bombay, at 2-15 p.m. (S.T.) on Monday, 12th April, 1954, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st December, 1953.

(2) To sanction the declaration of Dividends on First and Second Preference Shares and Ordinary Shares.

(3) To elect two Directors in place of those who retire by rotation and who are eligible for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) To transact any other business the Chairman may bring forward before the Meeting.

The Transfer Books of the Company will be closed from Tuesday, 23rd March, 1954 to Monday, 12th April, 1954 (both days inclusive).

By Order of the Board of Directors,
For THE STANDARD MILLS COMPANY LIMITED,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

BOMBAY, 2nd *March*, 1954.

N.B.—The Dividends, when sanctioned, will be made payable at the Company's Registered Office on and after Thursday, 15th April, 1954 to those shareholders whose names stand on the Register on Monday, 22nd March, 1954 and the Dividend Warrants will be posted to each shareholder to his last given address.

To the Shareholders of The Standard Mills Co., Ltd., and particularly to:
Omar Latiff, Navazbai D. Cama and Mancherji S. Bilimoria, F. P. Dastur and Alla F. Dastur, Timothy M. Fernandes, Gulamhussein H. Ismail Pahad, Ugni S. S. Jung Bahadur Rana, J. A. Robertson, John Rankine, M. H. Crowder, Rani Luxmi Debi.

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE

THE TWENTY-THIRD ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay, on Monday the 19th April, 1954, at 2-15 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.
2. To declare Dividends on Preference Shares and Ordinary Shares.
3. To elect a Director in place of Mr. Arvind N. Mafatlal who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Yogindra N. Mafatlal who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Mr. Bipinchandra P. Patel who retains office till the General Meeting under the Company's Articles of Association but is eligible for re-election.
6. To appoint Auditors for the current year and fix their remuneration.
7. To pass the following Resolution:—
   "RESOLVED that the Company do become a member of the Bombay Textile Research Association and pay to the Association a sum of Rs. 51,960 as entrance fee and also such sum or sums as annual subscription or as contribution to the Capital Expenditure as may from time to time be determined by the Association and that Mr. Arvind N. Mafatlal, a Director of the Company, be and is hereby authorised to sign the Memorandum of Association of the said Association for and on behalf of the Company."
8. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 2nd April, 1954, to Friday the 23rd April, 1954, both days inclusive.

By Order of the Board of Directors,
NAVINCHANDRA PURSHOTAMDAS & CO., LTD.,
N. MAFATLAL,
Director,
Secretaries, Treasurers and Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD,
FORT,
BOMBAY, 1st *March*, 1954.

N.B.—If Dividends, as recommended by the Directors, are passed at the Meeting, the payment will be made at the Registered Office of the Company on and after Monday the 26th April, 1954, during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 23rd April, 1954.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE NEW UNION MILLS, LIMITED BOMBAY

NOTICE

THE SEVENTEENTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Maneckji Wadia Building, 127 Mahatma Gandhi Road, Fort, Bombay, on MONDAY the 12th APRIL, 1954, at 5-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect a Director in place of Mr. Arvind N. Mafatlal who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Mr. Yogindra N. Mafatlal who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To pass the following Resolution:
   "RESOLVED that the Company do become a member of the Bombay Textile Research Association and pay to the Association a sum of Rs. 57,900 as entrance fee and also such sum or sums as annual subscription or as contribution to the Capital Expenditure as may from time to time be determined by the Association and that Mr. Arvind N. Mafatlal, a Director of the Company, be and is hereby authorised to sign the Memorandum of Association of the said Association for and on behalf of the Company."
7. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 26th March to Friday the 16th April, 1954, both days inclusive.

By Order of the Board of Directors,
MAFATLAL CHANDULAL & CO. (BOMBAY) LTD.,
N. MAFATLAL,
Director,
Managing Agents.

MANECKJI WADIA BUILDING,
127, MAHATMA GANDHI ROAD,
FORT,
BOMBAY, 1st *March*, 1954.

N.B.—If Dividend, as recommended by the Directors, is passed at the Meeting, the payment will be made at the Registered Office of the Company on and after MONDAY the 19th April, 1954, during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 16th APRIL, 1954.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 26th February, 1954, the following Dividends were recommended to be paid for the half-year ended 30th September, 1953, without any deduction for Income Tax paid by the Company. On 1st Preference Shares—8 per cent. per annum, on 2nd Preference Shares 4½ per cent. per annum, on Preferred Ordinary Shares—10 per cent. per annum, and on 'A' and 'B' Ordinary Shares—As. 12 per Share plus As. 4 Bonus per Share.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, 26th *February*, 1954.

Notices

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent, the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

KESORAM COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of Kesoram Cotton Mills, Ltd., will be held at the Head Office of the Company at No. 8, Royal Exchange Place, Calcutta, on Monday the 22nd March, 1954, at 3-30 p.m., to consider and if thought fit, to pass with or without modification, the following resolutions:—

ORDINARY RESOLUTIONS

1. That the Authorised Capital of the Company be increased from Rs. 2,00,00,000 (Rupees Two Crores) to Rs. 2,60,00,000 (Rupees Two Crores Sixty Lakhs) by the creation of 12 lakhs ordinary shares of Rs. 5 each.

2. That a sum of Rs. 35,00,000 (Rupees Thirty-five Lakhs) being part of the undivided profits of the Company standing to the credit of the Reserve Fund of the Company as on 31st March, 1953, and Rs. 5,00,000 (Rupees Five Lakhs) also being part of the undivided profits of the Company as on 31st March, 1953, both aggregating Rs. 40,00,000 (Rupees Forty Lakhs) be capitalised and distributed amongst the holders of the Issued and Subscribed 8 lakhs ordinary shares of the Company of Rs. 15 each on the basis that they become entitled thereto as capital in pursuance of Article 121-A of the Articles of Association of the Company and the said capital sum be applied for and on behalf of the holders of the said Issued and Subscribed 8 lakhs ordinary shares for payment in full for further 8 lakhs ordinary shares of Rs. 5 each and that such further 8 lakhs ordinary shares of Rs. 5 each credited as fully paid-up shall rank in all respects *pari passu* with the existing ordinary shares save and except that they would not participate in any dividend in respect of any period prior to and up to 31st March, 1954, and shall be treated for all purposes as an increase of the capital of the Company held by the holder of each such Ordinary share and not as an income.

3. That pursuant to the above resolution and in satisfaction of the said Capital Bonus, the Directors be and same are hereby authorised to allot and distribute the said 8 lakhs ordinary shares of Rs. 5 each credited as fully paid-up amongst the holders of the existing 8 lakhs ordinary shares of the Company of Rs. 15 each in the proportion of one such newly created share of Rs. 5 each for every existing ordinary share of Rs. 15 each held by them and that the existing issued and paid-up 8 lakhs ordinary shares of Rs. 15 each and newly created and paid-up 8 lakhs ordinary shares of Rs. 5 each in the capital of the Company be consolidated in such a manner that every one of the said existing ordinary shares of Rs. 15 each and every one of the said newly created share of Rs. 5 each together will constitute one paid-up ordinary share of Rs. 20 each, with the proviso that in the case of non-resident shareholders, the allotment and distribution of newly created Bonus shares shall not be made until such time as sanction is obtained from the Reserve Bank of India in this connection.

4. That the unissued existing 4 lakhs ordinary shares of Rs. 15 each and the newly created unissued 4 lakhs ordinary shares of Rs. 5 each be also suitably consolidated in such manner that every one of such unissued share of Rs. 15 each and every one of such unissued ordinary share of Rs. 5 each together shall constitute one ordinary share of Rs. 20 each.

5. That the draft of the Agreement providing for the allotment of the said new ordinary shares in satisfaction of the said capital bonus and submitted to this meeting and signed in the margin by the Chairman by way of identification be and the same is hereby approved and that the Managing Agents be and the same are hereby authorised to affix the seal of the Company to duplicate endorsement of such agreement as and when the same shall have been signed on behalf of the members holding the existing ordinary shares of the Company by some person to be appointed by the Directors in that behalf under Article 121-A of the Articles of Association of the Company.

6. That clause 5 of the Memorandum of Association of the Company beginning from the words "The Capital of the Company" and upto the words "Rs. 15 each" be amended to read as follows:—
   "5. The Capital of the Company is Rs. 2,60,00,000 (Rupees Two Crores Sixty Lakhs) divided into 20,000 Preference Shares of Rs. 100 each and 12,00,000 (Twelve Lakhs) Ordinary shares of Rs. 20 each."

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, 24th *February*, 1954.

In particular to:—Mr. Abdus Sattar Mollick, Mrs. B. E. Honeybone, Mr. C. M. D'Souza, Mrs. Dossibai Dinshaw, Mr. V. B. Pandit, Mr. Harendra Narain Choudhury Chakravorty, Mr. J. E. Dhunjibhoy, Lt. Genl. Kaiser Shum Shere Jung Bahadur Rana, Mrs. L. D. Jenkins, Mrs. Marie R. D'Souza, Mr. Nagendra Man Singh, Maj. Genl. Narendra Shum Shere Jung Bahadur Rana, Mr. Suresh Chandra Nandy, Mr. Sohanlal Bawa, Yubaraj Shum Shere Jung Bahadur Rana, Col. Sir G. P. L. Conyngham, Mr. B. W. Bagshawe, Mr. D. C. Steen, Mr. Georges Fogt, Mr. J. A. Mackrrow, Mr. K. M. Spalding and D. B. Spalding, Mr. Kate Watson, Pt. Moolchand, Mr. V. S. Koland, Lt. Genl. Shanker Shum Shere Jung Bahadur Rana and others, Mr. A. H. Johnstone, Mr. Robert L. Burgees and Mrs. E. Burgees, Mr. T. E. Edwardson.

THE UNITED COMMERCIAL BANK LIMITED

NOTICE

CLOSING OF SHARE REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Transfer Books of The United Commercial Bank Limited will be closed from 8th March to 7th April, 1954, both days inclusive.

By Order of the Board,
B. T. THAKUR,
General Manager.

CALCUTTA, 18th *February*, 1954.

THE MYSORE SPINNING AND MANUFACTURING CO., LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will remain CLOSED from Thursday the 11th March, 1954, to Monday the 15th March, 1954, both days inclusive.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:
TEMPLE BAR BUILDING,
70, FORBES STREET,
FORT, BOMBAY,
22nd *January*, 1954.

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of the Shareholders of THE CENTRAL BANK OF INDIA, LIMITED, will be held at the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Friday the 19th day of March, 1954, at 4 p.m. (S.T.) to transact the following business:—

1. To receive the Report of the Directors and the Audited Accounts for the period ended 31st December, 1953.
2. To declare a Dividend.
3. To elect two Directors in place of Mr. Cooverji H. Bhabha and Mr. C. P. Wadia who retire by rotation under Article 92 of the Articles of Association read with Regulation 78 Table "A" of the Indian Companies Act and who are eligible for re-election.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board,
H. C. CAPTAIN,
Managing Director.

BOMBAY, 26th *February*, 1954.

N.B.—The Transfer Books of the Bank will be closed from Thursday the 25th day of February 1954, to Friday the 19th day of March 1954 (both days inclusive).

N.B.—Dividend Warrants for the half-year ended 31st December, 1953, will be posted to the Shareholders at their registered address on and after the 22nd day of March, 1954. Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE GOKAK MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Annual General Meeting of Shareholders of The Gokak Mills Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Monday the 29th March, 1954, at 5-0 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st December, 1953.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in the place of those who retire from Office but are eligible for re-election.

(4) To appoint Auditors for the coming year and to fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 5th March, 1954, to the 25th March, 1954, both days inclusive.

By Order of the Board,
FORBES, FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 26th *February*, 1954.

Note.—The Dividend when sanctioned will be made payable, free of Income-tax, at the Chartered Bank of India, Australia and China, Bombay or Madras, on and after 9th April, to those shareholders whose names stand on the Register on the 25th March, 1954, to whom Dividend Warrants will be posted.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March, 1954, to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6 per cent. per annum.

Preference Share Transfer Register will be closed from 28th March, 1954, to 31st March, 1954, both days inclusive.

By Order of the Board,
ASPINWALL & CO., LTD.,
Managing Agents.

COCHIN, 1st *March*, 1954.

RESULTS OF INDIAN IRON SATISFACTORY

DIVIDEND MAINTAINED BUT TRANSFERS TO RESERVES INADEQUATE

A STRICT comparison of the financial results of the Indian Iron and Steel Co., Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 31st March, 1953, with those for the previous years, is not possible in view of the merger of the Steel Corporation of Bengal Ltd. with the Company with effect from 1st January, 1953, in accordance with the provisions of the Iron and Steel Companies Amalgamation Act, 1952. Further, the financial year of the S.C.O.B. was different from that of the I.I.S.Co. While the latter has been closing its accounts as on 31st March, the former used to close its books as on 31st December. The financial results of the Indian Iron for the year under review include, therefore, the results of the S.C.O.B. for the quarter from 1st January to 31st March, 1953. This is another reason why the results of the merged I.I.S.Co. are not comparable with those for the preceding year. In fact, a direct comparison of the results of the merged companies for two years will not be possible until the year ended 31st March, 1955.

In analysing the accounts of the Company for the year ended 31st March, 1953, one has, therefore, to rest content with merely stating the results. Considering that the Company's production of pig iron during the year under review was affected by one of the blast furnaces going off for a period of 4½ months for the purposes of re-lining, the results appear to be satisfactory.

A broad picture of the Company's working during the year under review against the background of those for the three pre-merger years can be had from the following table:

(In lakhs of rupees)

—	For the year ended 31st March			
	1953	1952	1951	1950
Sale proceeds	12,97.75	10,96.21	9,91.14	12,43.93
Other income	95.03	93.67	74.21	64.43
Stocks	7,51.30	2,70.15	2,33.80	2,72.94
Expenses*	11,51.52	9,71.85	9,28.29	10,61.30
Trading profit	2,41.56	2,18.03	1,37.06	1,47.07
Other expenses	44.70	38.91	39.79	83.29
Managing Agents' remuneration	11.54	9.98	6.93	7.34
Provision for—				
Depreciation	50.00	40.00	40.00	32.50
Taxation	45.65	84.89	..	..
Net profits	88.77	94.34	50.33	73.94
Profit of SCOB taken over ..	16.47	..	..	..
Reserves	43.06	61.35	22.61	48.32
Dividends—				
5% preference	9.00	7.50	2.281	..
Ordinary	51.84	25.53	25.53	25.53
	(10%)	(10%)	(10%)	(10%)
Carry forward	4.21	2.87	2.90	2.99
Pig iron—	Tons	Tons	Tons	Tons
Output	626,974	694,100	530,688	614,021
Despatches‡	571,155	600,784	474,462	525,716
	8 months ended			
Steel—	31-8-53	1952	1951	1950
Output	189,908	720,994	616,936	467,756
Despatches	78,556	302,258	203,039	208,977

* Approximate.
† For the broken period up to 31st March, 1951.
‡ Excluding the iron used in the Company's own foundries.

The rise in sale proceeds and in expenses largely reflects the effect of the merger. The item "other income" includes a sum of Rs. 28.58 lakhs being the profit from the S.C.O.B. for the year ended 31st December, 1952, which represents an increase of Rs. 11.50 lakhs over the previous year. It also includes a sum of Rs. 54.46 lakhs representing sundry income which shows a decline of Rs. 14.79 lakhs. The provision for depreciation, amounting to Rs. 50 lakhs, comprises the normal allocation of Rs. 40 lakhs as in the previous two years, and an additional sum of Rs. 10 lakhs covering depreciation for the quarter ended 31st March, 1953, on the fixed assets of the S.C.O.B. taken over as from 1st January, 1953. After providing for taxation the net profit amounts to Rs. 88.77 lakhs, a decline of Rs. 5.57 lakhs. But this is more than offset by the receipt of a sum of Rs. 16.47 lakhs being the balance of profit of the S.C.O.B. for the year 1952. This, according to the provisions of the Act, is deemed to be the profit of the Indian Iron. This, together with the unappropriated surplus of Rs. 2.87 lakhs brought forward from the previous year, makes a sum of Rs. 108.11 lakhs available for appropriation.

Out of the aforesaid amount, a sum of Rs. 53.11 lakhs has been provided for repairs and renewals reserve. Expenditure on repairs and renewals incurred during the year and met from this reserve amounts to Rs. 41.27 lakhs, so that the net addition to the reserve is only Rs. 11.84 lakhs. Another sum of Rs. 7.50 lakhs has been transferred to the Kutli blast furnace rehabilitation reserve, in accordance with the orders of the Government of India on the recommendation of the Tariff Board. Last year, it may be remembered, this reserve had received only Rs. 5 lakhs. A further sum of Rs. 3.62 lakhs has been transferred to the steel plant rehabilitation reserve as the allocation for the three months ended 31st March, 1953. This sum has been calculated at the rate of Rs. 14.48 lakhs per annum, on the assumption that the requirements of the Government in this regard will continue to apply under the revision of the sales retention prices of steel as from 1st January, 1953. No sum has been provided for ore mines and collieries development, which had received in the previous year Rs. 10 lakhs. Reserve for taxation contingencies gets Rs. 15.25 lakhs, while in the previous year it had been provided with Rs. 17.50 lakhs. Debentures sinking fund has been provided with Rs. 4.85 lakhs, as against Rs. 4.66 lakhs.

Commenting on the appropriations to the various reserves, the Directors make the following interesting observation:

"From the profits for the period under review, a considerable appropriation to reserve would normally have been made as provision towards the finance of the development and expansion of the Company's undertaking. In the expectation that the retention prices of steel will be increased from 1st January, 1953, this appropriation has, however, been deferred, but it is the intention of your Directors in the accounts for the current year to apply to reserve from the net amount of the price increase for the period 1st January, 1953, to 31st March, 1953, a sum additional to such current reserve allocation as may be made from the actual profits for that year. In this connection, your Directors would stress the fact that on the Company's ability to make adequate reserve allocations from profits now and in the future depends the major expansion of its undertaking that is in prospect, to the finance of which the Company is called upon to make a very substantial contribution. This contribution, which will amount approximately to Rs. 7½ crores, must be financed out of direct reserve allocations in supplement of the utilisation of a part of the annual depreciation provision and on a continuance of such reserve allocations will depend also the repayment of the large amount of additional finance to be provided on loan account by the Government of India and the International Bank for Reconstruction and Development."

The apologetic tone of the above quotation is not surprising. The fact is that, if the Directors were to make adequate provision for reserves, they would not be able to recommend a dividend of 10 per cent. per annum.

The balance-sheet of the Company as on 31st March, 1953, reveals the consolidated position of the merged undertaking on that date. The following is a synopsis of the balance-sheet:

‡ Liabilities	Rs.	Assets	Rs.
Capital	7,88,32,480	Gross block ..	14,51,00,274
Reserves and surplus ..	5,75,81,879	*Less*—Depreciation .	4,84,15,506
Debentures ..	1,52,68,000	Net block	10,16,84,768
Provision for taxation ..	1,43,78,781	Work-in-progress ..	2,99,96,626
Liabilities	9,36,25,290	Payments during construction of S.C.O.B. ..	27,89,057
		Stock-in-trade ..	4,23,40,918
		Stores, spares, etc..	3,19,75,020
		Debts, deposits and advances ..	3,33,16,857
		Investments ..	90,00,803
		Investment realisation account ..	1,11,65,008
		Cash	32,23,883
Rs.	25,95,01,430	Rs.	25,95,01,430

In addition to the various reserves transferred from the S.C.O.B., the capital reserve of the merged undertaking has been increased by the difference between the former ordinary share capital of the S.C.O.B., namely, Rs. 3.29 crores, and the ordinary share capital of the Indian Iron (Rs. 2.63 crores), issued in exchange of the shares of the S.C.O.B., in the ratio of four Indian Iron shares for every five S.C.O.B. shares. The capital reserve now stands at Rs. 1.14 crores. The other reserves include premium on shares Rs. 61.45 lakhs, general reserve Rs. 27.50 lakhs, development and rehabilitation reserve Rs. 62.84 lakhs, repairs and renewals reserve Rs. 1.61 crores and taxation contingency reserve Rs. 83.25 lakhs.

A perusal of the various schedules to the statement of accounts, included in the Directors' report, reveals that, as on 31st March, 1953, the Company had drawn Rs. 2.50 crores from out of the Rs. 5 crore loan granted by the Government of India and that no sums had been received from the World Bank which has sanctioned a loan of $31 million. The Rs. 10 paid-up ordinary shares of the Company are being well favoured by many on the Stock Exchange and on the basis of the current market price of about Rs. 30, the yield works out to no more than 3.3 per cent. per annum.

SHARP DROP IN ALKALI AND CHEMICAL'S PROFIT

DIVIDEND PAID FROM RESERVES

THE decision of the Directors of the Alkali and Chemical Corporation of India Ltd. [Secretaries: Imperial Chemical Industries (India) Ltd., Calcutta] to repeat the dividend on the ordinary shares of the Company at 6 per cent. per annum for the year ended 30th September, 1953—this is the third year in succession for which this dividend is being maintained—does not mean that the Company's performance during the year has been as encouraging as in the previous two years. In fact, the gross profit for the year under review amounts to no more than Rs. 16.33 lakhs, which shows a decline of Rs. 18.53 lakhs, as compared with that for 1951-52 and of Rs. 22.24 lakhs for 1950-51.

This is not surprising. For the Chairman, Mr. N. D. Harris, had told the shareholders of the Company a year ago that earnings were likely to be lower for a year or two, after the sale of the Company's Khewra factory, which had been contributing a considerable portion of the Company's profit in the earlier years, went through. The sale of the Khewra factory was completed in May 1953 and since then the Company has been dependent entirely on the factory at Rishra for its earnings. It was in anticipation of this possibility that the Directors had transferred last year a sum of Rs. 7.50 lakhs to the dividend equalisation reserve, so that they could maintain the dividend at the modest level of 6 per cent. This forethought on their part has now stood them in good stead. Thus, they have drawn a sum of Rs. 5.27 lakhs from this reserve to pay the dividends, as the sum available for distribution is scarcely sufficient to pay even the preference dividend.

The following comparative table clearly brings out the Company's progress during the last three years:

(In lakhs of rupees)

—	For the year ended 30th September			
	1953	1952	1951	1950
Sale proceeds	190.31	168.66	160.59	81.61
Stocks	81.94	43.77	19.23	32.80
Manufacturing expenses ..	107.99	106.55	72.78	45.59
Other expenses	54.70	52.19	36.61	19.59
Gross profit	16.33	34.86	88.57	17.20
Depreciation	6.03	8.22	7.57	6.77
Provision for taxation ..	6.78*	10.83	13.00	2.28
Reserve for deferred income-tax liabilities ..	3.00	3.07	1.64	..
Reserves	..	10.50	9.60	3.11
Transfer from reserves or provisions ..	5.27	1.73	0.85	..
Ex-gratia payment received ..	..	..	..	0.03
Dividends—				
5% preference	1.55	1.55	1.55	1.32†
Ordinary	3.72	3.72	3.72	2.48
	(6%)	(6%)	(6%)	(4%)
Carry forward	1.03	2.52	3.52	1.19

* Represents adjustment of provision for taxation for previous years and provision for income-tax on profit out of sale of Khewra fixed assets.
† For eighteen months ended 30th September, 1950.

Sale proceeds show an increase of Rs. 21.65 lakhs and closing stocks of finished goods a drop of Rs. 11.83 lakhs. Expenses, on the other hand, show an increase of Rs. 3.89 lakhs. Commenting on the Company's operations, the Directors observe, in their report to the shareholders, as follows:

"Sales of caustic soda and chlorine were satisfactory and full production was maintained throughout the year. Some difficulties were experienced in selling our production of hydrochloric acid and sales were about the same as in the previous year. The extensions to the chlorine and caustic soda plant have been completed and production has increased. The crude B.H.C. plant did not fulfil expectations; much attention has been paid to its operation and definite improvements have been obtained, though full rated capacity has not been achieved. The water dispersible powder plant operated continuously and the demand for this product was good. Severe competition was met in the sale of benzene hexachloride dust formulations and production had to be curtailed from time to time.

"Keen competition was met with in paints. The addition to the plant of a varnish unit was started during the year and has since been completed. We have leased a site at Rishra to Imperial Chemical Industries (India) Ltd. who have built on it a technical service station for paints which will provide unique customer service.

"The sale of Khewra soda ash factory was completed on 31st May, 1953."

No provision for taxation for the year under review has been made, whereas a sum of Rs. 10.83 lakhs was provided last year. However, a sum of Rs. 2.34 lakhs has had to be set aside towards adjustment of provision for taxation relating to the previous years. In addition, a provision of Rs. 4.44 lakhs has had to be made for income-tax on profit earned on sale of fixed assets of the Khewra factory. The general reserve and dividend equalisation reserve had received Rs. 3 lakhs and Rs. 7.50 lakhs, respec-

(*Continued in next page*)

Points From The Chair

Tobacco Smoking and Lung Cancer

"THE essential thing is that medical science should discover as soon as possible the true cause of causes of lung cancer. We knew, of course, that medical authorities have been studying various factors that might possibly contribute to the development of the disease, and towards the end of last year the leading tobacco manufacturers came to the conclusion that it was in the best interests of their companies and their stockholders, as well as of the public, that they should help in hastening medical research into this particular problem. We, therefore, jointly decided to establish a fund of £250,000 in aid of research into the cause of lung cancer, and to put that fund at the disposal of an impartial body such as the Medical Research Council to be used in whatever ways seemed to them to be best for the purpose. I recognise the public concern that may have been caused by some of the recent statements. I also recognise our responsibility. It is with full regard to that responsibility that I feel bound first to emphasise that there is no proof that smoking is a cause of lung cancer, and secondly to say that in relation to the present state of scientific knowledge there has been much exaggerated comment about this matter—comment that has appeared to ignore the very important reservations contained in the official statements."

SIR ROBERT SINCLAIR,
Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Profits—the Basis of National Welfare

"Increased output would, moreover, provide the only sound means of satisfying the desire for increased earnings. It might also, but with no certainty, lead to higher profits, but this, it should be emphasised, would be wholly to the national good. Apart from the fact that national prosperity—which, like peace, is indivisible—indicates a healthier economy and thus a greater assurance of comfort for all, profits are the basis of our national welfare. They not only, through the taxation, help to sustain our social security system, but they also provide the source of the capital which is constantly needed to maintain our productive machine at the higher pitch. They should, therefore, be encouraged rather than criticised."

SIR HAROLD E. YARROW,
Clydesdale & North of Scotland Bank Ltd.

Life Assurance Without Medical Examination

"It is over 50 years since the Society introduced the system of life assurance without medical examination and we are able to offer assurances under this plan at the ordinary rates of premium and on the same terms as for assurances with medical examination, so that completion of business can be effected with the least inconvenience to the public and with freedom from irritating delays. The Society has a reputation, which we believe to be well deserved, for offering generous terms for assurances on the lives of persons who are under average from the medical standpoint. This factor has for long been of particular importance to individual prospects for life assurance; it is the more so today to employers who wish to arrange pension schemes."

C. G. RANDOLPH,
Sun Life Assurance Society.

Sales Tax on Inter-State Trade

"The practice has recently started of States attempting to tax inter-State transactions, thereby causing a great deal of confusion. There are about 19 States in India to-day which are levying sales tax under Acts, rules and regulations which are far from uniform. Head offices of businesses with transactions throughout India are now expected to be familiar with the taxing laws of 19 different States and to maintain separate accounts for each of them. During the last few weeks, some action has been taken by the Central Government to overcome the present difficulties, but, unfortunately, the steps taken do not go far enough to achieve the requisite uniformity throughout the country. If a tax on such inter-State transactions is to be continued, I suggest that the only practical way is to tax the purchaser in the taxing State or, in other words, make it a purchase tax and not a sales tax."

S. W. EDWARDS,
Spencer & Co., Ltd.

Liberalisation of Trade in Hides and Skins

"Nevertheless, as far as the tanning trade is concerned, we have to recognise that there is, at the present time, subsidisation in one form or another in leather production in almost every country of the Commonwealth, and under Imperial Preference this leather comes into this country free of duty at prices with which it is well-nigh impossible to compete. Furthermore, the fact that the United States —owing to its record domestic kill—has now an exportable surplus of hides, has tended to keep the American price of hides and leather on a very low level and is making it increasingly difficult for us to maintain our exports of leather to the dollar area. These are factors which are due to the abnormal world trading conditions and currency difficulties which have arisen as a result of the war, and the fact that as far as tanning is concerned the war-time controls have been continued in many countries of the Commonwealth and in some countries in Europe much longer than could have been foreseen. We are looking constantly towards the goal of securing the complete liberalisation of trade in hides, skins and leather throughout the world."

GEORGE W. ODEY,
Barrow Hepburn and Gale Ltd.

COMPANY MEETINGS AND DIVIDENDS

MARSHALL SONS AND CO. (INDIA) LTD. Annual General Meeting, Calcutta, 9th March, 1954. Dividend: As. 4 per share. Transfer books remain closed from 2nd to 9th March, 1954, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 12th March, 1954. Dividend: As. 9-3/5 per share free of tax. Transfer books remain closed from 26th February to 12th March, 1954, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 16th March, 1954. Dividend: Re. 1 per share.

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 16th March, 1954. Transfer books will remain closed from 9th to 23rd March, 1954, both days inclusive.

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 16th March, 1954. Dividend: Rs. 6 per share. Transfer books remain closed from 2nd to 16th March, 1954, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Half-yearly General Meeting, Calcutta, 18th March, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 4th to 18th March, 1954, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 22nd March, 1954. Dividend: Rs. 2 per share. Transfer books will remain closed from 8th to 22nd March, 1954, both days inclusive.

BENGAL ASSAM STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 24th March, 1954. Dividend: Rs. 10 per share. Transfer books will remain closed from 10th to 24th March, 1954, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Final dividend of Rs. 14 per share free of income-tax (making Rs. 22 per share free of income-tax for the whole year) payable on 15th March, 1954. Transfer books will remain closed from 22nd March to 10th April, 1954, both days inclusive.

F. AND C. OSLER (INDIA) LTD. Interim dividend of As. 8 per ordinary share. Transfer books remain closed from 4th to 16th March, 1954, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Dividend of Rs. 9 per ordinary share, for the year ended 31st December, 1953. Transfer books will remain closed from 16th March to 9th April, 1954, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Dividend of Rs. 8 per share (includes bonus of Rs. 3 per share) for the year ended 30th November, 1953. Transfer books will remain closed from 23rd March to 12th April, 1954, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Final dividend of Rs. 4 per share (making Rs. 6-8 for the whole year) for the year ended 30th September, 1953. Transfer books will remain closed from 9th to 29th March, 1954, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Tuticorin, 25th March, 1954. Dividend: Rs. 3 per share. Transfer books remain closed from 5th to 25th March, 1954, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 29th March, 1954. Transfer books remain closed from 5th to 25th March, 1954, both days inclusive.

MAFATLAL FINE SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 19th April, 1954. Dividend: Rs. 17-8 per ordinary share, free of income-tax. Transfer books will remain closed from 2nd to 23rd April, 1954, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Re. 1-4 per share, free of income-tax. Transfer books will remain closed from 26th March to 16th April, 1954, both days inclusive.

NEW UNION MILLS LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Re. 1-4 per share, free of income-tax. Transfer books will remain closed from 26th March to 16th April, 1954, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Dividend of Re. 1 per share (including bonus of As. 4 per share) on 'A' and 'B' ordinary shares for the half-year ended 30th September, 1953.

INVESTMENT AND FINANCE CO., LTD. Dividend of Rs. 2-8 per share (5 per cent. per annum) for the half-year ended 31st August, 1953.

GENERAL INVESTMENT AND TRUST CO., LTD. Dividend of Re. 1-14 per share (5 per cent. per annum) for the half-year ended 31st August, 1953.

(Concluded from previous page)

tively in the previous year, but neither of these could be strengthened further this year. In fact, as already noted, the Directors have had to draw a sum of Rs. 5.27 lakhs for payment of dividend on the preference as well as ordinary shares.

The balance-sheet as on 30th September, 1953, shows that reserves and surplus aggregate Rs. 51.05 lakhs, including Rs. 7.71 lakhs representing reserve for deferred tax liability. Provision for taxation amounts to Rs. 20.272. Current liabilities aggregate Rs. 123.68 lakhs, which show a reduction of Rs. 70.8 lakhs over the year, of which loans account for Rs. 55.5 lakhs. The value of gross block stands at Rs. 174.34 lakhs, on which the depreciation provided amounts to Rs. 23.11 lakhs. Additions to the gross block during the year amounted to Rs. 48.93 lakhs, while sale of machinery, plant, buildings, etc., during the year amounted to Rs. 94.69 lakhs. The current assets aggregate Rs. 116.70 lakhs.

QUESTION HOUR IN PARLIAMENT

Ceylon Citizenship

As many as 27,207 Indian residents of Ceylon have been given citizenship rights upto the end of January, 1954.

—Deputy Minister for External Affairs

Land Nationalisation in Burma

The Burmese Government has assured that Indian landowners in Burma will be treated on a par with Burmese landowners in regard to payment of compensation for land that has been nationalised.

—Parliamentary Secretary to Prime Minister

Bicycle Industry

The demand for bicycles in India is estimated at 400,000 to 500,000 per annum. The estimated production of complete bicycles during the current year was 325,000.

* * * *

Sholapur Mills

It is proposed to hand over the management of the Sholapur Mills back to the old management after necessary steps have been taken to ensure the recovery of more than Rs. 1.84 crores advanced to the Mills. The amount includes Rs. 1.12 crores advanced by the Bank of Baroda, Rs. 47.5 lakhs by the Bombay Government and Rs. 27 lakhs by the Central Government. Until the transfer takes place, the present Board of Directors will continue. The losses incurred by the Mills before the Government took it over were about Rs. 16 lakhs in one year and about Rs. 27 lakhs in the subsequent year. After the Government took over, the gross profits for 1950-51 was Rs. 14.24 lakhs and the net profit Rs. 8,681. The gross profit for 1951-52 was Rs. 18.23 lakhs and the net profit Rs. 6.7 lakhs. In 1952-53, the Mills incurred a loss of Rs. 11 lakhs. The loss incurred from April, 1953, to July, 1953, was Rs. 3.5 lakhs.

—Minister for Commerce

Electronics Factory

The Bharat Electronics Factory which will soon be set up in Bangalore would go into partial production in 1956 and to full production in 1957. The Central Government is likely to invest up to Rs. 7½ crores as capital in the Factory, besides Rs. 2½ crores as working capital. Experts of the Defence Ministry and officials of the Factory have gone abroad to make a selection of the machinery and negotiations are almost complete. Contracts for the supply of machinery are about to be given. It is the Government's intention to utilise to the full whatever facilities exist in the country for the manufacture of radio and electronic equipment. The activities of the Bharat Electronics differ from those of the Radio Electrical Manufacturing Company and other firms. It will manufacture the main electronic equipments, while others are engaged in the production of domestic meters, insulated wires and cables, and assembly of domestic radio receiver sets which are not to be manufactured by the Bharat Electronics.

—Deputy Minister for Defence

Rail Compensation

The amounts paid by the railways during the years 1951, 1952 and 1953 as compensation for goods and parcels lost in transit were a little less than the expenditure incurred on the watch and ward establishments. The amounts actually paid as compensation were Rs. 2,21,24,867, Rs. 2,25,85,342 and Rs. 2,06,38,761, respectively. The expenditure on the watch and ward departments were Rs. 2,52,28,681, Rs. 2,72,39,095 and Rs. 2,92,62,868, respectively.

—Deputy Minister for Railways

Cess on Mill Cloth

The cess on mill cloth yielded over Rs. 5.56 crores in 1953.

* * * *

Cotton Control

The Government of India has decided to continue the control on prices of cotton during the 1953-54 season. It is too early to say anything as to what the Government will do next season. Control means fixing of the floor price as well as the ceiling. If the price of cotton goes below the floor, the Government has an obligation to buy. Since that assurance is given, we cannot take off the control, even if we want, in the middle of a season. The policy in regard to the future will be decided by the middle of this year. The control on the movement of cotton and licensing in regard to grades has been liberalised. But, in respect of allocation of cotton to mills, the control still remains. The trend of price in 1953 followed the usual pattern—lower in the beginning of the season and steady movement upward. The standard variety *jarilla* is well above the floor, ranging between Rs. 700 and Rs. 720. The trend of price is generally upward, but I cannot say if it will pierce the ceiling. We have to encourage the producers to produce more cotton. The country is deficit in cotton in relation to its present needs and we have to import between eight to twelve lakh bales a year. Unless we give a floor price at which the producer can sell, it is felt by the Agriculture Ministry that the production of cotton will fall. Cotton is now under the operation of forward markets. The rise in the price of cotton is a matter of expectation. The moment the Government announced that import of American cotton would be allowed, the prices came down.

—Minister for Commerce and Industry

ORISSA MINERALS TO PAY HIGHER DIVIDEND AND CAPITALISE RESERVES

PROFIT OF CHAMPDANY JUTE DWINDLES

Orissa Minerals Development Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1953.

Raisings of iron ore at 1,96,606 (3,09,359) tons showed a decrease of 23,767 tons when compared with the previous half-year. Despatches at 1,69,176 (2,85,693) tons showed a small increase over the previous half-year. Exports were 34,362 (51,013) tons compared with 33,060 tons in the previous half-year. The decrease in raisings was due to the steel works order remaining at 25,000 tons per month which is the minimum under the Company's contract with them. In addition, the "go-slow" policy adopted by the workers at Burnpur towards the end of the half-year under review resulted in restrictions on despatches.

Raisings of manganese ore at 46,778 tons, showed a considerable increase amounting to 20,878 tons over the previous half-year. Sales at 30,842 tons also showed a considerable improvement on the previous half-year when the figure was 23,979 tons.

Raisingr of manganese dioxide at 1,009 tons showed a decrease of 968 tons from the previous half-year. This was due to the fact that the quarry floor in the Spencer Deposit had reached a depth where the work had to be concentrated on widening the benches back to ensure against any possibility of landslides into the quarry during the monsoon. Due to restricted mining, sales also dropped and were only 1,555 tons, compared with 4,475 tons in the previous half-year.

The demand for manganese ore, manganese dioxide and iron ore has continued during this half-year and prices have been maintained at almost their previous level. However, competition from other parts of the world, particularly Russia, coupled with lower requirements in the main consuming countries is now causing a fall in prices and lower profits should be expected in future.

In spite of the Company's representations to Government, the wagon position has shown little improvement and it is still unable to utilise its extra capacity for mining and loading manganese and iron ores for export.

The profit and loss account after providing Rs. 1,61,537 (Rs. 1,22,809) for depreciation, Rs. 6,00,000 (Rs. 5,25,000) for taxation, taking Rs. 2,00,000 (Rs. 1,00,000) to general reserve, Rs. 2,25,000 (Rs. 1,50,000) to mechanisation reserve, Rs. 12,117 (*nil*) to workmen's compensation reserve, Rs. 1,15,000 (Rs. 1,00,000) to buildings reserve, Rs. 50,000 (Rs. 50,000) to equalisation of dividend reserve and including Rs. 1,22,922 (Rs. 42,938) brought forward from the previous half-year, shows a credit balance of Rs. 3,38,544 (Rs. 2,24,275) which the directors propose to dispose of as follows:—

In paying a dividend on the ordinary shares at the rate of 40 (30) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,00,000 (Rs. 1,50,000) and in carrying forward Rs. 1,38,544 (Rs. 74,275).

The directors consider it important that the issued capital of the Company should be brought more into line with the actual capital employed in the Company's business and they therefore, have authorised the managing agents to make the necessary application to obtain sanction from the Controller of Capital Issues to capitalise reserves to the extent of Rs. 10 lakhs by offering one fully paid bonus share for every share held. It will also be necessary to increase the authorised share capital of the Company and steps will be taken to do this.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	14,20,860
Reserves ...	33,53,850	Work-in-progress ...	55,201
Provision for taxation ...	23,33,169	Stock-in-trade	8,92,093
Liabilities ...	27,53,846	Stores and spare gear	4,28,805
Profit and loss account ...	1,38,544	Debts, deposits and advances ...	30,12,438
		Investments	35,87,934
		Cash ...	1,82,073
Rs.	95,79,409	Rs.	95,79,409

Champdany Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

The accounts after providing Rs. 1,49,642 (Rs. 1,28,313) for depreciation on block and Rs. 1,82,000 (Rs. 4,58,000) for taxation, show a balance at credit of profit and loss account for the half-year of Rs. 1,92,595 (Rs. 8,20,223) to which falls to be added the balance brought forward from the previous accounts Rs. 1,15,020 (Rs. 88,388) making an amount available for distribution of Rs. 3,07,625 (Rs. 6,08,611). This amount, the directors recommend should be dealt with in payment of a dividend of Rs. 3 (Rs. 8) per share absorbing Rs. 1,77 492 (Rs. 4,73,312) leaving a balance to be carried forward of Rs. 1,30,133 (Rs. 1,35,299).

It has been necessary to write off a sum of Rs. 33,056, for which provision was made in previous accounts, in connection with a debt due for market difference on jute purchased in 1946 and 1947, but never delivered by the seller. In conjunction with the Company's legal advisers all possible steps have been taken to recover the amount due and it has now been decided that the cost of pursuing the matter further would be out of all proportion to any amount which might ultimately be recovered.

It is recorded that the managing agents have voluntarily foregone a sum of Rs. 50,000 for the half-year under review from the remuneration accruing to them.

At the commencement of the period under review prices for the Company's manufactures generally improved, but declined once again during the latter few months. There has been a small advance in prices since the accounts were closed, but, on the whole, it has not been possible to secure remunerative prices for the Company's heavy goods.

Buildings and machinery have been maintained in good condition and repair. The retaining wall on the bank of the river Hooghly at Champdany Mill was very largely completed during the half-year under report and this item constitutes the only addition to buildings as shown in the accounts.

The new sacking weft preparing and spinning machinery ordered for Wellington Mill began to arrive during September and good progress has been made with its installation and initial operation since the accounts were closed.

In accordance with the provisions of the Indian Jute Mills' Association, Main and Supplementary Working Time Agreements, 12½ per cent. of the looms remained sealed and the Mills worked only 42½ hours per week throughout the six months under review. The labour have worked moderately well on the whole and production has been maintained at a not unreasonable level.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Block ...	61,24,497
Reserves ...	1,06,21,511	Machinery-in-transit ...	11,99,397
Provision for taxation ...	23,09,505	Stocks ...	66,01,850
Liabilities ...	11,45,622	Stores, etc. ...	12,75,147
Profit and loss account ...	1,30,133	Debts, deposits and advances ...	29,30,427
		Investments	2,05,737
		Cash ...	17,86,116
Rs.	2,01,23,171	Rs.	2,01,23,171

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October, 1953.

After providing Rs. 2,83,676 (Rs. 2,00,871) for depreciation and Rs. 9,00,000 (Rs. 9,60,000) for taxation, there is a balance of Rs. 3,44,405 (Rs. 4,75,690) at the credit of the profit and loss account, from which the directors recommend payment of a dividend on the preference shares at the rate of 7 (7) per cent. per annum, Rs. 21,000 (Rs. 21,000), and a dividend on the ordinary shares of Rs. 10 (Rs. 12-8) per share Rs. 2,00,000 (Rs. 2,50,000) leaving to be carried forward a sum of Rs. 1,23,405 (Rs. 2,04,690).

The Company has been assessed to tax in Pakistan for the year ended 31st October, 1950, on the basis of rate of exchange 144-100 although the accounts were prepared at pre-devaluation parity. An appeal has been lodged against this assessment but, as a precautionary measure, Rs. 4,40,000 has been provided on this account.

Shareholders were advised in 1952 of the reasons for the anticipated reduction in freight earnings in the future, and this is reflected in the accounts. On the other hand, expenditure, particularly on salaries and wages, has decreased considerably although the cost of necessary repairs to the Company's fleet still remains high.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Block ...	1,22,33,490
Reserves ...	1,10,13,536	Stores ...	41,885
Provision for taxation ...	14,69,861	Debts, deposits and advances ...	2,01,307
Liabilities ...	17,12,141	Investments	11,34,928
Profit and loss account ...	1,23,405	Cash ...	30,07,333
	Rs. 1,66,18,943		Rs. 1,66,18,943

India Paper Pulp Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 1,40,000 (Rs. 90,000) for depreciation. Rs. 2,50 000 (Rs. 85,000) for taxation and transferring Rs. 1,25.000 (Rs. 2,23,452) to repairs and replacements reserve, there is a balance at the credit of profit and loss account of Rs. 2,26,804 (Rs. 1,63,439). After adding the balance brought forward of Rs. 1,12,120 (Rs. 1,00,750) there remains Rs. 3,38,924 (Rs. 2,64,189) from which the directors recommend the payment of a dividend of Rs. 6 (Rs. 5) per share absorbing Rs. 1,80,000 (Rs. 1,50,000), leaving Rs. 1,58,924 (Rs. 1,14,889) to be carried forward.

Both production and sales were satisfactory and showed an increase in tonnage over the previous half-year but the improved results were largely due to the reduced cost of sulphur. Renewal and improvement of plant is being undertaken which, it is hoped, will help in reducing costs.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	26,92,851
Reserves ...	29,94,805	Stock of paper and raw materials	15,35,952
Provision for taxation ...	26,868	Stores, etc.	11,62,329
Liabilities ...	13,88,421	Goods-in-transit ...	4,55,337
Profit and loss account ...	1,58,924	Debts, deposits and advances ...	16,45,701
		Cash ...	76,848
Rs.	75,69,018	Rs.	75,69,018

Marshall, Sons and Co. (India) Ltd.

The directors of the above Company (Managing Agents: Marshalls (Direction) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1953.

The trading account shows a profit of Rs. 1,66,067 (Rs. 1,79,443). After adding the profit on sale of plant and machinery, furniture and fittings, motor vehicles, loose tools and patterns Rs. 35.225 (Rs. 18,885), unclaimed dividends forfeited Rs. 28,727 (Rs. 43,342) and excess profits tax refunds Rs. 60,460 (*nil*), there is a total of Rs. 2,90,479 (Rs. 2,41,670). Deducting from this general depreciation Rs. 63,915 (Rs. 1,73,372), adjustments in respect of previous years Rs. 86,136 (Rs. 14,882) and payment of forfeited dividends Rs. 475 (*nil*), the year's trading shows a net profit of Rs. 1,39,952 (Rs. 53,416) to which is added the sum brought forward from the previous year of Rs. 1,86,633 (Rs. 1,85,717), making a total of Rs. 3,26,585 (Rs. 2,39,133). It is recommended by the directors that this balance be disposed of in payment of a dividend of 12½ (5) per cent. free of Indian income-tax amounting to Rs. 1,31,250 (Rs. 52,500) leaving a balance of Rs. 1,95,335 (Rs. 1,86,633) to be carried forward.

In view of the provision made in previous years for taxation, and actual assessments recently received, taken in conjunction with the lower level of trading, it is not considered necessary to make any further provision under this heading.

Reference was made in the last report to the serious effect on the Company's trading of the general market recession, particularly the unprecedented crisis in the tea industry which affected the Company's order book very considerably. The position was accentuated to a great extent by import licence restrictions.

The Company's sales of machinery, etc., which were at the peak level of about Rs. 246 lakhs in the year ended June, 1951 fell during the following year to approximately Rs. 199 lakhs, and with the continuance of exceptional trading difficulties throughout the accounting year under review the turnover contracted still further to Rs. 131 lakhs.

This position was foreseen by the directors at an early stage, and prompt measures were taken to reduce working expenditure to such a level as would enable the Company to weather the storm of this recession period. Accordingly economies were effected to the total extent of nearly Rs. 10 lakhs, and in consequence, in spite of the lower turnover, the trading results proved satisfactory. The directors feel justified in recommending the increased dividend of 12½ (5) per cent. free of tax.

The management and staff of the Company at all branches have continued successfully, to deal with the more competitive conditions. Their good work has been recognised in tangible form by grants of ex-gratia remuneration.

Trading is still difficult but the directors feel that the Company is in a position to face the future recently recovered to a very great extent from its already benefited accordingly. Although the business in agricultural and general machinery is still at a lower level there are indications of a better trend, and the Company with its broad ramifications is ready to take full advantage of any improved demand.

Mention was made in the last report of the desirability to increase the trading in indigenous productions, and arrangements to this end have been under active negotiation by the directors for some time. It is anticipated that the successful conclusion of these arrangements will be reached and announced at an early date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	3,96,415
Reserves ...	28,03,603	Stock-in-trade	72,52,557
Provision for taxation ...	14,28 046	Stores and tools ...	33,806
Liabilities ...	59,93,988	Work-in-progress ...	72,597
Profit and loss account ...	3,26,585	Debts, deposits and advances ...	33,53,679
		Investments ...	8,082
		Cash ...	4,83,086
Rs.	1,16,02,222	Rs.	1,16,02,222

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

TREASURY BILL RATE HARDENS

(From Our Own Correspondent)

BOMBAY, *2nd March*

The week under review witnessed no appreciable change in the short-term money market. Supplies continued to be on a moderate scale as the stringency in Calcutta eased considerably, but they were not sufficient to satisfy the demand completely. Interest rates, therefore, were well maintained at the levels reported last week. Thus, inter-bank call money among the Exchange banks and big Indian banks was bid at 3 per cent. throughout the day. The corresponding rate among the smaller Indian banks stayed put at 3 per cent. Short-term deposits were taken at 3 per cent. for periods from 1 to 6 months and 2½ to 2¾ per cent. for longer periods.

A further hardening of the Government of India Treasury Bill rate was noted this week, when the average rate of accepted tenders for the Bills rose from Rs. 2-10-6 per cent. to Rs. 2-11 per cent. per annum. The amount offered was higher at Rs. 151 lakhs, as against Rs. 127.50 lakhs. Tenders for Rs. 1 crore have been invited next week also.

The consolidated statement of position of the Scheduled banks for the week ended 19th February, 1954, as compared with that for the previous week, discloses an expansion of Rs. 8.78 crores in demand deposits and of Rs. 78.9 lakhs in time deposits. Inter-bank borrowings have fallen by only Rs. 14 lakhs. Borrowings from the Reserve Bank reveal a fall of Rs. 3.13 crores and those from the Imperial Bank as much as Rs. 8.59 crores. Advances have not, however, shown any decline. On the other hand, they are slightly higher. Thus, loans, cash credits and overdrafts have risen by only Rs. 78.80 lakhs and bills purchased and discounted by Rs. 2.32 crores. A decline of Rs. 47.34 lakhs is noted in investments. Variations in cash balances are of a small nature. Cash on hand and balances with the Reserve Bank are together lower by Rs. 20.99 lakhs, while balances with other banks in current account are better by Rs. 48.20 lakhs and money at call and short notice by Rs. 97.71 lakhs.

Conditions in the Gilt-edged market continued to be featureless, with prices showing hardly any movements and volume of business remaining very much restricted. The undertone remained steady. 3 per cent. 1957 was listed *ex-voucher* at Rs. 98-5, as against Rs. 98-7 *cum-voucher* last week. 3 per cent. 1958 attracted buyers at Rs. 98-1½, but business done was small. 3 per cent. 1959-61 was wanted at Rs. 96-1½, a shade lower than the quoted rate. 3 per cent. 1963-65 and 3 per cent. 1964 stood at Rs. 92-8, the Reserve Bank's selling rate, 3 per cent. 1966-68 and 3 per cent. 1970-75 were maintained at Rs. 90-4 and Rs. 86-8, respectively, the rates at which the Reserve Bank was offering these securities. There were buyers and sellers in 3 per cent. 1986 Conversion Loan at Rs. 82-10, but not much business was reported done. 3½ per cent. N. P. Bond had buyers at Rs. 98-14¼, 4 per cent. 1960-70 which had been in favour last week were wanted half an anna better at Rs. 102-0½.

The Bombay State Transport Corporation has announced its decision to approach the long-term capital market for a loan of Rs. 1 crore. The list will be opened on the 8th inst. and will be closed on the 13th inst. The loan will bear interest at the rate of 4 per cent. and will be issued at Rs. 99 per cent. It will be repaid in 12 years.

LESS DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, *27th February*

2,00,000 lbs. were offered in dust sale 'D' which was held on Tuesday, 23rd February. Following the decline in dust sale 'C', there was once again less demand and the market closed fully As. 2 easier.

London Market.—Sale of 22nd February—One penny to 2d. dearer. Assam brokens strongest feature.

Colombo Market.—Very active demand. Lowgrowns advanced eight cents, mediums 15 cents, and highgrowns 20 to 30 cents. Quality improved.

Calcutta Market—Export.—Strong general demand. Commons As. 1 to As. 2 up; only small quantity on offer.

Dust.—24,000 packages. Strong demand. Market irregularly As. 1 to As. 2 dearer. Black exportable types strongest feature.

Export Quota.—During the week the market strengthened from 51 pies and business was done at 61 pies; thereafter, the market declined to 56½ pies which remains today's quotation.

Forthcoming Auctions.—Dust sale 'E' will be held on Tuesday, 16th March, 1954.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, *1st March*

The local kip market ruled steady during the week under review and, despite restricted U.K. buying, clearances were fair-sized at 1d. over U.K. levels. Sellers were nervous at the lack of enquiries for shipment business, especially for light weight kips, fourths and fifths, and the tone was weak. Inferior grades met with good demand from North Indian merchants and for local water-bucket trade. Buff calf and cow calf were weak, while buff heavies ruled firm.

Arrivals of tanned goat skins were restricted and met with good clearance from shippers to U.S.A. and prices increased by As. 2 per lb. Shippers were steadily buying common sheep at lower prices, anticipating enquiries from Japan.

In the March London public sales, 480,000 tanned goat skins and 890,000 sheep will be offered for sale; and it is expected that prices of common sheep lower ends are likely to suffer serious declines.

SILVER QUIET, GOLD STEADY

(From Our Own Correspondent)

BOMBAY, *2nd March*

Trading on the Bullion Exchange was by and large featureless during the week under review. There were no new factors to cause any wide fluctuations in prices, but the trend was somewhat irregular, being influenced mainly by the day-to-day arrivals and offtake of the metals. The pre-Budget trading was of a cautious nature. The Budget proposals did not have any influence on the business during either the special Budget session or the post-Budget session and prices moved in a narrow groove. However, over the week, silver disclosed a modest decline, but gold was steady with no change on balance.

Silver for forward delivery (22nd March settlement) opened the week at Rs. 164-12 and soon experienced a recession on bull liquidation coupled with bear selling, in which process it came down to a low of Rs. 162-14. The selling pressure having eased after a short-time, forward silver staged a recovery on revival of bull buying and covering by short-sellers and came up to Rs. 165-1 during the Budget session on Saturday. After a decline to Rs. 164-1 yesterday, forward silver once again advanced to Rs. 165-1 today, but a sizable profit-taking erased the earlier gain and the white metal closed at a low of Rs. 163-10.

Ready silver (.996 Mint) was done at a premium of As. 4 over the forward, the opening and closing quotations being Rs. 165 and Rs. 163-14, respectively.

Opening at Rs. 87-6, gold for forward delivery (19th March settlement) dropped early in the week to Rs. 86-2 on expectations of heavier arrivals. The inflow of the yellow metal having remained on a small scale and the demand having been relatively higher than a week ago, forward gold hardened to touch Rs. 88-4 on Saturday. After moving within a narrow range, gold closed today on a quiet note in sympathy with silver at Rs. 87-6.

Ready gold began at Rs. 87-12 and appreciated to Rs. 88-14 on Saturday before winding up the week at Rs. 88-0. The premium over the forward, which was As. 6 early in the week, widened to As. 10 at the close, reflecting the better demand *vis-a-vis* the arrivals.

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

	2-3-54	Highest	Lowest	24-2-54
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	88 0	88 14	86 8	87 12
Forward	87 6	88 4	86 2	87 6
Sovereign	87 4	87 12	87 0	87 4
Silver				
Ready (.996 fine Mint) ..	163 14	165 5	163 2	165 8
Forward	163 10	165 1	162 14	164 15
London Ready	73½d.	—	—	73½d.
London Forward	73¾d.	—	—	73¾d.
New York Ready	85¼c.	—	—	85¼c.

COW HIDES BETTER

(From Our Own Correspondent)

KANPUR, *28th February*

During the week under review, conditions in the local hides and skins market were more or less the same as during the previous week. The new supply of cow and buff was considerable. The local tanners were the main purchasers. The Madras dealers were quite brisk in second grade cow. There was a shortage of goat this week, comparatively speaking. The latest quotations are as follows:—Wet salted cow 1st grade at Rs. 350, 2nd grade at Rs. 320 and 3rd grade at Rs. 160 per score; wet salted buff 1st grade at 1 lb. 8 ozs. to 1 lb. 11 ozs. and 2nd grade at 1 lb. 14 ozs. to 2 lbs. per rupee; goat skins 1st grade at Rs. 275 to Rs. 300 and 2nd grade at Rs. 250 to Rs. 300 per 100 pieces.

OUTLOOK FOR PEPPER GOOD

(Messrs. Parekh & Co.)

BOMBAY, *2nd March*

The pepper market during the fortnight since we last reported ruled steady at all primary centres with minor fluctuations, Alleppey moving between Rs. 1,725 and Rs. 1,800. At Bombay, in the A.S.T.A. section, prices moved between $0.80½ and $0.82½ for March shipment. Some of the prominent exporters who have sold a sizable quantity to Russia are reported to have tried their level best to depress the market, particularly at Cochin, with a view to knocking out some concession in the export duty, leviable at the time of shipment on their f.o.b. sales to Russia. Growers in Travancore-Cochin areas having been able to market 40 per cent. of their harvest by the end of February, are now in a comfortable position, and as such, are resisting any fall in the market, though there appears some selling pressure from Tellichery areas. America, having purchased sizable quantity for shipments during February and March, is now reported awaiting development in India, before making fresh purchases. Foreign buyers were withholding their orders in the expectation of a reduction in the export duty in the new Budget proposals, but as there is no change in the export duty, the growers are now expecting sizable orders for March shipment from New York and Continental countries. On the whole, the market in India is reported to be very steady at the present level and there are chances of improvement from now onwards immediately on buying orders from the oversea importers.

In the delivery section, prices are reported fluctuating within a narrow grove as stocks of tenderable pepper are accumulating in Bombay. Following are today's nominal quotations:—Ready Rs. 200-210 per Bengali maund, March Rs. 1,460-80 and April Rs. 1,490-1,510 per candy of 5½ cwts.

DECLINE IN COTTON PRICES

(From Our Own Correspondent)

BOMBAY, *2nd March*

The February contract in the forward market had an inglorious end last Thursday at Rs. 684. Only 12 days ago, it stood at Rs. 747, i.e., Rs. 63 higher. The quantity of cotton tendered on the last two delivery days was comparatively heavy, bringing the total to 19,450 bales in this delivery. This, along with some other factors, affected also the May contract adversely, which now stands at aoout Rs. 678, Rs. 40 lower than the highest peak of Rs. 718 touched only a few days ago. No announcement has been made till the time of writing about the opening date for the August contract. But it is generally believed that it will not be later than the end of next week, while there is just a possibility of its being inaugurated this week.

Many factors have contributed to the recession in cotton prices. While it began with the permission to import cotton in large quantities from abroad, it received a fresh blow by the Government abolishing the import duty of As. 2 per lb. As a matter of fact, this step need have no effect on the offtake of Indian cotton, as, in spite of this, Indian cotton would still be considerably cheaper on parity. The mills have stopped buying this cotton, partly because they are well stocked and partly because they have been told that no fresh licences for this purpose will be issued to them. The real consumers always tend to stay away from a falling market, but they are bound to return, sooner or later, to take full advantage of the licences they have already been given. All the same, the May contract is bound to remain vulnerable, because of large-scale hedging and mill purchases at a later stage might help the August contract more than May. As time goes on, therefore, the gap in favour of August is bound to widen and this is further likely to depress May, inasmuch as part from genuine hedging there will be large-scale straddle operations, with sales in the earlier contract against purchases in the August delivery.

The increase in the excise duties on cloth, though offset against the abolition of the import duty on foreign cotton, will not help the cotton trade, because in the long run this is bound to affect offtake of cloth, though this has not been apparent still in the cloth markets. Prospects for Indian cotton, therefore, are a little uncertain and will depend more on the cloth market than ever before. The stringency in the money market for the next three months is also likely to have its adverse effect on the May contract. Perhaps this would lead to a healthier condition in the market, inasmuch as the range of fluctuations will be narrower than it is at present.

Conditions in the spot market have also been comparatively dull. Perhaps the likely improvement in the offtake of cloth, now that the restraining uncertainty about excise duties in the budget has been removed, might induce some mills to cover a part of their future requirements in the spot market. At present, this is the only bright factor in the situation, otherwise the spot trade is destined to languish and to lock up resources for a considerable time. This, however, does not amount to saying that those who choose to wait and are in a position to invest will not be rewarded sufficiently, because, as observed before, demand for Indian cotton to the full extent that it is available will always be there right till the end of the season. Some of the premia on staple varieties have been paired, but there is hope even here with those who can afford to wait. Even the demand for Bengals has fallen in volume and so has that for imported cotton for the time being, because prices are ruling fairly high.

I.C.C. May opened the week at Rs. 680 and moved up on bull support to touch a high of Rs. 684½ on 27th February. It reacted, on profit-taking, Rs. 671½ on 1st March. On 2nd March, the contract fluctuated within narrow limits, and closed at Rs. 678. The market remained closed on 3rd March, on account of *Shivrathri*. The following is the trend of prices for I.C.C. May during the six days ended 2nd March:

	Opening	*High*	*Low*	*Closing*
I.C.C. May ...	Rs. 680	684½	671½	678

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 625-50; Berar *Jarillas* Rs. 790; Khandesh Rs. 870; Vijay Rs. 895; Oomra *Deshi* Rs. 720; Moglai Rs. 690.

At Karachi, export demand has remained restricted as before, in spite of rise in the price of cotton in the other world markets, thus reducing the difference between Karachi prices and world prices. On the whole, however, there has been a slight improvement in the situation, which might go further with every price rise in other markets, provided Karachi shippers do not increase their prices simultaneously. Exports from Karachi till 11th February, amounted to nearly half a million bales, which is about two lakh bales lower than for the same period last season.

The following are the latest available quotations from the Karachi cotton market: Sind *Deshi* Rs. 76; Punjab *Deshi* Rs. 72½; 4F Punjab R.G. Rs. 73½; S.G. Rs. 79½; L.S.S. Punjab R.G. Rs. 77½; S.G. Rs. 82½; N.T. R.G. Rs. 77½; S.G. Rs. 82½; 289F Punjab R.G. Rs. 81½; S.G. Rs. 87½.

At Alexandria, the Egyptian Government announced its cotton policy for the next season towards the latter part of the last week. Under this, the selling basis for good Karnak and Menoufi has been raised from 30 to 40 per cent., and for good Ashmouni, Zagora and Giza 30 from 5 to 12½ per cent., over New York features. The authorities have also increased their basic buying prices for Ashmouni, Zagora, Giza 30 and Menoufi by 3 tallaris and for Karnak by 4 tallaris per cantar and for the current season they have announced a bonus of 3 tallaris to those who sold their cotton to Government. Brisk demand on stocks with the Egyptian Cotton Commission have reduced available

supply for the future, with the result that premia in the spot market have gone up considerably. In spite of increase in the selling differentials from time to time, it is expected that all the stocks with the Commission would be fully exhausted by the end of the season. The exports up to 10th February from Alexandria came to 426,026 bales, against 356,557 bales last year, with the U.K. standing highest with 66,020 bales against only 9,974 bales last year when it stood the lowest amongst all the countries importing cotton from Egypt. The next in order are France, Germany and India. Exports to India till this period amounted to 47,380 bales, which was about 15,000 bales higher than those during the corresponding period last year.

It is expected that the Lint Marketing Board at Kampala will resume its sales by auction some time this month, while in the case of the Sudan-Gezira Board at Khartoum, it is likely that the selling policy will be changed once again to open auctions, though this has not yet been finally decided.

At New York, prices have been steady with slight occasional setbacks, in view of the improvement in sales for export and the tightening supply position. The undertone remains very firm and a steady increase in prices is expected, in view of the rise registered at Alexandria, Khartoum and Kampala.

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

(In cents per lb.)

	26-2-54	19-2-54	16-2-54
Spot	35.05	35.20	33.05
March	34.25	34.33	34.33
May	34.30	34.40	34.38
July	34.24	34.30	34.25
October	33.63	33.61	33.58

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, *3rd March*

Firm conditions prevailed in the Bombay sugar market during the week under review. This was mainly occasioned by depletion of stocks and expectation that no imported sugar would be available in the spot section before the third week of next month. The bullish fervour of the market was fanned further by anticipations of hectic buying spree throughout the month, based on the feeling that the two-point sales tax, together with purchase tax, which is to come into force from 1st April next, would be double the present rate. There was, besides, the Central Food Minister's statement that the sugar output this season would be only 1,200,000 tons. The sharp fall in arrivals too aided the bullish fervour. The Food Ministry's release of 100,000 tons of indigenous sugar—this is understood to represent 71 to 72 per cent. of production up to 7th February, 1954—for sale in the free market was overlooked. Prices forged ahead, with gains spreading over all varieties of sugar in both forward and spot sections.

In foreign sugar in the spot section, the German variety was specially favoured, its quotation advancing by Rs. 2-8 to Rs. 85 per bag of 2 cwts. British refined rallied Re. 1-8 to Rs. 86-8 per bag of 2 cwts. Mexican sugar picked up Re. 1-2 to Rs. 37-14 per 100 lbs. Czechoslovakian sugar hardened from Rs. 82½-87 to Rs. 85-88 per bag of 200 lbs. Cuban sugar put on As. 8 to Rs. 41-4 per 100 lbs. Indigenous sugars were well maintained, small, medium and large grains being quoted at Rs. 90, Rs. 91-92 and Rs. 97-98, respectively.

In the forward section, *Fagan* delivery moved up by Re. 1-2 to Rs. 85 per bag. As the Central Government has still not announced its decision in regard to the handling of imported sugar in future, the question of opening further trading in forward section has been deferred.

As already stated, there was a sharp reduction in arrivals of sugar into the market this week, the quantity actually arriving being 1,800 bags, as against 8,600 bags last week and 7,100 bags two weeks before. Stocks of imported sugar with traders are estimated at not more than 150,000 bags. With the arrival of 2,400 tons of sugar by the s.s. *Finsk* and of 3,200 tons by the s.s. *Schrenkovo*, during the week, the deliveries of Czechoslovakian sugar scheduled for this port have been completed.

It is reliably understood that the Central Food Ministry has concluded purchases of about 25,000 tons of Continental sugar for March shipments. The loading of sugar into the boats is expected to commence by about the 10th or the 12th inst.

As reported last week, the dissident members of the Bombay Sugar Merchants' Association have formed a new association, called the *Shakkar Vyapar Mandal*. This association has already acquainted the Central Government with the fact that it was impossible for any fresh dealer to step into the sugar trade prior to 1947, as the initial Sugar Control Order of 1942 was withdrawn only in November, 1947. Again, it is stated, there was control on sugar in 1949 and, as such, the incentive of free trade was available to the present *bona fide* wholesale traders only in the year 1948 and again, after a break, in 1952-53; in the intermittent period, natural forces of evolution worked in the sugar trade, as in any other trade, and a large majority of the 'A' class members of the old Association has been practically out of business. The interested old clique of a couple of wholesalers intends to snatch away the trading rights of the present wholesalers who have had no say or share in the Bombay Sugar Merchants' Association, owing to the fact that 'A' class membership of this Association has been consistently denied to them under some pretext or other. It would appear from the reports available at the time of writing that the authorities have sized up the situation and that a decision for entrusting the handling of imported sugar through either the proposed syndicate of wholesalers or a modified tender system from approved wholesalers or some sort of quota basis is likely to be announced in the next week, if not earlier.

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, *2nd March*

Under the impact of a series of bearish factors, the oilseeds market presented a weak tone during the week under review. The long-awaited budget proposals brought disappointment to the market in that they indicated neither a reduction in the export duty on castor oil nor export policy for oilseeds, as earlier anticipated by the market. Later on, however, the export quota for castor oil was announced, but it was considered to be too inadequate to meet the requirements of the market. Besides, weaker advices from Gujerat and Hyderabad, slackness in demand for oilseeds from *vanaspati* factories and crushers, weakness of the copra oil market increased arrivals of seeds and fall in prices of cotton, all cumulatively weakened the sentiment of operators. In the circumstances, sellers dominated and prices all round registered a marked setback.

The notable event during the week was in fact the announcement by the Government of India, on 1st March, of its decision to permit established shippers to export castor oil upto a ceiling of 6,000 tons during the period ending 30th April, 1954. The Press note issued by the Commerce and Industry Ministry says that export allotment will be made at the ports to established shippers for quantities equal to one-third of total shipments effected by them during January-December, 1953. Further, it adds that exports against these allotments will be licensed on shipping bills till the ceiling is reached.

This announcement failed to brighten the sentiment of operators in the castorseed section, as it was felt that at the prevailing prices, it was not possible to do any business with the U.S., although some scattered business was considered possible with the U.K. and the Continent. Consequently, the castorseed section put on a disappointing appearance. The groundnut section ruled bearish, chiefly in the absence of export quotas. The linseed section staged a sharp recession in sympathy with the groundnut section and also due to virtual lack of export enquiries. *Kardi* and *nigerg* proved no exception to the generally easy trend.

The castorseed section came in for bull liquidation during this week, as the bulls were disappointed at the absence of reduction of export duty in the budget proposals and the announcement of a small export quota subsequently. May delivery which opened at Rs. 113 as against Rs. 113-4, fluctuated between Rs. 111 and Rs. 101-8, before closing at Rs. 104. F.A.Q. declined from Rs. 23-4 to Rs. 21-8 and Madras from Rs 23-12 to Rs. 21-8. Oil I Pressure changed hands at Rs. 11-4 as against Rs. 12-10 and Commercials Rs. 10-10 as against Rs. 11-10. Oil B.S.S. lost Re. 1-4 to Rs. 11-12, Castoroil B.S.S. was enquired at Rs. 112 in the Continent. At this level, the profit margin is not more than about £2.

Groundnuts ruled weak on bearish advices from Nizam State markets. There was also lack of support from *vanaspati* interests, as well as from crushers. Consequently, longs tried to liquidate their holdings in the declining market. Bold F.A.Q., as a result, fell from Rs. 33-12 to Rs. 32-6, February-March and April-May deliveries were done lower at Rs. 32-4 and Rs. 32-2, respectively, as against Rs. 33-8 each. Khandesh quality eased from Rs. 34-4 to Rs. 32-14. Groundnut oil ex-mill was down by As. 12 to Rs. 16. March and April deliveries disclosed a loss of As. 13 and As. 12 to Rs. 16-3 and Rs. 16-7, respectively.

On reports of increased arrivals of linseed in Nizam State and poor demand and in sympathy with the decline in groundnuts, the linseed section staged a sharp recession. Bold ready was lower by Rs. 3-12 at Rs. 23-4. February-March and April-May deliveries fell from Rs. 23-12 and Rs. 23-2 to Rs. 22-10 and Rs. 22-2, respectively. Linseed oil ready was lower by Re. 1-4 at Rs. 13-8.

Among other seeds, *kardi* bold was down by Re. 1-8 at Rs. 16-8. February-March and April-May deliveries eased from Rs. 17-4 and Rs. 18-6 to Rs. 16-8 and Rs. 17, respectively.

The following table shows the prices of oilseeds and oil on the 2nd inst., as compared with those at the end of the previous two weeks.

	2-3-54	24-2-54	17-2-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	32 14	34 4	35 0
Bold February-March	32 4	33 8	34 3
April-May	32 2	33 8	34 6
Linseed—			
Bold Ready (per cwt.) ..	23 4	27 0	26 8
February-March	22 10	23 12	24 6
April-May	22 2	23 2	24 0
Castorseeds—			
May 1954 (per candy)	104 0	113 4	114 4
Madras (per cwt.)	21 8	23 12	24 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	16 0	16 13	17 6
Castor Oil—			
Commercial (per quarter) ..	10 10	11 10	11 14

ART SILK YARN WEAK

(From Our Own Correspondent)

BOMBAY, 2nd *March*

Under a stampede of selling induced by the imposition of an excise duty of 18 pies and an additional excise of 3 pies per yard on artificial silk fabrics, announced by the Union Finance Minister in his budget statement for 1954-55, values in the art silk yarn market suffered a sharp recession in the week under review. The fear that this fresh impost of 21 pies would force the artificial silk fabric manufacturing industry to curtail output drastically and even compel some units to close down and thus curtail the demand for yarn unnerved longs, while bears lost no opportunity to sell short. The nervousness gathered further momentum, following the reported closure of several art silk mills in Ludhiana. Consequently, art silk yarn prices sank heavily with losses spread to all the varieties in both the forward and ready sections.

Art silk yarn (1500) for March delivery slumped from Rs. 790 to Rs. 750 on Monday before finishing a shade better at Rs. 756 per case of 200 lbs. today. The net loss during the week was 24 points. In the ready section, 120 Italy was the worst sufferer, its quotation sliding down by As. 2 to Rs. 3-13 per lb. 120 Japan and 150 Japan dropped an anna to Rs. 4-13 and Rs. 4-8, respectively. 120 Italy, however, received some special buying support and remained fully steady at Rs. 4-8.

Although pre-budget rumours of an increase in import duty on staple fibre and of the imposition of excise duty on Indian-made staple fibre yarn proved baseless, the staple fibre yarn section also witnessed a wave of selling pressure this week. This was, in the main, due to reports that the local mills had sold for forward delivery a large quantity of 2 x 40s yarn at reduced prices and partly to weakness in art silk yarn. Staple fibre yarn (2 x 40) March delivery was hammered down to Rs. 651 today, as against Rs. 695 on the opening day of the week and Rs. 690 last week-end. Towards the close, however, it was slightly higher at Rs. 653 on account of support at lower levels. In sympathy with the forward section, values of 2 x 40 indigenous and foreign yarns also drifted lower. Among the former, Sitaram fell from Rs. 3-6-3 to Rs. 3-4-6. Hirji declined by an anna and a half to Rs. 3-6. City, Hindustan and Sriram lost an anna each to Rs. 3-12-6, Rs. 3-7 and Rs. 3-7, respectively. Among foreign yarns, Suico and Paramount shed an anna each to Rs. 4-4 and Rs. 4-3, respectively. Aurora was done lower at Rs. 4-3-6, as against Rs. 4-4-3, Shinco at Rs. 4-3-6, as against Rs. 4-4, and S. Fuji at Rs. 4-4, as against Rs. 4-4-6.

Despite the enhancement in the rates of excise duty on cotton fabrics, the cotton yarn market did not exhibit any erratic fluctuation in prices. For, while one section of traders felt that enhanced excise duty would bring about a slackening in demand for cloth and, consequently, for yarn, another section was of the opinion that the abolition of import duty on raw cotton would give a fillip to exports. In view of conflicting views, turnover was greatly restricted. However, in sympathy with the fall in raw cotton prices, yarn prices also declined. Among 80s, Elphinstone and Sriram dropped As. 8 each to Rs. 61-8 and Rs. 64 per bundle of 10 lbs., respectively. Sriram among 10s declined by a like amount to Rs. 58-8. Pankaja and Pioneer lost As. 4 each to Rs. 43-12 and Rs. 44, respectively. Among 40s, Madura fell by As. 8 to Rs. 27, Modern by As. 4 to Rs. 26-4 and Gokak by an anna to Rs 26-4. Among 20s, Hind was lower by As. 2 at Rs. 16-13. Among 10s, Golaba eased from Rs. 13-6 to Rs. 13-3. Modern decreased by As. 2 to Rs. 13-6. Podar lost an anna to Rs. 13-4.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those in the previous week:—

	1-3-1954	24-2-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	756 0	790 0
120 Japan (per lb.)	4 13	4 14
150 Japan (per lb.)	4 8	4 9
120 Italy (per lb.)	4 8	4 9
150 Italy (per lb.)	3 13	3 15½
Staple fibre yarn—		
40 x 20 March (per case of 200 lbs.) ..	653 0	690 0
Suico (per lb.)	4 4	4 5
New Great (per lb.)	3 11	3 11
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 8
20s Hind	16 13	16 15
30s Madura	24 6	24 4
40s Gokak	26 4	26 5
60s Rajnikshmi	43 12	44 0
80s Elphinstone	61 8	62 0

JUTE GOODS DULL

(From Our Own Correspondent)

CALCUTTA, 3rd *March*

The jute goods market passed through yet another week of dull and uninteresting conditions. Sentiment of operators was adversely affected by a series of unfavourable factors. Thus weakness in raw jute, lack of overseas enquiries for hessians, disappointment caused by absence of the expected reduction in, or abolition of, export duty on hessians, fear of French competition in U.S. markets arising out of the availability of Pakistan jute at rates relatively lower than those for Indian jute, and cumulatively acted as a damper on trading. Operators were, therefore, not inclined to indulge in deals. Early in the week there was some short-covering by bears and prices generally registered a minor rise. After the announcement of budget proposals profit-taking ensued and quotations tended to decline. The undertone, however, remained quietly steady.

B twills opened the week at Rs. 106 per 100 bags. After temporarily declining to Rs. 105-14, the quotation moved up to Rs. 107-4 on the 26th February. At this high level for the week, profit-taking set in and B twills wound up the week at Rs. 106-12. Hessians 40 oz. 40" moved in sympathy with B twills. Opening at Rs. 45-10 per 100 yards, they remained quietly steady at Rs. 45-6 till the 27th February. But due to absence of any mention of export policy of the Government regarding jute goods, the quotation declined and finished the week at Rs. 44-2.

Trading in raw jute remained depressed on frequent unloading by stockists who had waited long for a rise in prices. The feeling that the expected shortage of the raw material at the end of the season might not materialise compelled some of the bulls to tighten their commitments. Consequently, raw jute prices suffered, over the week, a drop of Re. 1-8, with Assam bottoms closing at Rs. 29 per maund as against Rs. 26-8 per maund at the close of last week.

POOR OFFTAKE IN SUGAR

(From Our Own Correspondent)

HAPUR, 1st *March*

Crystal sugar markets remained quiet during the week under review. There was poor offtake on account of the buyers being cautious in view of the Central Government's sugar import policy. Kanpur and other upcountry centres complained of poor enquiries from consuming areas. It is believed that imported sugar is not confined to ports alone; substantial quantities are smuggled to other deficit areas in the South as well. It is also said that traders in upcountry markets had good stocks of last year's carry-over sugar and the same is now being marketed for fear of price fall.

Arrivals of sufficient inland sugar at Calcutta eased the supply position. Bombay also received fresh supplies of Czechoslovakian sugar and was influenced bearishly towards the close. Madras reported steadier conditions, on account of increased buying from stock holders.

The total production of sugar for the season 1953-54, during the period 1st November, 1953 to 15th January, 1954, was 383,000 tons, as against 403,000 tons during the corresponding period of the previous season. Arrivals of foreign sugar up to 15th January, 1954, aggregated 193,000 tons. The Union Government has released a further quantity of 100,000 tons of sugar for sale in the free markets out of the 1953-54 production of all factories.

Gur markets remained steady at the ports. Elsewhere, however, prices either remained stationary or suffered slight decline. There was some improvement in arrivals, due to clear sunny weather, but fresh enquiry from the importing areas failed to keep pace. Despatches from the local station relating to old commitments were fairly satisfactory this week, but Meerut and Muzaffarnagar still complained of uneasy transport position. Even at Hapur, not all the wagons allotted were generally made available. Hapur has so far received approximately 600,000 maunds of *gur* and expects to get another 200,000 maunds.

Swayed by speculative manipulations, *gur* futures remained very active this week. The downward trend in the prices of all agricultural commodities and the Central Government's determination not to let sugar prices go abnormally high induced liquidation to small bulges. Operators seemed disinclined to accept deliveries. Pansera *gur* at Hapur is quoted at Rs. 14-4 per maund today. Futures are: *Fagan* Rs. 14-4 and *Baishak* Rs. 14-6-9. *Baishak* had touched Rs. 15-10-3 earlier this week. There was increased volume of trade.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 1st *March*

Foodgrains markets remained quiet to bearish during the week under review and there was a general fall in prices in both the ready and futures sections. It is now revealed that heavy rains last week in North India have done considerable damage to mustard and gram crops in Rajasthan and ruined the prospects of a bumper wheat crop in U.P. In Vindhya Pradesh, rust is said to have damaged the wheat crop, while, in Madhya Pradesh, rains accompanied by hailstorms have affected the gram crop.

It is very reliably learned that the State Governments may be advised to suspend procurement of rice after a certain figure of procurement is reached. Restrictions on inter-State movements will, however, remain. The decision is being taken in the light of the present encouraging and satisfactory position. Brisk movement of rice from the surplus States of Madhya Pradesh, Orissa, Punjab and Uttar Pradesh to the deficit regions of South India and West Bengal has begun, and the tempo is expected to be maintained in the next few months also.

India has informed the International Wheat Council that it is not taking its quota of one million tons of wheat under the International Wheat Agreement for the first year, namely, July, 1953 to June, 1954. Stocks of wheat in the Central and State Government depots, it is understood, are of the order of 600,000 to 700,000 tons. No estimate of the yield of the *rabi* wheat is yet available, but the area of the winter wheat crop according to the first estimate is 23,149,000 acres, which is 4.5 per cent. higher than the adjusted first estimate for 1952-53. This, it is stated, is due to timely rainfall at the time of sowing in most of the wheat-growing States in the country.

The U.P. Rollers Flour Mills Association has now conveyed its decision to enter into an agreement with the State Government for the purchase of 30,000 tons of wheat stocks. It, however, wants the period to be extended from 31st May to 31st July, 1954. The Association has also requested the Government to expedite orders with regard to mixing of barley *atta* with wheat *atta*. The State Government has allowed the merchants of Calcutta to purchase rice only from Kanpur and Lucknow regions where boiled variety of rice, especially suited to West Bengal, is available. Rice price in U.P. is comparatively high and it is doubtful if any big quantity would be lifted by the traders.

The price structure in the free markets has not been unbalanced, due to crop damage reports referred to above. Prices have continued to decline following increased offerings in the markets by unnerved stockists who are anxious to get rid of their possession before the advent of new crop arrivals. Wheat prices which had resisted the pressure of sales, have now succumbed to downward march so far.

The latest quotations (per maund) are: Wheat Rs. 15-8 to Rs. 16-12, gram Rs. 10 to Rs. 13, barley Rs. 9-8, *bejhar* Rs. 9-4, maize Rs. 9-8 to Rs. 11, *bajra* Rs. 9-8 to Rs. 11, *juwar* Rs. 7-8 to Rs. 10, rice Rs. 29 to Rs. 19, peas Rs. 8-12, *arhar* Rs. 10, *guwar* Rs. 9, *urd* Rs. 14-8 to Rs. 16-8, *moong* Rs. 14-8 and *masoor* Rs. 13-12.

Forward futures: peas *jeth* Rs. 8-10, *arhar jeth* Rs. 9-9-9, *urd baishak* Rs. 14-5-6 and *guwar baishak* Rs. 14-5-6.

BOMBAY SALES TAX

AMENDED LEGISLATION TO BE ENFORCED FROM NEXT MONTH

THE Government of Bombay has decided to bring into force the amended Sales Tax Act, entitled the "Bombay Sales Tax (Amendment) Act, 1953," with effect from 1st April, 1954. The full text of the Act is published in the *Bombay Government Gazette* of 22nd February, 1954, and the rules relating to the enforcement of this Act in the *Gazette* dated 26th February, 1954. We give below a summary of the main features of this amended legislation as it is of special interest to business men not only in the Bombay State but also in other States. The summary is confined only to those sections of the Act which relate to the procedure of tax collection:

Every dealer whose turnover of *sales* or turnover of *purchases* has, during the year ending 31st March, 1954, exceeded the following limits will be liable to pay tax under the amended Act:

	Rs.
(i) In the case of a dealer who brings goods into the State of Bombay or to whom goods are despatched from outside	10,000
(ii) In the case of a dealer who produces, collects, extracts, manufactures or processes any goods for sale	10,000
(iii) In the case of any other dealers	25,000

In cases (i) and (ii), the value of the goods brought or despatched in the State of Bombay or produced, collected, extracted, manufactured or processed should also be not less than Rs. 2,500 in the same period. Any other dealer whose turnover of sales and turnover of purchases have neither of them exceeded the above limits during the year ending 31st March, 1954 shall not be liable to pay tax from 1st April, 1954, but he will become liable if and when his turnover either of sales or of purchases may exceed the above limits in future.

Registration of Dealers

All dealers who will become liable to pay tax with effect from 1st April, 1954, and who are not already registered dealers under the Bombay Sales Tax Act, 1953, must apply in Form A for registration, addressing the applications to the Sales Tax Officers in whose jurisdiction they have places of business, not later than 30th April, 1954. Dealers who are already registered dealers and who are liable to pay tax under the amended Act must apply in Form A for getting fresh registration certificates not later than 30th April, 1954; and meanwhile, their existing registration certificates will be considered to be valid under the amended Act up to 30th June, 1954. Any dealers who are registered dealers under the present system but who are not liable to pay tax under the amended Act must return their certificates of registration to the Sales Tax Officers concerned for cancellation along with an application in Form C not later than 30th April 1954. All dealers who hold licences and authorisations under the present system must also return such licences and authorisations to the Sales Tax Officer concerned for cancellation not later than 15th April 1954.

The dealers who are liable to pay tax as explained above shall have to pay (i) a "sales tax" under section 8 of the Act at rates specified in column 2 of Schedule B to the Act and also (ii) a "general sales tax" under section 9 of the Act at the rates specified in column 3 of the same schedule.

Exceptions

Under section 8, the sales tax is payable on all sales, except the following:

(a) Sales of goods which have been purchased from a registered dealer on or after 1st April, 1954, or on the purchase of which the dealer has paid or is liable to pay the purchase tax under section 10, if the goods have not been processed or altered in any manner after the purchase; and

(b) sales of goods to a dealer who holds an authorisation granted under section 12A and who furnishes a certificate in the prescribed form declaring that the goods sold to him are intended for being despatched outside the State of Bombay by him or by registered dealers to whom he sells the goods.

Authorisations under section 12A can be granted by the Collector of Sales Tax to registered dealers, whose turnover of sales of goods despatched outside the State of Bombay by them or through registered dealers to whom the goods have been sold, has exceeded Rs. 50,000 during the year ending 31st March, 1954 or exceeds that limit in future, subject to certain conditions specified in rule 10 of the Bombay Sales Tax (Registration, Licensing and Authorisation) Rules, 1954. Applications for getting such authorisations should be made in Form G to the Sales Tax Officer concerned.

General Sales Tax

Under section 9, the "general sales tax" is payable on all sales, except the following:

(i) Sales of goods to a dealer who holds a licence granted under section 12 and who furnishes a certificate in the prescribed form declaring that the goods are intended for resale by him; and

(ii) sales of goods other than those specified in entries 1 to 18 of Schedule B to a dealer holding such licence, who furnishes a certificate in the prescribed form declaring that the goods are intended for use by him, in the prescribed manner, in the manufacture or processing of any goods for sale.

In the case of goods specified in entries 9 to 18 of Schedule B, which are sold to a registered dealer who certifies that they are to be used by him in the manufacture or processing or any goods for sale, the rate of "general sales tax" will be three pies, instead of six pies, in the rupee.

Licences under section 12 can be granted by the Collector of Sales Tax to registered dealers whose turnover of sales (excluding any sales where goods are delivered in this State to a person other than a registered dealer) has exceeded Rs. 50,000 during the year ending 31st March, 1954, or exceeds that limit in future, subject to certain conditions specified in rule 8 of the Bombay Sales Tax (Registration, Licensing and Authorisation) Rules, 1954. Applications for getting such licences should be made in Form E to the Sales Tax Officers concerned.

Purchase Tax

Section 10 of the Act provides for the levy of "purchase tax" from dealers liable to pay tax in cases where (a) the goods have been purchased from a person who is not a registered dealer, or (b) a dealer holding an authorisation under section 12A does not show to the satisfaction of the Collector of Sales Tax that the goods have been despatched outside the State of Bombay, within a period of six months from the date of his purchase, either by him or by a registered dealer to whom he may have sold the goods. But in cases falling under clause (a), the dealer can elect either to pay such purchase tax or to pay sales tax on his sales of those goods in due course.

Rules for Granting Set-off

In order that the incidence of sales tax leviable at the first stage of sale under the provisions of section 8 may not become cumulative in cases where goods are manufactured or processed further, it is laid down in section 18(2) that rules will be framed for granting a set-off to manufacturing or processing dealers where any sales tax has been recovered from them or any purchase tax is payable by them on their purchase of goods used in the manufacture or processing, and the goods which are manufactured or processed are also subject to sales tax. The Government also proposes to frame rules for the purpose of enabling dealers whose turnover of sales has not exceeded Rs. 60,000 to compound the general sales tax payable by them (after adjusting the general sales tax recovered by licensed dealers from whom they have purchased any goods). The necessary draft rules for this and other purposes will be published shortly.

All dealers who are required to apply for registration for the first time or for getting fresh certificates of registration and those who wish to apply for a licence or an authorisation are requested to do so as early as possible. Necessary printed forms for the purpose can be obtained from all Sales Tax Officers within a few days.

Notices

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2½ per cent., less Indian Income-tax thereon, will be paid to the Registered holders as on the 6th April, 1954, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1954.

The Share Transfer Books of the Preference Shares will be closed from the 22nd March, 1954, to the 6th April, 1954, both days inclusive.

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, 1, *25th February*, 1954.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-second half-yearly Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3.00 p.m. on Friday 26th March, 1954 for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the half-year ended 30th September, 1953.
2. To declare dividends.
3. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 13th March, 1954 to the 26th March, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *26th February*, 1954.

Printed copies of the Report and Accounts will be despatched to Shareholders on or about 8th March, 1954. Dividends will be paid to Registered Shareholders only.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	10th Feb., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,178.90	1,179.56	1,154.84	1,121.80
Notes held in Banking Department	35.05	19.49	13.38	19.40	19.22
Foreign Securities	39.50	638.15	638.15	618.15	568.15
Rupee Securities	97.89	421.34	421.34	421.38	449.86
Banking Department					
Deposits of :					
Government of India	14.89	87.24	91.54	98.85	153.12
Other Governments	...	21.79	17.00	21.90	5.06
Balances held abroad	10.08	103.99	101.43	114.19	153.53
SCHEDULED BANKS					
Demand Liabilities	134.37	522.80	513.66	523.00	527.03
		(6.80)†	(6.94)†	(6.91)†	(11.07)†
Time Liabilities	102.84	331.20	330.41	328.98	315.44
Borrowings from Reserve Bank	..	(1.51)‡ 19.83 (8.26)‡	(1.51)‡ 22.96 (10.86)‡	(1.42)‡ 10.82 (1.19)‡	(1.93)‡ 4.36 (0.74)‡
Borrowings from Imperial Bank	..	11.39	12.98	9.78	5.42
Cash in India	6.71	31.96	32.60	32.12	32.92
Balances with Reserve Bank	25.28	39.84	39.40	40.24	43.22
Excess over statutory limits	15.52	7.11	7.11	7.51	10.56
Balances with other banks in current account in India	..	11.03	10.54	11.15	11.07
Money at call and short notice in India	..	9.80	8.83	12.27	16.95
Investments (at book value)	..	320.14	320 61	324.16	302.06
Advances and bills	105.09	518.35	515.24	487.42	499.68
IMPERIAL BANK					
Deposits	87.76	210.87	209 25	299.42	208 76
Investments	51.99	90 22	90.31	91.23	82 32
Advances	30.37	122.32	123.48	114.42	123 53
Cash	14.69	13 06	14 58	16.19	15 37

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against esance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	26th February, 1954		19th February, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,52,802	55,98,18,000	259,582	56,26,99,000
Calcutta	1,56,051	50,88,55,406	160 653	58,40,64,239
Madras	72,561	7,28,55,088	73,681	9,44,92,196
All Centres—				
1952	..	..	..	1,06 41,94,26,79,51,57,000
1953	..	..	..	1,14 83 81426 65,05 08,000
Nov., ,,	..	..	..	2,550,000 5,34,20,00,000
Dec., ,,	..	..	..	2,986,000 6,26,45,000

Reserve Bank of India

Statement of Affairs for the week ended 19th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	87,23,79,000
(2) Other Governments	21,78,93,000
(b) Banks	41,01,30,000
(c) Others	42,29,16,000
Bills Payable	5,26,87,000
Other Liabilities	19,11,89,000
Rupees	246,71,93,000

ASSETS	Rs
Notes	19,44,78,000
Rupee Coin	18,72,000
Subsidiary Coin	5,32,000
Bills Purchased and Discounted—	
(a) Internal	38,00,000
(b) External	
(c) Government Treasury Bills	12,75,33,000
Balances held abroad*	103,98,38,000
Loans and Advances to Governments	30,00,00,000
Other Loans and Advances	30 60,60,000
Investments	70,75,69,000
Other Assets	8,20,86,000
Rupees	246,71,98,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 8,26,00,000 advanced to Scheduled Banks against esance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Schedu ed Banks against esance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 16,19,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	19,48,78,000	
Notes in circulation	1173,90,48,000	
Total Notes issued		1193,39,26,000
Total Liabilities		1193,39,26,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	638,15,11,000	
Total of A		678,16,82,000
B. Rupee Coin		93,83,17,000
Government of India Rupee Securities		421,34,27,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1193,39,26,000

Ratio of Total of A to Liabilities: 56.827 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 19th Feb., 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	6,80,40,000†
	(ii) Other demand liabilities	515,49,72,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,50,50,000†
	(ii) Other time liabilities	329,69,42,000
3.	Cash in India	31,95,99,000
4.	Balances with the Reserve Bank in India	39,83,55,000
5.	Balances with other banks in current account in India	11,02,51,000
6.	Money at call and short notice in India	9,80,29,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	320,13,63,000
8.	Advances in India	402,46,41,000
9.	Inland Bills purchased and discounted in India	55,88,23,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1953				Rs. a. p.	%
8th December	1.00	1.72	1.00	2 7 2	57
15th ,,	1.00	1.00	1.00	2 7 0	100
1954					
5th January	1.00	1.33		2 7 9	70
12th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
16th ,,	1.00	1.09	1.00	2 9 11	92
23rd ,,	1.00	1.28	1.00	2 10 0	64
2nd March	1.00	1.51	1.00	2 11 0	100
Total	11.00	13.62	11.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)		In terms of rupees (Crores)	*Per capita* income (Rs.)
	1950-	51	359.33	—	9,530	265
India†	1949	76.04			1,071	141
Pakistan	1949	18.67	Kyats	2,166	781	169
Burma	1951	7.74			481	582
Ceylon	1951	84.50	Y.	4,849,400	6,414	761
Japan	1951	20.38	Fr.	7,586	1,926	946
Philippines	1952	2.00	£(N.Z.)	646	861	4,307
New Zealand	1952	8.43	£(A.)	3,286	3,454	4,217
Australia	1952	50 48	£	13,648	18,197	3,606
U.K.	1952	156 98	$	290,400	188,280	8,908
U.S.A.	1952	14.43	$	18,185	6,186	5,603
Canada	1952	43.60	Fr.	10,190,000	13,864	2,254
France	1952	48 48	Dm.	98,400	11,186	1,801
W. Germany	1952	10.38	Fl.	3,115,000	6,181	1,818
Italy	1952	49 88	Kr.	16,598	1,106	3,831
Norway	1952	8.32	Kr.	30,170	9,652	5,122
Sweden	1952	7.13	Kr.	27,600	2,213	3,104
Netherlands	1952	10.38	Fl.	17,660	2,213	3,104
Denmark	1951	4.30	Kr.	20,716	1,489	3,346
Switzerland	1952	4.82	£ Fr.	20,100	3,189	4,541

* National income as factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net incoms from abroad.
Source: United Nations Monthly Bulletin of Statistics August, 1953
† Estimates are based on the Final Report of the National Income Committee Submitted to the Government of India in February, 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 19th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	2,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	21,15,54,000
(b) Provincial Governments	1,34,24,000
(c) Banks	11,48,99,000
(d) Others	2,10,37,000
Bills Payable	10,00,000
Other Liabilities	4,90,03,000
Rupees	47,18,17,000

ASSETS	Rs
Notes	5,43,07,000
Rupee Coin	4,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	24 98,000
Loans and Advances to Governments	2,70,00,000
Provincial Governments' Debtor Balances	2,47,31,000
Other Loans and Advances	5,72,00,000
Investments	20 31,49,000
Other Assets	10,22,20,000
Rupees	47,18,17,000

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs.
Notes held in the Banking Department	5,43,07 000	
Notes in circulation	231,17,06,000	
Total Notes issued		236,61,03,000
Total Liabilities		236,61,03,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,01,42,000	
Silver Bullion		
Sterling Securities	47,47,86,000	
Government of India Securities	13,89 82 000	
India Notes representing assets receivable from the Reserve Bank of India	29 98 91 000	
B Rupee Coin	5,44,15,000	99,28,01,000
Government of Pakistan Securities	127,64,12,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		133,08,27,000
Gold Coin and Bullion	19,02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,61,03,000

Ratio of Gold Coin and Bullion, Silver Bullion, sterling Securities and approved Foreign Exchange to total notes issued: 45.63 per cent.

EXCHANGE RATES

	2nd March, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 15 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	476	476⅛
Buyers T.T. Rs.	471⅛	471⅛
London on New York $	2.81⅛-2.81⅛	2.81⅛
London on Paris Fcs.	981⅛	981⅛
London on Berne Sw. Fcs.	12 20-12 20½	12 20-12.20½
New York on London $	2.81⅛-2.81⅛	2.81⅛

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	28th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1952	2½	3
Denmark	23rd Sept., 1953	4½	5
Finland	16th Dec., 1951	7½	8½
France	4th Feb., 1954	3½	3½
Greece	15th May, 1948	18	12
India	16th Nov., 1951	3	3½
Italy	8th April, 1950	5½	4
Japan	1st Oct., 1953	4½	4
Netherlands	7th April 1953	3	2.84
New Zealand	30th July, 1941	2	2½
Norway	9th Jan., 1946	2	1½
Pakistan	1st July, 1948	3	2½
Portugal	12th Jan., 1944	3	3
South Africa	27th Mar., 1953	3½	3½
Spain	18th Mar., 1948	6	5
Sweden	20th Nov., 1951	4½	4
Switzerland	26th Nov., 1936	2	2½
Turkey	28th Feb., 1953	4	5
United Kingdom	17th Sept., 1953	3	3
U.S.S.R.	1st July, 1936	2	3½
U.S.A.	6th Feb., 1954	2	2
West Germany	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	Eight months ended April to November		November	
	1951-52	1952-53	1952	1953
CUSTOMS DUTIES				
Sea—				
Imports	79.41	76.60	8.81	9.98
Exports	38.48	26.59	3.21	3.13
Total sea customs	117.89	103.19	12.04	13.11
Land customs and miscellaneous	2.72	1.71	0 30	0 25
Gross customs duties	120.61	104 90	12.34	13.36
UNION EXCISE DUTIES	55.87	60.82	4.61	7.67
Grand total of Customs and Union Excise revenue	176.48	165.72	16.95	21.03

Imperial Bank of India

Statement of Affairs for the week ended 26th Feb., 1954

CAPITAL AND LIABILITIES	Rs	Rs.
Capital—		
Authorised Capital— 2,50,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5 62,50,000
Reserve Fund and other Reserves		6 25 00 000
Deposits and other Accounts		200,32,31,000
Borrowings from other Banking Companies Agents		7,21,58,000
Bills for Collection being Bills Receivable as per contra		1,09,50,000
Acceptances, Endorsements and Other Obligations as per contra		48,00,000
Other Liabilities (including Inter-Office Adjustments)		25,000
Total	Rs	3,04,85,000
		234,04,89,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,41,00,000
Balances with other Banks		4,02,33,000
Money at Call and Short Notice		1,05,00,000
Investments		
Government and other Trustee Securities	70,57,78,000	
Other Authorised Investments	10,53,72,000	
Advances—		90,11,50,000
Loans, Cash Credits and Overdrafts, etc.	97,60,16,000	
Bills Discounted and Purchased	26,12,41,000	
Bills Receivable being Bills for Collection as per contra		123,81,57,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		48,00,000
Premises less Depreciation		25,000
Furniture and Fixtures less Depreciation		1,33,26,000
Other Assets (including Inter-Office Adjustments)		40 61,000
		1,78,81,000
Total Rs.		234,04,89 000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings§		21/2% Ten-year Treasury Savings Deposit Certificates †	
	National Savings Certificates †											
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1948-49	1,54	1,47	76	74	20,40	22,85	88 26	29 91	—	12,31		
1951-52	1,75	6,06	77	2,91	22 08	46,81	1,07,58	1,07,58	—	27,58	13,10	13,39
1952-53	1,63	6,84	66	3,27	23,56	64,18	1,12,36	91,01	—	31,06	7,54	20,64
November 1952	10	6,50	3	3,16	1,71	77,99	8,03	85,84	—	29,99	55	21,48
December ,,	8	6,51	3	3,16	1,86	79,34	9,45	85,95	—	30,23	48	21,94
January 1953	12	6,54	4	3,19	2,02	80,77	8,88	86,09	—	30,61	58	22,44
February ,,	14	6,61	5	3,22	1,86	82 14	8,36	86,36	—	30,61	58	24,48
March ,,	32	6,84	9	3,27	2,68	84,18	13,76	90,16	—	30,76	62	25,08
April ,,	11	6,60	5	3,27	2,24	85,95	9,66	91 01	—	31,06	62	25,56
May ,,	12	6,83	4	3,29	2,06	87,57	9,55	93 40	—	31,30	60	25,84
June ,,	11	6,82	4	3,31	2,25	89,19	9,43	93 80	—	31,52	66	26,20
July ,,	1	6,73	11	3,38	2,23	91,08	10,26	93 23	—	31,78	59	27,00
August ,,	1	6,67	9	3,44	1,73	92,83	8,76	96,87	—	32,04	66	27,56
September ,,	—	6,59	12	3,52	2,04	94,34	9,20	97,72	—	32,26	66	28,20
October ,,	—	6,51	11	3,58	1,97	95,83	8,58	97,72	—	32,71	59	28,87
November ,,	1	6,38	9	3,65	2,03	97,37	7,89	97,55	—	33,23	58	29,41
December ,,											45	29,93
											45	30,75

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *

(Base 1949-50=100)

Group and Sub-Group	Week ended 16-1-'54	13-2-'54	20-2-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.3	90.3
1. Government of India	90.1	90.2	90.3
2. Indian States	98.7	98.6	98.7
3. Municipal, Port Trust, etc.	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.6	101.6	101.5
1. Electricity	103.0	103.0	102.9
2. Jute	98.5	98.5	98.5
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.1	103.3	103.8
7. Shipping	103.1	103.3	103.5
8. Others	101.3	101.3	101.3
PREFERENCE SHARES	87.6	88.0	88.1
1. Electricity	83.8	85.3	86.3
2. Cotton	86.3	86.5	86.3
3. Jute	90.8	90.8	90.8
4. Coal	90.2	92.1	91.8
5. Iron and Stee	73.0	74.1	74.1
6. Sugar	90.0	90.1	90.1
7. Plantations	89.4	89.4	89.4
8. Miscellaneous	87.3	87.4	87.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	97.3	101.2	102.2
(a) Financial	87.8	87.8	87.7
1. Banks	97.3	97.0	96.9
2. Insurance	87.3	97.1	97.3
3. Investment Trust	76.4	76.9	76.7
(b) Public Utilities	108.9	111.9	111.9
1. Electricity	116.1	116.7	117.8
2. Shipping and other Transport	94.1	103.5	105.5
3. Railways	85.4	85.4	85.4
(c) Manufacturing Industries	88.6	104.0	104.5
1. Cotton, Woollen and Silk	96.0	101.0	101.2
2. Jute	81.3	82.7	84.0
3. Iron and Steel	107.5	116.8	119.2
4. Paper	165.5	175.9	176.2
5. Cement	120.1	118.6	123.8
6. General Engineering	120.4	127.0	130.0
7. Sugar and Breweries	82.4	89 3	89.4
8. Chemicals	104.2	108 6	110.9
(d) Non-Manufacturing Industries	107.4	108 6	109.3
1. Coal	76.0	77.0	77.0
2. Mining and Oil	139.1	162.4	166.5
3. Plantations	89.9	93.4	93.7
(e) Miscellaneous	103.0	103.5	103.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.7	89.8	89.8
2. Calcutta	90.2	90.3	90.3
3. Madras	90.5	90.6	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	102.4	101.9	101.9
2. Calcutta	102.1	102.2	102.1
3. Madras	100.1	100.0	100.0
PREFERENCE SHARES			
1. Bombay	91.9	93.1	92.9
2. Calcutta	84.8	84.8	85.1
3. Madras	88.8	88.9	89.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	105.9	110.3	112.5
2. Calcutta	91.1	94.1	94.1
3. Madras	95.3	99.3	99.5
4. Delhi	93.8	100.9	102.9

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,821	2,818,228
1952	963	609,243	3,236,961
Nine months ended Sept., 1950	864	598,884	2,073,644
Do Sept., 1951	956	757,556	2,559,081
Do Sept., 1952	869	607,915	2,055,040
Do Sept., 1953	690	309,931	674,849
January 1952	95	82,186	215,607
February ,,	87	43,456	148,918
March ,,	124	60,437	254,946
April ,,	134	80,092	254,886
May ,,	118	59,381	297,268
June ,,	68	40,744	171,788
July ,,	88	48,856	148,533
August ,,	86	57,876	460,353
September ,,	96	78,181	349,916
October ,,	87	48,746	273,245
November ,,	81	57,853	156,017
December ,,	86	48,383	244,414
January 1953†	46	26,477	152,411
February ,,	67	50,231	216,207
March ,,	78	49,153	218,853
April ,,	58	36,617	276 216
May ,,	69	90,857	252 579
June ,,	87	48,068	131,122
July ,,	74	53,095	293,154
August ,,	106	64,663	467,278
September ,,	96	80,032	401,592
October ,,	77	86,450(a)	315,306 (b)
November ,,			1,78,81,000

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

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated §	Units Sold
1948-49	469	4,661.1	3,777.7
1951-52	572	5 948.1	4,849.0
1952-53	614	6 801.4	5,134.5
July 1952	588	584.0	429.7
August ,,	592	580.4	428.7
September ,,	599	548 2	441 8
October ,,	605	559 4	456.4
November ,,	608	552 2	457 6
December ,,		585 5	481 8
January 1953	611	498 6	417.4
February ,,	614	538 0	435.7
March ,,	614	580 9	458.1
April ,,	620	560 4	450.2
May ,,	625	548 8	461.0
June ,,	627	508 0	471 0
July ,,	629	547 9	466 9
August ,,	632	576 5	484 4
September ,,	634	548.1	463.71
October ,,			

* Excluding railway, military and motory power stations ; Chola Power Station being interconnected with the Tata Power System has been included : Incandlin. purchases from non electric utilities at the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	13th Feb., 1954	6th Feb., 1954	14th Feb., 1953	January, 1954	January, 1953	Percentage of increase (+) or decrease (—) in Jan., 1954 as compared with Jan., 1953	1952	1951
Food Articles	376 1R	375.7	359.9	381.5	357.0	+ 6.9	389.8	409.8
Cereals	458*R	438	431	440	434	+ 1.4	450	453
Pulses	404	401	600	424	594	—28.7	488	506
Other	282	281	231	288	223	+29.1	225	290
Industrial Raw Materials	475.2	476.0	437.0	481.1	427.6	+12.5	453.8	508.2
Fibres	465	466	401	463	399	+16.0	454	523
Oil seeds	534	530	521	548	483	+13.3	494	570
Minerals	425	433	470	449	460	— 2.4	458	426
Others	402	406	366	409	371	+10.2	341	538
Semi-Manufactures	362.5	361.2	347.9	361.5	344.3	+ 5.0	346.5	377.5
Leather	398	398	421	397	406	— 2.2	345	459
Mineral oils	221	221	223	223	223	— 0.0	221	272
Vegetable oils	517	505	459	548	443	+23.7	459	679
Cotton yarn	452	451	441*	439	439		455*	468
Metals	237	237	228	236	228	+ 3.5	211	197
Oil Cakes	430	430	407	420	406	+ 3.4	440	500
Others	306	306	251*	305	253	+22.0	278	330
Manufactured Articles	385.9	387.6	367.4	384.3	385.9	— 0.4	377.5	385.5
Textiles	404	407	405	405	403	+ 0.3	428	465
Jute	423	424	389	423	388	+ 9.0	506	803
Cotton	398*	402*	406*	397*	408*	— 2.2	401*	400*
Rayon and Silk	440*	440*	470*	420*	425*	— 1.2	495*	611*
Woollen	313	313	297	313	280	+11.8	346	378
Metal products	337	337	336	337	342	— 1.5	321	295
Others	282	288	288	283	288	— 1.7	298	300
Miscellaneous	698.4	698.1	602.0	708.8	820.0	+14.5	638.0	720.8
All Commodities	398.4R	398.6	380.8	398.5	377.5	+ 5.6	386.9	439.3

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
June 1952	140	338	265	300	434	376	342	330	148	171	141	153	148
July ,,	142	338	263	304	436	378	354	331	149	173	143	161	155
August ,,	142	340	267	312	440	379	360	330	143	176	149	160	157
September ,,	143	341	269	310	463	380	364	328	145	178	143	157	150
October ,,	144	345	274	314	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	178	139	156	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	331	136	167	132	150	144
March ,,	142	358	265	322	448	381	333	336	135	167	131	148	145
April ,,	142	359	268	327	434	384	344	354	137	166	134	148	146
May ,,	142	360	267	330	441	391	345	356	139	173	132	152	155
June ,,	150	371	282	334	453	393	363	360	140	180	129	156	159
July ,,	152	373	288	333	463	394	375	355	142	176	130	158	160
August ,,	152	376	285	325	469	397	373	352	144	174	130	160	157
September ,,	150	371	283	325	464	391	366

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1953-54 Final	1952-53 Final	1953-54 Final
Rice 1st	tons	67,452†	65 374††	23 424	20 741
Wheat	,,	24,041	23 450	6,762	6 039
Jowar	,,	41 945	39,144	6,988	5,944
Bajra	,,	25 502	25,480	3,972	3,898
Barley	,,	7 500	7 835	2,664	2,793
Maize	,,	8,796	8,078	2,807	2 621
Ragi	,,	5,300	5,390	1 253	1 212
Gram	,,	37,287	36,857	8,771	8,298
Kab Pulses* ..	,,	11,305	11,550	2,063	2 047
Small Millets ..	,,	12,170	11,844	1,892	1,801
Jute	bales	1,108†	1,817††	3,194	4,466††
Cotton 3rd	,,	15,083†	13,672††	3,266†	2,487††
Sugarcane 2nd	tons	4,111†	4 22-††	9 141†	4 940††
Groundnut	,,	11 442	11,748	2,984	3,045
Linseed	,,	3,304	3,492	858	816
Castorseed	,,	1,349	1,428	107	108
Rape and Mustard Seed	,,	5,155	5,915	828	916
Sesamum ..	,,	4,903†	4,810††		451††
Tobacco (supp)	,,	719	712	219	205
Pepper	,,	208	208	22	23
Ginger	,,	46	47	14	16
Dry chillies ..	,,	1 270	1,384	301	341

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Jan., 1954 ..	67.3
	Corresponding month 1953 ..	73 0
	Seven months ended Jan., 1954 ..	540 5
	Corresponding period 1953 ..	528.7
Stocks	At the end of Jan., 1954 ..	96 1
	Corresponding month 1953 ..	128.4
		(In 000 bales)
Exports(JuteBags)	Week ended 6th Feb., 1954 ..	8.078
	Corresponding week 1953 ..	4.035
	From 1st Jan., to 6th Feb., 54 ..	42.582
	Corresponding period 1953 ..	17,791 .
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 6th Feb., 1954 ..	54 585
	Corresponding week 1953 ..	31 672
	From 1st Jan. to 6th Feb., 1954 ..	220 823
	Corresponding period 1953 ..	159,924
	RAW JUTE	(In 000 bales)
Exports*	Week ended 6th Feb., 1954 ..	—
	Corresponding week 1953 ..	—
	During Oct., 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills† ..	Jan. 1954 (in lakh bales) ..	3 90
	Corresponding month 1953 ..	3 23
	Seven months ended Jan. 1954 ..	29 02
	Corresponding period 1953 ..	30.67

† Estimated * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10 57,100	7 99,200
Do 31st March, 1953..	11 58 000	10 61 100	7 81 900
April 1953 to January, 1954..	9,36,700	8 06 000	6,52,200
October 1952	99,400	90,100	67,900
November ,, ...	1,05,500	93,700	68,700
December ,, ...	91,200	91 600	68,700
October 1953	99,500	94,100	68,500
November ,, ...	1,00,300	91,900	68,400
December ,, ...	1,01 400	95 100	71,700
January 1954	1,02,800	99 800	71,400
Indian Iron and Steel Co.			
Jan to Dec., 1953 ..	5,63,340	8,41,480	2,55,370
August 1953	20,250	7,710	4,190
September ,, ..	21,220	7,570	8,940
October ,, ...	25,500	20 670	31,230
November ,, ...	21,210	41,350	32,070
December ,, ...	24,110	41,460	41,741
January 1954	63,100	42,800	39,870

FOREIGN TRADE OF INDIA

Particulars	October,		Seven Months, April to October,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	7.81	6.74	76.95	136.76
Raw materials	12.15	14.70	105.05	118.54
Manufactures	23.47	21.84	159.41	170.71
Other items	3.4	27	2.19	2,68
Total	43 47*	43,05*	343,57*	428,69*
By land	2 03	3,45	13,58	12,80
Total Imports ..	45,50	47,10	357,39	438 89
Exports :				
By sea and air—				
Foodstuffs	16.29	16.71	83,31	84.76
Raw materials	8.45	11.74	62.66	68 33
Manufactures	21.47	23.51	143.41	187.04
Other items	87	84	2,26	2,42
Total	46,78	52,30	291,66	341,10
By land	68	60	3 89	15,29
Total Exports ..	47,46	52,90	295,55	356,39
Total Re-exports ..	68	66	3,00	2,75
Balance of trade in merchandise ..	+2,66	+ 6,44	— 66,53	— 82,02
Balance of transactions in private treasure ..	— 1	..	— 8	— 4
Total visible balance of trade..	+ 2,65	+ 6,44	— 66,61	— 82,06
Imports : ‡				
Total Commonwealth countries ..	23,75	21,20	168,93	156,65
Total Foreign countries ..	19,72	23,45	174,64	269 94
Exports : ‡				
Total Commonwealth countries ..	25,47	24,16	145,18	159,58
Total Foreign countries ..	21 31	28 14	146 48	181,67

* Excludes value of certain special imports of foodgrains and stores full particulars in which are not yet available.
‡ Excludes Trade by Land.

RETAIL PRICE INDEX NUMBERS (BY GROUPS) OF RURAL CENTRES

(Base : 1944=100)

Name of Centre	Cereals			Pulses			Other articles of food			All articles of food			Fuel and Lighting			Clothing			Miscellaneous		
	July 1952	Jun 19..	July 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July, 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953	July, 1952	June, 1953	July 1953
Malbang	#	176	192†	#	142	142	#	132	136	#	137	141	#	105	102	#	194	#	#	98	95
Sonaili	277	218	250†	158	160	160	194	199	2177	202	196	213	125	125	125	234	199	199	278	310	310
Kadchi	167	181	181	148	139	139	154	194	194	156	166	127	113	116	147	120	120	192	194	194	
Lath	224	274	274	158	197	198	126	149	154	149	197	201	92	89	89	138	129	126	138	168	169
Mutagi	124	139	139	127	158	158	174	185	184	155	171	171	123	123	123	155	166	166	195	200	200
Banra	219	232	206†	85	96	99	130	136	148†	137	145	149	104	114	114	219	215	221	175	208	208
Municnda	108	244	288†	194	178	191†	190	241	268†	194	231	256	145	135	152†	218	160	163	266	200	200
Shankargarh ..	159	163	167	164	165	171	154	168	173	158	165	170	103	98	101	149	122	127	139	191	191
Krishna	190	209	212	173	185	196†	154	174	188†	162	181	193	114	136	142	139	134	132	206	157	149
Malur	171	216	222	128	147	150	136	163	180†	148	172	184	100	100	100	244	195	195	163	171	147
Nana Salamatpur ..	253	207	209	202	208	210†	196	211	225†	228	221	231	130	125	128	206	144	184	222	189	189
	262	244	250	200	202	209	204	216	220	229	234	239	129	129	129	139	139	139	259	279	277

Returns not received. † Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 22nd Feb., 1953-54 Bales	From 1st Sept., to 22nd Feb., 1952-53 Bales
Bombay Island—			Indian Union		
Cotton Receipts	Week ended 25th Feb., 1954 ..	60,830	Cotton Exports to— United Kingdom ..	7,097	9,180
	Corresponding week 1953 ..	52 000	Continent ..	14 847	57,261
	1st Sept., to 25th Feb., 1954 ..	7,39 252	China	251	816
	Corresponding period 1953 ..	8,33,178	Japan	87,190	93,547
Cotton Exports ..	Week ended 25th Feb., 1954 ..	7,872	U.S.A. ..	9 743	15,470
	Corresponding week 1953 ..	1,36 073	Other Countries ..	1,432	2 016
	1st Sept., to 25th Feb., 1954 ..	2,56,893	Total to all foreign countries ..	70,490	1,78 803
	Corresponding period, 1953 ..		Coastal Ports ..	62,730	67,328
Mill Consumption ..	1st Sept., to 25th Feb., 1954 ..	6 00 232		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953 ..	6,75,247			
Stock (with exporters dealers & mills) in Bombay	On 25th February, 1954 ..	3,23 058	Consumption of Cotton— Indian	November, 1953 ..	2,05 601
	Corresponding date, 1953 ..	3,97,869	Foreign		50 128
Karachi (Pakistan)			Indian	Three months ended Nov., 1953	9 45 954
Receipts	Week ended 13th Feb., 1954 ..	56,250	Foreign		1 74 104
	Corresponding period 1953 ..	73 073	Indian	Same Period 1953 ..	8 64 944
	1st Sept., to 13th Feb., 1954 ..	7,47 904	Foreign		3 39 923
	Corresponding period, 1953 ..	10,40,115	Stocks (Mills and Elsewhere)— Indian	As on 31st Oct., 1953 ..	7 33 759
Exports	Week ended 13th Feb., 1954 ..	19 780	Foreign		2 84 478
	Corresponding period 1953 ..	47,000	Indian	As on 31st Oct. 1952 ..	1 016 428
	1st Sept. to 13th Feb., 1954 ..	4,89,417	Foreign		3 81 811
	Corresponding period, 1953 ..	6,86,000		Week ended 12th Feb., 1954 ..	21 672
				Corresponding week, 1953 ..	1,20 166
				1st Sept., to 12th Feb 1954 ..	13,05,267
				Corresponding period 1953 ..	14,44,917

(a) Adjusted. †† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102‡
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	93½
3 ½ Loan	1950	30,33,10,000	1964	93½
3 ½ Loan	1943	1,10 11,78,000	1964-66	94
3 ½ Def. Loan	1944	1,14,84,89,000	1957	98 ⅛
3 ½ Loan	1945	1,15,05 83 000	1970-75	89½
3 ½ Loan	1945	1,13,65 64 000	1959 61	96½
3 ½ Loan	1951	50,35,61,000	1958	98 ⅛
2½ Loan	1946	1,03,07,000	1960	91½
2½ Loan	1946	37,00,69 000	1961	90
2½ Loan	1946	35,06,06 000	1962	90
2½ Loan	1946	37,37,48,000	1976	82
2½ Loan	1947	75,86 72,000	1962	91
2½ Loan	1948	60,45,01,000	1955	98 ⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98‡
NON-TERMINABLE LOANS				
3 % Loan	1896 97	8,93,35,000	At option of Government after three months' notice On September, 1926 or late at option of Government after three months' notice.	82‡
3 % Loan	1946	248,91,90,000		82‡
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-59***	100‡
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1953	99½
3 ½% Bombay	1943	3,50,00,000	15th Sept. 1954	99½
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	97
3 ½% Bombay	1950	3,01,87,700	31st July 1962	94½
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98
4 ¼% Bombay	1952	3,00,00,000	15th July 1963	98½
3½% Bombay	1952	3,66 72,700	1st Aug. 1964	101
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1946	1,00,00,000	16th Dec. 1953-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Hewrah Bridge (New)	1936-37	2,31,07 100	1956-66	95½
3 ½% Madras	1939	1,23,95,600	21st June 1959	92-95
3 ½% Madras	1942	1,21,75,300	18th Sept. 1953	99-101
3 ½% Madras	1943	1,24 16 000	14th Sept. 1956	96½
3 ½% Madras	1944	1 07 95 000	15th Aug. 1958	96½
3 ½% Madras	1945	2,78 44,000	14th Sept. 1960	86-90
2½% Madras	1946	3 81 77 200	1st Sept. 1961	91
3 ½% Madras	1948	4,38 25 400	31st July 1963	94-11
3½% Madras	1951	3,01,49 300	17th Sept. 1962	98½
4 ¼% Madras	1953	5,00,00,000	15th July 1963	99½
4 ¼% Madras	1952	5,24,81,200	1st Aug. 1964	99½
3 ½% Mysore(1)	1950	1,63,44 300	1st Nov. 1953	101½
4 ½% Mysore(1)	1953	2,95 85 200	1st Dec. 1953-63	101½
3 ½% Mysore(2)	1936	3,99,72,900	30th April 1956-61	96½
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	96½
4 ¼% Mysore	1953	3,00,00,000	15th July 1963	99-5½
3 ½% M.P.	1942	50,00,000	18th Sept. 1953	99
3 ½% M.P.	1943	50,54,200	14th Sept. 1954	99½
3 ½% M.P.	1944	52,60,800	15th Aug. 1958	96½
3 ½% M.P.	1948	2,03 00 000	13th Sept. 1960	91½
3 ½% M.P.	1950	1,00,26 800	31st July 1962	94½
3½% M.P.	1951	1,00 00 000	17th Sept. 1962	97½
4 ¼% M.P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab††	1938-44	3,49,87 200	15th Aug. 1958	98
3 ½% Punjab††	1942	2,35,20,000	14th Sept. 1955	99½
3 ½% Punjab††	1943	2,48,78,300	14th Sept. 1954	99½
3 ½% Punjab††	1945	2,95 81 600	14th Sept. 1960	92½
3 ½% Travancore	1944	3,00,00,000	15th May 1953-54	99 ⅛
3½% Travancore	1936	20,00,000	16th Aug. 1956	99 ⅛
4 ¼% Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1938	1,69 39 800	15th Sept. 1961-66	90½
3 ½% U.P.	1944	3,23 96 800	15th Aug. 1958	97
3 ½% U.P.	1945	3,36 31 900	14th Sept. 1960	94
3 ½% U.P.	1946	2,41 19 800	1st Sept. 1961	93N
2½% U.P.	1941	2,00 00 000	15th Sept. 1962	97‡
4½% U.P.	1952	4,11 31 000	1st Aug. 1964	99½
4 ¼% U.P.	1953	5,00,00,000	15th July 1963	99½
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 ⅛
4 ¼% W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36 50 000	4	1904	1964	
35 00 000	4	1905	1965	
14 00 000	4	1906	1967	
50,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
60,00,000	4	1910	1970	
54,80 000	4	1910	1971	
75,00,000	4	1911	1972	
1,10 00,000	4	1912	1973	
14,35,876	4	1913	1965	D
1,00 00,000	4	1914	1974	94½N
84 25,000	4	1914	1974	99N
10 06 000	4	1915	1940	
50,00,000	4	1915	1975	113N
61 61,000	4	1927	1960	
51,00,000	4	1924	1960	
10 25,000	3½	1926	1951	
35,00,000	3½	1929	1951	D
50,00,000	3½	1930	1960	
12,50,000	3½	1931	1961	
13,50,000	3½	1932	1962	
24,58 000	3½	1935	1945	
15,00,000	3½	1936	1946	
40 04,000	3½	1937	1947	
10 00,000	3½	1938	1948	
7,00 000	3½	1941	1971	
CALCUTTA				
90,24 900	4	1914	1974	Rs.
76 90,100	4	1915	1975	98½
68,02,315	4½	1921	1981	79
1,50,80,000C	5	1921	1981	144N
1,24,96,300	6	1925	1955-85	105
1 21 50 000	5½	1928	1946-86	109½
99,84,500	5	1926	1946-86	101½
1,49,48,500B	5	1927	1947 87	101½
1 47 90,000	5	1928	1948-88	101½
80 00,000	4½	1931	1991	92½
1,71,20,000	4	1933	1966	99½
60 00 000	3½	1935	1965	94
25,00,000	3	1936	1964-68	88
8 45 500	3	1937	1965	70N
50,00,000	3	1945	1975	87½
50 00,000	3	1946	1976	87
50,00,000	3	1947	1977	78½
50,00,000	3	1948	1978	84
50,00,000C	3	1949	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1951	1981	79
50,00,000	3½	1951	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£992,600	5	1923	1953-83	£87‡
£901,000	5½	1924-34		£87‡
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46 68 347	4	1912	1982	
22 14 000	4	1917	1982	
3 21 400	4	1918	1982	A
3 42 941	3	1918	1982	
2 46 666	4	1920	1982	
2,13,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
50,00 000	4	1939	1989	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50 00,000	4	1904	1964	
50,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	1969	97½N
20,00,000	4	1912	1972	
10,00,000	4	1913	1973	
40,00,000	4	1914	1974	
21,00,000	4	1916	1976	
20,00,000	4	1919	1979	113N
66,00,000	6	1920	1941-80	
10,00,000	6	1926	1946-86	115‡
24,00,000	5½	1927	1947-87	98‡
10,00,000	3½	1916	1964	
STERLING LOANS				
£466,600	4	1906	1956	£94½
£333,000	4	1910	1970	£93½
CALCUTTA				
50,00,000	5	1919	1955	Rs.
25 00,000	5½	1920	1960	104
30,00,000	5	1914	1964	104
35,00,000	5½	1915	1965	104
30,00,000	5	1916	1966	94½
50,00,000	5	1917	1967	99
50,00,000	5	1918	1968	99
80,00,000	4	1919	1961-68	88
	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49 40,000	4	1913-14	1964	99½
50 00,000	4	1913-15	1964	99½
20,00,000	4	1913-15	1964	99½
25,00,000	4	1914	1964	99½
1 60,00,000	4	1920	1960	113
25 00 000	3	1928	1968	102
26,14,000	3	1929	1969	99½
8 45 500	3	1929	1969	99
24,71,500	3	1929	1959	102
$ 25,00,000	3	1929	1959	87
2,50 00,000	3	1947	1977	87
4,00,00,000	3½	1949	1979	87
2,50,00,000	3	1950	1965	92
2,50,00,000	3	1952	1964	104½
1,30,00,000	4	1953	1963	100 ⅛
100,00,000£	4	1953	1964	100
Rs.		**SALSETTE**		Rs.
34,45 500	6½	1925	1955	103½
84 70 000	6	1925	1955	103½
50,00,000	5	1928	1958	103½
25 00 000	5	1928	1958	103½
25,00,000	5	1929	1959	103½
Port William ..	5½	1954-64	1964	103
33 91 000	5½	1935	1965	108
60,00,000	5	1936	1966	98½
3,11,400	3	1936	1966	88½
4 67,100	3	1937	1954	99½
1,62,500	3	1937	1954	99½
4 18,100	3	1937	1954	99½
47 50 000	3	1938	1958	99½
10,47,700	3	1938	1958	99½
15,94,900	4	1939	1956	99½
5,54,400	4	1939	1956	99½
15,56,800	4	1939	1956	99½
17,64,600	3½	1942	1972	99½
21,10 000	3½	1951	1971	99½
15,49,000	3½	1951	1972	97
14,31,000	3½	1951	1960	96½
66 88 000	3½	1951	1961	96
87,36,000	4	1952	1962	99½
Rs.		**MADRAS**		Rs.
71,700	6	1925	1955	100N
2,68 300	6	1925	1955	101½
15 00 000	3½	1951	1971	107½
15 00 000	3½	1952	1962	101½

ABBREVIATIONS.

N = Nominal
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1970-75. (†) Income-tax free. A = Held by Government of India
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. ***Conversions in Feb. Currency. ****Rupee Counterparts.
†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport.

PREFERENCE SHARES

Company.	Amount Issued Rs or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8 00 000(b)	1875	6½	Mar. Sept.	108	100
Cawnpore Sugar Works ..	10 00,000	1905-24	8	Feb. Aug.	139xd	100
Deccan Sugar & Abkhari 'A'	7,00 000	1920	7	July Apr.	110	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	16‡	£1
Gwalior Sugar	6,75,000(c)	1940	7½	Dec. ..	73	100
Do. (Non-redeem)	5,00 000	1940	7½	Dec. ..	15‡xd	10
Partabpore Co.	6,00,000	1922	10	Oct. ..	104	100
Rammuggar Cane	4,00,000	1933-36	6	Aug. ..	75	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	161‡	100
South Behar Sugar	1,00,000	1936	7(a)	Oct. ..	6½	10
Travancore	15,00,000	1946	5(c)	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do	15,00,000	1946	5(a)	Dec. ..		
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borree	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1946	5½(a)	Mar. Sept.	117	100
Karanpura Collieries ..	7,50,000	1931	5	Mar. Sept.	82	75(pp)
††Khas Kajora	2,00,000	1920	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1898-99	6½	Jan. July	13	10
Ondal			6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1944	6	Jan. July	124‡	100
Basanti Cotton	1,05,300	1938	6½	Nov ..	7‡	10
Benares Cotton	3,00,000	1919	7	Apr. Oct.	65	100
Bengal-Nagpur	6,00,000	1900	7	Jan. Jul.	118‡	100
Bowreah 'A'	6,00 000	1900	7	Feb. Aug.	942	100
Do. 'B'	6,00 000	1919	7	June Dec.	101	100
Bradbury	14,75,000	1920	7½	Jan. July	326‡	250
Buckingham & Carnatic ..	21,30,300	1920	7½	Apr. ..	133‡	100
Cambodias	5,00,000	1928	7	Apr. Oct.	125‡	100
Central India	30,00,000	1912	5	Apr. ..	510	100
Coimbatore Pioneer ..	1,00,000	1912	6½	Nov. ..	124‡	100
Elgin	1,00,000	1935	5	May Nov.	131xd	100
Do. 'B' Pref.	4,20,000	1943	5	July ..	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	132‡	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	—	100
Do. (2nd)	12,00,000	1937	5(a)	.. ..	23‡	250
Kothari .. .. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a	Rs. a	Rs. a	Rs. a		
BOMBAY CITY AND ISLAND																
30,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2½	2	0 4	0 3	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	51,828	1,021	B. K. Cotton Mills	51	100	6 0	6 0	*Nil*		3	Y.P.Y.
2,50,98,000	2,16,13,960	3,77,02,950	3,19,04,157	1,80,774	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	423	250	17 8	20 0	20 0	7 8(f)	12	Y.P.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramsaran Sons, Ltd.	38,208	860	Bradbury Mills	890	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,800	2,08,18,653	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	320	100	18 0	20 0	20 0	8 0(i)	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,046(d)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	65	100	*Nil*	*Nil*	4 0(e)		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cawasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg.	107½	100	7 8	9 8	7 8	7 8	3	Y.
16,00,000	20,04,821	63,03,745	48,46,841	76,868	Ramnarain Sons, Ltd.	30,304		Dawn Mills	82½	50	*Nil*	6 0	6 0		12	Y.
34,00,000	24,00,000	42,31,113	57,35,008	5,622	Purusmal Radhakishan & Co.	50,296	928	Edward Textiles	250	200	15 0	15 0	15 0		12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	4 0	(d)	3 0		3	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	268	100	15 0	20 0	20 0	4 0(i)	12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810x d	1,000	175 0	200 0	200 0*	225 0*}	3	Y.P
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	118	1,000	175 0*	200 0*	200 0*	225 0*}	12	Y.
50,00,000D									11½	10	0 12½	1 1½	*Nil*			
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co. Ltd.	55,704	1,191	Indian Mfg.	3,500x d	1,000	175 0*	200 0*	200 0*	225 0*}	3	Y.P.
39,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	2168	500	87 8	100 0	100 0	112 8*}	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	2168	100	12 0	14 0	10 0	10 0	12	Y.
38,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,664	Madhusudan Mills	893	100	15 0	15 0	15 0	20 0*	12	Y.
3,00,000B										100A	7 8	5 1	6 4	6 4}	6	Y.P.
22,13,850	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	3 0	1 4}	10	Y.T
31,75,008	24,92,735	1,71,00,016	1,44,55,016	2,89,066	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	2024	100	17 0	15 0	12 0	6 0	6	Y.P.
1,42,00,000	2,81,192	4,27,10,326	1,90,00,000	38,933	China & Co., Ltd.	*Nil*	*Nil*	National Rayon Corporation	157	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.T.
24,00,000	28,60,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	1804	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,62,000	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	163	100	10 0	12 8	10 0	10 0	12	Y.P.
12,70,100	96,14,064	4,27,26,326	13,76,480	423	Chandulal B. Jani & Co. (Bombay), Ltd.	34,100	873	New Union Mills	27	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	86,72,256	27,388	Ramnarain Sons, Ltd.	55,228	1,190	Phenix Mills	130	100	10 0	9 0	10 0*		12	Y.
40 00,000	40,66,550	24,14,688	21,50,000	1,35,251	Podar Sons, Ltd.	32,600	930	Podar Mills	140	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,95,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	17½	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,812	81,93,044	21,945	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	311½	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	8,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	210	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,540	63,69,000	55,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	156½	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,00,000	1,30,69,660(g)	1,18,80,653	78,39,381	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	326½	100	15 0	20 0	20 0		12	Y.P
75,00,000	1,21,71,160	1,57,39,108	93,56,233	91,399	Tata Industries Ltd.	74,608	2,000	Svadeshi Mills	204½	100	16 0	18 0	16 0		12	Y.P
84,00,000	70,08,599	65,86,475	53,43,077	8,71,228	James Finlay & Co., Ltd.	35,804	552	Swan Mills	356	100	20 0	25 0	30 0		12	Y.
32,54,438	59,55,268	68,88,347	29,93,248	28,338	Tata Industries Ltd.	59,048	1,800	Tata Mills	50	25	2 0	4 0	2 0		12	Y.T.
12,00,000	60,55,708	98,62,654	73,30,000	4,246	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,500x d	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
35,00,000	38,50,266	88,39,885	51,09,678	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	151½	100	8 0	12 0	10 0	10 0*	6	Y.P
10,00,000	38,51,144	83,84,129	58,40,800	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	400	100	15 0*	20 0*	20 0*		12	Y.P.
21,00,000	2,07,45,873	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	750	100	25 0	25 0	25 0		12	Y.P.
30,00,000	60,35,149	76,93,158	51,50,000	1,11,303	Mangaldas & Sons, Ltd.	35,884	916	Ayodaya Ginning & Mfg.	300	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	61,80,455	1,95,810	Lalbhai Dalpatbhai & Co.	37,368	914	Calico	338	100	12 8	18 0	18 0		12	Y.P.
1,54,77,072	1,04,98,227	3,71,68,168	2,37,51,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	338	125	12 8	18 0	18 0		12	Y.P.
50,00,000	44,56,074	88,67,878	58,23,000	4,885	Vasantlal Bhogilal & Co., Ltd.	40,160	867	Navjivan Commercial Mills	1,324	100	15 0	20 0	20 0		12	Y.P.
39,00,000	70,78,354	96,79,243	74,48,976	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	637	125	35 0*	35 0	35 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	549	Nutan Mills	703½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	682½	100	25 0	25 0	25 0*		12	Y.P.
12,00,000	13,95,067	34,95,969	25,04,450	—13,90,310	Mangaldas Girdhardas Parekh Ltd.	45,568	1,000	Rajnagar Spg., Wvg. & Mfg.	1110	250	15 0	20 0	*Nil*		12	Y.P.
32,50,000	10,11,650	81,93,993	46,17,803	9,866	Shri Subhash Gorakhandas Ltd.	33,150	648	Shri Ambica Mills	1274	100	10 0	15 0	25 0		12	Y.P.
24,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,251	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	340	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	41,33,831	48,71,101	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Sherrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,855	16,259	Haridas Achratlal & Co., Ltd.	34,576	776	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 8	0 8	*Nil*		12	Y.P.T
7,11,280	2,03,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	35N	40	*Nil*	*Nil*	3 0		12	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	390	100	*Nil*	*Nil*	*Nil*	*Nil*†	6.12	H.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	195	100	*Nil*	{ 7 0 *Nil*	*Nil*	*Nil*†	6.12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	244	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000										25	1 14	1 14	1 12			
33,96,288	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	*Nil*	*Nil*		12	Y.P.
15,00,000	9,09,109	59,21,613	21,03,246	2,734	Ideal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	6½	10	0 15	5/5 0	9 3/5	*Nil*	12	Y.P.
71,94,400	31,73,009	1,90,39,719	45,27,372	18,450	Industrial Trust Fund,	36,136	665	Ashima Mills	67 N	100	5 8	6 0	6 0		12	Y.P.T.
40,50,000	93,74,285	2,73,75,545	2,09,08,486	2,49,801	Binny & Co. (Madras), Ltd.	40,068	1,085	Buckingham Woollen, Cotton and Silk Mills	312½	100	17 8	20 0	15 0	10 0(i)	12	Y.P.
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	100	4 0	0 8	0 8	0 4f	6,12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,68,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	474 N	10	2 8	2 0	3 0		6,12	H.P.T.
1,78,47,800	1,57,95,696	5,14,83,572	2,64,81,555	2,39,790	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	131	100	6 14	7 8	4 0	4 0(i)	12	Y.P.
20,00,000	16,31,834	38,52,641	14,31,870	93,199	Ferris, Leslie & Co., Ltd.	37,536	964	Coimbatore Mills	133	10	*Nil*	1 0	1 0		12	Y.T.
30,00,000	21,87,992	56,51,479	45,84,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	81	5	0 9	0 9	0 9		12	Y.P.
12,00,000	15,07,000	27,82,845	17,20,969	—1,36,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	210cd	100	12 8	12 8	9 0	12	Y.P.
20,00,000	25,54,787	43,84,987	13,33,422	1,31,196	T. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills	137½	100	7 0	6 0	6 0		12	Y.
20,76,900	4,36,096	1,14,09,011	64,08,045	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45	50	2 8	3 0	*Nil*	*Nil*	6	Y.P.
46,87,500	88,12,906	2,30,18,398	1,41,13,288	9,315	Tata Industries, Ltd.	1,01,188	2,062	Textile India	179	100	6 0	6 0	2 0	2 0	12	Y.P.
3,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	33½	25	*Nil*	0 4	0 4	1 12}	6	Y.P.
1,00,523									2½	2½	*Nil*	0 4	0 4	4/5 0 2 4/5}		
24,34,800	16,26,596	37,38,169	25,47,428	20,746	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	210cd	100	25 0	20 0	10 0		3	Y.
63,00,000	46,00,808	1,40,85,212	1,13,21,831	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	158	10	1 2	1 8	1 0	1 0	9	Y.P.
39,04,700	43,10,800	82,22,587	60,56,000	1,03,575	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	270	100	10 0	14 0	17 0*	5 0(i)	12	Y.
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	107½	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	24,01,926	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	72½	50	5 0	7 8	3 12		12	Y.
24,00,000	15,75,000	61,25,358	8,50,900	3,682	Kothari & Sons	30,512	200	Kothari Textiles	118	10	0 11	0 12	0 12		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,534	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	585	250	37 8	50 0*	37 8	10 0(i)	12	Y.P.
53,46,150	53,30,000	94,98,025	53,73,673	14,287	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	1034d	50	4 0	4 0	3 0	3 0	3	Y.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	4,66,932		Madura Mills	513d	25	2 0	2 0	3 0	3 0		
12,00,000	4,17,363	24,32,418	15,52,490	—27,598	A. L. A. R. S. Chettiar and 2 others	22,592		Malabar Spg. & Wvg.	41d	15	2 4	3 0	3 0	3 0	12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720	603	Meitur Industries Ltd.	126	200	8 0	12 0	8 0	8 0	12	Y.
29,80,884	22,90,008	73,68,250	42,28,184	25,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	228	100	25 0	12 8	12 8	12 8	3	Y.
94,91,850	27,56,360	1,53,05,970	78,81,528	27,241	Basanlal Ahirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	110	100	6 0	6 0	3 0	3 0	12	Y.
30,00,000	52,19,680	1,53,39,272	1,05,91,451	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	143½	250	15 0	7 8	7 8	7 8	6	Y.
19,44,800	61,53,392	93,64,233	59,82,574	42,197	N. Sirur & Co., Ltd.	49,498	800	Mysore Spg. & Mfg.	195N	100	*Nil*				6	Y.
13,61,780	2,58,734	29,34,299	17,36,624	2,232	Sri N. G. Naik	6,000		Mysore Spun Silk Mills	164½	50	10 0	9 0	10 0*	10 0*	3	Y.P.T.
22,89,883	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	12	10	0 8	1 0	1 4	*Nil*	3	Y.
3,07,09,150										10	0 23	*Nil*	*Nil*			
87,03,800	61,53,493	1,58 62,385	59,76,151	17,946	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	100	1 8	1 8	1 8		12	Y.P.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200		Palani Andavar Mills	72	50A	3 0	8 0	7 0		9	Y
6,00,000B									110	75B	7 8	12 0	11 4			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	46½	100	7 8	12 0			12	Y.P.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	167	100A	16 0	16 0	6 0		12	Y.
8,40,600B									82	50B	4 0	8 0	3 0			
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	100	50	4 8	5 0	*Nil*		12	Y.P.
60,00,000	62,96,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	33,984	600	Rasa Textiles	73½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,41,300	10,32,625	23,98,011	17,73,000	65,528	G. Lladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75½N	100	6 0				12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	60	*Nil*	*Nil*	3 0			3	Y.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	1,755	1,000	*Nil*	*Nil*	*Nil*	*Nil*†	3	Y.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills		500	4 0*	4 0*	3 0*	4 0*		
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	35,556	992	Sulej Cotton Mills	55xd	50	4 0	4 0	4 0	4 0	3	Y.
									50N	10						
17,50,000O	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100	0 8	0 8	*Nil*		12	Y.P.
1,57,50,000Pg									8½	10P.O.	0 14	2/5 0	14 2/5	*Nil*		
99,92,028	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.	16,000		Travancore Rayons	10	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	33,704	270	Tirchinopoly Mills	9½	10	*Nil*	*Nil*	0 11	1/5	12	Y.P.T.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	54,280	1,483	Vasanta Mills	188	100	9 0	10 0	12 0		12	Y.
32,00,000	50,43,359	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	145		Vishnu Cotton	100	100	9 0	14 0*	10 0		12	Y.P.

* Includes bonus.

(*b*) Subject to taxation and workers' bonus.

(*c*) Paid out of reserves

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*f*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	*Nil*	2 13g	*Nil*	*Nil*}	5	Y.P.
6,64,000				16,143	Mr. K. G. Khanna		9½	10	1 2e	*Nil*	*Nil*}			
16,20,630	15 83,781	23,47 704	11,58,077		Parry's Holdings Ltd.	Dyer Meakin Breweries	6½	5	1 0	0 8	0 8	0 8	3	V.
480,000A	£560,156	£1,122,135	£434,378	£57,421		East India Distilleries and Sugar	15½cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	}	9	Y.P.
4,300,000B							25½cd	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq. (Chairman)	Murree Brewery	4N	5	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.
8,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	156xd	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	110	A.: 100	3 12	7 8	7 8}		12	Y.P.T.
39,63,334B							11	B. 10	0 6	0 12	0 12}			
43,14,600O	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	5½	O. 10	0 8}	*Nil*	*Nil*		3	Y.T.
4,70,976D							*Nil*	D. 1	*Nil*					
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	153½XR	100	8 8	9 8	9 8	9 8	7	V.
60,00,000O	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	8	O. 10	0 8	0 10	0 10}		12	Y.P.T.
26,49,797O							1½	O. 2½	0 2	0 2½	0 2½}			
30,00,000D							18½	O. 25	*Nil*	*Nil*	*Nil*			
62,50,000O	4,00,000	1,43,54,423	31,47,637	6 15,163	Essen Ltd.	India Cements Ltd.	2½	D. 5	*Nil*	*Nil*	0 4	*Nil*}	3	Y.P.
7,50,000D							7½		0 3½	0 6½	0 8		12	V.
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement								
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 2	0 2½	0

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	20,26,841	1,90,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	61½	25	1 4 / 1 4	1 9 / 1 9	1 9 / Nil	Nil / 6	6,12	H.P.T.
90,00,000	29,94,905	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	191	100	5 0	5 0	5 0	6	3,9	H.
25,00,000	19,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 8h	0 12	1 0*	1 0*	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	50½	10	1 12	1 0	1 0*	5 0f	3,9	H.P.T.
90,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	20 3 xd	10	0 10	0 12	0 12		6,12	H.P.T
30,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	9⅜ / 38½	O. 10 / A. 10	Nil / 1 0	4 0 / 1 0*	4 0 / 1 0*	3 0*	3,9	H.P.T.
90,00,000A. / 54,04,800B. / 4,87,500P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	38½ / 4½	B. 10 / P.O. 25	0 14* / 0 2	1 0* / 0 2	1 0* / 0 2	3 0* / 0 2f	3,9	H.P.
						PRESSING								
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	3 0	3 0	6	Y.
4,30,600	1,00,000	4,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0	7 0	7	Y.
8,00,000	1,55,000	11,21,500	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	5 0	5 0	5 0	4 0	6	Y.
						PROPERTY AND LAND								
10,00,780C. / 2,00,000D.	6,02,582	42,65,784	19,09,280	419	B. A. Basil, Esq., & others (Directors)	Humayun Properties	10xd / 11xd	O. 10 / D. 10	0 9 3/5 0 / Nil / Nil	9 3/5 0 / Nil / Nil	0 8½ / Nil / Nil		9	Y.P.
60,00,000	20,01,696	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27½	100	2 0	1 8	1 0	1 8	4	Y.P
94,00,000	35,56,934	97,00,410	96,712	420	Andrew Yule & Co.	Midnapore Zamindary	37	100	Nil	3 0	2 0	1 8	4	Y.
						SAW MILLS AND TIMBER								
13,99,998	28,08,354	13,99,319	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7⅜	3	0 8	0 8	0 4		9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	400 / 140½	Old 125 / New 50	15 0 / 6 0	37 8 / 15 0	22 8 / 9 0	15 0f / 6 0f	3	Y.
6,00,000	—	2,00,768	1,76,945	—5,49,024	Jarcine Henderson Ltd.	Bengal Timber Trading	25N	100	1 0	1 0	Nil	1 0	6	Y.P.
15,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	Nil	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7⅜	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 3,00,000B.	25,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N / 111N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10-0) / 1-0)	4	Y
3,00,000B.	3,00,000	27,54,526	20,90,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9 / 17N	75 / 10	Nil / 1 0	0 10 / 1 8	0 12 / 1 8	1 8	9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	8½	10	Nil	Nil	Nil		6	Y.P.
12,00,000	23,18,481	1,29,41,870	91,68,295	41,747	Gladstone Lyall & Co., Ltd.	Crew & Co.	38½d	10	2 0	3 0	2 0	2 0	10	Y.P.Y.
1,60,00,000	62,99,565	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	23½	10	1 8	1 8	1 8	2 0*	7	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	165N / —	A. 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	6	Y.
95,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	50N	80	3 0	4 0	Nil	Nil	6	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kilachand Devchand & Co.	Kesar Sugar	25N	40	1 8	2 0	2 8	Nil	7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	27½	10	0 8	0 10	0 8	2 8	6	Y.P.
51,00,000	4,20,000	36,39,370	23,28,180	3,893	Karamchand Thapar & Bros., Ltd.	New Savan	6N	10	0 12	1 0	1 0		5	Y.
1067,500 A. / 2,31,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	15 0 / 45N / 110N	25 / 100	3 12 / 3 4	4 0 / 11 0	3 0 / 6 0	20 0) / 11 0	6	V.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	106N	100	6 0	6 0	6 0	11 0	7	Y.P.
12,00,000	12 71 178	28,94 458	19 81 746	66 0 0	Narang Bros. & Co., Ltd.	Punjab Sugar	13½	10	1 0	2 0	1 0		10	Y.
9,00,000	15,26,479	33 86 925	28,36,106	19 823	Begg, Sutherland & Co., Ltd.	Purnahpore Co.	12½N	10	1 8	2 8	1 0	1 0	10	Y.P.
8,00,000	6 04 162	26 76,182	20,31,613	18 993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13	10	1 0	1 0	1 0	0 8	6	Y.
11,99,000	17 22 204	26,77,380	21 32 129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	12	10	0 6	1 0	1 8		7	Y.
20,00,000	20,68,560	1 03,56,230	49,26,080	4,188	babu Jain Ltd.	Shree Krishna Gyanoday Sugar								Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,667	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6⅜	10	Nil	0 8	0 6½		6	Y.
6,50,0000 / 1,75,000D. / 8,00,000	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 30	O. 10 / D. 2½	Nil / Nil	Nil / Nil	0 6½		10	Y.P.
16,00,000	9,19,618	30,61,587	24,91,617	4,647	James Finlay & Co., Ltd.	Upper Ganges Sugar	14	10	0 4½	2 0	2 0	2 8	6	Y.
						Other Centres								
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belsrur Company	258½	50	12 6	14 0	16 0	16 0	9	Y.
27,68,900	2,51,646	37,63,451	16,01,711	21,053	Sir J. P. Srivastava & Sons (M.B.) Ltd	Cawnpur Sugar	40N	100	Nil	2 8	2 8		6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	24½ / —	10 / 10	1 8 / 0 12	2 8 / 1 0	2 8 / 1 0		9	Y.P.
33,57,520	99,19,135	39,13,908	19,39,442	7,69,891	Govan Bros (Rampur), Ltd.	Buland Sugar	10N	10	0 12	1 0	0 12		10	Y.
21,79,200	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	45	10	2 0*	2 0	2 0	2 0	6	Y.
30,00,000	47,49,630	1,09,00 623	54,15,463	4,86,704	Mafatlal, Apte and Kantilal Ltd.	Phalian Sugar	90½d	50	8 0	8 0	8 0	6 0	6	Y.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Andersen Wright Ltd.	Ramnagger Cane and Sugar	90N	O. 50	0 9⅜	0 12	8 0		6	Y.P.T.
80,00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,313	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	9N	D. 10	7 0	9 0	8 0	9	9	Y.P.T.
19 99,800	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10N	O. 10	1 0	1 0	1 0	10	10	Y.
30,00,000	10,73,392	58,70,130	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	48	A. 100	Nil	Nil	Nil	7	7	Y.
77,50,000A. / 23,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	175	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	9		9	Y.P.T.
						TRANSPORT								
20,00,000	1,10,13,536	1,32,34,106	11,00,616	1,23,403	Andrew Yule & Co.	Bengal-Assam Steamship Co.	160	100	10 0	12 8	12 8	10 0	10	Y.P.
1,00,00,000		3,00,22,730	1,45,00 237	58,606	Dr shaw Ltd.	Bharat Line	97½	100	3 0	4 0	5 0		10	Y.P.
£655,580	£1 121 737	£5 428 105	£2,512,699	£13 172	Kiburn & Co. Ltd.	Central Navigation & Rly. Co.	£10	£10	Nil	Nil	5h 10		12	Y.P.
8,25 00,000	74,96,234	3 91 83 993	1,00,765	1,26,785	Lionel Edwards Ltd.	India Steamship Co.	8-13½d	10	Nil	Nil	0 8	0 8	8	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	171½d	15	Nil	Nil	0 8	0 12	6	Y.T.
						UNCLASSIFIED (Bombay)								
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,560	1,03,901	2,28,188	60,000	7,543	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
85,00,000	1,00,000	25,18,130§§	8,079	8,955	Dena Sons, Ltd.	Devsaran Nanji Investment Co.	8½	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,233	24,77,147	14,08,040	4,425	Chunnilal Mamuji Ltd.	Esiatic Batteries	23N	10	3 0	3 0	2 8	Nil	3	Y.
99,99,250	18,35,375	1,26,92,333§§	10,033	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	76½	100	4 0	4 8	4 0		12	Y.P.
89 98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard Esq (Mg. Director).	Killick Industries	171 / 130 / 75	100 / 100 / A. 100	8 0	8 0	8 0	10 0* / 5 0	12	Y.
2,06,72,500A. / 80,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	62 / —	Nil / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	6	6	Y.
10,21,200	1,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	36½	20	2 0	2 0	2 0		6	Y.
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,613	4,26,869	T. Rydin, Esq. (Managing Director).	Western India Match Co.	200½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	330N	150	20 0	20 0	20 0		12	Y.
						Other Centres								
47,50,000O. / 2,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6⅜ / 3½	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	38,21,355	31,54,314	20 12 443	4,24,790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17½	10	1 12	2 8	1 4	1 4.	8	Y.
30,00,000	14,34,104	25,99,104	17,19,014	1,15,909	T. H. Rydin Esq. (Mg. Director)	Assam Match Co., Ltd.	17	10	1 0*	1 0	1 0*		12	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½	10	0 9 3/5	0 9 3/5	1 0*	0 3½	12	Y.
80,00,7000 / 10,00,000D.	97,71,300	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	29½ / —	O. 100 / D. 40	20 0* / 6 0	25 0* / 6 0	20 0* / 6 0	5 0(½)	3	Y.P.T.
20,00,000	7,97,945	56,17,513§§		11,11,692	Lovelock & Lewis	Birds Investment Ltd.	15½	10	1 2	1 4	1 2		12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	44,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	114½	10	1 0	1 8	1 8	1 4	9	Y.P.
8,25,00,000	95,00,000	2,34,42,361	1,90,64,167	1,95,112	Sir Robert Menzies	British India Corporation	9½	5	0 12	1 0	1 0		6	Y.P.T.
1,60 00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	33½	10	2 0	3 0	2 0	2 0	12	Y.P.
51,26,000	47,57,061	1,26,35,420§	.....	3,15,869	Bird & Co., Ltd.	Eastern Investments Ltd.	144½	100	9 0	9 0	9 0		12	Y.P.T.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	198½	100	10 0	12 8	20 0	20 0	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	1½	100	10 0	15 0	10 0	3	3	H.
30,00,000	11,42,254	62,81,816	29,19,773	2v,418	B. P. R Syndicate	Great Eastern Hotel	265	250	15 0	15 0	15 0	7 8	3	Y.P.
12,47,800	5,06,049	60,80 790	41,30,369	3,19,939	Birla Bros., Ltd.	Hindustan Motors	100N	10	7 8	7 8	8 0		12	Y.P.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	7 / 130	Nil / 100	Nil / 5 0	Nil / 5 0	Nil / 5 0	Nil	12	Y.P.T.
3,91,00,000	38,64,000	3,07,89,193	1,21,00 053	22,27,867	A. R. Dracsen Esq.	Indian Cables	214½	100	5 0	5 0	5 0	3	3	Y.P.
1,52,89 220	1,07,77,146	1,11,09,713	37,29,439	13,94,449	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	13½	10	1 0	1 0	1 0	1 0*	3	Y.P.
8 27 970	2 34,000	14,39 460	7,97,308	38,565	Jardine Henderson	Jay Shree Tea	11½	10	1 0	1 0	1 0	1 0	3	Y.P.
2,00,00,000	37,45,280	29,81,477§	6,20,477	4,64,163	Macfarlane & Co.	Kesoram Cotton	24½ / 26	O. 5 / D. 1	Nil / Nil	Nil / Nil	10 0	7 8	3	Y.P.
6,34,0000 / 60,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	260	O. 100	Nil	Nil	Nil		3	Y.
40,00,0000 / 5,00,000D.O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	238	D.O. 100	12 8	12 8	7 8		12	Y.P.
1,31,54,750	30 19 025	13,73,12799	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21½	10	1 4	1 4	0 4		12	Y.P.
6 15 255	1,74 936	7,74 605	2,66,942	—72,313	Ogale Glass Works Ltd	Mysore Glass and Enamel Works	3½	10	0 10	Nil	Nil		9	Y.
4 88 040	8,84,829	9,73,621	3,93,409	2,079	G. Chandy, Esq (Controller)	Mysore Lamp Works	16	10	1 0	1 0	1 0	1 0	3	Y.
10,00,000		11 45 854	3 93,906	11 329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	11	10	Nil	1 0	1 0		3	Y.P.
10,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	16½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
79,97,000	28,12 725	1,12,79 603	42 96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	0 4	0 8	Nil		3	Y.P.
40,00,000	24 00 000	41 58,536	17 74,953	1,52,611	Parry's Holdings Ltd	Parry & Co.	4½	2	1 9 3/5	0 10½	Nil		12	Y.P.
8,25,00 000	13 27 473	1,65,91,420	46 13 194	17 649	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	60½	100	8 8	10 0	10 0	Nil	8	Y.P.
3,14,00 000	79,43 108	6,09 59,407	2,16,48 623	9,17,446	Sahu Jain Ltd	Rohtas Industries	15½	10	Nil	0 12	1 0		12	Y.P.
40,00 000	94 66 946	1,21,92 814	75,55,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½d	100	1 0	1 0	1 0	1 8	12	Y.P.
75,00,000	33,00,000	12,11 9018	2,17,120	3,56 616	R. H. D Campbell, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0	1 0	1 0		6	Y.P.
9,98,380	1,50 000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	31	10	0 6½	Nil	Nil		12	Y.P.

§§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 23,17,685.

‡ Excluding goodwill (written down Rs. 30 lakhs. § Excluding Rs11,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	20½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,979	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	28	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,132	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	34½	10	3 0	2 8	2 0		12	Y.
6,00,000	2,90,000	8,40,673	4,75,673	71,941	Williamson Magor & Co., Ltd.	556	Basoli	13½	10	1 8	1 8			12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Berjan	27½	10	3 8	1 8	Nil		12	Y.
16,50,000	17,31,058	44,86,333	18,68,339	82,500	Williamson Magor & Co., Ltd.	4,038	Bishnauth	33½	10	3 0	0 8			12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokahat	9½	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,50,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	11½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deloo Valley	12½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	25,31,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbutia	26½	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,228	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	1,259	Dhaikhat	13½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	13½	10	2 0	Nil	Nil		12	Y.P.
4,50,000	2,75,000	8,03,461	1,17,960	—41,561	McLeod & Co., Ltd.	458	Dibrugarh	11½	10	1 0	0 8	Nil		12	Y.
2,34,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakuri	30½	10	4 8	4 0	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,38,157	1,15,948	Williamson Magor & Co., Ltd.	669	Dufflaghur	39½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	18,91,120	7,31,120	45,079	Williamson Magor & Co., Ltd.	1,178	East India Tea	19½	10	2 0	2 4			12	Y.
2,40,000	5,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gitapukri	27	10	3 0	3 0	Nil		12	Y.
3,38,000	4,00,000	12,09,149	5,36,149	.....	Williamson Magor & Co., Ltd.	522	Gohpur	35½	10	4 0	3 0			12	Y.
A.4,94,360 / B.2,40,790	13,22,810	17,77,138	5,02,656	53,724	Octavius Steel & Co., Ltd.	1,393	Grob	193 xd / 101 xd	A.10 / B.5	3 0	2 0	2 0)		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograhjl	33½	10	1 8	3 0	1 8		12	Y.
8,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolongooree	308N	100	25 0	17 8	Nil		12	Y.
7,50,000	7,87,000	13,93,387	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	12½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	220N	100	20 0	Nil	Nil		12	P.T.
6,50,000	1,69,133	8,53,647	1,03,647	1,03,647	Duncan Bros. & Co., Ltd.	1,037	Kilo	9	10	2 0	Nil	Nil		12	Y.
4,80,000	—	8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesma	5½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	550N	100	45 0	39 0	Nil		12	Y.
O. 50,000 / P.O.2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	28 / 34½	O.10 / P.O.10	0 8	0 4	0 4		12	Y.
2,00,000	2,98,000	5,78,590	3,53,094	.....	A. C. Sen, Esq., Supervising Director	540	Naga Hills	150	10	3 8	2 4	Nil		12	Y.
5,35,000	—	—	3,92,221	—99,094	Shaw Wallace & Co., Ltd.	841	Nambumadi	8½	10	1 0	Nil	Nil		12	Y.
3,00,000	—	3,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnatollah	76N	100	Nil	Nil	Nil		12	Y.
6,00,000	4,77,500	8,98,742	1,97,139	20,602	Andrew Yule & Co., Ltd.	345	Nagarh	268	10	3 0	1 12	Nil		12	Y.
6,00,000	2,82,640	17,57,581	6,23,984	—49,162	James Finlay & Co., Ltd.	902	Sapoi	13½	10	0 12	0 4	Nil		12	Y.
3,00,000	6,55,000	10,86,022	2,48,752	61,699	Octavius Steel & Co., Ltd.	513	Teen All	25½	10	3 0	1 12	1 0		12	Y.
5,50,000	6,50,575	9,60,882	2,86,202	1,03,373	McLeod & Co., Ltd.	693	Teiolea	14½	10	1 12	Nil	Nil		12	Y.
4,00,000	3,40,127	7,23,258	1,63,010	65,374	Gillanders Arbuthnot & Co., Ltd.	504

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
40,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16⅜	10	3+3	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,351	4,42,186	Sahu Jain Ltd.	498	Albion	213	100	4+10	15+15	8+10	1f	3, 9	H.P.
6,00,000	3,55,000	50,34,068	30,49,557	—59,045	McLeod & Co., Ltd.	446	Alexandra	167	100	Nil	5	Nil	Nil	5, 11	H.
30,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	178	100	Nil	Nil	Nil	Nil	6, 12	H.P.T.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Andrew Yule & Co., Ltd.	2,561	Anglo-India	211	100	Nil	10+10	10+15	7½+5	3, 9	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	123xd	100	15+4	6+3	5+4	2+2	3, 9	H.P.T.
30,00,000	29,17,170	97,56,936	64,26,882	64 08s	Jardine Henderson & Co.	959	Baily	160	100	6+6	6+3	6+6	4+4Nil	3, 9	H.
£275,000	£639,470	£1,342,547	£1,044,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	160	£5	£1	£1	£1	£1	3, 9	H.P.
28,00,000	35,49,423	88,18,188	48,06,254	62,177	Andrew Yule & Co., Ltd.	820	Belvedere	219	100	7+10	12½+15	7½+7½	7½f	3, 9	Y.
22,50,000	35,95,000	54,22,523	24,75,686	4,28,770	Sooramull Nagarmull	600	Bengal	15½	10	15	3	3	3	6, 12	H.P.
30,42,000	2,64,16,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Bengal	15½	10	2½	3	3	3	3, 9	H.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	150	100	3+10	10+12	6½+6½	1f	3, 9	H.T.P.
7,47,180	4,29,739	49,77,150	36,13,499	95,461	Dayaram & Sons	302	Calcutta Jute Mfg.	15⅜	10	Nil	1+1	0+0	6+4	4, 10	H.P.
1,00,00,000	31,81,234	75,48,040	38,01,614	99,671	Andrew Yule & Co., Ltd.	616	Caledonian	171	100	4+10	10+12	6+8	6f	3, 12	H.P.T.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	1,600	Champdany	150	100	3+5	5+7	5+6	3+3	3, 9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	500	Chartered	240	100	6+10	10+12	6+6	6+6	3, 9	H.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chhavalash	12½	10	8+4	12½+4½	2½+12½	12½f	6, 12	H.T.P.
14,00,000	17,00,000	78,84,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	24	10	1½	2	2	Nil	6	Y.
31,49,200	61,69,973	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	134	100	1+3	8+6	6+4	1+3	3, 9	H.
28,00,000	44,74,179	73,85,992	45,91,779	64,637	Andrew Yule & Co., Ltd.	779	Delta	335xd	100	5+12½	15+17½	10+10	10+10	3, 9	H.P.
15,00,000	32,50,000	78,04,593	54,62,731	37,631	McLeod & Co., Ltd.	900	Empire	20⅜	10	1+1	1+1½	Nil	Nil	5, 11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,684	Fort Gloster	460	100	21+20	12½+12½	10 Nil	Nil	6, 12	H.T.P.
14,40,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	Nil	5	Nil	Nil	3, 9	H.P.T.
84,12,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	80⅜	50	Nil	2½+2½	Nil	Nil+5	3, 9	H.T.P.
10,50,000	28,83,794	68,12,500	47,49,252	—41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	200	100	45	Nil	Nil	Nil+Nil	3, 9	H.P.
84,00,000	29,-5,242	2,19,25,904	1,64,07,237	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	310xd	100	2½+15	10+10	30	30	12	Y.
40,00,000	44,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	Nil Nil+3½	3, 9	H.P.
16,80,000	15,20,698	64,92,986	44,81,416	65,178	Gilanders Arbuthnot & Co., Ltd.	720	Hooghly	31⅛	10	1½	1½	1½	1½	3	Y.P.
65,62,500	51,83,370	1,65,33,177	1,11,34,868	1,14,438	Macneill & Barry Ltd.	1,940	Howrah	26⅜	10	1+3	3+3	1½	1½	6, 12	Y.
17,76,230	13,72,000	1,17,02,211	83,01,381	71,764	Ramkutt Ramkumardas	2,272	Hukumchand	42	75	3	3	3	3+3	3, 9	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718		140	O. 125	33+90	33+1⅛	33+3⅛	33f	3, 9	H.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	1,076	India	{	D.	A 7.8 7⅛	9	9	9	3	Y.P.T.
1,57,500								12N	10	1+1	Nil	Nil	Nil f	3, 9	H.
7,50,000	10,51,866	3,97,066	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	703	Kelvin	71N	75	8+8½	10+12½	8+8	6f	6, 12	H.P.
80,00,000	1,10,000	35,60,122	14,26,827	3,07,185	K. C. Thapar & Bros.	1,530	Khardah	197xd	100	8+8	10+10	8+8	6f	3, 9	H.
8,25,000	83,594	17,23,582	6,27,675	15,789	Deepchand Kachenlall	1,250	Kinnison	206	100	Nil	5	5	5f	6, 12	H.P.
15,75,000	8,75,000	39,37,649	26,12,649	31,995	F. W. Heilgers & Co., Ltd.	931	Lansdowne	140	100	2+10	12½+15	7½+7½	7½f	6, 12	H.P.
83,99,500	15,67,105	1,09,49,971	76,28,254	—4,51,764	B. N. Elias & Co., Ltd.	840	Lawrence	137	100	2+10	11+8	7+7	2+5	3, 9	H.P.
13,50,000	7,38,383	50,56,328	24,50,328	24,964	Shaw Wallace & Co., Ltd.	558	Lothian	300	100	3+10	12½+12½	11+4	2+3	3, 9	H.P.
20,00,000	3,95,008	32,32,218	13,30,500	438	Jarnuria Sons Ltd.	1,008	Megna	111	100	2+10	12½+12½	12½+12½	5f	5, 11	H.P.
1,25,000	1,75,000	11,69,383	5,15,969	25,876	Gillanders Arbuthnot & Co., Ltd.	815	Naihati	130	100	5	10+7	2½+2½	2½f	6, 12	H.
2,80,000	6,77,278	28,60,123	15,19,969	—1,59,849	Andrew Yule & Co., Ltd.	475	Naksarpara	13	10	1+3	1+3½	6 Nil	Nil f	3, 9	H.
8,00,000	8,74,490	36,99,197	26,21,250	65,560	F. W. Heilgers & Co., Ltd.	852	National	25½xd	10	1+1	1+1½	1+1	Nil f	4, 10	H.T.
63,21,450	13,25,954	3,24,72,792	2,26,34,594		Industrial Trust Fund (Government of Hyderabad)	316	Nellimarla Jute	12⅜	10	1+1½	2½+3	1+1	1+1	4, 10	H.P.
						295	New Central	4+10	100	1+1	1½+1½	1+1	1f	6, 12	H.P.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Singareni	709	Sahu Jain Ltd.	20⅜xd	10	1+1	1+1	1+1	1+1	6, 12	H.
8,00,000	13,89,543	1,09,570	21,510	87,018	South Karanpura	567	Bird & Co., Ltd.	50	50	Nil	1½	1½	1½	3, 9	H.P.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Standard	1,092	Nuddea	183	100	4+10	12½+12½	Nil	Nil+4½	3, 9	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Tatcher	601	Orient	4⅜	5	Nil	Nil	1+1	1+1	4, 10	H.P.
69,98,000		44,91,138	13,91,545	63,540	Williamson Magor & Co., Ltd.	400	Presidency	20⅜	10	Nil	Nil	1+1	1+1	4, 10	H.P.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Union	585	Rameshwara	5⅜	10	Nil	Nil	Nil	Nil	6, 12	H.T.
					West Bengal	158	Rishra	15⅜	10	1+1	1½+1½	1+1	1+1	6, 12	H.
					West Jamuria		Reliance			8+8	8+8	8+8	8+8	6, 12	H.
							Samnugur	13⅜	10	10½	10½	Nil	4+4	3, 9	H.P.T.
							Shree Ambica	15⅜	10	Nil	1+1	10½		6, 12	Y.P.
							Soorah	21¾N	10	1	Nil	Nil	Nil	3, 9	H.
							Standard	130xd	100	3+6	9+8	Nil		12	Y.P.T.
							Titaghur	£1	£1	1+7	10½	8+1	1+1	3, 9	H.P.
							Union	167xd	100	1+7	10½	10½	1+1	3, 9	Y.P.
							Victoria	13⅜	£1	10½	10½	10+1	1+4	3, 9	H.P.T.
							Waverley	61	1	Nil	Nil	Nil	Nil	6, 12	H.
										Nil	1/40	Nil	Nil	6, 12	H.P.T.

† Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	20⅛	10	3+3	3+3	3+3	1f	3, 9	H.
12,00,000	8,42,703	37,55,383	34,23,643	58,826	Jardine Henderson Ltd.	Bararee Coke	19⅛	10	1+1	1+1	1+1	1f	3, 9	H.
4,49,350	70,000	8,49,159	3,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	6¼N	10	1+1	1+1	2½+1	As. 11f	3, 9	H.
1,00,00,000	1,17,00,000	5,27,51,758	3,35,50,103	1,34,038	Andrew Yule & Co., Ltd.	Bengal Coal	215	200	17½+17½	17½+17½	20+20	17½f	6, 12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	1⅛+⅛	1+1	1+1	17½f Nil	4, 10	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	5	10	⅛	⅛	⅛+⅛		6, 12	H.P.
40,01,000	14,81,010	1,26,82,109	63,11,074	6,280	Shaw Wallace & Co., Ltd.	Bharsu Collieries	6⅜	10	Nil	Nil	Nil	Nil	3, 9	H.
7,13,000	14,67,077	51,08,475	35,84,499	—41,494	Anderson Wright (Ramgarh), Ltd.	Bhulanbarasee	14	10	⅛	⅛	⅛	⅛	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,594	—1,46,405	F. W. Heilgers & Co., Ltd.	Bhurra	10	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	Birla Bros., Ltd.	Burrakur	29⅜	10	1½+1½	1½+1½*	1½+1½*	1½*	6, 12	H.
40,92,480	1,70,58,398	4,07,13,995	1,64,07,083	83,552	Andrew Yule & Co., Ltd.	Burrakur	8⅜	10	Nil	1+1	1+1	1½*	6, 12	H.T.
49,97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6⅜	10	1	Nil	Nil	Nil	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14⅛N	10	1+1	Nil	Nil	Nil	6, 12	H.P.T.
6,00,000	1,41,587	7,50,000k		19,867	F. W. Heilgers & Co., Ltd.	Churia	2⅜	4	1+1	1+1	Nil	Nil	3, 9	Y.
16,00,000	1,20,000	48,33,738	25,84,732	20,218	Macneill & Barry Ltd.	Dhemo Main	6⅜	10	1+1	1+1	1+1	1+1	6, 12	H.
£240,000	£332,003	£224 840		£90,714	Jardine Henderson Ltd.	East Indian	20⅜	£1	1⅛	1⅛	1⅛	1⅛	6, 12	H.
£9,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,601	Macneill & Barry Ltd.	Equitable	34⅜	10	2½	2½	2½	Nil	6, 12	H.
10,00,000	2,62,255	8,41,723	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Mualia ..	15N	10	2	2	2	2	4	Y.
12,00,000	1,57 000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	44⅜	50	3	3	3	3	6, 12	H.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	16	10	3	3	3	3	3	Y.
22,00,000	1,08,577	31,70,013	10,56,245	—1,95,248	Bangur Trust Ltd.	Jogta Coal	3⅜	10	1	2	Nil	Nil	6	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	Kalapathari	34N	10	Nil	Nil	Nil	Nil	6, 12	H.
20,00,000		25,62,791	1,50,648	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	78	100	13+13	12+12	12+12	11+1	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	41⅛	10	Nil	Nil	Nil	Nil	2, 8	H.
1,38,400	93,000	10 63,519	3,25,519	1,063	Bernard & Co.	Khas Kajora	5⅜	10	1+1	1+1	1+1	1+1	3	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusedi	6¼N	10	Nil	Nil	2+2	2+2	6, 12	H.
9,00,000	11,50,000	28,41,242	22 43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11⅜	10	3f	3f			6, 12	H.P.
7,48,240	1,50 000	11,24,142	8,84,138	20,398		Nazira	6⅜	10	1	1			6	Y.
17,76,230	13,72,000	1,17,02,211	83 01,381	71,764	Andrew Yule & Co., Ltd.	New Beerbhoom	18⅜	10	3+3	3+3			6	Y.
6 00 000	3,30,000	31,61,632	15 78,155	60,718	Octavius Steel & Co., Ltd.	New Manbhoom	10⅜	10	3/10 3/10	Nil	Nil	Nil	6, 12	H.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	12N	10	1+1	Nil	Nil	Nil f	4, 10	H.P.
1,57,500							7¼N	75	8+8	10+12½	8+8	6f	3, 9	H.
7,50,000	10,51,866	3,97,066	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	Ondal	191N	10	1+1	1+1	1+1	1+Nil	3, 9	H.
80,00,000	1,10 000	35,60,122	14,26 827	3,07,185	K. C. Thapar & Bros.	Oriental Coal	12⅜	10	1+1	1+1	1+1	1+Nil		
8,25,000	83,594	17,23,582	6,27,675	15,789	Deepchand Kachenlall	Perasea	4⅜	10	Nil	Nil	1	1f	6, 12	H.P.
15,75,000	8,75 000	39,37,649	26 12,649	31,995	Shaw Wallace & Co., Ltd.	Perch Valley	25⅜	10	1+1	1+1	1+1	1+1	12	Y.T.
83,99,500	15,67,105	1,09,49,971	76,28,254	—4,51,764	B. N. Elias & Co., Ltd.	Ramagunge	10⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6, 12	H.P.
13,50,000	7,38,383	50,56,328	24,50,328	24,964	Shaw Wallace & Co., Ltd.	Rewa	25⅜	10	Nil	Nil	Nil	Nil	2, 8	H.
20,00,000	3,95 008	32,32,218	13,30,500	438	Jarnuria Sons Ltd.	Samla Collieries	7⅜	10	1+1	1+1	1+1	1f	3, 9	H.
1,25,000	1,75,000	11,69,383	5,15,969	25,876	Gillanders Arbuthnot & Co., Ltd.	Seasole	8N	25	3	3+3	3+3		6, 12	H.
2,80,000	6,77,278	28,60,123	15,19,969	—1,59,849	Andrew Yule & Co., Ltd.	Seebpore	23	25	3	3	3+3		6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	65,560	F. W. Heilgers & Co., Ltd.	Sendra	9⅜N	10	2½+2	2+2	2+1	1f	6, 12	H.
63,21,450	13,25,954	3,24,72,792	2,26,34,594		Industrial Trust Fund (Government of Hyderabad)	Singareni	6⅜	10	4+8	Nil	Nil	Nil	6, 12	H.T.
						South Karanpura	10⅜	10	1+1	1+1	1+1	1+1	6, 12	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Standard	21⅜	10	1+1	1+1	1+1	1+1	12	Y.T.
8,00,000	13,89,543	1,09,570	21,510	87,018	F. W. Heilgers & Co., Ltd.	Tatcher	2⅜	2½	Nil	Nil	Nil	Nil	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Titaghur	21⅜	10	1+1	1+1	1+1	1+1	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	5⅜	10	1½	1½	1½	1f	3, 9	H.
69,98,000		44,91,138	13,91,545	63,540	Hindustan Investment Corpn., Ltd	West Bengal	5⅜	10	1+1	1+1	1+1		6, 12	Y.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	18⅜	10	8+8	8+8	8+8		6, 12	H.
											Nil	Nil	6, 12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 444 in the debentures section:—

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

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

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

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

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at 4 per cent. premium after 1st March, 1954, but before 1st March, 1957, and 1 per cent. premium on or after 1st March 1957.

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

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

MARKET GOSSIP

(Concluded from page 395)

insurance etiquette, or code of conduct to which many insurers give only verbal loyalty, is a question which is beyond our province. To some insurers the decision smacks of the attitude that "all is fair in business, love and war." But this is a question which must be left to the insurers themselves to settle. Perhaps, some prior consultation with the other members of the group would have taken the edge off the New India's decision. This, however, is a matter of opinion.

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A more pertinent question is whether the decision can be justified in terms of strict economic reasoning. And a more urgent question is what will be the effect of the decision. If premium rates are changed all round, as doubtless they will be it will be the second change in recent years. Last time, in 1953-54, when the change was made, it was an upward revision in rates, because, in view of the cheap money policy of the Government, which was carried to the extreme, the earnings of insurers had fallen. Since then, the world has veered round to a different view of money rates. There has been a rise in the Bank rate in most countries of the world. Indeed, the chief justification for the reduction in premium rates is the highest yield which the insurers are able to get on their investments, thanks to the higher level of interest rates. Those who advocate the reduction in premium rates, and, by implication, commend the decision of the New India, which has stolen a march over others, argue that it is only fair that the benefit which the insurers derive through this favourable development in interest rates should be passed on to the prospects. Any measure that cheapens insurance, it is stated, is a step in the right direction in a country where the insurance habit is not so widespread as in the West. Again, the premium rates are so high that many prospective policyholders feel that, apart from the consideration that their policies will cover the risk element, there is no real investment advantage at all in insurance. By lowering the premium rates, the insurers will have demonstrated to the doubting Thomases that insurance combines both protection against risk of death and some investment elements. Yet another reason advanced in favour of a reduction in premium rates is that mortality experience is now more favourable than in the past. It is pointed out, in this connection, that the reduction in premium rates is a reform that should have come earlier than it has.

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Those insurers who oppose this new development in the sphere of premium rates—their opposition is anyway theoretical, since they will be compelled to toe the line, the other alternative being loss of business—argue that the higher level of interest rates has not yet had time to stabilise itself. If anything, many of the leading countries of the world have effected a downward revision of interest rates. In fact, in financial circles today, people are looking forward to a reduction in Bank rate. This is hardly the time, they argue, to take momentous decisions about premium rates. So far as the argument about favourable mortality experience is concerned, they hold that it is a minor consideration in respect of endowment classes of policies—these are the most popular kind of policies in this country—in which the element of yield on investments plays a mighty role. They further point out that, if the yields have risen temporarily and there are other favourable factors too, it would be much better to allow these factors to be reflected in higher bonus rather than in lower premium rates.

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While only time will show whether the decision to reduce premium rates is wise or otherwise, there is no doubt that it is a lead which will be followed by other insurers. Some of the leading insurers, it is stated, will also announce a reduction with effect from 1st March, 1954. Perhaps, the Oriental and the Bombay Mutual will be the next to do so. Another development that is likely to take place is an increase in lapse ratio. Many would probably like to allow some of their recent policies to lapse and go in for fresh insurance at the attractively lower rates which are now likely to be offered by most insurers. The New India, which has given the lead, will probably be able to attract much new business from these lapsed policy holders. The insured will not lose much thereby, since, if a drawback is made for the all too common practice of rebating, they will stand to gain, in the long run, by taking out fresh policies.

• • • •

What will happen to the older policyholders who have taken out their policies at the higher premium rates? Surely, their lot is not an enviable one. They have paid higher premiums on their with-profit policies so far without receiving any corresponding benefit in the shape of adequate bonuses. They will now find that they must continue to pay the same rates. Equity demands that they should be treated—as one or two leading insurers are already doing—as a separate class, and be allotted a higher bonus at all future valuations.

DELHI LETTER

(Concluded from page 400)

total cost of the entire scheme is Rs. 35 crores. For financing this scheme, the Company has already secured a loan of $31.5 million from the World Bank under Government's guarantee.

The Government of India has also been encouraging the expansion of the Mysore Iron and Steel Works at Bhadravati. For the forthcoming fiscal year, Rs. 100 lakhs have been provided in the budget for installation of additional plant. It is proposed to install a spun cast iron pipe plant (for the production of about 17,000 tons of spun cast pipes per annum), a sintering plant (for lumping powdered iron ore before treatment in the furnaces) and an alloy tool and special steels plant. The installation of these plants would yield about 50,000 tons of good quality foundry pig iron per year for consumption by Indian foundries. Construction of two electric furnaces (each with a capacity of 100-110 tons of pig iron per day) has already been completed and operations have begun. When they come into full production, an additional quantity of nearly 70,000 tons of pig iron would be available per annum. In regard to the new steel project, a provision of Rs. 27 lakhs and Rs. 10 crores has been made under the revised estimates of 1953-54 and budget estimates 1954-55, respectively, to meet expenditure (both internal and external) likely to be incurred during the period under reference.

The Indian telephone industry has made considerable progress in recent years. The production targets fixed for the Plan period (i.e., 25,000 telephones and 20,000 exchange lines) have already been achieved and new targets (60,000 telephones and 40,000 exchange lines) have now been fixed for the remaining Plan period. For achieving these increased targets, it is estimated that an additional expenditure to the extent of Rs. 2.5 crores will have to be incurred during the three years 1953-54 to 1955-56. A sum of Rs. 85 lakhs has been earmarked for this purpose in 1954-55. During 1952-53 the telephone factory produced 22,444 telephones, as against 21,049 during 1951-52. Manufacture of dials and condensers, the only two remaining items of a telephone instrument have also been taken in hand and it is expected that their production on a large scale will be taken up during the next two years.

Preliminaries in regard to the establishment of the National Instrument Factory at Calcutta have been settled, especially for the purchase of new machinery for the manufacture of optical glass and linen measuring tapes. It may be mentioned that optical glass is one of the important raw materials required for scientific instruments and for ophthalmology. The widespread factory will have an initial capacity of 10 tons per annum, with capacity for further expansion. The provision in the revised estimate for 1953-54 and budget estimate for 1954-55 for the above scheme is Rs. 6.5 lakhs and Rs. 32 lakhs, respectively. The construction of factory buildings in regard to Penicillin Factory, Poona, will be completed by the end of this month. The factory is planned to produce 3.6 million mega units of penicillin per year to start with, rising to 9 million mega units per year. It will start production by July, 1954. The factory for the manufacture of dry core paper insulated telephone cables is nearing completion at Rupnarainpur, West Bengal. A beginning has already been made in the production operations in the drums shop, and cable drums are in process of manufacture. Other sections are expected to go in production shortly. A provision of Rs. 2 crores is made for speeding up the

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				188xd	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
81,90,000				59	50	3 0	3 0	3 0	1 8(i)		
1,80,00,000	1,28,00,000	2,38,382	Bank of Baroda	109	50	6 0½	6 0½	6 0	6 0	12	Y.
40,00,000	14,00,000	8,687	Bank of Bikaner	12½	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	153½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	24,00,000	63,200	Bank of Indore	60N	25	3 0½	3 0½	3 0	1 8(i)	12	Y.
60,00,000	15,00,000	15,324	Bank of Jaipur	19S	50	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	295xcd	100	16 0½	16 0½	16 0½	16 0½	12	Y.
59,99,150	81,13,240	29,609	Bombay State Co-operative Bank	57½	50	2 8½	2 8	2 8	2 8	4	Y.P.T.
15,00,000	21,03,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
1,50,000	18,00,000	9,244	Canara Banking Corporation Ltd.	85cd	50	3 0½	5 0½	5 0½		12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	58½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,42,905 'A'				61½	25	3 8	3 8	3 8	3 0		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34S	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	1 0	4 0	4 0	4 0	12	Y.
4,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
80,00,000	1,30,000	1,412	Hindustan Mercantile Bank	13½	50	—	—	—		12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	5 0	12	Y.
8,75,00,000	6,35,80,000	97,39,076	Imperial Bank of India	1,806‡	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				435	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				165‡	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	5 3 3/5(i)	6.12	R.L.H.
15,40,000				98‡	60	7 3½	7 3½	7 3½	3 9 3/5(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	97	100	5 0	6 0	6 0		.12	R.L.H.
4,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0		6.12	H.
2,50,000				18‡	25(B)	2 4	1 14	1 8			
10,00,000				38	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	223‡	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,80,00,000	17,50,000	37,630	Travancore Bank	13	25	—	—	—		12	Y.
40,00,000	30,00,000	2,06,135	Union Bank of India	68	50	5 0	5 0	5 0	2 8(i)	12	W.
2,00,00,000	80,00,000	1,01,119	United Commercial Bank	42‡	50	2 0	2 0	2 0	2 0	12	W.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£8,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-3-3	£5	14†	14†	16†	7†	12	R.L.Y.
			Eastern Bank	£8‡	£5	7†	6†	7†	3†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Hongkong and Shanghai Banking Corporation	£914xd	H.K. $125	5*	5*	5*	2½(i)	12	Y.
H.K.$20,000,000	H.K.$16,000,000	H.K.$9,489,174		£2-19-6	£1	12†	12†	12 †	14†	12	R.L.Y.
				£1-6-3		5†	5†	5 †	5†	12	R.L.Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£25‡	A £125	12†	12†	14†	7½(i)		
£1,437,296				£25‡	B £125	12	12†	14†	7½(i)		
£373,660	£1,500,000	£200,143	Mercantile Bank of India	£25‡	C £5	12†	12†	14†	7½(i)	12	R.L.Y.
£375,000				£11‡		12†	12†	14†	7½(i)		
£300,000				£33‡	£12½	16†	16†	16†	8½(i)		
£2,281,250	£3,675,000	£323,703	National Bank of India							12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††U.S. Currency
(i) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
			BREWERIES AND SUGAR		
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100 1st June .. 1963
8,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	96 28th February .. 1960(i)
8,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	1936	99½ 30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	103 27th December .. 1952-62
10,00,000	6	1st August and 1st February	Ravalgaon Sugar (New)	1944	91 1st November .. 1959-64
10,00,000	4	1st May and 1st November	Walchandnagar Industries	1941	105 1st April .. 1956-61
93,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	92 1st November .. 1959-64
			COTTON		
16,50,000	5½	30th June and 31st December	Barsanti Cotton Mills Ltd.	1942	85 30th April .. 1964
4,00,000	4½	10th May and 10th November	Pergal Nagpur	1937	98½ 15th November .. 1956(a)
8,00,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	100½ 1st January .. 1967-72
19,68,000	5½		Jaykrishna Textiles	1949	79 N 1st January .. 1956-59
40,00,000	5	1st June	Tata Mills		101 1966-71
			ELECTRICS		
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96 31st March .. 1963
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		102½ 14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½ 1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94 31st December .. 1964
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102 1st January .. 1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86 31st December .. 1970
15,00,000	5	1st January and 1st July	Jaipur (Dherlab) Electric Supply Co., Ltd.	1951	96 30th June .. 1970
7,56,200	5½	1st January and 1st July	Jaipur Hydro Electric Supply	1940	97 1957-67
8,06,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94 1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½ 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94 1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	1940	100½ 15th September .. 1951-55(i)
2,50,000	4	1st April and 1st October	Tata Power		93½ 15th September .. 1963-70
			ENGINEERING		
5,00,000	5½	30th June and 31st December	Britannia Engineering	1943	98½ 31st December .. 1954
8,00,000	5	30th June and 31st December	Richardson and Cruddas (India) Ltd.	1928	99 30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102 1st July .. 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	104 31st December .. 1965(ii)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	88 31st January .. 1971
8,30,00,000	5	1st April and 1st October	Tata Locomotive	1950	101 1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95 31st December .. 1960
			JUTE		
12,00,000	4½	1st October and 1st April	Agarpara	1939	99 31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98 30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½ 31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99 30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½ 30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91 31st July .. 1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97 30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	1951	95 15th July .. 1966
25 00,000	5½	1st January and 1st July	Hukumchand	1947	92½ 30th June .. 1957
25,00,000	5	30th June and 31st December	Kamarpur Jute Mills Co., Ltd.	1949	98 31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98 31st March .. 1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N 31st March .. 1954
3,00,000	4½	14th November and 14th May	Northbrook Jute Mills Co., Ltd.	1939	93 31st March .. 1959
20 00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88 31st December .. 1958
8,00,000	4	30th June and 31st December	Presidency	1945	93 30th June .. 1958
25,00,000	5	31st March and 30th September	Titaghur Jute Mills Co., Ltd.	1950	96 5th September .. 1963
8,00 000	4½	14th March and 14th September	Scorah Jute	1937	96 14th September .. 1957
12,00 000	4½	30th June and 31st December	Union	1937	97 30th June .. 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	1923	94 31st July .. 1960(e)
			RAILWAYS; STEAMSHIP AND TRAMWAYS		
4,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	1936	86 1st July .. 1956
£350,000	4½	1st January and 1st July		1908	£60‡N A 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways		
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£77‡N 1st October .. 1974
6,50,000	5½	30th June and 31st December		1945	90½ 31st December .. 1959
£200,000	4½	30th June and 31st December	Bhabdara-Delhi-Saharanpur Railway	1905	£85‡N
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½ 1st September .. 1963
			PLANTING		
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102-9 3/5 1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101 1st April .. 1954-56
4,61,000	5½	30th June	Tinchidrai Properties		100 1st December .. 1954-59
9,00,000	5	31st March / 30th September	Periakaramalai		100½ 31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Tedoy		100 31st March .. 1949-59
			MISCELLANEOUS		
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1948	101 30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98 31st December .. 1965
86,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86 31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½ 30th June .. 1957(i)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92 1st February .. 1964
81,53,000	4½	1st July and 1st January	Cive Buildings	1936	88½ 1st July .. 1964
80,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87 15th September .. 1960
1,00 00,000	4	31st March and 30th September	Dunlop Cement Ltd.	1946	82 1960
1,20 00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½ 1st January .. 1960
80 00,000	5	15th March and 15th September	Mentor Chemical Industries	1949	94 1971
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 30th September .. 1964
					(per note) 525 31st December .. 1972
45 00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	(per note) 90N
75 00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	97 1st April .. 1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	83 31st March .. 1961
1 80 00 000	4	30th June and 31st December	Robtas Industries Ltd.	1946	96 31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	104 1st May .. 1968

Note—See page 442 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th March, 1954.

—	Closing quotations 25-2-'54	High	Low	Closing quotations 4-3-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	153	153½	153	153½
Bank of Baroda (50)	109	109½	109	109½
Central (25)	58½	59	58½	59
Central 'A' (25)	61‡	61½	61	61½
Imperial (P.Pd.) (500)	1,805	1,807½	1,800	1,800
Imperial (P.Pd.) (125)	438½	438½	435	436½
Union Bank (5)	6‡	—	—	6
United Com. (50)	42‡	43	42½	42‡
TEXTILES				
Ahm. Adv. (100)	151‡	—	—	151‡
Apollo (2)	2¼	—	2‡	2-13/16
Bombay Dyeing (250)	420	436½	403	428½
Central India (100)	184‡	186	178	181‡
Century Mills (100)	314‡	324‡	311	324‡
Colaba (100)	65	—	—	65
Edward Textile (200)	263‡	263‡	245	250
Elphinstone (50)	44	—	—	44
Finlay (100)	272	272	266½	270
Globe (100)	270	272	264	269
Ind. Unit. Defd. (1)	1⅛	1-1/16	1⅛	1⅛
Ind. Unit. Ord. (10)	11‡	11-15/16	11‡	11‡
Indian Malleable (100)	110	110‡	106‡	108‡
Khatau (100)	217‡	218‡	216‡	216‡
Kohinoor (100)	315	322	311‡	319‡
Lakshmi (250)	585	—	—	585
Madhusudhan (100)	894	891	880	880
R. R. Cotton Mills (100)	50	51‡	50	51‡
Minerva Mills (100)	110‡	110‡	110	110‡
Model Nagpur (250)	143‡	—	—	143‡
Morarji (100)	205	210	200	202‡
Mysore (50)	165‡	—	—	164‡
National Rayons (100)	165	165	152	154
New City (100)	180‡	—	—	180‡
New Great (100)	167‡	167‡	162	165
New Union (10)	26‡	27	26‡	27
Pearl Mills (100)	130	130	128‡	128‡
Rasoon Silk (10)	144‡	145‡	140	141‡
Rasoon Spg. (10)	19‡	19‡	17‡	18‡
Shalapur (1,000)	31‡	31‡	31‡	31‡
Shrinivas (100)	1,755	—	—	1,755
Simplex (50)	220	221‡	210	221‡
Standard (100)	155	158‡	151	156‡
Swadeshi (100)	325	330	320	326‡
Syan (100)	290‡	296‡	285	295‡
Tata Mill (25)	350	360	350	357‡
Wehna (100)	52‡	53	50	52‡
Western India (1,000)	150	150	145	145
	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	117‡	117‡	115	116‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,306‡	1,311‡	1,287‡	1,300‡
Bom. Sub-El. (100)	123‡	123‡	121‡	123‡
Surat (100)	130	—	—	130
Tata Hydro (100)	141‡	142‡	141	142
Tata Power (1,000)	1,432‡	1,428‡	1,410	1,417‡
INSURANCE COS.				
British India (10)	13	13‡	13	13‡
Empire India (100)	640	—	—	640
Ind. Mercantile (20	38‡	—	—	38‡
Jupiter (10)	7‡	—	—	7‡
New India (15)	48	48‡	47	48
Oriental (200)	7,085	7,500	7,805	7,500
Universal (10)	9‡	—	—	9‡
Vulcan (10)	12‡	—	—	12‡
STEAMER COS.				
Scindia (15)	18-3‡	18‡	17	17-14‡xd
STEEL COS.				
Ind. Iron (10)	30‡	30‡	29‡	29‡
Tata Steel Defd. (20)	2,142‡	2,177‡	2,111‡	2,175‡
Tata Steel Ord. (75)	361‡	366‡	356‡	366‡
MISCELLANEOUS				
Alcock Ashdown (100)	363‡	363‡	355	356‡
Associated Cn. (100)	153	154‡	147‡	154
Belapur Sugar (5)	258‡	260	253‡	259
Bom. Burmah (125)	397‡	408‡	390‡	407‡
Do. (New) (50)	144‡	141‡	140	141‡
Br. B. Petrol (4 sh.)	3½	3-10½	3‡	3-9½
Br. I. Corpn. (5)	9‡	9‡	9-3‡	9-6
Indian Copper (2 sh.)	2-4‡	3‡	3‡	3
Ind. Inv. Tr. (100)	76	—	—	76‡
Kesoram (200)	265	—	—	265
Killicks (100)	171‡	171	170	171
Killicks (75)	130	—	—	130
Phalton Sugar (50)	100‡	100	97‡	99‡
Port Canning (100)	28	27‡	27‡	27‡
Premier Cm. (50)	124‡	128	122	126‡
Shivtarpur (10)	73‡	74	70‡	72‡
Tata Chemicals (10	13‡	14‡	13‡	14
Tata Oil (25)	40	40	37‡	39‡
Walchand Ind. (100	175‡	175‡	173‡	175
W. I. Match (100)	210	210	207‡	210

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	99‡	—	3 42	99‡
2½% 1955	98‡	—	3 60	98‡
2½% 1961	90‡	—	3 94	90
2½% 1960	90‡	—	3 87	90‡
2½% 1962	91‡	—	3 88	91‡
2½% 1974	91‡	—	3 88	91‡
3% 1957	82‡	—	3 96	82‡
3% 1958	94‡	—	3 52	94‡
3% 1959-61	98‡	—	3 47	98‡
3% 1964	96‡	3.79	3 60	96‡
3% 1963-65	92‡	—	3 87	92‡
3% 1966-68	90‡	3 93	3 81	90‡
3% 1970-75	90‡	3 98	3 88	90‡
3% 1986 Con. Loan	86‡	4.12	3 93	86‡
3½% 1954-59*	82‡	—	3 64**	82‡
4% 1960-70	100‡	3 34	3 48	100‡
4½% 1955-60	102	3 52	3 83	102
4½% 1958-68*	103	3 96	4 04	103
3½% 1961 N.P. Bonds	98‡	3.27	3.67	98‡

BRITISH GOVERNMENT SECURITIES	27-2-54 £	High £	Low £	2-3-54 £
2½% Brit. Consols	64‡	64‡	63 31/32xd	63‡
3% Savings Bonds 1965-75	75	—	—	—
3½% War Loan 1952	89‡	89‡	88‡	88‡
3½% War Loan 1952	102‡	102‡	102‡	102‡
3½% Brit. Iron and Steel	85‡	85‡	85‡	85‡
1976-78				
4% Funding Loan 1960-90	93‡	93‡	93‡	93‡
	101‡	101‡	101‡	101‡

** Current Income. x.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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IN DEFENCE OF PRIVATE ENTERPRISE

ALTHOUGH private enterprise should be its own justification and should need no extraneous arguments to convince others of the importance of its role, the fact remains that suspicion of its motives often dogs its steps in this country. The result is that it has frequently to be defended, its position re-stated and its utility vindicated before the bar of public opinion. Mr. R. G. Saraiya, the outgoing President of the Federation of Indian Chambers of Commerce and Industry, performed this task, in his address at the annual meeting of the Federation held on Saturday last at New Delhi, with commendable clarity of thought as well as of expression. He was conscious at once of the vital importance of private enterprise and its social responsibility. These are the two elements which must go perpetually together. If private enterprise is divorced from social responsibility, it will have to face mass opposition. But for anyone to expect it to discharge social responsibility without giving it the freedom it needs for growth and development is to ask for the impossible. In fact, Mr. Nehru recognised this when, in his speech at the same meeting, he admitted that it "was better to do away with private enterprise than let it exist with its hand and feet bound."

Some critics are unsparing in their attacks on private enterprise. They ask frequently whether it can save the country from the menace of growing unemployment. There is no doubt that it can, provided it is given the facilities it needs. But, before it can offer any definite solution to the problem, it will be necessary to understand the nature of the problem itself and the circumstances under which private enterprise could be expected to provide a solution. It is incorrect to use the word "unemployment" in India in the sense in which it is often used in the West, namely, to denote a departure from the normal state of a fairly comfortable level of employment. Mr. Saraiya rightly insisted that unemployment in India was not of the "cyclical" variety, met with in the West, but was an index of the underdeveloped nature of Indian economy and the growing pressure of population. Even if the persons that seek jobs are taken at only 40 per cent. of the annual growth of population (placed at 4½ million), there would still be as many as 2 million fresh entrants into the market for jobs. He serves the country little who denies the magnitude of the problem or underestimates the need for sustained, patient and hard work that will be necessary to tackle it.

The problem of unemployment is undoubtedly complex. But it is further complicated by wrong policies, often adopted by the Government. Overwhelmed by growing demand for fresh employment and the compelling necessity to reduce surplus employment in certain sections, the Government is trying to follow isolated, haphazard and even contradictory solutions. There have been occasions when industry desired to effect some retrenchment for purposes of rationalisation. But the Government has made such retrenchment difficult or impossible, through omnibus legislation, even when such retrenchment is necessary in the interests of economic working of the concerned industrial units. The legislation against lay-off of workers is a case in point. Again, when the expansion of a particular large-scale industry is likely to affect the small-scale section of the industry, the Government promptly prevents such expansion through special levies on large-scale industry and restrictions on production of certain types of manufactures. This, as is well known, has happened in the sphere of textile industry. It looks as though any technological improvement is suspect in the eyes of the Government, if it is likely to result in some decline in employment. Little does the Government realise that, in a dynamic world, new techniques will continue to be discovered, and that it will for ever be fighting a losing battle, if it sets its face against technological progress.

All this proceeds from two fallacious assumptions which Mr. Saraiya did well to expose. There is a belief, shared by many members of the ruling party, that large-scale industries can create only a small measure of employment, while small-scale industries can employ very large numbers. This is a half-truth. And, like all half-truths, it is more dangerous than a complete untruth. The direct employment which a large-scale industry gives is doubtless small. But it creates a large measure of subsidiary employment. And what is more, it makes a larger contribution to national income than what numerous small-scale units can make. Again, it is argued that large-scale industry displaces people in the small-scale units. This need not necessarily happen, if the small-scale industry is so organised as to supplement large-scale industry. The Government will be backing the wrong horse, if it seeks to buttress the competitive capacity of small-scale units by adventitious aids, often given at the expense of the large-scale industry.

Further, it must not be forgotten that large-scale industry can, by reason of its ability to produce cheaper goods, stimulate consumption and, therefore, help upgrade living standards to yet higher levels. Small-scale units, on the other hand, condemn the workers to longer hours and lower wages and the consumers to foot the bill of a high cost economy. After all, economic progress is indivisible. No country can succeed in organising its industrial economy so as to allow a highly advanced and a technologically backward section to exist side by side. Mr. G. D. Birla did some plain speaking when he said that events would compel the country to adopt modern scientific methods and that India would have to journey along the "same track as other countries have gone, if this country wants to give large-scale employment and raise the standard of living of the people." To think that India can live in economic neutrality by isolating itself from world technological currents is to hug an illusion. Mr. Saraiya struck the right note when he said that, while "it is recognised that there are certain spheres where small scale industries can and must find an honourable place and while the need for giving them encouragement by giving facilities for credit, organisation and marketing is also recognised, it is dangerous to attempt to develop and preserve cottage industries by deliberately penalising large-scale industries in the process."

Although the Government is not hostile to the large-scale industries functioning within the private sector, it now takes the initiative in starting such industries, and in nationalising small enterprises, as, for instance, motor transport undertakings. This is done in the "name of mixed economy," to which it swears allegiance. Surely, mixed economy cannot mean—at least, ought not to mean—one law for the private sector and another for the Government. If the Government starts a large machine tool factory which hits the smaller units, it is open to the Government to defend itself on the ground that its unit is more efficient. When it nationalises motor transport, it can take shelter under the plea that it is guided by economic considerations. If it is open to the Government to start industries and services on the ground that it can run them efficiently, it ought to give the same freedom to the private sector in order to allow the efficient units to justify their existence. After all, mixed economy, as Mr. Saraiya said, "can only function if there is, within the community, a balance of forces, with free enterprise operating as one of the autonomous forces, pulling its weight alongside State enterprise, trade unions and other elements in society." That the private sector is denied freedom of action is clear from the fact that there are still numerous unwanted controls in operation, and that organised industry is subject to special levies.

That private enterprise is also denied resources is borne out by the fact that fresh capital is not flowing freely into the private sector. This is often due to the fact that the Government takes a too narrow view of what an industrial unit should earn on its capital. The Government has, for instance, fixed the rate of return on the gross block of certain controlled industries at 8 per cent. which would leave, after payment of taxation and other charges, only 4 per cent. to the industries concerned. Again, there is the case of electricity undertakings in which the return allowed to the investor is similarly limited to 5 per cent. of the "capital base." Clearly, it is strange that the Government should expect the concerned industries to risk all their capital and employ their time, skill and energy for so low a return on their investments. Mr. Saraiya urged upon the Government the "need to readjust their concept of 'fair return' and the basis for computing it."

Because the return on capital is restricted either directly through legislative action and price control or indirectly through a high level of taxation and compulsory labour welfare measures, beyond what industry can bear, few industrial establishments are willing to undertake expansion and few men are coming forward to risk their savings in new undertakings. Surely, it is a travesty of the concept of mixed economy that the Government should set apart a certain field for private enterprise and then create difficulties in the way of its progress. If the private sector is not enabled to raise the necessary financial resources, it cannot certainly function properly in the sphere allotted to it. Mr. Saraiya quoted figures to show how slow was the rate of development in the private sector. During the one-year period ended September, 1953, the total amount of additional capital required for proposed development, covered by the Industries (Development and Regulation) Act, was about Rs. 82 crores. Of this amount, Rs. 33 crores were for new establishments and the remainder, that is,

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Rs. 49 crores, were for expansion in existing undertakings. Again, out of the Rs. 33 crores required for new establishments, Rs. 18 crores were for one of the proposed oil refineries, thus leaving only Rs. 15 crores for new undertakings. In the case of expansion also, out of Rs. 49 crores, over Rs. 31 crores were accounted for by the iron and steel industry alone. In other words, excluding iron and steel and petroleum, there was an investment of only Rs. 15 crores for new undertakings and about Rs. 18 crores on account of the expansion schemes in other industries.

Apart from unwise controls on the rate of return and high level of taxation, there is another reason why the response of private enterprise to the Government's call for initiative and effort has been so poor. It lies in the unimaginative labour legislation. The situation created by a mass of half-considered legislation in this sphere is not conducive to the development of industries. Mr. Saraiya did well to bring out the lack of wisdom in Government's labour policy. He said that the Government, in its attempts to stem temporary unemployment, was lessening the chances of those presently unemployed of securing employment. By imposing a high wage level on industry and a burden of welfare legislation beyond the capacity of the industry to bear, the Government is stifling all attempts at further industrial expansion. He rightly termed the Government's present labour policies "self-defeating." Those who are familiar with the present conditions under which the few that are fortunate enough to be employed are allowed attractive facilities and service conditions, which can be granted only at the expense of further creation of employment opportunities, will readily agree that the Government is sacrificing the future for the present. Because it is politically expedient that the present labour force must remain contented, the Government pampers the existing workers at the expense of wider employment.

It is thus not enough that the private sector should be told that there is a sphere in which it can operate. What is needed is that it should be given the facilities to operate successfully. The Government at present exercises only a negative supervision over the private sector, in that it disallows expansion or investment in certain sectors. This negative policy needs to be supplemented, as was pointed out by Mr. Saraiya, by positive advice and guidance as to the fields in which it wants private enterprise to function more effectively than at present. Mr. Saraiya also suggested that the Government can help the private sector through placing restrictions on imports. This suggestion should not, however, be accepted without some qualification. After all, it is not the purpose of the import control machinery to give protection to industries. If a certain measure of restriction on imports results in protection for some industries, it must be regarded as an incidental consequence of the operation of import controls. The purpose of import control is to conserve foreign exchange. To utilise this machinery for protectionist purposes is to misuse it. Since imported goods often provide a challenge to domestic manufacturers to improve their quality, imports should continue to be allowed. Any overall restrictions on imports will serve only to create artificial shortages within the country and encourage easy selling of inferior goods. This is not to suggest that imports of every conceivable variety of goods should be permitted to flood the Indian markets. What is suggested here is that it is wrong for Indian industries to get protection through the operation of import controls. If Indian industries have to find a permanent market for their goods, then they should utilise the generous protection, often given by the Tariff Commission, to improve the quality of their output.

Indeed, Indian industry will do well to recognise that the days of easy selling have gone beyond recall for this generation. Competition is bound to increase in every branch of industry. The consumer is coming into his own. This is a challenge to all alike, industry, labour and the Government. Industry, on its part, must realise that it has a social responsibility in providing the consumer with quality goods at minimum prices and the worker with tolerable conditions of service. Labour, on its part, should know that there are serious limitations to what industry can bear by way of a higher wage bill and that its own prosperity is inextricably bound up with that of industry. The Government, in its turn, should appreciate that private enterprise can be enterprising, only if it is free to function within its allotted sphere of activity. Industrial progress is thus a co-operative adventure, and no single section should, even if it could, hold any other to ransom.

COST-PRICE DISPARITY IN COAL INDUSTRY

THAT all is not well with the coal industry is evident from its disappointing performance in 1953. Statistics for the full year just released reveal some disquieting trends. From a reference made elsewhere in this issue, it will be noted that production as well as despatches of coal declined slightly during the year. There was also a marked fall in exports, on account of competition from China, South Africa and Australia. These unfavourable trends are only symptoms of a deeper malady. A convincing diagnosis of the industry's ills is provided by the address which Mr. R. Maulik, Chairman of the Indian Mining Association, delivered at the annual meeting of this body, held at Calcutta on the 5th inst. Although he traversed the same familiar ground as did his predecessor last year, the points raised by him are so vital to this basic industry that his address deserves to receive wider attention.

The main problem which seems to be causing concern to the coal industry is the disparity in the cost-price structure. On the one side, the selling prices are under State control. They were fixed in 1947, on the basis of costs of production existing then and of the emoluments granted to labour under the Conciliation Board Award. These controlled prices of coal were, however, not allowed to remain even at that level. They were reduced once in 1949 and again last month. Although prices are thus rigidly controlled, production costs in the industry continue to rise. Since 1947, the costs have advanced steadily and in some cases sharply. An instance of such increase is seen in Mr. Maulik's references to prices of stores and equipment of collieries. He says: "Studying the prices of 44 essential stores items and comparing the prices prevailing in July, 1947 (when the prices of coal were increased as a result of the Conciliation Board Award) with those prevailing in July, 1953, we find that there has been a reduction upto 20 per cent. for only six items, whereas there has been increase in 13 items upto 20 per cent., 22 items upto 100 per cent., and three items over 100 per cent."

The rise in production costs in the coal industry is not limited to stores and equipment alone. More important than the cost of these items is the cost of labour. Labour accounts for, it is stated, as much as 60 to 70 per cent. of the total cost of production. A part of this rise is attributed to higher costs, resulting from a liberal meaning given subsequently to certain doubtful points on which the Conciliation Board Award was not clear and for which no corresponding increase in selling prices of coal was allowed. Again, the Award intended that bonus to colliery workers should be linked to production and that payment should be made on an annual basis. But this intention has not been carried out. Bonus now continues to be linked to attendance and not to production. Consequently, today, the output per man-hour has shown no improvement at all. On the contrary, there has been a setback, in that, while the number of workers employed by the industry has gone up, we are told, by 58 per cent. during the decade ended 1951, increase in the output of coal in the same period has not been more than 32 per cent. And few will deny that the workers enjoy higher wages and better working conditions today than in 1941. For wages and welfare amenities have increased; and the standard of living has risen considerably as a result of the welfare measures initiated by the Coalmines Welfare Organisation. While the industry has thus had to bear the burden of additional labour force and its welfare, there has not been a corresponding benefit to it in the shape of increase in output per man-hour.

And then there is the cost of the distribution of foodgrains to colliery workers at concessional rates. The improvement in the food situation in the country, the decline in foodgrain prices in certain areas and the prospects of full decontrol of foodgrains, as envisaged by the Union Food Minister, are undoubtedly viewed with considerable satisfaction by the industry. But the point is that, ever since the system of foodgrain distribution at concessional rates was introduced, there has been a very wide disparity between the purchase and the issue prices of foodgrains, which has imposed considerable strain on the finances of collieries. The position still seems to be worrying the industry. For Mr. Maulik has emphasised, with understandable bitterness, that the distribution of foodgrains at concessional prices is still the industry's "greatest burden." He observes: "I would repeat that the food distribution system should be abolished and replaced by compensation in the form of an equivalent amount of cash." It may be mentioned here that a similar plea put forward by the tea industry has been accepted by the Government as well as tea plantation workers. In tea estates, cash compensation has now replaced the system of foodgrain distribution. The mining industry has been demanding a similar change. The demand is fully justified; for it would, as has been pointed out by Mr. Maulik, limit and define the industry's financial liability on this account and also eliminate a fruitful cause of discontentment among labour ranks, which is often exploited by political agitators. In the absence of willingness on the part of labour, it will, of course, be difficult to bring about the change. But it is the responsibility of the Government to assist colliery owners in convincing the workers, as it did in the case of the tea industry, that the system of accepting cash, instead of grains, will be to their ultimate advantage. In any case, the industry cannot be expected to bear this unrequited expenditure indefinitely.

The rise in costs is not the only problem which faces the industry. Transport bottlenecks created by inadequate supply of wagons—a chronic disease of the industry—add their share also to its worries. The industry's experience last year was disquieting in that the railways not only failed to improve upon their earlier performances but actually moved less coal than in 1952. The industry is aware that there is a large unsatisfied demand for coal in the country and is vexed at the inability of the railways to carry all the coal that is offered. The fact that the efforts made so far under the Five-year Plan have been confined to replacement of overage rolling stocks has given rise to a genuine fear among colliery owners that the absence of a bold development and expansion of both line and wagon capacity will impede the progress of industrial development under the Five-year Plan. In this context, it is difficult to expect an increase in the output of coal, which is necessary in order to reduce production costs in the industry.

Caught between rising costs and statutorily controlled prices, the coal industry finds itself in a situation in which its profit margin has been cut to the bone. The position, of course, varies from colliery to colliery. Some collieries are living on their past earnings and many are working at a loss, and the general picture is one of gradual decay. What is more, the industry is in need of a large volume of capital for the extension of stowing operations, for the better utilisation of the country's coal resources, for the implementation of the Government's housing programme for colliery workers and for maintaining its capital assets intact. The earnings of the industry have, however, been insufficient to meet this heavy capital expenditure. In this connection, Mr. Maulik's warning is worthy of attention. He says: "We are like a great machine that is slowly running down and though it will probably never come to a complete stop, it will, in time, become obsolete and inefficient, if it is not carefully tended and its components replaced as and when they become worn out."

In order to improve its financial position, the industry has suggested an immediate increase in the price of coal. It is certainly difficult to resist this demand; for, from what has been stated above, it will be clear that there is much force in it. At the same time, the fact cannot be overlooked that coal is the basic raw material on which depends the progress of industries as a whole. Further, it is also the basic raw material of the country's transport system. It is, therefore, obvious that any undue increase in the price of this fuel is bound to have an adverse repercussion on the cost structure of the country's economy as a whole. From this point of view, it will be better to seek a remedy in other directions also. After all, it will avail the industry nothing if the price is raised, while costs continue to rise. Perhaps, it would be more advantageous to assist the industry to increase its efficiency through appropriate tax concessions, freight rebates and wage policy. A determined bid to provide enlarged wagon supplies to the collieries will also enable it to expand its output and to explore new markets. Introduction of the cash system, in place of the system of distribution of foodgrains at controlled prices, will considerably help reduce its burdens. Labour too should be advised to play its part in reducing costs through higher man-hour output. A timely move on the part of the Government in these directions will certainly go a long way towards strengthening the industry's financial position and ensuring its future solvency.

CENTRE LIKELY TO FLOAT RS. 200-CRORE NATIONAL LOAN

TATA DEFERREDS' EXIT—DEVELOPMENT CORPORATION—SUGARCANE PRICES

THURSDAY, 5 P.M.

THE buoyancy in the share market noticed last week-end has since proved to be a short-lived affair. Equity values have suffered sizable drops under persistant selling pressure. The prospect of having to pay heavy *badli* charges in the settlement to take place tomorrow seems to have induced tired longs and weak holders to liquidate their holdings. The over-bought position which is thus correcting itself is welcome in that it not only improves the technical position but revives confidence which at the moment appears to be a bit shaken. Besides long liquidation, several other factors have also been responsible for the downtrend in share values.

MARKET GOSSIP

Thus, advices from Calcutta have been unsteady. Delay in the announcement of the Government's decision regarding retention prices of steel of the Indian Iron and Steel Co., Ltd., appears to have caused considerable disappointment in Calcutta. Easier sentiment in the shares there brought about a sympathetic realising in steel shares here. Tata Deferreds have lost 44¼ points to Rs. 2,132-8 and Ordinaries 6¾ points to Rs. 359-8, Indian Irons are substantially lower at Rs. 28-4 as against Rs. 29-10 a week ago. Sentiment in this section seems to have been considerably subdued by the sad prospect of the elimination of Deferred shares from the ring with effect from Monday next. Consequently, professional operators have been apathetic to do any fresh business. Similarly, cotton mill shares too have remained depressed. There has been considerable unloading in this section on fears of lower mill profits this year, as most mills are understood to have bought cotton when prices ruled high. The sentiment has been generally subdued in the miscellaneous and other sections, in which too quotations have been considerably lower than those a week ago.

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The end of this week sees the cessation of activity in Tata Deferred shares which go off the board of the Bombay Stock Exchange. For close upon half-a-century now, Tata Deferred has been more than a mere share, even more than a market leader. Nay, it has been an institution. Other Stock Exchanges in the country have their leaders. But none of them, it will be readily conceded, has enjoyed the status of the Deferred shares. It is the only share for which a quotation could be obtained, literally even at midnight. If, in England, it is common to open conversation by a reference to the weather, in Dalal Street, acquaintance even with a stranger could always be established by an enquiry regarding the Deferred quotation. The scrip strode the market like a colossus and inspired many an operator to battle on its behalf. This reflection will bring to mind many great names, names of the stalwart operators who have, in the past, worshipped at the shrine of this titular deity of the Stock Exchange—Manshukh Chhagan, Sangidas Jesiram, Girdharlal Tricumlal (known popularly as Girdhar Tricum), and above all, Govindram Seksaria. Many others have obeyed the call of this god, held command for a period, only to make an ignominious exit. But Deferred continued to reign supreme, calm and serene, undisturbed by the fortunes of its votaries. It will, therefore, be a wrench for operators to part with a share, which many have loved dearly, but not perhaps too wisely. With lachrymose eyes, they watch its exit and say, "There goes a great leader. Whence comes such another?" Perhaps, they will do well to take comfort from the thought that the loss of a speculative scrip is not entirely an event for mourning. After all, what the market needs today is not speculation, certainly not of the type witnessed in the past, but genuine investment support.

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The popularity of Tata Deferred shares among the investing public and speculators has been due to the privileged position which the small Deferred capital occupies in the massive capital structure of the Tata Iron and Steel Company. Out of the total capital of Rs. 10.46 crores, the Deferred capital amounts to no more than Rs. 14.63 lakhs, made up of 48,750 shares of Rs. 30 each. But the dividend on this capital takes away a little less than 50 per cent. of the total paid on the other classes of shares. The Deferred shares were created at the inauguration of the Company itself, though all of which were not issued at that time. Of the 48,750 shares, 26,250 were issued in 1917 at a premium of Rs. 370 per share. The highest level touched by them on the Stock Exchange during the course of the forty-seven years of their history was Rs. 3,640, that is more than 120 times their face value, and this was in 1946. The dividend earned by them varied between Rs. 7-8 and Rs. 172-10 per share; but for as many as 22 years, they had to go without any dividend. The Conversion scheme, which was originally mooted 12 years ago, was accepted in November, 1953, by an overwhelming majority of the shareholders following the award of the Mediator who fixed the ratio of conversion at six Ordinary shares for one Deferred share, and was sanctioned by the High Court. However, a small section of the dissenting shareholders opposed this, but the Court dismissed its petition. These shareholders, however, filed an appeal and the appeal will be heard on Monday next. It is also stated that they have not offered any fresh ground for getting the Conversion scheme rejected.

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Replying to the debate on the budget in the Council of States, the Finance Minister, Mr. C. D. Deshmukh, said that the implementation of the remaining part of the Five-year Plan and the second Five-year Plan would be a far more difficult task than problems facing the country. "For one reason or another," he said, "the measure of foreign assistance that will be required, or will be receiving, will be very much smaller and the country will have to rely entirely on its own resources in order to establish a modicum of investment." This statement has a direct relation to the Prime Minister's emphasis on self-reliance. Enquiries made in reliable circles reveal that the Government is contemplating to raise a large loan from the public by appealing to its sense of patriotism. The Prime Minister is said to be strongly of the opinion that, in view of the changed relationship with the U.S., India should not approach that country for any more aid. He is believed to be of the view that the Government must go to the public with the appeal that it should tighten its belt and lend to Government. It is too early to say what form or shape the new borrowing programme will take, but there is enough indication to suggest that it will be a much bigger one than that indicated by the Finance Minister in his capital budget. The figure of Rs. 200 crores is being mentioned as the target aimed by the authorities. The fact that last year Rajaji was able to raise Rs. 10 crores, as against Rs. 5 crores planned by him, seems to have prompted the Prime Minister to feel that there is money in the country and that, given proper approach to the public, it should not be difficult to raise Rs. 200 crores this year. If this view is correct, then it can be inferred that the Government will adopt the same tactics which Rajaji followed. This may mean that the proposed new loan may be given an appropriate name to catch the imagination of the public throughout the country to subscribe to it and that it is not unlikely that, if gentle pressure fails to yield satisfactory results, even compulsion may be invoked.

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The significance of this drive to the share market is that the major portion of the available surplus savings with the public will be drained away by the Government, leaving very little to be invested in equities. Readers will do well to note that this is just a possibility and that the Government has not yet made up its mind. But this much can be said. Mr. Deshmukh is determined to resort to taxation between the former and the increased retention prices of steel for the three months January to March, 1953." It may be mentioned here that the Company has agreed to shoulder approximately Rs. 7½ crores from its own resources to supplement the loans granted by the World Bank and the Government of India towards the expansion programme. Secondly, the Chairman expressed the hope that the principles by which retention prices were fixed prior to the merger with such modifications as may be necessary in view of the merger of the two companies and other circumstances will continue to be applied to the Company, until the loans by the World Bank and the Government of India to the Company have been fully repaid out of its earnings. He recalled that the Company had agreed to expand its undertaking and to accept the consequent heavy financial liabilities on the understanding that the principles which governed the fixation of retention prices prior to merger would continue to be applied. Thirdly, he referred to the impact of the disastrous strike which occurred in the Company's works last year on the Company's production and finances. He computed that nearly 2,373 total productive hours were lost. This represented nearly one-third of a normal year's activities. In terms of actual output, this meant, taking the year 1952 as the basis of comparison, output losses to the tune of 125,376 tons of coke and 101,795 tons of steel ingots. The loss of approximately 100,000 tons of finished and semi-finished steel to the country, he said, had a very serious effect on trade. The railways too lost a large amount of revenue on the freight of raw materials and finished goods. He estimated the loss of revenue to the Company at Rs. 160 lakhs, the loss to the workers on wages and bonus at Rs. 30 lakhs and the loss to railways at Rs. 70 lakhs. This is a sad commentary on the wisdom of our labour leaders who refuse to realise what a strike means in terms of industrial production. Lastly, he revealed that during the years 1954 and 1955 both the large Hirapur furnaces will be out of commission for several months for relining: one in 1954 and the other in 1955. This will inevitably have a material effect on the production of steel during these years.

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Yet another instance of the Government of India's irrational sugar policy is provided by the latest move to ask the sugar factories in Western Uttar Pradesh to pay to the cane growers an extra price of As. 4 per maund over and above the minimum price of Re. 1-7. The extra price, according to the Press note issued on Friday last week, will be adjusted against the share of the profit that will be assigned to cane growers when the profit-sharing scheme for the sugar industry in the U.P. is finalised at the end of the current sugar season. The acceptance of the suggestion, we are told,

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been responsible for winning the support of many a doubting Thomas in the Cabinet and the Planning Commission for Mr. Krishnamachari's scheme. The fact, however, remains that the Cabinet has now given him the green signal. The Commerce and Industry Minister seems to be a believer in the adage "Strike while the iron is hot." He is evidently anxious to proceed with the implementation of his scheme before the enthusiasm of his colleagues cools down or somebody else puts a spoke in his wheel. He has asked his officials to hurry up with the finishing touches in a few weeks, if not days.

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The Development Corporation will be registered as a private company owned by the State with an initial capital of Rs. 1 crore. A capital of Rs. 1 crore may appear negligible when considered against the background of the big industrial projects that are going to be taken up by it or of the earlier talks of a development corporation with resources amounting to Rs. 100 or Rs. 150 crores. But the size of capital of the Corporation is not so important when the entire finance required by it is going to be provided by the Government. In any case, capital can always be raised. There is no need for apprehension that the establishment of this Corporation is just the thin end of the wedge for nationalisation of industries. On the contrary, it is, we are assured, a move to give momentum to the economy of the country by taking up those risky, large, capital-consuming projects which the private sector is unable to take up now. A basic feature of the scheme is that the industries started by the Corporation are to be gradually transferred to the private sector. Another feature is that the Corporation should be wound-up after 10 years, the idea here being that, by that time, it will have completed its mission, namely, of bringing about rapid industrialisation of the country. In order to expedite implementation of the scheme, Mr. Krishnamachari has placed Mr. S. Boothalingam, I.C.S., at present Joint Secretary to his Ministry, as officer on special duty. Mr. Boothalingam is known for his efficiency and drive. He is a person who gets things done quickly. He worked with the recent World Bank Mission led by Mr. George Woods and accompanied it when it visited such important centres as Bombay and Calcutta and held discussions with the leading business men and financiers in these centres. Accordingly, he has been intimately connected not only with the Corporation now being promoted by his Department but also with the one the World Bank is sponsoring in co-operation with the private sector. In entrusting the job to him, Mr. Krishnamachari has doubtless made a good choice.

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There are four points in the speech of Mr. T. Leslie Martin, Chairman of the Indian Iron and Steel Co., Ltd., at the Company's adjourned annual meeting, held at Calcutta, on the 10th inst. In the first place, he referred to the need for ploughing back, as much finance as possible, to pay off the Company's commitments in order to carry out the expansion scheme. The Chairman said that the Directors had proposed to "carry to reserve the net difference after providing for taxation between the former and the increased retention prices of steel for the three months January to March, 1953." It may be mentioned here that the Company has agreed to shoulder approximately Rs. 7½ crores from its own resources to supplement the loans granted by the World Bank and the Government of India towards the expansion programme. Secondly, the Chairman expressed the hope that the principles by which retention prices were fixed prior to the merger with such modifications as may be necessary in view of the merger of the two companies and other circumstances will continue to be applied to the Company, until the loans by the World Bank and the Government of India to the Company have been fully repaid out of its earnings. He recalled that the Company had agreed to expand its undertaking and to accept the consequent heavy financial liabilities on the understanding that the principles which governed the fixation of retention prices prior to merger would continue to be applied. Thirdly, he referred to the impact of the disastrous strike which occurred in the Company's works last year on the Company's production and finances. He computed that nearly 2,373 total productive hours were lost. This represented nearly one-third of a normal year's activities. In terms of actual output, this meant, taking the year 1952 as the basis of comparison, output losses to the tune of 125,376 tons of coke and 101,795 tons of steel ingots. The loss of approximately 100,000 tons of finished and semi-finished steel to the country, he said, had a very serious effect on trade. The railways too lost a large amount of revenue on the freight of raw materials and finished goods. He estimated the loss of revenue to the Company at Rs. 160 lakhs, the loss to the workers on wages and bonus at Rs. 30 lakhs and the loss to railways at Rs. 70 lakhs. This is a sad commentary on the wisdom of our labour leaders who refuse to realise what a strike means in terms of industrial production. Lastly, he revealed that during the years 1954 and 1955 both the large Hirapur furnaces will be out of commission for several months for relining: one in 1954 and the other in 1955. This will inevitably have a material effect on the production of steel during these years.

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TWO NOTABLE SPEECHES

MR. NEHRU STRESSES NEED FOR SELF-RELIANCE —MR. BIRLA'S CALL TO BUSINESS MEN

APART from Mr. R. G. Saraiya's presidential address, the highlights of the twenty-seventh session of the Federation of Indian Chambers of Commerce and Industry, held in New Delhi last week, were the speeches of Mr. Nehru, India's Prime Minister, and Mr. G. D. Birla, who needs no introduction. Both spoke more or less on the same subject and revealed an awareness of the need for closer co-operation between the Government and the private sector. Mr. Saraiya, in his address, indicated the defects in the Government's economic policy which are impeding the country's progress. While assuring the business community's readiness to help the Government in all possible ways to reach the goals set before the country, both political and economic, Mr. Saraiya offered certain constructive suggestions for the speedy development of India's resources. He was also candid enough to draw the attention of the business community to its obligations to the people. "The ultimate test by which we the business men of India," remarked Mr. Saraiya, "will be judged is by the service we render to the Indian people and the reputation we establish for fair dealing and integrity." The same advice was given even more emphatically by Mr. G. D. Birla. Not a single business man present at the meeting resented his sermon, thereby admitting that it was quite pertinent and that it needed to be preached.

Mr. Nehru was in good mood and his speech was couched in friendly language. He referred to the specific issues raised by Mr. Saraiya in a general way. That was not surprising, because it is common knowledge that he does not generally allow himself to be involved in details of the Government's economic policy, which is not his main sphere. But, this year, there was another reason. He seemed to be quite concerned with the larger implications of the U.S. offer of military aid to Pakistan. This was evident from the repeated emphasis on self-reliance which he laid in the course of his speech. While he was firmly opposed to isolation and while he would continue the present policy of friendly co-operation with all countries, he felt that real progress "cannot come if we go about on the crutches supplied to us by others all the time." He declared that, *in the changed international circumstances of today* (italics ours), India would not stretch out its hand in supplication to other countries for any great economic aid. Mr. Nehru repeated this statement on more than one occasion and added: "India and its people must depend on themselves to achieve rapid economic progress and strengthen the country's defences. It is clear that, to achieve these things, every one will have to tighten his belt. We have to conserve all our energy for this task and to consolidate our unity."

Necessity for Self-reliance

Mr. Nehru devoted a considerable part of his speech to what he termed the deleterious effects resulting from a country mainly depending on a foreign country and foreign help. He warned against the danger of a country depending on outside aid. He averred: "No country which depends mainly on other countries for her defence, security, progress and general well-being can hope to go far in achieving anything substantial. Apart from the fact that such a thing completely weakens the country receiving the outside aid, it prevents the creation of that atmosphere in which a country should begin to develop and grow on its own inherent strength."

The foregoing quotation shows that Mr. Nehru is now convinced that foreign economic aid cannot be had without strings. In view of this, it remains to be seen to what extent the Government will alter its approach to the problem of implementing the Five-year Plan. The coming months may be expected to unfold certain interesting developments. In his speech in the Council of States on Monday, the Finance Minister has already endorsed what the Prime Minister said. He too has stressed the necessity for self-reliance and the inevitability of a large dose of deficit financing to the tune of Rs. 600 crores in the next two years. This would mean a total deficit financing of Rs. 760 crores in the five-year period 1950-51 to 1955-56, as against the figure of Rs. 280 crores considered as the safe limit in the Plan. In other words, the Finance Minister is proceeding on the assumption that the gap between the estimated resources and the needs under the original Plan will have to be filled in entirely by deficit financing. The shortfall in expenditure that has already taken place is offset by the additions to the Plan made last year.

In his speech at the Federation meeting, Mr. Nehru made two notable points which deserve to be recorded. One relates to private enterprise and the other to cottage industries *vs.* large-scale industries. On the former, Mr. Nehru went a step further than he did a year ago, when he had categorically stated that he stood by the policy of mixed economy providing a definite place for private enterprise. Thereafter, he made several statements in public which showed that his faith in private enterprise was waning. It was, therefore, refreshing to find that, in the speech under reference, he not only reiterated his observations on private enterprise at last year's annual meeting of the Federation but also admitted that the private sector should have sufficient freedom of action. "It is no good having a private sector and tying it hand and foot," he said. "It cannot function in that way. If you have a private sector, it should be allowed certain obvious freedom of functioning." This is an important pronouncement which, it is to be hoped, will be implemented in actual practice by Mr. Nehru's colleagues not only in the Central Cabinet but also in the State Governments. Mr. Nehru, of course, said that the private sector should function within the national Plan, that any thought of anarchic enterprise doing what it chose was out of place, and that it should work for the well-being of the Indian people as a whole and not of a handful here and there. At no time has the private sector objected to these qualifications. That it is prepared to accept them is evident from Mr. Saraiya's speech.

Cottage *vs.* Big Industries

Mr. Nehru's observations on cottage industries revealed that he was neither opposed to big industries nor in favour of cottage industries on any doctrinaire grounds. He was all for the adoption of latest techniques and introduction of machinery in order to raise the productivity of the country. But that should be done in such a way as not to cause suffering to large numbers of people. In view of the importance of what he said, it is better to quote him:

"I can assure you that no one in our Government is against big industries. We want big industries to develop. We want the latest and highest techniques to develop. We want a far higher technique to develop than most of the people here are used to. You are used to ancient machinery and ancient techniques and you are completely out of date. You talk about higher techniques without even knowing what the latest techniques are. I am going to use atomic energy to upset all your techniques one of these years. We are not against higher techniques. I would prefer, wherever possible, to use higher techniques. It may be that atomic energy will be available for civil use and one can use it then. The only consideration against higher techniques coming in rapidly everywhere—that is a very big consideration—is that it should not upset human beings in large numbers or create large-scale unemployment. Higher techniques would, of course, create more employment, but there may be a gap period for many years and we cannot afford to have a gap period when people are starved and people are unemployed in large numbers. That consideration should always be borne in mind. It should not come in the way of planning. Higher techniques can be used in the types of industry which will add to the employment and will not displace the employed."

In fine, Mr. Nehru maintained that there was no theoretical conflict in his mind in regard to cottage industries *vs.* large-scale industries. He accepted the principle of higher techniques everywhere subject always to the human problem, as the human factor could never be ignored.

Business men are, of course, thankful to the Prime Minister for these clear-cut remarks. But what is their practical utility, so long as the Government pursues a policy which is not conducive to the reduction of the period within which a perfect co-ordination between the large-scale industry and cottage industry can be brought about? The stage for mere verbal assurances has long past. What is required now is action. The techniques of cottage industries must be improved, while the large-scale industries must be allowed to raise their productivity both quantitatively and qualitatively, so that production costs can be brought down. The resulting lower prices would lead to an increase in consumption, which, in turn, would provide scope for increased production and higher employment. The transition stage cannot be absolutely painless, but failure to face it boldly will only lead to stagnation and, ultimately, to retrogression.

Mr. Birla's Speech

Mr. G. D. Birla's speech differed from the speeches delivered by other business men in two important respects. It was, in the first place, addressed more to business men than to Government. And, secondly, it was straight and unambiguous, which is something remarkable considering that he spoke extempore. Only a person who has clear ideas, formed after considerable deliberation, could speak as he did. He showed no hesitation or wavering when he spoke and the audience listened to him with rapt attention. Not only every one who listened to him but also many others who only read his speech in cold print were impressed by his realistic approach to the problem of unemployment—this means, in fact, the problem of economic development—and by the tone of sincerity that marked his address. It is no exaggeration to say that many in the higher circles of Government greatly appreciated his call to business men to co-operate with the Government and to offer constructive suggestions, taking into account the fact that the present Government is a democratic one, answerable to a large mass of the electorate. Mr. Birla seemed to deprecate the tendency of criticising the Government in vague terms. He wanted them to put forward concrete, workable proposals to the authorities for solving their difficulties. He deplored also the tendency among business men to throw the blame on the Government for all their difficulties and to rely too much on the Government. The essence of Mr. Birla's speech was that there was no fundamental difference of opinion between the Government and the private sector on the basic economic issues and that the Government would respond to the suggestions of the latter, provided it could be proved to the satisfaction of the Government that they were in the larger interests of the country and that they would help the nation to reach the goals set before it. Mr. Birla is so confident of the success of this approach that we feel that it deserves to be given a fair trial.

A large number of topics was covered by Mr. Birla. These included, among others, labour legislation, deficit financing, small-scale and cottage industries, profit motive and service motive, outlook for private enterprise, and role of the young men, especially those who belong to the business community. On every one of these topics, he had something interesting and provocative to say. Take, for instance, the subject of deficit financing. Business men in general have welcomed the Finance Minister's proposal to resort to deficit financing to the tune of Rs. 500 to Rs. 600 crores in the next two years. But Mr. Birla seems to be no blind supporter of this method of raising resources, for he wanted the Federation to examine carefully whether it would have the desired effect on the economy of the country. "If we (the Federation) find that it (deficit financing) is not going to have the desired effect," he said, "it will be our duty to point out to the Government in what way they should change their plan."

Place of Small Industries

On the issue of small-scale or cottage industries *vs.* large-scale industries, Mr. Birla minced no words. The small-scale industries, in his opinion, had a place, but that place was one of the subsidiary or feeder to large-scale industry. He had no doubt in his mind that the wealth of the country could not be increased except through establishment of large-scale industry and introduction of improved techniques of production in cottage industry. Placing restrictions on large-scale industry with a view to supporting the cottage industries would not result in increased wealth for the country. He impressed the audience, in this connection, by pointing out that, if the people of this country were to be clothed only with hand-spun and hand-woven cloth, something like 80 million people would have to be employed. Even then, the per capita availability of cloth would be no more than 15 yards. "It is a well recognised principle," he remarked, "that, if you want to raise the standard of living of the people, you must get the devil, the machine, to work for you. It is a very simple thing that, if you work with your hand, you produce less; if you produce with a machine, you produce more; if it is a more efficient machine, you produce still more." Proceeding, he observed:

"There is a great scope for small-scale industry. But small-scale industry will come into existence only as a feeder to large-scale industry. It is not fully realised that, in a country like

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NEWS IN BRIEF

THE Andhra Government has exempted handloom cloth from sales tax levy in the State.

Foreign tourists who visited India in 1953 numbered 28,060, representing an increase of about 3,500 over the previous year's figure.

The quantity and value of foreign cotton imported into India, during the first three quarters of 1953-54, were 88,290 tons and Rs. 39.16 crores, respectively.

The Assam Government has introduced the Agriculture Income-tax (Amendment) Bill, seeking to remove taxation restrictions on agricultural income at a rate higher than the Central income-tax.

Indian manufacturers produced 6,564 railway wagons, 785 coaching vehicles and 73 locomotives in 1953. Expected to be delivered in 1954 are 8,500 wagons, 1,050 coaching vehicles and 116 locomotives.

The all-India first estimate of gram for 1953-54 puts the current year's area under the crop at 17,317,000 acres, as against 15,948,000 acres in the adjusted first estimate for 1952-53, thereby showing an increase of 1,369,000 acres or 8.6 per cent. over the area last year.

The Government of India has extended the last date for submitting applications for registration by the industrial undertakings covered by the Industries (Development and Regulation) Act, 1951, and the Amendment Act of 1953, to 31st March, 1954. The original date for submitting applications for registration expired on 28th February last.

The management of General Motors India Ltd. has announced that the Company and its assembly plant in Bombay will be closed on 31st March, 1954. The Company will have completely utilised the materials available to it for the assembly of vehicles and at that time will have finished all related production activities.

The validity of allotments of cotton yarn made to mills on or after 1st January, 1954, and any export licences issued against such allotments will be extended upto 31st March, 1954. All other allotments and export licences will be treated as lapsed on 28th February, 1954, and no extension will be granted.

Sand suitable for glass industry to the tune of about three million tons, is available near Kundi in the Kotah District of Rajasthan, according to an investigation conducted by the Geological Survey of India. The total deposits are estimated at 5.3 million tons and allowing about 40 per cent. as loss, due to washing and screening, the reserve of sand suitable for glass industry works out to 3 million tons.

The all-India final estimate of groundnut for 1953-54 puts the current year's acreage and production at 11,356,000 acres and 3,772,000 tons (nuts in shell), as against the partially revised estimate of 11,850,000 acres and 2,884,000 tons, respectively, for 1952-53. The current year's estimate, compared to last year, shows thus an increase of 30.8 per cent. or 388,000 tons in production, in spite of a decrease of 4.2 per cent. or 494,000 acres in area.

The Government of India has decided to allow the export of a small quantity of hand-picked selected groundnut kernel to the dollar area countries by established shippers. Allocations for export will be made by the licensing authorities at the ports to established shippers for quantities equal to one half of the total shipment of H.P.S. groundnut effected by them during any one of the three calendar years, namely, 1951, 1952 and 1953.

A team of French experts has recommended the development of Pardwip, 35 miles from the capital of Orissa, at the mouth of the Mahanadi river into a potential, medium or major, port, able to handle six million tons of traffic a year. Two schemes are being considered in this connection, one costing an initial expenditure of Rs. 3.8 crores and a recurring expenditure of Rs. 20 lakhs per annum, and the other involving an initial cost of Rs. 6.7 crores and a recurring expenditure of Rs. 10 lakhs.

It is notified for general information that the last instalment of advance payment of tax under section 18A falls due on 15th March, 1954, and all assessees on whom notice has already been served are requested to make payment on or before the due date. Such assessees have the option to send to the Income-tax Officer concerned, before 15th March, their own estimate of tax payable, in which event, only the net amount due on the basis of their estimate (after deducting the advance tax already paid, if any) need be paid. They are, however, reminded that if they exercise this option, and if the tax estimated by them is less than 80 per cent. of the tax determined on the basis of regular assessment, they will be liable to incur the consequences laid down in the Act. Persons who have not hitherto been assessed, and whose incomes are not exclusively made up of salaries or interest on securities, are also required to forward to the Income-tax Officer concerned before 15th March, 1954, their estimate of income and tax, if any, payable thereon, if their total incomes are likely to exceed the limits, (i) individuals, firms and other association of persons—Rs. 6,700; (ii) Hindu undivided families satisfying the usual conditions—Rs. 10,000 and (iii) companies and local authorities—Rs. 2,500.

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From Abroad

Private imports into Britain of all oilseeds and vegetable oils, now imported only by the Ministry of Food, will be resumed on 1st June, 1954, after a break of 15 years.

German car factories turned out 47 per cent. more units during the first two months of 1954 than in the corresponding period of 1953. Germany now ranks as the third largest producer of motor cars in the world.

The Australian Government has decided to cut the levy on shipowners for maintenance of the Stevedoring Industry Board, in order that shipowners may reduce the overseas shipping freight rates. The levy is to be reduced from 11d. to 6d. per man-hour with effect from the first pay period in May next.

Free trading in tungsten ore and concentrates will be restored in the U.K. from 1st April next. Private imports will be allowed from all sources except the dollar area, but during the early months of private trading, consumers will continue to receive a substantial part of their requirements from Government stocks.

A Dutch company has built a pilot plant for producing potassium from sea water. The plant will start production in the near future and will produce 1,500 tons per annum. The potassium produced will be treated with nitric acid to obtain potassium nitrate, which is used as a fertiliser. As much as 1,000 cubic metres of sea water yield 450 kilograms (990 lbs.) of potassium.

The Netherlands occupied, at the end of 1953, the fourth place among the world's leading shipbuilding nations, after the U.K., the U.S. and West Germany. The number of ocean-going vessels under construction at the end of 1953 was 141 with a total tonnage of 490,989 g.r.t. This was 7.8 per cent. of the tonnage then under construction in the whole world.

The present corporate tax rate of 52 per cent. in the U.S. will be maintained for one year more until 1st April, 1955. The rate was scheduled to be reduced to 47 per cent. on 1st April, 1954, but President Eisenhower requested the Ways and Means Committee of the House of Representatives to give an extension of the present rate. The extension of the rate for one year is expected to yield an additional revenue of $2,000 million.

The sale of copper by the U.K. Government on the London Metal Exchange will cease on 31st May, 1954. By that time the Government will have sold all that it is willing to dispose of and the balance of the stocks will be retained as strategic reserves. The consumers thus have sufficient notice to make arrangements for obtaining their copper requirements without recourse to Government broker.

The American people, as a whole, were more prosperous in January, 1954 than in the same month a year ago. Compared with January, 1953, both gross and net income figures were higher in January, this year. More money was earned and recent tax cuts aided in further increasing the average worker's "take-home pay." The annual U.S. personal income rate, as computed for January, 1954, was $282,500 million, as against $280,500 million for January of 1953.

THE S.S. "ARCADIA"

True to its great traditions in the art of shipbuilding, the U.K. has again produced a luxury liner, the s.s. *Arcadia*, owned by the P. & O. Steam Navigation Company. The liner, which was in Bombay this week, is a magnificent tribute to British shipbuilding skill and engineering. The liner, which took two years to build, has a gross tonnage of 29,734. It has a service speed of 22½ knots. The overall length is about 718 feet and breadth (moulded) about 90 feet. Built at a cost of £6½ million, the *Arcadia* can carry 2,125 persons—679 first class, 735 tourist class and 711 crew.

Since a steamer becomes the passengers' abode for several weeks in the course of a voyage, modern shipbuilders have increasingly realised the value of providing maximum comfort to those on board. In fine, the *Arcadia* provides a home, and more than a home, a small township in itself, with such amenities as a playground, swimming pool, nursery and library. It is true that other liners provide these amenities too. But what distinguishes the *Arcadia* from the rest of its kind is the colourful and attractive way in which the entire liner is built. Many parts of the steamer, including dining rooms, first class cabins, shop and hairdressing saloons are air-conditioned. There are several air-conditioned ironing rooms as well as drying rooms. The laundry, it is stated, is one of the finest ever designed for a ship and can handle all requirements during the voyage. The galleys are so designed as to save labour and personal handling as far as possible.

PERSONAL

MR. A. C. Clarke, General Manager, Bank of India Ltd., left last week on a tour of inspection of the Bank's branches in East Africa.

Mr. M. V. Veerappa has been elected President of the Mysore Chamber of Commerce for the year 1954, and Mr. V. Sundara Murthy, Vice-President.

Mr. M. C. Thomas, Development Commissioner, Travancore-Cochin State, has been appointed Officer on Special Duty in the Union Ministry of Commerce and Industry.

Mr. M. K. Kripalani, I.C.S., lately Ambassador for India in Thailand, has been appointed Chief Commissioner of Ajmer, *vice* Mr. A. D. Pandit, I.C.S., who has been appointed Chief Commissioner of Delhi.

Mr. H. C. Hose, Assistant Vice-President and General Manager of California Texas Oil Co., Ltd., in charge of the Company's European Division in New York, has been appointed Vice-President, Marketing Section of the Company.

Mr. V. P. Sathi, Sales Supervisor of the Bombay District Office of Caltex (India) Ltd., has left for the U.S. on a training trip, under Caltex's programme of fitting Indian members of the Caltex organisation for more responsible positions.

Mr. Shankar Prasad, I.C.S., Chief Commissioner, Delhi State, has been appointed Chairman of the Indian Airlines Corporation, in place of Mr. B. C. Mukerji, I.C.S., who has gone on leave. Mr. Shankar Prasad will also be a member of the Air-India International Corporation, in place of Mr. Mukherji.

Mr. B. M. Birla, prominent industrialist of Calcutta, has been elected President of the Federation of Indian Chambers of Commerce and Industry for the year 1954-55. Mr. Shantilal Mangaldas has been elected Vice-President, and Mr. Ratilal M. Gandhi, Treasurer. The other members of committee are: Mr. Shantilal Mangaldas (textile mills), Mr. Tulsidas Kilachand (banking and bullion trade), Mr. Bharat Ram (other industries not specified), Mr. Shanti Prasad Jain, Mr. R. Ramanathan Chettiar and Mr. G. M. Modi (other trade and commerce not specified) and Mr. P. D. Singhania, Mr. G. D. Somani and Dr. Indubhai B. Amin (representing associate members).

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *16th March*

India's Industrial Progress

Special emphasis was laid on the Public Safety Bill—when it becomes law—acting as a lever to solve some of Bombay's industrial problems, at the annual general meeting of the Bombay Chamber of Commerce, presided over by Sir Hugh G. Cocke. Sir Hugh said that Bombay's textile trade was being diverted to cheaper ports, and the great need today was for stability, for Indian capital to be devoted to Indian interests rather than to investments abroad. The President pointed out that, if the present textile conditions continue, the outlook for Bombay's future mill industry will be a very poor one. A certain amount of counter-propaganda to "Gandhism" was very necessary to establish public confidence and stability, to ensure capital being retained in the country rather than being driven out. The campaign of disorder promised by Mr. Gandhi and the wholesale fomenting of discontent among the workers would assuredly not earn that confidence but shatter the economic well-being of the country. Sir Hugh Cocke expressed the hope that Bombay millowners would not be deflected from carrying out reforms recommended by the Tariff Board which millowners themselves consider essential to the future interest of the industry. What the trade union leader does not always realise is that measures which are best for the millowner, and for the industry as a whole, are generally those most profitable for the workman. Sir Hugh gave some very impressive figures of the production of cloth and yarn for the seven months ended 31st October last as follows: These figures show that yarn is down from 485 million lbs. to 310 million lbs. and the figures for Bombay Presidency alone are reduced from 300 million lbs. to 121 million lbs. Woven goods show reductions for the whole of India from 339 million lbs. to 209 million lbs. and the yardage reduction is from 1,396 million yards to 892 million yards. Bombay's figures alone are about half what they were last year. Japan uses 62.2 operatives per 100 looms to Bombay's 97.2 operatives; while the Japanese cash wage is given as Rs. 1,554 per 100 looms as against Bombay's figure of Rs. 4,820.



INDO-BURMESE RICE PACT

THE Government of India has entered into an agreement with the Burmese Government to buy 9 lakh tons of rice at an average rate of £48 per ton f.o.b. Rangoon. According to a statement made by Mr. Rafi Ahmed Kidwai, Union Food Minister, in the Council of States, on the 8th inst., the supply of rice will be spread over three years, the option being left to the Burmese Government to supply all the rice even in one year. If the supply is spread over three years, the price will be £50 per ton during the first year, £48 per ton in the second year and £46 per ton in the third year. The average rate of £48 will apply if the whole quantity is supplied in one year. Of the quality to be supplied, 3.5 lakh tons will be boiled rice and the rest will be "small mills specials" (*nagasein*). The quota of boiled rice is being specifically procured to serve the needs of Travancore-Cochin. The first consignment is expected to reach India in the next few days. According to unconfirmed reports, £15 out of £48 paid for each ton of rice, will be adjusted against Burma's outstanding debt of about Rs. 75 crores to India.

The main object of this agreement is to build a reserve stock which would ensure supply of rice even if the crops were to fail in the country. Part of the imported rice will be distributed among deficit States for enabling them to maintain their present scale of rice ration. The balance will be used in the rationed areas of the said States to make supplies to consumers without quantitative limitations. These availabilities will be in addition to whatever quantities the deficit States have themselves procured or will procure and the quantities received by them from the surplus States. The Government is considering the question of advising surplus State Governments to give up their procurement as soon as a certain figure is reached. If, however, there were to arise a tendency for prices to go below the economic level and surplus were to be offered for Government agents, the Government would buy such quantities. The Government is also considering the question of resuming export of finer varieties of rice in order to give an opportunity for those people in foreign countries who were accustomed to use Indian rice in the pre-war years to have their requirements. But the exports will be made by Government.

The agreement has, however, come in for a good deal of criticism. It is criticised on the score that the price agreed upon to be paid, which averages £48 a ton, is very high, as it is claimed that the real value of the rice is £30 to £35 per ton. Besides, it is alleged that the stocks of rice which Burma wanted to sell belonged to the previous year and had deteriorated in quality. They were being repolished for purposes of export. Such rice, it is stated, is unfit for human consumption. It is also held that there was no necessity for importing Burma rice for building up of buffer stocks, for there was enough surplus rice and other grains in many parts of India this year. Andhra State in particular has, it is pointed out, a very large surplus to supply Travancore-Cochin and Malabar, two of the important deficit areas. A section of public opinion in South India and the Indian landowners in Burma seem to have been disappointed with the agreement, as it does not cover provisions for the settlement of the question of Indian-owned property in Burma, which is valued at about Rs. 90 crores.

Nevertheless, certain advantages which the agreement brings with it should not be overlooked. The purchase of 9 lakh tons of rice will fortify the nation's food reserves considerably. the agreement will pave the way for the removal of the last vestige of war-time controls on foodgrains, namely, that on rice, the staple food of the country. With controls off, the consumer can expect to have not only his full requirements but also the quality to which he was accustomed before the advent of food controls. The agreement can also be expected to have a stabilising effect on prices in the country. Furthermore, since it would help reduce the accumulated stocks of rice in Burma, the country would find immense relief and this should add considerably to improve, in future, the economic and political relationship between India and Burma.

WARNING AGAINST OVERTRADING

Not many in this country can claim to possess such a clear insight into, and a deep understanding of, the economic problems of India as Sir Cowasjee Jehangir. He is undoubtedly one of the few enlightened bankers, industrialists, and business men whose advice is generally valued in this country. Presiding over the annual meeting of the Bank of India Ltd. on Thursday last week, Sir Cowasjee called upon the merchants and shippers, for instance, to be on their guard against overtrading and heavy commitments. Evidently, he must have been provoked by the anti-social speculative activities indulged in by a section of the industrial and business community with a view to getting rich quick, as witness his remark that "*many* (italics ours) traders base their ideas on the experience of the war and post-war periods of inflation." Significantly enough, Sir Cowasjee observed: ".... few remember the lean years of the 1930's when heavy business losses were sustained and when cuts in pay and retrenchment were unavoidable. In the conditions of today, the proper policy is one of strict caution and prudence at every stage."

This is, indeed, pertinent and wholesome advice that should be scrupulously followed by everyone connected with the business organisation. After all, it must be remembered that the existence of private enterprise is at stake today and that, if it is to survive, it must raise itself in the estimation of the people.

Sir Cowasjee had also a piece of sound advice to give to the powers-that-be who appear to be all out to strangle industry and trade in their policy of pampering labour. How else can one explain the series of labour legislations that the Central and State Governments have imposed in quick succession of late? Sir Cowasjee could not do better than fully endorse what Sir Jeremy Raisman, a distinguished ex-Finance Minister of the Government of India, said with regard to the Government's labour policy in the course of an interview with him by a representative of this journal recently, the full text of which has been published in *Commerce* dated 20th February, 1954 (*vide* page 291). Describing the existing employer-employee relations as "almost anarchical," Sir Jeremy, as readers are aware, warned that "unless something can be done to cure this deep-seated evil, I am very pessimistic about the future of industrial enterprise in India." Recalling this warning, Sir Cowasjee commended the interview with Sir Jeremy Raisman to the attention of the local Government and the Government of India.

IMPORTANCE OF STATISTICS

In the course of his address to the third Regional Conference of Statisticians of the E.C.A.F.E. region, which is to conclude its 13-day session at New Delhi today, Mr. C. D. Deshmukh, India's Finance Minister, stressed the need to base the collection and analysis of statistics in this region on scientific lines. This required, he said, the pooling of the knowledge and experience of many workers in the field of statistics and evolving new patterns of statistical thinking and analysis. Dealing with the constructive analysis and the interpretation of national income and social accounts, Mr. Deshmukh said that they were of interest not only to statisticians but also to economists. The Government of India, he averred, was fully seized of the importance of national income data and analysis in the formulation of economic policy. During the last few years, India has made, as Mr. Deshmukh pointed out, considerable advance in the direction of strengthening its statistical organisation and improving the basic data.

The significance of Mr. Deshmukh's address needs no emphasis. More so, because statistics is the very basis of economic planning and policy-making. Although far-reaching developments have taken place during the past decade or two in the industrialised West in the field of statistical concepts and methods, similar advance has not been made in this sphere in the countries of the E.C.A.F.E. region, where the need for it is the greatest. A glaring anomaly of the statistics of the region is that the basis for the price index is still the pre-war level. The significance of any pre-war year as a base for price index is negligible. It will certainly be better if economic indices are based on a recent post-war year. This explains the reasons for the reported move on the part of the Government of India to prepare a new price index with 1948-49, a post-war and post-partition year, as the base year to replace the current index of wholesale prices based on 1939 prices. The new index, it is stated, will be more broad-based and, hence, a more reliable guide to economic conditions than the present one. As the wholesale price index is one of the primary economic indicators and provides a guide to economic policy, the Government's move for reorientation of the base is of great significance.

EXCISE ON ART SILK FABRICS

A brief reference to the art silk industry's reaction to the imposition of an excise duty (and cess) of 21 pies per yard of rayon fabric was made in this journal last week. Soon after we went to press, a deputation of the Silk and Art Silk Mills Association (S.A.S.M.A.), Bombay, went to New Delhi with a view to apprising the Union Finance Minister of the grave consequences of the fresh impost. In the course of a detailed memorandum submitted to the Minister, a copy of which has been made available to us, the Association has vigorously put forward the case for the withdrawal of the excise duty on art silk fabrics. The Finance Minister is reported to have assured that the industry's case would be sympathetically considered. Following this assurance, Mr. D. N. Shroff, President of the S.A.S.M.A., has done well, therefore, to call upon the art silk mills not to resort to the closure of mills or curtail output till the Centre announces its final decision.

The chief ground on which the Association has based its case for withdrawal of excise duty is the none too happy position in which the art silk industry is said to be finding itself at present, sandwiched between the rising manufacturing cost and poor demand, both internal and export. As it is, the cost of production is, we are told, unduly heavy. The import duty on art silk yarn alone accounts for as much as 50 per cent. of the cost of the raw material. The wage bill is said to have more than doubled during the last five years, on account of the series of burdens imposed under the Industries Development and Regulation Act, as, for example, provident fund and State insurance, minimum wages, bonus, and compensation for lay-offs and retrenchment—"a burden which even century-old industries with adequate resources are finding difficult to bear." Further, it is stated that the demand for art silk fabrics has considerably decreased of late. Exports has so far not allowed refund of import duty on yarn used in the manufacture of cloth meant for export, although the principle of allowing such a drawback was accepted several months ago. The downward trend in the prices of rayon fabrics is given as an indication of the fall in demand for the cloth. In these adverse circumstances, the Association points out, it is beyond the capacity of the art silk industry either to bear the burden of the fresh impost, or to pass it on to the consumer.

In support of its demand for the withdrawal of excise duty on art silk fabrics, the industry has drawn the attention of the Finance Minister to a series of other handicaps under which it is carrying on its operations. Thus, the industry suffered an overall loss of Rs. 50 lakhs during 1953. The employment situation worsened, resulting in nearly 10,000 workers out of a total of 65,000 being rendered unemployed. The majority of units consists of very small factories which are no better than the cotton powerlooms which are exempted from excise duty. Moreover, the art silk mills have no spinning plant and several of them do not even have bleaching and dyeing plants. The borrowing of the mills amount to nearly two-thirds of the paid-up capital. This has been progressively rendering the position of the industry more precarious. Consequently, several units have been closing down during the past 18 months. As a result of the new excise duty, a factory with 25 looms costing Rs. 40,000, it is stated, will have to pay every year Rs. 41,000 as excise duty.

The Finance Minister, however, feels that the art silk fabrics can bear the excise duty. While proposing to impose the duty, he said: "The use of artificial silk fabrics is now widespread and they compete, to some extent, with cotton cloth which has to bear an excise duty. There is no reason why, when the bulk of the cotton cloth is subject to taxation, artificial silk fabrics should be exempt." It would, therefore, appear that the plea for abolition of duty may not find favour with the Government, although, as the Finance Minister indicated, in the course of his reply to the debate on the budget in the Council of States, that there may be some modifications in the levy of excise duty. In the circumstances, the art silk industry, in all probability, would have to reconcile itself to the new levy and try to bring about reduction in costs by raising the efficiency of manufacture, instead of resorting to closure or curtailment of output. It can also urge the Government to reduce the import duty on art silk yarn and allow the drawback of import duty on yarn used in the manufacture of fabrics meant for export.

TAXATION AND LABOUR POLICIES

The taxation and labour policies of the Central and State Governments came in for some criticism at the hands of Mr. J. K. Srivastava, in the course of his Presidential address to the fourteenth annual general meeting of the Uttar Pradesh Chamber of Commerce, held in Kanpur on 28th February last. Mr. Srivastava contended that these policies were not conducive to the growth of private enterprise. He pointed out that the incidence of taxation in this country was inordinately higher, and that it fell on a smaller portion of the population, than in the industrially advanced countries of the world. He substantiated this statement by stating that the total number of assessees in India was hardly 800,000, as compared with about 20 million in the U.K. and about 60 million in the U.S. In India, the incidence of tax was 75 per cent. on Rs. 5 lakhs, as against 57 per cent. in the U.S., and 53 per cent. in Canada. The President also contended that the effect of legislation in recent years on such diverse matters as fixation of minimum wages, settlement of disputes and the provision of social security measures for workers was that the industry was sandwiched between a high and rigid cost structure on the one hand and the buyers' resistance on the other. He also referred to transport troubles, the difficulty of securing finance on easy terms and the proposed new company legislation which contains proposals which take away the legitimate functions, pertaining to the running of industries, from the managements.

That the growth of industries is being hampered by the taxation and labour policies of Governments is common knowledge. It is true that each of the measures taken individually inflicts only a small burden, but few can deny that the cumulative effect is crushing to a degree. It is high time that the Central and State Governments recognised the need for inflicting no more, if not reducing the existing, burdens which do not match with economic realities. After all, even labour amenities have to be earned. They must be paid for. And somebody—the consumer —must be capable of paying them. In a buyers' market, where the consumers' sovereignty reigns supreme, it will not be possible to pass the burden, even partly, on to the consumer. The result will be that the marginal firms will have to go out of existence which will mean a further increase in unemployment. Mr. Srivastava did well, therefore, to emphasise that "it is disastrous to build a structure of social benefits when the economic foundations are not soundly laid."

(*Concluded from third column*)

India Ltd., from 1st April next. This concern has served the country for over a quarter of a century and provided employment and some kind of technical training to thousands of our countrymen. It has also supplied an economic need, which in a measure, helped us to develop road transport in this land of great distances and vast backwaters, untouched by a great many aspects of civilisation. Even today, road transport is one of the weakest links in the new economic and cultural chain we are trying to forge to promote unity, integration and welfare of thirty-six crores of people. The contribution of General Motors is, therefore, significant.

It is a pity that this concern could not see its way to participate by adopting a manufacturing programme in the perfectly justified new policy of the Government for building up a genuine automobile industry in the country. But this unwillingness for further co-operation cannot and should not lead us either to underrate the services already rendered or to prevent us from saying "thank you" to General Motors, with a word of appreciation and gratitude for a close and mutually profitable association, lasting for as long as twenty-five years. And this duty on us becomes all the more imperative in view of the gracious and generous manner, in which this world-renowned concern has dealt with all its employees in parting from them. It is an object lesson for our industrialists, who today grudge the compulsion laid on them by law, to compensate in some small measure, workers laid off or discharged for some reason or other.—*All Rights Reserved.*

OFF THE RECORD

(*By "ROVER"*)

I WONDER if I am turning cynical in my old age. When I read all the nice speeches delivered at the annual meeting of the Federation of Indian Chambers of Commerce and Industry during the last week-end, I could not help feeling that most of those who participated in this feast of words including the Prime Minister who inaugurated it, were speaking with their tongues in their cheeks. If one were to judge by all the protestations and expressions of exalted sentiments, one would almost be convinced that a miracle had happened and that the hitherto somewhat mercenary business community had been overtaken by a spiritual or ethical revolution overnight. On the other hand, the Prime Minister, who for long had not been known to be very sympathetic to the aims, aspirations and ambitions of this community and what it represented, seemed to have been suddenly convinced of the justice of many of its demands.

Mr. Nehru was unexpectedly apologetic for not being in a position to accept any of these demands, because of the peculiar conditions obtaining in the country just at present, but conceded that, in principle, mechanisation of industry was our goal and that there was no point in having a private sector only to tie it up hand and foot. He also admitted the claim for fair returns for capital and qualified this by advancing a similar claim also for workers and consumers. All this overflow of amiability and agreement in principle led me to believe, for a moment, that my days of gainful employment as a columnist and commentator were over, as there would soon be nothing left for my tribe to criticise and to comment upon.

It surprised me not a little to see that those who had been branded till yesterday, albeit indiscriminately, as self-seekers, appeared all of a sudden to have accepted, of course with some reservations, not unlike those of the Prime Minister in his inaugural address, almost everything which they had opposed or resisted till now. What was unpalatable and regarded as unwholesome was acclaimed as health-giving and swallowed without any show of reluctance. For a while, I got confused and was at some loss to understand whether all these ideas of a Welfare State, mixed economy, emphasis on cottage industries, achievement of an improved standard of living for all, equality of income and opportunities and democracy in industry were not, after all, the basic principles of private enterprise, subsequently stolen or borrowed by the Party and Governments which came into power in 1947. For aught I know, this seeming accord on fundamentals between the authorities and industrialists might be genuine. But my stubborn common sense and my reading of the reservations on either side refuse to countenance this complacent conclusion.

I wish our economic future were based on something more solid and sincere than the shifting sands of hypocrisy and opportunism. There is a basic divergence in some of the aims and methods of the Government and the business community of which neither need be ashamed. Both the politicians and industrialists love the country and want to serve it. But the philosophic content of this love, the logical connotation of the term "country" and the psychological implications of their common desire to serve are dissimilar, though not necessarily contradictory or even contrary. Each has its own universe of discourse and these distinct universes meet only at certain points and can by no stretch of imagination be called identical. It would be more to the advantage of the country, if, instead of trying to disclaim these differences by spreading a carpet of make-believe agreement over them, these were openly recognised and admitted and a convenient working media discovered for co-operative effort within a limited field of agreement.

The danger of such annual exchange of formal courtesy is that the protagonists of the public and the private sector would part and go their own way, without having achieved anything useful and constructive. But methinks there is not much to lament in this lost opportunity. In matters economic, the Government of India has always spoken with two voices, and has always acted like a house divided. Mr. Nehru thinks and speaks like an enlightened progressive, to be drowned in action by the reactionaries, to whom everything Gandhiji held is sacred. On the other hand, the Federation has ceased to be representative of some of the most progressive and courageous elements in private enterprise and so has lost a good deal of its prestige and influence. Any accord or temporary accommodation, even if it had been achieved at this seasonal gathering, would have been of but little practical value to the economic progress of the country.

At this critical phase of our country's history, it is just as much necessary for the Government to reconcile its own conflicting policies and if necessary to drop some for the sake of logical harmony, as for private enterprise genuinely to revise some of its dearly hugged beliefs and to achieve a working unity in its ranks. Sacrifice is the essence of all good compromise, but one party to this tangle is not prepared voluntarily to shed prestige and the other its profits. And all the while, the sands are running out in the hour-glass.

Groundnut Cake

While it is true that a cobbler can think only as a cobbler and not as a king, it is time our leading business men realised that the country's economy is one and indivisible. Why I say this is because I was somewhat unpleasantly surprised by a plea put forward this week to the Government, by the President of the Bombay Oilseeds Crushers' Association, to allow exports of a limited quantity of groundnut oil cake, in view of larger output of groundnut this year. And what was still more surprising was the naive bait he held out to the Government that such export would enable the Government to sell more easily the production of fertiliser in its Sindri factory. This is just the type of argument which would appeal to a business man, and judging the Government by its own modest standards, the head of this body dangled this fly for the official fish to snap at.

As it is, with rapid increase in irrigation facilities, agriculture now finds itself woefully short of manure in the shape of groundnut cake. This, together with the unfair and misguided policies of some State Governments like Bombay, have kept oilcake prices beyond the reach of cultivators of garden crops. We have long been lamenting the poor yield of sugarcane in the country, but we have done little to augment the supply of oilcake at an economic price, to enable the cane growers to use this suitable form of manure in adequate quantity for securing a better crop. What is really wanted is not any permission to export groundnuts or any kind of oilcake, but a liberal export policy for castor oil, to encourage crushers to undertake crushing of castorseed, which they are reluctant to do at present. This will make a large supply of castor cake available to augment the yield from groundnut, with the result that oilcake prices would come down to an economic level. Though it may not benefit the oilseeds crushers directly, the logical thing to do, if we have an excess of fertiliser output, is to seek a market for the Sindri product overseas rather than to send out groundnut cake to feed some foreign industry or to enrich some foreign soil, at the cost of our own land.

Good-bye, General Motors!

That there is no room for sentiment in business is one of those half-truths, which we instinctively know to be untrue, but which at the same time is difficult to controvert. One of the most dangerous things in the world is a crisp telling phrase, which tickles our intelligence and flatters it into laziness and lethargy. I have heard scores of business men often disclaiming any truck with sentiment in their business relations and as frequently or oftener watched them, with no little amusement to myself, being influenced by sentiment in their business without the slightest sense of guilt or shame. They are none the worse business men for this, and I think all the better of them when I find that business men are neither as hide-bound, tough or cynical as they would have us believe. Except for those who are monsters and not men, sentiment is bound to creep in now and then in all their relations—business, official, formal or otherwise. I would go further and suggest that even in our relation to the physical world, as distinguished from that of live things, there cannot but be an emotional fringe to our thoughts and actions.

I am, therefore, not in the least ashamed at the regret I feel at the announcement of the impending closing down of General Motors

(*Continued in first column*)

SHORTFALL IN FIVE-YEAR PLAN INDICATED

"ADVERSE EFFECTS OF DEFICIT FINANCING NEGLIGIBLE," SAYS FINANCE MINISTER

(From A Special Correspondent)

NEW DELHI, *9th March*

THE Council of States has secured greater prominence during the last two weeks than the House of the People. This is because of the fact that the discussions alike on the Railway and the Central Budgets were first initiated in the former and the spokesmen of the Government had to reply to the criticisms of members in the Council of Elders at first. As a result, the speeches in the House of the People on the merits and demerits of the Railway and the Central Budgets have lost their vigour to a large extent, inasmuch as most of them have been mere repetition of the points raised by the Elders.

DELHI LETTER

Generally speaking, the criticisms of many members were ill-informed and prejudiced, some of them even lacking elementary knowledge on public finance and budgets. Most criticisms centred round individual viewpoints. The members were largely critical of new taxation measures, particularly new excise duties, but were unable to show alternatives for financing the development expenditure. They were equally critical in regard to the repercussions of deficit financing. Their speeches appeared to exaggerate largely the possible ill-effects of deficit financing on the economy of the country. It is regrettable that some of the veteran Parliamentarians such as Mr. N. G. Ranga lacked proper perspective and advocated that State Governments should not "raise tax revenues and impose them on the shoulders of agriculturists." It will be better if all these Parliamentarians read and digest the latest report of the Bernstein Mission carefully. One notable feature of the debate, however, was its complete unanimity to the effect that the country should review the development expenditure from the point of view of the latest international development, namely, the U.S. military aid to Pakistan. In fact, there was no criticism about the size of defence expenditure, but what the members emphasised was that the country should manufacture all defence stores within the country, establish all defence industries and should not depend on foreign countries for imports of essential defence equipments.

Manufacture of Defence Equipment

The last mentioned criticism naturally made the Deputy Minister for Defence intervene in the debate. He told the members that the Defence Ministry was already aware of this aspect of the problem and that steps were being taken to strengthen the defence economy of the country. In this connection, the machine tool prototype factory at Ambarnath was being very useful. The Minister informed them that a small arms factory in Kanpur had already begun to manufacture certain types of machine guns and that a new type of ammunition had been developed. When the electronics factory went into production, the armed forces would become more or less self-sufficient in signalling equipment. He assured the Council that the Government was trying to go ahead with regard to the establishment of defence industries and negotiating with some foreign countries for the acquisition of new machinery for the manufacture of more important defence items. The Minister also stated that his Ministry was collaborating with other Ministries of the Government of India and the private sector to ensure that defence requirements, such as transport vehicles, optical glass, and special steel and alloys, were borne in mind in planning general industrial development. He avoided disclosing information on the steps that the Government would take in regard to manufacture of jet planes and tanks, but it is hoped that the Government would be alive to the production of these important defence equipments which are very necessary for modern warfare.

As usual, the reply of the Finance Minister, Mr. Chintaman Deshmukh, to the budget debate was very elucidative and convincing. He admitted that the country was not able to spend money on various development schemes according to schedule and asserted that, even if the present Plan was not fully realised and only 85 to 90 per cent. results were achieved, it would be creditable on the whole. According to the latest available figures, the Central and States expenditure in 1951-52 amounted to Rs. 262.05 crores and to Rs. 271.18 crores in 1952-53, as against the revised estimate of Rs. 323.03 crores. As compared with the budgetted figure of Rs. 413.80 crores for 1953-54, the total would amount to Rs. 411.61 crores. For 1954-55, the figure is placed at Rs. 564.65 crores. Thus, the development expenditure under the Plan during the first three years aggregated Rs. 944.8 crores and not Rs. 1,000 crores as estimated earlier. This leaves a balance of Rs. 1,350 crores to be expended in the next two years of the Plan. "This is indeed a very formidable task," observed the Finance Minister in this connection, and stated that "it is towards the discharge of this onerous duty that I have taken courage in both hands and propose to indulge for the first time in deficit financing to a significant extent."

Mobilisation of Resources

The Finance Minister was optimistic that adverse effects of deficit financing on the economy of the country might be negligible. He estimated that "the actual deficit financing will be of the order of Rs. 500 to Rs. 600 crores, even if we want to complete the Plan during the next two years." In other words, even this quantum of deficit financing is not likely to take place because of the expected shortfall in the total development expenditure which is now computed at about Rs. 250 to Rs. 350 crores during the entire Plan period. According to Mr. Deshmukh, out of the Rs. 250 crores deficit financing envisaged for the forthcoming year (1954-55) about Rs. 100 crores might be in the nature of corrective to deflation—or, in other words, it would go to finance production—and Rs. 75 crores might be obtained by import surplus or a balance of payments deficit. The inflationary potential might thus be of the order of Rs. 75 crores and it would be spread over the whole year and would not be "too large a proportion" of the money supply of Rs. 1,700 crores. The Finance Minister stated that the Government would be carefully watching the whole situation from time to time and take suitable action to maintain stable economic conditions. In regard to new taxation measures, he was of the opinion that the country would have to depend on more taxation in the indirect sphere in the coming years and that Central excise would continue to expand. Their effects on the living costs would be negligible. He declared that the country would have to rely entirely on its own resources in the coming years for financing development plans and suggested that the nation must have to tighten its belt, since the scale of foreign assistance in the coming years might not be of a large scale for one reason or another.

The rice deal with Burma, which was announced by the Food Minister, Mr. Kidwai, yesterday in Parliament, smacks more of politics than economics. As per agreement, India is to get 900,000 tons of rice from Burma as a result of a three-year agreement signed between the two countries. The entire quantity is to be supplied this year at the rate of £48 per ton. The total value of these imports will amount to Rs. 57.60 crores, excluding transport charges. The price paid is considered high, especially, as the ruling rate in the country is about £35 per ton. It is reported that about £15 per ton may be adjusted towards the debt repayment by Burma; on this calculation, Burma will repay Rs. 17.5 crores of its debt which is now calculated at about Rs. 72 crores, including interest. Since India is paying a higher rate for Burmese rice, it can be stated that India will be waiving away a substantial portion of its debt due from Burma.

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the export of motor vehicles has been resumed in all its old vigour. The sterling area as a whole is becoming an increasingly good market for British exports, but we are still left with a query whether the American recession is going to throw a shadow over the trade of the sterling area before long or not.—*All Rights Reserved.*

RESERVES OF STERLING AREA RISE

POSITION WITH E.P.U. BETTER

(From Our Own Correspondent)

LONDON, *6th March*

THE gold and dollar reserves of the sterling area have been creeping upwards for the last three months and have now reached £923 million. The drop in December, as compared with that in November, was due to the incidence of the American and Canadian debt payments, and if these payments had been spread over the previous months, we should have seen a steady rise ever since the low point in the summer of 1952. But there is no doubt that the steepness of the rise has been greatly diminished in recent months. This makes the increase in February of nearly £15 million all the more welcome.

LONDON LETTER

It is, however, difficult to draw from this any positive conclusion as to the strength of the continued improvement in the sterling area's gold and dollar balances. It is well-known that the latter consist of three items: the first, the general trade balance; the second, the settlements made monthly between this country and the European Payments Union—the exact amounts of which are governed by the state of the account between the sterling area and the E.P.U. and do not, in the short term, necessarily reflect the balance of trade—and, finally, the special items such as American Defence Aid. It is the first of these three groups which is most significant, and it is, accordingly, disconcerting to find that the strong favourable balance which ran through all last year has been gradually diminished in recent months.

In the first half of 1953, this balance averaged over $36 million per month and in the second half of the year over $42 million per month. But in January, 1954, the favourable balance was no more than $14 million per month, while in February, it had dwindled to the vanishing point of $2 million. If there is one grain of comfort that can be derived from these figures, it is that they are not inflated by improved terms of trade. The terms of trade of this country have remained fairly stable over recent months—if anything, the more competitive prices that have had to be quoted for British exports balancing out any gains that were formerly made on falling raw-material and foodstuff prices. Thus any favourable balance on general trade account represents a genuine export surplus in physical terms. This holds the further promise, that if export prices can be held there is likely to be further gain to come from the reduced prices for raw materials, etc.

Picture Better

As regards the sterling area's position with the E.P.U., the picture is now slightly better. In the first half of last year, there was a favourable balance of over $20 million per month, but in the second half of last year, we were running steady deficits with Western Europe averaging some $4 million a month. This average deficit continued through January, but February has shown a change with a surplus of $7 million. This is really encouraging and is no doubt in part due to the great concentration which in months past has been paid to the need to increase exports to Europe. Such exports now yield 50 per cent. gold, and will go on doing so, until the sterling account with the E.P.U. has become substantially more favourable to the United Kingdom.

Defence Aid has little new about it. For the first quarter of last year receipts on this account averaged $35 million a month and in February the figure is little less than $31 million. Nevertheless, the income this year, on this account, will not be as great as last year. If January and February are averaged we get the interesting picture of $23 million per month on "special," i.e., Defence Aid, etc., account; $2 million per month from the E.P.U.; and $8 million on ordinary trade account from the rest of the world. The predominant part being played at present by Defence Aid is thus clearly shown, and such Aid accounts for the greater part of the average increase of over £11 million a month in each of the last two months.

As regards the future, the impression gaining ground is that the prospects of trade with America are diminishing with the continued steady fall in the volume of business activity in that country. Nevertheless, the influence of this does not so far appear to have spread outside the U.S. and in the current month, for instance,

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AMERICAN LETTER

PRESIDENT'S APPROACH TO BUSINESS SLUMP HAS SOLID BACKING

CURRENT BUSINESS IS PICKING UP NEW ORDERS

(From Our Own Correspondent)

NEW YORK, *4th March*

SENATOR Joseph R. McCarthy and his investigation, particularly his clash with Army Secretary, Mr. Stevens have not only been a great shock to the United States, but the Senator's behaviour is threatening to split the Republican Party. President Eisenhower himself, in one of his recent Press Conferences, demanded "fair play" in Congressional investigations, but the Senator countered that the Army had been covering up Communists.

Public mail in some radio stations and newspapers is reported running about 50-50 pro and con McCarthy. His supporters maintain, he is doing a patriotic service to the United States and his opponents charge that his motives are strictly political, that he wants to keep himself in the public eye, that he eventually wants to run for President and that he is doing irreparable harm to the spirit of American democracy at home and abroad. His attack on the United States Army has incensed many people especially, because for what it might do to the morale of officers and men at a time when their full loyalty is imperative.

Washington, New York and grass roots reaction to the conference at Geneva, scheduled to meet on 26th April, to settle outstanding Asiatic problems, is mixed, but the possible chance to dispose of the Korean deadlock is welcomed. However, there are some misgivings as to the forthcoming talks on Indo-China. From the standpoint of global strategy, U.S. officials regard Indo-China as more important than Korea. Hence, the U.S. has been steadily increasing its aid to the Indo-Chinese.

The overall American plan has been to train the fighting units there rigorously during the coming months under a U.S. military mission and to encourage them to launch a hard-hitting offensive next winter, lavishly equipped with U.S.-supplied arms and ammunition.

Thus, informed quarters here maintain, the West can hold the strategic Indo-Chinese gateway to South-East Asia. There are real apprehensions, however, that the French who are more than weary of this war, may be inclined to settle for even a bad truce at the coming conference.

Government Spending

In top political and business circles, President Eisenhower's approach to handling the business slump has solid backing. In one of his latest statements on the subject, he said that if employment does not pick up seasonally in March, he will recommend large Government spending for all sorts of purposes. One of the difficulties is, however, that the statistical facts for March may not be available until April and by that time, conditions may or may not have worsened.

Also, if anything has to be done legislatively, the process is tedious and time consuming. The Administration is, however, quite flexible in its thinking and forthright in its conviction that a severe recession has to be avoided under all circumstances for international and domestic social reasons. At this point, the President is criticised for not moving more boldly more rapidly to avoid even a semblance of a real slump.

To a very large extent, this criticism and impatience is motivated by political considerations. The Republicans, with an eye on the forthcoming November elections, are not unaware of the fact that, almost always, the party in power has its margin of seats trimmed in by-elections and in mid-term voting between two Presidential elections.

Some Republicans are quite certain that the surest way to hand control of Congress to the Democrats is to let unemployment rise between now and November. It is generally admitted, on the other hand, that if a business upturn comes, as the President predicts, Mr. Eisenhower's prestige will rise to a new high.

Such relatively narrow political considerations are, of course, a bit silly. President Eisenhower, in the public mind really, is a personality all his own and is not too intimately connected with the Republican Party except that he ran on its ticket.

His liberal ideas draw as much support from liberal Democrats as well as from Republicans without regard of party labels with the radicals of either end opposing him. As a practical matter, therefore, the realisation of his very sound programme does not depend solely on the victory of the Republican Party in November, even though professional politicians may think differently.

February Survey

A bright spot in the current business picture is an indicated pick-up in new orders. The February survey of the National Association of Purchasing Agents states that, while production, prices, inventories and employment continued to decline in February at about equal rates as in January, there was an increase in new orders.

The gains exactly balanced the number of decreases, a condition which has not existed in these monthly reports since March, 1953. Also, the number of concerns showing order gains was a high since January, 1953. In other words, the indication seems to be that much of the adjustment between output—cutbacks in many instances—and orders has been made.

The stock markets continued to give a good account of themselves, despite declining business indices. It can only be concluded from that investors believe the recession will not expand materially and, indeed, will be over shortly.

When such stocks as General Electric and American Telephone and Telegraph Company lead the parade, it can only be decided that investors are in a buying frame of mind. No pools control the market action of such industrial giants in the stock market list.

Moreover, pending orders for essential building equipment may be a better clue to 1954 construction prospects than the opinion of slide-rule forecasters. According to one equipment maker who does not receive orders unless financing plans have reached their final stage, 1954 will be another big building year.

International Steel Company, Evansville, Indiana, reports, for example, an order backlog for entrance installations in office and commercial buildings 24.7 per cent. about that of last year. Its production of industrial and aircraft hangar doors is to be increased 30 per cent., while its structural steel fabricating schedule is the same in 1954 as in 1953. Declining production figures are due almost entirely to the automobile industry which represents about one-sixth of U.S. output. There is nothing to be alarmed about at this time.—*All Rights Reserved.*

PAKISTAN NOTES

INDO-PAKISTAN CANAL WATER DISPUTE

WORLD BANK PRESIDENT'S PROPOSALS

CONSIDERING the thick fog that has been hanging over the political and economic relations between India and Pakistan, the reported specific proposals of the World Bank President for the settlement of the canal water dispute must indeed be greatly welcomed. The sharing of canal waters, it will be recalled, is one of the major unsolved economic issues between the two countries. It was in February, 1952 that the President of the World Bank, Mr. Eugene R. Black, took the initiative with a view to exploring the possibilities of securing an agreed solution. After prolonged discussions with the engineers of India and Pakistan and in consultation with his technical experts, the President is reported to have put forward a specific scheme which is under the consideration of the Governments of the two countries. The sum and substance of this scheme, as described in the American Press, is as follows:

The scheme envisages construction of a huge dam across the River Indus north of Attock where the natural surroundings provide an admirable site. Water from the reservoir is to be taken by means of canals dug in Pakistan territory about 300 miles down, linking the Rivers Jhelum, Chenab, Ravi and Sutlej. Once this is done, the entire canal system in Western Pakistan can be fed by the waters of the Indus, Jhelum and Chenab, thereby making Pakistan entirely independent of supplies from India. For its share, India will be left with the other three rivers, Ravi, Beas and Sutlej, to satisfy its requirements. It is estimated that it would cost something like Rs. 90 crores to build new canals in Pakistan. A suggestion has been made that India should pay about Rs. 60 crores to Pakistan towards the cost of construction of the canals that would be necessary to replace the existing water-supply from India.

As already stated, the scheme is being examined by the Governments of India and Pakistan. In its long-term aspect, the scheme of the World Bank President is considered to be a carefully-thought-out solution. The main difficulty, however, it is stated, will be in regard to the period which Pakistan may take for the construction of the canals and how, in the intervening period, the waters of the Beas and Sutlej are to be utilised. To quote one report: "The scheme may easily take some ten or fifteen years to complete and, if, during that period, India were to continue to supply water to Pakistan on the existing basis, the scope for irrigational development in the northern States of East Punjab and P.E.P.S.U. could be severely restricted. Pakistan is apparently unwilling to embark on a long-range project and seems content at the moment to demand that the existing usage of waters must remain untouched and that only surplus water, if any, could be divided equitably between the two countries."

Taunsa Barrage Project

With the grant of $3.5 million for the year 1954 by the U.S. Government, the stage has now been set for the commencement of work on the Taunsa Barrage Project, a major irrigation scheme included in Pakistan's water and land development programme. This grant is provided in the agreement signed at Karachi recently by the Governments of Pakistan and the U.S. under the F.A.O. Economic and Technical Assistance Programme for 1954. The U.S. contribution of $3.5 million is to be in the form of technical services and equipment; a workshop is to be established in Pakistan for the manufacture of gates, gears, etc., required for the barrage with the equipment and material supplied by the U.S. The Pakistan Government will be spending during the current year a sum of $9 million.

The total sum that the Governments of the two countries will spend on the project during 1954 thus amounts to $12.5 million, against the aggregate outlay of Rs. 30 million. More U.S. assistance will depend on a further agreement between the two Governments.

The Taunsa Project envisages construction of a concrete diversion dam about a mile long across the Indus River at Taunsa near Dera Ghazi Khan in Punjab (P). It also includes the construction of two feeder canals to serve the existing inundation canals and a new canal to serve new lands being brought under cultiva-

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tion. The project also envisages the construction of a railway bridge and a road bridge over the barrage. With the completion of the project, water will be available immediately for the irrigation of 710,000 acres of land. At present, the area to be commanded by the new barrage is served by primitive inundation canals and thus the full productive potential of land remains unrealised. By ensuring supply of water, the total food production in the area will be increased by 132,000 tons.

Jute Output

The long-awaited decision of the East Bengal Government with regard to the areas that should be devoted for jute cultivation during the 1954-55 season was announced on Wednesday last week. According to the decision, the areas to be licensed for 1954-55 will be three-sixteenths of the basic acreage of 1950 in 13 subdivisions and one-fourth in the rest of the Province. The cultivation of *mesta* variety has been "absolutely and totally prohibited." The area now decided upon is substantially higher than the previous season's acreage of 1,907,000 acres. Consequent on the upward revision in acreage, the aggregate yield of jute crop is estimated higher at 4.2 million bales, as against 2.5 million bales in 1953-54.

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WORLD SILVER POSITION DURING 1953

SUPPLIES FREELY AVAILABLE WITHOUT WIDE FLUCTUATIONS IN PRICES

FREE availability of supplies without any significant fluctuations characterised the trend of the world silver market during the year 1953, according to the latest annual review of the market published by Messrs. Handy and Harman, New York, one of the world's leading dealers in precious metals. The forces of supply and demand, it is stated, remained in "unusually close balance" and prices were somewhat higher than in 1952. Thus, the average price of silver quoted in New York during 1953 was 85.188 cents per ounce, as against 84.941 cents in the previous year.

The supply position of silver during 1953 was quite comfortable, despite the fall of 3.2 per cent. in the aggregate world output, the quantity actually produced being 202.5 million ounces, which compares unfavourably with 209.1 million ounces in 1952. This was due to the perceptible decline in consumption, from 250.2 million ounces to 238.6 million ounces, which represents a drop of nearly 5 per cent.

Trend of Production

The statement below gives the trend of world silver production and consumption in 1953, as compared with the previous four years:

World Silver Production
(In millions of ounces)

	1953	1952	1951	1950	1949
Mexico ..	45.0	50.4	43.8	49.1	49.5
United States ..	35.0	40.2	40.0	42.1	34.6
Canada	30.0	25.2	24.2	23.2	17.6
Peru	17.5	17.1	14.2	18.4	10.6
Bolivia ..	7.5	7.1	7.2	6.6	6.6
Other South and Central American Countries	7.5	6.9	6.5	7.2	7.0
Total Western Hemisphere ..	142.5	146.9	136.6	141.6	125.9
Outside the Western Hemisphere ..	60.0	62.2	62.0	50.4	48.1
Grand Total ..	202.5	209.1	198.6	192.0	174.0

World Silver Consumption
(In millions of ounces)

	1953	1952	1951	1950	1949
Arts and Industries :					
United States ..	105.0	95.0	110.0	120.9	90.0
Germany	17.5	11.3	10.0	7.8	6.0
Great Britain ..	11.5	10.4	10.6	12.4	11.5
Japan	9.6	8.5	8.5	..	1.6
Canada	4.4	4.2	4.6	5.2	5.2
Mexico	1.0	1.0	2.2	2.4	1.2
Other Countries ..	13.0	15.5	17.8	9.8	17.0
Total ..	163.8	142.1	163.5	157.4	132.5
Coinage :					
United States ..	42.8	57.8	44.4	24.6	13.5
Saudi Arabia ..	..	23.0	20.8	..	20.6
Germany	..	8.3	.2	..	..
Mexico	14.1	3.3	4.5	3.8	.9
Canada	3.9	4.2	3.1	3.4	1.2
Belgium	8.3	..	5.8	5.7	4.3
China	..	..	..	..	32.5
Other Countries ..	11.7	6.5	11.4	6.7	10.8
Total ..	74.8	103.1	90.1	44.2	83.8
Grand Total ..	238.6	250.2	253.6	201.6	216.3

It will be evident from the foregoing statement that the fall in the world output of silver during the year under review was shared principally by Mexico and the U.S., the world's largest producers of silver. The decline in output in these two countries was of the order of 5.4 million ounces and 5.2 million ounces, respectively. The countries outside the Western Hemisphere also accounted for a fall in output from 62.2 million ounces to 60.0 million ounces. Australia remained the most important single producer. Available reports place that country's production at 11 million ounces in 1953, about the same as the previous year. Estimates regarding Japan indicate production of about 6.8 million ounces as compared with about 7,500 million ounces in 1952. Production also increased in Western Germany which accounted for about 2.6 million ounces in 1953, as compared with 1.9 million ounces in the previous year. Information from other countries, particularly Russia, is meagre. Canada in the Western Hemisphere, on the other hand, accounted for a substantial rise in output to the extent of 5.2 million ounces. Peru, Bolivia, and other South and Central American countries too recorded improvement in output.

The downward trend in the world consumption of silver during the year under review was entirely under coinage, the quantity of silver actually used in coinage declining by as much as 44.5 per cent., thanks to the appreciable fall in the U.S. from 57.3 million ounces to 42.8 million ounces. Consumption of silver by arts and industries, however, was higher by over 15 per cent. The major part of the increase was accounted for by the U.S. and Germany, which consumed 105 million ounces and 17.5 million ounces, as against 950 million ounces and 11.3 million ounces, respectively. Incidentally, it is interesting to note that consumption of silver in the U.S. accounts for 61.5 per cent. of the total world consumption.

As already noted, the arts and industries in the U.S. consumed 105.0 million ounces of silver in 1953, an increase of 10.5 per cent. over 1952. Consumption for silverware and jewellery increased somewhat from the previous year, but the proportion of silver used in this country for industrial purposes, as distinct from the arts, continued to rise, and there is every indication that this trend will become increasingly evident in the future. Developments in the electrical and electronic fields, in particular, as well as expansion in the more established uses of silver brazing alloys, indicate a growing realisation of the unique advantages of silver and silver alloys for many purposes.

Silver Imports into U.S.

Total imports of silver into the United States during the year 1953 amounted to about 102 million ounces. This represents an increase over 1952 of nearly 35 per cent. resulting from substantial receipts of Cuban coin, whereas none had been shipped in 1952, and also from a marked increase in arrivals from Mexico. About 92 million ounces, or more than 90 per cent. of total imports, came from Western Hemisphere countries. Mexico shipped 26.3 million ounces, an increase of over 63 per cent. from 1952. Canada shipped 20.6 million ounces, an increase of 8.4 per cent. over the previous year, and from Cuba 19.5 million ounces were received almost entirely in the form of demonetised pesos. Imports of 14.1 million ounces from Peru were the same as in 1952, and of 4.3 million ounces from Bolivia represented a slight increase. All other Western Hemisphere countries shipped 7.7 million ounces, an increase of 1.5 million ounces over the previous year. From Europe, including the United Kingdom, 5.1 million ounces were received, and from Japan 2.3 million ounces. All other countries shipped 2.1 million ounces. Total exports amounted to 6.2 million ounces, but the major portion represented a shipment to Cuba of approximately 4.2 million ounces in the form of subsidiary coin minted for the Cuban Government at the Philadelphia Mint. The silver for this order was obtained from stocks accumulated in New York out of imports in previous years of demonetised one-peso coins. Based on these figures, net supplies available to the market from foreign sources amounted to about 101 million ounces.

During the first 11 months of 1953, Treasury stocks of silver in bullion and coin declined by 11.2 million ounces to 1,926.4 million ounces. A substantial reduction in free stocks and a small reduction in silver dollars held by the Treasury were offset to some extent by an increase in silver bullion securing silver certificates. This increase resulted almost entirely from purchases of U.S. production. Silver outside the Treasury, that is in the form of coin in circulation or held by banks, increased by 43.6 million ounces. Unobligated bullion in the Treasury, or free stocks out of which sales to industry are permitted, has been declining rapidly over the past several years, due to the requirements of the U.S. for subsidiary coin. On 31st December, 1953, free stocks amounted to 50.4 million ounces, a decline of 28.7 million ounces from the end of 1952. At this rate, these supplies will be exhausted in less than two years.

The stability in the New York silver market witnessed in 1953 has been attributed, to a large extent, to the market policies followed by the Bank of Mexico. For the past six years, Mexico, through its central bank, has bought and sold silver in such a manner as to stabilise the price to the greatest extent possible. In general, the Bank has bought Mexico's own silver production at the rate published in New York when producers have been unable to find buyers in the regular market and has sold out of stocks when trade demand has been strong. For the year 1953, total acquisition by the Bank of Mexico amounted to 38 million ounces. About 30.7 million ounces were obtained through purchases of Mexican production and about 7.3 million ounces through withdrawals of demonetised silver coin, mostly in the form of the old .720 fine one-peso pieces. Total sales were about 19.3 million ounces, which included 10.7 million ounces for New York delivery, 4.9 million ounces for shipment to Western Germany, 2.4 million ounces for France, and the balance of 1.3 million ounces to other countries. Mexico made no sales to Saudi Arabia during 1953, whereas sales to that country during 1952 and 1951 represented one of its most important outlets for silver. In addition to foreign sales, Mexico used about 14.1 million ounces for domestic coinage. This figure consisted of 12.9 million ounces used in the minting of .720 fine five-peso coins and 1.2 million ounces used for .300 fine 25-centavos pieces. On balance, the Bank of Mexico increased its holdings by 4.5 million ounces in the course of the year, and it is believed that its total silver stocks as on 31st December, 1953, ranged from 30 million to 35 million ounces.

The arts and industries in Canada consumed about 4.4 million ounces of silver during 1953, a rise of 4.8 per cent. over the previous year, on account of increased demand for sterling. Consumption of silver in the arts, as opposed to industrial uses, accounted for more than 60 per cent. of the total. For coinage purposes, the Canadian Mint used less silver, being 3.9 million ounces, as against 4.2 million ounces.

London Silver Market

There were two developments of interest in the London market in 1953. One was the announcement by the Bank of England on 11th December, 1953, that silver required for essential industries would no longer be provided from official stocks, but that purchases in the dollar area would be permitted if supplies from soft currency areas were insufficient. The other development, of perhaps greater immediate significance, was the purchase of a very substantial amount of silver from Russia during the last four months of the year. The announcement by the Bank of England represents one step towards a freer market in London, but a step which is definitely limited. In the first place, there has been no relaxation of licensing regulations and no expansion in the category of permitted uses. Secondly, a week before this announcement, the official price in London had dropped 1d. per ounce to 73¾d. indicating that the trade had access to ample supplies without recourse to the Bank of England whose selling price remained at 74d. The steady improvement in Great Britain's foreign exchange position has had the effect of eliminating the premium for silver originating in the sterling area, with the result that some of this silver is currently being sold for internal consumption. No official state-

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SUBSTANTIAL FALL IN PROFIT OF CENTRAL BANK OF INDIA

DEPOSITS LOWEST SINCE 1946

THE year 1953 witnessed the return of more stable economic conditions in India than in the previous year, but it can by no means be said to have contributed to the more prosperous working of banks. On the contrary, the year proved to be a strenuous one for these credit institutions, in that it saw the banks inability to employ their resources—which did not show any marked expansion—as fully as possible and that too at a less remunerative return. With the growing tendency for the public funds with the banks to be switched over from current accounts to call and fixed deposit accounts, banks were obliged to pay higher rates of interest on these deposits, without any corresponding rise in interest rates charged on advances in many cases. In addition, administrative costs continued to remain on the high side, with the cumulative result that there was a shrinkage in the earnings of banks in general, the extent of contraction being more marked in the case of bigger banks. A typical example of this trend is provided by the audited accounts of the Central Bank of India Ltd. (Managing Director: Mr. H. C. Captain, Bombay) for the year ended 31st December, 1953.

Deposits of the Bank as at the close of the year under review disclose a contraction of Rs. 5.24 crores over the year and stood at the lowest level for the last seven years. The gross income is lower by over Rs. 8 lakhs, while the outgo by way of interest paid has gone up by Rs. 13.5 lakhs. Similarly, expenses too have staged a further rise of over Rs. 2 lakhs. The profit has, therefore, suffered a marked decline. Thus the profit, before providing for depreciation and sinking fund in respect of lands and buildings, has fallen by more than Rs. 24 lakhs from Rs. 104.51 lakhs to Rs. 80.35 lakhs, the lowest since 1942 when it amounted to Rs. 49.51 lakhs. The necessity to provide as much as nearly a fourth of this profit for depreciation on investments has prompted the Directors to reduce the dividend by 2 per cent., that is, from 14 per cent., a level which the Bank had maintained during the previous six years, to 12 per cent.

The Bank has thus had the unenviable distinction of being the first and only leading commercial bank in India to cut its dividend for 1953. Except in 1946, when the Bank reduced the dividend from 14 per cent. (including a bonus of 1 per cent.) to 6 per cent. on account of the increase in the capital, the Bank had not effected a cut in the distribution to the shareholders since 1936.

A comparative idea of the results of the Bank for the last four years can be obtained from the following table:

(In lakhs of rupees)

	As on 31st December			
	1953	1952	1951	1950
Capital ..	3,14.55	3,14.55	3,14.55	3,14.55
Reserve and contingency fund ..	3,58.28	3,58.28	3,58.28	3,58.28
Sinking fund ..	41.51	40.80	40.08	38.74
Total deposits ..	117,97.85	123,21.18	125,47.88	126,80.73
Borrowings from other banks	5,03.75	39.61	5,64.94	1,27.10
Advances (including bills purchased and discounted) ..	58,81.48	55,36.45	61,17.20	50,67.17
Investments	68,54.80	62,96.25	65,96.05	69,51.85
Cash	16,94.34	16,28.89	17,29.62	17,68.06
Balance-sheet total ..	143,48.02	142,66.58	155,11.83	149,59.89
Ratio to deposits of—	%	%	%	%
Advances	49.4	44.9	48.7	39.9
Investments* ..	45.4	50.4	46.7	53.0
Cash	14.4	13.2	13.8	13.4

* The ratio is arrived at after taking into account the investment earmarked against borrowings from other banks.

The most significant change noted on the liabilities side is the sharp decline in deposits by Rs. 5.24 crores over the year 1952, which is very much greater than that in the previous two years, thus bringing the total decline for the last three years to Rs. 8.84 crores. The tendency to switch over from current deposits to higher interest-bearing deposits is evident from the drop from Rs. 61.69 crores to Rs. 55.64 crores in current, call, and contingency accounts during the year 1953 and the expansion in fixed deposits and cash certificates from Rs. 34.81 crores to Rs. 35.79 crores. Savings bank deposits account for a fall of Rs. 1.16 crores, from Rs. 27.70 crores to Rs. 26.54 crores. Consequent on the fall in the principal resources, the Bank has had to borrow from other banks larger sums to meet the pressure for funds. The outstanding of such borrowings at the close of the year was Rs. 5.04 crores, as against only about Rs. 40 lakhs a year ago. On the assets side, advances have gone up by Rs. 2.95 crores, in distinct contrast to the decline of Rs. 5.81 crores in the previous year. Of this increase, loans, cash credits and overdrafts account for Rs. 1.18 crores and bills purchased and discounted for Rs. 1.77 crores. The rise in advances in the face of a decline in deposits has resulted in the advance ratio going up from 44.9 per cent. to 49.4 per cent. At the end of 1950, it may be noted, the ratio stood only at about 40 per cent. Investments (at book value) have been reduced by Rs. 3.72 crores, mainly on account of the fall in Government and trustee securities, by Rs. 4.23 crores, that is, from Rs. 55.10 crores to Rs. 50.82 crores, and in shares from Rs. 3.88 crores to Rs. 3.74 crores. Investments in debentures or bonds, on the other hand, show a rise from Rs. 70.87 lakhs to Rs. 84.82 lakhs and other investments from Rs. 2.58 crores to Rs. 3.13 crores. The market value of the total investments stands at Rs. 55.41 crores, the shortfall from the book value being of the order of Rs. 3.13 crores, which is entirely accounted for by Government and other trustee securities. It is also significant to note that during the last three years, the Bank's investments have gone down by nearly Rs. 10 crores. Cash balances show a rise of only Rs. 65 lakhs, so that the liquidity ratio has contracted from 63.6 per cent. to 59.8 per cent. At the end of 1950, it stood at as high a level as 68.4 per cent. But the liquidity ratio at the end of 1953 is still at a very comfortable level.

During the year under review, the Bank opened a branch at London. Branches were also opened at Jaipur and Howrah, five sub-branches, four pay offices and two sub-pay offices at various centres. During the year, one sub-branch and three pay offices had to be closed, as they were found to be unremunerative.

The synopses of the Bank's balance-sheets as at the close of the last four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross income ..	5,11.40	5,10.61	5,13.37	4,40.11
Interest and discount earned	4,19.91	4,20.77	4,08.23	3,55.25
Commission, exchange, etc.	80.94	91.86†	1,05.53	71.71
Interest paid	1,55.44	1,41.91	1,24.21	98.38
Expenses	2,75.61	2,73.10	2,60.84	2,55.96
Profit	80.35	1,04.51	1,28.78	1,05.77
Depreciation	2.93	3.13	2.65	2.42
Provision for—				
Taxation	6.50	10.00	10.00	15.00
Sinking fund ..	0.88	0.77	0.78	0.67
Reserve and contingency funds ..	..	..	..	10.00
Investment account	20.00	35.00	50.00	16.80
Bonus to staff ..	13.00	12.00	22.25	20.80
Dividend	37.74	44.04	44.04	44.03
	(12%)	(14%)	(14%)	(14%)
Carry forward ..	16.50	17.28	17.66	18.04

† Includes post-war refund of E.P.T.

The drop of Rs. 8.21 lakhs in the gross income is mainly accounted for by the decline of Rs. 10.72 lakhs in commission, exchange and brokerage earned. This is partly due to the fact that last year this item included the post-war refund of E.P.T. deposits. Despite the fall in deposits, interest paid on deposits and borrowings is up by Rs. 13.53 lakhs, because of higher rates of interest paid on deposits and larger borrowings. It will be observed that over the last three years, while deposits and borrowings have declined by over Rs. 5 crores, interest paid on these has risen by over Rs. 57 lakhs. This gives an idea of the extent to which banks with huge turnover have been called upon to nurse the capital borrowed. As regards expenses, items relating to salaries, allowances and contributions to provident fund are lower by over a lakh of rupees, while a rise in other items under this head has contributed to the increase in total expenses. It is, however, gratifying to note that the increase in expenses is very much smaller than that in the previous year and more so than in 1951. The lower provision for investment account is presumably due to the decline in the Bank's investments, particularly those in Government securities.

CHARTERED BANK MAINTAINS DIVIDEND ON INCREASED CAPITAL

The strength of The Chartered Bank of India, Australia and China, which recently attained its centenary, and the success of its operations may be gauged by the further transfer of £500,000 from contingencies account to the reserve fund which now stands at £5,000,000. The Bank has thus transferred £1,500,000 to the reserve fund in the last two years, of which £500,000 was capitalised in April, 1953, bringing the capital of the Bank to £3,500,000.

At the annual general meeting of the stockholders to be held in London on 31st March, 1954, the Court of Directors will recommend the payment of a final dividend of 7 per cent. actual, subject to income-tax, which, inclusive of the interim dividend at the same rate paid in October last, makes a total of 14 per cent. for the year 1953 on the increased capital.

Further allocations are: £125,000 to pensions fund, £20,000 to widows' and orphans' fund, £200,000 to Bank premises, and £75,000 to contingencies.

The balance of profit and loss account, carried forward to next year, amounts to £403,513.

PUNJAB NATIONAL BANK STEPS UP DIVIDEND

An increase of Rs. 5.74 lakhs to Rs. 39.86 lakhs in profit is disclosed by the audited accounts of the Punjab National Bank Ltd. for the year ended 31st December, 1953. The profit for the year is a record for the Bank since 1948. With the sum of Rs. 1.93 lakhs brought in from the previous year, the amount available for appropriation is Rs. 41.79 lakhs, as against Rs. 39.46 lakhs in the previous year. Out of this sum, the Directors have transferred Rs. 12.50 lakhs (as against Rs. 15 lakhs in the previous year) to provision for income-tax, Rs. 10.25 lakhs (Rs. 2 lakhs) to the contingency reserve and Rs. 0.94 lakh (Rs. 1.46 lakhs) to the general reserve. The amount set aside for payment of bonus to staff is Rs. 7.50 lakhs, which compares with Rs. 5.48 lakhs provided last year. Charity account receives Rs. 0.50 lakh, as against Rs. 0.42 lakh. Last year, a sum of Rs. 7.92 lakhs was utilised for scaling down the Bank's assets in Pakistan under the Displaced Persons (Debts Adjustments) Act, 1951, but no similar allocation has been made this year.

The Directors had already distributed an *ad-interim* dividend at the rate of 8 per cent. per annum, free of income-tax, for the half-year ended 30th June, 1953, (as against 6 per cent. per annum for the corresponding half-year of 1952), absorbing Rs. 3.50 lakhs. They have further recommended payment of a final dividend at the rate of 8 per cent. per annum, free of income-tax, for the half-year ended 31st December, 1953, as compared with the corresponding distribution of 6 per cent. per annum last year. Thus, the total dividend for the year 1953 has been stepped up from 6 per cent. to 8 per cent., this being the second year in succession for which the dividend is being raised. Last year, it was increased from 4 per cent. to 6 per cent. The dividend for 1953, however, falls far short of that paid (12 per cent.) for the pre-Partition year of 1946. The final distribution of 8 per cent. per annum for 1953 requires Rs. 3.50 lakhs, leaving a surplus of Rs. 3.10 lakhs to be carried forward to next year's accounts.

"THE SAVINGS HABIT"

In an interesting brochure, *Four Simple Plans to Help You Live a Happier Life*, issued by it, the Palai Central Bank Ltd., Palai, Travancore-Cochin, seeks to describe how savings can be invested wisely. Citing the instance of four persons of different types, the Bank has done well to emphasise the advantages of cultivating the savings habit. The Bank does not stop merely at this emphasis. It further indicates the method of building up savings and investing them profitably. In fact, the Bank offers some attractive plans to the investing public, especially the small investors. Simultaneously with the brochure under review, the Bank has issued a *Family Budget Book* with a view to enabling one to keep an account of his income and expenditure, a periodical examination of which should ultimately lead him to control his expenses and thus to build up his savings.

EASTERN BANK LTD.

The working of the Eastern Bank Ltd. during the year 1953 has resulted in a net profit of £127,612, representing a small increase of £790 over that for 1952. With the surplus of £102,597 brought in from the previous year, the distributable sum stands at £230,109, as against £219,347. The Directors have transferred £30,000 to Bank premises account and £50,000 to the reserve fund, these being the same as in the previous year. The interim dividend for the year under review was raised from 2½ per cent. to 3 per cent., less tax, and with the proposed increase from 4½ per cent. to 5 per cent., less tax, in the final distribution, the total dividend for the year goes up from 7 per cent. to 8 per cent. The dividend for 1952, it may be recalled, was raised to 7 per cent. from 6 per cent. paid for the preceding six years. A sum of £106,109 is proposed to be carried forward.

MERCANTILE BANK OF INDIA

The Directors of the Mercantile Bank of India Ltd. have recommended a final dividend of 7 per cent., less income-tax, for the year ended 31st December, 1953, making a total of 14 per cent. for the year, the same as for the previous year.

NATIONAL BANK OF INDIA

A final dividend of 8 per cent. has been declared by the Directors of the National Bank of India Ltd. for the year ended 31st December, 1953. With a similar interim distribution made earlier, the total dividend is maintained at 16 per cent. for the eighth year in succession.

ROLE OF HANDLOOMS IN COUNTRY'S ECONOMY

LONG-TERM REMEDIES, NOT PALLIATIVES, THE REAL SOLUTION

WITH considerable publicity and propaganda, the All-India Handloom Board has organised a "Handloom Week." An attempt has thus been made, for the first time in textile history, to bring to the notice of the public the status of the weavers in the country's economy and the importance of promoting the production and sale of handloom products. The Handloom Week commenced on Sunday last with a fervent appeal by the Board to the public that the latter should co-operate with the Board's efforts at placing the handloom industry "on a sound and stable footing." The Union President, the Prime Minister, the Central and State Government Ministers and several others interested in the handloom industry have joined hands with the Board in wishing the industry a prosperous career.

Few would dispute the importance of organising the Handloom Week. For, in the present context of the buyers' market for textiles, not merely in India but the world over, there is urgent need for publicising the role which the industry plays in the economy of the country. The industry, it is claimed, provides a living for over 14 million people and meets about 20 per cent. of the clothing needs of the country. It is also a valuable source of foreign exchange, earning on an average about Rs. 5 to Rs. 7.5 crores per annum, the quantity of exports ranging between 40 and 60 million yards. Indian exports of handloom cloth have established markets in East and West Africa, Middle East and South-East Asian countries; Ceylon is the largest importer. The important handloom products exported are kailies, lungis, sarongs and Madras handkerchiefs.

Consumers' Sovereignty

Considering all these factors, many will appreciate the anxiety on the part of the advocates of the handloom industry to better the lot of the weavers which, there is no doubt, has not been quite happy for some time past. The efforts at focussing public opinion on the handloom trade and on its place in the country's economy must, indeed, be considered as welcome steps in the direction of giving impetus to the sale of handloom products. But this should not be stressed so far—as a few over-enthusiastic Congress Ministers are wont to—as to suggest that the consumer should use handloom cloth in preference to mill-made cloth *even though the latter is cheaper*. We have advisedly italicised the words relating to the price differential. It is necessary to point out that it is clearly impossible to ask the consumer to subsidise the handloom weavers at considerable cost amounting to several crores of rupees. What is worse, most of this additional cost will have to be met by the middle class which consumes the major portion of the cloth consumed in the country and the income of which is inelastic. In their anxiety to better the lot of a section of the population, represented by handloom weavers and their dependents, which is no more than 3 per cent. of the total population, the enthusiasts of the handloom industry are oblivious of the misery that their proposal will cause to the vast majority of the people in the country. At a time when utmost emphasis is being laid on the need to protect the interests of consumers throughout the world, it is highly regrettable that, in this country, attempts are being made to suppress or relegate to the background the consumers' sovereignty which, in fact, forms the major plank for ensuring the development of a solid and highly efficient textile industry.

Another Absurd View

Equally absurd is the view expressed by some that the mill sector today is indulging in unfair competition with the handlooms. Despite the steady and marked improvement in the production of mill-made cloth in recent months, the total supply available for domestic consumption has not been so large as to necessitate such unfair or uneconomic competition. On the other hand, the supply of cloth is well below the pre-war *per capita* availability of 16 yards. Further, the handloom cloth enjoys several advantages over the mill cloth. For instance, it is not, and never was, subject to irksome "production control." Again, it is not subject to a heavy excise duty. Nor is it liable to payment of sales tax. Practically every State has exempted the handloom cloth from sales tax, whereas the mill-made cloth is subject to both multi-point and single-point sales taxes, and that, at very high rates. On top of these, the Central Government has levied an additional excise duty of 3 pies per yard on all mill-made cotton cloth and rayon fabrics with the specific objective of giving financial assistance to the development of the handloom industry.

Technical Efficiency

Where then is the question of competition between handlooms and mills? If, in spite of all the aforesaid advantages, conditions in the handloom industry still continue to be none too happy, it is because the cost of its products is unconscionably high and also because the quality and finish are much inferior to mill cloth. This is the bare truth about the handlooms which, as we have ere now pointed out, cannot be camouflaged by any amount of sentimental outpourings or adverse propaganda against mills. Even at the risk of repetition, we wish to emphasise that, if the handlooms are to survive, they must be guided and helped to produce those varieties of cloth which will be bought by people who can afford to buy them. At the same time, steps must be taken to raise their technical efficiency to such an extent as to reduce the cost of production. The Prime Minister of India, Mr. Jawaharlal Nehru, has done well, therefore, to draw pointed attention to this aspect in his message for Handloom Week. Says Mr. Nehru:

"These efforts (to promote the production and sale of handloom products) are necessary and desirable, but they must be backed up by a constant attempt to improve the techniques employed by the handloom industry. I think that this is possible and, indeed, it is inevitable, if we are to stabilise this industry fully and make it progress."

This very aspect was also emphasised by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, in the course of a talk broadcast from New Delhi on Sunday last. He observed:

"It is very necessary . . . for the weaver to make the fullest use of the latest improvements in the technique of production. Throw-shuttle looms are being gradually replaced by fly-shuttle looms. In many places, even the pedal loom has already come into its own. There is an equal need to adopt new and changing designs to suit the tastes of the consumer. The supply of improved equipment and instruction in new techniques and in the art of designing are also being financed by Government through the medium of such co-operative organisations. With production organised on these lines, the hondloom industry can look forward with confidence to the future. There is enough room in India for both the large-scale and the small-scale producer."

The foregoing account brings out the fact that the real solution to the problem of the handloom industry does not consist in providing palliatives; long-term remedies are needed. The approach to the problem should be not negative, that is, at the cost of the more efficient mill sector or the consumer, but positive. Among the positive and long-term measures, mention may be made of proper co-organisation among weavers, supply of adequate raw materials (including yarn), finance for production activities, improved implements, new designs and finishing, training in improved processes, and proper marketing arrangements.

CLOTH EXPORTS IN 1953

In a written reply to a question in the House of the People the other day, Mr. A. C. Guha, Deputy Finance Minister, said that the total quantity of cloth exported from India during 1953 was about 678 million yards, of which nearly 495 million yards were exported under bond without payment of excise duty and 183 million yards under claim for refund of duty. In respect of about 138 million yards out of the latter quantity, refunds amounting Rs. 54 lakhs had already been made.

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TEXTILE WORKERS' RESPONSE TO CALL FOR HIGHER PRODUCTIVITY SLOW

CONCERN OVER PRICE MOVEMENTS IN COTTON

(From A Special Correspondent)

MANCHESTER, *2nd March*

THREE thousand firms throughout the vast industrial belt in North-West England are to have their power bills cut by £63,000 a year under price concessions announced by the North-Western Electricity Board. Mr. A. O. Johnson, Chief Commercial Officer of the Board, said at a news conference in Manchester that the decision had been taken, despite an increase of £335,000 a year in the cost to the Board of buying its power supplies in bulk from the British Electricity Authority.

MANCHESTER LETTER

Explaining that the Board had decided to take a change, since it believed that the next financial year would be a very difficult one for it, Mr. Johnson said that factors influencing the decision were: Greater efficiency and economies by the Board; growing sales of electricity throughout the North-West region; and the fact that many industrial firms were having to face strong competition from foreign rivals in export markets. The Board did not intend to raise prices to the region's 1,200,000 domestic consumers, but the present concessions had been made to industrial consumers, instead of domestic, because the Board felt that the industry had been called on to bear the brunt of price increases in the past. "The Board," said Mr. Johnson, "will certainly face increasing difficulties in continuing to hold down tariffs if the upward trend of prices persists."

The North-West Electricity Board has also announced that it has decided to continue its relief scheme under which industries hit by depression do not have to pay above a certain price for their power. This will cost the Board £70,000 revenue a year.

World Cotton Supplies

According to latest advices from the United States, supplies of raw cotton are likely to be larger than originally estimated, the total available quantity being around 22,150,000 bales. Of this, the Government holds about 8,400,000 bales, including nearly 6,500,000 bales from the current crop.

In the first half of this season, exports of raw cotton from the United States have again declined, being some 1,500,000 bales, as against 1,750,000 bales in the corresponding period a year ago. Despite this indication of a continued lack of interest on the part of overseas buyers, the National Cotton Council in the United States is still confident that American cotton will hold its own with outside growths, whose production, it is estimated, will not expand to the extent anticipated in certain quarters.

Yet, in comparison with the quantities of cotton being produced outside the United States before the war, the latest crops of outside growths are substantially higher, being nearly 2,000,000 bales above the average in 1935-39. Only in India, Pakistan, Brazil and Egypt have there been large reductions in output and these losses have been more than made good by the expansionist growing policies pursued in such countries as Mexico, Turkey, Syria, the Argentine and the Sudan. In addition, the Soviet Union and China are estimated to be producing 900,000 bales a year more than before the war, although very little of this cotton is available for export.

Another important factor is that the yield per acre of raw cotton has improved enormously in the past 15 years or so. A smaller acreage is being planted, but the amount of cotton harvested tends to increase. In the United States, for example, although output last season of 16,500,000 bales compared with 19,000,000 bales in 1937, the area planted was only 24,500,000 acres, as against 34,000,000 acres. The yield improved from 270 lbs. to 325 lbs., per acre, a 20 per cent. increase.

The area under cultivation in other countries last season has been estimated at 55,000,000 acres, as compared with 60,000,000 acres 16 years ago. Production, however, amounted to 20,500,000 bales, as against 20,000,000 bales, the yield being 200 lbs. per acre, as against 170 lbs., an 18 per cent. increase. Farmers not only in the United States but in many other areas are clearly applying better methods of cultivation, buying of seeds and fertilisers and are using insecticides and irrigation wherever possible.

Too Tranquil A Pace

One of the main criticisms made against the Lancashire cotton industry since the war has been that the rate of progress in redeployment of labour—in other words, using the available manpower in the best possible way—has been too slow. Considering the labour shortage which has hampered activity in both the cotton and rayon industries, the introduction of the latest methods of improving output has been less swift than might have been expected.

The Master Spinners' Federation has now indicated that work study principles are being adopted in 184 mills, which represents 38 per cent. of those owned by members of the organisation. This is an increase of 23 on the total at the end of 1952, but it can hardly be regarded as a very satisfactory situation. Granted the opposition to the system, which is more pronounced in some areas than others, and the cost and trouble involved in bringing experts to the task, the state of trade cannot be described as favourable enough to warrant such a slow response to the call to improve productivity.

Already, it seems, output of all types of yarn has settled down to a level some 2,000,000 lbs. weekly below the peak reached at the end of 1951. The intake of labour in spinning is very slowly increasing, but not at such a rate as to bring much hope of a substantial rise in output in a short time.

Nor is the situation any better in the weaving branch. In fact, it may even be said to be worse. Little information has been given as to the extent to which employers have introduced the Cotton Manufacturing Commission's system of linking earnings with production, but it is believed that the number of firms using the method scarcely exceeds one-tenth of the whole. Several years ago, the Commission expressed the outspoken view: "The uniform list must go." The trade, in general, seems to have ignored the idea and continued its traditional systems.

There is always a minority of firms ready to experiment and they have often produced impressive figures to support their contention that the latest schemes bring success in their train. Others are content to see how their more venturesome neighbours fare before carrying out readjustments.

Unfortunately, there is the minority at the other end of the scale, too, which is quite content to stay put. In the prosperous times of recent years, when everyone was making money, there is, it says, no need to experiment and, when conditions deteriorate, it says that they must conserve their resources.

Price and Demand

Future consumption of cotton in Lancashire may well be seriously affected by the different price movements which are at present taking place. The Raw Cotton Commission has given spinners an indication of its attitude towards purchases of certain types of cotton which it obviously considers to be standing at too dear a level for consideration.

The price trend of both Brazilian Sao Paulo and Pakistan cotton—two of the chief non-dollar cottons usually considered as acceptable substitutes for some of the regular American styles—has recently moved sharply upwards, whereas, in the United States, the advance has been much less marked. Brazilian cotton purchases last year were made under the terms of the barter agreement for jet planes at cheaper rates than were ruling at the time. In the past three months, the equivalent price of Pakistan cotton has increased by nearly 6d. a lb. and new crop Brazilian Sao Paulo can only be bought at a substantially higher level than the prices lately quoted for the Commission's stocks, which are rapidly becoming exhausted.

Unless there is a sudden change of plan, the Commission, as a trading organisation, will end its activities during the autumn, but contracting-in spinners have been advised that further supplies of United States cotton are being purchased for deliveries upto and including October. In addition, new crop Mexican cotton will be obtained to meet notified requirements. On the other hand, demand is so small for either new crop Brazilian or Pakistan cotton that the Commission is taking no steps to replenish its supplies of these types.

After a period in which outside growths have been in freer demand, there is evidence that the tide is turning in favour of American cotton. Currency difficulties still remain, but shippers in the United States must be viewing the situation with considerably more optimism.

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 36,553 bales, chief arrivals being 10,998 bales Pakistan, 5,920 bales American, 4,345 bales Egyptian and 3,930 bales Brazilian.—*All Rights Reserved.*

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FREE WORLD'S COTTON SUPPLY IN 1953-54

NEW POST-WAR RECORD IN OUTPUT PREDICTED

FREE world supplies of cotton in the current (1953-54) season are now estimated by the International Cotton Advisory Committee, Washington, at 44½ to 45 million bales (478 lbs. each) as compared with 42.1 million bales in the last season. On present indications and assuming normal growing conditions in South Brazil, Argentina and Peru, free world production this season, according to the Committee, will "almost certainly set a new post-war record." The output of cotton in the free world is now estimated at 29.4 million bales in the current season as against 28.8 million bales in the last.

The increase in the overall supply of cotton in the 1953-54 season is entirely due to the much larger availability of U.S. cotton which now constitutes over 51 per cent. of free world supplies. The supply of other growths has, however, dropped slightly. The following table gives the supply of American and other varieties of cotton:

(In million bales)

	1952-53	1953-54(a)
Stocks of U.S. cotton(b)	4.6	6.7
Production	15.2	16.3
Total ...	19.8	23.0
Stocks of other cottons	8.7	8.7
Production	13.6	13.1
Total ...	22.3	21.8
Total supply ...	42.1	44.8

(a) Estimated. (b) Both in the U.S. and in importing countries.

An analysis of the cotton supply position in the current season in different countries reveals that both in the net exporting countries (excluding the U.S.) and in the net importing countries, the supply is smaller than that in the 1952-53 season. In the U.S., however, the supply is very much larger than it was in the last season. The following table gives the cotton supply position in selected countries:

Cotton Supply in Selected Countries

(In 000 bales)

	1953-54			1952-53
	Stocks	Production	Total	Total
U.S.	5,600	16,270	21,870	17,955
Other exporting countries ...	4,737	9,161	13,898	14,694
Of which				
Mexico	170	1,230	1,400	1,500
Egypt	870	1,265	2,135	2,931
Turkey	180	600	780	870
Sudan	240	430	670	510
Uganda	45	345	390	375
Pakistan	400	1,270	1,670	1,905
Brazil	2,000	1,300	3,300	3,000
Argentina	360	550	910	930
Peru	125	430	555	555
Net importing countries ...	5,055	4,003	9,058	9,450
Of which				
India	1,370	3,600	4,970	4,975
Total ...	15,392	29,434	44,826	42,099

The supply of cotton in the U.S. is now placed, as the table above will show, at 22.0 million bales or an increase of about 20 per cent. over the 1952-53 level of 18.2 million bales. This includes 16.3 million bales production and 5.6 million bales stocks and allowance for the usual volume of imports. Mexican output is placed at 1.2 million bales, as against 1.7 million bales in the last season.

In view of the greatly reduced crop, total supply in Egypt during the present season has fallen to 2.1 million bales as compared to 2.9 million bales in 1952-53. In Pakistan, production is now estimated at 1,265,000 bales or nearly 300,000 bales less than in 1952-53. Consequently, in spite of some increase in carry-over stocks at the beginning of the present season, total supply in this country is down by over 200,000 bales. The quality of new crop arrivals is reported to have been affected by adverse weather, particularly in the Punjab district. Reduced supplies in Turkey are entirely due to the lower level of current production, presently estimated at 600,000 bales or 100,000 bales under last season's total.

Cotton production on the African Continent continues to expand. Excluding Egypt, production here has now risen to over 1½ million bales or over 100,000 more than last season. The main increases have occurred in Uganda and Mozambique. A record production of nearly 350,000 bales, according to the Committee, is likely to be achieved in Uganda this season. Early ideas of this season's cotton crop in the Sudan are that production will be approximately in line with 1952-53 if weather conditions remain normal over the next few months. Crop progress in the Gezira, where over 75 per cent. of the total crop in the Sudan is grown, is said to be good. The Tokar crop so far remains comparatively free from pests and diseases.

Cotton acreage in India, the Committee says, is estimated to have been some 5 per cent. to 10 per cent. larger than last season. This, plus the timely arrival of the monsoons, led to the expectation of a substantial increase in cotton production but estimates have been scaled down slightly following generally dry weather in some areas, particularly the Oomra district. It adds: "However, the crop is still expected to show a significant increase over 1953."

Cotton plantings in Sao Paulo, Brazil, are believed to have been retarded somewhat by the uncertainty regarding the future Government policy, particularly with respect to price supports. Private reports indicate a decline in acreage of up to 25 per cent. as compared to last season but, against this, a larger quantity of seed is being planted in many areas.

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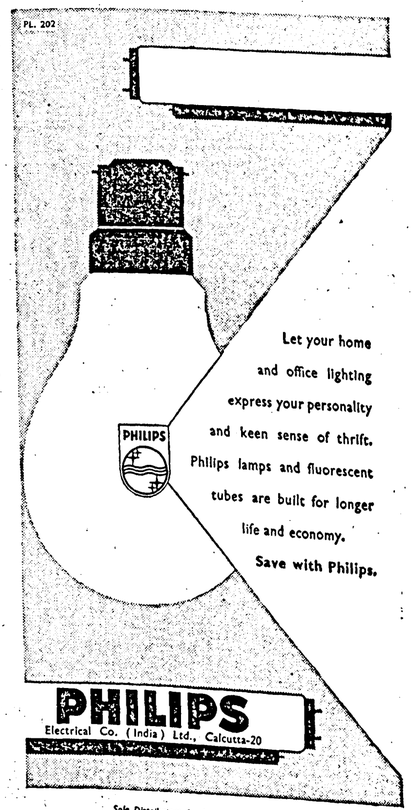

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THE NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY UNDER THE NATIONAL BANK ACT OF THE UNITED STATES OF AMERICA)

Balance Sheet of The National City Bank of New York, Indian Branches as at Close of Business, December 30, 1953.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
2½% 1954 Government of India Bonds, face value Rs. 21,00,000; market value as of date	20,76,375 0 0	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts—		
Fixed Deposits	2,00,67,582 6 0	
Savings Bank Deposits	13,006 6 4	
Current Accounts, Contingency Accounts, etc.	4,02,25,830 9 5	
		6,03,06,419 5 9
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	28,497 6 10	
(ii) Outside India	1,591 6 0	
		30,088 12 10
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	30,088 12 10	
5. Bills Payable		7,19,777 5 8
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	78,04,067 0 0	
(ii) Payable outside India	21,79,883 0 0	
		99,83,950 0 0
7. Other Liabilities—		
(i) Unexpired Discount	6,845 8 0	
(ii) Reserve for Interest Payable	1,73,459 3 7	
(iii) Reserve for Taxes	22,917 0 0	
(iv) Reserve for Other Expenses	32,826 2 10	
		2,36,047 14 5
8. Acceptances, Endorsements and Other Obligations per contra		Nil
9. Profit and Loss—		
Profits for the year ended December 23, 1953, brought from the Profit and Loss Account (includes Rs. 18,872-12-5 profit for the period December 24, 1952, to December 30, 1952, shown in the last Balance Sheet)	9,22,200 13 4	
LESS— Rs. a. p.		
Reserve for Taxes 5,02,999 10 0		
Amount remitted to Head Office 4,12,201 3 4	9,22,200 13 4	
	Nil	
ADD—Profit for the period from December 24, 1953 to December 30, 1953	11,372 5 11	11,372 5 11
10. Contingent Liabilities—		
(i) Outstanding Credits Unused	1,96,44,123 0 0	
(ii) Outstanding Forward Exchange Contracts	3,57,24,686 1 10	
(iii) Bills of Exchange Re-discounted	1,27,385 1 9	
(iv) Collection documents released on our responsibility	80,447 0 0	
Total .. Rs.		7,12,87,655 13 2

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		57,16,870 9 6
2. Balances with Other Banks (In Current Account)—		
(i) In India	1,71,254 6 0	
(ii) Outside India	4,82,823 0 11	
		6,54,077 6 11
3. Money at Call and Short Notice		38,00,000 0 0
4. Investments at book value—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	88,15,000 0 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		88,15,000 0 0
5. Advances (other than bad and doubtful debts for which Provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 3,34,56,356 12 10		
(ii) Outside India Nil		
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	3,34,56,356 12 10	
(i) Payable in India 29,85,663 8 11		
(ii) Payable outside India 34,79,207 0 11		
	64,64,870 4 10	
PARTICULARS OF ADVANCES—	3,99,21,227 1 8	3,99,23,227 1 8
(i) Debts considered good in respect of which the banking company is fully secured	2,27,32,291 6 11	
(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	1,65,14,812 5 2	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	5,63,792 14 5	
(iv) Debts considered doubtful or bad, not provided for	1,12,930 7 2	
	3,99,23,227 1 8	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	Nil	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	78,04,067 0 0	
(ii) Payable outside India	21,79,883 0 0	
		99,83,950 0 0
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		Nil
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures—		
At cost as of December 23, 1952 capitalised during the year	2,07,862 0 0	
Additions during the year	1,75,146 0 0	
	4,75,008 0 0	
LESS—Depreciation written off upto December 23, 1953	2,00,785 0 0	2,67,223 0 0
10. Other Assets—		
(i) Accounts Receivable	61,919 8 0	
(ii) Interest Earned Not Collected	58,568 10 0	
(iii) Clearing and Cash Items	117 6 6	
(iv) Revenue Stamps	4,305 4 1	
(v) Prepaid Expenses	39,846 15 1	
(vi) Due from Head Office and Branches	19,62,549 0 7	
		21,27,307 10 8
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
12. Profit and Loss		Nil
Total .. Rs.		7,12,87,655 13 2

Profit and Loss Account for the Year Ended December 23, 1953, of the National City Bank of New York, Indian Branches.

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts* and other Usual or Necessary Provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	9,07,774 13 11	1. Interest and Discount*	23,51,983 7 5
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 76,947-13-0)	16,22,844 0 7	2. Commission, Exchange and Brokerage	18,76,434 11 4
3. Directors' and Local Committee Members' Fees and Allowances	Nil	3. Rents	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,54,235 10 6	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	40,111 15 6	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,58,872 0 0
6. Postage, Telegrams and Stamps	95,229 10 5	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	Nil	7. Other Receipts	10,866 2 8
8. Depreciation on and Repairs to the Banking Company's Property	96,365 10 0	8. Loss	Nil
9. Stationery, Printing, Advertisement, etc.	99,736 1 0		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	4,99,157 9 7		
12. Balance of Profit	9,22,200 13 4		
Total .. Rs.	44,08,156 5 0	Total .. Rs.	44,08,156 5 0

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

(Sd.) C. A. DUNHAM,
National Bank Examiner.

February 11, 1954.

R. J. STANLEY,
Accountant.

W. L. BULKELEY,
Manager.

Condensed Statements of Condition of The National City Bank of New York, New York (Including Domestic and Overseas Branches).

ASSETS	Dec. 31, 1953 $	Dec. 31, 1952 $
Cash, Gold and Due from Banks	1,494,190,123	1,707,070,284
United States Government Obligations	1,539,874,461	1,427,076,743
Obligations of Other Federal Agencies	14,714,882	21,605,714
State and Municipal Securities	483,780,518	490,071,241
Other Securities	87,916,899	94,649,031
Loans and Discounts	2,368,582,461	2,269,931,847
Real Estate Loans and Securities	294,007	12,385,051
Customers' Liability for Acceptances	23,222,379	23,396,407
Stock in Federal Reserve Bank	9,600,000	9,420,000
Ownership of International Banking Corporation	7,000,000	7,000,000
Bank Premises	32,861,333	29,486,788
Items in Transit with Branches	5,631,892	995,477
Other Assets	4,361,105	5,222,622
Total .. $	6,049,021,671	6,117,115,200

LIABILITIES	Dec. 31, 1953 $	Dec. 31, 1952 $
Deposits	5,533,214,483	5,613,851,572
Liability on Acceptances and Bills (Own Acceptances in Portfolio Deducted: 1953—$22,353,030; 1952—$20,249,211)	30,515,922	24,839,403
Due to Foreign Central Banks (in Foreign Currencies)	16,697,890	18,410,100
Reserves for—		
Unearned Discount and Other Unearned Income	22,550,166	23,342,712
Interest, Taxes, Other Accrued Expenses, etc.	44,127,021	42,126,555
Dividend	2,750,000	2,312,000
Capital (7,500,000 Shares since January 19,1953—$20 Par)	150,000,000	144,000,000
Surplus	170,000,000	170,000,000
Undivided Profits	72,966,329	72,222,858
Total .. $	6,049,021,671	6,117,115,200

Figures of Overseas Branches are as of December 23.

RECONSTITUTED CENTRAL SUGARCANE COMMITTEE MEETS

STRESS LAID ON NEED FOR CO-ORDINATING DEVELOPMENT SCHEMES

THAT most pertinent but well-worn point, namely, a lasting solution to the ills of the Indian sugar industry lies in raising the per-acre yield of high-sucrose content sugarcane, was stressed, once again, by both Mr. Rafi Ahmed Kidwai, Union Food and Agriculture Minister, and Mr. K. R. Damle, Chairman of the Indian Central Sugarcane Committee, in their respective inaugural and presidential addresses delivered at the first meeting of the reconstituted Committee held in New Delhi recently. As we have so often observed in these columns, the biggest stumbling block which has stood, and is still standing, in the way of a flourishing sugar industry is the inefficient growing of cane, especially in the two major sugar producing States of Uttar Pradesh and Bihar. Although more than eight years have elapsed since the Indian Central Sugarcane Committee was established, no worthwhile progress has been registered in the sphere of cultivation of quality cane. That this statement is hardly an exaggeration is borne out by the frank remarks of Mr. Kidwai himself. Said he: "Though the Committee has been functioning since 1945, there has so far been no appreciable increase in the sugar content of the cane produced in the country." On the contrary, there has been a distinct setback, as will be evident from the figures given below:

		1933-34	1943-44	1952-53
Yield of cane per acre	(tons)	15.20	14.10	12.00
Sucrose content ...	(%)	8.80	10.02	9.98

It will be seen from the foregoing figures that both the yield of cane per acre and the sucrose content have not only not improved but actually suffered a setback. Such clearly brings out the fact that the Committee must not have paid adequate attention—if it has, not on sound lines—to ensure flow of the results of research on cane grown to the worker in the field. We cannot but recall what the former Tariff Board (1950) aptly remarked, namely, the results of research undertaken at the various institutions should reach the cultivator at the farm (and the factory) *without delay*. To quote the Board:

"In view of the importance of the sugar industry, which is the second largest industry in the country, and also in view of the potentialities of research in this country, we consider that the existing organisation for research and development should be strengthened. We realise that, for financial reasons, it may not be possible to support any considerable expansion of this work in the near future; but what is required at the present juncture is greater co-ordination of the work which is already being done and which has been planned for the immediate future. Further, it is equally important to ensure that the results of research undertaken at the various institutions would actually reach the cultivator at the farm and the manufacturer at the factory without delay."

Committee's Responsibility

The Union Food and Agriculture Minister did well, therefore, to emphasise that, if India desired to compete in the world markets and provide sugar to the consumer at a cheaper rate, a good deal more would have to be done. It is needless to add here that the responsibility for developing improved varieties of cane rests mostly on the Committee.

The need for intensifying development of sugarcane is of the utmost significance for two important reasons, among others. First, by raising the per-acre yield of high sucrose-content cane, it is possible to bring about a reduction in the cost of sugarcane cultivation. Secondly, it will reduce pressure of cane cultivation on land, and thus make available more land for production of food crops. Emphasising the former aspect, Mr. Kidwai made the following interesting observations:

"India is importing sugar not because production in the country has gone down but because consumption has gone up. In spite of the heavy duty of a little more than Rs. 8 a maund, the sugar we are getting from foreign countries is cheaper than that produced in India. An effort should, therefore, be made to reduce the price of cane and bring down its cost of production. If we can develop cane that will give a higher percentage of sugar recovery, the production cost is bound to decrease. If the per-acre yield is higher, the producer will be better remunerated even at a lower price. In Northern India, the recovery sometimes comes to only 9 per cent., while in South India, it is comparatively higher; and so it is not fair that factories in the South should pay the same price as those in the North."

There is considerable force in these words of Mr. Kidwai. The remarks emphasise that the present system of linking the sugarcane price to quantity and not quality is defective. India is perhaps the only large sugar manufacturing country in the world where this system is prevalent. Since the price of sugarcane has as much to do as the research itself for the development of better quality cane, it is necessary that this question is tackled in right earnest and in a dispassionate manner. Improvement in the quality of cane can be achieved only if the agriculturist is given a "direct incentive" to grow better quality cane. This can be done, as has been explained by Mr. W. I. Wonfor, a leading sugar producer in the South, in a communication to us published elsewhere on this page, by relating the cultivators' return to the sucrose in the cane (and also to the price at which the sugar has been sold).

Pressure of Cane on Land

The improvement in the quality and yield of cane thus achieved would certainly go a long way towards relieving pressure of cane on land. Mr. Damle's observations in this context are noteworthy. He said: "There is a definite limit to the increase in sugarcane acreage which is possible. Any attempts at producing larger quantities of sugarcane will, therefore, have to be based on increased production per acre." He revealed that the Sugarcane Breeding Institute at Coimbatore had done good work in the past on producing sugarcane varieties which were designed to achieve this end. To quote him again: "In future, our emphasis should be on evolving sugarcane varieties, which will contain larger sugar content, and not merely on increasing the quantity of sugarcane per acre."

It is thus evident that the responsibility of the Central Sugarcane Committee for improving cane cultivation has all the more increased, now that the Committee has been divested of the work connected with technological research in the development of sugar and its by-products, following the Central Government's move to set up a Development Council for sugar. Now one naturally expects that the Committee would concentrate its attention exclusively on problems relating to sugarcane research and development. In fact, this was the very purpose for which the Committee was set up. The spheres which demand the immediate attention of the Committee are:

(1) Improvement of the growing, breeding, and marketing of sugarcane and development of the *gur* and *khandsari* industries in India and all matters incidental thereto;

(2) agricultural research on sugar production, distribution, testing and propagation of improved varieties of cane, and collection of relevant statistics;

(3) improvements in methods of production and storage of *gur* and *khandsari* and other allied matters; and

(4) advice to the Central and State Governments concerned on any points referred to it.

All these require adequate financial assistance. It is unfortunate that the Government of India should have halved the annual grant from Rs. 16 lakhs to Rs. 8 lakhs at a time when more finances are needed by the Committee. The reduction will surely handicap the progress of sugarcane research in the country. Reassuring, therefore, is the statement of the Food and Agriculture Minister that sufficient funds would certainly be made available to finance cane research, if the Committee evolved any schemes for ensuring better production of sugarcane. The Committee has already extended schemes of sugarcane diseases at the Indian Agricultural Research Institute and the Orissa Sugarcane Research Station. It has sanctioned a research station at Palur and a Sub-station in the Trichy area of residuary Madras, besides granting an extension for the Anakpalle station in Andhra. The Committee has before it several other schemes relating to sugarcane development, cane research in Madras, grant of a subsidy for the establishment of a sugarcane germplasm bank, and storage marketing of *gur* in the States of Uttar Pradesh, Mysore and Hyderabad.

CANE GROWERS' SHARE IN SUGAR INDUSTRY'S PROFITS

Apropos our editorial comment on sugarcane prices—*vide* page 289 of *Commerce* dated 20th February, 1954—Mr. H. I. Wonfor, Chairman of Messrs. Parry & Co., Ltd., Madras, has made a few interesting observations, in the course of a communication addressed to us, which we reproduce below:

"I have read the interesting leader appearing in your issue of 20th February and I entirely agree that any profit-sharing scheme, as such, would be bad from the point of view of the industry, the agriculturist, the consumer and, finally, the State. I believe that profit-sharing schemes, in the manner of the recent Government proposal for sharing profits with industrial workers, are bad, because I do not believe it is possible to work out any formula which is equitable to both parties. I believe also that schemes of this nature lead to so much controversy that industrial efficiency is bound to be impaired and industrial relations worsened.

"On the other hand, I think that there is danger that some of your readers may apply your strictures to what has become known as the 'S.I.S.M.A.' formula and not entirely to pure profit-sharing schemes. The S.I.S.M.A. formula has already been explained in your columns, and, in your issue of 3rd October, 1953, you made flattering references to proposals, embodying the S.I.S.M.A. formula, made by my colleague, Mr. Hadfield, at a meeting of the Madras Rotary Club.

"The S.I.S.M.A. formula is not a 'profit'-sharing scheme, but it does attempt to give the agriculturist a return for his cane, directly related to the price at which the resultant sugar has been sold adjusted to the actual mill recovery. I suggest, that the only way in which this great industry can be made economic in India in relation to the rest of the world is to improve the quality of cane. This, I believe, can only be achieved if the agriculturist is given a direct incentive to grow better qualities of cane, and I believe that we only do this when we relate his return to the sucrose in the cane and to the price at which the sugar has been sold. This, the S.I.S.M.A. formula attempts to achieve.

"We have been told by Dr. Van Dillewijn that India is the only large sugar producing country in the world where the payment for cane is still made on the basis of weight. Surely, it is time our Government realised that a change must be made in the basis of payment, so that we encourage the growth of sugar per acre and not merely sugarcane."

SUGARCANE PRICES

Sugar factories in India paid higher prices for their requirements of sugarcane during the month of January, 1954, as compared with the corresponding month of 1953. Thus, the all-India average price of sugarcane (including co-operative societies' commission, transport charges, etc., but excluding cane cess) paid by the factories, during the month under review, was Re. 1-8 per maund, as against Re. 1-6 a year before. The portion of the total price actually received by the grower was Re. 1-6-6, which is As. 2-2 higher than the price received a year before.

The following are the average prices of cane (per maund) paid by the factories and those actually received by the grower during January, 1954, as compared with the corresponding month in the previous season:

	Delivered at factory		Actually received by grower	
	January, 1953	January, 1954	January, 1953	January, 1954
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
All-India	1 6 0	1 8 0	1 4 4	1 6 8
U. P.	1 6 1	1 8 0	1 4 2	1 6 8
Bihar	1 5 10	1 8 1	1 4 2	1 6 4
Bombay	1 7 7	1 9 0	1 5 0	1 10 8
Madras	1 6 0	1 7 0	1 5 0	1 7 0
Andhra	..	1 7 7	..	1 7 3

The prices of sugarcane paid by factories in Bombay were higher than those in other States. Some factories paid as much as Re. 1-12 per maund, as against the maximum of Re. 1-7 in Madras, Re. 1-9-4 in Bihar, Re. 1-9-9 in Uttar Pradesh and Re. 1-9-10 in Andhra. The sugarcane growers received the highest price, the sum actually received by a few growers amounting to Re. 1-11-7 per maund. The maximum prices received by the cane growers in the other aforesaid States were Re. 1-7, Re. 1-6-9, Re. 1-7-4 and Re. 1-8-4, respectively.

IMPORTS OF SUGAR

The quantity of sugar purchased abroad by the Government of India up to 31st December, 1953, amounted to 250,000 tons. Actual arrivals of the sugar were completed by the end of February, 1954. This information was given by the Central Minister for Agriculture while replying to a question in the Council of States last week. According to the Minister, the landed price of imported sugar on an average works out to about Rs. 20 per maund, excluding import duty. The imported sugar is being sold at a price that would not injure the interests of the cane-growers, but its price is still below the price of Indian sugar.

Answering an interpellation, Mr. Rafi Ahmed Kidwai, Union Minister for Food and Agriculture, said: "The accounts relating to the import of sugar during 1953-54 have not yet been finalised. On the basis of the latest estimates available, the total cost of imported sugar works out to Rs. 17.23 crores, as against the budget provision of Rs. 17.17 crores. Out of the total sale proceeds of about Rs. 20.1 crores, Rs. 19.08 crores have already been finalised. No unsold stock of imported sugar is likely to be carried forward to the next year."

COAL STATISTICS IN 1953

SHARP DECLINE IN EXPORTS

THE latest available statistics relating to coal disclose that the raisings and despatches of coal during the year, 1953, were slightly lower than those in the previous year. Thus raisings during the year under review were 35,846,898 tons, as against 36,301,865 tons, a fall of 454,967 tons. The decline in production in 1953 marks, for the first time, a setback in the upward trend of output starting in 1948. Coal despatches in the year aggregated 30,657,719 tons, as compared with 31,183,666 tons, a decline of 525,947 tons. Stocks of different grades of coal in Bengal-Bihar coalfields stood at about 2,820,000 tons on 31st December, 1953.

The slight decline in coal raisings and despatches noted above, may chiefly be attributed to a sharp fall in exports. The quantity exported in 1953 was 1,991,347 tons, as against 3,302,115 tons in 1952, a drop of 1,310,768 tons. The marked fall in exports, despite abolition of surcharge on exports of coal to Pakistan in March, 1953, and subsequently on exports to all other countries in May, is indeed alarming. The fall is due to the absence in 1953 of the abnormal conditions that existed in the years 1952 and 1951; there was then acute shortage of coal in the U.K. and Europe. Besides, coal transport difficulties also created bottlenecks. Consequently, many countries which needed coal turned to Indian coal for meeting their requirements. But, by about the beginning of 1953, coal producers in China, Africa and even Australia emerged as keen competitors to Indian coal in South and South-East Asian markets, with the result that there was a sharp fall in exports.

At the moment, however, it looks as though the coal export prospects for 1954 are not quite bright. In 1953, India had contracted to sell 700,000 tons of coal to Japan. It is considered likely that Japan's offtake in 1954 may not turn out to be as much as it was in 1953. For Japan is more inclined to buy coal from the U.S. than from India, on account of not only a shortage of sterling with Japan but also a relatively lower quality of coal in India. Again, exports to Burma are also not expected to be encouraging in view of the possibility of that country making its purchases from China. If the present uneasy Korean truce were to lead to permanent peace, China may well satisfy a good quantity of coal required by South-East Asian countries.

As regards wagon position in 1953, it was officially pointed out some time back that the overall demand for railway wagons for transport of coal in the year had not fallen short of the supply of wagons for such transport. In fact, the wagon offerings for down-country and the industrial area from Bengal-Bihar coalfields had risen, it was stated, between September and November, 1953, to a level in excess of current demands. Again, for some time during November, 1953, and the early part of December, 1953, this applied also to the available railway transport capacity *via* Waltair and Ajni. It was, however, pointed out that there was no reduction in the demand for wagons, although there was a slight decline in production.

COAL RESERVES IN M.P.

Now that there is a move to set up a second steel plant in Madhya Pradesh, preliminary investigations needed for the purpose are being commenced. Press reports from New Delhi indicate that the Government of India has approved tentatively a scheme for the extensive survey of Jhimili coalfields in Surguja District of Madhya Pradesh. A team of Union officials, including Dr. S. S. Bhatnagar, Secretary, Ministry of National Resources and Scientific Research, Mr. A. K. Chanda, Secretary, Production Ministry, and Dr. Khedkar, Director, Indian Bureau of Mines, will be shortly leaving for Jhimili to examine the Jhimili coalfield sites and to discuss with the State Government a programme of rapid survey of mineral resources in the area. It will be recalled that one of the chief reasons for which Bhilhai in Madhya Pradesh was rejected in preference to Rourkela for the establishment of the State-sponsored steel project was that iron and coal reserves of the area were not yet fully explored. The present scheme for extensive survey of Jhimili coalfields is a part of an intensive survey, examination and analysis of the mineral resources of the State, with particular reference to coal, to be undertaken shortly and for which preliminary steps are being taken. If the survey of the region discloses fruitful results, it will not be long before arrangements to set up a second steel plant at Bihar will be afoot. Since India's steel needs will not be fully met even after the proposed plant at Rourkela comes into full operation, there is room for another steel plant.

MINING UNDERSEA COAL RESERVES

Addressing the Midland Branch of the National Colliery Managers at Nottingham, England, recently, Mr. E. H. Browne, National Coal Board's Director-General of Production, disclosed that the Board had decided "to carry out a trial with out-to-sea boring" in order to prove undersea reserves. The most important of the undersea reserves occur, it is stated, in Northumberland, Durham, off the east coast of Scotland and under the Firth of Forth. The first experimental boreholes will be drilled off the coast of Fife from a platform similar to that used for sea forts during the war. Such platforms, which will be 170 feet in height and 225 tons in weight, will permit borings to be made at depth of water upto 20 fathoms. They will be floated and removed to the next boring site when one boring is completed.

COAL MINERS' HOUSING SCHEME

Mr. R. L. Malvia, a representative of colliery labour, is reported to have put forward, at the recent Coal Mines Welfare Fund Advisory Committee meeting, a proposal to enhance the rate of cess on coal from As. 6 to As. 10 for the purpose of providing larger finance for building houses for colliery labour. The proposal is absolutely untenable. For any enhancement of the cess rate will increase the burden on consumers. For, at present, it is the consumers who are paying the cess and not the employers. It may be argued that a separate cess may be levied on colliery owners. But, latterly, the profit margins of the collieries have shrunk to very low levels and any further inroads into them will have very deleterious effects on the industry.

BOMBAY COAL AND COKE ADVISORY COMMITTEE

The Bombay State Coal and Coke Advisory Committee has been reconstituted, under the chairmanship of the State Coal Controller. The Assistant State Coal Controller is the Secretary of the Committee. The members of the Committee are chosen from among the interests of consumers, dealers, industries and trade. The Committee will advise the Government on matters relating to grant of priorities, fixation of prices, and general distribution of coal and coke.

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SALE OF QUALITY TEA IN LONDON

PROPOSAL TO INCREASE QUOTA CAUSES CONCERN IN CEYLON

CONSIDERABLE concern over the proposal, submitted by a section of the tea growers in Ceylon to the Government of Ceylon, for increasing the destinational quota of better grades of Ceylon tea sold at Mincing Lane has been expressed by Ceylonese tea growers. In the course of an interview with the Chairman of the Ceylon Association of London and the Chairman of the Ceylon Tea Propaganda Board, the Prime Minister of Ceylon expressed his willingness to increase the quota of the better grades from the present level of 65 million lbs. to 75 million lbs. The increase of 10 million lbs. will be confined to mid-grown varieties. It remains to be seen whether the Prime Minister will implement his promise at all, considering that, in Ceylon, there is much opposition to the suggestion of larger exports of quality tea.

In March, 1953, the Government of Ceylon decided to restrict the direct shipping of grade teas to London auctions during 1953-54 to 30 million lbs. of high-grown teas and 30 million lbs. of mid-grown varieties. No restriction was, however, placed on shipping of the low country teas. The object of the restriction was to prevent the possibility of Colombo being deprived of all top quality teas for direct offer to the world market. It was the first step towards assisting Colombo to develop itself into an important tea centre which would attract foreign buyers. Before this quota was fixed, only 40 to 50 million lbs. went to Mincing Lane. As Colombo handled 214 million lbs. in 1951 and 238 million lbs. in 1952 and as the prices fetched at Colombo were higher than those at London, where the offtake was less than the ceiling, the Government of Ceylon felt that Colombo could be developed into a better market than London for Ceylon teas. If this is the avowed object of the Ceylon Government, it is not known what reason has prompted the Prime Minister of Ceylon to agree to a relaxation of the restriction and an increase in the destinational quota. The proposal has not, however, been finalised and has to be further discussed between the Minister of Commerce and the representatives of sterling tea companies who have asked for an increase in the quota.

In the meanwhile, the Chamber of Commerce of Ceylon (not to be confused with the Ceylon Chamber of Commerce, which is predominantly British) has passed a resolution viewing with great concern the proposal to relax the restriction on the quantity of quality teas permitted to be sent to the London auctions. The resolution says that there is now a considerable trade in quality teas handled by firms in Ceylon with consequent benefit to the country. This trade, it adds, will be lost if the most attractive teas are monopolised mainly by the London market. Further, the prices of low-grown and medium teas will be affected by a dearth of buyers owing to the lack of quality teas for blending purposes.

It is doubtful whether the proposal for increase in exports of quality teas will find support from the Minister of Commerce, Mr. R. G. Senanayake, who is reported to be in favour of discontinuing the existing arrangements under which a large part of the country's tea crop is disposed of at the London auctions. This is evident from his comment on the latest proposal. He is reported to have said that 97 per cent. of the companies which wanted to sell at the London auctions were sterling companies, while rupee companies, with few exceptions, were perfectly happy with the present arrangements. He added that the sterling companies wanted to sell their dust tea in Colombo and ship the best teas to Mincing Lane. They had not produced statistics to prove that the Mincing Lane prices were better that those realised in Colombo.

A Parliamentary Advisory Committee of Ceylon has, in the meantime, urged the progressive reduction of shipments of Ceylon's quality teas to the Mincing Lane auctions, so that within three or four years Ceylon's entire tea output might be sold at Colombo auctions. According to a spokesman of the Committee, Ceylon is losing millions of dollars as a result of the U.K. re-exporting Ceylon tea to the U.S. In this connection, it may be noted, the U.K. doubled its re-export trade last year and any increase in the destinational quota will be of advantage to the U.K.

It is not known whether the Indian Tea Licensing Committee has any such proposal to fix a quantitative restriction on the export of quality teas on a consignment basis to London. The International Tea Agreement, under which the total export quota of each of the participating countries is fixed, is due for revision. The Indian Tea Licensing Committee is said to be engaged in considering a proposal to base the export quota for each estate on the actual crops realised on the respective holdings. It is also proposed to choose the best output of each estate during the last four years as the basic crop for the purpose of issuing export quotas. It is possible that when "standard exports" are fixed some light may be thrown on the Indian policy on fixing destinational quotas.

The question of asking the three producing countries, India, Pakistan and Ceylon, not to restrict the export of quality tea, was raised in the British House of Commons last week. Rejecting the suggestion that the U.K. should make representations to these countries that they should not restrict the export of quality tea from the 1954 crop, subject only to their internal requirements, the Parliamentary Secretary, Ministry of Food, said that there was in practice no restriction of exports of tea from these countries and added that the limit of exports was 125 per cent. above pre-war and that figure was not now being reached.

Since the foregoing lines were written, the Indian Tea Licensing Committee has announced that arrangements are being made for the release of the first instalment of export quota for 1954-55 to the tea estates during the first week of April. The first instalment will be to the extent of 105 per cent. of India's standard export figure which amounts to 348.25 million lbs.

NEW LEVIES ON PLANTATIONS IN MADRAS AND MYSORE

Two State Governments, Madras and Mysore, have decided to impose a new burden on plantation owners, the former in the shape of an agricultural income-tax and the latter a surcharge on land assessment, and these will come into force from April this year. While it was known for some time that the Madras Government were contemplating the levy of an agricultural income-tax in that State, it was thought that the levy would not be made in the near future for a number of reasons. One of the main reasons was that it was only a few weeks ago that the plantation industry throughout India was called upon to implement the provisions of the Plantations Labour Act from April this year and that demand was accepted notwithstanding the fact that it involved considerable expenditure, both capital and recurring. The industry definitely did not anticipate that in Madras and Mysore it would be called upon to bear additional burdens in so short a time.

The Chief Minister of Mysore, who is also the Minister in charge of Finance, and who in his budget speech announced his intention to levy a surcharge on land assessment on plantations in the State, appears to have been well aware of the burdens already imposed on plantations. He said that he did not wish to impose an agricultural income-tax on plantations in the State, because "the owners of these lands are likely to say that income-tax measures will subject them to harrassments and hardships." The Madras Finance Minister probably saw no such possibilities in his State when he announced his intention to levy agricultural income-tax on some plantation crops. He argued that the collection of such a tax would be an easy job because the majority of planters maintained proper accounts of their business!

Perhaps the most objectionable feature of the proposal in Madras is that the levy is only to be made on plantation crops and no other agricultural crops. The proposal is discriminatory in that respect. One may legitimately ask why plantation crops, which already heavily taxed, should be singled out for this treatment, while other agricultural crops are exempted.

COFFEE ESTATE TO BE ALLOTTED TO D.Ps.

The Central Rehabilitation Ministry has decided to allot a big coffee estate situated in the Chickmagalur District of Mysore to displaced persons or groups of displaced persons having verified claims for property in West Pakistan, who have not been allotted land in the Punjab or elsewhere.

The estate is evacuee property and will be allotted with effect from 1st April, 1954, on a quasi-permanent basis. The estate comprises about 150 acres, of which approximately 125 acres are under coffee and the remainder is wet and dry land.

CONSUMPTION OF BURLAP IN THE U.S.

INNOVATIONS NEEDED TO EXPAND SALES

THE U.S. consumption of burlap in January this year was more disappointing than what it was in December, 1953. For consumption in January, at 63 million yards, disclosed a fall of 11 per cent. over that in the preceding month. The fall belies earlier expectations that the January consumption might show some improvement, as, in the same month last year, it was as high as 75 million yards.

The table below gives consumption of burlap in the U.S. during each of the seven months, namely, July-January of the season 1953-54, as compared with the corresponding months of the preceding season.

(In million yards)

	1953-54	1952-53
July	56	72
August	75	86
September	80	92
October	83	88
November	74	71
December	71	75
January	63	73
Total ...	502	557

It will be seen from the table above that consumption of burlap declined steadily from October, 1953. This fall explains the dull conditions prevailing in the jute goods market for some months now. Exports have fallen despite the cut in the export duty on hessian, effected in the middle of September, 1953.

With regard to U.S. stocks of burlap, the position in January appeared to show some improvement, in that stocks amounted to 184 million yards as against 190 million yards in December, 1953. The reduction is attributed to increased offtake of burlap by industrial users in the U.S., while importers of burlap were inclined to curtail their purchases from abroad. It is further reported that in January, the previous experience of Continental offers (with the exception of some French burlap), quoting prices below the Calcutta rates, was conspicuous by its absence.

In this context, it is quite pertinent to refer here to some of the observations on the position of burlap trade in U.S. made by Mr. J. C. Daly, President, Burlap and Jute Association, U.S. He considered that 1953 was a good year for burlap for two reasons. One was that consumption of burlap in the year was the sixth highest in the last 24 years and prices had been fairly stable, the variations confining to a range of less than 2 cents. The other reason was that the consumption showed that burlap was still important in the packaging field.

It was the considered view of Mr. Daly that the growing population of the U.S. offered plenty of scope for expanding the sale of burlap. But in view of the inroads made by paper bags into the uses formerly served by burlap bags, he felt the need for concentrated selling, cost cutting and the introduction of innovations. He emphasised that American markets needed new bag constructions to meet new demands. The markets needed new constructions of burlap to replace the traditional 100-lb. and 50-lb. containers in order to effect price saving and, in this connection, he complained that Calcutta mills were slow to adjust themselves to the new requirements. He said that the responsibility for bringing about a revolution in the types of jute cloth manufactured in India rested on the shoulders of the Indian Jute Mills Association and on the Pakistani Jute Board which should encourage cultivation of more jute. Anything else was, in his opinion, nothing short of suicide. If the industry were to expand, what was needed was plenty of jute and the will on the part of jute manufacturers to "throw off the cloak of tradition." Mr. Daly thought that things had never looked so good but said that there was no room for complacency.

Suggestions such as those put forward by Mr. Daly have been emphasised on several occasions in the past. Unfortunately, they do not seem to have received the earnest attention of the industry. A new jute fabric for purposes of home decoration and the small burlap bag to enable the retail dealer to hand over his wares over the counter to the consumer are only two examples of many which point to the existence of vast scope for expanding consumption of burlap. The merits of jute, such as its ability to be used several times and its consequent resale value together with its ability to withstand the roughest treatment, are completely convincing. What is needed, therefore, is to turn these to the best advantage of the industry through the introduction of innovations.

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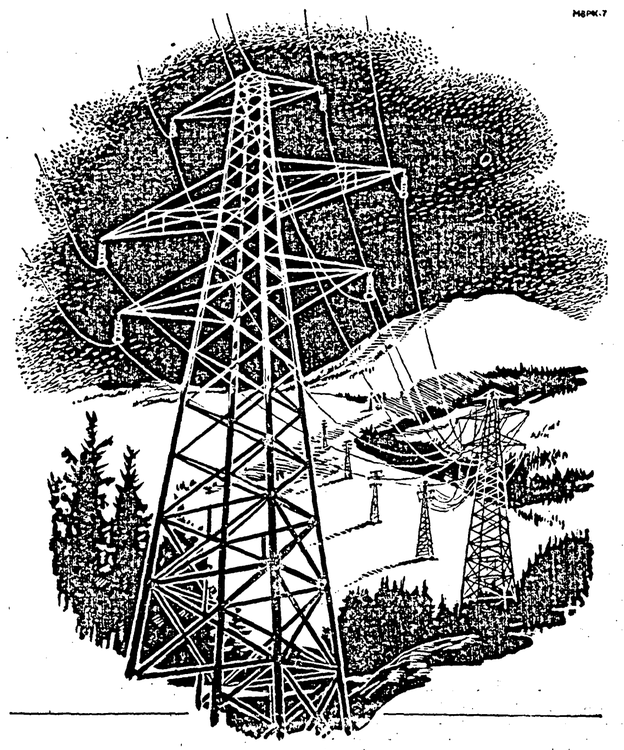

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DEBATE ON RAILWAY BUDGET

CENTRE'S POLICY EXPLAINED

THE debate in Parliament on the Railway budget centred chiefly on the reduction in the surplus earnings of the railways, freight structure and capital development programmes. Some members expressed the fear that the law of diminishing returns was now in operation in the Indian railways and characterised the budget as being "even more dismal than in the previous year," while others expressed considerable satisfaction over the working of the railways. All were, however, in agreement with the view that there was need for accelerating development programmes.

Mr. Lal Bahadur Shastri, Minister for Railways, discounted the fear of some members that the law of diminishing returns was now in operation. He pointed out that the reduction in surplus was not due to any fall in earnings but due to increase in expenditure. The income from passenger fares, he declared, had stabilised itself and goods earnings had gone up, "which would not have been possible if the law of diminishing returns had operated."

Clarifying his reference in the budget to the adjustment in fare and freight structure, the Railway Minister disclosed that it did not mean that there would be a general upward revision of the freight rates in the future. It was only intended to make such adjustments either upward or downward in the freight structure of the commodities as would suit the needs of the developmental economy. General consumers might benefit by reduction in freight of certain commodities, while a commodity like manganese ore, the exports of which accounted annually for about 1¼ million tons and the price of which had gone up by about Rs. 25 per ton, might be able to bear a higher freight rate. But he revealed that no specific case had so far been examined.

New Construction

Explaining the principles on which new railway construction would be undertaken, Mr. Shastri stated that priority would first have to be given to areas where heavy industries were being developed. Then would come areas rich in minerals and which required to be opened up. These areas in most cases were the so-called backward areas and included those producing commodities for export to other parts of the country or overseas. Referring to such alignments as Cape Comorin to Bombay on the West Coast line, Mr. Shastri held that they were not going to be easy propositions, financially or technically. They demanded engineering skill and talent of very high calibre. We need not, however, he said, be unduly pessimistic about the availability of such talent. Proceeding, he added: "I do want, however, that a preliminary examination should be made and I shall advise the Railway Board accordingly."

Mr. Shastri averred that another important question to be considered related to the classification of busy and heavy sections on different railways in the context of the availability of power, as a result of the execution of river valley projects. While electric traction required very heavy initial expenditure, all the same, the railways would have to plan ahead and examine various schemes to be put through on a programmed basis. The railways could, for example, undertake electrification of several sections on the Southern Railway, extend the electrified sections on the Western and Central Railways and also consider electrification of the Amritsar-Delhi route on the Northern Railway and the Kanpur-Lucknow section on the Eastern Railway. He asserted that the Government's intention was to electrify more than one section as early as possible. Dealing with the second Five-year Plan, which is now under preparation, Mr. Shastri declared that it was being drawn, keeping in view the priorities indicated, and observed: "I hope our second Five-year Plan will be much more ambitious and more fully serve the urgent needs of the various parts of our country."

A major bottleneck in the rapid development of the railways is the shortage of steel and other materials, considerable quantities of which will be required for extension of electric and steam tractions. There is also need for skilled personnel. Alluding to this aspect, Mr. Shastri remarked that if the difficulties in respect of material could be overcome adequately, the country would "certainly be able to build substantially more mileage a year during the period of the second Five-year Plan."

On the question of the construction of new lines, the Railway Minister said that a survey of the Mangalore-Hassan line was in progress and Sakleshpur would be a station on this line. The question of constructing a line from Sakleshpur to Kadur via Chikmagalur would be considered, after a decision had been reached on the Mangalore-Hassan line. The survey for a broad-gauge connection to Indore had been completed, while the survey of the Bhil area in Madhya Bharat was still in progress. The Calcutta suburban electrification scheme was already under consideration and it would gradually be extended to the coal belt in Bihar and Bengal. The electrification of the Howrah-Burdwan line had been already included in the next five years' programme. The electrification of the Quilon-Ernakulam section was under active examination. The scheme for extension of electrification from Tambaram to Villupuram on the Southern Railway was also under examination.

The Railway Minister admitted that a single gauge would increase the efficiency of railways. But as the conversion of the present 18,500 miles of metre-gauge track into broad-gauge would mean an enormous cost, it was better not to meddle with it now. Reconciling himself with the existing position, he declared that metre gauge had come to stay, at least for some time to come. But the railways did not want to extend the metre gauge. He added: "We have to consider in due course the conversion of all the existing narrow-gauge lines into broad-gauge."

"Inflated" Mileage

His proposal for the adoption of the "inflated" mileage, the Minister said, was designed to facilitate the further development of the railways. In order to make new lines self-supporting to the maximum extent possible and to reduce the burden on railway revenues and general finances of the country, the present proposal was to charge freight rates and fares over such unremunerative new lines "on the basis of an assumed distance with suitable inflations, which might be 1½ to 2 times the actual distance." The "inflation" would be on goods or passenger traffic or on both, according to the character of the line. It was not intended for the present to apply the inflated mileage basis to those existing lines where it was not operating at present.

While cautioning against complacency, Mr. Shastri told critics that a comparison of the operating ratio of the Indian railways with those in the United Kingdom, France and Germany, which had comparative mileages, showed that the performance of the Indian Railways was the best. The operating ratio of India was 80.8 per cent., the U.K. 90 per cent., France 103.3 per cent. and Germany 100.5 per cent. Mr. Shastri pointed out that the Directorate of the Railway Board had been directed to undertake investigations regarding the use of lignite as loco fuel, when it was produced. The railways were watching with keen interest the development of the production of lignite, which was at present entirely the concern of the Madras Government.

Referring to the availability of wheel sets, Mr. Shastri said that procurement of 24,000 sets was being arranged in 1954-55, while Tata's capacity was 9,600 sets per annum. The difference between the requirements of the railways and the indigenous capacity had necessarily to be met by imports. Tatas, he added, had already been requested to expand their capacity to 13,000 wheel sets per annum.

(Concluded from next column)

An electrolytic process for the production of pure manganese-dioxide suitable for use in dry batteries has been developed at the National Metallurgical Laboratory. Manganese-dioxide finds use in the manufacture of dry cells and as a decolorising agent in the manufacture of glass. Manganese dioxide for these purposes must be very pure and its iron content must be low. India imports yearly about 5,500 tons of high grade manganese-dioxide, of which 4,000 tons are used in the dry battery industry.

The product of the process developed at the National Metallurgical Laboratory comprises 90 per cent. manganese-dioxide with a minute trace of lead as lead-peroxide which is harmless in the manufacture of dry cells. One pound of pure manganese-dioxide is obtainable from every kilowatt-hour of electrical energy consumed.

MANGANESE INDUSTRY IN INDIA

INFERIOR GRADE ORES TO BE UTILISED

THE setting up of a heavy media separation plant at the Dongri Buzurg Manganese Mine in Madhya Pradesh, the opening ceremony of which was performed by Dr. S. S. Bhatnagar, Secretary, Ministry of Natural Resources and Scientific Research, on 28th February last, is symbolic of the commencement of a new phase in the history of Indian manganese industry. For it represents the first step towards utilisation of inferior grades of ore, till now thrown away in dumps.

Manganese ore is mostly used for metallurgical purposes, for the manufacture of pig iron, steel and ferro-manganese. High-grade ore is used in the chemical, ceramic and glass industries and in dry batteries. India has extensive workable deposits of manganese ore distributed in several parts of Bihar, Orissa, Madhya Pradesh, Madras, Mysore, Bombay, Madhya Bharat and Rajasthan. Manganese ore is the most important export mineral of India and accounts for an annual earning of about Rs. 22 crores out of the total of Rs. 50 crores resulting from mineral exports. Indian ore goes to the United Kingdom, Canada, Sweden, Norway, Denmark, West Germany, Netherlands, Belgium, France, Spain, Italy, Austria, Yugoslavia, Japan, the U.S.A., Hong Kong and Burma.

In India, most of the manganese ore is mined by open-cut methods and graded according to its manganese content. The first grade ore contains over 48 per cent. manganese, the second grade between 45 per cent. and 48 per cent., and the third grade below 45 per cent.

In the Indian manganese industry, there has been a long tradition of selecting for the market only high-grade ore which fetches good prices. This has resulted in the growth of huge dumps of low-grade ore, about 3.75 million tons being available in Madhya Pradesh, 1.2 million tons in Andhra and about 200,000 tons in Bihar and Orissa. Because of the limited resources of high-grade manganese ores in the country, the Government of India has been laying great stress on the beneficiation of low-grade ores so as to conserve the high-grade ores. The Indian Bureau of Mines, in collaboration with the National Metallurgical Laboratory, Jamshedpur, has designed a plant for the beneficiation of this low-grade ore for industrial units producing from 10 to 50 tons per day. For smaller units, producing from 5 to 10 tons per day, they have evolved a cheaper method.

Beneficiation of Dumps

These two agencies have been in close touch with the industry in regard to the methods of utilising low-grade ore. Several industrial enterprises have benefited from the research work already done. The plant, which is now set up by private entrepreneurs, will undertake the immediate beneficiation of dumps roughly estimated to contain about a million tons of marketable ore. This plant is perhaps the largest of its type in the East and another similar plant will be set up in the near future in the Bharveli Mine. Madhya Pradesh accounts for 50 per cent. of the total production of manganese ore in India and this development is expected to bring to the State increased royalties amounting to several lakhs of rupees.

Manganese, in the form of ferro-manganese and spiegeleisen, is extensively used in the iron and steel industry. Manganese helps the removal of sulphur, oxygen and phosphorus from iron and imparts a high degree of toughness to the resultant alloy. A number of useful non-ferrous alloys, as, for example, manganese bronze, manganin, high and low expansion alloys, high-damping alloys, etc., contain manganese along with other constituents. In non-ferrous metallurgy, very pure manganese is needed. Alloys prepared from electrolytic manganese are found to be much better than those produced from other forms of manganese.

Though electrolytic manganese is being produced on a pilot-plant scale in foreign countries, the successful reproduction of the processes, as described in literature, has not been possible in India, due to insufficient data. As a first step towards successful production of electrolytic manganese from Indian manganese ore, the optimum conditions for the electro-deposition of manganese from manganous sulphate solutions have been studied at the National Metallurgical Laboratory, Jamshedpur.

(Continued in previous column)

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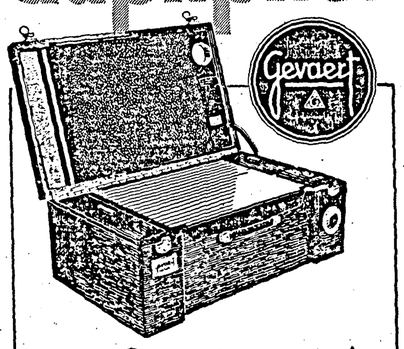

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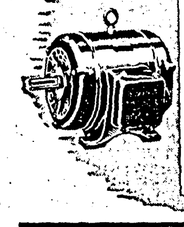
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RESTRICTIONS ON MARINE TARIFF RATES RELAXED

IMPLICATIONS TO INSURANCE BUSINESS

THE Bombay Regional Council has decided to exempt general insurers from the restrictions in respect of marine tariff rates for textiles, cotton and certain other goods. This decision reflects the world-wide competitive conditions which have come to prevail in the sphere of marine insurance. It also reflects the inherent difficulties involved in trying to control the rates for a service such as marine insurance, which, by reason of its international character, cannot possibly be controlled in any effective manner from any particular country.

For some time past, tariff insurers in this country have found it increasingly difficult to secure marine business, because the schedule of rates, which they were obliged to quote for this class of business, was well above the rates which have come to prevail in many foreign countries. Insurers in the countries which import Indian goods were able to quote lower rates for marine insurance for the goods exported to those countries from India. When the importers in the overseas countries found that they could get the goods insured more cheaply in their own countries, they were naturally less reluctant to get the goods insured at this end. These importers, therefore, began to arrange with their home insurers who had branches in India, to issue to the Indian exporter a certificate under open policy. Thus, as a result, actual insurance, including the payment of charges, came to be effected at the destinations of Indian goods. Foreign insurers thus got the benefit of insuring goods exported from this country. This showed how difficult it is to control the rates for an international service such as marine insurance. Indian insurers, on their part, realised that if the fixation of tariff rates served only to divert insurance business from India, no useful purpose would be served by their being sticklers for tariffs.

Removal of Restrictions

Some time back the question engaged the attention of the Bombay Regional Council. It would appear that the Council tried to elicit information relating to the rates and other conditions of service offered by insurers in the countries to which Indian goods are exported. But the Council could get no accurate information; for, there are many centres, Aden, for instance, where the rates are not fixed but are flexible or move in accordance with voluntary agreements arrived at among the insurers from time to time. The Council, therefore, decided, last month, to exempt the export trade in certain classes of goods, notably textiles, from tariff rates. The removal of restrictions refers only to the complete cover rates, for the basic rates (F.P.A. and W.P.A. rates) continue to be governed by the schedule of tariff. It may be mentioned, in this connection, that the schedule refers, among other countries, to Ceylon, Arabia, Iran, Sudan, Egypt, Hongkong, South, East and West Africa and Madagascar. The Council's decision is similar to the one which it took last year when it removed Burma and Malaya from the scope of the tariff schedule. The Council has also removed, with effect from this month, imports of cotton from the U.S. from the scope of tariff restrictions.

There is no doubt that the Council's decision will enable Indian insurers to quote competitive rates. Already, the rates have slumped by about 50 per cent. There is keen competition for the available volume of business. However, a large part of the marine insurance business which was being diverted to other countries will now be retained within India. This will increase the volume of the Indian insurers' business. It remains, however, to be seen whether it will be economic business or not. If the rates slump too heavily—it is to be feared that they already have—the larger volume of fresh business will be of little avail to the insurers. Already, competition in marine insurance is very keen all the world over. Indian insurers, who have for long been insulated from world trends, should now learn to face world competition. In an article, contributed to a recent issue of *The Review*, Mr. Henry C. Thorn, Resident Vice-President, Insurance Company of North America, New York, summed up the world trends in marine insurance. He said:

"Due to the dropping off of marine premiums because of cuts in rates, dsring up of certain trades, and other causes, competition is becoming keener and keener, to the point that many underwriters have cast all caution to the winds and are underwriting chiefly for premium volume. Such a course is bound to bring disaster to those who pursue it. It has always been so in the past, and it is doubtful that the trend will change soon. The immediate results of an increase in premium volume is a better statement in so far as expenses are concerned, and as some people cannot see further than the ends of their noses, they are content to throw caution to the winds and write on this basis. By throwing caution to the winds, I mean that, irrespective of what the experience has been on an account with the underwriter who has it, whether it is due to faulty packing or generally bad management and faulty shipping arrangements, some new underwriter will blindly quote new rates that are even less than those that have produced a loss to the present carrier."

But there is one factor which may aid insurers. Many textile exporters find that their competitors in the world textile trade sometimes score over them by a very small margin. If insurance rates decline even by a small margin, it will enable the exporters to quote competitive prices. Perhaps, this will enable them to export more than they have done in the past, provided, of course, prices in other exporting countries do not decline further or the prices in this country do not rise further. Naturally enough, exporting interests welcome this development in the sphere of marine insurance. If the volume of export trade increases Indian insurers stand to gain thereby.

BOMBAY STATE INSURANCE FUND

The Government of Bombay constituted, as is well known, a common insurance fund with effect from 1st August, 1951. With the help of this Fund, the Government effects its own insurance for all Government commercial and industrial schemes. This Fund is governed by the following general principles:

(1) Industrial and commercial undertakings including all State Training Schemes, will provide for adequate insurance of their property in accordance with the practice prevailing in all commercial undertakings.

(2) Property held by the Government and not included in clause (1) above will not be insured and any damage to such property will continue to be met from the ordinary revenues to the extent necessary and possible.

(3) The premium in respect of property in clause (1) will be credited to a separate fund and will be included in the working expenses of the appropriate undertaking.

(4) Damage covered by the insurance thus provided will be met from the Insurance Fund.

(5) Government property will not be insured with private insurers. But where the risk involved is too large for the Fund to carry, the officer in charge of the Fund, with the previous approval of the Government, will take out the necessary policy with a private insurance company—this will usually be the Indian Insurance Companies' Association Pool—and pay the premium out of the Fund.

The following table gives receipts and disbursements under the Fund in 1952-53, 1953-54 and the budget estimates for 1954-55:

(In lakhs of rupees)

	Receipts	Disbursements
1952-53 (accounts)	6.10	2.64
1953-54 (budget estimate) ...	6.53	1.95
1953-54 (revised estimate) ...	8.67	4.04
1954-55 (buget estimate) ...	20.48	1.60

At the end of 1952-53, the Fund had Rs. 15.28 lakhs at its credit. The Fund, it is estimated, will stand at Rs. 19.91 lakhs at the end of 1953-54 and at Rs. 38.79 lakhs at the end of 1954-55. The following table gives the relevant details:

(In lakhs of rupees)

	Accounts 1952-53	Revised estimate 1953-54	Budget estimate 1954-55
Opening balance ...	11.82	15.28	19.91
Receipts	6.10	8.67	20.48
Total	17.92	23.95	40.39
Disbursements ...	2.64	4.04	1.60
Total	15.28	19.91	38.79

It will be seen from the table above that the operations under the Fund are increasing. This is reflected in the fact that the Fund has grown in size from year to year.

TAXATION OF TREATY COMPANIES

General insurers in this country, it may be recalled, had been perturbed by the attitude of the income-tax authorities who decided to tax Indian companies in respect of the profits earned by foreign companies on the reinsurance business which the former cede to the latter companies (*vide Commerce* dated 20th February, 1954). It is now learned that the authorities have issued instructions to the concerned officials not to take recovery proceedings in such cases. This is indeed a welcome development. It is to be hoped that the Government will recognise permanently the insurers' plea that such taxation will impede the progress of general insurance in India.

Briefly, the tax authorities sought to treat Indian companies as the statutory agents of foreign insurance companies with whom they have reinsurance treaties and to tax them in respect of profits earned by these foreign companies on the reinsurance treaties on the ground that these companies had business connections with them. It would appear that the matter was examined carefully by the Committee of the Indian Insurance Companies' Association and a comprehensive representation was submitted to the Central Board of Revenue by the Committee pointing out the hardship likely to be caused to insurers by the Government proposals. The Committee also urged the Government, it is stated, to accept the principle that in all cases where the reinsurance transactions are *bona fide* and undertaken for the sole purpose of obtaining protection by means of reinsurance, the present practice of treating the reinsurer as operating from his head office and trading with India and, therefore, not liable to tax in India, should be recognised.

REINSURANCE IN CUBA

In the past few years, a distinct trend has been noticeable, according to *The Review*, towards the establishment of reinsurance companies in countries where no such enterprises existed before. Most of these new companies have been initiated by international insurance and reinsurance concerns, which shows they are accommodating themselves to economic and political realities prevailing in the present phase of world affairs. In the last couple of years not less than four reinsurance companies have been established in the Union of South Africa and three in Canada. No reinsurance companies existed in either countries before. The African companies were established by Swiss, French, British and Dutch interests and the Swiss and British were responsible for the creation of the Canadian companies also. The latest development in this direction is the establishment of two new reinsurance companies in Cuba and one in Venezuela, where no professional reinsurance companies have hitherto existed, and yet another in Mexico.

One of the new Cuban reinsurance companies, the Inter-continental Compania de Reaseguros, S.A., Havana, is an offspring of the Caisse Centrale de Reassurance, with the participation of the nationalised French companies, La Paix, Phenix Incendie, and L'Urbaine et Seine. The capital of the company is $300,000, fully paid. The second Cuban reinsurance company, the Compania Cubana de Reaseguros, Havana, is apparently of the now well-known type of group co-operation, established by 23 Cuban and foreign companies operating in the country. The paid-up capital of the Company is $150,000.

The Union Deputy Finance Minister, Mr. M. C. Shah, stated in the Council of States that the Government did not propose to bring forward any changes in section 27 of the Insurance Act in regard to restrictions on insurance companies investing in equity capital. Mr. Shah said that Government had received representations from various bodies and had considered them but did not propose to bring forward any change.

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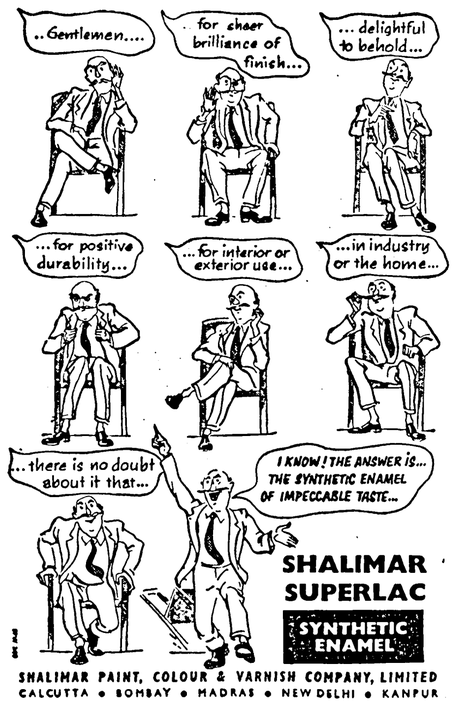

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STUDIES IN BUSINESS MANAGEMENT

PROPOSED COURSES IN INDIA NEED MODIFICATION

(By Prof. C. N. VAKIL)

[In the sphere of training men for business management, India has made little or no progress. The subject has been engaging considerable public attention for some time now. It was also the theme of an interesting address delivered by Prof. C. N. Vakil, Director, School of Economics and Sociology, University of Bombay, at a meeting of the Commerce Graduates' Association at Greens on the 12th inst. Prof. Vakil has made a special study of this subject and recently visited all the important schools of Business and Industrial Administration in the U.S. His views, therefore, merit careful consideration. The following article which is the substance of the address mentioned above may be read with interest. Readers' attention is particularly drawn to Prof. Vakil's observations on the scheme of the All-India Council of Technical Education for providing courses of study in Business Management.—ED.]

THE efforts at planned development of this country presuppose that we should have adequate arrangements for the efficient working of industries, small and big, whether in the private sector or the public sector. It is common knowledge that there is considerable room for improvement in the management of our industrial concerns which, if attended to, should help us in producing more and better. Managerial work has become specialised in Western countries, and it is accepted that appropriate training should be given to persons who wish to qualify themselves for managerial work in private or public industry. The need for adequate training facilities for this purpose in our country is obvious; it should, however, be remembered that the training should be with due regard to our conditions so that those concerned can have a realistic understanding of the work that they will be called upon to do. In other words, the training should have a practical bias or the state of affairs existing in the country and the nature of the problems that have to be faced should be duly reflected in the work that the trainees are required to do. Though we have a good deal to learn from the theory and practice of management in other countries, we should take care to see that these are duly modified to suit our conditions and requirements.

The All-India Council of Technical Education has decided to arrange for four different types of courses in Management Studies. These courses fall into three distinct groups as under:—

(a) *Industrial and Production Engineering.*—The training being with particular emphasis on the physical control of the organisation and products.

(b) *Business Management.*—The training being with particular emphasis on the financial and economic control of the organisation and the distribution of products.

(c) *Industrial Administration.*—The training being with particular emphasis on the human and financial control of the organisation including public relations.

Institution of National Diplomas

These have to be carried out by the institution of National Diplomas as under:—

Courses	*Duration*	*Admission requirements*
(a) Industrial and Production Engineering	One year (full-time) or 3 years (part-time).	Degree in Engineering or Technology with a minimum of two years' experience in industry.
(b) Industrial Administration.	Do. ..	Do.
(c) Business Management	Do. ..	Degree in Arts or Commerce with a minimum of two years' experience in industry.
(d) Certificate in Foremanship.	Two years (part-time).	Persons who are employed in industry in the supervisory cadre and are sponsored by their employers for training.

The Council is thinking of organising these courses in four different regions in the country, namely, the Eastern Region, mainly Kharagpur and Calcutta; the Western Region, mainly Bombay; the Southern Region, mainly Madras and Bangalore and the Northern Region, mainly Delhi. In each of these cases, scientific and technical institutions have been asked to organise courses in Industrial Administration and non-technical institutions to organise courses in Business Management. For example, the Indian Institute of Technology, Kharagpur (near Calcutta) is expected to organise courses in Industrial Administration, and the Institute of Social Welfare of the Calcutta University is to organise courses in Business Management. Similarly, the V. J. Technical Institute, Bombay, is asked to deal with Industrial Administration, and the Bombay University with Business Management. In the case of Industrial Administration a degree in Engineering or Technology with a minimum of two years of experience in industry is insisted upon as the qualification for admission.

It is easy to appreciate that for the Diploma in Industrial and Production Engineering as well as for the Certificate in Foremanship, the requirements for admission should be of a technical character, and the work of instruction should be in the hands of technical institutions. In view of the object as defined for Industrial Administration, however, it is not clear why the admission to these courses should be confined to persons who have had a degree in Engineering or Technology. Persons with a basic knowledge of Economics or Commerce would be better able to have this training. Nor is it clear as to why the course in Industrial Administration should be entrusted to technical institutions. Most of the work in Industrial Administration as proposed is of a non-technical nature and can be more appropriately handled by institutions which have facilities to do work in Applied Economics.*

American Experience

These and similar courses are developed more fully in the U.S.A. than in any other country in the world. The U.K. is trying to adopt some of these courses. The Graduate Schools of Business and Industrial Administration in the U.S.A. do this work at a high level. They admit, as a rule, students who have had a good liberal education preferably in Economics or Commerce. The School of Industrial Administration attached to the Massachusetts Institute of Technology admits M.I.T. Graduates in Engineering or Technology to its courses. It is, however, quite clear that it does not consider knowledge of engineering or technology as the necessary basis for the study of Industrial Administration. It is accepted only as an intellectual discipline and other intellectual disciplines are considered on a footing of equality for the course.† Whereas this is the situation in this institute which is an offshoot of the M.I.T., all other schools of this type, throughout the U.S.A., admit students with training in Economics or Commerce for these courses; for instance, the Harvard School of Business Administration, the Wharton School of Business Administration (Pennsylvania University), Columbia University School of Business Administration and similar schools in various other universities. Persons holding the M.B.A. (Master of Business Administration), or similar degrees from these institutions are prized in business and industrial houses in India. These schools do not insist on technical training for admission to their courses. They believe that an executive charged with Industrial Administration or Business Management need not have technical training. An industrial or business executive should have a wide background, general training of appropriate subjects and be able to decide important issues with due reference to diverse forces involved in a given problem. If technical considerations are involved in any given problem, he should seek the advice of the technical experts in the concern in question. In the ranks of business and industrial executives either in the U.S.A. or in the U.K., the percentage of persons who have had technical training is comparatively small. A few such persons because of their personal aptitude or capacity have risen to executive positions. The great majority of persons working as business or industrial executives are, however, persons with general training and experience of problems relating to industrial administration and business management.‡ The situation in India is also similar.

It may be noted that in the U.S.A., as a rule, such courses in Business Management and Industrial Administration are taught together in the same institution, obviously because they are closely related and have common ground. The teachers in these subjects have, as a rule, basic training in Economics; some of them have practical experience of having worked in industrial houses. The emphasis in different schools in the U.S.A. varies; each school has developed its own speciality and approach; there is no rigid uniformity as is contemplated in India. This allows different centres to make different experiments suited to local conditions and is conducive to initiative and original work. In any case, there is no artificial division between Business Management and Industrial Administration; they are dealt with under the same roof and under the same control; they are not separated as is proposed in India where Industrial Administration is to be taught by Technological institutes and Business Management by others.

Need for Full-time Courses

It should also be noted that, generally, these courses are given to full-time students who join industry after their training is over. Part-time courses in special subjects are given in some places to those working in industry. But there is no insistence that a candidate for admission should have two years' previous experience in industry. The assumption that persons who are already in industry for several years will be willing to attend evening courses for a Diploma in Industrial Administration or Business Management for three years in succession is likely to prove incorrect. Those already in industry may like to study one or two courses in which they are deficient or in which they wish to specialise. They may like to attend such courses, say two or three times a week, for six months or at the most a year. They will not care for a diploma or appear at an examination for it. Similarly, persons with technical training may profit by having some subsidiary courses in Industrial Administration. These may be given while they are doing their technical studies or later by evening courses as above. To think of giving full and detailed courses in Industrial Administration to Engineering or Technical Graduates is neither consistent with their specialisation nor required by the facts of the situation.

What is desirable is the concentration, in the beginning, on full-time courses in Industrial Administration and Business Management in two centres, say Bombay and Calcutta. These should be open to graduates in Economics or Commerce. It should be limited to a small select number and should have a practical bias. Intensive practical training can be organised for them in co-operation with industry. The resources of institutions which do these courses may be utilised to offer some evening special courses for those in industry who wish to profit by them. The evening courses would thus be a by-product of the full-time institutions. The evening courses need not lead to diplomas. Diplomas or degrees should be given for the full-time courses only. These courses should be spread over a period of two years. The proposal that the courses as framed by the Council can be covered in one year is not sound. The ground to be covered being wide, the work will be superficial if attempted in one year, even allowing for the fact that the candidates may have practical experience and may not have vacations. It is better to concentrate on a few centres for such full-time courses and then develop these studies in the light of experience. Any effort at organising these courses in several centres, and that too mainly for part-time or evening students is not likely to succeed for reasons explained above. It is better to organise a few institutions well than try to do so at several places in a superficial manner.

It is obvious that large amounts of money will be spent on the organisation of these courses. Though the main idea is good and systematic efforts are required to develop the study of Industrial Administration and Business Management in the interests of efficiency, the approach of the Council is highly defective and needs radical alterations. It is borne out neither by the experience of other countries nor by the conditions of our country. It will obviously not be possible for technical graduates to do these subjects at an advanced level. For adequate knowledge of these subjects, the training should be more advanced and for this, a background of Economics or Commerce is essential. Besides, the starting of merely part-time courses of the type suggested above will not lead to the desired results. We would be justified in adopting Western methods of training with modifications to suit our conditions; but the proposed arrangement is borne out neither by logic, nor by experience, much less does it fit into our requirements.

* Details of the proposed courses are as under:—

Business Management	*Industrial Administration*
1. Management Principles.	1. Industrial Accounting and Budgetary Control in Industry.
2. Management Practice.	2. Industrial Economics and Economic Resources.
3. International Trade.	3. Public Economics and Industrial Co-operation.
4. Marketing; Distribution,	4. Industrial Organisation and
5. and Transportation.	Management including labour and
6. Economic Analysis.	Industrial Law.
7. Economic Statistics.	5. Personnel Management.
8. Personnel Management.	6. Economics of Transportation.
9. Higher Business Control.	7. Statistics.
10. Public Finance and Public Utilities.	8. Industrial Plant Operation and Production, Planning and Control.
	9. Time and Motion Study.
	10. Metrology.

Note: No criticism is offered on the proposed courses which can be improved by suitable changes; for example, one wonders whether Metrology should be included in the course in Industrial Administration.

† This is based on a personal discussion with Dean Brooks of this School in November, 1953.

‡ The above account is based on personal discussions with Deans of Graduate Schools of Business and Industrial Administration at the leading Universities in the U.S.A. during October and November, 1953.

STIMULUS TO PRODUCTION AND EMPLOYMENT

WHAT GOVERNMENTS CAN DO

[With a view to stimulating production and employment, various suggestions have been put forward by business and industry in this country as to how governmental policies could be adjusted to allow private enterprise to play its full role. In the U.S. also, similar views are being expressed in order to stem the onset of any possible economic recession, and what is more noteworthy is that the Government has already made a move on the lines suggested. The following article, culled from the February issue of the Guaranty Survey of New York makes, in this context, interesting reading. The views on "deficit financing" contained therein are of particular significance to this country, as the Finance Minister, in his latest budget, proposes to resort to "deficit financing" of the order of Rs. 250 crores in 1954-55.—ED.]

THOSE who believe that political controls can bring sustained prosperity continue to complain of governmental inaction. In fact, they seem to have laid in a new supply of ammunition since the current business readjustment began. If and as the readjustment proceeds, cries for the Government to "do something" will undoubtedly spread. A "positive programme" will be demanded. What are the essential features of a sound "programme"? What can the Government do to limit the extent and duration of the readjustment and to promote firmly based prosperity for the economy as a whole?

In seeking answers to these questions, it is important to bear in mind a few pertinent facts that are too often overlooked. One of these is the meaning of the term "readjustment." As its name implies a readjustment is a corrective process. In a changing economy, rates of production and operating methods must be continually adapted to new conditions. In particular, maladjustments develop in the course of a sustained boom, and these need correction. The correction usually involves some decline in production and employment.

For this reason, continuous full employment is impossible. A reasonably smooth and quick readjustment is a legitimate objective, but a total avoidance of it is not, because the readjustment itself is necessary. Hence, governmental action, if it is to have any chance of achieving success and avoiding damage, should aim at facilitating the readjustment, not at preventing it.

Another consideration is the risk of creating a lasting evil in the effort to relieve a temporary one. Most of the measures that have been taken by Governments in their attempts to stimulate business are essentially inflationary—or, in the current semantics, "anti-deflationary" or "reflationary." Deficit financing, whether it results from tax reduction or increased spending, tends to expand the money supply. Unless contrary action is taken at an appropriate later time, the final result is a permanent dilution of the currency.

Compensatory Fiscal Policy

Under the theory of "compensatory" fiscal policy, deficits incurred at times of reduced business are offset by surpluses in periods of active business. In practice, these offsetting surpluses rarely occur. The political pressure for governmental largess and tax relief is too strong. The "compensatory" theory has been tried and found wanting. The stimulating effect of an inflationary hypodermic is temporary, but the inflation itself is permanent.

A normal business decline is the concern of business, not of Government. A weakening of demand is a sign of maladjustments, and the struggle to regain lost markets is the driving force by which the maladjustments are corrected. Only the buyers and sellers of goods and services can exert this force. "Reflation" from without is no substitute for readjustment from within. Instead of correcting the maladjustments, it tends to perpetuate and aggravate them.

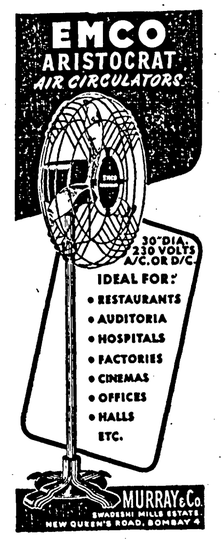
In so far as the decline has been caused or is being deepened and prolonged by unwise governmental policies, the situation and the remedy are quite different. This is the area in which a "positive programme" under political auspices not only can be helpful but may even be indispensable. When business activity turns downward, both the executive and the legislative branches of Government may well ask themselves to what extent the trouble may be of their making, and what they can do to correct it. Is the tax structure conducive to vigorous enterprise, or is it weighted against individual initiative and risk-taking? Are markets free to reflect and react upon underlying conditions, or are their normal movements hampered by laws and regulations? Is management at liberty to act, or is it circumscribed by statutory and bureaucratic restrictions? Is business being given every incentive to expand, or is political intervention subjecting it to needless risk of failure, with the threat of further intervention if it does fail?

Such questions as these have been held in abeyance during the boom conditions of the war and post-war years. Yet those who recall the persistent apathy and stagnation of the late 1930's have regarded the outlook with some misgivings. They have recognised that, sooner or later, the economy would be called upon to test itself under a more rugged set of conditions, and they have not forgotten that some of the politically created obstacles, which inhibited recovery during the pre-war period, are still present today. It is an open question whether the environment that political action has placed around our industrial system in the last two decades is one in which enterprise can permanently thrive. This is the governing question to be considered by public officials and lawmakers in formulating a "positive programme" to keep business healthy.

Genuine Tax Reform

The Government has made a good start toward adopting such a programme. The budget has been reduced by $12 billion in one year, and this saving has permitted scheduled tax reductions to go into effect without incurring a large cash deficit. The so-called excess profits tax, one of the most harmful of all Federal levies, has been allowed to expire, and individual income-tax rates are lower. At the same time, the Administration has refused to yield to demands for deep tax cuts, until such action is warranted by further lowering of expenditures. The House Ways and Means Committee has taken a preliminary step toward genuine tax reform by approving a reduction in the tax on dividends, the device by which corporate earnings are now subjected to double taxation. This proposal is to be included in the general tax reform Bill that is being written by the Committee.

The Government has also taken several significant steps toward restoring free markets. One of these was the abolition of general price control early in 1953. Another was the full support given the Federal Reserve Board in the endeavour to adapt open-market policy to the changing needs of the economy.



The use of central-bank policy as an anti-recession stimulant is less risky than is the use of fiscal policy, partly because it is less direct in its effects and partly because it is less subject to political pressure. Central banks can make more money available, but they cannot force it into use. For this reason, easy money is of very limited effectiveness in a period of reduced business. Moreover, when the time for restraint comes, central banks as well as Governments are exposed to strong opposition, as has been seen in the United States during the past year.

Much remains to be done, however, before a programme embodying adequate economic incentives can come into being. The tax on capital gains continues to act as a deterrent to the flow of venture capital. The same is true of the almost confiscatory rates on individual incomes in the higher brackets. The outlook for rates on corporate income is still uncertain, but even if the scheduled reduction goes into effect at the beginning of April, the 47 per cent. rate will still be a heavy burden, especially to companies of moderate size that are facing more difficult conditions than have existed in recent years. The high and arbitrary excises on certain designated goods and services constitute an unjustifiable discrimination against the industries affected, and in at least one case, namely, that of the tax on distilled spirits, the rate has risen to a level at which it apparently defeats its own purpose as a producer of maximum revenue by driving business "underground."

Outside the field of taxation, probably the most serious threat to market flexibility and individual initiative is to be found in labour-management relations. Over large sectors of the economy, labour costs are frozen. This, in effect, means that prices also are frozen. If the business readjustment proves to be as mild and short-lived as most forecasters apparently expect it to be, this rigidity of prices and costs may not be a serious obstacle to high business activity or a critical factor in unemployment. It is, however, not difficult to imagine a situation in which the failure of labour costs to adapt themselves to downward tendencies in general prices could become a cause of great hardship throughout the economy, and most of all to labour itself.

A situation as deep-rooted as this is not easily changed. For two generations, the public in general, and industrial workers in particular, have been taught to believe that wages can enjoy an exclusive immunity to the market forces that determine the prices of commodities and services in general. This delusion survived the most disastrous period of unemployment in history and now seems to be stronger than ever. It is impossible to predict the sort of situation that will ultimately reveal it for the fallacy that it is. As long as the belief remains imbedded in the popular mind and in political and economic institutions, the economy will continue to face the threat that this particularly harmful form of market rigidity will make business readjustments longer and more severe than they need be.

A "Positive Programme"

Free markets and business incentives are the essential features of a governmental programme to stimulate production and employment. These features exist automatically in a truly free economy. If they are weak now, it is because they have been made so by a type of political action that harks back to the days of mercantilism, the economic system which developed in Europe as feudalism decayed. Mercantilism was characterised by close governmental regulation of industry and trade with a view to promoting nationalistic aims. Prices, wages, occupations, the right to do business—every phase of economic life was subject to control by the authoritarian State—all, of course, in the "public interest."

Mercantilism was superseded by liberalism, the system of free enterprise and free markets, which sought to increase national prosperity by giving each individual the liberty and incentive to increase his own prosperity. Under genuine liberalism the Western world experienced a rise in wealth and welfare never approached before.

Yet in the last thirty years many nations, including our own, have tended to revert to the once discredited aims and methods of the earlier era. Curiously enough, this reversion has masqueraded under the name of "liberalism."

The "positive programme" that business needs from Government today is not a programme of new forms of intervention but a programme for the restoration of the freedoms and incentives that spell *true* liberalism. Fortunately, our own Government is moving in that direction.

THE CENTRAL BANK OF INDIA, LIMITED.

BALANCE SHEET AS AT 31ST DECEMBER, 1953.

CAPITAL AND LIABILITIES.

1. CAPITAL:—					
AUTHORISED CAPITAL—					
(a) 10,50,000 Ordinary Shares of Rs. 50 each		Rs.	5,25,00,000	0 0	
(b) 4,20,000 Ordinary 'A' Shares of Rs. 25 each		,,	1,05,00,000	0 0	
		Rs.	6,30,00,000	0 0	6,30,00,000 0 0
ISSUED CAPITAL					
(a) 10,50,000 Ordinary Shares of Rs. 50 each		Rs.	5,25,00,000	0 0	
(1) 4,72,528 Ordinary Shares of Rs. 50 each issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd.	Rs. 2,36,26,400 0 0				
(2) 5,77,472 Ordinary Shares of Rs. 50 each issued for payment in cash	,, 2,88,73,600 0 0				
	Rs. 5,25,00,000 0 0				
(b) 2,10,000 Ordinary 'A' Shares of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash		Rs.	52,50,000	0 0	
		Rs.	5,77,50,000	0 0	5,77,50,000 0 0
SUBSCRIBED CAPITAL:—					
(a) 10,48,475 Ordinary Shares of Rs. 50 each		Rs.	5,24,23,750	0 0	
Amount called up at Rs. 25 per share					2,62,11,875 0

Note:—1. The above number includes 348 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 696 coupons issued by the Central Bank of India Ltd., for a like number of shares of the Tata Industrial Bank, Ltd., which have not yet been submitted for conversion.
2. 35 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 70 coupons issued by the Bank, but not yet submitted for conversion.

(b) 2,09,025 Ordinary 'A' Shares of Rs. 25 each		Rs.	52,42,375	0 0	
Amount fully paid up					52,42,375 0 0
		Rs.	5,76,66,125	0 0	3,14,54,250 0 0

Note:—509 Ordinary 'A' shares remain to be given against 2,545 coupons issued but not yet submitted for conversion.

AMOUNT RECEIVED ON 31 SHARES FORFEITED	530	0 0
RESERVE LIABILITY OF SHAREHOLDERS:— Rs. 25 per Share on 10,48,475 Shares subscribed upto 31-12-1953	2,62,11,875	0 0
		3,14,54,756 0 0
2. RESERVE FUND AND OTHER RESERVES:—		
Reserve Fund	3,16,28,500	0 0
Contingency Fund	42,00,000	0 0
Sinking Fund in respect of Lands and Buildings	41,51,142	7 6
		3,99,79,642 7 6
3. DEPOSITS AND OTHER ACCOUNTS:—		
Fixed Deposits and Cash Certificates	85,79,81,070	15 5
Savings Bank Deposits	26,53,65,343	7 4
Current Accounts, Call Deposits, Contingency Accounts, etc.	85,64,36,729	8 10
		1,17,97,85,183 10 7

4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.:—	Secured by part of Investments per contra	Unsecured		
(i) In India	Rs. 5,01,58,649 5 2	Rs. 1,00,000 0 0	5,02,58,649	5 2
(ii) Outside India	,, 1,16,666 0 8	,, ...	1,16,666	0 8
			5,03,75,315	5 10
5. BILLS PAYABLE			1,20,46,789	13 4
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra:—				
(i) Payable in India			4,13,02,194	7 3
(ii) Payable outside India			1,23,91,968	5 10
			5,36,94,162	13 1
7. OTHER LIABILITIES:—				
Branch Adjustments			2,72,77,270	7 3
Amounts owing to Subsidiary Companies			20,39,458	9 11
Unclaimed Dividends			8,60,832	7 9
Rebate on Bills Discounted			99,905	9 8
			4,02,17,267	8 6
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per contra			1,23,91,968	5 10
			5,26,09,236	5 11
9. PROFIT AND LOSS ACCOUNT:—				
Balance as per Balance Sheet as at 31st December 1952			43,39,354	9 9
Less—Final Dividend at the rate of 8 per cent. paid for the half-year ended 31st December 1952			25,16,340	0 0
Profit for the year 1953			17,23,014	9 9
			76,51,863	11 5
Less—Ad-interim Dividend paid for the half-year ended 30th June 1953 at the rate of 8 per cent., i.e., Re. 1-8 per Share	Rs. 18,87,255	0 0	93,74,878	5 2
Amount transferred to Bank's Investments	,, 20,00,000	0 0		
Amount provided for Taxation	,, 6,50,000	0 0		
Amount provided for Bonus to Staff	,, 13,00,000	0 0		
			55,37,255	9 9
10. CONTINGENT LIABILITIES:—				
Claims against the Banking Company not acknowledged as debts Rs. 11,05,722-9-2.				
Money for which the Banking Company is contingently liable Rs. 82,56,267-8-0 on Investments in shares of Joint Stock Companies and Banks. And Rs. 12,33,251-2-8 against Letters of Guarantee on behalf of constituents.				
Liability on Bills of Exchange rediscounted $12,250.00 of which $5,357.83 upto 13th February 1954 have run off. And on Inland Bills of Exchange rediscounted Rs. 6,544-12-0 which have fully run off.				
Liability on account of outstanding Forward Exchange Contracts Rs. 79,05,510-7-11.				
			35,37,123	5 9
Total .. Rs.			1,43,48,02,546	15 6

PROPERTY AND ASSETS.

1. CASH—					
Cash in hand and with Reserve Bank and Imperial Bank (including foreign currency notes)					13,79,13,606 12 11
2. BALANCES WITH OTHER BANKS—	on Current Accounts		on Deposit		
(i) In India	Rs. 15,27,108	15 11	Rs.		15 27 108 15 11
(ii) Outside India	,, 1,99,42,615	11 5	,, ...		1,99 42,615 11 5
					2,14,69,724 11 4
3. MONEY AT CALL AND SHORT NOTICE					1,00,50,256 10 7
4. INVESTMENTS (at Book Value)—					
(i) Securities of the Central and State Governments and Other Trustee Securities	Face Value Rs. a. p. 52,11,85,206 4 11		Market Value Rs. a. p. 47,69,16,309 5 6		50,82,85,380 0 1
Treasury Bills of the Central and State Governments			....		....
		Fully Paid Rs. a. p.	Partly Paid Rs. a. p.		
(ii) Shares—					
(a) Preference		1,05,72,891 11 6	8,47,975 0 0		
(b) Ordinary		2,31,69,298 1 2	22,93,953 5 10		
(c) Deferred		9,55,764 14 6	....		
(d) Other Classes		67,794 12 0	....		
		3,47,65,743 7 1	31,41,928 5 10		
			Market Value Rs. a. p.		
			3,74,10,848 15 5		3,74,07,671 13 11
(iii) Debentures or Bonds	Face Value Rs. a. p. 87,02,500 0 0		Market Value Rs. a. p. 84,82,356 4 0		84,81,886 5 10
(iv) Other Investments:			2,60,56,713 13 3		
(a) Pakistan Loans			9,84,375 0 0		
(b) Foreign Securities			42,83,933 0 9		
(c) Other Municipal Debentures	Face Value Rs. a. p. 8,22,60,999 15 7		Market Value Rs. a. p. 3,13,28,592 0 10		3,13,25,021 14 0
(v) Gold					....
					58,54,49,960 0 10
5. ADVANCES—					
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors).					
(i) Loans, Cash Credits, Overdrafts, etc.:			44,82,81,585 10 1		
(a) In India			4,16,05,944 5 3		48,98,87,529 15 4
(ii) Outside India					
(ii) Bills Discounted & Purchased:			7,97,16,748 3 2		
(i) Payable in India			1,35,43,440 5 4		
(ii) Payable outside India					9,32,60,188 13 7
	Loans, Cash Credits, Overdrafts, etc. Rs. a. p.	Bills Discounted and Purchased Rs. a. p.	Total Advances Rs. a. p.		53,31,47,718 12 11
PARTICULARS—					
(i) Debts considered good in respect of which the Banking Company is fully secured	43,43,61,968 2 9	5,26,95,575 6 6	48,70,57,543 9 5		
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security as under:— Rs. 2,48,20,938 8 1					
(a) Debts due on Joint and Several Pro-notes					
(b) Debts due on Temporary overdrafts, cash credits and Single Pro-notes, Rs. 2,06,14,370 2 9 etc.	4,54,35,308 10 10	1,55,60,081 12 4	6,09,95,390 7 2		
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,00,90,253 1 9	2,50,04,531 10 7	3,50,94,784 12 4		
(iv) Debts considered doubtful or bad, not provided for					
Total Rs.	48,98,87,529 15 4	9,32,60,188 13 7	58,31,47,718 12 11		
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	10,20,533 12 2	2,807 5 0	10,23,431 1 2		
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,27,17,764 3 3	1,08,175 13 0	1,28,25,940 2 3		
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	10,79,779 0 1	5,330 11 6	10,85,109 11 7		
(viii) Maximum total amount of advances including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,57,88,590 4 1	74,498 13 8	1,58,63,089 1 9		
	49,85,906 7 9	16,02,239 12 3	65,91,146 4 0		
(ix) Due from banking companies					
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA:—					4,13,02,194 7 3
(i) Payable in India					1,23,91,968 5 10
(ii) Payable outside India					5,36,94,162 13 1
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA					2,62,62,302 5 11
	Bank Premises Rs. a. p.	Investment in Properties Rs. a. p.	Non-Banking Assets acquired in satisfaction of claims Rs. a. p.		
8. LANDS AND BUILDINGS—					
Cost as per last Balance Sheet	77,73,556 12 1	88,74,554 11 1	10,67,387 1 8		
Less—Cost of Properties sold during the year	....	....	21,574 3 9		
	77,73,556 12 1	88,74,554 11 1	10,45,812 13 11		
Add—Cost of Additions made during the year	1,83,952 8 0	837 8 0	9,774 1 6		
Cost of Properties purchased or taken over during the year		....	5,000 0 0		
	79,57,509 4 1	88,75,392 3 1	10,60,586 15 5		
Less—Amount written off	10,00,000 0 0	15,00,000 0 0	2,06,624 15 8		
	69,57,509 4 1	73,75,392 3 1	8,51,961 15 9		1,01,84,863 6 11
(Further Provision in Sinking Fund as per contra)				61,43,841 1 4	
9. FURNITURE AND FIXTURES: as per last Balance Sheet				4,75,713 14 6	
Add—Additions less Sales made during the year				66,21,554 15 8	
Less—Amount written off to date for Depreciation				37,49,671 0 10	28,72,883 14 10
10. OTHER ASSETS—					
Income-tax Paid				4,65,974 0 0	
H.P.T. Deposit with Government under Section 10 of the Finance Act, 1942				9,99,000 0 0	
Shares of the Central Bank Executor and Trustee Co., Ltd., at Cost				2,48,500 0 0	
Shares of the Depositors' Benefit Insurance Co., Ltd., at Cost				29,78,077 12 5	
Interest accrued on Investments				20,65,487 9 9	
Silver					
Stamps, Stationery, Stock of Home Savings Safes and Safe Deposit Boxes					67,57,039 8 2
Total .. Rs.					1,43,48,02,546 15 6

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1953.

EXPENDITURE.

1. Interest paid on Deposits, Borrowings, etc.	54,58,221	4 1	1,55,43,904 3 10
2. Salaries and Allowances at Head Office and Local Branches			
Salary and Allowances to Managing Director Rs. 1,13,767-13-0.	1,55,83,185	14 8	
Salaries and Allowances at Up-country Branches	12,18,472	5 1	
Contributions to Provident Fund			
	63,240	0 0	
3. Directors' Fees and Allowances	11,295	0 0	2,23,50,962 7 10
Committee Members' Fees and Allowances			
4. Rent, Taxes, Insurance, Lighting, etc.			74,675 0 0
5. Law Charges			23,84,201 15 1
6. Postage, Telegrams and Stamps			1,85,540 13 9
7. Auditors' Fees			7,06,414 1 1
8. Amount transferred to Sinking Fund on Banking Company's Property			44,000 0 0
Repairs to Banking Company's Property	26,396	13 5	
Other Charges on Banking Company's Property	27,887	1 0	
Depreciation on Furniture, etc.	2,43,544	1 10	
	2,97,796	8 6	
9. Stationery, Printing and Advertisement, etc.			7,55,128 8 6
10. Loss from sale of or dealing with non-banking Assets			14,12,528 12 11
11. Other Expenditure			
12. Balance (Net Profit) subject to Taxation			
Total .. Rs.			76,51,863 11 6
			5,11,39,619 8 8

INCOME (less Provision made during the year for bad and doubtful debts and other usual or necessary provisions).

1. Interest and Discount		4,19,00,869 5 5
2. Commission, Exchange and Brokerage		80,94,513 3 1
3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)		4,92,029 14 4
4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)		2,75,000 0 0
5. Net Profit on revaluation of Investments, Gold and silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)		....
6. Income from non-banking Assets and profit from sale of or dealing with such assets		2,75,667 4 10
7. Transfer Fees		11,539 14 9
Total .. Rs.		5,11,39,619 8 8

Note.—Remuneration received by Directors for their own use from other Companies by virtue of nomination by the Bank on the Board of other Companies amounted to Rs. 400/- during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Central Bank of India, Ltd., as at the 31st day of December 1953 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited Returns of 56 Branches and the authenticated Returns of the Pay Offices and other Branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) The Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;
(d) In our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) Such Profit and Loss Account shows a true balance of profit for the year;
(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the books of the Bank; and
(g) In our opinion, books of account have been kept by the Bank as required by Section 150 of the Indian Companies Act 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.
S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 25th *February*, 1954.

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C. H. BHABHA,
M. M. AMERSEY,
C. P. WADIA,
Directors.
H. C. CAPTAIN, *Managing Director.*

N. K. KARANJIA, *Manager, Branches.*
F. C. COOPER, *Secretary.*
K. B. PASTAKIA, *Accountant.*

NATIONAL INCOME OF INDIA

ARE WE GETTING RICHER?

(By Prof. V. G. RAMAKRISHNA IYER)

INDIA'S national income is placed at Rs. 9,530 crores for 1950-51 in the final report of the National Income Committee published recently. The corresponding figure for 1949-50 is Rs. 9,010 crores, while the revised figure for 1948-49 is Rs. 8,650 crores. The *per capita* incomes, at current prices, work out to Rs. 265.2 for 1950-51, Rs. 253.9 for 1949-50, and Rs. 246.9 for 1948-49. The terms of reference to the Committee were to prepare a report on national income and related estimates, to suggest measures for improving the quality of the available data and for the collection of further essential statistics and to recommend ways and means for promoting research in the field of national income. The Committee was also to guide the National Income Unit of the Government of India in the compilation of authoritative estimates of national income. The first report of the National Income Committee, completed in April, 1951, *considered various general questions on national income and presented estimates of* national income for 1948-49.

The question of India's national income has been the subject of investigation for considerable number of years now and official and non-official agencies have attempted to state in quantitative terms the *per capita* income of India. Varying estimates were given in the investigations made in the past by critics of British administration in India who put the *per capita* income of the country at a low figure, while the apologists of British administration put it at a high figure. In recent times, the recognition of a positive economic policy has emphasised the need for a statistical picture of the interrelationship in the working of the Indian economy and not merely for an absolute total providing a doubtful satisfaction to the curiosity as to whether the country is getting richer or poorer. Governments today recognise that national income estimates are a sure guide to current economic events, and they are no longer regarded as a matter of academic or historic interest. In Britain, the Chancellor of the Exchequer has been of late depending upon White Papers on National Income and Expenditure to *frame* Government budget and financial policies.

The immediate cause of the appointment of a National Income Investigation Committee by the Government of India was the demand for a revision of the tax structure. For the estimates of national income are expected to indicate how much of the total attributed to production is in the form of wages, salaries, interest and profits, while that of the national product should show how much of the income is generated in different branches of activity as agriculture, mining and manufacturing. On the expenditure side, the estimate will give an idea of the distribution between capital formation and consumer expenditure and the constituents of each. It should include the composition and distribution of personal income. Consolidated statements of operations, appropriation and reserve accounts of corporations have also to be prepared. The aim thus set forth is laudable, but it is difficult, in a country like India which is at present a statistical vacuum, and much preliminary work will have to be done before we can aspire to present figures sufficiently exhaustive and reliable as in the case of the U.K. and the U.S.A.

Experts' Views

More recently the economic experts, Dr. Bowley and Mr. Robertson, who were invited by the Government of Bombay, observed that the existing data for the measurement of India's national income are hopelessly inadequate and they tentatively suggested the following items for inclusion or exclusion in any measurement of the national income:

(i) The value of the net product of agriculture, mining industry, etc., at the point of production,

(ii) plus the value of the services of transport and mercantile agencies added to domestic goods and imports,

(iii) plus excises on domestic goods and customs on imported goods,

(iv) minus the value of exports (f.o.b.) including gold and silver,

(v) plus the value of personal services of all sorts,

(vi) plus the annual rental of dwelling houses,

(vii) plus the net increments in the holding of balances and securities abroad (after deducting similar increments held in the home country by foreign residents, and

(viii) plus the value of agricultural produce at the *point of production which is* consumed directly by the producer or exchanged by barter.

Since most of these data may not be available in India for some time to come, the experts recommended the compilation of another estimate of India's national income by means of a summation of India's individual incomes both for confirming the results arrived by the census of production method and for correcting certain discrepancies.

The census of income method includes the following items:

(i) The value of all commodities directly produced and directly consumed and of all receipts in kind at the point of production plus the annual rental value of houses in which the owners lived,

(ii) minus all interest payments on loans whether for consumption or production,

(iii) plus the gross money incomes of all individuals including interest on Government loans and pensions of retired Government servants,

(iv) plus the undistributed profits of companies and the net profits of companies and the net profits of Government commercial undertakings,

(v) minus the interest on war and other non-productive Government loans and the net pensions of ex-Government servants, and

(vi) plus receipts *from customs, excise, stamp* and local rates.

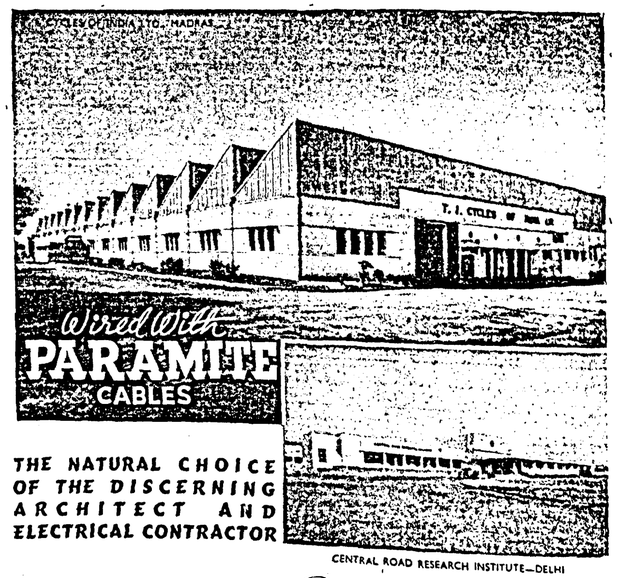
For estimating rural incomes the census of production method is more appropriate and for urban incomes the census of income method is more appropriate. In both cases, detailed sample enquiries in selected areas might, in the first instance, be more useful than any attempt at exhaustive surveys covering the whole field.

The foregoing theoretical details might show the complexity of the problem of judging national income and the need for not putting implicit faith in facile conclusions from mere statistical averages. The aggregate income of India for 1947-48 was estimated to be of the order of Rs. 4,972 crores and the population for the same years at 235 millions, and the *per capita* income was, therefore, estimated at Rs. 213. The poverty of the people is evident when compared with similar incomes in the advanced countries in the same year. The average income of an American is estimated to be 23 times more than that of an Indian and that of an Englishman 12 times that of an Indian. If we relate the income of 1947 to prices, we find that, according to the Economic Adviser's Index, the price level in India for 1947-48 (with 1939 as base) was 307, i.e., the price level in 1947-48 was three times that in 1939. Making allowance for this price rise, the *per capita* income in terms of pre-war prices comes to Rs. 70. This shows that there is not much increase in the real income in 1947-48, as compared with the pre-war year which is largely due to the rapid rise in population. Between 1931-33 and 1947-48, the population of the Indian Union has been estimated to have risen from 198 million to 233 million, that is, in 16 years the population increased by 35 million or 18 per cent. But the *per capita income*, in terms of pre-war prices, increased only from Rs. 61 to Rs. 70. In other words, the trend seems to be for population to increase faster than output of goods. The following figures show, at a glance, the national income and population for subsequent years, as given by the recent report of the National Income Committee.

		1950-51	1949-50	1948-49
Population	(Millions)	359.85	354.82	350.33
National income	(Rs. crores)	9,530	9,010	8,650
Per capita income	(Rs.)	265.2	253.9	246.9

The *per capita* incomes when calculated in real terms show no appreciable change during the period.

In this connection, it is necessary to disabuse our minds of a considerable misconception about the scope for distribution of wealth in our country. Any factual survey will show that the



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rich are neither so rich nor are there so many of them in the country. Income-tax returns are an indication. In 1940-41, for instance, there were only 79,000 income-tax assessees in the whole of India and the number of persons assessed to tax on the basis of income of one lakh or over was approximately, 2,800 and this means that the total income-tax paying class represented only 0.07 per cent. of the total population and persons in the income brackets of one lakh and over, only 0.0007 per cent. persons with an income of one lakh or above represented roughly one per cent. of the total income-tax paying class. Nearly 50 per cent. of the assessees belonged to the income grades below Rs. 5,000 a year. These figures pertain to India before Partition. For the present, it may be presumed that persons who form such a small proportion of the total population as 0.0007 per cent. have between them far less than even one per cent. of the wealth of the country. The slight improvement caused by the war may be ignored on the ground that it is not likely to alter the picture fundamentally. In India, under present rates of income taxation, a person with one lakh of earned income is left only Rs. 48,000 approximately, a person with an income of Rs. 2 lakhs is left with about Rs. 54,000, that is, an additional amount of Rs. 6,200 only for an additional earning of Rs. 1 lakh; a person with an income of Rs. 5 lakhs is left with about Rs. 64,000 and so on, and it is thus arguable that these are conditions not favourable to saving and under the present rates of income taxation no one can become rich except by tax dodging or black marketing.

Increased Production Necessary

Even in wealthy countries like the U.S., it is said that persons with incomes of 25,000 dollars a year and above had about 6.7 per cent. of the national income in 1947 which sank to 3.4 per cent. in the Hoover regime and to 2.5 per cent. under Roosevelt. In India, if all the wealth of the wealthy people were forcibly redistributed, it would not provide even one meal for 300 million people. In the U.S. it has been said that, progressive income-tax could redistribute only 2 per cent. of the national income, while a slight improvement in business conditions will improve the condition of the masses by anything between 5 and 10 per cent. In India the proportion of the national income which could be redistributed by a progressive income-tax is much less but an improvement in business conditions and production will improve the conditions of the men much better. So the road to wealth in India is not so much by redistribution but by increased production. Estimates of the structure of income go to show that as between 1931-32 and 1947-48, about 52 per cent. of the income was derived from agriculture and allied occupations in the former year, while it was about 56 per cent. in the latter year. The shares of income from industries in the total income in 1931-32 was about 16 per cent., as against about 21 per cent. in 1947-48 and the percentage share of services was about 22 per cent. in 1931-32, as against about 17 per cent. in 1947-48. There does not seem to be a fundamental change in these relative proportions between 1948 and 1953.

We have so far given so much consideration to the figures relating to the size and distribution of national income for the simple reason that it is the only objective index whether we are progressing or declining in our national life and activity. It is only out of the increased income that we can get not only the food and clothing and other necessaries of life but those fruits of the human spirit which make for a balanced life. Our rates of saving and investment also depend on the steady growth of our *real* income which the economist is able to measure only in money terms. We have been led to believe that our money incomes have shown a steady increase and that we are progressing towards a higher standard of living so that we are now getting better in the best of all possible worlds. The mere rise in money incomes is no criterion, for they have to be related to the rise in prices which have inflated the incomes, and the relation of our money incomes to real income measured in terms of the cost of living, shows clearly that our post-war prosperity is artificial and cannot stand for long.

		1939-40	1946-47	1947-48
Total income	(Rs. million)	19,843	44,672	39,421
Population	(Millions)	290	314	340
Per capita income	(Rs.)	67	143	180
Cost of living	(Index No.)	100	242	258
Income adjusted with cost of living	(Rs.)	67	69	62

The figures already quoted from the Report of the National Income Committee recently published do not show any substantial change from those quoted above. It is, therefore, evident that we cannot afford to be optimistic and lay the flattering unction to our souls that we are in the enjoyment of higher incomes and, therefore, of greater prosperity. In one sense, the direction given to our capital assets on account of the war in the form of huge sterling balances has affected the standard of living of the people as reflected in the consumption of food, clothing and other necessaries of life.

Food and Cloth Consumption per head

		1939-40	1946-47	1947-48
Food consumption per head	(lbs.)	388	388	357
Cloth consumption	(yards)	16	12	11

In this connection, a reference may be made to the Five-year Plan for increasing the wealth of the country which is still in the region of possibilities rather than of actual achievements.

		1950-51	1955-56
National Income	(Rs. crores)	9,530	10,000

As against this, we may note the following growth of population.

	Population	*Decennial growth*	
	(Millions)	(Millions)	(Per cent.)
1941	319	40	14
1951	361	42	15

As a matter of fact, the common people are not better fed and clothed than they were even in pre-war periods. If planned production shows a slight increase, it is neutralised by unplanned growth of population and inflated prices. We will do well to remember also that statistical averages, taken as an index of national well-being, have their limitations as they subordinate human values. As a matter of fact, we are not getting richer especially when we relate our money incomes in terms of their real purchasing power, and the prosperity in money terms is pseudo-prosperity and not true prosperity in terms of real income in the form of food, clothing, housing and other essentials of life.—*All Rights Reserved.*



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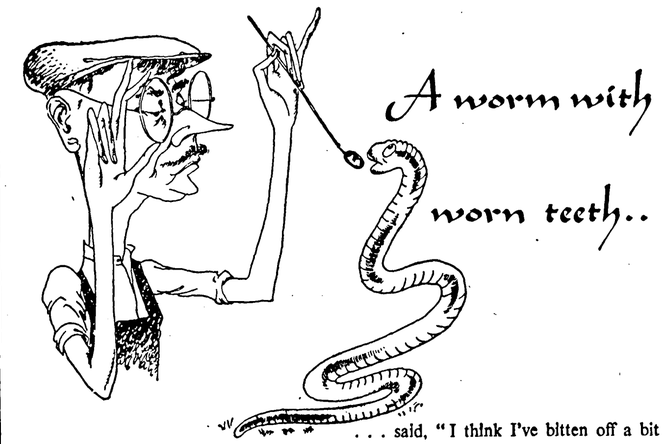

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EVEREST

SMALL-SCALE MANUFACTURE OF SALT

CENTRE'S POLICY MODIFIED

THE Government of India has decided to modify the concessions granted to small-scale manufacturers of salt, under its Press note dated 23rd April, 1948, with effect from 1st March, 1955, as follows:

1. Individuals or groups may freely produce salt in any land to which they have lawful access for this purpose and by whatever process they desire, that is, construction of pans and solar evaporation or boiling of brine or scraping or excavation of saline earth or natural formations of salt, provided that the total area of land covered by the salt works set up by any individual or group of individuals does not exceed two and a half acres. No licences will be required for this purpose and no application need be made to any Government authority.

2. The movement of salt manufactured under the concession under (1) above will be restricted, as it is intended for local consumption only, and no facilities will be given for transport by rail in respect of it. The existing unlicensed producers will, however, be allowed one year from 1st March, 1954, to clear their present stocks in case they do not desire to take out licences. At the same time, since the quality of salt has a direct bearing on human health, the Government reserve the right in respect of the salt produced by unlicensed manufacturers as in the case of all other salt production, to take suitable preventive measures against the sale of unwholesome salt for human consumption.

The Government of India has also decided to undertake a survey of all the places where individuals and groups of individuals are now manufacturing salt under the 10-acre concession, with a view to assessing, amongst others, the exact extent to which the concession is being abused. If the survey reveals that there are chances of individuals and groups of individuals continuing to abuse the restricted concessions also, the Government will be constrained to take suitable steps, which might include the further reduction of the concessions.

Considering the harm done by the abuse of privileges granted to small manufacturers, the modifications noted above appear to be very lenient. Further, they do not seem to go a long way towards improving the quality of salt produced on 10-acre plots. It is to be hoped that, while granting licences to those who own plots of more than 2½ acres, the Government will see to it that they adopt such process of manufacture as would ensure the production of quality of salt.

Removal of Restrictions

Meanwhile, it is worthwhile recalling here the events which have led to the Government's decision referred to above. It was on 23rd April, 1948, that the Government, through its Press Note, announced that individuals or groups could freely produce salt by whatever process they desired in any land to which they had lawful access, provided that the total area of land covered by the salt works set up or to be set up was not more than 10 acres. These salt works were exempted from the licensing and other provisions of the Central Excises and Salt Act, 1944. The restrictions imposed under the Gandhi-Irwin Pact regarding transport of salt were also removed. The main intention in extending these concessions was, *inter alia*, to increase the volume of production of salt so that the country could attain self-sufficiency in the commodity.

The modification of the concessions disclosed at the outset is chiefly due to change in the supply position of salt and the low standard of the quality of salt manufactured by small-scale manufacturers. The salt supply position now exceeds demand by a large margin and export of salt abroad has, in fact, become a necessity. The production of salt under the 10-acre concession rose from 300,000 maund's in 1949 to 4,000,000 maunds in 1952. Consequently, it is held that there is no longer any need for special measures or incentives to increase production. On the contrary, the need for improving the quality of salt has become more pronounced both for local consumption and export. It is alleged that a large quantity of salt manufactured by small-scale manufacturers is below the minimum standard prescribed as fit for human consumption. It is pointed out, in this connection, that the concessions have been largely abused. It is stated that there have been numerous instances, where traders have been acting in collusion with direct manufacturers with lands less than 10 acres each and thus obtained salt from areas aggregating as much as 100 acres and sold it in the open market. Cases have also come to the notice of the Government, where hereditary salt workers have been financed by salt traders to set up small concession works in contiguous areas and to concede exclusive rights to the latter to purchase the entire production of the area. Since salt manufactured under the 10-acre concession has been exempt from the levy of cess and is also not subject to quality control —which is enforced in the case of licensed factories—the result has been that unlicensed salt of indifferent quality has forced salt of higher standard into a disadvantageous position and some of the organised factories of licensed producers have been driven out of the business. Besides, the Government's decision to change its policy is influenced by the consideration that, so far as domestic consumption by an individual and his family is concerned, sufficient salt can be obtained from an area very much smaller than 10 acres.

CAUSTIC SODA AND BLEACHING POWDER INDUSTRY

Alluding to the article entitled "Caustic Soda and Bleaching Powder Industry," which appeared in the issue of *Commerce* dated 20th February, 1954, Mr. Charat Ram, Director, Messrs. Bharat Ram Charat Ram & Co., Ltd. Managing Agents, Delhi Cloth and General Mills Co., Ltd., Delhi, (D. C. M. Chemical Works which is manufacturing caustic soda and chlorine is one of the manufacturing sections of the Delhi Cloth and General Mills) writes as follows:

"We feel that some of the conclusions drawn in your article are not quite correct and incidentally unfair to the indigenous industry. These refer to (a) the quality of indigenous caustic soda and (b) the difficulties of the industry.

"In the matter of quality, we would like to mention that this is not affecting the business or the profits of the Indian manufacturers at all. Furthermore, there is nothing wrong with the quality as such and it can be used wherever imported caustic soda can be used without the least inconvenience or affecting the quality of the finished product. The difference in the indigenous product and imported product is that, whereas the former is of 95 per cent. to 96 per cent. strength, the latter is probably of 96 per cent. to 97 per cent. strength. This, as you will yourself see, is nothing substantial and, for this slight difference, the customer does not lose at all, as he pays a little less money for the Indian product.

With regard to the business difficulties of the industry, it is not that the efficiency of production or other costs are high, as compared to any other part of the world; in fact, we can say with confidence that our efficiencies and costs compare extremely favourably, if not actually better, than any other country of the world. The main difficulty in this industry in India is the utilisation of its by-product, chlorine. It is not possible to expand the Indian caustic soda industry further, unless and until the demand for chlorine can be stimulated; it is not the high cost of production or anything else which stands in the way of further development. In fact, there would be no need even for protection, if chlorine could find any outlet at all, let alone a profitable outlet. The consumption of chlorine is going up in India but very slowly. Its consumption can go up rapidly with the development of paper, dyestuffs, explosives and petroleum industries.

"For some years, a price maintenance is essential for the development of this industry further. The record of development of this industry in the last few years is highly creditable, as will be seen from the production figures given below:

Year	Tons	Year	Tons
1947 ...	... 4,110	1951 ...	... 13,080
1948 ...	... 6,150	1952 ...	... 13,010
1949 ...	... 7,360	1953 (upto June)	7,000"
1950 ...	... 10,675		

A reference to the article in the issue of *Commerce* mentioned above will show that the observations about the quality of the Indian product made therein are those of the Tariff Commission.

CHEMICAL PORCELAIN

Chemical porcelain satisfying the specifications laid down by the British and American Standards Institutions has been successfully made by the Central Glass and Ceramic Research Institute, Calcutta. Articles prepared from this porcelain have also been tested by several laboratories like National Chemical Laboratory, Poona, Indian Institute of Technology, Kharagpur, and Department of Chemistry, Calcutta University, and found comparable both in quality and performance to imported ones.

Chemical porcelain a special variety of porcelain, is used for the manufacture of dishes, crucibles special funnels and other porcelain ware extensively employed in scientific and research laboratories for various purposes. This type of porcelain is not being manufactured in India at present and the annual demand, estimated to value Rs. 5 lakhs, is met entirely through imports. Due to the establishment of new technical colleges and scientific institutions and laboratories the demand for these materials is increasing.

The usual equipment used in potteries is employed and can easily be obtained in the country. Production operations are also more or less similar but require careful and precise control, specially on raw materials, compounding of bodies and glass firing schedules, etc. The raw materials, mainly china-clay, felspar and quartz, are all available in the country and a few imported chemicals, required in small quantities, are also available. Commercial production could be taken up by some of the existing potteries. An independent unit with an initial capacity of 10 tons will be economically feasible. The Council of Scientific and Industrial Research is offering the process for commercial exploitation.

CERAMIC COLOURS AND GLAZES

Investigations at the Central Glass and Ceramic Research Institute, Calcutta, have led to the determination of conditions for the successful preparation of a wide range of under-glaze and on-glaze colours suitable for decorating porcelain and earthen ware. An appreciable portion of the 10,000 to 15,000 tons production of ceramic ware in India is decorated with under-glaze or on-glaze colours for producing artistic designs and imparting various shades for decorative purposes. Decorative colours enhance the sale value of articles considerably, and are a great asset to the pottery industry. At present the demand for such colours and glazes is met entirely through imports.

About three dozen colours developed at the Institute have been tested for performance under actual factory conditions. About half a dozen of these, especially the extensively used green, brown, blue, etc., have been prepared in several batches of 20-lb. lots and have shown identical performance particularly in the shade of the finished product. They have been found to compare favourably in tone, gloss and maturity with imported colours from reputable foreign firms and their durability against acid and alkali has been found satisfactory when tested according to American specifications. The manufacture of these colours does not require any special equipment and the chemicals required are available without much difficulty. Rigid control of raw materials and manufacturing operations by trained chemists is, however, essential. The processes involved are simple and commercial production could be taken up by pottery or porcelain manufacturers or be organised as an independent industry. The Council of Scientific and Industrial Research is offering the process for commercial exploitation.

A "FLEXIBLE" LABORATORY FOR PLASTICS RESEARCH

What is called the first "Flexible" Laboratory in Britain, recently opened at Welwyn Garden City, is now the home of I.C.I.'s Plastics Research, the largest of its kind in the country. The three-storey building, costing about £300,000 (Rs. 40,00,000), has been termed "flexible" to describe its architectural style. To suit the work of the Research Centre, it was necessary to design a structure, the interior arrangements of which could be quickly and cheaply altered from time to time as new processes are evolved in the plastics industry and new arrangements must be created to cope with them. The problem was ingeniously solved by a famous architect. Rejecting traditional "wet" methods of building—bricks, mortar, concrete, and so forth—he resorted to a kind of prefabrication technique. The panels for walls and ceilings are devised on what is called a four-foot module, that is, they are four feet in width and multiples of four in length. They clip into place and are held by only two, or at most four, threaded bolts. This means that any panel can be taken out in a matter of minutes and replaced by a door, or a whole set of panels comprising the wall of a room can be picked up and moved to a new location four, eight, or 16 feet away. All that is needed to do this job is a spanner and a screwdriver. This sort of redesigning has already been put into practice. When it came to testing materials for this revolutionary type of building, the teasm of architects and chemists who composed the Planning Committee discovered that plastics was the ideal substance for the fabrication of panels. Thus the new building is a showpiece of the very stuffs which its occupants are engaged in studying.

The metal framework which carries the basic load is erected in the style of an aircraft hangar, so that each of the three floors is really an unobstructed hall 176 feet long, which can be cut up into any required arrangement by partitions.

INDO-NORWEGIAN TRADE

The Indo-Norwegian Trade Agreement, which expired on 31st December, 1953, has been extended for a further period of one year from 1st January, 1954. The agreement provides for normal import and export regulations on trade between the two countries. Further, it provides for according each country by the other the same treatment as is accorded by them to other countries of the same currency group. The Government of Norway has extended to India import licensing concessions granted to member nations of the Organisation for European Economic Co-operation. It will also encourage Norwegian companies and individuals to place their technical experience at the disposal of interested Indian parties and the two Governments will assist in arranging for contracts in various fields subject to foreign exchange and other regulations in force.

EXPORT OF H.P.S. GROUNDNUT

The Government of India has decided to allow the export of a small quantity of H.P.S. groundnut kernel to dollar area countries by established shippers. Allotments for export will be made by the licensing authorities at the ports to established shippers for quantities equal to one-half of the total shipments of H.P.S. groundnuts effected by them during any one of the calendar years 1951, 1952 or 1953.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION
(Incorporated in the Colony of Hong Kong)
The Liability of Members is Limited to the extent and in manner prescribed in Chapter 70 of the Laws of Hong Kong.
HEAD OFFICE: HONG KONG.
Capital Issued and Fully Paid up ... Hk. $20,000,000
Reserve Funds Sterling ... ... £ 6,000,000
Reserve Liability of Members ... Hk. $20,000,000
BRANCHES:
BURMA: Rangoon
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Diakarta, Surabaia
EUROPE: Hamburg, Paris, Lyons
HONG KONG: Hong Kong, Kowloon, Mongkok
INDIA: Bombay, Calcutta
INDO-CHINA: Haiphong, Saigon
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Teluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
PHILIPPINES: Iloilo, Manila
SIAM: Bangkok
UNITED KINGDOM: London
U.S.A.: New York, San Francisco
Correspondents Throughout the World.
Banking Business of Every Kind Transacted.
A COMPREHENSIVE SERVICE AS TRUSTEES AND EXECUTORS IS ALSO UNDERTAKEN BY THE BANK'S TRUSTEE COMPANIES IN
HONG KONG, LONDON & SINGAPORE.
LONDON OFFICE: 9, Gracechurch Street, E.C.3.
NEW YORK OFFICE: 72, Wall Street.
BOMBAY OFFICE: 16, Veer Nariman Road.
J. WILKIE, Manager.

HINDUSTHAN MERCANTILE
BANK LTD.
Head Office:
10, CLIVE ROW, CALCUTTA
CAPITAL
Authorised .. Rs. 2 Crores
Issued & Subscribed Rs. 1 Crore
Paid Up .. Rs. 50 Lacs
ALL SORTS OF BANKING BUSINESS TRANSACTED
Branches & Agencies Throughout India
SRI M. L. JALAN, Chairman.
SRI S. S. PURI, Manager, Head Office.
53/3

THE
PUNJAB NATIONAL BANK
LIMITED
(Established 1895)
Head Office: 8, Underhill Road, DELHI
OFFERS
A COMPLETE RANGE OF BANKING AND EXCHANGE SERVICES
THROUGH ITS 300 OFFICES
AND
CORRESPONDENTS ALL OVER THE WORLD
DEPOSITS EXCEED Rs. 65 Crores
ASSETS EXCEED Rs. 79 Crores
AS ON 31-12-1953
B. N. PURI
General Manager

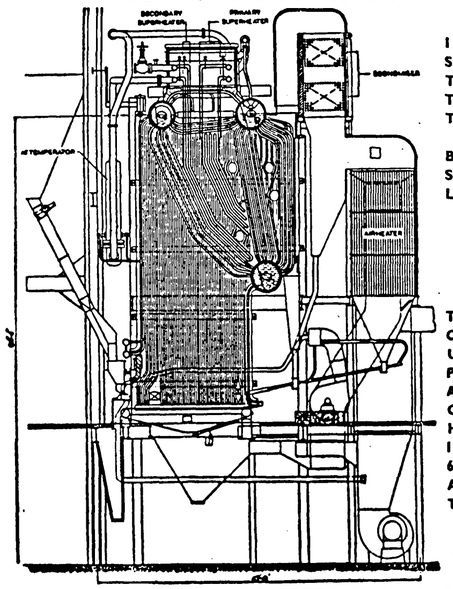
BABCOCK BOILERS


ILLUSTRATION SHOWS ONE OF THE SIX BABCOCK TRIDRUM BENT TUBE BOILERS WITH BABCOCK-DETROIT STOKERS RECENTLY COMMISSIONED AT SINDRI
THE STEAMING CAPACITY OF EACH UNIT IS 175,000 LB. PER HOUR MAKING A TOTAL OUTPUT OF 1,050,000 LB. PER HOUR AT A WORKING PRESSURE OF 650 LB. PER SQ. INCH AND A FINAL TEMPERATURE OF 835° F.
AT THE SINDRI FERTILIZER FACTORY
BABCOCK & WILCOX OF INDIA LIMITED
WALLACE HOUSE, 4 BANKSHALL STREET, CALCUTTA
BOMBAY MUTUAL ANNEXE, GUNBOW STREET, BOMBAY

SAFE AND PROFITABLE INVESTMENT FOR ALL
The Hyderabad State Bank
3-YEAR CASH CERTIFICATES
IN DENOMINATIONS OF
Rs. 100, Rs. 500, Rs. 1,000 and Rs. 5,000
OFFER AN ATTRACTIVE YIELD OF 3½% PER ANNUM
AND ARE ENCASHABLE AT ANY TIME
AFTER TWELVE MONTHS FROM THE DATE OF ISSUE
FOREIGN EXCHANGE BUSINESS OF ALL TYPES UNDERTAKEN
Ask for Full Particulars from any Office of the Bank
K. P. R. MENON,
Managing Director.
(3)

LIFE
FIRE
MARINE
MOTOR
BIG
THE BRITISH INDIA GENERAL INSURANCE
COMPANY, LIMITED
(INCORPORATED IN INDIA)
HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY
Chairman: FRAMROZE H. MEHTA, J. P. General Manager: M. S. DASTUR

CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

DR. T. M. A. PAI URGES RELIEF IN TAXATION

THE view that the provision for bad and doubtful debts out of a bank's profit should not be subject to taxation was strongly emphasised by Dr. T. M. A. Pai, Chairman of the Canara Industrial and Banking Syndicate Limited, in the course of his address at the Twenty-eighth Annual General Meeting held in Udipi on 7th March, 1954. Citing the instance of the U.S., Dr. Pai stated that such a tax concession might be based either on the average of the previous years' losses or on a certain percentage of the total advances. He expressed the hope that the Taxation Enquiry Commission would concede this reasonable measure of help to the banking system.

The following is the full text of Dr. Pai's address at the meeting:

"GENTLEMEN,

"I have pleasure in welcoming you to this, the 28th Annual General Body Meeting of the Syndicate. You would have already gone through the annual statement of accounts of the Bank. I would very briefly review it here. In the course of the year, the paid-up capital of the Bank increased from Rs. 25,10,526 to Rs. 25,34,158 with the optional calls coming in. With this, the uncalled capital is only Rs. 6,76,829 and I expect substantial amounts of this to be paid in during the year. The number of shareholders holding this capital is about 2,400 and I for one believe that the shareholding of a public utility concern like a bank should be as broad-based as possible. The reserve fund of the Bank, as against this capital, is increased from Rs. 11,00,000 to Rs. 12,10,000 as on 31st December, 1953 after a transfer from the profit and loss account.

"The deposit liabilities of the Bank improved from Rs. 4,01,07,199 to Rs. 4,71,50,624 during the year, that is, nearly an increase of 18 per cent. There has been substantial rise in savings bank deposits which have exceeded the crore mark, thus indicating still a fruitful field in the operations of the Bank. The pattern of deposits, however, has heavily tended towards time liabilities with increasing tendency for banks to offer competitive rates of interest. The ability of the banks to reduce effectively their operational costs depends on this one factor primarily and I do not think that banks should take the initiative in increasing their rates themselves. Your Bank's deposits have come from 1,25,574 accounts showing how widely it has garnered the savings of the people. As against this, the cash-in-hand and with bankers constituted Rs. 72,07,378, being 15 per cent. of the deposits, and investments in Government securities which increased from Rs. 1,29,65,426 to Rs. 1,47,54,283 came to 31 per cent. of the deposits. The demand for money was keen and the advances improved to Rs. 3,08,16,508 from Rs. 2,42,70,718 and this was 66 per cent. of the deposits and, out of these advances, 82 per cent. were fully secured. These advances were made to 56,990 borrowers. Bills for collections, acceptances, etc., increased from Rs. 28,28,703 to Rs. 43,07,495 by nearly 52 per cent.

Gross Income

"The gross income, after making necessary provisions for bad and doubtful debts, had increased from Rs. 25,00,185 to Rs. 27,44,043, but an increase under interest on deposits and establishment has set off this rise and the net profit shows an increase from Rs. 3,52,155 to Rs. 4,00,961. It would be interesting to note that, out of the gross earnings of the Bank, salary and allowances and bonus to staff accounted for 35 per cent. and interest on deposits for 30 per cent., while the dividends to the shareholders was only 5.5 per cent. of the gross income and works out to only 4.7 per cent. over the capital and reserves employed. The total resources of the Bank improved to Rs. 5,93,61,600 with the number of customers increasing to 1,82,564.

"These figures would show you that the year was a very satisfactory one for the Bank from all points of view. In the month of December, you are aware, we took over the liabilities with corresponding assets of the Southern India Apex Bank Ltd. and the Maharashtra Apex Bank Ltd. at their head offices at Udipi, and branches at Palghat, Calicut, Badagara, Tellicherry, Kolhapur, Karad, Sangli and Rabkavi. You know, these Banks were initially founded under the patronage of the Syndicate, were being managed by it for some years and, for some time now, there have been talks that they should be amalgamated with us. Besides the difficulties of valuation of shares to be exchanged, which the process of amalgamation would have involved, it would have meant a very substantial increase in the share capital to the extent of nearly Rs. 30 lakhs of subscribed capital which your Directors were not willing to add on with the contingent liability of increased dividends. I had already pointed out to you last time that experience had shown, whatever in theory one may have to say in its favour, overcapitalisation in banking business brings its own train of difficulties and it would be advantageous instead to rapidly allow the reserves to grow. We shall make a conscious effort in this direction. Steps are being taken, therefore, to return the capital of the Apex Banks to their shareholders.

"Referring to some of the problems that are facing us in this country, I should like to make a few observations as they affect the banking services generally.

Profits of Banks

"The published profits of banks cannot be considered true profits for purposes of taxation with the uncertainties of the economic situation. There is always a contingent possibility of any debt becoming bad and it may not be prudent to wait till it actually becomes bad before it is written off. But, under the provisions of the income-tax law as at present, a bank will have to prove that it has exhausted all possible remedies for recoveries, which, in effect, would mean that it has to spend good money over bad and that the debt has become bad in the very year it is written off. This would mean that, even if a bank makes a provision out of its profits in a good year for bad and doubtful debts, it would not be allowed for purposes of taxation unless it satisfies the above tests.

"Banking in this country requires considerable strengthening not only by legislation but by active and positive assistance from the State. There cannot be a better foundation for an effective credit system than a sound and secure banking system. Even in America, such provisions made are allowed upto certain limits based either on the average of the previous years' losses or on a certain percentage of the total advances. We have been urging this point on the Central Government and we are happy that the Indian Banks Association has taken it up recently and I trust and hope that the Taxation Enquiry Committee will concede this reasonable measure of help to the banking system.

"It has been realised on all hands how necessary it is to develop warehousing in this country. The warehouse receipt as a document of title would prove of great economic value avoiding the actual physical transfer or movement of goods for raising credit. Various State Governments have enacted legislation for this and, in our own State, the Warehouse Act was passed in 1951. And, yet, there seems to be little progress after that. Constructions of huge godowns in producing and collecting centres and the ports require an investment of huge sums of money, which in present circumstances, may not be forthcoming. It would be worthwhile for us to adopt in this country the system prevalent in America popularly known as 'Field Warehousing,' where, instead of the goods being taken to the warehouse, warehousing is taken to the goods, thus obviating new constructions. Licensed Warehousing Corporations with sufficient capital to back up their credit-worthiness are empowered to put up their signboard in any place of storage and, with this act, all the provisions of the Warehousing Act would apply to it. I trust that authorities in this country would concentrate on the developing of warehousing for which something more than legislation has been found to be necessary.

"Now let me turn to the problem of rural banking. Our Bank can claim, with reasonable pride, that its pioneering efforts in this field have borne ample and satisfactory fruits. With its 24 rural branches in places with a population of less than 5,000 in the district of South Kanara, we have not only proved that, if we have schemes to tap small savings and if we adopt methods which are safe as well as economical, these can as well pay their way. In fact, the services rendered by these branches are well appreciated by the villagers and the banking habit is becoming popular and representations for extending these services are being received from villages in other districts. Not only the habit of saving in a class of people hitherto unaccustomed to the saving habit is being inculcated, a better form of utilising their savings is also being popularised, but, even in the matter of bringing down interest rates on borrowings in these villages, these branches have helped a good deal. It is not so much legislation against moneylending as provision by alternate means of sufficient credit facilities in our villages that would ultimately solve their problems. Legislation is always a negative approach in such cases. But to provide banking services in these places, the cost of operation will have to be kept low. The recommendations of the Rural Banking Committee to exempt these places from the various labour laws and awards is quite sound. The Government and the people will have to choose between extension of banking services or their extinction, if these awards and laws are deemed politically expedient.

Small Savings

"Your Bank started the scheme called 'Pigmy' as far back as 1927 and concentrated in popularising its small savings. A man who saves even 2 annas a day is helped by the Bank to allow it to grow to Rs. 350 in seven years by regular payment every day. This scheme has brought the Bank into contact even with a class of people who would not have had anything to do with a modern bank otherwise. The fact that the Bank has over 35,000 depositors under this scheme indicates the great service it has done in the field of small savings. With the diffusion of income and savings having become atomised, sustained efforts to collect them have become necessary.

"Even the Government, both Central and State, have realised the increasing importance of small savings for the national development. The last loan of the Government of Madras was largely subscribed for by a good number of people in bonds of less than Rs. 500. Appeal to this class of people who had no habit of investing in Government securities would definitely broaden the public market for the securities and give them an added element of stability. Banks should be allowed to act as agents of the Government in popularising Government securities by making them attractive to the investors by suitable facilities for borrowing, instalment payment, etc. This would reduce the competition of the Governmental agencies for borrowing for local works with the banking system for the available savings of the community.

"The problem of unemployment is the one largest looming before the country. Rapid industrialisation is a suggested remedy for absorption of all those wanting work. But the existing industries are going under, mainly on account of difficulties in marketing their products. Unless the spirit of *swadeshi* becomes a living faith, we may as well give up talking about industrialisation. State Governments must, through their Departments of Industries, organise surveys of raw materials, detailed information regarding process and technique, and more than that, carry on continuously market research, rather than undertake to run industries in a way which is no model for others. They should also study and change where necessary, in the interest of rapid industrialisation, some of the irksome provisions of the health, municipal, labour and factory laws. The lack of imagination in their enforcement is sufficient to scare away any enterprising industrialist.

"Labour must realise how great is its stake in employment. Their intransigent attitude has been responsible on many occasions for setting up defensive mechanism in many employers. The attitude of the Government in the matter of retrenchment of surplus staff and their unreasonable pampering has made many an employer shut off further employment. The Governments will have to reconsider their attitude in the light of this observation, if employment has to be helped. The need of the hour is hard work and still harder work. Under conditions of competition, increasing efficiency alone will help and, if workers do not realise it, they do so at their own peril.

"Your Bank has, even under these difficult conditions, recruited new staff, as it would have under a normal year. A staff training course has been introduced at the cost of the Bank itself to cover the entire staff in due course. We have realised that only an efficient staff will be able to serve our growing clientele in the matter of providing complex forms of services. In conclusion, let me place on record the continuously good work of Mr. T. A. Pai, his officers and the staff of the Bank."

Notices

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECTORS of Martin Burn, Limited, held on 3rd March, 1954, the Directors recommended the payment of a dividend at the rate of One Rupee Four Annas per share on the Ordinary Shares ranking for dividend for the year ended 30th September, 1953. In addition the Directors have recommended a cash bonus of Annas Two per share on the Ordinary Shares ranking for dividend. These recommendations await sanction by the Shareholders at the Annual General Meeting of the Company to be held on Monday, 29th March, 1954.

The Ordinary Shares Transfer Books of the Company will be closed from the 22nd to 29th March, 1954, both days inclusive, and the dividend, if sanctioned, will be paid on or after the 12th April, 1954.

By Order of the Board,
T. LESLIE MARTIN,
Chairman.

4th March, 1954.

MARTIN BURN LIMITED

NOTICE

THE EIGHTH ORDINARY GENERAL MEETING of the Shareholders of Martin Burn Ltd. will be held on Monday, 29th March, 1954, at 12 Noon at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1953.

(2) To declare a Dividend and Cash Bonus.

(3) To elect a Director.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from 22nd to 29th March, 1954, both days inclusive.

By Order of the Board,
A. G. GIDLEY,
Secretary.

CALCUTTA, 9th *March*, 1954.

Note.—The dividend and Cash Bonus if sanctioned, will be paid on or after 12th April, 1954, to those Shareholders so entitled, or to their mandatees, whose names appear in the Company's books on the 29th March, 1954. No application for dividend warrants will be necessary.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March, 1954. The Preference Share Registers will be closed from the 1st April to the 15th April, 1954, both days inclusive. Payment will be made on or after 15th April, 1954, to those Preference Shareholders whose names appear on the Company's Register on the 31st March, 1954, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, 10*th March*, 1954.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving the consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

HUKUMCHAND JUTE MILLS, LTD.

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Ordinary Shareholders of the Company will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Monday, 29th March, 1954, at 4-30 p.m., to pass with or without modifications, the following resolutions as *Special Resolutions*:—

1. Resolved that the Authorised Capital of the Company be increased by Rs. 22,50,000 by the creation of 300,000 new Ordinary Shares of Rs. 7-8 each.
2. Resolved that a sum of Rs. 22,50,000 out of the Company's General Reserve be capitalised.
3. Resolved that the amount thus capitalised be distributed amongst the persons who were on 29th March, 1954, holders of the existing 400,000 Ordinary Shares of Rs. 7-8 each of the Company as Bonus Shares, credited as fully paid, in the proportion of three New Ordinary Shares of Rs. 7-8 each for every four Ordinary Shares held by them respectively.
4. Resolved that these new Ordinary Shares will rank for dividends for the year ended 31st March, 1954, and in all other respects *pari passu* with the existing ordinary shares.
5. Resolved that the number of shares equal to the total of all fractions due to the shareholders as a result of such distribution of Bonus Shares shall be sold by the Directors and that the net proceeds thus realised will be distributed in cash to such of the Shareholders as this Resolution applies in the proportion that the fraction due to them bears to the total number of shares sold as a result of this Resolution.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Managing Agents.

CALCUTTA, 4th *March*, 1954.

N.B.—The Ordinary Share Register of the Company will be closed from 18th March, 1954, to 29th March, 1954, both days inclusive.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INterest for the half-year ending 31st March, 1954, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March, 1954, or in accordance with their instructions.

T. LESLIE MARTIN,
Managing Director.

12, MISSION ROW,
CALCUTTA, 10*th March*, 1954.

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of Shareholders the following dividends for the year ended 31st December, 1953.

On the Cumulative Preference Shares, a final Dividend at 2½ per cent. per annum, making a total of 5 per cent. per annum, less Income-tax.

On the Ordinary Shares at 9 per cent. per annum, without any deduction in respect of taxation payable by the Company.

By Order of the Board,
BIRD & CO., LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, 3rd *March*, 1954.

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 4-00 p.m. on Monday, the 29th March, 1954, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended 31st December, 1953.
2. To declare Dividends.
3. To elect Directors and appoint Auditors.
4. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 15th March, 1954, to the 29th March, 1954, both days inclusive.

By Order of the Board,
BIRD & CO., LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, 3rd *March*, 1954.

THE BANK OF INDORE, LIMITED

(*Incorporated in Indore*, 1920)

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Bank, Prince Yeshwant Road, Indore City, on Saturday the 27th March, 1954, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December, 1953.

(2) To declare a Dividend.

(3) Rai Bahadur Sir S. M. Bapna, Kt., C.I.E., and Seth Bhanwarlal Sethi retire by rotation but are eligible for re-election.

(4) To confirm the appointment of Seth Suganmalji Bhandari in place of late Director Rai Bahadur Seth Kanhaiyalal Bhandari.

(5) To elect Auditors for the ensuing year and to fix their remuneration.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

INDORE CITY, 27*th February*, 1954.

N.B.—The Transfer Books of the Company will be closed from 12th March, 1954, to 27th March, 1954, both days inclusive.

The Dividend when sanctioned will be payable on and from Monday the 29th March, 1954.

Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE PEERMADE TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Alleppey, at 9.45 a.m. on Wednesday the 7th April, 1954, for the following purposes:—

1. To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The Transfer Books of the Company will be closed from 22nd March, 1954, to 9th April, 1954, both days inclusive.

By Order of the Board,
THE PEERMADE TEA COMPANY, LTD.,
Per Pro. ASPINWALL & Co.,
(TRAVANCORE) LTD.,
H. SUTTON,
Secretaries.

ALLEPPEY, 8th *March*, 1954.

MARKED RISE IN PROFIT OF MADURA MILLS

DIVIDEND REPEATED—FINANCES IMPRESSIVE

THE audited accounts of the Madura Mills Co., Ltd. (Managers: Messrs. A. & F. Harvey Ltd., Madura), for the year ended 31st December, 1953, disclose impressive results. The gross profit shows a rise of Rs. 11.65 lakhs from Rs. 90.48 lakhs in the previous year to Rs. 102.13 lakhs—an increase of nearly 13 per cent. The profit for 1953 is by no means higher than that for 1951 when it amounted to Rs. 125.45 lakhs. The provision for depreciation has been more than doubled. Taxation absorbs more than in 1952. The net profit, at Rs. 45.46 lakhs, has been nearly maintained at the previous year's level, namely, Rs. 46.28 lakhs. The allocation to the reserves has, however, been reduced from Rs. 15 lakhs to Rs. 10 lakhs, while the dividend is proposed to be repeated at 20 per cent. per annum, for the third year in succession.

The following comparative table provides an idea of the Company's progress in the last three years:

(In lakhs of rupees)

	Year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net) ..	15,22.48	16,51.70	18,30.56	14,01.06
Raw material consumed ..	9,72.44	11,36.45	13,05.97	9,92.30
Wages and other expenses ..	4,50.11	4,27.03	4,01.59	3,99.07
Gross profit	1,02.13	90.48	1,25.45	22.11
Provision for—				
Managers' commission ..	7.99	8.79	12.99	1.91
Depreciation	17.98	8.70	8.53	8.74
Taxation	30.69	28.70	44.80	4.79
Net profit	45.46	46.28	59.33	6.67
To reserves	10.00	15.00	25.00	—
Dividend	35.00	35.00	35.00	26.25
	(20%)	(20%)	(20%)	(15%)
Carry forward	9.36	8.90	12.62	13.30

It will be noted that the sale proceeds, after deducting rail fare, steamer, freight, etc., show a decline of Rs. 1.30 crores, but this is more than made good by the decline of Rs. 1.64 crores in value of raw materials consumed by the Company's mills. It may be noted here that the raw materials consumed in 1953 include rayon, while in the previous years they consisted of cotton alone. Wages and other expenses have risen by over Rs. 23 lakhs, of which wages alone account for Rs. 22.31 lakhs and welfare expenses for Rs. 1 lakh. The management entered into an agreement with the workers' unions in April, 1951, for a period of three years, in respect of payment of bonus, with the concurrence of the Madras Government. The agreement related to the bonus for the years 1950, 1951 and 1952. Under the terms of the agreement, the bonus was linked to the dividend paid by the Company on the following scale:

Dividend	*Bonus (Basic wages) Months*
8 per cent.	1
12½ per cent.	1½
15 per cent.	2
17½ per cent.	2½
20 per cent.	3

In accordance with the agreement, the Company had paid for the two years 1951 and 1952 a sum of Rs. 26 lakhs each, the charges thereof being treated against the trading results for the subsequent year. Thus, the bonus for 1952 has been charged to the accounts relating to the year under review. Since the agreement has now expired, the Directors are unable to forecast what bonus, if any, will be payable in respect of the year 1953. They expect that this question will be decided before the forthcoming annual general meeting, in which case, if any bonus is payable, it will be treated as a charge against the trading results for the current year.

The favourable results for the year under review are evidently due to the stable conditions in the cotton yarn market during the year under review. The Company must have been able to maintain its output of yarn at a satisfactory level, following the restoration of power cut in the Madras State. Although the withdrawal of control on prices and distribution of yarn in July, 1953, resulted in a decline in yarn prices, prices were, on the whole, stable during the year. This, coupled with the good reputation which the Company's yarn enjoys, seems to have given a satisfactory trading period.

The increase in the provision for depreciation by Rs. 9.28 lakhs is accounted for partly by the addition to the gross block during the year and partly by the additional provision necessitated by the revaluation of the fixed assets in January, 1953. The rise in the provision for taxation is in consonance with the increase in gross profit. A sum of Rs. 10 lakhs has been added to the general reserve, which had received Rs. 15 lakhs last year and Rs. 25 lakhs in the preceding year.

The Company's financial position is quite sound, as will be seen from the following synopsis of the balance-sheet:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,75,02,480	Gross block	5,45,66,244
Reserves and surplus ...	4,03,17,971	*Less*—Depreciation ...	3,28,28,290
Provision for taxation ...	80,23,153	Net block ...	2,17,37,954
Liabilities ...	1,76,26,698	Stock-in-trade	2,83,32,110
		Stores and spares ...	86,08,469
		Investments	28,21,851
		Debts, deposits and advances ...	1,90,00,178
		Cash ...	29,69,740
	Rs. 8,34,70,302		Rs. 8,34,70,302

The paid-up capital of the Company has been raised from the original level of Rs. 59.16 lakhs to the present level merely by the capitalisation of reserves to the extent of Rs. 115.86 lakhs. The reserves comprise renewal and replacement reserve amounting to Rs. 2.44 crores (including Rs. 1 crore added as a result of the revaluation of fixed assets in January, 1953 and a small sum of Rs. 87,586 being the post-war refund of E.P.T. received from the Government) and general reserve Rs. 1.50 crores. The gross block shows an increase of Rs. 1.30 crores over the year, of which Rs. 1 crore is accounted for by revaluation of assets and Rs. 30 lakhs by additions to the machinery, buildings, etc. Stock-in-trade has declined by Rs. 64 lakhs from that at the close of 1952. Debts, deposits and advances have gone up by Rs. 93 lakhs, while cash balances show a decline by Rs. 14.5 lakhs. The current liabilities and provision for taxation, at Rs. 2.56 crores, are covered by current assets, at Rs. 6.18 crores, by a large margin of Rs. 3.62 crores.

The Rs. 15 paid-up shares of the Company are being currently quoted at Rs. 41-6 *cum-div.* On an *ex-div.* basis, the proposed dividend gives a yield of 7.8 per cent. per annum, free of tax.

MAFATLAL GROUP TEXTILE MILLS SHOW GOOD RESULTS

The year ended 31st December, 1953, has, in general, turned out to be very favourable for the Mafatlal group of textile mills, numbering seven. Except those of the Sassoon Spinning and Weaving Company, Ltd., and the New Union Mills Ltd., the profits of all the other mills have gone up substantially. But it is noteworthy that this favourable trend has not induced the Directors to increase the dividends. They have, on the other hand, maintained the dividends, but strengthened the reserves. The New China Mills Ltd., however, being a holding company of the New Shorrock Spinning and Manufacturing Company, Ltd., has not declared any dividend. The results of the Sassoon Spinning and Weaving Company, Ltd., are not equally encouraging, but the profit has been nearly maintained, while the New Union Mills Ltd. has proved to be the sole exception with a marked decline in profit. However, both these mills have maintained the dividend, the latter having had to draw from the reserves to do so. The results of the Standard Mills Ltd. were briefly analysed in our last issue (*vide* page 396). The results of the other six are summarised below:

New Shorrock

The New Shorrock Spinning and Manufacturing Company, Ltd., has earned a gross profit of Rs. 29.79 lakhs, which shows an increase of Rs. 13.95 lakhs. A sum of Rs. 9 lakhs has been provided for depreciation, as against Rs. 9.75 lakhs in the previous year. No provision for taxation was made last year, but this year a sum of Rs. 4.50 lakhs has been set aside for this purpose. Dividend equalisation fund has been strengthened by the addition of Rs. 5 lakhs, as against nil in the previous year. The dividend has been maintained at Rs. 35 per share which requires Rs. 10.92 lakhs. A year ago, it may be remembered, the Directors had to draw a sum of Rs. 1.50 lakhs from the dividend equalisation fund and Rs. 3.15 lakhs from the general reserve to pay this dividend. The surplus carried forward at Rs. 38,617 compares well with Rs. 1,795 brought in.

Shorrock Spinning

An increase of Rs. 4.84 lakhs to Rs. 17.75 lakhs is noted in the gross profit of the Shorrock Spinning and Manufacturing Company, Ltd. The appropriations of the profits for the last two years are as under:

(In lakhs of rupees)

	1953	1952
Depreciation	7.70	6.05
Taxation	1.00	3.00
Machinery renewal reserve	2.00	—
Dividend equal fund	3.00	—
Dividend	3.90	3.90
	(20%)	(20%)
Carry forward	0.23	0.08

Sassoon Spinning

The gross profit of the Sassoon Spinning and Weaving Company, Ltd., amounts to Rs. 28.63 lakhs, as against Rs. 28.80 lakhs for 1952. The provision for depreciation has been raised from Rs. 3.61 lakhs to Rs. 6.50 lakhs, and that for taxation from Rs. 10 lakhs to Rs. 10.55 lakhs. Special depreciation fund gets Rs. 5.62 lakhs, as against Rs. 5.85 lakhs, and reserve fund Rs. 2.75 lakhs, as compared with Rs. 1 lakh. Whereas a sum of Rs. 5 lakhs was added to the dividend equalisation fund last year, no such allocation has been possible this year. Nonetheless, the dividend is repeated at Re. 1-4 per share or 12½ per cent. absorbing Rs. 3.12 lakhs, leaving to be carried forward Rs. 10,145, as against Rs. 21,950 brought in.

Mafatlal Fine Spinning

The gross profit of the Mafatlal Fine Spinning and Manufacturing Company, Ltd., amounts to Rs. 30.81 lakhs, a rise of Rs. 9.07 lakhs over the year. The following appropriations have been made out of the profits for the last two years:

(In lakhs of rupees)

	1953	1952
Depreciation	13.12	14.30
Taxation	5.70	3.00
Reserve fund	0.50	—
Dividends—		
Preference	1.30	1.30
Ordinary	... 10.15 (17½%)	10.15 (17½%)
Carry forward	... 0.07	0.03

New Union

A steep fall of Rs. 9.60 lakhs, that is, from Rs. 15.56 lakhs to Rs. 5.96 lakhs, is disclosed by the gross profit of the New Union Mills Ltd. The provision for depreciation has, however, been raised from Rs. 2.02 lakhs to Rs. 4.23 lakhs, while that for special depreciation has been reduced from Rs. 4.45 lakhs to Rs. 1.70 lakhs. No provision for taxation has been made, while last year a sum of Rs. 5 lakhs was set apart for that purpose. Dividend equalisation fund, which received Rs. 2.50 lakhs last year, has not been strengthened further this year. The dividend is maintained at Re. 1-4 or 12½ per cent. by drawing a sum of Rs. 1.59 lakhs from the dividend equalisation fund, leaving to be carried forward Rs. 3,072, as compared with Rs. 423 brought in.

New China Mills

The gross profit of the New China Mills Ltd. discloses a rise of Rs. 6.17 lakhs to Rs. 21.43 lakhs. A sum of Rs. 3.31 lakhs has been transferred to the depreciation reserve (as against Rs. 3.10 lakhs in the previous year), Rs. 3.07 lakhs to the special depreciation reserve (Rs. 2.22 lakhs) and taxation Rs. 4.50 lakhs (Rs. 3.95 lakhs). The reserve fund, which had not been provided anything last year, now receives Rs. 6.50 lakhs. The addition to the post-war rehabilitation and development fund has been reduced from Rs. 6 lakhs to Rs. 4 lakhs. The sum left to be carried forward is Rs. 2,272 as against Rs. 7,703.

BENGAL PAPER SKIPS OVER ORDINARY DIVIDEND AGAIN

For the second half-year in succession to 30th June, 1953, the ordinary shareholders of the Bengal Paper Mills Co., Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta), have had to go without any return. For the first time, after an unbroken record of nearly 27 years, the Directors had to pass over the ordinary dividend for the six months ended 31st December, 1952, on account of the adverse results witnessed during that half-year. In the subsequent half-year, that is, for the six months ended 30th June, 1953, the Company has had to incur a further loss, as a result of factors beyond the control of the management. The gross loss for the half-year under review amounts to Rs. 3.52 lakhs, as compared with that of Rs. 7.47 lakhs for the previous half-year. The net loss, after providing for depreciation, amounts to Rs. 5.05 lakhs, as against Rs. 9.57 lakhs six months ago. A comforting feature about the results for the half-year under review is that the loss is very much less than that for the previous half-year.

The net loss of Rs. 9.57 lakhs for the half-year ended 31st December, 1952, was covered only to some extent by the surplus brought in from the preceding half-year, other income, and excess tax reserve written back. The Directors did not, however, withhold the dividends on the two classes of preference shares. They paid these by drawing a sum of Rs. 81,000 from the general reserve. In respect of the half-year under review, the Directors have had to draw as much as Rs. 8.37 lakhs from the general reserve, in addition to the sum of Rs. 2 lakhs available from excess provision made for taxation in earlier half-years and other income amounting to about Rs. 42,000, to wipe off the accumulated deficit of Rs. 9.75 lakhs and to distribute the preference dividends. There is still a small surplus of Rs. 23,669 left to be carried over to the next half-year.

The adverse results for the second half-year in succession, as noted above, were not wholly unexpected. For, as the Directors indicated in their report for the previous half-year, the "illegal" strike of workers which began on 9th October, 1952, continued up to 23rd March, 1953, that is, covering a period of nearly three months of the previous half-year of the Company's working and nearly three months of the half-year under review. Although the Company's mill has, since the resumption of work, been running smoothly, the No. 2 sulphate recovery plant has not been functioning efficiently and has, presumably, not yielded any material benefit. The results would have been much worse had it not been for the fact that advantage was taken by the management of the strike period to concentrate on repairs. This concentration on repairs during the strike period is stated to have proved valuable and has materially contributed to the high production achieved since the resumption of work.

(*Continued in next page*)

Points From The Chair

Restrictions on Textile Mills

"THERE was a general increase in the demand for cloth, and although prices did not appreciate, there was a good offtake. The export market also improved progressively during the year, following the removal by Government of the 10 per cent. export duty on medium count cloth. The duty on coarse cloth was retained, however, and is still in force, but it is to be hoped that Government will now consider the removal of this also. All controls were removed during the year with the exception of the production control to which I referred last year. I cannot see any reason for the retention of this control which is irksome, in that the mills cannot produce certain varieties of cloth which the public are anxious to buy. I must add, however, that Government are fairly reasonable regarding the issue of deviation orders for the production of some fabrics which fall outside their schedules. The *Dhotis* and *Saris* Control Order has already been mentioned in the Report and was in operation during the whole of the year under review. I wonder whether the people who formulated this measure ever thought of the fact that almost all mills have equipped themselves with wide width looms solely for the production of these popular varieties, and that there are very few other fabrics of similar width for which there is a demand."

E. D. SHEPPERD,
Kohinoor Mills Co., Ltd.

Duty on Tin in Malaya

"It is to be hoped that the Government of Malaya will reconsider and modify the present rate of the tin duty. This duty was fixed when there was no income-tax in Malaya; it is levied whether the ore has been produced at a profit or at a loss, and, nowadays, it is in addition to and not instead of income-tax. The duty seems to demand from the tin industry an undue share of the revenue required by the Malayan Government. It is a platitude to say that Malayan tin is a strategic asset of prime importance and a magnificent earner of hard dollars, but it is a wasting asset and present policy is inducing some miners to work their best "patches" first, regardless of future outlook and sound mining practice. If new capital is to be attracted to Malaya, it will require to be given a reasonable prospect of a reasonable return upon money ventured in what must, by its nature, be an uncertain and somewhat hazardous business."

S. H. SMITH,
British Tin Investment Corporation Ltd.

Cost of Staff in Banks

"I may add here that the costs of staff are likely to go up from year to year and in some cases are likely to be a great burden on the banking business of this country. It is difficult to predict the consequences of such increases, but there are signs to show that such increases and such burdens may make banking and the expansion of banking in India most difficult, and especially the opening of new branches in India will not be so easily undertaken in the future as they have been undertaken by some banks in the past. For every bank a new branch opened may mean a certain liability and under those conditions it is for all to consider what should be done for the future of banking in India."

SIR COWASJI JEHANGIR, BART.,
Bank of India Ltd.

(*Continued from previous page*)

The following comparative table of results for the last four half-years gives an idea of the extent of damage caused by the strike.

(In lakhs of rupees)

	For the half-year ended			
	30-6-53	31-12-52	30-6-52	31-12-51
Sale proceeds	46.76	46.21	85.16	86.05
Stocks	4.37	0.75	5.98	1.06
Manufacturing charges and other expenses	53.99	48.45	81.44	72.74
Gross profit (+) or loss (—)	—3.52	—7.47	+6.63	+12.80
Agency commission ..	..	..	0.57	0.89
Provision for—				
Depreciation	1.58	2.10	3.59	4.12
Taxation	..	..	0.71	1.86
Net profit (+) or loss (—) ..	—5.05	—9.57	+3.76	+5.43
Other income ..	0.42	0.94	..	0.86
Reserves and provisions written back	10.38	1.52	..	2.75
To reserves	..	..	..	..
Dividends—				
7% preference	0.21	0.21	0.21	0.21
6% preference	0.60	0.60	0.60	0.60
Ordinary	..	..	2.81 (12½% p.a.)	2.81 (12½% p.a.)
Carry forward	0.24	—4.70	8.22	8.08

The balance-sheet of the Company as on 30th June, 1953, discloses that the paid-up capital of Rs. 71 lakhs is supplemented by reserves and surplus amounting to Rs. 20.51 lakhs. Mortgage debenture loan (4½ per cent.) amounts to Rs. 5.39 lakhs, provision for taxation Rs. 17.53 lakhs and current liabilities Rs. 62.37 lakhs. The gross block of the value of Rs. 198.63 lakhs has been written down to Rs. 68.23 lakhs, the depreciation provided so far being of the order of Rs. 130.40 lakhs. The current assets aggregate Rs. 108.57 lakhs and exceed current liabilities and provision for taxation by a margin of Rs. 28.67 lakhs.

The Company's outlook for the current half-year is better, and the Directors anticipate satisfactory results, consequent on the high production achieved as a result of the concentration on repairs during the strike period.

COMPANY MEETINGS AND DIVIDENDS

CHEVIOT MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 18th March, 1954. Dividend: Rs. 6 per share. Transfer books remain closed from 5th to 18th March, 1954, both days inclusive.

PENCH VALLEY COAL CO., LTD. Half-yearly General Meeting, Calcutta, 23rd March, 1954. Dividend: As. 14 per share. Transfer books will remain closed from 16th to 23rd March, 1954, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1954. Dividend: Re. 1 per share (including bonus of As. 4 per share) on "A" and "B" ordinary shares. Transfer books remain closed from 13th to 25th March, 1954, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1954. Dividend: Rs. 6 per share. Transfer books remain closed from 12th to 26th March, 1954, both days inclusive.

BARAREE COKE CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1954. Dividend: As. 11-2/5 per share. Transfer books remain closed from 13th to 26th March, 1954, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 29th March, 1954. Transfer books will remain closed from 15th to 29th March, 1954, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 29th March, 1954. Dividend: Rs. 12 per share, final (making Rs. 17 for the year), payable on and after 9th April, 1954. Transfer books remain closed from 5th to 25th March, 1954, both days inclusive.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 29th March, 1954. Dividend: Rs. 4 per share, final (making Rs. 6-8 per share, for the year), payable on and after 7th April, 1954. Transfer books remain closed from 9th to 29th March, 1954, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 8th April, 1954. Dividend: Rs. 12-8 per share (final) plus bonus of Rs. 2-8 per share, (making Rs. 22-8 for the year), free of income-tax. Transfer books will remain closed from 22nd March to 8th April, 1954, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Annual General Meeting, Bombay, 9th April, 1954. Dividend of Rs. 9 per ordinary share, payable on and from 10th April, 1954. Transfer books will remain closed from 16th March to 9th April, 1954, both days inclusive.

STANDARD MILLS LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Rs. 20 per share. Transfer books will remain closed from 23rd March to 12th April, 1954, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Re. 1-4 per share, free of income-tax. Transfer books will remain closed from 26th March to 16th April, 1954, both days inclusive.

NEW UNION MILLS LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Re. 1-4 per share, free of income-tax. Transfer books will remain closed from 26th March to 16th April, 1954, both days inclusive.

MAFATLAL FINE SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 19th April, 1954. Dividend: Rs. 17-8 per ordinary share, free of income-tax. Transfer books will remain closed from 2nd to 23rd April, 1954, both days inclusive.

WESTERN INDIA TANNERIES LTD. Interim dividend of 6¼ per cent. per annum, free of income-tax, for the year 1953, payable on and after 10th April, 1954. Transfer books will remain closed from 26th March to 9th April, 1954, both days inclusive.

SHORROCK SPINNING AND MANUFACTURING CO., LTD. Dividend of Rs. 20 per share, for the year ended 31st December, 1953.

DHANALAKSHMI MILLS LTD. Dividend of Rs. 20 per share, free of tax, for the year ended 31st December, 1953. Transfer books will remain closed from 18th to 31st March, 1954, both days inclusive.

PERIAKARAMALAI TEA AND RUBBER PRODUCE CO., LTD. Interim dividend of As. 4-4/5 per share, for the year ending 31st March, 1954. Transfer books remain closed from 5th to 15th March, 1954, both days inclusive.

COIMBATORE COTTON MILLS LTD. Interim dividend of Rs. 20 per share, for the year ended 31st December, 1953. Transfer books remain closed from 11th to 25th March, 1954, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Final dividend of Rs. 14 per share free of income-tax (making Rs. 22 per share free of income-tax for the whole year) payable on 15th March, 1954. Transfer books will remain closed from 22nd March to 10th April, 1954, both days inclusive.

COMPANY REGISTRATIONS

INDIAN DYESTUFF INDUSTRIES LTD. (First Director: Shri Anandlal Hiralal.) Business: Manufacturers, importers and Dealers in Chemical Products of all nature, Dyemakers, etc. Authorised capital: Rs. 30,00,000. Public company. Address: 28, Apollo Street, Bombay 1.

K. T. DONGRE & Co., LTD. (First Director: Mr. R. V. Dongre.) Business: Chemists, Druggists and Dealers in Chemicals, Pharmaceuticals, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 384, Lamington Road, Bombay.

NATIONAL HELICOPTERS LTD. (First Director: Mr. K. S. Cambata.) Business: Establish, Maintain and Operate Air Services, Airlines and other Lines of Conveyances, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Cambata Building, 42, Queen's Road, Churchgate Reclamation, Bombay.

QUESTION HOUR IN PARLIAMENT

Central Government Debt

DURING the period 31st March, 1948, to 31st March, 1951, the interest-bearing obligations of the Government of India increased by Rs. 379 crores. The rupee loan was reduced by Rs. 79 crores, that is, from Rs. 1,517 crores in 1948 to Rs. 1,438 crores in 1951, and the sterling debt by Rs. 13 crores, from Rs. 49 crores to Rs. 36 crores. The floating debt increased from Rs. 87 crores to Rs. 326 crores, the reserve funds and deposits from Rs. 296 crores to Rs. 363 crores, and the dollar debt from zero to Rs. 25 crores in 1951.

—Finance Minister

Capital of Insurance Companies

The Government does not propose to bring forward any changes in section 27 of the Insurance Act in regard to restrictions on insurance companies investing in equity capital. The Government has received representations from various bodies and has considered them but does not propose to bring forward any change.

* * * * *

Relief to Tobacco Growers

The Government of India has received representations from tobacco growers in Rajasthan and Andhra for revising the rate of excise duty. For the last two years, there has been some overproduction of tobacco and the export markets have become rather dull. There is hence accumulation of stocks and the growers are in difficulty. The present difficulties are only a temporary feature. While the position may be more acute in respect of low-grade tobacco, the higher grade tobacco is also not having a good market. Whenever representations have been made to the Government and instances have been brought to their notice of cultivators' personal belongings being attached for realisation of excise duty, orders have been issued to revenue authorities to stop such attachments. The question of revision of excise duty is still under consideration of Government.

—Deputy Finance Minister

Concealed Income

The Income-tax Investigation Commission has recently reported on certain cases referred to it of persons assessed in West Bengal in which large sums of concealed income has been detected. The amount of concealment reported since November, 1953, in such cases is about Rs. 3 crores.

—Parliamentary Secretary to Finance Minister

Coal for Pakistan

The demand placed by the Pakistani Government for Indian coal has shown some decline in recent months. It is reported that the reason for this decline is lessening of the demand from East Pakistan.

* * * *

Imports of Bicycles

The Government of India hopes that the import of bicycles into India will cease in two or three years. According to production reports received by the Government, the number of cycles in the Punjab has increased from approximately 12,500 in 1952 to nearly 45,000 in 1953. The Tariff Commission is at present going into the question of protection to the industry and its report is awaited.

—Minister for Commerce

Post Office Savings Accounts

The system of withdrawal from Post Office Savings Bank accounts by cheques is proposed to be introduced as an experimental measure at the Bombay G.P.O. Certain head post offices in the Bombay Circle will be included in the scheme. It will be introduced as soon as the procedure is finalised. The proposal involves many difficulties, including amendment of the Negotiable Instruments Act, and rules have to be framed. Staff has to be recruited.

—Deputy Communications Minister

Railway Collieries

Every endeavour will be made to complete the abolition of the contract system in railway collieries by 1st April, 1954. The system has already been abolished in nine out of the eleven railway collieries.

—Parliamentary Secretary to Production Minister

Ban on "Vanaspati"

The Government of India has written to the Rajasthan Government suggesting that the ban on import of *vanaspati* into the State be withdrawn. The ban existed before the Constitution came into operation.

—Minister for Agriculture

Family Planning

All the recommendations of the Family Planning Research and Programmes Committee have been generally accepted by the Government of India. The Committee's main recommendation is to make grants from the Centre to the State Governments and to private family planning clinics in the ratio of 4:1. A scheme indicating the detailed terms and conditions on which such grants will be made have been sent to the State Governments and voluntary organisations. It is proposed to provide Rs. 30 lakhs in the Budget for the next two years in this connection.

—Deputy Health Minister

AHMEDABAD ELECTRICITY COMPANY REPORTS SATISFACTORY RESULTS

PROFIT OF PENCH VALLEY COAL SIZABLY HIGHER

Ahmedabad Electricity Co., Ltd.

THE directors of the above Company (Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1953.

The issue of the second series of 175,000 ordinary shares of Rs. 100 each at par has been fully called up, the first, second and final calls at Rs. 25 each per share having been made on 1st June, 3rd September and 1st December, 1953, respectively. 181 shares remain to be allotted against production of fractional certificates at date of this Report.

There was no change in the rates for supply of electricity during the year. As much as 2,494 new connections were made during the year, bringing the total at 30th September, 1953, to 35,646, of which 89 are large h.t. supplies. The following table shows the progress of sales during the last three years:—

(Kilowatt hours sold)

	For the year ended 30th September		
	1951	1952	1953
Public and private lighting and fans ..	14,555,494	16,189,800	17,478,913
Power	226,742,819	266,864,030	305,938,554
North Gujerat grid ..	7,970,098	38,007,850	62,805,560
Total	249,268,411	323,061,680	386,022,967
Percentage of increase on previous year ..	25·71	30·13	19·48

Plant erection and ancillary work at "C" station of the Sabarmati Power House have considerably advanced, and the station approaches its commissioning into service. The highest peak demand at the "A" and "B" generating stations was 79,600 kw. against the installed capacity of 97,500 kw. Irregular coal deliveries gave rise to anxiety about the middle of 1953, stocks having fallen to about 10 days' burning requirements. The position was, however, retrieved by strenuous approaches to the authorities concerned, and has since continued to be satisfactory. As much as 31 miles of 11 kv. cables and 16¼ miles of low tension cables were laid during the year. 10 new substations for general supply, 13 for rural electrification and 3 for industrial high tension supply were commissioned during the year. The transmission and distribution system operated efficiently. Considerable progress was made with the inter-connection arrangements between "A" and "B" and "C" stations, and with the 66 kv. overhead system designed to transmit power from "C" station to the City. The demand for supply from the Bombay Government Grid Scheme rose by 2,300 kw. to 12,800 kw. during the year. No major dispute with the Union requiring reference to the Industrial Court, arose during the year. In addition to the overseas training for members of the staff and to the training within Industry scheme, a cadet executive scheme was also introduced during the year.

The gross profit for the year amounts to Rs. 41,33,752 (Rs. 40,01,358) after charging depreciation in accordance with the provisions of the Electricity (Supply) Act, 1948, amounting to Rs. 20,42,963. The Company considers that there is no present liability for taxation on the profits for the year owing to income-tax rates of depreciation allowances.

After providing Rs. 1,73,476 (Rs. 1,56,463) for contingencies reserve and writing off Rs. 5,100 (Rs. 5,100) from promotion expenditure, Rs. 16,105 (Rs. 16,105) from stamp duty and brokerage in connection with debentures, and Rs. 3,956 (Rs. 1,887) from new share capital issue expenses, all in compliance with the Electricity (Supply) Act, 1948, it is proposed to take Rs. 1,10,484 (Rs. 1,75,000) to equalisation of dividends reserve and Rs. 48,658 (Rs. 1,00,000) to employees' retiring gratuities reserve. There then remains a balance of Rs. 37,75,973 (Rs. 32,48,271) and this together with Rs. 3,336 (Rs. 3,113) brought forward from last year's accounts makes a total of Rs. 37,79,309 (Rs. 32,51,384). From this sum, an ad-interim dividend of Rs. 2-8 (Re. 1-8) per share, proportionate to the amounts called up for the half-year ended 31st March, 1953, which absorbed Rs. 13,58,703 (Rs. 6,82,223) is to be deducted. The balance thus available amounts to Rs. 24,20,606 (Rs. 25,69,161) which it is proposed to apply as follows:—

To payment of a dividend for the half-year ended 30th September, 1953, at the rate of Rs. 4 (Rs. 5) per share, proportionate to the amounts called up (making 6¼ (6¾) per cent. for the year) Rs. 24,16,919 (Rs. 25,65,842) leaving a balance to be carried forward of Rs. 3,687 (Rs. 3,319).

As the clear profit for the year under review falls short of the reasonable return in terms of the Electricity (Supply) Act, 1948, the balance at the credit of the tariffs and dividends control reserve account at 30th September 1953, has been transferred to the equalisation of dividends reserve account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,54,78,615	Block ...	5,46,96,578
Debentures ...	1,25,00,000	Capital work-in-progress	3,32,80,800
Reserves ...	75,78,378	Stores ...	64,74,805
Liabilities ...	1,49,43,185	Loose tools, etc. ...	1,67,280
Profit and loss account ...	3,687	Other assets	6,37,506
		Debts, deposits and advances ...	38,13,986
		Investments ...	7,45,761
		Cash ...	6,87,349
Rs.	10,05,04,065	Rs.	10,05,04,065

Pench Valley Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1953.

The Company's profit for the half-year after the inclusion of the amount brought forward of Rs. 27,404 (Rs. 22,099) is Rs. 5,10,674 (Rs. 3,30,433) and after making provision for taxation Rs. 2,12,888 (Rs. 1,25,000) there remains Rs. 2,97,786 (Rs. 2,05,433). Out of this the directors have placed to development reserve account Rs. 1,37,081 (*nil*) and recommend payment of a dividend at the rate of 17½ (12½) per cent. per annum, free of income-tax, absorbing Rs. 1,37,813 (Rs. 98,438) leaving to be carried forward Rs. 22,892 (Rs. 31,995).

Output and despatch of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
31st August, 1953	2,14,306	2,16,775
28th February, 1953	2,10,704	2,04,748
31st August, 1952	1,97,226	2,00,821

Both raisings and despatches during the half-year reached a record figure.

The heavy capital expenditure on development and mechanisation forecast in the previous report is now under way. Approximately Rs. 1½ lakhs was incurred on this account during the half-year under review and increasing amounts will require to be expended over the next few years.

To provide the necessary finance for this and in particular for the development and equipment of the two new pits now being sunk in the Chandametta area to replace Barkui Colliery, which is expected to be exhausted by the end of 1957, and which at present is responsible for almost 50 per cent. of the Company's raisings, a further sum of Rs. 1,37,081 has been placed to development reserve. In addition the sum of Rs. 12,919 E.P.T. post-war refund has been transferred to the same reserve which now stands at Rs. 2,50,000.

It is proposed to alter the accounting periods of the Company from those ending on 28th February and 31st August to the six monthly periods ending 31st March and 30th September. This will be an administrative convenience and will also bring the Company's financial year into line with the fiscal year. This change will be made in the current period which will therefore be of 7 months ending on 31st March 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,75,000	Block ...	12,85,000
Reserves ...	11,25,000	Stock of coal	78,846
Provision for taxation ...	5,15,000	Stores ...	9,22,034
Liabilities ...	15,61,166	Debts, deposits and advances ...	20,12,118
Profit and loss account ...	22,892	Investments	4,07,240
		Cash ...	93,820
Rs.	47,99,058	Rs.	47,99,058

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1953.

After bringing forward the balance from the last account there is a balance of Rs. 2,48,535 (Rs. 1,75,228) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000), and on ordinary shares at Rs. 6 (Rs. 6) per share Rs. 1,08,000 (Rs. 1,08,000), leaving Rs. 1,05,535 (Rs. 32,228) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	38,26,721
Reserves ...	31,81,234	Stocks ...	23,85,048
Provision for taxation ...	1,08,488	Stores ...	9,92,977
Liabilities ...	14,22,869	Debts, deposits and advances ...	3,64,019
Profit and loss account ...	1,05,535	Investments ...	45,641
		Cash ...	3,720
Rs.	76,18,126	Rs.	76,18,126

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1953.

After providing Rs. 1,25,000 (nil) for taxation, there is a balance of Rs. 2,63,604 (Rs. 1,76,539) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 6 (Rs. 6) per share Rs. 95,700 (Rs. 95,700) leaving Rs. 1,32,904 (Rs. 45,839) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,95,000	Block ...	25,13,422
Reserves ...	28,39,282	Stocks ...	19,16,400
Provision for taxation ...	2,21,353	Stores ...	12,88,780
Liabilities ...	5,41,067	Debts, deposits and advances ...	5,39,381
Profit and loss account ...	1,32,904	Investments	66,291
		Cash ...	5,332
Rs.	63,29,606	Rs.	63,29,606

Birds Investments Ltd.

The directors of the above Company (Secretaries: Messrs. Lovelock and Lewes, Calcutta) submitted the audited accounts of the Company for the year ended 30th September, 1953.

As forecast in last year's report, dividends from jute mills showed a considerable fall and amounted to Rs. 51,779 against Rs. 2,07,521 in the previous year. In addition, there was a fall in dividend in almost all other sections with the exception of electricity, paper and mining other than collieries.

The profit and loss account showed a credit balance of Rs. 4,39,042 (Rs. 5,47,730) including Rs. 1,25,380 (Rs. 93,128) brought forward from last year. The directors disposed of this sum, by paying a dividend of 5½ (5½) per cent. per annum, less income-tax, on the preference shares for the year to 30th September, 1953 Rs. 97,350 (Rs. 97,350), a dividend of 12½ (12½) per cent. on the ordinary shares for the year to 30th September, 1953, without deduction of income-tax Rs. 2,50,000 (Rs. 2,50,000) and carried forward the balance of Rs. 1,11,692 (Rs. 1,25,380).

The following statement shows the distribution of the Company's portfolio:

	Per cent.
Jute Mills	31.88
Electricity	1.04
Iron, Steel and Engineering	4.08
Collieries	21.10
Paper Mills	4.49
Investment Companies	8.76
Tea Companies	2.43
Mining other than Collieries	5.13
Transport	.18
Miscellaneous	19.46
Ceylon Tea Shares	1.45
	100
Summary—	Per cent.
Debentures	6.00
Preference Shares	15.56
Equity Shares	78.44
	100

The Company's portfolio is representative of investments which are quoted on the Calcutta and Colombo stock exchanges, with the exception of certain shares costing Rs. 7,88,644 for which no quotations are available. The total of the market value of the investments for which quotations are available, together with unquoted investments as valued by the directors, exceeds the book value at 30th September, 1953, by Rs. 12,88,313.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,00,000	Investments	56,20,371
Reserves ...	7,97,945	Debts, deposits and advances ...	53,27,030
Provision for taxation ...	1,94,404	Cash ...	2,12,820
Liabilities ...	56,56,180		
Profit and loss account ...	1,11,692		
Rs.	1,11,60,221	Rs.	1,11,60,221

British India Electric Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1953.

After providing for depreciation, the loss for the half-year was Rs. 60,775 (profit of Rs. 61,970), to which was added the balance brought forward of Rs. 3,04,091 (Rs. 1,06,631 debit), making a total of Rs. 3,64,866 (Rs. 44,661), at the debit of profit and loss account, which was carried forward.

This result is an improvement on the second half of 1952, despite a further drop in turnover.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	5,56,727
Reserves ...	1,06,358	Work-in-progress ...	6,60,617
Provision for taxation ...	36,584	Materials and stores ...	16,57,170
Liabilities ...	30,81,995	Goods-in-transit ...	30,777
		Debts, deposits and advances ...	4,31,671
		Investments ...	2,000
		Cash ...	21,109
		Profit and loss account ...	3,64,866
Rs.	37,24,937	Rs.	37,24,937

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

RENEWED STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 10th *March*

Conditions in the short-term money market were extremely stringent during the week under review. The volume of floating money was small and there were more borrowers than lenders. Funds were in keen demand for payment of income-tax by big firms. Further, banks have had to repay the fixed period borrowings taken from semi-Government bodies. Moreover, the subscriptions to the Bombay State Road Transport Corporation loan also caused additional pressure on the available funds. There was, as a result, a keen search for funds by most banks. In the absence of adequate supplies, activity in the inter-bank call money sector was very much restricted. Exchange banks had to draw on their foreign offices, while Indian banks sought the aid of the Reserve Bank or the Imperial Bank of India.

Inter-bank call money was bid at 3 per cent. among all sections of the banks. House money was taken at 3 per cent. Short-term deposits were wanted at 3 per cent. for 1 to 4 months and at 2½ to 2¾ per cent. for 5 to 12 months.

After four weeks of successive rise from Rs. 2-8 per cent. to Rs. 2-11 per cent. per annum, the Government of India Treasury Bill rate has slightly receded to Rs. 2-10-11 per cent. this week. The amount offered, against the usual tenders for Rs. 100 lakhs, was Rs. 189.50 lakhs, as against Rs. 151 lakhs last week. Thus, during the last four weeks, the amount offered has steadily risen from Rs. 101 lakhs to Rs. 189.50 lakhs. Tenders for Rs. 100 lakhs have been invited for the next week.

A rise of Rs. 19.14 crores in notes in circulation is disclosed by the Reserve Bank of India Statement for the week ended 5th March, 1954, as compared with that for the previous week. This rise is in refreshing contrast to the successive contractions noted in the previous weeks aggregating Rs. 8.14 crores. With this rise, notes in circulation stand at Rs. 1,190.57 crores, as against Rs. 1,136.12 crores for the corresponding week of 1953. Notes held in the Banking Department have fallen by Rs. 10.28 crores, so that the total notes issued are higher by Rs. 8.86 crores at Rs. 1,149.46 crores Rs. 1,202.57 crores, as against a year ago. The rise in total notes during the week under review has been offset by the addition of Rs. 10 crores to foreign securities and a contraction of Rs. 1.13 crores in rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 8.69 crores, while those of the State Governments have fallen by Rs. 6.99 crores, deposits of banks by Rs. 1.90 crores and those of others by Rs. 21.25 crores. A shrinkage of Rs. 10.40 crores is noted in cash balances and Rs. 12 crores in balances held abroad. Ways and means advances to Governments disclose a rise of Rs. 36 lakhs and other loans and advances Rs. 2.77 crores. There has been a fresh advance of Rs. 7.20 crores to Scheduled banks against issuance licences during the week, but repayments by banks amount to Rs. 6 crores, so that the outstanding borrowings under this head stand Rs. 1.20 crores higher.

The Consolidated statement of position of Scheduled banks for the week ended 26th February, 1954, as compared with that for the previous week, shows a fall of Rs. 1.23 crores in demand deposits and a rise of Rs. 16.12 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 34.62 lakhs. Borrowings from the Reserve Bank are up by Rs. 1.45 crores, while those from the Imperial Bank have declined by Rs. 24 lakhs. Advances have gone down by Rs. 3.94 crores, while bills purchased and discounted have risen by as much as Rs. 7.01 crores. Investments are lower by Rs. 90.77 lakhs, cash on hand and balances with the Reserve Bank are together lower by Rs. 1.56 crores, balances with other banks in current account by Rs. 69.95 lakhs and money at call and short notice by Rs. 21.85 lakhs.

The Gilt-edged market experienced yet another week of dull trading. With the growing stringency in the money market, business continued to remain restricted. 3 per cent. 1957 was held at Rs. 98-5, while 3 per cent. 1958 stood an anna better at Rs. 98-2. 3 per cent. 1959-61, after shading off to Rs. 96-1, came up to Rs. 96-2. 3 per cent. 1963-65 and 3 per cent. 1964 were unchanged at Rs. 92-8. 3 per cent. 1966-68 at Rs. 90-4 and 3 per cent. 1970-75 at Rs. 86-8. 3 per cent. 1986 Conversion Loan had business at Rs. 82-10. 3½ per cent. 1961 N.P. Bond was done at Rs. 98-14½. 4 per cent. 1960-70 was in request at Rs 102-2, as against Rs. 102-0½ last week.

The Bombay State Road Transport Corporation loan which opened for subscription on Monday this week was oversubscribed and the list was closed by noon on that day. Business was reported done at Rs. 99-3.

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, 8th *March*

In the kip market, conditions were somewhat firm. There was good clearance of stocks in the local bazar, and sellers were reluctant to offer at lower prices. Lower selections were in good demand for inland trade and prices ruled at one to two pence above U.K. levels for this description. U.K. demand was patchy and was mostly for medium and heavy kips. Top marks continued to obtain good premium over mixed tannage standards. Buff hides ruled firm, while buff calf and cow calf remained dull.

Prices of tanned goat skins ruled steady and of sheep weak. Shippers were steadily buying all arrivals. There was patchy demand for sheep skins from Japan and Continent.

GOLD FIRM

(From Our Own Correspondent)

BOMBAY, 10th *March*

Trading on the Bullion Exchange was listless during the week under review. There were no special factors to affect the sentiment of operators either way. Day-to-day fluctuations in prices were confined to a narrow range. Silver remained steady due to sustained support from bull operators. If, despite this support, the white metal had not made much headway during the week, it was due to the liquidation of a substantial quantity by a leading bull operator from Calcutta and to absence of sufficient offtake during the major part of the week. Though demand in the ready section was said to have improved towards the close, it did not come up to expectations. In the circumstances, prices could stage no more than a fractional rise. The undertone remained steady.

Sentiment in the gold section was relatively brighter on account of paucity of arrivals and good offtake. There was no sale of Mysore gold during the most part of the week and inflow of the metal through smuggling was also small, thanks to the vigilance of the customs authorities. Over the week, forward gold registered a rise of Re. 1 and ready gold Re. 1-5.

Silver for forward delivery (22nd March settlement) began the week at Rs. 164 and staged a small rise to Rs. 164-10 before reacting to Rs. 163-8 on Monday this week. But speculative support at the lower level and reports of an improvement in offtake lifted the forward price to Rs. 165-3 yesterday. Today, however, there was a retreat to Rs. 164-6 at the close due to paucity of demand and profit-taking.

Ready silver (.996 Mint) was quoted at a premium of As. 4 over the forward throughout the week. The opening and closing levels were Rs. 164-4 and Rs. 164-10, respectively. The floating stocks of silver are reported to be 1,100 bars. The daily average offtake was 10 to 15 bars.

Opening at Rs. 87-14, gold for forward delivery (19th March settlement) advanced to a new high for the last several months at Rs. 88-13 on Friday, on shortage of stocks in the ready section and poor arrivals. The higher level, however, attracted profit-taking, consequent on a decline in demand, and the forward price reacted to Rs. 87-10 on Monday. But on renewed support from bulls and covering by short-sellers, forward gold once again firmed up to Rs. 88-9 before closing the week a shade lower at Rs. 88-6.

Ready gold began at Rs. 88-8 and came up to Rs. 89-13. The closing was, however, a shade lower at Rs. 89-5. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake averaged 5,000 tolas a day.

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

	10-3-54	Highest	Lowest	2-3-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	89 5	89 13	88 6	88 0
Forward	88 6	88 13	87 10	87 6
Sovereign	57 12	57 12	57 8	57 4
SILVER				
Ready (.996 fine Mint) ..	164 10	165 7	163 8	163 14
Forward	164 6	165 3	163 4	163 10
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73¼d.
New York Ready	85½c.	—	—	85½c.

TEA PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 9th *March*

During export sale yesterday, offerings amounted to 22,400 chests, and, although the selection was below the average, there was good demand. The one exception to the general upward trend was whole leaf grades, prices of which were hammered down by As. 2 to As. 3. Offerings of clean commons and commonest teas were bought at prices, which were one anna higher. Fannings received moderate attention and prices rose by As. 1 to As. 1½. The rates were: best C.T.C. Assam B.P. Rs. 2-8 (nominal), medium Assam B.P. Rs. 2-7 (nominal), clean common B.P. Rs. 2-6-8, and clean black pekoe (not quotable).

Strong general demand featured last week's sale for domestic consumption, offerings of dusts consisting of 16,000 chests. Prices rose throughout the sale, and at the close the gains were between As. 1½ to As. 2. The C.T.C. varieties and leafy teas suitable for export were the best features. The rates were: best Assam C.T.C. Rs. 2-2-6, medium Assam grainy dusts Re. 1-15-9, and medium Dooars Re. 1-15-3. Offerings of leaf amounted to a small quantity of 2,000 chests which also received the keen attention of buyers. Green tea was in good demand, while the superior varieties of leaf were sold at prices above valuation. The inferior stalky teas were steady.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 8th *March*

In the linseed market, little change is reported during the week and prices are fairly well maintained, whilst activity has been very limited. The undertone of the market is steady. Despite feeble enquiries from local buyers, chiefly for ready goods, the scarcity of supplies from upcountry has helped to maintain the price level prevailing locally. Sellers are reserved for forward delivery, owing to firmer prices at the centres. The oil market is inactive and consumers are still only buying spot on a hand-to-mouth basis. Latest quotations are:—Ready Rs. 20-4 and April-May Rs. 17-8 per maund.

COTTON PRICES RECEDE FURTHER

(From Our Own Correspondent)

BOMBAY, 10th *March*

By all accounts, the cotton market has been demoralised. Such phenomenon is easily understandable in the case of the forward section of this market. What is really strange is the fact that this demoralisation should have started in the spot market at Sewri and spread over to the forward section at Kalbadevi, instead of it being the other way round. Enquiries for ready cotton from the mills seem to have dried up. There has been a good deal of hedge selling from upcountry centres and all these, combined with tight money supply, have conspired to create an atmosphere of vacuum in the cotton market.

The mills had been making heavy purchases during the earlier part of the season, instead of spreading the covering of their requirements, as usual. This, in the first place, pushed up the rates abnormally. To a certain extent, the authorities were also responsible for this debacle. There was no need to issue permits to the mills to the fullest extent so early in the season. They should have known that this would create a scramble in the markets before all the cotton came there. If the permits had been given in suitable instalments, prices would not have run away as they did a couple of months ago. Now the pendulum has swung to the other side and there are no buyers for the cotton which has come into the market later in the season. If the mills had been left free to adjust their programme of purchase, the exaggerated price movements would not have happened. This is one of the worst features of official controls. If they are not administered with wisdom and efficiency, they tend to create more problems than they solve.

It is hoped that the chaotic conditions prevailing in the markets will be of short duration and that the readjustment of values will be as rapid as their dislocation. The present prices, around Rs. 665, would not have looked as abnormal as they do, if they had not been pushed up by artificial causes to as high as Rs. 719. While there is no life in the spot market at present, the forward market is one-sidedly active. People who know nothing about cotton have begun, in large numbers, to dabble in these operations and the slightest rumour, which knowledgeable people would discount, has the effect of creating a stampede either way. It is up to the East India Cotton Association authorities to consider this problem and to devise enough checks to keep trading on a normal track, unless they desire to create conditions prevailing in the bullion markets.

The opening of the August contract was expected to stabilise prices. Though it has failed to bring about this result, it would do so after a time. The gap between the two contracts is normal and this is a hopeful sign of more ordered trading ahead. The future trend of prices will depend more on the quantity of cotton imported from abroad henceforth than on the supply position within the country, which is now fairly well ascertained. The conditions regarding supply outside are not, however, very favourable, except in the U.S.A., and it is likely that imports may not amount to the earlier estimates because of this reason. This would mean a bullish factor for Indian cotton for genuine traders who can hold their stocks.

In the forward section, I.C.C, May contract opened the week at Rs. 680, as against Rs. 678 last week. After improving to Rs. 683 on the following day, the contract reacted to Rs. 661½ yesterday, on account of nervous liquidation induced by weak advices from the spot section and downward trend in values in the Broach section. Lower levels, however, evoked support and, the contract staged a recovery, to-day's closing rate being Rs. 671½. Trading in I.C.C. August contract was commenced on Monday. The contract opened at Rs. 681½ and, after receding to Rs. 671½ yesterday, recovered to Rs. 681½ today.

The following is the trend of prices in the forward section during the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C May ...	Rs. 680	684	661½	671½
I.C.C. Aug. ...	Rs. 681½	683	671½	681½

Latest available quotations from the Sewri market are: Bengal *deshi* Rs. 625-650; Berar Jarilla Rs. 780; Khandesh Rs. 850; Vijay Rs. 870; Oomra *deshi* Rs. 700; Moglai Rs. 685.

There is nothing of note to report about the Karachi market. Out of a total arrival of a little over a million bales, nearly half the quantity is still unsold. Whether this will all be disposed of or whether there will be a goodly carry-over will depend on the attitude of Japan which is the biggest consumer of Pakistan cotton. With credit facilities being extended liberally to various countries on the Continent, the market for Karachi in these centres will be more limited than usual. Even Japan can obtain more supplies from the U.S., but it chooses to patronise Pakistan cotton to create a market for its textiles in this country. The latest available quotations from the Karachi market are: Sind *Deshi* Rs. 77-8; Punjab *Deshi* Rs. 75-8; 4F. Punjab Roller Rs. 74; S.G. Rs. 80; L.S.S. Punjab Roller Rs. 77-12; S.G. Rs. 83-4; N.T. Roller Rs. 77-12; S.G. Rs. 82-4; 289F. Punjab Roller Rs. 82-4; S.G. Rs. 88-4.

At Alexandria, the tempo has naturally been slower, in view of scarcity of supplies, especially in those varieties which are eagerly in demand from usual customers. To a certain extent, however, demand has shifted from medium grades of Karnak to higher grades of this variety into Giza 30.

Narrow fluctuations have been the feature of the week in the U.S. markets. The daily turnover has gone down considerably since last week, with the result that the price range has been short. In view of the fact that world consumption this year will be higher and that the prices in all other markets are hardening, this is perhaps the best time

for Indian mills to arrange for their supplies of U.S. cotton. A keener demand from the Continent later in the season, after the Liverpool Forward Market starts functioning, might bring about further appreciation in the price of cotton in the U.S.

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

(In cents per lb.)

	9-3-54	26-2-54	19-2-54
Spot	35.15	35.05	35.20
March	34.45	34.25	34.33
May	34.41	34.30	34.40
July	33.79	34.24	34.30
October	33.77	33.63	33.61

ART SILK YARN RECOVERS

(From Our Own Correspondent)

BOMBAY, 10*th March*

The sharp recession in prices in the art silk yarn market, following the levy of the excise duty of 19 pies per yard on rayon cloth last week, was arrested during the week under review. The recovery followed buying support induced by expectation of a modification in the levy of excise duty as indicated by the Finance Minister in the Council of States on Monday last. The directive of the Silk and Art Silk Mills' Association, Bombay, to the mills not to effect closure or curtailment of output also favourably influenced the sentiment of operators. There was, besides, report of smaller arrivals of imported yarn, the quantity actually imported during February, 1954, being 2.10 million lbs., as against 2.68 million lbs. a month before and 2.25 million lbs. two months before. Buying enquiries that ensued, as a consequence, lifted the prices from the low levels touched last week. But the improvement was not so appreciable as to erase the previous week's losses completely. Today's closing quotations, therefore, were very much lower than those prevailing prior to the imposition of duty.

In the forward section, 150D March contract which had slumped to Rs. 750 on the 3rd inst., recovered to Rs. 771 today before finishing a shade lower at Rs. 770. The net rise over the week was to the extent of Rs. 20. April contract improved from Rs. 767 to Rs. 774 but closed a rupee lower. Spot prices were fully steady, 120 Italy and 150 Italy being quoted at Rs. 4-8 and Rs. 3-14, respectively. 120 Japan, after advancing by an anna to Rs. 4-14 yesterday, reacted to Rs. 4-13 today. 150 Japan which remained fully steady throughout the week lost an anna to Rs. 4-7 today.

In sympathy with art silk yarn, staple fibre yarn also staged a recovery in values. Thus, staple fibre yarn (40×2) March contract advanced from the last week's low of Rs. 648 to Rs. 673 today, after touching a high level of Rs. 675. April contract rose from Rs. 668 to Rs. 673, before closing at Rs. 671. Prices of indigenous yarn (40×2) in the spot section also tended to move up. Sitaram advanced by As. 2-6 to Rs. 3-7. Hirjl was higher by half-an-anna at Rs. 3-6½. Hindustan was well maintained at Rs. 3-7. Foreign yarns (40×2), however, proved an exception and continued their downward march. Shinco, Paramount and S. Fuji receded by an anna each to Rs. 4-2½, Rs. 4-2 and Rs. 4-3, respectively. Suico and Aurora were lower by half-an-anna each, the former at Rs. 4-3½ and the latter at Rs. 4-3.

The cotton yarn market ruled quiet with fluctuations in prices confined to a narrow range. Interest among operators in fresh business was lacking, although reports about cloth exports were quite encouraging. Even the extension of the validity of allotments of cotton yarn made to mills on or after 1st January, 1954, and export licences issued against such allotments upto the end of this month passed unnoticed. Operators preferred to await further developments resulting from the recent upward revision in excise duty on mill-made cloth.

In sympathy with the downward trend in raw cotton prices, yarn prices also tended to decline. Among 80s, Finlay and Sriram receded by a rupee each to Rs. 68 and Rs. 63 per bundle of 10 lbs., respectively. Seksaria dropped As. 8 to Rs. 56-8. Elphinstone lost a like amount to Rs. 61. Among 60s, City reacted from Rs. 47-8 to Rs. 46-10 and Finlay from Rs. 59-12 to Rs. 59. Raghuvanshi shed As. 4 to Rs. 53-12. Among 40s, Meenakshi fell by As 7 to Rs. 26-2. Among 20s, Hind, Edward and Madura were done each As. 2 lower at Rs. 16-11, Rs. 16-8, and Rs. 18-8, respectively. Prices of 10 count yarns, on the other hand, were steady. Podar and Colaba gained an anna each to Rs. 13-5 and Rs. 13-4. Modern was sought at Rs. 13-6 and Elphinstone at Rs. 12-12.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those in the previous week:—

	10-3-1954	1-3-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	770 0	750 0
150 April "	773 0	.. ..
120 Japan (per lb.)	4 13	4 13
150 Japan (per lb.)	4 7	4 8
120 Italy (per lb.)	4 6	4 8
150 Italy (per lb.)	3 14	3 15
Staple fibre yarns—		
40 × 2 March (per case of 200 lbs.) ..	673 0	653 0
40 × 2 April " ..	671 0	.. ..
Sulco (per lb.)	4 3½	4 4
New Great (per lb.)	3 10½	3 11
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 6
20s Hind	16 1	16 13
20s Madura	24 6	24 6
40s Meenakshi	26 2	26 9
60s City	46 10	47 8
80s Elphinstone	61 0	61 8

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 10*th March*

The announcement of export quota for H.P.S. groundnuts on 5th March, sprang a pleasant surprise. As a result, the market reacted sharply to this development. The market witnessed virtually a buying spree. Consequently, the prices of groundnuts shot up and recorded impressive gains over the week. The linseed, *kardi* and *niger* sections also ruled firm in sympathy with groundnuts. The castorseeds section, however, presented a colourless appearance, on discouraging Continental and U.S. advices regarding castor oil.

According to a Press note issued by the Government of India, allotments for export of H.P.S. groundnuts will be made by the licensing authorities at the ports to established shippers for quantities equal to one half of the total shipments effected by them during any one of the calendar years, namely, 1951, 1952 or 1953. It is estimated that the total quantity of exports that can be made, on this basis, would be about 7,500 tons. Following this announcement, Bombay Bold H.P.S. groundnuts shot up from Rs. 38 on the 5th inst. to Rs. 42 today. H.P.S. Bombay Bold is quoted at £106 per ton in Canada, at which rate the profit margin is estimated at about £15 per ton. Bold F.A.Q. advanced from Rs. 32-6 on the 2nd inst. to Rs. 36. February-March and April-May deliveries disclosed a gain of Rs. 3 and Rs. 2-6 at Rs. 35-4 and Rs. 34-10, respectively. Khandesh quality advanced from Rs. 32-14 to Rs. 36-8. Groundnut oil was higher by Re. 1-6 at Rs. 17-6 and railway receipts Re. 1-4 at Rs. 17-4. March, April and May deliveries changed hands at Rs. 17-4, Rs. 17-10 and Rs. 17-14, as against Rs. 16-3 Rs. 16-7 and Rs. 16-4, respectively.

In the linseed section, Bold ready advanced by Re. 1-12 to Rs. 25. February-March and April-May deliveries gained Re. 1-6 and Re. 1-10 to Rs. 24 and Rs. 23-12, respectively. Linseed oil ready was up by As. 12 at Rs. 14-4. Linseed oil which was quoted at £108 per ton c.i.f. in the U.K. and the Continent met with no response at all as the rate worked out to £110 on the basis of Indian quotations

Chances of large business against the recently announced export quota of 6,000 tons of castor oil for the period ending April 1954, appeared bleak, in the absence of reduction in export duty. As a result, the market presented dull conditions. May 1954 which opened at Rs. 105-8, as against Rs. 104, fluctuated between Rs. 106 and Rs. 103-8, before closing at Rs. 104-8. F.A.Q. was unchanged at Rs. 21-8, while Madras gained a rupee to Rs. 22-8. Castor oil B.S.S. and First Pressures gained As. 4 each to Rs. 12 and Rs. 11-8, respectively. Commercials were better by As. 2 at Rs. 10-12. Castor oil B.S.S. (March-April delivery) was offered at £117 per ton, First Pressures at £116 and Commercial at £111 in the Continent, but the response was not satisfactory.

Among others, *kardi* Bold and April-May gained Re. 1-8 each to Rs. 18 and Rs. 18-8, respectively. *Niger* F.A.Q. improved from Rs. 26-2 to Rs. 28-8. Madras quality gained Rs. 2-8 to Rs. 28-8. February-March were done at Rs. 28-8, as against Rs. 26-4.

The following table shows the prices of oilseeds and oil on the 10th inst., as compared with those at the end of the previous two weeks.

	10-3-54	2-3-54	24-2-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 8	32 14	34 4
Bold February-March	35 4	32 4	33 8
April-May	34 10	32 2	33 8
Linseed—			
Bold Ready (per cwt.) ..	25 0	23 4	27 0
February-March ..	24 0	22 10	23 12
April-May	23 12	22 2	23 2
Castorseeds—			
May 1954 (per candy)	104 8	104 0	113 4
Madras (per cwt.) ..	22 8	21 8	23 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 6	16 0	16 13
Castor Oil—			
Commercial (per quarter) ..	10 12	10 10	11 10

FURTHER RISE IN SUGAR

(From Our Own Correspondent)

BOMBAY, 10*th March*

The bullish fervour that dominated the Bombay sugar market last week continued unabated this week too. Besides depletion of stocks and expected delay in arrivals of imported sugar, the Central Government's directive to sugar factories to pay henceforth an extra As. 4 per maund over and above the minimum sugarcane price of Re. 1-7 imparted considerable strength to the market. The report that purchases of imported sugar from the Union Food Ministry would be subject to the payment of a purchase tax of six pies per rupee under the new Bombay sales tax rules which are to come into force from 1st April next also aided the bullish fervour and prices of sugar, as a result, recorded further handsome gains.

Among foreign sugars in the spot section, German sugar advanced by Re. 1-8 to Rs. 86-8 per bag of 220 lbs. British refined moved up from Rs. 86-8 to Rs. 87-8 per bag of 2 cwts. Cuban sugar spurted by As. 10 to Rs. 38-8 per 100 lbs. Czechoslovakian sugar hardened from Rs. 85-88 to Rs. 86-90 per bag of 220 lbs. Mexican sugar was quoted As. 8 higher at Rs. 41-12. Prices of indigenous sugars were well maintained. Large grains were quoted at Rs. 93-97, as against Rs. 97-98 per bag a week ago. Small and medium grains were fully steady at Rs. 90 and Rs. 91-92 respectively.

In the forward section, *Fagan* delivery changed hands a rupee higher at Rs. 86 per bag. *Chaitra* delivery was quoted still higher at Rs. 86-14, owing to reports that fresh purchases of foreign sugar by the Central Food Ministry would not be reaching Bombay earlier than the third week of April, 1954.

Arrivals of sugar into the market were slightly larger, the quantity actually arriving during the week under review being 4,000 bags, as against only 1,800 bags last week.

As from 1st April next, the Government of Bombay has decided to bring into operation the two-point sales tax together with the purchase tax. Accordingly, sugar will be liable to the payment of a tax of six pies in the rupee each on the purchase in the first and final stages. Consumers will, therefore, have to pay as sales tax Rs. 5-8 to Rs. 6 per bag to the Bombay Government. It is believed that sales of opening stocks of sugar on the 1st proximo and onwards will also be liable to the same rate of sales tax, but with a rebate of the tax which might have already been paid on the opening stocks as on 1st April, 1954. Even the purchases of imported sugar from the Food Ministry, it is stated, will have to pay a purchase tax of six pies in the rupee.

PEPPER PRICES RECEDE

(Messrs. Parekh & Co.)

BOMBAY, 10*th March*

The pepper market ruled quiet during the week under review, owing to paucity of foreign enquiries, and prices drifted lower. Growers in Alleppey area reduced their price from Rs. 1,750 to Rs. 1,675, in order to attract fresh buyings. It is interesting to note that arrivals from the interior are reduced whenever prices pierce through the resistance level of Rs. 1,700. The prices in Tellichery area are comparatively cheaper than those in Alleppey, but there, too, the pressure of arrivals is slowly receding, in spite of continous waterfront tie-up at the port of New York, the dealers there are holding off in anticipation of further reduction in the Indian market, but the general consensus of opinion here is that, if the total shipment to New York during this month turned out to be below 1,000 tons, America would have to buy more during April to maintain the flow of supply among grinders, stores and packers. It is possible that dealers in New York may try to exploit the Indian market by spreading various rumours, right or otherwise, of lower offerings from Sarawak, but the growers in India fully know that the pressure of Sarawak cannot come before August, and hence India has the monopoly of supply until that time.

In the A.S.T.A. section, March and April shipments were done from $0.82½ to $0.80¼, but there is noticeable resistance at rates varying about $0.80. There is an unconfirmed report that Red China is negotiating for a sizable purchase of Malabar pepper, possibly on barter basis.

In the delivery section, prices for March and April deliveries, after going down to Rs. 1,340 and Rs. 1,380 recovered to Rs. 1,370 and Rs. 1,410, respectively. It is reported that there is a tussle between bears and bulls in March delivery business, each manipulating the market to meet his own end. The real picture of the future of the market will therefore, not be available until the close of March *vaida*.

Today's nominal quotations are: Ready delivery Rs. 180-200 per Bengali maund; March delivery Rs. 1,380-1,400 and April delivery Rs. 1,400-1,420 per candy of 5½ cwts.

HEAVY JUTE GOODS STRONG

(From Our Own Correspondent)

CALCUTTA, 9*th March*

The feature in the jute goods market during the week under review was a fair rise in prices of heavy goods, following moderate export enquiries and covering by local shorts. Burma is expected to be in the market for a further quantity of sacking. Ready B. twills advanced from Rs. 105-14 to Rs. 108. Some business was done with West Africa. Rates for deliveries within a month were fractionally higher than the ready price, but other forward quotations kept to their natural level, being quoted below the rate for ready goods. This was not the position until later, but market circles stated that this change to the natural level was a sign of the difficulty in marketing heavy goods for export. In spite of this realisation, it should be noted that there was no tendency for quotations to move down this week. On the other hand, gains were recorded as indicated above. This feature must be attributed to another realisation, namely, that transfer of sacking looms to the production of chances of production of heavy goods in excess of demand have been completely eliminated.

In contrast to heavy goods the hessian section ruled dull and prices receded fractionally. Enquiries were poor, but stockists and mills were confident that orders would soon be forthcoming. It was for this reason that the recession in prices was insignificant. The Argentine, it is reported, would be in the market for April goods, while fresh buying on behalf of the United States is anticipated to replenish stocks. Ready 40" 10 oz. hessian opened at Rs. 44-2 and was for a time better, being quoted up to Rs. 44-6. Lack of buying demand, however, saw the rate recede to Rs. 43-15, towards the close. But, yesterday, a welcome change was noticed and, under speculative support, a smart recovery to Rs. 44-5 was recorded, the f.o.b. rate being Rs. 48-6. 8 oz. hessian was offered at Rs. 38 f.a.s, and at Rs. 41-4 f.o.b.

The fact that prices for raw jute have recorded a progressive decline in recent weeks has again brought to the forefront the fear of competition from Continental mills which are now able to get raw material at cheaper rates. This factor is considered sufficient to neutralise the price advantage afforded to the Indian manufacturers as a result of the reduction of the export duty on hessian in September last. Market circles believe that the time is not far off when New Delhi will have to consider seriously the question of abolishing the existing duty on hessian. The trade demand for such governmental action has been there for a long time, but the revision effected in September last afforded splendid results in the export market and, in such a context, the demand for the withdrawal of the duty has not been as vociferous as that before September. Buyers on behalf of foreign countries hesitate to enter into commitments, in anticipation of a further decline in prices.

Although fair business was done in raw jute, prices did not show any improvement. Mills are not anxious to increase their stocks of raw material, as they have enough in their possession. Moreover, the present trend in the goods market does not enable mills to support even the current prices. Business was done in local packing at Rs. 21 basis bottoms and Assam upper bottoms realised Rs. 24-8 to Rs. 25, with middles quoting Rs. 28. Jat daisee was taken at Rs. 28 and Jungli bottoms at Rs. 23. Moderate interest was shown in Pakistani cuttings at Rs. 60 a bale, while bimli f.a.q. looked down to Rs. 22, as against Rs. 23 a week ago. Western jute was priced at Rs. 23-8 and Murshidabads at Rs. 24. Orissa bottoms gave way from Rs. 27-8 to Rs. 26-8, while middles were wanted at Rs. 29-8. Dubri bottoms were done at Rs. 25-4.

FOODGRAINS IRREGULAR

(From Our Own Correspondent)

HAPUR, 8*th March*

The foodgrains and pulses markets presented a mixed appearance during the week under review. In the ready section, prices of nearly all the cereals that had continued to drift lower for some days past showed resistance to a further fall and were stationary during the week. The stockists who had been liquidating their possessions at any cost showed more reserve. The reasons for this cnange of sentiments were mostly local. Hailstorm and excessive winter rains have affected *rabi* crop prospects in Uttar Pradesh. A bumper crop was expected earlier, but now according to Government sources, *rabi* production is only normal. Early maturing *rabi* crops, such as gram, peas, oilseeds, tobacco and vegetables, have suffered much from winter rains. Damage to wheat crop is less, because it has a subsequent chance of recovery.

It is authoritatively stated that, within a few days, a new policy in regard to rice may be announced by the Government of India. Private merchants are already allowed to import rice for sale in the non-rationed areas. The question of allowing them to import other grains, especially wheat, is under consideration. It is revealed that prices of rice has been stepped up wherever curement of rice are high. The total quantity of rice procured from 1st January to 24th February is 376,400 tons. About 16,700 tons of rice has also been imported since 1st January out of the total of 24,050 tons of foodgrains imported. The Centre has contracted to import 900,000 tons of rice from Burma. The import of Burma rice, it is stated, is not primarily for meeting any food shortage in the country, but involves political considerations. It will also help in further relaxation of controls, including quantitative control and, before long, food control will become a thing of the past. Brisk movement of rice from surplus States of Madhya Pradesh, Orissa, Punjab and U.P. to deficit regions of West Bengal and South India has begun and the tempo is expected to be maintained in the next few months also.

In view of a bumper harvest this year, the Punjab Government is likely to allow free movement of wheat to Delhi and Himachal Pradesh. The Assam Government has decided further to relax control on rice with immediate effect.

The strong westerly winds that blew over wide tracts in North India this week are expected to affect the standing crops adversely. Pulses futures reacted very bullishly in the first instance, but a part of the early gain was later erased, on profit realising and improved weather conditions that followed. There was no spot demand for pulses. The latest quotations in the local market are: Wheat Rs. 15-4 to Rs. 16-12, gram Rs. 10 to Rs. 13, barley Rs. 9-4, *bejhar* Rs. 9, maize Rs. 9-12 to Rs. 11, *bajra* Rs. 9-8 to Rs. 11, *juwar* Rs. 7-8 to Rs. 9, *guwar* Rs. 9, peas Rs. 8-12, *arhar* Rs. 9-8, *urd* Rs. 14 to Rs. 16 and *moong* Rs. 15.

SUGAR RULES DULL

(From Our Own Correspondent)

HAPUR, 8*th March*

Crystal sugar markets remained dull, thanks to lack of consumers' interest in almost all big centres. Calcutta eased considerably following arrivals of foreign and inland sugar which improved the stock position. Madras continued steady, but there was reduced enquiry. Bombay improved, due to demand from Malabar. The U.P. markets remained featureless.

The U.P. Cane growers' strike has now completely fizzled out; it has been withdrawn by the U.P. *Hind Kisan Panchayat*. Following this, the Government of India has written to all the sugar factories in west U.P. suggesting to them that they should henceforth pay an extra As. 4 per maund over and above the minimum sugarcane price of Re. 1-7. The extra price will be adjusted against the share of the profits which will be assigned to the cane growers when the profit-sharing scheme of the sugar industry in U.P. is finalised at the end of the sugar season.

The Indian Food Minister has revealed that six new sugar factories with good capacities are likely to be permitted to be set up in the South. Production from these factories is expected to help meet increased internal consumption.

It is authoritatively stated that 250,000 tons of sugar were purchased by the end of December, 1953, and the entire quantity arrived by the end of February, 1954. The landed price of imported sugar on an average worked out to be about Rs. 20 per maund, exclusive of import duty. The Government of India has made arrangements for the purchase of 35,000 tons of foreign sugar. It is likely that the Government will buy more later. It has been notified that, while the Government preferred polarisation of 99.8 in regard to sugar imports, it will be prepared to accept a lower polarisation also, provided the price and other terms are attractive and the quality is otherwise acceptable to Indian consumers.

It is reliably understood that a scheme for the establishment of a refinery to manufacture various types of refined sugar from raw sugar is under the consideration of the Central Government. The scheme is reported to have been submitted by a group of industrialists. India may get all the varieties of refined sugar needed for domestic consumption and may also regain its lost sugar export trade with the Middle East.

Sugar mills in U.P. crushed 115,235,000 maunds of cane up to 15th February, 1954, that is about 10 million maunds more than the quantity crushed during the corresponding period last year. The figures are based on the weekly returns of each of the 65 factories in the State. The crushing season is now coming to a close and 15 factories have already been closed. It is expected that crushing will be normal.

The latest mill delivery quotations (per maund) in the local market are: Sugar Simbhauli Rs. 30-14, Amroha Rs. 30-9, Bijnor Rs. 30-9, Meerut Rs. 30-12, Mowana Rs. 30-12, Mansoorpur Rs. 31-3, Deoband Rs. 31-4, Rohana Rs. 31-2, Laksar Rs. 31, Mohaddinpur Rs. 30-10, and Sehora Rs. 30-8.

Gur markets remained quiet to steady. Prices in the ready section moved very slowly, but the trend was definitely upwards. In futures, there was a sharp recovery, following strong bull support. Heavy speculative coverings featured this week and the rise was unexpectedly high.

Pansera *gur* at Hapur is quoted at Rs. 14-12 per maund and *Baishak* futures at Rs. 14-13-6.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 9*th March*

Although the volume of business that was put through in the metal market during the week under review was lower than the previous week, prices were steady. Stockists anticipated that consumers would show renewed interest in the coming weeks regardless of the fact that they had bought fair quantities in recent weeks. Electrolytic copper was a particular feature, as the price shot up from Rs. 175 to Rs. 178. This improvement was encouraged by higher advices from the United States and other foreign markets. The supply position in India continued to be tight, and this factor sustained the upward movement at each stage. Electrolytic zinc was offered throughout the week at Rs. 53-8, but business that passed was insignificant. Virgin lead at Rs. 59-8 recorded a fractional gain. Opening at Rs. 444, tin gave way to Rs. 441, as the market was under the influence of reports about arrivals in the near future. Quotations on the New York market moved in the upward direction, on the belief that America would participate in the International Tin Agreement, a draft of which is being circulated now among the countries concerned for ratification. Mercury was quoted steady at Rs. 660 per flask of 75 lbs., following speculative support.

ARRIVALS OF HIDES LOWER

(From Our Own Correspondent)

KANPUR, 7*th March*

During the week under review, conditions in the local hides and skins market were more or less similar to those noted in the previous week. The new arrival of the week was slightly less than in the previous week. The Madrasee dealers were lukewarm in their support during the week. The local tanners were the main party to effect transactions over the two main categories of goods i.e., wet salted cow and wet salted buff. The latest quotations are as follows:—

Wet salted cow I grade at Rs. 330 to Rs. 340 and II grade at Rs. 300 to Rs. 160 per score; wet salted buff I grade at 1 lb. 8 ozs. to 1 lb. 11 ozs. and II grade at 1 lb. 13 ozs. to 2 lbs. per rupee; goat skins I grade at Rs. 300 and II grade at Rs. 250 per 100 pieces; and sheep skins at Rs. 250 to Rs. 300 per 100 pieces.

(Concluded from next column)

lal Madhvani, Mr. Vrajlal G. Mehta and Mrs. Savitri Vrajlal, Mr. Hassen Saleh Mia, Mr. Chhagan Khoosal Mistry, Mr. Naran K. Mistri, Mrs. Freny R. Mody, Mr. M. A. H. Moosa, Mr. Syed M. Muslim, Mrs. Shirinbai R. Motiwala and Mr. M. P. Wania, Mrs. Shireen P. Mulla, Mr. Pestonjee E. Pader and Mrs. Perin P. Pader, Mr. Jalbhoy P. Panthaky, Mrs. Fatima A. Parak, Mr. Ahmed H. Bamath and Mr. A. M. Parak, Mr. Kantilal P. Patel, Mr. A. G. Powell, Mr. Govindji Valji Radia, Mr. T. O. Schmid, Mr. G. M. D. Seedat, Mr. I. A. Shaikh, Mr. James Arnott Thomson, Mr. W. E. S. Thomson, Mrs. Elizabeth S. Thomson and Mr. John Henderson, Dr. J. Meason Thomson, Mr. Hansraj Ebji Velji and Mrs. Chandubai Hansraj, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana, Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Rani Beda Bhakta Laxmi Devi, Miss Khorshed J. Merchant, Miss Dhun Mancherji Khambata, Miss Sara Mancherji Khambata and Miss Rhoda Mancherji Khambata.

Notice

THE BOMBAY DYEING AND MANUFACTURING CO. LTD.

NOTICE

THE EIGHTY-SECOND ORDINARY General Meeting of the Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the Registered Office of the Company, Neville House, Graham Road, Ballard Estate, Bombay, on Thursday, the 8th April, 1954, at 10-30 a.m., to transact the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.
2. To sanction the declaration of a Dividend.
3. To sanction the exchange of parcels of land as per Circular dated 9th March, 1954, issued to the Shareholders.
4. To sanction the surrender of part of the land leased from the Executors of the estate of the late Sir Ness Wadia, as per Circular dated 9th March, 1954, issued to the Shareholders.
5. To sanction the sale of a portion of land to National Peroxide Ltd., as per Circular dated 9th March, 1954, issued to the Shareholders.
6. To elect a Director in place of Mr. H. R. Batlivala who retires in terms of Article 98, but being eligible offers himself for re-election.
7. To elect a Director in place of Mr. Pratapsinh Mathuradas who retires in terms of Article 98, but being eligible offers himself for re-election.
8. To elect a Director in place of Mr. N. M. Wagle who retires in terms of Article 98, but being eligible offers himself for re-election.
9. To elect a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation, but is eligible for re-election.
10. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,

NOWROSJEE WADIA & SONS LTD.,

NEVILLE N. WADIA,
Director,
Agents,

The Bombay Dyeing & Mfg. Co., Ltd.

The Transfer Books of the Company will be closed from 22nd March to 8th April, 1954, both days inclusive.

The Dividend, when sanctioned, will be made payable at the National Bank of India, Ltd., Bombay, on or after the 21st April, 1954, to those shareholders whose names stand on the Register of the Company on 8th April, 1954, and the Dividend Warrants will be posted to them.

The Shareholders are requested to immediately notify any change of address to the Company.

BOMBAY, 9*th March*, 1954.

To,

The Shareholders of The Bombay Dyeing and Manufacturing Co., Ltd., and in particular to:—

Mr. Abdulla Rahimtullah, Mr. Ahmed Ismail, Miss Beatrix E. Alston, Miss Margaret S. Alston, Capt. John S. Alston, Miss Ethel B. Ashby, Mr. Ebrahim Mamoojee Badat, Mr. P. J. Chinoy and Mrs. Arnavaz P. Chinoy, Mr. I. C. Chopra, Mr. V. M. Clerk and Mrs. Rasila V. Clerk, Mr. M. H. Crowder, Mrs. Goolcher F. Dadachanji and Mr. Faridun K. Dadachanji, Mr. Framroz C. Dadyseth, Dr. L. Das. Mr. Domingos Roque de Sousa and Miss Teresinha Adeline de Sousa, Mrs. Allu F. Dastur and Mr. Fredun, P. Dastur, Miss Ludomila Benedita da Piedade e Sousa and Mr. Francisco Teodore de Sousa, Mr. Eruch E. U. Dinshaw and Mrs. Naja E. E. Dinshaw, Mrs. Meherbanu P. Dubash and Mr. P. S. Dubash, Mr. J. Armando Fernandes and Mrs. Henriqueta Fernandes, Mrs. Eileen Gomes and Mr. Arthur Louis Gomes, Mr. A. F. Gonsalves and Mrs. Eslinda Gonsalves, Mr. Stanley Hampson, Mr. Ismail Essack, Mr. Saiffudeen I. Jafferji, Mr. T. I. Jafferji, Mrs. Nan Ellis Jones, Mr. W. Ellis Jones, Mrs. Dorothy M. H. Macleart, Mr. Jivanlal V. Madhvani and Mrs. Nirmala Jivan-

(Continued in previous column)

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	20th Feb., 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,171.42	1,173.90	1,156.01	1,110.82
Notes held in Banking Department	35.05	22.28	19.49	18.37	20.86
Foreign Securities	39.50	638.15	638.15	618.15	568.15
Rupee Securities	97.89	421.34	421.34	421.33	449.86
Banking Department					
Deposits of:					
Government of India	14.89	86.06	87.24	101.80	149.93
Other Governments	..	23.66	21.79	23.29	11.40
Balances held abroad	10.08	106.82	108.99	116.17	152.26
SCHEDULED BANKS					
Demand Liabilities	184.37	520.70	522.30	520.09	525.46
		(6.44)†	(6.80)†	(7.66)†	(12.16)†
Time Liabilities	102.84	331.39	331.20	327.97	315.78
Borrowings from Reserve Bank	..	(1.53)†	(1.51)†	(1.62)†	(2.38)†
		21.52	19.83	13.11	4.15
		(10.20) ‡	(8.26) ‡	(1.10) ‡	(1.74) ‡
Borrowings from Imperial Bank	..	11.15	11.39	11.34	6.64
Cash in India	6.71	31.33	31.96	31.74	31.25
Balances with Reserve Bank	25.28	38.90	39.84	38.18	42.47
Excess over statutory limits	15.52	6.24	7.11	5.62	9.89
Balances with other banks in current account in India	..	10.33	11.03	10.51	10.34
Money at call and short notice in India	..	9.59	9.80	10.51	16.96
Investments (at book value)	25.23	219.23	220.14	222.72	201.21
Advances and bills	105.09	521.41	521.20	506.57	504.83
IMPERIAL BANK					
Deposits	87.76	209.32	210.87	208.70	208.28
Investments	51.99	90.15	90.22	90.19	82.28
Advances	30.37	123.82	125.32	119.32	125.01
Cash	14.69	14.43	13.96	14.35	14.06

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	5th March, 1954		26th February, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,32,005	48,01,82,000	2,52,802	55,98,18,000
Calcutta	1,59,226	59,21,59,560	1,56,051	50,88,55,406
Madras	71,000	6,90,38,178	72,561	7,28,85,088
All Centres—				
1952	..	..	..	1,06,41,94[illegible]	26,79,51,87,000
1953	..	..	..	1,14,93,24[illegible]	28,45,05,98,000
Dec., 1953	..	..	..	2,886,000	6,26,45,00,000
Jan., 1954	..	..	..	2,794,000	5,75,54,00,000

Reserve Bank of India

Statement of Affairs for the week ended 5th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		94,74,69,000
(2) Other Governments		21,67,04,000
(b) Banks		39,25,26,000
(c) Others		42,61,55,000
Bills Payable		4,74,42,000
Other Liabilities		19,52,56,000
	Rupees	232,56,52,000

ASSETS	Rs.
Notes	11,99,65,000
Rupee Coin	12,25,000
Subsidiary Coin	6,20,000
Bills Purchased and Discounted—	
(a) Internal	39,50,000
(b) External	
(c) Government Treasury Bills	9,03,06,000
Balances held abroad*	94,81,35,000
Loans and Advances to Governments	1,47,00,000
Other Loans and Advances	34,79,19,000
Investments	71,30,36,000
Other Assets	8,57,46,000
Rupees	232,56,52,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 11,40,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 26,44,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	11,99,65,000	
Notes in circulation	1190,57,14,000	
Total Notes issued		1202,56,80,000
Total Liabilities		1202,56,80,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	648,15,11,000	
Total of A		688,16,82,000
B. Rupee Coin		93,05,71,000
Government of India Rupee Securities		421,34,27,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1202,56,80,000

Ratio of Total of A to Liabilities: 57.225 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 26th Feb., 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	6,43,78,000†
	(ii) Other demand liabilities	514,26,64,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,52,50,000†
	(ii) Other time liabilities	329,55,54,000
3.	Cash in India	31,33,44,000
4.	Balances with the Reserve Bank in India	38,89,79,000
5.	Balances with other banks in current account in India	10,32,56,000
6.	Money at call and short notice in India	9,58,44,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	219,22,86,000
8.	Advances in India	458,52,28,000
9.	Inland Bills purchased and discounted in India	62,88,99,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1953					
15th December	1.00	1.00	1.00	2 7 0	100
1954	1.00		1.00		
8th January	..	1.83	..	2 7 9	70
15th ,,	1.00	1.22	1.00	2 7 11	82
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
16th ,,	1.00	1.09	1.00	2 9 11	92
23rd ,,	1.00	1.28	1.00	2 10 6	64
2nd March	1.00	1.51	1.00	2 11 0	100
9th ,,	1.00	1.90	11.00	2 10 11	71
Total	11.00	13.80	11.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	1950-51	359.83	..	9,530	265
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats. 3,166	317	170
Ceylon	1952	7.96	..	441	555
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1952	20.63	Ps. 7,084	1,675	811
New Zealand	1952	2.00	£(N.Z.) 640	4,307	2,154
Australia	1952	8.65	£(A.) 3,521	3,765	4,542
U.K.	1952	50.43	£ 18,648	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	138,760	8,808
Canada	1952	14.43	$ 18,135	8,168	5,662
France	1952	42.60	F. Fr. 10,190,000	13,864	3,254
W. Germany	1952	48.48	Dm. 96,400	11,156	2,301
Italy	1952	46.93	Lr. 8,112,000	6,181	1,318
Norway	1952	3.32	Kr. 16,596	1,106	3,331
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1952	4.83	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source: United Nations' monthly bulletin of statistics—January, 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 26th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits—	
(a) Central Government	19,64,91,000
(b) Provincial Governments	1,07,81,000
(c) Banks	11,06,20,000
(d) Others	2,17,78,000
Bills Payable	9,30,000
Other Liabilities	5,19,93,000
Rupees	45,25,93,000

ASSETS	Rs.
Notes	5,98,80,000
Rupee Coin	5,000
Subsidiary Coin	14,000
Bills Purchased and Discounted :—	
(a) Internal	..
(b) External	..
(c) Government Treasury Bills	24,98,000
Loans and Advances to Governments	3,08,00,000
Provincial Governments' Debtor Balances	1,73,64,000
Other Loans and Advances	3,04,00,000
Investments	20,60,73,000
Other Assets	10,55,61,000
Rupees	45,25,93,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,98,80,000	
Notes in circulation	230,66,55,000	
Total Notes issued		236,65,35,000
Total Liabilities		236,65,35,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	47,47,27,000	
Government of India Securities	18,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	99,28,02,000
B. Rupee Coin	5,48,46,000	
Government of Pakistan Securities	127,84,12,000	
Internal bills of exchange and other commercial paper	....	133,12,58,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		236,65,35,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.62 per cent.

EXCHANGE RATES

		9th March, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	s.	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	s.	1-5 1/16	1-5 1/16
Buyers T.T. 10 to 12 months	s.	1-5 1/16	1-5 1/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	476
Buyers T.T.	Rs.	471 1/2	471 1/2
London on New York	$	2.81 1/2-2.81 3/4	2.81 1/2-2.81 3/4
London on Paris	Fcs.	981	981
London on Berne	Sw. Fcs.	12.20 1/2	12.20-12 20 1/2
New York on London	$	2.81 1/2-2.81 3/4	2.81 1/2-2.81 3/4

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	25th Oct., 1950	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1952	2½	3
Denmark	22nd Sept., 1953	4½	5
Finland	14th Dec., 1951	7½	8½
France	4th Feb., 1954	3½	3½
Greece	18th July, 1946	20	25
India	14th Nov., 1951	2½	3
Italy	9th April, 1950	4½	4
Japan	1st Oct., 1951	8.11	8.64
Netherlands	7th April 1953	2	2½
New Zealand	24th July, 1941	3	4
Norway	9th Jan., 1948	3½	4
Pakistan	1st July, 1948	3	2½
Portugal	18th Jan., 1954	3	3½
South Africa	27th Mar., 1953	3½	3
Spain	18th Mar., 1949	4½	4
Sweden	25th Nov., 1953	3	3½
Switzerland	24th Nov., 1953	2	2½
Turkey	1st July, 1938	5	4
United Kingdom	26th Feb., 1951	2	2½
U.S.S.R.	17th Sept., 1953	2½	3
U.S.A.	1st July, 1948	1	1½
Yugoslavia	5th Feb., 1954†	2	4
West Germany	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	Eight months ended April to November		November	
	1951-52	1952-53	1952	1953
CUSTOMS DUTIES				
Sea—				
Imports	79.41	76.60	8.81	9.98
Exports	88.48	28.59	8.23	8.18
Total sea customs	117.89	103.19	12.04	13.11
Land customs and miscellaneous	2.72	1.71	0.80	0.25
Gross customs duties	120.61	104 90	12.84	13.36
UNION EXCISE DUTIES	85.87	60.82	4.61	7.67
Grand total of Customs and Union Excise revenue	176.48	165.72	16 95	21 03

Imperial Bank of India

Statement of Affairs for the week ended 5th Mar., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	162,50 000
Reserve Fund and other Reserves		6,35 00 000
Deposits and other Accounts		208,35,84,000
Borrowings from other Banking Companies Agents		7,00,00,000
Bills Payable		1,96,59,000
Bills for Collection being Bills Receivable as per contra		47,80,000
Acceptances, Endorsements and Other Obligations		32,000
Other Liabilities (including Inter-Office Adjustments)		2,64,84,000
Total	Rs.	232,92,19,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		8,26,18,000
Balances with other Banks		3,66,98,000
Investments—		2,40,00,000
Government and other Trustee Securities		
Other Authorised Investments	79,74,03,000	
	10,47,56,000	
Advances—		90,21,59,000
Loans, Cash Credits and Overdrafts, etc.	97,04,84,000	
Bills Discounted and Purchased	25,54,84,000	
Bills Receivable being Bills for Collection as per contra		123,89,48,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		47,80,000
Premises less Depreciation		32,000
Furniture and Fixtures less Depreciation		1,83,27,000
Other Assets (including Inter-Office Adjustments)		40,48,000
		2,06,09,000
Total	Rs.	232,92,19,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS

	National Savings Certificates† 5-Year Receipts	5-Year Outstandings*	7-Year Receipts	7-Year Outstandings*	10-Year Receipts	10-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*
1948-49	1,54	1,47	76	74	22,40	22,86	85,67	29,01	—	12,81	..
1951-52	1,76	6,06	77	2,91	22,08	24,81	1,07,85	74,18	—	27,48	13,10
1952-53	1,53	6,84	64	3,27	23,56	24,18	1,12,56	91,01	—	31,06	7,04
December 1952	8	6,81	3	3,16	1,84	79,24	8,45	85,95	—	30,23	45
January 1953	10	6,54	4	3,19	2,02	80,77	5,38	86,09	—	30,51	48
February ,,	14	6,81	5	3,22	1,58	82,14	5,36	86,35	—	30,76	44
March ,,	22	6,54	9	3,27	2,66	84,18	13,75	91,01	—	31,96	48
April ,,	11	6,80	5	3,27	2,24	85,95	9,66	93,01	—	31,98	60
May ,,	12	6,83	4	3,29	2,08	87,57	5,51	93,80	—	31,80	60
June ,,	11	6,82	4	3,31	2,25	89,33	9,43	93,80	—	31,52	66
July ,,	1	6,78	11	3,38	2,23	91,08	10,24	95,23	—	31,78	59
August ,,	1	6,67	9	3,44	2,23	92,83	9,76	96,57	—	32,86	59
September ,,	—	6,59	12	3,52	2,24	94,38	9,20	97,72	—	32,86	60
October ,,	—	6,51	11	3,58	1,97	95,83	9,58	97,72	—	32,71	59
November ,,	1	6,38	9	3,65	2,03	97,37	7,89	97,72	—	32,99	56
December ,,	..	6,37	14	3,74	2,23	98,95	9,35	98,31	—	33,23	46
January, 1954	..	..	..	..	..	..	..	..	—	33,53	45

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 28-1-'54	20-2-'54	27-2-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.3	90.2	90.4
1. Government of India	90.1	90.2	90.2
2. Indian States	95.6	95.7	95.7
3. Municipal, Port Trust, etc.	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.7	101.5	101.6
1. Electricity	103.2	102.9	102.9
2. Jute	98.5	98.5	98.3
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.1	103.8	103.8
7. Shipping	103.1	102.5	102.5
8. Miscellaneous	101.3	100.5	100.6
PREFERENCE SHARES	87.6	88.1	88.1
1. Electricity	86.7	86.4	86.2
2. Cotton	85.7	85.5	85.6
3. Jute	85.9	86.3	86.3
4. Coal	90.8	90.8	90.8
5. Iron and Steel	90.1	91.8	91.9
6. Sugar	74.7	74.1	74.1
7. Paper	89.5	89.9	89.9
8. Plantations	89.7	89.4	89.5
9. Miscellaneous	87.4	87.5	87.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	88.4	102.2	103.6
(a) Financial	87.7	87.7	88.1
1. Banks	87.1	86.9	87.1
2. Insurance	90.7	97.3	98.9
3. Investment Trust	74.1	76.7	76.9
(b) Public Utilities	107.8	117.9	113.9
1. Electricity	116.7	117.8	118.9
2. Shipping and other Transport	95.1	105.5	110.1
3. Railways	82.2	85.4	85.4
(c) Manufacturing Industries	100.3	105.5	106.9
1. Cotton, Woollen and Silk	97.7	102.8	103.6
2. Jute	81.2	84.0	86.0
3. Iron and Steel	111.1	119.2	122.6
4. Paper	167.5	176.2	178.5
5. Cement	120.3	123.3	123.2
6. General Engineering	122.4	130.0	133.3
7. Sugar and Breweries	86.5	89.4	89.5
8. Chemicals	104.9	110.9	112.0
(d) Non-Manufacturing Industries	104.7	109 3	109.9
1. Coal	74.5	77.0	77.4
2. Mining and Oil	145.9	166.8	169.8
3. Plantations	104.8	108.2	104.9
(e) Miscellaneous	91.8	93.7	95.5
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.8	89.8
2. Calcutta	90.2	90.2	90.2
3. Madras	90.5	90.6	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	102.4	101.9	101.9
2. Calcutta	102.5	102.1	102.3
3. Madras	100.1	100.0	100.0
PREFERENCE SHARES			
1. Bombay	91.7	92.9	92.9
2. Calcutta	84.9	85.1	85.1
3. Madras	88.8	89.0	89.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	107.7	112.5	113.1
2. Calcutta	94.6	94.1	95.8
3. Madras	95.8	99.8	99.7
4. Delhi	98.6	102.9	106.4

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	15,806,704
1951	1,071	691,981	3,818,098
1952	948	509,242	3,255,981
Nine months ended Sept., 1950	584	353,737	10,662,256
Do Sept., 1951	956	599,884	3,078,644
Do Sept., 1952	889	757,566	2,559,081
Do Sept., 1953	690	407,914	2,054,040
January 1953	95	106,831	674,249
February ,,	53	61,180	218,807
March ,,	57	45,436	142,498
April ,,	134	40,482	234,564
May ,,	118	30,098	247,065
June ,,	101	29,251	171,782
July ,,	82	45,856	140,533
August ,,	96	47,375	140,955
September ,,	96	47,375	249,818
October ,,	96	78,181	272,545
November ,,	87	45,766	273,248
December ,,	81	27,252	165,017
January 1953†	85	48,383	244,414
February ,,	45	26,477	118,303
March ,,	67	32,231	218,563
April ,,	72	40,135	276,216
May ,,	85	39,617	252,279
June ,,	99	30,857	131,122
July ,,	87	48,066	255,154
August ,,	74	53,085	467,278
September ,,	106	44,683	401,592
October* ,,	98	80,082	315,305 (b)
November ,,	77	26,485(a)	184,284

* Revised.

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

ELECTRIC ENERGY† GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	6,948.1	5,648.8
1952-53	614	6,801.4	5,544.9
July 1952	588	554.0	429.7
August ,,	598	581.6	458.7
September ,,	597	580.4	461.5
October ,,	599	548.5	436.4
November ,,	609	529.7	426.2
December ,,	608	552.3	454.5
January 1953	611	535.5	441.8
February ,,	614	496.6	417.4
March ,,	614	538.0	435.7
April ,,	616	530.9	438.1
May ,,	620	560.4	456.1
June ,,	625	548.8	450.2
July ,,	627	587.9	471.0
August ,,	629	587.9	468.9
September ,,	632	576.5	463.7
October ,,	634	584.1	455.7
November ,,	637	563 1	455.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	20th Feb., 1954	13th Feb., 1954	21st Feb., 1953	January, 1954	January, 1953	Percentage of increase (+) or decrease (—) in Jan., 1954 as compared with Jan., 1953	1952	1951
Food Articles	370.8	378.7	381.9	381.5	357.0	+ 6.9	350.9	409.6
Cereals	434	438	427	424	450	+ 1.4	458	453
Pulses	372	401	427	424	582	—28.7	582	506
Other	280	281	284	288	223	+29.1	225	290
Industrial Raw Materials	474.2	476.0	443 9	481 1	427 6	+ 12 5	451.8	608.2
Fibres	456	456	408	463	390	+ 16.0	454	679
Oil seeds	532	530	536	548	488	+ 12.3	484	626
Minerals	462	433	451	449	460	— 2.4	453	426
Others	401	406	382	409	371	+ 10.2	541	533
Semi-Manufactures	359 8	361.2	346 2	361 6	344.3	+ 5.0	349 5	377 5
Leather	396	393	429	397	388	+ 2.2	345	458
Mineral oils	221	221	223	223	223	— 0 9	221	197
Vegetable oils	497	505	489	548	445	+23.7	459	678
Cotton yarn	451	451	439*	439	356*	—	468*	468
Metals	237	237	227	236	228	+ 3.5	211	197
Oil Cakes	424	430	416	420	406	+ 3.4	440	500
Others	306	306	211	306	290	+22.0	275	350
Manufactured Articles	370.1	367.6	388 9	364.3	365.0	— 0.4	377.6	398 5
Textiles	411	407	404	401	400	+ 0.3	423	463
Jute	433	424	394	423	388	+ 9.0	505	503
Cotton	406*	402*	406*	397*	406*	— 2.2	401*	400*
Rayon and Silk	456*	449*	485*	420*	425*	— 1.2	485*	611*
Woollen	313	313	297	313	282	+11.8	348	378
Metal products	337	337	336	337	342	— 1.5	321	288
Others	283	283	288	283	288	— 1.7	298	300
Miscellaneous	395 8	396 1	386.3	398.8	380.0	+14.5	386.6	729.8
All Commodities	395.2	396.6	381.7	398.8	377.5	+ 5.6	388.9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
June 1952	140	338	263	300	434	378	342	330	143	171	141	153	148
July ,,	142	330	263	304	436	378	354	331	143	173	143	161	157
August ,,	144	340	267	312	466	377	349	330	143	176	146	169	157
September ,,	143	341	269	310	463	380	354	328	143	178	143	157	150
October ,,	144	345	274	314	466	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	178	143	156	150
December ,,	139	346	262	303	447	378	346	327	137	178	138	150	149
January 1953	139	344	260	310	454	381	337	327	135	168	134	149	144
February ,,	141	351	264	315	459	380	354	351	136	167	132	152	143
March ,,	142	358	265	322	468	381	353	353	136	165	131	148	145
April ,,	142	359	268	324	484	384	344	334	137	164	134	148	146
May ,,	142	359	268	325	487	387	345	336	139	173	137	153	153
June ,,	143	363	275	330	491	391	345	336	139	173	127	156	159
July ,,	143	361	272	330	493	390	353	336	140	180	129	156	160
August ,,	150	371	282	334	493	394	353	355	142	174	130	158	160
September ,,	150	371	283	333	465	394	373

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice 1st	tons	67,452†	65,874††	23,424	20,741
Wheat ..	,,	54,041	53,450	6,762	6,039
Jowar ..	,,	41,945	39,144	6,088	5,944
Bajra ..	,,	25,992	22,639	2,972	2,299
Barley ..	,,	7,500	7,835	2,664	2,258
Maize ..	,,	8,796	8,073	2,607	2,021
Ragi ..	,,	5,858	5,399	1,255	1,212
Gram ..	,,	17,287	16,857	3,771	3,298
Kah. Pulses*	,,	11,593	11,559	2,063	2,047
Small Millets	,,	12,170	11,834	1,978	1,891
Jute ..	bales.	1,196†	1,817††	3,128†	4,605††
Cotton 3rd ..	,,	15,053†	13,672††	2,266†	2,487††
Sugarcane 2nd	tons	4,101†	4,22-††	4,190††	4,990††
Groundnut	,,	11,356†	11,850††	5,772†	2,884††
Linseed ..	,,	3,396	3,402	358	318
Castorseed ..	,,	1,249	1,428	107	106
Rape and Mustard Seed	,,	5,155	5,915	828	916
Sesamum	,,	4,393†	4,219††	..	451††
Tobacco (supp)	,,	793	712	219	200
Pepper ..	,,	103	102	22	28
Ginger ..	,,	46	47	14	15
Dry chillies	,,	1,240	1,284	801	841

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1952-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Jan., 1954 ..	67.3
	Corresponding month 1953 ..	73.0
	Seven months ended Jan., 1954 ..	500.5
	Corresponding period 1953 ..	528.7
Stocks	At the end of Jan., 1954 ..	96.1
	Corresponding month 1953 ..	128.4
		(In 000 bales)
Exports(Jute Bags)	Week ended 13th Feb., 1954 ..	2.795
	Corresponding week 1953 ..	2.563
	From 1st Jan., to 13th Feb., 54 ..	20.577
	Corresponding period 1953 ..	20,354
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 13th Feb., 1954 ..	13.387
	Corresponding week 1953 ..	10.315
	From 1st Jan. to 13th Feb., 1954 ..	134.070
	Corresponding period 1953 ..	170,239
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 13th Feb., 1954 ..	—
	Corresponding week 1953 ..	—
	During Oct., 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	Jan., 1954 (in lakh bales) ..	8.90
	Corresponding month 1953 ..	8.23
	Seven months ended Jan., 1954 ..	59.02
	Corresponding period 1953 ..	59.67

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10,57,100	7,99,200
Do 31st March, 1954..	11,58,000	10,61,900	7,91,800
April 1953 to February, 1954..	10,29,400	9,80,500	7,15,500
December 1952	98,200	91,400	68,700
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,900	61,700
November ,, ...	1,00,300	93,800	68,400
December ,, ...	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
Indian Iron and Steel Co.			
April 1953 to February, 1954..	5,14,520	3,02,380	2,41,770
January 1953	56,370	43,310	28,650
February ,, ...	54,600	37,400	29,080
November ,, ...	61,240	41,350	32,970
December ,, ...	54,510	43,080	41,740
January 1954	63,100	42,600	39,870
February ,, ...	59,650	38,380	32,510

FOREIGN TRADE OF INDIA

Particulars	October,		Seven Months, April to October.	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	7.51	6.74	76.95	136.76
Raw materials ..	12.15	14.70	105.02	116.24
Manufactures ..	23.47	21.94	159.41	170.71
Other Items ..	34	27	2.19	2.88
Total	43.47*	43.65*	343.57*	426.59*
By land	2.03	3.45	13.92	12.30
Total Imports ..	45.50	47.10	357.39	438 89
Exports				
By sea and air—				
Foodstuffs	16.29	16.71	83.31	84.76
Raw materials ..	8.45	11.74	62.66	66.82
Manufactures ..	21.67	23.61	143.41	167.60
Other Items	37	34	2.28	2.42
Total	46.78	52.30	291.66	341.10
By land	68	60	3.89	15.29
Total Exports ..	47.46	52.90	295.55	356.39
Total Re-exports ..	68	66	3.09	2.75
Balance of trade in merchandise ..	+2,66	+ 6,44	—66,53	—82,02
Balance of transactions in private treasure	— 1	..	— 8	— 4
Total visible balance of trade.	+ 2,65	+ 6,44	— 66,61	— 82,06
Imports ‡ ‡				
Total C'wealth countries ..	23.75	20.20	168.93	156.65
Total Foreign countries ..	19.72	23.48	174.64	269 94
Exports ‡ ‡				
Total C'wealth countries ..	25.47	24.16	145.18	159.53
Total Foreign countries ..	21.31	28.14	146.48	181.57

* Excludes value of certain special imports of foodgrains and stores all particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada @	France	Belgium-Italy	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	641	71	21	16	39	8	18	5	2	7	9	3	5	5	..
	1951-52	645	68	27	16	41	5	18	4	2	7	9	2	4	7	9
	1952-53	666	52	25	16	40	5	20	12	6	7	9	1	4	11	8
End of October 1952	..	672	50	25	16	40	5	20	9	6	7	9	1	4	6	11
November ,,	..	672	54	25	16	40	5	20	11	5	7	9	1	4	6	11
December ,,	..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11
January 1953.	..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11
February ,,	..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11
March ,,	..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11
April ,,	..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11
May ,,	..	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11
June ,,	..	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11
July ,,	..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11
August ,,	..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11
September ,,	..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11
October ,,	..	633	72	28	16	..	5	22	21	6	7	..	2	4	6	11

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 8th March, 1953-54 Bales	From 1st Sept., to 8th March, 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts ..	Week ended 4th March, 1954 ..	48,121	Cotton Exports to—		
	Corresponding week 1953 ..	48,425	United Kingdom ..	9,550	9,580
	1st Sept., to 4th March, 1954 ..	787,173	Continent ..	16,753	64,537
	Corresponding period 1953 ..	881,603	China	251	948
			Japan	42,451	318
Cotton Exports ..	Week ended 4th March, 1954 ..	16,095	U.S.A. ..	10,942	102,813
	Corresponding week 1953 ..	..	Other Countries ..	1,452	21,987
	1st Sept., to 4th March, 1954 ..	152,168	Total to all foreign countries ..		8,316
	Corresponding period, 1953 ..	275,575	Coastal Ports ..	81,399	202,531
				73,220	80,428
Mill Consumption ..	1st Sept., to 4th March, 1954 ..	624,732			
	Corresponding period, 1953 ..	597,297		Period	Quantity Bales of 400 lbs.)
Stock (with exporters dealers & mills) in Bombay	On 4th March, 1954 ..	325,329	Consumption of Cotton—		
	Corresponding date, 1953 ..	550,545	Indian	November, 1953	3,05,601
			Foreign		50,128
Karachi (Pakistan)			Indian	Three months ended Nov., 1953	2 42 954
Receipts	Week ended 27th Feb., 1954 ..	40,116	Foreign		174 094
	Corresponding period 1953 ..	75 857	Indian	Same Period 1952 ..	8,68 944
	1st Sept., to 27th Feb., 1954 ..	892,997	Foreign		2,29,523
	Corresponding period, 1953 ..	1,193,530	Stocks (Mills and Elsewhere)—		
Exports	Week ended 27th Feb., 1954 ..	59,169	Indian	As on 30th Nov., 1953 ..	700,956
	Corresponding period, 1953 ..	45 300	Foreign		105,092
	1st Sept., to 27th Feb., 1954 ..	591,814	Indian	As on 30th Nov., 1952 ..	887,133
	Corresponding period, 1953 ..	765,000	Foreign	Week ended 26th Feb., 1954 ..	812 933
				Corresponding week, 1953 ..	12 878
			Cotton Pressed † ..	1st Sept., to 26th Feb., 1954 ..	118 746
				Corresponding period, 1953 ..	1,574 304
					1,066,085

(a) Adjusted. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102½
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102⅜
2½ % Loan	1938-39	1,16,17,44,000	1965-85	92⅜
3 ½ % Loan	1950	30,33,10,000	1964	92⅛
3 ½ % Loan	1945	1,10,11,78,000	1966-68	90⅜
3 ½ % V. Loan	1946	1,14,06,89,000	1957	93⅛
3 ½ % Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ % Loan	1945	1,13,85,66,000	1979-81	96⅜
2½% Loan	1946	35,06,06,000	1958	93⅜
2½% Loan	1946	45,63,07,000	1968	93⅜
2½% Loan	1946	57,00,49,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1956	99⅜
2½% Loan	1946	14,77,48,000	1976	82⅜
2½% Loan	1947	73,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼ % Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	2,93,35,000	At option of Government after three months' notice. On 30th September, 1966 or later at option of Government after three months' notice.	82⅜
3 % Loan	1946	249,91,90,000		82⅜
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,52,000	1954-59**	100⅜
4½% Loan	1928	5,85,30,000	1958-68**	103
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1953	99⅛
3 % Bombay	1943	3,50,08,000	14th Sept. 1956	99 ⅜
3 % Bombay	1944	3,44,80,000	15th Aug. 1958	97⅜
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	79
3 % Bombay	1950	3,81,87,708	31st July 1966	94⅛
3½% Bombay	1951	3,04,84,900	17th Sept. 1964	98
4 % Bombay	1953	5,00,00,000	15th July 1963	101
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1945	38,90,000	1st Oct. 1955-75	99
3½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,900	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,87 100	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1959	94⅜
3 % Madras	1941	1,23 25,000	14th Sept. 1957	99-⅛
3 % Madras	1943	1,25 18,800	14th Sept. 1956	98⅜
3 % Madras	1944	1,07 95 000	15th Aug. 1958	96⅛
3 % Madras	1945	2,78 44 000	14th Sept. 1960	94-⅛
2½% Madras	1946	3 81 77 200	1st Sept. 1961	91
3 % Madras	1948	4,38 25 400	31st July 1968	84-¼
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99⅜
3 % Mysore(1)	1930	1,63,44 300	1st Nov. 1955	104⅛
4 % Mysore(J)	1951	2,95,85,200	1st Dec. 1953-63	101⅜
4 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	98⅜
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	91⅜
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅜
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	18th Sept. 1956	98⅜
3 % M.P.	1944	52,69 800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1960	94⅛
3 % M.P.	1950	1,00 28 800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅜
4 % M. P.	1953	1,00,00,000	15th Sept. 1963	99⅛
3 % Punjab**	1938-44	3 49 87 200	15th Aug. 1958	98
3 % Punjab**	1942	2 35,20,000	18th Sept. 1955	99⅜
3 % Punjab**	1943	2,48,78,300	18th Sept. 1956	99⅛
3 % Punjab**	1945	2,95 81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1954-64	99⅜
3½% Travancore	1936	30,00,000	16th Aug. 1956	99⅜
4 % Travancore-Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1 69 39 800	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,23 96 800	15th Aug. 1958	97
3 % U.P.	1945	2 36,31 900	14th Sept. 1960	94⅛
3 % U.P.	1946	2,41 19 800	1st Sept. 1961	91¾
2½% U.P.	1951	2,00 00 000	17th Sept. 1962	97⅛
3½% U.P.	1953	4,11 33,000	1st Aug. 1964	99⅜
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅜
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅜

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
72,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,800	4	1912	1973	
1,13,57,000	4	1913-14	1974	D
80,00,000	4	1913	1976	98½N
88,25,000	4	1914	1975	99N
10,00,000	4	1914-15	1960	
55,00,000	4	1915-17	1973	
61,61,000	4	1923-24	1946	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	1997	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58 800	3½	1935*	1975	
13,58,000	3½	1936*	1966	
48,04,800	3½	1937*	1968	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs. 90,24 300	4	1914	1974	Rs. 98½
78,40,100	4	1915	1973	98½
1,02,02,300	4	1921	1981	79
1,50,00,000	4½	1921	1981	144N
1,24,64,600	5	1925	1955-85	105
92 21 400	5½	1926	1956-86	104½
99,84,300	5	1926	1956-86	103½
1,49,45,100	5	1927	1957-87	103½
1,49 36,800	5	1928	1958-88	103½
89,00,800	4½	1931	1991	92½
21,75,000,0	3½	1934	1964	96
68,00,000	3½	1935	1965	96⅛
21,82,000	3½	1938	1963-68	88
50,00,800	3	1943	2003	70N
50,00,000	3	1945	1975	82½
50,00,000	3	1946	1976	82
50,00,800	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1947	1977	81
50,00,800	3	1949	1959	94½
50,00,800	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,800	3½	1951	1981	79
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
STERLING LOANS				
£992,600	5	1925	1955-85	£87½
£901,000	5½	1926	1956-86	£87½
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 46,60 347	4	1912	1982	Rs.
32,14,964	4	1917	1982	
3,21,429	4	1918	1982	A
3,42,951	5	1918	1982	
7,44,644	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs. 50,00 000	4	1899	1939	Rs. 100
30,00,000	4	1901	1941	
30,00,000	4	1902	1942	
60,00,000	4	1903	1943	
30,00,000	4	1904	1944	
30,00,000	4	1905	1945	
60,00,000	4	1906	1946	97½N
15,00,000	4	1907	1947	
30,00,000	4	1908	1947	
25,00,000	4	1909	1969	
18,00,000	4	1912	1972	
30,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
40 00,000	5	1916	1976	
66,00,000	5	1919	1957-79	113N
25,00,000	5	1920	1955-80	
25,00,000	4½	1926	1956-86	115N
25,00,000	3½	1936	1961-70	98N
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
Rs. 50,00,000	6	1925	1955	Rs. 104
25,00,000	5½	1925	1955	107
50,00,000	4	1934	1964	106
30,00,000	3½	1935	1965	94½
30,00,000	4	1936	1966	89
20,00,000	3	1937	1967	88
80 00,000	4	1938	1963-68	88
	4	1952	1962	100

MUNICIPAL LOANS

Amount				
BOMBAY				
Rs. 49,40,000	4	1913-14	1954	99⅜
29,60,000	4	1913-15	1974	99⅜
20,00,000	4	1914-15	1974	99⅜
20,00,000	4	1915	1955	100
Alliance	4	1920	1980	100
Anglo-India ..	4	1921	1954	100
Auckland	4	1922	1962	102
Do. (2nd)(1) ..	4	1923	1963	104½
Bally	3	1924	1949-59	104½
Barnagore	3	1924	1954-59	104
Belvedere	3	1925	1939	102½
Birla	3½	1947	1977	86
Badge-Badge ..	3½	1948	1978	87
Calcutta	3½	1950	1965	92⅜
Caledonian	3½	1952	1964	100⅜
Chevriot	3½	1953	1963	96
Chitavalsah	4	1953	1964	100⅜
Clive 1st Pref. ..	R	CALCUTTA		100
Do. (A) 2nd Pref.				Rs.
Dalhousie	34.45 500	6½	1925	1955	105½
Delta	34 70 000	6	1925	1958	103½
Empire	36 00 000	5	1928	1958	103½
Fort Gloster ..	25 00 000	5	1928	1958	103½
Do. 2nd Pref.	25 00 000	5	1929	1959	103½
Fort William ..	10 00 000	5	1929	1958	103½
Ganges	33 91 000	3½	1932	1962	108
Gouripore	60,00,000	3	1933	1963	96½
Hastings	3,11,400	3	1936	1966	96
Howrah	4,67,100	3	1937	1954	99½
Hooghly	1,62,500	3	1937	1954	99½
Do. (A)	4 18,100	3	1937	1954	99½
Hukumchand ..	47,50,000	3	1938	1958	98⅜
Kamarhaty	10,97,700	3	1938	1958	98⅜
Kankaarah	15,56,800	4	1938	1958	97⅜
	15,56,800	4	1938	1958	97⅜
	15,56,800	4	1938	1958	99½
	17,64,400	3½	1942	1959	99½
	20,10,000	3½	1942	1959	99½
	15,49,000	3½	1942	1972	96½
	16,33,000	3½	1951	1960	92
	86,88,000	3½	1951	1960	96
	87,36,000	4	1951	1966	96
		4	1952	1962	96
	Rs.			MADRAS†	Rs.
	71,700	6	1925	1955	100N
	2,68,300	6	1925	1955	100N
	15 00 000	3½	1951	1961	107½
	15,00 000	3½	1952	1962	107½

ABBREVIATIONS. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustee
(a) This includes the amount of loan converted into First Development Loan 1970-75. (‡) Income-tax free. A=Held by Government of India
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. **Quotations in Pak. Currency ***Rupee Counterparts.
†† Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, † Bombay State Transport.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	108	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	139xd	100
Deccan Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	110	100
‡East India Distilleries ..	£200,000	1897	7	Jan. July	41	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	73	100
Do. (Non-redeem.) ..	5,00,000	1940	7B	Dec. ..	72	100
Purtabpore Co.	6,00,000	1922	10	Dec. ..	151xd	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	3,00,000	1936	7(a)	Jan. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6⅜	10
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100
Karanpura Collieries ..	7,50,000	1946	5(a)	.. ..	82	75(pp)
†‡Khas Kajora	1,90,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	7½	10
Benares Cotton	3,00,000	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	142	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	101	100
Bradbury	14,75,000	1919	7	June Dec.	326½	100
Buckinghem & Carnatic ..	21,30,200	1920	7½	Jan. July	133½	100
Cambodia	1,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1912	5	Apr. Oct.	515	100
Coimbatore Pione

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which class their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,737	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2-12½	2	0 4 0	5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,823	72,25,435	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	51½	100	7 6	4 0	Nil	4	12	Y.
3,30,98,000	2,16,13,960	3,77,02,950	3,19,04,137	1,80,774	Newroojee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	412½	250	17 0	20 0	20 0	Nil	3	Y.F.T.
10,00,000	27,25,779	54,19,515	48,70,797	80,357	Ramsarnin Sons, Ltd.	38,208	860	Bradbury Mills	895½	250	75 0	100 0	100 0	Nil 8(0)	12	Y.
1,99,42,800	2,08,18,453	2,43,74,511	1,60,92,612	5,30,869	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	313½	100	18 0	20 0	20 0	8 0(1)	12	Y.
40,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	65	100	Nil	Nil	Nil	Nil	12	Y.
16,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Cooria Spg. & Wvg.	107½	500	7 8	7 8	7 8	4 0(0)	12	Y.
14,00,000	20,04,821	63,03,745	48,46,941	76,866	Ramnarain Sons, Ltd.	30,304		Dawn Mills	82½	50	Nil	4 0	5 0	7 8	3	Y.
24,00,000	24,00,000	62,31,113	57,35,800	3,622	Purnamal Radhakishan & Co.	50,796	928	Kamani Textiles	30½	200		6 0	15 0	15 0	12	Y.
29,93,700	12,93,292	1,10,11,972	73,99,225	41,962	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	4 0	4 0	5 0	6 0	12	Y.
40,00,000	68,86,875	80,34,752	64,90,785	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	265½	100	15 0	20 0	20 0		12	Y.F.
12,00,000	94,48,589	1,16,64,975	90,91,580	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	175 0	200 0	200 0	225 0*	12	Y.F.
2,00,00,000									11-6½	250	43 12	50 0	50 0	54 4*	3	Y.P
(50,00,000D.)	1,28,61,436	4,56,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	1-9½	10	0 12½	1 1½	Nil	Nil	12	Y.
9,00,000	69,99,043	1,18,16,170	83,99,000	7,423	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	3,500	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.
39,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	213½	500	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	300½	100	12 0	14 0	16 0	10 6	6	Y.F.
30,80,000A	64,00,782	4,36,527	88,878	6,98,556	Dina Nath, Esq.	Madhusudan Mills	82	100A	7 8	25	0*	18 0	20 0*	12	Y.	
8,60,000B										20B	1 8	1 8	4 4	4 4		
52,11,850	47,03,470	1,01,00,576	42,51,268	24,834	N. Sirur & Co., Ltd.	Modern Mills	90N	50	4 0	7 0	5 0	4 0	1 4	6	Y.P.	
81,75,000	24,92,733	71,08,016	1,44,59,0[illegible]	2,00,666	Piramal & Sons	47,368	1,652	Morarjee Goculdas Spg. & Wvg.	205	100	17 0	15 0	15 0	12	3	Y.
1,00,42,600	2,64,192	4,27,10,526	70,00,000	38,933	Chiniot & Co., Ltd.	45,944	432	National Rayon Corporation	151	100	Nil	Nil	Nil		6	Y.P.
24,00,000	28,52,686	73,05,363	44,43,860	13,887	W. H. Brady & Co., Ltd.	40,997	1,018	New Great Spg. & Wvg.	160	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.			New Colaba Mills	27	10	0 8	1 0	1 0	1 0	12	Y.
12,70,100	36,36,004	42,49,532	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	130	100	10 0	12 8	10 0	10 0	12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramsarnin Sons, Ltd.	55,228	1,190	Phoenix Mills	130	100	0 8	1 0	1 4		12	Y.
40,00,000	60,46,350	54,14,648	38,37,042	77,484	Podar Sons, Ltd.	32,600	930	Podar Mills	137½	100	9 0	12 0	8 0		12	Y.
3,00,000	8,93,779	21,19,461	18,93,340	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	18½	10	2 0	10 0	8 0		12	Y.P.
25,00,000	60,49,474	1,17,57,817	81,93,464	21,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	30	10	0 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	49,80,898	8,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	217½	100	14 0	17 8	12 8		12	Y.
31,50,000	49,02,108	78,77,540	63,60,000	33,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	154	50	14 0	17 0	15 0	15 0	12	Y.P.
56,00,000	1,30,69,560(g)	1,18,80,453	78,39,301	2,889	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	320	100	15 0	20 0	20 0		12	Y.
75,00,000	1,21,71,160	1,37,29,109	82,56,253	91,299	Tata Industries Ltd.	74,608	2,000	Swadeshi Mills	289½	100	15 0	18 0	16 0		12	Y.P.
24,00,000	70,08,399	65,86,475	52,43,077	8,71,229	James Finlay & Co., Ltd.	35,804	552	Swan Mills	356½	100	20 0	25 0	25 0		12	Y.P.
32,54,438	39,35,246	68,88,345	29,93,248	25,338	Tata Industries Ltd.	39,048	1,800	Tata Mills	48	25	2 0	4 0	5 0		12	Y.
12,00,000	60,53,708	98,82,634	75,38,000	4,346	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,500	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.T.
AHMEDABAD																
80,00,000	38,80,244	88,39,885	51,80,670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	149½	100	8 0	12 0	10 0		6	Y.
40,00,000	88,91,848	85,84,129	61,90,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	480	100	15 0*	20 0*	20 0*	10 0*	6	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,509	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	731	100	25 0	20 0*	20 0*		12	Y.P.
80,00,000	40,53,169	76,03,156	51,90,000	1,11,393	Mangaldas & Bros., Ltd.	35,884	894	Aryodaya Ginning & Mfg.	300	200	30 0	35 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,63,455	1,85,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	540	100	30 0	35 0	15 0		12	Y.P.
1,34,77,072	1,04,99,227	3,71,48,168	2,37,35,344	2,87,005	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	326½	125	17 8	18 0	22 0		12	Y.P.
80,00,000	64,46,000	88,67,878	52,23,000	4,885	Tricumlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills	150	100	12 8	18 0	18 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,978	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	620	125	33 0	70 0	70 0		12	Y.P.
8,00,000	61,08,644	43,89,260	28,78,001	4,585	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	549	Nutan Mills	703½	100	28 0*	28 0*	30 0*		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,857	3,599	Lalbhai Dalpatbhai & Co.	34,776	681	Saraspur Mills	682½	100	25 0	25 0	30 0*		12	Y.P.
12,00,000	13,93,707	74,95,060	39,67,450	—13,95,318	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg., Wvg. & Mfg.	130	100	15 0	20 0	20 0		12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	130	100	15 0	20 0	20 0		12	Y.P.
24,90,150	1,18,66,344	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kasidas & Co.	33,796	1,332	Ahmedabad Advance Mills	332	50	15 0	18 0	16 0		12	Y.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.P.
88,00,000	29,08,070	91,15,078	47,72,055	16,239	Haridas Achratlal & Co., Ltd.	34,576	776	Vijaya Mills	500	400	30 0	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	96,043	33,10,908	17,75,212	—3,08,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	0 8	0 8	Nil		12	Y.
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	35N	40	Nil	Nil	Nil		12	Y.P.T
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	380	100	Nil	3 0	3 0		5	Y.T.
19,00,000	25,16,009	97,50,979	69,58,291	—5,24,085	Kettlewell Bullen & Co., Ltd.			Dunbar Mills	185	100	Nil	7 0	Nil	Nil	6.12	H.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23½	10	1 4	1 4	Nil	Nil	6.12	H.
6,00,000										15	1 14	1 14	1 12	1 12	3	Y.P.
33,96,288	9,75,000	84,54,400	67,04,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,034	12,15,361	—9,51,518	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil			12	Y.P.
18,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles(Cochin) Ltd.	6½	10	14 2/3	0 3/5	Nil		12	Y.P.T.
21,54,020	31,73,009	1,90,39,719	41,27,372	18,456	Indusorial Trust Fund,	40,458	665	Bangalore Woollen, Cotton and Silk Mills	67 N	100	5 8	6 0	6 0		12	Y.T.
46,50,000	93,74,285	2,73,75,545	2,09,08,436	2,49,381	Binny & Co. (Madras), Ltd.	40,068	1,085		335	100	17 8	20 0	15 0		9	Y.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	100	1 4	2 0	2 0	10 0(0)	12	Y.P.
15,00,000	95,71,590	84,27,674	58,97,674	4,48,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	Nil	0 8	0 8	0 4f	6.12	H.P.T.
1,78,47,800	1,57,55,494	5,14,83,572	2,54,81,535	2,19,790	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	144	10	2 8	3 0	3 0		12	
90,00,000	16,31,836	30,52,641	16,31,878	93,399	Peirce, Leslie & Co., Ltd.	37,538	4	Cambodia Mills	14½	100	4 14	7 8	4 0	4 0(0)	12	Y.
30,40,004	21,97,992	94,51,479	59,51,479	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	26½	10	Nil	0 9	0 9		12	Y.P.
12,00,000	13,07,000	27,82,848	17,29,949	—1,32,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	213cd	5	0 9	0 9	0 9		12	Y.P.
20,00,000	9,19,870	25,84,987	13,33,422	—35,496	T. R. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills	137½	100	12 8	12 8	9 0	9 0	12	Y.
30,74,560	44,58,696	1,14,99,011	74,08,065	—10,38,140	T. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	43	100	7 0	2 8	5 0	Nil	6	Y.
44,87,500	88,12,904	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	175½	100	7 0	2 8	5 0	Nil	6	Y.P.
8,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	32½	25	1 0	2 0	2 0	Nil	6	Y.P.
1,00,523										1	1 0	2 0	2 0	Nil	6	
24,34,800	18,26,596	37,58,169	25,47,428	30,744	M. N. Chettiar & Sons	32,812	201	Thanalakshmi Mills	215cd	24	Nil	0 4	0 4	0 1 4/5	6	Y.
63,00,000	46,00,000	1,40,83,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.		1,198	Elgin Mills	15½	100	25 0	20 0	10 0	0 2 4/5	6	Y.P.
39,04,700	43,10,000	82,22,587	60,50,000	1,03,375	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	261	10	1 2	1 8	1 8	1 0	9	Y.
80,00,000	12,52,505	1,23,32,498	88,20,393	2,824	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United	100	100	10 0	14 0	17 0*	8 0(0)	12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	100	100	4 0	5 0	6 0		12	Y.
24,00,000	15,75,000	61,55,358	38,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	50	50	5 0	6 0	6 0		12	Y.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	585	50	0 11	0 12	3 12		12	Y.
93,44,150	53,10,000	94,98,025	53,73,673	14,247	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	106	250	37 8	50 0*	37 8	0 8	6	Y.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,893	A. & F. Harvey Ltd.	4,66,932		Madura Mills	53	25	2 0	2 0	2 0	10 0(0)	3	Y.
12,00,000	4,17,343	26,32,416	15,52,499	—22,598	A. L. A. R. S. Chettiar and 2 others	22,592		Malabar Spg. & Wvg.	418cd	15	2 0	2 0	2 0	2 8	3	
60,00,000	62,50,000	55,34,948	38,37,042	77,484	W. A. Beardsell & Co., Ltd.	24,720	603	Mettur Industries Ltd.	128	200	8 0	12 0	8 0	3 0	12	Y.
39,80,884	22,90,000	73,48,256	42,20,184	25,940	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	228	100	25 0	12 8	12 8		12	Y.
94,91,820	27,56,360	1,53,05,970	78,81,528	27,241	Bansilal Abirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	111½	100	6 0	6 0	3 0	12 8	12	Y.
30,00,000	52,19,600	1,51,39,272	1,05,91,651	—7,77,298	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	139½	250	15 0	7 8	3 0		12	Y.
19,84,800	61,53,392	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	195½	100	7 8	7 8	7 8	7 8	12	Y.
13,61,780	2,58,743	29,34,209	15,36,604	2,232	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Spen Silk Mills	164½	50	10 0	9 0	10 0	10 0*	12	Y.P.
82,99,883(3)									1½	10	0 8	0 10	Nil	Nil	3	Y.P.
3,07,09,513	23,62,533	98,01,625	52,78,826	—25,85,856	J. F. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	(Cr. 2½	10	0 8	0 10	Nil	Nil	3	Y.P.
47,03,600	61,53,493	1,58 62,385	39,76,151	17,946	Industrial Trust Fund	37,788	902	Osmanshahi Mills	D. 1	100	Nil	Nil	Nil	Nil	12	Y.P.
6,00,000A	6,37,362	26,20,198	13,74,913	5,380	Bhaghyalakhmi & Co.	25,200		Palani Andavar Mills	72½	30A	3 8	4 8	7 0	4 0	9	Y
6,00,000B									73½	30B	7 8	9 0	7 8			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	46½	100	7 8	12 0	11 4		12	Y.P.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	168½	100A	16 0	16 0	16 0		12	Y.
8,40,000B									82	30B	6 0	6 0	6 0			
15,00,000	25,00,896	22,62,213	14,88,515	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	105	50	4 0	5 0	5 0		12	Y.
60,00,000	62,46,508	1,03,28,822	50,32,316	—11,28,958	J. F. Srivastava & Sons (Rampur).	33,984	600	Raza Textiles	75½	10	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	29,91,017	17,73,000	45,528	G. Liladhar & Co., Ltd.	18,432	440	Shree Satguru Mills	75½	100	15 0	18 0	16 0		12	Y.P.
7,79,700	2,24,999	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sriram Spg. & Wvg.	48	10	Nil	Nil	Nil		12	Y.P.
16,00,000	1,60,39,517	2,87,33,042	2,03,87,726	—89,84,498	Under Council of Bombay Government	86,048	2,234	Bhoinpoor Spg. & Wvg.	1,800	1,000	3 0	3 0			8	Y.
86,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	23,200	292	Sri Krishnarendra Mills	54	100	Nil	Nil	Nil	Nil	3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,32,471	Birla Brothers, Ltd.	35,556	992	Sutlej Cotton Mills	50N	30	4 0*	4 0*	4 0*	Nil	3	Y.P.
										10	4 0	4 0	4 0	4 0*	3	Y.
17,50,00000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	88	100	Nil	Nil	Nil	Nil		
1,57,50,00000									5½	10P.O.	0 14 2/3	0 14 2/3	0 14 2/3	Nil		
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcose & Sons (Travancore), Ltd.			Travancore Rayons	10	10	Nil	Nil	Nil	11 1/3	12	Y.P.
13,98,830	7,25,503	17,91,001	9,44,987	9,843	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	10	10	1 0	1 0	1 0	12 6	12	Y.
81,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasasta Mills	10	10	1 0	1 0	1 0	14 0*	12	Y.P.T.
52,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54 280	1,483	Vishnu Cotton	143½	100	9 0	10 0	12 0		12	Y.P.

* Includes bonus.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(f) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. N. R.=Ex-Right.

(b) Subject to taxation and workers' bonus.

(g) Paid out of reserves

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	Nil	1 3½	Nil	Nil	3	Y.P.
6,64,000							9⅜	10	Nil	1 2½	Nil	Nil		
16,20,630	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 9	0 8	0 8	0 8	3	Y.
£80,000A	£560,156	£1,122,135	£434,378	£57,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	15¾cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		9	Y.P.
£300,000B							25cd	B. £1	Sh. 1	Sh. 1	Sh. 1			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		3	Y.
6,00,000	9,00,000	13,19,818	13,19,818	31,961	Vittal Maliya, Esq (Chairman)	United Breweries	156½	75	11 4	7 8	15 0	13 0	3	Y.
CEMENT														
11,37,700A.	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	110	A. 100	3 12	7 8			12	Y.P.Y.
99,63,334B.							11	B. 10	0 6	0 12	0 12			
43,14,600O.	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	3½	O. 10	0 9	Nil	Nil	Nil	3	Y.T.
4,70,976D.							1½	D. 1	Nil					
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	153½	100	8 8	9 8	9 8	9 8	7	Y.
60,00,000O.							7⅜	O. 10	0 8	0 10				
26,49,797O.	43,46,380	69,78,209	18,87,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1⅜	O. 2½	0 2	0 2½			12	Y.P.T.
20,00,000D.								D. 1	Nil	Nil	Nil			
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6 15,163	Essen Ltd.	India Cements Ltd.	1⅛	O. 25	Nil	Nil	Nil	Nil	3	Y.P.
7,50,000D.							2½	D. 5	Nil	Nil	Nil	Nil		
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Seoreallay Portland Cement	7⅛	5	0 3½	0 6¾	0 8		12	Y.
CERAMIC; MINING AND QUARRYING														
51,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 2	0 2½	0 2½		13	Y
10,00,000	22,36,815	55,46,474	31,63,961	4,985	Bird & Co., Ltd.	Bisra Stone Lime Co.	33N	10	0 14	0

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
					PAPER									
48,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	61	25	1 4 / 1 4 / 1 4 / 1 4	1 9 / 1 9 / 1 9 / 1 9	Nil / Nil / Nil / Nil		6,12	H.P.T.
90,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	185½	100	5 0 / 5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0 / 5 0	6 / 6 / 6 / 6	3,9	H.
25,00,000	15,50,000	66,35,833	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18	10	0 8h / 0 12 / 1 0 / 1 0e	0 12 / 1 0 / 1 0 / 1 0e	0 12 / 1 0 / 1 0 / 1 0e	1 0e	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	59	10	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	1 0f	3,9	H.P.T.
80,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	20½	10	0 8 / 0 12 / 0 12 / 0 12	0 12 / 0 12 / 0 12 / 0 12	0 12 / 0 12 / 0 12 / 0 12		6,12	H.P.T.
80,80,000 / 80,80,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10½ / 10½	O. 10 / A. 10	Nil / 0 4	Nil / 0 4	0 4 / 0 4		3,9	H.P.T.
86,00,000A. / 86,04,800B. / 4,87,800P.O.	2,70,67,956	4,98,44,056	2,92,72,444	5,43,806	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	38½	A. 10 / B. 10	1 0 / 0 14e / 0 14e / 0 2	1 0 / 1 0e / 1 0e / 0 2	1 0 / 1 0e / 1 0e / 0 2	1 0ef / 1 0ef / 0 2f	3,9	H.P.
							4½	P.O. 2½						
					PRESSING									
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 8 / 4 0 / 5 0 / 7 0	3 8 / 4 0 / 5 0 / 7 0	3 8 / 4 0 / 5 0 / 7 0	3 0 / 4 0	6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Fyne & Sons	Camperdown	93N	100	5 0 / 5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0 / 5 0	5 0 / 5 0 / 5 0 / 5 0	7 0 / 7 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,356	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0 / 3 0 / 5 0 / 5 0	3 0 / 3 0 / 5 0 / 5 0	3 0 / 3 0 / 5 0 / 5 0	4 0	6	Y.
					PROPERTY AND LAND									
20,00,780O. / 8,00,000D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10xd / 11xd	O. 10 / D. 10	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8 / Nil		9	Y.P.
60,00,000	20,01,686	98,66,088	15 00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27½	100	2 0	Nil	3 0	2 0	4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	37	100	Nil	3 0	2 0	1 8	4	Y.P.
					SAW MILLS AND TIMBER									
13,99,998	28,08,334	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	Y.
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	61 264	Wallace & Co.	Bombay-Burmah Trading	395½ / 140	Old 125 / New 50	15 0 / 6 0	15 0 / 6 0	15 0 / 6 0	15 0 / 6 0	5	Y.
6,00,000	....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	75N	100	5 0	Nil	Nil	Nil	6	Y.P.
15,00,000	18,43,037	11,83,441	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	1 (i)	9	Y.
					SUGAR (U.P. and Bihar)									
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	Nil	Nil	Nil	6	Y.
12,00,000A. / 8,00,000B.	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros & Co., Ltd.	Basti Sugar	125N / 114N	A. 100 / B. 10	6 4 / 0 10	10 0 / Nil	10 0 / 0 12	10-0) / 1-0)	4	Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9	7½	Nil	0 10	0 12		9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 0	1 8	1 8	1 8	6	Y.P.
32,00,000	23 18,481	1,29,41,870	81,68,295	41,747	Gladstone Lyall & Co., Ltd.	Carew & Co.	7½	10	Nil	Nil	Nil		6	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,616	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	2 0	3 0	2 0		6	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	23½	10	1 8	2 0	2 0	2 0	10	Y.P.
83,00,000A. / 10,00,000C.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	165N / 'A' 100 / O. 100	'A' 100 / O. 100	6 0 / 6 0 / 6 0	9 0 / 9 0 / 9 0	12 0 / 12 0 / 13 0	15 0e / 15 0e / 15 0e	6	Y.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	50N / 25N	80 / 40	3 8 / 3 8	2 0 / 2 0	Nil / Nil	Nil / Nil	7	Y.P.
7,89,100	19,02,918	27,31,285	13,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	27½	10	2 0	2 8	2 8	2 8	6	Y.P.
11,00,000	4,20,000	16,39,370	13,28,180	9,895	Kasturchand Thapar & Bros., Ltd.	New Sawaeahi Sugar Mills	6½	10	1 0	1 0	1 0	1 0	5	Y.
1067,500 A. / 2,11,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	Oudh Sugar	180N / 45N	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0	20 0) / 5 0)	6	U.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Punjab Sugar	110N	100	4 0	4 0	5 0	5 0	7	Y.
12,00,000	12,71,178	18 94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	100	100	6 0	10 0	6 0	11 0	7	Y.P.
9,00,000	13,26,479	23,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	133	10	1 0	1 0	1 0	1 0	10	Y.
8,00,000	4,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	12½	10	1 8	2 0	1 0	1 0	10	Y.P.
11,99,000	17,25,264	38,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13	10	1 0	2 0	1 8	0 8	9	Y.
80,00,000	20,58,560	1,03,56,230	49,24,080	4,188	Saha Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	0 6	1 0	1 0		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	10	Nil	Nil	Nil	Nil		10	Y.
6,50,000O. / 1,75,000D.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	6½ / 11N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	0 8 / 9 6½		6	Y.
8,00,000	9,19,618	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	8N / 30	10	1 12	2 0	2 0	2 8	10	Y.P.
16,00,000		30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	14	10	0 4½	2 0	1 8		6	Y.P.
					Other Centres								9	V.
44,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	253½	50	12 8	14 0	16 0	16 0	9	Y.
27,48,900	2,51,646	37,63,451	14,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N / 24½	100 / 10	Nil / 1 8	3 0 / 2 8	3 0 / 3 0	6 / 3 0	6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	Oriental Sugar and Refineries	10N	10	0 12	1 4	1 4	1 4	9	Y.P.
83,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Gowen Bros. (Rampur), Ltd.	Buland Sugar								
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. O. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	45	10	2 0e	2 0	2 0	2 0	6	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasalial Ltd.	Phaltan Sugar	94	50	8 0	8 0	8 0	8 0	6	Y.
16,59,830	23,50,939	44,74,350	22,34,449	1,61,852	Anderson Wright Ltd.	Ramnugger Cane and Sugar	218	10	0 9½	0 12	2 0		8	Y.P.T.
80,00,000O. / 4,00,000D.	24,67,609	74,55,840	43,71,539	1,89,513	Walchand & Co., Ltd.	Rawalgaon Sugar Farm	80N / 7N	O. 50 / D. 10	7 0	9 0	9 0 / 9 0		9	Y.P.T.
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Gowen Bros. (Rampur), Ltd.	Rasa Sugar	101N	10	1 0	1 4	0 12 / Nil		10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	44	10	Nil	Nil	Nil		7	Y.
77,50,000A. / 83,50,000O.	42,73,988	1,72,24,516	86,54,835	2,07,926	Premier Construction Co., Ltd.	Walchandnagar Industries	175	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0) / 14 0)		9	Y.P.T.
					TRANSPORT									
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	160	100	10 0	12 8	12 8	10 0	10	Y.P.
1,00,00,000		9,00,52,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	97½	100	Nil	Nil	Nil		10	Y.P.
4655,380	81,123,737	7,91,83,993	£3,428,105	£3,332,999	Kilburn & Co. Ltd.	India General Navigation & Riy. Co.	79	610	Nil	Nil	5h 10		12	Y.P.
8,25,00,000	74,99,233	3,91,83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8½	10	Nil	Nil	0 8	0 8	3	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	17½	15	Nil	Nil	0 8	0 12	6	Y.T.
					UNCLASSIFIED (Bombay)									
2,40,000	92,000	3,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
12,50,000	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		12	Y.
12,50,000	1,00,000	25 18,30 98	8,079	8,955	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12	Nil	3	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Indian Batteries	23N	50	3 0	3 0	2 8		12	Y.
99,99,250	18,35,375	1,26,92,333 88	10,033	1,85,258	Premchand Roychand & Sons	Industrial Investment Trust	96½	100	4 0	4 0	4 0		12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	171	100	8 0	8 8	10 0	10 0	12	Y.
2,06,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Auto-Auto Ltd.	Premier Automobiles	215 / 61½	A. 100 / B. 10	Nil / Nil	Nil / Nil	5 0 / Nil	5 0 / Nil	6	Y.
10,21,200	8,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40½	20	2 0	3 0	3 0	Nil	6	Y.
8,75,00,000	1,58,79,360	2,16,76,739	1,34,40,615	4,20,862	T. Rydin, Esq. (Managing Director)	Western India Match Co.	207½	100	11 0e	11 0e	11 0e		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0		12	V.
					Other Centres									
47,50,000O. / 8,50,000D.	15,00,000	1,56,92,044	90,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	6½ / 34	O. 10 / D. 2½	Nil	Nil	Nil	Nil.	3	Y.P.T.
30,00,000	38,21,355	81,54,514	20,12,443	4,24,790	Turner Morrison & Co., Ltd.	Angelo Brus., Ltd.	17½	10	1 12	2 8	1 4	1 4	8	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	17	10	1 0	1 8	1 8		8	Y.
20,00,000	18,97,883	39,66,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India Ltd.	44	10	0 9 3/5	0 9 3/5	0 4	0 4	3	Y.
80,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	250 / 26?	O. 100 / D. 40	20 0e	25 0e	20 0e	0 3½ / 3 0½	3	Y.P.T.
20,00,000	7,97,945	56,17,513 88	....	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	125,000	10	6 8	8 0	6 0e	3 0e	12	Y.
30,64,680	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	10	1	1 4	1 4	1 4	1 4	9	Y.P.
8,25,00,000	95,00,000	2,39,42,360	1,80,64,167	1,89,112	Sir Robert Menzies	British India Corporation Ltd.	8½	5	0 12	0 12	0 12	1 8	3	Y.P.T.
1,80,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	33½	10	2 0	1 8	0 10		12	Y.P.
51,26,000	47,57,061	1,26,55,420 8	.....	8,13,689	Bird & Co., Ltd.	Eastern Investments Ltd.	143	100	9 0	9 0	9 0		12	Y.P.
7,00,000	16,97,000	25,07,609	18,10,721	50,793	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	198½	100	10 0	12 8	20 0		12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	110	100	10 0	13 0	10 0		3	H.
18,00,000	11,42,354	42,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	265	250	7 0	15 0	15 0	7 8	3	Y.P.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	10N	10	1 0	1 0	1 0		3	Y.P.
4,96,12,650	1,92,800	2,83,66,147	60,52,719	3,79,557	Birla Bros., Ltd.	Hindustan Motors	6½	10	7 8	7 8	8 0		12	Y.P.
1,60,00,000	38,81,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Aluminium Co.	132	100	3 8	5 0	5 0	Nil	3	Y.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen, Esq.	Indian Cables	132	100	3 8	5 0	5 0		3	Y.
8,27,970	5,30,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	20½	10	1 0	1 0	1 0	1 0e	12	Y.P.
8,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinzie, Esq.	Jardine Henderson	117	100	10 0	10 0	10 0	0 12	3	Y.P.
6,34,0000. / 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	Macfarlane & Co.	Macfarlane & Co.	5½ / —	O. 5 / D. 1	Nil	Nil	Nil	7 8	3	Y.P.
40,00,0000. / 8,00,000D.Q.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co., Ltd.	260	O. 100 / D.Q. 10	12 8 / 0 12	12 8 / 0 12	7 8 / 0 4		12	Y.
1,30,55,750	30 19,025	13,73,127 ††	4,61,594	2,31,093	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21½	10	0 12	0 12	0 12		12	Y.P.
8,15,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 4	1 2	1 6		9	Y.
4,88,040	8,84,829	9,73,621	3,93,009	2,039	O. Chandy, Esq. (Controller)	Mysore Lamp Works	16	10	0 10	Nil	Nil		9	Y.
10,00,000		11,45,834	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	11	10	1 0	1 0	1 0	1 0	12	Y.
80,00,000	36,41,172	50,75,803	33,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable		10	Nil	Nil	Nil		3	Y.P. Y.T.
79,97,000	28,12 725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	15½	10	0 8	0 8	0 12	1 0	3	Y.P.T.
40,00,000	24,00,000	41,58,536	19,74,953	1,52,611	Parry & Co.	Parry & Co.	10½	10	0 4	0 8	Nil		12	Y.
40,00,000	13,27,473	1,45,91,420	46,13,194	—17,649	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	44	10	1 9 3/5	2 0	2 0 8	Nil	8	Y.P.T.
8,25,00,000	78,53,108	6,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	59½	100	8 8	9 0	Nil	Nil	12	Y.P.T.
1,14,00,000	94,66,946	1,21,92,814	75,35,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	133½	10	Nil	Nil	0 12	1 0	8	Y.P.T.
40,00,000	20,00,000	12,11,901‡	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16	10	1 0	1 0	1 0	1 0	6	Y.P.T.
95,00,000	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Ogale Glass	32	10	0 6½	Nil	1 8	1 8	12	Y.P.

§§ Includes investments at cost. * Includes bonus.

† Excluding goodwill at cost Rs. 20 lakhs. †† Excluding goodwill at cost Rs. 25,17,685

‡ Excluding goodwill (written down Rs. 30 lakhs.)

‖ Excluding Rs. 1,40,08,800 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
					ASSAM										
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,230	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	28	10	4 0	3 0	Nil		12	Y.
3,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	34½	10	3 0	2 8	2 0		12	Y.
3,30,500	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co., Ltd.	567	Bateli	15½	5	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	3,76 123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Beijan	27½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co., Ltd.	4,078	Behmoth	33	10	5 0	0 8	Nil		12	Y.
6,00,000	....	10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	....	10	1 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	12½	10	1 8	Nil			12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Desaal & Parbutia	26½	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhalakhat	14½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	13½	10	2 0	1 0	Nil		12	H.P.T.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,319	4,63,119	25,960	Williamson Magor & Co., Ltd.	625	Dimakuri	36½	10	1 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,38,157	1,19,948	Williamson Magor & Co., Ltd.	649	Dufflaghur	39½	10	2 4	2 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Williamson Magor & Co., Ltd.	1,168	East India Tea	20½	10	2 4	2 4	0 4		12	Y.
3,60,000	3,00,000	7,94,662	3,67,363	—2,396	Andrew Yule & Co., Ltd.	407	Gillapukri	21½	10	3 0	Nil	Nil		12	Y.
3,38,000	3,48,904	13,37,439	5,54,439	1,03,645	Williamson Magor & Co., Ltd.	533	Gobpur	34½	10	4 0	3 0	1 8		12	Y.
4,94,960 / 8,2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	199xd / 11½	A.10 / B.5	3 0 / 3 0	2 0 / 2 0	2 0) / 2 0)		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,041	Andrew Yule & Co., Ltd.	476	Hoogrujuli	33½	10	2 4	1 8	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,44,970	—28,197	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	308N	100	25 0	17 0	10 0		12	Y.
7,50,000	8,85,000	13,93,352	2,02,630	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutibari	12½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	220N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,53,647	1,03,647	11,486	Duncan Bros. & Co., Ltd.	1,037	Kalu	9	10	3 0	Nil	Nil		12	Y.P.
4,80,000	....	8,87,549	....	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohsema	5½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Ketulewell Bullen & Co., Ltd.	433	Mothola	550N	100	45 0	35 0	Nil		12	Y.
50,000 / P.O. 2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	525	Murphulani	28 / 54½	O.10 / P.O.10	3 8	2 8	2 8)		12	Y.
4,00,000	2,98,000	5,78,590	3,53,094	256	S. C. Sen, Esq., Supervising Director	540	Naga Hills	16½	10	2 4	2 4	Nil		12	Y

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	½+½	1+½	1+1	½f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Saha Jain Ltd.	498	Albion	213	100	4+10	15+15	8+10	15f	5, 11	H.P.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	167	Alexandra	446	100	Nil	5 Nil	Nil	Nilf	6, 12	H.P.T.
80,00,000	2,10,000	1,17,26,264	87,34,069	—1,70,951	McLeod & Co., Ltd.	175	Alliance	1,264	100	Nil	25 Nil	Nil	Nilf	6, 12	H.P.
1,80,00,000	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	204	100	Nil	10	10+10	10+15	3, 9	H.P.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	123xd	Auckland	810	100	1½+4	6+5	20+20*	5+4	3, 9	H.P.T.
15,97,000	4,73,358	37,29,385	32,67,365	25,229	H. V. Low & Co., Ltd.	160	Auckland	959	100	6+6	6+1	Nil	Nil	4, 10	H.P.
20,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co.	150	Bally	1,889	100	£1	£1	£1	£1	3, 9	H.P.
40,00,000	£639,470	£1,342,547	£1,046,810	£81,800	Sir John H. Burder (Chairman)	207	Barnagore	10	£1	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
88,00,000	35,49,423	88,18,168	48,06,254	42,117	Andrew Yule & Co., Ltd. ..	820	Belvedere	14	10	½	½	½	½	9	Y.T.P.
32,50,000	35,95,000	54,22,523	24,75,886	4,28,770	Soorajmull Nagarmull	1,373	Bengal	10	10	½	½	Nil	Nilf	6, 12	H.
10,42,000	2,64,76,567	3,06,30,764	1,23,13,242	1,03,646	Birla Bros., Ltd.	901	Birla	144	10	3	3	3	3	3	Y.P.
56,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd. ..	502	Budge-Budge	147xd	100	3+10	10+12	6½+6½	6+4	4, 10	H.P.
49,97,000	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	616	Calcutta Jute Mfg.	15‡	10	4+10	10+12	6+8	6+6	6, 12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd. ..	148	Caledonian	67	100	Nil	3+2	3+7	6+8	5, 11	H‖
59,16,400	1,06,21,311	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	530	Cheviot	240	100	6+10	10+12	6+6	6+6	3, 9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	500	Chitavalah	12‡	10	½+½	1½+4½	2½+1½	1½f	6, 12	H.T.P.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	669	Clive	24	10	Nil	Nil	Nil	Nilf	6, 12	H.
16,00,000	17,00,000	78,04,949	64,24,660	18,647	Shree Krishna Investment Co., Ltd.	766	Dalhousie	130	100	1+3	8+6	6+1	1+3	3, 9	Y.P.
31,49,200	31,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	240	Delta	100	100	5+12½	15+17½	10+10	10+10	3, 9	H.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd. ..	500	Empire	19‡	10	1+1	1½+1½	1+1	10+10	5, 11	H.P.
8,00,000	32,50,000	76,94,399	54,99,731	47,651	McLeod & Co., Ltd.	500	Fort Gloster	16	10	2½+20	12½+12½	10 Nil	5f	6, 12	H.T.P.
21,00,000	56,16,752	2,68,90,877	1,78,29,391	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort William	330	100	Nil	6 Nil	Nil	8f	3, 9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Andrew Yule & Co., Ltd. ..	1,709	Ganges Mfg.	80‡	100	Nil	3½	Nil	Nil+Nil	3, 9	H.T.P.
84,32,100	7,81,692	2,09,97,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	795	Gondalpara	78	100	45	7½	30	3	2, 8	H.
10,80,000	28,83,794	68,12,500	47,44,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gourepore	43‡	100	2½+15	10+10	1½ Nil	Nil+3½	12	Y.T.
84,00,000	29,45,542	2,19,25,904	1,64,07,937	1,88,711	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	10	3, 9	H.P.
90,00,000	44,99,631	77,52,908	49,38,241	2,81,845	Bangur Bros., Ltd.	318	Hooghly	61N	10	1	3	1½	1½	3	Y.P.
16,80,000	15,20,698	64,92,980	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Howrah	11N	10	3	3	3	3	3	Y.P.
65,62,500	31,83,570	1,65,33,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	242	Hukumchand	6‡	10	½+½	½+½	½+½	½+½	3, 9	H.T.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,67,203	Ramdutt Ramkissendas	42	7½	10	3	3	3	3	3	4	Y.
87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	128	O. 125	3½+9½	7½+1½	5+3½	3½f	3, 9	H.
30,000									D. 100	A 7½ 7½	1	1	1		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,234	Jardine Henderson Ltd.	1,797	Kamarhatty	198	'B' 100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
19,20,000								184	'B' 100	8½+8½	10+12½	8½+6	6f		
30,00,000								148	'B' 100	Nil	5+7½	6+4	5f		
24,00,000	16,90,371	1,31,02,619	94,40,902	1,23,240	Jardine Henderson Ltd.	143	Kankarrah	235	100	10+10	12½+12½	7½+7½	7½f	6, 12	H.P.
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	197xd	100	Nil	15	10+6	10+15	6, 12	H.P.
54,00,000	22,83,375	1,61,13,039	1,00,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	206	100	1½+4	10+9	10+7	10f	3, 9	H.P.
48,00,000	98 02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	931	Landowne	140	100	2+10	11+8	7+3	5+5	3, 9	H.P.T.
24,48,000	50,32,214	1,38,32,285	45,483	45,483	Bird & Co., Ltd.	840	Lawrence	154	100	5+9	12½+11	11+4	5+5	3, 9	H.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Andrew Yule & Co., Ltd. ..	558	Lothian	300	100	5+10	15+17½	15+15	15+15	3, 9	H.P.
10,00,000	37,51,301	50,62,630	35,49,126	45,684	Mackinnon Mackenzie & Co.	1,008	Megna	111	100	2½+6½	2½+1½	2½+2½	2½f	5, 11	H.P.
81,65,200	25,35,648	1,93,98,408	1,16,80,448	28,020	F. W. Heilgers & Co.	815	Naihati	130	100	Nil	3	10+6	6 Nil	3, 9	H.
29,98,900	41,07,583	1,57,03,661	92,02,957	—4,87,375	Howrah Trading Co., Ltd. ..	425	Naskarpara	12	10	½+½	1½+1½	½+½	Nilf	3, 9	H.
20,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Andrew Yule & Co., Ltd. ..	852	National	24	10	1+1	1+1½	1+1	1+1	4, 10	H.T.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	McLeod & Co., Ltd.	316	Nellimarla Jute	12‡	10	1½+1½	2½+5	2+1	1f	4, 10	H.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	Saha Jain Ltd.	293	New Central	293	100	4+10	15+15	10+12	12f	6, 12	H.P.T.
10,50,000	49,78,375	48,94,020	24,31,324	76,212	Bird & Co., Ltd.	567	Northbrook	20 & xd	10	Nil	Nil	1	1+½	3, 9	H.P.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Macneill & Barry Ltd.	1,092	Nuddea	45	10	Nil	1½	1½+1½	1+½	3, 9	H.P.T.
66,79,500	33,26,497	2,13,29,178	1,36,90,475	66,545	Andrew Yule & Co., Ltd. ..	601	Orient	177	100	4+10	12+12	1+6	6+6	3, 9	H.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	McLeod & Co., Ltd.	400	Prasidency	5‡	5	Nil	Nil	Nil	Nilf	6, 12	H.P.
25,00,000	4,41,364	80,71,921	61,33,411	—1,80,348	Mr. E. N. Banerjee.	305	Rameshwara	5‡	10	Nil	Nil	Nil	Nilf	6, 12	H.T.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Jardine Henderson Ltd.	1,276	Reliance	14‡	10	Nil	Nil	Nil	Nilf	3, 9	H.P.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13‡	£1	10½	10½	10½	1+½	3, 9	H.P.T.
£600,000	£1,102,661‡	£1,203,880	£82,640	£82,640	Begaria More & Co., Ltd. ..	911	Shree Ambica	15‡	10	Nil	1½+1	1‡		12	Y.P.
30,00,000	13,07,220	97,28,210	59,19,652	3,05,678	Hindustan Investment Corporation.	401	Soorah	23‡N	10	1½	Nil	1		3, 9	H.P.
1,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Bird & Co., Ltd.	650	Standard	130xd	100	3+6	9+8	8+1	1+1	12	Y.P.T.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13‡	£1	10½	10½	8+1	1+1	3, 9	H.P.
£600,000	£849,927‡	£990,895	....	£115,163	Thomas Duff & Co. (India), Ltd.	1,326	Union	165	100	1+7	12½+11	10+1	1+4	12	Y.P.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,331	Victoria	13‡	£1	10½	10½	10+1	1+4	3, 9	H.P.T.
£400,000	£587,184	£1,059,917‡	....	£119,708	Thomas Duff & Co. (India), Ltd.	465	Waverley	6‡	1	Nil	1/40 1/40	Nil	Nilf	6, 12	Y.P.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.										H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
85,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20‡	10	1 + 1	1 + 1	1 + 1	1f	3, 9	
12,00,000	8,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Bararee Coke	19‡	10	½ + ½	½ + ½	½ + ½	½f	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhadoe	61N	10	½ + ½	½ + ½	½ + ½	7/10+7/10	3, 9	H.
1,80,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd. ..	Bengal Coal	317	200	17½+17½	17½+17½	3½ + ½ 20 + 20*	17½f	6, 12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	½ + ½	½ + ½	½ + ½	17½f	4, 10	H.P.
15,97,000	4,73,358	37,29,385	32,67,365	25,229	H. V. Low & Co., Ltd.	Bhalgora	4‡	10	½	½	½ + ½	Nilf	6, 12	H.P.
20,00,000	14,81,010	1,26,82,109	63,11,074	6,280	Sahu Jein Ltd.	Bharat Collieries	6‡	10	½	½	½		3, 9	H.P.
7,13,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14	10	½ + ½	½ + ½	½	½	9	Y.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	2‡	10	½ + ½	½ + ½	½ Nil	Nilf	4, 10	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	29‡	10	Nil	Nil	Nil	Nilf	6, 12	H.
10,42,000	2,64,76,567	3,06,30,764	1,23,13,242	1,03,646	Bird & Co., Ltd.	Burrakur	8‡	10	1½ + 1½	1½* + 1½*	1½* + 1½*	1½*	6, 12	H.T.
56,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd. ..	Central India	8‡	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.P.
49,97,000	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	Central Kurkend	6‡	10	Nil	Nil	Nil	1f	6, 12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	F. W. Heilgers & Co., Ltd. ..	Churia	14‡N	10	Nil	Nil	Nil		3	Y.
59,16,400	1,06,21,311	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	Cheviot	2‡	10	½ + ½	½ + ½	Nil		3, 9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	Dhemo Main	4‡	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.
£240,000	£332,601	£224,840	£9,002	£90,734	Macneill & Barry Ltd.	East Indian	8‡	10	½ + ½	½ + ½	Nil	Nilf	6, 12	H.
89,63,760	74,36,570	3,46,00,164	2,76,14,707	2,82,401	Macneill & Barry Ltd.	Equitable	26‡	£1	1½	3½ 10	2½	2½	4	Y.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghunuck and Moalia	15N	10	2½ + 2½	2½ + 2½	2 + 1½	1½	6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	44‡	50	3	3		4	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	16	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.T.P.
82,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	3‡	10	Nil	Nil	Nil	8f	3, 9	Y.P.
3,50,000	5,58,000	13,51,400	6,42,347	21,256	Andrew Yule & Co., Ltd. ..	Kalapahari	27‡	10	1½ + 1½	1½ + 1½	1½ + 1½	1½ + 1½	12	Y.P.
80,00,000			25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	7‡	100	Nil	Nil	Nil	Nil+Nil	3, 9	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherriah	43‡	10	½ + ½	½ + ½	Nil	Nil	2, 8	H.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berriwala & Co.	Khas Kajora	5N	10	1½ + 1½	1½ + 1½	2+2	2+2	2	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kuardi	61N	10	½ + ½	½			1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11N	10	3‡	3‡			6, 12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	38,398		Nazira	6‡	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.P.
17,76,230	13,72,000	1,17,02,211	83,01,381	73,264	Andrew Yule & Co., Ltd. ..	New Beerbhoom	17‡	10	3/10x3/10	Nil	Nil	Nilf	4	Y.
6,00 000	3,50,000	31,61,633	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	10‡	10	Nil	Nil	Nil	Nilf	6, 12	H.
1,15,000								12N	10	½ + ½	½ + ½	½ + ½	½ + ½	4, 10	H.P.
1,44,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd. ..	North West	Nil	10	½ + ½	½ + ½	½ + ½	Nil + ½	3, 9	M.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	78 N	10	1½ + 1½	1½ + 1½	1½ + 1½	1½ + Nil	3, 9	H.
18,00,000	1,10 000	35,60,122	14,26 827	56,421	K. C. Thaper & Bros.	Oriental Coal	19‡N	10	½ + ½	½ + ½	½ + ½	½ + Nil		
8,34,000	83,598	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	12N	10	1	1½ + 1	1 + ½	1f	4, 12	H.P.
15,75,000	11,25,000	42,01,653	29,10,653	22,892	Shaw Wallace & Co., Ltd. ..	Peach Valley	4‡	10	Nil	Nil	Nil ‡	½ + ½	12	Y.T.
83,99,500	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Raneegunge	25‡	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.P.
13,50,000	7,38,385	30,36,328	24,30,328	26,864	Shaw Wallace & Co., Ltd. ..	Rewa	10‡	10	Nil	—	Nil ‡		2, 8	H.
80,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	25‡	10	½	½ + ½	½ + ½	1f	3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	6‡	10	½	½ + ½	½ + ½		6, 12	H.
2,80,000	6,77,288	28,40,123	15,19,969	23,878	Andrew Yule & Co., Ltd. ..	Seebpore	8N	2½	½	½	½		6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	23	7	2½ + 2	2 + 2	2 + 1	8f	6, 12	H.P.
83,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		9‡N	10	½ + ½	½ + ½	Nil	Nilf	6, 12	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6‡	10	½	½	½	½	12	Y.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Sonai Karanpura	9‡	10	½ + ½	½ + ½	½ + ½	½ + ½	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	21	10	1	1 + 1	1 + 1	1f	6, 12	M.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., Ltd.	Union	3‡	2½	Nil	Nil			4, 10	H.
49,98,000	....	44,91,158	13,91,543	61,500	Hindustan Investment Corpn., Ltd.	West Bengal	22‡	10	1½ + 1½	1½ + 1½	1½f		6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	34xd	10	½	½			3, 9	Y.
							18‡	10	½ + ½	½ + ½	Nil	Nilf	6, 12	M.

* Including bonus. ‡ Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 4 in96 the debentures section:—

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

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

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

(c) Bearer bonds of Rs. 1,000 each repayable on 31st July, 1970

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

Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 447)

"will result in more cane being attracted to the factories, making their working season longer and thereby leading to increased production." The objective behind this latest move of the Government, namely, maintenance of a high level of sugar output, is, no doubt, a laudable one. But the point is whether the move itself is a right one. So far as we are concerned, it is certainly not. For an increase of As. 4 in the price of cane means a rise of more than 17 per cent. in the price of sugar. The consumers' expectation of getting his requirements of sugar at an economic price has completely been belied. Viewed thus, the latest move of the Central Government is a retrograde step and will, therefore, be widely deplored. Looked at from the angle of cost involved to the sugar industry also, there is no justification for the payment of extra price for cane. The extra price, as the Government states, will be adjusted against the share of profit. This is indeed admirable. One would, however, ask: "What about the adjustment, if the factories which pay the extra price actually incur a loss, instead of earning a profit?" The Government alone can answer this poser. If it is to invest the cane grower with the right to ask for a share in the profit, it should also make him to share the loss that might be suffered by the factories. Surely, this proposal will be met with a chorus of opposition from cane growers.

* * * *

Be that as it may, the Government of India must be congratulated upon the timely action it has taken with a view to ensuring steady supplies of sugar in the market towards the closing months of the season. The Government is reported to have warned the sugar mills, in a circular addressed to them, that, if any factory does not sell and deliver, within the next two months, the sugar which has so far been released, the stocks would be frozen and taken over by the Government, unless of course, a factory has strong reasons to withhold stocks. The warning is quite timely, in that it will check the anti-social activity indulged in by a section of the sugar industry in the form of cornering of stocks with the sinister purpose of creating scarcity in supplies and rise in prices.

* * *

In the meantime, the efforts of the Government of India to entrust the task of distributing the imported sugar to a syndicate of dealers in Bombay, on the same basis as is being done in Calcutta, would appear to have fallen flat, thanks to the uncomprising attitude of the Bombay Sugar Merchants' Association and the newly formed *Shakkar Vyapari Mandal*. It is now reported that the Central Food Minlstry has advised the Regional Director of Food, Bombay, to arrange fixation of quotas of imported sugar from each ship to all bona *fide* sugar dealers, with a reservation of 10 to 15 per cent, for new comers and interior traders. The proposed system is an improvement over the one now in vogue, namely, acceptance of tenders from all and sundry before each shipload reaches the city and allotment of quotas *pro rata*. Thus, by laying down a condition to the effect that sugar dealers should submit, along with their applications for quotas, certificates from a chartered accountant, showing the turnover during the financial year 1952-53, the Government has safeguarded the interests of the established traders who have lost a portion of their business to outsiders, not to speak of their having to pay a premium for the quota they purchase from the latter. The Food Department will also be avoiding the difficulty of handling a large mass of applications.

BANKING

(Concluded from page 454)

ment has been made by the Bank of England, but it is widely believed that one important reason for its new policy is to conserve official reserves for ultimate repayment against the United Kingdom's lend-lease obligation.

The most significant transaction of the year was the sale in London of about 21.5 million ounces of Russian silver. Most of this silver, it is believed, was taken up by the Bank of England for its own stock. Total imports of silver into the United Kingdom during the first 11 months of 1953, the latest period for which figures are available, amounted to 26.8 million ounces.

In India, the situatlon remained substantially unchanged from that which has existed during the past several years. Some licences were granted for imports of small amounts, but these in total probably were less than 250,000 ounces. Crop failures and reduced purchasing power in agricultural communities restricted the amount of silver taken up by the people in India. Reports indicate that total consumption probably did not exceed 4.0 million ounces for the year. Prices in Bombay for spot delivery ranged from a high of Rs. 172 per 100 tolas on 23rd February, 1953, to a low of Rs. 147-4 on 21st October, 1953.

With regard to lend-lease, India expects to return its full obligation and the Government has on hand 300 million ounces in the form of demonetised coin. This being so, and since India is the largest debtor under the lend-lease silver agreement, it would appear reasonable to expect that a very substantial part of the obligation will be returned to the United States Treasury on schedule.

No payments against lend-lease silver were made during 1953, and the am

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	384	100	18 0	18 0	18 0	9 0(i)	12	Y.F.
14,50,000				192	50	9 0	9 0	9 0	4 8(i)		
1,01,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
23,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110	50	6 0½	6 0½	6 0½	6 0½	12	Y.
40,00,000	14,00,000	3,647	Bank of Bikaner	128	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	153½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60¾	50	3 0½	3 0½	3 0	3 0	12	Y.
80,00,000	13,00,000	95,324	Bank of Jaipur	208	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	160	100	16 0	16 0	16 0	16 0½	12	Y.F.T.
99,99,150	81,11,240	29,609	Bombay State Co-operative Bank	59	25	2 8	2 8	2 8	2 8	6	P.Y.
15,00,000	21,03,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
1,50,000	10,00,000	9,244	Canara Banking Corporation Ltd.	80xd	50	3 8	3 8	3 8	—	12	Y.F.
2,62,11,875‡	399,79,642	16,49,868	Central Bank of India Ltd.	7.57‡	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,42,505‡				61	25	3 8	3 8	3 8	3 0		
50,00,000	24,00,000	1,47,808	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	85N	50	2 0	4 0	4 0	4 0	12	Y.
4,23,00,000	16,20,000	10,609	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	13½	50	—	—	—	—	6	Y.
75,00,000	75,00,000	1,00,395	†‡Hyderabad State Bank	103N	100	6 0‡	6 0‡	6 0‡	5 0	6.12	R.L.H.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	{1,773‡	500	80 0	80 0	80 0	20 0	6.12	R.L.H.
1,87,50,000				435‡	125	20 0	20 0	20 0	5 0		
84,00,000				1654	100	12 0‡	12 0‡	12 0‡	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	5 12 5(i)	6.12	R.L.H.
15,40,000				984	60	7 3½	7 3½	7 3½	3 9 3(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	98d	100	5 0‡	6 0	6 0	—	.12	R.L.H.
6,25,000	6,33,939	1,380	Indo-Commercial Bank	73	100(A)	9 0	7 8	6 0	—	6.12	H.
2,50,000				18‡	25(B)	2 4	1 14	1 8	—		
10,00,000				38	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89,00,000	1,92,605	Punjab National Bank	231	25	1 0	1 0	1 0	1 0(i)	12	Y.
1,80,00,000	17,50,000	37,620	Travancore Bank	13‡	25	—	—	—	—	12	Y.
48,00,000	30,00,000	2,06,135	Union Bank of India	7	5	0 5	0 5½	0 5	0 5½	12	Y.
2,00,00,000	80,00,000	1,01,119	United Commercial Bank	42‡	50	2 0	2 0	2 0	2 0	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

$3,000,000	$4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-2-3	£5	14‡	14‡	16‡	14‡	12	R.L.Y.
			Eastern Bank	£8‡	£5	7‡	6‡	7‡	3‡	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Hongkong and Shanghai Banking Corporation	£95	H.K. $125	5*	5*	5*	8*(i)	12	R.L.Y.
H.K.$20,000,000	H.K.$96,000,000	H.K.$9,489,174		£2-19-6	£1	3‡	3‡	3‡	3‡	12	R.L.Y.
£14,372,256‡	£16,500,000	£555,780	Lloyds Bank	£1-6-3		12‡	12‡	12	14‡	12	R.L.Y.
£1,437,256‡				£25	A £125	12‡	12‡	14‡	14‡		
£375,000‡				£25	B £125	12	12‡	14‡	14‡		
£375,000‡	£1,500,000	£200,143	Mercantile Bank of India	£10‡	C £5	12‡	12‡	14‡	14‡	12	R.L.Y.
£300,000‡				£33‡	£12‡	16‡	16‡	16‡	16‡		
£2,281,250	£3,675,000	£323,703	National Bank of India							12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

†††O.S. Currency (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
8,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	96	28th February .. 1960(f)
4,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COTTON						
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	15th May and 10th November	Bengal-Nagpur	1897	98‡	15th November .. 1956(e)
8,80,60,000	3	1st April and 1st October	Buckingham and Carnatic	1952	101	1st January .. 1967-71
13,48,000	5½		Jaycee Textiles	1950	78N	1st January .. 1958-59
40,00,000	3	1st June	Tata Mills	1949	101	1966-71
ELECTRICS						
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		102‡	14th June .. 1960
99,26,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	100‡	1st October .. 1959
12,00,000	4½	30th June and 31st December	Assam Electric Light and Power Co., Ltd.	1949	94	31st December .. 1966
8,55,97,200	3	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January .. 1970
12,00,000	4	30th June and 31st December	Cauvery Power Electric Supply Co., Ltd.	1945	86	31st December .. 1968
15,00,000	5	1st January and 1st July	Bijas (Cherrab) Electric Supply Co., Ltd.	1951	96	30th June .. 1976
7,56,200	3½	1st January and 1st July	South Madras Electric Supply	1940	96‡	1937-61
2,00,000	3½	1st May and 1st November	South Madras Electric Supply	1939	94	1934
1,00,000	3	1st January and 1st July	South Madras Electric Supply		94‡	1953-63
6,53,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	South Madras Electric Supply	1940	100‡	15th September .. 1951-55(i)
8,50,000	4	1st April and 1st October	Tata Power		93‡	15th September .. 1968-70
			Tata Power			
ENGINEERING						
8,00,000	3½	30th June and 31st December	Britannia Engineering	1945	98‡	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July .. 1957-62
41,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	696	31st December .. 1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	88	31st May .. 1971
8,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95	31st December .. 1960
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1945	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1948	99	30th June .. 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Bengal Jute Mill Co., Ltd.	1947	91	31st July .. 1959(e)
10,99,000	5	30th June and 31st December	Calcutta	1931	97	30th June .. 1946
8,86,000	5	30th June and 31st December	Chitavalah Jute Mills	1931	95	15th July .. 1946
25,00,000	5½	31st January and 1st July	Empire	1947	92‡	30th June .. 1957
25,00,000	5	30th June and 31st December	Hukumchand	1947	98	31st December .. 1962
25,00,000	5½	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1952	98	31st March .. 1963
3,00,000	3½	31st March and 30th September	Naihatpara Jute Mills Co., Ltd.	1947	98‡N	31st March .. 1956
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1938	93	14th May .. 1958
20,00,000	4	30th June and 31st December	Northcote Jute Co., Ltd	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June .. 1958
25,00,000	6	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September .. 1963
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	84	31st July .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	1936	86	1st July .. 1956
£350,000	4½	1st January and 1st July		1900	£60‡N	A £10500 at any time on 6 months' notice or at par on every seventh year.
			Calcutta Tramways			
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£77‡N	1st October .. 1974
6,50,000	3½	30th June and 31st December		1937	09‡	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	
8,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96‡	1st September .. 1963
PLANTING						
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102		1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	101		1st April .. 1956-56
4,61,000	5½	30th June	Ouchterlony	104		30th June .. 1954-59
9,00,000	5	31st March & 30th September	Srikamalalai	100–11‡		31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teckoy	100		31st March .. 1949-59
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September .. 1933
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1963
24,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1948	96‡	30th June .. 1957(i)
11,00,000	3½	1st February and 1st August	Chowringhee Properties	1913	92	1st February .. 1964
21,50,000	4	1st July and 1st January	Clive Buildings	1936	88‡	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1939	102‡	1st January .. 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	96	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	525 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April .. 1971
80,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97	31st March .. 1961
1,00,00,000	4	30th June and 31st December	Robins Industries Ltd.	1950	86	31st December .. 1959
4,00,00,000	5½	1st May and 31st November	Standard-Vacuum Refining Co., India Ltd.	1953	104‡	1st May .. 1968

Note—See page 494 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th March, 1954.

—	Closing quotations 4-3-54	High	Low	Closing quotations 11-3-54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	153½	154½	152‡	152‡
Bank of Baroda (50)	109‡	110	109‡	110
Central (25)	59	59	57	57½
Central 'A' (25)	61‡	61‡	59‡	59‡
Imperial (F.Pd.) (500)	1,800	1,800	1,765	1,765
Imperial (F.Pd.) (125)	436‡	433‡	422‡	425
Union Bank (5)	6‡	6‡	6‡	6‡
United Com. (50)	42‡	42‡	42‡	42‡
TEXTILES				
Abm. Adv. (100)	151‡	—	—	149‡
Apollo (2)	2-12-13‡	2-13‡	2-11‡	2-12‡
Bombay Dyeing (250)	428‡	427‡	409‡	412‡
Central India (100)	181‡	183‡	173	174
Century Mills (100)	324‡	325	312‡	314‡
Calaba (100)	65	—	—	65
Edward Textile (200)	250	250	240	240
Elphinstone (50)	44	44	43‡	44
Finlay (100)	270	271	259	260
Gokak (100)	269	270‡	260	260
Ind. Unid. Defd. (1)	1‡	1‡	1-0‡	1-0‡
Ind. Unid. Ord. (10)	11‡	11‡	11‡	11-5‡
Indera Malwa (100)	108‡	108‡	98‡	103‡
Khatau (100)	216‡	216‡	212‡	213‡
Kohinoor (100)	319‡	321‡	297‡	300‡
Lakshmi (250)	585	585	583‡	583‡
Madhusudhan (100)	80	82	80	82
B. R. Cotton Mills (100)	51‡	51‡	48	50
Minerva Mills (100)	111‡	111‡	110‡	111‡
Model Nagpur (250)	143‡	143‡	139	139‡
Morarji (100)	202‡	210	203‡	205
Mysore (50)	164‡	—	—	164‡
National Rayons (100)	154	158	148‡	151‡
New City (100)	180‡	—	—	180‡
New Great (100)	165	165‡	160	160
New Union (10)	27	—	—	27‡
Phenix (100)	128‡	—	—	128‡
Podar Mills (100)	141‡	140	136‡	136‡
Sassoon Silk (10)	18‡	—	—	18‡
Sassoon Spg. (10)	31‡	31‡	30	30
Shahpur (1,000)	1,755	1,825	1,800	1,800
Shrinivas (100)	221‡	222‡	207‡	207‡
Simplex (50)	156‡	157	148‡	150
Standard (100)	326‡	327‡	316‡	318‡
Swadeshi (100)	295‡	297‡	287‡	290
Swan (100)	357‡	357‡	356‡	356‡
Tata Mfg. (25)	52‡	51‡	48	49
Vishnu (100)	145	145	143‡	143‡
Western India (1,000)	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	116‡	116‡	115‡	115‡
Amalgamated (10)	10‡	—	—	10‡
Andhra Valley (1,000)	1,308‡	1,307‡	1,285	1,290
Bom. Bub-El. (100)	123‡	121‡	120‡	120‡
Surat (100)	130	128‡	127‡	127‡
Tata Hydro (100)	142	141‡	139	139‡
Tata Power (1,000)	1,417‡	1,420	1,392‡	1,392‡
INSURANCE COS.				
British India (10)	13‡	13‡	13	13
Empire of India (100)	640	—	—	640
Ind. Mercantile (20	38‡	—	—	40
Jupiter (13)	7‡	7-13‡	7‡	7-13‡
New India (15)	43‡	43‡	43‡	44
Oriental (200)	7,500	—	—	7,500
Universal (10)	9‡	—	—	9‡
Vulcan (10)	12‡	—	—	12‡
STEAMER COS.				
Scindia (15)	17–14‡xd	17‡	16‡	17‡
STEEL COS.				
Ind. Iron (10)	29‡	29‡	28‡	28‡
Tata Steel Defd. (20)	2,175	2,181‡	2,126‡	2,132‡
Tata Steel Ord. (75)	366‡	367‡	358‡	359‡
MISCELLANEOUS				
Alcock Ashdown (100)	356‡	356‡	345	347‡
Associated Co. (100)	158	154‡	152‡	153
Belapur Sugar (5)	259	261	251	251‡
Bom. Burmah (125)	407‡	412‡	390‡	396‡
Do. (New) (50)	141‡	145	137‡	137‡
Br. B. Petrol (4 sh.)	3–9‡	3–9‡	2‡	3–0‡
Br. Ex. Corps. (5)	9–6‡	9‡	8‡	8‡
Indian Copper (2 sh.)	3‡	3–4‡	2–14‡	2–15‡
Ind. Inv. Tr. (100)	76‡	—	—	76‡
Kesoram (200)	262	263	260	263
Killicks (100)	171	171‡	169‡	170‡
Killicks (75)	130	—	—	130
Phalton Sugar (50)	98‡	97‡	91‡	92‡
Port Canning (100)	27‡	28	27‡	27‡
Premier Con. (30)	126‡	126‡	111	115
Shirpur (10)	73	73	71‡	71‡
Tata Chemicals (10	14‡	14‡	12-12‡	13-15‡
Tata Oil (10)	34‡	35	35‡	36‡
Walchand Ind. (100	173	175	167‡	167‡
W. I. Match (100)	210	210	206‡	207‡

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Gross Yield Later Redemption	Rs.
2½% 1954	99‡	—	3.50	99‡
2½% 1955	98‡	—	3.60	99‡
2½% 1961	90‡	—	3.94	90‡
2½% 1960	93‡	—	3.87	93‡
2½% 1963	91‡	—	3.88	91‡
2½% 1974	82‡	—	3.96	82‡
3% 1957	98‡	—	3.52	98‡
3% 1958	99‡	—	3.43	99‡
3% 1959-61	96‡	3.79	3.60	96‡
3% 1964	92‡	—	3.87	92‡
3% 1965-65	92‡	3.93	3.81	92‡
3% 1966-68	90‡	3.98	3.88	90‡
3% 1970-75	86‡	4.12	3.93	86‡
3% 1986 Con. Loan	82‡	—	3.64**	82‡
3½% 1954-59*	100‡	3.34	3.40	100‡
4% 1960-70	102	3.62	3.83	102
4½% 1955-60	102‡	2.96	4.08	102‡
4½% 1958-68*	103	3.27	4.04	103
3½% 1961 N.F. Bonds	98‡	—	3.67	98‡

BRITISH GOVERNMENT SECURITIES

	3-3-54 £	High £	Low £	10-3-54 £
2½% Brit. Consols	63‡	63‡	63‡	63‡
3 % Savings Bonds 1965-75	88‡	88‡	88‡	88‡
3½% War Loan 1955-59	102‡	102‡	102	102
3½% War Loan 1952	85‡	85‡	85‡	85‡
3½% Brit. Iron and Steel 1976-78	93‡	93‡	93‡	93‡
4 % Funding Loan 160-90	101‡	102‡	101‡	102‡

** Current Income. x.d.=Ex-dividend. * Rupee Counterparts.

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COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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INSURANCE TRENDS IN INDIA

THE criticism that the *Indian Insurance Year Book*, published by the Controller of Insurance, Simla, makes its appearance long after the events to which the Book refers, have taken place and that it is, therefore a document of only historic interest has been made so often that it seems futile to repeat it. Nevertheless, this criticism is more apt in the case of the 1953 Year Book than in former years, because it has been published even later than usual. The latest Year Book, which bears the imprint '1953' but refers to the year 1952, was available to the Press last week. Normally, it should have been published in December last year or January this year. The delay is attributed by the Controller to the fact that the date for receipt of accounts and returns was extended from 7th October to 30th November. Prompt publication of the Year Book, as the Controller rightly points out, will be possible only when the insurers co-operate with the Department in submitting their statutory returns within the prescribed time. It is thus obvious that the blame for the delay in the case of this publication has to be laid not at the doors of bureaucracy but at those of private enterprise. It is not clear why insurance offices, which are, if anything, over-staffed, should find it difficult to comply with the Controller's directives. Surely, if banks, with all their onerous duties, can submit numerous returns to the Reserve Bank promptly, the insurance companies cannot plead that they find it difficult to furnish information once a year in the prescribed forms. The Controller, on his part, will be only serving the public cause if he penalises those who do not abide by his instructions.

Despite the delay in its publication, the Year Book has been worth waiting for. A few new features have been added this year. A map, showing the regional distribution of insurance companies, a histogram, depicting the progress of new life business, and another for the distribution of the assets of life insurers are among the features of this publication. An attempt has been made to correct the previous years' returns in the light of the information made available subsequently, and also to give an objective, though, perhaps, too cryptic, comment on the trends in Indian insurance. It is to be hoped that, in future years, these features will be improved and that new ones will be added, so that the Year Book may become not merely a reliable but an interesting guide to Indian insurance which may rank alongside the deservedly popular report on money and banking by the Reserve Bank.

The corrected figures for new life business during the decade ended 1952, given in the Year Book, reveal an encouraging trend. The curve of new life business has tended to look up since 1943, the "year when various forms of control and rationing were clamped down." New business has gone up from Rs. 74.2 crores in 1943 to Rs. 145.7 crores in 1952. The following table shows the new life business in each of the ten years ended 1952:

NEW LIFE BUSINESS
(Rupees in crores)

Year	Indian Insurors	Foreign Insurers	Total
1943	64.2	10.0	74.2
1944	97.0	11.9	108.9
1945	123.7	12.6	136.3
1946	140.9	12.9	153.8
1947	120.5	13.1	139.6
1948	121.7	12.9	134.6
1949	130.0	12.2	142.2
1950	125.8	13.7	139.5
1951	131.4	16.5	147.9
1952	129.3	16.4	145.7

Considering that the figures in the table above represent, for years up to the time of Partition, the new life business for undivided India, it is gratifying to note that the volume of annual life business in the Indian Union in 1952 was only slightly below the peak levels touched in the pre-partition years. The Controller comments that, if allowance were made for the influence of Partition on new life business, it would appear that the "volume of new life insurance business in the Indian Union in 1951 has probably even exceeded the peak level of 1946." It is expected, the Controller says, that the effect of the economic improvement that must follow the implementation of the Five-year Plan and of the reliefs for insurance, granted under the Estate Duty Act, will be to stabilise as well as stimulate new life business. This expectation, it should be clear, can materialise only if the Government's fiscal measures and price policies allow the middle class, the mainstay of Indian insurance, to effect savings.

The total life business in force at the end of the year 1952 was Rs. 916 crores (subject to correction), as against Rs. 873 crores at the end of the previous year. There has been a substantial increase in new life business since 1943 when it amounted to no more than Rs. 378 crores. But, if all

on the other, involve a serious national loss, if it merely ends in lapsed policies. That the lapse ratio continues to be high will be evident from the fact that, although 534,000 policies were placed in the insurers' books during 1952, the actual increase in the number of policies at the end of the year over the previous year was 120,000, thus indicating that the rate of mortality for policies is pretty high. This represents an economic waste for the country. But it cannot be prevented so long as there is, among insurers, a craze for new business—and business at any cost. In insurance, as in all spheres of human activity, the sacrifice of quality at the altar of quantity is fatal to progress.

To turn to general insurance. There was a slight decline in the general insurers' premium income during 1952 when the income amounted to Rs. 21.23 crores, as against Rs. 21.80 crores in the previous year. This decline was shared by fire and marine sections of general insurance, though there was a welcome increase in miscellaneous insurance business. A somewhat disturbing feature of general insurance is that there has been an increase in the expense ratio in each of its three branches—fire, marine and miscellaneous—and in the claims ratio in both fire and marine branches. The following table summarises the trends in general insurance business:

GENERAL INSURERS
(Both Indian and Non-Indian)
(Rs. in lakhs)

	1952	1951
FIRE—		
Premium income	10,44	10,82
Claims ratio	32p.c.	30p.c.
Expense ratio	32p.c.	31p.c.
MARINE—		
Premium income	4,72	5,07
Claims ratio	57p.c.	52p.c.
Expense ratio	27p.c.	24p.c.
MISCELLANEOUS—		
Premium income	6,06	5,90
Claims ratio	49p.c.	50p.c.
Expense ratio	29p.c.	28p.c.

It is encouraging to find that an increasingly larger proportion of the Indian general insurers' premium income is now being derived from their business outside India. Indeed, the net premium income from their business in India has actually declined. Thus, their net premium income from foreign sources increased from Rs. 690 lakhs in 1951 to Rs. 749 lakhs in 1952, while their income from the Indian portfolio declined from Rs. 774 lakhs in 1951 to Rs. 698 lakhs in the following year. Although the improvement in foreign business deserves to be welcomed, in that it constitutes an invisible source of exports for India, it also casts a heavy and special responsibility on Indian insurers to see that they maintain high traditions of fair dealing and prompt service.

MR. GWILT ON INDIAN ECONOMY

A BALANCED account of the state of our national economy is provided by the address which Mr. E. L. C. Gwilt, President of the Bombay Chamber of Commerce, delivered at the Chamber's annual meeting held this week. He painted a picture which, since it was true to reality, concealed neither the bright nor the dark aspects of our economy. India can congratulate itself on its possessing the best organised Government among the South-East Asian countries, and the Bombay State on its having a very efficient Government. Price levels have been held. The balance of payments position is satisfactory. The rising trend in industrial production too has been well maintained. Food position has perceptibly improved, thanks to the good monsoon of 1953.

These are the bright—cynics would probably say, less dark—spots of the economic picture. But there are some disturbing features too. Mr. Gwilt pointed out that, although the "basic fabric" was good, it was necessary to increase the "levels of activity in all directions." He referred to the I.M.F. Report which reached the conclusion that the expenditure planned by the Government in the public sector and in organised industries had been lower than originally contemplated. In this connection, he stated that, if the Five-year Plan were to be completed, it would be necessary to inject an effective measure of finance into the economy. But he wondered whether the country could, without damage to its economy, stand the contemplated measure of deficit finance. He agreed that the measure proposed (Rs. 250 crores of deficit finance) was large, but thought it would, "if absorbed," go a long way to "achieving the results desired." Perhaps the operative part of this sentence is the phrase, "if absorbed." It is difficult to improve upon the happy phrase. This physiological analogy brings out the essence of the problem of deficit finance. If the measure is to be successful, it must be absorbed. The best tonic for an ailing patient is one that is so well absorbed by the human system that the inherent recuperative powers are roused to activity. This applies to economic organism too, for no specific will do it any good, unless it is given in a form and in a way that will facilitate its easy absorption.

Two fundamental questions, however, remain. If the Government finds it difficult to carry out the first Five-year Plan, how will it find the Rs. 7,000 crores needed for carrying out the second Five-year Plan? Also, how does the Government propose to solve the problem of inadequate flow of finance to the private sector? With every passing day, the second of these questions is assuming greater and greater significance. Mr. R. G. Saraiya, President of the Federation of Indian Chambers of Commerce and Industry, quoted, in the course of his address at the recent annual meeting of that body, statistics to show how meagre has been the flow of finance for the private sector. Mr. Gwilt remarked: "It is rare, indeed, in these days, to see a prospectus published in the papers, and it is reasonable to enquire why?" Nay, it is not merely "reasonable," it is urgently necessary to ask this question, and arrive at an answer. Mr. Gwilt summed up the answer, neatly enough, when he referred to the evidence led before the Shroff Committee by witnesses who drew attention to the "burdens arising from labour legislation that are being placed upon industry, the levels of taxation, and the uncertainty and lack of confidence arising from the control of industrial development as factors unpropitious to the climate required to attract capital, both local and foreign."

Mr. Gwilt's analysis of the Government's labour policy makes very interesting reading. He said: "I doubt whether any other piece of legislation placed upon the Statute Book in India has delegated to the individual the very wide powers given by the Industrial Disputes Act to a judge of an Industrial Court." Without meaning any disrespect whatever to these courts, we, too, doubt it. Indeed, we are certain that the civil courts would stand aghast if such powers were conferred on them, for the industrial courts have the powers to make or mar the future of a concern or a whole industry. A miscarriage of justice in a civil court, it seems necessary to emphasise here, may harm an individual or a family. But, when that takes place in an industrial court, it might well cause irreparable damage to national economy. Considering that justice in the economic sphere is more difficult to determine than in other fields, it is to be deplored that men, trained merely in the art of legal wrangling, are often asked to preside over the destinies of business units and are endowed with almost unlimited powers over the fortunes of these units built up patiently through years of self-denial by investors. Indeed, some decisions of industrial tribunals in regard to the workers' rights to participate in the reserves of the companies of which they are employees have a serious import for the future of company finance in India. "If shareholders' money, prudently placed to reserves rather than paid out in dividends, is to be partly handed over to labour, in the event of the winding up of a business," Mr. Gwilt rightly pointed out, "the investor will be more shy than ever of placing his capital at the disposal of industry."

An equally disturbing trend in the sphere of labour legislation is the placing of obstacles in the way of retrenchment of employees. Mr. Gwilt did not dispute the fact that an employee should be protected against the bad employer. But this consideration should not be carried so far as to fetter employers' hands in taking decisions regarding retrenchment of surplus labour. Any legislation preventing such retrenchment will, as Mr. Gwilt said, result in industry being burdened with "inefficient hands, which, in the long run, will have a profound effect upon the industrial economy and industrial well-being of the country." He showed how anomalous the omnibus legislation on industrial disputes was by emphasising that even a leper, whose employment is a penal offence under the Lepers' Act of 1898, cannot be discharged without the previous permission of the Court. Incidentally, this shows what haste, instead of thought, goes into labour legislation in this country.

GOLD MINING INDUSTRY

THE Chief Minister of Mysore, Mr. K. Hanumanthiah, is vexed that the gold mining industry in his State has failed to contribute as much revenue as he thought it would. Under the Gold Duty Act, the State was in receipt of a revenue of more than a crore of rupees per year. Under the Act, the duty used to be levied on every ounce of gold produced. The Government was empowered to claim 75 per cent. of the amount by which the sale price of gold exceeded Rs. 100 per ounce. But this Act imposed a great hardship on the gold mining companies when the costs of mining operations increased, although it benefited the Government in the war and post-war years when the price of gold moved up. After protracted negotiations, the Act was replaced in 1949 by an agreement between the Kolar Gold Mining Companies and the Government. The agreement provided specific allowances for depreciation and other items and for dividend to shareholders at 6 per cent. per annum. Out of the balance, the Companies are expected to pay a contribution to the State which generally amounts to 50 to 75 per cent. of the surplus over 6 per cent. on the paid-up capital.

The earlier Act would have ruined the companies altogether, whereas the 1949 Agreement, by which it was replaced, without being in any way generous to the companies, has at least saved them from extinction. The State Government is, however, wrong in bewailing the diminution in the revenue obtained from the companies. Without such reduction in their contribution to the State, the companies would probably have closed down. The point to remember is that the agreement is in the nature of an excess profits tax which assures the Government of a more than reasonable share in the companies' earnings whenever they exceed a particular limit. If the companies have not been able to contribute as much as they might have done, it is because the price of gold itself has come down. Thus, the average price for gold declined from Rs. 113-3 in 1951 to Rs. 92-3 in 1952 and still further to Rs. 86-11 in 1953. Surely, this steady decline in the price of gold must have had a marked effect on the companies' earnings, and, therefore, in their contribution to the State Government. It is true that even the current price of gold in India is higher than the world price for this precious metal. But, as against this, there is the fact that the cost of extraction in the Mysore gold mines is pretty high, which is not surprising, considering that they have the distinction of being the deepest in the world. In fact, the cost is so high that one of the mines had to be abandoned last year, as it was no longer economic to extract gold from it.

In this context, the Government will do well to allow the industry to continue to operate as hitherto and see that the agreement is fully implemented. It would be deplorable if the Chief Minister tried to carry out his threat, made in the course of a reply to a question in the State Assembly, that he would not hesitate to nationalise the industry. The Government would be well-advised to let the goose which lays the golden eggs be owned by the companies, so long as it lays eggs for the State and the Government in the shape of employment opportunities and a resonable level of revenue. It is needless to add that, if the goose is to lay the eggs regularly, it must be well cared for. And we wonder whether it will be, if the State Government takes it over. One must note, in this connection, that gold mining is a complicated process requiring considerable skill and experience which cannot be easily had. It would appear that the Government has appointed a Committee to inquire whether the agreement is working satisfactorily. The gold mining companies, on their part, will do well to co-operate with the Committee and show that the loss of revenue to the Government has occurred through no fault of theirs.

The importance of the companies to national economy arises from three considerations. First, they mine a commodity which has an anti-inflationary potential. Secondly, they account for 50 per cent. of the gold absorbed by the country, the rest being met from smuggled gold. And, thirdly, they are a source of employment to thousands of workers. In other countries, the governments are so solicitous of the welfare of the gold mining industry that they do not hesitate to subsidise them. The Mysore Government will have done a real service to national economy and served its own long-term interests by encouraging the industry to rehabilitate itself and to strengthen its development, through suitable tax and other reliefs, so that it could work what are at present unremunerative ores.

SHARE MARKETS BULLISH AGAIN

CENTURY'S EXCELLENT PERFORMANCE—SMALL INSURERS' CONCERN—OUTLOOK FOR GOLD

THURSDAY, 5 P.M.

THIS has been quite a gainful week for the Stock Exchanges. All the leading counters both in Bombay and Calcutta have moved forward, most of them more than regaining the ground they had lost a week ago. In the past week, Tata Deferreds had suffered a fall of Rs. 42-8, whereas this week they have gained Rs. 61-4. Similarly, Tata Ordinaries have risen by Rs. 7-12, as against a loss of Rs. 6-12 in the previous week. Indian Irons, which had sustained a fall of Re. 1-6, have staged a rise of Re. 1-4-6. Bombay Dyeings, Kohinoors, A.C.Cs., Belapurs, and Bombay Burmahs, to mention a few more instances, have marked a gain of Rs. 6-14, Rs. 6-12, Re. 1-12, Rs. 6-8 and Rs. 22-8, as compared with a loss of Rs. 16-4, Rs. 5-4, Re. 1-0, Rs. 7-8 and Rs. 11-4, respectively. This recovery shows that the setback noticed last week was only a temporary phase and that the confidence of market is intact. The past week's shake out having eliminated weak holders, the technical position of the market is healthier. It must, however, be mentioned that the improvement in values has been due mostly to professional activity.

MARKET GOSSIP

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Steel shares have given the lead to other counters. A good part of the rise in Tata Steels must be attributed to short-covering. But there is said to have been some investment buying, too, in Deferreds. The Bombay High Court's dismissal of the appeal filed by the dissident shareholders against the conversion scheme gave unexpected strength to both the Deferreds and Ordinaries. The general impression was that almost everybody had taken for granted that the appeal would be dismissed. So, the Court's decision should have caused no ripple in the market. The fact that it did suggests that some at least must not have been so sure as all that. It seems that, when it was finally known that the conversion was a certainty, some of the shorts who had not covered their sales all along decided to square up their outstandings.

• • • •

The rise in Indian Irons has been due to renewed speculative buying inspired by reports that the Government's announcement regarding the retention prices for the products of the Company is imminent and that it would be quite favourable to the Company. So often the market has been misled by such reports that one cannot readily believe them. The fact, however, remains that the Government's decision on this question has been hanging fire for an unduly long time; it is long overdue. It may, therefore, come at any time. Nevertheless, it is better to bear in mind that, in New Delhi, things move very slowly and in such matters as the one under reference the Secretariat is in no particular hurry. It is also well to remember that, on this question, the Commerce and Industry Minister is over-zealous of the consumers' interests and invariably puts forward a number of conditions before granting an increase in prices. Prudence, therefore, demands that one should not be unduly optimistic about the Government's decision on the retention prices for the I.I.S.Co. and that one should always make an allowance for the prejudices and predilections of the Minister concerned.

• • • •

Reports from Calcutta indicate that operators there have interpreted the defeat suffered by the Muslim League in the recent elections in East Bengal rather bullishly. Evidently, their assumption is that the new party which will soon come to power in East Pakistan will follow a friendly policy towards India and will encourage trade between the two parts of Bengal at least. History shows that it is premature to draw such a comforting conclusion. All Muslims in Pakistan are the same, whether they belong to the League or not, so far as their attitude towards India is concerned. It will be a fond hope to think that Mr. Fazlul Huq and Mr. Suhrawardy are different from the present rulers of Pakistan and will work for bringing about understanding and friendship between the two countries. Even if they want to, they will not be allowed to do so. Further, for all practical purposes, it is the West Pakistan that counts and there has been no change in its attitude towards India. All competent political observers are of the view that, encouraged by the support given by the U.S., the present rulers of Pakistan will continue to bully India and provide plenty of pinpricks. The results of election in East Bengal have in no way lessened the chances of the present cold war between the two parts of this sub-continent being intensified. If anything, Indo-Pakistan relations will be the main bugaboo of the share market in the next six months or one year. Indeed, it is this factor that prevents one from taking a clear view of the market.

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To return to Tata Deferreds. The appeal filed by the dissident shareholders of the T.I.S.Co. before the Chief Justice of Bombay failed to carry conviction and was dismissed. Thus, the merits of the award given by Mr. M. C. Setalvad have won the approval of three learned judges, Justice Tendolkar, who first sanctioned the conversion scheme, rejecting the contention of the small minority shareholders, Justice Chagla, Chief Judge of Bombay, and Justice Shah who sat on the Bench with Mr. Chagla to hear the appeal. This is a great tribute to Mr. Setalvad. It is a happy thing, indeed, that the conversion of Tata Deferreds has been brought about through the normal laws of the country and that it has not been necessary for invoking the emergency powers of the Government to achieve this desirable objective. The success of this move is due not a little to the realisation by all fair-minded persons that the Deferred shares constituted an eyesore and that it, therefore, deserved to be eliminated. It is also a convincing indication that, where a move is morally sound and materially correct, it is unnecessary for the Government to use its emergency powers.

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It was stated by mistake in these columns last week that trading in Tata Deferreds would cease from Monday this week. Activity in this scrip will continue till almost the end of this month. To be precise, no business in it will take place on the Stock Exchange from Monday the 29th inst. The search for a successor to this scrip has been a favourite theme of market scribes for some months past. It is as futile as it is unnecessary to dwell on this subject. For no scrip can replace the Deferred. If there is one, the entire object of abolishing this scrip, namely, avoidance of a gambling counter, will be defeated. In fact, we will even go to the extent of saying that it is the duty of Stock Exchange authorities and managements of the companies concerned to see that no scrip or group of scrips takes the place of Deferred.

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The financial results of two leading cotton mills for 1953 were published this week. These mills are the Century Spinning and Manufacturing Co., Ltd. and the Bombay Dyeing and Manufacturing Co., Ltd. Both the mills have reported better profits for the past year than for 1952 and both have decided to pay slightly higher dividends. Of the two, the performance of Century has been excellent; indeed, it has beaten the record of all the mills in Bombay at least. Its profit (before depreciation and taxation) at Rs. 96.81 lakhs is even higher than that of the Bombay Dyeing and exceeds its last year's profit by as much as Rs. 45.64 lakhs. The management of the Company has wisely decided to conserve the major portion of the increase in profit. Thus, the increase in dividend from Rs. 20 per share (of Rs. 100 each) to Rs. 22 per share takes up an additional sum of Rs. 2.19 lakhs only. Whereas no provision for reserves could be made from out of the profit last year, a sum of no less than Rs. 20.24 lakhs has been provided now. Of this amount, the dividend equalisation account gets nearly Rs. 10 lakhs, Rs. 9.78 lakhs to be precise, the balance being added to the reserve fund proper. The transfer to depreciation has been stepped up by Rs. 1.50 lakhs to Rs. 12.50 lakhs. Quite a big slice of the rise in profit has been knocked off by taxation, for which the Directors have earmarked Rs. 32.50 lakhs, as against Rs. 15 lakhs a year before. Even after all these allocations, the carry forward at Rs. 12.81 lakhs is Rs. 7.50 lakhs higher than the amount brought in. After the aforesaid appropriations, the reserves of the Company stand at record high levels. The Reserve Fund alone appears at Rs. 70 lakhs. Besides this, there is a dividend equalisation fund of Rs. 65 lakhs of which Rs. 18.24 lakhs represent the E.P.T. refund received in 1952. Then there is an insurance fund of Rs. 22.6 lakhs and an extension fund of Rs. 1.55 lakhs. The market has been so impressed with the results of the Company for 1953 that the value of its shares has appreciated during the last few days to a much greater extent than any other scrip in the textile section. In the past, for instance, Centurys always used to be quoted a few rupees below the Kohinoors, but now they are commanding a premium over the latter.

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Market circles were expecting the Bombay Dyeing to show a profit of about a crore of rupees. But the published profits are well below these expectations. After providing for all expenses, including agents' commission, but before depreciation and taxation, the profit of this Company for 1953 works out to Rs. 73.84 lakhs, an increase of about Rs. 12 lakhs as compared with that for 1952. The provision for taxation has taken up Rs. 23 lakhs, same as that in the previous year, while that for depreciation is Rs. 1.32 lakhs higher at Rs. 14.06 lakhs. A sum of Rs. 14 lakhs has been credited to dividend equalisation fund. The dividend has been kept unchanged at Rs. 20 per share (of Rs. 250 each) but a bonus of Rs. 2-8-0 in commemoration of the 75th year of the Company has been proposed. The Directors have, in fact, made it clear that this special bonus does not form part of the normal dividend. In other words, they want the shareholders to note that this bonus may not be repeated next year. The market circles are very much disappointed at this extremely conservative dividend policy of the Company's directors.

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The directors' report of the Company for 1953 are notable for two striking features. One is the disclosure that the Company has undertaken a major reorganisation scheme. The exact cost of this scheme is not revealed, but it is stated that, as a part of the programme, orders for new machinery of the value of Rs. 90 lakhs have already been placed. The other feature relates to the proposal to establish a factory for the manufacture of hydrogen peroxide. The exact statement of the Directors, in this connection, is as follows:

"The Directors have pleasure in informing the shareholders that, as a result of negotiations conducted by the Chairman with Messrs. Laporte Chemicals Ltd., London, an agreement has been entered into by the Company with them to start a new company in Bombay to be known as the National Peroxide Ltd., for the manufacture of hydrogen peroxide, a heavy chemical used in the process of bleaching, for which there is a good demand in the country, and is at present being imported. The necessary licence and permission has been obtained from the Government of India, to form the new Company, the National Peroxide Ltd., with a subscribed capital of Rs. 36 lakhs divided into 36,000 shares of Rs. 100 each, out of which 15,000 shares would be subscribed by the Company. The factory, as well as the staff quarters would be erected on the vacant site to the rear of Spring Mills.

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The smaller life insurers have, as was only to be expected, been perturbed by the decision of the leading insurers to reduce their premium rates for life policies. It would appear that, at a recent meeting of the Indian Life Assurance Offices' Association, they succeeded in getting this body to send a telegram to the Controller of Insurance, expressing their concern over the leading insurers' decision. This communication, it is understood, emphasised that the recent reduction in premium rates by leading companies would compel the rest to reduce the rates at a time when they are consolidating their position. It has also stressed, it is learned, the consideration that it is inopportune to reduce the premium rates now. Presumably, the Executive Committee of the Life Insurance Council, which is scheduled to meet at the end of this month in the city, will also discuss this question in an informal manner. In informed circles, it is, however, felt that the Government will not possibly be stampeded into any action designed to prevent insurers from doing what is demonstrably in the interest of the insuring public.

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At least one insurer has lucidly explained how it was possible for them to reduce the rates. The New India Assurance Co., Ltd., the first company to reduce the premium rates, has, in a Press note, set out, in a most convincing manner, the reasons which prompted its Board of Directors to take the decision on premium rates. After referring to the cheap money policy of the Government, which caused the Company to increase the premium rates with effect from 1st January, 1947, the note points out that conditions have "radically" changed since then. Thus, mortality experience for the period 1946-52 was only 60 per cent. of what was expected on the basis of Oriental's Mortality Experience (1925-35). The experience of the years 1951-53, it is stated, indicates that further improvement is "possible and likely." Again, expense ratio has stabilised at about 90 per cent. of the first year's premiums, and at about 14 per cent. of the renewal premiums. These expenses, it is stated, are not likely to exceed the maximum percentages allowed at present under the Insurance Rules. Yet another favourable factor is the improvement in the gross yield on Life Assurance Fund. The gross yield has gone up during the interval by about ½ per cent., the yield in 1952 being 4.46 per cent. It is further stated that there is "definitely an increase of about ½ per cent. in gross yield on the new investment, and about 1 per cent. in the net yield." The Company has written down its investment to the 1952 level of values. In conclusion, the note says:

"Having regard to these favourable changes in mortality experience and rate of interest earned on investments of life assurance funds, the Board of Directors of the New India Assurance Co., Ltd. has decided to substantially reduce the rates of premiums under all life assurance plans, with a view to passing on the benefit of these favourable changes to the prospective policyholders. It is to be expected that this will serve to encourage savings in the private sector of the national economy. The New India has taken this opportunity to offer specially attractive terms for whole life policies which would be in demand for Estate Duty purposes. The new rates become effective from 1st March, 1954, and will apply to all proposals completed on and after that date. There is reason to believe that the experience of practically all the leading offices as regards improvement in the yield on investments and actual mortality in recent years has been similar. It is, therefore, to be expected that other offices will also revise their rates sooner or later."

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It should, therefore, be clear that the Company's decision to reduce premium rates is backed by weighty reasons. Only, it is to be hoped that this decision will lead to a realignment of premium rates in the entire field of life assurance at a level more attractive for the insuring public.

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Complete and reliable statistics of world gold output during 1953 have just become available. According to the leading bullion brokers, Messrs. Samuel Montagu, London, the world output of gold aggregated 26.50 million fine ounces, which is only a shade less than the 26.56 million fine ounces produced in 1952. Included in these production figures is the Russian output, estimated at 2 million ounces. It may be mentioned, in this connection, that the figures relating to the stocks and production of gold in Russia are a closely guarded secret. The Union of South Africa leads all countries of the world with an output of 11.9 million ounces to its credit in 1953, as against 11.8 million ounces in 1952. This country is followed by Canada with 4.23 million ounces (4.47 million in 1952) and the U.S. with 1.99 million ounces (1.93 million in 1952). Australian gold output exceeded the one million mark, its exact output being 1.05 million ounces in 1953, as against 0.98 million ounces in the previous year. India occupies a minor place in the world's gold map; its share was a mere 212,000 ounces in 1953, as compared with 243,000 ounces in 1952. The British Empire is still the major producer of gold in the world; it accounts for nearly 72 per cent. of the world's gold

(Continued on page 547)

EQUITIES BUOYANT

TATA DEFERREDS TOUCH NEW PEAK

(From Our Own Correspondents)

BOMBAY, 18th *March*

AFTER last week's break in values, the Stock Exchange once again presented this week a buoyant note. There was a revival of buying enthusiasm, which enlarged during the closing days of the week, in almost all the leading counters of the market. Much of the buying fervour was purely of a speculative nature. Feverish covering by short-sellers also helped the rising trend, with the result that smart advances were recorded over the week in most counters.

The operators' enthusiasm was touched off by a feeling that there would be closer co-operation between the private enterprise and the Government and the former could expect a better deal from the Government. This belief was further strengthened by the Commerce and Industry Minister's assurance, in his address to the Punjab and Delhi Chamber of Commerce in New Delhi yesterday, that the Government was prepared to allow industrialists to expand and make more profits, if they co-operated with it. Revival of hopes of better prospects for textile industry during 1954, and better advices from Calcutta where steel shares were boosted by reports of an imminent announcement regarding a sizable increase in the retention price of steel for the Indian Iron and Steel Co., Ltd., and by the election results in East Bengal, were the other factors which enlivened activity in the market.

In the steel section, Tata Deferreds put up a bright show. This being the penultimate week of its existence on the list, operators seemed to have farewell deals in these scrips at rising rates. As a result, they advanced from Rs. 2,132-8 to Rs. 2,165 on Monday. After a short lived decline to Rs. 2,157-8 on Tuesday, they resumed their upward trend to touch a high of Rs. 2,195—a fresh record since July, 1947—before closing at Rs. 2,193-12. The proximity of the exit of Tata Deferreds seemed to have induced operators to give more attention to Tata Ordinaries which appreciated from Rs. 359-8 to Rs. 368, but closed at Rs. 367-4. After an early rise from Rs. 28-4 to Rs. 28-13, Indian Irons shaded off to Rs. 28-7½ on Tuesday; but revival of speculative support for reasons stated at the outset, pushed up the rate to Rs. 29-10. The closing was, however, a fraction lower at Rs. 29-8½.

The textile section was cheerful and fair gains were recorded all-round. The publication of the financial results of prominent textile mills fanned the enthusiasm of operators. The most impressive rise was recorded by Century which advanced from Rs. 314-4 to Rs. 327, the peak for the current year so far. It may be noted here that this scrip has gone up by over Rs. 50 during the last 2½ months, a record not achieved by any other textile scrip so far this year. They have also gone far ahead of Kohinoors, in recent weeks, while early in the year it was the other way about. Bombay Dyeings scored a rise of Rs. 6-14 to Rs. 419-6, the highest level touched for the week being Rs. 421-14. Kohinoors put on Rs. 6-12 to Rs. 307, Central India Rs. 6 to Rs. 180, Finlays Rs. 5 to Rs. 265, Gokaks Rs. 5-8 to Rs. 265-8 and Morarjis Rs. 5 to Rs. 210. Standards moved up by Rs. 5-10 to Rs. 323-12, Svadeshis by as much as Rs. 9-8 to Rs. 299-8, Simplex by Re. 1 to Rs. 151, Tata Mills by Rs. 2 to Rs. 51 and Vishnu by Re. 1-4 to Rs. 145. Sholapurs appreciated by Rs. 5 to Rs. 1,805.

Bank shares were on the whole steady, though not much activity was reported. Centrals were a fraction lower at Rs. 57-2, while their new shares gained As. 4 to Rs. 60. Imperial Fully Paids were put up by Rs. 7-8 to Rs. 1,772-8, while Contributories showed no change at Rs. 425. Indias changed hands Re. 1-8 higher at Rs. 154-4. Barodas were unchanged at Rs. 110. United Commercials were a shade easy at Rs. 42.

In the insurance section, a rise of Re. 1-8 to Rs. 45-8 in New Indias was a feature. Orientals were unchanged at Rs. 7,500. Industrial and Prudentials gained As. 12 to Rs. 37-12. Vulcans were, however, a fraction down at Rs. 12-12.

Barring the Tata Hydro Group, electricity shares were quiet. Andhra Valleys were taken up by Rs. 11-4 to Rs. 1,301-4, Tata Powers by Rs. 5 to Rs. 1,397-8 and Tata Hydros by As. 8 to Rs. 140. Ahmedabad Electrics were under pressure to lose As. 15 to Rs. 114-11 and their new shares by Re. 1-4 to Rs. 112. Surats declined by As. 15 to Rs. 126-14. Bombay Suburbans were unchanged at Rs. 120-10.

The downward trend noted last week in the miscellaneous section was reversed this week and several industrial scrips were concerned in brisk rally. The most prominent among these were Bombay Burmahs which received excellent support on prospects of a joint venture with the Burma Government for the expansion of tea production in Burma. As a result, the shares rallied from Rs. 396-4 to a high of Rs. 421-4—a level not seen since July, 1952—but closed at Rs. 418-12. Associated Cements advanced by Re. 1-12 to Rs. 154-12 and Digvijays by Re. 1-8 to Rs. 114-8. Alcocks spurted by Rs. 11-4 to Rs. 358-12. Belapurs picked up Rs. 6-8 to Rs. 258 and Phaltans by Rs. 2-8 to Rs. 93. B.I.Cs had a rise of As. 7 to Rs. 9-2. On sustained enquiries from Calcutta, B.B. Petrols put on As. 3½ to Rs. 3-3½. Indian Coppers were better by As. 1½ at Rs. 3-1. National Rayons revived from Rs. 151-8 to Rs. 157. Polsons, which were recently promoted to the forward list, had a gain of Rs. 5 at Rs. 127-8. Premier Constructions were up by only As. 12 at Rs. 115-12, on reports that the dividend might not come up to market expectations. Scindias came in for enquiries and put on As. 10½ to Rs. 17-12½. Shivrajpurs rose by Re. 1 to Rs. 72-8. Tata Chemicals were up by As. 10 to Rs. 13-9½ and Tata Oils by Re. 1-4 to Rs. 37-8. On good working results, Walchandnagars gained Rs. 2-8 to Rs. 170. Wimcos were better by Re. 1-14 at Rs. 209-6.

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Calcutta Stock Exchange

CALCUTTA, 17*th March*

A slightly improved trend was in evidence on the Calcutta Stock Exchange during the week under review, although operators continued to be cautious and the volume of transactions remained restricted. Weak holders preferred to take profits, leaving the market open to operators interested in long-term commitments. For the latter type of investors, present prices are considered more than attractive, as it is felt that, as the prospects for increased industrial and trading activities are likely to be good this year, share prices are bound to rise.

Jutes were dealt in at lower levels and such a trend was not a surprise, in view of the lower prices for jute goods. Here again, benefit can be derived by the long-term investor, as working results of mills are better this year than last in view of the increase in exports. Although there is the fear of competition from Continental mills, the immediate future of Indian jute goods is by no means bleak as orders from Argentina and the United States are expected soon. Teas were again in the limelight this week, as due notice was taken of the increasing demand for Indian tea from foreign countries, especially, the United Kingdom and the United States. Prices would have improved further, had it not been for the decision of the Government of India to implement the Plantations Labour Act 1951 from 1st April which, to quote the chairman of the Indian Tea Association at the annual meeting last Friday, does not give the industry breathing space to recover from the recent crisis.

In the Engineering section, Indian Irons were caught up in easiness. Last Thursday the rate touched as low as Rs. 28-1, and since then moved at about Rs. 28-8 for most part of the week. Jessops were quiet at Rs. 27 and Texmacos were put through at Rs. 10-9. Braithewaites at Rs. 14-7 lost one point, while Kumardhubis were fractionally lower at Rs. 9-2. Indian Standard Wagons changed hands at Rs. 63-8 as against Rs. 66 previously, and Burns at Rs. 170 as against Rs. 174.

The feature in the Jute section was that, although prices moved following offers, there were anxious investors to buy good counters coming at lower levels. Indias were done at Rs. 129, while Fort Glosters at Rs. 504 added four more points. Orients were taken at Rs. 154, Howrahs being priced between Rs. 24-1 and Rs. 24-8. After declining to Rs. 143, Baranagores recovered to and maintained Rs. 145. Similarly, Anglo-Indias were passed over to Rs. 194 from Rs. 187.

Among Teas, Patrakolas were maintained at Rs. 180, while New Dooars impressed the market with a spurt to Rs. 426 from Rs. 415. Oodlabaris were supported at Rs. 26-8, Tezpores at Rs. 20-10, and Sonai Rivers at Rs. 8-2. Hasimaras were fractionally lower at Rs. 34, as were Ethelbaris at Rs. 7-15. At Rs. 14-2 Dhelakhats put up As. 9. Hoograjulis met with business at Rs. 33-10.

Again this week only sparse interest was shown in the Coal section. At Rs. 8-10, Burrakurs did not show any change, and East Indians were maintained at Rs. 26-4. Khatras Jherriahs were raised fractionally to Rs. 43-10 in transactions of small lots, while Central Indias gave way to Rs. 6-2 from Rs. 6-6. New Beerbhooms were crossed at Rs. 17-6.

One of the features in the Miscellaneous section was Rohtas Industries which, on interested buying, were raised to Rs. 14-8 from Rs. 13-4. Jardine Hendersons after declining to Rs. 115 recovered to the earlier rate of Rs. 117, while Martin Burns were unchanged at Rs. 21-2. Indian Cables were crossed at Rs. 19-14 and today came to business at Rs. 20-1. F. & C. Oslers were lower at Rs. 12-6. Rallis were hammered down to Rs. 56 from Rs. 58-4, and buyers for Birds Investments paid Rs. 15-6. B.I. Corporations were steady at Rs. 8-10 as were India Steamships at Rs. 8-6. Titaghur Papers were easy at Rs. 37-3, but rumours of Government efforts towards settlement of the strike were noted. British Burma Petrols were in demand at Rs. 3-6.

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Madras Stock Exchange

MADRAS, 16th *March*

The Madras Stock Exchange presented a generally mixed trend this week. The textile section came in for selective enquiry on continued encouraging export demand for cloth. The higher dividend announcements by Buckinghams and Bangalore Woollens were also a contributory factor. Among plantings, teas met with scattered enquiry, while rubbers were steady. Coffee scrips were somewhat in demand. Miscellaneous scrips were mostly uninteresting. Except in a few selective shares, fluctuations in the rest were generally limited to a narrow range. The list, on balance, showed a sprinkling of gains and losses in equity values. The undertone remained steady.

A notable development in the textile section was the declaration by the Buckinghams of a final making a total of 10 per cent. on ordinary shares thereby 31st December, 1953, as against 4 per cent. in the against 15 per cent. in the previous year. It is also proposed to capitalise a sum of Rs. 81 lakhs out of reserves for the issue of two bonus ordinary shares for each ordinary share held, subject to the approval of the Government of India. Consequently, the scrip shot up from Rs. 345 *ex-div.* to Rs. 435 *cum-div.* The Directors of Loyals have failed to declare any dividend for the year ended 30th June, 1953, as against a 4 per cent. in the previous year. The scrip was, however, quiet at Rs. 19. But Lakshmis Rs. 50 paid up and Rs. 25 paid up 'A' gained Rs. 2 each to Rs. 108 and Rs. 54, respectively. Metturs were higher by Re. 1 at Rs. 229. Vasantas put on Rs. 4 to Rs. 196. Radhakrishnas Rs. 100 paid-up, however, lost Rs. 3 to Rs. 163.

Except for a few scrips which came in for considerable enquiry, the rest among teas were generally dull. The most important among them was Peermades which improved from Rs. 31-8 ex-div. to Rs. 34 *cum-div.*, on the declaration of a final dividend of 27½ per cent, thereby making a total of 37½ per cent, for the year ended 31st December, 1953, as against 25 per cent. in the previous year. Kilgiri Kotgiris (tea and coffee) gained As. 5 to Rs. 7-2. The Directors of the Company have applied to the Controller of Capital Issues for permission to issue bonus shares in the proportion of one share for every two shares held, by capitalising a sum of Rs. 2½ lakhs out of reserves. Devasholas and Parksides, however, lost As. 4 each to Rs. 21 and Rs. 16-4, respectively. Twyfords were also lower by a similar amount at Rs. 15-4. Nilgiri Tea and Highland Produce were down by As. 2 each at Rs. 13 and Rs. 12-8, respectively.

Rubbers were generally steady. Anandams rallied As. 6 to Rs. 9-6 and Thamarapallys As. 8 to Rs. 16-12 and Mercaras by As. 3 to Rs. 3-15. Cochin Malabars were higher by As. 2½ at Rs. 6-9½. Teekoys, however, lost As. 2 to Rs. 7 and Thirumbadis an anna and a half to Rs. 3-1½. Pullangodes and Rajagiris were fractionally lower at Rs. 3-0½ and Rs. 11-3, respectively.

Among coffees, Cons. Coffees gained As. 3 to Rs. 16-2 and Mysore Coffee an anna to As. 13. Coffee Lands, however, lost an anna to Rs. 8-9. Savamalais were done quiet at Rs. 23-14 *cum-div.* The Directors have declared a final dividend of 20 per cent. making a total of 30 per cent. on the ordinary shares for the year ended 30th November, 1953, as against 35 per cent. in the previous year.

In the miscellaneous section, Rallis lost Rs. 2-8 to Rs. 57-8 and Spencer As. 4 to Rs. 16-4. Mysore Tobaccos were down by As. 3 at Rs. 10-13 and Mysore Chemicals and Fertilisers by As. 2 at Rs. 9-12. Indian Steel Rolling Mills eased from Rs. 12-10 to Rs. 12-6. Binnys, however, gained Rs. 2 to Rs. 124 *cum-div.* India Cements (ordinary) were higher by As. 2 at Rs. 18-8 and Mysore Chromes As. 5 at Rs. 7-1.

THE HIND BANK LIMITED

Head Office: **CALCUTTA**

PAID-UP CAPITAL

Rs. 50,00,000

RESERVE FUND

Rs. 22,50,000

Chairman:
K. P. GOENKA, Esq.

General Manager:
S. D. PARDIWALLA

All types of Foreign Exchange business transacted

Bombay Office:
LAXMI BUILDING
Sir Pherozeshah Mehta Road, Fort

S. L. MEHTA,
Manager

NEWS IN BRIEF

ITALIAN Airlines propose to link Italy with India by regular air service from the middle of this year.

On a request from the Hyderabad State Bank, the Reserve Bank of India has granted a licence to the former to deal in foreign exchange.

The Delhi State Government has decided to set up a financial corporation. A scheme has been drawn up and submitted to the Government of India for approval.

The Council of States passed on 9th March the Bill to amend the Factories Act, the State Acquisition of Lands for Union Purposes (Validation) Bill, 1954, and the Barsi Light Railway (Transferred Liabilities) Bill, 1954.

The Government of India has decided to suspend the operations of Section 12 of the Coir Industry Act, 1953, pending the setting up of Coir Board. Section 12 lays down that no coir and coir products may be exported except under a licence issued by the Coir Board which is to be constituted under the Act.

The inaugural ceremony of the new Tea Board in Calcutta will be performed by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, on 3rd April. The personnel of the Board will be announced shortly. The Tea Act, which was passed in Parliament in May last, is expected to come into operation by 1st April, 1954.

Consequent on the decision of the Government of India to levy excise duty on cement, the Government of Bombay has directed that an additional charge of Rs. 5 per ton of cement is chargeable, on supplies made after 28th February, 1954, by dealers in cement in Bombay State as excise duty on all supplies of cement on which excise duty is recovered or is recoverable from them by producers.

The Federation of Indian Chambers of Commerce and Industries, in its evidence before the Stores Purchase Committee, has suggested, among others, that advisory panels of industrialists should be set up to assist the Government of India in the purchase of large-scale demands of the Ministries of Railways and Defence, as well as the river valley and industrial projects.

Tatas have entered into an agreement with Daimler-Benz Company of the U.K. for the manufacture of trucks in India. The agreement which is subject to the approval of the Government of India, is for a period of 15 years. Under the agreement, the German firm will contribute 30 per cent. of the capital outlay and will also provide technical assistance. The agreement, it is stated, also provides for a technical tie-up for the production of other automotives in India.

The Railway Board has sanctioned the construction of a metre gauge line from Khandwa to Hingoli *via* Akila, a length of approximately 187 miles, on the Central Railway. The Khandwa-Hingoli line is estimated to cost Rs. 8,90,00,000. The new line will provide a connecting link between the northern and southern metre gauge systems. By providing an alternative route, it is expected to afford relief to the surrounding broad gauge main line routes, which are at present hard pressed for line capacity.

A 15-day seminar on *Organisation and Administration of Public Enterprises in the Industrial Field*, jointly sponsored by the Government of Burma, the Economic Commission for Asia and the Far East, the United Nations Technical Assistance Administration and the International Institute of Administrative Science, is being held in Rangoon since 15th March. The Indian Delegation to the Seminar consists of Mr. K. K. Chettur, Indian Ambassador to Burma, Leader, and Mr. S. K. Guha, I.A.S., Under Secretary, Ministry of Production, Alternate.

According to the returns received by the Department of Commercial Intelligence and Statistics, the total gross sea and land customs revenue collected in India during the month of December, 1953, amounted to Rs. 1,416 lakhs, as compared with Rs. 1,478 lakhs in the corresponding month of the previous year. The total gross collection of Union excise duties amounted to Rs. 829 lakhs, as against Rs. 698 lakhs. During the nine months, April to December, 1953, the grand total of gross customs and Union excise revenue realised was Rs. 1,88.88 lakhs as compared with Rs. 1,99.05 lakhs during the corresponding period of the preceding year.

The Government of India has under consideration a proposal to send a trade delegation to the Middle East countries including the Arab States to explore the possibilities of expanding India's export trade. There is no intention at present to negotiate or conclude trade agreements with any particular Arab State. India has, however, already entered into trade agreements with Egypt and Iraq. A treaty of friendship and commerce with Syria also exists. It has diplomatic relations with Egypt, Iraq, Syria, Jordan, Lebanon and Libya. It has also a Consulate-General, in Saudi Arabia, which is proposed to be raised to a Legation shortly. Treaties of friendship have been concluded with Iraq and Syria.

The second session of Industrial Committee on Cement will be held at Hyderabad on 24th and 25th March, under the Chairmanship of Mr. Abid Ali, Deputy Labour Minister, Government of India. The Committee will review the action taken on the suggestions made at its first session. It will examine the problems of standardisation of wages, the conditions of work in the cement industry and the abolition of contract labour. The question of having a tripartite agreement in the cement industry on the standards, in compliance with the provisions of the Factories' Act, 1948, will also be considered. The Industrial Committee, which is a tripartite body, consists of 24 members, twelve representatives of the Central and State Governments and six each of employers and workers.

The Government of Bombay has, in consultation with the Government of India, decided to remove the movement restrictions, as well as all other controls, on rice outside the eleven rationed cities of Bombay State, namely, Bombay, Ahmedabad, Poona, Sholapur, Baroda, Surat, Nasik, Ahmednagar, Kolhapur, Belgaum and Hubli, with effect from tomorrow the 21st March, 1954. In these eleven cities, rice will continue for the present to be under statutory rationing. The present restrictions on movement will also remain. It is, however, proposed, with effect from 21st March, 1954, to allow the ration card and permit holders in these cities to purchase their full quantum of ration of 40 *chhataks* in rice. Further steps towards relaxation of controls in these cities will be considered after renewing the stock position of rice with the Government and the arrival of Burma rice.

The Government of India has decided, in consultation with the Capital Issues Advisory Committee, to levy a fee of Rs. 50 with effect from 1st April, 1954, on all applications for (i) the consent of the Central Government to the issue of capital under the provisions of the Act; (ii) any alteration in the terms and conditions of a consent previously given by the Central Government or any extension of the period of validity for which such consent was given; (iii) the regularisation of the issue of any capital made without the prior consent of the Central Government; and (iv) the consent of the Central Government under the Act in respect of any matter not specifically mentioned in the foregoing. This decision is in accordance with the amendment to section 12 of the Capital Issues (Continuance of Control) Act, 1947, made by Parliament in February, 1952, while extending the duration of the Act upto the end of March, 1956, authorising "the levy of fees on applications made to the Central Government for its consent."

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From Abroad

The Paris International Trade Fair will be held from 22nd May to 7th June.

The United States, according to Mr. Ezra Benson, Secretary of Agriculture, will not sell its surplus cotton below world prices.

The United States has agreed to buy 18,000 to 20,000 tons of tin from Indonesia in the next 12 months. The price would be based upon New York market averages.

Plans proposed for the expansion of Malayan industries provide for an expenditure of $6 million (£700,000) this year and over $10.75 million (£1.25 million) next year.

The Steyr-Daimler-Puch company of Austria has reduced its car prices by 5 to 20 per cent. This closely follows 6 per cent. reduction in prices announced by Volkswagen recently.

Research in insect control in the last 100 years has doubled livestock production and the annual yield of land. Despite this advancement, insects still cost the United States alone $4,000 million a year and make useless millions of valuable acres of land.

The Central Bank of Argentina has announced the extension from 30th April to 30th December, 1954, of the period within which holders of funds constituted by accumulated but unremitted earnings from earlier foreign investments in Argentina may opt for their reinvestment under the provisions of the new Foreign capital Investment Law.

The United States Steel Export Company has reduced export prices of eleven steel products including bars, sheets, wires, nails and staples. The reduction ranges from $1 to $10 per ton. These cuts are aimed at making the U.S. steel prices more competitive with foreign steel in export markets.

Egypt, Russia and Rumania have entered into a £3,090,000 cotton-for-petroleum barter agreement. Russia and Rumania will supply Egypt with 350,000 tons of petroleum products at prices which are 16 per cent. below those in the world market. They will use the proceeds to buy Egyptian cotton in the free market.

Five species of wasps that act as parasites upon the pink bollworm (Pectinophora gossypiella), considered one of the most destructive cotton pests, which were introduced into the United States from India some time back, are now being used in conjunction with other methods, to control that insect on U.S. cotton.

World production of leaf tobacco in 1953 is estimated by the U.S. Department of Agriculture at 7,324 million pounds. This is slightly above the quantity harvested in 1952, despite the large decline in U.S. production from 2,255 million pounds to 2,046 million pounds. The total production in Asia in 1953 is estimated at 2,923 million pounds, about 4 per cent. above that in 1952.

France's second Five-year Plan (1954-59), which aims at an overall increase of 25 per cent. in the production of industrial and agricultural products, provides for a total investment of about Frs. 7,250,000 million (£7,394 million). The second Five-year Plan envisages greater efforts in manufacturing, housing and agricultural sectors, whereas the first Five-year Plan was primarily concerned with the development of basic industries.

PERSONAL

MR. Pattom Thanu Pillai, Praja Socialist Party, has been sworn-in as the Chief Minister of Travancore-Cochin State.

Mr. K. D. Jalan has been re-elected Vice-President of the Indian Central Jute Committee for 1954-55.

Dr. A. Ramaswamy Mudaliar left Bombay on Tuesday last for Geneva en route to New York to attend the meeting of the International Civil Services Board.

Mr. P. S. Rau, formerly Adviser to P.E.P.S.U., is likely to be appointed Chairman of the Damodar Valley Corporation.

Dr. El Sayed Abdel Moneim el Tanamli of Egypt has been unanimously elected as Chairman of the U.S. Technical Assistance Committee.

Mr. H. R. Bhatheja, Principal of Patna College, has been appointed by the Government of India as a member of the All-India Industrial (Colliery Disputes) Tribunal.

Mr. H. J. Saunders and Mr. R. H. Pitman have been elected Master and Deputy Master, respectively, of the Bombay Presidency Trades Association for the current year.

Dr. S. Radhakrishnan, India's Vice-President, is expected to pay a goodwill visit shortly to Brazil, Mexico, Chile, Argentina and other Latin-American countries, this autumn.

Mr. T. Prakasam, Chief Minister of Andhra and Mr. K. Koti Reddi, Revenue Minister are likely to fly to Japan in April next on a study tour of economic development of that country relating to land reforms and cottage industries in particular.

Dr. B. Natarajan, former Economic Adviser to the Government of Madras, has been appointed Development Commissioner and Economic Adviser to the Andhra State. He will also perform such duties as might be entrusted to him from time to time.

OBITUARY

We regret to record the death of Mr. M. Ct. M. Chidambaram Chettyar, a prominent business man of Madras, in an air accident at Singapore on 13th March, 1954. He was the Chairman of the Indian Overseas Bank Ltd., the United India Life Assurance Co., Ltd., United India Fire and General Insurance Co., Ltd., and the Travancore Rayons Ltd., besides being a Director of several industrial concerns.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

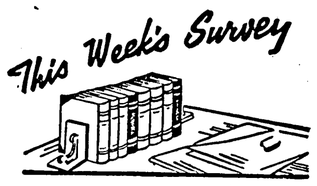
CALCUTTA, 23rd *March*

Competition in Textile Trades

A year or two ago, the Bombay Millowners' Association passed resolutions denouncing Japan for all manner of unfair trade practices. The picture revealed by this campaign was remarkable. India is one of the great cotton producing countries of the world, with a protected home market of 350,000,000 consumers capable of absorbing all the yarns and the textiles, its numerous mills and handloom industries can turn out. The Japanese, in their quest for raw materials, purchased one-third of the cotton crop of India, carried it to Japan where they spun it into yarns or wove it into cloth, shipped the finest product back to India, paid the 11 per cent. import duty, excise taxes and other dues levied for the protection of the home industry, and undersold the Bombay mills in their own territory. In addition, the Japanese invaded and exploited our nearby and profitable export markets in Africa and the Near East. The Indian millowners had a plausible grievance. Although Japan had accepted the convention adopted by the International Labour Conference at Washington in 1919, regarding hours of work, she had failed to ratify it or put it into operation. The Japanese were working their cotton mills twenty-two hours out of the twenty-four in day and night shifts. Eighty per cent. of the millworkers in Japan are female, and the Japanese male considers that spinning and weaving is essentially a feminine task and beneath his dignity. The textile industries of Japan are, therefore, entirely dependent upon female labour for their successful operation.

A Shell Refinery with a rated capacity of 1.75 million tons was opened at Geelong, Australia, on 18th March by Field Marshall Sir William Slim, Governor General of Australia. The refinery is designed to be one of the largest and most modern oil refineries in the Commonwealth. Petrol and Diesel Oil for Melbourne, 36 miles away, will flow *via* an 8-inch oil pipeline, the longest yet to be laid in Australia. This will be capable of delivering 28,500 gallons of petrol an hour.

The U.S. Agriculture Department has forecast the world's largest rice crop in history during the year 1953-54. According to it, the production of rough rice will be 263.896 million 800,000 lbs. This is higher by 9,317 million tons over the previous record breaking crop of 254,579 million lbs. in 1952-53. This estimate does not, however, include the production of China, North Korea and the Soviet Union. The rice harvest of Asia (excluding China, North Korea and the Soviet Union) this year, it is stated, will represent 89 per cent. of the total world output.



NEW TEA BOARD TO BE INAUGURATED SHORTLY

BY the time these lines appear in print, the Ministry of Commerce and Industry will have announced the establishment of the new Tea Board in Calcutta and the personnel of that Board. It is announced that the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, will inaugurate the Board on 3rd April, 1954.

The Tea Rules drawn up under the Tea Act of 1953 were published for general information on 7th January, 1954 and it is thought that these have been approved in subsantially the same form as in the draft. Some of the provisions in the draft rules are worthy of note. The Board is to consist of 38 members, of whom one each will represent the Governments of Assam, West Bengal, Tripura, Madras, Punjab and Travancore-Cochin, two will represent Parliament, 12 will represent owners of tea estates and growers of tea, six will represent employees on tea estates, three will represent dealers, two manufacturers who pack in containers of up to 12 lbs., three consumers and four other interests. The nature of the "other interests" is not indicated. It is provided that the Central Government may make such consultations as may be necessary before appointing members of the Board. This is presumably in accordance with the Minister's statement in Parliament that the various growers' associations and other interests will be consulted before their representatives are appointed. It is learned that the Government has, in fact, asked the Associations to submit panels of names of suitable representatives for Government's consideration. The manner of choosing "consumer representatives" is, however, not known. Incidentally, it is provided in draft Rule 5 that a member of the Board shall hold office for three years. The draft rules also make provision for one other promise made by Government in the House of the People, namely, that the Vice-Chairman of the Board shall be elected from among the members of the Board itself.

There are to be three principal Standing Committees of the Board, namely, the Executive Committee, two Licensing Committees, one each for North and South India, and one Propaganda Committee. It is learned that representations have been made by some interests that there should be two Propaganda Committees, one each for North and South India.

Since the Tea Act of 1953 incorporates the provisions of the Indian Tea Control Act, 1938 (which stands repealed), the draft Tea Rules include various provisions connected with the control over new plantings, exports, etc., hitherto included in the Tea Control Act. It is provided in Rule 22 that any tea estate shall, on application to the Board, have the right to receive an export quota. There is, however, a proviso to the effect that, if any tea estate ceases production for three or more seasons since the commencement of the Act, it cannot subsequently get an export quota, unless it has resumed production. The general feeling in the industry appears to be that such a provision is very necessary in order that estates not in production shall not be given any export quota.

An important rule is Rule 24 which prescribes the new method of calculation of crop basis of an estate. According to this rule, the crop basis of an estate for any financial year shall be the best crop in any of the four calendar years previous to the preceding financial year. This method is more rational than the present one whereby the crop basis is calculated on the quantity of crops harvested many years ago. The manner of calculation of export quota, that is, the total quantity of tea which may be exported by a tea estate, however, remains as before.

Under Rule 27, the Board is given powers to appoint Inspectors or Assessors for the purpose of assisting in the determination of the crop basis and in the discharge of its other duties. Some bodies have represented that provision should be made specifically for the appointment of checking unlawful extensions of tea areas, adulteration of tea and such other malpractices.

The fee leviable by the Board for every export licence or permit has been fixed in Rule 28 at Re. 1 for thousand pounds or part thereof.

Provision has been made to restrict expansion of cultivation in the case of large estates. Under Rule 30, permission for extension shall not be granted to any estate if the area planted with tea in that estate exceeds 500 acres, without the previous sanction of the Central Government. The necessity for such a definite restriction is not understood, especially in the light of the fact that, under present day conditions, it is only the larger estates that seem to have the necessary resources and equipment to undertake any extension.

In respect of financial powers, it is seen that, under Rule 35(4), the Board is not permitted to incur any expenditure outside India in excess of Rs. 20,000 on any one item without the previous sanction of the Central Government. The Board may, with the previous sanction of the Central Government, borrow on the security of the Tea Fund or any other of its assets for meeting its expenses.

During the debate on the Tea Bill in Parliament, some criticism was made of the Government's proposal that the proceeds of the cess on tea exports should be credited to the Consolidated Fund of India in the first instance, and that the Government may, thereafter, pay to the Board from out of such proceeds such sums of money as it may think fit. This proposal has, in fact, been given effect to in the Act itself. The rules, however, now provide that an amount equivalent to the proceeds shall be credited to a Fund, named, the "Tea Improvement Fund" and that the licence fees levied by the Board shall also be credited to this Fund. It is thus clear that the entire proceeds of the cess on exports and the licence fee are to be earmarked for the benefit of the tea industry, though they are credited to the Consolidated Fund of India in the first instance.

It will be interesting to note that it is provided in Rule 39 that the Board shall not send any officer of the Board or any member of the Board to places outside India without the previous sanction of the Central Government.

INDUSTRIAL RESEARCH

The two-day session of the Council of Scientific and Industrial Research, which concluded on the 11th inst. at New Delhi, under the presidentship of Mr. Jawaharlal Nehru, Prime Minister, adopted a few important proposals. The most important among them was that an organisation should be set up to design and construct pilot plants to the specifications of the national and other laboratories and of the National Research Development Corporation. A number of research schemes in progress at the various national laboratories and other centres have already reached or will shortly reach a stage where they will have to be developed further on a pilot plant scale to determine and establish conditions for efficient and economic operation of the processes, before they are offered for commercial exploitation. Besides, design and construction of pilot plants and prototypes require considerable knowledge of engineering and production methods. In America and other industrialised countries, there are consultant and specialised engineering firms which design and build pilot plants. Such facilities do not exist in this country now. In order to meet this important need, it is necessary to establish an organisation to serve the needs of national laboratories and other research bodies.

Another important proposal accepted by the Council is to set up a pilot plant for the production of iron without the use of coking coal. The Council recommended to the Planning Commission to provide Rs. 15 lakhs in the Five-year Plan for undertaking this project. This proposal is of considerable interest to India, because it is held that coking coal deposits in this country will be exhausted before the reserves of iron ore are fully exploited. A number of experiments in this regard has already been conducted in Japan and they can be studied with profit. The importance of the use of coking coal to Asia and the Far East in general is greater, for the known reserves of coking coal are extremely limited.

The Council proposed to set up a section in the National Metallurgical Laboratory and in the proposed Government steel plant for production of special alloys and pure metals required for research and developmental purposes in this country. This need arises from the fact that these alloys and pure metals are to be imported at present and the inordinate delay that sometimes occurs in importing them has been causing difficulty to scientists and engineers.

Among other proposals, mention must be made of the Council's decision to set up a plant for the manufacture of synthetic anti-malarials of the 8-amino-quionoline group, namely, chemaquin, chloroquin, etc., and the necessary intermediate chemicals. The Council also suggested that facilities should be provided at the penicillin factory, D.D.T. factory and at the Central Drug Research Institute, Lucknow, for experimental work on pilot plant scale, with a view to establishing the manufacture of the various essential drugs in the country. Finally, it sanctioned, on the recommendation of its Advisory Board, a number of new research projects to be undertaken in various research laboratories in the country.

POOLING OF BONUSES

The Employers' Federation of India has, in a memorandum to the Government of Bombay, strongly criticised the Bill to amend the Bombay Industrial Relations Act 1946, regardless of the wishes of the Labour Advisory Board. It has characterised the Bill's provisions authorising the Industrial Court to frame a scheme for pooling of bonuses and for distribution thereof among all the workers of the industry concerned in a local area as being "unfair and illegal," inasmuch as they encroach on the rights of the companies distributing bonus. It has held that, so long as bonus is considered a deferred wage, it would be wrong in principle to pay it to workers in units where there are no profits from the money snatched from prosperous units. Further, the pooling of bonus would, in effect, mean that the efficient and prosperous units in an industry will be called upon to subsidise the weaker and inefficient units in the same industry. In other words, the workers in prosperous concerns will have to sacrifice their legitimate share of bonus.

The Federation has also taken strong objection to the proposal which seeks to bind employees of the industry concerned in a particular area to the registered agreement, settlement, submission or award to which a "representative union" is a party. It has pointed out how unrepresentative a "representative union" can be by citing the instance of the recent experience in the textile industry in which the workers took the allotted bonus, despite the propaganda carried on against such acceptance by the "representative union." It even visualises the possibility of a "representative union" not having even a single member in certain units of an industry and yet claiming the status of a representative union in that industry. The Federation has, therefore, rightly urged that the Government should not proceed with the draft Bill. The Bill will, as the Federation points out, "do considerable harm to the maintenance of good industrial relations in the State."

TEXTILE INDUSTRY

Problems confronting the Indian cotton mill industry figured prominently in the addresses of both Mr. E. L. C. Gwilt and Mr. R. L. Coghlan, the outgoing and the incoming Presidents, respectively, of the Bombay Chamber of Commerce at the Chamber's annual general meeting held at Bombay on Wednesday last. This is not surprising, considering the critical times through which this premier Indian industry has been passing. The industry today suffers from a rigid cost structure, thanks to the weight of excessive tax burdens and other restrictions imposed by the powers-that-be, on the one hand, and high labour costs and low productivity, on the other. That there is no exaggeration whatever in this view is forcibly brought out by the following remarks of Mr. Gwilt:

"The industry continues to press for the removal of the ban on imports of ring frames and automatic looms, which is severely hampering the rehabilitation of mills. The industry, too, is suffering from an over-rigid cost structure, and the attitude of both Government and labour towards rationalisation is likely, in the long run, to have unfortunate repercussions, as the industry will find itself priced out of the export markets and faced with diminishing domestic sales, because of its high wage costs."

Viewed thus, the additional burden of Rs. 3 to Rs. 3.5 crores lately imposed by the Central Government by way of enhancement of excise duties is regrettable. When the consumer is coming into his own, the mill industry will surely find it difficult to pass on the entire incidence to the consumer; it has to bear the major pact of the incidence itself. As Mr. Coghlan rightly stated, in the present buyers' market, there is not much doubt that most, if not all, of the added burden will have to be borne by the mills, only the balance, if any, falling on the Indian consumer.

The prospects for exports of mill-made piecegoods are not very bright, what with the growing competition in world markets, especially from Japan. Alluding to this, Mr. Coghlan made a few pertinent observations. He said that low productivity of Indian textile operative, combined with the Government's ban on installation of modern, up-to-date machinery, such as automatic looms, which improve the efficiency by reducing labour costs, would make it "impossible" for India to compete in world markets to any extent, unless it had (as it has now) an advantage in the cost of raw material. He further pointed out that India could not at all compete with its leading foreign rivals in regard to cloth manufactured from imported cotton, since the latter did not enjoy any price advantage.

Mr. Coghlan singled out for special comment the abolition of import duty on cotton. In his opinion, the result of this measure was that a further burden had been imposed on the already overburdened composite mills, while those which only spin and the handloom industry would benefit. To quote him:

"This no doubt was the Finance Minister's intention, and it is depressing evidence that the industry's representations to Government have carried no weight at all, backed up though they were by proof that many mills are now working at a loss, and that even the most prosperous are unable to set aside adequate provision for the replacement of plant. One feels that the official attitude towards the industry is that the old cow may be losing condition, but she still gives milk; and as long as she gives milk, she will be milked to capacity regardless of the effect on her constitution."

The Government, Mr. Coghlan urged, should remove restrictions on installation of machinery and production of different varieties of cloth. Some of the latter restrictions, he said, had nothing to do with the protection of the handloom industry and were introduced originally for the sake of administrative convenience in connection with price control. Now that the latter had been abolished, they no longer served any real purpose. These observations of Mr. Coghlan are in line with what we have been urging ere now. After all, it must be remembered that, in the present context of the buyers' market for textiles the world over, there is imperative need for according full flexibility of production to the mills. In other words, the mills should be made to manufacture not what the Government wants but what the consumer wants. It is unfortunate that the Government should have overlooked this simple concept of consumer's sovereignty.

MYSORE BUDGET

The financial position of the Government of Mysore, like that of the Governments of most other States, has been none too comfortable. A clear testimony to this is borne by the budget for the year 1954-55, which Mr. K. Hanumanthaiya, Chief Minister of Mysore, presented to the State Legislative Assembly the other day. The budget discloses a sizable revenue deficit of as much as Rs. 3.09 crores, which is Rs. 71 lakhs more than the deficit of Rs. 2.38 crores (revised) for the current year. It is no doubt true that the merger of the Bellary District has added to the liabilities of the Mysore State. But the deficit on account of this merger is estimated at not more than Rs. 40 lakhs. Again, the revenue receipts also are expected to be substantially higher at Rs. 21.21 crores, as against Rs. 19.66 crores (revised) for 1952-54. What then is the cause for the sizable deficit? It is the marked rise in expenditure, the estimate for the coming year being placed higher at Rs. 24.30 crores, as against Rs. 22.04 crores (revised) for the current year.

In view of the rising trend in expenditure and the depletion in the cash balances, one wonders if the Government of Mysore could not have revoked prohibition which has denied to the Exchequer considerable revenue. Instead of doing so, it is regrettable that the Mysore Chief Minister should have thought of extending prohibition, now in force in six districts and two taluks, to a few more taluks. Surely, none is so blind as he who refuses to see.

Be that as it may, the Mysore Chief Minister proposes to cover the revenue deficit of Rs. 3.09 crores partly by fresh taxes (Rs. 1 crore) and partly by covering expenditure on Food Department by receipts in the capital account (Rs. 24 lakhs). The balance of Rs. 1.85 crores in the deficit is to be met out of loans for specific schemes to the extent of Rs. 40 lakhs and the rest from the opening cash balance. The new tax proposals contemplated in the budget are as follows:

(1) Levy of surcharge on land revenue at the rate of 12½ per cent. of the dry assessment, 50 per cent. of the wet assessment and 66⅔ per cent. on *bagayet* assessment;

(2) enhancement of the assessment on coffee and other plantation lands to Rs. 10 per acre;

(3) enhancement of water rate levied under the Mysore Irrigation Act by 50 per cent.;

(4) increase in the rate of surcharge on electricity from 10 to 20 per cent.;

(5) enhancement of the rate for supply of power to irrigation pumps to nine pies in the case of food crops and to one and half annas in the case of non-food crops;

(6) rise in the stamp and registration fees to the level of the rates in Madras;

(7) levy of sales tax in the case of hotels at 10 per cent. on a turnover of and above Rs. 7,500; and

(8) levy of sales tax on mill and power-loom cloth, other than coarse cloth, at As. 2 per rupee at a single point.

Considering the tight financial jacket of the Mysore Government, the foregoing tax measures should certainly offer fruitful sources of revenue. It is not that the Chief Minister has not realised that, as it is, the tax burdens on the community are heavy. But it only indicates the utter helplessness of the Minister who is compelled to raise resources by other methods in order to push through the development schemes. He said: "I am fully conscious of the additional burden which these measures of new taxation will throw upon the people of the State. My sole justification for asking our people to accept it, and to accept it willingly, lies in the imperative need to go forward with the plans of the State's future development with undiminished vigour and in a spirit of determination not to stop at any cost until we reach the objects we have set out for ourselves."

(*Continued on page 547*)

OFF THE RECORD

(By "ROVER")

I DO not disclaim my fair share of human vanity. But I am not vain enough to claim all the credit for the more or less harmless way in which a great storm, which emerged suddenly from a clear blue sky in the sugar trade of Bombay about the end of last month, appears to have spent its force and then subsided. It should not be difficult to recall that, owing to certain difficulties experienced by the Ministry of Food and Agriculture about the distribution of imported sugar at the port of Bombay, when the first consignment of sugar from Czechoslovakia was diverted to Bombay from Madras, the authorities, possibly in sheer exasperation, unearthed the idea, which had died an unmourned death and had been buried deep, of entrusting this highly lucrative work to a trade body in the State's capital as they had done, perhaps, for some good reasons, at Calcutta.

This would undoubtedly have relieved the Ministry's senior officials in Bombay of a good load of heavy, complicated and thankless work and responsibility. But the Government and the administrative machinery are there to shoulder responsibility, which arises from the need to straighten out and regulate the conflicting and criss-cross entanglements of human relations and not to shift it to other shoulders. But, when the officials were just playing with the idea and idly examining its possibilities, certain elements in the badly organised sugar trade in this great city saw in his temporary difficulty, a great opportunity of regaining their lost power and prestige. They, therefore, put forth certain proposals to the officials in Bombay and New Delhi, forgetting the schism which had invaded the body and laid bare some of its weaknesses and its unrepresentative character. The path of wisdom lay in lying low under such circumstances and to utilise the time profitably in setting one's house in order.

In a sense, this crisis in the trade and the effort of some of its leading personalities to turn it into a source of selfish gains at the cost of consumers, new comers in the trade, small traders in the city and in the mofussil and all those industries which use sugar as raw materials, brought the many running sores and scarcely concealed rivalries in the trade on the surface and opened the eyes of the authorities to the risk involved in seriously considering any proposals emanating from a not fully representative body. The inauguration and registration of a new and rival body to appropriate, and, if necessary, to share in this likely looking loot within a matter of hours and the submitting of more attractive looking proposals as an alternative to those already under consideration, is now an episode of history. The spontaneous agitation in the Press, always vigilant in safeguarding the interests of the citizen at large against entrenched private interests, practically exploded this idea into little splinters, which it would be difficult for any one now to put together.

The Press, however critical it might vex on appropriate occasions, has never grudged the credit wherever and whenever it is deserved and due. It must be admitted that, while the top officials both at the Ministry and in the Regional Food establishment in Bombay did examine for a while the purely theoretical and hypothetical possibility of this idea of relieving themselves of the onerous task of distributing large and recurrent consignments of imported sugar at various ports, they were at no time seriously enamoured of this idea. They soon realised the undesirable implications and the injustice and hardships to many implied in this move. And for once the bureaucracy, whom it is easy to assail because of its vulnerable position, rose not only above all considerations of prestige but above the temptations of taking the line of least resistance.

Mr. Gopalakrishnan, Joint Secretary and Sugar Controller at the Central Secretariat, recently came down personally to Bombay and examined the whole problem with care and thoroughness, with the help of Mr. P. K. Samal, the Regional Director of Food. They gave a patient hearing to all the interests concerned both in Bombay and later at New Delhi. While no decision on this issue has yet been announced, according to knowledgeable circles in the sugar trade, the idea of creating an additional intermediary interest between the importing authorities and the consumers has been given up. What the saner elements in the trade, however, desire is that now this issue has been reopened, the Ministry should take this opportunity of removing some of the glaring anomalies in the arrangements in vogue so far and put them on a more rational basis. This also seems to be the aim of the authorities.

The real remedy for bringing down sugar prices to a realistic level lies, as suggested repeatedly in this journal, in removing the present controls and throwing open the import trade to the cleansing effect of competition, especially now when the import duty on sugar has been suitably increased. The Government should not now aim at making profit from imports over and above the additional income it has secured from this source. Even the one excuse that it had to keep the price of imported sugar above a certain level so as not to injure the industry in the country is now gone. The additional levy by way of enhanced tariff will give this protection. Besides, the price of sugar abroad has risen sufficiently during recent weeks to obviate the need for this consideration. But if the policy of imports only on Government account is to be retained for any reason, some of the legitimate grievances of the trade should receive a sympathetic consideration and removed in the revised scheme which is believed to be almost finalised.

The trade is within its rights in demanding that the policy of granting small quota of imported sugar to anybody who comes forward with his deposit, whether he be from the trade or be an utter stranger to it, should, in any case, be discontinued forthwith. It was this fact which demoralised the whole procedure of distribution and brought about difficulties for the executive machinery. As imports are likely to be of some duration, a small portion may be set aside for genuine new comers in the trade. Similarly, definite shares for allocation from imports should be provided both for up-country traders served by the port of Bombay and for certain industries requiring sugar. And, finally, the lion's share, which will still remain for the city, should not be given to existing traders equally or arbitrarily, but on some fair basis of previous turnover.

In the past, whenever distribution of sugar stocks to trade was undertaken under official supervision, or through a trade agency, as on one or two occasions by the State Civil Supply authorities, it gave rise to genuine dissatisfaction on the part of this interest or that. If the reports which are current are to be credited as authentic, for the first time in the history of this trade in Bombay, the Central Secretariat appears to be keen on devising a system which will be fair to all. All I would say at this stage is "all's well that ends well", provided that it does and well in all reality. In any case, the officialdom deserves all the credit, in this instance, for cutting all entanglements of white tape and readily resiling from an earlier position, which would have meant revival of some of the controls of dread memory in a different garb. Bombay has now made it sufficiently clear to the Food Ministry that it does not want controls over price and distribution, even for the advantage of lower prices, because they can breed nothing but corruption all round in the long run.

And having devoted so much of my meagre allotment of space to a consideration of the problem of distribution of imported sugar, I can do no more than just refer to another storm, which is about to assail Bombay and the sugar industry in the country, built up with great care and sacrifice. This is a proposal for establishing a sugar refinery in Bombay to process imported raw sugar. This step, in my opinion, is a serious one, both for the industry and for our plans for securing self-sufficiency in sugar at the earliest possible date. It is not impossible to implement these plans without in any way affecting an adequate output of *gur*. All that we need do is to pay reasonable attention to the improvement in cane cultivation, for, as Sir Joseph Kay, one of the oldest manufacturers of sugar, once put it epigrammatically, "sugar is made in the fields and not in the factories."

This is the only right and rational line of tackling the problem of sugar. Imports must, therefore, be regarded as a purely temporary phase. Establishing a refinery is like running away with one's tail between one's legs from a difficult situation. The day we succumb to this lure, held out by certain interested parties, which amounts to nothing short of an admission of dispair, we shall toll the knell of self-sufficiency and of cane cultivation on a scientific basis in our country. The authorities had better take sufficient time to examine this question, instead of deciding to scuttle the ship of sugar in a moment of panic. Why not refer this question both to the newly created 21-man advisory body and the statutory Development Council for the Sugar Industry for examination and advice? It shall still be possible to establish a refinery a year hence, if it is ascertained to be advisable to do so. It shall not be easy or possible to scrap one, after it has been established.—*All Rights Reserved.*

STERLING AREA MEMBERSHIP ADVANTAGEOUS TO INDIA

GOVERNMENT REACTION TO CANAL WATER DISPUTE AWARD FAVOURABLE

(From A Special Correspondent)

NEW DELHI, *16th March*

DELHI LETTER

THERE has been a lot of misinformed criticism from time to time even from well read people about India's association with the Commonwealth, the sterling area, the continuance of the Imperial Preference, etc. Some of these questions came up for discussion yesterday in Parliament, particularly, India's link with sterling. One should be grateful for Dr. Lanka Sundaram who initiated a discussion on the Sydney Conference of Commonwealth Finance Ministers, which brought Mr. C. D. Deshmukh, Finance Minister, to give a clear and lucid exposition of the whole problem from a number of angles. Himself a good economist, it is inconceivable how Dr. Lanka Sundaram could make some loose statements on the subject which show a lack of proper appreciation of the implications of the entire question. His idea of a rupee area in the present state of economy of India and South East Asian countries is, to say the least, highly impractical and Mr. Bansal, an M.P. from the Punjab, was right when characterised this idea as "mere moonshine."

The sterling area, in its present form, is a product of the last war and post-war period. The term "sterling area," it will be recalled, came into use in 1940. Since the shortage of dollars had been the main problem in the war and post-war period, the sterling area countries had been pooling their dollar resources, each drawing upon the pool according to need, the circumstance and in conformity with agreements with the U.K. which were fairly flexible. According to the Finance Minister, India's interest in the sterling area has arisen from the following: Over 50 per cent. of its import trade is today with sterling area countries. Again during the last few years, India has been experiencing an adverse balance of payments position with Western European countries and India's membership of the sterling area has been a source of advantage, facilitating the financing of this deficit through the European Payments Union in sterling. India is holding at present about Rs. 745 crores and in consequence, the stability of sterling as an international currency is of paramount interest to this country for many years to come. Banking and financial relations with or through London have been an important part of the mechanism of India's foreign trade. India's membership of the sterling area might thus be said to be a matter of trade and banking convenience rather than of monetary policy. It is a well known that although India has a pooling arrangement in respect of dollars, it has, over the last several years, particularly during the post-war period, been drawing more from the pool than it has been contributing to it. Further, India has also been able to secure dollars whenever it requires this currency for essential development schemes. Membership of the sterling area does not impose any limitations on the country's freedom to pursue its own monetary policy. The accumulation of sterling during the last few months by India has been the result of improvement in the supply position of food and raw cotton. It is expected that during the coming months the Government of India will use increasing quantity of sterling by heavy imports of essential raw materials and machinery to improve industrial production with a view to fighting any possible inflationary spiral consequent on the proposed deficit financing.

According to the Finance Minister, the rate of interest earned by India's sterling balances has of late gone up to a moderate extent, owing to the tight money conditions. India's membership of the sterling area has not been any deterrent in its conclusions of bilateral trade agreements or in developing new alignments in its export and import trade. For example, India's trade with the U.S.A. and Canada before the war was only eight to ten per cent. of the total, while it is now more than 20 per cent., excluding the exceptional circumstances caused on account of the large-scale food and raw cotton imports. The main handicap of sterling at present is lack of free convertibility, but it is of theoretical interest to this country since it has been able to secure dollars whenever it needs them.

The reactions of the Government of India to the proposals of the President of the World Bank regarding the sharing of the Indus basin water resources between India and Pakistan are not altogether unsatisfactory. Whatever be the ultimate solution of the problem, the Government of India now feels that Pakistan will not justifiably carry virulent propaganda abroad that the Indian Union is tampering with the supply of canal water to Pakistan and bringing about the ruination of its crops, commercial and food. Pakistan can have no grievance over the recommendations of the technical experts of the World Bank, for by this award it will still have more than 70 per cent. of the water resources of the Indus basin. The fact is that this award leaves for Pakistan exclusively the entire waters of the three rivers, namely the Indus, the Jhelum and the Chenab which carry substantially larger volume of water than the three rivers that have fallen to the share of India. In other words, India will be left with the other three rivers, namely, the Ravi and the Beas which are smaller rivers, while the quantum of water carried by the Sutlej during the non-season is not large.

At present water is supplied to Pakistan from the Indian side through the Madhopur works on the Ravi and the Ferozhpur embankment on the Sutlej. The Sutlej water is also utilised for purposes of irrigation in the Bahawalpur State. In case Pakistan were to abide by the recommendations of the World Bank, India can utilise fully the waters of the three rivers that have fallen to its share. It is with moderate cost that India could easily divert the waters of the Ravi and the Sutlej. The Harike project that has now been under construction can easily divert the waters of the Beas and the Sutlej to the Indian side while the Ravi also could be diverted towards India. When these are done, it will be possible for India to bring in at least another five to six million acres of land under irrigation. Apart from the Punjab and P.E.P.S.U., it is Rajasthan that will be the biggest beneficiary when the decision of the World Bank takes a practical shape. More lands could be irrigated, particularly, in the Bikaner and Jodhpur divisions of Rajasthan, as also in the northern parts of the former Jaipur State. The present Bhakra Dam is expected to command six million acres although the actual area to be irrigated is estimated at about 3.4 million acres. When all the irrigation projects are fully developed both the Punjab and Rajasthan will become a heavy surplus area not only in food but also in good staple cotton.

The jubilation, not to speak of the personal satisfaction, caused to the present rulers of Pakistan by reason of the proposed military help by the U.S.A. to their country, must have received a setback as a result of the decision of the World Bank. It is likely that Pakistan will be trying to evade as far as possible to implement the recommendations. On its part India should not again adopt a wavering attitude. It should give a clear notice to Pakistan that within another three years' time, it will be gradually reducing the water supply from the Indian side and at the same time plan from now onwards how to increase the irrigated land in the Punjab and Rajasthan through the diversion of the waters of the Sutlej and other rivers.

The protracted negotiations between the two countries through the guidance of the President of the World Bank should have brought home to the intelligentsia in the U.S.A. that it will be extremely difficult for Pakistan to give up advantages in its disputes with India, much less to work in co-operation for the prosperity of both. The payment of compensation to the extent of Rs. 40 to Rs. 60 crores to Pakistan by the Government of India may or may not be fair, but the World Bank Chairman should not, in fairness to India, insist payment in cash since Pakistan has to pay a few thousands of crores of rupees to India, as compensation to the enormous evacuee property by the Indians, not to speak of the public debt which it has to pay to this country.

PREVIEW OF BUDGET

LITTLE SCOPE FOR REDUCTION IN TAXES

(From Our Own Correspondent)

LONDON, *13th March*

LONDON LETTER

THE exercises by the different Departmental Ministers of estimating how much they will want for the coming financial year have now been completed and it is thus possible to build up a picture of the spending side of the United Kingdom budget for the year that will begin on 6th April.

First, however, one must take a look at the way that spending has worked out in the year just closing, which needed a number of supplementary estimates, principally because of the agricultural subsidies requiring more money as world prices had fallen more than had been anticipated. In the end, however, the failure of other Departments, particularly the Defence Ministries, to spend all that had been approved, balanced the excess expenditure and the year is likely to end with a small saving on what the Chancellor had estimated on last Budget Day, i.e., a global figure of £4,500 million.

But, although the Government is committed to a policy of reducing expenditure, particularly by eliminating food subsidies and saving administrative costs, they have found in practice that the task is beyond their powers for two reasons: first, that, as fast as food subsidies have been reduced, they have had to be replaced by rising subsidies to producers; and, secondly, as fast as economies have been made in other directions, the needs of the Defence Departments have more than swallowed up the savings; so that the provisional estimates for the coming year are likely to work out at £60 or £70 million more than in the year just closing.

If one breaks down this overall estimate, one can see how these factors have militated against the Government's aims. Taking the Civil Departments: Food and Agriculture on a conservative estimate may cost some £160 million more in producer subsidies than the estimated cost a year earlier, though if market prices are better maintained there may be some saving on this; other Departments are likely to show in respect of social services and education additional costs of £75 million. The final bill is only £17 million more than a year ago but £235 million more than the original estimates of last year which have had to be so substantially exceeded. The Defence Departments show, at first sight, a saving of some £3 million on a total estimate of nearly £1,640 million, but against this the American Counterpart Aid has been reduced by some £55 million, so that the final cost for the coming year will be some £50 million more than a year ago. The complete account for the British spending budget now looks as follows: The figures below making comparison between this year's spending and that estimated for the coming year:—

(In millions of £)

Expenditure	1953-54	1954-55 (*estimated*)
Civil	2,264	2,281
Revenue collection ...	54	47
Defence *net* ...	1,497	1,554
Consolidated fund* ...	673	673
Total ...	4,488	4,555

* This is mainly interest on the National Debt.

There is only one artificial element in the above figures and that is that some of the civil spending is on food stocks which are likely to be realised as the Government goes out of trading. This may bring in, in the coming year, anything up to £40 million, unless there is a substantial upswing in prices.

So far as revenue is concerned, it is difficult to see much gain except from the natural buoyancy of tax returns under the present-day conditions of reasonable prosperity. The question is whether such an anticipated buoyancy is, in view of the increased expenditure shown above, likely to leave much scope for tax reductions. It is certain in any event that the margin will not be large.— *All Rights Reserved.*

PAKISTAN NOTES

CENTRAL BUDGET FOR 1954-55

TAX RELIEF AMOUNTING TO RS. 2.21 CRORES ANNOUNCED

TWO factors which usually account for the popularity of a budget are absence of a deficit and absence of fresh tax burdens. Looked at from either of these angles, the Government of Pakistan's budget for 1954-55, presented by its Finance Minister, Mr. Mohammed Ali, to the Pakistan Parliament on Monday last, must certainly claim to be a very popular one. Thus, the budget not only does not disclose a deficit but actually reveals a sizable surplus of Rs. 2.31 crores. Again, it does not include any fresh burdens of taxation. On the contrary, it provides for numerous tax relief measures amounting to as much as Rs. 2.21 crores.

The surplus of Rs. 2.31 crores (before taking into account the contemplated tax measures) anticipated for 1954-55 compares favourably with the budget estimate of Rs. 5.74 crores deficit and the revised estimate of Rs. 9 lakhs surplus for the current year (1953-54). This improvement in the budgetary position has been rendered possible despite the rise of Rs. 3.44 crores in expenditure, the estimate for the coming year being Rs. 111.37 crores, as against Rs. 107.83 crores (revised) for the current year. It is due to the appreciable increase of Rs. 5.66 crores in revenue receipts, that is, from Rs. 107.92 crores (revised) to Rs. 113.68 crores (budget). Thanks to such improvement, the Finance Minister of Pakistan has been able to provide a series of tax concessions to trade and industry amounting, as already stated, to Rs. 2.21 crores. After making provision for these, the surplus for 1954-55 is estimated at Rs. 10 lakhs. The tax reliefs include the following:

(1) Reduction of duty on petrol by As. 8 per gallon;

(2) reduction of duty on coconut oil, copra and spices to the extent of 10 to 15 per cent;

(3) abolition of export duty on tea;

(4) a 20 per cent. rebate on component radio parts;

(5) special reduction in telephone and trunk telephone charges and money order fees; and

(6) sales tax relief to small manufacturers.

Defence Expenditure

In the absence of detailed official figures relating to the financial accounts of the Pakistan Government, it is rather difficult to assess the actual amount that the Government will be spending on nation-building and development activities during the coming year. If the defence expenditure were to be taken as any guide, it would be seen that the development expenditure could not be a large figure. The Pakistan Government proposes to spend during 1954-55 as much as Rs. 80 crores on defence; this excludes the amount to be spent out of the proposed U.S. military aid. The amount represents more than 70 per cent. of the aggregate revenue receipts of the Government. This is, indeed, a huge amount, considering the size of the country and the more urgent need for accelerating the pace of economic activity in the country. That apart, the estimates of defence expenditure for 1954-55 are placed at Rs. 64 crores under revenue account and Rs. 16 crores under capital account, as against the revised estimates of Rs. 60 crores and Rs. 20 crores, respectively, for 1953-54.

In the course of his budget speech, the Finance Minister of Pakistan claimed that the country was going in the right direction and that the efforts of the Government at strengthening the country's economy and augmenting resources had borne fruit. In support of this claim, he observed:

"There has been a remarkable increase in industrial investment last year. The cotton and jute industries have made considerable progress. . . . I am confident that, in view of the rise in production, the shortages experienced in the country will be overcome and that consumer goods will be available at reasonable prices. . . . Price control will be abolished or relaxed in about a year's time. . . . The food situation has also improved. The area under *kharif* food crops has increased by 2 million acres as compared with the previous year. As regards *rabi* crops, the area under wheat in 1953-54 was 6.5 million acres, as compared with 5.6 million acres in 1952-53."

Reviewing the foreign trade position, the Finance Minister indicated that that the efforts of the Government to maintain an equilibrium in balance of payments had been met with success. According to him, Pakistan had favourable balance of payments to the extent of Rs. 12 crores in 1953, as against a deficit of Rs. 87 crores in 1952. The surplus in the current calendar year, however, is expected to be smaller, being Rs. 2 crores. This is due to a reduction in export earnings from Rs. 135 crores to Rs. 150 crores and an increase in payments from Rs. 143 crores to Rs. 148 crores. In the case of jute and cotton, which constitute 90 per cent. of the country's exports, a steep decline in prices had occurred in 1952. This trend had been arrested in 1953 and the prices had recovered. The acreage under jute was curtailed in 1953-54 to facilitate the disposal of accumulated surpluses of the earlier years. By the end of December last, 2.8 million bales had been exported, as against 2.5 million bales in the corresponding period in the previous year.

Proceeding, Mr. Mohammed Ali declared that the objective of his Government's policy was to maintain equilibrium in the balance of payments position. He said: "Pakistan is making every effort to promote exports and earn larger foreign exchange earnings by foreign aid and loans. . . . It is hoped that foreign aid to the extent of Rs. 15.5 crores will be made available to the Government by the U.S., Canada, Australia and New Zealand during 1954-55."

I.L.O. Mission Report

Several recommendations of far-reaching importance have been made by the I.L.O. mission, in its report submitted to the Government of Pakistan recently. The mission, it will be recalled, visited Pakistan sometime ago at the invitation of the Government to conduct a first-hand survey of the labour conditions in the country. After a six months study, during which the mission visited several industrial establishments and discussed the questions relating to labour with representatives of Governments, industry, commerce and labour, the mission submitted its report. The full text of the report is not available. From the Press version of the report, it is gathered that the report first deals with general considerations, including economic development, and proceeds next to the study of labour efficiency, payments by results and contract labour, occupational safety and hygiene, including discussion on enforcement of labour laws, working conditions in industry, and commerce plantation labour welfare, and labour relations.

One of the major recommendations relates to the establishment, by legislation, of at least a permanent industrial court as part of the judiciary. The proposed court should have jurisdiction to determine minimum rates of wages for all occupational classifications in any industry covered by claims submitted by recognised trade unions. It should be vested with special jurisdiction to determine a simple code of minimum rates of wages for adult males and females employed in the lowest form of unskilled work in any industry. The chief consideration which has weighed with the I.L.O. mission in stressing the need for minimum rates is that "good industrial relations in industry in general cannot be anticipated until there is some system in operation for expeditious fixation of minimum rates." The mission has not favoured the idea that the Government should undertake the task of fixing minimum rates of wages.

The other important recommendations of the I.L.O. mission are: (1) opportunities should be enlarged for women to take part in the economic life of the country through increased facilities for education, training and employment; (2) legislation should be enacted to prevent victimisation of members of trade unions in accordanre with I.L.O. provisions concerning application of principles of the right to organise and bargain collectively; (3) children under 12 years should be prohibited from working not only in places coming under the Factories Act but also in shops and commercial establishments; (4) the levy of a cess to provide funds for the welfare of workers—this is at present based only in coal industry—may be extended to other industries under the control of the Central and Provincial Governments; (5) more conciliation officers to enable the Ministry of Labour to keep in touch with industry, so that industrial troubles can be anticipated or action taken to initiate conciliation before the issue of strike notices "which usually intensify antagonism between the parties."

Fish Harbour at Karachi

The Government of Pakistan will, with American F.A.O. assistance, soon begin construction at Karachi of the most modern fish harbour in South-East Asia. Plans have already been made, and some of the major equipment already ordered for the million dollar project which, upon completion in about three years, promises to revolutionise the Pakistani fishing industry and improve Pakistani living standards. The Government of Pakistan is contributing Rs. 1,263,000 for the first year's construction and the U.S. Foreign Operations Administration is contributing $750,000 (approximately Rs. 2,500,000).

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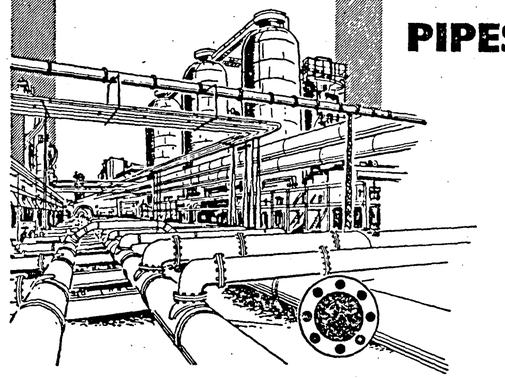

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ECONOMIC CONDITIONS IN SOUTH-EAST AND FAR EAST ASIA

VIEWS OF CHARTERED BANK CHAIRMAN

A NOTE of subdued optimism characterises the latest annual statement of Mr. V. A. Grantham, Chairman of the Chartered Bank of India, Australia and China, the full text of which is published elsewhere in this issue. "In certain countries," says he, "the economic outlook is undoubtedly better. In others, there is a more settled political outlook. Some countries have a very difficult road to travel, but they have passed through the worst of the storm." The position of Japan, in his opinion, however, is a matter for some concern not only for the Japanese but to all in South-East Asia and the Far East; for the well being of Japan is vital to this region as a whole. Although Mr. Grantham is thus somewhat optimistic about the economic outlook for South-East Asia and Far East, he is not hopeful of the profits of banks going up. On the contrary, the prospects are for a reduction in bank profits as the upward trend in costs persists.

The reactions of Mr. Grantham to the developments in India on the economic front deserve wide attention. He recognises the need for revising the Five-year Plan designed to reduce unemployment. The emphasis laid on raising a part of the outlay by internal borrowings by the Planning Commission is welcomed but the move to explore the possibilities of using short-term funds for purposes of long-term needs of private enterprise does not meet with his approval. He says: the whole of our business is based on liquidity and, therefore, we are not in a position to provide long-term finance. I am sure that it is essential to the stability of the Indian economy that commercial banks should continue to function on strictly orthodox lines. Commenting on the scheme for discounting usance bills, he says that it marks an important stage in the development of the Indian bill market and enables banks more easily to obtain funds from the Reserve Bank at need. He is of the opinion that deficit financing on a further substantial scale may be inflationary in its effects. Expressing satisfaction at the improved food situation and the raw material supply position of jute and textile industries, Mr. Grantham fears that, following the recent Anglo-Japanese payments agreement, Indian textiles may be expected to meet Japanese competition in a number of overseas markets.

Pakistan

For Pakistan the year 1953 was, according to Mr. Grantham, a difficult one, owing to the fall in price levels of cotton and jute which caused a fall in the country's export income. The setback has since been further affected by a fall in food production. The strain on foreign exchange has, however, been relieved to a certain extent by the American wheat aid, and loans from Britain and the U.S. On a deferred payment basis, Britain and Japan have shipped to Pakistan machinery and plant to help promotion of industries in Pakistan. In view of the balance of payments difficulties import restrictions have continued on a substantial scale. Although the immediate prospects for jute, cotton, tea and hides and skins are good, export income in respect of these commodities is not likely to increase significantly.

Burma's main concern last year appeared to be the disposal of its rice stocks. On the import side, the country withdrew from the Ottawa Agreement and terminated the Indo-Burma Trade Agreement. A new tariff schedule was introduced last October, abolishing Imperial Preference and placing all goods and commodities, irrespective of their origin, on a uniform basis. As a result, Japanese manufactures are now competing in Burma on more favourable terms with British and Indian goods. Politically, the country seems now more settled and the rebel groups gave less trouble in 1953.

Ceylon

The fall in the values of Ceylon's staple exports, namely, tea, rubber and coconut products involved Ceylon in a period of economic re-adjustment. Vital reserves fell by more than a quarter. Excess of imports also affected adversely its balance of payments position. Certain budgetary measures and control over credit by the Central Bank have since been initiated to meet the situation. The country has entered into long-term contracts with China and Burma for the supply of rice at advantageous prices. Economic development schemes have also been undertaken and assurances have been given to encourage the flow of foreign capital into Ceylon.

In Malaya, considerable success has been achieved in keeping the terrorists on the defensive. On the economic front, its overseas trade has registered a fall in value on account of the low prices for tin and rubber. The future outlook remains uncertain.

In North Borneo not only has there been a fall in prices of rubber, as in other rubber growing countries, but both output and exports of the same commodity have registered a decline. But tobacco exports, which were disappointing last year, have turned out to be promising this year. Reconstruction and development plan initiated in 1948 is stated to be making progress.

Budgetary position in Sarawak has been sound, with a surplus of revenue over expenditure. This is due to exceptional yield of the export duty on pepper. This has enabled the country to provide large sums for development schemes.

As in the case of Malaya, the economies of both Indonesia and Thailand were adversely affected by the fall in the prices of tin and rubber last year. In the former country, political considerations have prevented the present Government from coming to grips with labour whose demands have again become so unreasonable that they threaten the economic survival of the Republic. In Thailand, the Government is faced with the problem of accumulated rice stocks.

A clear assessment of the position in Viet Nam is rendered difficult by political disturbances. Inflation, however, seems to have been checked to a certain extent by devaluation in May, 1953, of the Piastre and by a series of taxes and restrictions designed to decrease consumption. But a lack of purchasing power in the hands of the local population makes trade prospects anything but bright.

In the Philippines, efficient handling of import controls taken over by the Central Bank in June, 1953, coupled with a system of exchange control through the commercial banks, has speeded up the economic progress. This has enabled the Bank to hold its target of U.S. $300 million in foreign currency reserves. The Central Bank's action to reduce the ratio (from 70 per cent. to 50 per cent.) which commercial banks are required to maintain in certain specified assets against their total outstandings under letters of credit has been a welcome concession to banks.

Japan's economic position, according to Mr. Grantham, cannot be regarded as sound. The country would not have been able to pay for its imports but for the U.S. dollars accruing from goods supplied and services rendered as a result of the war in Korea and from the presence of U.S. forces. Acute shortage of sterling has been a dominating feature of the Japanese economy. The country's economic problems are too deep seated to be righted by aid from abroad or by the payments agreement with the U.K. The inability of industry to reduce production costs to meet international competition is particularly ominous, as the standard of living for the working people is already low. The Bank of Japan took steps to correct inflationary tendencies by tightening credit conditions. Notwithstanding this, the position of leading Japanese banks, all of whom were heavily overlent at the beginning of the year, showed a further deterioration.

Commenting on the question of convertibility, Mr. Grantham advocates a cautious approach. He admits that there is greater pressure for convertibility both internally and from abroad, but feels that, in view of the heavy internal liabilities and external responsibilities, the country should "think very carefully before taking the next step." As bankers to the sterling area, Britain cannot, he says, risk the credit of its friends who bank with it. He feels that the surpluses on the country's balance of payments are not substantial and fears that they might be dissipated soon, if the country embarked upon convertibility, without studying the problem in all its aspects.

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BARODA BANK'S RESULTS SATISFACTORY

NOTABLE RISE IN ADVANCES

THE financial results of the Bank of Baroda Ltd. (General Manager: Mr. Mathew S. D'Souza, Baroda) for the year ended 31st December, 1953 are in conformity with the general trend of bank earnings for that year. Thus, a decline in earnings, coupled with higher outgo by way of expenses, has contributed to a shrinkage of Rs. 2.64 lakhs in the profit. Though the fall in profit is not serious, the fact that the profit is down for the second year in succession—the contraction amounts to Rs. 5.61 lakhs for the past two years—indicates that the days of mounting profits for banks are over. It also means that, with the rising trend in expenses, banks can at least maintain their profit margin only through expansion in their services to customers. It may be interesting to note here that the profit of the Bank for 1953 is the lowest since 1943. The setback in its profit as noted above has, however, not necessitated any cut in the distribution to the shareholders, which is kept unchanged at 12 per cent. per annum, including a bonus of 2 per cent. This has been feasible because of a substantial reduction in the provision for depreciation on investments.

The salient features of the Bank's accounts for the year under review are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount	1,03.24	1,08.43	97.82	87.41
Commission and exchange	15.59	13.08	13.08	7.62
Gross income	1,19.76	1,22.39	1,11.81	95.80
Interest paid	43.75	46.41	31.97	25.58
Expenses	53.02	50.34	43.82	43.54
Depreciation and repairs	0.54	0.56	0.72	0.50
Loss on sale of securities	..	..	2.73	..
Profit	22.45	25.09	28.06	26.21
Provision for—				
Taxation	8.00	8.00	8.50	2.00
Reserve fund	..	..	7.00	6.75
Investment account	1.50	4.50	8.00	..
Bonus to staff	6.00	5.35	5.25	4.80
Dividend	12.00 (D.10%, +B.2%)	12.00 (D.10%, +B.2%)	12.00 (D.10% +B.2%)	12.00 (D.10% +B.2%)
Carry forward	2.33	2.88	2.15	4.84

	As on 31st December			
	1953	1952	1951	1950
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserve fund	1,28.00	1,28.00	1,28.00	1,21.00
Deposits	30,85.88	29,17.12	31,82.15	31.90,46
Borrowings from other banks	25.00*	..	21.00*	..
Advances (including bills)	17,98.74	14,56.79	19,20.06	15,85.50
Investments	11,62.05	10,96.09	11,05.80	13,97.10
Cash	3,85.38	5,77.25	3,58.91	4,71.74
Balance-sheet total	38,36.79	33,73.75	39,47.45	37,29.76
Ratio to deposits of—	%	%	%	%
Advances	58.3	49.9	61.3	50.0
Investments	37.6	37.6	35.3	43.8
Cash	12.5	19.8	11.5	14.7

* Unsecured borrowings.

It will be seen that, despite a smart rise in the Bank's advances (including bills purchased and discounted), interest and discount earned are lower by Rs. 5.19 lakhs. There is, however, nothing surprising about this inasmuch as the increase in advances might have taken place just at the fag end of the year and the average advances during the year as a whole might have stayed at a lower level than in the preceding year. It may be noted that interest and discount earned in 1953 are higher than those in 1951 by Rs. 5.42 lakhs, notwithstanding a decline in the level of advances in 1953 from that in 1951. Commission and exchange earned on the other hand, are higher by Rs. 2.51 lakhs, which is accounted for by the substantial increase in the Bank's bills business, so that the gross income has suffered a drop of only Rs. 2.63 lakhs. There has been a saving of Rs. 2.66 lakhs in interest paid, though there has been a sizable net increase in fixed deposits over the year. But this has been offset by the rise of Rs. 2.68 in expenses. In short, the fall in earnings has been the combined result of lower income and rising expenses.

The rise of Rs. 1.69 crores in deposits is mainly accounted for by an increase of Rs. 1.84 crores (to Rs. 15.51 crores) in fixed deposits. Savings bank deposits, on the other hand, are lower by Rs. 4 lakhs, at Rs. 5.47 crores, and current accounts, contingency accounts, etc., by Rs. 12 lakhs at Rs. 9.87 crores. The total deposits, however, are still lower than those at the end of 1951 and 1950. The sharp rise of Rs. 3.42 crores in advances (including bills purchased and discounted) is shared by loans, cash credits and overdrafts, which have

(*Continued on page* 547)

SMALL CONTRACTION IN PROFIT OF CHARTERED BANK

LIQUIDITY RATIO AT HIGHER LEVEL

A CONTRACTION of £4,984 in the profit, that is, from £698,782 to £693,798, is disclosed by the audited accounts of the Chartered Bank of India, Australia and China (Chief General Manager: Mr. W. R. Cockburn, London) for the year ended 31st December, 1953. With this decline, the upward trend in the Bank's profit noted since 1942 has not only been broken but reversed. This fall in profit is in distinct contrast to the tiny increase of £1,685 noted in the previous year, but this is neither surprising nor unexpected. For the Bank's Chairman, Mr. Vincent Alpe Grantham, had been warning in recent years, in his annual statements to the shareholders, about the general deterioration in working conditions in almost every Eastern country in which the Bank operates. In fact, he had explicitly stated that it would be foolhardy not to be prepared for some reduction in profits. It is, however, comforting to note that the decline in profit is not as large as would have been warranted by the substantial reduction in the Bank's turnover, as witness the fall of £21.5 million in the balance-sheet total.

The Bank's profit for the year under review (after providing for taxation and after making allocations to contingency accounts, out of which accounts full provision has been made for diminution in value of assets) amounts to £693,798. This profit, along with the undistributed surplus of £399,215 brought in from the previous year, has been utilised (*a*) to apply £200,000, as in the previous year, towards writing down Bank premises and furniture account, (*b*) to repeat the allocations made in each of the previous three years to the officers' pension fund and widows' and orphans' fund of £125,000 and £20,000, respectively, (*c*) to transfer of £75,000 (as against £100,000) to contingency account and (*d*) to distribute £269,500 to the shareholders at the rate of 14 per cent. per annum, leaving a surplus of £403,513 to be carried over. It must, however, be noted that this dividend of 14 per cent. per annum, though same as that paid for the previous year, is on an increased capital raised in March last by capitalising £500,000 out of the reserve fund. Thus, the hope expressed by the Chairman last year that it would be possible to maintain the dividend at 14 per cent. has been fully realised.

The following synopsis of the Bank's balance-sheet as on 31st December, 1953, as compared with that at the end of the previous three years, provides an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
	1953	1952	1951	1950
LIABILITIES (MAIN)				
Capital	3,500	3,000	3,000	3,000
Reserve fund	5,000	5,000	4,000	4,000
Notes in circulation	2,765	2,564	2,550	3,000
Current deposits and other accounts	147,925	160,609	169,145	150,205
Fixed deposits	17,112	19,480	18,606	16,038
Bills payable	926	1,372	2,531	1,864
Acceptances	9,185	15,935	11,884	13,757
Loans payable	..	..	1,401	1,235
Undistributed surplus	403	399	397	366
ASSETS (MAIN)				
Cash	31,495	31,788	33,804	31,431
Investments—				
Government and other securities	58,787	66,300	62,102	55,867
Securities against note issue	2,679	2,670	2,929	2,947
Advances	67,249	69,243	86,779	67,158
Bills of exchange	11,235	15,110	12,887	14,244
Bank premises, etc.	1,061	1,845	1,913	1,843
Remittances in transit	3,587	4,833	548	5,569
Balance-sheet total	186,963	208,515	213,633	193,603

The balance-sheet at the end of 1953 reflects the slight recession that characterised economic trends in several countries of South-East Asia where the Bank's activities are largely concentrated. Mainly on account of the fall in world prices of the basic Eastern commodities, there was a fall in the demand for the Bank's facilities for loans, bills of exchange and acceptance credits. The cumulative effect of these was a drop in the balance-sheet total by £21.5 million to £187 million, the lowest total to be seen since the close of 1949. On the liabilities side, the current and other accounts have dropped by about £12.68 million. This decline is far greater than that of £8.54 million in the previous year, so that the end of account total is the lowest figure for the last four years. Fixed deposits have declined by £2.37 million, in contrast to the rise of £0.87 million in 1952. For the second year in succession, bills payable have gone down and stand at the lowest figure since 1949. The substantial reduction of £6.75 million in acceptances, according to the Chairman, is largely due to the drop in commodity prices already mentioned, which in turn reflects increased competition from other banks in Japan, chiefly American, for this class of business.

On the assets side, advances have gone down by £2 million. This is the second year in succession to experience a fall in advances, but the decline in the year under review is not as serious as that of £17.53 million noted in the previous year. However, the trend is significant, in that it "follows the tendency shown by bank lending generally and is an additional indication of the deflationary trend which has persisted during the year." The drop of £7.51 million in Government and other securities (apart from those lodged against note issue) reflects a part of the drop in current and other accounts. Cash balances do not show any marked drop. The ratio of cash and call money to the Bank's demand and time liabilities, excluding notes in circulation against which security has been lodged, is very nearly 19 per cent., as against 17.6 per cent. a year ago. It will thus be seen that, in spite of a decline in balance-sheet total, there has been no diminution in liquidity; in fact, the position is more liquid than a year before.

WORLD BANK LOANS TO AUSTRALIA, BRAZIL AND TURKEY

Three recent recipients of World Bank loans are Australia, Brazil and Turkey. Australia has been granted a loan of $54 million for imports of capital goods and equipment needed for the development of agriculture and forestry, road, rail and air transport, electric power, and various other industries. This is the third loan made by the Bank to Australia. The loan of $100 million granted in August, 1950, has been completely disbursed. Three-fifths of the second loan of $50 millions made in July, 1953, has been disbursed.

Brazil has been granted $18.79 million for the establishment of a thermal electric power plant by the Brazilian Traction, Light and Power Company, Ltd. This loan is part of the total capital outlay of $35 million. The project envisages the doubling of the present power capacity of 500,000 kw. by 1956. The new plant, scheduled for completion by the close of 1954, is expected to alleviate the power shortage in the Sao Paulo area, an important centre of industrial production.

Turkey has been granted a loan of $3.8 million for port development. This will supplement a loan of $12.5 million made by the Bank in July, 1950, to finance the foreign exchange cost of a series of port improvement and construction projects.

The loan to Australia bears interest of 4½ per cent. per annum, including the 1 per cent. commission which will be allocated to the special reserves, while that to Brazil and Turkey bear a slightly higher rate of interest, being 4¾ per cent. per annum, including the 1 per cent. commission which will be allocated to the Bank's special reserve. The Australian loan is for a period of 15 years, whereas the latter two loans are for a period of 20 years and 21½ years, respectively. The amortisation of the three loans commences from 1st March, 1957, 1st September, 1955 and 1st April, 1956, respectively.

(*Concluded from next column*)

Apart from these gains, there are other points too which need to be taken into consideration. According to the Finance Minister, no limitations are imposed on India's freedom to pursue its own monetary policy. An independent monetary policy means some fixity of exchange, and it cannot be said that the British pound is an unstable currency and that the link with it is of no value. Even an independent currency has to have some relationship with major world currencies. Again, any country in the area can vary its exchange rate as and when it so desires, consistantly with the obligations arising out of its membership of the International Monetary Fund. If India has not withdrawn its sterling balances, such is due to improvement in the production of foodgrains and cotton, the imports of which have dwindled latterly. And the old complaint that the sterling balances earned too low a rate of interest has been rectified now, "because rates of interest in Britain," to quote Mr. Deshmukh, "even for short-term money, have gone up and today we are earning a reasonable rate of interest on our sterling balances there. The Treasury rate itself is two and a half per cent." Further, if India wants to be an independent currency country, it should have to hold some foreign exchange reserves. These reserves have to be held in various currencies, some of which may fluctuate a great deal. Finally, the membership of the sterling area has not prevented development of new lines of trade or new alignments in exports and imports. It will thus be seen that India has nothing to loose but everything to gain by continuing its association with the sterling area.

INDIA AND STERLING AREA

ASSOCIATION QUITE BENEFICIAL

THE Finance Minister's lucid exposition of the reasons why India set at rest all unnecessary doubts that might have been created by the statements made in Parliament by some of the opposition members. Although on several occasions in the past, the Government's policy had been outlined, never was such explanation so comprehensive, convincing and complete as the one that followed the two-hour debate on the Commonwealth Ministers' Conference at Sydney in Parliament on the 15th inst. The debate revealed that those members of Parliament who were unduly critical of the Government's stand did not base their criticism on solid facts or on a careful study of the problem in all its aspects. Mr. Deshmukh was not a bit exaggerating when he said that most of the members who participated in the debate indulged in misconceived criticism and even "wild ranting." Consequently, there is no need to go into the views expressed by members.

Before dealing with the implications of India's membership of the sterling area, Mr. Deshmukh gave a brief history of its origin and development. The sterling area, according to him, is the product of a long history. Prior to the First World War, sterling was known to be the dominant international currency. It was convertible into gold, and since it was used internationally as a medium of exchange and as a store of purchasing power, it came to be said that gold itself was on the sterling standard. During the inter-war period, currency systems and exchange rates all over the world were subject to pressures and the old gold standard became unworkable. The U.K. went back to gold bullion standard in 1925. The experiment proved short-lived, as, in 1931, it went off the gold standard. It then became a managed currency. India continued to link the rupee with sterling, as the country had very little choice. Other Dominion Governments and other independent countries followed the British example. Thus, Australia, New Zealand, South Africa, Egypt, Iraq, Portugal, Norway, Sweden, Denmark, Iran, Japan, Argentina, Uruguay, Yugoslavia and Greece came to form what is known as the sterling area bloc.

The sterling area in its present form is the product of the Second World War. It is a smaller and somewhat tighter group. The term came to be used by about 1940 when it began to operate as a single monetary area within which, with few exceptions, freedom of payment was preserved, while, at the same time, import restrictions were applied by the various members in their relations with outside countries. The area includes at present, besides the U.K. and colonial territories, India, Pakistan, Ceylon, Burma, Australia, New Zealand, South Africa, Ireland, Iraq, Iceland, Jordan and Lybia, Canada, though a member of the Commonwealth, is not a member of the sterling area. Thus the area now covers about one-fourth of the world's population. The total trade of the sterling area countries, amounts to 25 per cent. of the world's trade. The bulk of all sterling area trade, as also the portion of the trade not belonging to the area, is financed in sterling from London.

The sterling area countries constitute the largest group of countries within which there is a large measure of freedom in the matter of exchange transactions. Although it had its vicissitudes and the gold value of the sterling area currencies has gone down, the area has a long record of comparative monetary stability.

Positive Gains

India's interest in the sterling area arises out of the following positive gains:

(1) Over 50 per cent. of India's import trade and about 38 per cent. of its export trade are today with sterling area countries.

(2) India has normally a balance of payments deficit with the O.E.E.C. (Organisation of European Economic Co-operation) countries and India's membership of the sterling area facilitates the financing of this deficit from the E.P.U. (European Payments Union) in sterling.

(3) India holds sterling balances of the order of Rs. 745 crores; the stronger the British pound, the better it is for India.

(4) Banking and financial relations, with or through London, are, again for historical reasons, an important part of the mechanism of India's trade. India's membership is thus a matter of trade and banking convenience rather than of monetary policy.

(5) Although India has a pooling arrangement in respect of dollars and it contributes its dollar earnings to the Pool, it has, over the last several years, drawn more from the Pool than it has contributed.

(*Continued in previous column*)

HUNDRED YEARS OF COTTON TEXTILE INDUSTRY

AN ANALYTICAL OUTLINE OF BASIC CHANGES IN PATTERNS

(By S. D. MEHTA, M.Com., L.L.B., Ph.D.)

ON 7th July, 1854, the agreement between the shareholders of the Spinning and Weaving Company, later known as the Bombay Spinning and Weaving Company, was signed. In several quarters, the flotation of the first Indian enterprise in the cotton mill industry was viewed with cynicism. The cynics argued with some amount of justification, for, though three cotton mills had come into existence in India between 1817 and 1830, none of them had succeeded in the sense of setting up a precedent for a more expansive pattern of development. Moreover, it was also felt in some quarters that Cowasjee Davar should have postponed the flotation of his venture until after the results were finally known of the efforts of James Landon in Broach. Landon, after years of protracted negotiation with different parties, had succeeded in floating a company to start a cotton mill at Broach.

A hundred years have elapsed since James Landon, Cowasjee Davar and Maneckjee Petit put in the first efforts that may be truly regarded as the foundation of the cotton mill industry in India. In the course of these hundred years, ignoring for the present purposes the developments from year to year, vast changes have come over the mill industry. It is to a statement of the most important of these that this article is directed. By far the most impressive fact on first reading, as Table I serves to show, is the vast growth of the cotton mill industry in the course of these hundred years. Equally impressive are the developments in the volume of equipment that a Table of this type does not reveal—the growth of bleaching, dyeing, printing mercerising and other finishing sections, as also the growth of newer types of spinning and weaving equipments in place of the older mechanical alignments. Thirdly, the Indianisation—almost total Indianisation—of the managerial and technical cadres commands a place of pride in our understanding of the changing phase of the mill industry in the course of 1854-1954.

TABLE I

1854 to 1954—A Bird's Eye-view

	Mills*	Spindles (in 000)	Looms (in 000)	Workers† (in 000)
1854 ..	1	30	*Nil*	0.50
1855 ..	2	47	*Nil*	0.75
1866 ..	3	64	*Nil*	1.20
1858 ..	4	108	0.3	2
1869 ..	17	393	4.6	10
1880 ..	58	1,471	13	40
1889 ..	108	2,667	22	92
1901 ..	190	4,933	41	156
1913 ..	259	6,597	94	251
1923 ..	292	7,732	143	344
1933 ..	344	9,580	189	435
1943 ..	398	10,200	198	625‡
1953 ..	407	11,876	199	732§

* Mills in French possessions excluded.
† Estimated numbers upto and including 1869.
‡ Adjusted for employment on second shift.
§ Adjusted for employment on second and third shifts.

Significant Developments

With these changes are connected others of a different type. The ownership of the cotton mill industry has shifted from a few score individuals of ample means to lakhs of shareholders, distributed between the widest extremes of regional affiliation and income categories. The growth of labour consciousness and the allied organisation of a trade union movement, coupled with the place presently assigned to labour legislation and Governmental machinery in the field of labour policy, are among the important themes from the point of view of the coming years. In the field of finance, apart from the change in the ownership to which we have referred, there have come about several other developments, such as the increasing reliance on bank finance and the greater integration of large sections of the mill industry with the running of financial institutions. On the side of marketing, wholesaler domination continues to persist, but is of necessity more compatible with an identification of the manufacturer with his product in the eye of the consumer. These do not, by themselves, exhaust the most significant developments in the mill industry, but it may not be disputed that they are among the most important in a structural sense. Equally relevant would be a statement of the relationship between handlooms and mills, but such is not attempted here in view of its controversial and complicated character.

Widely dispersed geographically, the cotton mills of India have recorded a larger proportion of their growth only during the twentieth century. Thus, in terms of absolute growth in the number of workers, the two decades spanning 1933 and 1953 are more significant than the entire period from 1854 to 1913, at the end of which only 250,000 workers found employment in the mill industry, as compared to an addition of nearly 300,000 during the former period. Inasmuch as the main time series in the matter of equipment—spindleage and loomage—have not shifted in the same measure, this reflects an increasingly greater use of equipment through working of additional shifts. Presently, out of a daily average employment of 750,000, 420,000 are employed on the first shift; another 250,000 are employed on the second shift and 66,000 find employment on the third shift. It is worth noting that, in recent years, the employment on the first shift has remained more or less stationary, while the employment on the second and third shifts has tended to increase.

Working Hours

Looked at from another angle, the increase in shift working is not equivalent to a proportional increase in the number of hours worked. For the number of hours that can be worked per shift have declined over the last hundred years, with the significant exception of the first decade of the present century. When matched against the increase in wage rates, except during 1923 to 1937, this has had a remarkably different result in terms of man-hour earnings, which may be broadly said to reflect the increasing cost of labour to the cotton mill industry.

There cannot be any doubt that, considered by themselves, without reference to the changes in the production structure and the distribution of the work force according to wage categories, either the number of hours worked per shift or the mere statement of man-hour earnings has limitations. But their general utility should be equally obvious.

Until 1891, the daily hours of work averaged 12, seasonal fluctuations notwithstanding. 15 to 20 holidays on account of religious festivals intervened, giving the industry an average of a little more than 80 hours per week. From 1891 to 1904, the latter date being only a convenient land-mark, the hours of a working week came down to 72 without affecting the daily average. During the next seven years, a 13-hour day became the normal feature, a 15-hour day not being altogether unusual. The Factory Act of 1911 legally remedied the situation by fixing the daily maximum at 12 hours. In the early 1920's, the workday was reduced to 11 hours, and, in the next decade, the daily hours were limited to 9 and the weekly hours to 54. Minor adjustments during the Second World War years apart, this remained the position until 1945. Thereafter, the 8-hour day has come into operation, with the exception of workers on the third shift, who usually work only 6½ hours in a six-day week.

Against this more or less secular reduction in the hours of work should be juxtaposed the level of man-hour earnings which has shifted from being between 2½ to 3 pies per man-hour in 1856 in Bombay city to 140 pies in the Centenary Year. During the 1860's and the 1870's, man-hour earnings moved upwards from the levels of 1856 and varied between 5 and 6 pies. An upward trend brought them to being between 7 and 8 pies at the close of the nineteenth century. The rapid expansion of the first decade of the present century sustained the progressive tendency to rise and, on the eve of the First World War, man-hour earnings in Bombay mills stood between 9 and 10 pies. The impact of the First World War and the boom following raised the level in the early 1920's to 20-25 pies. By 1937, that is, prior to the award of an interim increase on the basis of recommendations made by the Textile Enquiry Commission, man-hour earnings fell to 18-23 pies. In the years following, more gradually at first and rapidly thereafter, wages shot up to 100 pies by 1948. The level rose further by 30 pies in the course of the next three years. In the hundredth year—1953—man-hour earnings in Bombay mills stood in the neighbourhood of 140 pies.

Real Rise in Wages

This upward progression, which to a very large degree reflects a real increase in wages, has been associated with a sharp increase in the levels of labour deployment that are permissible. Without going into details, it should be emphasised that management has become increasingly conscious of the need for higher men: machine ratios. To quote the two most outstanding contrasts. In the first thirty years of the mill industry in Bombay, a worker minded on an average only 40 mule spindles. Today, the average for the country is ten times as high, while in isolated cases, it is thirty times as high. Nearly a quarter of the loom-shifts worked presently are based on more than two looms to a weaver systems, while at least in one isolated case 32 automatic looms are being successfully minded by an Indian worker, who has belied the lack of faith that many have displayed in the past about his capacity to mind more machines. Of course, his willingness to mind more machines, and the existence of the necessary organisational consciousness and drive are different matters.

Coinciding with the increasing wages, there has come about another significant change in wage rates. Until a decade back, wage levels used to vary by as much as 800 per cent. although as between important centres the difference was only of the order of 300 to 400 per cent. Various standardisation awards and the grant of dearness allowance at high rates has closed this gap to the extent that presently the margin would appear to be only of the order of 100 to 125 per cent. (See Table 2).

TABLE II

Variations in monthly earnings (in rupees) of selected categories of workers—1952)

	Minimum	Maximum
Drawing tenter	53	108
Slubbing tenter	57	109
Inter tenter	53	107
Roving tenter	38	89
Ring sider	52	110
Tarwalla	47	83
Doffer boy	42	103
Spinner	57	83
Weavers on—		
Reeler	48	85
Winder—grey	49	105
Winder—colour	42	109
One loom	54	104
Two looms	67	108
Four looms	76	143
Six looms	89	141
Mazadoor—		
Men	50	103
Women	38	103

The net result of this tendency in the disappearing seller's market of the years 1951 and 1952, and the buyer's market of 1953 and 1954, has been to intensify the competitive character of normal operations in the cotton mill industry. Not only has the range of competitive contacts been extended, but external aids to marketing—such as consistent advertising which has become an important feature of the trade only in the last five years—have come increasingly into prominence. Stated briefly, consumer following has never been cultivated more assiduously and more directly by the component units of the cotton mill industry in India than is the case in 1954. Whatever the position of the consumer in the 1940's, there is not the slightest doubt that today he has once again become the king.

Financial Position

Increasing size of unit operations has worked as a structural factor, while price and cost trends have worked more directly on a short-term basis to make the financial balance of the mill industry a more complex affair than ever before. For one, the holding of stocks in the buyer's market of today is not an easy thing, as may be seen in the fact that the stock levels of today are nearly a hundred per cent. higher than either 1946 or 1947 in the case of cloth. Equally significant is the sharp decline in the volume of liquid resources available with India's cotton mill companies. This decrease has been of the order of nearly 50 per cent. from the levels of 1946, which, of course, were higher to some extent in anticipation of substantial expenditure on machinery and replacements in the post-war years. Nonetheless, the fact that bank advances have hovered between 50 and 60 crore rupees during 1951 to 1953, as against a mere 4 or 4½

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COTTON INDUSTRY'S STRUGGLE AGAINST LABOUR SHORTAGE

MORE EXTENSIVE USE OF WORK STUDY METHODS IN MILLS

(From A Special Correspondent)

MANCHESTER, *9th March*

DURING the last week or two, the cotton trade has become somewhat unsettled and, to some extent, the flow of business to spinners and manufacturers has been interrupted. A fair amount of buying has continued to be done in both yarn and piecegoods, but buyers have shown rather less disposition to place orders to follow on current contracts. To a large extent, this state of affairs has risen, owing to developments in prices and future supply of fine qualities. The sensational auction sale of Sudan cotton in the middle of February had a most disturbing effect upon traders on this side. The opinion was held that such an important rise in prices could only be achieved by speculation and there was considerable comment on the fact that 21,000 bales, out of the 30,000 bales offered, had been secured by one buyer. The proposal to dispose of further supplies by tender was abandoned and there is uncertainty as to when the auction sales will be resumed.

MANCHESTER LETTER

Whatever may be said with regard to the action of the Egyptian Government in controlling the Alexandria market, the methods adopted from its point of view have been decidedly successful. Exports so far this season aggregate 497,000 bales, as against 388,000 bales in the same period a year ago. Although some short positions have had to be covered, the effect of these developments has been to quieten down business in fine yarns and cloths.

American Cotton

In the American section of the industry, the general tone of the market has continued firm and very full prices have had to be paid for yarn and piecegoods. There are indications of the price of American cotton in the United States being stabilised. It is significant that the amount of material being withdrawn from the Government loan is now larger than the entries and failing unexpected Government action, it does not look as though American cotton will be cheaper in the near future, despite the very large surplus of world supplies.

To an increasing extent, spinners and manufacturers are struggling against the disadvantages of the shortage of labour. In some districts, the position appears to be becoming more pronounced than ever. Spinners of yarn have satisfactory contracts on the books and cloth manufacturers continue to extend their order lists.

Taking a broad view, there seems to be very little ground for expecting lower values just at present. The home trade is likely to benefit from a further increase in spending power, as a result of wage advances, increased pensions for survivors of the 1914-18 war and higher rates of pay for certain sections of the military forces. There is, in fact, every appearance of increased inflationary tendencies.

Spinners' Review

Working conditions and amenities in the Lancashire cotton trade are the best they have ever been and have shown a remarkable improvement since the war, according to the annual report of the Master Cotton Spinners' Federation. Wages paid, it is stated, are well up in the list of all industries for comparable jobs.

The industry recovered substantially from the 1952 slump last year, the report continues. Yarn production rose to 88 per cent. of the 1951 total and, at the end of the year, the rate was by weight only eight per cent. below the peak rate of 1951. A substantial decrease occurred in the average fineness of yarns produced. Output of spun rayon yarns is now running at a rate 40 per cent. higher than in 1951 and production of mixture yarns has been more than doubled.

Reviewing the current state of trade, the report says: "Sales are good; order books are reasonably well filled and increasing; delivery periods are tending to lengthen and, with few exceptions, mills have to regulate their production according to the operatives available to tend the machines."

A further considerable extension in the use of work study methods in the mills is reported. There are now 184 mills using these methods, as compared with 84 six years ago. The present total represents 38 per cent. of mills owned by Federation members. "These figures," it is stated, "would be more satisfactory, if it were not for the fact that union opposition at local level prevents more experiments in the use of work study being undertaken in some areas. By the installation of labour saving machinery, staffed economically, members are showing that they can increase production from the available operatives, whilst keeping costs down to levels which give a surer foundation for higher earnings and better job security."

Dealing with the reopening of the Liverpool Cotton Futures Market in May, the Federation observes that the Raw Cotton Commission will gradually pass out of existence and it is expected that all purchases will be on private account by the end of 1955. It is realised that some members in the finer section of the trade may "view the removal of their lifeline with justifiable anxiety at a time when there will be only an American futures contract."

Lancashire cotton mills—some of them running at 95 per cent. of their full production again—are now winning as many fresh-from-school recruits as they did before the slump. Unemployment and short-time in the industry are almost gone. Because of this, youngsters are again looking on cotton as an industry offering a safe career. A survey taken by the Cotton Board in all the Lancashire cotton towns shows that, out of 9,927 boys and girls who left school at Christmas, 1,642—equivalent to 16.5 per cent.—took jobs in the mills.

Not since 1950 has the industry attracted a bigger percentage of Christmas school-leavers. Then, with the mills approaching their busiest post-war period, the percentage entering cotton was 17.8. Recruitment, on a percentage basis, was exactly equal to that at the end of the Christmas term 1951, but compared with 10.6 last year when the industry was still struggling out of the slump. A cotton leader said: "Although the mill labour force is still 30,000 below our strength before the recession, the greater intake of school-leavers is an encouraging indication of returning confidence in the future of the industry." Out of the 1,642 juveniles recruited since the end of the last school term, 1,134 were girls, the Cotton Board returns show.

Output Up

Cotton and rayon cloth ouput from Lancashire weaving mills rose by close on 4,000,000 yards a week during January, according to Cotton Board figures. The operatives produced a weekly average of 54,940,000 yards of cloth during the month, as compared with 51,090,000 yards in the previous month. Production was over 8,000,000 yards a week higher than in January last year, when output averaged 46,640,000 yards.

The weaving mills had a net gain of 790 full-time and 100 part-time workers in January, bringing their total labour force up to 141,800.

Latest returns from all sections of the cotton industry show that manpower has risen to 289,960. This represents an increase of over 15,000 in twelve months.

The outstanding feature of the labour situation in the city of Manchester at the present time is the pressing need for more women workers. For every unemployed woman in the city, there are three outstanding vacancies. Latest Ministry of Labour figures, presented to Manchester Employment Committee, show 3,517 outstanding vacanies for women workers. More than 1,700 of them are wanted in the clothing industry alone, while textile mills want another 326 and the distributive trades 310. Hundreds of women workers are also needed in a wide range of miscellaneous occupations. Women registered as unemployed in the city aggregate 1,214.

The acute shortage of women workers in the clothing industry is reflected in the vigorous recruitment campaigns upon which many clothing firms have embarked. The extent of the shortage is indicated by the recent innovation of evening part-time "housewives' shifts" by some clothing firms, an arrangement which has been fairly widespread for some time past in the cotton industry in Lancashire as a whole. The labour situation among men workers in the city of Manchester contrasts sharply with the position affecting women workers. There are notified vacancies for 836 skilled men and 88 labourers, against an unemployed total of 4,437 men.

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THE BANK OF BARODA, LIMITED

(ESTABLISHED : 1908)

CAPITAL AUTHORISED	Rs. 2,40,00,000	**CAPITAL CALLED UP**	Rs. 1,00,00,000
CAPITAL ISSUED AND SUBSCRIBED	Rs. 2,00,00,000	**CAPITAL PAID UP**	Rs. 1,00,00,000
RESERVE FUND AND OTHER RESERVES	Rs. 1,28,00,000		

DIRECTORS :

TULSIDAS KILACHAND, Esq. (Messrs. Kilachand Devchand & Co., Ltd., Bombay), Chairman.
DURGAPRASAD SHAMBHUPRASAD LASKARI, Esq. (Mill Agent, Ahmedabad).
R. D. BIRLA, Esq. (Messrs. Birla Bros., Ltd., Bombay).
KANTILAL NAHALCHAND, Esq. (Messrs. Nahalchand Laloochand, Bombay).
NAVAL H. TATA, Esq. (Messrs. Tata Sons, Ltd., Bombay).
ANANDLAL HIRALAL SHETH, Esq. (Messrs. A. Sheth & Co., Baroda).
CHINUBHAI CHIMANBHAI, Esq. (Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad).
ARVIND NAVINCHANDRA MAFATLAL, Esq. (Messrs. Mafatlal Gagalbhai & Co., Ltd., Bombay).
B. K. DAPHTARY, Esq. (Messrs. Daphtary, Forreira and Divan, Solicitors, Bombay)
H. H. THE MAHARAJA FATEHSINH GAEKWAR OF BARODA.

GENERAL MANAGER: MR. MATHEW S. D'SOUZA.
HEAD OFFICE MANAGER: MR. MAGANBHAI G. PARIKH.
BOMBAY MANAGER: MR. N. M. CHOKSHI.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 2,40,000 Shares of Rs. 100 each	2,40,00,000 0 0	
ISSUED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
SUBSCRIBED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
AMOUNT CALLED UP— At Rs. 50 per share		1,00,00,000 0 0
2. Reserve Fund and Other Reserves		1,28,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	15,51,11,830 4 6	
Savings Bank Deposits	5,47,47,131 5 10	
Current Accounts, Contingency Accounts, etc.	9,87,28,604 14 7	
		30,85,87,566 8 11
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	25,00,000 0 0	
(ii) Outside India	Nil	
		25,00,000 0 0
PARTICULARS—	Rs. a. p.	
(i) Secured	Nil	
(ii) Unsecured	25,00,000 0 0	
5. Bills Payable		14,15,470 15 9
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,14,12,474 7 8	
(ii) Payable outside India	1,64,426 12 3	
		1,15,66,901 3 11
7. Other Liabilities (including Branch adjustments Rs. 63,24,806-15-10)		72,65,166 8 4
8. Acceptances, Endorsements and Other Obligations per contra		2,86,10,673 3 6
9. Profit and Loss—		
Profit as per last Balance Sheet	9,38,382 5 5	
LESS—Appropriations	7,00,000 0 0	
	2,38,382 5 5	
ADD—Profit for the year brought from the Profit and Loss Account	22,45,006 4 7	
	24,83,388 10 0	
LESS—	Rs. a. p.	
Ad-interim dividend paid at 10 per cent. per annum for the half-year ending 30th June, 1953 (free of Income-tax).	5,00,000 0 0	
Provision for Taxation	3,00,000 0 0	
Amount transferred to Bank's Investment Account	1,50,000 0 0	
Bonus to Staff	6,00,000 0 0	
	15,50,000 0 0	
		9,33,388 10 0
10. Contingent Liabilities—	Rs. a. p.	
(i) On partly paid shares of Joint Stock Companies	5,11,250 0 0	
(ii) Claims against the banking company not acknowledged as debts	5,88,220 7 6	
(iii) Money for which the banking company is contingently liable (including Rs. 4,500 for guarantees given on behalf of the officers of the Bank)	16,23,711 11 0	
(iv) Liability on Bills of Exchange rediscounted (out of which upto 8-2-1954 Rs. 4,58,612 have run off.)	6,95,503 0 0	
(v) Liability on account of outstanding Forward Exchange Contracts	73,61,146 0 0	
Total Rs.		33,36,79,167 2 5

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including foreign currency notes)		3,12,04,197 2 6
2. Balances with Other Banks in Current Account—		
(i) In India	23,06,887 4 6	
(ii) Outside India	50,27,214 14 0	
		73,34,102 2 6
3. Money at Call and Short Notice		Nil
4. Investments—		
(i) Securities of the Central and State Governments and other Trustee Securities—		
(a) Securities maturing in 1962 or earlier at book value (Rs. 8,76,38,600 0 0 Face value .. 8,32,93,396 13 0 Market value.	Rs. a. p. 8,69,56,242 3 11	
(b) Securities maturing in 1963 or later at or below market rate	1,37,74,523 0 0	
(c) Trustee Securities (for which there are no market quotations) at cost	11,00,000 0 0	
		10,18,30,770 3 11
(ii) Shares at or below market rate—	Fully Paid Rs. a. p.	Partly Paid Rs. a. p.
(a) Preference.	32,62,073 10 0	Nil
(b) Ordinary ..	23,78,849 6 1	5,84,627 3 11
(c) Deferred ..	Nil	Nil
	56,60,023 0 1	5,84,627 3 11
(iii) Debentures or Bonds at or below market rate		62,45,550 4 0
(iv) Other Investments		81,28,525 0 0
(v) Gold		Nil
		Nil
		11,62,04,845 7 11
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
I. Loans, Cash Credits, Overdrafts, etc.— (i) In India (ii) Outside India	Rs. a. p. 15,43,93,567 4 3 63 3 4	15,43,93,630 7 7
II. Bills discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India (ii) Payable outside India	1,89,35,392 12 2 65,44,719 0 1	2,54,80,111 12 3
		17,98,73,742 3 10
PARTICULARS OF ADVANCES—	Rs. a. p.	
(i) Debts considered good in respect of which the banking company is fully secured	15,37,29,166 7 0	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security This includes— Advances under joint and several Pro-notes and Bills Discounted 2,34,27,936 6 6 Advances to individual parties 19,40,064 5 1	2,53,67,990 11 7	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	7,77,085 1 3	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	17,98,73,742 3 10	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	5,195 12 3	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	4,23,83,330 4 1	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	8,326 15 3	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	4,33,64,439 5 11	
(ix) Due from banking companies	1,63,845 1 10	
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	1,14,12,474 7 8	
(ii) Payable outside India	1,64,426 12 3	
		1,15,66,901 3 11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,86,10,673 3 6
8. Premises Less Depreciation— Premises at cost to 31st December, 1952	27,32,388 10 0	
Additions during the year	Nil	
	27,32,388 10 0	
LESS—Sales during the year	Nil	
	27,32,388 10 0	
LESS—Total depreciation to date	7,71,244 8 5	
		19,61,144 1 7
9. Furniture and Fixtures Less Depreciation— Furniture and Fixtures at cost to 31st December, 1952	12,06,118 1 6	
Additions during the year	3,41,737 11 9	
	15,47,855 13 3	
LESS—Sales during the year	533 0 0	
	15,47,302 13 3	
LESS—Total depreciation to date	4,55,656 12 11	
		10,91,646 0 6
10. Other Assets— (i) Compulsory Excess Profits Tax Deposit	7,01,563 0 0	
(ii) Advance Payments of Tax	4,24,784 6 0	
(iii) Estimated amount of Double Taxation Relief due from Indian Dominion and Refund of Income-tax due from Baroda State Authorities		
(iv) Interest accrued on Investments	25,00,000 0 0	
(v) Stamps and Stationery	7,27,976 12 10	
(vi) Silver	2,39,550 5 9	
	Nil	
		45,93,874 8 7
11. Non-Banking Assets Acquired in Satisfaction of Claims at or below Cost		12,38,040 15 9
Total Rs.		33,36,79,167 2 5

(Continued on next page)

COTTON IN BRAZILIAN ECONOMY

AN IMPORTANT FOREIGN EXCHANGE EARNER

THERE are two features which strike any one who turns to a study of Brazilian economy —the rapid increase that has taken place in the cultivation of cotton in that country, and the increasing dependence of that predominantly agricultural country on exports of cotton. In Brazil, cotton owes its origin to the economic crisis in the thirties when it was thought that this commodity could be a good corrective to the country's dependence on coffee. Although cotton was thus adopted as a mere expedient crop, the expansion in its cultivation has been so remarkable in the last two decades that Brazil now ranks as one of the world's major producers of raw cotton. Exports, too, are considerable ranking second only to coffee exports. As a source of foreign exchange, it is no less important than coffee and accounts for some 30 to 40 per cent. of Brazil's sterling earnings. Those features of Brazil's cotton economy have been clearly brought out in the relevant section of the report entitled "Brazil" published by the U.K. Board of Trade (priced at 5s.). The Report points out that great attention has been paid in recent years to the treatment of seed and to educating farmers in the use of insecticides.

Although cotton has long been planted in the north-east which grows a somewhat longer staple than the South, the Southern crop (cultivated principally in Sau Paulo and Parana), as the Report says, far exceeds the north-eastern. It may be mentioned, in this connection, that the average area under cotton was 5.5 million acres, during the pre-war period 1935-39 and is now estimated at lower than 4.8 million. The output in the current year is placed at 1.3 million bales of 478 lbs. each, as against 1.5 million bales in the 1952-53 season. Brazil has a higher per-acre yield of cotton than India, the Brazilian yield being 164 lbs. of lint per acre as against India's 80 lbs.

No Positive Effor

To revert to the Report, mentioned at the outset, it says that "although, in the past, much governmental encouragement has been given to the growing of cotton, no positive efforts are being made to this end in view, except in so far as the support given to prices by the minimum price guarantee and the purchase of the Sau Paulo crop in 1952 provide such encouragement."

The cultivation of cotton, according to the Report, has received considerable encouragement from the "powerful local manufacturing industry." During the war, Brazil also sent important quantities of cotton goods abroad. It would, however, appear that its "costs are now too high to enable it to compete in world's markets." The industry has several times expressed its concern at the high level of its raw material prices. Consumption by the local industry which takes the major part of the north-eastern crop and which was compelled because of the partial failure of that crop in 1951 to import a quantity of Egyptian cotton, was estimated at 188,000 tons altogether in 1951. It may be added here that there has been no appreciable change in the consumption of cotton in Brazil since that year.

Cotton exports, as already stated, account for 30 to 40 per cent. of Brazil's sterling earnings. Exports in 1948 were 258,700 tons but declined to 139,800 tons in 1949 and 128,800 tons in 1950, rising to 143,400 tons in 1951. The shortage of world supplies of raw cotton which developed at the end of 1950 and early in 1951, consequent upon the short crop in the U.S. and the limitation of exports from that country, worked to the considerable advantage of Brazil's southern crop, which can be substituted not only for American middling but has the further advantage of becoming available in the early part of the year. Since prices later fell sharply in 1952, and the availability of cotton in the world markets also increased, Brazil has, in the last two years, found it increasingly difficult to dispose of its surplus cotton. The following table gives the trend of cotton exports from Brazil during the three years ended 1952:

Brazil's Cotton Exports

(In metric tons)

Country	1950	1951	1952
U.K.	56,890	54,351	27
Japan	9,320	9,575	10,268
France	18,078	18,353	7,602
Germany	2,168	14,034	3,190
Spain	10,560	8,421	2,555
Chile	2,242	453	1,883
Poland	..	388	380
Sweden	4,701	3,541	577
Austria	118	1,004	883
Australia	6,596	6,589	406
Hong Kong	..	6,144	400
Other countries	17,572	24,529	460
Total	128,845	143,462	28,131

Since 1952, the course of Brazil's cotton economy has been interrupted and deliberately diverted by official policies designed to support the prices of domestic cotton at well above world parity. Brazil could not dispose of its cotton even through barter deals except at considerable loss. The question arose as to how the cotton stocks could be disposed off and as to whether the Bank or the Government had to shoulder the loss. After discussion of several alternatives, the rejection of one of which involved the resignation of the President of the Bank of Brazil, the decision was taken early in 1953 to sell the stocks at "whatever price could be obtained."

An attempt was made in January, 1953 to dispose of cotton by inviting tenders. But this system too did not work. Eventually, a special Cotton Questions Commission was set up in April, 1953, charged with the responsibility of disposing of the Bank of Brazil's stocks. Since then, the Government has been willing to sell its cotton at a discount under the New York prices. Cotton stocks at the beginning of the current season aggregated nearly 2 million bales. But the Government sales programme has been successful in reducing the volume of stocks. The total supply of cotton in the current season is, however, larger at 3.3 million bales (stocks of 2 million bales together with the output of 1.3 million bales) as against 3.0 million bales in the 1952-53 season. Some changes have been made in the exchange arrangements, according to which an exporter of cotton can claim a bonus in terms of dollar or other foreign currencies, at a specified rate related to domestic currency surrendered. On this basis it would appear that "Brazilian cotton should once again be available at competitive prices."

INDIAN INSECTS TO CHECK U.S. COTTON PEST

The U.S. Agriculture Department officials are turning to parasitic insects from India to try to help American farmers control the spread of the destructive pink bollworm, a cotton pest now threatening cotton crops in Southern States. Entomologists are working on the theory that India, known to be the original home of the pink bollworm, will also be the home of its natural enemies —those parasites which feed on or otherwise destroy the worm. Mr. George W. Angelet, a Department of Agriculture entomologist now in India, has already sent to America species of parasites known to attack and destroy the pink bollworm. If these parasites can survive and multiply in sufficient numbers under American climatic conditions, this may help to check the spread of the pink bollworm, which in 1952 did nearly $35,000,000 worth of damage to U.S. cotton.

Recently, the Department of Agriculture released some 250,000 of these parasites in Texas cotton fields to test their ability to survive and destroy the pink bollworm. The outcome of this experiment will be available in planning future research on the pink bollworm. So far, five species of parasites, aggregating more than 60,000 have been shipped from India for use in the pink bollworm experiment. A specie belonging to the Apanteles group has been among the most successfully reared under laboratory conditions. This wasp-like insect destroys the pink bollworm by laying its eggs in the worm's body. The eggs then hatch into larvæ and devour the worm.

CAMBODIA COTTON

The yield of local varieties of cotton in the Madras State, particularly Cambodia cotton, will be adversely affected owing to unfavourable weather conditions which prevailed during the fortnight ended 28th February, 1954. This is disclosed by the Bulletin issued by the Cotton Coordination Committee, Coimbatore. The Bulletin states that a downward revision of about 25,000 bales is anticipated in the crop estimate of the Madras B Zone area for 1953-54. It is further apprehended, the Bulletin adds, the quality and class of Cambodia cotton have also been adversely affected this season. It would appear that the mills have purchased so far a total of about 188,695 bales of cotton since 1st January, 1953, of which about 39,018 bales are against their current year's allocations. The Bulletin states that a large number of mills in the South have practically no stock of local cotton and that, owing to keen demand cotton prices are firm in the neighbourhood of the ceiling levels.

The Indian Central Cotton Committee has invited the well-known scientist, Dr. S. C. Harland, to visit Madhya Bharat and report on the cotton research work in progress at the Institute of Plant Industry at Indore and the schemes financed by the Committee in various States. Dr. Harland, it is stated, will be assisted by a Committee of botanists, which will include Mr. Kalidas Sawhney, Agricultural Adviser, Planning Commission and Mr. B. P. Pal, Director, Indian Agricultural Research Institute.

THE BANK OF BARODA, LIMITED—*Continued.*

Profit and Loss Account for the Year Ended 31st December, 1953

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		43,75,178 8 11
2. Salaries and Allowances and Provident Fund—		
(i) To General Manager	72,921 3 0	
(ii) To other Members of the Staff	41,01,425 11 9	
	41,74,346 14 9	
3. Directors' and Local Committee Members' Fees and Allowances.	84,468 12 0	
4. Rent, Taxes, Insurance, Lighting, etc.	3,31,526 15 0	
5. Law Charges	35,744 11 0	
6. Postages, Telegrams and Stamps	1,62,801 11 4	
7. Auditors' Fees	15,000 0 0	
8. Depreciation on and Repairs to the Banking Company's Property	53,024 7 3	
9. Stationery, Printing, Advertisement, etc.	1,76,835 9 8	
10. Expenditure on Non-Banking Assets	25,297 14 6	
11. Other Expenditure	3,16,066 6 3	
12. Balance of Profit	22,45,006 4 7	
Total Rs.		1,19,76,293 3 3

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest and Discount		1,03,24,256 11 9
2. Commission, Exchange and Brokerage		15,68,917 1 6
3. Rents		37,504 0 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
6. Income from Non-Banking Assets		51,800 0 0
7. Other Receipts		3,815 6 0
Total Rs.		1,19,76,293 3 3

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Baroda, Ltd., as at 31st December, 1953, and also the above Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited returns from Bombay, Calcutta, Ahmedabad, Coimbatore, Madras and Surat branches, and the authenticated returns from the other branches and report that :—

(a) We have obtained all the information and explanations we have required, and have found them to be satisfactory ;
(b) in our opinion, the said Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law ;
(c) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank ;
(d) in our opinion, the books of the account have been kept by the Bank as required by law ;
(e) the transactions of the Bank which have come to our notice are within the powers of the Bank ;
(f) the returns received from the branch offices of the Bank have been found adequate for the purpose of our audit ; and
(g) the profit and loss account shows a true balance of Profit and Loss for the period covered by the accounts.

K. S. AIYAR & CO.
N. M. RAIJI & CO. } *Chartered Accountants.*

BOMBAY, 9th *February*, 1954.

GOPAL Ch. BASU, *Acting Accountant.*
MATHEW S. D'SOUZA, *General Manager.*

TULSIDAS KILACHAND, *Chairman.*
KANTILAL NAHALCHAND,
N. H. TATA,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI, } *Directors.*
ARVIND N. MAFATLAL,
B. K. DAPHTARY.

TASK BEFORE DEVELOPMENT COUNCIL FOR SUGAR INDUSTRY

PRODUCTION TARGET TO BE RAISED

AT long last, the constitution of the Development Council for sugar industry, as envisaged in the Industries (Development and Regulation) Act of 1951, has been announced by the Government of India. The Council consists of 21 members representing the Central and State Governments, sugar industry, employees, traders, technologists and consumers. Mr. P. A. Gopalakrishna, I.C.S., Joint Secretary, Union Food and Agriculture Ministry, is its Chairman. The Council is entrusted with the following functions:

(1) To fix targets of production, co-ordinate production programmes and review the progress of development from time to time;

(2) to suggest to the Government norms of efficiency, with a view to eliminating waste, obtaining maximum output, improving quality and reducing costs;

(3) to recommend to the Government steps to be adopted for achieving the fullest utilisation of the industry's installed capacity and for improving the working of the industry, particularly of the less efficient units;

(4) to promote and undertake an enquiry into materials and equipment, methods of production, management and labour utilisation;

(5) to suggest measures for better marketing and distribution of sugar; and

(6) to advise the Government from time to time on matters relating to standardisation, technical training, scientific and industrial research, study of consumer psychology, measures for raising labour productivity, improvement of working conditions in factories, and expansion of amenities and incentives for workers.

The formation of the Development Council for the sugar industry will be welcomed only in so far as it signifies the firm determination of the powers-that-be to set this industry, which produces what has aptly been described "the commodity to sweeten the tongues of one and all," on a firm basis. Because the Council cannot, by itself, solve the peculiar problems of this industry which arise from its agro-industrial character. The sugar industry thus covers two stages, namely, primary stage—that is, sugarcane cultivation—and secondary stage—that is, manufacture of sugar. Generally, the primary stage lags far behind the manufacturing stage, as a result of which the industry has not been able to make as much progress as one would wish, in spite of the protection granted to it two decades ago, in 1932, to be precise.

Cane Development

If, therefore, the Development Council is to succeed in fulfilling the onerous task of setting the sugar industry on sound and solid footing, it is of the utmost importance that the progress of the manufacturing stage should be preceded by a vigorous drive on the part of the Indian Central Sugarcane Committee to intensify development of sugarcane. The Council, however, can expect much of its task lightened by the determined support lent to the work of improving the quality as well as the quantity of the cane by Dr. Punjabrao Deshmukh, Minister for Agriculture, Government of India. In the course of his inaugural address at the annual meeting of the Indian Sugar Mills' Association held in New Delhi on Friday last week, Dr. Deshmukh emphasised how rise in sugar production could be achieved by raising the per-acre yield of high sucrose-content cane. In this connection, he observed:

"I have had many times thought of touring the intensive sugarcane growing areas and finding out the causes which contributed to the ridiculously low average production of sugarcane. I have now decided to give this matter my most immediate and earnest attention and I feel confident that raising the average production in U.P. and Bihar by at least ten to fifteen per cent. should not be impossible. I have an instinctive feeling that what we have been able to achieve in the course of a bare six or eight months without hardly any cost to the Government in the case of the Japanese method of paddy cultivation, may, in all probability, also be repeated in the case of higher sugarcane production. I also propose to examine the spare capacity of the sugar mills, so that larger sugarcane production may not only give us more sugar, but also enable us to reduce the cost to the consumers."

This was also the aspect on which Mr. D. R. Narang, President of the Association, laid considerable stress. As he very aptly remarked, "our standard should be not sugarcane per acre but sugar per acre."

Considering the steady rise in population, the migration of people from the rural to urban areas, and the improvement in the general standard of living, the scope for the development of the sugar industry is vast. But the target of 1.55 million tons in the rated capacity of the industry fixed for 1955-56 by the Planning Commission falls short of the actual consumption estimated at about 1.8 million tons by the Minister. To quote the words of Dr. Deshmukh: "It seems now reasonable to assume that the normal consumption level of crystal sugar in the country has exceeded 1,500,000 tons and is not likely to fall short of this figure in future years. On the contrary, with the progress of the Five-year Plan, consumption is likely to increase further and may reach the level of 1,700,000 to 1,800,000 tons by 1956."

In view of the gap between internal production and consumption requirements and considering the need for preventing any spiralling of prices, imports of foreign sugar, as Dr. Deshmukh pointed out, may be "inescapable." But sugar imports, it must be pointed out, do not at all offer a lasting solution to the disquieting sugar situation confronting the country; at best, it is merely a palliative. What is required from the long-term point of view of the country's sugar economy is the expansion of the size of the sugar industry. It is indeed gratifying that the Government should have realised the need for such expansion, as witness its latest decision to grant permission to the establishment of six new sugar factories. The Government is also considering proposals to effect an upward revision in the target for sugar production under the Five-year Plan. An indication of this is provided in the statement of Dr. Deshmukh that his Ministry was examining, in consultation with the Planning Commission, the question of raising the target of sugar production. He hoped that the Government would be in a position shortly to announce also the method which should be adopted to achieve the higher target.

Rehabilitation

Simultaneously with the expansion of the size of the sugar industry, the technical efficiency should also be stepped up. Drawing particular attention to this question, Mr. Narang made a few pertinent observations on the present handicaps, which need reproduction. Said he:

". . . practically all the factories in U.P. and Bihar commenced crushing operations nearly 20 years ago. Their actual daily crushing has been much more than the rated capacity specified by the makers of the plants. This has entailed heavy wear and tear and the plants are now due for large-scale replacements and modernisation. During the war and the period following it, even the normal replacements could not be carried out, as machinery parts were not easily available. Even now, the prices are ruling high and factories need considerable funds to carry out the backlog of replacements. Funds are also needed for adding new devices for improving the efficiency of production. Factories can also go in for fuel economy schemes. They can also organise better transport of cane by laying down tramway lines. Factories also need building up of large-scale cane farms wherever conditions permit."

All these require considerable finance which is said to be too large to be met out of the industry's own resources. To quote again Mr. Narang's words:

"The capital expenditure of this nature is beyond the existing resources of the factories. The depreciation and the general reserve funds available with most of the factories are not sufficient for carrying out any such programme. The unrealistic price policy followed by the Government during the control period has prevented the factories from building adequate reserves. In the control rates, the gross profit allowed was only 10 per cent. on the block which is taken to be Rs. 18 lakhs for an average factory, as recommended by the 1937 Tariff Board. While there could be some justification for allowing this profit margin during the pre-war years, when taxation accounted for only 20 per cent. of the gross profit and the balance was available to a factory for reserves and dividends to shareholders, there could be no justification for continuing the same basis when taxation was much higher and absorbed about 40 per cent. of the gross profit. Further, about 20 to 25 per cent. of profits were absorbed in payment of bonus to labour which was not paid in pre-war years. What was actually left was not sufficient to pay even a small return to the shareholders. The factories thus have not been able to build up reserves to renovate and modernise their plants. Moreover, much of the earnings of the factories in the recent years has been utilised for providing the additional working capital, that is, as margin money for the advances which they take from the banks against sugar stocks for payment of cane price and other expenses."

There is considerable force in these observations of Mr. Narang, which merits the study of the Taxation Enquiry Commission. Surely, it is to be hoped that, in its report to be submitted to the Government in the course of the next few months, the Commission will make suitable recommendations, keeping in view the need for liberalisation of depreciation allowances and reduction in taxation. The Commission should also lay down, as Mr. Narang rightly emphasised, definite principles for the guidance of the Central and State Governments in the matter of taxation. Otherwise, all the advantages expected to accrue from the centralisation of the industry would, as Mr. Narang warned, be lost, if the State Governments and local bodies were to continue to follow independent and divergent policies with regard to taxation.

SUGARCANE PRICE

The U.P. Government proposes to hold shortly a tripartite conference to evolve a formula, according to which excess profits made by sugar mills can be shared by the cane-growers. Disclosing this in the course of his reply to a question in the House of the People the other day, Dr. P. S. Deshmukh, Minister for Agriculture, said that the question of setting up a machinery to implement the formula would be considered after a decision was taken in the matter. The Minister explained that the raising of the cane price by As. 4 per maund had not been done by the Government notification. The Government of India had written to all factories in West U.P. suggesting that they might pay Re. 1-11, instead of Re. 1-7 per maund of sugarcane delivered to them, because it was expected that these sugar mills would operate for a longer period, thus making additional profits which the Government wanted them to share with the cane-growers.

SUGAR CANDY IMPORTS INTO CEYLON

The Ceylon Government has taken over all imports of sugar candy and banned private traders from dealing in it. This decision has been taken to prevent sugar candy from becoming a "serious competitor" to sugar. Private traders imported sugar candy, processed it locally and sold it as sugar thus reducing Government's profits on the commodity which are used to offset subsidy on rice. Within the last four months alone, the Government's profits from sugar sales which amount to Rs. 9.5 crores annually, had declined by Rs. 15 lakhs. Future imports and distribution of sugar candy would be handled by the food department which is the sole purchaser and distributor of sugar.

The Canara Mutual Assurance Company, Limited

Head Office: UDIPI (S. India)

Summary of Balance Sheet and Revenue Account of the Company in respect of total business.

REVENUE ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1953.

Particulars.	Rs.	a.	p.
Claims and Surrenders less Reinsurances	5,62,187	11	4
Expenses of Management including Commission	4,08,148	7	4
Bad Debts	Nil		
Other Items	20,118	6	2
Transfer to Investment Reserve Fund	6,000	0	0
Balance of Fund at the end of the year	93,80,044	2	4
Total	Rs. 1,03,76,498	11	2

Particulars.	Rs.	a.	p.
Balance of Fund at the beginning of the year	82,48,569	6	5
Premiums less Reinsurances	17,93,848	0	0
Interest, Dividend and Rents less Income-tax	3,07,540	6	3
Other Income	26,540	14	6
Total	Rs. 1,03,76,498	11	2

BALANCE SHEET AS AT 31st DECEMBER, 1953.

Liabilities.	Rs.	a.	p.
Life Insurance Fund	93,80,044	2	4
Investment Reserve Fund	3,79,400	0	0
Loans and Advances	Nil		
Outstanding Claims	1,91,803	1	11
Other Liabilities	1,96,359	4	4
Total	Rs. 1,01,47,606	8	7

Assets.	Rs.	a.	p.
Government Securities	43,42,402	3	6
Other Approved Securities	24,00,066	8	3
Fictitious Items and Bad Assets	Nil		
Approved Investments and other Assets	34,05,137	12	10
Total	Rs. 1,01,47,606	8	7

UDIPI, 23rd January, 1954.

T. R. A. PAI,
Managing Director.

INDIAN CONFECTIONERY INDUSTRY

PLEA FOR BAN ON IMPORTS NOT JUSTIFIED

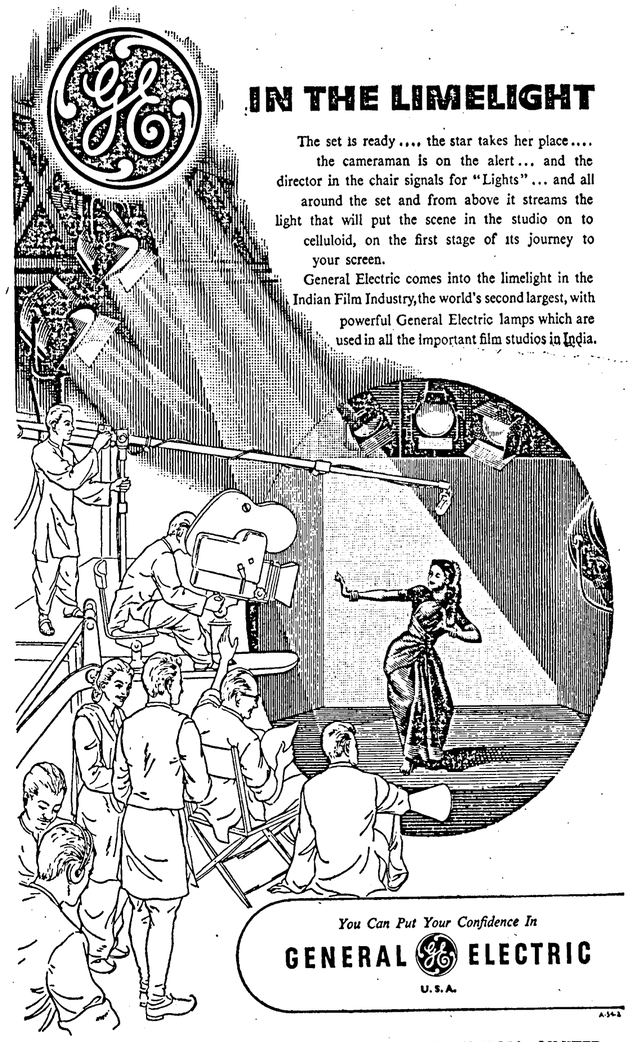
THE presidential address of Mr. Khanchand J. Pamnani, delivered at the eighth annual meeting of the Indian Confectionery Manufacturers Association held in New Delhi on Saturday last, was no more than a mere echo of what his predecessors had stated in previous years and to which pointed attention was drawn in these columns on appropriate occasions. Perhaps, Mr. Khanchand could not but repeat the same once again. So pressing have been the problems of the confectionery industry and so inadequate is the attention that they have received at the hands of the authorities that one need not be apologetic for referring to them again. The cost structure of the industry, for instance, is unduly heavy, thanks to high prices of raw materials and packing materials. Another disquieting factor is loss of export trade on account of foreign competition. Even in the internal market, there is severe competition not merely from imported confectionery products but also from the low-priced sweets of inferior quality.

Indeed, the Indian confectionery industry is passing through difficult times. This is fully reflected in the considerable gap between the installed capacity and the capacity actually utilised. The production of machine-made confectionery amounted to a bare 6,624 tons in 1953 which is hardly 12.5 per cent. of the production capacity of 52,800 tons. This compares very unfavourably with even the production of 9,240 tons at times when the industry had been starved of sufficient supplies of sugar, the basic raw material. Surely, something must be done to alleviate the problems of the confectionery industry. After all, it must be remembered that this industry plays a significant role both as a subsidiary to the sugar industry and as a producer of nutritive products.

Mr. Khanchand has suggested two remedies for the ills of the confectionery industry, namely, tax concessions and ban on imports. With regard to the former, Mr. Khanchand wants abolition of excise duty on sugar used in the manufacture of confectionery and refund of cess on sugarcane used in the manufacture of sugar supplied to confectionery industry. This plea is quite justified, considering the fact that the heavy cost structure of the industry has been due largely to the tax burdens. Thus, on every maund of sugar consumed by it—sugar accounts for 40 per cent. of the total cost of confectionery production—the confectionery industry pays as much as Rs. 2-12 by way of excise duty and Re. 1-14 by way of cess on cane. This, indeed, it a heavy impost which has been responsible for keeping down the level of confectionery consumption. In most countries where the confectionery industry is flourishing, we are told, no excise duty is levied on sugar consumed by the confectionery industry. After all, by abolishing the excise duty on sugar and the cane cess, the Government will only be removing tax on raw material.

There is also considerable justification in Mr. Khanchand's plea for granting the drawback of import duty on glucose, cellophane paper, essences, etc., used in the production of quality confectionery meant for exports. Although several months have elapsed since the Central Government was invested with statutory powers to grant drawback of import duty on raw materials used in the manufacture of goods which are subsequently exported, no drawback has still been granted to this industry.

It is, however, difficult to agree with Mr. Khanchand when he urges imposition of ban on imports of foreign confectionery. True, the Indian manufacturers, at least some of them, have the equipment and technical knowledge to produce quality confectionery. But, on that score alone, the plea for a complete ban on foreign products cannot be justified. For the quality of indigenous products remains yet to be improved. And such improvement can hardly be expected under conditions of monopoly created by a total ban on imports. There will be little incentive on the part of the indigenous industry to produce high quality confectionery at competitive prices which is necessary for encouraging consumption of sweets. And, surely, consumers' interests cannot be disregarded. If, however, the confectionery industry feels that foreign competition is injuring its interests, it would be justified in asking for higher tariff protection.





REVIVAL OF TEA INDUSTRY

IMPLEMENTATION OF PLANTATION LABOUR ACT PRESENTS COMPLEXITY

THE Indian tea industry is, undoubtedly, in more favourable circumstances than it was in 1952 and early 1953. But it can by no means be contended that it has completely overcome the ill-effects of the slump which overtook it in 1952 and that the loss suffered by the industry in that year has been completely made good. This is clearly evident from the speech of Mr. S. H. Davies, the retiring Chairman of the Indian Tea Association, Calcutta, at the annual general meeting of the Association held last week. In this speech, Mr. Davies gave a clear description of the events that have contributed to the recovery of the industry, thereby enabling one to view the present position of the industry in its proper perspective. As Mr. Davies rightly put it, the credit for arresting the slump and bringing it back to a fair measure of prosperity belongs goes to all concerned, namely, the planters, the labour and the Government. The planters, particularly of Northern India, decided to readjust the production just enough to cover the demand by saying greater emphasis on quality. The labour readily agreed to make some sacrifice by accepting cut in wages and by agreeing to the postponement of the application of the Plantation Labour Act to the tea industry. The Government assisted the industry by giving guarantee to banks on behalf of those estates which were in need of financial accommodation and by agreeing to defer the collection of excise duty.

It is gratifying to find that Mr. Davies made a generous acknowledgment of the helpful attitude taken by both the labour and the Government towards the industry when it was passing through difficult days. In fact, his address was in refreshing contrast to the speeches of many a spokesman of private enterprise, in that he used no harsh language either against labour or Government; even where he was critical, he showed restraint. This attitude of friendliness and understanding of the other fellow's difficulty will go a long way towards harmonious relationship between all the parties concerned. Lest the change in fortunes of the industry should give an impression that all is well with the industry, Mr. Davies sought to impress upon the critics that there were many companies which were still loaded with debt and fighting for survival. He also recounted the difficult tasks that lie ahead of the planters in the implementation of the Plantation Labour Act.

First Step Towards Recognition of Difficulties

The appointment of the Rajaram Rao Committee to enquire into the conditions of the tea industry was the first step by the Government towards the recognition of the planters' difficulties. It is true that the Committee's recommendations did not lead to any reduction in the burdens on the industry, but they were at least helpful in deferring the imposition of further burdens. Further, as Mr. Davies admitted, the Government of India's appreciation of the seriousness of the crisis had a salutary effect upon many thoughtless critics and made financiers less averse to advancing money to the planters.

The improvement in the demand for tea from the U.K. which is India's biggest customer for this beverage, was the dominant factor in the industry's recovery. The initial results of the derationing of tea in that country in October, 1952 was disappointing, in that the demand fell off considerably for several weeks, while domestic consumers used up the stocks which they had hoarded in the course of a decade. Fortunately, this trend proved to be a short-lived affair and demand again revived and has now become keener. The third factor which helped the industry improve its fortunes was the decision of the North-East Indian planters to regulate their 1953 crop, so that supply would be more in line with demand. But, actually, the task of regulation was taken out of the planters hands by climatic conditions. A sympathetic nature, to quote Mr. Davies, so devised things that the crop which they were able to produce was 21 million lbs. less than the target at which they had aimed under their regulation scheme. Thus, if the adverse weather conditions had not intervened, the crop would have been 21 million lbs. more than what has been harvested and tea prices also would not have been as high as they are now. Thus, in the words of Mr. Davies, "this short-fall has given far greater prominence to the 1953 scheme than the scheme's working perhaps deserved." But significantly enough, the mere news that the North Indian planters were trying to equate supply with demand had an excellent effect. Mr. Davies revealed that, from the time that Indonesia was over-run in 1942, until 1952, their aim had been to produce an even greater crop; but, in December, 1952, they announced what was in effect their intention to increase production no more.

Crop to be Regulated in 1954 Also

Replying to the criticism in some quarters to the effect that the regulation in North-East India alone gave an unfair advantage to tea producers in other areas and in other countries, Mr. Davies said that the planters in North-East India had no intention of regulating their crops to enable others to produce tea without consideration of market requirements. He hoped that others would realise the danger of unplanned production and that no one would be so foolish as to jeopardise their position and his own by an injudicious scramble to produce more tea. Vigorously defending that the regulation policy was not aimed at creating artificial shortages, he remarked:

"The line of demarcation between a genuine desire to produce just what the consumer requires and a rather wicked wish to produce slightly less is difficult to draw, and difficult to observe. As a result, the accusation of restrictive practices is an accusation easily made. Nevertheless, we have a duty to our shareholders and to our workers to do everything in our power to avoid selling our teas at a loss; and we have seen both in 1933 and in 1953 that the regulation of crop provides the necessary corrective to the buyers' belief that the supply of tea is inexhaustible. It is, therefore, our intention, and the intention of our sister associations in North-East India, to regulate crops in 1954; but I will take this opportunity of assuring you all that the aim of our regulation is not to keep the markets short of supplies, but to make certain that, so far as lies in our power, everyone can get as much tea as he wants, if he pays a fair price. And it should never be forgotten that the price of tea has not risen so much since 1939 as have the prices of other commodities."

Mr. Davies greatly appreciated the sacrifice made by labour in agreeing to a reduction in the statutory minimum wages and the approval given by the State Governments for such a cut. "There can be no doubt," he said, "that the acceptance by State Governments and by employees of the need for wage cuts had an effect which seems to have justified the sacrifices, heavy though these were." However, during the last five months, wages were restored to the level at which they existed in 1952, save in Cachar, where an agreement is stated to have been reached with labour. According to this agreement, certain low yielding estates have been permitted to pay As. 2 per day less than the old level of wages, but all other gardens are to return to the level that existed in 1952.

The crop regulation and wage reductions alone could not have brought so great a change in the industry's fortunes, had not the demand for tea increased. But for the revival of demand and the consequent rise in price, Mr. Davies observed, no sacrifice by employees, agency houses and shareholders, and no economies, however drastic, would have enabled some of the planting companies to remain in business. Projecting his thoughts to the immediate future, he pointed out that the wholesale stocks were at present lower than usual and that demand would not greatly slacken until 1954 teas became generally available.

Problems that Attend on Prosperity

Though it is gratifying that markets are now in favour of the industry, Mr. Davies is fully aware that prosperity brings its problems as well as adversity. Thus, he said that violent fluctuations like those which were noted in the last two years were undesirable and extremely dangerous. "We prefer steady prices which give us a modest profit," he added, "rather than prices which one year do not cover our wage bill and the next year make us the objects of envy and suspicion." In the second place, in many gardens, the average earnings per pound of tea in 1952 and in 1953 are said to have just covered the average cost of production. In the case of some others, even the record profits of 1953 have not wiped out the record losses of 1952. Thirdly, the present level of prices seems to have caused dissatisfaction among some of the customers, though, as Mr. Davies reminded them, they forget that, in 1952, they paid very low prices for teas of identical quality.

Three important decisions were taken at the recent session of the Industrial Committee on Plantations, which have thrown a heavy burden on the industry. The first one was that the lay-off provisions of the Industrial Disputes Amendment Act should be extended to plantation industries. Commenting on this, Mr. Davies said that though there were misgivings based on legitimate grounds, he hoped, that the decision might prove to be a fair one; in any case, if the provisions of the Act were found to be unsuited to the tea industry, the necessary modifications could always be made. Only experience could show the wisdom of the decision.

Implementation of Plantation Labour Act

The next important decision was the conversion of wages in kind into wages in cash in the Assam Valley. The third decision was that steps should be taken to implement the Plantation Labour Act, which was passed two years ago. It is estimated that to carry out the provisions of the Act, it would cost the industry a sum exceeding the industry's present paid up capital. Mr. Davies, therefore, felt that phasing was inevitable, but the preparation of a phased programme would be one of the most difficult and delicate tasks which the industry had undertaken. Because, in the first place, the Act provides for the exemption of areas and classes of estates from some or all of the Act's provisions. Secondly, programmes will have to be prepared for commodities as diverse as tea, coffee, rubber and cardamoms; for units most prosperous and for units most poverty-stricken and for plantations in the mountains and in the valleys.

The Act has cast on the industry two other duties, namely the construction of houses for the workmen, in accordance with an agreed specification, and the provision of educational facilities. As regards the first duty, the tea industry has always housed its labour, but the task before the industry is to re-house the workers whose present quarters do not comply with the approved standards. Mr. Davies was not opposed to providing houses to labour in accordance with the agreed specification, but he called upon the Government to give sufficient encouragement and make available steel and cement at fair prices. As regards the provision of education facilities, Mr. Davies said that he knew of no other industry which was expected to educate the children of its workers.

Be that as it may, whatever programmes are decided upon, their fulfilment would be dependent upon the continuation of trading conditions no worse than which existed when the programmes were made. Mr. Davies emphasised that this fact must clearly be recognised, as must the fact that increase in taxation, whether State or Central, and modifications in the wage structure might necessitate a complete revision of everything that had been planned.

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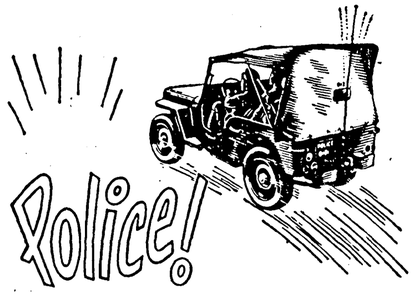

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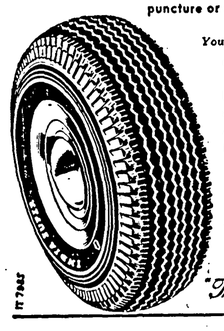

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COMPETITION BETWEEN STEEL AND ALUMINIUM

NEW METAL AGE IN THE OFFING?

MANY people foresee steel age yielding place to aluminium age. Evidently, the discovery of new uses to this versatile metal and the extreme lightness of the metal which gives it a great advantage in all forms of transportation is responsible for such an optimistic outlook. The main obstacle, however, is the higher cost of production of aluminium, as compared with that of steel.

Viewed against this background, the report of the Industry Division of Economic Commission for Europe, entitled *Competition between Steel and Aluminium* makes interesting reading. A significant feature of the report is that, as the ramifications of the aluminium industry go far beyond any single country or even a continent, the problem is discussed on a world-scale, with attention, however, being focussed on Europe.

The relative rates of expansion of aluminium and steel industries disclose that competition offered by aluminium is steadily increasing, although it is bound to remain limited for a long time to come as world production of aluminium still constitutes hardly 3 per cent. of the world output of steel and is expected to increase to not more than 5 per cent. by 1960. The rate of growth of aluminium industry reveals that, since the beginning of the century, the production of aluminium has increased only by 10 per cent. a year, so that the output has doubled by seven years; this rate of growth is expected to be maintained in the next decade. The development of the aluminium industry is comparable to that of the steel industry during 1880 and 1910, when the output of steel also doubled. Since then, however, the output of steel has increased less rapidly and has taken more than twenty years to double itself.

On the assumption that a high and growing level of activity continues, the real limiting factor on the consumption of aluminium appears to be the slow rate of growth of production facilities. A number of factors are attributed to this slow rate of growth. First, the capital cost per ton of aluminium to be produced is more than ten times as great as the capital cost per ton of steel. Secondly, it takes three to fours years to build a fully integrated steel works with a capacity of 1 million tons, but almost twice as long to build a similar integrated aluminium plant. Thirdly, aluminium-smelting, to be economic, must be done on an increasing scale in countries with rich but underdeveloped hydro-power resources, mainly in the far North or in the tropics, far away from the main consuming centres; this is the reason why a significant expansion of aluminium production in western Europe is unlikely, except in Norway and Yugoslavia. Steel output, on the other hand, is not limited to such an extent by any of these three factors, and in fact small-scale works, for example in underdeveloped territories, can be economic under certain conditions and productive capacity can be built up within a short period. In addition, in industrialised countries, the growth of steel capacity seldom takes place on entirely new sites and generally comes through the development and modernisation of existing capacity.

Prices

A significant feature to be noted in this connection is that the rates between the price of steel and that of aluminium has steadily narrowed down during the last thirty years and is now about 2:1 on equal volume basis. There appears to be, according to the report, some prospect of a little further narrowing of the ratio in the years to come but probably not at the same rate as in recent years. Electric energy is a significant element in the cost of aluminium production and there is a marked spread of electric energy costs. Producers enjoying low-power costs are already, or are likely to become, the dominating factor in the market and the effect of this factor should be to reduce the cost of aluminium.

It is not merely the expansion of primary aluminium industry, but also of the secondary industry, that is to be reckoned in considering questions relating to competition between aluminium and iron and steel. The secondary industry, working on aluminium scrap, competes almost entirely with the iron casting industry. It is highly probable that secondary aluminium will be an increasingly formidable competitor to iron castings, in view of development of high-duty alloys and the easy machining properties of aluminium as compared with those of cast iron.

A large part of the growth in aluminium consumption has been in new applications (for instance, aircraft) and as a replacement for other non-ferrous metals (for example, copper in electric cables), rather than as a replacement for steel. Nevertheless, about half the aluminium consumed throughout the world is in direct competition with steel. Competition in the fields of packaging, containers, ships and railways is limited, but it is of growing importance in building, civil engineering, household equipment, road transport and mechanical engineering. Most of the steel so far displaced by aluminium has been in the form of sheets, where aluminium is competing to the extent of 4 per cent. of world production of thin steel flat products, on a volume basis. With the rapid development of the wide-strip mill by the steel industry, however, there is every prospect of a fall in steel sheet prices. Relatively minor competition is offered in the form of tubes, light structural shapes, steel castings and forgings; so far, aluminium is competing in these fields to the extent of only 1 to 1.5 per cent. of production, on a volume basis. Moreover, in this field, new methods of construction and usage of steel are being developed. In addition, distinction should be made between commercial grade steel and steel alloys. In many fields of application, competition is between aluminium and steel alloys, particularly stainless steel, rather than between aluminium and commercial grade steel. Here again new steel alloys and new methods of using steel alloys are being developed.

Need for Imaginative Approach

Although competition of aluminium to steel is bound to remain limited for a long time in view of the fact that the expected output of aluminium will be hardly 5 per cent. of the expected output of steel by 1960, the steel industry cannot afford to ignore aluminium as a competitor in certain fields. In other fields, however, the two industries may be partly complementary and could develop side by side without serious hindrance to each other's progress. The report says that, in order to protect its position, it is necessary for the steel industry also to adopt an imaginative approach and to concentrate particularly on new designs for using smaller quantities of steel in a given structure. Much more could be done, for example, to educate consumers in the weight reduction possibilities of using flat products instead of rolled sections. Considerable efforts are now being made, for example to reduce the amount of steel used in railway rolling stock by better design and the use of higher quality steel products. In the building and civil engineering industry, on the other hand, it would appear that much more could be done to save weight by avoiding the use of unnecessary steel.

Dealing with the prospects for aluminium under the title *Aluminium versus rest*, Mr. Oscar R. Hobson, City Editor of News Chronicle, London, observed recently as follows:

"In the past decade, as scientists discovered new uses for this versatile material, many people foresaw the dawning of another epoch in the metallic history of man, the Steel Age giving way to the Aluminium Age. Last year, however the phenomenal progress of the metal was sharply checked and today aluminium may truly be said to stand at the cross-roads. The enormous developments in the use of aluminium were greatly helped by shortages of other metals, and now, with improved steel supplies and freed and cheaper copper, lead and zinc, aluminium has to stand on its own feet. Whatever the future of aluminium may be there is no doubt that science has assured a huge potential demand for the metal. Its extreme lightness gives it a great advantage in all forms of transportation where it increases speeds and lowers fuel costs. Experiments in the use of aluminium in railway rolling stock have proved highly encouraging, and, afloat, the new luxury liner United States contains no less than 2,000 tons of aluminium. Copper has increasingly felt the competition of aluminium, especially for the conducting of electric current, and recently underground cables have even been laid with aluminium in place of the traditional lead sheathing. The main battle, however, will be fought with steel. The new aluminium strip mills now under construction in this country (the U.K.), Canada and the U.S. will turn out such products as corrugated sheets, roofing sheets and sheets for the canning industry and so compete head on with steel. Such competition is already quite marked in the United States. The Paley Commission's report on America's raw material requirements envisaged a large and continued rise in the demand for aluminium. But demand is necessarily dependent upon price and if aluminium is to seize the vast opportunities laid before it by science it will need to be cheaper. Not much cheaper, perhaps, as its advantages seem to be so great that a small reduction in its price would probably lead to a very great increase in its use. Until such a reduction in price occurs aluminium will probably not make very much more headway, as manufacturers feel that at twice the price of steel most of its advantages are outweighed. The future of aluminium is thus now solely a matter of price. Technically its future is assured. The price of the metal is particularly difficult to predict at the moment. On the supply side capacity is expanding at a tremendous rate. The United States has several plants under construction and in Canada, Aluminium Ltd., Britain's chief supplier, has a mammoth project under way in British Columbia. Farther afield there is the great Volta River project on the Gold Coast which, if the plans are implemented, should eventually produce over 200,000 tons per year—roughly equal to four-fifths of Britain's present consumption. The sponsors of that project have in recent months been showing signs of getting cold feet. On the demand side, of course, the immediate prospect depends upon what happens in America."

The future course of the prices of these two metals will be watched with interest. For, the mere fact that there are immense technological possibilities for aluminium to replace steel will not, by itself, ensure, as Mr. Oscar Hobson points out in effect, the former's success. Much will depend on the relationship between the prices of the two metals.

IRON-ORE DEPOSITS IN SALEM AND TRICHINOPOLY

A Bulletin entitled *The Iron-ore deposits of parts of Salem and Trichinopoly districts* has just been published by the Geological Survey of India, under the joint authorship of Dr. M. S. Krishnan and Mr. N. K. N. Aiyengar. It gives detailed description of the different groups of iron-ore deposits in these districts together with notes on geology, analysis of samples, reserves of ore, etc. It provides useful data to those who are interested in the development of the mineral deposits of the Madras State.

The Bulletin discloses that a number of important bands of iron-ore composed of a mixture of magnetite and quartz traverse the eastern part of the Salem district and the north-western districts. Some of the individual bands can be traced over a length of more than 20 miles. The best known deposits are those of Kanjamalai about five miles west-south-west of Salem town. The others occur in the Godumalai, Perumalai, Chitteri Hills, Tirthamalai, Attur Valley near Namakkal, etc. The total reserves of all the ores, which contain a minimum of 25 per cent. of magnetite, and within a depth of 100 feet from the surface of the outcrops, has been estimated at 305 million tons. The average ore contains 35 to 40 per cent. iron, about 50 per cent. silica, up to 0.19 per cent. phosphorus, 1.5 to 2.5 per cent. alumina, very low sulphur and low titania. The ore being magnetic, it is amenable to crushing and electro-magnetic separation. Laboratory experiments have proved that it is possible to obtain concentrates containing 55 to 65 per cent. iron. The major obstacle to the smelting of these ores is the lack of coal and cheap power in the Madras State. The question of smelting these ores will have to be studied in all its aspects before any proposal can be seriously considered.

IRON AND STEEL SCRAP PRICES

The Government of India has decided to revise the statutory selling prices of iron and steel scrap with effect from 22nd March, 1954. The proposed revision will be made with a view to rationalising the prices of different classes of scrap with reference to the prices of corresponding categories of standard material, the uses to which they can be put and their availability in relation to the demand. The prices of certain categories will be reduced, while the prices of certain others will be increased. In the case of melting scrap prices, the change proposed is only in respect of the basis of sale, i.e., from f.o.r. main ports basis as hitherto to ex-site basis which means that the freight will have to be borne by the buyer. Another change proposed is that, while the place extras in force for standard steel will apply to fresh unused defectives and cuttings only, all other varieties of scrap (except melting scrap) will be subject to the lower place extras in force for pig iron. As a result of this revision, it is expected that the availability of scrap, particularly for re-rollers and for electric furnace owners, will improve.

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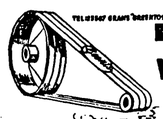
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INDIAN IRON AND STEEL COMPANY, LIMITED

MR. T. LESLIE MARTIN'S SPEECH AT ANNUAL GENERAL MEETING

ABILITY TO CONSERVE RESOURCES DEPENDS ON FIXATION OF APPROPRIATE PRICES

ADDRESSING the shareholders of the Indian Iron and Steel Co., Ltd. at their adjourned Annual General Meeting held at Calcutta on 10th March, 1954, the Chairman, Mr. T. Leslie Martin, explained why the Directors could not transfer to the reserves any sums other than the stipulated provisions against the rehabilitation of the plant. This was because, he said, of the pending adjustment of the income from the sale of steel for the three months, January, February and March, 1953, on the basis of the proposed revision of steel retention prices from 1st January, 1953. The future ability of the Company to maintain the dividend at a reasonable level, to provide the Company's contribution towards the cost of expansion and to repay the loans in the stipulated instalments also depended, according to Mr. Martin, upon the new retention prices to be announced by the Government. Mr. Martin also referred to the recent strike in the Company's works and explained its impact on the Company's production and finances.

The following is the full text of Mr. Martin's speech:

"GENTLEMEN,

"The most outstanding events during the last financial year were the completion and coming into effect of the merger and the finalisation of our loan agreements with the World Bank and the Government of India. In my speeches at the last annual general meetings of the Indian Iron and Steel Company and the Steel Corporation of Bengal, and in the circular letters addressed to the shareholders of the two Companies in 1952, the history of the merger and the loans, their implications and their effect on the immediate and future prospects of the great scheme of extensions, which thereby became possible, were fully explained to you. In the Directors' report which has been in your hands for some days, we have portrayed the actual consequences of these two events on the financial structure of the Company and the trading results. It is, therefore, not necessary for me to dilate on these topics at any length.

"The previously issued capital of Rs. 1,50,00,000 in preference shares and Rs. 2,55,25,960 in ordinary shares has now been increased to Rs. 2,69,95,400 in preference shares and Rs. 5,18,37,080 in ordinary shares by the issue of Rs. 1,19,95,400 preference shares and Rs. 2,63,11,120 ordinary shares to the shareholders of the Steel Corporation of Bengal in exchange for their holdings.

Profit and Loss Account

"The profit and loss account may possibly present some difficulty to you in its full understanding and it will perhaps help if I point out that it is necessary to bear in mind that up to the 31st December, 1952, the Indian Iron and Steel Company and the Steel Corporation of Bengal were trading as entirely separate entities, their relationship being governed by the 1937 Agreement which provided for the supply of hot metal and services by the Indian Iron and Steel Company on the basis of cost plus a margin of profit. From the 1st January, 1953, this Agreement ceased to be operative following upon the merger and, therefore, all such supplies from that date also ceased to constitute inter-company trading transactions carrying a profit element, and became instead inter-departmental transfers at cost as between the steel and iron sections of the amalgamated concern. You will accordingly find that there is included in the profit and loss account the Indian Iron and Steel Company's normal 20 per cent. share of profits of the Steel Corporation of Bengal to the 31st December, 1952, but nothing in respect of the quarter ended 31st March, 1953, since the full gross income and expenditure and, hence, the entire profits of the post-merger Steel Corporation of Bengal from the 1st January, 1953, are incorporated directly in the account under the appropriate heads. Similarly, the item 'sundry income' which consists primarily of the value of the services provided under the 1937 Agreement records a decrease from the previous year, since in the present account it covers not a full year, but a period of nine months only from the 1st April, 1952, to the 31st December, 1952.

"The Steel Corporation of Bengal accounts for the year 1952 are appended to the Directors' Report and have, of course, been prepared on the pre-merger basis. After providing for depreciation and the rehabilitation allowance as recommended by the Tariff Commission, the Indian Iron and Steel Company's 20 per cent. share of profits under the 1937 Agreement, taxation and other commitments and the payment of the full dividend for the year on the preference shares and a 2½ per cent. interim dividend on the ordinary shares, the balance of net profit of the Steel Corporation of Bengal for the year 1952 has been transferred to the Indian Iron and Steel Company Account in accordance with the provisions of the Iron and Steel Companies Amalgamation Act, 1952.

Depreciation Charge

"From the foregoing you will appreciate that the profit and loss account is of necessity by reason of the merger a very composite affair comprising: firstly, twelve months' activities of the pre-merger Indian Iron and Steel Company to the 31st March, 1953; secondly, the profit margins to the 31st December, 1952, receivable from the Steel Corporation of Bengal under the 1937 Agreement which are, of course, offset by reason of the fact that they have been charged in the 1952 accounts of the Steel Corporation before arriving at profits for that year taken over; and, thirdly, the trading results in steel of the Indian Iron and Steel Company for the post-merger months of January, February and March, 1953. Since the trading in steel for these three months is additional to the previous activities of the Company, certain additional provisions in respect of the quarter have had to be made. The former normal depreciation charge of Rs. 40 lakhs is accordingly increased to Rs. 50 lakhs by the inclusion of Rs. 10 lakhs being one quarter of the Rs. 40 lakhs' previous annual allocation of the Steel Corporation of Bengal and a sum of Rs. 3,62,000 is set aside for the rehabilitation of the steel plant at the stipulated rate of Rs. 14,48,000 per annum.

"Finally, to the net profit as above determined is added the balance of the net profit of the Steel Corporation of Bengal for the year 1952 taken over and after allowance for the dividend payable on the preference shares, we arrive at the amount of profits available for distribution on the amalgamated ordinary share capital.

"An *ad-interim* dividend of Re. 1 per share has already been paid to you. Though this has been described as an *ad-interim* dividend, we made it clear at the time of declaration and have again referred to this point in the Directors' report that no further recommendation in respect to dividend will be made for this year.

Rehabilitation of Plant

"As has been mentioned in your Directors' report, the realisations on the sale of steel for the months of January, February and March, 1953, have been based on the prices fixed for 1952, since the question of the revised prices to apply as from the 1st January, 1953, is still under the consideration of Government. Pending the adjustment of the income from the sale of steel for those months, it has not been possible, having regard to the rights of the shareholders to a reasonable return upon their investment, to place to reserves any amounts other than the stipulated provisions against the rehabilitation of the plant.

"The Directors are of the opinion, which I am sure you will share, that it is imperative, in view of the tremendous liabilities of the Company has to shoulder in order to carry out the expansion scheme, to set aside as much as possible out of earnings to pay off its commitments as quickly as possible and also to provide for the large sum of finance, approximately Rs. 7½ crores which it has agreed to contribute from the Company's own resources to supplement the loans granted by the World Bank and the Government of India. As a commencement and with this object in view, we propose to carry to reserve the net difference after providing for taxation, between the former and the increased retention prices of steel for the three months January to March, 1953. Until we are informed of the decision of the Government of India in the matter we are, of course, unable to compute what this is likely to be.

Retention Prices

"In the terms and conditions on which the loans by the World Bank and the Government of India have been granted and in their respective amounts, there has been no material departure from what was conveyed to you in my last two speeches and as set forth in the circular letters addressed to you during the course of negotiations. As regards our ability and desire to maintain dividends at a reasonable level, provide the Company's contribution towards the cost of the expansion and to repay the loans in the stipulated instalments, this will depend wholely upon the revised retention prices recommended by the Tariff Commission and sanctioned by the Central Government. So far as we know, no final decision in the matter has as yet been taken. The continued liquidation of our financial commitments will, also, be governed by the retention prices which are fixed after the scheme of expansion has been completed and brought into economic operation. We hope that the principles by which retention prices were fixed prior to the merger, with such modifications as may be necessary and as may be appropriate and justified by later circumstances, will continue to be applied until both these loans and our other loans have been fully repaid out of earnings. It was on this understanding that the Company agreed to expand its undertaking and was willing to accept the consequent heavy financial liabilities. The Company feels that it is entitled to assume that the Government will, during the continuance of the repayment period of the loans, adhere to the principles laid down in the Report of the Tariff Commission, 1952, and accepted by the Government, viz.:

"'I.I.S.C.O. and S.C.O.B. may be informed that should the Hirapur Iron Works be amalgamated with S.C.O.B., the retention prices of steel produced by the amalgamated concern will be calculated on exactly the same principles as have been applied in the case of Tatas.'

which imply that there shall be no departure, to the disadvantage of the Company, from the principles that applied in the case of Tatas prior to the merger.

Labour Unrest

"I shall now refer to the intolerable conditions under which we have had to work during the year 1953. You will all be familiar, from what was published in the Press, with the attitude labour adopted at the Burnpur Works during the major portion of the year, a full eight months to be exact. At first, a 'go-slow' strike in the sheet mills was resorted to and this eventually developed into a virtual cessation of work in all departments. This started in January of last year and, as time went on, it became evident that the root cause of the trouble lay in a contest between rival unions, one sponsored by the Behar Provincial Congress and the other by the West Bengal Provincial Congress. It was, further, manifest that the management were outside the orbit of the dispute but were freely used by both sides when circumstances were favourable. The management were in constant and, at times, daily touch with the Central Government and the State Government of West Bengal throughout the whole period and we are not unmindful of their earnest endeavours to bring about a settlement of the dispute. When this failed after every possible means had been explored, it was finally decided with the concurrence of the Central and West Bengal Governments to declare a lock-out on the 24th of August and I would here express our appreciation of the help so readily afforded by the Military Authorities and the West Bengal Armed Police in the precautionary measures that had of necessity to be taken to ensure the personal safety of the staff and the prevention of damage to the plant. The lockout lasted for some three and a half weeks and apparently brought labour to their senses. It became evident that the contending parties were losing interest in a continuance of the battle and steps were immediately taken by the management gradually to re-establish normality in the works and offices at Burnpur. Since then, and up to the present moment, all has been fair sailing.

"It is difficult to assess accurately the loss sustained by the nation as a result of this unfortunte dispute, but a revealing picture can be drawn from a scrutiny of facts and figures which, to say the least of them, are thought-provoking.

Estimated Loss

"From the time the 'go-slow' action commenced at Burnpur in the sheet mills on the 18th January, 1953, to the time the lockout was lifted and normal working conditions restored, no less than 2,373 total productive hours were lost. This represents nearly one-third of a normal year's activities. The resultant output losses in the productive departments, taking the year 1952 as the basis for comparison, are as follows:

	Tons
Coke	125,376
Steel ingots	101,795

"Whilst the 'go-slow" strike in these departments was effective from the middle of June, the trouble in the sheet rolling mills started from the 18th January and the loss of production in the finishing mills on the same basis as above was as follows:

	Tons
34" mill	52,422
18" mill	45,728
Sheet mills	41,256
Galvanising plant	25,317

"In addition, heavy losses in production were sustained in the by-product departments. The loss of approximately 100,000 tons of finished and semi-finished steel to the country had a very serious effect on trade generally and brought about great hardship amongst large and small steel fabricators, small traders and cottage industries throughout the country. The railways were deprived of a large amount of revenue on the freight of raw materials and finished products.

"Having dealt with the loss in production tonnage under various heads, I will now turn to an approximation of the financial losses involved.

"The loss of revenue to the Company amounted to Rs. 1,60,00,000; the loss to workers on wages and bonus Rs. 30,00,000, and the loss to railways on inward and outward freight Rs. 70,00,000.

"Such is the reign of labour at present and, I would say, political expediency. India's future and prosperity demands an immediate review of the whole system of its handling of the labour question and the institution of laws and regulations which will provide a full day's work for a fair wage. Another point I would like to stress, and a matter greatly to be deplored, is the capture of various unions in the country by divergent political parties. This tends to make the existing confusion more confounded and can only result in a widening of the gap in the relationship between management and labour. If a solution is to be found to correct this state of affairs, it rests with Government.

"A moment ago, I referred to the loss of revenue incurred by the Company as a result of these unfortunate happenings. The Company has strongly represented their side of the case to the Government and at the close of the current financial year, when a proper assessment can be made as to the actual damage entailed, it is to be hoped that the Government will not turn a deaf ear to our claims.

"The trading results as described in the accounts and the Directors' report for the year 1952-53 will, I hope, be considered by you as satisfactory. I would, again, draw your attention to the fact that the accounts include, in addition to the normal activities of the Company for the year, the trading of the former Steel Corporation of Bengal for the quarter from the 1st January, 1953, to the 31st March, 1953. In accordance with past practice comparative figures for the previous year are shown, but since these refer to twelve months' pre-merger working no true comparison can be drawn and it will not be until the year ending 31st March, 1955, that it will be possible to compare two full years' detailed trading results of the merged undertaking. The comparative figures shown in the balance-sheet, however, indicate the effect of the merger on the capital structure of the Company.

Hirapur Furnaces

"As regards the production of pig iron for the year, this has been somewhat less than that of 1952 owing to the fact that one blast furnace at Kulti was off for re-lining for a period of four and a half months. During the years 1954 and 1955, both the large Hirapur Furnaces will be out of commission for several months for re-lining; one in 1954 and the other in 1955. This will inevitably have a material effect on the production of steel during these years.

"I am glad to be able to record that all railway transport facilities have been efficiently maintained by the authorities in spite of the difficulties of the year under review, but there is one feature in rail transport of raw material which deserves the serious attention of the Railway Administrations. There is not a shadow of doubt that the pilferage of pig iron in transit is on the increase and, at times, runs to a high figure. As you can understand this unauthorised 'offtake' is a matter of considerable consequence, not only from the point of view of a loss of revenue, but also to the enablement of unfair competition with our Kulti foundry products. Such nefarious practices are, admittedly, difficult to eradicate entirely, but perhaps measures could be designed to keep this unhappy practice at a minimum.

"In concluding, I would take the opportunity of expressing on your behalf and on behalf of your Directors our appreciation of the services rendered by your General Manager, Mr. J. McCracken, and his executive and supervisory staff throughout the year and particularly during the troubled conditions that prevailed in 1953. It is perhaps not realised how greatly in these days is the attention of the managerial staff diverted from a proper productive effort by the ever-present problem of labour relations and at a time when the national progress demands the highest possible level of production, it will be appreciated how easily could a sense of frustration be engendered by conditions such as have been experienced. It is greatly to their credit that they have not allowed this to happen as figures of current production evidence, and our thanks are due to them for their loyal service and unabated efforts."

WORLD WOOL CONSUMPTION RISES

World consumption of virgin wool in 1953 is provisionally estimated to have been 11 per cent. above 1952, according to a Commonwealth Economic Committee announcement issued in London. In 1953, production of wool tops set up a new post-war record. The provisional total world consumption of virgin wool amounted to 2,600 million lbs. clean, the second largest total since the war and only three per cent. less than the record reached in 1950. British consumption was 29 per cent. above the previous year, while substantial increases were recorded by most other West European consumers. U.S. consumption rose by only 3 per cent. and consumption in Japan is estimated to have improved by about 27 per cent. to a new post-war peak.

The annual figures, however, mask trends during the course of the year, the Committee warns. To quote it: "The rate of wool consumption was rising during the first two quarters of 1953, but it flattened off during the third quarter and declined quite noticeably in the final three months—the first significant fall for two years. The main reduction occurred in the United States, but there was decline also in a number of other countries, including the U.K. World consumption in the fourth quarter, in fact, is estimated to have been a shade lower than in the corresponding period of 1952."

Consumption by the wool textile industry of materials other than virgin wool (for example, waste, recovered and reprocessed wool, and artificial fibres) increased by some 6 per cent. during 1953 as compared with the previous year. But it was below the peak figure of 1951, when high wool prices greatly encouraged use of these materials as substitutes.

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INCREASE IN EXPECTATION OF LIFE IN INDIA

CENSUS ACTUARY'S REPORT

THE recent decision of the leading Indian insurers to cut the premium rates for life assurance is partly based on the significant increase in the yields on their investments and partly on the welcome improvement that has taken place in their mortality experience. This latter factor is of profound significance to the future of insurance in India; for, unless there is a progressive improvement in expectation of life, it would be difficult to render a cheaper insurance service. Fortunately, the Actuarial Report (Census of India Paper No. 2 of 1954) on the investigations into 1951 Census, conducted by Mr. S. P. Jain, the Census Actuary on the 1951 census data confirms the leading Indian insurers' experience about mortality rates in this country in an indirect way since the Report shows that the expectation of life in India is 32.45 for males and 31.66 for females, as against the last official estimate of 26.91 for males and 26.56 for females, made by Mr. L. S. Vaidyanathan of the Oriental Life Office on the basis of the 1931 Census. Thus, the latest figures record an increase of a little over five years as between the two estimates, which relate to periods separated by two decades.

No official estimate of the expectation of life based on the 1941 Census was made, but Professor Kingsley Davis in his book, *Population of India and Pakistan*, has estimated the expectation of life at 32.09 for males and 31.37 for females. The latest estimates show an increase in the Indian expectation of life by practically one-third of a year over the 1941 figures. A significant departure in the 1951 Census was the single-year age tabulation of a 10 per cent. systematic sample of the entire population. It facilitated a detailed study of the peculiarities of the Indian age returns and the adoption of methods appropriate to the features shown. This could not be done on the previous occasions, as the information on age was compiled in predetermined age groups for the entire population, and the Actuary had to make the best use of it in conjunction with the single-year age distribution shown by the population of small representative tracts. The Paper gives the latest Indian life tables. The rates of mortality in the tables are compared with those obtained by Professor Kingsley Davis from 1931 and 1941 Census data and by Mr. Vaidyanathan in his Oriental Ultimate Experience (1925-35) based on carefully recorded data relating to insured lives.

Comparison With Other Countries

Although there has thus been a notable improvement in the expectation of life, India occupies a very low place in the list of countries, arranged according to the latest available figures of expectation of life at different ages. Even Egypt, India's nearest neighbour in this respect, is considerably better than this country at all ages. The percentage of Indian males surviving to age 20 is now 58 as against nearly 45 in the beginning of the present century, but the figure compares very unfavourably with the level of over 80 per cent. for the better developed countries. The same idea may be otherwise expressed by saying that now 50 per cent. Indian males survive to age 32, as against to 14 previously, whereas this age is 65 to 70 for other important countries. These figures show that there has been a reduction in the Indian mortality, in the early years, but the position is very unsatisfactory when compared to other countries.

Indian mortality tables show some peculiar features, due partly to the social customs in this country and partly to the high rate of infant mortality and of mortality of women during maternity. Thus, the Report points out that in countries with a low infant mortality rate, e.g., United Kingdom, the expectation of life decreases with an increase in age, but in India it is not so. The Indian expectation of life at age 5 exceeds that at birth by a little over 8 years. Similarly, the expectation at age 20 exceeds that at birth. Males attaining age 21 and females reaching age 22 may on the average expect to live as long as a new born child. These features are due to the hazards of life in India being heavy in the early years. The English life tables show the lowest rate of mortality at about the age of 12 or 13, but in India the process of reduction in mortality from its very high level in the early years continues longer and the lowest mortality rate is recorded at about the age of 17 or 18. In the adult age period upto 45, say, the mortality goes on increasing though rather slowly but thereafter it increases rapidly. Women show, as compared to men, a slightly lower infant mortality but a distinctly heavier mortality during the rest of the childhood ages upto the age of 11. This feature is attributed to the social custom of bestowing better care on boys than on girls. Female mortality upto age 20, say, after which it becomes higher due to the extra maternal risk. The impact of maternal mortality is the heaviest on the age group 30-39. It is in this group that there is the greatest divergence between the male and female mortalities. After the reproductive period, say near about age 50, the female mortality again becomes lighter than the male mortality and continues to run like this for the rest of life.

Zonal Variations

The Report has also made an attempt at compiling life tables on a regional basis. But the investigator's attempt has not been altogether successful owing to factors beyond the control of the authorities. It may be recalled that the authors of the Census Report divided the country into six zones. The Census Actuary gives the corresponding estimates of expectation of life for the zones, except the North Western zone which was omitted because the population of Punjab was disturbed by migration on a large-scale and hence was not amenable to the method of tracing cohorts adopted for the construction of the life tables. This factor, along with the non-availability of age distribution in 1941 for some areas, led to the decision to exclude North Western Zone. Similarly, Bengal, which was seriously affected by the events following partition, was not included in the data for the East Zone. These decisions resulted in leaving out the two States of Punjab and Bengal, where the Census figures for 1951 are unreliable, having been substantially inflated. Formerly, the regional life tables were prepared for the various political units, the "Provinces" as they were then called and, therefore, it is not possible to state precisely the increases in the expectation of life for the various zones. The levels of expectation of life, however, show that the mortality experiences of the Central and the East Zones are heavier and those of the North and and the South Zones lighter than for the whole of All India, as also that the mortality experience of the West Zone is slightly lighter than that of the country, taken as a whole.

The Report is notable for the light it throws on certain technical aspects of the subject of estimating expectation of life. An important contribution, made by Mr. Jain, is the method for deriving the rates of mortality at the infant and childhood ages. Mr. Jain has also calculated expectations of life on the basis of the maximum and minimum infant mortality rates that may be adopted. Thus, the Indian expectation of life for males is shown to lie between 33.67 and 29.87 and for females between 32.85 and 29.62. The figures of 32.45 for males and 31.66 for females, as indicated at the outset, may thus vary either way by a year or two, at the most.

Again, Mr. Jain has discussed the problems encountered in any study of Indian age returns. In India, as in many other parts of the world, there is a tendency to return age ending in certain preferred digits, such as 0 and 5. This distorts the table of age distribution. The headache of the actuaries in the past has been to correct the age data for this distortion. Mr. Jain has prepared the age tables for 1951 and 1941 Censuses, which are published in the Census of India Paper No. 3 of 1954. This Paper contains the methods adopted for correcting biases in the age returns. These discussions form an integral part of the actuarial report and deserve to be studied for a proper appreciation of the method adopted in the preparation of the present life tables. In Paper No. 3, certain important osculatory inerpellation formulæ parallel to those due to King have been developed. These formulæ have been applied in obtaining the mortality rates for the present life tables.

Although the Census Actuary's Report will be widely welcomed for breaking much fresh ground in this field, any significant improvement in the reliability of the conclusions regarding expectation of life, mortality tables and other related subjects can be expected only when the State Governments, especially the subordinate branches of these Governments, show a lively appreciation of the significance of vital statistics. It is gratifying to note that the State Governments are becoming alive to the importance of the subject. Even so, the position of vital statistics in India is far from perfect. It is to be hoped that the Governments will impress upon the authoritics in the Taluqs, and divisions of Taluqs, the need for being prompt as well as accurate in the collection of data relating to births, deaths, incidence of diseases and causes of deaths in their respective territories.

REVIVAL OF POSTAL LIFE POLICIES

The Government of India has received representations to the effect that the holders of some Post Office Insurance Fund policies who came over to India from Pakistan failed to pay certain premiums on these policies in India in time and that it would be a hardship if these policies were considered as lapsed merely on the ground of such failure. In order to give relief to the holders of these policies, an official Press Note says, it has been decided that the policies may be revived at any time upto 31st March, 1954, without any medical certificate, even if the premiums on these policies which fell due during the period from 15th August, 1947 to 31st March, 1948, were not paid anywhere, or were paid in Pakistan, either in whole or in part.

This decision, it is stated, is subject to the provisions that (a) the policies were in force on 15th August, 1947; (b) the Government of India has assumed liability in respect of these policies; (c) the arrears of premiums which fell due during the period from 15th August, 1947, to 31st March, 1948, but were not paid anywhere are paid in India on or before 31st March, 1954, together with interest at 3½ per cent. per annum compounding yearly; and (d) all premiums due after 31st March, 1948, have been paid and if some of these premiums have been paid in Pakistan, they are paid over again in India on or before 31st March, 1954, together with interest at 3½ per cent. per annum compounding yearly. If any of these policies has become or becomes a claim at any time during the period from 15th August, 1947, to 31st March, 1954, the claim will be paid in full after the deduction of premia referred to in clause (c) and (d) above, together with interest at 3½ per cent. per annum compounding yearly and of other charges, if any. An application for the revival of a policy may be made to the Director of Postal Life Insurance, Calcutta.

The Press Note adds that the concession is granted purely ex-gratia and that the Government reserves the right to withhold this concession in any case or in any class of cases on any ground which, in its opinion, is sufficient.

During the year 1953, the Empire of India Life Assurance Co., Ltd., issued 11,489 policies assuring a sum of Rs. 3.22 crores, as against 10,058 policies for Rs. 2.81 crores in the previous year.

JAYABHARAT
INSURANCE COMPANY LTD.
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WORKING OF INDUSTRIAL DISPUTES ACT IN UTTAR PRADESH

STATE GOVERMENT'S TIMELY STEP BRINGS DOWN NUMBER OF DISPUTES

(By S. P. MEHRA)

INDUSTRIAL Disputes Act, 1947 has been criticised more than once by industrialists, trade union leaders and Judges of the Industrial Courts as being responsible for weakening the trade union movement in the country and having bred a litigious mentality among workers. Mr. K. C. Sen, President of the Bombay Industrial Court, not long ago, said: "There is little doubt that compulsory adjudication in this country has bred a litigious frame of mind and to a certain extent lessened the sense of responsibility of trade unions." A well known trade union leader of U.P. recently stated: "Industrial relations are getting a complicated business, more and more dependent upon results of litigation which appears to have become a regular feature of industrial life. Though one outcome of the frequent litigation is an extraordinary decrease in the number of strikes and lockouts, it has not ensured industrial peace. The way to peace is settlement by mutual negotiation, a very rare phenomenon of industrial life." The truth of these observations is amply borne out by the increase in the number of industrial disputes in Uttar Pradesh after the passing of the Industrial Disputes Act.

Industrial relations in the Uttar Pradesh, specially that aspect of it which relates to the settlement of industrial disputes, are governed by the U.P. Industrial Disputes Act, 1947, which came into force in February, 1948, and by the various orders of the U.P. Government passed under the powers vested in it under the above Act.

Wide Powers

Power to prevent strikes, lockouts, etc., has been taken by the Uttar Pradesh Government under section 3 of the U.P. Industrial Disputes Act, 1947. According to it:

"If, in the opinion of the Provincial Government, it is necessary or expedient so to do for securing the public safety or convenience, or the maintenance of public order or supplies and services essential to the life of the community or for maintaining employment, it may, by general or special order, make provision (a) for prohibiting, suoject to the provision of the order, strikes or lockouts generally, or a strike or lockout in connection with any industrial dispute; (b) for requiring emp.oyers, workmen or both, to observe for such period, as may be specified in the order, such terms and conditions of employment as may be determined in accordance with the order; (c) for appointing industrial courts; (d) for referring any industrial dispute for conciliation or adjudication in the manner provided in the order; (e) for requiring any public utility service, or any subsidiary undertaking not to close or remain closed and to work or continue to work on such conditions as may be specified in the order; (f) for exercising control over any public utility service, or any subsidiary undertaking by authorising any person (hereinafter referred to as an authorised controller) to exercise, with respect to such service, undertaking or part thereof, such functions of control, as may be specified in the order, and, on the making of such order the service, undertaking or part, as the case may be, shall so long as the order continues be carried on in accordance with any directions given by the authorised controller in accordance with the provisions of the order; and every person having any functions of management of such service, undertaking or part thereof shall comply with such directions; (g) for any incidental or supplemental matters which appear to the Provincial Government necessary or expedient for the purposes of the order, etc."

Section 3 of the U.P. Industrial Disputes Act goes much farther than similar legislation in other States and by the Centre in so far as it empowers the State Government to exercise powers similar to those contained in the Ordinance relating to the taking over of the Sholapur Mills by the Government of India, which has now been held by the Supreme Court to be *ultra vires* the Constitution of India, and the Industrial (Development and Regulation) Act of the Government of India, whose validity, in view of the recent Supreme Court ruling, has been held to be doubtful. The U.P. Government, however, in several instances, has already exercised the power of taking over industries and placing them under its authorised controllers. As the Government, however, was not able to run these industries, they were returned to their owners. No one in U.P. challenged the right of the State Government to take over the control of these industries, as has been done in Bombay.

Apart from the foregoing, the machinery for conciliation and adjudication of industrial disputes, set up by the U.P. Government in pursuance of the provisions of its Industrial Disputes Act, has the qualification of increasing industrial disputes instead of lessening them. The drawback, it appears, has been driven home to the Government and it recently took action to remedy it.

According to an official publication of the U.P. Government, "the first attempt at establishing an automatic machinery for taking cognisance of, and settlement of, industrial disputes was made in the year 1948 in which year orders were passed by Government for constitution of Works Committees in factories employing more than 200 workers and for the establishment of Regional and Provincial Conciliation Boards for important industries such as textiles and hosiery, sugar, leather and glass and electricity and engineering. Industrial Courts having appellate jurisdiction were also established at Kanpur, Agra, Allahabad and Lucknow for these four important groups of industries. The machinery set up in 1948 continued to work satisfactorily upto the year 1950 when it was felt necessary that some improvement in its working was needed."

A New Order Issued

A new set up for the settlement of industrial disputes was, therefore, introduced by the Government by issuing an order on 15th March, 1951, under the U.P. Industrial Disputes Act, 1947. With the passing of this Order, the Regional Conciliation Boards and Industrial Courts, constituted in 1948, were replaced by Conciliation Boards and an Industrial Tribunal for the whole of the State. It was laid down that on receipt of complaint regarding industrial disputes, the Conciliation Officer of the area concerned will constitute a Conciliation Board consisting of one representative each of the employers and employees nominated by the party concerned. There were to be no more informal conciliation proceedings which had no statutory backing, as under the new set up, all cases were to be taken up by the Conciliation Board. The Conciliation Boards, as constituted now, were merely required to take steps to conciliate in a dispute and explore the possibility of settlement between the parties. They were not authorised to give a decision themselves but merely to send a report to the Labour Commissioner and Government for further suitable action, such as reference of a case to adjudication, if conciliation failed.

Under the old order, it was not possible to hold any meeting of the Conciliation Board without the presence of all the three members, but after 15th March, 1951, no such restriction existed. Under the machinery set up in 1948, Industrial Courts were established which had appellate jurisdiction and before which appeals could lie from the awards of Regional Conciliation Boards. But under the new set up, this appellate authority was abolished, consequent on the setting up of the All-India Labour Appellate Tribunal by the Government of India under the Industrial Disputes (Appellate Tribunal) Act, 1950. Now appeales from the awards of Industrial Tribunals and Adjudicators on matters specified in the said Act are heard by the All-India Labour Appellate Tribunal. Another important feature of the new machinery was the establishment of an Industrial Tribunal for the whole of the State consisting of an I.A.S. Officer as President and two retired District Judges as members.

Increase in Disputes

Although designed to make improvements in the set up of the machinery for conciliation and adjudication in the U.P., the Government Order of 15th March, 1951, has caused serious damage to the Industry in that it has promoted industrial strife, encouraged litigious frame of mind among workers, weakened trade unions, and has generally embittered industrial relations. For under the new set-up the non-officials, that is, the parties concerned, were completely eliminated. The conciliation proceedings, which were supposed to be in the nature of mutual-negotiation with the aid of the official (Conciliation Officer) could now be conducted without even the presence of the representatives of parties concerned. The initiative passed from the parties to the officials, the Conciliation Officer and the Labour Commissioner. Again a notable feature of the order of 15th March, 1951, was that "*any* workman could now make an application in writing regarding the settlement of *any* dispute by conciliation," and it was obligatory on the Conciliation Officer to set up a Conciliation Board and commence proceedings on it.

The evil effects of 15th March, 1951, order soon became manifest. Whereas there were only six industrial disputes referred for conciliation in the period, 1st January, 1951, to 15th March, 1951, in the remaining 9½ months of the year, as many as 960 disputes were referred for conciliation. In 1952, the number of disputes referred for conciliation rose to 3,302 and in 1953 it reached the figure of 5,307. But for the order of 7th December 1953, to be discussed later on, the figure for 1953, would have been even greater.

There was thus over 500 per cent. increase in the Conciliation Board cases, or in industrial disputes, as a result of the changes introduced by the Government order of March, 1951 in the official set-up for conciliation and adjudication proceedings. This increase in references of industrial disputes could not have been achieved, had the Government also not commenced referring disputes which could not be settled in conciliation board proceedings more liberally to adjudication. The workers could not have been tempted to make more and more applications for settlement of industrial disputes, before the Conciliation Officers, had the Government's policy in regard to reference of adjudication proceedings remained unchanged. This change in policy was ensured by the Government passing an order on 24th September, 1952, whereby they transferred to the Labour Commissioner the power of deciding what cases would be sent to adjudication. The Labour Commissioner was already the head of the conciliation machinery. Where conciliation proceedings failed, he used to recommend to the Government which cases, in his opinion, were fit to be sent up to adjudication. Now he became the authority to decide the cases to be sent up for adjudication. There could be now no independent and impartial examination of his recommendations. As against 222 cases sent for adjudication in 1951, as many as 504 were sent in 1952, and this number rose to 983, in 1953. Besides, in 1953, as many as 120 cases were sent to the State Industrial Tribunal for adjudication, as against only 73 in 1952 and 19 in the period of 9½ months, beginning from 15th March, 1951, when it was set up.

Increase in Adjudications

The Labour Commissioner has thus very liberally been referring industrial disputes for adjudication. More and more trade union officials have begun taking interest in these conciliation and adjudication proceedings, and this has become an easy source of bread and butter for many of them. Practising lawyers cannot appear in these Courts, and several Union officials now command a roaring practice in these Industrial Courts. The workers, not infrequently have to foot the entire bill of pleadings, and several of them have also to pay a percentage of the spoils received at the end in case the workers succeed.

After observing the working of the new set-up for about two years, the U.P. Government found itself much perturbed. The steady decline in the number of industries was noticeable. Unemployment was continuing. More industries were closing down or were thinking of closing down. The relations between workers and managements had become extremely bitter. An unpleasant feature of the new set-up was the unhealthy growth in the numbers of a new bureaucracy. More and more officials had to be employed to deal with the increasing number of labour disputes. Thus the number of employees of the Labour Commissioner's office which was 440 in 1947 had risen to 1,161 in 1952. This figure went upto 1,233 in 1953 and demand for more hands in 1954 is, it is stated, pending before the State Government at present.

As a result of the orders of 15th March, 1951, and 24th September, 1952, the entire organised industry of U.P. (including management and workers, employers and trade unions) was placed completely in the hands of the Labour Commissioner. While suffering much as a result of his actions, none would dare criticise his acts, specially the employers, for fear of having to spend hours in Industrial Courts in the event of any worker deciding to make a complaint regarding any industrial dispute. There was no bar of time; the same complaint could be

(*Continued on page* 543)

IMPERIAL BANK OF INDIA

Incorporated in India under the Imperial Bank of India Act, 1920. The Liability of the Members is Limited.

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S. K. HANDOO, Esq.

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REPORT OF THE CENTRAL BOARD FOR THE YEAR ENDED 31st DECEMBER, 1953

The Directors report that, the usual and necessary provisions having been made, the net profit of the Bank for the half-year ended the 31st December 1953, amounted to Rs. 63,71,870-10-9 which, with Rs. 37,39,076-1-8 brought forward from the half-year ended the 30th June, 1953, makes a total of Rs. 1,01,10,946-12-5.

This sum the Directors of the Bank have disposed of as follows :—

		Rs.	a.	p.
1.	In payment of a Dividend to the Shareholders at the rate of 16 per cent. per annum	45,00,000	0	0
2.	Transferred to Pension Funds	2,85,000	0	0
3.	Bonus to Staff	20,00,000	0	0
4.	Balance carried forward to the Profit and Loss Account	33,25,046	12	5
	Total .. Rs.	1,01,10,946	12	5

The Balance Sheet of the Bank as at the 31st December, 1953, and the Report of the Auditors are annexed, together with a statement of the Profit and Loss Account for the year ended the 31st December, 1953 (wherein the figures for the past half-year have been shown separately).

By Order of the Central Board,
S. K. HANDOO,
Managing Director.

CALCUTTA, *5th February*, 1954.

BALANCE SHEET OF THE IMPERIAL BANK OF INDIA AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 2,25,000 shares of Rs. 500 each	11,25,00,000	0	0			
AMOUNT CALLED UP— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	0	0			
1,50,000 shares of Rs. 500 each, Rs. 125 paid..	1,87,50,000	0	0			
RESERVE LIABILITY OF SHAREHOLDERS— Rs. 375 per share on 1,50,000 shares ..	5,62,50,000	0	0			
				5,62,50,000	0	0
2. Reserve Fund and Other Reserves				6,35,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	35,11,29,050	7	9			
Savings Bank Deposits	27,97,16,679	2	5			
Current Accounts, Contingency Accounts, etc. ..	144,12,12,380	9	8			
				207,20,58,110	3	10
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	....					
(ii) Outside India	....					
PARTICULARS—				....		
(i) Secured by Government Securities per contra	....					
(ii) Unsecured	....					
	....					
5. Bills Payable				2,57,83,043	2	8
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	24,83,343	5	11			
(ii) Payable outside India	28,45,275	10	11			
				53,28,619	0	10
7. Other Liabilities—						
Dividend for the current half-year	45,00,000	0	0			
Unclaimed Dividends	10,35,133	12	2			
Inter-Office Adjustments	47,29,981	8	1			
				1,02,65,115	4	3
8. Acceptances, Endorsements and Other Obligations per contra				1,49,061	9	9
9. Profit and Loss—						
Balance brought forward from last year ..	42,07,072	11	9			
Net Profit for the year	1,26,82,174	0	8			
	1,68,89,246	12	5			
Amount set aside for payment of a Dividend at the rate of 16 per cent. per annum ..	90,00,000	0	0			
Amount transferred to Pension Funds ..	5,64,700	0	0			
Bonus to Staff	40,00,000	0	0			
				83,25,046	12	5
10. Contingent Liabilities—	Rs.	a.	p.			
Claims against the Bank not acknowledged as debts ..	15,09,749	10	4			
Bills of Exchange rediscounted	85,714	4	5			
Outstanding Forward Exchange contracts ..	14,50,03,882	12	3			
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	34,206	14	11			
Guarantees given on behalf of others	2,88,97,475	4	2			
Total .. Rs.				223,66,61,996	1	9

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank (including foreign currency notes)				16,65,31,316	2	1
2. Balances with Other Banks—						
On current account / On deposit	Rs.	a.	p.			
(i) In India .... /						
(ii) Outside India .... /						
India. 2,99,21,924 5 9 / 26,66,666 10 8	3,25,88,591	0	5			
3. Money at Call and Short Notice				3,25,88,591	0	5
4. Investments (securities valued in accordance with Bye-Law 29 ; shares, debentures or bonds at or below cost)—				1,20,00,000	0	0
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	82,60,88,671	12	6			
(ii) Shares authorised under the Imperial Bank of India Act, 1920						
(iii) Debentures or Bonds	24,96,615	9	6			
(iv) Other Investments—Pakistan and other Government Securities, etc.	50,00,000	0	0			
†Of which investments of the face value of Pakistan Rs. 2,64,79,900 are pledged against borrowings from other Banks, Agents, etc.	10,77,82,399	14	7			
				94,13,67,687	4	7
5. Advances—						
(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India ..	79,19,61,653	12	9			
(ii) Outside India ..	11,36,27,532	6	0			
‡(ii) Bills Discounted and Purchased—	90,55,89,186	2	9			
(i) Payable in India ..	12,03,26,761	15	1			
(ii) Payable outside India ..	2,24,85,405	11	5			
‡ Of which bills of the value of Rs. 7,19,00,000 are held by the Reserve Bank of India as security against borrowings.	14,28,12,167	10	6			
PARTICULARS OF ADVANCES (see separate Statement appended.				104,84,01,353	13	3
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	24,83,343	5	11			
(ii) Payable outside India	28,45,275	10	11			
				53,28,619	0	10
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..				1,49,061	9	9
8. *Premises Less Depreciation—						
Total cost up to the 31st December, 1952 ..	3,14,76,602	8	8			
Additions (Rs. 2,04,429-12-3) less Deductions (Rs. 4,882-5-6) during the year ..	1,99,547	6	9			
Total depreciation written off up to the 31st December, 1953, less depreciation previously provided on property which has passed out of the Bank's possession	3,16,76,149	15	5			
	1,86,52,706	14	8			
9. *Furniture and Fixtures Less Depreciation—						
Total cost up to the 31st December, 1952 ..	1,04,86,569	11	7			
Additions (Rs. 10,00,245-9-11) less Deductions (Rs. 12,526-10-10) during the year ..	9,87,718	15	1			
Total depreciation written off up to the 31st December, 1953, less depreciation provided on property which has passed out of the Bank's possession	1,14,74,288	10	8			
	77,08,006	3	10			
				1,30,23,443	8	9
10. Other Assets, including Gold and Silver—						
Bullion						
Adjusting Account of Interest, Commission, etc.						
Stationery, Stamps, Suspense, etc.	78,21,257	5	6			
	56,85,285	5	9			
				1,35,06,542	11	3
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12. Profit and Loss				....		
*NOTE.—Includes Rs. 4,40,005-14-10 being written down value of certain Pakistan assets sold, pending completion of formalities.						
Total .. Rs.				223,66,61,996	1	9

ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

SPEECH OF MR. N. D. HARRIS AT ANNUAL MEETING

PRESIDING over the Seventeenth Annual General Meeting of the Alkali and Chemical Corporation of India Ltd., held at Calcutta on 12th March, 1954, Mr. N. D. Harris, Chairman, observed:

"GENTLEMEN,

"The audited Accounts and Directors' Report for the year ended 30th September, 1953, have been in your possession for some time and, with your permission, I propose to take them as read.

"During the year, the transfer of the Khewra factory was completed and shareholders were advised of this by a letter dated 4th June, 1953.

"Our Calcutta (Rishra) factory had a fairly satisfactory year. Sales of caustic soda and chlorine were maintained and the extensions to this manufacturing unit increased our production. Our turnover of hydrochloric acid was maintained at the same level as in the previous year, although some difficulty was experienced in selling the production.

B.H.C. Plant

"The crude benzene hexachloride (B.H.C.) plant failed to fulfil our expectations, owing to certain technical difficulties, and production was below the plant's rated capacity. A definite improvement in the working of this small plant has since been obtained, although full rated capacity has not yet been achieved. Our 'Gammexane' (B.H.C.) water dispersible powder was in demand and the unit has operated continuously. The market for insecticides is extremely competitive and the announcement to erect a 1,500-ton per annum B.H.C. plant by Tatas must be taken into account in making our future plans.

Paints Sales

"Paints sales were satisfactory, in spite of a competitive market. Customers appreciate that, when they buy our 'Duco', 'Dulux' and 'Necol' brands of paint, they obtain first-rate products which fully justify their relatively high cost. During the year, a varnish unit was completed which makes raw materials previously imported. Our selling agents, Imperial Chemical Industries (India) Ltd., have installed a technical service station in our factory area at Rishra. I am confident that this will render a valuable service of which customers will take full advantage in solving their technical problems and will prove an important adjunct to our agents' sales efforts.

Profits

"The Company made a net profit of Rs. 8,14,151, as against Rs. 26,64,063 last year. This fall in profit was foreshadowed in my speech last year and is due partly to the fact that the Company received the profits from the Khewra factory for only eight months of the current year and also to the fact that the new extensions at the Rishra factory had not reached full earning capacity. This profit for the year of Rs. 8,14,151, with the balance brought forward from the previous year of Rs. 2,51,870 and a profit on exchange of Rs. 15,214, gives an available surplus of Rs. 10,81,235.

"Because of the substantial initial depreciation allowances, which it will be possible to claim on the new plant extensions installed at Rishra, there should be no liability to taxation on the profits for the year. On the other hand, your Directors have considered it prudent to transfer a sum of Rs. 3,00,000 to the reserve for deferred income-tax liabilities due to initial allowances. After providing Rs. 2,33,925 for additional liability to tax for previous years and Rs. 4,44,000 for taxation liability, arising out of the sale of Khewra fixed assets, the balance of Rs. 1,03,310 available for distribution is insufficient to cover a dividend on the share capital at the same rates as last year.

Dividend on Preference Shares

"You will recall that, last year, to meet this possibility, we transferred Rs. 7,50,000 from profits to a dividend equalisation reserve. We have paid the dividend on the preference shares and have drawn Rs. 5,27,000 from this dividend equalisation reserve to maintain a dividend of 6 per cent. free of income-tax on the ordinary shares, leaving a balance of Rs. 2,23,000 in this reserve for future use. A balance of Rs. 1,03,510 has been carried forward in the profit and loss account.

"During the year, we lost the services of Sir Syed Maratib Ali who had been on the Board of this Company since its formation. He rendered the Company invaluable service by looking after our affairs in Western Punjab. His resignation, along with that of Mr. W. E. Wilkie-Brown, was consequent on the sale of our Khewra factory. Mr. B. R. Goodfellow was appointed a Director in the place of Mr. R. A. Banks and Mr. D. B. Marsland was appointed his alternate and Mr. G. Wilkinson was appointed an alternate for Mr. K. W. Young. Two additional Directors were appointed during the year, namely, Dr. E. C. Fairhead, who had served the Company as a Technical Adviser, and Mr. E. Martley, who has been for several years Works Manager and subsequently General Manager of our Rishra factory. Dr. Fairhead retires automatically under Article 113 and is recommended for re-election. Directors retiring by rotation are Sir Bijoy Prosad Singh Roy and Mr. K. W. Young who are recommended for re-election.

"The Auditors, Messrs. Lovelock and Lewes, also retire and you are requested to re-appoint them for the current year at a fee of Rs. 6,000."

IMPERIAL BANK OF INDIA

PARTICULARS OF ADVANCES

	Rs.	a.	p.		Rs.	a.	p.
(i) Debts considered good in respect of which the Bank is fully secured ..	96,85,40,856	7	5	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons ..	3,09,741	13	7
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	81,57,505	7	6	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	19,69,01,089	12	5
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	7,17,02,991	14	4	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	3,59,862	11	2
(iv) Debts considered doubtful or bad, not provided for	....			(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..	21,35,70,377	10	7
	104,84,01,353	13	3	(ix) Due from banking companies	9,05,84,827	10	5

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Half-year ended 31-12-1953			Year ended 31-12-1953		
	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc. ..	64,09,622	1	9	1,34,70,875	13	3
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Managing Director Rs. 85,873-13-0* for the half-year and Rs. 2,43,655-3-0† for the year ended 31-12-1953).	1,86,85,561	10	2	3,71,54,999	9	2
3. Directors' and Local Board Members' Fees and Allowances	63,900	0	0	1,28,550	0	0
4. Rent, Taxes, Insurance, Lighting, etc. ..	9,71,201	13	11	18,75,303	13	5
5. Law Charges	1,52,018	8	6	1,87,603	12	10
6. Postage, Telegrams and Stamps	7,19,943	15	8	14,30,419	1	7
7. Auditors' Fees	37,500	0	0	75,000	0	0
8. Depreciation on and Repairs to the Bank's Property	6,42,304	0	9	12,71,249	5	11
9. Stationery, Printing, Advertisement, etc. ..	9,75,007	4	1	19,16,695	7	10
10. Loss from Sale of or Dealing with Non-Banking Assets				....		
11. Other Expenditure	10,78,022	6	0	21,96,827	14	4
12. Balance of Profit	63,71,870	10	9	1,26,82,174	0	8
Total .. Rs.	3,61,07,952	7	7	7,23,89,703	15	0

INCOME (less provision made during the half-year/year for bad and doubtful debts and other usual or necessary provisions)	Half-year ended 31-12-1953			Year ended 31-12-1953		
	Rs.	a.	p.	Rs.	a.	p.
1. Interest and Discount	2,83,19,479	5	8	5,49,82,104	8	11
2. Commission, Exchange and Brokerage	76,09,941	5	3	1,70,67,984	9	11
3. Rents	1,78,531	12	8	3,39,614	12	2
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....			....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....			....		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....			....		
7. Other Receipts	....			....		
8. Loss	....			....		
Total .. Rs.	3,61,07,952	7	7	7,23,89,703	15	0

*Includes income-tax and super-tax amounting to Rs. 37,403-13-0, i.e., net salary and allowances amount to Rs. 48,469-0-0. In addition provision has been made for a bonus amounting to Rs. 7,500-0-0.

†Includes income-tax and super-tax amounting to Rs. 1,50,040-3-0, i.e., net salary and allowances amount to Rs. 93,615-0-0. In addition provision has been made for bonuses amounting to Rs. 14,000-0-0 and tax amounting to Rs. 15,840-0-0.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE IMPERIAL BANK OF INDIA

We, the undersigned Auditors of the Imperial Bank of India, elected under Section 58 (1) of Schedule II of the Imperial Bank of India Act, 1920, do hereby report to the shareholders upon the Balance Sheet as at 31st December, 1953, and the Profit and Loss Accounts for the half-year and the year ended 31st December, 1953.

We have examined the above Balance Sheet (which contains the particulars prescribed by the Imperial Bank of India Act, 1920, and the Bye-laws of the Bank) and the Profit and Loss Accounts, and the Accounts relating thereto of the Central Office and of the Local Head Offices in which are incorporated the Returns submitted and certified by Branch Agents and report (i) that we have obtained all the information and explanations we have required and that they have been found to be satisfactory ; (ii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank ; (iii) that the Returns received from Branch Agents have been found adequate for the purposes of our audit ; (iv) that in our opinion the Balance Sheet and Profit and Loss Accounts are drawn up in conformity with the law ; (v) that in our opinion the Balance Sheet is a full and fair one and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Bank ; (vi) that in our opinion the Profit and Loss Accounts show a true balance of profit for the period covered by the accounts ; and (vii) that in our opinion Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts for the six months to 30th June, 1953, was carried out by Messrs. A. K. Josselyne, B. S. Billimoria and J. Deavin. The accounts for that period have been accepted and incorporated for the purpose of the accounts for the year to 31st December, 1953.

The audit of the Books and Accounts of the Local Head Offices at Calcutta, Bombay and Madras, has been carried out by Messrs. K. J. H. Hartley, B. S. Billimoria and J. S. F. Gibb respectively.

K. J. H. HARTLEY,
B. S. BILLIMORIA,
J. S. F. GIBB,
Auditors.

BADRIDAS GOENKA,
BIREN MOOKERJEE,
B. P. SINGH ROY,
Directors.

S. K. HANDOO, *Managing Director.*

CALCUTTA, *5th February*, 1954.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

A CENTURY OF SERVICE TO TRADE AND INDUSTRY

MR. V. A. GRANTHAM REVIEWS ECONOMIC CONDITIONS IN THE EAST

THE One Hundredth Annual General Meeting of the stockholders of the Chartered Bank of India, Australia and China will be held in London on 31st March, 1954. In his statement accompanying the Directors' report and audited accounts of the Bank for the year ended 31st December, 1953, the Chairman of the Court of Directors, Mr. Vincent Alpe Grantham, draws the attention of the stockholders to the fact that the accounts for the year fully reflects the success that has attended the Bank's endeavours all these years in the countries in which it is operating. Despite the general deterioration in working conditions during recent years in almost every Eastern country in which the Bank operates, and a rise in working costs during 1953, Mr. Grantham, it is gratifying to note, regards the future to be more hopeful than what it appeared to be last year. "Speaking very generally," he says, "I think, we may all have to work harder for less profit, but I believe that the possibilities of making profits, even if smaller profits, are more assured than they were."

The following is the full text of Mr. Grantham's statement:

"The year 1953 was doubly auspicious for the Bank. By the happiest of coincidences the centenary of Queen Victoria's granting to the Bank a Royal Charter of Incorporation was celebrated in the coronation year of her great-great-granddaughter, Her Gracious Majesty Queen Elizabeth II. During the month of June, the British Commonwealth communities in the East held festivities in celebration of Her Majesty's coronation and many of the Bank's buildings were beflagged by day and illuminated by night. Later in the year, our Branch Managers invited friends of the Bank to join them in commemorating the one hundredth anniversary of the foundation of the Bank. These functions evoked many public tributes to the services rendered by the Bank to trade and industry. We all have been deeply moved by the warmth of felicitations extended to the Bank, on the occasion of its centenary, by a very large number of banking and commercial institutions throughout the world. Charter Day, 29th December, 1953, was commemorated in London by a Service of Thanksgiving held in St. Helen's Church, Bishopsgate, attended by the Court of Directors, the Head Office Executives and a large company of the staff.

"The summoning of the One Hundredth Annual General Meeting of the Stockholders might be regarded as affording an opportunity to speculate on the future of British banking in the East, but the temptation to do so is one which I must resist. In all the statements I have made to the stockholders as Chairman, it has been emphasised that the Chartered Bank, established as it is throughout Southern and South-Eastern Asia and the Far East, has given many hostages to fortune and this is no less true at the present time. Two years ago, I explained how policy and organisation have been adapted to swiftly changing political conditions in the East, and I described the steps we have taken to preserve, so far as it lay in our power, the goodwill of the Bank in situations which had become revolutionary in character. The success which has attended our endeavours so far is reflected in the accounts which accompany this statement and I must point out that the satisfactory results achieved have been largely due to the ability of the General Managers in London, the skill displayed by the Branch Managers in the East and the devotion to duty shown by the Bank's staffs everywhere.

The Court of Directors

"I record with deep regret the death, on 23rd August last, of Mr. Arthur d'Anyers Willis, who joined the Court of Directors in 1929 and was elected Chairman in 1933. Mr. Willis retired from the chair in 1940, but he remained a Director until his death, and I acknowledge with gratitude the services he rendered to the Bank.

"Sir Paul Benthall accepted an invitation to join the Court of Directors on 1st July last and the stockholders will be invited to confirm his election at the approaching general meeting. Sir Paul brings to the deliberations of the Court a wide experience of Indian commerce and industry.

The Bank's Balance-sheet

"Compared with last year, there is a reduction of approximately £21,000,000 in the total of the Bank's balance-sheet. The smaller figure this year is mainly due to the continued fall which has taken place during the year in world prices of the basic Eastern commodities.

"On the left hand, or liabilities side of the balance-sheet, current and other accounts, fixed deposits and bills payable show decreases of £12,683,484, £2,367,130 and £446,244, respectively.

"The substantial reduction of £6,750,644 in the figure for acceptances is largely due to the drop in commodity prices already mentioned: it also reflects increased competition from other banks in Japan, chiefly American, for this class of business.

"On the right hand or assets side, cash in hand, at call and at bankers, remains at practically the same figure as last year.

"Government and other securities (apart from those lodged against our Note Issue), bills of exchange (including United Kingdom, Colonial and Foreign Treasury Bills) and advances to customers and other accounts are down by £7,512,730, £3,875,312 and £1,999,074, respectively.

"The reduction in Government and other securities reflects part of the drop in current and other accounts shown on the other side of the balance-sheet.

"The further contraction in advances follows the tendency shown by bank lending generally and is an additional indication of the deflationary trend which has persisted during the year.

"The ratio of cash and call money to our 'demand and time' liabilities, excluding notes in circulation against which security has been lodged, is 18.98 per cent.

"It will thus be seen that although the total of the balance-sheet is less than it was a year ago, there has been no diminution of liquidity; in fact, the position is more liquid.

"Considerable expenditure continues to be incurred in meeting the cost of extensions and renovations to Bank premises and in the provision of houses for our officers in the Eastern branches; consequently, after allowing for £200,000 written off this year, the net figure for Bank premises and furniture shows an increase of £115,793 over that of last year.

"I now turn to the Bank's reserve fund. Last year, we augmented this fund by a transfer of £1,000,000 from contingencies, subsequently capitalising £500,000 of that amount. This year, we have transferred a further £500,000 from contingencies to reserve fund, thereby replacing the amount capitalised during the year and bringing our published reserve fund up to £5,000,000.

"You will have understood from my more recent annual statements that we have been at pains, so far as is possible, to restore a reasonable relationship between our issued capital and reserve fund and the total of our balance-sheet.

"Considered as a whole, I submit that our accounts display a well-balanced distribution of the Bank's resources.

Profit and Loss Account

"The net profits for the year amount to £693,798, a decrease, from those of last year, of £4,984.

"I have referred in recent years to the general deterioration in working conditions in almost every Eastern country in which the Bank operates and have stated that it would be foolhardy not to be prepared for some reduction in profits. These conditions have persisted during 1953 and there has also been a further rise in working costs.

"In the circumstances, therefore, I trust that the results achieved will be regarded as very satisfactory.

"We paid an interim dividend in October last of 7 per cent., less income-tax, absorbing £134,750, and it is proposed that, out of the balance now available, a final dividend of 7 per cent. less income-tax, should be paid, costing £134,750 making the total distribution for 1953 14 per cent.

"It is probably unnecessary to remind stockholders that these dividends are paid upon an increased capital.

"We propose to repeat the allocations made in each of the past three years to the pension fund and widows' and orphans' fund of £125,000 and £20,000, respectively.

"We have again applied £200,000 towards writing down Bank premises and furniture account.

"It is proposed to transfer £75,000 to contingencies account and to carry forward to next year the slightly increased balance of £403,513.

"I trust the stockholders will approve of all our proposals.

Introductory

"I felt bound last year to preface my review of the various countries in which the Bank operates, in somewhat pessimistic vein and you will have observed that in dealing with the profit and loss account I have again referred to a deterioration in working conditions in almost every Eastern country, which has been accompanied by a further rise in working costs.

"Let me make it plain, therefore, that notwithstanding these factors, I think, we can regard the future with rather more hope than we did when I last addressed you.

"In certain countries the economic outlook is undoubtedly better. In others there is a more settled political outlook. Some countries have still a very difficult road to travel, but they may have passed through the worst of the storm. It is the position of Japan that causes me more concern than that of any other country for it is well to recognise that her well-being is vital to South-East Asia as a whole.

"Speaking very generally, I think, we may all have to work harder for less profit, but I believe that the possibilities of making profits, even if smaller profits, are more assured than they were. We must always be prepared for the natural emergence of nationalism, but on the whole those countries in which we work are realistic in their outlook and we can be grateful for the friendly relationship that exists between us and their Governments.

Aden

"For many years past the Bank has been represented in Aden by Messrs. Cowasjee Dinshaw Brothers, a much respected firm of private bankers. Since 1945, the port and colony of Aden have become of increasing economic importance and, as is well known, further extensive developments are in prospect. Business with Aden initiated by our branches further East is expanding rapidly, and it has now become desirable for the Bank to set up its own establishment in the territory. A branch was opened in the Crater district of Aden on 25th February and a second office will be opened at Steamer Point in due course.

India

"Last year, I emphasised the importance to India's future of the Five-year Development Plan, first drawn up in 1951, and finally endorsed by the Indian Government in December, 1952. The country's most immediate economic problem is the necessity for an expanding production of foodstuffs to meet the needs of an everincreasing population, and with this in view a substantial proportion of the investment proposed under the Five-year Plan is being devoted to agricultural development by such means as irrigation and improved methods of husbandry. The census authorities have recently estimated that at the present rate of increase India's population, now approximately 360 million, will reach some 450 million by 1969. Although this estimate is based upon assumptions which may be modified in the intervening years, it is clear that the continued growth of the population underlines the urgent necessity for rapid economic development in India.

"The poverty of the Indian masses is such that of the entire population less than one million are in a position to pay direct taxation or, it may safely be assumed, to accumulate savings. For this reason the Planning Commission has been modest in its estimates of India's capacity for capital formation and it is reckoned that about half the 10 per cent. increase in the national income which it is hoped will accrue from the Five-year Plan, will be automatically absorbed by the increase in the population. With the country's savings potential relatively low, the financing of the Plan presents considerable problems; the more so since new schemes extending the Plan and designed to reduce unemployment were agreed in principle in October, 1953.

"The Planning Commission's original estimates took into account the possibilities of increased taxation, but tax revenue is likely to be lower now that a number of customs duties have been reduced or abolished. From the inception of the Plan it has been the Commission's intention to raise part of the projected outlay by internal borrowing. It was, therefore, heartening to see the success that attended the first issue last June of 3½ per cent. National Plan Bonds, Rs. 75 crores being offered. This loan, which is redeemable in 1961, adds to the selection of medium-dated securities available to the investor in Indian Gilt-edged stocks and also indicates that the investing public is fully alive to the importance of supporting Government loans designed to assist the progress of the Five-year Plan. Following this issue by the Central Government a number of States have successfully floated loans to finance their own development schemes within the framework of the Plan.

"The Five-year Plan envisages a considerable expansion in the private sector of the Indian economy and the problem of financing this projected development has recently been the subject of investigation by a Government committee. Save only for the statutory reserves which we are required by the Reserve Bank of India to maintain, we already fully utilise our local resources in financing India's foreign trade and in providing finance for jute and cotton mills, tea estates and other export industries. The whole of our business is based on liquidity and, therefore, we are not in a position to provide long-term finance. I am sure that it is essential to the stability of the Indian economy that commercial banks should continue to function on strictly orthodox lines.

Facilities to Banks Widened

"During the course of the past year, the Reserve Bank has widened the facilities available to the Scheduled banks to discount their usance bills. This marks an important stage in the development of the Indian bill market and enables banks more easily to obtain funds from the Reserve Bank at need. The most urgent task in the banking sphere is to promote an increase in deposits by encouraging the population to entrust their savings to the banks rather than keeping their money idle at home. In Great Britain, people are accustomed to make payments by means of cheques and in consequence total bank deposits are four times larger than the aggregate note circulation in India, on the other hand, the use of banks and cheques is not widespread and total bank deposits are less than the currency in circulation.

"It seems apparent that the increasing expenditure that is necessary in connection with the Plan will entail a larger degree of deficit financing than was originally envisaged. During the first two years such deficit financing as was necessary was offset by an import surplus, but the latter is now likely to be smaller and, therefore, deficit financing on a further substantial scale may be inflationary in its effects.

"The agreement signed in New Delhi in July, 1953, between the British and Indian Governments relating to the sterling balances was a reminder that these balances are an important component in the financing of the Five-year Plan. The new agreement consolidates the provisions embodied in the letters previously exchanged by the two Governments at intervals since the original agreement was made in 1947. In 1951, £310,000,000 was transferred from India's blocked account to its free account, but with a proviso that this sum was to be used as a reserve for the Indian currency. The remaining balances are being released at the rate of £35,000,000 per annum and will thus be freed completely by 1957.

"During the early part of 1953 an upward movement in wholesale prices caused some uneasiness, but the rise had run its course by August and since then prices have fallen steadily. The reaction was partly due to seasonal influences, but was nevertheless welcome, particularly in respect of food prices. It is pleasing to report that during the past year the food situation has shown marked improvement and, with crop prospects favourable, grain imports should be much smaller in 1954. Food crops were larger in 1953, mainly on account of a good monsoon, but also because the acreage sown with grain had been increased following the fall in price of cotton and jute. With increased supplies of food available the authorities have been able to make progress in dispensing with rationing and in abolishing price controls.

"India continues to have a trade deficit, but this was more than offset in the first half of 1953 by invisible items such as foreign aid, so that the country's balance of payments was favourable. Towards the end of last year India's gold and exchange reserves had risen above the level at which they had stood at the end of 1952, an encouraging sign of growing economic strength. but it should be remembered that the improved food situation within the country, which had the effect of reducing food imports, helped to conserve external currency reserves. Furthermore, investment in the public sector of the Five-year Plan has so far made slower progress than originally planned and to that extent the external reserves have been utilised less than expected. Under the circumstances, there is likely to be an expansion of imports on private account during the present year, but this will, doubtless, take the form of capital rather than consumer goods.

"The staple Indian industries have derived benefit from the progress of the Five-year Plan and from the improvement in business which became apparent late in the year following a period of some difficulty. The Government found it necessary to assist the cotton industry by an adjustment of customs duties and by the end of the year sales, both at home and abroad, had improved and stocks had been reduced. It is probable, however, that following the recent Anglo-Japanese payments agreement Indian textiles may be expected to meet Japanese competition in a number of overseas markets.

"The jute industry, too, was stimulated by the abolition or reduction of export duties during the course of the year and prospects are reasonably favourable for 1954, provided that supplies of raw jute are adequate to meet current demand at reasonable prices. Present indications are that supplies of raw jute during the current season will be sufficient to satisfy world demand. Meanwhile, at the end of 1953 stocks of jute goods in India were lower than at any time during the previous twelve months, while foreign demand had improved considerably.

"The situation of the Indian tea industry has greatly improved and the voluntary restriction of output scheme contributed considerably to this improvement, although, in fact, whilst the scheme remained in force, no regulation has had to be brought into practice because there was a shortfall in crop, due to climatic conditions. Only some four-fifths of the producers in Northern India participated in the restriction scheme, but the existence of such a scheme has had beneficial results and the industry has decided to retain crop regulation as a permanent measure. There is no intention, however, of attempting to secure a high price level by creating an artificial scarcity of tea. Prices have been remunerative and demand in Great Britain and the major overseas tea markets has increased.

"After an unpromising period at the beginning of 1953 Indian trade and industry recovered the lost ground in the second half of the year. Following two good harvests and with adequate exchange reserves in hand economic prospects seem reasonably favourable and it is to be hoped that substantial progress will be possible in implementing the Five-year Plan on which India's future is so vitally dependent.

Pakistan

"The past year has been one of extreme difficulty for Pakistan and the country has passed through a severe economic crisis. A year ago, I drew attention to the fall in the international price levels of cotton and jute, Pakistan's export staples, which by causing a reduction in the country's export income compelled the Government to curtail imports by cancelling the open general licence. It was particularly unfortunate that this setback coincided with a disastrous fall in food production, which forced the authorities to import considerable quantities of wheat in order to avert famine.

"This imposed a severe strain on Pakistan's reserves of foreign exchange, but the situation was transformed by gifts of wheat from the United States, in particular, and also from the Commonwealth. The American gift had the effect not only of solving the immediate shortage of food but also of presenting Pakistan with a substantial development fund inasmuch as the proceeds of the sale of the wheat in Pakistan are being placed to a special counterpart fund for use in connection with development schemes. Additional financial aid has also been received from abroad in the shape of loans from the United States and a credit for £10,000,000 from Great Britain. The sterling credit, which was announced last July, is intended to finance the purchase in Great Britain of capital goods which will assist in solving Pakistan's food problem.

"If the supply of food is at present adequate, the shortage of imported consumer goods remains extreme. Internally, prices of such goods have soared despite the imposition of a limited measure of price control. During the first half of 1953 virtually the only goods that the country was in a position to import were those of an essential nature such as machinery and raw materials for the new industries. Goods, such as textiles, were completely banned and imports of every description from all areas continue to be subject to import licensing. During the second half of the year bilateral trade agreements with France, Italy and Japan revived the import trades slightly, but the imported goods covered by these agreements were not of the type to relieve the prevailing scarcity of consumer goods.

"During the year, suppliers of capital goods both in Great Britain and Japan offered to ship machinery to Pakistan on a deferred payment basis. In most cases payment was to be spread over a period of five years and the Pakistan authorities published regulations outlining the procedure under which importers might take advantage of these offers. To obtain the appropriate forward exchange, however, it is first necessary for importers to deposit with the commercial banks the full rupee value of the goods to be imported, and so far few transactions of this nature have been recorded.

"It is clear that until such time as substantial holdings of foreign currencies are accumulated there is little scope for any relaxation of import restrictions, but the measures taken by the present Government have gone a long way towards restoring the country's economy and it is satisfactory that following the previous year's substantial deficit on its balance of payments, Pakistan accumulated a surplus in 1953.

"It is the Government's intention to change the basis of the country's economy, which is at present exclusively agricultural, by pressing forward a policy of industrial development. Very reasonably emphasis has been laid upon the need to manufacture goods, the raw materials for which are already available within the country. Pakistan has little coal or oil and no iron ore, although the recent discovery of natural gas may possibly provide an important source of power, and any large-scale development of industry will inevitably be dependent not only for its plant and equipment but also for some of its raw materials on supplies from abroad.

"Priority in the import programme for the first half of the present year has necessarily been given to industrial and agricultural equipment, spare parts and essential raw materials. Although the range of consumer goods on the import trade control schedules has been extended, only a small proportion of the exchange available for imports as a whole will be devoted to merchandise of this nature. The State-sponsored Industrial Development Corporation is greatly increasing its scale of investment during the present year and particularly rapid progress has been made in the development of the textile industry.

"The country already manufactures sufficient jute goods for its own requirements and this year it should have a surplus for shipment abroad. New cotton mills are coming into production in such numbers that it is claimed that within two years two-thirds of the country's production of raw cotton will be consumed in its own mills. By the end of this year there should be an exportable surplus of coarse and medium cotton cloth, but it will still be necessary to obtain the finer qualities from abroad. Import control and the development of industries within the country can save foreign exchange, but to earn such foreign exchange as she will continue to need, Pakistan will still need to sell some raw cotton and jute abroad. These two commodities between them have up to now accounted for approximately nine-tenths of Pakistan's oversea earnings. Although prospects in the immediate future are reasonably good for both jute and cotton as well as minor exports such as tea and hides and skins, export

income in respect of these commodities is not likely to increase significantly.

"Jute output is much lower this season and even allowing for the heavy stocks carried forward from last season, the quantity available for export will be very small. Moreover, Pakistan is now using more of its production of raw jute in its own jute manufacturing industry which will tend to reduce still further the volume of raw jute to be shipped abroad. The Government is maintaining its control over the production of raw jute and, while allowing a reasonable increase in output, will avoid an excessive surplus. The prospects in the world's markets for Pakistan's raw cotton are more promising than last year and surplus stocks in Pakistan itself have been reduced by the rising requirements of the domestic industry. The establishment last year of the Lancashire-Pakistan Cotton Committee to encourage the use of Pakistan cotton in the United Kingdom will, doubtless, assist in securing a larger and more stable market for such cotton as Pakistan still has available for sale.

"There is always a danger, of course, that industries built up behind a protective barrier, whether of tariffs or import control, may be uncompetitive internationally. If its economy is to be no longer predominantly agricultural, Pakistan will naturally be relying on its ability to sell manufactured goods abroad. But it will still be necessary to earn foreign exchange and the most effective way of doing so must be the continued exportation of agricultural products, of which at present cotton and jute are of outstanding importance. I do not doubt that the authorities will watch very carefully the gradual switch-over from agriculture, in view of the fundamental importance of being always in a position to earn foreign exchange.

Burma

"The bulk of Burma's export income is derived from rice and, in common with Thailand, Burma has inevitably been affected by the change that has occurred in the international rice market during the past year. It is well known that since the war world rice production, although it has increased, has been insufficient to feed the vast rice-eating population of Asia. Inevitably, countries dependent for their food requirements on imported rice have had to pay high prices and the rice-exporting countries have enjoyed the benefit of secure and remunerative markets. Prices remained high all last year, although they recently declined and, for the first time since the war, producers are finding that rice no longer enjoys the benefits of a seller's market. Buyers are also tending to be more particular as to the quality of the rice.

"A number of factors have helped to bring about this change in the situation. The general fall in purchasing power caused by the decline in the value of the staple exports of the East during the past three years has caused most Eastern countries that are importers of rice to increase production of this commodity within their own borders in order to reduce their imports and so ease the strain on their foreign exchange reserves. Rice harvests in these territories have been good and, in consequence, stocks have been tending to accumulate in Burma and Thailand.

"Furthermore, the high prices prevailing for rice have stimulated production elsewhere in the world and the fall in shipments, as compared with pre-war years, from Burma and Indo-China has been partially offset by the emergence of the United States and Italy as rice exporters. Foodgrains, such as wheat and barley, have become freely available and are far cheaper than rice. Hence the consumption of such substitutes has tended to rise in many rice-eating countries.

"Burma's exportable surplus has now reached a level at which it is equivalent to approximately half the pre-war average. Stocks are high and with the new crop coming forward shortage of storage facilities is presenting some difficulty. The improvement in the food situation in India reduced Burma's rice exports in that direction during the year and it was doubtless the need to expand markets elsewhere that induced the Burmese to offer to sell rice to Ceylon at a price lower than the cost of Chinese supplies. The Government also felt it necessary to despatch trade missions abroad in an effort to expand exports, and it has recently been reported that India has now agreed to purchase virtually the whole of Burma's surplus stocks.

"On the import side, the most important event during the past year was the Government's decision to withdraw from the Ottawa Agreement and to terminate the Indo-Burma Trade Agreement. A new tariff schedule was introduced last October abolishing imperial preference and placing all goods and commodities, irrespective of their country of origin, on a uniform basis. As Government had given six months' notice of its intentions, stocks of imported goods, especially textiles, were increased in the interim and the ultimate effects of the new tariff on Burma's import trade are still not clear. However, Japanese manufactures, in particular, will now complete on more favourable terms with British and Indian goods.

"In January, it was announced that the Burmese Government had signed an agreement with three British oil companies for a joint oil venture to be called Burma Oil Company (1954). The new venture, in which the Burmese Government will have a substantial share-holding, aims in the first place to make the country self-sufficient in petroleum products and subsequently to restore the profitable pre-war export trade. This agreement follows the same principle as the arrangement, to which I referred last year, between the Government and the Burma Corporation concerning the Burmese lead and silver mines.

"Politically, the country now seems more settled and the rebel groups have given less trouble during the past year. The country continues to have a comfortable export surplus and in an endeavour to accelerate the progress of its plans for economic development feels sufficiently confident to budget for a greatly increased deficit. During the course of the year, Burma decided to forgo aid from the United States and will now, therefore, finance its development schemes from its own resources.

Ceylon

"The adverse shift in Ceylon's terms of trade following the collapse of the Korean War boom and the fall in the export values of its staple exports, tea, rubber and coconut products, have involved the country in a period of painful economic readjustment. During the past year, there has been some improvement in the situation inasmuch as the trade deficit has been substantially reduced from the high level it had reached in 1952. Nevertheless, the drain on the external assets still continues and over the whole of last year these vital reserves fell by more than a quarter. Towards the end of the year they reached their lowest level since 1943 and they were still being reduced at a rate as high as that at which they had been accumulated during the Korean War boom.

"The fundamental cause of this persistent decline is the continued excess of imports. With this in view, in the budget introduced last July the increased tariffs imposed in 1952 were confirmed and import duties on what are considered luxury items were raised. By means of a further and drastic reduction in food subsidies and also increases in taxation the budgetary deficit is to be substantially reduced during the current financial year, but the deficit has, in fact, already been covered by the issue of a public loan. These measures were reinforced by raising the Bank rate from 2½ per cent. to 3 per cent.

"The success of the budget will be gauged by the effect it ultimately has on the level of the country's external assets. The continued reduction in the food subsidies has already been the major cause of a contraction in Government loans and advances from the Central Bank, which is an encouraging sign for the future. The considerable rise in the price of rice as a result of the budget provoked disturbances in the country, but the Government took firm action to regain control of the serious situation created by the strike last August.

"As foodstuffs and rice, in particular, account for so large a proportion of Ceylon's imports, the Government has negotiated long-term contracts with China and, during the past year, with Burma for rice supplies at advantageous prices. Price negotiations for this year's shipments of rubber from Ceylon and rice from China in terms of the agreement between the two countries were successfully concluded last September. Although the agreed prices of both commodities are lower than for last year China is still paying a price for Ceylon's sheet rubber that is well above the prevailing international price level, while Ceylon is obtaining Chinese rice on favourable terms. The new agreement with Burma was announced last October and under its terms Ceylon Undertakes to buy an annual minimum of 200,000 tons of Burmese rice for the next four years. The price for the basic variety of rice covered by the agreement will be reduced from £50 per ton this year to £44 in 1957.

"Of the country's exports, tea, which accounts for approximately half the aggregate export income, has found ready markets during the past year. At the end of October, the Government abolished the sliding scale of export duty on tea and imposed a fixed rate. Although the Indian export duty on tea is lower, the Ceylon product, because of its relatively high quality, should not suffer any serious disadvantage, while prices remain at their present level. Owing to the trade agreement with China, sheet rubber exports have been satisfactory, but the Ceylonese industry is fast reducing production of crepe rubber in favour of sheet and there is a prospect of over-production of the latter. Producers of coconut products have had a satisfactory year and with prices firm, prospects for exports this year are promising.

"Economic development schemes have been reduced to a minimum for the time being owing to a shortage of funds and the Government is in process of drawing up a new development plan. In their deliberations the authorities will have the benefit of the comprehensive report on this subject prepared in 1952 by the International Bank Mission after its visit to Ceylon. Meanwhile, it was reported in January that the International Bank has agreed to make a loan to Ceylon, sufficient to provide the necessary foreign exchange for the second stage of its hydro-electric scheme and provision has also been made for the issue of internal loans for the same purpose.

"During the coming months, Ceylon's major task is to achieve a trade surplus and thus arrest the drain on its foreign exchange reserves. In the long run, the Government recognises that an inflow of foreign capital is essential to the country's continued economic progress. In a speech made in January, 1954, before the E.C.A.F.E. Committee on Trade and Industry, Ceylon's Finance Minister, while admitting that some Asian countries when they first achieved independence had adopted policies tending to discourage investment from abroad, pointed out that the importance of foreign capital and enterprise in the task of raising Asian living standards was now more widely acknowledged. Recognising that the International Bank can only hope to satisfy a small proportion of Asia's total capital needs. he made a plea for the establishment of some form of State insurance in Western countries, designed, by underwriting some of the political and economic risks, to stimulate private foreign invcstment in the East. The Prime Minister has, subsequently, given a specific assurance that foreign capital and enterprise will be welcomed in Ceylon and reaffirmed the Government's interest in attracting investment from overseas.

Malaya

"The improvement in the security situation in Malaya, which I mentioned last year, has continued, and the measures instituted by General Templer during his term of office as High Commissioner for the Federation have been successful in keeping the terrorists well on the defensive. Nevertheless, the end of the Emergency is still not in sight and any slackening of the security measures in force would soon be followed by a renewed outburst of terrorist activity. Banditry has been checked along the coastal plain, but is still active inland.

"It is unfortunate that at a time when Government expenditure on the Emergency necessarily remains high, Malaya's overseas trade should continue to fall in value owing to the lower prices prevailing in the international markets for the peninsula's staple exports, rubber and tin. Malaya ended 1952 with a small trade deficit and the overseas trade figures for 1953 show that the total trade has fallen in value and that the deficit for the year has increased substantially. The full figures for the two years were:—

	1952	1953
Exports ...	M$3,794,500,000 (£442,691,667)	M$3,019,000,000 (£352,216,656)
Imports ...	$3,848,000,000 (£448,933,333)	$3,228,000,000 (£376,600,000)
Total trade ...	$7,642,500,000 (£891,625,000)	$6,247,000,000 (£728,816,666)
Deficit ...	$53,500,000 (£6,241,666)	$209,000,000 (£24,383,334)

"Whereas rubber prices declined sharply in 1952 and tin remained comparatively firm, last year both commodities suffered from the fall in demand which ensued from the easier conditions that prevailed when there were prospects of an armistice in Korea. The table which follows shows the extent of the changes in price of rubber and tin during the past year:—

	Lowest	Highest	Closing
Spot rubber ...	16½d. (28-10-53)	26½d. (2-1-53)	17½d. (31-12-53)
Cash tin ...	£568 (27-7-53)	£979 10s. (4-2-53)	£656 5s. (31-12-53)

"The downward trend of prices has caused the prospects for natural rubber to remain uncertain. An increasing number of small-holders have found difficulty in covering their costs and plantation companies, on the whole, can only work to the present price level provided that their costs are not increased by further direct or indirect taxation nor by an unrealistic level of wages. Although world production has exceeded aggregate consumption over the whole of 1953, the surplus was not only lower than originally expected but also substantially lower than in 1952.

"The United States is still by far the most important market for natural rubber and in 1952 was responsible for approximately a third of total world consumption of this commodity. American industry has continued to use a progressively higher proportion of natural rubber and less synthetic during the past year.

The prospect of a more satisfactory balance between supply and demand strengthened the case of those who contended that the formation of an international buffer stock pool for natural rubber would be both untimely and unnecessary, in view of the projected transfer of the synthetic rubber industry in the United States to private control. This industry, at present owned by the Government, is to be sold to private interests during the course of 1955. By last August the higher cost synthetic plants administered by the Reconstruction Finance Corporation on behalf of the United States Government had been closed down and the productive capacity of the industry thereby reduced to approximately 600,000 tons of general purpose synthetic rubber per year.

"Malayan rubber production fell only slightly from 582,000 tons in 1952 to 572,000 tons last year. Once again production on the small-holdings has fallen, while plantation output has remained steady. Rubber shipments from Malaya fell from 910,420 tons in 1952 to 847,211 tons last year, but these figures include a substantial proportion of re-exported rubber emanating mainly from Indonesia. The reduction last year of this entrepôt trade accounts for the fall in Malaya's aggregate rubber exports.

Malaya's Tin

"Malaya's output of tin at 56.254 tons last year was only slightly lower than in 1952, but exports fell from 64,117 tons to 61,753 tons. Between April and July, 1953, the price fell by over £350 per ton, although it recovered to a certain extent later in the year. Prospects of an armistice in Korea and the announcement that the Reconstruction Finance Corporation, which largely determines United States purchasing policy in respect of tin, was to go out of business in June, 1954, helped to weaken the markets and it followed that there was support for a plan to create a buffer stock to stabilise the tin market. The draft scheme provides for a buffer stock of 15,000 tons in metal or its equivalent in cash to be expanded, if necessary, to 25,000 tons. Producing countries are allotted quotas according to their output, and export control will come into operation when the buffer stock reaches 10,000 tons.

"It is proposed that the agreement should should come into force after June, 1954, for a period of five years provided that sufficient Governments, representing producers and consumers, ratify it in the meantime, but the working of such a pool would largely depend on the attitude of the United States, which is by far the world's largest consumer of tin. The Malayan share of the buffer stock would be 36.61 per cent. and, subject to parliamentary approval, the British Government has agreed to finance the Federation's contribution to the extent of approximately M$50,000,000 (£5,833,333). This loan would be recovered by instalments by means of a levy on the Malayan producers, so that eventually the industry itself would own the Federation's share of the buffer stock.

"The contraction in Malaya's purchasing power caused by the fall in the overseas earnings of rubber and tin is reflected in the currency figures. Notes in circulation on 1st January, 1954, amounted to $740,923,669, as compared with $786,797,438 at the beginning of last year.

"Under these circumstances, the import trade again suffered and the piecegoods market has experienced a difficult year. Although there has been a further fall in the entrepôt trade, particularly with Indonesia, foreign demand has been sufficiently good to reduce surplus import stocks in Malaya. Nevertheless, there have been some failures in the textile trade, although the situation has recently shown some improvement. It is significant that the import quota for Japanese textiles has not been taken up in full. The situation seems to call for a cautious policy in assessing the potentialities of the import market during the coming year.

"The original Budget figures for 1953 have had to be substantially revised because of the fall in price of both rubber and tin. The revised estimate for Federal Government revenue in 1953 is $573,000,000 and with expenditure at $719,000,000 the budget shows a deficit of $146,000,000. In 1954, the total revenue is estimated to reach $654,000,000, inclusive of various grants from the British Government and expenditure is expected to total $826,000,000, so that there is a budgetary deficit estimated at $172,000,000 for the present year. Last year, the deficit was mainly financed by the issue of the Security Loan, but the Government does not consider it possible to raise another loan for this purpose in 1954. It is proposed, on the other hand, to finance future capital expenditure on development schemes and capital works by raising loans instead of charging it to budgetary revenues.

"During the past two years, Malaya has been passing through a trying phase, in which it has been necessary to readjust the territory's whole economy to the fall in price of rubber and tin and it is a fair measure of the resourcefulness of the business community that this process has been accomplished rather less painfully than might have been expected. Meanwhile, a mission from the World Bank is visiting Malaya and will examine long-term development projects both in the Federation and Singapore. The Mission may also be of great value if in its overall assessment of the economy of the country it shows the need for restraint in expenditure, especially on social services, at a time when such a course seems essential in view of the budgetary position.

North Borneo

"North Borneo's major export is rubber and, therefore, the further fall in price of this commodity during the past year has been a matter of considerable concern to the Colony. Under the circumstances, it is not surprising that both production and exports were lower in 1953 that in the previous year. The Government is fully aware of the importance of encouraging more efficient production and, with this in view, is sponsoring a scheme to assist extensive replanting and new planting with high yielding stock.

"Action on these lines is clearly necessary for nearly half the rubber in North Borneo was planted before 1925 and it is estimated that at the present time less than 10 per cent. of the Colony's rubber production is of really good quality. Since nearly all the large estates are exempt from the rubber export duty until 1955, it is hoped that they have made adequate financial provision for replanting in the meantime, but in many cases shortage of labour has hindered the carrying out of the work.

"With rubber shipments lower and less remunerative, the Colony's adverse trade balance in 1953 showed a substantial increase over the previous year's deficit. Of the Colony's other export commodities, timber, hemp and cutch shipments increased in volume, while copra exports fell slightly. The timber industry, in particular, has made some progress and, although labour costs remain high, the recent introduction of modern equipment should assist in increasing production. Tobacco exports were disappointing, but prospects are more promising this year. On the import side, the considerable volume of machinery, equipment and building materials which has been brought into the Colony from abroad has been essential to the Government's reconstruction and development schemes.

"One of the principal imports in recent years has been rice, for North Borneo has not been self-sufficient in food. It is, therefore, encouraging to report that the paddy harvest during the 1952-53 season was excellent and prospects good for the coming crop. In any case, the Colony should benefit from the easier conditions now prevailing in the international rice market.

"Government funds which can be devoted to development schemes are necessarily limited and this, in conjunction with the acute shortage of labour, tends to make economic progress in North Borneo slow. Nevertheless, progress has been made with the Reconstruction and Development Plan, which was initiated in 1948 for a period of seven years. To assist in implementing the Plan the Colony has received generous grants from the British Government under the Colonial Development and Welfare Scheme. This Scheme is due to expire in 1956, but it has already been announced that Parliament will be asked to extend it for a further period, and the Government of North Borneo is, therefore, preparing a new development plan to cover the years 1955-60.

"Meanwhile, the programme for 1954 includes drainage and irrigation schemes, road and airfield works. With the exception of the road programme, the Colony this year is in sight of the end of post-war reconstruction, so that it should be possible in the future to concentrate all available resources on schemes of economic and social development. During the period 1949-53, the Colony has spent $45,000,000 (£5,250,000) on reconstruction, which, except for grants-in-aid amounting to $6,642,800 (£775,000) from the British Government, has been contributed from local sources. Financially, the Colony has had a satisfactory year and budgetary revenue for 1953 was higher than originally estimated. It has not proved possible to carry out the whole of the development programme scheduled for the year and to this extent budgetary expenditure has been less than expected. Taking into consideration the funds in hand at the beginning of the year, the budgetary deficit for 1953, instead of being $4,800,000 (£560,000) as anticipated, was only $500,000 (£58,333). For the present year the budgetary estimates as originally drafted showed a deficit of $5,423,093 (£632,694), but with the assistance of grants-in-aid from the British Government and allowing for the issue of a loan for £250,000 ($2,142,800) to finance development expenditure it was finally estimated that there would be a small surplus. The Government did not find it necessary to exercise the powers it already held to raise a loan of £500,000 until early this year when the loan was taken up in whole by the Government of Brunie, a heartening start to a year which it is to be hoped will prove satisfactory for North Borneo.

Sarawak

"Sarawak's trade during the past year suffered a further fall in both volume and value largely owing to the lower prices obtainable for the Colony's rubber exports. With future prospects remaining uncertain, replanting of rubber is proceeding but slowly, despite the fact that supplies of seed and planting material are adequate. The sago industry has also had an unsatisfactory year, but pepper exports, mainly black, have risen to record heights. The bulk of Sarawak's timber shipments continue to go to the United Kingdom and Hong Kong and exports of timber have shown an appreciable increase.

"The budgetary position remains sound with a surplus of revenue over expenditure during 1953, which was mainly due to the exceptional yield of the export duty on the record pepper crop. As in 1952 the sum $12,000,000 (£1,400,000) was appropriated last year to the development fund and by the end of the year some $26,000,000 (£3,033,333) had been expended by the Colony on development schemes. The plan itself is now being revised and, meanwhile, it is proposed to spend nearly $29,000,000 (£3,383,333) during the present year on such items as communications and wharf facilities. It is estimated that during 1954 revenue from customs and excise is likely to fall further, but, nevertheless, no compensating increases of taxation have been imposed and a small overall surplus in anticipated.

"Last year's paddy harvest was above average, but the Colony still needs to import a proportion of its rice requirements. The Government continues to encourage production of this important foodstuff and cultivators should derive benefit from the creation of the Sawarak Co-operative Central Bank. This institution was registered last October and is already functioning. It is a non-commercial bank and its business lies solely with the registered co-operative societies, which are proving of conspicuous assistance to the Colony's rural economy.

"The Government has stressed the importance of aviation to the Colony by the creation of a separate department of civil aviation. An aviation development plan is envisaged and it is intended to initiate a bi-weekly air service operating within Sarawak itself and linking a number of the leading places. With this in view existing air strips are being improved and the construction of new ones considered.

Republic of Indonesia

"It is still customary for contributors to the Press to predict an early collapse of Indonesia and it is with regret that I have to report a further deterioration in conditions during the year. Although it is seemingly impossible to be very hopeful about the future, to be completely pessimistic is to strike the wrong note, for not all the portents are discouraging. Disappointment must necessarily be felt that political considerations have prevented the present Government coming to grips with labour, whose demands have again become so unreasonable

that they threaten the economic survival of the Republic.

"A Government composed of a weak coalition dependent upon the votes of the left was always at a disadvantage in tackling this vital problem and the very gravity of the situation may be its salvation, if it forces a more moderate party to emerge which could secure a broader backing. Unless something like this happens in the not-too-distant future, it is easy to visualise further dissension in the outlying parts of the Republic, such as South Sulawesi and the province of Atjeh in North Sumatra, whilst lack of control even in Djawa could make it difficult for the country to produce sufficient exports to preserve a balance in its trade.

"The sales of gold during the year and the manner in which the foreign balances have run down suggest that the fall in the price of rubber and tin was more serious than trade figures indicated. Nor do I think that the various artificial means, such as export-inducement certificates and pre-deposits by importers, introduced by the Government to redress the situation, will have any appreciable effect, unless the fundamental weaknesses of internal inflation and irresponsible labour are overcome.

"On the brighter side is the commendable increase in rice production and, when it is realised that in 1954 Indonesia will probably be self-supporting, whilst only two years earlier it was necessary to import six to seven hundred thousand tons of rice, it will be clear that the country has taken a big step forward towards a soundly based economy. Thanks for this tremendous improvement are to a great extent due to the work of the experts seconded from the United Nations' organisation and it is an interesting thought that the position has been created where the import and distribution of perhaps two hundred thousand tons of rice might bring down the cost of living to an extent that would balance Indonesia's trade position by making its rubber, tin, coffee and sugar more than competitive in world markets.

"Indonesia has an urgent need of foreign capital and, although individual ministers have made it clear that the country can only hope to attract foreign investment by providing satisfactory conditions for the earning of profits and their remittance abroad, the Government has so far hesitated to make a pronouncement on these lines. Unfortunately, uncertainty on this count has hindered expansion generally and, in particular, in the oil industry which is of prime importance to the country's future prosperity.

"Whilst every sympathy is felt with the nationalistic policy of bringing Indonesians into trade, it is certainly not in the best interests of the country that its import system should be based on non-trading licence holders, the re-sale of licences and consequent high prices to consumers. The Government is aware of the situation and I trust that it will soon take steps to remedy it.

Thailand

"Thailand, fortuitously placed at the end of the war as a granary for stricken South-East Asia, was quickly able to place its economy on a comfortable basis.

"Receipts from tin and rubber at the high prices resulting from the Korean War extended a comparatively luxurious standard of living, but in 1953, for the first time, the country found itself in a position, unfortunately all too common in the world today, of having to face the realities created by a fast diminishing foreign exchange reserve.

"Although the near-panic conditions which were so disconcerting for exporters to the country did not arise until the last quarter of the year, the writing had been on the wall for many months previously and the trade balance had in fact been adverse since February, 1952.

"Faced with an actual shortage of foreign exchange, particularly sterling, in the middle of the year, the Government deferred its allocation of cover for imports at the preferential rates and endeavoured to remedy the position by classifying as non-essential an increased range of imports. The result, as might be expected, was a weakening of the tical, and an uncertain and panicky exchange market prevailed to the end of the year, notwithstanding efforts by the Bank of Thailand to exert from time to time a steadying influence in one way or another.

"To restore equilibrium between exports and imports the Government has introduced import control, but it is doubtful if this measure will be continued rigorously once the proceeds of next season's rice begin to accumulate; for it is rice, of course, which will continue to dominate Thailand's economy.

"The Government's policy of using its monopoly of the rice trade to build up stocks inside the country to keep domestic prices low, has prevented the country in the last two years from taking advantage of its unique position as a supplier in a deficit area. Thailand's best customers have, in the interests of their own economies, increased their own domestic production and the lessened demand to be expected, coupled with the technical position in Burma, suggests a more competitive market and lower prices.

"With the unsold balance from last season, much of which has unfortunately deteriorated, plus the new season's crop, the tonnage shipped in 1954 could considerably exceed the very poor results for last year, but, as I have indicated, it may be very difficult for the Government to find markets in line with its idea of prices and considerable relief must have been felt at the successful conclusion of an agreement for substantial sales to British territories at a very favourable price.

"One can be reasonably optimistic about the future of Thailand provided that the resources of the country are wisely exploited, for rice, tin and rubber provide, even at the present prices, a sound basis for a stable economy.

"It must not be forgotten, however, that the presence of a hostile army in Laos on its northern borders is bound to continue to have a disquieting effect on the population and its productivity and trading. Nor can one but deprecate the continuance of a form of multiple exchange rates which tend to disguise the real strength and weaknesses of the economy, create inflation and possibly place a fictitious external value on the unit of currency.

Vietnam

"A clear assessment of the position in Vietnam is rendered extremely difficult by the bewildering cross-currents of internal dissension, nationalistic aspirations and a prolonged war. Many good servants have been lost to the Administration because of a feeling in certain circles that although Franco-Vietnamese cooperation has always been stressed, certain influenial Vietnamese officials were too openly pro-French, thus delaying the complete and absolute independence of Vietnam. The French, whilst gradually relinquishing their authority, still hold a strong position by their control of the Office des Changes and the distribution of American aid.

"The devaluation by France of the value of the piastre from 17 francs to 10 francs without consultation in Vietnam did not help an already strained position and the repercussions have been noticeable in business and official relationships. It is clear that the masses of the people are just as sick of politics as they are of war and want nothing more than a chance to return to the life they enjoyed before the coming of the Japanese.

"In the north, the military situation has not changed materially although there have been sporadic attacks in the Red River delta by the Vietminh and large-scale counter-attacks, including parachute descents, by the Franco-Vietnamese forces. The recent drive by the Vietminh in Laos is perhaps more spectacular than serious, for although it extends the area of the war, it is difficult to see what the Vietminh have to gain in their operations in a region largely mountainous and unproductive.

"Contrary to expectations, the authorities were able to keep inflation in check after the devaluation of the piastre in May by measures preventing increases in the prices of local goods and by a series of taxes and restrictions designed to decrease consumption of imported goods. These new rules and regulations have made business increasingly difficult for both merchant and banker and cannot be helpful in the long run.

"In the meantime, a lack of purchasing power in the hands of the local population makes trade prospects anything but bright and in addition to this the Government has issued a warning that austerity will be the order of the day. There is still large military expenditure and the note issue is again beginning to rise sharply. There are signs of a possibility that rice exports, on which the country was formerly so dependent, will continue to rise, but it is a sad thought that Vietnamese rice may only be available to the world in large quantities at a time when prices have fallen and supplies from other territories are making up the deficit that has existed since the end of the war.

"It is impossible to speak very hopefully of a territory so beset by difficulties.

Republic of the Philippines

"In October, the Republic of the Philippines elected a new President. The publicity given to the election campaign and the overwhelming victory of Mr. Magsaysay tended to overshadow the steady progress being made on the economic side. The new President's assurance that he intends to deal severely with graft and corruption has been warmly welcomed; so too has his statement, supported by the Governor of the Central Bank, that any revaluation of the peso will be strongly opposed.

"I have referred to economic progress, and the encouraging trade figures for 1953 are due in no small measure to the efficient handling of import control, which was taken over by the Central Bank last June and is now operated by a system of exchange control through the commercial banks. The new procedure which overnight eliminated the malpractices seemingly inseparable from previous forms of control, places a considerable strain on the senior officers of the commercial banks and involves duties not normally associated with banking. The banks are, however, very pleased to assist the Government in this manner, although the recompense is hardly adequate.

"The remedying effect of strict import control would not have allowed the Central Bank to hold its target of U.S.$300,000,000 in foreign currency reserves had it not been for high sugar exports and a recovery in the price of copra and coconut oil. Hemp shipments were slightly less than the previous year and gold mining is in the doldrums. A further factor invaluable in the country's bid to balance its trade has been its increased rice production and the present self-sufficiency in rice is a sound basis for the economy. This is one of the first visible signs of the benefits to be reaped from Foreign Operations Aid (formerly M.S.A.) and, in addition to the distribution of fertiliser, various irrigation projects have been completed, whilst roads and schools have been built and technical aid given. An indirect result of this international betterment has been stability in prices and the Philippines is one of the few countries in the East where inflation seems to have been successfully halted.

"The future trade of the country is to a great extent bound up in the negotiations for the revision of the Bell Trade Act, but so far little progress has been made in the repeal of the provisions which call for the gradual imposition of duties on some imports into the United States from the Philippines and the gradual reduction of quotas for others. At the moment, it seems probable that the Bell Act will be extended in the present form for at least another year, but there is no doubt that, before entering into a further long-term agreement, the United States would like some concessions, particularly in respect of remittances of capital invested in the Philippines and of a gradual elimination of the seventeen per cent. exchange tax. On the other hand, opinion in the Philippines is by no means unanimous that it is desirable to continue a position whereby the country's economy is so completely dependent upon trade with the United States. So far, there has been very little evidence of a switch to other markets, such as those of the sterling area, and barter business with Japan seems likely to be held up by the vexed question of reparations.

"The Central Bank's action in reducing from seventy per cent. to fifty per cent. the ratio which commercial banks are required to maintain in certain specified assets against their total outstandings under letters of credit is a welcome concession which has eased our operations in the Philippines. It is good to know that the Government feels that the country is strong enough to allow for certain relaxations, but I must admit to a certain amount of apprehension when I view the list of Bills to be submitted to Congress, such as the Social Security Act, 1954, for, I doubt, if the economy is yet strong enough to stand the cost of further nationalisation and extended benefits to employees which their adoption would create.

Hong Kong

"The meticulous manner in which Hong Kong has endeavoured to carry out the United Nations' embargo on the export to China of what are termed strategic goods and commodities (a position verified by United States officials on the spot) has imposed a severe strain on the Colony's economy; the value of the external trade of Hong Kong in 1953 was H.K.$72 millions less than in 1952. In recognising this and in further relaxing its restrictions on trade with Hong Kong, the United States of America has helped local industry to some extent. Little can be done, however, to help those merchants having trade connections with the China mainland as long as the Peking Government is determined to use Hong Kong only when it is short of sterling and other channels do not conveniently exist, and furthermore imposes upon imports into China terms of payment which do not appeal to banks of standing.

"Notwithstanding these adverse factors and the lack of benefit to Hong Kong from the visit of the unofficial British Trade Delegation to Peking, a quiet confidence in the future prevails and this is depicted, for example, by the cotton mill interests who are erecting two more mills and increasing the total number of spindles to 255,000. It is perhaps difficult to justify the expansion of the spinning and weaving industry in the face of the lack of certain and traditional markets for its yarn and cloth and recent events have shown how vulnerable this industry is in its dependence upon the vagaries of the Indonesia and Pakistan markets. However, Hong Kong as a trading centre has a wonderful resilience and the blocking of trade in one direction inevitably leads to increased business elsewhere. This changing pattern has been much in evidence of late.

"Hong Kong must remain acutely interested in the Korea peace talks, but even if a favourable settlement is made there is as yet no indication that the Chinese authorities will be prepared to allow the port to function in its natural capacity as an outlet for the mainland and to handle the entrepôt trade for which it is so eminently fitted. It is not even certain that a peace settlement would ensure a resumption of the flow of food supplies from the mainland for the Colony's vastly increased population and here it is apposite to mention the commendable way in which the Government has countered the loss of the Colony's main food supply by arranging and controlling rice imports from overseas and encouraging the growth of fresh vegetables in the leased territories. The Government and the citizens of Hong Kong are also to be commended upon the efficient and helpful steps which were taken when the disastrous squatter-settlement fire on Christmas night rendered sixty thousand homeless.

"The recently concluded Anglo-Japanese Payments Agreement is of interest to Hong Kong, inasmuch as further entrepôt trade is permitted, and it remains to be seen whether this will have a stimulating effect on local imports and exports.

China

"Two years ago, I informed the stockholders that our usefulness in China as an exchange bank appeared to be at an end and that we had, therefore, sought permission of the People's Government to close our Tientsin office. Shortly afterwards, we were reluctantly compelled to take similar steps in Shanghai. I regret to report that, notwithstanding every effort to co-operate on our part, little, if any, progress in the liquidation of our affairs has been made.

Japan

"Judged on figures alone, Japan's economic position cannot be regarded as sound. The country has been unable to pay for its imports without the U.S. dollars accruing from goods supplied and services rendered as a result of the war in Korea and from the presence of large United States garrison forces.

"The foreign trade position at 31st December, 1953, excluding military procurement, showed a deficit of U.S.$944,000,000, and the decrease of nearly U.S.$200,000,000 in foreign currency holdings during the year, is attributable to this cause and in particular to inactive export trade with the sterling area. In fact, an acute shortage of sterling has been a dominating feature in the economy, and the steps taken to overcome this handicap, and to provide funds for the payment of sterling imports, included drawings from the International Monetary Fund to the full extent of the country's quota and the arranging of U.S. dollar/sterling swaps. In other words, Japan had to borrow heavily to meet its current sterling commitments, and the agreement recently signed in London, providing for an increase in 1954 of Japan's exports to the sterling area to a level at which they might be expected to balance imports from the same source, should help this aspect of the country's troubles.

"Japan's problem is, however, too deep-seated to be righted by small trade concessions here and there, and the inability of industry to reduce production costs to meet international competition is particularly ominous as the standard of living for the working people is already low.

"Perhaps, the blame for high production costs may be placed on the superficially favourable economic conditions giving large domestic consumption and high commodity prices. The result of those conditions was, of course, an ever-growing inflation which was accentuated by a budget which, for political reasons, was inflationary and proved harmful to the nation's entire price structure. There is now an indication, however, that the very gravity of the situation will bring about more responsible action.

"The Bank of Japan took steps in September to correct the dangerous inflationary trend by introducing a tight-money policy and setting a limit on the total advances it was prepared to make to commercial banks at normal interest rates. Notwithstanding this, the position of the leading Japanese banks, all of whom were heavily overlent at the beginning of the year, showed a further deterioration.

"Although we can hope that the country will be spared such national calamities as the typhoons and floods which caused such widespread damage to the rice crop in 1953, there seems little doubt that the Japanese people will be called upon to accept a degree of austerity hitherto unknown in the country's peace-time history. Our knowledge of the Japanese people suggests they will shoulder this burden in a spirit which should mean the ultimate resurgence of the country as a first-class industrial power possessing a basically sound economy.

"The pressure of an increasing population and the lack of natural markets, however, cannot but provide an uneasy undercurrent in a country which should be the greatest stabilising influence in the Far East, and it is for these reasons that the thoughts of many Japanese, besides the merchant community, turn to trade with North China. The practical advantage gained from the recent Mission to Peking was so disappointing that it served as an anti-climax after the high hopes held for an expansion of trade with the People's Government, and it must not be forgotten too that in many parts of South-East Asia memories of the occupation still linger and the recapturing of pre-war trade in these countries may be a very slow process.

New York

"Our New York office is an indispensable part of the international organisation maintained by the Bank. It continues to develop and consolidate our many and longstanding connections in both the United States and Canada and plays an important part in facilitating the business of our branches in Europe and the East.

"Last year, I emphasised the importance of the United States as a market for the products of the Eastern territories in which the Bank is established and the international interest aroused by comparatively slight fluctuations in the volume of commercial activity in that country is a measure of the preponderant influence of its economy in the modern world. This influence has been demonstrated by the widespread publicity given to the recently published report of the Randall Commission on the foreign economic policy of the United States. Here it is sufficient to say that the report contains many recommendations whose adoption would assist the development of international trade, a matter of prime concern to this Bank, but we must remember that the Commission's suggestions, however admirable, will not necessarily be accepted by the United States Government or put into effect.

"During 1953, American economic activity reached record levels and the United States Government appears to be proceeding on the assumption that no serious setback need be apprehended in 1954. I hope that this expectation will be fulfilled. The prosperity of the Eastern territories in which the Bank operates, no less than that of Western Europe, depends very largely upon the continued expansion of the American economy.

Hamburg

"In face of increased competition our Hamburg agency has provided useful financial facilities in connection with the overseas trade of the Federal German Republic. During the past year, Western Germany has achieved a substantial rise in industrial production accompanied by a further expansion of exports. Imports were slightly lower than in 1952 and with the terms of trade moving further in the country's favour, the surplus on the balance of payments once again showed a striking increase, a clear indication of the growing strength of the German economy.

"One of the most difficult problems that has confronted German industry since the war has been the shortage of capital and the rise during the past year in medium and long-term bank credit extended to industry indicates that the capital market is still very narrow in comparison with those in other industrial countries. With the shortage of capital at home, it is on the face of it surprising to find Western Germany allowing extensive credit abroad, but if exports are to be maintained, the granting of such facilities may be increasingly necessary, particularly where capital goods are supplied.

Manchester and Liverpool

"The Bank's branches at Manchester and Liverpool continue to assist the flow of trade between Lancashire and the East and the services they provide will be of considerable benefit to merchants and manufacturers in the North of England in the more competitive international trading conditions which may be expected to ensue from the recent Anglo-Japanese Payments Agreement.

West End, London

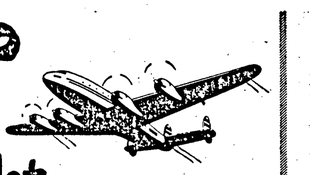
"The banking facilities provided by our West End, London, branch were much appreciated by our many customers from the East who took the opportunity of visiting London during Coronation year.

Convertibility of Sterling

"In my annual statements I have frequently referred to the question of convertibility of sterling, and while I have been insistent upon the need for Great Britain, as banker to the sterling area, to have such convertibility I have advocated caution in any approach to the problem.

"Today, we are under greater pressure than ever before, both internally and from abroad, to see that convertibility is speedily reached, and it is, therefore, only right that we should take stock.

"In the first place, we must bear in mind that those countries in Western Europe that are nearest to fulfilling the conditions necessary for a return to full convertibility have problems entirely different from our own. Some of these nations neither have the internal liability of a



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heavy national debt nor external responsibilities in the sterling area. We, on the other hand, have heavy internal liabilities and heavy external responsibilities, and it is these external responsibilities in particular that must make us think very carefully before taking the next step. If we had no such responsibilities we could afford to take greater risks, knowing full well that as failure would end in inflation of the currency in this country, the penalty for failure would be borne by ourselves. But as bankers to the sterling area we cannot risk the credit of our friends who bank with us, and we certainly dare not gamble on the possibility of inflation in this country being acceptable to other countries within the sterling area that are faced with conditions quite different from our own. So, though the truth may be unpalatable, we must realise that unless our own position is assured, we cannot afford to take risks that will involve others, and for our own position to be assured we must have a substantial surplus on our balance of payments and must be able to put into the common fund as much as we take out of it.

"It goes without saying that we all require a steady growth of world trade and world investment, and that we shall not fully get this until we have a proper system of free and stable exchanges, first and foremost amongst which must be a stable and convertible sterling, and it is all to the good that we have seen in this country some reduction in taxation and a considerable step towards freedom from controls, both of which factors must help to encourage that private enterprise and those private savings, without which we cannot hope to restore our position in the world. If we in this country could feel more sure that our resources, which we have so patiently built up, would not again be dissipated, we might feel that we were well on the road to convertibility.

"In any event, we must have the full co-operation of the U.S.A. in any steps that we take, and while the report of the Randall Commission shows that our friends in America are fully alive to our needs, it also shows that we are not likely to get a quick remedy for our trouble from that quarter. Nor, as I said last year, do I feel that it would be easy to apply convertibility to so-called current sterling only.

"While our first problem must be to ensure the stability of the purchasing power of the £ at home, so that there may be an end to the constant demands for higher wages that can only lead to our exports becoming uncompetitive, it must be clear that a policy embracing full employment and retention of all the benefits of a Welfare State under all circumstances, cannot be compatible with complete convertibility and a fixed rate of exchange for the £ unless production within this country increases. In other words, however desirable these benefits may be, this country cannot have them unless it is prepared to work hard enough to pay for them.

"As we are so dependent upon our friends in the Commonwealth and as a fixed rate of exchange is essential if we are to keep faith with them and retain the faith of the world in sterling as a world currency, we must operate in this country with this always in mind. I believe that our first steps must be to encourage private enterprise, ability and inventiveness by removing controls and reducing taxation. If this is done, we may hope both for a better standard of living and a surplus in our balance of payments, and shall be able more confidently to proceed to the next step towards full convertibility. This next step may well be a determined effort to provide greater freedom of exchange within the sterling area."

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THE COSMIC RAY FOR ALL SKIN DISEASES!



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AMRUTANJAN

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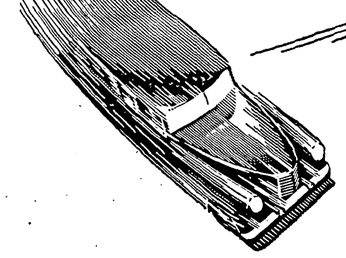


A short story of the greatest petrol development in 32 years: *How it solves two problems that had everybody beaten.*

A little over a year ago it looked as if motor car engine manufacturers were running hard up a dead-end street. The more horse-power they added to their engines, the more it seemed to simmer away after a modest few thousand miles of driving.

In 1946 the maximum horse-power in mass-produced cars was 150; by 1953 it had been boosted to 210. In order to make that gain, engine makers had raised compression ratios from an average of 6.5:1 to an average of 7.5:1. The tighter they compressed the fuel gas in the cylinder, the more power they obtained.

Fine. But higher compression ratios demand higher anti-knock qualities in petrol. In spite of improved refining methods, the whopping demands for higher octane fuels could be met only by adding more tetraethyl lead—almost 40% more between 1946 and 1953.

And that's where the trouble really started. Thirty-two years before tetraethyl lead had solved the problems of knocking in petrol. By 1953 it was apparent to everybody in the business that TEL, the anti-knock hero—along with more critical engines—had raised a couple of other problems that had not been there before.

1. Spark Plug Fouling. Lead deposits on spark plug porcelains act as conductors and short-circuit the plugs. Results: no spark to the affected cylinder; waste of the fuel/air mixture; loss of power; uneven performance; end of plug's usefulness.

2. Pre-ignition. Lead deposits in the combustion chamber, mixed with other deposits left by burning fuels, heat up rapidly and sometimes ignite the fuel/air mixture before the spark gets a chance to do its job. Results: the jittery vibration known as "wild ping"; loss of power; petrol waste; uneven performance.

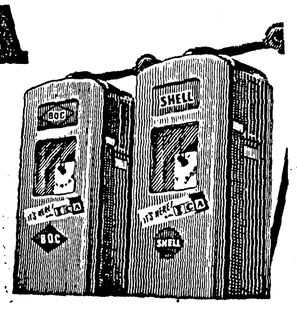
Both these problems had everybody beaten until Shell developed the additive tricresyl phosphate to cope with spark plug fouling in aeroplane engines. It worked by making the lead deposits non-conductive. It works now in motor car engines as nothing has ever worked before:

1. I.C.A. stops pre-ignition
2. I.C.A. stops spark plug fouling

That is the story of I.C.A. (Ignition Control Additive)

Fill up and feel the difference

with I·C·A



NATIONAL BANK OF INDIA
LIMITED

Incorporated in the United Kingdom (Established 1863)
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital £4,562,500
Paid-up Capital £2,281,250
Reserve Funds £3,675,000

Head Office: 26, BISHOPSGATE, LONDON E.C. 2
West End Office: 13, ST. JAMES'S SQUARE, LONDON S.W. 1

BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin
Agrabad Rd., Chittagong, Narayangan), Khulna
BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden
PAKISTAN: Karachi, Saddar Branch, Karachi, Lahore, Chittagong
SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga, Daressalaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch)
KENYA: Mombasa, Nairobi, Dalamere Avenue, Nairobi
Thika, Nakuru, Nauvasha (Sub-Branch to Nakuru), Kisumu, Eldoret, Kericho, Sotik (Sub-Branch to Kericho)
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Mbale, Tororo, Soroti, Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.

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Mahatma Gandhi Road, Fort, BOMBAY 1.
G. R. WEST, *Manager.*

L. PALAZZINI
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City Ice Building, Fort
BOMBAY-1
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(THE PERMANENT FUND OF 1899)
Head Office: TRIVANDRUM (T. C. STATE)
Fourteen Branches at Important Centres in Travancore-Cochin State.
AGENCIES AT IMPORTANT CITIES IN INDIA

PAID-UP CAPITAL .. .. Rs. 5.00 lakhs
RESERVE ACCOUNTS .. .. Rs. 1.81 lakhs
WORKING FUNDS .. .. Rs. 100.00 lakhs

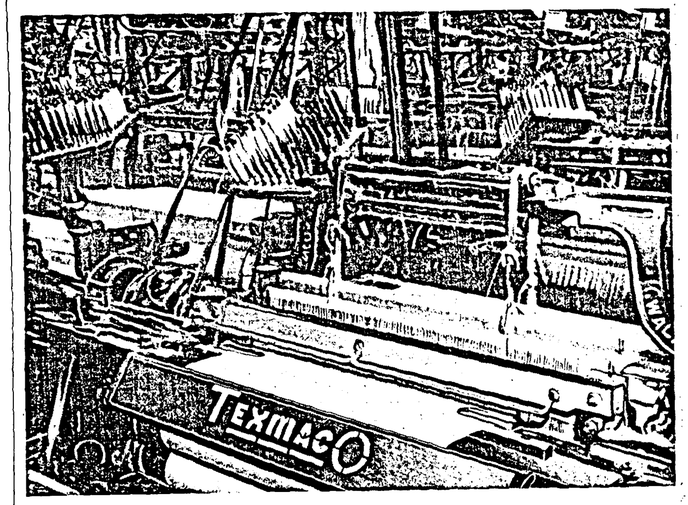
AN INSTITUTION OF 54 YEARS' STANDING

Accepts Fixed Deposits at 4% for one year and 4½% two years and Savings Bank Accounts at 2½%. Recurring Deposits in multiples of Re. 1 per month for 85 and 46 months are accepted and repaid on maturity at Rs. 100 and Rs. 50 per unit—to suit the needs of the lower middle class.
Originally started as a Fund—invests its funds chiefly on gold and landed property—serves the needs of the rich and the poor alike.
Details can be had on Inquiry.
N. WIRAKUMAR, B.A., B.Com., *Secretary.*

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)

Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. ,, 30,60,750
Paid-up Fund .. .. ,, 15,30,375
Reserve Fund .. .. ,, 25,00,000

Head Office: Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street and Jal Hind Estate, Bhuleshwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjar, Dhar (Madhya Bharat), Khargone, Mhow, Ratlam, Sanawad, Tarana and Ujjain.
Pay Offices: Sandhwa and Jaora (Madhya Bharat).
SAFE DEPOSIT LOCKERS are available at Head Office, Siyaganj, Cloth Market, Indore, Branch Offices Mhow, Ujjain, Ratlam, and Tarana on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, *Manager.*



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Repeat order speaks for the quality of TEXMACO LOOMS

TEXMACO
UNDERPICK
LOOMS
at **AMBICA MILLS**

Shri AMBICA MILLS LTD., a leading group of Textile Mills in Ahmedabad, installed 408 Texmaco Looms in their sister Mill at Baroda, the Jagdish Mills Ltd., about 5 years ago. After working these Texmaco Looms for five years they have now installed a second lot of 426 Texmaco Underpick Looms in their AMBICA MILLS No. 2 at Ahmedabad—a fact which speaks conclusively for the quality of Texmaco Looms.

Manufacturers:— **TEXMACO (GWALIOR) LTD.**
Managing Agents:— BIRLA BROS. (GWALIOR) LTD.,
P. O. Birla Nagar, GWALIOR.
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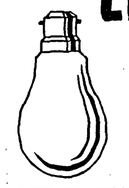

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EXMOUTH CLOTHING CO. LTD.
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THE BANK OF INDORE, LIMITED

(INCORPORATED IN INDORE, 1920)

REPORT OF THE DIRECTORS TO BE SUBMITTED TO THE SHAREHOLDERS AT THE THIRTY-FOURTH ORDINARY GENERAL MEETING

GENTLEMEN,

Your Directors have the pleasure to lay before you the Balance Sheet and Profit and Loss Account of the Bank for the year ended the 31st December, 1953, duly audited by Messrs. A. F. Ferguson & Co., Chartered Accountants.

	Rs.	a.	p.
The Net Profit for the year including the sum of Rs. 63,199-13-1 brought forward, amounts to	5,49,936	15	6
An ad-interim Dividend was paid for the half-year ended 30th June, 1953, at the rate of 12 per cent. per annum on 61,215 shares absorbing	91,822	8	0
Amount transferred to Reserve Fund (bringing that Fund upto Rs. 25,00,000)	1,00,000	0	0
Amount transferred to Contingency Fund	1,00,000	0	0
Bonus paid to the Bank's Staff	92,791	5	0
	Rs. 3,84,613	13	0
Your Directors now recommend :—			
To pay a Final Dividend at the rate of 12 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1953, amounting to	91,822	8	0
To transfer to Gratuity Fund	10,000	0	0
To donate to the Holkar State Red Cross Fund	500	0	0
To carry forward to the next account	63,000	10	6
Rs.	5,49,936	15	6

The Directors deeply regret the death on 22nd November, 1953, of their esteemed colleague Raj Bahadur Rajya Bhushan Seth Kanhaiyalal Bhandari.

Last year a Branch of the Bank was opened at Dhar (Madhya Bharat).
The Directors hope that you will find the progress of the Bank satisfactory.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

THE BANK OF INDORE, LTD.,
INDORE CITY, 27th February, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—1,00,000 Shares of Rs. 50 each	50,00,000	0	0			
ISSUED—75,000 Shares of Rs. 50 each	37,50,000	0	0			
SUBSCRIBED—61,215 Shares of Rs. 50 each	30,60,750	0	0			
AMOUNT CALLED and paid-up in cash at Rs. 25 per share				15,30,375	0	0
2. Reserve Fund and Other Reserves				24,00,000	0	0
3. Deposits and Other Accounts—						
(i) Fixed Deposits	8,31,77,972	3	0			
(ii) Savings Bank Deposits	53,19,201	15	9			
(iii) Current Accounts, Contingency Accounts, etc.	1,60,31,341	13	0	5,45,27,515	15	9
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
5. Bills Payable				2,59,556	3	3
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	12,54,302	4	5			
(ii) Payable outside India	726	10	0	12,55,028	14	5
7. Other Liabilities—						
(i) Gratuity Fund	1,85,000	0	0			
(ii) Branch Adjustments	3,90,279	1	11			
(iii) Unclaimed Dividends	32,091	10	6	6,07,370	12	5
8. Acceptances, Endorsements and Other Obligations as per contra				7,83,777	0	5
9. Profit and Loss Account—						
Balance as per Balance Sheet as at 31st December, 1952	4,27,931	14	1			
LESS—Appropriations—	Rs.	a.	p.			
Final Dividend @ 12 per cent. per annum for the year ended 31st December, 1952	91,822	8	0			
Transfer to Reserve Fund	1,00,000	0	0			
Transfer to Contingency Fund	1,00,000	0	0			
Transfer to Gratuity Fund	15,000	0	0			
Donation to Holkar State Red Cross Fund	500	0	0			
Bonus to Staff	57,409	9	0	3,64,732	1	0
				63,199	13	1
ADD—Profit for the year ended 31st December, 1953				4,86,737	2	6
				5,49,936	15	6
LESS—	Rs.	a.	p.			
Interim dividend for the half-year ended 30th June, 1953, @ 12 per cent. per annum	91,822	8	0			
Bonus to Staff	30,860	8	0	1,22,682	11	0
				4,27,254	4	6
Total .. Rs.				6,17,90,878	2	9

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In Hand and with Reserve Bank of India and Imperial Bank of India				47,34,220	9	3
2. Balances with Other Banks in Current Account—						
(i) In India	4,25,960	4	4			
(ii) Outside India	Nil			4,25,960	4	4
3. Money at Call and Short Notice				Nil		
4. Investments (at below market value)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (Securities of the face value of Rs. 25,000 deposited with Reserve Bank of India against guarantee given on behalf of constituents to Government Departments)	1,64,43,500	0	0			
(ii) Shares : Fully Paid Preference Shares	1,48,000	0	0			
(iii) Debentures or Bonds	15,88,000	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil					
5. Advances—				1,81,79,500	0	0
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(1) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	3,36,23,430	10	9			
(ii) Outside India	Nil			3,36,23,430	10	9
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	20,12,351	12	9			
(ii) Payable outside India	Nil			20,12,351	12	9
PARTICULARS OF ADVANCES—				3,56,35,782	7	6
(i) Debts considered good in respect of which the Banking Company is fully secured				3,52,39,251	14	3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security				3,96,530	9	3
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				Nil		
(iv) Debts considered doubtful or bad, not provided for				Nil		
				3,56,35,782	7	6
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons				2,04,374	7	3
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				7,54,469	2	0
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons				2,68,820	7	10
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members				23,18,438	9	9
(ix) Due from banking companies				32,727	7	10
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	12,54,302	4	5			
(ii) Payable outside India	726	10	0			
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				12,55,028	14	5
8. Premises—				7,83,777	0	5
At cost as at 31st December, 1952	3,18,208	10	10			
LESS—Refund received on account of Tarana Branch Building	99	15	6			
	3,18,108	11	4			
LESS—Depreciation written off to-date	90,708	11	4			
9. Furniture and Fixtures—				2,27,400	0	0
At cost as at 31st December, 1952	3,42,755	1	11			
Additions during the year	36,965	14	6			
	3,79,721	0	5			
LESS—Cost of Sales during the year	11,909	13	0			
	3,67,811	3	5			
LESS—Depreciation written-off to date after adjustment in respect of Articles sold and/or discarded	1,54,811	3	5			
10. Other Assets—				2,13,000	0	0
(i) Interest accrued on Investments	1,37,930	8	10			
(ii) Advance Payment of Rent	840	0	0			
(iii) Advance Payment of Income-tax	1,95,752	0	0			
(iv) Advance Payment against Capital Expenditure	2,186	6	0			
(v) Silver	Nil					
11. Non-Banking Assets Acquired in Satisfaction of Claims				3,36,208	14	10
				Nil		
Total .. Rs.				6,17,90,878	2	9

(Continued in next page)

IMPERIAL BANK'S PROFIT SHRINKS

CASH BALANCES LOWEST SINCE 1941

A DROP of Rs. 6.53 lakhs in profit, that is from Rs. 133.35 lakhs to Rs. 126.82 lakhs, is disclosed by the audited accounts of the Imperial Bank of India (Managing Director: Mr. S. K. Handoo) for the year ended 31st December, 1953. By this shrinkage during the year, the upward trend in the Bank's profit noted during the previous years has been reversed. This is not surprising because it is only in consonance with the general trend of bank profits for the past year. For the year, while witnessing the consolidation of the process of transition and adjustment to the new monetary and credit policy inaugurated towards the close of 1951, proved to be less remunerative for banks. During this year of consolidation, banks have had to exercise more caution in their lending policy, while at the same time, they have had to pay higher rates of interest on their deposits which, in turn, was the result of the new monetary policy. Thus in the case of Imperial Bank of India there has been a decline in turnover, as is seen in the fall in the balance-sheet total from Rs. 239 crores to Rs. 224 crores and a rise in expenses and these together account for the decline in profit. The contraction in turnover is rather surprising because it took place despite the opening of 26 new branches and convertion of 8 of its treasury pay offices into full branches during the 12 months ended 30th June, 1953.

Results for the Last Four Years

The following comparative table of the Bank's financial results for the last four years shows how the upward trend in the Bank's profit noted in recent years has been reversed in the year under review:

TABLE I
(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross income	7,23.90	7,60.54	6,92.38	6,48.88
Interest and discount	5,49.82	5,52.10	4,98.21	4,79.05
earned	1,70.68	2,05.29	1,91.23	1,62.58
Commission, exchange, etc.	1,34.71	1,70.13	1,20.08	1,20.91
Interest paid	4,49.66	4,43.53	4,20.11	3,90.26
Expenses	12.71	13.53	13.11	11.22
Depreciation and repairs	1,26.82	1,33.35	1,30.07	1,29.46
Profit				
Transfer to—				
Reserve fund	5.65	5.44	2.89	2.50
Pension fund	40.00	39.00	37.50	35.50
Bonus to staff	90.00	90.00	90.00	90.00
Dividend	(15%)	(15%)	(15%)	(15%)
Carry forward	33.25	42.08	43.17	48.73

The gross income shows a fall of Rs. 36.64 lakhs during the year under review, thus reversing the upward trend noted in the previous two years. The gross income, at Rs. 7.24 crores, is, however, much higher than that for 1951 or 1950. The decline in gross income for 1953 is accounted for by the drop of Rs. 2.28 lakhs in interest and discount earned and of Rs. 34.61 lakhs in commission and exchange and brokerage earned. The decline in the above sources of income has been offset to a large extent by the contraction of Rs. 35.42 lakhs in interest paid on deposits and borrowings. This substantial savings in outgo is due to the sizably lower level of borrowings from other banking companies and agents. A perusal of the Bank's weekly statements shows that there has been practically no borrowings in the latter half of 1953, while there were outstanding borrowings throughout 1952 and at a higher level. The reduced volume of borrowings during 1953 has evidently formed part of the cautious policy followed by the Bank in its own lending operations. The rising spiral of the Bank's expenses, noted in the last few years, has reached a further stage during the year under review, with an increase of Rs. 6.13 lakhs, thus rising the expenses by nearly Rs. 60 lakhs during the last three years. But it is comforting to note that the rise during 1953 is not of the same order as that in the previous two years.

For the second year in succession the reserve fund has not been strengthened, while pension fund has been allotted a little more than it received last year and the "bonus to staff" account has received Re. 1 lakh more. The dividend is being maintained at 16 per cent. for the fourth year in succession.

In refreshing contrast to the steep decline noted in the previous year, there has been a small rise in deposits during the year under review. A break up analysis of deposits reveals that in distinct contrast to the general trend the Bank's fixed deposits have declined from Rs. 36.06 crores to Rs. 35.11 crores. Savings Bank deposits are also lower at Rs. 27.97 crores, as against Rs. 28.74 crores, while current accounts, contingency accounts, etc. show an increase from Rs. 141.28 crores to Rs. 144.12 crores. The decline in advances by Rs. 7.04 crores is of a lower order than that noted a year ago. This is partly due to the fact that the general level of advances was at much lower during the year than in the previous one. Thus, even during the busy season of 1953, Imperial Bank's advances stood at no higher than Rs. 135.78 crores, as against a peak of Rs. 163.83 crores touched in the corresponding season of 1952. Of the total advances at the close of 1953, loans, cash credits and overdrafts account for Rs. 90.56 crores, as against Rs. 105.83 crores a year ago, and bills purchased and discounted for Rs. 14.28 crores, as compared with Rs. 6.05 crores.

Again, in sharp contrast to the rise of Rs. 11.98 crores noted at the close of 1952, the Bank's investments at the end of the year under review disclose a decline of Rs. 3 crores, of which a large part, namely, Rs. 2.91 crores, consists of Pakistan and other Government securities. Cash balances have shrunk by Rs. 5.64 crores to a low of Rs. 21.11 crores. It may be interesting to note that not since the close of 1941, the Bank's cash balances have stood at such a low level. The cash coverage to deposits stands at 10.2 per cent. which is less than the average for all Scheduled banks in India.

Balance-sheets Compared

The main assets and liabilities of the Bank as at the close of the last four years are compared in Table II:

TABLE II
(In lakhs of rupees)

	As on 31st December			
	1953	1952	1951	1950
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserve fund	6,35.00	6,35.00	6,35.00	6,32.50
Deposits	207,20.58	206,08.81	231,16.57	231,64.48
Borrowings from other banks	..	15,62.37	13,00.00	8,33.00
Advances (including bills)	104,84.01	111,87.99	139,44.27	93,66.28
Investments—				
Government securities	82,60.89	82,70.11	71,00.93	109,17.63
Others*	11,52.79	14,44.46	14,15.85	12,37.90
Cash	21,11.20	26,74.74	32,50.00	31,47.38
Fixed assets	1,30.23	1,63.90	1,59.24	1,60.16
Balance-sheet total	225,66 62	230,31.23	261,74.85	254,99.42
Ratio to deposits of—	%	%	%	%
Advances	50.6	54.3	60.3	42.6
Investments	45.4	39.5†	31.2†	51.0†
Cash	10.2	13.0	14.1	13.3

* Include Pakistan and other Government securities.
† Ratio arrived at after taking into consideration the securities deposited against loans from banks.

THE BANK OF INDORE, LIMITED—*Continued*

Dr. **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.** *Cr.*

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	9,62,267	14	0
2. Salaries and Allowances and Provident Fund (Salary to Manager Rs. 22,100-2-0, excluding Bonus Rs. 5,100-0-0)	5,45,113	10	1
3. Directors' Fees and Allowances	1,330	0	0
4. Rent, Taxes, Insurance, Lighting, etc. (including provision for taxes on income)	2,82,135	2	1
5. Law Charges	7,223	2	0
6. Postage, Telegrams and Telephone	30,737	1	3
7. Auditors' Fees	9,050	0	0
8. Depreciation on and Repairs to the Banking Company's Property	28,566	6	0
9. Stationery, Printing, Advertisement, etc.	48,462	9	0
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	45,932	15	9
12. Balance of Profit	4,86,737	2	5
Total .. Rs.	24,47,555	14	7

INCOME (Loss Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	22,01,769	1	1
2. Commission, Exchange and Brokerage	2,09,644	5	0
3. Rents	36,067	8	6
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	75	0	0
Total .. Rs.	24,47,555	14	7

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of Indore, Ltd., as at 31st December, 1953, and also the foregoing Profit and Loss Account for the year ended upon that date, in which are incorporated the audited returns of the Branches, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) the returns received from the Branch Offices of the Bank have been found adequate for the purpose of the audit ;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(e) such Profit and Loss Account shows a true balance of profit for the year ;

(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank; and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 15th February, 1954.

N. D. JOSHI,
Manager.

BIBHUTI BHUSHAN,
Chief Accountant.

S. M. BAPNA, Chairman.
K. A. CHITALE,
D. K. CHATTERJEE,
M. G. SAWANT,
BHANWARLAL SETHI,
BALKISHAN MUCHHAL,
N. D. JOSHI, } Directors.

EXPANSION OF EXPORT TRADE

INDIA'S MEMBERSHIP OF G.A.T.T. UNDER REVIEW

A NOTE of optimism about the outlook for Indian economy was struck by the Union Minister for Commerce in his inaugural address at the first annual meeting of the Indian Council of Foreign Trade held at Bombay on the 12th inst. He said: "After a period of varying vicissitudes following the close of war, we have now arrived at a period of relative stability. The food situation has shown positive improvement, the supply of capital goods and raw materials to all industries has been fairly satisfactory." There was also improvement in the value of the rupee. At one time, he said, the Indian rupee used to be quoted at a much lower price than the official rates of exchange whereas for some time past the difference hardly existed. Few would deny the importance of the improvement, inasmuch as such indicates the elimination of certain handicaps in the sphere of Indian economy. But there yet remains much to be done. That the Minister was conscious of this fact is evident from his emphasis that the country's attention should now be diverted towards achieving positive results, among others, in two directions, namely, (*a*) to attract greater resources by expanding exports and (*b*) to make available all necessary imports for meeting the needs of internal development and consumption.

The Minister thought that private enterprise had a lot to do in the work of building up India's export trade. In fact, he called upon the trading community to establish contacts, develop goodwill and create a name for integrity and reliability in world markets. The Minister pointed out that, with the change in the pattern of our foreign trade, it was essential that India should not only maintain its existing markets but also develop exports both qualitatively and quantitatively. "The *sine qua non* of developing our exports," he said, "is a close study of, and constant touch with, conditions in the importing markets. Our foreign missions both on the diplomatic and trade sides are doing their best in this regard, but, in a country like India, where the preponderant section of industry and trade has been left to private enterprise, much of our success depends upon the enterprise of these directly engaged in commerce and industry." He further pointed out that increasing participation by India in exhibitions held abroad would help expand the country's foreign trade. He hoped that those engaged in industry and trade would take a larger interest in such exhibitions.

Participation In World Fairs

In this context, we are told that so far only cottage industry products formed the bulk of the exhibits at international exhibitions. The lack of interest shown by private industry and trade in world fairs is rather an unhappy feature of India's export promotion drive. The causes for this lapse are worth studying. Of course, participation in world fairs involves a large measure of time, energy and expense. All this is worth in view of the need for expanding the markets for Indian manufactures outside the country. The assistance by the State in the form of freight concession in respect of rail as well as shipping, will also go a long way towards encouraging the participation of Indian manufacturers in fairs held abroad. This problem is worthy of attention of a body such as the Indian Council of Foreign Trade.

Mr. Karmarkar also referred to the controversial issue, namely, whether India should continue to be a member of the Geneva Agreement on Trade and Tariffs. This question is hanging fire ever since the Federation of Indian Chambers of Commerce and Industry counselled, some time ago, the Government of India to consider seriously the advisibility of terminating this agreement. The Federation seems to be of the view that under the Agreement, India has not been able materially to improve its export trade and that certain concessions given in respect of its import trade have not been in the general interests of this industrial development of the country. In view of these views held by this apex body of business men, Mr. Karmarkar did well in revealing that the working of the G.A.T.T. organisation would be coming up for review in the course of the next twelve months and that the Government was making a close study of the subject in order to formulate its future attitude. He, however, observed that, at present, it was very difficult to point out that any "tangible benefits" accrued to India from this agreement.

We do not know on what grounds Mr. Karmarkar has come to this conclusion, with which we do not agree. The one way of looking at the benefits of the G.A.T.T. is to imagine the possible effects on India's foreign trade of the absence of this international agreement. In this connection, it will be pertinent to mention here briefly some of G.A.T.T.'s contributions to promote international trade. It has made a valuable contribution to securing reductions in Tariffs by introducing a new negotiating technique. It has brought about a far greater stability in customs tariffs. It was helpful in settling the dispute between India and Pakistan in respect of the latter country's discrimination in regard to export duty on raw jute. These advantages apart, India has lost nothing by being a member of the G.A.T.T. There has so far been no evidence of any adverse effect on the Indian economy as a result of the country being a member of the G.A.T.T. It has not in any way handicapped India's programme for establishing new industries. No complaint has been heard from protected industries that the concessions given under the G.A.T.T. have affected their interests. Nor have these concessions resulted in any loss of revenue to the Government. These considerations as also the fact that certain abnormal conditions created by Korean war did not offer full scope for the G.A.T.T. to play its role need to be borne in mind, while judging the advisibility or otherwise of withdrawing the membership of India from this world organisation.

Another question which received the attention of Mr. Karmarkar in the speech referred to above related to the refund of import duty paid on raw materials used in manufactured goods exported from India. Mr. Karmarkar pointed out that this question had been under consideration for some time and that the main difficulty was the determination of the amount of imported raw material utilised in the manufacture of many goods such, for instance, as silk. In a way this explains the reason for the abolition of the import duty on cotton proposed in the Budget for 1954-55.

STATE INDUSTRIES UNDER PRODUCTION MINISTRY

A review of operations of the Ministry of Production, Government of India, during 1953-54 discloses some notable progress in the performance of various state-owned enterprises. In the sphere of shipping under the management of Hindustan Shipyard Ltd., two ships of 8,000 D.W.T. each were launched during the year. Keels were laid in the Visakhapatnam Shipyard for three diesel ships of 7,000 D.W.T. each. Orders have also been received for the construction of several ships from Indian shipping companies, the Navy and the Lighthouse Department. It was decided also to undertake the construction of a dry dock at the shipyard. Work on it will begin next year.

The Sindri Fertilisers and Chemicals Ltd. reported a gross profit of Rs. 2.71 crores for the period 16th January, 1952 to 31st March, 1953. A sum of Rs. 1.6 crores has been set apart towards depreciation and Rs. 48 lakhs for repairs. Rs. 35 lakhs were paid to Government as interest on loan and Rs. 26 lakhs were written off on account of development expenditure. The net profit stood at Rs. 95,000.

Production of ammonium sulphate during 1953 amounted to 265,704 tons, as compared with 172,519 tons in 1952. The factory could not, however, reach its rated capacity of production on account of certain plant troubles. A catalyst plant has been installed at a cost of Rs. 3.5 lakhs with a view to avoiding imports of iron-oxide catalyst. The cost of catalyst produced is about Rs. 2,500 per ton, as compared with Rs. 10,000 per ton of the imported product.

The factory of the Hindustan Cables Ltd. is now nearing completion. The drum shop for the manufacture of cable drums was, however, completed and went into production in the middle of December, 1953. As the requirements of the P. and T. Department have increased largely since the original plan was drawn, it is now proposed to work the factory on double shift.

Among the oil refineries, Stanvac is expected to go into production in July, 1954, about six months ahead of the original schedule. Burmah-Shell may commence production early in 1955. The year 1954-55 will thus see the start of operation of the two refineries, with a total capacity of 3.2 million tons of crude oil.

Work on the Caltex refinery at Visakapatnam may start early in 1955.

The Hindusthan Housing factory has commenced the manufacture of woodwork against orders received. The production of cement concrete pipes is also proceeding apace.

Production at the National Instruments Factory, Calcutta has been rising, it is stated, since 1949-50. In the first nine months of 1953-54, the value of production, including repairs, amounted to Rs. 12.09 lakhs. In 1952-53, it aggregated Rs. 18.15 lakhs.

(*Continued on next page*)

WOOD SCREW INDUSTRY

PRICES AFFECTED BY JAPANESE IMPORTS

IN the course of his presidential address to the fourth annual general meeting of the Screw Manufacturers Association held on 8th March at New Delhi, Mr. K. L. Sakhuja put forward a vigorous plea for a complete ban on imports of wood screws into the country. He declared that the position of the industry which was already worse would deteriorate still further, if such a step was not taken immediately. A chief point to be noted in the case of this industry is that a large part of the installed capacity remains idle, on account of competition from imported goods. Thus, the installed capacity at the time of the Tariff Commission's enquiry into the continuance of protection in 1953 was 3,328 tons, on the basis of single shift, and 6,656 tons on double shift. The capacity has since increased, while, according to Mr. Sakhuja, the country's estimated requirements are no more than 2,500 tons only. The actual production, as estimated by the Tariff Commission on the basis of figures supplied to it by the factories at the time of enquiry, was 312 tons in 1950, 488 tons in 1951 and 504 tons in 1952. As a result of this wide disparity between installed capacity and the actual production, the industry is stated to be in a very difficult situation. In fact, its present position has been brought out clearly by Mr. Sakhuja as follows:

"All the units in the indigenous industry are working on only one shift basis and they are not able to utilise their full capacity. Owing to imports, the market has been overfed for the last two years and the indigenous manufacturers are experiencing great difficulties in selling their products. Even this limited output, they are not able to market in the country, due to cut-throat foreign competition and the manufacturers are producing far less than what they can, because they do not find enough scope for sales. As a result of heavy imports and glut in the market, the indigenous manufacturers are selling their products in the range of As. 12 to As. 14 per gross inch, as against the average fair ex-works price of Re. 1-2-6 per gross inch assessed by the Tariff Commission for the year 1953-54, and thereby incurring heavy financial losses. Since the factories are selling below their cost and losses are mounting up, they must, sooner or later, close their doors, thereby throwing out of employment a large number of workers."

Mr. Sakhuja made particular reference to the import of lath pointed wood screws which is 100 per cent. of the best year's imports, as against 5 per cent. in the case of other screws. He alleged that the importers had been taking advantage of this opportunity by offering the lath pointed wood screws as a good substitute for gimlet pointed wood screws, the imports of which have been restricted to 5 per cent. Consequently, he held that the effect of protection granted to gimlet pointed wood screws by the restriction of their imports to 5 per cent. had been defeated.

Of the imports of wood screws, those from Japan have been a problem, especially because of their lowest c.i.f. price. Imports from Japan, which were 0.7 per cent. of total imports in 1951-52, were 18-1 per cent. in 1952-53 (April to October). During November-July, 1953, they were 27.2 per cent. Mr. Sakhuja pointed out that, the prices of indigenous screws and those of the Japanese screws were almost on the same level, while the prices of imported Nettlefolds, Swedish and Continental screws were about 70 to 80 per cent. higher than those of Japanese and indigenous screws. In this context, he remarked: "It is solely due to the low landed cost of Japanese screws that the market price of indigenous screws is below the cost price."

It will be recalled that the Tariff Commission had observed that "the lowest c.i.f. price relates to wood screw imported from Japan" and, as their imports formed a very small proportion of total imports, the Japanese prices had not affected the prices of indigenous screws. That this observation of the Commission has lost its significance is evident from the developments which have taken place since then, as was pointed out by Mr. Sakhuja. The President of the Screw Manufacturers Association complains thus:

"In view of the Japanese imports, the indigenous manufacturers have to sell their goods at a loss. It is, therefore, necessary to link the scale of protection to the level of prices of Japanese screws and I would suggest that either the minimum duty should be sufficiently raised, so as to enable the indigenous manufacturers to sell their products above the cost determined by the Tariff Commission in the face of the Japanese competition, or the imports should be completely banned."

In addition to ban on imports, Mr. Sakhuja made the following suggestions to enable the industry to achieve maximum production.

(1) The industry should be given adequate quantity of steel wire for production on two shift basis.

(2) Export possibilities should be explored.

(3) Protection should be granted in other allied lines of manufacture, so that the screw factories could profitably take up these lines. The allied lines of manufacture are: (*a*) Tinmen rivets can be manufactured with the same machinery as is used for wood screws, but, because of competition from Japan, it is uneconomical to manufacture goods locally. (*b*) Manufacture of iron and steel bolts, nuts, set screws machine screws and machine studs as well as bifurcated rivets and other kind of rivets, cotter pins, washers, tacks, panel pins, hooks and eyes should also be entrusted to wood screws factories, so as to reduce the overhead cost, even though the manufacture of these items may necessitate their buying additional machinery specially suited to these purposes. The technique, however, is so identical that the screw factories are in an advantageous position to take up these lines of manufacture.

The plea of Mr. Sakhuja for a total ban on imports is rather untenable. For private industry can thrive only when there is some competition. A complete ban will take away the initiative to improve efficiency and reduce prices to the consumer. All that is needed, therefore, is that the industry should put forward its claims for higher tariff protection before the Tariff Commission in order to save itself from Japanese competition. Mr. Sakhuja, however, has not mentioned why this course has not been adopted by his Association. The suggestions of the President regarding the provision of adequate quantity of steel wire on two shift basis, exploration of export possibilities, and protection to allied uses of manufacture deserve the attention of the Government.

BRITISH INDUSTRIES FAIR

Two epics of contemporary British adventure will form the background for unique features at the 1954 British Industries Fair, to be held simultaneously in London and Birmingham from 3rd to 14th May. They are the ascent of Everest last summer and the long and lonely Arctic research of the British North Greenland expedition, both of which were made possible by the industrial enterprise of British manufacturers who supplied the material and equipment necessary. Behind the Himalayan and Arctic exploits lies a dramatic story of ingenuity and design by British scientists and workers. The spotlight will be turned upon these "back-room boys" of discovery for the first time by their special representation in Britain's "shop-window." Topicality is added by the fact that the Greenland team does not end its two-year vigil until next August.

At both Everest Court (at the B.I.F.'s Earls Court, London, centre) and North Greenland Court (at the Olympia, London, centre), there will be exhibits—ranging from scientific, radio, and medical supplies to provisions and cooking utensils—from over 30 firms. The exhibits will surround a central area containing realistic models of the terrain over which the explorers have worked, and many articles of equipment depicted as though in use. Atmosphere will be lent to the reproductions by appropriate scenic backcloths.

It is now estimated that by the close of the 1954 Fair the number of oversea visitors who have sought British goods at successive B.I.F.'s since 1947 will be 125,000—more than twice the total number at all the Fairs held before World War II. An average of well over a thousand new arrivals daily is expected to be maintained at this year's B.I.F.

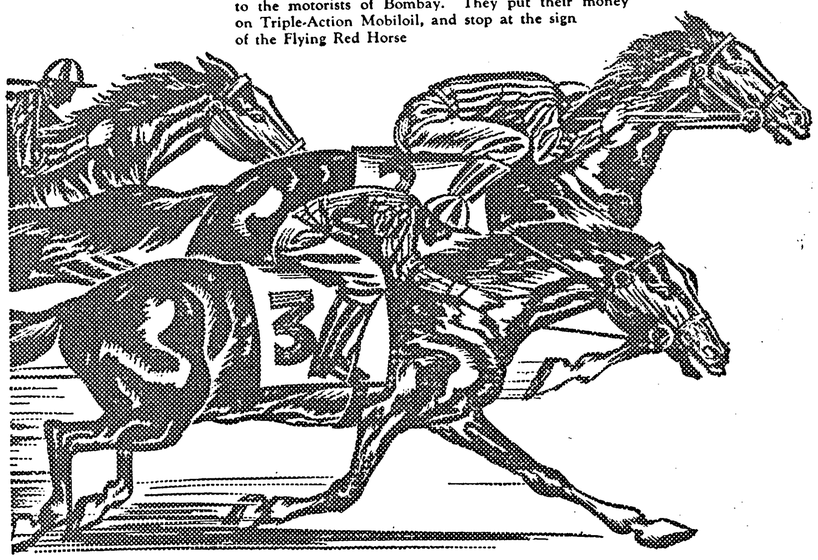
(*Concluded from previous page*)

In regard to the factory to make penicillin, work is progressing with the construction of the factory buildings. Several of the buildings having been completed, installation of machinery has commenced. The same is the case with the Hindusthan Machine Tools Ltd. Production, however, is expected to commence in the middle of this year. The construction of D.D.T. factory building at New Delhi started in November, 1953 and may be completed by June, 1954. The Nahan Foundry in Himachal Pradesh is manufacturing sugarcane crushers, sugar boiling pans and other miscellaneous articles required for *gur* manufacture.

Bombay

The populace of Bombay is delightfully gregarious. It turns out in vast numbers to picnic at Juhu Beach, take the evening air at Marine Drive, attend meetings at Chowpatty Sands. It also loves to cheer itself hoarse at the races.

On the road too, efficient horse power means much to the motorists of Bombay. They put their money on Triple-Action Mobiloil, and stop at the sign of the Flying Red Horse



Like motorists throughout the world, they know that Triple-Action Mobiloil

Saves on Wear
Saves on Repairs
Saves on Petrol

Mobiloil



STANDARD-VACUUM OIL COMPANY (The Liability of the Members of the Company is Limited)

Notices

JENSON AND NICHOLSON (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37th Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Wednesday 31st March, 1954, at 11-00 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the year ended 31st December, 1953.
2. To declare Dividends.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business.

The Share Transfer Books of the Company will be closed from the 24th to 31st March, 1954, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 10*th March*, 1954.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 1st April, 1954 to the 12th April, 1954, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES (INDIA) LTD.,
Secretaries.

CALCUTTA, 12*th March*, 1954.

THE UNITED COMMERCIAL BANK LIMITED

Registered Office: Bhagirath Palace, Chandni Chowk, Delhi.
Head Office: 2, Royal Exchange Place, Calcutta 1.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ORDINARY GENERAL MEETING of the Shareholders of THE UNITED COMMERCIAL BANK, LIMITED, will be held at the Head Office of the Bank at 2, Royal Exchange Place, Calcutta, on Wednesday, the 7th April, 1954, at 4 p.m. to transact the following business:

1. To receive the Report of the Directors and the Audited Balance Sheet as on 31st December, 1953, and Profit and Loss Account for the year ended 31st December, 1953.
2. To declare a dividend.
3. To elect four Directors in the place of Shri M. R. Ruia, Shri M. L. Tapuriah, Shri R. G. Saraiya and Shri B. N. Jalan, who retire under article 95 of the Articles of Association of the Bank, and, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
B. T. THAKUR,
General Manager.

CALCUTTA, *3rd March*, 1954.

N.B.—(i) The transfer books of the Bank will be closed from Monday, the 8th March, 1954, to Wednesday, the 7th April, 1954, both days inclusive.

(ii) The dividend, if sanctioned, will be payable on or after Thursday, the 8th April, 1954 to those Shareholders whose names appear in the Register of Members on Wednesday, the 7th April, 1954.

(iii) Dividend Warrants will be posted to Shareholders at their registered addresses or in accordance with their mandates. Shareholders are requested to advise change in their addresses, if any.

THE CENTURY SPINNING AND MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company at Queen's Mansions, Prescott Road, Fort, Bombay on Saturday the 10th April, 1954, at 3-00 p.m. (S.T.), for the transaction of the following business:—

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.
2. To sanction the declaration of a Dividend.
3. To appoint Directors in place of Shri Motilal Tapuriah, Shri Ramnath A. Podar and Shri Maneklal Premchand, who retire from office by rotation but are eligible and offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board,
For BIRLA BROTHERS LTD.,
R. D. BIRLA,
Managing Agents.

THE CENTURY SPINNING AND MANUFACTURING CO., LTD.

As previously notified the Transfer Books of the Company will be closed from Monday the 22nd March, 1954 to Saturday the 10th April, 1954, both days inclusive.

The dividend when sanctioned, will be made payable at the United Commercial Bank Ltd., Bombay, on or after the 15th April, 1954, to those shareholders whose names stand on the Register on 21st March, 1954, to whom Dividend Warrants will be posted.

BOMBAY, 12*th March*, 1954.

THE CENTURY SPINNING AND MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Century Spinning and Manufacturing Co., Ltd., will be held at the Registered Office of the Company at Queen's Mansions, Prescott Road, Fort, Bombay, on Saturday the 10th day of April, 1954, at 3-30 p.m. (S.T.), or so soon thereafter as the business of the Ordinary General Meeting which is being convened at 3 p.m. (S.T.) on the said day is concluded, to consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

SPECIAL RESOLUTION

"That the Articles of Association of the Company be amended as under:—

(*a*) In Article 34 the words "other than fully paid up" be inserted between the words. "The Company shall have a first and paramount lien upon all the shares." and the words "registered in the name of each shareholder."

(*b*) Article 50 be deleted and the following be substituted:

"50. The Directors, without assigning any reason for such refusal, may decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. If the Directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal."

By Order of the Board,
For BIRLA BROTHERS LTD.,
R. D. BIRLA,
Managing Agents.

BOMBAY, 12*th March*, 1954.

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-sixth Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Friday the 9th April, 1954, at 4.00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1953, and to declare dividends on Preference, Ordinary and 'A' Ordinary Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed as from Saturday the 3rd April, 1954 to Saturday the 17th April, 1954 (both days inclusive).

By Order of the Board,
THE PREMIER CONSTRUCTION CO., LTD.,
Agents,
B. D. SARDESAI,
Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, 8*th March*, 1954.

Note.—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 19th April, 1954, to those Shareholders whose names stand on the Company's Register on Saturday the 17th April, 1954.

To the Shareholders of the Company and more particularly to:—Mrs. Marie Mascarnhas Monteiro, and Alfred Hurley.

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the Company will be held at "Construction House," Ballard Estate, Fort, Bombay, on Tuesday the 6th April, 1954, at 4.00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September, 1953, and to declare dividends on Preference Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will remain closed as from Thursday the 25th March, 1954 to Tuesday the 13th April, 1954 (both days inclusive).

By Order of the Board,
WALCHAND & Co., LTD.,
Managing Agents,
GULABCHAND HIRACHAND,
Director.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, 8*th March*, 1954.

Note.—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 3rd May, 1954, to those shareholders whose names stand on the Company's Register on Tuesday the 13th April, 1954.

To the Shareholders of the Company and in particular to:—Mr. Zal Shiavax Daver of Karachi.

Notices

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the above named Company will be held on Monday, the 29th March, 1954, at 3 p.m., at 8, Royal Exchange Place, Calcutta, to consider and if thought fit to pass with or without modification the following ORDINARY RESOLUTIONS:—

1. That a sum of Rs. 1,04,87,500 (Rupees one crore four lacs eighty-seven thousand and five hundred) being part of the undivided profits of the Company standing to the credit of the Reserves consisting of General Reserves, Repairs and Renewals and Dividend Equalisation Accounts, as on the 31st March, 1953, be capitalised and distributed amongst the holders of Ordinary Shares in the Company on the footing that they become entitled thereto as capital and that the said capital be applied on behalf of such Ordinary Shareholders in payment in full for 10,48,750 New Ordinary Shares of Rs. 10 each in the Company and that such 10,48,750 New Ordinary Shares credited as fully paid up shall rank in all respects *pari passu* with the existing Ordinary Shares save and except that the holders thereof will not participate in any dividend in respect of any period ended on or before the 30th September, 1953, and that the same shall be treated for all purposes as an increase of the nominal amount of the Capital held by each of such Ordinary Shareholders and not as income.
2. That in pursuance of the above resolution and in satisfaction of the interest of the said Ordinary Shareholders in the capitalised sum the Directors be and they are hereby authorised to issue, allot and distribute the said 10,48,750 New Ordinary Shares of Rs. 10 each credited as fully paid up amongst the holders of Ordinary Shares in the Company, whose names are registered as such in the books of the Company as on the 29th March, 1954, in the proportion of two and a half such New Ordinary Shares for each Ordinary Share held by them on that date with full powers to the Directors to make such provision for the issue of fractional certificates or otherwise, determine eligibility and/or mode of payment of dividend in respect of such fractional shares and all other matters relating thereto, as they think proper in their discretion provided that no allotment of shares issued as aforesaid shall be made to non-resident shareholders till approval of the Reserve Bank of India is obtained for same.
3. That the draft of the Agreement providing for the allotment of the said New Ordinary Shares in satisfaction of the said capitalised sum and submitted to this meeting and signed in the margin by the Chairman by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Common Seal of the Company to duplicate engrossment of such agreement as and when the same shall have been signed on behalf of the members holding the existing ordinary shares in the Company on the 29th March, 1954, by some person to be appointed by the Directors in that behalf under Article 179 of the Articles of Association of the Company.

The Share Transfer Books of the Company will remain closed from the 22nd to 29th March, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 8*th March*, 1954.

To all the Shareholders of the Orient Paper Mills Limited, and in particular to:—

Mrs. Bachubai Anklesaria, J. P. Brander, L. D. L. Buckley, Ct. P. R. Periakaruppan Chettiar, Mrs. Dosibai Dinshaw, A. Rudolph D'Abres, Mrs. M. D. Forest, Mr. Ebrahim Khan, Begum Doulat Khanum, W. Mackay, Miss Hajya Essop Mia, John Rodricks, Francisco Baptista Ramos, Commdg. Gen. Sir Baber Shum Shere J. B. Rana, Pran Ballav, D. N. Kalyanvala, and R. F. Naronha.

INDIAN ALUMINIUM COMPANY LIMITED

TRANSCRIPTION

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Ordinary General Meeting of Indian Aluminium Company, Limited, will be held at the Registered Office, 31, Chowringhee Road, Calcutta, 16, on Friday, 23rd April, 1954, at 11 a.m., for the following purposes:

1. To receive and adopt the Balance-sheet at 31st December, 1953, and Profit and Loss Account for the year ended 31st December, 1953, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 5th to 23rd April, 1954, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on 23rd April, 1954, or to their mandatees. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

By Order of the Board,
ROBERT E. YOUNG,
Secretary.

3rd *March*, 1954.

THE GANGES ROPE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Second Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Tuesday the 30th March, 1954, at 11.00 a.m., for the following purposes:—

(1) To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September, 1953.

(2) To declare a Dividend.

(3) To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 24th to 30th March, 1954, both days inclusive.

By Order of the Board,
MACNEILL AND BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, *8th March*, 1954.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 8, Royal Exchange Place, Calcutta on Monday, the 19th April, 1954, at 3.00 p.m.

(*a*) To receive and pass the Directors' Report and Audited Accounts for the year ended 31st December, 1953.

(*b*) To elect Directors.

(*c*) To appoint Auditors for the current year and to fix their remuneration, and

(*d*) To transact any other business which may be brought forward with the permission of the Chairman.

The Share Transfer Register will be closed from 25th March, 1954, to 19th April, 1954, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS LIMITED,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 12*th March*, 1954.

In particular to: Sri Jagannath Gupta, Gopal Das Seigell, Mrs. Kamalawati Malpani, Dhan Raj, Moolchand Khemka, Krishta Lal Ghosh, Sudhir Chandra Chakravorty, Mrs. Zaheda Khatun, Bankim Chandra Dutt, Victor Samuel Koland, K. M. Spalding & D. B. Spalding, R. L. Burgess & Mrs. E. Burgess, Col. C. J. Clarke, Mrs. B. E. Honeybone, Monmohan Saha, Mrs. K. Watson, George Fogt, Ahmed Ebrahim, Mrs. L. D. Jenkins & Mrs. L. P. Douglas Stone, A. D. Gaul, Col. Sir G. P. L. Conyngham, Mrs. K. Watson, Lt. General S. S. J. B. Rana and P. N. Haksair.

PALAI CENTRAL BANK LIMITED

(Incorporated in Travancore-Cochin with Limited Liability)

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Annual General Meeting of the Shareholders will be held at the Registered Office of the Bank on Monday the 5th April, at 3.30 p.m. to receive the Profit and Loss Account and Balance Sheet, with the Report of the Directors for the year ending 31st December, 1953, to declare a dividend, to elect two Directors, and to appoint an Auditor or Auditors.

The Transfer Books of the Bank will be closed from the 12th March to 6th April, both days inclusive.

By Order of the Board,
K. JOSEPH AUGUSTI,
Managing Director.

PALAI, 10*th March*, 1954.

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Share Register of Members of the Company will be closed from the 27th March to the 1st April, 1954, both days inclusive for payment on the latter date of a Second Interim Preferential Dividend for the year ending 31st March, 1954, on the Preference Shares of the Company at Rs. 2-8 per share less Income Tax.

As Dividend Warrants are sent only to Registered Shareholders or to their Mandatees, shares on blank transfers should be submitted with completed transfer deeds for registration before the Preference Share Register of Members is closed.

By Order of the Board,
A. J. ELKINS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 11*th March*, 1954.

BUCKINGHAM AND CARNATIC MILLS' BUMPER PROFITS

DIVIDEND RAISED—FINANCES SOUND

THE audited accounts of the Buckingham and Carnatic Co., Ltd. [Managing Agents: Messrs. Binny and Co. (Madras) Ltd., Madras] for the year ended 31st December, 1953, make pleasant reading. The gross profit of the Company amounts to a bumper figure of Rs. 124.59 lakhs, which is more than six times that for the previous year's profit of Rs. 20.73 lakhs. The gross profit for 1953 is the highest for the last five years, and falls short of the previous highest of Rs. 145.84 lakhs for 1948. The comparison of the profit for the year under review with that for 1952 is not, strictly speaking, correct, because the Company had worked at a loss for nine months in 1952 for reasons beyond the control of the management, and was able to make good the loss and show a profit for that year only in the last three months.

Nevertheless, the gratifying results achieved in 1953 have enabled the Company to strengthen the reserves, to make a substantially larger provision for payment of bonus to workers and to distribute a higher dividend to the shareholders. The dividend, which had to be pruned last year from 7½ per cent. (paid for the year 1951) to 4 per cent., is now proposed to be raised to 10 per cent. Even this enhanced dividend is short of the modest record of 12½ per cent. paid by the Company from 1941 to 1947, except for the half-years ended 30th June, 1942 and 1947.

The highly favourable results of the Company for the year under review have been rendered possible by the more favourable trading conditions that prevailed during that year than in 1952. Adverting to these, the Directors observe in their report to the shareholders thus:

"There was a good demand for the Company's products throughout the year, both in home markets and from overseas. The progressive removal of price controls enabled the Company to adjust their internal selling prices for some cloths to more reasonable levels, but always with due regard to the purchasing power of the consumer. The Company was assisted in its established export trade by the reduction, in January, 1953, of the export duty on coarse and medium cloth from 23 to 10 per cent., the duty on medium cloth was abolished in October.

"The Company has an India-wide trade and many complications have arisen as a result of the Supreme Court's judgment to the effect that each receiving State is entitled to collect sales tax on goods entering from another State. It is to be hoped, however, that as a result of the recent discussions between the Union Government and the States' representatives, a satisfactory solution will be found for the present chaos."

The salient features of the Company's results of working during the year under review are presented against the background of those for the previous three years in the following comparative table:

(In thousands of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	8,56,07	8,32,85	8,85,60	7,58,28
Other income	5,04	7,47	6,54	5,45
Stocks of process and finished goods	84,53	95,43	67,53	78,62
Expenses (including raw materials and stores consumed)	7,25,63	8,47,49	8,02,92	6,87,03
Gross profit*	1,24,59	20,73	78,23	83,10
Provision for—				
Managing Agents' commission	9,77	90	6,17	6,44
Depreciation	17,65	11,70	11,53	11,05
Taxation	37,25	..	25,00	27,00
Net profit	59,68	8,13	30,54	37,99
Excess provision for taxation written back	..	20,00	..	..
To debenture redemption fund	3,00	3,00	..	..
,, discount on debentures issue	..	3,00	..	..
,, provision for increased replacement costs	8,98	..	5,00	7,00
,, general reserve	6,00	5,50	..	..
,, work people's housing reserve	1,50	..	..	..
,, bonus to employees	19,58	7,75	13,68	16,46
,, officers' superannuation fund	1,07	14	67	65
Dividends—				
7½% cum. preference	1,60	1,60	1,60	1,60
Ordinary	17,85	7,14	13,39	12,27
	(10%)	(4%)	(7½%)	(6¾%)
Carry forward	2,58	2,40	2,39	1,18

* Gross profit has been arrived at before setting aside for bonus to employees.

It will be seen that the rise in gross profit has been of a higher order than that in sale proceeds which is up by only Rs. 23 lakhs. This is due to the saving of Rs. 1.21 crores in expenses, of which raw materials and stores consumed account for Rs. 1.18 crores. The provision for depreciation has been increased by over Rs. 6 lakhs, in order to cover the charge on the additional capital expenditure on buildings and machinery brought into use during the year. Nearly a third of the gross profit has been set aside for taxation which did not receive anything last year. Out of the net profit of Rs. 59.68 lakhs, debenture redemption fund has been provided with Rs. 3 lakhs as in the previous year, under the terms and conditions of Trust Deed and an equivalent amount has been deposited with the Trustees in a special investment account. A sum of Rs. 8.96 lakhs has placed to reserve for increased replacement costs of buildings and machinery, as the Directors have thought it prudent to build up this reserve, as far as possible, in view of the considerable capital commitments entered into by the Company. In consonance with the increase in gross profit, bonus to employees has been stepped up from Rs. 7.75 lakhs to Rs. 19.58 lakhs.

The financial position of the Company is quite impressive, as will be seen from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital	1,99,78,000	Gross block	3,99,61,612
Reserves and surplus	1,47,33,163	*Less*—Depreciation	3,09,15,105
Debenture	94,00,000	Net block	90,46,507
Provision for taxation	29,54,086	Capital works-in-progress	1,91,93,597
Liabilities	1,10,79,267	Stock-in-trade	1,70,18,571
Special liabilities	8,03,329	Stores, spares, etc.	76,27,327
		Debts, deposits and advances	40,30,595
		Investments	9,07,530
		Investments against special liabilities	7,53,126
		Cash	3,68,592
Rs.	5,89,47,845	Rs.	5,89,47,845

Of the above reserves, general reserve accounts for Rs. 35 lakhs, dividend equalisation fund for Rs. 10 lakhs, fire, accident and insurance reserve for Rs. 18.03 lakhs, work people's housing for Rs. 15 lakhs, raw materials fluctuation for Rs. 9.25 lakhs and provision for increased replacement costs of buildings and machinery for Rs. 57.50 lakhs. The gross block, which includes an addition of Rs. 73.33 lakhs during 1953, has been well written down. The current assets, at Rs. 2.99 crores, cover the current liabilities and provision for taxation twice over.

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted at Rs. 148-8 *cum-div.* On *ex-div.* basis, the dividend for 1953 gives a yield of 7 per cent. per annum, free of tax.

(*Concluded from next column*)

These favourable trends have been offset to a small extent by the rise in expenses by some Rs. 6 lakhs, so that the gross profit, as already stated, is up by over Rs. 22 lakhs.

Referring to the trading conditions that prevailed during the year, the Directors observe that the rayon yarn market was steady practically throughout the year and that the prices of the main raw materials also remained almost steady.

The balance-sheet of the Company as on 31st December, 1953, underlines the need for conserving the resources. The paid-up capital stands at Rs. 3.33 crores, as against which there is no reserve, except the sum of Rs. 22 lakhs provided for deferred taxation, which really speaking is a future liability and not a reserve, a sum of Rs. 2.40 lakhs set aside as provision for bad and doubtful debts and a sum of Rs. 5.01 lakhs being the unappropriated surplus. Provision for taxation stands at Rs. 51,427. The current liabilities aggregate Rs. 1.45 crores, of which the liability to the I.F.C. of India amounts to Rs. 44.75 lakhs and to the Company's bankers Rs. 36.45 lakhs, these having been reduced from Rs. 50.83 lakhs and Rs. 47.09 lakhs, respectively, as at the close of 1952. The gross block of Rs. 4.94 crores includes additions to the tune of Rs. 62.09 lakhs made during the year under review, in accordance with the Company's expansion programme. As against this block, the provision for depreciation amounts to Rs. 1.10 crores. The current assets aggregate Rs. 1.24 crores and fall short of the current liabilities.

Referring to the Company's expansion programme on hand, the Directors observe as under:

"The increase in the capital block of the Company from the figure of Rs. 4,27,10,526 standing as at 31st December, 1952, to the figure of Rs. 4,93,70,648 is mainly due to the expansion programme already in hand and also due to the expenses incurred during the current and previous years for the construction of a few additional staff and labour quarters. Construction of a building for the duplication of the entire plant also has been taken in hand. The Company's plant has been working smoothly and satisfactorily. The new machinery and equipment ordered out for the expansion of the Company's plant has already arrived and is under erection. It is expected that, after completion of this expansion programme, the capacity of the plant will increase by about 25 per cent. The Back Pressure Turbo-Alternator Set which was ordered out year before last is already in operation and will supply the extra power required for the expansion in hand."

The Company's Rs. 100 paid-up ordinary shares are being currently quoted at Rs. 154 *cum-div.* On an *ex-div.* basis, the proposed dividend gives a yield of 6.2 per cent. per annum, free of tax.

MAIDEN DIVIDEND OF NATIONAL RAYON

NO ALLOCATION TO RESERVES

THE second full year of working of the National Rayon Corporation Ltd. (Managing Agents: Messrs. Chinai & Co., Ltd., Bombay), since it commenced production in March, 1951—namely, the year ended 31st December, 1953—has proved to be more favourable than the previous one. The gross profit amounts to Rs. 93.17 lakhs, as compared with Rs. 70.72 lakhs for 1952 and Rs. 58.35 lakhs for 1951. This impressive performance of the Company was not unexpected, as witness the steady advance in the value of the Company's equities on the Stock Exchange during recent months. Thus, in the third week of February, the share stood at a high of Rs. 173, as compared with Rs. 72 a year before, though they are currently being quoted at Rs. 154. Market circles had anticipated that the maiden dividend would be Rs. 10 per share. Consequently, the proposed dividend of Rs. 9 per share somewhat falls short of their expectation. But this does not mean that this dividend is such as to cause a feeling of dissatisfaction. On the contrary, it is a very handsome return, considering that the industry is a relatively new one for this country. It must be said to the credit of the managing agents and the directors that they have been remarkably successful in making this project a paying proposition within a short period.

A perusal of the appropriation account for the year under review shows that the Directors have declared an impressive maiden dividend without creating a reserve fund by allocating a slice of the profit. Whether the Directors have been prudent in following such a policy is not beyond dispute. After all, this is a new industry in which a large amount of capital has been invested. A beginning ought to for the rainy day. An ideal dividend policy in the case of a Company of this nature would be to start with a modest return and then raise it by stages. To begin with such a liberal dividend as 9 per cent. is to court the envy of many, not excluding the workers and the Finance Minister. There are some in the market who believe that the Directors have deliberately decided on the policy of high dividend, in order to ensure sufficient response for the issue of new capital which they are believed to be contemplating. The Directors may have their own reasons for proposing a higher dividend, but they are silent over it in their report to the shareholders. It is, however, to be hoped that the Chairman will throw some light on the Company's dividend policy when he addresses the shareholders at their forthcoming annual general meeting.

Another aspect of the dividend policy on which the Directors have not enlightened the shareholders is regarding the doubt that were being expressed by some over the possibility of the Company declaring the higher rate of dividend than 6 per cent. The doubt arose in view of the fact that, being indebted to the Industrial Finance Corporation of India, the Company could not declare more than 6 per cent. It is common knowledge that, under the Industrial Finance Corporation Act, a loanee company cannot pay a dividend higher than 6 per cent. without the special sanction of the Corporation, so long as the loan taken from the Corporation remains unpaid. The accounts of the National Rayon show that the loan remains unpaid, except for a small portion of it, on 31st December, 1953. The Directors have not stated whether the loan has since been repaid or they have obtained the special sanction of the Corporation.

The salient features of the Company's results, which are, undoubtedly, creditable, are compared with those for the previous two years in the following table:

	For the year ended 31st December		
	1953	1952	1951
Sale proceeds	Rs. 2,85,13,433	Rs. 2,11,20,717	Rs. 1,25,55,102
Stocks of finished yarn and stock-in-process	15,85,051	59,60,503	43,50,571
Other income	1,34,584	1,13,821	87,263
Raw materials, stores, etc., consumed	96,54,562	1,16,51,848	79,67,241
Expenses	47,08,921	41,20,258	31,90,447
Gross profit	93,17,135	70,72,986	58,35,248
Managing Agents' commission	5,92,247	3,57,237	2,34,117
Depreciation	40,00,000	35,00,000	35,00,000
Taxation	14,202	54,833	..
Net profit	53,02,233	31,60,296	21,01,131
Underwriting commission written off	..	..	94,354
Preliminary and other expenses written off	3,50,000	3,50,000	3,27,882
Reserve for bad and doubtful debts	..	..	2,69,600
Deferred taxation reserve	22,00,000	..	..
Dividends—			
5% preference	..	..	..
Ordinary	8,70,030	32,39,193†	8,55,198*
	14,18,004 (9%)	..	..
Carry forward	5,01,242	89,033	4,66,206

* For the years 1947 and 1948. † For the years 1949 to 1952.

It is noteworthy that the sale proceeds have gone up by about Rs. 74 lakhs during the year under review and by nearly Rs. 1.60 crores in the last two years. Stocks of finished yarn and stock-in-process show a decline of about Rs. 44 lakhs during 1953. The value of raw materials, stores, etc. consumed has recorded a drop of Rs. 20 lakhs.

(*Continued in previous column*)

Points From The Chair

Tax Allowance on Provision for Bad Debts

"THE published profits of banks cannot be considered true profits for purposes of taxation with the uncertainties of the economic situation. There is always a contingent possibility of any debt becoming bad and it may not be prudent to wait till it actually becomes bad before it is written off. But under the provisions of income-tax law as at present, a bank will have to prove that it has exhausted all possible remedies for recoveries which, in effect, would mean that it has to spend good money over bad, and that the debt has become bad in the very year it is written off. This would mean, even if a bank makes a provision out of its profits in a good year for bad and doubtful debts, it would not be allowed for purposes of taxation unless it satisfies the above tests. Banking in this country requires considerable strengthening not only by legislation but by active and positive assistance from the State. There cannot be a better foundation for an effective credit system than a sound and secure banking system. Even in America such provisions made are allowed upto certain limits based either on the average of the previous years' losses or a certain percentage of the total advances. We have been urging this point on the Central Government and we are happy that the Indian Banks Association has taken it up recently and I trust and hope the Taxation Enquiry Committee will concede this reasonable measure of help to the banking system."

DR. T. M. A. PAI,
Canara Industrial & Banking Syndicate Ltd.

Retention Prices on Steel

"As regards our ability and desire to maintain dividends at a reasonable level, provide the Company's contribution towards the cost of the expansion and to repay the loans in the stipulated instalments, this will depend wholely upon the revised retention prices recommended by the Tariff Commission and sanctioned by the Central Government. So far as we know, no final decision in the matter has as yet been taken. The continued liquidation of our financial commitments will, also, be governed by the retention prices which are fixed after the scheme of expansion has been completed and brought into economic operation. We hope that the principles by which retention prices were fixed prior to the merger, with such modifications as may be necessary and as may be appropriate and justified by later circumstances, will continue to be applied until both these loans and our other loans have been fully repaid out of earnings. It was on this understanding that the Company agreed to expand its undertaking and was willing to accept the consequent heavy financial liabilities. The Company feels that it is entitled to assume that the Government will, during the continuance of the repayment period of the loans, adhere to the principles laid down in the report of the Tariff Commission, 1952, and accepted by the Government."

T. LESLIE MARTIN,
Indian Iron and Steel Co., Ltd.

Need for Free Exchanges

"It goes without saying that we all require a steady growth of world trade and world investment, and that we shall not fully get this until we have a proper system of free and stable exchanges, first and foremost among which must be a stable and convertible sterling, and it is all to the good that we have seen in this country some reduction in taxation and a considerable step towards freedom from controls, both of which factors must help to encourage that private enterprise and those private savings without which we cannot hope to restore our position in the world. If we in this country could feel more sure that our resources, which we have so patiently built up, would not again be dissipated, we might feel that we were well on the road to convertibility. In any event, we must have the full co-operation of the U.S.A. in any steps that we take, and while the report of the Randall Commission shows that we are not likely to get a quick remedy for our trouble from that quarter. Nor, as I said last year, do I feel that it would be easy to apply convertibility to so-called current sterling only."

V. A. GRANTHAM,
Chartered Bank of India, Australia and China.

Financing of Five-year Plan

"One of the Government's problems is the provision of finance, first to balance the Budget and secondly for the Plan. This has resulted in high taxation, both direct and indirect. High direct taxation, both personal and corporate, may be anti-inflationary, but it inevitably removes a great deal of surplus income which would otherwise become available as investment and risk capital. Thus, the financing of the Five-year Plan is, undoubtedly, causing the Government some concern. On the one hand, revenue from duties on imports and exports is declining and, on the other hand, the attainment of the target of investment for the private sector under the Plan seems unlikely fully to succeed. Risk capital is shy of high taxation and the passing of the Estate Duty Act in 1953 has not improved the climate either for foreign or Indian investment."

SIR KENNETH W. MEALING,
Mercantile Bank of India Ltd.

COMPANY MEETINGS AND DIVIDENDS

TRAVANCORE SUGARS AND CHEMICALS LTD. Annual General Meeting, 23rd March, 1954. Dividend: *Nil.*

LOTHIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 26th March, 1954. Dividend: Rs. 15 per share. Transfer books remain closed from 16th to 26th March, 1954, both days inclusive.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 26th March, 1954. Dividend: Rs. 10 per share (including interim-dividend of Rs. 4 per share). Transfer books remain closed from 9th to 26th March, 1954, both days inclusive.

BRAITHWAITE AND CO. (INDIA) LTD. Annual General Meeting, Calcutta, 26th March, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 11th to 26th March, 1954, both days inclusive.

SHREE SITARAM SUGAR CO., LTD. Annual General Meeting, Calcutta, 26th March, 1954. Transfer books remain closed from 16th to 26th March, 1954, both days inclusive.

DEORIA SUGAR MILLS LTD. Annual General Meeting, Calcutta, 26th March, 1954. Transfer books remain closed from 16th to 26th March, 1954, both days inclusive.

LOYAL TEXTILES LTD. Annual General Meeting, Madras, 27th March, 1954. Transfer books remain closed from 20th to 27th March, 1954, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore City, 27th March, 1954.

BRITISH INDIA CORPORATION LTD. Annual General Meeting, Kanpur, U.P., 27th March, 1954. Dividend: As. 8 per share. Transfer books remain closed from 27th February to 27th March, 1954, both days inclusive.

INVESTMENT AND FINANCE CO., LTD. Half-yearly General Meeting, Calcutta, 29th March, 1954. Dividend: Rs. 2-8 per share. Transfer books remain closed from 15th to 29th March, 1954, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 29th March, 1954. Dividend: Rs. 9 per share. Transfer books remain closed from 15th to 29th March, 1954, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Half-yearly General Meeting, Calcutta, 29th March, 1954. Dividend: Rs. 2-8 per share. Transfer books remain closed from 15th to 29th March, 1954, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 29th March, 1954. Dividend: Re. 1-6 per share (including a cash bonus of As. 2 per share). Transfer books will remain closed from 22nd to 29th March, 1954, both days inclusive.

GANGES ROPE CO., LTD. Half-yearly General Meeting, Calcutta, 30th March, 1954. Transfer books will remain closed from 24th to 30th March, 1954, both days inclusive.

KALEESWARAR MILLS LTD. Annual General Meeting, Coimbatore, 2nd April, 1954. Transfer books remain closed from 19th March to 2nd April, 1954, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd April, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 22nd March to 2nd April, 1954, both days inclusive.

CENTRAL DISTILLERY AND CHEMICAL WORKS LTD. Annual General Meeting, Meerut Cantt., 3rd April, 1954. Dividend: As. 12 per ordinary share and As. 14 per deferred share. Transfer books will remain closed from 21st March to 3rd April, 1954, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 6th April, 1954. Dividend: *Nil.* Transfer books will remain closed from 25th March to 13th April, 1954, both days inclusive.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD. Annual General Meeting, Tirupur, 7th April, 1954. Transfer books will remain closed from 23rd March to 7th April, 1954, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, 7th April, 1954. Transfer books will remain closed from 22nd March to 9th April, 1954, both days inclusive.

SAMNUGGUR JUTE FACTORY CO., LTD. Dividend of 10 per cent. on the ordinary shares (including the interim-dividend) for the year ended 31st December, 1953, payable on 26th March, 1954, less income-tax at 9*s.* in the £. Transfer books remain closed from 12th to 26th March, 1954, both days inclusive.

TITAGHUR JUTE FACTORY CO., LTD. Dividend of 10 per cent. on the ordinary shares (including the interim-dividend) for the year ended 31st December, 1953, payable on 26th March, 1954, less income-tax at 9*s.* in the £. Transfer books remain closed from 12th to 26th March, 1954, both days inclusive.

VICTORIA JUTE CO., LTD. Dividend of 10 per cent. on the ordinary shares (including the interim-dividend) for the year ended 31st December, 1953, payable on 26th March, 1954, less income-tax at 9*s.* in the £. Transfer books remain closed from 12th to 26th March, 1954, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Dividend of Rs. 14 per ordinary share, for the year ended 30th September, 1953, payable on 19th April, 1954. Transfer books will remain closed from 3rd to 17th April, 1954, both days inclusive.

COMPANY REGISTRATIONS

INDIAN ESTATE AND FINANCE CORPORATION LTD. (First Director: Mr. Vadilal Chatrabhuj Gandhi.) Business: To acquire by purchase, lease, exchange or otherwise, land, buildings, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Kasar Buildings, 1st Floor, Princess Street, Bombay.

M. B. CHABLANI, LTD. (First Director: Mr. M. B. Chablani.) Business: Importers, Exporters and Manufacturers of Minerals, Alloys, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 27, Ananda Nivas, "A" Road, Churchgate Reclamation, Bombay.

QUESTION HOUR IN PARLIAMENT

No Decontrol of Cement

THERE is no chance at all of decontrol of cement either this year or next year.

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Returns from Foreign Firms

Representations have been received from certain foreign firms requesting more time to furnish information regarding the number of foreigners employed by them. The Federation of Indian Chambers of Commerce and Industry has also made a similar representation. As a result, it has been decided to extend the time-limit for the submission of returns to 15th April, 1954.

—*Minister for Commerce and Industry*

Tea Adulteration

The Government proposes to issue shortly necessary rules preventing the admixture of tea with tea waste. It has come to the Government's notice that adulteration of loose tea is prevalent, but, under the present law, it is a matter to be dealt with by the State Governments or the local authorities.

—*Minister for Commerce*

State Trading

There are 11 schemes in which State trading operates. The schemes include purchases by the Food and Agriculture Ministry, purchase of foodgrains by local administrations, purchase of fertilisers, land reclamation scheme for rehabilitation, medical stores depots and factories, purchase of quinine, cinchona cultivation by the Russian method, scheme for the supply of consumer and other stores in the Andamans, purchase of stores and reserve stocks of equipment for the training of demobilised service personnel, imports of steel and bulk procurement of road rollers. The scheme for export of coal and coke has ceased to function. The accounts pertaining to those schemes which have ceased to function have not been finally closed, owing to various reasons including non-receipt of accounts from States, non-adjustment of certain receipts in customs duty, and non-settlement of claims and accounts with the Pakistan Government.

—*Deputy Finance Minister*

Central Loan

Except for a sum of Rs. 1.72 crores, the entire 3 per cent. Government of India loan 1953-54 amounting to Rs. 114.61 crores has been discharged. The undischarged amount represents securities held in Pakistan and unclaimed amount internally. Over Rs. 51.8 crores, have been converted into a new loan.

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Capital Issues

Permission was granted in 1953 to the issue of capital shares to non-residents of India to the extent of Rs. 4.23 crores. The number of industries involved was 21. During the year, Rs. 43.17 lakhs were remitted to foreign countries on account of royalty payments.

—*Parliamentary Secretary to Finance Minister*

Indian Airlines Corporation

The Indian Airlines Corporation has under examination proposals for the invigoration of the services now operated under the "lines system." It may take another three months before the "lines system" can be reorganised. It is expected that the loss of Rs. 30.44 lakhs incurred during the first four months of operation of the Corporation will go down progressively during the next two years. The revenue earned by the Corporation during the first four months is Rs. 204.62 lakhs and the expenditure in the same period is Rs. 235.06 lakhs. A proper assessment of the financial results of the Corporation can be made only on the basis of its operation for a full year. It is not possible to obtain comparative figures for revenue and expenditure of private companies for the corresponding months of 1952.

—*Deputy Minister for Communications*

Rice Procurement

From 1st December, 1953 to 27th February, 1954, in terms of rice, a total quantity of 900,000 tons rice and paddy had been procured within the country. In terms of rice up to 30th June, 1954, another 800,000 tons are proposed to be procured.

—*Minister for Food and Agriculture*

Fertiliser Purchase

The total amount of loans granted to States for the purchase of fertiliser during 1953-54 was Rs. 526.61 lakhs and, in the next year, it is to make a provision of Rs. 10 crores. I expect that a substantial portion of these loans has been utilised by the State Government. So far as the next year is concerned, a conference of officials concerned will be held shortly to decide distribution. Fertiliser is given as loan and the cash for it is realised a few months later. The Central Government expects that State Governments will, in their turn, give fertiliser to the cultivators on a loan basis and realise the value later.

—*Agriculture Minister*

Labour Welfare Funds

Employers' response to the Government's suggestion for setting up labour welfare funds in industrial undertakings has not been satisfactory on the whole. The steps to be taken by the Government to make the scheme successful are under consideration.

—*Deputy Labour Minister*

A DIFFICULT YEAR FOR BRITISH INDIA CORPORATION

LOTHIAN JUTE MAINTAINS DIVIDEND

British India Corporation, Ltd.

THE directors of the above Company (Chairman and Managing Director: Sir Robert Menzies, Kt., O.B.E., V.D., C.A., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st December, 1953.

Including income from investments, and after making all the usual allowances, including the sum of Rs. 6,50,000 (Rs. 6,50,000) for depreciation, providing for a gratuity to employees, and setting aside a sum of Rs. 25,00,000 (Rs. 30,00,000) being the estimated possible liability to taxation, the profit for the year amounts to Rs. 40,57,621 (Rs. 34,93,950). To this sum there has to be added the amount brought forward from last year, namely, Rs. 1,99,112 (Rs. 4,13,662) making the total sum available Rs. 42,56,733 (Rs. 49,09,612). The directors recommend that this sum should be disposed of in the following manner:—

Dividend, for the year to 31st December, 1953, on the 8 per cent. cumulative preference shares, free of income-tax Rs. 6,48,000 (Rs. 6,48,000), dividend, for the year to 31st December, 1953, on the ordinary shares at As. 8 (As. 10) per share, free of income-tax Rs. 32,50,000 (Rs. 40,62,500) and carry forward to next account Rs. 3,58,733 (Rs. 1,99,112).

As indicated to the shareholders by the Chairman in his address to the thirty-third annual general meeting, the sum of Rs. 40 lakhs which stood at the credit of dividend equalisation account has been transferred by the directors to the credit of the general reserve account.

The year 1953 was a difficult one for the Corporation in more than one direction, but the directors are pleased to report that certain products of the woollen branches found a ready sale among the public. The market price of wool and tops was more stabilised during 1953 than in the two previous years, but the price still remains high, with the result that the demand for the former popular lower priced heavy woollen and coarse worsted goods has dwindled very materially, and during the past year little in the way of Government business, particularly on the heavy side, was placed with the Corporation's woollen branches.

The Corporation's cotton branch again experienced an unfortunate year, and it is little comfort to the directors and management, or the shareholders, to think that most of the cotton manufacturing units in Kanpur shared this undesirable state of affairs. In recent months, the demand for the manufactured goods of the cotton branch has been most disappointing, and prices available have at times been below the cost of manufacture. This was particularly the case in the branch spinning mill known as the Juhi Mill, which was equipped with old fashioned mules, purely for the production of yarn for handweavers; the results obtained from this branch mill were such that the directors had no option but to close the mill down on 31st January, 1954, as, recently, it had been a definite drain on the Corporation's resources.

The leather and footwear branches again suffered from a serious shortage of raw material, and from an almost complete lack of Government orders. Extensive boot machinery of considerable strategic value to the nation has, accordingly, been virtually unemployed during the past year, and unless orders can be received to keep this plant going, it is for consideration whether it should be maintained in the future, or whether it should be disposed of.

For the last year or two, reference has been made in the directors' report to the considerable additional finance required in connection with raw material purchases; the demand on available resources continues to be heavy, with the result that during the year considerable accommodation from the Corporation's bankers had to be obtained. The directors consider that the amount reserved against the Corporation's liability to taxation, is sufficient for the purpose.

As a result of the policy adopted by the Government of India in regard to the manufacture, assembly and importation of motor vehicles in, or into, India, the future prospects of the Corporation's Motor Subsidiaries, The Peninsular Motor Corporation Ltd., and G. McKenzie & Co. (1919), Ltd., are at present a little obscure, but the position is being carefully studied by the Directors of these concerns.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,06,00,000	Block ...	59,56,832
Reserves ...	95,09,044	Stock-in-trade	3,56,57,814
Provision for taxation ...	38,32,389	Stores and spare parts	94,95,032
Liabilities	3,32,50,279	Debts, deposits and advances ...	1,08,52,148
Profit and loss account ...	3,58,733	Investments	2,37,75,588
		Cash ...	18,13,031
	Rs. 8,75,50,445		Rs. 8,75,50,445

Lothian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November, 1953.

After providing Rs. 1,93,000 (Rs. 4,15,000) for taxation, transferring Rs. 1,00,000 (Rs. 3,00,000) to general reserve, there is a balance of Rs. 2,31,684 (Rs. 2,49,167) at the credit of profit and loss account, from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 15 (Rs. 15) per share Rs. 1,50,000 (Rs. 1,50,000), leaving Rs. 46,684 (Rs. 64,167) to be carried forward.

During the whole of this accounting period the mills remained leased to Albion Jute Mills Co., Ltd.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	15,13,504
Reserves ...	37,51,301	Debts, deposits and advances ...	12,22,688
Provision for taxation ...	18,40,944	Investments	27,24,771
Liabilities ...	4,22,123	Cash ...	26,00,089
Profit and loss account ...	46,684		
	Rs. 80,61,052		Rs. 80,61,052

Eastern Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The profit and loss account after paying an interim dividend on the cumulative preference shares at the rate of 2½ per cent. per annum less tax, amounting to Rs. 46,094 (*nil*), and after transferring Rs. 2,50,000 (Rs. 2,50,000) to general reserve, shows a credit balance of Rs. 8,19,307 (Rs. 8,69,017) including the sum of Rs. 3,15,489 (Rs. 2,43,195) brought forward from last year. The directors propose to dispose of this as follows:—

In paying a final dividend of 2½ (5) per cent. per annum making the total dividend at 5 per cent. for the year, on the 25,000 issued preference shares less income-tax at 48 pies per rupee plus 5 per cent. surcharge on income-tax Rs. 46,094 (Rs. 92,188), in paying a dividend of 9 (9) per cent. per annum on the 51,260 issued ordinary shares, without any deduction for income-tax paid by the Company Rs. 4,61,340 (Rs. 4,61,340) and in carrying forward Rs. 3,11,873 (Rs. 3,15,489).

The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange, with the exception of certain shares costing Rs. 1,04,553 for which no quotations are available. The total of the market value of the investments for which quotations are available, together with unquoted investments as valued by the directors, exceeds the book value at 31st December, 1953, by Rs. 33,48,214 (Rs. 42,01,406).

An amount of Rs. 1,43,873 (Rs. 214) have been added to the general reserve account representing profits made on sales of investments during the year, together with Rs. 2,50,000 (Rs. 2,50,000) set aside out of profits.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,26,000	Investments	1,29,31,258
Reserves ...	51,50,934	Debts and advances ...	4,54,113
Provision for taxation ...	3,00,165	Cash ...	5,55,973
Liabilities ...	5,52,372		
Profit and loss account ...	3,11,873		
	Rs. 1,39,41,341		Rs. 1,39,41,344

General Investment and Trust Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1953.

Including the sum of Rs. 4,584 (Rs. 1,590) brought forward from the previous half-year, and transferring Rs. 1,448 (nil) to general reserve, there is an available balance of Rs. 16,393 (Rs. 13,275). It is proposed to dispose of the available balance as follows:—

In paying a dividend on the 1st cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 2,500 (Rs. 2,500), in paying a dividend on the 2nd cumulative preference shares at the rate of 6 per cent. per annum, less income-tax at 48 pies plus ¼ per cent. surcharge on income-tax Rs. 2,212 (Rs. 2,212), in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,625 (Rs. 5,625) and in carrying forward Rs. 6,056 (Rs. 2,938).

The market has remained quiet during the entire period under review, with occasional interest shown in certain sections, especially in tea shares. There has been a general fall in the level of prices, due more to lack of business than to any serious selling pressure. The Company's portfolio continues to stand at a conservative figure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,25,000	Investments	5,00,928
Reserves ...	3,000	Debts, etc. ...	1,630
Provision for taxation ...	20,151	Cash ...	10,354
Liabilities ...	58,705		
Profit and loss account ...	6,056		
	Rs. 5,12,912		Rs. 5,12,912

Investment and Finance Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August, 1953.

Including the sum of Rs. 4,862 (Rs. 14,239) brought forward from the previous half-year, and transferring Rs. 1,175 (nil) to general reserve and Rs. 7,500 to revaluation of investments reserve, there is an available balance of Rs. 28,536 (Rs. 33,579). It is proposed to dispose of the available balance as follows:—

In paying a dividend on the 1st cumulative preference shares at the rate of 5 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 5,000 (Rs. 5,000). In paying a dividend on the 2nd cumulative preference shares at the rate of 6 per cent. per annum, less income-tax at 48 pies plus 5 per cent. surcharge on income-tax Rs. 4,425 (Rs. 4,425), in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 12,500 (Rs. 12,500) and in carrying forward Rs. 6,611 (Rs. 11,654).

The market has remained quiet during the entire period under review, with occasional interest shown in certain sections, especially in tea shares. There has been a general fall in the level of prices, due more to lack of business than to any serious selling pressure. The Company's portfolio continues to stand at a conservative figure.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Investments	11,53,475
Reserves ...	1,37,000	Debts, etc. ...	2,367
Provision for taxation ...	8,331	Cash ...	18,748
Liabilities ...	1,22,598		
Profit and loss account ...	6,611		
	Rs. 11,74,590		Rs. 11,74,590

Central Distillery and Chemical Works Ltd.

The directors of the above Company (Chairman: Mr. Hansraj G. Gupta, Meerut Cantt.) submit the audited accounts of the Company for the year ended 30th September, 1953.

The working during the year under review has been satisfactory and in spite of the falling demand and keen competition amongst the distilleries, the net profit during the year, after providing for taxation, depreciation, etc., amounts to Rs. 64,478 (Rs. 1,01,995). Adding to this, the amount of Rs. 16,783 (Rs. 5,857), the brought-forward of the preceding year, there is a total of Rs. 81,262 (Rs. 1,07,852) at the credit of the profit and loss account. The directors recommend the following dividends free of income-tax for distribution, amongst the shareholders, out of the above amount as follows:—

On ordinary shares at As. 12 per share (Re. 1), on preference shares at Rs. 7-5-9 (Rs. 9-3-1) per share, and on deferred shares at As. 14 (Rs. 2-5-2) per share. To meet this a sum of Rs. 48,230 (Rs. 66,070) may be taken out from the above amount. It is further recommended that a sum of Rs. 25,000 (Rs. 25,000) may be taken to the general reserve account and the balance of Rs. 8,032 (Rs. 16,782) may be carried forward to the next year.

The directors have under consideration, the starting of a pharmacy. The preparations are well in advance and the necessary licence is expected to be issued soon by the Ministry of Industry and Commerce.

The economic disposal of spent-wash is still a problem to the Company. However, the preliminary experiments to use it as a field-manure are very promising and successful. As usual the Company's products, being quality products are continued to be in demand all over the country.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,42,310	Block ...	2,38,119
Reserves ...	2,28,340	Stock-in-hand	2,99,972
Provision for taxation ...	3,29,032	Loose tools and equipment ...	3,592
Liabilities ...	1,26,132	Debts, deposits and advances ...	5,72,854
Profit and loss account ...	81,262	Investments	74,933
		Cash ...	2,17,606
	Rs. 14,07,076		Rs. 14,07,076

Brushware Ltd.

The directors of the above Company (Managing Agents: Messrs. Begg, Sutherland and Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th November, 1953.

The results for the year, after making the usual charges, show a profit of Rs. 5,510 (Rs. 38,950) from which has been deducted depreciation amounting to Rs. 3,000 (Rs. 7,500) leaving a sum of Rs. 510 (Rs. 21,450 excluding Rs. 10,000 transferred to investment reserve). To this has to be added the carry forward from the previous year of Rs. 19,003 (Rs. 17,553) leaving at credit of profit and loss account Rs. 19,513 (Rs. 39,003). This balance, the directors recommend, should be disposed of in payment of a dividend of Re. 1 (Rs. 2) per share, free of income-tax, for the year ended 30th November, 1953, absorbing Rs. 10,000 (Rs. 20,000) and carry forward Rs. 9,513 (Rs. 19,003). The dividend on the ordinary shares complies with the requirements of Section 23A of the Indian Income-tax Act, 1922. The Company's property has, as usual, been maintained in good repair.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,00,000	Block ...	20,157
Reserves ...	3,10,000	Stock-in-trade	1,15,682
Provision for taxation ...	4,234	Stores and spare parts ...	87,086
Liabilities ...	27,807	Debts and advances ...	71,926
Profit and loss account ...	19,513	Investments	1,55,209
		Cash ...	11,494
	Rs. 4,61,554		Rs. 4,61,554

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

ACUTE STRINGENCY IN MONEY

(From Our Own Correspondent)

BOMBAY, 17*th March*

The stringency in the short-term money market noted for several weeks past became more acute during the week under review. The volume of floating funds in the market was very small, smallest perhaps, for the past several years. The usual withdrawal of funds on trade account, payment of income-tax and end of account requirements of semi-Government bodies, all combined together to cause this stringency. Almost all banks had, as a consequence, to seek the aid of the Reserve Bank or the Imperial Bank.

Due to extreme paucity of floating funds, activity in the inter-bank call money sector dwindled considerably. Money rates remained unchanged at 3 per cent. for inter-bank call among all banks, as well as for house money at call. Short-terms deposits were bid at 3 per cent. for 1 to 4 months and at 2½ to 2¾ per cent. for over 4 months.

After a break of a week, the Government of India Treasury Bill rate once again hardened from Rs. 2-10-11 per cent. to Rs. 2-11 per cent. per annum this week. The response to the usual invitation for Rs. 1 crore also had a change this week, in that the upward trend in the amount offered noted for the past four weeks was reversed. The amount offered was no more than Rs. 127 lakhs, as against Rs. 189.50 lakhs last week and Rs. 151 lakhs two weeks back. Tenders for Rs. 1 crore have been invited for next week also.

An increase of Rs. 3.43 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 12th March, 1954, as compared with that for the previous week. With this rise, the notes in circulation have gone up to Rs. 1,194 crores, representing an increase of Rs. 56 crores over those in the corresponding week of 1953 and Rs. 14 crores over even the peak of Rs. 1,179.81 crores touched last year (in the week ended 8th May, 1953). Notes held in the Banking Department are lower by Rs. 3.72 crores at Rs. 8.27 crores. Total notes issued have, as a result, gone down by Rs. 29 lakhs to Rs. 1,202.27 crores, as against Rs. 1,149.27 crores for the corresponding week of 1953. The small contraction in total notes issued has been covered by suitable variations in rupee securities and rupee coin. In the Banking Department, deposits of the Central Government have gone up by Rs. 4.31 crores. This rise follows the increase of Rs. 8.69 crores noted in the previous week. Deposits of other Governments show a fall of Rs. 16 lakhs, while those of banks have risen by Rs. 1.93 crores. Cash balances show a contraction of Rs. 3.69 crores, while balances held abroad are better by Rs. 3.11 crores. Ways and means advances to Governments have risen by Rs. 5.6 lakhs and other loans and advances by Rs. 4.40 crores. Outstanding advances to Scheduled banks against usance bills show an increase of Rs. 5 crores and the total advances made to them against these bills since 1st January, 1954 have risen by Rs. 6.25 crores.

The Scheduled banks' statement for the week ended 5th March, 1954, discloses an increase of Rs. 1.41 crores in demand deposits and a decline of Rs. 57.49 lakhs in time deposits. Borrowings from banks have shown an increase of Rs. 53.34 lakhs. There has been an increase of Rs. 3.09 crores in borrowings from the Reserve Bank and a negligible rise in those from the Imperial Bank. Advances have gone up by Rs. 2.78 crores and bills purchased and discounted by Rs. 3.41 crores. The total advances stand at Rs. 527.80 crores, which are nearly Rs. 17 crores more than those in the corresponding week of 1953 and fall short of the peak of Rs. 539.86 crores touched in the last busy season by only Rs. 12.26 crores. Investments are lower by Rs. 46.42 lakhs. Cash on hand and balances with the Reserve Bank together show a contraction of Rs. 71.97 lakhs. Balances with other banks in current account show no notable increase.

The Gilt-edged market remained dull and featureless almost throughout the week under review, reflecting the investors' apathy in view of the stringency in the money market. However, towards the close, the market brightened up a little, not due to any increase in activity, but on account of upward revision of the selling rates of some of the medium dated loans by the Reserve Bank of India. This action of the Reserve Bank following the announcement of the Government of India's borrowing programme for the year is generally taken to mean that the Bank is taking steps to prepare the market for the new issue. The raising of the selling prices of medium dated loans is also taken as an indication that the new issue will be a medium dated one.

3 per cent. 1957 remained unchanged at Rs. 98-5, but some business was done at Rs. 98-5½ also. There were buyers in 3 per cent. 1958 at Rs. 98-2. 3 per cent. 1959-61, which the Reserve Bank is stated to have stopped selling today, rose by an anna to Rs. 96-3. Some deals are reported to have been put through even at Rs. 96-4. 3 per cent. 1963-65 and 3 per cent. 1964 rose by As. 2 to Rs. 92-10, following the Bank's stepping up of the selling rates of these by a similar extent. 3 per cent. 1966-68 changed hands at Rs. 90-6, a rise of As. 2 over the week. The Reserve Bank raised the selling rate of this loan also by As. 2. 3 per cent. 1970-75 was wanted at Rs. 86-8. 3 per cent. 1986 Conversion Loan was placed at Rs. 82-8 *ex-voucher*. 3½ per cent. National Plan Bond put on an anna to Rs. 98-15.

The new Bombay State Road Transport Corporation Bond attracted some attention during the week. There were buyers at Rs. 99-2 and sellers at Rs. 99-2½. Some small business was reported done at Rs. 99-1½. With reference to this new loan, which was over-subscribed, it is announced that allotment in respect of application for Rs. 3 lakhs and below will be made in full and for applications over Rs. 3 lakhs partial allotment will be made. Allotment letters will be sent by the Imperial Bank of India, Bombay, only to subscribers for over Rs. 3 lakhs. Others get full allotment.

NARROW MOVEMENTS IN BULLION

(From Our Own Correspondent)

BOMBAY, 17*th March*

The bullion market displayed an irregular trend in both silver and gold during the week under review. Fluctuations were, however, narrow in the absence of any large-scale speculative manipulations. The undertone remained steady. Though the offtake in silver did not come up to expectations, it was fairly moderate and hopes of an increase in demand kept sentiment intact. In gold, the decline in unauthorised arrivals, satisfactory offtake *vis-a-vis* the arrivals and reports of strike in Kolar gold mines were responsible for the steady undertone.

Silver for forward delivery (22nd March settlement) opened at Rs. 164 and was marked down to Rs. 162-14 on Friday. But replacement buying at lower levels by earlier sellers lifted up the price to Rs. 164-10 on Monday. After a mild setback to Rs. 163-14 yesterday, forward silver revived today to Rs. 165, on reports of good offtake, before closing at Rs. 164-14. Forward silver for delivery in April settlement began at Rs. 164-5, the carry forward charges being against bulls and closed at Rs. 165-6, the carry forward charges having widened to As. 8.

Ready silver (.996 Mint) was done at a premium of As. 4 over the forward rate for the current settlement. The floating stocks of silver are placed at 2,100 bars. The daily average offtake was estimated at 20 bars.

Opening at Rs. 88-4, forward gold (19th March (settlement), moved down to Rs. 87-11, for a short while, but, on active buying by a professional operator inspired by a good offtake, and on short covering, looked up to Rs. 89 on Monday. Profit-taking at the higher level and a small increase in arrivals during the last two days pruned the rate to Rs. 88-11 at the close. Business in the April settlement began on Friday at Rs. 87-10 and closed for the week at Rs. 88-8, the carry forward charges against bears having narrowed down from As. 6 to As. 3.

Ready gold opened at Rs. 88-13 and closed the week at Rs. 89-1. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals and offtake were 5,000 tolas each.

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

	17-3-54	Highest	Lowest	10-3-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	89 1	89 8	88 4	89 5
Forward	88 11	89 0	87 11	88 6
Sovereign	58 3	58 4	57 12	57 12
SILVER				
Ready (.996 fine Mint) ..	165 2	165 4	162 2	164 10
Forward	164 14	165 0	162 14	164 6
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73¼d.
New York Ready	85½c.	—	—	85½c.

VERY STRONG DEMAND FOR ALL TEAS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 13*th March*

The offerings in Sale No. 5 which was held on Tuesday, 9th March, amounted to approximately 7,56,000 lbs. There was a very strong general demand for all teas and particularly for low and low medium teas which recorded advances of one to two annas. High-grown teas showed improvement in quality and prices advanced As. 4 to As. 8. There was a revival in the demand for whole leaf teas which showed advances of two to three annas over valuation. The following were the quotations:—

	1954	1953
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	2 8 0	1 9 6
Medium Travancore B.O.P. ...	2 9 6	2 1 0
Anamallais B.O.P.	2 12 6	2 5 0
Best liquoring Nilgiri B.O.P.	3 13 0	4 1 0
Well made black leaf O.P. ...	2 8 6	2 2 6

London Market—Sale of 8th March.—Commons fully firm. Better liquoring half to one penny dearer.

Sale of 10th March.—Commons advanced by half penny. Better liquorings by half penny to one penny.

Colombo Market.—Active demand. Low-grown firm to dearer. Mediums advanced five to eight cents. High-grown substantially dearer, following quality.

Calcutta Market—Export.—23,000 packages. Except for whole leaf grades strong demand. Usually one anna dearer for clean types.

Dust.—15,000 packages. Good general demand. Market irregularly half to one and half annas dearer. Black leafy types and commonest strongest feature.

Export Quota.—At the beginning of the week, the market was 36 pies and thereafter strengthened to 40 pies, at which price business was done, but has since declined to 24 pies which remains today's quotation.

Forthcoming Auctions.—Dust Sale "E" will be held on Tuesday, 16th March and Sale No. 6 will be held on Tuesday, 23rd March, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire as follows:—

"*Dust Sale E.*—2,15,000 lbs. Very strong demand. Prices have advanced irregularly three to four annas for all grades."

COTTON STEADY

(From Our Own Correspondent)

BOMBAY, 17*th March*

With the return of the mills to the spot market, confidence among operators in the cotton market has been restored. A further decline in the premia on Broach and Surat is not likely. On the other hand, it is possible that the premia rates for these desirable varieties will begin to creep up, as the unsold stocks are being gradually absorbed. The position in the cloth trade is at present not very encouraging. But there are enough signs of a good revival after the *Holi* holidays and, as soon as offtake in cloth improves, mills will once again begin a scramble for Indian cotton of gold staple. The statistical position is bound to remain in favour of holders right till the end of the season, except for a short interval in May when the bears in the forward market might press some deliveries on unwilling buyers. But, in the end, it is the statistical position that wins and, in spite of the usual tantrums of the forward section, a steady progress in prices in both the sections might be justifiably expected.

The sudden spurt in the turnover in the spot market has lent considerable strength to forward trading at Kalbadevi, though the operators are inclined to be cautious, which is a good sign, in view of profit-taking by nervous longs from time to time. There is a feeling of steadiness in the trading. The improvement in prices from Rs. 661 for May delivery, which was the lowest point touched to about Rs. 680 within a short space of time, may invite offerings, but active support can now be expected at the level of Rs. 670. The hedge sales, as a result of the Surat-Broach cottons coming into the market, may not prove as heavy as they appeared at one time, though the forward market will certainly have to cross this hurdle some time or other. This will offer opportunities to sound parties to pick up bargains at Kalbadevi at remunerative rates.

Another significant factor in forward trading is the arrest in the rapid rise of the margin in favour of August delivery over May. This is a proof of revived confidence in May, which looked at one time as if it would sink like a heavy stone. Any further rise in this difference would also lead to the straightening of the large volume of straddle trade entered into at and prior to the opening of regular business in August delivery when this difference was small, though, on the whole, August is bound to remain at a good advantage over May, in view of the statistical position.

Amongst imported styles, the early enthusiasm for Egyptian and East African cotton seems to have subsided to a certain extent, following steady increase in price and shortage of supplies of these varieties. The mills are now more reconciled to U.S.A. cotton, though a search for alternatives still continues and, in this respect, Mexicans are the most favoured. Now that the programme for auctions and offerings at Kampala and Khartom has been authoritatively announced, some supplies from these sources may also be expected, though this will depend mainly on the ruling prices at these auctions. Perhaps in the beginning, prices might rule high with many buyers, but it is possible that, during the subsequent auction days, there may be some easing in the demand and Indian mills might do well to wait a little, instead of rushing in during the opening stages. On the export front, there is a protracted lull and the Bengals were practically neglected during the week under review.

Fluctuations in prices in the forward section were irregular during the week under review, due to alternate bouts of bull support and bear selling. Over the week, however, prices recorded an improvement, following continued enquiries in the spot section. I.C.C. May opened the week at Rs. 670 and receded to Rs. 665-8 on the 12th inst. But it recovered to Rs. 678-8 on Monday. After declining again to Rs. 672 yesterday, the Contract gradually rose to Rs. 676-4 towards the close today. I.C.C. August moved up from Rs. 680 to Rs. 686-8 on the opening day. After falling to Rs. 678-8 on Friday, it recovered to Rs. 690-9 on Monday. It again receded to Rs. 684-8 yesterday, but finished the week higher at Rs. 688-8.

The following is the trend of prices in the forward section during the week under review.

	Opening	*High*	*Low*	*Closing*
I.C.C. May ...	Rs. 670	678½	665½	676½
I.C.C. Aug. ...	Rs. 680	690½	678½	688½

Latest available quotations from the spot market are: Bengal *Deshi* Rs. 625-640; Berar *Jarilla* Rs. 785; Khandesh Rs. 860; Vijay Rs. 880; Oomra *Deshi* Rs. 710; Moglai Rs. 700.

At Karachi, the impending budget and the rumours connected with it brought about a good revival of activity. There were expectations of an increase in the rates of export duty on cotton. This, together with the rumour that the Japanese authorities were raising their price ceilings for cotton imports with immediate effect, gave a good feeling to the price levels. The budget has not made any change in the export duty on cotton, while it is doubtful if the Japanese would be in a hurry to offer better prices for Pakistan cotton at this stage of the season, when they know that Karachi has to depend a good deal for the disposal of its stocks of cotton on Japan. The heavy rise in prices, amounting in some cases to more than Rs. 100 per candy recorded early this week, is, therefore, not likely to prove permanent and, so long as it lasts, it will almost make cotton unsaleable. While the market has been very active, a greater part of the turnover has been only amongst local dealers, though some good business seems to have been effected last week for export. China and Spain have been the main buyers. Exports from Karachi up to 4th March, 1954, are shown at 632,780 bales, as against 821,966 bales during the same period last year. Latest available quotations from Karachi market are: Sind *deshi* Rs. 84-85; Punjab *deshi* Rs. 82; 4F Punjab roller Rs. 84-4;

S.G. Rs. 90-4; L.S.S. Punjab roller Rs. 86-8; S.G. Rs. 91-8; N.T. roller Rs. 86-12; S.G. Rs. 91-12; 289F Punjab roller Rs. 90; S.G. Rs. 96.

At Alexandria, dwindling stocks and high prices have at last affected the volume of enquiries. But this has not had any appreciable effect on prices because of the sound statistical position. The Cotton Commission's stocks are now being placed at about 40,000 bales, while the total sales by the Commission up to 2nd March amount to about a million bales, of which a little more than half is accounted for by exports. Eastern Europe is still a keen buyer in the Alexandria market and it is likely that a good deal of the remaining stocks will go in the form of barter trade with these countries against supplies of petroleum products.

At New York, the same condition of narrow trading has continued for another week with a slight downward trend in prices, as a result of profit-taking in the nearby positions. The undertone, however, has remained firm because of unfavourable weather reports from certain producing areas. It may be repeated once again that this is the most favourable time for Indian mills to secure their supplies at every technical dip in prices.

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

(In cents per lb.)

	16-3-54	9-3-54	26-2-54
Spot	35.25	35.15	35.05
March	—	34.45	34.25
May	34.48	34.41	34.30
July	34.58	33.79	34.24
October	34.03	33.77	33.63
December	34.01	—	—

FURTHER RECOVERY IN ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 17*th March*

The recovery in values of art silk yarn witnessed last week moved further ahead this week. The recovery was aided by buying support induced by reports that a high-ranking official of the Central Government would be visiting Surat to study the conditions in the art silk mills in the wake of the imposition of excise duty on fabrics. Nevertheless, turnover remained greatly restricted, as traders preferred to await the Centre's final decision in regard to the country-wide demand for abolition of the excise duty. The market remained closed today as a mark of respect to the demise of a member of the Bombay Yarn Merchants Association and Exchange Ltd.

In the forward section, 150D March contract picked up Rs. 10 to Rs. 880, but finished a shade lower at Rs. 778. April contract advanced by Rs. 8 to Rs. 781. Spot prices also recorded improvement. 120 Japan and 150 Japan were quoted each an anna higher at Rs. 4-14 and Rs. 4-8, respectively. 120 Italy rose by an anna to Rs. 4-9. 150 Italy was better at Rs. 3-14-6, as against Rs. 3-14.

In sympathy with the art silk yarn market, the staple fibre yarn section also registered a further rise in prices. Staple fibre yarn (40×2) for March delivery rallied Rs. 9 to Rs. 682. April contract rose by Rs. 13 to Rs. 684. In the spot section, prices of indigenous yarns (40×2) were steady, while those of foreign yarn tended to decline. Among the former, Sitaram was half-an-anna higher at Rs. 3-7-6. Hindustan was a shade better at Rs. 3-7-3. Hirji was steady at Rs. 3-6-6. New Great was quoted at Rs. 3-10 and City at Rs. 3-12. Among foreign yarns, Suico, Shinco, S. Fuji and Aurora were all half-an-anna less at Rs. 4-3, Rs. 4-2, Rs. 4-2-6 and Rs. 4-2-6, respectively. Paramount, however, was unaltered at Rs. 4-2.

Following the Central Government's announcement that no more export quotas would be granted for cotton yarn during the current half-year, the cotton yarn market exhibited easy conditions during the week under review and prices tended to move downwards. The decline would have been more pronounced but for the excellent demand from consuming centres and enouraging advices from raw cotton market. Among 10s, Colaba dropped As. 4 to Rs. 13 per bundle of 10 lbs. Mapern receded by As. 2 to Rs. 13-4. Podar lost an anna to Rs. 13-4. Among 20s, Madura fell by As. 2 to Rs. 18-6 and Hind was lower by an anna at Rs. 16-10. Among 30s, Madura shed As. 2 to Rs. 24-4. Among 60s, Sri Ram and Rajalakshmi suffered a loss of Re. 1 each to Rs. 57 and Rs. 44, respectively. City slided down from Rs. 46-10 to Rs. 45-12. Raghuvamshi declined by As. 12 to Rs. 53. Among 80s, Finlay dropped a rupee to Rs. 67. Sri Ram was done As. 8 lower at Rs. 62-8.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those in the previous week:—

	16-3-1954	10-3-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	778 0	770 0
150 April ,, ...	781 0	773 0
120 Japan (per lb.)	4 14	4 13
150 Japan (per lb.)	4 8	4 7
120 Italy (per lb.)	4 9	4 8
150 Italy (per lb.)	3 14½	3 14
Staple fibre yarn—		
40×2 March (per case of 200 lbs.) ..	682 0	673 0
40×2 April ,, ..	684 0	671 0
Suico (per lb.)	4 3	4 3½
New Great (per lb.)	3 10	3 10½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 4	13 6
10s Hind	16 10	16 11
20s Hind	24 4	24 6
30s Madura	26 4	26 2
40s Meenakshi	45 12	46 10
60s City	67 0	67 0
80s Finlay		

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, 17*th March*

The oilseeds market was eventless during the week under review. The groundnut section put on an easy trend, on profit-taking at the higher levels touched at the end of last week. Operators were hesitant to commit themselves on conflicting rumours about the possibility of announcement of export quota for 1,300 tons of refined oil. The linseed section ruled almost dull, presumably in sympathy with groundnuts. In fact, it had no strength of its own. The castorseed section was also colourless. Export business in castoroil is virtually not possible, without an appreciable reduction in export duty. *Kardi* seeds proved no exception to the generally easy trend, while *niger* seeds were quiet.

After the brisk short covering last week for H.P.S. groundnuts, there was a lull in the market. This caused a slight scare among sellers and consequently, there was a mild wave of selling pressure. Bold F.A.Q. declined, therefore, from Rs. 36 to Rs. 35. April-May was down by As. 12 at Rs. 33-14. Khandesh quality disclosed a loss of As. 4 at Rs. 36-4 and Coromandals ready As. 8 at Rs. 35. Groundnuts ready was down by As. 2 at Rs. 17-4, while ex-mills, after narrow fluctuations closed at Rs. 17-4, the same as the last week. April and May deliveries were done lower at Rs. 17-4 and Rs. 17-9, as against Rs. 17-10 and Rs. 17-14, respectively.

With steady arrivals of linseed as well as linseed oil for sometime past and lack of demand, there was no enthusiasm among operators to trade in this section. Bold ready which opened at Rs. 25-2 as against Rs. 25, after witnessing minor fluctuations closed the week at Rs. 25. April-May delivery lost As. 4 to Rs. 23-8. Linseed oil was lower by As. 10 at Rs. 13-10.

Fluctuations in the castorseed section were also limited to a narrow range, as there was very little enquiry from overseas buyers of castoroil. Continental quotations between £98 to £100 for castoroil commercial quality and £106 to £108 for castoroil B.S.S. were discouraging. May delivery which opened at Rs. 103-12, as against Rs. 104-8, fluctuated between Rs. 104-14 and Rs. 102, before closing at Rs. 104-12. F.A.Q. and Madras were dull at Rs. 21-8 and Rs. 22-4, respectively. Castoroil B.S.S. eased from Rs. 12 to Rs. 11-12. I Pressures from Rs. 11-8 to Rs. 11-4. Commercial quality was uninteresting at Rs. 10-12.

Among others, *kardi* Bold and April-May delivery lost As. 2 to Rs. 17-14 each. *Niger* F.A.Q. and Madras were quiet at Rs. 28-8 each.

The following table shows the prices of oilseeds and oil on the 16th inst., as compared with those at the end of the previous two weeks.

	16-3-54	10-3-54	2-3-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 4	36 8	32 14
Bold February-March	34 8	35 4	32 4
April-May	33 14	34 10	32 2
Linseed—			
Bold Ready (per cwt.) ..	25 0	25 0	23 4
February-March	24 8	24 0	22 10
April-May	23 8	23 12	22 2
Castorseeds—			
May 1954 (per candy)	104 12	104 8	104 0
Madras (per cwt.)	22 4	22 8	21 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 4	17 6	16 0
Castor Oil—			
Commercial (per quarter) ..	10 12	10 12	10 10

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 17*th March*

Steady conditions prevailed in the Bombay Sugar Market during the week under review. The steadiness was due principally to confirmation of reports that no foreign sugar purchased by the Central Food Ministry would be arriving in Bombay earlier than the last week of April or the first week of May. There were, besides, encouraging demand from Deccan and Gujrat backed by bullish advices from the South Indian markets.

Prices of indigenous sugar in the spot section were fully steady, with small, medium and large grains quoted at Rs. 90, Rs. 91-92 and Rs. 93-97 per bag, respectively. Among foreign sugars, British refined improved by As. 8 to Rs. 88 per bag of 2 cwts. Mexican and Czechoslovakian sugars were fully maintained, the former at Rs. 41-12 per bag or 110¼ lbs. and the latter at Rs. 96-90 per bag of 2 cwts. German sugar, however, receded by a rupee to Rs. 85-8 per 220 lbs. for want of support. Cuban sugar also was easy at Rs. 38 per 100 lbs., as against Rs. 38-8.

In the forward section, prices moved erratically. *Fagan* delivery, which had dropped to as low as Rs. 80 per bag early in the week recovered to Rs. 85-8 at the close. Last week's quotation was Rs. 86. *Chaitra* delivery was As. 2 better at Rs. 87. The *budla* charges ranged from Re. 1-8 to Re. 1-12 per bag. Higher *budla* rate is attributed to the fact that buyers in *Fagan* delivery would have to pay sales tax, while the purchaser in *Chaitra* delivery will not be paying any such tax, as a result of the introduction of the two-point sales tax from 1st April next.

Arrivals of sugar into the market during the week were larger, the quantity that actually arrived being 6,000 bags, as against 4,000 bags a week before and 1,800 bags two weeks before.

It is reported that the Union Food Ministry has purchased a further quantity of 22,000 tons of Continental sugar at £35 per ton c.i.f. Indian ports for March-April shipment.

PEPPER QUIETLY STEADY

(Messrs. Parekh and Co.)

BOMBAY, 17*th March*

The pepper market during the week remained quiet but steady, with small turnover at all terminal markets, Alleppey moving between Rs 1,700 and Rs. 1,650 and Tellichery between Rs. 1,750 and Rs. 1,700. Arrival has decreased in Alleppey area the average being hardly 50 candies daily. Pressure at Tellichery is also small, and prices there are fairly steady. New York was conspicuous by its absence as a serious buyer; it bought occasionally small quantities of Malabar black for March shipment at prices ranging from $0.81 to $0.79½. The trade in India generally expects a rise of 2 to 3 cents, as soon as either New York buyers commence their purchases or the Indian exporters start covering against their previous sales to Red China. There are reports that some exporters from Singapore sold in New York some quantity of Lampong black at $0.81 per lb. c.i.f. New York n.l.w., but this sale is believed to be from tired longs and, therefore, it is interpreted in our market as a passing phase. There was some selling pressure for Sarawak from Singapore too, but the price quoted for c. and f., New York, is reported to be comparatively still higher than that of Malabar black. Though the Indian growers in general are holding back from selling, when the price goes below Rs. 1,700 yet there are some who are anxious to sell before the beginning of the competition from Sarawak or Lampong.

The election in Travancore-Cochin has placed the Praja Socialist Party in power, and it is believed that this Ministry will fight for the benefit of growers, as the economy of Travancore-Cochin is predominantly agricultural and, consequently, pepper prices will not be allowed to reach an uneconomic level.

In the delivery section, prices are fluctuating within a narrow range of Rs. 20 only. There are speculative sellers for July-August-September at $0.78 per lb. c. and f. New York but so far no business is reported.

Following are today's nominal quotations: Ready dealivery Rs. 180-190 per Bengali maund, March delivery Rs. 1,330-50, and April delivery Rs. 1,370-90 per candy of 5¼ cwts.

RAW JUTE DECLINES

(From Our Own Correspondent)

CALCUTTA, 16*th March*

Although prices did not move up, quotations for jute goods were held steady for most part of the week under review following speculative support on a moderate scale. Subsequently, however, prices were hammered down. Earlier B. twills were taken to Rs. 108-12 from Rs. 108-4. But on selling pressure they declined to Rs. 106-10. Yesterday, the rate went even lower to Rs. 105-8. However, speculative support was available at the lower level and there was covering business too. D.W. flour-bags gave way to Rs. 127-8 from Rs. 128-8, and heavy cees plain to Rs. 112 from Rs. 113-8. At Rs. 131, A. twills were lower by two points.

Rumours of a reported lower consumption of burlap in the United States in February held sway for sometime. However, by the week-end, these reports proved baseless and American consumption in February was higher than in January. All the same, the fact that the market lacked enquiries from shippers resulted in a recession in the quotation for hessians. Thus ready 40″ 10 oz. lost to Rs. 42-12 from Rs. 44-4, the f.o.b. rate declining to Rs. 46-13, as against Rs. 48-6 a week ago. The 8 oz. 40″ hessians were offered at Rs. 36 f.a.s. and at Rs. 39-4 f.o.b., the fall in both cases being by Rs. 2 each.

Prices for raw jute also registered a decline, although earlier in the week a steady trend was in evidence. There was no lack of offers, and this factor coupled with the increase in new arrivals made buying support meagre. Mills were not at all anxious to enter into the market in view of the dullness prevailing in the prices of jute goods, and also in view of plenty of jute in the market. As at present, those who had anticipated earlier an impressive rise in prices before the new crop came into the market are going to be disappointed. There are signs that the reverse is going to happen actually. Supervised daisee bottoms after being quoted at Rs. 29 receded to Rs. 28. On the other hand, Indian Northern bottoms at first declined to Rs. 24-12 from Rs. 26, but latter made a partial recovery to Rs. 25-8, middles being offered at Rs. 28-8. Upper Assam bottoms and middles were priced at Rs. 24-8 and Rs. 25-8 respectively, as against Rs. 25 and Rs. 28 previously. Western jute was marked at Rs. 23 for bottoms, *jungli* at Rs. 22-8 and Murshidabad at Rs. 23-8.

FOODGRAINS BETTER

(From Our Own Correspondent)

HAPUR, 15*th March*

Foodgrains markets remained quiet to steady. Prices which had tended to slump for many weeks have now developed stability and have improved in some cases. Wheat prices have generally remained stationary, except in Punjab and Madhya Pradesh where excellent crop prospects have induced a fall in prices. Prices of maize and other millets, increased slightly this week in the local market and in many other centres. Confidence has been restored to a large extent and no precipitate fall in prices is now anticipated, even if the earlier dreams of a bumper crop are realised. There is no panicky sales now, as trade stocks are very small, and there has been an apparent fall in the inflow of coarse grains from terminal markets.

The overall food position in the country continued to maintain a promising outlook. The Government of India's contract to buy 900,000 tons of rice from Burma was finalised this week and the Union Deputy Food Minister hoped that the Centre would bring down the high price of rice all over the country very shortly. The Indian Food Minister has authoritatively stated that, in view of the good crop prospects for 1953-54, India hoped to be self-sufficient during the current year, in rice and coarse foodgrains.

The downward trend in foodgrains prices in U.P. has been arrested. The bumper *rabi* crop prospects are no longer entertained. There is a possibility of large quantities of rice from U.P. carried to Delhi, now that the Central has allowed the Delhi traders to do so. Besides, the inflow of coarse grains from Punjab and P.E.P.S.U. has been curtailed. With the absence of panicky sales, offerings are more reserved.

The latest quotations (per maund) are: Wheat Rs. 15-6 to Rs. 16-8, gram Rs. 10 to Rs. 13-8, barley Rs. 9-4, *bejhar* Rs. 9-4, maize Rs. 10-8 to Rs. 11-12, *bajra* Rs. 9-4 to Rs. 10-8, *jowar* Rs. 7-8 to Rs. 10-4, *guwar* Rs. 9-2; rice: *basmati* Rs. 28, *sela* Rs. 22 and coarse Rs. 19-8, peas Rs. 8-12 to Rs. 9, *arhar* Rs. 9-12, *urd* Rs. 13-8 to Rs. 16-8, *moong* Rs. 15 and *masoor* Rs. 14. Futures, peas *jeth* Rs. 9-3 touched low Rs. 8-8-3; *arhar jeth* Rs. 10-2 touched low Rs. 9-6-9; *urd baishak* Rs. 14-11, touched low Rs. 14-2-6, *guwar baishak* Rs. 8-4 touched low Rs. 7-8.

Several State Governments are busy removing restrictions on inter-district movements and quality control of rice within the States. Outside India, though world commodities have staged a recovery since the beginning of the year, the buyers' market in foodgrains is developing rather rapidly. In its latest issue, the *Corn Trade News* of Liverpool has poignantly pointed out that the experience of the present season and the general trend of the world production and demand may well bring the International Wheat Agreement to its grave. It was announced this week that the International Wheat Council has been informed by the Government of India that it is not taking the quota of one million tons of wheat for the first year of the I.W.A. which ends on 31st July, 1954. It is revealed that, though the United Kingdom is the only country which had actually resigned from the Agreement, several others have, apparently, not yet bought a single bushel under the new terms. Such countries include Austria (9.2 million bushels) Brazil (13.2 million bushels), Denmark (1.8 million bushels) Italy (31.2 million bushels), and Jordan, Korea and Sweden (combined import quota of 5.3 million bushels). Other importers have bought only negligible portions of their respective quotas. The outstanding example is India. Of a total quota of 36.7 million bushels, India has taken to-date a negligible 345,000 bushels. Ireland has purchased only 2.2 million bushels out of 7.9 million bushels. Even though the I.W.A. sales and purchases as a whole have accounted for a third of the general overall quota in 6 months of the season, the takings of many individual countries are substantially less than this.

RISE IN SUGAR PRICES

(From Our Own Correspondent)

HAPUR, 15*th March*

Crystal sugar markets remained steady this week and there was further rise in prices in almost all the centres. There was increased offtake, reserved offerings and no further receipts of foreign sugar consignments at the ports. Speculators were fairly active in the mill delivery. It is complained that no sooner a free sale quota is released by the Government, speculators cover a fair share of the same and sit tight to force an upward trend. Bombay was very steady, due to active demand from Malabar and Gujarat and tight supply position. It is said that no more consignment of foreign sugar may reach the port during the rest of the month. Activities of stockholders and improvement in demand from consuming areas steadied the outlook at Madras and Calcutta. Kanpur reported of slack demand from out-stations, but despatches from mills were still satisfactory. The Central Government's suggestion to West U.P. sugar mills to pay a higher price for cane delivered to them hereafter also had a bullish reaction. As was suggested by the Union Agricultural Minister, it was expected that these sugar mills would operate for a longer period, thus making additional profits which the Government wanted them to share with the cane growers.

A 21-member Council has been set up by the Government of India to recommend measures for the development of sugar industry. The Council will fix targets for production, co-ordinate the production programme and review the progress of development from time to time. The Union Minister for Agricultural told the Indian Sugar Mills Association this week that, in order to meet the increased demand for *gur* and sugar, it was absolutely necessary to raise the production of sugarcane without in any way seriously affecting the relative position of acreage under various crops.

The latest quotations (per maund) are: Hapur mill delivery Simbhauli Rs. 31-2, Amroha and Bijnor Rs. 30-8, Mowana and Sehora Rs. 30-12, Rampur Rs. 33, Mansoorpur Rs. 31-6 to Rs. 31-12, Deoband Rs. 31-12, Laksar Rs. 31-6, Muzaffarnagar wholesale Rs. 30-12 to Rs. 32-14, Calcutta Rs. 30-6, Madras British refined Rs. 87-9, German beet Rs. 86-7, Bombay British refined Rs. 88-4, Indian D-28 Rs. 91 to Rs. 95, Agra Rs. 32-12, Meerut Rs. 29-8 to Rs. 31-8, Amritsar Rs. 32-12, Moga Rs. 31 to Rs. 32.

Gur markets remained very steady and there was a general rise in prices both in the North and in the South. Arrivals in the terminal markets were moderate. There was excellent demand from the importing areas although actual despatches were restricted due to wagon shortage. As already reported, there have been only small stock accumulations in the surplus West U.P. *mandies*. Hapur has now a spot stock of 40,000 maunds. *Gur* stocks at Meerut and Muzaffarnagar are comparatively higher, but they are not regarded as burdensome.

Gur futures recorded a sharp rise in prices on heavy speculative covering activity stimulated by apprehensions of reduced yield this year. *Phagan* contract deliveries were affected at Hapur, Punjab and East U.P. operators accepted unexpectedly heavy offerings. This not only raised *phagan* contracts but also pulled up *baishak*. A rise of about Re. 1-8 per maund has been recorded in case of futures, whereas ready prices advanced by about As. 12 per maund. *Pansera gur* at Hapur is quoted at Rs. 16-2 today. *Phagan* is quoted at Rs. 15-12-6, as against Rs. 14-0-9 touched low this week. *Baishak* is quoted at Rs. 16-3-6, as against Rs. 14-6-6 touched low this week.

More than 3,800 maunds of quality *gur* were produced by cane growers under the *Gur* Development Scheme of the U.P. Cottage Industries Department during the first half of February. Over 500 fuel saving furnaces were also constructed during the period. Arrangements are being made to introduce improved *kohlus* among cane growers on *taqavi* system. The U.P. Government has received a grant of Rs. 5 lakhs for sugarcane development in the State under the Five-year Plan of the Cane Development Department. The aid which covers a period of three years has been made by the Central Sugarcane Committee. The State Government is also considering proposals for the development of sugarcane growing areas, especially in the eastern districts.

TIN ADVANCES

(From Our Own Correspondent)

CALCUTTA, 16*th March*

Steady conditions were in evidence in the metal market during the week under review. The most impressive feature was provided by the rise in the price of tin from Rs. 443 to Rs. 447, although even this improvement has not brought the price to the replacement cost. Local stocks are running on a low scale, but fresh arrivals are expected to reach the country soon. Stockists noted with enthusiasm the strong advices coming from Singapore and London, despite the reported decision of the U.S. Government to refrain from the International Tin Agreement. In contrast with tin, the sentiment in mercury was affected greatly by the Central Government announcement not to allow exports of mercury salts and compounds. The price gave way to Rs. 580, recording a fall of more than Rs. 100 as compared with the rate ruling just prior to the Government announcement. Stocks in the country are believed to meet consumption demand for about three years more, but the Government's decision is due apparently to speculative support which had recently pushed the price up.

Electrolytic copper was quoted on the basis of wire bars, as the ingots materials stood exhausted. The rate was held steady at Rs. 177. There was also good demand for scrap. More imports of ingots are called for to ease the supply situation. Virgin lead was in moderate demand, the quotation gaining from Rs. 59-8 to Rs. 62. Lead scrap, however, was in better demand, in view of the price concession for the same as compared with the virgin material. In conformity with the general sentiment, electrolytic zinc improved from Rs. 52-8 to Rs. 53-4. Stocks are, however, heavy and consumers do not desire to buy more than what is required for carrying on day-to-day work.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, 15*th March*

The undertone of the linseed market remains steady and prices have been firm, whilst the main feature has been shortage of ready supplies. Activity has been on a very small scale. Keen enquiries from local millers for ready goods, have met with little response from sellers. Owing to poor local demand, the oil section has been rather inactive although prices are fairly steady in sympathy with the seeds price. Latest quotations are: Ready Rs. 20-8 and April-May Rs. 17-10 per maund.

HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 14*th March*

During the week under review, the conditions of the local hides and skins market were rather featureless. The major factors were more or less the same as in the previous week. There was a slight fall in new arrivals of wet salted cow due to transport difficulties. The local tanners were the main parties behind major transactions of wet salted cow and buff. Madrasi dealers were quite active over goat and sheep. The main undertone of the market was static.

Latest quotations are: Wet salted cow, 1st grade, Rs. 270 to Rs. 310 and 2nd grade, Rs. 200 to Rs. 290 per score; wet salted buff 1st grade, 1 lb. 13 ozs. and 2nd grade, 2 lb. 6 ozs. per rupee; goat 1st grade, Rs. 300 and 2nd grade, Rs. 275 per 100 pieces; sheep 1st grade, Rs. 300 and 2nd grade Rs. 275 per 100 pieces.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 15*th March*

Despite restricted inflow of orders for kips from the U.K., prices have held firm in the local market. U.K. importers have paid on certain lines half to 1*d.* advance in prices and shippers have been active in the local *bazaar*. There was good call from the U.K. for fifths and inferior fifths, but sellers were few due to good inland demand at 2*d.* to 3*d.* over U.K. levels. Demand for cow calf and buff calf was small, while that for buff heavies good.

Shipment business in tanned skins was slow. Tanned goat superior tannages were taken up at 12*s.* for 11/12 lb. run and 8/9 lb. at 12*s.* 6*d.* and light weights were easier. There was good clearance of market goat and lining sheep and stocks in the *bazaar* have been negligible.

Shipments (in bales) during the month of February, 1954, were: To U.K.: 2,800 td. cow, 238 td. cow buff, 100 td. buff, 412 td. buff calf, 633 td. goat, 717 td. sheep and 1 td. snake skins; to the Continent: 11 td. cow, 2 td. buff calf, 333 td. goat and 79 td. sheep; to the U.S.A.; 42 td. cow, 4 td. cow calf, 78 td. buff, 30 td. buff calf, 136 td. goat and 391 drysalted goat; and to Japan: 25 td. sheep skins.

WORKING OF INDUSTRIAL DISPUTES ACT IN UTTAR PRADESH

(Concluded from page 521)

agitated again and again. Highest business executives could be summoned before these courts, and snubbed and insulted, and made to spend hours. The Conciliation Board Chairman, instead of asking the parties to sit down round a table for promoting understanding and settlement, would keep the parties standing before him, while he seated himself on a chair behind a raised table, with a bar and railings before him, creating the atmosphere of a court room, and the parties to the dispute appearing as accusers and accused.

The Trade Union leaders preferred to suffer some inequities of the Labour Commissioner, as they found themselves winning more and more cases. The Employers of Kanpur who had won 69 per cent. cases in 1949 and 59 per cent. in 1950 and 1951 each, found in 1952 that they had won only 38 per cent. of the cases while as many as 45 per cent. had been decided against them. They became so frightened of the Labour Commissioner—of his powers over the organised industry—that instead of criticising him, the Chairman of the Employers' Association at the Association's last annual general meeting, proclaimed: "It is mostly due to his (Labour Commissioner) good offices that relations between employers and employees generally have been tolerable during the year under review."

Government Action At Last

The State Government, however, did not fail to notice how the extraordinary powers it vested in the Labour Commissioner had been abused. And the first step to curb his powers was taken by the Government on 7th December, 1953, when it issued a notification amending clause 4 of the Government order of 15th March, 1951. As a result of this amendment, any worker bringing forward complaint of a dispute is required to make a solemn affirmation and give details about the time of the dispute, if any previous reference of the same was made before any authority, and satisfy that he had made a direct approach for its settlement, etc. Thanks to this order, indiscriminate cognisance of complaints has endcd now. As very few complaints can stand the test of the conditions laid down now, there has been a startling fall in the number of cases being sent up before conciliation boards since 7th December, 1953. The average monthly figure of these complaints which had risen to about 250 in 1953 for Kanpur had fallen to about 60 in January, 1954. So far as the members of Employers' Association are concerned, the average monthly figure of disputes had fallen from 50 in 1953 to 8 in January, 1954.

Welcome Relief

All this means a welcome relief for the industry as a whole. As there are fewer Conciliation Board cases, there will be naturally fewer adjudication cases, and less industrial litigation. The industry has been promised greater peace, and this would help both the management and the worker.

Bureaucracy, once it gets used to certain powers, does not easily surrender them. Though industrial litigation has declined for the time being, the number of officials continues unchanged. Trade Union leaders, specially those who have got used to litigation, are there to mislead the Government, and plead for the return of conditions which existed before 7th December, 1953. Industry has won a temporary and precarious battle. Its position is still not quite happy. Its own house is not in order. A detailed enquiry into the working of Labour Office in Kanpur under the Labour Commissioner is necessary in the larger interests of industry and the working class. Only then it may be possible to take suitable steps to remove the many defects in the working of labour laws in U.P. which, in many ways, harm good employers and good workers, and benefit bad employers and bad workers.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	5th March 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,190.57	1,171.42	1,178.82	1,136.12
Notes held in Banking Department	85.05	12.00	22.28	9.43	13.34
Foreign Securities	39.50	548.15	538.15	628.15	578.15
Rupee Securities	37.39	421.84	421.84	421.38	449.86
Banking Department					
Deposits of:					
Government of India	14.69	94.75	88.06	93.28	139.72
Other Governments	..	21.67	28.66	19.51	10.48
Balances held abroad	10.08	94.81	106.82	108.14	146.23
SCHEDULED BANKS					
Demand Liabilities	134.37	522.74	520.70	516.55	526.48
		(7.07)†	(6.44)†	(6.60)†	(11.91)†
Time Liabilities	102.84	330.71	331.38	329.45	314.81
		(1.43)†	(1.53)†	(1.52)†	(2.01)†
Borrowings from Reserve Bank	..	24.37	21.28	17.84	9.38
		(11.40)‡	(10.20 ‡	(4.40)‡	(3.24)‡
Borrowings from Imperial Bank	..	11.22	11.15	12.65	7.78
Cash in India	6.71	82.13	81.33	82.10	83.85
Balances with Reserve Bank	25.23	87.38	88.90	87.10	41.62
Excess over statutory limits	15.52	4.63	5.24	4.68	9.00
Balances with other banks in current account in India	..	10.33	10.33	10.49	10.77
Money at call and short notice in India	..	20.03	9.58	8.83	16.38
Investments (at book value)	..	318.76	319.23	322.20	300.90
Advances and bills	105.09	527.60	521.41	511.26	510.84
IMPERIAL BANK					
Deposits	87.76	208.85	208.32	210.98	209.89
Investments	51.99	90.22	90.12	90.22	81.24
Advances	30.37	123.89	123.82	122.60	127.10
Cash	14.89	12.13	14.43	12.89	15.81

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against finance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	12th March, 1954		5th March, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,84,496	57,84,88,000	2,32,005	48,01,82,000
Calcutta	1,91,183	52,22,50,950	1,59,228	59,21,50,550
Madras	77,730	8,03,94,106	71,090	6,90,83,178
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,88,214	29,45,08,000
Dec.,	..	..	2,886,000	6,26,45,00,000
Jan., 1954	..	..	2,794,000	5,75,54,00,000

Reserve Bank of India

Statement of Affairs for the week ended 12th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Governments—	
(1) Central Government	99,05,89,000
(2) Other Governments	21,51,05,000
(b) Banks	41,21,22,000
(c) Others	42,78,91,000
Bills Payable	4,18,34,000
Other Liabilities	19,36,20,000
Rupees	238,13,41,000

ASSETS	Rs.
Notes	8,27,40,000
Rupee Coin	15,59,000
Subsidiary Coin	6,12,000
Bills Purchased and Discounted—	
(a) Internal	39,50,000
(b) External	..
(c) Government Treasury Bills	10,54,09,000
Balances held abroad*	97,92,47,000
Loans and Advances to Governments	2,01,00,000
Other Loans and Advances	59,19,11,000
Investments	70,96,48,000
Other Assets	8,61,85,000
Rupees	238,13,41,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 16,40,00,000 advanced to Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against finance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 32,69,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,27,40,000	
Notes in circulation	1193,99,83,000	
Total Notes issued		1202,27,23,000
Total Liabilities		1202,27,23,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	648,15,11,000	
Total of A		688,16,82,000
B. Rupee Coin		92,76,25,000
Government of India Rupee Securities		421,34,16,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets	..	1202,27,23,000

Ratio of Total of A to Liabilities: 67.239 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 5th March 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	7,07,12,000†
	(ii) Other demand liabilities	515,67,80,000
2	Time Liabilities in India:	
	(i) Borrowings from banks	1,42,50,000†
	(ii) Other time liabilities	329,28,05,000
3.	Cash in India	32,12,99,000
4.	Balances with the Reserve Bank in India	87,88,27,000
5.	Balances with other banks in current account in India	10,32,92,000
6.	Money at call and short notice in India	10,03,11,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	318,76,44,000
8.	Advances in India	461,30,09,000
9.	Inland Bills purchased and discounted in India	66,29,71,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
5th January ..	1.00	1.83	1.00	2 7 9	70
12th ,, ..	1.00	1.22	1.00	2 7 11	83
19th ,, ..	1.00	1.01	1.00	2 8 0	100
27th ,, ..	1.00	1.31	1.00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th ,, ..	1.00	1.01	1.00	2 9 0	99
16th ,, ..	1.00	1.09	1.00	2 9 11	92
23rd ,, ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th ,, ..	1.00	1.90	1.00	2 10 11	71
16th ,, ..	1.00	1.27	1.00	2 11 0	79
Total ..	11.00	14.07	11.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1950-51	359.33	..	9,530	265
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats. 3,166	817	170
Ceylon	1952	7.96	..	441	555
Japan	1951	84.30	Y. 4,849,400	6,414	761
Philippines	1952	20.63	Fr. 7,034	1,676	813
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1952	8.65	£ (A.) 3,521	3,756	4,342
U.K.	1952	50.43	£ 13,648	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	133,280	8,808
Canada	1952	14.43	$ 18,135	8,165	5,662
France	1952	42.60	F. Fr. 10,190,000	13,864	3,254
W. Germany	1952	48.48	Dm. 98,400	11,166	2,301
Italy	1952	48.88	Lr. 8,112,000	6,161	1,818
Norway	1952	3.32	Kr. 16,596	1,108	3,331
Denmark	1951	4.30	Kr. 20,716	1,429	3,346
Switzerland	1952	4.82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the *aggregate of all* incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source: United Nations' monthly bulletin of statistics—January, 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 26th Feb., 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Central Government	19,84,91,000
(b) Provincial Governments	1,07,81,000
(c) Banks	11,09,70,000
(d) Others	5,17,70,000
Bills Payable	9,30,000
Other Liabilities	5,19,93,000
Rupees	45,25,93,000

ASSETS	Rs.
Notes	5,98,80,000
Rupee Coin	9,000
Subsidiary Coin	14,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	24,98,000
Loans and Advances to Governments	8,08,40,000
Provincial Governments' Debtor Balances	1,75,64,000
Other Loans and Advances	5,04,00,000
Investments	20,80,72,000
Other Assets	10,55,61,000
Rupees	45,25,93,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,98,80,000	
Notes in circulation	230,66,55,000	
Total Notes issued		236,65,35,000
Total Liabilities		236,65,35,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	7,01,42,000	
Sterling Securities	47,47,87,000	
Government of India Securities	13,59,62,000	
India Notes representing assets received from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	5,43,46,000	99,39,02,000
Government of Pakistan Securities	127,64,12,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		133,12,58,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,65,35,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.62 per cent.

EXCHANGE RATES

	16th March, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. 4 months	1-5⅛	1-5⅛
Buyers T.T. spot to allow 4 months	1-4¼	1-4¼
Buyers T.T. 10 to 12 months	1-4¼	1-4¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	476	476
Buyers T.T. Rs.	471½	471½
London on New York	$ 2.81½	$ 2.81½-2.81¾
London on Paris Fcs.	983½	983½
London on Berne Sw. Frs.	12.20½	12.20½
New York on London	$ 2.81½	$ 2.81½-2.81¾

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
America	24th Sept., 1953	3	4
Belgium	29th Oct., 1953	3	2½
Canada	17th Oct., 1950	2½	2
Ceylon	25th July, 1953	2	3
Denmark	23rd Sept., 1953	4½	5
Finland	14th Dec., 1951	7½	8½
France	4th Feb., 1954	5	4½
Greece	18th July, 1946	1	2
India	18th July, 1946	2	3
Italy	14th Nov., 1951	3½	4
Japan	8th April, 1950	4½	6
Netherlands	1st Oct., 1951	5.11	5.64
New Zealand	7th April 1953	3	2½
Norway	26th July, 1951	2	3
Pakistan	9th Jan., 1946	2	3½
Portugal	1st July, 1948	3	4
South Africa	16th Jan., 1944	2½	3½
Spain	27th Mar., 1952	4½	4
Sweden	18th Mar., 1948	2	3
Switzerland	20th Nov., 1953	2	2½
Turkey	30th Nov., 1946	4	15
United Kingdom	26th Feb., 1951	2	1½
U.S.S.R.	17th Sept., 1953	4	3½
U.S.A.	1st July, 1946	2	1
West Germany	5th Feb., 1954†	3½	3
	8th Jan., 1954	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November		Eight months April to November	
	1952	1953	1952	1953
Import Duties:				
Revenue	8.14	9.53	73.94	71.55
Protective	0.66	0.45	5.44	3.94
On surplus *disposals*	0.01	..	0.03	0.10
Total import duties	8.81	9.99	79.41	75.59
Export Duties	0.23	0.19	1.91	1.23
Land Customs	0.23	0.19	1.91	1.23
Miscellaneous	0.03	0.06	0.81	0.49
Gross total customs	12.35	13.86	120.61	104.89
Refunds and drawbacks	0.18	0.16	2.01	1.29
Net Customs	12.17	13.70	118.60	103.60
Gross excise	4.61	7.67	55.87	60.62
Refunds	0.05	0.09	1.00	0.99
Net Excise	4.56	7.58	54.78	59.23
Net total of customs and excise	16.73	20.78	173.38	163.83

Imperial Bank of India

Statement of Affairs for the week ended 12th Mar., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital:		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6 23 00 000
Deposits and other Accounts		206,43,05,000
Borrowings from other Banking Companies Agents		12,00,00,000
Bills Payable		1,89,49,000
Bills for Collection being Bills Receivable as per contra		45,67,000
Acceptances, Endorsements and Other Obligations as per contra		32,000
Other Liabilities (including Inter-Office Adjustments)		2,52,56,000
Total	Rs.	235,28,57,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,21,78,000
Balances with other Banks		14,30,000
Money at Call and Short Notice		1,40,00,000
Investments—		
Government and other Trustee Securities		
Other Authorised Investments	79,44,68,000 10,47,69,000	89,92,37,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	97,50,86,000	
Bills Discounted and Purchased	27,42,67,000	
Bills Receivable being Bills for Collection as per contra		125,08,53,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		45,67,000
Premises less Depreciation		32,000
Furniture and Fixtures less Depreciation		1,33,27,000
Other Assets (including Inter-Office Adjustments)		40,76,000 1,76,57,000
Total	Rs.	235,28,57,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates†									
	5-Year		7-Year		12-Year		Savings Bank Deposits		Cash Certificates, Defence Savings Certificates, and Defence Savings Bank Deposits. Outstandings◉	2½% Ten-year Treasury Savings Deposit Certificates‡
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts / Outstandings*
1948-49 ..	1.54	1.47	78	74	22.40	23.88	56.67	79.91	—	13.21
1951-52 ..	1.76	6.06	77	2.91	22.08	44.81	1,07.55	74.18	—	....
1952-53 ..	1.63	6.84	66	3.27	23.06	64.18	1,12.36	91.01	—	13.10 / 13.29
December 1952	3	6.51	3	3.16	1.84	79.24	3.45	85.95	—	7.64 / 15.64
January 1953 ..	15	6.54	4	3.19	2.02	80.77	8.88	86.09	—	20.51 / 22.94
February ,, ..	14	6.61	5	3.22	1.54	82.14	9.96	88.06	—	30.76 / 24.46
March ,, ..	11	6.60	5	3.27	2.56	84.18	13.76	91.01	—	31.58 / 25.08
April ,, ..	11	6.80	5	3.27	2.54	86.95	9.56	93.01	—	31.58 / 25.62
May ,, ..	12	6.83	4	3.29	2.06	87.57	9.58	93.30	—	31.30 / 25.83
June ,, ..	11	6.82	4	3.31	2.23	89.33	9.53	92.83	—	31.53 / 26.17
July ,, ..	1	6.73	11	3.38	2.23	91.02	10.24	95.23	—	31.78 / 26.50
August ,, ..	—	6.67	6	3.44	2.23	92.33	8.76	96.67	—	32.06 / 26.79
September ,, ..	—	6.60	15	3.62	2.04	94.35	9.20	97.79	—	32.36 / 27.07
October ,, ..	—	6.51	11	3.73	1.97	95.82	8.58	97.72	—	32.71 / 27.36
November ,, ..	1	6.38	9	3.85	2.03	97.37	7.82	97.55	—	32.99 / 27.64
December ,, ..	—	6.27	14	3.74	2.23	99.06	9.85	98.51	—	33.52 / 28.03
January, 1954 ..										45 / 30.75
										50 / 31.72

* At the end of period. ◉ Progressive net repayments at the end of period from 16th August, 1947. † Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 20-1-'54	27-2-'54	6-3-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.4	99.6
1. Government of India	99.1	99.2	99.3
Indian States	95.6	95.7	95.7
2. Municipal, Port Trust, etc.	99.3	99.3	99.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.6	101.5	101.5
1. Electricity	103.1	102.9	102.8
2. Jute	98.9	98.5	98.9
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	99.1	99.5	99.5
6. General Engineering	103.5	103.8	103.8
7. Shipping	102.5	102.3	102.3
8. Others	100.9	100.8	100.8
PREFERENCE SHARES	97.8	98.1	98.0
1. Electricity	96.4	96.2	96.1
2. Cotton	84.7	85.6	85.6
3. Jute	85.2	86.3	86.6
4. Coal	90.8	90.8	90.8
5. Iron and Steel	90.3	91.8	91.8
6. Sugar	74.1	74.1	74.1
7. Paper	90.1	89.9	89.4
8. Plantations	89.8	89.5	89.5
9. Miscellaneous	87.4	87.4	87.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	102 6	103.6	103.3
(a) Financial	87.8	88.1	88.3
1. Banks	87.0	87.1	87.0
2. Insurance	97.4	98.0	100 0
3. Investment Trust	75.6	76.9	77.5
(b) Public Utilities	109 0	113.9	113.6
1. Electricity	116 0	116.9	116.5
2. Shipping and other Transport	99 6	110.1	107.9
3. Railways	82.6	85.4	85.4
(c) Manufacturing Industries	102.5	103.9	103.8
1. Cotton, Woollen and Silk	100.0	103.5	102.9
2. Jute	81.4	86.0	85.8
3. Iron and Steel	115.7	122.5	121.3
4. Paper	172.5	178.8	182.1
5. Cement	117.8	122.2	123.0
6. General Engineering	124.7	133.5	133.9
7. Sugar and Breweries	88.1	89.5	89.2
8. Chemicals	107.2	112.0	111.4
(d) Non-Manufacturing Industries	107.0	109 9	109.9
1. Coal	77.1	77.4	77.5
2. Mining and Oil	154.2	169.8	169.4
3. Plantations	106.6	104.9	104.6
(e) Miscellaneous	92.4	95.8	95.9
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	99.8	99.8	99.8
2. Calcutta	99.2	99.3	99.3
3. Madras	99.6	99.6	99.4
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	102 0	101.9	101.7
2. Calcutta	102 8	102.2	102.2
3. Madras	100 1	100.0	100.0
PREFERENCE SHARES			
1. Bombay	91.8	92.9	92.8
2. Calcutta	84.6	85.1	85.0
3. Madras	88.9	89.0	89.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	109.2	113.1	112 5
2. Calcutta	93.0	95.8	95.9
3. Madras	97.4	99.7	99.4
4. Delhi	99.8	106.4	105.7

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,506,704
1951 ..	1,071	691,321	8,818,926
1952 ..	923	809,245	3,356,951
Nine months ended Sept., 1950	584	332,737	10,062,256
Do Sept., 1951	956	599,934	5,573,416
Do Sept., 1952	809	757,566	2,359,081
Do Sept., 1953	690	407,915	2,055,040
January 1953 ..	93	208,821	674,849
February ,, ..	93	63,196	218,208
March ,, ..	87	43,450	142,499
April ,, ..	134	49,457	234,246
May ,, ..	118	59,993	254,956
June ,, ..	101	89,881	257,043
July ,, ..	82	49,754	171,288
August ,, ..	66	45,585	146,558
September ,, ..	96	57,878	460,553
October ,, ..	98	78,141	249,818
November ,, ..	87	85,786	378,246
December ,, ..	81	37,823	158,017
January 1953† ..	85	42,383	244,414
February ,, ..	45	28,477	128,411
March ,, ..	57	38,231	216,207
April ,, ..	73	49,132	213,553
May ,, ..	53	38,617	276,216
June ,, ..	99	80,357	252,279
July ,, ..	57	48,066	151,545
August ,, ..	74	63,083	223,154
September ,, ..	106	64,063	467,278
October* ..	98	80,032	401,593
November ,, ..	77	86,485(a)	818,805(b)

† Figures for 1952 are provisional. * Revised.
(a) Not known in four cases. (b) Not known in eight cases.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	573	5,945.1	4,849.9
1952-53 ..	614	6,201.4	5,134.5
July 1952 ..	598	534.0	429.7
August ,, ..	598	531.6	433.7
September ,, ..	597	530.1	429.0
October ,, ..	599	548.3	441.5
November ,, ..	606	529.7	426.4
December ,, ..	606	555.5	457.6
January 1953 ..	611	555.1	441.5
February ,, ..	614	498.5	417.4
March ,, ..	614	538.0	435.7
April ,, ..	616	530.8	433.1
May ,, ..	620	550.4	456.1
June ,, ..	625	548.8	450.8
July ,, ..	627	565.0	471.0
August ,, ..	629	567.9	468.9
September ,, ..	632	576.5	464.1
October ,, ..	634	583.1	463.7
November ,, ..	637	563.1	455.7

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	27th Feb., 1954	20th Feb., 1954	28th Feb., 1953	January, 1954	January, 1953	Percentage of increase (+) or decrease (—) in Jan., 1954 as compared with Jan., 1953	1952	1951
Food Articles	370.3	370.9	384.3	381.6	357.0	+ 6.9	359.8	409.8
Cereals	431	434	430	440	434	+ 1.4	450	493
Pulses	370	372	517	424	294	+39.7	348	504
Other	282	280	288	223	223	+29.1	226	290
Industrial Raw Materials	460.1	474.2	445.3	421.1	427.6	+12.5	463.8	508.2
Fibres	443	456	410	465	399	+16.0	454	522
Oil seeds	509	532	536	548	438	+12.3	484	479
Minerals	456	462	456	449	460	— 2.4	458	488
Others	402	401	362	349	371	+10.2	441	538
Semi-Manufactures	357.2	359.8	347.8	381.5	344.3	+ 5.0	348.6	377.5
Leather	398	398	426	407	406	— 2.2	446	458
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	477	497	469	548	445	+23.1	450	479
Cotton Yarn	450	451	446	439	456*	—	465*	492
Metals	237	237	227	236	228	+ 3.5	211	197
Oil Cakes	424	424	416	420	406	+ 3.4	440	500
Others	306	306	211	305	250	+22.0	278	330
Manufactured Articles	388.6	370.1	368.1	384.3	388.9	— 0.4	377.5	395.5
Textiles	406	406	401	400	410	— 2.4	423	468
Jute	429	433	389	423	388	+ 9.0	506	608
Cotton	405*	405*	406*	397*	406*	— 2.2	401*	400*
Rayon and Silk	456*	456*	429*	426*	436*	— 1.2	485*	511*
Woollen	313	313	297	313	260	+11.8	346	376
Metal products	337	337	336	337	342	— 1.5	321	345
Others	283	283	288	283	288	— 1.7	308	300
Miscellaneous	685.6	685.6	689.9	709.9	620.0	+14.6	638.8	729.9
All Commodities	392 9	393.2	383 2	398 5	377.5	+ 5 6	386.9	430 2

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1931 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ..	141	337	239	310	441	380	351	330	143	174	142	154	150
July ,, ..	142	336	263	304	428	378	354	331	149	173	149	161	155
August ,, ..	144	340	267	312	446	379	369	330	143	176	149	160	157
September ,, ..	143	341	260	310	443	380	364	328	143	178	143	157	150
October ,, ..	144	345	274	311	446	381	363	327	144	179	143	154	150
November ,, ..	143	347	271	306	439	380	357	328	143	176	139	150	150
December ,, ..	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953 ..	139	344	260	310	456	381	337	327	138	168	134	149	146
February ,, ..	141	351	264	315	459	380	334	351	134	166	132	150	144
March ,, ..	142	358	265	323	448	381	333	353	136	165	131	148	145
April ,, ..	142	359	268	327	434	384	344	354	137	166	134	149	146
May ,, ..	143	365	272	330	441	391	345	356	139	173	137	153	155
June ,, ..	150	371	283	334	453	393

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice 1st	tons	67,452†	65 874††	23,424	20,741
Wheat ..	,,	24,041	23,450	6,762	6,039
Jowar ..	,,	41 948	39 ·48	8,456	8,944
Bajra ..	,,	25 242	22,·38	2 472	2,299
Barley ..	,,	7 600	7 835	2,664	2,293
Maize ..	,,	7 796	8,078	2,807	2,021
Ragi ..	,,	5,248	5,390	1 235	1,212
Gram ..	,,	17,847	16,857	2,771	2,808
Rab. Pulses*	,,	11,893	11,569	2,060†	2,047
Small Millets	,,	12,170	11,844	1,892	1,891
Jute ..	bales	1,104†	1,017††	3 194†	4,805†††
Cotton 3rd ..	,,	15,053†	13,672††	3,266†	2,487†††
Sugarcane 2nd	tons	4 101†	4 22·††	5 1·0†	4 90†††
Groundnuts ,,	,,	11 556†	11,850††	3,772†	2,884††
Linseed ..	,,	3,344	3,402	855	816
Castorseed ..	,,	1,349	1,428	107	106
Rape and Mustard Seed	,,	5,155	5,015	828	916
Sesamum	,,	4,393†	4 219††		451††
Tobacco (supp)	,,	795	712	219	205
Pepper ..	,,	248	202	22	23
Ginger ..	,,	46	47	14	16
Dry chillies ..	,,	1 2·0	1,384	201	241

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Jan., 1954	67.2
	Corresponding month 1953 ..	73.0
	Seven months ended Jan., 1954	500.5
	Corresponding period 1953 ..	528.7
Stocks	At the end of Jan., 1954 ..	96.1
	Corresponding month 1953 ..	128.4
		(In 000 bales)
Exports(Jute Bags)	Week ended 13th Feb., 1954 ..	2.705
	Corresponding week 1953 ..	2.563
	From 1st Jan., to 13th Feb., 54	45.477
	Corresponding period 1953 ..	20,324
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 13th Feb., 1954 ..	13.387
	Corresponding week 1953 ..	10 315
	From 1st Jan. to 13th Feb., 1954	234 ·60
	Corresponding period 1953 ..	170,239
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 13th Feb., 1954 ..	—
	Corresponding week 1953 ..	—
	During Oct., 1953	—
	Corresponding period 1953 ..	—
Consumption by Mills† ..	Jan., 1954 (in lakh bales) ..	8·90
	Corresponding month 1953 ..	8 23
	Seven months ended Jan., 1954	2·· 02
	Corresponding period 1953 ..	20.67

† Estimated. * From Calcutta.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10 67,100	7,99,200
Do 31st March, 1952..	11 58,000	10 61 900	7,91,800
April 1953 to February, 1954..	10,29,400	9,80 600	7,15,600
December 1952	98,200	91 400	68,700
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
November ,, ...	1,00,300	90,800	64,400
December	1,01,400	95,100	71,700
January 1954	1,08 800	99 800	71,400
February ,, ...	92,700	84,500	63,300
Indian Iron and Steel Co.			
April 1953 to February, 1954..	5,14,620	3,02,380	2,41,770
January 1953	56,370	43,810	28,650
February ,, ...	54,800	37,400	29,090
November ,, ...	61,240	41,550	32,870
December	64,510	43,160	41,740
January 1954	63,110	42,800	39,970
February ,, ...	59,850	33,360	32,510

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months, April to November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports†				
By sea and air—				
Foodstuffs	3 48	6 36	80.42	143.12
Raw materials ..	9 51	13 62	114.54	129.87
Manufactures ..	23,89	19 90	183.30	194 52
Other items ..	35	25	2.84	3.12
Total ..	37,23*	40,03*	380.80*	466.63*
By land	1.72	3.65	15 53	16.95
Total Imports ..	38,95	43.68	396 33	482 58
Exports				
By sea and air—				
Foodstuffs	17.18	10.52	100.28	95.29
Raw materials ..	8.91	13.93	71.47	97.25
Manufactures ..	21.34	18.24	164.77	185.83
Other items ..	37	31	2.65	2.73
Total ..	47,70	40,00	339.17	381.10
By land	74	71	4 63	15.99
Total Exports ..	48,44	40.71	343.80	397.09
Total Re-exports ..	68	66	3.09	2,75
Balance of trade in merchandise ..	+ 9,77	— 2,60	— 56,94	— 83,65
Balance of transactions in private treasure ..	..	..	— 8	— 4
Total visible balance of trade..	+ 9,77	— 2,60	— 57,02	— 83,69
Imports : ‡				
Total C'wealth countries ..	16,00	18,48	184,94	175,12
Total Foreign countries ..	21,23	21,57	195,86	291,61
Exports : ‡				
Total C'wealth countries ..	25,62	19 65	170 52	179,18
Total Foreign countries ..	22.08	20.85	168.65	201,92

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada@	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	641	71	11	16	39	8	18	5	2	7	9	3	5	5	9	..
1951-52	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of October 1952	672	50	25	16	40	5	20	9	6	7	9	1	4	6	11	8
November ,,	672	54	25	16	40	5	20	11	5	7	9	1	4	6	11	7
December ,,	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February ,,	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March ,,	647	62	26	16	41	5	20	17	6	7	9	2	4	6	11	6
April ,,	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
May ,,	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June ,,	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July ,,	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August ,,	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September ,,	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
October ,,	633	72	28	16	..	5	22	21	6	7	..	2	4	6	11	6

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 11th March, 1954 ..	72,175
	Corresponding week 1953 ..	50 615
	1st Sept., to 11th March, 1954..	8,59 348
	Corresponding period 1952 ..	9,32,218
Cotton Exports ..	Week ended 11th March, 1954 ..	8,575
	Corresponding week, 1953 ..	..
	1st Sept., to 11th March, 1954..	1,60,740
	Corresponding period, 1952 ..	2,87,017
Mill Consumption ..	1st Sept., to 11th March, 1954..	6,49 232
	Corresponding period, 1952 ..	6,19,347
Stock (with exporters dealers & mills) in Bombay	On 11th March, 1954 ..	3,58,676
	Corresponding date, 1953 ..	5,57,119
Karachi (Pakistan)		
Receipts	Week ended 6th March, 1954 ..	42 853
	Corresponding period 1953 ..	63 472
	1st Sept., to 6th March, 1954 ..	9,35,907
	Corresponding period, 1952 ..	15,57,102
Exports	Week ended 6th March, 1954 ..	40 966
	Corresponding period 1953 ..	54 700
	1st Sept. to 6th March, 1954 ..	6,32,780
	Corresponding period, 1952 ..	8,19,700

Particulars	From 1st Sept., to 15th March, 1953-54 Bales	From 1st Sept., to 15th March, 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	10,250	9,580
Continent	16,949	66,444
China	251	316
Japan	44,962	105,515
U.S.A.	11,492	23,617
Other Countries ..	1,452	2,816
Total to all foreign countries	86,857	208,810
Coastal Ports ..	79,989	86,500

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
India	November, 1953	3,05,601
Foreign		50,128
India	Three months ended Nov., 1953	9 42 054
Foreign		1 74 094
India	Same Period 1952	8,68 944
Foreign		2,29,523
Stocks (Mills and Elsewhere)—		
India	As on 30th Nov., 1953 ..	7,00,066
Foreign		105,092
India	As on 30th Nov., 1952 ..	8,67,133
Foreign		812 933
Cotton Pressed † ..	Week ended 6th March, 1954 ..	16 641
	Corresponding week, 1953 ..	16 641
	1st Sept., to 6th March, 1954 ..	104,600
	Corresponding period, 1953 ..	1,632,766
		2,011,176

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1918	9,05,64,000	1955-60	102½
4 ½ Bonds	1924-33	63,30,24,000	1950-70	102
3 ½ Loan	1938-39	1,16,17,44,000	1963-65	97½
3 ½ Loan	1950	30,33,10,000	1964	93½
3 ½ Loan	1947	1,10 11,78,000	1966-68	90½
3 ½ Nat. Loan	1944	1,14,06,89,000	1957	98½
3 ½ Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ Loan	1945	1,13,85,64,000	1959-61	96½
3 ½ Loan	1951	30,35,63,000	1958	98½
2½% Loan	1946	55 43,07,000	1960	91½
2½% Loan	1946	37,06,49,000	1961	90½
2½% Loan	1946	35,06,06,000	1954	99½
2½% Loan	1946	34,78,77,000	1956	82½
2½% Loan	1947	75,86,72,000	1962	91½
2½% Loan	1948	60,45,01,000	1955	98½
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	2,93,35,000	At option of Government after three months' notice On September, 1926 or later at option of Government after three months' notice	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-59***	100½
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	15th Sept. 1953	99½
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99½
3 % Bombay	1944	3,44,00,000	15th Aug. 1959	99½
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93½
3 % Bombay	1950	3,01,87,700	1st July 1964	93½
3½% Bombay	1951	3,04,06,900	15th Sept. 1962	98½
4 % Bombay	1953	5,00,00,000	15th July 1963	100 ¾
4 % Bombay	1952	5,66,72,700	1st Aug. 1964	100 ¾
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98½
3½% Cochin	1936	70,09,000	1st June 1956-61	97½
3½% Howrah Bldgs (New)	1936-37	2,31,87 100	1956-66	95½
3 % Madras	1939	1,23,95,600	21st June 1949	94½
3 % Madras	1942	1,23,25 800	18th Sept. 1955	99-0½
3 % Madras	1943	1,25 10 000	14th Sept. 1956	99½
3 % Madras	1944	1 07 95 000	15th Aug. 1958	94½
3 % Madras	1945	2,78 44 000	14th Sept. 1960	94-0½
2½% Madras	1946	3 81 77 300	1st Sept.	91½
3 % Madras	1948	4 38,25 400	31st July 1960	94-1½
3½% Madras	1951	3,01,49 300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99 ¾
3 % Mysore( )	1940	1,43,44 300	1st Nov. 1953	104½
3 % Mysore( )	1933	2,95,85 200	1st Dec. 1953-63	101-0½
3 % Mysore( )	1936	3,99,72 700	30th April 1955-63	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99½
4 % Mysore	1953	3,00,00,000	15th July 1963	99 ¾
3 % M. P.	1942	50,00,000	18th Sept. 1955	99½
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	52,66,800	15th Aug. 1958	93½
3 % M.P.	1948	2,03 00 000	15th Aug. 1958	91½
3 % M.P.	1950	1,00 28,800	1st July 1964	94
3½% M.P.	1951	1,00 00 000	17th Sept. 1962	97½
4 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 % Punjab**	1938-44	1,49 87 200	15th Aug. 1958	98½
3 % Punjab**	1942	2 35,20,000	14th Sept. 1955	99½
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99½
3 % Punjab**	1944	2 95 81 600	15th Aug. 1958	97½
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99 ¾
3½% Travancore	1936	50,00,000	16th Aug. 1956	99 ¾
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1942	1 69 39 800	15th Sept. 1961-66	99½
3 % U.P.	1944	3 23 96 800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31 900	14th Sept. 1960	94
2½% U.P.	1946	2,41 19 800	1st Sept. 1961	91¾
3½% U.P.	1951	2,00 00 000	17th Sept. 1962	97½
4 % U.P.	1952	4,11 33,000	1st Aug. 1964	99 ¾
4 % U.P.	1953	5,00,00,000	15th July 1963	99 ¾
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00 000	1st Aug. 1964	100 ¾
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
36 50 000	4	1904	1964	
35,00 000	4	1905	1965	
15 00 000	4	1906	1967	
50 00 000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00 000	4	1910	1971	
75,00 000	4	1911	1972	
1 10 00 000	4	1912	1973	
14,35,876	4	1913	1974	
80 00 000	4	1913	1974	D
84 25 000	4	1914	1975	99½N
10,00 000	4	1915*	1960	99N
1,00,00 000	4	1915*	1975	
61,61 000	4	1916*	1960	
11 51,000	4	1924*	1960	
19 25 000	4	1926*	1960	
35,00,000	3½	1926*	1960	D
12,50,000	3½	1930*	1961	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,38 000	3½	1933*	1963	
15,00 000	3½	1934*	1964	
48,04,000	3½	1936*	1960	
10,00 000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24 300	4	1914	1974	99½
76,90,100	4	1915	1975	99½
68,07 900	3½	1921	1981	99½
1,50,00,000	4½	1921	1981	144N
1,24,86,300	6	1923	1955-85	105
98 21 600	5½	1926	1956-86	104½
1,00,00,000	5	1926	1956-86	104½
49,49,500	5	1927	1957-87	104½
1 49 10,000	5	1928	1958-88	104½
80,00,000	5	1931	1991	92½
21,25,000	3	1933	1954	99
60 00 000	3½	1935	1965	96½
25,00,000	4	1936	1966-68	98
50,00,000	3	1945	2005	70N
50 00 000	3	1945	1975	82½
50 00 000	3	1946	1976	82
50 00 000	3	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	84½
50,00,000	3	1949	1959	94
50,00,000C	2½	1950	1980	80
1 00 00 000	3	1950	1960	94
50 00 000	3	1950	1960	94
1,50,00,000	3½	1951	1981	99½
50,00,000	3	1951	1963	99½
50,00,000	4	1953	1983	99½
STERLING LOANS				
£892,600	5	1923	1953-83	£87½
£901,000	5	1924	1954-84	£87½
£833,100	5½	1932	1962	£98
MADRAS				
Rs.				Rs.
46 40 347	4	1912	1982	
32 14,944	4	1917	1982	
3,21 489	4	1918	1982	
3 42 941	5	1918	1882	A
7,46 044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Mark. quotation
BOMBAY				
Rs				Rs.
50,00 000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
40,00,000	4	1903	1963	
50 00 000	4	1904	1964	
30,00,000	4	1905	1965	97½
25,00,000	4	1906	1966	
15,00,000	4	1907	1967	
90,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½
12,00,000	4	1916	1976	
40 00 000	4	1919	1957-79	
66,00,000	4	1920	1958-80	113N
27,00,000	4	1922	1982	
25,00,000	4	1926	1956-86	115N
10,00,000	3½	1931-70	1986	98½
STERLING LOANS				
£366,600	4	1909	1969	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
30,00,000	5	1929	1959	107
31,00,000	4	1934	1964	100
30,00,000	3½	1935	1965	94½
50,00,000	3	1936	1966	89
50,00,000	3	1937	1967	89
80,00,000	4	1938	1963-68	98
	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY			
Rs.			Rs.
49,40,000	4	1913-14	1954	99½
20,00,000	4	1913-15	1974	99½
10,00,000	4	1913-15	1955	100
1 40,00,000	4	1920	1960	99½
25,00,000	4	1924	1954	100
36 14,000	4	1928	1958	102
24,45,500	3	1929	1944-59	104½
24,21,300	3	1929	1954-59	to
2 25,00,000	3	1928	1959	102½
2,50,00,000	3½	1947	1977	87
2,50,00,000	3½	1948	1978	87
2,50,00,000	3½	1949	1979	87
2,00,00 000	4	1952	1962	92
1,30,00,000	4	1951	1964	100½
100,00,000½	4	1952	1963	101
	4	1952	1964	100
CALCUTTA				
34,45 500	6½	1925	1955	Rs.
84,70 000	6	1925	1955	105½
25,00 000	5	1928	1958	104½
25,00 000	5	1929	1957	103½
10,00 000	5	1929	1958	103½
33,91 000	3½	1932	1958	103½
60,00,000	3	1935	1965	108
3,11,400	3	1936	1966	88½
4,67,100	3	1937	1967	88½
10,47,700	3	1937	1954	99½
1,52,500	3	1937	1954	99
4,18,100	3	1937	1955	99
47,50,000	3	1937	1956	98½
10,47,700	3	1938	1958	98½
15,56,700	4	1938	1968	88
5,36,800	4	1939	1956	97½
15,56,700	4	1939	1958	98½
17,64,400	4	1940	1956	99½
21,10,000	3½	1942	1959	96½
15,49,000	3½	1951	1972	92½
16,31,000	3½	1951	1961	96
56,88 000	3½	1951	1961	96
87,36,000	4	1952	1964	96
	4	1952	1962	99½
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,68 300	6	1925	1955	101N
15 00 000	6	1925	1961	107½
15 00 000	3½	1951	1961	107½
	3½	1952	1962	107½

ABBREVIATIONS. D=Domestic Loan not marketable. N=Nominal. C=Held by Commissioners. *Loans held entirely by the Trustees
B=Taken up by Imperial Bank of India. (*) Income-tax free. A=Held by Government of India
(a) This includes the amount of loan converted into First Development Loan 1970-75. **Schemes in Pak. Currency ***Rupee Counterparts.
Rate of interest reduced from 3 to 2 per cent. with effect from 1st June 1944.
†† Rate of interest reduced from 4½ to 4 per cent with effect from 1st April. † Bombay State Transport.

MARKET GOSSIP

(*Concluded from page 499*)

output. The following table gives the gold output in the leading gold producing countries:

(In thousands of ounces fine)

	1953	1952
Union of South Africa	11,940	11,819
Canada	4,225*	4,472
U.S.S.R.	2,000†	2,000†
U.S.A.	1,990	1,938
Australia	1,030*	980
Gold Coast	731	691
Southern Rhodesia	500*	497
Philippines	480*	469
Mexico	450*	459
Colombia	430*	422
Congo	370*	369
India	212	243
Japan	200*	201
Chile	180*	177
Brazil	180*	180*
Peru	140*	140*
New Guinea	120*	127
Fiji	95*	95
Sweden	70*	70
Tanganyika	70*	65
New Zealand	60*	60
Korea	50†	50†
Elsewhere	957*	1,039
World total ...	26,500*	26,563
British Empire	19,050*	19,108
British Empire percentage ...	71.9	71.9
Union of S.A. percentage ...	45.1	44.5

* Estimated or provisional figure.
† Notional figure.

* * * *

The output of gold, as in fact of any other commodity, depends partly on the prices which the yellow metal commands in world markets. It is the pay line, that is the cost at which it just pays the producer to mine the ore and refine it, that determines whether the gold ore could be allowed to remain as rock or gold recovered from it. In the early post-war years, there was a good deal of discussion as to whether the official gold prices should be increased or not. At that time, gold commanded a very attractive premium in the free gold markets where the metal was bought at high prices to serve as a hedge against inflation which prevailed in most parts of the world. South Africa, the leading gold producer, was always vociferous in its demands for an increase in gold prices. It also used to be said that an increase in official prices for gold would mean an addition to the sterling area's dollar earnings. This question has now receded to the background, thanks to the change in the world economic conditions, and also to the decline in free market prices for gold. The world free market price for gold in terms of U.S. currency now stands at about $34.95-35.05. Discussing the future of gold prices, in the light of the annual review of the go.d market by Messrs. Samuel Montagu, "Lambard" writes in the *Financial Times* as follows:

"As with the sterling balances question, however, the the gold price issue has now faded into the background. The man who played the biggest part in launching the crusade for a change in the late 1940's, Mr. Havenga, the South African Finance Minister, has continued to emphasise its desirability. But even his utterances on the subject have been in a minor key. Moreover, he did not attend the annual meeting of the International Monetary Fund last autumn to press his case, as he had done on so many previous occasions. Does this mean that the campaign for an increase in the price of gold has failed and has been abandoned? To imagine this, says the annual Bullion Review of Messrs. Samuel Montagu, the London bullion brokers, would be a mistake. Their theory would seem to be that those who favour the change have come to the conclusion that propaganda at this stage serves only to irritate the American people and embarrass those in the U.S. Administration who might be in sympathy with the idea—making it advisable to let the subject drop. It is an attitude the Review approves. Far better than the tactics previously adopted, it suggests, is the "constructive approach" made by Mr. Butler, the Chancellor of the Exchequer, to the American Government last year, when he put the question of a higher gold price—not as the panacea for all international economic ills—but as a necessary part of the comprehensive Commonwealth plan for the restoration of sterling convertibility. So far, the Butler approach to the gold price question does not appear to have carried any more weight with the American authorities than that associated with Mr. Havenga. But Samuel Montagu calls attention to the fact that, last year, the International Monetary Fund sponsored the publication of Mr. Hartrod's paper on the 'Imbalance of International Payments,' in which the disadvantages of leaving the gold price at its present level were stressed. And they suggest that this must mean that the Fund has some sympathy with this argument. Altogether, they say, they see no reason to change the opinion they have previously expressed that 'sooner or later' the U.S. will join in an international agreement to raise the world price of gold.' At the moment it looks as though it will be later rather than sooner.

* * * *

"The review, incidentally, sets out once again the market's complaint against the continuance of the official ban on free gold dealings in London imposed in July, 1947. It is pointed out that the slight concession by the Bank of England in 1952 still permits London houses to act as agents for the sale of newly mined gold from the Commonwealth and the Colonies to buyers outside the sterling area against payment in U.S. dollars. Thus, it is said, London retains its traditional position as an important, perhaps the predominant, clearing house for the physical movement of free gold to and from various places outside the sterling area. And that, it continues, makes it all the more mortifying for those concerned that the actual dealing which impels and directs this flow of gold continues to be banished from the London market. All the gold-producing countries of the Commonwealth have long since been granted access to the free gold markets. Thus it would seem that the ban on free gold dealing in London—which the British authorities originally imposed in deference to the International Monetary Fund's one-time embargo on the traffic in free gold—would appear to have ceased to have any logical basis."

* * * *

According to the latest reports from Karachi, Pakistan proposes to compete with Japan and India as a seller of cloth in world markets. A party of millowners will be sent abroad to

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				188xd	50	9 0	9 0	9 0	4 8(i)		
1,01,00,000	12,03,000	1,79,017	Andhra Bank	116	100	6 0	6 0	6 0	3 0(i)	6.12	H.
83,99,000				59	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110	50	6 0½	6 0½	6 0	6 0½	12	Y.
1,00,00,000	14,00,000	3,767	Bank of Behar	12½	25	0 12 0	12 0	12 0	12	12	Y.
3,50,00,000	3,50,00,000	7,29,778	Bank of India	154	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
30,11,140	15,00,140	15,324	Bank of Jaipur	20‡	20	1 8	1 8	1 8		12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	289½	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	51,71,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
1,50,000	10,00,000	9,244	Canara Banking Corporation Ltd	80xd	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd. ..	58	25	3 8	3 8	3 8	3 0	12	R.L.Y.
$2,42,905 'A'				60‡	25	3 8	3 8	3 8	3 0		
50 00 000	26,00,000	1,55,362	Devkaran Nanjee Banking Co. ..	32‡	50	3 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	10,009	Hindustan Commercial Bank ..	5‡	50	—	—	—	—	12	Y.
50 00 000	1,30 000	1 412	Hindustan Mercantile Bank ..	13‡	50	—	—	—	—	12	Y.
75 00,000	75 00 000	1 00,393	††Hyderabad State Bank	105N	100	6 0‡	6 0‡	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,770	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				425	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,16,000				167	100	12 0‡	12 0‡	12 0‡	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3¾	10 3¾	10 3¾	5 13 3(i)	6.12	R.L.H.
15,00,000				98‡	60	7 3¾	7 3¾	7 3¾	3 9 3(i)		
48,98,425	19,00,000	1,89,917	Indian Overseas Bank	98xd	100	5 0‡	6 0	6 0		.12	R.L.H.
4,25 000				72	100(A)	7 0	7 8	6 0	4 0		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18‡	25(B)	2 0	1 14	1 8		6.12	H.
10,00,000				37½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	89 00 000	1,92 605	Punjab National Bank	233	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00 00,000	13,75,000	92,592	Travancore Bank	14½xd	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,50,225	Union Bank of India	6‡	5	0 5 0	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,720	United Commercial Bank	42	50	2 0	2 0	2 0	2 0	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£2 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-4-1‡	£5	14‡	14‡	15‡	15‡	12	R.L.Y.
£1,00 0,000	£1,250,000	£102,597	Eastern Bank	£84	£5	7½	6‡	7½	3‡	12	R.L.Y.
u.s. $20,00,000	u.s. $96,000,000	u.s. $9,489,174	Hongkong and Shanghai Banking Corporation	£94xd	H.K. $125	5*	5*	5*	2*.(i)	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£3 6 0	£1	12½	12½	12 ½	14½	12	R.L.Y.
£1,437,296				£1-6-3		5‡	5‡	5 ‡	5‡	12	R.L.Y.
£375,000 'A'				£26	A £124	12½	12½	14½	14½		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank o India ..	£26	B £124	12½	12½	14½	14½	12	R.L.Y.
£300,000 'C'				£11‡	C £5	12½	12½	14½	14½		
2,81,250	£3,675 000	£323,703	National Bank of India ..	£38‡	£124	16‡	16‡	16‡	16‡	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

††U.S. Currency
(i) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June 1963
5,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	96	18th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ram rupper Cane & Sugar Co., Ltd.	90½	30th December .. 1956
30,00,000	6	1st August and 1st February	Ravalgaon Sugar	104	31st December .. 1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Wakhaderagar Industries	105	1st April 1956-61
25,00,000	4½	1st May and 1st November	Wakhadeagar Industries (New)	97	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Bennett Cotton Mills Ltd. ..	85	30th April .. 1964
4,00,000	5½	10th May and 10th November	Bengal Nagpur	98‡	15th November .. 1956(e)
8,00,00,000	5½	1st April and 1st October	Ecclesiastical and Caranac	101	1st January .. 1967-72
23,68,000	5½		Jessiore Textiles	98N	1st January .. 1958-59
40,00,000	3	1st June	Tata Mills	101	 1966-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	96	31st March .. 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101‡	14th June 1960
1,28,00,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100‡	1948 1968
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co. Ltd	94	31st December .. 1964
2,55,97,200	3	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	102	1st January .. 1970
25,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd	86	1945 1968
13,50,000	5	1st January and 1st July ..	Bihar (Sherriah) Electric Supply Co. Ltd.	96	1951 1970
7,50,200	5½	1st January and 1st July ..	South Madras Electric Supply	96‡	1940 1957-61
2,00,00,00	5½	1st May and 1st November	South Madras Electric Supply ..	94	1939 1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply ..	94‡	 1953-63
6,83,000	4½	1st April and 1st October ..	South Madras Electric Supply ..	94	1st July 1957-67
47,73,000	4	1st April and 1st October ..	Tata Power	100‡	1940 .. .. 15th September .. 1951-55(f)
2,50,000	4	1st April and 1st October ..	Tata Power	93	15th September .. 1965-70
ENGINEERING					
8,00,000	5½	30th June and 31st December	Britannia Engineering	98‡	31st December .. 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd. ..	96	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Iron Pipe (2nd mortgage)	103	1st July 1957-62
61,183,400	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	104	31st December .. 1956(if)
10,00,000	4	31st May and 30th November	Kumarshubli Engineering Works Ltd	88	31st May 1971
8,50,00,000	5	1st April and 1st October ..	Tata Locomotive	101‡	1st October 1960-63
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1968
JUTE					
12,00,000	4½	1st October and 1st April ..	Agarpara	99	31st March .. 1956
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. ..	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88‡	30th June 1960
9,00,000	5	1st January and 31st July ..	Calcutta	91	31st July .. .. 1959(e)
10,00,000	5	30th June and 31st December	Champdany Jute Mills	97	1951 1968
8,86,000	5	30th June and 31st December	Empire	95	15th July 1966
25,00,000	3¾	1st January and 1st July ..	Hukumchand	92‡	30th June 1957
25,00,000	5	30th June and 31st December	Kamarpara Jute Mills Co., Ltd.	98	1949 .. .. 31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	98	1952 .. .. 31st March .. 1967
5,00,000	5½	31st March and 30th September	Naihatipara Jute Mills Co., Ltd	98‡N	1954 .. .. 31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	1939 .. .. 14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	1951 .. .. 31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	93	1943 .. .. 30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	1950 .. .. 5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	1937 .. .. 14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	1937 .. .. 30th June .. .. 1957(f)
10,00,000	3½	31st January and 31st July	Waverley	84	1925 .. .. 31st July .. .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	86	1936 .. .. 1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	£60‡N	1900 .. .. A 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October ..	Kantabai-Lalabazar Railway	£77‡N	1933 .. .. 1st October 1974
6 50,000	3½	30th June and 31st December		09‡	1945 .. .. 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85‡N	1905 .. ..
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96‡	1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April 1954-56
4,61,000	5½	30th June	Ouchterlony	104	30th June 1954-59
8,00,000	5	31st March & 30th September	Periakaramalai	100–11‡	31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	98	31st December .. 1965
86,80,000	4½	1st April and 1st October ..	Associated Hotels of India ..	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96‡	30th June .. .. 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February 1964
21,25,000	4½	1st July and 1st January ..	Clive Buildings	88‡	1st July 1966
20,00,000	4	15th March and 15th September	Dunlop Properties	87	15th September .. 1960
5,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	82	 1966
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber	102‡	1st January 1971
20 00 000	5	15th March and 15th September	Mettur Chemical Industries ..	96	1949 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per cent)	30th September .. 1976
45 00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	525 (per cent)	31st December .. 1972
75 00 000	5	1st April and 1st October ..	Macneill and Barry Ltd. ..	90N	1951 .. .. 1st April 1971
1 80 00 000	5½	31st March	Orient Paper Mills Ltd. ..	97	1951 .. .. 31st March 1961
1 80 00 000	4	30th June and 31st December	Robtex Industries Ltd.	85	1944 .. .. 31st December .. 1969
6 10,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	104‡	1953 .. .. 1st May 1968

*Note—See page 546 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th March, 1954.

	Closing quotations 11-3-54	High	Low	Closing quotations 18-3-54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	152‡	154‡	152‡	154‡
Bank of Baroda (50)	110	—	—	110
Central (25)	57‡	58‡	57	57‡
Central 'A' (25)	59‡	61	60	60
Imperial (F.Pd.) (300)	1,765	1,777‡	1,770	1,772‡
Imperial (F.Pd.) (125)	425	430	425	425
Union Bank (50)	6‡	6‡	6‡	6‡
United Com. (50)	42‡	42‡	41‡	42
TEXTILES				
Abm. Adv. (100)	149‡	—	—	149‡
Apollo (25)	2-12‡	2‡	2‡	2-12‡
Bombay Dyeing (250)	412‡	421‡	410‡	419‡
Central India (100)	174	182	173	180
Century Mills (100)	314‡	327	314	327
Edward Textile (200)	65	—	—	65
Elphinstone (80)	240	—	—	240
Finlay (100)	44	44‡	44	44
Gokak (100)	260	270	260	265
Ind. Unid. Defd. (1)	260	267	260‡	265‡
Ind. Unid. Ord. (10)	1-9‡	1-10‡	1-9‡	1-10‡
Indore Malwa (100)	11-5‡	11-9‡	11-5‡	11-9‡
Khatau (100)	103‡	105‡	102‡	103‡
Kohinoor (100)	273‡	—	—	273‡
Lakshmi (250)	306‡	307‡	300	307
Madhusudan (100)	583‡	583‡	582‡	583‡
B. B. Cotton Mills (100)	82	—	—	82
Minerva Mills (100)	50	60	50	58‡
Model (Nagpur (250)	113‡	—	—	111‡
Morarji (100)	139‡	—	—	139‡
Mysore (50)	205	210	205	210
National Rayons (100)	164‡	—	—	164‡
New City (100)	151‡	157‡	151‡	157
New Great (100)	180‡	180‡	166‡xd	166‡
New Union (10)	160	—	150xd	151
Phenix (100)	27	—	—	27
Podar Mills (100)	128‡	—	—	128‡
Rameon Silk (10)	136‡	140‡	137‡	140
Rameon Spg. (10)	38‡	—	—	138
Shahpur (1,000)	30	30‡	30	30‡
Shrinivas (100)	1 800	1,805	1,700	1,805
Simplex (50)	207‡	213‡	207‡	210
Standard (100)	150	154‡	150‡	151
Svadeshi (100)	318‡	326‡	318‡	322‡
Swan (100)	290	300‡	290‡	299‡
Tata Mfg. (25)	356‡	355‡	350	355
Vishnu (100)	49	51	48‡	51
Western India (1,000)	1,550	146‡	143‡	145
		—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	115‡	115‡	113‡	114‡
Amalgamated (10)	10‡	10‡	10	10
Andhra Valley (1,000)	1 290	1,305	1,200	1,301‡
Bom. Sub-El. (100)	120‡	120‡	120‡	120‡
Surat (100)	127‡	128‡	126‡	126‡
Tata Hydro (100)	139‡	140	139	140
Tata Power (1,000)	1,392‡	1,405	1,390	1 397‡
INSURANCE COS.				
British India (10)	13	—	—	13
Empire of India (100)	640	—	—	640
Ind. Mercantile (20	40	—	—	40
Jupiter (15)	7-13‡	7‡	7-13‡	7‡
New India (15)	44	45‡	44	45‡
Oriental (200)	7 500	—	—	7,500
Universal (10)	9‡	—	—	9‡
Vulcan (10)	12‡	12‡	12‡	12‡
STEAMER COS.				
Scindia (15)	17‡	17-14‡	17‡	17-12‡
STEEL COS.				
Ipd. Iron (10)	28‡	29‡	28-5‡	29-8‡
Tata Steel Defd. (20)	2,132‡	2,195	2,136‡	2 193‡
Tata Steel Ord. (75)	359‡	368	359‡	367‡
MISCELLANEOUS				
Alnoch Ashdown (100).	347‡	360‡	347‡	358‡
Associated Ca. (100)	153	135	153	154‡
Belapur Sugar (5)	253	259	253	258
Bom. Burmah (125)	306‡	421‡	390‡	418‡
Do. (New) (50)	137‡	147‡	140	146‡
Br. B. Petrol (4 sh.)	3-0‡	3‡	3-0‡	3 3‡
Br. E. Corpn. (5)	8‡	9‡	9‡	9‡
Indian Copper (2 sh.)	3-15‡	3-1‡	3-1‡	3-1‡
Ind. Inv. Tr. (100)	2‡	2‡	2‡	2‡
Kesar (200)	265	—	—	265
Killicks (100)	76‡	—	—	76‡
Killicks (75)	130‡	—	—	130
Phalton Sugar (50)	115	—	—	93
Port Cannings (100)	92‡	96‡	92	93
Premier Auto. (50)	27‡	—	—	27‡
Shivrampur (10)	113	119	113‡	115
Tata Chemicals (10	71‡	72‡	71‡	72‡
Tata Oil (100)	13-15‡	13‡	12‡	13-9‡
Walchand Ind. (100	36‡	38‡	36‡	37‡
W. I. Match (100)	207‡	170	166	170
		209‡	206‡	209‡

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption
			Rs.
2½% 1954	99‡	—	99‡
2½% 1955	98‡	—	98‡
2½% 1961	90	—	3 50
2½% 1960	93	—	3 50
2½% 1962	91	—	3 94
2½% 1974	91	—	3 87
3% 1957	98‡	—	3 88
3% 1958	98‡	—	3 96
3% 1959-61	98‡	—	3 52
3% 1964	96‡	—	3 43
3% 1963-65	92‡	3 79	3 59
3% 1966-68	92‡	—	3 88
3% 1970-75	90‡	3 93	3 93
3% 1980 Con. Loan	86‡	3 98	3 87
3½% 1954-59*	82‡	4 12	3 83
4% 1960-70	100‡	—	3 64**
4½% 1955-60	102‡	3 34	3 48
4½% 1958-68*	102‡	3 64	3 84
3½% 1961 N.P. Bonds	105	2 96	4 08
	98‡	3 27	4 04
		—	3 66

BRITISH GOVERNMENT SECURITIES	11-3-54 £	High £	Low £	16-3-54 £
2½% Brit. Consols	64	64‡	64	64‡
3 % Savings Bonds 1965/75	88‡	89‡	88‡	89‡
3½% War Loan 1952	101‡	—	—	101‡
3½% War Loan 1955-59	85‡	86‡	85‡	86‡
4½% Brit. Iron and Steel 1976-78	94	—	94	94‡
4 % Funding Loan '60-90	102‡	94‡	102‡	102‡
		102‡		

** Current Income. n.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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RISK CAPITAL, RATIONALISATION AND SALES TAX

THE recurring theme of the addresses of chairmen of commercial bodies is the ebb in the flow of private capital to industry. This is hardly surprising, considering how few new industrial units have been established in the last three or four years, apart from those for which plans and blue-prints had been ready and capital collected in the war or early post-war years. But this is not the only disturbing symptom of the country's industrial *malaise*. Even established undertakings find it difficult to expand themselves. Indeed, they are satisfied if they can just pay their way. Now, this is a prospect which no person who has the rapid economic development of the country at heart can contemplate without a feeling of disappointment. Mr. H. I. Wonfor, Chairman of the Madras Chamber of Commerce, did well, therefore, to discuss the problem, when he addressed the Chamber's annual meeting this week. The main theme of his address was that risk capital was not forthcoming, because the tax burdens on industry and the Government's labour policy were not calculated to provide the right climate for private enterprise. Although Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, who was present on the occasion and addressed the meeting, did not entirely agree with Mr. Wonfor's diagnosis of the causes for this investment *malaise*, he was compelled to recognise that the malady did exist. Mr. Krishnamachari, who is himself the originator of the idea of an industrial development corporation, to aid the private sector, has apparently realised, more than any other Government spokesman, that private capital today is more shy than at any time in the recent past.

Mr. Wonfor rightly held that the investment 'climate' in India was not such as to invite fresh capital. Direct taxation is high—higher than in any country in the world, except the U.K.—despite the fact that there are only 0.8 million assessees in India, as against 20 million in the U.K. and 60 million in the U.S. Again, direct taxes have risen much higher than indirect taxes. As compared with the tax levels in 1938-39, the Centre's tax revenues have increased by 550 per cent. The increase in indirect taxes is only 400 per cent. whereas that in direct taxes is 1,000 per cent. The top rate of personal tax is higher by As. 3¼ in the rupee than it was in 1939, and the income limit, to which this rate is applicable, has been reduced from Rs. 5 lakhs to Rs. 1¼ lakhs. Also, limited liability companies pay a special rate of super-tax on their total incomes; there is no rebate or set-off in respect of any dividend which may be included therein. Mr. Wonfor explained the mournful significance of this measure for the future of corporate enterprise when he said: "In other words, these dividends, in the hands of a limited liability company, might pay company super-tax two or three times over and it will be readily appreciated that this acts as a complete break to the development of subsidiary and sub-subsidiary companies which have played such an important part in the industrial development of the West."

Although Mr. Krishnamachari agreed that the investment climate had not been favourable in the last five or six years, he was not prepared to accept the statement that it was due entirely to the defective tax structure. There is some truth in this contention, in that a setback in economic growth is always an inevitable outcome of inflation of the type witnessed in the war and early post-war years. As any impartial economic adviser will readily admit, the shyness of investors has also been due to the mush-room growth of joint-stock companies in the war years. Several crores of rupees of hard-earned savings of middle class investors have been lost as a result of the failure of numerous companies floated during this period. Mr. Krishnamachari seemed to take some comfort from the appreciable fall in the disinvestment by foreign firms in the country which was an outstanding feature in the early post-war years. In saying this, he was not unaware of the fact that, even now, the tendency for repatriation of foreign capital persists in such centres as Calcutta and Bombay. But the point he wished to make was that it was not as strong as it used to be six or seven years ago. This he took as evidence of the revival of foreign business men's confidence in the Government of India today.

Be that as it may, he admitted that investment in the private sector should be encouraged. He declared, in this connection, that, at no time during the past two years he was a Minister, he found any antipathy or distrust on the part of the Government towards the private sector. It is hard to stomach this unqualified statement, for he seems to have conveniently forgotten the observations made by the Prime Minister himself in Madras some months ago. Some of his own actions and pronouncements in the recent past showed that he, too, lacked confidence in the private sector. Nevertheless, his latest statement is reassuring to a degree and it is to be hoped that he will substantiate it by his actions in future at least. We are constrained to make this remark because there is no gainsaying the fact that, even if the Government has not been antagonistic to private capital, it has not been positively helpful either.

Rationalisation

The case for rationalisation of industry was ably argued by Mr. Wonfor, who pointed out that, while the sellers' market had gone and the buyers' market had emerged, industry found it extremely difficult to adjust itself to new conditions, thanks to the rigidity of its costs. Industrial managements, as Mr. Wonfor said, are unable to take advantage of the latest technical appliances, which reduce cost and improve efficiency, since this involves retrenchment which the Government has rendered well-nigh impossible. In this connection, he did well to remind the authorities not to overlook the fact that new, efficient and competitive industries themselves create fresh demand, generate new subsidiary industries and eventually provide more employment. The fact that this elementary aspect of modern economic development fails to win the appreciation of most of our Ministers is, indeed, amazing, more especially because we have a Planning Commission manned by some of our ablest administrators and economists. Apparently, these specialists in the Planning Commission have either failed to make the Ministers view the problem in its proper perspective or have made no endeavour to convince them on this point, lest they should incur the displeasure of the Ministers.

Mr. Wonfor, however, won at least partial recognition for his case at the hands of Mr. Krishnamachari, for the latter admitted that they could not afford to keep their industries in a moribund condition merely because, if they modernised, unemployment would result. But the Minister was not prepared readily to accept the logical solution for this problem. Instead, he stressed two considerations. In the first place, he seemed to feel that the threat of a buyers' market, the compelling reason for modernisation and reduction in costs, was not a grave one. He cited textiles and sugar as instances of commodities the offtake of which had increased. He thought that the rigour of the buyers' market might be softened by the increase in demand. This attitude bespeaks, in our view, undue optimism, though it may be a welcome corrective to those who are over-apprehensive about the buyers' market. Further, it may be doubted whether such a view is applicable to all goods.

The other consideration which he stressed was that unemployment, which rationalisation might bring in its wake, would create a political problem. He admitted that it might be that the Government was "always alive to the determining nature of the ballot box." He warned that, if unemployment increased "even by an iota," one could not have stable Government in the country. The choice before the country, he said, was between unemployment and stable Government. He did not, therefore, agree that the modernisation which brought about retrenchment was an ideal solution. In describing the picture thus, Mr. Krishnamachari has, we venture to suggest, overdrawn the picture. It is true that unemployment causes some political tremors. But the Government's present policy is calculated only to prevent those who are already employed from being thrown out; it does not take cognisance of the people who are still to find jobs. Even on purely political grounds—on ballot-box considerations—the latter category of men, the seekers of jobs, especially the young men who have to find some avocation for the first time, far outnumber the men who are likely to be thrown out by retrenchment that might be caused through modernisation of existing industries. Viewed thus, it will be appreciated that the Government's attitude towards this problem is a very shortsighted one. It is needless to add that continued failure to face the problem of modernisation, as we have stressed elsewhere in this issue, will only mean

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the perpetuation of the disease of high costs, low productivity and low living standards. In other words, it is a delusion to think that, by not facing the problem of modernisation right now, stability of the Government can be ensured. On the contrary, the outcome of this policy may be exactly the reverse, in that the stability would soon be undermined by the failure of the economy to grow or to grow fast enough. The learned Commerce and Industry Minister will do well to remember that there is a world of difference between rigidity and stability, even though the former may resemble the latter.

Sales Tax

Another subject which figured prominently in Mr. Wonfor's address was sales tax on inter-State trade. After describing the difficulties of inter-State traders, who have to be conversant with the laws and regulations in all the 15 States wherein sales tax is in force, Mr. Wonfor made out two important points. In the first place, he stressed that the original intention of the authors of the Constitution was to prevent sales tax on inter-State trade. Indeed, this is true, since States generally commenced collecting sales tax on inter-State trade only after the recent Supreme Court's judgment on the subject. Secondly, he emphasised that it was wrong to suggest that the State Governments could not give up the small additional revenue which sales tax on inter-State trade brings, inasmuch as they were content, prior to the Supreme Court's judgment, to do without this additional revenue. This again seems to us to be a correct appraisal of the problem. If the States decide to do away with the collection of sales tax on inter-State trade altogether, or convert this into a purchase tax, it will only mean the restoration of the *status quo ante*.

But Mr. Wonfor was not on firm ground when he pleaded for the centralisation of sales tax, with provision for the distribution of the revenue among the States, and uniformity in rates of tax as well as in the tax system. After all, the States differ greatly in their economic levels. And it would be wrong to compel a State Government to reconcile itself to a lower level of taxation than what the State's economy can stand, or to force a backward State into a higher level than what it can bear. Moreover, things have gone so far that it is almost politically impossible to make sales tax a Central subject, even if it is clearly meant to be for the benefit of the States. Business men of the country will, accordingly, do well to reconcile themselves to sales tax being a State taxation and strive for getting their grievances redressed by appealing to the good sense of State Governments and by seeking the friendly intervention and assistance of the Central Government. The very demand for centralisation of sales tax naturally antagonises the State Governments against business men, for it amounts to asking them to surrender a substantial part of their power. And, as all who know human psychology will readily admit, nobody likes to give up power.

The views of Mr. Krishnamachari on this vexed question were refreshingly candid. Besides, he threw a few sensible suggestions which, if adopted, would go a long way towards making sales tax an acceptable burden. He was opposed to the demand for making sales tax a single point tax, to be levied by the Centre. He gave a reason which adds to the list of reasons cited by us above. He said that, if the Central Government took over the responsibility for levying the tax, the States Finance Ministers would only budget for expenditure. He, therefore, thought that this tax should continue to be the responsibility of States. The Press version of Mr. Krishnamachari's speech does not indicate whether or not he expatiated on the significance of this statement. But it is obvious to us. The significance is this. The State Finance Ministers will not know the value of money. They will become spendthrifts, greater than they are now. The present tendency of throwing the blame on the Centre for lack of resources will receive a fillip. If the State Governments are to realise that money is not easily come by, their responsibility for raising resources should not be whittled down.

It is, unfortunately, true that most of the States are exploiting their right to impose sales tax by levying the tax at exorbitant rates and by administering it in such a way as to cause severe hardship, both physical and financial, to business men. Indeed, some States have actually started misusing this right. A typical example of this is provided by Madras and Mysore. The Governments of these two States are using this instrument of taxation for protecting the handloom industry against the mills by increasing the rate of sales tax on mill-made cloth to fantastically high levels. Surely, at no time was this tax intended to be used for this purpose; it was meant to be a purely revenue measure. By departing from this original purpose, the States are actually infringing the rights of the Centre. If other States, too, were to copy Madras and Mysore, there would be financial anarchy in the country. An immediate check to this tendency is, therefore, essential and the Centre should not be a silent and helpless spectator.

That Mr. Krishnamachari more or less appreciates our contention is evident from his admission that there ought to be a ceiling on sales tax. We are glad he said it, because he was principally responsible for helping Rajaji to discover this *Kamadhenu* (milch cow) soon after Provincial autonomy was introduced in this country and the Congress decided to take up office. Not only did he say that there must be a ceiling on this tax but went further to indicate what it should be. Giving his personal opinion, he observed that, where sales tax was collected at single point, the ceiling should be 6¼ per cent. and, where it is cumulative, the ceiling should be 2 per cent. The States, he added, could raise or lower the sales tax within that range. He further advocated the conversion of sales tax into purchase tax so that the complications arising from inter-State trade could be avoided. He believed that there was enough common sense, wisdom and statesmanship among State Governments to evolve a suitable formula. The intransigence of State Governments in the past one or two years on this question does not give room for entertaining this belief. Nevertheless, we still hope that Mr. Krishnamachari's faith will be vindicated and that an acceptable solution to this admittedly difficult problem will soon be found.

LAND NATIONALISATION IN BURMA

PROTESTS from the interests affected have not prevented the Burmese Government from placing on its statute book the Land Nationalisation Act, 1953. The Act seeks to nationalise all land and gives power to the State to distribute it among certain categories of people. Being a sovereign nation, Burma is, of course, fully entitled to adopt any policy it thinks best for its people. India, however, has reasons to feel alarmed about the Act, because it dispossesses, at one stroke, the Indian owners of Burmese land. For over one-half of a century, the Indian settlers, mostly bankers from the South, have given the best years of their life and their savings in the cause of Burmese agriculture. Indians own, it is computed, about three million acres of land in that country. Not only do they now find that their ancient profession is gone, but even the properties they had built up are to be taken away from them. This is by no means a pleasant prospect for those men who faced untold hardships in World War II and hoped that, at the end of it all, they would be able to come into their own. If there is any section of the hardworking commercial people that did not share the war-time prosperity which came so easily to others, it is the Indian bankers in Burma.

The sting of the Burma Land Nationalisation Act lies in its tail—in its appendix which prescribes what is euphemistically termed, compensation for landowners. For the first 100 acres of land taken away from the landowner, the Government will give compensation at the rate of 12 times the land revenue. Since land revenue in the case of these categories of land is only Rs. 2 to Rs. 3 per acre, a person owning 100 acres will receive scarcely Rs. 3,000 as compensation. The compensation provisions are even more ungenerous in the case of persons who hold more than 100 acres. Compensation will be paid at a rate which varies successively from 11 times to twice the land revenue for land which varies in extent from 200 acres to 1,100 acres. For land in excess of 1,100 acres, compensation will be only equivalent to the land revenue.

To call these amounts "compensation" is to invest the word with a meaning which it does not possess. This is not all. There is one section in the Act which makes it even more obnoxious, as it gives a complete moratorium on all agricultural debts, even against collectors of land revenue. This section prevents the sale of land or attachment of land for recovery of arrears. In fact, it takes away the jurisdiction of the civil courts over land. Hence, the persons who have lent their money against land as security are prevented from proceeding against the debtors. Again, those who own land are compelled to pay the revenue they owe to the Government from their other assets, as the State cannot attach the land for non-payment of revenue. Since conditions in Burma continue to be chaotic, the Indian landholders in Burma have no easy access to their property, on which they still pay revenue, and of which they are soon to be dispossessed.

That Indian interests should be perturbed by these developments which, in one sense, are worse than *apartheid*, is only natural. It would appear that the Government of India, to which the Indian interests appealed for intervention on their behalf, has already made representations to the Government of Burma on this issue, but it is not known as to what would be the outcome of this representation. It will be recalled, in this connection, that the Burmese Government agreed to hear an Indian delegation before it decided the quantum of compensation and actually met, in December last year, a delegation sponsored by the Indian Government. But this has had no effect on the Burmese Government, for, it is learned that an amendment Bill, which is shortly being introduced in the Burmese legislature, carries the same provisions for compensation as the original Act. The Indian demand is for compensation at a flat rate of 12 times the land revenue, or, alternatively, for 15 to 8 times the land revenue, in 1,000 acre blocks. This would work out, on the basis of current land revenue rates, to Rs. 45 to Rs. 24 per acre, depending upon the extent of the land taken over. The Indian demand is modest to a degree. In fact, it is less than what Burmese landholders themselves are demanding by way of compensation; the latter have asked for a flat rate of 30 times the land revenue or 35 to 25 times the land revenue on a sliding scale in 1,000-acre blocks. Again, if the Indian demand is conceded, the Burmese authorities would still have made a good bargain, for it would cost the Government only Rs. 10 crores to buy their land which would normally cost about Rs. 90 crores.

It is to be hoped that the Burmese Government will be able to work out a solution that will be acceptable to all the interests affected. The Government will do well to remember that, apart from the fact that nationalisation of land is no panacea for the country's economic ills—this, however, is entirely a domestic matter—it would be a shortsighted policy to run down the Indian bankers. Their services, which have been useful in the past, might prove useful again. Indian bankers could be trusted to resume their traditional role as financiers for the rice trade. After all, the sellers' market in rice, which brought rich dividends to the Burmese Government in post-war years, is coming to an end.

Even if this consideration does not weigh with the Burmese Government in arriving at a satisfactory solution, it is to be hoped that at least considerations of equity and international law will make the Government see the folly of its ways towards Indian owners of Burmese land. The Government of India will, on its part, be failing in its duty towards Indian nationals in Burma if it did not effectively impress upon the Burmese authorities the need for granting equitable compensation. International law clearly recognises that, when an alien property is taken over, compensation at a reasonable rate should be paid to the dispossessed interests. When the U.S. was confronted with a similar problem in Mexico in 1938, it pressed the case of its subjects, who had acquired property in Mexico and who were threatened by the Mexican Government's scheme of over-ambitious agrarian reforms. The Mexican Government was compelled to concede the American Government's claim for full and adequate compensation. The Indian case is even stronger than the American. After all, Indian settlers went to Burma and acquired property at a time when that country was not only a member of the Commonwealth but also a part of India itself. The idea that such property rights could be unceremoniously set aside is repugnant to all canons of equity and international usage. Further, if India fails to protect the interests of its subjects in Burma, it will cause considerable alarm among many Indian traders abroad, who, in the course of their normal business activities, have acquired, and continue to acquire, landed and other properties.

TATAS TO PARTICIPATE IN VOLKART BROTHERS' BUSINESS

GOLD—SUGAR REFINERY—SHIPPING

THURSDAY, 5 P.M.

THERE have been no outstanding developments in the city markets this week, except for a slight flutter in the gold section of bullion caused by the reopening of the London gold market after an interval of 15 years. In the share market, the only feature was the firmness of Tata Steel shares following bear covering and some fresh buying. Other counters, however, remained neglected. If there was any change in their values, it was generally in a downward direction. Among commodities, cotton was erratic but the underlying trend reflected the strong statistical position of Indian varieties. Over the week, values were somewhat higher. Towards the close, some of the prominent millowners bought a sizable amount of ready cotton, while a few of them preferred to go long even in the futures section. Oilseeds were fully steady, with castorseeds, in particular, staging a smart advance on reports of stray export enquiry and absence of fresh selling. Groundnuts were a shade higher in value, but trading was a colourless affair.

MARKET GOSSIP

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London sprang a surprise on financial circles in India by announcing two important measures affecting the sterling area. One was the reopening of its gold market, from Monday the 22nd inst., and the other was a large extension of the sterling transferable area. The significance of these two measures is clearly explained by our London Correspondent in his despatch, published elsewhere in this issue. It is, therefore, unnecessary to refer to it here at any length. Suffice it to say that these two measures are designed to help sterling area exports, encourage the use of sterling in international trade and assist the re-establishment of London as a financial centre. The extension of the transferable account system—previously limited to 18 countries—to all countries outside the dollar and sterling areas means the removal of restrictions on the use of transferable account sterling for capital transactions. This will enable all countries in the group to use sterling in financing trade and other transactions with any other member of the group. It will also greatly simplify exchange formalities for sterling area traders. The reopening of the London gold market will encourage those who have hitherto bought and sold gold in terms of the dollar to transact their business in sterling. Sales of metal in the London market will be unimpeded, but there will be certain restrictions on purchases, because it is considered inadvisable at present to allow the market to afford an additional element of convertibility for sterling.

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The price of gold in London is now determined by supply and demand, but the market will operate under the general supervision of the Bank of England. Anyone will be permitted to sell gold there, but purchases will be restricted to: (1) Those with sterling on dollar accounts; (3) residents of the sterling area with special licence from the Bank of England to buy to the same limited extent as they had bought hitherto for trade and manufacturing purposes; (3) those who have "registered sterling." The last mentioned is a new kind of sterling account which can only be acquired against U.S. or Canadian dollars or against gold by someone who is resident outside the sterling and dollar areas—for example, a Frenchman, a Japanese, etc.

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The reopening of the London gold market is of no consequence to the bullion markets in India, as no gold is allowed to be imported. Yet, the value of gold in Bombay lost more than a rupee on receipt of this news, though later there was a substantial recovery, the closing rate for gold over the week showing a net gain of Re. 1-3 per tola. The initial setback was due to expectations that India, too, might follow suit. In a letter to us, a leading bullion dealer—Mr. Shantilal Sonawala—for instance, suggests that the Reserve Bank should sell gold in India to non-residents of the sterling area against payment in dollars to be resold by them in India. The Reserve Bank can replenish its stocks of gold by buying it from foreign countries with the dollars obtained from the non-residents. The latter, in his opinion, will be tempted to enter into such transactions, because in India, the price of gold is at a premium of 12 to 13 dollars per fine ounce over the world price. Mr. Sonawala says that the adoption of his suggestion will provide quite a few benefits to India. First, smuggling of gold will practically die down. Secondly, the Government can get some revenue by way of import duty on gold, as well as by income-tax on the profits made by the non-resident dealers on their transactions in India. Thirdly, as these non-resident dealers can remit the rupee proceeds arising from the sale of gold in India only in the form of goods, India's export trade will receive a stimulus. And, finally, the Government can save the heavy expenditure it is now incurring on customs vigilance. The suggestion seems attractive, but it is doubtful whether it will appeal to our conservative-minded Finance Minister, who is against encouraging speculation and investment in unproductive wealth.

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For some days past, there have been rumours in the city that a change was imminent in the ownership of Messrs. Volkart Brothers, a Swiss firm having extensive import-export business in India. Our enquiries revealed that these rumours were not without some foundation. We, however, refrained from referring to them in these columns, as we thought it would be premature to do so. But now that reports to this effect have appeared in a section of the daily Press, it has become necessary to cover the subject. According to our information, it is incorrect to say that the House of Tatas are buying up Volkart Brothers or part of Volkart Brothers' business in India. We, however, understand that negotiations and discussions are now proceeding between the Tata Industries Ltd. and Volkart Brothers to form, jointly, a new public limited company which will take over Volkart Brothers' present import and engineering activities, with a view to expansion as well as to the possibility of increased manufacture of machinery, equipment, etc., in this country. We are told that no details have yet been settled and that application to Government is yet to be made.

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Market circles are wondering as to why Volkart Brothers, who have been in this country for over a century—the firm was established in 1851—should be anxious to repatriate even a part of their investment in India by forming a public limited company and allocating a part of the capital of that company to Tatas. No reliable answer to this poser is yet available, but the reasons can be easily conjectured. In the first place, taxation of private limited companies in India is very high. Secondly, the Government of India's policy seems to be not in favour of allowing purely trading activities to be in the hands of foreigners. At any rate, it has clearly stated that it will not allow foreign capital to come in merely for doing export-import business. Thirdly, the Government of India may refuse permission to a foreign partnership firm to convert itself into a public limited company, unless at least a part of the capital is allotted to Indian investors. These considerations may have prompted Volkart Brothers to take the step mentioned above.

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The next question which is the subject of talk in city circles is: Why are the Tatas interested in Volkart Brothers' business which is mostly of a trading nature? It obviously means that Tatas have savings to spare and they are looking out for fresh fields in which these savings could be invested. This is not surprising, for, in recent years, they have scarcely started any big industrial ventures, while their income from the companies managed by them must have been steadily accumulating. This is also evident from their readiness to undertake manufacture of automobiles—heavy trucks to begin with, in co-operation with the world-renowned German motor car manufacturers, namely, Mercedes. It would appear that the deal with this German concern has almost been finalised. There are also reports that Tatas propose to take over the activities of the General Motors India Ltd. as a going concern. These reports have gained some credence because of the presence of Mr. J. D. Choksey of the House of Tatas in the U.S., to which country he has proceeded after negotiating the deal with the German automobile manufacturers. Be that as it may, the investible resources of Tatas must have expanded following the sale of Messrs. Kettlewell Bullen & Co., Ltd., Calcutta (to Bangur Bros.), in which they had a substantial share. The primary object of Tatas in taking an interest in Volkart Brothers seems to be to manufacture, in course of time, some of the machinery and equipment such as the famous "Carrier" air-conditioning plant, for which this firm are the sole selling agents in India. It is not yet known as to what will be the share of Tatas in the proposed public limited company that will, as already mentioned, take over Volkart Brothers' business. According to knowledgeable circles, it may be anything between 50 and 60 per cent.

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Ever since a private party suggested to the Government of India that it would be advantageous to set up a sugar refinery in Bombay to refine imported raw sugar, the proposal has been the cause of some controversy in sugar circles. Those who favour the proposal see in it a new trend in sugar manufacture, the prospect of reaching a higher stage in this industry. They also welcome it, because it will provide some employment to technical personnel and even to unskilled workers and an opportunity for learning a new process in sugar-making. Since Indian sugar production has fallen short of consumption and India is compelled to import sugar from abroad and since this state of affairs is expected to continue for some years to come, they see no reason why India should not import only raw sugar and refine it here, so that some portion of foreign exchange could be saved thereby.

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If, on the other hand, India becomes self-sufficient in sugar, the refinery could be utilised to make a valuable contribution to India's foreign exchange earnings, since the refined sugar could be sold abroad at rates higher than the rates at which raw sugar is bought from the producers of this raw material. It is pointed out, in this connection, that the geographical position of this country gives it a special advantage, in that India can export refined sugar to Middle East and other neighbouring countries more advantageously than other producers of refined sugar, the U.K., for instance. This assumes, of course, that the sugar refined in India should not be allowed to flood the Indian markets, since that would affect the fortunes of the domestic sugar factories which are equipped well enough to take care of the domestic market. The enthusiasts of the refinery idea agree that the refinery, if it is set up, should be meant only for refining sugar for export when India becomes completely self-sufficient in this commodity. They empnasise that it will be a valuable export industry. Such are the arguments by which the refinery idea is supported.

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There is, however, another section which is opposed to this proposal. This section's views are the same as what are contained in a communication addressed by the Deccan Sugar Factories Association to the Government of India, last week. The Association points out that the existing installed capacity of the sugar factories is not at present fully utilised due to insufficient supplies of cane. But efforts are being made to increase cane production. And, when cane supplies improve, it would also be possible to increase sugar production. The Association says: "There is, therefore, no justification for permitting the installation of a raw sugar refinery and, if such refinery is at all permitted, it will be detrimental to the interests of the indigenous sugar industry and there would be little scope or incentive to the sugar factories to produce sugar to their fullest capacity."

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The Association contends that, if raw sugar must be refined in India at all, there is no need for setting up a refinery for that purpose, since the factories themselves could undertake this work. All that will then be needed is to make certain adjustments in the present equipment in their factories and to install some new equipment. This, according to the Association, could be done, if reasonable facilities are given to the factories by the Government. Two advantages are claimed for this proposal. In the first place, the Government could import raw sugar when it is needed by the country and stop such imports, when they are not needed. But, if a refinery were established, it would hardly be open to the Government to regulate imports, since any abrupt stoppage of imports would throw the refinery workers out of their jobs and the capital invested in the industry would earn no return. Secondly, if the factories are permitted to refine imported sugar, it will enable them to employ many of their workers who remain idle in the off season. Finally, the Association says: "If the country could get over the grave crisis of food shortage with such prominent success, it is not understood why the Government should adopt a pessimistic attitude in the matter of sugar shortage, and think of permitting the installation of a raw sugar refinery, as if the Government held the view that the country could never attain self-sufficiency in this commodity and that raw sugar would have to be imported for years to come." These, then, are the arguments by which the refinery idea is opposed by a section of sugar opinion. It will be interesting to watch the Government's decision on this matter.

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The latest reports about shipping freights make encouraging reading. There has been an all-round increase in rates for all destinations, following keen demand for available tonnage. Rates for coal, grain, sugar and ore have all improved, though there has been a fall in those for timber and esparto. The volume of world trade is steadily expanding and more cargo is available. No longer is international trade confined only to a few selected routes. It is a multi-way traffic now, following the revival of commercial intercourse with the Communist countries. Thanks to a perceptible improvement in the balance of payments position of Australia, of India and a number of other Asian countries and of Europe, there has been a perceptible relaxation in import restrictions, resulting in an increase in the variety of goods flowing into the world trade. Ships of all nations are, therefore, well engaged, though it must be stated that available cargoes are still not in excess of the liners' handling capacity. Apart from these reasons, the rates for tramp shipping have gone up, because, owing to an increase in the number of dock labour disputes in many parts of the world, there has been a slow-down in the turnround of ships belonging to the liner companies, thereby forcing the latter to use an increasing amount of tramp tonnage.

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Nearer home, the prospects for domestic shipping have improved somewhat, following the Government of India's decision to buy 900,000 tons Burmese rice and to allow larger imports of a variety of other goods in order to create a definite import surplus as a set-off against the large volume of deficit financing now contemplated. The volume of exports also is expected to be well maintained at a somewhat higher level than in the previous year. The expected competition in coastal trade is unlikely to materialise, as continuous efforts are being made not to disrupt the Indian Coastal Conference. It will be recalled that, some seven months ago, the Scindias had given notice to other members of the Conference to withdraw from it, as they complained of unfair competition through heavy rebating. Although the notice period expired on the 1st inst., the Scindias have not yet left the Conference, as they were requested by other members to give a month more to consider the issue in all its details and arrive at an amicable settlement. But, since not much progress has been made in this direction, the Scindias have agreed to wait for another month. This means that they would not implement their decision to quit the Conference before 1st May, 1954. Meanwhile, talks are going on among the concerned parties. A sub-committee of the Conference has already been constituted to resolve the differences between the Scindias and some of the other members and hit upon a method of allocating the available coastal traffic among the fleets of different members, with a view to avoiding the malpractices complained of by the Scindias.

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It would appear that the Scindias have proposed a system of quotas for member-lines, based on the tonnage of each member and the average

(Continued on page 603)

COLOURLESS TRADING IN EQUITIES

TATA STEELS, HOWEVER, FIRM

(From Our Own Correspondents)

BOMBAY, 25*th March*

BARRING renewed strength displayed by steel shares, particularly Tata Steels, trading in equities on the Bombay Stock Exchange was, as a whole colourless during the week under review. As the end of trading in Tata Deferreds drew nearer—tomorrow being the last day for transactions in this scrip—speculative interests freely indulged in lifting both Deferred and Ordinary shares to fresh high levels. Besides, there was also some liveliness in Indian Irons on renewed expectations of a substantial increase in retention prices of steel. The activity in the steel shares had, however, no effect on trading in other sections. The textile section, for instance, after last week's spirited advances engendered by expectation of good working results, received a check this week by a lack of follow-up support either from speculative interests or from investors. The approaching fortnightly settlement tomorrow was not congenial to enlarged trading on fear of having to pay heavy *badli* rates. Miscellaneous industrials, therefore, failed to arouse any enthusiasm and leading counters in this section could not but disclose minor losses under selling pressure. The undertone of the market was, however, quietly steady.

In the steel section, Tata Deferreds opened on a quiet note at Rs. 2,188-12, but soon crossed the Rs. 2,200-mark on fears about backwardation charges being enforced on the scrips at the forthcoming settlement. After a dip to Rs. 2,197-8 on Monday on heavy profit-taking, they once again resumed their upward trend occasioned by speculative support and touched a high of Rs. 2,237-8 today before winding-up at Rs. 2,232-8. Tata Ordinaries were favoured and were marked up from Rs. 367-4 to Rs. 374, but closed at Rs. 372-12. After advancing from Rs. 29-84 to Rs. 30-2, Indian Irons shaded off to Rs. 29-11 at the close.

Textile shares failed to evoke interest and were virtually neglected. Selective scrips, however, managed to finish with modest gains. Bombay Dyeings made an initial advance from Rs. 419-6 to Rs. 421-4, but finished lower at Rs. 413-12. Kohinoors were unimpressive, having been marked down from Rs. 307 to Rs. 304-4. Centurys which were very conspicuous last week were done, Re. 1-8 lower, at Rs. 325-8. Central Indias had a loss of Rs. 2 at Rs. 178. Finlays reacted from Rs. 265 to Rs. 261. Gokaks dropped Re. 1-8 to Rs. 264 and Standards fell back from Rs. 323-12 to Rs. 322-8. Svadeshis shed as much as Rs. 4 to Rs. 295-8 and Swans Rs. 3-12 to Rs. 351-4. However, there were a few exceptions, and among these, Sholapurs were prominent with a rise of Rs. 35 to Rs. 1,840. Edward Textiles picked up Rs. 5 to Rs. 245, Indore Malwas Rs. 4-6 to Rs. 108-2, Morarjees Rs. 2-8 to Rs. 212-8, Podars Re. 1-4 to Rs. 141-4, and Simplex As. 12 to Rs. 151-12.

Bank shares were steady, but business was rather restricted. Central Banks were done at Rs. 55-8 *ex-div.*, dividend Re. 1-8), as against Rs. 57-12 *cum-div.* last week, and their 'A' shares at Rs. 59-8 *ex-div.*, as against Rs. 60 *cum-div.* Imperials Fully Paids had business, Rs. 10 higher, at Rs. 1,782-8 and Contributories were Rs. 6-4 better, at Rs. 431-4. Indias were a shade quiet at Rs. 153-12. Barodas were unchanged at Rs. 110. United Commercials lost As. 8 to Rs. 41-8.

Activity in insurance shares was highlighted by the demand for Orientals which rallied from Rs. 7,500 to Rs. 7,760. New Indias advanced by Rs. 3 to Rs. 48-8. All-India Generals were a fraction better at Rs. 3-2 and Indian Mercantiles at Rs. 41. Industrial Prudentials were marked down by Re. 1-10 to Rs. 36-2 and Jupiters by As. 14 to Rs. 7.

Among electricity shares, Tata Hydro group attracted good support and made headway. Other shares were in the background with small losses. Andhra Valleys improved by Rs. 6-4 to Rs. 1,307-8 and Tata Powers by Rs. 10 to Rs. 1,407-8. Tata Hydros were well held at Rs. 140. Ahmedabad Electrics showed no change at Rs. 114-11, while their new shares were a shade better at Rs. 112-8. Bombay Suburbans shaded off by As. 10 to Rs. 120 and Surat Electrics by a similar extent to Rs. 126-4.

Miscellaneous shares followed the general declining trend of the market. A.C.C. moved narrowly and finished at Rs. 154-12, disclosing no change over the week. Digvijays were a fraction better at Rs. 115. Bombay Burmahs, after last week's smart rise, failed to consolidate the gain and receded by Rs. 4-12 to Rs. 414-6. Belapurs were a dull feature at Rs. 257-8, as also Phaltans at Rs. 94-8. Scindias were well fancied at one time and moved up from Rs. 17-12½ to Rs. 18, but drifted lower to Rs. 17-8½. Premier Constructions were taken down by Re. 1-12 to Rs. 114. B.I.Cs. were steady at Rs. 9-2½, while B.B. Petrols shed As. 2 to Rs. 3-1½. Indian Coppers were steady at Rs. 3-1½. National Rayons were apathetic, despite the relief in excise duties on rayon fabrics, and were a fraction lower at Rs. 156-4. Shivrajpurs held ground at Rs. 73. Tata Chemicals advanced from Rs. 13-9½ to Rs. 14-2, but eventually closed at Rs. 13-15½. Tata Oils were a fraction lower at Rs. 37. Walchandnagars drifted downwards by Re. 1-4 to Rs. 168-12. Wimcos lost Rs. 4-6 to Rs. 205. Hindustan Motors were steady around Rs 7-2, while Tata Locomotives picked up Rs. 2 to Rs. 106.

Calcutta Stock Exchange

CALCUTTA, 24*th March*

Since our last report, the Calcutta Stock Exchange remained closed for three days on account of *Holi* and reopened on Monday. Since then a steadier trend has been in evidence, with moderate attention being shown to speculative counters and with an increased volume of transactions. The chief reason behind this improvement was the low levels at which favourite counters were offered by weak holders. The Finance Minister's gesture in giving some relief from the excise duties on footwear, soap and art silk fabrics is noted, and market circles have interpreted this as the willingness of the Finance Minister to consider the genuine grievances of industry. Greater attention for speculative Indian Irons, at improving rates, followed renewed expectations of an imminent announcement, from New Delhi, granting higher retention prices. These rumours have been repeated during recent months, and as such it would have been a surprise, if another repetition was taken notice of by the market. However, this was not so, as this matter has been kept pending for an unduly long time in New Delhi and a decision is long overdue.

Although the jute industry is facing some uncertainties regarding (i) the extent of demand for hessian from Argentina, and for sackings from Australia and (ii) the prices at which the U.S. would buy current hessians, if there were to be a recession in that country, jute shares were active. For a fall in raw material prices is foreseen, and the impending change of Government in East Bengal may well mean that Indian mills may be able to get as much jute from East Bengal as they want at prices prevailing there and not at prices predetermined at Karachi.

In trading, speculative Howrahs were pushed to Rs. 25-7 from Rs. 24-12, and at Rs. 247 Deltas gained by eight points. Barnagores advanced to Rs. 149 from Rs. 148, Indias to Rs. 131-8 from Rs. 129, Nationals to Rs. 24-7 from Rs. 23-14, and Orients to Rs. 171 from Rs. 164. On the other hand, Anglo-Indias were brought down to Rs. 200 from Rs. 213, and Reliances to Rs. 14-1 from Rs. 14-4. Belvederes realised Rs. 207, as against Rs. 200 previously and Lansdownes Rs. 152, as against Rs. 150.

Fractional advances were recorded in certain counters in the coal section, while others were maintained at around previous levels. Thus Equitables, at Rs.-34-2, were better by As. 2. Bengals were talked around Rs. 515, as against Rs. 514 previously. Central Indias were accorded moderate support and at Rs. 6-6 added As. 4. East Indians were unchanged at Rs. 26-4, but Pench Valley declined to Rs. 24-8 from Rs. 25-8 and Raneegunges to Rs. 10-4 from Rs. 10-8. Bharat Collieries were traded at Rs. 6-8.

The centre of attraction in the engineering section was speculative Indian Irons, which were, as stated, under the influence of encouraging advices from Bombay. From Rs. 29-4 the rate advanced impressively to Rs. 30-3 on Monday and in subsequent trading the rate was well maintained, although today it was fractionally lower at Rs. 29-15. Indian Standard Wagons continued to be bought with renewed interest and gained further to Rs. 63-8 from Rs. 63-8. From Rs. 10-9 Texmacos were taken up to Rs. 11-2 and Burn & Cos. at Rs. 176 added six points. Another feature was Braithwaites which were raised to Rs. 19-10 from Rs. 14-7. Jessops were supported steadily at Rs. 27-8.

In the paper mills section, Titaghurs were pushed to Rs. 39-8 from Rs. 38, as the news of the calling off of the six-month old strike was received by the market with enthusiasm. Shree Gopals were picked up at Rs. 21-12, as against Rs. 20-14 previously. Bengals were, however, lower at Rs. 59.

Among the miscellaneous counters, Dunlop Rubbers were shown moderate interest, the rate gaining to Rs. 33-9 from Rs. 32-14. Another feature was the advance in Dalmia (Bnarat) Cements to Rs. 9-12 from the previous rate of Rs. 7-10. Indian Cables were steady at Rs. 20-6 as were Rontas Industries at Rs. 14-9. India Steamships changed hands at the higher rate of Rs. 8-11. F. & C. Osiers had buyers at Rs. 12-13 and Metal Boxes, at Rs. 16-11.

Teas met with good support with Hantapparas being among counters in the forefront. At Rs. 209, the gain amounted to Rs. 5. A further rise in Patrakolas to Rs. 184 from Rs. 180 was recorded and New Dooars strengthened to Rs. 425 from Rs. 422-8. Gungarams hardened to Rs. 245 from Rs. 240 and Tezpores were steady at Rs. 20-12.

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Madras Stock Exchange

MADRAS, 23*rd March*

Restricted volume of business and generally narrow movement in prices characterised trading on the Madras Stock Exchange during the week under review. Despite extension of the licensing period for cotton piecegoods exports up to the end of September next, textile scrips failed to evoke much interest. In the planting section, tea shares were generally easy, while rubber shares were inactive, but coffee shares encountered good buying support. Investment buying was visible in sugar scrips. Cement shares were quite active even at higher rates. The undertone remained steady.

Trading in the textile section was of a mixed nature, buying enquiry being visible in certain selected scrips, while certain others suffered losses on selling pressure. Lakshmis were keenly sought after and were taken up by Rs. 6 to Rs. 114. Lakshmi As, Metturs and Dhanalakshmis rose by Rs. 3 each to Rs. 57, Rs. 232 and Rs. 225, *cum-div.*, respectively Coimbatore Cottons rallied Rs. 2 to Rs. 222 *cum-div.* Virudunagars gained Rs. 1-8 to Rs. 15. Janardanas rose by a rupee to Rs. 76. On profit-taking, Bangalore Woollens, however, slumped by Rs. 20 to Rs. 415 *cum-div.* Vasantas also suffered a severe break from Rs. 196 to Rs. 180. Buckinghams lost Rs. 2-8 to Rs. 145 *cum-div.* Rs. 43-8. Camoodias were easy at Rs. 13, as against Rs. 13-13.

Among tea shares, Kalasas dropped As. 14 to Rs. 12-2. Devasholas shed As. 6 to Rs. 20-10. Non-such Teas declined by As. 4 to Rs. 33. Highland Produce, Nilgiri Teas, Twyfords and Parksides were down by As. 2 each to Rs. 12-6, Rs. 12-14, Rs. 15-2 and Rs. 16-2, respectively. Blue Mountains were done at Rs. 2-10 *ex-rights*, as against Rs. 3-12 *cum-rights*.

Quotations of rubber shares moved within a very narrow range. Anandams and Tamaraipally's advanced by As. 4 each to Rs. 9-10 and Rs. 17, respectively. Midlands gained As. 3 to Rs. 12-14, Cochin Malabars As. 2-6 to Rs. 6-12 and Vaikundams As. 2 to Rs. 16-14. Be Bes were higher by an anna at Rs. 2-13. Shevaroys were a shade better at Rs. 1-7-6. Travancore Rubbers were steady at Rs. 15-4 and Teekoys at Rs. 7.

Coffee shares evoked good buying enquiries and recorded improvement in values. Coffee Lands put up a bright show, the quotation advancing by As. 11 to Rs. 9-4. Consolidated Coffees picked up As. 8 to Rs. 16-10. Puthutotams rose by an anna to Rs. 3-4. Mysore Coffees were better by half an anna at As. 13-6. Rajendras and Sevamalais were fully steady at Rs. 8 and Rs. 23-4 *cum-div.*, respectively.

The values of sugar scrips forged ahead under the support of investment buying. K.C.P. Deferreds Rs. 5 to Rs. 65. India Sugar Rs. 5 Paid-ups moved up by Rs. 3-8 to Rs. 16 and Rs. 10 Paid-ups hardened by As. 8 to Rs. 26-8 *cum-div.* Travancore Sugars gathered As. 2 to Rs. 4-8. Mysore Sugars, however, proved an exception and were neglected at Rs. 44-10, as against Rs. 44-12.

In the miscellaneous section, cement shares tended to look up. Dalmia Cement Fully-paids firmed up by Re. 1-10 to Rs. 9-4, Deferreds by Re. 1 to Re. 1-8 and Rs. 2-8 Paid-ups by As. 5 to Rs. 2. India Cements were transacted As. 2 higher at Rs. 18. Andhra Cement Bs put on an anna to Rs. 11-1, while As were maintained at Rs. 111. Bangalore Transports were sought at Rs. 12-2, as against Rs. 11-8. Spencers and Stanes Motors were raised by As. 4 each to Rs. 16-8 and Rs. 12-4, respectively. Binnys were done at Rs. 120 *ex-div.*, as against Rs. 124 *cum-div.* Indian Aluminiums, on the other hand, were subjected to selling pressure and receded by Rs. 7 to Rs. 125. Rallis also fell by As. 8 to Rs. 57 and Bruntons by As. 6 to Rs. 3-6. Mysore Chemicals and Mettur Chemicals were lower at Rs. 9-10 and Rs. 6-3-6, as against Rs. 9-12 and Rs. 6-3, respectively.

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NEWS IN BRIEF

THE quantity of smuggled silver seized in 1953 was nearly 163,450 tolas, as against 297,950 tolas in 1952.

The Government of Hyderabad will increase, with effect from 1st April next, the cess on sugarcane crushed by sugar mills to Rs. 4 per ton, as against the present levy of Rs. 2 per ton.

The Government of India has sanctioned a sum of Rs. 5 lakhs out of the Cotton Textiles Fund for the promotion of textile exports, subject to the Export Promotion Council being registered as a society.

An operational agreement providing for U.S. economic aid to the project for training Indian personnel in the operation and maintenance of heavy earthmoving and other construction equipment used in the multipurpose river valley schemes in India was signed between the Governments of India and the U.S. in New Delhi on the 20th inst.

The Government of India has under consideration proposal to undertake manufacture of engines and boilers for ships in the Hindustan Shipyard, Visakhapatnam. The proposal is to be discussed at an inter-Ministerial meeting to be convened by the Planning Commission. A note on the subject has already been circulated to the Ministries concerned.

The earths obtained at Srirangpur and Gingurti in the Deccan have been tested at the Central Laboratories for Scientific and Industrial Research, Hyderabad. The tests have revealed that the earths can be activated and used for refining vegetable oils. Active earths, generally known as Fuller's earth, are now entirely imported from outside at a cost of Rs. 800 to Rs. 1,000 per ton.

The Mysore Government has decided to request the Union Government to treat its holdings in the share capitals of the Hindustan Aircraft Factory and the Indian Telephone Industries as preferential shares carrying dividend at 5 per cent. payable annually. The State Government's share capital in the Aircraft Factory and the Telephone Industries is Rs. 30,08,300 and Rs. 31,25,000, respectively.

The Government of India has announced that the Tea Act, 1953, will come into force from 1st April, 1954. The Tea Board consisting of 35 members, set up under the Act, will function from the same date. The first meeting of the Board will be held in Calcutta on 3rd April, 1954, when the Vice-Chairman of the Board, and the members of the Executive Committee and Licensing Committees for North and South India will be elected.

The Government of India has authorised the district organisers, as well as lady organisers, in the National Savings Organisation to receive from investors, with effect from 1st April, 1954, money for the purchase of Post Office National Savings Certificates and Ten-year Treasury Savings Deposit Certificates. This facility will enable the organisers to canvass business for small savings on the lines of the authorised agents of the National Savings Commissioner.

The Travancore-Cochin Budget for 1954-55, presented to the State Assembly, on the 23rd inst., by Mr. Nataraja Pillai, State's Finance Minister, discloses a revenue deficit of Rs. 1.32 crores. Revenue for the year is estimated at Rs. 17.28 crores and expenditure on revenue account at Rs. 18.60 crores. While the revenue records an increase of Rs. 24.65 lakhs over the revised estimate for the current year, revenue expenditure exceeds the revised estimates by Rs. 2.45 crores. There are no new taxation proposals.

At a Conference of the Chief Minister, the Industries Minister and officials of the Madhya Pradesh Government, with Mr. F. C. Bhadwar, Chairman of the Railway Board, mining experts and geologists of the Government of India, held at Nagpur recently, it was decided that Bilhai was the ideal site for the next steel plant. The Government of India experts were satisfied that no further survey of the area was necessary. The experts had earlier studied the raw material position and other relevant factors, including water supply. They will shortly submit their report to the Government of India.

The Standard-Vacuum Oil Company, Ltd., is expanding its training programme by arranging for visits of specialists from overseas to conduct training courses in India on various phases of the oil industry. These courses supplement the training programme under which promising Indian executives are sent overseas for advanced training. In recent years, 25 Indians have been sent to the United States for this purpose. Mr. Geoffrey C. Hazard, the Company's Chief Technical Adviser on Lubrication, has already arrived in India to give advanced training to technical engineers and salesmen.

A Bill seeking to amend the Bombay Drugs (Control) Act, 1952, has been published in the Bombay Government *Gazette* dated the 19th inst. The object of the Bill is to regulate the sale, possession and use of such preparations as tinctures and spirits. Accordingly, there will be only two categories of persons selling drugs, namely, wholesalers and retailers. Medical practitioners will have to purchase their requirements of drugs from wholesalers or retailers. Similarly, retailers will have to purchase their requirements of drugs from wholesalers only. It is also proposed to permit the sale of drugs under licence only and to fix maximum limits for possession and sale of drugs by wholesalers and retailers.

The Governments of India and Rumania have signed a trade agreement which provides full scope for strengthening trade relations between the two countries on the principal of equality and mutual advantage. The agreement, which came into operation on the 23rd inst., will be valid till the last day of this year. If, however, neither party expresses its intention to terminate the agreement, it will remain in force for another year. Among the goods that are available for export from India to Rumania are jute manufactures, tea, coffee, spices, wool, hides and skins, textiles, handicrafts, and Indian films (exposed). Among the goods available for import from Rumania are foodgrains (wheat and rye), petroleum products, timber, chemicals, dyestuffs, paper, Rumanian films (exposed), industrial plants and equipment, etc.

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From Abroad

Vast resources of gold are reported to have been located along the valley of the Koryma River in East Siberia, Russia.

The U.S. has agreed to buy 18,000 to 20,000 tons of Indonesian rubber within the next twelve months. The price of this rubber will be based on New York market averages.

The number of persons unemployed in the U.S. was 3.67 million in February, 1954, as against 1.79 million in the corresponding month last year and 4.68 million in February, 1950.

The Netherlands Bank has issued a new foreign exchange measure, under which non-residents of both foreign and Dutch nationality in the Netherlands will be accorded the same treatment.

The Netherlands leads all other European countries in attracting U.S. investments. Since the end of the Second World War, about $40 million of U.S. capital have been invested in this country.

Following continued drift in finances, the Government of Japan is planning to curtail imports from the open account currency area. The trade in this area is said to absorb more dollar credits than does direct settlement in the dollar account area.

A 50-million Swiss franc World Bank loan, which opened for public subscription in Switzerland on the 23rd inst., will close on the 29th inst. The loan is issued at par. It is redeemable after 18 years and carries interest at 3½ per cent. per annum.

The four large basins discovered in the Kalewa coalfields of Burma are said to contain rich deposits of coal sufficient to meet the Country's need for several years. In addition to these, several other basins have also been discovered and samples of the coal have been sent to Germany for test.

Among the large overseas insurance contracts arranged recently by British insurance companies is the new $16 million Granville Bridge in Vancouver. Equipment on the Sir Adam Beck Niagara Generating Station (No. 2 Project) has also been insured with British offices. Total cost of the scheme is nearly £80 million, but a considerable part of this is in respect of tunnelling and open cuts. In South Africa, British insurance offices have covered the plant and contract for a £2 million project on the Wemmershoek Dam Scheme. The contract forms the first stage of an overall £6 million scheme to supply Cape Town with water.

An air survey of over 1,000 square miles of territory in Ceylon has just been started by a London firm under the Technical Co-operation Scheme of the Colombo Plan. Under the Scheme, Ceylon is also to receive the assistance of a British expert in its grow-more-food drive. The aerial survey covers territory containing Ceylon's most valuable timber resources, agricultural lands for which flood-control projects are planned, and tea estates. In response to a Ceylonese Government request for an expert in tractor operation, servicing and maintenance, the British Government is making available the services of Mr. John Dickins.

Imperial Chemical Industries has plans for large-scale production of a range of rubber-like polymers based on butadiene. Using butadiene produced in I.C.I.'s oil cracker at Wilton, it is intended to manufacture copolymers with the help of a variety of second components, including acrylonitrile and styrene. These copolymers will cover a range from oil-resisting substances of the Perbunan type to hard, reinforcing resins. The resins, it is said, will be particularly useful for use in shoe-soling compositions, besides being used in the form of latices for the production of emulsion paints. Pilot-plant quantities of the new plastics are expected to be available later this year. The full-scale plant of 10,000 ton capacity per year that is proposed to be set up at Wilton will commence operation only after 1956.

PERSONAL

MR. Ivor Bull, a leading coffee planter, Coorg, and Managing Director of the Consolidated Coffee Estates (1943) Ltd., sailed for the U.K. this week on retirement from India.

Mr. H. A. Twist, O.B.E., has been appointed Deputy High Commissioner for the U.K. in Bombay, in succession to Mr. G. Kimber.

Mr. K. C. Basak, I.C.S., has been appointed Chairman of the Tea Board set up under the Tea Act, 1953, which will come into force from 1st April, 1954

Mr. G. J. Gardner has been re-elected Chairman of the Indian Jute Mills' Association for the year 1954. Mr. J. G. Walton and Mr. D. P. Goenka have been elected Deputy Chairman and Vice-Chairman, respectively, of the Association.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., Bombay, has been elected President of the Indian Institute of Science, Bangalore, for the unexpired period of the quinquennium 1951-55, following the resignation of Dr. John Matthai.

Mr. P. M. Lad, I.C.S., Secretary, Legal Department, Government of Bombay, has been appointed Secretary, Central Ministry of Information and Broadcasting, *vice* Mr. P. C. Chaudhri who has taken over charge as Secretary to the States Reorganisation Commission.

Mr. F. H. Hayne, of the Midland Bank, will be arriving in India shortly to take over charge as the Principal of the College for training supervisory staff for commercial banks which the Reserve Bank has established in Bombay. The services of Mr. Hayne are being provided by the British Government under the Technical Co-operative Scheme of the Colombo Plan.

Mr. R. R. Saxena, High Commissioner for India in Canada, will be the leader of the Indian delegation to the seventeenth session of the U.N. Economic and Social Council which is due to commence at New York on the 30th inst. The other members of the delegation are Mr. S. N. Mishra, M.P., Mr. G. R. Kamat, I.C.S., Minister-Counsellor, Indian Embassy in the U.S., Mr. A. S. Lall, I.C.S., Consul-General for India at New York, and Mr. P. Narayan Prasad, Executive Director for India on the I.M.F.

Dr. Malcolm Eugene Campbell, Dean of the Textile School, North Carolina State College, Dr. Burt Johnson, Cotton Technologist of the National Cotton Council of America, and Dr. Thomas E. Kerr, Col. William Martin and Mr. R. J. Cheatham of the U.S. Department of Agriculture, arrived in Bombay on Sunday last. The visit to these cotton technologists, which has been sponsored by the National Cotton Council of America and the U.S. Department of Agriculture, is designed to bring about an exchange of ideas on the latest cotton growing and processing techniques in the U.S. with Indian textile experts. Besides holding discussions and exchanging views with prominent private industrialists and Central and State textile officials, the technologists will also visit some of the textile mills in the country.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 30*th March*

The Wagon Pool

One of the multitude of ills with which the "sick trade of India" is afflicted is the periodical paucity of wagons for the transport of the "black diamond." The shortage became so acute early this year that a great hue and cry was raised by the coal industry and the Government of India issued a *communique* on the 8th inst. The trouble, we were told, was due to the abnormal imports of wheat, rise and sugar into Calcutta for destinations in the United Provinces during the early months of the year, which resulted in great congestion of traffic on the East Indian Railway. But the position has since sensibly improved and the Government of India has, with the laudable object of allaying public anxiety, issued another *communique*. We are now told that the stocks of wheat, rice and sugar at the docks have been substantially reduced and as the prices of foodstuffs in the United Provinces have fallen, either owing to heavy importations or the improved prospects of the *rabi* harvest, there is no longer the same pressure and rush for imports upcountry and the demand for wagons at the docks has consequently fallen off. The number loaded there daily is only about one half the number loaded at the time when the pressure was most severe. Fewer train-loads of foodstuffs have now to be moved upwards over the congested sections of the Chord and Grand Chord lines between Asansol and Moghal Sarai and the upward movement of coal traffic has not been impeded to the same extent as formerly. From March 8 to March 17 the average daily loadings of coal on the East Indian and Bengal-Nagpur Railways amounted to 3,233 wagons, against 3,123 wagons during the first seven days of the month and 63,065 during the whole month of March, 1928.



TOURIST TRAFFIC

THE need for the development of travel agency business along "sound and healthy" lines was stressed by Mr. N. M. Ayyar, Secretary to the Ministry of Transport, Government of India, in the course of his inaugural address to the Convention of the All-India Travel Agents Association, held last week at New Delhi. He pointed out how, in certain countries, the Governments sought to achieve this development by exercising rigid control over such business, first, by limiting the number of travel agencies so as to avoid the growth of uneconomic competition from mushroom organisations and, secondly, by enforcing rigid standards for the grant of recognition, including the deposit of adequate securities for the due discharge of responsibilities. He pertinently held that, if the need for control were to be obviated, it was essential that the industry should itself endeavour to develop healthy conventions and take all possible steps to see that the interests of tourists were looked after properly. Assuring the travel agents fullest co-operation by the Government of India, he said: "The tourist industry can only be built up by the joint efforts of official and non-official agencies and I am sure that the Government can count on your fullest co-operation in building up such an industry in this country."

The importance of the development of tourist agency in India needs no special emphasis. In the first place, it has immense economic advantages, in that it increases invisible income. Secondly, the encouragement of visitors to India will lead to better understanding of its people, its history and culture. It must, however, be remembered that a travel agent's work has, as pointed out by Mr. Ayyar, assumed a "creative aspect" and the "modern travel agent," as aptly held by him, "has to be an expert." It is to be hoped that the travel agents in India will devote some attention to Mr. Ayyar's suggestion that they should consider the question relating to technical training of personnel who will man this growing industry.

DEFENCE ACCOUNTS

Since Defence absorbs as much as 44 per cent. of the total Central revenue expenditure, it is clear that the accounts relating to this Department should be properly maintained. The mere fact that large amounts are being spent on Defence is no guarantee that security arrangements are perfect, if there is wastage of funds through misdirection of effort and gross negligence. From this point of view, it is deplorable that in 1951-52, the latest year for which Audit Report is available, the Department had to write off losses amounting to Rs. 3.19 crores. In the previous year, too, such losses amounted to Rs. 3.33 crores. In 1951-52, as in the previous year, cash losses formed only a minor part of these losses but the loss resulting from theft, fraud, neglect and other causes aggregated Rs. 3.01 crores. The main causes for these losses are easily enumerated. They are improper accounting and stock-checking procedure, neglect of stores, failure to follow strict tender procedure and absence of that elusive quality, "commercial" sense. If goods had been properly checked, the losses might have been averted in good time. That military stores suffered heavy damage due to grievous neglect is evident from the fact that fire destroyed Rs. 36 lakhs worth of stores and the loss through deterioration and defective storage amounted to Rs. 28 lakhs. Even now, engineering stores, at one centre, valued at several crores of rupees, are "stacked in the open exposed to sun and rain." It is a pity that the authorities should have flouted tender rules in certain cases. In the purchase of tinned milk and milk products, for instance, a firm which had quoted a lower tender was rejected on the ground that it was a small and unreliable firm, although the same firm had been favoured in the previous year as a large and reliable firm!

Two instances, out of many more that might be quoted, will show how absence of commercial sense lands the Government in serious losses. One relates to the Hindustan Aircraft Ltd. which suffered losses to the tune of several lakhs of rupees, because its bills for repairs of aircraft sent to certain airways companies were dishonoured on technical grounds. In each of these cases, the Hindustan Aircraft was compelled to take less than what was due to it. The other relates to a highly diverting incident about purchase of mules. It occurred to someone in the Defence Department that mules were wanted by the Indian Army and that they were available in Iraq. Negotiations were expeditiously completed with an unreliable contractor in Iraq, shipping space reserved for carrying mules from that country to India, and a veterinary doctor despatched to Iraq to examine the animals for their fitness. When the doctor arrived in Iraq, he found no mules whatever and, on enquiry, he found that there was no mule-breeding industry worth the name. This mulish adventure—or misadventure—cost the Government a few thousands of rupees, for it was compelled to pay compensation to the shipping company which had reserved its shipping space for these worthy animals. Nor could action be taken against the defaulting contractor, because legal opinion warned the Government that the contract deed was too faulty to permit the Government to proceed against the contractor.

The point is whether anything is being done to prevent these losses in the future. The Audit Report says: "From an analysis of the financial irregularities brought to light in audit during the year, however, it is observed that, in a number of cases, the irregularities could be attributed to a lack of knowledge of rules and orders and of accounting procedure on the part of individual military officers." It is necessary that military officer's training should include knowledge of at least elementary rules of financial procedure. At the same time, it seems necessary to utter a warning. It would be wrong to saddle a military officer with too high a responsibility for financial procedure. This is best looked after by a different set of civilian officers whose guidance the military officers should be compelled to take in purely financial matters.

KOLAR GOLD MINES

Last week, we referred editorially to the charges that were made by members of the Mysore State Assembly and the Chief Minister of the State, Mr. K. Hanumanthiah, against the Kolar Gold Mining Companies, and held that the threat of nationalisation, which the Chief Minister held out, was greatly to be deplored. The companies have lost no time in rebutting the charges. And the statement which the Management has issued, makes convincing reading. The main charges that were made either explicitly or by implication were: (1) The 1949 Agreement, concluded between the companies and the Government, was not being implemented by the companies in a satisfactory manner. The Government Director, appointed in pursuance of the Agreement, was denied opportunities to acquaint himself with the companies' finances. (2) No satisfactory progress had been made in the Indianisation of the staff, (3) Expenditure had been inflated, so that the companies' contribution to the Government was a mere fraction of what the Government used to get under the Gold Duty Act which was replaced by the 1949 Agreement.

In its statement, the Management has rebutted all these charges. Thus, the Management states that the Chairman of the companies has "always scrupulously insisted" that every member of the Board, especially the Government Director, is provided with all information relating to the companies' business. It would appear that the present Government Director on the Board has himself "been good enough to confirm that he had been given all the information and papers he had asked for." Referring to the charge of inadequate progress in the Indianisation of the staff, the Management points out that the number of Indian covenanted officers has risen from 9 in 1940 to 134 today. These figures, which speak for themselves, bear out the Management's claim that the progress in Indianisation "has been and will be rapidly accelerated." Considering that gold mining is a highly technical industry, the fact that Indianisation has been as rapid as these figures suggest is a tribute at once to the fairmindedness of the Management and to the intellectual calibre of the Indian staff. The Management has further promised that progress in this sphere will be even more rapid "as more and more non-Indians in the existing staff retire on the Pension Scheme sanctioned in 1951."

From the figures of production costs, released by the Management, it is clear that the charge of inflating expenditure is unfounded. The working costs, it is stated, have been reduced from Rs. 73 per ton of ore treated in 1949 to Rs. 67 in 1952. This reduction is the more remarkable, because it has been achieved in the face of a 40 per cent. increase in wages and of over 25 per cent. increase in the cost of explosives and other materials. Production has at the same time been stepped up from 161,000 ounces of gold in 1949 to 243,600 ounces in 1952. If the companies' contribution to the Government has fallen despite all this, it is because the rising cost of labour and materials has coincided with the fall in gold prices. Illustrating the extent of the fall in these prices, the Management states that the price of gold fell from Rs. 306 per ounce in 1949 to Rs. 228 per ounce in 1953. The fall in the companies' contribution to the Government cannot certainly be traced to imperfect implementation of the Agreement. The Management claims, in this connection, that it has "conscientiously implemented every one of its terms both in letter and spirit."

It is, therefore, clear that it is wrong for the Government to harp upon the decline in its revenues. If the Gold Duty Act had been continued, neither the Government would have received revenue nor the mines would have been worked. It would have rendered gold mining an uneconomic proposition. The Agreement, which replaced the Act, has at least kept the mines working, providing employment to thousands of workers. Given sufficient encouragement, the Management could be relied upon to continue and even extend its operations. It would appear from the Management's statement that a new reef has been discovered in the Nundydrug mine, which is capable of being developed into a "large new mine." Here is a golden opportunity for the State Government to stimulate gold mining operations through grant of sufficient incentives to the Management in order to induce the latter to go ahead with its schemes. Threats of nationalisation of the industry are hardly likely to promote the cause of gold mining in the State.

IMPLEMENTATION OF PLANTATION LABOUR ACT

In pursuance of the decisions reached at the meeting of the Industrial Committee on Plantations on 31st January last, the Government of India has now announced that the Plantation Labour Act, 1951, will be implemented with effect from 1st April, 1954. Although the Government notification does not say so, the provisions of the Act, in so far as they apply to welfare, will not be implemented now, but only at a later stage after the draft rules are finalised by the Government in consultation with the industry.

Among the provisions that will immediately come into operation are those under Chapters V and VI which refer to hours of work, weekly holidays, prohibition of employment of young children, annual leave with wages, sickness and maternity benefits, and the provision of drinking water (section 8). Section 19 of the Act prohibits any adult worker from being allowed to work in excess of 54 hours a week. No exemption can be permitted under this section except when a State Government wishes to do so and, even here, the previous approval of the Central Government is necessary. Section 20 of the Act dealing with weekly holidays permits a worker to work on any day of rest which is not a closed holiday, provided that, by so doing, he does not work for more than 10 days consecutively without a holiday intervening. Under section 24, no child, who is below the age of 12, shall be allowed to work in any plantation.

The provisions regarding annual leave with wages are contained in section 30. Every adult worker should be granted one day's leave with pay for every 20 days worked, and every young person, below the age of 18, should be granted one day's leave with pay for every 15 days worked by him. From the point of view of the plantation employer, this may be considered the most important provision of the Act that is made applicable from 1st April. Under section 32, every worker is entitled to sickness benefit, and it is proposed under the draft rules prepared by Government that this shall be at the rate of two-thirds of the daily wage, including dearness allowance. Women workers are to be granted maternity benefit and the draft rules propose a rate of Rs. 5-4 per week for a total period of 12 weeks.

So far as the provision of drinking water is concerned, it is understood that the rules in this regard have not been finalised. Meanwhile, it is proposed that every worker should be supplied with good drinking water in a bottle of 2 pints capacity before he proceeds on his work.

SOIL CONSERVATION

Dr. Punjabrao Deshmukh deplored, in his presidential address to the Central Soil Conservation Board, held on 18th March at New Delhi, that steps towards conservation of soil fertility in India had not made much headway. This, he pointed out, was due to the inordinate delay in constituting the Board. He, however, hoped that there would be no more delay in tackling the problem which was holding up agricultural progress. Soil conservation in its widest sense includes not only control over erosion but also those measures like correction of soil defects, application of manures and fertilisers, crop rotations, irrigation, drainage, etc., which aim at maintaining the productivity of the soil at a high level. In this sense, soil conservation is closely allied to improvement of land use in general.

A significant feature of Mr. Deshmukh's address was his statement that the so-called advance of the Rajasthan desert seemed to be "an exaggerated fear, generated by vague and sometimes unfounded assertions." Disclosing that he had not been able to get any evidence from Rajasthan persons to indicate that the desert was encroaching upon good land, he said:

"In fact, after having been to Rajasthan, we have often been confronted with the question as to where the desert was, because, in the heart of the desert, like Jaisalmer, there are good crops growing and some trees flourishing and also grass striving to grow. It is more the result of overgrazing and lack of attention to what can naturally grow than a matter of the desert walking deliberately with a sort of a slogan *'Chalao Delhi.'*"

He, of course, admitted that his description might not be altogether correct but stated that, if calculations were to be based on sound foundations, steps should be taken to ascertain the facts. This did not mean, he said, that the Government was less anxious to control soil erosion and to seek ways and means of expediting every manner of soil utilisation. While Dr. Deshmukh's anxiety to place the Rajasthan desert problem in its proper perspective is understandable, it is to be hoped that his aforesaid statement will not lead to any complacency among those officials who are charged with the responsibility of arresting the spread of the desert in Rajasthan.

NEW RAILWAY TECHNICAL TRAINING SCHOOL

The technical training school at Perambur, which is an adjunct to the coach building factory at this centre, is designed to impart theoretical and practical training in several aspects of coach building. The establishment of this school, which was formally inaugurated by Mr. O. V. Alagesan, Deputy Minister for Railways and Transport, last week, is a step in the right direction. The Perambur Coach Factory itself is expected to go into production only in 1955. But the school, now set up, will provide a considerable number of technically trained workers and supervisory staff needed by the factory initially. Although designed to accommodate 300 trainees at a time, it is expected to train 600 men annually during the initial four years. It will thereafter switch over to a regular scheme of training 150 students annually, the course extending over a 3½-year period, and give intensive training for these men. Established at a cost of about Rs. 35 lakhs, the school has its own satellite workshops where modern technique is employed at all stages.

The establishment of the School is in line with the general policy of the railways to depend on their own training schools for recruiting and training of the staff required by railway workshops. Almost all the existing workshops have their training institutions for both workmen and supervisors. So far as the Perambur school is concerned, the authorities have taken advantage of the Industrial Training Scheme initiated by the Central Government. Boys who have put in 12 months of practical training under the scheme will undergo a course of training in the school where they will be taught the specialised trades required for the manufacture of the integral coaches.

Mr. Alagesan rightly stressed, in his speech, the need for efficient work. The school, he insisted, was being set up for training men to do such work. The school will thus be a valuable aid to the factory. The message, which Mr. C. Rajagopalachari, Chief Minister, Madras State, sent for the occasion, is worth quoting. He said: "The factory without a school attached to it is useful but barren. With a school attached, the factory becomes a living and procreative organism like every fruit of nature that carries a seed with it for multiplication."

OFF THE RECORD

(By "ROVER")

I THANK Heaven for lifting, in some small measure, the smog off the cotton textile industry. I also welcome the Textile Centenary Celebrations for providing a very fitting occasion for this partial clearing of the air and for the authorities to define their approach to some of the most important problems making the running of the cotton mills a severe headache and the future of the industry an irritating uncertainty. Perhaps, this state of affairs would now continue for ever. This industry, or, for the matter of that any other major industry in the private sector, is bound to have to work under a condition of friction and misunderstanding with the powers-that-be in the future, till each one of them is nationalised or the Government makes a completely sorry mess of its ventures in the industrial field and brings the country's economy to the brink of ruin, by its rigid and unimaginative direction of the private sector, and is so led to abandon its present policy of driving the car from the back seat as some domineering women and nervous men are known to do.

The worst feature of the so-called mixed economy, which, private enterprise, after some futile kicking against it, has now reconciled itself with, is that nobody is ever certain about the proportion of the ingredients going in to make up the mixture. Often the element of control and direction is unilaterally and unexpectedly increased not as prescribed in some generally accepted economic formula, but according to political tempers and exigencies. It is amazing how a Government, which swears by planning, works in a singularly unplanned and temperamental manner, forgetting that only fools will build solid, heavy and tall structures in an area known to be rocked at intervals by earthquake. In some measure, the change in the attitude of certain shrewd promoters of industry from that of leisurely but sound building up of industrial edifices, secure in the knowledge of reaping more fruits with the passing of time, to one of jerry-building and extracting what one can in a hurry and leaving the wreck on the dunghill, has been due to the failure on the part of the Government to know its own mind or to have a preplanned extension or relaxation of controls.

For some time now, the general tendency has been to go easy on controls both in commerce and industry. So far as the textile industry is concerned, practically all controls have been relaxed except with regard to those on production. Even in the case of these, the official policy has been to make liberal exception in individual cases. Mr. T. T. Krishnamachari's emphatic announcement about the possibility of increase in official control and direction in the private sector, while addressing the Punjab-Delhi Chamber of Commerce, and his confirmation of this in Bombay last week while inaugurating these celebrations, must have caused quite a little flutter in industrial circles in the country. There is, however, some solace in the fact that the millowners have been forewarned and they know what the Government's policy is going to be like in this respect. The Industries Minister, however, appeared to be a little confused about the nature of control he wanted to exercise. It is one thing to want to retain power to set right the evils of bad management and quite another to exercise this power for giving a shape to the normal running of industry in the matter of prices, raw materials, production, distribution, expansion, etc. I for one would be the last to want to quarrel with him for pulling up or penalising anti-social industrialists. But I am not so sure if I would welcome officials to strangle management, just when it is awakening to and displaying a new sense of responsibility both to the workers and to the community at large.

It is all very well for Ministers to talk of holding the reins in their hands, as Mr. Krishnamachari did at Bombay. But there are riders and riders and in my time, I have known some inept and easily panicked riders, who were unfit to have anything but a hard-mouthed mule as a mount. Many a sensitive and high-spirited horse has been driven crazy and vicious and ruined for life by bad, cruel and clumsy handling. Who would say with any certainty that, in the past, the reins were not pulled too tight by the officials or Ministers who had somehow managed to get on a horse's back, when it would have been the path of wisdom to give the horse his head. Just as there are good mounts and bad, there are good horsemen and those who deserve nothing better than Shank's mare and, till horsemanship has become a usual accomplishment amongst politicians, one would always be nervous about entrusting a good animal to an indifferent rider, just as much out of consideration for the rider, as for the poor beast and the traffic on the roads. But now that the Government seems determined to ride, all I would suggest is that it is a part of a good rider's training to trust, when beset with uncertainty or hesitancy, to the steed's uncanny sense of direction and danger.

Apart from this unfortunate tendency to make a display of the powers and the authority of the Government, when there is no inclination on the other side to challenge or question it, I welcome Mr. Krishnamachari's candid address at the All-India Textile Conference. Frankness is a desirable quality amongst statesmen in these days, when public speaking has become not an instrument of revealing thoughts but of hiding them in an adroit and evasive manner. Suavity may be a virtue amongst diplomats, but there are occasions when plain speaking helps to clear the atmosphere and to prepare the ground for useful activity. In addition to his usual refreshing frankness, Mr. Krishnamachari, on this occasion, was moved by a sincere desire to transcend the many conflicts which have emerged in this industry during the last two or three years, largely as a result of certain arbitrary official policies. While one may not agree with a good deal of what the Industries Minister said on this occasion, one cannot but help appreciating his effort, first, to explain the Government's reasons for some of these policies, and next, to seek, if possible, a higher synthesis with the help and co-operation of those engaged in these conflicts. In vivid contrast to the form of his address, the spirit underlying it was surprisingly conciliatory and I have little doubt in my mind that the Minister's appeal "to think kindly of handlooms and *khadi*" so that the conflict could be removed will not go in vain.

To my mind the real conflict between the two wings of the textile industry lies in the basic attitude of the Congress Party to the large mechanised industries and their counterpart in the shape of small cottage industries, such as handlooms. It is difficult, almost impossible, to resolve this conflict, so long as the oft-vaunted ideological preference based on the size of the units operates. This would mean that the former were doomed and would be hounded out of existence as the latter grew in strength and that, during the interval, they would be tolerated in an increasingly circumscribed form, but made, at the same time, to sacrifice their substance for building up what is ultimately designed to replace them. What Mr. Krishnamachari revealed was something altogether different. The handloom industry has to be encouraged not because handloom cloth was the only right type of cloth for the country to use, but because it provided work to a large number of people. This would mean that if, as a result of industrial and agricultural expansion, it became gradually possible to find alternative work to keep these large numbers suitably and profitably engaged, the emphasis on handlooms, as such, would go. Similarly, there was clear recognition by the Minister that it was wrong to say that the mills should be closed to help the handloom industry or that the latter could ever hope to supply all the cloth required by the country. With regard to *khadi*, the Minister was even more explicit. It was intended to put a little more money into the hands of people whose income was insufficient and who had no work to last throughout the year. I take this to mean that, when agriculture is so organised, through irrigation and other means, as to keep the farmer fully engaged, at least the official preference for *khadi* will automatically disappear.

The emphasis thus shifts itself from the spiritual and political significance of the size of the industry to the purely economic issue of providing employment to a large number of people. I also take this to imply that the sacrifices demanded or the discrimination exercised against the textile mills is only a temporary phase of the country's economy, to tide it over the crisis of unemployment and not a matter of permanent basic policy. The handlooms will seek for a proper and suitable media of operation, which would be distinct from that of the mills and only till then they would require spoon-feeding and sacrifice on the part of the more firmly established section of the textile industry. It may be difficult to dissuade the present generation of fanatics in the Congress Party away from the uncompromising position they have taken about this question, but there is enough in the Government's programme of industrialisation and scientific research, to reassure hard-headed realists like the readers of *Commerce* that the aim of the Government is not to revert to the bullock-cart economy. If my reading of the implications inherent in Mr. Krishnamachari's speech be not very wide of the mark, I see that there is a good deal of force in his appeal on this important occasion.

If this more fundamental conflict in this industry could somehow be resolved, it should not be difficult to find an accepted solution for the present difference of opinion on the question of modernisation and rehabilitation of the industry. It was obvious from the speeches of both Mr. H. P. Mody and Mr. Krishnaraj M. D. Thackersey that they were greatly concerned about the likely competition abroad and the need for reducing prices even for home consumption if it was to expand. This is possible only if the mills were allowed to have the best available equipment and to avail themselves of the latest technique. The only difficulty, apart from finance, for this is the short-sighted fear on the part of workers that this step might throw some of them out of employment. Mr. Krishnamachari was, however, right in saying that "I cannot as a Minister, turn down the fears of labour as something which is meaningless." But it is equally his duty as that of the millowners to remove these fears.

In this respect, his frank admission that labour-saving devices were in the long run beneficial to workers and that they had to depend for increased employment on industrial expansion rather than on stagnation in the existing units, would gain considerable force, if he and his Government were to tell this to the leaders of the workers instead of encouraging them indirectly in their policy of obstruction. There are a number of alternative approaches besides that of increasing shifts and reducing the hours of work suggested by him. Real statesmanship lies in exploring these and deciding on one or two most likely to overcome the present deadlock, without adding so heavy a burden on the industry as would neutralise the economy in the cost of production which might be effected as a result of it. The thing to rejoice over in Mr. Krishnamachari's address is the indication that the authorities are no longer on the war path but in search of ways of peaceful progress.—*All Rights Reserved.*

MORE INDIRECT TAXATION LIKELY IN PLAN PERIOD

FINANCE MINISTER ON DEFICIT FINANCING

(From A Special Correspondent)

NEW DELHI, 23rd *March*

TWO important speeches delivered this week, one by the Minister for Commerce and Industry at the Punjab and Delhi Chambers of Commerce and the other by the Finance Minister to the Government of India on the floor of Parliament, indicate, in broad outlines, the development policies that the Government would be pursuing during the next two years of the Plan. Apparently, Mr. T. T. Krishnamachari was in his usual form when he addressed the Delhi and Punjab merchants. He spoke to them of their responsibilities in building up the industries of the country. When he hinted that during the next five years the country would witness intensive economic activity, he must have had in his mind that the proposed two Industrial Corporations would play an increasing role in establishing new industries. Perhaps he was conscious of the fact that the economic progress of India would be helped to some extent by the talk of a business recession in the U.S.A. which might make available larger quantities of plant and machinery and the necessary technical know-how at relatively competitive prices. The Minister pointed out that the Government would have to retain a certain amount of control over industries with a view to directing the industrial development of the country through proper channels. The very fact that the Government had proposed to resort to deficit financing meant, according to him, greater governmental controls and regulations in order to prevent the consequent inflation, as also to maintain a certain amount of economic stability, during the Plan period. He was also of the opinion that some import surplus was necessary with a view to mopping up excessive money supply in certain sectors of society as a result of deficit financing. Referring to the criticism that the Government had been allowing imports of manufactured goods into the country, the Commerce and Industry Minister reminded the members of the mercantile community that India was having one of the highest tariffs in the world. If certain industries were not satisfied with these, he asserted, they did not deserve to exist.

DELHI LETTER

The Minister also referred to the trend of taxation now obtaining in the country at present. He was against taxing industries heavily and against direct taxation beyond a certain limit. He showed a preference to indirect taxation and quoted the example of Soviet Russia where indirect taxation occupied a predominant share in Government's total revenue. From the trend of his observations on the subject, it is possible that the range of indirect taxation will become wider in the fiscal system of the country in the coming years. It is not also unlikely that the Taxation Enquiry Commission might show a greater bias towards indirect taxation, since it has to frame its recommendations bearing in mind the developmental economy of the country. Since the Government is now committed to ideals of a Welfare State, it must have to find out new sources of revenue with a view to financing many of its social welfare schemes, and as such, if anyone who thinks that the Taxation Enquiry Commission will recommend lower levels of taxation, he will be greatly disillusioned. Since direct taxation beyond a certain limit becomes oppressive and positively discourages risk-bearing capital, it is but natural that indirect taxation will have to play a greater role in the tax system of any modern country.

Total Resources and Expenditure

The Finance Minister's speech on the floor of Parliament was elucidative from the point of view of the extent of deficit financing that the country would have to undertake during the next two years. According to him, the total expenditure on the Plan by the Central and State Governments during the first three years was estimated at Rs. 945 crores. The internal resources raised for meeting this outlay worked out at Rs. 600 crores. External assistance taken as credit for this period amounted to Rs. 120 crores. Thus the total resources available were placed at Rs. 720 crores, as against the expenditure of Rs. 945 crores. The balance of Rs. 225 crores was met by drawing down of cash balances, by sale of securities held in reserve and by an increase in the floating debt. The Centre's expenditure over the three-year period was placed at Rs. 492 crores. The domestic budgetary resources available to the Centre in this period were Rs. 260 crores, which, with the external assistance of Rs. 120 crores, made a total of Rs. 380 crores. The balance was being met by drawing down of the cash balances.

Mr. C. D. Deshmukh further emphasised the fact that deficit financing on the scale envisaged during the coming months would not involve any risk outside the limits of prudence and quoted certain figures in support of his contention. He stated that the outlay on the Plan was now estimated at about Rs. 2,244 crores. The difference between the original Plan and the domestic resources had been estimated at Rs. 811 crores. Now this figure was likely to be Rs. 1,121 crores, that is to say, it would be larger by Rs. 310 crores. This was made up of a shortfall of Rs. 135 crores in the budget resources over the five-year period on the original plan and Rs. 175 crores which the Government had since added to the Plan. So on the one hand there would be a shortfall in resources and, on the other, to meet the unemployment situation, they had added to the size of the Plan. So far as external assistance was concerned, for the four years of the Plan, the figure was estimated at Rs. 165.5 crores. Of these, grants would be Rs. 79.9 crores and loans Rs. 85.6 crores. Taking some credit for further loans from the International Bank, as against Rs. 521 crores which was, at one time, the expected external assistance, Government would be receiving Rs. 231 crores by the end of the Plan period. According to the Finance Minister, "this leaves a difference of Rs. 290 crores. That Rs. 290 crores, added to the Rs. 310 crores (shortfall in domestic resources) is Rs. 600 crores" and "Rs. 600 crores is the measure of our increased difficulty, so to speak, in implementing this Plan." Therefore, continued Mr. Deshmukh, as a result of the above, whereas under the original Plan the Government had to undertake deficit financing to the extent of Rs. 290 crores, at present, it had to resort to deficit financing to the extent of Rs. 890 crores for the whole of the Plan period. In this connection, he observed: "Already for the first four years we have—or we shall have—incurred a deficit of Rs. 495.5 crores. And that means that for 1955-56, other things remaining equal, we shall have to have deficit finance of the order of Rs. 395 crores. That is a tremendous task. It means that you will have to create money almost to the extent of the size of our revenue budget."

No Cause for Anxiety

From the array of figures mentioned above, it may be feared that deficit financing to the level of Rs. 890 crores might create considerable inflationary pressures in different sectors of the Indian economy, despite the robust optimism displayed by the Finance Minister. A little reflection will, doubtless, dispense with the above apprehensions for more reasons than one. First, during the first three years of the Plan period, the economy of the country has shown considerable stability. In fact, the inflationary pressure has not only been curtailed, but there has actually been a sizable disinflation during this period. The Finance Minister stated, in this connection, that the supply of money with the public had recorded a notable recession, Government securities with the Reserve Bank have come down by Rs. 94 crores during the first three years of the Plan period. He argued that the sales of Government securities (Central and State Governments) exercised some disinflationary effect. On a previous occasion, he told the Members of Parliament that there would be a shortfall in the expenditure of the Plan by about 10 to 15 per cent. In other words, it is not likely that Government will be able to spend Rs. 2,244 crores to the full. In case the targets under the Plan fell short by about the above percentage, the total expenditure will decline by about Rs. 300 crores. Until now the absorbable capacity of the Plan has fallen far short of the allocated expenditure, and it is doubtful whether the Government will be able to spend Rs. 1,350 crores during the remaining two years. The inflationary pressure on the economy of the country will become less to the extent this expenditure on the Plan falls short of the original allocations. If the Government's total expenditure comes down by about Rs. 300 crores, the extent of deficit financing will be only Rs. 590 crores and not Rs. 890 crores, as stated by the Finance Minister. There is another factor that should be borne in mind in considering the effects of deficit financing on the economy of the country. In a country like India where nearly 80 per cent. live in villages and where food and clothing constitute the main determining factors, it is the food position that will be the most influencing thing in checking up the inflationary pressure. Now that food prices in rural areas are appreciably lower than those a year ago, it is held here that the country can withstand large dose of deficit financing now envisaged.

MORE REHABILITATION LOANS

During 1953-54, the Rehabilitation Finance Administration Act was amended with a view to increasing the ceiling limit of loans to be given by the Administration. As against Rs. 10 crores previously made available to the Administration, the ceiling has now been raised to Rs. 14.5 crores. Of this amount, Rs. 12.5 crores are to be disbursed as direct loan, while Rs. 2 crores have been provided for disbursement through banks with the stipulation that this amount will also be made available for direct disbursement, in case the facilities of assistance through banks are not utilised. The period of repayment of loans by the borrowers has been extended from ten years to 15 years. The Government has also recently reduced the rate of interest on these loans.

STERLING MOVES FORWARD

TRADING IN GOLD ALLOWED

(From Our Own Correspondent)

LONDON, 20th *March*

THE Chancellor of the Exchequer, addressing a Party meeting towards the end of this week, drew attention to the continued strength of sterling and the increase in gold and dollar reserves at a time when the U.S.A. was going through a slight recession. He has not only got the evidence of the gold and dollar reserves but the general evidence of the foreign exchange markets that the demand for sterling probably exceeds the supply and that the various kinds of transferable account sterling are sought after and no longer bear the name of "cheap sterling" to be used for unauthorised exchange transactions.

LONDON LETTER

The Chancellor's decision to restore the free London bullion market is designed to improve still further the international standing of sterling. The free gold market will replace the official Bank of England price and the six London bullion dealers will, as before the war, meet daily to determine, in the light of offers and demand, what the price shall be. But though the bullion market will be able to buy from all comers, it will only sell its gold freely against dollars including sterling held in dollar accounts and "registered sterling"—sterling which has itself been acquired against dollars or (outside the sterling and dollar areas) gold. Within the sterling area, it will still be necessary to have a licence from the Bank of England to purchase for trade and manufacturing purposes. To go further than this would be to move towards convertibility. But even though the range of buyers must remain limited, to allow the London brokers their full freedom to deal with such as may buy and sell will be to restore a free market in gold as fully as practicable. In other words, the people who cannot buy gold in the London bullion market would not be able to buy that gold anywhere in a normal transaction.

As regards prices, the very nature of the transactions will mean that they are likely to be quoted at international levels, the American price of $35 per ounce, less allowance for transport and insurance, making the market floor.

Another welcome indicator of the present strength of sterling is seen in the decision to remove a great number of restrictions on transferable sterling as between one holder and another. The removal of these restrictions will make all transferable sterling one and the same thing and no longer distinguished by the country in which it is held, and the world so far as sterling is concerned will then be divided into three parts: the sterling area; the dollar area in which sterling may be held on dollar accounts or as registered sterling (incidentally, this area is now confined to North America down to the northern half of South America); and the non-dollar non-sterling area or the transferable sterling area.

All transferable sterling will now be freely exchangeable between holders of such sterling and with sterling in the sterling area. It will not, of course, become exchangeable with dollar area sterling, because to do this would be to make sterling convertible. Capital transactions will be as free as current business transactions.

The sweeping away of the controls on transferable account sterling involved two concessions; first, that the rate of exchange of such sterling becomes free (a measure of the Treasury's confidence that freeing the rate will not mean official quotations of "cheap sterling"); and, secondly, a removal of the obligation on the countries concerned to accept transferable account sterling from other countries. This step is encouraging, in the sense that, even though convertibility may be as far away as ever, it means that sterling held outside the sterling area can now stand on its own feet. As far as the British exporter is concerned, it will simplify his life, as all transferable account sterling is as good as any other.—*All Rights Reserved.*

AMERICAN LETTER

BUSINESS TREND IN U.S. UPWARDS

UNEMPLOYED CAN STILL FIND JOBS

(From Our Own Correspondent)

NEW YORK, 18th *March*

THE odds are growing that the business trend in the United States will be up rather than down in a few months hence. One of the indices which says so is the stock market which has been firm for some time. What is happening, of course, is that funds are pouring into the investment markets at the rate of $5 million a week, or about $2,000 million a year from statutory pension funds alone. In other words, whatever bearish influences may prevail among small investors, they are being swamped by the wholesale pressure for investment. It has been a strange sort of recession, so far—very well advertised, too. In addition to the stock market upward trend, wage rates too are up, not down. Prices are stable, not declining. Business failures are few.

Banks are not calling loans, and mortgage foreclosures are very few. Farmers are not losing their property and home-owners are not having their houses taken away in big numbers. The unemployed can still find jobs of one kind or another. In fact, while the so-called blue-collar employment is off, it is virtually impossible to hire a secretary or stenographer in any of the large cities of the United States. White-collar employment is as tight as ever. Employment agencies complain that they do not even receive replies to advertisements for jobs. This cannot possibly be called a recession. Besides, the spending rate of the Government will step up somewhat. Actual spending has been at a much lower rate than projected by the last budget.

Spending by the Public

In theory, all this is fine. Individual income taxes have been reduced, the excess profits tax for corporations has been eliminated and excise taxes on various goods are being pared in half, according to current proposals. All this is stimulating, but it cannot make the public spend money as intended. There is a large area of psychology—the public has to be convinced that spending is the proper thing to do. It is really quite simple. In times of rising prices, the average householder wants to get in his bid for a new washing machine or automobile, because he believes it will cost him more a few months hence. In periods of stationary or declining prices, the buyer is apt to wait with the thought he may be able to buy whatever his heart desires cheaper if he waits long enough.

What the Eisenhower Administration has accomplished so far is the stabilisation of prices. The inflationary upward movement of prices has been eliminated. At the same time, it has killed the buying incentive which prevailed during the many years of rising prices. Future tax policy, if enacted, will be encouraging to business. Rail, air and bus tickets will be 5 per cent. less than heretofore. Furs, jewellery, luggage will get a 10 per cent. cut. Theatre tickets and those to sports events will be cut 10 per cent. Telephone bills will be lower, too. It all helps in raising the take-home pay of individuals and corporations.

A boom continues in building. Construction contracts awarded are up sharply from a year ago. Even home building increased in February after an earlier dip. Commercial construction is high, too, and gaining. Thus, another big year in building seems assured.

The glut in used automobiles is being removed gradually as well. From many areas come reports of a revival of sales. This is fairly important, because, for some time, the large backlog in used cars has been regarded as a barrier to expanded sales of new cars. As yet, stocks of new cars remain heavy, but the hope is that the movement in second-hand vehicles foreshadows that inventories may be worked down before long and production might be stepped up again.

Beyond that, retail trade is the key to business conditions. Householders are enjoying a little more income than they did a year ago, owing to lower taxes and prices have come down, too, as goods backed up on the shelves. Television set sales, spurred by price cuts, are reported in a strong upturn in many parts of the U.S., for example. Smaller appliances have been selling recently much better than a few months ago. One producer reports sales up 25 per cent. in the first two months of the year.

As usual, demand has responded when prices are reduced and buyers believe they get a bargain. Spring, normally, brings with it some upturn in jobs on farms, in construction and industry, generally. This year should be no exception.

In the monetary field, the fiscal and credit authorities are doing everything to keep money easy. This week, the major banks in the U.S. reduced their lending rates. Prime rates for first class borrowers went down from 3½ to 3 per cent.

Rates for borrowers with a lesser credit standing dropped as well. The reduction in the prime rate followed the decline in commercial paper and other forms of borrowing, but the pattern is by no means clear. Business loans by banks this last week had their sharpest rise in history. While this was, obviously, for annual tax payments, it is an anomaly to have rates go down when the demand for loans goes up. Somehow, an adjustment will have to be made.

Security of Jobs and Income

However, a return to war-time boom conditions is not looked for here. Instead, it is much more likely that a mild upturn is just ahead in American business and industry which will be followed by a period of flexible stability. Should such conditions prevail at the time of the Congressional elections next November, voters will cast their ballots in relative security of jobs and of income. There should be no major upset, unless the East-West situation should deteriorate further and lead to renewed outbreak of fighting somewhere on this planet.

So far, President Eisenhower, personally, seems well entrenched in the affection of the American people, despite all the national and international controversy which has been caused by Senator McCarthy and his investigations. For some strange reason, the Senator now enjoys more popular domestic support than he did in 1951, according to reliable public opinion polls, although unfavourable opinions about him and his methods have also increased from 22 per cent. of those questioned in August, 1951, to 36 per cent., now queried by *U.S. News and World Report*. The Senator may be pretty difficult to understand abroad, but he is a particular example and exponent of U.S. "democracy."—*All Rights Reserved.*

PAKISTAN NOTES

MORE ABOUT CENTRAL BUDGET

CONTROL IMPOSED ON MILL CLOTH

MORE details regarding the several tax relief measures contained in the Government of Pakistan's budget for 1954-55, presented by Mr. Mohammed Ali, Finance Minister, a few days ago, are now available. A look at these details reveals that Mr. Mohammed Ali has sought to afford relief to as wide a section of economic life as possible; the industry, trade and consumer interests have all benefited from relief in taxation. Encouragement to industrial production, for instance, is sought to be given by three notable tax relief measures. In the first place, machinery and spare parts required for the industry will not be taxed at more than 5 per cent. Secondly, they will be exempted from payment of sales tax. Thirdly, unilateral relief equal to 100 per cent. of Pakistan tax or foreign tax, whichever is lower, is to be made admissible to persons resident in Pakistan in respect of their foreign income. Besides, no changes are proposed to be made in rates of income-tax, super-tax and business profits tax. With a view to stimulating inflow of capital into public industrial projects (approved), the Finance Minister has decided to continue income-tax and super-tax exemption on investments in share capital of such projects for a further period of one year, subject to existing limits.

Encouragement is also sought to be given to boost the export trade, in tea, one of Pakistan's chief earners of foreign exchange. This commodity will continue to be exempted from payment of export duty for one more year. The consumer too will be benefited by tax reliefs, for, the tax relief measures include reduction in import duty on coconut oil, copra or coconut kernels and spices to 30 per cent., reduction in import and excise duty on motor spirit from Rs. 2 to Re. 1-8 per gallon, and 20 per cent. rebate of import duty on radio parts imported for purposes of assembling radio sets in Pakistan. Excise duty on printed and dyed cloth is also proposed to be lowered. These, together with the rise in the exemption limit of income liable to tax from Rs. 3,600 to Rs. 4,200, will surely provide much relief to the consuming public.

Control on Mill Cloth

The Textile Commissioner to the Pakistan Government announced on Saturday last imposition of controls on prices and distribution of indigenous mill-made cloth. This decision indicates the desperate attempt of the authorities to hold in check the prices of cloth which have soared to dizzy heights. Evidently, the Government's move to import, on its own account, crores worth of Japanese textiles and the undertaking given by the millowners that they would take every possible step to arrest any upward tendency in prices must have failed to bring about the desired effect. That this conclusion is not at all unfounded is clearly borne out by the recent statement of Pakistan's Industries Minister, Khan Abdul Qaiyum Khan, that the cloth situation in the country had been worsened by the exorbitant prices of locally produced cloth. Addressing a conference of Pakistan textile and trade representatives at Lahore the other day, the Minister criticised the method of cloth distribution and warned that, failing immediate relief to the consumer, control would be imposed on cloth manufactured within Pakistan. In this connection, he observed:

"A 'gentleman's agreement' was entered into in December last year between the Government, textile industrialists and cloth traders. While the Government has adhered to the 'gentleman's agreement,' response from industrial quarters is not encouraging. The Government will not remain an idle spectator where the interests of the common man are involved. Prosperity for a few at the cost of austerity for the millions will not be tolerated. The success of the textile industry will be determined by its capacity to offer good quality cloth at cheap rates. Millowners have not co-operated with the Government in supplying vital data to formulate a practical policy regarding cloth prices."

These observations of the Minister are in line with the views generally expressed by traders. Thus, at the Lahore conference, the representatives of the traders are reported to have complained that millowners had deprived the trade of its normal requirements. Be that as it may, the Textile Commissioner, as referred

(Continued in previous column)

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to at the outset, has announced measures designed to control cloth prices.

Four more agreements providing for U.S. economic aid to Pakistan have been signed between the Governments of Pakistan and the United States. The agreements cover, respectively, agricultural workshop project, agricultural organisation project, range and pasture management in Baluchistan, and extension of sailaba cultivation in Baluchistan. These agreements bring the total number of agreements so far signed during the fiscal year 1953-54 to 14, the total amount committed being $17,325,000 out of the $22 million offered as aid for the year ending June, 1954.

The agricultural workshop project involves an outlay of $500,000 by the U.S. and Rs. 19.40 lakhs by Pakistan. The project envisages establishment of two workshops, one in Sind and the other in Baluchistan, which will serve as centres for training, demonstration and development in farm machinery, improved agricultural practices, soil and water conservation, and reclamation of fallow lands. The purpose of the agricultural organisation project is to strengthen the Central and Provincial Departments of Agriculture. The Government of the U.S. will contribute towards this project a sum of $435,000, while the Government of Pakistan will spend Rs. 19,50,000. The range and pasture management project provides for practical demonstration of range management methods in Baluchistan. Range management methods will be demonstrated in an area of about 115,000 acres, extending from 30 miles west of Quetta. The Government of the U.S. will make available for this project a sum of $55,000, while the Government of Pakistan will spend Rs. 2,00,000.

* * * *

The N.W.F.P. budget for 1954-55 discloses a deficit of Rs. 24.63 lakhs, the estimated revenue and expenditure being Rs. 6.51 crores and Rs. 6.75 crores, respectively.

TWO MORE EXCHANGE BANKERS SPEAK

MIXED BANKING NOT DESIRABLE FOR INDIA

THE Chairmen of two more Exchange Banks operating in India and the Far East, namely, Sir Kenneth W. Mealing of the Mercantile Bank of India, Ltd. and Mr. J. K. Michie of the National Bank of India Ltd. have given an account of their impressions of economic conditions in these areas in their customary annual statements to shareholders. Both have looked at the economies of these countries against the background of world conditions in 1953. They see that the world in that year continued to struggle towards a more natural balance in the conduct of international commerce, assisted by gradual but slow increase in freedom from war-time shortages and restrictions, especially in the democratic countries. But there is yet "one greatest remaining obstacle," to quote Mr. Michie, "to the free flow of international trade," and that is the absence of free convertibility of currencies. He considers that, if the powers-that-be are shy of committing themselves to convertibility, it is due to the fact that the balance in gold and dollars is precarious. Says Mr. Michie: "I also believe that convertibility, unless it is total, is of little use to us. I do not believe that a currency—any more than a *man*—can function happily or effectively half-slave and half-free, and currencies have a way of escaping when there have to be bars; for money has a liquid character and, like water, somehow contrives to find its own level. My belief is that we shall get convertibility at no early date; my hope is that it will be possible sooner than I expect."

Referring to India, Sir Kenneth admits that the schemes of national development included in the Plan are "clearly of vital importance" and considers that the Government deserves credit for trying to do its best to carry them through for the benefit of the country in the context of growing population. But he feels that the problem of providing finance for balancing the budget and for financing the Plan has resulted in high taxation. Although the taxation may be anti-inflationary, it has removed, he says, a great deal of surplus income which would otherwise become available as investment and risk capital. "On the one hand revenue from duties on imports and exports," to quote him, "is declining and, on the other, the attainment of the target of investment for the private sector under the Plan seems unlikely fully to succeed. Risk capital is shy of high taxation and the passing of the Estate Duty Act in 1953 has not improved the climate either for foreign or Indian investment."

On the same subject of providing finance for the Five-year Plan Mr. Michie makes some well considered observations. He welcomes the move to establish a Development and Finance Corporation with the assistance of the World Bank, on the ground that it will help develop industries for which sufficient capital is not forthcoming. Ventures such as these, he says, are welcome when capital is shy, and they fill a distinct gap. He is, however, opposed to the move to make commercial banks finance long-term projects on the lines of the German system. In Germany, banks invest directly in industry and have nominees on company boards. Commenting on this type of banking, Mr. Michie remarks: "I do not think the experience of the German banks was particularly happy and the position of being simultaneously part owner and banker is a distinctly invidious one, not only in itself, but *vis-a-vis* other constituents, but the overriding objection is that a bank's deposits are largely 'at call' and for that reason alone, it is quite wrong to commit them to long-term capital investment." Thus, it will be seen that this British Bank Chairman, too, as Mr. Grantham of the Chartered Bank of India, to whose statement a reference was made in these columns last week, is convinced that it is not in the interests of sound banking to make commercial banks finance long-term needs of their clients.

Both Sir Kenneth and Mr. Michie have taken note of the strenuous efforts that are being made in Pakistan to develop industries. The former reveals that by 1955 nine jute mills will be in operation in Pakistan and that their total production is expected to be 225,000 tons of jute goods per annum. Again, by the same year, seven cement factories are scheduled to produce one million tons of cement which is expected to make Pakistan self-sufficient in this important building material. Mr. Michie notices difficulty regarding food supplies though the position in 1953 was better than in 1952. Both the Chairmen are anxious that there should be freer flow of goods between India and Pakistan. They are keen on both the countries settling the Kashmir dispute at an early date.

The review of the economic position of Burma, Ceylon, Thailand, and Malaya by Sir Kenneth discloses how their economies were affected by the fall in prices of primary commodities such as rice, rubber, tin, etc. Restriction on imports, bilateral trade agreements for sale of their products and implementation of the development plans are some of the measures adopted by these countries to stave off dangers of inflation.

The statement by the Chairman of the National Bank of India contains a brief account of the economic conditions in East Africa, especially in Kenya, Uganda and Tanganyika where the Bank has a number of brances. In Tanganyika, first a drought, and then, fall in prices of sisal, caused considerable concern. The area suffers from poor communications. In Uganda, however, a record cotton crop, high prices for coffee, continued activity in the development of mineral resources, and steady progress in the production of electric power are all contributing to the progress of the economy, the outlook for which appears to be bright. In Kenya, Mau Mau 'emergency' seems to have obstructed progress and life is stated to be far from comfortable. For East Africa as a whole, however, the general outlook appears to be none too discouraging. "As has been said many times," remarks Mr. Michie, "the development of ports, railways and roads and water conservation on a large scale are two of the keystones of economic progress in East Africa. These are being energetically tackled and I believe we shall see a steady and progressive movement."

PROGRESS OF STATE FINANCE CORPORATIONS

An idea of the progress so far made in setting up State Finance Corporations is provided in the report of the Ministry of Finance for the year 1953-54. Out of the 10 Part A States including Andhra, two States, namely, Punjab and Bombay have already established Finance Corporations. West Bengal is expected to issue a notification shortly. Detailed schemes of Assam and Bihar are under examination by the Reserve Bank of India. Madhya Pradesh and Orissa have detailed schemes under preparation. Madras and Andhra are considering the conversion of the existing Madras Industrial Investment Corporation Ltd. into separate State Finance Corporations. Uttar Pradesh is the only State which has not yet sent in its formal proposal.

Out of the seven Part B States (excluding Jammu and Kashmir), Saurashtra and Travancore-Cochin have started their Corporations. Hyderabad has just issued the prospectus, inviting subscriptions to the share capital. Action to start Corporations has been initiated in Mysore and Rajasthan, P.E.P.S.U. and Madhya Bharat are considering the question of establishing them.

Delhi, among the 10 Part C States, has taken up the question for consideration. Bhopal and Ajmer have been advised to draw up detailed schemes. It is felt that it would be advisable for some of the Part C States to join their neighbouring States for setting up Corporations, and three States are willing to do so. This requires an amendment to the Central Act, and the Central Government is examining this aspect of the question.

A sum of Rs. 2½ crores has been earmarked by the Central Government for assisting the States to set up Corporations. Out of this sum, loans will be granted to the States which are in need of them.

The delay in setting up the Corporations will certainly hamper the work of expansion and development of industries in States. As these Corporations are intended to help small and medium-scale industries—the very ones which are handicapped by lack of financial assistance—it is all the more essential that the State Governments would expedite work in connection with the establishment of these Corporations.

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LB-IC/56—1954

HIGH DENOMINATION NOTES

High denomination notes will once again be introduced by the Reserve Bank from 1st April, 1954, after a lapse of about seven years. A Press note issued by the Reserve Bank of India says that notes of the denominations of Rs. 1,000, Rs. 5,000 and Rs. 10,000 will be issued on 1st April from the offices of the Bank at all centres. These notes will be completely different in design, watermark and colour scheme from the old high denomination notes.

The old high denomination notes were demonetised under the provisions of the High Denomination (Bank Notes) Demonetisation Ordinance of 1946 and ceased to be legal tender.

Another Press note issued by the Reserve Bank says that demonetised notes will not be accepted at the offices of the Bank even after 1st April, 1954, and persons dealing in them will continue to be liable to punishment as provided under law.

The banking and business community in India will heartily welcome the issue of the high denomination currency notes, for it will save them a good deal of time and energy which they were hitherto expending on counting large parcels of small denomination notes tendered at the counters. Before the withdrawal of these notes in 1946 with a view to eliminating hoarding and tax evasion, the receiving and paying cashiers in banks had invariably to count only 100 notes of the denomination of Rs. 1,000 each at the time of receiving or paying a sum of Rs. 1 lakh. But, since the withdrawal of the 1,000-rupee notes, for discharging the same transaction, these cashiers have been spending ten times their own time and that of their customers, as they have to count a thousand notes of Rs. 100 each. Besides, the high denomination notes enables the owner conveniently to carry large sums of money in small covers without attracting the attention of bad characters, robbers, etc. Realising these inconveniences we urged upon the Government of India the necessity of authorising the re-issue of currency notes of higher denomination as early as possible. It has taken the Government four years since then to take a decision in the matter, get the necessary legislation passed, arrange the printing of the notes, and issue them to the general public.

SILVER REFINERY PROJECT

The Government of India has executed an agreement with the German firm, Demag, for the supply of the requisite plant and equipment for the projected silver refinery in Alipore. The required machines are now being manufactured in the firm's workshops in Germany and are expected to be shipped to Calcutta in three instalments, the first in May, the second in July and the last in September, 1954. The erection work of the project is to be entrusted to another firm, viz., Messrs. Sepulchre Bros. (India). A contract agreement, in this connection, is expected to be executed with this firm very shortly and work will be started as soon as the equipment is received from Germany. The plant is expected to go into commission early in 1955.

IMPERIAL BANK BRANCHES

The Imperial Bank of India has agreed to open 80 new branches in the next phase of its expansion programme for the three years commencing from 1st July, 1954. In the first two-year period ended 30th June, 1953, the Bank opened branches at 27 places, besides converting nine Treasury Pay Offices into branches. The opening of new branches is in accordance with an understanding reached between the Bank and the authorities of the Reserve Bank of India regarding extension of credit facilities to rural areas. It may be noted that legislation has already been passed to enable the Reserve Bank to extend such facilities.

DOLLAR TRADE GAP DWINDLING

The "dollar gap" in trade between the U.S. and other countries outside the Soviet bloc was smaller in 1953 than at any time since World War II, the Commerce Department reported the other day. The dollar gap is the difference between what the United States sells to friendly nations and what it buys. In 1953, this dollar gap amounted to $400 million—the difference between U.S. exports of $17,000 million and U.S. imports of $16,600 million. The dollar gap in 1952 was $2,300 million. U.S. exports last year amounted to $21,300 million. Of this, $4,300 million was in military supplies and services under U.S. military aid programmes.

SATISFACTORY RESULTS OF NATIONAL BANK OF INDIA

PART OF RESERVES TO BE CAPITALISED

IF the year 1952 was a period of adjustment and difficulty for banking companies, particularly for those operating in the East, consequent on the slump in commodities, the succeeding year has proved to be an uneasy one, because of the painful struggle by many countries towards a more natural balance in the conduct of international commerce. Banking companies serving the areas most affected by the previous year's slump have had, therefore, the onerous task of exercising, during the year 1953, more caution in their activities than in the previous year. If, in this process, such banks' turnover and profits record a contraction, it is a natural thing. The National Bank of India Ltd. (General Manager: Mr. N. W. Chisholm, London) belongs to this category of banks. Its accounts for the year ended 31st December, 1953, bear evidence of the difficult trading conditions under which it had to work. The Bank, with India as its largest and oldest field of activity, has shared the general decline in turnover and profits suffered by Indian banks in general.

The balance-sheet total of the Bank at the end of 1953 shows a fall of £7.32 million, which is more marked than that of £1.84 million noted at the end of 1952. It is, however, heartening to find that the 1953 total of £116.14 million is still much higher than that (£109.97 million) at the end of 1950. On the liabilities side, deposits show a fall of £7.37 million over the year, while, on the assets side, loans and advances show a drop of £7.46 million. The profit also has, in consequence, fallen, albeit slightly.

The consolidated profit of the Bank (that is, including the profit of its subsidiaries), after providing for taxation and transfers to staff pension funds and contingency reserves, amounts to £387,644, a decline of £24,032 over the year. This is the second year in succession when the profit of the Bank has shrunk, the fall in the previous year having been £29,781. The allocation to the premises account has been maintained at £75,000 as the Bank's programme of rebuilding outdated and inadequate banking premises at some of its main branches continues and as it is the intention of the Directors to continue a steady policy of depreciation. Contingency reserve account gets £115,000, as against £140,000, of which the share of the National Bank of India alone amounts to £100,000, as against £115,000. The dividend is proposed to be maintained at the rate of 16 per cent. per annum, less tax, but the net cost to the Bank amounts to £200 750, as compared with £191,625 for 1952, the increase being due to the reduction in the rate of income-tax from 9s. 6d. to 9s. in the £. The unappropriated surplus is £320,597, of which a sum of £275,496 is on account of the National Bank of India and the balance of £45,101 is retained in subsidiary companies' accounts.

The Bank has been paying an annual dividend of 16 per cent. from 1946 onwards. This unchanged dividend, despite the expansion of business and increase in profit over these years, prompted a shareholder to ask the Chairman at the last annual general meeting as to when the shareholders would be given tangible benefit from such expansion since the present rate of dividend was established. In reply, the Chairman assured the questioner that this part of the responsibilities of the Board had not been forgotten. Now that the Bank has a proposal to increase the capital by drawing upon the reserves, to which we shall presently refer, the Chairman, Mr. J. K. Michie, alluded to this assurance in his statement accompanying the accounts for 1953, and, observed:

"As you know, the expenses of running a business continually tend to rise; then competition in all our areas is steadily increasing; and lastly, in this uncertain world it would be most injudicious of me to make any firm prophecy of what will be done or of what will be possible some months from now; but in putting before you these proposals in regard to our capital, we do it in the hope that there will be some increase in the amount to be distributed to the shareholders. I do not, however, encourage any expectation of the same rate being maintained on the increased capital."

The following synopsis of the Bank's balance-sheets for the past four years shows the Bank's progress in recent years:

(In thousands of £'s sterling)

	As on 31st December			
	1953	1952	1951	1950
LIABILITIES (MAIN)				
Capital	2,281	2,281	2,281	2,281
Reserve fund	3,675	3,675	3,675	3,600
Current accounts and deposits ..	103,563	110,932	106,060	101,576
Bills payable	1,985	1,584	1,780	1,507
Loans payable	871	741	4,000	..
Acceptances for customers ..	938	1,010	1,903	452
ASSETS (MAIN)				
Cash balances	16,778	20,345	17,370	21,887
Investments—				
British Government and other securities	11,320	11,484	11,780	14,772
Other Government securities and unquoted investments	12,060	10,868	9,944	11,799
Bills of exchange (including Treasury Bills)	25,886	23,722	16,863	15,452
Advances and loans	45,864	53,318	65,476	63,351
Fixed assets	1,705	1,262	952	724
Balance-sheet total	116,140	123,458	125,298	109,971

The upward trend in the Bank's deposits and other accounts noted in the past several years, touching a record level of £110.93 million at the end of 1952, has been reversed in the year under review. Loans payable and acceptances for customers also have further declined, though this has been offset to some extent by the increase in bills payable.

For the second year in succession, advances and loans have declined, the total decline over these two years being of the order of £19.62 million. Nonetheless, the ratio of advances to deposits at the end of 1953, at 44.3 per cent., though lower than that of 48.1 per cent. at the close of 1952, is much higher than the corresponding ratio of 42.7 per cent. for 1950. The upward trend in bills of exchange noted in earlier years has been maintained. Investments, shown at under market value, have gone up by £1.03 million, due to the rise in holdings of Indian, Pakistan and Ceylon Government and other rupee securities by £1.11 million and in East African Government securities by over £79,000. Cash balances have, on the other hand, shrunk by £3.56 million. However, the combined total of investments and cash balances gives a slightly higher liquidity ratio of 38.8 per cent. than that of 38.5 per cent. a year before.

As already indicated, the Directors of the Bank propose to make a change in its capital structure. They propose to sub-divide the 182,500 shares of £25 each, of which £12 10s. is paid-up per share, into 4,562,500 shares of £1 each, of which 10s. will be paid-up. The 10s. paid-up shares will then be made into 12s. 6d. paid-up by the capitalisation of a sum of £570,314 out of the reserves. According to Mr. Michie, the proposals have two purposes. One is to take the shares out of the "heavy" category and so encourage the small investor to take an interest in the Bank's share capital and the other is to bring the capital more into line with realities, while maintaining an adequate reserve fund.

(*Concluded from next column*)

The most arresting feature of the balance-sheet for 1953 is the rise of Rs. 6.84 crores in deposits to Rs. 37.72 crores, at which level they fall short of the record touched at the end of 1943 by Rs. 52 lakhs. This rise, which is in refreshing contrast to the general banking trends in this country, is shared by all classes of deposits, though the bulk of it has been in fixed deposits. Thus fixed deposits have gone up by Rs. 4.21 crores to Rs. 13.96 crores, savings bank deposits by Rs. 36 lakhs to Rs. 3.34 crores and current and other accounts by Rs. 2.28 crores to Rs. 20.43 crores. The sharp rise in borrowings from other banks suggest that the Bank must have experienced a very heavy demand for funds during the closing months of the year.

At Rs. 19.79 crores, advances of the Bank constitute a record high (so far as can be judged from the year-end figures). Loans, cash credits and overdrafts account for an increase of Rs. 2.88 crores and bills purchased and discounted for Rs. 2.72 crores. There has, therefore, been a smart rise in the advances ratio from 45.9 per cent. to 52.5 per cent., at which level it is very much less than 60.6 per cent. seen at the end of 1951. The sharp increase in advances has not necessitated any reduction in investments. They have, on the other hand, been raised by Rs. 3.07 crores, of which Central and State Government securities (including Treasury Bills) account for Rs. 1.76 crores, foreign Government securities for Rs. 1.08 crores and debentures or bonds for Rs. 22 lakhs. The investments have been shown at market value. The unencumbered portion of the investments having shown no notable increase, their ratio to deposits has dropped sizably from 45.8 per cent. to 38.5 per cent. Cash balances also have gone up by Rs. 23 lakhs, but, in the face of the sharp rise in deposits, the cash coverage has fallen from 21 per cent. to 18.2 per cent.

UNITED COMMERCIAL BANK LTD.

BUSINESS EXPANDS

DESPITE difficult trading conditions, the United Commercial Bank Ltd. (General Manager: Mr. B. T. Thakur, Calcutta) has been successful in registering an all-round improvement in business during 1953. Thus, there has been a substantial increase in its deposits, as compared with the previous year, the year-end figure showing a near-record total; advances (including bills purchased and discounted) have staged a smart rise to stand at a record high level; investments, too, show an impressive increase and, at the same time, cash balances also are moderately higher. Another item to record a notable improvement is bills for collection and acceptances, thereby indicating that the Bank has been making swift progress in financing India's foreign trade.

Reflecting all this expansion, the Bank's total earnings have gone up by nearly 11.5 per cent. to a record level. Despite this, the profit has not gone up at all; it has, on the other hand, suffered a small shrinkage. The profit, after providing for all known and anticipated charges and expenses of opening branches and depreciation and repairs on the Bank's property, amounts to Rs. 23.01 lakhs. This discloses a fall of Rs. 1.79 lakhs as compared with that for the previous year. A gratifying feature of this decline is that it is not as large as in the case of a few other leading Scheduled banks and very much smaller than the drop in its own profit in 1952. If the Bank has escaped a much larger recession in its profit for 1953, it is obviously due to the expansion in business. It must, however, be noted that the profit, at Rs. 23.01 lakhs, for the year under review is the lowest to be recorded since 1945.

The fall in profit has been occasioned, as in the case of other banks, by the larger outgo by way of interest paid on deposits and borrowings and expenses, as will be seen from the following comparative table, showing the salient features of the Bank's profit and loss accounts for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned	127.42	107.04	105.04	97.45
Commission and exchange	59.46	60.40	53.27	88.96
Interest paid	63.33	49.69	38.12	20.00
Expenses	95.43	90.00	81.83	94.98
Loss on sale of Government securities ..	...	..	..	5.50
Depreciation and repairs	5.27	5.24	4.37	3.86
Profit	23.01	24.80	35.03	34.07
Taxation	9.80	10.00	8.00	11.50
Reserve fund	5.00	7.50	7.50	7.50
Investment account ..	...	...	15.00	5.00
Dividend	8.00	8.00	8.00	8.00
	(4%)	(4%)	(4%)	(4%)
Carry forward ..	1.02	1.01	1.71	5.18

The Bank's gross income has gone up by Rs. 19.31 lakhs to a record total of Rs. 188.04 lakhs, following the rise of Rs. 20.38 lakhs in the main source of income, namely, interest and discount, to Rs 127.42 lakhs, also a record. The upward trend in interest and discount earned noted since 1949 has thus not only been maintained during 1953 but perceptibly accelerated. This means that the Bank was highly successful in expanding its advances.

On the expenditure side, interest paid and expenses have also gone up to record levels. The abnormal rise of Rs. 14.64 lakhs in interest paid is the result of the increase in deposits and borrowings from other banks, coupled with higher rates of interest. Of the rise of Rs. 5.43 lakhs in expenses, salaries, allowances and provident fund account for Rs. 2.69 lakhs. The balance of Rs. 3.64 lakhs is accounted for by the item termed "other expenditure," the latter being presumably due to expenses connected with opening of branches. The appropriations out of the profit are clearly shown in the foregoing table and, therefore, need no further elaboration.

The notable expansion in the Bank's business during the year under review is fully reflected in the following synopses of the balance-sheets for the past four years:

(In lakhs of rupees)

	As on 31st December			
	1953	1952	1951	1950
Capital	2,00 00	2,00 00	2,00 00	2,00 00
Reserve fund ..	80.00	75.00	67.50	60.00
Deposits and other Accounts ..	37,72.48	30,87.73	29,86.10	33,28.48
Borrowings from other banks ..	8,35.13	65.25	2,21.40	3,11.70
Bills for collection ..	4,24.18	2,75 03	2,41 51	2,39 29
Acceptances	7,75.43	5,60 80	10,15 00	9,18.80
Advances (including bills)	19,78 68	14,17 62	17,01 56	16,76 35
Investments	17,88 38	14,81 49	12,13 02	10,72 81
Cash	6,85 76	6,62 07	5,03 71	5,64 89
Balance-sheet total ..	57,91 52	45,20 27	48,73 50	52,22 43
Ratio to deposits of—	%	%	%	%
Advances	52.5	45 9	60 6	50 4
Investments	38.5	45 8	33.5	40 9
Cash	18.2	21.0	17.0	17.0

* After taking into account the investments earmarked against borrowings from other banks.

(*Continued in previous column*)

PROFIT OF MERCANTILE BANK OF INDIA WELL MAINTAINED

SHARP FALL IN DEPOSITS

THE audited accounts of the Mercantile Bank of India Ltd. (Chief Manager: Mr. R. N. Drake, London) for the year ended 31st December, 1953, reflect the difficulties experienced by the Bank in keeping the tempo of its trading activities at the same level as in the previous year in the face of drastic import and export restrictions imposed in some of the areas in which the Bank operates and lower commodity prices. Thus, the Bank's balance-sheet total as on 31st December, 1953, which gives a fair indication of the turnover, shows a drop of over £10 million, as against only a fractional decline noted at the end of 1952. The Bank's deposits have suffered a decline of over £9 million, which is reflected on the assets side by a contraction of £6.85 million in investments and of £1.51 million in cash. Loans and advances, however, as seen from the year-end figures, have suffered only a decline of £1.65 million and the net profit earned has been nearly maintained at the previous year's level.

The net profit (after providing for taxation thereon and after allocations to contingency accounts, out of which full provision has been made for bad and doubtful debts and any other diminution in the value of assets) amounts to £194,167, which shows a decline of a mere £501, as compared with the profit of £195,188 for 1952. With the sum of £200,143 brought in from the previous year, as against £200,130, the Directors have maintained the allocation to the officers' pension fund at £13,000 and written off the Bank's premises and property by £50,000, same as in the previous year. The additional allocation to contingencies account has, however, been reduced from £55,000 to £50,000. The dividend has been maintained at 14 per sent. per annum less tax, to which level it had been raised last year from 12 per cent. per annum paid for four years from 1948 to 1951. However, there has been a change in this. Last year, an interim distribution of 6 per cent. and a final one of 8 per cent. were made, but this year, the interim dividend was raised to 7 per cent., while the final one is proposed to be reduced to 7 per cent. The amount required for the total distribution is £80,850, as against £77,175 last year, the increase being due to the cut in the rate of income-tax from 9*s.* 6*d.* to 9*s.* in the £. The undistributed surplus left to be carried over is £200,980, as against £200,143.

The progress of the Bank in recent years is indicated in the following comparative table:

(In thousands of £'s sterling)

	As on 31st December			
	1953	1952	1951	1950
LIABILITIES (MAIN)				
Capital	1,050	1,050	1,050	1,050
Reserves and surplus	1,701	1,700	1,700	1,500
Notes in circulation	279	278	229	282
Deposits and other accounts	59,382	68,510	67,396	62,018
Loans payable	...	...	403	...
Bills payable	927	1,729	2,890	1,828
Acceptances	211	299	408	246
ASSETS (MAIN)				
Cash	13,696	15,208	15,621	13,024
Investments	13,804	20,651	14,228	14,533
Securities against note issue	371	371	371	371
Bills receivable	14,870	14,880	18,850	15,804
Loans and advances	20,296	21,646	23,027	22,458
Fixed assets	620	644	695	550
Balance-sheet total	63,634	73,655	74,154	67,042

A notable feature disclosed by the accounts for the past year is the decline of over £9 million in deposits and other accounts, in distinct contrast to the increases noted in earlier years. In fact, this is the first time in the past fifteen years that a contraction in deposits and other accounts has been noted and, at £59.38 million, they are the lowest since 1949. For the second year in succession, bills payable show a marked contraction, as also acceptances on account of customers.

As against these changes on the liabilities side, the assets side discloses a fall of £1.64 million in loans and advances, following the drop of £2.08 million noted at the end of 1952. This fall of £3.72 million over the last two years is neither surprising nor serious in the context of the declining commodity prices. No doubt, the ratio of advances to deposits has gone up from 31.9 per cent. to 34 per cent., but it is less than that of 35.5 per cent. at the end of 1951 and much less than the average advances ratio of Scheduled banks in India. The decline in advances has been offset to a small extent by the rise in bills receivable (as compared with the fall of £4.27 million noted a year ago), which again reflects the efforts made by the Bank to maintain its level of trading activity. Investments, excluding the British Government securities deposited against note issue, are lower by £6.85 million. Cash balances too have shrunk by £1.51 million. Consequently, the liquidity ratio has dropped from 52.3 per cent. to 46.3 per cent.

CANARA INDUSTRIAL'S PROGRESS SATISFACTORY

The year 1953 proved to be a favourable one for the Canara Industrial and Banking Syndicate Ltd. (General Manager: Mr. T. A. Pai, Udipi). The total resources of the Bank went up by nearly a crore of rupees, which were well utilised to meet the increased demand for funds, without any marked decline in the liquidity, and to improve the earnings of the Bank. Despite higher expenses, the gross profit for the year under review shows an advance from Rs. 3.52 lakhs for 1952 to Rs. 4.01 lakhs, which is the same as that earned for 1951. Thus, the shrinkage in profit, noted in the previous year, has been made good in the year under review, in refreshing contrast to the general trend of bank profits for 1953. Consequent on this improvement, the reserves have been strengthened further and the dividend on ordinary shares has been comfortably maintained at 9 per cent. on a slightly increased capital.

The following comparative table giving the salient features of the Bank's accounts for the last three years shows the Bank's progress in the last two years:

(In lakhs of rupees)

	For the year ended 31st December		
	1953	1952	1951
Gross income	27.44	25.00	23.69
Interest and discount	23.15	21.04	19.28
Commission, exchange and brokerage	3.12	2.87	3.19
Interest paid	8.61	8.19	7.16
Expenses	14.96	12.89	12.14
Depreciation, etc.	0.46	0.40	0.88
Profit	4.01	3.52	4.01
Taxation	1.00	0.65	1.15
To reserves	1.10	1.00	1.00
Bonus to staff	0.40	0.37	0.37
Dividends	1.52	1.50	1.46
Carried forward	0.05	0.07	0.07
	As on 31st December		
	1953	1952	1951
Capital	25.84	25.10	24.88
Reserves	12.10	11.00	10.00
Deposits	471.51	401.07	361.71
Borrowings from banks	0.88	0.15	46.85
Advances	308.16	242.71	252.53
Investments	148.59	130.69	128.69
Cash	72.37	76.97	77.18
Balance-sheet total	503.62	499.64	517.98
Ratio to deposits of—	%	%	%
Advances	65.4	60.5	70.0
Investments†	31.4	32.5	23.6
Cash	15.2	19.2	19.2

† Ratio arrived at after taking into consideration securities lodged against borrowings from other banks.

It will be observed that the rise in gross income has been shared by interest and discount earned and commission and exchange. This has, however, been offset to a large extent by the increase in interest paid and expenses. The various allocations made out of the profit is clear from the foregoing table. In this connection, readers' attention is invited to the Chairman's speech (published in our last issue, *vide* page 478) wherein he points out that out of the gross earnings of the Bank, while salary and allowances and bonus to staff account for 35 per cent. and interest on deposits for 30 per cent., the dividends to the shareholders amount to only 5.5 per cent. of the gross income and work out to only 4.7 per cent. on the capital and reserves employed.

During the year under review, the paid-up capital of the Bank was raised with the coming in of optional calls. With this, the uncalled capital of the Bank is only Rs. 6.77 lakhs, a substantial part of which is expected to be paid this year. A break down of the deposits shows that, in consonance with the general trend, fixed deposits have gone up by Rs. 35 lakhs to Rs. 2.79 crores. The rise in current accounts to Rs. 90.09 lakhs is only Rs. 7.62 lakhs. There has been a substantial increase in savings bank deposits from Rs. 84.93 lakhs to Rs. 102.63 lakhs, indicating how this fruitful field is being successfully tapped by the Bank.

The Bank's advances as on 31st December, 1953, at Rs. 308.16 lakhs, constitute a record in the history of the Bank, having gone up by Rs. 65.45 lakhs over the year. They form about 66 per cent. of the deposits. At the same time, the investment portfolio also has been strengthened, by the addition of Rs. 17.89 lakhs, to Government and other trustee securities which, at Rs. 147.54 lakhs, represent 31 per cent. of the deposits. The investments have been shown at cost. Cash balances are a little lower, but the cash coverage is still at the satisfactory level of 15 per cent., that is much higher than the all-India average.

The number of shareholders of the Bank is 2,400. The Bank's deposits have come from 1,25,574 accounts and the number of customers is 1,82,564.

BANK OF INDORE LTD.

In refreshing contrast to the downward trend in the earnings of many Scheduled banks for 1953, the profit of the Bank of Indore Ltd. (Manager: Mr. N. D. Joshi, Indore City) has been well maintained at the previous year's level of Rs. 4.87 lakhs, to which it had risen from Rs. 4.75 lakhs for 1951 and Rs. 4.62 lakhs for 1950. No doubt, as in the case of most other banks, the outgo by way interest and expenses has been on the high side, but the Bank has been able to meet it without any setback in profit on account of the improvement in earnings. The other features of the audited accounts of the Bank for the past year are a moderate expansion in deposits to a record level in the history of the Bank and a similar rise in advances, which show that the improvement in the Bank's resources have been well utilised.

The following table shows the salient features of the accounts of the Bank for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned	22.02	20.73	19.08	16.79
Commission and exchange	2.10	1.97	2.02	1.44
Interest paid	9.62	8.58	7.84	5.77
Expenses	9.70	9.33	8.42	7.77
Depreciation and repairs	0.29	0.26	0.32	0.27
Profit	4.87	4.87	4.75	4.62
To reserve and other funds	2.10	2.15	2.20	2.25
To bonus to staff	0.93	0.86	0.78	0.64
Dividend	1.84 (D.12%)	1.84 (D.12%)	1.84 (D.10% +B.2%)	1.84 (D.10% +B.2%)
Carry forward	0.63	0.63	0.63	0.70
	As on 31st December			
	1953	1952	1951	1950
Capital	15.30	15.30	15.30	15.30
Reserve fund	25.00	24.00	23.00	22.00
Deposits	545.27	496.55	544.13	528.62
Advances (including bills)	356.56	301.69	339.09	270.89
Investments	181.79	181.70	168.87	217.13
Cash	81.60	58.81	82.83	85.00
Balance-sheet total	617.91	561.79	616.85	604.55
Ratio to deposits of—	%	%	%	%
Advances	65.3	61.0	60.5	51.3
Investments	33.3	36.7	31.0	41.1
Cash	9.5	11.8	15.2	16.1

The upward trend in the main source of income, namely, interest and discount earned, noted in the previous years, has been kept up with a further rise of Rs. 1.29 lakhs in 1953. A fractional increase is also noted in commission and exchange earned. Offsetting these are the increases of Rs. 1.04 lakhs and Rs. 0.37 lakhs in interest paid and expenses, respectively. Out of the profit of Rs. 4.87 lakhs, the Directors have transferred, as in the previous year, a sum of Rs. 1 lakh to the reserve fund and a like sum to the contingency fund. The addition to the gratuity fund has, however, been reduced from Rs. 15,000 to Rs. 10,000. The distribution to the shareholders has been maintained at 12 per cent. for the ninth year in succession.

The Bank's reserve fund stands at the impressive level of Rs. 25 lakhs, as against a paid-up capital of Rs. 15.30 lakhs. Besides this, it has built up secret reserves year after year. In consonance with the general trend, fixed deposits have gone up by Rs. 43.82 lakhs to Rs. 3.32 crores. Saving bank deposits show an increase of Rs. 4.74 lakhs to Rs. 53.18 lakhs and current accounts, etc., Rs. 2.16 lakhs to Rs. 1.60 crores. Of the rise of Rs. 54.66 lakhs in advances, loans cash credits and overdrafts account for Rs. 50.15 lakhs and bills purchased and discounted for Rs. 4.51 lakhs. Investments (at below market value) have been well maintained, but the rise in deposits has brought down their ratio to deposits from 36.7 per cent. to 33.3 per cent. With a drop of Rs. 6.71 lakhs in cash balances, the cash coverage has gone down considerably; but the total liquidity ratio at 42.8 per cent. is quite satisfactory.

SPINNERS RAISE YARN QUOTATIONS

FUTURE OF RAW COTTON COMMISSION

(By A Special Correspondent)

MANCHESTER, *16th March*

MANCHESTER LETTER

STIMULATED by the probability of a higher price level, trade in cotton goods in Lancashire has shown a sharp expansion during the past few days after something of a lull during which business slackened to some extent. Rumours began to circulate in the Manchester market at the end of last week that a further advance in American yarn prices was imminent. This trend was confirmed when spinners raised their quotations in line with the recent upward movement in the basis for the raw material.

Dearer rates are now ruling for many types of cotton comparable with the main American staple. In particular the cost of Pakistan varieties has been increased by the Raw Cotton Commission and the values of outside growths have been moving upward for several weeks. A substantial amount of covering took place by consumers on the assumption that they would be unable to obtain goods at cheaper rates in the near future. Many decided that their recent cautious attitude could no longer be maintained in the face of advancing charges despite the extended delivery terms which are now being widely quoted.

Although this particular development affected only American type yarns the finer qualities have also been in keen request due to the expectation of more advances in this direction. The situation concerning Egyptian and Sudan cotton remains very obscure and a shortage of supplies is by no means out of the question. A great deal of interest is being taken in Lancashire at the attempts to distribute Sudan cotton by auction sales and it is recognised that the events in this territory are likely to have an important effect upon future trading.

Although most of the activity in cloth has been in sales for home consumption there has been a fair amount of re-stocking by overseas customers. Australia and South Africa have bought fair quantities of dress materials and standard makes, while modest lines have been put through for East and West Africa and some of the minor Colonial markets.

The call for supplies of goods for home use has slackened a little but the mood of inflation caused by an increase in spending power following further wage advances is likely to result in more demand before long.

Manpower Problem

Manpower for Lancashire mills remains the recurrent problem which is always in the background whatever other difficulties raise their heads affecting raw cotton supplies, export prospects and other developments which occur from time to time. Slowly the industry has struggled back until some 290,000 operatives are available for employment in spinning and weaving. Very few mills, however, have their full complement of workers and machinery continues to stand idle through want of labour.

Some small encouragement, however, can be gained from the response of school-leavers entering the trade after the Christmas holiday period. Details now released by the Cotton Board show that the proportion of juveniles enrolled this year was appreciably higher than twelve months ago and exactly the same as in 1951-52.

The following table shows the position at the Christmas period for the past four years, indicating total school-leavers in cotton towns in the North-West region and the precentage entering the cotton industry:—

	1950-51	1951-52	1952-53	1953-54
School Leavers				
Boys	4,249	4,566	4,845	5,019
Girls	4,092	4,347	4,814	4,908
Total	8,341	8,905	9,659	9,927
Entered Cotton				
Boys No.	512	423	266	508
Per cent.	12.1	9.3	5.5	10.1
Girls No.	970	1,042	760	1,134
Per cent.	23.7	24.0	15.8	23.1
Total No.	1,482	1,465	1,026	1,642
Per cent.	17.8	16.5	10.6	16.5

The increasing number of school-leavers each year has resulted in the recruitment on this occasion of a larger total than at any comparable period since the war, although the proportion is not as high as three years ago. The readiness of youngsters to start their careers in the mills, however, is a more favourable sign and it is to be hoped that many will continue in this employment and not drift into other jobs.

From week to week the overall intake is barely sufficient to exceed inevitable wastage of older workers. Despite the progress made it will take years at the current rate of enrolment to bring the industry anywhere near the labour available before the 1952 slump.

Raw Cotton Commission

Spinners can justifiably be a little mystified as to how their supplies of raw cotton will be obtained in the latter stages of the year. Although it has been officially stated that the Raw Cotton Commission will cease to trade after the end of August its outstanding commitments will be fulfilled and it now appears that these may be somewhat prolonged.

Already contracting-in firms have been notified that most growths of cotton will be available from the Commission's stocks for delivery up to and including October, while certain special types can be purchased as the new crops arrive next year. So it is evident that the system of dual buying will continue for some time to come, although the vast majority of supplies will be obtained through private sources, either direct from producing countries or through raw cotton merchants.

The Commission is soon to introduce a cover quotation for October delivery but index prices will cease to exist in their present form at the end of August. Subsequently there will be a choice of two call bases. One will be calculated on the present system and the other on the quotations for Liverpool futures.

Yet another indication that the Commission is to continue part of its functions for a considerable time is that it has contracted to take the total production of the Aden cotton crop until 1957. The quantity involved is very small but so long as the organisation has these commitments it will presumably continue in being.

Plans for the formal reopening of the Liverpool futures market by Lord Derby are now being completed. The timing of the function has been arranged to coincide with the International Cotton Congress and many foreign spinners will be present. Further changes in the rules of the Liverpool Cotton Association are to be considered at a special meeting at the end of this month, the most important proposition being that daily price fluctuations in cotton futures transactions shall be restricted to a maximum range of 1d. per lb.

More Money Lost

Little surprise has been caused by the disclosure made by Lord Woolton, Minister of Materials, that the accounts of the Raw Cotton Commission covering the last cotton season will show a further deficit of £22,000,000, after the loss of £25,000,000 in the previous twelve months. Another big excess of expenditure over income was inevitable in a year when world prices for the raw material moved steadily downwards.

The unhappy financial record of the Commission has had an important effect on the arguments which have taken place over the re-establishment of the Liverpool futures market. People outside the industry in particular have been startled by the magnitude of its losses, which have now whittled away the profits made in earlier years when prices were rising. The Commission itself has never made any secret of the fact that it would gain money in a rising market and equally lose it on the downward gradient.

Sponsors of the new arrangement are expressing their confidence that Lancashire's resource and enterprise to trade in cotton amid the free and stimulating atmosphere of competition will compensate for any loss sustained by the removal of the facilities provided by the Commission. Despite some forebodings in certain quarters this is the general attitude with which the trade contemplates the future. Conditions may not be easy, particularly, in the transitional stage, but as the system becomes more widely used the opportunities it offers will not be missed by competent traders.

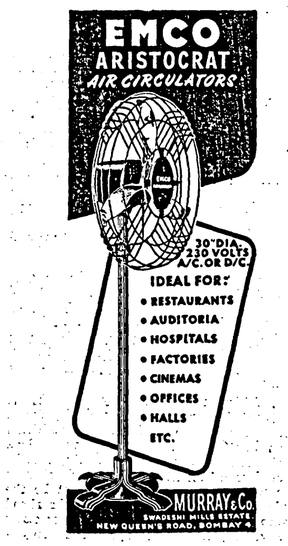
Soviet Cloth Bought

The first consignment of Russian cotton grey cloth to be imported into Britain since the war has arrived in Lancashire. It will undergo finishing processes and then be re-exported to Lancashire's customers in West Africa. It is understood the consignment aggregates hundreds of thousands of yards.

A Manchester merchant with extensive interests in the West African market said the amount of Soviet-made cloth involved in this post-war deal was not great. "It is only a feeler to see what the cloth is like," he declared. "It compares well in quality with cloth produced in other parts of the world, including Lancashire and Japan, and the price is competitive or the cloth would not have been brought in," he said.

The importation of Soviet cotton cloth is believed to be a move to offset long waits by merchants for deliveries of Lancashire cloth. Manpower difficulties are retarding the rate of production in Lancashire mills. Delivery dates quoted to merchants for some types of cotton cloth are often six to nine months ahead.—*All Rights Reserved.*

THE HIND BANK LIMITED
Head Office: CALCUTTA
PAID-UP CAPITAL
Rs. 50,00,000
RESERVE FUND
Rs. 22,50,000
Chairman:
K. P. GOENKA, Esq.
General Manager:
S. D. PARDIWALLA
All types of Foreign Exchange business transacted
Bombay Office:
LAXMI BUILDING
Sir Pherozeshah Mehta Road, Fort
S. L. MEHTA,
Manager



MODERNISATION OF TEXTILE INDUSTRY

MR. T. T. KRISHNAMACHARI ELUCIDATES GOVERNMENT'S ATTITUDE

ALTHOUGH quite a long time has elapsed since the Planning Commission clearly emphasised the need for modernising and rationalising the cotton textile industry, no marked progress has been visible in this direction. For, thanks to the unhelpful attitude of labour and the powers-that-be, the industry has not been able to discard its worn-out and outmoded equipment, 90 per cent. of which is said to be 25 years old, at the same pace at which such has been done by the other countries of the world with whom the Indian mills have to compete. With the emergence of the buyers' market for cotton textiles the world over, the industry is naturally concerned greatly with the problem of increasing its efficiency and thereby raising its competitive strength. Whenever, therefore, any spokesman of the cotton textile industry speaks today, one can with certainty expect a pointed reference to the question of rehabilitation. It is not surprising that Mr. H. P. Mody, one of India's leading industrialists and President of the Textile Association (India), pin-pointed this aspect of the industry's problems in the course of his address at the Textile Industry Centenary Celebrations, held at Bombay on Thursday last week. He thus said: "In an era of technological progress, it is essential for the textile, as it is for every other industry, to employ the latest equipment and processes and to produce as economically as possible. Anything that would stand in the way of this would, in my opinion be in the nature of a reversion to the bullock-cart economy in an age in which revolutionary changes are taking place from decade to decade." Mr. Mody was confident that the industry could greatly improve on the existing production if it were allowed to function with reasonable freedom to modernise and expand its output and maintain its productive capacity.

In administering this warning, Mr. Mody was evidently provoked by the way in which the policies of the Government have been interfering with the task of modernisation and rationalisation. Apart from the hurdles provided by the intransigence of labour leaders, the depreciation allowances permitted to the mills are not adequate, inasmuch as they are based, not on the actual replacement costs of the machinery and equipment, but on the historic or original costs. It is also alleged that the Government's policy in regard to imports of machinery is not conducive to speed up the rehabilitation of the industry. All millowners, however, do not share this view. The more enlightened among them concede that the domestic manufacturers of textile machinery deserve to be encouraged, provided they are prepared to produce high quality precision machinery, incorporating all the latest developments in the field.

Government's Attitude

The Government's attitude towards this problem was clearly elucidated by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, in the course of his inaugural address at the Centenary Celebrations. Remarking that *it was a serious problem and that it was no use* casting the onus on the Government, he said:

"I may as well ask the industry, in turn, as to what it is going to do about it. I am quite prepared to discuss this question with both industrialists and labour leaders. As far as I can see, an important aspect of the question is that of surplus labour resulting from modernisation or rationalisation. But we should not forget that we cannot modernise overnight. For we have first got to find the money and the required machinery. In other words, rehabilitation takes time. It is a gradual process. Looked at thus, the problem of dealing with surplus gets relatively simplified. As a Minister, I have also to consider the labour's point of view. It is the fear of losing the job that explains the resistance of labour to modernisation. Labour also perhaps fears that any expansion may mean an addition to its work-load. Therefore, there must be some rational approach to this problem."

Mr. Krishnamachari's anxiety to protect the interests of labour is understandable, for a Minister in a democracy is more a politician than an administrator. He has always to look over his shoulders and see that nothing that he says or does affects his or his party's chances in the next election. But this cannot be the attitude of a brave politician who looks ahead and who is concerned not with the interests of a few vocal personalities representing only a fraction of the population but with those of the larger interests of the country as a whole. Mr. Krishnamachari realises the importance of modern machinery. He knows that, in the long run, it will be advantageous to the country, including the working class. This is evident from his observation that labour-saving devices were in the long run beneficial to labour and that labour had to depend on industrial expansion for increased production and for a rise in its own standard of living. Yet he does not seem to have the courage to act by his convictions, for, while he does not hesitate to lecture to the industrialists or to admonish them, he is not prepared to do the same thing to workers. All that he had to say to employers was that, "provided you can satisfy labour, you can go ahead with rationalisation."

This kind of empty statements do not take one very far. The financial limitations are such that the Minister is not far wrong in saying that rationalisation could not be effected within a short period. But the real point is whether or not circumstances demand speedy rationalisation. If the answer is in the affirmative, as it undoubtedly is in our opinion, then ways and means must needs be found to remove the obstacles in the way. It is the duty of the Government, of which Mr. Krishnamachari is a vital part, to co-operate with the industry to achieve this object. If the Government feels that the approach of labour to this problem is short-sighted, it must say so bluntly and cease pampering the workers. It is true that modernisation would lead to a displacement of labour, but this kind of unemployment would be of a frictional nature, that is, it would last only for a short period. It is common knowledge that no economic *malaise* could be cured without some pain to the affected parts of the economy. Fear of facing it would only result in perpetuation of the disease.

Shorter Working Hours

In the context of the need for higher productivity by labour, Mr. Krishnamachari threw out a suggestion for the consideration of employers. This suggestion aimed at shortening the hours of work and raising the number of shifts. "We can even think of four shifts of six hours each, *provided the increased cost is offset by higher efficiency and higher production* (italics ours). In a tropical country like India, a day of eight hours may mean only six hours of effective work." At the same time, he hastened to add that shortening of the hours of work should not lead to a corresponding reduction in wages. "For our labour, (basic) wages," in his view, "are deplorably low." This suggestion is not worth considering, because it is extremely doubtful whether a reduction in working hours would be accompanied by increased productivity to such an extent as to offset the increase in cost. Past experience does not support the theory underlining his suggestion. If the cotton mill workers were to do only six hours a day and get the same wages as those for eight hours a day, the rest of the community, which is working much longer hours than mill workers, would have to foot the bill.

There will be no two opinions that labour wages in the country are deplorably low, as compared with the standards in other countries. But what does it avail of to make such comparisons, except to encourage the workers to nourish a feeling of discontentment? The amount of wages cannot stand at a level which is beyond the capacity of the rest of the community to bear. Even as it is, a part of the wages which the mill worker gets is being borne by the cotton grower who toils the whole day, from sunrise to sunset. As all those who are intimately connected with the textile industry know full well, the industry would not be able to pay the present level of wages but for the control on cotton which is keeping the prices of the raw material at well below the world levels. The industry will, of course, be in a position to pay somewhat higher wages, provided it is allowed to install labour-saving devices such as automatic looms. But neither the Government nor the labour leaders are willing to agree to such a procedure. Surely, Mr. Krishnamachari must be aware of these elementary facts of the problem. It is a pity, therefore, that he too has chosen to talk in the same vein as some of his colleagues in the Cabinet who are ignorant of them.

Handloom and *Khadi* Industry

Mr. Krishnamachari's reference to the handloom and *khadi* industry was sentimental and candid. It reflected a sense of helplessness on his part. In a way, it was also in the same vein as the one on the subject of rehabilitation. Speaking about *khadi*, for instance, he said:

"The problem of *khadi* is well known. *Khadi* could never replace the handloom or the mill industry. *Khadi* was only intended to put a little more money into the hands of the people who needed it and who did not have enough work to do all through the year, a sort of a supplementary source of income. We, as a Government, want to believe in this theory of the Father of the Nation. We, as a Government, tried to take away, to some extent, the political significance and stress the economic importance of *khadi*."

The foregoing statement of the Minister will be correct, even partially, only if *khadi* is being actually produced in villages by those who need part-time employment. One should like to know whether that is really so.

Stressing that mills and handlooms were complementary to each other, the Minister observed:

"It does not seem possible that the handloom can produce all the cloth needed, but, all the same, it has to stay, for it provides employment. If the handloom weaver is being kept alive, the mill interests ought not to think that we are trying to harm them. Similarly, it is wrong to say that the mills should be closed down to help the handloom industry. I want you, on this occasion, to think kindly of the handloom and khadi *industries, so* that the *conflicts may* not be there any more."

These are frank observations indeed. But there is no place for sentiment in economics and business. We do not know in what way the mills can help the handlooms. We wish Mr. Krishnamachari had been a little more businesslike and indicated the specific lines on which the mills can improve the utility of the handloom sector. Further, the appeal is rather out of place, for, as everyone knows, it was not the mill industry that started the controversy but the protagonists of the handlooms who wield enormous power. The Minister must, therefore, direct his appeal to the latter and dissuade them from subjecting mill-made cloth to penal rates of taxation. If he fails to do so, he has no moral right to continue the restrictions on the production of *dhotis* and *saris* by mills.

Analysing the prospects for the expansion of the cotton textile industry, Mr. Krishnamachari made a few interesting observations. He said:

"There is enough scope to raise the per capita consumption of cloth from 15 to 20 yards. ... Not merely clothing needs but other indications of a better standard of life require more cloth. Bedclothing, curtains, towels, etc., *mean* additional requirement of cloth ... the target of 7,200 million

(*Continued on page 593*)

THE
UNION BANK OF INDIA LTD.
Estd: 1919
Head Office:
APOLLO STREET, FORT
BOMBAY
Capital Paid-up .. .. Rs. 40,00,000
Reserve and other Funds Rs. 31,50,000
Chairman:
M. S. CAPTAIN, Esq.
OVERSEAS BUSINESS
Special Department at the Bank's Head Office is fully equipped to handle every description of Overseas Banking Business.
INQUIRIES ARE INVITED
London Agents:
WESTMINSTER BANK LTD.
NATIONAL CITY BANK OF NEW YORK
Australian Agents:
AUSTRALIA & NEWZEALAND BANK LIMITED
F. K. F. NARIMAN,
General Manager.

THE TRAVANCORE BANK, LIMITED.

(INCORPORATED IN TRAVANCORE IN 1945)

BALANCE SHEET AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 8,00,000 Shares of Rs. 25 each	2,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 Shares of Rs. 25 each fully paid		1,00,00,000 0 0
2. Reserve Fund and Other Reserves— General Reserve	13,75,000 0 0	
Contingent Reserve	6,00,000 0 0	19,75,000 0 0
3. Deposits and Other Accounts— Fixed Deposits	1,67,26,280 9 11	
Savings Bank Deposits	17,50,516 8 10	
Current Accounts, Contingency Accounts, etc.	1,92,58,416 5 9	
(Partly secured by Investments per contra of the face value of Rs. 7,00,000)		3,77,35,213 8 6
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil	
(ii) Outside India	Nil	Nil
PARTICULARS— (i) Secured by part of investments per contra	Nil	
(ii) Unsecured	Nil	1,22,013 0 7
5. Bills Payable		
6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India	11,65,062 9 6	
(ii) Payable outside India	10,43,030 11 5	22,08,093 4 11
7. Other Liabilities— Reserve for Taxes	6,21,917 4 0	
Staff Security Deposit	52,900 0 0	
Interest on Inoperative Savings Bank Accounts	610 2 11	
Provision for Bonus to Staff	25,000 0 0	
Provision for Dividend payable to Shareholders	2,50,000 0 0	
Sundries	1,519 3 0	9,51,946 9 11
		29,33,880 8 4
8. Acceptances, Endorsements and Other Obligations per contra		
9. Branch Adjustments		8,98,038 14 4
10. Profit and Loss— Balance as per Balance Sheet as at 31st December, 1952	37,630 2 1	
ADD—Profit for the year ended 31st December, 1953, brought from Profit and Loss Account	8,04,961 9 2	
	8,42,591 11 3	
LESS—Appropriations thereof— Rs. a. p.		
Provision for Taxation .. 2,00,000 0 0		
General Reserve .. 1,75,000 0 0		
Contingent Reserve .. 50,000 0 0		
Depreciation Reserve on Investments .. 50,000 0 0		
Bonus to Staff .. 25,000 0 0		
Dividend at 2½ per cent. per annum .. 2,50,000 0 0	7,50,000 0 0	92,591 11 3
11. Contingent Liabilities— (a) Claims against the Banking Company not acknowledged as debts	7,754 6 4	
(b) Money for which the Banking Company is contingently liable— Rs. a. p.		
Guarantees given by the Banking Company on behalf of Directors or Officers .. Nil		
Others .. Nil	Nil	
(c) Arrears of cumulative preference dividends	Nil	
(d) Liability on Bills of Exchange rediscounted	Nil	
(e) Liability on account of outstanding Forward Exchange Contracts	30,33,164 6 5	
	30,40,918 12 9	
Total .. Rs.		5,69,16,277 9 10

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (Foreign currency notes—Nil)		43,21,190 11 9
2. Balances with Other Banks— On Current Accounts— (i) In India	87,086 15 5	
(ii) Outside India	9,93,958 5 7	
	10,81,045 5 0	
On Deposit Accounts— (i) In India (on account of Staff Security Deposits)	52,800 0 0	
(ii) Outside India	Nil	11,33,845 5 0
		56,50,000 0 0
3. Money at Call and Short Notice		
4. Investments at or below Cost— (i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	2,39,05,726 13 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
	2,39,05,726 13 0	
LESS—Depreciation Reserve on Investments	6,50,000 0 0	2,33,55,726 13 0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) Rs. a. p.		
(I) Loans, Cash Credits, Overdrafts, etc. (i) In India .. 1,53,54,973 4 7		
(ii) Outside India .. Nil	1,53,54,973 4 7	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India .. 8,46,160 7 4		
(ii) Payable outside India .. 1,51,963 0 4	9,98,123 7 8	1,63,53,096 12 8
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	1,47,74,168 15 8	
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	78,626 4 1	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	15,00,301 8 6	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	1,63,53,096 12 8	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	10,333 2 11	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	47,62,848 8 0	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	14,315 3 8	
(viii) Maximum total amount of advances including temporary advances granted during the year to companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	70,16,887 7 1	
(ix) Due from banking companies	20,07,639 14 9	
6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India	11,65,062 9 6	
(ii) Payable outside India	10,43,030 11 5	22,08,093 4 11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		29,33,880 8 4
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures Less Depreciation— At cost as per Balance Sheet as at 31st December, 1952	2,82,573 3 10	
Additions during the year	23,204 0 7	
	3,05,777 4 5	
LESS—Sales and Adjustments during the year	19,962 0 5	
	2,85,815 4 0	
LESS—Depreciation written off to date	1,85,311 12 11	1,00,503 7 1
10. Other Assets including Silver— Balance with Travancore-Cochin District Treasuries	1,913 5 1	
Interest accrued on Investments	1,96,106 11 2	
Books, Stationery and Stamps	62,288 1 5	
Advance Payment of Income-tax including Income-tax deducted at source	4,85,575 0 2	
Sundries	83,457 9 7	8,30,340 11 6
		Nil
11. Non-Banking Assets Acquired in Satisfaction of Claims		
Total .. Rs.		5,69,16,277 9 10

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	6,19,562 0 11	1. Interest and Discount	19,10,676 8 7
2. Salaries and Allowances and Provident Fund (this includes Salaries, Allowances and Provident Fund paid to Managing Director Rs. 45,702-0-11 and provision made during the year towards eventual commitments under his agreement Rs. 12,000)	5,91,228 6 6	2. Commission, Exchange and Brokerage	3,77,633 12 10
	6,845 0 0	3. Rents	Nil
3. Directors' and Local Committee Members' Fees and Allowances	82,980 0 1	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	9,131 2 8	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	27,462 14 6	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
6. Postages, Telegrams and Stamps	2,000 0 0	7. Other Receipts	1,119 14 0
7. Auditors' Fees	35,776 0 1	8. Loss (if any)	Nil
8. Depreciation on and Repairs to the Banking Company's Property	46,058 14 9		
9. Stationery, Printing, Advertisements, etc.	Nil		
10. Loss from Sale of, or Dealing with, Non-Banking Assets	61,623 9 7		
11. Other Expenditure	8,04,961 9 2		
12. Balance of Profit			
Total .. Rs.	22,89,630 3 5	Total .. Rs.	22,89,630 3 5

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TRAVANCORE BANK, LTD.

We have audited the Balance Sheet of the Travancore Bank, Ltd., as at 31st December, 1953, and the Profit and Loss Account for the year ended that date as above set forth, with the Books of Account at the Head Office and the certified returns received from the Branches of the Bank and have obtained all the information and explanations we have required, which were found to be satisfactory.

In our opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank as at 31st December, 1953, and the Profit and Loss Account shows a true balance of profit and loss for the period covered by such account according to the best of our information and the explanations given to us and as shown by the books at the Head Office and the certified returns from the Branches.

We are further of the opinion that the Bank has maintained the Books of Account as required by Section 150 of the Indian Companies Act, 1913, the transactions of the Bank which have come to our notice are, in our opinion, within the powers of the Bank and the certified returns received from the Branch Offices of the Bank have been found adequate for the purposes of this audit.

VARMA & VARMA,
Chartered Accountants

C. S. RATNASABAPATHI MUDALIAR,
G. PARAMESWARAN PILLAI,
K. A. SIVASANKARA *MUDALIAR*,
K. SREENIVASA KARAVALAR,
A. M. M. MURUGAPPA CHETTIAR,
C. I. ABRAHAM,
PARAVATH K. RAMAN MENON,
} *Directors.*

D. R. VEDAMUTHU,
General Manager.

R. F. WISHART,
Managing Director.

TRIVANDRUM, *24th February*, 1954.

FREIGHT RATES ON SUGARCANE TOO HIGH

SUGAR MILLS URGE FOR REDUCTION

ONE of the important resolutions adopted by the Indian Sugar Mills' Association at its recent annual general meeting at New Delhi related to the revision of freight rates on sugarcane supplied to the mills. The resolution assumes special significance in the present context of the *imperative need* to step up output of sugar, on the one hand, and to bring down cost of production, on the other. It will be recalled that the Railway Board enhanced, with effect from July, 1953, the basic freight rate on cane from 0.25 pie to 0.33 pie per maund per mile. It also withdrew the concession of a minimum charge of Re. 1-12 per ton applicable up to a distance of 49 miles. In addition, the Board levied a terminal charge of one anna per maund on the basis of half an anna each at loading and unloading stations.

This is the second time that an upward revision in freight charges on cane has been effected. It was only in October, 1948, that is, when the entire structure of freight rates of Indian railways was standardised, that the Railway Board increased the freight rates. Thus, as against the previous rate of 5½ pies per maund, the basic freight rate was fixed at 0.25 pie per maund per mile, subject to a minimum charge of Re. 1-12 per ton up to a distance of 49 miles. On this basis, the actual incidence of freight worked out to 21 pies per maund, as against 5½ pies prevailing before October, 1948, which represented a rise of as much as 282 per cent. As though this was not enough, the freight rates were raised further, as already stated, in July last year.

The upward revision in freight rates on cane has led to a further rise in the cost of sugar production. Taking average freight rate of As. 2-9 (that is 33 pies) per maund of cane into account and assuming that the aggregate quantity of cane crushed by sugar mills in India during the current season would be 12.0 million tons, the total amount paid by way of cane freight may be estimated at Rs. 5.63 crores, which is several crores of rupees larger than what the factories had been paying prior to October, 1948. Considering the heavy incidence of taxation under which the sugar industry is already groaning, not to speak of the high level of sugarcane cost, it is, indeed, unfortunate that the Railway Board should have enhanced the freight rate on cane, the predominant raw material of the sugar industry, thus ignoring the fundamental need for reducing the cost of sugar manufacture, which is high in all conscience. The Indian Sugar Mills' Association has done well in urging the authorities to revise the freight rates in a downward direction. This was also one of the aspects which Mr. D. R. Narang, the Association's President, chose for special comment in the course of his address at the last annual meeting of the Association. Mr. Narang cited some figures to explain how the revised freight rate on cane introduced in July, 1953, had a restrictive effect on sugar production. According to his calculations, the actual incidence of the new rates, which include the terminal charge of one anna, works out, on an average, to As. 2-9 per maund of cane which represents an increase of 62 per cent. and 500 per cent. over the rates prevailing in July, 1953 and September, 1948, respectively. Further, as a result of the discontinuance of the minimum rate up to 49 miles, the difference between the old and the new rates rises with the increase in distance. On the Northern Railway, for instance, the difference between the two rates varies from 51 per cent. for a distance of 20 miles to 130 per cent. for a distance of 49 miles. The following table indicates how the revised freight charges on sugarcane affect stations situated at various distances from the sugar mills.

Comparative Statement of Railway Freight per Wagon of Sugarcane

(One wagon=21 tons)

Distance in miles	Rate per wagon as prevailing in Sept., 1948	Revised rate per wagon in October, 1948	Increase percentage over Sept., 1948	New enhanced rate per wagon from 1st July, 1953	Increase percentage over Sept., 1948
	Rs. a.	Rs. a.		Rs. a.	
1 to 20 ..	11 4	37 0	229	58 0	398
21 to 24 ..	11 4	37 0	229	59 0	424
25 ..	11 4	37 0	229	62 0	451
26 to 27 ..	12 6	37 0	199	62 0	401
28 to 29 ..	12 6	37 0	199	65 0	425
30 to 33 ..	12 6	37 0	199	66 0	449
34 to 35 ..	12 6	37 0	199	70 0	466
36 to 37 ..	13 8	37 0	174	70 0	418
38 ..	13 8	37 0	174	75 0	441
39 to 42 ..	13 8	37 0	174	76 0	468
43 to 46 ..	13 8	37 0	174	79 0	485
47 to 48 ..	13 8	37 0	174	82 0	507
49 ..	13 8	37 0	174	85 0	529
50 ..	13 8	38 0	181	85 0	529

The foregoing table clearly shows at a glance the extent of increase in freight rates. In view of the increase, the sugar mills are said to have been compelled to confine themselves, as far as practicable, only to cane delivered at the gates. For the crushing of cane supplied from distant areas has become an "uneconomic proposition"; the sugar produced out of cane supplied, say, from areas lying at a distance of about 49 miles from the mills, is about Rs. 2-9 per maund costlier than that produced from gate cane and about Re. 1-0-6 costlier than that produced from cane obtained from a range of 30 miles or within. The natural propensity of the industry under conditions thus created would be to confine its crushing only to cane grown in adjacent areas and to leave the cane in distant centres uncrushed. The repercussions of the increased freight on sugarcane is thus very detrimental to the interests of the country, as it will very adversely affect sugar production owing to the purchase of cane becoming prohibitive beyond a certain range. Alluding to this point, Mr. Narang stated:

"It will be realised that the availability of rail cane to the factories is an important factor in determining the quantum of production. Gate cane is normally available to them; but they can augment these supplies by drawing cane from distant places and by opening new centres. But this is possible only if the crushing of rail cane is not uneconomic. The increased freight charges also adversely affect the growers at out-stations. Therefore, in a matter of this kind, the Railway Board should not have been guided by mere revenue considerations or by the conditions obtaining in other commodities regardless of the peculiar conditions of the sugar industry and the interests of the millions of growers involved. Moreover, at a time when the country is required to import sugar from foreign countries, any step which restricts production is not in the national interest."

CANEGROWERS' SHARE IN SUGAR INDUSTRY'S PROFITS

Our leading article on sugarcane prices, published in our issue of 20th February, 1954, has evoked one more reaction. Thus, in a letter to us, Mr. M. R. Morarka of the India Sugars and Refineries Ltd., Hospet, observes as follows:

"I have read with interest your thought-provoking leader on the above subject in the issue dated 20th February, 1954. The points made in it have great validity in the present context.

"While on this subject, I wish you had examined the solution proposed in the form of a profit-sharing formula, by the South India Sugar Manufacturers Association. I feel strongly that the principles embodied in it are fraught with grave possibilities and should be actively discouraged before it is too late.

"The first difficulty is, of course, that, while sugarcane prices are already very high (either on the basis of the cost of production of the sugarcane, or the comparative returns got on other crops in the country), the formula seeks to give an additional price for the cane while *guaranteeing* to the ryot the minimum notified price. This policy of 'heads you win, tails I lose' will stand against any lowering of the price of sugar to the consumer.

"Secondly, the formula takes no notice of the fact that the average sucrose contents of sugarcane vary from region to region, and to pay a bonus based almost on the lowest sucrose content cane in the country would be manifestly unfair to everyone concerned.

"Thirdly, the bonus is paid in the area of a factory to all growers on the same basis, so that a producer of inferior cane gets just the same as one who produced the best grade.

"Fourthly, the formula assumes that *all* the efficiency in sugar-recovery is due to the cane and that the sugar manufacturer does not contribute to the efficiency of production. This trend, if encouraged, puts a premium on inefficient-crushing mills, for whatever advantages the more efficient units get by increased diligence and industry are taken away by means of a penalty in the shape of correspondingly increased raw materials costs. The formula apparently proceeds on the assumption that 9.6 per cent. is the ideal recovery figure. It is easy to visualise that, if this is accepted generally, every sugar mill will, in its own interests, so work as to achieve only this recovery and lose any interest in getting higher recovery.

"But the biggest drawback of all is that the cane price each season is linked both to the recovery and the average sale price realised by the factory. It is not difficult to understand that, therefore, each sale invoice of the company is subject to examination and challenge by the ryots. Not only will sugar mills lose whatever latitude they have in adjusting their sales, not only will sales to nominee middlemen be encouraged to defeat the effect of the formula, but also a foundation will be laid for perpetual quarrels between the ryots and the sugar factory on this score. In fact, the formula will create more problems than it seeks to solve.

"Already, the accounts are now critically scrutinised by sales tax and income-tax officials, labour leaders and shareholders. To add one more group of persons to this long list will make sugar manufacture the most thorny occupation in the country.

"I should like to see it suggested that the price to be paid for cane should be arrived at after renewed enquiry as to the costs of producing it and, in the context of falling prices of other commodities, I should like to see it suggested that, by carefully controlled imports, the price of sugar should be influenced downward so as to maintain a proper level in comparison to other foodstuffs. And I should like to see it suggested that tall talk about providing incentive to canegrowers by pampering them and allowing them to hold poor consumers at ransome should be deprecated.

"There are a hundred other arguments against the proposal, notwithstanding the 'theoretical' proposals attributed to Dr. Van Dillewijn (who at most only recommended a *trial* in paying for sugarcane by rendiment value and maintained a meaningful silence over paying on sale price realisations), even as there are arguments in favour of evolving a practical and workable formula which will include a small factor to provide incentive for attention to quality. But these must be canvassed and examined carefully by a competent committee, before doctrinaire theorists are allowed to have their way."

SUGARCANE PRICES

The extra payment of As. 4 per maund for sugarcane supplied by the growers to the sugar mills in Western Uttar Pradesh, as suggested by the Central Government, does not in any way prejudice the general scheme of profit-sharing which will also be applicable to factories in Eastern Uttar Pradesh. This was the view expressed by Dr. P. S. Deshmukh, Union Minister for Agriculture, in the course of his reply to a question in the House of the People the other day. According to the Minister, the amount so paid to the sugarcane growers in Western Uttar Pradesh would be adjusted against the year's share of extra profit which may eventually be fixed for the cane-growers of the factories concerned and does not involve an increase in the statutory minimum price of cane. Pending finalisation of the scheme for profit-sharing, the incidence of additional payment of As. 4 per maund of sugarcane is likely to result in cane-growers supplying more cane to sugar factories and the Central Government agrees to the proposal of the factory representatives. As most of the factories in Eastern Uttar Pradesh and North Bihar have already closed down for the season, the procedure followed in the case of Western Uttar Pradesh factories has not been made applicable to them.

THREE NEW SUGAR FACTORIES FOR MADRAS

The Central Government has granted licences for the establishment of three new sugar factories in Madras State. This information was given by Dr. N. Krishna Rao, Madras Minister for Industries and Labour, in the State Legislative Assembly last week. Of the three units, one factory with a daily cane crushing capacity of 800 tons will be established at Pettavathalai in Tiruchirapalli district. The other two units will be established at Namakkal (Salem District) and Tiruvannamalai (North Arcot District). The daily cane crushing capacity of these units is 600 tons and 400 tons, respectively.

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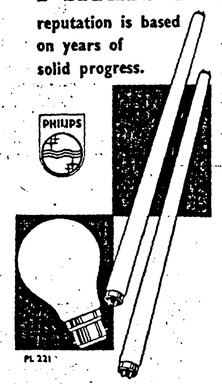

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WORLD COAL STATISTICS

SHARP DROP IN OUTPUT

THE trend of world production, consumption and exports of coal since 1951, the most active year in the history of coal, has been downward. According to a Press version of the latest monthly bulletin of statistics of the United Nations, just released to the public in New York, the world output of coal dropped from 1,475 million tons in 1951 to about 1,445 million tons in 1952, the latest year for which statistics are available in full. An analysis of the trend of production discloses that there was some increase in the output of coal in the non-North American countries, but this was more than offset by a sharp drop in the output in North America. Thus, the output of coal of North America was 470 million tons in 1952, as against 535 million tons in 1951, a drop of 65 million tons. Consumption in that region was lower by 50 million tons at 451 million tons.

The main factor responsible for the decline in output was the strike in the United States steel industry in the middle of 1952. The "dieselisation" of railways and the rapid extension of natural gas networks were also contributory factors to the decline in the output of coal. Improvements elsewhere in the coal situation, especially in Europe, as a result of the incentives given to increase output, led to further cuts in the import of United States coal in 1952.

Consumption of coal, generally, in the non-North American world either increased slightly or was held in 1952 at the previous year's level. Inland consumption of coal outside East Europe and the Soviet Union, the mainland of China and North America in 1951, the latest year for which full data are available, aggregated 1,146 million tons. Of this, eight million tons were consumed in industry and/or converted into coke.

The relative rates of changes in production and consumption in 1952 disclose that Latin America, Oceania, and Western Europe were able to reduce their net imports of coal significantly; in fact, the latter two areas were able to increase, at the same time, their stocks of coal appreciably.

The total international trade in coal and briquettes in 1952 was 120 million tons, as against 127 million tons in 1951, a decline of seven million tons. Of these, shipments between countries within the same region accounted for 84 million tons. Another eight million tons moved out of East Europe and the Soviet Union to West Europe. Exports of coal from North America were lower by about 10 million tons.

REVISION OF STOWING POLICY

Reports from Calcutta indicate that the Coal Board has revised its stowing policy. In response to a request from collieries in the Jambad-Kajora and Jharia coalfields for clarification of the policy regarding stowing, the Coal Board has declared that it would confine itself hereafter to rendering assistance in the installation of stowing machinery through loans and subsidies, thereby absolving itself of the liability to supply stowing materials. It is stated that the Board has expressed its inability to supply stowing materials because of non-availability of sand in sufficient quantities and various other financial and administrative difficulties. It has asked the collieries to carry on stowing with materials other than sand that will be available easily and in sufficient quantities at the site of collieries themselves and change the method of stowing in such a way as would be suitable to the peculiar conditions of the collieries concerned.

The Coal Board has also shifted the responsibility, from its shoulders, for carrying out protective works against fires and other accidents primarily on to the collieries themselves. It has declared that, generally, protective works should be undertaken by the collieries themselves. The Board would, however, assist the collieries to the extent of 75 per cent. of the actual cost, subject to a maximum assessed on the basis of contract rates for protective works, where stowing, blanketing or other kinds of protective works are involved. In other cases of stowing, blanketing and trench cutting, where there is no extraction of coal, the Board would bear 85 per cent. of the actual cost, subject to a maximum assessed on the basis of contract rates for protective works. The full cost of protective works will, however, be borne only in exceptional cases or where no colliery exists.

The reactions of the colliery interests to this proposal are not yet available to us. But it is obvious that colliery owners would be critical of the Coal Board absolving itself of the responsibility of supplying stowing materials and shifting the burden of responsibility for carrying out protective works against fires, etc., primarily on themselves. Few will, however, deny the need for practising stowing with materials other than sand which are available very near the collieries concerned. For stowing by sand is very costly. The cost of transport of sand is so heavy that, at times, it makes stowing totally uneconomic. Sand is mostly available at river beds and the sand used for stowing is replaceable only by floods. The rate at which it can be replaced is beyond human control. This explains the cause for the shortage of sand in sufficient quantities.

PEGGING OF METALLURGICAL COAL

The Coal Board has warned the collieries producing metallurgical coal against exceeding the ceilings fixed for the year 1954 in anticipation of the Board's approval. This is a sequel to an appeal by 100 out of the 197 collieries (for which targets are fixed) for an increase in their individual targets. It is stated that the targets fixed represent the maximum quantity that could be allowed on the basis of the overall production ceiling for each grade of coal prescribed by the Government of India for 1954.

The warning is timely. This will avoid the recurrence of an unpleasant situation that occurred last year in the case of certain collieries which exceeded their targets, in anticipation of sanction of the Coal Board. But, as sanction was not given, the collieries had to close their working during the end of the year for two to three months, leading to labour unrest and other avoidable consequences. There is, however, another side to this picture.

It is pointed out that, during 1952, the output of metallurgical coal fell short of the overall target of 7.9 million tons for selected grade coking coals by 200,000 tons. The cut in 1953 also fell short of the overall target of 7.86 million tons by 690,000 tons. It is stated that this was because targets in the case of certain individual collieries were fixed at levels which they could not reach. In other words, the officials concerned did not exercise sufficient care while fixing the targets for these collieries. Before fixing the target for a colliery, care should have been taken to see whether it was in a position to reach the target. In any case, while disposing of the appeals for an increase in target, the Coal Commissioner should take into consideration the progress made by other collieries and, if he finds that the overall target for the industry as a whole will not be reached as a result of some falling behind their individual targets, permission may be given to others to raise their output to the extent necessary to cover the gap.

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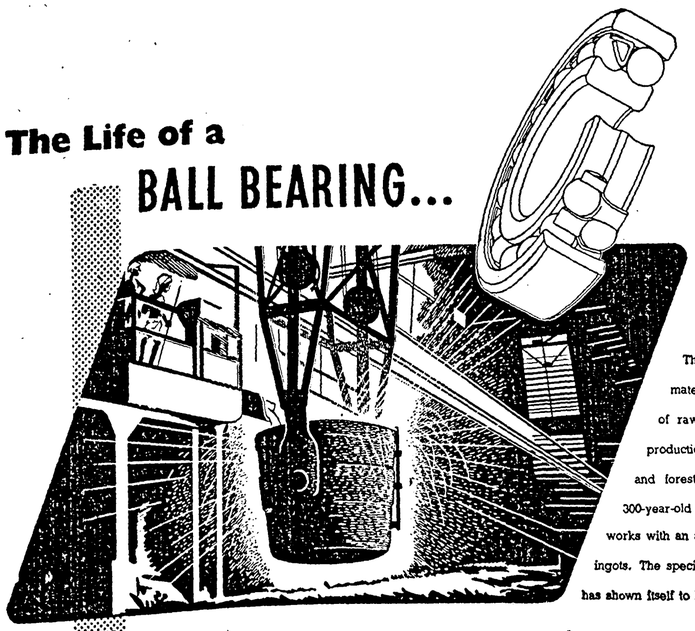

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EXPANSION OF MARKETS FOR JUTE GOODS

SUCCESS DEPENDS ON THREE FACTORS

FROM the point of view of exports, 1953 was a disappointing year indeed for the Indian jute industry. For the total exports, at 743,100 tons in that year, were more or less the same as in 1952 at 743,800 tons, although the year under review witnessed two substantial reductions in export duties on both sackings and hessians. The position would have been "disastrous had it not been," as was pointed out by Mr. G. J. Gardner, Chairman, Indian Jute Mills' Association, Calcutta, in his presidential address delivered at the annual meeting of this body held on the 15th inst., "for the fortuitous aid given by the great revival of demand from Argentina." This disappointment in the field of exports would appear to have prompted Mr. Gardner to look at the performance of the industry during the past few years, and here, too, he was disappointed. For he observed: "When production and commodity movements have been at extremely high level, it has been difficult for the Indian mills to sell, even at a loss, the reduced production which is turned out by the industry, working only 42½ hours per week and with 12½ per cent. of the looms sealed, and this, at a time when jute goods have compared most favourably with those of other fibres and commodities entering world trade." If thus the industry was not in a position to enjoy prosperity even during a boom, it can hardly be expected to survive a depression. Mr. Gardner's conclusions in this context are disquieting indeed. He observed:

"The repercussions of a depression or even a sharp recession on the offtake of jute goods in foreign markets and, in turn, on the level of activity of the mills, would be of a nature to cause the gravest misgivings about the ability of the industry, or at least a substantial section of it, to survive."

In order to meet this fundamentally weak situation, Mr. Gardner called for collective action. He thought that the first objective should be retention and expansion of the existing markets for jute goods. As readers are doubtless aware, the I.J.M.A. has already been making vigorous efforts to reach this objective. Explaining these briefly, Mr. Gardner stated that in 1953 a good deal of publicity was given to the propaganda campaign initiated by the I.J.M.A. in the U.S. in 1952. Delegations were sent to Australia, New Zealand and Singapore. In America nearly $110,000 were spent last year, and it is now learned that activity on a similar scale will be undertaken this year. The campaign is stated to have attained its object of emphasising the natural advantages of burlap to the final consumer, particularly in farming areas. According to Mr. Gardner, the activities in America have been "well worth the money" and, therefore, it is felt essential that they should be continued.

But propaganda alone will not solve the problem of the jute industry, namely, competition from other jute goods producing countries in markets formerly served by Indian mills. This most serious threat is, as was stressed by Mr. Gardner, from Pakistan, where ready access to high quality raw jute, the use of the most modern equipment and favourable labour laws make a formidable combination. There are, besides, the established jute industries in the U.K. and on the Continent, many of which, through rationalisation and installation of modern machinery, are now highly efficient. In order to fight this threat, Mr. Gardner suggested three important remedies.

Quality Raw Jute

The first of these remedies relates to the supply of quality raw jute in ample quantities. Although the mills have not experienced any acute shortage of raw jute, the fact is that there has been a drastic fall in output. This fall indicates the dangers inherent in a too rapid expansion of jute cultivation without due regard for such vital factors as yield, quality and suitability of area. Mr. Gardner's observations, in this connection, are quite appropriate. He said:

"According to official figures, the jute crop of India fell from 46 lakh bales in 1952 to 31 lakh bales in 1953. The greater part of this reduction is admittedly due to the abandonment of large areas of marginal lands whose use for jute cultivation can be justified only at an exorbitant rate for their crops. Their disappearance in the more realistic price levels existing today is, therefore, economically desirable. From the point of view of the industry, however, it is dangerous that there should be such fluctuations in the production and the cost of the basic raw material, since this must cause equally undesirable fluctuations in the price of manufactured goods. Equally, from that of Government, the effects on the cultivators of this large movement in jute production and prices are serious and to be avoided. It is satisfactory to observe that the agitation which at one time was very vocal for the fixation of prices by law has died down. The industry and all concerned had bitter experience, as recently as 1950 and 1951, of the inevitable results of any attempt to determine prices by this artificial means and no one desires a repetition of those disastrous times. In the view of the industry, whose stake after all in this matter is vital, the only way of dealing with this problem is to get down to essentials, and to embark on a vigorous campaign through the State agricultural organisations and other channels to ensure that the cultivation of jute is concentrated in areas which are capable of producing high quality, and that every assistance is given by Government in these areas in stimulating the production of high yielding crops of good quality. I am glad to say that the Report of the Expert Committee on the Quality of Jute was much in accord with these proposals and the Association now sincerely trust that, having been accepted by Government, every effort will be made to implement their recommendations at an early date. It is vitally necessary for the jute mill industry, in this country, that the production of quality jute should be expanded and not less important that the yield obtained should be sufficient to provide the cultivator with an adequate return for his labour. We, in the industry, believe that this can be done more satisfactorily by the types of assistance to which I refer rather than by the dangerous degree of interference with the movement of the crop and encouragement to malpractice which any attempt at legislative control of prices involves."

Centre's Aid

That those in authority responsible for the encouragement of quality jute are aware of the problem of encouraging quality jute on the right type of lands is evident from the address of Mr. K. R. Damle, Additional Secretary, Union Ministry of Food and Agriculture, at the meeting of the Governing Body of the Indian Central Jute Committee held at Calcutta on the 17th inst. He said that, in future, stress would be laid more on improving the quality than on increasing the quantity of raw jute, and on stepping up the yield per acre. As this depended on the supply of good seed, there was need, he said, for the jute-growing States Governments to go ahead with the work of setting up seed production farms towards the cost of which the Centre had already sanctioned the necessary finances. He considered that as a corollary to the establishment of seed multiplication farms was the enactment of necessary legislation to empower the State Governments to get growers in the protected areas to utilise the improved seed from the seed farms and spread its use. Apart from the improved seed, provision of adequate retting facilities was also important, he said, to improve the quality of jute. Here too the Centre had allocated to State Governments the necessary funds for the construction of new, and the re-excavation of old, silted-up tanks for retting. In view of the importance of line-sowing, the Centre had also undertaken to purchase, for the State Governments, 1,000 each of jute seed-drills and wheel-hoes. The first consignment is expected to be delivered to the Governments this week.

These remarks of Mr. Damle suggest that an effective solution to the problem of encouraging good quality jute rests with the Governments of the jute-growing States. Past experience does not encourage one to believe that State Administrations are alive to the problem. Something effective must be done to shake off their complacency and get down to the job.

Prices of Raw Jute

While on the subject of raw jute, it is necessary to draw the attention of the authorities to one more pertinent view of Mr. Gardner on raw jute policy of the Government. He states that the industry should not be compelled to subsidise an inefficient agriculture or be forced by Government policy to pay prices which are out of line with supply or with the levels at which the world markets are prepared to take jute goods. It is needless to add that every effort should be made to avoid such a contingency, as it is only then that the industry will be free to compete with jute mills abroad which have access to high quality jute grown in Pakistan.

The second remedy suggested by Mr. Gardner concerns modernisation of the jute industry. As there is some difference of opinion on this question, Mr. Gardner's views needs to be quoted in full. He remarked:

"The Association and Government are at one in their desire to ensure that the technical equipment of the jute mills in this country is, and shall be, as advanced as anywhere else. This is a question on which it sometimes appears there is misunderstanding. I have seen Press comments from which one might get the impression that the whole of the mills here are completely obsolescent and that nothing short of full re-equipment can enable them to produce competitively. This, of course, is utter nonsense. There has already been a considerable degree of modernisation of preparing and spinning machinery which are, broadly speaking, the only parts of conventional mill processes in which any substantial advance in design has taken place. Approximately, one-sixth of the finance required for this purpose has already been provided and most of the machinery so purchased has been installed. Bearing in mind the size of the Indian industry, the very large number of units to be dealt with and the limitations in the output of machinery makers, this is a considerable achievement. It is one, moreover, which has been financed by the mills entirely out of their own resources. The mere physical task of re-equipping the remainder of the industry is a massive one, and it is thought it will take from 10 to 15 years to complete. The more immediate problem, however, is that of finance, for the inroads of taxation and the effects of several years in which the industry has gone through lean times make it impossible for some units to contemplate modernisation without external financial assistance. I am glad to say that the Government of India have, in informal discussions with us, given us hope that a practical scheme can be devised to secure long-term loans for such mills as require this form of help. The Association's finalised proposals will shortly be submitted to Government for consideration. I think I should add that, while everyone admits the desirability of modernisation, it is entirely wrong to get the impression that the balance of the industry which is not modernised is inefficient. Jute mill maintenance is of a very high order and the main difference between a modernised mill and one running with the older preparing and spinning machinery is that the former can, if it is so permitted, take advantage of the considerable labour economies which follow from the smaller degree of manual supervision required in the new machines. To achieve this reduction in personnel, however, presents under present conditions very great practical difficulties and this leads me on to the question of labour policy."

Labour Policy

Alluding to labour policy, Mr. Gardner tried to remove the belief that jute mill workers were badly paid. He pointed out that the wage structure of the industry had been the subject of public review twice in recent years. The basic pay and dearness allowance had been increased and, since the Tribunal award, the industry had had to face heavy additions to its wage bill as a result of the Provident Fund Act, the Employees' State Insurance Act and new sections of the Industrial Disputes Act. "We do not cavil at this, nor do we begrudge our operatives the greater prosperity which is now theirs," declared Mr. Gardner, and added: "We accept it as right and proper that they should be freed of the worries of want and uncertainty as to their future. We wish them to be as well paid as the industry can afford but—and this is a big but—we cannot give away money which we do not earn." His experience of productivity of jute mill workers appears to be not quite different from that of others in other industries. For he regrets that "the vastly better service conditions now prevailing should not have stimulated amongst all sections of the operatives that greater measure of productivity which could easily be attained and which would in itself do much to enable a hard-pressed industry to lower its overall costs."

Referring to the specific issue of labour rationalisation, Mr. Gardner stated that the industry was still suffering from the presence of excess labour engaged of necessity during the war years. Unfortunately, the industry was unable to reduce the number of workers employed, which should necessarily follow installation of modern machinery. Mr. Gardner was of the view that this reduction must come about, if the industry's economic efficiency were to be maintained. He, however, hoped that, as far as possible, it would be done by natural wastage.

SEED MULTIPLICATION FARM AT BURDWAN

The Agricultural Research Sub-Committee of the Indian Central Jute Committee, which met in Calcutta on the 13th inst. with Mr. K. R. Damle, I.C.S., Additional Secretary, Union Ministry of Food and Agriculture, in the chair, decided to take advantage of the current jute sowing season in the setting up of a nuclear seed multiplication farm under the I.C.J.C., as recommended by the Quality Expert Committee of the Government of India. With that end in view, arrangements are being made to secure a 200-acre block of land at Panagarh, Burdwan, from the Ministry of Defence, Government of India.

The Sub-Committee also recommended that the Government of West Bengal be approached to make available to the I.C.J.C. 50 acres of low land adjoining the Jute Agricultural Research Institute Farm at Nilgunge, Barrackpore, so that the Institute can carry out rotational and double-cropping experiments with jute and paddy.

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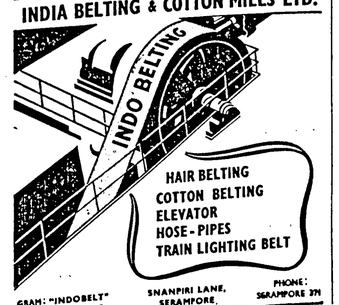

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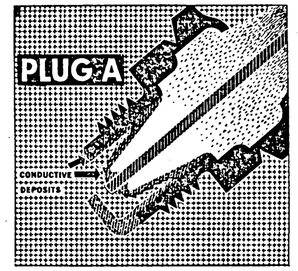
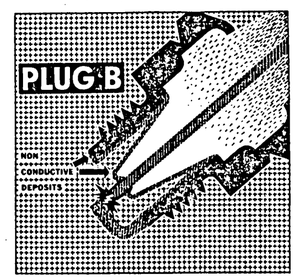


Here's the secret sin of plug A. The lead deposits on the porcelain are electrically conductive. The electrical charge short-circuits across the porcelain, missing the spark gap where it should belong. This plug will not fire the fuel/air mixture.


This plug defies its lead deposits—because the additive I.C.A. (incorporating tricresyl phosphate) in Shell and B.O.C. petrol has made those deposits non-conductive. The result: a fat spark where it belongs, at the right time; full power from burning of fuel/air mixture.
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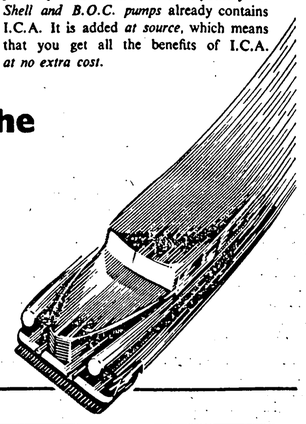

WORLD STEEL INDUSTRY

LOWER RATE OF INCREASE IN OUTPUT LIKELY

NOW that India has embarked upon a programme for increasing its steel-making capacity, the importance of gaining knowledge of conditions of the world steel industry needs no emphasis. Further, steel is the key metal for all sorts of activity, especially for the engineering industry. An account of the performance of the world steel industry in 1953 and the prospects for 1954 will, therefore, be of great interest to business men in this country. According to the latest information available, the world steel production reached in 1953 a record total of 230 million tons. an increase of 22 million tons or 11 per cent. over the 1952 total and nearly twice the 1937-38 average. The production of steel in many of the European countries, however, fell appreciably or stagnated, while that in the U.S., the U.K. and the U.S.S.R. continued to increase and attained new record levels.

On the face of it, this performance of the steel industry appears to be encouraging. But, as the latest monthly *Bulletin* of the British Iron and Steel Federation points out, the figures are misleading, to some extent, since the large increase reflects mostly the recovery of loss of American production in 1952 rather than "the growth of requirements" in 1953. It may be noted here that, owing to a labour strike, the loss of steel output in the U.S. in 1952 was about 17 million tons. In fact, for the first time since early 1950, signs of oversupply in the world at large began to make their appearance last year. During the earlier months of the fear, the trend of output was definitely upwards, as the backlog of demand was large. But, once the arrears were eliminated by the summer of 1953, the rate of steel production fell. Consequently, the *Bulletin* of the Federation holds that it was "an unusual set of circumstances which raised world production to so high a level as 230 million tons." The world output would have, it is stated, increased had there not been a decline of 5 per cent. in the output of the European Coal and Steel Community induced by the fall in demand.

Changing Balance of Production

Referring to the prospects for the world steel industry, the *Bulletin* observes that while the world total rose by 77 million tons between 1948 and 1953, during the next five years—1954 to 1959—it is not expected to grow much more than 48 million tons to 278 million tons, subject to unforeseen contingencies. Thus, the expansion in the next five years is anticipated to be at a slower pace than in the past five years. Regional forecasts of production in 1948, based on the plans for expansion published by individual countries, demonstrate the changing balance of production between East European countries and the rest of the world. The former, comprising more than a tenth of the world's population, is expected to account for nearly a quarter of the world's steel output in 1958, as compared with just over one-fifth in 1953, while the share of the U.S. may decline slightly. The U.S. has now completed its major post-war expansion programme and possesses 111 million tons of steel-making capacity, probably more than sufficient to meet the needs of the immediate future. The U.K. has fixed a target, under the second development Plan, of 20.5 million tons to be reached by 1958. The target of the European Coal and Steel Community is 49 million tons.

East Europe and Russia are also planning to expand their production. The U.S.S.R. hopes to produce 44 million metric tons in 1955 and 60 million in 1960; the production in 1958 is expected to be about 52 million tons. The satellite countries have also plans to increase their collective output to 11.89 million tons by 1958. The newer producing countries of the Commonwealth are, in some cases, still in the process of completing expansions, planned some years ago, but further extension of existing plants are likely with the growth of national income and it seems probable that, by 1958, the Dominions will be producing in the aggregate 11 million tons. There are expansion plans in Latin America, too, where an aggregate increase of one million tons by 1958 is not unlikely.

In the inter-war years, Europe enjoyed the lion's share of overseas markets, accounting as it did for 80 to 90 per cent. of the total world exports. In the immediate post-war years, its share is again approaching the pre-war level. The report of the Economic Commission for Europe on the European Steel Market in 1953. published recently and priced at $.07 (U.S.), indicates that competition from the U.S. for export markets may increase in force in the coming years. The development of steel production in the U.S. both on the Eastern seaboard and on the West coast, has put producers in a better position to compete, especially in South and Central America as well as in the Far East. If Europe were to retain its position as the dominant exporter, then it should, the report opines, aim at greater efficiency and reduction in prices through lower costs.

Price policies constitute the most important factor that determines the trend of exports. Unfortunately, until now, there had been reluctance on the part of European producers to consider the possibility of arranging long-term contracts for supply of steel to overseas countries on the basis of stable prices. In fact, according to the E.C.E. report, the European steel industry had probably stimulated to a certain extent the growth of steel production in overseas countries by following a short-sighted policy of charging the maximum that the market could bear in times of high demand. An inevitable outcome of such a policy is low and uneconomic prices in times of surplus. In view of this, the report emphasises that "a policy, which shows a willingness to stabilise supplies and prices in good times is of major importance as a means of maintaining and developing overseas exports."

Market Research

Market research also appears to have been seriously neglected by the European steel industry. In export markets especially, there appears to be scope for improving the information available to steel exporters and for more positive sales promotion both by commercial means and by the organisation of technical advice to steel users.

The prospects for achieving a substantial and growing volume of international trade in steel depends, in the first instance, on the general economic policies of both exporting and importing countries. The demand for steel is closely related to the level of economic activity of steel importing countries. Steel imports, for instance, are influenced by development projects in importing countries and these projects, in turn, are partly dependent on the investment of capital by the more industrialised countries together with mobilisation of domestic capital. A further factor is the growth of steel-making facilities in those countries which have been traditional importers. But these are all factors which are, to a great extent, unpredictable. Herein lies the snag in indicating the prospects for steel exports with any degree of accuracy.

KHANDWA-HINGOLI RAIL LINK

CONSTRUCTION INAUGURATED

THE inauguration of the construction of the 187-mile Khandwa-Hingoli rail link on the Central Railway by Mr. Lal Bahadur Shastri, Union Minister for Railways, at Khandwa, on 17th inst., is a great step forward in the development of the Indian Railway system. This is so because the line, when completed, will link the northern and southern metre-gauge systems of the country, thereby providing a through metre-gauge connection from as far as Bhatinda in the north to southernmost centres in the country, such as Trivandrum and Tuticorin. In the sphere of railway transport, this means elimination of transhipment at a number of points. At the same time, it will provide an East-West metre-gauge link without transhipment from Mormugao in the west to Tinsuki in the east on the North-Eastern Railway. The operating advantages of the proposed link will thus be considerable. The creation of an all-India metre-gauge wagon pool on lines similar to the broad-gauge wagons pool, which will follow the construction of the Khandwa-Hingoli link, in place of the present northern and southern pools, will result in considerable overall saving of wagon space on one gauge or the other, besides reducing transhipment.

History

It will be recalled that attempts to provide a north-south connection dates from as far back as 1882, when a proposal for constructing a railway line between Akola and Hingoli—this line, to be called "Berar Light Railway"—was first considered. This idea was kept in abeyance till 1899, when the Government of India ordered a preliminary survey for connecting the metre-gauge systems of Southern and Central India with the Hyderabad Godavari Valley Railway, owned by the Nizam. A survey was then carried out for a line from Khandwa to Basim. Actually, in 1900, earthwork in places of alignment was started, but no progress was made in subsequent years. The need from a strategic point of view to provide a link between the northern and southern metre-gauge systems was emphasised very strongly in 1903 by Lord Kitchener, the then Commander-in-Chief.

The next stage in the history of the link was in 1911, when the final location survey for the route from Khandwa to Hingoli was carried out, under the orders of the Government of India. The proposal was again considered by the Central Government in 1924 and 1927, but, owing to lack of finance, no concrete step was taken. The acute transportation problems during the last world war again focussed attention on the proposed link between the northern and southern metre-gauge systems. In 1942, a rapid survey of the alternative routes was undertaken, but again no start was made on the construction of any of the routes surveyed.

The proposed alignment between Khandwa and Hingoli is the result of the fresh engineering and traffic surveys, conducted recently at the instance of the Railway Ministry. The Railway Board announced its sanction to the construction of the metre-gauge line from Khandwa to Hingoli *via* Akola on the Central Railway on 10th March. The cost of the project is estimated at Rs. 8.90 crores. It passes through Nimar and Akola districts of Madhya Pradesh and Parbhani district of Hyderabad State. It will run through some of the most fertile areas

(Continued in previous column)

(Concluded from next column)

in Berar. The Satpura mountain ranges constitute one of the main engineering obstacles, as it requires deep cuttings and high embankments. Various rivers and hill streams will have to be crossed and major bridges constructed across the rivers Tapti, Purna and Penganga. It is to be hoped that the railway engineers, who have been noted for engineering feats, will not be wanting in overcoming these obstacles and that they will bring the 71-year-old dream of providing the "missing link" in the Indian metre-gauge railway system into the realm of reality, as early as possible.

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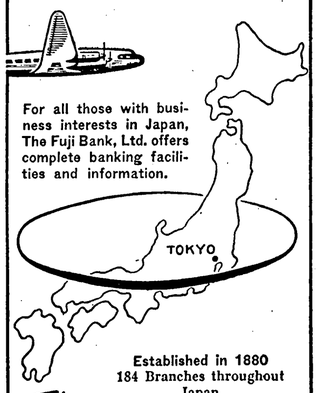

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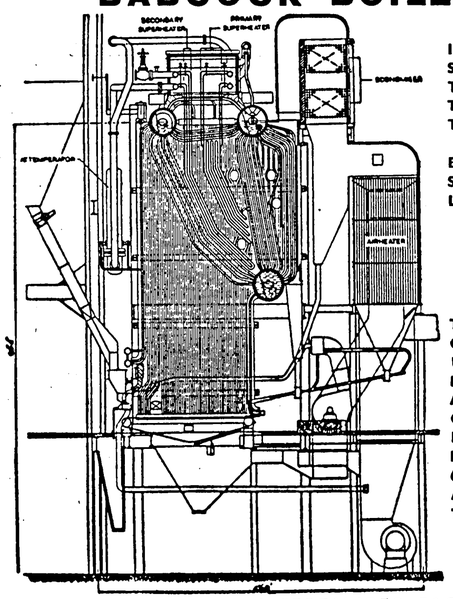

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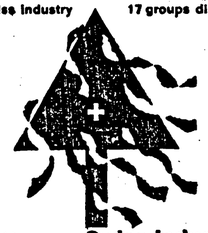

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SMALLER INSURERS RESENT REDUCTION IN LIFE PREMIUM RATES

SHOULD GOVERNMENT INTERVENE?

ANOTHER version of the now familiar controversy between small-scale industry *versus* large-scale industry, which is giving strange twists to Government's industrial policy, seems to be developing in the insurance field. It would appear that smaller insurers have been trying—a reference to this was made in this journal last week—to influence the Government, in order to arrest the trend towards lower premium rates for life assurance, initiated by the well-established life offices. It would be deplorable if the healthy trend initiated by bigger insurers, which is in the interest of the insuring public, were halted and high rates of premium maintained in utter disregard of the urgent need for expanding the insurance habit.

The chief justification for the movement towards lower premium rates lies, as has been pointed out in this journal ere now, in the fact that, of the three principal elements which constitute the basis of premium rates, namely, net interest rates earned on life funds, mortality experience and expense ratio, the first two have been favourable to insurers while the last element, expense ratio, is likely to be held in check, thanks to the statutory restrictions on expenses. Thus, during each of the five years ended December, 1952, the net rate of interest realised on mean life insurance funds by Indian insurers was 3.02 per cent., 3.05 per cent., 3.16 per cent. 3.33 per cent., and 3.43 per cent. respectively. The increase in the net rate of interest earned by insurers is due to the abandonment of the cheap money policy by the Government. There are two circumstances which suggest that this factor will continue to be favourable to insurers. In the first place, as new funds begin to be invested in securities which carry a higher rate of interest than the insurers' earlier investments, the net rate of interest earned will move up even further. Secondly, the relief in income-tax, which the Government has given to insurance companies, will tend to increase the net yield on insurers' investments. The tax-free proportion of the surplus of life offices has been increased, as is well known, from 50 per cent. to 80 per cent. by the Income-tax Amendment Act, 1953.

The second element, mortality experience, has also been favourable to insurers. Most valuations show that the ratio of actual to expected mortality of insured lives is distinctly advantageous to insurers. Last week, we referred in these columns to the Census Actuary's Report, according to which, the expectation of life in India has, since the last official estimate was computed, increased from 26.91 to 32.45 for males and from 26.56 to 31.66 for females. So far as the third element, namely, expense ratio, is concerned, it is true that it has shown no significant decline. But it has not gone up significantly. In fact, in the case of smaller insurers, there has been a healthy decline in the expense ratio. The net effect of all these favourable factors is that insurers are now able to offer a cheaper service than they have been able to do in the recent past. "It is but proper and equitable," as a Press note, issued by the New India Assurance Company, Ltd., says, "that the benefit of these developments should be passed on to the insuring public, who have long been complaining of the uneconomic rates they were called upon to pay."

That the Indian trend towards lower premium rates is part of a world-wide movement is evident from the fact that many leading insurers in the West have recently attempted to make insurance cheaper than it was during the war and early post-war years. What is even more remarkable about some Western insurers is that not only have premium rates been reduced but also bonus rates have been stepped up. In this connection, a reference deserves to be made to the remarks of the Chairman of the Sun Life Assurance Society (U.K.), Mr. C. G. Randolph, who, in the course of his statement to the shareholders of the Society, said:

"Our rates of premium for new assurances have been reduced several times since the war to give effect to improving mortality experience and to the higher yields obtainable on new investments. I am glad to be able to inform you that the Directors have been able to announce further reductions in recent weeks in the rates for whole-life and endowment assurances without participation in profit and these are a reflection of the Society's endeavour to remain highly competitive. Also, substantial reductions have been made in the rates for policies to cover building society mortgages; these policies provide that if the death of the borrower should occur during the currency of the mortgage, a sum assured sufficient to repay the outstanding balance shall be payable. . . . It is hardly necessary to point out that the improvement in the rate of interest earned on the funds, the continued favourable mortality experience and the reduction in the expense ratio have a most important bearing on the profit-earning capacity of the Society. These encouraging features have made it possible to increase substantially the rates of interim bonus in respect of 'with-profit' policies becoming claims by death or maturity, or terminating by surrender after 31st December last."

It should, therefore, be clear that Indian insurance cannot possibly stand aloof from world currents. If Indian insurers do not reduce their premium rates while premium rates are revised downward by non-Indian insurers, whether in India or abroad, there will be a public demand for similar action by Indian insurers. The insuring public will naturally ask why the Indian insurers rates for life assurance should be pitched at a high level. Again, there is the competition from governmental quarters to be reckoned with. Already, the Postal Insurance authorities are taking pride in the fact that they are able to quote attractively low rates for insurance. It is true that they are able to do so because there is a certain non-commercial element in their insurance. Nevertheless, the fact remains that competition from that quarter is bound to increase. And the only way in which it could be met by Indian insurers is to quote rates which do not suffer by comparison with those quoted by the Insurance Departments of the Central and State Governments.

It is true that small insurers, who might find it difficult to face competition from the larger insurers, deserve sympathy and guidance. Only, it would be wrong for the Government to show such sympathy in a form that will seriously interfere with the healthy trend towards lower premium rates, so long as these rates are consistent with the security of the companies which offer them. If the Government were to place obstacles in the way of the insurers who want to give the benefit of favourable developments in the field to the insuring public, it would only be interpreted as an encouragement of monopolistic practices in the field.

Smaller insurers will do well to realise that they should seek to stabilise and improve their position. There are several ways of doing this other than by merely fighting the trend towards lower premium rates. In the first place, there are too many of them. Although the number of insurers is not very large for this country of continental size, it is certainly large in relation to the available quantum of business. Some insurers hardly do a lakh of rupees worth of new business. There is room for some healthy mergers. Secondly, they should try to give *more efficient service, more personal service*, which will make up for the slightly higher rates of premium that they might be compelled to quote. In any case, it is scarcely likely they will receive public support for any fight they might put up for the retention of high premium rates.

INSURANCE DEPARTMENT IN MYSORE STATE

In a recent issue of our journal (*vide Commerce*, dated 5th December, 1953), we summarised the recommendations of the Committee appointed by the Mysore State Government to suggest measures for improving and expanding the service rendered by the Insurance Department of the Government. A reference to this subject was made by the State's Chief Minister, Mr. K. Hanumanthiah, in the course of his last budget speech, at the State Assembly. He stated that, with a view to placing the working of the Mysore Government Insurance Department on a sound footing and attracting business in a larger measure than at present, the Government constituted a committee for the reorganisation of the Department under the chairmanship of Mr. J. Appaji Gowda. He revealed that the Government had accepted some of the Committee's recommendations, such as those relating to clearance of the heavy accumulated arrears in the Department, enhancing the rate of interest on insurance funds, and the decentralisation of powers

(*Continued on page* 593)

PENSION PLANS IN U.S.

MORE THAN TEN MILLION WORKERS COVERED

MORE than 10,000,000 workers of the United States are covered by some 15,000 retirement pension plans, which business firms have adopted for the protection of their employees. Pension payments under these private plans will supplement the old-age insurance payments which the employees will receive under the Government social security system. Since the end of World War II, the number of these pension plans has doubled. It is estimated by the Federal Reserve Bank of New York that their funds have now accumulated to more than $17,000 million, with a current net growth of more than $2,000 million a year.

During and after World War II, the efforts of U.S. business enterprises to attract and retain employees increasingly took the form of favourable pension arrangements, especially in view of the wage limitations imposed by the national wage stabilisation policy. A ruling by the National Labour Relations Board in 1949 that pensions are an appropriate subject for collective bargaining in labour contracts gave further impetus to industry pension plans. But, doubtless, the basic factor in the growth of industrial pension plans has been the interest of corporation directors in the future security of their employees, as a matter of social responsibility, partly stimulated by the Government social security programme.

The Federal Government's old-age insurance system now covers more than 66,000,000 persons, while another 7,500,000 are covered under retirement plans for Federal, State and Local Government employees. In the report of a study made by the National Planning Association, a non-profit research organisation, it is estimated that the total of private pension funds would rise to $35,000 million to $40,000 million in the next decade.

Private pension plans are of two general types. One is the cumulative insured fund placed in the hands of an insurance company, which invests the money as a part of its regular investment portfolio. Under various State Laws, insurance companies are restricted in their investment. Spreading faster in dollar value among the pension plans is the trustee fund, usually administered by a bank or a special body of trustees. Such plans have more leeway, because they are bound only by common-sense rules of investment rather than rigid State laws. As a result, trusteed plans, on the average, show a greater return on investment than insured plans.

The vast Sears, Roebuck fund, which the world's largest retail merchandising company holds for its employees, buys almost nothing but its own capital stock. Thanks to the unusual growth and earnings of this company, benefits under the fund have been spectacular. Many a $50-a-week employee has retired with stock worth $25,000 or more. A $3,500-a-year woman clerk recently retired with $98,000 worth of Sears stock after 35 years' participation in the plan—and personal contributions totalling only $2,700. The largest private pension fund in the United States is that of the American Telephone and Telegraph Company, administered by the Bankers Trust Company of New York. According to its last report, the fund's assets were $1,700 million, owned by 700,000 employees.

There is a growing trend, notably in labour contracts, for the employer to pay all the costs of the pension plan. Under most plans now in effect in the United States, a worker is entitled to pension credits or benefits only after he has attained a certain age (usually 65 years) or has completed a specified period of employment or participation in the plan. The labour unions are beginning to press for "portable pensions"—that is, the right of workers to take their pension credits from one company to another instead of forfeiting them, as at present, when their employment with one company ends. The unions contend that pensions are earned, like wages. Opponents argue that such a provision will increase labour turnover and raise the cost of the pension plans. Thus far, such rights have been granted only under the Toledo Industries Retirement Income Plan which has been in effect since 1st November, 1950. By agreement between the United Automobile Workers and certain companies in the Toledo (Ohio) area, workers do not lose their pension credits if they change jobs from one participating company to another.

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(Incorporated in England)
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COFFEE INDUSTRY IN INDIA

ITS IMPORTANCE TO NATIONAL ECONOMY

(By Messrs. PEIRCE, LESLIE AND CO., LTD.)

COFFEE growing in India was established on a commercial scale in the second half of the 19th century and, by the end of the century, about 300,000 acres had been opened. Adversity then fell and the depression of the 30's saw about a third of the entire acreage go out of cultivation. The establishment of the Indian Coffee Board and its careful husbanding of market operations and encouragement of research restored stability and confidence to plantation owners and about 35,000 acres of abandoned coffee have been brought back into production and other considerable areas have been opened.

Only two per cent. of the estates are above 100 acres in extent. Coffee is essentially a small holder's crop, grown usually in conjunction with other crops, particularly paddy, and thus it plays a useful part in diversifying the agriculture of the monsoon hills of the South. More than that, it is maintaining soil fertility, conserving rainfall and preventing erosion by requiring a canopy of shade trees to be grown along with it. Many of the original clearings are still in production and this is testimony enough of the maintenance of a high level of fertility in the soil.

Coffee is grown from seed and comes into full bearing in from six to eight years. The prudent owner would aim at replacing it after about 50 years, as it is then apt to become uneconomic. Of the two main types grown—Arabica and Robusta—the former is delicate, a prey to many fungus and insect enemies and expensive to keep in full health. Robusta is hardier and grows better at lower altitudes and in poorer soils.

Capital Outlay

Capital outlay on opening land under coffee is high, about Rs. 1,200 to Rs. 1,600 per acre being required to bring to bearing. Thereafter, persistent and often expensive cultural operations have to be applied to keep the estate in full yield and any neglect quickly leads to often irreparable deterioration.

Mechanical aids are extremely limited and much of the work on coffee estates requires hand labour and hence the organisation of a large labour force. This is usually recruited in families who are agreeably housed and cared for on the estates themselves. Altogether, some 200,000 workers are employed on the estates alone and, in addition, the transport of produce to curing works and its curing and despatch give employment to a not inconsiderable number of persons.

The industry's wage bill aggregates half the crop proceeds and it must, of course, be the case that a large proportion of these earnings supports the general trade and commerce of the villages and towns of the coffee-growing areas where alternative employment would be hard to find.

Large acreages on the hills of South India, suitable for coffee, are lying fallow and could give employment to many. One hundred acres of coffee employ approximately 75 labourers. Indian coffee production is small. It is only one per cent. of the world's total. Despite this, it is unrivalled in quality and high grown Mysore and Nilgiri coffee commands a premium in world markets.

Before the war, production was in the region of 17,000 tons, of which 9,000 tons were surplus to internal needs and were exported. With the advent of the war in 1939, European markets were lost and shipping became difficult. Coffee growers in India were thus faced with the problem of finding a market for the surplus production. In September, 1940, the first coffee conference was held and, from this and succeeding conferences, a workable scheme was arrived at for the controlled marketing of coffee on co-operative lines, ensuring a fair price to the consumer, while conferring the maximum benefit to the grower.

Coffee Board Steps In

The Indian Coffee Board now assumes full control over the disposal of the entire crop produced each year in India. Part of the crop is released on the internal market for India's own requirements in such a way as to ensure a guaranteed minimum return to the grower, calculated on the grower's cost of production as ascertained by application of a formula evolved by the Government's Cost Accountant.

Subject to the home demand being met, a surplus may be available for export to world markets. The world price of coffee being more than double that of the internal price, a useful revenue from export sales is available for return to the grower over and above the minimum guaranteed by the Board. In addition to marketing, the Board has aimed at stimulating home demand and, since this has more than doubled since the Board came into existence, one can say that its policy here has been one of remarkable success. Along with increased demand, the Board has established a Research Department which has made notable progress in evolving disease-resistant strains and new methods of combating coffee pests and diseases.

The Indian Coffee Board has been the model for many of the other commodity boards in India set up to study, understand and solve the problems peculiar to each product. Its success has been mainly due to the willing co-operation of all its representatives—Central and State Governments, coffee growers, coffee traders and labour—and to the confidence which Government placed in it and which radiated outwards from the Board to the entire trade.

Exports

Unhappily, the tenuous thread by which confidence ever hangs has been broken and in place of co-operation between Board and Government has appeared mistrust. The Board's advice against exports in 1952 was overruled and exports created local shortages and an increase in consumer prices for which the Board is blamed and growers are penalised. The emphasis then shifted from maximising exports to cheapening internal prices and the local market was flooded with supplies which it could not absorb. The Board's advice to export this surplus coffee went unheeded for seven months, during which time stocks deteriorated and heavy losses accrued. Large stocks of old crop remain, even though the current season's crop, which is likely to approximate 30,000 tons, has begun to be delivered to the Board and further losses threaten.

A policy of pegging the return to the grower was announced in October last and, under this policy, the figure has been arbitrarily fixed at Rs. 2-4 per point, as against the Coffee Board's own carefully assessed estimate of Rs. 2-7-7. Recently, an export duty of Rs. 62-8 per cwt. has been imposed, representing 50 per cent. of the value to the grower of the Robusta coffee earmarked for export. The Exchequer thus becomes the chief beneficiary of the high export prices, and not the consumer in whose names the Board's policy has been challenged, even less the grower, that is the owner of the goods exported.

The Board has fallen into serious financial straits. Payments to growers are delayed and this is bound to create difficulties for the weaker units of the industry who rely upon the prompt payment of their instalments for the working expenses of the next crop.

Arising out of these circumstances, growers have asked that the entire position of the industry should be reviewed by the Tariff Commission. They feel that it is not a matter purely of prices or of profits. The coffee industry has many natural advantages in India which it is to the interest of the nation to exploit. Whether in finding jobs for many thousands of the jobless, or in contributing toward sound utilisation of jungle lands, or in channelling off to Government revenues potential wealth from export duties, cesses and taxes, coffee can be made to play a significant part in the national economy.

INDIAN RUBBER BOARD

It is understood that, during the six months ended 31st December, 1953, the Indian Rubber Board issued 179 licences to manufacturers authorising them to purchase a total quantity of 18,071 tons of raw rubber. The quantity of indigenous raw rubber of all grades acquired by manufacturers of rubber goods during this period was 11,474 tons, as compared with 8,840 tons in the corresponding period of 1952.

The number of new planting licences issued during the period was 80, covering an area of 755 acres. During the period, no applications from manufacturers were received for import of raw rubber, while 33 tons of sole crepe were exported, as against the export quota of 200 tons sanctioned for the whole year.

Stocks of raw rubber held by estates, dealers and manufacturers at the end of December, 1953 were 2,063 tons, 3,051 tons and 2,788 tons, respectively.

CO-ORDINATION OF TRANSPORT

UNITED STATES EXAMPLE

THE maintenance of an efficient, adequate and economical transport system has always been recognised as vital to a nation's industrial life. This implies maximum co-ordination in transport policies in the entire country. A glaring defect of India's transport policy is the absence of proper co-ordination between rail, road and water transport on a nation-wide level. These and many other related causes were responsible for the Centre's decision, taken at the end of last year, to reconsider the entire transport policy and the Planning Commission's recommendation, early in the year, to set up a study group to enquire into the questions relating to transport facilities and make suitable suggestions. Developments since then, are, however, not available.

Be that as it may, the need for efficient and co-ordinated transport is long overdue, especially for the successful implementation of the Five-year Plan. In this connection, the experience of the Western nations can be studied with profit. Of the Western countries, the United States stands as one of the foremost country in the maintenance of an efficient transport system. This important job is done by a special agency, the Inter-State Commission. The Commission was created in 1887 by an Act of Cosgress. It controls the operations of all companies engaged in inter-State commerce, whether by rail, motor vehicle or pipeline. Sleeping cars, bus and express companies as well as rail-roads follow the Commission's rulings. Originally, the jurisdiction of the Commission was confined to common carriers engaged in inter-State transport wholly by rail-road or partly by rail-road and partly by water. Later, its authority was extended to all important modes of transport. To a limited extent, even carriers by airplane, engaged in the transport of airmail, come within the jurisdiction of this body. The Commission has now five divisions each of which has been assigned a designated function. The action of each group is subject to the appeal to the Commission as a whole.

Quasi-legislative Functions

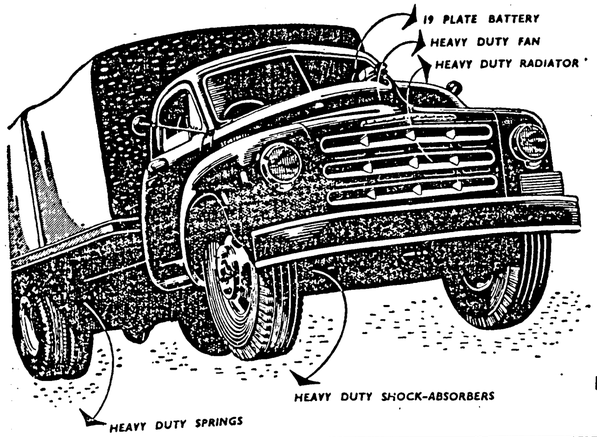
Besides engaging in the task of promoting safe, adequate, economical and efficient transport service, the Commission also looks after fostering economic conditions in the transport industry, encouraging the establishment and maintenance of reasonable charges without destructive competitive prices and ensuring fair wages and equitable working conditions. The Commission exercises both quasi-legislative and quasi-judicial functions. In prescribing rates for the future, for example, it acts in the former capacity. In awarding reparation for damages, it acts in a quasi-judicial capacity.

The Commission makes an annual report to the Congress. The Commission also makes recommendations to the Congress with respect to changes in legislation concerning inter-State commerce which it deems desirable in public interest. On the initiative of the Congress itself, the Commission furnishes valuable data on transport problems to its legislative committees. Because of the growing amount of work which these congressional reports and hearings have involved, a special committee, consisting of four members, was created by the Commission. This body prepares all written reports in response to requests from the Congress and, through it, the committees of the Senate and the House confer with the Commission.

A significant feature of the Commission's set-up is that its membership is kept free from partisan political control. The Commission consists of 11 members appointed by the President. Not more than six members are appointed from the same political party. Any commissioner may be removed by the President for inefficiency, neglect of duty or malfeasance in office. Persons having any official relationship to any common carrier under its jurisdiction or those who have any pecuniary interest in such carriers are barred from membership of the body. Members of the Commission are also not expected to engage in any other business, vocation or employment.

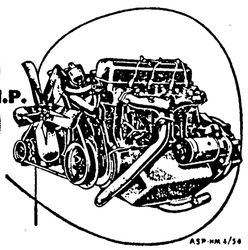
The Commission is often referred to as an "independent" governmental agency, but, in the strict meaning of that word, it is not independent. It has no power to initiate nor to determine new policies of Government. It is in fact an integral part of the governmental mechanism directed by a statute to perform only special duties. The Commission has, throughout its history, held a high standard of responsibility.

BUILT FOR EVERY LOAD AND ANY ROAD-NEW STUDEBAKER TRUCKS 2R 28



The New Studebaker Trucks fitted with 120 B.H.P., V8 Engine are specially designed and equipped for operation under Indian weather and road conditions. These are becoming more and more popular because experience has proved to the owners that Studebaker is the only real heavy duty truck available at the price of other lighter vehicles.

V8 ENGINE-120 B.H.P.



HINDUSTAN MOTORS LTD. CALCUTTA

AUTHORISED DEALERS AT:

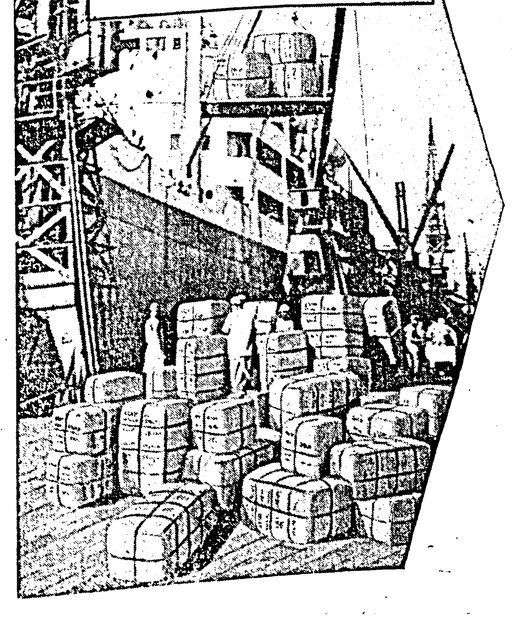
Ahmedabad; Allahabad; Ambala; Bangalore; Bombay; Bareilly; Calcutta; Cuttack; Dibrugarh; Indore; Jaipur; Jodhpur; Jullundur; Jamshedpur; Kanpur; Lucknow; Madras; Madura; Nagpur; New Delhi; Patna; Rajkot; Secunderabad (Deccan); Tezpur; Trivandrum; Rangoon; Colombo.

ASP-HM 4/54

GOOD BALING helps India's textile exports

Good baling is of utmost importance to enable India's textile industry to improve its position in foreign markets. The Hon'ble Minister for Commerce and Industries has himself pointed out to the trade the importance of good packaging.

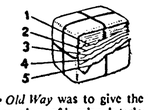
Many of India's leading textile mills are already using the amazing, new packaging material—'Alkathene' Film. 'Alkathene' Film, which is now made in India, is helping them to produce first-class waterproof bales.



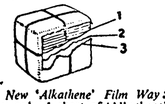
If you have not already done so, give 'Alkathene' Film a trial. 'Alkathene' Film combines superior physical properties with eye appeal. It will ensure that your textile bales reach their destination exactly in the same excellent condition in which they left your mills.

- 'Alkathene' Film is transparent, tough and resilient. It successfully withstands baling pressures, and the strain encountered in transit due to rough handling.
- 'Alkathene' Film is impermeable to moisture and will protect your bales in transit even during monsoon conditions.
- 'Alkathene' Film has been approved by the Textile Commissioner.

And finally, 'Alkathene' Film, though it costs no more than any waterproof packing material, effects substantial savings. It cuts packaging costs, simplifies baling operations, reduces operational time and saves on freight charges. This is how 'Alkathene' Film does it:



The Old Way was to give the bale 2 wrappings of hessian interlayered with a double-sheet of tar-laminated paper, plus 1 extra sheet of kraft paper to protect the textiles from staining.



The New 'Alkathene' Film Way: Now, only 1 sheet of 'Alkathene' Film and two hessian wrappings are enough to provide *complete protection* against exposure and rough handling in transit. There is absolutely *no* danger of staining.

the revolutionary new protective packaging material

'ALKATHENE' Film

MADE IN INDIA

TOUGH • WATERPROOF • INEXPENSIVE

Surely you will want to know more about 'Alkathene' Film! Write, phone or call for free detailed literature and samples. Our Technical Service Department will be glad to help you put 'Alkathene' Film to best use.

IMPERIAL CHEMICAL INDUSTRIES (INDIA) LTD.
Calcutta Bombay Madras Kanpur New Delhi
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ICG 245

THE NATIONAL BANK OF INDIA, LIMITED

SATISFACTORY RESULTS FOR AN "UNEASY" YEAR

MR. J. K. MICHIE ON CONVERTIBILITY OF CURRENCIES

THE Annual General Meeting of the shareholders of the National Bank of India Ltd., will be held in London on 6th April, 1954. In the course of his customary statement to be submitted at the meeting, Mr. J. K. Michie, Chairman, expresses the view that, throughout the year 1953, the world continued to struggle, if haltingly and painfully, towards a more natural balance in the conduct of international commerce. The absence of free convertibility of currencies is, in his opinion, the greatest remaining obstacle to the free flow of international trade. In his review of the economic conditions in the various countries in which the Bank operates, Mr. Michie makes pointed reference to the proposed Development and Finance Corporation in India with the support of the World Bank and welcomes sound ventures of this kind, for "particularly when capital is shy, as it is in India at the moment, they fill a distinct gap."

The following is the full text of Mr. Michie's statement:

"Throughout 1953 the world continued to struggle, if haltingly and painfully, towards a more natural balance in the conduct of international commerce and, in this country, the movement has been assisted by the decontrol of certain imports, the gradual derationing of consumer goods, and the reopening of terminal markets.

"On the other hand, some primary producer countries still hold the view that by bulk selling through Government-controlled bodies rather than by using marketing systems through which sellers and buyers would be in daily touch, they can sell their produce more effectively and at the same time ration their sales in accordance with their views of international values. Generally speaking, bulk selling flourishes only in a sellers' market and temporarily anyhow these conditions have disappeared. But the greatest remaining obstacle to the free flow of international trade, undoubtedly, is the absence of free convertibility of currencies. Without that background international markets, including terminal markets, cannot function fully or to the best advantage of buyer and seller; to have differing values in one currency for the same goods simply because 'A' is produced in the dollar area and 'B' in the sterling (or some other) area is not only superficially wrong, it is dangerous, and that is one of the problems of adjustment which will concern merchants and bankers when free convertibility is possible and does happen.

An Uneasy Year

"1953, therefore, was an uneasy year, though with certain bright spots in our particular geographical field, and I am pleased that we are able to show figures which, while reduced both in respect of balance-sheet totals and of profits, are, nevertheless, satisfactory.

"Turning to the accounts for 1953, the total of the consolidated balance-sheet shows a reduction of £7,014,168 to £136,452,974.

"The figure relating to the National Bank of India, Ltd. alone has fallen by £7,318,127 occasioned entirely by a drop in total deposits which was accompanied by a corresponding fall in outstanding advances.

"After making full provision for taxation and other necessary reservations net profits are £376,266, a reduction of £5,178 as compared with 1952 results.

"Our programme of rebuilding outdated and inadequate banking premises at some of our main branches continues and will not be completed until 1956. Our fine new offices in Kampala and Karachi, we hope, will be occupied in June of this year. Aden and Daressalaam are now being tackled and apart from an addition to our Nairobi building, these will be the last of the major building projects we foresee. We are again allotting £75,000 to properties account and intend to continue a steady policy of depreciation on these lines.

"Contingencies reserve account gets £100,000, as against £115,000 last year, the net cost of our dividend having been increased by the reduction of the rate of income-tax.

"We decided to continue for 1953 our recent rate of dividend distribution of 16 per cent. I wish to point out, however, that on a pre-profits-tax basis this costs practically 20 per cent. While over the war years our shareholders suffered less than most in fluctuating dividends and, consequently, in temporarily reduced share values, we are, nevertheless, very conscious of their loyal acceptance of our dividend policy since then. We are also aware that certain aspects of our capital structure are out of line with modern needs and practice, and as you have seen, we are proposing at an extraordinary general meeting which will immediately follow the annual general meeting to ask you to pass certain resolutions.

"These measures have two purposes the first to take our shares out of what is known as the 'heavy' category and so encourage the smaller investor, the second to bring the capital more into line with realities, while maintaining an adequate reserve fund.

"At our last meeting I was asked when shareholders are to be given tangible benefit from the expansion of our business and our earnings since the present rate of dividend was established and I assured the questioner that this part of the responsibilities of your Board had not been forgotten.

Future Dividend

"As you know, the expenses of running a business continually tend to rise; then competition in all our areas is steadily increasing; and lastly, in this uncertain world it would be most injudicious of me to make any firm prophecy of what will be done or of what will be possible some months from now; but in putting before you these proposals in regard to our capital we do it in the hope that there will be some increase in the amount to be distributed to the shareholders. I do not, however, encourage any expectation of the same rate being maintained on the increased capital.

"Grindlays Bank Ltd. shows a smaller profit for 1953. They are opening in the Rhodesias and that means an increase in expenses which will not be balanced by revenue until the new branches are more firmly established.

"Our Finance and Development Corporation continues to expand its business on sound lines.

"A special feature of our expansion has been the long delayed opening of our West End Branch at 13, St. James's Square, which started business on 7th December. I understand the improved facilities thus afforded to our Trustee and Income Tax Departments are appreciated by our customers and a steadily increasing number of our overseas clients will, doubtless, use St. James's Square for their ordinary business. Our staff will welcome any shareholder or customer who wishes to see this fine office.

India

"The outstanding achievement by India in 1953 was the increase by five millions of tons in her food production. This has been the result of nation-wide efforts begun some years ago and pursued with vigour, coupled with the end of a series of poor monsoons, particularly in Southern India. This does not mean she has achieved self-sufficiency, for it is estimated that this increase hardly meets the needs of her present population on the basis of 1939 consumption *per capita*, but buttressed by her purchase of rice from Burma, it at least puts her in a position in which she can buy her further requirements at her own time.

"Generally speaking, India has had a satisfactory year, above all in the remarkable change for the better in the fortunes of her tea industry. A year ago it was just emerging from a crisis and prices were rising. Since then the rise has been almost continuous and, as I write, Indian 'common' teas are being sold in London at 4*s.* 4½*d.* per lb. against 2*s.* 9½*d.* a year ago and a depression 'low' of 1*s.* 6*d.* (in September, 1952). As the statistical position appears to be strong there is good reason to be quietly confident of a continuance of good returns, though costs of production are on the upgrade. As is not unnatural, this condition of semi-scarcity has benefited common and medium quality teas much more than it has the higher grades.

"Amongst Government projects, it has been announced that a Development and Finance Corporation is shortly to be formed and, it is understood, the Corporation will be supported by the International Bank for Reconstruction and Development. Its function will be to develop industries for which sufficient private capital is not forthcoming.

"We welcome sound ventures of this kind, for particularly when capital is shy, as it is in India at the moment, they fill a distinct gap.

"At times, it has been suggested that banks should undertake finance of this nature and the original German system, whereby the banks invested directly in industry and had nominees on company boards, is sometimes quoted as a pattern. I do not think the experience of the German banks was particularly happy and the position of being simultaneously part owner and banker is a distinctly invidious one, not only in itself, but *vis-a-vis* other constituents; but the over-riding objection is that a bank's deposits are largely 'at call' and for that reason alone it is quite wrong to commit them to long-term capital investment.

"The Finance Minister has just presented his Budget, in which he proposes no new direct taxes, but takes the bold step of budgeting for a deficit of £187,500,000 (capital expenditure is estimated at £296,250,000) partly because, in his words, 'the period of inflationary stresses is now well behind us.' This is a welcome reassurance.

Pakistan

"Most recent figures show that Pakistan, after some travail, has again achieved a favourable balance of trade. Because the effort was somewhat long delayed the methods perforce had to be drastic. Imports were cut to the bone and duties on luxuries much increased. Conhold from world markets supplies of her available products, principally cotton and jute, and her available resources have continued to be invested in textile and jute mills and other industries which are now steadily going into production. In manufactured jute goods Pakistan aims at a total production of 200,000 tons by 1956. They also hope to replace by local production their present considerable imports of textiles.

"A better monsoon should ease Pakistan's food position which is her principal pre-occupation on the economic side. Altogether the picture is a brighter one than it was possible to present a year ago.

"Unfortunately, the flow of trade between India and Pakistan remains weak and there are many mutual questions still awaiting settlement.

Burma

"Burma had a somewhat mixed year. The Government has made great strides in extending 'law and order' and deriving from that the cultivation of rice increased considerably. 1953 also saw the initiation of many capital projects which, over a period of years, will cost large sums in foreign currencies. These projects are largely designed to increase production and generally to make the country more self-supporting. It is good to see that the improvement of Rangoon and other ports and of inland water and other transport is high on the list, for these are urgent measures, if her increased surpluses are to be exported.

"The source of the money needed to finance these schemes must come mainly from Burma's rice exports for which, until a year ago, she was realising high and increasing prices. Since then, however, the trend of world rice markets has been reversed, and until quite recently Burma was the possessor of an unsold balance from the 1952-53 crop of about 750,000 tons. The bulk of this has now been sold to India though much of it has still to be shipped.

"A post-war record harvest in 1953 has given her an estimated surplus of 1,500,000 tons; so her problem is no longer one of how her exports can be rationed amongst the claimants. But to find buyers for this large quantity. Deficit countries are shy of committing themselves to large purchases, particularly as her neighbour Siam also has a considerable quantity to sell, while, in Europe, Italy has a large surplus. So far, Burma has sold limited quantities to Ceylon and Japan at £50 per ton, which marks a big drop on the prices obtainable a year ago.

"An agreement on what is known as the 'Joint Oil Venture' was recently signed between the Government and the three British oil companies and finalisation of the financial provisions is all that is required to make Government the owner of 33⅓ per cent. of the industry, with rights to increase that share.

"Generally, the policy of Government is directed to increase the share of Burmese nationals in the trade and commerce of the country individually, through co-operatives or through Government-owned corporations.

Ceylon

"The Government has grappled manfully with the twin problems of her external balance of payments and her internal budget solvency and in 1953 had the help of buoyant tea prices and a steady yield from rubber under her barter agreement with China, but prices of her other main products, copra and coconut oil, have fallen steeply. Indirect aid will come this year through the fall in the cost of rice imports, a saving which may well total over £5 millions over the year.

"Economic help in the form of loans is likely to be afforded from both the U.S.A. and the U.K. to assist Ceylon to complete certain capital projects on which she has embarked, and a continuance of a sound budgetary policy will, I am sure, bring back her finances to equilibrium.

"As India is doing, Ceylon also hopes soon to have a Development Corporation, from which funds will be available for sound industrial development; but as with India, Ceylon's major problem is a rapidly rising population and a much less rapidly increasing food production.

"To the benefit of all four countries which I have mentioned the 'Colombo Plan' continues to function with growing momentum and increasing sums are being spent, supplied partly by the countries themselves and partly by the U.K., the U.S.A., Canada, Australia and New Zealand.

"Very rightly, agriculture and electric power are two first priorities and encouraging progress has been made in both fields, but much more is wanted both in money, i.e., internal savings and external aid, and in human effort including considerable technical assistance from outside sources, if the programme is to achieve and maintain the required momentum and results.

East Africa

"Shadows of different kinds and different intensities have affected our three main territories, Kenya, Uganda and Tanganyika.

"In Tanganyika, one was temporary, a drought fortunately now over; the second, serious enough, but now halted, was a sharp fall in the price of sisal; but, on the whole, Tanganyika continues to make sound economic progress and her production rises steadily, while the somewhat belated opening of the port of Mtwara will, I believe, encourage a healthy expansion of agriculture in the Southern Province. Poor communications continue to be the principal deterrent to faster development.

"Economically, Uganda is prospering and making great strides. A record cotton crop, high prices for coffee, continued activity in the development of mineral resources and steady progress in the production of electric power through the Owen Falls Scheme to be opened by Her Majesty the Queen at the end of April are all contributing, and that side of her future is bright. The shadow lies over the province of Buganda caused by the need to remove the Kabaka from his throne. I have every hope that this incident will prove to be but a temporary cloud in an otherwise clear sky.

"In Kenya, the Mau Mau 'emergency' is by no means ended or in sight of a solution; the most encouraging sign is the growing resistance to the dark and odious power of the Mau Mau 'oath' by the Kikuyu themselves. Though only a part of Kenya is directly affected, the economic results must be shared by the whole Colony. Life in the areas where the Mau Mau movement is active including the capital city of Nairobi is far from comfortable and it is indeed creditable to all concerned that production has been held so high and that industrial development has continued to make progress. I think it is a legitimate hope that the defeat of Mau Mau in a military sense will be largely accomplished by the end of this year, but settlement in a wider sense is a different, larger and longer task about which I will not speculate.

"As has been said many times, the development of ports, railways and roads and water conservation on a large-scale are two of the keystones of economic progress in East Africa. These problems are being energetically tackled and I believe we shall see a steady and progressive improvement.

"Over the past three years three banks which had not previously operated there have opened branches in East Africa, but we are satisfied both with our progress and our prospects.

"Since writing, my last address we have opened two branches and one sub-branch in East Africa, and it is our intention to continue to meet the banking needs of the territories.

"Zanzibar has had a successful year and though the cause of 'sudden death disease' which attacks the clove trees has not been diagnosed, it is apparent that a sensible policy of regeneration can go far to counter it.

Aden

"The trade of Aden has been stimulated by, and in a long-term sense will benefit greatly from the refinery being built at Little Aden by the Anglo Iranian Oil Company which is likely to be completed within a year from now. The activity in the coffee market has also contributed to Aden's prosperity. Four banks have opened branches in the past two years and the Colony certainly does not suffer from a lack of such facilities.

Somaliland Protectorate

"Our operations show a steady, if small, expansion. We have recently opened a branch at Berbera, the port of the Protectorate, and

(*Continued on page* 579)

THE NATIONAL BANK OF INDIA, LIMITED

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23rd MARCH, 1866.

ESTABLISHED IN CALCUTTA, 29th SEPTEMBER, 1863.

Subscribed Capital	**£4,562,500**	**Reserve Funds**	**£3,675,000**
Paid-up Capital	**£2,281,25**	**Number of Shareholders**	**3,034**

BALANCE SHEET, 31st DECEMBER, 1953.

1952				1953	1952			1953
£		£	£	£	£		£	£
4,562,500	CAPITAL—Authorised and Subscribed—182,500 Shares of £25 each	4,562,500			40,345,036	CURRENT ASSETS—Cash on Hand, at Call and Short Notice, and at Bankers		16,778,011
				2,281,250		Investments at under Market Value—		
2,281,250	Paid-up £12 10*s.* per Share				11,483,585	British Government and other Securities quoted on the London Stock Exchange	11,819,563	
	RESERVE FUNDS—Including Share Premium Account £1,128,750 (1952—£1,128,750)			3,675,000		Indian, Pakistan and Ceylon Government and other Rupee Securities quoted on Overseas Stock Exchanges	10,089,062	
3,675,000					9,876,253	East African Government Securities amounting to £1,048,576 and other unquoted Investments	1,070,824	
	PROFIT AND LOSS ACCOUNT—							
274,980	Profit unappropriated			275,496	991,488			23,379,449
				6,231,746	23,722,144	Bills of Exchange, including Treasury Bills		25,885,761
6,231,230	CURRENT LIABILITIES, PROVISIONS AND OTHER ACCOUNTS—Current and other Accounts, including provision for diminution in value of assets, Taxation on profits to date and reserves for contingencies	80,633,364			53,317,597	Advances, Loans receivable, and other sums due to the Bank		45,364,249
					1,010,296	Customers for Acceptances per contra		938,205
					120,746,419	Total Current Assets		112,825,675
89,004,213		22,930,054						
21,927,618	Fixed and Short Deposits	2,950,553			1,450,000	SUBSIDIARY COMPANIES—Shares at cost less amounts written off	1,450,000	
2,864,042	Amounts due to Subsidiary Companies	370,875				Amounts due	159,770	
740,663	Loans Payable	1,995,116						1,609,770
1,356,541	Bills Payable	933,205						
1,010,296	Acceptances for Customers	100,375			1,261,996	FIXED ASSETS—Bank Premises, Property and Furniture at cost, less amounts written off		1,704,843
95,812	Second Interim Dividend less Income Tax for the year ended 31st December, 1953			109,908,542				
				£116,140,288	£123,458,415			£116,140,288
£123,458,415								

NOTES

1. Securities to the nominal value of £763,085 (1952—£642,500) have been lodged as security for Government accounts and for guarantees issued to Indian Government Departments.
2. Bills receivable rediscounted £139,534 (1952—£115,814) of which up to 8th March 1954—£62,248 have run off.
3. Forward contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers £33,085,235 (1952—£46,029,150).
4. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £427,000 (1952—£565,107).
5. There are contingent liabilities in respect of confirmed credits outstanding amounting to £7,975,079 (1952—£9,233,520).
6. There are contingent liabilities in respect of guarantees entered into in the ordinary course of business.
7. Overseas Current Assets and Liabilities have been converted at the rate of 1/6*d.* per Indian Rupee, 1/6*d.* per Ceylon Rupee, 1/6*d.* per Burma Kyat, 2/2*d.* per Pakistan Rupee and £1 per 20 East African Shillings, and other currencies at the rates of exchange ruling on 31st December, 1953.

N. W. CHISHOLM, *General Manager.*
D. A. DEELEY, *Accountant.*

J. K. MICHIE,
W. H. MILES,
E. J. MACKENZIE HAY. } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper Returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and Returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1953.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiaries dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiaries so far as concerns members of The National Bank of India, Limited.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants. } *Auditors.*

LONDON, 9th *March*, 1954.

THE MERCANTILE BANK OF INDIA, LIMITED

(REGISTERED IN LONDON UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892.)

Authorised Capital - - - - - - £3,000,000 **Paid-up Capital - - - - - £1,050,000**
Subscribed Capital - - - - - - £1,800,000 **Reserve Fund - - - - - - £1,500,000**

Head Office: **15, GRACECHURCH STREET, LONDON, E.C.3.**

Board of Directors:
SIR KENNETH W. MEALING, *Chairman.*
SIR JOHN G. HAY, *Deputy Chairman.*
E. J. BUNBURY, Esq., C.B.E., M.C. — SIR CHARLES A. INNES, K.B.E.
J. B. CRICHTON, Esq. — SIR CYRIL E. JONES, K.C.I.E., C.S.I.
R. W. B. DUNLOP, Esq. — C. D. MILLER, Esq.
HON. R. H. VIVIAN SMITH.

Chief Manager: R. N. DRAKE.
Deputy Chief Manager: H. W. HAWKINS.
Managers: C. R. WARDLE — W. P. B. DAVIES — R. V. THOMAS.
London Bankers: BANK OF ENGLAND — MIDLAND BANK LIMITED.
Agents in New York: CHASE NATIONAL BANK OF THE CITY OF NEW YORK. BANK OF MONTREAL.

BRANCHES AND AGENCIES:

INDIA:—
BOMBAY
CALCUTTA
HOWRAH
DELHI
MADRAS

PAKISTAN:—
KARACHI
CHITTAGONG
KHULNA

CEYLON:—
COLOMBO
GALLE
KANDY
JAFFNA

BURMA:—
RANGOON

MAURITIUS:—
PORT LOUIS

SINGAPORE

MALAYAN FEDERATION:—
KUALA LUMPUR
KUANTAN
KUALA TRENGGANU
PENANG
KOTA BHARU
IPOH
KUALA LIPIS

HONGKONG

CHINA:—
SHANGHAI

THAILAND:—
BANGKOK

JAPAN:—
TOKYO
OSAKA
SEMBA

NEW YORK REPRESENTATIVE:—W. T. DOUGAL, 37, WALL STREET.

SIXTY-FIRST ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ended 31st December, 1953.

The Balance of Profit and Loss Account for the year after providing for Taxation and after Allocations to Contingency Accounts out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets, amounts to £194,687
to which has to be added the balance brought forward from last account .. 200,143
making the amount available .. £394,830
out of which the following appropriations have been made:—

To Interim Dividend of 7 per cent. on the "A", "B" and "C" shares less Income Tax at 9s. in the £, paid on 29th September, 1953	£40,425	
To Officers' Pension Fund	13,000	
To Amount written off Freehold Banking Premises and Property	50,000	
To Additional Allocation to Contingencies Account ..	50,000	
		153,425
leaving a sum of ..		£241,405

from which the Directors recommend:—

A Final Dividend of 7 per cent. on the "A", "B" and "C" shares, less Income Tax at 9s. in the £ (making 14 per cent. for the year) payable 30th March, 1954	40,425
Balance to be carried forward to next Account	£200,980

A sub-agency of Osaka Branch was opened at Semba on 23rd October, 1953.

Sir Charles Alexander Innes, K.B.E., has been appointed to a seat on the Board and under Article 101 of the Articles of Association offers himself for re-election.

The following Directors retire by rotation under Articles 120 and 121 of the Articles of Association but, being eligible, offer themselves for re-election:

Sir John G. Hay.
Mr. E. J. Bunbury.

Special Notice under Sections 142 and 185 of the Companies Act, 1948, has been received by the Bank of a resolution for the re-election as Director of Sir John G. Hay, who has attained seventy years of age.

Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the present Auditors, will continue in office pursuant to Section 159 (2) of the Companies Act, 1948.

By Order of the Board,
R. N. DRAKE,
Chief Manager.

LONDON, *2nd March*, 1954.

BALANCE SHEET, 31st DECEMBER, 1953

1952 £		£	£
	Capital Authorised—		
750,000	30,000 "A" shares of £25 each	750,000	
750,000	30,000 "B" shares of £25 each	750,000	
1,500,000	300,000 "C" shares of £5 each	1,500,000	
£3,000,000		£3,000,000	
	Capital Issued—		
375,000	30,000 "A" shares £12 10s. paid	375,000	
375,000	30,000 "B" shares £12 10s. paid	375,000	
300,000	60,000 "C" shares £5 paid	300,000	
1,050,000			1,050,000
	Reserve Fund—		
1,500,000	(including Share Premium Account £300,000)	1,500,000	
200,143	**Balance of Profit** unappropriated carried forward to 1954 ..	200,980	
1,700,143			1,700,980
£2,750,143			£2,750,980
	Current Liabilities, Provisions and Other Accounts—		
277,052	**Notes in Circulation** against security per contra ..	279,139	
	Current and Fixed Deposit and Other Accounts including Provisions for Taxation on Profits to date, Doubtful Debts and Reserves for Contingencies	59,331,939	
68,510,460			
1,729,464	**Bills Payable**	927,180	
299,091	**Acceptances on account of Customers** per contra	211,410	
43,369	**Balances due to Subsidiary Companies**	43,354	
44,100	**Proposed Final Dividend,** less Income Tax	40,425	
70,904,436			60,883,447
£73,654,579			£63,634,427

1952 £		£	£
	Current Assets—		
15,208,834	**Cash in hand, at Call and at Bankers**		13,696,463
	Investments (Quoted Investments at or under market value; unquoted Investments at or under cost)		
	British, Dominion and Colonial Government and Other Securities (including £265,000 British Government Securities deposited against Note Issue):		
14,385,563	Quoted in Great Britain	7,529,723	
6,402,947	Quoted elsewhere than in Great Britain	6,456,694	
20,788,510		13,986,417	
127,027	Unquoted	£2,938	
20,915,537			14,069,355
	Hong Kong Government Certificates of Indebtedness deposited against Note Issue	105,605	
105,605			
14,330,485	**Bills Receivable**	14,670,135	
	Loans Receivable, Advances and Other Accounts including Amounts due by Agents		
21,846,289			
209,091	**Liability of Customers for Acceptances** per contra	20,206,090	
		£11,410	
36,831,470			35,198,240
72,955,341			62,959,058
55,137	**Shares in Subsidiary Companies** at Cost		55,137
	Fixed Assets—		
	Freehold Banking Premises and Property at Cost less Amounts		
644,101	Written Off		620,232
£73,654,579			£63,634,427

NOTES.

1. Currency Assets and Liabilities have been converted into Sterling at the following rates:—1s. 6d. per Indian and Ceylon Rupee and Burma Kyat, 2s. 5d. per Pakistan Rupee, 2s. 4d. per Straits Dollar, 1s. 5d. per Hong Kong Dollar, 7s. per United States Dollar, 6d. per Baht, Yen 1,000=£1 and Shanghai Yuan 80,000=£1.
2. Group Accounts are not prepared as the Directors consider they would be of no real value to members in view of the insignificant amounts involved in the accounts of the Subsidiary Companies.
3. Contracts for outstanding capital expenditure £63,655 (1952, Nil).
4. There are Contingent Liabilities in respect of the following:—
   Bills Receivable re-discounted £1,004,976 (1952, £803,541) all of which have since run off.
   Outstanding Forward Exchange Contracts.
   Confirmed Credits and Guarantees entered into in the ordinary course of business, including Guarantees to Government Departments in India amounting to £84,467 (1952, £29,912) for which security has been deposited with the Reserve Bank of India.
   Uncalled Capital amounting to £54,963 (1952, £54,063) in respect of partly paid shares in Subsidiary Companies.

PROFIT AND LOSS ACCOUNT, FOR THE YEAR ENDED 31st DECEMBER, 1953

1952 £		£	£
13,000	**Amount transferred to Officers' Pension Fund**		13,000
50,000	**Amount written off Freehold Banking Premises and Property**		50,000
55,000	**Additional Allocation to Contingencies Account**		50,000
	Dividends:—	£	
33,075	Interim Dividend of 7 per cent., less Income Tax at 9/- in the £, paid 29th September, 1953	40,425	
44,100	Proposed Final Dividend of 7 per cent., less Income Tax at 9/- in the £, payable 30th March, 1954	40,425	
			80,850
200,143	**Balance of Profit** unappropriated carried forward to 1954		200,980
£395,318			£394,830

1952 £		£	£
200,130	**Balance brought forward** from 31st December, 1952		200,143
195,188	**Profit for the year ended 31st December, 1953,** after providing for Taxation thereon, and after allocations to Contingency Accounts, out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets		194,687
	NOTE.—DIRECTORS' REMUNERATION.—The aggregate amounts of the Directors' Fees was £11,237 (1952, £4,800). In addition a payment of £5,000 was made to a former Director in commutation of a pension granted to him in respect of his services as a Director.		
£395,318			£394,830

R. N. DRAKE, *Chief Manager.*
H. L. HUGHES, F. N. WITHERS, *Accountants.*

K. W. MEALING, E. J. BUNBURY, J. B. CRICHTON, *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1953, and the Profit and Loss Account gives a true and fair view of the profit ascertained in the manner therein indicated for the year ended on that date.

LONDON, *2nd March*, 1954.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

THE MERCANTILE BANK OF INDIA, LIMITED

LEVEL OF TRADING ACTIVITIES WELL MAINTAINED

SIR KENNETH MEALING REVIEWS AN EVENTFUL YEAR

THE statement of Sir Kenneth W. Mealing, Chairman of the Mercantile Bank of India Ltd., to the shareholders at their Sixty-first Annual Meeting to be held in London on 30th March, 1954, reveals that the level of the Bank's trading activities during 1953 remained unaltered, notwithstanding the difficulties created by drastic import and export restrictions imposed in some of the areas where the Bank operates and by lower commodity prices. The year 1953 has proved memorable, he says, not only in the international field but, particularly, to the United Kingdom. The cessation of hostilities in Korea, the improvement in the world food situation and the diminishing fears of a third world war consequent on the build-up of the forces of N.A.T.O., all these, give him hopes of better times ahead.

The following is the full text of Sir Kenneth's statement:

"Sir Charles Innes, K.B.E., whose father served you as Chairman of this Bank for fourteen years, retired from India in 1953 after many years' experience, culminating as President of the Associated Chambers of Commerce of India. On 28th April, 1953, he was elected to the Board and you will be asked to confirm his election.

"Turning to the accounts, the balance-sheet total shows a reduction from the previous year, due to a decrease in special and temporary deposits, and this reduction is reflected in our holding of Government securities at nearly £7 million lower than last year. Despite difficulties, due to drastic import and export restrictions imposed in some of the areas where the Bank operates and to lower commodity prices, the level of the Bank's trading activities remained unaltered, with bills receivable slightly higher and loans and advances showing a small decrease. At £194,687, the net profit is slightly lower than for the previous year and your Directors recommend a final dividend of 7 per cent. If this recommendation is approved, the dividend for the year will be 14 per cent., the same as last year, and I trust you will agree that the results of the year's working are satisfactory.

"The year 1953 has proved memorable not only in the international field but particularly to the United Kingdom. The cessation of hostilities (I regret, I can put it no higher) in Korea; the improvement in the world food situation; the build-up of the forces of N.A.T.O. resulting in diminishing fears of a third world war; all these provide hope of better times ahead. In this island the happy and glittering pageant of the Coronation; the further improvement in the stability of sterling, and of the gold and dollar reserves of the sterling area; the further freeing of the people from rationing, and of trade and industry from restrictions; a return to a policy of incentives by a small, but welcome, degree of tax relief and a reduction in the food subsidies, these events leave happy memories of 1953, and, I trust, give us renewed hope and determination to meet the problems which lie ahead.

Competition From Germany and Japan

"The acute world shortages resulting from the war and the consequent 'sellers' market' no longer exist. Two great industrial countries, Germany and Japan, are competing increasingly in world markets and a bracing disinflationary wind is beginning to blow which only hard work and efficiency can temper. On the other hand, the world population is rising and with it commodity consumption should also rise; but the resultant trade will go to those nations producing most efficiently and cheaply. The world continues to be divided by the Iron Curtain, but the Western world's increasing freedom from war-time shortages and restrictions in showing results which must create increasing envy in those countries suffering in the cruel grip of despotic enslavement. The constant flow of refugees from Eastern Europe and the periodical liquidation of top party members in Iron Curtain countries bear evidence of this.

"The enormous industrial potential of the United States has been largely employed in preparations for the armed defence of herself and the free world; but the cessation of hostilities in Korea and the greater preparedness of N.A.T.O., together with less urgent need for economic help to other countries, has resulted in a business readjustment in recent months in the United States which, if developed, could have serious repercussions on other countries. However, President Eisenhower's Republican Government have made it clear that they have the resources and the intention of seeing that this recession shall not be allowed to develop into a slump, and it is to be hoped that the transition from an inflationary 'boom' to stability of production and consumption can take place without incurring the rigours of a sharp trade depression. Perhaps the greatest single cause for anxiety and unrest since the war has been the shortage and rising prices of foodstuffs, particularly in South-East Asia with its increasing populations. It is, indeed, satisfactory to be able to report considerable improvement in the outlook for food crops throughout the world, including South-East Asia.

India

"India's import of just over 2 million tons of foodgrains in 1953, compared with 3.9 million tons in 1952 and 4.7 million tons in 1951, coupled with a particularly good monsoon assuring bumper crops of all kinds in the immediate future, should ease the food situation and greatly reduce the need for importation of foodgrains into India during the coming year.

"It is greatly to be hoped that this improvement may be reflected beneficially in the cost of living index, which for November, 1953, stood at 361 compared with 347 in November, 1952, and 333 in November, 1951 (1939=100) and thus prove an effective check on the inflationary trend. The Government of India, under the leadership of Pandit Nehru, are fully alive to the importance of food production and have concentrated on irrigation and hydro-electric projects some of which have been completed, some are nearing completion and a number of others are in hand. In view of India's growing population and the fact that in some years the monsoon fails with serious results to food supplies, such schemes are clearly of vital importance.

"Another anxious factor in the Indian scene is the increase of unemployment, to which the growth of population inevitably contributes. The Five-year Plan now under way is designed, by the creation of hydro-electric power, new industries, better transport facilities, improvement and extensions in agriculture not only to make India less dependent on imports from abroad but to provide employment and raise the standard of living of the people. The inevitable time lag before this Plan can come to fruition and the rising unemployment in the interim have provided opportunities for opposition (particularly Communist) criticism of the Government and the Congress Party, but there is no doubt that any fair and unbiassed assessor would give great credit to the Government for the vast undertakings it has projected and is doing its best to carry through for the benefit of the country.

Financing of the Plan

"One of the Government's problems is the provision of finance, first, to balance the Budget and secondly, for the Plan. This has resulted in high taxation, both direct and indirect. High direct taxation, both personal and corporate, may be anti-inflationary, but it inevitably removes a great deal of surplus income which would otherwise become available as investment and risk capital. Thus the financing of the Five-year Plan is, undoubtedly, causing the Government some concern. On the one hand, revenue from duties on imports and exports is declining and, on the other hand, the attainment of the target of investment for the private sector under the Plan seems unlikely fully to succeed. Risk capital is shy of high taxation and the passing of the Estate Duty Act in 1953 has not improved the climate either for foreign or Indian investment.

"In general, the year 1953 has seen a steady turnover of business, albeit on a lower level than in previous years. Cotton textile mills have been moderately active throughout the year and there has been a welcome increase in demand for Calcutta jute products by overseas buyers. The tea industry started the year in the throes of an almost unprecedented slump with prices well below cost of production, and finished the year with prices yielding substantial profits to set off the heavy losses which many companies suffered in 1952. To what extent tea companies will be able to replenish their working capital to a figure commensurate with their crop and inter-crop expenditure remains to be seen, but in many cases this is of great importance, if they are to be in a position to weather any future slump, should one occur, as severe as, or of longer duration than, the last one.

"The past year has been notable for the successful working of the cotton futures market, which was reopened in December, 1952, and the increasing consumption of Indian cotton by Indian mills which reached a record figure. The export quotas for certain varieties of cotton was fixed at 250,000 bales for the 1952-53 season, but total exports amounted to about 345,000 bales, the balance being made up of exports allowed against unutilised quotas for the previous season. The trade was disappointed with the Government's attitude to export duties, being of the opinion that further reductions for certain varieties were necessary for the fulfilment of export quotas. Early in the 1953-54 season the mills were keen buyers of new crop cotton as soon as it became available, owing to the improved demand for export. The abolition of the export duty on medium cloth stimulated foreign sales, whilst coarse cloth, although still dutiable, has been selling well in competitive overseas markets.

"In the first half of the year, Indo-Pakistan relations appeared to be improving. In March, a three-year Trade Agreement was reached providing for the annual supply of 1.8 to 2.5 million bales of Pakistan jute to India and 80,000 to 85,000 tons of Indian coal to Pakistan, reductions in licence fees, export duties and surcharges on these commodities were mutually agreed. In August, a conference was held between the Prime Ministers of India and Pakistan in New Delhi on the vexed question of Kashmir, at which it was agreed that a Plebiscite Administrator should be appointed by the end of April, 1954. Later in the year relations deteriorated sharply on the issue of American military aid to Pakistan and it remains to be seen whether the Kashmir problem is any nearer solution; what is certain, however, is that the high military expenditure in both countries is unlikely to be materially reduced nor any lasting improvement in the relations between the two countries come about until the problem of Kashmir is resolved.

Pakistan

"The principal event of the year in Pakistan was the change in the Government last March. The Governor-General appointed Mr. Mohammed Ali to be Prime Minister and he and his Finance Minister were faced with an exceedingly difficult task, for the financial position of the country was grave and serious food shortages, if not famine, in some parts of the country were imminent. The free gift of one million tons of wheat from the U.S.A. arrived just in time, for it not only relieved the immediate risk of famine but averted a major outlay of foreign exchange for the purchase of cereals which would have increased the gravity of the financial crisis. The new Government took drastic measures to curtail the imports of all but the minimum quantities of vital necessities, which has turned an adverse trade balance (from June, 1951, to end of 1952 of Rs. 94 crores) to a surplus of Rs. 29.4 crores in 1953. This welcome improvement has, however, resulted in an inflationary trend caused by the increase in price of commodities in short supply as a result of the import restrictions, whilst this rising price-trend has spread to indigenous commodities, resulting in a general rise in the cost of living. Clearly the only solution in the long term must be an increase in Pakistan's income from exports—not easy to achieve in the face of lower world prices—and a great improvement in food production. In March, 1951, N.T.R. cotton was quoted at Rs. 148, in March, 1952 Rs. 91 and by March, 1953, Rs. 65, whilst the present price is quoted at Rs. 74½. In order to maintain prices for raw jute, the acreage under cultivation in East Bengal has been reduced from 1.87 million acres to

.79 million acres for an estimated crop of 5¼ million bales.

"Industrial development in Pakistan is proceeding. By the end of 1954 six jute mills will be operating and three more mills are to be added in 1955 and when all nine mills are in operation they are expected to produce 225,000 tons of jute goods yearly. This will complete the first phase of development of the jute manufacturing industry in Pakistan. Self-sufficiency in cement production is expected to be attained by 1955, as there will be seven factories producing more than a million tons of cement in that year. A new paper mill to produce 30,000 tons of paper a year commenced production in October, 1953. Several new textile mills are projected with the intention of making Pakistan self-sufficient in the cheaper lines of cotton textiles within the next few years.

"Considerable progress has been made in the Rs. 11-crore development scheme for Chittagong Port, which is now expected to be completed by the end of 1955. Eighteen ships can now berth compared with six in 1947 and the average 'turn-round' has been reduced to about ten days.

"It is proposed to remove the Chalna anchorage some 15 miles downstream to Mangla and to provide five mooring buoys. It is believed that some 1,800,000 bales of jute have been exported through Chalna in 1953, but it seems clear that the construction of a proper port to serve the hinterland of East Bengal through Khulna is likely to be a long-term project.

"In general, it may be said that Pakistan has retreated from acute financial crisis and is slowly and steadily moving in the right direction. Progress has been made in framing the new Constitution which, in due course, will result in new elections. There are to be elections in East Pakistan early in 1954 on the basis of adult franchise with an electorate of some 20 millions. This will be the first election since Pakistan came into existence and may provide an indication of the future political trend of the country.

"The heavy burden of military expenditure rendered the proposal of American military aid attractive to Pakistan, as the biggest drain on her limited foreign exchange earnings is the cost of imported armaments. Settlement of the Kashmir problem would, undoubtedly, bring welcome financial relief to Pakistan, and it would also open the door to friendship and mutual trade with India.

Ceylon

"Ceylon's trade deficit for 1952 proved to be Rs. 200 million—greater by Rs. 90 million than was estimated when I last addressed you. It is now estimated that the deficit for 1953 will be in the neighbourhood of Rs. 40 million; a very great improvement over the previous year. This improvement has come about as a result of better prices for an increased production of tea and higher prices for copra, coconut oil and other coconut products, coupled with a lower overall volume of imports at cheaper prices.

"Ceylon is now importing rice at the rate of 500,000 tons yearly. Of this, 260,000 tons is to come from China at £49 per ton and a further 208,000 tons is expected from Burma. The Finance Minister, Sir Oliver Goonetilleke, is reported to have stated that Ceylon needs £75,000,000 over the next five years in order to increase the production of rice on which Ceylon's economy so largely depends. The foreign exchange now needed to pay for the import of 500,000 tons of rice yearly could then be used to stabilise Ceylon's economy.

"The Budget deficit in the current year ending June, 1954, is estimated at between Rs. 82 and Rs. 90 million compared with a deficit of Rs. 226 million (according to present figures) in the previous year). A factor in this improvement was the reduction of the subsidy on rationed rice in July which resulted in an increase in cost to the consumer from 25 cents a measure to 70 cents and was followed by mass protests and a state of emergency, including military intervention, which lasted until the end of August. Subsequently, assisted by a slight reduction in the world price of rice, the price of rationed rice was reduced to 55 cents a measure.

"The five-year agreement with China under which Ceylon will purchase 260,000 tons of rice in 1954 also provides for the sale by Ceylon to China of 50,000 tons of sheet rubber at approximately Rs. 1.55 per lb. f.o.b. Colombo out of a total estimated production of 90,000 tons of rubber of all grades. Thus, Ceylon has been partly shielded from the world-wide slump in rubber prices by its agreement with China.

"Tea is, however, Ceylon's major export, on which much of the economy of the Island depends. It has been a good year for the industry and the total estimated crop for 1953 is 330 million pounds. Fears of a heavy world surplus early in the year brought about a fall in prices of common grades to below the cost of production but, largely owing to the restricted output in Northern India and Indonesia, prices were progressively higher throughout the remainder of the year. Highly satisfactory sales to the U.S.A. greatly assisted the trade and compensated for the reduced Egyptian offtake. The average price obtained for all grades at Rs. 1.91 per lb. was 18 cents higher than in 1952, and the market, which brightened steadily throughout the year, finished on a firm note. The future is considered to be quite bright with increasing demand in all consuming countries.

"In October, Mr. Dudley Senanayake resigned the Premiership owing to ill-health and Sir John Kotelawala replaced him. There has been no relaxation of exchange control; indeed, in respect of personal remittances there are somewhat greater restrictions. The 'sliding scale' export duties on tea and coconut products were found to work unsuccessfully and have been replaced by fixed duties, on tea of 45 cents a lb., on copra Rs. 260 a ton, coconut oil Rs. 208 a ton and desiccated coconut Rs. 156 a ton.

Burma

"The state of emergency in Burma still continues, but it seems that in the Delta and Central Burma, which are the main strongholds of the Communist insurgents, the situation has considerably improved. The Prime Minister of Burma has said that 1954 will see the end of the emergency, but the general opinion is that it will take longer than this. In September last villages within twenty miles of Rangoon were raided by Communists and People's Volunteers in strength. Buses running between Rangoon and Pegu are still frequently attacked and although provisional arrangements for the evacuation of the 12,000 Chinese Nationalist (K.M.T.) forces from Burma commenced on 7th November, so far less than 2,000 have been evacuated.

"In 1953, Burma exported, in the first nine months of the year, 852,869 tons of rice. The carry-over from 1953 to 1954 is expected to be between 750,000 and 1 million tons and, in addition, it is anticipated that there will be an exportable surplus grown in 1954 of 1,800,000 tons. At one time it looked as though Burma's failure fully to market her 1952-53 crop would present the Government with the need to find storage for something like 1½ million tons of paddy, but early in February this year the Government of India agreed to purchase 700,000 tons of this surplus. This was fortunate as storage accommodation is severely taxed and delays in paying the growers for the new crop now coming forward would not only slacken trade, but could cause unrest in the countryside which, in present circumstances, would be most unfortunate. On the other hand, Burma still has a favourable balance of trade, which we estimate at some K93½ million against K342 million for the previous year and the Government have considerable cash reserves in hand at present, largely due to the inability, owing to the state of emergency, of Government departments to spend the sums budgetted for them. These reserves may stand Burma in good stead in dealing with the rice surplus which may develop.

"Burma's plans for progress include the expansion of Rangoon to meet the needs of a population of 1½ million people, a joint venture with the Burmah Oil Company, a factory for medical supplies, two more spinning and weaving factories (making three in all), two coastal passenger vessels and two freighters. An Agricultural Bank has been formed and it is proposed to form a State Commercial Bank. Trade agreements were concluded with Jugoslavia, India, Ceylon and Japan. Settlement of Burma's debt to the U.K. under the 1947 Treaty of £27½ million has been effected by payment (or acceptance of liability) of a total of £7.3 million to the U.K. Burma is no longer a recipient of Marshall Aid.

Malaya

"It is satisfactory to be able to report a further improvement in the state of emergency from which Malaya has suffered since 1948. The recrudescence of incidents in Johore and Negri Sembilan bears witness to the fact that the Communist menace is not yet eliminated, but there are indications that the Communist territorists are losing ground and co-operation by the general public which, in the past, has been almost entirely lacking is improving and this goes a long way to strengthening the hands of Government. This improvement has in no small measure been brought about by the untiring efforts of General Sir Gerald Templer, the High Commissioner and Director of Operations.

"Malaya's economy, and that of Singapore, is principally dependent upon the prosperity of the rubber and tin industries. Of both commodities America is the largest consumer. Both commodities came into urgent demand with resultant high prices during the Korean campaign. Both have suffered from heavy falls in 1953. From S$1.42 at the beginning of 1952, rubber fell to 85 cents by the commencement of 1953 and to 57 cents by the end of the year. At this price few producers can operate profitably. The principal price-determining factor in rubber is the quantity and price of subsidised synthetic substitutes produced in the U.S.A.

"Tin prices quoted on the London market at £975 per ton in January, 1953, fell to £630 per ton at the end of the year. Production of both rubber and tin declined somewhat in 1953. As a result, the value of exports declined severely in 1953, and it is estimated the figure will be in with $3,918 million in 1952 and $5,990 million in 1951—a decline of approximately 50 per cent. in two years. Imports have also declined, but it is estimated that for 1953 the figure will reach $3,180 million, resulting in the first unfavourable trade balance since 1949.

"On the other hand, 1953 has seen a recovery in Malaya's paddy crop, whilst reports from the chief rice-growing countries of South-East Asia are of good crops. Whilst this is only now beginning to be reflected in selling pressure and lower prices from producing countries, it seems likely this will in due course effect reductions in the cost of living for the masses in Malaya.

"Revised estimates for 1953 show revenue at $566 million and expenditure at $805 million; a deficit of $239 million. Part of this can be met from the special reserve of $85 million to which I referred last year and the remainder by depleting the accumulated general reserve balance brought forward from 1952 of $332 million, probably to about $100 million. The U.K. donated £6 million sterling in 1953 and has promised further financial aid in 1954. It is proposed to raise $100 million by loans in Malaya and a further loan of $50 million will be sought in London. Nevertheless, the outlook is not free from anxiety, for it is certainly of vital importance to the free world that the good progress which has been made to meet the Communist menace in Malaya should not be jeopardised by economic impairment by circumstances outside Malaya's control.

Hongkong

"Hongkong's exports showed a decline from $2,899 million in 1952 to $2,733.7 million in 1953, whilst her imports rose from $3,779½ million in 1952 to $3,872.7 million in 1953. In the past, Hongkong's economy has been based entirely upon the entrepôt trade, of which, until three years ago, a substantial portion (some 70 per cent.) was with China. Since the embargo on all strategic goods to China, Hongkong has developed its trade with other countries including the U.K., Africa, Central America, the South Seas and Australia. Moreover, the pattern of Hongkong's economy is changing. There are now an aggregate of 210,000 cotton spindles and a further 40,000 shortly to be added. Shipbuilding continues to expand. The enamelware and electric torch industries employ 8,000 workers in 38 factories, and the footwear, cotton clothing, lace-work, embroidery and knitting industries are growing and exporting their products. Indeed, the products of local manufacturers now represent some 22½ per cent. of the Colony's total exports.

"Trading conditions during the year were, however, difficult and the export trade had a difficult year so the overall decrease of only $163 million must be considered not unsatisfactory when it is realised that reductions in shipments to Indonesia, Formosa and Malaya combined totalled $338 million and to the U.S.A. by $51 million.

Thailand

"The year 1953 saw the change-over from a 'sellers' to a 'buyers' market in rice; Thailand's principal export. The result was a falling off in rice exports during the last quarter of the year and the total for the year amounted to 1,352,610 metric tons compared with 1,428,400 tons in 1952, and would have been lower but for the floods and storm damage to Japan's own crops which caused Japan to purchase 493,691 tons from Thailand, some 200,000 tons more than in the previous year. Prices also fell, as they did in the case of rubber, tin, teak and wolfram. Thailand's other principal exports in order of importance. It is generally believed that Thailand's current rice crop will be a bumper one and that there may be an exportable surplus of 2 million tons in 1954, but the marketing of this surplus must be affected by the increasing crops in other rice-producing countries.

"The value of exports for the year 1953 must be considerably lower than the previous year and although imports must also be less through increased import duties and the re-introduction of import control, it seems probable that an overall trade deficit occurred for 1953.

"The Budget Estimates for 1954 provide for a deficit of Tcs. 1,485 million, an increase of Tcs. 387 million over the estimate for 1953. The note circulation has increased by 5 per cent. during the year, but the note issue is backed to the extent of 80 per cent. by gold and foreign exchange. Thailand has received considerable assistance from the United States including equipment and materials to assist in developing the economy of the country and the Thailand Government has itself set aside large sums for railways, highways and power projects, whilst social security schemes are being considered, land reform is under discussion and sums are being provided to improve health and educational facilities.

"The political situation in Thailand appears to be stable, there was no serious internal trouble during the year, but the events in the neighbouring State of Laos and the general situation of the Communist-inspired war in Indo-China must be a source of anxiety to Thailand and those interested in the welfare of the country, including its close neighbours, Malaya and Burma.

Mauritius

"Mauritius enjoyed another prosperous year in 1953. The principal industry, sugar, produced a record crop of 512,000 metric tons and, under the International Sugar Agreement, their export quota for 1954 will amount to 470,000 long tons, of which 351,000 tons will be purchased by the British Ministry of Food at £41 per ton. Provided there is no heavy fall in world prices, the balance of the export quota (119,000 tons) may be sold to the U.K. and Canada and the total sale proceeds, although likely to be lower than last year, should still be profitable. The Cyclone and Drought Insurance Fund now totals approximately Rs. 61 million and should provide a useful cushion should either of these disasters occur.

"General trading conditions in Mauritius were good throughout the year. The cost of living index rose during the first half, but declined in the second half to about the same as at the beginning of the year. The population is rising and is now put at 517,000, an increase of 72,000 or over 16 per cent. since 1949. General elections were held in August and the Legislative Council now includes 19 elected members out of 35. Of the elected members 13 are Labour. The general standard of living is good and since 1948-49 with a revenue not quite doubled, expenditure on health has doubled, on education has increased threefold and on public assistance and old-age pensions has increased fivefold. Thus, expenditure on social services has risen to 35.9 per cent. of the Budget.

"The present attitude of the Mauritius elected legislators may be regarded as somewhat extravagant bearing in mind that the entire prosperity of the island depends upon the sugar industry and that a cyclone or serious fall in world prices for sugar could plunge Mauritius into serious financial difficulties. There was a revenue deficit of Rs. 4 million in 1952-53 and allowing for an expected deficit of Rs. 8 million in 1953-54 the Colony's reserves will stand at about Rs. 23 million in June, 1954, by no means excessive considering the present commitments on social services and the dependence of the island on one industry open to world-wide competition and the vagaries of the weather.

Japan

"Japan's economic situation has not improved during 1953. On the contrary, when the Korean cease-fire was signed on 27th July, purchases in Japan for 'special procurement' for the Korean war declined from U.S. $79 million in July to under $14 million in August. Japan's imports exceeded the value of her exports by nearly 100 per cent. in 1953, her population continued to grow (by 1,180,000 last year) and the population-density of cultivable land is believed to be the highest in the world.

"A General Election was held in Japan on 12th April, 1953, as a result of which Prime Minister Yoshida, the Liberal Party Leader, was re-elected. Unfortunately, a split developed in the party which was only healed after a period of brilliant political manœuvring by Mr. Yoshida. The present political outlook in Japan may, therefore, be considered as stable provided the present inflationary trend is checked. The economic situation of the masses in Japan is so very low that should the external purchasing value of the yen be seriously depreciated a social and economic disaster could ensue. There is little doubt that the 'offshore' purchases or 'special procurement' by the United Nations for the Korean war have shielded Japan from a grave economic crisis. This is now largely gone, and although it may to some extent be replaced by contracts for the rehabilitation of Korea, this must be regarded as fortuitous and no solution to Japan's long-term economic problem. The Yoshida Government may be able to take steps towards remedying the situation. Import controls on non-essentials and a period of austerity to take the place of what has been excessive spending not in any way justified by national earnings, the balancing of the Budget and tightening of credit control are among the measures in hand.

Competition from Japan

"The problem of introducing austerity and stopping the inflationary spiral, of increasing productivity and exports and reducing imports until a favourable trading balance is regained, is indeed a difficult task which can only be achieved by sound trading conditions. Clearly, the Western world cannot sell to Japan unless they are willing to buy from her, for Japan must export in order to buy food and raw materials and stabilise her economy. Although her competition will be felt by other countries in the free world, any refusal to trade equitably with her may drive her to look elsewhere with results more serious to the West than any which could flow from trade competition, however severe. Our two branches, in Tokyo and Osaka, continue to make good progress in establishing a tradition of service to the country.

"Our thanks are due to Mr. Drake, our Chief Manager, Mr. Hawkins, his Deputy, to the Managers and staff in London and to all our officers and staff at branches throughout the world. Their work calls for constant care and vigilance in the face of changing legislation and controls and fluctuating values and conditions, and our thanks are due to them for the satisfactory results which are being maintained."

NATIONAL BANK OF INDIA

(*Concluded from page 575*)

hope this additional service will assist local merchants and exporters.

General

"A subject and a query never far from the minds of bankers and business men is convertibility of sterling—when and how—and the possibilities have had considerable discussion for about the desirability there is no divergence of opinion. In my opening remarks I said something of the advantages that would accrue to international trading. Every shipowner, every merchant and every banker, I am sure, wishes to see convertibility, and every primary producer should wish to see it.

"We are told we are creeping nearer to the goal by achieving a more favourable balance in gold and dollars, but the 'power-that-be' are shy of commiting themselves beyond that—why? I believe, it is because our balance is precarious. I also believe that 'convertibility', unless it is total, is of little use to us. I do not believe that a currency—any more than a man—can function happily or effectively half slave and half free, and currencies have a way of escaping when there have to be bars; for money has a liquid character and like water somewhat contrives to find its own level. My belief is that we shall get convertibility at no early date, my hope that it will be possible sooner than I expect.

"Again, I wish to express sincere thanks to a loyal and enthusiastic staff. I personally have met a great many of them and know they have a keen interest and great pride in the Bank.

"Finally, with such a management and staff and our resources and organisation behind them, I look forward to the immediate future with confidence."



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SIR HOMI MODY'S SPEECH AT ANNUAL GENERAL MEETING

GOVERNMENT URGED TO STIMULATE TEMPO OF ACTIVITY IN PRIVATE SECTOR

"IT might be safe to hazard a guess that 1954 will see a decline which, whatever its proportions, is not likely to be in the nature of a sizable recession," observed Sir Homi Mody, Chairman, the Central Bank of India, Limited, in the course of his speech at the annual general meeting of the Bank on Friday, 19th March, 1954. "It was clear," continued Sir Homi, "that the inflationary phase of the post-war period was over and the sellers' market had ended. This called for an adjustment everywhere and, as a result of various measures undertaken in Europe and the countries of the Commonwealth, it was possible to maintain their economy on an even keel."

Sir Homi mentioned that many competent authorities combated the view, recently advanced by Mr. Colin Clark, the well-known economist, that there would be a heavy slump in the U.S. —which dominates the economy of a greater part of the world—and held that the activity in the construction and capital goods industries were likely to be sustained at a high level and would provide, among other things, a balancing factor.

Summing up the situation in India, Sir Homi mentioned that there was a notable improvement recorded during the year. Industrial production was the highest in the post-war period and the supply of foodgrains had definitely improved leading to gradual decontrol. Although the volume of trade was smaller, the demand for some of the principal exports of the country which had slackened in the earlier months of the year had shown signs of revival towards the end.

Unemployment, however, was the one aspect of Indian economy which overshadowed these favourable developments. This was indicated by the number on live registers becoming heavily inflated, rising from 438,000 in December, 1952 to 522,000 in December, 1953. "Apart from a fall in the volume of foreign trade, a curtailment of internal trade, on account of the raising of the Bank rate and restriction of credit by the Reserve Bank," observed Sir Homi, "the basic cause of unemployment was the insufficiency of investment."

Expansion in Private Sector

Referring to the revised decision of the Planning Commission to raise the total volume of expenditure to be incurred under it by Rs. 175 crores, Sir Homi pointed out that this was calculated to step up the volume of expenditure in the public sector, but, if there were to be increases in opportunities for employment, it was equally essential to stimulate the tempo of activity in the private sector. He was happy to note that, for this latter purpose, the Government had under consideration two schemes for the establishment of Industrial Development Corporations. "All these measures", continued Sir Homi, "are directed towards the fulfilment of the targets laid down in the Five-year Plan and arresting the spread of unemployment. The joint stock banks, which constitute the main source of short-term finance, will have an important responsibility to bear in sustaining the activity generated by a large volume of investment."

Sir Homi commended the initiative taken by the Reserve Bank in appointing a Committee under the chairmanship of Mr. A. D. Shroff, to examine how the banks could extend a greater measure of assistance to the private sector.

Turning to the Directors' report and statement of accounts, Sir Homi said: "It is to be regretted that the results of the year's working should have been so disappointing when compared with those of the previous year. While the gross earnings of the two years remain the same, if we take into account the inclusion in the earnings of 1952 of a little over Rs. 8½ lakhs —being the post-war refund of E.P.T. and interest on E.P.T. deposits received during the year from the Income-tax Office—the net profits record a substantial decline. Due to various causes, our working funds could not be as profitably employed as we would have desired and, in the face of keen competition, the rates of interest on our advances could not be sufficiently raised so as to cover the increased cost of such funds and the rise in expenditure under different heads, including establishment charges. Your Board is doing what it can to retrieve this position.

"Taking the item of interest paid on deposits, borrowings, etc., there was an increase of Rs. 13¼ lakhs. This reflects not only a change in the pattern of deposits, but also a general rise in the rates paid for working funds. The Bank had, in addition, to resort to borrowings from the Reserve Bank at their comparatively high rates for advances, in order to finance the requirements of its constituents. The Board is fully alive to the significance of this unfavourable trend and is taking every step to ensure that the general increases in the rates which have to be paid for deposits are balanced by more remunerative uses for the funds at its disposal."

Establishment Charges

"So far as establishment charges are concerned," Sir Homi stated, "the position is one which must cause increasing concern. During the year under review, they went up by something like Rs. 12 lakhs, in spite of every effort to avoid an increase in the number on the rolls. Continuance of the scales of salaries and allowances as prevailing on 31st March, 1951, coupled with annual increments in accordance with the time scales in force—factors over which the Bank has no control—accounts for this heavy increase in charges. Some of the awards which have been made have resulted in throwing an intolerable burden on banks, without any corresponding benefit by way of harder work and increased efficiency, and the long-drawn proceedings before Adjudication Tribunals, of which there seems to be no end, are keeping alive an atmosphere of uncertainty and strife. I shall say no more at this stage than that a situation has been reached where banks may have to consider a curtailment of their activities, to the lasting detriment of trade and industry in the country.

"While on the subject of the relations between the staff and the management, I may inform the shareholders that the appeal filed before the Labour Appellate Tribunal has not yet been decided. In the meantime, it is heartening to find a realisation on the part of the Central Government of the fact that the heavy burden of establishment charges is acting as a great drag on the banks and making their functioning in rural and semi-urban areas uneconomic and extremely difficult. It was in recognition of this fact that the Government very recently presented an application to the Labour Appellate Tribunal praying for exemption, under certain conditions, of all bank offices at places having a population of 30,000 and under, from the operation of the Award. The Appellate Tribunal has, however, rejected the application, as counsel for Government informed the Tribunal that they did not wish to pursue it in view of the order of the Tribunal restricting its scope to the employees of that bank alone which had specifically raised the issue."

Bonus to Staff

Referring to the subject of distribution of bonus to the staff, Sir Homi said: "Having regard to the substantial drop in the profits of the first half of 1953, as compared with those of the corresponding period of the previous year, the Board was compelled to pass over the payment of bonus after the half-yearly results were examined and disbursements under different heads were determined. This decision proved fully justified when the final results were available. In the light of the experience we have had of the results of 1953, and in the altered conditions of today, it would be advisable to fall in line with the system prevailing in other banking institutions and defer the sanctioning of bonus till after the year's profits and disbursements therefrom are finally determined. After making the usual provisions, and they were no more than were absolutely essential, and recommending a reduction in the final dividend to be paid to the shareholders, the surplus in the hands of the Bank was not sufficient to enable the payment of a higher bonus than 1/12th of the basic salary earned by each member of the staff, amounting in all to a sum of Rs. 13 lakhs. I trust the members of the staff will accept my assurance that, if the position had warranted it, nothing would have pleased the Board better than to sanction a larger amount by way of bonus. In support of that, I would point to our record in the past when, without any pressure from anybody, we granted bonuses on quite a generous scale out of the surplus at our disposal. It is my hope that the staff will appreciate the circumstances and accord their fullest co-operation to the management, so that the institution can march towards greater prosperity in the future, from which they could legitimately expect to benefit.

"As a result of the lower profits, the Board has been compelled to recommend the payment of a reduced dividend to the shareholders. This it has done with great reluctance, but the circumstances did not warrant a higher distribution and the Board would have been failing in its duty to the institution if it had acted otherwise. It is hoped that the natural disappointment of the shareholders, particularly those with small holdings, will not prevent them from realising that it is in their own interests that the resources of the Bank should be carefully husbanded."

Investments

Turning to the item of investments, Sir Homi drew the attention of shareholders to a reduction of nearly Rs. 3,72,00,000 in the investment portfolio. "This action," observed Sir Homi, "was considered advisable in order to enable the Bank to cater to the increased needs of its constituents, and at the same time to avail itself of the advantage of such improvements as have taken place in the market price of some of the securities of a comparatively lower yield. The difference between the book value and the market value of our investments has been reduced to a little over Rs. 3,13,00,000, as against a figure of Rs. 3,54,00,000 in the previous year. As stated on other occasions, if it were possible to continue to hold all the securities right up to the respective dates of maturity, the present difference would be wiped off and there would remain a surplus in hand. It will, however, be realised that, by the very nature of the business, it can never be definitely stated when the Bank would be required to sell off some of the securities to meet unforeseen demands and contingencies or to employ the proceeds in more profitable channels. Although, by a recent notification, banks have been exempted from showing the market values of investments in respect of 'securities of the Central and State Governments', your Directors have not considered it advisable to depart from the usual practice—at any rate for the year under review—and have shown the book and market values as before.

"As regards advances, owing to the late commencement of the busy season, demands for funds was somewhat slow and poor. However, towards the close of the year, the figure of advances and bills made a better showing. All efforts are being made to increase this side of the Bank's business.

Branches

"During the year, a branch of the Bank was opened in London with a view to according better facilities to constituents, on the one hand, and enlarging the Bank's participation in foreign trade, on the other. It is too early to express any opinion about its working, but there are indications of an increase in our foreign exchange transactions, apart from any question of the desirability of the Bank establishing itself in the centre of the world's money market. The opening of this branch has naturally cost a substantial amount by way of preliminary expenses and has, to that extent, affected the figure of profits, but it is hoped the future will justify the decision that has been taken after careful consideration and investigation of the business possibilities of the venture.

"During the year, Mr. Maneklal Premchand resigned his position as a Director of the Bank. His advice and experience had always been found very useful and the Board has placed on record its appreciation of the services he had rendered."

Sir Homi referred then to the serious loss suffered by the Bank by the passing away of

(Continued on page 593)

THE UNION BANK OF INDIA, LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

Balance Sheet as at 31st December, 1953.

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
1. Capital—		
(As per capital reduction scheme sanctioned by the High Court of Bombay on 24-3-1926)		
AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 5 each	1,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP— 8,00,000 Shares of Rs. 5 each, Fully Paid-up		40,00,000 0 0
2. Reserve Fund and Other Reserves		31,50,000 0 0
3. Deposits and Other Accounts—		
Short and Fixed Deposits and 3 Year Cash Certificates	1,77,88,287 2 9	
Savings Bank Deposits	56,35,447 9 2	
Current Accounts, Contingency Accounts, etc.	3,43,76,798 2 10	5,78,00,532 14 9
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	14,50,000 0 0	
(ii) Outside India	Nil	14,50,000 0 0
Particulars :		
(i) Secured (by part of Investments as per contra)	9,00,000 0 0	
(ii) Unsecured	5,50,000 0 0	
	14,50,000 0 0	
5. Bills Payable		50,089 2 6
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	7,25,297 7 1	
(ii) Payable outside India	2,90,381 10 0	10,15,679 1 1
		2,04,621 1 6
7. Other Liabilities		20,08,172 0 0
8. Acceptances, Endorsements and Other Obligations per contra		
9. Profit and Loss Account—		
Balance as per Balance Sheet as at 31st December, 1952	4,81,184 15 0	
Less—Dividend at Annas 6 Pies 6 per share for the year ended 31st December, 1952	2,75,000 0 0	
	2,06,184 15 0	
Balance brought forward	6,79,090 3 8	
Profit for the year ended 31-12-1953 brought from the Profit and Loss Account	8,85,225 2 8	
Less— Rs. a. p.		
Amount transferred to Reserve Fund.. 1,50,000 0 0		
Amount transferred to Contingency Account 50,000 0 0		
Amount written off Premises Account 50,000 0 0		
Amount set apart towards payment of Taxation 1,00,000 0 0		
Amount provided for Bonus to Staff.. 80,000 0 0	4,30,000 0 0	4,55,225 2 8
10. Contingent Liabilities— Rs. a. p.		
(a) On Investments in Shares of Joint Stock Companies	4,86,125 0 0	
(b) Claim against the Banking Company not acknowledged as debts	10,000 0 0	
(c) Money for which the Banking Company is contingently liable	650 0 0	
(d) Liability on account of outstanding Forward Exchange Contracts	9,24,134 7 8	
Total .. Rs.		7,01,34,219 6 6

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		68,80,701 10 10
2. Balances with Other Banks in Current Account—		
(i) In India	3,01,218 9 7	
(ii) Outside India	1,13,674 9 11	4,14,893 3 6
3. Money at Call and Short Notice		Nil
4. Investments (at or under Market Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities	2,55,42,026 15 10	
(ii) Shares— Rs. a. p.		
(a) Preference Shares Fully Paid 20,300 0 0		
Preference Shares Partly Paid 38,000 0 0	58,300 0 0	
(b) Ordinary Shares Fully Paid 15,77,400 8 0		
Ordinary Shares Partly Paid 5,82,670 6 0	21,60,070 9 0	
(c) Deferred Shares Fully Paid	16,571 5 0	
(iii) Debentures	2,98,576 0 0	
(iv) Other Investments	Nil	
(v) Gold	Nil	
(Part of Investments lodged with other banks per contra)		2,80,75,844 13 10
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India	2,46,80,568 7 0	
(ii) Outside India	43,002 0 0	
	2,47,23,570 7 5	
(II) Bills Discounted and Purchased—		
(i) Payable in India	57,45,960 4 8	
(ii) Payable outside India	1,64,397 0 0	
	59,10,357 4 8	
(Particulars of Advances as per separate Schedule attached)		3,06,34,017 11 8
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	7,25,297 7 1	
(ii) Payable outside India	2,90,381 10 0	10,15,679 1 1
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		20,08,172 0 0
8. Premises Less Depreciation—		
As Cost	17,80,848 1 0	
Less—Written off as per capital reduction scheme sanctioned by the High Court on 24-3-1926	10,00,000 0 0	
	7,80,848 1 0	
Additions during the year	1,481 8 0	
	7,82,329 9 0	
Deductions during the year	1,361 0 0	
	7,80,968 9 0	
Less—Total amount written off for depreciation	6,12,010 8 6	1,68,958 0 6
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation— Rs. a. p.		
Safe Deposit Vaults	2,31,330 4 11	
Additions during the year	1,58,234 7 0	
	3,89,564 11 11	
Deductions during the year	Nil	
	3,89,564 11 11	
Less—Total amount written off for depreciation	88,807 4 3	3,00,757 7 8
Office Furniture and Fittings	2,89,275 12 10	
Additions during the year	12,036 7 3	
	3,01,312 4 1	
Deductions during the year	1,000 0 0	
	3,00,312 4 1	
Less—Total amount written off for depreciation	1,70,633 7 1	1,29,678 13 0
10. Other Assets—		4,30,436 4 8
(i) Banking Company's Property not occupied for business	3,93,219 12 0	
(ii) Interest accrued on Investments	1,30,673 3 8	
(iii) Stock of Printing	29,572 5 0	
(iv) Stamps	1,951 3 9	
(v) Silver	Nil	5,55,516 8 5
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		7,01,34,219 6 6

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1953.

	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	1,71,59,789 1 8	5,19,018 14 9	1,76,78,808 0 5
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	21,05,729 7 8	6,84,114 9 6	27,89,844 1 2
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	54,58,141 14 1	47,67,223 12 0	1,02,15,365 10 1
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
Total .. Rs.	2,47,23,660 7 5	59,10,357 4 8	3,06,34,017 11 8

	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	7,27,992 8 8	Nil	7,27,992 8 8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	13,35,291 0 5 84,563 6 9	Nil Nil	13,35,291 0 5 84,563 6 9
(ix) Due from Banking Companies			

Profit and Loss Account for the year ended 31st December, 1953.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		10,82,059 1 6
2. Salaries and Allowances and Provident Fund— Rs. a. p.		
(i) To the General Manager	29,631 9 0	
(ii) To the Staff	6,45,828 8 9	6,75,460 1 9
3. Directors' and Local Committee Members' Fees and Allowances		10,935 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		90,451 1 7
5. Law Charges		568 0 0
6. Postage, Telegrams and Stamps		15,265 14 0
7. Auditors' Fees		5,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property		28,294 1 0
9. Depreciation on and Repairs to the Banking Company's Property		82,387 15 6
10. Loss from Sale of or Dealing with Non-Banking Assets		Nil
11. Other Expenditure		80,258 13 6
12. Balance of Profit (subject to Taxation)		6,79,090 3 8
Total .. Rs.		26,99,870 4 6

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	24,54,739 13 2
2. Commission, Exchange and Brokerage	1,01,569 1 6
3. Rents on Building	25,994 4 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts (including Post-War Refund of Excess Profits Tax)	1,10,867 2 4
Total .. Rs.	26,99,870 4 6

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Limited, as at 31st December, 1953, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited Returns of Kalbadevi, Rajkot, Mandvi (New), Surat Branches and the certified Returns from Jetpur, Jamnagar and Veraval Branches, and report that :—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the balance to the credit of Mandvi (Old) Branch has this year been adjusted to the Miscellaneous Account in the Head Office Books of Account. The Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;
(d) subject to the remarks in para (c), in our opinion the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of profit for the year;
(f) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank, and
(g) in our opinion the books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 19th February, 1954.

S. B. BILLIMORIA & CO., Chartered Accountants.

J. R. NANAVUTY, Chief Accountant. F. K. F. NARIMAN, General Manager.

M. S. CAPTAIN
LACHHMANDAS H. DAGA
K. R. P. SHROFF
BEHRAM N. KARANJIA
DEVJI RATTANSEY
FALI H. MEHTA
DEBI PRASAD GOENKA
} Directors.

THE UNITED COMMERCIAL BANK, LIMITED.

(INCORPORATED ON 6TH JANUARY, 1943)

AUTHORISED CAPITAL	Rs. 8,00,00,000	PAID-UP CAPITAL	Rs. 2,00,00,000
SUBSCRIBED CAPITAL	Rs. 4,00,00,000	RESERVE FUND	Rs. 80,00,000

ELEVENTH REPORT OF THE BOARD OF DIRECTORS

The Directors submit to the shareholders the Audited Balance Sheet of the Bank as on, and the Profit and Loss Account for the year ended, 31st December, 1953.

The net profit for the year, including Rs. 1,01,119-2-0 brought forward from the previous account, after providing for all known and anticipated charges and expenses of opening branches, and for donations of Rs. 55,305-0-0 referred to hereunder, amounts to .. .. Rs. a. p. 24,02,320 7 3

The Directors have made the following appropriations out of the net profit:

1.	Transfer to Reserve Fund	5,00,000	0 0
2.	Provision for Taxes	9,50,000	0 0
3.	Balance	9,52,320	7 3
		Rs. 24,02,320	7 3

Out of the balance of Rs. 9,52,320-7-3 the Directors recommend to the shareholders payment of Dividend at Rs. 2-0 per share, free of Income-tax, which will absorb Rs. 8,00,000 leaving Rs. 1,52,320-7-3 to be carried forward to the next year's account.

During the year under report, your Bank paid Rs. 55,305 as donations including Rs. 25,000 each to the Pagoda Building Fund of the Prime Minister of Burma and the Building Fund of the Federation of Indian Chambers of Commerce and Industry.

The title deeds for the properties purchased by the Bank and mentioned in the last report have not been completed on account of delay in legal formalities.

The Bank's business shows improvement and there is considerable increase in the Bank's deposits at the end of 1953 as compared to the corresponding figure for 1952. Looking to the monetary, credit and trade conditions in 1953 in the countries in which your Bank works, and to the onerous effect of labour laws, and awards made thereunder, and profit of the Bank for the last year as satisfactory. The Bank's investments appear in the balance sheet at below market value.

During the year, the Bank opened a branch in London.

The Directors are thankful to the shareholders and the clients of the Bank for their continued support. They also express their gratitude to the members of the Bank's Local Boards and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the high sense of, and devotion to, duty of your General Manager, Mr. B. T. Thakur, and thank him for his ceaseless and untiring efforts in the Bank's interests. The Directors also thank the staff of the Bank.

Under Article 95 of the Bank's Articles of Association, four of your Directors,

Shri M. R. Ruia — Shri R. G. Saraiya
Shri M. L. Tapuriah — Shri B. N. Jalan

retire by rotation, and, being eligible, offer themselves for re-election.

The shareholders are requested to appoint auditors for the current year and to fix their remuneration.

By Order of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, 10th March, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 8 lakhs shares of Rs. 100 each	8,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL— 4 lakhs shares of Rs. 100 each	4,00,00,000 0 0	
AMOUNT CALLED-UP— 4 lakhs shares at Rs. 50 per share		2,00,00,000 0 0
2. Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)		80,00,000 0 0
3. Deposits and Other Accounts— Fixed Deposits	13,95,75,512 2 1	
Savings Bank Deposits	3,33,62,123 4 9	
Current Accounts, Contingency Accounts, etc.	20,43,10,900 10 7	37,72,48,536 1 5
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	3,10,25,000 0 0	
(ii) Outside India	24,88,092 2 6	
PARTICULARS— (i) Secured by part of Investments per contra	3,35,01,486 14 8	3,35,13,092 2 6
(ii) Unsecured	11,605 4 8	
5. Bills Payable		50,94,602 9 1
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	1,76,70,433 2 0	
(ii) Payable outside India	2,47,48,053 2 2	4,24,18,486 4 2
7. Other Liabilities— (i) Branch Adjustments	1,41,89,039 12 1	
(ii) Unclaimed Dividends, etc.	1,93,068 10 5	1,43,82,108 6 6
8. Acceptances, Endorsements and Other Obligations per contra .. (Includes Guarantees of Rs. 80,000- issued to Govt. Departments; Securities in full lodged with Reserve Bank of India)		7,75,42,805 5 5
9. Profit and Loss— Profit as per last Balance Sheet	9,01,119 2 0	
LESS—Dividend	8,00,000 0 0	
	1,01,119 2 0	
ADD—Profit for the year	23,01,201 5 3	
	24,02,320 7 3	
LESS—Appropriations made— Rs. a. p.		
To Reserve Funds 5,00,000 0 0		
To Reserve for Taxation .. 9,50,000 0 0		
	14,50,000 0 0	9,52,320 7 3
10. Contingent Liabilities— (i) Claims against the Banking Company not acknowledged as debts Rs. 63,850-5-6.		
(ii) On Foreign Bills Rediscounted Rs. 19,07,265-2-0 of which upto 27th February, 1954, Rs. 18,33,413-11-9 have run off.		
(iii) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers Rs. 14,02,64,712-0-3 of which upto 27th February, 1954, Rs. 9,33,12,566-9-0 have been delivered.		
(iv) On partly paid shares Rs. 2,94,375-0-0.		
(v) Bonus Claims by employees not acknowledged as debts and disputed by the Bank before the respective Tribunals.		
Carried forward .. Rs.		57,91,51,951 4 4

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		3,33,09,619 4 6
2. Balances with Other Banks (including Foreign Government Treasuries)— On Current Account— (i) In India	17,25,702 14 4	
(ii) Outside India	2,05,07,858 4 0	2,22,33,561 2 4
3. Money at Call and Short Notice		1,30,33,333 5 4
4. Investments (at below market value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments		6,85,76,513 13 2
(ii) Shares— Fully paid Preference Shares .. Rs. 55,000 a. p. 0 0		15,10,54,940 2 6
Shares in Imperial Bank— Fully Paid 16,63,965 0 0		
Partly Paid 3,51,287 8 0		
(iii) Debentures or Bonds		20,70,252 8 0
(iv) Securities of the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities		41,93,250 0 0
(v) Gold		2,15,19,943 0 8
		....
		17,88,88,885 11 2
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 10,02,39,984 13 2		
(ii) Outside India 1,97,04,808 7 3		11,99,44,793 4 5
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 3,07,23,832 1 9		
(ii) Payable outside India .. 4,72,24,281 2 9		7,79,48,113 4 6
		19,78,92,906 8 11
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the banking company is fully secured		14,53,62,546 5 2
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security		1,92,14,975 10 0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors		3,33,15,384 9 9
(iv) Debts considered doubtful or bad, not provided for ..		Nil
		19,78,92,906 8 11
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)		1,66,500 0 0
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members— Rs. a. p.		
Fully secured 1,27,00,278 4 4		
Secured by personal liability of borrowers 10,64,820 11 1		1,37,65,098 15 5
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons		1,66,500 0 0
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or manager agents or, in the case of private companies, as members		2,40,59,467 10 1
(ix) Due from banking companies		10,99,330 13 1
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India		1,76,70,433 2 0
(ii) Payable outside India		2,47,48,053 2 2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		4,24,18,486 4 2
Carried forward .. Rs.		7,75,42,805 5 5
		56,52,60,097 9 10

THE UNITED COMMERCIAL BANK, LIMITED—*Continued.*

BALANCE SHEET AS AT 31st DECEMBER, 1953—*Continued.*

CAPITAL AND LIABILITIES—(Contd.)	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		57,91,51,951 4 4
Total .. Rs.		57,91,51,951 4 4

PROPERTY AND ASSETS—(Contd.)	Rs. a. p.	Rs. a. p.
Brought forward .. Rs.		56,52,60,097 9 10
8. Premises Less Depreciation— Cost as at 1st January, 1953	12,44,832 14 0	
Additions during the year	2,00,377 14 9	
	14,44,710 12 9	
LESS—Depreciation written off to date	1,66,136 15 10	12,78,573 12 11
Other Land and Buildings— Cost as at 1st January, 1953	14,93,133 7 2	
Additions during the year	....	
	14,93,133 7 2	
LESS—Depreciation written off to date	1,22,421 7 2	13,70,712 0 0
9. Furniture and Fixtures Less Depreciation (including Vehicles and Equipment)— Cost as per last Balance Sheet	46,67,346 10 6	
Additions (Rs. 7,62,643-12-10) less deductions (Rs. 1,59,125-7-9) during the year	6,03,518 5 1	
	52,70,864 15 7	
LESS—Depreciation written off to date	24,06,384 4 3	28,64,480 11 4
10. Other Assets, Including Silver— (i) Interest accrued on Investments	19,18,628 15 4	
(ii) Estimated amount of refund of Income-tax (Income-tax assessment for six years 1948 to 1953 not yet completed)	54,54,774 1 1	
(iii) Stamps, Stationery and Library	9,91,684 1 10	
(iv) Silver	....	83,65,087 2 3
11. Non-Banking Assets Acquired in Satisfaction of Claims		....
12. Profit and Loss		....
Total .. Rs.		57,91,51,951 4 4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	63,33,540 13 0
2. Salaries and Allowances and Provident Fund including Salaries and Allowances of General Manager Rs. 87,000/-	63,86,511 12 1
3. Directors' (Rs. 37,200) and Local Committee Members' Fees and Allowances	49,446 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	10,57,404 8 4
5. Law Charges	84,779 7 4
6. Postage, Telegrams and Stamps	3,87,950 13 9
7. Auditors' Fees for Statutory and Periodical Audits	83,676 3 4
8. Depreciation on and Repairs to the Banking Company's Property	6,26,730 11 0
	6,86,298 12 2
9. Stationery, Printing, Advertisement, etc.	....
10. Loss from Sale of or Dealing with Non-banking Assets	8,06,547 10 9
11. Other Expenditure including Donations Rs. 55,305/-	23,01,201 5 3
12. Balance of Profit	
Note: Rs. 12,432-2-6 paid as law charges to a Solicitor's firm of which a director is a partner.	
Total .. Rs.	1,88,04,178 1 0

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	1,27,42,038 1 2
2. Commission, Exchange and Brokerage	59,45,731 5 5
3. Rents	1,15,306 10 5
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	....
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....
7. Other receipts	1,102 0 0
8. Loss	....
Total .. Rs.	1,88,04,178 1 0

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the United Commercial Bank, Limited, as at 31st December, 1953, and also the foregoing Profit and Loss Account of the Bank for the year endod on that date, in which are incorporated the Branch returns audited by the Statutory or Local Auditors, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

G. P. KAPADIA & CO.
K. N. GUTGUTIA & CO. } Chartered Accountants.
RAY & RAY

CALCUTTA, 10th March, 1954.

B. T. THAKUR,
General Manager.

G. D. BIRLA — Chairman.

I. P. GOENKA
A. C. LAW
BAIJNATH JALAN
G. L. BANGUR
P. D. HIMATSINGKA
R. L. NOPANY
R. G. SARAIYA
M. L. DAHANUKAR
M. L. SHAH
M. L. TAPURIAH
M. R. RUIA
NAVINCHANDRA MAFATLAL
} Directors.

R. B. SHAH,
Chief Accountant.

For Your Insurance Requirements write to us:

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA

Telephone: Bank 4310/19 — Telegrams: YULINSURE

BRANCH OFFICES:

BIHAR STATE — Jamal Road, PATNA
BOMBAY STATE — Hongkong Bank Building, Veer Nariman Road, Fort, BOMBAY
Vakhar Peth, SANGLI
Sir Chinubhai Building, Revdi Bazar Cross Lane, AHMEDABAD
Konnur Building, Ramdeo Galli, BELGAUM
DELHI STATE — 60, Queensway, Post Box No. 31, NEW DELHI
EAST PAKISTAN — 120, Dewlat Road, NARAYANGANJ
Dewanhat, Pathantolli P.O., CHITTAGONG
HYDERABAD STATE — 69-D, Kingsway, SECUNDERABAD (Dn.)
MADRAS STATE — Dare House, 1st Line Beach, MADRAS
MADHYA PRADESH — Kingsway, NAGPUR
41, Tukoguni, Main Road, INDORE
PUNJAB STATE (India) — Saddarbazar Road, AMBALA CANTT.
PUNJAB (Pakistan) — 48, The Mall, LAHORE
SAURASHTRA STATE — Near Power House, BHAVNAGAR
UNITED KINGDOM — Friars House, New Broad Street, LONDON, E.C. 2
UTTAR PRADESH — Moona Lall & Sons Bldgs., Mahatma Gandhi Road, KANPUR
Harnigani, LUCKNOW
Jwalanagar P.O., RAMPUR

Pakistan Control Office: SIND—McLeod Road, Post Box No. 441, KARACHI

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SOME FACTS ABOUT LAC INDUSTRY

CULTIVATORS' APATHY TO NEW METHODS

ALTHOUGH the Annual Report of the Indian Lac Cess Committee for the fiscal year 1952-53 relates to developments which took place a year ago, it makes interesting reading inasmuch as this is the only latest publication to provide authoritative statistics on economics of lac industry in India. According to the Report, during the year, the industry passed through a period of stress and strain on account of heavy fall in prices of shellac. Thus, prices of T.N. shellac, which stood at Rs. 151 per maund in December, 1952, dropped to Rs. 92 per maund in March, 1952. This fall was in line with that of other commodities affected by world recession, following the slow down of the pace of U.S. rearmament and abatement of stockpiling. But the price-decline in shellac did not halt as it did in the case of other commodities; for, subsequently in the year, it touched a level lower than even the controlled price of Rs. 64 per maund during the war. This fall was brought about by speculative tendencies in the trade, and competition from synthetic resins and Siamese seedlac. Representations were made by different associations to the Government of India suggesting remedial measures to deal with the disquieting situation. These suggestions included:

(1) Imposing a ban on speculation, especially by closing the Calcutta Shellac Exchange;

(2) fixation of maximum and minimum prices for lac;

(3) fixation of quota for the export of seedlac and the banning of export of sticklac;

(4) enforcement of the quality control scheme by the Government of India;

(5) encouragement of shellac consumption in India;

(6) the formation of a fact finding committee at Government level for advising on the measures required to import shellac trade; and

(7) formation of a Lac Control and Marketing Board.

After examining in detail the aforesaid remedial measures, the Indian Lac Cess Committee resolved as follows:

(i) That the Committee recommends to the Government of India that measures be taken to ban the Calcutta Shellac Exchange Ltd. as its activities are speculative and detrimental to the interests of trade in shellac. It further recommends that after the Forward Contracts Regulation Bill has been passed, forward contracts in seedlac and shellac be regulated on the basis of specific delivery contracts through the agency of the Calcutta Shellac Trade Association which is a representative body of the trade and be recognised under the provisions of the aforesaid Act.

(ii) That the Committee recommends to the Government of India that the export of sticklac be banned altogether. It does not consider it desirable at present to recommend any ban or fixation of quota for the export of seedlac.

(iii) That the Committee does not consider the statutory fixation of maximum and minimum prices to be feasible at present.

(iv) That the scheme for Quality Control at the export stage be introduced and that a laboratory for testing samples of seedlac and shellac be opened by the Government of India at Calcutta, but for the first three years the choice of getting samples tested either at the Government laboratory or at commercial laboratories be optional.

(v) That all possibilities should be explored for increasing the home consumption of shellac.

(vi) That the formation of a Fact-finding Committee at Government level to investigate the problems relating to shellac and suggest ways and means for improving trade is not necessary.

(vii) As regards the scheme for the formation of a Lac Control and Marketing Board, the Committee does not consider it feasible to adopt the scheme, as huge capital would be required, and there are practical difficulties in running the scheme.

The Lac Cess Committee considered the report of the Director of Lac Research Institute on his visit to the U.K. and the U.S.A. during June-July, 1952. It decided to give wider publicity in the home market and abroad, in order to increase the utilisation of lac. It approved the appointment of a utilisation officer to be in charge of publicity work. The Ministry of Food and Agriculture was requested to approach the Ministries of Railways and Production to encourage the use of shellac-based linseed oil paints and other materials.

Considerable progress was noticed in research work in the Indian Lac Research Institute, Namkum. The work falls into two broad sections: chemical and entomological. On the chemical side, several tests on lac-linseed oil paints showed that these paints have come to be regarded as generally satisfactory for purposes of indoor use. The Central Standards Office, Ministry of Railways, found satisfactory the paints containing shellac, linseed oil, lime and cashew-nut shell-liquid-formaldehyde resin in the respective proportions of 20, 100, 3, 100 and 15, respectively. Research continued on D.U. moulding powders. On the entomological side, research was carried on improving crop production on palas by partial defoliation and on determining the most suitable pruning methods and seasons for kusum lac.

Dissemination of the Institute method of lac cultivation among lac cultivators was further pursued during the year under review. A study of the results of work so far done revealed that the cultivator had not yet been able fully to appreciate the beneficial effects of couping and partial defoliation. Artificial infection in the month of July was considered in many places an irksome additional task, as it clashed with the main agricultural operations. There was also a tendency to allow self-infection in October to produce *Ari* crop in the following April and this undermined the very basis of the coupe system which aims at giving sufficient periodic rest to the trees. The need for research in the field to evolve a modified procedure which would be readily acceptable to the cultivator was considered very necessary.

The table below gives estimates of production of sticklac in 1952-53 as compared with those in the preceding four years.

(In lakh maunds)

Year	Baisakhi	Jethwi	Katki	Aghani	Total
1952-53 ..	9.29	0.29	1.56	0.89	11.53
1951-52 ..	9.57	0.09	2.67	0.64	12.97
1950-51 ..	7.44	0.05	2.83	0.41	10.73
1949-50 ..	6.91	1.02	3.50	1.23	11.66
1948-49 ..	5.36	0.10	1.99	0.82	8.27

The *Baisakhi* crop during 1952-53 was almost the same as that in 1951-52, but better than the crop during each of the years 1947-51. The other crops, *Jethwi*, *Aghani* and *Katki*, were very poor. This affected the total annual production, estimated at 11.53 lakh maunds, as against 12.97 lakh maunds in 1951-52.

Exports of different kinds of lac from India in 1952-53 amounted to 9.13 lakh maunds, valued at Rs. 7.42 crores, as compared with 9.72 lakh maunds worth Rs. 14.84 crores in 1951-52; and 9.01 lakh maunds valued at Rs. 11.87 crores in 1950-51. The U.S. retained the first place and the U.K. the second in point of total offtake of lac, as in previous years. Germany, which had gone to the fourth place in 1951-52, regained the third position from Japan which ranked as the fourth customer.

Summarising the main trend of shellac prices in the financial year 1952-53, the Report observes:

"The financial year 1952-53 opened with shellac prices on T.N. basis at Rs. 92 per maund. All grades were receiving attention from U.K. and U.S.A. But due to heavy arrivals of the *Baisakhi* crop after the second week of April, the prices came down to Rs. 80 per maund on T.N. basis. At this time, it was felt that prices would not decline further; but, due to a subnormal demand and shipment delays, there was a moderate accumulation of stocks in Calcutta which pushed the prices down to Rs. 66 per maund on T.N. basis by the end of the month. The demand position improved in June, though the arrivals of sticklac in assembling markets were poor and the prices went up to Rs. 80 per maund on T.N. basis on the 10th June, 1953. For the rest of the month, the prices fluctuated within very narrow limits and the month closed with T.N. at Rs. 76. Good overseas demand continued up to the first week of July and pushed the prices to Rs. 85 per maund on the 8th July. But, after this date, the demand was low and the month closed at Rs. 66 per maund. During August and September, the market was steady and, as seedlac was more in demand than leaflacs, the price difference between seedlacs and corresponding grades of shellac diminished, resulting in reduction in production of shellac. In October, though the demand was better, the stocks of the *Baisakhi* crop were sufficient to meet it and reports of poor *Katki* and *Kusmi* crops did not have much effect on the prices and the month closed on a quite tone. Throughout the period August to October, the price moved between narrow limits, i.e., Rs. 67 to Rs. 72 per maund on T.N. basis. In November and December, there was good overseas demand, specially for seedlac from U.S.A. From the Eastern markets, there was demand for orpimented shellac, but, in spite of all these, the maximum price attained in this period was Rs. 75 per maund on T.N. basis. In January and February, good overseas demand continued for seedlac but the prices again moved within narrow limits and the month closed with T.N. shellac at Rs. 72 per maund. In March, trading was on a restricted scale and dealers in Calcutta were interested in holding stocks, as there were reports of the following *Baisakhi* crop being 50 per cent. below normal. Throughout the year, the prices were confined to narrow limits and ranged between Rs. 66 to Rs. 92 per maund on T.N. basis. A special feature of the lac trade during the year was very high demand of seedlac, which was better in some months than that of leaflacs."

In terms of prices, the year 1953-54 now drawing to a close was relatively more favourable for shellac than the preceding year. After fluctuating narrowly between Rs. 63 and Rs. 73 in the months of April-May, 1953, T.N. pure shellac improved by stages to Rs. 94 (per maund) in June. It remained remarkably steady in July in the neighbourhood of Rs. 95. In the subsequent two months, it ruled very firm, touching a high of Rs. 113 in September, 1953. Thereafter, there was a slight setback and a low of Rs. 95 was recorded in October. In the months of November and December, 1953, however, it looked up again to Rs. 109 and still further to Rs. 113, the closing rate for 1953 being Rs. 110. There was a perceptible fall in January this year, from Rs. 112 to Rs. 96. In February, it fluctuated between Rs. 94 and Rs. 100 and closed steady at Rs. 96. It will be noted that during the eleven months ended February, 1954, the highest and the lowest levels touched by T.N. pure shellac were Rs. 113 and Rs. 63, as against Rs. 92 and Rs. 66 in the whole of 1952-53. Further, the highest levels were seen in the latter part of the year, whereas this was the other way about in the previous year. Again, the closing rate for February, 1954, at Rs. 98, shows a net gain of Rs. 26 over the corresponding month of 1953, but the year 1952-53 ended with a loss of Rs. 20. In terms of shipments, however, 1953-54 was not so favourable as in 1952-53. Thus, total shipments in the 11 months ended February, 1954, according to *Price Current*, published by Messrs. J. Thomas & Co., Calcutta, were only 298,653 packages, as against 385,053 packages in the corresponding period of the preceding year.

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ANGLO-JAPANESE PAYMENTS AGREEMENT

INDIA'S POSITION UNAFFECTED

THE debate on the Sydney Commonwealth Conference held in Parliament on 15th March, 1954, focussed attention on two issues, namely, implications of the Indo-Japanese Payments Agreement and the question of Imperial Preference. A number of points was raised in regard to these issues and to all these the Finance Minister gave a convincing reply.

One of the members complained that, soon after the Commonwealth Conference at Sydney, the U.K. entered into a trade and payments agreement with Japan, and asked the Finance Minister whether India was consulted by the U.K. or taken into its confidence. He agreed that no one should jump to any conclusion about India's attitude to the sterling bloc without knowing fully its terms of trade *vis-a-vis* the U.K. and other Commonwealth countries. The same member, speaking about the future of the G.A.T.T., stated that countries like the U.S. and the U.K. gave the cold shoulder to India's request for release from certain agreements which it had entered into. India was merely told that its request for re-negotiation in regard to these items would be favourably considered by the Inter-session Committee. He wanted to know, if India was free to evolve its own independent policy.

The Finance Minister explained the position of India in relation to the Anglo-Japanese Payments and Trade Agreement for the year 1954. He disclosed that the Government of India was informed in November, 1953, by the U.K. Government that, as the existing agreement with Japan was expiring on 31st December, 1953, it had asked the Japanese Government to send a representative to London to discuss the payments arrangement for 1954. The U.K. Government had also asked the Government of India to furnish estimates of likely payments by India for imports from, and likely receipts from exports to, Japan during 1954. The Government of India was, Mr. Deshmukh said, informed before hand that negotiations were to be undertaken for the extension of the Payments Agreement. It would thus be seen that the U.K. did consult India before concluding an agreement with Japan.

Providing further information, the Finance Minister stated that the Payments and Trade Agreement was actually signed on 29th January, 1954. This was the second agreement. It did not raise any new points affecting India. There was, therefore, no need to consult India before it was actually signed. During the negotiations leading to the new agreement which took place in Tokyo, India's representatives in that capital were fully kept in the picture by the U.K. negotiators. The Government of India was also informed from time to time. There was, therefore, no question at all of India not having been consulted by the U.K.

Main Features

The main feature of the Anglo-Japanese Payments Agreement was that all payments between residents of the sterling area and residents of Japan would take place as before in sterling. Japan would be permitted to utilise its sterling for financing direct current transactions with certain non-sterling area countries and both parties would consult together in order to keep Japan's sterling balance within reasonable limits. The old convertibility clause, under which any excess over specified limits of sterling held by Japan at the end of the agreement period had to be converted into dollars, was abolished. The Agreement was, therefore, welcome to all the sterling area countries, as it enabled them to trade more freely with Japan without fear of its ultimately being involved in dollar payment. Prior to this Payments Agreement, there used to be annual trade negotiations between Japan and sterling area countries with a view to balancing estimated payments during the ensuing year. India used to be associated with these annual trade negotiations. With the signing of the Payments Agreement of August, 1951, it was no longer necessary to balance payments meticulously by each country with Japan.

Continuing, the Finance Minister stated: "The new Payments Agreement for 1954 departs very little from the Agreement of 1951. In view of Japan's shortage of sterling during 1953, Japan has been permitted certain additional credit facilities in the nature of sterling for dollars. Moreover, the U.K. Government has agreed, on behalf of the U.K. and the Colonial Governments from Japan so as to enable her to earn more sterling. This does not affect the right of the independent sterling area countries like India to determine their own trade policies *vis-a-vis* Japan.

"So far as India is concerned, Japan is being treated as a soft currency country of the sterling area countries since 20th October, 1951. Most other countries, however, treat Japan as a hard currency country. The new Trade and Payments Agreement does not, therefore, affect India's trade policy with respect to Japan."

Replying to the question whether the new Trade Agreement signed by the U.K. with Japan which liberalised imports from Japan would not affect Indian textile exports to the sterling area, and consequently, whether the U.K. should not have consulted India before signing the Trade Agreement, Mr. Deshmukh stated that the U.K. itself being interested in cotton textile exports to the colonies, India must presume that the danger of Japanese competition in textiles had been taken into account by the U.K. In any case, just as the U.K. Government did not interfere with the individual trade policies of the independent sterling area countries, India could hardly be expected to be consulted by the U.K. in its bilateral trade agreements with other countries on behalf of itself and the colonies.

Flatly denying the allegation that the Commonwealth Ministers' Conference considered the question of Imperial Preference, Mr. Deshmukh stated that the Government had made a thorough study of the question and that, at the appropriate moment, the Minister for Commerce and Industry would inform the House of the Government's policy. "As far as we can discover today," he remarked, "there is no Imperial Preference which is hurting us, and it is possible to establish that, on the whole, we are deriving advantage from the present system of Imperial Preferences which is now restricted by the Agreements arrived at at the G.A.T.T."

AGHANI (KUSMI) AND BYSAKHI LAC CROPS

According to the preliminary estimates given by the Indian Lac Cess Committee, the Bysakhi Lac Crop in India (excluding Assam) for the year, 1954 is expected to be 6,45,000 maunds, as compared with the final estimates of 4,26,000 maunds for this crop for the previous year.

The final estimates of the Aghani (Kusmi) Lac Crop for the year 1953 are put at 51,000 maunds for the whole country, as against the preliminary estimate of 50,000 maunds estimated earlier.

(*Concluded from next column*)

Notice has been issued, it is stated, for changes in terms and conditions of employment, which may involve an extra expenditure of Rs. 100 lakhs a year. Consequently, a rise in the cost of production is expected, even granting that all the demands are not granted by the management. The consumers' capacity to pay higher prices, too, is stated to have gone down considerably, as sales have dropped steadily during the past few months. Besides, it is considered difficult to undertake plans of expansion and development in order to open up new opportunities for employment, as envisaged in the Five-year Plan. If further levies are imposed, such would affect progress and prevent the maintenance of even the present level of production and hit hard subsidiary industries, supplying raw materials for the manufacture of footwear. The Finance Minister has, therefore, been requested by the Association to withdraw the excise duty on footwear.

[Since writing the above, the Finance Minister has announced in Parliament his decision to raise, with immediate effect, the exemption limit in the case of the non-power operated section of the industry to factories employing up to 45 workers per day. This will provide some relief to small factories engaged in the manufacture of footwear, but the position of bigger factories will remain unchanged.—ED.]

EXCISE DUTY ON FOOTWEAR

MANUFACTURERS' PLEA FOR WITHDRAWAL

PLEADING for the abolition of the 10 per cent. excise duty on footwear, introduced by the Finance Minister in his Budget for 1954-55, the Association of Rubber Manufacturers, Calcutta, has, in the course of a memorandum submitted to the Government, explained the dangers to which the industry would be exposed consequent on the imposition of the levy. At the outset, the Association refers to four main reasons put forward by the Finance Minister for imposing the excise duty. These are: (1) to replace part of the revenue which used to be derived from customs duties, (2) to obtain a fair contribution to the country's exchequer from industries (which in the past developed with the assistance of protectionist policies) when they reached a stage of full development, (3) to make stable the country's tax structure by broad-basing its excise without affecting the economy of the industries taxed or placing an undue burden on the consumers, and (4) indirect taxation where the profit margin has for some time been high. The Association contends that on none of these four grounds is the imposition of duty on footwear justified.

Explaining its case for sympathetic consideration, the Association draws the attention of the Finance Minister to the fact that, with regard to footwear, there was no case of losing import duty at all by the exchequer, as the country hardly earned any customs duty from imports of footwear. On the other hand, the country has not only gained by saving foreign exchange, but has earned a substantial amount of foreign exchange, including some hard currency, through exports. This has been possible not because of any policy of protection given to this industry but because the shoe industry has been keeping its prices low and has, by its efforts, kept foreign competitors out of the Indian market. Consequently, the profits made by the industry cannot, it says, be taken as high, while, in the case of one big manufacturer and of a number of small manufacturers, the balance-sheets have shown losses.

The Association has also dealt with the present position of the leather and rubber footwear industries to show how the 10 per cent. excise levy would adversely affect them. The organised units are manufacturing, at present, 28.5 million pairs comprising 5.5 million pairs leather footwear and 23 million pairs rubber footwear. This figure compares with 70 million pairs, estimated to be the production of leather footwear by the cottage industry sector. It is pointed out that, as a result of the levy, many small organised establishments would split themselves up into still smaller units in order to escape falling within the scope of the duty. In that event, the few organised units left in the field would have to compete even more seriously than hitherto with hand-made shoes, and their very existence will be seriously jeopardised. In the sphere of rubber footwear, most small rubber factories in India are not operating at present on a sound economic footing owing to low level of prices, as there has been a recession in the footwear market. In this context, the attention of the Ministry is drawn to the resolution passed by the Rubber and Canvas Shoe Manufacturing Association, Calcutta, consisting of small units, to close down their factories for a week from 8th March, 1954, in order to avoid accumulation of stocks.

Various methods are stated to have been adopted by the organised units to avoid losses resulting from accumulation of stocks and drop in sales. In order to keep its factory working in full strength, one manufacturer, for instance, introduced new lines at sacrificial prices and opened a few more wholesale and retail stores. The factory was closed for a fortnight to dispose of stocks of 1951. He sold through his shops other articles such as umbrellas, toys, singlets, socks, polishes and brushes. The total net profits thus derived on both internal sales and export, approximate, it is stated, one-third of the total excise duty it would be called upon to pay, if the duty were to remain in force.

Again, labour demands are stated to be on the increase. In the case of the manufacturer referred to above, who employs 15,000 workers, a demand for *Puja* bonus is under negotiation and it may amount to Rs. 45 lakhs a year.

(*Continued in previous column*)

DIVIDENDS AND EXEMPTION UNDER SECTION 15C

NEED FOR SUITABLE AMENDMENT OF THE ACT

(By R. K. DALAL, B.Com., F.S.A.A., F.C.A.)

OFTEN the object of enacting a section with a view to giving relief is frustrated by some technical flaw in the wording of the section. This is well illustrated by section 15C, enacted in 1949.

The scope and object of the section at the time it was enacted was to encourage the establishment of new industrial undertakings. The profits of such undertakings were to be exempt from tax to the extent of 6 per cent. per annum on capital employed in the undertaking. Further, the tax is not payable by a shareholder in respect of so much of any dividend paid by such industrial undertaking as is distributed out of that portion of the company's profits and gains which is exempted under this section. Exemption under this section is in respect of income-tax as well as super-tax, though the sums exempted are to be included in the total income for the purpose of determining the rate of tax payable on the assessee's taxable income.

This is the brief outline of the concession. Now this relief does not operate, it seems, in the case of a company which, by reason of large unabsorbed depreciation, is not assessed to tax, but which declares a dividend out of its profits to its shareholders. In that event, since the company's profits were not assessable, the question of exemption under section 15C does not, it is argued, arise. For purpose of exemption under section 15C, profits are to be computed in accordance with the provisions of section 10. Therefore, profits which attract exemption must be taxable profits which emerge as a result of computation under section 10. If, under section 10, profits do not result by reason of the operation of reliefs thereunder, there are no profits to which section 15C can apply. The relief under section 15C, is called for only where there are taxable profits. In short, section 15C, does not extend to book profits of a company. A position may, therefore, arise in which there are profits as per company's profit and loss account but, as a result of computation under section 10, these may be reduced to an actual loss by reason of carry forward of arrears of depreciation. What happens when such profits are distributed as dividends? Are the shareholders exempt from tax?

Section 15C (4) reads as under:

"The tax shall not be payable by a shareholder in respect of so much of any dividend paid or deemed to be paid to him by an industrial undertaking as is attributable to that part of the profits or gains on which the tax is not payable under this section."

Now this section provides that exemption is available to the shareholder only on so much of the dividend as is attributable to that part of the profits or gains on which the tax is not payable under this section. Therefore, the condition precedent to exemption to shareholders is that the dividend must be attributable to that part of the profits on which tax is not payable under section 15C. If, therefore, the company earns exemption or relief under any other section, the exemption to the shareholder would not apply. Therefore, recipients of such dividend, although declared by an industrial undertaking which completely satisfies the conditions mentioned in sub-section (2) of section 15C, are not eligible to get the relief. Section 15C (2), it may be added here, applies to any industrial undertaking which:—

(i) is not formed by the splitting up, or the reconstruction of, business already in existence or by the transfer to a new business of building, machinery or plant used in a business which was being carried on before the 1st day of April, 1948;

(ii) has begun or begins to manufacture or produce articles in any part of the taxable territories at any time within a period of six years from the 1st day of April, 1948, or such further period as the Central Government may, by notification in the official *Gazette*, specify with reference to any particular industrial undertaking;

(iii) employs 10 or more workers in a manufacturing process carried on with the aid of power, or employs 20 or more workers in a manufacturing process carried on without the aid of power.

Now the question raised may be viewed from this aspect. Is there a relief to shareholders if the company itself pays no tax? No, because the company has already earned relief by reason of liberal and generous rates of depreciation allowance. If, in spite of these liberal allowances, the company still makes taxable profits the question of relief would arise under section 15C, which really means that section 15C, is not attracted where there is no taxable profits as a result of computation under section 10. If so, section 15C, cannot be invoked for the benefit of the shareholders; for in the words of sub-section (4) condition precedent to exemption is "that only so much of dividend as is paid to the shareholder is attributable to that part of the profits or gains in which tax is not payable *under this section.*"

Therefore, exemption depends on the condition precedent, namely, that dividend paid to the shareholders by the industrial undertaking must be attributable to the profits which are exempted under section 15C and not under any other section. If exemption is earned under section 10, relief is not earned under section 15C (4).

This little lacuna has resulted in the shareholders of a company earning profits and getting an exemption under section 10 being denied the benefits intended to be given to new pioneering undertakings. The result is that, although the company pays no tax on such profits, the shareholders continue to pay the same, a position which was possibly not envisaged by the framers of the section when the section was introduced in the Act in 1949.

If the idea was to encourage investment in such new industries, it is not fulfilled by this legislation. This defect, therefore, must be set right by an early amendment of the Act. Meanwhile, the dividends should be exempted through executive instructions issued by the Central Board of Revenue. Will the Central Board of Revenue review the question at an early date and bring in an amending legislation?

DEPOSITS FOR PAYMENT OF ESTATE DUTY

The Estate Duty Rules have now been finalised. Rule 19 of the Estate Duty lays down the procedure for making deposits for payment of the duty. Under this rule, any person wanting to make deposit for the purpose of payment of estate duty that may accrue after his death may pay the money by delivering a crossed cheque or a bank draft on a Scheduled bank to the Controller or by depositing the amount in cash to the credit of the Central Government at any treasury or at any branch of the Reserve Bank or the Imperial Bank, accompanied by a statement showing the net assets existing on the date of making the deposit and the principal value thereof on the basis of which the deposit has been calculated.

It should be noted that under section 33(1) (g) of the Estate Duty Act, a deposit made towards the payment of Estate Duty is exempt up to the amount of the duty payable or Rs. 50,000, whichever is less. The amount so exempt is, however, to be aggregated for the purpose of determining the rate applicable to the principal value of the property.

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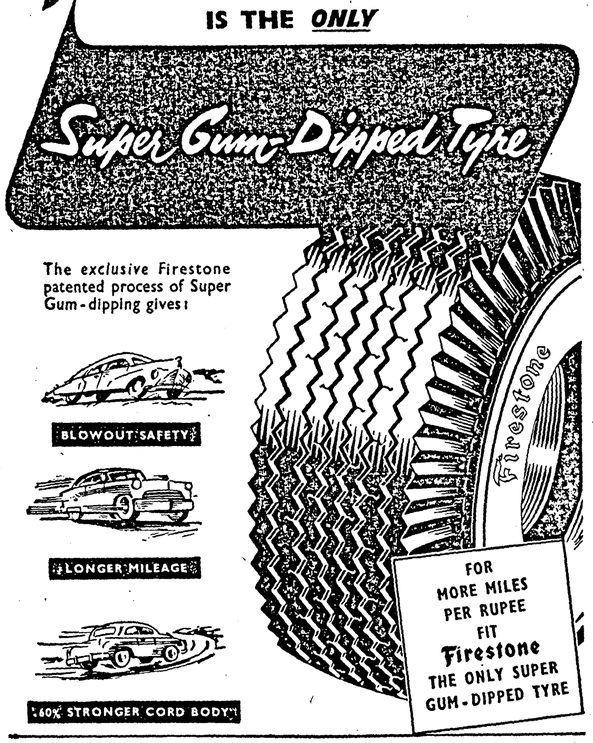

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PROFIT OF STANDARD MILLS SHOWS IMPRESSIVE RISE

DIVIDEND REPEATED FOR THE THIRD YEAR

THE financial results of the Standard Mills Ltd. (*Managing Agents:* Messrs. Mafatlal Gagalbhai and Sons, Bombay), for the year ended 31st December, 1953, provide further proof of the fact that the past year was more favourable for cotton mills than the previous one. The gross profit of the Company for 1953, at Rs. 42.91 lakhs, represents an increase of nearly Rs. 9 lakhs over that for 1952. This improvement in profit does not mean that the Company had a very prosperous period, for the profit falls short of that for 1951 (at Rs. 61.41 lakhs) by as much as Rs. 18.50 lakhs and more so as compared with those of Rs. 62.93 lakhs and Rs. 68.40 lakhs for 1948 and 1945, respectively, despite the fact that the sale proceeds for the year under review were much higher than for the earlier years under comparison. Such a comparison may not be strictly correct, for the trading conditions were not uniform in all these years. However, it shows how the profit-margin of such an efficient unit as the Standard Mills has shrunk. An explanation for this is to be found in the substantial rise in expenses over these years.

Be that as it may, the increase in the profit of the Company has resulted in (1) higher commission for the Managing Agents than for the previous year, (2) larger receipts by the Exchequer, if the transfer to the taxation reserve is any indication of it, and (3) sizable additions to depreciation reserves. If the reserves of the Company have not been strengthened further, despite the larger profit, it is no reflection on the Directors' prudence. It is because the net profit, after making larger allocations for the above purposes, is actually lower than that for the previous year. Further, the Company's reserves are already at an impressive level, even after the capitalisation of as much as Rs. 24 lakhs in 1947. So far as shareholders are concerned, they have not received any additional benefit from the improvement in the gross profit, for the dividend on ordinary shares is being merely maintained at 20 per cent. This is the third year in succession that the dividend has been repeated thus.

The following comparative table clearly brings out the salient features of the results of working of the Company for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	856.57	805.72	998.53	197.14
Other income	3.49	8.70	24.68	7.09
Stocks	33.17	43.88	31.92	31.95
Expenses*	806.44	292.70	261.36	175.37
Gross profit	42.91	33.98	61.41	29.48
Managing Agents' commission ..	3.74	2.94	5.72	2.53
Depreciation†	15.70	8.00	7.37	8.81
Taxation	11.00	7.50	24.50	9.00
Net profit	11.97	15.54	23.82	9.14
Reserves	..	4.00	12.11	1.00
Dividends—				
4% Preference	0.48	0.48	0.48	0.48
Ordinary	11.20	11.20	11.20	7.80
	(20%)	(20%)	(20%)	(15%)
Carry forward	0.33	0.03	0.17	0.13

* Approximate.
† Includes special depreciation reserve amounting to Rs. 10 lakhs for 1953, Rs. 3.30 lakhs for 1952, Rs. 2.95 lakhs for 1951 and Rs. 4.56 lakhs for 1950.

Of the expenses, cost of cloth purchases account for a fall of Rs. 2.60 lakhs and cotton for Rs. 19.38 lakhs during 1953, whereas salaries, wages, provident fund, etc., show an increase of Rs. 23.39 lakhs and stores and spare parts of Rs. 11.05 lakhs. The provision for depreciation includes Rs. 10 lakhs set aside for special depreciation reserve, as against Rs. 3.30 lakhs for the previous year. As already noted, no addition to the reserves has been made, while, a year ago, the dividend equalisation fund was strengthened by Rs. 3 lakhs and general reserve by Rs. 1 lakh.

The balance-sheet of the Company as on 31st December, 1953, presents a strong and sound picture of its financial position. The reserves and surplus aggregate Rs. 120.20 lakhs, representing nearly 174 per cent. of the paid-up capital of Rs. 68 lakhs. The reserves include Rs. 16.87 lakhs representing premium on shares, Rs. 3.46 lakhs capital reserve, Rs. 56.28 lakhs reserve fund, Rs. 10 lakhs dividend equalisation fund, Rs. 31.40 lakhs rehabilitation and development reserve and Rs. 1.86 lakhs employees' benefit and welfare reserve. Provision for taxation stands at Rs. 18.54 lakhs. The gross block of the value of Rs. 155.61 lakhs includes Rs. 43.37 lakhs added during the year, on account of extensions and purchases of new machinery under the modernisation programme. As against this gross block, a depreciation reserve amounting to Rs. 79.91 lakhs and a special depreciation reserve aggregating Rs. 23.82 lakhs have been built up. The current assets amount to Rs. 199.92 lakhs, of which stock-in-trade accounts for Rs. 71.98 lakhs, stores, spares, etc., for Rs. 19.08 lakhs, debts, deposits and advances for Rs. 44.83 lakhs, investments for Rs. 4.81 lakhs and cash balances for Rs. 59.23 lakhs. Though cash balances show a decline of Rs. 22.21 lakhs, they cover more than adequately current liabilities amounting to Rs. 45.06 lakhs.

The Rs. 100 paid-up ordinary shares are being currently quoted at Rs. 325 *cum-div.* On an *ex-div.* basis, the proposed dividend for the year under review gives a yield of more than 6.5 per cent. per annum, free of income-tax.

TITAGHUR PAPER'S RESULTS SATISFACTORY

A reduction of Rs. 3.81 lakhs in the trading profit, that is, from Rs. 63.90 lakhs to Rs. 60.09 lakhs, is disclosed by the audited accounts of the Titaghur Paper Mills Co., Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta), for the half-year ended 30th September, 1953, as compared with those for the previous six months. This decline in profit seems to have become "seasonal," for, during the last three years, the Company's profits for the half-years ended 30th September have invariably been lower than those for the six months ended 31st March. It is, however, gratifying to note that the drop in the profit for the six months under review compares favourably with those of Rs. 5.94 lakhs and Rs. 5.53 lakhs noted in the corresponding half-years of 1952 and 1951, respectively. The net profit for the half-year under review, at Rs. 29.30 lakhs, on the other hand, shows an increase of Rs. 1.68 lakhs over that for the previous half-year, on account of the lower provisions made for taxation and depreciation. The distribution to the shareholders has been maintained at the rate of 20 per cent, per annum, made up of a dividend of 15 per cent. and a bonus of 5 per cent.

The following comparative table shows the Company's progress in the last three half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-9-53	31-3-53	30-9-52	31-3-52
Sale proceeds	281.31	284.32	269.86	273.28
Stocks	5.71	4.56	6.61	5.43
Manufacturing and trading expenses	223.22	219.05	214.39	206.24
Trading profit	60.09	63.90	67.58	63.52
Managing Agents' commission.	4.19	4.30	4.01	4.22
Taxation	20.00	21.00	17.50	18.50
Depreciation	6.70	10.49	7.21	8.80
Net profit	29.30	27.82	28.48	31.69
E.P.T. refund (less tax)	..	..	15.50	..
Liabilities for royalties no longer required	..	2.79	..	..
To general reserve	8.00	8.00	7.50	8.00
To other funds*	14.40	14.75	22.75	15.70
To commission to Managing Agents on E.P.T. refund	..	..	1.26	..
Dividends—				
Preference and preferred ordinary	1.02	1.02	1.02	1.02
Ordinary	11.20 (D.15% +B.5% p.a.)	11.20 (D.15% +B.5% p.a.)	11.20 (D.15% +B.5 % p.a.)	11.20 (D.15% +B.5% p.a.)
Carry forward	5.12	5.44	5.00	4.75

* Includes tax contingency reserve.
D = Dividend. B = Bonus.

The Directors report that production during the six months under review was well maintained, even exceeding slightly that in the previous half-year. If this has not been reflected in sale proceeds, it is due "chiefly to restrictions on bookings imposed from time to time by the railways to different destinations." This is also reflected in the increase in value of stocks of paper at the end of the half-year under review. Expenses have gone up by Rs. 4.17 lakhs, of which manufacturing expenses account for Rs. 0.69 lakh, and trading expenses for Rs. 3.48 lakhs. The rise in manufacturing expenses is due to higher production. The Directors add that deliveries of raw materials and coal were satisfactory, stocks at the mills being maintained at a satisfactory level.

Out of the net profit, the transfer to the general reserve has been maintained at Rs. 3 lakhs, to the reserve for plant replacements and development at Rs. 9.50 lakhs and to the dividend equalisation reserve at Rs. 1 lakh. The reserve for labour quarters and labour welfare gets Rs. 2 lakhs, as against Rs. 2.50 lakhs, and that for taxation contingencies Rs. 1.90 lakhs, as compared with Rs. 1.75 lakhs.

The Company's financial position, as seen from its latest balance-sheet, is very impressive. The reserves and surplus aggregate Rs. 293.58 lakhs, which is more than double the paid-up capital of Rs. 142.92 lakhs. The provision for taxation amounts to Rs. 42.91 lakhs; current liabilities aggregate Rs. 96.52 lakhs. The gross block of the value of Rs. 494.98 lakhs has been written down to Rs. 195.76 lakhs. In addition to the above gross block, there is a block suspense of the value of Rs. 26.65 lakhs. The current assets aggregate Rs. 353.58 lakhs, of which stock, stores, etc. amount to Rs. 138.33 lakhs, debts, deposits and advances to Rs. 93.35 lakhs, investments to Rs. 72.51 lakhs and cash balances to Rs. 49.39 lakhs. The current assets thus exceed the current liabilities and provision for taxation by a large margin.

The Rs. 10 paid-up ordinary shares are being currently quoted at Rs. 38 *ex-div.*, at which rate and on the basis of the latest dividend, the yield works out to 5.3 per cent. per annum, free of tax.

PROFIT OF GOKAK MILLS MORE THAN DOUBLED

The working of the Gokak Mills Ltd. (Agents: Messrs. Forbes, Forbes Campbell & Co., Ltd., Bombay) during the year ended 31st December, 1953, has resulted in a marked improvement in its earnings over those for the previous year. The gross profit has jumped up from Rs. 7.94 lakhs to Rs. 18.15 lakhs. This improvement is in full conformity with the general pattern of earnings of mills for that year. The distribution to shareholders has not, however, been stepped up; on the other hand, it is only proposed to be maintained at the previous year's level of 17 per cent. per annum, to which level it was enhanced successively from 10 per cent. for 1930.

An explanation of the Directors' decision not to raise the distribution to shareholders is, therefore, necessary. It may be recalled that the Directors had enhanced the distribution last year from 14 per cent. to 17 per cent. notwithstanding a substantial shrinkage in the gross profit from Rs. 20 lakhs to Rs. 7.94 lakhs. This they did because there was a fortuitous income of Rs. 6.19 lakhs being the post-war refund of E.P.T. But the Directors took care to split up the distribution into a dividend of 12 per cent. and a bonus of 5 per cent. Thus, the dividend for 1952 was actually lower than that of 14 per cent. paid for 1951. The entire distribution for 1953 represents dividend, of which 5 per cent. was paid as an interim one during the year and the balance of 12 per cent. is proposed to be paid as the final one. While thus there has been no increase in the return to shareholders, there has been a significant change in its character which is in consonance with the true nature of profit.

To revert to the accounts. The following comparative table presents the salient features of the Company's financial results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	109.00	103.51	100.98	170.07
Cotton and staple fibre consumed	105.58	110.81	120.27	120.56
Expenses	45.75	44.93	41.90	41.03
Gross profit	18.15	7.94	20.00	8.96
Agents' commission	1.79	0.89	2.00	1.06
Depreciation	3.50	2.50	3.25	1.65
Taxation	6.25	1.75	7.50	1.25
Net profit	6.61	2.80	7.25	4.35
Post-war refund of E.P.T.	0.21	6.10	8.25	..
Reserves	0.23	1.08	1.71	0.23
Staff gratuity fund ..	0.13	0.27	0.67	0.85
Dividend	6.64	6.64	6.43	3.80
	(17%)	(17%)	(14%)	(10%)
Carry forward	0.85	1.04	0.99	0.54

The sharp rise in profit is mainly accounted for by the increase of Rs. 5.49 lakhs in sale proceeds and the saving of Rs. 5.23 lakhs in cotton and staple fibre consumed, though this has been offset, to a small extent, by the rise in expenses. Out of the net profit, the Directors have transferred to the general reserve Rs. 22,947, as against Rs. 48,336. The dividend equalisation fund which received Rs. 1.50 lakhs last year has not been augmented further this year.

The balance-sheet of the Company as on 31st December, 1953, reveals a satisfactory financial position. The reserves and surplus aggregate Rs. 44.10 lakhs, as compared with the paid-up capital of Rs. 39.05 lakhs. Provision for taxation amounts to Rs. 6.11 lakhs and current liabilities to Rs. 17.09 lakhs. As against a fixed capital expenditure of Rs. 81.87 lakhs, the provision made for depreciation amounts to Rs. 62.09 lakhs. The current assets amount to Rs. 86.57 lakhs, of which cash balances alone come to Rs. 21.90 lakhs and more than adequately cover the current liabilities.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 266 *cum-div.* On an *ex-div.* basis, the dividend for 1953 gives a yield of about 6.7 per cent. per annum, free of tax.

ORIENT PAPER'S BONUS ISSUE

The decision of the Directors of the Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) to capitalise a part of the Company's reserves, details of which were published in our last issue, is the happiest news of the year so far, inasmuch as the issue is the biggest of its kind and perhaps the largest issued in recent years by any company. The Directors have decided to capitalise as much as Rs. 1,04,87,500, being part of the undivided profits standing to the credit of the general reserve, repairs and renewal reserve and dividend equalisation fund as on 31st March, 1953, and issue 10,48,750 new ordinary shares of Rs. 10 each as capital bonus to the holders of the existing ordinary shares as on 29th March, 1954. There are at present 4,19,500 ordinary shares of Rs. 10 each, so that, under the proposed capitalisation scheme, the holder of each of such shares will receive 2½ shares for every share held by him. The new shares will rank in all respects *pari passu* with the existing shares, except that they will not participate in any dividend declared in respect of

(*Continued on next page*)

Points From The Chair

Outlook for World Economy in 1954

"IT is difficult to forecast the course of events in the current year. There have been divergent views expressed about the position of the United States which dominates the economy of a greater part of the world. The well-known economist, Colin Clark, basing his conclusions on a contraction in export, Government and capital goods demands, forecasts a heavy slump. Most of the authorities combat this view and hold that activity in the construction and capital goods industries are likely to be sustained at a high level and would provide, among other things, a balancing factor. In the United Kingdom, too, while the Chairmen of some of the big banks have been sounding a note of caution, the view of the Chancellor of the Exchequer, based upon an improvement in the external payments position, seems charged with a certain measure of confidence in the future. I think, it might be safe to hazard a guess that 1954 will see a decline which, whatever its proportions, is not likely to be in the nature of a sizable recession."

MR. HOMI MODY,
Central Bank of India Ltd.

Convertibility of Currencies

"... some primary producer countries still hold the view that by bulk selling through Government-controlled bodies rather than by using marketing systems, through which sellers and buyers would be in daily touch, they can sell their produce more effectively and at the same time ration their sales in accordance with their views of international values. Generally speaking, bulk selling flourishes only in a sellers' market and, temporarily anyhow, these conditions have disappeared. But the greatest remaining obstacle to the free flow of international trade, undoubtedly, is the absence of free convertibility of currencies. Without that background international markets, including terminal markets, cannot function fully or to the best advantage of buyer and seller; to have differing values in one currency for the same goods simply because 'A' is produced in the dollar area and 'B' in the sterling (or some other) area is not only superficially wrong, it is dangerous, and will concern merchants and bankers when free convertibility is possible and does happen."

J. K. MICHIE,
National Bank of India, Ltd.

Newsprint Industry in the U.K.

"The British newsprint industry is presently producing at the rate of some 650,000 tons annually, of which, as I have pointed out, 400,000 tons are earmarked for the daily and weekly newspapers, 100,000 tons for other users, such as magazines and periodicals, and 150,000 tons is earmarked by the Government as being the target set by it for export, in the main, to the Commonwealth countries and the British Colonies. It is my belief that the quota for the British newspapers will be stepped up next year and still further in the years to follow and will, I hope and expect, reach 500,000 tons annually in the foreseeable future. In my opinion, which is in opinion I know to be shared by others engaged in both the newsprint and publishing industries in the United Kingdom, it is vital, and indeed essential, in the interests of the publishers, especially newspaper publishers, that there should continue to exist in this country a flourishing and prosperous newsprint industry."

SIR ERIC VANSITTART BOWATER,
Bowater Paper Corporation Ltd.

(*Concluded from previous page*)

any period ended on or before 30th September, 1953.

The amounts standing to the credit of the aforesaid reserves as on 31st March, 1953, were: general reserve Rs. 56.50 lakhs, repairs and renewal reserve Rs. 45 lakhs and dividend equalisation fund Rs. 20 lakhs, making in all Rs. 121.50 lakhs. Besides these, the Company had on that date a capital reserve of Rs. 100.70 lakhs. This is the second occasion in the history of the Company that a part of the reserves is being capitalised. Three years ago, in March, 1951, to be precise, the Company had capitalised Rs. 20,97,500 and issued 2,09,750 ordinary shares of Rs. 10 each to the then existing ordinary shareholders in the ratio of one new share for every ordinary share held.

The Company has been able to make such a liberal issue because of the huge resources conserved year after year, without in any way affecting the distribution to the shareholders who have been getting a very decent return. The following table shows the net profits and the main allocations made thereof during the last seven half-years:

(In lakhs of rupees)

Half-year ended	Net profit	Reserves	Dividend on Ordinary shares
			Per annum
31st March, 1950	11.59	8.00	7.80 (15%)
30th September, 1950	16.61	15.00	15.60 (30%)
31st March, 1951	17.19	18.00	*4.19 (20%)
30th September, 1951	21.05	14.00	4.19 (20%)
31st March, 1952	23.19	15.00	4.19 (20%)
30th September, 1952	26.19	20.00	4.19 (20%)
31st March, 1953	26.32	20.00	4.19 (20%)

* On the increased capital raised by capitalisation of Rs. 20,97,500 in March, 1951.

COMPANY MEETINGS AND DIVIDENDS

MARTIN BURN LTD. Annual General Meeting, Calcutta, 29th March, 1954. Dividend: Re. 1-6 per share (including cash bonus of As. 2 per share). Transfer books remain closed from 22nd to 29th March, 1954, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 29th March, 1954. Dividend: Rs. 17 per share (including *ad-interim* dividend of Rs. 5 per share, already paid), payable on and after 9th April, 1954.

GANGES ROPE CO., LTD. Half-yearly General Meeting, Calcutta, 30th March, 1954. Dividend: Rs. 10 per share. Transfer books remain closed from 24th to 30th March, 1954, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 31st March, 1954. Dividend: Re. 1-8 per share.

OOCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Kozhikode, 31st March, 1954. Dividend: As. 3 1/5 per share (10 per cent). Transfer books remain closed from 19th March to 1st April, 1954, both days inclusive.

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 31st March, 1954. Transfer books remain closed from 24th to 31st March, 1954, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Alleppey, 7th April, 1954. Dividend: Rs. 2-12 per share (final). Transfer books remain closed from 22nd March to 9th April, 1954, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 8th April, 1954. Dividend: Rs. 22-8 per share (including interim dividend of Rs. 7-8 and a bonus of Rs. 2-8 per share), payable on and after 21st April, 1954. Transfer books remain closed from 22nd March to 8th April, 1954, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 9th April, 1954. Dividend: Rs. 14 per ordinary share, payable on 19th April, 1954. Transfer books will remain closed from 3rd to 17th April, 1954, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 10th April, 1954. Dividend: Rs. 22 per share (including interim dividend of Rs. 8 per share), payable on and after 15th April, 1954. Transfer books remain closed from 22nd March to 10th April, 1954, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Rs. 8 per share (including bonus of Rs. 3 per share), free of income-tax, payable on and after 20th April, 1954. Transfer books remain closed from 23rd March to 12th April, 1954, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 19th April, 1954. Transfer books remain closed from 25th March to 19th April, 1954, both days inclusive.

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 20th April, 1954. Dividend: Rs. 4-8 per share, payable on 30th April, 1954. Transfer books will remain closed from 29th March to 22nd April, 1954, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 23rd April, 1954. Transfer books will remain closed from 5th to 23rd April, 1954, both days inclusive.

SAVAMALAI ESTATES LTD. Final dividend of Rs. 2 per ordinary share, for the year ended 30th November, 1953. Transfer books remain closed from 24th to 31st March, 1954, both days inclusive.

KALEESWARAR MILLS LTD. Annual General Meeting, Coimbatore, 2nd April, 1954. Transfer books remain closed from 19th March to 2nd April, 1954, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd April, 1954. Dividend: As. 8 per share. Transfer books remain closed from 22nd March to 2nd April, 1954, both days inclusive.

CENTRAL DISTILLERY AND CHEMICAL WORKS LTD. Annual General Meeting, Meerut Cantt., 3rd April, 1954. Dividend: As. 12 per ordinary share and As. 14 per deferred share. Transfer books remain closed from 21st March to 3rd April, 1954, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 6th April, 1954. Dividend: Nil. Transfer books remain closed from 25th March to 13th April, 1954, both days inclusive.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD. Annual General Meeting, Tirupur, 7th April, 1954. Transfer books remain closed from 23rd March to 7th April, 1954, both days inclusive.

COMPANY REGISTRATIONS

NATIONAL CLOTHING INDUSTRY LTD. (First Director: Mr. Manibhai, K. Desai). Business: Dressmakers, Clothiers, Silk Weavers and Dealers in Ready-made Clothes and Uniforms, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Shirin Villa, Three Bungalows, Sayaji Road, Navsari.

QUESTION HOUR IN PARLIAMENT

Sale of Foreign Concerns

DURING the period April to December, 1953, Rs. 58.47 lakhs were remitted on account of sale of foreign concerns.

* * *

National Sample Survey

The National Sample Survey work is at present being conducted in 960 villages and 444 urban blocks selected to form a random sample throughout the Indian Union (except Jammu and Kashmir). The urban blocks are situated in 53 towns and four cities (Delhi, Madras, Bombay and Calcutta).

* * * *

Interest on Government Loans

The average rate of interest paid by the Government on their total interest-bearing obligations was 2.57 per cent., 2.46 per cent., 2.55 per cent., 2.66 per cent., and 2.67 per cent., respectively in each year from 1948-49 to 1952-53. The average rate of interest received by the Government on their total interest-yielding assets during the same period was 1.89 per cent., 1.88 per cent., 2.08 per cent., 2.03 per cent., and 2.54 per cent., respectively.

—*Finance Minister*

Industrial Finance Corporation

On 31st December, 1953, there were defaults in the payment of instalments of principal to the Industrial Finance Corporation in 22 loan accounts involving 17 companies and in the payment of interest in 16 loans involving 10 companies.

—*Deputy Finance Minister*

Canadian Aid

There is a proposal that the Umtru Hydro-Electric Project in Assam may be financed by Canadian aid under the Colombo Plan. The proposal is still under consideration. Such aid, if received, will be treated as a loan to the State Government. The actual execution of the Project will also be the responsibility of the State Government.

—*Parliamentary Secretary to Finance Minister*

Short Landing of Foodgrains

About Rs. 225 lakhs were lost by the Government on account of short landings in foodgrains during 1949-50 and 1950-51. These losses were due to natural phenomenon on account of evaporation during voyage and different methods of weighment at the ports of loading and unloading.

—*Deputy Minister for Food*

Coach-building Factory

The Integral Coach-building Factory at Perambur, (Madras) is likely to start functioning in 1955. The total estimated cost of the factory is Rs. 7.47 crores and it is expected to turn out 350 B.G. bogie coaches every year when in full production.

—*Deputy Minister for Railways*

Trade Mission to Middle East

A proposal to send a trade delegation to the Middle East countries, including the Arab States, to explore the possibilities of expanding India's export trade is under consideration. There is no intention at present to negotiate or conclude trade agreements with any particular Arab State. The Government have already entered into trade agreements with Egypt and Iraq and a treaty of friendship and commerce exists with Syria. India has diplomatic relations with Egypt, Iraq, Syria, Jordan, the Lebanon and Libya, while the Consulate-General in Saudi Arabia is proposed to be raised to a Legation shortly. Treaties of friendship have been concluded with Iraq and Syria.

—*Deputy Minister for External Affairs*

Air Services

Air-India International proposes to start two new air services from 1st July, 1954. These are Bombay-Calcutta-Bangkok-Hong Kong-Tokyo, and Bombay-Colombo-Singapore. The routes and the dates are tentative and are subject to all preliminary arrangements being completed before that date. Two officers of Air-India International went to various places which these new services would touch and examined various facilities in regard to aerodrome, fuelling and booking. They have come to this particular conclusion about the route, keeping in view the places available to the Corporation. Super-Constellations which the Government proposes to buy will replace Skymasters on the European route and these Skymasters will be used on the Eastern routes.

—*Deputy Communications Minister*

I.L.O. Convention on Motor Transport

The Government of India is likely to adopt the International Labour Convention on road transport so far as it related only to motor vehicles. The scope of the Convention is too extensive to be implemented with any reasonable prospect of success in practice in the immediate future. The Convention prescribes hours of work and weekly rest periods for all persons employed on road transport vehicles, whereas the Indian Motor Vehicles Act, 1939, seeks to regulate hours of work and rest periods only in respect of drivers of transport vehicles. The question of amending the Motor Vehicles Act is being considered in this context.

—*Labour Minister*

Textile Spindles

The number of spindles installed in cotton textile mills in the country is estimated at 11,423,000. Of these, 11,227,000 are reported to be in working order. The average number of spindles worked daily is about 10.2 million and the balance of 965,000 is generally idle for various reasons. The quantity of yarn that can be produced by these idle spindles is 300 bales.

—*Minister for Commerce and Industry*

BANGALORE WOOLLEN PAYS RECORD DIVIDEND—BONUS SHARES TO BE ISSUED

MARTIN BURN MAINTAINS PROGRESS

Bangalore Woollen, Cotton and Silk Mills Co., Ltd.

THE directors of the above Company (Agents, Secretaries and Treasurers: Messrs. Binny & Co., (Madras) Ltd., Bangalore) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The result of the Company's working for the year ended 31st December, 1953, after allowing Rs. 12,92,041 (Rs. 12,71,222) for depreciation and transferring Rs. 4,00,000 (*nil*) to additional depreciation based on replacement costs, but before providing for taxation and bonus to Employees is a profit of Rs. 41,61,592 (Rs. 22,42,335) to which is added the unappropriated profit brought forward Rs. 2,49,801 (Rs. 2,47,495) making a total of Rs. 44,11,393 (Rs. 24,89,830). The directors have paid a dividend of Rs. 3 (Rs. 3) per share on the 6 per cent. cumulative preference shares for the half-year ended 30th June, 1953, Rs. 18,000 (Rs. 18,000), interim dividend of Rs. 10 (*nil*) per share on the ordinary shares for the half-year ended 20th June, 1953 free of income-tax Rs. 4,05,000 (*nil*), and dividend at Rs. 3 (Rs. 3) per share on the 6 per cent. cumulative preference shares for the half-year ended 31st December, 1953, Rs. 18,000 (Rs. 18,000) leaving a balance of Rs. 39,70,393 (Rs. 24,53,829). The directors disposed of this amount as follows:—

To provision for taxation Rs. 15,50,000 (Rs. 7,00,000), bonus to employees for the year, 1953 Rs. 10,10,000 (Rs. 6,10,400), general reserve Rs. 3,50,000 (Rs. 1,23,629), workpeople's housing fund Rs. 1,50,000 (Rs. 1,25,000), payment of a final dividend of Rs. 15 (Rs. 15) per share on the ordinary shares for the year ended 31st December, 1953, free of income-tax Rs. 6,07,500 (Rs. 6,07,500), and to officers' retiring fund Rs. 62,500 (Rs. 37,500) leaving to be carried forward a sum of Rs. 2,40,393 (Rs. 2,49,801).

The removal of internal price controls which began towards the end of 1952 was completed by July, 1953, and enabled the Company to adjust to levels acceptable both, to itself and to the consumers, the prices of a number of cotton cloths which they had hitherto been obliged to sell unremuneratively.

In the overseas markets, the Company experienced active competition from Japan and other countries, but they were helped in their efforts to withstand this opposition by the reduction, in January, 1953, of the export duty on coarse and medium cloth from 25 to 10 per cent., the duty on medium cloth was abolished in October, 1953.

The demand for the Company's woollen and silk products was maintained and sales were generally satisfactory despite keen competition. It became evident during the year that "Cotswol," the Company's well-known union fabric, continues to earn the appreciation of a wide public.

The varying attitude of the different States towards sales tax on inter-State trading has presented the Company with many problems, but it is to be hoped that, as a result of the recent discussions between the Union and State Governments, no unreasonable barriers will remain to obstruct the Company's own India-wide trade.

It has now been possible to ascertain with reasonable accuracy the Company's total liability for taxation and the surplus provision made in the past amounting to *Rs. 26,00,000 has been transferred* to general reserve.

It has been the policy for many years, to adopt a conservative valuation for raw material, process and finished stocks, but the directors now feel that, *in order to bring the accounts* into line with modern accounting practice, it is desirable to show the value of the stock on hand at the lower cost or market value. The value of the closing stocks has, therefore, been increased by the amount of *these reserves* and a similar *amount has* been transferred to general *reserve.*

The balance-sheet of the Company shows that the *issued and subscribed* capital falls far short of the effective capital employed by the Company and *in order to bring* the two more into line the directors propose, subject to the approval of the Government of India and of the shareholders, to capitalise Rs. 81 lakhs of the general reserve by the issue of two ordinary shares for each ordinary share held.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,50,000	Block ...	87,46,882
Reserves ...	1,74,49,038	Stock-in-trade	1,16,92,199
Provision for taxation ...	13,59,850	Stores and spare parts	45,82,724
Liabilities ...	68,91,323	Other assets	1,32,348
Profit and loss account ...	2,40,393	Debts and advances ...	25,87,363
		Investments	27,84,004
		Cash ...	65,084
Rs.	3,05,90,604	Rs.	3,05,90,604

Martin Burn Ltd.

The directors of the above Company (Chairman: Mr. T. Leslie Martin, Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

The profit and loss account shows a profit on the year's working of Rs. 51,55,783 (Rs. 50,15,561) to which is added the balance brought forward from the previous year of Rs. 2,31,092 (Rs. 2,35,698) making a total of Rs. 53,86,874 (Rs. 52,51,257). From this there has been provided for taxation Rs. 24,50,000 (Rs. 22,75,000), capital redemption reserve fund Rs. 2,00,000 (Rs. 2,00,000), investment reserve Rs. 3,50,000 (Rs. 6,00,000) and general reserve Rs. 2,00,000 (nil) leaving a balance available for disposal of Rs. 21,86,874 (Rs. 21,76,227). The directors have declared as interim dividends, the *dividend payable on the preference shares* for the half years ended 31st March, 1953, and 30th September, 1953, amounting to Rs. 1,50,000 (Rs. 1,50,000), and now recommend payment of a dividend, on the ordinary share capital of the Company at Re. 1-4 (Re. 1-4) per share, absorbing Rs. 16,32,531 (Rs. 16,31,969) plus a cash bonus (special payment) of As. 2 (As. 2) per share absorbing further Rs. 1,63,253 (Rs. 1,63,197) leaving a balance to be carried forward to the next *account* of Rs. 2,41,090 (Rs. 2,31,092).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,60,60,250	Block ...	11,45,216
Convertible notes ...	38,79,500	Work-in-progress ...	1,16,81,503
Reserves ...	39,90,212	Stock ...	77,08,864
Provision for taxation ...	33,72,379	Stores and spare parts	2,68,586
Liabilities ...	2,99,21,779	Goodwill at cost ...	25,17,685
Profit and loss account ...	2,41,090	Debts, deposits and advances ...	1,75,27,516
		Investments	1,55,31,257
		Cash ...	10,84,583
Rs.	5,74,69,210	Rs.	5,74,69,210

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1953.

After providing Rs. 2,00,000 (Rs. 1,50,000) for depreciation and Rs. 54,000 (Rs. 36,800) for cesses and taxation and after transferring Rs. 2,56,824 (nil) to capital reserve and Rs. 75,000 (Rs. 75,000) to development reserve, there remains a balance at the credit of profit and loss account of Rs. 2,08,159 (Rs. 1,55,421) from which the directors recommend:—

A dividend of 7 per cent. per annum on 20,000 preference shares for the half-year ended 31st October, 1953, Rs. 7,000 (Rs. 7,000), and a dividend of As. 8 (As. 8) per share on 1,77,623 ordinary shares Rs. 88,812 (Rs. 88,812) leaving to be carried forward Rs. 1,12,347 (Rs. 55,799).

Raisings for the half-year ended October, 1953, totalled 2,48,113 tons as compared with 2,69,616 tons in the previous half-year, and 2,46,202 tons in the half-year ended October, 1952. Despatches, which included purchased coal, totalled 2,53,069 tons as compared with 2,49,219 tons in the previous half-year, and 2,91,745 tons in the half-year ended October, 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,76,230	Block ...	30,93,344
Reserves ...	17,03,824	Stock of coal	3,23,659
Provision for taxation ...	1,93,763	Stores ...	7,09,201
Liabilities ...	28,47,960	Debts, deposits and advances ...	25,76,981
Profit and loss *account* ...	1,12,347	*Investments*	4,447
		Cash ...	1,26,492
Rs.	68,34,124	Rs.	68,34,124

Ganges Rope Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

The profit for the half-year amounted Rs. 2,04,868 (Rs. 2,04,572) to which was added the surplus on sale of capital assets Rs. 4,200 (nil) and the balance brought forward at credit of profit and loss account Rs. 9,689 (Rs. 49,599) making a total of Rs. 2,18,757 (Rs. 2,90,793). And after deducting provision for taxation Rs. 52,000 (Rs. 1,00,000), there was available for distribution a sum of Rs. 1,66,757 (Rs. 1,90,793), which the directors disposed of by payment of a dividend at Rs. 10 (Rs. 10) per share Rs. 1,40,000 (Rs. 1,40,000) leaving to be carried forward to next account Rs. 26,757 (Rs. 50,793).

The general level of production was again satisfactorily maintained during the period covered by these accounts.

Consumer resistance to price levels profitable to the Company has been marked throughout the six months, and with the exception of the better qualities of manila and sisal ropes, the profit margins continue to decline. This trend has been most apparent in sales of coir rope, where "back yard" manufacturers, making hand-made ropes with casual labour are able to undercut the Company's rates with impunity. While this can only be done in the case of coir ropes due to the fact that *no machine* spinning of the fibre is necessary, the results of such competition can be seen in the continued decline in sales. Buildings and machinery have been maintained to the usual high standards.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,00,000	Block ...	14,46,036
Reserves ...	9,97,000	Stock and work in progress ...	21,29,947
Provision for taxation ...	1,08,593	Goods-in-transit ...	2,56,789
Liabilities ...	39,02,861	Stores and spare gear	6,96,258
Profit and loss account ...	26,757	Debts and advances ...	18,80,895
		Cash ...	25,286
Rs.	64,35,211	Rs.	64,35,211

Lansdowne Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

After providing Rs. 2,48,000 (Rs. 85,000) for taxation, Rs. 20,000 (Rs. 12,000) for reserve for taxation contingencies and Rs. 85,198 (Rs. 87,222) for depreciation, the profit and loss account shows a profit of Rs. 3,23,264 (Rs. 1,13,045) to which has been added the amount brought forward from previous half-year Rs. 22,044 (Rs. 53,319) making a total of Rs. 3,45,308 (Rs. 1,66,364). From this the directors have transferred to general reserve Rs. 75,000 (*nil*) and to jute stock reserve Rs. 50,000 (*nil*) leaving an available balance of Rs. 2,20,308 (Rs. 1,66,364).

The directors propose to dispose of this in paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500), in paying a dividend on the ordinary shares of Rs. 5 (Rs. 3) per share, without any deduction for income-tax paid by the Company Rs. 1,22,325 (Rs. 73,377) and in carrying forward Rs. 45,483 (Rs. 40,421).

Stocks of jute have been valued at market value and manufactured goods at contract or market rates.

In accordance with the Factories (Amendment) Act, 1946, and the Working Time Agreement of the Indian Jute Mills' Association the Company's mill worked 42½ hours a week with 12½ per cent. of total looms sealed during the period under review.

The labour complement at the Mill was maintained at full strength throughout the period under review, but 8½ hours were lost in September when the labour demanded the payment of a Puja bonus.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,48,000	Block ...	61,74,014
Reserves ...	50,32,314	Stock ...	35,46,284
Provision for taxation ...	1,22,123	Stores ...	12,83,117
Liabilities ...	39,89,656	Debts, deposits and advances ...	18,86,378
Profit and loss account ...	45,483	Investments	1,53,370
		Cash ...	94,213
Rs.	1,31,37,576	Rs.	1,31,37,576

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson, Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

The profit and loss account shows after making provisions for depreciation, etc., a balance of profit of Rs. 1,40,735 (Rs. 1,53,953) to which has to previous half-years of Rs. 58,826 (Rs. 37,055) making a total of Rs. 1,99,561 (Rs. 2,43,662). Out of this sum there has been provided for taxation Rs. 65,000 (Rs. 53,381) leaving a balance available for disposal of Rs. 1,34,561 (Rs. 1,50,294). This sum the directors recommend should be dealt with, as follows:—

In payment of a dividend on the share capital of 7 (7½) per cent. without any deduction for income-tax paid by the Company, absorbing Rs. 84,000 (Rs. 90,000) leaving a balance to be carried forward to the next account of Rs. 50,561 (Rs. 60,294).

Manufacture and despatches during the half-year were as follows:—

	Manufactured	Despatched
	Tons	Tons
Coke	31,938	29,791
Tar and pitch	1,309	1,495
Sulphate of ammonia ...	369	503
	Gallons	Gallons
Benzol	6,407	3,094

The directors consider the results for the half-year satisfactory under present-day conditions. Relations between management and labour at the works were satisfactory. Foodstuffs were still being issued to the workers at concession rates. The wagon supply position was not up to expectations. Working during the current half-year has been satisfactory so far.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	3,50,740
Reserves ...	8,45,617	Stocks ...	16,32,081
Provision for taxation ...	2,06,190	Debts, deposits and advances ...	15,07,498
Liabilities ...	12,86,127	Investments	800
Profit and loss account ...	50,560	Cash ...	97,375
Rs.	35,88,494	Rs.	35,88,494

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

DEMAND FOR FUNDS GROWS

(From Our Own Correspondent)

BOMBAY, 24th *March*

With the financial year-end drawing nearer, the stringency in the short-term money market became more acute during the week under review. The volume of floating funds was negligible, while the demands for funds broadened further. The banks, therefore, had to rush to the Reserve Bank of India or the Imperial Bank of India for augmenting their lendable resources. There was hardly a bank which was not in either of these two banks. All available funds were fully used up, with practically no surplus left with the banks for lending in the inter-bank call money sector. Consequently, activity in this sector was almost at a standstill. However, stray transactions in overnight funds of small magnitude were reported done after clearing hours at the self-same rate of 3 per cent.

Short-term deposit rates also remained unchanged at 3 per cent. for 1 to 4 months and at 2½ to 2¾ per cent. for longer periods.

There was no change in the Government of India Treasury Bill rate, too, this week, the average rate of accepted tenders having stood at Rs. 2-11 per cent. per annum. The amount offered, however, was lower at Rs. 1.01 crores, as against Rs. 1.27 crores last week, this being the second week in succession when the decline in offerings has been noted. Tenders for Rs. 1 crore have been invited for next week also.

A study of the latest weekly statements of the Reserve Bank of India and the Scheduled banks suggests that the pressure on banks' resources during the current busy season has been on a much greater scale than in the previous season and it looks as though it may even exceed that noted in the 1951-52 season. An idea of this can be gained from the latest figures, as compared with those for the previous two seasons:

(In crores of rupees)

	12-3-54	13-3-53	14-3-52
Advances of Scheduled banks	530.34	512.79	584.90
Cash balances	93.63	99.77	106.65
Outstanding borrowings from Reserve Bank ...	28.73	9.99	62.03
Outstanding borrowings from Imperial Bank ...	11.65	8.36	—
Total borrowings from Reserve Bank against usance bills from 1st January	32.69	7.74	—

It may be noted here that the peak level of bank advances for 1953 was Rs. 539.86 crores touched on 8th May and for 1952 Rs. 584.90 crores touched on 14th March.

To revert to the customary analysis of the weekly bank statements. The Reserve Bank of India's statement for the week ended 19th March, 1954, as compared with that for the previous week, shows a contraction of Rs. 3.89 crores in notes in circulation and an increase of Rs. 4.12 crores in deposits of the Central Government and an increase of Rs. 41.04 crores in those of State Governments are the most outstanding features. These variations evidently reflect the Centre's year-end financial allocations to States. Deposits of banks have dropped by Rs. 2.32 crores. Balances held abroad have risen by Rs. 3.95 crores. Ways and means advances to Governments are lower by Rs. 1.53 crores, while other loans and advances have increased by Rs. 5.05 crores. Outstanding advances to Scheduled banks against usance bills show a rise of Rs. 1.80 crores and total advances availed of by Scheduled banks against usance bills since the beginning of the year by Rs. 4.55 crores. Investments show a decline of Rs. 4.60 crores.

An increase of Rs. 2.90 crores in demand deposits and a decline of Rs. 1.13 crores in time deposits are disclosed by the Scheduled Banks' statement for the week ended 12th March, 1954, as compared with that for the previous week. Inter-bank borrowings show a meagre increase. Borrowings from the Reserve Bank and the Imperial Bank have gone up by Rs. 4.36 crores and Rs. 43 lakhs, respectively. There has been an increase of Rs. 4.58 crores in advances and a fall of Rs. 2.13 crores in bills purchased and discounted. A fall of Rs. 73.56 lakhs is noted in investments, while there has been an enlargement of Rs. 2.43 crores in cash on hand and balances with the Reserve Bank, accompanied by an increase of Rs. 64.51 lakhs in balances with other banks in current account and of Rs. 68.20 lakhs in money at call and short notice.

The Gilt-edged market displayed a distinctly better tone during the week under review with the prices of medium dated issues marked up further. Business done was, however, poor, due to extreme stringency in the money market and absence of floating stocks. The Reserve Bank of India suspended the sale of two more loans this week, the prices of which were put up by them last week by As. 2. These were 3 per cent. 1963-65 and 3 per cent. 1964. This resulted in a further hardening of the rates of these loans.

The 3 per cent. 1957 loan was placed at Rs. 98-2. 3 per cent. 1958 at Rs. 98-5 and 3 per cent. 1959-61, the sale of which by the Reserve Bank was suspended last week, advanced by As. 2 to Rs. 96-5. 3 per cent. 1963-65 and 3 per cent. 1964 each rose by As. 2 to Rs. 92-12. 3 per cent. 1966-68 was unchanged at Rs. 90-6. 3 per cent. 1970-75 had business As. 2 higher at Rs. 86-10. 3 per cent. 1986 Conversion Loan was unchanged at Rs. 82-8. 3½ per cent. N.P. Bond was fancied at Rs. 99-2, a rise of As. 3 over the week. State loans were neglected. Small business was reported in the new Bombay State Road Transport Corporation Bonds at Rs. 99-2½.

GOLD RECOVERS AT CLOSE

(From Our Own Correspondent)

BOMBAY, 24th *March*

The outstanding development of international importance during the week under review was the reopening of the London gold market on Monday, the 22nd inst. after a break of 15 years. Though the Indian markets in gold are completely isolated from international markets, including the newly opened London market, by a ban on imports of gold, the news of the reopening of the London market caused a flurry in the gold section of the Bombay Bullion Exchange. Speculation on the possibility of the Government of India relaxing the import ban brought forth nervous selling in the yellow metal, but this proved a short-lived affair, for, towards the close, gold once again displayed a hardening tendency, induced by the good offtake in the ready section during the past two days.

Barring a mild sympathetic reaction caused by the nervous selling in gold, silver manifested a very steady undertone, establishing a fresh peak after a year. The small offerings in the ready section and some bear pressure from Calcutta engendered by the setback in gold were well absorbed by sustained short-covering. Better offtake in the latter part of the week was an additional sustaining factor.

Silver for forward delivery (22nd March settlement) opened on a buoyant note at Rs. 165-5, as against the previous closing of Rs. 164-14, and advanced to a high of Rs. 166-12, the highest since 14th May, 1953, on Monday this week, before the settlement ran out on that day at Rs. 166-10. The business for the next settlement (20th April) began the week at Rs. 165-14 and firmed up to Rs. 167-6, a level not seen since 12th March, 1953. After a recession to Rs. 166-7 today, forward silver recovered to Rs. 166-14 at the close.

Ready silver (.996 Mint) began at Rs. 165-9 and came up to Rs. 167-3 before winding up at Rs. 166-14. The floating stocks of silver are placed at 2,000 bars. The daily average offtake was 25 bars.

Opening at Rs. 88-12, gold for forward delivery (19th March settlement) hardened to Rs. 88-14 on reports of good offtake before the settlement ran out on Friday. Forward gold for the next settlement (19th April) opened at Rs. 88-8 and made small initial gains. The nervous selling initiated by speculation over the possibility of a relaxation of the ban on imports of gold forced it down to Rs. 87-3 yesterday. Eventually, the pressure was lifted and revival of demand paved the way for a smart recovery in the rate to Rs. 88-7 today, before closing at Rs. 88-3.

Ready gold moved up from Rs. 89 to Rs. 89-6 and, after declining to Rs. 88, closed at Rs. 89-2. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 6,000 tolas and the offtake was 7,500 tolas on an average.

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

	24-3-54	Highest	Lowest	17-3-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	89 2	89 6	88 0	89 1
Forward	88 8	89 0	87 8	88 11
Sovereign	58 12	58 12	58 8	58 2
SILVER				
Ready (.996 fine Mint) ..	166 14	167 3	165 7	165 2
Forward	166 14	167 6	165 8	164 14
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73⅝d.
New York Ready	89½c.	—	—	89½c.

GOOD OFFTAKE IN KIPS

(From Our Own Correspondent)

MADRAS, 22nd *March*

Arrivals of kips have been moderate with good offtake. Prices have ruled at 1d. above U.K. levels, despite U.K. buyers' great price resistance. Shipment business has, therefore, been difficult. Demand centres round medium and heavy weights in cow hides and buff heavies. Business in cow calf and buff calf has been patchy.

In the London public sales last week, tanned goat skins good marks realised 3d. up and others up to 3d. less as compared with January levels. Nearly 150,000 skins remained unsold, due to high ilmits placed on them. Prices in the local market have remained steady for goat and dull for sheep.

Some importers are trying to revive tanned hides auction sales in London through Messrs. Flack Chandler & Co. This type of business will be detrimental to trading on outright sale basis and should not be encouraged in the interest of the tanning trade.

With a view to finalising the specifications for compulsory grading of raw goat skins exported from India, a meeting of Government officials and trade interests will be held in New Delhi on the 25th and 26th Inst.

HIDES QUIET

(From Our Own Correspondent)

KANPUR, 22nd *March*

The hides and skins market ruled quiet during the week under review, owing to paucity of foreign enquiries, and prices drifted lower. Volume of business put through was less than in the previous week.

Today's closing quotations are:—wet salted cow hides 1st grade Rs. 320 to Rs. 330 and 2nd grade Rs. 260 to Rs. 300 per score; wet salted buffalo hides 1st grade 1 lb. 8 ozs. to 1 lb. 11 ozs. and 2nd grade 1 lb. 13 ozs. to 2 lbs. per rupee; goat skins 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep skins Rs. 250 to Rs. 300 per score.

COTTON ERRATIC

(From Our Own Correspondent)

BOMBAY, 24th *March*

The forward market still continues to be oversensitive to temporary influences. The operators seem to be divided more or less equally on two sides. A bout of selling brings a sizable drop in the price, but at lower levels, there is good support forthcoming and prices once again revert back to the Rs. 675 level. This has been more or less the feature of trading in the market at Kalbadevi during the last week. The working of the spot market also from day to day and even hour to hour has some influence in the upward and downward fluctuations in the forward market. In spite of this good front put up in forward trading, there is a lurking feeling of diffidence for the future and this prevents either party from being aggressive in sales or purchases. The May contract is known both for heavy hedge selling during its duration and for substantial deliveries at the end. It is this knowledge in the background which has kept fluctuations within a narrow range. At the same time, the very sensitive nature of the market referred to at the outset might bring about unexpectedly either a big rise or a heavy slump in prices some time during April and operators would be well advised to be cautious in view of this contingency.

Rumour-mongering forms a part of the technique of forward trading, perhaps all over the world, and Kalbadevi is no exception to this. It seems that some interested parties in the Bombay market have been trying to rig up prices, by circulating a rumour that the revised official estimates placed the cotton crop for the current season at 4 million bales, instead of 4.2 million which was the official estimate in October last. The Textile Commissioner had, therefore, to issue a statement contradicting this rumour and explaining that no revised estimates had been put out from any official source, after the meeting of the Cotton Advisory Board held in Bombay about the middle of February. The Textile Commissioner states that, as a matter of fact, since this meeting, reliable trade interests have been of opinion that there might be a slight increase in the size of the crop over the official estimate. He supports this view by revealing that the Broach-Surat area has done better than was expected previously and the total outturn for the season might go up a little in view of this fact. But, strangely enough, after saying all this, the Textile Commissioner says that "the latest official estimate is a certainty of 4.1 million bales, with the possibility of a small increase over this figure." Whatever the final outcome, it is certain that the statistical position is very satisfactory and the consumption continues to be equally so. In the long run, therefore, prices are more likely to maintain themselves than to give way, though they might do so now and then for technical reasons.

In the spot market, the turnover naturally has been restricted. Upcountry advices, especially from the South about Lakshmi and Jayadhar, are encouraging and enquiries in Vijaya and staple Jarilla continue fairly satisfactory. Good business is also being recorded in the Surat varieties. But, on the whole, the mills are now not very active in their purchases, naturally awaiting the demand in the cloth market to materialise. Once this expected demand is in evidence, the mills might be more active in their purchases and, considering the firmness in prices abroad, this might then lend strength to local prices in the spot market also. Another reason for the hesitancy in the spot market is the postponement of the auctions at Kampala by another week. On the whole, there has been a slight improvement in the premia for Vijay and other staple varieties. There is no movement in the short-staple section and Bengals have been practically neglected during the period under review.

Values of cotton in the forward section moved irregularly, and, over the week, they suffered some minor loss. I.C.C. May, which opened the week Re. 1-8 higher at Rs. 678, receded to Rs. 669-8 early on Monday for want of support. Lower levels evoked some buying enquiries and prices recovered to Rs. 675-4 towards the close. After fluctuating between Rs. 675 and Rs. 670-8, the Contract finished the week at Rs. 673. The net loss over the week was Rs. 5. I.C.C. August began at Rs. 690 and declined to Rs. 682-8 on the 22nd inst. Thereafter, it recovered to Rs. 689 yesterday, but receded again to Rs. 686-8. The spread between the two contracts narrowed down from Rs. 12 on the opening day of the week to Rs. 6-8 at the close.

The following was the trend of prices in the forward section during the week under review:

	Opening	High	Low	Closing
I.C.C. May	... Rs. 678	678	669¼	673
I.C.C Aug.	... Rs 690	690	682¼	686¼

Latest available quotations from the spot market are: Bengal *deshi* Rs. 610-620; Berar, Jarillas Rs. 785; Khandesh Rs. 860; Vijay Rs. 890; Oomra *deshi* Rs. 735; Moglai Rs. 700.

At Karachi, prices continue to rule firm in the hope that China will be a big buyer this year. It is believed that already China has contracted for one lakh bales and, if it continues to do so, the *market at Karachi may not have to rely so heavily* as at present on the keenness of Japan for Pakistan cotton. The statistical position at Karachi showing receipts at 935,850 bales and exports of 632,780 bales up to 6th March is considered as quite *satisfactory* and, though the *present prices* are regarded as very much above the world parity, there may not be any appreciable decline, at least till after the effects of the Kampala auctions are known. On the other hand, the prices realised by the Gezira Board in Sudan have been higher than prices of similar varieties elsewhere and this is bound to have a bullish effect in the price trend at Karachi.

Latest available quotations from Karachi market are: Sind *deshi* Rs. 78-8; Punjab *deshi* Rs. 77-8;

4F Punjab R.G. Rs. 76-6; S.G. Rs. 82-4; L.S.S. Punjab R.G. Rs. 79; S.G. Rs. 84; N.T. R.G. Rs. 82-8; S.G. Rs. 87; 289F. Punjab R.G. Rs. 79-4; S.G. Rs. 84.

At Alexandria, while demand has slackened, as reported in the last issue, the prices and premia asked by shippers in response to foreign enquiries still continue to rule high. While others appear to have been somewhat scared away by the high prices, India, Japan and France still show sufficient interest in Giza 80 and medium grade Karnaks.

At New York, narrower fluctuations with a steady trend has been the order of the week's trading. There has been good support against hedge selling and occasional liquidation. The interest in the market seems to have shifted, however, more to distant deliveries and most of these have gained during the period, because of unfavourable weather reports from Texas.

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

(In cents per lb.)

	23-3-54	16-3-54	9-3-54
Spot	35.20	35.25	35.15
March	34.02	—	34.45
May	34.40	34.48	34.41
July	34.53	34.58	33.79
October	33.92	34.03	33.77
December	33.89	34.01	—

ART SILK YARN RECEDES

(From Our Own Correspondent)

BOMBAY, 24th *March*

The reduction in the excise duty on art silk fabrics from 18 pies per yard to 12 pies per square yard, announced by the Union Finance Minister in the House of the People on Monday last, failed to sustain this week the recovery in values of art silk yarn witnessed in the previous two weeks. On the contrary, values of yarn tended to recede, as offtake in the ready section was very slow. Traders thought that the relief was insufficient to bring about an improvement in the conditions of the rayon industry, particularly the smaller units. In the absence of support, the undertone of the market was a shade easy.

Art silk yarn (150D) for March delivery, which opened the week Rs. 2 higher at Rs. 780, moved down to Rs. 773 per case of 200 lbs. today for want of support. April delivery dropped from Rs. 782 to Rs. 775. In the spot section, 120 Japan declined by an anna to Rs. 4-13 per lb. 150 Italy was half an anna lower at Rs. 3-14. 150 Japan and 120 Italy, however, were steady at Rs 4-8 and Rs. 4-3, respectively.

At an extraordinary general meeting held in Bombay on Monday last, the Silk and Art Silk Mills' Association urged the Union Government to license freely imports of all varieties of art silk yarn, except 120D and 150D bright viscose plain yarn which should have a suitable quantitative ceiling to protect the indigenous industry. Such a free licensing policy, the Association said, was necessary, because the present import quota for rayon yarn was totally inadequate and was hardly sufficient for two months' normal working of two shifts of the country's manufacturing units. The normal requirements of art silk yarn should be assessed on the accepted basis of four lbs. per loom per shift per day for the normal two-shift working. The Association also urged the Government to come to an immediate decision regarding the import duty drawback on rayon yarn used in the art silk fabrics exported from India. Delay was causing incalculable harm to the industry and the lack of drawback facilities had lost India its markets in South-East Asian, Middle Eastern and African countries where Indian art silk fabrics had gained a satisfactory footing in the past. The import duty on art silk yarn, it was stated, should be calculated on invoice value and not on market value as at present.

Values of staple fibre yarn also drifted lower in sympathy with the art silk yarn market. Stable fibre yarn (40 x 2) for March delivery fell by Rs. 8 to Rs. 674 and April delivery lost Rs. 9 to Rs. 675 per case of 200 lbs. Spot prices of indigenous and foreign yarns (40 x 2) too suffered losses. Among the former, Century receded by an anna and a half to Rs. 3-8-3 per lb. City and Vasanta lost an anna each to Rs. 3-11 and Rs. 3-8-6, respectively. New Great was slightly easy at Rs. 3-9-6 and Kohinoor at Rs. 3-10-6. Among foreign yarns, S. Fuji dropped As. 2-6 to Rs. 4. Aurora were done lower at Rs. 4-1, as against Rs. 4-2-6. Suico and Shinco shed an anna each to Rs. 4-2 and Rs. 4-1, respectively.

The easy conditions noted in the cotton yarn market last week were somewhat arrested during the week under review and there was a recovery in values of yarn. The recovery was aided by buying support induced by good demand from consuming centres and extension of time limit to exporters of yarn to ship the balance of their unshipped quantities against previous licences. The upward trend was in marked evidence in yarns of finer counts. Thus, among 40s, Meenakshi rallied a rupee to Rs. 27-4 per bundle of 10 lbs. Madura rose by As. 6 to Rs. 27-8 and Gokak by As. 4 to Rs. 26-8. Among 60s, City advanced from Rs. 45-12 to Rs. 46-14. Raghuvamshi, Rajalakshmi and Finlay gained a rupee each to Rs. 54, Rs. 45 and Rs. 60, respectively. Among 80s, Elphinstone improved by As. 8 to Rs. 61-8. Seksaria was fully maintained at Rs. 56-8, Finlay at Rs. 67 and Sri Ram at Rs. 62-8. Among 30s, Madura was higher by As. 4 at Rs. 24-8. Crown was better at Rs. 21, as against Rs. 20-14. Among 20s, Hind and Seksaria gained an anna each to Rs. 16-11. Among 10s, Colaba rose by an anna to Rs. 13-1. Podar was a shade higher at Rs. 13-4-6.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those in the previous week:—

	24-3-1954	16-3-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	773 0	778 0
150 April ,,	775 0	781 0
120 Japan (per lb.) ,,	4 13	4 14
150 Japan (per lb.)	4 8	4 8
120 Italy (per lb.)	4 3	4 9
150 Italy (per lb.)	3 14	3 14½
Staple fibre yarn—		
40 s/2 March (per case of 200 lbs.)	674 0	682 0
40 s/2 April ,,	675 0	684 0
Suico (per lb.)	4 2	4 8
New Great (per lb.)	3 9½	3 10
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 4	13 4
20s Hind	16 11	16 10
30s Madura	24 8	24 4
40s Meenakshi	27 4	26 4
60s City	46 14	45 12
80s Elphinstone	61 8	61 0

CASTORSEED FIRM

(From Our Own Correspondent)

BOMBAY, 24th *March*

The oilseeds market remained closed on the 19th and 20th inst., owing to the *Holi* festival. The notable feature during the remaining sessions was the firm trend in castorseeds, evidently on renewed hopes of early reduction in export duty on castor oil. Rumours that business to the extent of about 200 tons in castor oil, First Pressure, was done with the U.S. at 11.75 cents per lb. also accounted for the firmness. Consequently, values made headway and recorded sizable gains over the week. The groundnut and linseed sections, however, ruled slightly easy. Lack of support by *vanaspati* interests, as well as crushers, was mainly responsible for it. Prices, as a result, were generally downward and sustained minor losses, over the week.

Fresh bull support was predominantly in evidence in the castorseed section. May delivery which opened at Rs. 105, as against Rs. 104-12, fluctuated between Rs. 104-4 and Rs. 109-4, before closing at Rs. 107-12. Madras quality was higher by As. 12 at Rs. 23. Castor oil B.S.S. put on As. 8 to Rs. 12-4, I Pressure As. 10 to Rs. 11-14 and Commercial As. 8 to Rs. 11-4.

Activity in the groundnut section was limited to a narrow range this week. Bold F.A.Q. lost As. 4 to Rs. 34-12. Khandesh quality was down by a similar amount at Rs. 36. Bold April-May delivery, however, gained As. 2 to Rs. 34. Groundnut oil ex-mill and railway receipt were quiet at Rs. 17-4. But April and May deliveries lost an anna each to Rs. 17-8 and Rs. 17-12, respectively.

The area sown with groundnut in the Madras State upto 25th December, 1953 is estimated at 1,872,000 acres. As compared with the area of 1,851,500 acres estimated for the previous year, the present estimate reveals an increase of 1.1 per cent. The estimated area for the current year is more than the average area of 1,831,400 acres, calculated for the five years ending with 1951-52, by 2.2 per cent. The increase in area this year is due mainly to timely rains at the time of sowings. A decrease in area is estimated in the district of Chingleput and an increase in the other districts of the State except in North Arcot and Tiruchirapalli where the area was the same as that of last year. The acreage under the crop in the South Kanara and the Nilgiri districts is little or negligible. The variation is marked in Salem district (10,000 acres).

The linseed section lacked strength of its own. It moved irregularly in sympathy with the groundnut section. Bold ready eased from Rs. 25 to Rs. 24-10 and Sutna from Rs. 23-10 to Rs. 24-4. February-March was dull at Rs. 24-8. April-May, however, gained As. 4 to Rs. 23-12. Linseed oil was colourless at Rs. 14.

Among others, *kardi* Bold lost As. 6 to Rs. 17-8 and April-May delivery As. 2 to Rs. 17-12. *Niger* Madras, however, gained As. 8 to Rs. 29.

The following table shows the prices of oilseeds and oil on the 23rd inst., as compared with those at the end of the previous two weeks.

	23-3-54	16-3-54	10-3-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 0	36 4	36 8
Bold February-March	34 14	34 8	35 14
April-May	34 0	33 14	34 10
Linseed—			
Bold Ready (per cwt.)	24 12	25 0	25 0
February-March	24 8	24 8	24 0
April-May	23 12	23 8	23 12
Castorseed—			
May 1954 (per candy)	107 14	104 12	104 8
Madras (per cwt.)	23	22 4	22 8
Groundnut oil—			
Ex-mill Ready (per quarter)	17 4	17 4	17 6
Castor Oil—			
Commercial (per quarter)	11 4	10 12	10 12

SUGAR BULLISH

(From Our Own Correspondent)

BOMBAY, 24th *March*

Uncertainty regarding arrival of imported sugar and persistent buying enquiries from up-country markets imparted considerable strength to the Bombay sugar market during the week under review. Smaller arrivals of sugar was another bullish factor. There was, therefore, a perceptible rise in prices in both forward and spot sections.

In the spot section, small grains were in keen demand and hardened by Rs. 2-8 to Rs. 92-8 per bag. Medium grains advanced from Rs. 91-92 to Rs. 93½-94. Large grains were higher at Rs. 95-97, as against Rs. 93-97 a week ago. In sympathy with indigenous sugar, prices of imported sugar also moved up. German sugar was keenly bid at Rs. 89 per 220 lbs., as against Rs. 85-8 last week. British refined spurted by Rs. 2 to Rs. 90 per bag of 2 cwts. Czechoslovakian sugar was quoted higher at Rs. 89-92, as against Rs. 86-90 per bag of 2 cwts. Cuban sugar gained a rupee to Rs. 39 per 100 lbs. Mexican sugar rose by As. 12 to Rs. 42-8 per bag of 110½ lbs.

In the forward section, *Pagan* delivery was squared up at Rs. 85-12, as against the last week's closing rate of Rs. 85-8. *Chaitra* delivery firmed up from Rs. 87 to Rs. 88-4.

As already stated, arrivals of sugar into the market this week were smaller, the quantity actually received being 1,800 bags, as against 6,000 bags in the previous week and 4,000 bags two weeks before.

It is stated that the President of the Kanpur Sugar Merchants' Association has telegraphically informed the Food Ministry of the sharp rise in the ex-mill price of sugar and requesting that at least a release of 200,000 tons must be immediately effected to meet the shortage felt in the interior centres.

The sugar import programme of the Central Food Ministry would appear to have slowed down of late. Out of the old contracts for Spanish sugar, only about 15,000 tons, bought at a price of £35 17s. per ton, are expected to be unloaded in Bombay next week. No further consignment is expected to reach earlier than the end of next month. In the meantime, it is reported that the Central Food Ministry has purchased 20,000 tons of British refined sugar for April shipment at £39 2s. per ton c.i.f. Indian ports, 22,000 tons of French and/or East German sugar at £35 per ton for April-May shipments, and 10,000 tons of Czechoslovakian sugar at £35. In all, therefore, about 67,000 tons of foreign sugar have been purchased for March-April and May shipments and it remains to be seen whether there will be a steady and satisfactory flow of imported sugar into the terminal markets of Bombay, Madras and Calcutta.

It is understood that the Government of India's Regional Director (Food), Bombay, who has been entrusted with the work of arranging an equitable distribution of imported sugar among *bona fide* wholesale sugar merchants in the city, will be announcing the basic formula for determining the quota before the week is out. Under the reported formula, the old-established dealers, who are presently out of business, will also be given a fair deal along with the present dealers. The Regional Director will, it is said, invite certified turnover figures from all the wholesale dealers in Greater Bombay, regardless of their membership or non-membership of any association, for any of the years 1949, 1952 and 1953. It is further understood that the percentages reserved for wholesalers is reduced to 85, the remaining 15 per cent. being earmarked for newcomers, co-operative and consumers' societies and ration shops under the aegis of the Civil Supplies Department, Bombay.

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, 24th *March*

During the week, Malabar black pepper ruled weak at all terminal markets, owing to absence of buying from New York where the market was reported to be in a demoralised state on account of distressed sellings, both by Lampong and Sarawak in competition with Malabar. Enquiries from Europe were also said to be poor, for buyers seemed to have adopted the attitude of "watch and wait." Holders in Lampong are reported to be somewhat nervous, in view of the absense of buying on barter basis for Hongkong by the Chinese-Indonesian exporters. Sarawak is also reported weak in sympathy with Lampong and is pressing sales both in nearby and long forward shipments in anticipation of larger new crop. Absence of demand in India from New York, at this time of the season, is slowly telling upon the Indian growers, and some of them are anxious sellers but without result. In Alleppey, sales were done at as low as Rs. 1,550. Bulls among the growers prefer to wait till the development of foreign buying, but it appears that they may not be able to hold longer, if New York refuses to come, very soon to the market and take sizable quantity, because the last year's unpleasant experience is still green in their memory when they were forced to sell at lower prices in competition with Sarawak.

In the A.S.T.A. section, April shipment was done at price ranging from $0.76 to $0.74, while May/June shipment was done from $0.73 to $0.71½.

In the delivery section turnover was poor and April was sold as low as at Rs. 1,230.

Following are today's nominal quotations:— Ready Rs. 180 per Bengali Maund; April Rs. 1,245-60, and May Rs. 1,270-90 per candy of 5¼ cwts.

TEA DUSTS ADVANCE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 20th *March*

The quantity on offer in dust sale "E" which was held on Tuesday, 16th March, amounted to approximately 2,15,000 lbs. From the outset there was a very strong general demand and prices advanced irregularly As. 3 to As. 4 for all types.

London Market.—Very strong demand. Prices ½d. to 1½d. dearer. Strongest feature Assam fannings.

Colombo Market.—Strong general demand. High-growns dearer, following quality. Mediums steady. Low-growns slightly easier.

Calcutta Market—Export.—No sale this week.

Dust.—19,700 chests. Very strong general demand. Market irregularly one anna dearer,

Black exportable types, Darjeelings strongest feature.

Export Quota.—The market at the beginning of the week was 27 pies, thereafter, appreciated to 30 pies and then 33 pies as ready quantities were sought by shippers. Since then the price has stayed firm at 33 pies, which remains today's quotation. At the beginning of the week small business was done in 1954-55 export quota at 33 pies.

Forthcoming Auctions.—Sale No. 6 will be held on Tuesday, 23rd March, and dust sale "F" will be held on Tuesday, 30th March, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd., wire as follows:—

"*Sale* 6.—5,00,000 lbs. Very strong general demand. Prices have advanced for all grades, low and low medium As. 1 to As. 2, medium and good medium As. 3 to As. 4, best liquoring considerably dearer following quality."

RAW JUTE IDLE

(From Our Own Correspondent)

CALCUTTA, 23rd *March*

Uninteresting conditions prevailed in the jute goods market during the week under review. On Saturday, however, a speculative spurt in quotations was in evidence, but the advances thus made were partially lost in the course of business yesterday. The market remained closed on Friday on account of *Holi*. Traders and stockists were afforded the benefit of the lucid analysis of the prospects of mills, made by Mr. G. J. Gardner in his address to the annual meeting of the Indian Jute Mills Association last Thursday. Last year, after the reduction in the export duty on hessian, the Argentine surprised the market by purchasing heavy quantities of hessian. It was mainly on account of this that jute mills were just able to stave off a crisis. Although it is rumoured that this year also, Argentina would require a moderate quantity, definite signs are not yet available. If this rumour, however, materialises, the market expects that purchasers on behalf of Argentina will be active only after September. Another uncertainty is about purchases by the United States; and if the feared slump comes about, it can be certain that jute goods in America can be sold only at lower prices. If current duties remain as they are and prices move down, such sales would be uneconomic to mills. Still another uncertainty relates to Australian demand for sacking goods. It has been known for some time that stocks are running low in that country and that Australian buyers are likely to show greater interest in the Indian market. So far they have been extremely cautious.

In spite of these uncertainties facing jute goods, it is unfortunate that the Government of West Bengal should examine the balance-sheets of jute mill companies with a view to revising the wage structure. Any increase in the labour bill without a proportionate reduction in duties and/or taxes would be harmful to the industry. All the money that mills can save, if there are any savings, is required for modernisation of plants and machinery.

Ready 40" 10 oz. hessians were quiet at Rs. 42-12 last Tuesday, and there being no enquiries from shippers, business was confined to small quantities. On the following day, a decline to Rs. 42-4 occurred, and mills kept out of the market. Subsequently, a recovery to Rs. 42-12 was reported, with speculative support taking up the price to Rs. 43-2 over the week-end, following moderate business with North America. However, lack of business, yesterday, took down the rate to Rs. 42-13, with the f.o.b. price lower at Rs. 46-14. The eight oz. hessians were quoted at Rs. 35-12 f.a.s. and at Rs. 39 f.o.b. A similar trend was also in evidence in the course of prices in sackings also, and over the week-end, B. twills picked up strength to Rs. 106-15 from Rs. 105-12 last Tuesday. This followed reports of Australian interest in the market and of business having taken place with New Zealand. The gain was lost to Rs. 106-8 yesterday. It is generally believed that shipping of sacking this month would record a satisfactory figure.

An unfortunate development this week was the dissatisfaction expressed by certain American buyers regarding the standard of commercial morality among shippers of jute goods in Calcutta. The old-established shippers, it would appear, are not involved in these accusations, and it was unfortunate that American buyers should have been persuaded to buy from new-comers by virtue of the low prices they offered rather than depending on the already developed and established connections. Since the accusations are general in character, these have caused great resentment among shippers, and the country's trade would be advanced if the Commerce Ministry at New Delhi invites American buyers to make specific accusations against specific shippers. On receipt of these, an official enquiry should be made and steps taken to prevent malpractices.

With plenty of jute in balers' godowns, in the market and in the godowns of mills, idle conditions were in evidence in the raw jute market. Mills were cautious buyers. Prices were, however, fractionally better yesterday with Indian northern bottoms quoted at Rs. 26, and Assam lower bottoms being priced at Rs. 25. Mills have noted the recent estimate of the East Bengal jute crop by the Pakistani Finance Minister, according to which the outturn would come to 35 lakh bales, as against 25 lakh bales officially anticipated previously. Trade circles agree that the present estimate is more realistic and do not at all anticipate any shortage in the coming season. The impending change of Government in East Bengal would well bring about unrestricted border trade, for which the United Front leaders have often spoken during electioneering.

BLACK LEAFY TEAS HARDEN

(From Our Own Correspondent)

CALCUTTA, 23rd *March*

The best feature during last week's sale for internal consumption was the black leafy varieties suitable for export, prices of which were raised by As. 2 to As. 2-4. Dusts offered accounted for about 19,200 chests, for which there was a strong general demand. Prices for Darjeelings crossed brokers' valuations, while best C.T.C. Assams picked up strength by moving up by As. 1 to As. 1½. The poorer varieties were, however, easy by about half an anna. The rates were: best Assam C.T.C. Rs. 2-3-6 to Rs. 2-4, medium Dooars Rs. 2-1, and medium Assam grainy dusts Rs. 2-2. There was also strong demand for leaf, offerings of which aggregated 2,500 packages mostly of residue types. Prices for the better kinds and fannings improved by As. 3, while generally there was an irregular price increase by As. 2.

LINSEED EASY

(From Our Own Correspondent)

CALCUTTA, 22nd *March*

The linseed market which had displayed a firm tendency earlier is now exhibiting a generally easier trend, following small arrivals from the Bengal area. Crushers are fairly keen buyers for ready goods and there has been a fair daily turnover. Sellers for forward delivery are reserved, owing to very poor despatches from the main centres, and trading has been very limited. The oil market is inactive. Although prices are considerably easier, local consumers are buying spot to cover their immediate needs only. Latest quotations are: Ready Rs. 19-12 and April-May Rs. 17-12 per maund.

WOOL TOPS STRONG

(Messrs. J. Hardacre and Co.)

BOMBAY, 24th *March*

The Bradford top market is one of the strongest yet seen this year, and the fact that most qualities of tops are quoted 1d. per lb. dearer than on Monday is only part of the evidence.

The real strength lies in the close relationship which now exists between quotations and selling prices, for most concerns today are unwilling to consider concessions on quoted rates, and there is a distinct improvement in the level of selling prices. Current quotations are probably a closer pointer to the basis for business than for the past three months.

A definite improvement in trading conditions has shown itself in the past few days. In the Merino section of the market, the dull conditions of recent weeks have been succeeded by a remarkable larger volume of orders. Merino combing wool in Australia is dearer on the week by an average of 2d. per lb. clean and it would appear that many worsted spinners both here and abroad feel well advised to effect a further cover in tops in case the raw material market moves further against them.

INSURANCE

(Concluded from page 570)

at gazetted and non-gazetted level in the Department. Other recommendations, he stated, were under the consideration of the Government.

Mr. Hanumanthiah drew the attention of the Assembly to the Committee's proposals for improving the agency system with an eye to the development of new business and correlated lines of activities in the years to come. He revealed that the Government has, in co-operation with the Indian Council of Agricultural Research, under consideration a pilot scheme of cattle insurance, which could serve as preliminary to a State-wide insurance scheme, covering not only cattle but agricultural crops also. He hoped that the accounting practices would be greatly improved by the adoption of the mechanised scheme which has been introduced in the office. Particular mention, he said, might be made of the efforts at bringing about more cordial relationship between the Department and its clientele.

From the figures of new line business, which Mr. Hanumanthiah cited, it is clear that the State Government's Insurance Department is making steady progress. Thus, the total number of policies issued during the year 1952-53 (official year) was 6,997 assuring a total sum of Rs. 94.59 lakhs. During the year 1953-54, the corresponding figures were 7,422 policies and Rs. 101.91 lakhs. The Insurance Fund stood, as on 31st December, 1953, at Rs. 642.03 lakhs. The total premium income from official and *public branches* is, on an average, Rs. 82 lakhs per year. The valuation report for the quinquennium commencing from 1st July, 1948, the Chief Minister stated, was receiving the attention of the Department.

There is no doubt that the Insurance Department has made notable progress in recent years. But there is one criticism which private insurers make in regard to all State-Government-managed insurance. It is that these enterprises are able to work at a lower level of expenses, because no rigid distinction is made between the Insurance Department, as such, and the other departments of the Government. Also, they have the additional advantage, in that they are free from taxes, and even from investment expenses.

The Mysore State Insurance Department, in particular, enjoys yet another advantage, in that the Government enables the Department to get an attractive level of interest on its funds. Thus, the Chief Minister stated that, since a need was felt to strengthen the insurance funds so that the divisible surplus out of which the policyholders get their bonus might be improved to the maximum extent possible, the Government had "ordered the revival of the old rate of four per cent. interest on insurance balances at the credit of the Department, with retrospective effect for the entire quinquennium to enable the Department to declare a competitive rate of bonus both in the official and public branches." This is a very high rate of interest indeed, considering that private insurers are able to earn only about 3.4 per cent. on their funds. The favourable treatment accorded by the Government to its Insurance Department, it must be clear, is a charge on the taxpayer.

CENTRAL BANK OF INDIA

(Concluded from page 580)

Mr. Bapuji D. Lam and to the very valuable services rendered by him to the Bank as Director and Solicitor. "His knowledge, experience and judgment," said Sir Homi, "had greatly helped the Board in its deliberations and his personality had endeared him to his colleagues and to the members of the staff who had come in contact with him. On your behalf, I desire to convey an expression of our deepest sympathy to Mrs. Lam and the other members of the family.

"I would end by expressing our acknowledgments to all who are engaged in the service of the Bank. The Managing Director, Mr. Captain, has continued to devote himself to his duties with unstinted energy and, as shareholders have been informed, the Board have thought it, in the interests of the Bank, to renew his appointment for a period of three years. Mr. Karanjia, the Manager, Branches, and Mr. Cooper, the Secretary, have also been carrying a heavy burden. To them and to all members of the staff at the head office and at the branches, as also to the local committees at the various centres, I would like to convey an expression of our appreciation of their services."

TEXTILES

(Concluded from page 562)

yards for internal consumption and 1,500 million yards for exports is not high, against the current overall production of about 6,300 million yards."

Few would dispute the line of reasoning behind those observations. But the point is whether the target can be achieved what with the heavy tax imposts and some of the artificial restrictions that continue to be imposed by the Central and State Governments. Moreover, much also depends on the availability of adequate supply of raw cotton, the principal raw material. Mr. Krishnamachari, however, felt that the target of 5 million bales of cotton need not despair one, as "we have got more irrigation schemes all of which will also produce more cotton." We fully agree with him on this point, for, when more irrigation facilities are made available, it should be possible for the country to produce a crop of 5 million bales through both intensive and extensive cultivation.

Notice

HINDUSTHAN MERCANTILE BANK LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the Shareholders of the Bank will be held at its Registered Office at No. 10, Clive Row, Calcutta on the 12th day of April, 1954 at 4 p.m. to conduct the following business:

(a) To receive the report of the Directors and Audited Accounts for the year ended 31st December, 1953.

(b) To elect Directors.

(c) To appoint Auditors for the current year and to fix their remuneration.

(d) To transact any other business that may be brought forward with the permission of the Chairman.

By Order of the Board,
S. S. PURI,
Manager, Head Office.

CALCUTTA, *Dated 23rd March*, 1954.

N.B.—The Transfer Books of the Bank will be closed from Saturday, the 27th March, 1954, to Monday, the 12th April, 1954 both days inclusive.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	12th March 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,196.00	1,190.57	1,179.56	1,138.01
Notes held in Banking Department	35 05	8 27	12.00	13.38	11 26
Foreign Securities	39 50	648.15	643.15	636.15	578.15
Rupee Securities	37.39	421.34	421.84	421.84	449.86
Banking Department					
Deposits of :					
Government of India	14.89	99.06	94.75	91.84	147 51
Other Governments	...	21 51	21.67	17.00	1.44
Balances held abroad	10.08	97.92	94.81	101.43	146.81
SCHEDULED BANKS					
Demand Liabilities	134.37	525.76	522 74	513.66	529.00
Time Liabilities	102.84	329 57	330 71	330 41	314.63
Borrowings from Reserve Bank	...	(1 43)† 28.73	(1 43)† 24.37	(1 51)† 22 96	(2 01)† 9 99
		(16.40) ‡	(11.40)‡	(10.86)‡	(4.24)‡
Borrowings from Imperial Bank	...	11.65	11.22	12 98	8 36
Cash in India	6.71	31.75	32.13	32.60	32.51
Balances with Reserve Bank	25.23	40.19	37.38	39.40	40.58
Excess over statutory limits	15.52	7.52	4.63	7.11	7.84
Balances with other banks in current account in India	...	10.97	10.83	10.54	10.82
Money at call and short notice in India	...	10.71	10.03	8.83	15.86
Investments (at book value)	...	318.03	318 76	320.61	301.83
Advances and bills	105.09	530.35	527.60	515.24	512.79
IMPERIAL BANK					
Deposits	87.76	206.43	208 85	209 25	208.87
Investments	51.99	89 92	90 22	90 31	81 84
Advances	30.37	125.04	123 99	125.49	127 33
Cash	14.89	14 96	12 13	14 58	15 19

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	10th March, 1954		12th March, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,65,024	62,25,26,000	2,64,495	57,84,88,000
Calcutta	1,38,487	51,57,63,409	1,61,102	52,22,50,659
Madras	74,957	6,97,99,535	77,730	8,03,94,106
All Centres—				
1952	...	...	1 06 41,941	26,79,51,57,000
1953	...	...	1,14 83 214	28 45 05,03,000
Dec., 1953	...	...	2,498,000	5,26,45,00,000
Jan., 1954	...	...	2,794,000	5,75,54,00,000

Reserve Bank of India
Statement of Affairs for the week ended 19th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	64,01,73,000
(2) Other Governments	62,55,52,000
(b) Banks	83,89,01,000
(c) Others	42,78,07,000
Bills Payable	3,54,55,000
Other Liabilities	22,89,56,000
Rupees	244,98,28,000

ASSETS	Rs.
Notes	12,39,83,000
Rupee Coin	18,38,000
Subsidiary Coin	6,75,000
Bills Purchased and Discounted—	
(a) Internal	89,50,000
(b) External	...
(c) Government Treasury Bills	10,34,51,000
Balances held abroad*	101,87,66,000
Loans and Advances to Governments	48,00,000
Other Loans and Advances	44,23,97,000
Investments	66,36,29,000
Other Assets	8,63,19,000
Rupees	244,98,28,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 18,20,00,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 37,24 00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,39,83,000	
Notes in circulation	1190,10,92,000	
Total Notes issued		1202,50,75,000
Total Liabilities		1202,50,75,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	648,15,11,000	
Total of A		688,16,82,000
B. Rupee Coin		92,99,77,000
Government of India Rupee Securities		421,34 16,000
Internal Bills of Exchange and other commercial paper	.....	.....
Total Assets	.....	1232,50,75,000

Ratio of Total of A to Liabilities: 57 228 per cent.

Scheduled Banks*
Statement of Affairs for the week ended 12th March 1954

		Rs
1.	Demand Liabilities in India.	
	(i) Borrowings from banks	7,18,73,000†
	(ii) Other demand liabilities	518,37,56,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	1,42,50,000†
	(ii) Other time liabilities	324,14,74,000
3.	Cash in India	31,75,34,000
4.	Balances with the Reserve Bank in India	40,19,19,000
5.	Balances with other banks in current account in India	10,97,43,000
6.	Money at call and short notice in India	10,71,31,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	318,02,88,000
8.	Advances in India	466,18,37,000
9.	Inland Bills purchased and discounted in India	64,16,45,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted as minimum rate
1954				Rs. a. p.	%
5th January	1.00	1.33	1.00	2 7 9	92
12th ,,	1.00	1.22	1.00	2 7 11	83
19th ,,	1.00	1.01	1.00	2 8 0	100
27th ,,	1.00	1.31	1.00	2 8 0	76
2nd February	1.00	1.14	1.00	2 8 0	88
9th ,,	1.00	1.01	1.00	2 9 0	99
16th ,,	1.00	1.09	1.00	2 9 11	92
23rd ,,	1.00	1.28	1.00	2 10 6	64
2nd March	1.00	1.61	1.00	2 11 0	100
9th ,,	1.00	1.00	1.00	2 11 0	71
16th ,,	1.00	1.27	1.00	2 11 0	79
23rd ,,	1.00	1.01	1.00	2 11 0	99
Total	12.00	15.08	12.00	...	...

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1950-51	359.83	...	9,530	266
Pakistan	1949	75 04	...	1,671	223
Burma	1951	18.67	Kyats. 8,166	317	176
Ceylon	1952	7.94	Rs. ...	646	813
Japan	1951	84 30	Y. 4,849,400	6,414	761
Philippines	1952	20.63	Ps. 7,034	1,575	111
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1952	8.65	£ (A.) 3,521	3,756	4,342
U.K.	1952	50.43	... 13,946	16,197	3,908
U.S.A.	1952	156.93	$ 290,400	133 280	8,508
Canada	1952	14.43	$ 16,135	8,168	5,662
France	1952	42.50	F. Fr. 10,100,000	13,864	3,254
W. Germany	1952	48 48	Dm. 98,400	11,156	2,301
Italy	1952	46 88	Lr. 8,112,000	6,181	1,318
Norway	1952	3.32	Kr. 15,606	1,106	3,331
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1952	4 82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source: United Nations' monthly bulletin of statistics—January, 1954.

State Bank of Pakistan
Statement of Affairs for the week ended 12th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	25,60,03,000
(b) Provincial Governments	32,73,000
(c) Banks	11,34,10,000
(d) Others	2,10,39,000
Bills Payable	2,96,000
Other Liabilities	4,01,59,000
Rupees	51,53,70,000

ASSETS	Rs
Notes	8,56,53,000
Rupee Coin	4,000
Subsidiary Coin	8,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	8,23,00,000
Provincial Governments' Debtor Balances	7,00,34,000
Other Loans and Advances	6,52,50,000
Investments	17,45,58,000
Other Assets	10,54,63,000
Rupees	51,53,70,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,56,53,000	
Notes in circulation	234,50,08,000	
Total Notes issued		240,36,61,000
Total Liabilities		240,36,61,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,01,42 000	
Silver Bullion	....	
Sterling Securities	50,46,40 000	
Government of India Securities	13,89 82 000	
India Notes representing assets receivable from the Reserve Bank of India.	29 98,91 000	
		102,28,55,000
B. Rupee Coin	5,10,72,000	
Government of Pakistan Securities	128,63,59 000	
Internal bills of exchange and other commercial paper	....	
		133,83,31,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		240,36,61,000

Ratio of Gold Coin and Bullion, Silver Bullion, sterling Securities and approved Foreign Exchange to total notes issued: 44.20 per cent

EXCHANGE RATES

		23rd March, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	£.	1-5 3/8	1-5 3/8
Buyers T.T. spot to nine months	£.	1-5 1/4	1-5 1/4
Buyers T.T. 10 to 12 months	£.	1-5 1/4	1-5 1/4
Bombay on New York—			
Sellers T.T. D.D.	Rs.	476	476
Buyers T.T.	Rs.	471 1/2	471 1/2
London on New York	$	2.81½-2.81 5/8	2.81 1/2-2.81 5/8
London on Paris	Fcs.	983	983 1/2
London on Berne	Sw. Fcs.	12 21½-12.21 5/8	12 20 1/2-12 20 5/8
New York on London	$	2.81½-2.81 5/8	2.81 1/2-2.81 5/8

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	25th Oct., 1950	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1953	3	2½
Denmark	23rd Sept., 1953	2½	3
Finland	16th Dec., 1953	4½	5
France	4th Feb., 1954	3½	3½
Greece	12th July, 1948	2½	2½
India	12th Nov., 1951	3	3½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	6.11	5.84
Netherlands	7th April 1948	3	2½
New Zealand	26th July, 1951	3	3½
Norway	9th Jan., 1946	3	2½
Pakistan	1st July, 1948	3	3½
Portugal	18th Jan., 1944	3	4
South Africa	27th Mar., 1953	3½	4
Spain	19th Mar., 1948	4	4
Sweden	20th Nov., 1952	4	4
Switzerland	30th Nov., 1948	2½	2
Turkey	26th Feb., 1951	4	14
United Kingdom	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1950	3	2
U.S.A.	5th Feb., 1954†	2	2½
West Germany	9th Jan., 1948	5	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In crores of Rs.)

	November		Eight months April to November	
	1952	1953	1952	1953
Import Duties:				
Revenue	8 14	9 53	73 94	71 55
Protective	0 66	0.45	5 44	3 94
On surplus disposals	0 01	...	0 03	0 10
Total import duties	8 81	9 99	79 41	75 59
Export Duties	8 23	8.12	88 49	26 59
Land Customs	0 02	0 19	1 91	1 83
Miscellaneous	0 03	0 06	0 81	0 49
Gross total customs	17 85	18 36	120 61	104 69
Refunds and drawbacks	0 18	0 16	2 01	1 29
Net Customs	17 17	18 20	118 60	103 40
Gross excise	4 61	7 67	55 87	60 48
Refunds	0 05	0 09	1 09	0 59
Net Excise	4.56	7.58	54 78	59 89
Net total of customs and excise	16 73	20.78	173 38	163 83

Imperial Bank of India
Statement of Affairs for the week ended 19th Mar., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
78,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders — Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6 25 00 000
Deposits and other Accounts		206 23 52 000
Borrowings from other Banking Companies Agents		12 50 00,000
Bills Payable		2,23,10,000
Bills for Collection being Bills Receivable as per contra		42,06,000
Acceptances, Endorsements and Other Obligations as per contra		7,000
Other Liabilities (including Inter-Office Adjustments)		1,11,25,000
Total	Rs	234,48,40,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		9,37 14,000
Balances with other Banks		3,09,84,000
Money at Call and Short Notice		1,00,00,000
INVESTMENTS—		
Government and other Trustee Securities	78,74,34,000	
Other Authorised Investments	10,62,36,000	
		89,36,92,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	98 21,51 000	
Bills Discounted and Purchased	27,83,80,000	
Bills Receivable being Bills for Collection as per contra		120,05,40,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		42,06,000
Premises less Depreciation		7,000
Furniture and Fixtures less Depreciation		1,33,29,000
Other Assets (including Inter-Office Adjustments)		40,74,000
Total	Rs	1,92,14,000
		234,48,40,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings		3½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		15-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1948-49	1.54	1.47	76	74	22.40	22.86	55.67	29.01	—	12.31		
1949-50	1.75	3.06	77	2.91	22.68	46.81	1,07.95	74.18	—	27.85	13.10	13.10
1950-51	1.63	4.64	64	3.87	23.66	64.18	1,12.36	91.01	—	31.06	7.84	18.89
December 1952	8	6.51	2	5.16	1.86	79.24	8.45	85.95	—	30.23	48	23.64
January 1953	10	6.54	4	5.19	2.02	80.77	8.38	86.09	—	30.51	58	24.48
February ,,	14	6.61	3	5.22	1.86	82.16	6.36	86.36	—	30.76	62	24.08
March ,,	32	6.84	9	5.27	2.64	84.18	13.75	91.01	—	31.30	60	25.64
April ,,	11	6.90	5	5.27	2.34	85.95	9.96	93.01	—	31.06	52	26.18
May ,,	12	6.83	4	5.29	2.08	87.57	8.51	93.80	—	31.30	60	25.64
June ,,	11	6.82	4	5.31	2.25	89.33	9.43	95.80	—	31.52	56	24.24
July ,,	1	6.72	11	5.38	2.23	91.02	10.26	95.23	—	31.78	56	27.90
August ,,	1	6.67	9	5.44	2.23	92.68	8.76	95.07	—	32.04	59	27.56
September ,,	—	6.59	12	5.55	2.01	94.28	9.70	97.28	—	32.26	56	29.99
October ,,	—	6.51	11	5.58	1.97	95.75	8.58	97.72	—	32.71	99	28.87
November ,,	1	6.38	9	5.65	2.03	97.37	8.58	97.72	—	32.99	56	29 41
December ,,	—	6.27	14	5.74	2.23	99.05	9.35	98.31	—	33.73	46	29 93
January, 1954	...	...	...	...	...	...	...	...	—	33.53	46	30.84
											45	30.78
											50	31.23

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base 1949-50=100)

Group and Sub-Group	Week ended 6-2-'54	6-3-'54	13-3-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.4	99 4
1. Government of India	99.2	99.2	99 2
2. Indian States	99.8	99.8	99.7
3. Municipal, Port Trust, etc.	99.5	99.5	99.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.6	101.5	101.5
1. Electricity	103.1	102.8	102.7
2. Jute	98.8	98.8	98.6
3. Plantations	99.6	99.6	99.7
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.8	103.8	103.8
7. Shipping	102.3	102.3	102.3
8. Others	100.5	100.6	100.6
PREFERENCE SHARES	87.7	88.0	87.8
1. Electricity	96.4	96.1	96.3
2. Cotton	85.3	85.6	85.4
3. Jute	86.8	86.6	86.7
4. Coal	90.8	90.8	90.8
5. Iron and Steel	91.6	91.8	91.5
6. Sugar	74.1	74.1	74.1
7. Plantations	90.1	88.4	87.7
8. Miscellaneous	89.8	89.6	89.6
	87.4	87.1	85.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	101.0	101.3	102.3
(a) Financial	87.9	88 2	88.2
1. Banks	97.6	97.0	97.1
2. Insurance	77.7	77.5	99.8
3. Investment Trust	113.0	113.0	113.0
(b) Public Utilities	116.5	116.6	117.8
1. Electricity	116.7	116.9	118.0
2. Shipping and other Transport	105.4	105.4	105.6
3. Railways	84.7	85.4	85.3
(c) Manufacturing Industries	103.7	103.9	105.2
1. Cotton, Woollen and Silk	101.8	102.0	102.3
2. Jute	81.7	85.8	119.3
3. Iron and Steel	116 6	121.8	121.1
4. Paper	177.4	182.1	182.1
5. Cement	118.7	123 0	128.8
6. General Engineering	126.1	133.0	130.8
7. Sugar and Breweries	89.4	89.2	88 0
8. Chemicals	108.7	111 4	110.7
(d) Non-Manufacturing Industries	108 2	108 6	108 8
1. Cotton	77.0	77.5	76.9
2. Mining and Oil	160.0	164.4	164.2
3. Plantations	105 8	104 5	105.3
(e) Miscellaneous	92.9	93.0	94.8
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	99.8	99.8	99.8
1. Bombay	90.3	90.3	90.3
2. Calcutta	90.6	90.6	90.6
3. Madras			
DEBENTURES OF INDUSTRIAL CONCERNS:	101.9	101.7	101.5
1. Bombay	102 3	102.3	102.1
2. Calcutta	100.0	100.0	100.1
3. Madras			
PREFERENCE SHARES	92.6	92.8	92.6
1. Bombay	84.6	85.0	84.7
2. Calcutta	88.9	89.0	88.7
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	110.8	112 5	111.1
1. Bombay	94.8	95.0	94.8
2. Calcutta	99.2	99.4	100.1
3. Madras	100.8	105.7	104.2
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,588	12,806,704
1951	1,071	891,581	8,818,928
1952	963	809,248	8,350,793
1953†	977	579,005	...
January 1953	94	206,881	674,346
February ,,	86	62,196	215,607
March ,,	87	49,467	154,585
April ,,	104	60,093	257,063
May ,,	118	59,981	171,948
June ,,	101	40,784	145,533
July ,,	83	65,835	166,017
August ,,	84	57,976	249,916
September ,,	96	78,181	272,548
October ,,	98	48,768	165,017
November ,,	87	57,823	...
December ,,	81	...	244,474
January 1954‡	83	42,333	158,411
February ,,	67	28,477	116,207
March ,,	67	30,221	118,503
April ,,	72	38,417	252 279
May ,,	88	80,457	191,122
June ,,	90	48,066	225,154
July ,,	87	53,043	467,578
August ,,	74	64,063	401,592
September ,,	106	90,032	$15,305 (b)
October ,,	97	88,466(a)	473,967
November ,,	79	40,330	...
December ,,	...	...	...

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

* Revised.

ELECTRIC ENERGY : GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	460	4,651.1	3,777.7
1951-52	572	6,948.1	5,646.0
1952-53	614	6,201.4	5,134.5
July 1952	558	534.0	429.7
August ,,	562	530.4	430.8
September ,,	567	545.7	441.5
October ,,	605	582.2	456.4
November ,,	608	...	447.8
December ,,	...	585.5	457.4
January 1953	614	498.0	435.7
February ,,	614	450.2	436.1
March ,,	614	530.9	456.1
April ,,	620	540.4	450.2
May ,,	625	548.6	471.0
June ,,	627	508.0	446.9
July ,,	629	515.1	446.1
August ,,	633	526.5	468.7
September ,,	634	508.1	455.7
October ,,	637	...	...
November ,,	...	509.2	...

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	6th March, 1954	27th Feb., 1954	7th March, 1953	January, 1954	January, 1953	Percentage of increase (+) or decrease (—) in Jan., 1954 as compared with Jan., 1953	1952	1951
Food Articles	368.1	370.3	382.6	381.5	357.0	+ 6.9	358.6	400.8
Cereals	431*	431	430	440	434	+ 1.4	450	463
Pulses	355	370	552*	424	594	—28.7	443	506
Other	280	282	242	288	223	+29.1	225	290
Industrial Raw Materials	459.9	460.1	444.4	481.1	427.6	+12.5	453.8	602.2
Fibres	448	443	410	463	399	+16.0	454	623
Oil seeds	504	509	549	488	408	+ 19.6	458	626
Minerals	440	456	442	449	460	— 2.4	448	518
Others	408	402	358	409	371	+10.2	341	553
Semi-Manufactures	355.7	357.2	348.0	361.6	344.3	+ 5.0	368.5	377.5
Leather	389	396	429	397	406	— 2.2	445	453
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	451	477	473	448	448	+ 0.0	459	578
Cotton yarn	238	237	227	236	223	+ 5.8	211	197
Metals	413	424	402	420	408	+ 3.4	440	500
Oil Cakes	805	805	211	805	250	+22.0	278	330
Others								
Manufactured Articles	376.9	380.6	388.8	384.3	385.9	— 0.4	377.5	395.8
Textiles	411	410	407	401	400	+ 0.3	405	458
Cotton	429	423	381	423	382	+ 9.0	506	503
Jute	405*	405*	406*	397*	406*	— 2.2	401*	400*
Woollen and Silk	409*	456*	513*	420*	425*	— 1.2	485*	511*
Others	313	313	313	313	280	+11.8	346	378
Metal products	327	327	326	327	342	— 1.5	321	285
Others	284	283	283	283	277	— 1.7	298	300
Miscellaneous	885.2	885.0	892.8	709.8	620.0	+14.5	625.8	729.8
All Commodities	391.3	392 0	382 9	398.8	377.6	+ 5 6	388.9	439.3

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Coonbatore 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
July ,,	142	338	263	304	456	378	354	331	143	175	143	161	158
August ,,	144	340	267	312	468	377	369	330	143	176	143	157	157
September ,,	143	341	269	310	461	380	364	328	143	178	143	157	150
October ,,	143	345	274	311	466	381	363	327	144	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	145	176	139	150	150
December ,,	139	346	262	302	447	378	346	327	143	174	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459	380	334	331	136	167	132	150	144
March ,,	142	358	265	322	448	381	351	333	135	165	131	148	145
April ,,	142	362	269	327	454	384	344	334	137	164	134	148	146
May ,,	145	363	275	330	441	391	345	336	139	173	137	152	155
June ,,	150	371	282	334	453	393	363	340	140	180	139	156	159
July ,,	152	376	285	325	465	394	375	353	142	176	142

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat	,,	24,041	23,450	6,762	6,089
Jowar	,,	41,945	39,144	6,038	5,944
Bajra	,,	23,982	22,659	2,922	2,599
Barley	,,	7,500	7,835	2,664	2,293
Maize	,,	8,795	8,078	2,607	2,021
Ragi	,,	5,868	5,899	1,255	1,212
Gram	,,	17,287	16,857	2,771	2,298
Rabi Pulses* ..	,,	11,948	11,559	2,068	2,047
Small Millets ..	,,	12,170	11,834	1,938	1,891
Jute	bales	1,196†	1,817††	3.182†	4,605††
Cotton 3rd ..	,,	13,053†	12,872††	2.268†	2,457††
Sugarcane 2nd	tons	4,101†	4,222††	5.140†	4,990††
Groundnut ..	,,	11,356†	11,850††	3,772†	2,884††
Linseed	,,	2,394	2,402	505	516
Castorseed	,,	1,849	1,428	107	105
Rape and Mustard Seed }	,,	5,155	5,915	828	916
Sesamum	,,	5,751	5,845	451	438
Tobacco (supp)	,,	794	712	219	205
Pepper	,,	208	202	22	23
Ginger	,,	46	47	14	15
Dry chillies ..	,,	1,2 00	1,884	801	841

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-54. †† Relates to 1952-53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Feb., 1954	68.8
	Corresponding month 1953	68.6
	Eight months ended Feb., 1954	568.8
	Corresponding period 1953	597.8
Stocks	At the end of Feb., 1954	95.4
	Corresponding month 1953	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 27th Feb., 1954 ..	4,888
	Corresponding week 1953	5,693
	From 1st Jan., to 27th Feb., 54	55,841
	Corresponding period 1953	27,412
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 27th Feb., 1954 ..	40,572
	Corresponding week 1953	34,059
	From 1st Jan. to 27th Feb., 1954	276,491
	Corresponding period 1953	209,485
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 27th Feb., 1954 ..	—
	Corresponding week 1953	—
	During Nov., 1953	—
	Corresponding period 1952	—
Consumption by Mills† ..	Feb., 1954 (in lakh bales)	3.96
	Corresponding month 1953	3.98
	Eight months ended Feb., 1954	32.98
	Corresponding period 1953	34.65

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,30,000	10,87,100	7,99,200
Do. 31st March, 1954..	11,58,000	10,61,900	7,91,800
April 1953 to February, 1954..	10,29,400	9,80 000	7,15,500
December 1952	98,200	91,400	68,700
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
November ,, ...	1,00,300	90,800	68,400
December ,, ...	1,01,400	95,100	71,700
January 1954	1,05,800	99 800	71,400
February ,, ...	92,700	84,500	63,300
Indian Iron and Steel Co.			
April 1953 to February, 1954..	5,14,620	3,02,280	2,41,770
January 1953	56,370	43,310	28,650
February ,, ...	54,800	37,400	29,000
November ,, ...	61,240	41,550	32,970
December ,, ...	64,510	43,090	41,740
January 1954	63,100	42,900	39,870
February ,, ...	59,650	38,360	32,810

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months, April to November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	8.48	8.38	80.42	143.12
Raw materials ..	9.61	13.62	114.54	129.37
Manufactures ..	23.89	19.80	183.30	190.52
Other items ..	35	25	2.54	3.12
Total	37.23*	40.05*	380.80*	466.63*
By land	1.72	3.65	15.53	15.95
Total Imports ..	38.95	43.63	396.33	482.58
Exports				
By sea and air—				
Foodstuffs ..	17.18	10.52	100.28	95.29
Raw materials ..	8.81	10.93	71.47	97.25
Manufactures ..	21.34	18.24	164.77	185.83
Other Items ..	87	81	2.65	5.73
Total	47.70	40.00	339.17	381.10
By land	74	71	4.63	15.99
Total Exports ..	48.44	40.71	343.80	397.09
Total Re-exports ..	65	66	5.09	2.75
Balance of trade in merchandise ..	+ 9.77	— 2.60	— 56.94	— 83.55
Balance of transactions in private treasure ..			— 8	— 4
Total visible balance of trade..	+ 9.77	— 2.60	— 57.02	— 83.59
Imports † ‡				
Total C'wealth countries ..	16.00	18.46	184.94	176.12
Total Foreign countries ..	21.23	21.57	195.86	291.51
Exports † ‡				
Total C'wealth countries ..	25.62	19.65	170.52	179.18
Total Foreign countries ..	22.08	20.35	168.65	201.92

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada@	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49 ..	..	11	16	30	6	18	5	2	7	9	8	5	5	9	..
	1951-52 ..	641	21	16	41	6	19	4	7	9	2	4	7	11	9	..
	1952-53 ..	666	22	25	16	40	5	20	12	6	7	9	1	6	11	8
End of October 1952 ..		672	50	25	16	40	5	20	9	6	7	9	1	6	11	8
November ,, ..		672	54	25	16	40	5	20	11	5	7	9	1	6	11	8
December ,, ..		664	53	25	16	40	5	20	16	5	7	9	1	6	11	7
January 1953..		659	57	26	16	40	5	20	16	5	7	9	1	6	11	6
February ,, ..		650	60	26	16	41	5	20	17	6	7	9	1	6	11	6
March ,, ..		647	62	26	16	41	5	20	17	6	7	9	1	6	11	6
April ,, ..		647	65	26	16	41	5	20	17	6	7	9	1	6	11	6
May ,, ..		645	66	27	16	41	5	20	17	6	7	9	2	6	11	6
June ,, ..		643	68	27	16	41	5	20	18	6	7	9	2	6	11	6
July ,, ..		639	70	27	16	41	5	20	19	6	7	9	2	6	11	6
August ,, ..		636	71	27	16	41	5	20	20	6	7	9	2	6	11	6
September ,, ..		635	71	23	16	42	5	21	21	6	7	9	2	6	11	6
October ,, ..		633	72	28	16	..	5	22	21	6	7	..	2	6	11	6

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 18th March, 1954..	56,970
	Corresponding week 1953 ..	44,354
	1st Sept., to 18th March, 1954..	9,16,318
	Corresponding period 1952-53 ..	9,66,572
Cotton Exports ..	Week ended 18th March, 1954..	8,474
	Corresponding week, 1953 ..	11,494
	1st Sept., to 18th March, 1954..	1,69,217
	Corresponding period, 1952-53 ..	2,95,511
Mill Consumption ..	1st Sept., to 18th March, 1954..	6,75,732
	Corresponding period, 1952-53 ..	6,41,397
Stock (with exporters dealers & mills) in Bombay	On 18th March, 1954 ..	3,63,815
	Corresponding date, 1953 ..	5,72,160
Karachi (Pakistan)		
Receipts	Week ended 13th March, 1954..	33,108
	Corresponding period 1953 ..	25,701
	1st Sept., to 13th March, 1954..	9,83,868
	Corresponding period, 1952-53 ..	12,82,803
Exports	Week ended 13th March, 1954..	20,502
	Corresponding period, 1953 ..	24,649
	1st Sept. to 13th March, 1954..	8,33,982
	Corresponding period, 1952-53 ..	8,64,200

Particulars	From 1st Sept., to 22nd March, 1953-54 Bales	From 1st Sept., to 22nd March, 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..		
Continent	10,250	11,250
China	19,317	66,665
Japan	251	816
U.S.A.	46,814	105,515
Other Countries ..	11,448	23,718
Total to all foreign countries ..	1,455	3,316
Coastal Ports ..	80,567	210,792
	84,909	90,734

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1953 ..	3,05 601
Foreign		50 128
Indian	Three months ended Nov., 1953	9 62 956
Foreign		1,74,504
Foreign	Same Period 1952 ..	8,84,944
Stocks (Mills and Elsewhere)—		2,20,523
Indian	As on 30th Nov., 1953 ..	700,988
Foreign		185,088
Indian	As on 30th Nov., 1952 ..	8e7,128
Foreign		812 933
Cotton Pressed †	Week ended 12th March, 1954 ..	4,092
	Corresponding week, 1953 ..	4,092
	1st Sept., to 12th March, 1954..	107,748
	Corresponding period, 1953 ..	1,758,043
		2,119,884

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102¾
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102
3 ½ Loan	1938-39	1,16,17,46,000	1965-85	92¾
3 ½ Loan	1950	30,33,10,000	1964	92
3 ½ Loan	1943	1,10 11,78,000	1966-68	90¾
3 ½ V. Loan	1944	1,14,06,89,000	1957	91
3 ½ Loan	1945	1,13,05,83,000	1970-75	86¾
3 ½ Loan	1945	1,13,55,56,000	1959-61	96¾
3 ½ Loan	1951	30,35,63,000	1958	98¾
2½% Loan	1946	45,63,07,000	1960	93¾
2½% Loan	1946	87,00,69,000	1961	90¾
2½% Loan	1946	35,06,06,000	1954	99¾
2½% Loan	1948	24,77,48,000	1974	82¾
2½% Loan	1948	75,86,72,000	1962	91¾
2½% Loan	1948	60,43,01,000	1955	98¾
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99¾
NON-TERMINABLE LOANS				
3 ½ Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82¾
3 ½ Loan	1946	248,91,90,000		82¾
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,95,22,000	1954-59**	100¾
4½% Loan	1928	5,85,20,000	1958-68**	103
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,56,23,300	16th Sept. 1955	99¾
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1956	99-3/4
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97¾
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93¾
3 ½% Bombay	1950	3,01,87,700	15th Aug. 1960	93¾
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98¼
4 % Bombay	1953	5,00,00,000	15th July 1963	100¾
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1944	1,00,00,000	1st Dec. 1955-58	98¾
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,87,100	1956-66	95¾
3 ½% Madras	1939	1,23,95,600	21st June 1959	94¾
3 ½% Madras	1942	1,23,23,900	18th Sept. 1955	99-3/4
3 ½% Madras	1943	1,25,19,800	18th Sept. 1956	98¾
3 ½% Madras	1944	1,07 95,000	15th Aug. 1958	96¾
3 ½% Madras	1945	2,78,44,000	14th Sept. 1960	94-0/4
2½% Madras	1946	2,81,77,200	1st Sept. 1961	87¾
3 ½% Madras	1950	4,38,25,400	31st July 1960	94-1/4
3½% Madras	1951	2,01,49,300	17th Sept. 1963	98¾
4 % Madras	1953	5,00,00,000	15th July 1963	99¾
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99¾
3 ½% Mysore(I)	1930	1,63,44,300	1st Nov. 1955	104¾
3 ½% Mysore(I)	1933	2,95,85,200	1st Dec. 1953-63	101-0/4
3 ½% Mysore(I)	1936	2,99,72,900	30th April 1956-61	99¾
3 ½% Mysore	1947	3,08,05,700	25th Jan. 1958	99¾
4 % Mysore	1953	3,00,00,000	15th July 1963	99¾
2 ½% M.P.	1942	50,00,000	18th Sept. 1955	99
2 ½% M.P.	1943	50,54,200	14th Sept. 1956	98¾
2 ½% M.P.	1944	52,69 800	15th Aug. 1958	96¾
2 ½% M.P.	1948	2,03 00,000	15th Sept. 1964	91¾
2 ½% M.P.	1950	1,00,24,800	31st July 1960	94
3½% M.P.	1951	1,00 00,000	17th Sept. 1963	97¾
4 % M. P.	1953	1,00,00,000	15th July 1963	99¾
2 ½% Punjab**	1938-44	3,49,87 200	15th Aug. 1958	98
2 ½% Punjab**	1942	3,35,20,000	18th Sept. 1955	99¾
2 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99¾
2 ½% Punjab**	1945	2,93 81,600	14th Sept. 1960	97¾
3 ½% Travancore	1942	3,00,00,000	15th May 1952-54	99 3/4
3½% Travancore	1936	30,00,000	16th Aug. 1956	99
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99¾
3 ½% U.P.	1936	1 69,39 800	15th Sept. 1961-66	90¾
3 ½% U.P.	1944	3,21,96 800	15th Aug. 1958	97¾
3 ½% U.P.	1945	2,36,31 900	14th Sept. 1960	94
2½% U.P.	1946	2,41 19 800	1st Sept. 1961	93¾
3½% U.P.	1949	3,21,96 800	1st Aug. 1962	97¾
4 ½% U.P.	1952	4,11 33,000	1st Aug. 1964	99¾
4 % U.P.	1953	5,00,00,000	15th July 1963	99¾
3½% W. Bengal	1931	1,75,00 000	17th Sept. 1962	98
4 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100¾
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100¾

PORT TRUST LOANS

Amount	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,30,000	4	1904	1964	Rs.
36,30,000	4	1905	1965	
13,00,000	4	1906	1966	
44,00,000	4	1907	1968	
40,00,000	4	1908	1968	97¾N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1971	
1,10,00,000	4	1912	1973	
14,35,876	4	1911*	1960	D
80,00,000	4	1913	1973	90¾N
82,23,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
35,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
12,50,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,80,000	3½	1929*	1957	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1933*	1963	
15,00,000	3½	1936*	1966	
48,00,000	3½	1936*	1960	
10 00,000	3½	1936*	1960	
7,00 000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	Rs.
76,80,100	4	1915	1975	99¾
68,02,300C	3½	1921	1981	79
1,50,00,000C	3½	1922	1982	79
1,24,86,300	6	1925	1955-85	144N
1,49,49,500B	5	1926	1956-86	103
99,84,500B	5	1927	1956-86	104¾
1,49,49,500B	5	1927	1957-87	104¾
1,49,49,000	5	1928	1958-88	104
80,00,000	4½	1928	1958	102
21,75,000C	3	1933	1954	99¾
60,00,000	3½	1933	1963	96¾
25,00,000	3	1938	1965-68	88
50,00,000	3	1945	2005	70N
50,00,000	3	1946	1976	97¾
50,00,000	3	1946	2006	70N
50,00,000	2½	1947	1977	78¾
50,00,000	3	1948	1978	81
50,00,000C	3	1949	1959	94¾
2,00,00,000	3	1950	1980	80
1,00,00,000	3	1950	1960	94
50 00,000	3	1951	1961	94
1,50,00,000	3½	1951	1961	97¾
50 00,000	3	1952	1963	95¾
50,00 000	4	1953	1983	97¾
STERLING LOANS				
£892,600	3	1923	1953-83	£87¾
£901,000	3	1924	1954-84	£87¾
£835,100	3½	1932	1962	£96¾
MADRAS				
Rs. 46,60 347	4	1917	1982	Rs.
32,14,994	4	1917	1982	A
3,21,489	4	1918	1983	
3,42,951	4	1918	1882	
7,46,644	4	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 30,00 000	4	1900	1939	Rs.
30,00,000	4	1901	1961	100
40,00,000	4	1902	1962	
30,00,000	4	1903	1963	
30,00,000	4	1904	1964	
20,00,000	4	1905	1965	97¾N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1912	1972	
30,00,000	4	1913	1973	
30,00,000	4	1914	1974	97¾N
25,00,000	4	1916	1976	
25,00,000	5	1919	1937-76	
96,00,000	5	1920	1938-80	113N
25,00,000	5	1926	1956-86	
25,00,000	5	1927	1961-70	113N
10,00,000	5½	1927	1968	98N
STERLING LOANS				
£566,600	4	1909	1969	£97¾N
£333,000	4	1910	1970	£95¾N
CALCUTTA				
£s. 30,00,000	4	1912	1955	Rs.
25,00,000	5½	1929	1959	104
25,00,000	5	1929	1964	107
35,00,000	3½	1934	1964	108
30,00,000	3	1935	1964	94¾
30,00,000	3	1936	1966	90
20,00,000	3	1938	1961-68	84
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				
BOMBAY				
49,40,000	4	1913-14	1954	99¾
20,40 000	4	1914-15	1954	99¾
20,00,000	4	1913-15	1955	99¾
1,60,00,000	6	1920	1980	113
40,00,000	5	1920	1958	102
26 14 000	5	1928	1958	
8,45,300	5	1929	1949-39	104
24,21,500	5	1929	1959-39	104
8,23,00,000	5	1929	1959	102¾
2,50,00,000	3½	1949	1977	87
4,00,00,000	3½	1950	1978	87
2,50,00,000	3	1950	1965	92
2,00 00 000	3½	1951	1966	100
1,30,00,000	4	1953	1961	100¾
100,00,000†	4	1953	1963	100¾
R				
CALCUTTA				
34,45 500	6½	1925	1955	104
64 70 000	6	1925	1955	103¾
36 00 000	6	1928	1958	103¾
25 00 000	5	1928	1958	103¾
25 00 000	5	1929	1958	103¾
10 00 000	5	1929	1958	103¾
33 91 000	3½	1935	1958	108
3,11,400	3	1936	1966	88¾
15,87,100	3	1937	1967	88¾
1,62,500	3	1937	1954	99¾
2,18,100	3	1937	1954	99¾
47,50,000	3	1938	1968	88¾
10,67,700	3	1938	1968	88¾
15,56,700	3	1938	1955	88¾
15,56,800	3	1938	1955	97¾
15,56,800	3	1939	1956	99¾
17,67,400	3	1939	1957	99¾
21,10,000	3½	1942	1957	99¾
15,49,000	3½	1942	1972	95¾
16,35,800	3½	1942	1972	96¾
96,88 000	3	1951	1961	96¾
87,76,000	3	1951	1966	96¾
72,50,000	4½	1952	1966	96¾
		1954	1979	99¾
Rs.				
MADRAS				
71,700	6	1923	1955	Rs.
2,68,300	6	1923	1955	100N
15 00 000	3½	1951	1961	101N
13,00,000	3½	1952	1962	101N
				107¾N

ABBREVIATIONS. N=Nominal.
B=Taken up by Imperial Bank o' India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees (a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. **Quotations in Pak. Currency. ***Rupee Counterparts.
†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	137	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	3	Dec. ..	75N	100
Carew & Co.	10,00,000	1905-24	6	Mar. Sept.	102	100
Champore Sugar Works ..	7,00 000	1920	7	July Apr.	110	100
Deccan Sugar & Abkhari(A) ..	£200,000	1897	7	Jan. July	16½	£1
East India Distilleries ..	4,75,000(c)	1940	7B	Dec. ..	70	100
Gwalior Sugar	5,00 000	1940	7B	Dec. ..	14	10
Do. (Non-redeem.)	6,00,000	1922	5	Oct. ..	101	100
Parbhoone Co.	4,00,000	1933-36	6	Aug	75	100
Rasnuggur Cane	20,00,000	1943	5½	Oct. Apr.	161	100
Ravalgaon Sugar	20,00,000	1936	7(a)	Oct. ..	9	10
South Behar Sugar ..	5,00,000	1946	5(c)	Dec. ..	90N	100
Travancore	15,00,000	1932	5	Dec. ..	70N	100
Upper Ganges	12,00,000	1946	5(a)	Dec. ..		
Do.	15,00,000					
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	111½	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	6	10
Do. (2nd)	4,50,000	1946	5(a)	.. ..	117	100
Equitable	4,00 000	1895	5½	Mar. Sept.	81	75(pp)
Karanpura Collieries ..	7,50,000	1946	5(a)	.. ..	12	10
††Khas Kajora	193,000	1931	5	Mar. July	12	10
New Beerbhoom	2,00,000	1920	6½	Apr. Oct.	111½	100
Ondal	2,00,000	1898-99				
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	105	100
Bangalore	5,00,000	1938	6	Jan. July	122½	100
Basanti Cotton	1,05,200	1919	7	Apr. Oct.	7½	10
Bengal Cotton	6,00,000	1900	7	Feb. Aug.	101	100
Bengal-Nagpur	6,00 000	1900	7	Feb. Aug.	326½	250
Bowreah 'A'	10,00,000	1919	7½	June Dec.	133½	100
Do. 'B'	14,75,000	1919	7½	Jan. July	125½	100
Bradbury	21,30,200	1928	7	Apr. Oct.	521½	500
Buckingham & Carnatic ..	1,00,000	1913	6	Apr. ..	124½	100
Cambodua	50,00,000	1913	7	Apr. Oct.	136	100
Central India	1,00,000	1913	8	May Nov.	10	10
Coimbatore Pioneer ..	11,00,000	1943	7	July Jan.	87	100
Elgin	4,20,000	1919	7(a)	May Nov.	136	100
Do. "B" Pref. ..	23,00,000	1919	7	June Dec.	—	100
Elphinstone	20,00,000	1925	4	Nov. ..	87	100
Kesoram	10,00,000	1947	4	.. ..	10	250
Khatau Makanji	29,92,500	1937	4	Nov. ..	231½	100
Do. '22nd)	12,00,000	1896	5(a)	January	74	100
Kothari	16,00,000	1947

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nom in quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2–13½	2	0 4	0 5	0 4			
40,00,000	24,00,000	1,22,39,881	72,25,655	45,646	B. R. Sons, Ltd.	50 828	1,021	B. R. Cotton Mills	583½	100	6 0	6 0	Nil	Nil	12	Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd. ..	1,93,520	4,855	Bombay Dyeing & Mfg. ..	413½	250	17 8	20 0	20 0	22 8*	12	Y.P.T.
10,00,000	27,25,749	54,19,515	46,70,797	90,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	90½	250	12 0	12 0	12 0	12 0	12	Y.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	324½	100	18 0	20 0	20 0	22 0	12	Y.P.
49,00,000	16,04,856	1,06,30,358	39,37,373	5,06,060	V. J. Pilani (Chairman and Managing Director) ..	39 408	798	Colaba Land & Mill	65	100	Nil	Nil	Nil	Nil	12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd. ..	30,412	680	Coorla Spg. & Wvg.	110	100	7 8	7 8	4 0(c)		12	Y.
16,00,000	20,04,823	63,03,745	45,46,041	76,888	Ramnarain Sons, Ltd.	30,304		Dawn Mills	82⅜	50	Nil	6 0	7 8	7 8	12	Y.
84,00,000	24,00,000	62,31,113	57,35,000	5,622	Purannal Radhakishan & Co. ..	50,296	928	Edward Textiles	245	200	4 0	6 0			12	Y.
29,95,700	12,93,292	1,10,11,932	73,99,225	41,862	K. D. Jalan, Esq. (Chairman) ..	42,376	886	Elphinstone Spg. & Wvg. ..	44	50	1 0	2 0	2 0		12	Y.
40,00,000	68,86,875	80,34,752	64,00,705	5,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	262	100	15 0	20 0	20 0		12	Y.P.
12,00,000	74,49,589	1,16,84,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	175 0	20 0	20 0		12	Y.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	1½	250	43 12	50 0	50 0	225 0*	3	Y.P.
50,00,000 D	9,00,000	69,99,043	1,18,14,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co	55,704	1,191	Indian Mfg.	1D	10 12d	0 4	Nil	36 4*		
39,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd. ..	84,604	1,517	Khatau Makanji Spg. & Wvg	233½	100	12 0	14 0	16 0	18 0	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Kilachand Industries Ltd.	1,18,392	1,846	Kohinoor Mills	304xd	100	18 0	25 0	18 0	20 0*	6	Y.P.
28,80,000A	64,00,782	4,36,527	88,878	6,03,356	Dina Nath, Esq.			Madhusudan Mills	82	100A	7 8	15 0	6 4	6 4	12	Y.
5,60,000B										20B	1 8	1 0	3 0	3 0		
82,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0	7 0	6	Y.P.
51,75,000	24,92,715	1,71,00,016	1,44,55,016	2,80,686	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg	212½	100	17 0	17 0	13 0		12	Y.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chinai & Co., Ltd.			New City of Bombay Mfg. ..	160xd	100	Nil	Nil	Nil		10	Y.P.
24,00,000	28,50,686	73,05,363	44,45,960	15,887	W. H. Brady & Co., Ltd.	45,944	432	New Kaiser Mills	102	100	12 8	15 0	10 0	9 0	12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg. ..	151xd	100	10 0	12 8	10 0	10 0	12	Y.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd. ..	34,100	873	New Union Mills	26½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	126½	100	10 0	10 0	14 0		12	Y.
40,00,000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	141½	100	9 0	10 0	14 0		12	Y.
5,00,000	8,93,779	21,19,461	18,95,340	3,613	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	182	10	2 0	2 0	2 0		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd	59,624	1,256	Sassoon Spg. & Wvg.	301	10	0 12	1 0	1 4		12	Y.P.
60,00,000	64,20,061	76,08,371	39,83,998	8,43,873	Marwar Textiles (Agency) Ltd	66,836	1,640	Shree Niwas Cotton Mills ..	212½	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	43,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	152	50	14 0	17 0	15 0(p)	15 0	3	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	322½	100	15 0	20 0	20 0	20 0	12	Y.P.
75,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	74,608	2,000	Swadeshi Mills	296½	100	16 0	18 0	16 0		12	Y.P.
84,00,000	70,08,399	65,86,475	53,43,077	51,220	James Finlay & Co., Ltd.	35,804	552	Swan Mills	251½	100	12 0	15 0	12 0		12	Y.P.
82,54,438	59,35,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	59,048	1,800	Tata Mills	30½	25	2 0	4 0	3 0		12	Y.
12,00,000	60,55,708	98,62,654	75,30,000	6,244	Thackersey Mooljee Sons & Co. ..	54,224	1,176	Western India Spg. & Mfg. ..	3,500	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.P.
AHMEDABAD																
85,00,000	38,80,266	88,29,885	51,09,670	5,879	Tata Industries, Ltd.	48 652	1,016	Ahmedabad Advance Mills ..	149½	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	F. M. Hutheesing & Sons, Ltd. ..	42 768	912	Arvind Mills	255	100	25 0*	20 0	20 0		12	Y.P.
21,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62 448	1,216	Arvind Mills	733	100	25 0*	25 0	25 0		12	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Margaldas & Bros., Ltd.	35 884	894	Aryodaya Ginning & Mfg. ..	310	200	30 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	53,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37 368	914	Asoka Mills	103	100	17 0	22 0	22 0		12	Y.P.
1,24,77,072	3,06,99,277	3,71,68,168	2,37,53,344	2,87,005	Kasturchand Premchand Ltd. ..	1,39,120	2,370	Calico	323	125	22 0	25 0	25 0		12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhoyilal & Co., Ltd. ..	46,160	867	New Commercial Mills	1,150	500	55 0	70 0	70 0		12	Y.P.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd. ..	47,952	864	New Shorrock Spg. & Wvg. ..	125	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Naanvaty & Co., Ltd.	24 840	549	Nutan Mills	703½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31 537	636	Rajpur Mfg.	677½	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	15 0	25 0	25 0		12	Y.P.
32,50,000	16,31,893	81,93,993	46,17,803	9,866	Lallubhai Girdhandas Ltd.	33,156	858	Saraspur Mills	158	100	30 0	9 0	16 0		12	Y.P.
84,50,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Shrinivalbhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	337	50	15 0	18 0	16 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,623	720	Shorrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Handas Achratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13 044	356	Basanti Cotton Mills	4½	10	0 8	0 5	Nil			
7,11,280	2,05,651	19,16,398	20,48,033	32,931	Bengal Textile Agency, Ltd. ..	31 080	936	Bengal Luxmi Cotton Mills ..	32	40	Nil	Nil	Nil			
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	405	100	Nil	Nil	Nil			
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	182	100	Nil	20 0	Nil	Nil†	6,12	H.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23½	15	1 14	1 14	Nil	Nil†	6,12	H.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	25	1 14	1 14	1 12			
										10	0 12	0 12	0 8	1 12	3	Y.P.
SOUTH INDIA AND OTHER CENTRES															12	Y.P.
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	0 3				
15,00,000	9,09,109	59,21,613	21,03,246	2,736	Binny & Co., Ltd.	50,000		Anantapur Textiles(Cochin) Ltd.	5½	10	0 14 2/3	0 14 2/3	Nil			
91,94,400	51,73,009	1,90,10,719	45,27,372	18,450	Industrial Trust Fund, ...	36,136	665	Azam Jahi Mills	67 N	100	5 8	9 3/5	Nil			
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	415cd	100	6 0	6 0				
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills..	13½	10	17 8	20 0	15 0	25 0		
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	471 N	100	Nil	2 8	2 8	10 0		
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	145cd	10	2 8	2 8	3 0	4 0	6,12	H.P.T.
20,00,000	16,31,893	81,93,993	46,17,803	9,866	Lallubhai Girdhandas Ltd.	37 536	4	Cambodia Mills	13½	100	2 8	2 8	3 0	4 0		
80,00,000	21,97,992	36,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	10	10	1 8	1 8	2 0	2 0		
12,00,000	15,07,000	27,82,848	17,29,989	—1,32,723	R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills ..	222cd	100	5 0	10 0	9 0	10 0	12	
20,00,000	9,19,870	25,84,587	13,33,422	—1,33,496	T. R. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills ..	100	100	12 0	12 0	9 0	9 0	12	
20,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	43½	100	7 0	6 0	5 0		12	Y.
46,87,500	88,12,906	2,30,16,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	178	100	6 0	6 0	6 0		12	Y.P.
8,38,34,450	1,65,19,8 25	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd. ..	75,604	1,785	Delhi Cloth & General Mills..	32	100	2 0	2 0	Nil		6	Y.P.
1 00,523										25	5 0	5 0	5 0		12	
84,34,800	16,26,598	37,58,169	23,47,428	20,744	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	225cd	10	2½	Nil	2 0	2 0	12	
63,00,000	6,00,000	1,40,85,212	1,13,21,681	73,424	Begg, Sutherland & Co., Ltd. ..	52,812	1,198	Elgin Mills	15	100	25 0	20 0	1 4 4/5	0 2 4/5	6	Y.P.
39,04,700	43,25,176	81,87,359	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	263	10	1 2	1 8	1 8	1 8	12	Y.
90,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore) ..	51,180	1,420	Indore Malwa United	108½	100	10 0	14 0	17 0*	17 0	12	Y.P.
8,90,000	11,61,067	26,01,326	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	76	50	4 0	5 0	4 0		12	Y.
24,00,000	15,75,000	61,55,338	8,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	121	10	1 0	1 0	1 0		12	Y.
82,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	583½	10	6 11	7 12	3 12		12	Y.
53,46,150	53,10,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	250	100	37 8	50 0*	37 8		12	Y.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	4,66,932		Madura Mills	114	50	4 0	4 0	3 0	3 0	12	Y.P.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and 2 others	22,592		Malabar Spg. & Wvg.	57	25	2 0	2 0	2 0	5 0		
60,00,000	62,50,000	55,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd. ..	24,720	603	Meetur Industries Ltd.	42½	100	2 0	2 0	2 0	2 8	3	Y.
89,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	111½	200	12 8	12 8	3 0	3 0	3	Y.
84,91,850	27,36,360	1,53,05,970	78,81,528	27,241	Banaulal Aberchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	139½	100	12 8	15 0	12 8	12 8	3	Y.
30,00,000	52,19,000	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	88,640	1,834	Muir Mills	180N	100	7 8	7 8	5 8		3	Y.
19,86,800	61,53,392	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	164½	50				7 8	12	
13,61,780	2,58,745	29,34,299	15,36,624	2,232	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Spun Silk Mills	6	10	0 8	0 10	10 0*	10 0*	3	Y.
22,89,883O	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	1½	100	8 0	10 0	10 0*	10 0*	12	Y.P.
3,07,095D									D	10	0 2½	Nil	Nil	Nil	3	Y.P.
87,03,600	61,52,493	1,58 62,385	59,76,151	17,941	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	100	0 8	Nil	Nil	Nil		
4,00 000A	6,37,562	26,10,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200	..	Palani Andavar Mills	72½	50A	3 8	6 8	7 8		12	Y.P.
6,00,000B									110	75B	7 8	10 0	7 8			
13,00,000	8,56,920	32,56,378	16,53,648	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pasupa Mills Ltd.	46½	100	6 0	6 0	5 0	7 0	9	Y.
16,81,200A	18,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	38,864	301	Radhakrishna Mills	163	100A	16 0	16 0	11 4		12	Y.
8,40,800B									105cd	50B	8 0	8 0				
15,00,000	25,00,816	22,62,213	14,88,315	—43,366	B. R. Naidu & Sons	25 896	600	Rajalakshmi Mills	50	100	3 0	3 0	3 0		12	Y.
80,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	15,824	440	Rajkumar Spg. & Wvg.	61	10	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	18,416	416	Sitaram Spg. & Wvg.	75½N	100	4 0	Nil			12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd. ..				90	100	Nil				12	Y.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86 048	2,234	Sholapoor Spg. & Wvg.	1,805	1,000	3 0	Nil	3 0*	Nil	4	Y.
						25 200	292	Sri Krishnarajendra Mills ..	50	500	Nil	4 0	4 0	4 0	3	Y.
86,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	35,556	992	Sutlej Cotton Mills	54	50	4 0*	4 0*	3 0*	Nil	4	Y.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.				50N	10	4 0	4 0	4 0	4 0*	3	Y.
17,50,000O	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	7½	100				4 0*	3	Y.
1,57,50 000P									7½	10P.O	0 8	0 8				
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,543	Escorts & Sons (Travancore), Ltd.			Travancore Rayons	5½	10	0 14 2/3	0 14 2/3	Nil	Nil		
13,98,630	7,25,505	12,91,001	9,44,987	9,843	Mooljee Rampee & Sons	16 000		Trichinopoly Mills	9–9½cd	10	Nil	Nil	Nil	Nil		
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33 704	270	Vasanta Mills	180	100	1 0	1 0	1 0	1 0	12	Y.P.
32,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54 280	1,483	Vishnu Cotton	145	100	9 0	14 0*	11 1/5		12	Y.P.T.
													12 0	12 0	12	Y.
													10 0	10 0	12	Y.P.

* Includes bonus.

(*b*) Subject to taxation and workers' bonus.

(*c*) Paid out of reserves

(*d*) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(*e*) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(*p*) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	Nil	2 13¿	Nil	Nil	5	Y.P.
6,64,000				16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9⅛	10	Nil	1 2¿	Nil	Nil		
16,20,630	15 83,781	23,47,704	11,58,077	657,421	Parry's Holdings Ltd.	East India Distilleries and Sugar	6¼	5	1 0	0 8	0 8	0 8	3	Y.
£80,000A	£560.156	£1,122,135	£434,378				26¼cd	Sh. 1	Sh. 1	Nil	Nil	Nil	9	Y.P.
£300,000B				—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	8	Y.
24,00,000	8,14,510	33,30,482	26,13,697	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	136½	75	11 4	7 8	15 0	15 0	3	Y.
6,00,000	9,00,000	13,19,818	13,19,812											
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	111	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							11½	B. 10	0 6	0 12	0 12			
43,14,000O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D				3,69,730	Cement Agencies Ltd.	Associated Cement Companies ..	1½	D. 1	Nil					
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639				154½	O. 100	8 8	9 8	9 8	9 8	7	Y.
80,00,000O				39,834	Hari Brothers Ltd.	Dalmia Cement (

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	20,26,841	1,90,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	59	25	1 4 / 1 4 / 1 4 / 1 4	1 9 / 1 9 / 1 9 / Nil	Nil f	6,12	H.P.T.
80,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd. ..	India Paper Pulp	185½	100	1 4 / 1 4 / 5 0 / 5 0	5 0 / 5 0 / 6 / 6	3,9	H.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq. ..	Mysore Paper Mills	18	10	0 8h / 0 12	1 0 / 1 0	1 0e	3	Y
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	16½xr	10	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	1 0f	3,9	H.P.T.
80,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	10½	10	0 8 / 0 12	0 12 / 0 12		6,12	H.P.T
80,00,000 / 10,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10½	A. 10	Nil / Nil	0 4 / 0 4		3,9	H.P.T.
							39½	A. 10	0 14e / 1 0	1 0e / 1 0	1 0e / 1 0	1 0e / 1 0		
56,00,000A. / 56,04,800B. / 4,37,500P O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	P. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	39½	B. 10	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2	3,9	H P
							4½	P.O. 2½	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2	0 2 / 0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0 / 3 0	5 0 / 5 0	3 0 / 3 0	6 / 6	6	Y
4,30,000	1,00,000	4,89,326	4,73,056	2,354	Pyke & Sons	Camperdown	93N	100	3 0 / 3 0	5 0 / 5 0	7 0 / 4 0	6 / 6	6	Y
5,00,000	1,55,000	11,21,900	9,45,356	10,627	Andrew Yule & Co	Central Hydraulic	91	100						
PROPERTY AND LAND														
10,00,780O. / 8,00,000D. / 60,00,000	6,02,582 / 20,01,686	42,65,884 / 98,66,088	19,09,280 / 15,00,000	419 / 420	S. A. Basil, Esq., & others (Directors) / David Sassoon & Co., Ltd. .. / Andrew Yule & Co. ..	Humayun Properties .. .. / Short Canning Land .. .. / Midnapore Zamindary ..	10xd / 14xd / 35½	O. 10 / D. 1 / 100	0 9 3/5 / Nil / 2 0	0 9 3/5 / Nil / 3 0	0 8 / Nil / 2 0	1 8	9 / 4 / 4	Y.P. / Y. / Y.P.
94,00,000	35,56,934	97,00,410	98,712											
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		5	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34 693	63 264	Wallace & Co.	Bombay-Burmah Trading ..	415 / 145	Old 125 / New 50	15 0 / 6 0	37 0 / 15 0	22 8 / 9 0	15 0 / 6 0	9 / 6	Y
6,00,000		2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	50	10	3 0	3 0	Nil	Nil	6	Y.P.
15,00,000	18,43,037	16 83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products ..	33½	10	3 8	3 8	3 0	1 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	57,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Bairampur Sugar	6⅜	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A. / 4,00,000B.	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros & Co., Ltd. ..	Basti Sugar	11½N / 8½	B. 10 / 73	0 10 / Nil	1 10 / Nil	10 0 / 12 0	10-0) / 1-0)	4	Y
19,49,050	3,00,000	27,54,576	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	17N	10	1 0	1 8	0 12	1 8	9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	8⅜	10	Nil	Nil	Nil	1 8	6	Y.P.
22,00,000	23 18 481	1,29,41,870	81 66,295	41,741	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	39½	10	2 0	3 0	2 0	2 0	6	Y.P.T.
15,00,000	62,99,663	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	23½	10	2 0	2 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	165N	"A" 100	6 0	9 0	12 0e	15 0e	6	Y.
85,00,000A. / 10,00,000D.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.... ..	Hindustan Sugar Mills ..	—	O. 100	6 0	9 0	12 0e	15 0e	6	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co... ..	Kesar Sugar	50N / 25N	100 / 40	3 0 / 1 8	4 0 / 2 0	Nil / Nil	Nil / Nil	7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills ..	27N	10	1 0	2 0	2 8	2 8	6	Y.P
11,00,000	4,20,000	36,39,370	23,28,180	3,895	Karamchand Thapar & Bros., Ltd. ..	New Savan	6½	10	0 8	0 8	0 8		3	Y.
1087,500 A.	47,59,869	59,49,307	17,02,000	1,104	New Swadeshi Sugar Mills ..	New Swadeshi Sugar Mills ..	180N / 45N	100 / 25	13 0 / 3 0	20 0 / 5 0	20 0 / 5 0	20 0) / 5 0)	6	Y.
8,71,875 B.							110N	100	3 4	11 0	6 0	6 0	9	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	30½N	100	6 0	10 0	6 0	11 0	9	Y.P.
12,00,000	12,71 178	28,94 458	18,81,746	46,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	13½	10	1 8	2 0	1 0		10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Puranpore Co.	13N	10	1 8	2 8	1 0	1 0	10	Y.
8,00,000	6,04,162	25,19,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	12½	10	1 0	2 0	1 0	0 8	6	Y.P.
11,99,000	17,23,204	36,77,360	21,32,129	3,906	Sahu Jain Ltd.	Samastipur Central Sugar ..	12	10	1 0	2 0	1 0	0 8	6	Y.P.
20,00,000	20,68,560	1,03,36,230	49,26,080	4,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar		10	0 8	1 0	1 0		7	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Shitalpore Sugar	6½	10	Nil	Nil	9 9½		6	Y.
6,50 000O.	47,623	25 93,296	11,46 770	—14,54,408	N. K. Jain & Co., Ltd. ..	South Behar Sugar	1N / 1N	O. 10 / D. 2½	Nil / Nil	Nil / Nil			10	Y.P.
1,75,000D.						Upper Ganges Sugar	30	10	1 12	2 0	2 0	2 8	9	Y.P.
8,00,000	9,19,618	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	United Provinces Sugar ..	14	10	0 4½	2 0	1 8		6	Y.P.
16,00,000		30,61,987	24,91,617	54,645	James Finlay & Co., Ltd. ..								9	Y.
Other Centres														
46,99,750	79,06,443	65,05,216	51,15,758	63,916	W. H. Brady & Co., Ltd. ..	Belapur Company	257	50	12 8	14 0	16 0	16 0	9	Y.
87,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N	100	Nil	1 8	3 0		12	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	8,71,334	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	26½	10	1 8	2 8	2 8		9	Y.P.
83,57,520	29,59,135	59,19,908	39,50,642	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10N	10	0 12	1 4	1 4		9	Y.P.
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0e	2 0e	2 0e	2 0e	10	Y.
					Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	94½	50	8 0	8 0	2 0	2 0	4	Y.
50,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Anderson Wright Ltd.	Ramnagger Cane and Sugar ..	203	100	0 9½	0 12	2 0	6 0	9	Y.
16,99,820	23,50,939	44,76,150	22,24,449	1,61,652			90N	O. 50			2 0		6	Y.P.
20,00,000O.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm ..	7N	D. 10	7 0	9 0	9 0 / 11½	Nil / Nil	9	Y.P.T.
4,00,000D.						Rasa Sugar	101N	10	1 0	1 0	0 12	Nil	6	Y.P.
19,99,800	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Travancore Sugars	10	Nil	Nil	Nil	1 0	1 0	10	Y.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.		4½	A. 100	12 0	14 0	14 0	14 0)	7	Y.P.
23,50,000						Walchandnagar Industries ..	168½	O. 100	12 0	14 0	14 0	14 0)	9	Y.P.T.
77,50,000A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd. ..									
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	160	100	10 0	12 8	12 8			
1,00,00,000		3,00,27,730	1,45,00,237	58,606	Dirahaw Ltd.	Bharat Line	194	100	5 0	12	4 0			
£655,580	£1,121,737	£5 428,105	£3,532,999	£13 172	Kilburn & Co. Ltd.	Burma Steel Navigation & Rly. Co.	74	£10	Nil	Nil	Nil	5h.10	10	Y.P.
£25,00,000	74,99,233	3 91 83,993	2,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8⅜	10	Nil	Nil	Nil	0 8	12	Y.P.
7,04,60,608	8,57,93,133	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	17-9½	15	Nil	Nil	Nil	0 8	3	Y.P.
													6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,560	1,03,801	2,28,588	60,000	7,543	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		9	Y.
25,00,000	1,00,000	25,18,130	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	23	25	0 12	0 12	0 12	Nil	3	Y.
14,99,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Mamlal Ltd.	Imperial Tobacco Co.	238	50	2 0	3 0	3 0		12	Y.P.
99,99,250	18,33,375	1,26,50,233	30,03	1,85,258	Premchand Roychand & Sons ..	Industrial Investment Trust ..	80	100	4 0	6 0	2 8		12	Y.
							191½	100	8 0	8 0	8 0		12	Y.P
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	132½	75			10 0	10 0	12	Y.
							58½	A. 100	Nil	Nil	2 8	3 0	6	Y.
2,06,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	B. 100	Nil	Nil	Nil	2 8	Nil	6	Y.
10,71,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	40⅜	20	3 0	3 0	3 0	Nil		
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director).	Western India Match Co. ..	350N	100	11 0e	11 0e	11 0e		12	Y.
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..		130	20 0	20 0	20 0		12	Y.
													12	Y.
Other Centres														
67,50,000O. / 8,50,000D.	15,00,000	1,56,92,044	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	58 / 7½	O. 10 / D. 2½	Nil	Nil	Nil	Nil	6	Y.
30,00,000	38,21,355	31,54,514	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	117½	10	1 12	2 8	1 4	1 4	3	Y.P.T.
30,00,000	15,36,198	31,99,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	17	10	1 4e	2 0	1 4e	1 4	8	Y.
20,00,000	18,97,883	58,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	4	10	0 9 3/5	0 9 3/5	Nil	Nil	3	Y.
80,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	20½	100	20 0e	25 0e	20 0e	0 3½	3	Y.P.T.
20,00,000	7,97,945	56,17,513§		1,11,692	Birds Investment Ltd.	Birds Investment Ltd.	15½	10	1 0	1 0	1 0	0 8	12	Y.
30 64,880	33,27,348	99,11,949	21 85,999	94,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	92	5	2 0	2 0	2 0	0 0(½)		
3,25,00,000	1,25,00,000	2,56,70,947	1,57,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	9½	5	0 12	1 8	0 12	1 4	3	Y.P.
1,00,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,466	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	32	10	2 0	3 0	3 0	3 0	12	Y.P.
	51,30,934	1,29,31,235§		1,31,873	Bird & Co., Ltd.	Eastern Investments Ltd. ..	143	100	10 0	20 0	10 0	10 0	12	Y.P.T.
51,26,000						Ganges Rope Co., Ltd.	201½	100	10 0	15 0	9 0	9 0	12	Y.P.T.
14,00,000	9,97,000	32,14,898	17,63,862	26,757	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	110	100	10 0	15 0	10 0	10 0	9	Y.
65,00,000	36,93,642	41,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Grand Eastern Hotel	250	100	15 0	20 0	10 0	10 0	3	H.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B P R Syndicate	Hind Cycles	100N	100	7 8	15 0	10 0	7 8	9	Y.
12,42,804	5,06,049	40,60 790	41,38,369	53,919	Birla Bros., Ltd.	Hindustan Motors	78	10	Nil	Nil	Nil		12	Y.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Indian Aluminium Co., Ltd. ..	115	100	3 8	5 0	1 0	Nil	12	Y.P.T.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	22,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables	20½	10	1 8	2 0	1 0	Nil	12	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	13,94,449	A. R. Dirsmen Esq.	Indian Rubber Manufacturers ..	13½	10	1 0	1 0	1 0	1 0	12	Y.
5,38,07,970	5,38,000	14,39 460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Jardine Henderson	117	100	10 0	10 0	1 0e	1 0e	12	Y.P.
8,00,00 000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Macfarlane & Co.	8	O. 1	10 0	10 0	10 0	0 12	3	Y.P.
6,34,0000. / 66,900D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.		8	D. 1				7 8	3	Y.P.
40,00 0000.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	260	O. 100	50 0	50 0	50 0		12	Y.
8,00 000D.	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	12	D. 10	12 8	12 8	7-8		3	Y.
1,30,60,250	1,74,934	7,74,505	2,90,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	20½xd	10	1 0	1 4	0-4			
9,15,255	8,84,829	9,73,621	3,93,059	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	5½	10	0 10	1 0	Nil		12	Y.P.
4,68,040		11,45,854	3,95,986	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	16	10	Nil	Nil	Nil	1 0	9	Y.
10,08,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	10⅜	Nil	1 0	1 0	1 0		12	Y.
80,00,000						National Tobacco Co.	15½	10	0 8	0 8	0 8		3	Y.
					B. N. Elias & Co., Ltd.	Parry & Co.	9⅜	10	0 4	0 8	0 12		12	Y.T.
99,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	Parry's Holdings Ltd.	Rallis (India) Ltd.	4	10	1 8 3/5	2 0	0 10	1 0	12	Y.P.T.
40,00,000	24,00,000	41,59,346	17,74,953	1,52,611	T. A. Lykiardopulo, Esq. ..	Rohtas Industries	56	100	8 0	8 0	8 0	0 4½	12	Y.P.
8,23,00,000	13,27,473	1,65,91,420	46,13,194	17,649	Sahu Jain Ltd	Spencer & Co., Ltd.	14⅜	10	Nil	Nil	Nil		12	Y.
1,14,00,000	78,53,108	6,09,59,407	2,16,38,623	7,37,646	C. W. Stephenson, Esq. ..	Shaw Wallace & Co., Ltd. ..	16	10	1 0	1 0	1 0	1 0	12	Y.P.
94,66,946	94,66,946	1,21,92,814	75,55,213	5,47,067	R. H. D. Campbell, Esq. ..	Travancore Ogale Glass ..	32½	10	1 0	1 0	1 0	1 0	10	Y.P.
60,00,000	35,00,000	12,11,901§	2,17,120	3,56,816	Ogale Bros., Ltd.		3⅜	10	1 0	1 0	1 0	1 8	12	Y.P.T.
95,00,000	1,50,000	12,67,855	2,60,547	59,789				10	0 4½	1 0	Nil	Nil	12	Y.P.
9,98,380														

§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 30 lakhs.
‡ Excluding goodwill (written down Rs. 30 lakhs.) ‖ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	400 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71 574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea ..	21	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	27	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,741	4,25,000	—2,98,910	McLeod & Co., Ltd.	513	Baghmari	14⅜	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	61,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	35	10	3 0	2 8	2 0		12	Y.
3,30,600	2,90,000	8,68,533	3,05,533	63,180	Williamson Magor & Co. ..	567	Bateli	16	5	1 8	0 8	0 4		12	Y.
3,30,000	4,90,000	8,79,729	1,76 121	—33,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	27½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co. ..	4,078	Bishnauth	34½	10	3 0	3 0	Nil		12	Y.
6,00,000		10,38,918	1,51,918	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	1 8	1 8	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	13½	10	1 0	1 0	1 0	0 8	6	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12⅜	10	1 8	Nil	Nil		12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Desoo Valley	12⅜	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd. ..	1,220	Dessai & Parbuttia ..	20⅜	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd. ..	610	Dhenkhat	14⅜	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	12⅜	10	1 0	0 8	Nil		12	Y.
4,50,000	2,75,000	8,01,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	36⅜	10	4 8	1 8	1 0		12	Y.P.
2,36,700	3,70,000	8,91,119	4,63,119	25,986	Williamson Magor & Co. ..	625	Dimakusi	39½	10	4 0	4 0	2 0		12	Y.P.
2,50,500	4,50,000	16,38,157	9 58,157	1,15,948	Williamson Magor & Co. ..	669	Dufflaghur	39½	10	2 4	2 4	0 4		12	Y.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Andrew Yule & Co., Ltd. ..	407	East India Tea ..	20⅜	10	3 0	1 0	Nil		12	Y.
3,60,000	3,00,000	7 91,693	3,67,363	—2,566	Brook Bond India Ltd.	433	Gillspukri	19½	10	3 0	3 0	1 8		12	Y.
3,38,000	3,48,904	13,37 439	5,54,439	1,03,645	Williamson Magor & Co. ..	533	Gohpur	20½	A. 10	3 0	2 0	2 0)		12	Y.
4,34,46,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	11½	B.5	1 8	1 0	1 0)			
82,40,790								11½	10	1 8	1 0	1 8		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd. ..	476	Hoograjuli	33⅜	10	2 0	3 0	Nil		12	Y.
4,35,000	8,04,216	18,38,687	8,46,970	—29,147	Andrew Yule & Co., Ltd. ..	1,288	Hoolungooree	30⅜N	100	25 0	17 8	Nil		12	Y.
7,50,000	3,83,000	13,93,352	2

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
40,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	15½	10	4+4	1+1	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	208	100	4+10	15+15	8+10	12f	5, 11	H.P.
4,00,000	3,55,000	50,34,068	30,69,357	—39,046	McLeod & Co., Ltd.	446	Alexandra	162	100	Nil	5	Nil	Nilf	6, 12	H.P.T.
90,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	175	100	Nil	2½	Nil	Nilf	6, 12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	200	100	Nil	10	10+10	10+15	7+5	H.P.
40,00,000	39,11,041	1,34,35,061	81,93,675	42,348	Bird & Co., Ltd.	810	Auckland	116	100	1½+4	6	4+3	5+4	2+2	H.P.
80,00,000	29,17,170	97,56,926	64,26,882	64,088	Jardine Henderson & Co.	1,553	Bally	153	100	6+6	6+6	4+4	Nil	4+Nil	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	149	£5	1	£1	£1	£1	9	H.P.
28,00,000	38,49,623	88,18,148	48,06,284	82,137	Andrew Yule & Co., Ltd.	820	Belvedere	207	100	7+10	12½+15	7½+7½	7½f	6, 12	H.P.
32,50,000	35,95,000	54,22,323	24,75,686	4,28,770	Soorajmull Nagarmull	958	Bengal	158	10	1½	2	2	2	6	Y.P.T.
10,42,000	2,84,46,567	3,06,30,786	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	149	10	2½	3	3	3	9	Y.P.
36,00,000	29,22,926	1,08,31,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	172	100	3+10	10+12	6½+6½	6+4	4, 10	H.P.
7,47,180	4,29,739	49,77,150	36,71,449	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	142	Nil	Nil	1+1	2+2	2+2	6, 12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	618	Caledonian	158xd	100	4+10	10+12	6+6	6+6	5, 11	H.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	1,600	Champdany	1464	100	3+3	5	7+8	3+3	3, 9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Chevron	229	100	6+10	10+12	6+6	6+6	5, 11	H.P.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	118	10	4+8	14+14	2½+1½	1½f	6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	54,24,660	20,518	Macneill & Barry Ltd.	969	Clive	242	10	1½	2	Nil	Nil	6	Y.P.
£1,40,000	£1,69,975	£1,78,92,451	£1,83,266	£5,814	Bird & Co., Ltd.	766	Dalhousie	131	100	1+3	8+6	6+6	4f	3, 9	H.P.
28,00,000	44,74,179	71,83,993	45,91,799	64,657	Andrew Yule & Co., Ltd.	1,245	Delta	245	100	3+12½	15+17½	10+10	10+10	5, 11	H.P.
13, 0 000	32,50,000	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	500	Empire	194	10	2½	2½	2½	2½	6, 12	H.T.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	472	100	2½+20	12½+12½	10 Nil	Nil	6, 12	H.P.
14,00,000	1,00,000	74,05,414	45,11,119	2,972	Fort William	1,018	Fort William	321	100	Nil	5	Nil	Nil+5	3, 9	H.T.P.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72	100	Nil	3½	Nil	Nil+Nil	3, 9	H.T.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	795	300	45	90	30	Nil+Nil	3, 9	H.
84,00,000	20,-5,342	2,19,23,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	3,794	Gouripore	302	100	2½+15	10+15	12½ Nil	Nil+3½	3, 9	H.P.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Rangur Bros., Ltd.	1,078	Hastings	125N	100	10	3	10	10	3, 9	H.P.
16,80,000	15,20,698	64,52,980	44,81,416	65,178	Gilanders Arbuthnot & Co., Ltd..	720	Hooghly	314	10	1	3	1½	1½	3	Y.P.
65,62,500	51,83,370	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	2,245	Howrah	245	10	1½+3	3+3	1 1½	1½	3, 9	H.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Rasmdutt Ramkissendas	2,272	Hukumchand	40	10	7½	5	5	5+4	3, 9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	131½	O. 125	3f+9f	3½+1½	3½+3½	3½f	3, 9	H.
D. 30,000									D. 1	A 7&7	7	7	7		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	193	100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
19,20,000								183	'B' 100	8½+6½	10+12½	6½+6	6f		
'B' 30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	145	Nil	5	5	4+4	5f	6, 12	H.P.
'B' 24,00,000								143	'B' 100	Nil	5+2½	6+4	5f		
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	235	100	10+10	12½+12½	7½+7½	7½f	6, 12	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	201	100	Nil	15	10+5	10+10	3, 9	H.P.
48,00,000	98,02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	190	100	1½+4	10+9	10+7	4+5	3, 9	H.P.T.
24,48,000	50,32,314	1,58,71,283	76,99,771	45,483	Bird & Co., Ltd.	931	Lansdowne	176	100	2+20	11+15	11+3	2+5	3, 9	H.P.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	5+9	12½+11	11+3	2+5	3, 9	H.P.
10,00,000	37,31,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd.	558	Lothian	257	100	5+10	15+17½	15+15	15+15	5, 11	H.P.
81,65,200	25,15,448	1,93,99,406	1,16,01,448	2,9,028	Mackinnon Mackenzie & Co. ..	1,098	Magna	102	100	2½+5	2½+2½	2½+2½	2½f	6, 12	H.T.
39,98,900	41,07,593	1,37,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	116½	100	Nil	5	10+6	6 Nil	Nilf	H.
20,00,000	15,80,000	27,51,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd.	425	Naskarpara	14	10	1+1	1+1½	1+1	Nilf	4, 10	H.T.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	114	10	1½	1+1½	2	1+1	4, 10	H.P.
2,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	1½+1½	2½+3	2+1	1f	6, 12	H.P.T.
10,50,000	49,78,373	48,96,020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	205	100	4+10	15+15	10+12	12f	6, 12	H.P.
66,79,500	48,96,093	1,22,95,594	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	20½	10	Nil	Nil	1	1+1	1+1	H.P.T.
24,91,000	26,56,049	70,74,043	48,77,892	1,23,467	Andrew Yule & Co., Ltd.	1,092	Nuddea	45½	50	Nil	1½	1+1½	Nil	Nil+½	3, 9	-H.
25,00,000	4,41,364	80,71,921	61,33,411	—1,80,348	McLeod & Co., Ltd.	1,011	Orient	168	100	4+10	12+12	1+6	6+6	5, 11	H.P.
20,00,000	58,659	26,15,293	7,67,493	—2,30,541	Macneill & Barry Ltd.	400	Peerdemey	51	10	Nil	Nil	½	Nil	6, 12	H.T.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,705	Rameshwara	51	10	Nil	Nil	Nil	Nilf	3, 9	H.P.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd..	2,013	Reliance	14½	£1	Nil	Nil	Nil	1+1	3, 9	H.P.T.
30,00,000	13,07,220	97,26,210	59,19,652	6,05,569	Begaria Mote & Co., Ltd.	911	Shree Ambica	15½	10	10%	10%	10%	10%	12	Y.P.
14,00,000	7,74,812	48,14,456	35,67,743	3,34,954	Hindustan Investment Corporation.	491	Sonrah	13½N	10	Nil	Nil	1f		3, 9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	130	100	3+6	9+8	8+1	1+1	3, 9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	131	£1	10%	10%	10%	10%	12	Y.P.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	161	100	3+7	12½+11	10+1	1+4	3, 9	H.P.T.
£400,000	£597,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd..	1,331	Victoria	13½	£1	10%	10%	10%	10%	12	Y.P.
2,50,000	1,35,000	36,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil 1/40	1/40 Nil	Nil	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
85,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1 + 1	1 + 1	1 + 1	1f	3, 9	H.
12,00,000	6,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Bararee Coke	19½	10	½ + ½	½ + ½	½ + ½	7/10+7/10	3, 9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6 & N	10	½ + ½	½ + ½	½ + ½	½f	5, 11	H.
1,80,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	515	200	17½ + 17½	17½ + 17½	20 + 20	17½+17½	6, 12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	12	10	½ + ½	½ + ½	½ + ½	½f	4, 10	H.P.
15,97,000	9,13,158	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	1½	10	½ + ½	½ + ½	½ + ½	Nilf	6, 12	H.P.
40,97,000	14,81,010	1,20,82,109	63,11,774	6,280	Sahu Jain Ltd.	Bharat Collieries	6½	10	½	½	½	½	9	H.P.
7,15,000	14,67,077	31,08,475	35,34,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbarare	6½	10	½	½	½	½	9	Y.P.
16,00,000	34,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	14½	10	½ + ½	½ + ½	½ Nil	Nilf	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Burrea	9½	10	Nil	Nil	Nil	Nil	6, 12	H.
16,92,480	1,70,38,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Burrakur	30½	10	1½ + 1½	1½ + 1½	1½ + 1½	1½f	6, 12	H.T.
49,97,040	750	34,32,368	57,646	3,018	Hindustan Investment Corpn., Ltd.	Central India	8½	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,369	Anderson, Wright & Co., Ltd. ..	Central Kurkend	6½	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
6,00,000	1,41,587	2,50,000‡		19,867	F. W. Heilgers & Co., Ltd. ..	Churia	15N	10	½ + ½	Nil	Nil	Nil	6	Y.
16,00,000	1,20,000	48,31,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	2½	4	½ + ½	½ + ½	½ + ½	½f	6, 12	H.
£240,000	£332,801	£224,840	£9,002	£90,714	Jardine Henderson Ltd.	Dishergarh	8½	10	½	½	½	Nilf	6, 12	H.
89,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	East Indian	26½	10	1½	2	3	Nilf	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Equitable	34½	10	2½	2½	3 (i)	2½	6	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Ghusick and Moalia	15½N	10	2	2	2 + 1½	1f	6, 12	H.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hingir-Rampur	4½	50	3	3	3	3	6	Y.
82,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Baipae Trust Ltd.	Hurriladih	16½	10	½ + ½	½ + ½	4	5	9	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Jogta Coal	3½	10	Nil	Nil	½	½f	6, 12	H.
20,00,000		25,62,791	1,50,648	1,838	Bird & Co., Ltd.	Kalapahari	27½	10	Nil	Nil	Nil	Nil	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Karanpura Collieries	83	100	1½ + 1½	1½ + 1½	1½ + 1½	1½ + 1	2, 8	H.
4,34,400	95,000	10,63,519	3,25,519	1,063	Berwala & Co.	Katras Jherriah	44½	10	½ + ½	Nil	Nil	Nil	3	Y.P.
11,00,240	20,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Khas Kajora	8½	10	½ + ½	½ + ½	2+2	2+2	1, 7	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Kuardi	61N	10	3½	1f			6, 12	H.P.
7,48,240	1,50,000	11,24,142	8,84,118	28,398	Associated Commercial Co., Ltd.	Lalurkha	111N	10	1	1			6	Y.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	Nazira	14½	10	½ + ½	½ + ½	½ + ½	½ + ½	6	Y.
8,00,000	3,30,000	31,01,032	15,78,155	40,718	Octavius Steel & Co., Ltd. ..	New Beerbhoom	17½	10	3/10+3/10	Nil	Nil	½	6, 12	H.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	New Manbhoom	9½	10	½ + ½	Nil	Nil	½ + ½	4, 10	H.P.
1,57,500						North West	13N	10	½ + ½	½ + ½	½ + ½	Nil + ½	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	7½ N	7½	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
18,00,000	1,10,000	35,80,722	14,28,827	34,421	K. C. Thapar & Bros.	Oriental Coal	19½ N	10	1½ + 1½	½ + ½	1½ + 1½	½ + Nil		
8,34,000	81,594	17,23,582	6,37,675	15,749	Deerchand Kishenlal	Pench	11½ N	10	Nil	Nil	1 + 1	1f	6, 12	H.P.
15,75,000	11,25,000	42,01,865	29,16,653	22,892	Shaw Wallace & Co., Ltd.	Pench Valley	4½	10	Nil	Nil	Nil	½ + ½	12	Y.T.
23,99,300	15,67,105	1,09,49,971	76,28,254	—4,53,764	B. N. Elias & Co., Ltd.	Ranegunge	24½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.P.
13,50,000	7,38,383	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	10½	10	Nil	Nil	Nil	½	2, 8	H.
20,00,000	3,55,008	32,32,218	13,30,508	458	Jaipuria Sons Ltd.	Samla Collieries	25½	10	½ + ½	½ + ½	Nil	½	3, 9	H.
1,25,000	1,75,000	11,69,383	9,78,899	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	6½	10	½ + ½	½ + ½	½ + ½	½	6, 12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	8½ N	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	23½	10	2½ + 2	2 + 2	2 + 1	1f	6, 12	H.
63,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		10	10	½ + ½	½ Nil	½ Nil	Nilf	6, 12	H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6½	10	½	½	½	½	6, 12	H.T.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	South Karanpura	9½	10	½	½	½	½	12	Y.T.
10,00,000	12,950	30,15,423	15,43,301	—3,64,536	Villiers Ltd.	Standard	21½	10	½ + ½	½ + ½	½ + ½	½ + ½	2, 8	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.	Talcher	3½	10	½	Nil	Nil	1f	6, 12	H.
49,98,000		44,91,158	13,91,545	63,560	Hindustan Investment Corpn., Ltd	Union	22½	10	Nil	Nil	Nil		6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Bengal	13½	10	1½ + 1½	1½ + 1½	1½f		9	Y.
						West Jamuria	18½	10	½ + ½	½ + ½	Nil	Nil	6, 12	H.
													6, 12	Y.
													6, 12	M.

* Including bonus. ‡ Sales and amount written off. (h) Investments. § For ten months ended 31st December 1951.

(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 4 in96 the debentures section:—

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

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

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

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

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

e Redeemable on or after 31st July, 1950, at Rs 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 551)

traffic carried during the three years ended 1952. They argue that, under such a quota system, there would be no restriction on the expansion of tonnage, for, in practice, the supply of tonnage for coastal trade would adjust itself almost automatically to trade requirements, albeit in the long run. Further, this system is also expected to facilitate rationalisation of berthings which is essential for offering a better, more regular, frequent and reliable service to the public. All this, it is claimed by the Scindias, will facilitate more economic employment of available tonnage. The Scindias further feel that any underground scramble for cargo by offering rebates would be suicidal to the future development of the Indian nascent shipping industry. They want the freight rates to be fixed at reasonable levels which will not permit of unfair competition through rebating. The rates should be based not merely on the principle of "what the traffic can bear" but also on a basis which would ensure an uninterrupted flow of shipping service throughout the year. In short, the freight rates should be such as to ensure sufficient tonnage to meet all the traffic at peak periods of the year. This would, of course, mean a surplus tonnage during periods of low activity, but this is inevitable.

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Although it is stated that the majority of the members of the Conference is agreeable in principle to the quota system, there appears to be some difficulty in working out the details. It is stated, for instance, that some want the year 1953 also to be included in the base period for determining the quotas. There are, however, some who are totally opposed to the system of quotas, because it would mean perpetuation of the existing disproportion in the size of the various companies. It would mean, they argue, that the Scindias would continue to hold the dominant share in coastal trade and deny the other companies the freedom to expand in the manner they like. They are, therefore, for the retention of the existing system, but subject to a stricter check on malpractices. A few of them feel that companies with bigger fleets and greater experience should branch out to overseas trades, giving more scope on the coast for the smaller, infant companies. Coastal trading should, according to them, be a nursery in which the new small companies can develop and, after acquiring the necessary experience, can extend their activities to competitive overseas trades.

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It is admitted by the other companies that the Indian Coastal Conference can exist without the Scindias but only in name. For the Scindias own nearly 50 per cent. of tonnage on coastal trade. After all, a coastal conference, if it is to be effective, must be fully representative, with a place for all companies, and must be the result of mutual understanding of a nature, under which modern shipping can develop on a rational basis. There can thus be no conference worth the name without the Scindias in it. If the Scindias decide to quit, it would mean rate-war again in the coastal trade from which some of the smaller companies might be extinguished. This, however, does not mean that the Scindias should use their predominant position in the trade to bargain in a manner which would be disadvantageous to others. Failure among the shipping companies to reach a mutual understanding among themselves with due regard for the interests of shippers may force the Government to intervene.

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Contrary to earlier expectations, the Government of India has extended the time limit for the constitution of State Electricity Boards, under the Electricity Supply Act, by one more year from 31st March, 1954.

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Although many Americans—politicians, rather than economists—condemn those who speak of a recession in the U.S. as "pedlars of gloom and doom," there are some signs which indicate that American economy is not as healthy as it was till recently. Steel output has declined to 70 per cent. of capacity. Unemployment has increased to 6 per cent. of the labour force. Industrial production is 10 per cent. below the peak levels touched in May last year. It is perhaps too early to say whether these signs represent a merely temporary phase of readjustment in American economy or a shadow, cast by a full-scale recession that is bound to follow these signs. Among those who see the grim prospect of a recession in the present state of American economy, Mr. Colin Clark, the well-known economist, is one. In an article, contributed to the *Financial Times*, London, he has given the reasons which prompt him to think that a "serious and dangerous recession is going to develop during 1954." In the first place, money is scarce, when it is "gauged against the size of the labour force and the average hourly wages." Secondly, the prices as well as physical volume of inventories are high. Thirdly, there is a surplus of fixed plant and equipment, of producers' goods. Fourthly, constructional costs are high. Until these costs fall," we must expect a rapid and serious decline in the constructional industry." Finally, there is the tendency for a downward movement to perpetuate itself by a sort of chain reaction. This is a bald summary of Mr. Colin Clark's thesis and does no justice whatever to the many subtle arguments by which he supports his views.

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In official quarters, these fears are discounted. In a recent nation-wide radio and television speech President Eisenhower said there was no depression and the Government would make sure "we don't have one." He admitted that some unemployment had developed in different parts of the country but the nation, as a whole, continued to be prosperous.

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A similar note of optimism has been struck by the Committee for Economic Development, which consists of prominent business men. The Committee stated that, in the past, depression had been caused by contraction of credit, fall in income (causing a drop in demand, in production and again in income) and psychological chain reaction of spreading pessimism and fear. But the country, the Committee said in effect, knew how to meet such a situation, if it developed.

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The Committee stressed the improvements in the banking system that have resulted in establishing adequate machinery to supply additional liquidity to the economy, if needed. Pressure for credit liquidation would be less than in the past. Business and farm debts had not advanced as far, relative to assets and earnings, as in past booms. The U.S. did not now have a large volume of debt incurred for

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,356	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	9 0(i)	12	Y.P.
14,50,000				188xd	50	9 0	9 0	9 0	4 8(i)		
1,01,000				116	100	6 0	6 0	6 0	3 0(i)		
23,98,000	12,03,000	1,79,017	Andhra Bank	39	50	3 0	3 0	3 0	1 8(i)	6.12	R.
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	15,00,000	3,957	Bank of Bihar	12½	25	0 12	0 12	0 12	—	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	154	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,061	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	13,00,000	15,334	Bank of Jaipur	20½	50	1 8	1 8	1 8	—	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	28½	100	16 0	16 0	16 0	16 0	12	Y.
30,00,150	31,12,500	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80xd	50	5 0	5 0	5 0	5 0	12	Y.P.
2,50,11,875	399,79,642	16,49,568	Central Bank of India Ltd.	58	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,52,500				60½	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	34½	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
5,25,00,000	10,20,000	10,609	Hindustan Commercial Bank	58	50	—	—	—	—	12	Y.
80,00,000	1,30,000	1,412	Hindustan Mercantile Bank	13	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	†Hyderabad State Bank	103N	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,770	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				425	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
40,00,000				167	100	12 0	12 0	12 0	6 0(i)		
16,00,000	73,50,000	1,04,201	Indian Bank	139	85	10 3½	10 3½	10 3½	13 3½	6.12	R.L.H.
15,00,000				98½	60	7 3½	7 3½	7 3½	9 3½		
49,04,923	22,50,000	2,25,271	Indian Overseas Bank	59xd	100	5 0	6 0	6 0	6 0	12	R.L.H.
9,25,000				72	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18½	25(B)	2 4	1 14	1 14	—	6.12	H.
10,00,000				37½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	99,00,000	1,92,605	Punjab National Bank	23½	25	1 0	1 0	1 8	1 0(i)	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	14xd	25	—	—	—	0 12	12	Y.
40,00,000	31,50,000	1,60,225	Union Bank of India	6½	5	0 5	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	42	50	2 0	2 0	2 0	2 0	12	H

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£8 000,000	£4,000,000	£359,215	Chartered Bank of India, Australia and China	£2-4-1½	£5	14†	14†	16†	14†	12	R.L.Y.
£1 000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7†	9†	9†	7†	12	R.L.Y.
H.K.$20 000 000	H.K.$56 000 000	H.K.$9,859,342	Hongkong and Shanghai Banking Corporation	£946d	H.K. $125	5*	5*	5*	5*	12	Y.
£14 272,956	£16,500,000	£555,780	Lloyds Bank	£3 6 0	£1	12†	12†	12 †	14†	12	R.L.Y.
£1,437,294				£1-6-3		5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,500,000	£200,960	Mercantile Bank o India	£26	A £12½	12†	12†	14†	14†	12	R.L.Y.
£375,000 'B'				£26	B £12½	12	12†	14†	14†		
£300,000 'C'				£11½	C £5	12†	12†	14†	14†		
£1,250	£3,675,000	£323,703	National Bank of India	£36½	£12½	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

††O.S. Currency (I) Interim. *8 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
5,50,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	98	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Wakhaconagar Industries	1941	105	1st April .. 1956-61
65,00,000	4½	1st May and 1st November	Wankaconagar Industries (New)	1944	97	1st November .. 1959-64
COTTON						
16,50,000	5½	30th June and 31st December	Barsoti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	30th May and 30th November	Pergal Pappar	1937	98½	15th November .. 1960(e)
8,00,00,000	5	1st April and 1st October	Textile Trading and Corporate	1952	101	1st January .. 1967-72
23,60,000	5½		Jupiter Textiles	1949	76N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills		101	 1966-71
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March .. 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101½	15th June .. 1968
88,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October .. 1958
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1950	94	31st December .. 1964
8,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January .. 1970
85,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	86	31st December .. 1970
15,10,000	5	1st January and 1st July	Rina (Ukraine) Electric Supply Co., Ltd.	1931	96	30th June .. 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1948	96½	 1956-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1957-62
47,73,000	4	1st April and 1st October	Tata Power	1948	100½	15th September .. 1951-55(h)
2,50,000	4	1st April and 1st October	Tata Power		93	15th September .. 1965-70
ENGINEERING						
8,00,000	3½	30th June and 31st December	Britannia Engineering	1945	98½	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Blume Pipe (2nd mortgage)	1942	103	1st July .. 1957-62
£1 182 400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1938	106	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Ramakishni Engineering Works Ltd.	1946	88	31st May .. 1971
2,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	93	31st December .. 1968
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June .. 1954
13,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December .. 1954(a)
10,00,000	4½	30th June and 31st December	Bengal Jute Mills Co., Ltd.	1940	99	30th June .. 1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½	30th June .. 1955
2,00,000	5	31st January and 31st July	Calcutta	1949	93	31st July .. 1960
10,49,000	5	30th June and 31st December	Chinsurah Jute Mills	1951	99	30th June .. 1959(e)
9,86,000	5	30th June and 31st December	Empire	1951	95	30th June .. 1966
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92½	15th July .. 1966
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	30th June .. 1957
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st December .. 1964
13,00,000	5½	31st March and 30th September	Nahakarpara Jute Mills Co., Ltd	1947	98½N	31st March .. 1967
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May .. 1954
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December .. 1959
4,00,000	4	30th June and 31st December	Shamnagar	1943	93	30th June .. 1956
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September .. 1958
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1965
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June .. 1957
10,00,000	3½	31st January and 31st July	Waverley	1925	85	31st July .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsoot-Basirhat Light Railway	1936	86	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£60½N	A 105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6 50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959
£200 000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	
6 00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102	1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		103	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony		104	30th June .. 1954-59
9,00,000	5	31st March / 30th September	Periakaramalai		100–11½	31st March .. 1954-59
1,89,700	5½	31st March & 30th September	Tenkay		100	31st March .. 1949-59
MISCELLANEOUS						
54,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September .. 1959
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
84,40,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1965
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June .. 1962
81,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1957(i)
21,55,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July .. 1964
20,00,000	6	15th March and 15th September	Dalmoine Properties	1946	87	15th September .. 1966
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	1st January .. 1960
1,00 00 000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January .. 1960
1,50 00 000	5	15th March and 15th September	Mewar Chemical Industries	1949	96	 1971
20 00 000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470	30th September .. 1964
39,57,000	4					30th September .. 1976
45 00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	(per note) 525	31st December .. 1972
75 00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 000	1st April .. 1971
1 60 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	96½	31st March .. 1961
1 80 00 000	4	30th June and 31st December	Robtas Industries Ltd.	1946	88	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	104½	1st May .. 1968

Note—See page 602 for explanations in abbreviated marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th March, 1954.

—	Closing quotations 18-3-'54	High	Low	Closing quotations 25-3-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	154½	154½	153½	153½
Bank of Baroda (50)	110	111	110	110
Central (25)	37½	38	36½	36½xd
Central 'A' (25)	60	60	59½	59½xd
Imperial (F.Pd.) (500)	1,772½	1,785	1,772½	1,782½
Imperial (P.Pd.) (125)	425	432½	425	431½
Union Bank (50)	6¾	7	6¾	7
United Com. (50)	42	42	41½	41½
TEXTILES				
Ahm. Adv. (100)	149½	—	—	149½
Apollo (2)	2-12½	2½	2-12½	2½
Bombay Dyeing (250)	419½	421½	413½	413½
Central India (100)	180	180½	177½	178
Century Mills (100)	327	327½	323½	325
Colaba (100)	65	—	—	65
Edward Textile (200)	240	245	240	240
Elphinstone (50)	44	—	—	44
Finley (100)	265	263	261	261
Gokak (100)	265½	266	263	264
Ind. Unit. Defd. (1)	1-10½	1-10½	1¼	1¼
Ind. Unit. Ord. (10)	11-9½	11¾	11½	11-8½
Indore Malwa (100)	103½	108½	103½	108½
Khatau (100)	213½	—	—	213½
Kohinoor (100)	300	307½	304	304½
Lakshmi (250)	583½	—	—	583½
Madhusudan (100)	82	—	—	82
M. R. Cotton Mills (100)	58½	60	58½	58½
Minerva Mills (100)	111½	—	—	111½
Model Mfgpur (250)	139½	—	—	139½
Morarji (100)	210	—	—	82½
Mysore (10)	210½	212½	210	212½
National Sarona (100)	164½	—	—	164½
New City (100)	157	157½	154½	156½
New Great (100)	160½	—	—	160
New Union (10)	151	152	150½	150½
Phenix (100)	27	27	26½	26½
Podar Mills (100)	128½	130	126½	126½
Raseson Silk (10)	140	141½	140	141½
Raseson Spg. (10)	18½	—	—	18½
Shahpur (100)	30½	—	—	30½
Shrinivas (100)	1 805	1,840	1,805	1,840
Simplex (50)	210	212½	210	210
Standard (100)	151	153½	151½	151½
Swadeshi (100)	323	325	321½	322½
Swan (100)	299½	299	295½	295½
Tata Mf. (25)	355	355	350	351½
Vishnu (100)	51	50½	50	50½
Western India (1,000)	145	—	—	145
	3,550	—	—	3,550
ELECTRIC COS.				
Ahmedabad (100)	114½	115½	114½	114½
Ahmedpamand (10)	10½	—	—	1½
Andhra Valley (1,000)	1,301½	1,307½	1,301½	1,307½
Bom. Sub-El. (100)	120½	120½	120	120
Surat (100)	126½	127½	126½	126½
Tata Hydro (100)	140	140	139½	140
Tata Power (1,000)	1,397½	1,407½	1,400	1 407½
INSURANCE COS.				
British India (10)	13	—	—	13
Empire of India (100)	640	—	—	640
Ind Mercantile (20	40	41	40	41
Jupiter (13)	7½	7½	7	7
New India (15)	45½	48½	46	48½
Oriental (200)	7,500	7,760	7,725	7 760
Universe (10)	9½	—	—	9½
Vulcan (10)	12½	—	—	12½
STEAMER COS.				
Scindia (15)	17-12½	18	17½	17-8½
STEEL COS.				
Ind Iron (10)	29-8½	30½	29½	29½
Tata Steel Defd. (50)	2 193½	2 237½	2,18½	2 232½
Tata Steel Ord (75)	367½	374	366½	372½
MISCELLANEOUS				
Alnach Ashdown (100)	358½	358½	347½	347½
Associated Cn. (100)	154½	155	154½	154½
Belapur Sugar (5)	256	258	257	257½
Bom. Burmah (125)	418½	420	413½	414½
(New) (50)	146½	147½	143½	144½
Br. B. Petrol (4 sh.)	3 3½	3½	3-1½	3-1½
Br I. Corpn. (5)	9½	9-3½	9	9-2½
Indian Corpn. (2 sh.)	3¾	3½	3½	3-1½
Ind. Inv. Tr. (100)	76½	—	—	80
Kermp (200)	265	265	261½	263½
Killicks (100)	170½	—	—	170½
Killicks (75)	95	—	—	95
Phillips Sugar (50)	95	95	93½	94½
Pearl Lamping (100)	31½	28½	27½	28
Premier Cm. (30)	113½	116½	114	114
Rohtagi Cor. (10)	72½	73½	72½	73
Tata Oil (25)	13-9½	14½	13½	13-15½
Waldies Ind. (100	178	178	168½	168½
W. I. Match (100)	170	170	168½	168½
	209½	210½	205	205

GOVERNMENT SECURITIES	Rs.	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	99½	—	3 30	99½
2½% 1955	99½	—	3 60	99½
2½% 1961	90	—	3 94	90
2½% 1960	93	—	3 87	93
2½% 1962	91½	—	3 88	91½
2½% 1974	82½	—	3 96	82½
2½% 1957	98½	—	3 52	98½
3% 1958	90½	—	3 45	98½
3% 1959-61	98½	3 78	3 57	98½
3% 1963	97½	—	3 87	97½
3% 1963 65	93½	—	3 87	93½
3% 1966-68	90½	3 98	3 81	90½
3% 1970-75	89½	3 99	3 87	90½
3% 1986 Con. Loan	89½	4 12	3 92	89½
3½% 1954-59*	99½	—	3 64**	99½
4% 1960-70	100½	3 34	3 48	100½
4½% 1955-60	102	3 63	3 84	102
4½% 1958*	102½	3 96	4 08	102½
3½% 1961 N.P. Bonds	98½	3.27	4 04	98½

BRITISH GOVERNMENT SECURITIES

	22-3-'54 £	High £	Low £	24-3-'54 £
2½% Brit. Consols	64½	64½	64½	64½
3% Savings Bonds 1965	79	—	—	79
3½% War Loan 1955-59	89½	—	—	89½
3½% War Loan 1952	86½	85½	86½	86½
4½% Brt. Iron and Steel 1976-78	94½	—	—	94½
4 % Funding Loan 180-90	102½	—	—	102½

** Current Income. xd.—Ex-dividend. * Rupee Counterparts.

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COMMERCE

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

VOL. LXXXVIII. No. 2250 BOMBAY, 3 APRIL, 1954 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

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Madras Representative: M. SUBRAMANIAM, M.A., Theosophical Society, Adyar, Madras, 20.

RETENTION PRICES FOR STEEL

FOR the third time, the Government of India has disagreed with the Tariff Commission on major issues. The first occasion was in respect of the fair ex-works retention prices for the steel produced by the Tata Iron and Steel Co., Ltd. The second was in respect of the prices of cement. The third occasion, which is only a few days old, is in respect of the retention prices for steel manufactures of the Indian Iron and Steel Co., Ltd., the second largest steel-making company next to the Tata Company. It is noteworthy that all the three instances relate to the question of determining the fair price for the output of pivotal industries, on the progress of which depends the country's economic growth. This is, therefore, a serious development, deserving of greater attention of all those who are interested in the economic progress of this country than it has received so far. It is true that the Tariff Commission is only an advisory body and that the Government is not bound to accept its verdict in all cases. But the Commission is an autonomous body and not a department of the Government, subject to the whims of the Ministers concerned. Its status is equal to that of a quasi-judicial body and, if its advice were to be often turned down by the Government, it would cease to inspire confidence in those who seek justice from it. This will be particularly so, where the Government is an interested party, as it happens to be in the case of the three commodities in question. The Government's reasons for differing from the Commission in all these three instances are not, in our opinion, quite convincing.

In the case of the Indian Iron and Steel Co., Ltd., the difference of opinion between the Government of India and the Commission is on three counts: (1) the extent of increase in the retention price for the Company's steel, (2) the size of the block, and (3) the period for which the revised price is to be in force. The Tariff Commission's enquiry revealed that an increase of Rs. 66 per ton of saleable steel produced by the Company would be a fair one. The Government has differed from the Commission on this point. It is of the view that an increase of Rs. 59 per ton would do. An important point that needs to be mentioned here is that, in arriving at the figure of Rs. 66 per ton, the Commission did not depart from the Government's decision in regard to the rate of return on the gross block of the Tata Iron and Steel Co., Ltd. It will be remembered that the Commission had recommended in the case of this Company a return of 10 per cent., but the Government allowed only 8 per cent. The same thing happened in regard to the cement industry, too. Apparently, in deference to the Government's views on this subject, the Commission did not venture to stand by its conviction again and get a rebuff. This is rather unfortunate, in that it may give rise to the impression that the Commission is chary of incurring the Government's displeasure by asserting its independence. If the Commission had felt that, in the larger national interests, a return of 10 per cent. was the proper rate, it should have persisted in advocating that rate.

Even though the Commission determined the price on the same basis as the one adopted by the Government in regard to the T.I.S.Co., by the Government has not accepted its suggestion in full. Two reasons are mentioned for doing so. One is that, in estimating the average production for the four years, 1953 to 1956, the Commission should not have made allowance for the low production in 1953. The second reason is that, for reasons to which we shall presently refer, the Government has chosen not to allow any return on the gross colliery block (that is, the capital expenditure incurred by the Company in developing its own collieries, which some have chosen to describe as "captive" collieries), while the Tariff Commission had allowed the same rate of return on that asset as on other block items. As the value of colliery block is Rs. 20 lakhs only, the reduction made by the Government in the price suggested by the Commission could be no more than Re. 1 per ton on this score. This means that the Government has disallowed an increase of Rs. 6 per ton solely on the ground that the Commission had taken into account the low level of production in 1953 and made an allowance for it. But competent circles feel that the cut of Rs 6 per ton is more than that warranted by this factor alone. They surmise that the Government must have estimated the possible level of the Company's production at a much more liberal level than the Commission. As the Government's resolution and the Press note on this subject is not quite communicative, it is not possible for us to be dogmatic on this question. It is a pity that the Government's *communique* should be very brief and vague, instead of being comprehensive and informative, as, indeed, it ought to be, especially when the authorities differ from the Commission's conclusions. In the absence of fuller details, how do they expect the Press to build a well-informed public opinion? It is needless to add that the Government's case would have been strong, if it had explained in detail as to why it was not in a position to agree with the Commission's estimates.

In so far as the Commission is concerned, it has explained in a fairly convincing manner the reasons for estimating the Company's production of finished steel at 280,000 tons. The actual production in 1952, a normal year, was 312,542 tons. But, owing to the dislocation that will be caused in the normal operations of the Company by the implementation of the expansion programme, which is scheduled to be completed by the end of 1956, the production may not average more than 280,000 tons per annum. It may be mentioned here that, in the case of the T.I.S.Co., the Commission estimated the loss of production arising in similar circumstances at about 20,000 tons; that is, this Company's production is expected to decline from 780,000 tons to 760,000 tons by 1956. But, in the case of the I.I.S.Co., although its total output is less than half of the T.I.S.Co's production, the fall is expected to be greater, because the expansion aimed at is more than double its present productive capacity of steel. Thus, whereas the T.I.S.Co's programme provides for an increase of only 150,000 tons, from 780,000 tons to 930,000 tons, the I.I.S.Co's scheme envisages an increase from about 310,000 tons to 700,000 tons. The production of the I.I.S.Co., is, therefore, expected by the Commission to suffer a larger amount of dislocation than that of the T.I.S.Co., in the next three years.

Is the Government justified in not taking into account the loss of production sustained by the Company in 1953 on account of labour disturbances? On the surface, the Government's stand appears to be perfectly right. For to recognise the loss of production caused by strike and give a weightage for it in the quantum of price increase would tantamount to rewarding the intransigence of workers and encouraging acts of indiscipline among them. But, in this case, there are other factors that deserve to be taken into consideration. The strike was due purely to political reasons and the Company's management was in no way responsible for it. Why then should the Company be penalised for it? If the Government wanted to see that the workers got no benef

price as recommended by the Commission, it could have granted the full increase in price for 1953, subject to some suitable conditions.

The Government's decision to apply the revised retention prices only up to 31st March, 1955, instead of up to 31st December, 1956, as recommended by the Commission, is understandable in the light of its explanation, referred to elsewhere in this issue. The only criticism to which it is open is that the Government should have thought about this even at the very outset and given precise instructions to the Commission to that effect. It is true that, in asking the Commission to fix the price for as long a period as possible, the Government had stated that a common date might be adopted for both the I.I.S.Co. and the T.I.S.Co. and that the Commission should be sure that, during the period chosen by it, there was no likelihood of any major change in the Company's production. But this advice contained no specific directive and clearly left the matter to the discretion of the Commission. In the present context of disagreement with the Commission, the announcement that the principles of price fixation hitherto followed themselves require revision is likely to be interpreted as an act of censure against the Commission. Moreover, it does not redound to the credit of the Government itself, for it is an indication of lack of forethought and consistency in Government's policies.

That the present method of relating depreciation and return on investment to gross block is defective has been known for a long time. These defects were lucidly explained by Mr. Padamji Ginwala in a series of articles contributed to this journal as early as in August last. Why did it take such a long time for the Government to discover them? The main consideration on which Mr. Ginwala pleaded for a change in the method of determining prices was that the present system allowed a very low return to producers. "It is of vital importance," he said, "to discontinue the practice of calculating the depreciation and return on the historical value of the block account, for it is obvious that an allowance on this basis would be wholly inadequate to any new units coming into an industry which already comprises several old units. Also, unless it is the intention of the Government that every industry should remain indefinitely the monopoly of the units in existence, they must take courage in both hands and allow a special rate of depreciation and return on capital to all the units on the present-day cost of a new unit. If they cannot muster as much courage as this, then they must give up the talk, which may be regarded as idle, of encouraging the development of industries in the private sector. They must, at the same time, be prepared to continue the burden on the producer or the consumer, as the case may be, indefinitely, because the gap in the supply and the demand which justifies protection or control cannot be closed."

If it is the foregoing consideration that has led the Government to the decision it has now taken, then its move is welcome, belated though it is. But, if it has been motivated by the feeling that the steel producers have been getting a generous return and that, therefore, the basis should be changed in such a way as to see that they get less than they do at present, then the move would cause consternation among the companies concerned, which, in turn, might have an adverse effect on their enthusiasm to increase their output. In view of the fact that the Government has been parsimonious even in accepting the recommendations of the Tariff Commission, could they be blamed if they were to fear that the move might be for a change for the worse? By not stating clearly the exact reasons for its present move, the Government has thus needlessly introduced an uncertain factor. Are such steps in consonance with the era of economic planning in which we are supposed to be? We wonder.

An important question that arises from the Government's latest move is: who is to conduct the proposed enquiry into the question of determining the principles of price fixation? Surely, it is no use referring the matter again to the Tariff Commission, inasmuch as the latter's findings and recommendations have failed to win the approval of the Government. A departmental enquiry will not satisfy the producers, especially in the present context of lack of confidence by the Government in whatever they say. It will be quite pertinent to recall here that it was because there could be no mutual agreement between producers and the Government through departmental enquiries in the past that the whole question was referred to the Tariff Commission. A departmental enquiry would not, therefore, be a satisfactory way of deciding the issue. The only alternative is to appoint an independent commission which will have the assistance of some impartial experts. In this connection, we would commend for the consideration of the Government the following suggestion which Mr. Ginwala made in the course of his series of articles to *Commerce* already referred to:

". . . . All public bodies, like individuals such as lawyers, doctors, engineers or arm-chair doctrinaires who specialise in one particular subject as experts, develop, what may be called, a single-track mind. I do not claim that I or other members of the earlier Tariff Boards did not suffer from this common human infirmity. But we were concerned only with helping to administer the policy of protection which the baneful influence of the single-track mind may have some time affected. But we were not called upon to fix, as part of our duties, the retention prices also of controlled industries for the simple reason that there were none such in our time. Where, as I have explained, there is a fundamental difference between the two classes of industries by which the burden of the sacrifice is reversed, the single-track mind is not conducive to accomplish very satisfactory results.

"My suggestion, therefore, is that, for fixing the retention prices of controlled industries, an entirely separate body, called the Price Fixing Board, as in other countries, should be appointed. Such a body should, where possible, consist of an independent chairman and representatives of the producers, the consumers and labour. It may be advisable to have a separate *ad hoc* Board for each important industry. Such a body should not only fix the retention prices of industries in the private, but also in the public sector, such as the Sindri Fertilisers, the machine tool industry, public utility services, electrical and irrigational undertakings, etc. It is only thus that Government enterprises can be properly controlled in the same way as the industries in the private sector, and prevented from charging whatever prices they like to the consumer, and from deteriorating into preventible inefficiency. The Auditor General and the Public Accounts Committees of Parliament only carry out belated post-mortem examinations which seldom do much good. It is necessary that investigations should take place from time to time to regulate the selling prices of Government enterprises and to minimise the waste of public money through incompetence, ignorance, corruption, want of experience or any other similar cause."

As the suggestion is self-explanatory, any comment on it will be superfluous. All that is necessary to add is that the value of the suggestion has gone up since it was made, in view of the fact that, in four years from now, a Government-owned steel factory will come into existence in Orissa.

This article will be incomplete without a reference to the decision of the Government to postpone consideration of the question of return on the colliery block until the whole issue of retention prices is considered *de novo*. This means that both the steel companies will earn no return on this asset till the end of March, 1955. While the consequent loss of revenue to the I.I.S.Co. may not be appreciable, it will be quite substantial to the T.I.S.Co., as the value of its colliery block is fairly heavy. In taking this decision, too, the Government has changed its mind without advancing any convincing explanation. As readers are aware, in the case of the T.I.S.Co., the Government had referred this question to the Tariff Commission for reconsideration. We are not even told by the Government as to what are the recommendations of the Commission in this regard. But, in the light of what the latter has stated in regard to the I.I.S.Co. colliery block, it is obvious that it must have reiterated its earlier stand and recommended a return of 8 per cent. on the T.I.S.Co. colliery block. The unceremonious manner in which the Government has dismissed this question is, to say the least, not conducive to higher productivity in industry.

BIHAR'S FISCAL VIEWS

The first flush of post-independence idealism, which pervaded the State Governments' fiscal policies, is apparently yielding place to a more realistic appraisal of financial requirements. We recently welcomed the note of realism in the Rajasthan Government's memorandum to the Taxation Enquiry Commission. A similar note has now been struck by the Bihar Government. In its reply to the Commission's questionnaire, the Government has made certain observations which deserve wider notice. The Government thus recognises the need for capital formation; it says "when India is badly in need of capital for her development, a tax on capital would discourage rather than encourage capital formation." This is welcome, though it might be asked whether the Government is consistent when it demands that higher incomes should be more heavily taxed. Although this demand is put forward to satisfy the valid criterion that those who are able to pay more should be asked to pay more, it is necessary to bear in mind that, in this country, the higher income groups—the only class that sustains capital formation—are strictly limited in numbers. The Government is, however, on firmer ground when it argues that the incentive to save and to invest will be less affected, if the levy is for works of immediate local benefit, and goes on to advocate greater use of betterment levies and special assessments.

The Government's sense of realism is nowhere better seen than in its attitude to foreign capital, salt duty and prohibition. The tax rate on foreign capital, the Government says, should not be materially higher—the Government might as well have said, it should be materially lower—than what obtains in countries which compete with India for securing such foreign capital. Double taxation should also be reduced to a minimum by international agreements. It advocates the reintroduction of the salt tax, for it is a "very convenient way of making the rural class, who pay very little taxes, contribute their proper share to the revenues of the State." It reinforces its case for the salt tax by arguing that there "should be no objection to the introduction of this tax, since we have now taken to imposing sales tax even on foodgrains." Surely, if a tax on salt is unholy, a tax on foodgrains is sacrilegious in the extreme. The fact is that sentiment clogs right thinking on this issue. The Government is equally outspoken on the question of prohibition. It admits with refreshing candour that it is very difficult, in the context of the undeveloped nature of the country's economy, to find alternative sources of taxation to make good the loss of revenue through prohibition. It rightly urges the postponement of this issue till better days arrive.

Among other notable points made out by the Government in its memorandum, mention must be made of the suggestion that the net surplus earned by the State undertakings should be utilised mainly for financing capital projects and not for day-to-day expenditure. It adds: "Whether the surplus should be reinvested in the particular undertaking where it has accrued or whether it should be pooled into a fund for financing projects of development generally, should be decided upon the merits of each case." Again, the Government suggests that the local bodies should have ampler and more certain financial powers, so that they may not depend too much on grants. Although there is a great deal to be said for widening the financial powers of local bodies, it may be wondered whether these institutions, faction-ridden as they are, are properly utilising the powers they already possess. For fear of offending the taxpayers, the representatives on these bodies seldom support new tax proposals.

The Bihar Government's suggestion for a tax on newspapers and advertisements, to be administered by the Centre and distributed among the States, is a retrograde step. A tax on newspapers, it cannot be too strongly reiterated, is a tax on knowledge. And it is doubtful whether this young democracy can ever have too much of this useful commodity—knowledge and information. A tax on advertisements may, of course, appear to stand on a different footing. But, really speaking, it is not so. With the arrival of the buyers' market, the tax on advertisements will have to be borne by the newspapers themselves, in which case it is in no way different from the tax levied direct on newspapers. In any case, a newspaper already pays taxes in many ways, such as sales tax on paper, ink, pen, pencils, typewriters, printing machines, besides income-tax and corporation tax on its profit, if any. Further, in view of buyers' resistance, what is needed to stimulate economic activity is wide publicity through advertisement. It would be wise, therefore, to leave advertisements severely alone. A Government with some foresight will readily recognise that more advertisements will mean more sales of the goods advertised, on which a larger revenue will accrue to the Government through sales tax.

MOVE TO CONTROL CALL DEPOSITS

MORE ABOUT MUTUALISATION OF ORIENTAL—LIFE INSURANCE PREMIUM RATES

THURSDAY, 5 P.M.

THE week now drawing to a close has been a fairly active, though not an exciting, one on the Stock Exchange. Industrial equities have staged an all-round improvement, with textiles taking the lead. Gilts also have hardened, in the absence of sellers and due to the open market activity of the Reserve Bank. It was expected that, with the exit of Tata Deferreds from Friday last and with the certainty of a marked increase in the supply of Tata Ordinaries in the very near future—consequent upon the conversion and the issue of bonus shares—there would be selling pressure in the Ordinaries. But this expectation did not materialise. On the contrary, there has been sizable buying in this scrip by influential parties. The technical position of the scrip is also said to be in favour of the bulls. It is stated that the volume of floating scrips is not large and that the outstanding short-sales are still quite substantial. Perhaps, it is these factors that have been responsible for the smart recovery in this share even in the face of the Government's decision in regard to the retention price for steel produced by the Indian Iron and Steel Co., Ltd., not being quite favourable. As will be seen from our leading article in this issue, the Tata Iron and Steel Co., Ltd., will not get the once-hoped-for increase in the price of its steel by way of return on its colliery block. Further, the price of steel, after 31st March, 1955, will be revised on a new set of principles which are yet to be determined. It is not known whether these new principles would be more favourable or less favourable than those on which the existing prices have been determined. At the moment, however, the market does not seem to be worried by this future uncertainty. Evidently, it draws comfort from the fact that, in the accounting year 1953-54, the Company has done better than anticipated and that it should be possible for it to maintain, if not increase, the dividend at the previous year's level. Reports that the Company has been making good progress in implementing its expansion programme have also contributed to the buoyancy of the share.

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On cheerful reports from the cloth and yarn market, textile shares, which had remained rather neglected last week, have looked up once again. Prominent among these are Bombay Dyeings, Centuries, Kohinoors, and Gokaks. There have been no new developments in regard to the first two scrips, their appreciation in value being due to the renewed recognition of their intrinsic merits. As regards Kohinoors, there have been reports that the management has decided to reduce the production of art silk in No. 3 of the Company's mills, as the profit-margin on this commodity has dwindled in view of the imposition of excise duty and the difficulty in getting sufficient quantity of art silk yarn, and devote the capacity, thus released, to produce cotton goods, especially sanforised and anti-crease cloth. The spurt in Gokaks is due to the announcement by the Company's Chairman at its annual general meeting, held early this week, that the Directors propose to capitalise a part of the reserves and issue one bonus share for every four shares. The gradual rise in the price of sugar has revived interest, albeit scattered, in Belapurs. The fancy for Bombay Burmahs is being maintained and so also that for Scindias. Selective buying, based on favourable dividend expectations, has been a feature of miscellaneous shares.

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The persistent reports that Mr. C. D. Deshmukh, Finance Minister, Government of India, has tendered his resignation to the Prime Minister, have been practically ignored by the market, because it is confident that, ultimately, Mr. Deshmukh will yield to the persuasion of common friends and withdraw his resignation, if he has already resigned, or refrain from doing so, if he has decided upon it. That there have been serious differences of opinion between him and other members of the Cabinet, not to mention the Congress Party on a number of subjects is not denied. One of them is said to be rationalisation of industry. His remarks on this subject, as will be observed from the extracts from his speech published on page 659, cannot be said to break any new ground. They are just a rehash of the position that has already been accepted by the Government and the Planning Commission. Be that as it may, the consensus of opinion in City financial circles is that it would be very unfortunate if Mr. Deshmukh were to leave the Government at this crucial stage of the country's economic development.

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The stringency in the short-term money market persists and banks are keen bidders of both call and term deposits. The demand for accommodation is so strong that banks are prepared to pay 3 per cent. even for small amounts repayable on demand. Now that the tendency for current account holders to switch over to call deposits has more or less come to stay, some of the banks, especially the big ones, are complaining that the burden of interest rates is increasing beyond all reasonable limits. For all practical purposes, almost all current accounts, having more than Rs. 25,000 and earning ½ per cent. per annum, have automatically become call deposits, receiving 3 per cent. per annum. This development and its implications were fully described by Mr. Pranlal Devkaran Nanjee at the last annual meeting of the Indian Banks' Association, of which he is Chairman. A reference to his speech on this occasion appears in the appropriate section of this issue. It will be seen, therefrom, that he feels that something must be done by all banks collectively to end this trend at an early date. It would appear that the matter is already receiving the attention of the monetary authorities and that very soon the opinion of all the leading banks on this question will be sounded. Informal discussions at the highest level between some of the leading Indian banks and the monetary authorities are reported to have taken place during mid-week. A committee of bankers may be appointed to study the problem and suggest ways and means of solving it. The co-operation of Exchange banks will be solicited in this matter. It must, however, be made clear that the move is still at the preliminary stage, though it is being vigorously pursued.

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Both gold and silver have been presenting a firm front. In gold, arrivals have slowed down, stocks are modest and the demand is good. In view of the cordoning of Pondicherry and the tightening of security measures all round the small foreign pockets in the country which are the ports of entry for smugglers, market circles expect a decline in the arrival of contraband gold. This possibility has encouraged a certain amount of bullish activity. In silver, the floating stocks are negligible, while there has been moderate revival of demand.

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Reports about the newly opened London market indicate that the price of gold is quite steady at about 248s. 4d. per fine ounce, as against the initial fixing of 248s. 6d., though the turnover has been small after the initial burst of enthusiasm. Commenting on the first day's trading in gold on the London market, Oscar R. Hobson, City Editor of the *News Chronicle*, observes as under:

"After its Rip Van Winkle slumber for fifteen years, the London gold bullion market made quite an auspicious debut yesterday (22nd March). The six firms of refiners and bullion brokers duly met at Rothschilds' office as they always did before the war and 'fixed' the price. They fixed it on the basis of such buying and selling orders as had arrived in their respective offices prior to (or even during) the fixing—each firm first 'marrying' its own buying and selling orders and appearing at the fixing either as a net seller or net buyer.

"For this reason no aggregate volume of turnover is ascertainable—though turnover was described as 'moderate or good.' One certain fact about the business is that Rothschilds were, on balance sellers of gold, for Rothschilds act for the Bank of England and the Bank of England acts for the South African Reserve Bank which handles the newly mined South African gold. South Africa, some years ago, undertook to sell a minimum of four million ounces a year (say £1 million worth a week) of her current output to London and this gold will now be sold in the open market and will beyond question form the great bulk of the metal handled there.

"The buyers yesterday were the Middle East and the Far East, where there are still unsatisfied 'hoarders' willing and able to pay dollars for gold. Gold, it must be noted, can only be bought on the London market with dollars or (which comes to the same thing) American or Canadian account sterling, or with the new 'registered sterling' which can only arise from previous gold or dollar sales and cannot, therefore, yet exist. The price 'fixed' by the six firms yesterday morning was 248s. 6d. per fine ounce. Gold can be sold without limit in New York at $35 an ounce. This at the official exchange of $2.80 to the £ is equal to 250s., but, as it costs about 3s. an ounce to transport and insure the gold to New York, the 'parity' price is about 247s. (or less if the dollars have to be bought at the present rate of exchange). Yesterday's London price—and a good deal of business was transacted among brokers and banks after the fixing at about the same price—thus represents a small premium over shipping parity. Should the hoarding demand subside and gold have to be sold at the shipping parity, it will probably be moved by air. There was discussion on the Baltic Exchange yesterday about the potentialities of this new air freight business, which would, of course, save interest on the gold while in transit."

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Remarking that the elasticity for the bullion market may be the harbinger of similar elasticity in the foreign exchange market, the *Economist* says:

"The shipping parity is the 'floor' below which the sterling price of gold cannot fall so long as the U.S. Treasury buys at the present official price and so long as the sterling dollar rate remains anchored to the present parity. The London market price could go higher than the mint parity; theoretically, indeed, there is no determinable ceiling to it since there are no monetary authorities in the world that are now prepared to sell gold at a fixed price and without restrictions as to destination or amounts. It is, however, difficult to conceive conditions in which the London price of gold would rise to a substantial premium on the mint parity, now that hoarding demand is at such a low ebb and now that the potential supplies, including those that may come from Soviet Russia, are known to be considerable. It is significant, however, that the British monetary authorities are prepared to allow the re-opening of a market in which the value of sterling in terms of gold can be measured day by day within a range of prices that is not directly limited."

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The move by the Directors of the Oriental Life Company to convert it into a policyholders' company would appear to be entering the last stage. Although there is no statutory obligation on the part of the Directors to obtain the prior consent of the Government, they have done so informally. An understanding has also been reached with the Government in regard to the rate and mode of compensation payable to the shareholders. The compensation is believed to be of the order of Rs. 8,500 per share. This will be paid in the form of debentures repayable in instalments in five years. The rate of interest on the debentures will be either 4 or 4½ per cent. The interests of debenture-holders will be safeguarded by retaining on the Board the existing shareholders' Directors as trustees, but their number will be progressively reduced as and when the debentures are repaid and the representation for policyholders will be increased proportionately. When all the debentures are repaid, the Board will consist entirely of policyholders' representatives. There is, however, one point on which the Government and the Directors are not agreed and it is this hitch that is holding up the scheme. The Government, it is learned, wants to avail itself of this opportunity to have representation on the directorate of the Company. It is insisting that there should be a few of its nominees on the Board of the mutualised company, in order to ensure sound management. Apparently, the Government apprehends that all sorts of people might get elected to the Board as policyholders' directors and the vast resources of this biggest life office in Asia might be mismanaged. The Directors of the Company are, however, unable to appreciate this novel demand and do not know in what capacity the Government could be accommodated on their Board. The matter is still under discussion with the Government, but an early understanding is expected.

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The Executive Committee of the Life Insurance Council (Chairman: Mr. K. G. Ambegaokar, Secretary to the Finance Ministry, Government of India), which met this week in Bombay, it is learned, considered the situation created by the drastic reduction in premium rates by leading insurers. Since this issue cannot obviously be brought within the scope of the Code of Conduct, the Committee presumably considered the matter only in a general way. The Committee felt, however, that, to the extent that reductions have been brought about by increasing the minimum sum to be assured under policies and/or by reducing the rate of commission customarily payable on such policies, the insurers concerned have offended against the spirit of the principles laid down by the Committee. As insurers have, therefore, been requested to revise, before 30th April, 1954, their rates so as to eliminate these features. Other insurers, who may be contemplating reduction, have also been requested to refrain from introducing such features in their new tables.

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The objectionable features, referred to by the Committee, are thus increases in the minimum sum that might be assured and reduction in the agents' commission. This refers to certain whole life policies, in which the insurers concerned have both increased the minimum sum of assurance to Rs. 10,000 and reduced the agents' commission. This higher figure was prescribed for these policies, because it was believed that such policies would appeal only to the rich or to those who are liable to pay estate duty. The rates were laid down with an eye to investment element which would appeal to this class of persons. And the rate of commission was lowered, because the agents, it was thought, would easily be able to secure business for large sums under the new plan without having to part with a part of their commission. Since these features have been declared objectionable, the insurers will have to step up their premium rates if they decide to heed the directive of the Committee. Although the precise extent by which the premium rates will have to be stepped up is difficult to calculate, it is believed that it might be of the order of 10 to 12 per cent., as against the 25 per cent. cut effected originally, so that the rates for these whole life policies would, even after the Committee's requirements have been met, still be 12 to 13 per cent. below the level of rates which prevailed previously.

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Yet another decision taken by the Committee was to appoint a sub-committee to examine to what extent the premium rates, as they existed on 1st January, 1954, could be reduced on the basis of actual underwriting experience of life insurers in India. It would appear that the sub-committee will consist of three actuaries of three leading life insurance offices in India, besides Mr. C. A. Pandit, the well-known consulting actuary. This four-man sub-committee is expected to submit its report before the end of May, 1954. The findings of this sub-committee of leading professional actuaries will, naturally enough, be awaited with interest.

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Since the Committee could do no more about the complex issues arising from the reduction in premium rates than ask for slight readjustments in certain whole life policies and appoint a sub-committee to go into the question, the insurers, who had hoped that the Committee would intervene more strongly in the matter, would now appear to have practically reconciled themselves to the new era of lower premium rates. About four or five insurers have, therefore, come out with their premium rates drastically reduced. Many more are likely to follow the lead. It now looks as though lower rates of premium have come to stay.

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Although the reduction in premium rates should encourage, rather than discourage, all

(Continued on page 659)

BULLISH TREND IN EQUITIES

TEXTILES WELL FAVOURED

(From Our Own Correspondent)

BOMBAY, 1st *April*

THE most notable event of the week under review was, as indicated previously, the elimination of the Tata Deferred shares from the trading ring. After a momentous career extending over 47 years, these shares were taken off the list from Monday, 29th March. The general expectation that after the elimination of this leader of the market, activity in the market would be dull was belied by the market's performance in the last four days. For, under a spell of speculative support and nervous short-covering, strong bullish fervour prevailed over the Stock Exchange during the week under review. Though no individual scrip took the place of Tata Deferreds, textile shares as a group took the lead and gave a stimulus to the market as a whole.

The announcement of the increase in the retention price of steel for the Indian Iron and Steel Co., Ltd., did not have any cheering effect on the Company's shares. As often happens, the value of the shares had already been raised several weeks previously in expectation of the news. However, there was an element of disappointment in the announcement, in that the increase in retention price at Rs. 59 per ton was below the market's expectation of Rs. 65 per ton. Presumably on account of this disappointment, there was some tired liquidation from Calcutta interests. The selling wave, which was also due to end-of-account consideration, however, did not last long and there was again a recovery on revival of support.

The resumption of business in the new account witnessed colourful trading, with operators' interest focussed on textiles. These shares scored handsome gains on a widespread scale on heavy short-covering prompted by technical considerations as well as reports of broadening demand for textile shares. Under their leadership, the whole market forged ahead. Rumours of devaluation of the Pakistan rupee and buoyant commodity advices sustained speculative buying. There was, however, occasional profit-taking, but this was readily absorbed and the main body of shares finished with a firm undertone.

Steel shares were very steady, though relatively less active than textile shares. Trading in Tata Deferreds opened with a drop of about 28 points at Rs. 2,205, but retrieved a good part of the loss and ended its career at Rs. 2,220 on 26th March. Tata Ordinaries opened the week at Rs. 369 and moved up to Rs. 372-8 before closing on the same day at Rs. 370-12. On Monday (29th March) these shares were listed *ex-right*. Starting at Rs. 186-4 *ex-right*, they advanced to Rs. 189 yesterday. After a drop to Rs. 187 today, the shares closed better at Rs. 189-4. In spite of the announcement of the increase in retention price, Indian Irons came under pressure and dropped from Rs. 29-11 to Rs. 28-15 on Monday. Fluctuating narrowly in subsequent trading, they recovered to close at Rs. 29-13.

Textile shares were buoyant with impressive gains all round. After an initial drop from Rs. 413-12 to Rs. 410, Bombay Dyeings advanced to Rs. 427-8 yesterday, but a brief spell of profit-taking brought them down to Rs. 420-10 today. The closing was, however, better at Rs. 423-12. Kohinoors rallied from Rs. 304-4 to Rs. 317-12, but finished at Rs. 315-8. Centurys staged a marked rise from Rs. 325-8 to Rs. 335-8, before closing at Rs. 333. Central Indias were lifted by Rs. 6-8 to Rs. 184-8 and Finlays by Rs. 5 to Rs. 266. Gokaks gained Rs. 9 to Rs. 273, following the announcement of a bonus issue of one share for every four shares. Indore Malwas also participated in the general upward movement and picked up Rs. 11-14 to Rs. 120.

Bank shares were featureless with subdued activity. Barodas were unchanged at Rs. 110. Centrals were quiet at Rs. 56-4 and their new shares at Rs. 59. Imperial Fully Paids were a shade better at Rs. 1,785, while the Contributories were a fraction lower at Rs. 430.

Electricity issues were in the limelight and smart gains were recorded in almost all counters. Ahmedabads were wanted Rs. 2-8 higher at Rs. 117-3. Bombay Suburbans were in demand and rose by Re. 1-14 to Rs. 121-14, Poona Electrics by Re. 1-4 to Rs. 128-12 and Surat Electrics Re. 1-4 to Rs. 127-8. Tata Hydros put on Rs. 3-8 to Rs. 143-8, Tata Powers Rs. 43-12 to Rs. 1,451-4 and Andhra Valleys Rs. 32-8 to Rs. 1,340.

Several bright features were noted in the miscellaneous section, which proved no exception to the general market trend. A.C.C. came in for good support and moved up from Rs. 154-12 to Rs. 158-12, before profit-taking brought them down to Rs. 157-4. Belapurs appreciated from Rs. 257-8 to Rs. 263. Phaltans put on Rs. 3 to Rs. 97-8. Bombay Burmahs came up from Rs. 414-6 to Rs. 425, but closed lower at Rs. 422-8. Alcocks advanced by as much as Rs. 11-4 to Rs. 358-12. B.B. Petrols were steady at Rs. 3-2½. B.I.Cs. were done at Rs. 8-8½ *ex-div.* as against Rs. 9 *cum-div.* Indian Coppers were steady at Rs. 3-1½. Killick Industries rose by Rs. 2-8 to Rs. 173. Premier Constructions were heartened by the announcement of a higher dividend of Rs. 6 per share, as against Rs. 4-8 last year and rose sharply by Rs. 16-12 to Rs. 130-12. National Rayons were again in the limelight with a rise of Rs. 8-4 to Rs. 164-8. Scindias rallied from Rs. 17-8½ to Rs. 18-5 on the announcement of an increase in the paid-up value of the share from Rs. 15 to Rs. 20.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 31*st March*

Conditions on the Calcutta Stock Exchange during the week received a setback, as the announcement of the Government decision to grant an increase of Rs. 59 a ton in the retention prices of steel produced by the Indian Iron and Steel Company, Ltd., for the period from 1st January 1953 to 31st March, 1955, caused some disappointment. For, the market had anticipated an increase of Rs. 66 a ton in accordance with the recommendations of the Tariff Board. This anticipation had been earlier discounted fully, and as such, the loss in the quotation by one point following the announcement was no surprise. With this increase in the retention prices, the Government has also announced small increases in the selling prices of steel; the difference between these two will be met from the steel equalisation fund. In the case of production from 1st January, 1953, upto the end of March, the entire increase in retention prices will have to be met from this fund. For the 1953 production, which amounted to 244,000 tons, this increase works out to Rs. 144 lakhs, which will be returned to the Company from the equalisation fund.

When thus the leading scrip in the market staged a decline, the general sentiment was affected, and the selling which resulted thereby cut recent gains in several counters. However, teas and sugars were in the forefront, and in selected buying gains were recorded. Jutes were shown only nominal interest, as prices of jute goods remained unchanged. Although jute goods were the subject of moderate enquiries for export, buyers offered only low prices. Coal shares continued easy, and no change is anticipated when cost of production in collieries continues high, producers are demanding an increase in selling prices, exports are not expanding, and transport from collieries is deteriorating.

During the last two sessions, however, there was witnessed a revival of speculative interest with engineering and miscellaneous scrips being in the forefront.

Last Thursday Indian Irons were traded at Rs. 29-13, but for the reason already stated, declined to Rs. 29-9 on Friday and since then touched a low of Rs. 28-14. Fresh support both today and yesterday resulted in a recovery to Rs. 29-7. Burn & Cos. for most part of the week were maintained at Rs. 176, but today spurted to Rs. 179.

Activity in jutes was restricted. Anglo-Indias eased to Rs. 195 from Rs. 201, and speculative Howrahs to Rs. 24-2 from Rs. 24-7. The latter scrip was, however, better today at Rs. 24-5. After the recent spurt in Fort Glosters, a reaction took the rate down to Rs. 461. Gourepores declined to Rs. 288 from Rs. 302.

Shares of sugar mills received the keen attention of operators for a time, and although rates did not pick up impressively the number of transactions was higher.

A mixed trend was in evidence in the miscellaneous section. Dunlop Rubbers scored to Rs. 36-2 from Rs. 33-9. Another feature was the rise in F. & C. Oslers to Rs. 14 from Rs. 12-15. Rohtas Industries, after being fractionally lower at Rs. 14-4, recovered to close at Rs. 14-6. B.I. Corporations were quiet at Rs. 8-9, as were Indian Cables at Rs. 20-3. Martin Burns declined to Rs. 20-4 from Rs. 20-6, Angelo Bros. to Rs. 17 from Rs. 17-3 and Rallis Indias to Rs. 55-4 from Rs. 56. After giving way to Rs. 38-8 from Rs. 39-8 Titaghur Papers recovered to Rs. 39-6.

Teas continued to enjoy moderate support. At Rs. 326 Choonabhutis scored 11 points, and Hantaparas were lifted to Rs. 221 from Rs. 210. Hoograjulis hardened to Rs. 39-2 from Rs. 33-10. Support was afforded to Teliapara at Rs. 145, Bormahjans at Rs. 13-1 and Hansquas at Rs. 18-5.

A feature in the coal section was the advance to Rs. 45-4 from Rs. 43-8 in Khatras Jherriahs, Bengals were likewise better at Rs. 518. Other counters were weak.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 30*th March*

The most notable development in the Madras Stock Exchange, during the week under review, was the firmness in tea scrips, following encouraging enquiries for tea leaves from the U.K. and the Continent. Coffees also came in for good demand, presumably on professional support. But rubbers witnessed some slight selling in selective scrips. Consequently, among planting shares, teas and coffees recorded generally sizable gains, while rubbers disclosed minor losses. Among others, the performance of textiles was not encouraging, as profit-taking caused losses in the values of some popular counters. Miscellaneous scrips were out of shape. Banks ruled almost dull.

In the textile section, Bangalore Woollens were done at Rs. 402 *ex-div.*, as against Rs. 415 *cum-div.* and Buckinghams Rs. 140-8 *ex-div.*, as against Rs. 145 *cum-div.* Coimbatore Cottons changed hands at Rs. 207 *ex-div.*, as compared with Rs. 222 *cum-div.* Maduras were enquired at Rs. 39-8 *ex-div.*, as against Rs. 42-4 *cum-div.* Metturs put on Re. 1 to Rs. 233. Vasantas were in demand at Rs. 176 *cum-div.*, as against Rs. 180 *ex-div.* The Directors have maintained the dividend of 12 per cent. on the ordinary shares for the year ended 31st December, 1953.

Teas came in for brisk enquiry, among plantings, as stated at the outset. United Nilgiri Teas put on Re. 1 to Rs. 197. Peermades were higher by As. 12 at Rs. 34-12 *cum-div.* and Devons by As. 8 at Rs. 13. Taiyar Tea gathered As. 6 to Rs. 10-1 and Blue Mountains As. 4-6 to Rs. 2-14-6. Twyfords advanced by As. 6 to Rs. 15-8. Hafleyburias were quiet at Rs. 16-4. The Directors have proposed to increase the authorised capital from Rs. 10 lakhs to Rs. 25 lakhs by the issue of 150,000 ordinary shares of Rs. 10 each.

Rubbers met with selective enquiry. Thamaraipallys improved by As. 6 to Rs. 17-6. Cochin Malabars advanced by As. 3 to Rs. 6-15. Thirumbadis were up by As. 2 at Rs. 3-4. But for these, almost the rest were either easy or quiet. Vaikundams, however, lost As. 2 to Rs. 16-12. Kailas was fractionally lower at Rs. 4-4½. Be Bes were dull at Rs. 2-13 and Malankaras at Rs. 37-4. *Cum-div.*, as against Rs. 8-12 *ex-div.* The Directors have declared a final dividend of 7½ per cent., thereby making a total of 10 per cent., for the year ended 31st December, 1953, as against 6 per cent. in the previous year.

Coffees ruled bright. Coffee Lands and Consolidated Coffees gained As. 14 each to Rs. 10-2 and Rs. 17-8 respectively. Mysore Coffees and Puthuthottams advanced by an anna each to Re. 0-14½ and Rs. 3-5, respectively.

In the miscellaneous section, Dalmia Cements gained Rs. 5 to Rs. 9-9 and Andhra Cement 'B' As. 2 to Rs. 11-4. Aluminium Industries rallied As. 2 to Rs. 13-6.

Notices

THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Maharaja's Office (Raj Secretariate) at Darbhanga, on the 26th day of April, 1954, at 9 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended 31st August, 1953, and the Balance Sheet and Report of the Auditors thereon.
(2) To declare a Dividend.
(3) To elect a Director in the place of the retiring Director.
(4) To elect Auditors for the ensuing year and to fix their remuneration.
(5) To transact the ordinary business of the Company.

The Share Transfer Books of the Company will be closed from the 17th April, 1954, to 26th April, 1954, both days inclusive.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA, 19*th February*, 1954.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1964-68 will be closed for transfers from 17th April, 1954, to 30th April, 1954, both days inclusive.

C. W. MIDDLETON,
Secretary & Treasurer,
Imperial Bank of India,
Agents for the Standard-Vacuum Refining Co. of India Ltd., for the management of the Debentures.

IMPERIAL BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1, 30*th March*, 1954.

NEWS IN BRIEF

THE Government of Travancore-Cochin has made it clear that sales tax, under the interim arrangement announced by it recently, will be assessed only on tractions, which have taken place on or after April 1953.

A plant for the manufacture of silver from lead ore has been installed at a place near Katrasgarh by the Metal Corporation of India. The plant has an installed capacity of manufacturing 30,000 ounces of silver per month. So far nearly 10 maunds of silver have been produced.

The All-India Congress Committee has appointed an advisory committee to discusss *kisan* problems. The members include, among others, Mr. Gulzarilal Nanda, Union Minister for Planning, Irrigation and Power, and Mr. Ajit Prasad Jain, Union Minister for Rehabilitation.

It is learned that the *gur* and *khandsari* Association, Lucknow, has arranged to hold demonstrations of an improved process of *khandsari* sugar manufacture. The process, it is stated, gives a yield of about 7.5 per cent. sugar on cane—25 per cent. higher than that obtained by the usual *deola sajji* process.

The revised Five-year Plan of Madras includes four new irrigation and two new power projects. The irrigation projects are the Amaravati (Rs. 149 lakhs), Vaigai (Rs. 137.50 lakhs), Krishnagiri (Rs. 50 lakhs) and Sathanu (Rs. 75 lakhs). The power projects are Periar Hydro-electric scheme (Rs. 136 lakhs) and Kundha hydro-electric scheme (Rs. 50 lakhs).

The Government of India has announced that the packing charge for cement for the quarter commencing from 1st April, 1954, will be Rs. 11-15 per ton, as against Rs. 11-9 for the previous quarter. This maximum charge is applicable to cement packed in new bags only. Packing charges for cement packed in old bags will be a matter for settlement between the buyer and the seller, subject to the maximum indicated above.

The cut imposed by the Assam Government early last year on the minimum wages to tea gardon workers in the State to help the recovery of the tea industry from slump, has been restored in the Assam valley gardens and those gardens in Cachar yielding 7½ maunds tea per acre or more. In the case of the Cachar gardens producing less than 7½ maunds per acre, the cut has been partly restored.

The Government of Andhra has exempted *kalsons* who deal exclusively in handloom cloth from sales tax, with effect from 1st April, 1954. The tax is one and a half pies for every rupee on the turnover in such cloth, if sales are not exempt under section 5 ("1i) of the Madras General Sales Tax Act, 1939. The Government has also exempted sale of meat, fish, vegetables, fruits, flowers and eggs from the sales tax, with effect from 1st April, 1954.

The All-India Handicrafts Board has appointed a survey sub-committee, consisting of Mr. Nityanand Kanungo, M.P., Mr. S. V. Krishnamoorthy Rao, Vice-Chairman Council of States, Mr. C. M. Sukhia and Mr. L. C. Jain to study the reports so far submitted by the team constituted some time back by the Indian Co-operative Union, which is carrying out a nation-wide survey of Indian handicrafts. The sub-committee is assisted by an economist. The survey is being conducted under the auspices of the All-India Handicrafts Board of the Ministry of Commerce.

An agreement was signed on 30th March in New Delhi between the Governments of the United States and India providing funds for the Rihand River Valley Project (U.P.) The total joint cost of the first phase of the project, which is expected to be completed by 31st March, 1957, is estimated at a little more than Rs. 22 crores, of which the dollar expenditure under the agreement will be 11 million and rupee expenditure 16.69 crores. The dollar expenditure will be the U.S. contribution under the India-U.S. Technical Co-operation Agreement and includes a provision of 2.5 million dollars from the technical assistance funds for making technical services available, if needed. The rupee expenditure, which will be incurred by the Government of India, is towards the cost of construction, equipment, supplies and services.

The Government of India has now decided to release a further quantity of raw wool for export for the period ending 30th September, 1954. Export allotments will, on application, be given to past shippers upto 50 per cent. of the shipment effected by them during any one of the six half-years (January-June or July-December) in the three calendar years 1951, 1952 and 1953. Shippers who do not wish to change their basic period will be given allotments on application without production of evidence of past exports. Shippers who wish to select a period other than that already chosen by them for shipment for the period ended March, 1934 are advised that revised allotments will only be made after verification of their past exports during the period chosen by them for which they should produce documentary evidence of exports with the application.

The Industrial Committee on Cement, which met last week at Hyderabad under the chairmanship of Mr. Abid Ali, Deputy Central Labour Minister, agreed that steps should be taken to so reduce contract labour as ultimately to effect its complete abolition not later than June 1956. On the abolition of the contract system, labour employed on such work would be paid on the piece rate system, which will take into account the element of dearness allowance. Pending abolition of contract labour, the workers should receive wages and other facilities on the same basis as workers employed directly. It was also agreed that standardisation of wages was desirable and that Tripartite Central and State Wages (Standardisation) Boards should be set up, *inter alia*, to prescribe basic minimum (standard) rates of wages and dearness allowance and also to determine the formula for the payment of bonus. It was further decided that, in regard to matters on which agreement was reached by the Central Board, no dispute shall be referred by Government for adjudication within a period of two years from the date of the agreement. As regards enforcement of the Factories Act, it was agreed that Central and State Tripartite (Technical) Committees should be set up to draw up an agreement on the standard of compliance with the provisions of the Factories Act relating to safety, health, welfare and general working conditions.

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From Abroad

The U.S. Senate passed, on 25th March, a Bill cutting excise taxes by 1,034 million dollars. This is the first general slashing of such taxes in the past 30 years.

U.S. business and industry propose to spend, according to Government estimates, $27,200 million for plant and equipment this year. This represents a decrease of $1,200 million or 4 per cent. over the last year's high.

The Sinhalese Merchants' Association, at its annual general meeting held last week, adopted a resolution urging the Government not to allow non-Ceylonese to start new business ventures in Colombo and in all important provincial centres.

The Standing Finance Committee of the Pakistan Parliament approved, on 28th March, the setting up of an organisation to collect data regarding the Lilienthal proposal for the united development of waters of the Indus Basin.

Hungary is switching over its engineering factories to production of consumer goods. As a result, it is expected that eight times as many pots and pans will be produced this year, as compared with the previous year.

A trade agreement was entered into between Egypt and the Soviet Union on 27th March. Under the agreement, Egypt will receive from the Soviet Union tools, petroleum products, cereals and chemical and medical products. The commodities which Egypt will supply are not yet known.

Reports from Istanbul indicate that Turkey may receive from the U.S. a supplementary grant of $30 million (£10.7 million) by June, 1954 for the rehabilitation of its economy. This brings the total of such aid for the current financial year to $106 million (£37.7 million).

The U.K. Ministry of Materials has increased the selling prices for tungsten ores of standard 65 per cent. grade and of ordinary quality from 120*s.* to 130*s.* per unit for wolfram and from 115*s.* to 125*s.* for scheelite. These prices are per long ton unit delivered at consumers' works. This is the first increase in official prices after a long series of reductions.

Motorists in Britain are now paying a penny less for gallon of petrol. This is the result of the reduction in the price of standard grade fuel announced by the major petrol firms. Diesel fuel is reduced by one eighth of a penny. Premium grade petrol is not reduced. In November last, the price of standard grade petrol was cut by a half penny to 4*s.* 1½*d.* a gallon and of diesel fuel by half a penny.

It is learned that the U.K. companies have contracted to purchase from Russia several hundred thousand yards of grey cloth for finishing and re-exporting to West Africa. The first shipment of this cloth has already reached the U.K. The quality of this cloth, is comparable to that of the British and Japanese makes. Nothing so far is known about the price at which the cloth has been bought.

Special shipments of American wheat to Afghanistan to help that nation overcome threatened food shortage will begin by about 10th April. The initial shipment will be in the form of 3,000 tons of flour—equivalent to 4,000 tons of wheat. A total equivalent of 12,000 tons of wheat will be made available to Afghanistan under an agreement announced on 23rd March. Afghanistan will pay for the wheat in local currency which will then be used for Afghan economic development.

Over 450 delegates from more than 30 countries are expected to attend the International Railway Congress to be held in London from 19th to 26th May, 1954. The Congress will be the first international gathering of its kind to be convened in Britain since 1925. Indian Railways have accepted the invitation to send a delegation. The International Railway Congress will discuss a wide range of current problems and latest techniques, including maintenance, finance, electrification, staff recruitment, communications, participation in road transport, and modernisation of buildings. A great deal of international data has been gathered for the delegates' consideration by leading British officials. In addition to taking part in seven business sessions and sectional discussions, overseas delegates will be taken to see important railway centres in Britain where they will inspect recent technical developments. There is to be a special exhibition of British Railways and London transport locomotives, rolling stock, and civil and signal engineering equipment.

PERSONAL

MR. K. P. S. Menon, India's Ambassador at Moscow, has been concurrently appointed India's Ambassador to Poland.

Mr. E. J. Pakes, Chairman of Messrs. Mackinnon Mackenzie and Co., Ltd., left for England on retirement

Mr. I H. Anderson, a Managing Director of Mackinnon Mackenzie and Co., Ltd., has retired from service.

Mr. W. Jenkins, Director, Messrs. W. H. Brady & Co., Ltd., returned to Bombay this week after a short holiday in Australia and New Zealand.

Mr. H. I. Wonfor, Chairman and Managing Director of Messrs. Parry and Co., Ltd., Madras, is retiring from the Board of Directors of the Company.

Mr. S. M. Mistry has been elected President of the Association of Merchants and Manufacturers of Textile Stores and Machinery, India for the year 1954.

Dr. A. Laxmanaswami Mudaliar, Vice-Chancellor of the Madras University, returned from Paris last week after attending a meeting of the Executive Board of the U.N.E.S.C.O.

Mr. B. P. Patel, I.C.S., Municipal Commissioner of Ahmedabad, is to be appointed General Manager of the Bombay Electric Supply and Tramway Undertaking, *vice* Mr. J. P. L. Shenoy.

Mr. Jerzy Grudzinski, Assistant Director, Department of Press and Information, Ministry of Foreign Affairs, Government of Poland, has been appointed Poland's Ambassador to India.

Mr. Surottam P. Hutheesingh and Mr. Jaykrishna Harivallabhdas have been elected President and Vice-President, respectively, of the Ahmedabad Millowners' Association for the year 1954-55.

Mr. H. G. Treverton, until recently Regional Manager of the British Tabulating Machine Co., Ltd., for the Middle East, has succeeded Mr. D. W. H. Nelson as the General Manager of Hollerith (India) Ltd.

Mr. P. M. Lad, I.C.S., until recently Secretary, Legal Department, Government of Bombay, has taken over charge as Secretary to the Central Ministry of Information and Broadcasting from Mr. P. C. Chaudhuri, I.C.S., who has already been functioning as Secretary to the States Reorganisation Commission.

Mr. T. H. Harvey, a tutor in the Midland Bank training department, will be arriving in India shortly to take over the post of Instructor and Lecturer at the Indian Government's newly-established Banking Staff Training College in Bombay. He will join Mr. F. H. Hayne, also of the Midland Bank, who will be Principal of the new College. The services of Mr. Harvey have been made available by the U.K. Government under the Colombo Plan Technical Co-operation scheme.

Mr. Pranlal Devkaran Nanjee of the Dena Bank, Mr. H. C. Captain of the Central Bank of India, and Mr. P. S. Nayak of the Canara Bank have been re-elected Chairman, Vice-Chairman and Honorary Secretary, respectively, of the Indian Banks' Association for the year 1954. The other members of the Committee are: Messrs. A. C. Clarke (Bank of India), Mathew S. D'Souza (Bank of Baroda), R. G. Saraiya (United Commercial Bank), M. S. Captain (Union Bank of India), Shriyans Prasad Jain (Punjab National Bank), S. Krishnaswamy Iyengar (Indian Bank), Sanjiban Banerji (United Bank of India), S. L. Kothari (Bank of Jaipur), and C. V. Joag (Bank of Maharashtra).

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 6*th April*

Copper Mine Romance

A feature of the metal market two weeks ago was the further rise in the price of copper to £97 11*s.* 3*d.* per ton. This represented an advance of £7 3*s.* 9*d.* in one day and compares with £75 at the beginning of the year. It is the highest price since 1920. At one time in 1927 the price was down to £52. The price of best English selected, U.K. ports, rose at the end of last week to £100 12*s.* 6*d.* This continued increase in the price of copper since the beginning of the year has been based on the steady development of trade demand, especially from America and the Continent. The improvement in market values will, we anticipate, be agreeably reflected upon the financial position of the companies that are working the copper deposits of the Bawdwin mines, Northern Shan States, and those of the Singbhum District of Chota Nagpur. The upward movement spread also to lead and spelter. Foreign lead jumped £5 13*s.* per ton, the highest price since 1926. Today it is quoted at £26 12*s.* 6*d.* Spelter rose £2 2*s.* 6*d.* to £29 per ton, which is the best since 1927. One wonders, by the way, whether the managing agents of the Indian Copper Corporation, which was once known as the Cape Copper Company, are making any effort to re-establish themselves in South Africa, for the sensational reports that are now being received from the copper region of Northern Rhodesia are calculated to reawaken the firm's latest interest in that part of the world. Only a handful of people realise what is happening in Northern Rhodesia.



BOMBAY LABOUR POLICY

THERE is apparently a significant change in the Bombay Government's labour policy. A new and realistic note was struck by Mr. Shantilal Shah, Bombay Minister for Labour, last week, in the State Assembly. He announced that the Government had decided to withdraw the Bill providing for pooling of the amounts of bonuses and distributing them equitably among the employees of both profit-making and non-profit-making mills. This will be widely welcomed. Equally welcome is his remark that the condition of workers cannot be improved at the cost of the consumers, whose interest must reign supreme over the interests of both labour and capital. Other notable features of his statement are that it would be wrong to oppose rationalisation in industries totally and his warning that the Government would, in no circumstances, tolerate "go-slow-tactics" by workers. The Labour Minister also stated that the Government was alive to the problem of improving the working conditions within factories and that it would take steps in this regard when the recommendations of the Textile Research Association, which had been asked to investigate into the effects on the human body of heat, humidity and flow of air, submitted its findings. Further, he stated that the Government was making an earnest effort at introducing the Employees' State Insurance Scheme and that it would be put into force in Bombay on 2nd October this year and in Ahmedabad on 26th January, 1955, provided the doctors agreed to the scale of fees proposed by the Government.

The Labour Minister's statement makes refreshing reading. The Government's decision to drop the Bill relating to pooling of bonuses and its recognition of consumers' interest in determining the quantum of emoluments and other benefits to capital and labour is a surrender to reason. In this connection, the assertion of Mr. Shah that the disparity in income between the rich and the poor had been reduced in the last few years needs to be particularly noted. In support of his contention, he stated that the income of a textile worker in the State had increased four-fold since 1938, while the highest business emoluments had not even been doubled. Before the war, the average monthly income of a textile labourer was Rs. 32-8. Today his average income is Rs. 132-8. The emoluments of business executives have risen from Rs. 5,000 to Rs. 9,000. Similarly, the disparity between the income of the lowest and the highest employees of the State Government have been reduced from 174 times in 1938 to 30 times today. It is noteworthy that Mr. Shah said that rationalisation could not be opposed entirely, although he added that "while enforcing rationalisation in industries care ought to be taken to see that there was not large-scale unemployment and that the amount of the profits and savings made by the employer were shared among the employer, labour and the consumer."

CENTURY MILLS' HOUSING SCHEME

At a brief but impressive ceremony in Bombay, on Thursday last week, Mr. Morarji Desai, Chief Minister of Bombay, laid the foundation-stone of the tenements for the workers of the Century Spinning and Manufacturing Co., Ltd., under the management of Messrs. Birla Bros., Ltd. The ceremony marks the beginning of the ideal cherished by the Directors of the Company, namely, to provide housing for the workers. At first, eight buildings will be built at an aggregate cost of Rs. 12 lakhs which will accommodate 256 families. It is intended to charge low rents on the basis of a return of 3 to 3¼ per cent. The entire capital outlay on housing is to be met out of the Company's own resources; no assistance has been taken from the Central Government. Besides the residential quarters, provision has been made for recreational and other amenities of civic life.

Although the number of workers to whom houses are now proposed to be provided forms a negligible part of the total of 13,000 workers employed in the Mills, it is certainly more than a modest beginning. Considering the woefully inadequate housing facilities available to workers in the city's cotton mills, the endeavours of the Directors of the Century Mills to embark on the scheme for housing workers within such a short period as two years since the management of the Mills came into the hands of Messrs. Birla Brothers are, indeed, commendable. Incidentally, it may be noted that, out of the 113,420 persons employed in the cotton mills in Bombay City, not more than 16,000 are provided with quarters by the mills. Drawing particular attention to the housing problem, Mr. R. D. Birla, Chairman of the Board of Directors, stated, in the course of his welcome speech, that "it has been our constant aim to provide housing for workers." Mr. Birla added: "The primary necessities of life are food, clothing and shelter. Remuneration of workers has increased during the past few years and it has been possible up to now to meet their increased needs of food and clothing. This cannot, however, be said about their housing requirements. Both the Central and the State Governments are, however, doing their best to relieve the housing shortage. Similar endeavours are being made by the Mills."

Surely, these words signify the attitude of an enlightened employer. With such an outlook on the side of management, one naturally expects the workers also to be equally enlightened in their outlook. In the present context of the buyers' market for cotton textiles, a heavy responsibility devolves on the workers. There is much truth in Mr. Birla's statement that, although our workers are no less skilled than foreign workers, we cannot yet assert that their efficiency is on par with them. He doubtless frankly admitted that social conditions and the manner and method of work were responsible for this state of affairs, but hastened to warn that, unless the standard of efficiency in the Indian textile industry was raised, India could not retain its present competitive capacity in the world textile market. This warning is not only quite timely but also very sound. As Mr. Birla rightly remarked, if our textile prices were to be higher and the quality of the goods is poor, it would be difficult for us to maintain the present export market.

Availing himself of the occasion, Mr. Birla sought to expatiate on the duties of managing agents. Significantly enough, he remarked: "... the managing agents are the servants of the mills in the same sense as the workers are servants. Just as the workers have become conscious of their rights, the shareholders too have become more vigilant about their interests. If the managing agents do not work satisfactorily, the shareholders, with the help of the Government, can remove them." If this spirit were to permeate all managing agents in the country, there would be much less public demand for the abolition of the managing agency system.

MR. IVOR BULL ON COFFEE

If there is one person whose name is practically synonymous with coffee, it is Mr. Ivor Bull, who, after giving to this country the best years of a very strenuous life, spent in South Indian plantations, left for England last week. The Indian plantation industry owes a great deal of its present pre-eminent position to the European pioneers who made the hills their homes and brought prosperity to lands inaccessible to civilisation. Mr. Ivor Bull was one of those men to whom plantation was not so much an occupation or profession as a way of life. As Chairman of the Consolidated Coffee Estates (1943) Ltd., a leading plantation company of the South, and of the Indian Coffee Board, and Adviser to the Government of India for Coffee (1948-52), Mr. Ivor Bull did much to promote the cause of Indian coffee, without sacrificing either the growers' or the consumers' interests.

Before his departure from Bombay, Mr. Ivor Bull stated what might well be called his "final summing up" on coffee. He was confident that proper attention to the industry and to the problem of coffee exports, together with encouragement from Government, could enable the commodity to rank as the fourth largest item on India's list of exports. Already, India's coffee output has reached a record level. The 1953-54 cotton crop, estimated at 25,500 tons by him (some place it as high as 30,000 tons), is the "best for this century." The reasons for this good crop in India this year, according to Mr. Bull, are the favourable weather conditions which prevailed in the last season, and the fact that "money had been invested in the industry with more courage." This crop, together with the large carry-over from the last season, gives a comfortable supply position.

Last year, the industry was allowed to export only 2,000 tons of coffee, as against a crop of 23,120 tons and internal consumption of about 18,500 tons. Indian coffee fetched good prices abroad. Even so, they were Rs. 100 less than what exports would get now, the current prices being Rs. 430 per cwt. for Plantation A, as against the internal price of Rs. 230, including an excise duty of Rs. 21 per cwt. and Rs. 9 being the cost of operating the Indian Coffee Board. The current high prices in world markets, it may be mentioned here, is due partly to the shortfall in the Brazilian crop, affected by frost and the tight world supply position. World coffee consumption is now running at an annual rate of 33 million bags, of which the U.S. alone accounts for 20 million bags, as against a world supply of 32 million bags. No decision has yet been taken by the Government of India about the quantum of coffee exports to be permitted this year. Apart from the fact that the Government will derive sizable revenue through export duty (Rs. 61½ per cwt.), the urgency of a decision on coffee exports arises, as Mr. Bull pointed out, from two considerations: (1) any delay in coffee exports beyond February-March results, as it happened last year, in deterioration of the crop held for export; and (2) it is necessary to capitalise on the high prices now ruling in international markets. It is to be hoped that the Government will take an early decision on this issue.

A less immediate but far more important problem is that of increasing the output of coffee. Indian conditions, Mr. Bull said, were "perfect" for coffee. And yet, Indian coffee, though fancied highly in world markets, forms only a small part of the world output. India has many regions which answer the climatic and soil test for coffee cultivation—lands with 50 inches to 90 inches of rainfall, fertile soil and elevation of 2,000-5,000 feet. The area under coffee now is only 2,35,374 acres. The yield is the lowest in the world, about 1.91 cwts. per acre. The problem deserves, as Mr. Bull suggested, to be tackled on both fronts; it is necessary to increase the land under coffee as well as to improve the methods of cultivation. Mr. Ivor Bull was confident that, in the Malnad region alone, about three lakh acres of fresh land could be brought under coffee. Much of this land was formerly devoted to coffee but abandoned in the economic crisis which the industry, along with other industries, faced in the thirties. As regards improving methods of cultivation, it will perhaps be necessary to consolidate the small uneconomic holdings. About two-thirds of the area under coffee consists of estates of less than 200 acres.

Although a large part of the coffee estates in India was originally opened by Europeans, five-sixths of the land under coffee is now owned or controlled by Indians. Indian planters will do well to emulate the more scientific methods of cultivation and management practices adopted by the European planters. By improving cultural practices and by extending the land under coffee, the planters will be only augmenting the employment opportunities in the country. The industry now employs about 200,000 workers. Robusta coffee requires two-thirds of a labourer per acre and arabica coffee one labourer per acre. Expansion of this 80-year old industry, Mr. Bull pointed out, could help relieve the unemployment situation in the country. But this depends on the adequacy of the return to the coffee grower. That it is at present not adequate is clear from Mr. Bull's statement that the arabica grower now gets a return of only Rs. 180 per cwt. as against an estimated cost of production of arabica parchment at Rs. 195. This is a problem to which the Government must pay immediate attention.

INDUSTRIAL DEVELOPMENT

Once again, Dr. M. Visvesvaraya, President of the All-India Manufacturers' Organisation, deprecated, in the course of his address at the fourteenth session of the Organisation held at Calcutta on Saturday last, the none too helpful attitude of the authorities towards industry and business. The Government of India, Dr. Visvesvaraya said, had failed to pursue policies which would have enabled private enterprise to play its appropriate role in the Five-year Plan. According to him, the popular expectation that there would be great opportunities with the emergence of a national democratic Government had not been realised; on the other hand, general dissatisfaction among industrialists and the business community remained. There is no exaggeration whatever in this view.

Any dispassionate review of the economic history in recent years will clearly reveal that, if the progress in the sphere of industries has not been maintained at the desired level, it is due, in large measure, to the unrealistic policies pursued by the Governments, Central and States. Dr. Visvesvaraya minced no words when he said that threat of nationalisation, lack of close contact with the business community, heavy taxation and unsuitable labour legislation were the factors responsible for the inadequate progress in the industrial development of the country.

Apart from the Government's unhelpful attitude towards private enterprise, as noted above, the lack of adequate attention to the development of steel, automobile and aircraft industries, industrial education and statistics has also been responsible for the slow tempo of industrial activity. Dr. Visvesvaraya characterised this as the "weakness of the present *industrial system.*" To quote his own words: "The retardation of these industries and allied developments hitherto had had a prejudicial effect on industrial progress in general, and a decidedly adverse effect on the prosperity and safety of the country as a whole. The first three alone had been responsible for draining the country of hundreds of crores of rupees during the past decades."

The A.I.M.O. President also deplored the tendency of excessive dependence on foreign technicians. In his opinion, this must be discouraged, in the interests of its future; foreign experts and other technical personnel, whenever necessary, should be obtained for six months or a year at a time on short contracts. In this connection, he put forward three specific suggestions. First, the Government should keep a list of a couple of hundred competent men—business men and technologists—and induce them to take up work under the Government. Secondly, firms of local consulting engineers and chemists should be encouraged and established. Finally, the important requirements of the country's industry should be specially studied in the several research and vocational training institutions within the country.

Dr. Visvesvaraya's plea for encouraging indigenous firms and talent in the development of industries will certainly be widely appreciated. But the point is whether the requirements of technical knowledge can be fully met out of indigenous sources. There are no two opinions on the view that the number of experts and trained technicians, with experience in setting up as well as running new industries in the country, is too small to meet the growing demands of industrial development. If, therefore, the pace of industrial development is, as Dr. Visvesvaraya emphasised, to be hastened, it is imperative that reliance must continue to be placed on the services of foreign experts and technicians. But, at the same time, vigorous attempts should be made to train Indians to take their place.

Pleading for quickening the tempo of industrial activity, the eminent engineer-cum-industrialist put forward a number of suggestions. These are:

> The first move should be to teach the people to work hard. Every healthy adult should work eight hours every day and 48 hours every week. The century-old administration should be modernised, so that industry could be compelled to march ahead. Industrial statistics should be maintained according to modern standards, as in Canada and Australia. Every State should formulate a development plan every year to suit its special needs and in consonance with the Central Government's Five-year Plan. Heavy mechanical industries, such as the steel, automobile and aircraft industries, should receive preference and a steady rate of progress should be maintained in these spheres. Every State should prepare a progress report *every year* showing the number of establishments, capital invested, salaries paid, cost of materials used, gross value of goods produced and *per capita* value of the output. Liaison committees with a small accounts staff and a specialised efficiency audit staff should be formed. Special plans and implementation programmes should be prepared for underdeveloped areas in the country. For each such area, a watch-dog committee of three persons should be appointed to help maintain a steady rate of progress. Efforts should be made to manufacture defence machinery in India itself. Towards this, confidence must be reposed in trusted local firms of contractors to the extent practised in Western countries. In each State, a committee consisting of the Industries Minister and three industrialists or business men should be empowered to keep watch over this scheme. Details of *per capita* income from every industry in every region should be made available from time to time for ascertaining the rate of progress and for comparison with other regions and progressive countries.

These are, indeed, very pertinent suggestions which deserve the most careful consideration not only of the Central and State Governments but also of our business men. The fact that they have been made before by Dr. Visvesvaraya himself does not in any way lessen the importance of these suggestions, especially as they have not been fully implemented.

OILSEEDS PRODUCTION

An outstanding feature of the progress of oilseeds in India in recent years is the contrary trend in the area devoted to five major oilseeds and in their output. The following sets of figures clearly bring out this feature:

Year	*Area* (In 000 acres)	*Production* (In 000 tons)
1949-50	24,885	4,128
1950-51	26,681	4,072
1951-52	28,386	3,097

It will be seen from the above table that, while the area sown to all oilseeds has steadily increased from 24.9 million acres in 1949-50 to about 28.1 million acres in 1951-52 or an increase of 13 per cent., their output has dropped from 4.1 million tons to 3.9 million tons or a fall of over 5 per cent. Taking the whole group of oilseeds, the yield per acre has declined, it is stated, from 370 lbs. in 1949-50 to 310 lbs. in 1951-52. Although unfavourable weather was responsible for the decrease in output, other long-term factors such as uneconomic methods of cultivation, small plots, inadequate manure, etc., were also contributory factors. Published figures for 1952-53 relating to the area and production also do not indicate any encouraging position as compared with those of the preceding year. For while the acreage sown to oilseeds declined by about 2.8 per cent. from 28.3 million in 1951-52 to 27.5 million in 1952-53, the yield dropped by as much as 5.1 per cent., that is, from 3.9 million tons to 3.7 million tons. The point is that instead of producing more and more oilseeds on less and less area, by raising the yield per acre, India has been producing smaller quantity of seeds over larger area of land. The crux of the problem of oilseeds production is, therefore, to arrest this disquieting trend and place the utilisation of land on a more sound footing than it is at present. Judged from this angle, the decisions reached at the thirteenth ordinary meeting of the Indian Central Oilseeds Committee held at Bombay on the 27th March last have to be welcomed, for, if they are implemented on right lines, the country can expect to increase the output of oilseeds without devoting more land to them.

With a view to increasing the yield per acre, the Committee has decided to strengthen the existing regional research centres and establish new stations in the States of Bombay, Bihar, Madras, Madhya Pradesh, Orissa, Hyderabad, Madhya Bharat, Mysore, Rajasthan, Saurashtra and West Bengal. Another decision, calculated to serve the same end, relates to the opening of training centres for research workers on oilseeds on the same lines as those of the centre at Cuttack for rice research. About 30 trainees are to be trained at each centre, the course lasting for three months. A scheme for the control of pests and diseases of castorseeds in Hyderabad and another for increasing the production of oilseeds in the Madras State under the Five-year Plan have been sanctioned by the Committee.

With regard to research on oilseeds, there would appear to be considerable difference of opinion among the members of the Committee. One section seems to feel that a central research institute for oilseeds should be established on the lines of the technological laboratories for cotton research in Bombay and the Sugarcane Research Institute in Kanpur. Another section —an expert committee of scientists—is reported to have felt that, instead of starting a new institute, the present practice of referring the problems to the existing research centres to which grants were being made would achieve the objective in view. After a lengthy discussion, the question was referred to the expert committee for further examination of the scheme with special reference to its financial implications.

The Committee has sanctioned a technological research scheme on utilisation of non-edible vegetable oils as lubricants at the National Chemical Laboratory, Poona, and the National Physical Laboratory, New Delhi. It has also recommended that the movement of oilseeds, oils and oilcakes by rail should be given higher priority by placing them at least on a level with cotton.

Speaking at the meeting, Mr. K. R. Damle, Vice-President, Indian Council of Agricultural Research and Additional Secretary, Union Ministry of Food and Agriculture, stated that the Committee would be called upon to prepare a second Five-year Plan for increasing the production of oilseeds. In the first Five-year Plan, no specific programmes were drawn up by the Government and no funds were allotted to achieve the small target fixed in the Plan, namely, an increase of 400,000 tons by 1955-56. He was, however, glad that the target fixed had been achieved during 1953-54. But he was not complacent about it, as the comfortable position had arisen, he said, as a result of a good monsoon in the year. The picture could easily change drastically in a period of bad monsoons, or it might be, he observed, the Planning Commission had fixed the target very low. Since definite targets would be fixed for the second Five-year Plan, he was keen that definite schemes should be drawn in consultation with the State Governments.



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MR. PRANLAL DEVKARAN NANJEE'S SUGGESTIONS

THREE years of the Five-year Plan are now over. Frequent reviews of the progress of the Plan have emphasised the widening gap between expenditure and available resources, and the authorities are looking to every sector of the economy to do its best for implementing the Plan. Accordingly, banks in India are expected to make available, in the form of working capital, Rs. 150 crores for industrial development in the private sector. Banks would cheerfully undertake not only this burden but much more, provided they have the resources and the facilities for playing their role fully and effectively. Unfortunately, they are facing many difficulties, and it is only in the fitness of things that Mr. Pranlal Devkaran Nanjee, Chairman of the Indian Banks Association, should have drawn pointed attention to these handicaps in his address at the seventh annual general meeting of the Association held in Bombay on 29th March last. He said: "To enable them (banks) to do so, firstly, it is necessary to increase their resources and to strengthen them so as to make the public feel complete confidence in them, and, secondly, it is necessary to take such steps as would enable them to make a larger part of their resources available to industrial development in the private sector."

If banks in India have not been able to do more than what they have done to assist the implementation of the Plan, such, in large measure, is due to the adverse effects of Industrial Tribunal awards. As a result of these awards, not only has expansion of branch banking been arrested, but a decline has taken place in the number of existing branches of banks. According to Mr. Pranlal, the number of offices of Indian Scheduled banks has dropped from 2,961 in 1947 to 2,647 in 1951. On account of heavy burdens imposed by the award, banks are reluctant to open new offices and mobilisation of rural savings has come to a standstill to the detriment of the country's interest. Banks have also been prevented from retrenching their surplus staff by the tribunals. To quote Mr. Pranlal: "While, on the one hand, the awards have increased the emoluments of bank employees, on the other hand, labour legislation, which has provided too elaborate a procedure for dealing with cases of indiscipline and has paid no attention to the question of adequate output on the part of the employees, has resulted in laxity of discipline and disaffection among the employees and a lack of application and keenness for work on their part." This disquieting tendency, which has manifested itself in spheres wherever labour laws have come to be applied, has not proved an exception in the sphere of banking also. Mr. Pranlal felt that banks would be prepared to open new banking offices on a much larger scale, if they were allowed to remunerate their employees according to their capacity to pay and if restrictions which fetter their discretions were removed.

Two Suggestions

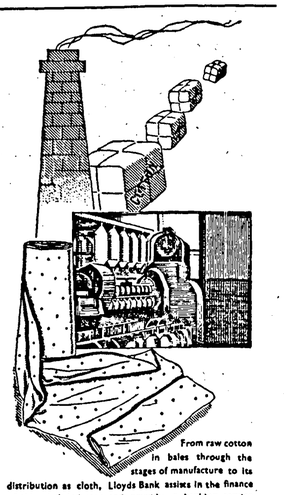
With a view to softening the effect of the laws relating to employees, Mr. Pranlal made two suggestions, which deserve careful consideration. One is to allow the adjudication of disputes to be carried out by the Reserve Bank of India instead of by Industrial Tribunals. Being in possession of all the facts concerning each bank, the Reserve Bank can settle, he says, these disputes to the satisfaction of both the parties. Although the suggestion has some force in it, it is doubtful whether the employees would accept it, for they will regard the Reserve Bank as part of employers. The best course for the banks would be to reach an understanding with their own employees. This they can do only if they can win the confidence of the latter. Are the managements of banks so bereft of talents and ideas as not to be able to reach this goal? Unlike industrial workers, bank employees are not illiterate. The vast majority of them is highly educated, a significant number of them know the fundamentals of economics. They cannot, therefore, be easily misled by professional labour leaders. It is a matter for serious consideration as to why they are so unreasonable as they are made out to be. The employees of insurance companies and banks should be the proud champions of private enterprise, instead of being the supporters of socialist or communist ideologies. There is something fundamentally wrong somewhere in the employer-employee relations of credit institutions. Perhaps the banks will do well to avail themselves of the services of psychologists trained in these matters to find a way out.

The speech of Mr. Pranlal is also notable for exempt from the awards of Industrial Tribunals offices of banks situated in towns having a population of less than 50,000. Even in this respect the move made by the Government to get a similar ruling from the Appellate Bank Tribunal has not been successful. The only course left to achieve this object is to have a legislation passed in Parliament. But this procedure involves many political issues. In view of this, our suggestion in the previous paragraph seems to be the only alternative open to banks.

Augmenting Resources

Tht speech of Mr. Pranlal is also notable for a number of measures to augment the resources at the disposal of commercial banks so that they may increase their role in financing development plans. With regard to direct participation of commercial banks in what is generally known as mixed banking, personally Mr. Pranlal appears to be in favour of the orthodox practice of banks confining their lending operations to short-term credit. But he does not overlook the demand from certain quarters that, in the present undeveloped state of India, commercial banks should adopt a broader and more national outlook and give medium and long-term loans to industrial concerns. He says that, if ultimately the Shroff Committee were to approve of this demand, it would be necessary to widen "the definition of paper eligible for being advanced against by the Reserve Bank to Scheduled banks, so as to include this type of industrial paper." This by itself, he thinks, will not be adequate, for the situation requires a more positive policy of helping banks to strengthen themselves and to expend their resources. The following extracts from his speech will give one an idea of the important suggestions made by him in this connection:

"That there is great scope for increasing the resources of our banks is seen from the fact that the deposits of our Scheduled banks are only about two-thirds of our total currency, whereas the deposits of banks in the U.K. are about four times the currency in that country. To achieve this aim, our people should be made to feel, by suitable educative propaganda, that, in the underdeveloped state of our country and the low standard of living of the people, it is anti-national and anti-social to keep their savings in hoards instead of keeping them with banks, which would be able to utilise them for the economic development of the country. At the same time, banks should be strengthened, and steps should be taken to inspire the fullest confidence of the public in the stability of licensed banks. The failure of a bank means loss of public confidence even in sound banks.



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"The minimum requirement for paid-up capital and reserves of Rs. 5 lakhs in respect of Scheduled banks, and Rs. 50,000 in respect of Non-scheduled banks, was probably adequate in 1934, when the Reserve Bank Act was passed and when our bank deposits were less than one-fourth and our currency less than one-sixth of the present figures but, considering later developments, I think that the minimum requirement for the paid-up capital and reserves for a Scheduled bank and a Non-scheduled bank should be adequately increased. I think also that in the larger interest of banking, the question of Non-scheduled banks being linked to, or associated in some effective manner with, Scheduled banks may be considered.

"I think that a more positive policy for helping licensed banks to strengthen themselves and to expand their resources should be adopted, and steps should be taken to remove impediments that stand in the way of the expansion of resources of banks, such as prohibition on Government Departments and quasi-Government bodies keeping their funds on deposit with banks without pledging by the latter of Government securities of sufficient value, non-acceptance of bank guarantees by Government Departments unless backed by pledging of Government securities, prohibition of keeping of the deposits of provident funds of joint-stock companies with banks, enactment of legislation imposing onerous responsibilities on the directors even of large and sound banks on account of the failure of a few banks largely Non-scheduled, and the probings into, and the demands for information regarding, the accounts of customers by the tax authorities, destroying thereby the sanctity of the relations between banker and customer. The unfortunate result has been that a number of customers have either minimised their operations with banks or ceased to deal through them. Although these probings have resulted in the collection of some more revenue for Government, I believe, they have proved harmful to the larger economic interests of the country.

"Another way of strengthening the Indian banking system would be to remove unhealthy competition between banks in the matter of interest on deposits and advances and commission or discount on bills, and other forms of wasteful competition. The banks have often tried among themselves to come to certain agreements in respect of the above, but somehow they could not succeed in maintaining them beyond a short time. I feel, therefore, that the Reserve Bank of India should take the initiative in this matter and bring banks together to fix their scales, rates, charges, etc., because experience shows that, without such help, any understanding arrived at among banks, being without sanctions, is difficult to be observed. At a time when ever-increasing burdens of the establishment charges are causing a good deal of anxiety to banks, I think, steps like the above for increasing the profits of banks deserve the careful consideration of the banks as well as the central banking authority. It has also been suggested that banks should co-operate with one another and pool together for entertaining large propositions, in respect of deposits, advances, investments, underwriting, etc. In this regard, too, I think, the good offices of the Reserve Bank of India would be helpful. I feel that such steps would increase the scope of their service to the public as also their profits and consolidate their position."

From Current to Call Deposits

Incidentally, Mr. Pranlal expressed great concern over the tendency among depositors to switch over from current to call deposit accounts, as this has led to an increase in the cost of deposits. Here is exactly what he said on this subject:

"During the busy season, banks have to pay up to 3 per cent. interest on call deposits, sometimes even for sums of Rs. 25,000. The considerably higher rate of interest on call deposits has naturally led the large depositors to take their moneys from the current accounts earning ½ per cent. and to place them on call earning 3 per cent. This burden of higher interest on moneys withdrawable on demand has now become heavy and I think the time has come for banks to join hands for taking the necessary steps to check the above tendency. In this connection, it would be pertinent to note that the clearing banks in Great Britain pay interest on call deposits only if they are allowed to use such deposits for a minimum period of three weeks."

Welcoming the establishment of foreign branches by some Indian banks, Mr. Pranlal stated that, apart from the profits which these banks would, in due course, be making through the establishment of these branches, they were benefiting the country by raising its prestige and reducing its dependence on foreign banks. He appealed, in this context, to the public and the Government of India to extend their full support to these enterprising banks. He suggested that with a view to encouraging this trend and enabling the foreign branches of Indian banks to establish themselves firmly, the Government should exempt profits of foreign branches from Indian income-tax. Under the recently amended section 49D of the Indian Income-tax Act, profits of foreign branches of banks are liable to the higher of the two taxes payable in the foreign country concerned and in India, and, if there is no income-tax in the former, then Indian tax is payable in full. This amendment, the bankers feel, does not go far enough to encourage Indian banks to establish more branches abroad. Hence their suggestion that foreign profits of Indian banks should be fully exempt from Indian income-tax.

INDIAN OVERSEAS BANK EARNS RECORD PROFIT

NOTABLE EXPANSION IN BUSINESS

THE audited accounts of the Indian Overseas Bank Ltd. (General Manager: Mr. C. P. Doraikannu, Madras) for the year ended 31st December, 1953, make pleasant reading, in that the profit for the year has registered a rise from Rs. 12.87 lakhs for 1952 to Rs. 13.25 lakhs. The increase is no doubt small, but it stands in refreshing contrast to the experience of many other Scheduled banks. What is more striking is that the profit is a record in the history of the Bank and it is creditable that this record profit has been achieved in a year which proved to be a none too prosperous one for banking. Another notable feature of the accounts is a small increase in deposits to a record level, which has been well utilised to improve the Bank's earnings without in any way affecting the liquidity. The dividend to the shareholders has been well maintained at 6 per cent. per annum, free of tax, after allocating more than a fourth of the profit to the reserve fund.

The creditable achievement of the Bank during the last three years is fully portrayed in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross income	67.19	66.87	49.43	37.48
Interest and discount earned	37.31	36.83	24.76	19.99
Commission and exchange	29.82	29.31	24.55	17.48
Interest paid	16.59	15.33	10.50	8.21
Expenses	35.41	36.40	26.37	21.28
Depreciation and repairs	1.94	1.78	1.10	0.96
Profits*	13.25	12.87	11.46	7.03
Provision for taxation	6.45	6.75	5.50	2.93
To reserve fund	3.50	3.50	3.00	1.50
Dividend	2.94	2.94	2.52	1.85
	(D. 6%)	(D. 6%)	(D. 6%)	(D. 4% + B. 1½)
Carry forward	2.25	1.90	2.23	1.79

	As at 31st December			
	1953	1952	1951	1950
Capital	49.05	48.98	47.86	37.16
Reserves	22.50	19.00	15.50	12.50
Deposits	9,96.74	9,98.82	9,69.61	7,55.54
Borrowings from other banks	6.19	0.18	67.56	..
Bills for collection and acceptances	4,81.43	4,28.29	8,42.58	2,75.87
Advances and bills	5,33.66	5,21.77	5,47.79	3,02.44
Investments	3,09.24	2,74.12	2,66.65	3,02.85
Cash and money at call	2,09.45	2,83.96	3,13.57	2,23.85
Balance-sheet total	16,18.58	15,29.96	19,91.44	11,17.10
Ratio to deposits of—	%	%	%	%
Advances	53.5	52.5	56.5	40.0
Investments	31.0	27.6†	21.9†	40.0
Cash	20.7‡	25.0	32.3	29.4

* After providing for depreciation on investments.
† After taking into account the investments earmarked against borrowings from other banks.
‡ After taking into account the balances with foreign correspondents earmarked against borrowings from other banks.

There has been a progressive rise in the Bank's gross income during the past several years, except for a break in 1950 when it tended to decline. Thus, from Rs. 5.35 lakhs in 1943 the Bank's gross income has grown in the past ten years to a record of Rs. 67.19 lakhs. However, the pace of increase in 1953 was very much smaller than in earlier years, as will be seen from the foregoing table. Both the main sources of income, namely, interest and discount earned and commission and exchange earned have contributed to the rise in earnings. No doubt, as in the case of other banks, there has been an increase in the outgo by way of interest paid and this has more than offset the improvement in earnings. However, a welcome decline of about Rs. 1 lakh in expenses has enabled the Bank to show a better profit, thus maintaining the upward trend in the net earnings noted since 1949. It is also noteworthy that the Bank's profit has, in the course of the last four years, risen by over 150 per cent. The profit for 1953 has been arrived at, as in the previous three years, after providing in full for depreciation in the market value of the securities as at the end of the year.

The fractional rise in the Bank's capital in 1953 is due to the receipt of a portion of the calls unpaid. The increases in the Bank's paid-up capital and deposits over the last three years are indicative of the expansion in its activity. Commensurate with the increase in business, the reserves also have been considerably strengthened during these years. The rise in deposits over the year under review is less marked than that noted a year ago, but even this rise is due to the increase in savings bank deposits from Rs. 1.44 crores to Rs. 1.48 crores and in current and other accounts from Rs. 5.01 crores to Rs. 5.05 crores. Fixed and staff security deposits, on the other hand, show a fractional fall from Rs. 3.48 crores to Rs. 3.43 crores. Loans from other banks represent those borrowed outside India. Bills for collection and acceptances have together accounted for an increase of Rs. 53.14 lakhs, in refreshing contrast to the marked fall of Rs. 4.14 crores noted at the end of 1952. This rise reflects the extent to which the Bank has been successful in financing trade, both internal and overseas, in the face of the decline in commodity prices, particularly in South-East Asia where the Bank is well represented.

On the assets side, advances (including bills purchased and discounted) disclose a rise of Rs. 12 lakhs. Of these advances, loans, cash credits and overdrafts account for a decline from Rs. 2.95 crores to Rs. 2.52 crores, while bills purchased and discounted account for an increase from Rs. 2.26 crores to Rs. 2.81 crores. The rise in advances is reflected in the shrinkage in cash balances at the close of the year. Investments (at or below market value), on the other hand, reveal a rise of Rs. 35 lakhs, and this has strengthened the total liquidity ratio which stands as at the close of 1953 at 57.7 per cent., as against 56.2 per cent. a year ago.

(Concluded from next column)

from the year-end figures) and exceed the previous record of Rs. 2.96 crores at the end of 1951. Investments, which are shown at or under market value, are practically unchanged, but cash balances have shrunk by Rs. 28.14 lakhs, presumably due to the sharp rise in advances. Nevertheless, the cash coverage to deposits, at 12.5 per cent., is higher than the all-India average.

MR. BLAKER ON DEVELOPMENT OF EAST

Elsewhere in this issue is given yet another interesting and authoritative survey of events in the East by another banker, the Honourable C. Blaker, Chairman of the Hongkong and Shanghai Banking Corporation. In this survey Mr. Blaker emphatically observes that the ambition of the countries of the East to industrialise themselves in order to raise the standard of living of their people must be recognised. And what is more, he lays stress on the fact that merchants and bankers from the West operating in these countries cannot afford to isolate themselves from these ambitions. To quote Mr. Blaker:

"Asia is undoubtedly on the move. All the way from Ceylon to Tokyo, there is an intense desire for speedy economic progress, as is shown by the development plans which most Asian countries are now attempting to put into effect. Coupled with this, there is a widespread realisation that the raising of low standards of living must come as part and parcel of agricultural and industrial development. British merchants and bankers established in the East cannot insulate themselves from these events. They too have a part to play in the further development of Asia."

This positive attitude towards the economic development in the East on the part of foreign exchange bankers is an indication of their readiness to move with the times.

Mr. Blaker is in full agreement with the basic principles of the plans of all the countries in South-East Asia, namely, agricultural development first and industrial development next, as outlined in the Colombo Plan and in the various reports on underdeveloped countries prepared by the U.N. organisations. He draws attention to the fact that the Colombo Plan had laid down that the central problem in these countries was still the supply of food which, in its turn, was related to that of transport. Next come other basic industrial activities, particularly electric power. Not satisfied with quoting the views expressed in the Colombo Plan, Mr. Blaker quotes other authorities also. He points out, for instance, that the Director-General of the I.L.O. had stated that "industrialisation in its wider sense will largely come to East Asia in the second stage of economic development. In the first stage, development planning has little choice but to concentrate primarily on expansion of food production and on the development of basic resources such as power and transport."

As economic development is closely related to capital for financing them, Mr. Blaker proceeds to deal with the position of private capital in countries of the Far East. In this context, he quotes the instances of India, Japan and Burma where there is a reluctance to permit foreign concerns acting independently but where participation between foreign and domestic capital in new industrial projects is permitted. In many countries, thought is being given to ways of mobilising larger accumulation of domestic capital through savings without which developments will be handicapped. This is important because of the comparatively small amount of foreign capital which is finding its way to South-East Asia. Mr. Blaker, however, observes, and that very rightly in our view, that improvement in the quantity of savings can hardly be great, until more general prosperity reduces the overwhelming poverty.

SMALL DROP IN PROFIT OF UNION BANK

ADVANCES AT A RECORD LEVEL

THE results of working of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) during the year ended 31st December, 1953, are in consonance with the general pattern of bank earnings for the past year. The gross income of the Bank has again gone up, but a rise in interest paid and expenses has reduced the profit margin. The Bank's profit for 1953 shows a decline of about Rs. 39,000 to Rs. 6.79 lakhs, this being the second year in succession in which the Bank has experienced this trend. The fall in 1953, however, compares well with that of Rs. 1.74 lakhs sustained in the previous year. Nevertheless, the dividend has been comfortably maintained at 6¾ per cent. per annum, free of tax, a rate which the Bank had paid for the previous two years.

The following comparative table, giving the salient features of the Bank's accounts for the last four years, shows its progress.

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross income	27.00	26.28	25.20	20.74
Interest and discount earned	24.55	23.00	23.20	19.03
Exchange and commission	1.02	0.79	0.75	0.50
Interest paid	10.32	9.87	7.29	5.12
Expenses	9.60	9.02	8.61	7.23
Depreciation	0.28	0.21	0.37	0.21
Profits	6.79	7.18	8.92	8.19
Appropriations—				
Taxation	1.00	1.00	1.50	2.00
Reserves	2.00	2.75	4.00	3.10
Donation	..	..	0.03	..
Bonus to staff	0.80	0.75	0.65	0.60
Dividend	2.75	2.75	2.75	2.50
	(6¼%)	(6¼%)	(6¼%)	(6¼%)
Carry forward	1.80	2.06	2.10	2.10

	As at 31st December			
	1953	1952	1951	1950
Capital	40.00	40.00	40.00	40.00
Reserves	30.00	30.00	28.25	25.50
Deposits	5,78.00	5,56.82	6,06.84	5,36.04
Borrowings from banks	14.50	..	..	..
Advances	3,06.34	2,54.45	2,96.23	2,12.46
Investments	2,80.76	2,60.03	2,29.53	3,16.21
Cash	72.45	1,00.60	93.24	76.20
Balance-sheet total	7,01.84	6,60.01	7,18.99	6,43.75
Ratio to deposits of—	%	%	%	%
Advances	54.7	44.0	48.8	39.6
Investments	47.0*	49.4	37.8	59.0
Cash	12.5	17.7	15.4	14.2

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

The upward trend in total earnings of the Bank noted in the past few years has been kept up in the year under review also, though not to the same extent as in the earlier years. Interest and discount earned, which showed a small decline in 1952, have risen by a good extent to stand well above those earned in 1951. This rise is evidently due to the sharp increase in the Bank's advances. The increase in receipts from exchange and commission is much more than that noted last year. There has been an increase in interest paid on deposits and borrowings, but it is of a much lesser extent than that in the previous year. However, even this small rise, coupled with the increase in expenses, has been more than sufficient to offset the improvement in earnings and reduce the profit. The provision for taxation has been maintained at Rs. 1 lakh, while the transfer to the reserve fund and the contingency account has been reduced from Rs. 1.75 lakhs and Rs. 1 lakh to Rs. 1.50 lakhs and Rs. 50,000, respectively.

A notable feature of the balance-sheet as at the end of the year under review is the sizable increase of Rs. 11.18 lakhs in deposits. Thus, the Bank has recovered, albeit in part, the fall of Rs. 40.02 lakhs suffered in 1952. The improvement in 1953 has mainly occurred under current and other accounts from Rs. 2.98 crores to Rs. 3.44 crores. Fixed deposits and cash certificates have, however, recorded a drop from Rs. 2.08 crores to Rs. 1.78 crores and savings bank deposits from Rs. 60.30 lakhs to Rs. 56.35 lakhs. The demand for funds which the Bank must have experienced towards the close of the year is reflected in the borrowings from other banks. Of these borrowings, Rs. 9 lakhs are secured by part of the Bank's investments, while the balance of Rs. 5.50 lakhs are unsecured.

Another noteworthy feature of the Bank's balance-sheet is the rise of Rs. 51.89 lakhs in advances, almost the whole of which is accounted for by loans, cash credits and overdrafts, the rise in these being of the order of Rs. 51.63 lakhs. Bills purchased and discounted, too, have risen but by Rs. 0.26 lakh only. At Rs. 3.06 crores, the total advances constitute a record in the history of the Bank (so far as can be seen

(Continued in previous column)

RESULTS OF HONGKONG AND SHANGHAI BANK SATISFACTORY

HIGH LIQUIDITY RATIO MAINTAINED

AS readers are aware, 1953 was not a happy year economically for most of the countries in South-East Asia. The downward trend in trade that commenced in 1952 continued, mainly occasioned by the fall in commodity prices. Though some progress was noted in other directions, such as national development programmes, so far as banking companies operating in these areas were concerned, the less active trading conditions called for cautiousness on their part in financing the trade and, in this process, had to experience a contraction in their turnover and earnings. The Hongkong and Shanghai Banking Corporation (Chief Manager: The Hon. Michael W. Turner, Hong Kong), one of the largest banks operating in these areas, can, however, be said to have succeeded in producing satisfactory results, despite the difficult trading conditions which prevailed throughout the past year.

The profit of the Bank for the year under review does not show any notable deviation from that for the previous year. After providing for taxation on profits earned and after making transfers to inner reserves, out of which provision has been made for all known bad and doubtful debts and contingencies, it amounts to H.K.$17,294,235, representing a negligible fall of only H.K.$27,170 from the record profit of H.K.$17,321,405 earned in 1952. It is, however, gratifying to note that the profit for 1953 stands a little over the previous record of H.K.$17,283,671 for 1951 and thus constitutes the second best in the history of the Bank since 1930. The increase in the profit over that for 1951—albeit small—is indeed notable in the face of a marked fall in the Bank's deposits as well as advances over the last two years.

The undistributed surplus brought in from 1952 amounts to H.K.$9.49 million, which is H.K.$1.41 million more than the corresponding sum of the previous year, so that the distributable amount, at H.K.$26.78 million, is higher by H.K.$1.38 million. The Directors have allotted out of this sum H.K.$4 million to write off Bank premises, as against H.K.$3 million set aside last year. The larger allocation to write down Bank premises is due to the expenditure incurred during the year on new banking premises. The dividend has been maintained at £5 per share, made up of an interim distribution of £2 and a final one of £3 per share, and this has absorbed H.K.$16.92 million, leaving to be carried forward H.K.$9.86 million. Referring to the Bank's dividend policy, the Chairman, the Hon. C. Blaker, says: "As in the case of other organisations with interests in China, the cost of maintaining our offices there and of complying with the requirements of the Chinese authorities has been a considerable drain on the year's profits and this and other factors have been taken into consideration by your Directors in recommending an unchanged dividend for the past year."

An idea of the Bank's progress in the past three years can be gained from the following comparative table:

(In thousands of H.K.$)

	As at 31st December			
	1953	1952	1951	1950
Capital	20,000	20,000	20,000	20,000
Reserve fund	90,000	90,000	90,000	90,000
Note issue	755,742	755,742	755,742	755,742
Current deposits and other accounts	2,636,471	2,639,319	3,134,136	2,558,660
Acceptances	10,557	12,861	52,000	11,572
Cash*	430,317	421,889	374,211	446,436
Money at call	680,630	654,597	800,635	341,600
Securities against excess note issue	725,883	725,483	721,883	718,783
Investments—				
In gilt-edged and other securities†	388,213	387,435	414,817	521,160
In subsidiary companies	2,135	2,135	2,137	2,137
Advances	645,653	699,841	803,109	770,154
Bills receivable	622,581	615,913	823,316	623,213
Premises	21,817	21,754	21,859	21,637
Balance-sheet total	3,536,687	3,541,413	4,074,059	3,456,602

* Includes cash in transit.
† Include sums deposited as security for authorised note issue.

The sharp decline in the balance-sheet total noted at the close of 1952 has considerably slowed down as at the end of 1953, the fall in the year-end figure being of the order of only H.K.$4.7 million, as against H.K.$532.6 million noted at the end of the previous year. This only reflects that the world-wide recession in trade was of a smaller order in 1953 than in 1952. The fall in the balance-sheet total reflects partly the drop of H.K.$2.8 million in current and other accounts and partly the decline of H.K.$2.3 million in acceptances on behalf of customers. "Various factors," the Chairman says, "have contributed to these small decreases which are in general due to the continuation of less active trading conditions." The principal change on the assets side is the decrease of H.K.$54.2 million in advances. "This decrease," the Chairman again explains, "arises mainly as a result of the low prices for primary products which have continued throughout the year, but it also reflects the general slowing down of trade in the territories in which we operate." It may be noted, in this connection, that the Bank's advances as at the end of 1953 are the lowest since 1947. Bills receivable, on the other hand, show an increase of H.K.$6.7 million, the rise being mainly accounted for by the increase of H.K.$37 million in the Bank's holdings of Government Treasury Bills. The rise in Government Treasury Bills has been offset by the decline in trade bills to the extent of over H.K.$31 million, which is an indication of the fall in trade. The Bank's investments (at under market values) do not show any notable increase, but cash balances and money at call disclose an expansion of H.K.$43.86 million, reflecting the "funds which have become available as a result of the repayment of advances during the year," with the result that the cash coverage to deposits and other accounts is higher at over 42 per cent., as against about 41 per cent. a year ago. The ratio of the Bank's readily realisable assets, namely, cash, money at call, Government Treasury Bills and trade bills, to the total liabilities to customers, stand at 65 per cent., indicating a high and very satisfactory degree of liquidity.

LOAN TO HYDERABAD STATE BANK

The Hyderabad State Government has advanced a loan of Rs. 5 crores to the Hyderabad State Bank. This sum represents part of the cash balance of Rs. 9.86 crores held by the State Government at the time of appointment of the Reserve Bank of India as sole bankers to the State Government from 1st April, 1953. This sum will be repaid by the State Bank in suitable instalments over a period of five years.

TRAVANCORE BANK'S MAIDEN DIVIDEND

After a period of slow but steady progress extending over seven years, the Travancore Bank Ltd. (Managing Director: Mr. R. F. Wishart, Trivandrum) has been able to join the dividend list with a very modest maiden distribution of 2½ per cent. for the year ended 31st December, 1953. This has been rendered possible by a perceptible improvement in its profit for the year. At Rs. 8.05 lakhs, the profit shows an increase of Rs. 1.17 lakhs over that for 1952, and constitutes a record in the Bank's history. The improvement in profit for 1953 follows that of Rs. 1.12 lakhs noted in 1952 and of Rs. 1.49 lakhs in 1951. In fact, the profit of the Bank has been steadily advancing year after year, albeit in small measure, from Rs. 1.44 lakhs in 1946, the first year of its operations, to Rs. 8.05 lakhs in 1953. Apart from the rise in profit for 1953, the declaration of a maiden dividend has been enabled by a considerable saving in the provision for depreciation on investments.

The following comparative table provides an idea of the Bank's progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount	19.11	18.41	15.81	12.87
Commission and exchange	3.78	3.55	3.47	1.85
Interest paid	6.20	6.79	6.20	4.22
Expenses	8.29	7.97	7.05	6.75
Depreciation and repairs	0.36	0.33	0.28	0.24
Profit	8.05	6.88	5.76	4.27
To taxation	2.00	1.00	0.80	0.25
To reserves	2.25	2.00	4.25	3.50
To depreciation reserve on investments	0.50	5.00	..	..
To dividend	2.50	..	..	..
	(2½%)	..	..	..
Carry forward	0.93	0.38	1.50	0.79

	As on 31st December			
	1953	1952	1951	1950
Capital	100.00	100.00	100.00	100.00
Reserves	19.75	17.50	15.50	13.65
Deposits	377.35	380.62	402.85	309.40
Borrowings from other banks	..	..	1.50	..
Advances	103.53	183.61	230.60	166.97
Investments	233.56	236.00	246.96	242.38
Cash and money at call	111.05	90.92	52.74	73.88
Balance-sheet total	569.16	577.62	615.04	553.03
Ratio to deposits of—	%	%	%	%
Advances	43.3	48.2	57.2	45.2
Investments	61.9	62.2	61.3	65.6
Cash	29.4	23.8	13.1	20.0

The increase in interest and discount earned during 1953 has not been as marked as that in the previous two years. Receipts under commission and exchange are also better only by a small amount. In refreshing contrast to the general trend, the outgo under interest paid has been smaller. As in the case of other banks, expenses, however, have remained on the high side, but it has not increased to such an extent as to offset the entire expansion in income. The rise in profit has naturally meant a larger provision for taxation. The transfer to the reserve fund has been reduced from Rs. 2 lakhs to Rs. 1.79 lakhs, but the contingency reserve has been credited with Rs. 50,000, while, a year ago, this reserve did not receive anything. The allocation to depreciation on investment account has been reduced from Rs. 5 lakhs to Rs. 50,000. A sum of Rs. 25,000 has been set aside for payment of bonus to staff, as against nil in the previous year.

The maiden dividend of 2½ per cent. has been declared only after consolidating the Bank's reserves and bringing them to a decent level. At Rs. 19.75 lakhs, they are nearly a fifth of the paid-up capital. Deposits show a drop of only a little over Rs. 3 lakhs, as compared with the decline of Rs. 22 lakhs in the previous year. Advances, which had declined by Rs. 47 lakhs in 1952, have receded further by Rs. 20 lakhs. Consequently, the advances ratio has come down from 48.2 per cent. to 43.3 per cent. Investments (at or below cost) at Rs. 233.56 lakhs, after providing for depreciation, do not show any material fall, while cash balances are better by Rs. 20 lakhs, with the result that the total liquidity ratio has risen from 86 per cent. to 91.3 per cent., a level not, perhaps, held by any other Scheduled bank.



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SLIGHT FALL IN COTTON GOODS EXPORTS

PLEA FOR SHORTER WORKING HOURS

(From A Special Correspondent)

MANCHESTER, *23rd March*

MANCHESTER LETTER

WITH the publication of the latest statistical review by the Cotton Board, more details have become available of the trend of exports last year in comparison with 1952. World trade in cotton cloth according to the survey expanded by about 15 per cent. between the third and fourth quarters of 1953, this being the first substantial increase since the recession. The main improvement occurred in France, India and Japan, but nearly all the other main exporters shared in the increase.

The table below shows the combined and individual shipments of cotton and rayon cloth in 1953, as compared with the previous year:

(In million yards)

	1953			1952		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K.	708.0	172.4	880.4	710.8	148.4	859.2
U.S.	628.2	195.3	821.5†	773.5	221.4	994.9
Japan	914.9	423.1	1,338.0	752.5	360.7	1,113.2
India	701.3	..	701.3	591.6	..	591.6
Holland	209.6	29.4	239.3*	244.2	25.2	267.4
France	345.5	97.3	442.8‡	540.4	115.2	655.6
Germany	207.7	147.6	355.3*	272.7	97.4	370.1
Italy	126.5	158.2	284.7*	170.1	110.4	280.5
Belgium	162.8	26.0	188.8*	176.2	18.3	194.5
Hong Kong	168.7	8.0	176.7*	165.0	18.8	183.8

* Eleven months. † Eleven months for rayon only. ‡ Nine months.

The further advance in shipments of rayon goods is clearly illustrated in these figures, the improvement being most marked in the final quarter of the year, when record levels were again achieved. As in the case of cotton goods, Japan leads the field, its exports of rayon cloth being about twice as much as its nearest rival, the United States. A substantial increase in shipments from Germany occurred towards the end of last year and an improvement in sales of rayon cloth, abroad was noted in both Italy and France.

No False Optimism

No false optimism about Lancashire's export prospects is voiced by the Cotton Board. The report declares: "The performance of the industry in the final quarter of 1953 gives no grounds for complacency, in view of the progress made by most other countries." While on Japan, the report states: "By December, new post-war record levels of output had been established in all categories of yarn and cloth. The number of spindles installed increased by 150,000 in the last three months of 1953, indicating no lack of confidence in future demand for Japanese cotton textiles."

Reports from India suggest that domestic demand for cotton goods remain strong, the review continues, while the removal of the export duty on medium cloth has had the desired effect of stimulating exports. Most of the increased trade towards the end of 1953 was with British East and West Africa, the United Kingdom and Australia. "India," to quote the Board, "will benefit in 1954 even more than the United Kingdom from the continuation of the restrictions on Japanese cotton goods in East Africa."

Trade Prospects

Lancashire can still sell cotton goods to Pakistan, despite the growth of Pakistan's own textile industry, Sir Percival Griffiths, economic adviser to the India-Pakistan-Burma Association, said during a visit to Manchester. Pakistan, he observed, was moving towards self-sufficiency in coarse textiles, but that still left a fine opportunity for Lancashire in the field of high quality cloth. "Pakistan has neither the means nor the intention to manufacture this for herself." But, Sir Percival warned, Lancashire would have to expect strong competition in the market from Japan.

In India, there was a need for certain classes of capital goods, including textile machinery, which Britain was well fitted to supply. The market for textile machinery, however, was smaller than it was ten years ago. In Karachi, too, it was still the accepted view that textile machinery from Britain was better than from anywhere else.

Shorter Hours Plea

Delegates representing all the Lancashire cotton trade unions are to be urged to support a call for a reduction in the industry's working week from 45 hours to 40 hours, with an increase of 12½ per cent. in current wages to compensate for the shorter hours of work. A resolution to this effect, tabled by the Twisters and Drawers Amalgamation, will come before the 1954 annual conference of the United Textile Factory Workers' Association to be held at Morecambe next month.

Another resolution for the conference, drawn up by the Association's Legislative Council, expresses "profound dissatisfaction" at the passing of the Cotton Act, 1953, dealing with raw cotton buying methods. The view is expressed that the Raw Cotton Commission, now to be wound up, has provided the industry with its raw materials more advantageously than could have been done by private merchants. The resolution requests the National Executive Committee of the Labour Party "to examine the position created by the passing of this act with the object of instituting at the appropriate time a more effective system of securing supplies of raw cotton to the industry."

The Legislative Council's annual report states that the cotton industry, is still 20,000 below its post-war manpower peak recruited in 1951. "The inability to operate more spindles and looms during periods when trade is available may be mainly attributed to the shortage of key workers and the failure to recruit sufficient new male entrants in the past." The present trend would have to be considered and action taken by the employers to attract the right type of new male entrants in the future.

Exports: No Change

Little needs to be said about last month's export returns which merely confirmed the industry's general assumption that overseas trade was steady, but entirely unspectacular. Actual shipments of cotton goods earned £9,540,000 in February, a drop of £450,000 on the previous month, but £670,000 more than in February, 1953. Cloth exports, at 55,092,000 square yards, brought the total for the first two months of the year to 112,979,000 square yards, valued at £14,331,088, as against 116,823,000 yards worth £14,831,907 a year ago.

Shipments of yarn were reduced last month as compared with recent figures, but at 3,562,000 lbs., were around last year's average. For the two months, the total was 7,740,027 lbs., valued at £3,279,212, as against 6,756,272 lbs. worth £2,862,984 in 1953.

Imported Cloth

Mill-girls of nearly ten overseas countries are now sending cloth to Britain to help Lancashire mill-girls working in labour-starved factories which cannot produce fast enough to cope with export orders.

When the foreign cloth comes to Lancashire, it undergoes finishing processes and then most of it is exported again to British markets overseas. In one month this year, according to Board of Trade returns, more than 13,000,000 yards of cotton cloth sailed into Britain from overseas mills. It included 358,000 yards produced by Soviet mill-girls, 466,000 yards from the Irish Republic, 474,000 yards from Holland, 468,000 yards from Japan. Biggest suppliers were Western Germany, Belgium and France. And Indian operatives supplied more than 5,600,000 yards of cotton fabrics which will not be re-exported but used in Britain.

Cotton Policy Declaration

Leaders of all the cotton trade unions are being summoned to a special meeting in Manchester next Monday to decide the steps to be taken following the completion of the union's new policy declaration, the first for ten years. The 25,000-word document, outlining the union's views on many different problems confronting the cotton industry, has been drawn up by Mr. Harold Wilson, M.P. for Huyton and former Socialist President of the Board of Trade, at the request of the unions.

Mr. William Roberts, President of the United Textile Factory Worker's Association, said, after a meeting of the Association's Legislative Council in Manchester, that the next step would probably be the submission of the document to the Policy Committee of the Labour party and the T.U.C. for approval. A delegate conference representing cotton workers would also be called. The new policy declaration, details of which have not been officially released, is understood to urge among its recommendations that there should be closer Government control over the cotton industry, particularly in the buying of the industry's raw materials.

Raw Cotton Imports

Imports into the United Kingdom last week aggregated 42,261 bales, chief arrivals being 16,666 bales Egyptian, 8,243 bales American, 4,443 bales Pakistan and 3,424 bales Brazilian.—*All Rights Reserved.*

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PROMOTION OF TEXTILE EXPORTS

SOME REFLECTIONS BY MR. T. T. KRISHNAMACHARI

THERE are few industries in India that can claim such a proud record of achievement as the cotton textile industry. So remarkable has been the progress of the industry that it enjoys today the unique distinction of being the biggest and most productive industry in the country, besides occupying a conspicuous position on the world textile map as one of the leading exporters of cotton textiles. These achievements should not, however, induce a sense of complacency, what with the emergence of a buyers' market for textiles the world over. The future of the industry lies in its ability to meet, in a competitive market, the clothing needs of consumers in respect of quantity, quality and prices. This is especially the case with regard to exports which are of vital importance to the future prosperity of the cotton textile industry. This aspect is ably brought out by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, in the course of an informative article contributed to the Textile Industry Centenary Supplement to the *Hindu* of Madras. Says Mr. Krishnamachari:

"The work that is before us in this connection (that is exports) is one that needs a lot of concentration, patience and patriotism. It is not a case of securing profits for individual units or groups of mills or, groups of traders, but of securing lasting benefits for the country as a whole, and for the industry in particular."

A remarkable feature of Mr. Krishnamachari's article is his candid recognition of the defects in the Government's policy in regard to exports of cloth, as will be evident from the following quotation:

"We are not, generally speaking, a very advanced country and our economic perception is not highly developed. Often-times, we proceed to deal with maladies as they appear, on the basis of trial and error; and, in unduly restricting exports, we did not take into account the fact that there were competitors in the field and that one of them was very rapidly growing from a comparatively weak position to a position of strength. I refer to Japan. Our export duties and control measures acted as double checks and had opened the markets for Japan to a certain extent, though Japanese competition in the ultimate analysis was inevitable."

Positive Action Wanted

It is, however, gratifying that the Government of India has recognised, albeit belatedly, the need for stimulating exports of cloth. Export controls, for instance, have been practically abolished. Again, export duties have been reduced and, on some varieties, abolished. Import duty on foreign cotton has been removed. But those, in themselves, will not bring about the desired improvement in cloth exports. What is urgently required is more positive action, that is, a regular drive to popularise Indian textiles in overseas markets through a perceptible improvement in quality and a scientific study of the exact needs of these markets. Mr. Krishnamachari has emphasised this aspect in the following words:

"There is now a growing awareness in the trade and industry, as well as in the country as a whole, of the importance of exports and the need to promote them—not in the negative sense of removing restrictions and reducing duties but in a positive way by raising quality and improving services. A critical examination of our own mistakes led us to take serious notice of the complaint, often made by consumers both in this country and elsewhere, about the quality of some of our goods. It also came to be recognised that there was an element of truth in the criticism that our trade practices have left some room for improvement. Finally, we came to realise, even though the resistance from the industry to this realisation was considerable, that many of our mills produced goods of sub-standard quality."

Mr. Krishnamachari then proceeds to describe the role of the Cotton Textiles Fund in the promotion of exports. As readers are aware, this Fund has two objectives, namely, promotion of exports and promotion of textile research. While on the former, he points out:

"The need for organising our exports and stimulating them, for studying the markets to which we exported our textiles and for having at the disposal of the industry, trade and Government a machinery to give adequate information in regard to the quantum and nature of competition that existed in the external markets—all made me feel that we should set up some kind of export promotion organisation. When this idea emerged, I felt that it would not be difficult to link up with this idea the question of export quality control. Any active promotion of the export of textiles inevitably meant standardisation of the quality of goods. Nor could any organisation composed of the various interests advertise or do propaganda for any particular brand of goods. Our textiles would have to be pushed in the name of Indian textiles and, naturally, that name must carry with it some assurances of quality. It was with this idea that I suggested, at the informal meetings we had in this regard under the auspices of the Cotton Textiles Fund Committee, that we should popularise a mark denoting the Indian textiles of quality and get it registered under the I.S.I. (Certification of Marks) Act, 1952."

Now all this is old news. Several months have passed since Mr. Krishnamachari initiated this idea. What progress has been made? When will the export drive start? How is the quality of goods exported going to be controlled? We have no information to answer these questions. Mr. Krishnamachari, however, seems to be satisfied that the good work is being done by those to whom the task was entrusted. He says that a provisional committee is now hard at the work of examining all the issues relating to cotton textile export promotion. According to him, "we have, after all, come to the stage of setting up not merely an Export Promotion Council but have also got near to some kind of standardisation of the export quality of Indian textiles. These efforts, *if they bear fruit* (italics ours), would necessarily mean that we would not be very far from achieving our export target of 1,000 million yards." Hoping that the Textile Export Promotion Organisation would become a fact before long and an asset to the country (past experience in this direction does not induce us to share this optimism), Mr. Krishnamachari is confident "that India can establish a reputation for quality of textiles—a reputation which luckily the products of some Indian mills now maintain."

Research

In the second part of his article, the Minister refers to the other function of the Textiles Fund, namely, the promotion of research, and reviews the progress that has been made in this direction. He recalls the proposals for the establishment of two cotton textiles research institutes, one at Bombay and another at Coimbatore, in addition to the already existing Ahmedabad Textile Industry Research Association (A.T.I.R.A.). Alluding, in particular, to the question raised as to what should be the relationship among the three aforesaid textile research institutes, he has made a few interesting observations which bear reproduction. Says he:

"There is room for specialisation and, if there is more than one institution doing this type of work, each institution can specialise in one branch of research. In certain basic fundamentals, all textile research institutions cannot escape a similarity in equipment and methods of work. But in regard to the choice of the direction of research, the field is wide. The A.T.I.R.A., for instance, has undertaken research work in some directions. It would obviously be wise for other institutions that are created not to duplicate the work done in the A.T.I.R.A. It might be that there are two or three institutions in Bombay in which some research is being done, which is analogous and complementary to textile research. It is best to take into account the work of these institutions in determining the programme of research for any of the new institutions to be set up. Some basic similarity between the textile research institutions cannot be altogether avoided, but that does not mean that, in specialised research, this cannot be done. My belief is that there need be no material conflict in the programme of work between two or three institutions of this kind. The scientists who would be in charge of these institutions could certainly be expected to rise above narrow considerations of prestige and keep in mind the main objective which is the basis of all such institutions, namely, national advancement. While it is recognised that there is a great deal to be done in the direction of textile research in India, I cannot see why it cannot also be recognised that this great deal can be shared by two or more institutions."

There is considerable force in these observations of Mr. Krishnamachari. The sponsors of the institutes will do well to take note of them and, instead of continuing the controversy over the respective roles of the institutes, they should proceed to function on the lines indicated by him. If that is done, there is no reason why the functioning of a plurality of textile research institutes should result in overlapping of research work done and a waste of talent and resources.

Explaining the attitude of the Government towards these institutes, Mr. Krishnamachari has made it very clear that the position cannot be judged from the point of view of a body which dictates, because, primarily, these institutions will be privately owned bodies and what the Government does is to afford them some financial half. He admits that the influence that the Government can exert on this account has its limitations, but points out at the same time that the Government has undoubtedly an overriding duty to see that there is no waste of national resources. To quote him: "It cannot be said that we have a plethora of scientific talent which can be harnessed to textile research. It may even be necessary for us to import some foreign talent in the critical stages. Such being the case, unnecessary duplication and waste has to be avoided and, if it is necessary, Government may have to use their influence to avoid such waste."

With the constitution of the proposed Export Promotion Council, the question of the future of the Cotton Textile Fund Committee naturally arises. Alluding to this question, Mr. Krishnamachari maintains that, though the progress was tardy in the beginning, the Committee is now performing a useful function. He admits that the resources available with the Fund might progressively be used up, but he is not in a position to say now whether the Government would pump more money into the Fund or resort to some other method of financing the institutions, in the creation of which the Fund played an important part. He has no doubt in his mind about the future of the Textiles Fund Committee, as witness his remark: "The function of a committee such as the Cotton Textiles Fund Committee, as a body which advises Government and also directs the work that has to be undertaken, has to be carried on and I can see no reason why that Committee, in this form, or in some other form for that matter, need not continue to exist."

CLOTH EXPORTS FROM INDIA, JAPAN AND U.K.

That Japan has become India's most formidable rival in some of the markets for Indian cotton textiles is clearly borne out by the detailed figures relating to exports of mill-made cloth from India, Japan and the U.K. The exports of Japanese cloth to Indonesia during the year 1953, for instance, were considerably larger, being 303.26 million yards, as against 125.84 million yards in 1952, while exports from India during the same year amounted to a bare 34.92 million yards, as against 2.68 million yards. Japanese cloth exports to Malaya, Siam, Iran and Sudan were also higher, in distinct contrast to the decline in exports from India. Thus, the offtake of Japanese cloth by the abovementioned four countries in 1953 was higher by 3.67 million yards, 44.93 million yards, 36.50 million yards and 11.07 million yards, respectively, while that of Indian cloth was lower by 27.59 million yards, 0.09 million yards, 4.13 million yards and 6.91 million yards.

The following statement shows the trend of mill-made cloth exports from Japan, India and the U.K. during the year under review, as compared with 1952:

(In million yards)

To—	From India		From Japan		From U.K.	
	1952	1953	1952	1953	1952	1953
Aden	58.84	76.94	18.69	5.80	5.58	4.68
Australia	8.58	32.50	10.02	21.70	72.90	90.34
British East Africa ..	63.70	63.93	23.49	0.14	21.14	31.07
British West Africa ..	16.88	54.07	41.31	27.19	175.04	145.06
Burma	69.96	89.60	9.74	40.52	11.49	16.57
Ceylon	16.56	19.20	16.85	21.25	8.76	13.78
Hong Kong	8.58	9.57	57.19	49.52	3.97	4.74
Iraq	8.44	9.62	10.24	13.26	7.45	8.90
Iran	7.09	2.87	6.64	43.10	6.45	2.51
Indonesia	2.68	34.92	125.84	303.26	8.03	8.16
Malaya	90.95	63.86	33.88	97.55	33.80	20.49
Persian Gulf Ports ..	15.84	26.53	2.68	6.56	..	..
Philippines	..	..	8.84	20.78	..	..
Siam	1.80	1.80	40.59	85.52	..	..
Sudan	33.04	46.19	0.64	11.81	11.47	6.65
U.K.	5.99	20.35	63.86	33.10	..	..
U.S.A.	0.14	0.20	6.23	27.87	9.31	12.88
South Africa	..	..	10.32	86.00	59.41	85.79
Other countries ..	129.50	100.28	269.73	128.08	280.00	249.94
Total ..	548.54	652.24	751.73	915.23	710.80	709.09

It will be seen from the foregoing statement that Japan exported 16.94 million yards more cloth to the Philippines in 1953, whereas India and the U.K. do not figure at all. Among the other countries to which Japan exported larger quantities of cloth are Australia, Ceylon, Persian Gulf ports, South Africa and the U.S. India's exports to Aden, British East and West Africas, Hong Kong and the U.K., however, registered improvement, while those from Japan suffered losses.

LICENSING POLICY FOR CLOTH EXPORTS

The Government of India has extended the period of the free licensing of cotton textiles upto the end of September, 1954. Accordingly, the licences for exports of cotton piecegoods, which are due to expire on 30th June next, will remain valid for a further period of three months. This decision of the Government is a sequel to the surfeit of cloth supplies, consequent on the steady and perceptible improvement in output in the past few months. With the extension of the period of free licensing, exporters of cloth will be in a position to enter into forward commitments with overseas buyers well in advance. This, in itself, may be expected to act as one of the helpful factors for promoting exports of cloth.

U.S. COTTON MISSION'S VISIT TO INDIA

ADVANTAGES OF MUTUAL COLLABORATION

THE members of the American Cotton Technological Mission, led by Dr. Malcolm E. Campbell, Dean of the Textile School, North Carolina State College, attended, last week, a conference in the city at which cotton breeders from States, representatives of millowners, cotton technologists, technicians from the mill industry and prominent members of the cotton trade were present. The conference, which had been sponsored by the Indian Central Cotton Committee and which was presided over by Mr. Chimanlal B. Parikh, Vice-President of the Committee, discussed a wide range of problems. Although it was a purely informal gathering, and no decisions were reached—indeed, they were not expected to reach decisions—the conference provided an excellent opportunity for mutual exchange of ideas on problems of cotton cultivation and marketing of cotton, in which both India and the U.S. are vitally concerned.

Object of Mission

The Mission, which is, perhaps, the first of its kind, consists of cotton technologists. Besides Dr. Campbell, who is the leader, the Mission consists of Dr. Thomas E. Kerr, Geneticist in charge of Cotton Breeding, U.S. Department of Agriculture; Col. William Martin, Cotton Research Specialist, U.S. Department of Agriculture; Mr. R. J. Cheatham, Cotton Processing Division, U.S. Department of Agriculture, and Dr. Burt Johnson, Cotton Technologist of the National Cotton Council. The object of the Mission, as Mr. Campbell explained at the conference, is to increase the consumption of cotton. This is an object in which India is also interested, for India is next only to the U.S. as a major producer of cotton. The output of cotton in this country is bound to move up when the many irrigation projects, contemplated in the Five-year Plan, are completed and more land, particularly irrigated land, is brought under cotton. Any significant increase in the consumption of cotton will, however, depend on improvement in textile production which, in its turn, is affected by many factors, the most prominent of which is the increase in living standards. Even so, much could be done to promote increased consumption of cotton through research in the utilisation of this commodity. In this connection, it is gratifying to note that Mr. Campbell laid stress on the importance of cotton research and development of new uses and marketing services for cotton.

Among the subjects which figured prominently in the discussion, mention must be made of cotton breeding for improved fibre quality and spinning performance, new harvesting and ginning practices, testing methods adopted by the U.S. Department of Agriculture and Marketing Administration. In connection with breeding for fibre quality, mention was made of the evolution of a single variety for large tracts and of the evolution of American-Egyptian cottons and other varieties. Another subject which evoked considerable interest was neppiness in cotton. Now, neppiness is partly an inherent feature of cotton varieties, depending generally on the maturity and fineness and also, to some extent, on fibre length. By improving these factors, neppiness could be reduced. Again, if boll-size were increased, it would be possible to reduce neppiness, since it would prevent the jamming of the fibres in a narrow space, which causes neppiness. At the manufacturing end, too, it is possible to reduce neppiness. This was explained, it is learned, by members of the visiting Mission, who pointed out that, by the use of improved card settings recommended by the U.S. Department of Agriculture, mills were able to obtain yarn which, from the point of view of neppiness, made a better showing.

Other topics discussed at the conference included the maintenance of purity of cotton and the role of machines in the cultivation and harvesting of cotton. It would appear that large firms in the U.S. distribute, in co-operation with the U.S. Department of Agriculture, pedigree seed over large areas, with a view to maintaining the purity of the crop. The use of mechanical processes in the cultivation and harvesting of cotton, according to the Mission, had resulted in lowering the cost of production, particularly because of the high cost of labour involved in hand-picking. The Mission also explained, with the aid of suitable lantern slides, the procedure adopted by the U.S. Department of Agriculture in regard to grading and testing of fibre properties.

Advantages of Contact

There is no doubt that more frequent contacts between Indian and American cotton men will mean a great advantage to this country, and, perhaps, some advantage to the U.S. as well. The maintenance of purity of styles of cotton is a problem, towards the solution of which India can learn a great deal from the U.S. The measures, adopted in the U.S., to prevent admixture of varieties and deterioration in quality, might be studied with profit by this country. Again, breeding, and manuring of cotton are spheres in which India has to learn a great deal from the U.S. Cotton yields in the U.S. are very high, as compared with India; American yield of lint per acre is 268 lbs. as against India's 80 lbs. The U.S., it is stated, is using anhydrous ammonia as manure. The question here is whether it is better than ammonium sulphate.

The U.S. makes an increasing use of scientific instruments in estimating the quality of cotton—that is, fibre length, fibre fineness and fibre strength. Whether the instruments used in the U.S. give more reliable results than those used in India is a question that might well be studied. Since all studies of cotton must necessarily be directed towards increased knowledge about its textile qualities, the precise relationship between spinning quality and fibre properties of cotton is a field in which considerable work has already been done both in India and the U.S. The work in the two countries could be compared and the results of that study might conceivably lead to better knowledge about cotton as a textile fibre.

Ginning Problems

Some technical problems are, of course, peculiar to each country. Thus, the ginning problems in India differ greatly from those of the U.S., since cotton is roller-ginned in India while it is saw-ginned in the U.S. Here, the question is whether it is profitable and technically feasible to introduce saw gins in preference to roller gins. Again, gins are unceremoniously scrapped in the U.S., when they prove obsolete and uneconomical. In the last 25 years, the number of gins in the U.S. has declined from 17,000 to 8,000. Can India adopt a similar procedure? This is one aspect of the ginning problem that deserves to be studied in the light of American experience. It is needless to add that a fall in the cost of ginning would mean a higher price for the farmer.

Finally, what is the place of machines in the cultivation and harvesting of cotton? Should India adopt mechanisation to the same extent as the U.S.? In harvesting operations, the principal reason which makes for the use of machines in the U.S. is the high cost of labour. There is no such urgency in this country. Moreover, manual harvesting is superior to mechanised harvesting in the sense that the former ensures the picking of dirt-free cotton. Indeed, the use of machines in the harvesting of cotton necessitates the adoption of special processes, at the ginning stage, to remove the excess of dirt that is collected by the machines. It will not, therefore, be desirable for India to use, at this stage, machines for harvesting cotton.

The U.S. Secretary of Agriculture has announced that the U.S. will not sell its surplus cotton below world prices and that there will be no two-price plan for U.S. cotton. Recent trade estimates place the requirements of cotton for the current season at 14.55 million bales—domestic consumption (8.75 million bales), exports (3.30 million bales) and a minimum end-season carry-over stocks (2.50 million bales). As against these requirements, the net free supply of U.S. cotton (excluding 8.42 million bales in Government hands) is only 13.10 million bales. It would thus appear that substantial repossessions from the Loan would be needed by July, 1954. If the season's exports were to reach 4 to 4½ million bales, such repossessions from the Loan would be still larger.

The Egyptian Cotton Commission announced, on 22nd March, 1954, that it would sell its stocks at the daily official selling prices plus weekly average spot premiums as fixed by the Spot Market Committee each Thursday, for the following week. The raising of the sale prices of Government stocks to spot levels, it is stated, has diverted export interest in Karnaks from the Government to the free market.

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CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
CAPITAL—						
Authorised	50,00,000	0	0			
Issued and Subscribed	25,00,000	0	0			
Paid up				15,00,000	0	0
GENERAL RESERVES				4,00,000	0	0
CONTINGENCY FUND				1,05,000	0	0
DEPOSITS—						
Fixed, Current, Savings Bank and Other Deposits				2,57,18,743	10	6
BORROWINGS FROM OTHER BANKS, AGENTS, ETC.				*Nil*		
BILLS PAYABLE				2,40,957	3	9
BILLS FOR COLLECTION (as per contra)				17,19,310	1	4
BRANCH ADJUSTMENTS				3,80,651	8	10
UNCLAIMED DIVIDENDS AND OTHER LIABILITIES				1,06,740	3	0
CHITTY LIABILITIES (as per contra)				10,10,275	2	11
PROFIT				2,49,205	15	7
Total ..				Rs. 3,14,36,883	13	11

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
CASH IN HAND AND WITH BANKS				85,99,031	11	6
INVESTMENTS—						
Securities of the Central and State Governments	51,78,989	5	7			
Debentures, Preference and Ordinary Shares of Joint Stock Companies	3,63,495	8	0			
				55,42,484	13	7
LOANS AND ADVANCES—						
Loans, Cash Credits, Bills Discounted and Purchased and Other Debts				1,32,96,533	5	9
BILLS RECEIVABLE (as per contra)				17,19,310	1	4
CHITTY ASSETS (as per contra)				10,10,275	2	11
SAFES AND FURNITURE AND STATIONERY IN STOCK				3,01,534	14	0
BANK PREMISES AND OTHER IMMOVABLE PROPERTIES				6,40,740	1	6
OTHER ASSETS				3,26,973	11	6
Total ..				Rs. 3,14,36,883	13	11

ACHIEVING STABILITY IN SUGAR INDUSTRY

STRESS LAID ON NEED TO FOSTER INTEGRATED AGRONOMIC RESEARCH

AMONG the several factors which have contributed to the evolution of a highly developed and most efficient sugar industry in the world's leading sugar producing countries, progress in the sphere of cane cultivation stands out most prominently. Sugarcane, as readers are aware, is the most important raw material of the sugar industry, accounting for as much as 60 per cent. of the cost of sugar manufacture. But, unfortunately, India has gained scarcely any significant benefit from a substantially long period of 18 years' protection, because not enough attention has been paid to improve the production of sugarcane in those areas which account for the largest quantity of cane grown in the country. But the per-acre yield and the sucrose content of cane in India are the lowest in the world (with the exception of Louisiana in respect of sucrose content), the yield being not even one-fourth of that in Hawaii and recovery being just two-thirds of that in Australia.

It is obvious that, if the sugar industry in India is to be stabilised and placed on a sound footing, cultivation of cane must be improved. Efforts must be made to produce not only more cane per acre but also more of cane with higher sucrose content. It is here that the agronomic and physiological research in cane has to play a vital part. It is the job of scientists to evolve new suitable varieties and find out such methods of cane culture as would be within the easy reach of the cultivators and which would enable them to produce high-yielding cane at lower costs. In this context, Mr. S. Harbans Singh, Economic Botanist, Sugarcane-*cum*-Cane Commissioner, Punjab (I), put forward, in the course of his presidential address at the last meeting of the Sugarcane Agronomy and Physiology Section of the Second Biennial Conference of Sugarcane Research and Development workers in the Indian Union held at Jullundur, several valuable suggestions.

Selection of Cane Varieties

By far the most valuable of these is the one relating to regional selection of cane varieties to augment work in progress at the Sugarcane Breeding Institute, Coimbatore. This suggestion is based on the view that, although the Institute, with a wide range of parents for breeding of new varieties, is one of the best institutes of its kind in the world, the rate of introduction of new varieties superior to those evolved in the post has not been to the desired extent. This naturally raises the question whether the existing system of varietal selection cannot be improved upon, in order to evolve better varieties for different soil and climatic conditions within a reasonable period. Answering the poser, Mr. Singh observed:

"At present, with exceptions here and there, the preliminary selection of new seedlings is made at Coimbatore and, after 3-4 years, the planting material of the promising varieties is sent to regional stations for testing and final selection. It is an admitted fact that selection of new types, suitable for a particular region, should be made from the very beginning under the conditions where a type has ultimately to establish. Unlike other crops, in the case of sugarcane, the selection work starts from the single stool stage in the seedlings raised from hybridised seed. In Australia and in the U.S.A. (Canal Point), the crossing work is done at the breeding stations and fluff (hybridised seed) is sent to the testing stations in the different cane-growing regions for raising seedlings and selection of promising varieties under the soil and climatic conditions obtaining in such areas. With this end in view, certain foreign countries had also been getting sugarcane fluff from the Coimbatore Institute.

"To accelerate the rate of selection of new suitable varieties, raising of a large number of seedlings at the testing stations and sub-stations from the fluff of different crosses, issued by the Coimbatore Institute, holds out a great promise for future work and, therefore, calls for special consideration. This, however, should not aim at supplanting the work being done at Coimbatore, but should be taken up to augment the work already in progress. There should also be close co-operation with the Coimbatore Institute, as, without such co-operation, the regional stations may remain abortive in their objective. In this way, chances of some varieties escaping selection at Coimbatore due to its having different soil and climatic conditions would be minimised. This approach looks fundamentally sound and is sure to deliver the goods in the shortest possible time."

While evolving new varieties of cane, due consideration should be given, according to Mr. Singh, to selection of such varieties as would give more sugar per unit area. For any attempt at pushing out canes as may possess only high sucrose for obtaining high recoveries in the factories will not be a sound policy for the industry or the cane growers. Incidentally, Mr. Singh points out that high sucrose and high yield of cane seldom go together. An indication of this is provided by the examples of Hawaii and Queensland (Australia). Thus, by concentrating on improvement of yield of cane, Hawaii has increased the total sugar per acre by 53 per cent., against a rise of only 23 per cent. in Queensland which has been concentrating its work on improving recovery.

Manurial and Irrigation Practices

High yield of sugar per unit of area depends on several other factors too, such as manurial and irrigation practices. In this connection, Mr. Singh makes the following suggestions:

The response of nitrogen in cane yields is universal in all the cane growing tracts of the Union, while that of phosphorus and potassium is rather differential. In Northern India and even in the tropical South, doses of nitrogen higher than those generally recommended have not shown significant increase in yield, even when phosphorous and potassium were not the limiting factors. The 'why' of this has not so far been investigated. For working out balanced nutritional schedules, non-response of higher doses of nitrogen calls for an early answer, as, without such knowledge, it is not possible to evolve new manurial schedules for obtaining economic yields. The knowledge of soil types under different manurial experiments and uptake of nutrients by the plant, under such conditions, also calls for greater and active pursuit on the part of sugarcane research worker.

Irrigation is another important factor contributing to high yield. The wilting co-efficient is different soil types and, when such limit is reached, the plants are bound to show physiological distress. Such work is receiving considerable attention in Hawaii. Irrigations on soil moisture basis, therefore, need immediate attention, particularly in view of the fact that, in different States, irrigation projects are under way and the work on the water requirements of different crops in the different soils is a necessity for the agricultural economy in the country. More work is also called for on the rotations of crops suiting intensive and extensive conditions of cultivation.

All these require a proper understanding of the varying phenomena of sugarcane crop growth under what is called a "cost of environmental conditions," for which the laws of agro-biology provide the basis. This division of agricultural science, it is said, has not received due attention at the hands of sugarcane agronomists and physiologists. To quote Mr. Singh again: "To understand low plant (sugarcane) growth balances with factors of growth, detailed and precise work on plant bionomics is called for. We need, therefore, have constant approach to understand the plant behaviour throughout its life cycle, as it would be obviously illogical to expect a single isolated measurement to reveal adequately the impress of soil and environmental conditions in the final growth of the plant." There is the need, too, for supplementing the work of research stations, besides understanding the reaction of different soil and climatic conditions to cane growth. This, in the opinion of Mr. Singh, will be possible, if zonal trials on the cane cultivators' lands form an integral part of agronomic research.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current sugar season (up to 15th February, 1954) amounted to 682,000 tons and 344,000 tons, as against 722,000 tons and 406,000 tons, respectively, in the corresponding period of the previous season. Arrivals of foreign sugar upto 15th February amounted to 241,000 tons. The sugar supply position during the fortnight ended 15th February, 1954, as compared with that obtained a year before, is indicated below:

(In thousands of tons)

	1953	1954
Opening stocks	720	448
Production	143	138
Arrivals of foreign sugar ...	—	23
Despatches	76	53
Closing stocks	802	533

SUGAR IMPORTS

It is understood that the Union Food and Agriculture Ministry has made arrangements to import 116,000 tons of sugar from abroad. The purchase of another 60,000 tons is expected to be finalised shortly. The major portion of the sugar purchased is scheduled to arrive in the country before the monsoon starts.

SUGAR INDUSTRY IN PAKISTAN

SELF-SUFFICIENCY AIMED AT

SELF-SUFFICIENCY in sugar is the goal towards which Pakistan is now working. The industry has been accorded an honoured place in the Six-year National Development Plan of Pakistan. This is hardly surprising, considering the yawning gap between the production and consumption requirements of sugar. The output of sugar is now at the rate of only 70,000 tons, as against the estimated consumption of 265,000 tons. In view of the wide gap, Pakistan has been importing considerable quantities of sugar from abroad at the cost of much precious foreign exchange. Incidentally, it may be recalled that, out of the 158 sugar factories in undivided India, Pakistan got as its share only nine factories with an aggregate daily cane crushing capacity of about 5,000 tons. Although Pakistan accounted for as much as 17 per cent. of the total area under sugarcane in undivided India, its share in the number of factories was to the extent of only 6 per cent. Whereas India produced 1,075,000 tons of sugar in 1947-48, Pakistan produced a bare 29,587 tons.

Forced by the need to meet the great deficiency in sugar supply and with a view to saving foreign exchange, the Pakistan Government's Industrial Advisory Committee for Food Industries recommended the establishment of 10 new sugar factories with a total annual production capacity of 135,000 tons. The first of these factories to be set up was the Premier Sugar Mills at Mardan in the N.W.F.P. with a production capacity of 50,000 tons. This factory, it is claimed, is the biggest and the most modern in the whole of Asia.

The establishment of the remaining nine sugar mills is undertaken by the Pakistan Industrial Development Corporation (P.I.D.C.). Of these nine mills, work on four has already commenced. The Jauharabad Mills in the Thal area is scheduled to go into production by the end of this year. The factory is being jointly sponsored by the P.I.D.C. and the Thal Development Authority, the respective shares in the capital being Rs. 70 lakhs and Rs. 30 lakhs. The daily cane crushing capacity of the factory is said to be 1,000 to 1,200 tons. On this basis and assuming the duration of the crushing season at 120 days, the factory may be expected to crush about 130,000 tons of sugarcane and produce 10,000 to 11,000 tons of sugar per annum. A notable feature of this factory is that half the cane requirements will be met by its own cane farms. Of the remaining five factories, two will be in Sind, two in the Thal area and one in the N.W.F.P.

Cane Cultivation

These efforts of the authorities and industrialists in Pakistan to achieve self-sufficiency in sugar supplies will be watched with great interest. If the expansion scheme for the sugar industry is to be implemented successfully, it is imperative that utmost attention is paid to cultivation of sugarcane, the principal raw material. The importance of this factor will become clear when it is realised that not only the yield of cane per acre is very low, being 12 tons, but the sucrose content in cane also is poor, amounting to no more than 11 to 12 per cent. Among the drawbacks of Pakistan's sugarcane economy, mention may be made of small and scattered bits of land on which sugarcane is cultivated, primitive methods of cultivation, lack of adequate transport facilities, poor marketing facilities, and absence of any sugar technological institute to devise ways and means of improving the quality of cane. These are problems which the Pakistan Industrial Development Corporation must tackle in right earnest, if it should succeed in producing sugar at economic prices.

SUGAR INDUSTRY IN BIHAR

Latest reports from Bettiah aver that the sugar industry in Bihar is faced with a difficult situation, due to an unusually short season in 1953-54, lasting for 75 days only, as against 121 days of the last crushing season (1952-53). During the last season, 28 sugar factories of Bihar crushed 74,052,000 maunds of cane with a recovery of 10.02 per cent., whereas only 30,654,163 maunds of cane were crushed this season with a recovery of 9.85 per cent. Except the Mothiharl Mill, the other 27 sugar factories of Bihar closed by the beginning of March, 1954, due to scarcity of sugarcane. The cause of the scarcity is said to be untimely rains, heavy floods, red rot and diversion of cane for producing gur, the price of which was attractive during the beginning of the season.

EXPLOITATION OF NATURAL GAS IN PAKISTAN

ITS EFFECTS ON IMPORTS OF COAL

THE economic exploitation of natural gas reserves at Sui in South-East Baluchistan (Pakistan) is receiving urgent attention at the hands of the Pakistan Government. For, by supplementing the indigenous reserves of fuel and power resources, it will reduce Pakistan's dependence on the outside world for the supply of coal and petroleum. Now that relations between India and Pakistan have once again deteriorated, following the decision of the United States to extend military aid to the latter country, Pakistan must naturally be anxious to step up its arrangements for bringing under use the natural gas found in Baluchistan.

Some idea of the extent to which utilisation of natural gas will replace coal can be had from the fact that the benefit of the discovery is estimated to be equivalent to about 1.6 million tons of imported coal per annum. Observers say that the effect of this discovery on the industries in West Pakistan is likely to be very considerable.

It is too early to say to what extent the use of this gas will tell on imports of coal into Pakistan, for the development of gas may coincide with a general expansion of industries requiring more fuel. Anyway, whatever the reduction in imports of coal, India will be the largest sufferer, for it is the principal supplier of coal to that country. Exports of Indian coal would be affected still more, if the contemplated project to exploit lignite reserves in East Pakistan were also to fructify. Besides, Pakistan is increasing the output of coal itself. In fact, in 1953, Pakistan is believed to have hit the target of 800,000 tons of coal, originally proposed to be reached only by the end of 1957. Pakistan's current annual requirements of coal are said to be a little more than 2 million tons, taking into consideration the various industrial projects that have been implemented in the last two years. It may be interesting to note here that India's exports of coal to Pakistan in 1953 was of the order of 760,000 tons per annum, of which nearly half went to West Pakistan.

The Sui gas project is estimated to cost £9 million. The Commonwealth Development Corporation has already granted a loan of £1 million to the Sui Gas Transmission Co., Ltd., the Company which has been formed to implement the scheme. The Company is expecting a World Bank loan of £5 million. The remaining £3 million equity capital is to be provided equally by the Pakistan Industrial Development Corporation, the Burmah Oil Company and private investors. Under a long-term contract, the Burmah Oil Company has assumed responsibility for the management of the Sui Gas Company.

The reserves of natural gas in Baluchistan, although not inexhaustible, is estimated to be considerable and, therefore, beyond anxiety of early exhaustion. The proved reserves so far is estimated at 2,280,000 million cubic feet. There are still vast reserves which are not proved. On the basis of proved reserves, the gas fields are expected to supply 100 million cubic feet per day for 60 years. Sui gas can be usefully employed to generate electricity. As compared with imported fuels, such as coal and petroleum, the gas is expected to be substantially cheaper.

The Sui Gas Company proposes to transmit the natural gas from the fields by a pipeline over some 350 miles to Karachi, through the lower valley of the Indus. The latest reports from Baluchistan indicate that the field survey required for the purpose is almost complete. The economic exploitation of this gas is expected to accelerate the agricultural and industrial development and thereby help raise the standard of living of the masses of Pakistan.

During the month of December, 1953, there were 437 coal-cutting machines. Of these, only 430 were in operation. The number of mines having machines was 130, including 57 in Raniganj, 33 in Jharia and 23 in Madhya Pradesh. Of the chain type of machines, Raniganj had 210, Jharia 89 and Madhya Pradesh 56. The amount of coal cut by different types of coal-cutting machines was 710,584 tons. The break up of the figures is as follows: coal cut by chain-type machines 707,723 tons, bar-type machines 378 tons and percussives 2,483 tons. The coal cut by machines accounted for 22.4 per cent. of the total output.

Three mechanical loaders were in use, which loaded 4,272 tons. There were 62 conveyors (13 at Jharia, 39 at Raniganj, six at Hyderabad, one at Vindhya Pradesh and three at Karanpura), which carried 89,975 tons of coal.

The Government of India has imposed, with effect from March, 1951, a cess of six annas per ton on despatches of coal, including soft coal, from Assam collieries, under the provisions of the Coal Mining (Conservation and Safety) Act. Till now, Assam collieries were exempted from this cess, collected from all collieries in India, for assisting stowing operations for safety and conservation in coal mines. A cess of nine annas per ton will be collected on despatches of hard coke. The total amount of cess collected in 1953 was Rs. 1.23 crores.

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PRODUCTION OF QUALITY JUTE

CENTRE TO AID ADOPTION OF IMPROVED METHODS

IN view of the emphasis laid on the need for paying adequate attention to yield, quality and suitability of location in respect of cultivation of jute by the mill industry, the statement placed before the Union Parliament by Dr. Punjabrao Deshmukh, Minister for Agriculture, on methods to improve the production of jute acquires considerable significance. He stated that, as a result of the recommendations of the Expert Committee on the quality of jute, jute development work in all the jute-growing States, especially in West Bengal and Bihar, was being reorientated and that the emphasis now was on growing better quality jute.

The action taken on the recommendations relates to, we are told, the construction of 3,000 new retting tanks and the re-excavation of 3,000 old tanks in West Bengal. This work is expected to be completed within a period of three years. Fifty per cent. of the cost of digging these tanks will be met by the Central Government and the balance by the State Government. In Bihar, 4,000 new tanks and 500 old tanks will be excavated in the same period. The basis of the financial assistance will be the same as that adopted for West Bengal. In addition, it is proposed to supply, at the expense of the Central Government, 550 seed drills and 550 wheel hoes to West Bengal and 150 seed- drills and 150 wheel hoes to Bihar for use by jute cultivators under arrangements to be made by the State Governments. The two State Governments have been asked to establish three State farms each for the multiplication of jute seeds of good quality. They will be given loans, it is stated, for setting up these farms and the Central Government will share equally with the State Governments the actual losses incurred on the supply of good quality seeds to the cultivators.

It will be interesting to refer here to the work that is being carried on by the Indian Central Jute Committee in regard to the intreduction of improved methods of jute cultivation. An idea of this work can be had from the latest report of the Economic Research Section of the Committee, which though it relates to the year 1952-53, also contains some observations on the Committee's efforts in 1953-54. In this year, the output of jute was only 3.1 million bales, as compared with 4.6 million bales in 1952-53. This fall was due partly to bad weather conditions and partly to switch-over from the cultivation of jute to that of rice on account of the steep fall in the price of jute and the relatively higher prices which rice fetched in 1952-53. The latter factor is reflected in the table below which gives the prices of raw jute and rice prevailing in Monoharpur in West Bengal and Purnea in Bihar.

(Per standard maund)

Season 1952-53	Monoharpur		Purnea	
	Price of raw jute	Price of rice	Price of raw jute	Price of rice
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
July	32 0	36 6	..	24 15
August	15 15	38 2	22 6	29 6
September	22 3	35 8	24 15	32 6
October	23 3	34 4	20 2	29 10
November	20 15	31 5	16 15	23 0
December	19 1	26 14	..	20 12
January	20 7	21 0	..	20 0
February	20 7	19 13	..	19 7
March	19 11	19 0	..	18 0
April	14 14	22 10	..	19 12
May	20 6	24 6	..	24 7
June	21 0	24 6	..	26 0

It is seen from the table that jute (unassorted) prices were lower than the prices of rice in both the centres. Roughly 1½ maunds of jute had to be sold in order to buy a maund of rice. Such position obtained till November, 1952. As, however, *aman* rice was available in the market in the following month, its price declined rather sharply, though the trend was reversed towards the last quarter of the jute season. A similar trend was noticed in two other centres, namely, Belakoba in West Bengal and Nowgong in Orissa. Further, in sympathy with the Calcutta market, price of jute at the mofussil centres again fell much below the price of *aman* rice during March and April, 1953, and touched the lowest levels of the season—a trend which did not appear to favour the expansion of jute acreage in 1953-54. The Report mentioned above, however, states: "As growers had disposed of the major portion of their marketable surplus, before the onset of the last slump, only a fraction of them was affected by it."

The investigations of the Research Section of the I.C.J.C. revealed that, in 1953-54, improved methods of jute cultivation were under demonstration under the fourth year in the same five centres, namely, Monoharpur, Belakoba, Purnea, Kendrapara and Nowgong. Acreage under the line-sowing method was also the same as in the previous year. Apart from farmyard manure, compost and chemical fertilisers were procured and applied in each centre. But manuring was inadequate at Nowgong, because the practice of cowdung manuring was practically absent there and there was prejudice against the application of night soil compost. Improved seeds were obtained from the Jute Agricultural Research Institute. Two new strains of seeds, namely, C39-212 and O40-753, were introduced in some of the centres. Some of the old seed drills were replaced by renovated ones. Plots too were sown according to improved methods but the crops in certain areas were affected by drought. In Nowgong, however, incessant rains after drought encouraged thick growth of weeds, allowing no facility for weeding in the moisture soaked earth. As weeds grew equally high with jute plants, crops were damaged heavily. This is an additional explanation for the fall in the jute crop in 1953-54.

DUNDEE SPINNERS APPOINT COMMITTEE

A committee has been appointed by the jute spinners in Dundee to help in the liquidation of the stocks of raw jute held by the Jute Control. Various problems have yet to be solved for the change-over to spinners importing their own requirements direct, instead of purchasing from the Jute Control as hitherto.

A broad outline of the steps to be taken to effect the transfer of raw jute buying from Government-trading to private enterprise, in accordance with the announcement made in the House of Commons last month, was given on the 15th inst. by Mr. W. H. Valentine, Jute Controller. Addressing a meeting in Dundee, he said that no specific "D"-day had been fixed for the transfer. He envisaged a period later this year when a dovetailing programme would be carried out in order successfully to bring in the new jute bought from private channels by spinners and to liquidate the present Jute Control stocks.

Mr. Valentine said he contemplated carrying on talks on the Government scheme with a number of specially chosen committees, such as the recently formed Spinners' Raw Jute Committee. He did not foresee any major obstacles to a speedy agreement. He was most anxious to avoid making the transitional period unduly protracted, and hoped to be in a position to begin negotiations soon after he had spoken to the whole of the industry.

NEW VARIETY OF JUTE IN U.P.

Reports from Lucknow go to show that a new variety of jute will be introduced in areas where floods are an annual feature. This variety was evolved at the jute research station run by the Government of India at Calcutta. This jute, called C. 47, can be grown in water three feet deep.

During the next rainy season, the Jute Development Department is to introduce this variety in the flood districts. The jute fibre is stated to be of a better quality. The Jute

(*Continued in next column*)

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FEBRUARY JUTE STOCKS UNCHANGED

OUTPUT SLIGHTLY UP

THE Indian Jute Mills' Association's monthly returns for February, 1954 disclose no notable change in the stocks held by the mills. At the end of the month, the total stocks amounted to 95,383 tons, as against 95,729 tons in the preceding month. This means that despatches in the month were confined more or less to the extent of the goods manufactured in the month. Hessian stocks, at 21,996 tons, were about 600 tons higher than those at the end of January, 1954. Sacking stocks, however, were slightly lower at 71,828 tons, as compared with 72,730 tons. Other varieties of fabrics held by mills revealed a slight decline from 1,643 tons to 1,559 tons.

The table below gives the position of stocks of various types of jute goods as at the end of February, this year as compared with the two preceding months as also in the same month a year ago:

(In tons)

	As on			
	28th Feb., 1954	31st Jan., 1954	31st Dec., 1953	28th Feb., 1953
Civil—				
Hessian	21,751	21,125	23,734	37,786
Sacking	71,160	72,101	72,103	92,228
Others	1,559	1,643	1,690	2,340
Total	94,470	94,859	97,527	1,32,354
Government—				
Hessian	245	231	442	846
Sacking	668	639	619	2,772
Others	*Nil*	*Nil*	4	134
Total	913	870	1,065	3,752
Grand total	95,383	95,729	98,592	1,36,106

The more or less no change position of stocks during February, 1954, reflects dull conditions which prevailed in the jute goods market. The offtake of goods was poor and prices generally fluctuated within narrow limits. There was also hesitation on the part of dealers to enter into fresh commitments in view of the expectation of a reduction in export duties on jute goods in the Central budget. Shipments of goods in the month were confined mostly to previous bookings.

The output of jute goods during February, 1954 was, however, about 900 tons more than that in the previous month. To be precise it amounted to 68,261 tons, as against 67,327 tons in January. On the basis of this production, consumption of raw jute during the month may be placed at 395,914 bales, as compared with 397,967 bales in the same month a year ago.

With the February output, the total for the eight months of the season, 1953-54, amounts to 568,772 tons which compares with 597,540 tons in the same period of the preceding season, namely, 1952-53. Consumption of jute during the eight months of the current season, 1953-54, based on the output of jute goods, may be put at 3,298,877 bales, as against 3,465,732 bales, in the first eight months of the 1952-53 season.

The table below is a summary of the various types of goods produced in February, 1954, as compared with those in January, 1954, and December, 1953 and in February last year.

(In tons)

	As on			
	February, 1954	January, 1954	December, 1953	February, 1953
Civil—				
Hessian	31,702	31,447	36,681	26,846
Sacking	32,404	33,204	27,013	36,079
Others	2,450	2,510	2,858	2,419
Total	66,046	67,191	77,347	65,244
Government—				
Hessian	24	21	300	2,165
Sacking	191	119	202	192
Others	*Nil*	*Nil*	*Nil*	14
Total	215	136	502	2,371
Grand total	66,261	67,327	77,849	66,615

The increase in the output of jute goods during the month under review was shared by both hessians and sackings. Output of hessians rose from 31,468 tons to 31,816 tons and those of sackings from 33,349 tons to 33,995 tons. There was, however, a slight decline in the manufacture of other varieties from 2,510 tons to 2,450 tons.

(*Concluded from previous column*)

Development Department of U.P. is sending a batch of experts to the Research Station at Calcutta for further training in the technique of jute development. The field staff is proposed to be trained at the Department's own research farm, so that development workers may demonstrate improved methods of jute cultivation to farmers.

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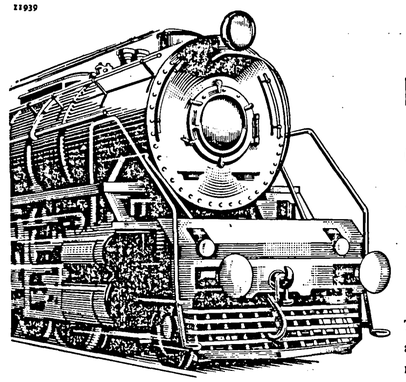

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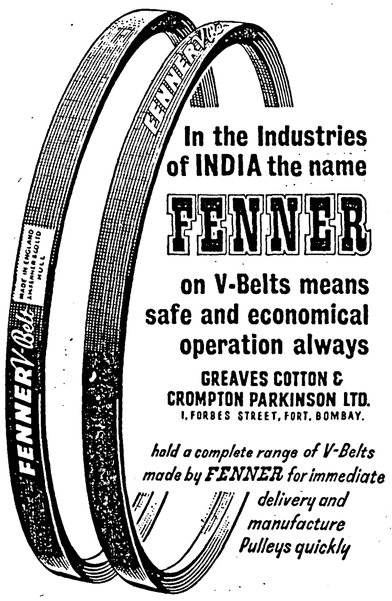

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EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD.

FIFTY-SIXTH ANNUAL GENERAL MEETING

MR. H. I. WONFOR HOLDS OUT BRIGHTER OUTLOOK FOR SUGAR

THE Fifty-sixth Annual General Meeting of the East India Distilleries and Sugar Factories Limited was held at the Head Office of the Company in India, "Dare House," Madras, on Friday, 26th March, 1954. Mr. H. I. Wonfor, Chairman of the Company, presided and addressed the meeting as follows:

"First of all, it is my sad duty to record the death, in an aeroplane accident at Singapore on 13th March, last, of my colleague on the Board of this Company, Mr. M. Ct. M. Chidambaram Chettyar. Mr. Chidambaram Chettyar had been a Director of the Company since the transfer of control to India in 1948. We are indebted to him, individually and collectively, for his wise counsel and he was always ready to exert himself in the Company's affairs. He will be greatly missed on this Board—as elsewhere in India—and, on behalf of all members of the Company, I extend my deepest sympathy and condolences to his relatives.

"The Directors' Report and the Company's Accounts for the year ended 30th September, 1953, together with the Auditors' report thereon, have been in your hands for a period longer than is required by statute and, with your permission, I propose to take them as read.

Sugar

"The Company's main activity is the manufacture of white sugar from sugarcane. During the crushing season 1952-53, covered by these accounts, the Nellikuppam factory worked for 172 days; it crushed 308,000 tons of sugarcane and produced 27,552 tons of white sugar. The recovery at 8.91 per cent. showed a slight improvement on the figure recorded for the previous season.

"Payment for sugarcane in India is controlled by the Central Government and, for several years now, we have been pressing for a basis of payment which takes into account the sucrose in the cane sold to us and not only the weight of the cane. I am glad to report that, for the 1952-53 season—and, again, for the current season—the Government has permitted us to pay for sugarcane at Nellikuppam factory on the basis of a special sucrose recovery formula, prepared by the South Indian Sugar Mills' Association and subject to a minimum of the price fixed by the Central Government. As a consequence, the growers who supplied cane to Nellikuppam factory during the 1952-53 season, received a bonus of Rs. 5-1-1 per ton, in addition to the Government minimum price of Rs. 35-11-8. The payment of this bonus has done much to cement the cordial relations existing between the factory staff and the local agriculturists, who supply cane to the factory. The advantages of the formula are generally understood by the cane growers and I believe that it is generally welcomed. We have, of course, only made a start with the application of the principle of payment on sucrose content in cane and there are obvious disadvantages to payment for all cane on the average recovery of the whole crop for the whole season. Growers who continue to produce more weight than sucrose are still paid the same as good farmers, by reason of the overall recovery applying to all.

Zonal Division of Cane Area

"It is hoped, therefore, to extend the application of this formula by the division of the factory's cane area into zones. The cane in each zone would then be crushed separately and the recovery figure for each zone thus ascertained. Payment can then be made separately to the agriculturists, included in each zone, and prices will, of course, vary, according to the recovery figures ascertained from each. Later, it is hoped that we shall be able to divide the zones more or less into villages and, finally, our object is to pay for each agriculturist's cane separately on the basis of its sucrose; I must say, however, that, on account of the large number of growers owning very small holdings, this sets an enormous problem which it will take a long time to overcome. However, we have made a start by getting away from the principle that cane is to be paid for on weight alone and I am sure that this is to the benefit of your Company and of the industry in India as a whole.

Sugar Trading Conditions

"Sugar trading conditions during the year under review have been as difficult as any I can remember. The official sugar year started with a carry-over from the previous crop and there was some talk of exports. During the year 1953, however, the sugar stock position in the country changed drastically. It become obvious that the consumption of sugar was increasing, that the carry-over of stocks to 1953-54 would be lower than for previous years, and that plantings of sugarane for the 1953-54 crushing season were also less than for the previous years. The position now is that the country is short of sugar and the Central Government has found it necessary to effect some imports. The outlook for the future, is, however, much brighter, because, on account of improved monsoons all over India in 1953, plantings of all crops, including sugarcane, have increased considerably, with the result that a heavy crop is expected for the 1954-55 crushing season. The Company has continued to receive a reasonable price for its sugar, but, in my view, the price of this commodity in India is still too high. We can only get it down by improving the yield of sugar (not sugarcane) per acre and this, as I have already pointed out, can only be achieved by encouraging the agriculturist to produce sucrose and not merely weight of cane.

"As a result of the improvement in the demand for sugar in India, it will undoubtedly be necessary to increase production. More factories will be required and I am sure you will agree with me that this Company, with its strong financial structure and its valuable experience, must be prepared to play its part.

Working of Distillery

"The Company's distillery worked satisfactorily throughout the year under review and the financial results show some improvement over those of the previous year. Before the next annual general meeting, the new distillery, now in course of erection, will be in production and the Company should reap the benefits of the greater efficiency in working which this will ensure.

"Profits from the manufacture of carbonic acid gas are, unfortunately, down, because of heavy competition from other suppliers. We have been forced to reduce prices, but, with lower costs of production from our new fermentation plant, we should still be able to record a reasonable return in the future.

"Our Chemical Works at Ranipet experienced a more profitable year, owing to a sustained demand for the Company's products of acid and heavy chemicals. The acid contact plant, which commenced working only in the previous financial year, completed a successful year's working.

"The repairs and reconstruction of the acid chamber plant made considerable headway during the year of account and, early this month, this plant was brought into production and is now making a very useful contribution to the Company's chemical production.

Pottery Factory

"In our pottery factory, also at Ranipet, attention was concentrated on the development of sanitaryware in which product we are now producing a satisfactory standard quality. The factory will not be able to go into full production of sanitaryware until later in the current year, owing to the need to reconstruct the tunnel kiln, which was specially built for this purpose, but which is shortly to be modified in the light of experience. Acid is used in the manufacture of fertilisers, which are in increasing demand for food and other crops. Pottery (including sanitaryware) is catering for an expanding market, so that, for both of these products, the future is promising.

Confectionery

"Last year, I told you that the Board had in mind the formation of a separate confectionery company to take over the assets of the Company's present confectionery department. I am pleased to tell you that the Board has now decided to proceed with this scheme and a detailed communication in this regard will shortly be sent to shareholders. As soon as the assets to be transferred have been properly and independently valued, it is proposed that the Company shall subscribe for the whole share capital in the new confectionery company. Subsequently, the Board proposes to distribute the majority of the Confectionery Company shares, as a dividend in specie, to the holders of the Company's "B" ordinary shares in the proportion of one share of one rupee in the Confectionery Company for each "B" ordinary share held. There will also be a small cash distribution to cover any super-tax liability. All these suggestions are, of course, subject to approval by the shareholders at meetings which will be convened in due course.

Profit

"Turning now to the accounts, I am sure you will have noticed that the trading profit shows an improvement over the figure for the previous year. This is due not only to sugar but to all the Company's other varied interests also. In view of this increase and the Company's very strong reserve position, the Board have recommended a special extra dividend for 1952-53 on the "B" ordinary shares of 5 per cent., making 20 per cent. in all for the year. The balance-sheet reflects the Company's intrinsically strong financial position and again shows an improvement in the balance of liquid assets over liquid liabilities of not less than £83,000, as compared with the previous year. Stocks in trade and sundry debtors are considerably lower than on 30th September, 1952, and we have been able still further to improve our reserves, which, as you will see, now stand at considerably more than the Company's issued capital.

Disposal of Income

"As usual, I give you the disposal of the Company's gross income for the year 1952-53. The figures are as follows:

"63.8 per cent. was spent on raw materials, fuel and maintenance of plant.

"9.1 per cent. was spent on wages, salaries, dearness allowance, bonus to labour, provident fund, pensions and other staff benefits.

"5.7 per cent. was used in defraying overheads, including depreciation.

"11.3 per cent. went in taxation.

"3.3 per cent. represents the profit retained in the business.

"2.8 per cent. is the amount of dividend proposed to be distributed to shareholders.

"These figures are very similar to those of the previous year and continue to reflect the relatively meagre return received by the proprietors of the business.

Prospects for Current Year

"Prospects for the current year are satisfactory and I believe that, with the certain industrial development of South India under the Five-year Plan and with the improvement in the general standard of living, the future of this Company can be faced with confidence.

"I wish to take this opportunity, on your behalf, of thanking all our executive staff at our offices, branches and factories for their continued co-operation and conscientious application to the Company's interests."

The Directors' report and the Accounts for the year ended 30th September, 1953, were unanimously adopted and dividends of 10 per cent. free of Indian Income-tax on the 'A' shares and 15 per cent., together with a special additional dividend of 5 per cent., both payable free of Indian Income-tax, on the "B" shares were declared. Mr. S. G. H. Davis and Mr. G. N. Noel-Tod were re-elected to the Board. The Auditors, Messrs. Lovelock and Lewes, Chartered Accountants, Madras, continue in office.

ALLOTMENT OF SUGAR TO STATE GOVERNMENTS

The Government of India has started allotting sugar to the State Governments from out of the reserve of 25 per cent. of the production of each factory during the current season for controlled distribution at fair prices.

The reserve sugar is already on its way to Calcutta and allotments of sugar have also been made to the Governments of U.P., Vindhya Pradesh, Rajasthan, Himachal Pradesh, Madhya Bharat, Orissa and the Punjab.

Inquiries have been made from the Governments of Delhi, Bombay and Madras whether they require any requisitioned sugar for distribution.

These steps have been taken to prevent rise in sugar prices.

INDIAN MINING FEDERATION MEETS

MR. SHIV RAM PODDAR PLEADS FOR REVISION OF COAL PRICES

SERIOUS factors such as accumulation of coal stocks at pitheads for want of demand, rising prices of colliery stores, and increasing cost of labour, were enumerated by Mr. Shiv Ram Poddar, Chairman, Indian Mining Federation, in his address at the Annual General Meeting of the Federation held at Calcutta on 26th March, 1954, as being responsible for upsetting the cost-price structure of the coal industry in India. He pleaded, therefore, for the restoration of coal prices to the levels at which they stood in 1947. He registered his protest not only against the price-cut effected in February last, but also against the manner in which the cut was imposed. He was of the opinion that there was no case for a cut in prices at a time when conditions actually warranted an increase.

The following is the full text of Mr. Shiv Ram Poddar's speech delivered at the meeting:

"GENTLEMEN,

"I have great pleasure in welcoming you all to this annual general meeting of the Federation. On behalf of the Federation, as also on my own behalf, I thank the distinguished guests who have made it convenient to give us the pleasure of their company this afternoon. Before we proceed to consider the formal business of the meeting, I should like to say a few words on the present position of the coal industry.

"While the industrial production in most commodities in India recorded new high levels during the year 1953, there was a slight drop in the production of coal. Incidentally, coal production of the world, as a whole, declined during the last year, according to a recent United Nations report. While the fall in production need not cause undue worry, I feel that the handicaps under which this industry has been working must be removed forthwith to arrest a further decline in production.

Shortage of Wagons

"Persistent shortage of wagons for the movement of coal has become almost a permanent feature of this industry. Year in and year out, it is the same dismal story. Inevitably, short supply of wagons has resulted in heavy accumulation of stocks. At present collieries mining selected 'B' and lower grades of coal in the Raniganj area are burdened with heavy stocks which take up nearly their entire stacking space. As you all know, Raniganj coal is subject to spontaneous combustion. As the hot season advances, collieries in this area face a serious risk of destruction of their stocks by fire. Obviously, heavy accumulations of stocks and the consequent risk of fire would slacken the pace of production in this area.

"The scheme for rationalisation of movement of wagons introduced by the railways has created further difficulties, particularly for collieries in the Raniganj area. The idea of this rationalisation scheme to do away with cross movement and to supply coal to consumers from the nearest source appears quite attractive on paper. In practice, however, this scheme has actually retarded movement of coal. Not only that, but it has also disrupted long-established links between the consumers and the producers, particularly in the Raniganj area. Raniganj coal is especially suitable for use in boilers, and there is no reason why the industries in India should be prevented from buying this coal, if they so desire. While industrial consumers are willing, even eager, to obtain Raniganj coal, which is admirably suitable for their needs, permission to move Raniganj coal to different parts of India has been withheld on the ground that such movement would entail cross traffic. You will thus realise that the scheme of rationalisation with its restrictions on the movement of Raniganj coal has resulted in heavy accumulation of stocks which are mounting day by day. Accumulated steam coal turns into slack coal which is so difficult to market.

"If stocks continue to increase in this manner for some time more, collieries in the Raniganj field, I am afraid, will be compelled to restrict their output considerably with consequent reduction in employment of labour force. I need not dilate on the effects of retrenchment of labour, particularly in these difficult times. Already the problem of unemployment in the country has assumed serious proportions. We are all agreed that such a course should be avoided by all possible means. To arrest the decline in coal output, it is essential that the accumulated stocks are moved quickly, restrictions on movement in different directions are withdrawn and offtake of coal from the Raniganj area is increased by all possible measures. I suggest that allotment of selected 'B' Raniganj coal be increased to consumers such as, cement and iron factories, cotton and jute mills, electricity plants and others. Larger allotment of selected 'B' grade coal will, at once, serve to conserve the meagre reserves of selected 'A' coal in Dishergarh and Poniati seams and improve the offtake of selected 'B' coal which has accumulated in large quantities partly because of the scarcity of wagons and the artificial restrictions on movement in different directions and partly because of a heavy fall in the demand from overseas customers. I earnestly hope that the restrictions on movement to different parts of the country will be withdrawn as quickly as possible. I believe it would not be disputed that a drop in output would not be in the national interest.

"I would now pass on to the consideration of coal prices. About seven years back, the Commodities Prices Board fixed the prices of coal at a level just allowing the collieries to operate as economic units. Thereafter, in 1949, the collieries agreed to a voluntary cut in prices of coal on certain assurances from the Government which have not been fulfilled. Moreover, the prices of coal were originally fixed on the assumption that the whole, or nearly the whole, output of collieries would be disposed of. This assumption, as you know, has proved incorrect. On the contrary, the major problem of the collieries has been their inability to dispose of their output or even a substantial part of it. This seriously upsets the basis of the cost-price structure. Moreover, increasing costs of labour and the rising prices of colliery stores have further added to the cost of coal production. Considering all these circumstances, the coal industry has a very strong case for restoration of prices to the 1947 level, if not higher.

"While a rise in the prices of coal is not only justifiable but essential as I have stated earlier, there has been, strangely enough, a price cut affecting grade II collieries which are perhaps the least able to bear it. I consider it to be my duty to register a strong protest not only against this cut in prices but also against the manner in which the cut has been imposed. It has been a convention to consult the industry before the Government decide on any policy or action affecting it. This convention has been ignored in the case of the recent price-cut. The Government have excused themselves on the ground that circumstances justified the cut. As I stated earlier, circumstances not only do not justify the price-cut, but actually warrant an increase in prices.

"On account of increasing costs of production, it would be very difficult for an average colliery to make two ends meet. The prices have to be fixed at levels which are economic for average collieries. Moreover, coal is a wasting asset, a fact which calls for a more liberal provision for depreciation in the case of collieries than in the case of other industrial units. I hope the authorities will consider all these facts carefully and revise the prices of coal suitably so that the industry is allowed to operate at an economic and efficient level.

"With progressive depletion of their main assets, with a large part of their liquid resources locked up in mounting stocks of coal and with costs rising all round, colliery owners are in a none too happy financial position. Some collieries, especially the smaller ones, are badly in need of financial accommodation, and I hope the collieries in West Bengal will receive due consideration, if they apply for assistance to the Industrial Finance Corporation, recently set up in the State, for granting financial aid to the medium-sized and small industrial units. But, apart from financial accommodation, collieries are prevented from deploying to the best advantage even their existing resources on account of the meagre banking facilities available in the coalfields. Both my immediate predecessor and the one before him drew pointed attention to this fact. But the collieries situated in areas at a distance from important towns still operate under conditions of almost primitive economy so far as banking facilities are concerned.

Conservation of Coal

"I now turn to the question of conservation of coal resources. Inclusion of collieries mining grade II coal in the Jharia field in the scheme of conservation for metallurgical coal is unwarranted, as emphasised by my predecessor in his address last year. In the first place, this coal is not good enough for use as a high-grade metallurgical coal; secondly, there is not the remotest chance that free exploitation will lead to the exhaustion of the seams which contain this type of coal in the foreseeable future. The restriction placed on the output of this type of coal is, therefore, a clear case of unrealistic application of a policy that is basically sound. The grade II collieries in the Jharia fields should be forthwith released from the strait-jacket of conservation.

"Moreover, Jharia grade II coal is eminently suitable for conversion into soft coke. While there is a vast untapped market for soft coke, the supply at present is limited only to a small fraction of the population of the country. Every effort should be made to expand the market for soft coke and thus utilise grade II coal.

"You might be aware that the Coal Washeries Committee, set up under the chairmanship of Mr. J. N. Mukherji, a past Chairman of the Federation, had submitted an interim report on the subject. As I, however, understand that this interim report has been withdrawn for revision, I feel that we should defer discussion of this subject till the proposals of the Committee have been finalised.

"I am happy to assure you that the relations of your Committee with the representatives of the Government have always been excellent. We have in Mr. Ramadhayani, the Coal Commissioner, a staunch friend of the industry. Although we have occasional differences of opinion, Mr. Ramadhayani has always considered our representations with imagination and sympathy.

"I should like to express my sincerest thanks to my colleagues on the Central and Branch Committees, but for whose kind co-operation and assistance, it would have been difficult for me to discharge my duties as your Chairman during the year. I should also like to express my appreciation of the able and faithful services rendered by the Secretary and the staff of the Federation."

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UTILISING PROVIDENT FUND FOR PAYING INSURANCE PREMIA

GOVERNMENT URGED TO RELAX RESTRICTIONS

EVER since the Provident Fund Scheme was published (in September, 1952), following the adoption of the Act by Parliament in February, 1952, insurers have continued to evince keen interest in the Scheme and to examine the possibility of inducing the employees to take out life policies and to pay the premium for these policies from the provident fund amounts at the employees' credit. From the point of view of the insurers, the importance of the Scheme arises from the fact that the total contributions of employers and employees, as now computed, will aggregate Rs. 12 crores. There is no doubt that this sum, if converted into life policies, would make a significant difference to the total life business, considering that the annual premium income of Indian insurers is of the order of Rs. 38 crores which pays for the total life business of Rs. 790 crores.

Delay in Payment

The Provident Fund Scheme, as is well known, applies to factories employing 50 or more persons in six major industries—textiles, iron and steel, cement, engineering, paper and cigarettes. All persons with salaries upto Rs. 300 are brought under the Scheme. Employees contribute 6¼ per cent. of the basic wages plus dearness allowances and employers contribute an equal amount. Now, insurers have welcomed the provisions made in the Scheme permitting the employees to utilise their provident fund for paying premiums on their life insurance policies. For such an arrangement is beneficial and advantageous to the employees concerned, as, in the event of their premature death, their families would derive a much larger benefit than what they would get out of their provident fund. But insurers do not like the procedure laid down under the Scheme for this purpose, since it would involve, according to them, unconscionable delay in the payment of premia. The scheme lays down, in this connection, three restrictions. In the first place, the policy should be assigned, within six months of the first withdrawal by the employees, to the appropriate Board (contemplated in the Act) as security for the payment of the amount withdrawn. Secondly, the policyholder should apply to the Provident Fund Commissioner for payment of insurance premium each time the premium falls due. Thirdly, no permission for payment of premium out of provident fund will be granted, unless there is sufficient amount lying to a worker's credit to warrant payment of premium for full three years. Alternatively, the Commissioner should be satisfied that the policy would be kept in force for full three years by payment of premia from the private resources of the worker.

Insurers have felt that the last two of the above conditions are unnecessary and irksome. They have urged the Government to modify the Scheme so as to provide that premiums in respect of policies of employees assigned to the Board should be paid by the Commissioner direct to the insured. Since the Commissioner will have a list of insurance policies of the employees which are assigned to the Board and also information relating to the amount of provident fund contributions of the employees, he will be able to pay the premiums for which notices will be periodically sent to him by insurance companies. Such a procedure, according to insurers, will ensure the continuation of life assurance protection to employees. It would avoid the risk of policies lapsing for want of prompt payments, which might occur if the employees failed, at any time, to apply to the Commissioner for permission for payment of premium.

Government's Views

It would appear that the Government is unwilling to accept the insurers' suggestions for the modification of the Scheme. The Government's view seems to be that any relaxation of the present restrictions would take away the incentive of the workers to save and pay for their life policies. The Government is not averse to the conversion of provident fund amounts to premia for policies. But, if the worker could himself save for payment of premium, he should be encouraged to do so. Such additional savings are more likely to take place if the worker is made to apply to the Commissioner each time the premium falls due. The Government's view is certainly well-intentioned, in the sense that it prevents the depletion of provident fund and also compels the worker to save money for the payment of premium. But it might conceivably mean some harm to workers. If the worker fails on a certain occasion to apply to the Commissioner for permission to pay the premium out of the provident fund in the belief that he will be able to save the money himself, and is prevented from paying it through unforeseen circumstances, his policy will lapse.

Three-year Restriction

The last condition, namely, the restriction that no payment of premium will be allowed, unless there is sufficient amount lying to the credit of the worker to warrant payment of premium for full three years, or the Commissioner is satisfied that the policy will be kept in force for full three years from the private resources of the worker, has also come in for some criticism at the hands of insurers. They point out that, since the Scheme came into force only at the end of 1952, no worker will have sufficient amount to his credit to warrant payment of premia for full three years. It will also be difficult for a worker to produce proof that his private resources are adequate to pay premia for full three years. Presumably, the Government's view is that this restriction is necessary, for it will enable the Board, in the event of a worker ceasing to contribute to the provident fund, to make a policy paid-up; in many insurance companies, a policy can be converted into a paid-up one, only on payment of premium for three years. From this point of view, the Government is certainly justified in insisting that either the worker should have resources enough to pay the premiums over a three-year period or that the provident fund account should be large enough to pay premiums for a three-year period.

An exhibition of Swiss industry

17 groups distributed in 21 halls



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Swiss Industries Fair
Basel 8th-18th May 1954

The watchmaking section has been considerably increased

A watchmaking display with a world-wide reputation

INSURANCE DEPARTMENT IN 1953-54

A review of the working of the Department of Insurance of the Government of India, during the years 1953-54, is given in the report of the Finance Ministry for the year, just published. During the year under review, 20 public limited companies carrying on life insurance business in India submitted schemes for reconstruction of their capital structures. It may be mentioned, in this connection, that section 6B(1) of the Insurance Act lays down that the capital of a company should consist only of ordinary shares, having a single face value, while section 6B(1) states that companies, which do not conform to section 6B(1), should submit a suitable capital reconstruction scheme to the Controller of Insurance after obtaining the approval of their shareholders. Out of the 20 capital reconstruction schemes submitted by the companies, the Government sanctioned 12 schemes with necessary modifications; the remaining schemes are still under the consideration of Government. Eight schemes, which were under consideration at the end of the previous year, were also sanctioned during the year under review. In respect of the schemes sanctioned during the year, the shareholders of three companies, it is stated, have preferred appeals to the High Court. Section 6B(2) of the Act, it may be noted, provides that any shareholder or other person aggrieved by the decision of the officer sanctioning a scheme of capital reconstruction may, within 90 days of the order sanctioning the scheme, prefer an appeal to the High Court within whose jurisdiction the registered office of the company is situated.

Eight companies were, as on the date of the report, under the management of administrators. All the administrators act under the directions and control of the Controller of Insurance. Consolidation of investments and curtailment of expenses were actively pursued in all cases. Civil and criminal cases, it is stated, have been filed against the past managements of five companies. In three instances, the alleged accused were committed to sessions.

During the year under review, the Life Executive Committee of the Insurance Association of India held three meetings, and the General Executive Committee of the Association four meetings. These committees have evolved two Codes of Conduct to be observed by the life and general insurers, respectively. Since it appeared that the general insurance side warranted greater vigilance, an administrative machinery, which was set up during the year, started functioning with effect from July, 1953. To start with, the machinery has set itself the task of screening the field organisation of the insurers, to weed out dummy appointments which enable insurers to pay excessive commission and illegal rebates.

CREDIT INSURANCE IN U.K.

The U.K. Government provides, as is well known, insurance cover against major risks of export trade through its Export Credits Guarantee Department. In recent years, the Department was unwilling to insure the risk of selling to East European countries such as Poland, Hungary, Bulgaria, Rumania, Czechoslovakia and East Germany, unless payment was assured by a confirmed irrevocable letter of credit. The Department has relaxed these restrictions. It is now prepared to cover exports settled by a credit of up to 90 days. The Department, however, stipulates that it may require an unconditional guarantee, by the appropriate central bank, of payment in sterling at the due date. The Department is also resuming insurance cover on exports to Persia. It will be remembered that facilities for insurance on exports to Persia were withdrawn in September, 1951, in view of the general disorganisation of British trade with that country following the ending of oil shipments from Abadan. These relaxations presumably stem from a more hopeful view which the Government takes of possibilities of trade with East European countries and Persia.

CO-OPERATIVE INSURANCE IN U.P.

In order to meet the life assurance needs of the rural population, the 30,000 co-operative societies in Uttar Pradesh will, it is stated, launch a life assurance scheme designed to provide life policies for less than Rs. 1,000. The State Co-operative Development Federation is at present negotiating with the Controller of Insurance to start a co-operative insurance company. The Federation has asked the Planning Commission and the State Government to allot Rs. 2 lakhs and Rs. 1 lakh, respectively, in order to enable it to implement its insurance scheme.

PROVINCIAL INSURANCE CO., LTD., U.K.

Readers will recall that, while reviewing the history of the Provincial Insurance Co., Ltd., U.K., in *Commerce* dated 20th February, 1954, it was stated: "From £5,107 in 1925, the premium income has grown to over a million and a half pounds." We are now informed by the Company that the latter figure relates to an earlier period and does not represent the position as it stands today. The Company's premium income now is nearly £5 million and the Company's assets exceed £8 million.

THE INDIAN OVERSEAS BANK, LTD.

MADRAS

ABRIDGED BALANCE SHEET AS AT 31st DECEMBER, 1953.

Corresponding figures for 1951 Rs.	Corresponding figures for 1952 Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
		1. Capital—		
		AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..	1,00,00,000 0 0	
		ISSUED AND SUBSCRIBED CAPITAL— 50,000 Shares of Rs. 100 each ..	50,00,000 0 0	
		AMOUNT CALLED UP AT RS. 100 PER SHARE— 49,087 Shares	49,08,700 0 0	
		LESS—Calls unpaid	19,025 0 0	
			48,89,675 0 0	
		ADD—Forfeited Shares	15,850 0 0	
47,35,750	48,93,425			49,04,925 0 0
15,50,000	19,00,000	2. Reserve Fund and Other Reserves ..		22,50,000 0 0
		3. Deposits and Other Accounts—		
2,80,31,456	3,48,56,723	Fixed, Time and Staff Security Deposits	3,43,41,163 11 2	
1,35,51,424	1,43,98,899	Savings Bank Deposits	1,48,37,168 3 2	
5,50,77,905	5,00,76,115	Current Accounts, Contingency Accounts, etc.	5,04,95,339 3 10	
9,69,60,785	9,93,31,737			9,96,73,671 2 2
		4. Borrowings from Other Banking Companies, Agents, etc.—		
		(i) In India	Nil	
67,56,077	17,565	(ii) Outside India	6,19,195 5 11	6,19,195 5 11
		PARTICULARS—		
		(i) Secured by part of balances with foreign correspondents per contra	3,65,069 3 7	
		(ii) Unsecured	2,54,126 2 4	
25,34,149	18,96,591	5. Bills Payable		19,61,627 7 5
		6. Bills for Collection being Bills Receivable as per contra—		
		(i) Payable in India	28,18,533 14 0	
2,09,42,705	1,98,58,253	(ii) Payable outside India	1,99,52,974 4 10	2,27,71,508 2 10
6,04,536	9,94,040	7. Other Liabilities		9,89,869 9 3
6,33,15,198	2,29,71,121	8. Acceptances, Endorsements and Other Obligations per contra		2,53,71,142 5 5
11,79,853	6,43,623	9. Branch Adjustment Account		27,95,562 14 6
		10. Profit and Loss Account—		
		Profit as per Balance Sheet as at 31st December, 1952	4,84,439 7 4	
		LESS: Appropriation— Dividends declared	2,94,522 0 0	
			1,89,917 7 4	
		ADD: Profit for the year brought from the Profit and Loss Account	13,24,876 5 2	
			15,14,792 12 6	
		LESS: Appropriations— Provision for Taxation .. 6,45,000 0 0		
		Transfer to Reserve Fund .. 3,50,000 0 0	9,95,000 0 0	
4,73,000	4,84,440			5,19,792 12 6
		11. Contingent Liabilities—		
		(1) Claims against the Banking Company not acknowledged as debts ..	6,86,054 5 8	
		(2) Money for which the Banking Company is contingently liable (Guarantees given by the Banking Company)	23,60,344 10 7	
		(3) Liability on Bills of Exchange re-discounted	59,640 3 0	
		(4) Liability on account of outstanding Forward Exchange Contracts..	2,80,60,775 13 7	
			3,21,16,816 0 5	
19,01,44,059	15,29,95,795	Total .. Rs.		16,18,58,294 12 0

Corresponding figures for 1951 Rs.	Corresponding figures for 1952 Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
		1. Cash—		
		In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		80,31,133 7 7
		2. Balances with Other Banks—		
		In Deposit Account— Rs. a. p. (i) In India .. Nil		
		(ii) Outside India 3,33,338 5 4		3,33,333 5 4
		In Current Account— (i) In India .. 8,20,816 11 10		
3,13,56,847	2,36,95,840	(ii) Outside India 1,51,10,084 12 6		1,59,30,901 8 2
				2,43,45,368 5 1
Nil	47,00,000	3. Money at Call and Short Notice		26,00,000 0 0
		4. Investments at or below market value—		
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments		2,61,75,956 1 9
		(ii) Shares—Fully paid Ordinary Shares		1,00,575 0 0
		(iii) Debentures or Bonds		Nil
		(iv) Other Investments— Ceylon Government Rs. a. p. Securities .. 11,93,362 8 0		
		British National War Bonds .. 29,33,517 13 4		
		Federation of Malaya Security Loan .. 4,66,033 8 0		
				46,47,913 13 4
		(v) Gold		Nil
2,66,65,332	2,74,11,607			3,09,24,444 16 1
		5. Advances—		
		(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
		I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
		(i) In India .. 1,82,67,676 0 9		
		(ii) Outside India.. 69,89,167 3 8		
				2,52,46,843 4 5
		II. Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.		
		(i) Payable in India 74,19,297 7 6		
		(ii) Payable outside India .. 2,07,00,181 7 5		
				2,81,19,478 14 11
5,47,79,295	5,21,77,005			5,33,66,322 3 4
		6. Bills Receivable being Bills for Collection as per contra—		
		(i) Payable in India		28,18,533 14 0
2,09,42,705	1,98,58,253	(ii) Payable outside India		1,99,52,974 4 10
6,33,15,198	2,29,71,121	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,27,71,508 2 10
				2,58,71,142 6 6
		8. Premises Less Depreciation—		
		At cost as on 31st December, 1952 ..	5,16,213 6 0	
		Additions during the year	2,61,175 14 1	
			7,77,389 4 1	
		LESS—Deductions during the year ..	2,916 10 0	
			7,74,472 10 1	
4,67,423	4,91,989	LESS—Depreciation to date	52,838 7 0	7,21,634 3 1
		9. Furniture and Fixtures Less Depreciation—		
		At cost as on 31st December, 1952 ..	10,32,509 6 5	
		Additions during the year	1,28,250 5 9	
			11,55,759 11 11	
		LESS—Deductions during the year ..	12,297 11 5	
			11,43,462 0 6	
4,52,812	5,03,866	LESS—Depreciation to date	6,60,000 4 6	4,93,461 12 0
		10. Other Assets, including Silver—		
		Interest, etc., receivable on Investments and Bills	4,54,185 8 3	
		Books, Stationery and Stamps ..	4,04,335 5 2	
		Income-tax Account	88,361 7 1	
		Sundries	3,47,929 8 8	
11,64,442	11,86,163			12,64,411 13 2
1	1	11. Non-Banking Assets Acquired in Satisfaction of Claim (at Nominal Value) ..		1 0 0
		12. Profit and Loss Account		Nil
19,01,44,059	15,29,95,795	Total .. Rs.		16,18,58,294 12 0

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

1951 Rs.	1952 Rs.	EXPENDITURE	Rs. a. p.	1951 Rs.	1952 Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary Provisions).	Rs. a. p.
10,49,550	15,32,920	1. Interest paid on Deposits, Borrowings, etc.	16,59,150 2 2	24,76,144	36,83,091	1. Interest and Discount	37,31,028 13 5
		2. Salaries and Allowances and Provident Fund and Provision for Pension and Gratuity Funds. (Includes payment of Salaries, Allowances and Provident Fund of General Manager and Managers in Charge Rs. 60,921 12 2) ..	25,77,270 15 9	24,58,106	29,30,302	2. Commission, Exchange and Brokerage	29,81,735 11 7
12,41,080	25,06,232				5,700	3. Rents	3,420 0 0
14,254	20,100	3. Directors' and Local Committee Members' Fees and Allowances	19,801 5 6			4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	1,367 9 9
2,59,816	3,38,078	4. Rent, Taxes, Insurance, Lighting, etc.	3,66,164 7 11	5,206	Nil		
16,221	57,037	5. Law Charges	28,177 6 6			5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
1,03,007	1,05,692	6. Postages, Telegrams and Stamps	80,482 4 7				
3,500	6,000	7. Auditors' Fees	6,000 0 0			6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
1,09,987	1,77,585	8. Depreciation and Repairs to Banking Company's Property ..	1,94,468 9 9				
1,53,464	2,01,843	9. Stationery, Printing, Advertisement, etc.	2,17,693 9 11	3,202	16,968	7. Other Receipts	1,987 7 9
Nil	Nil	10. Loss from Sale of or Dealing with Non-banking Assets ..	Nil			8. Loss (if any)	Nil
2,45,836	3,44,541	11. Other Expenditure (includes compensation granted to Retired General Manager Rs. 13,333-5-4)	2,45,375 7 3				
11,46,143	12,86,614	12. Balance of Profit (subject to Income-tax)	13,24,875 5 2				
49,42,658	66,36,651	Total .. Rs.	67,19,539 10 6	49,42,658	66,36,651	Total .. Rs.	67,19,539 10 6

HONGKONG AND SHANGHAI BANKING CORPORATION

SATISFACTORY RESULTS IN SPITE OF DIFFICULT TRADING CONDITIONS

THE HON. C. BLAKER SURVEYS SOUTH-EAST ASIA'S ECONOMIC NEEDS

THE latest Ordinary Annual General Meeting of the Hongkong and Shanghai Banking Corporation was held in Hong Kong on 5th March, 1954. In the course of the customary statement to the shareholders of the Corporation, the Hon. C. Blaker, M.C., E.D., the Chairman referred to the immense economic needs of South-East Asia and drew the attention of the powers-that-be of this region to the need for a favourable climate for capital investment without which there could be no satisfactory progress of industrialisation in this area. He said that the requisite climate could, to some extent, be created by Governments which had it in their power to make conditions attractive for investors. The climate was, however, determined to a large extent by the stability, or lack of stability, of the political and economic structure of a country. He also sounded a note of warning to the effect that, where climate was unfavourable, the injection of capital on a large scale might be "indigestible, or even damaging to that country's ultimate good."

Opening the proceedings of the meeting, the Hon. Mr. Blaker said:

"LADIES AND GENTLEMEN,

"In the past, the whole of the Chairman's annual survey of events in the East was read by the occupant of this chair. This year, however, we have decided to modify the procedure and to distribute copies of the statement at the meeting, as we feel that you will find it more convenient to have the written text in your hands than to listen to it being read out to you. In making this change we are to a certain extent following the procedure adopted by many other banks and well-known companies who now issue their statements in printed form and only deal with routine matters on the actual day of the meeting. We hope that you will approve of the innovation.

"I will now proceed with my formal duties and will call upon the Chief Manager to read the notice convening the meeting."

The notice convening the meeting having been read by the Chief Manager, the Hon. Michael W. Turner, and the Auditors' report by a representative of the auditors, the Chairman continued:

"The net profit for the year amounts to $17,294,235 which is some $27,000 less than last year. As in previous years, this profit has been arrived at after providing for taxation and after making transfers to inner reserves, out of which provision has been made for all known bad and doubtful debts and contingencies. The balance of profit brought forward from last year is $9,489,174 and the total available for appropriation accordingly amounts to $26,783,409. In view of the expenditure which has been incurred during the year on new banking premises, it is proposed that a sum of $4 million should be appropriated to write down bank premises, and, after allowing for this amount and the interim dividend of £2 per share, it is recommended that the final dividend should again be £3 per share, leaving a balance of $9,859,542 to be carried forward to next year. As in the case of other organisations with interests in China, the cost of maintaining our offices there and of complying with the requirements of the Chinese authorities has been a considerable drain on the year's profits and this and other factors have been taken into consideration by your Directors in recommending an unchanged dividend for the past year.

Balance-sheet

"A comparison of the balance-sheet with that of the previous year shows that the totals of our assets and liabilities have remained virtually unchanged.

"On the liabilities side, the amount of Hong Kong currency notes in circulation has remained unaltered throughout the year. Current, deposit and other accounts show a relatively small decrease of some $3 million and acceptances on behalf of customers a fall of just over $2 million. Various factors have contributed to these small decreases which are in general due to the continuation of less active trading conditions.

"The principal change in our assets has been a decrease of just over $54 million in advances. This decrease arises mainly as a result of the low prices for primary products which have continued throughout the year, but it also reflects the general slowing down of trade in the territories in which we operate. This decrease in trade is further demonstrated by a drop of over $31 million in our trade bills which, however, is offset by a rise of $37 million in our holdings of Government Treasury Bills, resulting in the figure for bills receivable in the balance-sheet showing a net increase of some $6 million. The increase in money at call, in cash in hand and in balances with other banks reflects the funds which have become available as a result of the repayment of advances during the year. In this connection, it is interesting to note that the ratio of the Bank's readily realisable assets—that is cash, money at call, Government Treasury Bills and trade bills—to the total liabilities to customers now stands at a figure of 65 per cent., which indicates a high and very satisfactory degree of liquidity.

"Difficult trading conditions have prevailed throughout the year in the territories in which we are interested and under the circumstances our results can be regarded as satisfactory, but the outlook, at present, shows little signs of improvement. Your Directors, therefore, feel that they are justified in continuing to pursue a cautious financial policy and that, in the interests of all, their first concern must be the security and strength of the Bank.

"Before I formally propose the adoption of the report and accounts I would like to say how much I appreciate the honour of serving as your Chairman in succession to Sir Arthur Morse, who, as you know, held this post from the time when our head office was transferred to London in the war until he retired on 3rd March, 1953. He also held the more arduous one of Chief Manager. I am glad that only the lighter part of his duties has devolved upon me and that I have had at my elbow the vigorous and keenly perceptive personality of our new Chief Manager, Mr. Michael W. Turner, who has throughout the past year handled with great ability the many problems with which he has had to deal.

"I must also take this opportunity of thanking the Bank staff as a whole and especially our branch managers, for the effective way in which they have worked for the interests of the Bank in the past year.

Properties in China

"Shareholders will, no doubt, want to know what is the position with regard to our offices and valuable properties in China and how our foreign personnel are faring. The latter are well and living conditions are reasonably good, but I am sorry to say that we have not yet been able to complete the closure of our offices which, as you know, we have been trying to liquidate for considerably more than a year. Some progress has, however, been made in Peking where we have sold our office building, and also in Swatow and we hope that our Swatow Agent will be repatriated in the near future. As to the main problem, we have made proposals direct to the local authorities, working in concert with the other British banks, and Her Majesty's *Chargé d'Affaires* has made representations to the Chinese Government on our behalf. In order to get a speedy and overall settlement we have offered concessions involving very considerable sacrifices, but negotiations have proved difficult and progress has been painfully slow. However, so far as we are concerned, the Chinese have nothing to gain by prolonging our complete liquidation and we are, therefore, hopeful that progress will be accelerated in the near future. Mr. Yoxall, our Shanghai Manager, is acting on our behalf in the negotiations proceeding there. He has our full support and confidence.

"Various changes in our London Committee must be mentioned next. Sir Arthur Morse joined the Committee on 3rd September, 1953 and became Chairman on 1st January, 1954, in succession to Mr. S. A. Gray who has done us good service in that capacity since July, 1948 and is now fully occupied with the increasingly onerous work of Senior London Manager. Mr. Gray, however, remains on the Committee. Mr. C. A. Campbell retired from the Committee—on which he had served since the days of Sir Newton Stabb—on 30th June, 1953, and we are very grateful to him for his valuable services over such a long period of time. He was succeeded by Mr. J. A. F. Binny, a Director of the Westminster Bank.

"There are also changes in the Board of Directors, but I will not comment on these at this moment, as they will be dealt with as the next item on the agenda.

"On 1st September, we opened our new office in Paris, at No. 22, Place Vendôme, but our Lyons office has not yet been finally wound up. On 3rd October, we also opened a new building at Osaka where previously we had operated from a small rented office, and, on 2nd January of this year, we opened a new building at Mongkok on the Kowloon side of the harbour.

"That I think, covers all the matters which I should bring to your attention, so I now beg to propose the adoption of the report and accounts as presented. After the proposal has been seconded I shall be pleased to answer to the best of my ability any questions which shareholders may wish to ask."

The resolution having been seconded, the report and accounts were adopted.

Chairman's Statement

The following is the Chairman's statement circulated at the meeting:

"No survey of the year 1953—not even an Eastern Bank Chairman's review of events in East Asia would be complete without mention of the memorable occasion of the Coronation of Her Majesty Queen Elizabeth which was celebrated in an unparalleled way by all British subjects and by very many local residents of all nationalities here in Hong Kong, as well as in every other town, where we have active agencies. There have been frequent expressions of loyalty to our Royal Family in the past, but never before have such widespread and genuine demonstrations of popular affection for the Monarch been shown by the British peoples throughout the world as were displayed last year on Coronation Day.

"Although Coronation year did not, unfortunately, bring with it any noticeable abatement of the world-wide cold war, it did eventually see the cessation of open hostilities in Korea and the inception of an optimistic feeling that an improvement of the world political situation would gradually develop as the Korean problem became less menacing. In any case, we can fairly claim that British influence in the Far East and in the countries of South-East Asia has gained in prestige. Moreover, although last year trade has again fallen off somewhat, national development programmes have everywhere in the East made progress and the way in which many of the countries in this area have co-operated in the interchange of ideas and of technical assistance will, undoubtedly, prove to be a matter of considerable importance and give greater cohesion when more stable conditions permit greater economic activity in this uneasy sector of the world.

South-East Asia's Economic Needs

"In each of the past four years, my predecessor, Sir Arthur Morse, in his annual statement referred in one connection or another to the immense economic needs of the countries in which we operate. Their requirements were, he stated, higher standards of living, more extensive food and other agricultural production and, indeed, general development, such as the Colombo Plan prescribed, and which in most of these countries is gradually being put into effect through national development plans. These plans have, as is well known, stressed the importance of agriculture, together with basic economic progress, such as the expansion of power, of transport and of communication systems. The latter are prerequisites for coping with any large-scale output of agricultural products, minerals and the primary materials which these countries provide. Last year, Sir Arthur referred to many aspects of this same problem and quoted an important phrase of the Paley Commission relating to the needs of a higher standard of living in the free world. In stating his view, that the Governments of the East should necessarily play their part, he urged that 'no attempt should be made to introduce industrialisation on a rapid or large scale' as 'it would be far wiser to concentrate all available capital and energies on food and agricultural production and on those ancillary industries which depend upon the raw materials available in the country concerned.' It was surprising to us to find that in a recent book which received considerable notice in the Press, the first part of this quotation was picked out and used in isolation from the second part to support a dogmatic assertion that 'already voices are being raised in the City against full-scale development in South-East Asia.' This is surely a misrepresentation of the City's attitude to the needs of South-East Asia just as it is of ours. Sir Arthur was, of course, dealing with immediate and short-term plans, not with more distant developments when opportunities for large-scale industrialisation may well arise.

"What was said last year seems perfectly in line with the plans of all countries in South-East Asia. The Colombo Plan, in which most of these countries are partners, from its start emphasised the basic economic needs of the underdeveloped countries. It stated that 'the central problem has been and still is the supply of food' and that 'related to the problem of food is that of transport.' Next came other basic industrial activities, particularly electric power.

"Other authorities can be quoted. For instance, the Director General of the International Labour Organisation, in a recent report stated that industrialisation in its wider sense would largely come to East Asia in the second stage of economic development. In the first stage, he said, development planning had little choice but to concentrate primarily on expansion of food production and on the development of basic resources, such as power and transport.

Investment Climate

"It is obvious that in the second stage of development when a wider form of industrial progress will be introduced, capital will be the paramount requirement but as the President of the International Bank pointed out last September, 'the availability of capital cannot by itself be expected to remove some of the most important obstacles to economic growth.' Such obstacles are often referred to as the 'unfavourable climate', which deters or scares off capital investment. Climate in this sense can to some extent be manufactured by Governments, who have it in their power to make conditions attractive for investors. But to a large extent it is determined by the stability, or lack of stability, of the political and economic structure of a country. Where climate is unfavourable the injection of capital on a large scale (if it proves possible as a result of international action) may be indigestible, or even damaging to that country's ultimate good.

Private Capital

"As regards private capital, tendencies in certain Eastern countries show a reluctance to permit its introduction by foreign concerns acting independently, but encourage or even obligate joint participation between foreign and domestic capital in new industrial projects. Examples of this can be seen notably in India, Japan and Burma, but also elsewhere. Where Governments favour widespread nationalisation of industries there is, of course, no stimulant to foreign investment. In many countries, and particularly in India, much thought is being given to ways of mobilising larger accumulations of domestic capital through savings, without which development plans will be handicapped. This is important because of the comparatively small amount of foreign capital which is finding its way to South-East Asia. However, the low standard of living is an obvious handicap and improvement in the quantity of savings can hardly be great until more general prosperity reduces the overwhelming poverty. But prosperity in the East is circumscribed by the exasperating problems of the wide fluctuations of prices of foodstuffs and of the raw materials produced in those areas.

Prices

"There are few people interested in world trade who are not aware of the fact that economic progress in the East cannot proceed steadily without steady prices for its main primary commodities. An advisory committee on underdeveloped areas, in a report to the Director of the United States Mutual Security Administration last May, rightly stated that the objective should be 'not rigidity of prices or demand, but an ironing out of wide fluctuations.' But one step further is desirable: that these countries should be able to obtain their essential imports both of food and of consumer goods at prices reasonably in relation to the prices of their exports.

Hong Kong-China Trade

"So far we have dealt in general terms with a problem which not only affects the East but also is a world-wide one. However, it has very special application to present trends and developments in the countries where we have offices. We must next direct attention to these countries severally and to some of the problems which face British bankers and merchants who operate there.

"First of all, we propose to take Hong Kong and the vexed problem of trade with China. The facts about what is loosely termed 'East-West trade' are well known to shareholders of The Hongkong and Shanghai Banking Corporation, but others are not so well informed. During the past year, fantastic complaints have been heard about alleged British perfidy in trading with China. A great deal of this talk has been based on uninformed or misinformed premises. There are those who either do not know or who ignore the fact that, quite apart from the United Nations embargo on strategic goods, the British and United States Governments have agreed that there is nothing injurious to the allied cause in East-West trade being conducted in non-strategic commodities. This applies both in regard to trade with the Soviet bloc and with China. Sir Roger Makins, H.M. Ambassador at Washington, mentioned this understanding in a speech delivered at Los Angeles on 5th October last. I may say that Sir Roger did not omit to refer to Hong Kong's special position and to its needs. Our Governor here in Hong Kong has also spoken emphatically and made the position of the Colony crystal clear, particularly in a speech last November. Moreover, the prominent American official, Mr. Harold E. Stassen, Director of the Foreign Operations Administration, has taken up the cudgels on behalf of East-West trade in non-strategic goods on more than one occasion.

"Hong Kong has suffered more from the United Nations embargo than any other country in the world. But her trading difficulties are not due to the embargo alone. They have also been caused by restrictions on obtaining certain materials imposed by the United States and by import controls enforced by some of our neighbouring countries. However, most of the difficulties with the United States have now been cleared up, thanks to the excellent co-operation of American officials stationed in Hong Kong, and from time to time there has been some relaxation of the controls imposed by our neighbours. But the United Nations embargo still remains in force.

"During the past months, Foreign Office spokesmen have reiterated that the policy of H.M. Government is to encourage trade with China in all permitted goods. British firms have never deviated from their desire to sell more of such goods to China. They have been, and are still willing to negotiate details here in Hong Kong, in the United Kingdom, in Peking, in Shanghai or wherever is most suitable to prospective Chinese customers. But the prevailing political tension is a serious handicap.

"Official Chinese pronouncements have stressed the desire of the Chinese People's Government to develop international economic relations under peaceful conditions with any country irrespective of divergent political, social and economic systems. Naturally, we look forward to trade relations on normal lines as thus projected, but, unfortunately, until a political settlement is reached in regard to Korea, and the matter of 'recognition' of diplomatic representatives is settled, it is hardly practical to expect the establishment of commercial relations on a basis satisfactory to both sides. The Geneva Conference to be held next month will, we hope, set the stage for bringing diplomatic, commercial and financial relations between our two countries back on to a regular basis, but it would be unwise to expect rapid developments. The Chinese Minister of Foreign Trade, in a recent speech to some British merchants, mentioned the importance of 'normal conditions.' Let us hope that before long both parties will agree on the interpretation of these two words.

"It is a moot question as to what scope there is for the expansion of trade with China. Differing views are held, but we must not do any wishful thinking: a great deal depends on unforeseeable factors and future trends in international affairs. It is, however, obvious that when the embargo has been removed there should be a considerable increase in trade and no doubt there will be keen competition amongst business men of all nationalities.

China's Development Plan

"From this point of view a very interesting step was taken during the past year in the announcement by the Chinese Government that a Five-year Development Plan was being launched. Actual details have not been published, but it seems clear that the greatest importance is attached to the expansion of heavy industries and the most important industrial development, it seems, will continue to be concentrated in the North and North-East provinces. It was also announced last September that Soviet aid would play a 'key role' in the case of 141 important industries. A further point, which, in the past at any rate would have been of interest to British investors, is the rapid progress being made with railway construction, particularly across the Szechuan Province and in North-West China in the general direction of the Russian Turkestan-Siberian Railway. To subsidise the new industrial plan an issue of the equivalent of £95 million of Economic Construction Bonds at 5 per cent. is now being raised throughout the country under a quota system. Much more could be said about China, but reliable information is scarce; so I will revert to the subject of Hong Kong.

Hong Kong

"This is a suitable moment to express our gratification that Sir Alexander Grantham's term of office as Governor of Hong Kong has been extended to July, 1955. We were pleased when Sir Alexander's term was previously extended to July, 1954, and we are now doubly pleased at this further extension because the whole community has the utmost confidence in His Excellency and knows that he will support the Colony's best interests whether commercial, social or political, to the fullest extent of his great abilities.

"Hong Kong has so often been the target of attack by certain individuals that last November we especially welcomed the visit of Vice-President Richard Nixon and we wish to place on record here the very friendly attitude which he took in his speeches and interviews. It is good to know that there are not a few influential persons in the United States who understand our problems and realise the importance of our maintaining our position.

"Last year was a quiet one for the Colony, but it cannot be said that it was a satisfactory one from all points of view, although considering the handicaps imposed by the embargo and other difficulties about which I have already commented, things proved better than many expected. Imports, which increased 2 per cent. amounted to the equivalent of about £242 million. Exports decreased 6 per cent. and were about £171 million.

"As compared with 1952, there was only a very small drop in the recorded tonnage of commercial cargoes discharged and loaded in the port, while shipping tonnage entered and cleared actually increased more than 2½ million tons. It is significant that this was largely due to the increase in Japanese ships from 56, which entered in 1952, to 359 in 1953. However, we must not forget that 2,620 British ships of nearly 5½ million tons entered Hong Kong in the same year.

"I will not discuss the details of the trade of the year, but I will remind you that our prosperity is largely tied up with the prosperity of the surrounding countries and if—say Indonesia and Thailand—are forced to restrict imports for balance of payments reasons as they were during the past year, then there will inevitably be adverse reactions on neighbouring countries such as Hong Kong. The causes of such restrictions are well known, but they are often not easy to eliminate: they arise from low prices of basic commodities, high defence expenditures and administrative weaknesses. However, apart from the disappointments caused by the above mentioned restrictions and the big handicap relating to China, Hong Kong has no reason to be unduly depressed. Although much more trade was done with China in 1950 than in 1953 yet, excluding China, the 1953 trade figures were slightly better than 1950 when trade seemed prosperous and many Hong Kong records were broken. The exports of locally manufactured goods, taking the year 1953 as a whole, improved no less than 31 per cent. over 1952 and textile exports were two-thirds of the whole. Electricity production has continued on the up grade. The building industry and property transactions have been buoyant and there has been great activity on the Stock Exchange. On balance, additional capital appears to have come into the Colony and bank deposits have increased. No doubt owners of such funds only await the pro-

pitious moment when they can profitably employ them in trade or industrial operations.

Hong Kong's Finances

"This statement was prepared before the Budget Meeting of the Legislative Council which took place on 3rd March; so it was not possible to take account of the Financial Secretary's speech in presenting his Estimates of Revenue and Expenditure for the year ending 31st March, 1955. However, knowing what a conservative policy is followed by every Financial Secretary in this Colony, I am sure he has every intention of keeping us on a safe and steady course. But expenditures are mounting. We cannot afford to have any more fires of the magnitude of that at Shek Kip Mei which, I believe, cost the Colony nearly £1 million, and Mr. Clarke must be worried about the heavy disbursements which the Colony has ahead in connection with already approved Public Works and the badly needed enlargement of Kai Tak Airport. Our Medical and Educational Departments (including particularly the University) bring heavy recurrent expenditures which, as the Financial Secretary hinted last year, may have to be given a limit if we want to avoid increased taxation.

"Two matters which directly affect Hong Hong's status as one of the important cities in the world are the airport and the resettlement of squatters or refugees. The need for an airport suitable for the landing of 'Comets' and other large modern commercial aircraft is indisputable and we hope that a final decision will soon be taken to proceed with a suitable scheme as quickly as possible. We must not forget that H.M. Government have offered us an interest-free loan of £3 million for this purpose.

"As regards squatters, the Governor's views on the importance of this matter are well-known. No one can question the fact that the Government have done exceedingly well in the way they have tackled the problem and it was pleasing that Vice-President Nixon made special reference to the 'far-sighted, humanitarian and generous' way the squatter situation had been faced in Hong Kong. Refugees and others, such as those living in squalid and overcrowded tenements, are also a vast problem. These classes are estimated to number at least 100,000 families and the Government aim at resettling these large numbers in low-cost flats in permanent multi-storied apartments. Some progress is being made, but only the fringe of the problem has so far been touched.

"In a small way, we are ourselves attempting to ease the housing problem by building forty small flats for the Chinese employed in our head office. This is a tentative experimental idea which we shall have to watch carefully.

Anglo-Japanese Agreement

"The Anglo-Japanese Payments Agreement has proved a controversial subject ever since its signature at the end of January. One important and somewhat obscure factor at the moment is to what extent Japanese cotton goods will be able to compete in price with Lancashire goods in the Colonial territories and their entrepot markets. Hong Kong and Singapore's internal markets are not likely to be much affected. The entrepot trade as a whole is another matter and it is possible that there will be Japanese competition with Hong Kong export products, although Japanese cotton goods should not seriously compete with the Hong Kong industry. However, there may well be benefits to be gained, if Hong Kong and Singapore are used as marketing centres for a great variety of Japanese goods. The number of registered factories of all kinds in Hong Kong continues to increase and interesting developments are taking place. There are signs that new investors are realising that, in spite of occasional checks, there is still scope for the employment of capital in light manufacturing projects. There is ample labour in Hong Kong and there has been practically no labour trouble throughout the past year.

Japan

"Having just referred to the Anglo-Japanese Payments Agreement it seems apt to turn next to a consideration of affairs in Japan during the past year. The Payments Agreement was warmly welcomed in Japan as a definite help towards checking the serious sterling trade imbalance of nearly £109 million in 1953 and towards assisting the very difficult trading situation with which the country is faced. But Japanese business men are aware that their country's main problem is still by no means solved. The Government Economic White Paper published last July and a further one issued in November faced the facts squarely when it was acknowledged that owing to the trade gap the Japanese economy could not maintain itself on its present basis without United States special procurement orders, which last year provided over U.S. $785 million. As a result, strenuous efforts are now being made to keep the 1954-55 budget under rigid control and a movement for retrenchment is well under way. At first, demands were such as to bring the budget up to the equivalent of £2,000 million, but latest reports are that it is being debated at a level just under £1,000 million.

"The need for strong action to cope with the inflationary situation is shown by statistical figures indicating gradual rises, for instance in bank advances, the note issue, cost of living and price levels, as well as an increase in production figures. Moreover, the Chief of the World Bank Survey Mission to Japan, on leaving Tokyo on 19th December, issued a statement which neatly hammered home the following points: that inflation was one of Japan's most serious problems and required immediate solution by resolute action: that official plans to maintain a balanced budget and to correct the overloan situation deserved applause: that there was a great need for capital investment, but particularly for an increase in the volume of domestic savings: that an increase in the food supply was a basic problem and that support for agricultural development merited at least as much attention as industrial modernisation.

"Japanese difficulties deserve serious consideration. Japan has a population of some 88 million people in a country restricted since the war to an area half as big as the United Kingdom with only 17 per cent. of the land arable. It would be impolitic not to try and ease their problems in the way the extended Payments Agreement has done and from the British point of view it is surely wiser to expand than to contract sterling area trade.

Indonesia

"Indonesia is another country which is, I am afraid, also suffering from economic maladies but of rather a different kind. Her Government, like Japan's, is struggling to put the financial house in order, but her considerable adverse balance of trade has no compensating windfall. Moreover, Idonesia, being a new State, has far more serious internal problems and her people have not yet developed a strong sense of discipline, as is shown by the widespread disorders in the interior and the unsettled labour conditions. Then again, Indonesia's economy is predominantly agricultural with important oil resources and mineral deposits. The country's potential wealth is immense but to exploit this properly much administrative skill and experience is needed. These are well-known facts. Many of them were enlarged upon in a recent report by the President of the Java Bank who is now Governor of the newly formed Bank Indonesia, which replaced the former bank on 1st July, 1953 as the central bank of the country. The Governor particularly drew attention to the dangers of the large deficit in the budget which for 1953 was estimated to be Rupiahs 1,800 million (£56 million). He called for economies and a recognition of the realities of the situation. By increasing the margin required from all importers from 40 per cent. to 75 per cent. it was hoped to check inflation and cut down imports, but, unfortunately, the final deficit in the budget account appears to have been higher than was anticipated and the adverse trade balance will also be serious. The Bank Governor recently stated that on 3rd February the Bank still held cover of gold and foreign exchange equivalent to 24 per cent. of its demand liabilities—a somewhat small margin above the statutory minimum of 20 per cent.—and that in the past six months the cover had fallen over 11 per cent. He urged corrective action by increasing production, by stricter import controls as well as by measures to prevent exchange losses through the export inducement schemes.

"While the Indonesian Government are thus preoccupied with their serious financial problems, it is hardly likely that the import trade from neighbouring countries will improve, but their desire to increase this trade was shown in the preliminary discussions which the Singapore Director of Commerce and Industry recently held in Djakarta with senior Indonesian officials.

Indo-China

"Like Indonesia, Indo-China is another country containing great natural wealth, but suffering from internal troubles which in this case have been much to the fore in world discussions during the past year. Let us hope that the Geneva Conference will bring a solution of the deadlock which has already lasted some eight years. Indo-China is a vital point in the strategic situation in South-East Asia and the United States Government have thrown in an immense amount of aid, not only in the form of warlike materials but also in connection with road-building, waterways, airfields, port facilities and for technical training. Some of these things may outlast the present conflict, but, at the same time, 70 per cent. of the revenue of the country is being earmarked for war expenditure to the detriment of its economy.

"The sudden devaluation of the piastre by the French Government last May from 17 to 10 francs, caused much resentment in official circles of the three States, but this was perhaps counterbalanced in the following month by the offer of more or less complete autonomy within the French Union. The export trade naturally benefited by the lower rate of exchange and rubber and coal exports have increased. On the other hand, there has been a serious fall in the general purchasing power of the people owing to the fact that wages have not increased proportionately to the prices of consumer goods. Yet there is little doubt that, if political troubles subsided, there would soon be a rapid trade recovery in this country.

The Philippines

"If we next move in an easterly direction, we shall find ourselves once again in a more stable locality. The Philippines is a country which is dependent on agriculture for considerably more than half its gross national production and for some 80 per cent. of its export earnings. It is, therefore, very satisfactory and hardly surprising that a man who knows the agricultural scene and whose reputation for probity is high should have been elected President of the Philippine Republic last year. President Magsaysay has, however, set himself an ambitious target in the very inspiring programme which he revealed in his address at the opening of Congress on 25th January. The programme is far too long to quote, but its theme was to help and encourage farmers, to put into effect a co-ordinated plan of economic development, to straighten out the finances and to secure a Government of integrity and efficiency. All who are concerned with the progress of this fertile country will watch with interest and sympathy the steps taken by the President to carry out this great task. The election result has been called the greatest victory against communism so far seen in Asia. If the President can accomplish his programme, or the major part of it, this bold assertion may prove to be literally true.

"One of the first steps of the new Government was to introduce proposals covering a five-year programme for the rice industry with a view to ensuring reduced prices and adequate output to feed the nation. Already, in fact, a great deal has been done in this direction by the American Foreign Operations Administration and indeed rice supplies adequate for internal needs were produced in 1953.

"During the past year, the Philippine Administration made representations to the United States Government for the revision of the Bell Trade Act which will, otherwise, come into force on 4th July next, and a special Executive Committee has been set up in Washington to examine certain detailed proposals submitted by the Philippine Government. An important one relates to the currency question which the Philippines claim the right to control and administer, including also the determination of the rate of exchange. However, decisions as to this and the other proposals made to the United States Government seem unlikely to be reached in the immediate future.

"As regards trade, the final figures are not available, but it seems likely that the adverse balance will be at least Pesos 100 million (£18 million) less than in 1952 when it was around Pesos 147 million (£26 million). Export figures are likely to be Pesos 90 million (£16 million) higher owing to an improvement in some of the leading exports such as sugar, copra and timber. Sugar exports were only 35,000 tons short of the United States quota of 952,000 tons.

"The National Budget for the fiscal year ending 30th June, 1955, shows a very small surplus which it is hoped will be attained by increased income as a result of strict supervision over tax collections. There is a General fund deficit of Pesos 304 million (£54 million) which President Magsaysay hopes to liquidate by setting aside an annual amortisation.

Malaya

"We now move down the South China Sea to Malaya which cannot look back on 1953 with much regret at its passing, largely because the lingering slump in rubber and tin prices gradually spread gloom through a large section of the country. I will refer to these particular problems later. However, the emergency situation certainly improved. The personality and inspiration of General Sir Gerald Templer has been felt throughout the whole territory and has brought definite progress in the operational field. It is not surprising that there should be widespread regret at General Templer's forthcoming departure on promotion to an even more important assignment. But it is reassuring to know that the Templer plan of campaign has been thoroughly tried out and has already shown excellent results. It only remains for his successors to press onward with determination, perseverance and energy to a successful conclusion of the campaign. This will surely come, but it will come quickly only if the peoples of Malaya give full-hearted co-operation.

"In speaking of General Templer's campaign I do not refer to the field operations alone, where his success has been most pronounced, but also to the activities aimed at obtaining the support of the 'hearts and minds' of the people, where progress is slower but is sure. Then there is the political arena in which the High Commissioner has had to face troublesome problems of a very different nature needing careful and statesmanlike handling. The overriding problem has been that of attempting to fuse the various peoples of Malaya into a Malayan nation end of ensuring that the framework of the future State is based on sound foundations and that its structure will be built on realistic and efficient lines. General Templer himself pointed out the importance of the various steps which must, he said, be taken to ensure that 'self-government is not a substitute for good government'. Citizenship, elections, civic and administrative responsibilities—these are stages each of which needs time for digestion: otherwise, stability will be endangered and the interests of the new country will suffer in the way we can see others around us are suffering at the present time. I need hardly stress how important that word 'stability' is, from whatever angle you may consider it. These political problems mainly affect the Federation and will soon be the burden of Sir Donald MacGillivray who will have the support and good wishes of all who have at heart the future well-being of Malaya.

Singapore

"Singapore is, of course, directly concerned with the outcome of the political developments in the Federation and the Colony can confidently rely on the Governor, Sir John Nicoll, to see that their interests are fully safeguarded. Two bodies have been exploring important matters relating to the future of the Colony. The one is a Joint Co-ordination Committee set up under the chairmanship of Mr. Malcolm MacDonald who, we are glad to know, will be staying in his present post of Commissioner General for South-East Asia at least until the end of this year. The other is a Commission under Sir George Rendel which has been considering the question of Singapore's constitution and has just issued its report. We all realise that much depends on the outcome of these deliberations. Constitutional and other relations between the Federation and Singapore must come up for reconsideration in the near future and greater co-ordination is undoubtedly desirable.

"I must next refer to the financial condition of Singapore and the Federation. The Colony is fortunate in that the revised accounts for 1953 are expected to show a surplus of M.$33 million (£3¾ million). The budget for 1954 allows for a deficit of about the same amount, but last year the Colony felt able to give £1 million to H.M. Government and this year it has loaned M.$30 million or about £3¼ million to the Federation. Moreover, a special reserve fund of M.$100 million has been set up and a Development Fund of M.$50 million, but there still remains about M.$130 million in the general revenue balance of the Colony. The emergency has necessitated heavy expenditures by the Federation and it is only right that Singapore should bear part of the burden, but as the Governor pointed out when he announced the loan, the Colony has its own heavy commitments and in ordinary times every dollar will be needed to provide more schools, hospitals, houses and other services.

The Federation

"The Government of the Federation of Malaya, on the other hand, are less fortunate, but they started 1953 with a good revenue surplus and they have reliable friends who can come to their help. Their deficit for 1953 is expected to be about M.$146 million (£17 million) and for 1954 the estimated deficit is M.$222 million (£26 million). On the other hand, their surplus on 1st January, 1953, was M.$332 million (£39 million) a part of which was, however, not readily realisable. They raised M.$100 million by the Security Loan floated last year and H.M. Government have promised a contribution of £6 million as well as additional help, if the financial situation should deteriorate in 1954. In addition to this they have received from Singapore the 25-year loan of M.$30 million, without interest for the first 10 years, and the State of Brunei provided a loan of M.$40 million so as to ensure that the development programme was not interrupted.

"The Financial Secretary, Mr. Himsworth, in his Budget Speech showed that the Federation could get through to the end of the present financial year without increased taxation. In fact, he stated that the Government did not propose either now or in the immediate future to make any increase in the Company rate of income-tax, because it would be inflationary in an underdeveloped country, and would tend to frighten off investment capital which was what the country required more than anything else. Mr. Himsworth also announced that in order to pay for important capital development projects it was intended to raise locally a loan of M.$100 million (£11¼ million) in 1954 as well as one of about £6 million on the London market. The Financial Secretary made no bones about the need for stringent economy which we agree is certainly a matter of the very greatest importance. He further said that the main plank of Government's financial policy was 'to get rid of this deficit and to bring the budget back into balance.'

Tin and Rubber

"By the fall in the prices of tin and rubber during the year the Financial Secretary estimated that the Federation's revenue had been reduced by 20 per cent. We need not intervene in the controversy and argue as to the best way to deal with these two commodities in regard to which the specialists themselves hold such widely differing views. But from a banker's point of view, as indeed must be the case from almost any point of view, except that of the speculator, stability of prices is of the utmost importance. If the majority agree that stability can only be obtained by international agreements, then such agreements deserve the fullest support from the industries and Governments alike. The Randall Report to President Eisenhower has, unfortunately, cast cold water on commodity agreements. Yet there is strong sympathy and support, on the part of individual Americans of prominent and influential standing, for the countries so critically concerned with these problems. For instance, Vice-President Nixon, who of course could not commit his Government, showed his understanding of the fact that Malaya's prosperity and its problem of dealing with communism were both bound up with rubber and tin. He realised too that other countries were also involved in a very similar way.

"The trade of Malaya in 1953 naturally suffered from the recession in rubber and tin prices; imports dropped 16 per cent., but exports fell 23 per cent. being M.$880 million (£103 million) lower than in 1952. However, in volume, rubber and tin exports were fairly well maintained throughout the year and it is interesting to note that the Singapore Harbour Board returns for 1953 show that the net registered tonnage of vessels berthed at the wharves was a record at over 10,700,000 tons.

"The Mission to Malaya sent by the International Bank for Reconstruction and Development arrived in Singapore in January and will make recommendations regarding future economic plans and developments. For this reason, I will not refer to the important subject of the diversification of production, whether agricultural, mineral or industrial. One of the subjects with which the Mission will deal is, no doubt, that of rice in regard to which the attitude of the Government in continuing to handle the trade is giving rise to both questioning and opposition in the Federation.

North Borneo and Brunei

"After Malaya, it is natural to consider North Borneo which has often been called a land of promise, as it indeed is. But so it will remain unless some dynamic action is taken to find the labour needed to turn the Colony's promise into practical value. The State of Brunei is fortunate in having profitable oil wells in its territory and the revenue resulting from oil production will be able to finance an ambitious Five-year Plan of Development, but many problems arise when revenue is four times higher than expenditure. The loan to the Federation of Malaya of M.$40 million which was provided last November was a timely gesture to help in the struggle against communism.

Rice

"I have referred to the doubts in Malaya about Government control of rice, but when we look at Thailand and Burma it seems likely that Government monopolies of the rice export trade have come to stay. Both countries are very dependent on their large production of rice for their well-being. In the case of the former 90 per cent. of farmland is estimated to be given up to paddy and 60 per cent. in the latter. As a result of several unforeseen occurrences during the past year, a buyers' market developed and both countries found themselves considerably overstocked and, therefore, anxious about the financial outcome. One reason for this situation was a good rice crop in India which led to a decision not to enter the rice market until prices were lower. The Philippine Islands were also able to supply their own needs. Indonesia bought considerably less than in the past few years and Ceylon obtained considerable quanties from China. However, towards the end of the year Japan became short of rice owing to damage to her crops by floods and she then made contracts with both Thailand and Burma which somewhat eased the situation, and recently within the last few weeks a contract between India and Burma has at length been concluded. Total exports in 1953 are believed to have been about 1,300,000 tons from Thailand —the lowest figure for some years—and about 1 million tons from Burma. It is expected that in 1954 Thailand will have a disposable surplus of about 1,800,000 tons of rice and Burma about the same figure. Rice production is, of course, subject to wide fluctuations owing to crops being dependent on weather conditions. Prices, therefore, vary greatly from season to season and the holding of large Government stocks may at one moment seem likely to cause a serious loss and at another to be a wise policy, but the consensus of opinion outside official circles urges that Governments should relax their control over the trade and take the present opportunity of more plentiful stocks to revert to pre-war practice. This is not a simple problem and the facts need thoroughly ventilating before a decision is reached.

Thailand

"On the financial side, the future of the year for Thailand has been the drop in the free market rate of the Tical from about Ticals 45 to about Ticals 58.50 to the pound. Exchange regulations and imports were tightened up and, eventually in November, full-scale import controls were introduced: however, the adverse trade balance for 1953 is likely to be large. Sterling balances of the Bank of Thailand have fallen off during the year, but U.S. dollar balances have increased. The note issue is well covered, but the considerable deficit in the public finances which continues from year to year gives rise to anxiety. An unusual type of loan has recently been authorised whereby the Government has borrowed foreign exchange equivalent to Ticals 1,200 million (£27 million at the official rate) from the Bank of Thailand against 10-year Bonds at 3½ per cent. This is to be used for capital outlay. It is reported that requests have been made to the International Bank for a number of loans, but no new agreements have been concluded. Meantime, the United States Special Technical Economic Mission continues its activities in the country and the army and air force are being modernised with American advice and help.

Burma

"The political situation in Burma has changed little in the past year. Internal security has improved in some areas, but in others there is considerable guerilla activity not unlike the situation in Malaya; but in the case of Burma the communist affiliation seems more uncertain. The activities of the so-called Kuomintang forces unfortunately pinned down Burmese troops and so prevented their employment in the task of establishing order elsewhere. The ill-feeling aroused against the United States by the latter's connection with the matter resulted in the Burmese Government rejecting further United States aid—a loss of some U.S.$13 million to Burma. The finances of the Government show that there was a small surplus in the year 1952-53, but the budget for 1953-54 provides for a deficit of Kyats 380 million (£28½ million) to be met out of cash balances. Social welfare and economic development are again heavily emphasised and the budget deficit is regarded by the Finance Minister as an

'investment for prosterity and better standards of living.' On 3rd November, a settlement was reached of financial questions arising out of the Anglo-Burmese Treaty of 1947. H.M. Government in fact accepted £7,300,000 against a debt of £26,700,000 payable by Burma. This was 'a magnificent gesture,' as a Burmese newspaper put it.

"On Burma's National Day, the Prime Minister made an important speech on the subject of an 'Interim Economic Plan'—called 'interim' because of the expressed intention ultimately to organise all trade and industry into a socialised economy operated by the consumers and workers.

"On 1st October, the tariff preferences granted under the Ottawa Agreement of 1932 and the Indo-Burma Trade Agreement of 1941 came to an end and a new tariff came into effect. The distinguishing features are high rates on luxuries and nominal rates on essentials. Heavy imports were made prior to the introduction of the new tariff and rice shipments fell off towards the end of the year; consequently the foreign trade balance for 1953 seems likely to show a reduced surplus of exports as compared with 1952 when the surplus was about Kyats 342 million (£26 million).

"Burma has rich potentialities and grandiose plans. As their Minister of Finance has himself stated—their aims should be 'ambitious but feasible.'

India

"In regard to India, a few of the features of the year from our point of view are the following. First and foremost, there is the deplorable friction with Pakistan which has in recent months become more intense as a result of the offer of United States' aid in equipping Pakistan's military forces. Whether this additional dispute will delay the appointment of a Plebiscite Administrator for Kashmir remains to be seen. The problem is intensely involved. Secondly, there is the Five-year Plan which is undergoing some revision in order to speed up the tempo of expenditure. Already a new Five-year Plan is being discussed. However, an additional sum of Rs. 1,750 million (£131 million) is to be allocated to the original plan which is only half-way through its course. Mr. Nehru has said that the Plan is to be revised because of the question of unemployment which is increasingly serious. Indeed, this is an ever-growing problem. The continued disturbances in Calcutta seem to emphasise this and it is stated that, as the population of the country increases, additional employment is required each year for 2 million adults. The Director General of the International Labour Office has recommended that urgent steps should be taken for the expansion of rural industries and the growing of supplementary crops. Food crops were excellent last year and are estimated to have increased 11.8 per cent. above the previous year, but it will be a long time before India can grow too much food. Prices of food and the cost of living index in Calcutta, after rising in the summer, began falling towards the latter part of 1953 and ended at about the same level as the beginning of the year. One unfavourable feature is the stagnation of private capital investment in industry during the past year. In this connection, an interesting memorandum on foreign investment in India shows that foreign capital is not being encouraged for purely trading activities, but that it is in the sphere of industrial development that India is proclaiming her need for foreign investment. As I stated in an earlier paragraph, it appears that joint ventures are likely in future to meet the requirements of the present situation in India rather than direct foreign investment. In fact, such a system was recommended in the Planning Commission's original report on the first Five-year Plan.

"Discussions with Ceylon on the problem of the Tamils in that country have improved relations between the two countries and the proposed meeting in Ceylon of the Prime Ministers of a number of Asian countries appears to be a good move.

Ceylon

"One of the main events in Ceylon during the past year was the financial crisis which came to a head in July and was followed by riots and arson. The dangers of the situation had become apparent by the end of 1952 when an austerity programme was introduced and the rice ration was reduced. But this programme proved inadequate. External assets continued to fall and the trade deficit continued to grow. In July, drastic measures were introduced: the food subsidies were virtually abolished, direct taxes were increased and additional duties were levied on luxuries. At the same time, the Central Bank rate was raised from 2½ per cent. to 3 per cent. By the end of the year the adverse balance of trade had been considerably reduced as compared with 1952, but external assets had continued to fall in a way which must be causing anxiety to the Government. A change of Government took place in October when Sir John Kotelawala replaced Mr. Dudley Senanayaka as Prime Minister and Sir Oliver Goonetilleke then became Minister of Finance. Sir Oliver has realised the need to raise foreign capital to assist Ceylon's Development Plan. Feelers have been put out in London and it has been announced by the Minister that the International Bank is about to provide a loan of Rs. 104 million (£7¾ million) for a hydro-electric scheme. But despite this I may say that Ceylonisation shows no sign of diminution and trade operations with a number of countries are confined to Ceylonese nationals. However, an important and impressive speech which the Minister of Finance made at the opening of the E.C.A.F.E. Conference at Kandy on 26th January last gave indications of a possible broadening of policy to attract foreign private investment.

(*Continued on page 636*)

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(THE LIABILITY OF MEMBERS IS LIMITED TO THE EXTENT AND IN MANNER PRESCRIBED BY CHAPTER 70 OF THE LAWS OF HONG KONG)

BALANCE SHEET AT 31st DECEMBER, 1953.

1952 Hong Kong Dollars			Hong Kong Dollars	Sterling Equivalent	1952 Hong Kong Dollars
$ 20,000,000	SHARE CAPITAL—Authorised and Issued—160,000 Shares of H.K. $125 each, fully paid		$ 20,000,000	£ 1,250,000	$ 421,388,895
	RESERVE LIABILITY OF MEMBERS H.K. $125 per Share on 160,000 Shares	$ 20,000,000			654,596,941
96,000,000	RESERVE FUND		96,000,000	6,000,000	615,917,984
9,489,174	PROFIT AND LOSS ACCOUNT		9,859,542	616,221	
125,489,174			125,859,542	7,866,221	725,483,047
30,400,000	HONG KONG CURRENCY NOTES IN CIRCULATION—Authorised Note Issue	$ 30,000,000			
725,342,086	Excess Note Issue	725,742,086	755,742,086	47,233,880	274,451,264
	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and Taxation (of this total $421,431 ($11,423,572) is secured)	$ 2,636,471,149			98,560,358
					1,206,603
					13,220,370
2,639,318,817					
258,216	AMOUNTS DUE TO SUBSIDIARY COMPANIES	295,948			609,841,488
12,860,599	ACCEPTANCES ON BEHALF OF CUSTOMERS	10,557,154			12,860,599
					3,517,623,744
	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December, 1953	7,760,842			2,135,466
7,744,538			2,655,085,093	165,942,819	21,754,220
$3,541,413,430			$3,536,686,721	£221,042,920	$3,541,413,430

Hong Kong Dollars			Hong Kong Dollars	Sterling Equivalent
	CASH IN HAND AND IN TRANSIT AND BALANCES WITH OTHER BANKS		$ 439,316,817	£ 27,457,301
	MONEY AT CALL AND SHORT NOTICE		680,529,074	42,533,105
	BILLS RECEIVABLE, including British and other Government Treasury Bills		622,581,117	$8,911,320
	HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the Excess Note Issue		725,883,047	45,367,690
	INVESTMENTS at under market values: British Colonial and Other Government Securities (including $41,865,200 (£38,334,400) deposited as security for the Authorised Note Issue): Quoted in Great Britain		276,936,368	17,308,523
	Quoted outside Great Britain		99,217,898	6,013,619
	Other Investments: Quoted in Great Britain		252,752	15,797
	Quoted outside Great Britain		14,805,971	925,373
	ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less provision for Bad and Doubtful Debts		645,652,630	40,353,289
	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra		10,557,154	659,822
			3,512,733,428	219,545,839
	FIXED ASSETS— Investments in Subsidiary Trustee and Nominee Companies, at cost	$ 2,135,843		
	Bank Premises at cost, less amounts written off	21,817,450	23,953,293	1,497,081
			$3,536,686,721	£221,042,920

Notes:—1. There are contingent liabilities on bills re-discounted amounting to H.K. $8,621,492 ($5,760,936) and commitments in respect of Confirmed Credits, Guarantees and Forward Exchange Contracts.

2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1953. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of H.K. $1=1/5d.

MICHAEL W. TURNER, *Chief Manager.* G. O. W. STEWART, *Chief Accountant.* C. BLAKER, H. D. BENHAM, J. A. BLACKWOOD } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION.

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong, with the audited accounts of the London Office and with the returns received from the other offices which have been signed by the Branch Managers. We have obtained all the information and explanations we have required and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st December, 1953, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and by the returns received from the other offices.

HONG KONG, 15th *February*, 1954. LOWE, BINGHAM & MATTHEWS, PEAT, MARWICK, MITCHELL & CO. } *Chartered Accountants, Auditors.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

1952 Hong Kong Dollars			Hong Kong Dollars	1952 Hong Kong Dollars		Hong Kong Dollars
$5,163,025	Interim Dividend of £2 per Share, free of Hong Kong Corporation Profits Tax, paid 10th August, 1953, £320,000 @ 1/2-7/8		$ 5,163,025	$ 8,075,332	Balance brought forward from 31st December, 1952	$ 9,489,174
3,000,000	Appropriations recommended by the Directors: Amount to be written off Bank Premises	$ 4,000,000		17,321,405	Profit for the year, after providing for taxation on profits earned to date and after making transfers to the credit of Reserves for Contingencies, out of which Reserves provision has been made for any diminution in value of current assets	17,294,235
7,744,538	Final Dividend of £2 per Share, free of Hong Kong Corporation Profits Tax, £480,000 @ 1/2-27/32	7,760,842				
			11,760,842			
9,489,174	Balance carried forward to next year		9,859,542			
$ 25,396,737			$ 26,783,409	$ 25,396,737		$ 26,783,409

Special Administrative Expenses, including Chief Managers' emoluments, Directors' Fees and London Committee Fees amounted to H.K. $317,960 (H.K. $764,911).

ANTIMONY INDUSTRY

DEMAND FOR CONTINUANCE OF PROTECTION

THE Tariff Commission is enquiring into the question of continuance of protection and assistance to the antimony industry which is due to expire on 31st December, 1954. The industry has asked for continuance of protection until such time as domestic sources of ore are fully explored and worthwhile deposits of ore discovered. It has also asked for certain specific types of assistance, such as imposition of complete ban on imports of antimony metal for the next few years, continued Government purchases at fair selling prices, determined by the Tariff Commission every six months, and proper planning of Government indents to enable production to be regulated accordingly.

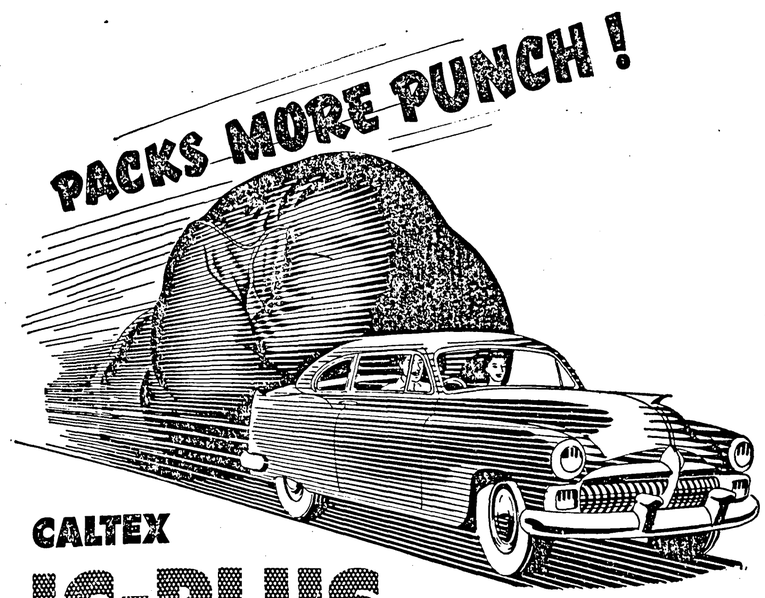
Although the industry has been enjoying protection for nearly the past seven years, it has not yet attained stability. But the industry claims that, given a further substantial period of protection, it can be expected to acquit itself creditably. The main cause for its present state of affairs is its dependence on imported ore. The cost of this ore, it is stated, is not only high but also fluctuates widely from one consignment to another, with the result that the price of indigenous antimony metal also has to be revised periodically. As regards other raw materials, it is stated that the industry is not obtaining sufficient supplies of soda ash in adequate quantities from indigenous producers. Besides, in most of the cases, the supply is irregular.

A significant feature of the antimony industry in India is that it is a single-unit industry, the only unit engaged in the production of antimony being the Star Metal Refinery, Ltd., Bombay. A brief glance at the history of the industry, as given by Mr. B. N. Adarkar, Member, Tariff Commission, while opening the public enquiry on 25th March, discloses that there is a large gap between output and installed capacity. The installed capacity is estimated at 600 tons per annum on three-shift basis by the Star Metal Refinery Ltd., while the Development Wing of the Ministry of Commerce and Industry places it at 700 tons. As against this, actual production in 1953 was 130.19 tons. An unfortunate feature to be noted in this connection is that the trend of output is steadily downward. Thus, it was 180.87 tons in 1952, 328 tons in 1951 and 376 tons in 1950.

The question of utilising fully the installed capacity, however, requires an accurate estimate of demand. At present, there are no correct estimates. The Star Metal Refinery has put it at about 300 tons and has indicated a variation of 10 per cent. in demand for the next three years. The estimates of importers vary from 400 tons to 1,000 tons; their expectation of the future demand is even more than 1,000 tons per annum. The consumers' representatives have estimated the demand at about 600 to 700 tons. The Tariff Commission will have to determine first the basis for the estimation of demand, both current and future, and then work out the actual figures.

The Commission will also have to enquire into the quality aspect of antimony metal. Although the general opinion seems to be that the quality is satisfactory, some of the importers and consumers have pointed out that there has been no improvement for some time past. The standard of purity of the indigenous product, according to them, is not as high as that of the imported product. Further, the quality, it is considered, is also not consistent. The Star Metal Refinery, on the other hand, contends that it is producing metal of 99.25 per cent. purity, which is as good as that of the imported product and that it is in a position to produce metal of 99.6 per cent. purity.

In his opening address, Mr. Adarkar points out that one of the consumers has expressed, that it is not now economical for the country to import ore and have it smelted in the country. This consumer is further of the view that, even from the strategic angle, the benefit of having the industry in the country at any cost is not fully established, because, in times of crisis, the supply of ore will not be less liable to interruption than that of antimony metal. On the question of existence of ore in India, Mr. Adarkar says that he has been given to understand that the Department of Geological Survey is investigating the reported occurrence of antimony ore in Madhya Pradesh.



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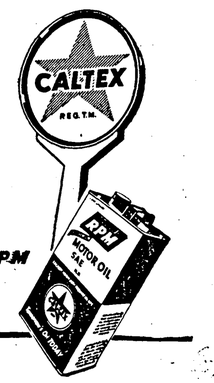

BRITISH INDIA CORPORATION LIMITED

THIRTY-FOURTH ANNUAL MEETING

SIR ROBERT MENZIES DISPELS FEARS OF LABOUR ON RATIONALISATION

IN the course of a comprehensive and thought-provoking address to the shareholders of the British India Corporation Ltd. at their Thirty-fourth Annual General Meeting held in Kanpur on 27th March, 1954, Sir Robert Menzies, Chairman of the Corporation, made an interesting analysis of world conditions which affect, directly or indirectly, the industries in India, generally, and the Corporation, in particular. Referring to labour conditions, he sought to clarify the misunderstanding over the meaning of the word "rationalisation" and to dispel the fears that rationalisation would mean retrenchment of workers. He reviewed also the difficult conditions under which the various branches of the Corporation have had to work during the past year. The recent "blows" introduced by the Hon'ble Minister of Finance, he said, had changed the outlook for the worse, unless, of course, there was a marked improvement in demand which would affect the selling prices and enable the Corporation to pass on the impositions to the buyer.

The following is the full text of Sir Robert's address:

"It has been my custom on these annual occasions to make some brief reference to world-wide conditions which may not immediately appear to have any close impact on the business of the Corporation, but which, directly or indirectly, often do affect it. I think, generally speaking, the world position today is a little easier than it was at this time last year, though, to my great regret, I am unable to record that peaceful conditions obtain throughout the world. The fighting in Korea was halted during 1953, and protracted negotiations then took place in regard to the repatriation of prisoners. India may well take pride in the performance of her armed detachments which held the balance in Korea during the questioning and repatriation of prisoners of war released by both parties to the conflict. The General Officer who presided over the deliberations of the Neutral Committee set up to supervise this repatriation, and the troops sent from India have now returned to this country, so that we can say that one important phase towards peace has now been completed in Korea. Let us hope and trust that other negotiations will be fully successful, and that, at no distant date, the confusion in Korea will have been finally settled to the mutual satisfaction of both parties. Fighting still goes on in Indo-China, although here again, India has endeavoured recently to induce both the warring elements to consider terms which would end the fighting, and we can only hope that these efforts will be crowned with success. In Malaya, the terrorist position would appear to be less serious than a year ago, and, in Burma, Government troops are still endeavouring to enforce the evacuation from Burmese territory of Chinese Nationalist troops. We have not heard a great deal during the past year about Tibet, and it seems as if the troubles in Nepal, at least for the moment, have been composed. In Kenya, strenuous efforts have been made to bring the Mau Mau disturbances to an end, and while the places I have mentioned would appear to embrace the lands in which blood war is being waged, there is unrest in the Sudan, in Egypt, and in many other countries of the East. Is it too much to hope, however, that, in a short space of time, the nations involved will realise the futility of continuing even guerilla or cold warfare, and will endeavour amicably to settle their differences? The Western powers are still zealously endeavouring to arrive at agreement in numerous directions with the Government of Soviet Russia, but most of these efforts continue to end in frustration.

"It is with the utmost regret that I am unable to indicate any real improvement in the relations which exist between India and her nearest neighbour, Pakistan. At one time, in 1953, it seemed as if these two neighbouring sister countries were gradually coming together, but a recent request by Pakistan for military aid from the U.S.A. has given a severe setback to any negotiations which may have been in hand, and a solution of these difficulties, the principal among which is that of Kashmir, certainly does not seem any nearer.

Food Situation

"Last year, I made reference to the fact that certain parts of India had suffered from famine conditions, although the food position then generally was decidedly better. I am glad to be able to say that there has been a still further improvement in the food situation, notwithstanding continued drought in parts of Southern India and, on the other hand, the great damage caused by floods in Northern India, particularly in Bihar and the East of Uttar Pradesh. Notwithstanding this, India is gradually becoming self-sufficient in the matter of food, despite the ever continuing increase in her population.

"Commodity values throughout India during the year 1953 were certainly more stable than in the two previous years, but fluctuation in the value of raw materials is certainly still prevalent, thus making the lot of the manufacturer a difficult one; and here again we must conclude that these markets have not returned to the levels of natural trading.

"Government controls on industry, during the past year, have gradually been further relaxed, and, in so far as the great cotton textile industry is concerned, control now exists only as to the allocation and purchase of raw cotton and on production. It is hoped that, in the near future, it may be possible to remove any semblance of control from this industry.

"Control of the sugar industry has been to some extent relaxed, but still exists, and it is unfortunate that this important industry, in so far as Bihar and East U.P. are concerned, should have suffered from flood conditions. These, and the diversion of sugarcane to the manufacture of *gur*, have led to very marked reductions in the amount of cane tendered to the sugar mills in that area during the season which is now ending. It has, accordingly, been deemed necessary by the Government of India to arrange for the importation of a considerable quantity of sugar from abroad, in order that India's requirements for the current year may be met. It is perhaps an indication of a steady improvement in the general standard of living that official estimates of the consumption of white sugar continually lag behind actual demand. Record plantings of cane for next season show that the grower, despite some recent local agitation, is satisfied with the price which was fixed last year for two years.

Labour Conditions

"In 1953, labour conditions showed little change and, happily, there were no serious happenings as regards the branches of this Corporation. The very frequent references to Conciliators, Adjudicators, State Industrial Courts, and the Labour Appellate Tribunals continued throughout the year on a scale for which there was little or no real justification. I am pleased to report, however, that recently the State Government has ruled that no case which has been referred to a third party, and on which a decision has once been given, may be re-agitated. This order further laid down the conditions under which such references may be made, and it is no longer possible for an individual worker to take action on his own to such an end, although he may still achieve this through the medium of a trade union. In order to restrain the employers' powers of dismissal, there is a continued spate of references to adjudication, and while such hearings are pending, employers are still legally unable to dispense with the services of any worker without special sanction.

"For the past two years I have mentioned to you that our Cawnpore Woollen Mills branch had on its books approximately 1,000 surplus workers, and as the Mills had not been able, up till then, to obtain sanction to retrench these workers, a continuous play-off had resulted. These conditions still obtain, however unsatisfactory they may be, but, in the matter of retrenchment, I should record that towards the end of 1953 the Government of India introduced rules which granted workers a retrenchment gratuity on such a scale as was apparently deemed to act as a deterrent on employers.

Rationalisation

"I regret to say that our schemes for rationalisation are no further forward. Seven of the cotton mills of Kanpur submitted schemes to Government which had been put forward on a basis recommended by outside experts, who were appointed by Government. These schemes were referred by Government to a newly constituted Efficiency Section in the office of the Labour Commissioner, U.P. Initial reactions from that section are unsatisfactory, and it would certainly appear that the reasons for rationalisation are not yet properly understood in certain directions and have, so far, only resulted in delay. As I explained to you last year, there has been a great deal of misunderstanding as to the meaning of the word 'rationalisation,' and, frequently, and erroneously, this word is regarded as being synonymous with retrenchment. This is not so, as rationalisation is merely a means of reducing production costs by increased efficiency and, at the same time, of increasing workers' earning capacity. Perhaps, it might be well to clarify, once and for all, the meaning of the word 'rationalisation.' Reference to a dictionary will show that rationalisation is derived from the word 'rational,' the meaning of which is 'pertaining to reason, endowed with reason, agreeable to reason, sane or intelligent.' Rationalisation itself is described in the dictionary as 'subjection to rational principles,' or, in other words, the introduction of reasonable methods. So far as the branches of your Corporation are concerned, any schemes of rationalisation which have been considered by the management do not contemplate that there will, as a result, be any retrenchment of permanent workers. It is with regret, therefore, that I have to report that no real progress to this most desirable end has as yet been made, despite the fact that it is in the national as well as the workers' interests that rationalisation should, wherever possible, be installed without delay.

"It can truthfully be said that trade unionism in India is growing, if this can be judged by the number of trade unions which are being established. Unfortunately, however, many of these are being brought into being purely for political purposes rather than in the true interests of the workers, and until such time as the trade union leaders realise that their unions cannot function efficiently until divorced from politics, there is little chance of real progress being made. I can only repeat once more what has so often been said by responsible employers in India, and that is, that they would welcome the growth of real trade unionism on the lines of those unions which exist in Britain or other advanced countries. The subject of unemployment has attracted much notice lately. There is unquestionably a great deal of underemployment in Indian industry, which results from the retention of redundant labour. This is bad both for labour and for the productive efficiency of industry, and is perhaps more serious, in its retarding effect on expansion and prosperity, than a temporary increase of unemployment, which is occasionally unavoidable in all industrial countries when trading conditions are such that manufacturers cannot readily sell their production and must reduce their output. Unfortunately, that is the position in at least several industries in India.

Retirement Gratuity

"The management have recently given very considerable thought to a retirement gratuity scheme, whereunder some compensation for retirement will be offered to elderly workers and clerical staff. Retirement on account of age or ill health is, of course, quite distinct from retrenchment. At the moment, the Corporation carries on its books many employees who are old or infirm, and it would seem to be in the best interests of the Corporation that many of these men should be assisted to retire, thereby increasing efficiency and also, most importantly, lessening unemployment.

"In the Directors' report it was stated that the market price of the raw materials required by the Woollen Branches were more stabilised during 1953 than in the two previous years. The prices are, however, still high, and presumably will so remain, so long as a strong demand for this commodity from both sides of the Iron Curtain continues. Many man-made synthetic fibres have been placed on the market as substitutes for wool, but there always appears to be one or more objectionable features in these man-made imitations, and perhaps the slogan that there is no substitute for wool is nearer the truth than many people think. It is most unfortunate that the price of the raw material has made the lower-priced goods still beyond the reach of the poorer classes' pockets, with the result that the heavy plant in the Corporation's Woollen Branches is now not fully occupied, as it would be futile to make goods which could not be readily sold. On the finer side, however, the Corporation's products have met with a ready response from the market, and it is hoped still further to improve the quality of these finer goods in the years to come. I claim, with, I think, every justification, that the finer products now produced by our Woollen Branches are in every way equal to the imported fabrics which controlled the market before the last war.

Cotton Textiles

"As regards the cotton side of your business, the picture, as indicated in the Directors' Report, is not a happy one. It is true that the production of cotton textile goods in India is steadily increasing, but the same can apparently not be said of the demand. Prices are higher than they were some years ago, but this is unavoidable, having in view the increased price of the raw material, though it is to be noted that prices which are now being paid in India for indigenous raw cotton are still below world parity. This is a feature which assists those mills which are equipped or well placed to export their products, and it is, perhaps, unfortunate that opportunities for the Corporation's Cotton Branch to enter the export market are somewhat restricted. The demand for the coarse and medium cloths which this branch produces was, particularly in the latter half of 1953, most uncertain, and at times, as stated in the Directors' report, the prices available were below the cost of manufacture.

"For many years the Corporation has maintained a spinning mill at Juhi, Kanpur, for the manufacture of yarn for handloom weavers, but in the last few years it has not been possible to operate this unit at a profit, particularly in view of the fact that it was equipped throughout with mule spinning frames, the cost of production on which is considerably in excess of that from ring frames. It will be remembered that, about two years ago, endeavours were made to sell this unit, but these negotiations fell through, and, in the continued lack of profitable demand, your Directors felt it incumbent upon them to close down operations in the said unit. It was, however, necessary, in view of the resulting unemployment, to obtain Government's sanction to this end, and this took a considerable period of time to secure. The Branch Mill, however, was closed down as at the end of January, 1954, and the workers were paid off under the terms laid down by Government in the Industrial Development (Amendment) Act of 1953, which became operative on 24th October last.

"The cost of the retrenchment gratuity under that measure plus the necessary allowance for leave with wages was slightly more than Rs. 7½ lakhs, but that amount was of course only disbursed during the current year, and is, therefore, not included in the accounts for 1953.

"It is significant that, during the year 1953, the burden imposed on the Cawnpore Cotton Mills Branch by State Insurance, the Employees' State Provident Fund, and the U.P. Electricity Duty, exceeded Rs. 6 lakhs.

"I have already clearly indicated that the cotton textile industry is meantime encountering a buyers' market, and it is, accordingly, particularly unfortunate that, in the Budget recently introduced by the Honourable Minister of Finance in the House of the People, a further additional excise duty of 3 pies per yard has been imposed on the types of cloth produced by the Cotton Branch; this increases the excise duty to 9 pies per yard. As things are at the moment, it seems unlikely that it will be possible to pass this extra imposition on to the buyer, though it is hoped that the market will later improve and will enable this to be done. Meantime, however, the cost of meeting this additional excise imposition is approximately Rs. 4½ lakhs per annum.

Levy on Footwear

"You are already aware of the difficulties as regards suitable raw materials which confront our Leather and Footwear Branches. Sales by these branches in 1953 showed a considerable fall from the previous year. This fall was occasioned by the virtually total lack of Government orders for footwear for the Defence Services, and by the difficulty in securing hides of the proper quality to meet export demands for leather. The continued prohibition of cow slaughter in India and the impossibility, on a price basis particularly, of purchasing hides from Pakistan, have affected the operations of the Leather Branches, and it is, accordingly, particularly galling that the Hon'ble Minister for Finance should have seen fit, in his recent Budget, to impose a 10 per cent. *ad valorem* excise duty on footwear produced in organised factories. This measure may bolster up the making of shoes as a cottage industry, but organised industry was already burdened sufficiently to have made this imposition quite unnecessary, and, in fact, most unfair. Here again, we are living meantime in a buyers' market, and it is problematical to what extent, if any, this new excise duty can be passed on to the purchaser; certainly this is not immediately possible. It is estimated that the cost to the Corporation may well be in the vicinity of Rs. 14 lakhs per annum. This burden has certainly come at an unfortunate time when our production of civilian footwear showed no margin of profit owing to competition from the cottage industry, which has thus been further protected. It will be recognised by the shareholders, therefore, that the imposition of this *ad valorem* excise duty on footwear, and the additional excise duty on cotton cloth, are severe blows to the Corporation.

Financial Position of Manufacturers

"Before I come to an actual examination of the accounts which are before the meeting today, I feel that it is both opportune and imperative that I should say something to the shareholders in regard to the financial position of manufacturing businesses generally, and of the Corporation in particular. In this respect, when addressing you last year, I made reference to the fact that while a reserve had been set up for the equalisation of dividends, the bald fact remained that the sum thus set aside had eventually been utilised for the purposes of the Corporation's business, inasmuch as we were (and are) still indebted to our bankers. I then stated that, in modern accounting practice, it was wrong to continue to describe a reserve as for the equalisation of dividends, if the money was not actually available for that purpose, and I hinted that your Directors might find it advisable, before the accounts for 1953 were published, to transfer this reserve to the more omnibus heading of general reserve. As you are aware, action to this end has been taken, and you will probably have observed also that the advances received from the Corporation's bankers at the end of 1953 were in excess of the figure at the end of the previous year by fully Rs. 50 lakhs. This, of course, is reflected in the increase in stocks held at the end of 1953, as opposed to those at the beginning of that year, and while it is not the Directors' intention that the branches should be over-heavily stocked, there has been a marked appreciation in the cost of certain of the raw materials which we use, which accounts largely for this increase.

"We are still suffering from world-wide inflation, and India is, in this connection, certainly no exception. Wages are now a good many times what was payable before the war, and as regards capital expenditure, it is sad to say that the cost of plant and machinery now exceeds three and a half times what it did, and that, generally, capital expenditure is approximately four times what it was in 1939. It stands to reason, therefore, that the capital of a business which was sufficient some years ago is now insufficient, and it is for this reason that the Corporation has had occasion to take advantage of the financial accommodation provided by its bankers. There is only one way in which the position can be in any way ameliorated without the issue of fresh capital (which would merely increase the Corporation's liability under capital account and reduce the liability to the bank) and that is by conserving available finances. It would seem, therefore, that meantime it is in the shareholders' interests that the present method of financing the Corporation's requirements should be continued, but, at the same time, I must emphasise most strongly that the time has come when the Corporation must strengthen its financial position by retaining in the business a greater percentage of profits earned than has been the case in the last few years.

"Those of you who have been shareholders for some years may remember that during the war years the Corporation adopted, for a matter of six years, a conservative policy as regards the dividend payable annually, which was then restricted to As. 4 per ordinary share. In these days considerable profits were earned, but at the same time very large sums had to be paid away in taxation, but during these years we were, as a result of the conservative attitude adopted, able to improve the position of the Corporation's reserves by retaining the balance of profits in the business. There was considerable dissatisfaction expressed by some shareholders towards the end of the war regarding this dividend policy, and I can remember that, at that time, I asked the shareholders to have patience, and indicated that should profits warrant a greater distribution in the post-war years, it would then be reasonable for the shareholders to expect more generous treatment. You are well aware that the dividend was increased in 1946, and was thereafter gradually increased, until in 1950 and 1951 a dividend of As. 12 per share was paid, and even in these days it was possible to plough back into the business a respectable, though perhaps inadequate, percentage of the profits. That position, however, did not obtain last year, for reasons which were then made amply clear, and the position is exactly the same in respect of 1953. In fact, in respect of 1952, it was necessary, in order to pay a 10-anna dividend, to utilise Rs. 10 lakhs of the reserve for stocks and stores, and while no inroads have been made in respect of 1953 into the balance-sheet reserves, the fact remains that practically the entire profits after taxation are being dissipated by way of dividends to the shareholders. In taking this sympathetic attitude for some years, your Directors have been fully aware that the individual shareholder is just as much hit by inflation as is any corporate body, but the time has now come when I must issue a note of warning to the shareholders that the procedure which we have adopted in the last year or two, while perhaps being fully acceptable to the shareholders, has not been altogether in their own best interests, if one takes a view beyond the present.

Disposal of Taxed Profits

"It is perhaps appropriate that I should here give you a comparison of the disposal of taxed profits by the Corporation in the 1920's during the war period, and since the war. From 1921 to 1929 there was dissipated by way of dividends 79 per cent., while the remaining 21 per cent. was retained in the business. (I exclude from these comparisons the decade immediately prior to the war, as conditions then were exceptional). During the war period, from 1940 to 1946, only 53 per cent. was dissipated and 47 per cent. was retained. Since then, in the period 1947 to 1952, 81 per cent. has been dissipated and only 19 per cent. retained in the business, and as I have explained, in the last two years the dissipation has been excessive and little has been ploughed back into the business. The comparable average figures, for four successive post-war years, of 138 Indian companies, as published by the Employers' Association of Calcutta, are that of the taxed profits only 45 per cent. was dissipated by way of dividends, while 55 per cent. was retained in the business. These figures are very different to those which apply to the Corporation in the same period.

"I should perhaps here make it clear that in deciding to recommend a dividend of As. 8 per share in respect of 1953, your Directors felt that, with ordinary luck, it might be possible for the Corporation to maintain or stabilise that rate of dividend, and at the same time reasonably augment the Corporation's reserves. The recent blows introduced by the Hon'ble Minister of Finance, to which I have already referred, and which were only announced after the Directors' report had been approved, have, undoubtedly, changed the outlook for the worse, unless, of course, there is a marked improvement in demand which will affect selling prices, and might permit of the impositions, to which I have referred, being passed on, as they should be, to the buyer.

"It is, as I have stated, my duty to place these facts fairly and squarely before the shareholders so that there may be no misunderstanding in future. The shareholders may, however, rest well assured that the Directors and the Management are doing everything possible within their power to restrict expenditure where this can reasonably be avoided, and to practise the utmost economy wherever possible.

"It must be clear to all concerned that any struggle for existence results in the survival of the fittest. It is being impressed on each member of the Corporation's staff that he is expected to do his utmost to fit the Corporation for any

struggle which may lie ahead. While there is no need for any of the shareholders to be unduly alarmed regarding the present position, it must be recognised that it will be very necessary to lay out further capital in the near future on the maintenance or replacement of the plant in the branches, so that this may be fully modernised and be placed in a position to compete with all comers.

"In the last year or two, the Corporation has been put to considerable revenue expense in furthering the social welfare schemes for employees which have been introduced by Government and to which I have already referred. This must be borne in mind by our employees who must also realise that while the level of the dividend to ordinary shareholders has been steadily reduced, it cannot reasonably be expected that the quantum of annual gratuity which they have enjoyed for a good many years, can be maintained.

"As stated in the Directors' report, it is considered that the amount set aside for taxation is sufficient for this purpose, and it will probably have been observed by the shareholders that advance payments for taxation amounted as at 31st December last to nearly Rs. 119 lakhs. It is hoped that certain back assessments will shortly be closed so that the position may be brought more up to date.

"I presume that the shareholders have had ample opportunity of considering the Directors' report and accounts which were, as required by law, issued on 9th March along with the accounts of the Corporation's four subsidiary companies. There are one or two items, however, in the accounts on which perhaps you would expect me to comment.

Balance-sheet

"Under the heading of current liabilities and provisions, the main difference from last year is in the amount borrowed from the Bank and on deposit with the Corporation. I have already explained that the additional stocks held largely account for this difference.

"As regards fixed capital expenditure, additions during the year amounted to nearly Rs. 18 lakhs, so that a start has at least been made in the rehabilitation to which I have just referred. The total fixed capital which has cost nearly Rs. 373 lakhs, now stands in the Corporation's books at under Rs. 60 lakhs, but this was only possible by allocations from reductions of capital in the years 1929 and 1932. The result, however, is that the Corporation's block account now stands in our books at a figure far and away below its current value or cost of replacement, which, on today's figures, would amount to an astronomical figure.

"Investments show an increase of approximately Rs. 14 lakhs. This covers solely the purchases of shares either in a subsidiary company or in companies under the management of a subsidiary. It is satisfactory to note that the book figure is considerably less than the market value or Auditors' fair valuations.

"There is a small item of approximately Rs. 1½ lakhs on the assets side against the heading 'Provident Fund Investments.' The comparative item on the liability side is little more than Rs. 33,000 and, accordingly, it will now be possible to release part of these investments as the result of withdrawals from the Fund.

"On the assets side, perhaps the only items to which I need refer are stores and spare parts, and also stock-in-trade. These together show an increase of Rs. 50 lakhs over the relative figures for last year, as I have already mentioned. Other items show little change.

"In regard to the profit and loss account, raw materials and manufacturing charges show a substantial increase of over Rs. 1 crore, as compared with the previous year, but this, of course, is at least partly reflected in the increased stocks held.

"Salaries and wages show a slight increase, and it is significant that State Insurance, and the Employees' Provident Fund, which is meantime applicable only to certain branches, have absorbed over Rs. 7 lakhs during the year.

"The amount allowed for depreciation is the same figure which has been allowed for a good many years, but with the purchase of new plant on which the benefit of initial depreciation is available, the amount is actually less than the statutory depreciation which it is expected will be allowed for income-tax purposes. The amount mentioned in the accounts, however, represents approximately 11 per cent. on the book figure of depreciable assets.

"Sales, for reasons which I have already enumerated, are down by a matter of Rs. 65 lakhs, and the income from investments is over Rs. 1 lakh less than during 1952.

"Interest appears on both sides of the profit and loss account, but the net figure for 1953 bears a strong relation to the figure for 1952.

"For the last two years I have informed the shareholders how the income applicable to the year has been utilised; the sum available in 1953 was utilised as follows:

On raw materials and manufacturing charges	52.8%	as against	58.0% last year
On salaries and wages	28.7%	,,	24.2% ,,
For expenses of production and selling	9.3%	,,	7.6% ,,
For depreciation	0.9%	,,	0.8% ,,
For taxation	3.3%	,,	3.7% ,,
Dividend to shareholders ..	5.0%	,,	5.7% ,,
	100.0%		100.0%

Subsidiary Companies

"You will have observed that attached to the Corporation's accounts are the balance-sheet and accounts of the four subsidiary companies, and perhaps I need only refer to the position of the Corporation's motor subsidiaries which are mentioned in the Directors' report.

"The Government of India have decided that the importation of motor vehicles in completely knocked down condition, or of parts for motor vehicles, shall be confined to five concerns in India, to which the Government of India is entrusting the future production of motor vehicles in India. Despite the fact that, first of all, G. McKenzie & Co. (1919) Ltd., and, latterly, the Peninsular Motor Corporation Ltd., have been engaged for very many years in the assembly of cars and motor trucks, neither have been included among the five concerns indicated inasmuch as the Directors of these subsidiaries were not prepared to recommend the expenditure of a vast sum of money to lay down plant for the manufacture of motor vehicles. The offtake of motor vehicles in India, for a country of this size and with such a large population, is surprisingly small, and, in the view of your Directors, it would be impossible for either of these subsidiaries to take up the manufacture of motor vehicles in India profitably. In these circumstances, the subsidiaries have had to face the withdrawal of import facilities. Steps are being taken gradually to close down the Peninsular Motor Corporation, and it is anticipated that, in due course, that subsidiary will go into voluntary liquidation, and that the Corporation, now the sole shareholder in that concern, will receive back the capital invested in full. No decision has yet been come to in regard to the future of G. McKenzie & Co. (1919) Ltd., as it is necessary to continue that Company in being meantime while there are still considerable stocks of vehicles and spare parts for disposal. The position is, however, being closely watched.

"Only the Peninsular Motor Corporation was unable to pay a dividend in respect of its last financial year. The other three subsidiaries maintained the same dividends as in the previous year.

"Members of the management are closely associated with the management of the Corporation's subsidiaries, and serve on the Boards of all four units. They have reported to the Board their satisfaction with the performance of the staff of these subsidiaries, to whom the Corporation's thanks are due.

"It is mentioned in the Directors' report that the Board of Directors were in negotiation for the appointment of a suitable successor to the vacancy on the Board created by the lamented death of Mr. A. Hoon, B.A., Barrister-at-Law. I am pleased to report that Colonel Sir Kameshwara Singh, K.C.I.E., Maharajdhiraja of Darbhanga, who is himself a considerable shareholder in the Corporation, has accepted the Directors' invitation to become a Director of the Corporation. It is the intention that, at a meeting of the Directors, which will be held later in the day, he should be appointed a Director. The correspondence with the Maharaja Sahib unfortunately had not been concluded when the Directors' report was approved for printing, otherwise intimation of the intention to put forward his name for a seat on the Board would have been made therein, and his election by the shareholders would have been placed before the meeting today. This, however, is not possible, as due notice of the intention could not be given; the alternate method of appointment by the Directors would, however, appear completely to meet the case, and will, no doubt, have the tacit approval of the shareholders.

Staff

"And now a word in regard to the staff. I have placed before the shareholders earlier today certain comments regarding finance now, and in the future. I have mentioned the difference between present-day costs and those which operated in pre-war days. I have also mentioned the necessity of maintaining our plant and our staff at a high pitch of efficiency. For this purpose, it is most essential that the staff should be content with their lot, and that we should attract to the service of the Corporation and retain, staff of the highest quality. For some years, the Directors have felt that the basis of remuneration which has been adopted for the senior staff since the outbreak of war has been by no means commensurate with the cost of living index figures as these obtain, certainly in Kanpur and at Dhariwal, and the Board has been keenly alive to the fact that the only provision which has been made in the past against retirement, after long and faithful service, lies in the provident fund, the proceeds of which for a man retiring after, say, 25 or 30 years' service with the Corporation, are quite insufficient, at present-day costs, to provide for the expenses of even a simple life on retirement. For these reasons, and also because it is essential in these difficult days to have a happy and contented staff who will give of their best in the interest of the shareholders, the Directors have recently had under consideration proposals to introduce limited pensions schemes by the medium of insurance policies. These proposals are still under consideration, but it is not considered that the cost to the Corporation, should these proposals be adopted in their entirety, will be more than is required to attract staff of the best calibre to our employment. In this respect, however, the subsidiaries based at Calcutta were able, some years ago, to take advantage of the provisions for superannuation funds included in the Income-tax Act, and they are, accordingly, not concerned with the present proposals.

"I mentioned to you last year that the Corporation continued the policy of recruiting Indians to senior posts wherever possible, though in certain instances the requisite senior staff for supervision and also for training purposes was not available indigenously. This matter continues to receive careful consideration.

"I would like to conclude my remarks today by once more expressing my grateful thanks to my colleagues on the Board of Directors and on the management, and to the staff generally, for their continued loyal support during the past year. I can assure the shareholders that the staff have worked well, and that, without their loyal support, the Corporation would not be, despite my earlier remarks, in the position which it enjoys today, and I am sure that the shareholders would wish me to associate them in this expression of gratitude.

"It is now my pleasure to move that the Directors' report be adopted, and that the accounts for the year 1953 be passed, but before this resolution is seconded, I shall answer to the best of my ability any questions on the Directors' report and the accounts now before the meeting, which may be put by any of the shareholders present."

(Concluded from page 632)

"The foregoing survey of events in the East does not claim to do more than pick out a few of the highlights of political and economic affairs which seem to deserve the special attention of our shareholders. Asia is, undoubtedly, on the move. All the way from Ceylon to Tokyo there is an intense desire for speedy economic progress, as is shown by the development plans which most Asian countries are now attempting to put into effect. Coupled with this, there is a widespread realisation that the raising of low standards of living must come as part and parcel of agricultural and industrial development. British merchants and bankers established in the East cannot insulate themselves from these events. They too have a part to play in the further development of Asia."

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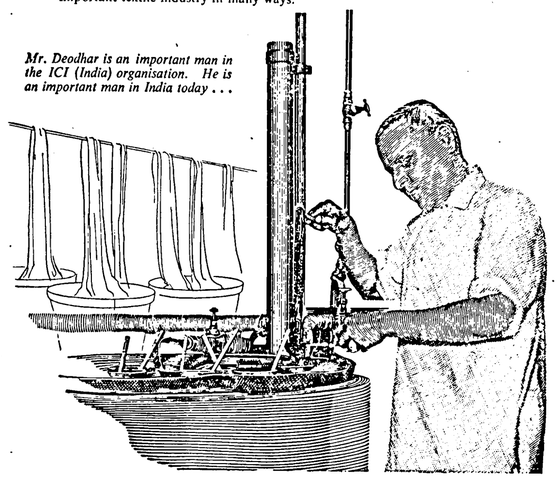

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FINANCES OF UTTAR PRADESH

CAPITAL OUTLAY STEPPED UP CONSIDERABLY

THE picture of the financial position of the Uttar Pradesh Government, as depicted in the budget for 1954-55 presented by Hafiz Mohammad Ibrahim, U.P. Finance Minister, resembles that of other State Governments. The budget discloses a revenue deficit of Rs. 3.91 crores, although the receipts anticipated during 1954-55 stand substantially higher at Rs. 77.16 crores, as against Rs. 73.54 crores (revised) in 1953-54. The deficit is solely the result of a marked rise in expenditure, the estimate for the coming year being placed at Rs. 81.07 crores, which is Rs. 7.52 crores more than the revised estimate of Rs. 73.55 crores for the current year. The rise in expenditure is expected mainly under debt services (+Rs. 5.20 crores), civil administration (+Rs. 2.55 crores) and civil works (+Rs. 1.20 crores).

Despite the sizable deficit of Rs. 3.91 crores, the Finance Minister of Uttar Pradesh, it is gratifying, does not propose any revision of tax measures. Perhaps, he must have realised that, since taxes are already loaded up to the last straw, any additional burden will result in the operation of the law of diminishing returns which means loss of revenue receipts to the Exchequer. How then will the deficit be covered? The Finance Minister's explanation for this is that, to the extent this deficit cannot be met by increasing the resources or by effecting economies, a withdrawal may again have to be made from the Revenue Reserve Fund. "This," to quote him, "will be the third year in succession during which such a withdrawal will have been made; and this fact is indicative of the strain upon the State finances caused by the implementation of the development programme undertaken by the Government."

An idea of the budgetary position of the U.P. Government during 1954-55, as compared with 1953-54, can be had from the figures given below:

(In crores of rupees)

	1953-54 Budget	1953-54 Revised	1954-55 Budget
Opening balance	1.95	7.56	2.33
I. *Consolidated fund:*			
(a) Revenue head—			
Receipts	74.38	73.54	77.16
Charges	78.80	73.54	81.07
	−4.42		−3.91
(b) Capital expenditure	7.09	8.27	20.22
(c) Net receipts from public loans	+3.00	+5.40	+6.00
(d) Other debt and deposit head (net)	+6.26	+7.80	+20.01
II. Contingency fund		−0.05	
III. Public accounts (net)	+1.66	−10.11	−2.56
Net results of all the transactions in the year	−0.59	−5.23	−0.68
Closing balance	1.36	2.33	1.65

A striking feature revealed by the foregoing statement is that the capital outlay (excluding that met from revenue) is proposed to be considerably stepped up by Rs. 11.95 crores to Rs. 20.22 crores in 1954-55, as compared with the revised estimate of Rs. 8.27 crores in 1953-54. This indicates the Government's keen desire to implement the State's Five-year Plan within the scheduled period. The bulk of the Rs. 20.22 crores capital expenditure, amounting to Rs. 9.33 crores, is taken up by electricity schemes, followed by irrigation works which account for Rs. 8.73 crores. The capital expenditure will be met partly out of loans from the Central Government and partly out of public loans. The actual sum that will be spent by the Government for the implementation of the Five-year Plan in 1954-55 amounts to Rs. 30.00 crores which brings the total that will have been spent by the end of the year to Rs. 100 crores out of the aggregate outlay of Rs. 130 crores. Explaining how he has been able to raise resources to implement the Plan, the U.P. Finance Minister said:

"By stringent measures of economy, by some taxation and by obtaining large loans from the market, we have succeeded fully in discharging our commitment to the Planning Commission in respect of the additional resources which we were to raise through our own efforts for financing the Plan . . . the Government of India have also been persuaded to take a more sympathetic view of our requests for loan assistance."

Proceeding, the Finance Minister expressed the confidence that, with a little more Central assistance and with a little increase in the help which the State is already receiving from the people in the shape of *Shramdan* and by way of investment of savings in State development loans and the small savings schemes, the still larger expenditure which would be required in 1955-56 would also be met and the State Plan completed well in time.

Be that as it may, as a consequence of the heavy capital expenditure, the indebtedness of the State has been going up very fast and the burden of repayment is becoming heavier each year. The total indebtedness of the State as on 31st March, 1955, is expected to stand as high as Rs. 195.51 crores, as against Rs. 94.61 crores (revised) on the 31st of this month and Rs. 77.23 crores (actuals) a year before. Despite this, it is comforting to be told by the U.P. Finance Minister that the Government is "making the fullest provision for the repayment of these debts, so that, in spite of the spectacular increases in developmental expenditure, the financial soundness of the State is fully safeguarded." It is said that, even though it is not obligatory to create sinking funds in respect of many of the loans which have been taken, the Government has opened sinking funds for them and, what is more, is crediting those sinking funds with the full amounts needed for liquidating the loans on the due dates. Moreover, the interest charges on the State development loans, it is stated, are fully covered by the interest earned from the existing State projects of public utility.

(*Concluded from next column*)

the implementation of expansion programmes will lead to a certain amount of disturbance in the operations of the Company which will reduce its output further. The Government evidently feels that the Commission's estimated output is rather low.

After a detailed analysis of the block account and after making due allowances for the underutilisation of a part of the Company's capacity, the Commission has arrived at the figure of Rs. 19.22 crores as the average block of the Company, including the colliery block estimated at Rs. 20 lakhs. It has allowed on this amount a return at 8 per cent., that is, at the same rate as was allowed by the Government in the case of the Tata Iron and Steel Company, Ltd. The amount of return works out to Rs. 153.76 lakhs. The Commission has estimated the working capital at Rs. 3.82 crores and allowed interest on it at 4½ per cent. Allowing for expenses, depreciation margin for contingencies, etc., as well as for return on capital invested, the net amount of overheads works out to Rs. 367.11 lakhs per annum, made up as follows:

Lakhs of rupees

1. *Depreciation*—			
(a) Normal		69.00	
Add on additions inclusive of collieries, i.e., Rs. 2.33 crores		14.56	83.56
(b) Special provision for depreciation including taxation on the amount in excess of normal allowance			93.00
Gross	93.00		
Tax	41.00		
Net	52.00		
2. Interest on working capital			17.19
3. Return on block			153.76
4. Head office expenses			17.00
5. Selling expenses			5.60
6. Margin for contingencies			15.00
Total			385.11
7. Deduct for profits on surplus coke and pig iron			18.00
Net			367.11

The Commission has allocated the total overhead charges as determined above over the net annual quantity of saleable steel estimated for four years from 1953-56, that is, the quantity of saleable steel (280,000 tons) *minus* the quantity for maintenance purposes, which is taken at 276,000 tons. On this basis, the Commission has arrived at the conclusion that the overall increase in the fair ex-works retention prices for 1953-56, as compared with the prices for 1952, works out to Rs. 66 per ton of saleable steel.

FAIR RETENTION PRICES FOR I.I.S.CO.

INCREASE OF RS. 59 PER TON

THE long-awaited increase in the retention prices payable to the Indian Iron and Steel Company, Ltd., was announced shortly after we went to press last week. According to a Press note issued on 25th March, 1954, the Government of India has allowed an average increase of Rs. 59 per ton, as against Rs. 66 per ton recommended by the Tariff Commission, over the average retention prices for the year 1952, namely, Rs. 319 per ton. The increased prices will be in force for 27 months, beginning from 1st January, 1953 to 31st March, 1955, as against for four years, from 1st January, 1953 to 31st December, 1956, suggested by the Tariff Commission.

The Government has also increased the selling prices of steel (that is, the price payable by consumers), with effect from 29th March, 1954. In the case of bars and structurals, the increase varies from Rs. 7 to Rs. 14 per ton; in the case of plates, rails and fish plates, the rise is Rs. 25 per ton; and it is somewhat lower at Rs. 20 per ton in the case of sheets. The difference between the price of tested and untested materials has been raised by Rs. 5 per ton.

So far as the increase in the retention prices for the I.I.S.Co. is concerned, the Government has accepted the recommendations of the Tariff Commission generally. It has, however, made a significant departure, in that it has disallowed an element of Rs. 7 per ton, thereby reducing the increase from Rs. 66 per ton, recommended by the Commission, to Rs. 59 per ton. The Government has not adequately explained its reasons for making this cut. But the following extract from the Government's resolution throws some light on the issue:

"The Government of India generally agree that the recommendations of the Commission flow from the application of the principles of price fixation already adopted for determining prices of steel produced by the Tata Iron and Steel Company for the period up to the 31st March, 1955. But they consider that, in assessing average production, allowance should not be made for the low production in 1953. They are also unable, for reasons stated in the next paragraph, to include return on the gross block of the collieries as part of the retention prices of the steel. Subject to these modifications, the Government of India accept the recommendations of the Tariff Commission regarding the retention prices of steel which will now be fixed, on an average, at Rs. 59 per ton more than the retention prices announced for 1952.

"The Tariff Commission has recommended that retention prices to be fixed now should prevail until the end of 1956. While Government agree that it would ordinarily be desirable to fix prices for as long a period as possible, they are of the view that the principles of price fixation hitherto followed, in particular the method of relating depreciation and return on investment to gross block, themselves require revision and that revised principles should be applied to the whole industry from the earliest possible date, viz., 1st April, 1955, the date up to which the existing principles have already been applied for fixing the retention prices for the Tata Iron and Steel Company. They also consider that the treatment to be accorded to gross colliery block could most appropriately be dealt with at that stage. For these reasons, the Government of India have decided that the retention prices specified shall be applicable from 1st January, 1953 to 31st March, 1955."

It will be seen from the above extract that the Government has given its reason for not accepting the Commission's other recommendation, too, namely, the one relating to the period for which the increased prices should be in force.

The Tariff Commission has estimated the annual rate of output of the Company for the years 1953-56 at 280,000 tons. In arriving at this figure, it has taken into account two factors. First, on account of relining, two blast furnaces out of the four will be out of production during the next two years, one each year, and this would result in a loss of about 40,000 tons of iron in the Company's output. And, secondly,

(*Continued in previous column*)

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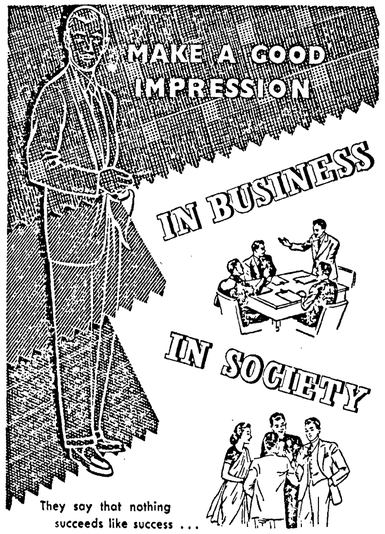

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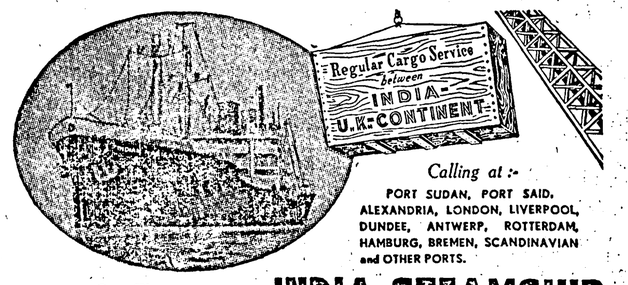

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PROBLEMS OF STATE-OWNED ENTERPRISES

E.C.A.F.E. SEMINAR EXAMINES ISSUES

HAVING won their political freedom, many nations in the region of Asia and the Far East are now applying their energies to achieve rapid economic development for securing high standards of living and fuller employment. But, in this task, they are facing innumerable difficulties. As a general rule, the underdeveloped nations of the region lack resources. The standards of education and training of the masses are low. Economic initiative to improve their standard of living is at a low ebb. Incomes are low and savings for investment are negligible. Frequent changes in Government policies and personnel and unsound economic and financial policies dictated by political exigencies in some countries have made private enterprise shy.

In the circumstances, the State has to give a momentum to economic activity by taking a lead in establishment of industries. Many Governments in the region are undertaking these development tasks, in spite of the pressing claims of maintenance of law and order and lack of trained personnel. They are thus facing many difficult problems such as modification of existing administrative set-up to suit the tasks of economic administration, determining the types of organisations suited to public enterprises, financing of public enterprises, etc. As solutions to these problems have to be found in order to ensure successful implementation of the economic development programmes, the question of studying them in all their aspects has been taken taken up by the various bodies of the United Nations, such as the World Bank, Economic Commission for Asia and the Far East, etc.

Agenda

The latest effort at studying the problem of public enterprises in the countries in Asia and the Far East in detail was the seminar held at Rangoon from 15th to 20th March last. This Seminar was jointly sponsored by the Government of Burma, the E.C.A.F.E., the U.N. Technical Assistance Administration and the International Institute of Administrative Sciences. The principal questions discussed by the Seminar included, (1) trends in the developments of public enterprises in the E.C.A.F.E. region, (2) types of organisation suitable for public industrial undertakings, (3) organisational relationships within the Governmental structure, (4) financing of public enterprises, (5) commercial aspects of public enterprises, (6) problems of internal administration, and (7) public understanding.

Representatives from Burma, Ceylon, China, Cambodia, France, India, Japan, Pakistan, the Philippines, and the U.K. participated in the Seminar. It was attended by a number of U.N. consultants drawn from several countries outside the region, namely, Australia, Canada, France, Sweden, Turkey, U.K. and the U.S. In order to facilitate discussions, more than 100 documentary papers and information memoranda were prepared by the Governments, the E.C.A.F.E. and other U.N. organisations and individuals. The papers describe the conditions of growth, problems and difficulties of public enterprises.

Heavy Agenda

The final decisions reached at the Conference are, however, not available yet. But the remarks, in this context, of the Executive Secretary of the E.C.A.F.E., Dr. P. S. Lokanathan, in his opening address, are worth noting. He said: "The agenda for the Seminar is admittedly a very heavy one and none of us will feel at the end that we have done it full justice. Nevertheless, it is to be noted that the entire question of relative merits of public and private enterprises for the promotion of economic development was not included in the original proposal of the Committee on Industry and Trade. It has been left out of the present agenda. The focus of our discussion is upon the ways by which the organisation and administration of public enterprises can be improved. Your efforts will be amply rewarded as a result of the discussions during the next two weeks. The delegates can return to their respective countries with knowledge for improving the management and operation of public industrial enterprises with which they are concerned. No doubt the Seminar will wish to make recommendations concerning the handling of organisational and administrative problems as also concerning further steps which can be usefully taken under the auspices of E.C.A.F.E. to assist its member States in dealing with these problems."

After thus explaining the possible outcome of the Seminar, Dr. Lokanathan made some general observations on the position of public enterprises in Asia and the Far East. The State-owned enterprises ranged, he said, from small clay-pugging mills in villages to giant multi-purpose projects, covering large areas of land, and from small 20-loom shops to large fertiliser plants. They covered also a wide variety of manufactures such as locomotives, chemicals, cigarettes, textiles and services including hotels. They were being managed, he said, under different forms varying from corporations of the Tennessee Valley Authority type to a department or a Ministry. Some of them were self-supporting and making reasonable profits; others were running at a loss. The study of the these enterprises revealed both the weaknesses and the potentialities of such enterprises. Dr. Lokanathan further pointed out that there was a fear that any inefficiency on the part of Government enterprise might lead to miscarriage of development problems and thereby halt the economic development. It was also feared that any failures might create an adverse climate for private enterprise to play its role. These anxieties existed in Burma, Ceylon, India and the Philippines. This fear found itself expressed in the appointment of public committees and independent consultants to examine the position of State enterprises in these countries.

Scientific Information Available

That fears such as the above will not persist for long was indicated by Mr. W. H. C. Laves, Secretary General of the Seminar. Mr. Laves has wide enterprise and knowledge in both international and national administration as one associated with the International Institution of Administrative Sciences. This expert in his statement at the Seminar stated that there was no need to proceed on the basis of guesses, chances, political opportunism or of merely traditional assumptions about human nature while finding solutions to the problems of industrial enterprises. For the I.I.A.S. had sought, he said, to bring the results of scientific study of the problem involved in the organisation and management of State-owned industries to the Seminar. As a result of these studies, human energies could now be most effectively released and mobilised towards the attainment of common purposes in industry.

The outcome of the deliberation of the Seminar will be awaited with interest in India. For the Central and State Governments in this country own big enterprises and still no principles have been evolved as to their management, finances and control, etc. The country's anxiety regarding these enterprises found full expression in the course of a debate on parliamentary control over State-owned concerns in December last. The Finance Minister's reply to the debate clearly revealed that the Government was alive to the problems of these industries and was taking decisions as they arose in the light of the experience gained by it in administering them. There was no hard and fast rule in managing the concerns. Some industries such as Railways and Posts and Telegraphs were managed by Ministries of the Government. A few industries were registered as joint-stock companies, while a few others were in charge of statutory corporations. Referring to these two varieties of control, the Finance Minister stated: "We have not yet made up our mind as to which of these two forms is superior or whether one should be chosen to the exclusion of the other. That is a matter of convenience. So far as Government are concerned, I believe that there will be advantages in both."

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DEVELOPMENT OF COTTONSEED OIL INDUSTRY IN INDIA

Some notable suggestions for the development of the cottonseed industry have been put forward by Mr. N. D. Sirur, Managing Director, Sundatta Cottonseed Utilisation Ltd., Bombay, for consideration by the Central Ministry for Commerce and Industry. The present annual production of cottonseed oil is estimated at 8,000 tons, while the output of linters is barely 10,000 bales. The oil content of *deshi* cottonseeds is lower than that of the American-type cottonseeds. The yield of linters—the only indigenous raw material for the manufacture of high grade rayon—is also stated to be low, as the methods adopted for delinting operations in India are inefficient. Again, while *deshi* cottonseeds are used for purposes of cattle feeding on a large-scale, the American-type cottonseed is known to be unpopular for this purpose, because of their fuzzy outer covering of lint. Consequently, the suggestions of Mr. Sirur aim at encouraging American-type cottonseed crushing, while allowing the *deshi* cottonseed to be used for cattle feeding.

Based on the total American-type of cottonseed crop in India, the yield of cottonseed of this variety is estimated at 40,000 tons cottonseed oil, and about one lakh bales of linters, if modern equipment is fully employed. The average yield of semi-refined cottonseed oil and linters can be, it is stated, as high as 15 per cent. and 8 per cent. respectively. Thus, by concentrating on American-type cottonseed, crushing of cottonseed can be increased four or five times the present production, without drawing upon *deshi* seeds. Besides, about 70 per cent. of the American-type seed crushed will also be available for cattle feeding.

American-type cottonseed is grown in India in the East Punjab, Madhya Bharat, Madhya Pradesh, North Hyderabad, South Bombay State, Andhra, Mysore State and Central Madras State. It is suggested that new plants for cottonseed crushing should be located at convenient centres in these States where this type of cotton is grown and that permission for establishment of such factories should be freely given under the Industries (Regulation and Development) Act. In order to encourage cotton crushing, the suggestions made by Mr. Sirur are as follows:

(1) the freight rate on *deshi* cottonseeds should be lowered to the level of that on other cattlefeed such as oilcakes;

(2) the freight rate on American-type seeds, more suited for crushing, should be raised to the same level as groundnuts with shells;

(3) with a view to encouraging the use of cottonseed oil by *vanaspati* factories, a rebate in excise duty on *vanaspati* should be given in proportion to the percentage of the cottonseed oil used by *vanaspati* factories;

(4) considering the much higher cost of crushing cottonseeds (1½ times that of groundnuts, because of the machinery required for delinting), the freight rate on cottonseed oil should be reduced by 33⅓ per cent.;

(5) the policy of free import of cottonseed oil should not be revived, since the demand for cottonseed oil from the *vanaspati* factories in India is hardly adequate to absorb even the present small output;

(6) exports of cotton seed hulls (coverings) to Arabia, where American petroleum companies pay in dollars a higher price than the fuel value of these hulls in India, since they have a specialised demand for these hulls in drilling operations, should be freely allowed;

(7) in view of the very limited scope for export of linters, considering the substantial domestic requirements of the acetate rayon industry, there does not appear to be any further necessity for an export duty on linters;

(8) foreign linters should be allowed to be imported under preferential tariff, so that the prices of Indian linters could be regulated at between their legitimate export prices and the cost of imported linters;

(9) cottonseed oil should be exempted from the cess, if any, imposed on expeller produced oil as a means of helping the *ghani* industry; and

(10) if *kardi* seed crushing is to be restricted, it should be restricted to the *ghanis* and cottonseed oil mills only, particularly in South India, where the only alternative to cottonseed which is suitable and feasible at the same time of the year is *kardi* seed. Export of *kardi* seed should be stopped.

Encouragement of the use of cottonseed oil by *vanaspati* factories would help release groundnut oil for domestic consumption.

INDIA DEFICIT IN BETELNUTS

IMPORTS AFFECT PRICES OF INDIGENOUS PRODUCTS

BETELNUTS, also widely known as arecanuts, have now come into prominence as an important source of revenue to the Central exchequer. They were, in fact, the first target of the Finance Minister's budget proposals for 1954-55 in which he sought to raise the preferential import duty on betelnuts from As. 9½ per pound to as much as Re. 1 per pound. Announcing this proposal, the Finance Minister stated that profit margins on betelnuts had gone so high that it resulted in the payment of premium on import licences. The importer and the middleman retained such higher profits which justified the Minister's decision to divert a part of it for the benefit of the exchequer. He estimated the additional revenue from the increase of As. 6½ a pound in the import duty at Rs. 3 crores. Again, while announcing, subsequently, certain tax reliefs relating to soaps, art silk fabric and footwear, Mr. Deshmukh stated in Parliament that there was no case for reducing the duty on betelnut.

The importance that is thus attached to betelnuts by the Ministry of Finance makes the role played by this commodity in the country's economy a subject worthy of close study. Betelnut is the fruit of the areca palm. Besides being one of the commercial crops in India, it is an article of domestic consumption with special significance at ceremonial and auspicious functions in Indian homes. Says Mr. N. M. Bhargava, in his article on "Arecanuts in India," contributed to the *Agricultural Situation in India* published by the Ministry of Food and Agriculture: "Along with betel leaf and a little lime, it forms the common masticatory and chewing *pan supari* is as typically Indian in popular conception as chewing gum is American." In this article, Mr. Bhargava throws considerable light on the position of this commodity, which in the absence of any other authoritative information, may be taken as the latest on the subject.

The areca palm grows in a variety of soils. The best suited soil is the one capable of thorough drainage and able to retain optimum moisture. The plant requires cool and moist atmosphere and flourishes well in regions of heavy rainfall. In regions of low rainfall, it grows well, provided adequate irrigation is given. In the early stages of its growth, it requires plenty of shade and so it is usually planted as a mixed crop amidst plantations, coconuts, mango, etc. Being thus a tropical plant, its cultivation is confined to the South-East Asian countries such as, India, Pakistan, Ceylon, Malaya, Straits Settlements, Indonesia, etc. Recently, its cultivation has also been extended to Madagascar and East Africa.

In India, arecanut cultivation is carried on in two zones. One is Southern zone, consisting of the valleys in the western ghats and the west coast plains and the other is the Eastern zone, comprising the Gangetic delta and parts of Assam. The areca plant is rain-fed in Travancore, North Malabar, and West Bengal, while it is irrigated in South Malabar, Cochin, Mysore, North Kanara and South Kanara.

A Six to Ten Year Plant

The palm begins to bear in about six to ten years after planting. Tender nuts are harvested between July and December and ripe nuts between October and April. In West Bengal and Assam, where the nuts mature late, harvesting takes place during May-July.

Statistics of areca and production of betelnuts are not being regularly collected in India. A survey conducted in 1945-46 by the Marketing Adviser to the Government of India estimated the area under arecanuts in Undivided India at 5.13 lakh acres, yielding 48.11 lakh maunds. Of this total yield, Bengal accounted for 26.57 lakh maunds. After the Partition, the share of West Bengal in the output dropped to 2.61 lakh maunds. On the basis of this survey, the output of the Indian Union is estimated at 24.2 lakh maunds.

A more recent estimate has been framed by the Indian Central Arecanut Committee. According to this estimate, the area sown to arecanuts in the Indian Union is 2.62 lakh acres, yielding about 21.79 lakh maunds. Statewise break up of these figures is as follows:

Name of State	*Area* (In 000 acres)	*Annual* (In lakh maunds)
Assam	25.5	2.61
Bombay	21.2	3.36
Coorg	0.8	0.12
Madras	107.0	7.70
Mysore	37.1	2.78
Travancore-Cochin	64.4	4.72
West Bengal ...	5.5	0.50
Total ...	261.5	21.79

It is clear from the table above that Madras is by far the largest producer of arecanuts, accounting for about 40 per cent. of the area and about 35 per cent. of the production. Travancore-Cochin is the second largest producer, with a share of 25 per cent. of the area and about 22 per cent. of the output. The share of Bombay in the output is 15 per cent. of Mysore about 13 per cent., Assam 12 per cent., West Bengal 2.4 per cent., and Coorg 0.6 per cent.

About 95 per cent. of the output of betelnut constitutes the marketable surplus, the balance of 5 per cent. being retained by the producers for purposes of seed.

Every Part is Useful

Every part of the areca plant is economically useful. Thus, its stem is used for poles, rafters, beams, etc., for constructional purposes; leaf sheaths are used for caps and for making buckets for drawing water, leaves are used for thatching hutments; and husks of the nuts can be utilised for the manufacture of cardboards. The fibre, too, can be used as insulatory material for electrical installations, but, in India, this by-product is simply wasted.

India is deficit in the supplies of arecanuts. The gap between domestic demand and the local supply is covered by imports. Imports in each of the five years ended 1952-53 were as follows:

Year	*Imports* (In lakh maunds)
1948-49	10.66
1949-50	13.00
1950-51	16.06
1951-52	13.78
1952-53	10.17

The quantity imported in 1948-49 does not take into account imports from Pakistan, as reliable data are not available. Imports in 1949-50, which include those from Pakistan, amounted to 13 lakh maunds. They shot up to 16.06 lakh maunds in 1950-51 but, subsequently, staged a gradual decline to 13.78 lakh maunds in 1951-52 and to 10.17 lakh maunds in 1952-53. The average annual imports during the quinquennium ended 1952-53 was of the order of 12.73 lakh maunds, which represents 55 per cent. of the indigenous output, estimated at 21.79 lakh maunds.

Countrywise Imports

An analysis of the origin of arecanut imports discloses that they are received mainly from Malaya, Ceylon and Pakistan. The table below gives the quantity of imports from the various countries during each of the three years ended 1952-53, as also the annual average.

(In lakh maunds)

Source	1950-51	1951-52	1952-53	*Annual Average*
Ceylon ...	1.33	2.07	1.54	1.65
Malaya ...	10.19	8.21	6.73	8.38
Pakistan ...	3.97	1.56	0.57	2.03
Others ...	0.57	1.94	1.33	1.28
Total ...	16.06	13.78	10.17	13.34

Thus Malaya is by far the largest supplier of arecanuts to India. During the triennium ended 1952-53, the average annual imports amounted to 13.34 lakh maunds. Of this, imports from Malaya accounted for 8.38 lakh maunds or about 63 per cent. of the total. Imports from Pakistan represented 14 per cent. and those from Ceylon 12 per cent.

India is the only market for arecanuts grown in the exporting countries mentioned above. In Malaya, the soil is very favourable to the cultivation of the areca plant. The cost of cultivation is lower than that in India where higher wages for labour, measures to fight the *Kole roga* disease and low productivity render cost of production high. Owing to this difference in costs of cultivation, the quantum of imports determine the prices of indigenous arecanut in Indian markets. The quality of nuts and the type of nuts, namely, whole ripe sun-dried, whole boiled and sliced boiled, also influence the level of prices. The quality is determined by the maturity of the nut when picked, by the manner of slicing and by the method of processing.

Trend of Prices

Areca prices underwent considerable fluctuations during the past three years. The behaviour of internal prices as described by Mr. Bhargava makes interesting reading. He writes:

"The heavy imports made during 1950 and 1951 affected the Indian markets adversely and the price of indigenous arecanuts declined sharply towards the close of 1951. The price of indigenous variety at Shimoga ruled well above Rs. 110 per maund, during the months of April to August, 1951 and was generally about Rs. 33 per maund, higher than the price of the imported variety at Calcutta. But, in September, 1951, the price of the local variety began to decline and towards the close of that year fell by about Rs. 30 per maund to the level of Rs. 85-9-3 per maund. Near about that time, there was also accumulation of stocks in the producing areas and as a result, the price differential between the indigenous variety of Shimoga and the imported Singapore variety at Calcutta had been completely wiped out.

"In order to arrest the declining prices of indigenous nuts, the Government decided to adopt a more restricted import policy and during the calendar year 1952 imports were permitted only up to 50 per cent. of half of best year's imports. As a result of this measure, the imports during that year remained lower than in the earlier years. But the depressing effect on prices of excessive imports and accumulation of stocks in producing centres which took place in 1951 persisted throughout the year 1952. The price of the indigenous nuts at Shimoga declined steadily from Rs. 85-9-3 in January, 1952, to Rs. 40-6-0 per maund in June, 1952. The price of the imported nuts, at Calcutta, also declined from January to March, 1952, but it gained the lost ground in the next three months of April to June, 1952. During the months of July to September, 1952, the price of the local nuts at Shimoga remained slightly higher than the price in June, 1952. But in October, 1952, it again declined to Rs. 46 per maund and stood at the same level in the remaining two months of that year. The price of the imported variety, on the other hand, increased more or less steadily during the second half of 1952. Thus, a striking feature of the course of prices in 1952, was that, for the first time, the price of the local nuts ruled at a level well below that of the imported variety.

"In the first half of 1953, the level of permitted imports was further reduced to 33.3 per cent. of half of best year's imports. Besides, the import duty was enhanced from As. 0-7-6 per lb. to As. 0-9-6 per lb., with effect from the 28th February, 1953. These changes in the Government policy kept the imports low, as a result of which prices of indigenous nuts showed steady improvement. While the price of the imported Singapore variety at Calcutta increased by about 20 per cent., that of the indigenous variety at Shimoga improved by about 44 per cent. No doubt the restricted imports helped the local prices to improve, but the increase in the prices of imported variety began to cause hardship to the consumer. With a view to affording some relief to the consumer, the level of permitted imports during the half-year, July to December, 1953, was restored to the level of 50 per cent. of half of best year's imports. Over the five months, July to November, 1953, the price of imported variety at Calcutta declined steadily from Rs. 124-4 per maund in July, 1953 to Rs. 109 per maund in November, 1953, that is, a fall of about 12 per cent. The price of the indigenous variety at Shimoga was quoted at Rs. 75-11-3 per maund in July, 1953, and in September, 1953, it rose to Rs. 84-12 per maund. However, in October, 1953, the price fell to Rs. 79 per maund. There was further decline in the subsequent two months. In December, 1953, the price of the indigenous variety was ruling at the low level of Rs. 65-9 per maund, there being a fall of about 20 per cent. when compared to the price in September, 1953.

"Apart from the quantum of imports, lack of proper facilities for distribution of the supplies in the country also affects the price received by the indigenous grower. During the first eight months of the calendar year 1953, the average monthly c. and f. price of the imported Singapore variety landed at Calcutta stood at about Rs. 32-3 per maund, being half of the corresponding average price of Rs. 64-5-9 per maund of the indigenous variety at Shimoga. During the same period, the average monthly price of the indigenous variety at Calcutta was about Rs. 99 per maund. Adding the import duty of As. 9-6 per lb. or about Rs. 48-14 per maund, the cost price of the imported variety at Calcutta worked out to Rs. 81 per maund. But the actual market price was about Rs. 119-7 per maund, being about 86 per cent. higher than the price of the indigenous variety at Shimoga and about 20 per cent. higher than the price of the local nuts at Calcutta. The difference between the prices of the imported variety and the local variety at Calcutta market may be partly due to consumer's preference for the former. The low prices of the local nuts at Shimoga would appear to be largely due to difficulties in the movement of the indigenous supplies from the producing areas in the south to the main consuming centres in the north."

Three Problems

The indigenous arecanut grower is faced today with three problems. One is the high cost of production. This is due to small holding and to damage caused by plant diseases. In some years, as much as 40 to 50 per cent. of the crop is lost on account of disease. Secondly, statistics of the area under areca palms are in-

(*Continued in next page*)

IMPLEMENTATION OF MINIMUM WAGES ACT

CENTRAL ADVISORY BOARD TO DISCUSS THE ISSUE NEXT WEEK

THE second session of the Central Labour Advisory Board, set up under the Minimum Wages Act, 1948, scheduled to be held at Bombay on 8th and 9th April, 1954, will provide an occasion to discuss problems relating to the implementation of the Act. The main issues are: principles for fixation of minimum wages, difficulties in the way of the implementation of the Act, payment for weekly days of rest and overtime work.

The importance of this conference is obvious enough. For, as the Central Advisory Board is tripartite in character, representing Governments, employers and employees, the discussions and the findings of the conference will have an important bearing on changes in the Government's labour policy. If the Act is to yield any benefit, it is necessary that there should be clear ideas in regard to the principles which govern the fixation as well as the implementation of minimum wages.

It will be recalled that the Minimum Wages Act, which came into force on 15th March, 1948, required the appropriate Governments to fix minimum wage rates in industries mentioned in Part I of the Schedule by 15th March, 1950, and in agriculture, mentioned in Part II of the Schedule, by 15th March, 1951. The Act was later extended to include Part B and Part C States also. But, in view of the difficulties pointed out by the State Governments, the Act could not be enforced by the due dates. It was, therefore, amended so as to provide for the last date for implementation in respect of industries upto 31st March, 1952, and of agriculture upto 31st December, 1953. But even this time limit proved insufficient. Consequently, a Bill extending the time limit upto 31st December, 1954, in respect of both industry and agriculture, and validating the wage rates fixed in employment mentioned in Part I of the Schedule after 31st March, 1952, is before Parliament.

Definition of Minimum Wage

One of the chief obstacles in the way of implementation of the Act is the absence of any definite provisions in the Act as to the definition of and content of minimum wage. As a result, the various committees in the different States have adopted different principles and emphasised different aspects. The result has been that today one finds a bewildering variety of minimum wage rates. It is true that absolute uniformity either in the principles or practices adopted or in the wage rates fixed is neither desirable nor practicable. Nevertheless, it is imperative that there should be some co-ordination and a modicum of uniformity at least in basic principles, such as the content of the minimum wage, the importance to be attached to various considerations like the standard of living, the size and composition of the family, etc., which should be borne in mind by the minimum-wage fixing authorities in the various States.

So far as the content of the minimum wage is concerned, the various committees have adopted the interpretation given by the Fair Wages Committee that "the minimum wage must provide not merely for the bare sustenance of life, but also for the preservation of the efficiency of the worker by providing for some measure of education, medical requirements and amenities." They have tried to ascertain the money cost of such a wage on the basis of family budgets. But, as the minimum wage fixed on this basis, in many cases, was beyond the financial capacity of the employments under consideration, it had to be scaled down. To quote the words of a committee in Bombay: "For all our industries, it can be said that the legal minimum should be fixed at as high a point as the industry can hope to bear in normal times."

The determination of the size of a family is an important problem incidental to minimum wage fixation. In India, most of the industrial tribunals and committees of enquiry, including the Central Pay Commission, Bombay Textiles Labour Enquiry Committee and the Fair Wages Committee have recommended the adoption of a standard family of three consumption units, comprising a man, his wife and two dependents, who would ordinarily be children under 14. To put it in the words of the Fair Wages Committee, "the standard family should be taken as one requiring three consumption units and providing one wage earner." The various wage committees have accepted the view that a standard family consists of three consumption units.

In the case of certain employments such as plantations and local authorities, however, the "three consumption units-and-one-earner" basis has not been adopted by the committees, in view of the fact that, in these employments, generally, work is done on a family basis (as in plantations) or, generally, the wife also is employed (as in local authorities), and also because of the fact that the composition of the families, etc., as determined by certain recent enquiries undertaken at the instance of these committees, was found to be different. Most of the minimum wage committees have recommended different minimum wages for different workers in different localities in the same State. The main consideration underlying the demarcation of localities has generally been that certain localities are cheaper than others and, consequently, a lower minimum wage would ensure the standard of living contemplated by wage-fixing authorities. The basis of classification of areas in different groups has, however, been different. In some cases, it has been population; in others, differences in cost of living; in certain other cases, financial considerations, as in the case of local authorities; and in still others, the relative industrial development of various localities.

Different Rates of Wages

Clause (a) (ii) of sub-section (3) of section 3 of the Minimum Wages Act provides for the fixation of different minimum rates of wages for different classes of work in the same scheduled employment. Where minimum wages have been fixed in certain employments, no uniform practice has been followed by any of the State Governments. In some employments, wage rates have been fixed only for manual workers, while in some others, clerical employees also have been covered. In some States, in some employments, workers have been classified into a few broad categories, while, in some others, a detailed categorisation has been made; others still have contented with fixing the minimum wage rates for the unskilled *mazdoors* only, leaving alone the other categories.

There has also been a wide divergence in the practice adopted by the various Governments and even by the same Government, in respect of different employments, in the matter of fixing the minimum wage rates. The Governments of Madhya Pradesh, the Punjab, Bombay and Bihar have generally fixed all-inclusive wage rates, while the States of Assam, Madras and West Bengal have generally provided for the payment of a separate dearness allowance, in addition to the basic wage rates. In Delhi, a wage rate inclusive of dearness allowance is fixed, but, at the same time, provision has been made to vary the wage with a rise or fall in the Delhi cost of living index number. From the available information, it would appear that the question of an all-inclusive wage rate *versus* a basic rate plus dearness allowance has been decided on the basis of the existing practice in the industry concerned as also the availability or otherwise of proper cost of living index numbers applicable to the employments concerned.

Another important question is whether the dearness allowance should be linked to a cost of living index number and if so, the extent to which the rise in the cost of living should be neutralised. The question of linking dearness allowance to cost of living index has been decided on the basis of the availability or otherwise of proper cost of living index numbers. On the question of neutralisation, opinions have varied and the decision, in many cases, has been somewhat arbitrary. Thus, in West Bengal, the percentage of neutralisation is 31.5 in rice mills, 44 in flour mills and 45 in tanneries and leather manufacturies, while the Committee for plantations arrived at the figure of dearness allowance by deducting the basic wage from the proposed total minimum wage.

Thus, it is evident that the principles and practices adopted in the fixation of minimum wages vary not only from State to State but also, in some cases, within the same State. In order to ensure co-ordination and a certain measure of uniformity, the Central Board will have to evolve some directive principles for the guidance of the committees appointed or which may be appointed for fixing minimum wages or the revision of such wages. In this connection, the Board will have to consider the following issues:

(1) What should be the content of the minimum wages that should be fixed? If the definition of the minimum wages as given by the Fair Wages Committee is accepted (as, in fact, it has been by many committees), what should be the procedure to be adopted for ascertaining the money value of the goods and services that make up the minimum wage? Would it not be desirable that the minimum wage should be based on standard family budgets constructed for the purpose?

(2) Whether, in the interest of uniformity, it is desirable to adopt the "three-consumption-units-and-one-earner" basis for a family for working out the minimum wage? Whether it is necessary to make exception to this rule in the light of any special circumstances prevailing in particular industries, as, for example, plantations and local authorities.

(3) Having arrived at a figure of a minimum wage, should that be allowed to be altered in the light of any other circumstances or factors, such as capacity of the industry or a particular unit to pay, rates obtaining in the same region and/or similar employments? If so, what importance should be attached to them. A problem that arises, in this connection, is whether fixation of minimum wages at the existing rates could be justified on the plea of inability of an industry to pay more when it is found that the existing wage rates are unconscionably low from the point of view of the minimum requirements of the workers' family.

(4) Whether it is necessary to specify the types or categories of workers in respect of whom minimum wages should be fixed.

(5) Whether, in view of the practical difficulties involved in the dearness allowance being linked to cost of living index numbers, it is not desirable to fix dearness allowances at a flat rate, at the same time making provision for its revision at specified intervals.

(6) In cases where a separate dearness allowance is fixed, what should be the percentage of neutralisation that should be provided for the rise in the cost of living over that for the base period?

Agriculture

So far as the implementation of the Act relating to agriculture is concerned, the pace of progress is very slow. A committee appointed by the Planning Commission had recommended that the scope of the Act should be restricted, in the first instance, to low wage areas. The Act was accordingly amended to permit the State Governments to fix minimum wages for such portion of the territories or for such classes of employment as they might consider feasible. This has been taken advantage of and some State Governments have fixed minimum wages for a part of the State only and some States have excluded farms below a certain size. The work that has been done in States in the sphere

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complete. In order to supplement the domestic production, imports are allowed. The cheap imports have generally a depressing effect on prices of indigenous nuts and discourage production. While protection has been afforded to the indigenous producer, through the regulation of quantum of imports and tariff changes, output in the country has been increasing or decreasing. Thirdly, owing to the uneconomic holding, the marketable surplus which a grower offers has to be small and curing becomes uneconomical. Besides defective methods of boiling, colouring and drying also affect the quality adversely.

These problems could be solved by the encouragement of better methods of cultivation, manuring and by the adoption of effective measures to fight the plant diseases. This would be possible, if research were to be organised on a large scale. Schemes should be drawn for setting up curing and marketing societies to help the small producers.

This work has, however, been taken up by the Indian Central Arecanut Committee appointed by the Union Government in 1949. Under the auspices of this Committee, regional research stations for undertaking research on anti-*mahali* measures, better methods of manuring, etc., have been set up. Attached to these stations are nurseries for raising improved seedlings. There is before the Committee a proposal to establish a Central Research Station. The Committee is also persuading the States where areca palm is grown to make arrangements for the collection of data relating to area, production, prices, etc. In certain parts, processing and marketing societies of producers have been organised on a co-operative basis.

Notices

THE ANDHRA BANK, LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 30TH Annual General Meeting of the Shareholders of the Bank will be held at the Registered Office of the Bank, Cantonment Road, Masulipatnam, on Sunday the 18th April, 1954, at 4 p.m., to transact the following business.

BUSINESS OF THE MEETING

1. To receive the Report of the Directors and the audited Balance-sheet as at 31st December, 1953, and Profit and Loss Account for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect four Directors in the places of Messrs. Dara Visweswararao, K. Subrahmanya Dutt, B.Sc., Batchu Venkateswarlu, who are retiring under Article 94 and Sri Repaka Satyanarayanamurty from among the next longest in office, who has volunteered to retire., The retiring Directors are eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Brahmayya & Co., and Ch. V. Lakshmiah & Co., the retiring Auditors, offer themselves for re-appointment.

Notice is hereby given that the Register of Members of the Andhra Bank Ltd., will remain closed from Monday the 12th April, 1954, to Saturday the 24th April, 1954, both days inclusive, during which period no transfer of shares will be registered.

By Order of the Board,
E. RAMACHENDRAMURTI,
General Manager.

MASULIPATNAM, *24th March*, 1954.

N.B.—The dividend warrants for the half-year ended 31st December, 1953, will be despatched to the shareholders to their registered address on or before the 26th April, 1954. Shareholders are requested to intimate the Bank any change of address immediately.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the Company will be held on Monday the 26th April, 1954, at the Registered Office of the Company in Alleppey at 2-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts and Balance Sheet for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other competent business which may be brought before the meeting.

The Transfer Books of the Company will be closed from 10th April 1954, to 28th April, 1954, both days inclusive.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO., LTD.,
Per Pro ASPINWALL & Co. (TRAVANCORE) LTD.,
H. SUTTON,
Managing Agents.

ALLEPPEY, *24th March*, 1954.

CAREW AND COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of Shareholders the following Dividends:—

(a) The arrears of Dividend on the 6½ per cent. Cumulative Redeemable Preference Shares for the years ended 30th June, 1951, and 30th June, 1952.

(b) Dividend on the 6½ per cent. Cumulative Redeemable Preference Shares for the year ended 30th June, 1953.

By Order of the Board,
GLADSTONE LYALL & CO., LTD.,
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, *26th March*, 1954.

CAREW AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 4, Fairlie Place, Calcutta, on Tuesday the 20th day of April, 1954, at 11-30 a.m., for the purpose of:—

1. Receiving the Directors' Report and passing the Accounts for the year ended 30th June, 1953.
2. Declaring Dividends on the 6½ per cent. Cumulative Redeemable Preference Shares.
3. Electing Auditors for the current year and fixing their remuneration.
4. Transacting such other business as may be brought before the Meeting.

The Transfer Books of the Company will be closed from 10th April, 1954, to 20th April, 1954, both days inclusive.

Preference Shareholders and holders of Preference Shares under Blank transfer should note that upon the declaration of the Dividend the Dividend Warrants will be posted to Registered Preference Shareholders or their Mandatees. No application for payment will be necessary.

GLADSTONE LYALL & CO., LTD.,
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, *26th March*, 1954.

To the Shareholders of Messrs. Carew & Co., Ltd., and in particular to:

S. A. Ali, Esq., W. Allan, Esq., P. H. Antrobus, Esq., B. W. Bagshawe, Esq., Capt. W. F. Byrnes, F. W. C. Biallo Blotzky, Esq., Mrs. M. B. Blotzky, P. H. Compton, Esq., Brigadier G. E. Collins, Mrs. A. F. Cowdrey, Mrs. E. F. M. Cockburn, T. C. Donald, Esq., Miss Mona Daly, B. P. Dave, Esq., Lt.-Col. D. L. Graham, Mrs. Emily Kinsey, P. S. E. Jackson, Esq., Miss H. Lyall, Miss M. Lyall, Miss D. H. D. Lyall, R. A. Lloyd, Esq., H. E. Rodrigues, Esq., E. H. Marshall, Esq., Messrs. Mis and Sons Ltd., Miss M. E. Mia, K. L. Palit, Esq., Lt.-Col. H. P. Rudolf, Mrs. A. M. Garowara, A. N. Sassoon, Esq., Mrs. Hilda Sykes, Mrs. W. E. Slade, E. S. Tarlton, Esq., Baber S. S. J. B. Rana, Miss Aileen Ward, Major A. G. White, W. W. Winlaw, Esq., Mrs. L. B. Majumdar, Dr. J. K. Dave, J. B. Patel, Esq., I. A. Shaik, Esq., I. B. Wyndham Scott, Esq., Mrs. Margaret Jupp, Guy F. E. Elmslie, Esq., Frank Gore-Hinds, Esq., Eric J. Higher, Esq., James Weir McKay, Esq., Mrs. Saida Jacob, Miss Evelyn Gore-Symes, Mrs. A. M. Adam, H. H. Cunnington, Esq., Gulam Faludia, Esq., James Wilkie, Esq., C. H. Heape, Esq., Pandit K. A. Dikshit, Mrs. N. A. Cama, Mrs. L. M. Stanley, John Massie, Esq., Mrs. Mah Tai, Khan Sahib Dr. Ghulam Mohammad, H. H. Major Genl. Mrigendra S. S. J. B. Rana.

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Company Ltd., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, on Wednesday, the 28th April, 1954, at 12 noon, to transact the following business:—

1. To receive the Report of the Directors and to pass the Audited Accounts for the year ended 31st August, 1953.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and to fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

NOTICE is also given that the Share Transfer Registers will be closed from the 12th April to 28th April, 1954, both days inclusive.

By Order of the Board,
ANDERSON WRIGHT LTD.,
Managing Agents.

CALCUTTA, *24th March*, 1954.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

NOTICE

CAST IRON SLEEPER PLATES FOR RAILWAYS

TENDERS ARE INVITED FOR THE SUPPLY of Cast Iron Broad-gauge Sleeper Plates upto total tonnages of—

(a) 5,000 tons
or
(b) 10,000 tons
or
(c) 20,000 tons
or
(d) 30,000 tons

} to be supplied in the period ending 31st March, 1955.

2. Tenders are being invited from established foundries in India only, for manufacture from 25 per cent. Graded Pig Iron, 50 per cent. Ingot Moulds and 25 per cent. Railway Cast Iron Scrap supplied f.o.r. nearest station or works siding at Rs. 75 per ton.

3. Applications for copies of tender documents should be made to the Director, Civil Engineering, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract will be supplied at Rs. 10 per set and will be available for sale from 1st April, 1954, except on Sundays and holidays.

4. Tenders will be received up to 13.00 hours on 26th April, 1954, and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

(Sd.) H. K. L. SETHI,
Director, Civil Engineering,
Railway Board.

NEW DELHI, *24th March*, 1954.

THE BOMBAY FIRE AND GENERAL INSURANCE COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting, of the above Company will be held at the Registered Office of the Company, 14, Jamshedji Tata Road, Churchgate Reclamation, Bombay, on Thursday the 22nd April, 1954, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account and Balance Sheet for the year ended 31st December, 1953.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. Manoobhai Doongursee and Mr. M. A. Fazalbhoy who retire under Article 95 of the Articles of Association of the Company and being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Register of the Company will be closed from 8th April to 22nd April, 1954 (both days inclusive).

By Order of the Board,
B. H. REPORTER,
Manager.

BOMBAY, *18th March*, 1954.

OUCHTERLONY VALLEY ESTATES REPORT BETTER RESULTS

TEA CROP AT A RECORD

AFTER a very unfavourable year of trading in 1951-52, the Ouchterlony Valley Estates (1938) Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), has been able to show a slightly better performance in the subsequent year, that is, the one ended 31st October, 1953. The net profit, after providing for depreciation on property, amounts to Rs. 1.91 lakhs, as against Rs. 1.43 lakhs for the previous year and Rs. 17.60 lakhs for 1950-51. The improvement in profit for the year under review is not very marked, for the profit, at Rs. 1.91 lakhs, is the second lowest in the past five years. The Directors have, therefore, not been able to set aside more than a small sum of Rs. 22,990 to the reserves and to pay more than a 10 per cent. dividend, a rate which they paid for the previous year on a capital which had been doubled by the capitalisation of a part of the reserves.

To a large extent, the recovery in the Company's fortunes in 1952-53 has been due chiefly to the improvement in tea prices from the beginning of 1953. There have been other factors also which have contributed to the higher profit, the more notable among them being a substantial increase in the Company's tea crop. The Company's output of tea in 1952-53 amounted to 8,28,640 lbs. which is a record in its history and represents an increase of 1,24,948 lbs. over that in the previous year and 47,712 lbs. over the previous record reached in 1950-51. The output was well above the estimate of 7,46,000 lbs. too. Consequently, the cost of production was lower at 126.30 cents per lb., as compared with 139.69 cents per lb. in 1951-52 and the estimated cost of 136.5 cents per lb. for the year under review. The average price realised was 170.19 cents per lb., as compared with 156.46 cents in the previous year. There was also a marked rise in the coffee crop harvested, such having amounted to 8,449 cwts., as against 7,084 cwts. in 1951-52. However, the 1952-53 output of coffee was less than half the record crop of 17,060 cwts. harvested in 1950-51. That apart, the higher output in 1952-53 as compared with that in 1951-52 could not have made a worthwhile contribution to the improvement in the earnings of the Company, because of the lower prices realised. The Directors state that, upto the time of their signing the report, that is 24th February, 1954, payments received for the above harvest, which was delivered to the Coffee Board, amounted to Re. 1-15 per point or Rs. 152.68 per cwt., as against Rs. 212.83 per cwt. received in the corresponding period of the previous year. For purposes of accounts closing, however, the entire stock has been valued at Rs. 2-4 per point, but even this is much lower than that of Rs. 2-11 per point for the previous year.

The following table presents the salient features of the Company's results for 1952-53, against the background of those for the previous three years:

(Value in lakhs of rupees)

	For the year ended 31st October			
	1953	1952	1951	1950
Tea crop (in lbs.)	8,28,640	7,03,692	7,80,928	5,10,222
Coffee crop (in cwts.)	8,449	7,084	17,060	11,419
Sale proceeds of tea	14.03	11.13	14.00	9 27
Sale proceeds of coffee	15 54	15.53	31.15	20 49
Other income	0.37	0.49	0.72	0 22
Estate expenditure	24.71	22 93	24.05	19 22
Other expenses	1.06	0.91	2.33	1.41
Managing Agents' commission ..	0.44	0.43	0.70	0.43
Depreciation	1.81	1.41	1.20	1.06
Net profit	1.91	1.43	17.60	7.75
Depreciation on investment ..	0 01	0.08	..	..
To reserves	0.23	..	14.00	5.11
Dividend	1.95	1.95†	3.89	2.43
	(10%)	(10%)	(40%)	(25%)
Carry forward	0.93	1.26	1.78	2.07

† On an increased capital.

Expenditure on tea has gone up from Rs. 9.83 lakhs to Rs. 10.47 lakhs and that on coffee from Rs. 13.08 lakhs to Rs. 14.23 lakhs. The provision for depreciation has been raised on account of the additions to the fixed capital expenditure.

The latest balance-sheet of the Company shows a satisfactory financial position. Even after the capitalisation of a sum of Rs. 9.73 lakhs in 1951-52, the reserves and surplus stand at Rs. 20.48 lakhs and exceed the paid-up capital of Rs. 19.46 lakhs. The reserves include a debenture-stock redemption reserve of Rs. 6 lakhs, a general reserve of Rs. 8.50 lakhs and a development reserve of Rs. 5 lakhs. The debenture-stock amounts to Rs. 4.59 lakhs. During the year under review, the Company bought back debenture-stock worth Rs. 44,800 of the first series, thus completely redeeming the entire issue of Rs. 6 lakhs of 6 per cent. stock. It also bought back stock worth Rs. 8,500 of the second series (Rs. 5 lakhs 5½ per cent. stock), thus bringing the total stock of this series redeemed so far to Rs. 41,000, the balance outstanding being Rs. 4.59 lakhs, as stated above. The first instalment of Rs. 1 lakh to be redeemed out of this falls due on 30th June, 1954. The Company has been redeeming its debentures out of the current earnings, so that the entire debenture redemption reserve of Rs. 6 lakhs is left unutilised. There is a taxation reserve of Rs. 12,342. The current liabilities amount to Rs. 3.52 lakhs. The gross block of the value of Rs. 35 lakhs (including an addition of Rs. 2.61 lakhs made during the year) has been provided with depreciation of Rs. 8.32 lakhs. The current assets amount to Rs. 21.49 lakhs and represent more than six times the current liabilities.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 4-2- *cum-div.* On an *ex-div.* basis, the dividend for the year under review gives a yield of 5.1 per cent. per annum free of tax.

INDUSTRIAL INVESTMENT TRUST LTD.

The audited accounts of the Industrial Investment Trust Ltd. (Secretaries: Messrs. Premchand Roychand and Sons, Ltd., Bombay) for the year ended 31st December, 1953, disclose that the Trust has had a satisfactory year of business. The profit for the year under review shows a small recession, but this is not surprising, for the Trust's fortunes being dependent upon the experience of industrial concerns during the preceding year, the fall in dividends of industries for 1952 has been responsible for the drop in profit. The earnings, however, are sufficient to maintain the dividend for the third year in succession at the modest level of 4½ per cent.

The Trust's gross income for the year amounts to Rs. 6.27 lakhs, a decline of Rs. 0.42 lakh from the previous year's income. Almost the whole of this income has been earned from interest on securities and dividend on shares. Expenses have gone up slightly and there has also been an increase in the loss on sale of investments from Rs. 1,708 to Rs. 5,270. After providing Rs. 27,763 (as against Rs. 30,205) for Secretaries' commission, the profit, subject to provision for taxation for 1949, 1950, 1951, 1952 and 1953, amounts to Rs. 5.18 lakhs, as against Rs. 5.65 lakhs for 1952. The loss on sale of investments has been written off, as in the previous year, from the general reserve. After taking into account the refund of income-tax and the unappropriated surplus of Rs. 1.85 lakhs from the previous year, the distributable sum amounts to Rs. 7.11 lakhs (as against Rs. 7.35 lakhs a year ago). From this, the Directors have set aside Rs. 50,000 towards investment reserve, as compared with Rs. 1 lakh set aside last year. After paying the dividend at 4½ per cent. the sum left to be carried over, at Rs. 2.11 lakhs (subject to taxation for the aforesaid years) is a shade higher than that of Rs. 1.85 lakhs brought in.

The following is a summary of the Trust's latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ..	99,99,250	Investments	1,27,94,592
Reserves and surplus ..	20,91,180	Debts, deposits and advances ..	3,528
Liabilities ..	7,55,718	Furniture and fittings ..	6,417
		Cash ..	41,611
Rs.	1,28,46,148	Rs.	1,28,46,148

The Trust's investments shown at cost are higher by a small extent. The market value of the investments is lower than the book value by 4.54 per cent.; a year before the gap was as large as 9.75 per cent. A break-up of the investments shows that holdings of Government securities and preference shares are unchanged at Rs. 3.33 lakhs and Rs. 19.05 lakhs, respectively. Holdings of equities show an increase from Rs. 96.72 lakhs to Rs. 97.39 lakhs, while those of debentures have declined from Rs. 7.72 lakhs to Rs. 7.69 lakhs.

The Directors of the Company propose to amend clause 143 of the Trust's Articles of Association, so as to give wider scope for investing the Trust's funds and also to enable it to take up new issues of shares which are generally offered on advantageous terms to existing shareholders.

GOKAK MILLS TO ISSUE BONUS SHARES

The Directors of the Gokak Mills, Ltd., Bombay, propose, subject to the sanction of the Controller of Capital Issues, to capitalise a sum of Rs. 9.76 lakhs out of the amount standing to the credit of the reserve fund (which amounts to Rs. 13.76 lakhs) and issue bonus shares in the ratio of one share for every four shares held at present. If the proposal is carried out, the paid-up capital of the Company will be increased from Rs. 39.05 lakhs to Rs. 48.81 lakhs.

COIMBATORE COTTON RAISES DIVIDEND LEVEL

NOTABLE RISE IN PROFIT

A GROSS profit of Rs. 14.42 lakhs is disclosed by the statement of accounts of the Coimbatore Cotton Mills Ltd. (Managing Agents: Messrs. R. Bheema Naidu & Co., Singanallur, Coimbatore District) for the year ended 31st December, 1953. This compares very favourably with the loss of Rs. 1.18 lakhs suffered in the previous year; incidentally, this was the first time the Company had reported a loss in the last two decades. Though the profit for 1953 is encouraging as compared with the results for 1952, such is lower than that of Rs. 16.87 lakhs for the year 1951. Nevertheless, the improvement in the fortunes of the Company has enabled the Directors to strengthen the reserves which did not receive anything in the previous year and pay a handsome dividend of 20 per cent., as against 9 per cent. paid for the previous year.

Last year, the Company's dividend was reduced to 9 per cent. from 12½ per cent. paid for the preceding four years. But even the reduced dividend of 9 per cent. was not paid out of the current earnings, but out of the dividend equalisation fund. Even though it was a generous one for a deficit year, it was relatively small considering the age of the Company and the size of its mills. It is not, therefore, surprising that the Directors should have thought it fit to step up the dividend for 1953 to 20 per cent., the highest rate in the last seven years. Though this rate falls short of the previous highest of 25 per cent. (paid for 1945), it should be noted that it is on a higher capital, doubled in 1946 by the capitalisation of reserves. It represents, therefore, 40 per cent. on the original capital and is equal to the record rate of 40 per cent. paid for 1943 on the old capital. It may appear somewhat incongruous that the Directors should have distributed to the shareholders for the year 1953 the same amount as they did for 1943 when the profit for the latest year is less than half of that 11 years ago. But, really speaking, it is not so, if the decline in the purchasing power of the rupee over these years is taken into consideration. Moreover, the Company's financial position is sound enough to permit the payment of such a dividend.

To revert to an analysis of the Company's accounts for 1953. The salient features of the Company's results for the year under review are presented against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Yarn sales and stocks	67.18	74.65	98.65	63.51
Other income	0.35	0.52	0.26	0.21
Opening stocks of yarn and cotton consumed	42.43	66.54	69.84	45.03
Expenses	10.70	9.81	10.79	9.55
Gross profit (+) or loss (—) ..	+14.42	—1.18	+16.87	+9 13
Managing Agents' remuneration	1.86	0.67	2.20	0.98
Depreciation	4.35	..	2.30	1.67
Taxation	1.97	..	5.40	2 75
Net profit (+) or loss (—) ..	+6.42	—1.85	+6.91	+3 79
To reserves	2.69	..	4.50	2.50
To bonus to staff	..	1.00	..	..
Dividend	2.40 (20%)	1.05† (9%)	1.50 (12½%)	1.50 (12½%)
Carry forward	..	—1.33	1.52	0.61

† Paid out of dividend equalisation reserve.

It will be noted that the sale proceeds of yarn and the value of closing stocks are clubbed together and shown in the Company's accounts, as also the value of opening stocks of yarn and consumption of cotton. Nevertheless, both these items show a declining trend in the last two years. Last year, the Directors had stated that the loss for 1952 was mostly due to valuing the closing stocks of cotton at the market rates prevailing on 31st December, 1952. They have not, however, stated in their report for 1953 how they have valued the stocks of cotton. Nevertheless, the decontrol of yarn during the year must have contributed to the better trading results for the year under review.

Out of the net profit of Rs. 6.42 lakhs, the Directors have replaced the sum of Rs. 1.08 lakhs which they had withdrawn from the dividend equalisation reserve last year for payment of dividend. They have also provided Rs. 1.60 lakhs for contingencies, in addition to setting aside a small sum of Rs. 1,056 for reserve for doubtful debts.

The Company's financial position, as seen from its latest balance-sheet, is satisfactory. As against a paid-up capital of Rs. 12 lakhs, the reserves aggregate Rs. 19.85 lakhs, even after capitalising a sum of Rs. 6 lakhs in 1947 and drawing a sum of Rs. 4.80 lakhs from the reserves for payment of a cash bonus of Rs. 40 per share after the above capitalisation. Provision for taxation stands at Rs. 1.71 lakhs and current liabilities at Rs. 9.35 lakhs. The gross block of Rs. 28.95 lakhs has been well written down to Rs. 7.36 lakhs. The current assets amount to Rs. 35.55 lakhs and exceed the current liabilities and the provision for taxation by a very wide margin.

The Company's Rs. 100 paid-up shares are being currently quoted at Rs. 227 *cum*—div. On an *ex*-div. basis, the latest dividend gives a yield of 9.6 per cent. per annum, free of tax.

Points From The Chair

Electricity Boards

"THERE are a number of undertakings in the electric supply industry whose situation is so circumscribed by adversity that even though Government may come to permit them the slightly higher rate of basic return for which we have been pressing, they would be unable to approach its attainment. For these their main hopes must be fastened upon the early formation in all States of the statutory Electricity Boards envisaged in the 1948 legislation. These Boards are charged with the authority to afford loans to licensees, and could reasonably afford to do so in the knowledge that they possess adequate statutory powers of guidance and control of the borrower. I am pleased to see that in addition to Madhya Pradesh and Delhi, the Saurashtra Government is now constituting such a Board, and I have heard that the Bombay Government may be contemplating to follow suit as soon as certain amendments to the law have been carried out."

K. G. MILNE,
Ahmedabad Electricity Co., Ltd.

Foreign Private Investment

"As regards private capital, tendencies in certain Eastern countries show a reluctance to permit its introduction by foreign concerns acting independently, but encourage or even obligate joint participation between foreign and domestic capital in new industrial projects. Examples of this can be seen notably in India, Japan and Burma, but also elsewhere. Where Governments favour widespread nationalisation of industries there is, of course, no stimulant to foreign investment. In many countries, and particularly in India, much thought is being given to ways of mobilising larger accumulations of domestic capital through savings, without which development plans will be handicapped. This is important because of the comparatively small amount of foreign capital which is finding its way to South-East Asia. However, the low standard of living is an obvious handicap and improvement in the quantity of savings can hardly be great until more general prosperity reduces the overwhelming poverty. But prosperity in the East is circumscribed by the exasperating problems of the wide fluctuations of prices of foodstuffs and of the raw materials produced in those areas."

THE HON. C. BLAKER,
Hongkong and Shanghai Banking Corporation.

Prospects for Malayan Rubber

"For the natural rubber producer in Malaya the immediate prospect is particularly bleak. He has to compete with a Government-owned synthetic industry in America which pays no taxes and is not regarded as being altogether free from the taint of subsidisation. He has also to compete with other natural rubber producers, such as Indonesia and Ceylon. The Indonesian Government, recognising the need for assisting the natural rubber producer, has for the time being suspended all charges for export duty, while Ceylon is sheltered from world prices through the medium of a barter agreement with China, under which she enjoys for a considerable proportion of her rubber a price which is the equivalent of nearly double the present market price. For the Malayan producer there is no relief. On the contrary, his burden is made heavier by a savage increase in land rents—in our case to the extent of 85 per cent. If he has the misfortune to be registered in this country he has to continue to pay taxes at over 67 per cent."

SIR JOHN HAY,
Linggi Plantations Ltd.

More Resources For Private Sector

"Excessive draft of taxation, on the one hand, and underspending on public investment, on the other, means that the capital lost to the private sector is not fully utilised in the public sector; and also that the people are called upon to bear a burden of taxation that is not commensurate with the benefits obtained by way of development. Excessive draft of taxation and borrowing inhibit the flow of savings and lower the scale of investment in the private sector, and governmental underspending reduces the monetary flow to the private sector. The combined effect of these two factors is to reduce the resources available to the private sector from which the public sector can draw again. This vicious circle can be broken only by allowing the private sector to retain more resources for re-investment purposes, which would increase its productivity and enhance its capacity to provide increasing doses of financial transfusion to the public sector in the form of more taxes and more loans, without injuring its own functional efficiency."

TULSIDAS KILACHAND,
Bank of Baroda Ltd.

COMPANY MEETINGS AND DIVIDENDS

AGRA ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 5th April, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 30th March to 5th April, 1954, both days inclusive.

BAGDIGI KUJAMA COLLIERIES (1936) LTD. Annual General Meeting, Calcutta, 5th April, 1954. Transfer books remain closed from 26th March to 5th April, 1954, both days inclusive.

RAMPUR MAIZE PRODUCTS LTD. Annual General Meeting, Rah-e-Raza, Rampur, 7th April, 1954. Dividend: *Nil*. Transfer books remain closed from 1st to 10th April, 1954, both days inclusive.

NEW BANSDEOPUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th April, 1954. Transfer books remain closed from 29th March to 7th April, 1954, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 8th April, 1954. Transfer books remain closed from 1st to 8th April, 1954, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 8th April, 1954. Dividend: Rs. 22-8 per share (including interim dividend of Rs. 7-8 and a bonus of Rs. 2-8 per share), payable on and after 21st April, 1954. Transfer books remain closed from 22nd March to 8th April, 1954, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Annual General Meeting, Bombay, 9th April, 1954. Dividend: Rs. 14 per ordinary share, payable on 19th April, 1954. Transfer books remain closed from 3rd to 17th April, 1954, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 10th April, 1954. Dividend: Rs. 22 per share (including interim dividend of Rs. 8 per share), payable on and after 15th April, 1954. Transfer books remain closed from 22nd March to 10th April, 1954, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 12th April, 1954. Dividend: Rs. 8 per share (including bonus of Rs. 3 per share), free of income-tax, payable on and after 20th April, 1954. Transfer books remain closed from 23rd March to 12th April, 1954, both days inclusive.

CAREW & CO., LTD. Annual General Meeting, Calcutta, 20th April, 1954. Dividend: *Nil*. Transfer books will remain closed from 10th to 20th April, 1954, both days inclusive.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 26th April, 1954. Transfer books remain closed from 3rd to 26th April, 1954, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 27th April, 1954. Dividend: Rs. 20 per share, payable on and after 28th April, 1954. Transfer books remain closed from 3rd to 27th April, 1954, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 28th April, 1954. Dividend: Rs. 16 per share, payable on and after 29th April, 1954. Transfer books remain closed from 3rd to 28th April, 1954, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Dividend of Rs. 7-8 per share, for the half-year ended 31st December, 1953.

COMPANY REGISTRATIONS

INDIAN EXPLOSIVES LTD. (Mr. J. M. Holan.) Business: Manufacturers and Wholesale Dealers in Explosives, etc. Authorised capital: Rs. 4,00,00,000. Public company. Address: 18, Strand Road, Calcutta.

WILLIAMSON MAGOR & CO., LTD. (First Director: Mr. P. H. Willimson.) Business: General Merchants, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 4, Mango Lane, Calcutta.

MICA POWDER CO., OF INDIA LTD. (First Director: Mr. S. N. Sen.) Business: Buyers, Sellers and Exporters of Crude, Semi-processed and Finished Mica of all kinds. Authorised capital: Rs. 5,00,000. Public company. Address: 3, Fancy Lane, Calcutta.

PRADHAN NAGAR DEVELOPMENT AND TRADING CO., LTD. (First Director: Mr. P. P. Pradhan.) Business: To Purchase, Take on Lease, on Hire, Acquire Lands, etc. Authorised capital: Rs. 5,00,000. Public company. Address: Darjeeling.

EAST EUROPEAN TRADING CO., LTD. (First Director: Mr. S. Banerjee.) Business: Merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 4, Clive Ghat Street, Calcutta 1.

B. P. KHEMKA LTD. (First Director: Mr B. P. Khemka.) Business: Dealers in Tea, Coffee, Cinchona, Rubber and other Products. Authorised capital: Rs. 5,00,000. Public company. Address: 5, Clive Row, Calcutta.

PANIPAT SUGAR MILLS LTD. (First Director: Mr. H. P. Poddar.) Business: Manufacturing and Refining of Sugar. Authorised capital: Rs. 5,00,000. Public company. Address: 5, Royal Exchange Place, Calcutta 1.

UKHARA FORESTS AND FISHERIES LTD. (First Director: Mr. N. B. Lall Sinha.) Business: Aforestation, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Ukhra, P.O. Ukhra, Burdwan.

QUESTION HOUR IN PARLIAMENT

Interest Paid to I.M.F.

A SUM of $1,516,029 (Rs. 72,31,740) was paid by the Government of India as interest to the International Monetary Fund during 1952-53 in connection with the purchase of dollars from the Fund. No service charges were paid.

—*Finance Minister*

Loans to States

According to the agreed arrangements, every State receives by way of loans the amount collected (National Savings Scheme) in its area in excess of the target fixed for it. Against the collections during 1952-53, a sum of Rs. 2.5 crores had accordingly been sanctioned as loans to the States which had exceeded their targets. Similar loans will be sanctioned during 1954-55 on the results of the current year's collections.

* * * *

Reserve Bank

The Reserve Bank of India has decided to continue to have its branch at London. The work carried out by the Bank's London branch consists, *inter alia*, of management of the Government of India's rupee debt enfaced for payment in London, maintaining accounts of the High Commissioner for India in London, work relating to drafts drawn on the London branch by the Bank's offices in India and providing remittance facilities in favour of Indian embassies, Government delegations, Government scholars, etc.

* * * *

Economy Drive

The total economy effected to date in the Central Government's expenditure, following the implementation of the first four reports of the Estimates Committee, is approximately Rs. 51 lakhs, including Rs. 43.3 lakhs recurring.

—*Deputy Finance Minister*

Penicillin Plant

The Government penicillin factory in Bombay State is expected to go into production by September this year. The estimated cost of the building for the factory is Rs. 56 lakhs and the cost of the plant Rs. 78 lakhs, including equipment worth Rs. 40.46 crores contributed by the U.N.I.C.E.F., cost of various services and erection.

—*Parliamentary Secretary to Production Minister*

Rectification of Benzol

The Government of India is setting up a 600,000-gallon capacity plant for rectification of benzol to meet the requirements of the Government D.D.T. factory.

—*Commerce and Industry Minister*

Prospecting for Gold in Orissa

The prospecting for gold in a strip of land measuring about 40 miles in length and approximately one mile in width in Champua Sub-division of Keonjhar District in Orissa is being carried out by the Indian Bureau of Mines. The prospecting was started in July, 1953, and is in progress. The results of manual washing of the rock material has so far established an incidence of three to four grains per ton. These results are reported to be encouraging and it is expected that, with improved methods of washing, the recovery of gold might improve.

—*Minister of Natural Resources and Scientific Research*

Aircraft Manufacture

The number of trainer aircraft manufactured in India during 1953 was 20 and these will be put into use by the I.A.F. in June or July. The Hindustan Aircraft Factory has planned to manufacture 54 aircraft of this type this year.

—*Deputy Defence Minister*

Research on Turmeric

The Indian Council of Agricultural Research has sanctioned a research scheme for the improvement of turmeric in Guntur District in Andhra State. Its exact location has not yet been intimated by the Andhra Government.

—*Food and Agriculture Minister*

Indian Investment in Nepal

The total investment by Indians in Nepal is estimated at Rs. 15 crores. No authoritative statistics, however, are available. No restrictions have been placed by the Nepal Government on Indian undertakings in that country. But the permission of the Government of Nepal is necessary before any new enterprise can be started. There is no trouble about investment by Indians. Most of the Indian investments are in the cloth, jute, sugar, oil and oilseeds and cereals trade.

—*Deputy Minister for External Affairs*

Declaration of Assets

The recommendations of the Planning Commission in regard to the declaration of assets by Government servants will be taken into account while formulating new rules for Central Government employees and all-India services. The new rules are being framed at present. The existing rules require the officers of the Central Government services to submit returns of immovable property only at the time of their initial appointments and subsequently whenever fresh property is acquired. The degree of relationship covered by the rules include very near relations and dependent relations.

—*Deputy Home Minister*

Refugee Rehabilitation

The total amount spent on relief and rehabilitation of displaced persons up to 31st March, 1953, was Rs. 1,74,08,55,000. Of this sum, Rs. 76,54,04,000 were on account of revenue expenditure and Rs. 97,54,51,000 on account of capital expenditure.

—*Rehabilitation Minister*

HIGHER OUTPUT AND BETTER PRICES HELP SHIVRAJPUR MAINTAIN PROFIT

RAVALGAON SUGAR PASSES OVER DIVIDEND

Shivrajpur Syndicate Ltd.

THE directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th November, 1953.

This is the 50th report of the Syndicate and so marks 1954 as the Golden Jubilee Year.

Output.—As reported last year, considerable development work was carried out in all sections of the mines and as a result of steady progress in mining operations, production during the year amounted to 100,347 tons as against 81,232 tons in 1951-52. Steps have also been taken to re-open the Pani Mine which will assist in maintaining the present high level of production.

Shipments, mainly to the U.S.A., totalled 101,350 tons as against 122,310 tons during the previous year which latter figure included 41,000 tons from old stocks. The figure of 101,350 tons shipped in the year under review included only 1,000 tons from such old stocks, but mainly due to higher prices obtained profits have been maintained at approximately the same level as last year.

In order to take advantage of the prevailing trend of the market and following the usual policy of making forward contracts, a few further sales were concluded at favourable rates for deliveries extending into the financial year 1955-56, thus bringing the total outstanding commitments to 179,350 tons at the close of the year.

Development work.—The progress on ore and tram drives in shaft No. 2 at the 200 feet level, underground, continued throughout the year, the total advance west and east being 3,796 feet and 2,035 feet, respectively. The remaining 700 feet of ore drive and 900 feet of tram drive are expected to be completed by about October, 1954. The tonnage raised in development work during the period amounted to 6,648 tons as against 4,968 tons during 1951-52. Further applications for the grant of prospecting licences in areas adjacent to the existing leases have been made.

The scheme for the conversion of the power plant from direct current to alternating current, referred to in the last report, made substantial progress during the year under review and is now expected to be completed in about two months' time.

Construction of a wall around the workshop and power house, modification to the Mines main office building and renovation of old labour quarters were carried out during the year. In addition, one block of junior staff quarters and one of senior staff quarters, and a club house were completed during the year; construction of two blocks of labour quarters of 12 units each, further junior staff quarters, dispensary and magazine at Bamankua and extensions to other buildings at the Mines were in progress during the year under review.

The labour situation has been generally satisfactory. In February, 1953 the Union submitted a series of demands. A settlement was reached with the help of the Regional Labour Commissioner (Central), Bombay, on the 1st of July, 1953. The agreement is to remain in force for two years ending 2nd of July, 1955.

Satisfactory advance in the mechanisation and expansion programme at the Mines combined with continuation of the happy relationship which exists between the management, the labour and the Union should ensure a steady progress in outputs. Thus with the prospects of maintaining production at the present high level and with forward business already booked, the Syndicate's working for the ensuing year should prove satisfactory. The prospects of future years, however, must depend on the trend of the market, which is showing a tendency to recede from the high levels of the past two years.

The income-tax authorities have been requested to expedite the finalisation of the Company's assessments on the profits for the years ended 30th November, 1950, 1951 and 1952 which have not yet been completed.

The trading profits for the year amounted to Rs. 33,47,279 (Rs. 34,24,742) after deducting depreciation of Rs. 2,32,341 (Rs. 1,50,855). To this has been added Rs. 9,113 (Rs. 1,754) being profit on sale of assets and Rs. 13,913 (Rs. 3,444) being the balance brought forward from last year's accounts which includes an adjustment of Rs. 16 in respect of over provision of dividend and bonus last year. After providing Rs. 11,26,000 (Rs. 12,66,500) for income-tax and super-tax setting aside Rs. 3,665 (Rs. 4,272) to workmen's compensation reserve, Rs. 7,02,522 (Rs. 5,42,809) to staff welfare reserve, Rs. 5,92,000 (Rs. 6,00,000) to mine development and prospecting reserve, Rs. 50,000 (Rs. 4,00,000) to general reserve, Rs. 2,00,000 (Rs. 1,35,000) to equalisation of dividends reserve, and Rs. 1,00,000 (nil) to retiring gratuities reserve, the balance available for distribution is Rs. 5,92,118 (Rs. 5,03,597) which it is proposed to appropriate as follows:—

To payment of a dividend for the year ended 30th November, 1953 at the rate of Rs. 5 (Rs. 5) per share, free of income-tax (proportionately on new shares) Rs. 3,49,850 (Rs. 3,49,780) and to payment of a bonus to shareholders for the year ended 30th November, 1953 at the rate of Rs. 3 (Rs. 2) per share, free of income-tax (proportionately on new shares) Rs. 2,09,910 (Rs. 1,39,920) leaving to be carried forward Rs. 32,358 (Rs. 13,897).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	14,42,758
Reserves ...	36,45,000	Work-in-progress ...	3,95,729
Provision for taxation ...	11,17,762	Stock-in-trade	11,85,944
Liabilities ...	31,45,785	Stores and spares ...	9,36,396
Profit and loss account ...	32,358	Other assets	24,629
		Debts, deposits and advances ...	38,15,950
		Investments	4,94,063
		Cash ...	3,45,436
Rs.	86,40,905	Rs.	86,40,905

Ravalgaon Sugar Farm Ltd.

The directors of the above Company (Managing Agents: Messrs. Walchand & Co., Ltd.) submit the audited accounts of the Company for the year ended 30th September, 1953.

During the year, the Company has made a profit of Rs. 21,020 (Rs. 7,06,601) only after providing Rs. 5,40,000 (Rs. 5,40,000) for depreciation. The drop in the profit was mainly due to reduction of about 500 acres in the area under plantation owing to failure of monsoons and consequent scarcity of irrigation water. The balance available for disposal comes to Rs. 2,10,533 (Rs. 8,87,513) including the sum of Rs. 1,89,513 (Rs. 1,80,913) brought forward from the last balance-sheet. The directors recommend that the following appropriations be made:—

For dividend on preference shares at 5½ per cent. (less income-tax) Rs. 1,10,000 (Rs. 1,10,000) leaving to be carried forward a sum of Rs. 1,00,533 (Rs. 1,89,513 after providing 18 per cent. dividend on ordinary shares, free of tax, 7 per cent. on deferred shares less tax and setting aside Rs. 2,00,000 to reserve fund).

The factory commenced crushing on 15th December, 1952 and the same was stopped on 7th April, 1953. Sugarcane crushed during the season was 70,750 (1,25,471) tons while sugar manufactured was 79,666 (1,25,180) bags with a recovery of 10.98 (9.97) per cent.

During the year, the confectionery plant at Ravalgaon produced about 269 (363) tons of confectionery and about 13,000 (10,000) maunds of sugarcandy. The factory continued to produce wax from cane mud. About 9,000 (14,400) lbs. of wax was produced during the year. The area of land taken on lease by the Company is 2,608 acres and 23 gunthas, while the area of land owned by the Company is 6,541 acres and 22 gunthas.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	44,00,000	Block ...	80,59,224
Debentures	20,00,000	Stock-in-trade	11,67,062
Reserves ...	73,62,013	Stores and spare parts	26,28,443
Liabilities ...	21,75,967	Other assets	1,43,809
Profit and loss account ...	2,10,533	Plantation-in-progress ...	18,90,722
		Debts, deposits and advances ...	2,56,419
		Investments	16,22,138
		Cash ...	3,80,676
Rs.	1,61,48,513	Rs.	1,61,48,513

Agra Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts for the half-year ended 30th September, 1953.

Normal development has been maintained inasmuch as that the demand for electricity shows progressive increase. There has been a slight recession in revenue during the half-year under review but subsequent earnings show that the position has been fully retrieved.

The following table gives the details of units sold and revenue earned over the past five half-years:

Half-year Ended	*Units Sold*	*Revenue* Rs.
31st March, 1951	8,746,660	13,23,102
30th September, 1951 ...	10,513,757	12,53,521
31st March, 1952	9,703,497	14,04,904
30th September, 1952 ...	11,463,384	14,97,507
31st March, 1953	10,713,328	14,32,952
30th September, 1953 ...	12,152,915	14,79,566

After complying with the provisions of the Electricity (Supply) Act, 1948 and making adequate provision for liabilities, and setting aside Rs. 50,000 (Rs. 50,000) towards development and extensions under progress, there remains a balance of Rs. 1,49,410 (Rs. 1,42,938), including Rs. 49,489 (Rs. 44,463) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of in payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 99,920 (Rs. 99,920) and in carrying forward to next half-year Rs. 49,490 (Rs. 43,018).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,98,500	Block ...	41,78,598
Debentures ...	10,00,000	Stores, etc. ...	11,73,788
Reserves ...	24,81,026	Plant under construction	1,458
Provision for taxation ...	2,12,112	Other assets	42,271
Liabilities ...	22,30,941	Debts, deposits and advances ...	9,10,875
Profit and loss account ...	1,49,410	Investments	12,60,830
		Cash ...	4,98,169
Rs.	80,71,989	Rs.	80,71,989

Walchandnagar Industries Ltd.

The directors of the above Company (Agents: The Premier Construction Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September, 1953.

During the year, the Company has made a profit of Rs. 23,03,244 (Rs. 25,51,935) after providing Rs. 12,00,000 (Rs. 11,00,000) for depreciation so that this together with the sum of Rs. 2,07,926 (Rs. 1,94,491) being the balance brought forward from the last balance-sheet comes to Rs. 25,11,170 (Rs. 27,46,426) which amount is available for disposal and the directors recommend that the following appropriations be made therefrom:—

For dividend on preference shares at Rs. 7 (Rs. 7) per share (free of income-tax) Rs. 24,500 (Rs. 24,500), for dividends on ordinary and "A" ordinary shares at Rs. 14 (Rs. 14) per share (free of income-tax) Rs. 14,14,000 (Rs. 14,14,000) for debenture redemption fund Rs. 4,00,000 (Rs. 4,00,000) and for reserve fund Rs. 5,00,000 (Rs. 7,00,000) leaving to be carried forward the balance of Rs. 1,72,670 (Rs. 2,07,926).

The sugar factory commenced sugarcane crushing on 20th November, 1952 and the crushing stopped on 13th March, 1953. Sugarcane crushed during the season was 1,63,107 (1,84,892) tons while sugar manufactured was 1,87,326 (2,19,598) bags with a recovery of 11.61 (12.01) per cent. The distillery produced 3,22,218 (2,59,518) gallons of rectified spirit during the year.

The area of land taken on lease by the Company is 10,513 acres and 15½ gunthas while the area of land owned by the Company is 6,295 acres and 4½ gunthas.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,04,50,000	Block ...	1,80,88,459
Debentures	45,00,000	Stock-in-trade	18,92,679
Reserves ...	1,39,55,627	Stores and spare parts	48,42,198
Liabilities ...	26,12,731	Cane plantation in progress ...	43,47,944
Profit and loss account ...	25,11,170	Other assets	6,39,901
		Debts, deposits and advances ...	10,16,898
		Investments ...	2,35,702
		Cash ...	29,65,747
Rs.	3,40,29,528	Rs.	3,40,29,528

Britannia Engineering Co., Ltd.

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

The results of the Works department for the year showed a profit on trading account amounting to Rs. 16,36,133 compared with Rs. 11,86,765 for the preceding 12 months. The Agency department showed a profit of Rs. 1,32,748 compared with Rs. 21,989 for 1951.

After charging interest and debenture interest and providing for taxation which it is estimated will be payable on the year's profit, commissions and depreciation and taking into account the carry forward from 1951, the profit amounted to Rs. 8,25,185 (Rs. 6,02,825). This would permit the distribution of a dividend at a higher rate than was paid for the year ended 31st December, 1951, but, as stated in the last report, the directors are negotiating for the purchase of new machinery and buildings, etc., required for the manufacture of modern types of jute mill and other machinery and a sum of Rs. 3,50,000 (Rs. 3,90,773) has therefore been transferred to machinery reserve, and Rs. 2,50,000 (nil) to general reserve leaving a balance of Rs. 2,25,185 (Rs. 2,12,052), out of which the directors made payment of a dividend on 1,60,000 ordinary shares at 15 (15) per cent. per annum per share, for the year. This absorbed Rs. 1,50,000 (Rs 1,50,000) leaving Rs. 75,185 (Rs 62,052) to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	14,72,917
Debentures ...	5,00,000	Stocks ...	4,57,102
Reserves ...	25,85,000	Stores ...	8,72,951
Provision for taxation ...	8,82,000	Work-in-progress ...	16,26,375
Liabilities ...	27,46,088	Debts, deposits and advances ...	32,56,481
Profit and loss account ...	75,185	Investments ...	2,300
		Cash ...	1,00,147
Rs.	77,88,273	Rs.	77,88,273

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

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 31*st March*

The short-term money market experienced during the week under review no relaxation in the stringency noted in the past several weeks. If anything, it became a little more acute, with a further diminution of floating funds. The demand for funds continued to be on the high side, but inadequacy of supplies forced banks to seek aid from the Reserve Bank or the Imperial Bank of India. Some of the municipal funds were available and were taken up by a few Indian banks, but such were not enough to ease the situation. Turnover in the inter-bank call money sector was very small. Call money rate among all sections of banks remained unchanged at 3 per cent. House money continued to fetch 3 per cent., as also short-term deposits for one to four months. For longer periods these deposits were bid at 2½ per cent.

It is felt in market circles that the demand for funds has reached its peak and, that in a few weeks from now, there will be some relaxation in the stringency, as the funds now lent out will be flowing back into the banks. But doubts are expressed whether even in the off-season there will be a surfeit of funds, if the Government of India resorts to Treasury Bill borrowings on a large scale. Moreover, the profit margin of business men having dwindled considerably, they may not have surplus funds to keep them with banks to the same extent as in the previous years.

The persistent stringency in the money market is reflected in the poor response to Government of India Treasury Bills, for which there was an offer of Rs. 101.50 lakhs this week. Though this amount was Rs. 50,000 more than in the previous week, it would be admitted that the margin between the amount invited and that offered was negligible. The average rate of accepted tenders was unchanged at Rs. 2-11 per cent. per annum. Tenders for a further sum of Rs. 1 crore have been invited for next week also.

For the second week in succession, the notes in circulation show a contraction, the Reserve Bank statement for the week ended 26th March, 1954, showing a fall of Rs. 4.18 crores, following the drop of Rs. 3.89 crores in the previous week. Notes held in the Banking Department have risen by Rs. 4.83 crores, with the result that the total notes issued show an increase of Rs. 65 lakhs, which is adjusted by a corresponding increase in rupee coin. In the Banking Department, deposits of the Central Government show a rise of Rs. 1.75 crores. Deposits of other Governments do not show any notable variation, but those of banks and others have gone up by Rs. 3.52 crores and Rs. 97.54 lakhs, respectively. On the assets side of the Banking Department, cash balances have appreciated by Rs. 4.90 crores and balances held abroad by Rs. 2.94 crores. Ways and means advances to Governments are practically unchanged, while other loans and advances have dropped by Rs. 3.14 crores.

A sharp decline of Rs. 6.99 crores in demand deposits and of Rs. 2.43 crores in time deposits is disclosed by the Scheduled banks' statement for the week ended 19th March, 1954. Borrowings from the Reserve Bank have risen by Rs. 5.18 crores and those from the Imperial Bank by Rs. 80 lakhs. Loans, cash credits and overdrafts have gone up by Rs. 4.33 crores and bills purchased and discounted by Rs. 2.35 crores. Investments have dropped by Rs. 93 lakhs and cash balances and money at call by Rs. 3.07 crores.

The Gilt-edged market presented a cheerful appearance, with a revival of demand in almost all loans and paucity of sellers. Though the volume of business was a little greater than in the previous week, it was still restricted, due to paucity of sellers. Institutional investors, particularly insurance companies, showed considerable interest in the market. There was an all-round rise in values, the upward trend having gained momentum by the action of the Reserve Bank of India in putting up the rates of two more loans during the week. The Bank stopped selling 3 per cent. 1966-68 at Rs. 106 *cum-voucher* on Tuesday this week, but offered to sell today at Rs. 90-8 *ex-voucher*, the net increase in the rate being As. 4. The Bank's selling rate for 3 per cent. 1970-75, which had been raised by As. 2 last week was raised further by As. 2, during the week under review, the Bank selling it at Rs. 86-12.

3 per cent. 1957, which had remained stagnant at Rs. 98-5 till last week, was in request and moved up to Rs. 98-7 and 3 per cent. 1958 gained an anna to Rs. 98-3. 3 per cent. 1959-61 advanced by As. 2 to Rs. 96-7. 3 per cent. 1963-65 put on As. 2 to Rs. 92-13. Rs. 92-14 and 3 per cent. 1964 an anna to Rs. 92-13. 3 per cent. 1966-68 was offered As. 2 better at Rs. 90-8. 3 per cent. 1970-75 was keenly bid on at Rs. 86-12, a rise of As. 2 yield considerations at Rs. 86-12, a rise of As. 2 over the week. 3 per cent. 1986 Conversion Loan had a rise of As. 4 to Rs. 82-12. 3½ N.P. Bond was in keen demand and appreciated by As. 2 to Rs. 99-4. Among State loans, 4 per cent. 1963 Bombay had small business at Rs. 100-15½ and U.P. Bombay had sellers at Rs. 99-11. Bombay State Road Transport new bonds had sellers at Rs. 99-3.

HIDES ARRIVALS CONSIDERABLE

(From Our Own Correspondent)

KANPUR, 28*th March*

During the week under review, the hides and skins market remained steady. New arrivals were considerable and the demand for upper grade wet salted buff was brisk.

Latest quotations are: Wet salted cow, 1st grade Rs. 240 and 2nd grade Rs. 160 per score; grade Rs. 240 and 2nd grade Rs. 160 per score; grade wet salted buff, 1st grade 1 lb. 14 ozs., 2nd grade 2 lb. 4 ozs. and 3rd grade 2 lb. 8 ozs. per rupee; goat skins, 1st grade Rs. 300 and 2nd grade Rs. 250 per skins, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep skins, Rs. 250 to Rs. 300 per score.

BULLISH TREND IN BULLION

(From Our Own Correspondent)

BOMBAY, 31*st March*

Firm conditions prevailed in the bullion market during the week under review, with values of both silver and gold recording an appreciable improvement. The shortage of floating stocks of silver, coupled with the seasonal increase in demand and short-covering, helped the white metal to advance to new high levels not seen since February, 1953. The recovery in gold, after the mild shake out last week caused by the reopening of the London gold market, was fully kept up during the week under review, the rise in values gathering momentum towards the close. The main inspiring factor for this was the dwindling arrivals and better demand, as reflected in the widening of the premium of the ready position over the forward from As. 15 at the close of last week to Re. 1-1 today.

Silver for forward delivery (20th April settlement) began the week at Rs. 167 and soon advanced to Rs. 168-4. After a reaction to Rs. 167-9 on Friday due to selling from some bull operators, the forward silver, once again, resumed its upward trend and briskly advanced to Rs. 168-15 on Saturday. Reports of arrivals of *kutcha* silver brought about a set-back to Rs. 167-14 on Monday, but this recession was a short-lived affair. For prices once again picked up and touched a high of Rs. 169-9 today, the highest level since 28th February, 1953. The closing was, however, substantially lower at Rs. 168-5, on heavy profit-taking.

Ready silver (.996 Mint) firmed up from Rs. 166-14 to Rs. 169-13 before finishing at Rs. 168-9. The floating stocks of silver are placed at 1,900 bars. The daily average offtake was estimated at 25 bars.

Opening at Rs. 88-3, gold for forward delivery (19th April settlement) moved narrowly for some time between Rs. 88-7 and Rs. 88-3, but gained strength on active support induced by the decline in arrivals. In the result, forward gold rose to Rs. 90-7 today, the highest level seen since 26th June, 1953, before winding up at Rs. 89-12.

Ready gold improved by Re. 1-11 over the week, having gone up from Rs. 89-2 to Rs. 90-13, the highest level touched being Rs. 91-8.

The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 4,500 tolas. The offtake was estimated at 5,000 tolas on an average.

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

	31-3-54	Highest	Lowest	24-3-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	90 13	91 8	89 0	89 2
Forward	90 12	90 7	88 0	88 3
Sovereign	59 2	59 2	58 12	58 12
SILVER				
Ready (.996 fine Mint)	168 9	169 13	167 3	166 14
Forward	168 5	169 9	166 15	166 14
London Ready	73¼d.	73¼d.	73¼d.	73¼d.
London Forward	73¼d.	73¼d.	73¼d.	73¼d.
New York Ready	89c.	—	—	89c.

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, 31*st March*

Weakness in Malabar black pepper reported in our last, developed into a slump during the earlier part of the week. There was nervousness all round, both among growers and dealers. Alleppey and Baliapatam sold as low as Rs. 1,350. At one time, it seemed that a further fall of Rs. 100 to Rs. 200 was imminent, but fortunately in mid-week there was some small buying from New York at $0.70 to $0.72 for March shipment, which was responsible for a favourable reaction, though of a temporary nature, in all primary centres. Alleppey improved. Small business was done at Rs. 1,500. In the later part, however, New York staged a complete withdrawal and dealers there, instead of giving firm bids, began to give almost every day lower indications than what was offered firm from here. They refused to meet Indian sellers. This created a further panic. April shipment was done at as low as $0.67 with few buyers and more sellers. Trade here is rather surprised at the reappearance of both Sarawak and Lampong as competitive sellers in the New York market at prices which are much lower than what they were during the peak of their season. This attitude of Sarawak and Lampong sellers seems to have put fright into Indian growers who are now anxious to sell as much as they can before the harvesting seasons of Lampong and Sarawak. Russia is reported to have bought a further 500 tons but the market is technically so weak that such a large single purchase failed to create any favourable effect on the declining morale of the growers. Tendency at the time of writing is still weak and further deterioration in the situation is feared. If New York does not come into the market within the next week. The existing competition between India, Sarawak and Lampong for selling in the New York market is responsible for the present absence of U.S. buyers, who, being shrewd, seem to be marking time in order to make the best bargain out of the present nervousness among the growers and dealers in the producing countries.

In the A.S.T.A. sections, April shipment was done from $0.72½ to $0.67. May and June shipments were traded at $0.67 and $0.65 respectively. In the delivery section, April and May were done as low as Rs. 1,030 and Rs. 1,070 per candy respectively.

Following are today's nominal quotations:—Ready Rs. 150 per Bengal maund, April Rs. 1,060-80, and May Rs. 1,090-1,110 per candy of 5¼ cwts.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 31*st March*

Healthy conditions appear to have returned to the cotton trade in Bombay. The sentiment in both forward and spot markets is constructive. In spite of increasing arrivals in the Broach and Surat areas, the price trend remained bullish and demand for Vijay was better during the week. One of the reasons for this concentration on Vijay was the comparatively lower premia for it. The spot market changed its pattern of trading, with activity diverted from imported cotton to Indian varieties, and this is likely to be the case in the near future.

Except for U.S. cotton, prices of imported cotton are standing at unduly high levels. The demand from the Continent which sustained this high price level is now being withdrawn and, once again, spinners in that area have adopted the policy of buying only against their immediate needs. The reason for the change in sentiment has been the decision of the U.S. Government to dispose of a large stock of accumulated cotton through the Credit Corporation. Even though the U.S. authorities are known to have declared that they would not try to undersell other cotton producing countries, the pressure of these stocks on the market is bound to be felt sooner or later. Another reason for the loss of confidence in the maintenance of the present world prices of cotton is likely competition between Sudan and Egypt. Sudan appears to be in a hurry to dispose of a bulk of its crop and proposes, therefore, to hold frequent auctions. This is bound to have an effect on the price of Egyptian cotton with other varieties following suit. It is possible that this might enable Indian mills to secure supplies of imported cotton of non-U.S. origin at lower rates towards the fag end of the season.

The forward market has benefited from this diversion from imported to Indian cotton and prices have been steadily going up, more noticeably for the August contract which has crossed the Rs. 700 limit. The difference between the two contracts has widened again from Rs. 12 to Rs. 14-8 to Rs. 15 and, in the opinion of shrewd market men, this is likely to widen further by the time the May contract matures. Active short-covering was a feature of the trading this week. Another reason for the change of sentiment in the forward market was the materialisation, to a certain extent, of the long expected revival in the cloth trade. If this revival lasts for any length of time, especially in the export trade, conditions in the forward section of the cotton market are likely to remain buoyant.

How a small administrative detail can adversely affect the production of good quality cotton can be seen from the difficulties of CO,/170 in Gujerat. This comparatively long-staple variety, which can be used as a substitute for U.S. cotton, is produced mainly by co-operative societies. The production this year of this cotton is placed at about 20,000 bales. This cotton was not included last year in the quota given to mills, with the result that it fetched an adequate premium. This year, it is included in the quota and there is, therefore, no competition amongst mills in Gujerat to secure this variety and the producers have failed to secure better prices for it. It is calculated that even the present small quantity has saved about Rs. 1.5 crores in dollar exchange for the country, by reducing the need for importing an equivalent quantity of cotton from the U.S. in the ordinary course, production of this quota would have been quadrupled next year, with the result that the savings in dollar exchange would have been about Rs. 6 crores. But the refusal of the authorities to allow the mills to buy this cotton outside of their quota allotments has discouraged producers who might refuse to sow this cotton during the next season.

Encouraging reports from piecegoods market and firm advices from spot section induced sustained bull support for cotton futures and prices recorded a handsome improvement. I.C.C. May, which opened the week at Rs. 671, shot up to Rs. 690½ yesterday. At this level, profit-taking set in and the contract finished lower at Rs. 683½. Similarly, I.C.C. August forged ahead from Rs. 686½ to Rs. 704½ yesterday, but receded thereafter to finish the week at Rs. 699.

The following was the trend of prices in the forward section during the week under review:

	Opening	High	Low	Closing
I.C.C. May ...	Rs. 671	690½	677½	683½
I.C.C. Aug. ...	Rs. 686½	704½	686½	699

Latest available quotations from the spot market are: Bengal *deshi* Rs. 620; Berar Jarillas Rs. 790; Khandesh Rs. 865; Vijay Rs. 895; Oomra *deshi* Rs. 740; Moglai Rs. 715.

As predicted previously, following the withdrawal of China from the Karachi cotton market, the prices have receded sharply. During the week under review, Australia was the only country interested in Pakistan cotton and, with the Continent awaiting reduction in world prices, there is little prospect of increased offtake from abroad at Karachi. The reimposition of control on the prices and distribution of cloth produced by local mills in Pakistan may also affect the prices of cotton adversely.

Latest available quotations from Karachi market are: Sind *deshi*: Rs. 80; L.S.S. Punjab roller Rs. 82-8; S.G. Rs. 86-8; N.T. roller Rs. 83, S.G. Rs. 78-8; 289 F. Punjab roller Rs. 86-8; S.G. Rs. 91-8.

It is but natural that the tempo of activity at Alexandria should be on the quiet side, with Sudan coming into the picture. The Egyptian Cotton Commission announced last week that it would sell its stocks at the daily official selling prices *plus* weekly average spot premiums, fixed by the spot market committee on Thursdays. This increase

in the selling prices of Government stocks to the level of spot prices has resulted in export interest in Karnaks being shifted from Government to the free market, while the Government's decision to liberalise sterling import licences for the purchase of industrial machinery has reduced the sterling entitlements and thus raised prices of Egyptian cotton for purchasers from the sterling area.

At New York, the trading has continued to be dull, as in the previous week. The undercurrent for nearer deliveries has been slightly weak, though good support has been there for the new season's cotton.

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

(In cents per lb.)

	30-3-54	23-3-54	16-3-54
Spot	35.20	35.20	35.25
May	34.36	34.40	34.48
July	34.51	34.53	34.58
October ...	34.09	33.92	34.03
December ...	34.04	33.89	34.01

ART SILK YARN QUIET

(From Our Own Correspondent)

BOMBAY, 31*st March*

The art silk yarn market was devoid of any notable development during the week under review. Operators in the forward section showed very little interest in business. A feeling of hesitancy prevailed, as they preferred to watch further developments in regard to the threatened closure of several art silk mills, consequent on the Central Government's failure to provide adequate relief in excise duty on art silk fabrics. They preferred also to await the outcome of the Silk and Art Silk Mills Association's move to go on a deputation to the Union Finance Minister with a view to impressing upon the latter the need for a substantial reduction in excise duty. Consequently, turnover in the forward section was greatly restricted. Over the week, the prices of yarn tended to decline. Ready quotations were, however, a shade better on buying support. The undertone of the market was quiet.

In the forward section, 150D March contract opened the week steady at Rs. 774, but receded to Rs. 766 the following day. Thereafter, it recovered to Rs. 774 today before closing slightly easy at Rs. 770. April contract drifted lower from Rs. 776 to Rs. 771. It gradually moved up to Rs. 782 today. Towards the close, however, the contract shade finished a lower at Rs. 778. In distinct contrast with the forward section, the spot section evoked good support and recorded improvement in values. 120 Japan, 150 Japan and 120 Italy gained an anna each to Rs. 4-14, Rs. 4-9 and Rs. 4-4, respectively. 150 Italy was better at Rs. 3-14½, as against Rs. 3-14.

The staple fibre yarn section displayed fully steady conditions, induced by the sale of 600 bales of yarn by Century Mills for forward delivery at a relatively higher rate of Rs. 3-7 per lb., as against the previously anticipated rate of Rs. 3-4. Buying support that ensued as a consequence pushed up the prices. The improvement was shared by both forward and ready sections. In the forward section, staple fibre yarn (40×2) for March delivery advanced from Rs. 672 to Rs. 686 before finishing at Rs. 680 per case of 200 lbs. April delivery rose by Rs. 20 to Rs. 693, although the closing rate was lower at Rs. 686. In the ready section, among foreign yarns (40×2), Shinco and Fuji put on an anna each to Rs. 4-2 and Rs. 4-1 per lb., respectively. Aurora was half an anna higher at Rs. 4-1-6. Suico was done better at Rs. 4-2-3, as against Rs. 4-2. Among indigenous yarns, Century and Sri Ram gained half an anna each to Rs. 3-7-9 and Rs. 3-7-6, respectively. City was a shade better at Rs. 3-11. Kohinoor was fully steady at Rs. 3-10-6 and Hirji at Rs. 3-6. New Great was quoted at Rs. 3-9-3.

The undertone of the cotton yarn market was fully steady, due to reports of good offtake in cloth market and firmness in cotton prices. The values were well maintained. Among 80s, Finlay advanced by As. 8 each to Rs. 67-8 per bundle of 10 lbs. Sri Ram gathered As. 4 to Rs. 62-12. Seksaria was steady at Rs. 56-8. Among 60s, City moved up by Re. 1-6 to Rs. 48-4. Raghuvanshi was transacted As. 4 higher at Rs. 54-4. Rajalakshmi and Finlay were unaltered, the former at Rs. 45 and the latter at Rs. 600. Among 40s, Maduras rallied As. 12 to Rs. 28-4. Meenakshi hardened by As. 10 to Rs. 27-2. Among 30s, Madura strengthened by As. 8 to Rs. 25. Among 20s, Hind rose from Rs. 16-11 to Rs. 17 and Edward from Rs. 16-6 to Rs. 16-10. Seksaria gained an anna to Rs. 16-11. Among 10s, Modern was fully steady at Rs. 13-4 and Podar at Rs. 13-4-6 and Elphinstone at Rs. 12-12.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those in the previous week:—

	31-3-1954	24-3-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 March (per case of 200 lbs.)	770 0	773 0
150 April ,, ...	778 0	775 0
120 Japan (per lb.)	4 14	4 13
150 Japan (per lb.)	4 9	4 8
120 Italy (per lb.)	4 4	4 3
150 Italy (per lb.)	3 14½	3 14
Staple fibre yarn—		
40 × 2 March (per case of 200 lbs.) ..	680 0	674 0
40 × 2 April ,, ...	686 0	675 0
Suico (per lb.)	4 2½	4 2
New Great (per lb.)	3 9½	3 9½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 4	13 4
20s Hind	17 0	16 11
40s Madura	25 0	24 8
40s Meenakshi	27 2	27 4
60s City	48 4	46 14
80s Finlay	67 8	67 0

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 31*st March*

The clarification by the Joint Chief Controller if Exports and Imports, Bombay, on 27th March, that, in the computation of quotas for export of H.P.S. groundnut *kernels*, the export to soft currency areas will not be taken into consideration, came as a shock to shippers. For, neither in the original Prese note of the Ministry, issued on 5th March, nor in a subsequent public notice issued by the Controller, was there any mention to this effect. In fact, the Import and Export Trade Controller of Rajkot has issued letters allocating quotas, in respect of shipments effected from Saurashtra ports, taking into consideration export to soft currency countries also. The present change will result in the reduction of the overall quota by about 2,500 tons. It is true that this is a small amount. But shippers have already effected purchases against their sales and have prepared H.P.S. incurring reavy quotas. Besides, the groundnut crop this year, estimated at 37½ lakh tons in terms of unshelled groundnut, is considered to be good. It is, therefore, held that the permission to export 2,500 tons of H.P.S. will not adversely affect the internal price structure. In the circumstances, the market is still entertaining the hope that the Government will withdraw the clarification and restore the original position.

The cut in export quota did not however, have any adverse effect on the market, as the quantity affected by it was considered to be small. In fact, the decision of the U.S. to increase its stockpile of metals and minerals, under a new policy announced on 26th March, hardened the sentiment of the operators. As a result, the groundnut section was firm. The linseed section also looked up in sympathy with groundnuts. The castorseeds section put on an improved tone during the first few sessions of the week, on reports of some business done in castoroil I pressure at £115 to £117 with the Continent. Subsequently, however, it tended generally to decline on withdrawal of support by professional operators induced by the report that the U.S. was not interested in the purchase of castoroil Commercial even at 10½ cents. Consequently, futures recorded some gains, although spots generally sustained minor losses.

The groundnut section was the highlight of the market. Bold F.A.Q. gained As. 12 to Rs. 35-8. April-May and June-July were higher by Re. 1 and Re. 1-3 at Rs. 35 and Rs. 35-9, respectively. Khandesh quality shot up from Rs. 36 to Rs. 37. Groundnut oil ex-mill gathered As. 12 to Rs. 18 and railway receipts As. 10 to Rs. 17-14. April and May deliveries were done at Rs. 17-14 and Rs. 18-3 as against Rs. 17-8 and Rs. 17-12, respectively.

In the linseed section, Bold ready improved from Rs. 24-12 to Rs. 25-8. April-May delivery gained As. 14 to Rs. 24-10. June-July was firm at Rs. 25-2. Linseed oil was up by As. 8 at Rs. 14-8. Linseed oil Indian (crude) was quoted at £150 c.i.f. (sellers) in the U.K. and the Continent but there was no demand.

Among castorseeds, May 1954 which opened steady at Rs. 107-14, fluctuated between Rs. 112-4 and Rs. 107-6, before closing at Rs. 109-14. Transactions in September, 1954, will commence tomorrow the 1st April, 1954. Spot Madras lost As. 8 to Rs. 22-8, while F.A.Q. was dull at Rs. 22. Castoroil I Pressure, however, gained As. 4 to Rs. 12-2 and Commercial As. 6 to Rs. 11-10. Although there was initial enquiry in castoroil in the Continent, buyers were not following it up with enthusiasm. Prices were somewhat higher than a week ago with B.S.S. March-April being quoted at £119, c.i.f. Commercial at £112 C.I.F.

The following table shows the prices of oilseeds and oil on the 30th inst., as compared with those at the end of the previous two weeks:

	30-3-54	24-3-54	16-3-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	37 0	36 0	36 4
June-July	35 9	34 6	
April-May	35 0	34 0	33 14
Linseed—			
Bold Ready (per cwt.) ..	25 8	24 12	25 0
April-May	24 10	23 12	23 8
Castorseed—			
May 1954 (per candy)	109 14	107 14	104 12
Madras (per cwt.)	22 8	23 0	22 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	17 4	17 14
Castor Oil—			
Commercial (per quarter) ..	11 10	11 4	10 12

FURTHER RISE IN SUGAR PRICES

(From Our Own Correspondent)

BOMBAY, 31*st March*

The bullish fervour that prevailed in the Bombay sugar market last week persisted during the week under review too. Besides renewed demand from Gujerat, Madhya Pradesh and interior centres, the report that no imported sugar would be arriving in this harbour earlier than 10th May, 1954, imparted considerable strength to the market. We regret that the statement that appeared in this report last week that 15,000 tons of Spanish sugar would be landed in Bombay this week was a mistake caused by a misunderstanding of a report that had been received from overseas. What ought to have been stated there was that the quantity of sugar referred to would be loaded in Spanish ports this week. Reports received since then, however, indicate that loading has not yet taken place. The rumour that the earlier loadings of Spanish sugar might be despatched for Madras and/or Calcutta was another helpful factor. Traders, therefore, evinced greater interest in buying, but sellers were reserved in expectation of still higher prices. Consequently, sugar quotations staged a further rise. The improvement, however, was confined only to the spot section. The forward section was fully steady, with very little activity.

In the spot section, large grain indigenous sugar spurted from Rs. 93-97 to Rs. 96-98 per bag. Medium and small grains were higher at Rs. 94-95 and Rs. 93, as against Rs. 93½-94 and Rs. 92½, respectively. Among foreign sugars, Czechoslovakian was particularly favoured, its price advancing by a rupee to Rs. 90-93 per bag of 2 cwts. British refined hardened by As. 8 to Rs. 90-8 per bag of 2 cwts. Mexican sugar gathered As. 4 to Rs. 42-12 per bag of 110½ lbs. German and Cuban sugars were fully steady, the former at Rs. 89 per 220 lbs. and the latter at Rs. 39 per 100 lbs.

Prices of forward sugar did not experience any fluctuation. *Fagan* delivery was squared up at Rs. 85-12, that is at the same rate at which it had closed the previous week. Chaitra delivery was firm at Rs. 88-4, same as last week.

Arrivals of sugar into the Bombay market were larger than a week ago, the quantity actually received being 4,200 bags, as against 1,800 bags.

The Union Food Ministry is understood to have asked the Civil Supplies Department in Bombay whether it would be willing to lift the Central reserve sugar stocks lying with the Deccan factories for distribution through fair price shops and consumers' societies. This move, it is said, is a sequel to the need for bringing down the prevailing high prices of sugar, in view of the delay in arrivals of imported sugar. It is also reported that the Food Ministry proposes to make an immediate allocation of at least 1,000 tons from the Deccan factories to the Civil Supplies Department at the Government price of Rs. 27 per maund ex-mill. While the move is calculated to benefit the consumer to a great extent, it is feared that there is likely to be some trouble with regard to the question of the ex-mill price of Rs. 27 per maund, as has already happened in the case of U.P. and Bihar factories from which 10,000 tons of sugar have been requisitioned at the stated price. The controversy is due to an increase of As. 4 per maund in the price of cane. Since the Deccan factories are both the planters and the millers, it remains to be seen at what price sugar will be supplied to the Government of Bombay.

NARROW FLUCTUATIONS IN JUTE

(From Our Own Correspondent)

CALCUTTA, 30*th March*

Prices of jute goods fluctuated within narrow limits during the week under review, although there was moderate business in heavy goods for export. Market circles feel that the fear of competition in world markets for Indian goods from Pakistani mills, which have up-to-date machinery, is being overemphasised. Although Indian mills are also being modernised, they have a distinct advantage over the former in that the latter have a well-established market organisation, which Pakistani mills lack. The modernisation, which is being done by mills themselves, is financed by the reserves which these mills have built up out of profits. Further modernisation is being planned from long-term loans which the Government is considering to grant to such mills as are unable to finance modernisation by themselves. In contrast, Pakistani mills have modernised machinery provided by the share capital. With the result, depreciation for machinery in the East Bengal mills will be higher than that for Indian mills, which had come into existence even before World War I with comparatively less capital than what is being invested in the Pakistani mills. Considered from this angle, cost of production in East Bengal will be higher than in West Bengal mills. And this means that Indian mills have a price advantage over the Pakistani goods. No doubt, Pakistani mills have the advantage of the best quality jute, but cultivation in India is being improved gradually by scientific research, and it is hoped that before long India will have sufficient good quality jute.

Ready 40" 10 oz. hessians were at one time as low as Rs. 41-13 but over the week-end recovered to the former level of Rs. 42-4. This followed reports of acceptances from the United States for the July-December shipment. In sackings, there was interesting activity, although the quotation remained low. Buyers on behalf of Australia bought fair quantities of cornsacks for both April-June and July-September deliveries. It is expected that more purchases would be effected by shippers for export to Australia. From Rs. 106-4, B. twills gave way to Rs. 105-6, but subsequently recovered to Rs. 105-14. In spite of moderate export enquiries, the price did not move up. This was because buyers were offering only lower prices. When figures of production and stocks for the month of March are released, they are expected to indicate satisfactory sales in heavy goods, exceeding output for the month. Ready heavy cees plain was quoted at Rs. 110-8, and A. twills at Rs. 131-8.

The news that the Assam Government does not intend to rescind the proposed tax on raw jute, apart from reducing it to As. 8 from As. 10 a maund as originally proposed, has been noted with some disappointment. If this tax has to be borne by the consumers, i.e., the mills, then mills in West Bengal will be forced to find as much jute as possible from the States of West Bengal, Bihar, Uttar Pradesh and Madras, and minimise dependence on Assam jute. Assam is now one of the principal producers of the superior fibre in India, and there the grow-more-jute campaign has produced commendable results since 1947. But this new tax, it is considered, will be a definite check against further progress. The Finance Minister of Assam has stated that the new tax will not be levied on current stocks but that it will be collected on the new crop, including forward sales already put through. This means that the buyers will have to bear the burden.

Another cause for disappointment in market circles is that the tax will considerably affect the growth of Dubri town as a principal jute trading centre in Assam. Generally, jute from many districts of West Bengal and Bihar go there for being baled before being sent to mills. This will have to be discontinued, as when once outside jute enters Assam, it will be liable for the new tax. In view of these considerations, the market hopes that the Government of Assam will yet reconsider its decision.

The raw jute market was steady but quiet this week. Prices were steady on account of lack of fresh arrivals and lack of rain for commencement of sowing for the new crop. But, as mills are moderately stocked, their purchases were confined to small quantities. For the sake of business, weak holders were prepared even to discount quotations. Assam bottoms were transacted at Rs. 25 per maund, Bimli Rs. 21-8, and Daisee Rs. 28. Dubri bottoms were priced at Rs. 25-4, while Pakistani jat bottoms came to hand at Rs. 27-8.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 29*th March*

A steady improvement in the overall food situation in the country has been maintained during the week under review. The rapid move by the Centre towards full decontrol of all foodgrains has been indicated by the behaviour of domestic grain markets in recent weeks and also by the trend in the international markets. Reports from almost all the major producing countries indicate a substantial increase in the production of foodgrains, especially wheat. In the four main wheat exporting countries of the world, stocks have risen from 555 million bushels in 1952 to 1,162 million bushels in 1953. Reserve stocks also exist in some importing countries. In Asia, the rice crop in 1953 has been favourable and, though some outlet remains, Eastern countries no longer keenly seek wheat as a substitute for the staple diet, namely, rice.

The all-India final estimate for rice for 1953-54 reveals a marked rise in the production. The current year's acreage and production are placed at 76.6 million acres and 27.1 million tons, as against 74.2 million acres and 22.5 million tons, respectively, in the partially revised estimate for 1952-53.

Rabi crop harvesting has begun all over North India and, very soon the market would be flooded with a definitely better than normal crop yield. Soon after the decontrol of millets and coarse foodgrains, a somewhat unsettled condition had developed in the markets—surplus and deficit—but prices have now stabilised and no heavy swing either way is anticipated.

The Indian Food Ministry continues to press forward its triumphant policy of decontrol. The only import restriction that now remains is the one on inter-State commerce on private account in wheat and rice. Wheat may be completely decontrolled after the rabi harvest is gathered. A mid step was taken this week with the announcement that inter-State barriers on grain trade in the region constituted by the four States of Punjab, P.E.P.S.U., Himachal Pradesh and Delhi would be abolished with effect from 1st May next. 'Free movement of wheat will be allowed within this zone. In regard to rice, it is stated that the agreement with Burma has materially eased the overall supply position and it should be possible for the Centre to permit free inter-State movements in this commodity too, as soon as the appropriate pricing policy for the relatively costly Burma rice has been worked out.

Foodgrain markets in U.P. remained quiet and featureless. Wheat was particularly quiet and producers that had withheld surplus from the market in season are now bringing it out, encouraged by increased crop yield prospects. There are moderate arrivals of old wheat in all the assembling centres. New peas arrivals have begun in both East and West U.P., but the quantity received is small and advices from East U.P. confirm early fears of the crop having been damaged by excessive rains and hail.

Pulses futures remained highly erratic, showing particular sensitiveness to weather conditions. On Wednesday last, there was unusually heavy downpour of rain, accompanied by heavy hailstorm. The local market for pulses futures flared up within an hour. The gain was erased next day, when the weather cleared and it was revealed that the area affected by excessive rains and hailstorm was not extensive.

Experiments made by the U.P. Agricultural Department have revealed that several varieties of rust-resistant strains, suitable for the hill regions, may be evolved shortly. Experiments have been made with strains of American wheat, Indian varieties and 23 other foreign strains. Of these, 29 varieties have been found to be rust-resistant.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 29*th March*

Crystal sugar markets remained extremely steady and prices seemed to rise non-stop. The supply position in the main markets is rendered very tight in respect of both foreign sugar at ports and Indian sugar in inland markets. All the three ports of Bombay, Madras and Calcutta reported that stocks of foreign sugar had run out. In the North Indian markets, offerings were very reserved. The Kanpur Sugar Merchants Association urged the Government of India to release 200,000 tons of sugar to check the present upward tendency in the sugar markets. The Government did release a further quantity of 100,000 tons for sale in the free market out of the 1953-54 production of all the factories in the country. This, however, has failed to ease the position to any considerable extent and speculators are very active in the mill delivery section. As soon as the quota for free sale is released, speculators pounce upon it and withhold it from the market in order to press forward an upward pace.

For some time past, there has been a break in the continuity of receipts of foreign sugar. It is now announced that firm arrangements have been made by the Government of India for the import of 116,000 tons of sugar from foreign countries. Arrangements for the purchase of another 60,000 tons are likely to be finalised very shortly. Most of the sugar is expected to arrive in the country before the monsoon starts. According to present indications, the country is not likely to receive the first consignment of imported sugar at least earlier than a month. On this account, the announcement relating to heavy sugar exports programme too has failed to depress the outlook in the market to any visible extent.

The U.P. Chief Minister informed the State Legislative Assembly this week that the excess price of sugarcane paid to the cane growers in the western districts during the current season would be deducted from their share of excess profit which the factory owners were expected to make. The growers belonging to eastern districts would receive the full share of the cess profit.

Gur markets remained extremely steady. Reduced overall production of *gur* this season, large-scale alleged smuggling to West Pakistan from the Punjab boarders and unexpected rise in crystal sugar prices accounted for the steadiness. All principal *gur* assembling *mandies* both in West U.P. and in the south report very poor stock accumulations, even though the season is drawing to a close. *Gur* manufacture over a wide area has been terminated now and may be over in about a week's time. A sharp rise in ready and futures *gur* prices has been attracting moderate arrivals so far, but the position may not continue for any length of time. At Hapur, ready *pansera gur* is now quoted at Rs. 19-14 per maund, as against Rs. 18-6 quoted last Monday. *Baishak* is now quoted at Rs. 18-12, the highest for the season, as against Rs. 16-11-6 last Monday. Hapur *gur* arrivals averaged 1,000 to 1,500 maunds daily. Local stock accumulations are estimated at 40,000 maunds. There was excellent enquiry from importing areas at current prices.

METALS BETTER

(From Our Own Correspondent)

CALCUTTA, 30*th March*

Without recording any perceptible upward movement in prices, the metal market was steady during the week under review. Consumers showed particular interest in lead and they bought more scrap than the virgin material. From Rs. 61, the price advanced to Rs. 62, although, for a time, a recession to the opening rate was reported. The market has welcomed the Government decision to license freely exports of lead pipes, copper tapes and copper busbars.

Electrolytic copper continued steady and was quoted at Rs. 182. Demand was moderate and the scrap was difficult to obtain. There was interesting price movements in mercury which, at Rs. 655, recorded a gain of 65 points. This change was due to firmer advices from overseas countries. From Rs. 53-8, electrolytic zinc was raised to Rs. 54-4. Because of labour troubles in some galvanising establishments, the turnover was less than average. In contrast with other metals, tin was dull, the price shifting from Rs. 461 to Rs. 452.

CALF LEATHER IN POOR DEMAND

(From Our Own Correspondent)

MADRAS, 29*th March*

There has not been any change in the hides and skins market this week. U.K. dressers have kept out of the market, due to lack of orders for finished leather. E.I. tanners are in a well-sold position and are not willing to accept lower levels. Arrivals have met with ready demand and prices in the Periamet bazaar are 1d. to 2d. over U.K. Demand for cow calf and buff calf has been poor.

Arrivals of tanned goat and sheep have been restricted. Enquiries for superior tanned goat have been at last levels and prices are likely to rule firm. Importers in the U.S.A. offer $9.00 basis for drysalted goat skins 170/180 lbs., while exporters require 50 cents more, and business continues difficult.

Notices

THE GOKAK MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AT THE Annual General Meeting of Shareholders of the above Company held on the 29th March, 1954, a Final Dividend of Rs. 12 (Rupees Twelve only) per Share, Free of Income-tax, was declared for the year ended the 31st December, 1953, and will be paid on and after Friday the 9th April, 1954, to those Shareholders whose names stood on the Register of the Company on the 25th March, 1954.

Dividend Warrants will be posted to the Shareholders at their registered addresses in due course.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 29*th March*, 1954.

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and forty-second Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-00 noon on Friday, 30th April, 1954, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1953, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 16th April, 1954, to 30th April, 1954, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, 26*th March*, 1954.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 30th day of April, 1954, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE MILLOWNERS' ASSOCIATION
BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS OF THE MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort, Bombay), at 11-30 a.m. (S.T.) on Monday the 12th April, 1954, to transact the following business:

1. To receive and adopt the Committee's Report and Statement of Accounts for the year 1953;
2. To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration.

And any other business that may be brought forward.

By Order of the Committee,
N. S. V. AIYER,
Secretary.

BOMBAY, 3*rd April*, 1954.

THE MODERN MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday the 7th May, 1954, at 3-30 p.m. (S.T.), (1) to receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October, 1953, (2) to declare a dividend, (3) to elect Directors in place of those who retire by rotation but who are eligible for re-election, and (4) to appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Thursday the 15th April, 1954, to Friday, the 7th May, 1954, both days inclusive.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 30*th March*, 1954.

N.B.—The dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 17th May, 1954, between 12 noon and 3.00 p.m. on week days other than Saturdays and between 12 noon and 1-30 p.m. on Saturdays to shareholders whose names stand on the Register of Members on the 15th April, 1954.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	19th March 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,190.11	1,194.00	1,173.90	1,183.10
Notes held in Banking Department	35.05	12.40	8.27	19.49	16.73
Foreign Securities	39.50	648.15	648.15	638.15	578.15
Rupee Securities	87.89	421.84	421.84	421.84	449.86
Banking Department					
Deposits of:					
Government of India	14.89	64.02	99.06	87.24	139.73
Other Governments	..	62.56	21.51	21.79	10.44
Balances held abroad	10.08	101.88	97.92	103.99	146.23
SCHEDULED BANKS					
Demand Liabilities	134.37	518.74	525.76	522.30	531.92
		(7.15)†	(7.10)†	(6.80)†	(11.84)†
Time Liabilities	102.84	327.14	329.67	331.20	312.45
Borrowings from Reserve Bank	..	(1.43)† 33.91 (18.20)‡	(1.43)† 25.73 (16.40)‡	(1.51)† 19.83 (8.20)‡	(2.06)† 14.69 (4.24)‡
Borrowings from Imperial Bank	..	12.45	11.65	11.59	9.65
Cash in India	6.71	30.93	31.75	31.96	31.95
Balances with Reserve Bank	25.23	38.60	40.19	39.84	41.74
Excess over statutory limits	16.52	6.12	7.32	7.11	8.93
Balances with other banks in current account in India	..	10.02	10.97	11.03	10.64
Money at call and short notice in India	..	8.88	10.71	9.80	13.57
Investments (at book value)	..	317.10	318.03	320.14	303.13
Advances and bills	105.09	537.03	530.35	518.35	520.80
IMPERIAL BANK					
Deposits	87.76	206.24	206.43	210.87	210.05
Investments	51.99	89.37	89.92	90.22	82.17
Advances	80.37	126.05	125.04	125.32	130.01
Cash	14.69	13.37	14.95	13.96	17.49

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	26th March, 1954		19th March, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,24,664	53,55,07,000	2,65,024	62,25,26,000
Calcutta	1,99,479	53,65,66,129	1,38,487	41,57,83,409
Madras	76,048	7,90,39,397	74,957	6,97,99,555
All Centres—				
1953	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,58,214	26,45,05,03,000
Jan., 1954	..	..	2,794,000	5,76,54,00,000
Feb., ,,	..	..	2,721,000	5,76,25,00,000

Reserve Bank of India

Statement of Affairs for the week ended 26th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	65,76,77,000
(2) Other Governments	62,59,31,000
(b) Banks	42,40,66,000
(c) Others	4,75,61,000
Bills Payable	2,70,99,000
Other Liabilities	21,87,06,000
Rupees	249,60,40,000

ASSETS	Rs.
Notes	17,23,31,000
Rupee Coin	24,80,000
Subsidiary Coin	7,33,000
Bills Purchased and Discounted—	
(a) Internal	39,50,000
(b) External	....
(c) Government Treasury Bills*	10,34,51,000
Balances held abroad*	104,81,85,000
Loans and Advances to Governments	51,00,000
Other Loans and Advances	41,10,16,000
Investments	66,16,08,000
Other Assets	5,71,85,000
Rupees	249,60,40,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 17,50,00,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 42,57,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	17,23,31,000	
Notes in circulation	1185,92,88,000	
Total Notes issued		1203,15,69,000
Total Liabilities		1203,15,69,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	648,15,11,000	
Total of A		688,16,82,000
B. Rupee Coin		93,65,03,000
Government of India Rupee Securities		421,83,84,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1203,15,69,000

Ratio of Total of A to Liabilities: 57.197 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 19th March 1954

		Rs.
1.	Demand Liabilities in India	
	(i) Borrowings from Banks	7,15,26,000†
	(ii) Other demand liabilities	511,58,58,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	1,42,50,000†
	(ii) Other time liabilities	325,71,88,000
3.	Cash in India	30,02,92,000
4.	Balances with the Reserve Bank in India	35,59,98,000
5.	Balances with other banks in current account in India	10,01,59,000
6.	Money at call and short notice in India	8,87,92,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	317,09,50,000
8.	Advances in India	470,51,45,000
9.	Inland Bills purchased and discounted in India	66,51,19,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
5th January ..	1.00	1.83	1.00	2 7 9	70
12th ,, ..	1.00	1.22	1.00	2 7 11	82
19th ,, ..	1.00	1.01	1.00	2 8 0	100
27th ,, ..	1.00	1.31	1.00	2 8 0	100
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th ,, ..	1.00	1.01	1.00	2 9 0	99
16th ,, ..	1.00	1.09	1.00	2 9 11	92
23rd ,, ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.01	1.00	2 11 0	100
9th ,, ..	1.00	1.90	1.00	2 10 11	71
16th ,, ..	1.00	1.27	1.00	2 11 0	79
23rd ,, ..	1.00	1.03	1.00	2 11 0	100
30th ,, ..	1.00	1.02	1.00	2 11 0	99
Total ..	13.00	16.10	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	1950-51	359.33	..	9,530	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18.67	Kyats. .. 8,166	817	170
Ceylon ..	1952	7.94	..	441	555
Jaivan ..	1951	84.30	Y. 4,849.400	6,414	761
Philippines ..	1952	20.65	Ps. 7,034	1,575	811
New Zealand ..	1952	2.00	£(N.Z.) 646	861	4,307
Australia ..	1952	8.65	£(A.) 3,521	3,756	4,343
U.K. ..	1952	50.48	£ 13,648	18,197	3,608
U.S.A. ..	1952	156.98	$ 290,400	138,280	8,808
Canada ..	1952	14.43	18,135	8,168	5,662
France ..	1952	42.60	F. Fr. 10,190,000	13,864	3,254
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	46.88	Lr. 8,117,000	6,181	1,318
Norway ..	1952	3.32	Kr. 16,596	1,106	3,331
Denmark ..	1951	4.30	Kr. 30,716	1,439	3,346
Switzerland ..	1952	4.82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source : United Nations' monthly bulletin of statistics—January, 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 19th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	30,48,40,000
(b) Provincial Governments	1,11,89,000
(c) Banks	14,88,88,000
(d) Others	2,33,33,000
Bills Payable	5,57,000
Other Liabilities	4,99,70,000
Rupees	57,46,87,000

ASSETS	Rs.
Notes	7,85,23,000
Rupee Coin	5,000
Subsidiary Coin	6,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,35,00,000
Provincial Governments' Debtor Balances	9,97,01,000
Other Loans and Advances	7,59,75,000
Investments	20,48,16,000
Other Assets	10,71,61,000
Rupees	57,46,87,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,85,23,000	
Notes in circulation	233,03,14,000	
Total Notes issued		240,88,37,000
Total Liabilities		240,88,37,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	50,43,29,000	
Government of India Securities	13,89 82,000	
India Notes representing assets receivable from the Reserve Bank of India	29 98,91,000	
B Rupee Coin	5,21,48,000	102,28,44,000
Government of Pakistan Securities	128,63,70,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—	81	133,85,18,000
Gold Coin and Bullion	19,02 000	
Sterling Securities	8,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		240,88,37,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 44.19 per cent.

EXCHANGE RATES

		29th March, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	s.	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	s.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	s.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	s.	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475½	476
Buyers T.T.	Rs.	471¾	471¾
London on New York	$	2.81¼-2.81⅜	2.81¼-2.81⅜
London on Paris	Fcs.	984	983¾
London on Berne	Sw. Fcs.	12 22⅜-12 22½	12 21¾-12 21⅞
New York on London	$	2.81¼-2.81⅜	2.81¼-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	29th Oct., 1953	3	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1952	2½	3
Denmark ..	23rd Sept., 1953	4½	5
Finland ..	14th Dec., 1951	7½	8½
France ..	4th Feb., 1954	3½	3½
Greece ..	13th July, 1948	18	12
India	16th Nov., 1951	3	3½
Italy	6th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands ..	7th April 1952	2	2½
New Zealand ..	26th July, 1941	2	1½
Norway	9th Jan., 1946	2	2½
Pakistan	1st July, 1948	..	3
Portugal	18th Jan., 1944	3	3½
South Africa ..	27th Mar., 1953	3½	4
Spain	18th Mar., 1949	4½	4
Sweden	20th Nov., 1952	3	2½
Switzerland ..	26th Nov., 1936	4	1½
Turkey	26th Feb., 1951	3	5
United Kingdom ..	11th Sept., 1951	4	3½
U.S.S.R. ..	1st July, 1936	6	4
U.S.A.	5th Feb., 1954†	2	1½
West Germany ..	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue	10 65	10 07	84 57	82 62
Protective	0 54	0 53	5 95	4 53
On surplus disposals	—	0 09	0 08	0 19
Total import duties	11 19	10 75	90 60	87 34
Export Duties ..	3 05	3 19	43 77	30 21
Land Customs ..	0 23	0 16	2 14	1 38
Miscellaneous ..	0 11	0 07	0 92	0 65
Gross total customs ..	14 58	14 17	136 39	119 48
Refunds and drawbacks	0 19	0 21	2 18	1 50
Net Customs	14 39	13 96	134 21	117 98
Gross excise	4 77	3 29	59 90	69 89
Refunds	0 05	0 15	1 13	0 73
Net Excise	4 72	3 14	58 77	69 16
Net total of customs and excise ..	19 11	17 10	192 98	187 14

Imperial Bank of India

Statement of Affairs for the week ended 26th Mar., 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital :—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50 000
Reserve Fund and other Reserves		6 35 00 000
Deposits and other Accounts		208,34 96,000
Borrowings from other Banking Companies Agents		11,73,35,000
Bills Payable		9,07,67,000
Bills for Collection being Bills Receivable as per contra		38,80,000
Acceptances, Endorsements and Other Obligations as per contra		7,000
Other Liabilities (including Inter-Office Adjustments)		1,18,50,000
Total	Rs.	236,65,15,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		10,68 45,000
Balances with other Banks		4,01,20,000
Money at Call and Short Notice		1,80,00,000
Investments		
Government and other Trustee Securities	80,51,65,000	
Other Authorised Investments	10,82,58,000	91,14,23,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	98,06,54,000	
Bills Discounted and Purchased	28,56,90,000	
Bills Receivable being Bills for Collection as per contra		124,63,44,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		38,80,000
Premises less Depreciation		7,000
Furniture and Fixtures less Depreciation		1,33,29,000
Other Assets (including Inter-Office Adjustments)		41,01,000
Total	Rs.	236,65,15 000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings	2½% Ten-year Treasury Savings Deposit Certificates †	
	National Savings Certificates †										
	5-Year		7-Year		10-Year						
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1948-49 ..	1.47	76	74	22.40	22.86	55.07	29.91	—	12.51		
1951-52 ..	6.64	77	2.91	22.03	46.81	1.07.55	74.18	—	27.56	18.10	18.39
1952-53 ..	6.54	66	5.27	23.06	64.18	1,12.36	91.01	—	31.06	7.54	25.84
January 1953 ..	6 54	4	3.19	2.02	60.77	5.38	86.09	—	30.51	58	24.48
February ,, ..	6 61	5	3.22	1.86	62.14	6.16	86.36	—	30.76	62	25.08
March ,, ..	6.64	9	3.27	2.66	64.18	13.75	91.01	—	31.06	62	25.64
April ,, ..	6.60	5	3.27	2.24	65.25	9.44	93.01	—	31.30	60	25.84
May ,, ..	6.58	4	3.29	2.08	67.57	9.55	92.80	—	31.30	60	25.88
June ,, ..	6.52	4	3.31	2.25	69.33	8.43	93.80	—	31.52	66	27.00
July ,, ..	6.72	11	3.33	2.23	71.02	10.58	96.23	—	31.78	59	27.36
August ,, ..	6.67	9	3.44	2.23	72.53	8.76	92.08	—	32.08	66	27.80
September ,, ..	6.59	12	3.62	2.04	94.38	9.20	97.72	—	32.36	99	28.87
October ,, ..	6.61	11	3.58	1.97	95.83	8.58	97.72	—	32.71	59	29.41
November ,, ..	6.38	9	3.65	2.03	97.37	7.99	97.55	—	32.96	56	29.83
December ,, ..	6.27	14	3.74	2.23	98.95	9.35	98.31	—	33.23	45	30.24
January, 1954 ..	6.16	13	3.82	2.08	1,00.47	8.91	99.23	—	33.77	45	30.76
February ,, ..	..	..	..	..	..	..	..	—	..	50	31.23
										54	31.78

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*

(Base 1949-50=100)

Group and Sub-Group	Week ended 13-2-'54	13-3-'54	20-3-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.6	99.6
1. Government of India	99.2	99.2	99.2
2. Indian States	99.6	99.7	99.7
3. Municipal, Port Trust, etc.	99.8	99.3	99.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.6	101.5	101.4
1. Electricity	103.0	102.7	102.7
2. Jute	99.8	99.5	99.8
3. Plantations	99.6	99.7	99.7
4. Sugar	100.7	100.7	100.7
5. Coal	90.0	90.0	90.0
6. General Engineering	103.8	103.8	103.3
7. Shipping	102.3	102.3	102.3
8. Others	100.8	100.6	100.6
PREFERENCE SHARES	88 6	87.8	88.0
1. Electricity	90.3	90.3	90.3
2. Cotton	85.3	85.4	85.5
3. Jute	85.5	85.7	86.3
4. Coal	90.8	90.8	90.8
5. Iron and Stee	92.1	91.5	91.5
6. Sugar	74.1	74.1	74.8
7. Paper	95.1	87.7	87.4
8. Plantations	89.4	89.6	90.2
9. Miscellaneous	87.4	85.5	85.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	101.2	102.3	102.3
(a) Financial	87.8	88.2	88.1
1. Banks	87.0	87.1	87.0
2. Insurance	97.1	97.9	100.0
3. Investment Trust	76.9	77.7	76.7
(b) Public Utilities	116.6	116.2	115.1
1. Electricity	117.9	117.8	117.5
2. Shipping and other Transport	103.3	105.8	106.9
3. Railways	95.5	95.4	95.4
(c) Manufacturing industries	104.0	105.3	105.4
1. Cotton, Woollen and Silk	101.9	102.8	102.5
2. Jute	121.9	123.9	123.7
3. Iron and Steel	116.8	119.5	121.2
4. Paper	175.9	181.1	180.8
5. Cement	118.6	122.8	123.7
6. General Engineering	127.0	130.8	130.2
7. Sugar and Breweries	89.3	88.0	87.3
8. Chemicals	108.6	110.7	110 9
d) Non-Manufacturing industries	108 5	108 8	108.8
1. Coal	77.0	76.9	76.9
2. Mining and Oil	162.4	164.2	164.4
3. Plantations	105.3	105.8	105.8
(e) Miscellaneous	93.4	94.8	94.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.8	89.8
2. Calcutta	90.3	90.3	90.3
3. Madras	90.6	90.6	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.9	101.5	101.4
2. Calcutta	102 2	102.2	102.2
3. Madras	100.0	100.1	100.1
PREFERENCE SHARES			
1. Bombay	93.1	92.6	92.6
2. Calcutta	84.8	84.7	84.9
3. Madras	88.9	88.7	89.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	110.3	111.1	112.0
2. Calcutta	94 1	94.8	94.8
3. Madras	99.3	100.7	100.7
4. Delhi	100.9	104.2	104.7

Source: Department of Research and, Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,891	8,818,928
1952	948	809,248	3,336,981
1953†	977	578,056	3,350,793
January 1953 ..	93	808,831	674,340
February ,, ..	88	62,180	218,807
March ,, ..	97	54,498	143,493
April ,, ..	124	59,457	254,348
May ,, ..	118	80,093	254,686
June ,, ..	101	89,931	257,093
July ,, ..	83	40,764	171,288
August ,, ..	84	48,585	148,333
September ,, ..	96	57,578	460,552
October ,, ..	96	78,181	349,618
November ,, ..	87	49,746	272,245
December ,, ..	81	17,823	155,017
January 1953† ..	85	42,383	244,414
February ,, ..	45	28,477	125,411
March ,, ..	67	58,221	216,207
April ,, ..	87	49,132	218,458
May ,, ..	88	39,917	270 216
June ,, ..	90	80,957	252 279
July ,, ..	97	48,056	181,122
August ,, ..	74	53,083	225,154
September ,, ..	108	44,463	467,278
October* ,, ..	98	80,032	401,592
November ,, ..	77	36,485(a)	315,505 (b)
December ,, ..	79	40,350	473,907

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

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	578	5,942.1	4,849.9
1952-53	614	@ 801.4	5,154.8
August 1952 ..	598	531.6	428 7
September ,, ..	597	530.4	430.8
October ,, ..	599	548.2	441.5
November ,, ..	606	529.7	426.4
December ,, ..	608	553.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	538.0	435.7
April ,, ..	616	530.9	436.1
May ,, ..	620	560.4	456.1
June ,, ..	625	548.8	450.2
July ,, ..	627	558.0	471.0
August ,, ..	629	567.9	468 9
September ,, ..	632	576.5	464.1
October ,, ..	634	548.1	458.7
November ,, ..	637	563.1	455.7
December ,, ..	640	603.6	486.9

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	13th March, 1954	6th March, 1954	14th March, 1953	February, 1954	February, 1953	Percentage of increase (+) or decrease (—) in Feb., 1954 as compared with Feb., 1953	1952	1951
Food Articles	388.9	387.3R	388.6	373.3	361.6	+ 3.2	389.6	408.8
Cereals	429	430R	439	435	430	+ 1.2	450	488
Pulses	859	855	844*	887	611	+36.7	848	806
Other	264	260	245	231	233	+20.6	224	299
Industrial Raw Materials	458.7	459.9	453.8	471.3	460.1	+ 7.1	483.2	488.8
Fibres	453	448	417	457	404	+13.1	454	522
Oil seeds	518	504	558	526	527	— 0.2	484	476
Minerals	465	440	457	444	460	— 3.5	458	488
Others	404	408	356	403	363	+11.0	341	333
Semi-Manufactures	354.7	356.7	349.0	380.1	347.2	+ 3.7	348.5	377.5
Leather	387	389	434	397	421	— 5.7	346	458
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	472	471	473	499	463	+ 7.8	459	578
Cotton yarn	448	451	446*	451	442*	+ 2.0	456*	458
Metals	237	238	227	229	227	+ 0.9	211	197
Oil Cakes	415	413	407	427	414	+ 3.1	440	500
Others	305	305	211	305	230	+32.6	273	330
Manufactured Articles	371.5	371.3R	388.5	388.3	367.8	+ 6.1	377.5	395.8
Textiles	412	411	407	408	405	+ 0.7	423	468
Jute	431	429	379	427	300	+ 9.6	506	608
Cotton	405*	405*	406*	403*	406*	— 0.7	401*	400*
Rayon and Silk	460*	462*	462*	453*	453*	+ 5.0	460*	511*
Woollen	313	313	313	313	296	+ 5.7	346	378
Metal products	337	337	336	337	336	+ 0.3	321	286
Others	286	286R	286	283	288	— 1.7	298	300
Miscellaneous	688.1	685.5	679.2	683.9	595.0	+14.9	638.6	729.6
All Commodities	393 0	391.3	386 0	395.0	361.5	+ 3.5	388.9	439.3

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	166
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	159
July ,,	142	330	263	304	496	378	354	331	143	175	143	161	158
August ,,	142	331	260	306	488	377	349	330	143	174	149	160	157
September ,,	143	341	269	310	463	380	364	328	143	178	143	157	150
October ,,	144	345	274	311	466	381	363	327	144	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	143	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	148
February ,,	141	351	264	315	459	380	334	331	136	167	132	150	144
March ,,	142

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	73,665	23,424	20,741
Wheat	,,	24,041	23,450	6,762	6,039
Jowar	,,	41,945	39,144	6,036	5,914
Pairs	,,	25,282	22,639	2,922	2,299
Barley	,,	7,500	7,835	2,664	2,293
Maize	,,	8,796	8,073	2,807	2,021
Ragi	,,	5,368	5,390	1,235	1,212
Gram	,,	17,287	16,857	3,771	3,298
Rahi Pulses*	,,	11,503	11,559	2,083	2,047
Small Millets	,,	12,170	11,834	1,902	1,891
Jute	bales	1,196†	1,817††	3,124†	4,605††
Cotton 3rd	,,	15,053†	13,577††	2,566†	2,467††
Sugarcane 2nd	tons	4,101†	4,22·††	5,100†	4,990††
Groundnut	,,	11,356†	11,850††	5,772†	5,884††
Linseed	,,	3,304	3,472	855	818
Castorseed	,,	1,349	1,428	107	105
Rape and Mustard Seed	,,	5,155	5,915	828	916
Sesamum	,,	5,751	5,845	451	433
Tobacco (supp)	,,	794	712	219	201
Pepper	,,	203	202	22	23
Ginger	,,	48	47	14	15
Dry chillies	,,	1 2·	1,394	801	841

Source: Ministry of Food and Agriculture

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

* *Excluding gram.*

† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Feb., 1954	68.3
	Corresponding month 1953	64.6
	Eight months ended Feb., 1954	568.9
	Corresponding period 1953	597.3
Stocks	At the end of Feb., 1954	95.4
	Corresponding month 1953	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 27th Feb., 1954	4.888
	Corresponding week 1953	5.693
	From 1st Jan. to 27th Feb., 54	55,641
	Corresponding period 1953	27,412
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 27th Feb., 1954	40,572
	Corresponding week 1953	34,050
	From 1st Jan. to 27th Feb., 1954	276,491
	Corresponding period 1953	200,485
	RAW JUTE	(In 000 bales)
Exports*	Week ended 27th Feb., 1954	—
	Corresponding week 1953	—
	During Nov., 1953	—
	Corresponding period 1952	—
	Feb., 1954 (in lakh bales)	3.96
Consumption by Mills†	Corresponding month 1953	3.98
	Eight months ended Feb., 1954	32.98
	Corresponding period 1953	34.65

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,30,000	10,57,100	7,99,200
Do 31st March, 1953..	11,58,000	10,61,900	7,91,800
April 1953 to February, 1954..	10,29,400	9,80,500	7,15,500
December 1952	98,200	91,400	68,700
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
November ,, ...	1,00,300	95,800	68,400
December ,, ...	1,01,400	95,100	71,700
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
Indian Iron and Steel Co.			
April 1953 to February, 1954..	5,14,520	8,02,880	2,41,770
January 1953	56,370	43,310	28,650
February ,, ...	54,600	37,400	29,080
November ,, ...	61,240	41,550	32,070
December ,, ...	64,510	43,080	41,740
January 1954	63,100	42,600	39,870
February ,, ...	50,650	38,360	32,510

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months April to November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	3.48	6.36	80.42	143.12
Raw materials ..	9.51	13.62	114.34	129.87
Manufactures ..	23.89	19.90	183.20	191.52
Other items ..	35	25	2.54	3.12
Total ..	37.23*	40.03*	380.50*	466.63*
By land	1.72	3.65	15.53	15.95
Total Imports ..	38.95	43.68	396.33	482.58
Exports				
By sea and air—				
Foodstuffs	17.18	10.52	100.28	65.29
Raw materials ..	8.81	13.93	71.47	97.25
Manufactures ..	21.34	18.24	164.77	185.83
Other items ..	37	31	2.65	2.73
Total ..	47.70	40.00	339.17	381.10
By land	74	71	4.63	15.99
Total Exports ..	48.44	40.71	343.80	397.09
Total Re-exports ..	68	66	3.09	2.75
Balance of trade in merchandise ..	+ 9.77	— 2.60	— 56.94	— 83.65
Balance of transactions in private treasure ..	..	..	8	4
Total visible balance of trade..	+ 9.77	— 2.60	— 57.02	— 83.69
Imports : ‡				
Total C'wealth countries ..	16.00	18.16	184.94	175.12
Total Foreign countries ..	21.23	21.57	195.86	291.51
Exports : ‡				
Total C'wealth countries ..	25.62	19.65	170.52	179.18
Total Foreign countries ..	22.08	20.51	168.65	201.92

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

‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States	United Kingdom††	Canada @	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India†	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	..	71	11	16	39	8	18	5	2	7	9	3	5	5	9	..
Average of Months 1951-52	..	641	71	21	16	41	6	18	9	4	7	9	2	4	7	11	9
Average of Months 1952-53	..	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of October 1952	..	672	50	25	16	40	5	20	9	6	7	9	1	4	6	11	8
November ,,	..	672	54	25	16	40	5	20	11	5	7	9	1	4	6	11	7
December ,,	..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953..	..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February ,,	..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March ,,	..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April ,,	..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
May ,,	..	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June ,,	..	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July ,,	..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August ,,	..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September ,,	..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
October ,,	..	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
November ,,	..	632	71	28	16	42	5	22	21	6	7	9	2	4	6	11	5

† Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 29th March, 1953-54 Bales	From 1st Sept., to 29th March, 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts	Week ended 25th March, 1954	72,202	Cotton Exports to—United Kingdom	11,005	11,269
	Corresponding week 1953	42,463	Continent	20,116	60,732
	1st Sept., to 25th March, 1954	999,220	China	251	318
	Corresponding period 1952-53	1,021,835	Japan	40,387	109,309
Cotton Exports	Week ended 25th March, 1954	12,409	U.S.A.	11,483	25,068
	Corresponding week, 1953	4,100	Other Countries	1,452	3,976
	1st Sept., to 25th March, 1954	181,026	Total to all foreign countries	84,294	210,753
	Corresponding period, 1953	302,611	Coastal Ports	91,143	93,670
Mill Consumption	1st Sept., to 25th March, 1954	693,232		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953	663,447			
Stock (with exporters dealers & mills) in Bombay	On 25th March, 1954	403 232 A	Consumption of Cotton—Indian	November, 1953	3 05 691
	Corresponding date, 1953	580,168	Foreign		50 128
Karachi (Pakistan)			Indian	Three months ended Nov., 1953	9 42 054
Receipts	Week ended 20th March, 1954	30 570	Foreign		1 74 604
	Corresponding period 1953	43 974	Indian	Same Period 1952 ..	8,64,944
	1st Sept., to 20th March, 1954	999 447	Foreign		2,29,223
	Corresponding period, 1953	1,331 777	Stocks (Mills and Elsewhere)— Indian	As on 30th Nov., 1953 ..	700,966
Exports	Week ended 20th March, 1954	44,506	Foreign		195,892
	Corresponding period 1953	37 800	Indian	As on 30th Nov., 1952 ..	857,138
	1st Sept. to 20th March, 1954	697,738	Foreign		312 933
	Corresponding period, 1953	802,000		Week ended 19th March, 1954 ..	24 441
				Corresponding week, 1953	113 023
			Cotton Pressed †	1st Sept., to 19th March, 1954..	1,858,955
				Corresponding period, 1953	2,231,957

A—Adjusted. †Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102⅜
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102⅞
3 ½ Loan	1938-39	1,16,17,46,000	1961-65	92¼
3 ½ Loan	1950	30,33,10,000	1964	92⅛
3 ½ Loan	1943	1,10 11,78,000	1966-68	92
3 ½ V. Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ V. Loan	1945	1,13,23,64,000	1970-75	86⅛
3 ½ Loan	1945	1,13,65,64,000	1959-61	98⅛
2½ Loan	1951	30,35,63,000	1958	98⅛
2½ Loan	1946	45,63 01,000	1960	97⅛
2½ Loan	1946	57,00,69,000	1961	90⅛
2½ Loan	1946	35,06,06,000	1954	92⅛
2½ Loan	1946	14,77,48,000	1956	87⅛
2½ Loan	1947	75,86,72,000	1962	91⅛
2½ Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99¼
NON-TERMINABLE LOAN				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	82⅞
3 % Loan	1946	248,91,90,000		82⅞
REPATRIATE STERLING LOANS				
3½% Loan	1932	12,95,22,000	1954-59***	100⅛
4½% Loan	1926	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,34,23,300	18th Sept. 1955	99⅛
3 % Bombay	1943	3,30,00,000	14th Sept. 1956	99⅛
3 % Bombay	1943	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	94⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	100⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½% Cochin	1946	70,00,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,87,106	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1954	99⅛
3 % Madras	1942	1,21,25,000	18th Sept. 1955	99-0⅛
3 % Madras	1943	1,25 10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,07,95,000	15th July 1958	96⅛
3 % Madras	1945	2,78 44,000	14th Sept. 1960	94-0⅛
2½% Madras	1946	3,81 77,200	1st Sept.	91
3 % Madras	1948	4,38,25,400	31st July. 1960	94-1⅛
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1952	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	94
3 % Mysore(†)	1910	1,63,44 300	1st Nov. 1955	104⅛
4 % Mysore(†)	1933	2,95,85,200	1st Dec. 1953-63	101-0⅛
3½% Mysore(†)	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	3,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69 800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03 00,000	15th Sept. 1964	93⅛
3 % M.P.	1950	1,00,24,800	31st July 1960	94
3½% M.P.	1951	2,35,20,000	18th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95 81,600	14th Sept. 1960	97⅛
2½% Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,69,39,800	15th Sept. 1961-66	90⅛
3 % U.P.	1944	2,23,66,800	15th Aug. 1958	97⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
2½% U.P.	1946	2,41 19,800	1st Sept. 1961	93⅜
2½% U.P.	1951	2,00,00,000	17th Sept. 1962	91⅛
4 % U.P.	1952	4,11 33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1931	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1967	97⅛
75,00,000	4	1908	1968	
40,00,000	4	1909	1969	
56,00,000	4	1910	1970	
75,00,000	4	1911	1972	
10,00,000	4	1911	1972	
14,35,876	4	1911*	1960	D * 99⅛N
80,00,000	4	1913	1974	
84,25,000	4	1914	1976	99N
10,00,000	4	1915*	1960	
45,00,000	4	1916*	1960	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1957	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,38,000	3½	1935*	1961	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10 00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,900	4	1914	1974	98⅛
74,90,000	4	1915	1975	98⅛
66,02,300(C)	3½†	1921	1981	79
1,00,00,000C	6½	1923	1955	144N
1,24,06,300	6	1925	1955-85	105
98 21 600	5½	1926	1956-86	104⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49 10,000	5	1928	1958-88	104⅛
1,00,00,000	5	1929	1959-89	103⅛
21,75,000C	3	1933	1954	99⅛
60,00,000	3½	1935	1960	96⅛
25,00,000	3	1936	1956-58	88
40,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
30 00 000	3	1946	1976	82
50 00 000	3	1946	2006	70N
50,00,000	2½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1939	94⅛
50,00,000C	3	1950	1980	80
100 00,000	3	1950	1960	94
100,00,000	3	1950	1960	94
50 00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-81	£87⅞
£901,000	5	1924	1954-84	£87⅞
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 349	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3 42 951	5	1918	1882	
7,46,964	6	1921	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs		**BOMBAY**		Rs
50,00 000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	97⅛N
40,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
30,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅛N
25,00,000	4	1916	1976	
25,00,000	4	1917-18	1977-78	113N
66,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95⅛
£333,000	4	1910	1970	£95⅛
CALCUTTA				
Rs.				Rs.
30,00,000	6	1925	1945	104
30,00,000	5½	1926	1956*	107
30,00,000		1934	1964	108
35,00,000	3½	1935	1965	94⅛
30,00,000	3½	1936	1966	89
50,00,000	3	1937	1967	80
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913	1954	99⅛
20 60 000	4	1913-15	1974	99⅛
20,60,000	4	1917-18	1955	100
10,30,000	5	1918	1940	101⅛
1 60,00,000	5	1924	1954	102
23,00,000	5	1924	1967	
26 14 000	5	1928	1958	104⅛
8 33,300	5	1929	1954-59	te
26,21,500	5	1929	1959	103⅛
8,25 00,000	3½	1947	1977	87
2,50,00,000	3½	1948	1978	87
4,00,00,000	3½	1949	1979	87
2,50,00,000	3½	1950	1965	92⅛
1,00,00,000	5	1952	1964	100
1,30 00 000	3½	1951	1966	93
100,00,000†	4	1952	1964	100⅛
R		**CALCUTTA**		Rs.
34,45 500	6½	1925	1955	104
84 50 000	5	1925	1955	104
36 00 000	5	1928	1958	103⅛
25 00 000	5	1929	1959	103⅛
25 00 000	5	1929	1958	103⅛
10 00 000	5½	1932	1962	108
3,11,400	3½	1935	1965	93⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
2,18,100	3	1937	1954	99
47,50,000	3	1938	1958	88
10,57,700	3	1938	1958	88
15,36,800	4	1939	1956	99⅛
15,56,800	4	1939	1956	99⅛
17,64,400	3½	1942	1972	92
21,10,000	3½	1942	1959	96⅛
15,49,000	3½	1942	1972	92
16,31,000	3½	1951	1966	98
66,88 000	3½	1951	1961	96
87,36,000	4	1952	1962	99⅛
72,50,000	4½	1954	1979	99⅛
Rs		**MADRAS**		Rs
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15 00 000	3½	1952	1962	107⅛N

ABBREVIATIONS

N—Nominal.

B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners. (‡) Income-tax free.

(a) This includes the amount of loan converted into First Development Loan 1970-75. *Loans held entirely by the Trustees.

Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. **Guaranteed in Pak. Currency A—Held by Government of India.

†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport. ***Rupee Counterparts.

PREFERENCE SHARES

Company.	Amount Issued Rs or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
AllahabadBank	15,00,000	1901	6·	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1873	6½	Mar. Sept.	110	100
Cawnpore Sugar Works ..	10,00,000	1905 26	8	Feb. Aug.	141	100
Deccan Sugar & Abkhari †A	7,00,000	1920	7	July Apr.	115	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Portshepare Co.	6,00,000	1932	10	Oct. ..	15½	10
Ramnagar Cane	4,00,000	1933-34	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar ..	5,00,000	1936	7(c)	Dec. ..	16½	10
Travancore	15,00,000	1946	5(c)	Dec. ..	6½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,95,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar Sept.	118	100
Karanpura Collieries ..	7,50,000	1946	5½(a	.. ..	81	75(pp)
†Khas Kajora	3,75,000	1937	5	Mar Sept.	5N	10
New Boorbooom	2,00,000	1920	7	Jan. July	12½xd	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basoni Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	10,00,000	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	7	Apr Oct.	118½	100
Bowrah 'A'	6,00,000	1900	8	Feb. Aug.	142	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	101	100
Bradbury	14,72,000	1919	7	June Dec.	326½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodua	1,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1913	5	Apr. Oct.	521½	500
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1912	6	May Nov.	141	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	132½	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	..	100
Do. (Def)	29,92,500	1947	4	.. ..	87	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1946	5(c)	.. ..	23½	250
Mo

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published half-yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
39,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	22	2	0 4	0 5	0 4		12	Y.
60,00,000	24,00,000	1,22,39,883	72,25,655	41,446	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	62½	100	6 0	6 0	Nil	Nil	3	Y.P.T.
2,50,98,000	2,31,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	422½	250	17 8	20 0	20 0	22 8*	12	Y.
10,00,000	27,23,770	39,19,315	48,70,969	30,357	Ramnarain Sons, Ltd.	36,208	860	Bradbury Mills	97½	250	75 0	100 0	100 0	100 0	12	Y.P.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	333	100	18 0	20 0	20 0	22 0	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(d)	V. J. Pilani (Chairman and Managing Director),	39,408	798	Colaba Land & Mill	67	100	Nil	Nil	4 0(c)		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg & Wvg.	110	100	7 8	7 8	7 8	7 8	3	Y.
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	30,396		Dawn Mills	82½	50	Nil	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	2,622	Parsmal Radhakishan & Co.	50,796	928	Edward Textiles	245	200	15 0	15 0	15 0		12	Y.P.
89,95,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	4 0	4(d)	3 0		12	Y.P.
40,00,000	68,86,875	80,34,752	64,00,705	9,41,142	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	267	100	15 0	20 0	20 0		12	Y.
12,00,000	74,49,589	1,16,64,575	90,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	{ 3,810 1,000	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	{ 11–11½ 1D		10 1¼	1 1¾	Nil	Nil	12	Y.
20,00,000 D											0 2	0 4	Nil			
9,00,000	69,99,043	1,18,14,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co	55,704	1,191	Indian Mfg.	{ 3,500 —	100	175 0*	200 0*	200 0*	225 0*) 112 8*}	3	Y.P.
								Madhusudan Mills	{ 82 —	500	87 8	100 0	100 0			
29,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	107½xr	100	12 0	14 0	10 0	10 0	6	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	315½	100	18 12	25 0	18 12	20 0*	12	Y.
88,80,000 A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.			Madanmohan Mills	{ 82 —	100A	7 8	5 1	6 4	0 4	6	Y.P.
3,60,000 B										100	7 8	5 1	6 4	0 4		
82,13,050	47,03,470	1,01,00,576	42,51,268	24,034	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	60N	50	Nil	Nil	Nil	Nil	12	Y.
51,75,000	24,92,715	1,71,00,016	1,44,51,018	2,80,454	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	210½	100	17 0	15 0	12 0		12	Y.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	National Rayon Corporation	1,62,000		New City of Bombay Mfg.	162½	100	Nil	Nil	Nil	9 0	12	Y.
24,00,000	28,60,696	73,05,363	44,45,850	15,887	W. H. Brady & Co., Ltd.	45,944	432	New Great Spg. & Wvg.	143	100	12 8	15 0	10 0	10 0	12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	154	100	10 0	12 8	10 0	10 0	12	
12,70,100	36,36,004	42,69,352	13,76,680	423	Mafatlal Gagalbhai & Co (Bombay), Ltd.	34,100	873	New Union Mills	26½	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	130	100	10 0	10 0	8 0		12	Y.
40 60 000	40,66,550	24,14,688	21,50,000	1,25,251	Podar Sons, Ltd.	32,600	930	Podar Mills	145½	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,10,461	18,93,340	3,815	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	18½	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G Investment Corporation, Ltd	59,624	1,254	Sassoon Spg. & Wvg.	30½	10	2 12	3 0	2 8		12	Y.P.
60,00,000	64,20,061	76,08,391	39,83,898	8,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwai Cotton Mills	213½	100	14 0	17 8	12 8		12	
31,50,000	49,01,108	78,77,340	63,69,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	154	50	14 0	17 0	15 0(c)	15 0	3	Y.
						53,892	1,633	Standard Mills	330	100	15 0	20 0	20 0	20 0	12	Y.P.
56,00,000	1,19,87,137	1,55 60 577	1,03,73,256	32 648	Mafatlal Gagalbhai & Sons	74,608	2,000	Svadeshi Mills	304½	100	16 0	18 0	16 0		12	Y.
15,00,000	1,21,71,160	1,57,29,109	82,56,233	91,399	Tata Industries Ltd.	33,804	552	Swan Mills	153½	100	25 0	30 0	30 0		12	Y.P.
24,00,000	70,08,599	65,86,475	53,43,077	8,71,220	James Finlay & Co., Ltd.	59,048	1,800	Tata Mills	51½	25	2 0	4 0	2 0		12	Y.T.
52,54,438	39,55,268	68,88,347	29,93,248	25,338	Tata Industries Ltd.	34,224	1,176	Thackersey Mooljee Sons & Co.	34,810	1,000	175 0*	200 0*	200 0*	225 0*	12	Y.P.
12,00,000	60,55,708	98,62,654	75,30,000	6,246												
AHMEDABAD																
38,80,000	38,80,266	88,29,885	51,09 670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	149½	100	8 0*	12 0	10 0*	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Futhecing & Sons, Ltd.	42,768	912	Aruna Mills	455	100	15 0*	20 0*	20 0*		12	Y.P.
31,00,000	2,07,45,675	1,18,76,139	76,31,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	747	100	25 0	25 0	25 0		12	Y.P.
30,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	814	Arvindeva Ginning & Mfg.	312½	200	30 0	35 0*	15 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	312½	100	12 8	22 0	18 0		12	Y.P.
8,24,77,072	1,06,99,227	3,71,65,168	2,51,51,344	2,87,005	Ahmedhand Premchand Ltd.	1,39,120	2,370	Calico	332½	125	12 8	18 0	18 0		12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	6,885	Tricumlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills	1 150	500	15 0	20 0	20 0		12	Y.
39,00,000	70,78,354	96,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	958	New Shorrock Spg. & Wvg.	637	135	35 0	35 0	33 0		12	
8,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	549	Nutan Mills	701½	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	670	100	25 0	25 0	23 0		12	Y.P.
12,00,000	13,93,667	74,95,069	39,67,450	—15,90,310	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Ramapir Spg., Wvg. & Mfg.	110	250	15 0	20 0	Nil		12	Y.
82,50,000	16,11,650	81,93,993	46,11,803	9,866	Lalubhai Girdhardas Ltd.	33,154	648	Rohit Mills	128½	100	30 0	9 0			12	Y.P.
24,90,152	1,18,66,344	1,01,07,709	77,33,000	1,23,551	Hathibhai Kalidas & Co.	73,796	1,325	Shri Ambica Mills	345½	50	15 0	18 0	16 0		12	
19,52,500	32,12,167	61,33,831	46,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	770	Shorrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.
28,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,376	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
23,00,000	96,063	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13 044	356	Basanti Cotton Mills	4½	10	0 8	0 5	Nil	Nil	12	Y.P.
7,11,280	2,05,651	37,16,898	20,48,033	32,931	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	35N	40	Nil	Nil	Nil	Nil	3	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowrah Cotton Mills	40	100	Nil	Nil	Nil	Nil	6.12	M.S.
											7 0	Nil	Nil	Nil	6.12	
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	178	100	15 0	18 0	9 0		12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23½	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000										25	1 14	1 14	1 4			
93,96,288	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	Y.P.
15,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	10	10	0 15	0 5	0 5		12	Y.P.T.
71,94,400	51,73,009	1,90,39,719	45,27,372	18 450	Industrial Trust Fund, Ltd.	36,136	665	Asem Jani Mills	67N	100	5 8	6 8	6 0		9	Y.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	415cd	100	17 8	20 0	15 0		12	Y.P.
											Nil	Nil	Nil	25 0		
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	33	10	Nil	Nil	Nil	4 0(c)	6.12	H.P.T.
15,00,000	95,71,900	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	1,18,300	2,781	Buckingham & Carnatic	140½	100	6 14	7 8	4 0		3	
1,79,47,800	1,44,80,321	5,91,55,208	3,09,15,103	2,52,562	Binny & Co. (Madras), Ltd.	37,536	4	Cambodia Mills	124	50	Nil	Nil	Nil	10 0	12	
20,00,000	16,31,836	30,52,441	20,31,870	93,399	Perin, Leslie & Co., Ltd.	28,796	591	Canapore Textiles	59	50	4 0	4 0	3 0	6 9	12	
30,00,000	21,97,992	58,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,864		Coimbatore Cotton Mills	222cd	100	12 8	12 8	9 0	20 0	12	
12,00,000	19,83,494	28,94,635	21,38,900		R. Bhoma Naidu & Co.	19,798	407	Coimbatore Spg. & Wvg.	137½	100	7 0	6 8	5 0		12	
30,00,000	9,19,870	25,84,947	13,33,422	1,33,496	T. R. N. Naidu & Co.	72,143		Coimbatore Spg. & Wvg.	43½	50	3 8	3 0	2 0	2 4/5	6	
20,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	1,15,188	2,062	Central India	183½	100	6 0	6 0	2 0	3 0	6	
40,87,500	88,12,904	2,30,18,398	1,41,93,280	9,315	Tata Industries, Ltd.	75,604	1,785	Delhi Cloth & General Mills	328	{ 25 25	25 0	20 0	10 0	10 0	6	
1,34,44,450	1,65,19,8 59	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	32,164	201	Dhanalakshmi Mills	225	100	25 0	20 0	10 0	10 0	12	
34,34,800	18,26,996	37,59,169	25,47,428	20,746	M. N. Chettiar & Sons	52,812	1,198	Elgin Mills	14½	10	1 2	1 8	1 8	1 0	9	Y.P.
63,00,000	46,00,000	1,40,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.											
59,04,700	43,25,176	81,87,319	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	270½	100	10 0	14 0	17 0*	17 0*	12	Y.
						51,180	1,420	Indore Malwa United	112½	100	4 0	7 0	7 0		12	Y.
90,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Sekseria (Indore)	23,784		Janardana Mills	76	50	5 0	7 8	3 12		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	30,312	200	Kothari Textiles	12½	10	0 12	0 12	0 8		6	Y.P.
24,00,000	15,15,000	61,55,338	8,50,000	3,682	Kothari & Sons	51,972	1,219	Lakshmi Cotton Mfg.	580	850	37 8	50 0*	37 8	10 0(c)	12	Y.P.
32,00,000	70,45,345	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	76,960	200	Lakshmi Mills	{ 1149 25	50	5 0	6 0	5 0	5 0	3	Y.
										25	2 4	3 0	2 8	2 8		
33,46,150	53,30,000	94,98,025	53,73,673	14,247	G. K. Naidu & Co.			Madura Mills	391xd	15	2 4	3 0	3 0	3 0	12	Y.
4,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	46,932		Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0	8 0	12	Y.
12,00,000	4,17,363	24,32,416	15,52,690	—22,590	A. L. A. R. S. Chettiar and Others	22,592	603	Mastur Industries Ltd.	233	100	25 0	12 8	12 8	12 8	12	Y.
60,00,000	62,50,000	55,34,448	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720	704	Minerva Mills	111½	100	6 0	6 0	5 8	7 8	12	Y.
29,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	952	Model Mills (Nagpur)	140	150	15 0	7 8	7 8	7 8	6	Y.
94,91,850	27,56,360	1,53,05,970	78,81,528	27,241	Bansilal Abirchand Dadabhoy & Co.	88,640	1,854	Muir Mills	180N	100	Nil				12	Y.
30,00,000	52,19,600	1,33,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	49,498	500	Mysore Spg. & Mfg.	164½	50	10 0	9 0	10 0*	10 0*	12	Y.P.
19,86,800	61,53,392	93,64,233	59,85,374	42,197	N. Sirur & Co., Ltd.	6,000		Mysore Sposa Silk Mills	6	10	Nil	Nil	Nil	Nil	3	Y.P.T.
13,81,726	2,58,742	25,84,747	15,36,524	2,232	R. Suryanarayana Rao Esq. Manager	13	D. 2½	New Victoria Mills	{ 1.95 313	1,198	Nil	Nil	Nil		12	Y.
82,89,883	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	37,788	902	Omanshahi Mills	90N	100	5 8	6 8	7 0		9	Y.
87,03,900	61,53,493	1,58 62,385	59,76,151	17,946	Industrial Trust Fund	25 200		Palani Andavar Mills	723	50A	3 0	3 0	2 8		9	Y.
6,00,000 A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	27,980		Pankaja Mills Ltd.	758	50B	7 8	12 0	12 0		12	Y.P.
6,00,000 B									466½	100	7 4	8 0	11 4		12	
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	38,864	301	Radhakrishna Mills	163	100 A	16 0	16 0	6 0		12	Y.
16,81,200 A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	25 896		Rajalakshmi Mills	82	50B	8 0	8 0	6 0		12	
8,40,600 B									105cd	50	4 8	5 0	Nil		12	
15,00,000	25,00 896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	33,984	600	Raza Textiles	93	50	Nil	Nil	Nil		12	Y.P.
60,00,000	62,66,508	1,03,28,822	30,92,306	—11,26,958	R. Srivastava & Sons (Rampur).	35,824	640	Shree Sajjan Mills	75N	100	6 0				12	Y.P.
82,41,300	10,52,625	25,98,011	17,73,000	65,328	G. Liladhar & Co., Ltd.	18,416	416	Sitaram Spg. & Wvg.	—	60	Nil	Nil	Nil		3	Y.
7,79,700	2,24,939	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.						3 0	3 0			8	T.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	{ 1,840 —	1,000	Nil	Nil	Nil	Nil	3	Y.P.
										50	4 0*	4 0*	3 0*	4 0*	3	
						25 500	292	Sri Krishnarajendra Mills	54	50N	4 0	4 0	4 0	4 0	3	Y.
84,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	35,356	992	Sutlej Cotton Mills	10	10						
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.											
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	{ 78 85	100	0 8	0 8	Nil		12	Y.P.
1,57,50,000										10	Nil	Nil	Nil			
99 91,020	3,25,000	2,67,68 703	53,91,774	2,34,553	Escorts & Sons (Travancore), Ltd.			Travancore Rayons	91cd	10	1 0	1 0	11 1/5		12	Y.T.
13,98,630	7,25,505	12,91,003	9,44,987	9,843	Mooljee Rameez & Sons	16 000	270	Trichutupoly Mills	176cd	100	9 0	10 0	12 0		12	Y.P.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	1,483	Vasanta Mills	141½	100	9 0	14 0*	12 0		12	Y.P.
82,00,000	50,43,559	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.	54 280		Vishnu Cotton								

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 3 shares held has been proposed.

(b) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(b) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Rights.

(c) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23½	25	Nil	2 13c	Nil	Nil	5	Y.P.
6,64,000	15 83,781	23,47,704	11,58,077	16,143	Dyer Meakin Breweries		9 9½	10	1 2c	1 2c	Nil	Nil		
16,20,630							6	5	1 0	0 8	0 6	0 8	3	Y.
£80,000 A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£300,000 B							87½cd	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	5	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	156½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700 A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	111	A. 100	3 12	7 8	7 8½		12	Y.P.T.
39,63,334 B							11½	B. 10	0 6	0 12	0 12½			
43,14,600 C	15,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	0 8½	Nil	Nil		3	Y.T.
4,70,976 D							1½	D. 1	Nil					
10,56,25,918	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Associated Cement Companies		157½	100	8 8	9 8	9 8	9 8	7	Y.
90,00,000 O.							9½	O. 10	0 8	0 10	0 10½			
26,49,797 O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T.
50,00,000 D.							1½	D. 1	Nil	Nil	Nil			
42,50,000 O.	4,00,000	1,45,54,423	31,47,637	6 15,163	Essex Ltd.	Indla Cements Ltd.	18½	O. 25	Nil	Nil	Nil		3	Y.P.
7,50,000 D.							2½	D. 5	Nil	Nil	0 4	Nil		
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement	7½	5	0 3½	0 4½	0 8	0 8	12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	3	2½	0 2	0 2½	0 2½		12	Y
10,00,000	22,36,815	55,46,474	31,63,961	4,983	Bird & Co., Ltd.	Biara Stone Lime Co.	33N	10	0 14	0 14	0 14	0 14f	5,9	H.
£914,200	£1,030,500	£1,704,558	£913,936	£93,098	Gillanders Arbuthnot & Co

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	58½	25	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	187	100	4 0 5 0 5 0 5 0	5 0 5 0 5 0 5 0	5 0 5 0 5 0 5 0	6 6 3	3,9	H.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 8½ 0 12 1 0*	1 0*	1 0*	1 0*	3,9	H.P.T.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	16½xr	10	0 12 1 10 1 10 1 10	1 0f	1 0f	1 0f	3,9	H.P.T.
90,06,290	71,16,849	89,82,234	57,67,894	2,36,657	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	22½	10	0 10 0 12 0 12 0 12	2 0	2 0	2 0	6,12	H.P.T.
80,80,000 / 10,80,000A..	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10½ / 10½	Q. 10 / A. 10	Nil / Nil	0 4 / Nil	0 4 / Nil	0 4 / Nil	5,9	H.P.T.
56,00,000A.. 56,04,800B.. 4,37,500P O..	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	38½xd / 38½xd / 41xd	A. 10 / B. 10 / P.O. 25	1 0 1 0 1 0* 1 0* / 0 14* 1 0* 1 0* 1 0* / 0 2 0 2 0 2 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	3,9	H.P. *
PRESSING														
8,00,000	3,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0 3 0 5 0 3 0				6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	3 0 5 0 5 0 4 0				6	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100						
PROPERTY AND LAND														
10,00,780O.. 2,80,000D.	6,02,582	42,65,884	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10 / 11½d	O. 10 / D. 1	0 9 3/5 0 9 3/5 0 8½ / Nil Nil Nil				9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	273	100	2 0 1 8 1 0 1 8				4	Y.P.
94,00,000	35,36,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	36	100	Nil Nil Nil Nil					
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7	3	0 8 0 8 0 4				9	Y.
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	421½ / 140½	Old 125 / New 50	15 0 37 8 22 8 15 0 / 6 0 15 0 9 0 6 0				9 / 6	Y. / Y.P.
6,00,000	.....	2,00,768	1,76,945	—3,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	5 0 Nil Nil Nil				4	Y
15,00,000	18,43,037	13,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34	10	3 8 3 8 3 0 1 0				9	Y
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,458	13,627	Begg, Sutherland & Co., Ltd. ..	Bairampur Sugar	7½	5	Nil 1 0 Nil Nil				6	Y
12,00,000A.. 3,00,000B..	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros & Co., Ltd.	Basti Sugar	125N / 11½N	A. 100 / B. 10	6 4 10 0 10 0 10 0 / 0 10 1 0 1 0 1 0				4 / 9	Y. / Y.
19,49,050	3,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9½	7½	0 10 1 0 1 8 1 8				6	Y.P.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	161N	10	1 0 1 8 1 8 1 8				6	Y.P.T.
32,00,000	23,18,481	1,29,41,870	81,60,295	41,747	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	73 / 38½	Nil / 2	Nil Nil Nil Nil / 3 0 2 0 2 0				10	Y.P.
62,99,665	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	25½	10	1 8 1 8 1 8 2 0				6	Y.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	165N	'A' 100 / O. 100	6 0 9 0 12 0* 15 0* / 6 0 9 0 12 0* 15 0*				6	Y.P
35,00,000A.. 10,00,000O..	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	50N / 25N	80 / 40	3 0 4 0 Nil Nil / 2 0 2 0 Nil Nil				6 / 7	Y.P / Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	294N	10	1 0 2 8 2 8 2 8				6	Y.P
19,02,918	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	6½	10	0 8 0 10 0 8				5	Y.
11,00,000	4,30,000	36,39,370	23,28,180	1,895	Karamchand Thapar & Bros. Ltd.	New Savan	180N	100	15 0 20 0 20 0				6	Y.
1087,500 A.. 2,71,675 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	45N / 110N	25 / 100	3 12 3 0 5 0 11 0 / 3 4 11 6 6 0				7 / 10	Y.P. / Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4 11 6 6 0 11 0				10	Y.
12,00,000	12,71,178	28,94,458	18,81,746	46,000	Narang Bros. & Co., Ltd.	Punjab Sugar	100	100	1 0 2 0 1 0 1 0				10	Y.P.
9,00,000	15,24,479	33,86,925	20,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	138	10	1 0 2 0 1 0 1 0				6	Y.
8,00,000	4,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	13N	10	0 12 2 0 1 0 0 8				6	Y.
11,90,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	113	10	2 0 2 0 1 0				7	Y.P.
20,00,000	20,68,560	1,03,56,230	49,26,080	3,188	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12	10	0 6 1 0 1 8					
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	68	O. 10	Nil Nil Nil Nil				6	Y.
6,50,000O.. 1,75,000D..	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 30	D. 25 / 10	Nil Nil Nil Nil / 1 12 2 0 2 0 2 8				10 / 6	Y.P / Y.P
8,00,000	.....	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	141	10	0 4½ 2 0 1 8				9	Y
16,00,000	5,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar								
Other Centres														
46,99,750	79,06,443	65,05,216	51,15,758	63,916	W. H. Brady & Co., Ltd.	Belsmar Company	263	50	12 8 14 0 16 0 16 0				9	Y.
27,68,900	2,51,644	57,63,451	14,01,711	21,013	Sir J. P. Srivastava & Sons (M. B.) Ltd.	Gwalior Sugar	35N / 26½	100 / 10	Nil 3 0 3 0 3 0 / 2 4 2 4 2 4				9	Y.P.
13,00,000	30,25,936	24,51,980	14,35,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	17 / 10N	5 / 10	0 12 1 0 1 0 1 0 / 0 12				10	Y.
33,57,250	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar								
21,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0* 2 0 2 0 2 0	2 0	6 0	6 0	6	Y.
						Phaltan Sugar	98	50	8 0 8 0 8 0 8 0				9	Y.
50,00,000	47,49,630	1,09,00,823	54,15,463	4,86,704	Mafatlal, Apte and Kasliwal Ltd. ..	Ramnuggar Cane and Sugar	21½	10	2 0 2 8 2 0 2 0				6	Y.P.T.
16,59,820	23,50,939	44,76,150	22,24,449	1,61,652	Anderson Wright Ltd.		90N	O. 50	7 0 9 0 [7 0 11½] Nil				9	Y.P.T.
20,00,00000C.. 4,00,000D..	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N / 101N	D. 10 / 10	1 0 1 4 Nil Nil / 2 0 2 0 2 0 2 0				10	Y
19,99,600	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	12	10	Nil Nil Nil Nil				7	Y.P
30,00,000	10,73,392	58,70,150	13,08,981	20,980	Parry & Co., Ltd.	Travancore Sugars	4½	[A. 100 / O. 100]	12 0 14 0 14 0 14 0 / 12 0 14 0 14 0 14 0				9	Y.P.T.
23,50,000 / 77,50,000A..	51,98,317	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd. ..	Walchandnagar Industries	168½							
TRANSPORT														
20,00,000	1,10,13,536	1,43,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	150	100	10 0 12 8 12 8 10 0				10	Y.P.
1,80,00,000		3,00,22,730	1,45,00,237	58,604	Dinshaw Ltd.	Bharat Line	94	100	3 0 Nil Nil				12	Y.
4655,380	61,125,737	£5 428,105	£3,532,999	613,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	74½	£10	Nil Nil Nil 8s.10				12	Y.P.
8 23,00,000	74,99,233	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8s.	10	Nil Nil Nil 0 8				12	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	17-15s	15	Nil Nil Nil 0 12				3	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	350	200	30 0 30 0 35 0 32 0				9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	54N	80	4 0 4 0 4 0				12	Y.
25,00,000	1,00,000	25,18,130‖	8,079	8,955	Dena Sons, Ltd.	Devkaran Nanji Investment Co. ..	7N	50	3 0 3 0 3 0 2 8				12	Y.
14,96,150	3,81,231	24,77,167	14,08,040	4,425	Chhonilal Manilal Ltd.	Industrial Investment Trust	33N	100	4 0 4 8 4 8 4 8	Nil			6	Y.
99,99,250	18,80,149	1,27,94,592‖	11,966	2,11,031	Premchand Roychand & Sons		80 / 171½	100 / 10	8 0 8 0 10 0 10 0 / Nil Nil Nil Nil	10 0			6	
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard Esq. (Mg. Director).	Killick Industries	132½	75	4 0 Nil Nil 2 8	5 0			6	
8,06,72,500A.. 10,00,000B..	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	58½	A. 100 / B. 10	Nil Nil Nil Nil / Nil Nil Nil Nil	Nil			6	Y
10,20,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	40‖	20	2 0 3 0 3 0				12	Y
2,75,00,000	1,59,69,360	2,16,78,739	1,34,40,615	4,20,869	T. Rydin, Esq. (Managing Director)..	Western India Match Co.	204	100	11 0* 11 0 11 0*				12	Y
45,00,000	42,00,000	1,24,608	1,07,108	41,429	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0 20 0 20 0				12	Y
Other Centres														
47,50,000O.. 2,50,000D..	15,00,000	1,56,92,044	58,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3‖ / 3	O. 10 / D. 2½	Nil Nil Nil Nil	Nil			3	Y.P
30,00,000	38,21,355	31,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	16‖	10	1 12 2 8 1 4 1 4				4	Y.
30,00,000	15,34,104	25,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18	10	1 4* 1 4* 1 4* 1 4*				12	Y
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½	10	0 9 3/5 0 9 3/5 Nil Nil				3	Y.P.T.
80,00,7000. 80,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	307	O. 100 / D. 40	25 0* 25 0* 20 0* 5 0(i)				12	Y.
20,00,000	7,97,945	36,17,513‖		1,11,692	Lovelock & Lewis	Birds Investment Ltd.	15½	10	1 2 1 8 1 4 1 4				9	Y.P.
30,64,680	33,27,348	99,11,949	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	113	10	1 4 1 4 0 12 0 8				6	Y.
3,25,00,000	95,00,000	2,36,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd. ..	8-8½xd	5	0 12 0 12 0 10 0 8				12	Y.P.
1,60,00,000	1,25,00,000	4,07,06,331	2,52,71,321	7,01,469	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	2 0 1 8 1 8 1 8				12	Y.P.T.
51,26,000	31,50,918	1,29,31,258‖	....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	136xd	100	9 0 9 0 9 0 9 0	9 0			12	Y.P.
14,00,000	9,97,000	32,14,898	17,63,862	26,757	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	190xd	100	10 0 12 8 20 0 10 0	10			3	H.
65,00,000	26,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	108	100	7 8 10 0 10 0 10 0	7 8			3	Y.
30,00,000	11,42,354	42,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	250	150	15 0 15 0 15 0 15 0				3	Y.P.
12,42,800	5,06,049	60,60,790	41,30,369	53,919	Birla Bros., Ltd.	Hindustan Motors	100N	100	7 0 7 0 8 0 9 0				6	Y.P.T.
4,96,12,650	1,92,800	2,83,64,147	60,32,719	3,78,557	Birla Bros., Ltd.	Indian Aluminium Co.	113	100	3 8 5 0 5 0 Nil Nil	Nil			3	Y.
1,60,00,000	38,65,000	3,07,88,193	1,21,00,053	$2,27,867	J. W. Cameron, Esq. (Genl. Manager)	Indian Cables	20½	10	2 8 5 0 5 0				12	Y.P.
1,52,89,220	1,07,77,144	1,11,09,713	37,29,439	15,94,449	A. R. Dirksen Esq.	Indian Rubber Manufacturers ..	13½	10	2 0 1 0 1 0 1 0*				3	Y.P.
$ 27,970	5,38,000	14,39,460	7,97,308	38,565	G. M. Mackinlay, Esq.	Jardine Henderson	117	100	10 0 10 0 10 0 12 0				3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	Macfarjane & Co.		2	O. 5	Nil Nil Nil Nil				3	Y.
6,34,0000. 66,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.		2½ / 240	D. 1 / O. 100	Nil Nil Nil Nil / 12 8 12 8 7-8					
40,00 0000. 8,00,000D.O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	—	D.O. 10	0 12 0 12 0-4				12	Y.P.
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	19½	10	1 4 1 2 1 6 1 6*				9	Y.
6,35,255	1,74,934	7,74,805	2,66,943	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works ..	3‖	10	Nil Nil Nil Nil				9	Y.P.
4,48,040	8,84,829	3,93,671	3,93,009	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	16	10	1 0 1 0 1 0 1 0				3	Y.P.
10,00,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10‖	10	1 0 1 0 1 0 1 0				3	Y.T.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	16	10	0 8 0 8 0 12	1 0			3	Y.P.T.
					B. N. Elias & Co., Ltd.	National Tobacco Co.	51½	10	0 8 0 8 0 8 0 8				12	Y.P.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	Parry & Co.	Parry's Holdings Ltd.	4½	2	1 9 3/5 Nil Nil Nil				12	Y.P.T.
40,00,000	24,00,028	41,58,536	17,74,953	1,52,611	Ralli's (India) Ltd.	T. A. Lykiardopulo, Esq.	55½	100	8 8 9 0 Nil Nil	Nil			12	Y.P.T.
8,25,00,000	94,66,946	1,21,92,814	75,55,213	5,47,067	Sahu Jain Ltd.	Rohtas Industries	14½	10	Nil Nil 0 12 1 0				6	Y.P.T.
1,14,00,000	35,00,000	12,11,901‖	2,17,120	3,36,616	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0 1 0 1 0 1 8				6	Y.P.
75,00,000	1,50,000	12,67,855	2,60,547	59,789	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3‖	10	0 6½ Nil Nil				12	

‖ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs. 720 lakhs.

‡ Excluding goodwill (written down Rs. 30 lakhs.) § Excluding Rs. 1,40,08,800 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed Rs. a.	Reference Rs. a.
ASSAM															
4,45,700	5,45,624	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amlukie	420 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,374	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	4 0	9 0	12 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	28½	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,418	14,91,743	4,35,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	37	10	3 0	2 8	2 4		12	Y.
3,30,600	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co.	567	Betell	16½	5	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Bezjan	28½	10	3 0	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Balmanuth	34	10	1 0	0 8	Nil		12	Y.
6,00,000		10,38,918	1,31,948	—36,227	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,714	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 0	1 8	Nil		12	Y.
35,00,000	9,05,082	72,59,232	16,14,783	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0			12	Y.P.
1,20,000	1,83,234	3,56,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deloo Valley	13	10	1 0	Nil	Nil	6 8	12	Y.
6,00,000	7,15,000	23,59,955	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Desai & Parbuttia	270	100	30 0	22 8	10 0		12	Y.
17,33,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd. ..	610	Dhekakhat	14½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,570	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	413	Dhunseri	12½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	11½	10	2 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co.	625	Dimakuai	36½	10	1 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,17,948	Williamson Magor & Co.	649	Duffaghur	30½	10	2 4	2 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Williamson Magor & Co.	1,168	East India Tea	20½	10	2 4	2 0	2 0		12	Y.
3,60,000	3,00,000	7,99,692	3,57,363	2,548	Andrew Yule & Co., Ltd.	407	Gillapukri	21½	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,906	13,37,439	5,54,439	1,03,645	Williamson Magor & Co.	533	Golapur	33½	10	3 0	2 0	1 8		12	Y.
A 4,94,360 B 2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	20½ / 12½	A.10 / B.5	2 0	2 0	2 0		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	12½	10	1 8	1 0	1 0			
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolasgooree	31½N	100	2 0	1 0	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	19	10	2 0	1 0	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kipsiney-Cologhat (Assam)	350N	100	20 0	Nil	Nil		12	Y.P.
6,50,000	1,69,133	6,53,647	1,03,647	871	Duncan Bros. & Co., Ltd.	1,037	Ledo	10	2	0	Nil	Nil		12	Y.
4,00,000		8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesana	10

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
60,00,000	59,50,000	95,96,550	49,34,716	58,243	B. N. Elias & Co., Ltd.	879	Agarpara	15⅝	10	⅞+⅛	1+⅛	1+⅛	⅛	3.9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	197	100	4+10	13+15	8+10	9⅛	5.11	H.T.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	6.12	H.P.T.
80,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,931	McLeod & Co., Ltd.	1,264	Alliance	170	100	Nil	Nil	Nil	Nil	6.12	H.P.
49,20,700	70,44,164	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	194	100	Nil	10	10+10	10+15	7½+5	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	117	100	1½+4	6+5	3+4	Nil	3.9	H.P.T.
20,00,000	29,17,170	97,36,936	64,26,882	64,088	Jardine Henderson & Co.	959	Bally	149	100	4+6	6+1	Nil	4+Nil	3.9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,870	Sir John H. Burder (Chairman)	1,889	Barnagore	148	£5	£1	£1	£1	£1	3.9	Y.P.
28,00,000	35,49,823	88,32,871	48,44,234	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	208	100	7+10	12½+15	7½+7½	7¼+7½	6.12	H.P.
12,50,000	55,95,000	54,22,523	24,75,666	4,28,770	Soorajmull Nagarmull	600	Bengal	151	100	3⅛	3	3	3	6	Y.P.T.
30,42,000	2,66,96,567	3,06,30,706	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14⅜	10	3	3	3	3	3	Y.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	141xd	100	3+10	10+12	6½+6½	6+4	4.10	H.P.
7,47,180	4,29,739	49,77,150	36,73,459	95,481	Dayaram & Sons	502	Calcutta Jute Mfg.	142⅞	10	Nil	1	1	0+4	6.12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	160xd	100	4+10	10+12	6+6	6+6	6.12	H§
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	145	100	3+5	5+7	7+8	3+3	3.9	H.
15,95,000	28,39,282	79,96,158	54,82,716	1,32,904	Andrew Yule & Co., Ltd.	530	Cheviot	224	100	6+10	10+12	6+6	6+6	5.11	H.P.
30,13,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	113	10	⅞+⅛	1⅛+⅛	2⅛+1⅛	1⅛+⅛	6.12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,440	58,547	Shree Krishna Investment Co., Ltd.	969	Clive	24	10	1⅛	3⅛	2	Nil	3	Y.P.
31,40,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	130	100	1+3	3+6	6+1	1+3	3.9	H.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	500	Delta	248	100	5+12½	15+17½	10+10	10+10	5.11	H.P.
15,00,000	32,50,000	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	1,884	Empire	191	10	2+1	1⅛+1⅛	⅛+⅛	⅛	6.12	H.T.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,991	5,051	Kettlewell Bullen & Co., Ltd. ..	1,016	Fort Gloster	460	100	2+20	12½+12½	10	Nil	6.12	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	330	Fort William	100	Nil	4	6	Nil	Nil+5	3.9	H.T.P.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—41,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72	Nil	Nil	Nil	Nil	Nil	3.9	H.P.
10,80,000	28,83,794	68,12,500	47,44,252	41,193	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	750	300	45	24+24	30	Nil+Nil	3.9	H.P.
24,00,000	29,15,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	286	100	2½+15	10+10	1½	Nil+Nil+3½	3.9	H.P.
40,00,000	44,39,831	77,51,908	49,35,251	2,81,845	Gillanders Arbuthnot & Co., Ltd.	1,078	Hastings	125N	100	10	5	10	10	3.9	H.T.P.
16,80,000	15,20,998	64,92,989	44,81,416	65,178	Begg, Sutherland & Co., Ltd. ..	720	Hooghly	31½	10	1	3	10	10	3.9	Y.P.
65,62,500	51,83,570	1,63,53,177	1,11,34,868	1,19,438	Jardine Henderson Ltd.	1,909	Jaridhal	69⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛+⅛	3.9	H.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	224	74	5	5	5	5	5.5	H.P.T.
D. 87,00,000	19,43,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	125	O. 125	3⅛+9⅜	3⅛+1⅛	3⅛+3⅛	3⅛	3.9	H.
D. 30,000									D. 1	A 7.8.7½		⅛+⅛	⅛		
24,00,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	184	100	8⅛+8⅛	10+12½	8⅛+6	6	6.12	H.P.
'B' 19,20,000								171	'B' 100	8⅛+8⅛	10+12½	8⅛+6	6		
'A' 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	142	100	Nil	3+7½	3+6	5	6.12	H.P.
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	1,530	Khardah	138	'B' 100	Nil	3+7½	3+6	5		
54,00,000	22,83,375	1,61,15,839	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,250	Kinnison	195	100	10+10	12½+12½	7½+7½	7½	6.12	H.P.
48,00,000	98,03,354	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	931	Lansdowne	192	100	13+4	10+7½	10+7	4+5	5.11	H.P.
24,48,000	50,32,314	1,38,71,285	76,99,271	45,483	Bird & Co., Ltd.	836	Lawrence	136	100	2+10	11+8	7+3	2+5	3.9	H.P.
28,00,000	59,32,760	1,13,87,849	62,76,688	35,171	Andrew Yule & Co., Ltd.	550	Lothian	150	100	5+9	10+12	5+5	2+3	3.9	H.P.
10,00,000	37,51,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd.	280xd	Megna	100	100	5+10	13+17½	15+15	15+15	5.11	H.P.
61,65,200	25,35,448	1,93,98,406	1,16,00,448	—6,87,375	Mackinnon Mackenzie & Co. ..	1,008	Naihati	103	100	2½+5½	2½+1⅛	2½+2½	2½	3.9	H.
29,98,900	41,07,593	1,57,03,661	92,02,957	—1,47,786	F. W. Heilgers & Co.	815	Naskarpara	116	100	Nil	Nil	Nil	Nil	3.9	H.
20,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Nowrah Trading Co., Ltd. ..	425	National	12	10	⅛+⅛	1⅛+1⅛	⅛+⅛	Nil	6.12	H.P.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	24⅜	10	⅛+⅛	1⅛+1⅛	⅛+⅛	1+1	4.10	H.T.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11⅛	10	1⅛+1⅛	2⅛+5	2+1	1+1	4.10	H.P.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	567	Northbrook	295	100	4+10	13+15	10+12	12½	6.12	H.P.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	1,092	Nuddea	193	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.P.T.
7,80,000	13,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	444	Nuddea	50	Nil	1½	1⅛+1⅛	1	Nil	3.9	H.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	1,276	Nuddea	173	100	4+10	10+12	6+6	Nil+⅛	3.9	H.
15,00,000	4,41,364	80,71,921	61,33,411	—1,80,348	McLeod & Co., Ltd.	400	Presidency	5⅛	5	Nil	Nil	Nil	Nil	5.11	H.P.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	1,276	Rameshwara	3⅛	10	Nil	Nil	Nil	Nil	6.12	H.T.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	2,013	Reliance	31⅜	10	Nil	Nil	Nil	Nil	3.9	H.P.
£600,000	£1,102,5611	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd...	911	Samnuggur	13⅛	£1	10%	10%	Nil	10%	3.9	H.P.T.
30,00,000	13,07,220	97,20,210	59,19,652	8,85,669	Begaria More & Co., Ltd.	401	Shree Ambica	15⅛	10	Nil	1⅛+1	1	10%	12	Y.P.
14,00,000	7,74,812	49,14,456	35,57,743	3,54,956	Hindustan Investment Corporation.	650	Soorah	23⅜N	10	Nil	Nil	Nil		3.9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	1,794	Standard	122	100	3+6	9+8	5+1	1+1	3.9	H.P.
£600,000	£849,9271	£990,895		£115,163	Thomas Duff & Co. (India), Ltd...	1,326	Titaghur	13⅛	£1	10%	10%	10%	10%	12	Y.P.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,331	Union	161	100	1+7	12½+11	10+8	1+4	3.9	H.P.
£400,000	£587,164	£1,059,9172		£119,708	Thomas Duff & Co. (India), Ltd...	465	Victoria	12⅛	£1	10%	10%	10%	10%	12	H.P.T.
2,50,000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	6	Waverley	1	Nil	1/40	1/40	Nil	Nil	6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1950	1951	1952	1953	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
15,50,000	17,50,000	70,50,509	47,90,509	20,589	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	3.9	H.
12,00,000	2,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Bararee Coke	18⅛	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	3.9	H.
4,49,350	70,000	8,49,159	5,30,703	9,887	Andrew Yule & Co., Ltd.	Bengal-Bhaidee	6⅜N	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	3.9	H.
1,80,00,000	1,17,00,000	5,27,51,758	3,35,50,103	6,91,379	Andrew Yule & Co., Ltd.	Bengal Coal	318	200	17½+17½	17½+17½	20+20	7/10+7/10	6.12	H.P.
2,25,000	5,07,662	25,82,001	22,49,221	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛+⅛	4.10	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	25,329	Sahu Jain Ltd.	Bhalgora	4⅛	10	⅛	⅛	⅛	Nil	6.12	H.P.
40,00,000	14,81,010	1,29,82,109	61,11,074	6 280	F. W. Heilgers & Co., Ltd. ..	Bharat Collieries	6⅜	10	⅛	⅛	⅛	⅛	6	Y.P.
7,15,000	14,61,077	51,08,475	35,84,899	—41,494	Anderson Wright (Ramgarh), Ltd.	Bhulanbarares	14	10	Nil	Nil	Nil	Nil	6	H.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	F. W. Heilgers & Co., Ltd. ..	Bokaro-Ramgur	9	10	⅛	⅛	⅛	⅛	6.12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	Andrew Yule & Co., Ltd.	Borrea	30⅛	10	⅛	⅛	⅛	⅛	6.12	H.T.
62,92,480	1,70,58,348	4,07,13,995	1,64,07,483	83,552	Bird & Co., Ltd.	Burrakur	8⅛	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.P.
49,92,480		34,12,968	750	3,038	Hindustan Investment Corpn., Ltd.	Central India	6⅛	10	⅛	⅛	⅛	⅛	6.12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14⅜N	10	⅛	⅛	⅛	⅛	6.12	Y.
6,00,000	1,41,387	7,50,000k		19,267	F. W. Heilgers & Co., Ltd. ..	Churia	2⅜	4	⅛	⅛	⅛	⅛	6.12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	6⅛	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.
£240,000	£332,801	£224 840		£9,002	Jardine Henderson Ltd.	East Indian	26⅛	£1	1⅛	1⅛	1⅛	Nil	6.12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	34	10	2½	2½	2½	2½	4	H.
10,00,000	2,62,235	8,41,725	2,33,963	66,865	Bhaster's Agency Ltd.	Ghusick and Muslia	15N	10	2½	2½	2½	2½	4.9	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43	50	3	3	4	3	3	Y.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	15⅜	10	⅛	⅛	⅛	⅛	6	H.
£2 00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Andrew Yule & Co., Ltd.	Jogta Coal	3⅜	10	Nil	Nil	Nil	Nil	6.12	H.
5,50,000	5,58,000	13,65,400	6,42,347	21,556	Bird & Co., Ltd.	Kalapahari	25⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	12	Y.P.
80,00,000		23,62,791	1,50,646	1,38,438	Karanpura Collieries	Karanpura Collieries	7⅜	100	Nil	Nil	Nil	Nil	2.8	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	44	10	⅛+⅛	⅛+⅛	Nil	Nil	3.9	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berriwala & Co.	Khas Kajora	5N	10	⅛+⅛	⅛+⅛	2+2	2+2	1.7	H.
11,00,240	50,000	13,87,375	10,31,144	3,411	H. V. Low & Co., Ltd.	Kuardi	6⅜N	10	⅛	⅛			6.12	H.P.
9,00,000	11,50,000	28,41,242	22 43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11N	10	3⅛	3⅛			4	Y.
7,48,240	1,40,000	11,24,142	8,84,178	20,393	Associated Commercial Co., Ltd.	Lodna	6⅛	10	⅛	⅛	⅛	⅛	6	H.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	16xd	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.
6,00,000	3,30,000	31,01,632	15 78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	9⅛	10	⅛	Nil	⅛+⅛	Nil+⅛	4.10	H.P.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	11⅜N	10	⅛+⅛	⅛+⅛	⅛+⅛	Nil+⅛	3.9	H.
1,57,500							71 N	7½	⅛+⅛	⅛+⅛	⅛+⅛	⅛+Nil	3.9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,04,566	F. W. Heilgers & Co., Ltd. ..	Ondal	19⅜N	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛+⅛	6.12	H.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Tapuriah & Bros.	Oriental Coal	12N	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.P.
8,34,000	83,594	17,23,382	6,27,675	15,789	Deepchand Kishenlall	Parasea	4⅛	10	Nil	Nil	Nil	12	6.12	Y.P.
15,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd.	Pench Valley	24xd	10	⅛+⅛	⅛+⅛	⅛+⅛	Nil	6.12	H.P.
13,99,500	15,67,105	1,49,49,971	76,76,234	—4,53,764	B. N. Elias & Co., Ltd.	Rajmahal	11⅛	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛+⅛	6	H.
12,50,000	7,50,000	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	25⅜	10	Nil	—	Nil	⅛+⅛	3.9	H.
30,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Bros. Ltd.	Sarisatolli Collieries	7⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Seamole	8N	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛	6.12	H.
2,80,000	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd.	Seebpore	25	2½	⅛	⅛	⅛	⅛	3.9	Y.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	25⅜	10N	2½+2	2½+2	2+1	1	6.12	H.P.
63,21,450	13,25,954	5,24,72,792	2,34,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6⅜	10	⅛+⅛	⅛+⅛	⅛+⅛	Nil	6.12	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	9⅜	10	⅛	⅛	⅛	⅛	12	Y.P.
8,00,000	13,89,547	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Standard	21⅛	10	⅛+⅛	⅛+⅛	⅛+⅛	⅛+⅛	2.8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3⅜	2½	Nil	Nil	⅛+⅛	⅛	6.12	H.
9,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.	Umaca	22⅜	10	⅛+⅛	⅛+⅛	⅛	Nil	6	Y.
49,58,000		44,91,158	13,91,543	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	3⅛	10	⅛+⅛	⅛+⅛	⅛	⅛	6.12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	18⅛	10	⅛+⅛	⅛+⅛	Nil	Nil	6.12	M.

* Including bonus. ‡ Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(j) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 4 in96 the debentures section:—

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

(c) Option of repayment at any time at 5 per cent. premium.

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

(e) Bearer bonds of Rs. 1,000 each repayable on 31st July, 2239.

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

e Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

(f) Bearer bonds of Rs. 1,000 each with option of redeeming on 3 months' notice at ¼ per cent. premium after 1st March, 1954, but before 1st March, 1957, and ½ per cent. premium on or after 1st March 1957.

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

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

RATIONALISATION OF INDUSTRY

VIEWS OF MR. CHINTAMAN DESHMUKH

REPLYING to the general discussion on the budget in the House of the People last week, Mr. Chintaman D. Deshmukh, Union Minister for Finance, made a few interesting observations on rationalisation of industry and cottage industries which are reproduced below:

"As regards rationalisation—a matter which was dealt with obliquely by some of the hon'ble members on the other side—I think it is necessary that we should state our views, at least my views, and I believe they are shared by my colleagues. The need for increasing productivity, of course, is admitted by everyone. There is a special observation on this in the chapter on industrial development and policy in the Planning Commission's report. With the emergence of a buyers' market, the growing necessity to seek outlets for our industrial products in export markets and the increasing severity of international competition in such markets have stressed the need for a proper solution of this complex problem. Now we have been handling it on various fronts. We have been promoting measures for the improvement of managerial efficiency as well as of labour productivity. Expert productivity studies have been undertaken. An Institute of Labour Productivity is contemplated to be started. Quality control is being encouraged vigorously and, in diverse other ways, we are encouraging the promotion of higher standards of managerial efficiency and productivity.

"Now, the replacement of obsolete and outworn machinery by improved machinery of higher productivity—which is known technically as rationalisation—is obviously one of the essentials of technical progress and industrial development. Notwithstanding the imperative need to increase productivity and reduce costs by rationalising the industrial processes, such measures are often resisted because of the displacement of labour which is temporarily caused by them.

"The Planning Commission have specifically considered this issue in the chapter on labour, and have suggested certain safeguards in the interests of labour temporarily displaced, so as to facilitate the progress of rationalisation. They have, for instance, recommended that, where rationalisation is expected to lead to such displacement, fresh recruitment should be stopped, surplus workers engaged in other departments, as far as possible, retrenchment to be just as amongst the persons involved, those last employed being first discharged, etc. While the adverse incidence of such displacement on the individuals concerned should be, we admit, alleviated, to the greatest possible extent, as a measure of social policy, it would be wrong and against the general interests of the country to discourage or prohibit rationalisation altogether. That is the point that I wish to make.

"A little over two and a half millions of persons are engaged in organised industry, with reference to which this question of rationalisation is generally raised. It is common ground that, without a substantial growth of employment opportunities in the field of industry, we shall not be able to cope with the large number of additional persons annually joining the labour force, as a result of the growth of population and the trend towards greater organisation. Apart from this, there is the vast and unmeasured extent of underemployment in the rural economy. It is obvious that the growth in the level of general employment must not be negatived by a shortsighted policy in respect of technical progress. I maintain that it is possible to reconcile the claims of the individuals affected temporarily by any such displacement, with the requirement that we must provide for an expanding economy in the general interest. This is one more illustration of reconciling the economic imperative, so to speak, with the dictates of social justice.

"This House is aware of the recent enactment to provide for the grant of retirement benefits and benefits during periods of temporary lay-off to labour. The House will recall that, in view of an emergent situation in certain industry, Government first enacted the measure by resorting to ordinance, as the House was not in session, which would just show the importance which was attached by Government to this safeguarding of the interest of workpeople affected by retrenchment.

"While everything possible must be done, as I said, to alleviate hardships caused to labour temporarily displaced and to provide for its reemployment, what I say is that we must not get involved in a policy that would ban all technical progress and inhibit the growth of employment.

"At any given moment, industry comprises a large number of undertakings of various degrees of efficiency, some of them just started or starting, some others developing or contracting, and others which may become senile and may be on the verge of closure. Now it is essential for the healthy development and growth of industry that there should be a certain measure of elasticity about the labour force engaged by the different individual units according to their own circumstances. We ought to concern ourselves with the volume of total employment. A policy that makes retrenchment impossible by an undertaking could only have the result of inhibiting the growth and development of new lines of production by other undertakings and would possibly cause a far greater hurt to the economy than it would avoid, including, of course, the labour community itself, taken as a whole.

"I agree that, in the special circumstances of our country, rationalisation must be graduated and discriminating and according to a plan, if possible. The pace of rationalisation must be so graduated that the overall growth of employment opportunities more than keeps pace with the temporary displacements occurring consequentially by improved processes at particular points."

Mr. K. P. Tripathi: "May I ask a question? What will be the number of persons thrown out through rationalisation out of

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16,99,800	1,08,33,956	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	18 0	12	V.P.
14,50,000				188xd	50	9 0	9 0	9 0	9 0		
7,01,000	12,03,000	1,79,017	Andhra Bank	110cd	100	6 0	6 0	6 0	3 00	6.12	H.
23,99,000				62cd	50	3 0	3 0	3 0	1 8[0]		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110	50	6 0	6 0	6 0	6 0	12	Y.
1,00,00,000	14,00,000	4,567	Bank of Behar	128	25	0 12	0 12	0 12	0 12	12	Y.
8,50,00,000	3,52,00,000	7,29,778	Bank of India	149½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
30,00,000	13,00,000	25,324	Bank of Jaipur	20‡	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	290	100	16 0	16 0	16 0	16 0	12	Y.
99,90,150	51,11,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	4	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd	80	50	5 0‡	5 0‡	5 0‡	5 0‡	12	Y.P.
2,84,11,875	399,79,642	16,49,868	Central Bank of India Ltd. ..	56‡	25	3 8	3 8	3 8	3 8	12	R.L.Y.
52,42,500				59	25	3 8	3 8	3 8	3 8		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co. ..	34‡	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,17,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	16,609	Hindustan Commercial Bank ..	9	50	—	—	—	—	12	Y.
80,00,000	1,10,000	1,412	Hindustan Mercantile Bank ..	11‡	50	—	—	—	—	12	Y.
95,00,000	75,00,000	1,00,393	††Hyderabad State Bank	106‡	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,782‡	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				430	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
25,00,000				170	100	12 0	12 0	12 0	12 0		
17,50,000	76,50,000	1,23,688	Indian Bank	139	85	10 3‡	10 3‡	10 3‡	10 3‡	6.12	R.L.H.
16,80,000				99‡	60	7 3‡	7 3‡	7 3‡	7 3‡		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank	98cd	100	6 0	6 0	6 0	6 0	.12	R.L.H.
6,25,000				67	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				36‡	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	50,00,000	3,10,289	Punjab National Bank	25	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	14cd	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	7	5	0 5	0 5‡	0 5‡	0 5‡	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	41‡	50	2 0	2 0	2 0	2 0	12	W.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5 000,000	£4,000,000	£359,215	Chartered Bank of India, Australia and China	£3-0-0xd	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000 000	£1,250,000	£102,597	Eastern Bank	66‡	£5	7†	6†	7†	3†	12	R.L.Y.
R.K.$20 000 000	R.K.$96 000 000	R.K.$9,859 542	Hongkong and Shanghai Banking Corporation	495	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£3 0-3xd	£1	12†	12†	12	14†	12	R.L.Y.
(1,437,296				£1-6-3	5†	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£26‡	A £12½	12†	12†	14†	14†		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank o India ..	£26‡	B £12½	12†	12†	14†	14†	12	R.L.Y.
£300,000 'C'				£11‡	C £5	12†	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India ..	£34‡	£12½	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency

††O.S. Currency (i) Interim. *6 per share free of tax

DEBENTURES

Amount	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £		Principal Repayable
Rs. or £						
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
8,50,000	5½	1st March and 10th September	Carew & Co. (2nd mortgage)	1941	96	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramgoolam Cane & Sugar Co., Ltd.	1936	99‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
10,00,000	6	1st May and 1st November	Wahlandnagar Industries ..	1941	105	1st April .. 1956-61
83,00,000	6	1st May and 1st November	Wahlandnagar Industries (New)	1944	97	1st November .. 1959-64
COTTON						
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. ..	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal Nagpur	1897	98‡	15th November .. 1956(a)
8,00,00,000	3	1st April and 1st October	Buckingham and Carnatic ..	1952	101	1st January .. 1967-72
13,67,000	5½		Jaykrishna Textiles	1948	78N	1st January .. 1963-68
40,00,000	5	1st June	Tata Mills.		101	 1966-71
ELECTRICS						
80,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	1950	96	31st March .. 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..		101‡	14th June .. 1960
99,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	100‡	1st October .. 1968
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964
8,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	86	1st January .. 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1945	96	31st December .. 1964
15,00,000	4	1st January and 1st July	Bijna (Sheriton) Electric Supply Co., Ltd.	1951	96	30th June 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1948	96‡	 1957-61
8,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	94	1st October .. 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡	 1953-63
6,63 800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September .. 1951-55(k)
8,50,000	4	1st April and 1st October	Tata Power		93	15th September .. 1963-78
ENGINEERING						
8,80,000	3‡	30th June and 31st December	Britannia Engineering	1945	98‡	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd. ..	1928	99	30th June 1958
80,00,000	5‡	15th September and 15th March	Indian Piston Pfre (2nd mortgage)	1942	103	1st July 1957-62
61 183 400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	64	31st December .. 1966(BE)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1938	88	31st May 1971
8,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95	31st December .. 1960
JUTE						
12,00,000	4‡	1st October and 1st April	Agarpara	1939	99	31st March .. 1954
4,00,000	4‡	30th June and 31st December	Alexandra	1939	98	30th June .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. ..	1945	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	1940	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	1945	88‡	30th June 1960
10,00,000	4	30th June and 31st December	Calcutta	1949	91	31st July .. .. 1959(e)
9,00,000	5	31st January and 31st July	Chitavalsah Jute Mills	1951	97	30th June 1966
10,00,000	5	30th June and 31st December	Empire	1947	95	15th July 1964
9,86,000	5	30th June and 31st December	Hukumchand	1947	92‡	30th June 1957
15,00,000	5‡	1st January and 1st July	Kinnison Jute Mills Co., Ltd. ..	1949	98	31st December .. 1964
25,00,000	5	30th June and 31st December	Nathan	1952	98	31st March .. 1967
85,00,000	5‡	30th June and 31st December	Naskarpara Jute Mills Co., Ltd. ..	1947	98‡N	31st March .. 1954
5,00,000	5	31st March and 30th September	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May .. 1959
5,00,000	4‡	14th November and 14th May	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
20,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
8,00,000	4	30th June and 31st December	Reliance Jute Mills Co., Ltd. ..	1946	96	5th September .. 1961
85,00,000	5	31st March and 30th September	Soorah Jute	1937	96	14th September .. 1957
8,00,000	4‡	14th March and 14th September	Union	1937	97	30th June .. .. 1957(d)
12,00,000	4‡	30th June and 31st December	Waverley	1925	85	31st July .. .. 1960(e)
10,00,000	5‡	31st January and 31st July				
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway ..	1938	86	1st July .. 1956
£350,000	4‡	1st January and 1st July		1908	£60‡N	A 105% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways			
£201,067	5	1st April and 1st October		1933	£77‡N	1st October .. 1974
6,50,000	5‡	30th June and 31st December	Katakhal-Lalabazar Railway ..	1945	90‡	31st December .. 1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N	1st September .. 1963
6,80,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		99‡	
PLANTING						
10,00,000	5‡	30th June & 31st December	Consolidated Coffee		102	1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April .. 1954-56
4,61,000	5‡	30th June	Ouchterlony		104	30th June .. 1954-59
9,00,000	5	31st March & 30th September	Peirakaramalai		100–11‡	31st March .. 1953-63
1,89,700	5‡	31st March & 30th September	Teckoy		100	31st March .. 1949-59
MISCELLANEOUS						
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1948	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
86,80,000	4‡	1st April and 1st October	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	96‡	30th June .. 1957(I)
81,00,000	5‡	1st February and 1st August	Chowringhee Properties ..	1915	92	1st February .. 1964
81,55,000	4‡	1st July and 1st January	Clive Buildings	1936	88‡	1st July .. 1966
80,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September .. 1960
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82	 1960
8,50,00,000	3	1st January and 1st July	Dunlop Rubber	1950	103‡	1st January .. 1971
80,00,000	4	15th March and 15th September	Mettur Chemical Industries ..	1949	96	 1964
39,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September .. 1978
45,00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	525 (per note)	31st December .. 1972
75 00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April .. 1971
1 00 00 000	5‡	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March .. 1961
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	88	31st December .. 1959
1 50 00 000	4	1st May and 1st November	Standard-Vacuum Refinery Co., India Ltd.	1953	104‡	1st May 1968
4,00,00,000	5‡					

Note—See page 658 for explanations re abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st April, 1954.

	Closing quotations 25-3-'54	High	Low	Closing quotations 1-4-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50) ..	153‡	153‡	148‡	148‡xd
Bank of Baroda (50) ..	110	110‡	110	110
Central (25) ..	56‡xd	57	56	56[e]
Central 'A' (25) ..	59‡xd	59‡	58‡	59
Imperial (F.Pd.) (500) ..	1,782‡	1,785	1,780	1,785
Imperial (F.Pd.) (125) ..	431‡	431‡	430	430
Union Bank (5)	7	7	6‡	7
United Com. (50) ..	41‡	41‡	41‡	41‡
TEXTILES				
Ahm. Adv. (100) ..	149‡	—	—	149‡
Apollo (2)	2‡	2‡	2‡	2‡
Bombay Dyeing (250) ..	413‡	427‡	410	423‡
Central India (100) ..	178	185‡	176‡	184‡
Century Mills (100) ..	325‡	335	322‡	333
Colaba (100)	65	67‡	65	67
Edward Textile (200) ..	245	—	—	242
Elphinstone (50) ..	44	—	—	44
Finlay (100)	261	268	260	266
Gokak (100)	264	274	262	273
Ind. Unit. Defd. (1) ..	1‡	1–10‡	1–9‡	1–9‡
Ind. Unit. Ord. (10) ..	11 8‡	11–11‡	11‡	11–10‡
Indore Malwa (100) ..	118‡	120	103	120
Khatau (100)	213‡	—	—	213‡
Robinson (100)	304‡	317‡	301	315‡
Lakshmi (250)	581‡	583‡	580	580
Madhusudan (100) ..	82	—	—	82
Maneklal (100)	58‡	62‡	57‡	62‡
Meters Mills (100) ..	111‡	—	—	111‡
Model Nagpur (250) ..	139	140	139‡	140
Morarji (100)	212‡	212‡	210‡	214‡
Meters (50)	164‡	—	—	164
National Rayons (100) ..	156‡	164‡	155	164‡
New City (100)	160	160	159‡	160
New Great (100)	150‡	155‡	150‡	155‡
New Union (10)	26‡	—	—	26‡
Phoenix (100)	126‡	130	126‡	130
Podar Mills (100)	141‡	146‡	138‡	145
Sassoon Mills (10) ..	18‡	—	—	18‡
Sassoon Rfg. (10) ..	30‡	—	—	30‡
Shahjapur (1'00)	1 840	—	—	1,840
Shrinivas (100)	210	215	206‡	213‡
Sumpka (50)	151‡	155‡	150	154
Standard (100)	322‡	332‡	320	332‡
Swadeshi (100)	295‡	299	293	307‡
Swan (100)	351‡	355	350	353‡
Tata Mfg. (25)	50‡	52	50	52
Vishnu (100)	145	145	141‡	141‡
Western India (1,000) ..	3,550	3,810	3,550	3,810
ELECTRIC COS.				
Ahmedabad (100) ..	114‡	117‡	114‡	117‡
Amalgamated (10) ..	10‡	—	—	11‡
Andhra Valley (1,000) ..	1,307‡	1,355	1,297‡	1,340
Bom. Suburban (100) ..	120	121‡	120	121‡
Surat (100)	126‡	126‡	126‡	127‡
Tata Hydro (100)	140	143‡	140	143‡
Tata Power (1,000) ..	1,407‡	1,462‡	1,400	1 451‡
INSURANCE COS.				
British India (10) ..	13	—	—	13
Empire of India (100) ..	640	—	—	640
Ind. Mercantile (20 ..	41	41‡	41	41‡
Jupiter (15)	7‡	7‡	7	7‡
New India (15)	48‡	50	47‡	48
Oriental (200)	7,760	—	—	7,760
Universal (10)	9‡	—	—	9‡
Vulcan (10)	12‡	—	—	12‡
STEAMER COS.				
Scindia (15)	17–8‡	18‡	17‡	18–1‡
STEEL COS.				
Ind. Iron (10)	29‡	29‡	28‡	29‡
Tata Steel Defd. (20) ..	2,232‡	—	—	—
Tata Steel Ord. (75) ..	372‡	372‡	186	189‡xr
MISCELLANEOUS				
Alcock Ashdown (100) ..	347‡	361‡	346‡	358‡
Associated Co. (100) ..	154‡	159‡	156	157‡
Belapur Sugar (5) ..	257‡	263	256‡	263
Bom. Burmah (125) ..	414‡	425	410	422‡
Do. (New) (50) ..	143‡	146‡	143‡	146‡
Br. B. Petrol (4 sh.) ..	3–1‡	3‡	2–15‡	3–1‡
Br. I. Corpn. (5) ..	8‡	8‡	8‡	8–1‡d
Indian Copper (2 sh.) ..	3–1‡	3‡	2‡	3–1‡
Ind. Inv. Tr. (100) ..	80	—	—	80
Kesoram (100)	263‡	—	—	263‡
Killicks (100)	170‡	173‡	170‡	173
Killick (75)	130	—	—	130
Phalton Sugar (50) ..	94‡	99	94‡	97‡
Port Canning (100) ..	28	28‡	27‡	27‡
Premier Cem. (50) ..	114	131	113	130‡
Shivrajpur (10)	73	75	72	74
Tata Chemicals (10 ..	13–15‡	14‡	13‡	14‡
Tata (123)	37	38‡	37‡	37‡
Walchand Ind. (100 ..	168‡	—	—	168‡
W. I. Match (100) ..	205	208‡	205	205

GOVERNMENT SECURITIES	Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1954	99‡	—	3 48	99‡
2½% 1955	98	—	3 50	98‡
2½% 1961	90	—	3 96	90‡
2½% 1960	93‡	—	3 89	93
2½% 1962	91‡	—	3 89	91
2½% 1974	82	—	3 91	82‡
3% 1957	98	—	3 49	98‡
3% 1958	98	—	3 45	98‡
3% 1958-61	96	3.76	3 55	96‡
3% 1966	92	—	3 86	92‡
3% 1963-65	92	3 96	3 79	92‡
3% 1966-68	90	3 99	3 86	90‡
3% 1970-75	86	4 11	3 92	86‡
3% Defn Con. Loan ..	85	—	3.62**	85‡
3½% 1954-59*	100‡	3 34	4 48	100‡
4% 1960-70	102‡	3 64	3 82	102‡
4½% 1955-60	102‡	3 96	4 15	102‡
4½% 1958-68*	105	3.27	4 04	105
3½% 1961 N.P. Bonds	99‡	—	3.64	99‡

BRITISH GOVERNMENT SECURITIES	28-3-'54 £	High £	Low £	30-3-'54 £
2½% Brit. Consols ..	64‡	64‡	64‡	64‡
3% Savings Bonds 1965-75	89‡	89‡	89‡	89‡
3½% War Loan 1955-59	101‡	101‡	101‡	101‡
3½% War Loan 1952 ..	89‡	89‡	89‡	89‡
3½% Brit. Iron and Steel 1976-78	94‡	—	94‡	94‡
4% Funding Loan 1960-90	101‡	101‡	101‡	101‡

** Current Income. s.d.—Ex-dividend. * Rupee Conversions X.R.—Ex-Right.

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COMMERCE

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

VOL. LXXXVIII. No. 2251 BOMBAY, 10 APRIL, 1954 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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EAST-WEST TRADE

FOR some time now, attempts are being made to cry halt to the cold war between the East and the West, at least on one front, namely, the trade sector. Ever since the citizens of the East European countries began to feel the pinch of the paucity of consumer goods, which finally culminated, last year, in serious unrest, the authorities of Communist countries have been taking more and more interest in developing commercial intercourse with the free countries. Beginning with consumers' goods, they are now eager to buy even durable goods in exchange for gold, as well as strategic goods. They have, of course, been successful in inducing the West European nations to sell these goods, thanks to the latter's keen anxiety to find a fresh outlet for their products. Another reason for these countries' readiness to trade with the Communist bloc is the realisation on the part of some of their leading statesmen that removal of trade obstacles will help reduce international tension and carry the world a step nearer peace. But they have, at the same time, recognised that a wholesale lifting of restrictions would be impolitic. The present attempts at widening the area of East-West trade are in the nature of a limited investigation into trade possibilities without undermining military security.

The credit for initiating the move by the Western side goes to the British Premier, Sir Winston Churchill. Recently, Sir Winston revealed his Government's intentions when he announced in the House of Commons that a "substantial" relaxation of the regulations (those affecting manufactured goods, raw materials and shipping, which were made three or four years ago in very different circumstances) would prove beneficial to the countries concerned. He made it clear, however, that he did not suggest that there should be "any traffic in military equipment, including certain machine tools—such as those capable of making weapons—and heavy weapons." Mr. Peter Thorneycroft, President of the Board of Trade, made a similar statement in the House of Commons. He said: "We believe it possible to combine an enforceable list of security controls on strategic goods, with relaxation on other goods and expansion of trade in them."

Although no comparable policy statement has been made on behalf of the Eastern side, it is clear that the authorities behind the Iron Curtain are willing to negotiate trade contacts with the West. Many factors have influenced Eastern Europe in the change it has made in its trade policy. In the first place, the sacrifice of agriculture at the altar of rapid industrialisation has checked the flow of raw materials to industries. This has given rise to raw material problems for the industries concerned. Secondly, consumer goods industries were, in the past, compelled to take a sub

East-West trade, the free world's trade with the Soviet bloc declined from $1,400 million in 1952 to $1,300 million in 1953. The low level of this trade must be attributed, as Lord Reading, the British delegate to the Geneva meeting, pointed out, to the Soviet Union's inability to offer sufficient quantities of goods and to the Soviet bloc's autarchic policy of concentrating on trade among themselves. The trade among the countries of the Soviet bloc now makes up 75 per cent. of their entire international commerce, as compared with 10 per cent. before the war.

Nevertheless, the attempts that are now being made to revive as well as to expand East-West trade deserve to be welcomed, because it might well serve as a prelude to better relations between the two regions. To Russia and to countries within its orbit, more East-West trade means more consumer goods. To the West, it means more timber and grain, besides a possible inflow of gold and consequent strengthening of its gold and dollar reserves. The revival of this trade will also restore the pre-war balance of European trade in which the trade between industrialised Western Germany and Eastern Europe formed an important part. If the same approach is made to trade with China, it will divert a good part of Japanese goods now seeking to flood the South-East Asian and Middle East markets to China, thereby giving a chance to India and some of the European countries to cater to their traditional markets. The Japanese traders are anxious to resume trade with China, but are unable to do so because of the embargo under the terms of the U.S. Battle Act.

The greatest impediment to the development of trade with the Communist countries is the unhelpful attitude of the United States. So sharp were the differences on this question between the U.K. and the U.S. that *The Times*, London, had found it necessary to warn that it would be wrong to make East-West trade a "fetish," which would come between the "U.S. and her friends in Europe." The consent of the U.S. for expanding trade with the Soviet bloc is essential, for any country, which has a security agreement with it, has to face the risk of losing American aid. Under the "Battle Act" passed in 1951, President Eisenhower is bound to cut off aid to countries selling strategic goods—a very vague term—to the Communists, unless he thinks it would be in America's interests to allow the trade.

The British Government feels that, in the present circumstances, it is necessary to permit a substantial relaxation of the restrictions on trade with the Soviet bloc. So strong were Sir Winston Churchill's views on this question that the American Government found it necessary to hold a hurriedly arranged conference with its principal allies to iron out the differences among them. Accordingly, a two-day meeting was held in London towards the close of last week, in which France also participated. The outcome of this conference is somewhat helpful, in that a wide area of agreement has been reached, providing a common basis for reviewing existing controls in order to encourage expansion of trade with the East. The three countries have agreed on the principles that are to govern the revision of the controls on trade with the Soviet bloc, but detailed arrangements for individual commodities have yet to be worked out. A further and a more representative conference, in which will be included all the countries of the North Atlantic Treaty Organisation, Western Germany, and Japan will be held in Paris this month, with the object of refining the existing controls by narrowing substantially their scope and increasing their effectiveness. The restrictions will, it is said, be confined only to those items which are closely related to Soviet military requirements.

The reactions of the U.S. representative to this Conference show that the U.S. Government has agreed to the British proposal only with great reluctance and, perhaps, with some mental reservations as well. For, on his return to the U.S., he said, significantly enough, that "there might well be a continuing difference" between the U.S., on the one hand, and Britain and France, on the other. In any case, the U.S. is firmly opposed to any relaxation of the existing embargo on trade with China and North Korea, a stand which the U.K. has agreed to accept, possibly as a compromise in order to obtain the U.S. consent for whittling down the ban on trade with Eastern Europe and Russia. The fact that, despite the current restrictions, the free countries' trade with China in 1953 was greater than in 1952 might have also induced Britain not to press the point with the U.S. for the present. According to a U.S. Government analysis, exports of Allied nations, other than the U.S., to Communist China during 1953 were greater at $270 million than in 1952 when they aggregated only $256 million. Similarly, their imports from China in that year were also higher at $425 million, as against $365 million. The main beneficiaries of this small expansion in the trade with China were Ceylon, Western Germany and the U.K.

The reluctance of the U.S. to go the whole hog with the U.K. and other European countries anxious to trade with the East is not altogether inexplicable. Apart from the fact that the Americans are prone to exaggerate the risks involved in trading with countries where dictatorship is the rule and where private enterprise has no place whatever, there are other considerations which make them feel the game is not worth the candle. In the first place, it might be difficult to keep trade and politics apart. Secondly, there is no reason to think that it will mean, so far as the U.K. is concerned, any great gain. It is true that the U.K.'s exports to the Soviet bloc now form only 1 per cent. of its total exports. But even before the war, it was no more than 4 per cent. Even granting that this area's capacity to absorb imports has increased, it is doubtful whether it will be in a position to pay for them in goods which the exporting countries want. The latter will no doubt accept payment in gold, but, during the past few weeks, Russia has provided enough indications from which one can infer that it will not be willing to reduce its reserves of precious metal below a limit. According to some British observers, "Russians do not intend to rely permanently on gold to make good the deficiency, at any rate on anything like the scale of the past few months." There are already reports that the flow of Russian gold to Europe and the Middle East has slowed down. Thirdly, it is doubtful whether other countries can count upon Russia and its satellites as either steady sources of imports or continuous destinations for exports over any reasonable length of time. It is believed that all that Russia is now interested in is the "conclusion of a series of bilateral trade agreements which would guarantee markets for specific quantities of Russian products." Incidentally, it will be interesting to note here that, although, at the time the Indo-Russian trade agreement was signed, there were strong expectations that Russia would buy a large quantity of Indian tea, not a pound of tea has been so far bought by that country. And finally, when the present emergency passes away, Russia might well withdraw itself into the closed shell of its own economy.

VIEWS OF A BANK CHAIRMAN

BUSINESS men and others who are interested in the Indian economy have for some time past been accustomed to watch for the addresses of bank chairmen, particularly for the address of the Chairman of the United Commercial Bank, for an analytical exposition of Indian economic trends. By temperament as well as by training, a banker is necessarily a staid person and no mere dreamer, a person who attaches less importance to the seemy side of things but evaluates economic trends with a rather aggressively objective, even if conservative, outlook. Also, bankers touch everyday business life at more points than any other class of men, and may, therefore, be trusted to speak with greater knowledge of the places where the *economic shoe pinches the people* and why it does so. From this point of view, the speech which Mr. G. D. Birla, Chairman of the United Commercial Bank, made at the eleventh annual general meeting of the Bank, held at Calcutta on Wednesday this week, will be read with more than ordinary interest. Now that the United Commercial is no longer a purely Indian Bank, in the sense that its operations are not confined only to India but extend to many parts of the world as well, Mr. Birla has enlarged, appropriately enough, the scope of his survey to include a few salient observations on the economy of the countries in which the Bank is interested. By doing so, he has earned the distinction of being the first among Indian bank chairmen to speak on international economic affairs in their annual addresses to shareholders. This innovation, modelled on the statements of Chairmen of Exchange banks, is typical of the enterprising spirit that has characterised the impressive growth of the United Commercial which has just entered the second decade of its existence.

In his speech to the shareholders, as, in fact, in his speeches on other occasions, Mr. Birla showed himself a rational optimist. He spoke with confidence about the country's ability to complete the task of economic reconstruction. He felt gratified by the fact that, "on the whole, Indian economy has shown a good deal of strength and vitality during the last year." He illustrated this statement by a reference to the increase in industrial and agricultural production and to the improvement in India's balance of payments position. Reviewing the progress of the Five-year Plan, Mr. Birla made a few notable observations about "deficit finance." Deficit financing, according to the Union Finance Minister, will aggregate Rs. 495 crores up to the end of 1954-55 and Rs. 395 crores in 1955-56, making in all Rs. 890 crores, as against Rs. 290 crores originally contemplated in the Plan. Mr. Birla was apparently not overwhelmed by the magnitude of the deficit finance contemplated by the Government. He felt that, in India, which had "favourable conditions for development" and which was determined to go ahead with its economic programmes, this amount should have "little or no effect on prices of consumer goods. With sufficient supplies of food and cloth, and the production capacity for the latter not as yet fully utilised," he said, "there will be no scarcity in these goods and there is no danger of rise in their prices."

Lest this should be interpreted to mean that this bank Chairman has thrown all caution to the winds, and has given a charter for limitless deficit finance, it is necessary to refer to the qualifications by which he hedged this general support for deficit finance. He warned that the resort to this device increased the responsibility of the Government and the currency authority to be "more prudent and vigilant in their financial policies and to curb with a heavy hand any tendency to increase uneconomic or wasteful expenditure." He noted that the weakest link in the chain of administration in the country was the States whose record of performance in pursuing the projects under the Plan was not very happy. He, therefore, declared that efforts must be made to strengthen their organisations to go full speed to complete the projects entrusted to them. This is a salutary warning which may be ignored by the Government only at the risk of an economic disaster. To adopt deficit finance is, as we have pointed out ere now, akin to a performance on a razor's edge; it requires considerable economic skill, caution and self-control, if this hazardous adventure has to yield the result expected of it.

The success of the Five-year Plan is undoubtedly vital to national progress. Considering, however, the fact that the *malaise* of unemployment in the country continues even after three years of sustained work in implementing the Plan, it seems clear that something more is necessary in order to raise the level of economic activity. The problem of the educated unemployed, which should, of course, be regarded as part of the general problem of unemployment, continues to be, in the words of Mr. Birla, the "most disturbing issue in the country." Nearly four lakhs of boys and girls, who leave educational institutions every year, are in search of employment. Their ranks are augmented by other men who lose their jobs as a result either of the closure of war-time control establishments or of dislocation caused to business and industrial units. The way out of this tangle clearly lies, as Mr. Birla rightly suggested, in expanding business and industry. Gone are the days when the Government could be relied upon to provide safe jobs for educated young men. It is expanding business, expanding agriculture, and expanding industry that can meet the demand for work for the huge and ever-increasing mass of India's educated youth. By placing impediments in the way of industrial progress in the shape of high taxation, omnibus wage fixation and idealistic labour laws, the Government is only preventing private enterprise from contributing to the solution of the problem of unemployment, a problem which, according to all evidence, is likely to prove too much for the Government to fight single-handed, that is, without the aid of the private sector. How utterly negative and unrealistic is the labour policy of the Government has been impressively stated by Mr. Birla in his speech. His observations on this subject—these endorse the views of this journal, expressed from time to time in recent months—merit reflection by all those, especially the educated young men, who are interested in the economic development of the country. The attention of labour leaders, politicians and administrators of the country needs to be drawn particularly to the enlightening report of the Swedish Federation of Trade Unions on full employment, an extract from which Mr. Birla has approvingly quoted in his speech.

NO BONUS ISSUE FOR BOMBAY DYEING

N.P.V. SHARES—OUTLOOK FOR TEXTILES—SIR ROBERT MENZIES ON RATIONALISATION

THURSDAY, 5 P.M.

THE share markets continue to present a steady to firm front to the dismay of some who have been feeling that a reaction is overdue on the score that markets have become a little overbought. There has been a slight fall in values today, but this represents only the customary profit-taking on the eve of settlement day. There are no pointers to show that a fundamental change in the trend is in the offing. It is true that fresh buying at current levels is not quite substantial, but that merely suggests that no strident increase in prices is likely. In the past few days, Indian Irons have been in the limelight, staging an impressive rise. The persistent bull support to this scrip, even at a level at which the yield works out to no more than 3.3 per cent., suggests that operators are optimistic of the long-term outlook for the Company. They are banking on the hope that, in a few years, the Company will be able to pay a higher dividend and that there will be a further capital appreciation in its scrip. This, however, is a view which only a speculator can take, because it involves some risks. For such a prospect cannot materialise within the next four or five years, if the findings of the Tariff Commission are to be relied upon. An interval of five years is rather too long a period to look ahead, in the present state of affairs in the country. Another important factor to be borne in mind by those who go in for these shares is that, during this period, the Company may have to raise additional equity capital to pay off a part of its obligations to the Government.

MARKET GOSSIP

• • • •

The Gilt-edged market, too, continues to be bright. There has been a further improvement in the value of almost all loans, the increase being a little greater in the long-dated issues. Knowing full well that the Reserve Bank is tuning the market for placing new issues, every operator has been trying to make a little by going long. This is one of the factors that have contributed to the rise in rates. It looks as though the market has now moved up to a level which is somewhat unrealistic as compared with the yields in other investment sectors. In a market bare of stocks, it is easy for the Reserve Bank to give a big push to values, but, if the new issues are to be a success, a little amount of restraint will be necessary. It should not create a climate in which the "stags" thrive to such an extent as to spoil the field for the new issue. In other words, the upward twist should not be overdone. Apparently, the Reserve Bank is aware of the need for this caution. Thus, today it resumed the sale of two loans, which it had stopped earlier in the week, namely, 3 per cent. 1970-75 and 3 per cent. 1966-68, albeit at slightly higher rates.

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The short-term money market is still active. Demand for money is good, while the supply is limited. Inter-bank call money commands the self-same rate of 3 per cent. Banks are keen bidders for call, as well as time, deposits and are offering the same rates of interest as in the previous week. There is, however, a feeling amongst some of them that the peak of the season has passed and the pull from up-country centres is not as strong as it used to be, say, a fortnight ago. Production of sugar for the current season is practically over everywhere, except in the South, and the demand for money from that industry has nearly dried up. Marketing of the principal cash crops is nearing the end, while finance for imports of cotton has already been fixed. Cloth stocks are not appreciable and so also those of jute goods, as the offtake of these goods has been fairly sizable and steady. Foodgrains are, of course, still moving, but they do not generally require much financing by banks. In view of all these factors, money market observers feel that the busy season this year will soon be over, thereby enabling the Government to begin its borrowing programme a little earlier than last year.

• • • •

Among the other markets in the city, while cotton has registered a perceptible fall, on account of liquidation by bulls and lack of support from mills, bullion has staged a smart rise. Over the week, I.C.C. May and August have dropped Rs. 18 to stand at Rs. 667-8 and Rs. 682, respectively. It would appear that most of the mills have now bought their requirements of Indian cotton for the present and can afford to wait and watch the market for a while. Further, they will shortly be receiving deliveries of foreign cotton and will have to find the necessary resources. In view of this as well as the fact that there is still a large quantity of domestic cotton, estimated at between 10 and 12 lakh bales, to be marketed, knowledgeable circles feel that the May Contract will not easily lend itself to a bull squeeze, even though the statistical position of Indian cotton is exceedingly sound and in favour of holders of the commodity. In any case, at present no big operator seems to be speculating in the market, though one can never rule out the possibility of some resourceful operator entering the ring at any time. In so far as the August Contract is concerned, it is widely believed that the chances for last year's history being repeated are fairly bright. That is one reason why it is standing at a premium of Rs. 15 per candy over the May Contract. But no flare up is expected even in this contract until the earlier delivery is out of the way.

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In the bullion market, both silver and gold have been active throughout the week. After initial hesitancy, both have spurted in value, today's closing being about the best levels for the week. As compared with the rates prevailing a week ago, silver is up by Rs. 2-8 and gold also by a similar amount. Considering that the unit of quotation for gold is smaller than that of silver—ready gold is Rs. 93-8 per tola and ready silver Rs. 171-13 per 100 tolas—the rise in gold is more striking than that in the white metal. There are no special reasons for the firmness of these precious metals, except that the supply is so small that the seasonal demand, though relatively modest as compared with what it used to be in some of the previous years, is making itself felt effectively on the price. In the case of gold, there is an additional factor, namely, the flow of smuggled gold has, as mentioned in these columns last week, thinned down. Our enquiries reveal that so far there has been no heavy speculative activity in both the metals, more especially in gold, on a scale comparable with what it used to be in the past. Refreshingly enough, there have been no complaints of bull squeeze, notwithstanding the fact that, in the past one month, silver has advanced by over Rs. 7-8 and gold by Rs. 4.

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A feature of today's trading in the textile section of the share market was the sharp sudden drop in the value of Bombay Dyeings from Rs. 431-4, touched early in the session, to Rs. 423-2 at the close. This recession reflects the market's disappointment caused by the Company Chairman, Mr. Neville N. Wadia's elucidation of his Board's policy in regard to the dividend and issue of bonus shares. The Chairman's remarks on these two issues represented a reiteration of the conservative policy which the Company has been following for decades. Quite a few in the market had expected that the management of the Company would move with the times and let the shareholders participate in the profits of their concern more liberally than in the past. This is evident from the fact that, on the eve of the Company's annual meeting held this morning, they had rushed to buy the shares, which resulted in a rise of Rs. 9 in their value. The expectation that the Chairman would announce an issue of bonus shares at today's annual general meeting of the Company seems to have been responsible for the unusually large attendance; the meeting lasted for over two hours, whereas in the past it used to be over quickly.

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Several shareholders were critical of the conservative policy followed by the management. One of them described this policy as "over-conservative," which went against the interests of shareholders. They expressed their disappointment at the meagre cash bonus of Rs. 2-8 per share declared in commemoration of the completion of 75 years. They had expected a somewhat generous distribution on this happy occasion. In this connection, they drew the Chairman's attention to the allocation of Rs. 14 lakhs from the past year's profit to the dividend equalisation fund, which raised it to Rs. 54 lakhs, and said that at least a portion of it could have been utilised to distribute a larger dividend. These shareholders apprehended the danger of a claim from labour on the huge reserves of the Company, now aggregating Rs. 2.32 crores (made up of a reserve fund of Rs. 50 lakhs, a rehabilitation and development fund of Rs. 98 lakhs, a dividend equalisation fund of Rs. 54 lakhs and other reserves Rs. 30 lakhs), as against a paid-up capital of Rs. 2.51 crores. They wanted an assurance from the Chairman that the Board of Directors would change the dividend policy at least next year in line with that followed by other well-managed companies. Of course, there were a few shareholders who commended the present policy of the management.

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Replying to the criticism, Mr. Wadia pointed out that the rehabilitation programme of the mills now on hand would cost Rs. 3 crores and that the Company could not afford to fritter away its resources by paying higher dividends. He added that the conservative policy had stood the Company in good stead for over 70 years. It had adverse periods of trading, as well as prosperous times, but the policy which they criticised now had helped the management to assure the shareholders of a steady dividend without a break. The shareholders could not expect a sudden change in the policy overnight, as it were. Mr. Wadia added that he did not expect the Company to have always prosperous trading. Sometime or other, it would have to face lean days. He, therefore, did not like to change the policy. He, however, assured the shareholders that, when the rehabilitation programme was complete and the Company was able to augment its earnings, he would consider the suggestion in the light of the then existing conditions.

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Referring to the plea that a part of the reserves could be capitalised not only in view of the fact that the reserve position warranted it but also on account of reports that, in the not distant future, the bonus issue might be treated by the taxation authorities as income in the hands of shareholders, Mr. Wadia categorically stated that, until the position in regard to the latter aspect, namely, the treatment of bonus issue as income, became clear, he would not consider the question of capitalisation of reserves. He wanted the shareholders to await the report of the Taxation Enquiry Commission, because, according to his information, some of the members of the Commission were in favour of taxing the bonus issue. He however, added that, even then it would bear only super-tax and not income-tax, as the reserves had already borne income-tax. Nevertheless, he said the Board would not consider this question till the Commission's report was out. He turned down the suggestion of a shareholder that the Company should apply to the Government and obtain its sanction in advance, so that the issue may be made afterwards.

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In recent years, there has been a keen controversy in the U.K. over the issue whether it is right to permit companies to have no-par-value shares (n.p.v.). Nothing, however, was heard about this issue in recent months, but it has once again become the talk of the city, following the publication of the report of the Committee, to which the question was referred last year. This Committee has held that there is general support for the no-par-value system, but the trade unions are strongly opposed to it; their representative on the Committee has submitted a minute of dissent. Although this type of shares has been popular both in the U.S. and Canada, it never found favour in the U.K. until a couple of years ago. British financiers and company managements used to consider it as an unorthodox device in company finance. The Cohen Committee (1945), the report of which formed the basis of legislation for the Companies Act, 1948, considered the question, but felt that there was little demand for and considerable opposition to no-par-value shares. But, with labour casting its envious eyes on the reserves of companies and misinterpreting the dividends that were being declared, the system of n.p.v. began to catch the imagination of some and gradually gained many votaries among investors three years ago. In 1952, a private Bill to make the issue of these shares permissible was introduced in the British Parliament, but it was talked out. The demand, however, persisted and early in 1953 the Government appointed a committee, with Mr. Montague-Gedge as Chairman, to consider whether it was desirable to permit the issue of no-par-value shares and, if so, to suggest the safeguards necessary in the public interest. This Committee has, as already stated, now advocated the n.p.v. system.

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In order to appreciate the value of this new device of no-par-value shares, it is necessary to understand the background against which the new system gained more and more adherents. In the U.K., as indeed in this country, there is no lack of ill-informed critics of company finance, company earnings, company reserves and company dividends. The large profits earned by companies during the war and post-war years, have given a new handle to labour propagandists. They seldom realise that, although profits appear large, they are small when the cost of replacing the assets is taken into account. Again, labour leaders make political capital out of the high dividends that are paid to shareholders. They inflame public opinion by drawing public attention to the high percentage of dividends recommended by Boards of Directors. What is conveniently ignored by these propagandists is that the dividends appear large only when they are related to the ordinary share capital, but are really small when they are related, as, in fact, they should be, to the working funds of companies. The real basis of a company's earning capacity does not lie only in its ordinary capital, but in its total working funds, capital (ordinary as well as preference capital, if any), reserves and borrowings. This factor is, however, completely overlooked by labour leaders, to whom any stick is good enough to beat the capitalist with and any distortion of truth is permissible so long as it furthers the fight against capitalists. Again, they turn their eyes away from the fact that to an average investor what matters is not the percentage dividends, as related to the paid-up capital, but its percentage in relation to the market price of the share. To get a correct estimate of the magnitude of a dividend, one has to consider the dividend in the context either of the real value of capital employed in the business or of the market price of the share.

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The device of issuing no-par-value shares (n.p.v. shares), it is held, will prevent the labour propagandists from making political capital out of the so-called 'high' dividends, declared by company managements. When a company seeks to change over from share capital to n.p.v. shares, the shareholder's interest remains what it was. He will receive so many shares of no-par-value instead of the same number of shares of a fixed denomination. Dividends will no longer be expressed as percentage of the paid-up capital, but in terms of money per n.p.v. share. The value of the n.p.v. share will no doubt fluctuate on the Stock Exchange, but there is no question of its being quoted at a premium or discount in relation to its paid-up value, for there is no paid-up value, as such. If a company pays a dividend Rs. 2 on a share which has a paid-up value of Rs. 10, it means a dividend of 20 per cent. This makes labour leaders and others with socialist ideas green with jealousy. It never occurs to them that the share might well be standing at Rs. 50, depending upon the company's financial position and other factors, and that the investor might have bought it at that price and would, therefore, be receiving only 4 per cent. on his investment. But this fact, now overlooked by labour leaders, could be brought home to them, if each share of the company is split up into four n.p.v. shares and a dividend of As. 8 is declared on each such share. Since the n.p.v. share would then be standing at Rs. 12½ (one-fourth of the market price of Rs. 50), the dividend rate would appear at its correct level, namely, 4 per cent. The unnatural and distorted relation between the paid-

(Continued on page 715)

EQUITIES RULE STEADY

SPURT IN SUGARS

(From Our Own Correspondent)

BOMBAY, *8th April*

THE strong bullish activity witnessed on the Stock Exchange in the previous week staged a halt during the week under review. Barring a few counters which attracted speculative attention, equities on the whole moved narrowly on cautious trading occasioned by selling pressure at bulges. Besides factors such as rumours about the Finance Minister's resignation, uninspiring commodity prices, lack of enthusiasm to follow last week's upward trend, disappointment over some of the textile company dividends and end-of-account considerations cumulatively contributed to bring about a restrained activity on the Exchange. However, Indian Irons, in the steel section, Imperials in the banking section, Belapurs, Phaltans, Walchandnagars, Wimcos and National Rayons in the miscellaneous group provided the highlights of the week. The undertone remained steady.

In the steel section, Indian Irons were prominent following active buying from Calcutta on encouraging production figures for March. Thus, the output of pig iron by the I.I.S.Co., Ltd. in that month amounted to 65,000 tons, steel ingots 47,550 tons, and steel 44,560 tons, as against 59,650 tons, 38,360 tons and 32,510 tons, respectively, in the previous month, and 63,100 tons, 42,600 tons and 39,870 tons in January, 1954. The output in March, 1954, constitutes the highest for any month during the Company's financial year just ended, and surpasses the previous highest of 64,510 tons of pig iron, 43,080 tons of steel ingot and 41,740 tons of finished steel obtained in December, 1953. Consequently, the Company's shares witnessed brisk activity with their values advancing from Rs. 29-13 to Rs. 31-2-8 on Tuesday this week. However, on profit-taking, they shaded off to Rs. 30-13½ at the close. Tata Ordinaries hardened from Rs. 189-4 to Rs. 192-8, but closed at Rs. 191.

Minor variations were noted in textile shares, most of which were concerned in profit-taking attracted by high levels seen last week. Bombay Dyeings moved, for the greater part of the week, between Rs. 420-10 and Rs. 426-14, and then spurted gradually to Rs. 431-4 this morning on expectation of a bonus announcement by the Chairman at today's annual general meeting. But they slumped to Rs. 423-2 at the close, on disappointment caused by the Chairman's turning down the shareholders' suggestion in this regard. Kohinoors hardened from Rs. 315-8 to Rs. 322, only to move down to Rs. 318. Central Indias advanced by Rs. 4 to Rs. 180-8. Finlays shed Rs. 4 to Rs. 262, following the disappointing results for 1953. The Company has declared a dividend of 16 per cent. on an increased capital, as against 20 per cent. paid for the previous two years on the old capital. Gokaks lost Rs. 2 to Rs. 271. Laxmis gained Rs. 3-12 to Rs. 523-12. The Company has declared a final dividend of Rs. 27-8 per share bringing the total dividend to Rs. 37-8 for the year 1953, the same as for the previous year. New Greats drifted lower from Rs. 155 to Rs. 131. Simplex were down by Re. 1-8 at Rs. 152-8, while Standards gained Re. 1-4 to Rs. 333-12. Svadeshis were marked lower by Rs. 4-4 at Rs. 303-8. The Company has maintained the dividend at Rs. 16 per share, as against the market expectation of Rs. 18 per share. Swans were well maintained at Rs. 353-12. A dividend of Rs. 20 per share has been declared for the year 1953 on an increased capital, as against Rs. 30 for the previous year on the old capital. Vishnus were down by Re. 1-4 at Rs. 140-10, on account of the lower final dividend of Rs. 4 per share for the past year, as against the correspondent's distribution of Rs. 7 for 1952. No interim dividend was paid for 1953, so that the total distribution for that year amounts to Rs. 4, as compared with Rs. 10 per share.

Imperial Banks provided a feature in an otherwise dull trading in the banking section. Imperial Fully Paids picked up Rs. 20 to Rs. 1,805 and Contributories Rs. 12-8 to Rs. 442-8. Centrals were a shade quiet at Rs. 56, while their New shares were steady at Rs. 59-4. Indias were lower by As. 8 at Rs. 148. Barodas were steady at Rs. 110-4.

Except for Orientals which continued to be in favour, the insurance section presented a quiet tone. Orientals gained Rs. 90 to Rs. 7,850. But New Indias dropped Rs. 2 to Rs. 46, on reports that the Company would again raise its premium rates on whole life policies. Indian Mercantiles lost a rupee to Rs. 40-8. Vulcans were taken As. 2 lower at Rs. 12-10. Empire of Indias were unchanged at Rs 640, as also Industrial Prudentials at Rs. 36-2.

Conditions were quiet in the electricity section, owing to reports that the question of sanctioning a higher standard rate of return to the industry has been postponed. Andhra Valleys, after a rise from Rs. 1,340 to Rs. 1,347-8, dipped to Rs. 1,335. Tata Powers advanced from Rs. 1,491-4 to Rs. 1,463-12, but reacted to Rs. 1,450. Tata Hydros were steady at Rs. 143-12. Ahmedabad Electrics were placed at Rs. 112-8 *ex-div.* (div. Rs. 4), as against Rs. 117-3 *cum-div.* last week. Bombay Suburbans lost As. 10 to Rs. 121-4.

In the miscellaneous section, cement shares presented a very steady front with a slight marking up in values. Associated Cements had a rise of a rupee at Rs. 158-12 and Digvijay of Rs. 2 at Rs. 117. Sugar shares were firm on reports of good prices ruling in the sugar market. After an initial sluggish movement from Rs. 263 to Rs. 261, Belapurs spurted to Rs. 269-8 at the close. Phaltans rose by Rs. 4-4 to Rs. 101-12. Walchandnagars had a spectacular rise of Rs. 15 to Rs. 183-12. Among other industrials, Bombay Burmahs were marked down by Rs. 3-12 at Rs. 418-12. B.I.Cs. were quiet at Rs. 8-7. Polsons reacted from Rs. 137-8 to Rs. 136-4. Premier Constructions broke away from Rs. 130-12 to Rs. 128-4 on bull liquidation. Scindias staged a rise from Rs. 18-1½ to Rs. 18-6½ early in the week, but slowly moved down to finish at Rs. 17-13. National Rayons advanced by Rs. 3-8 to Rs. 168 on optimistic expectations about the current year's working. Shivrajpurs scored a gain of Re. 1 to Rs. 75. Tata Chemicals were steady at Rs. 14-10, while Tata Oils were a shade quiet at Rs. 37-4. Wimcos were in good shape with a rise of Rs. 6-4 to Rs. 211-4.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA *7th April*

With a moderate increase in the volume of transactions, the Calcutta Stock Exchange witnessed steady conditions during the week under report. Engineering shares accounted for impressive rises with Indian Irons pushed to the forefront. The chief reason for the buying spree noticed in engineering scrips is the improved outlook for the engineering industry resulting from the allotment of large funds for development this year. Production in Indian Irons has been showing good improvement since resumption of full work a few months ago, and the general expectation, in market circles, favours a higher dividend for the current accounting period. As a long-term investment, Indian Irons bear a definite attraction, in that the yield percentage, which is now about 3.3, is bound to increase markedly in the next few years following expansion of output. Miscellaneous shares also moved up, since prospects for industries are considered good. Activity this week would have shown further broadening had it not been for the rumours regarding resignation of the Finance Minister from the Central Cabinet shortly.

The market took note of the American Government's decision to increase stockpiling, and speculators did not hesitate to put it to good use. Jute shares no longer occupy the first place, as they once used to, on the Calcutta Stock Exchange. However, jute goods looked up this week, but if this trend only continues for over a period, a change in sentiment in jute shares can also be expected. General investment support was given to tea shares, and inspiration for purchasing these counters at higher prices came from recent announcements of bonus issues and the expectation of further such announcements.

In active trading Indian Irons were pushed to Rs. 30-11 from Rs. 29-7. After this, a small decline to Rs. 30-4 was recorded. This proved only temporary as in the last two sessions a recovery set in, raising the quotation to Rs. 31-3. The closure today was at Rs. 30-14. The management of the Company has announced that March production comprised 65,000 tons pig iron, 47,500 tons steel ingots, and 44,560 tons of semis and finished steel. Among other counters, Indian Standard Wagons were taken to Rs. 80 from Rs. 66-8, although subsequent profit-taking reduced the gain to Rs. 77. At Rs. 19-10, Indian Galvanisings scored a three-point rise, Kumardhubis being fractionally higher at Rs. 10-1. Burn & Cos. were as high as Rs. 190 and Jessops changed hands at Rs. 28-12. Texmacos were sought at Rs. 11-5, and Marshalls gained to Rs. 7-4 from Rs. 6-8.

In quiet trading in jutes, Howrahs were taken at between Rs. 24-4 and Rs. 24-13, and Kinnisons were a shade higher at Rs. 193. Deltas gave way to Rs. 243 from Rs. 248, and Ganges to Rs. 70-8 from Rs. 72-8. At Rs. 141-8, Baranagores accounted for a loss of Re. 1-8.

Considerable attention was shown to miscellaneous counters, where most shares looked ahead. F. & C. Oslers spurted first to Rs. 14-11 and although at one stage of subsequent trading the rate receded to Rs. 13-15 on profit-taking, recovery followed soon to firm up the quotation to Rs. 14-11. Dunlop Rubbers were earlier taken at the higher rate of Rs. 36-2, while Martin Burns moved to Rs. 20-12 from Rs. 20-4. Still another feature was Metal Boxes which had buyers at Rs. 17-8 as against Rs. 16-10 previously. At Rs. 14-3 Calcutta Electrics were higher by As. 7, while Rohtas Industries lost to Rs. 14-3 from Rs. 14-6, and Bararee Cokes changed hands at Rs. 18-12.

Shares of paper mills were wanted at higher rates. Shree Gopals spurted to Rs. 24-8 from Rs. 22-8 to close firm at Rs. 24 today. India Paper Pulps were steady at Rs. 193. Stars were fractionally higher at Rs. 10-6. From Rs. 16-8 Orients New advanced to Rs. 17. Orients Old moving from Rs. 16-11 to Rs. 18-9. Titaghurs were transacted at Rs. 39-12. Among sugar mills, Darbhangas had buyers at Rs 14-4, as against Rs. 13-4 previously following the publication of satisfactory working results.

There is a feeling that the display of strength in recent weeks in the tea section has been far too much. Although prospects for tea gardens are good, the rates have advanced so much that operators preferred to be cautious this week. That was why trading was selective, and attention was paid to those counters which had not accounted for so much volume of business, as those which had added substantial gains. Thus Duffiaghurs moved to Rs. 43-2 from a previous rate of Rs. 39-4, Belgachias to Rs. 30-2 from Rs. 27, and Nagri Farms to Rs. 23-4 from Rs. 22-12. At Rs. 62-8, Rydaks scored Rs. 3-8. Hasimaras changed hands at Rs. 34-14, Choonabhutis at Rs. 324 and Brooke Bonds at Rs. 12.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *6th April*

The Madras Stock Exchange presented a comparatively uninteresting appearance this week. In the absence of any encouraging developments, price fluctuations were limited to a narrow range and there was a sprinkling of both gains and losses in certain select scrips. One notable feature of the week, however, was the further mild upward trend in tea scrips on broadened enquiries for tea leaves from abroad. Rubber and coffee shares also came in for some support, on expectations that the proposed agricultural income-tax would be only nominal. But miscellaneous scrips were generally easy.

The textile section came in for scattered enquiry. Rajalakshmis and Cannanores put on Rs. 2 each to Rs. 107-8 and Rs. 95, respectively. Saradas gained Re. 1-8 to Rs. 65. Rangavilas and Vasantas were each done Re. 1 higher at Rs. 50-8 and Rs. 177 *cum-div.*, respectively. Radhakrishnas, Rs. 100 paid-ups, however, lost Rs. 2-8 to Rs. 159 and Buckinghams Re. 1 to Rs. 138-8. Bangalore Woolens were lower by As. 12 at Rs. 401-4 and Coimbatore Spinnings As. 8 at Rs. 43. Combodias were done at Rs. 12-12 *cum-div.*, as against Rs. 12-10 *ex-div.* The directors have declared a lower dividend of 7½ per cent. (tax-free) on ordinary shares, for the year ended 31st December, 1953, as against 10 per cent. (tax-free) in the previous year.

Among plantings, teas were again in the limelight. Peermades gathered As. 8 to Rs. 35-4 *cum-div.* and Haileyburias As. 4 to Rs. 16-8. United Nilgiris rallied Rs. 3 to Rs. 200. Highland Produce and Nonsuch Tea put on As. 2 each to Rs. 12-8 and Rs. 33-2. Alageswar and Blue Mountain were all fractionally higher at Rs. 1-13½ and Rs. 2-15½, respectively.

Rubbers came in for moderate enquiry. Travancore Rubbers advanced by As. 4 to Rs. 15-8 and Athimattam As. 2½ to As. 14. Cochin Malabars gained As. 2 to Rs. 7-1 and Nenmeny an anna to Rs. 10-9. Rajagiris also improved by an anna to Rs. 11-7. Shevroys were fractionally higher at Re. 1-8½. Vaikundam, however, lost As. 4 to Rs. 16-8.

Coffee scrips too came in for some support. Consolidated Coffees shot up by As. 10 to Rs. 10-2. Coffee Lands were higher by an anna at Rs. 10-2. Mysore Coffees were better at As. 15. But Puthuthotams were quoted quiet at Rs. 3-5.

In the miscellaneous section, Indian Aluminium lost Rs. 5 to Rs. 120 and Rallis Rs. 2-12 to Rs. 54-8. India Cements eased by As. 8 to Rs. 18-4. Mettur Chemicals declined by As. 3 to Rs. 8 and Ogale Glass As. 2 to Rs. 2-12.

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NEWS IN BRIEF

THE Golden Jubilee Week of the Bombay Provincial Co-operative Institute will be inaugurated by Mr. Jawaharlal Nehru, India's Prime Minister, on 11th April.

The next meeting of the Import Advisory Council will be held at New Delhi on 15th May, 1954. The Export Advisory Council will meet on the following day.

The Central Tractor Organisation of the Government of India has reclaimed more than 10,00,000 acres of land, since its establishment in 1947.

The Government of India has reduced the selling prices of tinplate by about Rs. 50 per ton, with effect from 1st April, 1954. The reduction has been rendered possible mainly by the fall in the prices of tin during recent months.

According to an announcement made by the Joint Chief Controller of Exports, Bombay, on 3rd April, the export of mercury chloride will be licensed freely on shipping bills against prior registration of sales. The export of mercury oxide and mercury sulphide would, however, continue to be banned. As against consignments already covered by shipping bills passed before 9th March, 1954—when the ban on exports of mercury oxide and sulphide was imposed—exports will, however, be permitted within the validity period of the licence endorsed on the shipping bills.

Air-India International has started a turnround service of its Constellation flights, with effect from 1st April. Under the new arrangement, the London-Bombay service will be extended to Calcutta. After re-fuelling at Calcutta, the plane will again take off for Bombay *en route* to London with West-bound passengers. Hitherto, Air-India International was operating separate Bombay-Calcutta Constellation service, which would reach Calcutta with overseas passengers bound for Calcutta early on Monday morning and leave for Bombay again on Tuesday morning. This new system has been adopted as a temporary measure for two months.

In a resolution adopted this week, the Congress Working Committee states that the stage has been reached when experience gained and the difficulties met with in recent years should be studied carefully and objectively with a view to evolving a national programme for the fulfilment with the widest possible public support and as speedily as may be feasible, of the directive of the Constitution. To this end, the Committee has suggested that the Planning Commission may make recommendations to the State Governments after collecting data and arranging for a full study of the subject in all its aspects by a committee appointed for the purpose.

The Government of India has reviewed the export policy of manganese and iron ores from the port of Calcutta in the light of the availability of wagons and the accumulation at the port of Calcutta. Since substantial quantities of these ores from the previous allotments still remain to be transported, it has decided to extend the period of validity of the quota-slips for purposes of allotment of wagons upto the end of April, 1954. In view of the accumulation of the ores at the port of Calcutta, it has also decided to give and take consideration to requests for the grant of supplementary export licences for the export of quantities in addition to the quotas already allotted. These requests will be entertained only from shippers and mine-owners, who have completed shipments against previous allotments and who do not require any transport facility for the additional quantity applied for.

Two more Indo-U.S. operational agreements were signed on 4th April, 1954, under the Indo-U.S. Technical Co-operation Programme. One provides for a contribution of $1.95 million by the U.S. to assist the implementation of a long-range project, already under way, for expansion and modernisation of aeronautical ground services and facilities in India. The U.S. contribution will be used chiefly for the procurement of equipment from outside India. India's contribution is Rs. 6.03 lakhs and it will be used for the cost of inland transport and handling of equipment supplies, acquisition of real property, etc. The other agreement relates to a project which will serve as the initial nucleus for a national water-supply and sanitation programme with the object of reducing the incidence of water- and filth-borne diseases. The U.S. expenditure will be $3.1 million covering the procurement of water-drilling rigs, pipes, other supplies and equipment as well as for their transportation to India. India's contribution is Rs. 10.5 crores and this will be spent on establishing and maintaining public health engineering organisations at the Centre and the States, training of engineers and other sanitation personnel and on procurement of equipment and supplies needed.

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From Abroad

The total output of stainless steel in the U.S. during 1953 was 1,015,303 tons. The use of this steel has increased in automobile and architectural industries.

Aerial photographs taken by a British air survey company are being used to plan a 350-mile pipeline for carrying natural gas from Sui (Baluchistan) to Karachi.

Hungary will exhibit machine tools, agricultural machinery, electrical and tele-communication apparatus, textiles, porcelain and gold and silver ware at the International Trade Fair to be held in Paris in May.

One-third of the world's population, that is 180 million families, is without adequate housing, according to the 37th annual report of the International Labour Organisation. About 30 million of these families are stated to live in industrially advanced countries.

The quantity of yarn processed by the Dutch cotton, rayon and linen industries in 1953 was 70,538 tons, which represents a rise of 17 per cent. over 1952. Exports of cotton, rayon and linen amounted to 30,345 tons, as against 29,345 tons.

The insurance companies in Canada sold $2,555' million worth of business in 1953, an increase of 11.7 per cent. over 1952. Of this, ordinary insurance accounted for $1,921.5 million, industrial insurance for $151.5 million and group insurance for $482 million.

The sugar factory established in Abyssinia by the Amsterdam Trading Company is expected to commence production shortly. The ultimate rate of output is planned at 1,200 tons of sugar per month which is expected to cover Abyssinia's requirements.

The Government of France has granted credits of Frs. 20,000 million to Turkey for the establishment of industries. Out of this amount, Frs. 10,000 million will be allocated to public works, Frs. 6,000 million to private enterprise and the rest to various businesses.

The unemployed population in the U.S. in March, 1954 was 3,725,000, as against 3,671,000 in the previous month. The number of idle workers having unemployment compensation insurance as on 13th March, 1954, was 2,187,100, as against 2,213,959, the peak figure for this year touched on 27th February.

The Indonesian Government has taken new import measures aimed at the gradual elimination of export houses in Holland by establishing direct contacts with exporters in the countries from which Indonesia imports. At present, a very large part of Indonesia's trade with Europe is being carried on through Dutch merchant houses.

The oil industry in the U.S. is expected to spend during 1954 a record $2,860 million on new plant and equipment. This amount represents an increase of 4 per cent., as compared with 1953. The expenditure accounts for over 10 per cent. of the aggregate capital outlay of $27,200 million by U.S. business as a whole on new industrial and trade facilities.

A polyster resin (AR 493) which withstands continuous temperature up to 150° C. and which has good resistance to chemical attack has been developed by the General Electric Company of the U.S. The resin, it is claimed, can be used in the manufacture of glass cloth laminates which may be exposed to even higher temperatures (up to 250° C.) for short periods.

The U.K. Government has simplified the foreign exchange control measures. Accordingly, exports upto the value of $25 now need no exchange control forms (Form C.D. 3). For exports valued at £25 to £250, a new single sheet form (C.D. 3 x) is to be introduced as soon as possible. The requirement that exporters have to produce bank certificate to prove that the exchange earned by exports has been surrendered has also been dispensed with.

The U.K. shipbuilding employers and trade union leaders have agreed to end a ten-month old pay claim dispute on the basis of a 6 per cent. wage rise. The decision which follows an identical offer of an increase in the wages of 3 million engineering workers puts an end to U.K.'s most prolonged and extremely bitter post-war industrial dispute. The total number of engineering and shipbuilding firms involved is 5,000 and the extra wage bill, as a result of the 6 per cent. increase, is estimated at £70 million.

In September, 1953, the Union Bank of Burma (Exchange Control Department), Rangoon had issued instructions to all authorised dealers in foreign exchange that their correspondents overseas should be instructed not to negotiate any drafts or bills relating to imports into Burma, unless the relative shipping documents were accompanied by a survey report furnished by an official surveyor or a firm of official surveyors in the country from which the goods were consigned. The Union Bank of Burma has suspended the enforcement of these orders for the time being.

The Fiscal Reform Bill, now on the anvil of the French Parliament, seeks to provide "considerable" tax relief to individuals and enterprises. The tax-exempted net income of bachelors is proposed to be raised from Frs. 180,000 to Frs. 220,000 per annum and that of married couples from Frs. 360,000 to Frs. 440,000. In addition, salary and wage earners will benefit from an additional 10 per cent. allowance—over the existing 10 per cent.—which is deducted from the gross wage or salary for the purpose of calculating income-tax. Investments by enterprises, including purchase of tools, are to be completely exempted from production tax; at present, only 50 per cent. is exempted. This is expected to result in a saving of 16 per cent. in the cost of investments. The company profits tax, however, is proposed to be enhanced from 34 per cent. to 36 per cent. Another notable provision in the Bill relates to the replacement of the existing production tax by a tax on the increase in value which results from a manufacturing process.

PERSONAL

MR. R. E. Isar, I.C.S., is likely to be appointed India's Deputy High Commissioner in Colombo.

Mr. S. Nilakantan, Deputy Secretary in the Ministry of Labour, has taken over charge of the post of Chief Provident Fund Commissioner.

Mr. K. Balasubrahmanyam, Manager and Actuary, Bombay Life Assurance Co., Ltd., has been elected President of the Indian Life Assurance Offices' Association.

Mr. P. L. Saraogi, M.L.C., has been nominated by the Government of India as a Commissioner of the Port of Calcutta. He represents the Bharat Chamber of Commerce, Calcutta.

Mr. P. N. Talukdar, Managing Director of Messrs. N. R. Sarker & Co., Ltd., Calcutta, has been elected Vice-President of the Bengal National Chamber of Commerce for 1954.

Prof. D. G. Karve, Director of the Programme Evaluation Organisation of the Planning Commission, has been appointed Director and *ex-officio* Member-Secretary of the Indian Institute of Public Administration.

Mr. B. G. Kher, India's High Commissioner in the U.K., has returned to India on two months' leave. Mr. M. J. Desai, I.C.S., Commonwealth Relations Secretary in the Ministry of External Affairs, is likely to act as the High Commissioner in his absence.

Mr. Herbert Hoover (Jr.), Oil Consultant to the American State Department, has arrived at Teheran from London after a long conference there with major companies negotiating for the formation of a consortium for managing and marketing Iranian oil.

Mr. Homi Mody, a Director of Tatas, has been elected Chairman of the Textile Association (India) for the year 1954. Mr. G. N. Vaidya has been elected President. Mr. J. J. Randeri, Honorary Secretary, Mr. C. R. Srinivasan, Joint Secretary and Mr. G. K. Ved, Treasurer.

Mr. R. N. Bangur has been elected President of the Bharat Chamber of Commerce, Calcutta, for the year 1954. Mr. G. K. Khemka and Mr. D. N. Jalan have been elected as Senior Vice-President and Junior Vice-President, respectively of the Chamber.

Mr. D. N. Ross and Mr. D. O. F. Barnett, two officials of the Firestone Tyre and Rubber Co. of India Ltd., left for the U.K. this week on a two-month advanced training course in the Firestone Factory at Brentford, England, under the Company's technical training programme of Indian personnel.

Mr. A. D. Shroff, a Director, Tata Industries Ltd., who had been to the United States in connection with the establishment in India of an Industrial development bank in collaboration with American financiers and the World Bank, returned to Bombay early this week via London.

Mr. Murarji J. Vaidya has been elected Chairman of the All-India Manufacturers' Organisation for 1954. The other office-bearers of the organisation are: *Vice-Chairmen* (Bombay zone): Messrs. H. P. Merchant and Prabhu V. Mehta; *Vice-Chairman* (Eastern zone): Prof. S. K. Roy; *Joint Hon. Secretaries*: Messrs. S. M. Dahanukar, N. S. Pochkhanawala and D. M. Desai; *Hon. Treasurer*: Mr. B. D. Somani.

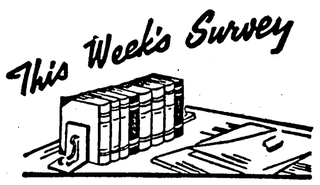
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *13th April*

The Magic Carpet

The first Indian air mail landed in India at sunset on Saturday last. The plane was three hours late on account of a delay caused by a sandstorm in Iraq. A large crowd cheered the arrival of the machine which made a perfect landing. The mails from England, having been transferred to a Post Office tender, were rushed to the office for distribution. Distinguished air chiefs travelled on the plane, and every night they slept in a different country, and in just over seven days after stepping on board at Croydon, they disembarked on the hot and sandy aerodrome at Drigh Road, Karachi. There were last minute anxieties and a change of direction owing to international complications, but when the original route is again flown it is hoped that the passage will be accomplished in a fraction more than six days. India will indeed be supine, if she does not realise that a new and vast commercial possibility is about to be opened out by this modern "magic carpet" of Baghdad. The great universal highway overhead, with no vast harbour works to construct, no expensive canals to excavate and with no miles of permanent way to be tested and relaid—will now be opened out throughout the world. The extension to Australia will soon be here and a branch line to South Africa is also promised. Age-old barriers will soon be broken down, and different races should be the better able to understand one another. The record of the Imperial Airways in the past shows that flying is safe; at least, it can be made as safe as any other form of transport today. Machines are now being built which are as easy to handle as modern motor cars, and the slotted wing makes them almost "fool-proof." In fact, experienced pilots will tell you that such accidents as do happen are due to what is called "faulty ground-work," or some mechanical defect which ought to have been traced and remedied before the machine "took off." It is to be hoped that, in India, Government will lose no time in putting into operation various air schemes that have for long been under consideration.



TAX EVADERS

THERE is a species of business men in India who resort to all possible means of evading the taxes due to Government. To say that they deserve utmost condemnation is to put the matter mildly indeed. Whether their activities are a hangover of that unfortunate chapter in Indian history when a "no-tax" campaign was regarded as a patriotic movement or an aftermath of war-time inflation, in which the first casualty was commercial rectitude, there is no denying the fact that successful evasion of legitimate taxes has inflicted serious damage not only to the country's finances but also to the reputation of private enterprise itself. Further, it has an adverse effect on the general business integrity. Thus, it has made even the honest taxpayer feel very often that it pays not to pay taxes. Its damaging effect on the country's economy will be evident from the fact that, if taxes were honestly paid, there would perhaps be much less need for fresh taxes.

It is now seven years since the Income-tax Investigation Commission undertook to unravel the mystery of tax-dodgers' activities. As case after case began to yield to the searching examination of this powerful and conscientious body, it became clear that tax-evaders had country-wide ramifications and that it would require uncanny patience, time and energy to bring to the surface all the income concealed from the eyes of the law. That the Commission's efforts have been crowned with success is clear from the fact that the total amount of concealment reported during the last six years ended 31st December, 1953, aggregates Rs. 46 crores. It has disposed of 1,031 cases out of the 1,668 referred to it. The following table shows the progress of the Commission's work:

(In lakhs of rupees)

Year ended	No. of cases disposed of	Report basis	Settlement basis	Total amount of concealment reported
1948 ..	4	4	...	4
1949 ..	101	1,32	1,56	2,88
1950 ..	232	2,08	6,03	8,11
1951 ..	320	31	17,81	18,12
1952 ..	206	1,69	9,20	10,89
1953 ..	168	20	5,72	5,93
Total ..	1,031	5,64	40,32	45,97

It will be seen from the table above that the Commission disposed of a smaller number of cases in 1953 than it did in 1952 or in either of the two previous years, 1951 or 1950. However, the Commission is not, as the figures would suggest, less energetic than it was formerly. The fall in the number of cases disposed of by the Commission, is attributed to its policy of concentrating on selected cases, which "were important from the point of view of revenue and otherwise." It was also due to the fact that the assessees were in a position to contest the cases "inch by inch with the assistance of the best legal brains available in the country." Again, since the Commission's life would have normally ended in 1953, the assessees were interested in seeing that their "cases were not disposed of within the year." The Commission's life has fortunately been extended for another two years.

The Commission has shown that it is worth its price. In 1952, the cost of the Commission was only 1.3 per cent. of the tax demand levied. This is, in fact, less than the cost of the regular Income-tax Department where the cost is 1.7 per cent. The overall average cost of the Commission upto the end of 1952 is 1.36 per cent. of the tax involved. It must, however, be noted that it is no part of the Commission's work to collect the taxes. Once the Commission decides the amount of tax to be recovered from a party, its work ceases, and actual recovery of the tax becomes the responsibility of the Income-tax Department. It would appear that, out of a total tax of about Rs. 24.5 crores that was levied on the basis of the Commission's reports up to the end of 1952, a sum of Rs. 8.85 crores has been collected by the Government. The total expenditure on the Commission, during this period, was only Rs. 33 lakhs. The cost of the Commission has thus been covered 25 times over by actual collections. Indeed, the collections would have been still better had it not been for the policy of the Commission and the Government to allow the "payment of the tax by easy instalments so that the assessees may be in a position to pay up the same without serious detriment to the industries in which they are mostly engaged."

Apart from the immediate monetary gain which the Commission's work has yielded, there are other notable advantages which flow from its inquisitional proceedings. The Commission has been able to establish as to which "items of incomings had been omitted or reduced and which items of expenditure had been inflated." Again, since account books were not always available, the Commission had to determine evasion on the basis of assets or other investments outside the account books. All this knowledge will stand the Department in good stead when it is called upon, in future, to deal with similar cases. Even now, the Commission is not certain that it has unearthed all the income concealed by the men concerned. It has, therefore, rightly made a reservation that, if other items of concealment were to come to light subsequently, the Commission or the Department would be free to tax such income.

NEW TEA BOARD INAUGURATED

Last week-end saw the inauguration in Calcutta of the Tea Board, constituted under the Tea Act, 1953, which came into force from the 1st inst. The Board was inaugurated by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, who was primarily responsible for piloting successfully the Tea Bill in Parliament last year. The meeting of the Board was presided over by Mr. K. C. Basak, I.C.S., Chairman of the Board. The Central Tea Board Act, 1949, and the Indian Tea Control Act, 1938, having been repealed and replaced by the Tea Act, 1953, it has fallen to the lot of the new Tea Board to perform the dual functions, namely, the propaganda and cognate activities, on the one hand, and the control over production and export, on the other, done hitherto by two separate bodies. It is said that the new Board should be able to perform better the two functions, as they are, in fact, complementary to each other. But it remains to be seen whether, in actual practice, this expectation will materialise.

The Tea Board is not only invested, with enlarged powers and functions but is also a widely represented body, being manned by as many as 40 members (besides the Chairman), six of whom represent the Governments of the principal tea-growing States and 13 represent owners of tea estates and gardens and growers of tea. Persons employed on tea estates and gardens are represented by seven members and dealers, including both exporters and internal traders of tea, and manufacturers by another five members. Consumers and other interests are represented on the Board by seven members. Two members represent the Union Parliament. Of the total of 40 members, only 36 members, including the Chairman, have so far been appointed by the Government.

A feature of the Board is the inclusion of the Manager of the Reserve Bank of India, Calcutta. The Government feels that his advice in the matter of financing the tea industry will be of immense benefit to the Board. Another feature is the presence of two ladies in the body. The "special experience in the domestic sector" of the two ladies is sought to be utilised for suitable methods of propaganda. Their representation on the Board was humourously justified by Mr. Basak, in his welcome speech, on the ground of the "effectiveness of the feminine touch where other methods of persuasion fail." The third feature is the increased representation given to labour. Thus, the latter has seven representatives, as against three in the old Board. Referring to this, Mr. Basak expressed the hope that, with such a large representation of labour, the Board would afford an opportunity to the employers and employees in the tea gardens to present their respective points of view before the Board and arrive at a quick settlement, so that, in future, strikes and lockouts would be fewer and the chances of protracted and inconclusive discussions in bipartite or tripartite conferences would be greatly reduced. It was with this object in view that the Government included in the Tea Act, 1953, labour welfare as one of the functions of the Board. This function had not been expressly included in the old Central Tea Board Act; the c.t.b. was merely authorised, under a special rule, to expend from the Board's funds on labour welfare.

One of the important functions of the Board is to control production and distribution of tea waste, with a view to improving the quality of tea. The need for such a control is imperative, now that no industry, least of all the tea industry, can count upon a sellers' market. The industry has, no doubt, achieved some improvement in quality, thanks to its voluntary efforts since 1952-53. This should be preserved and improved, if Indian tea is to continue to command a wide market in the world. Mr. Basak disclosed that the Government would soon promulgate the Tea Waste (Control) Rules for this purpose.

Mr. Krishnamachari did well to allay the fears entertained in many quarters that, with too much Government control, the new Board would have little freedom of action and opportunity for service. He said that his only object was "to devise an instrument which could more effectively, than before, serve the interests of the industry, trade, labour and consumer." For this, he said, a close association of the Government was necessary and, indeed, was inescapable. He, however, assured his critics that it was not his intention to run this body as if it was a mere Government department.

Mr. Krishnamachari called for the adoption of an active and forward policy of development and suggested to the Board to prepare a plan of work for the next three years, the term of office of the Board, and indicated the lines on which they could work. In the first place, he emphasised the maintenance and improvement of the quality of tea, actually grown, manufactured and processed, as also of standards in packing at all stages, with the object of serving the consumer in India and abroad. Secondly, he thought the Board could devote some attention with profit to the expansion of the home market, which offered a potential field. In this connection, he pointed out that (1) the *per capita* consumption in India was very low, (2) competing beverages were few, and (3) tea continued to be the cheapest beverage. He invited the attention of the Board to the listless manner in which propaganda was being conducted in India. Properly organised and directed, the internal consumption could, he felt, be stepped up within a short period. An increase in this consumption would also provide a greater incentive to the producer, as there was always competition in foreign markets.

Mr. Krishnamachari urged the Board to devote its attention to strengthening the economic position of small estates. Small producers, particularly those who entered somewhat late, have many handicaps and little resources with which to overcome them. He said that consolidation of holdings or some form of co-operation was worth careful study. Though the proposed Plantation Enquiry Committee would make a comprehensive study of all the plantation industries, he did not like to postpone the study of this problem till the Committee submitted its report. Finally, he invited the Board's attention to the question of expanding the area under tea. While other tea producing countries are extending the land under tea to the extent allowed by the International Tea Agreement and new areas, outside the range of the I.T.A., are being brought under tea in some parts of the world, India has not even taken advantage of the limited scope to this end afforded by the I.T.A. He, therefore, asked the Board to give some attention to this aspect of the future of the Indian tea industry.

The economy of Indian tea depends very largely on the consumer abroad and its stability likewise is dependent on the fortunes of the overseas consumer. It is, therefore, important that the foreign markets should be preserved and developed. In this connection, Mr. Krishnamachari mentioned that the Government's attempts at conducting propaganda for tea in collaboration with tea interests abroad were bearing fruit.

The Board has a difficult problem to solve. It must ensure that tea continues to maintain its position as a leading foreign exchange earner and at the same time lay the foundation for an expanding domestic market which could absorb the shock of any possible disturbances in the overseas market. This will call for considerable powers of judgment and skill in adapting to new situations as they develop.

ROLE OF CHARTERED ACCOUNTANTS

Dr. Rajendra Prasad, President of India, did well to urge the Chartered Accountants, in his address at the opening of the new building of the Institute of Chartered Accountants at New Delhi last week, to maintain the independence and integrity of their profession. This is, indeed, a wholesome and pertinent advice. Correct accounting and efficient audit are as much an essential adjunct to good business administration as they are a valuable safeguard for investors. As Dr. Rajendra Prasad pointed out, the profession of chartered accountants provides the first line of defence to the unwary public against "money grabbers and opportunists." And he rightly warned: "The confidence of the public in even reliable and well-managed business undertakings would be greatly undermined, if unscrupulous persons were allowed, without let or hindrance, to manipulate company accounts or otherwise indulge in malpractices only to serve their own ignoble ends."

With the increasing tempo of economic activity in India, a heavy and onerous responsibility has devolved on the chartered accountants. They are, as Mr. S. Vaish, President of the Institute, pertinently remarked, being called upon to assume fresh responsibilities in the fields of management accounting, budgetary control, financial planning, industrial organisation and other allied spheres. Their position as tax consultants, the assistance which the State expects from them in making and computing assessments, and their role as auditors of co-operative enterprises, religious, educational and charitable institutions, endowments and trusts, and societies catering for social welfare, Mr. Vaish said, made their contribution to public welfare a substantial, though an unostentatious, one.

The foregoing brief account admirably indicates the vital role which the profession of chartered accountants plays in the country's economic set-up. There is, therefore, no exaggeration whatever in the statement of Mr. Chintaman D. Deshmukh, Union Finance Minister, made in the course of his address at the reception given by Mr. Vaish in connection with the first All-India Conference of Chartered Accountants, that he could not imagine anything more essential than proper accounting and auditing in the conduct of the affairs of the nation. In his characteristic way, Mr. Deshmukh observed: "It (the profession) may not be a most imposing thing, but it is certainly like a lubricating oil. If it fails, you will head for bankruptcy or provoke discontent among the people." The Finance Minister rightly stressed the need for a high standard of rectitude in the auditor's profession. To quote him: "I have no doubt there is no discipline which is so effective as self-imposed discipline. I have never believed in discipline being imposed from above. I am equally convinced that, as nothing succeeds like success, the more successful you are in exacting standards of rectitude, the easier will you work be."

A heavy responsibility lies on the Chartered Accountants Institute, for it enjoys a wide measure of autonomy. It is charged with the triple function of formulating a code of ethical standards and professional conduct for its members, ensuring proper training to prospective entrants, and conducting examinations qualifying for membership of the Institute. It has, at present, on its registers about 2,700 members, 1,750 articled clerks and 1,250 audit clerks. But this number is bound to increase with further development of Indian business and industry. When that comes about, people will naturally expect the Institute to give the country auditors and accountants, whose professional efficiency and business integrity are above reproach. It is to be hoped that the new building of the Institute of Chartered Accountants of India will house, as Mr. Deshmukh said, "all that is noble and dignified in the profession."

(*Concluded from third column*)

overt threat, it is easy to imagine that the suggested amicable settlement could be nothing short of a surrender to the demands of the landholders.

Perhaps, as there is a sugar shortage in the country and the dreaded buyers' market has not yet been established in relation to this commodity the factories might consider discretion as the better part of justice and decide to give in to this demand, at the same time adding a little to the price of sugar to cover this political levy. What I am intrigued about, however, is not the fact that we consumers shall be called upon to pay the price of the landholders' votes, but whether the Party in power will win all the votes of the grateful landholders. I suspect that it will be diddled out of a large block of these by its rivals, the socialists and the communists, who were earlier on this stretch of water for fishing. Mr. Hirey, to my mind, is too shrewd a public man not to know that public memory is short and gratitude seldom sways votes in elections.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

THERE is nothing more pathetic and baleful for our young democracy than the wail of a seemingly powerful Minister of the Government, about his helplessness regarding the implementation of a policy, which he regards as of fundamental importance. Last Sunday, Bombay witnessed a fresh demonstration of this humiliating love for office, when Mr. V. V. Giri, Union Minister for Labour, proclaimed, at a reception arranged in his honour, by the Bombay branch of the Indian National Trade Union Congress, that adjudication was his enemy No. 1 and confessed, at the same time, his abject surrender to this enemy. The defence that he tried to put up for this easy acquiescence was even more depressing, because it betrayed a complete misapprehension about the very basis of democracy on the part of one, who cannot easily be forgiven for such gross misconception about political democracy.

Those who have followed Mr. Giri's career as Labour Minister, since he joined the present Government of India, would be inclined to agree with me that, though he came roaring like a lion, he remained to purr like a domestic pet of the feline species. In fact, Mr. Giri has been tamed and domesticated by office even to a greater degree, because he has allowed himself to be reconciled to a complete abandonment of his most cherished convictions so far as acting on them is concerned. While some compromise here and there on minor aspects of principles or details has always been recognised as a political necessity, no politician worth his salt sloops so low while in office as to trample upon his own principles and to be cajoled or bullied by others to pursue policies which cannot be reconciled to them. For a responsible Minister placed in such an unfortunate position, the Constitution provides an honourable exit by way of resignation of his office. This is a familiar, if not frequent, aspect of political history in all properly established democracies. Perhaps, we in India have still to learn this elementary lesson that office should never outweigh principles.

That Mr. Giri does not regard adjudication as a mere detail of the machinery designed to adjust employer-employee relations is clear from the vehemence with which he condemned it as his enemy No. 1 and asserted that, left to himself, he would scrap it at the earliest possible opportunity. Opportunity he had in plenty, which he has persistently neglected. It is poor defence for a man of his record and position to plead that he was forced to acquiesce in adjudication, because the workers themselves wanted it and that as a democrat he had to bow to their desire. It must be a poor kind of democracy where the Government allows itself to be overruled on an important issue of policy, because one party to that issue and only one section of the public petulantly insists upon having something which, in the opinion of the Minister responsible for the subject in question, is patently injurious both for it and for the country as well. This sounds ominously not like democracy but like repudiation of its responsibility by the Government and surrender to the dictates of a group, which can afford to be obstreperous and aggressive. To put it very crudely, one fine morning, the workers might take it into their heads to ask that all employers be forthwith beheaded; I suppose the democrat in Mr. Giri would feel like humouring them in this, though he might agree to this demand only reluctantly.

For a long time, I have felt the need for a clearer conception of the duties and responsibilities of the Labour Ministers in the Central and State Governments. It seems to have been tacitly taken for granted that they are there not as representatives of the people charged, along with other Ministers as a team, to run the administration in the best interest of the country and to hold a fair and just balance between a number of conflicting interests, but as special advocates and partisans of manual workers in industry and agriculture. The Ministers for Industry, Commerce and Finance, for instance, do not regard themselves in a similar light. You will never hear an Industry Ministry saying that a certain policy was good according to his conviction for the economic welfare of the country, but that he was helpless because the industrialists wanted something opposed to this. If he did, he would be hounded out of office in no time.

One can both understand and appreciate the solicitude of the Government, in general, and the Labour Minister, in particular, to improve, in every possible way, within the resources of the country, the lot of workers and to secure their welfare. But this legitimate solicitude can in no circumstances justify either the deliberate sacrifice of the just claims of other sections of the community and the community as a whole or a surrender to the whims even if they be inconsistent either with their own long-term interest or the safety and well-being of the country. There is a wide and clear distinction between making efforts to raise the standard of living of workers and giving in to them willy-nilly to retain their support at the polls. Democracy should never be degraded to mean purchase of votes with patronage and concessions to groups commanding a large number of these.

Fishing for Votes!

One should not be surprised if a swarm of greedy flies gathered round a cube of sugar. I doubt if we humans, in spite of our boasted superiority in the scale of evolution, differ materially from the lower orders of creation. When a man comes into some money or makes it, he is besieged by a crowd of poor relations, who took no notice of him in the days prior to his attaining affluence. I gather that something of the sort is happening to the sugar industry in the country. During the lean years, when it was struggling and sweating to keep down its losses, it was tactfully let alone to carry the burden. Now, when it finds itself in a position to have a good margin, every one who can dig up some kind of genealogical tie with it, is eager mercifully to lighten the burden of this margin, by proposing to carry a part of it himself.

One can understand the Governments stepping up their demands on the industry, when it is making good profits; it is equally understandable if the workers claim a sizable slice of the cake, when the industry has progressed from the stage of a dry crust of bread to a cake rich with raisins. But long though I have scratched my head, I have failed to discover the legal or moral right of those who leased their lands to sugar factories in Maharashtra, a long time ago, for a stated period under a voluntary contract, to ask for a raise in rents during the pendency of these leases, because the industry was making more profits from the cane grown on these lands. And the politicians, who are accustomed to fish in troubled waters, are backing up this claim, with a strange disregard for law or logic.

And politics is a game in which you cannot let your rival steal a march on you. For years, we have seen the play of this rivalry in wooing the workers for their votes with heavily baited hooks. There is no question in this pastime of a sympathising politician putting his hand into his own pocket and giving the poor workers a part of his own hard-earned gains. What is held out to them is a promise to help in rooking the other fellow, the employer. If your rival pledges himself to procure more bonus, you could bid higher for the workers' support and loyalty by promising to get them more gratuity or dearness allowance.

Somebody possibly had a brainwave and extended this devise to the landholders, who had leased their lands to sugar factories. According to Marxian dialectics, it is the tenants who are always oppressed and landlords who are cruel and heartless. But the roles could quite easily be reversed, when the ratio of votes commanded by these two classes is inconveniently changed in a given sequence. And who is going to bother about logic and principles or the sanctity of contracts solemnly entered into, when your opponent in the political game is about to grab a virgin field full of future promise. So the Congress Party, too, must espouse the cause of poor landlords being done out of their dues by wily industrialists posing as innocent agricultural tenants.

Now Mr. B. S. Hirey, the Bombay Revenue Minister, with his weather-eye trained on the next elections, has come to befriend this whole class of "defrauded" landlords, by announcing that legislation for securing justice in respect of rents of lands leased to sugar factories in Maharashtra shall soon be introduced in the Assembly, if the factories fail to settle this claim amicably with their landlords. Backed by such an

(*Continued in first column*)

MR. CHANDA'S REPORT MAIN CAUSE OF MR. DESHMUKH'S RESIGNATION

DECENTRALISATION OF FINANCIAL CONTROL WILL BE DANGEROUS

(From A Special Correspondent)

NEW DELHI, 6th *April*

THE Capital is thick with rumours of a possible Cabinet reshuffle within the next few weeks. Perhaps, this reshuffle might take place just before the close of the budget session or some time early June. The Prime Minister is likely to fill up the post of Defence Minister which has been remaining vacant for the last one year and more. Since this portfolio needs close and vigilant attention by an able hand, it is likely to be entrusted to the care of an able person of international reputation. The amazing success that has attended Mr. Rafi Ahmed Kidwai in his food portfolio has made him an almost superman. He is likely to be shifted to some other Ministry which requires considerable drive and push. There are some other Ministers who are reported to have expressed a desire to retire from the Cabinet in exchange for a Governorship elsewhere. Perhaps the most important is the reported resignation of the Finance Minister, Mr. C. D. Deshmukh, who has been the picture of stability and efficiency in Government during the last four years.

DELHI LETTER

The reported resignation of Mr. Deshmukh has been the subject of frequent discussion during this week by different sectors of society. There is complete unanimity about the ability and skill with which Mr. Deshmukh has been handling this difficult portfolio ever since his assumption of this office four years ago. His quiet and unassuming manner, his incisive brain, his vast experience both in administrative and banking lines and, above all, his transparent honesty and laudable intentions have endeared him to one and all, who happened to come in contact with him during these years. The immediate cause of his resignation is reported to have arisen following the recommendations of Mr. A. K. Chanda, Secretary to the Production Ministry and the Auditor-General-designate, on the question of decentralisation of financial control. It will be recalled that the Prime Minister had appointed Mr. Chanda a few months ago to enquire into the financial rules, regulations, precedent, etc., in regard to spending and to suggest amendments to eliminate avoidable delays in the sanction of expenditure for development projects. The Prime Minister had taken this step with good intention, but it is not known whether he had taken this decision in close co-operation with the Finance Minister.

It is reported that there had arisen some differences of opinion between the Prime Minister and Mr. Deshmukh on the abovementioned question, particularly in regard to the way in which Mr. Chanda had conducted his enquiry and made recommendations on this subject. It is said that the Finance Minister had been bypassed in this matter and that he had no alternative but to tender his resignation. Whatever it may be, Mr. Chanda's report has begun to focus the attention of financial *pundits* on the merits and demerits of 'decentralisation in regard to the control of expenditure. As matters obtain at present, the Finance Ministry has been exercising a fairly rigid control over the expenditure of all Ministries. It has attached special Finance Officers to each Ministry who are expected to scrutinise and sanction any proposal involving money. Mr. Chanda, who had enquired into this subject, is reported to have favoured decentralisation of finances. According to him, decentralisation is productive of better results than over-centralisation in one Ministry. By this method, Mr. Chanda hopes that each Ministry is not only left with a certain amount of manœuvrability but will also be developing prudence, thrift, circumspection, etc. He is reported to have taken up the cudgels against certain developments in recent years in regard to the centralisation system. For instance, it is suggested that the Finance Ministry has always taken up an antagonistic attitude towards any new line of expenditure and invariably begins to oppose things. It is only by constant pressure that some Ministries have been able to force their viewpoints and get the sanction of the Finance Ministry. Another defect in the working of the system has been the development of higgling between the Finance and the concerned Ministries. For example, when a Ministry wants increased staff for some development schemes, it generally shows an exaggerated figure, so that, after allowing for the number likely to be whittled down by the Finance Minister, it may get the staff which it feels is necessary.

As against these disadvantages, the centralised system has a number of advantages. It has been acting as a bulwark against extravagance. Despite this vigilance, however, there has arisen a number of scandals and huge spending. To take one example, the Irrigation Department of Government has spent nearly Rs. 2 crores on the investigation of the Kosi Project during the last few years. When the problem assumed great urgency, a decision was taken on the question of the construction of dam and other diversion channels without recourse to the abovementioned investigations. There have been similar instances of extravagance in the Hirakud, Damodar and Bhakra-Nangal Projects. It is, therefore, argued that decentralisation will result in greater extravagance by a section of unscrupulous persons, in case the Finance Officers in each Ministry are brought under the control of the Secretary of the Ministry. This apart, Mr. Deshmukh is reported to have taken up the stand against the recommendations of Mr. Chanda on the ground that, under the Constitution, the Finance Minister is reported to be the sole custodian of the nation's finances and is responsible to Parliament on this affair. If decentralisation were to be brought about, it appears that the Constitution will have to be suitably amended.

The present need of the country is the supreme necessity of intensifying its economic progress, in order to meet the growing demands of an ever-increasing population. This will call in the years to come the need to step up expenditure on various development schemes. Politicians in their anxiety to please their electorate and also for personal aggrandisement might sponsor good, bad and indifferent schemes and the necessity to scrutinise the projects on their merits must be entrusted to a team of impartial and able technical experts. It is a moot point as to how far Mr. Chanda's suggestion that the examination of the schemes should be entrusted to the departments concerned, could be workable, especially at this stage of the country's development. We have, besides, independent financial advisers to each Ministry, Estimate Committees, Public Accounts Committee, etc., and, despite all these, it is not unusual that Government money is being wasted or spent on a lavish scale. Whatever be the workability of Mr. Chanda's scheme in other countries, the principle of decentralisation cannot be suddenly adopted in this country until the conscience of the politicians and the public, not to speak of Government servants, develops fully on the sanctity of Government money. The idea of Mr. Chanda to make the Financial Adviser subordinate to the Secretary of the Ministry is also fraught with dangerous consequences, since the former will always try to adjust himself to the latter's whims and fancies, in the interest of his own future prospects. It is, therefore, imperative that the system of independent Financial Officers should be continued to control public expenditure. If it is suggested that there are inordinate delays which hold up the progress of development schemes, the remedy lies in the expansion of this control staff to expedite matters. Anyway, the whole question should be discussed threadbare by the Cabinet in all its aspects and a decision arrived at as to how the whole scheme should be reformed in such a manner as to accelerate the economic progress of the country. Meanwhile, Mr. Deshmukh should not be allowed to relinquish his job. His presence as the guardian of the country's finances is not only necessary but also indispensable at this juncture of Indian economy, since he is eminently suited to give practical shape to the idea of deficit financing during the next 24 months. The acceptance of his resignation will be like changing horses mid-stream, which, it is needless to add, is not only imprudent but also subject to great risk.

ECONOMIC SURVEY OF BRITAIN

STRESS ON INVESTMENT

(From Our Own Correspondent)

LONDON, 3rd *April*

"THE outstanding economic problem facing the United Kingdom," states the Chancellor's *Economic Survey* just published, "is still that of paying its way abroad, and the needs of the balance of payments must continue to govern the pace of internal expansion." How far is the coming Budget going to reflect this problem? In the year 1953, the value of the national output increased over the previous year by no less than £500 million, while a 9 per cent. additional volume of imports (at a cost *reduced* by 4 per cent.—thanks to a 12 per cent. fall in import prices) swelled the national resources by another £285 million. The lion's share of this increased total income of nearly £800 million went to consumers' expenditure, housing and defence took nearly as much together and additional investment in stocks and work in progress absorbed the balance. Judged by the test of the national income, 1953 was the most prosperous year this country has known.

LONDON LETTER

The other side of the picture is the relative weakening in exports (a 3 per cent. increase in volume balanced by a 3 per cent. fall in prices) and the reduced surplus on the balance of payments, which fell from £134 million in 1952 to £123 million in 1953. But the maintenance of a surplus enabled this country to continue its policy of removing restrictions on overseas trade and payments and to return the conduct of more of its import trade to private hands.

The *Survey* sees the country's real problem as the need to finance investment abroad and to build up the gold and dollar reserves. This requires a much larger surplus on the current balance of payments which must be matched by internal savings. Almost equal in importance is the need to increase productive investment at home—indeed, some passages in the *Survey* indicate that this is almost the prior need, since improvements in productive efficiency are necessary to reduce costs and prices which are the key to increased exports. If the Chancellor followed this lead exactly in his Budget, the latter would be a very lean affair for the consumer, who would be told that he was getting too much of the increase in the national output already and that since on current form his demand was likely to be maintained anyway, the Budget incentives would all have to go towards encouraging an increase in production.

"A primary aim of Government policy," we are told, is "to create a financial and economic climate which will help to stimulate the further growth of exports . . . we are no longer favoured with sellers' markets abroad, and there is keen competition in capital goods as well as in consumer goods." In 1953, an outstanding feature of British exports was the large increases in exports of aircraft, arms and ammunition and refined petroleum. It seems as if growing reliance is to be placed on sales of such armaments and aircraft, partly financed by American offshore purchases, although the potentialities of increased capital goods exports is stressed. The load of domestic defence expenditure (which has taken more than half the total increase in production over the past three years) is now levelling off and, with more steel available, "exports of capital goods are no longer being seriously impeded by the pressure of home demand." Indeed, we learn that a number of the capital goods producing industries have spare capacity "to provide both for an expansion of exports and a higher rate of industrial investment."

The physical resources for investment both at home and overseas are there; the need for such investment is there; what can be done to make the investment a reality? The answer on the home side must await the Budget and on the export side it appears to be price. The American recession, at the rate it has so far developed or appears likely to develop, is not regarded as a great danger for this year—it might become worse in its impact on our customers' markets in 1955. But "our competitive power would be disastrously weakened, and the consequent worsening of the balance of payments would destroy, for the time being, any chances of a further improvement in the standard of living . . . if increases in productivity are regularly outstripped by rises in money wages, salaries and profits." It is on that note that the *Survey* closes.

AMERICAN LETTER

DECLINE IN BUSINESS HAS ABATED

HEAVY CAPITAL INVESTMENT IN THE OFFING

(From Our Own Correspondent)

NEW YORK, 1st *April*

BUSINESS spending for plant and equipment in the United States during 1954 is now estimated at $27,200 million, according to figures issued by the Government on the basis of statistics provided by business and industry. This means, in effect, that 1954 will be another big year for capital expenditures. If the plans are realised, this year would be the second biggest on record—only 4 per cent. below the total for 1953 which was the largest year so far. These estimates on spending plans for new factories and equipment are regarded as of the utmost importance to all business, since these expenditures constitute one of the main props of the capital goods industries. They also are an excellent barometer of general business activity.

This spending has an effect throughout the economy. Orders for new facilities create jobs, tend to keep things humming in many trades, such as construction, steel, lumber, machinery and other lines. It is not too far fetched to conclude that the big investment projects for 1954 show that business men as a group still have a good deal of confidence in the future of the U.S. The automobile industry, which accounts for about one-sixth of national production, at a time when output is off because of lower sales, is spending huge sums for plant improvement, specifically. More than 2,000 million dollars are being earmarked in this field. This alone should be sufficient evidence that no serious recession in the U.S. is to be looked for. The present Administration, headed by President Eisenhower, may be slow in acting, but I am satisfied it is determined that nothing will be left undone by Washington to prevent a serious recession in business which the U.S. cannot afford domestically or internationally, socially or politically.

One of the greatest thorns in the side of the Republican majority in the Washington Government remains Senator Joseph McCarthy. Rather slow progress has been made in straightening out the dispute between the Senator's committee and the Army in settling charges and counter-charges. President Eisenhower the other day made the flat statement that any party to a dispute should not be permitted to act as a judge and the Senator now seems disqualified even to cross-examine witnesses. His political future may well be at stake in the forthcoming hearings. The American public still seems divided on the subject of the McCarthy investigations, but the pendulum appears to be swinging against the man because of what many regard as unfair tactics.

Tax Reductions

Tax reductions which have been passed by the Congress, are widely applauded by the business community. They put more spending money in the hands of individuals and corporations, but they do not assure that this money will actually be spent in the market place. It may just be hoarded. However, in the overall picture, tax reductions are considered an excellent stimulus to lagging retail sales. What is needed above that, however, is a feeling of confidence by the buying public that their existence is assured. At the moment, they are not so certain of that. Their doubts should be resolved in a few weeks.

A seasonal upturn in spring would only be seasonal. In fact, the last monthly report of the National Association of Purchasing Agents suggests that the industrial business decline has abated and is levelling off. For the first time since May, 1953, more purchasing executives reported increases in production and orders than those indicating further declines. The change of trend so far, it is emphasised, is marginal. New orders show the strongest trend with 31 per cent. of reporting agents rating higher, against 17 per cent. lower. The report notes that pay-rolls continued to decline. About 32 per cent. of respondents reported lay-offs or reduced working time. The peak month was January with 47 per cent. reporting lay-offs. Only few of the reductions in March, it was noted, were drastic.

A word may be in order here on unemployment figures. They are apt to be misinterpreted. The now three million unemployed, officially listed, out of a working force of more than 60 million Americans are not strictly unemployed. They include many women who joined the labour force after the outbreak of the Korean war.

Their departure from employment does not necessarily mean "unemployment." Many are not the breadwinners of their families and, in many instances, their return to the home means nothing else but fewer family savings. It has little economic or social implications. Thus, it may be unwise to jump to conclusions that things must be really "bad" in the U.S. because of rising unemployment. Whatever has happened so far in this direction, certainly, is not calamitous and compares very favourably with conditions in 1947 and 1948.

Indo-China

On the international scene, American public opinion is still quite preoccupied with developments in Indo-China. The fighting in this area is represented here as the keystone to the political future of all of South Asia. Despatch of U.S. airplanes and other military equipment to the beleaguered French forces are evidence of this feeling. President Eisenhower has taken a personal hand in this by mentioning the subject at one of his recent Press Conferences and the consciousness of the American people of the importance of Asian events is increasing steadily.

The Far East received additional attention by the consequences of a hydrogen bomb blast in the Marshall Islands on 1st March, 1954. It was described as "so far beyond what was predicted that you might say it was out of control," according to Congressman Chet Holifield from California. The explosions even astonished the scientists who took part and they made a deep impression here. What these experiments have actually accomplished, naturally, is a myth, except that up to this point atomic energy is being harnessed in the commercial installation of utility plants and propulsion for submarines, not to mention radiation practices to fight cancer and other diseases.

Also on the foreign scene, the tenth Inter-American Conference at Caracas, Venezuela, has finally recessed. In addition to the well publicised resolutions directed against Communism and colonialism, the Conference seems to have made some progress in reaching understandings that various measures should be taken to encourage the investment in subdeveloped countries, such as the elimination of double taxation and the freer movement of trade among raw material producing countries and industrial nations in the hemisphere.—*All Rights Reserved.*

(Concluded from next column)

a Cottage Industries Corporation to undertake the export of these products. An official Bill to this effect has already been introduced in the Pakistan Parliament.

All these measures are in addition to the steps which the Pakistan Government has already taken to implement the recommendation of the Export Promotion Committee. Exports have been considerably liberalised; as many as 124 items are now placed on the free list. Facilities are being provided for the promotion of exports of raw materials in which the country abounds. Recently a quick-freezing plant has been set up by an American firm in collaboration with the indigenous capital for the export of shrimps to the U.S. and Europe, which is expected to yield about Rs. 1 crore by way of foreign exchange every year. The export trade in many other raw materials, kapok, for instance, is being organised.

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Cotton traders in Pakistan are now permitted to enter into barter agreements with overseas traders for the exchange of the carry-over cotton stocks of the 1951-52 season or earlier seasons for iron and steel, cotton yarn, silk yarn, and newsprint. An announcement to this effect was made by the Pakistan Government on Thursday last week. One specific condition, however, is laid down. The imports of the aforesaid items bartered against Pakistan cotton should be distributed in Pakistan to dealers nominated by the Government.

PAKISTAN NOTES

U.N. RAILWAY TRAINING CENTRE AT LAHORE

EXPORT DRIVE TO BE INTENSIFIED

TO Lahore goes the credit for housing the U.N. Regional Training Centre for Railway Operating and Signalling, the opening ceremony of which was performed by the Governor-General of Pakistan, Mr. Ghulam Mohammed, on Saturday last. The Centre is jointly sponsored by the U.N. Technical Assistance Administration and the Economic Commission for Asia and the Far East. The Centre will offer facilities for advanced training in modern transportation and signalling to the railway officials of member and associate member countries of the E.C.A.F.E. region.

This Training Centre fulfils the long-felt need for widening the knowledge and outlook of senior railway officials. With the acceleration of the tempo of the industrial activity in many countries of the E.C.A.F.E. region, the transport requirements have considerably increased, while actual capacities of the railway systems are found to be not adequate fully to meet the growing density of traffic on several sections of railways, particularly on single-track sections. Thus, the railway systems have been confronted with the problem of exploring ways and means to augment suitably their capacities, "in order to enable them to meet the demands more efficiently and economically, without, as far as possible, incurring the very heavy expenditure required for doubling the track." In this task, the responsibility that devolves on the Lahore Railway Training Centre is, indeed, great. The working of the Centre will, therefore, be watched with much interest.

The Centre is being provided with modern demonstration equipment and services of expert staff. In the course of his welcome speech, Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., revealed that the Governments of France, Japan, the U.K., the Netherlands and Belgium had made "generous" offers of equipment. The Government of Pakistan also had provided various facilities "at a considerable cost to itself." Referring to the teaching staff, Dr. Lokanathan stated:

"We have succeeded in obtaining the services of expert teaching staff for the training centre. Besides the three instructors in the three branches of training, namely, operating, signalling and telecommunication, two assistant instructors drawn from countries of the region have also been appointed for one year. Assistant instructors will be appointed in rotation to give opportunities to suitable officers of the region to familiarise themselves with modern equipment and to qualify for occupying similar positions in national training centres."

Characterising the establishment of the Lahore Centre as a landmark in the history of both the E.C.A.F.E. and the U.N.T.A.A., Dr. Lokanathan said that it was the first occasion on which the U.N.T.A.A. had gone in a reasonably big way to develop a regional project in the transport field involving considerable outlay and covering the region as a whole. He described the Centre as a "concrete vindication of the faith of the U.N. in co-operation between Governments on regional basis." Similar sentiments were expressed by the Governor-General of Pakistan who emphasised that, with the modern scientific developments, the idea of any country or particular region living in isolation had to be given up altogether.

Export Drive

Recent reports from Karachi aver that the Government of Pakistan has made a bold bid to step up and diversify exports. The Government, for instance, is said to be seriously considering the introduction of what is called payment of export premiums to promote exports of manufactured goods. The proposed scheme includes, among others, a provision which seeks to allow exporters to import raw materials which are required for Pakistan's industries or consumer goods which are at present severely restricted. The question of reducing inland and shipping freights is also being examined. Measures regarding standardisation and grading of commodities too are engaging the attention of the authorities. A wool test house is expected to start functioning shortly. Grading of hides and skins is under consideration. The Pakistan Standard Institution is to lay down standards for manufactured goods. With a view to promoting exports of small workshop industries products, such as sports goods, surgical instruments, musical instruments, cutlery, hardware, carpets, etc., the Government proposes to set up

(Continued in previous column)

STERLING AREA'S BALANCE OF PAYMENTS POSITION IMPROVES

GROUNDS FOR CONFIDENCE IN FUTURE

AS a member of the sterling area and as one holding a large amount of its foreign balances in sterling, India is keenly interested in the *Economic Survey*, 1954, presented to the British Parliament last week by the Chancellor of the Exchequer. The *Survey* provides, besides a detailed account of the economic trends in the U.K., an interesting analysis of the financial position of the sterling area in 1953, as well as a broad indication of the future outlook for the area in the next 12 months. The report states that the year 1953 was one of consolidation for the sterling area and that, by reason of its present improved position, the area can look forward to the future with some confidence.

A clear picture of the balance of payments position of the sterling area as at the end of 1953 is indicated in the table below:

Balance of Payments of the Sterling Area

(£ million)

	1952	1953		
		1st half	2nd half	Year provisional
UNITED KINGDOM—				
Current balance with:				
Non-sterling countries* ..	—112	+46	..	+46
Rest of sterling area ..	+367	+22	+157	+179
	+255	+68	+157	+225
REST OF STERLING AREA—				
Balance† with:				
Non-sterling countries ..	+162	+173	+101	+274
United Kingdom	—367	— 22	—157	—179
	—205	+151	— 56	+95
Total sterling area balance with non-sterling countries ..	+ 50	+219	+101	+320

* Includes defence aid of £121 million in 1952 and £102 million in 1953. These figures are net of the U.S. share of counterpart funds.

† A U.K. estimate, which includes capital transactions with non-sterling countries.

The table reveals a number of interesting features. At the end of 1953, the U.K. had a surplus of £46 million with non-sterling countries, including defence aid, whereas, a year ago, it had a deficit of £112 million. Similarly, there was an improvement in the position of the rest of the sterling area and it was more impressive than in the previous year. Thus the latter had a surplus with the non-sterling area of £162 million in 1952. This rose in the following year to £274 million. Consequently, the surplus of the sterling area as a whole with the rest of the world shot up from £50 million to £320 million during the year under review. It will thus be noted that, once again, the contribution of the rest of the sterling area to the surplus achieved with non-sterling countries has been greater than that of the U.K. itself.

The figures read rather differently in respect of the position of the U.K. alone. Thus, the country's surplus with the rest of the sterling area, which stood at as high as £367 million in 1952, dropped by more than half to £179 million at the end of 1953, its overall surplus on current account, including defence account, coming down, as a result, from £255 million to £225 million. But this was neutralised by the improvement in the position of the rest of the sterling area, which transformed the overall deficit of over £200 million, in 1952, into a surplus of £95 million in 1953. Commenting on this improvement, the *Survey* makes some interesting observations which run thus:

"The improvement in the rest of the sterling area's balance with non-sterling countries has been mainly due to the sharp reduction of imports, particularly by Australia, in the course of 1952. The rest of the sterling area as a whole imported about one-quarter less by volume from non-sterling sources in the second half of 1952 than in the first half, and imports remained at around this level throughout most of 1953, though there was some increase towards the end of the year, following the easing of import restrictions by Australia and New Zealand. Import prices also were rather lower in 1953 than in 1952. Meanwhile, the volume of the rest of the sterling area's exports to non-sterling countries was relatively well maintained between the two years, although the value of these exports fell slightly because prices were lower."

The sterling area's surplus with the rest of the world was considerably smaller in the second half of 1953 than in the first, as is evident from the table above. Explaining the reasons for this, the *Survey* states:

"The main reasons for this were the interest payments on the North American loans, which mainly fall due at the end of the year; the usual seasonal decline in the sterling area's exports of wool and cocoa; and further falls in the prices of rubber and tin, which more than offset the gains from higher prices of cocoa, jute and tea. In addition, United States purchases of goods both from the United Kingdom and from the rest of the sterling area were tending to decline slightly in the last few months of the year."

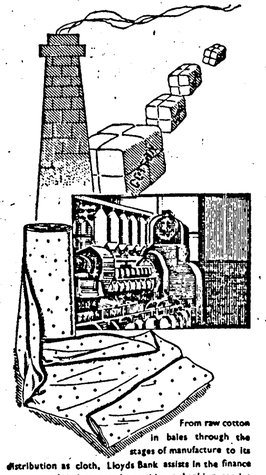
These changes resulted in causing a decline in the sterling area's surplus with the dollar area by £68 million between the two half-years and the balance with the E.P.U. also deteriorated. Again, in the first half of 1953, the U.K. was continuously in surplus with the E.P.U. and, therefore, received £49 million. But, in the second half, there was a small deficit and, consequently, it paid £8 million of gold to the Union. The less favourable balance of payments was marked by a slowing down in the rise in the reserves in the latter part of the year. But, even in the fourth quarter, there was some rise, notwithstanding the fact that £65 million was paid in service of the U.S. and Canadian loans at the end of the year.

With the improvement in the sterling area's balance of payments, the gold and dollar reserves rose by £240 million during the year under review. The strength of sterling was reflected in the London foreign exchange market. Apart from brief periods in January, September, October and December, spot quotations, according to the *Survey*, were constant at or above $2.81 throughout 1953 and, in the early part of the year, the rate closely approached the ceiling of $2.82. The rise in the reserves continued in the first two months of 1954, bringing the total to $2,583 million at the end of February. March figures published since the *Survey* was released reveal an even more encouraging picture, in that the total reserves at the end of the month went up by as much as $102 million to stand at $2,685 million. The surplus of $102 million for March is the highest for any month since April, 1943, when it was $107 million. The breakdown of this increase reveals that receipts from the U.S. on defence account, amounted to $14 million, from the E.P.U. $2 million and from trade transactions of the sterling area, $86 million. The improvement in the last mentioned source is striking, as compared with $14 million and $2 million received in January and February this year, respectively.

Explaining the chief factor for the improvement in the sterling area's position in 1953, the *Survey* states that "the relatively favourable course of world economic development in 1953 helped the sterling area to consolidate the same made in the previous year when the fall in the gold and dollar reserves had been reversed and confidence in sterling restored."

Discussing the prospects for the sterling area, the *Survey* says that there are solid grounds for confidence in the future. It, of course, admits that they depend both upon the policies which the individual countries themselves pursue and upon the future level of world trade and, in particular, of the United States' demand. But it draws attention to the action already taken to put the sterling area countries in a better position to meet any fluctuations in trade. Thus, inflation has been checked, gold and dollar reserves have been strengthened and sound development programmes have been launched for further strengthening this position. The Commonwealth countries, which met at Sydney, sought agreement on two aspects for achieving further improvement in the sterling area. First, they agreed to avoid all action which would lead to a general decline in world trade or which would add to the problems set for the rest of the world by any recession in the U.S. Secondly, they were agreed that it was impossible to set policies in advance to meet circumstances which could not be foreseen with precision. Nevertheless, there were three broad spheres of policy in which action should be taken as soon as the need became clear; first, what each Government could do to adapt its own policies, where necessary, to changing circumstances; second, the policies which could be carried out jointly by countries in the Commonwealth and sterling area and in the rest of the world; third, the role which international institutions such as the International Monetary Fund, the International Bank and the O.E.E.C. could play.

According to the *Survey*, the outlook for the U.K.'s balance of payments position too appears to be encouraging. For, in recent months, the country's exports have been running 5 per cent. above the last year's average level. Further, increases are expected in the country's sales of civil and military aircraft, military equipment, etc. There are also increased opportunities for revival of exports to Australia and New Zealand. As against these, no very large increase in the volume of imports of raw materials and manufactured goods is considered likely. Again the output of food and feeding stuff is expected to maintain an upward trend, while the balance of the U.K.'s invisible transactions is not likely to change very much this year. But the greatest uncertain factor in assessing the outlook for the balance of payments of the U.K. and the sterling area in 1954 is stated to be movement of prices of primary products and manufactured goods. "Changes in the relative prices of primary products and manufactured goods," to quote the review, "tend to have opposite effects on the balances of the United Kingdom and the rest of the sterling area, and the position of the sterling area as a whole may, in certain circumstances, be worsened by developments which result in an improvement in our own terms of trade. This is what might happen this year, if production in the United States did not recover quickly enough. In such circumstances, provided that British industry adapted itself to the more competitive conditions in world markets, the United Kingdom should continue in surplus on current account, but difficulties might arise later in the year, if there were a deterioration in the rest of the sterling area's balance with non-sterling countries."



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CAPITAL TRANSFERS IN BENELUX COUNTRIES

A conference of the Belgian, Dutch and Luxemburg Ministers has resulted in a decision to establish complete freedom of capital transfer among the Benelux countries. Control will, however, be retained over new capital issues in any one of the countries for account of borrowers in one of the others. This will be worked into the general framework of control of the capital market and is not intended to act as a discriminatory measure.

As a result of the decision, Dutch securities held by Belgian and Luxemburg investors will be unblocked as to both capital and income. The new regulation will allow securities issued in any one of the countries to be quoted in the others and there will be unrestricted arbitrage in securities among the three centres. Dollar and sterling securities will be allowed to change hands freely inside the Benelux area. But restrictions on their export will remain, though they will be made uniform and progressively withdrawn. At the same time, the work of framing a common dollar policy will be continued. A common list of freed dollar imports is being drawn up and restrictions will be applied only to goods not figuring in the list.

The only outstanding problem facing the area is the question of financing trade between Holland and the Belgo-Luxemburg area.

HIND BANK RAISES DIVIDEND

After paying a small maiden dividend of 2 per cent. for the year 1951 and maintaining it for the succeeding year, the Hind Bank Ltd. (General Manager: Mr. S. D. Pardiwala, Calcutta) has raised it to the modest level of 3 per cent. for the year

(*Continued on page 715*)

IMPRESSIVE RESULTS OF PUNJAB NATIONAL BANK

DEPOSITS RISE TO A RECORD LEVEL

VERY few Scheduled banks in India have had the distinction of earning higher profit for the year ended 31st December, 1953 than for the previous year. The Punjab National Bank Ltd. (General Manager: Mr. B. N. Puri, Delhi), the second largest Indian joint-stock bank, belongs to this category of banks. What is more striking about its results is that the profit for 1953 is the highest recorded since 1948. The dividend has been stepped up for the year under review. This is the second year in succession that the Bank has raised the dividend and it has done so comfortably. The other striking features of the audited accounts of the Bank for 1953 are: the total working capital, the deposits and investments as at the close of the year under review constitute a record in its history and the liquidity ratio is at a very high level.

The Bank's profit for the year under review has gone up from Rs. 34.12 lakhs for 1952 to Rs. 39.86 lakhs, a rise of Rs. 5.74 lakhs. It is noteworthy that such an improvement has been achieved in the face of a substantial rise in outgo by way of interest paid on deposits and borrowings and expenses, a feature common to all banks, and has been rendered possible by the expansion in its resources, as witness the rise of Rs. 6.37 crores in deposits as at the end of 1953. In consonance with the improvement in earnings, the distribution to the shareholders has been raised to 8 per cent. per annum, from 6 per cent. paid for 1952, to which level it had been enhanced from 4 per cent. paid for the two years 1950 and 1951. Though the dividend has thus been doubled in the course of two years, that is from 4 per cent. for 1951 to 8 per cent. for 1953, it still falls very much short of the record dividend of 12 per cent. paid for 1946.

The following comparative table gives the trend of the Bank's earnings and appropriations thereof since 1950:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned ..	245.29	214.36	177.51	171.59
Commission and exchange ..	55.06	47.80	43.74	29.98
Other income	31.09	32.70	35.84	20.57
Interest paid	106.51	88.63	67.89	61.92
Establishment and other expenses ..	178.85	171.15	150.14	118.75
Depreciation and repairs ..	6.21	5.05	9.39	4.24
Profit	39.86	34.12	34.17	36.63
To taxation	12.50	15.00	1.00	0.68
To reserves	11.19	8.46	..	1.52
To depreciation on investments.	..	..	10.68	16.28
To bonus to staff	7.50	5.48	3.77	8.02
To other appropriations ..	0.50	5.84*	10.44*	0.37*
Dividend	7.00	5.25	3.50	3.50
	(8%)	(6%)	(4%)	(4%)
Carry forward	3.10	1.09	5.84	0.66

* Include sums utilised for scaling down Pakistan assets in view of Displaced Persons (Debts and Adjustments) Act, 1951, for writing down other assets, bad debts written off and assets lost in Pakistan.

The income from interest and discount earned, which had risen by Rs. 36.85 lakhs in 1952, shows a further impressive rise of Rs. 30.93 lakhs in the year under review. The increase of Rs. 7.25 lakhs in commission and exchange earned is more encouraging than that in the previous year. There has been a fall of Rs. 1.61 lakhs in "other income," but it is very much less than that in 1952. The net increase in the total earnings thus amounts to Rs. 36.57 lakhs, which is very nearly the same as that noted in the previous year. This rise has been offset to a large extent by the increase of Rs. 29.08 lakhs in interest paid and of Rs. 7.70 lakhs in expenses. It is to be noted that the increase in interest paid is much larger than that in 1952 and far more so than in 1951. The rising trend in expenses has continued, though the pace of increase has been much less than in the previous two years. Of the rise of Rs. 7.70 lakhs in expenses during 1953, Rs. 1 lakh is accounted for by the compensation paid to the ex-General Manager for loss of office.

The following table brings out the variations in the main features of the Bank's balance-sheet as at the close of the last four years:

(In lakhs of rupees)

	As on 31st December			
	1953	1952	1951	1950
Capital	87.50	87.50	87.50	87.50
Reserves	90.00	89.00	87.50	1,13.84
Deposits	65,31.18	58,94.02	51,94.84	44,19.93
Borrowings from other banks ..	80.58	2,50.63	1,99.71	2.35
Bills for collection	5,55.93	5,05.19	6,12.86	3,29.50
Acceptances	2,68.47	1,92.36	1,81.66	1,45.59
Bills payable	4,07.28	3,78.91	4,28.08	3,61.63
Advances	25,54.91	29,29.40	24,22.05	19,78.07
Investments	36,14.27	28,79.90	26,55.04	19,98.79
Cash and money at call ..	7,47.40	6,63.78	6,91.52	8,03.79
Balance-sheet total ..	79,78.22	73,98.68	67,51.82	54,71.92
Ratio to deposits of—	%	%	%	%
Advances	39.1	49.7	46.6	44.7
Investments*	54.9	44.5	47.3	45.0
Cash	11.4	11.3	13.3	18.2

* Ratio arrived at after taking into account the securities earmarked against borrowings from other banks.

The provision for taxation is less by Rs. 2.50 lakhs, but much of this saving has been taken by the increased provision for bonus to staff. No allocation has been made to scale down the Bank's assets in Pakistan, for which purpose a sum of Rs. 7.92 lakhs was utilised from the profit last year. The transfer to the reserve fund has been reduced from Rs. 1.46 lakhs to Rs. 0.94 lakh, while that to the contingency reserve has been raised from Rs. 2 lakhs to Rs. 10.25 lakhs. That the dividend has been raised comfortably is evident from the higher surplus left to be carried forward.

As already noted, the balance-sheet total shows a notable rise of Rs. 5.79 crores to Rs. 79.78 crores, thus establishing a fresh record surpassing the previous one of Rs. 77.81 crores touched at the end of 1946. The Bank's reserves stand at the impressive level of Rs. 90 lakhs, Rs. 2.50 lakhs more than the paid-up capital, besides the inner reserves which it must have built up. Three years before, however, the Bank's reserves were even larger at Rs. 113.84 lakhs. The rising trend in deposits noted since 1949 has been kept up. The expansion of Rs. 6.37 crores in 1953, though a little less marked than in the previous two years, compares very favourably with that noted in the case of Scheduled banks in general. Another interesting feature to be noted, in this connection, is that, over the last three years, while the deposits of other Scheduled banks have fallen by 13.9 per cent., those of the Punjab National have gone up by 47.8 per cent. The rise in deposits during 1953 has been shared by all classes of deposits, fixed deposits showing an increase of Rs. 3.94 crores to Rs. 26.07 crores, savings bank deposits of Rs. 1.31 crores to Rs. 17.31 crores and current and other accounts of Rs. 1.12 crores to Rs. 21.93 crores. On the assets side, advances have dropped by Rs. 3.74 crores, in contrast to the rise of Rs. 5.07 crores at the end of 1952. Of the advances, loans, cash credits and overdrafts have declined by Rs. 4.84 crores to Rs. 21.95 crores, while bills purchased and discounted have gone up by Rs. 1.09 crores. The expansion in the latter class of advances, together with those in bills for collection and acceptances, as seen from the foregoing table, suggests that the Bank must have paid special attention to financing the internal and external trade of the country. The enlargement in resources has been well utilised to strengthen the Bank's liquid resources, as will be noted from the rise of Rs. 7.34 crores in investments and of Rs. 83 lakhs in cash balances, so that the liquidity ratio (taking into account only the unemcumbered portion of the investments) stands at 66.3 per cent. as against 55.9 per cent. It must, however, be added that the investments are shown at or below cost and are above the market value by Rs. 45 lakhs. Another point to be noted, in this connection, is that the item "bills payable" is a fairly heavy one in the case of this Bank, being as large as Rs. 4.07 crores, as against Rs. 3.74 crores a year before. If allowance were made for this liability, the liquidity ratio would be somewhat lower at 62.4 per cent. Even this ratio, it may be noted, is well above the average for the Scheduled banks as a whole.

(*Concluded from next column*)

Rs. 11.26 crores, at which they constitute a record, so far as year-end figures are concerned. Of these advances, loans, cash credits and overdrafts stand at Rs. 9.21 crores and bills purchased and discounted at Rs. 2.05 crores, as against Rs. 8.71 crores and Rs. 1.91 crores, respectively. The increase in resources has also been utilised to strengthen the investment portfolio and cash balances. The investments are shown at cost, the gap between the book value and market value has further widened from Rs. 57.07 lakhs to Rs. 63.71 lakhs. This depreciation is covered to the extent of Rs. 18.50 lakhs by the sum of Rs. 9 lakhs standing to the credit of non-statutory reserve fund and Rs. 9.50 lakhs to the sinking fund. The redemption value of securities, which form the bulk of the investments, is also lower than the book value, but this depreciation is well within the provision made as shown above. The combined total of unencumbered investments and cash balances gives a comfortable liquid coverage of 56.7 per cent. to the deposits.

CONTINENTAL BANKS OFFER CREDIT TO MEXICO

The Mexican Government has been offered a credit of $50 million by a consortium of German, Swiss, Swedish and Belgian banks. The loan is for a period of five to six years, but the Mexican Government is said to be in need of a loan for a much longer period, ten-year or upwards. The offer is, however, being studied by the Mexican Government, now that the $130 million loan it had from the Export-Import Bank is about to be exhausted on projects now in hand. The consortium's offer is considered to be timely in that the German Economics Minister, Dr. Ludwig Erhard, who is now in Mexico, has put on display the goods required by the Mexican authorities for carrying on their development plan. The German exhibition follows a similar show organised by the Belgian Economics Minister and ended just a few days ago. Mexico is in need of credit for equipping and expanding its main industries, namely, transportation, communication and electricity.

The offer of credit by the consortium to Mexico seems to be a part of the campaign by the Continental countries to increase Mexico's transatlantic purchases. It is stated that stability and full convertibility of the Mexican currency, namely, the peso, have made the Mexican market particularly attractive to European exporters and there is developing lively competition among them to supply Mexico's investment needs. A British firm has bid for a $8 million order of trolley buses against Dutch, German, and Italian bidders and is expected to complete negotiations in the near future, with liberal credit terms, allowing eight years for payments, as its winning advantage.

SMALL DROP IN PROFIT OF INDIAN BANK

DIVIDEND MAINTAINED ON HIGHER CAPITAL

A CONTRACTION of Rs. 1.27 lakhs in profit is disclosed by the audited accounts of the Indian Bank Ltd. (Secretary: Mr. N. Gopala Iyer, Madras) for the year ended 31st December, 1953. This recession is neither so serious as to affect the allocation to reserves by any perceptible extent and the distribution to the shareholders nor even as marked as that occurred in the previous year. Thus, the profit (arrived at after making provision for loss on sale of investments), which had dropped from Rs. 16.82 lakhs for 1951 to Rs. 14.18 lakhs for the succeeding year, has gone down to Rs. 12.91 lakhs for the year under review. However, with the fall in 1953, the profit has come down to the lowest level for the last four years.

The shrinkage in profit for the year under review would have been much sharper, had it not been for the much smaller loss on sale of investments than in the previous two years. Another factor which has evidently helped the Bank to escape a greater recession in profit is the further enlargement in resources. For the Bank's deposits, which had risen by Rs. 2.43 crores as at the end of 1952, show a further rise of Rs. 1.54 crores at the end of the year under review and stand at a fresh record high level in its history. The dividend has been maintained at 12 per cent. including a bonus of 2 per cent. for the fourth year in succession, but for this year it is on a higher capital.

The following comparative table shows, at a glance, the salient features of the Bank's results for the last four years and its progress since 1950:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned ..	88.85	89.86	78.52	63.86
Commission and exchange ..	22.23	19.79	18.26	14.59
Interest paid	45.97	42.80	34.50	28.80
Expenses	53.44	48.47	42.76	38.63
Depreciation and repairs ..	1.32	1.42	0.85	0.95
Loss on sale of investments.	0.83	5.87	4.75*	1.45
Profit	12.91	14.18	16.82	14.22
Taxation	2.60	3.90	2.60	3.55
Reserves	3.00	3.50	7.50	4.00
Building account	0.25	0.10	0.25	0.25
Dividend	6.37	6.56	6.38	5.98
	(D.10%)	(D.10%)	(D.10%)	(D.10%)
	†B.2%)	†B.2%)	†B.2%)	†B.2%)
Carry forward	1.23	1.04	0.99	0.82

	As on 31st December			
	1953	1952	1951	1950
Capital	57.66	55.38	52.98	52.97
Reserves	76.50	73.50	70.00	72.50
Deposits	21,85.82	20,30.63	17,87.45	17,82.88
Borrowings from other banks	15.00	47.02	8,68.48	42.51
Bills for collection	1,99.22	2,00.39	2,11.56	1,58.90
Acceptances	91.32	1,10.49	1,55.86	1,39.99
Advances	11,26.04	10,62.06	10,97.70	7,25.45
Investments	9,59.85‡	8,86.99†	9,65.08†	9,61.83
Cash balances	2,94.82	2,92.64	2,70.51	3,07.80
Balance-sheet total ..	27,20.85	26,13.76	27,55.61	23,52.87
Ratio to deposits of—	%	%	%	%
Advances	51.6	52.3	61.4	40.7
Investments§	43.2	41.4	53.4	51.5
Cash	13.5	14.4	15.1	17.2

* Net loss after adjusting Rs. 10 lakhs from sinking fund.
† Include investments of staff security deposits.
‡ Ratio arrived at after taking into account the securities earmarked for borrowings from other banks.

The gross income of the Bank, amounting to Rs. 114.48 lakhs, as against Rs. 112.24 lakhs for the previous year, constitutes a record. This increase compares with that of Rs. 12.54 lakhs noted in the previous year. The income from interest and discount earned, however, shows a drop of Rs. 1.01 lakhs in distinct contrast to the experience of other banks and to the Bank's own experience in the previous two years. Receipts from commission and exchange are, on the other hand, again up and the increase of Rs. 2.44 lakhs from this source has been mainly responsible for the rise in gross income. Interest paid on deposits and borrowings is again higher by Rs. 3.17 lakhs, but the pace of increase is slower than in the previous two years. A saving feature of the Bank's results is the notable decline in loss on sale of investments. The drop in profit has meant a lower provision for taxation. Of the amount placed to the reserves, a sum of Rs. 2.50 lakhs (same as in the previous year) is accounted for by the addition to the reserve fund and Rs. 50,000 (as against Rs. 1 lakh) by the sinking fund.

The capital of the Bank was raised during the year from Rs. 55.40 lakhs to Rs. 57.80 lakhs (of which Rs. 11,475 represent unpaid calls) by making a further call of Rs. 5 per share on the Rs. 80 and Rs. 55 paid-up shares. It may be recalled that, in 1952, the Bank made a call of Rs. 5 on these partly paid-up shares. The reserves exceed the paid-up capital by nearly Rs. 19 lakhs. A break-down analysis of the Bank's deposits shows that all classes of deposits, except season and short-term deposits, have contributed to the increase, the fixed deposits improving from Rs. 5.80 crores to Rs. 6.83 crores, savings bank deposits from Rs. 3.82 crores to Rs. 4.02 crores and current and other accounts from Rs. 7.76 crores to Rs. 8.70 crores. Season and short-term deposits have declined from Rs. 2.93 crores to Rs. 2.30 crores. Advances show an increase of Rs. 64 lakhs to

(*Continued in previous column*)

GENERAL BUSINESS TRENDS IN U.S.

NATIONAL CITY BANK'S ROUND UP REVEALS STABLE CONDITIONS

THE month of March has brought no clear evidence of business improvement and, although the opinion seems to be spreading that the worst of the decline is over, this is a matter of faith rather than of statistical demonstration. Some figures, such as unemployment insurance claims and production statistics, point to a levelling off or only moderate decline. Others, such as retail trade reports, have been disappointing, partly because of certain special factors, including the late date of Easter and the prospect for excise tax reductions. Inventory liquidation is proceeding in orderly fashion, but stocks are still a problem in numerous lines, particularly steel and automobiles. Prices of non-ferrous metals firmed and sales increased during March, and similar encouraging reports were received for some textiles. New building construction contracts have continued to exceed those of a year ago, and the general level of prices has remained relatively stable.

Economic developments during March have been watched with particular interest because of a remark by President Eisenhower, at his 17th February Press Conference, that a failure of employment to pick up seasonally in that month would be a warning calling for the institution of a number of governmental measures to avoid a deep recession. It is apparent that this remark was taken too literally. The President at his 27th March Press Conference made clear that all significant developments, not just employment, were being watched and that they did not indicate the need for emergency action at this time.

Inventory Adjustment Continuing

The pattern of inventory adjustment appears on the whole to have been little changed in the first quarter. During January and February manufacturers' inventories were cut back at a seasonally adjusted annual rate of $3 to $4 billion, about the same as in the fourth quarter of 1953. According to the National Association of Purchasing Agents, a major share of its membership had by the end of March succeeded in bringing inventories into line with sales, while others had nearly completed the process.

In the steel industry, on the other hand, the growth in mill stocks of ingots and semi-finished steel called for a cutback in weekly production schedules. Output levelled off, after reaching a low point of 67.6 per cent. of capacity in the week ended 21st March. Steel executives, according to *Iron Age*, remain confident of an early upturn. Steel consumption appears to be outrunning production, and, in the latter part of March, a number of producers noted a quickening in the pace of new orders.

March automobile output of 524,000 passenger cars and 101,000 trucks was the largest for any month since July. Despite a seasonal rise in new passenger car sales, the industry continues to build more new cars than it is selling, in anticipation of spring demand.

New contract awards for building and other construction in the first three weeks of March continued to exceed those of a year ago, indicating a record first quarter.

Department store sales, which had held up well in January and February, showed in March sizable year-to-year declines—as much as 13 per cent. in the week ended the 20th. With the excise tax reduction effective 1st April, and with the approach of Easter, merchants are expecting better comparisons.

Business and Consumer Spending Plans

The way people feel about the current situation and the plans they make for the future are often better guides to the course of the economy than arrays of business statistics. A joint survey by the Securities and Exchange Commission and the U.S. Department of Commerce, conducted in February and early March, indicates that business men feel confident that their sales in 1954 will, on the whole, approximately equal the record set in 1953. They are backing up this confidence with plans to invest $27.2 billion in new plant and equipment during 1954. This represents a decline of 4 per cent. from the 1953 record of $28.3 billion—about the same change as was forecast last November in a private survey.

Such steadfastness of investment plans is heartening. It indicates that business planning for the long run, encouraged by prospective tax revision, is not easily deterred by short-term fluctuations. In addition, these plans show that business men recognise the need for modernisation of facilities and introduction of cost-cutting equipment, and are aware that, under highly competitive conditions, these needs are intensified rather than lessened. The maintenance of a high level of business outlays should be a sustaining force.

A second survey, covering consumer attitudes, financial position, and spending plans—conducted in January and February by the University of Michigan for the Federal Reserve Board—was also encouraging. Consumers still appear basically confident about the general outlook, although less optimistic than a year ago. The proportion which feels this is a good time to make major expenditures is about the same as last year. Plans to buy homes, new cars, and household durable goods have been trimmed from 1953 levels, but still compared favourably with the high levels of 1951 and 1952.

The great majority of consumers expect their incomes to be stable or rising during 1954, as compared with 1953, and they expect prices generally to be stable or lower. Liquid asset holdings have increased and are somewhat more widely distributed than in recent years. In general, the survey bears out Senator Flanders' recent remark that "the evidence strongly suggests that it is the will to buy rather than the absence of means which is limiting the amount of consumer expenditures at the present time."—By courtesy: *Monthly Letter, National City Bank of New York.*

U.S. AID TO INDIA IN 1953-54

With the signing in New Delhi on 2nd April, of an Indo-American agreement for $3.6 million (Rs. 1.72 crores) in economic aid from the United States for improving Rajasthan's electric power capacity, the entire $60,300,000 (Rs. 27,91,90,000) appropriated by the U.S. Congress for direct, special economic aid to India for 1953-54 has been allocated. The first of the economic aid agreements—for $20 million to rehabilitate the Indian railways—was signed here on 24th December, 1953. Altogether, five Indian-initiated projects have so far received direct economic aid from the United States.

The $60.5 million economic aid is part of the total authorisation of $89,100,000 (approximately Rs. 42½ crores) as economic and technical assistance to India for 1953-54 by the U.S. Government. In addition to the $60.5 million in direct economic aid, allocations totalling $11,903,000 (approximately Rs. 5.28 crores) have also this year been made out of the U.S. technical assistance funds.

Direct economic aid, as distinguished from technical aid, has been provided to India this year for the first time by the United States. While technical aid embraces both technical assistance and the training of Indians, it also includes the offer of technicians and the materials that go with it. On the other hand, economic aid is a straight dollar grant.

The $60.5 million U.S. economic aid this year has been allocated for five different types of activity—specific projects suggested by the Planning Commission of the Government of India: $25.5 million (Rs. 12.18 crores) for purchase of 200,000 tons of steel; $20 million (Rs. 9.56 crores) for 100 new locomotives and 5,000 new freight wagons; $8.5 million (Rs. 4.06 crores) for Rihand Valley development in U.P.; $3.6 million (Rs. 1.72 crores) for Rajasthan electric power development; and $2.9 million (Rs. 1.38 crores) for Madras City power plant expansion. Dollars made available to India under the economic aid programmes can be spent anywhere in the world. Purchases are made wherever prices are most favourable and not necessarily in America.

The United States has appropriated $189,000,000 (Rs. 90,34,20,000) in economic and technical assistance to India in the three years since the Indo-American Technical Co-operation Programme Agreement was signed in New Delhi on 5th January, 1952, by Prime Minister Nehru and Mr. Chester Bowles, then American Ambassador to India.

The Indo-American Technical Co-operation Programme, which is now in its third year, has been shaped directly to further the objectives of the first Five-year Plan. Owing to the high priority of increasing agricultural production, the greater amount of expenditure has been devoted to that field, although the programme has been steadily increasing in support of industrial development also. Industrial phases of the plan received large attention this year, and the entire amount of $60.5 million in U.S. economic aid has been applied in support of rapid industrialisation of India.

Under the technical aid programme, technical specialists have been brought to India on request of the Government of India for specific technical tasks. They obtain leave of absence from their regular work in the United States and remain for a period of six months to two years in accordance with the request. As of 28th February, 1954, there were 105 American Technical specialists in India. These included agricultural extension and vocational agricultural specialists, agricultural engineers, soil conservation and ground water experts, sanitary engineers, public health and nursing specialists, economic geologists, foundries experts, concrete construction and electrical engineers, a child welfare specialist, and experts in transportation, communication, power, industry, mining and labour.

Under the programme also, Indian technicians are sent to the United States for advanced training in any field which supports development in India. General categories of such training include agriculture, forestry and fisheries, health and sanitation, education, natural resources, industry, trade and industrial productivity, transportation and public works, public administration, and labour and community services.

As of 28th February, 1954, the number of Indian technicians who were in the United States or had returned after training was 240. Another 240 are under consideration to go to the United States for training.

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CALL FOR REBUILDING COTTON MILLS

FUTURE OF RAW COTTON COMMISSION'S STOCKS

(From A Special Correspondent)

MANCHESTER, *30th March*

MOVES to rebuild new cotton mills to take the place of obsolete factories—not necessarily in Lancashire—were suggested this week by Mr. William T. Winterbottom, President of the Master Spinners' Federation, at the annual meeting in Manchester. "During the next few years," he said, "serious consideration must be given to the question of building new factories to replace those which, by reason of old age or subsidence or unsuitable design, can no longer house our developing industry. When rebuilding does take place, the cost, both of buildings and new plant, will make shift working essential," he continued. "Careful consideration should be given to selection of the locations most suitable and congenial to shift workers."

MANCHESTER LETTER

Describing the current conditions in the industry, Mr. Winterbottom said that Lancashire spinning mills had spent proportionately more than any European country in their £60,000,000 post-war modernisation programme. Amenities and working conditions had been further improved and wages had risen to a point where, instead of being one of the lower paid industries, cotton appeared well up in the list.

Still Higher Wages

After the setback which occurred in the earnings of operatives in the British textile industries, due to the 1952 slump, there has been a sharp advance in the wages available for the workers. The latest Ministry of Labour survey on the question shows that a fresh peak has been achieved.

There is clearly no sign of any real check to the rising spiral of wages in industry generally and the average earnings now illustrated are three times the pre-war level. The current figures relate to the last week in October, 1953 and cover nearly 6,750,000 workers in scores of different industries, as shown in the following table:—

All workers	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
	s. d.	s. d.	s. d.	s. d.	s. d.
October, 1951 ..	166 0	69 1	90 1	57 11	141 1
April, 1952 ..	173 7	71 9	92 2	57 9	147 3
October, 1952 ..	178 6	74 11	96 4	60 9	151 11
April, 1953 ..	185 11	77 7	100 3	62 6	157 7
October, 1953 ..	189 2	78 11	102 5	64 11	160 1
COTTON					
October, 1951 ..	166 10	90 6	105 1	70 11	124 5
April, 1952 ..	149 0	80 4	93 9	70 4	111 6
October, 1952 ..	160 6	88 6	102 5	77 8	121 0
April, 1953 ..	166 1	90 7	106 2	79 0	124 8
October, 1953 ..	178 8	95 7	113 8	85 5	133 4

Weaving remains a better paid job than spinning so far as adults are concerned, but juveniles still command very good wages as compared with other trades shown in the review. Average earnings of women weavers were £5 18s. in the week concerned, while youths in the spinning trade received almost £5. Higher earnings can be secured by adults engaged in weaving rayon and other synthetic fibres. The average of all workers in this branch was just over £7, men receiving £9 6s. 5d. and women almost £6 in the week. In the textile finishing industry, the average wage for men was even higher, being £9 8s. 7d., and all workers in this section averaged £7 18s. 3d.

By last autumn, when this survey was taken, the mills had regained the momentum lost during the 1952 slump. The number of hours worked averaged 44½ weekly, as compared with 44.1 six months previously.

Supplies of Cotton

Politicians in the House of Lords have been raking through the dying embers of the fires of controversy which have raged over raw cotton purchasing. But the trade itself is now more interested in the actual operation of the system than in discussion of the principle involved. A little more light has now been thrown on what is to happen to the Raw Cotton Commission's stocks. In the first place, contractors-in will still receive supplies of particular growths from the Commission, which has taken steps to ensure that continuity will be maintained until new crops become available for private purchases. This refers, in particular, to cotton grown in Pakistan, East Africa, Peru and the Sudan, where new supplies cannot be obtained until next year.

No date has apparently yet been fixed for the winding-up of the Commission, but contracts for the provision of these particular types of cotton will be arranged before the end of August. Later, the Commission's surplus stocks will presumably be thrown open for purchase by contractors-out, when the needs of contractors-in have been suitably safeguarded.

The official attitude of the Spinners' Federation to the longstanding argument over raw cotton has been stated by Mr. W. T. Winterbottom, the President, who told the annual meeting: "We in the spinning industry must recognise that the successful operation of the Liverpool cotton futures market will depend far more on us than it did before the war. Conditions in the industry and in the world's cotton markets have changed and the contact between spinners and growers is closer and more direct than it has ever been before. We have worked for the reopening of the Liverpool market and, in two months' time, we hope to see it in operation. We are confident that this is the right step and that, with goodwill and co-operation from all who will benefit from its services, the market will soon be playing its full and rightful part in the cotton world."

The Liverpool Cotton Association, Mr. Winterbottom continued, had undertaken that, within a year of the market being reopened, it would examine the possibility of introducing a broader contract than the basis of American on which the system was being at first established. Special and urgent attention was demanded by the position of long-staple cotton, he continued, the first step being to demonstrate that a Liverpool futures market based on American cotton can be made to work. To quote him: "When that market is operating smoothly attention must be devoted to the longer stapled cottons. There are surely enough consumers and traders all the world over interested in long-staple cotton to support a futures market in this country based on a well-thought-out and suitable long-staple contract."

Textile Plant

Russian buyers are "showing interest" in textile finishing machinery produced by the big Manchester engineering firm, Mather and Platt. Mr. Loris E. Mather, Chairman of the Company, disclosed this at the annual meeting in Manchester. He said later that the firm had a representative in the Soviet Union at the moment who had been approached by Russian mill interests. "They are interested in the textile bleaching, dyeing, printing and finishing machinery we manufacture and we are hopeful that some definite order will result from this visit."

Russia is an old customer of the firm's for textile machinery. "A great deal of the textile plant we delivered to that country prior to 1914 is believed to be still in existence," said Mr. Mather. It was also disclosed at the annual meeting of the Company that important contracts for textile finishing plant have been secured from Turkey. No disclosure was made about the value of the contracts.

Quality of Overalls

Complaints that some manufacturers are so keen to sell their garments at lower prices than anyone else that all restraint on quality is thrown overboard, were made by Mr. N. W. Hey, retiring Chairman of the Domestic Group of the Overall Manufacturers' Association of Great Britain. Mr. Hey told the annual meeting of the group that, in some cases, the fabric was the lowest grade that was made, garment measurements were reduced to the very barest dimensions, the bias binding was no longer vat dyed, and the number of stitches to the inch was appallingly low. "The result is that there are now on the market many different qualities of overalls, some of which are so poor that they will not stand up to hard wear and the rigours of modern washing machines," he said.

Proceeding, Mr. Hey observed: "For this reason several members feel that there is still a good case to be made out for the standardisation of domestic overall fabrics, even if not for the overalls themselves. One could understand the desire to sell cheaply but there was surely a limit to the extent to which quality was debased. This line of action generally brought its own reward to those who adopted it, but, in the process, the trade generally got a bad name. Housewives should reject these articles," he said. "Some of them are no more than rubbish and it is up to housewives to refuse to buy them."

Discussing trade generally, Mr. Hey said that the trend towards more competitive trading had gone on at an increased tempo and the trade was now back to the state of affairs which existed before the war. Competition had been getting fiercer and fiercer and overall manufacturers had found that sales did not come as readily as a few years ago.—*All Rights Reserved.*

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WORLD COTTON TEXTILE POSITION

MARKED RISE IN JAPANESE CLOTH PRODUCTION AND EXPORTS

A BRIEF reference to the recent trends in world textile economy, as revealed by the latest quarterly review of the U.K. Cotton Board, was made by our Manchester Correspondent last week (*vide* page 617). Fuller details of this review have since become available. These disclose that the final quarter of 1953 witnessed a high level of textile activity in the majority of countries. The aggregate cotton yarn production, for instance, in the major cotton textile manufacturing and exporting countries of the non-Communist world during the quarter was higher by 6 per cent. as compared with the previous quarter. Similarly, the total world trade in cotton piecegoods expanded by as much as 15 per cent., which is claimed to be the first substantial increase since the recession.

The rise in the output of cotton yarn in the non-Communist countries during the quarter under review was shared principally by Japan, the U.K. and the most of the countries of Western Europe. The output of cotton yarn (and also of spun rayon yarn, cotton piecegoods and rayon fabrics) in Japan touched a new post-war record in December, 1953. The rate of output during the quarter was roughly the same as in the corresponding quarter of 1939. The yarn output in January, 1954, is however, reported to have suffered a sharp break, due to shortage of raw cotton supplies, thanks to lack of foreign exchange. But to conclude on this score that the prospects for Japanese cotton textiles are bleak is not correct. For, if the expansion in the spindlesge by 150,000 in the three months ended December, 1953, after a period of relative stability in the first nine months of the year, is any guide, the output of cotton yarn in recent months must have been on the upward trend.

Textile Output in U.K.

In the U.K., cotton yarn production during the quarter under review was higher by 17 per cent. and cloth output by 21 per cent., as compared with the corresponding quarter of 1952. By November, 1953, activity in both spinning and weaving sections of the industry had reached 91 per cent. of the post-war peak level of November, 1951. Output in January was about 4 per cent. less than in November, but such a reduction, caused by absenteeism through illness, is quite usual at this time of year. It is beginning to appear that the spectacular increase in the output of spun rayon yarns and fabrics, which has been such a feature of the past year or so, may have gone a little too far, and a slight, but distinct, reversal of this trend is now noticeable. Since October, there has been quite a sharp drop in the output of spun rayon fabrics, and the peak output of spun rayon yarn, reached as long ago as last August, has never been equalled since. The prospects for the immediate future are of a continuation of the upward trend in output. The limiting factor will not be lack of demand, as order books are still lengthening, but the ability to produce and, above all, the availability of labour.

Complete figures relating to cloth output in West European countries are not available. From such statistical data as are available, it is seen that aggregate cotton yarn and cloth output in these countries during the quarter ended December, 1953, was higher by 7 to 8 per cent. as compared with the previous quarter. The rise was accounted for by all the countries, with the exception of Spain and Portugal which experienced a fall in output and Italy which maintained its previous quarter's level of production. Reviewing the prospects for the textile industry in the countries of Western Europe, the Board says: "The Italian industry still seems to be in the doldrums, although output of rayon cloth is making good recovery. Activity in the French, German and Dutch industries, on the other hand, is at a high level."

Incidentally, it may be noted that prospects for European textile industries are judged with moderate optimism by the O.E.E.C. Thus, in its survey of operations during 1953 recently published, the O.E.E.C. observes that, although it is difficult to assess closely the outlook for these industries over the years ahead, the indications are of reasonable prospects of a relative measure of prosperity, at least in the immediate future. Plant capacity in the European textile industries could, it is said, sustain a higher level of trade. The O.E.E.C., however, draws attention to the importance of action on the part of these countries to increase the level of consumption and demand for textiles in the European market themselves. Evidently, the organisation must have been prompted to tender this advice by the growing tendency to achieve self-sufficiency in many countries of the world which were formerly importers of textiles.

The cotton textile industry in the U.S. and Canada, on the other hand, seems to have experienced a recession. Thus, it is said that cotton consumption per working day in the U.S. has been less than in the corresponding period of the previous year in every month since August last. Moreover, the rate of consumption has been falling steadily, with the exception of a seasonal increase in January, 1954, and figures of machinery activity confirm this downward trend. No doubt the factors tending to reduce output are similar to those which are reducing activity in other industrial sectors of the U.S. economy, but, in the case of cotton textiles, they appear to have been aggravated by much smaller military purchases and the fall in exports of piecegoods. As a result, order books have been drastically shortened, although, so far, there has been little tendency for stocks of goods at the mills to rise. A further effect has been that cloth prices have fallen steadily since last August, although cotton prices have remained fairly stable.

World Trade

As already stated, the aggregate world trade in cotton cloth expanded by about 15 per cent. between the third and fourth quarters of 1953. The rise was shared mainly by Japan, India, France, Belgium, Italy and most of the other West European countries, while the U.S. suffered a contraction in exports. The rise of 15 per cent. in world cloth exports, though appreciable, was not sufficient to bring the total for the whole of the calendar year 1953 equal to even the low 1952 level. During 1953, Japan was the biggest exporter of cotton piecegoods, followed by the U.K., India and the U.S.

The bulk of the rise in world exports of cotton piecegoods during the quarter under review was accounted for by Japan. The quantity actually exported by this country was 280 million square yards, as compared with 242 million square yards in the previous quarter, which represents a rise of about 15.7 per cent. At this rate, the exports were almost double the low level touched during July-September, 1952. Of the total exports of Japanese piecegoods, the share of Indonesia alone was to the extent of 105 million square yards. The offtake by Siam, Burma, Australia, South Africa and British West Africa was also larger than in the previous quarter. Among the markets which took very much smaller quantities of Japanese cloth were Hong Kong and the U.K. Since the beginning of this year, negotiations with the Pakistan Government have resulted in contracts being booked for Japanese cloth. About 16.2 million yards of cloth are reported to have already arrived in Karachi.

Exports of cotton piecegoods from the U.K. in the last quarter of 1953 were larger than in the preceding quarter, making the total for the whole year almost the same as in 1952. Shipments of U.K. cloth to British West and East Africa expanded considerably. Exports to these markets are expected to continue to benefit from the ban on the import of all but a few types of cloth from Japan, provided, of course, there are no shipping difficulties.

India also figured prominently in the expansion in world textile trade during the three months ended December, 1953, the shipments actually made being 196.6 million yards, as against 176.7 million yards in the previous three months. Two factors were chiefly responsible for stimulating exports. First, the supply position of cloth was very comfortable, thanks to the high level of production. Secondly, the Government of India abolished the export duty on medium cloth. Most of the rise was with British East and West Africa, the U.K., and Australia. There was, on the other hand, a drastic reduction in exports of Indian cloth to Burma. The rise in exports of cloth has gathered further momentum during the first two months of this year too; the quantity exported is estimated at 170 million yards. It is not possible to say whether the same trend will be maintained throughout the year, what with the growing competition from Japan and the U.K. The U.K. Cotton Board, however, observes: "India will benefit in 1954 even more than the U.K. from the continuation of the restrictions on Japanese cotton goods in East Africa."

Exports of cotton piecegoods from practically all the West European countries registered improvement during the final quarter of 1953, as compared with the previous quarter. The improvement was particularly marked in the case of exports by France which was able to restore its trade to normal levels from the low point touched in the previous quarter, as a result of the sharp setback to shipments to Indo-China and West Africa. Exports from Italy continued their recovery, largely accounted for by larger offtake by Turkey, Italy's largest market. Exports from Belgium, especially to the U.K., also expanded considerably, as also those from Germany and Holland.

In distinct contrast to the trend of a general rise in exports of cotton goods, the U.S. was almost alone in suffering a contraction in exports during the last quarter of 1953. Its exports were lower than even the low level reached in the previous quarter. The fall was mainly accounted for by the steep decline in offtake by Indonesia. The Philippines also took less. The fall in exports to these two markets was so steep as to offset the improvement in despatches to Canada and other important neighbouring markets.

GOVERNMENT'S TEXTILE POLICY

A detailed account of the steps so far taken by the Government of India in implementing the recommendations of the Working Party for the Cotton Textile Industry was given by Mr. D. P. Karmarkar, Union Minister for Commerce, in the course of his reply to a question in the House of the People recently. Mr. Karmarkar was very explicit in his observations on the views of the Party that, owing to the change of management, in some cases to inexperienced hands, both production and quality of textiles had deteriorated. He said: "In order to curb the tendency, the Government have amended the Indian Companies Act, 1913, by the Indian Companies Amendment Act, 1951. Restrictions have accordingly been placed on changes in the constitution of the managing agents without the permission of Government. In addition, Government has assumed powers, under section 15 of the Industries Development and Regulation Act, to order an enquiry into the working of any mill, if it is satisfied that the mill is being worked prejudicially to public interest."

Referring to controls, Mr. Karmarkar said that the Government had relaxed all control measures, except in so far as they were considered necessary for the development of the handloom industry. He, however, made it clear that the Indian Companies Act and the Industries Development and Regulation Act gave Government "adequate' powers to interfere where necessary to do so. He alluded, in this connection, to the suggestion of the Technical Sub-Committee that the mills should produce fewer varieties over continuous periods of good quality cloth suited to the needs of the country, and said: "There is already a control on the production of shoddy cloth which prescribes the basic structure of cloth that should be produced, but mills are free to produce any variety within this structure. There are, however, restrictions on production of certain types of cloth such as *dhotis*, *lungis*, furnishing fabrics, etc. This is a special measure in the interest of the handloom industry."

Dwelling on the Party's recommendations concerning distribution of textiles, Mr. Karmarkar pointed out that, even after controls had been removed, State Governments had the power to regulate the distribution system, as they issued licences to cloth dealers—wholesale and retail. The Government, he said, did not consider it necessary to interfere with the existing system of distribution, for, with the change-over into a buyers' market, the Government was mainly anxious to ensure speedy and unhampered flow of cloth from the producer to the consumer and relieve accumulation of cloth in mills. As regards quality control on exports, he averred that the scheme drawn up by the Textile Commissioner for the inspection of cloth intended for export was approved by the Cotton Textiles Fund Committee at its meeting held on 10th February, 1954, and the suggestions of this Committee were under examination.

Mr. Karmarkar also dealt with the recommendations of the Working Party relating to raw cotton supplies. He claimed that the efforts of the Government to augment production of indigenous cotton with a view to reducing dependence on imports had been met with success. In support of this view, he said that production of cotton in 1953-54 was 4.1 million bales, against the Planning Commission's target of 4.2 million bales which still fell short of the demand. In this connection, he maintained that the measures to increase the acreage under cotton had not affected production of foodgrains.

Two other aspects relating to cotton, to which Mr. Karmarkar referred, related to purification of the varieties of cotton and export of comber waste. In regard to the former, the Working Party had urged strict enforcement of rules by State Governments. The Governments of Madras and Bombay had already amended the Cotton Ginning and Pressing Factories Act to provide for maintaining purity of cotton. The Governments of other States, including Punjab, Madhya Pradesh and Kutch, were also contemplating legislation for the purpose. Commenting on the Party's suggestions that a watch should be kept over the export of comber waste and that justification should be adduced by any mill which was unable to utilise it and desired to have it exported, Mr. Karmarkar observed: "The bulk of comber waste is exported to the U.S., the U.K. and other countries yielding valuable foreign exchange. The waste is utilised by a special process and, in the absence of the availability of technical skill, there will be no point in preventing exports."

"WORRAL'S DIARY"

The *Indian Textiles and Engineering Diary*, published by Messrs. John Worral Ltd., Oldham, England, the world-renowned specialists in the field of textile publicity (Agents in India: Messrs. W. H. Brady & Co., Ltd., Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay. Price: Rs. 15 plus Rs. 2-8 for sales tax and packing and forwarding charges wherever necessary), needs no introduction. The *Diary* serves as an excellent medium for the promotion of mutual trade relationship between the makers and merchants of textile machinery, accessories, supplies, etc. The latest edition, that is the 1954 edition, contains a revised and up-to-date buyers' guide furnishing information on several important aspects relating to textile machinery industry and trade. Particular mention may be made of data relating to (1) machinery, accessories, power transmission equipment, mill supplies and services, (2) chemicals, auxiliaries, mineral products, etc., and (3) raw materials, yarn spinning, processing, manufacturing, finishing, merchanting, etc.

The other highlights of the publication are pictorial trade marks and designs, alphabetical list of trade names, notes and formulæ relating to spinning machinery and cotton preparing, besides a series of tables relating to the easy way of numbering yarns by counts, finding out warp and weft weights and determining piece-weight of small patterns, carding cloth, etc. Also given at the end of the publication is a list of cotton, silk, rayon and jute mills and of miscellaneous textile firms. The utility of the publication is enhanced by the inclusion of a classified list and glossary of textile fabrics (Indian section), statistical survey of cotton spindles and looms in India, and list of textile associations and other organisations connected with projection or marketing of textile fabrics in India and Pakistan.

FREE WORLD'S COTTON CONSUMPTION IN 1953-54

SIZABLE INCREASE FORECAST

AN encouraging trend, from the point of view of cotton interests the world over, is the increase in cotton consumption which has taken place in the current season in many of the leading textile countries. It now looks as though the consumption of cotton will improve significantly from the levels touched in the 1952-53 season. Indeed, the International Cotton Committee estimates that the current season's cotton consumption in the free world may aggregate 26.6 million bales (478 lbs. each). If this expectation materialises then the free world's cotton consumption will exceed not only the previous season's consumption level (25.9 million bales) but also the high level of 26.5 million bales, touched in 1950-51, the season that witnessed the Korean boom in textiles.

This conclusion has been reached by the Committee after a preliminary study of the statistical data covering the first four or five months of the present season which are now available. It is also based on the assumption that there will be no "serious reversal of existing trends" as the season progresses. If the conclusion—that is, the possibility of the 1953-54 level of consumption exceeding the 1950-51 level—is borne out by actual events, it will be a very healthy factor for cotton. This is because, whereas the 1950-51 level was, as already stated, the result of the Korean boom, the current season is a comparatively normal one. Accordingly, if consumption of cotton in this season exceeds the 1950-51 season's level it may well be regarded as a favourable development of long-term significance to the cotton economy of the world. The following table gives the consumption of cotton in the three years ended 1952-53 and the estimated consumption of cotton in 1953-54:

Cotton Consumption by Continent

(In million bales)

	1950-51	1951-52	1952-53	1953-54
U.S. and Canada ..	11.0	9.5	9.8	9.1
Central and South America ..	2.0	2.0	1.9	1.9
Western Europe ..	7.4	6.8	6.5	7.3
Asia and Oceania ..	6.7	6.4	7.2	7.9
Africa	0.4	0.6	0.5	0.5
Total free world ..	26.5	25.2	25.9	26.6

A study of the statistical data relating to cotton consumption during the first four or five months of the season reveals certain interesting trends. North America has undergone a period of contraction as a result of the perceptible reduction in cotton consumption both in the U.S. and in Canada. Aggregate consumption in South America remains steady. But, in other areas of the world, notably in Asia and Western Europe, there has been an expansion of consumption of varying magnitudes.

The following table gives the consumption of cotton in 1951-52 and 1952-53 and also the latest available consumption figures in 1953-54 and comparable figures for 1952-53:

Cotton Consumption

(In 000 bales)

	1951-52	1952-53	Month	Cumulative total from 1st August upto month shown	
				1952-53	1953-54
U.S.	9,196	9,457	Jan.	4,739	4,421
Canada	843	871	Jan.	137	108
U.K.	1,759	1,564	Dec.	611	748
France	1,226	1,160	Nov.	802	923
West Germany ..	965	1,073	Nov.	841	902
Italy	892	904	Dec.	340	328
Netherlands ..	267	295	Dec.	119	134
Belgium	407	371	Nov.	123	144
Switzerland ..	165	149	Jan.	78	80
Portugal	179	174	Dec.	69	75
Sweden	125	122	Nov.	..	67
Austria	95	77	Dec.	28	38
Denmark	47	44	Dec.	19	20
Greece	107	103	Oct.	25	26
Finland	59	58	Jan.	31	24
Japan	1,818	2,065	Dec.	842	1,087
Hongkong	162	157	Dec.	63	85
India	8,299	8,656	Nov.	1,211	1,226

During the first half of the current season, the consumption of cotton in the U.S., as a reference to the relevant table will show, declined by over 300,000 bales or 7 per cent. as compared with the comparable period in 1952-53. The decline is attributed to reduced military purchases and decline in exports of textiles. The Committee states that consumption for the full season could, on present indications, be down by half to three-quarters of a million bales. Referring to the more recent trends in the American textile industry, the Committee says:

"There has been an improvement in the textile inventory position, however, and official sources state that textile markets were more active during January and that sales of some kinds of cotton grey goods were the largest since last spring."

The textile situation in Canada, it is stated, is becoming "critical." While overall demand conditions remain favourable, the home industry is affected by the large volume of imports from foreign countries. Over the first six months of the present season cotton consumption declined by 31,000 bales or 17 per cent. as compared with the same period in 1952-53. To remedy this situation, an amendment to the Customs Act has been made, which, it is stated, is designed to give Canadian manufacturers greater protection against textiles imported at abnormally low prices.

The European textile situation, as the table will show, remains favourable and cotton consumption in many countries continues to run significantly ahead of 1952-53. Relatively speaking, the greatest expansion has occurred in the U.K. where, over the first five months of the season, cotton consumption increased by 127,000 bales or 23 per cent. as compared with 1952-53. Although the recovery in demand has been primarily in the domestic market, there are signs of improvement in the export sphere, following the relaxation of import restrictions in Commonwealth countries, notably Australia and South Africa.

Both France and West Germany show an increase in cotton consumption. In France, it is stated, mills are generally experiencing easier conditions and better working margins but the industry is concerned with the competitive position of French textiles in export markets. In Italy, the textile situation has become more "stabilised" and, over the first four months, cotton consumption was only fractionally lower than the corresponding volume last season. Belgium and the Netherlands both show "significant" gains in consumption, while in Australia, Portugal and Finland also consumption is somewhat higher than a year ago.

There has been an increase in cotton consumption in many Asian countries. Referring to the trends of cotton consumption in Japan, India, Pakistan and Hongkong, the Committee says:

"Cotton consumption in Japan continues to run over 220,000 bales a month and up to the end of December was already nearly 245,000 bales higher than the corresponding 1952-53 total. Yarn production in December rose to a new post-war record of nearly 85 million pounds. The export outlook for cotton textiles showed a further improvement as a result of the Payment Agreement with the United Kingdom and the resumption of trade with Pakistan under the 1953 agreement. An export goal of 1.1 billion yards of cotton textiles for 1954 has been set by the trade compared with the 1953 total of around 900 million square yards. Trade sources are also of the opinion that cotton consumption in Japan during the 1953-54 season will rise to 2.5 million bales or over 300,000 bales higher than in 1952-53.

"Earlier in the season, the Indian textile industry was concerned with rapidly accumulating stocks but, following the Government's reductions in customs and excise duties on cotton textiles, both export and domestic demand has improved. Consequently, fears that there would have to be some curtailment in textile production in this country have subsided and the industry is expanding. Cotton consumption over the first quarter of the season rose by 36,000 bales and trade sources report that this continued during the second quarter. The improvement in textile demand in this country is reflected in the significant rise in raw cotton prices and the upward revision in import requirements during the present season. To further the export of Indian textiles, the Government has recently set up an export promotion council and the export target for cotton textiles during 1954 has been put at one billion square yards.

"Pakistan is becoming an increasingly important factor in free world cotton consumption. Over the first half of the season, consumption is believed to have been well in excess of 150,000 bales and for the full season, consumption is likely to approximate 350,000 bales.

"The Hongkong textile industry is also becoming more important. Mill consumption of cotton in Hongkong from August through December, 1953, totalled 85,000 bales against 63,000 bales a year earlier—an increase of 35 per cent."

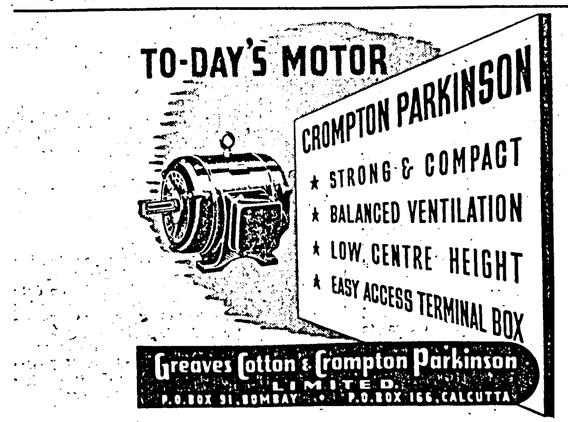
From what is stated above it should be clear that, among the Asian countries, Japan has shown the largest increase in cotton consumption. This will be further borne out by a reference to the second table on this page. The consumption of cotton in Japan is now running at an annual rate of 2.60 million bales, as against 2.06 million bales in 1952-53. The present annual rate of consumption in India, at about 3.58 million bales, is no doubt higher than in Japan but is not very much higher than in 1952-53 when it was 3.66 million bales.

COTTON BALE WEIGHTS IN U.S.

American cotton bales for most general purposes are estimated to have a gross weight of 500 lbs. and the average weight of bales from an entire crop exceeds this standard figure by only a very small margin. Each season, however, some bales weigh as little as 300 lbs. or less and others in excess of 700 lbs. These wide variations in weight from the average are the cause of several problems and inefficiences in the handling and marketing of cotton. Some statistics are now available on the extent of this problem, thanks to a study, conducted under the direction of Mr. John W. Wright, Chief Research and Testing Division, Cotton Branch, U.S. The results of this study, which are summarised in the February issue of the *International Cotton Bulletin*, show that although more than two-thirds of the bales in each of the 1951-52 and 1952-53 seasons were concentrated within the weight 450 to 550 lbs., about 8 and 6 per cent. of ginnings in the two seasons, respectively, either weighed 400 lbs. and less or more than 600 lbs.

Lightweight bales have several distinct disadvantages in marketing. Such bales represent an uneconomical use of baling material and are extremely difficult to compress to required densities. Bales considerably below average in weight are subject to appreciably higher per pound marketing costs since charges for services, such as storage, sampling, weighing, and compression, usually are assessed on a per bale basis irrespective of weight. Also, the usual tare allowance of 4.4 per cent. of gin bales is calculated on the assumption of 22 lbs. of bagging and ties on a 500 lbs. bale. Lightweight bales carrying such a tare exceed the allowance and are therefore subject to penalty for over tare. In order to offset this factor, graduated penalties are assessed in marketing channels—at $1 per bale at the 450 to 400 lbs. level and increasing to $3 per bale when weights drop below 350 to 300 lbs., according to territory of growth.

Extra-heavy bales (600 lbs. or more) are a serious potential source of damage to both gin press and compress equipment. Such bales also slow down operations and endanger workmen at both locations. Extra-heavy bales are more difficult to handle, store, and transport, are more ragged in appearance, and failure of ties is not uncommon. In recent years, efforts have been made to discourage the packaging of cotton in overweight bales, and penalties have been levied in some areas amounting to as much as $5 on bales weighing in excess of 700 lbs.



THE Government of India's intention to resort to deficit financing on a scale larger than was originally contemplated increases the responsibility of the Government and the currency authorities to exercise greater vigilance and prudence in their financial policies and to curb with a heavy hand any tendency to increase uneconomic or wasteful expenditure. This view was expressed by Mr. G. D. Birla, Chairman of the United Commercial Bank Ltd., in the course of his speech at the Eleventh Ordinary Annual Meeting of the Bank, held at Calcutta on Wednesday, 7th April, 1954. Referring to the problem of educated unemployment in India, Mr. Birla said that expansion of business and industry was the "only means of absorbing continuously increasing educated manpower," inasmuch as the opportunities in Government service, hitherto regarded as the main source of employment, were strictly limited.

The following is the full text of Mr. Birla's speech:

"GENTLEMEN,

"I have great pleasure in welcoming you to our eleventh annual general meeting. The balance-sheet and profit and loss account of the Bank have been in your hands for some time. The year 1953 marked the commencement of the second decade of the Bank's history. I am glad to say, as in the case of the first decade, the second decade too has begun with considerable all-round improvement in the Bank's business.

Bank's Business

"The deposits of the Bank at the end of 1953 stand at Rs. 37.72 crores, an increase of Rs. 6.84 crores during the year. Expansion of your Bank's business under this head is of the order of 22 per cent. which when compared to an overall rise of less than 1 per cent. in the deposits of all Scheduled banks during the year should be considered as extremely good.

Cash

"Cash on hand and balances with banks stand at Rs. 6.86 crores which gives a ratio of 18.2 per cent. to deposits. This too is satisfactory.

Investments

"The investments of the Bank stand at Rs. 17.88 crores, showing an increase of Rs. 3.7 crores over the corresponding figure of 1952. The ratio of investments, less amounts borrowed there-against, to deposits is 38.5 per cent. Cash balances with banks and unencumbered investments amount in the aggregate to Rs. 21.39 crores which gives a ratio of 56.7 per cent. to total deposits. This is highly satisfactory. The Bank's investments appear in the balance-sheet at below market value.

Bills

"The amount of bills purchased and discounted has increased during the year from Rs. 5.07 crores to Rs. 7.80 crores, a rise of Rs. 2.73 crores or 53.8 per cent. It is gratifying to note that bills purchased, or discounted, a highly self-liquidating asset, form 20.7 per cent. of the Bank's total deposits. The amount of bills for collection is Rs. 4.24 crores against Rs. 2.75 crores in the previous balance-sheet. We should be happy that the total of bills purchased, discounted and received for collection stands at a figure of over Rs. 12 crores and forms over 20 per cent. of the total working funds of the Bank.

Foreign Exchange Business

"The Bank continues to make satisfactory progress in the foreign exchange business. The total of bills purchased payable outside India has increased from Rs. 2.75 crores at the end of 1952 to Rs. 4.72 crores at the end of 1953. Likewise, the amount of bills for collection payable outside India has increased from Rs. 1.46 crores to Rs. 2.47 crores. The total of both these figures has increased from Rs. 4.21 crores to Rs. 7.19 crores, a rise of 70 per cent.

"Business under acceptances, endorsements and other obligations, which is principally connected with international banking, has increased from Rs. 5.61 crores to Rs. 7.75 crores, a rise of 38 per cent. In spite of the fact that prices have been falling and there are more restrictions on imports, it is gratifying to note that there is all-round improvement in your Bank's foreign exchange business.

Advances

"Advances of the Bank have also increased during the year from Rs. 9.11 crores to Rs. 11.99 crores. Most of the advances of your Bank are of a seasonal character and self-liquidating. The percentage of advances to deposits is 31.8.

THE UNITED COMMER

Second Decade Begins With

Deficit Financing Imposes

MR. G. D. BIRLA'S SPEECH

"Taking advances and bills together there is an improvement under this combined head from Rs. 14.18 crores to Rs. 19.79 crores, an increase of Rs. 5.61 crores or nearly 40 per cent. The combined total of advances and bills, however, forms only 52.5 per cent. of total deposits.

"Looking to the fact that there has been shrinkage in prices and trade figures, it is gratifying to note that far from there being any fall in the Bank's business, there is increase both under deposits and lendings.

High Liquidity

"The Bank continues to maintain a very high ratio of liquidity. The total of cash, bank balances, money at call and at short notice, unencumbered investments and bills purchased and discounted stands at Rs. 29.19 crores which is 120 per cent. of demand liabilities, amounting to Rs. 24.27 crores. The percentage of these assets to total deposits and bills payable is 76.3.

Profit

"The profit of the Bank for the year 1953 is Rs. 23.51 lakhs. This is lower than the previous year's figure. Principal reasons for the fall in the Bank's profits, which are common to this Bank and to other banks, are higher rates of interest which banks in general pay on deposits, without any corresponding increase in their rates on lendings and investments, and increased cost of establishment charges; and in the case of your Bank some increase under 'other expenditure.' There is also in the case of new banks like ours need to provide for adequate depreciation on bank's property, furniture, fixtures, equipments and buildings which does not exist to such an extent in the case of older banks, as they have largely written off these assets in their long career. In the case of your Bank depreciation for 1953 amounts to Rs. 6.27 lakhs, which is Rs. 1 lakh more than that in 1952.

"The amount of interest paid is higher by Rs. 14.65 lakhs. Salaries and allowances of the staff, excluding ex-gratia payment made during 1952, shows an increase of Rs. 6.44 lakhs. Other expenditure mainly connected with our expansion programme shows a rise of Rs. 3.08 lakhs. Against these increases in expenses there is an improvement of only Rs. 19.35 lakhs in the Bank's earnings from interest, discount, exchange and commission, showing on balance a deterioration of about Rs. 5 lakhs in profit. That the Bank in spite of 22 per cent. increase in deposits and of 40 per cent. rise in its lendings should still experience adverse result in its net earnings shows that banking in India is faced today with extremely difficult conditions.

Appropriation of Profits

"Including the amount brought forward from 1952 the amount of available profit, after setting off Rs. 55,305 paid as donations to the Pagoda Building Fund of the Prime Minister of Burma and the Building Fund of the Federation of Indian Chambers of Commerce and Industry, etc., is Rs. 24,02,320-7-3. Out of this the Directors have already appropriated Rs. 5 lakhs to the reserve fund which now stands at Rs. 80 lakhs and made a provision of Rs. 9½ lakhs for income-tax, leaving a balance of Rs. 9,52,320-7-3. The Directors have recommended to you, in their report, to sanction payment of dividend at Rs. 2 per share, free of income-tax, same as last year, leaving Rs. 1,52,320-7-3 to be carried forward to the next year's account.

Branches

"During the year under review the Bank opened its branch in London. Originally, the office was located in Fenchurch Street, but later, on the Bank finding better and bigger accommodation it was shifted to No. 15, Throgmorton Avenue, E.C. 2. The branch is doing good business to such an extent that we are, even now, finding the present premises insufficient.

Management

"I am very sorry to inform you that the Regional Manager of the Bank for South-East Asia, Mr. J. P. Sen Gupta, died while on duty in the air crash at Singapore, when returning from Djakarta, on the 13th March, 1954. He was a capable and conscientious officer with a high sense of duty. On behalf of the shareholders, the management, the Board and myself, I offer our deep sympathy to Mrs. Sen Gupta and her children in their very sad bereavement.

"Your General Manager, Mr. B. T. Thakur, deserves our gratitude for ceaselessly working for the Bank. The great progress which the Bank has achieved in such a short time is mainly due to his industry, ability, effort and foresight. I take this opportunity to thank him and his colleagues and other members of the staff for their untiring work and high sense of duty.

Need for Common Action

"As a result of very keen competition amongst banks an undesirable practice has grown whereby not only fixed deposits but also call and overnight deposits are induced from banking accounts and accepted by banks at a disproportionately high cost of 3 per cent. or even higher, in addition to brokerage paid on such deposits. The cost of such deposits approximates to paying bank rate on current account money, which is not at all a healthy banking practice. All this money normally lies in current accounts earning little or no interest. One can understand borrowing at such a high rate between banks for the purpose of balancing their books at the end of the day, instead of going to the Reserve Bank, the lender in the last resort, for borrowing at the bank rate. But it is extremely undesirable that banks should load themselves with higher cost of borrowing by inducing transfers from their own current accounts to call deposits, or disturbing each other's similar accounts; because in the end it does no bank any good, but only increases the overall cost of deposits. The increased rate of interest on deposits does not bring into the banking system any new money. Again, all banks are suffering from their inability to pass on this added cost of deposits to their investments which were bought when the bank rate was lower and rates on deposits much lower; because rates of interest on such securities being fixed at the then lower rate cannot be raised at will. This disability is particularly great in the case of Indian banks which keep about 40 per cent. of their deposits in Government securities. It is not only the question of deterioration in the market value of investments which follows increase in the bank rate which affects banks, but also the more serious impairment in the rate of current earning which can only be righted after the securities mature for payment. But the difficulty of banks does not end here. The increased cost of deposits is also not fully passed on to banks' lendings. There is no corresponding increase in the rate of interest on advances, nor are the rates for buying bills adequately adjusted to the increased rates of interest on deposits. It will be to the common good of all banks that they should think of ways and means, if necessary under the friendly guidance of the Reserve Bank of India, to restore equilibrium in their earning capacity, by bringing their interest rates on their borrowings and lendings in proper alignment.

Establishment Expenses

"The question of establishment costs has really become very urgent and serious for banks in India. I give below a statement giving telling information about the establishment and operating expenses of Indian Scheduled banks and how they compare with the corresponding expenses of banks in the United States of America during the five years 1948 to 1952. These figures are based on the information given in the *statistical tables* relating to banks in India 1952, published by the Reserve Bank of India, and the Federal Reserve *Bulletin* for May, 1953. As the figures for 1953 are not available I have not been able to include them in the statement, but I am sure that, when they are published, they will indicate that the position has further deteriorated.

"It will be seen from the said statement that the ratio of establishment expenses to deposits of Indian Scheduled banks has been continuously increasing from 1.09 per cent. in 1948 to 1.80 per cent. in 1952, a rise of over 70 per cent. Similar ratio in the case of banks in the United States has been almost steady around three-fourths of 1 per cent. The incidence of these expenses on Indian banks is 115 per cent. more than in the case of the richest country in the world, the United States of America. As a result of the very heavy expenditure on staff, the overall operating cost of Indian Scheduled banks in 1952 is also extremely high. This means an unbearable load of 2.35 per cent. on deposits.

CIAL BANK LIMITED

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AT ANNUAL MEETING

Expenses and Gross Profit

"Taking establishment expenses as a percentage of gross profits it will be seen that this ratio in the case of Indian banks has been continuously increasing from 44.31 per cent. in 1948 to 50.86 per cent. in 1952 in spite of continuous increase in the gross profits of banks. Similar ratio in the case of American banks is of the order of 33 per cent. This shows that establishment costs absorb 50 per cent. more of the gross profits of Indian banks than is the case in the United States.

"Taking the total operating expenses, the ratio thereof in 1952 to gross profits stands at 66.7 per cent. against the American ratio of 53.7 per cent. Further, the ratio has been steadily coming down in the U.S.A., whereas it has been going up in this country. In India, two-thirds of gross profit is absorbed by working expenses, a very high figure indeed, when we consider that out of the remaining balance older banks pay bonus to staff, which further decreases the residue from which first to meet such contingencies as fall in security values and bad debts to which banks are usually subjected and from the remainder pay taxes and dividends and to build up reserves. The position is getting very serious for banks, and they cannot be allowed to remain on such dangerous ground any longer.

Cost of Banking

"During the five years 1948 to 1952 the average establishment expenses per banking office in India for all classes of Scheduled banks has gone up from Rs. 33,000 to Rs. 50,000 per year, a rise of over 50 per cent. and this in spite of fall in deposits of banks.

Mounting Expenditure

"There is no end to this mounting expenditure. The Industrial Disputes Act, as it stands at present, makes it impossible for any bank to close any of its branches, howsoever unremunerative, or to terminate the services of any person howsoever inefficient or indisciplined; and on the top of this, increments have to be given every year, whether there is paying capacity or not, or whether the work of employees is good or not. The procedure of charge-sheeting employees, prescribed by labour tribunals, is cumbersome, resented by employees themselves, and does not help the banks. It is the very negation of speedy decisions so necessary in business and banking. No wonder there has been no expansion in banking in this country during the last several years. As healthy banking and its expansion are essential for the progress in the country's economy, I hope the Government will soon take suitable measures to restore normal conditions in banks.

Common Policy

"The least that the banks in India should do to overcome the deterioration in their working is to decide on a common policy in regard to the following matters:

"(i) No interest should be paid on current accounts. With an overall establishment cost of 1.8 per cent. and operating cost of 2.35 per cent. on total deposits, there is no justification for any interest being paid on current accounts, which, considering the nature of their operations and costs thereof are much costlier, in operation. Check accounts on savings banks are one of the means whereby such a common policy can be circumvented, and therefore common action in regard to such accounts is also necessary.

"(ii) No deposits payable at less than two weeks' notice should carry any interest. This will stop the suicidal action of banks in needlessly raising the rates of interest on call money received from clients. Such a practice already exists in other organised banking systems. For example, the minimum period for interest-bearing deposits is one month in the U.S.A., and three weeks in Great Britain. Inter-bank call loans may be exempted from such an embargo.

"(iii) Maximum interest allowed on any deposit should not be more than 1½ per cent. under the bank rate.

"(iv) Minimum rate for advances should not be less than 1½ per cent. over the bank rate. Looking to the facts that 50 per cent. of deposits of banks is in the shape of cash and bank balances, which earn nothing, and in Government securities return on which barely covers interest at present paid on fixed and call deposits, and that the banks' operating cost is 2.35 per cent. on deposits, and tends to rise further, a difference of 3 per cent. between the maximum rate of interest on deposits and the minimum rate on advances is the absolute minimum that should be ensured for healthy banking.

"(v) Rates for discounting and purchasing bills should be suitably regulated.

Appeal to Staff

"While I am conscious of the great and indispensable importance of all the members of our Bank's staff, high and low, and thank them for the work they are doing in making the Bank a big success, I think I should take this opportunity to appeal to them to concentrate more on developing their usefulness, efficiency and productivity, which qualifications alone can give abiding improvement in emoluments and standards of living. The present tendency to emphasise privileges without adequate realisation of wherewithal through better work, upon which alone depends the achievement of the former, has merely created weaknesses in the banking system, which must soon result in their own detriment. There has been no expansion in banking; but, on the contrary, there has been curtailment due to failure of banks and closing of branches. There is no further room for employment in banks which would automatically follow if there is increase in banking activities. The country's economy is crying for more banking. But obviously with an average expenditure of Rs. 50,000 per banking office no bank can think of even attempting to open at new places, because such expenditure once incurred cannot be eliminated, if the experiment does not prove a success. In their own interest, as well as in the larger interests of the country, they should be more realistic in their attitude. A little later I shall refer to the report of an important continental Federation of Trade Unions which also emphasises sanity and logical realism in labour policies.

General Conditions

"I take this opportunity to congratulate your General Manager on his appointment as a member of the Committee on 'Finance for the Private Sector.' Under the directions of the Planning Commission, the Reserve Bank of India has set up this Committee to explore ways and means for augmenting sources of finance for the private sector of Indian business, as distinct from the requirements of the public sector, i.e. of enterprises directly undertaken by the State, with special reference to the increased part that banks in India can play in this respect. Shortage in savings and capital is a serious impediment to the growth of our country's economy, and therefore a major cause of unemployment. Both Government and business men anxiously await the report of this Committee, which, I hope, will examine this vital problem of the country in a businesslike and, matter-of-fact manner, and indicate a correct basis for the formulation of the future financial policy of the country.

"Another body which has an important bearing on our national prosperity, is the Taxation Enquiry Commission under the chairmanship of Dr. John Matthai, a former Finance Minister of the country. For speedily developing the economic resources of underdeveloped countries like India, which have huge economic arrears to make good, there is immediate need for creating better incentives to make all sections of people rise equal to the occasion and to make all-out efforts for work, regardless of time, discomfort, inconvenience or sacrifice.

Savings and Investments

"While on the question of taxation, I cannot help referring again to a subject to which I have often referred in my annual speeches. In countries where literacy, capital, know-how, and banking and investment habits are poor, nothing helps growth of savings more than the introduction of bearer instruments of savings and investments. The revenue of the State will, in the ultimate analysis under the scheme, rise without doubt, because that money which does not at present function and does not pay any taxes to the State, will actually come forward and pay taxes through earnings on such bearer securities. To mitigate possible loss through evasion of tax, these instruments can be loaded with a surcharge of 10 per cent. of further tax, over and above what may be deducted at source and no refund should be allowed on such deductions. By such a formula the State would actually get more taxes. Increased revenues being so necessary, the State cannot afford to neglect any means which can help such a purpose. Continental countries have put no ban on bearer instruments. Banks in Switzerland continue to issue their bearer bonds. Conditions in our country, from the point of view of tax, are no worse than in European countries. It would be an act of high statesmanship to convert any act of seeming irregularity into an advantage, through suitable adjustments and modifications.

"Another point which I wish to stress again is that due to the great shortage of capable manpower in administrative and business management, a ceiling of 50 per cent. should be imposed on the tax payable on the highest slab of income of this class, in respect of their earned salaries. Our progress entirely depends upon these men, who bear great and increasing burdens of promoting national prosperity.

Money Conditions

"Monetary conditions in India in 1953 were fairly comfortable. The bank rate remained unchanged at 3½ per cent. per annum. The falling tendency of banks' deposits noticeable from 1950 has been reversed for the first time. Although Scheduled banks' deposits at the end of 1953 exceed the 1952 figure by only Rs. 7.40 crores, a nominal rise of four-fifths of 1 per cent., it is satisfactory to note that the change is for the better. Advances and inland bills of Scheduled banks at the end of 1953 stand at Rs. 461 crores, a drop of Rs. 7.24 crores or 1½ per cent. as compared to 1952. The ratio of advances and inland bills to deposits is 55 per cent. against 56.4 per cent. at the end of the preceding year. Currency in circulation has increased from Rs. 1,092 crores to Rs. 1,126 crores, a rise of 3 per cent. But the benefit of increased currency circulation has not come to the banking system because of the shift in income that has taken place to a different class of people, who are not accustomed to banking and investment. The money supply is, however, lower at Rs. 1,891 crores, a decrease of Rs. 47 crores, mainly due to fall in the balance of the Government of India with the Reserve Bank.

"The diversion of money from organised money market and the banking system, to the countryside and to private hoards, which has been a feature of the Indian monetary condition for the past several years, brings again to the forefront the urgent need of widening the field of work of banks, if necessary by new methods and new approaches suited to the special conditions of the country. I have already explained how Indian banks, on account of the high cost of working under present laws of the country, cannot cover millions of vastly scattered small pockets where money lies diffused. I hope the Committee which is looking into the question of increased finance for the private sector will find a solution for the deadlock and help in the growth of Indian banking.

Investment Trends

"All the loans floated last year by the Government of India and the State Governments were successful. Taking all the States together, they had to offer a return of slightly more than 4 per cent. on the loans. The return on Government of India's new flotation was a little above 3½ per cent. The index number of price of Government of India securities is somewhat lower at 90.1 against 91.1 at the end of

1952, but the index numbers of prices of other securities which give fixed or variable yield have gone up, the former having improved from 89.9 to 93.6, and the latter from 89.00 to 102.9. It is gratifying to note this remarkable improvement in the price of Stock Exchange securities, which has been falling continuously since 1946. The improvement in the investment market is due mostly to psychological reasons and partly to some institutional buying. As yet, there is not much evidence of the increased rate of formation of savings or of the increased purchasing power in the hands of people accustomed to invest. But as the industrial securities had gone down much below their intrinsic value due to a sudden collapse of confidence, as if by a stroke of paralysis, they have naturally revived due to improvement in conditions that are expected to arise out of the heavy expenditure contemplated by the Five-year Plan in the remaining two years. It is in our national interest to keep up this sentiment. Nothing should be done by the Government or the political leaders which will put a brake on incentive or confidence.

Other Economic Trends

"I am glad to say that on the whole Indian economy has shown a good deal of strength and vitality during the last year. The process of adjustment of war conditions to the post-war era, which was interrupted by the outbreak of the Korean War, has now restarted. The process of settling down will affect different countries differently. India's intrinsic economic strength is sufficiently great to make this process somewhat less disturbing than in the case of other Eastern countries, where the great fall in the prices of primary produce has led to a considerable worsening in their economic conditions.

"India has appreciably improved its agricultural and industrial production. The year 1953 closed with a surplus of 15 lakhs tons of foodgrains. Rice crop for 1953-54 is estimated to yield a record production of 27.1 million tons, an increase of over 4½ million tons on the previous year's crop. Wheat and other major crops also show good results. Food rationing has been abolished in many places and the prices are also coming down. The index number of wholesale prices has slightly gone up from 372.7 to 389.4, but it is much lower than the level prevailing in 1951 and at the outbreak of the Korean War. The index number of cost of living, for working classes in Bombay has likewise gone up from 321 in December 1952 to 344 in November 1953. The index number of industrial production is up by 9 points from 128.9 to 137.6, in spite of decreased production in iron and steel due to labour strikes and in jute goods. Most of the major Indian industries like cotton, cement, tea and paper show increased production. There was some decrease in the production of sugar, and the country had to import large quantities to take care of the deficiency. There is an all-round easier feeling of sufficient supplies in consumer goods at fair prices.

Terms of Trade

"Whenever there is adjustment of prices due to changes in overriding factors like war, peace, and foreign aid, the primary producing countries are generally the first to be adversely affected. With the decrease in war tempo consequent on the cessation of Korean hostilities, purchasing power of the people in backward areas is greatly reduced. Countries in South-East Asia are badly affected. The fall in the price of tin, rubber, copra, etc., has seriously impaired the purchasing power of these people, who mainly depend for their well-being upon their export value. It takes some time before this fall has full repercussion on the price of manufactured goods, where there is greater and organised resistance, due to trade unionism, to lowering production costs through adjustments in wages. But unless the equilibrium is quickly restored, the terms of trade would continue to be against the Eastern countries for a long time, which will in itself seriously react upon the industrial production of the Western countries. The latest figures of index numbers of terms of trade of different countries of the world show that in the case of the United Kingdom, there is a betterment from 111 at the end of December, 1952, to 86 at the end of October, 1953; but for other sterling countries the index number has gone up from 86 to 94. In the case of India there is a worsening from 93 in December, 1952, to 97 in July, 1953, in spite of the advantages we have of cheaper cotton and cheaper jute in our textile manufactures. In the case of other Eastern countries the index number has risen from 87 in December, 1952, to 94 in July, 1953. There is also a worsening in the case of Ceylon, Malaya, Burma and Japan.

Balance of Payments

"In spite of reduced level of India's foreign trade and a relatively greater fall in the prices of export commodities than in those of imported goods, I am glad to say there is improvement in India's foreign balances. Sterling balances of the Reserve Bank of India have improved from Rs. 705 crores at the end of 1952 to Rs. 723 crores at the end of December last. Our dollar position is also better. Against a deficit on this account of Rs. 173 crores at the end of 1952, there is a surplus of Rs. 18 crores in the corresponding period of 1953. India received during the year 92 million dollars for development purposes by way of Technical Co-operation Aid from the United States and under the Colombo Plan from Canada and from the Ford Foundation.

Five-year Plan

"On the 31st March last, India completed three years out of its Five-year Plan programme. The total cost of the Plan, which was originally estimated at Rs. 2,069 crores, has been increased by Rs. 175 crores, to promote employment, raising the overall figure of capital required to Rs. 2,244 crores. But the amount spent in the first three years of the Plan is about Rs. 1,000 crores which will leave about Rs. 1,250 crores to be spent during the next two years. If the Plan is to be completed, according to programme, something like Rs. 600 crores will have to be spent in the year 1954-55.

"The Finance Minister has budgeted for deficit finance of Rs. 250 crores during this year. This, when added to the amount of deficit financing during 1953-54, will raise the amount of deficit finance to Rs. 378 crores. In his speech in the Indian Parliament on the 22nd March last the Finance Minister announced that the total deficit financing up to the end of March, 1955, will go up to Rs. 495 crores, and the estimated amount under this head, during 1955-56, may go up to Rs. 395 crores, raising the total to Rs. 890 crores against Rs. 290 crores originally contemplated by the Plan. The amount had to be increased because of a shortfall of Rs. 290 crores in the estimated foreign aid, Rs. 135 crores estimated deficits in the budgetary resources of the Union and State Governments and Rs. 175 crores due to expansion in the Plan. This increased resort to deficit financing no doubt increases the responsibility of the Government and the Currency Authority to be more prudent and vigilant in their financial policies and to curb with a heavy hand tendency to increase uneconomic or wasteful expenditure. It also calls for greater self-discipline by the people of the country. If the created money is spent on development of economic plans there may at best be a small time lag until increased production obliterates the aberrations caused by this expenditure. For a country like India which has favourable conditions for development and is determined to go ahead with her economic programmes, this amount of deficit finance should have little or no effect on prices of consumer goods largely needed by the average man. With sufficient supplies of food and cloth, and the production capacity for the latter not as yet fully utilised, there will be no scarcity in these goods and there is no danger of rise in their prices. India must therefore successfully complete her Five-year Plan. If for any reasons full results are not achieved, the fault will not lie in the lack of finance, but in other causes like poor drive or inadequate administrative ability. Past record of performances of States for pursuing the projects under the Plan is not very happy; and efforts will have to be made to strengthen their organisations to go full speed to complete the projects entrusted to them.

Educated Unemployment

"The problem of educated unemployment continues to be the most disturbing issue in the country. Everyone has the fullest sympathy for these young men who after spending their slender parental fortunes and several years of precious young age in studying in schools and colleges are faced with serious problems of maintenance due to lack of occupation. The number of students in secondary schools and colleges has increased from 29½ lakhs in 1946-47 to 53 lakhs in 1951-52, a rise of over three-fourths. It is estimated that every year at least four lakhs boys and girls leave the safe portals of the educational institutions and come out in search of employment. This number is swelled by those who lose their employment on the abolition of rationing and controls, or as a result of closing down of some businesses during the process of adjustment which is now taking place. Figures of Employment Exchanges show a continuously decreasing record of replacements. On the other hand, registrations for employment have increased by 20 per cent. during the nine months March to December, 1953. A situation like this in a democratic age and in a democratic country is indeed very serious and critical.

Need for Expanding Business and Industry

"Employment in Government offices was for many years considered to be the main outlet for our educated young men. The opportunities for such employment are strictly limited. Expanding business and industry are the only means of absorbing continuously increasing educated manpower. It must be said to the credit of Indian business men and industrialists who, in spite of serious difficulties and great discouragements in the pre-independence age, had the vision and foresight to do the pioneering work of building up India's industries, undergoing losses, privations and sacrifices, which today employ millions of educated people, whose fate otherwise would have been bleak. Such is actually the case in several Eastern countries, which have acquired freedom in the post-war period. They have no modern business and industry worth the name to strengthen their economy and sustain educated employment. The policies and incentives which enabled our countrymen in the past to forge ahead in business, against heavy odds, would have found new encouragement under the new conditions. Indian business would have long before this attained still greater heights and would have brought the country greater prosperity and created many and varied opportunities for service and employment. Our young men and women who now feel so frustrated would then have been employed in work and remained contented. It is expanding business, expanding agriculture, and expanding industry that can meet the demand for work from the huge and ever-increasing mass of India's educated youth.

Labour and Wages Policy

"In my previous speeches I have given the caution that unrealistic policies would lead to deterioration in economy. A business man, be he a merchant or an industrialist, is always eager to work if he can make some profit, howsoever small, and if he is left free to take decisions in the interests of his business. But when the odds are against profit and the chances are for loss, it is too much to expect human nature being what it is, that people would come forward to engage themselves in losing enterprises. Inability on the part of the employer to control efficiency, discipline, and outturn in business, is the greatest obstacle to expansion in business and employment. If an employer is not free to control work and production, or if wages are governed by considerations other than those of quantity and quality of production, then the employer is helpless to achieve successful results. Our industrial labour legislation will have to be materially altered if the country aims at increased industrialisation and increased employment.

Establishment and Operating Expenses of Banks in India and the United States of America.

		1948	1949	1950	1951	1952
Indian Scheduled Banks—						
Deposits	Rs. crores	875	760	754	748	715
Gross profit	Rs. crores	21.44	21.47	22.14	24.62	25.25
Net profit	Rs. crores	8.07	7.88	6.58	7.51	7.44
Percentage of establishment expenses to gross profit		44.31	48.08	50.80	48.68	50.86
Percentage of establishment expenses to deposits		1.09	1.36	1.49	1.60	1.80
Percentage of operating cost to gross profit		60.8	63.7	65.7	64.8	66.7
Percentage of operating cost to deposits		1.48	1.80	1.93	2.13	2.35
Average establishment expenses per banking office	Rs.	33,000	37,000	42,000	46,000	50,000
U.S.A. Federal Reserve Member Banks—						
Deposits	$ million	121,362	123,885	133,089	141,015	147,527
Gross profit	$ million	2,678	2,725	2,994	3,363	3,755
Percentage of establishment expenses to gross profit		34	34	33.4	33.4	33.1
Percentage of establishment expenses to deposits		.72	.75	.75	.80	.84
Percentage of operating cost to gross profit		56.4	56.2	54.8	53.9	53.8
Percentage of operating cost to deposits		1.20	1.24	1.23	1.28	1.37

Note: 1. The word gross profit is taken to mean income from banking operations less interest paid on deposits and borrowings.
2. The word operating cost means establishment and other expenses of banks excluding interest paid.

Basis of Better Living

"The number of people who are enjoying the present one-sided benefit of industrial legislation is a microscopic minority of the total population of the country. They have been misled in a way and have been pampered to such an extent that they have acquired, through Industrial Tribunals run by men who have no knowledge whatsoever of the wider economics of the country, an overriding veto over prosperity and employment. Every one has the fullest sympathy with men of low incomes and poor standards of living. But the solution is not the burdening the consumer with a load beyong the capacity of his purse. Labour even cannot prosper unless production goes up. Production cannot go up unless it is sold and it cannot be sold unless the cost of production is within the reach of the consumer. Herein lies the crux of the problem. India is a poor country and to inflate the cost of production is to put a virtual ban on increased production. It is through industrialisation alone that all needs can be met. Sentiment and emotion for human suffering are noble traits of character; but to satisfy them we must concentrate on cheaper and increased production. We should, therefore, under no circumstances, divert our attention from the primary to the secondary issues, which would defeat the very object of sentiment. For solving India's unemployment, the need of realistic economic policies and the restoration of proper climate with greater freedom to business and industry are axiomatic. I hope the difficulties through which industry has gone and the necessities of the process of adjustments to which I have already referred will make all of us—Government, labour leaders and industrialists—sober, and will lead to a common outlook and a common emphasis on increased and better production, through harder and more work, as the basis of better living and better wages.

"Trade Unions and Full Employment"

"A number of wise and correct decisions as to the attitude of labour on employment and national economy are contained in a recent report of the Swedish Federation of Trade Unions on 'Trade Unions and Employment' which fully support the views I have just expressed, and which I have been reiterating for several years. The report 'recommends a much more vigorous labour market policy as a complement to general measures to keep effective demand below inflationary level. By means of economic incentives, selectively applied, a democratic society should be able to attain results equal to those achieved by dictators through force, i.e., a labour market whereby supply of and demand for labour adapt themselves very quickly to each other . . . . Administrative measures to combat inflation, such as price control, wage control, investment control and exchange control are of an awkward, negative type, always forbidding people to do what they want to do. In the larger run, they cannot be successful and they are, therefore, of a distorting and self-destructive nature.' A true correct analysis which all well-wishers of labour should bear in mind. Such a prudent policy would necessitate a certain amount of internal self-discipline by the trade unions, whether in this country or anywhere else. Labour being one of the largest forces in present-day civilisation, it is incumbent on its leaders to think constructively and not to countenance any destructive agitation. In the case of the Swedish labour movement it is realised that 'the Central authority of the Confederation of Trade Unions should discourage demands that would increase wage differences between workers performing work requiring similar physical efforts and mental qualifications, and at the same time take a favourable view of wage differentials based on differences in skill and ability.' The decisions of Indian Labour Tribunals are a complete negation of this wise finding by the labour leaders in other countries, and constitute a virtual embargo on expansion of employment in India, particularly of the educated classes, who should be intelligent enough to know what is good for them and the country.

Development Corporations

"To assist India in the development of industries, there are proposals to start two Development Corporations, one by the Government of India which will consider proposals for providing finance for large-scale industries, when private agencies may not be able to gather all the required finance. The second is by Indian industrialists with the blessings of the Government of India and of the World Bank. These moves are in the right direction. They will be autonomous bodies and work in different spheres. Each of them will have very wide powers for providing finance, managerial and administrative ability and technical know-how. They may even arrange participations between established industries abroad and domestic enterprises. Working of these institutions may be even on unorthodox lines or on *ad hoc* basis. They will establish their own conventions and traditions as they grow and gain experience.

No Clash

"The Industrial Finance Corporation and the new institutions of a similar nature that are being started by States have a limited objective. They provide part of long-term finance to people who are supposed to know everything of the industries they want loans for. But the proposed Development Corporations will embrace the very foundation and establishment of industries, including promotion, blue-prints, technical and administrative skill and finance. Their role will not clash with the purpose of the Industrial Finance Corporations which have a valuable part of their own to play in the country's economy.

International Conditions

"Your Bank today works in seven different countries. It is therefore not only a National Bank of India but a National Bank of every country it works in. It must be considered as an agency for international financial co-operation between the various countries which it serves. Our economic and statistical division conducts studies of economic problems of all these countries also. As Chairman of the Bank I must say a few words about the economies of the countries in which it operates.

United Kingdom

"As a member of the British Commonwealth, India is happy at the growing prosperity and improved reserves of Great Britain. Our currency reserves largely consist of sterling balances and the strength of sterling in the world markets automatically strengthens our rupee.

"At the last meeting of the Commonwealth Finance Ministers in Australia a number of common problems were discussed, and decisions were reached to improve the finances and economies of its components. Such meetings must strengthen not only domestic finances but also the invisible financial bonds of the members.

London's Importance

"Announcements by the British Treasury a few weeks back of the reopening of the gold market in London on the 22nd March and removing the distinction between bilateral and transferable sterlings are to be welcomed. Sterling is a key currency and it finances about 40 per cent. of total world trade. These changes will increase the use and status of sterling.

"Exchange trading rooms in London banks were reopened last year, after many years of closure since 1939. That was the first step to restore to London something of its pre-war financial machinery. The present two measures will further strengthen London's position and prestige as the biggest international financial centre. These decontrols must further fortify the recent increased confidence in sterling. It being now more usable, foreigners will more freely hold it; and some of it can be locked away by them in gold. The only element lacking now in the complete reversion to pre-war conditions, is the free convertibility between sterling and dollar. This obviously can not be attempted all at once, but the measures taken so far must hasten the day of complete freedom from control on exchanges.

Currency Convertibility

"The report of the U.S. Commission on Foreign Economic Policy, under the chairmanship of Mr. C. B. Randall, has gone into the question of currency convertibility. It wisely says that the restoration of convertibility is not merely a matter of curbing currency inflation abroad. In its opinion, something much more is necessary than fixing of appropriate exchange rates and controlling inflation; and that is to lay proper 'emphasis upon the structural longer run nature of many of the war-induced distortions in production and trade, and upon deeper seated changes already apparent before the war.' A country resorting to free convertibility, according to the Commission, must have, as a prerequisite, strong internal economy possessing necessary qualities of:

(a) willingness and ability to control money supply and its budget as safeguards against inflation,
(b) mobility to make the best use of its resources and
(c) ability and willingness to save in order to increase its productivity and improve its competitive position in world markets.

"Attainment over time of these conditions can indicate how quickly full convertibility could safely be approached. By its gradual action, spread over a number of decontrol orders, Britain is surely but steadily marching towards the ultimate free convertibility of its currency. And that will also be good for the rupee and all currencies linked to sterling.

Burma

"Burma is our next door friendly neighbour where your Bank has five branches, all doing well, the fifth one having been opened early this year at Bassein. Through a policy of service and helpfulness our Burma branches are doing their utmost to help the growth of economy and business of that country.

"Hitherto, due to world shortage in food, Burma was able to get a good price for its rice which provided badly needed funds to repair its war damages and to carry on a relentless fight against the rebels. But the world position in food is fast improving and Burma may not be able to get the price for rice it has been accustomed to in recent years. It must, therefore, concentrate on quickly developing its various other sources of wealth—oil, mining, timber, etc. A brave and friendly people, who have been able largely to overcome rebel activity without external aid, deserve fullest consideration and support in the development of their national economy, now that conditions are more peaceful.

Pakistan

"Pakistan's economy has shown a good deal of vitality and strength. Its balance of payment position records an improvement, in 1953 being a surplus of Rs. 12.24 crores, as against a deficit of Rs. 87 crores in the previous year, a betterment of nearly Rs. 100 crores. It has now begun manufacturing jute goods, its jute mills being of latest and up-to-date model and very efficient in production. Its cotton textile industry is also expanding. A young country like Pakistan has naturally to undergo sacrifices in present consumption to build up industries for future benefit; but its people can look forward to a well-deserved reward of better living once the industrial programme is completed.

Malaya

"We should all be happy at the improvement that has taken place in the Malayan situation. Restoration of law and order is a prerequisite to economic improvement. This coupled with political reforms, must lead to further tranquillity. But the fall in the price of copra, rubber and tin has reduced peoples' purchasing power and Government's revenue. The restrictive policy on trade between Singapore and Indonesia has also affected the country's economy. Britain is to be congratulated in coming to Malaya's help by donating £6 million in 1953 and promising help this year too.

Hongkong

"Hongkong has had a difficult year of trade in 1953. It mainly engages in entrepot trade.

(*Continued on page 708*)

Principal Economic Figures

Year (Last Friday)	Money Market: Amounts (Rs. crores)				Economic Trends: Index Numbers					
					Investments: 1949=100					
	Deposits (a)	Advances and Inland bills (a)	Currency circulation	Money supply	Government of India	Fixed yield	Variable yield	Wholesale price August 1939=100	Working class cost of living (Bombay) August 1939=100	Industrial production 1946=100
1949	833.37	410.62	1106.47	2003.73	100	100	100	381.3	292	106.1
1950	862.77	445.15	1163.25	2085.00	97.9	99.5	107.5	412.6	298	105.0
1951	846.21	542.52	1141.09	2080.59	90.8	93.4	103.1	433.1	314	117.2
1952	830.72	468.33	1092.12	1938.06	91.1	89.9	89.0	372.7	321	128.9
1953	838.12	461.09	1125.52	1890.67	90.1	93.6	102.9	389.4	350 (b)	137.6
Percentage change between 1949 and 1953	+0.6	+12.3	+1.7	—5.6	—9.9	—6.4	+2.9	+2.1	+19.9	+29.7

(a) of Scheduled Banks in India. (b) October 1953—November 1953 index is 344. Crore=10 million.

DEVELOPMENT OF POWER ALCOHOL

ITS IMPORTANCE TO SUGAR INDUSTRY

BOTH the inaugural address of the Union Production Minister, Mr. K. C. Reddy, and the presidential address of Mr. G. S. Gupta, at the tenth annual general meeting of the All-India Distillers' Association, held recently at New Delhi, spotlight the value of developing the power alcohol industry further. Such a development is desirable for two important reasons. First, to the extent the production of power alcohol is raised by utilising the molasses, which is a by-product of the sugar industry, the cost of sugar manufacture can be brought down. Secondly, production of power alcohol adds to the country's fuel resources and reduces its dependence on foreign sources of supply. Apart from being used in the form of blended fuel, power alcohol is extensively used industrially. It is used in alcohol lamps; it serves as an anti-freeze element for automobile radiators; it is useful in bronzing liquids, cleaning fabrics, glass, etc., and it is also used in the manufacture of disinfectants, dyes, enamels, etching, inks, lacquers, oil-refining, paints, varnishes, perfumes, soap, waterproofing compounds, etc.

It is the multi-purpose utility of this material that must have weighed with the Planning Commission in according a very important place to the power alcohol industry in the Five-year Plan. The expansion plan envisages an increase in the annual installed capacity of the industry to 21.12 million gallons by 1955-56, as against 12.87 million gallons in 1950-51. The production target is placed at 18.00 million gallons, a rise of 13.28 million gallons as compared with 1950-51.

Despite the importance given to the development of the power alcohol industry, as noted above, the progress actually registered during the first three years of the Plan has not been quite satisfactory. The aggregate quantity of power alcohol produced in 1953 was only about 7.92 million gallons which fell short of the installed capacity of 13.02 million gallons by as much as 39.2 per cent. Incidentally, it may be noted that the total annual requirements of power alcohol are estimated at over 39 million gallons. Drawing attention to this lag, Mr. Gupta pointed out that "in order to achieve the targets provided in the Plan, a proper take-off should be provided." In this connection, he urged the Government to ensure adequate supplies of molasses to the distilleries and to increase the price of power alcohol.

Raw Material Supplies

Mr. Gupta's plea for ensuring raw material supplies at lower rates is fully justified. As readers are aware, the distilleries have been complaining about inadequate and irregular supply of molasses for a long time. The reasons for this are said to be lack of proper storage facilities—both at the sugar factories and distilleries—and transport bottleneck. Many of the power alcohol distilleries are situated at places far from the sugar factories, so much so that the cost of transport is heavy. Again, there are severe restrictions on the possession, storage, use, sales and transport of molasses necessitated by the prohibition policies of some State Governments. These are, indeed, the handicaps that are standing in the way of a free flow of molasses from the sugar factories to the distilleries, which must be removed if power alcohol production is to be stepped up. Reassuring is the statement of the Union Production Minister that the Governments of Uttar Pradesh and Bihar—these two States together account for more than 74 per cent. of the total output of power alcohol—would take steps to help the manufacturers in getting adequate and regular supply of molasses. Reassuring also is his statement that the Central Government would look into the question of revising excise rules in the light of its responsibility to increase production.

Price of Power Alcohol

It is, however, difficult to agree with Mr. Gupta's demand for an increase in the price of power alcohol. For, if it were conceded, it would result in a further rise in the cost of petrol-power alcohol mixture, thereby leading to an increase in the cost of transport run on this mixture. If the use of this mixture is to be popularised, it is necessary that the price of power alcohol must be kept as low as possible; and every endeavour must be made to reach this goal through economy in expenditure and improvement in efficiency of production and management. The Union Production Minister did well, therefore, to emphasise this aspect. He, however, revealed that a decision in regard to increasing the price of power alcohol was pending with the Centre.

Two factors, it is said, have been responsible for the heavy cost of manufacturing power alcohol. One is the high fuel consumption and the other the low grade of molasses supplied by a number of sugar factories. As the Planning Commission has rightly suggested, if molasses are stored in covered tanks and if the distilleries are continuously operated and carefully regulated, it should be possible to bring down the cost of production. There is also the need for a substantial relief in excise duty. The distilleries supply alcohol to the State Governments and pay excise duty on the quantity delivered. But they are given credit only for the quantity actually mixed with petrol by the petroleum companies. It is reported that the distilleries are called upon to pay the excise duty even on the unavoidable transit and handling losses, amounting to 1.5 per cent. of the alcohol in some cases. It is unfortunate that, despite the Planning Commission drawing the attention of the State Governments to this unfair charge, these Governments have failed to modify their stand. There is the need, too, for a reduction in the handling charges paid to the oil companies for the blending and marketing of power alcohol-petrol mixtures. At present, these changes are as high as seven annas per gallon.

Demand

Allied to the question of reducing the cost of production is that of raising the demand for power alcohol, for it is common knowledge that a larger turnover itself would enable producers to reduce the price. Although the fears that power alcohol-petrol mixture would choke the carburettors of motor cars have been dispelled by expert opinion and although the blend is acknowledged as a better fuel than even pure petrol or pure alcohol, there has been no worthwhile improvement in the use of this blended fuel, except in a few States. Apart from the high price of power alcohol, the elaborate excise rules governing the manufacture, issue and use of power alcohol and the absence of a uniform excise policy have been acting as a check on demand. These have adversely affected the power alcohol industry by placing them at a disadvantage *vis-a-vis* imported petrol which is not subject to any distribution control. Although more than five years have elapsed since the Indian Power Alcohol Act, 1948, investing the Government with powers to control the affairs of the industry, was passed, the Government of India has still not enforced the provisions of the Act fully and effectively. It is, however, gratifying to be told that the authorities have now realised this aspect, although belatedly. An indication of this was provided by Mr. Reddy in the course of his address. He said: "The Government of India will look into the question of revising excise rules in the light of their responsibility to increase production... The Indian Power Alcohol Act, 1948, has been enforced in the whole of U.P. and Delhi and over large parts of the Punjab, P.E.P.S.U. and Vindhya Pradesh. It is proposed to extend it to the remaining parts of these States."

Simultaneously with the implementation of the aforesaid proposals, the Government of India should also examine, in consultation with the power alcohol distilleries, the petrol companies and the State Governments, the issue relating to satisfactory disposal of power alcohol. The present arrangement for the purchase of power alcohol from distilleries by individual State Governments and the distribution of the mixture at the same price as neat petrol by the petroleum companies appears to militate against the wider adoption of power alcohol as motor fuel. The Planning Commission's suggestion with regard to this is the establishment of an all-India agency for acquiring the output of all the distilleries and making necessary arrangements for its distribution in the form of petrol-alcohol mixture through the petroleum companies. It is not understood as to why nothing has been done so far to implement this suggestion.

THE
SOUTH INDIA INSURANCE
COMPANY, LIMITED
(Incorporated in India)
(Established 1934)
Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business

Authorised Capital	Rs.	1,00,00,000
Subscribed Capital	,,	50,00,000
Paid-up Capital -	,,	10,00,000

Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

"INDIAN SUGAR INDUSTRY—1952-53 ANNUAL"

Yet another useful and interesting annual edition of the *Indian Sugar Industry*, which refers to the year 1952-53, has been published. (Editor: Mr. M. P. Gandhi. Published by Messrs. M. P. Gandhi & Co., Jan Mansion, Sir Pherozeshah Mehta Road, Fort, Bombay 1. Price Rs. 6.) The latest Annual, like its predecessors, contains an excellent factual review of the developments in the sphere of the sugar industry and trade in India and abroad during the season 1952-53. A study of this review will enable one to assess the progress of the Indian sugar industry against the background of world sugar economy. A pertinent but well-worn point which Mr. M. P. Gandhi, the Editor, has made, once again, in his preface, is that the future of the sugar industry in India depends on the reduction in the price of sugar which depends greatly on the success of our efforts to augment the average yield of cane—we emphasise more on sucrose content—which is at present as low as 14 tons per acre.

The Annual under review contains a revised and up-to-date "Sugar Industry at a Glance" section. The section is replete with statistical tables—more than 40 in number—relating to various aspects of the sugar economy, as, for example, production and consumption of sugar, imports, our manufacture, sugarcane crop, etc. The other principal features of the Annual include comment on sugarcane price fixation, capital and dividend statement of sugar mills, discussion on import and export prospects and sugar control, and a note on the functions of the Central Sugarcane Committee and the Sugar Development Council. The list of sugar mills in India and Pakistan working and projected—with addresses of managing agents, information regarding crushing capacity, etc.—has been revised and brought up to date.

SUGARCANE PRICES IN MADRAS

The price of sugarcane paid to the growers in the Nallikuppam factory area is based on what is popularly known as the S.I.S.M.A. formula. This formula seeks to give the agriculturist a return for his cane, directly related to the price at which the resultant sugar has been sold, adjusted to the actual mill recovery: Under the formula, the cane growers are getting an additional price of Rs. 5-1-1 per ton, besides the basic minimum price of Rs. 35-11-8 fixed by the Central Government. The sugar factories in Madras had urged the State Government some time ago to give statutory recognition to the formula. The State Government accordingly asked the Centre whether such could be done. In its reply to this query, the Centre has clearly stated that statutory effect cannot be given to the S.I.S.M.A. formula which, it says, should be left to the voluntary settlement and mutual agreement between the sugar mills and the cane growers. Disclosing this in the Madras Legislative Assembly the other day, Mr. M. Bakthavatsalam, Minister for Agriculture, said that it could not give statutory effect to the S.I.S.M.A. formula. In the circumstances, all that it could do was, he stated, to try and bring about a satisfactory settlement by negotiation with factory representatives.

WORLD SUGAR PRODUCTION

The current (1953-54) sugar season is expected to witness a record world output of 38.88 million tons of sugar—beet and cane sugar—if the estimates made by Messrs. C. Czarnikow Ltd., world-famous sugar traders, are to prove correct. The output surpasses the previous record of 37.08 million tons touched in 1951-52 by about 1.8 million tons. As compared with 1952-53, the estimated output for the current season is higher by over 3.00 million tons or a rise of 8.8 per cent. India and Pakistan together account for a production of 1.5 million tons of white sugar and 2.2 million tons of *gur*.

NEW SUGAR FACTORIES

The Central Government has decided to take steps to increase domestic production of sugar, in view of the increased consumption in the country. The additional capacity to be installed, says a Commerce and Industry Press note issued on Saturday last, may take the shape of establishing new factories, expanding existing ones and, to a limited extent, setting up refineries. The Government has invited applications before 1st May next for additional capacity to be installed.

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Incorporated in the United Kingdom (Established 1863)
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital	£4,562,500
Paid-up Capital	£2,281,250
Reserve Funds	£3,675,000

Head Office: 26, BISHOPSGATE, LONDON E.C. 2
West End Office: 13, ST. JAMES'S SQUARE, LONDON S.W. 1

BRANCHES:
INDIA: Agrabad Rd., Chittagong; Calcutta; Chowringhee, Calcutta; Bombay; Madras; Mount Road, Madras; Bangalore; Amritsar; Kanpur; Delhi; New Delhi; Tuticorin; Cochin
BURMA: Rangoon
CEYLON: Colombo; Kandy; Nuwara Eliya
ADEN: Camp, Aden; Steamer Point, Aden
SOMALILAND PROTECTORATE: Hargeisa; Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga; Daressalaam; Mwanza; Lindi; Moshi; Mbeya; Mikindani (Sub-Branch)
KENYA: Mombasa; Nairobi; Delamere Avenue, Nairobi; Thika; Nakuru; Naivasha (Sub-Branch to Nakuru); Kisumu; Eldoret; Kericho; Sotik (Sub-Branch to Kericho)
UGANDA: Entebbe; Fort Portal; Kampala; Masaka; Jinja; Mbale; Tororo; Soroti; Mbarara
PAKISTAN: Karachi; Saddar Branch, Karachi; Lahore; Chittagong

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.
Bombay Branch: Mahatma Gandhi Road, Fort, BOMBAY 1.
G. R. WEST, *Manager.*

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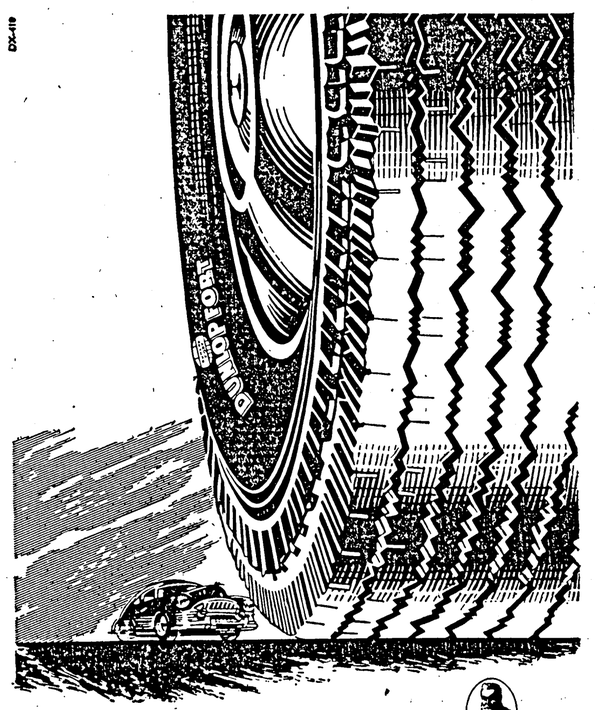
A COMPLETE RANGE OF BANKING AND EXCHANGE SERVICES
THROUGH ITS 300 OFFICES
AND
CORRESPONDENTS ALL OVER THE WORLD
DEPOSITS EXCEED Rs. 65 Crores
ASSETS EXCEED Rs. 79 Crores
AS ON 31-12-1953
B. N. PURI
General Manager



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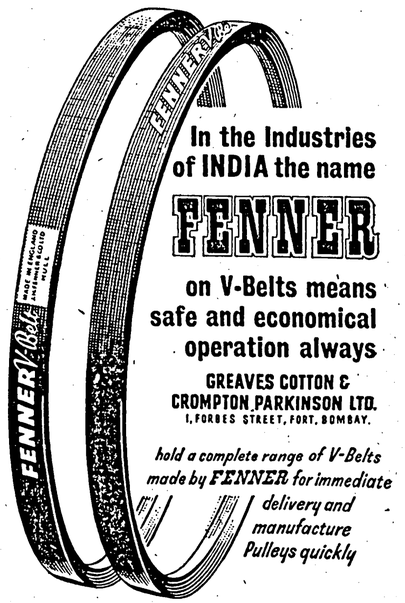

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hold a complete range of V-Belts made by FENNER for immediate delivery and manufacture Pulleys quickly

THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

DIRECTORS' NINETY-THIRD REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December 1953. The Auditors' Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 12,90,886-14-10 and together with the sum of Rs. 1,04,201-3-5 carried from the previous year's account, makes a total of Rs. 13,95,088-2-3.

3. Out of this sum, the Directors have made the following interim appropriations—

	Rs.	a.	p.
An ad interim dividend at the rate of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) was paid which absorbed	3,40,000	0	0
The Directors now recommend that the following further appropriations may be made—			
To pay a final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax) thereby making the dividend and bonus for the year amount to 12 per cent.	3,47,000	0	0
To provision for taxes	2,60,000	0	0
To transfer to the Reserve Fund under Section 17 of the Banking Companies Act 1949 raising it to Rs. 58 lakhs	2,50,000	0	0
To transfer to Sinking Fund raising it to Rs. 9½ lakhs	50,000	0	0
To transfer to Bank's Buildings account	25,000	0	0
To carry forward	1,23,088	2	3
Total Rs.	12,95,088	2	3

4. The Bank rate remained unchanged at 3½ per cent. during the year under report.

5. Offices of the Bank were opened during the year at Chetput & Gandhinagar in the City of Madras, Avenue Road in Bangalore City and at Kancheepuram, New Delhi, Panruti and Theni.

6. In accordance with Articles 95 and 96 of the Articles of Association of the Bank four Directors Messrs. L. Alagusundaram Chettiar, P. V. Em. Kulandayan Chettiar, K. Balasubramania Iyer and Rao Saheb E. M. Muthappa Chettiar retire this year by rotation and they, being eligible, offer themselves for re-election.

INDIAN BANK BUILDINGS,
MADRAS, 26th March, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953

Corresponding figures 31st Dec., 1952 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000 0 0	
	ISSUED CAPITAL FOR PAYMENT IN CASH— 72,000 Shares of Rs. 100 each	72,00,000 0 0	
	SUBSCRIBED CAPITAL— 72,000 Shares of Rs. 100 each	72,00,000 0 0	
	AMOUNT CALLED UP— 24,000 Shares at Rs. 100 each	24,00,000 0 0	
	20,000 Shares at Rs. 85 each	17,00,000 0 0	
	28,000 Shares at Rs. 60 each	16,80,000 0 0	
		57,80,000 0 0	
	LESS—Calls unpaid	11,475 0 0	
		57,68,525 0 0	
	ADD—Forfeited Shares	Nil	
56,82,661 0 6			57,68,525 0 0
	2. Reserve Fund and Other Reserves—		
	(i) Reserve Fund under Section 17 of the Banking Companies Act, 1949	55,50,000 0 0	
	(ii) Reserve Fund other than under Section 17 of the Banking Companies Act, 1949	9,00,000 0 0	
	(iii) Sinking Fund	9,00,000 0 0	
70,00,000 0 0			73,50,000 0 0
	3. Deposits and Other Accounts—		
	Fixed Deposits	6,82,62,248 13 10	
	Season and Short-term Deposits	2,30,25,120 9 0	
	Savings Bank Deposits	4,02,30,392 4 9	
	Current Accounts, Contingency Accounts, etc.	8,70,13,962 13 11	
20,30,62,750 0 8			21,85,31,724 9 6
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India	15,00,431 9 0	
	(ii) Outside India	Nil	
47,02,052 1 0			15,00,431 9 0
	PARTICULARS—		
	(i) Secured (secured by part of investments in Central and State Government securities as per contra) Rs. 15,00,431 9 0		
	(ii) Unsecured Rs. Nil		
53,06,277 14 8	5. Bills Payable		56,22,592 14 9
	6. Bills for Collection Being Bills Receivable as per contra—		
	(i) Payable in India	1,03,63,552 7 8	
	(ii) Payable outside India	95,58,457 14 4	
2,00,29,508 4 5			1,99,22,010 6 0
	7. Other Liabilities—		
	(i) Rebate on Bills	16,661 13 7	
	(ii) Unclaimed Dividends	55,916 6 5	
	(iii) T.Rs. Payable	4,19,419 2 6	
	(iv) Sundries Payable	4,31,445 14 0	
	(v) Branch Adjustment	11,00,913 13 7	
	(vi) *Provision for Taxes	11,78,034 11 10	
25,03,970 1 10			32,02,439 13 11
1,10,49,382 1 8	8. Acceptances, Endorsements and Other Obligations per contra		91,32,527 7 5
	9. Profit and Loss—		
	Profit as per Balance Sheet as at 31st December, 1952	11,87,201 3 5	
	LESS—Appropriations—		
	(i) Final dividend of 5 per cent. and a bonus of 1 per cent. (both free of income-tax)	Rs. a. p. 3,33,000 0 0	
	(ii) Provision for taxes	3,90,000 0 0	
	(iii) Reserve Fund	2,50,000 0 0	
	(iv) Sinking Fund	1,00,000 0 0	
	(v) Depreciation on Bank's Premises	10,000 0 0	
		10,83,000 0 0	
	ADD—Profit for the year brought from the Profit and Loss Account	1,04,201 3 5	
		12,90,886 14 10	
	LESS—Interim appropriations— Ad-interim Dividend of 5 per cent. and Bonus of 1 per cent. (both free of income-tax)	3,40,000 0 0	
11,87,201 3 5			10,55,088 2 3
	10. Contingent Liabilities—		
	(1) On partly paid up shares of Banks Rs. 30,875-0-0.		
	(2) Claims against the Bank not acknowledged as debt—		
	(a) Rs. 23,000-0-0 falling which Rs. 670-11-0.		
	(b) Rs. 72,519-6-4.		
	(3) On guarantees given on behalf of constituents Rs. 16,74,840-11-1.		
	(4) On Forward Exchange Contracts Rs. 2,22,52,219-3-2.		
	*1. There is a liability of Rs. 37,191-11-0 on account of Income-tax for the year 1941 which has not been paid but adequate provision has been made		
	2. There is a liability of Rs. 3,06,762-8-0 on account of Income-tax for the year 1942 in respect of the trading of overseas branches during the war period. An appeal against this assessment is pending. A statement showing the net assets and liabilities of the Bank under the Singapore and Malayan Ordinances providing for the winding down of the debts due to and by the Bank has been filed for the entire occupation period (1942 to 1945) and in view of the small profit shown by this statement it is expected that orders will be passed in appeal substantially reducing the demand of Rs. 3,06,762-8-0 levied for 1942.		
26,13,75,802 11 9	Total .. Rs.		27,20,85,339 14 10

Corresponding figures 31st Dec., 1952 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1,98,69,453 6 10	1. Cash—		
	In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		2,06,60,833 4 7
	2. Balances with Other Banks—†		
	(i) In India—	Rs. a. p.	
	On Deposit	2,55,000 0 0	
	In Current Account	35,47,902 11 3	
			38,42,902 11 3
	(ii) Outside India—		
	On Deposit	12,500 0 0	
	In Current Account	45,16,315 1 7	
			45,28,815 1 7
82,94,219 8 0			83,71,717 12 10
11,00,000 0 0	3. Money at Call and Short Notice		2,00,000 0 0
	4. Investments (at cost)†		
	(i) Securities of the Central and State Governments (Terminable Loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments. Face Value Rs. 9,20,56,900-0-0		
	(Market Value Rs. 9,72,03,252-1-0)		9,33,17,251 6 6
	(ii) Shares—	Rs. a. p.	
	Preference (other than Banking Companies)— Fully paid	66,900 0 0	
	Ordinary (banking & other Companies)— Fully paid	12,83,222 8 0	
	Partly paid	1,18,019 8 0	
	(Market Value Rs. 13,01,357-8-0)		14,68,142 0 0
	(iii) First Mortgage Debentures (Face Value Rs. 9,000-0-0)		
	(Market Value Rs. 6,400-0-0)		9,157 8 0
	(iv) Other Investments—		
	Malayan and F.M.S. Terminable Loans of Face Value St. $550,900. (Market Value Rs. 7,71,127-8-3)		8,80,423 10 8
	British 3% 1955-59 War Loan Face Value £12,212 10s. 4d. (Market Value Rs. 1,63,9229-0)		1,59,143 10 1
	Ceylon Government 3% 1956-60 War Loan Face Value Rs. 1,55,000 (Market Value Rs. 1,41,050-0-0)		1,57,325 0 0
	Compulsory E.P.T. Deposit		22,142 0 0
	(v) Gold (Provision in Sinking Fund and Non-statutory Reserve Fund as per contra about Rs. 18 lakhs towards depreciation on Investments.)		Nil
8,87,21,928 2 3			9,59,84,595 3 3
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.	
	(i) In India	8,43,90,718 9 8	
	(ii) Outside India	76,90,792 15 10	
			9,20,87,511 9 6
	(2) Bills Discounted and Purchased (excluding Treasury bills of the Central and State Governments)—	Rs. a. p.	
	(i) Payable in India	1,48,10,715 8 7	
	(ii) Payable outside India	57,05,990 14 3	
			2,05,16,706 6 10
10,62,05,749 2 6	(Particulars of Advances shown in next page)		11,26,04,218 0 4
	6. Bills Receivable Being Bills for Collection as per contra—		
	(i) Payable in India	1,03,63,552 7 8	
	(ii) Payable outside India	95,58,457 14 4	
2,00,29,508 4 5			1,99,22,010 6 0
	7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		
1,10,49,382 1 8			91,32,527 7 5
	8. Premises—		
	At cost as at 31st December 1952	4,73,120 9 0	
	Additions during the year	1,05,151 4 0	
		5,78,271 13 0	
	LESS—Depreciation written off to 31st December, 1952	4,12,843 5 0	
71,905 0 0			1,65,428 8 0
	9. Safes, Furniture and Fixtures—		
	At cost as at 31st December, 1952	Rs. a. p. 9,91,031 1 7	
	Additions during the year	1,44,433 5 5	
		11,35,464 6 10	
	LESS—Deductions in the year	62,118 3 3	
		10,73,346 3 7	
5,67,786 6 1	LESS—Depreciation written off to 31st December, 1953	4,86,020 5 11	
			5,87,325 13 8
	10. Other Assets, including Silver—		
	Books and Stationery		5,19,189 5 9
	Sundries Receivable (including Advance Income-tax Rs. 27,41,621-12-11)		29,67,331 6 10
	Interest Accrued on Investments		7,59,259 11 10
	Stamps and Drafts		10,307 14 4
54,65,370 12 0	Silver		Nil
			42,56,088 8 9
Nil	11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
	† Includes investments of staff security deposits.		
26,13,75,802 11 9	Total .. Rs.		27,20,85,339 14 10

(Continued on next page)

OWNERSHIP OF RAILWAY COLLIERIES

MINISTRY OF PRODUCTION TAKES OVER POSSESSION

ALTHOUGH belated, the transfer of ownership of the railway collieries from the Ministry of Railways to the Ministry of Production, with effect from 1st April, 1954, is welcome, because it will do away with the existing anomaly of the disassociation of ownership of the collieries from management. This will eliminate the botheration of the Chief Mining Engineer, Railway Board, who is responsible for the administration of the railway collieries under the direct control of the Coal Commissioner, from going to various Ministries for petty sanctions needed in the day-to-day management of the collieries and avoid delay in the execution of his work.

It will be recalled that, with the introduction of control on coal in 1944 and the unification in the hands of the late Department of Supply of the fuctions regarding production and distribution of coal, the management of the railway collieries was transferred from the Railway Department to the Department of Supply, with effect from 1st June, 1944. The State Railway Coal Department, including the entire staff, was placed under the administrative control of the Coal Commissioner. Although the immediate object of the unification of the functions relating to production and distribution of coal was achieved by this transfer, it was considered that the arrangement under which the ownership of these collieries remained with the Railway Ministry, while the control vested with another Ministry, was neither logical nor convenient. The alternative of retransferring the management of the collieries to the Railway Ministry, which owned them, or of transferring their ownership to the Production Ministry, which managed them, was carefully considered. It was only after much thought and discussion that the decision to transfer the ownership of the mines to the Ministry of Production was taken.

According to the resolution announcing the transfer of ownership, published in a *Gazette of India Extraordinary*, dated 1st April, 1954, the details of the transfer including the financial adjustments between the Central and Railway revenues and the future form of management of these collieries are under consideration and a decision will be announced separately. It is stated that the transfer of ownership will help rationalisation of production and economise costs. Although there is some truth in this statement, it is hardly the whole truth. For mere vesting of ownership and management of railway collieries in a single Ministry alone will not lead to the achievement of these objects. More tangible efforts will have to be made in this direction. It is common knowledge that the operating results of the railway collieries do not bear any comparison with the financial results of private collieries. The working of the collieries in 1952-53, the latest year for which figures are available, discloses a net profit of Rs. 61.21 lakhs, as against Rs. 11.29 lakhs in 1951-52 and a loss of 69.98 lakhs in 1950-51. It is true that this profit, as compared with the previous two years, is encouraging. But this profit is negligible, considering that the capital outlay on the collieries is as large as Rs. 7.28 crores and that no tax is paid on it, whereas the private sector pays nearly 50 per cent. of its profit to the Government by way of income and corporation taxes alone. If allowance were made for the latter factor, the net return will only be about 4 per cent.

It may be argued that a public enterprise is not operated for profit but for public benefit. But that does not justify the management showing any less concern for costs than private enterprise does. What is really needed now is a drastic change in the administrative set-up of the collieries.

The question of running the railway collieries on economic lines has been engaging the attention of the public and the powers-that-be for a long time now. The Railway Collieries Enquiry Committee was of the opinion that the establishment of an autonomous statutory body for the management of railway collieries was not only desirable but also imperative, so that the policy of running the collieries through a Government Department might be substituted by the system followed by well-managed industries. But the Working Party for Coal found itself unable to recommend the formation of a statutory body for a group of collieries alone. It felt that the efficiency hoped for could be realised through the formation of a private limited company or a joint-stock corporation, completely owned by the Central Government.

The recommendations of the Working Party for Coal to constitute a private limited company or a joint-stock corporation deserves serious consideration. It is, of course, assumed here that such a company or corporation should be free from red-tapism, so characteristic of Government Departments, and be allowed to work efficiently. This will be possible only if the corporation or the company is not regarded as an appendage of the Ministry concerned and is given freedom of action to implement the policies of the Government in the best possible manner. The Working Party has suggested that the management of the company so formed should be vested in a Chairman and a Board of Directors. Each of the Directors is to receive a share in the company from the President of the Republic, which is to be held only during the tenure of his office and any profit accruing or dividend declared should be credited to the Government and not to the person concerned. The arrangement, while ensuring a certain measure of autonomy to the company, is expected to give the Government of India full control over the collieries.

As regards the capital structure and allied matters, the Working Party is of the opinion that the capital structure of the company should be equivalent to the assets on the date of transfer and the company should pay interest on the same to the Government at a rate fixed by the Government from time to time. The Government should permit the company to obtain loans either from the Reserve Bank or the Government of India itself for the running of the collieries, at a rate of interest fixed by the Government from time to time. The net profit or loss of the company or corporation should be transferred to the Government of India, after it is ascertained at the end of each year's working.

THE INDIAN BANK LIMITED, MADRAS—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

Corresponding figures 31st Dec., 1952 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
42,80,525 5 7	1. Interest paid on deposits, borrowings, etc.	45,97,874 5 9	
53,92,837 10 0	2. Salaries and Allowances, and Provident Fund and Bonus (Salary and Allowances other than Bonus paid to Secretary Rs. 47,818-8-0)	36,93,019 1 9	
43,160 15 0	3. Directors' and Local Committee members' fees and allowances	59,669 6 0	
3,35,925 8 3	4. Rent, Taxes, Insurance, Lighting, etc.	3,83,835 1 10	
27,258 0 11	5. Law Charges	9,816 15 10	
3,25,327 4 0	6. Postage, Telegrams and Stamps	3,05,073 3 5	
20,263 0 0	7. Auditors' Fees	17,386 4 0	
1,41,770 12 4	8. Depreciation on and repairs to the banking company's property	1,32,281 5 9	
3,21,656 2 6	9. Stationery, printing, advertisement, etc.	3,27,246 3 6	
Nil	10a. Loss from sale of or dealing with non-banking assets	Nil	
5,37,157 9 9	10b. Net loss on sale of investments	83,364 13 6	
4,50,197 11 7	11. Other Expenditure	5,50,324 6 8	
14,17,656 5 11	12. Balance of Profit	12,90,886 14 10	
1,12,23,636 5 9	Total .. Rs.	1,14,48,280 0 4	

Corresponding figures 31st Dec., 1952 Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
	1. Interest and Discount	89,96,030 12 6	
	2. Commission, Exchange and Brokerage	19,78,917 6 2	
	3. Rents	86,603 7 7	
	4. Net profit on sale of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil	
	5. Net profit on revaluation of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil	
	6. Income from non-banking assets, and profit from sale of or dealing with such assets	Nil	
	7. Other receipts	1,72,034 11 6	
1,12,23,636 5 9	Total .. Rs.	1,14,48,280 0 4	

PARTICULARS OF ADVANCES REFERRED TO ON THE ASSETS SIDE OF THE BALANCE SHEET AS AT 31st DECEMBER, 1953

PARTICULARS		Amount Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured		9,55,92,625 15 2
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security		1,59,06,485 7 5
Advances under Joint and several Promotes	1,06,79,093 7 2	
Advances to individual parties including Bills discounted and purchased	52,27,392 0 3	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors		3,30,031 7 11
(iv) Debts due on temporary overdrafts and other advances		7,75,075 1 10
(v) Debts considered doubtful or bad not provided for		Nil
Total .. Rs.		11,26,04,218 0 4

PARTICULARS		Amount Rs. a. p.
(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 10,39,021-15-1 is fully secured)		10,49,284 9 4
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members (of which Rs. 22,06,840-11-9 is fully secured)		35,58,903 7 10
(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 11,10,416-12-6 is fully secured)		11,20,597 0 9
(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as members (of which Rs. 35,18,417-1-5 is fully secured)		45,47,741 10 1
(x) Due from Banking Companies		21,56,361 4 9

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December 1953 and also the above Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the audited returns from branches and sub-offices and report that :—

(a) We have obtained all the information and explanations we have required ;

(b) Such information and explanations have been found to be satisfactory ;

(c) The returns received from the branches have been found adequate for the purpose of our audit ;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank ;

(e) In our opinion, the Profit and Loss Account shows a true balance of Profit for the period covered by the Audit ;

(f) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law ;

(g) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank ; and

(h) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act 1913.

MADRAS, dated 27th March, 1954.

M. K. DANDEKER & CO.
R. PURUSHOTTAM & CO.
SUNDARAM & SRINIVASAN
V. SOUNDARARAJAN & CO.
} Chartered Accountants, Auditors.

L. ALAGUSUNDARAM CHETTIAR
P. V. EM. KULANDAYAN CHETTIAR
K. BALASUBRAMANIA IYER
E. M. MUTHAPPA CHETTIAR
M. A. CHIDAMBARAM
R. K. VENKATACHALAM
} Directors

S. SUNDRAM IYER
M. R. M. S. PERIANNAN CHETTIAR
O. M. SP. L. M. MEYYAPPA CHETTIAR
A. M. A. MR. MURUGAPPA CHETTIAR
M. K. GURUSWAMI MUDALIAR
C. KRISHNAMOORTHY MUDALIAR

A. K. PRABHU, Chief Accountant.
D. P. PARTHASARATHY, Deputy Secretary.
N. GOPALA IYER, Secretary.

SOUTH INDIAN TEA IN 1953

OUTLOOK FOR CURRENT YEAR GOOD

A FEW months after the Indian tea industry had emerged from the crisis of 1952 and reached the road to recovery, tea planters and traders entertained a reasonable optimism that conditions during 1953 might resemble much closer those of 1951 than of the critical year of 1952. There was, of course, no complacency among them in view of the fact that past experience had clearly demonstrated how delicate was the balance between world supply and demand. The severe crisis of 1952 had shaken their confidence so much that no one could be assertive over the outlook. No one could have expected that the price of common tea would reach within a year 4s. 6½d. per lb. on the London market, as it did two weeks back—a price never before experienced in this century. In fine, the year turned out to be an unexpectedly favourable one.

The causes for the turn-round in the fortunes of the industry are well known. What is more important at the present moment is to see how far the present trend can be preserved, so that the industry can be helped to overcome completely the effects of the 1952 crisis. An idea of this is provided by Messrs. Forbes, Ewart and Figgis Ltd., one of the leading tea merchants and brokers of Cochin, in their latest annual publication, *Tea Review* 1953. The publication, as its appellation suggests, is devoted mainly to a review of the main features of trading in the Cochin tea market in the past year.

One of the causes for the recovery in tea prices was the psychological effect produced by the decision of the North Indian tea producers to reduce the North Indian crop by about 50 million lbs. South Indian producers were not a party to this scheme, which, in practice, was not effectively applied in North Indian gardens themselves, as weather conditions had intervened to reduce the crop by 21 million lbs. South Indian production, amounting to 120.8 million lbs., was, on the other hand, a record high, being better by 7.9 million lbs. Consequently, India's total tea crop was short by about 13 million lbs. Referring to this, Messrs. Forbes, Ewart and Figgis observe that, in view of the present statistical position, it is as well that the North Indian crop was not voluntarily restricted, as the market might be even higher than at present.

Commenting on the trading in South Indian tea in the Cochin market during 1953, the *Review* says that there was, once again, an increase in the weight of tea sold in the market, amounting to 35 million lbs. in 1952 and about 24 million lbs. in 1951. All sections of buying interests throughout the world participated in the regular auctions. The demand for all good class of teas continued throughout the year and these teas realised prices satisfactory to producers. The price gap between low and medium teas narrowed very considerably during the 12 months under review. In January, 1953, the difference was some As. 12 per lb., but it declined to As. 4 at the end of December, 1953. Whole leaf teas in particular met a good market all through the year. Tippy teas continued to be a poor market. Offerings of low and medium B.Ps., which were difficult to sell in 1952, were considerably reduced in 1953, as compared with the quantity sold in 1952. All high grown B.Ps. met a good market.

A disquieting feature of the sale, however, was the decline in the quality of high grown teas. It is stated that, generally speaking, the quality of these varieties was not quite up to the standard of the offerings in 1952. This was particularly noticeable in teas arriving from the end of September to early November, during which period in 1952 some very attractive teas were seen from the Nilgiri District. There was very little really common tea offered, and low and medium teas were about average with good medium types rather above the previous year. In mid-season, there were again a number of bold ragged stalky broken orange pekoes, particularly from Central Travancore. The *Review* points out that the appearance of such teas can certainly be improved by careful sifting. Some B.O.Ps. seen could only be classified as unsorfed bulk.

A notable, but unhealthy, feature of the trading was the wide fluctuations in price of export quota rights. The price of 1953-54 quota, for instance, which opened at 12 pies at the end of March, declined to 7 pies in the middle of April, but hardened to 24 pies in the middle of June. After a drop to 10½ pies after the export quota was increased from 115 to 122.5 per cent. of the standard exports, the price advanced to 40 pies by the end of 1953. It further rose to 60 pies, but is currently being quoted around 33 pies. Adverting to this, Messrs. Forbes, Ewart and Figgis make the following pertinent observations:

"It would appear that speculators are in the main the cause of the rapid rise in the price of quota towards the close of the year. Such speculators have no connection with the genuine export of tea, but, as long as export quota is a saleable commodity, the market will attract speculation, which is definitely not in the best interests of the trade. It is believed that much of the speculation in quota could be stopped, if full and frequent information were made available as to the amount of quota utilised for export each month and the total balance of quota still on the Joint Controller's books at the end of each month. This monthly balance should be divided into three groups, namely, (1) quota at credit of export buyers; (2) quota at credit of estates; and (3) quota at credit of others. It is certainly time that some scheme be evolved, whereby dealing in quota is confined only to those genuinely interested in the export of tea."

As regards the quota for 1953-54, the *Review* estimates the amount of quota available to cover shipments from India at 470 million lbs., as against the approximate total shipments of 438 million lbs., leaving a balance of 32 million lbs., the majority of which is more than likely held by speculators.

The current trend of tea prices is no doubt encouraging, but tea producers cannot be said to have completely recovered from the effects of the crisis of 1952. According to Messrs. Forbes, Ewart and Figgis, "at the moment, it is difficult to forecast where and when the upward swing in prices will finish." But it appears that, at least for a few months to come, the present strong market will continue. Giving their impressions about the outlook, Messrs. Forbes, Ewart and Figgis observe:

"Present available statistics point to the continuance of a strong market, as there appears to be a world shortage of tea. This may possibly be felt at its worst between March and the end of June this year. World consumption is reported to be on the increase particularly in the United Kingdom and the U.S.A. Various reasons are given for the increase, but probably the chief reason is that tea is still the cheapest drink of its kind.

"Teas most likely to be affected by the strong market are those which come within the low and low medium categories. Clean common Broken Pekoe is quoted in London (18-2-54) at 4s. 4d. with best sorts at very little more money. Packet retail prices in the United Kingdom were increased by 4d. per pound in January this year, but, in view of the present market, the trade is, undoubtedly, faced with the prospect of another price increase in the not far distant future.

"Stocks in the U.K. at the end of December, 1953, were some 103 million, as compared with 129 million at the same date in 1952. Shipments from North India to the U.K. from 1st April to the end of December, 1953, were 238 million lbs., as compared with approximately 170 million for the same period in 1952. Last year's North Indian crop has been shipped much more quickly than the 1952 crop, shipment of which continued into May, 1953. It is believed that the 1953 North Indian crop will be shipped by early March, 1954, and, after that, it will be the middle of the year before any more tea can arrive in the United Kingdom from North India.

"If retail prices increase much further, a certain amount of consumer resistance may be met, but whether this would be sufficient to affect consumption seriously is doubtful. To sum up, from the producers' point of view, the immediate future looks profitable and the present high prices will encourage them to pluck liberally. More tea is needed to meet increasing consumption, but it will take many months before stocks can be built up again to a normal level."

However, the latest decision of North Indian tea estates to regulate crop in the current year also, indicates that it may take some more time than expected before stocks can be built up to the normal level and the firm trend of prices may get a longer lease of time than anticipated.

(*Concluded from next column*)

position which not only gives full employment but assures a very considerable importation from India. If the present arrangement is continued, no discriminatory action is involved and Britain, he asserts, is only falling into line with all the other jute manufacturing countries of the world in fostering the home industry. Of course, he admits that there is a way out for the home industry through regaining its old market for the special type of goods it manufactured in pre-war years. This trade was sacrificed during the war. But consumers abroad have found alternative uses and to displace them will undoubtedly be an uphill task and may, according to him, take several years.

VERSATILITY OF JUTE

DUNDEE PLEADS FOR STATUS QUO

"JUTE is everywhere. It is sacks and bags. It is rope, twine, cord and string. It is hessian and scrim. It is the backing on the board-room carpet and the lining in directors' shoes. It is the unseen part of lino and the unsung part of a Saville Row suit.

"All this, and yet so shy and so anonymous! For indispensable is the word. Wherever there is hard work to do, wherever toughness is needed, jute is on duty, day in, day out."

Thus runs the song of jute sung by an advertisement in praise of the universality of jute. Accordingly, there is little exaggeration in the tribute paid to jute as "the world's greatest industrial fibre and is second only to cotton in terms of production in the whole of the natural fibre group" by Mr. Louis M. Hill, a former Chairman of the British Jute Trade Federal Council, while discussing its many uses in a special supplement of the *Financial Times* dated 29th March, 1954.

Jute's appearance all round us in different forms and shapes is so common that its versatile use is generally hidden from the view. Therefore, it is likely that its importance is lost sight of. In this context, the remarks of Mr. Hill on the part jute plays in the various spheres are worth noting. He says:

"Jute's ubiquity and versatility are practically unlimited. It is found in one form or another in and in mines; in road, air and sea transport; and even in film and theatre palaces. Because of this tial in the smooth running of dozens of different industries in this country. About 40 per cent. of the total yarn production in the United Kingdom is taken up directly by consuming industries for use in carpets, fuses, cables, twines, cordage and ropes; and the balance is woven into cloth. As a woven fabric, jute covers a much wider range of application. First and foremost, it is a carrier for an infinite range of goods in the form of a bag—for grain, flour, sugar, chemicals, coal, vegetables, etc. —and it is as a packaging material that it is most widely known, either for bagging, wrapping or baling. But its use in the form of cloth goes very much further. It covers, for instance, brattice cloth in mines; backing for linoleums; roofing felt, needle felt and plaster foundations; linings in boots and shoes; chair covers and webbing foundations in upholstery; tailors' padding and deck-chair canvas; wall coverings and drapings in a wide range of colours; scenery and backcloth material for film studios and theatres; motor-car upholstery; road surface and airstrip foundations; and waterproof covers."

The story does not end there. The reason for the amazing versatility is that the jute cloth is remarkably adaptable to widely varying conditions. "It can be made," to quote Mr. Hill again, "proof against mildew attack and fire; it can be mixed with other fibres; it can be washed and it can be made water-resistant. More important, perhaps, is the fact that the porosity of the cloth allows the contents of a bag to 'breathe', thus keeping them in condition and air resistance can be varied to suit particular needs by altering the weave or by special finishing treatments. Even a completely impermeable package can be produced for the carriage of fine powders."

What is stated above emphasises the importance of the industry in peace-time. In war-time, the part it plays as a strategic material is much more vital. The supply of containers for foodstuffs alone to the Services is only one of dozens of war-time uses of jute.

Mr. Hill presses forward these considerations to underline the need for treating the jute industry as a key industry of Britain. He says that physically the industry in the U.K. is small and compact; actually its influence is widespread and scattered and its products could hardly be more widely diversified. Mr. Hill, therefore, welcomes the Government's assurance of a safeguard in the home market against overseas competition in jute goods when war-time jute control ceases to function. But the problem is how to provide the safeguard. Says Mr. Hill: "The question of freeing the imported cloth from control and, at the same time, providing a safeguard to the home industry is one that is fraught with considerable difficulty, owing to the necessity of finding a method of protection that is workmanlike and is realistic and is free from encumbrances of international agreement." Mr. Hill opines that "it is not at all certain that it will be quickly resolved." But the continuance of the present arrangement provides, according to him, a very fair treatment all round. At present the home industry is meeting only 60 per cent. of the country's consumption and the substantial balance must be met from imports. He does not see any great change in future in this supply

(*Continued in previous column*)

THE HIND BANK LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting herewith the Audited Accounts of the Bank for the year ended 31st December, 1953.

The Profit and Loss Account after deduction of all working expenses shows a profit of .. .. ..

IRRIGATION AND POWER PROJECTS

SECOND FIVE-YEAR PLAN UNDER PREPARATION

THE Planning Commission has invited State Governments to submit broad details regarding irrigation and power projects, which they would like to be included in the second Five-year Plan. The Technical Committee, appointed by the Planning Commission recently, with Mr. Jaisukhlal Hathi, Deputy Minister for Irrigation and Power, as Chairman, will scrutinise the reports that will be submitted by the States to the Planning Commission. The details of information called for relate to the following aspects of each project:

(1) The general scope of each project and the area to be benefited;
(2) whether the schemes have been investigated or are under investigation or have still to be investigated;
(3) the period required for construction and development;
(4) phased programme of works and benefits expected year by year;
(5) expenditure involved, internal and external; and
(6) priority accorded or to be accorded to any project which the State Government has undertaken or proposes to undertake.

So much for the particulars required regarding the new irrigation and power projects or to the stages of projects which have not yet been taken up. But, in respect of schemes which are on hand, and which will continue beyond the Five-year Plan, details of phasing of expenditure and of the works programme have been called for. This will enable the State Governments and the Planning Commission to appreciate the extent to which irrigation and power schemes taken up during the first Five-year Plan involve commitments in the second Five-year Plan also.

Power Position in States

The Planning Commission has also requested the State to explore the power position in the States and to suggest schemes having good employment potential. According to a communication recently addressed by the Commission to the States, the Commission has expressed its willingness to recommend grant of loans by the Central Government for suitable schemes requiring installation of thermal sets of sizes ranging from 500 kw. to 2,500 kw. and for the construction of transmission and distribution lines from the existing sources of supply. It will be recalled that one of the recommendations made by the Planning Commission last year to the States for relieving urban unemployment was to submit proposals for small power projects to provide electricity to growing towns, several of which could not expand their industries for lack of power. After considering the proposals, the Commission approved schemes costing about Rs. 11 crores. A few proposals for providing additional power in urban areas by private electricity undertakings, it is stated, were also submitted. They are said to be under the consideration of the Commission at present.

A review of the progress which the various river valley projects have so far made is provided in the Annual Report of the Ministry of Irrigation and Power for 1953-54, submitted to Parliament a few days ago. It discloses that the Bhakra-Nangal Project will release in July this year water for non-perennial irrigation of about 600,000 acres and power from the Nangal Hydel Channel Power House No. 1. The Nangal dam is complete, except for the installation of gates and gearings which are in progress. The Bhakra canals are scheduled to be completed by July, 1954. It is stated that work on the Bhakra dam, the second highest in the world, will begin soon after the diversion of the Sutlej through the tunnels next winter.

Damodar Valley

The Damodar Valley Project has made substantial progress. The Tilaiya dam and the hydro-electric station there are completed and the reservoir was filled to capacity during the last monsoon. At Bokaro thermal power station, all the three units of 50,000 kw. each, with the exception of some minor works, have been put into commission. The Konar dam is expected to be completed before the monsoon sets in. It has already started storing water, which will be used for cooling purposes at Bokaro thermal station. The diversion tunnel and the diversion channel at the Maithon project have been completed and earth dam is likely to be completed by June, 1954. Work on the right abutment and part of the spillway is in progress. The dam is expected to be ready during 1954-55 and the hydro-electric station during 1955-56. At Panchet hill, the earth dam and the excavation of the diversion channel are in progress. The Durgapur barrage and the canals project, which will divert waters released from the dams upstream for purposes of irrigation, is making satisfactory progress and it will be completed during 1956-57. Work on the transmission and distribution systems is progressing according to schedule. About 268 route miles of 132 kv., 66 kv. and 33 kv. transmission lines have been laid. Thirteen grid sub-stations and receiving stations have also been completed.

Hirakud Dam

The Hirakud dam will be substantially completed, and power and water for irrigation made available by July, 1956. The revised estimates of Stage I, as recommended by the Control Board, have been approved by the Government of Orissa. The project will irrigate about 448,600 acres in Sambalpur and Bolangir-Patna districts and develop a power potential of 1,23,000 kw. as installed capacity and 85,500 kw. as firm capacity.

The Kakrapar weir in Bombay State was opened on 29th June, 1953. Irrigation facilities have been provided to 40,000 acres. The aggregate expenditure up to the end of December, 1953 was Rs. 3.34 crores.

The scheme for controlling the Kosi River and providing irrigation was finalised during 1953-54. It will involve the building of a barrage at Hanuman Nagar, flood banks and other protective measures. The estimated cost of the first stage is Rs. 40.26 crores. The work will be executed by the Bihar Government and the Central Government will render necessary technical assistance.

Investigations completed during 1953-54 related to the Narmada Valley, Sabarmati and Madhya Pradesh (Mahanadi-Satiara) Projects and the reports are under examination. Data in regard to the Ukai dam in Bombay State, Tikarpara and Naraj dams in Orissa State, and Assam Projects are being collected.

The Mahanadi Bridge Committee, which was appointed in pursuance of the recommendations of the Public Accounts Committee, to scrutinise the accounts of the rail-road bridge at Sambalpur, has submitted its report. It is now under the Ministry's consideration. The Machinery and Equipment Committee set up by the Ministry to collect data in regard to operation, maintenance and standardisation of plant and machinery on all projects, has submitted its report which is being examined.

Rihand Valley Project

A recent development is the agreement entered into between the Governments of the U.S. and India, on 30th March, which provides funds for the Rihand Valley Project (U.P.). The total joint cost of the first phase of the project, which is expected to be completed by 31st March, 1957, is Rs. 22 crores, of which the dollar expenditure under the agreement will be 11 million and rupee expenditure 16.69 crores. The dollar expenditure will be the U.S. contribution under the India-U.S. Technical Co-operation Agreement and includes a provision of $2.5 million from the technical assistance funds for making technical services available, if needed. The rupee expenditure, which will be incurred by the Government of India, is towards the cost of construction, equipment, supplies and services.

The Rihand River Valley Project is one of the five major river valley projects, which were decided to be taken up towards the end of the first Five-year Plan. In its first phase, finance for which was provided under the agreement, just concluded, power generation is primarily contemplated. The U.P. Government sanctioned the construction of the dam on the Rihand River as early as in 1948. Approximately Rs. 75 lakhs have already been spent on the project. The dam will be about 500 feet high and 3,000 feet long and will create a reservoir 180 sq. miles in area holding 8.6 million acre feet of water. The power plant will have an initial installed capacity of 120,000 kw. and an ultimate installed capacity of 240,000 kw. In addition to the dam and power plant, the project will include the construction of an extensive system of transmission and distribution lines to carry the power to the areas where it will be used. The total area that will be irrigated will be 450,000 acres in Bihar through canals and 1,600,000 acres in U.P. by tube wells worked by electric power generated by the project. The annual yield of additional foodgrains is estimated at 600,000 tons.

Another operational development was signed between the U.S. and India on 31st March, 1954, which provides for U.S. assistance for expanding the existing thermal power plant in Madras City. This is a joint project which involves a contribution of $2.9 million by the U.S. and Rs. 2.92 crores by the Government of India. The project will increase the generating capacity of the Madras City power plant of 30,000 kw. during the next three years.

Yet another agreement between the U.S. and India was entered into on 2nd April, 1954, for improving the electric power capacity of Rajasthan, under the Indo-U.S. Technical Co-operation Programme. The agreement provides for the renovation and augmentation of 19 thermal power stations, both steam and diesel, in the State of Rajasthan. Extension of transmission and distribution lines is also provided for. A total of approximately 20,000 kw. of generating capacity will be installed.

The total estimated joint cost of the project is $3.6 million and Rs. 1.78 crores. The U.S. contribution of $3.6 million will be spent for the procurement of plant, equipment, supplies and services and their transportation to India, while the rupee expenditure of 1.78 crores will be incurred for defraying the costs of inland handling and transportation of plant, equipment, and supplies acquired under this project, the expansion of the power plant structures, the installation of the transmission and distribution lines and all other local costs connected with the scheme.

BRITISH OVERSEAS AIRWAYS CORPORATION

The British Overseas Airways Corporation (B.O.A.C.) completed 25 years of air service to India on 30th March, 1954. India is today one of the 51 countries of the world linked by the air services of the B.O.A.C. It will be recalled that it was on 30th March, 1929, that the first U.K.-India air service was inaugurated by Imperial Airways, one of the predecessors of the B.O.A.C., which was merged with the British Airways Ltd. to form the B.O.A.C. in 1939.

The history of the B.O.A.C.'s services to India makes stimulating reading. The most notable development has been the introduction of the Comet jet liner between London, Bombay and Colombo in August, 1952, and later through Delhi and Calcutta to Singapore and Tokyo. Thanks to the foresight, initiative and courage of the British aircraft manufacturing industry, the B.O.A.C. has revolutionised air travel with the turbo-jet Comet I's. Improved and more powerful versions of these will be flying ere long on the Australian and South American routes. This will be followed by a fleet of large four-engined Bristol Britannias using turbo-propeller power units.

The next important development has been the introduction of tourist travel at reduced fares. There are, at present, first and tourist class services from Delhi, Calcutta and Bombay to the U.K., which connect with other services to the North and South Americas, Canada, and East, West, Central and South Africa. In conjunction with Qantas Empire Airways, British Commonwealth Pacific Airliners and Trans Canada Airlines, the B.O.A.C. gives an all-British Commonwealth route round the world. The tourist fares from India to Europe and England represent a saving of nearly 30 per cent. during off-season and at least 20 per cent. during the on-season, as compared with the standard fare. A significant feature to be noted, in this connection, is that students up to the age of 26 can travel at half the adult standard rates.

The plans of the B.O.A.C. for the future are encouraging. There is a proposal to link India with two round-the-world routes—one in the northern and the other in the southern hemisphere. The northern route is planned to give a service from London via Newfoundland and Canada across the North Pacific to Tokyo, where it will join the existing route from London to Tokyo via the Middle East and India, thus making a world circuit of just under 20,000 miles. The southern route will run from London to New York, San Francisco, Honolulu, New Zealand, Australia, Singapore, Ceylon, India, the Middle East and back to London. There will be two types of service on each route—a "cannon ball" service of very fast aircraft operated by Comets and their later development, and a tourist service of aircraft, cruising between 300 and 400 miles per hour and carrying about 100 tourist passengers in reasonable comfort and with great economy of operation.

ELECTRO-CHEMICAL PROCESSES

THEIR APPLICATION TO INDUSTRY

THE importance of applying electro-chemical processes to the economic advancement of nations was stressed by Mr. S. V. Ramamurthy, Adviser to the Planning Commission, at a symposium on this subject organised by the Central Electro-Chemical Research Institute at Karaikudi, last week. Inaugurating the symposium, Mr. Ramamurthy said that there were three aspects of electro-chemical engineering, namely, electricity, chemistry and engineering, and the most significant of them was electricity. Not only was the physical value of electricity being well appreciated now, but its social importance also had come to be recognised. It might be looked on not merely as an instrument of economic development, but also as a vital instrument for the realisation of democracy. It seemed "almost to take matter nearer to the basic realities of life and spirit."

It was against this general background that Mr. Ramamurthy dealt with India's power potentialities and programmes. Remarking that India was not conscious of such power resources a decade ago, as it was today, he observed:

"The great river valley schemes of India, which have been pressed into construction, thanks to the vision and energy of our Prime Minister, will all yield large quantities of hydro-electric power. I may mention that it has been calculated that, in the small river of Indravati falling into the Godavary, there is potentially two million kilowatts of power. In the lignite mines of Madras and coal mines of Madhya Pradesh and Hyderabad, there are frozen rivers of power which can be used as sources of thermal power. In the first Five-year Plan, the development of water had received primary attention. In the second Five-year Plan, the development of power, as well as of water, will be emphasised. In this Institute, you are thus linked to one of the prominent lines of development, which India is following."

While electricity is the most powerful instrument for economic and social progress, chemistry is the most fruitful field for its use. The unseen powers of electricity are well adapted to be applied to the world of atoms. Nature stores its atoms according to its own economy. Man has to rearrange them to make use of such atoms for his own need. There are two ways in which electricity has been used for this purpose. One, according to Mr. Ramamurthy, is the conversion of electricity into heat and then the application of the methods of chemical engineering for reduction or revision of chemical composition. The other relates to the separation of chemical atoms in electrolytic cells by the use of electrical forces. Dealing with this aspect, Mr. Ramamurthy observed:

"Whether heat may be obtained from coal and oil or from electricity is a matter to be decided by economic considerations. Electro-thermal products, both metallic and non-metallic, have begun to be largely used by developed nations. They include metals like iron, aluminium, manganese and chromium. Electrolysis has enabled man to get metals in a high degree of purity, such as aluminium and magnesium. There is much today in our life which is the produce of electro-chemical industry, such as aluminium and stainless steel vessels, automobiles, cutlery, aeroplanes, radio sets, transformers, generators and electric lamps. Fifty years ago, we lived without these things. It is now the way of civilised life to use these things. Even if India desired to stress the value of an ascetic way of life, such stress can only yield a corrective and not an alternative to prevailing ways."

Then there is the engineering aspect. Adverting to this, Mr. Ramamurthy stated:

"In the engines which we use, heat is used to produce motion. For the vehicles used to make chemical changes, such as furnaces, we use iron to withstand the heat generated. If electricity is converted first into heat and then used for making chemical changes, such as steel from pig iron and limestone, the vehicle has to withstand heat and is made of iron or other strong metal. In electrolytic cells, electricity can be used directly to make chemical changes. Electricity can also be used directly to produce motion. Can we not, therefore, achieve engines for motion and vehicles for chemical change in the shape of cool engines and vehicles? The plant and the human body use the energy of life for motion and chemical change at a cool temperature. Beyond metals there is wood, as beyond heat there is electricity. The Industrial Revolution in England was based on coal and iron. I venture to think that a rejuvenated India, in a fresh creative activity, may produce an industrial revolution based on electricity and wood in place of coal and iron. This is a matter to which imaginative electro-chemical workers among you may perhaps give attention."

Concluding his speech, Mr. Ramamurthy called for planned progress of work of the Institute. He particularly suggested that the institute might take up the study of all metals that were being used in Indian industry or were needed for its further development. He urged investigation into the extent to which, and the manner in which, these might be obtained from indigenous as well as imported ores, whenever necessary, and in a high degree of purity. He felt that the extent to which the traditional metals like iron, copper, zinc and lead had been replaced or reinforced by lighter metals, which had recently come into use, showed the need for a study also of the use of metals, which had as yet received little attention.

IMPORT OF DOMESTIC SEWING MACHINES

The Government of India's defective policy regarding import of domestic sewing machines has brought about, it is stated, conditions akin to virtual monopoly in this line of trade. This state of affairs has arisen because no new-comers are allowed to participate in the import trade in these machines. Licences for importing them are being continuously given only to those who imported them in 1948-49 from soft currency area under O.G.L. IX. The exclusion of new-comers seems to have left the trade in the hands of a handful of importers who, taking advantage of a closed market, have not only eliminated the established middlemen in the trade but are quoting exorbitant rates for the machines.

Commenting on the Government's policy, the middlemen point out that, by their exclusion from the import trade, the Government has done them an injustice even though it has permitted grant of import licences to new-comers in various other items such as cloth, copra, tobacco, cigarettes, domestic refrigerators, certain machines, watches, musical instruments, etc. They do not understand as to why the same policy should not be pursued in the matter of sewing machines. They further draw attention to the fact that, in the import policy for January-June, 1954, provision has been made to grant facilities to persons even in certain special lines as, for instance, tailoring establishments, dentists, opticians and *agarbatti* manufacturers.

Licences for importing domestic sewing machines are issued to established importers on the basis of quota of 40 per cent. of half of the best year's imports. In calculating the best year's imports, only such types of machines as would, prior to January, 1950, have been classified as domestic machines, are taken into account. All sewing machines other than industrial sewing machines are included under the category of domestic sewing machines for purposes of the O.G.L. An industrial sewing machine is defined as a sewing machine whose landed cost is above Rs. 300 including the cost of cover but excluding the cost of treadle.

COAL MINES RESCUE STATIONS

A number of improvements were effected at the coal mines rescue stations in 1952-53. Among the new equipments are a siren of half-a-mile range for alerting the permanent rescue brigade in an emergency, chemical carbon monoxide detectors for detecting the percentage of carbon monoxide gas in areas affected by fires or explosions and methanometers for ascertaining the fire damp content in mine atmosphere. An improved type of reviving apparatus for rescuing persons through narrow headings, kata thermometers for ascertaining the hygrometric conditions and a sledge stretcher have also been introduced.

In view of the difficulties experienced, during rescue operations, arising out of accidental blockade of the passage of retreat of the rescue teams, the Entrapped Procedure Practice was introduced in 1952-53 in routine refresher trainings. This procedure enables the teams to remain safely in the irrespirable atmosphere with the breathing apparatus, for a longer period than the scheduled time, thus increasing the chance of rescuing entrapped teams. According to the report, initial training was given to 44 persons. In addition, 143 refresher and 104 pit practices were held.

The permanent rescue brigades of the rescue stations at Jharia and Sitarampur were called upon to render assistance on 12 occasions involving 17 days, while the Sitarampur Rescue Brigade rendered service on three occasions involving 16 days. Since their inception, these rescue stations, besides training 1,073 persons in rescue and recovery work, assisted in recovering about seven million tons of coal from the Jharia and Raniganj coalfields.

MINERAL DRESSING IN INDIA

A plea for the establishment of small-scale mineral dressing plants, along with the bigger ones, is made in an article on mineral dressing in India, published in the latest issue of the *Indian Minerals*, (Vol. VII. No. 2), issued by the Geological Survey of India. Mineral dressing is a process of treating raw minerals by some very cheap method, invariably physical in nature, to yield marketable minerals free from the associated rocks. The usual processes are hand picking, washing, jigging, tabling, flotation and heavy-media, electro-magnetic and electro-static separation. At present, mineral dressing plants are in operation for gold at the Kolar fields, for copper at Ghatsila, Bihar, for lead and zinc at Zawar, Udaipur, for iron ores at Noamundi, Singhbhum, for beach sands at Alwaye, Travancore and for coal at Jamadoba and West Bokaro in Bihar.

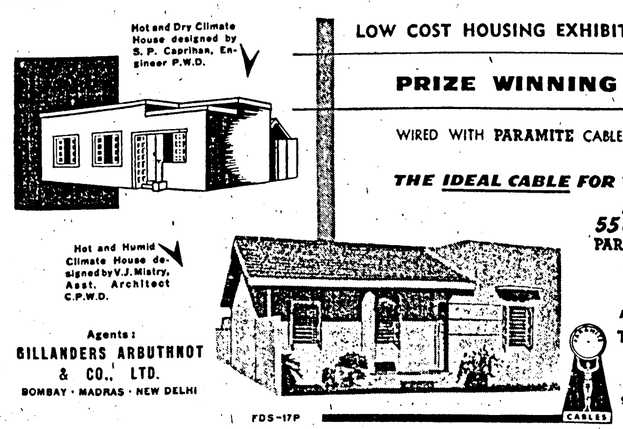
INDIAN AIRLINES

Aircraft of Indian Airlines Corporation will soon be seen in a new red and blue livery. A band of blue will run from the nose along the line of windows up to the tail. Above and below the blue will be a red line. The Corporation crest will appear below the cockpit in gold, while the Indian flag will be depicted on the tail fin. "Indian Airlines" will be painted in blue in both English and Hindi above the window line of the plane.

This colour scheme was designed, it is understood, in conjunction with I.C.I. (India) Ltd., whose well-known range of 'Dulux' paints will be used for repainting throughout the fleet. Both the selected colours are from the standard range of colours supplied by this firm. Each aircraft will be repainted as it returns to its base for regular periodic overhaul.

PERFECT IRON CRYSTALS

The General Electric Company has successfully evolved the first perfect crystals of pure iron. The crystals are a thousand times stronger than structural steel and have a tensile strength of one million pounds per square inch. The perfect crystals, in which every atom is in its proper place, were formed by superheating ordinary iron until it vaporised and then re-crystallised on a solid surface. The pure crystals, it is stated, do not rust, because their perfect alignment of atoms does not permit oxidation.



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THIRTY-THIRD ANNUAL GENERAL MEETING

MR. R. E. CASTELL ON PROSPECTS FOR COTTON TEXTILE INDUSTRY

PRESIDING over the Thirty-third Annual General Meeting of the shareholders of the Buckingham and Carnatic Co., Ltd., held in Madras on 26th March, 1954, Mr. R. E. Castell, Chairman of the Company, struck a note of caution, in his address to the shareholders, about the prospect of a contraction in the profit margin of the Indian textile industry. He also visualised the weakening of demand for cloth, as the heavy burden of excise duties and sales tax imposed a heavy burden on the already strained purchasing power of the consumer.

The following is the full text of Mr. Castell's speech:

"GENTLEMEN:

"The report of the Directors and the accounts for the year ended 31st December, 1953, having been sent to you in due time, I propose with your permission to take them as read, but will be glad to answer questions later.

"I trust that the shareholders will regard with satisfaction the trading results of the year now closed which reflect the welcome change from the adverse conditions which prevailed for the greater part of the year 1952.

"Fortunately, there was no recurrence last year of the drought conditions which had been a distressing feature of several recent years and led to a crisis in Madras City and its surrounds in the early months of 1952. Although, however, good rains during the last south-west and north-east monsoon periods have provided the foundation for an adequate supply of water for some time ahead, we would all feel happier if a project was in clear view for a long-term safeguarding of the City's water-supply.

"During some periods of statutory price control over yarn and cloth, the prices fixed did not always cover the cost of production, particularly of that of high quality cloth. In 1952, the price control structure had a severe effect on the working of your own Company and would have resulted in a heavy loss but for the partial removal of price controls from 1st October, 1952, and without the help of export sales throughout the year at prices which, in spite of export duties and competition in overseas markets, were better than the prices fixed for domestic consumption.

Revision of Cloth Prices

"With the complete removal of price controls, your Company regained in 1953 the privilege and discretion to fix prices in proper relation to manufacturing costs. Care was always exercised, however, to ensure that the Company's selling prices were kept well within the reach of consumers, and generally advantageous purchases of the mills' requirements of raw materials for the year, assisted towards this end.

"I now turn to the profit and loss account and trust that the more detailed presentation will be welcomed by shareholders. The Directors' report has already drawn attention to the need for the increased charge for depreciation as a result of the additional capital expenditure on buildings and machinery brought into use during the year, and in addition it has been considered prudent to set aside nearly Rs. 9 lakhs from profits to the reserve for increased replacement costs of buildings and machinery. I am sure you will agree with the Directors on the importance of building up this reserve, in view of our commitments for essential rehabilitation and replacement.

"You will note from the appropriation account that we have made the necessary transfer to the debenture redemption fund as required by the Trust Deed, and have set aside a sum of Rs. 6 lakhs to general reserve in order to strengthen the financial position of the Company.

"Unfortunately, taxation takes a large part of our profits and does not enable us to conserve sufficient finance for possible future expansion. It is to be hoped that the serious effect of taxation on company finances will be relieved to some extent as a result of investigation of the taxation structure in this country by the Taxation Enquiry Commission.

"Although we have expended approximately Rs. 81 lakhs on capital account, we have been able considerably to reduce the overdraft with our bankers mainly as a result of the reduction in quantity and cost of stores, raw materials, process and finshed stocks. Every possible economy has been effected in the purchase and consumption of stores, and this is reflected both in the balance-sheet and the profit and loss account. It is my pleasant duty to express the Directors' appreciation of the very close co-operation they have received from the Manager and other officers of the mills, who have so greatly assisted in carrying out these economies and in introducing measures to achieve increased efficiency in the various processes of manufacture, including dyeing and finishing.

"As some measure of compensation for the disappointing results of 1952, your Directors have considered it reasonable to propose a higher rate of dividend to the ordinary shareholders and of bonus to employees. I feel it is my duty, however, to stress that the payments so made for 1953 must be regarded as exceptional, not only because payments both of ordinary dividend and bonus to employees are the highest in quantum in the history of the Company, but also because their scale will not be easily capable of repetition in future years.

Contraction of Profit Margins

"There are, indeed, abundant signs of a current and impending further contraction in profit margins in the Indian textile industry. The production of the industry in 1953 of 1,508 million pounds of yarn and 4,903 million yards of cloth passed the target of the first Five-year Plan, and output continues at the high rate set last year, although consumer demand has at times flagged alarmingly, and especially so during the third quarter of 1953. At the present time, the textile industry and trade face the prospect of demand for cotton and other textiles being weakened by the levy of additional excise duties by the Union Government and of heavy extra sales taxes by some of the States, in particular by those of Madras and Mysore. The effect of the proposed higher excise duties on fine and superfine cloths is tempered by the removal of the import duty on foreign cotton, but the additional sales tax thereon and the increases for other varieties of cloth both in excise duty and sales tax, will impose additional burdens on the already strained purchasing power of the consumer. In spite of a recent recession in prices of Indian cotton; the cost both of indigenous and foreign varieties is much higher than it was six months ago, but it is, I believe, the general experience of the industry and trade that buyers are unwilling to pay such higher prices as would be justified by the increase in cost of raw materials or of manufacture.

"I hope that arising from the many representations which have been made to the Central and States Governments some mitigation of the proposed new indirect, but severe, taxation will result: at the very least it is desirable that cloth of medium counts should not bear heavy excise duty and sales tax, as such cloth is used more by the poorer classes than cloth of coarse counts which has not been subject to such heavy attack by the taxing authorities. I think that the rating of cotton cloth into four categories has created the illusion that the range from 'coarse' to 'superfine' denotes an ascent from cheap utility to costly luxury, but the truth is that many fine and superfine cloths are popular with all income groups because, as well as being durable, they are light and cool to wear.

Sales Tax

"The judgment of the Supreme Court in March, 1953 to the effect that inter-State sales are taxable in the State in which the goods are delivered for consumption, has caused much confusion and anxiety throughout India to industrialists, traders and consumers. Following recent deliberations by the Union and States Finance Ministers, most of the States have decided on a procedure for the collection of tax on inter-State transactions which will not have the severely retrospective effect which some States were earlier proposing to enforce. There will, however, be a heavy extra burden of work for assessees, on your own Company for instance, which carries on an India-wide trade embracing 26 different States, most of which levy sales tax.

"In sales tax collection India differs from other countries in making no distinction between industry and the individual consumer. The result is that, in India, manufacturing costs are inflated by sales tax incurred on purchases of raw materials, stores and other essentials. The application of inter-State sales tax to these purchases will seriously increase the cost of manufacture.

"I hope that governments will urgently consider the exemption of all industrial consumers from payment of sales tax on their purchases whether made within the State or from outside. Such exemption would both benefit the consumer of the products of industry, and improve its ability to compete in overseas markets. Also, subsidiary industries would be assisted. As an example of the latter I may mention the garment-making industry of Madras State whose widespread trade is now imperilled by the proposed additional sales taxes on cloth.

Company's Export Trade

"Your Company has a long-established export trade and direct contacts with many overseas markets. From 1946 until 1952 this part of our trade was subject to the varying export controls ruling from time to time, but now no restrictions apply to the export of cloth except that of mineral khaki which has for long been a most important item of your Company's overseas trade. These restrictions were slightly relaxed in 1953 and we hope that as a result of further representations made to the Government they will soon be removed altogether. The only remaining export duty on cloth is that of 10 per cent. on coarse varieties and I hope that the Government will now give consideration to the withdrawal of that duty, as it has become apparent that it is a real obstruction to India's export drive.

"The recent welcome abolition of the import duty on foreign cotton should help towards achieving India's export target of 1,000 million yards of mill cloth, but this calls for an increase of nearly 300 million yards over exports in 1953. The newly formed Textile Export Promotion Organisation and the start made with a scheme for export quality control should also help to bridge the gap, by stimulating demand and improving the reputation of Indian textiles overseas.

"Your own Company will continue to do everything possible to make a useful contribution towards India's export trade.

"My colleagues and I have aimed to follow the example of our predecessors in the management of your mills by taking an active interest in the handloom industry. Ours being composit mills, most of our yarn production is used for our own weaving, but our supplies to the handloom industry both of ordinary and waste yarn have measurably increased since before the last war and we have taken pains to ensure that they are distributed to the best advantage of the handloom weavers. We readily join in the general sympathy for the more ancient industry, but we, nevertheless, consider that in order to ensure its survival, it is unnecessary to hazard the stability of our own industry which has to bear an ever-increasing share of responsibility in the economic progress of India, being expected to provide large-scale employment and otherwise to contribute towards the much desired improvement in the standard of living by providing social security in various forms, housing and other amenities for labour.

Provident Fund Scheme

"Returning to our accounts, you will find in the profit and loss account that the Company's contribution to the provident funds for employees is Rs. 3,80,789 more than for 1952. This is almost wholly the result of the new terms of the provident fund for workpeople, dating from November, 1952, operating for the full year, the change in our case being from 7½ per cent. on wages to 6¼ per cent. on wages and dearness allowance. Government has granted temporary exemption, which it is expected will soon be made permanent, for the Company to administer its own workpeoples' provident fund. The administration of the exempted fund places an extra burden on the Company and the Trustees which include two representatives each of the management and the workers, but the workpeople themselves wished the management to seek the exemption, as the Company's proposed Provident Fund rules were generally more beneficial to the workers than the rules of the Government Provident Fund scheme. Moreover, but for the exemption, the cost of Government inspection charges would have been four times the figure of Rs. 15,328 shown in the accounts for 1953.

"The Company's payment to the Employees' State Insurance Fund increased to Rs. 1,26,163 in 1953 but in Madras, as in many other parts of India no benefits are in force under the State Insurance scheme and the Company continues to operate its own medical services.

"It has been mentioned in your Directors' report that as at 31st December, 1953 the total liabilities of the Workpeoples' and Employees' Provident Funds were Rs. 95,75,102 and Rs. 12,28,411, respectively, and that all accounts in connection therewith have been transferred to the Trustees and are not, therefore, shown in the present accounts of the Company.

"The expenditure for the year on workpeoples' welfare amounted to Rs. 1,53,525. The proposed allocation of Rs. 1,50,000 to the workpeoples' housing reserve will bring the total of this account to Rs. 15 lakhs and your Directors feel that the time has come to give serious consideration to the building of more houses for our workpeople. This matter will, therefore, be taken up as soon as possible.

"You will remember that in August, 1952 we regretfully had to inform you that no interim ordinary dividend would be paid for that year. You received this news in stoic silence, but our labour, through their representatives, voiced their disappointment with persistence and, although, following prolonged discussions with the management, the labour leaders seemed to appreciate that the trading loss for the half-year was real and unavoidable, they continued to press the argument that some compensatory payment should be made to labour. Finally, reasonableness prevailed and both we and labour should be grateful to the Madras Government, in particular to the Minister for Industries and Labour, and his officials, for the helpful part they played in this and other matters, and which has contributed to the industrial peace which has obtained in our mills for over two years.

Bonus to Workers

"On 28th February, 1953 labour manifested their disappointment in the bonus declared for 1952 as a whole, by resorting to two one-hour token strikes in each of the day and night shifts. It is only fair to record to the credit of labour and their leaders, that the stoppages were conducted peacefully and without repercussions. I might add that, although these stoppages were unwarranted, due notice was given by the Union, and there was, in fact, only one irregular stoppage of work during the year, this on 18th September, when our labour joined so many other workers in the city in mourning the death of a notable Indian pioneer of Trade Unionism. I should add that this stoppage was later made good by a Sunday's work.

"In 1952, as a result of negotiation between the management and labour a procedure was introduced in the mills for the internal settlement of industrial disputes. This has resulted in many cases being settled in favour of the workers at one stage or other of the process of hearing. I am confident that the deliberations of the Mill Labour Advisory Organisation which carries out this procedure, will continue to foster good relations between management and labour.

"The co-operation of labour has earned for them a reward in the shape of a record bonus for 1953, but it should be noted that the working results of the Company depend not only on the all-in cost and co-operation of our labour but also on the effects of taxation, and of changes in the cost of raw materials, stores, fuel and power, and in the state of the market for the Company's products, both internally and overseas. To ensure that the prosperity of the Company is altered with the minimum adverse effect by any of these factors, we shall continue our efforts to improve the efficiency of the mills in all manufacturing processes but we earnestly hope that labour will not, by impatient demands for increased remuneration, endanger the Company's ability to make profits adequate to give a reasonable return to shareholders as well as a reward to labour, after bearing heavy taxation.

Reconstruction and Rehabilitation

"Good progress has been made with the work of reconstruction and rehabilitation. Nearly 300 looms are already working in the new weaving shed including a number of new automatic looms which are giving very satisfactory efficiency and increased wages to those workers who have volunteered to join in the Company's scheme for rationalisation in weaving. Within the course of this year it is expected that this new building will be complete in all respects, making a considerable contribution towards the improved efficiency of the mills.

"The new waste mill is already operating successfully and we can expect also within this year that the new power plant will be fully commissioned.

"We hope that negotiations will soon be concluded with the Madras Government for our acquisition of the old Farrens Road which separates the main mill premises from that reconstruction site on which the new weaving shed and waste mill stand.

"I am pleased to announce that Dr. Sir A. Lakshmanaswami Mudaliar recently accepted your Directors' invitation to join the Board, and so that the Company may gain the benefit of his wise counsel, I commend him to you for election."

(Concluded from next column)

although the general workmanship and finish are satisfactory. Some of these defects are not, however, considered to be of a very serious nature and can be easily overcome, and therefore, they should be no bar against the industry's claim for protection.

The industry seems to have some grievances regarding the Government's import policy. It may be mentioned that, from January, 1951 to June, 1952, licences for imports of electric brass lamp-holders were issued to the extent of 25 per cent. of half of the best year's imports from soft currency area only. From July-December onwards, the import policy was tightened and a stipulation was made that only 10 per cent. of the face value of the licences could be utilised for the import of brass lamp-holders and bakelite electrical accessories. Now the industry complains that (a) imports allowed into the country were excessive and resulted in the closure of a number of smaller units in the industry; and (b) item No. 39(c) of the I.C.T. Schedule, under which licences for lamp-holders are issued, being a composite item, importers have taken advantage of it by utilising it for importing mainly electric lamp-holders. Consequently, they demand that not only should brass lamp-holders be treated as an independent item but the Government should exercise strict vigilance over the imports. As regards the quantum of protection, it is necessary to bear in mind that the increase in the import duties proposed in the Finance Bill is already substantial, and any further concession is likely to kill initiative and enterprise of the industry to improve its efficiency which is necessary to put on the market quality products at competitive rates. However, the industry's claims to protection for a longer period, say three or five years, is in line with the recent policy of the Tariff Commission which favours extension of protection to generally longer periods.

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Secretary.

LAMP-HOLDERS CLAIM PROTECTION

TARIFF BODY OPENS ENQUIRY

THE electric brass lamp-holders industry has put before the Tariff Commission its claims for continuance of protection beyond the end of the current calendar year when protection granted to it is due to expire. The industry was first granted protection in July, 1951, after an enquiry into its claim by the Tariff Board in 1950. The Government converted the then existing standard rate of duty of 36 per cent. *ad valorem* and preferential duty of 24 per cent. *ad valorem* into protective duties at the same rates. Subsequently, as a result of the surcharge levied in 1951, the rates went up 37½ per cent. and 25 per cent. *ad valorem*, respectively. This protection was to have expired at the end of 1953. However, pending further detailed enquiry into the affairs of the industry, protection to the industry was extended upto 31st December, 1954 under the Tariff (Third Amendment) Act, 1953. Again, in the Finance Bill, 1954, it is proposed to raise the standard as well as the preferential rates for imports to 60 per cent. and 50 per cent. *ad valorem* respectively. This increase on revenue considerations will provide an adventitious measure of protection to the industry.

The industry has thus enjoyed protection for a period of 2½ years. In 1950 there were 20 units engaged in the production of electric brass lamp-holders. But there are now only 14 units of which eight are in West Bengal, three in P.E.P.S.U., one in Bombay, one in Saurashtra and one in the Punjab. The units in West Bengal are stated to be not doing well. Some small units have stopped or diverted their productive capacity to other lines of manufacture, while the larger and more organised units have strengthened their production during the period of protection. Although the number of units declined, the output of brass lamp-holders by the industry as a whole rose from 547,434 pieces in 1951 to 858,612 pieces in 1952 and 1,572,640 pieces in 1953. Nevertheless, the production has been running well below the rated capacity of the industry, which, on single-shift basis is estimated by the Development Wing of the Commerce Ministry at 3.02 million pieces. According to the figures furnished by 13 units to the Tariff Commission, it works out to 3.9 million pieces. Information received from 10 units reveal that the industry employs 346 people and the value of fixed assets in the industry is stated to be Rs. 14.7 lakhs. But the Lamp-holders Manufacturers' Association claims that the industry employs about 1,500 persons and the amount invested in it is of the order of Rs. 30 lakhs. The domestic demand for brass lamp-holders is estimated at between 6 lakh pieces and 60,000 pieces. The Tariff Commission estimates it at 1.4 million pieces calculated on the basis of average annual imports plus domestic production.

The foregoing is just the gist of the present position of the brass lamp-holders industry in India as described by Mr. M. D. Bhat, Chairman, Tariff Commission, in his initial remarks at the opening of the enquiry into the claims of the industry for continuance of protection, held on 31st March last. According to Mr. Bhat, the industry demands protection for a period of three to five years on the ground that it had to face, during the early stages of the period of protection, a number of difficulties such as excessive imports, high prices of brass sheets and the persistent consumers' prejudice against the Indian product. It has also asked for certain specific types of assistance such as imposition of complete ban on imports of electric brass lamp-holders, continuance of Government purchases and provision of suitable technical advice from the Government.

Continuance of protection to this industry depends, as in the case of all other such industries, on several factors, such as the quality, price, the difference between the fair ex-works price and landed costs, and evidence to prove that it has endeavoured to improve its efficiency by the adoption of technical improvement and use of modern equipment. The price factor is of particular significance, because the product of this industry is a raw material to the electric lamp industry, and the price at which the latter is sold is dependent on the price paid to lamp-holders. As regards the quality of lamp-holders, the Chairman of the Tariff Commission has in his possession complaints regarding certain specific defects in the finish and durability of the indigenous product. The indigenous lamp-holders, for instance, fail to withstand the cord-gripping test laid down in the B.S. specification,

(Continued in previous column)

INSURERS MUST BE TRUSTEES OF POLICYHOLDERS

SIR COWASJEE JEHANGIR'S ADVICE

A FERVENT call to insurers to regard themselves as trustees of the money entrusted to them by the policyholders and to desist from doing anything that will undermine the confidence of the people in insurers was made by Sir Cowasjee Jehangir, in the course of his inaugural address at the Insurance Conference, held at Bombay last week. This advice acquires special significance, because it comes from Sir Cowasjee who, as the Chairman of a committee which in 1946 investigated the problem of insurers in India, has acquired an intimate knowledge of Indian insurance. This Committee, it may be recalled, brought to light several defects in the investment practices of insurers and served to give shape to the subsequent legislation relating to insurance. It is, therefore, to be hoped that Sir Cowasjee's call to insurers will be given the support it deserves. Indeed, private enterprise is, in a sense, on trial in this country. And, if private insurers do not acquit themselves honourably in that trial, it will have far-reaching repercussions not only on insurance but on other sectors of private enterprise.

Sir Cowasjee warned that it was wrong to ignore the basic consideration that insurance business can be built up only slowly. If any unit chooses to walk faster, much faster than the steady growth of its business will warrant, the "unit will meet with nothing but disaster." He added: "It was this desire to dash forward at a fast speed, before the company's position was consolidated, that has led to liquidations in the past and, more than that, for the growth of undesirable features in the business of life insurance." But Sir Cowasjee was not averse to competition as such. He recognised that there was bound to be competition and that "healthy competition increases the efficiency of the unit and enables it to render greater service to its clients." At the same time, he urged the need for "united action" which would be to the benefit and advantage of all.

After referring to the undesirable features of insurance, such as interlocking of funds of insurance companies, banks and insurance trusts, misuse of investment funds, and speculative purchase of shares of insurance companies, which have been witnessed in recent years, Sir Cowasjee declared that the management of a life assurance company should be considered as a "sacred trust." He added: "You are in the management of a business which is essentially meant to come to the rescue of poor people who have their trust in you, fully relying that you would come to their help in their hour of dire need." He warned that it was "criminal" to try experiments in the investment of funds, since the insurers will then be playing not only with shareholders' money but with the "life savings of the poorest" in the country. Sir Cowasjee hoped that the recent amendment to the Insurance Act would serve to eliminate substantially, if not completely, the undesirable features of insurers' investment practices. In this connection, he referred to the provisions of the amended Insurance Act relating to the appointment of Administrators, statutory limitation of expenses, and constitution of special bodies, such as Life Insurance Council and General Insurance Council. These provisions, as is well known, were inserted in order to place the insurance business on a sound basis.

But any lasting improvement in this sphere can come, as Sir Cowasjee himself recognised, through the voluntary exertion of the insurers themselves. He said: "I am one of those who believe that the best results in the direction of raising the tone of any business could be achieved by associating the members of the business itself in the task and thereby making them develop the traits of self-help and self-policing."

Do Not Invoke Government Control

Mr. Tulsidas Kilachand, who spoke at this conference, lent further support to this idea of "self-help" when he deprecated attempts at invoking governmental interference to set the insurance house in order. He said that the regime of controls, which had functioned in the last decade, had unfortunately led to a psychology of asking for more and more controls. We heartily endorse this sentiment, for there is an alarming tendency among the men engaged in the private sector to run to the Government for help, for guidance and for statutory regulation of the cost of their services. They do not stand up like men and fight for their independence, but behave like infants that cry for paternal support. How can people have faith in private enterprise if it cannot function without governmental regulations? This elementary fact does not seem to have been grasped by these men, who invoke governmental interference in their affairs. Are premium rates going down? Then, ask the Government to fix floors for these rates. Are interest rates going up? Then, ask the Reserve Bank to fix the ceilings for rates for deposits. This line of reasoning does no justice to the spirit of private enterprise, and is calculated to harm, in the long run, the people engaged in it. And the irony of it all is that these men start complaining later that there is too much control in their business, too much red-tape and too little scope for initiative. The fact is that they forget that governmental control means red-tape, delay and interference. This is not to suggest that governmental help should not be utilised at any time, but merely to emphasise that it should be regarded as a painful necessity, to be invoked in the last resort.

Per Capita Insurance

To revert to Sir Cowasjee's address. Although he admitted that the *per capita* insurance in India was small, he pointed out two factors which are likely to prove useful to insurers. In the first place, there was a shift in income from the middle class, till now the backbone of Indian insurance, to the working class. He, therefore, urged that "special efforts" should be made by insurers to build up a clientele among the working classes. Perhaps, labour leaders can help insurers a great deal in this matter. Unfortunately, they are too engrossed in politics to make a constructive approach to the workers and to encourage the habit of saving. Secondly, he hoped that the reliefs provided in the Estate Duty Act in respect of insurance will enhance the attractiveness of insurance policies. Many insurers are already turning their thoughts to this field and are making special efforts to win the support of persons who are likely to be affected by the Estate Duty Act.

Finally, Sir Cowasjee referred to the high rate of lapses in insurance policies, and stated that it must be due partly to the sharp reduction in income of many individuals since the termination of World War II, and to the fact that the cost of living was still high. He relied on proper selection and training of agents to remedy this defect, and deprecated the predominance of part-time agents who do not take sustained interest in their work over long periods. This aspect of the problem of Indian insurance also figured prominently in the address which Mr. S. D. Srinivasan, President of the Indian Life Assurance Offices Association, delivered at the Conference. He stated that, while there was reason to feel optimistic about the immense scope for insurance in the country, they had also to face the problem of mounting lapses. Referring to the scope for insurance, he pointed out that the *per capita* insurance in India was only Rs. 26, whereas it was as high as Rs. 7,000 in the U.S. and Rs. 1,600 in the U.K. The premium income of life assurance companies in India is only of the order of ½ per cent. of the total national income. He calculated that only about 30 lakhs families enjoy insurance protection for Rs. 3,000 per family. He added:

"These figures indicate that we have touched only the fringe of the problem. The *per capita* insurance may be relatively small and it is bound to be so for some years to come. But this is multiplied by the population to give the volume of business. This multiplicant is big and should afford a means for further expansion. There is thus great scope before us for expansion and for greater and useful service. Insurance increases with the development of industries and increase of national income. Industries require capital for expansion. Insurance pools capital resources and lends them to industries for development. Thus, the growth of industries and development of insurance are interdependent and go together. Our business has thus an important role to play in the current national plan conceived for social and economic development and I am confident it is playing its part."

But the fact that there is immense scope for insurance should not lull insurers into a false sense of complacency about the evils in insurance. On this point, Mr. Srinivasan observed:

"While we are all optimistic that we have before us a tremendous opportunity for expansion, we are equally alive to the evil of heavy lapses in our business that retards our growth. Though Rs. 146 crores of new business were effected in India in 1952, the increase of business in force at the end of that year was only Rs. 43 crores. The lapses in 1952 appear to have been abnormal even after allowing for exits due to claims, surrenders and paid-ups. It is estimated that nearly 40 per cent. of the business lapses before the policy acquires surrender value. Looking to the heavy initial expenses incurred in acquisition of new business, occurrence of such a large volume of early lapses makes the position of the companies difficult. Further, it is a loss to the community in that the effort put in to secure such new business that does not remain becomes a waste. Both the insurer and the insured are obviously responsible for this in varying degrees. The remedy is to train our field workers to care more for quality of business than quantity. They should be told to see that policies are taken for amounts which are within the resources of the policyholders and of types that suit their needs and help them to maintain their policies by continuous service and attention."

It is gratifying to note that Mr. Srinivasan emphasised the need for insurers to devote more attention to quality of business than to quantity. There is, as Sir Cowasjee stated, in effect, a certain gradualness in the growth and development of an insurance institution. A great insurance company, like Rome, cannot be built in a day. It takes years of hard work, patience and perseverance before an insurance company can lay claim to a permanent place in the hearts of the people whom it serves. "Expansion, consolidation, further expansion" should be the watchwords of a growing life office. Agents who produce glittering but insubstantial business, render no service to their offices. And the managements which fail to discourage such business are neglecting a part of their national responsibility.

PANDYAN INSURANCE CO., LTD.

Within a period of two decades since it was established in 1933, the Pandyan Insurance Co., Ltd. (Manager: Mr. S. C. Rawlinson, Madurai), has shown considerable expansion in its business. A general insurance company, the Pandyan has a large and growing fire business; its marine and miscellaneous branches, though less important than its fire branch, are making steady progress. The report of the Company for the year 1953 shows that its total profit at Rs. 4.72 lakhs was slightly higher than in the previous year. The dividend, however, has been maintained at 15 per cent.

During the year ended 31st December, 1953, the premium income in both the fire and marine branches improved over the level in 1952. Thus, the premium income in the fire department rose from Rs. 8.14 lakhs to Rs. 9.02 lakhs in 1953 and the income in the marine department from Rs. 6.25 lakhs to Rs 6.45 lakhs. The premium income in the miscellaneous section was somewhat lower at Rs. 3.05 lakhs. The Company derives a large part of its premium income from its overseas business. In 1953, the Company's foreign portfolio yielded Rs. 5.94 lakhs in the fire department, Rs. 0.12 lakh in the marine department and Rs. 0.92 lakh in the miscellaneous department. It is gratifying to note that the Company's foreign business is growing from year to year, and that its income from this source in 1953 at Rs. 6.98 lakhs compares favourably with Rs. 5.94 lakhs in 1952.

The Company's claims experience has been favourable in both fire and marine departments. Thus, the ratio of claims paid and outstanding, in the fire department was 29.8 per cent. in 1953 as against 37.1 per cent. in 1952. In the marine department, it was 12.7 per cent. as against 15.3 per cent. in the previous year. In the miscellaneous department, however, it was somewhat higher at 53.1 per cent. as compared with 48.1 per cent. in 1952, and 22.7 per cent. in 1951. But this feature is not peculiar to this company only, for the accident departments of nearly all insurers in India have shown an increase in their claims ratio.

The underwriting profit of fire, marine and miscellaneous departments was Rs. 1.98 lakhs, Rs. 2.44 lakhs and Rs. 0.31 lakh, respectively, as against Rs. 2.30 lakhs, Rs 2.28 lakhs, and Rs. 0.11 lakh in 1952. The total profit for the year under review (Rs. 4.73 lakhs), together with Rs. 4.76 lakhs being the income by way of interest, dividends and rent, makes in all Rs. 9.49 lakhs. The provision for depreciation absorbs Rs. 2.51 lakhs, and for taxation Rs. 2.25 lakhs. After providing for expenses of management, not applicable to any particular account, there is a balance of Rs. 4.15 lakhs which, together with the amount brought forward from the previous year, makes in all Rs. 4.19 lakhs. Out of this sum, the Directors have transferred Rs. 1 lakh to general reserve. The payment of 15 per cent. dividend absorbs Rs. 3 lakhs, leaving Rs. 19,429 to be carried forward to current year's accounts. The financial position of the Company is sound. Apart from a capital of Rs. 20 lakhs, the Company's reserves aggregate Rs. 60.99 lakhs, inclusive of fire fund (Rs. 4.51 lakhs), marine fund (Rs. 6.46 lakhs) and miscellaneous fund (Rs. 1.52 lakhs).

The fire insurance business in Norway is making rapid progress. In 1952, for which year figures are available, the premium income was 120.8 million kroners in 1951 and 92.2 million kroners in 1950. Inflation in war and post-war years, which created several problems for insurers, has been checked. The issue of consequential loss covers, now an important part of private insurers' business, continues to be a popular feature.

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LIMITED
(Established December, 1911)

Head Office:
MAHATMA GANDHI ROAD, FORT
BOMBAY, 1

Authorised Capital	Rs.	6,30,00,000
Issued Capital - -	,,	5,77,50,000
Subscribed Capital -	,,	5,76,66,125
Paid-up Capital - -	,,	3,14,54,250
Reserve Fund and other Reserves -	,,	3,99,79,642
Deposits as at 30-12-53 -	Rs.	118,19,74,654

DIRECTORS:
Sir Homi Mody, K.B.E. (*Chairman*)
Dinshaw D. Romer, Esq.
Dharamsey Mulraj Khatau, Esq.
Cooverji Hormusji Bhabha, Esq.
Manmohandas Madhavdas Amersey, Esq.
C. P. Wadia, Esq.
H. C. Captain, Esq. (*Managing Director*).

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The Chase National Bank of the City of New York.

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H. C. CAPTAIN,
Managing Director.

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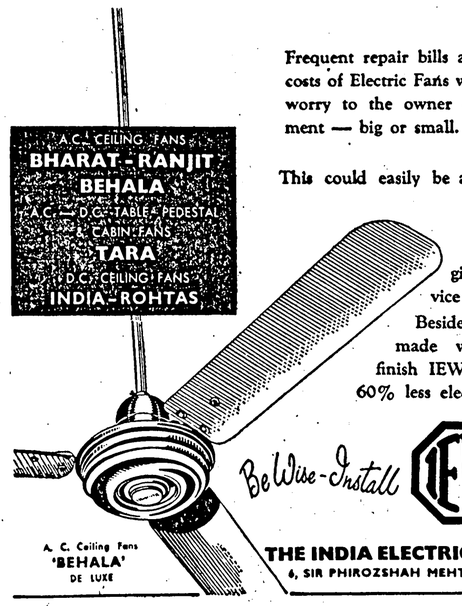
E. RAMACHENDRAMURTI, M.A., C.A.I.I.B.,
General Manager.





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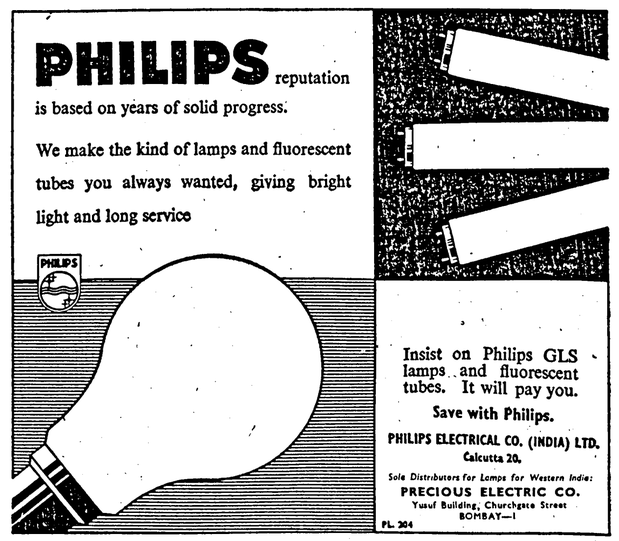

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PL. 304

THE PUNJAB NATIONAL BANK LIMITED, DELHI

(Established in 1895)

DIRECTORS' 107th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1953

The General Board of Directors beg to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1953.

The transactions for the year under report have resulted in a profit of Rs. 41,78,961-8-10 (including Rs. 1,92,604-14-0 brought forward from the previous year's account). The following amounts have been appropriated for the under-mentioned purposes :—

	Rs.	a.	p.
1. Transferred to Income-tax Provision	12,50,000	0	0
2. Transferred to Contingency Reserve	10,25,000	0	0
3. Transferred to Reserve Fund	93,672	7	3
4. Transferred to Bonus to Staff Account	7,50,000	0	0
5. Transferred to Charity Account	50,000	0	0
6. Ad-interim Dividend @ 8 per cent. per annum free of income-tax for the half-year from 1st January, 1953 to 30th June, 1953 paid	3,50,000	0	0
Total .. Rs.	35,18,672	7	3

The Directors recommend that the balance of Rs. 6,60,289-1-7 be disposed of as follows:—

	Rs.	a.	p.
(a) Dividend @ 8 per cent. per annum free of income-tax for the half-year from 1st July, 1953 to 31st December, 1953	3,50,000	0	0
(b) Carry forward to the next year's account	3,10,289	1	7

The Bank rate remained unchanged at 3½ per cent. per annum.

The Directors consider that the working of the Bank has been satisfactory.

SHRIYANS PRASAD
KAMALNAYAN BAJAJ
KESHAB CHANDRA
MAHARAJ KRISHNA KAPUR
SHITAL PRASAD
JASWANTRAI CHURAMANI
J. N. BHAN
C. L. BAJORIA
} Directors.

DELHI, 18th February, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Amount Rs. a. p.	Total Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
4,00,000 shares of Rs. 25 each		1,00,00,000 0 0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
3,50,000 shares of Rs. 25 each		87,50,000 0 0
2. Reserve Fund and other Reserves—		
Reserve Fund as on 1st January, 1953	80,00,000 0 0	
ADD— Rs. a. p.		
Unclaimed dividends and interest on advance calls forfeited	6,327 8 9	
Amount transferred from Profit and Loss Account	93,672 7 3	
	1,00,000 0 0	
		90,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	26,07,17,811 8 1	
Savings Bank Deposits	17,80,65,986 12 8	
Current Accounts, Contingency Accounts, etc.	21,54,74,452 1 7½	
Employees' Security Deposits (held by the Bank itself)	38,59,784 7 11	
		65,31,18,034 14 8½
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	30,57,626 14 10	
(ii) Outside India	Nil	
		30,57,626 14 10
PARTICULARS—		
(i) Secured by part of Government Securities lodged as per contra	30,57,626 14 10	
(ii) Unsecured	Nil	
5. Bills Payable		4,07,27,679 2 9
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	5,28,03,451 9 5	
(ii) Payable outside India	27,89,189 11 1	
		5,55,92,641 4 6
7. Other Liabilities—		
Dividends and Interest on Advance Calls unclaimed	66,945 9 2	
Rebate on Bills Discounted	2,818 11 7	
		69,764 4 10
8. Acceptances, Endorsements and other Obligations as per contra		2,68,46,663 8 0
9. Profit and Loss Account—		
Profit as per last Balance Sheet	4,55,104 14 0	
LESS—Dividend for the half year ended 31st December, 1952 @ 6 per cent. per annum free of income-tax	2,62,500 0 0	
	1,92,604 14 0	
ADD—Profit for the year brought from Profit and Loss Account	39,86,356 10 10	
	41,78,961 8 10	
LESS— Rs. a. p.		
Ad-interim Dividend @ 8 per cent. per annum free of Income-tax paid for the half year ended 30th June, 1953 — 3,50,000 0 0		
Transferred to Provision for Income-tax	12,50,000 0 0	
Transferred to Contingency Reserve	10,25,000 0 0	
Transferred to Charity Account	50,000 0 0	
Transferred to Bonus to Staff Account	7,50,000 0 0	
Transferred to Reserve Fund	93,672 7 3	
	35,18,672 7 3	
		6,60,289 1 7
10. Contingent Liabilities—		
(i) Claims against the Bank not acknowledged as debts	39,80,902 0 10	
(ii) Guarantees given on behalf of Directors or Officers	Nil	
(iii) Guarantees given on behalf of others	16,49,218 13 0	
(iv) Arrears of Cumulative Preference Dividends	Does not arise.	
(v) Bills of Exchange re-discounted	40,707 3 0	
(vi) Outstanding Forward Exchange Contracts	Nil	
(vii) Liability for calls on partly paid Ordinary Shares of Rehabilitation Housing Corporation Limited, sponsored by the Central Government	3,75,000 0 0	
(viii) Amount is due in respect of interim relief awarded by Labour Appellate Tribunal on 7th December, 1953 to some ex-employees under appeal in the Supreme Court. The appeal has since been decided against the Bank and amount is being paid in the current year as and when ascertained		
NOTE.—The figures in respect of the Bank's Pakistan Offices have been taken at par.		
Total .. Rs.		79,78,22,199 2 9½

PROPERTY AND ASSETS	Amount Rs. a. p.	Total Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		6,74,37,062 0 11½
(This includes Rs. 12,32,000 being cash remittances through Insured post and Rs. 7,000 through messenger since received)		
2. Balances with Other Banks—		
(In current account)		
(i) In India	13,49,185 4 3	
(ii) Outside India	44,64,264 1 0	
(Includes Rs. 6,09,112-5-11 with State Bank of Pakistan)		58,12,449 5 3
3. Money at Call and Short Notice		15,00,000 0 0
4. Investments at or below Cost—		
(i) (a) Securities of the Central and State Governments	34,41,83,002 9 0	
(b) Other Trustee Securities	82,45,076 14 0	
(Face value Rs. 35,72,24,000 ; Estimated Market value Rs. 34,93,83,925-12-0)		
(ii) Shares of Indian Joint Stock Companies— Fully Paid-up Rs. a. p. / Partly Paid-up Rs. a. p.		
Preference .. 12,57,900 8 0 / Nil		
Ordinary .. 13,35,413 15 9 / 1,25,000 0 0	27,23,314 7 9	
(Estimated Market value Rs. 12,50,070)		
(iii) Debentures of Indian Joint Stock Companies	39,08,747 2 0	
(Estimated Market value Rs. 39,44,612)		
(iv) Other Investments :		
Pre-partition Punjab Bonds held in India	19,25,000 0 0	
Pre-partition Punjab Bonds held in Pakistan	1,66,752 8 0	
Rangoon Municipal Debentures held in Burma	1,80,110 0 0	
	22,71,862 8 0	
(Estimated Market value Rs. 22,70,537)		
(v) Gold	Nil	
(Securities of the face value of Rs. 21,33,67,400 lodged with Banking Companies against borrowing arrangements.)		36,14,27,003 9 6
5. Advances—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(1) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.		
(i) In India 21,42,70,492 9 6		
(ii) Outside India 52,51,742 4 6		
	21,95,52,224 13 8	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 3,43,02,315 7 0		
(ii) Payable outside India .. 16,36,675 8 9		
	3,59,38,990 15 9	
(Particulars of Advances—As per Schedule attached)		25,54,91,215 13 5
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	5,28,03,451 9 5	
(ii) Payable outside India	27,89,189 11 1	
		5,55,92,641 4 6
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations as per contra		2,68,46,663 8 0
8. Premises Less Depreciation—		
Balance on 1st January, 1953 (at cost)	33,23,502 15 10	
Additions during the year	1,97,207 7 3	
	35,20,710 7 1	
LESS—Transferred to Property not used as Bank premises	4,73,751 4 0	
	30,47,049 3 1	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1952 2,40,400 7 6		
Depreciation for 1953 .. .. 58,335 9 6		
2,98,736 0 10		
LESS—Depreciation on transfers adjusted 41,804 1 3		
	2,56,931 15 7	
9. Furniture and Fixtures at Cost Less Depreciation—		33,90,117 3 6
As per last Balance Sheet	70,98,201 1 8	
Additions during the year	4,09,949 9 0	
	75,08,151 11 8	
LESS—Sales, write-offs and adjustments during the year	74,17,810 11 5	
	3,84,992 8 3	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1952 26,41,893 6 8		
Depreciation for 1953 .. .. 4,34,295 6 0		
30,76,188 12 8		
LESS—Depreciation written back on sales, write-offs, and adjustments 1,99,799 8 6		
	28,76,389 4 2	
10. Other Assets (including Silver)—		41,86,488 15 1
(a) Interest accrued and outstanding and dividends due on investments	35,82,999 2 8	
(b) Pre-paid expenses, advance payments and amounts recoverable	5,53,218 2 7	
(c) Property not used as Bank premises less depreciation	25,09,426 7 8	
(d) Land purchased for building Bank premises	3,56,253 8 0	
(e) Library, Motor Cars, Cycles and other vehicles less depreciation	3,11,386 9 3	
(f) Stationery and Stamps	9,65,213 0 1	
(g) Deposits with Electric Supply Companies and Government Departments	20,979 3 5	
(h) Amount remitted for purchase of Government Securities	2,45,750 0 0	
(i) Cash remittances through Reserve Bank and Imperial Bank in transit (since received)	4,05,000 0 0	
(j) Income-tax deducted at source on Yield of investments : Rs. a. p.		
India (1950-1953) 83,46,111 2 4		
Rangoon (1953) 3,930 2 2		
Pakistan (1947-1953) 3,57,382 6 0		
	87,07,423 10 6	
LESS—		
Provision for taxation as per last Balance Sheet Rs. a. p. 6,30,505 12 6		
Adjustments in respect of 1950-51 assessment less refunds 1,623 14 0		
Transferred from Profit and Loss Account .. 12,50,000 0 0		
	18,82,219 10 6	
	68,25,203 15 10	
11. Non-Banking Assets Acquired in Satisfaction of Claims—		1,62,35,430 2 1
Balance as per last Balance Sheet	30,189 2 0	
LESS—Depreciation	21 14 6	
(The book value is less than the realisable value)		
Total .. Rs.		80,167 4 6
		79,78,22,199 2 9½

(Continued on next page)

THE BOTTLENECK IN OUR TRANSPORT

SOME SUGGESTIONS FOR ITS SPEEDY ELIMINATION

[*By B. V. VAGH, B.E. (Civil), M.I.E. (Ind.)*]

FOR some time past, there have been persistent complaints about the shortage of railway wagons from practically all industries in the country and the Planning Commission are reported to be in correspondence with State Governments on the subject. Newspapers also mentioned recently the formation of an official study group in New Delhi to investigate the position about transport.

The position in regard to goods transport in the country has never been satisfactory since the last war. During the past few years, it has been deteriorating steadily, due to increased production and large-scale constructional activities on various projects. Under railways, the Planning Commission have provided for a 10 per cent. increase in goods traffic, based presumably on a 10 to 11 per cent. increase in the National Income which the Five-year Plan envisages. There is no similar provision under road transport. Apart from providing a certain increase in road mileage, the Plan does not discuss ways and means of increasing the goods transport facilities by road.

Requirements

Broadly speaking, for an increase of about 10 per cent. in the National Income, as envisaged in the Five-year Plan, a corresponding increase in our goods transport facilities by rail and road each may more or less be considered sufficient subject to adjustments on account of an actual increase in production, *provided the pre-Plan transport facilities were sufficient for the traffic then offering.* This has not been borne out by experience. Since about 1945, there have always been complaints about the shortage of railway wagons. Judged by the number of road trucks in the country, many hold the view that the pre-Plan road transport facilities were not sufficient. Hence, it may be useful to examine the position without assuming either that the pre-Plan facilities were sufficient or that they were not. Some idea about this may be formed by comparing our goods transport facilities both by rail and road in terms of our National Income which is an index of production and services with those of other developed countries, also in terms of their National Incomes, and then making allowances for the degree of development of the countries concerned, the nature of their economies sizes and distances.

The relative position in regard to the transportation of goods *vis-a-vis* the National Income in the U.K. and India is as follows:—

	National Income (Rs. crores)	*Railway wagons*	*Road Trucks*
U.K.	18,197	11,09,000	9,08,769
India	10,000*	2,08,287	2,84,334†

*As estimated in the Five-year Plan as on 31st March, 1956.

† Made up of 89,334 motor trucks plus 1,95,000 being the equivalent of 96 lakhs of bullock carts in terms of their load-carrying capacity in ton/miles.

As will be clear from the above set of figures, for about half the National Income of the U.K. India has about one-fifth of the railway wagons and about one-third of the road trucks of that country. *In numbers, India's requirements of goods transport proportionate to its National Income as compared with that of the U.K. work out to about 6 lakhs of railway wagons and 5 lakhs of road trucks against the present about 2 lakhs and 2½ lakhs, respectively, that is, an average of, say, about twice the number in each category by the end of the five-year period of our Plan ending 31st March, 1956.*

Comparison with Other Countries

Information about the railway wagons in other countries is not available. The position regarding road trucks in the following nine industrialised countries in Europe, about which information is available, and in Japan works out as follows:

Country	National Income (Rs. crores)	Total number of trucks	Trucks per Rs. 1,000 crores
France	13,864	9,41,200	68,000
U.K.	18,197	9,08,769	50,000
Norway	1,106	50,500	46,000
Denmark	1,439	63,537	44,000
Italy	6,181	2,55,394	41,000
West Germany	11,156	4,51,075	40,000
Holland	2,213	86,000	39,000
Sweden	3,652	91,000	25,000
Switzerland	2,189	42,950	20,000
	59,997	28,90,425	
say	60,000	30,00,000	50,000
Japan	6,414	3,18,522	50,000

This gives an average of about 50,000 road trucks per Rs. 1,000 crores of National Income. On this basis, *India's requirements of goods transport by road work out to about 5 lakhs road trucks for a National Income of about* Rs. 10,000 *crores, as against the present number of about 2½ lakhs, that is, again about twice the present number.*

Relative Position

In the countries in the above table, industrial production preponderates, while, in India, agricultural production preponderates. The transport requirements of the latter are relatively smaller, as there are fewer raw materials in it to be hauled. Further, some of the production is consumed at the source by the farmers and, therefore, does not require transport to the same extent as industries. On the other hand, the size of India entails hauls on long distances and, therefore, broadly speaking, it should require comparatively more transport in industries than the countries in the above table. (In the U.K., for instance, about 11 lakhs railway wagons operate on a track of about 20,000 miles, while, in India, 2 lakhs wagons operate on a track of about 34,000 miles, excluding passenger traffic in both cases!). It is not known to what extent these factors will alter the figures arrived at above, but it may not be wide of the mark to estimate our requirements at about two-thirds of what the above figures indicate.

This figure of two-thirds has been suggested by an economist on the following reasoning:

(i) Excluding goods like motor cars, bicycles, tractors, engines, radio sets, electric fans, sewing machines, telephones, cables, etc., the output of which is not measured in tons, the total production in tons as per the Five-year Plan consists of:

A. Agricultural, including forests 50.5 per cent.

B. Non-agricultural including fuels, minerals and finished products like steel, cement, etc. 49.5 per cent.

(ii) About 70 per cent. of our population is engaged in A and may be assumed as consuming at the source or near about it, about 70 per cent. of the production under that head. The balance available for trade and, therefore, requiring transport is about 30 per cent. of A, that is, about 15 per cent., of the total production in tons.

(iii) The remaining about 50 per cent. of the total production may all be taken as being available for trade and, therefore, requiring transport.

(iv) Thus 65 per cent. of the total production in tons made up of 15 per cent. under agricultural and 50 per cent. under non-agricultural may be taken as requiring transport.

(v) Therefore, if India's transport requirements in terms of its production in tons of which the National Income can be taken as an index is X as compared with that of another more developed country in which all or almost all production is available for trade, then the correcting factor applicable to it will be about 65 per cent., say, two-thirds by reason of about half its production being agricultural and only 30 per cent. of it being available for trade.

If the 70 per cent. of agricultural production consumed at or near the source is to be excluded from our transport requirements as suggested above, then the number of bullock

THE PUNJAB NATIONAL BANK, LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Total Rs. a. p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Total Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	1,06,51,114 14 6	1. Interest and Discount	2,45,29,385 10 5
2. Salaries and Allowances and Provident Fund (includes Rs. 90,076-11-0 paid to the Ex-General Manager, besides free residential accommodation and compensation amounting to Rs. 1,00,000 for loss of office and Rs. 6,046-5-0 to the General Manager)	1,33,31,815 8 4	2. Commission, Exchange and Brokerage	55,04,984 15 0
3. Directors' and Local Committee Members' Fees and Allowances	27,124 2 0	3. Rents	8,22,933 0 1
4. Rent, Taxes, Insurance, Lighting, etc.	10,12,737 9 0	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	2,22,642 7 11	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postages, Telegrams and Stamps	11,07,215 12 0	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	8,000 0 0	7. Other Receipts	22,86,360 4 4
8. Depreciation on and Repairs to the Banking Company's Property	6,21,069 1 2		
9. Stationery, Printing, Advertisement, etc.	7,90,004 5 8		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	13,83,872 6 10		
12. Balance of Profit (subject to Taxation)	39,86,358 10 10		
Total .. Rs.	3,31,43,363 13 10	Total .. Rs.	3,31,43,363 13 10

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1953.

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	22,95,92,478 0 3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,77,70,520 5 2
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	81,28,217 8 0
(iv) Debts considered doubtful or bad not provided for	Nil
	25,54,91,215 13 5

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons— Rs. a. p. / Directors Nil / Officers 1,52,051 12 8	1,52,051 12 8
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	23,22,074 15 0
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,63,467 14 4
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	1,72,55,942 6 4
(ix) Due from Banking Companies	17,13,155 12 8

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE PUNJAB NATIONAL BANK, LIMITED, DELHI

We have audited the annexed Balance Sheet of the Punjab National Bank, Ltd., Delhi, as at 31st December, 1953, and the annexed Profit and Loss Account for the year ended on that date, with the books and accounts kept at the Head Office in Delhi, in which are incorporated the Returns of the Banks Branches in Indian Union, Pakistan and Burma certified by the respective Branch Managers. We report that:

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) the Returns received from the Branch Offices of the Bank have been found adequate for the purposes of the audit;

(d) in our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with law;

(e) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true Balance of Profit for the year, according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office; and

(f) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

DELHI, 20th February, 1954.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

B. N. PURI, General Manager.

S. L. VERMA, Superintendent, Central Office.

M. K. PANDIT, Chief Accountant, Central Office.

SHRIYANS PRASAD,
KESHAB CHANDRA,
KAMALNAYAN BAJAJ,
MAHARAJ KRISHNA KAPUR,
JASWANTRAI CHURAMANI,
J. N. BHAN,
SHITAL PRASAD,
C. L. BAJORIA.
} Directors.

R. L. TULI,
P. K. MEHTA,
A. S. PURI.
} Assistant Secretaries.

carts engaged on rural agricultural traffic has to be omitted from comparison. Since the lorry equivalent of all bullock carts has been included for comparison, this allowance seems obviously liberal. Then, the figure of two-thirds suggested above does not include extra transport on longer hauls on account of the size of our country and longer distances, but, still taking it as an indication, our transport requirements work out to about 1½ times (2 x ¾) the present number. This is 33 per cent. (say 30 per cent.) more than at present, i.e., *about 62,000 railway wagons and about 85,000 road trucks.* Here it is interesting to note that, excluding bullock carts, the numbers of trucks in Ceylon and the Philippines work out to about 28,000 and 25,000 respectively per Rs. 1,000 crores of National Income against only about 9,000 in India. That is, even Ceylon and the Philippines have about three times India's number of trucks in terms of their National Income. Judged by this standard, a 30 per cent. increase in our present railway and road capacity for goods traffic during the period of the Plan does not seem ambitious.

The production aimed at in the Five-year Plan on items listed below works out in the aggregate tonnage, in millions for all, to 24 per cent. on the 1950-51 figure:

Foodgrains	Crude petroleum
Cotton and Jute goods.	Sundry minerals
Sugarcane	Aluminium
Oilseeds	Cement
Soft coke	Fertilisers
Timber	Glassware
Fisheries	Heavy chemicals
Manganese	Iron and steel
Coal	Jute
Limestone	Paper
Gypsum	Salt
Irone ore	Sugar
Bauxite	*Vanaspati* and vegetable oils
Glass sand	Soap
Sulphur	Cloth
Rock phosphate	

On the basis suggested above, namely, that only about 30 per cent. of the agricultural production and all the non-agricultural production may be taken as entering into trade and, therefore, requiring transport, the increase in tonnage on these items in 1955-56 over the 1950-51 figure works out to 30 per cent. In addition, there are other items on which production, in million tons, will be appreciably more than before. Then, on items like cotton, jute, cloth, implements, motor cars and a host of others the transport requirements are not by weight but by volume which means more transport for extra production than that indicated by an increase in their tonnage. Again, there are services, operation requirements of industries and large-scale constructional activities on irrigation, power projects, expansion of industries, new factories, new institutions like research laboratories, houses, hospitals, school buildings, docks, roads and railways. All these require extra transport. These activities cannot be considered a temporary phase, as the present Five-year Plan is expected to be followed by others entailing progressively larger outlays in due course and, therefore, the transport requirements of such activities have to be provided for as a normal feature of our economy for a long time. *Taking into consideration all these factors, a 30 per cent. increase in the pre-Plan transport facilities as suggested above seems the very minimum.* In this connection, the following remarks reported to have been made recently by the Commerce and Industries Minister in an interview with the *Eastern Economist* are worth noting:

"We must have a bold and comprehensive plan for developing all forms of transport in the light of our future needs. These must be assessed with foresight and imagination. Small increase in terms of arithmetical percentages of known demands will not do. In an underdeveloped country like ours, the need for transport facilities develops in geomatrical progression and not in arithmetical progression."

Idle Capacity

In this connection, a reference is sometimes made to "idle capacity." While it is necessary to investigate and take measures to utilise to the full the idle capacity in any sphere, it is most important not to confuse it with deficiency and to differentiate between palliative and curative measures. The fact that various constructional works have been going on for two to three years without a noticeable increase in the transport capacity of the country seems to suggest that the idle capacity, if any, must be small. The railway organisation which has been shouldering the main burden of transport is hardly likely to have any noticeable idle capacity. There will be a certain amount of idle capacity in road transport, on account of inter-regional restrictions and the diffused nature of the industry. The former can and should be removed but the latter is more difficult to cope with, the operation being in the hands of thousands of individuals. Therefore, until the operation part of the industry is rationalised—and this will take decades—a certain amount of idle capacity has to be expected in road transport for a long time. *Thus, broadly speaking, no great relief can be expected from tapping idle capacity and, while steps should immediately be taken to locate and utilise it, the larger issue of making good the deficiency itself should not be lost sight of.* The primary object should be to ascertain the deficiency and the secondary to locate idle capacity.

Rail Transport

The extent to which the increase of 30 per cent. is feasible in the case of railways depends on finance for track, locomotives, rolling stock and available manufacturing capacity. All these are limited. The Five-year Plan provides for the manufacture of about 30,000 railway wagons in five years. Most of them are for renewals. With a production capacity of about 30,000 wagons, the country cannot obviously expect to have another about 62,000. Besides, extra wagons require more locomotives which are not available in India and may also not be available readily outside India and, if available, will entail loss of exchange. In this connection, it is heartening to hear that the railways have been planning a greater production of locomotives and wagons but the figures announced are very short of the above requirements.

The present trend all over the world is not to extend railways except on long-distance developments. Countries like Australia and New Zealand, the economic development of which is more recent than that of Europe and which, at the time of their development, were not so advanced as Europe in railway communications, have, at present, respectively, about 1,52,000 and about 1,18,000 road trucks per Rs. 1,000 crores of their National Income against an average of about 50,000 in Europe. This fact shows that modern tendencies are towards developing more of road transport than railway transport. Between 1940 and 1945, the U.S.A. dismantled about 26,000 miles of their railway tracks. This again proves the same fact. A recent research carried out by the Road Research Laboratory in the U.K. shows that:

(i) About three-fourths of the country's expenditure on internal transport in 1949 and 1950 was on road transport.

(ii) Road transport absorbed about 10 per cent. of the country's available resources against 3½ per cent. absorbed by railways.

All these facts show that India also will have to proceed cautiously in extending its railway transport.

Taking these facts into account, probably not more than about 20,000 railway wagons at the most, out of about 62,000 required, can be expected to be added by a special effort. In place of the remaining about 42,000, an equivalent number of road trucks will have to be employed. In terms of the respective carrying capacities of railway wagons and road trucks, the number of the latter works out to about 1,15,000 as shown below:

(i) Present Railway capacity with about 2 lakhs wagons—2,900 crores ton/miles.

(ii) Capacity of 42,000 wagons—600 crores ton/miles.

(iii) Present road capacity with about 90,000 trucks—470 crores ton/miles.

(iv) Trucks required for (ii)—1,15,000 crores ton/miles.

And the total requirements of road trucks come to 2,00,000 made up of:

(i) Those in place of 42,000 railway wagons	1,15,000	
(ii) Those required by road transport independently of the railways	85,000	2,00,000

According to the Tariff Commission, the capacity of the indigenous motor industry is about 22,000 motor cars and 22,000 trucks per annum *per shift*, say, about 40,000 per annum of each in two shifts. At this rate of output, it should take about five years to put on the road the additional (about 2 lakhs) trucks required. From the production point of view, therefore, the proposition seems feasible, provided the cost of new trucks is sufficiently cheap to induce operators to come forward to buy them. From the State point of view also, the development of road transport is more economical to them as all they need provide is additional track facilities, that is, roads, the more costly part, namely, operation being left to private enterprise.

Suggested Measures

Road traffic in this country has been developed solely by private enterprise and a large number of about 90,000 trucks in use today is privately owned. This fact shows that, wherever there is an opening, private enterprise has not been lacking; yet, during the past few years, there has been a stagnation in spite of scope and, unless the causes for it are removed, it is not likely that our transport problem will be solved. The Commerce and Industries member, Union Government, is reported to have said recently that "so far as road transport is concerned, the less said about it the better. The development that has taken place all along has been through private initiative and very largely because of the initiative of individual operators. *There are three factors which have killed this initiative—the scare that nationalisation has put into the minds of the entrepreneur, the high cost of new vehicles, and the high rate of State taxation*—so much so that road transport is not ready to take up whatever is left over to them by the lack of capacity on the part of railways to move raw materials and finished goods."

It is necessary to consider carefully the measures required to deal with this most unsatisfactory state of things and to attract as soon as possible the requisite number of new trucks. Some of them are suggested below in their broad outline:

(i) There should be no nationalisation of goods transport for a period of at least 15 years from now.

(ii) There should be no restriction, regional or inter-State, on road transport and licences should be issued freely to large undertakings operating, say, 25 or more trucks. The railways should have their own fleet of road trucks and should operate it on the same terms and conditions as private operators.

(iii) The present taxation on goods vehicles should be halved immediately and then gradually to one-third and octrois and wheel-taxes should be abolished. Substantial reductions are also necessary on taxes on petrol, tyres, etc.

(iv) New trucks purchased after a certain date to be fixed by Government should be exempted from income-tax for a period of at least five years.

No Loss to the State

None of these measures puts the Government to any loss. Nationalised passenger services have not proved so lucrative as some State Governments thought once and, therefore, they cannot be reasonably expected to be interested in goods services. In any case, States are so hard-pressed for finance required for their welfare projects that they will never be able to take on an additional liability for goods transport. Hence, the Governments lose nothing by agreeing to the first of the aforesaid suggestions. The second suggestion is necessary to relieve the present congestion. It entails no loss on railways who can have their own road fleet.

The addition of about 2 lakhs more trucks to the present about 90,000 (excluding bullock carts) makes a total of about 3 lakhs trucks, that is, about three times the present number. This means very nearly trebling the present revenue from taxation in a period of five years. Therefore, by reducing the present rates of taxation as suggested in No. (iii) above, Government will ultimately incur no loss on this account. There will be some loss in the interim period till the full number of extra trucks are put on the road but it has to be faced, as done recently by Government in the case of import duties in announcing their policy on the indigenous motor industry. In any case, the development of transport cannot be considered from the point of view of income from taxation. Production, distribution and the cost to the consumer have to come first, followed by service facilities, while the income to Government should be sufficient to meet collection and administrative charges. The present revenue to municipalities from wheel taxes and octrois is only about Rs. 3 crores, as against their liability of about Rs. 1½ crores for the "community" use of roads. The remaining about Rs. 1½ crores which they will lose with the abolition of these taxes can be easily borne by the Centre as recommended by the Motor Vehicles Taxation Enquiry Committee. In regard to income-tax, the Government has already accepted this principle in the case of new houses and new industries. It can afford to extend this facility to road transport also, as, in any case, the additional trucks will be a new source of income and, by foregoing the tax on it, the Government incurs no loss on its present earnings.

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INCOME-TAX RETURNS IN U.S.

More than 60,000,000 persons in the United States have filed federal tax returns on their 1953 incomes. This is a record high number. In addition to the personal returns—required to be filed by midnight of 15th March—about 8,000,000 corporation income returns were submitted. This also is a new high total. The aggregate personal income-taxes for 1953 are expected at $32,500 million. Corporation income-taxes amount to $22,900 million.

The number of persons filing income-tax returns indicates the broad base of the tax. Actually, the number of persons whose incomes from wages and other sources are accounted for by the returns is greater than the 60-million figure. The reason for this is that, in a great many instances, the returns filed with the Government are joint returns, that is, they account for the incomes of husband and wife, if both have taxable incomes.

Every citizen or resident of the United States, be he an adult or a minor, who had a 1953 gross income of $600 or more, had to file a return to the Federal Government. In computing the tax, each person was allowed an exemption of $600 for himself and an additional $600 exemption for each person dependent on him. Thus, for a man with a wife and two minor children, the tax would not be applied against the first $2,400 of his annual income.

(Continued in third column)

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD.

SPEECH OF SARDAR DALJIT SINGHJI

THE Eighth Annual General Meeting of the shareholders of Associated Stone Industries (Kotah) Ltd., was held on 14th March, 1954, at Ramganjmandi, Kotah District (Rajasthan). The following is an extract from the speech of Sardar Daljit Singhji, the Chairman of the Company, delivered on the occasion:

"I deem it a great privilege in welcoming you all here this afternoon and presenting the Directors' report and the audited statement of accounts of your Company together with the auditors' report for the year ended 30th September, 1953, which have already been circulated. I hope you have gone through them and trust that you found the working of the Company quite satisfactory.

"The reports submitted for your approval show clearly that the financial stability of the Company is such of which any concern can be proud.

"The labour and the staff have played no small role in achieving this progress and I take this opportunity to thank them for their steadfast loyalty and co-operation. It is gratifying to note that there has been no labour trouble during the year under report and the relations between labour and management have remained happy and cordial. I assure you that this Company will always have the welfare of labour at heart and will try to provide still better amenities to its workers.

"The most important and serious problem confronting the Company which needs mention is the problem of wagon supply. The huge accumulated stock of flooring stones lying at Ramganjmandi railway station awaiting transportation has led to blocking of huge capital and if this situation is not remedied at the earliest, working of the Company may be affected seriously and notwithstanding the best efforts of the management to avoid such contingency, it may result in large-scale unemployment with all its accompanying miseries. I shall, however, like to thank the Central Railway Board authorities for having given me a patient hearing and for having fixed a daily quota for the movement of stones from Kotah District, but, unfortunately, the allotted quota is not being made available regularly and it is for the railway administration to remove the impediments created in the way of the progress of this industry, which is already among the foremost in Rajasthan, by alloting a definite and generous quota of wagons to enable the movement of stone regularly and more freely. Housing is still a grave national problem and flooring stones deserve a higher priority in transport than it has been given so far.

"The future of Rajasthan lies in rapid industrialisation. I hope that the popular State Government in Rajasthan, while keen on their plans of industrialisation, will also adopt a more sympathetic and imaginative policy towards those existing enterprises in the State like ours which have progressed steadfastly in the past in the face of so many odds.

"Our thanks are due to the Director-in-charge, Mr. Hiralal M. Parikh, who more than anybody else has, with his very sincere efforts in all the spheres of the Company's activities, helped in achieving the results which are before you.

"I also thank Mr. J. D. Kora, the energetic Manager and Secretary of the Company, the officers, staff, the labour and the customers for their sincere co-operation. I also thank our auditors and legal advisers for their valuable guidance.

"Thanking you all, once again, I now commend for your approval the resolution to adopt this report and accounts."

(*Concluded from first column*)

Besides taking into account the number of a taxpayer's dependents, the law bases income-taxes on the size of a person's income. That is, the tax rate increases progressively with the size of the income. For example, for a married taxpayer whose taxable income was not over $2,000 a year in 1953, the tax rate was 22.2 per cent. of that income. If his taxable income was $6,000 a year, the tax was slightly more than $1,500. If the taxable income was $10,000, the tax amounted to almost $3,000. In the highest income brackets, the tax rate increased to 92 per cent.

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ENQUIRY INTO WORKING OF TRADE MARKS LAW

VIEWS OF COMMERCE CHAMBERS ON SOME CONTROVERSIAL ISSUES

ALTHOUGH the usefulness of the Indian Trade Marks Act, 1940, has been proved beyond doubt by the large number of proprietors who are making use of it, the working of the Act these 13 years has revealed that its provisions are inadequate to put an end to the growing volume of commercial piracy in the country. That the law, therefore, needs drastic changes is evident from a number of replies to the questionnaire issued by the Trade Marks Enquiry Committee submitted by the trading associations and chambers of commerce in the country. Two of such replies, namely, one submitted jointly by the Trade Marks Owners Association of India Ltd., the Pharmaceutical and Allied Manufacturers and Distributors Association Ltd., and the Bombay Chamber of Commerce, and the other by the Indian Merchants' Chamber, Bombay, copies of which have been forwarded to us, make illuminating reading. The suggestions made by these bodies are calculated to bring down to the minimum the alarming increase in infringements of well-known trade marks in respect of certain categories of goods such as drugs and food industries, soaps and toilet industries, stationery, electrical goods, matches, and tobacco industries. Besides, production of spurious articles, printing of counterfeit labels, and all sorts of illegal practices have also developed enormously. In order to eliminate these malpractices, the replies suggest a number of remedies.

On one or two important issues, there appears to be a difference of opinion between the two bodies, namely, the Indian Merchants' Chamber and the Bombay Chamber of Commerce. One of the questions relates to the proviso to section 6 of the Indian Trade Marks Act, 1940. The object of this proviso is to confer some special rights on owners of old trade marks, that is, trade marks which were in use before 25th February, 1937, the date on which the Government of India announced its decision to introduce trade marks legislation in the country. In the course of the memorandum conveying this decision, the Government announced that only those trade marks which were adapted to distinguish were likely to be registered under the proposed legislation, but that special protection would be given to old trade marks even though they did not satisfy the test of distinctiveness as laid down in the Act. The proviso referred to above was intended to carry out this assurance to old marks owners. But, being somewhat vague, this proviso has been responsible for expensive and extensive litigation. The Trade Marks Enquiry Committee wants to know whether it is desirable to delete the proviso.

Replying to this query, the Indian Merchants' Chamber states that it is not at all agreeable to any proposal for deleting the proviso to section 6. It considers that so far there has been no case on this point, except the one relating to "Indian Fan." In this case, the Registrar held that the proviso under reference did not confer any additional benefit on the old trade mark owners and that the test of distinctiveness was the same whether the mark was new or old. This decision of the Registrar was upheld by the Calcutta High Court. Says the Chamber: "It is just possible that an entirely different construction might be put on the proviso by the different High Courts. It is, therefore, still early to say whether the proviso does or does not confer any special rights on the old trade marks owners." But, if the Supreme Court also were to hold the same view at a future date when the case is referred to it, then it must be taken that the proviso in its present form has not succeeded in conferring special rights on the owners of trade marks in use before 25th February, 1937, as was intended by the Legislature. The proper course would then be to amend the proviso suitably to give effect to the intention rather than to delete it.

Proviso to Section 6 Should Continue

Further, a similar proviso in the British Act, says the Chamber, was allowed to remain for nearly 63 years, that is, from 13th August, 1875 to 1938. As against this, in this country, the Trade Marks Act has been in existence for hardly 14 years and, therefore, it is too early to say that all old marks have been disposed of by now, and it would not be wrong to assume that there must still be a great many cases of old trade marks owners who might not have sought registration under the Act. So the Indian Merchants' Chamber considers that the provision should not only be allowed to continue on the Statute Book but be amended in such a way as to confer special rights on the owners of trade marks prior to 25th February, 1937.

The combined memorandum of the Bombay Chamber of Commerce and the two other organisations mentioned above, on the other hand, argues that the proviso of section 6 should be deleted. The reasons given in support of this contention are: (a) all trade marks used before 25th February, 1937, should have been disposed of by now and, therefore, the proviso is of no value; (b) the wording of the proviso has rendered its real use obsolete and (c) judicial interpretation of the proviso has not done anything to improve the position of the owners of old trade marks.

The memorandum, however, strongly urges that some protection should be given to the owners of marks which are capable of distinguishing the goods of the proprietor. This could be provided, it says, by the inclusion of provisions similar to those relating to Part B registration in the U.K. Trade Marks Act, 1938. Such a provision would help the proprietor of a trade mark to obtain some protection, if he is able to satisfy the Registrar that his mark is not incapable of becoming distinctive. If this suggestion is accepted, the joint memorandum adds, there appears to be no valid reason why it should be expanded only to marks which have been in use prior to 25th February, 1937.

The memorandum also points out the need for a third type of registration which would help the users of an Indian trade mark in certain foreign countries to get the trade mark registered there. For, in certain countries, no foreign trade mark will be registered, unless the trade mark has been registered in the country of origin itself. In India, certain trade marks which are common to trade, are not entitled to registration. By reason of their not being registered in India these marks will be deprived of registration abroad. This disability may be overcome by opening a separate register to satisfy such cases.

Special Tribunals?

Another important issue raised by the Trade Marks Enquiry Committee relates to the settlement of disputes under the Trade Marks Act. The Committee desires to know whether it is desirable to set up a Special Tribunal from the point of view of (a) expeditious disposal of cases and (b) greater uniformity of decisions. On this question, too, there is divided opinion. The Indian Merchants' Chamber doubts whether cases would be expeditiously disposed of by a Special Tribunal. It admits that the specialised knowledge of the Trade Marks law would enable the Tribunal to be in a position to dispose of cases, without much loss of time, but it points out other considerations which should be taken into account before deciding to set up a Special Tribunal. One of them is whether there would be such a large volume of work as to justify the expense of maintaining a Tribunal, since "trade mark cases in India are very few." Even in the U.K., there are no Special Tribunals for dealing with trade mark cases, although in that country the number of such cases is larger than in India.

Points for Consideration

As regards (b) above, namely, uniformity of decisions in trade marks cases, the Indian Merchants' Chamber concedes that the setting up of a Special Tribunal would help the attainment of this object, but, in this case, too, there are other factors which ought not to be lost sight of. These are: (a) it is wrong to assume that the Special Tribunal would be able to understand the Trade Marks Act better than the District and High Court Judges who are also handling many other types of commercial cases; (b) the Trade Marks law is comparatively new and it is reasonable to expect that, with the passage of time, more cases will come up before the courts and greater experience will be gained; and (c) although the creation of a Special Tribunal is sought to be justified on the ground that it would lead to the creation of a specialised Bar which would help the courts in quick and exact decisions, the creation of a specialised Bar is only possible, the Chamber says, when the number of cases that would come before the Tribunals is large.

Again, the appeals from the Registrar's decisions have so far been very few and, therefore, says the I.M.C., there will not be sufficient work for the Special Tribunal. Further, if in addition to hearing of appeals from the Registrar's decision, the jurisdiction of the Tribunal is extended to try infringement and passing-off actions, it would lead to certain other difficulties. If it becomes a peripatetic body, visiting principal cities and towns to hear cases, most of its time will be spent in travelling from place to place and add to expenses of administration. Again, if cases are kept pending till the visit of the Tribunal, such would defeat the very object of setting up the Tribunal, namely, quick disposal of cases. On the other hand, if the litigants were to come to cities they will be put to inconvenience and expenditure. And, if hearings are postponed, their position would be worse still. The Chamber, therefore, contends that the establishment of a Special Tribunal is not desirable to handle disputes under the Trade Marks Act.

Exactly opposite is the view held by the combined memorandum submitted by the Bombay Chamber of Commerce which strongly advocates the setting up of a Special Tribunal. The creation of a Special Tribunal is justified on the following grounds: (1) trade marks law is a new measure, and both the Bar and the Bench have not the benefit of experience to handle the special cases under the law; (2) the trade marks cases are spread to so many courts in the country that it has precluded the creation of a specialised Bar which could assist the judges who are called upon to handle the cases. Consequently, a Specialised Tribunal would help creation of a specialised Bar; (3) a Specialised Tribunal would establish sound precedents and ensure uniformity of decisions; (4) many of the judges, before whom trade mark cases are taken, do not have an adequate understanding of the law, with the result that cases in which expert opinion considered to be genuine have resulted in failure. Comparing conflicting marks, judges frequently pay too much attention to points of difference and insufficient attention to the general similarity. An expert Special Tribunal would look into such cases as these with more understanding and practicability; (5) the Tribunal should consist of a sufficient number of judges of the status of High Courts with jurisdiction to act as a Court of Appeal from decisions of the Registrar of Trade Marks and as a Court of the first instance in infringement and passing-off actions. The judges should tour the country to hear cases in principal towns in the territory of India. Appeals from their decisions should be directly to the Supreme Court of India. The Chamber concedes that the formation of a Special Tribunal involves further expenditure by the Government, but it is of the opinion that, in the main, the expenses of such Court can be met from its own revenues.

JAPANESE IMPORTS

Japan will reduce imports by more than 10 per cent. during the coming fiscal year, if recommendations by the Ministry of International Trade and Industry (M.I.T.I.) are approved by the Economic Minister's Council. According to the completed M.I.T.I. plan, foreign currency for imports will be limited to $2,250 million. The plan approves the import of 975,000 tons of rice ($167 million), 954,000 tons of barley ($67 million) and 1,685,000 tons of wheat ($136 million). This proposed scale of imported foodstuffs represents an overall cut of 500,000 tons in an alternative plan by the Agriculture-Forestry Ministry. Other recommended import limitations are: 2,090,000 bales of raw cotton (valued at $285 million), a 20 per cent. cut; 610,000 bales of raw wool (valued at $154 million) a 13 per cent. cut and 70,000 tons of rayon pulp (valued at $14 million), a slight cut.

CANADIAN-JAPANESE TRADE

Indications are that a Canadian-Japanese trade agreement will be signed shortly. Japan is one of Canada's main grain customers, second only to the U.K. in wheat purchases. As competition from other countries is increasing in world markets, Canada is anxious to protect its markets. Japan is stated to have assured a minimum market for Canadian grain only when a general trade agreement is signed. The agreement is expected to provide for tariff reductions on Japanese shirts, gloves, toys, novelties and other goods, but is likely to safeguard Canadian manufactures from dumping of Japanese goods by providing for withdrawal of the Canadian concessions at a time when prices reach rock-bottom levels.



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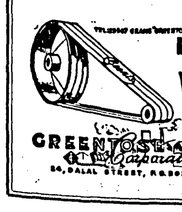

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NEW PUBLICATIONS

The Process of Economic Growth. By W. W. Rostov. Published by Oxford University Press, London. Price: 25s. net.

"THIS is a historian's book about economic theory," as is correctly described by the author himself—Prof. Rostov of the Massachusetts Institute of Technology. It develops an empirical analysis of the forces that determine the changing shape of world economy by permitting the introduction of long period factors into economic analysis—including within them the changing social and political framework of the economy. This analysis has been attempted by describing the many variables that condition long-term trends under six *propensities*: propensity to (1) develop fundamental science, (2) apply science to economic ends, (3) accept innovation, (4) seek material advance, (5) consume and (6) have children.

He uses these propensities to explain the long and complex task of establishing the facts concerning the social determinants of economic growth at different times and places and of ordering them so as to make them amenable to measurement when required. The propensities "constitute a formalisation of a society's response to certain kinds of economic incentive, *given the structure of its value system as effectively operative through its existing economic, social and political institutions*" (page 29), e.g., in the determination of the level of investment. (italics ours). In this way, the economic decisions of a society can be explained: (i) as the relation between changes in income and the allocation of resources in various directions (or sectors) both in the short-term and the long-term; and (ii) by regarding the propensities as reflecting, for a short period of time, the response of society to changes in the yields believed to be associated with the allocation of resources in various directions.

Thus, the propensities are the summation of the complex response of society in certain directions to changes in income and/or in profit possibilities. As for the determinants of the propensities themselves, these are: the scale (or scales) of values within a society (or within its sectors) as effectively operating through its institutional structure, *which link the propensities with the structure of classes socially* and with the distribution of the working force and the techniques of production in the *economic sphere*. These two great determinants —the major variables—the working force and the stock of capital—are, in turn, dependent upon (i) birth and death rates, (ii) skill and degree of effort and (iii) the role of women and children on the one hand, and on such material factors as (*a*) yields from additions to capital stock, (*b*) flow of potential innovations, (*c*) levels of consumption and investment. This way of relating the short period changes in income and outlay and long period reaction of a society to the allocation of resources enables the author to formulate conclusions about (i) the level of output of an economy at any period of time, (ii) rate of growth, (iii) the interplay of technical yields and the effective strength of propensities with the prior long period operation of economic, social and political forces and (iii) a tendency to follow an approximation of a curve of growth, stagnation and decline.

With the help of these major variables and sub-variables, he defines the process of economic growth—particularly "to eliminate the possibility of short period fluctuations in real income"—and then proceeds to examine the nature of forces which, in a broad sense, cause changing rates in such a dynamic equilibrium. He begins by assuming full employment and an optimum outlay and shows how the recent theory—Keynesian and post-Keynesian —includes the assumptions of economic growth in various ways. In this way he examines Harrod's as well as Mrs. Jones Robinson's, discussions about the conditions of steady growth at full employment levels (or when these fail), and suggests that "economists might usefully sacrifice the elegance of existing forms and look afresh at the full economic process." While, fundamentally, the factors underlying the *process* undoubtedly are (1) the working force, (2) capital stock, and (3) profit, the accelerator is not "innovation" (of Schumpeter and others), but the "interaction of the rate of growth of income and the level (of productivity) of investment.". But this interaction has to be viewed when cleared of business cycles and the *ex-ante* optimum (and full employment). With the help of a statistical appendix (and two charts), he illustrates the patterns of the U.S. and British economies over the period 1800-1949 as showing "a relatively consistent rate of growth pattern in industries" and "regular stagnation after a phase of increasing rate of growth in the very early stages" (pages 100-101).

An interesting use of these models is made to "locate the process of *take-off* of a predominantly agricultural economy into industrialisation and the process of secular stagnation." The yields from capital stocks and the change in the propensities cause deviations from steady rate of growth; but, over and above these, there is the business cycle. This is explained (almost along the now familiar lines) as resulting from (1) the influence of various lags on the scale and character of investment and (2) the institutional environment of investment when carried out by private individuals (and institutions) in search of profit. The crucial factor is the concentration of investment during a boom period on certain key centres, disproportionately.

Finally, the author takes up the problems of long period trends of economic growth during the past 150 years in the Western world: the trends in relative inter-sectoral prices and income distribution; the character and yield from new investment; and the trend of general prices. He comes to an important conclusion from these, namely, the course of economic history has yielded sustained periods of over-expansion of capacity in certain sectors of the economy *decreed mainly by war* (with abnormally long periods of gestation) and by the process of extensive expansion into new territories.

Indeed, in Part II, he tries to apply his conclusions to two specific issues: war and economic change and impact of international trade especially in relation to the terms of trade between industrial and agricultural countries.

We welcome the book, for it successfully focusses attention on the main lacuna in the great theoretical apparatus that is built up in the last 30 or 40 years (viz., a working or acceptable theory of economic progress). Indeed, there is today a ferment in the world of economic thought around the theory of economic development, and empirical data, especially on entrepreneurship and the role of State, are increasingly made available. Besides showing the importance of the analyses of these long-term factors, Professor Rostov, in the last chapter, also illustrates how several new and great issues for theory as well as policy—as, for example, terms of trade, chronic inflation and full employment, steady full employment or freer market mechanisms, the balance between liberty and State control (or State enterprise), direction of investment in underdeveloped economy—can no longer be ignored with impunity. It is, of course, possible to say that the book has posed these many issues rather than provided their solution; but even this critic will agree that the economic historian has led him into an avenue in which he must see more light and hope.—M. C. MUNSHI.

Estate Duty Manual 1954. By Bhargava, Hedley and Aggarwala. Publishers: The Taxation Publishing Co. (India) Ltd., Delhi 7. Price: Rs. 17-8.

Amongst the spate of publications on the recent enactment of Estate Duty in India, this book attracts special attention for its lucid survey of the whole field of estate duty legislation, profusely illustrated by apt examples to carry home the meaning and drift of the complicated sections. So far as I am aware, there is hardly any other Indian publication which explains so clearly the estate duty problems in proper perspective. The co-operation of Mr. Hedley, an Incorporated Accountant of London, in bringing to bear on this complicated piece of legislation wide practical experience of estate duty administration in the U.K., has enhanced the value of the book considerably. The language of the Act is admittedly stiff and technical and difficult for a layman, nay, even for technical men like a lawyer and an accountant, to grasp the meaning at first reading. Hence a treatise which has attempted to reduce the meaning and the scope of each section in a simple, lucid and, as far as possible, in non-technical language is doubly welcome.

The book is divided into three parts, the first part containing 24 chapters. The charging section—the centre and circumference of a fiscal legislation—is discussed at considerable length and profusely illustrated by apt examples to drive home the substance and scope of the section and very useful charts summarising the reliefs, etc., in pictorial form.

There is an appendix containing the Estate Duty Bill 1952, rules framed by the Central Board of Revenue, various corresponding sections of the U.K. Act and other relevant Indian Acts which have a bearing on the Estate Duty Act. The authors promise a supplement to this manual to be supplied free to the purchaser of this manual. The supplement will contain suggestions for drafting various applications under the Act, as well as various typical specimen estates with computation of estate duty liabilities, prescribed forms of returns, affidavits, statements of accounts, etc.

I wish, however, to make one suggestion and that is the arrangement of the alphabetical index. In my opinion, this should have come at the end for facility of quick reference, instead of at the end of Part I, in the body of the book.

I have no hesitation in recommending this book to all those who are interested in the working and administration of Estate Duty—especially accountants, lawyers and secretaries of big estates for a clear exposition and lucid treatment of all problems arising thereunder.—R. K. DALAL.

The Silver Jubilee Souvenir, 1925-1953. Edited by P. Suryanarayana, President, Andhra Chamber of Commerce, Madras 1.

The Souvenir marks the commemoration of the Silver Jubilee of the Andhra Chamber of Commerce which completed its 25 years of useful service last year. The outstanding feature of the Souvenir is the series of informative articles it contains on population, agriculture, industry, mining, banking, insurance, etc., of the newly formed Andhra Desa. These articles have been contributed by leading business men and administrators, retired as well as still in service, of Andhra who are fully competent to speak with authority on the subjects chosen by them. Every one of these articles is so instructive that it would be invidious to single them out for special mention. In order to convey an idea of the fare served by this volume, one may, however, casually mention the article on "Food Production in Andhra" by Mr. S. V. Ramamurthy, I.C.S. (Retd.) or that on "Industrial Potentialities of Andhra Desa" by V. Ramakrishna, I.C.S. (Retd.). "Trade and Commerce of India" is another stimulating contribution from the pen of one of the leading business men of Andhra, Mr. P. Suryanarayana. These and other equally interesting articles, too numerous to mention, give one an idea of the vast economic potentialities of the newly formed State awaiting exploitation by well-thought-out planning and development.

The Souvenir provides also some idea of the valuable role played by the Chamber, during its career of a quarter of a century, in the service of commerce and industry of Madras, in general, and Andhra, in particular. The Chamber fully deserves to be complimented on this account. But, now that a new State has come into being, its real work lies ahead, as it will be called upon to bear still more burdens of responsibility in building up the economy of this infant State the name of which it bears. We have no doubt that, in this respect, the Chamber would rise to the expectations of the business community of Andhra, as there is no dearth of business talent and acumen either in the membership of the Chamber or in the State.

BOOKS RECEIVED

1. *Business Management Handbook.* Edited by J. K. Lasser. Published by McGraw-Hill International Corporation, 330, West 42nd Street, New York 18. Price: $8.5.

2. *Realms of Silver.* By Compton Mackenzie. Publishers: Routledge and Kegan Paul Ltd., Broadway House, 68-74, Carter Lane, London E.C. 4. Price: 25s. net.

3. *The Future of Sterling.* By A. C. L. Day. Publishers: Oxford University Press, Amen House, London E.C. 4. Available in India: Oxford University Press, Oxford House, Apollo Bunder, Bombay 1. Price: 12s. 6d. net.



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Notices

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Ordinary General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4 p.m. (S.T.) on Monday the 3rd day of May, 1954, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.
2. To declare a dividend and a bonus.
3. To elect two Directors in the place of those who retire by rotation, but are eligible for re-election and offer themselves accordingly.
4. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 19th day of April, 1954 to the 8th day of May, 1954, both days inclusive.

By Order of the Board,
T. RYDIN,
Managing Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, *30th March*, 1954.

The dividend and bonus when declared will be payable at the Central Bank of India Ltd., Bombay and Calcutta on and after the 10th day of May, 1954, to those shareholders whose names stand on the Register on the 8th day of May, 1954, and warrants will be posted in due course to each shareholder at his registered address.

SHREE KRISHNA GYANODAY SUGAR LIMITED

NOTICE

THE NINETEENTH ORDINARY GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Friday the 23rd April, 1954, at 3 p.m., to receive and adopt the Directors' Report and audited accounts for the year ended 31st July, 1953, to declare dividends, to elect a Director and to appoint Auditors.

Share Transfer Books of the Company will remain closed from 17th to 23rd April, 1954, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

DALMIANAGAR, *27th February*, 1954.

THE DUNLOP RUBBER COMPANY (INDIA), LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books and Registers of Members in respect of the Second Preference and Ordinary Shares of the Company will be closed from 12th April, 1954, to 1st May, 1954, both days inclusive.

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *2nd April*, 1954.

N.B.—As any dividends that may be declared will be paid only to Shareholders registered in the Company's Registers of Members, those holding shares on Blank Transfers are advised to register them prior to 12th April, 1954.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and fifty-second Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-15 p.m. on Friday, 30th April, 1954, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1953, and the Balance Sheet as at that date.

(2) To declare Dividends.

(3) To elect a Director.

The Share Transfer Books of the Company will be closed from 16th April, 1954, to 30th April, 1954, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORDWOOD,
Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, *26th March*, 1954.

Note.—Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 30th day of April, 1954, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE DUNLOP RUBBER COMPANY (INDIA), LIMITED

NOTICE IS HEREBY GIVEN THAT THE 28th Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Dunlop House, 57B, Free School Street, Calcutta, on the 29th day of April, 1954, at 12-15 p.m., for the following purposes:—

(1) To consider, approve and adopt the Directors' Report and Statements of Account.

(2) To declare Preference and Ordinary Dividends.

(3) To elect Directors.

(4) To elect Auditors and to fix their remuneration.

By Order,
P. B. SEN GUPTA,
Secretary.

"DUNLOP HOUSE",
57B, FREE SCHOOL STREET,
CALCUTTA, *2nd April*, 1954.

N.B.—In terms of Article 4 of the Company's Articles of Association no Preference Shareholder as such is entitled to attend the Meeting. A Debenture Stockholder as such is also not entitled to attend the Meeting.

THE BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Compahy, 45, Tangra Road, Calcutta, at 3-30 p.m. on Friday the 1st October, 1954, for the purpose of considering and if thought fit passing with or without modification the undermentioned Resolution as an Extraordinary Resolution.

"Resolved that the Managing Agency Agreement of Messrs. S. Lall Bhagat & Co., and its present Partners be terminated with effect from 1st of October, 1954."

By Order of the Board of Directors,
D. N. SEN,
Director.

45, TANGRA ROAD,
CALCUTTA, *27th March*, 1954.

E.I.D. REPORTS GOOD RESULTS

DISTRIBUTION TO SHAREHOLDERS RAISED

HEARTENING results are disclosed by the statement of accounts of the East India Distilleries and Sugar Factories Ltd. (Secretaries: Messrs. Parry's Holdings Ltd., Madras) for the year ended 30th September, 1953. The profit of the Company, which had suffered a substantial setback in the previous year, has advanced notably in the year under review. Though the quantity of cane crushed and the output of sugar in the season 1952-53 was less than in the previous season, the "reasonable" price realised by the Company on sugar and the satisfactory working of the other sections of its business, except the carbonic acid gas manufacturing section, have enabled it to report satisfactory earnings. Thus, the Company's distillery worked satisfactorily and produced better results. The chemical works experienced a more profitable year and the pottery factory catered for an expanding market. The profit from manufacture of carbonic acid gas was, however, affected by heavy competition.

The trading profits for the year under review works out to £344,863, which, as compared with that for the previous year, shows an increase of £107,031, but it falls short of that for 1950-51 by £87,398. The provision for depreciation has been stepped up from £63,468 to £75,024 and that for taxation has been more than doubled at £92,252, as against £43,734. Even after these larger allocations, the net profit stands higher by £25,553 at £159,269. To this net profit has been added a sum of £156,662 being the refund of Indian taxation received during the year. Of this sum, £10,210 represents post-war refund of Indian E.P.T. and £6,452 refund of double E.P.T., which the Directors have placed to the credit of capital reserve and provision for taxation, respectively. Thus, the total provision made for taxation is £98,705. Alluding to the Company's liability for taxation, the Directors observe:

"It has still not yet been possible to reach final agreement with the authorities concerned of the Company's liabilities to taxation in the United Kingdom and in India based on profits earned between 30th September, 1945, and the date of the transfer of control of the Company from the United Kingdom to India in January, 1948. It is hoped the position will be finalised during the course of the current year. In the meantime, the amount provided in the accounts is considered to be adequate and if, on finalisation, any over-provision results, it will be placed to reserve. Provision has been made for the full Indian taxation liability on profits earned up to 30th September, 1953. There are no further amounts to be received in respect of post-war refunds of excess profits tax and all such refunds have been placed to capital reserve."

The management has always been noted for its judicious policy in allocating the profit. In keeping with this healthy tradition, the Directors have transferred a sum of £75,000 to the general reserve, which did not receive anything last year. The plant and machinery replacement reserve, which had received £65,000 last year, has, however, not been strengthened further. In view of the increase in profit and the Company's very strong reserves, the Directors have justifiably raised the distribution to the 'B' ordinary shareholders from 15 per cent. to 20 per cent., free of Indian income-tax. However, the additional distribution is described as special extra dividend. The adoption of this procedure is a warning to the shareholders that they should not expect the same rate of distribution to be maintained for all time in future. This warning is justified, because the fortunes of the sugar industry are subject to the vagaries of the monsoon.

The following comparative table gives the salient features of the Company's results for the last four years:

	Year ended 30th September			
	1953	1952	1951	1950
	£	£	£	£
Trading profit	344,863	237,562	432,261	352,496
Other income and provisions written back	2,863	33,847	15,552	1,534
Provision for—				
Depreciation	75,024	63,468	59,300	41,815
Taxation	92,253	43,734	113,707	98,381
Net profit	159,269	133,716	236,598	182,809
Other receipts	16,662	..	..	..
To reserves	85,210	65,000	150,000	125,000
To additional provision for taxation	6,452	..	..	..
Dividends—				
7% preference ..	14,000	14,000	14,000	14,000
Ordinary†	64,000	53,000	45,600	88,000
Carry forward	59,690	57,421	55,705	28,607

† 10 per cent. on "A" shares, 15 per cent. plus special additional dividend of 5 per cent. for 1952-53 and 15 per cent. for 1951-52, 1950-51 and 1949-50 on "B" ordinary shares.

The Company's main activity is the manufacture of white sugar from sugarcane. During the season 1952-53, the Company's factory crushed 308,000 tons of sugarcane, as against 326,117 tons in the previous season, and produced 27,552 tons of white sugar, as compared with 28,461 tons in 1951-52. The recovery of sugar amounted to 8.91 per cent. which is said to be a slight improvement on the figure recorded in the previous season.

The Company's financial position is strong. The reserves and surplus amount to £705,056 and are equal to more than 120 per cent. of the paid-up capital of £580,000. The fixed assets at cost aggregate £1,193,278, including £31,179 representing expenditure to date on buildings, plant and machinery in course of construction. The additions to fixed assets during the year amounted to £104,894. The book value of the fixed assets amounts to £692,770, the depreciation provided so far being £500,508. The current assets, excluding trade investments in India amounting to £13,015, aggregate £1,155,685 and represent more than double the current liabilities and provision for taxation, at £576,414. Of the current assets, stocks on hand and in transit show a decline from £1,092,277 to £742,800, while cash balances stand substantially higher at £200,135, as against £24,444 a year ago.

A persual of the speech of the Company's Chairman, published in our last issue, shows that the Company's shareholders can look forward to another year of satisfactory results in 1953-54. The Company spares no efforts to increase its output of sugar. The new distillery, now in course of erection, will be in production before the next annual general meeting. The carbonic acid gas will be able to produce a reasonable return in the near future, consequent on the lower cost of production of the new fermentation plant. The acid chamber plant, which has been repaired and reconstructed, is making a very useful contribution to the Company's chemical production. The Company's pottery factory is working well. The products of this factory are of good quality and are meeting the needs of an expanding market. As regards the confectionery section, the following observations of the Chairman will be read with interest:

"Last year, I told you that the Board had in mind the formation of a separate confectionery company to take over the assets of the Company's present confectionery department. I am pleased to tell you that the Board has now decided to proceed with this scheme and a detailed communication in this regard will shortly be sent to shareholders. As soon as the assets to be transferred have been properly and independently valued, it is proposed that the Company shall subscribe for the whole share capital in the new confectionery company. Subsequently, the Board proposes to distribute the majority of the Confectionery Company shares, as a dividend in specie, to the holders of the Company's 'B' ordinary shares in the proportion of one share of one rupee in the Confectionery Company for each 'B' ordinary share held. There will also be a small cash distribution to cover any super-tax liability."

The Chairman said that he believed that, with the certain industrial development of South India under the Five-year Plan and with the improvement in the general standard of living, the future of this Company could be viewed with confidence.

The 'B' Ordinary shares (£1 paid-up) of the Company are being currently quoted on the Madras Stock Exchange at Rs. 27-12 *cum*-div. On an *ex*-div. basis, the dividend for 1952-53 works out to a yield of 10.6 per cent. per annum, free of tax.

(Concluded from next column)

liabilities and provision for taxation by a good margin. The cash balances show a decline from Rs. 21.89 lakhs at the end of 1952 to Rs. 7 lakhs. The increase in the Company's borrowings and the shrinkage in cash balances mainly reflect the heavy capital expenditure that is still being incurred by the Company.

The outlook for the Company is promising. The management availed itself of the opportunity provided by the slack period in the rolling mills to experiment successfully with the rolling of sheets in alloys and of types not previously made in India on a commercial scale. The paste plant commenced operation in January, 1954, following the banning of import of aluminium paste. The following points culled from the Directors' report are relevant for judging the prospects for the Company:

"The expansion of the Company's smelter facilities in Travancore and of the rolling mills at Belur are proceeding satisfactorily; both are expected to be completed by mid-1954. The installation of an extrusion press adjacent to the smelter in Travancore has been put in hand and the press should be operating by the end of 1954. The Company has proceeded with these expansions, in spite of the dull conditions of the aluminium market through which we have been passing not only because we believe these conditions to be only transitory but also because our present troubles have shown the danger to small production units dependent on a restricted market. A more diversified range of products will make it possible to cater to commercial demands which at present are filled by other metals or by imports.

"From 1st January, 1954, your Company has become the exclusive selling agent in India for Venesta Limited's aluminium foils (other than tea-chest linings) which are manufactured in West Bengal. There is a considerable potential market for aluminium foil, the principal raw material for which we shall be in a position to supply when the expanded capacity of our Belur rolling mills starts operating during 1954."

The foregoing extracts reveal that the management is enterprising and has complete faith in the future for the industry in this country. This robust optimism is, indeed, commendable and is a typical instance of enlightened private enterprise. An uncertain factor that clouded one's view of the Company's prospects has now nearly disappeared, as will be noted from the following quotation from the Directors' report:

"The Company's longstanding dispute with the Travancore-Cochin Government over the rates to be paid for electric power supplies to the Alupuram smelter has been resolved in principle. A formal supplemental agreement is being negotiated including rates that will be in force until 1975 and that may be extended until 1995. Provision has been made in the attached accounts for the enhanced rate that will be payable by the Company."

INDIAN ALUMINIUM GOES OFF DIVIDEND LIST

OUTLOOK, HOWEVER, BETTER

THE year ended 31st December, 1953, proved to be a disappointing one for the Indian Aluminium Company, Ltd. (Managing Director: Mr. J. W. Cameron, Calcutta). The trading profit for that year suffered a marked shrinkage as compared with that for the previous 15 months. (The Company's financial year-end was changed in 1952 from 30th September to 31st December.) The trading profit, which amounted to Rs. 32.58 lakhs for the 15 months ended 31st December, 1952, as compared with Rs. 31.36 lakhs for the year ended 30th September, 1951, dropped to as low as Rs. 7.85 lakhs, for the year under review. This profit represents one of the lowest earned by the Company since its incorporation as a public limited one in 1945 and is only a shade better than that of Rs. 7.25 lakhs for the year ended 30th September, 1949.

The net result is still worse, in that there has been a net loss of Rs. 13.65 lakhs, after making provisions for depreciation and taxation, as compared with a net profit of Rs. 10.70 lakhs for the previous 15 months. It will be interesting to note that this is the first year since 1945 in which the Company has suffered a loss. This loss was, however, wiped off by the huge surplus of Rs. 22.28 lakhs brought in from the previous period.

After taking into account the sum of Rs. 2 lakhs, being the over-provision for taxation made for the year ended 30th September, 1951, and after paying the 5 per cent. preference dividend, the sum available amounts to Rs. 9.15 lakhs. Though this sum is sufficient to declare a dividend, albeit smaller than the dividend paid for the previous year, the Directors have thought fit to pass over the ordinary dividend. This may be a little disappointing to the shareholders, in that it was only three years ago that they got their maiden dividend of 3½ per cent. for the year ended 30th September, 1950. However, a careful study of the Directors' report reveals the need for conserving the Company's resources.

The operations at the Company's Lohardaga mines and Muri alumina works continued on a scale sufficient to meet the Company's own requirements of smelter as well as outside demand, the latter showing a pronounced increase in the year under review. However, production of ingot was seriously affected by the severe and prolonged power-cut in South India. The output of ingot amounted to only 1,984 tons, the lowest for any year since 1947. The Belur rolling mills operated well below capacity, the output having been limited by the paucity of orders. The large accumulated stocks of imported aluminium paste in the country made the sale of the Company's product very difficult and the Kalwa paste plant remained closed for nine months during 1953. These factors, coupled with the heavy expenses incurred in improving the sales and in expanding the production lines, cumulatively account for the extremely low trading profit of Rs. 7.85 lakhs (or 6.7 per cent. of the sale proceeds) as well as for the net loss of Rs. 13.65 lakhs.

The following comparative table gives an idea of the Company's progress since 1950-53:

(In lakhs of rupees)

	For the year ended 31-12-53	For 15 months ended 31-12-52	For the year ended 30th September	
			1951	1950
Sale proceeds	117.85	161.46	120.62	102.43
Manufacturing expenses (including raw materials consumed) ..	94.57	109.08	73.01	65.89
Depreciation and depletion ..	16.43	19.82	16.25	17.32
Trading profit	7.85	32.58	31.36	19.73
Other income	11.43	1.53	..	..
Administrative and selling expenses	24.45	19.56	10.48	9.22
Further depreciation ..	0.33	0.35	0.08	0.07
Taxation	..	5.50	8.00	..
Net profit (+) or loss (—) ..	—13.65	+10.70	+13.64	+10.82
Refund of taxes and provisions written back	2.00	..	11.14	21.85
To reserves	..	6.45	11.05	20.00
To dividends—				
5% preference (less tax) ..	1.47	1.85†	1.47	1.47
Ordinary	..	8.00†	8.00	8.00
	..	..	(4% (p.a.)	(5% (p.a.)	(3½% (p.a.)
Carry forward	9.15	22.22	27.38	23.62

† For 15 months ended 31st December, 1952.

The sale proceeds for the year under review include a sum of Rs. 2.90 lakhs, representing the sale proceeds of agency products. The Company became a non-exclusive distributor in India for the products of Aluminium Union Ltd. Besides being a source of income in the form of commission earned, the distributorship has made it possible for the Company to develop the uses of aluminium in the country by making available immediately those items which the Company does not produce now.

The Company's latest balance-sheet discloses that the reserves and surplus amount to Rs. 45.30 lakhs, as against a paid-up capital of Rs. 2 crores. The provision for taxation aggregates Rs. 3.50 lakhs, and the current liabilities Rs. 1.39 crores. Of these liabilities, loans from banks and others amount to Rs. 1.14 crores, these having risen from Rs. 68.50 lakhs. The entire loan amount is unsecured, while a part of it was secured by hypothecation of assets last year. The gross block of the value of Rs. 3.45 crores (including additions to the extent of Rs. 38.63 lakhs during the year) has been written down to Rs. 2.10 crores. The current assets amount to Rs. 1.78 crores (of which stocks account for Rs. 1.44 crores), and exceed the current

(Continued in previous column)

Points From The Chair

Sterling Area's Greatest Dollar-earner

"NATURAL rubber is the sterling area's greatest dollar-earner. Since 1945 it is estimated that natural rubber has earned nearly 1,750,000,000 dollars, but the Malayan and United Kingdom Governments should take warning; in 1953, rubber's dollar earnings were only about half of what they were in 1952 and less than a quarter of what they were in 1951. The Malayan Government must do something and must do it quickly to help its rubber industry to remain competitive and to maintain its dollar-earning capacity. It has recently been announced that two of the large chemical companies and the Dunlop Rubber Company are going to commence the production of synthetic rubber in this country. It is important that this new venture be viewed in its true perspective."

P. B. L. COGHLAN,
Rubber Growers' Association (Incorporated).

Egypt's Economic Potentialities

"Egypt must take stock of her economic potentialities. An exceptionally fertile soil, unexploited resources and comparatively moderate charges in respect of public debt and current obligations are rare attributes nowadays in a world where the budgetary expenditure of so many countries bears so heavily on national resources. The agreements which the authorities have recently concluded involving the participation of foreign capital in the field of heavy industry, and also in respect of oil, constitute an important step in the effort which our country must maintain to make up lost ground. It is to be hoped that these agreements will act as a stimulant on the latent potentialities of the private sector of the economy."

ALY SHAMSY,
National Bank of Egypt.

Future of Aluminium

"While defence and stockpiling needs will, undoubtedly, continue to require large tonnages, the present adequacy of supplies is stimulating further development of those civilian uses in which the metal is now generally accepted and is encouraging the active introduction of aluminium in new fields which have been under development for many years. Aluminium now has full opportunity to prove its merits in competition with other materials, many of which have fallen in price. The era of greater competition will not be easy, as experience in some of our markets has already shown in 1953, but, in our view, if the price of aluminium can be maintained at economic and competitive levels, the inherent advantages of the metal should maintain a healthy and growing demand in the years ahead."

NATHANEL V. DAVIS,
Aluminium Ltd.

Outlook for Ravalgaon Sugar

"You would naturally want to know something about the working so far during the current season. I am sorry I have not very encouraging news about this. The sugarcane crop which was meant for crushing during this season was doing well during the earlier part of the year, but some time in April, 1953 it was announced by the irrigation authorities that the water level in the storage tank had gone very low and that the supply would, therefore, have to be cut drastically. There was practically no watering of the standing crop during that period. It also happened that the heat in the area was more severe than usual, so much so that at one time it was feared that the crop would be completely ruined. There were, however, rains during the earlier part of June which helped in saving the crop. Nevertheless, the long period of drought had its effect on the standing cane at a very critical time of its growth and the yield was naturally much below normal. The prices realised so far for sugar have been satisfactory, though it would be difficult at present to say what the overall position would be like, because the bulk of the production at your factory still remains to be disposed of. Cane production available for crushing during the season was down in the whole area and till this supply, both from the factory's own plantation and from *bagaitdars*, shows improvement, the working season as well as the total output are bound to remain low. It is unfortunate that apart from the loss in production and the resultant loss in profits from this, a short working season adds to the overheads and the manufacturing cost, further reducing the margin of profit to that extent."

GULABCHAND HIRACHAND,
Ravalgaon Sugar Farm Ltd.

Problems of British Agriculture

"The past year has been a reasonably satisfactory one for our agricultural industries. There has, however, been brought into sharp relief the problems which lie ahead, now that food rationing and price control are coming to an end. In the future, Government assistance will be shown as a cost of Government support to British agriculture and not, as it has been in recent years, as a cost-of-living subsidy to the consumers and, with some British farm prices higher than world prices, we must expect this item of our national expenditure to be scrutinised with a very critical eye. Nevertheless, I am sure that farmers can face the future with reasonable confidence. It has been repeatedly stated by the Government that it is their intention to encourage and support maximum food production at home and sufficient incentives to this end must always be given. In return, farmers must make the fullest possible use of our land resources, and it can be no part of Government policy to support the easy-going or inefficient farmer."

THE DUKE OF BUCCLEUCH AND QUEENSBERRY,
Royal Bank of Scotland.

COMPANY MEETINGS AND DIVIDENDS

VIJAYALAKSHMI MILLS LTD. Annual General Meeting, Kunyiamuthur, Coimbatore District, 16th April, 1954. Dividend: Rs. 6 per share.

AHMEDABAD MANUFACTURING AND CALICO PRINTING CO., LTD. Annual General Meeting, Ahmedabad, 19th April, 1954. Dividend: Rs. 18 per share (including Rs. 8 interim). Transfer books remain closed from 5th to 21st April, 1954, both days inclusive.

JAWAHAR MILLS LTD. Annual General Meeting, Salem Junction, 19th April, 1954. Dividend: As. 6 per share, free of tax. Transfer books remain closed from 5th to 19th April, 1954, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 19th April, 1954. Dividend: Nil. Transfer books remain closed from 25th March to 19th April, 1954, both days inclusive.

AMALGAMATED COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 20th April, 1954. Dividend: As. 8 per share, free of income-tax. Transfer books remain closed from 9th to 20th April, 1954, both days inclusive.

COLABA LAND AND MILL CO., LTD. Annual General Meeting, Bombay, 22nd April, 1954. Transfer books will remain closed from 13th to 30th April, 1954, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 23rd April, 1954. Transfer books will remain closed from 17th to 23rd April, 1954, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 23rd April, 1954. Dividend: Rs. 7-8 per share. Transfer books remain closed from 6th to 23rd April, 1954, both days inclusive.

TRICHINOPOLY MILLS LTD. Annual General Meeting, Tennore, Tiruchirapalli, 24th April, 1954. Dividend: As. 11-1/5 per share, free of tax. Transfer books remain closed from 7th to 24th April, 1954, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Alleppey, 26th April, 1954. Dividend: As. 12 per share (final). Transfer books remain closed from 10th to 28th April, 1954, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 28th April, 1954. Transfer books will remain closed from 12th to 28th April, 1954, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 7th May, 1954. Dividend: Rs. 5 per share. Transfer books will remain closed from 15th April to 7th May, 1954, both days inclusive.

ANDHRA VALLEY POWER SUPPLY CO., LTD. Interim dividend of Rs. 30 per share, for the year ending 30th June, 1954, payable on 26th May, 1954. Transfer books will remain closed from 17th to 30th April, 1954, both days inclusive.

TATA HYDRO-ELECTRIC POWER SUPPLY CO., LTD. Interim dividend of Rs. 3 per share, for the half-year ending 30th June, 1954, payable on 25th May, 1954. Transfer books will remain closed from 17th to 30th April, 1954, both days inclusive.

TATA POWER CO., LTD. Interim dividend of Rs. 30 per share, for the half-year ending 30th June, 1954, payable on 27th May, 1954. Transfer books will remain closed from 17th to 30th April, 1954, both days inclusive.

AMALGAMATED ELECTRICITY CO. (BELGAUM) LTD. Interim dividend of As. 6 per share, for the half-year ended 30th September, 1953, payable on or after 19th April, 1954. Transfer books will remain closed from 12th to 17th April, 1954, both days inclusive.

BENGAL COAL CO., LTD. Dividend of Rs. 10 per share plus a bonus of Rs. 5 per share, for the half-year ended 31st October, 1953.

WESTERN INDIA MATCH CO., LTD. Dividend of Rs. 10 plus a bonus of Re. 1 per share, for the year ended 31st December, 1953, payable on 10th May, 1954. Transfer books will remain closed from 19th April to 8th May, 1954, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Dividend of Rs. 6 per share, for the year ended 31st December, 1953, payable on 17th May, 1954. Transfer books will remain closed from 19th April to 8th May, 1954, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of Rs. 7-8 per share, for the year ended 31st December, 1953. Transfer books remain closed from 1st to 14th April, 1954, both days inclusive.

VASANTA MILLS LTD. Dividend of Rs. 12 per share, for the year ended 31st December, 1953. Transfer books will remain closed from 14th to 28th April, 1954, both days inclusive.

COMPANY REGISTRATIONS

LAKSHMI AGENTS LTD. (First Director: Mr. K. K. Misra.) Business: Manufacturers of all Kinds of Produce Goods. Authorised capital: Rs. 10,00,000. Private company. Address: 243, Upper Chitpur Road, Calcutta.

SARAF INVESTMENTS LTD. (First Director: Mr. C. M. Saraf.) Business: Financiers, Monetary Agents, Moneylenders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 62, Nalini Sett Road, Calcutta.

RUTTONPORE TEA CO., LTD. (First Director: Mr. P. B. Datta.) Business: Tea Growers, Manufacturers and Wholesale and Retail Dealers of Tea. Authorised capital: Rs. 5,00,000. Public company. Address: E3, Clive Building, Calcutta.

QUESTION HOUR IN PARLIAMENT

Inter-State Levies

THE whole question of abolishing customs duty in certain Part B States, such as Rajasthan, Hyderabad, Madhya Bharat and Saurashtra, will be considered in the course of the year in consultation with the State Governments. The Rajasthan Government has undertaken to abolish the inter-State transit duties in the State by the end of 1954-55. The abolition of duties on certain articles is expected to be achieved with the introduction of sales tax by the Rajasthan Government in the current year.

—Minister for States

Statistical Institute

The Government of India has decided in principle that the Indian Statistical Institute, Calcutta, should be developed as the focal centre for professional training and research in statistics on the same lines as a higher technological institute.

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Agricultural Finance

The Reserve Bank of India has sanctioned Rs. 60 lakhs as the limit of amount to be outstanding at any time during the period July, 1952 to June, 1953, for financing seasonal agricultural operations and marketing of crops in West Bengal State through the State Co-operative Bank. The amount actually drawn during this period aggregated Rs. 70 lakhs.

—Deputy Finance Minister

Foreign Investments

The Reserve Bank proposes shortly to undertake another survey of foreign investments in the country. During July, 1948 to October, 1953, remittances to the extent of Rs. 33.56 lakhs were received from residents of the U.K. for investment in the cotton textile industry. According to the 1948 Reserve Bank census, investments by residents of the U.K. in the cotton textile industry in India amounted to Rs. 9.26 crores. Since then, capital repatriation amounted to Rs. 53.4 lakhs.

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Pak Rupee Rate

The disparity between the official and the market rates of the Pakistan rupee in terms of India currency will not affect the transfer of evacuee deposits. These deposits are subject to negotiation and settlement on a Government-to-Government basis and the official rate of exchange will be applied where necessary. The disparity between the market price of the Pakistan rupee and the official rate varies from place to place. The latest rate in the "free market" here (New Delhi) is 79 Indian rupees for 100 Pakistan rupees.

—Parliamentary Secretary to Finance Minister

Hirakud Dam

Approximately Rs. 29 crores have been spent on the construction of the Hirakud Dam up to the end of February, 1954. I cannot indicate now far the schedule of expenditure corresponded with the estimate so far as the actual work done is concerned. Estimates, however, have changed from Rs. 67 crores to Rs. 72 crores. It was originally estimated that the project would be completed by 1955-56, but, recently, it was found that it would be ready substantially by June or July, 1956. The revised expenditure does not include expenditure on the delta irrigation project.

—Deputy Minister for Irrigation and Power

Ordnance Production for Civilians

The estimated value of the work done in ordnance factories in the production of stores for civilian use during 1953-54 was Rs. 185.6 lakhs. The estimated value of sales during the same period was Rs. 156.37 lakhs. The Government intends to expand this scheme for production of civilian goods to the maximum extent possible commensurate with the surplus capacity available.

—Deputy Minister for Defence

Rail Passengers

The number of passengers booked during the nine months ended 31st December, 1953, indicated a decline on the Central, North-Eastern and Southern Railways, as compared with the corresponding period of the previous year. The overall decline amounted to Rs. 89 lakhs. On the Southern Railway, the decline was among the peasants. It is difficult to give reasons in respect of the other railways.

—Parliamentary Secretary to Railway Minister

Administrative Study

The sub-committee of the Planning Committee of the All-India Council of Technical Education has started its work in preparing a plan for the proposed Administrative Staff College and the National Institute. The Committee, headed by Mr. T. T. Krishnamachari, which is going into these questions will complete its deliberations within three months. The main purpose of the Administrative Staff College is to prepare studies for men who will hold executive responsibility in industry, commerce and the Government and help them to study common principles underlying administration. So far as the Institute of Management is concerned, its aim is to raise the standard of management throughout the country and undertake research, etc. It will help in supplying personnel for management in industry, commerce, etc., and create a lively interest among the people in the problems of management at all levels.

—Parliamentary Secretary to Education Minister

SMART RISE IN EARNINGS OF CALICO MILLS

BELVEDERE JUTE REPEATS DIVIDEND

Ahmedabad Manufacturing and Calico Printing Co., Ltd.

THE directors of the above Company (Agents: Messrs. Karamchand Premchand Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1953.

A sum of Rs. 71,18,203 (Rs. 45,67,966) of 1953 is available for appropriation which together with Rs. 22,19,005 (Rs. 2,89,575) brought forward from the previous year's account amounts to Rs. 93,37,208 (Rs. 48,57,541). The directors have transferred Rs. 35,00,000 (Rs. 26,00,000) to depreciation fund, Rs. 15,00,000 (*nil*) to fund for payment for taxes on income, Rs. 50,000 (*nil*) to contingency reserve fund, and paid Rs. 3,822 (*Rs. 38,536*) as donations debited in profit and loss appropriation account. The directors recommend payment of a dividend on "A" cumulative first preference shares for the year 1953, at 4½ per cent. on 1,600 shares of Rs. 125 each bearing interest at 4½ per cent. per annum free of income-tax, Rs. 9,000 (Rs. 9,000), payment of a dividend on diamond jubilee cumulative second preference shares for the year 1953, at 4½ per cent. on 16,000 shares of Rs. 50 each bearing interest at 4½ per cent. per annum, subject to income-tax Rs. 36,000 (Rs. 36,000), payment of a dividend on cumulative third preference shares for the year 1953, at 4½ per cent. on 38,666⅔ shares of Rs. 50 each bearing interest at 4½ per cent. per annum subject to income-tax Rs. 87,000 (Rs. 87,000), payment of a final dividend for the year 1953, of Rs. 10 (Rs. 10) per share free of income-tax on 1,00,000 ordinary shares together with the interim dividend at Rs. 8 (Rs. 8) per share on ordinary shares for the year 1953, absorbing Rs. 18,00,000 (Rs. 18,00,000) and to carry forward to the following year's account Rs. 23,51,386 (Rs. 2,87,005).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,54,11,054	Block ...	3,97,51,801
Reserves ...	99,56,782	Stock-in-trade ...	1,01,47,939
Depreciation fund ...	2,72,53,344	Stores, etc.	12,73,946
Provision for taxation ...	22,43,649	Debts and advances ...	1,46,18,052
Liabilities ...	91,78,478	Investments ...	3,65,600
Profit and loss appropriation account	34,83,386	Cash ...	13,67,355
	Rs. 6,75,26,693		Rs. 6,75,26,693

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

After providing Rs. 1,85,000 (*nil*) for taxation there is a balance of Rs. 3,08,372 (Rs. 2,60,847) at the credit of profit and loss account from which the directors recommend payment as follows:—

Dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 24,500 (Rs. 24,500) and on ordinary shares at Rs. 7-8 (Rs. 7-8) per share Rs. 2,10,000 (Rs. 2,10,000) leaving Rs. 73,872 (Rs. 26,347) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 42½ hours per week with 12½ per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	39,88,617
Reserves ...	33,49,623	Stocks ...	27,89,572
Provision for taxation ...	2,57,113	Stores ...	10,90,209
Liabilities ...	13,59,817	Debts, deposits and advances ...	8,04,564
Profit and loss account ...	73,872	Investments ...	55,358
		Cash ...	12,105
	Rs. 87,40,425		Rs. 87,40,425

Sundatta Cotton-seed Utilisation Ltd.

The directors of the above Company (Managing Director: Mr. N. D. Sirur, Bombay) submitted the audited accounts of the Company for the fifteen months ended 31st December, 1953, which henceforward will be the date of closing annual accounts.

During the first five months of the period under report, i.e., until 28th February, 1953, the work of installation and erection of machinery and plant was continued over from the previous period and completed. Some trial runs took place for a few days in January, 1953, but owing to finishing touches to installation work, meagre raw material supplies and early teething troubles, production on a regular basis could not be commenced.

The result of the Company's operations for the ten months commencing 1st March, 1953 shows a small loss of Rs. 7,173 subject to depreciation, which could not be provided. This may be considered fairly satisfactory considering that for the first six months March-August the production was carried out at the initial rate of 12 tons of seeds crushed per day. It was only in September, 1953 that some of the new machinery ordered under the expansion programme was installed and the production stepped up to the more economic level of 25-30 tons per day.

There were several unforeseen difficulties which the Company had to face during the working period under report. In the beginning of May, 1953 the Government of Bombay imposed the cottonseed oilcake control order at a time when the arrivals of cottonseed, were at the peak. The Company, as well as the Tata Oil Mills Co., Ltd., who had contracted to purchase a substantial quantity of cottonseed for the year's crushing, had therefore to suspend all further purchases.

The crushing of cottonseed had also to be temporarily stopped since it became completely uneconomic in view of the fact that the Government of Bombay desired to purchase, for distribution in scarcity areas, 50 per cent. of the cottonseed oilcake produced by a mill at the unbelievably low price of Rs. 75 per ton when the market rate was Rs. 200 per ton. Strong representations were made by the Company to the Government both directly and through the Bombay Oilseed Crushers' Association against this order. As a result, it was withdrawn at the end of June, but by that time the arrivals of cottonseed in the market had dwindled and fresh purchases became difficult. However in July, crushing of the accumulated stocks of cottonseed was resumed.

In August, 1953, the Government of India permitted for a limited period until October, 1953, the free import of cottonseed oil at a preferential tariff. This well-intentioned measure, which was designed to overcome the virtual oil famine due to crop shortage and at the same time to stimulate the use of cottonseed oil in vanaspati, had the reverse effect. In spite of the fact that cottonseed oil from abroad became available at a substantial discount under groundnut oil, the majority of the vanaspati factories did not divert to its use because of unfamiliarity, while the few that had mastered the technique of using cottonseed oil, imported their requirements at a price so low that it bore no relation to the price of Indian cottonseed which had registered high levels. The only alternative left was to sell off the remaining stocks of cottonseed at the prevailing prices. During the period May-September, 1953, therefore, the Company had necessarily to divert its energies largely towards crushing an unfamiliar but remunerative seed known as "Kardiseed" which is a simultaneous crop to cottonseed and is abundantly grown.

In October, 1953, the Company reverted to cottonseed crushing on account of the Tata Oil Mills Co., Ltd., who were only able to purchase seed equivalent to a month's crushing on the basis of the expanded capacity which had by then been achieved. The balance of the contract has been by mutual agreement held in abeyance, and the Company expects to arrive at a new long-term arrangement in its place.

During the month of November, 1953, installation of the remainder of the new machinery that had arrived under the expansion programme was fully taken in hand while the annual overhauling of the machinery worked during the period was done at the same time. In December, the mills resumed production.

The sales of the various products and by-products manufactured by the Company have been brisk and satisfactory. The directors are pleased to report that the Company's mills are getting production standards on all types of seeds far higher than the local millers and substantially above those of Bombay City processors. The residual oil left in the oilcakes on our modern American equipment is equal to American results, and it can be said that the efficiencies attained are the best in India on expeller equipment.

The Company's financial position has been considerably strengthened during the period under report. In the extremely tight capital market, the Company was able to augment its paid-up equity capital from Rs. 4,55,428 to Rs. 7,00,243 which represents an increase of Rs. 2,44,815. It is hoped that the unsubscribed balance will be collected in the now more favourable investment climate.

To meet the immediate need for funds, and in order to cover the Company fully in respect of the additional fixed capital expenditure incurred in expanding the plant capacity, the directors decided to accept a loan of Rs. 4 lakhs offered by the Industrial Finance Corporation of India in response to the Company's application. This loan is on the security of the fixed assets of the Company and is repayable in eight annual instalments, commencing on 1st October, 1956. A sum of Rs. 2 lakhs was received on 30th December, 1953 as an interim loan, and the balance of Rs. 2 lakhs is to be made available on final completion of the documents.

During the current year, the directors have decided to purchase three new linter machines in addition to the five already installed making a total of eight in all. This will make the operations more economic. It has also been decided to acquire oil cooling machinery for improving the quality of cottonseed oil necessitated by the rigid standards of colour now laid down by the vanaspati manufacturers in Bombay. The cottonseed oil refinery section is being enlarged by adding a small bleaching plant fabricated in India to enable the Company to market some cottonseed oil in the local and upcountry markets as a direct edible product. The total addition to fixed capital expenditure in the current year is expected to be Rs. 1 lakh.

It may be here stated that the Company's mills have a rated capacity of 70 tons of cottonseed processed per day which can be achieved with a small amount of further machinery costing approximately Rs. 50,000. Due to power restrictions and financial considerations, it has been decided to limit the current year's capacity to 30 tons per day. However, when the Jog-Karnataka electric grid scheme reaches Hubli early in 1955, it is hoped to then raise the crushing capacity to the maximum of 70 tons per day, if other factors are favourable.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,02,280	Block ...	7,41,923
Liabilities ...	6,20,011	Stock-in-trade	1,89,583
		Stores and spare parts	77,549
		Other assets	53,245
		Debts, deposits and advances ...	25,760
		Investments	19,853
		Cash ...	2,07,205
		Profit and loss account ...	7,173
	Rs. 13,22,291		Rs. 13,22,291

Braithwaite and Co. (India) Ltd.

The directors of the above Company (Secretary: Mr. Y. S. Tayal, Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

After making provision to the extent of Rs. 9,00,000 (Rs. 5,75,000) to meet the Company's liability, in respect of income-tax and super-tax, transferring Rs. 4,00,000 (Rs. 2,00,000) to general reserve and after providing for depreciation and other sundry charges, the profit for the year (including Rs. 5,762-5-0, being post-war refund of excess profits tax) amounted to Rs. 6,04,189, which compares with the profit last year of Rs. 4,07,952. This profit together with the amount of Rs. 1,14,182 (Rs. 1,30,715) brought forward from last year's accounts, leaves a sum of Rs. 7,18,371 (Rs. 7,38,668) which the directors disposed of by paying a dividend for the year ended 31st December, 1953, of Re. 1 (As. 12) per share Rs. 5,65,979 (Rs 4,24,484) and carried forward Rs. 1,52,392 (Rs. 1,14,182).

The Company received a dividend on its investment in "The Braithwaite, Burn & Jessop Construction Company, Limited," of Rs. 1,59,730 (Rs. 82,360). The volume of orders in hand, both for the structural and wagon works is very satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,61,853	Block ...	12,38,747
Reserves ...	29,33,555	Stock of materials and stores ...	6,90,802
Provision for taxation ...	13,84,454	Contracts-in-progress	45,32,955
Liabilities ...	32,08,367	Debts, deposits and advances ...	7,73,737
Profit and loss account ...	7,18,371	Investments	19,83,704
		Cash ...	29,86,855
	Rs. 1,22,06,800		Rs. 1,22,06,800

Savamalai Estates Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Peirce Leslie and Co., Ltd., Kozhikode, Malabar) submitted the audited accounts of the Company for the year ended 30th November, 1953.

After providing for depreciation and all charges the accounts showed a profit of Rs. 2,06,217 (Rs. 2,11,115). After adding the balance brought forward from last year of Rs. 94,443 (Rs. 55,015), there was a total sum of Rs. 3,00,660 (Rs. 2,66,130). After deducting provision for taxation Rs. 2,300 (Rs. 7,500), transfer to general reserve Rs. 36,707 (Rs. 1,00,000), interim dividend for the year 1952-53 paid on 30th November, 1953 at 10 per cent. Rs. 36,678 (*nil*), there was a balance of Rs. 1,74,976 (Rs. 1,58,630). The directors recommend payment of a final dividend of 20 (30) per cent. on the old capital of Rs. 1,83,390 absorbing Rs. 73,356 (Rs. 64,187), leaving to be carried forward to next year Rs. 1,01,620 (Rs. 94,443).

After taking into consideration the transfers from this reserve required to bring about the bonus issue and the amount transferred from this year's profits, the general reserve now stands at Rs. 2,00,000 (Rs. 2,50,000).

Additions during the year amounting to Rs. 33,389 represent expenditure on construction of a new staff quarter, 3 sets of 5 roomed labour lines, and other minor buildings. Additions during the year amounting to Rs. 37,573 cover upkeep charges of immature areas and cost of opening the 1952-53 clearings of 56 acres of robusta and 10 acres of arabica.

The crop of cwts. 2,906-1-16 was delivered to the Coffee Board and has been valued at Rs. 2-4 per point which works out at approximately Rs. 117.06 per cwt. for robusta and Rs. 151.58 per cwt. for arabica. Payments received to date amount to Rs. 2-1 per point. The 1953-54 crop is estimated at 100 tons and present indications are that this will be harvested. As much as 21 lbs. of ungarbled cardamoms were collected from the abandoned area at a cost of Rs. 42-7 and has been valued at Rs. 178-8.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,66,780	Block ...	4,53,251
Reserves ...	2,50,000	Stock-in-trade	87,788
Liabilities ...	57,094	Stores, etc. ...	22,281
Profit and loss account ...	1,74,976	Debts, deposits and advances ...	26,159
		Investments	29,050
		Cash ...	2,30,321
	Rs. 8,48,850		Rs. 8,48,850

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

GILT-EDGED BUOYANT

(From Our Own Correspondent)

BOMBAY, 7th April

Conditions in the short-term money market remained largely unchanged during the week under review, the stringency noted in the past several weeks showing no appreciable diminution. The only notable change was the disappearance of the demand for financial year-end purposes experienced in the previous two weeks. No doubt, funds lent for crop financing were found returning in driblets, but fresh demand was still on a large scale, so that the available supply was found inadequate. Money rates, therefore, remained unchanged. Inter-bank call money was done at 3 per cent. though some left-over funds were lent at times at 2½ per cent. Short-term deposits were done 3 per cent. for 1 to 3 months. 4 to 6 months' money was placed at 2½ to 3 per cent. and 6 to 12 months at 2½ to 2¾ per cent. The demand for these types of funds was as keen as ever.

The response to the Government of India Treasury Bills this week was a little better, the amount offered against the usual invitation for Rs. 100 lakhs having aggregated Rs. 142.50 lakhs, as against Rs. 101.50 lakhs in the previous week. Consequently, there was a decline in the average rate of accepted tenders from Rs. 2-11 per cent. to Rs. 2-10-9 per cent. per annum.

After two weeks of successive contraction, notes in circulation have expanded by as much as Rs. 21.11 crores in the week ended 2nd April, 1953. Disclosing this, the Reserve Bank of India's statement for that week records a drop of Rs. 6.60 crores in notes held in the Banking Department. The resulting rise of Rs. 14.51 crores in total notes issued is covered by a rise of Rs. 10 crores in foreign securities and of Rs. 4.51 crores in rupee coin. Such a large addition in the latter item could not be due to the return of rupee coin (including rupee notes) from circulation. It must have been the result of a fresh issue of rupee coin by the Government of India. Since usually such issues are made in units of Rs. 5 crores, the rupee coin in circulation must have actually gone up by Rs. 49 lakhs. In the Banking Department, a rise of Rs. 2.18 crores is noted in deposits of the Central Government and a fall of Rs. 23.64 crores in those of other Governments. Deposits of banks are also lower by Rs. 34.63 lakhs. Balances held abroad have shrunk by Rs. 8.78 crores, evidently due to the transfer to the Issue Department. Loans and advances to Governments are higher by Rs. 50 lakhs, while other loans and advances disclose a fall of Rs. 8.80 crores, of which advances to Scheduled banks against usance bills account for Rs. 8.50 crores.

An increase of Rs. 10.34 crores in demand deposits and of Rs. 47.93 lakhs in time deposits is disclosed by the Scheduled banks' statement for the week ended 26th March, 1954, as compared with that for the previous week. Inter-bank borrowings have gone down by Rs. 24.37 lakhs. Borrowings from the Reserve Bank have dropped by Rs. 2.91 crores and those from the Imperial Bank of India by Rs. 93 lakhs. Loans, cash credits and overdrafts show a fall of Rs. 66.84 lakhs, while bills purchased and discounted record a rise of Rs. 1.83 crores. Investments have gone up by Rs. 1.77 crores and cash balances and money at call by Rs. 4.21 crores.

The buoyancy in the Gilt-edged market, witnessed in the previous two weeks, was kept up during the week under review, with a further all-round rise in values. The stimulus was provided by the suspension by the Reserve Bank of India of the sale of 3 per cent. 1966-68 and 3 per cent. 1970-75, the only two issues which were selling last week. The sale of the former was suspended last Saturday at the last week's selling rate of Rs. 90-8, while the sale of the latter was stopped yesterday after raising its selling price by As. 2 more to Rs. 86-14. There were good enquiries for almost all issues and, in the face of a shortage of floating stocks, prices rebounded. 3 per cent. 1957 and 3 per cent. 1958 gained an anna each to Rs. 98-8 and Rs. 98-4, respectively. 3 per cent. 1959-61 advanced by As. 2 to Rs. 96-9 and 3 per cent. 1963-65 by a similar extent to Rs. 93. A rise of As. 3 to Rs. 93 took place in 3 per cent. 1964. 3 per cent. 1966-68 was well maintained at Rs. 90-8. 3 per cent. 1970-75 moved up by As. 3 to Rs. 86-15. 3 per cent. 1986 Conversion Loan responded well to widening enquiries by recording a rise of As. 7 to Rs. 83-3. 3½ per cent. 1961 N.P. Bond had business an anna better at Rs. 99-5.

In the foreign exchange section, there was no notable development during the week under review, the rupee-dollar exchange rate remaining unchanged at Rs. 475¼ (banks' selling) and Rs. 471¾ (banks' buying). However, in the New York market, sterling displayed once again considerable strength. After shading off from $2.81.9/16-2.81.11/16 on 25th March to $2.81.7/16-2.81.9/16 on 30th March, spot sterling moved ahead steadily to $2.81¾-2.81¾ yesterday. Likewise, forward sterling (3 months) gained from $2.81.1/16-2.81¼ to $2.81.5/16-2.81.7/16 and transferable sterling from $2.77¼-2.77¾ to $2.79-2.79¼.

LINSEED ADVANCES

(Messrs. A. Bradley and Co.)

CALCUTTA, 6th April

General conditions in the linseed market have been very firm during the week, owing to a decline in the movement of supplies from upcountry where prices have advanced. There have been keen enquiries for ready delivery, but only small business has been recorded, owing to scarcity of supplies. There are also keen enquiries for forward delivery which is quoted at a premium. The oil market has ruled firm and a keen speculative demand for forward delivery has resulted in fair business.

Latest quotations are: Ready Rs. 18-8 and April-June Rs. 18-12 per maund.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 7th April

The bullish trend in the bullion market referred to in the previous week's report, gained fresh momentum during the week under review. Talks of stockpiling of strategic metals in the U.S., the virtual cessation of unauthorised arrivals of gold, the shrinkage in floating stocks of silver and gold and good offtake, all these strengthened the hands of bull operators considerably and lifted the prices to fresh high levels not seen in recent months. Frantic covering by short-sellers also assisted the upward trend. Silver, for instance, touched a high of Rs. 171-5 on Monday, thus establishing a level not witnessed since the first week of May, 1952. The higher level, however, brought a considerable amount of selling from prominent bull operators in order to avoid payment of margin. There was a strong resistance to the downward movement from bears who tried to push up the prices so as to force the bulls to pay heavy margin. There was, therefore, only a small recession from the peak and silver closed on balance with a gain of Rs. 2-6 per 100 tolas. Gold continued to forge ahead and touched a high of Rs. 91-14 (for forward delivery) which is a record for the last 19 months.

Silver for forward delivery (20th April settlement) opened the week at Rs. 168-1 and briskly moved up to Rs. 171-5 on Monday. As the buyers would have to pay margin if the closing rate had stood at Rs. 171-2, they hurriedly booked their profits. As the statistical position was in favour of a further rise, they persisted in liquidating their holdings, the effect of which was, as already stated, only a drop to Rs. 170-3 yesterday. The closing today was, however, a shade better at Rs. 170-11.

Ready silver (.996 Mint) maintained a premium of As. 4 over the forward, the opening and closing prices being Rs. 168-5 and Rs. 170-15, respectively. The floating stocks of silver are placed at 1,800 bars. The daily average offtake was 25 bars.

Opening at Rs. 89-10, gold for forward delivery (19th April settlement) jumped to Rs. 90-2 within a twinkling of an eye as it were. After a temporary setback to Rs. 89-11 on Saturday, forward gold resumed its upward trend and touched Rs. 91-14 today, before closing at Rs. 91-11.

Ready gold, which opened at Rs. 90-8, edged forward to a high of Rs. 92-10 today, but closed a shade lower at Rs. 92-7. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was 5,000 tolas on an average.

In the London bullion market, silver prices remained unchanged at 73¾d. per fine ounce for spot and at 73¾d. for forward delivery. The price of gold, which had been showing a slightly downward trend ever since the opening of the market on 22nd March on account of the sale of Russian gold and touched a low of £12 8s. 3½d. on 2nd April, staged a smart recovery in the past three days. It touched a peak of £12 8s. 9d. yesterday, before closing at £12 8s. 7¼d. The rise in price is attributed to absence of any further offer of Russian gold.

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

	7-4-54	Highest	Lowest	31-3-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	92 7	92 10	90 8	90 13
Forward	91 11	91 14	89 8	89 12
Sovereign	59 8	59 8	59 0	59 2
SILVER				
Ready (.996 fine Mint) ..	170 15	171 9	168 4	168 9
Forward	170 11	171 5	168 0	168 5
London Ready	73¾d.	—	—	73¾d.
London Forward	73¾d.	—	—	73¾d.
London Gold	248s. 7¼d.	248s. 9d.	248s. 3½d.	248s. 5½d.
New York Ready	85⅛c.	—	—	85⅛c.

TEAS IRREGULARLY HIGHER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 3rd April

The offerings in dust sale "F", which was held on Tuesday, 30th March, amounted to approximately 87,000 lbs. There was a strong general demand and prices advanced irregularly As. 1 to As. 2.

London Market.—Commons ½d., mediums 1d. dearer.

Colombo Market.—Active demand. Low-grown advanced five cents; mediums five to eight cents; high-grown lower following decline in quality.

Calcutta Market—Export.—No sale this week.

Dust.—19,000 packages. Less general demand. Market half to one anna easier. Black exportable types C.T.C. weakest feature.

Special licence.—At the beginning and throughout the week business has been effected at 30 pies, which remains today's quotation.

1954-55 *Export Quota.*—At the beginning of the week small business was done at 32 pies. Since then the market has strengthened considerably and business has been done in Calcutta at 35 pies. Today's quotations are sellers 39 pies and buyers 33.

Forthcoming auctions.—Sale No. 7 will be held on Tuesday, 6th April, and dust sale "G" will be held on Tuesday, 13th April, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Sale* 7.—7,50,000 lbs. Less general demand. Market irregularly easier, except for common and low medium which are about steady. Best quality often As. 8 below valuation."

COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, 7th April

Except for the ebb in the enthusiasm displayed during the earlier part of the week in the forward cotton market, the period has been more or less uneventful. So far as the May delivery is concerned, there is a lurking feeling among the operators that prices, even though they may rise, because of alternate bouts of buying, will not be easily maintained at a high level. This invites frequent profit-taking at bulges and the recession is often more marked than the advance.

The forward market has been going through this process during the week and it is likely that something of this nature will characterise dealings during the rest of the period, till deliveries start against the May contract. Another feature of trading in the forward market is that support by way of replacement buying always comes in at lower levels, to sustain the market against any onslaughts by shorts. On the whole, the present trend of trading, even though it has produced fluctuations amounting to about Rs. 20 in the course of the week, may be said to be moderately healthy. It, however, does not honestly reflect the conditions in the spot market, because of the fear of large-scale hedging and even deliveries in this somewhat vulnerable contract.

In the spot market, conditions during the first half of the week were comparatively more steady. Good quality cotton was in demand and rates of previous were tending to rise, as stocks of these varieties were gradually getting depleted. Among the styles most sought after were Vijay and Jarilla. Encouraging reports from the cloth market led to a broadening of activity, especially for domestic cotton.

In the case of imported styles, attention of the mills is concentrated, as before, on U.S. staple varieties. The high prices of alternative cottons from sources other than this have led spinners to waver in their long-established partiality for certain Egyptian and East African growths. In spite of this, some demand is always there for Egyptian-Karnak. Auctions at Kampala and Khartoum have proved disappointing from the point of view of Indian mills, inasmuch as the rates ruled high by the backing they received from buyers on the Continent and in the U.K. India has now to give up any hope of securing a goodly quantity from either of these two sources and it will be compelled more and more to fall back on the U.S. for whatever supplies it will need to carry it through the current season.

An interesting development in the spot market was the return of Bengals to the picture. A belief has gained ground that a further quota of 50,000 bales of Bengal *deshi* will be released for export soon by the authorities, in view of the tempting prices offered for this short-staple cotton by the U.K. and the Continent. This is all the more probable, because the local textile industry can be said to have acquired all the cotton of this variety that it needs and, even after this, a surplus is in evidence. On the other hand, the quotas of other short-staple varieties have remained unutilised and, if we are to sell some cotton abroad, we have to respect the choice of the buyers to a certain extent. This has given a fillip to the price of Bengals which had otherwise been neglected.

The spot market is also worried about the confusion prevailing regarding the implications of the sales tax rules on cotton transactions. This uncertainty has not only weakened sentiment more recently but, to a certain extent, retarded the volume of business also in the spot market, and active trading is not likely to be restored till after the deputation of the cotton merchants and *muccadums* gets the issues clarified from the State Finance Ministry. The imposition of purchase tax and the large quantity of cotton imported from various States in Bombay and Ahmedabad, together with certain established trade practices which the rules have refused to take note of, have made the position more complicated. In view of the general dissatisfaction expressed by all trades regarding the lack of clarity in the regulations governing the collection of sales tax, it is possible that the authorities will be compelled to give authoritative rulings on certain hypothetical issues to guide the markets. But till this is done, the ominous lull in the spot market is bound to continue.

The futures market opened the week on a firm tone, but reacted during the subsequent sessions, despite encouraging reports from the piece-goods market. I.C.C. May, after improving from Rs. 683½ to Rs. 687 on Friday, gradually receded to Rs. 670-8 today, due to profit-taking. Towards the close, however, there was a slight recovery induced by replacement buying and the contract finished at Rs. 673½. The net loss over the week was to the extent of Rs. 10. I.C.C. August moved up by Rs. 2 to Rs. 701 on the 2nd inst. Thereafter, it drifted lower to Rs. 685 before closing higher at Rs. 688-4. The net loss was Rs. 10-12. The spread between the two contracts slightly narrowed down from Rs. 15½ last week-end to Rs. 14-8 at the close today.

The following is the trend of prices in the forward section during the week under review:

		Closing 31-3-54	High	Low	Closing 7-4-54
I.C.C. May	... Rs.	683½	687	670½	673½
I.C.C. Aug.	... Rs.	699	701	685	688½

Latest available quotations from the spot market are: Bengal *deshi*: Rs. 620; Berar Jarillas Rs. 790; Khandesh Rs. 865; Vijay Rs. 895; Oomra *deshi* Rs. 740; moglai Rs. 710.

There is almost a complete black-out of Pakistan cotton in the world markets, just at present. In spite of the drastic reduction in prices, they still stand at unattractive levels for Karachi's traditional customers. Possibly, the prices are being maintained at the present levels in the hope that, even after supplies have been secured from Egypt, East Africa and Sudan, there will still be a gap for cotton from soft currency sources, which Karachi might hope to fill later in the season. During the

week, there has been a slight further recession in prices. But this has not resulted in any appreciable improvement in offtake or enquiries. Attention of the buyers abroad at present seems to be directed mainly towards the auctions in Sudan and East Africa and the large supplies available from the U.S.

Latest available quotations from the Karachi market are: Sind *deshi* Rs. 79; Punjab *deshi* R2. 76; 4F Punjab R.G. Rs. 77-8; S.G. Rs. 87-8; L.S.S. Punjab R.G. Rs. 81-12; S.G. Rs. 86-12; N.T.R.G. Rs. 85-4; S.G. Rs. 89-12.

At Alexandria a limited export demand for Karnak and domestic demand for Ashmouni have maintained activity at a reasonable level. In addition to Karnak, India is also interested in Giza 30 to a small extent. As there is no pressure of stocks at Alexandria and as this limited demand is bound to continue because of the supply position, the price level is not likely to be disturbed in the near future. The Far East, India and the Continent will generally account for whatever is left to sell.

At New York, the tendency to lighten the burden in the near contracts and to acquire contracts in new crop deliveries has been a little more emphasised during the week. One of the reasons for the more hopeful price outlook regarding the 1954-55 crop has been the receipt of reports regarding unsuitable weather conditions in some of the producing areas. Fluctuations have been narrower. Demand for export has naturally increased with high prices ruling in other markets and this will be met easily from repossessions from the loan cotton.

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

(In cents per lb.)

	6-4-54	30-3-54	23-3-54
Spot	35.10	35.20	35.20
May	34.24	34.36	34.40
July	34.41	34.51	34.53
October	34.03	34.09	33.92
December	34.02	34.04	33.89

ART SILK YARN LOOKS UP

(From Our Own Correspondent)

BOMBAY, *7th April*

The art silk yarn market was thick with the rumour this week that the Central Government would replace the excise duty on rayon fabrics by a levy of import duty on art silk yarn. It gained currency following the return of the delegation of the Silk and Art Silk Mills Association from New Delhi after impressing upon the Union Finance and Commerce Ministers the need for the abolition of excise duty on art silk fabrics. The aforesaid rumour, together with the shortage in floating stocks, induced some speculative buying, while sellers were somewhat reserved in expectation of a further rise in prices. Values of art silk yarn, therefore, tended to look up, though, towards the close, profit-taking erased a part of earlier gains in certain varieties.

In the forward section, 150D April contract rallied Rs. 4 to Rs. 781 yesterday but closed lower at Rs. 779 per case of 200 lbs. today on account of profit-taking. Business in May commenced at Rs. 781 on Friday. After improving to Rs. 786 yesterday, the contract receded to Rs. 784 today. In the ready section, 150 Japan *elicited* considerable buying support, thanks to acute shortage of stocks, and firmed up by As. 4 to Rs. 4-13 per lb. 150 Italy was a shade better at Rs. 3-15. 120 Italy was fully steady at Rs. 4-4 till the close of Monday, but tended to decline thereafter to finish the week at Rs. 4-3. 120 Japan was also fully steady at Rs. 4-14 till today; at the close, it was lower at Rs. 4-13.

The staple fibre yarn section presented an irregular trend, for operators showed little interest in business, as they preferred to watch developments in the art silk yarn section. Staple fibre yarn (40 x 2) for April contract, for instance, opened the week at Rs. 686 and receded to Rs. 679 per case of 200 lbs. on Saturday. After remaining at this level on Monday, the contract recovered to Rs. 682 yesterday. But today, again, it was quoted lower at Rs. 679. The net loss over the week was Rs. 7.

Indian cotton yarns, however, met with good buying enquiries during the week under review. Coarse and medium counts were specially favoured and prices recorded improvement. Fine counts were fully steady. But superfine counts were easy for want of support. Among 10s, Modern rallied Re. 1-4 to Rs. 14-8 per bundle of 10 lbs. Colaba gathered As. 2 to Rs. 13-4. Elphinstone was fully steady at Rs. 12-12. Among 20s, Madura picked up As. 8 to Rs. 19-2. Seksaria was maintained at Rs. 16-10. Among 30s, Seksaria and Madura were fully steady at Rs. 22-4 and Rs. 25, respectively. Among 40s, Meenakshi advanced by As. 6 to Rs. 27-8. Madura improved by As. 2 to Rs. 28-6. Among 80s, Seksaria and Elphinstone shed As. 8 each, the former to Rs. 56 and the latter to Rs. 60-8. Sri Ram lost As. 4 to Rs. 62-8. Among 90s, Khatau fell by Re. 1-8 to Rs. 57-8.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those in the previous week:—

	7-4-1954	31-3-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 April (per case of 200 lbs.)	779 0	778 0
150 May	784 0	—
120 Japan (per lb.)	4 13	4 14
150 Japan (per lb.)	4 13	4 9
120 Italy (per lb.)	4 3	4 4
150 Italy (per lb.)	3 15	3 14½
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.) ..	679 0	686 0
Suico (per lb.)	—	4 3½
New Great (per lb.)	—	3 9½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	14 8	13 4
20s Madura	19 2	18 10
30s Madura	25 0	25 0
40s Meenakshi	27 8	27 2
60s City	—	48 4
Sri Ram	62 8	62 12
90s Khatau	57 8	59 0

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, *7th April*

A mild wave of selling pressure was in evidence in the groundnut and linseed sections during the week under review. Reports that the Centre had declined to take into account export to soft currency areas in the computation of quota for export of H.P.S. groundnuts, was mainly responsible for the selling pressure in groundnuts. Besides, longs in groundnuts were keen on getting rid of their commitments, on reports of enlarged arrivals in upcountry centres. The easiness in the linseed section was due partly to a sympathetic reaction with groundnuts and partly to a virtual absence of demand. Consequently, prices in both the sections disclosed minor losses. In the castorseed section, however, a regular tussle between the bulls and bears brought about erratic fluctuations in prices, with final quotations revealing slight gains. Spots also looked up in sympathy with futures.

The Hyderabad Grain and Seeds Merchants Association has, through a representation to the Union Minister for Commerce and Industry, pleaded for a free trade policy regarding export of castor oil and a reduction by 50 per cent., if not complete abolition, of export duty on castor oil. If the free trade policy was not possible, it has suggested the alternative of extension, upto September this year, of the period for export of castor oil. As regards export of groundnut oil, the Association has felt that the policy of bringing down prices of groundnut oil to a low level would be detrimental to the interests of producers. To quote its own words: "If the policy of the Government is to bring down the prices (of groundnut oil) to Rs. 1,000 per ton at Bombay or at Madras, then the rate of groundnuts at Hyderabad, which is a producing centre, should come down from Rs. 15 to Rs. 10 per maund which will not give a margin of profit to the agriculturists." The Association has felt that the point for consideration for export of groundnut oil should be whether the country was surplus or deficit in groundnuts. If it was in surplus, the export should be allowed in order to get foreign exchange. The present rate of groundnut oil at London was Rs. 2,250 per ton and this should be taken advantage of. It has requested permission to export *kardi* and niger seeds also.

The groundnuts section is slowly but steadily drifting down to low levels. Bold F.A.Q. declined from Rs. 35-8 to Rs. 34-10. April-May and June-July lost As. 10 to As. 12 to Rs. 34-6 to Rs. 34-13, respectively. Khandesh quality lost As. 12 to Rs. 36-4. Groundnut oil ex-mill was lower by As. 2 to Rs. 17-14. May delivery declined by As. 3 to Rs. 18.

The linseed section ruled slightly easy. Bold ready was done at Rs. 25-4, as against Rs. 25-8. April-May and June-July deliveries changed hands at Rs. 24-0 and Rs. 24-12, as against Rs. 24-10 and Rs. 25-2, respectively. Linseed oil ready was lower by As. 2 at Rs. 14-6.

In the castorseeds section, May delivery which opened steady at Rs. 109-14, fluctuated between Rs. 111-14 and Rs. 108-4, before closing at Rs. 110-2. September delivery was done Re. 1 higher at Rs. 117-4; the highest and the lowest touched were Rs. 117-12 and 115-10, respectively. Advices from the Continent for castor oil were encouraging. Castor oil B.S.S. (April) was quoted in the U.K. at £122 c. & f., First Pressure at £121 and Commercial at £115, as against £119, £118 and £112, respectively, a week ago.

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

	7-3-54	*31-3-54	24-4-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 4	37 0	36 0
April-May	34 6	35 0	34 0
June-July	34 13	35 9	34 6
Linseed—			
Bold Ready (per cwt.) ..	25 4	25 8	24 12
April-May	24 6	24 10	23 12
June-July	24 12	25 2	—
Castorseeds—			
May 1954 (per candy)	110 2	109 14	107 14
Madras (per cwt.)	22 13	22 8	23 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 14	18 0	17 4
Castor Oil—			
Commercial (per quarter) ..	11 12	11 10	11 4

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, *7th April*

The Bombay sugar market continued to present a firm note during the week under review also. This was due to considerable bull support induced by high prices for sugar quoted by mills and persistent buying enquiries from Madhya Pradesh, Gujerat, Saurashtra and South Indian markets. Consequently, prices of sugar staged an advance in the spot and the forward sections alike.

In the spot section, large grain indigenous sugar spurted from Rs. 96-98 to Rs. 100-102 per bag, including the first stage sales tax of half-an-anna in the rupee. Medium grain was transacted at Rs. 97-98, as against Rs. 94-95. Small grain had buyers at Rs. 95, as against Rs. 93. Among foreign sugars, German moved up from Rs. 89 to Rs. 93 per bag of 220 lbs. British refined rose by Rs. 3 to Rs. 93-8 per bag of 2 cwts. Mexican and Cuban gathered Re. 1-8 each to Rs. 44-4 per 110½ lbs. and Rs. 40-8 per 100 lbs., respectively.

In the forward section, *Chaitra* delivery rallied Re. 1-8 to Rs. 89-12 per bag. Today, however, it was quoted a shade lower at Rs. 89.

The improvement in arrivals of sugar into the Bombay market witnessed last week gathered further momentum during the week under review, the quantity actually received being 5,700 bags, as against 4,200 bags last week and 1,800 bags two weeks before.

It is reliably understood that the Union Food Ministry is now anxious to bring down the present high prices of sugar by arranging an immediate allocation of sugar produced by the Deccan factories to the Civil Supplies Department in Bombay for distribution through fair price shops and co-operative societies "at a reasonable price." With this move, the upward trend in the prices of sugar, at least of imported sugar, may be expected to be checked. But, so far as bold grain indigenous sugar is concerned, the prospects of prices remaining at high levels appear to be bright, unless, of course, large quantities of bold grain sugar from Czechoslovakia or Java are imported in the near future.

SLIGHT RECOVERY IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, *7th April*

During the week, the pepper market, after touching the record low price of Rs. 1,300 at Alleppey and Rs. 1,040 for April delivery at Bombay, showed signs of recovery as the growers showed resistance by withholding supply. Besides, exporters, who had on their hand high-priced fair sized purchases, refused to give concession, in anticipation of good enquiry for the nearby shipment on settlement of the month-old longshoremen strike at the Port of New York. Alleppey refused to sell below Rs. 1,500. Garbled pepper, at Cochin, improved from Rs. 245 to Rs. 275 per cwt. Knowing fully that American buyers will never buy in a declining market, Indian exporters tried the other way of bolstering the prices up in order to attract buying. But so far, despite the settlement of the dock strike, there is no sign of broadening off demand from the U.S., as the premium on the spot in New York is getting narrower almost daily. If no fair sized foreign buying develops during the coming week or two, it is feared that both the growers and the dealers will become tired in view of their heavy holdings and approaching monsoon. The demand for margin on the loaned pepper may any time break the backbone of the market. Any attempt on the part of the growers and the bull exporters to rig up the market may bring forth reactions from nervous shorts, but the resultant price advances cannot be taken as a reflex of the general market feeling. Those in India, with full knowledge of the international pepper picture, cannot themselves believe that there is any virtue in this form of bolstering prices. Indian growers must, in any case, be left to decide their own method of marketing. The market in general is more concerned with the statistical situation than with any unilateral action contemplated by the growers whether in India or in Sarawak or in Indonesia.

In the A.S.T.A. section, April and May shipments were done at prices ranging from $0.68 to $0.72. June shipment was traded from $0.64 to $0.68. At the time of writing, however, there are sellers for April and May shipments at $0.70 and June at $0.66½, but with small interest. In delivery trading, April and May deliveries were done from Rs. 1,040 to Rs. 1,170 and Rs. 1,070 to Rs. 1,220 per candy respectively.

Following are today's nominal quotations: Ready Rs. 160 per Bengali maund, and April Rs. 1,100-20 and May Rs. 1,140-60 per candy of 5½ cwts.

HEAVY JUTE GOODS ACTIVE

(From Our Own Correspondent)

CALCUTTA, *6th April*

Speculative support for heavy goods enlivened activity in the market during the week under review, although hessian accounted for only a fractional rise in prices. Following moderate business put through for export, in heavy goods, there was intense activity in the *futka* by speculators, and ready B. twills rose impressively to Rs. 108-8 from Rs. 105-12. The July-September position was taken to Rs. 105-2 from Rs. 103-10, and the April-June to Rs. 107 from Rs. 105-4. Mills were interested to sell forward. The improvement was due to the heavy selling done in March, as a result of which stocks are expected to show a substantial reduction. On the other hand, in hessian no such result is anticipated and, in fact, some increase in stocks with mills would not be a surprise to the market. Shippers entered into business in forward hessian, and small acceptances from both the United Kingdom and America continued to be received. Starting from Rs. 42-4, ready 40" 10 oz. hessians gained to Rs. 43-2, the f.o.b. rate being higher at Rs. 47-3. April-June and July-September deliveries at Rs. 43-2 for both were better by As. 12. The eight oz. hessians were last quoted at Rs. 38 f.a.s. and at Rs. 39-4 f.o.b.

A strong case for the functioning of a duly legalised futures market for jute goods was put forward by Mr. S. M. Mohta in his address to the annual meeting of the Calcutta Jute Fabric Shippers' Association last Wednesday. He said that it had been recognised all over the world that futures markets were essential for the proper and healthy development of trade in some commodities. No doubt, it was on the basis of this recognition only, that a futures market in jute goods was functioning in Calcutta. But violent variations in prices brought about by speculative elements very often caused difficulties in the way of price adjustments and forced the Government of West Bengal to ban the futures market from 19th December, 1952. If a futures market is only run on ideal and sound lines, it would be a boon to the industry as in times of dullness prices could be maintained. However, the lack of a duly constituted futures market has resulted in the growth of mushroom associations or exchanges where futures trading is being carried on with disastrous consequences to

genuine trade. The various associations and organisations concerned have already put forward their views on this subject, and it is to be hoped that an official futures market is established soon, with a machinery that would check unhealthy activities.

The raw jute market was steady, and business was done in about 350,000 maunds. The lack of rain so far for sowing of the new crop and the continuance of only small arrivals from upcountry centres made sellers reserved and forced buyers to agree to sellers' terms. Prices were, however, maintained, as mills would not give any hint to agree to pay higher prices. Thus Assam bottoms changed hands at Rs. 24-12, Dhubri bottoms Rs. 26-8, and jat cross bottoms Rs. 22. Junglis were traded at Rs. 24, while northern bottoms came to business at Rs. 27-8, as against Rs. 26 earlier. Pakistani jutes registered a decline, jats giving way to Rs. 27 from Rs. 27-8, districts to Rs. 26 from Rs. 27, and northerns to Rs. 25 from Rs. 26-8, basis bottoms in Indian currency. Daisee bottoms were quoted at Rs. 29, *Bimli* at Rs. 22-8 and westerns at Rs. 24-8. In the *pucca* bales section, Pakistani special N.C. cuttings were done at Rs. 75 a bale, and Pakistani N.C. cuttings at Rs. 65 a bale. First marks ready were sought at Rs. 170 a bale.

FOODGRAINS QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, *5th April*

There is little to report from the Indian food front this week. The overall food position is quite comfortable and will improve further as the *rabi* crop arrivals in North India gather momentum. The Indian Food Ministry has asserted that the Government is now in a position to meet the food requirements, including rice in the country. Further details of the recently stipulated rice agreement with Burma are now disclosed. It is revealed that India only wants good quality rice and Burma will make every effort to supply it. The Burmese rice, after crediting a part of the cost towards Burma's debt to India, is likely to cost about Rs. 19 per maund. The internal economic price is about Rs. 14 to Rs. 15 per maund. The Government expects that India will be able to procure roughly about one million tons of rice from internal sources. Both varieties of rice, imported and internally procured, will be pooled before being issued to deficit areas.

Foodgrain markets in U.P. remained quiet to steady. Harvesting of *rabi* crops, including wheat, is now in full swing all over the State. Coarse grain arrivals have begun, but the pressure is by no means heavy. Wheat arrivals may take another week or so. Trade stocks have been left very low. The State Government has offered for sale to the trade and public without quantitative restrictions stocks of wheat at Rs. 16, gram at Rs. 12 and barley at Rs. 10 per maund, but, as free market prices are generally lower than these, sales out of Government stocks have been nominal. The Government holds a stock of 33,559 tons of wheat and 12,977 tons of rice. Wheat stocks consist mainly of imported variety, while those of rice are indigenous produce. Wheat is also being sold to roller flour mills at Rs. 17-8-6 per maund for manufacture of *maida*, *sooji*, and *rawa* and at Rs. 15-8 for manufacture of *atta*. It is authoritatively stated that the Government has no intention of purchasing wheat or rice this year and that Uttar Pradesh will get its share from the reserve stock proposed to be built by the Centre.

A new wheat zone comprising the States of Punjab, P.E.P.S.U., Himachal Pradesh, Delhi and Bilaspur will come into being with effect from 1st May next. Movement of wheat within this zone will be free, but export of wheat from this zone will not be permissible. It is expected that the decision of the Government of India will provide an important market in Delhi from the surplus wheat of Punjab and P.E.P.S.U., and ensure a reasonable price for the growers. This will help the consumer in Delhi in getting wheat of his choice.

The food and procurement policy of the Travancore-Cochin Government is expected to undergo some changes, following the talks of the State's Chief Minister with Mr. Kidwai. It is understood that the Centre will supply the State whatever quantity of rice is required for consumption. Rationing in the State will, however, continue as at present. It is understood that the Government will hereafter supply to card holders an unlimited quantity of rice at the rate of Rs. 22-8 per maund.

The Bengal Civil Supplies Minister has stated that the food position in the State is quite satisfactory. According to Mr. Kidwai, the West Bengal Government has already implemented the Centre's policy of making rice available to people over and above the rationed quantity.

The Government of Madhya Pradesh has issued a clarification to the effect that the Centre has made it very clear that there will be no relaxation of inter-State movement of rice. Accordingly, the State Government will not permit ex-State movement of parboiled rice on trade account.

SUGAR PRICES RISE

(From Our Own Correspondent)

HAPUR, *5th April*

Crystal sugar markets remained very steady during the week under review and there was a further sharp rise in prices, particularly at the ports. Reckless speculative buyings were reported from Kanpur and Muzaffarnagar markets, and the sugar mills seemed to connive in withholding released sugar stocks from the ready market and thus push up prices. The Central Food Ministry has recently taken a number of steps to arrest this upward trend, the latest being the allotment of sugar to State Governments from out of the reserve of 25 per cent. of the production of each factory during the current season for distribution at controlled prices. All these, however, have failed to react bearishly on the markets. The President of the Kanpur Merchants' Association has suggested to the Government to forbid mills from entering into any future commitment, directly or indirectly. It is authoritatively stated that the Government of India has decided that steps should be taken to increase indigenous production of sugar, in view of the increased consumption in the country. The additional capacity to be installed for this purpose, says a Commerce and Industry Press note, may take the shape of establishing new factories, expanding existing ones and, to a limited extent, setting up refineries.

The sugar crushing season is now drawing to a close. It is hoped that, by the middle of this month, most of the mills in the country will have terminated working. Reports from Bihar are very discouraging, while those from the Deccan are not much better. About 3,735,000 maunds of sugar was manufactured in Bihar till the end of February, 1954, as against 5,024,000 maunds in the corresponding period of 1953. about 37,400,000 maunds of cane was crushed by the various sugar factories in Bihar. As prices of gur ruled high, a large quantity of cane was diverted to the manufacture of this commodity. Sugar production in Bihar, according to latest reports, will be about 10 to 15 per cent. less this year as compared with last year.

Ports complain that stocks of sugar are nearly exhausted and it may take more than a fortnight before any consignment of foreign sugar is received. Arrivals of foreign sugar upto 15th February, 1954 aggregated 241,000 tons, while production in Indian factories to date was 682,000 tons. It has been notified that sugar, which was decontrolled in Calcutta about a year ago, will again be sold through ration shops at As. 12-6 per *seer* from the second week of this month. There will, however, be quantitative restriction on such sales so that no one can purchase more than five *seers* in a single transaction.

Estimates of world sugar crops during the current season, issued by the London brokers, C. Czarnikow Ltd., show a total production of beet and cane sugar of 38,881,000 tons. This marks an increase of over 3 million tons or 8·8 per cent. as compared with 1952-53.

Gur markets remained fairly steady. There was moderate demand from importing areas for stock-piling. *Gur* manufacture is now virtually terminated and the peasants are busy gathering their *rabi* crops. Arrivals are appreciably lower, despite high price level. Despatches by rail were also poor, due to non-availability of empty wagons. Apart from reduced arrivals and sustained enquiry, an important steadying factor has been the speculative support induced by firm advices from crystal sugar market. Consequently, price movements in *gur* futures were very erratic.

The *Gur* and *Khandsari* Research station, Lucknow, has arranged to hold demonstrations of an improved process of *khandsari* manufacture. The process, it is stated, gives a yield of about 7.5 per cent. sugar on cane—25 per cent. higher than that obtained by the usual *desia sajji* process. The sugar produced is also of a better quality.

BRADFORD WOOL STRONG

(Messrs. J. Hardacre and Co.)

BOMBAY, *6th April*

The raw material is gaining in strength, according to reports from both primary and spot wool markets this week. It seems that, in Australian and New Zealand markets, importers are accelerating their buying, in order to secure maximum quantities of wool for shipment before these markets close for Easter.

In view of the increased prices commanded by crossbred wool in New Zealand, it is not surprising to find that crossbred tops are quoted at higher prices today. Medium crossbreds have advanced by 3d. per lb. over the week. Reports from today's sale in New Zealand indicate a further advance of 2½ per cent. over the prices ruling at the sale on 31st March, 1954.

The tone of the top market is very strong indeed, with the force coming from the raw material end. There is a steady flow of business, despite misgivings concerning the advancing price trend, and most-topmakers are fully booked, with the result that deliveries are now much further forward. The indication, therefore, is that, if anything, prices will tend to firm, or even advance, during the next few weeks.

Current quotations (in pence per lb. c. & f., Bombay) for Bradford oilcombed tops are given below:

48s carded (April-May, 1954) 90d., 58s super (April-May, 1954) 119d., 60s super (April-May, 1954) 134d., 64s super (April-May, 1954) 151d., and 70s super (April-May, 1954) 170d.

METAL PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, *6th April*

Following the dramatic announcement in Washington of the American Government's decision to increase its stockpiling of 35 to 40 strategic minerals and metals, market advices from London and New York bear a distinctive encouraging tone. This higher tone was reflected in the local market, with zinc and lead occupying the pride of place in the upward movement in quotations. The immediate reaction of the shrewd among local operators was one of caution as they sighted the lack of any broadening of activity in world markets. For proposals for international control of the most destructive weapons mankind has ever produced have never been so vociferous as in the past one week or two. However, the stockpile announcement has been made in the United States and a squeeze of available supplies is bound to follow. It was this anticipation rather than the volume of business which raised quotations this week.

Consumer demand for zinc was low this week, and was met with no difficulty. But, for the reason already stated, the price was sent up from Rs. 62-8 to Rs. 66. In contrast, moderate business was done in electrolytic zinc which rose from Rs. 55 to Rs. 58 as compared with the gain in London from £76½ to £80½ per ton, and that in America from 9¾ cents to 10½ cents a pound. Consumers learnt with an air of satisfaction the report of fresh arrivals of copper in Bombay, since supplies were hard to find and an expected shortage was bound to cause headache to manufacturing concerns. No doubt, more arrivals are necessary to ease the supply situation. The price of electrolytic copper was held steady at Rs. 182 and the report that the American Government would buy 100,000 short tons of Chilean copper for the stockpile boosted the local sentiment. Tin advanced from Rs. 456 to Rs. 461, but purchases were restricted.

FALL IN DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *6th April*

Last week's sale for domestic consumption was noted for a fall in demand which affected prices. Offerings of dust aggregated 19,000 chests. There was a general decline in prices by half to one anna. Although commons were also affected, they were steady. The worst features were the exportable types. After recording an irregular movement, C.T.C. Assams were slightly better towards the close of the sale. The rates were: best Assam C.T.Cs. Rs. 2-3-6 to Rs. 2-4, medium Assam grainy dusts Rs. 2-2, and medium Dooars Rs. 2-1. The leaf market was steady because of the small quantity on offer, i.e., 816 packages, most of which were the poor quality teas. Prices were steady.

KIPS HESITANT

(From Our Own Correspondent)

MADRAS, *5th April*

The kip market has ruled hesitant and importers are trying to buy at lower levels. In the local market, light weights are easy, while mediums steady and heavies firm. Business in cow calf and buff calf has been meagre. Demand for lower grades has been insistant and arrivals have met with good offtake for inland trade. The local market for tanned goat and sheep skins has ruled steady and clearances fair-sized. Prime tannages have been in good demand.

Shipments in bales during March, 1954 were: *To the U.K*: 2,929 td. cow, 222 td. cow calf, 89 td. buff hides, 349 td. buff calf, 700 td. goat and 739 td. sheep; *to the Continent*: 11 td. cow, 469 td. goat, 107 td. sheep and 80 D/S goat; *to the U.S.A.*: 93 td. cow, 55 td. buff hides, 33 td. buff calf, 145 td. goat, 258 D/S goat and 13 td. *snake skins*; *to Japan*: 23 tanned sheep skins.

HIDES DRIFT LOWER

(From Our Own Correspondent)

KANPUR, *4th April*

A downward tendency in prices characterised the trading in the hides and skins market during the week under review. The buff category was, however, not as much affected as others, such as wet salted cow. New weekly arrivals were slightly smaller than the average. The main purchasers were the local tanners and Madras dealers.

Latest quotations are: Wet salted cow, 1st grade Rs. 240 and 2nd grade Rs. 160 to Rs. 180 per score; wet salted buff, 1st grade 1/14 ozs. to 2 lbs. and 2nd grade 2 lbs. 2 ozs. to 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 200 to Rs. 250 per 100 pieces; sheep Rs. 200 to Rs. 300 per 100 pieces.

Notice

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st May, 1954, of the Dividend due on the 5 per cent. Cumulative Preference Shares of the Company for the half-year ending 30th April, 1954, without any deduction in respect of Income-tax payable by the Company.

The Preference Share Transfer Register of the Company will be closed from 21st April to 1st May, 1954, both days inclusive.

Dividends are paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
F. RANKEN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *2nd April, 1954.*

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	20th March 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,185.92	1,190.11	1,171.42	1,133 12
Notes held in Banking Department	35.05	17.23	12.40	22.28	17 03
Foreign Securities	39.50	648.15	648.15	635.15	578.15
Rupee Securities	97.89	421.34	421.84	421.34	449.86
Banking Department					
Deposits of :					
Government of India	14.89	65.77	64.02	86.06	135 78
Other Governments		62.59	62.56	24.66	19.85
Balances held abroad	10.08	104.82	101.88	106.82	145.53
SCHEDULED BANKS					
Demand Liabilities	134.87	528.89	518.74	520.70	534.05
		(6.96)†	(7.15)†	(6.44)†	(11.91)†
Time Liabilities	102.84	327.57	327.15	331.38	311.83
		(1.38)†	(1.43)†	(1.53)†	(1.86)†
Borrowings from Reserve Bank	..	31.00	13.37	21.26	18.87
		(17.50) ‡	(18.20)‡	(10.20)‡	(5.24)‡
Borrowings from Imperial Bank	..	11.50	12.45	11.15	10 46
Cash in India	6.71	32.07	30.93	31.33	32.49
Balances with Reserve Bank	25.29	40.83	38.50	38.90	42.70
Excess over statutory limits	15.52	7.83	6.12	6.24	9 77
Balances with other banks in current account in India	..	10.34	10.02	10.33	11.01
Money at call and short notice in India	..	9.40	8.88	9.58	12.67
Investments (at book value)	..	818.87	817.10	319.23	303.31
Advances and bills	105.09	538.19	537.03	521.41	528.53
IMPERIAL BANK					
Deposits	87.76	208.35	206.24	209.82	214.15
Investments	51.99	91.14	89.87	90.12	82.22
Advances	30.87	124.63	126.05	128.82	133.71
Cash	14.69	14.70	13.87	14.43	18.43

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	2nd April, 1954		26th March, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,63,284	66,18,32,000	2,24,564	53,55,03,000
Calcutta	1,67,799	60,09,02,221	1,59,479	53,85,66,120
Madras	79,588	9,70,03,896	76,048	7,90,39,897
All Centres—				
1953	..	..		1,06,41,941 25,79,51,57,000
1953	..	..		1,14 88 214 26,45,05,08,000
Jan., 1954	..	..		2,794,000 5,76,54,00,000
Feb., ,,	..	..		2,721,000 5,76,25,00,000

Reserve Bank of India
Statement of Affairs for the week ended 2nd April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits :—		
(a) Government—		
(1) Central Government		63.59,13,000
(2) Other Governments		88,94,87,000
(b) Banks		42,06,03,000
(c) Others		44,65,78,000
Bills Payable		8,78,94,000
Other Liabilities		23,26,97,000
	Rupees	226,31,72,000

ASSETS	Rs
Notes	10,63,00,000
Rupee Coin	13,29,000
Subsidiary Coin	7,78,000
Bills Purchased and Discounted—	
(a) Internal	39,50,000
(b) External	
(c) Government Treasury Bills	10,93,20,000
Balances held abroad*	96,04,20,000
Loans and Advances to Governments	1,10,00,000
Other Loans and Advances	82,30,39,000
Investments	65,83,62,000
Other Assets	8,95,75,000
Rupees	226,31,72,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 9,00,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 45,32,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	10,63,00,000	
Notes in circulation	1207,03,89,000	
Total Notes issued		1217,66,89,000
Total Liabilities		1217,66,89,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	658,15,11,000	
Total of A		698,16,82,000
B. Rupee Coin		98,15,93,000
Government of India Rupee Securities		421,83,84,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1217,66,59,000

Ratio of Total of A to Liabilities: 57.337 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 26th March 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	6,95,89,000†
	(ii) Other demand liabilities	521,93,06,000
2	Time Liabilities in India :	
	(i) Borrowings from banks	1,37,50,000†
	(ii) Other time liabilities	326,19,81,000
3.	Cash in India	32,06,57,000
4.	Balances with the Reserve Bank in India	40,83,23,000
5.	Balances with other banks in current account in India	10,33,70,000
6.	Money at call and short notice in India	9,40,07,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	818,86,67,000
8.	Advances in India	469,84,61,000
9.	Inland Bills purchased and discounted in India	68,84,33,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
12th January ..	1.00	1.22	1.00	2 7 11	82
19th ,, ..	1.00	1.01	1.00	2 8 0	100
27th ,, ..	1.00	1.81	1.00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th ,, ..	1.00	1.01	1.00	2 9 0	99
16th ,, ..	1.00	1.09	1.00	2 9 11	92
23rd ,, ..	1.00	1.28	1.00	2 10 6	84
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th ,, ..	1.00	1.90	1.00	2 10 11	71
15th ,, ..	1.00	1.27	1.00	2 11 0	79
23rd ,, ..	1.00	1.01	1.00	2 11 0	99
30th ,, ..	1.00	1.00	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
Total ..	13.00	16.20	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	Per *capita* income (Rs.)
India† ..	1950-51	359.83	..	9,530	265
Pakistan ..	1949	75 04		1,671	223
Burma ..	1951	18 87	Kyats. .. 3,166	317	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84.30	Y. 4,849,400	6,414	761
Philippines ..	1952	20.63	P. 10,190,000	1,675	811
New Zealand ..	1952	2.00	£ (N.Z.) 646	881	4,307
Australia ..	1952	8.63	£ (A.) 3,521	3,756	4,349
U.K. ..	1952	50.43	£ 13,648	18,197	3,608
U.S.A. ..	1952	156.98	$ 290,400	138 280	8,806
Canada ..	1952	14.09	$ 18,130	1,165	5,662
France ..	1952	42.80	F. Fr. 10,190,000	13,864	3,254
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	46.88	Lr. 8,112,000	6,81	1,918
Norway ..	1952	3.32	Kr. 16,596	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,715	1,439	3,346
Switzerland ..	1952	4 82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source ; United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan
Statement of Affairs for the week ended 26th March, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	92,83,62,000
(b) Provincial Governments	1,80,000
(c) Banks	11,43,93,000
(d) Others	2,42,63,000
Bills Payable	11,09,000
Other Liabilities	4,51,04,000
Rupees	58,42,61,000

ASSETS	Rs.
Notes	8,95,35,000
Rupee Coin	4,000
Subsidiary Coin	9,000
Bills Purchased and Discounted :—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	.....
Loans and Advances to Governments	1,41,00,000
Provincial Governments' Debtor Balances	10,13,31,000
Other Loans and Advances	7,91,75,000
Investments	19,27,00,000
Other Assets	10,74,07,000
Rupees	58,42,61,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,95,35,000	
Notes in circulation	231,46,55,000	
Total Notes issued		240,41,90,000
Total Liabilities		240,41,90,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	7,91,45,000	
Silver Bullion		
Sterling Securities	50,48,26,000	
Government of India Securities	13,89,82,000	
Internal Bills of Exchange and other commercial paper	.....	
B Rupee Coin	5,25,02,000	102,23,41,000
Government of Pakistan Securities	128,63,72,000	
Internal bills of exchange and other commercial paper	.....	133,33,74,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
	.....	4,24,75,000
Total Assets		240,41,90,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 44.19 per cent.

EXCHANGE RATES

		7th April, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	,,	1-5⅛	1-5⅛
Sellers T.T. D.D. 4/6 six months	,,	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	,,	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	,,	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475¼	475¼
Buyers T.T.	Rs.	471¼	471¼
London on New York	$	2.81⅜-2.81⅝	2.81⅛-2.81⅜
London on Paris	Fcs.	983¼	984
London on Berne	Sw. Frs.	12 22⅛-12.22⅜	12.22⅛-12.22⅜
New York on London	$	2.81⅛-2.81⅜	2.81⅛-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	25th Oct., 1953	3	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1953	3	2
Denmark ..	23rd Sept., 1953	4½	3
Finland ..	15th Dec., 1951	7½	5
France ..	4th Feb., 1954	3	3½
Greece ..	18th July, 1946	1	2½
India ..	18th July, 1946	2	3
Italy ..	8th April, 1950	3	3½
Japan ..	1st Oct., 1951	4	6
Netherlands ..	7th April 1953	5.11	5.84
New Zealand ..	26th July, 1941	2	3
Norway ..	9th Jan., 1946	3	4
Pakistan ..	1st July, 1948	2	3½
Portugal ..	18th Jan., 1954	3	3
South Afrca ..	31st Mar., 1953	3½	4
Spain ..	18th Mar., 1949	4½	4
Sweden ..	20th Nov., 1953	3	3½
Switzerland ..	26th Nov., 1936	2	1½
Turkey ..	26th Feb., 1951	4	5
United Kingdom ..	17th Sept., 1953	3½	4
U.S.S.R. ..	1st July, 1938	6	3½
U.S.A. ..	19th Feb., 1954†	2	1½
West Germany ..	5th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue	10.56	10.07	84.60	82.62
Protective	0.57	0.59	6.01	4.53
On surplus disposals ..	—	0.09	0.08	0.19
Total import duties ..	11.23	10.75	90.64	87.34
Export Duties	3.19	1.19	43.24	30.21
Land Customs	0 23	0 16	2 14	1.38
Miscellaneous	0.11	0.07	0.92	0.55
Gross total customs ..	14.78	14.17	136.94	119 48
Refunds and drawbacks ..	0.19	0 21	2 18	1 50
Net Customs	14.59	13.96	134.75	117.98
Gross excise	6.98	8.29	62.11	69.30
Refunds	0.07	0.15	1.16	0.73
Net Excise	6.91	8.14	60.96	68.56
Net total of customs and excise ..	21.50	22.10	195.70	186.64

Imperial Bank of India
Statement of Affairs for the week ended 2nd April, 1954

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,85 00,000
Deposits and other Accounts		216,89,11,000
Borrowings from other Banking Companies Agents		1,25,13,000
Bills Payable		3,04,45,000
Bills for Collection being Bills Receivable as per contra		39,38,000
Acceptances, Endorsements and Other Obligations as per contra		7,000
Other Liabilities (including Inter-Office Adjustments)		3,74,69,000
Total	Rs.	237,80,83,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,54,65,000
Balances with other Banks		2,85,80,000
Money at Call and Short Notice		80,00,000
INVESTMENTS—		
Government and other Trustee Securities	31,49,90,000	
Other Authorised Investments	10,87,59,000	
		92,17,49,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	95,57,36,000	
Bills Discounted and Purchased	29,86,22,000	
		124,95,58,000
Bills Receivable being Bills for Collection as per contra		39,38,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		7,000
Premises less Depreciation		1,83,37,000
Furniture and Fixtures less Depreciation		41,62,000
Other Assets (including Inter-Office Adjustments)		2,32,23,000
Total	Rs.	237,80,83,000

SMALL SAVINGS
(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †					Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings ◎	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	5-Year		7-Year		12-Year					
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1.47	76	74	22.40	22.86	85.57	22.91	— 12.31		
1951-52	6.08	77	2.91	22.08	46.81	1,07.55	74.18	— 27.06		
1952-53	6.84	66	3.27	23.06	84.18	1,12.86	91.01	— 31.08	13.10	13.29
									7.54	25.54
January 1953 ..	6.54	4	3.10	2.02	80.77	8.88	86.09	— 30.51		
February ,, ..	6.61	5	3.22	1.84	82.14	7.64	88.38	— 30.76	53	24.48
March ,, ..	6.84	9	3.27	2.56	84.18	13.75	91.01	— 31.06	62	25.06
April ,, ..	6.80	6	3.21	2.24	85.95	9.56	93.01	— 31.30	60	25.54
May ,, ..	6.83	4	3.20	2.06	87.57	9.55	93.80	— 31.30	56	25.88
June ,, ..	6.82	4	3.21	2.25	89.33	9.43	93.50	— 31.52	56	26.18
July ,, ..	6.78	11	3.26	2.23	91.02	10.26	96.23	— 31.78	59	27.20
August ,, ..	6.67	9	3.44	2.23	92.93	8.76	96.57	— 32.06	64	27.56
September ,, ..	6.59	13	3.52	2.04	94.38	9.20	97.72	— 32.36	69	28.20
October ,, ..	6 51	11	3.58	1.97	95.83	8.58	97.72	— 33.71	59	28.67
November ,, ..	6.33	9	3.65	2.03	97.37	7.69	97.55	— 32.99	56	29.41
December ,, ..	6.27	14	3.74	2.23	98.95	9.35	98.31	— 33.23	46	29.84
January, 1954 ..	6.16	13	3.82	2.08	1,00.47	8.91	99.23	— 33.77	50	30.75
February ,, ..	..	..	..	..	..	..	..	..	54	31.23

* At the end of period. ◎ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. ‡ 10-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES*
(Base 1949-50=100)

Group and Sub-Group	Week ended 20-2-'54	20-3-'54	27-3-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.3	99.4	99.4
1. Government of India	99.2	99.2	99.3
2. Indian States	99.7	99.7	99.7
3. Municipal, Port Trust, etc.	99.3	99.3	99.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.8	101.6	101.6
1. Electricity	102.9	102.7	102.7
2. Jute	99.8	99.8	99.8
3. Plantations	99.6	99.7	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	99.6	99.6	99.6
6. General Engineering	103.5	103.3	103.3
7. Shipping	102.3	102.3	102.3
8. Others	100.5	100.6	100.7
PREFERENCE SHARES	88.7	88.9	88.1
1. Electricity	96.4	96.3	96.1
2. Cotton	85.5	85.5	85.8
3. Jute	88.3	88.3	88.2
4. Coal	90.8	90.8	90.2
5. Iron and Steel	91.8	91.8	91.6
6. Sugar	74.1	74.8	75.4
7. Paper	96.5	96.5	97.4
8. Cement	89.4	90.2	90.2
9. Miscellaneous	87.5	85.7	86.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	102.9	102.3	102.6
(a) Financial	87.7	88.1	88.2
1. Banks	86.9	87.0	86.8
2. Insurance	97.1	100.0	101.5
3. Investment Trust	76.7	76.7	77.1
(b) Public Utilities	111.8	111.7	112.3
1. Electricity	117.5	117.5	117.7
2. Shipping and other Transport	105.5	106.9	106.7
3. Railways	105.0	104.8	105.4
(c) Manufacturing Industries	105.6	105.4	105.9
1. Cotton, Woollen and Silk	102.8	102.5	102.3
2. Jute	82.6	82.6	82.6
3. Iron and Steel	119.2	121.2	123.7
4. Paper	176.2	180.8	182.8
5. Cement	123.8	123.7	124.8
6. General Engineering	130.0	130.2	132.1
7. Sugar and Breweries	89.4	87.8	88.5
8. Chemicals	110.9	110.9	111.2
(d) Non-Manufacturing Industries	108.3	108.8	108.1
1. Coal	77.0	76.9	76.9
2. Mining and Oil	166.6	164.4	162.3
3. Plantations	105.2	105.3	106.8
(e) Miscellaneous	83.7	84.2	83.7
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.8	89.9
2. Calcutta	90.3	90.3	90.4
3. Madras	90.6	90.6	90.7
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.9	101.4	101.4
2. Calcutta	108.3	108.3	108.3
3. Madras	100.0	100.1	100.0
PREFERENCE SHARES	92.9	92.6	92.6
1. Bombay	85.3	84.9	85.1
2. Calcutta	89.0	89.8	89.8
3. Madras			
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	112.5	112.0	112.3
1. Bombay	94.1	94.3	94.4
2. Calcutta	99.3	100.7	100.5
3. Madras	102.9	104.7	105 1
4. Delhi			

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work	Number of workers involved	Number of man-days lost
1950 ..	814	719,863	12,806,704
1951 ..	1,071	691,781	8,818,928
1952 ..	903	809,242	3,335,961
1953† ..	989	582,667	3,380,709
January 1953 ..	95	808,881	674,840
February ,, ..	88	62,190	218,607
March ,, ..	87	42,480	142,498
April ,, ..	134	49,487	234,846
May ,, ..	118	89,098	257,063
June ,, ..	101	42,884	171,388
July ,, ..	82	40,744	178,215
August ,, ..	87	48,585	455,533
September ,, ..	96	57,875	460,553
October ,, ..	94	78,181	545,618
November ,, ..	83	46,766	272,245
December ,, ..	81	37,522	155,017
January 1954† ..	85	42,383	244,416
February ,, ..	45	20,477	139,411
March ,, ..	57	28 281	216,207
April ,, ..	72	49,155	218,253
May ,, ..	88	39,617	276,216
June ,, ..	99	80,357	252 279
July ,, ..	87	48,056	181,122
August ,, ..	74	53,083	225,154
September ,, ..	106	44,463	467,278
October* ,, ..	100	80,097	402,002
November* ,, ..	87	41,031	344,811
December ,, ..	79	40,330(a)	473,907
January 1954 ..	75	49,509	320,618

† Figures for 1953 are provisional.
(a) Not known in one case.
* Revised.

ELECTRIC ENERGY : GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,848.1	4,667.6
1952-53	614	6 301.4	5,134.3
August 1952 ..	598	531.6	422.7
September ,, ..	597	530.4	430.9
October ,, ..	599	548.3	441.5
November ,, ..	605	529.7	426.4
December ,, ..	608	553.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	535.0	455.7
April ,, ..	616	530.9	438.2
May ,, ..	620	560.4	458.1
June ,, ..	625	543.8	450.2
July ,, ..	627	588.0	471.0
August ,, ..	R629	587.9	488.9
September ,, ..	633	578.5	482.3
October ,, ..	634	583.1	488.7
November ,, ..	637	563.1	455.7
December ,, ..	640	608.6	488.9

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	20th March, 1954	13th March, 1954	21st March, 1953	February, 1954	February, 1953	Percentage of increase (+) or decrease (—) in Feb., 1954 as compared with Feb., 1953	1952	1951
Food Articles	271.2	268.9	265.6	272.3	261.6	+ 3.2	259.8	209.8
Cereals	425*	425	429	439	435	+ 1.2	450	453
Pulses	365	350	502*	367	611	—36.7	488	506
Other	292	284	244	281	233	+20.6	226	290
Industrial Raw Materials	459 8	468.7	456.3	471.3	440.1	+ 7.1	483.8	608.2
Fibres	443	453	417	457	404	+13.1	454	622
Oil seeds	514	518	574	526	527	— 0.2	484	679
Minerals	442	466	459	444	450	— 1.3	458	426
Others	403	404	359	403	363	+11.0	341	538
Semi-Manufactures	355 6	354.7	351.8	380.1	347.2	+ 3.7	340.8	377.8
Leather	388	387	441	397	421	— 5.7	445	459
Mineral oils	221	221	223	221	223	— 0.9	221	197
Vegetable oils	477	472	491	499	463	+ 7.8	458	678
Cotton yarn	447	448	446*	451	442*	+ 2.0	455*	483
Metals	238	237	227	237	228	+ 3.9	211	197
Oil Cakes	417	413	426	427	414	+ 3.1	442	500
Others	306	305	211	305	230	+32.6	278	380
Manufactured Articles	378.7	372.6R	389 2	388.3	367.	+ 0.1	377.6	395.8
Textiles	419	414R	406	408	405	+ 0.7	423	465
Jute	320	321	371	327	390	+ 0.5	508	603
Cotton	413*	406*	406*	403*	406*	— 0.7	401*	400*
Rayon and Silk	512*	491*R	528*	453*	477*	— 5.0	455*	611*
Woollen	313	313	316	315	296	+ 6.7	345	378
Metal products	337	337	336	337	336	+ 0.5	321	285
Others	286	286	291	283	288	— 1.7	298	300
Miscellaneous	338.3	338 1	334.2	333.9	325.9	+10.6	325.0	729.8
All Commodities	394.0	393.3R	386 6	385.0	381.5	+ 3.5	386.0	429.2

R—Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	1953	June 1934	July 1927	January 1928	August 1939	August 1939	June 1936	June 1936	1944	1944	1944	1944	1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	166
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	159
July ,,	142	338	262	304	496	375	354	331	148	175	143	161	155
August ,,	144	340	267	312	466	377	366	330	149	173	176	169	157
September ,,	143	341	269	310	463	380	364	328	148	178	143	157	150
October ,,	144	345	274	311	456	381	363	327	146	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	145	176	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	176	138	150	149
January 1953	139	346	260	310	454	381	337	327	135	168	134	149	146
February ,,	141	351	264	315	459

THE UNITED COMMERCIAL BANK LTD.

(*Concluded from page 679*)

Shackles on trade between China and the rest of the world have affected Hongkong's prosperity. The cessation of Korean hostilities and the forthcoming Conference in Geneva, where the Chinese People's Government will, for the first time sit together with the Big Four Powers, will, let us hope, lead to the full revival in Hongkong's trade with the mainland.

Pondicherry

"It is regrettable that conditions for merging French possessions in India with the Indian Union are being unnecessarily retarded. Once the unification takes place, Pondicherry can be developed into a better port and its trade too can expand. There is no need for the agitation and disturbance which are now getting to be more frequent, to solve the merger issue. Realism and political sanity demand that this question should be immediately settled.

Economic Commission for Europe

"The survey for 1953 of the Economic Commission for Europe refers to the favourable dollar position of most Western European countries during the last 18 months. This is not due to increased exports to dollar area countries but is the result of reduced imports from hard currency areas. Europe has found alternate soft currency sources for buying wheat, sugar, cotton, tobacco, copper and petroleum products which make up in the aggregate 40 per cent. of Western Europe's dollar imports. The problem before Europe, therefore, is not the shortage of dollars but how to prevent falling industrial production developing into general decline. Recession in American business will further accentuate this problem. When dealing with terms of trade I have referred to the need of adjustment in production costs through smooth downgrading of wages.

United States

"The United States of America is perhaps the largest power today, economically, politically and militarily. Its aid, by whatever name called, has helped to rehabilitate the economy of many a country. But the tempo of this assistance is decreasing; and its capacity to bear the burden indefinitely and to the same large extent seems to be not so easy. Its people appear to be feeling the load of sacrifices they have been making for the last many years. With the fall in the intake of dollar goods by the rest of the world, and the decrease in the production of war goods due to cessation of Korean hostilities, there is bound to be some reduction in that country's industrial production. In spite of optimistic appraisals by some of the U.S. economists, signs are being increasingly felt of the deepening of recession in that country.

How to Check Recession?

"To check possible adverse influences on the European and American productions, it is necessary to pursue with full vigour programmes of investments for development in the backward areas of the East. This task of building up better economic satisfaction of people who have very low incomes, will not only keep at full speed the Western machines, but also lead to better political contentment tranquillity and peace. Such a policy will give far greater dividends in the friendship of millions and millions of Eastern people than mere expenditure on military alliances. In this connection, it is indeed hopeful to observe that President Eisenhower has laid correct emphasis on reduction of tariff barriers in the United States and expansion of dollar investments abroad in his special series of foreign economic policy recommendations to Congress at the end of last month.

U.S.-Asia Question

"The history of the United States is one complete uniform record of success and victory in all fields of life. It has not much galling experience of reversal or defeat. But hitherto its dealings have been mainly with smaller groups of humanity conforming to Western culture and civilisation. Its first contact with the biggest Eastern country, China, ended in a sad disillusionment. A new technique of winning the trust and confidence of the poverty-ridden Eastern peoples, who have nothing to lose in any political change, through a better understanding of their sentiment, attitude and purpose and winning their friendship through affection, service and generous allowances for their ignorance and backwardness, is absolutely necessary, if the influence of half the world's population confined in Asia is to be won for the common cause of democratic independence. No democracy has ever thrived on hunger and starvation.

At the Cross Roads

"The world today stands at the cross-roads. Will it take the road to self-destruction, through bigger and greater military preparation and the atom and the hydrogen bombs and myriad new and frightful means of killing man, or will it choose the ever-glorious path of helping people to rise above sloth, indolence and technical backwardness? Wisdom indicates the path of service and aid. In the minds of the great people of mighty U.S.A. lies the answer."

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,88,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	86,000	61,700
March ,, ...	97,400	86,600	65,600
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,800
March	94,600	89,700	65,000
Indian Iron and Steel Co.			
Year end 31st March, 1954 ..	5,79,520	3,49,930	2,86,330
January 1953	56,870	43,310	28,660
February ,, ...	54,600	37,490	29,090
March	60,540	39,350	22,090
January 1954	68,100	42,500	30,870
February ,, ...	59,850	38,590	32,810
March	65,000	47,550	44,560

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months ending 30th November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	8,48	6,86	80,42	143,15
Raw materials	9,61	13,62	114,54	129,87
Manufactures	23,89	19,80	188,30	190,52
Other Items	55	25	2,54	8,12
Total	87,23*	40,08*	880,80*	466,68*
By land	1,75	5,55	15,53	15,95
Total Imports ..	88,95	45,63	896,33	482,58
Exports				
By sea and air—				
Foodstuffs	17,18	10,52	100,28	96,29
Raw materials	8,81	10,98	71,47	97,28
Manufactures	21,84	18,24	164,77	185,83
Other Items	37	31	2,65	2,73
Total	47,70	40,00	339,17	381,10
By land	74	71	4,63	15,99
Total Exports ..	48,44	40,71	343,80	397,09
Total Re-exports ..	68	56	8,09	2,75
Balance of trade in merchandise	+ 9,77	— 2,80	— 56,94	— 83,65
Balance of transactions in private treasure ..	—	— 8	— 6	— 6
Total visible balance of trade..	+ 9,77	— 2,80	— 57,02	— 83,69
Imports : ‡				
Total C'wealth countries ..	16,00	18,46	184,94	175,12
Total Foreign countries ..	21,23	21,57	195,86	291,61
Exports : ‡				
Total C'wealth countries ..	25,62	19,65	170,52	179,18
Total Foreign countries ..	22,08	20,85	168,65	201,02

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

‡ Excludes Trade by Land.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotations Rs.
4½% Loan	1928	9,05,64,000	1955-60	102
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102⅛
3 ½ Loan	1918-39	1,16,17,46,000	1963-65	93
3 ½ Loan	1930	30,33,10,000	1964	93
3 ½ Loan	1943	1,10,11,78,000	1966-68	96⅛
3 ½ W. Loan	1944	1,14,04,89,000	1957	98⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅛
3 ½ Loan	1945	1,13,65,44,000	1959-61	96⅛
3 ½ Loan	1951	50,35,63,000	1958	98⅛
2½% Loan	1946	45,83,07,000	1960	94
2½% Loan	1947	57,00,59,000	1961	91
2½% Loan	1948	35,06,06,000	1954	99⅛
2½% Loan	1949	44,77,48,000	1956	82⅛
2½% Loan	1947	75,86,72,000	1962	92
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99⅛

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On 1st January, 1986 or later at option of Government after three months' notice. 83⅛
3 % Loan	1946	248,91,90,000	83⅛

REPATRIATE STERLING LOANS

3½% Loan	1933	12,92,000	1953-59***	100⅛
4½% Loan	1938	5,85,20,000	1958-68***	105

PROVINCIAL LOANS

3 ½% Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3 ½% Bombay	1943	3,50,80,000	14th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,60,000	15th Aug. 1958	97⅞
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3 ½% Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1953	3,04,00,000	17th Sept. 1963	94⅛
3½% Bombay	1953	5,00,00,000	15th July 1963	100⅜
4 % Bombay	1952	3,66,72,100	1st Aug. 1966	101
3 ½% Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 ½% Madras	1939	1,21,95,600	21st June 1959	94⅛
3 ½% Madras	1942	1,21,25,900	18th Sept. 1955	99-3/4
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98⅜
3 ½% Madras	1944	1,07,95,000	15th Aug. 1958	96⅛
3 ½% Madras	1945	2,78,44,000	14th Sept. 1960	94-0/4
3 ½% Madras	1946	3,81,77,000	17th Sept. 1961	91
2½% Madras	1946	4,38,25,400	31st July 1960	94-1/4
3 ½% Madras	1951	3,01,49,300	17th Sept. 1962	98
3½% Madras	1952	5,00,00,000	15th July 1963	99-9/1
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99-12/1
3 ½% Mysore( )	1930	1,63,44,300	1st Nov. 1955	104⅛
3 ½% Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101-0/1
3 ½% Mysore( )	1936	5,99,72,900	30th April 1956-61	98⅜
3 ½% Mysore	1951	5,08,05,700	25th Jan. 1958	99-4/8
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅜
3 ½% M.P.	1942	50,00,000	18th Sept. 1955	99⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1944	2,03,00,000	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1960	94
3 ½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
3½% M. P.	1953	1,00,00,000	15th July 1963	99⅛
2 ½% Punjab**	1938-44	2,49,87,200	15th Aug. 1958	98
3 ½% Punjab**	1942	2,15,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 ½% Punjab**	1951	4,00,00,000	15th May 1953-54	99-4/8
3 ½% Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% Travancore Cochin	1936	50,00,000	16th Aug. 1956	99⅜
3 % U.P.	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1943	1,69,39,800	15th Sept. 1961-66	90⅛
3 % U.P.	1944	1,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
3 % U.P.	1946	2,41,19,800	1st Sept. 1961	93⅜
2½% U.P.	1951	2,00,00,000	1st Aug. 1962	97⅛
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅜
3½% U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

BOMBAY

Amount Rs.	Interest per cent.	Year of Issue	Repayable	Market Quotation Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	97⅛N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
34,00,000	4	1910	1971	D
75,00,000	4	1911	1972	
1 10,00,000	4	1912	1972	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1976	99⅛N
88,25,000	4	1914	1976	99⅜
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1923*	1960	
11,51,000	4	1924*	1960	
10 25,00,000	3½	1926*	1960	
35,00,000	3½	1929*	195*	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58 000	3½	1935*	1973	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1960	
7,00 000	3½	1941	1971	

CALCUTTA

Rs.				Rs.
90,24 300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,07,300C	3††	1921	1981	79
1,50,00,000C	4‡	1921	1981	144N
1,24,06,300	6	1925	1955-85	103
98 21 600	5½	1926	1956-86	104⅛
1,49,49,500B	5	1926	1957-87	103⅛
1,49,49,500B	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	104⅛
80,00,000C	4‡	1931	1981	92⅛
21,75,000C	3	1933	1954	99⅛
60,00,000	3½	1935	1965	96⅛
25,00,000	3	1938	1963-68	88
90,00,000	3	1945	2005	70N
50,00,000	3	1945	1975	82⅛
30 00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2¾	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94⅛
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1950	1980	79
1,50,00,000	3½	1951	1961	94⅛
50,00,000	4	1953	1963	99⅛
50,00,000	4	1953	1983	97

STERLING LOANS

£892,600	5	1923	1933-83	£87⅛
£901,000	5	1924	1934-84	£87⅛
£835,100	5½	1932	1962	£96

MADRAS

Rs.				Rs.
66,60 347	4	1912	1982	
52 14,964	3½	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	3½	1918	1982	
7,46,044	6	1920	1962	
2,13,852	6	1921	1952	

IMPR. TRUST LOANS

BOMBAY

Amount Sanctioned Rs.	Interest per cent.	Year of Issue	Repayable	Market Quotation Rs.
50,00 000	4	1899	1939	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
20,00,000	4	1905	1965	
20,00,000	4	1906	1966	
11,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
10,00,000	4	1913	1973	
50,00,000	4	1914	1957-79	
25 00,000	4	1916	1976	
40,00,000	5	1925	1957-79	113N
66,00,000	5	1926	1956-86	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3½	1936	1966	

STERLING LOANS

£566,600	4	1909	1969	£95⅛N
£333,000	4	1910	1970	£95⅛N

CALCUTTA

Rs.				Rs.
30,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	108
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
30,00,000	3	1937	1967	90
20,00,000	3	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY

Rs.				Rs.
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-15	1974	99⅛
20,00,000	4	1915-16	1975	99⅛
10,00,000	5	1920	1980	104⅛
1,60,00,000	6	1924	1954	102
1,00,00,000	6	1928	1958	104⅛
26,14 000	5	1929	1949-59	96⅛
1,45,55,500	5	1929	1954-59	102⅛
28,57,000	5½	1929	1959	102⅛
8,25,00,000	3½	1947	1977	87
2,50,00,000	3½	1948	1978	87
4,00,00,000	3½	1950	1979	87
2,50,00,000	3½	1951	1980	92
2,00 00 000	3½	1952	1966	100
1,30,00 000	4	1953	1963	100⅛
100,00,0001	4	1952	1964	100

CALCUTTA

Rs.				Rs.
3,45 500	6½	1923	1953	104
84 70 000	5	1925	1955	104
36 00 000	5	1928	1958	103⅛
15,49,000	5	1929	1957	103⅛
25 00 000	5	1929	1959	103⅛
10 00 000	5½	1932	1962	108
33 91 000	3	1935	1965	93⅛
60,00,000	3	1936	1966	88⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1956	99⅛
1,62,300	3	1937	1958	99⅛
15,38,800	3	1939	1957	99⅛
15,36,800	4	1939	1956	99⅛
15,36,800	4	1940	1957	99⅛
17,64,400	3½	1939	1959	94⅛
21,10,000	3½	1942	1972	92
15,49,000	3	1951	1960	96
16,33,000	3	1951	1961	96
86,88 900	3½	1951	1966	96⅛
87,36,000	4	1952	1962	99⅛
72,50,000	4½	1954	1972	99⅛

MADRAS

Rs.				Rs.
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107⅛N
15,00,000	3½	1952	1962	107⅛N

N=Nominal.

ABBREVIATIONS.

B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees

(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India

Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944. **Quotations in Pak. Currency

†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport. ***Rupee Counterpay s

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	110	100
Cawnpore Sugar Works ..	10,00,000	1905-24	7	Feb. Aug.	141	100
Deccan Sugar & Abkhari †A	7,00,000	1920	7	July Apr.	115	100
†East India Distilleries ..	£500,000	1897	7	Jan. July	£1	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Partabpore Co.	9,00,000	1922	10	Oct. ..	15½	10
Rammugger Coss	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6⅜	10
Upper Ganges	12,00,000	1933	4	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7⅜	10
Equitable	4,00,000	1919	6	Mar. Sept.	118	100
Karanpura Collieries ..	1,50,000	1946	5½(a)	.. ..	81	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½xd	10
Oudal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	4,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	3,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1890	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	142	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	101	100
Bradbury	14,75,000	1918	7	June Dec.	326½	250
Buckingham & Carnatic ..	21,30,000	1920	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1913	5	Apr. Oct.	116½	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1913	8	May Nov.	141	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	140	100
Khatau Makanji	10,00,000	1923	6	Nov. ..	—	100
Do. (2nd)	29,92,500	1947	4	.. ..	87	100
Kohari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	231½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	74	100
Muir Mills	30,00,000	1900	6	Jan. July	953N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	..	56
New Great	8,00,000	1913	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	6	Apr. Oct.	4½	5
Podar Mills	10,00,000	1943	6	Feb. ..	79	100
Rajalakshmi	2,00,000	1932	6½	Apr. ..	56	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapoor	32,00,000	1943	3(c)	.. ..	96	100
Sirohshi	15,00,000	1935	5	Apr. Oct.	115	100
Swadeshi (Kanpur)	35,00,000	1927	6	June ..	86	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	119	100
Do. (2nd)	1,50,000	1908	6	.. ..	1061cd	100
Vishnu	15,66,500	1908	7(a)	Apr. ..	575	500
ELECTRICS						
Andhra Valley Power Supply	49.34 000	1917	(a)	May Nov.	1,175	1·000
Calcutta Electric	£1,900,000	1899 11	5(f)	June Dec.	12½	£1
Dacca Electric	4,00,000	1940	7	June Dec.	9	10
Poona Electric	4,00,000	1935	7(a)	June Dec.	107½	100
South Arcot	2,00,000	1933	6	Jan. July	95	100
South Madras (1st)	5,00,000	1940	5½	July Nov	{ 10	10
Do. (2nd)	8,00,000	1940	5½		{ 94½	100
Surat Electric Co.	4,00,000	1945	6½	Apr. ..	128½	100
Tata Hydro-Electric Power	89,28,000	1907	7(a)	May Nov.	120	100
Tata Power	89,28,000	1918	7½(a)	Mar. Sept.	1,275	1,000
Vallore	1,25,000	1928	6	Mar. Sept.	8½	10
Vizag	1,00,000	1933	6½(a)	Sept. ..	72	100
ENGINEERING						
Author Butler (Mozaffarpore)	1,30,000	1919	7	Mar. ..	8½	10
Burn & Co. Ltd. (1st) ..	13,00,000	1895-98	6	Feb. Aug.	133	100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	120	101
Indian Iron and Steel Co., Ltd.	1,50,00,000	1950	5	Dec. ..	110	100
Indian Standard Wagon ..	19,66,300	1918	7	June ..	130	100
Indian Steel Rolling ..	4,90,950	..	5½	.. ..	8⅜	100
Jessop	10,00,000	1941	5	May Nov.	109½	100
††† Kumardhubi Engin. ..	12,00,000	1915	4	June Dec.	103	100
Lirseo and Toubro Ltd. ..	13,00,000	1946-47.51	5½	.. ..	86	100
McKenzies (1st)	5,50,000	1907	5½	.. ..	80	100
Premier Construction (1st) ..	10,00,000		6½(a)	.. ..	101	100
Do do. (2nd) ..	15,00,000	1936	6½(a)	.. ..	120	100
Do do. (3rd) ..	15,00,000	1947	4½(a)	.. ..	5⅜	10
Steel Products	3,00,000	1917	5	.. ..	114N	10
Tata Iron and Steel (1st) ..	75,00,000	1908	6(a)	Nov. ..	172½	150
Do do. (2nd) ..	6,93,81,900	1908	7½(a)	May ..	131½	100
JUTE						
Agarpara	10,00,000	1927	7	Jan. July	121	100
Alliance	9,00,000	1907	7	May Nov.	107½	100
Alexandra	9,00,000	1905	7	Feb. Aug.	106	100
Alliance	15,00,000	1895	6	Mar. Sept.	101	100
Angloindia	16,00,000	1917	7	May Nov.	116½	100
Auckland	40,00,000	1909	5½	May Nov.	95	100
Do. (2nd)(i)	10,00,000	1945	4½	June Dec.	76	100
Baily	15,00,000	1918	7	Apr. Oct.	116½	100
Barnagore	20,00,000	1896	5(a)	May Nov.	48	85
Belvedere	£200,000	1906	7	Jan. July	122	100
Birla	7,00,000	1919	7½(a)	June Dec.	105	100
Budge-Budge	23,64 000	1

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nomin quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Account:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2¾	2	0 4	0 3	0 4		12	Y.
40,00,000	34,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	594	100	6 0	6 0	Nil	Nil	12	Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,240	2,00,087	Nowrosjee Wadia & Sons, Ltd. ..	1,93,520	4,815	Bombay Dyeing & Mfg.	430	250	17 0	20 0	20 0	22 0*	3	Y.P.T.
10,00,000	27,27,759	54,19,515	48,70,797	80,357	Ramanlal Sons, Ltd.	38,208	860	Bradbury Mills	2124	200	30 0	15 0	30 0	100 0	3	Y.
1,09,42,800	2,27,88,983	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg. ..	3324	100	18 0	20 0	20 0	22 0	12	Y.
40,00,000	16,04,856	1,06,30,358	58,37,373	5,066(a)	V. J. Pirai (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	668	100	Nil	Nil	Nil	Nil	12	Y.
16,00,000	27,40,380	58,91,576	24,86,747	1,26,751	Cowasjee Jehangir & Co., Ltd. ..	30,412	680	Coorla Spg. & Wvg. ..	1114	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	20,04,821	63,03,745	48,46,841	76,846	Ramnarain Sons, Ltd.	30,304	..	Dawn Mills	94	Nil	Nil	Nil	Nil	Nil	12	Y.
24,60,000	24,96,000	62,31,119	37,35,000	5,622	Parasmal Radhakishan & Co. ..	50,296	928	Edward Textiles	245	200	15 0	15 0	..	..	12	Y.
29,95,700	12,89,292	1,10,11,972	72,99,225	44,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	100	4 0	(a)	20 0	20 0	12	Y.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,569	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	262	100	15 0	20 0	20 0	16 0	12	Y.P.
12,00,000	74,48,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	175 0	200 0	200 0	225 0*	3	Y.P.
										250	43 12	50 0	50 0	56 4*		
8,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—11,32,476	Agarwal & Co.	2,38,030	6,278	India United Mills	11¼	10	0 12½	1 1½	Nil	Nil	12	Y.
80,00,000D									1-3½	125	0 3	0 4	Nil	Nil		
9,00,000	69,99,043	1,18,14,179	83,39,000	7,483	Dameshar Thackersey Mooljee & Co	55,704	1,191	Indian Mfg.	3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
29,92,500	49,54,660	2,07,51,457	1,57,18,445	28,845	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	118xr	300	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,33,00,000	3,27,03,182	2,22,21,802	2,11,423	Kilachand Industries Ltd. ..	1,18,392	1,846	Kohinoor Mills	319xd	100	18 0	25 0*	10 0	30 0*	6	Y.P.
30,80,000A	64,00,782	4,36,527	88,878	6,80,536	Dina Nath, Esq.	82	100A	Madhusudan Mills	82	100A	7 8	3 4	6 4	6 4	12	Y.
3,60,000B						208	36B			36B	1 4	1 4	1 4	1 4	6	Y.P.
82,13,950	47,03,470	1,01,00,576	45,51,268	24,834	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0	10 0*	12	Y.
81,75,000	34,92,735	1,71,00,016	1,44,58,016	2,80,666	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	2101	100	17 0	15 0	12 0	..	6	Y.P.
1,60,40,600	2,62,011	4,93,70,648	1,10,00,000	3,01,242	National Rayon Corporation ..	..	..	New City of Bombay Mfg. ..	170	100	Nil	Nil	Nil	..	12	Y.P.
24,00,000	28,60,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	160	100	12 8	15 0	10 0	10 0	12	Y.P.
30,00,000	52,62,060	88,88,898	40,97,000	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg. ..	150	100	10 0	12 8	10 0	10 0	12	Y.P.
12,70,108	36,56,004	42,60,352	13,76,660	463	Mafatlal Chandulal & Co (Bombay) Ltd.	34,100	873	New Union Mills	266	10	0 8	1 0	1 4		12	Y.
48,80,000	33,52,899	1,38,66,478	84,72,356	27,980	Ramnarain Sons, Ltd.	53,228	1,190	Phenix Mills	1282	100	10 0	10 0	8 0	8 0	12	Y.
48,80,000	40,66,550	24,14,688	21,50,000	1,82,251	Podar Sons, Ltd.	32,600	930	Podar Mills	145	100	9 0	10 0	10 0	..	12	Y.
5,00,000	8,93,779	21,19,461	18,93,548	3,613	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	108	10	12 0	2 0	1 4	..	12	Y.P.
33,00,000	60,49,474	1,57,37,812	81,93,564	21,949	M. G. Investment Corporation, Ltd.	59,624	1,406	Sassoon Spg. & Wvg. ..	301	10	0 12	1 0	1 4	..	12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	9,45,873	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Ninwa Cotton Mills ..	215	100	14 0	17 8	12 8	..	12	Y.
31,50,000	49,02,108	78,77,348	43,68,000	93,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	193	50	14 0	17 0	15 0(b)	15 0	3	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	3344	100	15 0	20 0	20 0	20 0	12	Y.P.
12,00,000	1,31,71,160	1,57,29,109	83,56,333	91,399	Tata Industries Ltd.	74,508	2,000	Swadeshi Mills	308	100	16 0	16 0	16 0	..	12	Y.P.
36,00,000	60,78,465	93,47,153	58,93,668	5,74,737	James Finlay & Co., Ltd.	35,804	552	Swan Mills	3338	100	20 0	25 0	30 0	20 0	12	Y.P.
84,50,138	39,55,268	68,88,347	29,93,248	23,198	Tata Industries Ltd.	30,048	1,325	Shri Amba Mills	53½	25	2 0	1 8	1 8	16 0	12	Y.
19,32,500	52,12,167	61,33,831	48,71,881	9,070	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	36,623	720	Shorrock Spg. & Mfg. ..	392	100	15 0	20 0	20 0	..	12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,299	Haridas Ashratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*	..	12	Y.

AHMEDABAD

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
90,80,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	149¾	100	8 0	12 0	10 0	10 0*	12	Y.
10,00,000	88,91,868	85,84,129	38,40,000	1,761	F. M. Hathesing & Sons, Ltd. ..	42,768	912	Arvind Mills	475	100	15 0*	20 0*	20 0*	..	6	Y.P.
51,00,000	2,07,45,675	1,18,76,139	76,33,000	1,599	Narottam Laibhai & Co.	62,648	1,216	Arvind Mills	772	100	25 0	25 0	25 0	..	12	Y.P.
30,00,000	40,83,169	1,01,61,649	51,30,000	1,11,342	Ramanlalsa & Bros., Ltd. ..	35,208	860	Bradbury Mills	3124	200	30 0	15 0	30 0	..	12	Y.
12,00,000	1,00,27,000	82,29,958	61,45,455	1,85,818	Lalbhai Dalpatbhai & Co. ..	37,368	914	Aseka Mills	525	100	17 8	22 0	22 0	..	12	Y.
1,24,77,852	99,56,782	3,97,51,301	2,72,53,344	23,31,300	Ramanbhai Purushottam Ltd. ..	1,39,120	2,370	Calico	3304	125	12 8	15 0	18 0	18 0	12	Y.
90,00,000	64,14,000	88,87,878	45,23,000	6,885	Tricamlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills ..	300	35	9 0	10 0	10 0	..	12	Y.P.
89,00,000	70,78,354	96,79,263	74,48,978	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	646	125	35 0	35 0	35 0	..	12	Y.
5,00,000	61,08,644	43,89,240	28,78,081	4,583	Jagabhai Bhagilal Nanavaty & Co., Ltd.	24,840	549	Natan Mills	7038	100	28 0*	28 0*	30 0*	..	12	Y.
10,80,000	1,07,77,635	73,98,913	42,94,852	1,599	Lalbhai Dalpatbhai & Co. ..	31,120	936	Raipur Mfg.	675	25	25 0	25 0	25 0*	..	12	Y.P.
12,00,000	1,31,71,160	13,93,267	13,93,049	91,399	Tata Industries Ltd.	74,508	1,095	Swastik Spg., Wvg. & Mfg.	110	250	15 0	20 0	20 0	..	12	Y.P.
22,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd. ..	33,134	648	Rohit Mills	1308	100	30 0	9 0	9 0	..	12	Y.P.
84,50,138	1,18,68,344	1,01,07,709	57,25,000	1,52,151	Harivallabhdas Kalidas & Co. ..	53,736	1,325	Shri Ambica Mills	1471	25	2 0	1 8	1 8	16 0	12	Y.
19,32,500	52,12,167	61,33,831	48,71,881	9,070	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	36,623	720	Shorrock Spg. & Mfg. ..	392	100	15 0	20 0	20 0	..	12	Y.P.
28,00,000	29,08,070	91,15,078	47,72,055	16,299	Haridas Ashratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*	..	12	Y.

WEST BENGAL

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	44	10	0 8	0 3	Nil	Nil	12	Y.P.T.
7,11,280	2,21,850	38,52,124	22,08,106	—67,230	Bengal Textile Agency, Ltd. ..	31,080	936	Bengal Laxmi Cotton Mills ..	35N	40	Nil	Nil	3 0	Nil	12	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	288	100	Nil	Nil	Nil	Nil	6.12	H.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	182	100	Nil	7 0 Nil	Nil	Nil	6.12	H.
8,20,00,000	2,38,25,730	3,25,40,151	99,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23¾	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000										25	1 14	1 14	1 14			
93,96,288	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4¾	10	0 3	Nil	Nil		12	Y.
18,00,000	9,09,109	39,21,613	21,03,244	2,736	Kamal & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	6¼	10	0 14 2/3	0 3 3/5	Nil	Nil	12	Y.P.
91,75,000	81,73,009	1,93,39,719	45,07,272	18,458	Industrial Trust Fund, ...	36,136	665	Asam Jubi Mills	67 N	100	3 8	6 0	6 0	..	12	Y.P.
40,50,000	1,76,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	401¾	100	17 8	20 0	15 0	..	12	Y.P.
87,80,000	22,25,163	73,26,199	52.12.199	19,995	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills ..	13	10	Nil	0 8	0 4	0 4f	6.12	H.P.T.
15,00,000	95,71,590	84,27,674	38,07,674	4,66,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47¾ N	100	2 8	2 8	3 0	..	12	Y.
1,78,47,800	1,46,80,321	5,91,55,208	3,09,15,105	4,52,442	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	138¼	100	5 14	7 0	5 0	..	3	Y.
20,00,000	16,31,836	30,52,641	16,31,870	93,399	Peirce, Leslie & Co., Ltd. ..	37,536	4	Cambodia Mills	121cd	10	Nil	1 4	1 0	1 0	12	Y.P.
21,30,000	21,39,992	43,51,179	29,84,615	39,839	Begg, Sutherland & Co., Ltd. ..	29,796	591	Davenport Textiles	9	10	0 9	1 0	0 9	1 0	12	Y.
12,00,000	19,85,494	28,94,635	21,38,900	..	R. Bhoma Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	208xd	100	12 8	12 8	20 0	..	12	Y.
30,00,600	9,19,870	25,84,987	13,33,422	1,35,496	T. R. N. Naidu & Co.	19,798	..	Coimbatore Pioneer Mills ..	137¼	100	7 0	6 0	9 0	..	12	Y.
30,76,500	14,04,043	1,14,09,011	66,08,045	—10,23,340	R. G. S. Naidu & Co.	43,208	407	Lawrence Spg. & Wvg. ..	43	25	2 0	2 0	2 0	..	12	Y.P.
46,87,500	88,12,906	2,30,18,398	1,41,83,289	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	182	100	6 0	6 0	7 0	8 0	3	Y.P.
8,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills ..	33¾	25	Nil	2 0	2 0	3 12	6	Y.P.
1,00,823										2½	Nil	0 2	0 2	0 3		
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	205xd	100	25 0	20 0	10 0	0 12 4/5	12	Y.
83,00,000	46,00,000	1,48,85,212	1,13,21,631	74,252	Begg, Sutherland & Co., Ltd. ..	52,812	1,198	Elgin Mills	142	10	1 2	1 8	1 0	1 0	9	Y.P.
39,04,700	43,22,176	81,87,379	62,99,070	85,195	Primrose, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	270	100	10 0	14 0	17 0*	17 0	12	Y.
98,00,000	12,52,805	1,23,32,498	88,30,313	2,824	Govindram Sekseria (Indore) ..	51,180	1,420	Indore Malwa United	115	100	4 0	6 0	6 0	..	12	Y.
8,90,000	11,61,967	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	76	50	3 0	7 8	6 0	..	12	Y.
24,00,000	15,75,000	61,35,358	8,50,808	3,642	Kothari & Sons	30,512	200	Kothari Textiles	123	100	6 0	10 0	12 0	..	12	Y.
32,00,000	70,43,345	1,31,43,856	91,61,534	1,99,254	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	583¾	830	37 8	40 0	40 0	0 8	6	Y.P.
83,66,150	51,30,000	84,98,025	53,73,673	14,347	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	114	50	4 0	4 0	5 0	10 0(b)	12	Y.
									57¾	25	2 0	2 0	2 8	5 0		
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	4,66,932	..	Madura Mills	39½xd	15	2 8	2 8	2 8	3 0	3	Y.
12,00,000	4,17,363	24,32,416	15,52,698	—22,598	A. L. A. R. S. Chettiar and 2 others.	22,592	..	Malabar Spg. & Wvg.	126	200	8 0	12 0	8 0	..	12	Y.
60,00,000	62,50,000	55,34,548	38,37,062	77,464	W. A. Beardsell & Co., Ltd.	24,720	603	Mastur Industries Ltd.	235	100	25 0	12 8	12 8	..	12	Y.
39,80,884	22,90,000	55,34,548	38,37,062	77,464	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	111¼	100	6 0	6 0	12 8	..	12	Y.
94,91,850	27,56,360	1,53,05,970	78,81,528	87,241	Bansilal Abirchand Dadaboy & Co.	47,360	952	Model Mills (Nagpur)	140	250	15 0	7 8	7 8	..	6	Y.
90,00,000	52,15,000	1,51,39,272	1,03,91,631	—7,77,290	Indian Textile Syndicate Ltd. ..	48,648	1,834	Muir Mills	180N	100	Nil	..	..	7 8	6	Y.
19,86,800	61,51,392	93,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	120xr	50	10 0	9 0	10 0*	10 0*	12	Y.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	R. Suryanarayana Rao Esq. Manager	6,000	150	Mysore Sugar Silk Mills ..	6	10	0 8	0 10	Nil	Nil	3	Y.
83,98,883C	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1¾	10	0 ..	Nil	Nil	Nil	12	Y.P.
3,07,095D										1	Nil	Nil	Nil	Nil		
87,03,800	61,53,493	1,58,62,385	39,76,151	17,946	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	100	3 8	5 0	7 8	..	9	Y.
4,00,000A									72¾	50A	3 0	8 0	7 8	..		
6,00,000B	6,37,342	26,20,198	13,74,913	3,380	Bhagbatlakhmi & Co.	25,200	..	Palani Andavar Mills	110	50B	1 4	2 0	1 4	..	12	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons ..	27,980	..	Pankaja Mills Ltd.	46	100	7 4	12 0	11 4	..	12	Y.
16,81,200A									159cd	100A	16 0	16 0	6 0			
8,40,600B	16,65,842	52,66,772	24,17,950	1,962	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	50B	50B	8 0	8 0	3 0	..	12	Y.
13,00,000	25,00,896	22,62,211	41,366	83,366	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	107xd	50	4 8	5 0	Nil		12	Y.
60,00,000	62,46,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	33,984	600	Rama Textiles	68	10	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Liladher & Co., Ltd.	15,824	440	Shree Sajan Mills	75¾N	100	..	..	..	..	12	Y.
7,79,700	2,24,959	11,50,228	16,08,113	3,083	T. R. A. Iyer & Bros., Ltd. ..	18,416	416	Sitaram Spg. & Wvg.	—	60	Nil	3 0	..	..	3	Y.
16,00,000	1,60,38,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg. ..	{2,010	1,000	Nil	Nil	Nil	Nil	3	Y.
									54	50	4 0	4 0	4 0	4 0	3	
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	50N	10	4 0	4 0	4 0	4 0	3	Y.
15,00,000	1,59,32,602	81,38,140	52,31,896	32,22,471	Birla Brothers, Ltd.	35,556	992	Sutlej Cotton Mills		10						
17,50,000C	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8	10C	0 8	0 8	Nil	Nil	12	Y.P.
1,57,50,000D									8¾	10P.O.	0 14 2/3	0 14 2/3	Nil	Nil		
99,92,020	3,15,000	2,67,68,703	53,91,774	2,34,553	Emcots & Sons (Travancore), Ltd.	16,000	..	Travancore Rayons	85	10	Nil	Nil	Nil		12	Y.P.
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	9,360	270	Vasanta Mills	91cd	10	1 0	1 0	1 0	0 11½	12	Y.P.T.
81,00,000	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers ..	33,704	1,483	Vishnu Cotton	177cd	100	9 0	14 0	12 0	..	12	Y.
82,00,000	50,43,559	1,20,65,197	85,26,293	2,21,881	Bombay Co., Ltd.	54,280			140¾	100	9 0	14 0*	10 0	..	12	Y.P.

* Includes bonus.

(a) Subject to taxation and workers' bonus.

(b) Paid out of reserves.

(c) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(d) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(e) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	23¾	25	Nil	2 13g	Nil	Nil	3	V.P.
6,64,000							9¾	10	Nil	1 2p	Nil	Nil		
16,20,830	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
48,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	58½	25	1 4	1 9	1 9	Nil f	6,12	H.P.T
									4 0	5 0	5 0	6		
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	194	100	5 0	5 0	5 0	6	3,9	H.
25,00,000	15,50,000	66,35,833	39,54,440	57,312	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8½	0 12	1 0	1 0f	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	18⅜	10	0 12	1 0	1 0		3,9	H.P.T.
									0 8	0 12	0 12			
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	24½	10	0 10	0 12	0 12	0 12f	6,12	H.P.T
80,80,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10⅜	Q. 10	1 4	Nil	0 4		3,9	H.P.T.
80,80,000 A.								A. 10	Nil		0 4			
							39½	A. 10	1 0	1 0	1 0	1 0*		
56,00,000 A.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	38⅜	B. 10	1 0	1 0	1 0	1 0*	3,9	H.P.
56,04,800 B.									1 0*	1 0*	1 0*	1 0*		
4,37,500 P. O.							42xd	P.O. 2½	0 2	0 2	0 2	0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y.
4,30,000	1,00,000	6,89,526	4,73,036	2,354	Pyre & Sons	Camperdown	125N	100	6 0	6 0	7 0	4 0	7	Y
8,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	5 0	5 0	5 0	6	6	Y
PROPERTY AND LAND														
10,00,7800.	6,02,582	42,65,884	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
2,00,000 D.							11xd	D. 1	Nil	Nil	Nil f			
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27½	100	2 0	2 8	3 0	1 8	4	Y.
94,00,000	33,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
15,99,998	28,08,354	15,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7	3	0 8	0 8	0 8		9	Y.
84,50,000	3,75,07,299	9,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	419½	Old 125	15 0	37 8	22 8	15 0	5	Y.
							146½	New 50	6 0	15 0	9 0	6 0		
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	5 0	5 0	5 0	Nil	6	Y.P
19,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	1 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000 A.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N	A. 100	6 4	10 0	10 0	10-0	9	Y
1,00,000 B.							114N	B. 10	0 10	1 0	1 0	1-0	4	Y
19,49,050	8,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	7½	74	Nil	0 10	0 12	1 0	3	Y.
15,00,000	12,21,314	15,67,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 1	1 4	1 8	1 8	6	Y.P.
32,00,000	25,28,936	1,30,88,057	81,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	8½	10	Nil	Nil	Nil	Nil	6	Y.P.T.
15,80,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	22½	10	1 8	1 8	2 0	1 0	6	Y.
83,00,000 A.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd...	Hindustan Sugar Mills	175N	A. 100	6 0	9 0	12 0*	15 0*	6	Y.P
50,00,000.								O. 100	6 0	9 0	12 0*	15 0*		
							50N	80	3 0	4 0	Nil	Nil	7	Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilnehand Devchand & Co.	Kesar Sugar	25N	40	1 0	2 0	Nil	Nil		
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	31½N	10	1 0	2 8	2 8	2 8	6	Y.P
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	0 10	0 8	0 4	3	Y.
1087,500 A.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N	100	15 0	20 0	20 0	20 0	6	W.
2,71,875 B.							45N	25	3 12	5 0	5 0	5 0		
17,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4	11 0	6 0	11 0	7	Y.P.
12,00,000	12,71,178	38,94,458	18,81,746	46,000	Begg, Sutherland & Co., Ltd.	Nanaq Bros. & Co., Ltd.	100N	100	6 0	10 0	6 0		10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Punjab Sugar	13N	10	1 0	2 0	1 0	1 0	10	Y.P.
8,00,000	8,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	13	10	1 0	2 0	1 0	0 8	6	Y.P.
11,99,000	17,25,204	36,77,360	31,32,129	3,906	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13½	10	1 0	2 0	1 0	0 8	6	Y.
80,00,000	20,68,560	1,03,56,230	49,26,080	4,188	Babu Jain Ltd.	Sawaitpur Central Sugar	13½	10	1 0	2 0	1 0	0 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	12½	10	0 6	1 0	1 8		7	Y.P.
6,30,0000.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	Shitalpore Sugar	6½	O. 10	Nil	Nil	0 8	0 6§	6	Y.
1,75,000 D.							1N	D. 10	Nil	Nil	Nil			
8,00,000							1½N	D. 2½	Nil	Nil	Nil			
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	South Behar Sugar	25N	10	1 12	2 0	2 0	2 8	6	Y.P.
77,50,000 A.						Upper Ganges Sugar	14½	10	0 4§	2 0	1 8		9	Y.P.T.
						Walchandnagar Industries	175	O. 100	12 0	14 0	14 0	14 0	9	Y.P.T.
						United Provinces Sugar						14 0		
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	150	100	10 0	12 8	12 8	10 0	10	Y.P.
1,60,00,000	.....	1,00,22,730	1,45,09,237	38,606	Dinshaw Ltd.	Bharat Line	94	100	3 0	4 0	5 0		12	Y.
£655,380	£1,123,737	£5 428,105	£3,312,999	£13,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	£10	Nil	Nil	Nil	Sh10		3	Y.
8,25,00,000	74,99,233	3 91 83,993	1,28,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8-8½	10	Nil	Nil	0 8	0 8	3	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	18	15	Nil	Nil	Nil	0 12	6	Y.T.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parekh Agencies Ltd.	Bombay-Uganda	54N	80	4 0	4 0	4 0		3	Y.
85,00,000	1,00,000	25,18,130§§	8,079	8,935	Dean Bros. Ltd.	Dewkaran Nanji Investment Co.	8½	10	0 12	1 0	1 0	1 0	12	Y.
14,96,150	3,83,231	24,77,149	14,08,040	1,40,042	Chaoolal Mandlal Ltd.	Industrial Investment Trust	23N	50	3 0	3 0	2 8	Nil	4	Y.
99,99,250	18,80,149	1,27,94,592§§	11,966	2,11,031	Premchand Roychand & Sons	Kilick Industries	79½	100	4 0	4 8	4 8	4 8	12	Y.
89,98,350	19,49,340	17,65,055	4,98,441	20,637	R. D. Sheppard Esq. (Mg. Director).	Premier Automobiles	173	100	4 0	4 8	5 8	10 0	6	Y.
2,06,72,500 A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asco-Auto Ltd.		132½	75	Nil	Nil	2 8	5 0		
10,00,0000.							56	A. 100	Nil	Nil	Nil	Nil	6	Y.
10,31,200	3,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	——	B. 10	Nil	Nil	Nil	Nil		
8,75,00,000	1,39,49,360	2,16,78,739	1,34,40,615	4,58,869	T. Rydin, Esq. (Managing Director).	Western India Match Co.	320N	20	2 0	3 0	3 0		12	Y.
45,00,000	34,64,847	1,24,608	1,07,188	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,0000.	15,00,000	1,56,92,044	90,15,329	78,891	I. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½	O. 10	Nil	Nil	Nil	Nil	Nil.	3 Y.P.T.
5,00,0000.	38,21,355	31,54,314	20,12,443	4,24,799	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	3	D. 2½						
50,00,000	15,34,104	85,69,104	17,19,014	1,35,909	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	17½	10	1 12	2 8	1 4	1 4	8	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	18	5	1 4	2 0*	1 4	1 4	3	Y.
50,00,7000.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	4½	10	0 9 3/5	0 9 3/5	0 4	0 3½	3	Y.P.
60,00,0000.							31½	D. 100	20 0*	25 0*	20 0*			
20,00,000	9,97,945	56,17,513§§	29,87,807	1,11,693	Birds Investment Ltd.		——	D. 40	6 0	8 0*	6 0*	5 0(2)	12	Y.
30,84,880	33,27,348	59,11,669	21,85,999	94,133	Lovelock & Lewis		16	10	1 2	1 4	1 4	1 4	9	Y.P.
3,25,00,000	95,00,000	2,56,70,947	1,97,14,167	3,58,733	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	16½	10	1 4	1 8	0 12	0 8	3	Y.P.T.
1,50,00,000	1,25,00,000	4,07,06,331	2,52,71,121	7,01,489	Sir Robert Menzies	British India Corporation Ltd.	34½	10	2 0	2 8	2 8	2 8	12	Y.P.
51,26,000	51,50,934	1,29,31,258§§	.....	3,11,873	Cecil Steel, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	136	100	3 0	4 0	Nil	Nil	12	Y.P.
					Bird & Co., Ltd.	Eastern Investments Ltd.		100	9 0	9 0	9 0	9 0	12	Y.P.
14,00,000	9,97,000	32,14,898	17,68,862	26,757	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	192xd	100	10 0	15 0	20 0	10	3	H.
									5 0	10 0	10 0	10 0		
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	108	100	5 0	10 0	10 0	7 8	3	Y.P.
80,00,000	11,42,354	42,81,816	29,39,713	29,418	B. P. R. Syndicate	Grand Eastern Hotel	265	250	15 0	15 0	15 0	15 0	3	Y.
12,42,800	5,06,049	40,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	Nil		6	Y.P.T.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,357	Birla Bros., Ltd.	Hindustan Motors	7	10	Nil	Nil	Nil	Nil	3	Y.
1,60,00,000	36,72,754	3,45,52,905	1,35,90,172	9,14,752	J. W. Cameron, Esq.	Indian Aluminium Co.	115	100	5 8	5 0	5 0	Nil	3	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen Esq.	Indian Cables	20½	10	1 0	1 0	1 0	1 0*	3	Y.P.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Mouton & Co. (India), Ltd.	Indian Rubber Manufactures	13½	10	1 0	1 0	0 12	0 12	3	Y.P.
8,00,00,000	57,45,280	29,81,477§	6,34,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	115	100	10 0	10 0	10 0	7 8	3	Y.P.
6,34,0000.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	2	O. 5	Nil	Nil	Nil		3	Y.
66,9000 D.							3	D. 1						
40,00,0000.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	240	O. 100	12 8	12 8	7-8		12	Y.P.
5,80,0000 D.								D.O. 10	0 12	0 12	0-4			
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	20½	10	1 0	1 4	Nil	1 6*	9	Y.P.
6,35,255	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	0 10	Nil	Nil		12	Y.
4,68,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	15½	10	Nil	1 0	1 0	1 0	3	Y.
10,00,000	.....	11,45,854	5,99,996	11,329	B. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10§§	10	Nil	1 0	1 0		3	Y.T.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	15§§	10	0 8	0 8	0 12	1 0	3	Y.P.
						National Tobacco Co.	9½	10	0 4	0 8	Nil		12	Y.P.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	Parry & Co.	64	2	1 9 3/5	0 8	0 10§	0 6§	12	Y.P.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Ralli (India) Ltd.	55	100	5 8	5 0	5 0	Nil	12	Y.P.T.
8,25,00,000	13,27,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Rohtas Industries	14½	10	Nil	0 12	1 0	Nil	12	Y.P.
2,14,00,000	94,66,946	1,09,59,407	2,16,88,623	5,47,067	Sabu Jain Ltd.	Spencer & Co., Ltd.	15½	10	1 0	1 0	1 0	1 8	12	Y.P.
40,00,000	94,66,946	1,21,92,814	2,17,120	3,56,616	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 0	1 0		6	Y.P.
75,00,000	35,00,000	12,11,901§	2,60,547	59,789	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	0 6§	Nil	Nil		12	Y.P.
9,98,380	1,30,000	12,67,855			Ogale Bros., Ltd.									

§§ Includes investments at cost.
‡ Excluding goodwill (written down Rs. 80 lakhs.)
* Includes bonus.
† Excluding goodwill at cost Rs 20 lakhs.
§ Excluding Rs. 1,40,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed Rs. a.	Reference Rs. a.
ASSAM															
4,45,700	5,45,826	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	420 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	2 8	0 12	0 12		12	Y.
4,50,000	3,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	28½	10	4 0	2 0	Nil		12	Y.
3,50,000	1,21,414	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmara	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,541	43,626	Andrew Yule & Co., Ltd.	369	Basmata	37	10	3 0	2 8	3 0		12	Y.
3,30,600	2,90,000	8,68,513	3,03,533	63,180	Williamson Magor & Co.	567	Basoli	17⅜	5	1 0	1 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	28½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Buhanauth	35½	10	5 0	2 8	Nil		12	Y.
6,00,000	.....	10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	13½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,802	Brooke Bond	12	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,60,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	13	10	1 8	Nil			12	Y.
6,00,000	7,15,000	23,51,755	13,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	280	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,828	20,85,548	4,76,346	25,084	James Warren & Co. Ltd.	610	Dhelakhat	14½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	14½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	12½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	1,63,119	25,960	Williamson Magor & Co.	625	Dimakuri	36½	10	4 8	1 8	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co.	669	Duffleghur	43½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	5,22,460	52,651	Williamson Magor & Co.	1,168	East India Tea	21½	10	2 0	2 0	0 4		12	Y.
3,60,000	5,00,000	7,97,363	2,67,363	—7,586	Andrew Yule & Co., Ltd.	407	Gillapukri	21½	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37,439	5,54,439	1,03,615	Williamson Magor & Co.	533	Gohpur	38½	10	4 0	3 0	1 8		12	Y.
A. 4,94,360	13,22,810	17,77,138	3,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	22½	A. 10	3 0	2 0	2 0		12	Y.
B. 2,40,790								12½	B. 5	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	—2,061	Andrew Yule & Co., Ltd.	476	Hoograhill	38½	10	4 8	0 8	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,46,971	—2,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	310N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	13,45,851	6,20,851	2,593	Shaw Wallace & Co., Ltd.	1,164	Kignaley-Golaghat (Assam)	350N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	9,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Ledo	98	10	2 0	Nil	Nil		12	Y.
10,00,000	3,65,000	21,47,460	5,22,460	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohsenu	58	10	Nil	Nil	Nil		12	Y.P.
4,80,000	.....	8,87,549	87,549		Kettlewell Bullen & Co., Ltd.	433	Monbola	21½	10	3 0	2,033			12	Y.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Williamson Magor & Co.	533	Murphulani	30	O.10	3 0	1 J	2 0			
O. 50,000	3,65,000	8,50,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325		30	P.O.10	3 0	2 0	2 0		12	Y.
P.O. 2,00,000	2,98,000	5,78,590	3,53,094	256	S. C. Sen, Esq., Supervising Director	540	Naga Hills	36§	P.O.10	3 8	2 8	2 8			
4,00,000	—	10,14,665	4,06,665	—99,094	Shaw Wallace & Co., Ltd.	810	Nambunadi	17½	10	2 4	2 4	Nil		12	Y.
5,35,000	—	9,04,216	1,46,971	—44,729	Duncan Bros. & Co., Ltd.	935	Nambuwalli	8½	10	0 8	Nil	Nil		12	Y.
2,00,000	4,77,500	6,98,742	1,97,159	20,603	Andrew Yule & Co., Ltd.	345	Rajgarh	76N	Nil	Nil	Nil	Nil		12	Y.
6,00,000	2,82,640	17,57,582	6,23,984	—69,162	James Finlay & Co., Ltd.	902	Sapoi	27½	10	3 8	1 12	Nil		12	Y.
6,00,000	6,55,000	10,86,022	2,48,753	41,692	Octavius Steel & Co., Ltd.	513	Teen Ali	14½	10	0 12	1 0	1 0		12	Y.
3,98,000	4,50,455	9,60,684	2,86,202	59,392	McLeod & Co., Ltd.	495	Teloilan	15½	10	1 12	1 0	Nil		12	Y.
5,00,000	5,40,127	7,23,258	1,63,010	65,374	Gillanders Arbuthnot & Co., Ltd.	504	Tengpani	15	10	3 0	1 8	0 12		12	Y.
15,86,310	2,44,683	29,60,671	11,79,871	12,076	Shaw Wallace & Co., Ltd.	2,115	Tespore	20½	10	3 8	0 12	Nil		12	Y.P.
3,20,000	9,50,000	20,41,253	7,88,563	—37,349	McLeod & Co., Ltd.	1,050	Tyroon	26½	10	2 8	2 0	Nil		12	Y.
CACHAR															
3,00,000	1,75,000	5,00,750	1,69,181	—4,74,430	Gillanders Arbuthnot & Co., Ltd.	862	Autcilpore	5	10	Nil	Nil	Nil		12	Y.
7,00,000	.....	7,80,032	44,842	—4,90,713	Octavius Steel & Co., Ltd.	949	Eastern Cachar	5	10	Nil	Nil	Nil		12	Y.
12,60,000	3,50,000	27,65,424	19,78,181	—10,18,394	Octavius Steel & Co., Ltd.	2,154	Hatikhira	14½	10	1 8	0 12	Nil		12	Y.
4,50,000	1,67,837	2,97,260	7,468	11,615	Dullion Co., Ltd.	577

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Number of Looms	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	39,50,000	95,96,550	49,34,716	38,243	B. N. Elias & Co., Ltd.	Asparas	879	16	10	4+4	1+4	1+1	1f	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	Albion	498	206	100	4+10	15+15	8+10	12f	5, 11	H.P.
4,49,350	70,000	9,49,139	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Alexandra	446	165	100	Nil	5	Nil	Nil	6, 12	H.P.T.
1,80,00,000	1,17,00,000	3,27,31,758	3,35,50,103	—1,70,951	Andrew Yule & Co., Ltd. ..	Alliance	1,264	168	100	Nil	Nil	Nil	Nil	6, 12	H.P.
3,25,000	3,07,562	23,82,001	22,49,321	—14,105	Duncan Bros. & Co., Ltd. ..	Anglo-India	2,561	198	100	10	10+10	10+15	7½+5	3, 9	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	Auckland	810	117	100	1½+4	6+5	5+4	2+3	3, 9	H.P.T.
20,00,000	29,17,787	97,56,936	54,26,882	64,038	Jardine Henderson & Co. ..	Baily	959	145	100	4+6	4+1	Nil	4+Nil	3, 9	H.P.
4,275,000	£439,470	£1,342,547	£1,044,810	£81,870	Sir John H. Burder (Chairman)	Barnagore	1,889	148	£5	£1	£1	£1	£1	3, 9	Y.P.
28,00,000	35,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd. ..	Belvedere	820	208	100	7+10	12½+15	7½+7½	7½+7½	6, 12	H.P.
82,50,000	55,95,000	54,22,523	24,75,686	4,28,770	Scoresmill Nagarmull	Bengal	600	100	10	1½	1	1	1	6	Y.P.T.
30,42,000	2,64,06,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	Birla	1,373	14½	10	2½	3	3	3	3	Y.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd. ..	Budge-Budge	991	141xd	100	3+10	10+12	6½+6½	6+4	4, 10	H.P.
7,47,180	4,29,739	49,77,150	34,73,499	95,461	Dayaram & Sons	Calcutta Jute Mfg. ..	502	14½	10	Nil	1+1	0+5	5	6, 12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,235	Andrew Yule & Co., Ltd. ..	Caledonian	616	160xd	100	4+10	10+12	6+6	6+6	5, 11	H.
39,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	Champdany	600	144	100	3+5	7+7	7+8	3+3	3, 9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	Chevrot	330	224	100	6+10	10+12	7+6	10f	5, 11	H.P.
90,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	Chitavalah	500	10⅜	10	⅜+⅜	1½+4½	2½+1½	11f	6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	54,29,460	18,647	Shree Krishna Investment Co., Ltd.	Clive	969	23½	10	1½	3½	3	Nil	3	Y.P.
81,49,200	41,69,975	1,28,92,451	61,83,266	35,134	Bird & Co., Ltd.	Dalhousie	766	130	100	1+3	8+6	6+1	1+3	3, 9	H.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd. ..	Delta	779	244	100	5+12½	15+17½	10+10	10+10	5, 11	H.P.
15,00,000	32,50,092	76,04,391	54,52,731	37,631	McLeod & Co., Ltd.	Empire	500	19½	10	Nil	Nil	1+½	1f	6, 12	H.T.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,391	5,051	Kettlewell Bullen & Co., Ltd.	Fort Gloster	1,884	465	100	2½+20	12½+12½	10	Nil	3, 9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	Fort William	1,014	330	100	Nil	6	Nil	Nil	3, 9	H.T.P.
1,42,100	2,81,692	2,99,07,458	1,34,24,378	—4,61,794	Macneill & Barry Ltd.	Gangess Mfg.	1,709	68	100	Nil	3½+2½	Nil	Nil+Nil	3, 9	H.P.
10,80,000	28,83,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	Gondalpara	607	750	300	45	90	30	—	12	Y.
24,00,000	29,45,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	Gouripore	1,394	286	100	2½+15	10+10	1½ Nil	Nil+3½	3, 9	H.P.
40,00,000	44,39,611	77,32,908	49,35,241	2,81,843	Bangur Bros., Ltd.	Hastings	1,078	125N	10	10	7½	10	10	4	Y.
16,80,000	15,20,498	64,92,988	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	Hooghly	720	31½	10	1	3	1½	1½	3	Y.P.
7,42,240	1,50,000	11,24,142	8,84,138	1,040	Jardine Henderson Ltd.	Howrah	1,040	7½	10	½+½	½+½	½+½	½+½	3, 6	H.T.P.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd. ..	Hukumchand	2,272	22½	10	3½	—	—	—	3	Y.P.T.
6,00,000	3,30,000	31,61,832	15,78,135	66,718	Ramdutt Ramkissendass			124	D. 12½	3½+9½	3½+1½	3½+3½	3½f	3, 9	H.
1,15,000	2,46,004	12,74,999	7,73,294	552	Andrew Yule & Co., Ltd. ..	India ‡	1,076	A. 7½	D. 1	A. 7½	7½	7½	7½		
1,57,500						North West		180	100	8½+8½	10+12½	8½+6	6f	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	P. W. Heilgers & Co., Ltd. ..	Ondal	192 N	171	'B' 100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
18,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	138	100	8½+8½	10+12½	8½+6	6f	6, 12	H.
8,34,000	83,596	17,23,582	8,27,675	15,793	Deepchand Kabenlall	Panuria	44	138	'B' 100	Nil	5+7½	6+4	3f	6, 12	H.P.
15,75,000	11,25,000	42,01,453	29,19,653	22,892	Shaw Wallace & Co., Ltd. ..	Raneegunge	1,008	29½	100	10+10	12½+2½	7½+7½	7½f	6, 12	H.P.
24,99,500	15,67,105	1,11,30,999	77,72,002	—97,825	B. N. Elias & Co., Ltd.	Rawas	1,851	195	100	Nil	15	10+15	10f	3, 9	H.P.
13,50,000	7,38,385	30,56,328	24,50,328	24,964	Shaw Wallace & Co., Ltd. ..	Samla Collieries ..	558	280xd	100	3+10	13+17½	13+13	13+15	5, 11	H.P.
20,00,000	3,95,008	32,32,218	13,30,900	438	Jaipuria Sons Ltd.	Searsole	1,008	103	100	1+8	2½+2½	2+1	Nil f	3, 9	H.
2,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Seebpore	316	116	100	Nil	5	10+6	Nil	3, 9	H.
6,77,288	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd. ..	New Beerbhoom ..	425	16	10	½+½	1½+1½	½+½	Nil f	4, 10	H.P.
8,00,000	8,74,498	36,99,197	24,21,250	—1,59,849	P. W. Heilgers & Co., Ltd. ..	New Maubhoom ..	852	24½	10	1½+1½	2½+2½	1½+1½	1½f	3, 9	H.
8,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Nihalni	316	11½	10	Nil	5	10+6	Nil	6, 12	H.P.T.
						New Central	295	16	10	4+10	15+15	10+12	12f	6, 12	H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Northbrook	709	19½	10	Nil	Nil	1	Nil	3, 9	H.P.T.
3,00,000	13,89,545	1,69,570	21,510	87,018	P. W. Heilgers & Co., Ltd. ..	Nuddea	67	44	50	Nil	1½	1+1½	1	Nil ½	3, 9	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Orient	1,092	173	100	4+10	10+12	1+6	6+6	6, 12	H.
3,50,000	8,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., ...	Pproedency	601	½	Nil	Nil	½	Nil	Nil f	6, 12	H.T.
49,98,000	6,65,000	44,91,158	13,91,545	53,989	Hindustan Investment Corpn., Ltd.	Rameshwara	400	5½	10	Nil	Nil	Nil	Nil	3, 9	H.P.
7,00,000	6,65,000	44,81,176	20,28,251	51,107	Macneill & Barry Ltd.	Reliance	305	13½	10	Nil	Nil	Nil	1½	3, 9	H.P.T.
						Samnuggur	1,276	15½	10	10%	10%	10%	10%	12	Y.P.
						Shree Ambica	2,013	15½	10	Nil	1½	1	1+1	3, 9	H.
						Soorah	911	10	10	Nil	Nil	Nil	Nil	3	H.P.
						Standard	401	23½N	10	3+6	9+8	8+1	1+1	3, 9	H.
						Talcher	650	13½	£1	10%	10%	10%	10%	12	Y.P.
						Titaghur	1,794	3½	2½	Nil	Nil	Nil	Nil	3	Y.
						Union	1,326	161	100	4+7	12½+11	10+1	1+6	3, 9	H.P.T.
						Victoria	1,331	£1	10%	10%	10%	10%	10%	12	Y.P.
						Waverley	465	6	1	Nil	1/40	1/40	Nil	6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	20‡	10	1 + 1	1 + 1	½ + ½	½ + ½	3, 9	H.
12,00,000	2,43,617	39,12,795	34,62,035	30,561	Jardine Henderson Ltd.	Barasrot Coke	18‡	10	½ + ½	½ + ½	2/5 + 3/10	7/10 + 7/10	3, 9	H.
4,49,350	70,000	9,49,139	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6‡N	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.
1,80,00,000	1,17,00,000	3,27,31,758	3,35,50,103	—1,70,951	Andrew Yule & Co., Ltd. ..	Bengal Coal	508	100	17½+17½	17½+17½	20 + 20	17½f	4, 10	H.P.
3,25,000	3,07,562	23,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	1½ + 1	½ + ½	½ + ½	Nilf	6, 12	H.P.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½	—	9	
40,00,000	14,81,010	1,26,82,109	63,11,075	6,280	Sahu Jain Ltd.	Bharat Collieries	6‡	100	½ + ½	½ + ½	½	½	6	Y.T.P.
7,15,000	14,61,077	51,08,473	35,84,899	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbarares	£5	£1	£1	£1	£1	Nilf	6, 12	H.
14,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil	Nil	Nil	—	6, 12	H.T.
7,50,000	20,20,000	54,22,523	24,75,686	4,28,770	F. W. Heilgers & Co., Ltd. ..	Borrea	30½	10	1½ + 1½	1½ + 1½	1½ + 1½	1½	6, 12	H.P.
30,42,000	2,64,06,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	Burrakur	8‡	10	2½	3	3	3	3	Y.P.
49 97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	Nil	Nil	‡	3	Y.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½N	10	½ + ½	Nil	Nil	—	6, 12	H.
6,00,000	1,41,587	7,50,000k	—	19,867	F. W. Heilgers & Co., Ltd. ..	Churia	3	4	½ + ½	½ + ½	½ + ½	Nilf	6, 12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,318	Macneill & Barry Ltd.	Dhemo Main	8‡	10	1 + 1	1 + 1	1 + 1	Nilf	6, 12	H.
£240,000	£332,801	£224,640	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	26	£1	1‡	5	3‡ (D	2½	4, 7	Y.
89,83,760	74,36,570	3,46,00,164	2,76,14,367	8,82,401	Macneill & Barry Ltd.	Equitable	33‡	10	2½ + 2½	2½ + 2½	2 + 1½	1½f	6, 12	H.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Giruck and Maulia ..	15N	10	1‡	3½	3	Nil	3	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43½	50	3	3	4	5	3	Y.P.
2,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	15½	10	½ + ½	½ + ½	½ + ½	½f	6, 12	H.
₹2 00,000	1,08,577	31,70,015	10,56,245	—1,93,548	Bajpaie Trust Ltd.	Jogta Coal	2‡	10	Nil	Nil	Nil	Nil	12	Y.P.
3,50,000	8,54,000	13,63,400	6,42,347	21,558	Andrew Yule & Co., Ltd. ..	Kalapahari	25‡	10	1½ + 1½	1½ + 1½	1½ + 1½	1½+1	2, 8	H.
20,00,000	—	25,62,791	1,30,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	77	100	Nil	Nil	Nil	Nil	2	Y.P.
5,00,000	12,00,000	42,94,931	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherrah	44	10	1½ + 1½	1½ + 1½	2+2	2+2	1, 7	H.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berwala & Co.	Khas Kajora	5N	10	½ + ½	½	—	—	6, 12	H.P.
21,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Kusrol	62N	10	3½	3½	—	—	4	Y.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11N	10	—	—	—	—	4	Y.
7,42,240	1,50,000	11,24,142	8,84,138	20,398	Associated Commercial Co., Ltd.	Nazira	6½	10	½ + ½	½ + ½	—	—	6, 12	H.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd. ..	New Beerbhoom	16‡	10	3/10+3/10	Nil	Nil	1+½	4, 10	H.P.
6,00 000	3,30,000	31,61,832	15,78,135	66,718	Ramdutt Ramkissendass	New Maubhoom	9½	10	½ + ½	Nil	Nil	Nil f	3, 9	H.
1,15,000	2,46,004	12,74,999	7,73,294	552	Andrew Yule & Co., Ltd. ..	North West	11‡N	10	½ + ½	½ + ½	½ + ½	½+Nil	3, 9	H.
1,57,500							7‡N	10	½ + ½	½ + ½	½ + ½	½+Nil		
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	P. W. Heilgers & Co., Ltd. ..	Ondal	19‡N	10	1½ + 1½	1½ + 1½	1½ + 1½	1f	6, 12	H.P.
18,00,000	1,10 000	35,60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	—	—	—	—	12	Y.T.
8,34,000	83,596	17,23,582	8,27,675	15,793	Deepchand Kabenlall	Panuria	4‡	10	Nil	Nil	Nil	Nil	6, 12	H.P.
15,75,000	11,25,000	42,01,453	29,19,653	22,892	Shaw Wallace & Co., Ltd. ..	Raneegunge	24‡xd	10	½ + ½	½ + ½	½ + ½	½+3	6, 12	H.
24,99,500	15,67,105	1,11,30,999	77,72,002	—97,825	B. N. Elias & Co., Ltd.	Rewa	10‡	10	Nil	—	Nil	Nil f	3, 9	H.
13,50,000	7,38,385	30,56,328	24,50,328	24,964	Shaw Wallace & Co., Ltd. ..	Samla Collieries ..	7‡	10	½ + ½	½ + ½	½ + 1	½	6, 12	H.
20,00,000	3,95,008	32,32,218	13,30,900	438	Jaipuria Sons Ltd.	Searsole	8N	2½	—	—	—	—	3, 9	H.
2,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Seebpore	2‡	7	2½ + 2	2 + 2	2 + 1	1f	6, 12	H.P.
6,77,288	6,77,288	28,60,123	15,19,969	25,876	Andrew Yule & Co., Ltd. ..	Sendra	10N	10	½ + ½	Nil	Nil	Nil	6, 12	H.
8,00,000	8,74,498	36,99,197	24,21,250	—1,59,849	P. W. Heilgers & Co., Ltd. ..									
8,21,450	13,25,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6‡	10	½	½	½	½	12	Y.T.
						Soorah	9‡	10	½ + ½	½ + ½	½ + ½	½ + ½	2, 8	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Standard	2‡	10	½ + ½	½ + ½	½ + 1	1f	6, 12	H.
3,00,000	13,89,545	1,69,570	21,510	87,018	P. W. Heilgers & Co., Ltd. ..	Talcher	3‡	2½	Nil	Nil	Nil		9	Y.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Union	22‡	10	1½ + 1½	1½ + 1½	1½f		6, 12	H.
3,50,000	8,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., ...	West Bengal	9‡	10	½	½	Nil	Nil	6, 12	H.
49,98,000	6,65,000	44,91,158	13,91,545	53,989	Hindustan Investment Corpn., Ltd.	West Jamuria	18‡	10	½ + ½	½ + ½	Nil	Nil	6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	51,107	Macneill & Barry Ltd.									

* Including bonus. ‡ Sales and amount written off. (b) Investments. † For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 4 in96 the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 663)

up capital and quantum of dividend will have disappeared to yield place to the correct relationship between the company's financial position and the dividend declared.

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Students of company finance will no doubt realise that the same result could be achieved by the issue of bonus shares by capitalising the company's reserves. This is true. There is, in fact, no fundamental difference between the issue of n.p.v. shares and of bonus shares. Both seek to achieve the same aim, namely, to bring out the correct relationship between the company's profits and the resources employed by the company in earning those profits. But the issue of bonus shares involves the management in certain difficulties. A Government with leanings towards the left, may, at any time, impose restrictions on the issue of bonus shares. At any rate, it requires the sanction of the authorities in charge of capital issues. This, however, is not the only difficulty. In the U.K., as, in fact, in this country, there is a school of thought which believes that reserves do not belong only to the shareholders. This is disturbing to a degree. Hitherto, the shareholders' right to a company's reserves had been tacitly accepted on the ground that they were built up by voluntary sacrifice of shareholders, in the interests of the company. Indeed, they took pride in the practice of self-denial exercised by them in the past. But this sacrifice had assisted their company to expand its business, to provide more employment to workers, and to help prevent breakdown, unemployment and reduction of wages in times of adversity. This, indeed, is the correct view to take. But the modern world is topsy-turvy. The worker now feels that the reserves have been built up by his sacrifice, that they give because he did not put in, promptly enough, his claim for higher wage to which he was entitled. Even a person like Mr. Kaldor (Labour M.P.), an ex-Chancellor of the Exchequer, who must surely be aware of the circumstances in which reserves are built up, roundly declared in the British Parliament, the other day, that some system should be devised whereby the "workers are given a fair share of the reserves accumulated, thanks to their moderation." So, that's what a company's reserves are the workers' property. This new trend in economic thinking has given a further impetus to the demand for n.p.v. shares. A similar trend is noticeable in this country too. The recent award about the distribution of the reserves of the Madras Tramways is an instance in point. Perhaps, company managements in India too will do well to study the question of n.p.v. shares and the implications of the issue of such shares.

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Such a study has been rendered easier by the impressive summing up of the case for n.p.v. shares by the Gedge Committee in the U.K. The Committee lists the following main advantages claimed for the n.p.v. shares:

(1) They represent the share for what it is—a fraction of the equity—and do not import a notional token of value. (2) With no nominal capital and no par value shares, it is impossible to relate a dividend to a nominal capital and "a potent source of misunderstanding and misrepresentation" is, therefore, avoided. (3) Whether a company has no-par-value shares or nominal-value shares it is the capital employed and not the paid-up share capital which is the true capital of the undertaking. An ordinary no-par-value share does not purport to be anything but a share of the equity. (4) With no-par-value shares, matters analogous to "bonus" issues and sub-divisions are simplified. (5) Shares of no-par-value would, in certain cases, facilitate the raising of additional equity capital. The Committee emphasises that the change to the n.p.v. system is not to add any "suggestion of a value which is more true or real, but to remove a suggestion of value which is untrue and unreal." The Committee holds "strongly to the view that the adoption of the no-par-value system would assist in removing the misunderstanding and misrepresentation to which the existing system gives rise and which are so undesirable from the point of view of employers, workpeople and the nation."

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The Committee has emphasised the need for two safeguards. In the first place, the whole of the proceeds of the issue of n.p.v. shares should be carried to stated capital account and should not be distributed. Secondly, conversions from shares having a nominal value and vice versa should require approval by special resolution and, where there is more than one class of shareholder, the conversion should be subject to approval by extraordinary resolution of each class. The Committee's ordinary resolution of each class. The Committee's other recommendations include: (1) Companies should be allowed to issue ordinary shares of no-par-value if they wish, but should not be obliged to adopt the system. (2) The system should be confined to ordinary share capital. "We feel that a fixed dividend must have a relation to the sum on which it is paid, and that that, as well as the repayment of a fixed sum in a winding-up, is out of keeping with the concept of no-par-value." (3) A company should not be permitted to have its ordinary share capital partly in shares with nominal value and partly in shares of no-par-value. (4) Companies should be enabled by special resolution to convert their ordinary shares having a nominal value fully paid or not, into n.p.v. shares and to convert fully paid n.p.v. shares of no-par-value into shares having a nominal value. (5) There is no objection to n.p.v. shares being partly paid. (6) The system should be available to all companies having a share capital, including private companies. (7) No part of the proceeds of issue should be distributable as surplus and the stated capital should be treated as identical with the paid-up share capital of a company with nominal value shares. (8) The transfer of reserves and other sums to stated capital account, thus "freezing" them, and splitting of shares of no-par-value should require approval by special resolution. (9) Where there is no substantial change in the ownership of an undertaking as the result of a reconstruction or amalgamation, revenue reserves which existed before either happening should not be "frozen."

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Trade unions in the U.K. are, however, opposed to the issue of n.p.v. shares. They hold that it may lead to grave abuses, such as payment of dividend out of capital. The Committee, it will be noted, has provided against this contingency. Again, the unions feel that the main purpose of the issue of n.p.v. shares is to "conceal what is happening inside public companies and, in particular, to camouflage the payment of excessive dividends." This is an unfair charge, for the n.p.v. system is being advocated precisely to correct the false impression of an "excessive" dividend. The Trade Union Congress, however, could not define what it meant by "excessive" dividend. When pressed for a clarification, the representative of the T.U.C. said that an "excessive" dividend was "something which would strike an average trade unionist as being excessive in relation to the wage he is receiving and the general level of remuneration in occupation of all kinds." Apparently, British labour claims the power of a veto on dividends.

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If the Chairman of even an old and well-established textile company, such as the Buckingham and Carnatic Co., Ltd., finds it necessary to point out that the tax burden on the industry is heavy, it is time that the Government sits up and takes notice. Mr. R. E. Castell of the Company made, at the recent annual meeting of the Company, a few general observations which deserve wide notice. He said that there were indeed "abundant signs of a current and impending further contraction in profit-margins in the Indian textile industry." The industry and trade, he said, faced the "prospect of demand for cotton and other textiles being weakened by the additional excise duties by the Union Government and of heavy extra sales taxes by some of the States, particularly those of Madras and Mysore." We have, in the past, criticised the levy of excessive excise duty on cloth, and also the State Governments' ingenious move to utilise sales tax as a device for protecting the handloom industry. The new levies, he said, in effect, more than wiped out the benefit of the removal of import duty on cotton.

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Mr. Castell hoped that, as a result of the many representations made to the Central and State Governments, there would be some mitigation of the "proposed new indirect but severe taxation." He thought that it was desirable that at least medium cloth should be exempt from heavy duty and sales tax, since such cloth was being used by the poorer classes more widely than the cloth of coarser counts which has been exempt from heavy duty. All those who have any knowledge of the recent trends in sartorial fashions will readily agree with Mr. Castell's observation that "the rating of cotton cloth into four categories has created the illusion that the range from 'coarse' to 'superfine' denotes an ascent from cheap utility to costly luxury but the truth is that many fine and superfine cloths are popular with all income groups, as well as being durable, they are light and cool."

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Fiscal burdens are not, however, the only ones which the Indian textile industry has to bear. It suffers equally gr

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	18 0	12	Y.P.
14,58,000				188xd	50	9 0	9 0	9 0	9 0		
1,01,000	12,03,000	1,79,017	Andhra Bank	116cd	100	6 0	6 0	6 0	3 0(i)	6.12	H.
83,99,000				62½cd	50	3 0	3 0	3 0	1 8(i)		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110½	25	6 0½	6 0	6 0	6 0½	12	Y.
40,00,000	14,00,000	8,647	Bank of Bikaner	12½N	25	1 2½	1 2½	1 2½	1 2½	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	147½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0½	3 0	3 0	3 0	12	Y.
50,00,000	15,00,000	35,324	Bank of Jaipur	20½	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	29½	100	16 0½	16 0½	16 0½	16 0½	12	Y.
59,99,150	51,41,240	29,609	Bombay State Co-operative Bank	59	50	2 8½	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	80	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0½	5 0½	5 0½	3 0½	12	Y.P.
2,62,11,475	999,79,642	1o,49,868	Central Bank of India Ltd.	26	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,42,905 A				39	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	40½	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
4,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	50	—	—	—	—	12	Y.
60,00,000	1,50,000	1,412	Hindustan Mercantile Bank	11½	50	—	—	—	—	12	Y.
95,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	5 0	12	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,795	300	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				431½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				170cd	100	12 0½	12 0½	12 0½	12 0½		
17,00,000	76,50,000	1,23,088	Indian Bank	141xcd	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				99xcd	60	7 3½	7 3½	7 3½	7 3½		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank	92xd	100	5 0½	6 0½	6 0	6 0	.12	R.L.H.
6,25,000				67	100(A)	9 0	7 8½	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				36½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	90,00,000	3,10,289	Punjab National Bank	25	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	14cd	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	6½xd	5	0 5	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	41	50	2 0	2 0	2 0	2 0	12	M.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,000,000	£4,000,000	£359,215	Chartered Bank of India, Australia and China	£2-2-7½	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20 000 000	H.K.$96 000 000	H.K.$9,859,542	Hongkong and Shanghai Banking Corporation	£97	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£3-0-3xd	£1	12†	12†	12 †	14†	12	R.L.Y.
£1,437,296				£1-6-3		5†	5†	5 †	5†	12	R.L.Y.
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank o India	£27½	A £12½	12†	12†	14†	14†		
£375,000 'B'				£27½	B £12½	12	12†	14†	14†	12	R.L.Y.
£300,000 'C'				£11½	C £6	12†	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India	£33½	£12½	16†	16†	16†	16†	12	L.Y.

£Includes bonus. †Less Tax (P) Pakistan Currency. ††U.S. Currency. (i) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £		Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June 1963
4,50,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	96	28th February 1960(f)
8,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1938	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April 1954-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November 1959-64
COTTON						
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
1,25,000	4½	15th June and 15th December	Bengal-Nagpur	1897	98½	15th November 1956(a)
8,10,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101	1st January 1967-72
13,68,000	5½		Jaybaree Textiles	1940	78N	1st January 1956-59
60,00,000	5	1st June	Tata Mills.		101	1966-71
ELECTRICS						
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101½	14th June 1968
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	100½	1st October 1958
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December 1964
2,53,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1943	86	31st December 1970
13,00,000	5	1st January and 1st July	Bihar (Dhurliah) Electric Supply Co., Ltd.	1951	96	30th June 1976
2,56,200	5½	1st January and 1st July	South Madras Electric Supply	1940	96½	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July 1957-67
47,72,000	4	1st April and 1st October	Tata Power	1940	100½	15th September 1951-55(c)
8,50,000	4	1st April and 1st October	Tata Power		93	15th September 1965-70
ENGINEERING						
8,00,000	3½	30th June and 31st December	Britannia Engineering	1942	98½	31st December 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	696	31st December 1956(H)
10,00,000	4	30th June and 30th November	Kumardhubi Engineering Works Ltd.	1948	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	93	31st December 1968
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March 1954
4,00,000	4	30th June and 31st December	Alexandra	1939	98	30th June 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1942	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1950	90	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July 1959(e)
10,69,000	5	30th June and 31st December	Chitavalah Jute Mills	1951	97	15th July 1966
8,85,000	5	30th June and 31st December	Empire	1951	95	15th July 1966
25,00,000	5½	1st January and 1st July	Mukundchand	1947	92½	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December 1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March 1967
3,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	31st March 1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
80,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1943	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September 1965
8,00,000	4½	14th March and 14th September	Seorah Jute	1937	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June 1957(d)
10,00,000	5½	31st January and 31st July	Waverley	1923	85	31st July 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	1936	86	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£60§N	A ↑105% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933	£77§N	1st October 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85§N	
1,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96§	1st September 1963
PLANTING						
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April 1954-56
4,61,000	5½	30th June	Ouchterlony		104	30th June 1954-59
9,00,000	5½	31st March & 30th September	Periakaramalai		101	31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekoy		100	31st March 1949-59
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December 1965
86,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June 1957(i)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1913	92	1st February 1964
21,75,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July 1968
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September 1960
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82	1970
1,30 00 000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January 1970
20 00 000	5	15th March and 15th September	Mettur Chemical Industries	1949	96	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September 1976
45 00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	523 (per note)	31st December 1972
75 00 000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April 1971
1 00 00 000	3½	31st March	Orient Paper Mills Ltd.	1951	96½	31st March 1961
1 00 00 000	4	30th June and 31st December	Robtas Industries Ltd.	1946	88	31st December 1959
4,00 00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	104½	1st May 1968

Note—See page 714 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 8th April, 1954.

—	Closing quotations 1-4-'54	High	Low	Closing quotations 8-4-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	148½xd	149	146½	148
Bank of Baroda (50)	110	110½	110½	110½
Central (25)	56½	56½	56	56
Central 'A' (25)	59	59½	58½	59½
Imperial (P Pd.) (500)	1,785	1,805	1,783½	1,805
Imperial (P.Pd.) (125)	430	442½	430	442½
Union Bank (5)	7	7	6-8½	6-8½xd
United Com. (50)	41½	41½	40	40xd
TEXTILES				
Ahm. Adv. (100)	149½	—	—	149½
Apollo (2)	2½	2-13/16	2-12/16	2½
Bombay Dyeing (250)	413½	431½	420½	423½
Central India (100)	184½	187	179½	180½
Century Mills (100)	333	335½	330½	331½
Colaba (100)	67	67	66½	65½
Edward Textile (200)	245	246½	241½	245
Elphinstone (50)	44	—	—	44
Finlay (100)	266	267	262	262
Global (100)	273	274½	270	271
Ind. Ind. Defd. (1)	1-9/16	1½	1½	1½
Ind. Unit. Ord. (10)	11-10/16	11 11/16	11-5/16	11-5/16
Indore Malwa (100)	120	120	113½	115
Khatau (100)	213½	118½	110	117½xr
Kohinoor (100)	315½	322	315½	318
Lakhmi (250)	580	583½	580	583½
Madhusudhan (100)	82	—	—	82
B. B. & Cotton Mills (100)	60½	61½	59½	59½
Minerva Mills (100)	111½	—	—	111½
Model Nagpur (250)	140	—	—	140
Morarji (100)	210½	—	—	210½
Mysore (50)	164½	164½	120	120xr
National Rayons (100)	164½	170½	163½	168
New City (100)	160	—	—	160
New Great (100)	155	155	150	151
New Union (10)	26½	—	—	26½
Phenix (100)	130	130	128½	124½
Podar Mills (100)	145	145½	143½	145
Rassoon Bills (10)	18½	—	—	18½
Rassoon Spg. (10)	30½	30½	30	30½
Shahjapur (1,000)	1,840	2,010	2,005	2,010
Shrinivas (100)	213½	217½	212½	212½
Simplex (50)	154	155½	152½	152½
Standard (100)	332½	335	330	333½
Swadeshi (100)	307½	309½	302	303½
Tata Mfl. (25)	31½	—	—	353½
Vishnu (100)	52	53½	52	53
Western India (1,000)	140½	142½	140½	140½
	3,810	—	—	3,810
ELECTRIC COS.				
Ahmedabad (100)	117½	117½	112½xd	112½
Ahmedabad (10)	10½	10½	10½	10½
Andhra Valley (1,000)	1,340	1,352½	1,335	1,335
Bom. Sub-El. (100)	121½	122½	121½	121½
Surat (100)	127½	—	—	127½
Tata Hydro (100)	143½	144	143	143½
Tata Power (1,000)	1,451½	1,471½	1,447½	1,450
INSURANCE COS.				
British India (10)	13	—	—	13
Empire of India (100)	640	—	—	640
Ind. Mercantile (20	41½	41½	40½	40½
Jupiter (10)	7½	—	—	7½
New India (15)	48	48	45½	46
Oriental (200)	7,760	7,850	7,760	7,850
Universal (10)	9½	—	—	9½
Vulcan (10)	12½	—	—	12½
STEAMER COS.				
Scindia (15)	18-1½	18-6½	17½	17½
STEEL COS.				
Ind. Iron (10)	29½	31-2½	30-1½	30-13½
Tata Steel Ord. (75)	189½xr	192½	189½	191
MISCELLANEOUS				
Alcock Ashdown (100)	358½	360	356½	357½
Associated Cta. (100)	157½	158½	158	158½
Belapur Sugar (5)	263½	269½	261	269½
Bom. Burmah (125)	422½	423½	417½	418½
Do. (New) (50)	146½	148½	146½	146½
Br. B. Petrol (4 sh.)	3-2½	3-2½	3	3
Br. I. Corpn. (5)	8-8½xd	8½	8½	8½
Indian Copper (2 sh.)	3-1½	3-2½	3-1½	3-1½
Ind. Inv. Tr. (100)	80	80	79½	79½
Kemp (200)	263½	267½	263½	266½
Killicks (100)	173	—	—	173
Killick (75)	130	—	—	130
Phalton Sugar (50)	97½	101½	96½	101½
Port Canning (100)	27½	—	—	27½
Premier Cem. (50)	128½	133½	127	128½
Shivrajpur (10)	74	75½	74½	75
Tata Chemicals (10	14½	14-15½	14½	14½
Tata Oil (25)	37½	37½	36½	36½
Walchand Ind. (100	168½	183½	171½	183½
W. I. Match (100)	205	211½	207½	211½

GOVERNMENT SECURITIES	Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs
2½% 1954	99½	—	3.48	99½
2½% 1955	98½	—	3.50	98½
2½% 1961	90½	—	3.93	91
2½% 1960	93½	—	3.84	94
2½% 1962	91½	—	3.85	92
2½% 1963	91½	—	3.91	92½
3 % 1957	98½	—	3.47	98½
3 % 1958	98½	—	3.42	98½
3 % 1959-61	96½	3.70	3.50	96½
3 % 1964	92½	—	3.85	93
3 % 1963-65	92½	3.92	3.78	93
3 % 1966-68	90½	3.97	3.86	90½
3 % 1970-75	86½	4.11	3.90	87
3 % 1986 Cos. Loan	83½	—	3.6**	83½
3½% 1954-59*	100½	3.34	3.48	100½
4 % 1960-70	102½	3.62	3.82	102½
4½% 1955-60	102½	3.68	4.12	102½
4½% 1958-68*	105	3.27	4.04	105
3½% 1961 N.P. Bonds	99½	—	3.61	99½

BRITISH GOVERNMENT SECURITIES	1-4-54 £	High £	Low £	7-4-54 £
2½% Brit. Consols	64½	64½	64½	64½
3 % Savings Bonds 1965-75	89½	89½	89½	89½
3½% War Loan 1955-59	101½	—	—	101½
3½% War Loan 1952	87½	86½	86½	87½
3½% Brit. Iron and Steel 1976-78	94½	—	94½	95½
4 % Funding Loan 160-90	101½	95½ 101½	101½	101½

** Current Income. x.d.—Ex-dividend. * Rupee Counterparts. X.R.—Ex-Right.

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Who else must sweat and toil and gain but scanty fare."
William Blake

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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SUPPORT THE NEW LOAN

THE Prime Minister's appeal to the nation to subscribe liberally to the National Plan Loan deserves the wholehearted support of one and all. The proceeds of this loan will be utilised for financing the Five-year Plan. Every one who subscribes to the new loan will actually be helping oneself, for, when the Plan is implemented, every one stands to gain. The Plan, as readers are aware, is a comprehensive one, providing for an all-round development of the country. It has been admitted by all who have studied the needs of the country, including the I.M.F. experts who visited India last year under the leadership of the eminent economist, Mr. E. M. Bernstein, that the order of development envisaged in the Plan is the minimum needed for preventing our economy from becoming a stagnant one. It is, therefore, needless to emphasise that, if the Plan is allowed to fail, the whole nation will be faced with economic retrogression. In fine, the Plan must not be allowed to fail.

It is generally agreed that the cost of the Plan exceeds the readily available resources in the country by a large sum, the gap being of the order of Rs. 890 crores. The country has already managed to cover, somehow or other, a third of this deficit—Rs. 290 crores to be precise—without feeling the inflationary impact of that expenditure. It is the remainder that is causing great difficulty to the Government. But it is a challenge to the nation. It is an opportunity to prove to the world that we are a dynamic society, capable of overcoming obstacles in the way of raising its living standards.

When the Plan was prepared, its authors had hoped that India would receive a sizable amount of economic assistance from those who valued it as a bastion of democracy in Asia and the Far East. At no time was India in need of a helping hand from friendly foreign countries than it is at present. But world politics have so developed now that it would be unrealistic for India to expect any large-scale assistance, consistent with its own cherished ideals, principles and cultural traditions. The greatest ideal for the realisation of which India is striving is peace; it strongly feels that the means of achieving this ideal are as important as the end. And it is undoubtedly right in holding to this principle, for, if the means followed are wrong, the end cannot be right. If acceptance of foreign aid requires a compromise of the fundamental principles valued by this country, such aid is not worth having. The U.S. is, perhaps, the only country that can render assistance on a scale needed by India. But its foreign policy differs from that of our country on so many essential points that it would be embarrassing to the Governments of both the countries if India were to take economic aid from that source. Until the situation clears, it is, therefore, better for India to rely on its own resources.

There is also another good reason why it is better to stand on our own feet. Economic aid of the type contemplated in the Five-year Plan is mostly a Government-to-Government affair. Such aid to a highly developed country, such as the U.K., having a first class administrative machinery, as well as realistic and mature politicians, might yield satisfactory results and carry the receiving country forward without any perceptible injury to its moral and material fabric. It is doubtful whether similar results would follow if such assistance were to be received by the Governments of countries which are politically immature, economically backward and administratively weak. State-to-State aid to such countries may induce complacency and indolence and ultimately reduce the will to stand on their own feet. It will encourage the party in power to be extravagant, to try its costly fads, to launch uneconomic ventures and to disregard public opinion or to try to win it through stunts when the need arises. It is thus dangerous for this young democracy to rely too much on foreign aid on a Government-to-Government basis. In saying this, we do not suggest that the country should spurn foreign assistance. All that we wish to indicate here is that it is far more safe for this country to obtain such assistance through private enterprise, as, for instance, through the proposed Industrial Development Bank sponsored by the World Bank.

In a way, therefore, the present turn of events, compelling the Government of India to go to the people for the funds needed to finance the Plan, is a blessing in disguise. The private sector need not be apprehensive that, as a large part of the resources which would have been available for its development would now flow into the Exchequer, there would be nothing left for it, because the success of the Plan would mean a stable economy conducive to its own growth. It is gratifying to find that the Chairman of the Federation of Chambers of Commerce and Industry, Mr. B. M. Birla, has reacted to the new issue in the right spirit. Business men, in particular, and the public, in general, will do well to realise that the alternative to stinting, saving and lending to the Government as much as possible is inflation, a distinctly unhealthy way of finding the money required for development. To the extent this loan succeeds, the need for resorting to this form of financing will be correspondingly reduced. In other words, by subscribing to the new loan, one will help maintain the value of the rupee. And a stable rupee is a pre-requisite for a sound economy. Accordingly, it is the duty of all to support the new loan to the extent permitted by their resources. Even as an investment, the terms of the loan compare favourably with the current yields on similar Gilt-edged securities.

RATIONALISATION

NO word in current usage in this country is more maligned than "rationalisation." Even if it is not condemned outright as a sin, it is considered by some to be extremely bad even to advocate it. A whole host of unpleasant associations have been allowed to develop around this word. Both Government spokesmen and labour leaders have succeeded in conjuring up visions of large-scale unemployment, mass misery and civil commotion and unrest, which, it is confidently asserted, will follow the adoption of rationalisation by industrial establishments.

It occurs to us that the Government and workers are afraid of rationalisation in much the same way as children are afraid of the dark. No attempt is made to find out whether all this scare, consternation and hysteria are justified. Why should an idea—such as the one conveyed by "rationalisation"—that has been used to such excellent advantage not only in the West but even in Japan which, too, has the problem of overpopulation, mean so much harm to India? Is it contended that this country could attain any industrial status without adopting the devices that have made other countries attain it? Does rationalisation really imply such profound disturbance to national economy as is made out? These are simple questions and deserve a straight answer.

The fact is that rationalisation is as sober, sound and workable a principle as any that made such industrialisation as has taken place possible in this country. And yet, the principle is bitterly opposed. An impartial examination of this doctrine, in so far as it is applicable to the cotton mill industry, was made this week by Mr. Neville N. Wadia, Chairman of the Bombay Millowners' Association. Since his observations are applicable as much to the cotton textile

industry, to which he specifically referred, as to any other industry, they deserve wider notice.

Mr. Wadia's sober exposition of the arithmetic of rationalisation should go a long way towards correcting the fears that are entertained about the ill-effects of adopting this device. The first question is: Can rationalisation be attempted by the entire industry and immediately? Obviously, it cannot be done. This is because the industry would need about Rs. 300 crores for rationalising itself, whereas it has no more than Rs. 100 crores to be spent on rationalisation. Again, there will be a time lag between the time rationalisation plans are chalked out and the time they are implemented. Secondly, what is the approximate number of men that are likely to be thrown out of employment through the industry's adoption of rationalisation? No one can give an accurate answer to this question. Mr. Neville Wadia calculated that, even if all looms were converted to automatic overnight, it would mean unemployment for 125,000 weavers out of 200,000 weavers. This is, of course, the maximum evil that might flow from rationalisation. That this maximum will never be attained should be clear not only from the fact that rationalisation cannot be achieved overnight but also from the consideration that it cannot be implemented by all mills. Again, the figure will, in actual practice, be less, since quite a few mills have already installed automatic looms.

As against this number, likely to be unemployed through rationalisation, one must consider the other ways in which the industry could be enabled to absorb more workers. If rationalisation results in a reduction in cost of about nine pies per yard—Mr. Wadia quoted this figure from a labour leader's view on the question—and this cost-reduction is passed on to the consumers, the latter will be able to buy another 360 million yards, to produce which an additional number of 54,000 workers will be required. There is also another angle from which the question might be looked at. The Government derives some Rs. 27 crores by way of excise duty on cloth. If this money were spent by the people on purchases of cloth, the mills would be able to engage themselves in an additional production of 432 million yards; this, in turn, would need 65,000 more workers.

Apart from these considerations, it is well to recognise that the industry has neglected its re-equipment needs for close upon quarter of a century. Textile machinery industry is not a static industry. During these years, it has made considerable progress. Is it contended that the cotton textile industry should indefinitely postpone re-equipment and modernisation of plant for fear that it might mean some retrenchment? If no improvement were permitted, it would mean that only the types of equipment, which are now in use, should be bought. It would be a "criminal waste" of capital, as Mr. Wadia suggested, to install machinery of an out-of-date type. Some displacement of workers is bound to occur whenever re-equipment takes place. But such displacement would necessarily be small, since the mills would be interested in working the new equipment for longer hours—this would need more workers—in order to recover the high cost of the new machines.

If, on the other hand, all modernisation were eschewed, the industry's production costs are bound to remain at a high level. The industry's competitive position would be seriously affected. In this connection, it is wise to remember that many countries are taking to the production of textiles and are installing modern types of machinery. Even the old textile-producing countries, notably Japan, are replacing their war-worn or war-damaged equipment by new equipment incorporating the latest improvements. If the Indian textile industry loses its competitive position in the world markets, it will mean that it will be compelled to reduce its production by 20 per cent. of the present output. This will mean loss of work for 20 per cent. of the present labour force or for 148,000 employees. The damage will be more serious than that. To quote Mr. Wadia:

> "Mills will consume less cotton which means less demand from our farmers and lower prices. Less mill stores will be consumed which means less work for all the ancillary industries which live on orders from the textile industry."

Modernisation of the textile industry will, on the other hand, mean cheaper cloth and, therefore, larger consumption; this, in turn, will lead to more production and employment. The question is whether it is right to throw away all this opportunity, hold 340 million consumers to ransom and deprive the country of the chance of earning foreign exchange merely to placate the existing labour force. Even industrial peace is very dearly bought if the price that has to be paid is the country's long-term economic interest. The inner contradictions in the Government's industrial policy are now coming to the surface. The country cannot aspire to Western standards of labour welfare, if it sets its face against Western industrial methods. To expect all the fruits of Western industrialisation and to refuse, at the same time, to pay the necessary price in the shape of harder work and modern equipment is nothing short of a delusion.

DEVELOPMENT OF THE MALNAD

ALTHOUGH it is now a truism to refer to India as an underdeveloped country, it is necessary to recognise that there are regions in the country which are practically undeveloped, compared to which other parts might well be termed as highly developed. One such undeveloped region is the Malnad of the South. This region is generally understood to cover the area from Belgaum in Bombay State to Malabar in the Madras State, cutting across at least four States—Bombay, Mysore, Coorg and Madras. But, really speaking, it covers the whole of the area stretching eastwards from the mountainous spine of the Western Ghats commencing from Bombay through the Wynaad to South Travancore, including spurs such as the Nilgiris, the Palnis and the Anamalais. One of the chief reasons why the development of this region has suffered is that it is under the rule of more than one State Government. Since it is the business of every State Government concerned to develop the region, no State is willing to carry the baby; obviously, even if any one State were so willing, it could not possibly nurse it efficiently enough. The result is that this lovely stretch of territory, which is second only to Kashmir in scenic splendour, has suffered grievously by continued neglect by the powers-that-be. And yet, Malnad, as those who participated in the recent Malnad Conference at Shimoga were at great pains to point out, is capable of being developed into a rich agro-industrial region.

Steeped in poverty, ignorance; and ill-health, the Malnad might well be called the "sick man" of India. It calls aloud for special treatment both on humanitarian and economic grounds. Those who know the fiscal and industrial value of coffee, cashewnut, spices and bamboo—these are only a few of the commodities the Malnad produces—will readily appreciate what a well-developed Malnad can mean to the country as a whole. In an article contributed to our 1953 *Annual Review Number*, Mr. Ivor Bull, a leading South Indian coffee planter, presented a plan for development of this much neglected area. He pointed out how suited this area was for growing coffee, paddy, pepper and cardamoms. According to his calculation, which no one has disputed so far, another two lakh families could find employment under coffee alone and almost an equal number would be employed in the cultivation of other crops and in the trading and development of the village and country life of this region. This is a telling enough argument in these days when any measure, designed to provide employment opportunities, has a special appeal to the Union and State Governments. That the development of this region will also mean additional revenue in the shape of export and excise duties on coffee, export duty on pepper and levies on plantation and other products, should be an additional inducement to the Governments concerned to expedite the development of this region.

The general problem of the Malnad is one of providing transport, communications, health and educational services. There has been no lack of committees which have studied the problem. The earliest of such efforts was the one made by the Mysore Government in 1901. Several other committees followed this effort. Many investigations have also been made. The two recent efforts in this direction were the appointment of a committee under Mr. A. V. Ramanathan of the Mysore State Civil Service (1945) and of the Central Malnad Planning Committee (1951) consisting of representatives of the Bombay, Coorg, Madras and Mysore States. It would appear that the Central Malnad Planning Committee submitted an interim report and that it has now been shelved. Surely, it is time that the development of the Malnad was carried beyond the investigation stage.

The first problem is to provide better communications which will open up the interior of the Malnad. Although the Malnad can boast of important sea-towns, such as Karwar, Bhatkal, Malpe and Mangalore, it has no well equipped harbour. It is also ill-served by railways and roads. The Railway Ministry, it is gratifying to note, is surveying the Mangalore-Hassan line. Mr. Nijalingappa emphasised that, if Birur were linked to this proposed line at Manjirabad *via* Chikkmagalur and Mudabidri, it would open up the interior of the Malnad. He also suggested that Karwar should be connected to Hubli *via* Yellapur and Sirsi, and that Daddi in North Kanara should be linked with Talguppa in Shimoga District. Mr. K. Hanumanthiah, Mysore's Chief Minister, revealed that the State Government was urging the Railway Ministry to connect Bangalore and Mangalore by a broad-gauge section. Although these detailed suggestions reveal the leaders' understandable awareness of the transport needs of this area, it must be admitted that development of railways, especially in mountainous areas, is a costly affair; it may not, therefore, be a reasonable proposition in these days of scarcity of capital. Investigations made by transport experts reveal that the present trend all over the world is not to extend railways, except on long-distance routes. Development of motor transport is, therefore, more suited to this area than that of railways. Besides providing an economic means of transport, this would also mean the laying of new roads and the improvement of the existing ones. The Malnad is a land of many rivers and rivulets. Hence the importance of constructing bridges. Both the Madras and Mysore Governments, it is stated, have constructed several bridges. Mr. Nijalingappa complained, however, that "the Bombay Government, on the other hand, for reasons best known to itself, has been slow, and not even a single bridge has been built so far." What the provision of transport facilities in this region will mean to national economy will be evident from Mr. Nijalingappa's statement that fish, caught along the coast, have often to be thrown into the sea, because the people have neither transport nor cold storage facilities.

The high altitudes of the hills in this region, coupled with the fact that many rivers originate in these hills, are favourable for developing large quantities of hydel power. And yet, the Malnad can boast of only a few hydel projects. The most important project, which has been undertaken so far, is the Mahatma Gandhi Project at the Jog Falls, designed to generate over one lakh kw. It would appear that the Kali Nadi Project and the Honne Maradu Project, (each is estimated to cost Rs. 40 crores) could generate 4½ to 5 lakh kw. each. There is scope for initiating many other smaller hydro-electric projects. Among the irrigations projects, the Tunga anicut (Mysore Government-sponsored project), it is estimated, will irrigate 21,000 acres. Work has been started by the Mysore Government in connection with the Bhadra Reservoir Project.

The only important industries in the Malnad region are those started by the Mysore Government; the Mysore Iron and Steel factory, at Bhadravati, and the Mysore Paper Mills, are some of these. The State Government proposes to set up a new sugar mill in Shimoga. The total amount (both what has been invested and what is proposed to be invested by the Mysore Government in its Malnad region) comes to about Rs. 40 crores. This is doubtless a large sum. But this region would need a much higher level of investment for its full development. Even then, it would leave unsolved the equally urgent problems of providing educational facilities, medical relief and public health services in this notoriously malarial region.

Since the problems of the Malnad are many and complex and have never been consistently publicised, the Conference did well to appoint a Standing Committee of 21 members to keep the subject of this region's development under constant scrutiny. The Conference urged the Union Government to appoint a Development Board for this region. Other resolutions adopted by the Conference emphasised the need for increasing agricultural production, and for the development of ports, railways and roads. If the fine sentiments expressed by Mr. Rafi A. Kidwai, Union Minister for Agriculture and Dr. Punjabrao Deshmukh, Deputy Minister for Agriculture, both of whom attended the Conference, are any indication of the Central Government's intentions, the Malnad bids fair to come into its own very soon. Dr. Deshmukh promised that the difficulties of co-ordinating the work of the different State Governments, which prevented, in the past, greater consideration of the Malnad's problems, would not be allowed any longer to "halt our progress." Mr. Kidwai affirmed that he was "sure a more comprehensive scheme for the development of this area will be taken up in the second Five-year Plan." Action, it is to be hoped, will be as reassuring as these promises.

SOME THOUGHTS ON NEW CENTRAL LOAN

DYESTUFF ISSUE—SUGAR PRICES—RELIEF TO DECCAN FACTORIES—U.S. FARM SURPLUS

WEDNESDAY, 5 P.M.

THE new loan announced by the Government of India late on Monday evening took the market by surprise, in that it came at a time when none expected it. That the Government was planning to borrow a much larger sum than was indicated by the Finance Minister in his budget speech has been known to market circles for some time now.

MARKET GOSSIP

In fact, this was hinted at in these columns well over a month ago. Further, the announcement of a new loan in the near future was scented by the market from the open market operations of the Reserve Bank of India during the past three weeks. But no one thought that the new loan would be announced so soon as this. The general impression was that it might be done some time in May or early June. Even when Mr. Nehru appealed to the public to support the new loan while addressing a public meeting at Chaupaty on Sunday, one did not think that the loan announcement would follow on the very next day. Thus, the Government's decision on the date for the announcement of the loan was a well-guarded secret.

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The terms of the loan are, however, not a surprise. They are in line with market expectations. Before proceeding to discuss the merits of the loan, a brief description of the terms thereof is necessary. The loan is for a period of ten years. It carries interest at the rate of 3.5 per cent., taxable. The interest is payable every six months. The issue price is Rs. 98-8, while it will be repaid at Rs. 100. The list opens on 19th April, 1954, and will remain open until further notice. This means that the loan is for an unspecified amount. After the first week of the list remaining open, the issue price will rise by 9 pies per week. This increase approximates to the net interest which accrues on this security. Thus, during the second week, namely, 26th April, 1954 to 1st May, 1954, the issue price will be Rs. 98-8-9. In the following week, it will be Rs. 98-9-6 and so on. The new issue is on account of both the Centre and State Governments.

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Since the issue price is at a discount of Re. 1-8, the redemption yield on this loan works out to 3.67 per cent. per annum. This return is in keeping with the yield on the existing loans of comparable maturity giving the same running yield. It is true that the yield on 3 per cent. 1963-65 or 3 per cent. 1964 is slightly higher at 3.78 and 3.85, respectively. There is, however, no reason to expect these issues to compete with the new loan, because the running yield on the latter is distinctly higher by 0.5 per cent. Most investors, except, perhaps, insurance companies, will prefer to buy a loan the running yield on which is higher. The loan with a higher redemption yield generally attracts only those who are prepared to keep it until the date of redemption. The longer dated loans give, of course, a much higher yield than the one available on the new loan. 3 per cent. 1970-75, for instance, offers 3.90 per cent. (earlier redemption). But, in the present state of affairs, the market's preference is for short- and medium-dated loans. Accordingly, the high-yielding long-dated loans will not stand in the way of the new loan.

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As the terms of the new loan are in consonance with the current yields, they have had no perceptibly adverse effect on the value of existing loans. It is true that the conversion loan has declined from Rs. 83-3 to Rs. 82-14, a drop of As. 5. But, as there is always a certain amount of speculation in this security, the fall in its value cannot be taken as a true index of the Gilt-edged market's reaction to the new loan. The trend of the market is, however, quiet, because there has been no buying enquiry. Operators feel that, as there will not be much enquiry for the existing loans so long as the new loan is on tap, there may be a slight fall in their value. That may be so, but a point to be noted here is that, in the past few weeks, these loans were pushed up by As. 4 to As. 6, thanks to the Reserve Bank's open market operations. If, therefore, there is a fall in their value, it may mean no more than the loss of the recent adventitious gain, so that there is no cause for any grouse among the holders of the existing loans.

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In fact, when we come to think of it, we feel that the Reserve Bank has been very thoughtful. It has prepared the market in such a way as not to cause any disappointment among those who had already bought Government loans. This is an important aspect from the psychological point of view. It induces confidence among the investors that they will not be left high and dry at the time of the next new loan. There are some in the market who seem to feel that the existing securities will decline in the coming weeks when some of the holders may unload and buy the new loan in order to please the Government authorities. But we do not think that the Reserve Bank will allow this to go very far, because any appreciable fall in the Gilt-edged values will have an adverse effect on the sale of new loan itself. It may, therefore, be expected to extend judicious support to the market on such occasions. We suppose the authorities are aware that, when they want to raise Rs. 150 to Rs. 200 crores, they will have to pay out to the market Rs. 10 to Rs. 15 crores in order to keep it in good shape.

Has the announcement been ill-timed? Since this is a loan on tap, the question is, perhaps, not quite relevant. As the Government wants to raise as much money as it can, it has evidently decided to be in the market earlier than usual. The present trend of the money market is, of course, not quite favourable for bringing about any large response from banks, the principal supporters of any new loan in the initial stage. The seasonal trade demand for money still persists and the banks have no large cash balances. House money, as well as 1 to 3 months' deposits, still fetch 3 per cent. and inter-bank call rate is 2½ to 3 per cent. Not much support can, therefore, be expected from the main capital markets for another four to six weeks, by which time the market may become a little easy. The Government, however, is not out to tap only the organised market, but wants to approach the upcountry towns and the rural areas, too, as witness the following extract from the Prime Minister's appeal to the nation:

> "The institutional investors, like banks and insurance companies and others, must, of course, give their massive support to this loan. But this is essentially a popular loan, going down to the humblest amongst us, who should be as much a sharer in this great adventure as anyone else."

If the foregoing consideration is taken into account, it will be seen that the loan is not ill-timed. The farmers and merchants in the interior must be approached at a time when they have cash on hand. This is undoubtedly the right time for that. A part of the agricultural crops has just been sold and the balance is still being marketed. The agriculturists will, therefore, be having some funds to spare. If, as in the past, the new loan were to be announced towards the end of May or June, they might not be having so much ready cash as they do now, for they would have spent a part of it. It would then be difficult to persuade them to invest in the new loan.

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A feature of the new loan is that it is on behalf of both the Centre and the States. This means that there will be no separate borrowing by the States, as used to be in previous years, and that there will be no more 4 per cent. loans, at any rate this year. This is a welcome development in a way, in that there will be no competition among the various State Governments for the amount available in the capital market. This competition led to a lot of undesirable trends, which, if allowed to persist, would aggravate provincial jealousies and undermine, in course of time, national unity. We have no doubt that many institutional investors, having interests spread all over India, will heave a sigh of relief, for no longer will they be subjected to embarrassing and undue pressure from the Chief Ministers of all States to support their respective loans. The States themselves should welcome the present arrangement, because the terms of the loan are more favourable than what they would have to offer, if they were to raise loans on their own account. They are, of course, losing a part of their power, but that is a minor point considering the larger interests of the country. Surely, the Centre can be trusted to give each State a share in the proceeds of the loans according to the importance of their projects. If the State Governments want large loans, they must now work hard and persuade the people in their respective areas to subscribe liberally to the new loan.

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It is not possible to say at this stage as to how long the list will be kept open. The loan may be on tap right through the year. During the war years, when this method was regularly in vogue, it was customary to keep a loan on tap for 9 to 10 months and the list used to be closed only after the subscriptions aggregated Rs. 110 to Rs. 120 crores. There is no reason why this procedure should not be continued now. In fact, the total subscriptions may be allowed to run up to Rs. 170 crores or even Rs. 200 crores. Since there is already one Central Government loan repayable in 1964 with an outstanding amount of Rs. 30 crores, besides a few State loans, one may argue that the problem of repayment would then present serious difficulty if the total maturities were to exceed Rs. 200 or Rs. 230 crores. But, by 1964, India's economy will have expanded to such an extent as to enable repayments of this magnitude easy.

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Lastly, another question that is asked in market circles is whether India will be in a position to raise Rs. 150 to Rs. 200 crores this year. Although this sum appears to be fairly large, it is not beyond the country's reach. Perhaps, it may be news to many when they are told that, in 1953, the total net borrowings by the Centre, States and Local bodies were about Rs. 108 to Rs. 110 crores. With a little more drive and the backing of an impassioned appeal from the Prime Minister himself, it should not be difficult to raise Rs. 150 to Rs. 200 crores. The Reserve Bank has already paved the way for the success of the new loan by stopping the sale of weekly Treasury Bills.

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Although India is a leading textile manufacturing country, it depends for a wide range of machinery, stores and chemicals consumed by the industry on foreign sources of supply. Many attempts have been made in recent years to remedy this defect by setting up units designed to manufacture textile machinery as well as stores and chemicals within the country. A welcome addition to the list of such industrial ventures in recent years is the Indian Dyestuff Industries Ltd., the full text of the prospectus of which appears elsewhere in this issue. The object of the Company is to undertake the manufacture of Vat Dyestuffs, like Vat Jade Green FFB, Vat Dark Blue BO, Vat Black BB and Vat Blue BC. These dyestuffs are largely used in the textile industry. It is stated that the Company is the first of its kind in India to manufacture Vat Dyestuffs, the textile industry's entire requirements of which are now met by imports. The Company is expected to go into production within a year and hopes to reach its full capacity, so far as the aforesaid four Vat Dyes are concerned, within three years and to produce them on a scale which will meet the country's present requirements. It will also undertake the manufacture of other Vat Dyes and technical investigations for this purpose have already been taken in hand.

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From present trends in consumption, the promoters of the Company seem to be convinced that there is vast scope for a steady increase in demand in this country. With a rise in living standards of the people, there will be increased consumption of cloth and with it the demand for fast dyes. If the country's export trade, particularly to the Near and Far Eastern countries, is placed on a permanent basis, the demand for coloured cloth will be on the increase. The promoters have embarked upon this enterprise after carrying out extensive laboratory and pilot plant work. Though the methods of manufacture will be on the basis of those used in Western countries, the process has been evolved to suit local conditions. It will, however, be necessary to import a few organic chemicals in the first instance for the manufacture of these dyestuffs, but, ultimately, the entire manufacture will be out of Indian raw materials. The factory will be located near Bombay.

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The authorised and issued capital of the Company is Rs. 30 lakhs, made up of 15,000 6 per cent. cumulative preference shares of Rs. 100 each and 15,000 ordinary shares of Rs. 100 each. Of this, the Directors and their friends have agreed to take up Rs. 7½ lakhs of preference shares and Rs. 7½ lakhs of ordinary shares; the balance of Rs. 7½ lakhs in preference shares and Rs. 7½ lakhs in ordinary shares is now offered for public subscription. A sum of Rs. 25 per share is payable on application and Rs. 25 per share on allotment. The balance of Rs. 50 per share on each of the preference and ordinary shares will be payable as and when required on call at intervals of not less than two months. The Managing Agents of the Company are Messrs. Anandlal Sheth & Co., Ltd. Bombay, in which the well-known house of Mafatlals has a share. Their appointment will be for a period of ten years from the date of incorporation of the Company. The Managing Agency agreement provides for a remuneration by way of commission at the rate of 10 per cent. of the net profit, subject to a minimum of Rs. 12,000 per annum. The Company has a strong board of directors, with Mr. Navinchandra Mafatlal as Chairman.

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The price of sugar has been rising perceptibly all over the country. The upward trend has been rather sharp in the interior than in the main centres such as Bombay and Calcutta. This has naturally been causing concern to the Government. Only a few days ago, a couple of leading sugar merchants in Calcutta were denied the facilities to trade in sugar, as they were found guilty of profiteering. On Saturday last, forward sales of sugar by mills were banned, for some of them were indulging in price-raising tactics. This was followed three days later by the announcement of a few additional measures which amount to subjecting the sugar industry to a certain amount of control again. The Government has now decided to utilise its reserve stocks, namely, 25 per cent. of the current season's production, together with such quantities of sugar as are imported, for keeping prices under check. Both foreign and Indian sugar are to be pooled together and sold to consumers all over India at the uniform rate of Rs. 31 per maund, f.o.r. destination station; this rate will be reduced to Rs. 30 after 15th May, 1954. It is proposed to continue this arrangement at least upto the end of September. During this period, the factories will be given no further release orders for free sale, while whatever balance they have of the quantity that has already been released will have to be despatched by them before the end of May. If any factory wants to sell the unreleased portion—this may be about 10 per cent. of its production—it may do so to the Government at the prevailing rates, that is, the rates at which the Government will be selling to the trade. Thus, if the factories want to sell their sugar to Government before 15th May, 1954, then they will be paid on the basis of Rs. 31 per maund f.o.r. destination. This rate is Rs. 3 to Rs. 4 lower than the price at which the factories are currently realising on the sale of sugar already released.

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No control is envisaged on distribution by the trade. The Government will sell the stocks of all sugar over which it has command at present at the aforesaid fixed price to both individual merchants and trade associations on the basis of a tender system, subject to a minimum quantity of 200 bags on the broad-gauge and 100 bags on the metre-gauge railway. The Government has the option to accept the tenders in full or in part and also to supply either indigenous or imported sugar. All stockists have been warned that they must dispose of the stocks they have before the end of May, 1954. After that date, if they hold any sugar, such is liable to requisitioning by the authorities.

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By these measures, the Government hopes to bring into the market more supplies of sugar between now and before the monsoon when the

(*Continued on page 763*)

BOOMLET IN SHARES

ADVANCE HALTED AT THE CLOSE

(From Our Own Correspondent)

BOMBAY, 14*th April*

THE hesitant spell of trading noted on the Stock Exchange during the previous week gave way to cheerful conditions during the earlier part of the short week under review. Under a spell of speculative buying and covering by short sellers equity values rallied to new high levels. But this upward trend, which was rather sharp, received a check yesterday following the announcement of the Central Government's programme to borrow an unlimited amount for national development. There was mild selling pressure yesterday which pruned the top levels. If there was no selling pressure today, there was no great buying fervour either.

The buying spree in the earlier part of the week was touched off by firm advices from Calcutta where Indian Irons and jute shares were in keen demand. Favourable advices from the bullion market, reports of broadening demand for cotton piecegoods and bullish interpretation given to the demand of the millowners for rationalisation were all factors which sustained speculative buying. In broad and active dealings, the main body of shares scored handsome gains in the course of two days (Friday and Monday). The announcement of the new "unlimited" loan by the Central Government was not regarded as a favourable factor for equities, because the issue is expected to divert investment support from the market. Operators, however, preferred to remain cautious till a clear idea about the success of the loan emerged. Further, there was no support from Calcutta as the market in that centre remained closed from yesterday.

In the steel section, Tata Ordinaries opened cautiously at Rs. 190-12, but jumped to a high of Rs. 197-4 on Tuesday morning. After a reaction to Rs. 194-8 on that day, the shares closed today at Rs. 195-4, a gain of Rs. 4-4 over the week. Indian Irons were keenly bid and forged ahead from Rs. 30-13½ to Rs. 31-9 only to close lower at Rs. 31-3¼.

The textile section was in the limelight with all-round spurt in values. Bombay Dyeings made a spirited advance from Rs. 423-2 to Rs. 443-2 on Monday. In subsequent dealings, they came down to Rs. 436-4, before winding up at Rs. 440-10. Kohinoors were conspicuous with a rise from Rs. 318 to Rs. 328-8. The closing was a shade lower at Rs. 327. Sustained speculative buying in Centurys on good prospects for the current year lifted the shares from Rs. 331-12 to Rs. 341. Central Indias were well favoured and picked up Rs. 2-8 to Rs. 188. Finlays were put up by Rs. 6 at Rs. 268. Khataus gained Rs. 3-12 at Rs. 121-4. New Greats moved ahead by Rs. 6 to Rs. 157, Phoenix by Rs. 3-9 to Rs. 132-3, Sassoon Spinnings by As. 8 to Rs. 30-12 and Shrinivas by Rs. 13-12 to Rs. 226-4. Simplex made a useful gain of Rs. 3-8 at Rs. 156. Standards were taken up by Rs. 6-4 to Rs. 340 and Svadeshis by Rs. 3-4 to Rs. 306-12. Tata Mills spurted from Rs. 46-8 to Rs. 49-12.

In the miscellaneous section, sugar shares showed a tendency to weaken towards the close on reports regarding enforcement of control on sugar. Belapurs, after an initial rise from Rs. 269-8 to Rs. 271, came down to Rs. 266-8, though the close was better at Rs. 268. Phaltans advanced from Rs. 101-12 to Rs. 108, but finished at Rs. 105. Bhopals were steady around Rs. 11-14. After a rally from Rs. 158-12 to Rs. 161, Associated Cements gave way to Rs. 159-8. Digvijays were better by Rs. 1-12 at Rs. 118-12. Among other industrials, Alcocks were wanted Rs. 3-2 higher at Rs. 360-10. Bombay Burmahs (Old) spurted from Rs. 418-12 to Rs. 430, but drifted lower to Rs. 425-10 and the New shares stood Re. 1-4 higher at Rs. 147-8. Scindias spurted from Rs. 17-15 to Rs. 18-11½. B.I.Cs. were quiet at Rs. 8-5¼. C.P. Railways changed hands Rs. 2-8 better at Rs. 102. Indian Coppers were a steady feature at Rs. 3-2½. National Rayons were done at Rs. 165-12 *ex-div.*, as against Rs. 168 *cum-div.* (div. Rs. 9) last week. Premier Constructions moved narrowly and closed at Rs. 129. Shivrajpurs hardened by Rs. 4-8 to Rs. 79-8. Tata Chemicals advanced from Rs. 14-10 to Rs. 15-10, but reacted to Rs. 13-4. Tata Oils put on Rs. 2-4 at Rs. 39-8 and Wimcos Re. 1-4 at Rs. 212-8.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 13*th April*

After recording featureless conditions on Wednesday and Thursday last, the Calcutta Stock Exchange was noted for cheerful trading on Friday, since when a steady trend continued during the rest of the week. Such a change was due to the better advices from Bombay and improved prospects for jute mills. The impressive gains in the prices of almost all constructions of jute goods were taken notice of in the share market. The fact that there has not so far been a corresponding increase in the prices of raw jute, which is due to the anxiety of mills to keep down prices of jute goods at a minimum profit level, is to be taken as an encouraging feature, since the industry does not desire speculators to push up prices of jute goods to unnatural levels, which would affect the volume of business. This feature is also welcome to genuine investors in shares. Another factor for the better sentiment was the withdrawal of his resignation by the Finance Minister. The flotation of the "unlimited" National Plan Loan is bound to attract funds normally available to the share market, but, as the loan would be used for the speeding up of development projects, its good effects on industry and trade cannot but be reflected on share sentiment.

In transactions this week, jutes showed signs of assuming active leadership of the market. This may as well prove to be a temporary feature as the week's gains in the prices of jute goods were mainly due to the efforts of speculators. After a start at Rs. 24-8 Howrahs were pushed to Rs. 25-8, and Bally were placed higher at Rs. 150. At Rs. 309, Gourepores showed an impressive gain of Rs. 23. Nuddeas gained from Rs. 44 to Rs. 48-8, Champadanies from Rs. 144 to Rs. 152 and Indias from Rs. 124 to Rs. 138.

In the engineering section, Indian Irons were earlier quiet at Rs. 30-13, but laterly touched a high of Rs. 31-6. Indian Galvanisings, after giving way from Rs. 19-10 to Rs. 18-12 on profit-taking, recovered to Rs. 19-8 before closing quiet at Rs. 19-5. Texmacos received support at Rs. 12. Kumardhubis were mentioned in transactions at Rs. 10-1. Jessops were shown interest at the high rate of Rs. 29-4.

Support was again accorded to shares of paper mills at higher rates. Titaghurs were taken at as high a rate as Rs. 41, as against Rs. 39-12 a week ago. At Rs. 59-14, Bengals were better by Re. 1-10, while Shree Gopals were maintained at Rs. 24. India Paper Pulps were better at Rs. 194. Orients Old and New receded from Rs. 18-9 and Rs. 17 to Rs. 17-10 and Rs. 16-9, respectively.

In the miscellaneous section, F. & C. Oslers were an outstanding feature with a rise from Rs. 14-8 to Rs. 16-2, while Martin Burns dropped As. 3 to Rs. 20-9. Dunlop Rubbers were traded at Rs. 34-12, and Indian Cables hardened from Rs. 20-5 to Rs. 20-10. Although a number of transactions took place in Rohtas Industries, the price could not move higher than Rs. 14.

Although a steady tone was in evidence in the gains were insignificant. There were instances of fractional losses too. This confirms our impression recorded in these columns last week, viz., that buoyancy during recent weeks had raised prices far too much. Hansquas at Rs. 18-2 were better by As. 2, while Patrakolas were pushed down from Rs. 185 to Rs. 182. Dhelakhats moved between Rs. 14-9 and Rs. 14-12, whereas Teen Alis strengthened from Rs. 29-2 to Rs. 30-6.

The market remained closed today and would remain so for the rest of the week on account of the Bengali New Year and Easter holidays.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 13*th April*

The Madras Stock Exchange put on a cheerful appearance during the week under review; the market was, however, closed today on account of Tamil New Year's Day. There was an all-round improvement in values. Turnover also was encouraging. A notable feature of the market was the continued improvement in the quotations of tea scrips, on persistent firm advices from the U.K. and the Continent. Rubbers too were better, while coffees were out of shape. As the coffee market is almost immune from developments in the world markets, the squeeze for supplies of coffee in the Continent failed to impress the operators here. Miscellaneous and banking scrips came in for selective support.

Favourites among textiles were well supported. Metturs were enquired higher at Rs. 242, as against Rs. 235, and Dhanalakshmis at Rs. 208 as against Rs. 205. Vasantas rallied Rs. 5 to Rs. 182. Travancore Rayons gained As. 3 to Rs. 9-1. Bangalore Woollens were, however, quiet at Rs. 401-4 and Buckinghams at Rs. 138-8. Coimbatore Spinnings were unchanged at Rs. 43. Maduras, however, lost As. 9 to Rs. 39-3 and Loyals As. 4 to Rs. 17-12.

Among plantings, tea scrips continued to gain support. Nonsuch Teas shot up from Rs. 33-2 to Rs. 34. Coorg tea advanced by As. 2 to Rs. 6-10 and Periakaramalais by As. 2-6 to Rs. 8-4½. Chandramalais advanced by an anna to Rs. 3-8. Peermades were done at Rs. 33-4 *ex-div.*, as against Rs. 35-4 *cum-div.* United Nilgiris was dull at Rs. 200.

Rubbers also came in for encouraging support. Vaikundams moved up from Rs. 16-8 to Rs. 17-2 and Travancore Rubbers from Rs. 15-8 to Rs. 17-2. Peninsulars gained As. 4 to Rs. 11-8. Cochin Malabars were higher by an anna and a half at Rs. 7-2½ and Pullangodes by an anna at Rs. 3-2½. Sheveroys changed hands at Re. 1-10, as against Re. 1-8½ last week.

Coffee scrips ruled slightly easy. Coffee Lands lost As. 2 to Rs. 10 and Consolidated Coffees As. 3 to Rs. 17-15. Puthuthotams were, however, higher by an anna at Rs. 3-6.

In the miscellaneous section, Rallis advanced from Rs. 54-8 to Rs. 55-8. India Cements gained As. 2 to Rs. 18-6 and Stanes Motors As. 3 to Rs. 13-11. Mysore Chemicals and Fertilisers rallied As. 4 to Rs. 10. Mettur Chemicals, however, lost As. 2 to Rs. 5-14 and Mysore Gold As. 2½ to Rs. 3-3.

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The directors of the Belsund Sugar Co., Ltd., Calcutta, have recommended a dividend of As. 12 per share, free of income-tax, for the year ended 30th September, 1953.

Notices

THE BELSUND SUGAR COMPANY LIMITED

NOTICE

THE ANNUAL ORDINARY GENERAL MEETING of the Shareholders will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta, on Thursday the 6th May, 1954, at 11-30 a.m., for the purpose of receiving the Directors and Auditors' Report for the year ended 30th September, 1953, passing the Accounts, declaring dividends, electing Directors and Auditors in place of those retiring and transacting any other business that may be brought forward.

Notice is hereby given that the Share Transfer Books of the Company will be closed from 29th April to 6th May, 1954, both days inclusive.

The Dividend Warrants will be sent to Registered Shareholders.

By Order of the Board,
Per Pro BANGUR BROTHERS LTD.,
(Sd.) N. D. BANGUR,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, 8*th April*, 1954.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR
(SOCIETE ANONYME)

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday the 18th May, 1954, at 12 noon, for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other business which may properly be transacted at the meeting.

Notice is also hereby given that the Register of Members will be closed from the 4th May to 18th May, 1954, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or to their Mandatees.

By Order of the Board,
For SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME),
For GILLANDERS ARBUTHNOT & Co., LTD.,
K. R. FETTES,
Managing Director,
Agents.

CALCUTTA, 8*th April*, 1954.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED
(Incorporated in England)

THE DIRECTORS OF THE CALCUTTA TRAMways Company Limited announce that an Interim Dividend of 2½ per cent. free of Income-tax will be paid on the Ordinary Shares to the Shareholders registered in the Books on the 1st May, 1954, in respect of the profits for the year ended 31st December, 1953. Transfer Books will be closed from the 3rd May to the 15th May, 1954, inclusive, and Dividend Warrants will be posted on the 15th May, 1954.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, 13*th April*, 1954.

NEWS IN BRIEF

THE Government of Cochin will repay its 3 per cent. 1953-55 loan at par on 1st October, 1954.

The Government of Andhra has decided not to deviate from the path of complete prohibition.

The aggregate cost of the projects in Andhra State accepted by the Planning Commission for immediate implementation is Rs. 8.70 crores.

Mr. Morarji Desai, Chief Minister of Bombay, inaugurated the second extension of the Chola Power Station near Kalyan (Bombay) on 12th April, 1954.

The Government of India has agreed to release from the development fund a sum of Rs. 2 crores to the Tata Locomotive and Engineering Co., Ltd. for setting up a steel foundry by the Company.

The Government of India proposes to send an Indian engineers' mission to China to study the flood and silt control measures taken by the Chinese Government in the Yellow-Huai-Yanktze river basins.

The Government of India has decided that applications for blanket licences, without details of machinery and other articles required, under the capital goods scheme will not be entertained in future.

The Hindusthan Aircraft Factory has handed over to the Indian Railways the 500th all-metal third class railway coach manufactured by it. All components of the coach, except the electrical fittings, are Indian made.

Test boring operations to assess the extent of coal deposits in the Godavari valley of Andhra State will be launched shortly by the Geological Survey of India. Test bore holes will be dug near Angareddigudem in the valley shortly.

The Damodar Valley Corporation Enquiry Committee, with Mr. P. S. Rao as Chairman, has alleged that a great deal of mismanagement in the operations of the Corporation has taken place, leading to a loss of Rs. 1.64 crores in the Konar Project alone.

The Government of India is considering a proposal for the establishment of a State Trading Corporation to undertake exports of handloom cloth and of certain selected products of small-scale and cottage industries, not on a monopolistic basis but side by side with private traders.

The Government of Punjab proposes to take over this year under its nationalisation and road transport plan 44 routes operated at present by private transport undertakings. The profits from these routes are expected to be Rs. 11.02 lakhs, as against a capital investment of Rs. 50 lakhs.

Two more States, namely, Assam and Bihar, have passed the necessary resolutions under Article 25 2(1) of the Constitution authorising the Centre to regulate the levy of estate duty on agricultural lands in those States. The Centre will shortly issue a notification including these States in the list of States in the first schedule to the Act.

Mr. Nehru, Prime Minister, opened the Central Salt Research Institute of the Government of India at Bhavnagar on 10th April. The Institute, which is the twelfth in the chain of national laboratories, will help the salt industry to improve the quality of salt from various sources and will conduct research in the economic recovery of by-products and their utilisation for the manufacture of other materials.

The Union Ministry for Agriculture has appointed a committee of enquiry to examine the working of the existing machinery relating to prices of agricultural commodities. Mr. P. N. Thapar, Adviser to the Planning Commission, has been appointed as Chairman and Mr. J. S. Sarma of the Union Food Ministry as Secretary. Mr. B. Ramamurthi, Joint Director of Central Statistical Organisation, is one of the members.

The Government of Andhra has announced the rates of levy of water cess on crops raised with the aid of water from the Tungabadhra project, under section 1 of the Madras Irrigation Cess Act. The rates are: Duffasal crops Rs. 18 per acre; early long duration paddy Rs. 12; later short duration paddy Rs. 7; dry irrigated food crop Rs. 4 and commercial crops Rs. 6. The following gradation shall be adopted in the levy of water cess: At one-fifth of the rate specified in rule 1 in the first year of irrigation; at two-fifths in the second year; at three-fifths in the third year, four-fifths in the fourth year; and at full rate from the fifth year.

A delegation of the Government of India, headed by Mr. G. L. Nanda, Minister for Planning, Irrigation and Power, will leave for Kathamandu shortly to discuss common problems relating to the execution of the Kosi Project. The members of the delegation include, among others, Mr. T. Sivasankar, Secretary to the Irrigation and Power Ministry, Mr. Kanwar Sain, Chairman of the Central Water and Power Commission, Mr. T. P. Singh, Administrator of the Kosi Project and Mr. C. V. Narasimhan, Joint Secretary to the Finance Ministry. The Kosi Project involves the construction of a barrage at Hanuman Nagar, three miles from the Indian border. The consent of the Government of Nepal is, therefore, a prerequisite for starting the execution of the project.

The Executive Committee of the All-India Handicrafts Board, at its meeting held on 11th April, decided to recommend the setting up of a central handicrafts development centre in Delhi. The main functions of the centre will be to carry out research work for developing better methods of handicrafts manufacturing processes, better and new designs, improved equipment and tools and use of raw materials, for imparting training to craftsmen, who have some experience in handicrafts and possess a creative bent of mind, and for collecting samples of handicrafts from time to time and studying the trend in fashions and tastes of different countries and for evolving new designs to suit buyers' requirements. For the present, the centre will take up the development of wooden, metal and ceramic handicraft products.

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From Abroad

The consumption of cement in Sweden rose from 249 kg. per head of the population in 1952 to 276 kg. in 1953, a level equal to that in the U.S.

The Government of South Korea has decided to sever its trade connection with Japan, until the latter agreed to resume trade on a genuine reciprocal basis.

Following the conclusion of the Indo-Rumanian trade agreement on 23rd March, 1954, it is learned that the Government of Rumania has decided to open its trade agency at Bombay.

The Government of Japan will carry out a nation-wide search for uranium during the 1954-55 fiscal year. It has earmarked a sum of 15,000,000 yen (£15,000 sterling) for the purpose.

Farmer co-operative organisations of the United States have now a total membership of 7.4 million. This is an increase of four per cent. above the figure at the opening of 1953 and is a record high mark for membership in such organisations.

The Governments of Yugoslavia and Turkey have entered into a trade agreement. Under the agreement, the two countries will exchange goods worth $80 million each way between 1st April, 1954, and 31st March, 1955. When post-war trade was resumed in 1947, the total exchange was worth $2 million only.

As a result of a grant made recently by the Ford Foundation, the U.S. National 4-H Club Foundation proposes to expand its International Farm Youth Exchange (I.F.Y.E.) programme this year. Aid from the grant will allow about 135 two-way exchanges of young people for farm study in the U.S. and 40 other countries. It will include 25 rural youths from India who will go to the U.S., and 10 American farm youths who will visit India.

International Combustion (Holdings) Ltd., London, has announced the formation of new subsidiaries, including International Combustion [Export] Ltd., a company which will devote its entire attention to the export side of the organisation's activities. This is part of a general reorganisation carried out within the group to meet further expansion, following an outstandingly successful year. The export arrangements of Riley Stoker Co., Ltd. will, however, remain unchanged.

A mission of eight major world oil companies has arrived at Teheran from London to negotiate a settlement on the nearly three-year-old Anglo-Iranian oil dispute, on the basis of an agreement reached among the companies recently at London for setting up an international combine to reopen the flow of Iranian oil to world markets. It is stated that, according to the agreement, the Anglo-Iranian Company will have a 40 per cent. holding in the shares of the new company. Five American companies, which are participants in the agreement, will between them hold the same proportion. The balance of 20 per cent. will be held by the Royal Shell (Dutch) and the Companie Francaise Des Petroles.

The Turkish Government has signed an agreement with two British firms for the construction of a dam and a power station at a cost of nearly £12,000,000. While one of the firms will build a 280-feet high dam and a power station about 65 miles south-east of Ankara, the other will supply the generating plant, transformers and switchgear for the station, which will be capable of generating 100,000 kilowatts. About £6 million of the cost of the project will be payable in sterling. Credit has been granted to the Turkish Government for nine years at five per cent., but 40 per cent. of the payments in sterling will be paid within four years. It is pointed out in London that the credit has the backing of the British Treasury.

PERSONAL

SIR Joseph Kay, K.B.E., Managing Director, Messrs. W. H. Brady & Co., Ltd., left Bombay this week for the U.K.

Mr. C. W. Middleton, Secretary and Treasurer, Imperial Bank of India, Bombay, will be retiring from service next week.

Mr. Tsutonu Nishiyama, Japanese Ambassador to India, left for Tokyo last week for consultations with his Government.

Mr. E. L. C. Gwilt, Managing Director, Glaxo Laboratories (India) Ltd., on retirement from service in India, left Bombay this week for the U.K.

Mr. K. Futamata, of the Japanese Foreign Ministry, has taken over charge as Consul for Japan in Bombay from Mr. M. Ito who left for Tokyo to join the External Affairs Ministry.

Mr. M. G. Chaora, Mr. Rasiklal Worah and Mr. Ratilal M. Dave have been elected President, Vice-President and Honorary Secretary, respectively, of the Indian Colliery Owners' Association.

Mr. E. S. Krishnamurty, Member of the Board of Excise, left for London *en route* to New York to attend a meeting of the U.N. Commission on Narcotics which commenced on the 16th inst.

Dr. S. S. Bhatnagar, Secretary to the Central Ministry of Scientific Research and Natural Resources, left for Paris to attend the meeting of the International Advisory Council of Scientific Research and Natural Sciences held under the auspices of the U.N.E.S.C.O.

GOVERNMENT OF INDIA

3½ PER CENT. NATIONAL PLAN LOAN 1964

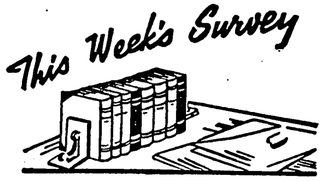
Redeemable at par on 19th April, 1964

Subscriptions in cash/cheque will be received without limit from 19th April, 1954, until further notice.

Issue Price Rs. 98-8 per Rs. 100 (Nominal). As interest accrues from 19th April, 1954, recovery on account of net interest will be made at the rate of 9 pies for every Rs. 100 from 26th April to 1st May, 1954, thereafter increasing by 9 pies per week.

Applications will be received at the offices of the Reserve Bank of India at Bombay, Calcutta, Delhi, Madras and Bangalore, at the branches of the Imperial Bank of India at other places in India except in the States of Hyderabad and Mysore, at the branches of the Hyderabad State Bank in Hyderabad State, at the branches of the Bank of Mysore Limited at Mysore, Shimoga and Mandya in Mysore State and at all Government treasuries and sub-treasuries.

For full particulars apply to any of these offices, branches or treasuries.



INDIA'S GESTURE TO BURMA

THE people and the Government of Burma will no doubt appreciate the Government of India's generous gesture in writing off 50 per cent. of the capital and forgoing the entire interest charges on the debt owed by Burma to India following the separation in 1937. Thus, under the terms of the settlement reached between the Governments of the two countries, revealed by the Union Finance Minister, Mr. C. D. Deshmukh, in Parliament on Thursday last week, the Government of India has agreed to reduce the capital sum of Burma's debt from Rs. 40 crores to Rs. 20 crores, besides agreeing not to claim any interest. The repayment of the debt is linked with India's purchase of 900,000 tons of rice at £48 per ton during the current year. This would amount to Rs. 15.6 crores. The balance of Rs. 4.4 crores would be treated either as financial aid to Burma under the Colombo Plan or as adjustment against the sale price of any rice that may be bought by India from Burma in 1955.

The original separation debt of Burma to India, it will be recalled, was Rs. 50.79 crores. It had then been agreed that this debt would be repaid by an annual instalment of Rs. 1 crore plus interest at 3½ per cent. After two instalments had been paid, war broke out and the Burmese Government suspended payments. The amount outstanding then was Rs. 48 crores and interest. Under the Indo-Pakistan partition agreement, a sum of Rs. 8 crores went to Pakistan, leaving Rs. 40 crores to the credit of India. After protracted negotiations for the repayment of this debt, the aforesaid settlement was arrived at.

As regards the pension charges, the Government of Burma has agreed to resume, with effect from the current financial year, payments of its share of the Central Pensions in issue on 31st March, 1937, in accordance with the arrangements made at the time of separation. It has also agreed to pay to the Indian Government the outstanding sum due to India as at the end of March, 1954, on account of the unpaid sums recoverable from Burma in respect of pensions. The payments will be in equal annual instalments spread over a period of 20 years commencing from 1954-55. The Government will not claim any interest on this outstanding sum also.

The foregoing details of the settlement of the Indo-Burmese pre-separation debt clearly reveal that India has been helpful in its dealings with its neighbour, despite the latter's decision to nationalise lands without granting reasonable compensation to Indian owners of Burmese land. Evidently, the Indian Government's generous attitude has been prompted by the need to maintain close and friendly relations with Burma, on the one hand, and by its anxiety to help Burma rebuild its economy through peaceful and democratic means, on the other. This gesture, it is to be hoped, will be warmly reciprocated by Burma.

EXCISE DUTY ON TOBACCO

The Union Government's decision to reduce the excise duty on certain varieties of tobacco and to extend the time limit for the removal of tobacco from warehouses will be welcomed by the tobacco interests. The duty on all non-flue-cured varieties of tobacco and on flue-cured varieties utilised for purpose other than the manufacture of cigarettes has been reduced, with effect from 9th inst., by 25 per cent. This concession is, however, limited to tobacco of the 1953 and earlier crops, since it is designed solely to stimulate the consumption of old stocks. The Government has also decided to reduce the duty on certain specified low grades ("Agmark" grades L.M.G., B, D8, DG, PL, FS or FS2) of flue-cured tobacco pertaining to pre-1954 harvests from Re. 1 to As. 9, if such grades are utilised in the manufacture of the cheaper varieties of cigarettes. This concession, it is stated, will come into force as soon as the Central Government's Directorate of Marketing and Inspection has completed its arrangements for the grading of the tobacco into "Agmark" grades. A further concession is that the time-limit within which the warehouse licensees are required to remove tobacco from their premises has been extended from four to five years.

That these concessions have come not a day too soon will be clear to those who have watched with dismay the continuing *malaise* that has afflicted the tobacco trade. In Guntur, the chief tobacco centre in India, about 32 million lbs. of stocks of tobacco are reported to be lying unsold, despite the fall in prices of certain grades of tobacco from As. 6 per lb. to as low as As. 1½ per pound. In announcing the concession, as above, the Government itself states that it has been aware, for some time past, of the "depressed conditions, which have, generally speaking, affected the market in unmanufactured tobacco and resulted in the accumulation of large stocks in the hands of producers and dealers."

The output of tobacco last year, at 219,000 tons, was 6.8 per cent. higher than in the previous year. But this was perhaps not the only—at least, not the most important—factor which brought about the collapse in prices. There has been a fall in quality too. Although the concessions now announced might offer some relief to the tobacco interests, the long-term remedy for the situation, as the Government rightly observes, lies in an "adjustment of production and of quality and greater care of crop." Indeed, the Government is "doubtful" whether any fiscal relief, by itself, will "markedly influence the movement of stocks from the producers and dealers in whose hands they lie at present." It is, therefore, to be hoped that the Union and State Agricultural Ministries will follow up these concessions by an energetic drive towards the improvement of quality and of marketing arrangements for tobacco. Perhaps, a relief in export duty on cigars, if granted, would also help the tobacco interests. That the Government has still an open mind on this question is evident from the official Press note. Although the Government has made the reservation that the concessions are purely temporary and are even liable to cancellation, if such cancellation is warranted by a change in market conditions, it has given the promise that the concessions will not "prejudice, in any way, whatever action the Government may decide to take on the recommendation of the Taxation Enquiry Commission." Again, the Government has promised that, despite the concessions given in the past in the time-limit for licensees to remove tobacco stocks from their premises, the Government would still be "prepared to consider the grant of further extensions in deserving cases."

SCIENTIFIC RESEARCH

Dr. S. S. Bhatnagar, Secretary to the Ministry of Natural Resources and Scientific Research, has much reason to feel gratified at the findings of the Egerton Committee report on national laboratories of India. For the Committee, headed by Mr. Alfred Egerton, a well-known British scientist, and consisting of, among others, Prof. Gaston Depody, Director of the Central National Institute of Science, Paris, which enquired into the working of these laboratories during the past five years, has, at the outset, commended the policy of establishing them. Not only has the Committee expressed its appreciation regarding the suitability of the buildings erected to accommodate the institutes and laboratories, which they say "bear the stamp of a master hand and should prove to be a permanent asset to India," but it has also approved the choice of directors, saying that the institutions have been "well served" by them.

The Committee has made 21 general recommendations, apart from specific recommendations for each laboratory. It has indicated the lines on which research can be carried out and made a number of suggestions of a scientific and technical nature. The full text of the report has, however, not yet been made available to the press. But, from news agency reports, the main recommendations would appear to be as follows:

(1) The Directors should be given as much autonomy as is possible in the matter of dispersal of funds. When a director, fulfilling the necessary qualifications, is not easily found in India, it will sometimes be necessary to consider applications from outside India. It is then necessary to adjust the emoluments so as to be in tune with conditions abroad.

(2) It is wise not to tie the research programme of an institute too completely to purely practical problems, but to encourage fundamental research work being done along with the researches of more direct applications. An institute needs to enquire and carry out *ad hoc* experimental work, but this should not be allowed to take up too large a fraction of the institute's efforts. A certain amount of repetition and trial of existing and well-known processes is necessary partly to adapt the processes to conditions as occur in India and partly to train staff to become acquainted with them.

(3) As regards general research, the Council of the Scientific and Industrial Research should be in a position to give some measure of direction to research work done under its ægis, so that it may be related to India's needs and to the general advancement of science through the work of research laboratories. Ideas, however, must mainly come from the centres of research from directors of laboratories and advisory boards, on which there should be some university members.

(4) So far as co-ordination of work is concerned, it should be the duty of the liaison officer at the C.S.I.R. headquarters to further all collaboration between the Council, institutes, laboratories and other organisations in which research is carried out. There should be closer co-operation between the C.S.I.R. and the agricultural and medical research services.

(5) Firms should be encouraged to make use of the national laboratories to get schemes tried out.

The Committee has rightly urged the need for decentralisation of functions and greater autonomy for directors in carrying out their day-to-day work. This is necessary, for it will, by helping to remove red-tapism to a considerable extent, encourage initiative on the part of the directors. As the success of these institutes depend on the quality of the directors, in particular, and the staff, in general, the recommendation that it is wrong to adhere too strictly to the principle that the directors' posts should be manned only by Indians, even when suitable Indians are not available, is of considerable significance. The Committee has rightly stressed the need for greater co-ordination between the activities of the various research institutes and laboratories and closer co-operation between the C.S.I.R. and the agricultural and medical services, as they will help evolve and implement an integrated national research programme. Also welcome is the recommendation that private firms should be encouraged to make use of the technical laboratories. This will usher in healthier relations between industrialists and research institutes which are essential for enhancing the practicability of these laboratories.

MINIMUM WAGES

No full account of what transpired at the second session of the Minimum Wages Central Advisory Board, which concluded its two-day session on 9th April, is available, since the conference was not open to the Press. The brief Press note issued by the Government of India throws only meagre light on the topics which were discussed at this session. Even the official review of the minimum wage legislation and of the measures adopted by different States in pursuance of this legislation which was given to employers' associations and trade unions, in order to facilitate intelligent discussion of the subject, has not been made available to the Press. It is not clear why the Government treats the whole subject as confidential. We have no doubt that Mr. V. V. Giri, as a believer in democratic principles, will be the first to appreciate the rights of the Press to have access to information about governmental measures which are no longer confidential. This is particularly necessary in a matter such as minimum wage legislation which is of vital importance to the nation and about which fullest possible information should be given to the public.

Be that as it may, the most important information revealed by the Press note is that the general opinion of the Board was that, in regard to fixation of minimum wage, a lower limit ranging from Re. 1-2 to Rs. 2 per day could be laid down for different areas and employments, below which there should be no statutory minimum wage. It is not clear on what basis this limit was arrived at. But the whole question, it is stated, will be considered further at the next Labour Ministers' Conference. The Board felt that the phasing of the increase over the present level could be achieved over a period of three years.

The Board recommended that there should be provision for a day of rest per week with wages in the case of employments listed in Part I of the schedule, such as rice mill, oil mill and woollen carpet making. There was, however, some difference of opinion as to whether there should be separate payment for the holidays. The Board urged that State rules should provide for payment for overtime work and where such a provision had not already been made, the State rules should be amended to incorporate this recommendation. In making additions to the schedule of employments covered by the Minimum Wages Act, the Board recommended the adoption of the following principles:

(a) Employments in which the conditions of labour are sweated, with the result that low wages are generally prevalent and in which there is no satisfactory organisation of labour; and

(b) employments in which some categories of labour are covered while others are not, though the place of work, conditions of wages and work, the state of organisation of labour and sometimes even the employing authority are similar if not the same.

In regard to the enforcement of the Act in the case of smaller establishments and, in particular, to the question whether units in the scheduled employments engaging less than ten persons should be exempted from the provisions of the Act, the Board was of the opinion that any exemption allowed in respect of establishments employing less than ten persons would be against the spirit of the Minimum Wages Act and recommended that, generally, no such exemptions should be allowed. In view, however, of the practical difficulties that will be encountered in enforcing it, the Board felt that the State Governments may allow relaxations in special cases upto a period of three years; the position should be reviewed later. Meanwhile, the Board urged that all steps should be taken as early as possible for the effective enforcement of the Minimum Wages Act.

In order to build up a sound system of inspection and enforcement, the Board felt that the State Governments should utilise, in addition to the inspectorate created specifically for enforcing the Act, the services of personnel employed by the labour and other departments for the enforcement of other enactments. The assistance of the local authorities like municipalities, village *panchayats*, etc., and the co-operation of non-official bodies like trade unions should also be enlisted to make the machinery of enforcement adequate to cover the numerous units coming under the purview of the Minimum Wages Act.

These recommendations have been arrived at after mutual consultation among the representatives of employers, workers, Central and State Governments who attended the session. It is, however, not clear whether the practical difficulties in the implementation of the Act were considered by the Council. There are many industrial units which just pay their way and where employer-employee relationship relating to wages and conditions of service are determined on the basis of age-old conventions. To interfere in their affairs may result in their extinction altogether. It is not that we are against fixation of minimum wages. But we feel that it is better to hasten slowly in this sphere and to let wages be determined by the capacity of the enterprise to bear the burden than to fix arbitrary levels which cannot be sustained, especially at a time when the sellers' market has vanished. One must be particularly careful in applying this legislation to marginal firms. Few can deny the truth of that age-old saying that "half a loaf is better than none."

(Concluded from third column)

balance, to evolve an agreed and mutually satisfactory plan of spreading the introduction of automatic machinery in the industry over a reasonably short period of time.

There is no need either for the Prime Minister or for Mr. Vasavada to emphasise that this is a human problem or that the human factor is a vital consideration, which could not be overlooked in a planned economy. Every practical problem between man and man, why, even the problems of nuclear physics or astronomy, in their final analysis, are human problems. Underscoring this aspect does not take us any further than we are. The mill-owners are not monsters and they, no more than labour leaders or politicians, do not want to run industries in a vacuum, irrespective of what effect it might have on human life and welfare. While Mr. Vasavada could not help indulging in these cliches, possibly because of force of habit and the need in politics of impressing the gallery, he was very wise in following this up by stating that what labour wanted to know was the period during which rationalisation was proposed to be completed, the effect it would have on employment, on cloth prices, on the quality of cloth and on export prospects. These are pertinent queries which workers are entitled to ask, and which, by a fortunate coincidence, are the very ones Mr. Wadia has tried to answer convincingly and logically with the help of facts and figures.—*All Rights Reserved.*

OFF THE RECORD

(By "ROVER")

THERE was no valid reason for the controversy about rationalisation in cotton textile mills to work itself into a climax, if not a virtual crisis. Apart from the merits of the question, the irrational and extravagant demands which were made by high ranking and reputedly sober labour leaders, the bitterness of tone which heralded it and the political capital tried to be made out of it by leading an attack on one of the sanest, soberest and most competent Ministers in the Union Government, are, indeed, features of this controversy, which raise some doubts about the political maturity of some groups and parties in our public life. It also revealed the uncompromising and at times even arrogant attitude, which is becoming characteristic of workers and some of their leaders on all issues affecting them. Equally noteworthy is the habit of surrendering to this form of bullying, which our Governments as a whole, and some chicken-hearted Ministers individually, are displaying of late with regard to most of the demands of workers. A Government which fails to maintain a fair balance between conflicting interests and allows itself to be stampeded into hasty and unconsidered action, as the Government of India and many of the State Governments have, on several occasions in the past, is only building up trouble both for itself and for the country.

I had hopes that the Prime Minister, with his known partiality for scientific and technological research, would say something helpful at Ahmedabad, to lay the dust of controversy and to give a new direction to the thoughts of workers, which at present are obsessed with the fear of large-scale unemployment. But the international developments in connection with the hydrogen bomb and the grim possibilities of the cobalt bomb had temporarily clouded his otherwise very clear vision on such questions as rationalisation and use of the latest machinery in industry to such an extent that he gave a new twist to the accepted meaning of the word 'rationalisation' and talked vaguely and unconvincingly about the questionable achievements of modern technology and the care with which technological advance should be availed of in any given industry at a given time. I grant that there is enough and more in the menace of these destructive weapons, placed in the hands of morally immature humanity, to upset sensitive minds like those of Mr. Nehru. It has brought a sense of despair, desperation and unreality into play in the sphere of constructive economic effort, on which people in Asia desire to concentrate for years to come. I am certain that but for these disturbing trends in international relations at this time, Mr. Nehru would have applied his mind to this important question of rationalisation in the textile industry differently and more constructively and his speech on the occasion of inaugurating the laboratories of the Ahmedabad Textile Industry Research Association would, perhaps, have been markedly different. Unfortunately, this fine opportunity for giving a new lead to the textile workers and millowners was lost by Pandit Nehru, because the necessities of world politics had thrown him into a mood which sent him running at a tangent.

Be that as it may, I have derived new hope for a peaceful solution of this problem. While I am writing this, representatives of the industry and the workers must be engaged in an earnest endeavour to seek this solution, with the help of the Planning Commission at New Delhi. The only unfortunate part of it is that the industry, as such, is not properly and adequately represented in these discussions. It appears that Mr. Ambalal Sarabhai from Ahmedabad is the only man to speak for the industry. He is an astute man, but his position is anomalous, inasmuch as he does not represent either the textile industry in the country or even the section of it located in Ahmedabad. In fact, he is there, because he is not a member of the Ahmedabad Millowners' Association. The conference has been occasioned by his applying to the Government for permission to import and install automatic looms in his mills at Ahmedabad, because this unit is not covered by the machinery for voluntary arbitration of employer-employee disputes in the textile industry at Ahmedabad, devised by the Mill-owners' Association and the textile workers' union.

Mr. Ambalal Sarabhai can, therefore, speak only about the conditions obtaining in the Calico Mills and argue out the case for automatic looms as based on these conditions. I do not know if the reference to the Planning Commission was only of a limited nature, which would naturally prevent it from enlarging the scope of its enquiry and inviting the help of leaders from other textile centres. But looking to the importance this question in general has assumed, it would have been better, if men like Messrs. Neville N. Wadia and Vithal N. Chandavarkar from Bombay and Messrs. Hatheesing and Sodhan from Ahmedabad, who have given a good deal of thought to this question and who are equipped and able to speak for the whole industry, had been associated in this search for a solution.

The very able and penetrating manner in which this question of automatic looms has been analysed in all its implications and likely results, with the help of facts and figures by Mr. Wadia, makes me regret it all the more that this enquiry, which might prove very fruitful, has been so narrowly circumscribed. In his address to the Bombay Millowners' Association this week, Mr. Wadia has shown, in a manner which would go to convince any impartial observer, that the introduction of automatic machinery is not only necessary for the survival of the industry in its present magnitude, but for enlarging the scope of employment in the long run. On the other hand, he has succeeded in making it equally clear that preventing textile mills from availing themselves of the latest technique would harm the cause of present and potential workers even more than that of the investors in this industry. Let us hope that those who have gathered together at New Delhi, especially the members of the Planning Commission, will give full consideration to Mr. Wadia's line of reasoning, before making up their minds on the momentous issues raised by this unfortunate controversy.

I am optimistic about the outcome of this conference at New Delhi, because of the welcome change in the attitude of Mr. S. R. Vasavada, President of the Indian National Trade Union Congress and a very influential leader of the textile workers at Ahmedabad, on the eve of the discussions. To begin with, both the tone and the temper in which he dealt with this problem in the course of a Press interview at New Delhi were different from his earlier statements. He was neither forthright nor arbitrary in the statements he made on this occasion, unlike his earlier pronouncements. It is also reported that Mr. Vasavada is likely to seek a discussion of this problem as a national issue affecting the textile industry as a whole, instead of confining it to the case of the Calico Mills. And, finally, instead of summarily and categorically dismissing the proposal as highly detrimental to workers, on the doubtful ground that it was bound to lead to large-scale and immediate unemployment, he has stated that labour was not opposed to rationalisation, but only desired a critical examination of its implications. In fact, he has suggested that a national plan be evolved for introducing rationalisation over an agreed period of time.

Now this is a great advance and improvement on the impossible position taken up earlier, both by him and Mr. Khandubhai Desai on this proposal. It would certainly help in creating the right atmosphere and conditions for a cool, impartial and dispassionate examination of the fears entertained by workers. What is still more important is that Mr. Vasavada has listed these fears and doubts and by implication declared himself to be open to conviction on this score. From the airy heights of declamation and denunciation, Mr. Vasavada has descended to brass tacks. Industrialists are peculiarly unprepared, by training, outlook and temperament, to participate in vague discussions of idealistic principles. If and when they do get involved in such empty exchange of words, they come out only second best against opponents well versed in the art of carrying on public controversies on hypothetical issues. Now that the issues have been narrowed down and defined, more or less clearly, by Mr. Vasavada, it should not be difficult for the millowners to satisfy both the workers and the authorities about most of these. And, if there is a little spirit of give and take on both the sides, it should not be difficult, with the good offices of the Planning Commission thrown into the

(Continued in first column)

(THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS)

A Licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

Consent of the Central Government has been obtained to this Issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

A COPY OF THIS PROSPECTUS HAS BEEN FILED FOR REGISTRATION WITH THE REGISTRAR OF COMPANIES, BOMBAY.

The Subscription List will open on the 15th day of April, 1954, and will close on or before the 30th day of April, 1954.

PROSPECTUS OF

INDIAN DYESTUFF INDUSTRIES LIMITED

BOMBAY

(INCORPORATED UNDER THE INDIAN COMPANIES' ACT VII OF 1913)

AUTHORISED & ISSUED CAPITAL - - - - - Rs. 30,00,000

DIVIDED INTO :

15,000 Six per cent. Cumulative Redeemable Preference Shares of Rs. 100 each	Rs. 15,00,000
15,000 Ordinary Shares of Rs. 100 each	Rs. 15,00,000
	Rs. 30,00,000

The Preference Shares carry a fixed cumulative preferential dividend at the rate of six per cent. per annum (free of income-tax) on the capital for the time being paid-up thereon, and the right in the winding-up to payment of capital and arrears of dividend whether earned, declared or not upto the commencement of the winding-up in priority to the Ordinary Shares, but shall not confer any further right to participate in the profits or assets of the Company.

The Share Capital is payable as follows:

	Preference Shares	Ordinary Shares		Preference Shares	Ordinary Shares
On application ..	Rs. 25 per share	Rs. 25 per share	On allotment ..	Rs. 25 per share	Rs. 25 per share

The balance of Rs. 50 per share on each of the Preference and Ordinary Shares shall be payable as and when required on Calls at intervals of not less than two months.

The Preference Shares comprised in the present issue are redeemable at the option of the Company at any time after the expiration of ten years by six months previous notice.

The method proposed for redemption of the said Preference Shares is by casting lots.

Out of the present Issue, the Directors and their friends and relations have agreed to take up and will be allotted the following shares :

7,500 Cumulative Redeemable Preference Shares of Rs. 100 each and 7,500 Ordinary Shares of Rs. 100 each

and the remaining:

7,500 Cumulative Redeemable Preference Shares of Rs. 100 each and 7,500 Ordinary Shares of Rs. 100 each are now offered for public subscription.

DIRECTORS

SHRI NAVINCHANDRA MAFATLAL, Millowner and Merchant, *Chairman*, 29, Veer Nariman Road, Bombay 1.

SHRI AMBALAL KILACHAND, Merchant, 45-47, Apollo Street, Bombay 1.

SHRI ARVIND NAVINCHANDRA MAFATLAL, Millowner and Merchant, 29, Veer Nariman Road, Bombay 1.

SHRI KANTILAL NAHALCHAND, Merchant, 14, New Queen's Road, Bombay 4.

SHRI RATILAL NATHALAL, Millowner and Merchant, Ellis Bridge, Ahmedabad.

SHRI NATVERLAL BHIKHABHAI, Millowner, D5, Mafatlal Park, Bhulabhai Desai Road, Bombay 26.

SHRI ANANDLAL HIRALAL, Merchant, 51-B, Bhulabhai Desai Road, Bombay 26.

SHRI SUMATICHANDRA HIRALAL, Merchant, 51-B, Bhulabhai Desai Road, Bombay 26.

BANKERS

BANK OF BARODA LTD., 10-12, Apollo Street, Bombay 1.

UNITED COMMERCIAL BANK LTD., Hornby Road, Bombay 1.

MANAGING AGENTS

ANANDLAL SHETH & CO., LTD., 28, Apollo Street, Bombay 1.

BROKERS

MAHADEVIA BROS., Stock Exchange Old Building, Dalal Street, Bombay 1.

AUDITORS

C. C. CHOKSHI & CO., Bruce Street, Bombay 1.

SOLICITORS

MANILAL KHER AMBALAL & CO., 51, Mahatma Gandhi Road, Bombay 1.

REGISTERED OFFICE

28, APOLLO STREET, BOMBAY 1.

OBJECTS OF THE COMPANY

The Company has been formed for the purposes mentioned in its Memorandum of Association, a copy of which is annexed to and forms part of this Prospectus, and particularly to undertake the manufacture of VAT DYESTUFFS like Vat Jade Green FFB, Vat Dark Blue BO, Vat Black BB, Vat Blue BC.

FACTORY

It is proposed to locate the Factory near Bombay.

SCOPE FOR THE COMPANY'S PRODUCTS

It is proposed to undertake the manufacture of VAT DYESTUFFS, such as Vat Jade Green FFB, Vat Dark Blue BO, Vat Black BB, Vat Blue BC. It may be necessary to import in the beginning a few organic chemicals, but the entire manufacture will be based on Indian raw materials as soon as possible. Most of the machinery required will be fabricated in this country.

The programme of manufacture resulted from extensive laboratory and pilot plant work carried out by leading experts in the field. Our research team is familiar with the methods of manufacture used abroad, particularly those described in the reports on the German dyestuff industry issued by the British and American Investigation Commissions. The processes evolved, however, will be suitable to local conditions and will incorporate improvements of known methods wherever possible. The Company hopes to reach its full capacity, so far as the four important vat dyes are concerned, within three years, and to produce them on a scale which will meet the total demand in the country at the present time. The Company will also proceed to undertake the manufacture of other vat dyes, technical investigations for which have already been undertaken.

India at present imports all the vat dyestuffs required by its textile industry. Approximately these imports annually are :

Vat Jade Green FFB	...	60,000 lbs.
Vat Dark Blue BO	...	30,000 lbs.
Vat Blue BC	...	50,000 lbs.

Looking to the present trend of consumption it is believed that the demand for the fast vat dyestuffs will be steadily on the increase. The same trend has been noticed in all countries including the U.S.A. The textile industry in India is the second largest in the world, and the annual production of cotton textiles in India is of the value of about Rs. 350 crores. With the rise in the standard of living which is anticipated, the production of textiles will undoubtedly increase with a consequent increase in the consumption of fast dyes. With the development of India's export trade to the Near and Far Eastern countries on a more permanent basis, the demand for coloured goods for export will also be on the increase. All these factors favour the development of the dyestuffs industry in India.

The declared policy of Government is to assist the development of important industries in India, such as the manufacture of dyes. It is hoped, therefore, that Government support will be forthcoming for the progress and stabilisation of the Indian dyestuff industry, of which the programme of the present Company, for the manufacture of fast anthraquinonoid vat dyes, will naturally form a very important part.

DIRECTOR'S QUALIFICATION

The qualification of a Director other than the Ex-officio Director, Special Director, or the Debenture-holders' Director is the holding of shares in the capital of the Company of the aggregate nominal value of Rs. 25,000.

DIRECTOR'S REMUNERATION

A Director's remuneration for each meeting of the Board attended by him shall be such sum not exceeding Rs. 100 as may be fixed by the Directors. The Directors are also entitled to additional remuneration for services rendered by them or any of them in signing Share Certificates or any Debentures issued by the Company. Provision is also made for payment to Directors for travelling expenses as also for remuneration to Directors who are members of a Committee appointed by the Board.

A Director may also be paid further remuneration by a fixed sum as may be determined by the Directors for extra services rendered or any special exertions made in going or residing out of Bombay or otherwise for the purpose of the Company and such remuneration may be in addition to or in substitution for his share in the remuneration aforesaid.

MINIMUM SUBSCRIPTION

The minimum subscription on which the Directors may proceed to allot shares is subscription of shares of the nominal value of Rs. 7,00,000.

PRELIMINARY EXPENSES

Mr. Anandlal Hiralal Sheth is the promoter of the Company and all preliminary expenses of all negotiations and other work in connection with the incorporation and registration of the Company or of and incidental thereto are paid and are being paid by him. He will be reimbursed by the Company for all such expenditure. The preliminary expenses have been estimated at not more than Rs. 25,000, exclusive of Rs. 15,000 payable to Messrs. Mahadevia Bros., Bombay.

PROMOTION MONEY

Nothing has been paid or is intended to be paid to any promoter as promotion money, except Rs. 15,000 which are to be paid to Messrs. Mahadevia Bros., Bombay, for advice and diverse services rendered in promoting this Company.

CONTRACT WITH MANAGING AGENTS

The Articles of Association and the proposed Agreement referred to in Article No. 4 of the Company's Articles of Association provide that the first Managing Agents of the Company shall be Messrs. Anandlal Sheth and Company, Limited. The first appointment will be for a period of ten years from the date of incorporation of the Company.

The Managing Agency agreement provides for remuneration to the Managing Agents by way of commission at the rate of 10 per cent. of the net profits made by the Company in any year or any shorter period for which the accounts are made up and placed before the General Meeting subject to a minimum of Rs. 12,000 per annum in the absence or owing to the inadequacy of profits. Liberty is reserved to the Managing Agents to draw a monthly sum of Rs. 1,000 towards and on account of the said minimum sum of Rs. 12,000.

The said remuneration is to be exclusive of and shall not include any remuneration, salaries or wages payable to bankers, solicitors, engineers, chemists, commission agents, dealers, brokers, officers, experts, clerks, mechanics, servants, workers and other employees or any expenses incurred on account of rent, post and telegram charges, printing and stationery and other office expenses or any travelling charges and expenses incurred by the Managing Agents in connection with the business of the Company, all which rent, remuneration, salaries, wages, costs, charges and expenses shall be borne and paid by the Company alone.

The Managing Agents are entitled to be paid reasonable and proper remuneration for any extra duties or work done by the Managing Agents for the Company, but such remuneration is not to be treated as Managing Agents' remuneration.

The Managing Agents have the right to appoint two Directors who are not liable to retirement or removal and are not required to hold any qualification shares. One of such Directors is styled the Ex-officio Director and the other Special Director.

CONTRACTS

Article No. 4 of the Company's Articles of Association provide for the execution of an Agreement between the Company and Messrs. Anandlal Sheth and Company, Limited, appointing them as the Managing Agents of the Company for a period of 10 years at the remuneration hereinbefore mentioned. A copy of the said contract is open to inspection at the registered office of the Company at 28, Apollo Street, Fort, Bombay 1, between the hours 2 p.m. and 5 p.m. on any working day except on Saturday.

There are no contracts relating to the acquisition of property.

INTEREST OF DIRECTORS

The following Directors are interested in the Company:—

Shri Navinchandra Mafatlal, Shri Arvind N. Mafatlal, Shri Anandlal Hiralal and Shri Sumatichandra Hiralal four of the Directors of the Company are shareholders of Messrs. Anandlal Sheth and Company, Limited, the Company's Managing Agents and except the first named one the other three above Directors are also Directors of the above Managing Agency Company and are accordingly interested in the remuneration payable by the Company to the Managing Agents under the said Managing Agency Agreement.

Shri Anandlal Hiralal, who is the promoter of the Company, is also interested in the payment of preliminary expenses to be paid by the Company to him.

All the Directors of the Company are interested in the payment of the fees payable to them for each meeting of the Board attended by them, for the travelling expenses and the extra remuneration payable for additional or extra services rendered or special exertions undertaken or otherwise in connection with the Company's business.

VOTING AND RESTRICTIONS

Ordinary Shareholders: Upon a show of hands every ordinary shareholder entitled to vote and present in person or by an agent duly authorised under the Power-of-Attorney shall have one vote and upon a poll every such Ordinary Shareholder entitled to vote and present in person or by an agent duly authorised under the Power-of-Attorney or by a proxy shall have one vote for every share held by him.

Preference Shareholders: The holders of Preference Shares shall have no right to vote either in person or by proxy at any General Meeting by virtue or in respect of their holdings of Preference Shares unless the preferential dividend is passed over in any year and is in arrears for a period of six months after the same has become due, or unless any alteration in the Memorandum and Articles of Association affecting the rights, privileges and interests of the Preference Shareholders is proposed or any resolution for the winding-up of the Company is proposed, in which later cases the holders of Preference Shares shall on a show of hands confer the same voting rights as Ordinary Shareholders and on a poll shall confer one vote for every Preference share held by such member.

Under Article 108 no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

CAPITAL AND DIVIDENDS

The Redeemable Preference Shares confer the right to a fixed cumulative preferential dividend at the rate of 6 per cent. per annum (free of income-tax) on the capital for the time being paid-up thereon and the right in a winding-up to payment of capital and arrears of dividend, whether earned, declared or not upto the commencement of the winding-up in priority to the Ordinary Shareholders, but do not confer any further right to participate in the profits or assets of the Company.

RESTRICTIONS UPON THE TRANSFER OF SHARES

The Articles provide that the Directors may at their own absolute and uncontrolled discretion and without assigning any reason decline to register or acknowledge any transfer of shares and in particular may so decline in any case in which the Company has a lien upon the shares or any of them or whilst any money in respect of the shares desired to be transferred or any of them remain unpaid or unless the Transferee is approved by the Directors.

It shall not be lawful for the Company to register a transfer of shares unless the proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company along with the scrip.

UNDERWRITING COMMISSION AND BROKERAGE

The present issue is not underwritten. Brokerage at the rate of 1 per cent. shall be paid by the Company to recognised brokers on allotments made in respect of applications bearing the stamp of such brokers.

Further, when the Company so decides it shall be entitled to pay a commission of 4 per cent. to a person or a company with whom the Company enters into an agreement or contract to underwrite the present or subsequent issues.

RESTRICTIONS ON DIRECTORS

Article 163 provides for the management of business by the Directors who may exercise all powers and do all acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do and are not by the Articles or by statute directed or required to be exercised or done by the Company in General Meeting subject nevertheless to the provisions of the Act and of the Memorandum of Association and to any regulation not being inconsistent with the Memorandum and Articles of Association from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

APPLICATION FOR SHARES

Application for shares should be made on the form accompanying this Prospectus and sent to the registered office of the Company at 28, Apollo Street, Bombay 1, together with the remittance of the amount payable on application. Where no allotment is made the deposit will be returned in full less Money Order commission and where the number of shares allotted is less than that for which the application has been made the balance will be applied towards the further amount due. Failure to pay any future instalments due on shares allotted will render previous payments liable to forfeiture.

INSPECTION OF DOCUMENTS

Copies of the Indian Companies' Act, Memorandum of Association of the Company and the Agreement or draft agreement entered into or proposed to be entered into can be inspected at any time at the registered office of the Company at 28, Apollo Street, Bombay 1, between the hours 2 p.m. and 5 p.m. on all working days except Saturdays.

Copies of the Prospectus and forms of applications for shares may be obtained from the registered office of the Company at 28, Apollo Street, Bombay 1. The Company was registered on the 18th day of February 1954.

Dated this 12th day of April, 1954.

(Sd.) NAVINCHANDRA MAFATLAL
(Sd.) AMBALAL KILACHAND
(Sd.) ARVIND NAVINCHANDRA MAFATLAL
(Sd.) KANTILAL NAHALCHAND
(Sd.) RATILAL NATHALAL
(Sd.) NATVERLAL BHIKHABHAI
(Sd.) ANANDLAL HIRALAL
(Sd.) SUMATICHANDRA HIRALAL

This Form should be filled up and forwarded entire with Cheque or Banker's Draft or Cash to the Company's registered Office.

INDIAN DYESTUFF INDUSTRIES, LTD.

No.....

FORM OF APPLICATION FOR ORDINARY / PREFERENCE SHARES

TO THE DIRECTORS OF INDIAN DYESTUFF INDUSTRIES LIMITED

GENTLEMEN,

I/We send herewith the sum of Rs ..... being a deposit of Rs. 25 per share on ..... Ordinary / Preference Shares of Rs. 100 each in the abovenamed Company and request you to allot me/us the said number of shares on the terms of the Company's Memorandum and Articles of Association and Prospectus and I/we agree to accept the said shares, or any smaller number that may be allotted to me/us and to pay the further instalment of Rs. 25 per share on allotment. I/We also agree to pay the balance due in respect of the said shares by two calls of Rs. 25 each as provided in the Prospectus and I/we authorise you to register me/us as holder/holders of the shares allotted to me/us hereunder.

Name in full.....
(In Block Letters)
Occupation.....
Address in full.....
.....

Date.....195 Signature/s.....

(Applicant's Specimen Signature) (Applicant's Specimen Signature)

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.....
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INSURANCE OF BANK DEPOSITS—I

ITS IMPORTANCE AS A MEANS FOR INFUSING CONFIDENCE

FEW features of the Indian banking system have attracted the anxious attention of those who are interested in its future than the tardy growth of deposits with banks. The magnitude of those deposits, when it is set against the background of the total currency in circulation, is not large enough to inspire confidence in the role which the banks are expected to play in the national economic development. Indeed, it is this basic defect in the country's economy which expresses itself in the shape of a demand for control on interest rates on deposits, frequently put forward by bankers. In recent weeks, this demand has gathered considerable force, as witness the reference to it in the speeches of bank chairmen. In all this frantic canvassing for control on interest rates, what is conveniently forgotten is that, so long as the total volume of funds seeking refuge in the safe vaults of the banks remains practically unaltered, or grows only at a slow rate, any attempt at controlling interest rates, even if successful, will not prove a lasting remedy.

Indeed, bankers' thoughts should now be turned towards the question of drawing off, as deposits, a more significant portion of the money in circulation than what is available for the banks today. That this is a question of fundamental importance to the banking system will be evident even from a glance at the trend of bank deposits in India. The following table brings out this trend in India, as compared with that in the U.S.

Deposits and Notes in Circulation

	U.S. (In million dollars)			India (Rs. in crores)		
	Currency in circulation	Deposits of commercial banks	Postal deposits	Notes in circulation	Total deposits of scheduled banks	Postal deposits
1947 ..	28,868	137,538	3,417	1,265.81	1,079.99	142.35
1948 ..	28,224	139,517	3,330	1,351.09	1,042.16	128.11
1949 ..	27,741	120,764	3,198	1,195.44	925.69	148.49
1950 ..	27,206	140,259	2,924	1,205.32	928.23	167.19
1951 ..	29,206	155,480	2,705	1,202.32	918.13	185.06
1952 ..	30,438	165,181	2,547	1,103.88	891.97	199.81

It will be seen from the table above that while in the U.S. deposits form over five times the currency in circulation, such form only about 50-60 per cent. of the total notes in circulation in India. This means that, in the U.S., the major proportion of the total money supply is available for use by the banks. In India, the reverse is the case. It is the public that has command over the larger proportion of the total money supply. Even if allowance is made for the difference in the national incomes of the two countries—the high level of national income in the U.S. permits the people to leave their surplus cash with banks—there is no doubt that there is considerable room for augmenting the money that is deposited with the Indian banks.

Low Level of Bank Deposits

All this raises the old question as to how best the banks could be enabled to attract money as deposits. In other words, what are the main reasons for the low level of bank deposits in India? Apart from the low level of income, and the consequent necessity for retaining resources for bare consumption needs, there are other factors which impede the development of bank deposits in this country. In the first place, there has been a shift of income from the banking-minded sections to other sections of the population. Secondly, the Government competes with the banks for the available savings by directly encouraging the people to deposit with Postal Savings Banks or to invest in National Savings Certificates and other papers. Thirdly, the banks are unable to render as efficient a service as might be expected from them, thanks to the high costs of operation, and unsatisfactory conditions and discipline amongst the bank staff. Fourthly, there is a lack of confidence in cheques as instruments for settlement of debts. The Government is the worst offender in this respect, for it generally mistrusts the use of cheques. The railways, for instance, will not accept payment, in cheques, for big amounts, even from reputable business concerns. Recently, we came across an instance where one of the big firms in Bombay wanted to arrange for a first class special train involving a cost of over Rs. 10,000. The railway official concerned insisted on payment of this amount in cash. Fifthly, the rigidity in the system of advances has caused many people to wonder whether the banks are performing a national service at all. If a borrower finds that a bank will lend only against the highest form of security he is, perhaps, less inclined to treat the bank as a friend in need. This affects the loyalty of the public towards the banks, and has an adverse effect on deposits.

Finally, there is the problem posed by the frequent failure of banks. A bank failure, it cannot be too strongly emphasised, is more than a mere business failure; it shakes public confidence in credit institutions to a very much greater extent than the failure of an ordinary business firm. Every such failure puts the clock of banking progress backwards. And for the people directly concerned in the failure, it will almost always mean a permanent distrust for banks in general. There is a no greater enemy of banks than the man whose fortunes have been affected by the failure of a bank. The fact that he does very often recover subsequently a major portion of his wealth, which he entrusted to the bank, does not, in any way, help restore the confidence which he loses by the failure of his bank. Once bitten by a bank failure, he is a hundred times shy in enstrusting his deposits with a bank; no bank is good enough to be worthy of his confidence. He becomes a walking advertisement of the instability of the banking system. His lack of confidence is also infectious to a degree. One can never statistically estimate the amounts which have been lost to banks through the failure of the 187 banks over the 1947-52 period, involving a liability of Rs. 92 crores.

Public Confidence

Thus, any study of the dismal failure of bank deposits to forge ahead with the passage of time forces one back to the consideration of the fundamental principle, which is as old as banking itself, namely, that the banking structure of a country rests ultimately on the confidence of the public. No law can create that confidence, once it is lost. And most laws become superfluous if that confidence has been created and is sustained by a nation's banks. The world's great banks, such as are to be found in the U.S. and in the U.K., have endured, because they have created that confidence. Standing on the bedrock of public faith in their security, they are certain that no buffet of misfortune will shake them. Men may come and men may go, but they go on for ever.

How to create that confidence in this country, where bank failures are both many and grievous, is a problem which must engage the attention of all bankers. To say that the problem concerns only the less well established banking institutions is to develop a blind spot to the ravages of bank failures. It concerns all banks, no matter whether they are big or small. And the creation of confidence in banks amongst the public will bring rich rewards to all banks, big as well as small, for that will enable the public to entrust their wealth to the banks, without any anxiety about the future of that wealth. Secure in the thought that banks will take better care of their money than they themselves can, the public will not, as it is now, be chary of depositing it with banks; nor will the Indian public believe, as it does now, that precious metals are the commodities which possess the highest form of security.

Deposit Insurance in U.S.

In order to create this confidence, a suggestion which has, in fact, been mooted in the past, is to institute a system of insurance of bank deposits. The fact that it has been made before does not in any way detract from its value as a device for creating confidence amongst the depositing public. Its value rests on the idea that just as a person, who has insured his life, will seldom develop a pathological anxiety about the welfare of his family, so will a person have no fears about entrusting his money to a bank so long as he knows that the bank's deposits are covered by insurance. Insurance of bank deposits is, of course, not a new-fangled idea, too idealistic to be translated to reality. It has been tried in the U.S., where it has vindicated the faith of its sponsors in its efficiency. An eloquent but well-deserved tribute to the U.S. Federal Deposit Insurance Corporation (F.D.I.C.) was paid, some four years ago, in the House of Representatives, by Mr. Paul Brown, who has had considerable experience in the working of credit institutions. He said:

"In my long experience with the many different aspects of business and Government as well as my studies of the history of governmental activities, I have never encountered an organisation, either in or out of Government, whose record excels that of the Federal Deposit Insurance Corporation. None has done a better job. . . .

"When you call the roll of those who have confidence in the F.D.I.C., not one discordant voice is heard. Foremost among the staunch supporters of the Corporation are the depositors with over 104,000,000 accounts, of which nearly one hundred and three million or 99 per cent. are fully protected. Almost three-fifths of the $156,000,000,000 in deposits is fully insured under the limitation of $10,000 maximum insurance for each account.

"The bankers who operate the 13,600 insured banks in the United States are keenly aware of the stability that the Federal Deposit Insurance Corporation has created for the entire banking system. No insured bank has failed since 1934. It is a fact of great historical significance that the present President of the United States is the only man who has occupied the White House without an insured bank failure.

"For the first time in the history of this great nation, a whole generation of youth has grown to adulthood without experiencing at first hand the personal misfortunes of serious banking troubles. Their knowledge is limited to the history of these panic episodes in the cold types of the printed page. They take for granted the safe and sound institutions and practices which have relegated bank failures to the past.

"Every man, woman, and child in the United States—every farmer, and every working man—every one who does business in this great nation is benefited by the Federal Deposit Insurance Corporation. Now, at last, people can rest assured that their deposits are safe. Business men may conduct their affairs without uncertainties and fears of losses resulting from banking troubles. So it is not surprising that confidence in the Federal Deposit Insurance Corporation and the officials who manage it is universal. . . .

"The Corporation has engendered among depositors a feeling of confidence in the banking system. For the American system of free-enterprise banking, depositor confidence is of fundamental importance. The Corporation's record of success in protecting depositors fully warrants this confidence. Our financial system can be maintained only so long as the Corporation is successful in inspiring and perpetuating confidence among bank depositors. In my opinion, it is impossible to overemphasise the fact that the Corporation is the principal safeguard for the dual system of banking and free enterprise in this country. . . .

"The Federal Deposit Insurance Corporation has succeeded beyond the fondest hopes and expectations of those who conceived it. Testifying to this is the fact that no insured bank has been placed in receivership since May, 1944. Nor has a depositor lost money resulting from the failure of an insured bank. Furthermore, the F.D.I.C. has restored the public's confidence in our banking system which was undermined during the protracted agricultural depression of the 1920's and evaporated completely after the total collapse of our economy in the tragic depression of the early 1930's.

"The F.D.I.C. has eliminated the disastrous effect of banking failures on our economy. It has created an atmosphere in which the nation's business can be transacted freely and without threat of financial paralysis which heretofore occurred periodically. Now the Corporation has dedicated its efforts to the task of preserving the financial stability which it has achieved for our economy. Over the years to come, the preservation of this stability in banking will be its greatest achievement, and a major contribution to the welfare of America."

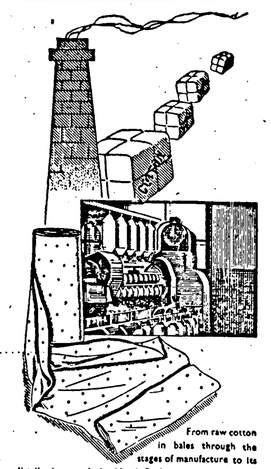
A Well-deserved Tribute

This is high, but, as we stated earlier, a well-deserved tribute to this great institution, the F.D.I.C. If this institution has done so much to inspire confidence amongst the American citizens in their banking system, is it too much to hope that a similar institution in this country can do at least a fraction of what its counterpart has done in the U.S.? Those who decry insurance of bank deposits as a new-fangled idea that will never take root in this country seldom realise that banking itself was, till recently, a new idea. There is no reason to think that insurance of bank deposits is likely to present insurmountable obstacles in the way of those who wish to give a concrete shape to this idea. Even the Rural Banking Enquiry Committee, which felt constrained to reject it, recognised the importance of providing insurance for deposits. The Committee said:

"The proposal that a system of 'deposit insurance' should be developed for all banks in India has been made by several people. Although the proposal may be commendable in principle, we feel it is not opportune or practicable at the present stage. The risks and uncertainties to which banking in this country is subject at present are far too many and their nature is not yet fully understood. We are in the stage of transition from exceptional war-time conditions, during which the banking system expanded considerably, to a more normal state of affairs and the changes which such a transition is likely to bring about are far from clear . . . . Moreover, a fairly well established and sound system of banking is essential before a scheme of insurance against what may be described as calculable risks can be put forward. As suggested in paragraph 45, the question of introducing deposit insurance in this country should be deferred until the process of consolidation of the banking system, as envisaged by the Banking Companies Act, has taken place when conditions will be more propitious for the setting up of a practicable and satisfactory scheme of deposit insurance."

Although the Committee thus conceded that deposit insurance was "commendable" in principle, it based its rejection of this device on the ground that the country was passing through a transitional period in its banking history and that it was "not opportune" to introduce this innovation. But this argument has lost some of its validity, for the banking system has passed the transitional stage, and is now entering upon what many bankers recognise as a normal period. It will, therefore, be useful to consider the scheme, as it operates in the U.S., and the possible form it may take in the context of Indian conditions. There is no doubt that bankers will, on reflection, consider any institution, similar to the F.D.I.C. in the U.S., as a reliable safeguard against that panic, to which the Indian public is so notoriously susceptible and which is so fatal to the progress of banking.

(To be concluded)



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TRAVANCORE FORWARD BANK LTD.

The Travancore Forward Bank Ltd. (Managing Director: Mr. M. C. Mathew, Kottayam) has done well during the year ended 31st December, 1953. The profit for the year has gone up from Rs. 2.21 lakhs to Rs. 2.47 lakhs, which is a fresh record in the history of the Bank and is a shade better than the previous record profit earned in 1946. The year under review is the twenty-fifth year of the Bank's working and it is a happy augury that the Bank has earned a record profit for the year.

Interest and discount earned show a rise from Rs. 12.45 lakhs to Rs. 13.40 lakhs and commission and exchange from Rs. 3.13 lakhs to Rs. 3.99 lakhs. There has been an increase in interest paid from Rs. 7.27 lakhs to Rs. 8.30 lakhs, accompanied by a rise in expenses from Rs. 5.92 lakhs to Rs. 6.43 lakhs. After providing for depreciation on and repairs to the Bank's property, the profit amounts to Rs. 2.47 lakhs, as against Rs. 2.21 lakhs. Following the improvement in earnings, the Directors have raised the provision for taxation from Rs. 1 lakh to Rs. 1.10 lakhs, and the allocation to the general reserve from Rs. 45,000 to Rs. 50,000 and to the contingency fund from Rs. 30,000 to Rs. 40,000. The dividend is maintained at 3 per cent. which absorbs Rs. 45,000 leaving to be carried forward Rs. 4,206, as against Rs. 2,152 brought in.

The balance-sheet as on 31st December, 1953, shows that the Bank's reserves stand at Rs. 9.01 lakhs, as against a paid-up capital of Rs. 15 lakhs. Deposits amount to Rs. 2.57 crores, an increase of Rs. 32 lakhs over the year. Advances, too, have risen by Rs. 11 lakhs to Rs. 1.33 crores, at which level they are equal to 51.7 per cent. of the deposits. Investments (at cost) are higher at Rs. 55.42 lakhs, as against Rs. 46.56 lakhs. Cash balances also show an expansion of Rs. 12.09 lakhs to Rs. 85.99 lakhs. The combined total of investments and cash balances provide a coverage of 55 per cent. to deposits.

The Bank completes 25 years of its service next month and the Directors propose to celebrate the Silver Jubilee in a fitting manner.

ANDHRA BANK'S RESULTS ENCOURAGING

An all-round improvement in the business of the Andhra Bank Ltd. (General Manager: Mr. E. Ramachendramurti, Masulipatam), during the year ended 31st December, 1953, is indicated by the audited accounts of the Bank for that year. Thus, the Bank's deposits, as at the end of the year under review, show an expansion of over Rs. 72 lakhs to Rs. 5.40 crores (which is a record so far as the year-end figures are concerned), advances have gone up by over Rs. 61 lakhs and the profit, which had dropped in the previous year, has recorded a welcome improvement from Rs. 3.68 lakhs to Rs. 4.12 lakhs. The increase in profit is not marked, but it is in refreshing contrast to the experience of most of the other Scheduled banks in India. The higher profit has enabled the Directors to raise the allocation to the reserves and to increase the distribution to the shareholders from a rate of 6 per cent. which had been paid for the previous three years to 6½ per cent.

The following comparative table giving the salient features of the Bank's accounts for the last four years provides an idea of its progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interestand discount earned ..	25.45	23.61	23.40	20.54
Commission and exchange ..	5.70	5.02	5.51	5.02
Interest paid	12.41	11.11	11.21	10.03
Administrative and other expenses	15.00	14.01	12.67	10.68
Depreciation and repairs ..	0.25	0.20	0.16	0.15
Loss on Sale of and provision for depreciation on investments	..	0.13	0.88	0.01
Profit	4.12	3.68	4.40	5.09
Provision for taxation ..	1.65	1.40	1.90	2.25
To reserves	0.85	0.75	0.86	1.10
Dividend..	1.62 (6½%)	1.50 (6%)	1.50 (6%)	1.50 (6%)
Carry forward	0.07	0.07	0.04	0.26

	As at 31st December			
	1953	1952	1951	1950
Capital	25.00	25.00	25.00	25.00
Reserves	12.41	11.28	11.92	11.35
Deposits	5,39.86	4,67.45	4,45.04	4,42.37
Borrowings from other Banks ..	..	..	68.00	59.00
Advances	3,01.97	2,40.69	3,21.32	2,06.15
Investments	1,00.79	1,04.93	1,54.65	1,60.98
Cash	97.84	1,20.89	91.70	97.20
Balance-sheet total ..	6,82.73	6,03.12	6,60.62	6,12.54
Ratio to deposits of— ..	%	%	%	%
Advances	55.9	51.5	72.1	66.9
Investments	35.3	33.1	19.3*	16.8*
Cash	17.6	25.8	20.7	21.9

* Ratio arrived at after taking into account only the unencumbered portion of the investments.

The gross income of the Bank for the year under review amounts to Rs. 31.78 lakhs, representing an increase of Rs. 2.64 lakhs over that for the previous year and constituting a record in the history of the Bank. Receipts from interest and discount account for an increase of Rs. 1.84 lakhs and those from commission and exchange for Rs. 0.68 lakh. To a large extent, the rise in income has been absorbed by an increase of Rs. 1.30 lakhs in interest paid and of about Rs. 2 lakhs in administrative and other expenses. A small loss of Rs. 13,370 was incurred last year on sale of investments, but no such loss was sustained this year. The provision for taxation has been increased by Rs. 25,000 to Rs. 1.65 lakhs and the transfer to the reserve fund from Rs. 65,000 to Rs. 85,000. The increase in the dividend from 6 per cent. to 6½ per cent. requires Rs. 12,500 more than the amount paid out last year.

The rise in deposits has been shared by all classes, fixed deposits (including cash certificates and season deposits) going up from Rs. 2.18 crores to Rs. 2.53 crores, savings bank deposits from Rs. 1.35 crores to Rs. 1.58 crores and current and other accounts from Rs. 1.14 crores to Rs. 1.29 crores. The improvement in resources has been utilised to strengthen the main revenue yielding asset, namely advances, which have risen by over Rs. 61 lakhs. Loans, cash credits and overdrafts show a rise from Rs. 2.22 crores to Rs. 2.78 crores and bills purchased and discounted from Rs. 19 lakhs to Rs. 24 lakhs. Investments (shown at cost) have risen by Rs. 36 lakhs to Rs. 1.91 crores. Cash balances, however, have shrunk by Rs. 23 lakhs, but the combined total of the investments and cash balances are higher by about Rs. 13 lakhs. The rise in deposits being substantially higher, the liquidity ratio has declined from 58.9 per cent. to 52.9 per cent., but it is still very comfortable.

The Bank has completed thirty years of working since its inception in 1923. The progress made by it during these three decades is reflected in the following table:

(In lakhs of rupees)

	1924	1933	1943	1953
Paid-up Capital ...	1.00	1.18	7.81	25.00
Reserves	—	0.11	0.51	12.41
Deposits	0.51	13.38	66.69	539.86
Profit	—	0.08	1.03	4.12
Dividend (per cent.) ...	9	4	6	6.5
No. of offices	1	5	17	57

The Bank opened six sub-offices during the year under review. A temporary pay-office was also opened during the year at the premises of the Andhra Legislature Secretariat, Kurnool, for the convenience of the Assembly members during the sessions of the Assembly.

WORLD BANK LOAN TO NORWAY

The International Bank for Reconstruction and Development granted last week a loan of $25 million to Norway for the purpose of helping the country to carry on its economic development. One of the important parts of this development is the expansion of Norway's merchant fleet. The loan will provide part of the foreign exchange needed for the purchase of merchant ships being built in foreign shipyards.

This is the first loan given by the Bank to Norway. It is for a period of 20 years and carries interest of 4.75 per cent. per annum, including the statutory commission of 1 per cent. Amortisation of the loan will begin in October, 1957.

BRITAIN'S BUDGET

TAX RELIEF TO INDUSTRY

(From Our London Correspondent)

THE most important news that has come out of Mr. Butler's 1954 Budget is that there is to be no general election this year. This is not a cynicism and it is based on the very precise terms in which Mr. Butler introduced his proposals. He explained that we had had a very successful and prosperous year but that we were facing uncertain times and that, in these circumstances, it was good sense to carry on as we were and then, if things turned out better than seemed likely, have the benefit of this in the following year. It is very unlikely that a Government would choose to go to the country after having made such a programme to help their opponents, if successful, to introduce substantial tax reliefs in their first year.

Mr. Butler himself described the Budget as a "carry-on" Budget and the only significant change he announced was the granting to industry of a tax relief on one-fifth of any new investment undertaken. Apart from this, there was a small concession of entertainments duty designed not to cheapen entertainment to the public but to enable the cinema, theatre, and sport-promoting industries to pay their way in the face of increasing competition from the home entertainment of television and wireless. There were other small changes, but nothing of consequence.

The allowance to industry is, however, very important and follows the line of the Chancellor's argument that one of Britain's main problems is to increase its home investment and the productive efficiency of industry. At present, businesses are allowed to set off against their profits for a given year 20 per cent. of the value of new equipment and in subsequent years 10 per cent. only until the total has been written off. There are variations in these figures according to the type of equipment, but that is broadly their effect. The new proposal, however, permits an *additional* 20 per cent. of the value of equipment to be written off so that, in all, a business may set off against profits 120 per cent. of its expenditure on new equipment, viz., 20 per cent. in the first year and thereafter 10 per cent. per annum until a total of 120 per cent. has been written off. The ultimate effect of this is to enable a business to finance one-fifth of new investment out of remitted taxation, i.e., out of the Chancellor's pocket instead of that of the business, and in addition write off its depreciation out of profits in the usual way.

There was some criticism that the Chancellor in a "no change" year should single out the corporate investor for tax relief and pay no regard to the claims of private taxpayers; but in doing this he is looking at the realities of business finance in a capitalist society and accepting that, if industry is to re-invest its profits in order to improve the productive efficiency of the nation, then sufficient profits must be left to it to re-invest. He is drawing a distinction between businesses which attempt to re-invest their earnings in productive capital and the private person who may be relied upon to consume his earnings rather than invest them. His decision can be attacked by his political opponents on grounds of political theory on the organisation of modern industrial society but not on the grounds of the practical way of dealing with the problem in society as at present organised.

But the Opposition are on stronger ground when they criticise the Chancellor for not making concessions in pensions to balance the increases in the cost of living. The total cost of the necessary concessions would have been some £50 million as well as substantial savings in the actual administrating of the pension schemes under national insurance. At present, the pensions established in 1946 by the Labour Government payable to insured persons have, as a result of the steep rise in the cost of living since those times, become completely inadequate and drive a large proportion of the beneficiaries to seek relief from the National Assistance Boards. Mr. Butler expressed the greatest sympathy with old age pensioners and others who rely on fixed incomes from public funds for their living expenses, but pleaded that he could not afford to do anything for them. The amounts involved, however, are so small in relation to a Budget of £4,500 million that his explanation will not be very convincing to one half of the nation.

The revenue continues buoyant and direct taxation is estimated to yield another £44 million in the coming year, with indirect taxes producing a further £26 million. Other income,

(Continued on page 763)

DEVELOPMENT OF TEXTILE INDUSTRY

A CASE FOR ALLOWING EXPANSION IN LOOMS

(By C. V. NARAHARI RAO, M.A., B.L.),

ADVANCE information about the draft second Five-year Plan is in the air. It is stated that greater emphasis will be laid in this Plan on industrialisation than in the first Plan. For there has been a grievance that the industry, especially the large-scale industry, has met with only a cavalier treatment at the hands of the authors of the first Five-year Plan, in that only Rs. 173 crores out of the total of Rs. 2,069 crores (that is, 8.4 per cent.) have been earmarked for the development programmes in the public sector. Again, only Rs. 140 crores (6.7 per cent.) are set apart out of the above for large-scale industries. Private enterprise is left to shift for itself.

Despite the good news of greater concentration on industries, it is reported that the Government of India has set its face against the establishment of new composite mills even during the second planning period. Their opposition seems to be not only for new weaving units but also for the expansion of existing units. This is undoubtedly disquieting. If the position under the first Plan had been bad, it is to be made worse under the second one.

Even under the first Plan, a considerable proportion of the industrial development envisaged is by way of expansion of the existing units. Such expansion is made to rest largely on private initiative and resources, with only the possibility of supplementation at certain points by the resources of the public sector. That the Planning Commission's estimates of production target and actual output are faulty becomes clear from the fact that the mills produced in 1953 nearly 200 million yards more than the target figure of 4,700 million yards cloth. Whereas the Planning Commission has taken it for granted that the existing consumer goods producing industries are adequate, they have failed to take note of the fact that the existing capacity for the production of capital goods and producer goods is quite inadequate. This serious defect in the industry is particularly emphasised in the Report of the Working Party for the Textile Industry.

Requirements of Looms

What exactly is the need of the industry for replacement. Though accurate statistics are not available and a unit-by-unit survey has yet to be made, it is gathered that the existing capacity of looms manufacturing industries is inadequate. As on 31st August, 1953, there were 207,250 looms in the Indian Union, the Bombay State alone having more than half of the looms, 136,093, to be precise. About a quarter to half of the looms is in need of urgent renovation, that is to say, 100,000 looms. But such replacement must, due to various factors, be a natural process extending at least over 10 years. The total capacity of the four loom manufacturing units in India, yet in infant stages, is estimated at 5,700 looms per year. The Texmaco (Gwalior) Ltd., started in 1943, has a production capacity of 2,700 looms; the Cooper Engineering Co., Ltd., has a rated capacity of 1,200 looms; the India Machinery Co., Ltd., Howrah, which commenced manufacture in 1944, can make 1,200 looms; and the Mysore Machinery Manufacturers Ltd., Bangalore, which started looms manufacture in June, 1948, has a potentiality for 600 looms. At this rate of only 5,700 looms per year, only half of the 100,000 looms could get replaced in ten years if we were to rely entirely on indigenous machinery and also did not further reckon the new demands likely to arise in the next 10 years, by way of more machinery requiring replacement. In this connection, it will be well to remember also that the increase envisaged in the first Plan in the plain, semi and automatic looms is 4,100 by 1956, which is quite inadequate.

Assuming for the moment that all the indigenous manufactured looms are absorbed by the renovation schemes of the existing mills, there is yet a shortfall for the immediate requirements which has to be met only by importing foreign looms. Taking the average price of a loom with its accessories and motor at Rs. 4,000, the cost of replacement of 10,000 looms every year during the next 10 years will amount to Rs. 4 crores each year. The cost of the 5,700 indigenous looms as per maximum estimated production capacity comes to Rs. 2.28 crores. The remaining looms worth Rs. 1.72 crores will have to be imported. The value of weaving machinery imported was Rs. 1.84 crores in 1949-50 and Rs. 1.68 crores in 1951-52 and Rs. 79 lakhs in 1950-51.

But all the looms produced within the country will not get so readily absorbed as to provide a further incentive to indigenous producers. The hesitancy and caution of millowners to go in for indigenous capital goods is well known. To some extent, this is due to the fact that our machinery manufacturing industry has yet to reach the perfection shown by foreign countries. Investment in capital goods, as stated by the Working Party, is to be made with a view to securing the maximum efficiency from such machinery for at least 30 years. Unlike in the case of certain spinning machinery imports, where the issue of an import licence is made dependent upon a mill placing an order with an indigenous manufacturer for about twice that quantity for like machinery, there is no such ratio fixed yet for looms. This is another handicap to the millowners who want to renovate their old machinery with at least a part in modern foreign machinery. One inevitable result, as pointed out by the Working Party, is that, while renovation is postponed, to that extent the offtake of indigenous produced machinery is delayed and a disincentive given to the capital goods producing industry, which is not a desirable thing at all.

Rigidness of Policy

Further, with nearly half of the machinery in the existing units becoming old and outmoded with over 25 years' hard wear and tear and the present cost of the machinery having risen threefold, not many mills are anxious to renovate or even expand their units early. Surely, it does not augur well for the future of the textile industry in India if any desire for loomage expansion is thwarted by a rigid observance of a policy, especially having regard to the fact that the renovation of old looms in established industries is not proceeding on a pace commensurate with the need for maintaining production for long at the present level, or at the target figure of the first Five-year Plan.

After all, the applications for expansion of loomage will be few, considering the present high prices and the resources available to the mill industry. Only a few mills, which were prudent enough to heed the Government caveat, while the war was on, that the industry should not dissipate their good profits during the war but conserve such profits against the almost certain rainy day of the post-war years for utilisation for rehabilitation, renovation or expansion of their units, are in a position to embark upon expansion of their weaving capacity or add a weaving department in their own mill as the case may be. It is difficult to understand the wisdom of the Government in discouraging expansion even in these cases.

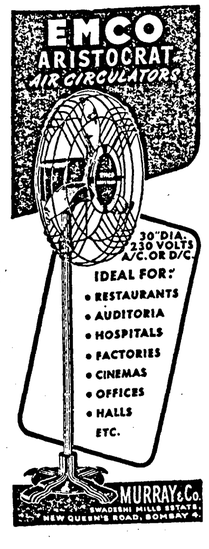
The undesirability of such rigidness of policy is even more apparent in the case of refusal to those mills (the writer knows at least one mill) which had already undertaken the expansion under the post-war expansion plan and had actually incurred considerable expenditure in installing the preparatory machinery and getting ready the electrical equipment and buildings for the purpose but had only delayed the actual purchase of the looms, due to causes beyond their control such as cotton shortage, power shortage, and complications of international situation and exchange. Now to deny them the privilege of renewing the permission already given, under the present Industries (Development and Regulation) Act, 1951, is, to say the least, contrary to the directions given clearly even by the Planning Commission that, in such instances where large expenditure has been involved, or, in the language of a recent statute, "effective steps" had already been taken, some relaxation should be made and every facility given to the particular unit to complete the scheme and give the country the benefit of its investment which must otherwise remain idle and useless.

Case of South Indian Mills

It is also observed by the Planning Commission that industrial development in India has so far been concentrated in a few areas. If it is to proceed in a balanced manner, the Commission says, increasing attention must be paid to the establishment of industries in those States and regions which have so far remained backward. It is stated that, under the Industries (Development and Regulation) Act, 1951, the Government has powers to regulate location. A more convincing plea cannot be made out for the expansion of loomage in the case of the South Indian mills at least, for it is a sad fact that the loomage in the undivided Madras State formed only 4 per cent. of the all-India loomage. There can be no fear that applications from this area will be numerous for reasons already stated, and only a few established mills will desire to expand at the moment. There can really be no objection to allowing them within the policy of the Five-year Plan, even if entirely new units are to be disallowed.

It may, however, be contended that more looms in the South will affect the yarn supplies to the handloom weaving industry., To my mind, this has unfortunately become a stock argument, verging almost on obsession. The growth of the South Indian spinning mills by taking to weaving has not affected in the least the quantum of yarn supply to the handloom industry for nearly 30 years now, since the development of the mill industry in this area from about the second quarter of the present century. What has really happened is that the handloom industry came to use more and more of the Indian mills' yarn in the place of the foreign and imported yarn. Furthermore, with the growth of indigenous mill cloth production, there came a corresponding reduction in imports of cloth for our requirements from the U.K. and Japan. The advent of the war practically did away even with this little dependence and our mills rose to the occasion. They not only catered to internal requirements but actually found it possible to export their products. All this time, the mill industry did not harm the handloom industry. Questions of accumulation of stocks, recession in prices, consequences of the replacement of the sellers' market by the buyers' market are all ills common to both the mill industry and the handloom industry, and the real solution appears to lie in increasing the purchasing power of the masses. To the extent the South will produce a little more cloth out of its mills, its dependence on Ahmedabad and Bombay mills will be reduced and the mills there will also stand to benefit ultimately by having to find outlets by way of exporting their products. Export will thus be promoted.

Last but not least, I feel tempted to say that we cannot afford to rest complacent that we have, as already stated, exceeded the target of 4,700 million yards cloth production envisaged in the Plan by nearly 200 million yards. After all, this level can only provide 16 yards *per capita*, which is stated to be not in keeping with a good standard of life and that at least 25 yards should be our minimum. If people have to buy more cloth, its price should go lower and one of the best means to achieve that is greater production. Surely, to increase production, it is not the right way to restrict loomage expansion till 1961.—*All Rights Reserved.*



SLIGHT INCREASE IN DOMESTIC CLOTH CONSUMPTION

POOR ROADS THREATEN EXPORTS

(From A Special Correspondent)

MANCHESTER, 6th April

MANCHESTER LETTER

NOW regarded as an inevitable forerunner to the Chancellor's Budget statement is the Government's economic survey which establishes the basis on which the Treasury is to make its calculations. The current document presents a reasonably encouraging view of increasing output, higher employment and further investment in the basic industries but has no very clear message for the nation.

Traders in Lancashire need not be reminded that the amount of cotton cloth exported in 1953 was the lowest since 1947. What the survey does not mention is that the quantity of Lancashihre-made fabric shipped abroad was in point of fact larger than in the previous year, due to the reduction in imports. The recovery from the depth of the 1952 depression was hailed with relief in Lancashire and the current situation in the industry is sufficiently encouraging to give local traders a somewhat misleading impression. When viewed from outside as a national asset or liability the situation may not appear to be quite so encouraging.

It is interesting to note from the survey that the expenditure on clothing last year was only about one per cent. higher than in 1952. Allowing for the fall in prices this represented an increase of some three per cent. in the quantity of clothing purchased. There is evidence for the belief that seasonal fluctuations have been on a much larger scale and have resumed their pre-war importance.

Stocks of clothing, the survey adds, showed some tendency to rise during 1953, but even towards the end of the year when many retailers found the level of sales disappointing, there was no sign of distributors building up excessive stocks. A vital factor during the year was the fact that there were no marked changes in raw material prices.

Unfortunately, the economic survey has little to offer in the way of advice to exporters and industrialists as a whole. The usual exhortations to keep down costs and prices, to invest in modernisation and expansion of industry and to press on with all measures for increasing productivity are repeated and are not likely to arouse much enthusiasm among traders.

Doublers Do Well

An indication of the progress made in cotton doubling in Lancashire since the recession was given by Mr. Alan J. Stott, Chairman of the Cotton Yarn Doublers' Association, at the annual meeting. He pointed out that the increase in output of doubled yarn, which is now about 20 per cent. higher than at the same time last year, had been obtained with a relatively smaller increase in the number of operatives. The figures he quoted compare favourably with those for other sections of the industry and indicate a more effective use of available labour.

According to the latest man-power totals issued by the Cotton Board, the labour force at the end of February was 290,600 on the books of employers, representing an increase of more than 15,000 compared with twelve months previously, Nearly 2,500 more workers are now being employed in doubling compared with a gain of 5,800 in weaving and nearly 7,000 in single spinning.

Mr. Stott urged doubling employers to do their utmost to promote interest in the training schemes which are now being organised in several mill centres. The value of courses of this kind has been frequently emphasised since the war and it is essential that operatives are trained to take over the more skilled occupations as inevitable wastage due to old age takes its toll. This particular problem is by no means the prerogative of the doubling branch and is one of vital importance to the industry generally.

Shorter Hours

Sir John Grey, President of the Cotton Manufacturers' Association, who has had many years of negotiations with the trade unions over matters affecting wages and conditions in the cotton industry, was scathing last week about the latest move to obtain a 40-hour week for the operatives.

In his capacity as Chairman of John Grey Ltd., the textile manufacturing group, at the annual meeting at Burnley, he described the idea as "the most frivolous suggestion I have heard for a long time."

Commenting on the outstanding need for increased output from the mills in order to reduce the lengthy delivery terms now required, Sir John said: "At such a time I feel it is most regrettable that a suggestion of this kind should have been made. I hope that if ever an actual claim is submitted to the employers' organisations, it will be turned down flat."

The Twisters' and Drawers' Amalgamation has tabled a resolution calling for the introduction of a 40-hour week, together with a 12½ per cent. increase in wages to compensate operatives for the shorter hours of work, which will be considered at the annual conference of the United Textile Factory Workers' Association opening at Morecambe on 29th April, 1954.

Anglo-U.S. Deal

An important dollar-earning agreement has just been signed between the Casablancas High Draft Co. of Salford and America's biggest manufacturers of cotton spinning and preparatory machinery, the Whitin Machine Works, of Whitinsville, Massachusetts, under which the U.S. company is licensed to incorporate in its cardroom and spinning machinery all the Salford firm's new high draft developments.

The agreement has been won in face of "intense competition" particularly from Germany, where a number of firms offering rival systems have been eager to negotiate agreements with American machinery makers. "The value of the agreement to this country must be measured not only in terms of the important dollar earnings resulting from royalties and from what we anticipate will be very substantial direct exports to Whitin, but also in terms of prestige," said a spokesman for the Salford firm.

The Casablancas Company, which has a turnover of £1,000,000 per annum, employs about 600 people engaged solely in the production of high drafting equipment for cotton spinning and preparatory machinery. A high proportion of the Lancashire-produced cotton spinning machinery is equipped with the Salford firm's systems, and licence arrangements are also held with a number of leading machinery makers in other countries.

Cloth Output and Labour

It is no wonder that delivery dates for Lancashire cotton and rayon goods show no sign of shortening when the latest cloth production figures are studied. Very little improvement in output was recorded in February compared with the previous month, although the position is a good deal better than a year ago.

Since the holidays in the weaving districts ended last year the trend of output has shown very little improvement, although it has remained steady. The following figures indicate the position month by month (being weekly averages, in linear yards):—

	1953	1952
July	35,450,000	27,190,000
August	50,700,000	39,000,000
September	51,600,000	40,350,000
October	57,370,000	46,450,000
November	57,370,000	48,480,000
December	51,090,000	43,700,000

	1954	1953
January	54,940,000	46,640,000
February	55,480,000	49,100,000

So far, in the first eight weeks of the current year, aggregate output has been 441,670,000 linear yards of cotton and rayon cloth, compared with 429,560,000 yards in the first nine weeks of 1953. The total cloth production last year at 2,632,210,000 yards was some 350,000,000 yards higher than in the slump year of 1952 but remained 330,000,000 yards below the 1951 aggregate.

The weaving section of the industry continues to display only very slow gains in recruitment. Man-power in the four weeks of February increased by 180, bringing the total to 141,980 operatives on the books of employers. This compares with 136,110 workers available twelve months previously.

Poor Roads

A warning of the threat to Britain's export effort created by the country's inadequate road system was given this week by the Manchester Chamber of Commerce in a report to 5,000 member firms.

Speaking generally, declared the report, it was true to say that British roads had been

(*Continued on page 738*)

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THE ANDHRA BANK, LIMITED

ESTABLISHED : 1923

Head Office: **MASULIPATNAM**

The 30th Report of the Board of Directors to be presented to the Shareholders at the 30th Annual General Meeting to be held at the Registered Office of the Bank, Cantonment Road, Masulipatam, on Sunday the 18th April, 1954.

The Directors have the pleasure to submit to the Shareholders their annual report on the working of the Bank for the year 1953 together with the Balance Sheet as at and Profit and Loss Account for the year ended 31st December, 1953, to which the Auditors' Report is annexed.

The Net Profit of the Bank for the year 1953 including a sum of Rs. 7,230-10-1 brought forward from the previous Year's account and after payment of a month's salary amounting to Rs. 54,347-13-7 as bonus to staff, amounted to Rs. 4,19,642-14-2, out of which the following Interim appropriations were made.

	Rs.	a.	p.
Interim dividend for the half-year ended 30th June, 1953, at the rate of 6 per cent. per annum free of Income-tax, which absorbed	75,000	0	0
Transferred to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	85,000	0	0
Your Directors now propose :—			
To pay a final dividend for the half-year ended 31st December, 1953, at 7 per cent. per annum free of Income-tax, making a total of 6½ per cent. for the year 1953, which will absorb	87,500	0	0
To make Provision for Taxes	1,65,000	0	0
To carry forward to next year's account	7,142	14	2
Total	Rs. 4,19,642	14	2

The official rate of the Reserve Bank of India remained at 3½ per cent. per annum.

There is an all round improvement in the business of the bank during the year over that of 1952.

Six Sub-Offices were opened at Pamarru, Penugonda, Bhattiprole, Kothapet (Tenali), Kovvur and Chodavaram during the year. A temporary Pay-Office has been opened during the year at the premises of the Andhra Legislature Secretariat, Kurnool, for the convenience of the Assembly Members, which works during the sessions of the Assembly.

Your Directors regret to record the sudden demise of Sri K. Subbarao Naidu, their colleague, on the 4th June, 1953. Sri Batchu Venkateswarlu of Vijayawada was co-opted in this vacancy.

Messrs. Dara Visweswararao, K. Subrahmanya Dutt, B.Sc., and Batchu Venkateswarlu, are three of the Directors retiring by rotation under Article 94. From the next longest in office, Sri Repaka Satyanarayanamurty has volunteered to retire. The retiring Directors are eligible for re-election.

You are requested to appoint Auditors for the current year and to fix their remuneration. Messrs. Brahmayya & Co., and Ch. V. Lakshmiah & Co., the retiring Auditors, offer themselves for re-appointment.

By Order of the Board,
S. R. Y. SIVARAMA PRASAD BAHADUR,
Chairman.

23rd March, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each				1,00,00,000	0	0
ISSUED CAPITAL— 49,990 Shares of Rs. 100 each for payment in cash ..	49,99,000	0	0			
10 Shares of Rs. 100 each for consideration other than cash	1,000	0	0			
				50,00,000	0	0
SUBSCRIBED CAPITAL— 48,990 Shares of Rs. 100 each				48,99,000	0	0
AMOUNT CALLED UP— On 1,010 Shares at Rs. 100 per Share	1,01,000	0	0			
On 47,980 Shares at Rs. 50 per Share	23,99,000	0	0			
	25,00,000	0	0			
LESS—Calls unpaid	Nil					
	25,00,000	0	0			
ADD—Forfeited Shares	Nil					
				25,00,000	0	0
2. Reserve Fund and Other Reserves—						
Statutory Reserve under Section 17 of the Banking Companies Act, 1949	4,21,000	0	0			
Other Reserves	8,20,000	0	0			
				12,41,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits (including Cash Certificates and Season Deposits)	2,52,88,595	13	5			
Savings Bank Deposits	1,57,63,457	8	11			
Current Accounts, Contingency Accounts, etc.	1,29,33,971	5	5			
				5,39,86,024	11	9
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
PARTICULARS—						
(i) Secured by part of investments per contra	Nil					
(ii) Unsecured	Nil					
5. Bills Payable				4,72,793	6	8
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	35,23,408	9	1			
(ii) Payable outside India	43,62,927	5	4			
				78,86,335	14	5
7. Other Liabilities—						
Unclaimed Dividends	47,712	3	6			
Branch Adjustments	18,70,009	2	0			
Rebate on Bills Discounted	727	1	8			
				19,18,448	6	9
8. Acceptances, Endorsements and Other Obligations per contra ..				8,413	5	4
9. Profit and Loss—						
Profit as per Balance Sheet as at 31st December, 1952 ..				2,97,230	10	1
LESS—Appropriations—	Rs.	a.	p.			
Final Dividend at 6 per cent. per annum free of Income-tax ..	75,000	0	0			
Statutory Reserve under Section 17 of the Banking Companies Act, 1949 ..	75,000	0	0			
Provision for Taxes	1,40,000	0	0			
	2,90,000	0	0			
				7,230	10	1
ADD—Profit for the year brought from the Profit and Loss Account				4,12,412	4	1
				4,19,642	14	2
LESS—	Rs.	a.	p.			
Ad-interim Dividend at 6 per cent. per annum free of Income-tax ..	75,000	0	0			
Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	85,000	0	0			
	1,60,000	0	0			
				2,59,642	14	2
10. Contingent Liabilities—	Rs.	a.	p.			
(1) Claims against the Banking Company not acknowledged as debts	Nil					
(2) Money for which the Banking Company is contingently liable—Uncalled capital on partly paid Shares held as Investments	26,250	0	0			
(3) Liability on Bills of Exchange Rediscounted	Nil					
(4) Liability on account of outstanding Forward Exchange Contracts ..	Nil					
Total .. Rs.				6,82,72,658	11	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and Imperial Bank ..				76,36,946	0	2
2. Balances with Other Banks in Current Accounts—						
(i) In India	10,26,201	3	6			
(ii) Outside India	1,21,067	13	10			
				11,47,269	1	4
3. Money at Call and Short Notice				10,00,000	0	0
4. Investment at Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments—	Face Value Rs.					
(a) Securities of Central and State Governments	1,89,24,100			1,88,79,224	12	4
(b) Fully paid-up shares of Industrial Finance Corporation of India ..	1,00,000			1,00,000	0	0
(c) Post Office National Savings Certificates	5,000			5,000	0	0
(ii) Shares—						
(a) Fully paid-up ordinary shares of the Madras Industrial Investment Corporation Ltd.	25,000			25,000	0	0
(b) Fully paid-up ordinary shares of Joint Stock Companies	12,250			19,715	10	0
(c) Partly paid-up ordinary shares of Joint Stock Companies	26,250			50,625	0	0
(iii) Debentures or Bonds	Nil			Nil		
(iv) Other Investments	Nil			Nil		
(v) Gold	Nil			Nil		
				1,90,79,565	6	4
5. Advances—						
(Other than Bad and Doubtful debts for which provision has been made to the satisfaction of the Auditors)						
1. Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	2,77,71,466	10	11			
(ii) Outside India	Nil					
				2,77,71,466	10	11
2. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	24,25,581	0	9			
(ii) Payable outside India ..	Nil					
(Particulars as per separate schedule attached)".				24,25,581	0	9
				3,01,96,997	11	8
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	35,23,408	9	1			
(ii) Payable outside India	43,62,927	5	4			
				78,86,335	14	5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				8,413	5	4
8. Premises and Other Immovable Properties Less Depreciation—	Premises. Rs.	a.	p.	Other Immovable Properties. Rs.	a.	p.
Cost as per Balance Sheet of 31-12-52.	12,786	12	0	1,63,354	4	6
Additions (net) during the year	74,980	1	4	669	5	0
	87,766	13	4	1,64,003	9	6
LESS—Depreciation written off to-date	3,824	7	0	3,094	2	0
	83,942	6	4	1,60,909	7	6
				1,76,121	0	6
				75,649	6	4
				2,51,770	6	10
				6,913	9	0
				2,44,851	13	10
9. Furniture and Fixtures Less Depreciation—						
Cost as per Balance Sheet of 31st December, 1952				3,70,722	13	9
Additions (net) during the year				46,700	5	2
				4,17,424	1	11
LESS—Depreciation written off to-date				1,31,134	9	5
				2,86,289	8	6
10. Other Assets including Silver—						
Sundries (including Income-tax deducted at source and Advance Payment of Income-tax) ..				4,35,114	8	1
Stationery on hand at cost				1,68,745	4	11
Stamps on hand				3,197	5	0
Accrued Interest on Investments ..				1,76,350	13	2
Library at cost				2,691	13	3
				7,85,989	13	6
11. Non-Banking Assets Acquired in Satisfaction of Claims ..				Nil		
Total .. Rs.				6,82,72,658	11	1

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1953

PARTICULARS	Rs.	a.	p.
1. Debts considered good in respect of which the banking company is fully secured ..	2,66,97,060	11	0
2. Debts considered good for which the banking company holds no other security than the debtors' personal security .. .. (The above includes Rs. 31,37,859-3-10 debts for which more than one person is liable.)	32,85,539	10	8
3. Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	2,14,397	6	0
4. Debts considered doubtful or bad, not provided for	Nil		
	3,01,96,997	11	8

PARTICULARS	Rs.	a.	p.
5. Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)	7,94,024	9	5
6. Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members .. .. (Fully secured Rs. 24,53,677-7-5)	26,46,021	13	3
7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons (fully secured) ..	9,74,104	14	3
8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members .. .. (Fully secured Rs. 38,87,674-8-7)	42,22,823	2	6
9. Due from banking companies	1,940	9	0

(Continued on next page)

THE ANATOMY OF AUTOMATISATION
FEARS OF LABOUR LEADERS UNWARRANTED

(By S. D. MEHTA, M.Com. LL.B., Ph.D.)

RATIONALISATION *is in the news. If that were an index of greater public awareness of the many-sided complexities of a pressing problem, the spotlight would be a great asset. But, as things stand today, the reverse is the case. To a problem which intrinsically encompasses technical, financial and managemental offshoots that are not always easily reconciled, are now added a misunderstanding of structural aspects of industrial organisation and a misconstruction of the extent and effects of changes proposed in industrial practice. As a result, rationalisation has become a spectre instilling unjustified fears in the public mind.*

The attitude of public distrust covers rationalisation in all industries—the bidi-making machine as much as the machinery used in the making of footwear. But its most important significance presently attaches to the cotton mill industry, where the automatic loom and the Barber-Colman winding and warping systems are in the process of becoming the focuses of an unknowing hate. This attitude—whatsoever its origin—will spell the death-knell of all hopes for technological progress which alone can ensure, in the long run, the competitive efficacy of Indian industry.

The present article aims at providing a resume of the facts of the situation concerning automatic looms, and points out that the automatisation of looms sought is not on so extensive a scale as to result in widespread unemployment in the short run, and, furthermore, that the pace of automatisation can be regulated with the greatest ease, if ever the situation assumes a character which is not in consonance with social policy. The presence of certain factors, such as tremendous variations in the wage rates prevalent in different regions in the country and the need to ensure competitive capacity in the export markets of the world, to mention only two factors, the economic significance of which cannot be lost on any dispassionate observer of the Indian economic scene, necessitates automatisation in the weaving sector of the cotton mill industry, specifically, and other rationalisation measures, more generally.

The first automatic looms in India were installed before the First World War. But they were in the nature of isolated experiments and their number did not exceed a few dozens. The end of the war recorded the earliest attempts at major installations of considerable strength. These took place in Madras and Bangalore in mills managed by Messrs. Binny and Company. Although experimentation proceeded apace thereafter, only 1,725 automatic looms had been installed in Indian mills by 1930. The next three years recorded substantial progress and the number stood at 4,524 in 1933. But this expansion in number co-existed with the preponderance of the two South Indian enterprises in terms of proportion. Thereafter, for more than a decade, automatisation of looms made no headway in the Indian mill industry, the net result being that, at the close of the Second World War, only a little more than 4,000 automatic looms were installed and working.

In the course of the eight years that have elapsed since, the cotton mills of India have added nearly 5,000 looms, and, according to a recent survey undertaken by the International Federation of Master Spinners, 9,049 automatic looms are presently installed in India. This figure excludes 264 automatic attachments to ordinary looms. In other words, in the course of eight years of the most rapid expansion, India's cotton mills have added less than 700 looms annually. It might be recalled that these years included some of the best years from the point of view of general profitability, and, until recently (July 1952), of the absence of prohibitory restrictions on the import of automatic looms.

Having appraised the rate at which automatic looms were being installed hitherto, we may now have a closer look at their geographical dispersion, and the nature of their size-distribution.

In Table I are presented the details of the locational pattern of automatic loom installations in India, as on 31st August, 1952. It is submitted that the changes thereafter have not been substantial and, in the absence of more recent published information, this table may be regarded as a fair reflection of the present position.

TABLE I

Centre-wise Distribution of Automatic Looms as on 31st August, 1952

	Number of mills	No. of automatic looms
Bombay City]	12	2,340
Ahmedabad	11	1,493
Petlad	1	8
Sholapur	1	8
Delhi	2	884
Bhiwani	1	57
Burhanpur	1	2
Nagpur	1	10
Ujjain	1	16
Gwalior	1	25
Burnpur	1	97
Madras	1	2,450
Coimbatore	1	200
Udamalpet	1	50
Madurai	1	27
Bangalore	1	1,085
Total ..	38	8,752

Three major conclusions emerge from the table:

(a) The average size of an automatic loom installation in India is very small—240 looms.

(b) If the figures for the four mills in Madras, Bangalore and Delhi are excluded from consideration, 34 mills in the country are seen to have only 130 looms each.

(c) Out of more than 300 composite mills in India, as many as 262 mills have not even bothered to experiment with automatic looms.

The impressions gathered from Table I are further reinforced by the frequency distribution of these 38 mills according to the number of automatic looms and the total number of looms, vide Table II.

It is clear from Table II that, out of 38 installations, 23 have 100 or less automatic looms and 32 have less than 300 looms each. Only two installations are in the range beyond 1,000 looms, and that exclusive use of automatic loomage is negligible. The distribution of the smaller installations over many different ranges of total loomage indicates clearly that, during a period when the rate of automatisation has been at its highest, there has been no indiscriminate installation of such machinery.

The rate and pattern of automatisation are thus seen to be indicative of the limited character of automatisation inside Indian weaving sheds. Even without prohibitory restrictions on the import of the most essential types of automatic looms, it is difficult to see how the rate of automatisation can rise beyond 2,000 annually in the next five years or so. And let it not be forgotten that 200,000 looms are presently installed in Indian mills! Besides the proof of experience, there are many other factors that do not make automatisation a feasible proposition in large sections of the Indian mill industry. First, the overall volume of resources available for capital investment is totally inadequate for the needs of the industry, and, furthermore, these funds are required to be spread over all sections of the industry. This may be seen in the table below:

Type of machinery	Value of machinery imported in India during 1950-51 to 1953-54 (Lakh Rs.)	Percentage share to the total %
Spinning	1,478	45
Weaving	582	18
Bleaching and dyeing ..	71	3
Printing	85	4
Other	979	30
Total ..	3,195	100

Actually, for the industry as a whole, the proportion of urgent replacement is higher in the spinning section, where the average age of machinery is higher. The great increase in recent years in the volume of working capital required also constitutes an additional demand on the available resources which has already led to additional bank advances to the tune of Rs. 35 crores over the 1948 levels.

Secondly, the preponderance of *dhotis* and *saris*—i.e., bordered cloths—which are not as easy to handle on automatic looms tempers the rate of automatisation for the industry as a whole.

Thirdly, the large proportion of existing loomage in good working order prevents any runaway adventures in the field of automatisation.

Fourthly, the installation of automatic looms on a sufficiently large scale is not without its own operational headaches, especially so if it is desired to work these looms on the basis of high

(Continued on page 763)

TABLE II

Size-Distribution of Mills having Automatic Looms as on 31st August, 1952.

Automatic looms	Total Looms 0-25	26-50	51-100	101-200	201-300	301-400	401-500	501-750	751-1,000	1,001-1,500	1,501-2,000	2,001-3,000	Total
0-25	..	..	..	..	..	..	..	3	..	..	..	..	3
26-50	..	..	2	..	1	..	..	5	1	..	1	..	9
51-100	..	..	..	1	..	..	..	..	1	..	..	..	2
101-200	..	..	1	..	..	..	..	..	2	3	..	..	6
201-300	..	..	..	..	..	..	..	..	..	1	1	..	2
301-400	..	..	..	..	..	..	..	..	..	1	..	1	2
401-500	..	..	..	..	..	..	..	..	1	..	..	..	1
501-750	..	..	..	..	..	..	..	1	..	..	1	..	2
751-1,000	..	..	..	..	..	..	..	..	..	1	..	..	1
1,001-1,500	..	..	..	..	..	..	..	..	..	1	..	..	1
1,501-2,000	..	..	..	..	..	..	..	..	..	..	1	..	1
2,001-3,000	..	..	..	..	..	..	..	..	..	..	..	1	1
Total ..	..	..	3	2	1	..	9	6	11	4	2	38	

THE ANDHRA BANK, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				12,40,911	2	2
2. Salaries and Allowances and Provident Fund—	Rs.	a.	p.			
(a) Managing Director's Honorarium	6,545	2	7			
(b) General Manager's Salary and Allowances ..	15,101	10	8			
(c) Others	11,22,390	0	5			
				11,44,136	13	8
3. Directors' and Local Committee Members' Fees and Allowances				11,275	0	0
4. Rent, Taxes, Insurance, Lighting, etc.				99,744	13	1
5. Law Charges				443	4	0
6. Postage, Telegrams and Stamps				86,321	2	4
7. Auditors' Fees				5,000	0	0
8. Depreciation on and Repairs to the Banking Company's Property ..				24,650	2	2
9. Stationery, Printing, Advertisement, etc.				98,780	15	6
10. Loss from Sale of or Dealing with Non-banking Assets				Nil		
11. Other Expenditure (including Rs. 2,000 donated to Krishna District Godavary Flood Relief Fund)				54,615	13	7
12. Balance of Profit (subject to Taxation)				4,12,412	4	1
Total ..	Rs.			81,78,301	8	7

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	25,44,781	13	1
2. Commission, Exchange and Brokerage	5,69,554	14	0
3. Rents	5,339	1	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account) ..	352	1	4
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account) ..	Nil		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts—	Rs.	a.	p.			
Sundry Receipts	57,744	7	2			
Share Transfer Fee	429	4	0			
				58,173	11	2
Total .. Rs.				81,78,301	8	7

AUDITORS' REPORT.

We have audited the Balance Sheet of the Andhra Bank Ltd., as on 31st December, 1953, and the Profit and Loss Account for the year ended on that date, as set-forth above, with the books of the Head Office and the certified returns from Branches and Sub-Offices and we beg to report that :—

(a) we have obtained all the information and explanations we have required and such information and explanations have been found to be satisfactory ;
(b) the transactions of the Company which have come to our notice have been within the powers of the Company ;
(c) the returns received from the Branch Offices of the Company have been found to be adequate for the purpose of our audit ;
(d) the Profit and Loss Account shows a true balance of profit for the year ended 31st December, 1953 ;
(e) the Balance Sheet and Profit and Loss Account are, in our opinion, drawn up in conformity with the Law ;
(f) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs as on that date according to the best of our information and explanations given to us and as shown by the books of the Bank ; and
(g) that, in our opinion the books of account have been kept by the Bank as required by Section 150 of the Indian Companies Act.

MADRAS, 26th March, 1954. BRAHMAYYA & CO., } Chartered Accountants.
GUNTUR, 27th March, 1954. CH. V. LAKSHMIAH & CO., }

S. R. Y. SIVARAMA PRASAD BAHADUR, Chairman, Board of Directors.
J. MANIKYALA RAO, Deputy Chairman.
TADEPALLY SHIRAMULU, Managing Director.
SEDIMBI RAMACHANDRA RAO, Chief Accountant.
TUMPUDI RANGANADHA BHAGAVAT, Deputy General Manager.
ELESWARAPU RAMACHENDRAMURTI, General Manager.
P. PARTHASARADHI,
DANTU SURYA RAO,
B. VENKATESWARLU,
P. SOBHANADRI,
REPAKA SATYANARAYANAMURTY,
MAJETY SESHAGIRI RAO,
K. S. DUTT,
MADDI SUDARSANAM,
DARA VISWESWARA RAO. } Directors.

PROGRESS OF SUGARCANE RESEARCH AND DEVELOPMENT

FOOD MINISTRY'S REPORT MAKES INADEQUATE REFERENCE

SUGARCANE research and development is one of the most important fields of activity of the Union Food and Agriculture Ministry. Naturally enough, one expects the Ministry to review periodically the progress registered in the field as a result of the policies and programmes implemented by it. But the annual reports of the Ministry do not at all fulfil this expectation. And the latest report, that for the year 1953, is no exception. Thus, the report throws very little light on aspects relating to sugarcane development. All that the report says is as follows:

"A total expenditure of Rs. 49 lakhs was incurred on the five-year Sugarcane Development Schemes in Part A States, the implementation of which ended on 31st March, 1953. An increase of 3 to 8 tons in yield of cane per acre was achieved in the development block as a result of the schemes. These schemes are being continued for another three years. Similar schemes are also being sponsored in the sugar producing Parts B and C States."

As regards the functions of the Indian Central Sugarcane Committee (I.C.S.C.) also, the report makes only vague references. For instance, it merely states that the Committee "continued to subsidise, wholly or partly, 42 schemes of sugarcane research and development in the country during the year under review. These schemes covered, among others, the following three:

(1) Improvement of growing, breeding and marketing of sugarcane;

(2) research, production, distribution and propagation of improved varieties of cane;

(3) development of the *gur* and *khandsari* industries.

As regards the activities of the Sugarcane Breeding Institute, too, very little information is made available. Thus, the report merely says that the Institute continued to do "useful work" in evolving new varieties of sugarcane and distributing them to the research stations and substations for performance of tests. What these new varieties are and what is the outcome of these tests are questions on which the report does not throw any light. Similarly, it fails to give details regarding the so-called vigorous types of cane collected for breeding work from the States of Rajasthan, Punjab and Bihar. Incidentally, it may be noted that, with the abridging of the functions of the I.C.S.C., which, jointly with the Central Government, exercised administrative control of the institute, the administration of the Institute has been taken over completely by the Centre with effect from 1st January, 1954.

The Food and Agriculture Ministry would have done well to give detailed and precise information regarding the progress in the implementation of the development programme for sugarcane. Such a study would show what tangible work has been done in this direction. It would show that the per-acre yield of cane has not only not increased but has actually declined. Thus, the average yield of cane per acre for the 1953-54 season (based on the second estimate of the crop) is placed at 12.4 tons, as against 14.1 tons in 1943-44, that is before the I.C.S.C. was set up. Similarly, there has been a setback in the recovery percentage of sugar, the all-India average for 1952-53 being 9.98, which compares unfavourably with 12.62 in 1943-44.

What is this state of affairs due to? Perhaps it is due, in large measure, to the fact that the I.C.S.C. had hitherto been burdened with a heavy responsibility; it had to conduct research into all aspects of the sugar industry and cane cultivation, so that it could not devote adequate time to cane development. The Government of India's decision to divest the I.C.S.C. of the responsibility for technological research in the development of sugar and its by-products, although belated, must, therefore, be welcomed as a step in the right direction. It will be recalled that, when the Government changed the Sugar Committee into an independent body by renaming it as the Indian Central Sugarcane Committee nine years ago—in June, 1944, to be precise—it was specifically stated that the Committee would exclusively look after cane research and development. But, in actual practice, the entire responsibility for guiding sugarcane research and advising the Central and State Governments on matters relating to the improvement and development of the industry connected with sugarcane and its products rested mainly with the Central Sugarcane Committee.

Consequent, however, on the decision of the Government of India to form a Development Council for Sugar under the Industries (Development and Regulation) Act, 1951, the Committee has now been relieved of a part of its functions such as those relating to the technological research and development of sugar and its by-products which are to be performed by the Development Council. The rest of the functions relating to the research and development of sugarcane and the *gur* and *khandsari* industries continue to be performed by the Committee. The Committee, it will be recalled, was reconstituted with effect from 1st January, 1954. Accordingly, the administration of the Indian Institute of Sugar Technology, Kanpur, and the Sugarcane Research Institute, Bhadruk, which was hitherto under the I.C.S.C., has been assumed by the Government of India. Now that the I.C.S.C.'s burden has been lightened, it is to be hoped that the Committee will be able to pay undivided attention to research in, and development of, sugarcane in all the cane-growing States in India.

CO-OPERATIVE SUGAR FACTORY

The Pravara Co-operative Sugar Factory Ltd., at Loni, in Srirampur taluk of Ahmednagar District in Bombay State, has functioned successfully during the last five years, according to a Press note issued by the Director of Publicity, Government of Bombay. The factory was founded on 31st December, 1948. The factory, it is claimed, has constituted itself as a centre of community service to 41 villages with a total population of about 25,000. Although the sugar production in this factory is maintained at the rate of 7,051 tons per annum, the quantity of sugarcane crushed being 70,000 tons, the profit made by it has fallen. Thus, in 1952-53, the factory earned only Rs. 2,63,000, as against Rs. 4,11,000 in 1951-52 and Rs. 3,58,000 in 1950-51. The Director of Publicity, however, says that "the profit can increase along with the productivity of the factory, if more canal water could be supplied to member-cultivators."

The society's authorised share capital amounts to Rs. 31,00,000, out of which shares of the value of Rs. 26,00,000 have been offered for sale and shares worth Rs. 15,85,000 have been subscribed for. Out of this amount, the State Government's share amounts to Rs. 6,00,000 and the agriculturists have purchased shares worth Rs. 9,79,000. Each share is of the face value of Rs. 500 and, out of the total of 537 holders of the shares, as many as 401 members hold between one and three shares. This shows that the majority of members are small men and agriculturists. Loans of Rs. 20,00,000 from the Industrial Finance Corporation and of Rs. 19,00,000 from the Bombay State Co-operative Bank were obtained by the society. Rs. 34,62,000 have been invested in machinery alone, while Rs. 9,65,000 have been invested in lands and buildings.

The society has a team of 10 progressive agriculturists who raise more than 62 tons of sugarcane per acre. The members of the society grow sugarcane in 1,600 acres of land. Cane is grown in 397 acres of land which receive the Pravara canal water and the remaining acreage depends on well water. For every acre of cane, there are two acres in which foodgrains are grown. Tractor-ploughing and improved seed and manure are used in raising all crops. Along with the reserve fund of Rs. 2 lakhs, there are research and improvement funds amounting to about Rs. 1½ lakhs and they are utilised towards improvement of crop productivity.

The society helps member-cultivators by granting loans in cash against the security of their crops. Such financial assistance during 1952-53 amounted to Rs. 4.71 lakhs and larger amounts had been spent in the previous two years. During the last year's scarcity, the cultivators were also helped to get their wells deepened. The society has purchased two tractors and they are lent to member-cultivators. A machine repairs shop and a motor garage have also been maintained for the benefit of the cultivators. Facilities have been established for sale of diesel oil, pumps and their spare parts. Engines are also hired out to them when theirs get out of order. They also receive advice and assistance in dealing with sugarcane pests.

The factory workers are housed in specially constructed tenements and piped water and other sanitary facilities have been established for them. There are gardens for their use and adequate care is taken of their health. Facilities also exist of a ration shop, a flour mill, supply of vegetables, etc. The workers have their canteen and boarding establishment, their club for recreation and also a library and reading room. There is a branch of the Bombay State Co-operative Bank, post office and a guest house in the colony. In addition to their wages, the factory workers receive an annual bonus equivalent to two months' pay.

RENTS OF LANDS LEASED TO DECCAN SUGAR MILLS

MOVE TO RAISE THEM DEPRECATED

ANY dispassionate reviewer of the developments in the sugar industry in the Bombay State since the advent of the Congress Government will find that the Government has been treating it in a stepmotherly fashion. He will not fail to notice that the Government has been using this industry not only as a source of revenue for itself but also as an instrument for ensuring its popularity with workers and small landholders who have leased their lands to the sugar companies. How else can one explain the reported move of the Government to introduce legislation seeking to secure higher rentals for the lands leased to sugar factories by the landholders? The most objectionable feature of this move is that it seeks to alter the terms of a contract which is still in force, thereby disregarding the sanctity of contracts. It is not surprising, therefore, that this move has caused considerable concern among the sugar mill owners in the Deccan. In the course of his speech at the last annual general meeting of the Walchandnagar Industries Ltd., Mr. Gulabchand Hirachand, the Chairman, made a pointed reference to this development and struck a note of warning that the attempts at tampering with the legal contracts freely entered into for the lands leased to sugar factories might create a situation fraught with danger, not merely for the sugar industry but for every form of economic activity.

This warning is, indeed, quite pertinent and timely. A large part of the areas on which the sugar factories in Bombay State are growing sugarcane consists of lands leased to the factories on a rental basis, a long time ago, for a stated period under a voluntary contract. The industry was planned and established on the basis of the rents stipulated in the contracts. There could be no objection to a change in the basis of rentals when the existing leases come up for renewal, for the landholders will then be justified in asking for a higher rent in the light of the current level of fortunes of the sugar industry. But to ask for a rise in rents even during the currency of a contract, merely because the factories are making more profits from the cane grown on these lands, is highly unjustified. If the Government were to countenance such a demand, it would simply undermine people's faith in the sanctity of contracts.

Economic Considerations

Viewed from the angle of economic considreations also, the plea is untenable. It was only a few years ago that an official enquiry was instituted to ascertain whether the rents paid by the sugar factories were on the whole fair or not. This enquiry revealed that the rents were not only fair but generous. The same position holds good even today. As Mr. Gulabchand pertinently remarked: "The prices of agricultural products were at their peak at that time, that is when the enquiry was instituted. Since then, they have gone down. The price of land is nowhere near what it was three to five years ago. In fact, nothing has happened since this enquiry which would affect the recommendation of the Committee which made it."

Another important aspect of the sugar industry, to which Mr. Gulabchand referred, related to sugar prices. The price of sugar prevailing in the market, he declared, could not be considered to be high, for, in his opinion, this price looked higher only in comparison to the price of sugarcane, which was reduced officially at the beginning of the season (1952-53). But the reduced prices, he said, were unreal in comparison with the ruling market prices for the cane. This became patent immediately after the crushing season started, for many factories had to purchase cane at prices higher than those fixed by the Government.

Proceeding, Mr. Gulabchand argued that the current price of sugar could not be described to be high, if regard were to be paid to the industry's need for building up resources for carrying out renewals and rehabilitation. All this sounds reasonable, but even Mr. Gulabchand cannot but concede that the current price of sugar in India is higher than what the people can afford to pay and what it is in the rest of the world. How long does he expect the people to pay such high prices? The remedy lies, not in asking for higher prices or in supporting the present level of prices, but in insisting upon the introduction of measures for bringing down the cost of sugar.

SOME CURRENT PROBLEMS OF COAL

STOCKS AT PITHEADS MOUNTING UP

THE present position and problems of the coal industry figured prominently in the presidential address of Mr. B. L. Agarwalla at the twenty-first annual meeting of the Indian Colliery Owners' Association held at Dhanbad. The Coal Commissioner, Mr. R. N. Ramadhyani, also addressed the gathering. Mr. Agarwalla selected for special comment the recent reduction in the price of grade II coal, shortage of wagon and siding facilities, the mounting burden of costs and the like. Mr. Ramadhyani, too, referred to every one of these problems and pointed out how, in the present circumstances, the Government could not follow, a course different from the one it was following.

Prefacing his address with a review of the history of price controls, Mr. Agarwalla deplored the reduction in the price of grade II coal by As. 9 per ton, with effect from 18th February. To quote him:

"If we take into account the series of new burdens imposed on the industry since the C.B. Award, beginning with the Joshi Award and ending with the Tribunal Award for paid holidays, we find that, by this cut, the Government have not only taken away whatever little profit margin there might have been for some of the more favourably placed grade II coal producers, but have indeed rendered all grade II mines uneconomic. Do the Government expect or intend that we accept this position?"

Mr. Ramadhyani held that the price cut was justifiable, as it was an open secret that grade II coal was selling at much below the statutory prices. He was of the considered opinion that it was no use in fixing prices at a level which could not be maintained.

Mr. Agarwalla attributed the failure of raisings and despatches in 1953 "to keep up the forward move of the previous years" chiefly to "transport limitation." Raisings and despatches in 1953 were 35.85 million tons and 30.61 million tons, as against 36.30 million tons and 31.18 million tons in 1952 and 34.31 million and 29.11 million tons, respectively, in 1951. Mr. Ramadhyani was of the view that the slight fall in the overall despatches of coal was primarily due to the record export of coal (including to Pakistan) of 3 million tons which was again due to abnormal conditions that prevailed in 1951-52, following the acute shortage of coal in the U.K. and Europe. On the ground of decline in exports alone, the coal industry lost despatches to the tune of more than one million tons. The actual shortfall in despatches from the Bengal-Bihar coalfields, however, was only about 400,000 tons. He pointed out, in this connection, that, in 1953, nearly 500 wagons were lost because of their withdrawal by the Government of Pakistan. Referring to the position of transport this year so far, he said that there was a heavy loss in February-March because of the *Kumbh Mela*. The railways, he assured, were, however, trying to make good the loss. He forecast that the overall position of despatches of coal this year would be fairly good, if not better than in 1953.

Referring to the cost of labour, which accounts for over 70 cent. of the total cost of production of coal, Mr. Agarwalla criticised the tendency of labour to demand more and more wages without any regard whatever to its productivity. To quote his own words:

"And when it is remembered that, unlike other commodities, coal is a wasting asset, which means that every ton of coal removed from the mine and sold in the market is not the disposal of the usufruct of the industry, but is so much of the corpus of the mining property sold away, it will be realised that the wages, concessions and amenities which we give to labour and which compare favourably with those granted in other industries are quite on a generous scale. Unfortunately for this country, the workers' low marginal efficiency has relatively enhanced the cost of production in all sectors of private and public enterprise. As compared with pre-war level, the labour cost has increased many times today, while the labour's productivity has fallen considerably. Labour leaders do not care to bear it in mind that, when their vaulting demand exceeds the realistic yield basis, it is liable to overleap itself. The question of wages or prices of commodities is one of economics and should not be mixed up with politics. Any artificial increase in wages not related to realities will ultimately recoil on wage-earners themselves."

Speaking on this subject, Mr. Ramadhyani warned labour against exorbitant and unreasonable demands and asked them to take the economic circumstances into consideration before making demands for increased wages. He said that the employers also should take into consideration similar circumstances before asking for higher prices for coal.

A graphic account of mounting stocks and the financial distress which they caused to the collieries was also given by Mr. Agarwalla. He said:

"The immediate problem of the coal industry in Bengal and Bihar fields is the problem of ever-mounting stocks at the pit-heads. The stocks at pit-heads which had been 1.7 million tons in 1948 and which came to one million tons at the end of 1949 have gradually risen to 3.4 million tons at the end of 1953. This pit-head stock is mostly concentrated in the collieries in the Bengal and Bihar fields, the major portion of which consists of slack coal for which there is not enough transport available. There seems to be no immediate prospects for the disposal of this stock, although there is enough demand for slack coal for brick burning purposes. This means the blocking of all the available resources of collieries in the stocks. Had this stock been uniformly distributed in all collieries, the position would not have been so precarious; whereas, some collieries carry heavy stocks equivalent to their output for six months or more, others have little or practically no stocks. Collieries, which are overburdened with stocks, have in some cases started what is known as distress sales even below cost of production. These distress sales have started a vicious circle from which no collieries can escape and it is, therefore, urgently necessary that some ways and means should be devised for relieving collieries of this burden of stocks."

Mr. Agarwalla's suggestion for solving this problem is as follows:

"It is true that the recently introduced system of B.R.K. distribution will give some relief to collieries but this system cannot solve the problem of slack coal, as transport for B.R.K. is only about 50 per cent. of the available coal. It follows, therefore, that some industrial concerns must be persuaded to use run-of-mine coal, instead of steam

(*Continued on page 750*)

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OUTLOOK FOR NATURAL RUBBER

AMERICAN PRICING POLICY OF GR-S RUBBER UNHELPFUL

NATURAL rubber is again in the news. There have been several pronouncements in recent weeks by the representatives of natural rubber producers on the outlook for this world commodity *vis-a-vis* the growing tendency to produce synthetic rubber. The Dunlop Rubber Company, Imperial Chemical Industries and Monsanto Chemicals all have plans for manufacture of synthetic rubber in the U.K. I.C.I. has plans for setting up the first large-scale production of a range of rubber-like polymers based on butadiene. The plant will have a planned capacity of about 10,000 tons per year and will commence operation before 1956. Dunlop Rubber proposes to erect a £500,000 plant for the manufacture of specialised types of synthetic rubber. It will have a capacity of not more than 2,000 tons annually. The plant is expected to commence production in about two years. However, Dunlop's output of synthetic rubber will be used for its own tyres and other products. It has no intention, at present, to engage in large-scale output of general-purpose synthetic rubber.

While it is admitted that it is inevitable that the U.K. should, for strategic and commercial reasons, prepare for production of synthetic rubber, which is finding new and expanding uses, the aforesaid plans have created a fear in Malaya that British rubber manufacturers would soon expand this field once they get into it. There is also a feeling that they would get Government subsidy. This fear has, however, been allayed by Mr. Oliver Lyttelton, Secretary of State for Colonies, in his speech at a recent gathering of the Federation of British Rubber Manufacturers' Associations. He said: "We used to complain of the subsidisation of synthetic rubber in the U.S., and it would be paradoxical if we ever incurred the same criticism inside our own country. Our Imperial interests are first of all, to cheapen the production and widen the use of natural rubber."

Both Have a Place

It may also be pointed out that a limiting factor in the expansion of the new synthetic rubber industry in the U.K. is the supply of raw materials from the chemical industry. Further, under the present plans, the output of synthetic rubber in the U.K. is not expected to encroach, to any marked extent, on the sphere of natural rubber. The total planned output of 20,000 tons for the new plants is roughly equivalent to the amount of special purpose synthetic rubber which the U.K. would be importing this year. To some extent, for certain specialised uses, the synthetic rubber produced in the U.K. may replace natural rubber. But it is admitted that, in the long run, natural and synthetic rubber are assured of their places with the prospect of an expanding use of rubber, provided the natural rubber remains competitive in price. At the present price level, it may be noted here, natural rubber is fully competitive with synthetic and this has led to an increased consumption of natural rubber by the U.S.

The consumption of rubber, including synthetic, in the U.S. during 1953 amounted to an all-time record high of 1,335,000 tons of which natural rubber, however, accounted for only 553,000 tons. Nevertheless, there is a silver lining here, in that, in recent months, the consumption of natural rubber has shown an upward trend. Thus, whereas the consumption of natural rubber in the U.S. formed only 39.6 per cent. of its total absorption in the first half of 1953, it gradually improved in the second half of that year and reached 49 per cent. in February, 1954. If it holds at about 50 per cent. during the current year, which is a reasonable assumption, the offtake of natural rubber will be substantially greater than that in 1953.

Encouraging as this trend is, it is not sufficient to enable one to view the future with robust optimism. The surplus of natural rubber is still heavy, accounting for the current low price. The total production of natural rubber during 1953 amounted to 1,720,000 tons and consumption stood at 1,565,000 tons, an increase of 100,000 tons. The greater part of the surplus of 155,000 tons was absorbed by national stockpiles, but the remainder, which went into commercial stocks, has been responsible for the depression in price. At a meeting of the Rubber Study Group held in May, 1953, the American representatives gave an assurance to the effect that there could be no surplus of natural rubber during the next 12 months and that they would buy every pound of natural rubber available to them at prices competitive with GR-S which, they said, would not be substantially lower than the price of natural rubber at that time. This assurance was reiterated in October, 1953. Despite all this there is still a surplus of natural rubber and its price continues to stay at a depressed level.

Though the U.S. Government made some helpful moves towards increasing consumption of natural rubber, its pricing policy of GR-S remains unchanged. It is the attitude of the U.S. in this regard that is causing the natural rubber producers deep concern. This concern was voiced by Mr. P. B. L. Coghlan, Chairman of the Rubber Growers' Association, at its annual meeting held two weeks back, thus:

"This vexed question of whether the present price of GR-S is truly commercial can only be answered by the U.S. Government, which operates the plants. Nevertheless, the view has been expressed by certain leading American Congressmen and manufacturers that the present price is below what would be charged commercially. Under the existing plans for the disposal of the Government synthetic plants, the earliest date by which these can be handed over to private enterprise is 30th April, 1955. If the plants are disposed of to private industry, at a fair valuation, it will be interesting to see if the present price is maintained. If there is an increase in the price when the plants are handed over to private industry, then it will support our contention that the U.S. Government has been providing its manufacturers with an artificially cheap alternative to natural rubber, consequently depressing the price of the latter and thereby causing economic difficulties in South-East Asia. While we would all prefer to believe that the U.S. Government has not been doing so, it is sometimes difficult to understand why Britain's premier dollar-earning commodity is probably the lowest-priced raw material in post-war markets."

Mr. Coghlan went on to point out how the price of rubber since 1939 has failed to keep pace with that of other commodities. While a wide range of raw materials, excluding rubber, had appreciated by 350 per cent. over the 1939 average, the increase in the price of rubber was less than 20 per cent. Whereas the price of rubber had lagged behind, the cost of production, particularly wages, had followed the general upward trend. In Malaya, the workers' wages, he said, were now more than 400 per cent. of what they were in 1939.

Shortage Before Long

Although there is a surplus production of natural rubber, Mr. Coghlan visualised a shortage of this commodity before long, in view of the increasing world consumption. The shortage might become increasingly greater as the years march on, unless replanting is maintained. With an accelerated replanting of rubber plants, as recommended by the Rubber Study Group, Mr. Coghlan felt that more and more natural rubber could be marketed at capital and production costs which should be certainly lower than those of synthetic rubber. Unfortunately, with the present low price of natural rubber and the high incidence of taxation in every form, very few companies are in a position to make adequate provision for replanting.

The short-term outlook for natural rubber is not encouraging. The surplus of production over consumption may be less during the current year than it was in 1953. In 1953, the U.S. stockpile took some 70,000 tons off the market, while, this year, it is estimated that not more than 30,000 tons will be needed to complete the target of 1.25 million tons. If, however, the Iron Curtain countries increase their intake, the situation will be different. Though much optimism is not held on this account, rubber producers have evinced keen interest in the reported negotiations between the U.S.S.R. and Indonesia for the purchase of 100,000 tons by the former. From a long-term view, however, the outlook for natural rubber is encouraging, but even this depends upon the replanting programme. Referring to this, Mr. Coghlan observed thus:

"As I have already indicated, the future for natural rubber is bright, provided our rate of replanting can be maintained. The trend of total rubber consumption is still upward and, according to authoritative estimates, world consumption will be of the order of three million tons by 1960. The objective of all rubber growers is clear and indisputable, increased replanting leading to increased production at cheaper costs and increased attention to quality, classification and marketing. The future holds great possibilities for our industry; let us, therefore, prepare our plans accordingly."

Much the same sentiment was expressed by Sir Eric Miller, Chairman of the Pataling Rubber Estates Ltd., in his address to the shareholders of the Company at their annual general meeting held recently. He said:

"New uses keep being found for this wonderful material which, as I have often said, takes so much of the harshness out of life. Whatever the outlook may be for a few months at a time, there is no doubt whatever that the world will continue to require increasing quantities of rubber year by year, of which natural, with its special properties, will always command a full share."

COFFEE INDUSTRY

The present position of the Indian coffee industry offers a strange spectacle, in that none of the interests concerned, namely, the producer, the consumer and the Government, seems satisfied with it. There is no reconciliation between the needs and interests of the three. There is an accumulation of stocks of the commodity, for which no outlet has been found. There is admittedly a vast scope for increasing the production of coffee, but the producer complains that the price he gets does not provide any incentive for increasing production. The consumer feels that the ruling price of coffee is too high for him to pay. The Government is of opinion that the coffee producer is making enough profit. But it has found itself unable to bring down the prices. It has allowed a limited quantity of coffee to be exported and levied an export duty also on the exports, so that the proceeds can be utilised to subsidise the consumer. But it has not attempted a solution which is at once acceptable to all the three interests concerned.

In the circumstances, the coffee planters' suggestion for referring the question of the cost structure to the Tariff Commission seems a fair one. But this suggestion is not acceptable to the Government, because, according to it, there is no conflict between the consumer and the producer. It has, on the other hand, decided to appoint an omnibus body, called the Plantation Enquiry Committee, to study the problems of the whole plantation industry. It remains to be seen how far the recommendations of this Committee are going to meet the requirements of the coffee industry. Coffee planters have been sparing, in the meantime, no efforts to avail themselves of every possible opportunity to bring home to the Government the "plight" of the industry.

At the annual general meeting of the Mysore Planters' Association held in Chikmagalur early this month, Mr. H. C. Lake, retiring Chairman of the Association, complained against the gradual application of certain restrictive measures and the closing in of the net of Government control on this highly individualistic occupation, the latest of such controls being the Plantation Labour Act which has been enforced from 1st April, 1954. Apart from the taxes which the coffee planter had to pay, he had to forfeit his control entirely over the selling of his produce and of his right to receive the full proceeds of the sale of his crop. Mr. Lake questioned the Government's wisdom in exercising such control over the industry. He urged the Government to consider whether it would not be wiser to encourage more private enterprise and adventure in all spheres and to reward any successful enterprise by allowing the fruits and rewards of hard work and thoughtful planning to remain with the originator for his further use and reinvestment.

The Plantation Enquiry Committee, Mr. Lake hoped, would go into all the details of the plantation industry, its cost of cultivation, home trade and export trade, as also the investment and the return to the grower. No fixation of a price should be attempted lightly, he emphasised, without a very thorough investigation into the needs of the industry.

The visit of the Union Minister for Agriculture, Dr. Punjabrao Deshmukh, to Mysore last week was availed of by the Indian Planters' Association of Mysore to submit a memorandum pleading relief from the present difficulties of coffee planters of the State. The memorandum pleaded for (1) the abolition of the export duty of Rs. 62-8 per cwt., (2) permission for the export of surplus coffee to avoid deterioration in quality and to take advantage of the current high prices in the foreign markets, (3) the appointment of an impartial non-official enquiry committee to consider the various aspects of the coffee industry and its future development, as the present level of prices was unremunerative and did not provide any incentive for investors to increase production, and (4) the postponement of the implementation of the Plantation Labour Act as conditions in the industry had not yet stabilised themselves.

The Association also represented to the Minister that the Union Government's proposal to enact a new Coffee Bill and to introduce a system, whereby the members of the Board would be nominated and not elected by the representatives of the industry, would be a retrograde step, resulting in the Board being run as a department of the Ministry of Commerce and Industry. This would also injure the progress of coffee cultivation. The present Coffee Board, set up under the Coffee Market Expansion Act, it was submitted, had been working satisfactorily and was responsible for the steady development and increase in the production of coffee. It was, therefore, urged that the Minister should see that the Government of India dropped the Coffee Bill and continued with the present Coffee Board.

In his reply, the Minister for Agriculture is reported to have promised (so far as his Ministry was concerned) to afford every possible help for the cultivation of coffee in larger quantities, as it was the intention of the Government of India to promote every kind of crop, not only food crops.

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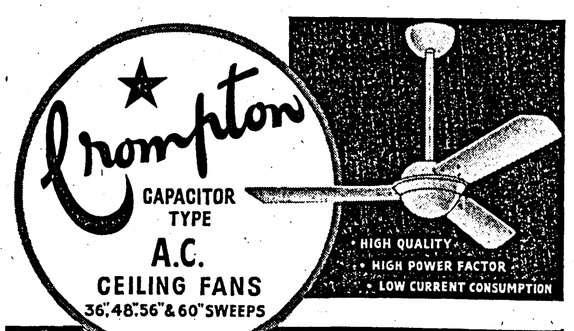

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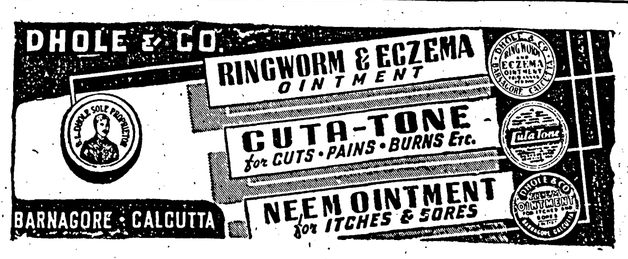

POWER SUPPLY IN MADRAS STATE

STEPS TO MEET SHORTAGE INADEQUATE

ALTHOUGH Madras has the distinction of being a pioneer among the Indian States in regard to the development and distribution of electric power, it is not free from acute power shortage. It is stated that, even in 1955-56, when all the power schemes under execution are expected to be completed, there would still be, other things remaining the same, a shortfall of 35,000 kw. during the irrigation season and 65,000 kw. during the non-irrigation season. If fresh demands —these are steadily increasing—were to be taken into consideration, the deficit would be naturally larger. Unfortunately, the Planning Commission is very slow in attending to the power needs of the South; in fact, it has been very reluctant to give its approval to the schemes coming from Madras. To give an instance, although it gave its consent to the Koyna Valley scheme in Maharashtra, it is still considering the Kundah Hydro-electric scheme, which Madras desires to be included in the revised Plan. Even the efforts of a deputation of the members of the State Legislature to convince Mr. Gulzarilal Nanda, Minister for Irrigation, Power and Planning, of the need for going ahead with the implementation of the project, with a view to speeding up the State's industrial and agricultural development, have borne no fruit. This delegation pointed out that the commencement of work on this scheme would not involve any immediate financial outlay on the part of the Centre, as there was an unutilised part of the resources budgetted for expenditure on power projects. Thus, as against the State's plan for a total expenditure of Rs. 15.64 crores by the end of 1953-54, the actual expenditure incurred is estimated at Rs. 14.46 crores, thereby leaving a balance of Rs. 1.18 crores. Even this argument does not seem to have cut much ice with Mr. Nanda.

The prospects for the inclusion of the Kundah scheme, therefore, appear to be bleak. It is stated that the question of approval of the scheme by the Commission would arise only after the Priorities Committee of the Planning Commission has scrutinised the project, as the major expenditure of the scheme would fall in the second Five-year Plan. No such condition was imposed on Bombay when it wanted permission to go ahead with its Koyna scheme, even though it was far more complicated and costly than the Kundah scheme. Be that as it may, if such a scrutiny were insisted upon, it would involve delay in the approval of the project resulting in the postponement of the execution of the project by a year or two. The execution of even the Periar scheme may be held up, because of the unresolved dispute between Madras and Travancore States on the question of royalty for the use of the Periar waters.

The Periar Hydro-electric scheme is expected to generate 75,000 kw. initially and 100,000 kw. ultimately. The cost of the scheme is estimated at Rs. 6.75 crores at the outset and Rs. 10.47 crores ultimately. The Kundah scheme, recently modified as desired by the Planning Commission, is capable of producing 145,000 kw. initially and 180,000 kw. ultimately. The cost of the project, which is estimated at Rs. 26 crores at the outset, will rise to Rs. 35.44 crores by the time it is completed.

Besides the aforesaid schemes, there is yet another proposal, but it is a very important one in that, if sanctioned and executed, it will bring about an industrial revolution in an area where the people's enthusiasm for starting new ventures is being dampered by lack of power. It is the establishment of a thermal station at Neiville, with an initial capacity of 100,000 kw. and an ultimate capacity of 200,000 kw. The fruition of this scheme depends on the efforts that are being made to develop the large lignite deposits found in that area. The potentialities of these deposits are now well known, but those who are in the know of things say that the work in regard to the exploitation of these mines is proceeding very very slowly. The new Government of Madras, which is being formed as these lines are being written, under the energetic leadership of Mr. Kamraj Nadar, will, it is hoped, take greater interest in this project and urge the Centre to extend the necessary assistance.

So much for the new schemes. As regards the progress of work on existing schemes, the picture is quite encouraging. In fact, some of the schemes, such as the Moyar Hydro-electric scheme, the first stage of extension to the Madras thermal plant, the Madurai thermal scheme and the Papanasam Hydro-electric extension, have been completed adding 72,000 kw. to the power capacity of the State. The third stage of the Pykara Hydro-electric and the second stage of the Madras Thermal Plant extension are expected to be completed soon. In regard to the latter, an operational agreement was signed only a few days back between the U.S. and India, under which assistance of the former country will be obtained for the speedy implementation of the project.

The total installed capacity of the generating plants in Madras State today is 220,000 kw.; the power generated per annum being 707 million units. Some idea of the improvement that has taken place can be had from the fact that the comparable figures in 1946-47 were 104,000 kw. and 298 million units. The connected industrial load, which was 122.500 kw. before independence, is 233,000 kw. today. The irrigation and agricultural load has increased since independence from 40,700 to 93,100 kw. There were 826 rural industries receiving power in 1947; today, their number is 2,038. About 3,000 medium-scale industries, 30 new textile mills and a number of other major industrial units have been set up during the period with the aid of power supplied. The total mileage of high and low tension lines has increased from 4,806 in August 1947 to 9,949 at present. The number of consumers, which was 1.25 lakhs about 6½ years ago, is now 3.40 lakhs. It is significant that these results have been achieved with a total expenditure of just under Rs. 30 crores during the period 1947-48 to 1953-54. Thus, the average expenditure per annum is about Rs. 4.25 crores only. The gross capital expenditure for 1954-55 is Rs. 6.25 crores. But this expenditure, after adjustment of transfers for stores and recoveries such as those for work done by other departments and in respect of service connections for consumers, will leave a net expenditure of Rs. 4.96 crores. All this expansion seems impressive but it is not adequate, considering the power needs of the State.

The Government of Madras has, we are told, ambitious plans for rural electrification. Its targets are extension of power to 250 villages every year and connection of about 3,000 agricultural pump sets annually. The number of villages receiving supply of power at present is about 2,000, as against 843 in 1946-47. Madras is the largest among the States in India to provide electricity to such a large number of villages. The number of agricultural pump sets connected, which on the eve of independence was 5,000, is now as many as 17,000.

NEW AIRCRAFT FUELLING SYSTEM AT AHMEDABAD

Indian Airlines Corporation's Dakota aircraft, bound for Karachi, which passed through Ahmedabad the other day, was fuelled by Burmah-Shell's new system, commonly known as "Hydrant" fuelling. Instead of a large fueller carrying fuel to the vicinity of the aircraft, gasoline is carried in an underground pipeline under pressure by means of a pump installed far away from the apron. The pipeline terminates on the fuelling apron itself in a specially designed sump. When fuel is required a small trolley, which carries the metering equipment, a host reel and micro-filter, is coupled to the hydrant housed in the sump by means of a flexible hose. The other hose which is also carried on the trolley is employed for delivering fuel to the aircraft tanks. This simple system is capable of delivering gasoline to two aircraft simultaneously at an overall speed of 75 gallons per minute per aircraft. It is understood that "Hydrant" fuelling is now recognised the world over as the most modern method of fuelling aircraft.

This is the second system of its kind introduced in India by Burmah-Shell and similar installations are now under construction at several other airfields, including a very large system which will shortly be in commission at Dum Dum airport.

(Concluded from next column)

has, however, a programme for the manufacture of the central or axial electrode by 1956.

The Commission has also to enquire into the availability, quality and price of raw materials required by the industry. The most important raw materials required are bright drawn free cutting mild steel hexagonal bars, rectangular nickel wire of special alloy and chemical composition, manganic strip and free cutting bars. Among other materials required are zinc electro-plating chemicals, cutting and lubricating oils and packing materials, such as paper, cardboard boxes, etc. Most of these materials have to be imported from abroad.

AUTOMOBILE SPARKING PLUG INDUSTRY

CLAIM FOR PROTECTION

THE Tariff Commission has commenced its enquiry into the claim for protection by the automobile sparking plug industry. This is the second in a series of enquiries into the automobile ancillary industries which the Commission has decided to hold in continuation of its enquiry into the automobile industry held last year.

The indigenous producers of sparking plugs have asked for protection in various forms. They include the levy of a protective duty of 94 per cent. *ad valorem*, in addition to other forms of protection and assistance such as grant of subsidy, imposition of ban or restrictions on import of sparking plugs, abolition or refund of import duty on raw materials, finished components, and machinery and equipment used in the manufacture of sparking plugs. Simplification of controls, development of the manufacture of raw materials within the country, patronage by Government departments, assemblers and manufacturers of automobiles, importers and consumers, restriction on manufacture to a few units, assistance for training technicians, etc.

The speech of Mr. M. D. Bhat, Chairman of the Tariff Commission, delivered on 9th April at Bombay, while opening the public enquiry into the industry's claim for protection, discloses that, at the time of the Commission's enquiry into the automobile industry in 1953, three firms, namely, the Motor Industries Co., Ltd., Bangalore, the Auto Accessories (India) Ltd., Bombay, and Simpson & Co., Ltd., Madras had proposed to manufacture sparking plugs in collaboration with foreign firms. Now, the Commission is given to understand that only the former two have taken steps to implement their plans for the manufacture of sparking plugs and that Simpson & Co., Ltd., has suspended its plans. The Motor Industries Co., Ltd., has entered into collaboration with Messrs. Robert Bosch GmbH, Stuttgart, West Germany, for the manufacture of sparking plugs, according to Bosch specifications, while the Auto Accessories (India) Ltd. has reached an understanding with Smith Motor Accessories Ltd., U.K., for the manufacture of K.L.G. sparking plugs. The Motor Industries has already started operations.

The first point to be considered in an enquiry into the claim for protection is the demand for the product concerned. In the case of the item under reference, the estimates of demand vary. The Development Wing of the Ministry of Commerce and Industry has estimated the current demand for all types of sparking plugs used in automobile engines at 1,500,000, of which 150,000 are for original equipment and 1,350,000 for replacement purposes. The Motor Industries have estimated the demand in 1954 and 1955 at 1,200,000, of which 1,020,000 plugs are for 14 mm. size and 180,000 plugs for 18 mm. size. For 1956, they have estimated the demand at 1,300,000 plugs, of which 1,105,000 plugs will be of 14 mm. size. The Auto Accessories Ltd., however, have estimated the demand at 500,000 plugs. The estimates of the Ford Motor Company of India Ltd. are 1,905,000 plugs consisting of 1,800,000 plugs for replacement purposes and 105,000 plugs for original equipment. This Company expects the demand to remain stable at the same level in 1955 and 1956. In view of these conflicting estimates, the Commission, at the outset, has to determine the basis for estimating the demand and then build up the estimates of demand, current and future.

So far as the capacity of the industry is concerned, the Motor Industries have put it at 300,000 plugs for 1954, of which 255,000 are of 14 mm. size and 45,000 plugs of 18 mm. size. The Company proposes to increase its capacity to 1,000,000 plugs by 1956, of which 850,000 will be of 14 mm. size and 150,000 of 18 mm. size. The Auto Industries has put their present capacity at 260,000 plugs per annum.

As regards actual production, the Motor Industries started assembly of sparking plugs on 31st August, 1953 and by 3rd December, 1953, it had assembled 20,000 plugs. The manufacture of sparking plugs has been started only on an experimental basis.

An important question which the Commission has to consider is the manufacture of what is known as the "insulating centre" of the sparking plug. The Motor Industries Ltd. is at present making only the body of the sparking plug along with certain other parts and is importing the vital part, namely, the insulating centre. It

(Continued in previous column)

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD.

MR. CASTELL'S ADDRESS AT SEVENTY-FIRST ANNUAL MEETING

PLEA FOR EARLY SOLUTION OF INTER-STATE SALES TAX PROBLEM

AN earnest plea for an early solution of the problem of inter-State sales tax which has caused so much "misgiving and harassment" following the judgment of the Supreme Court in March, 1953, was made on behalf of all industries, traders and consumers by Mr. R. E. Castell, Chairman of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., in the course of his speech to the Company's shareholders at their Seventy-first Annual General Meeting held at Bangalore on 27th March, 1954. Till a solution was found, many consumers, he said, faced the prospect of having to pay still more tax on their purchases and assessees had to carry a heavy extra burden of work in keeping sales tax accounts for so many different States.

The following is the full text of Mr. Castell's speech:

"GENTLEMEN,

"The Directors' Report and accounts for the year ended 31st December, 1953, having been sent to you in due time, I propose with your permission to take them as read, but I shall be glad to answer any questions members may wish to ask after concluding my speech.

"Improved trading has enabled your Directors to make proposals resulting in a payment for the year of a total of 25 per cent. dividend to ordinary shareholders and a bonus of three months' basic wages to employees.

"I am sorry to have to state that the quantum of bonus for 1952, which was referred to an industrial tribunal, has not yet been finally settled, but, as the matter is *sub judice*, I must refrain from any comment thereon except to say that a bonus of two months' wages has already been paid to employees in respect of that year.

"Your Directors have mentioned in their report that wages for 1953 were nearly Rs. 11 lakhs more than in 1952. Of this amount about Rs. 9,66,000 was paid in wages and dearness allowance with retrospective effect as a result of references first to an industrial tribunal and later to the Labour Appellate Court. It was fortunate indeed that exceptionally favourable trading results enabled the Company to bear this abnormal addition to expenses and yet make those provisions and payments, the details of which have been placed before you.

"I would mention, however, that the higher rates of wages and dearness allowance will increase the annual wage bill henceforth by about Rs. 6 lakhs.

Good Demand for Cloth

"Although ceiling price controls were discontinued by Government, your Company so regulated its selling prices for cotton goods that they enjoyed a good demand throughout the year. It is true that at times there were signs of a falling off in demand, but owing to careful distribution in the Company's India-wide markets no serious accumulation of stocks resulted.

"It is to be hoped that the newly increased excise duties on cotton cloth will not unduly reduce the purchasing power of the public. The extra sales taxes proposed by some of the States, in particular by Mysore and Madras, will, however, bear heavily on consumers. I hope that, as a result of the many representations which have been made, this extra taxation will not be enforced. It is most essential that medium cloth should be taxed as lightly as possible, as this variety is even more in demand by the masses than is coarse cloth.

"All industries and traders, and consumers too, are eager for an early solution of the problem of inter-State sales tax which has caused so much misgiving and harassment since the judgment of the Supreme Court in March, 1953. In the meantime, many consumers face the prospect of having to pay still more tax on their purchases, and assessees, your own Company, for instance, must carry a heavy extra burden of work in keeping sales tax accounts for so many different States. It also seems very wrong that sales tax generally should have to be paid by an industrial concern on its purchases of raw materials, stores and other essentials, but at present, in India, unlike other countries, no distinction is made for sales tax purposes between the individual consumer, the trader and the manufacturer. It is most desirable that exemption be given to manufacturers from payment of sales tax on their purchases. In saying this, I refer to all industries, including the garment-making industry whose competitiveness and enterprise are now checked by this form of taxation.

Octroi Duty

"There is yet another tax problem now before us and other local textile mills in that the Bangalore Corporation is contemplating imposing an octroi duty on all cotton and wool entering the city limits. We earnestly hope that the Corporation, to whom representations have been made, will decide against the collection of octroi on essential raw materials which would place the local industry at a disadvantage in relation to mills elsewhere in India.

"I may add that our manufacturing costs, and those of other industrial units in this State, are liable to be increased by higher charges for electric power supply. In addition to the demand for higher charges dating from March, 1953, the Mysore Government has now proposed to increase the surcharge on power supply rates from 10 to 20 per cent.

"Lower purchase prices of raw materials have helped towards the successful results of the year, as also have measures for economy in the consumption of stores. With the co-operation of the Manager and his staff, the management will continue vigorously to pursue their efforts towards economy and improved efficiency in all manufacturing processes, seeking by these means to counteract those additions to cost which are beyond the Company's control. The co-operation of labour is equally essential, if the Company is to maintain its ability to compete in Indian and overseas markets.

"The Company has for nearly five years been involved in the processes of adjudication of industrial disputes, but I wish to place on record that it is greatly to the credit of our labour and their leaders, that they have conducted themselves peacefully over a long period, in spite of their differences with the management. May this peace long continue and as one contribution towards the further development of good relations, the management will always be happy to consider any reasonable suggestions from labour for improvement of the present arrangements for the internal settlement of industrial disputes.

Steady Export Trade Maintained

"The export duty on medium cloth was removed in October, 1953, and although an export duty of 10 per cent. still applies to coarse cloth, despite active competition from Japan and other countries, the Company has so far contrived to maintain a steady export trade. For many years it has been the Company's policy to sell direct to overseas markets, and efforts will continue to be made to develop present contacts and to extend the Company's trade to new territories.

"Although demand for the Company's woollen goods was generally satisfactory, keen competition depressed selling prices. If this branch of the Company's activities is to make an appropriate contribution towards successful trading results, it is essential that production costs should be reduced, and this matter continues to receive the special attention of the management. The move of the woollen section to Hebbal is nearly complete, but dyeing operations cannot begin there until an adequate water-supply is available. This we hope will soon be obtained with the help of the Bangalore Corporation.

"'Cotswol,' our well-known Union fabric, has continued to sell well throughout India. Until October, 1953, cloth of this type was subject to an export duty, but now this barrier is removed, the Company is making a concentrated effort to find overseas markets for 'Cotswol' and has already met with some success.

"In the silk section, the Company is making increasing use of raw silk produced within Mysore State. As many of you know, the Company specialises in the manufacture of superior quality silk *saris* and piecegoods, but over the years the fortunes of this particular activity of ours have fluctuated due to keen competition, and it would seem that, at the very best, only a modest profit can be expected.

Tax Liability Determined

"Returning to the accounts, I am sure that all shareholders will welcome the news that the Company has at last been able to determine its total liability for taxation. The surplus provision made in the past, amounting to Rs. 26 lakhs, has been transferred to general reserve, which has been further augmented as a result of the raw material, process and finished stocks being now valued at the lower of cost or market value.

"As the balance-sheet shows, the effective capital of the Company as at 31st December, 1953, amounted to Rs. 2,23,39,431 which is the total of our assets less liabilities as at that date. The Company's issued capital of Rs. 46,50,000 is, therefore, quite inadequate to meet the needs of the Company.

"It is necessary to bear in mind that the capital employed at the end of the year represents a figure far short of the maximum requirements, since at the year-end our stocks of raw materials are usually well below their highest point and additional finance is required, particularly during the early part of the year, for seasonal purchases of our main raw materials.

Bonus Shares to be Issued

"In order to bring the issued capital more into line with the capital employed in the business, your Directors have proposed the issue of two ordinary shares for each such share held and to utilise Rs. 81 lakhs of the general reserve for this purpose.

"The increase in the authorised capital requires the approval of the Government of India, and the necessary application will shortly be made.

"It has been considered prudent to set aside Rs. 4 lakhs from profits as provision for additional depreciation based on replacement costs, and, I am sure, you will agree with the Directors on the importance of building up this reserve in view of the present high replacement costs.

"In the profit and loss account you will notice that the contribution to provident funds for employees is Rs. 1,72,515 more than for 1952. This increase is largely due to the new terms of the Provident Fund for Workpeople which came into force in November, 1952, since when the basis of contribution from employer and employee has been 6¼ per cent. on wages and dearness allowance, as compared with the previous basis of 7½ per cent. on wages only.

"The expenditure on welfare in 1953, at Rs. 1,83,021, was much the same as in the preceding year.

"Year after year, more houses have been added to the village which the Company has established for the benefit of its workpeople. Our building programme for 1953 was held up because of a possible heavy liability arising from a levy which the Mysore Government was proposing to make under the Mysore Labour Housing Act. As this levy has not been imposed, the Company now intends to proceed with the construction of more houses for our workpeople. We also plan to provide various new amenities, in particular, electric lighting and cement flooring for the existing houses. Towards the proposed expenditure your Directors have recommended an allocation of Rs. 1,50,000 which will make up the workpeople's housing fund to nearly Rs. 3,50,000."

HOUSES FOR WORKERS

A call to millowners and industrialists to construct houses for their workers was made by Mr. Morarji Desai, Chief Minister of Bombay, in the course of his address, while declaring open the Bapunagar, an industrial workers' township at Ahmedabad, built by the Bombay Housing Board under the subsidised housing scheme. Evidently, Mr. Morarji must have been provoked by the woefully inadequate housing facilities available to workers in the Ahmedabad mills. Provision of houses (and other amenities), he rightly said, would relieve the sufferings of the workers and help raise output. Mr. Morarji did well also to urge the workers to organise and execute housing schemes themselves with Government assistance, instead of relying entirely on the Government for building houses. Incidentally, it is stated that 6,058 tenements with all amenities will be built at Bapunagar at a cost of Rs. 2.24 crores by 1955.

NATIONAL RAYON CORPORATION LIMITED

SEVENTH ANNUAL GENERAL MEETING

TAX CONCESSIONS TO NEW INDUSTRIES INADEQUATE, SAYS SIR PURSHOTAMDAS

THE hope that the Government of India would continue the realistic policy of allowing imports of rayon yarn only to the extent the country was deficit was expressed by Sir Purshotamdas Thakurdas, K.B.E., C.I.E., Chairman of the National Rayon Corporation Ltd., at the Seventh Annual General Meeting of the Company held in Bombay on 9th April, 1954. The Company's total requirements of rayon yarn were about 40 million lbs. per year which figure, he said, was likely to increase with the growing popularity of art silk fabrics. The Board of Directors was, accordingly, considering a suggestion made to it for working up a programme of expansion and would take such action as might appear to them warranted by considerations of safety. Sir Purshotamdas also pointed out, in the course of his speech, how the tax concessions allowed to new industries were inadequate.

The following is the full text of Sir Purshotamdas's address:

"The seventh Directors' report and audited statement of accounts for the year ended 31st December, 1953, have been in your hands for some time now and, I believe, you will have no objection for my taking them as read.

"Since the accounts show corresponding items for the year 1952, I do not think it necessary to analyse the different items again in this speech excepting for the following few items which require certain explanation. The increase in the amount of Directors' fees and travelling expenses appearing this year, as against the corresponding figure for the year 1952, is due to the change in the method of accounting rather than any actual increase in the expenses. We have been advised by the auditors that expenses incurred by Directors for travelling for business purposes either in India or abroad should be appropriately shown under this heading rather than under the general heading of travelling and conveyance. That is the reason why there is an increase under this account and a corresponding reduction in the figure appearing against the general head of expenses.

"The provision of Rs. 14,902 is for payment of tax, for which the Company will be liable for its non-business income, such as interest on call moneys, transfer fees, etc. The provision made last year was in respect of income on this account for a period of three years whereas the provision made now is only for the year under report and hence the difference. I may, however, repeat here that according to our estimates the Company's profits will not be assessable to any income-tax or corporation tax this year also, on account of the initial, double and multiple shift depreciation allowances allowed to our industry and that the aforesaid provision of tax is only with a view to meet the liability for non-business income which we are advised will not be allowed to be adjusted against the depreciation allowance.

"The item of Rs. 13,084 appearing as loss against sale of assets represents the difference in cost and selling price of two old cars sold during the year without taking into account the amount of depreciation provided so far in respect of those assets.

Production Higher Than Rated Capacity

"Production at the plant continued to be higher than the rated capacity as at last year. You will also have noticed that the stock position of the finished products was quite comfortable as compared to the stock position last year. The import policy followed by the Government in allowing imports only to the extent of the deficit requirements of the country has resulted, as anticipated, in stabilising the prices of yarn and liquidating the overstocked position of yarn in the markets as well as with the Company. It is hoped that the Government will continue this realistic policy hereafter also.

"The Directors have recommended in the Report a provision of Rs. 22,00,000 as reserve for 'deferred taxation.' This provision is essential in the case of new industries like ours so as to equip ourselves to meet the income-tax and corporation tax liabilities in future years which are bound to be heavy once the Company's profits catch up with the large depreciation allowances allowed to new industries in the initial years. In effect, the so-called concessions of higher depreciation allowances allowed to new industries are not a real and substantial relief in the true sense of the term, because the entire scheme works out only to postpone the Company's tax liabilities by a few years. This is bound to be so as long as the amount of depreciation allowed is equal to the original value of the assets to be depreciated.

"Due to these high depreciation allowances, even the concession given to new industries, exempting for a period of five years their profits of 6 per cent. of the employed capital, becomes illusory. For it would be very difficult for any new industry to make profits large enough to wipe away even such depreciation allowances which work out at the end of the first, second, third, fourth and fifth year to an aggregate of 50 per cent., 70 per cent., 85 per cent., 95 per cent. and 100 per cent. of the book value of the assets, respectively. The possibility of any new industry to be able to take the advantage of this benefit is, therefore, very remote, because such benefits are allowed to new industries only for a period of five years after they start operations and are not allowed to be carried forward.

Income-tax Anomaly

"The Government has time and again announced that income upto 6 per cent. of the employed capital in new industries will be free in the hands of the shareholders also. Unfortunately, this intention does not appear to have been adequately reflected in the relevant provisions made in the Indian Income-tax Act. The position of the shareholders in this respect at present is rather obscure and anomalous. We are now advised that a strict interpretation of the Income-tax Act will render the dividends that are being declared, liable for taxation in the hands of the shareholders whereas such would not have been the case had our profits been higher to the extent of providing for all the depreciation and unabsorbed depreciation and also 6 per cent. of the capital employed. Virtually this results in rendering ineffective all the concessions held out by the Government to investors in new industries. The Company is thinking of taking up this matter suitably with the authorities concerned through proper channels.

"The average imports during the past five years have now established that the total requirements of rayon yarn of this country would be about 40 million lbs. per year which figure is likely to increase with the increased popularity of the art silk fabrics and their *per capita* use in India. It has been suggested to us that in these days of planned development, the country may expect us to take this opportunity and work up our programme of expansion, keeping in line with the industrial development of the country as a whole. Your Board is considering over this somewhat ambitious-looking suggestion and will take such action as may appear to them warranted by considerations of safety. The Company has taken in hand construction of a building for housing a duplicate plant whenever the Board orders the necessary machinery.

"The important raw materials used in the manufacture of rayon yarn, as you may be aware, are sulphuric acid, carbon bisulphide, caustic soda and wood-pulp. Out of these raw materials, the Company has been manufacturing sulphuric acid and carbon bisulphide since the beginning. The question of manufacturing caustic soda at the plant itself has been engaging the attention of your Directors for some time past.

"While the turbo-alternator set which has been installed and worked could meet the present requirements of electric power for the additional spinning frames now under erection, the extra power required for the expansion scheme is being negotiated with the Government and the Tata Power Company. We believe that this bottleneck in the matter of supply of sufficient electric power which hampers the expansion of industries will ease considerably by the time the suggested expansion programme is taken in hand and completed.

"The supply of wagons for coal continues to be another headache. Though this matter was straightened out by proper approach to the authorities concerned as and when emergency arose, it would help matters a good deal, if the Government comes to the aid of industries and gives this matter top priority so as to solve this difficulty once and for all.

"The recent announcement by the Central Government to levy an excise duty of one anna on every square yard of art silk fabrics has naturally caused a flutter and heavy depression in the art silk weaving industry. Representations are being made to the Central Government in this connection, which I sincerely hope the Government of India will consider very sympathetically, so that the progress so far made in this connection may not get a setback. I do not wish to dwell at further length on this, but I cannot help feeling that, in trying to encourage industrialisation, they must not kill what is already in existence.

Research Work

"Your plant is now equipped with a modern and up-to-date research laboratory which has been set up in the new premises specially constructed for the purpose. A pilot plant also has been ordered out and is expected at the site by the end of this year. With the establishment of the research laboratory and the pilot plant, the Company will be completely equipped for conducting experiments and researches on the various kinds of pulp and other raw materials. It will also help us considerably to be in line with modern scientific development in the methods of production of rayon yarn and other synthetic fibres.

"The Company has been concentrating on producing only 150 and 120 denier yarns of the bright variety. After the installation of the additional spinning frames it is proposed to manufacture finer deniers, as well as dull yarn which are in great demand in the market.

"The arrangements initiated last year for bulk sales to the premier association of the silk and art silk mills in this country continued during the year under report also.

"You will recall that in the Chairman's speech delivered last year, a reference was made to the role of risk capital in the starting of new industries and a hope was expressed that the sacrifice made by such investors would be amply rewarded in due course of time. I am glad that our expectations in this regard, resulting in the Company being able to declare a maiden dividend on ordinary shares have materialised.

"Before concluding, I would like to express my appreciation of the excellent work done by the workers and the technical and non-technical staff of the Company, but for whose loyalty, sincerity and hard work, it would not have been possible for the Company to achieve the excellent results that they have been able to obtain."

MANCHESTER LETTER

(*Concluded from page 729*)

very sadly neglected in the past 25 years yet they were now being called upon to bear a terrific weight of transport. To this should be added the hold-ups and delays due to bottlenecks and the need for more by-passes and new bridges.

"Approached from the point of view of loss of man hours, the problem is assuming alarming proportions. As an exporting nation we continue to be reminded that we must ensure the real competitiveness of our industry and we are rightly warned of the mounting power of our competitors," it stated. The report added:

"Accepting such responsibility is one thing but being impeded in the vital issue of transport and the speedy movement of finished goods and raw materials is another side to the question. Many of the efforts of trade can so easily be nullified if delays in transport add to costs of production, cause disorganisation to working programmes and generally create a feeling of frustration."

The report agreed that the road improvement schemes put forward for the whole country demanded a large sum of money.

Raw Cotton Imports

Imports into the United Kingdom last week amounted to 26,411 bales. Shipments included 8,157 bales Nigerian, 5,269 bales Egyptian and 4,005 bales American.—*All Rights Reserved.*

WALCHANDNAGAR INDUSTRIES LIMITED

MR. GULABCHAND HIRACHAND'S ADDRESS AT ANNUAL MEETING

SUGAR INDUSTRY STANDS IN NEED OF HIGHER RETURN ON INVESTMENT

IT is not so much for giving higher dividends as for achieving rehabilitation and expansion that the Indian sugar industry stands today in need of a higher return on its investment. This view was forcefully expressed by Mr. Gulabchand Hirachand, Chairman of the Walchandnagar Industries Ltd., in the course of his address at the Forty-sixth Ordinary General Meeting of the Company held at Bombay on Friday, 9th April, 1954. In support of his contention, Mr. Gulabchand pointed out that, during the war years, the sugar industry was rigidly controlled and was allowed a "very limited margin of profit," from which it could not set aside sufficient amounts for rehabilitation and replacement of machinery, which it had to do at the inflated prices of today. He also emphasised the urgency of expanding the industry "considerably" with a view to keeping pace with the rise in the consumption of sugar.

The following is the full text of Mr. Gulabchand's address at the meeting:

"GENTLEMEN,

"From the Directors' Report on the working of your Company and the statement of accounts for the year ended 30th September, 1953, you must have noticed that, though the year under report was not so favourable in the matter of production and recovery as the previous year, the results could be described as fairly satisfactory. As the report and the statement of accounts have been in your hands for some time, I propose to take them as read.

"It was not a favourable year for the industry as a whole. The rains were not satisfactory. In fact, there were famine conditions in many parts of our tract. The position with regard to water-supply deteriorated further during this year and the sugarcane crop everywhere suffered as a result of inadequate water-supply. However, you will be gratified to know that, on the whole, your Company was not affected as adversely as so many other units in the industry, partly because of our earlier precaution to have extra acreage under supplementary lift irrigation. Though the total production during the year went down by about 15 per cent., the net profit, after providing a lakh of rupees more for depreciation than in the previous year, was reduced only by a little less than 10 per cent.

Sugar Production

"You would naturally expect me to say something about the working of the current season which is about to end so far as your factory is concerned. You will be gratified to know that there is every hope of crossing the two-lakh bags limit for sugar production this year. Though the supply of water from the canals for the cane which came for crushing during this season was not as good as one would wish, there was definitely some improvement, because of the more favourable monsoon, and you will find the result reflected in the report for the ensuing year.

"The prices realised this year have so far been satisfactory. However, as nearly half of the production still remains to be sold and as the Government proposes to requisition larger quantities from the production this year, the overall result may not be as encouraging as you might be led to expect from the rise in production.

"And this brings me to an important aspect of this industry. For some time past, you must have noticed an agitation against the comparatively high price of sugar prevailing in the market. In the first place, this price looks higher in comparison to the price of sugarcane, which was reduced officially at the beginning of the season. This lower price which was fixed by the Government was rather unreal in comparison to the market conditions. This became patent immediately the crushing season started and many factories had to purchase sugarcane at prices higher than those fixed by the Government. In any case, the lower price of sugarcane fixed by the Government did not in any way benefit concerns like yours which grow their own cane. By the time the prices were reduced, the cane which was to be crushed during this season was ripe for crushing and the expenses that had to be incurred for raising this cane had already been incurred. These expenses for cultivation were in no way lower for concerns similar to yours. The price of sugar cannot, therefore, be said to be high, so far as this section of the industry is concerned.

"But, apart from this consideration, one has to bear in mind that the sugar industry as a whole has been lucky in having a good margin only during recent years. During the initial stages, the industry had to struggle hard to establish itself, even though it was protected. Later, during the war years, it was rigidly controlled and was allowed a very limited margin of profit, from which it could not set aside sufficient amounts for rehabilitation and replacement of machinery, which it has to do at the inflated prices of today. The industry needs to be considerably expanded, because the consumption of sugar in the country has increased and, for this also, finance is not easily available. The industry, therefore, stands in need of a higher return on its investment, not so much for giving higher dividends as for the purposes of rehabilitation and expansion.

A New Menace

"I do not propose, on this occasion, to exhaust your patience by cataloguing all our grievances. The tax burden continues to be heavy and threatens to be heavier. The demands of workers, backed up by political considerations, are difficult to resist. Expenditure on schemes for welfare, which have a tendency to run far ahead of the improvement in the general economic progress of the country and the rate of production, has to be stepped up under official pressure year after year. All these things are known to you. But what I want to bring to your notice is a new menace, which threatens not merely the economic position of the industry in Maharashtra, but to undermine that confidence in the sanctity of contract, which is the foundation of all economic activities.

"You must have seen from the report that the area of land taken on lease by your Company comes to as much as 10,515 acres. The whole of this land was taken on long leases which are still in operation and will be so for some years to come. The industry was planned and established on the basis of these rents which it was to pay for a period of 30 years. Because of the comparatively higher margin obtained during recent years, an agitation has been going on for either terminating these leases or to increase the rents fixed substantially. Soon after our popular Government came into power, its attention was drawn to this agitation and an enquiry was instituted to ascertain if the rents paid by the factories were on the whole fair or not. It came out, as a result of this enquiry, that the rents were not only fair but generous even by the standards of today.

"The prices of agricultural products were at their peak at that time. Since then, they have gone down. The price of land is nowhere near what it was three to five years ago. In fact, nothing has happened since this enquiry which would affect the recommendation of the Committee which made it. We were, therefore, painfully surprised the other day when the Revenue Minister was reported to have announced in the Assembly that legislation to secure fair rents for the lands leased to sugar factories by small landholders will be introduced soon. All I would say about this at present is that these were legal contracts freely entered into and that tampering with them might create a situation fraught with danger for every form of economic activity, including commerce, industry, insurance, banking, shipping, etc. Let us hope that the Government would examine this aspect of whatever action they propose to take with regard to the question of these leases.

Distillery

"You would expect me to say a few words about the distillery which forms the most important subsidiary activity, apart from cane cultivation and manufacture of sugar of your Company. You will be gratified to know that the production of rectified spirit during the year under report broke all previous records. Against 259,518 gallons of spirit produced in the previous year, your Company was able not only to produce but to market 322,218 gallons during the year under report. You will be further gratified to know that, even during the current season, the work of the distillery has been very satisfactory. In this connection, I have also to inform you that the question with regard to renewing the licence of your distillery on mutually agreeable terms has been practically settled after protracted negotiations. It would not be out of place to record here that, both with regard to the negotiations for the renewal of the agreement and also with regard to the difficulties experienced in the day-to-day working, the Ministry and the Department have been consistently sympathetic and helpful.

"I recall with pleasure that some of you were good enough to evince more active interest in the working of your Company at Walchandnagar by visiting it. As you are aware, a representative group of shareholders sacrificed their valuable time and undertook the discomforts of a journey during the hot weather to pay a visit to the factory in April, 1952, and to see for themselves how the numerous activities carried on there were faring. I can assure you that this display of interest on your part had given both your Directors and the workers at the factory great encouragement. We were hoping that more shareholders would volunteer for such a visit during the year under report and we were dissatisfied when no such desire was expressed. However, I hope that some of you will make it convenient next cold weather, when the factory restarts, to come to Walchandnagar and help us with your suggestions.

"In the meantime, you would be gratified to know that a party of important State legislators, including the Deputy Speaker of the Assembly, Mr. S. R. Kanthi, paid your Company the compliment of visiting the factory and the plantation and saw all the activities going on there, as also the conditions under which thousands of workers live. I had a letter from the leader of the party expressing their appreciation of all that they saw at Walchandnagar, which was also embodied in one or two of his valued contributions to the Press.

"Before I conclude, I should like to bring to your notice the good work done by the staff of your Company, both at the head office and at Walchandnagar, which is mainly responsible for the good results. I hope you will agree with me that we should put on record our appreciation of the manner in which they have discharged their responsibility and shouldered the work, which, for various reasons, is getting more and more difficult and complicated from year to year."

FUTURES TRADING IN SUGAR

The Government of India has decided to withdraw, with immediate effect, the permission given to sugar mills to enter into agreements for forward sales of sugar. Hereafter, sales can be effected only against specific release orders issued by the Central Government. Announcing this decision on the 10th inst., the Union Food and Agriculture Ministry said: "The Government of India is informed that an important reason for the recent increase in sugar prices is futures trading in sugar resorted to by certain speculators in Uttar Pradesh, Saurashtra and other places. The Government is also considering, *inter alia*, the feasibility of issuing directives to mills to make sales only to parties nominated by Government, so that distribution can be effected through reliable channels."

The opening stock of sugar with factories in India on 16th February, 1954, was 533,000 tons, as against 802,000 tons on the corresponding date of the previous season, but arrivals of foreign sugar up to 28th February, 1954, aggregated 248,000 tons. The production of sugar in the country and arrivals of foreign sugar during the fortnight ended 28th February, 1954, were 112,000 tons and 7,000 tons, respectively. Out of the stock with the mills, 32,000 tons were despatched during the fortnight, as against 74,000 tons during the corresponding period of last year. The closing stock with the factories on 28th February was 593,000 tons, as against 865,000 tons on the same date last year.

The total production of sugar for the season 1953-54, that is, from 1st November, 1953, to 28th February, 1954, was 794,000 tons, as against 859,000 tons during the corresponding period of the previous season. The total quantity despatched was 396,000 tons, as against 480,000 tons.

TEXTILE INDUSTRY AND GOVERNMENTS' LABOUR POLICIES

LACK OF UNIFORMITY IN LEGISLATION

ASPECTS relating to labour and labour legislation figured prominently in the address of Mr. Vithal N. Chandavarkar, the incoming Chairman of the Millowners' Association, Bombay, at the annual meeting of the Association held on Monday last. This is not surprising, considering the disquieting effects of the lack of uniformity in labour legislation affecting, the cotton mills, in particular, and industry, in general. The concurrent powers of legislation enjoyed by the Union and State Governments in labour matters, Mr. Chandavarkar said, had produced, very often, undesirable results. "The State Governments," to quote him, "are inclined to run amuck, with the result that matters have been made very involved and practically unworkable."

That this view is not at all exaggerated will be evident from the instance, cited by Mr. Chandavarkar himself, of the recent Industrial Disputes (Amendment) Act, seeking to provide compensation for lay-off and retrenchment, passed by the Centre *vis-a-vis* the provisions of the Bombay Industrial Relations Act. The Bombay Act covers all matters relating to industrial disputes, including provision for conciliation, investigation, enquiry, adjudication, etc. The Central Act seeks to withdraw the particular issue relating to compensation for lay-off and retrenchment from the provisions of the Bombay Act. The result is that questions such as quantum of compensation to be given for lay-off and/or retrenchment are brought within the purview of the Central legislation, while questions such as the circumstances in which a factory is sought to be closed down, or is closed down, will still remain within the jurisdiction of the State law, which means that the State Government will be entitled to enquire into such closure. All this is, as Mr. Chandavarkar very appropriately remarked, "an extremely unsatisfactory position, for, though compensation is paid, there is no finality in the whole thing."

Financial Resources Insufficient

A reference to this subject was made by the retiring Chairman Mr. Neville N. Wadia, also. Pointing out how unjustified the Government was in imposing upon employers the burden of relief to retrenched workers, Mr. Wadia strikingly observed:

"When stocks of cloth mounted beyond the financial resources of some mills last September, they put up notices of closure. Due to the general unemployment position and the deterrent effect which these closures would have caused, the Government of India quickly issued an ordinance and later passed an Act compelling industries, which closed or laid-off workers, to pay them benefits on a large scale. It is, indeed, unfortunate that careful calculations were not made as to the likely effect of this Act upon industry. I have received a statement from one centre of the industry, which clearly shows that not a single mill in that area could afford to close without going into voluntary liquidation. Mills themselves have not got sufficient finance to pay compensation at the scale laid down in the Act. While it may force them to go on working until they come to a standstill for want of finance, the situation then would be far worse than it is now, and one may well ask: 'Is it right that the money which a shareholder has invested as capital in the mill industry should be used for the payment of compensation to workers?' It is as well to remember that there are well over 100,000 shareholders, who are the real owners of the mills in India."

Equally unjustified is the recent modification of the Bombay Industrial Relations Act, under which an employer, who desires to experiment in rationalised methods of work, should follow the procedure laid down therein for giving notice of change, followed by conciliation, arbitration, etc. Hitherto, these formalities were absent, except when an employer wanted to adopt new methods on a permanent footing. Mr. Chandavarkar characterised the application of the regular B.I.R. Act procedure even to experimental measures as "a retrograde step." He said: "As it is, due to the opposition of workers, any progress in the direction of rationalisation is extremely difficult, and the amendment makes things more difficult by bringing even experimentation within the scope of the Act requiring notice of change, etc."

Sales Tax

Mr. Chandavarkar had a few interesting observations to make on the Supreme Court's interpretation of Article 286 of the Constitution. The interpretation, he said, had given rise to a very confused state of affairs in regard to sales tax. For any business concern, it is more than enough to have to deal with the sales tax of its own State, and, for the matter of that, the scheme of things in the new two-point sales tax introduced in the Bombay State "is still a jigsaw puzzle to many of us." When that is the case, Mr. Chandavarkar asked: "How can any business concern be expected to study and understand the Sales Tax Acts of about 28 States in India, to keep in touch with the amendments made from time to time, and to submit to the assessments made by the authorities of those States?" This is a very pertinent question. Indeed, it is, as Mr. Chandavarkar rightly averred, a pity that this state of affairs should have arisen from a section of the Constitution which was really intended to facilitate free inter-State trade movement. He did well to urge the Central Government to examine the issue very carefully and set matters right at a very early date.

Industries (Development and Regulation) Act

The incoming Chairman of the Millowners' Association did well also to deal with the practical difficulties which the mills encountered in regard to the working of the Industries (Development and Regulation) Act. Under the provisions of the Act, it will be recalled, the mills cannot introduce any new trade mark or trade number for their products, unless they have previously obtained a Government licence. A change in the specification of cloth, however minor it may be, also requires a licence from the Government and payment of Rs. 50 by way of licence fee. Commenting on this, Mr. Chandavarkar observed:

"The use of dealers' numbers is a common feature in the trade, as also minor changes in specifications to suit the requirements of particular markets. If, in all these cases, one had to fill in a form, remit Rs. 50 and await a licence from Government, then, business would almost come to a standstill, as the Government of India would be inundated with applications which, if our past experience were any criterion, would pile up, with the result that the stamping and packing of our goods would be held up."

Few will dispute the correctness of this view, as also the views on the restriction that no industrial undertaking can effect any substantial expansion without securing a licence. Referring to this aspect, he remarked:

"Substantial expansion means an expansion which substantially increases the productive capacity of an undertaking, or which is of such a nature as to amount virtually to a new industrial undertaking, but does not include any such expansion as is normal to the undertaking. In a recent case, I understand, the installation of a printing plant in a mill has been held to amount to a substantial expansion. As you all know, the addition of a printing plant does not increase the productive capacity even by a yard of cloth, and it is surprising that the addition of a printing plant should be regarded by Government as a substantial expansion, requiring a fresh licence. The position was brought to the notice of Government when the Bill was originally under discussion in Parliament, and it was hoped that due consideration would be given to practical difficulties experienced by manufacturers. In this, we were disappointed, for, in a communication we recently received from Government, they adhered to their original interpretation of the Act. Appropriate representations have been made, and we fervently hope that Government would appreciate our difficulties and amend the law accordingly."

Research

Another important aspect of the cotton mill industry to which Mr. Chandavarkar made a special reference related to application of fundamental research to problems of industry. In this connection, he alluded to the establishment of the proposed Textile Research Association in Bombay and revealed that the Association would be registered on the 19th inst. The financial basis of the scheme is that 50 per cent. of both capital and recurring expenditure will be received from the Cotton Textiles Fund Committee. There will, however, be a ceiling limit of Rs. 5 lakhs to the help to be received from Government sources, which means that the mills will have to limit the total expenditure to Rs. 10 lakhs per annum, the Research Association contributing Rs. 5 lakhs. The three "immediate objectives" of the Association are (1) to provide scientific information on the processes of the industry, its raw material and products, (2) to help those firms in the industry in need of such assistance in the application of existing scientific knowledge to their own particular problems, and (3) to develop improvements in processes, processing machinery and products.

The fulfilment of all these objectives entails quite a large expenditure—non-recurring and recurring. Nevertheless, it would be possible to put the available financial resources to best advantage if duplication in research were avoided. Reassuring, in this connection, is Mr. Chandavarkar's statement that, "research being an expensive necessity, we are seeking to cut down our recurring expenditure by co-ordinating our activities with other institutions which are engaged in the same field."

CLOTH AND YARN EXPORTS

In a communication addressed to the Joint Chief Controller of Exports, Bombay, the All-India Exporters' Association has put forward a plea for the extension of the period of free licensing of non-priced marked cloth packed for domestic consumption for shipment beyond 31st March, 1954. The plea is based on the ground that many exporters of cloth had purchased and cleared goods before 31st March under A.R.1 and A.R.4 Forms. These have been stored in godowns awaiting shipment. In some cases, it is stated, goods had been sent for processing which were not ready in the processed state for shipment within the time limit. Further, it is argued that the difficulties in cases where goods have been purchased and cleared from upcountry mills would be aggravated, as there might be marked delays in transit before the goods reach the Port of Bombay for shipment.

In another communication, the Association has urged the extension of time limit for yarn shipment in certain "hard" cases, wherein a continued strike for seven weeks in a supplying mill upset the whole delivery schedule and handicapped shipments from being effected in time. It has also pleaded for extension in cases where yarn shipments could not be effected within the prescribed time limit due to late arrival of the steamer, though relative shipping bills had been passed and goods were lying in the docks.

IMPORT OF ART SILK YARN

Under the import licensing arrangements for the current half-year, licence-holders are not allowed to utilise more than 25 per cent. and 5 per cent., respectively, of the face value of their licences for the import of 120 denier and 150 denier art silk yarn in bright finishes. The Joint-Chief Controller of Imports and Exports, Calcutta, has now announced that these restrictions do not apply to imports of acetate, bemberg and other non-viscose yarn of 120 and 150 deniers. The holders of valid licences for import of art silk yarn are required to produce before the licensing authorities concerned the licences granted to them for the purpose of endorsement.

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MANDVI BRANCH: 262-270, Narsi Natha Street, Bhat Bazaar, Bombay 9.

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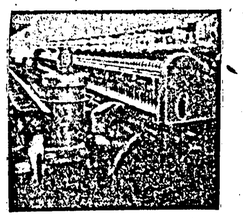

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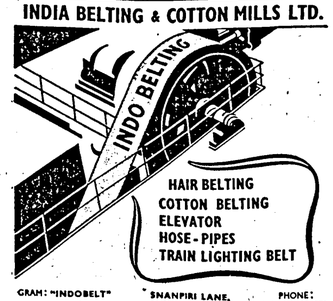

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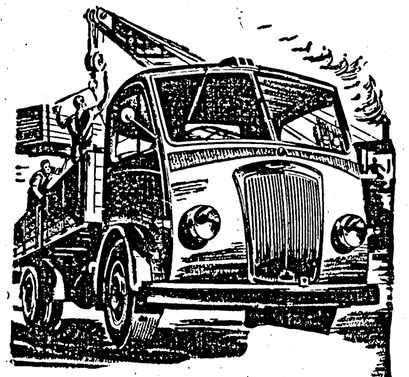

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NEW PUBLICATIONS

In the Shadow of the Mahatma. By G. D. Birla. Publishers : Orient Longmans Ltd., Bombay. Price : Rs. 5-8.

ON reading this book, one feels like stumbling, by sheer luck or accident, on a gold mine with layer upon layer of rich ore. To begin with, the period covered by this personal memoir is one of the most eventful and rich in human and political interest in the history of India. And those who are alive when history is being made are the people who are possibly the most ignorant about essential details. The broad events, leading up to the happy termination of the struggle for independence in 1947, may be a matter of common knowledge. But what lends significance and meaning to these major events is an intimate knowledge of the background and still more the warmth and intimacy of personal participation in the tangled web of motives, tones and undertones. The author of this book had a vantage point from which to view this march of history; he was, in a sense, detached enough to interpret it more objectively than those more emotionally involved; and, what is more helpful than all the rest, he had the rare gift of being able to see the trees as well as the wood at the same time.

At first, one is surprised that Mr. Birla should have chosen the most difficult of literary forms and techniques, for this by no means easy work. To try to build up a complete and comprehensive picture from a collection of stray letters, addressed to and written by a number of people, is fraught with the deadly risk of turning out something, which is not merely syncopated but lacking the breath of life. A clumsy hand would have killed the spirit even before the book took some shape. But, whether by accident or design, what has emerged, in spite of quotation after long quotation, is like a delightful mountain stream, winding its way now lightly, at times turbulently and on occasions even tempestuously, through awesome gorges, undulating valleys and severely gaunt or smilingly fertile plains, till it empties itself with a final rush into the ocean of eternity, with the demise of Gandhiji. One must confess, unaccountable though it is, that Mr. Birla has a literary artist's touch, which plays both with lights and shadows, as well as speed and rhythm, altering these according as his mood changes from gay to grave and creating an illusion that these lights and shadows, movement and rhythm are actually in the events which he is recording. But for this skilful handling, this book might well have resembled a huge but uneven heap of rubble.

For those who need more solid fare, there is plenty here. It is inevitable that, in attempting a work of this nature, the "I" should intrude pretty often. But these frequent appearances of the ego are not laboured. The text has not been tortured to force its appearance, nor is there a deliberate display of vanity, though it does peep through, now and then, in a rather naive and easily forgivable manner. Perhaps, what saved the author from degenerating into a rank egoist was the fact that he lived and had his being in two, possibly three, worlds, Wardha, Viceroy's House-cum-Whitehall, and business, which gave him a balance, each one correcting the exaggerations and idiosyncrasies of the other two.

Looking back even from this short distance, some of the episodes, which appeared then as momentous, have shrunk in size. On the other hand, Mr. Birla has been able to throw new light on the popular versions of certain events, which have perplexed many. In the interplay of powerful personalities and in cases of conflicts and clashes of strong wills, it is the personal angle and the filling in of obvious gaps which illuminate the whole scene and provide a key to the unravelling of many a mystery. The real value, apart from the emotional interest which it is bound to excite in the minds of Indian readers, the so to say historical value of this book lies, as pointed out by the President in his foreword, in the authentic record it provides for future historians. The bare bones of events, unexplained by many of these revealing letters and the key which the author provides for their proper interpretation and appreciation, might have created a twisted and, perhaps, a distorted picture for those who will follow us a hundred years hence. There will be no danger of such an ugly possibility of a misshapen evaluation of India's struggle for independence or of the contribution of many of the outstanding associates of Gandhiji in India's renaissance. This is the signal service which Mr. Birla has rendered to history. His book is by no means an epic, but he has rendered the birth of an epic possible at some distant date. The service is all the greater, because it has come from a business man and a much misunderstood and often misjudged business man at that.—T. M. DESAI.

Census of India Paper No. 1. 1954—Languages—1951 Census. Released by the Office of the Registrar-General of India. Published by the Manager of Publications, Government of India, New Delhi. Price : Rs. 2-8.

This Paper is a bulky publication exceeding 700 pages which gives detailed figures of population, classified according to the 15 languages specified in the Constitution. In addition, statistics relating to 720 minor dialects, some of which such as *Agrawali, Ambhani* and *Bazari* are spoken by only one person in the country, are also classified in this brochure. The total number of speakers of all these various dialects does not exceed 3 million. About 63 foreign languages returned as being the mother-tongue of persons enumerated in India at the 1951 Census are arranged alphabetically in this brochure.

According to the Registrar-General of India, a large number of languages, as well as dialects which are either well recognised or purely local dialects, has been returned as mother-tongue at the Census. In the earlier Censuses, it was the practice to attempt an affiliation of dialects to the parent languages and give the figures only for the main languages in the tables. Even in the exhibition of figures in the tables, a scheme of classification of the languages was adopted.

There have been controversies in the past about particular names whether they stood for separate languages or for dialects of some other languages. In view of these, it was decided that the Census of India should not be committed to the resolution of any controversy in such matters, and that the name given by the citizen to his own mother-tongue should be accepted as such and the returns with identical names aggregated. In the main, this rule has been followed in most States. In Bihar, Hyderabad, Madhya Bharat and Rajasthan, Census Superintendents have grouped certain names of languages and dialects with what they regarded were clearly their parent languages. The names thus grouped together are furnished separately in the fly-leaf or in the table itself. From some other States, as, for example, Uttar Pradesh, West Bengal, Vindhya Pradesh and Mysore, it is reported that certain local dialects which can be obviously identified with particular languages have been combined with that language. Although the names have not been given, it is clear in the context that the numbers involved must be quite small.

The tables thus compiled for each State, with details by districts, are printed as Part III of the Paper. They provide data relating to bilingualism, in addition to mother-tongue data. Notes explaining and commenting on the significance of the figures in these tables have been prepared by State Census Superintendents and they are printed as Part II of the Paper.

Of the five tables given in this publication, the first table gives population figures for every language specified in the Constitution. As the language returns of the Punjab, P.E.P.S.U., Delhi, Himachal Pradesh and Bilaspur States were vitiated by controversy, the returns relating to the languages involved in the controversy have been lumped together. These comprise all returns purporting to be *Hindi, Urdu, Hindustani* or *Punjabi*. Hence no all-India total has been specified for persons who returned the national language—Hindi—as their mother-tongue. The second table gives figures for 23 languages, the names of which are distinguished from others by two facts: first, they are known to be spoken as the mother-tongue, by the members of scheduled tribes as specified in the Constitution (Scheduled Tribes) Order, 1950; secondly, the number of speakers of the language (or dialect) exceeds 100,000. The names of 24 other Indian languages (or dialects) with speakers numbering 100,000 and over have been given in the third table.

The unclassified population in East India consists of 293,649 persons in West Bengal, 470 persons in Bihar and 399 persons in Assam. It is reported that these returns relate to languages spoken by persons known to be members of tribes or tribal communities, but whose mother-tongue could not be identified. The unclassified returns of South India relate entirely to Travancore-Cochin. In that State, language details were not extracted for persons who speak languages other than Malayalam, Tamil, Hindi, Telugu, Konkani, Kannada, Gujarati and Marathi. In North-West India, the enumeration record of 268,602 persons in the Punjab was destroyed by a fire that broke out in the Jullundur Tabulation Office. Consequently, language data for these persons are not available.

The appendix at the end of the all-India tables gives a statement showing for every district in a State the main language with the percentage of speakers to the total population. It also shows language or languages (if any) whose speakers number 10 per cent. or more of the total population of the district. In such cases also, the percentage of speakers of those languages is furnished.

The Co-operative Movement in India (Third Edition). By Dr. Eleanor M. Hough. Published by Geoffrey Cumberlege, Oxford University Press, Mercantile Buildings, Lal Bazar, Calcutta 1. Price : Rs. 15.

This is the third revised and enlarged edition of the publication, the first edition of which was brought out in 1932 and the second edition in 1950. The third edition contains a survey of the progress in the field of co-operative movement in India in the past few decades. The utility of the survey is particularly enhanced by the inclusion of an excellent review of the recent developments in the co-operative movement by Mr. K. Madhava Das, an officer of the Reserve Bank of India. This has brought the overall picture of the co-operative movement "as nearly up-to-date as the available data permit."

Considering the growing importance that is being attached to the co-operative movement in India, Dr. Hough, the author, has, indeed, done well to emphasise, in the preface, that co-operation on the Indian sub-continent has not worked the miracle for which its earlier enthusiastic advocates had hoped. Dr. Hough analyses the reasons for such a state of affairs against the background of conditions in undivided India, most of which persist even today. Among these, special attention has been drawn to some of the basic weaknesses of the co-operative movement, such, for instance, as lack of spontaneity and inadequate education in co-operative principles. She sounds a note of warning against the trend towards coercion and away from the co-operative ideal. Significantly enough, she remarks: "It is, to say the least, inconsistent and futile to push forward co-operative expansion regardless of principles, because economic prosperity is recognised to be so necessary as a bulwark against Communism, while, at the same time, welcoming the Communist ideology into the fortress by introducing the principle of compulsion into co-operative effort."

There is considerable force in these observations. Those who are in charge of promoting the co-operative movement will do well to take due notice of them and examine how the movement can, as Dr. Hough has very aptly put it, overcome adverse external conditions and internal weaknesses, "avoiding the repetition of past errors and consolidating and augmenting gains."

Digest of Workmen's Compensation Cases. By P. S. Bakhle and V. B. Kher. Available from V. B. Kher, c/o Messrs. Manilal Kher, Ambalal & Co., Solicitors, Jehangir Wadia Building, 51, Mahatma Gandhi Road, Fort, Bombay. Price: Rs. 15.

It is now nearly 30 years since the Workmen's Compensation Act came into operation. Since then, a large volume of case law has grown up under this Act. The present volume attempts to collect all India case law on this subject. Perhaps, this is the first of its kind produced so far. An important feature of the book is that it includes even unreported cases. This feature, among others, as Mr. Shantilal Shah, Bombay's Labour Minister, has pointed out in his foreword, adds to the utility of the book.

It may, however, be asked whether, after the coming into operation of the Employees' State Insurance Act, 1948, the Workmen's Compensation Act will not lose its importance. Adverting to this question, the authors point out in their preface that the Employees' State Insurance Act, which provides for a triple cover of maternity, sickness and disablement injury benefits, applies to factories only. The workmen's Compensation Act will, therefore, continue to be applicable to establishments other than factories. Further, they observe that "the Employees' State Insurance Act does not repeal the Workmen's Compensation Act. On the other hand, it relies upon the Workmen's Compensation Act to determine the particular circumstances in which the benefit will be payable to disablement injury."

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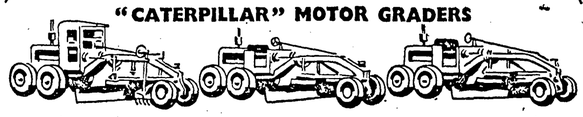
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MR. T. R. A. PAI ON MUTUAL INSURERS' PROBLEMS

COMPETITION FROM STATE INSURANCE DEPARTMENTS DEPLORED

MUTUAL insurers in India are naturally jubilant over the reported decision of the Oriental Government Security Life Assurance Company, Ltd., the leading Indian proprietory insurer, to mutualise itself, for, this means a great accession of strength to their ranks. Another company whose scheme of mutualisation has already been approved by the Government is the Prithvi Insurance Company, to which a reference is made separately on this page. Naturally enough, Mr. T. R. A. Pai, President of the Association of Mutual Life Offices in India, welcomed, in the course of his address at the recent annual meeting of the Association, the trend towards mutualisation, and looked forward to the day when the Association "can count very many of the present-day proprietory insurers on its roll as mutual insurers."

Mr. Pai referred briefly to the mutual insurers' case for tax relief. This case, as readers of *Commerce* are no doubt aware, is based on the ground that, since mutual insurers are in no way different from co-operative insurers, they must be treated, for purposes of taxation, on a par with co-operative insurance offices. Mr. Pai stated that the Association had already submitted its memorandum to the Taxation Enquiry Commission and also incorporated therein the latest decision of the Supreme Court of Canada which conceded the mutual insurers' case for tax relief. He said: "In brief, our arguments conveyed to the Taxation Enquiry Commission the idea that both mutual insurers and co-operative insurers belong to and carry on their main business with their respective members and, therefore, mutual insurers too should be given the same exemption from income-tax as co-operative insurers."

State Insurance Departments

Yet another question which figured prominently in Mr. Pai's address was the competition which private insurers were compelled to face from the insurance departments run by the Union and State Governments. He said that it was "really deplorable" that, at a time when Indian insurers were facing very keen competition from foreign insurers, the State and Central Governments were adding to the difficulties of Indian insurers by sponsoring separate insurance organisations of their own. He pointed out that Government-sponsored insurance had failed in the U.S. and the U.K. He added:

"If the Governments of such highly advanced and insurance-minded countries like the U.S.A. and the U.K. have failed in their attempts to popularise State insurance, in spite of its being cheaper than private insurance, how can the Governments of a comparatively less insurance-minded country, like India and its States, popularise State insurance? In short, I would like to say that the earlier the Government authorities close down their departments for securing insurance business the better for them. Experimenting on and subsidising such schemes at the expense of the taxpayer is not only going to be a strain on the State revenues but also contributing to the growth of unemployment by depriving regular insurance agents of their dues and jobs. Besides, the attempt of the Governments to popularise their insurance schemes, which are slightly cheaper, simply spoils the morale of the Indian insurance market instead of increasing the business of their insurance departments to any considerable extent. Out of their total life insurance and other insurance funds of Rs. 205 crores as on 31st December, 1951, Indian insurers have invested about Rs. 122 crores in Indian Government securities alone, about Rs. 1.61 crores in the securities of Part B States and in all about Rs. 141 crores in Government and approved securities. In such circumstances, it is the duty of these Governments to stand by their indigenous insurance companies and help them in all ways and not to do anything detrimental to their progress and expansion."

Mr. Pai is unfortunately not quite convincing on this issue. While it is true that it is unnecessary for the State to enter the field of insurance, he cannot contend that the Government-sponsored insurance is bound to fail and, at the same time, express concern over the competition which that insurance offers. He is, of course, entitled to protest against the Government insurance schemes being subsidised from public revenues. Here, the protest is against the principle of making the taxpayer pay for the apparent cheapness of Government insurance. He would have done well to emphasise this aspect of State Insurance Departments instead of merely asking the Government to close down its insurance services. Further, this demand cannot carry much conviction to the public, unless private enterprise in the field of insurance is ready to prove that it can cater to the insurance needs of the common man. In the U.K. and the U.S., his needs are being effectively met by provident fund societies. There are no such societies worth the name in this country. Even the one society that was in existence under the auspices of a leading life office has actually closed down. The latter could have utilised a part of its vast resources to carry the message of insurance through its provident fund company to industrial workers and farmers, proving thereby that private enterprise could provide cover not only to the well-to-do sections of the society but also to people of small means.

Selection of Agents

In other words, there are two ways of fighting Government-sponsored insurance. In the first place, the Government must be compelled to work its insurance department on commercial lines. This would take away the advantage which these departments now enjoy over their commercial rivals. Secondly, the private insurers must aim at giving better service to the policy-holders than what the Government-sponsored Insurance Departments can offer. From this point of view, Mr. Pai's emphasis on the proper selection of insurance agents is entirely correct. He said:

"Selection of insurance agents is an important aspect of our business. The better the selection, the better will be the business and the morale of the insurance world as such. It is also likely that the total annual output of Indian insurers will go up, if care is taken by them to select only quality salesmen. As selection standards are raised, the double purpose of building up public goodwill and of removing the ill-will caused by the less competent agents in the past, will be served very well."

It is to be hoped that the question of proper selection of agents, and also the question of their promotion to positions of importance will receive more attention from insurance managements than it has apparently received so far. It would appear that the idea of evolving an aptitude test for insurance agents has made much headway in the programme of the Indian Life Assurance Offices Association. The future of Indian insurance, especially that of private insurers, will depend on how carefully the agents are chosen and how adequately they are trained, encouraged and rewarded.

PROVISION FOR RETIREMENT

Insurers in the U.K. have welcomed the recommendations of the Millard Tucker Committee's Report on the Taxation Treatment of Provisions for Retirement. Mr. G. P. S. Macpherson, Chairman of the Standard Life Assurance Company, Edinburgh, for instance, hailed the Report as the "outstanding event relating to life assurance business" in the U.K. The Committee, which sat under the chairmanship of Mr. Millard Tucker, was appointed in 1950 to enquire whether additional tax relief should be given to persons engaged in a profession or business on their own account, or in a partnership, to help to provide for retirement and dependents. In the U.K., unlike in this country, old age pensions, on a modest scale, are given by the State, while many employers operate pension schemes for their employees. These pension schemes are the result of the joint endeavours of the employers and employees to provide a pension for the workers after their retirement.

The Committee was asked to enquire into what special tax reliefs were necessary in order to help men in different walks of life to provide adequately for their pensions. Contributions to approved trust fund pension schemes, as the law now stands in the U.K., qualify either for total or partial exemption from income-tax. Such schemes, it is now estimated, cover nearly six million persons. No tax relief is, however, available for persons whose employers do not operate a pension scheme for the workers. Nor is any such relief available for the so-called "self-employed" workers, such as writers, artists, shopkeepers and certain types of directors. These classes of persons are not allowed to claim relief from income-tax for their contributions to individual pension schemes. The Committee's main recommendation seeks to abolish this anomaly.

The essence of the Committee's recommendation is that a "self-employed" person should be allowed full relief from income-tax and surtax on premiums paid to a trust fund or an insurance company to secure a life annuity to begin when he reaches 65, or any later age he may chose upto 70, with ages 60 and 65 for a woman. Premiums in any year, it is suggested, should be limited to a fixed percentage of the earnings of that year. At retirement age, there should be an option to take up to one-quarter in lumpsum form (tax-free), subject to an overriding limit of £10,000. There should also be an option to convert part of the annuity into a widow's or orphan's annuity. The uncommuted part of the annuity would be taxable. It is also proposed that these reliefs, with slight modifications, should be extended to certain company directors, and also to employees whose employers have not set up any sort of pension scheme. Again, employees whose employers have set up a scheme providing comparatively small pensions, it is stated, should be allowed relief on the same lines as those proposed for self-employed persons, but limited to the amount required to bring their existing pension prospects up to a normal standard.

These recommendations deserve the notice of the Taxation Enquiry Commission in this country, as well as of Indian insurers. Perhaps, the grant of a generous tax relief for contributions to pension funds will stimulate many persons to take up pension policies. It would also induce private employers to institute pension schemes for their workers. Indeed, the case for such relief is stronger in this country, where nearly all classes of persons, except those engaged in Government service, receive no pension whatever after their retirement.

PRITHVI INSURANCE CO., LTD.

The scheme for mutualisation of the Prithvi Insurance Company, Ltd., Madras, submitted by the management to the Controller of Insurance, Government of India, has been accorded sanction by the Government. The sanction of the Government has been notified in the *Gazette of India* dated 27th March, 1954. The scheme envisages the mutualisation of the Prithvi Insurance Company, Ltd., and the raising of the capital structure of its subsidiary company, the Asiatic Government Security Life and General Assurance Company, Ltd. The Prithvi has an ordinary capital of Rs. 15 lakhs, divided into 150,000 shares of Rs. 10 each, while the Asiatic's capital is Rs. 5 lakhs, divided into 100,000 shares of Rs. 5 each. The decision to convert the Prithvi into a public company limited by guarantee was taken by a special resolution in May, 1953. It was in pursuance of this resolution that the management submitted to the Government its scheme for conversion into a company, limited by guarantee and not having a share capital. The main features of the scheme, as now approved by the Government, are:

(1) All the properties, assets and moneys of the original company (Prithvi Insurance Company, Ltd.), representing the capital and general funds, will be held by the Mutual Company in trust, to be known as "Trust Funds."

(2) The Mutual Company will cease to carry on general insurance business, such as fire, marine and motor.

(3) The Prithvi will enter into a reinsurance agreement with the Asiatic for reinsurance of all its (Prithvi's) general insurance policies.

(4) Every shareholder of the Prithvi will receive a sum of Rs. 5 in respect of each share held by him. He will also be entitled to receive two fully paid-up shares of the Asiatic in respect of every five shares of the Prithvi, held by him, at the issue price, namely, Rs. 5 per share. The Mutual Company shall, out of its Trust Funds, pay to the Asiatic a sum of Rs. 5 for each share allotted in this manner to the Prithvi's shareholders. In the event of any shareholder not electing to accept allotment of the shares of the Asiatic, the Mutual Company shall pay to such shareholder a sum of Re. 1-8 in respect of each share held by him in lieu of the shares of the Asiatic to which he is entitled.

(5) The Mutual Company shall pay out of the Trust Funds any amounts that may be payable to the Asiatic in pursuance of its reinsurance agreement. The balance of the Trust Funds, after meeting all claims against the general funds of the Company, shall be distributed amongst the shareholders *pro rata* according to the number of shares held by each shareholder.

(6) The paid-up capital of the Asiatic will be increased to Rs. 10 lakhs by the issue of 100,000 additional shares of Rs. 5 each. Of these, 60,000 shares or such smaller number as may be taken up, shall be reserved for allotment to the shareholders of the Prithvi, and the remaining 40,000 shares or such larger number as may be available and necessary to constitute the Asiatic as a subsidiary of the Mutual Company shall be allotted to and taken up by the Mutual Company.

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WORKING OF TRADE MARKS LAW

SOME MORE SUGGESTIONS FOR IMPROVEMENT

IT will be recalled that, in our last issue, while referring to the replies submitted to the questionnaire of the Trade Marks Enquiry Committee by the Indian Merchants' Chamber, Bombay, and jointly by the Bombay Chamber of Commerce, the Trade Marks Owners Association of India Ltd. and the Pharmaceutical and Allied Manufacturers and Distributors Association Ltd., only two of the important issues were dealt with. This week it is proposed to refer here to a few more problems raised by the replies to the questionnaire under reference.

One of the points on which advice is sought by the Trade Marks Enquiry Committee relates to section 33. According to this section, the assignment of trade marks without goodwill of the business has to be advertised at the discretion of the Registrar. In some countries, such as Australia, the advertisement is not required by law. The Committee desires to know whether such advertisement serves any useful purpose. Expressing its opinion on this issue, the I.M.C. states that, since the provision aims at safeguarding the interests of consumers, the provision should be retained in the Act. It thinks that the deletion of the requirement as to advertisement is likely to lead to multiplicity of assignments and frequent changes of ownership of the mark. This in turn will lead to confusion among the public.

The memorandum of the Bombay Chamber admits that the said provision affords to the public not only an opportunity for learning that there had been a change in the origin of goods but also some small measure of protection against fraud. But it points out that these by themselves are insufficient reasons to justify the delays and other disadvantages which may be caused to registered proprietors who wish to assign their marks. It, therefore, suggests that the procedure should be done away with.

Section 38 of the Act refers to defensive registration of trade marks limited to invented words. The Committee desires to know whether this section could be extended to other kinds of well-known marks. Dealing with this point, the I.M.C. observes that the scope should be extended to goods of an allied nature. For instance, a proprietor of a registered trade mark well known, say, in respect of coffee may be allowed to register the trade mark defensively in respect of allied items such as tea, cocoa, etc. Beyond this, the I.M.C. is not willing to extend the scope of the provision, as otherwise some of the big concerns might monopolise all possible devices, words and other trade marks, thereby reducing the scope for selection of trade marks available to others. The joint memorandum, however, suggests that the matter of defensive registration should be one in which the Registrar of Trade Marks should be given the widest discretion. It, therefore, feels that a section should be so framed in the Act as to invest in him powers to use his discretion, having regard to the nature and degree of notoriety of the mark in question and the nature of the goods in respect of which defensive registration is sought.

Appeals

At present, appeals from the Registrar's decision are being heard by a Bench of two or more judges as, for instance, in the High Courts of Calcutta and Mysore. But the first appeal in Bombay is heard by a single judge of the Bombay High Court. The question has arisen whether an appeal should always be heard by a Bench of two judges. It arose out of the decision of the Calcutta High Court that a second appeal did not lie before the High Court under the Trade Marks Act This decision has now been set aside by the Supreme Court. Nevertheless, the I.M.C. opines that it is desirable to introduce a uniform system of a Bench of two judges in all the High Courts to hear appeals from the decisions of the Registrar. More or less a similar view is held by the combined memorandum submitted by the Bombay Chamber of Commerce.

With regard to the registration of what are known as "service marks," that is, marks used by persons to perform some kind of service in connection with used goods such, for instance, as repairing of old tyres or the laundering or dyeing of clothes, the I.M.C. points out that, as these marks can at best the limited only to local areas, there will be no need to register them on an all-India basis. In the U.K., the Act does not provide for registration of service marks. The I.M.C. feels that the question of extending protection under the Trade Marks Act to service marks should be investigated further. The same view is also held by the joint memorandum.

Commenting generally on the Trade Marks Act and Rules as a whole, the I.M.C.'s reply and the Bombay Chamber's joint note make a number of suggestions which merit the close attention of the Committee. Mention may be made here of one or two important suggestions. The head office or its branches of the Registrar of Trade Marks are situated in Bombay, Calcutta and Mysore. Appeal cases are being held in the High Courts of these three places. The Indian Merchants' Chamber wants the Act to make it clear that the appeals should be heard by any High Court and not by the three High Courts alone mentioned above. It further suggests that hearing officers in the Registry should not be allowed to practice in respect of trade mark disputes for a period of three years after relinquishing their office.

NEW HOME FOR I.C.I.

The new head office building of Imperial Chemical Industries (India) Ltd. at Chowringhee, Calcutta, built on modern lines at a cost of about Rs. 50 lakhs, was opened on 31st March, 1954, by Dr. H. C. Mookerjee, Governor of West Bengal. Welcoming the Governor, Mr. N. D. Harris, Chairman of the Company, remarked: "This is a great day for I.C.I. (India) Ltd. It marks the planting of another strong root in India, and another substantial increase in our stake in India. This building is a sign that we view our future in this country with confidence. While we admit to requiring a fair return on our investment in India, we believe honestly and with great faith that the free collaboration of British industry and commerce with India cannot but result in great benefits to both and the creation of a strong bulwark against the many disrupting forces rampant in the world today." Mr. R. C. Todhunter, the Overseas Director on the Main Board of I.C.I., London, who also took part on the occasion, forecast a bright future for the Company and for India. He said: "I foresee during the next decade that we shall engage in further manufactures in India in co-operation with our Indian friends just as we have done at Rishra and have started to do at Gumia in explosives." He observed that the more India progressed in the manufacturing field, the more would it need chemical, raw materials and intermediate results. He too stated that the Directors of the I.C.I. had strong confidence in the future of India and that India would go from strength to strength.

The Governor of West Bengal availed himself of this occasion to pay well-deserved tributes not only to I.C.I. (India) Ltd. for the excellent service it is rendering to this country, but also to the entire British business community. Answering a query posed by himself, namely, to what extent was the economic development of India due to British enterprise?, he remarked in a pleasant reminiscent mood: "Last week, speaking at various functions, I had occasion to look up certain facts. I found that, in 1832, the first cotton mill was started at Fort Gloster Estate—the Bowria Cotton Mill. The first tea garden was started experimentally in 1835 by the East India Company. John Marshman, colleague of Dr. Carey, started the first paper mill in 1850 at Serampore—the Balley Paper Mill. George Aklin started the first jute mill at Serampore, now known as the Wellington Jute Mill. These are only a few instances. All this we owe to you. You have spent your blood and your treasure in building up these industries. All we have done is to follow in your footsteps. Whatever you have done, we are grateful to you. Of course, what the I.C.I. is doing today is only another step in the direction already taken by many. We are thankful to you and I am glad to find that today about Rs. 125 lakhs per year are being distributed between the Indian staff in the shape of wages. You have given them good working conditions, a good building in which they can work—for this we are grateful to you. By erecting this new Rs. 50-lakh building on Chowringhee, you are carrying on a noble tradition, and are giving a concrete example of what Mr. R. A. Butler, the Chancellor of the British Exchequer, had in a recent speech in Calcutta described as the interdependence of independent nations."

Proceeding, he deplored the rapid transfer of commercial and industrial concerns built up with British blood and money into the hands of Indians. "I believe," he declared, "Indians with money can start independent interests of their own. There is enough room for both." Another brief extract from Dr. Mookerjee is worth quoting for the benefit of foreign business men in this country and also for those abroad who think of taking an interest in India. "The Constitution," said the learned Doctor, "makes the position of foreign capital quite safe. Business men are supposed to have more commonsense than others and they should know that the safeguards are ample. There is no question of liquidation of foreign capital. It is quite correct to suggest that we cannot do without foreign capital. In fact, we welcome it. It is folly on the part of business people to be led astray by the remarks made by hotheaded people. India is not the country where people talk too much."

SULPHUR FROM GYPSUM

CAN INDIA DO IT ?

THE report that the Development Council for Heavy Chemicals, Acids and Fertilisers has recommended to the Ministry of Commerce and Industry to set up a plant for the extraction of sulphur from gypsum available in Rajasthan is welcome news. For India is dependent, at present, entirely on imports for its requirements of sulphur. This dependence on imports for such a basic raw material is a highly uncertain factor not quite conducive to the healthy development of the nation. In any emergency, such as the one that occurred in 1951-52, when sulphur supplies were cut off owing to the Korean crisis, the working of several vital chemical and other industries will be severely handicapped. The industries that would be seriously affected, to mention only a few, are sulphuric acid, superphosphate, sugar, match, starch, iron and steel and petroleum refinery.

Normally, it is said that the consumption of sulphuric acid in any country is the barometer of the prosperity of its industry and agriculture. Judged by this standard, India presents a very disappointing picture. India's *per capita* consumption is 0.65 lb. per annum, as compared with 45 lbs. in the U.K. and 110 lbs. in the U.S. It is unfortunate that even for this small consumption of sulphuric acid, which is used in metallurgical industries, the iron and steel industry, fertiliser manufacture, the production of dyestuffs and innumerable other industries, India has to depend on imports.

The principal sources of sulphur are:

(1) Native sulphur or brimstone deposits of sulphur in its "free" or elemental form;
(2) pyrites—iron sulphide ore containing about 40 per cent. sulphur;
(3) natural gas containing sulphur in the form of hydrogen sulphide;
(4) petroleum refinery gas—also containing hydrogen sulphide;
(5) gypsum—a mineral which contains about 20 per cent. sulphur as calcium sulphate; and
(6) coal—containing sulphur as pyrites and organic compounds.

In India, gypsum is available in large quantities in Rajputana, but the proved deposits are just sufficient to meet the requirements of the ammonium sulphate fertiliser plant at Sindri. Naturally, any scheme to produce sulphur from gypsum will affect the supply required by the Sindri fertiliser factory. The extraction of sulphur from gypsum will not, therefore, be a feasible proposition, unless the Sindri factory switches over its production from ammonium sulphate to ammonium nitrate, which is a more concentrated form of fertiliser and which does not require gypsum for its production. It is, of course, presumed here that the farmer will be trained in the use of ammonium nitrate. It is stated that there are good reserves of pyrites in India, which can be used to produce sulphur, but they have still to be properly surveyed and located.

The major obstacle in the way of production of sulphur from gypsum is its cost. It is stated that the cost would be about Rs. 700 per ton, as against Rs. 240 per ton, f.o.r. Bombay, for imported sulphur. Imported sulphur in pre-war years was available at Rs. 100 per ton. As extraction of sulphur from gypsum will give the by-product, namely, cement, it might be possible to pass on a part of the cost to cement. But, here again, as cement prices are controlled, the extent of transfer of burden will be limited.

Experts aver, however, that, despite the high cost of its extraction, sulphur should be extracted in India, because it is a commodity which has a highly strategic and commercial importance. But it is only the Government that can embark on such a venture. In the alternative, it has to subsidise such a venture as is being done in the United Kingdom.

Indian requirements of sulphur are only about 60,000 to 65,000 tons; the world output of sulphur is about 7 million long tons. Production of 100,000 tons of sulphuric acid required by India requires 35,000 tons of sulphur. About 7,000 to 8,000 tons of sulphur are needed by the sugar industry, about 500 tons are used for dusting the crops, approximately 1,000 tons go into the bleaching of starch and the balance goes for sundry uses, such as paper manufacture, pyrotechnical industry, civil explosives (for mining), etc.

If the Government finally decides to undertake extraction of sulphur, the first question that has to be settled is the site for the location of the plant. It is needless to add that whatever centre is chosen for locating the plant for sulphur extraction, it is necessary that it should answer the test of accessibility of raw materials and of markets.

Notices

PRESIDENCY JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-seventh Ordinary General Meeting of the Shareholders of Presidency Jute Mills Company, Ltd., will be held at "McLeod House," No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 5th May, 1954, at 2-45 p.m., for the following purposes:—

1. To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors. Mr. Alec A. Leslie and Mr. J. R. Jacob retire by rotation and, being eligible, offer themselves for re-election.
4. To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 22nd April to 5th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th April*, 1954.

Note.—Payment of the proposed dividend, if declared, will be made only to those members whose names are registered in the Books of the Company on the 5th May, 1954, or to their Mandatees.

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

MACNEILL AND BARRY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5½ per cent. per annum for the half-year ended 31st March, 1954.

Payment will be made on 1st May, 1954, to those Preference Shareholders whose names appear on the Company's Register on that date, or in accordance with their instructions.

By Order of the Board,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 8*th April*, 1954.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend at 17½ per cent. per annum, for the half-year ended 31st December, 1953.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 9*th April*, 1954.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SIXTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders of THE SVADESHI MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Monday the 3rd May, 1954, at 4-30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1953.
(2) To declare Dividends.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint Auditors and to fix their remuneration.

As already notified, the Transfer Books of the Company have been closed from Monday the 22nd March to Tuesday the 20th April, 1954, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 8*th April*, 1954.

Note.—The dividends, if sanctioned at the General Meeting, will be payable from Tuesday the 4th May, 1954, to the shareholders whose names stand on the Register of the Company on the 20th April, 1954, and the dividend warrants will be duly posted to the registered addresses of such shareholders.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The Svadeshi Mills Co., Ltd., will be held at the registered office of the Company at Bombay House, Bruce Street, Fort, Bombay, on Monday the 3rd May, 1954, on the conclusion of the Annual General Meeting of the Company fixed for 4-30 p.m. (S.T.) on that day, for the purpose of considering and, if thought fit, passing the Resolutions providing for an increase of Capital and for a consequential alteration in Article 4 of the Articles of Association of the Company, set out in the Notice and the Circular Letter dated the 30th March, 1954, posted to the shareholders.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 8*th April*, 1954.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ended 31st March, 1954.

The Preference Share Registers will be closed from the 23rd to the 30th April, 1954, both days inclusive. Payment will be made on or after the 1st May, 1954, to those Preference Shareholders whose names are on the Company's Register on the 30th April, 1954, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN, LTD.,
T. LESLIE MARTIN,
Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 15*th April*, 1954.

THE TATA MILLS LIMITED

NOTICE

THE FORTY-SECOND ORDINARY GENERAL Meeting of the Shareholders of the TATA MILLS LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Tuesday the 4th May, 1954, at 4.30 p.m. (S.T.), to transact the following business:

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December, 1953.
(2) To declare a Dividend.
(3) To elect three Directors in place of those who retire by rotation but are eligible for re-election.
(4) To appoint Auditors and to fix their remuneration.

The Transfer Books of the Company have been closed from Monday the 22nd March to Tuesday the 20th April, 1954, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 8*th April*, 1954.

Note.—The dividend, if sanctioned at the General Meeting, will be payable from Wednesday the 5th May, 1954, to the shareholders whose names stand on the Register of the Company on the 20th April, 1954, except those who have been allotted shares on 1st January, 1954, in exchange for debentures. The dividend warrants will be duly posted to the registered addresses of such shareholders.

To

The Shareholders of Tata Mills Limited, and in particular to:

Abdullah Rahimtullah; Maj. Arthur Coleman Flower; Mrs. Banoobai Rattanji Khambatta; Col. Bhupal Shumsher Jung Bahadur Rana; Claudino Xavier Menezis; Hassen Saleh Mia; Dr. Hormazshaw Jamshedji Wania & anr; Husenbhai Ramjee; Habib Bank Ltd.; Ismail Moosa Chiboo; Minoo Dinshaw Challa & anr; Nathubhai Jivanji Desai; Mrs. Nora Johnson; Pirosha Eruchshaw Malbari; Bai Ratna Kumari Devi w/o Bhupal Shumshere Jung Bahadur Rana; Rustam Jehangirji Master; Rustom Fakirjee Cowasjee & anr; Bai Serene Khurshedjee Dubash; Stavoros Andrews Melas; Valeriano De Sa & anr; Mrs. Valmy Lucy Canning Raymond; Dr. W. J. Wanless.

THE TATA MILLS LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting the payment of a dividend on Ordinary Shares at Rs. 1-8 per share, free of income-tax, to the shareholders for the year ended 31st December, 1953.

For and on behalf of
THE TATA MILLS, LIMITED,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 8*th April*, 1954.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting the payment of the following dividends, both free of income-tax, to the shareholders for the year ended 31st December, 1953:—

Rs. 5 per share on Preference shares
Rs. 16 per share on Ordinary shares

For and on behalf of
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 8*th April*, 1954.

RESULTS OF FINLAY GROUP MILLS

DISTRIBUTION TO SHAREHOLDERS UNCHANGED

THE financial results of the group of three cotton textile mills under the management of Messrs. James Finlay & Co., Ltd., Bombay, namely, the Finlay Mills Ltd., the Gold Mohur Mills Ltd., and the Swan Mills Ltd., for the year ended 31st December, 1953, may appear at first sight disappointing. For, in distinct contrast to the experience of many other cotton textile mills which have earned substantially higher profits in 1953 than in the previous year, the Finlay group mills do not show any improvement over the previous year. On the other hand, the gross profits of two of them, namely, the Gold Mohur and the Swan, have substantially declined, the former from Rs. 30.24 lakhs to Rs. 20.11 lakhs and the latter from Rs. 41.92 lakhs to Rs. 26.50 lakhs. The gross profit of Finlay, however, discloses a slight rise from Rs. 22.02 lakhs to Rs. 22.72 lakhs.

Before judging the results of the Finlay group mills for the year under review *vis-a-vis* those of other mills, it must be borne in mind that the Finlay group mills are purely fine and superfine count mills and as such their results should be viewed against the background of the trading conditions that prevailed during the year. In the first instance, the output of fine count cloth was, on the whole, substantially lower, though that of superfine varieties was slightly higher. Secondly, the offtake of these two varieties by the internal as well as overseas markets was substantially lower, on account of the consumer resistance brought about by the high prices of these varieties. The offtake would have been worse but for the reduction in October, 1953, of the excise duty on superfine cloth and the grant of drawback of import duty on cotton used in cloth meant for export. In the circumstances, it is not surprising that the results of the Finlay group are not as impressive as those of other Bombay mills.

The following table shows, at a glance, the comparative results of the three mills for the last two years:

(In lakhs of rupees)

	For the year ended 31st December					
	1953	1952	1953	1952	1953	1952
	Finlay		Gold Mohur		Swan	
Sale proceeds (net)	187.62	228.23	107.14	207.53	240.29	293.35
Other income	19.91	16.77	1.24	1.33	4.18	4.05
Expenses	164.73	222.08	178.27	178.62	217.97	255.48
Gross profit	22.72	22.02	20.11	30.24	26.50	41.92
Agents' remuneration	2.38	2.31	2.17	3.19	2.76	4.30
Provision for—Depreciation	4.51	2.42	2.80	4.67	5.51	3.84
Taxation	7.50	8.00	6.00	11.00	8.50	16.00
Net profit	8.33	9.29	9.34	11.38	9.73	17.78
To reserves	..	0.25	2.00	5.00	2.50	10.50
Dividend	8.00*	8.00	6.25	6.25	7.20†	7.20
	(16%)	(20%)	(12½%)	(12½%)	(20%)	(30%)
Carry forward	5.74	5.41	5.41	5.42	5.75	5.71

* On the increased capital of Rs. 50 lakhs raised on 9th September, 1953, by capitalisation of Rs. 10 lakhs out of the reserves.
† On the increased capital of Rs. 36 lakhs raised on 9th September, 1953, by capitalisation of Rs. 12 lakhs out of the reserves.

It will be observed that the sale proceeds of all the three mills have declined substantially. The rise in "other income" in the case of Finlay Mills is due to the increase in receipts from bleaching, mercerising and dyeing charges. The drop of Rs. 38.25 lakhs in expenses of Finlay Mills mainly reflects the decline in cost of cotton consumed by Rs. 52.10 lakhs. This decline in cost of cotton consumed is offset by the rise in other expenses to the extent of Rs. 13.85 lakhs, of which mill salaries and wages account for Rs. 8.27 lakhs, stores, spares and chemicals for Rs. 2.50 lakhs and contribution to employees' provident fund and administrative charges for Rs. 1.96 lakhs.

The cost of cotton consumed and yarn purchased shows a decline of Rs. 11.48 lakhs in the case of Gold Mohur, but the rise in other expenses is of the order of Rs. 11.13 lakhs, so that the saving on the former account has almost been offset by the latter. This explains the negligible fall in expenses. Of the increase in other expenses, mill salaries and wages account for Rs. 6.04 lakhs, dyeing, bleaching and mercerising charges for Rs. 3.17 lakhs and contribution to employees' provident funds for Rs. 1.77 lakhs.

The decline of Rs. 53.06 lakhs in the sale proceeds of the Swan Mills has been accompanied by a decrease of Rs. 49.55 lakhs in cost of cotton consumed and yarn purchased. Other expenses have, however, gone up by Rs. 11.04 lakhs, mainly accounted for by mill salaries and wages (Rs. 6.03 lakhs), stores, spares and chemicals (Rs. 1.68 lakhs) and contribution to provident fund (Rs. 1.42 lakhs).

The appropriations of the profits of the three mills have been shown in the foregoing table and, therefore, need no elaboration. However, it may be pointed out here that the allocation of Rs. 25,000 to the reserves of Finlay Mills last year represents the provision for gratuity fund, while no other additions have been made to the other reserves in the last two years. The transfer to the reserve fund of Gold Mohur has been reduced from Rs. 2.50 lakhs to Rs. 2 lakhs. No addition to the dividend equalisation fund has been made this year, while a sum of Rs. 2.50 lakhs was added to this reserve last year. The Directors of the Swan Mills have cut the transfer to the reserve fund from Rs. 7.50 lakhs to Rs. 2.50 lakhs. The dividend equalisation fund which had received Rs. 3 lakhs last year has not been strengthened further this year.

The following synopsis of the balance-sheets of the three companies as on 31st December, 1953, reveal their sound financial position:

	As on 31st December		
	Finlay	Gold Mohur	Swan
	Rs.	Rs.	Rs.
Capital	50,00,000	50,00,000	36,00,000
Reserves and surplus ..	59,36,244	53,09,089	66,53,232
Provision for taxation ..	13,20,459	11,80,946	14,06,714
Liabilities	31,97,481	22,94,085	29,71,032
Gross block	86,02,384	63,10,672	93,47,153
Less—Depreciation ..	68,51,296	45,10,387	68,93,068
Net block	18,41,088	17,01,285	24,53,485
Stock-in-trade	58,43,131	59,26,288	72,76,008
Stores, spares, etc. ..	16,62,915	10,05,896	11,97,987
Debts, deposits and advances	15,57,982	17,16,183	21,41,504
Investments	1,02,200	81,000	71,000
Cash balances	54,86,868	32,61,468	4,00,594
Rs.	1,04,54,184	1,37,81,120	1,46,33,868

Notwithstanding the capitalisation of Rs. 10 lakhs in the case of Finlay and Rs. 12 lakhs in the case of Swan during the year under review and of Rs. 25 lakhs in the case of Gold Mohur in 1952, the reserves and surplus of all of them stand at impressive levels. The gross block has been well written down and current assets exceed current liabilities and provision for taxation by a very wide margin.

All the three companies are going ahead with their rehabilitation programmes. The Gold Mohur has placed orders for new mixing room and blow room machinery as well as for 6,500 spindles with the necessary preparatory machinery. The extension to the cord department of the Swan has now been completed and is in partial production. The programme of Finlay which, in addition, has a proposal to manufacture sewing thread, is explained by the Directors thus:

"Your Company has entered into a partnership with the English Sewing Cotton Co., Ltd., Manchester, under the name of the Alexander and Finlay Thread Company, for the manufacture of sewing thread. The initial capital of the partnership has been limited to Rs. 28,00,000 to be subscribed by the two partners in equal proportion. The machinery has been shipped and it is hoped that the partnership will be in production by the end of the year.

"The rehabilitation of the spinning machinery continues. The new blow room and mixing room is now in operation and orders have been placed for 8,500 spindles, with the necessary preparatory machinery against replacements, and to meet the additional requirements of the Alexander and Finlay Thread Company. The pilot plant for experimenting in textile processes is now nearing completion and it is hoped that considerable benefit will be derived from research which can now be carried out in this department."

On the basis of their current market value (*ex-div.*) and the proposed dividends, the shares of Finlay, Gold Mohur and Swan give a yield of 6.5 per cent., 7.1 per cent. and 6.1 per cent., respectively.

WALCHANDNAGAR INDUSTRIES

The extracts from the Directors' report and the summary of accounts of the Walchandnagar Industries Ltd. (Agents: The Premier Construction Co., Ltd., Bombay) for the year ended 30th September, 1953, published in our issue of 3rd April, 1954 (*vide* page 646), would have given readers a broad idea of the Company's working during the year under review, as also of its financial position as at the end of the year. The results of the Company, studied in conjunction with the Chairman's speech delivered at the annual general meeting (a text of which is published elsewhere in this issue) will show that the results for the past year are satisfactory.

The gross profit of the Company for 1952-53 shows a shrinkage of only Rs. 1.74 lakhs, that is from Rs. 40.72 lakhs for 1951-52 to Rs. 38.98 lakhs. The net profit (subject to taxation), however, shows a decline of Rs. 2.49 lakhs to Rs. 23.03 lakhs, due to a slightly larger provision for depreciation, at Rs. 12 lakhs (as against Rs. 11 lakhs). This contraction in net profit has meant a cut in the allocation to the reserves, but the dividend has been well maintained at 14 per cent. for the third year in succession.

The following comparative table gives an analysis of the Company's financial results for the last four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1953	1952	1951	1950
Proceeds of plantation products	74.67	94.42	93.98	69.49
Farm and dairy proceeds, etc.	7.51	6.77	5.44	5.15
Sale proceeds from sugar factory, distillery, oil mill, etc.	193.80	219.97	189.34	150.17
Plantation expenses	55.90	65.98	62.58	55.24
Sugar factory, distillery, oil mill expenses	153.70	221.08	207.13	139.42
Administrative expenses	5.88	6.06	6.24	5.56
Gross profit	38.98	40.72	40.22	27.58
Managing Agency commission	3.95	4.20	4.24	2.86
Depreciation	12.00	11.00	12.50	10.00
Net profit (subject to taxation)	23.03	25.52	23.48	14.72
To reserves	9.00	11.00	9.00	1.87
Dividends—				
Preference 7%	0.24	0.24	0.24	0.24
Ordinary	14.14	14.14	14.14	12.12
	(14%)	(14%)	(14%)	(12%)
Carry forward	1.73	2.08	1.94	1.85

The company's sugar factory had a considerably shorter period of crushing. The sugarcane crushed during the season amounted to 163,107 tons, a decline of 21,785 tons from that crushed in the previous season. The output of sugar, accordingly, dropped from 2,19,598 bags to 1,87,326 bags The recovery also was lower at 11.61 per cent. as against 12.01 per cent. Thus, production and recovery have both not been favourable. This is not a peculiar feature of this Company alone; for the industry as a whole had an unfavourable year. The deterioration in water-supply affected sugarcane crop everywhere. The Company was not, however, affected as adversely as many other units in the industry, partly because of the precaution taken by the Company to have extra acreage under supplementary lift irrigation.

A gratifying feature of the Company's working during the year is the record production of rectified spirit, which aggregated 3,22,218 gallons, an increase of 62,700 gallons over the previous year. The entire output of rectified spirit was marketed.

As regards the outlook for the current season, so far as sugar manufacturing is concerned, the Chairman has struck a note of caution against any undue optimism. He thus observes:

"You would naturally expect me to say something about the working of the current season which is about to end so far as your factory is concerned. You will be gratified to know that there is every hope of crossing the 2-lakh bags limit for sugar production this year. Though the supply of water from the canals for the cane which came for crushing during this season was not as good as one would wish, there was definitely some improvement because of the more favourable monsoon, and you will find the result reflected in the report for the ensuing year. The prices realised this year have so far been satisfactory. However, as nearly half of the production still remains to be sold and as the Government proposes to requisition larger quantities from the production this year, the overall result may not be as encouraging as you might be led to expect from the rise in production."

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted at Rs. 185 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 8.2 per cent. per annum free of tax.

JAY SHREE TEA

The favourable prices that prevailed for tea during 1953, as compared with that in 1952, together with a substantial increase in output of tea, have enabled the Jay Shree Tea Gardens Ltd. (Managing Agents: Messrs. Birla Bros., Ltd., Calcutta) to report satisfactory results for the year ended 31st December, 1953. The gross profit for the past year amounts to Rs. 18.54 lakhs, as against Rs. 1.75 lakhs for the previous year. The results for the year under review are, however, not strictly comparable with those for 1952, because of the very widely different trading conditions in the two years. A comparison with the profit for 1951 will, however, be a fair one. Such a comparison shows that the financial results for the year under review are more or less the same as those for 1951. Thus, the gross profit for the latter year is Rs. 18.30 lakhs, that is about Rs. 24,000 less than that for 1953. The net profit amounts to Rs. 10.75 lakhs for the year under review, as against Rs. 1.63 lakhs for the previous year and Rs. 12.18 lakhs for 1951. Out of the net profit, the Directors have transferred a substantial sum of Rs. 10 lakhs to the reserve fund. They do not propose to declare any dividend for the year under review, in view of the proposal to capitalise a part of the Company's reserves and issue bonus shares, referred to later on in this review. It may be noted, in this connection, that the Company had paid a dividend of 6 per cent. for the previous five years.

The following comparative table shows the results of the Company at a glance for the past three years:

(In lakhs of rupees)

	For the year ended 31st December		
	1953	1952	1951
Sale proceeds	98.16	60.60	81.63
Income	1.79	11.02	16.64
Expenses	83.96	63.14	87.14
Gross profit	18.54	1.75	18.30
Managing Agents' remuneration	1.95	0.12	0.12
Depreciation	2.84	0.10	2.99
Taxation	3.00	..	3.00
Net profit	10.75	1.63	12.18
To loss from Ceylon Branch	0.15	0.50	0.06
To reserves	10.00	..	10.00
From reserves	..	1.00	..
Dividend	..	2.34	2.34
Carry forward	0.84	0.24	0.71
		(6%)	(6%)

The Company's output of tea during the year under review amounted to 2,550,146 lbs. which, as compared with that in 1952, represents an increase of 259,451 lbs. and constitutes a record in the history of the Company, surpassing the previous best of 2,424,606 lbs. in 1951. This increase in crop and the better prices fetched are reflected in the rise in sale proceeds for 1953. The sharp increase in expenses is accounted for by the larger purchases and the rise in establishment and other charges.

The latest balance-sheet of the Company discloses a satisfactory financial position. The reserves and surplus aggregate Rs. 35.09 lakhs, as against a paid-up capital of Rs. 39.05 lakhs. The provision for taxation stands at Rs. 3.95 lakhs and current liabilities at Rs. 11.14 lakhs. The gross block of the value of Rs. 61.30 lakhs has been written down to Rs. 43.25 lakhs. The current assets aggregate Rs. 45.98 lakhs and represent more than three times the current liabilities and provision for taxation.

The Directors propose, subject to the sanction of the Controller of Capital Issues, to capitalise a sum of Rs. 19,52,300 out of the reserve fund, standing at Rs. 34 lakhs, and issue bonus shares of Rs. 10 each fully paid-up in the proportion of one bonus share for two existing ordinary shares.

Points From The Chair

Burden of Sales Tax

"ALL industries and traders, and consumers too, are eager for an early solution of the problem of inter-State sales tax which has caused so much misgiving and harassment since the judgment of the Supreme Court in March, 1953. In the meantime, many consumers face the prospect of having to pay still more tax on their purchases, and assessees, your own Company, for instance, must carry a heavy extra burden of work in keeping sales tax accounts for so many different States. It also seems very wrong that sales tax generally should have to be paid by an industrial concern on its purchases of raw materials, stores and other essentials, but at present, in India, unlike other countries, no distinction is made for sales tax purposes between the individual consumer, the trader and the manufacturer. It is most desirable that exemption be given to manufacturers from payment of sales tax on their purchases. In saying this I refer to all industries, including the garment-making industry whose competitiveness and enterprise are now checked by this form of taxation."

R. E. CASTELL,
Bangalore Woollen, Cotton and and Silk Mills Co., Ltd.

Sugar Prices Not High

"For some time past, you must have noticed an agitation against the comparatively high price of sugar prevailing in the market. In the first place, this price looks higher in comparison to the price of sugarcane, which was reduced officially at the beginning of the season. This lower price which was fixed by the Government was rather unreal in comparison to the market conditions. This became patent immediately the crushing season started and many factories had to purchase sugarcane at prices higher than fixed by the Government. In any case, the lower price of sugarcane fixed by the Government did not in any way benefit concerns like yours which grow their own cane. By the time the prices were reduced, the cane which was to be crushed during this season was ripe for crushing and the expenses that had to be incurred for raising this cane had already been incurred. These expenses for cultivation were in no way lower for concerns similar to yours. The price of sugar cannot, therefore, be said to be high, so far as this section of the industry is concerned."

GULABCHAND HIRACHAND,
Walchandnagar Industries Ltd.

Concessions to New Industries Ineffective

"The Government has time and again announced that income upto 6 per cent. of the employed capital in new industries will be free in the hands of the shareholders also. Unfortunately, this intention does not appear to have been adequately reflected in the relevant provisions made in the Indian Income-tax Act. The position of the shareholders in this respect at present is rather obscure and anomalous. We are now advised that a strict interpretation of the Income-tax Act will render the dividends that are being declared, liable for taxation in the hands of the shareholders, whereas such would not have been the case had our profits been higher to the extent of providing for all the depreciation and unabsorbed depreciation and also 6 per cent. of the capital employed. Virtually this results in rendering ineffective all the concessions held out by the Government to investors in new industries. The Company is thinking of taking up this matter suitably with the authorities concerned through proper channels."

PURSHOTAMDAS THAKURDAS,
National Rayon Corporation Ltd.

State Control Over Insurance

"I am absolutely sure that those who coptend —as some do, on political grounds—that the investments of life assurance funds should be under the control of some central State body are entirely overlooking the great benefits that come to policyholders through the sense of personal responsibility for their interests which lies firmly on the shoulders of directors and managers of the individual offices. I am convinced that under any form of State control an entirely different balance of responsibilities would apply, and it is difficult to see how it could be to the advantage of policyholders. I would add one final word on this subject. Let no one talk of 'wealthy insurance companies' as some are apt to do, when speaking of the large life funds of insurance offices. These funds are, in effect, held in trust for millions of policyholders, and represent part of their savings—in many cases quite a large part."

L. E. D. BEVAN,
National Provident Institution for Mutual Life Assurance.

Growth of Credit Insurance

"In 1939, the total British home and export turnover insured against credit risks was £115 million. In the first year after the war the figure was £209 million, and today it is in the neighbourhood of £1,200 million a year, divided more or less evenly between home and export transactions. What is the explanation of this rapid expansion and what does it portend? Undoubtedly, post-war inflation has had much to do with it and high taxation a lot more. But apart from these factors, with the use of credit insurance has come the realisation of the benefits it brings; assistance in judging the credit standing of a customer, warnings of adverse experience, help in collecting overdue accounts and payment of losses at an early stage of proceedings."

SIR JOHN MAKINS,
Trade Indemnity Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

COLABA LAND AND MILL CO., LTD. Annual General Meeting, Bombay, 22nd April, 1954. Dividend: *Nil*. Transfer books remain closed from 13th to 30th April, 1954, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar, 23rd April, 1954. Dividend: Rs. 1-8 per share. Transfer books remain closed from 17th to 23rd April, 1954, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 24th April, 1954. Dividend: As. 12 per share, free of income-tax. Transfer books remain closed from 10th to 24th April, 1954, both days inclusive.

GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 26th April, 1954. Dividend: Rs. 12-8 per share free of income-tax, payable on and after 27th April, 1954. Transfer books remain closed from 3rd to 26th April, 1954, both days inclusive.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Durbhanga, Bihar, 26th April, 1954. Transfer books remain closed from 17th to 26th April, 1954, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 26th April, 1954. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 26th April, 1954. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 26th April, 1954. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

SWAN MILLS LTD. Annual General Meeting, Bombay, 27th April, 1954. Dividend: Rs. 20 per share, payable on and after 28th April, 1954. Transfer books remain closed from 3rd to 27th April, 1954, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 28th April, 1954. Dividend: Rs. 2 per share. Transfer books remain closed from 12th to 28th April, 1954, both days inclusive.

CHITTARANJAN COTTON MILLS LTD. Annual General Meeting, Calcutta, 28th April, 1954. Dividend: Re. 1 per share (10 per cent.), for the year 1952. Transfer books will remain closed from 20th to 28th April, 1954, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 28th April, 1954. Dividend: Rs. 16 per share payable on and after 29th April, 1954. Transfer books remain closed from 3rd to 28th April, 1954, both days inclusive.

JAYSHREE TEXTILES LTD. Annual General Meeting, Calcutta, 28th April, 1954. Transfer books remain closed from 15th to 28th April, 1954, both days inclusive.

BENGAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th April, 1954. Dividend: Rs. 15 per share (including a bonus of Rs. 5 per share). Transfer books remain closed from 15th to 29th April, 1954, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 29th April, 1954. Dividend: Re. 1-8 per share, free of tax.

KANKNARRAH CO., LTD., Half-yearly General Meeting, Calcutta, 30th April, 1954. Transfer books remain closed from 16th to 30th April, 1954, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1954. Transfer books remain closed from 16th to 30th April, 1954, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 3rd May, 1954. Dividend: Rs. 11 per share (including a bonus of Re. 1 per share), free of income-tax, payable on and after 10th May, 1954. Transfer books will remain closed from 19th April to 8th May, 1954, both days inclusive.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 3rd May, 1954. Dividend: Rs. 16 per share, payable from 4th May, 1954. Transfer books remain closed from 22nd March to 20th April, 1954, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 4th May, 1954. Dividend Re. 1-8 per share, payable from 5th May, 1954. Transfer books remain closed from 22nd March to 20th April, 1954, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Final dividend of Rs. 27-8 per ordinary share, (making Rs. 37-8 for the year 1953) payable on 17th May, 1954. Transfer books will remain closed from 28th April to 12th May, 1954, both days inclusive.

COMPANY REGISTRATIONS

MAHOMEDALLY TAJBHOY LTD. (First Director: Mr. Tajbhoy Allibhoy.) Business: Importers, Exporters and dealers in all kinds of Machinery. Authorised capital: Rs. 5,00,000. Private company. Address: 247, Ripon Road, Byculla, Bombay 8.

TULSIDAS KHIMJI INDUSTRIES LTD. Business: Ginning and Pressing of Kala, *Kapas*, Cotton, Wool, Silk, Hemp, Jute, Rags, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 46, Veer Nariman Road, Fort, Bombay.

MODERN INDIA CONSTRUCTION CO., LTD. (First Director: Mr. M. K. Saboo.) Business: Mechanical, Civil and Electrical Engineers. Authorised capital: Rs. 5,00,000. Address: 8 Royal Exchange Place, Calcutta.

SIRCAR COMPANY LTD. (First Director: Mr. P. K. Sircar.) Business: Brokers, Dealers, etc. in Jute, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 6 Clive Row, Calcutta.

QUESTION HOUR IN PARLIAMENT

Tea Councils

TEA Councils will shortly be set up in Canada, Eire and other important tea-consuming countries. A marked improvement has been noticed in the export of tea to the U.S. since the Tea Council started functioning there.

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Cottage Industries

The Government of India has under consideration a proposal to send a team of experts to Japan for a study of cottage industries and their development. Persons who will be useful in the promotion of cottage industry in this country will be included in it.

—*Commerce and Industry Minister*

Soviet Technical Aid

The offer of technical assistance under U.N. auspices made by the Soviet representative at the last E.C.A.F.E. session is under the consideration of the Government of India.

—*Finance Minister*

Gold Hauls

The total quantity of smuggled gold seized by the Customs authorities in India during 1953 was 31,247 tolas, valued at about Rs 25.41 lakhs, while, in the first two months of 1954, the quantity of gold seized was 27,290 tolas valued at Rs. 21.96 lakhs. In all, 634 persons were involved during the periods in question. Most of the gold was detected by the Customs authorities by traditional methods.

—*Deputy Finance Minister*

Foreign Firms

The Reserve Bank proposes to undertake a survey of foreign firms in respect of insurance and import trade. The Reserve Bank has already undertaken a survey in regard to freight and fare charges. As regards foreign trade handled by foreign firms, the survey has been completed and its findings have been published in the Annual Report of the Bank. The Government have no information regarding the amount paid as commission, brokerage and insurance to non-Indians in the foreign trade of the country, but, as the transportation and insurance business is largely in foreign hands and a major portion of the foreign trade is handled by non-Indian banks, considerable sums must be being paid to non-Indians on this account.

—*Parliamentary Secretary to Finance Minister*

Prices of Foodgrains

The prices of foodgrains this year are generally lower than those of last year. Food prices in most of the principal markets in the country have declined. The general trend is downward. At a few centres, however, as is natural in a large country like India, prices have either remained stationary or shown a slight increase, largely on account of local or seasonal factors.

—*Minister for Food and Agriculture*

Import of Sugar

The quantity of sugar imported during the sugar year 1953-54 will depend on carry-over stocks with factories, production during the current season and the estimated requirements during the same period.

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Release of Sugar for Sale

The Central Government has asked factories to release sugar for sale but, in case they failed to do so within two months of the order of release, the Government will requisition the stock.

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Cane Growers' Share in Sugar Industry's Profits

The U.P. Government has informed the Central Government that they intend to hold a tripartite conference shortly to evolve a formula, according to which excess profits made by sugar factories in U.P. can be shared by the cane-growers. The question of applying the formula, when finalised, to Bihar' factories, as also to set up a machinery to implement the formula, will be considered after a decision is taken in the matter.

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Orissa Rice for Kerala

Forty-four special trains carrying 1,000 tons of rice each have been running from Orissa to Travancore-Cochin at a rate of one train a day on an average. Orissa had declared a surplus of 154,000 tons of rice, most of which has been exported. It is expected that it will ultimately give 350,000 tons. Orissa has been urging the Government of India, since the Burma rice deal, to take more rice from Orissa. The movement of rice from Orissa will depend on the requirements of the deficit States from time to time. Rice from Orissa will also go to the Central Reserve as and when necessary.

—*Deputy Food Minister*

Shipbuilding

About 36 per cent. of the Five-year Plan target for shipbuilding has been achieved.

—*Parliamentary Secretary to Production Minister*

Ports Development

About Rs. 83.20 lakhs are being advanced to the maritime States for the development of minor ports. Of this, Orissa gets Rs. 4.05 lakhs, Madras and Andhra Rs. 10.39 lakhs, Travancore-Cochin Rs. 6.91 lakhs, Bombay Rs. 36.00 lakhs, Saurashtra Rs 12.50 lakhs and Kutch Rs. 13.35 lakhs.

—*Parliamentary Secretary to Transport Minister*

SETBACK IN RESULTS OF SHREE KRISHNA GYANODAY SUGAR

CAREW AND COMPANY WIPES OFF ARREARS OF PREFERENCE DIVIDEND

Shree Krishna Gyanoday Sugar Ltd.

THE directors of the above Company (Managing Agents: Messrs. Sahujain Ltd., Dalmianagar) submit the audited accounts of the Company for the year ended 31st July, 1953.

After providing Rs. 6,03,382 (Rs. 6,65,058) for depreciation the year's working shows a net profit of Rs. 8,65,149 (Rs. 16,72,299) to which is added the balance brought forward from last year of Rs. 4,188 (Rs. 27,889), making a total of Rs. 8,69,337 (Rs. 17,00,188). This amount the directors recommend to be appropriated as follows:—

Payment of dividend for the year ended 31st July, 1953 to the shareholders as on 23rd April, 1954; on 6,000 "A" class preference shares at Rs. 6 (Rs. 6) per share free of income-tax Rs. 36,000 (Rs. 36,000), on 12,000 "B" class preference shares at Rs. 5 (Rs. 5) per share free of income-tax Rs. 60,000 (Rs. 60,000), on 2,00,000 ordinary shares at Re. 1-8 (Re. 1-8) per share, i.e., 15 per cent. free of income-tax Rs. 3,00,000 (Rs 3,00,000), provision for taxation Rs. 3,70,000 (Rs. 7,00,000) and transfer to general reserve (raising it to Rs. 18,00,000) Rs. 1,00,000 (Rs. 6,00,000) leaving the balance of Rs. 3,337 (Rs. 4,188) be carried forward.

The working results of the two factories during the 1952-53 season were as under:—

	Cane crushed	*Sugar produced*	*Recovery* Per cent.
	Mds.	Mds.	
Hathwa ...	29,51,634	3,04,131	10.3
Lauriya ...	35,06,465	3,38,167	9.64

However, the current crushing season has been very short and the crush substantially lower. Both the factories have already closed with a total crush of 15,03,470 maunds at Hathwa and 17,41,073 maunds at Lauriya with a recovery of 9.74 per cent. and 9.75 per cent., respectively.

The conversion at Hathwa sugar plant into carbonation process was completed and it commenced operation during the season 1953-54 leading to improvement in the quality of the sugar. It is regretted that the construction of tramway line at Hathwa for transport of cane could not be completed due to several difficulties. Efforts are being made for laying down the line so that it could be available for use during the next crushing season.

The directors have decided to make the Lauriya sugar factory also a carbonation plant. It is hoped that the converted plant will go into operation during the next season.

Production of alcohol and spirits during the year under review was 7,82,984 bulk gallons, as compared to 7,52,572 bulk gallons in the previous year. Judging from the production during the first half of the current year ended January, 1954 at 4,17,634 bulk gallons, it is expected that the current year's output will further increase. Nevertheless, the cost of power alcohol manufacture continues to be high as compared to that of distilleries in U.P. on account of higher transport charges incurred for procuring molasses from sugar factories situated at long distances and molasses price in Bihar being fixed by Government at a level higher than the market rates prevailing in U.P. For this reason, the working results of the distillery have not been satisfactory. Repeated representations are being made to the Central and Bihar Governments for suitable steps so that the incidence of molasses cost on alcohol manufacture cost of the distilleries in Bihar be in parity with that of U.P. distilleries.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	38,00,000	Block ...	49,71,444
Debentures ...	15,00,000	Stock-in-trade	93,02,429
Reserves ...	20,68,560	Stores, etc. ...	15,68,346
Provision for taxation ...	17,42,282	Debts, deposits and advances ...	26,39,639
Liabilities ...	85,73,964	Investments	7,388
Profit and loss account ...	8,69,338	Cash ...	64,898
	Rs. 1,85,54,144		Rs. 1,85,54,144

Carew and Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gladstone Lyall & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1953.

The accounts show a working profit, after payment of forfeited dividends of Rs. 2,724 (*nil*) of Rs. 8,57,385 (Rs. 7,55,918). After deducting provision for taxation of Rs. 4,76,921 (Rs. 3,41,338) and adding the balance brought forward of Rs. 41,747 (debit of Rs. 5,15,886), there is an available balance of Rs. 4,22,210 (Rs. 1,93,747) which the directors propose to deal with as follows:—

Payment of arrears of preference dividend for the two years ended 30th June, 1951 and 30th June, 1952 Rs. 1,04,000 (arrears of preference dividend for the year ended 30th June, 1950, Rs. 52,000). Payment of preference dividend for the year ended 30th June, 1953 Rs. 52,000, and transfer to debenture redemption reserve fund Rs. 2,00,000 (*nil*) leaving to be carried forward Rs. 66,210 (Rs. 41,747).

The directors report that all the three distilleries worked at a profit, but in the case of Asansol the profit was considerably reduced owing to a shortage of molasses and wagons to move spirits. In the case of Rosa the profit was down owing to the Government allotting fewer warehouses to the distillery.

Due to restrictions in the issuing of import licences for essential raw materials the sales of the Company's pharmaceutical works at Darsana were considerably below expectations.

The Company's Rosa factory achieved an increased recovery from 8.91 per cent. to 9.71 per cent. following upon the improvements made, which fully justified the expenditure. Unfortunately, due to adverse climatic conditions the crush was reduced from 23,52,647 maunds to 18,39,271 maunds which resulted in the factory working at a small loss. For the current season there has been even less cane available because of the divergence of a large quantity of cane to *gur* and *khandsari* manufacture due to the cultivators being able to obtain a higher price for the cane, than that fixed by the Government for supplies to sugar factories. The cane was, however, of good quality.

As was anticipated the crush at the Darsana factory showed an increase over the previous year of around 4½ lakh maunds. This was due to favourable climatic conditions and to the allotment of additional zones but as these zones were acquired late in the season there was a reduction in the overall recovery figure compared with the previous year. Unfortunately, owing to adverse climatic conditions last autumn, the crush for the current season has been smaller.

The position regarding the application to the State Bank of Pakistan for remittance of profits made by the Darsana branch has advanced somewhat and the further information called for has been supplied.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	45,57,588
Debentures ...	23,50,000	Stocks ...	75,42,804
Reserves ...	25,28,936	Stores ...	37,12,821
Provision for taxation ...	10,93,168	Other assets	69,297
Liabilities ...	98,68,307	Debts, deposits and advances ...	34,74,731
Profit and loss account ...	66,210	Investments	11,018
		Cash ...	5,38,362
	Rs. 1,99,06,621		Rs. 1,99,06,621

Trichinopoly Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Mooljee Ramjee and Sons, Ramjeenagar) submit the audited accounts of the Company for the year ended 31st December, 1953.

The net profit for the year after providing for all expenses including payment of Rs. 98,703 (*nil*) made during May 1953 as awarded by the Industrial Tribunal as bonus for the years 1950 and 1951 and writing off Rs. 55,537 (Rs. 56,747) as depreciation on fixed assets, is Rs. 2,071 (Rs. 71,470). Adding the balance of last year's profit, a sum of Rs. 11,914 (Rs. 1,32,497) stands to the credit of the profit and loss account. The directors, however, recommend that a sum of Rs. 90,000 (*nil*) be drawn from the dividend equalisation fund and propose that the amount thus available, viz., Rs. 1,01,914 (Rs. 1,32,497) be disposed of as follows:—

To declare a tax-free dividend of 7 (7) per cent. Rs. 97,904 (Rs. 85,654) and to carry forward the balance of Rs. 4,009 (Rs. 9,843) to next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,98,660	Block ...	3,21,730
Reserves ...	8,68,332	Stock-in-trade	11,51,702
Provision for taxation ...	75,461	Stores, etc. ...	1,55,816
Liabilities ...	1,15,766	Debts, deposits and advances ...	4,74,532
Profit and loss account ...	11,913	Investments	2,450
		Cash ...	3,63,902
	Rs. 24,70,132		Rs. 24,70,132

Dhanalakshmi Mills, Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. M. Nanjappa Chettiar and Sons, Tirupur) submitted the audited accounts of the Company for the year ended 31st December, 1953.

After deducting all working expenses and interest and providing Rs. 4,75,201 (Rs. 3,88,381) for depreciation, the year's working has resulted in a net profit of Rs. 11,34,166 (Rs. 4,57,569). With the sum of Rs. 20,746 (Rs. 54,627) carried forward from last year there was a balance of Rs. 11,54,912 (Rs. 5,12,196) to the credit of the profit and loss account. From this sum the directors have expended Rs. 2,500 (*nil*) on mahimai and donation and have provided Rs. 1,60,000 (*nil*) for compensation for involuntary unemployment and Rs. 1,36,000 for bonus to employees. The balance of Rs. 8,56,412 (Rs. 5,12,196) was appropriated as follows:—

Provision for taxes Rs. 3,60,000 (Rs. 2,00,000), payment of a tax-free dividend of 20 (10) per cent. to shareholders Rs. 4,86,960 (Rs. 2,43,480) and carried forward to next year Rs. 9,452 (Rs. 20,746).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,34,800	Block ...	12,22,958
Reserves ...	24,06,342	Stock-in-trade	26,48,775
Provision for taxation ...	4,13,669	Stores ...	2,59,190
Liabilities ...	3,13,817	Debts, deposits and advances ...	11,06,298
Profit and loss account ...	8,56,412	Investments	3,85,555
		Cash ...	6,02,064
	Rs. 64,25,040		Rs. 64,25,040

Shree Sitaram Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Karamchand Thapar and Bros., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st August, 1953.

The total crush during the year was 27,41,912 maunds of cane with a recovery of 10.51 per cent. as compared to 22,78,642 maunds of the previous season. Substantial economies in stores and fuel consumption were also achieved and there has been a marked improvement in the recovery percentage and quality of sugar produced.

According to the previous record of consumption in the country there was expected to be a surplus of sugar during 1953; however to the great surprise of the trade and the Government the internal consumption considerably increased so much so, that by the middle of the year 1953, the shortage of sugar was evisaged in the country and the Government of India started imports to meet the consumption.

Crushing season 1953-54: The cane crop of 1953-54 in Eastern U.P. was severely damaged by drought during the germination period. Heavy floods in monsoon season severely damaged the cane crop in Eastern U.P. and North Bihar. The mills in these areas had as such a very short crush in the current season, the figure of the Mill being 12,90,106 maunds of cane and an average recovery of 10.01 per cent.

With the installation of new machinaries as mentioned in last report, the working in 1953-54 was very smooth and the daily crushing rate reached upto 29,000 maunds in 24 hours.

During the year, the Company made a gross profit of Rs. 9,74,758 (Rs. 7,46,440). After providing for debentures and other interests, depreciation and managing agents' remuneration by way of profit commission etc., there was a net profit of Rs. 6,27,592 (Rs. 5,18,636), out of which Rs. 2,90,000 (Rs. 2,40,000) has been set aside for income-tax leaving a balance of Rs. 4,25,909 (Rs. 3,42,768) in the profit and loss account including Rs. 88,318 (Rs. 64,141) brought forward from the previous year, which the directors distributed as follows:—

Payment of a dividend on ordinary shares for the year ended 31st August, 1953 at Re. 1 (Re. 1) per share Rs. 79,450 (Rs. 79,450), a bonus for the year ended 31st August, 1953 at Re. 1 (nil) per share Rs. 79,450 (nil), transfer to reserve fund Rs. 1,25,000 (*nil*), transfer to dividend equalisation fund Rs. 50,000 (Rs. 75,000) and carried forward Rs. 92,009 (Rs. 88,318).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,95,462	Block ...	13,63,803
Debentures ...	5,00,000	Stock-in-trade	28,28,051
Reserves ...	14,57,940	Stores ...	3,95,100
Provision for taxation ...	11,95,767	Work-in-progress ...	81,067
Liabilities ...	30,41,424	Other assets	2,954
Profit and loss account ...	4,25,909	Debts, deposits and advances ...	12,81,499
		Investments	8,13,950
		Cash ...	6,50,078
	Rs. 74,16,502		Rs. 74,16,502

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

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coal. Many consumers like the Calcutta jute mills and the Calcutta Electric Supply Corporation are already using slack coal instead of steam coal for steam-raising purposes. I do not see why others cannot do the same with some alterations in their boilers. The next step I suggest for giving relief to the collieries in the Bengal and Bihar fields is the abandonment of the so-called scheme of rationalisation of movement. This has not resulted so far in any increased availability of transport; on the contrary, this has considerably handicapped collieries of these two fields."

It may be noted, in passing, that the Association adopted, at its meeting, a few resolutions which are of some importance. The most important of them was that the Government should restore the recent cut in the price of grade II coal. Among others, the Association urged that the Government should help increase the daily average loadings of coal by providing more wagons and removal of terminal and transhipment bottlenecks. Permission for the erection of sidings of all categories should be granted as soon as they are applied for by the collieries. Special attention should be given for the transport of brick-burning coal and soft coke. The Government collieries should be directed not to enter into unequal competition with market

SALE OF TREASURY BILLS SUSPENDED

(From Our Own Correspondent)

BOMBAY, 13*th April*

The week under review was notable for two outstanding developments in the money market. One was the announcement of a new 10-year 3½ per cent. loan by the Government of India. The other was the suspension of the sale of Treasury Bills, evidently as a sequel to the former. It may be noted here that the sale of these short-term bills was resumed on 9th September, 1952, after a long break of three years, and was continued right through 1953 till now, except for a short interval in December, 1953.

The signs of a slight fall in the pressure for demand for funds which were visible in the short-term money market during the past several weeks persisted during the week under review also. This relaxation was more the result of an abatement of fresh demand for funds than that of any noteworthy expansion in the volume of floating funds. Supplies were still scanty, but banks were able to get their requirements without much difficulty. Inter-bank call money among all sections of banks was unchanged at 3 per cent. though, after clearing hours, call money was available at 2½ per cent. among the larger banks. House money at call was placed at 3 per cent. Short-term deposits were bid at 3 per cent. for one to three months and at 2½ per cent. for four to six months.

The slight decline in the demand for money is reflected in the better response to the Government of India Treasury Bills this week. The amount offered, against an invitation for the usual sum of Rs. 100 lakhs, was Rs. 192.75 lakhs which is the largest sum tendered since 17th November, 1953. The average rate of accepted tenders, however, stood unchanged at Rs. 2-10-9 per cent. per annum. No tenders for Treasury Bills have been invited for next week, presumably because of the new National Plan Loan announced by the Government of India this week. Apparently, the Government does not want to dry up the amount available for investment in the new loan by continuing the sale of Treasury Bills on which the yield has been quite attractive.

A sharp rise of Rs. 11.23 crores in demand deposits and a contraction of Rs. 2.06 crores in time deposits are disclosed by the consolidated statement of position of Scheduled banks for the week ended 2nd April, 1954. Inter-bank borrowings also show an increase of Rs. 1.29 crores. Borrowings from the Reserve Bank of India have been reduced by Rs. 8.63 crores, while those from the Imperial Bank have risen by Rs. 1.94 crores. An increase of Rs. 2.38 crores is noted in advances and of Rs. 4.92 crores in bills purchased and discounted. Total cash balances, including balances with other banks in current account and money at call and short notice, have risen by Rs. 11.60 crores.

The notable event of the week was the announcement by the Government of India of the issue of a 10-year loan for national development purposes. The loan is known as the National Plan Loan, 1964. It will carry interest at the rate of 3½ per cent. and the issue price will be Rs. 98-8 per cent. The loan is redeemable at par on 19th April, 1964. Subscriptions will be received from the 19th inst. until further notice. A feature of this new issue is that its size has not been fixed in advance. The issue will be kept on tap. As interest accrues from 19th April, 1954, recovery on account of net interest will be made at the rate of nine pies for every Rs. 100 from 26th April to 1st May, 1954, thereafter increasing by nine pies per week.

The Gilt-edged market continued to present a steady front during the major part of the week under review, though a slight selling pressure was noted in some of the loans towards the close following the announcement of the new loan. Early in the week there was a change in the Reserve Bank's open market operations. Thus, the sale of 3 per cent. 1966-68 and 3 per cent. 1970-75 last week which had been suspended in the previous week, was resumed in the beginning of the week under review on the 8th inst. to be precise. There was no increase in the Bank's selling price of 3 per cent. 1966-68, but the price of 3 per cent. 1970-75 was put up by As. 2 to Rs. 87. The volume of business done was small, 3 per cent. 1957 had buyers an anna lower at Rs. 98-7. 3 per cent. 1958 was wanted at Rs. 98-4. 3 per cent. 1959-61 was unchanged at Rs. 96-9. 3 per cent. 1963-65 had sellers at an anna better at Rs. 93-1, as also 3 per cent. 1964 at Rs. 93-1. 3 per cent. 1966-68 had business at Rs. 90-7. 3 per cent. 1970-75 improved by an anna to Rs. 87. 3 per cent. 1986 Conversion Loan was on offer and declined to Rs 83. Some business was reported done today at Rs. 82-14 also. 3½ per cent. N.P. Bond was maintained at Rs. 99-5, though there were buyers at Rs. 99-4½ only.

The rupee-dollar exchange rate was unchanged during the week under review at Rs. 475¼ (banks' selling) and at Rs. 471¾ (banks' buying). In the New York market, spot sterling held its ground at $2.81¾-2.81¾. Forward sterling (3 months) which stood unchanged at $2.81-5/16-2.81-7/16 during the major part of the week, shaded off to $2.81¼-2.81¼ yesterday. Transferable sterling dropped to $2.78¾-2.79, after gaining strength from $2.79-2.79¼ to $2.79¼-2.79¾.

TEA PRICES RISE

(From Our Own Correspondent)

CALCUTTA, 12*th April*

Following an increase in demand, steady conditions were witnessed in the internal tea sales last week, when dusts offered comprised 20,300 packages. There was a general price increase by half an anna to one anna. The most favoured types were C.T.C. Assams and black leafy teas suitable

(Continued in next column)

BULLION TOUCHES NEW HIGH

(From Our Own Correspondent)

BOMBAY, 13*th April*

Conditions akin to boom prevailed on the Bullion Exchange during the week under review. Under a spell of speculative buying and nervous short-covering, both as a result of good demand for ready, bullion prices touched new high levels, after a period of nearly two years. Forward silver touched a peak of Rs. 173-12, the highest since 3rd March, 1952. Similarly, forward gold jumped up to a high of Rs. 95-1, a level not seen since that date. As usual, the higher levels, however, attracted some profit-taking, which was very heavy in the case of silver. Consequently, the earlier gain in silver was entirely wiped out and the week's closing was a shade below last week's closing. The selling pressure in gold was, however, counteracted by the good offtake in the ready section (which commanded a premium of Re. 1 over the forward) and on balance finished nearly Rs. 2 higher.

The sharp upward trend is attributed to shortage of floating stocks, encouraging offtake of ready metal, the withdrawal of the Finance Minister's resignation which was interpreted to mean that the ban on import of gold would continue, fear of a strong inflationary spiral in future, induced by the sharp rise of Rs. 21 crores in notes in circulation disclosed by the Reserve Bank's statement last week, and inspiring upcountry advices. The enforcement of margin against bulls in silver on Thursday and in gold on Friday last did not check the upward thrust. The unabated rise was ultimately reversed on Monday following heavy selling pressure due to apprehensions that section 33C of the Bye-laws of the Bombay Bullion Association had been interpreted in favour of bears in respect of relief from payment of margin. This, coupled with weaker advices from upcountry centres, depressed the sentiment.

The sharp advance in gold caused a deadlock in trading among jobbers who suspended business on Saturday and Monday. They, however, resumed their activity today, but business was restricted.

Silver for forward delivery (20th April settlement) opened at Rs. 170-13 and as it closed on Thursday above Rs. 171-2, the rate at which automatic margin would be operative, bulls were obliged to pay a margin at the rate of Rs. 500 per bar on their outstanding purchases. However, the market continued its upward trend and touched a high of Rs. 173-13 on Saturday. The heavy unloading which ensued during the last two days brought it down to Rs. 170-9 at the close. Business in May settlement commenced on Saturday at Rs. 173-11 and, after touching Rs. 174-4, closed lower at Rs. 171-1.

Ready silver (.996 Mint) began at Rs. 171-1 and, after touching a peak of Rs. 174-9, reacted to Rs. 171-5 at the close. The premium of ready over forward which stood at As. 4 early in the week widened to As. 12 at the close, reflecting the shortage of floating stocks and good offtake. The floating stocks are estimated at 1,700 bars. The daily average offtake was 35 bars.

Forward gold (19th April settlement) opened the week at Rs. 91-13 and forged ahead to Rs. 94-9 on Friday. As the closing rate on that day was above the rate at which margin would be operative bulls had to pay a margin of Rs. 7 per tola. The statistical position having continued to be favourable for a bullish trend, forward gold was ragged up further to Rs. 95-1 on Saturday, at which level a reaction set in. There was a significant drop to Rs. 93-9 on Monday this week due to heavy arrivals on that day. The arrivals having slowed down and offtake having improved today, there was a recovery to Rs. 94-2 before closing lower at Rs. 93-15 due to weakness of silver. Business in May settlement commenced yesterday at Rs. 93-14 and closed for the week at Rs. 93-2.

Opening at Rs. 92-10, ready gold advanced to Rs. 96-4 yesterday, but closed at Rs. 94-10. The premium of ready over forward widened from As. 12 to Re. 1-10 yesterday, before it narrowed down to Re. 1 today. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were about 5,000 tolas. The daily average offtake was also 5,000 tolas.

In the London market, silver remained unchanged at 73¾d. per fine ounce for ready and at 73¼d. for forward. Gold, however, continued its last week upward trend and touched £12 8s. 10½d. on the 8th inst., but reacted to £12 8s. 8d. yesterday.

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

	12-4-54	Highest	Lowest	7-4-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	94 10	96 4	92 9	92 7
Forward	93 10	95 1	91 12	91 11
Sovereign	90 4	90 8	89 8	89 8
SILVER				
Ready (.996 fine Mint) ..	171 5	174 9	171 0	170 15
Forward	170 9	173 13	170 8	170 11
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73¼d.
London Gold	248s.8d.	248s.10½d.	248s.7¾d.	248s.7¾d.
New York Ready	85¼c.	—	—	85¼c.

(Concluded from previous column)

for export, prices of both advancing by an anna. Among Darjeelings, those with flavour were in good demand. The rates were: Best C.T.C., Assam Rs. 2-4-6 to Rs. 2-5, medium Assam grainy dusts Rs. 2-2-6, and medium Dooars Rs. 2-1-6. Offerings of leaf aggregated 1,350 chests which were mostly of residue grades. Demand was strong and prices were very steady.

FORWARD COTTON IRREGULAR

(From Our Own Correspondent)

BOMBAY, 13*th April*

In spite of the spurt in cotton futures last week-end, the opening of the week has once again demonstrated a lack of confidence amongst bull operators. While a limited number of longs with resources might combine to take deliveries of cotton tendered in the May contract, the rank and file of the operators are in no mood or position to do so and, as the period of maturity of contract draws near, liquidation by these at every small rise seems to be a regular feature. Even for those with resources, conditions for taking delivery are nor very favourable. The premia quoted for tenderable cotton of various styles in the spot market is so high today that it not only requires a larger amount of investment to be locked up, but there are doubts as to whether mill demand for this high-priced cotton can continue at the present level.

Still it must be admitted that the long-range trend in Indian cotton must remain bullish in view of the supply position. This view was also supported by Mr. Neville N. Wadia, the retiring Chairman of the Bombay Millowners' Association, at the annual general meeting of the body. Mr. Wadia also pointed out that the carry-over at the end of this season would be small. Forward markets, however, are often ruled by the necessities of the prevailing situation at any given time and, unless a very strong organisation is formed amongst buyers with plenty of resources to weigh over cotton next month, the position of the May contract is likely to remain vulnerable.

But it is surprising that there is no buoyancy in the August contract as well. The premium of August over May still lingers at the same level of Rs. 14. The technical considerations which rule over the May contract do not operate in the case of August. Demand for cloth within the country continues to be brisk and is expected to grow in volume, unless the millowners make the mistake they have committed several times in the past of raising rates inordinately. The export outlook, though restrained, is still helpful judging by the performance during the first quarter of this year. Stocks with mills are not so large as to keep them off the market for any length of time. In view of all this, it is not improbable that, once this aspect is realised by operators, there might be a sudden jump both in the price of August contract and in the premium of August over May. Even now, the tendency of operators is towards straddle trading by selling May and buying August. Once this tendency gets accentuated, the price difference between the two Contracts is likely to be more marked.

The falling off of demand in the spot market during the week under review is also somewhat intriguing. As stated above, conditions in the cloth market are very encouraging. This should induce the mills to buy more cotton. One of the reasons for this neglect of indigenous cotton is the diversion of the mills' attention to imported cotton, as the present tendency seems to be to produce yarn of higher counts. The weakness in the forward market is also responsible, to a certain extent, for the reluctance on the part of the mills to buy Indian cotton at present. Another powerful factor which contributed to the temporary reduction in the volume of trade in the spot market is the uncertainty about the sales tax. Till this point is cleared as a result of the discussions which are taking place between the spot cotton trade and the authorities, the turnover at Sewri is bound to remain on the low side.

With regard to exports, nothing has materialised so far about the expectations entertained amongst shippers for a further release of 50,000 bales of Bengal *deshi*. These hopes are, however, still running high, in view of the factual position regarding supplies of Bengal *deshi* in the country. Even if a further quota is forthcoming, it seems that a substantial part of it will go towards the fulfilment of existing commitments, which were in excess of the actual quantity released previously, and cotton available for new transactions will be of a limited nature. Cotton prices in the world market are believed to have reached their peak points for the season and, considering the tendency at New York, the prices might show some recession in the future. It is, therefore, necessary that, if any quantity of Bengals is to be released, the Government should announce this at an early date.

With regard to imports, there seems to be a slight lull, so far as cotton from sources other than the U.S. is concerned. Even the quantity of U.S. cotton, according to the import licences issued till the end of March, is moderate at 71,113 bales. These, however, do not include the outstanding licences of the past year and extended further. The largest share of 245,112 bales out of the total quantity of 463,668 bales of imports, for which licences have been issued, is claimed by Egyptian cotton, with East Africans standing next and accounting for 137-913. Sudans so far have aggregated only 8,598 bales, while imports from all other sources such as Peru and Mexico, etc., have not reached even the 1,000 bales limit.

The futures market moved irregularly during the week under review with alternate bouts of profit-taking and short-covering. Over the week, the prices were a shade lower. I.C.C. May opened the week easy at Rs. 671-8, as against Rs. 673-8 last week. After receding to Rs. 664 on the 9th inst., it recovered to Rs. 673-8 yesterday. The contract again slided down to Rs. 666-8. Lower levels evoked short-covering and the contract improved to Rs. 674 today, although the closing rate was slightly lower at Rs. 671-8. I.C.C. August declined from Rs. 687-4 to Rs. 679 on Friday. After recovering to Rs. 688 yesterday, it receded to Rs. 684-8 today. Towards the close, however, it was higher at Rs. 685.

The following is the trend of prices in the forward section during the week under review:

		Closing 7-3-54	*High*	*Low*	*Closing* 13-3-54
I.C.C. May	Rs.	673¾	674½	664	671½
I.C.C. Aug.	Rs.	688½	688	679	685

Latest available quotations from the spot market are: Bengal *deshi* Rs. 620; Berar Jarillas Rs. 790; Khandesh Rs. 865; Vijay Rs. 895; Oomra *deshi* Rs. 740; Moglai Rs. 710.

An important event in the cotton world will be the opening of the forward market at Liverpool early next month. The Bill allowing private trading in cotton and termination of fresh purchases by the R.C.C. has been passed in Parliament. The Uganda Marketing Board will hold another auction today and offer 137,200 bales of the current crop. In spite of hurried sales at Khartoum, the prices realised are handsome and the fears entertained in Alexandria on this score have proved groundless.

While there has been no development of note at Karachi, there has been some recession in prices, as can be seen from the latest available quotations given below:

Sind *deshi* Rs. 78; Punjab *deshi* Rs. 77; 4F Punjab R.G. Rs. 78; S.G. Rs. 83-8; L.S.S Punjab R.G. Rs. 80-8; S.G. Rs. 84-8; N.T.R.G. Rs. 81; S.G. Rs. 85-8; 289F Punjab R.G. Rs. 84; S.G. Rs. 89.

At Alexandria, the tempo of trading continues to be low, as can be expected, in view of the limited supplies left there. France and Italy have shown some interest, while India seems to have secured all the cotton it needs from this source for the time being. There is some move at Alexandria to persuade the Government to allow forward trading in cotton. But it is doubtful whether the authorities would consider this request favourably in the present political uncertainty prevailing in the country.

At New York, prices have been gradually declining with some irregular fluctuations during the week. The tendency to liquidate current holdings and to go long in the new crop deliveries was also not very much in evidence this week. And there is a note of caution in the day-to-day trading. It is, however, worthwhile repeating that, in view of the increasing political tension, which might result in another Korea being created in Indo-China, this is a suitable time for Indian mills to secure their supplies of U.S. cotton.

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

(In cents per lb.)

	12-4-54	6-4-54	30-3-54
Spot	35.00	35.10	35.20
May	34.05	34.24	34.26
July	34.22	34.41	34.51
October	33.76	34.03	34.09
December	33.74	34.02	34.04

ART SILK YARN DRIFTS LOWER

(From Our Own Correspondent)

BOMBAY, 13*th April*

Greatly restricted turnover and narrow price movement were the features of trading in the art silk yarn market during the week under review. This was the result of confusion among dealers *inter se* and among dealers and consumers, following the complicated two-point sales tax system introduced with effect from the 1st inst. There was also the uncertainty regarding the excise duty on art silk fabrics. While one section of traders felt that the excise duty would be completely abolished, another section was very doubtful about the abolition of the duty. In the context of conflicting reports about the likelihood of the Government's decision thus, traders exercised utmost caution in their dealings. The general trend of art silk yarn during the week, however, was downwards, thanks to lack of buying support. Two bearish factors were responsible for such a state of affairs. First, there was the report of a bulk purchase agreement, signed by the Silk and Art Silk Mills Association, Bombay, with an Italian manufacturer, covering Rs. 1.86 crores worth of art silk yarn. Secondly, the Government of India removed acetate, bomberg and other non-viscose yarn of 120 and 150 deniers from the scope of the present restrictions (for January-June, 1954), under which licence-holders are not permitted to utilise more than 5 per cent. of the face value of their licences for the import of 120 deniers and 150 deniers of art silk yarn in bright finishes.

In the forward section, 150D April contract receded from Rs. 779 to Rs. 774 per case of 200 lbs. May contract dropped Rs. 5 to Rs. 779. Prices of art silk yarn in the spot section also tended to decline. 150 Japan fell by As. 2 to Rs. 4-11 per lb. 120 Italy, after improving by As. 3 to Rs. 4-6 yesterday, declined to Rs. 4-3-6. 150 Italy was half-an-anna lower at Rs. 3-14-6, although it had gone up to Rs. 4-1 yesterday. 120 Japan, however, was steady at Rs. 4-13.

Arrivals of art silk yarn into the market would appear to have declined in the past two weeks. An indication of this is provided by the reduction in imports. The quantity of yarn actually imported into Bombay Port during the month of March was a little over 1.82 million lbs., as against 2.10 million lbs. in the previous month and 2.68 million lbs. two months before.

Under the reported bulk purchase agreement between the Silk and Art Silk Mills Association, Bombay, and the Italian firm, the latter has agreed to supply are silk yarn at 40d. per lb., as against the average rate of 43d. at which it had sold Rs. 1 crore worth of yarn last year. This purchase covers a part of the import quota held by the Association for the licensing period January-June, 1954. The aggregate value of the quota—this is made up by pooling the quotas of individual members—is estimated at Rs. 1.86 crores.

In contrast to the trend in art silk yarn market, the staple fibre yarn section presented a steady trend this week. The steadiness was induced by good buying enquiries. Consequently, prices registered improvement. Staple fibre yarn (40×2) April contract advanced by Rs. 6 to Rs. 685 before closing at Rs. 683 per case of 200 lbs. May contract spurted from Rs. 685 to Rs. 690, but finished lower at Rs. 687. In the spot section, 40×2 Sitaram gathered an anna to Rs. 3-8 per lb. Raghuvamshi was transacted at Rs. 3-6, as against Rs. 3-5-3. New Great, Hirji and Sri Ram gained half-an-anna each to Rs. 3-8-9, Rs. 3-6 and Rs. 3-7-6, respectively. Foreign yarns, however, suffered loss in values. Suico, Shinco and Fuji were all lower by half-an-anna at Rs. 4-1-6, Rs. 4-1 and Rs. 4, respectively.

The cotton yarn market remained steady. Under the impetus of good offtake by consuming centres, values tended to look-up. Among 10s, Modern rose by As. 2 to Rs. 13-6 per bundle of 10 lbs. Colaba gained an anna to Rs. 13-5. Among 20s, Madura was better by As. 2 at Rs. 19-4 and Seksaria was higher by an anna at Rs. 16-11. Among 40s, Meenakshi advanced by As. 4 to Rs. 27-12. Among 60s, Sri Ram was fully steady at Rs. 57-4, Raghuvamshi at Rs. 44-12 and Finlay at Rs. 59. Among 80s, Finlay at Rs. 66 and Elphinstone at Rs. 60-8 remained practically unchanged over the week.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those in the previous week:—

	12-4-1954	7-4-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 April (per case of 200 lbs.)	774 0	779 0
150 May	779 0	784 0
120 Japan (per lb.)	4 13	4 13
150 Japan (per lb.)	4 11	4 13
120 Italy (per lb.)	4 3½	4 3
150 Italy (per lb.)	3 14½	3 15
Staple fibre yarn—		
40×2 April (per case of 200 lbs.) ..	683 0	679 0
40×2 May	687 0	—
Suico (per lb.)	4 1½	4 2
New Great (per lb.)	3 8½	3 8½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 4
20s Madura	19 4	19 2
30s Madura	25 0	25 0
40s Meenakshi	27 12	27 8
60s Finlay	59 0	59 0
80s Sri Ram	62 0	62 8
90s Khatau	57 8	57 8

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 13*th April*

A distinctly firm trend was visible in the local oilseeds market this week. The firmness was pronounced in the groundnut section, on good support by *vanaspati* interests and crushers. Encouraging advices from North Indian markets for rapeseed were mainly responsible for this buying support. The linseed section also ruled firm partly in sympathy with groundnuts and partly as a result of some demand from the Punjab and U.P. interests. The castorseeds section advanced on speculative support. There was scattered demand from the Continent for castor oil. The *niger* and *kardi* sections proved no exception to the generally upward trend in the market. Prices in almost all sections of the market recorded substantial gains.

The National Chamber of Industries and Commerce, U.P., Agra, has urged the Forward Markets Commission to take immediate steps to stop speculation in oil and oilseeds in the country. Drawing the attention of the Commission to increasing speculative activity in Delhi, Bharatpur, Aligarh and other seed markets in the country, it has pointed out that such activity is detrimental to the economic stability of the oil industry.

The easy conditions witnessed in groundnuts last week gave way to a firm trend. Bold F.A.Q. shot up from Rs. 34-10 to Rs. 35-12. April-May and June-July were higher by As. 14 and As. 13 at Rs. 35-4 and Rs. 35-10, respectively. Khandesh quality moved up by As. 10 to Rs. 36-14. Groundnut oil ready gathered As. 8 to Rs. 18-6. May and June deliveries changed hands higher at Rs. 18-9 and Rs. 18-11, as against Rs. 18 and Rs. 18-3, respectively.

Shorts in the linseed section tended to cover their commitments. Bold ready advanced from Rs. 25-4 to Rs. 26. April-May and June-July deliveries improved from Rs. 24-9 and Rs. 24-12 to Rs. 25-15 and Rs. 26-4, respectively. Linseed oil ready was higher by As. 10 at Rs. 15. Linseed oil (April-May) was quoted in the Continent at £104 c.i.f.

In the castorseeds section, May delivery, which opened at Rs. 110-4 as against Rs. 110-2, fluctuated between Rs. 112-4 and Rs. 110, before closing at Rs. 111-2. September delivery, which changed hands early in the week at Rs. 117-6 as against Rs. 117-4 last week, moved between Rs. 119-2 and Rs. 117-4, before closing the week at Rs. 118-2. Madras quality improved by As. 7 to Rs. 23-4. Commercial Oil was generally steady at Rs. 11-2 and I Pressure at Rs. 12-4. Oil B.S.S, gained As. 4 to Rs. 13. On the Continent B.S.S. (April) was quoted at £120 c. & f., as against Rs. 119 c. & f. a week ago, I Pressure at £119 c. & f. as against £118 c. & f. and Commercial at £113 c. & f. as against £112 c. & f.

Among other oilseeds, *kardi* Bold improved by As. 6 to Rs. 18-8 and niger Madras by As. 4 to Rs. 29-8. Niger seed (pure) March-April delivery ruled steady at £54 c.i.f. on the Continent.

The following table shows the prices of oilseeds and oil on the 13th inst., as compared with those at the end of the previous two weeks:

	13-4-54	7-4-54	31-3-54
	Rs a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 14	36 4	37 0
April-May	35 4	34 6	35 0
June-July	35 10	34 13	35 9
Linseed—			
Bold Ready (per cwt.) ..	26 0	25 4	25 8
April-May	25 15	24 9	24 10
June-July	26 4	24 12	25 2
Castorseeds—			
May 1954 (per candy)	111 2	110 2	109 14
September 1954	118 2	117 4	—
Madras (per cwt.)	23 4	22 13	22 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	17 14	18 0
Castor Oil—			
Commercial (per quarter) ..	11 12	11 12	11 10

SUGAR PRICES FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 13*th April*

Hectic buying, induced by the reimposition of the ban on forward sales of sugar by mills, announced by the Central Government on Saturday last, characterised the trading in the Bombay sugar market during the week under review. The Government's directive that sales of sugar should be effected only against specific release orders and the possibility of the Centre asking the mills to make sales only to parties nominated by it was interpreted by traders as a definite indication of the imposition of some form of effective control on sugar distribution. This, together with the renewed expectation of an appreciably lower output in the current season, let loose a wave of buying pressure and prices of sugar forged ahead to touch the highest levels for the past several weeks. The prices of sugar quoted by mills have gone up considerably, the ex-mill rates for ordinary grain sugar being as much as Rs. 36 per maund in the Deccan and Rs. 34-8 in the U.P.

In the spot section, large grain sugar firmed up from Rs. 100-102 to Rs. 105-110 per bag, including the first stage sales tax of half-an-anna in the rupee. Small grain moved up by Rs. 6 to Rs. 101. Medium grain advanced from Rs. 97-98 to Rs. 103. Among foreign sugars, British refined was specially favoured and commanded as high a price as Rs. 99 per bag of 2 cwts., as against Rs. 93-8 last week, both the rates inclusive of sales tax at the first stage. Cuban sugar spurted by Rs. 3 to Rs. 43-8 per 100 lbs. Mexican rose by Rs. 2-8 to Rs. 46-12 per 1104 lbs. Czechoslovakian sugar was firm at Rs. 100-102 per bag of 2 cwts. All these rates too are inclusive of sales tax at the first stage.

In the forward market also, prices registered a handsome improvement. *Chaitra* delivery picked up Rs. 2-8 to Rs. 92-4 per bag. Business in *Vaikash* delivery commenced at Rs. 87. After hardening to Rs. 91, the contract receded to Rs. 90 today.

Arrivals of sugar into the Bombay market this week were smaller than those in the previous two weeks, the quantity actually received being 3,000 bags, as against 5,700 bags last week and 4,200 bags two weeks before.

The contemplated move of the Central Government to issue directives to sugar mills to sell sugar to its own nominees has, as already stated, led the traders to feel that sugar control is in the offing. Some, however, do not agree with this view. For, in their opinion, the move refers only to the 25 per cent. stocks held as Government reserve which will be sold at Rs. 27 per maund. It is, therefore, believed that the control as anticipated by the trade generally will not at all come, although it is quite probable that some stringent measures may be taken to meet the unprecedented buying wave in sugar. Some are also inclined to feel that a further portion of the stocks of millers may be frozen, or a further release of sugar for free sale may be announced to meet the present emergency.

LESS GENERAL DEMAND FOR TEAS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 10*th April*

The offerings in sale No. 7, which was held on Tuesday, 6th April, amounted to approximately 7,45,000 lbs. Quality was maintained, but there was less general demand. Prices for low and low medium teas remained steady, but medium teas declined As. 2 to As. 3. There were some fine high-grown teas with very good quality and flavour on offer, but these were seldom competed for and were the weakest feature of the sale, often being to be well supported and remained steady. The following are the quotations:—

	1954	1953
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	2 10 0	1 13 0
Medium Travancore B.O.P. ...	2 11 0	2 2 0
		to 2 3 0
Anamallais B.O.P.	2 14 0	2 5 6
Best liquoring Nilgiri B.O.P.	4 0 0	3 13 0
Well made black leaf O.P. ...	2 11 0	2 4 6

London Market—Sale of 5th April—Market unchanged.

Sale of 7th April.—Market irregular, easier top and bottom.

Colombo Market.—Strong general demand. Low-growns steady. Others lower following quality.

Calcutta Market—Export.—No sale this week.

Dust.—Good general demand. Market irregularly half anna dearer. Black exportable types and C.T.C. dusts strongest features.

Special Licence.—Small business was done here this week at 34 pies, but both buyers and sellers are scarce.

1954-55 *Export Quota.*—Business has been effected here at 39 pies, which remains today's quotation.

Forthcoming Auctions.—Dust sale "G" will be held on Tuesday, 13th April, and sale No. 8 will be held on Tuesday, 20th April, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale G.*—1,40,000 lbs. Good demand. Prices irregular, but generally firm."

JUTE GOODS BUOYANT

(From Our Own Correspondent)

CALCUTTA, 12*th April*

Buoyant conditions were in evidence in the jute goods market during the week under review, the leadership for the impressive upward movement in rates being provided by heavy goods. Stockists derived considerable satisfaction from the publication of stock figures as at the end of March, according to which sacking goods accounted for a sizable reduction of 10,500 tons, that is, from 71,900 tons in February to 61,400 tons. This was, of course, in line with market expectations earlier, as traders could not have taken a different view, in view of the great volume of business that took place in March. The present position of sacking goods is in striking contrast with the position a year ago, when mills, realising the glut of sacking in the market and the need to increase production of hessian, began transferring sacking looms to the production of hessian. A situation has now arisen to justify a reversal of this process, if only to avoid any unnatural price trend in the market. In fact, there is a shortage for ready deliveries of certain heavy goods such as heavy cees, both green striped and plain, for which demand is unsatisfied. No shortage in the long run is expected, as mills are able and equipped to produce as much sacking and hessian as there is demand. But a shortfall in production, as compared to genuine consumption demand, is capable of creating an artificial shortage, as a result of which prices may tend to go higher. This has to be prevented in the interests of continued export business at a moderate level. That certain mills realise this and are producing heavy cees plain, instead of B. twills, go to show that they are anxious to prevent the development of a trend that would disturb the export business.

There is no shortage for, or squeeze in, B. twills, because of the Katni market. Despite the fact that B. twills ready are comparatively cheaper than heavy cees, yet consumers who had already placed their orders do not seem to change over to B. twills. Turnover in sacking goods was moderate. Heavy cees, both plain and striped, were bought by shippers by paying substantial premiums. Ready heavy cees plain advanced from Rs. 117-8 to Rs. 120-8 and the green striped ones from Rs. 125 to Rs. 129-8. There was also good demand for cornsacks, cotton packs, A. twills, light cees and Liverpool twills, but shortage of ready materials limited business. Ready D.W. flour bags were steady at Rs. 132. Transactions in B. twills were speculative in character. The ready material, in sympathy with other constructions, gradually picked up strength from Rs. 108-11 to Rs. 110-12, the July-September as well as the May-June positions at Rs. 108 and Rs. 109-12, respectively, showing gains of Rs. 2 each. Today, however, there was profit-taking and the rate was marked down to Rs. 109-8.

Hessian was also steady and interest was shown by buyers on behalf of the United States. The news that hessian stocks at the end of March increased to 29,600 tons, as against 21,900 tons in the previous month, was more or less counteracted by expectations of good business with the Argentine for the June-July shipment. Now that more sacking will be produced at the cost of hessian, prices are bound to remain steady. Ready 40" 10 oz. improved from Rs. 42-13 to Rs. 44, today's rate being lower at Rs. 43-10 f.a.s. and Rs. 47-11 f.o.b. The eight oz. hessian was quoted today at Rs. 35-14 f.a.s. and at Rs. 39-2 f.o.b.

Impressive rises were added to the prices of raw jute. But mills refused to pay the prices asked for by buyers. For any unhealthy upward movement should be avoided in the interest of manufactured goods. Sellers were reserved on expectations of higher prices. The lack of rain so far has delayed sowing of the new crop and, as such, the new crop will not be available to mills as soon as originally expected. The realisation that mills will have to carry on with the stocks of raw materials held by them and that are available in the market is itself an encouragement for stock-holders to insist on higher prices. Daisee bottoms were traded at Rs. 31 and middles at Rs. 34. Northern bottoms changed hands at Rs. 28. At Rs. 24, Bimli f.a.q. gained one point, and buyers were prepared to pay Rs. 28-8 for Pakistani jat bottoms. Assam lower middles and bottoms were priced at Rs. 31-8 and Rs. 28-8, respectively.

METALS WELL MAINTAINED

(From Our Own Correspondent)

CALCUTTA, 12*th April*

Steady conditions were again in evidence in the metal market during the week under review, and the recent gains were well maintained. It is usual at this time of the year that producers of non-ferrous metal products have to plan for the procurement of raw materials for the fulfilment of Government orders for the financial year 1954-55. There was no surprise, therefore, in the small increase in demand for the principal base metals this week. The stockpile policy of the American Government is stated to be the procurement of strategic metals and minerals, when prices are low, and keeping the same away from the market. This, in effect, means a "price support scheme" for the materials needed for stockpiling. Keeping away from the market of such materials procured would mean that the market trend will not be influenced to move in a downward direction by dumping in the market materials once bought for stockpiling.

During the week, electrolytic copper was traded at Rs. 182. There was active demand and fresh arrivals are needed to ease the supply situation. Not much time was necessary for consumers to absorb the recent arrivals in Bombay. A particularly interesting feature was the improvement in tin, which is showing signs of reaching the replacement cost. The week's gain was Rs. 10 to Rs. 474. The improvement was influenced by encouraging advices from London. Moderate business was also put through in the local market. Another feature was the steadiness in mercury which, under the influence of Government's decision to license freely exports of mercury chloride, gained 100 points to Rs. 755. Electrolytic zinc was in great demand and changed hands at Rs. 57-8. Lead, however, was quiet at Rs. 69.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 12*th April*

Linseed prices have ruled very firm during the week and activity has been on a rather limited scale, whilst supplies from upcountry have fallen off. A fairly good demand for ready goods has resulted in some trading on a small scale only, while forward enquiries from local speculators have resulted in some higher-priced transactions. Conditions remain firm in the oil section; there have been enquiries chiefly for forward positions and a fair turnover has been recorded. Latest quotations are: Ready Rs. 19-2 and June-July Rs. 19-12 per maund.

KANPUR HIDES UNCHANGED

(From Our Own Correspondent)

KANPUR, 11*th April*

During the week under review, the Kanpur hides and skins market remained unaltered. New arrivals during the week were slightly higher than the average and were readily disposed of. The Madras dealers were a bit lukewarm. The major party behind the main transactions over the wet salted cow and buff were the local tanners.

Latest quotations are: Wet salted cow, 1st grade Rs. 240 and 2nd grade Rs. 160 to Rs. 200 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat skins, 1st grade Rs. 300 and 2nd grade Rs. 260 per 100 pieces; sheep skins Rs. 250 to Rs. 300 per 100 pieces.

HIDES RULE DULL IN MADRAS

(From Our Own Correspondent)

MADRAS, 12*th April*

Trading in the hides and skins market has been slow and shippers are expecting improvement only after Easter. Arrivals of kips are moderate and offtake is small. Stocks have not accumulated in the bazaar, and sellers decline to follow London levels which are 1d. to 2d. below. U.K. dressers are buying cautiously, in view of absence of demand in quantities for leather. Demand for cow calf and buff calf has been *nil* and that for buff heavies moderate.

Clearances of sheep and goat in the local market have been good, and prices in the raw centres have ruled firmer.

Notices

UNITED BANK OF INDIA LIMITED

Registered Office: UNITED BANK BUILDINGS

4, CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Ordinary General Meeting of the Shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the UNITED BANK BUILDINGS, 4, Clive Ghat Street, Calcutta, on Sunday the 9th May, 1954, at 10 a.m., to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and fix their remuneration.

By Order of the Board,
A. K. ROY,
Secretary.

CALCUTTA, 3*rd April*, 1954.

N.B.—The Share Transfer Books of the Bank will remain closed from Monday the 26th April to Sunday the 9th May, 1954, both days inclusive.

The Dividend, when sanctioned, will be payable on and after the 17th May to those Shareholders whose names stand on the Register on the 9th May, 1954.

Dividend Warrants will be posted to Shareholders in India at their registered addresses or in accordance with their mandates. Payment of Dividend to Shareholders domiciled or permanently resident in Pakistan will be arranged in Pakistan currency at the official exchange rate on receipt of necessary application.

Early intimation should be given to the Bank of any change of address.

1953

THE AZAM JAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad-Dn., on Thursday the 6th day of May, 1954, at 4-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1953, and to declare a Dividend.
2. To appoint Directors in place of those who retire from the Board under Article No. 102 of the Company's Articles of Association, and being eligible, offer themselves for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 28th day of April, 1954, to the 10th day of May, 1954, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent.
FOR THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers & Agents,
The Azam Jahi Mills Ltd.

8th April, 1954.

N.B.—The Dividend when sanctioned will be made payable on and after Tuesday the 18th day of May, 1954, to those Shareholders whose names stand on the Register on the 27th April, 1954, and Dividend Warrants will be posted to each Shareholder to his last given address.

1953

THE OSMANSHAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad-Dn., on Thursday the 6th day of May, 1954, at 3-00 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1953, and to declare a Dividend.
2. To appoint Directors in place of those who retire from the Board under Article No. 101 of the Company's Articles of Association, and being eligible, offer themselves for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To transact any other business the Chairman may bring before the Meeting.

NOTICE is also hereby given that the Transfer Books of the Company will be closed from the 28th day of April, 1954, to the 10th day of May, 1954, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent.
FOR THE INDUSTRIAL TRUST FUND,
GOVERNMENT OF HYDERABAD,
Secretaries, Treasurers & Agents,
The Osmanshahi Mills Ltd.

8th April, 1954.

N.B.—The Dividend when sanctioned will be made payable on and after Tuesday the 18th day of May, 1954, to those Shareholders whose names stand on the Register on the 27th April, 1954, and Dividend Warrants will be posted to each Shareholder to his last given address.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (pre-war)	2nd April 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,207.04	1,185.92	1,190.57	1,140.66
Notes held in Banking Department	85.05	10.63	17.23	12.00	9.92
Foreign Securities	39.50	658.15	648.15	648.15	583.15
Rupee Securities	37.39	421.84	421.84	421.84	449.86
Banking Department					
Deposits of :					
Government of India	14.89	63.50	65.77	94.75	87.29
Other Governments	...	38.93	62.59	21.67	39.42
Balances held abroad	10.08	96.04	104.82	91.81	143.47
SCHEDULED BANKS					
Demand Liabilities	134.87	541.51	528.89	522.74	542.04
		(6.35)†	(6.90)†	(7.07)†	(14.49)†
Time Liabilities	102.84	325.41	327.57	330.71	311.51
		(1.23)†	(1.3)†	(1.4)†	(2.21)†
Borrowings from Reserve Bank	...	22.37	31.00	24.37	16.93
		(9.00)‡	(17.50) ‡	(11.40)‡	(0.74)‡
Borrowings from Imperial Bank	...	13.44	11.50	11.22	12.76
Cash in India	6.71	31.38	32.07	32.13	33.59
Balances with Reserve Bank	25.28	50.45	40.83	37.38	51.14
Excess over statutory limits	15.52	16.87	7.83	4.63	17.81
Balances with other banks in current account in India	...	11.58	10.34	10.33	11.24
Money at call and short notice in India	...	10.83	9.40	10.03	16.41
Investments (at book value)	...	318.83	318.87	318.76	301.25
Advances and bills	105.09	545.50	538.19	527.60	521.77
IMPERIAL BANK					
Deposits	87.76	216.89	208.35	208.85	221.15
Investments	21.99	92.17	91.14	90.22	92.23
Advances	80.87	124.96	124.63	123.89	134.07
Cash	14.89	14.90	14.70	12.13	21.22

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	9th April, 1954		2nd April, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,56,521	68,39,28,000	2,66,284	66,18,32,000
Calcutta	N.A.	N.A.	1,67,799	69,09,05,221
Madras	78,777	7,60,04,853	78,868	9,70,03,396
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,83,214	29,45,05,08,000
Jan., 1954	..	..	2,794,000	5,75,54,00,000
Feb., "	..	..	2,721,000	5,76,25,90,000

N.A.=Not Available.

Reserve Bank of India

Statement of Affairs for the week ended 2nd April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	63,59,13,000
(2) Other Governments	38,94,87,000
(b) Banks	42,06,03,000
(c) Others	44,65,78,000
Bills Payable	3,78,94,000
Other Liabilities	23,95,97,000
Rupees	226,31,72,000

ASSETS	Rs.
Notes	10,63,00,000
Rupee Coin	13,28,000
Subsidiary Coin	7,78,000
Bills Purchased and Discounted—	
(a) Internal	39,50,000
(b) External	
(c) Government Treasury Bills	10,93,20,000
Balances held abroad*	96,04,20,000
Loans and Advances to Governments	1,10,00,000
Other Loans and Advances	82,30,30,000
Investments	55,83,62,000
Other Assets	8,95,75,000
Rupees	226,31,72,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 9,00,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 45,82,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,63,00,000	
Notes in circulation	1207,03,59,000	
Total Notes issued		1217,66,59,000
Total Liabilities		1217,66,59,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	658,15,11,000	
Total of A		698,16,82,000
B. Rupee Coin		98,15,93,000
Government of India Rupee Securities		421,33,84,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1217,66,59,000

Ratio of Total of A to Liabilities: 57.337 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 2nd April, 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	8,35,27,000†
(ii) Other demand liabilities	533,15,81,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,27,50,000†
(ii) Other time liabilities	324,13,99,000
3. Cash in India	31,37,95,000
4. Balances with the Reserve Bank in India	50,44,59,000
5. Balances with other banks in current account in India	11,58,14,000
6. Money at call and short notice, in India	10,83,35,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	318,83,46,000
8. Advances in India	472,23,13,000
9. Inland Bills purchased and discounted in India	73,20,88,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1954					
19th January ..	1.00	1.01	1.00	2 8 0	100
27th " ..	1.00	1.31	1.00	2 8 0	78
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th " ..	1.00	1.01	1.00	2 9 0	99
16th " ..	1.00	1.09	1.00	2 9 11	92
23rd " ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th " ..	1.00	1.90	1.00	2 10 11	71
16th " ..	1.00	1.27	1.00	2 11 0	79
23rd " ..	1.00	1.01	1.00	2 11 0	99
30th " ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
13th " ..	1.00	1.93	1.00	2 10 9	44
Total ..	13.00	16.91	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	1950-51	359.83	..	9,830	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	19.57	Kyats. .. 3,166	817	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84.30	Y. 4,849,400	6,414	761
Philippines ..	1952	20.63	Fs. 7,094	1,075	511
New Zealand ..	1952	2.00	£ (N.Z.) 646	861	4,307
Australia ..	1952	8.65	£ (A.) 8,221	8,766	4,848
U.K. ..	1952	50.43	£ .. 13,648	18,197	3,608
U.S.A. ..	1952	156.98	$ 290,400	138,280	8,808
Canada ..	1952	14.43	$ 19,135	9,169	6,662
France ..	1952	42.60	F. Fr. 10,190,000	13,864	3,254
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	49.88	Lr. 8,112,000	9,161	1,818
Norway ..	1952	3.32	Kr. 16,596	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland ..	1952	4.88	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	20,00,30,000
(b) Provincial Governments	2,27,37,000
(c) Banks	11,90,78,000
(d) Others	2,51,90,000
Bills Payable	9,93,000
Other Liabilities	5,02,13,000
Rupees	54,42,36,000

ASSETS	Rs.
Notes	8,04,48,000
Rupee Coin	6,000
Subsidiary Coin	13,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	1,35,00,000
Provincial Governments' Debtor Balances	1,90,55,000
Other Loans and Advances	7,31,15,000
Investments	17,05,66,000
Other Assets	10,75,36,000
Rupees	54,42,36,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,04,48,000	
Notes in circulation	232,25,05,000	
Total Notes issued		240,29,54,000
Total Liabilities		240,29,54,000

ASSETS	Rs.	Rs
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	43,21,63,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	100,01,83,000
B Rupee Coin	5,12,66,000	
Government of Pakistan Securities	130,90,30,000	
Internal bills of exchange and other commercial paper	....	
		136,02,96,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,81,000	
		4,24,75,000
Total Assets		240,29,54,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.27 per cent.

EXCHANGE RATES

		12th April, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	£.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	£.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	£.	1-5⅛	1-5⅛
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475¼	475¼
Buyers T.T.	Rs.	471⅝	471⅝
London on New York	$	2.81⅝-2.81⅜	2.81⅝-2.81⅜
London on Paris	Fcs.	980¾-984	985¼
London on Berne	Sw. Fcs.	12 21½-12.22½	12.22½-12.22½
New York on London	$	2.81⅛-2.81⅜	2.81½-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	20th Oct., 1953	3	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1953	2½	3
Denmark ..	23rd Sept., 1953	4½	5
Finland ..	16th Dec., 1951	7½	8½
France ..	4th Feb., 1954	2½	3½
Greece ..	12th July, 1948	10	12
Italy ..	16th Nov., 1951	5	3½
Japan ..	9th April, 1950	4½	4
Netherlands ..	1st Oct., 1951	3-11	3-34
New Zealand ..	17th April, 1953	3	2½
Norway ..	26th July, 1941	3	2½
Pakistan ..	9th Jan., 1948	3	2½
Portugal ..	1st July, 1948	3	2
Rhodesia ..	18th Jan., 1944	5	3½
South Africa ..	27th Mar., 1952	3½	4
Spain ..	16th Mar., 1949	4	4
Sweden ..	20th Nov., 1953	3	2½
Switzerland ..	26th Nov., 1948	2	1½
Turkey ..	26th Feb., 1951	3	5
United Kingdom ..	17th Sept., 1953	4	3
U.S.S.R. ..	1st July, 1950	4	3½
U.S.A. ..	5th Feb., 1954†	2	4
West Germany ..	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA
(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue ..	10 66	10.07	84 60	82.62
Protective ..	0.57	0.59	6.01	4.53
On surplus disposals ..	..	0.08	0.03	0.19
Total import duties	11.23	10.75	90.64	87.34
Export Duties ..	8.21	8.19	43.24	30.21
Land Customs ..	0.13	0.16	2.14	1.88
Miscellaneous ..	0.11	0.07	0.92	0.55
Gross total customs ..	14.78	14.17	136.94	119.48
Refunds and drawbacks ..	0.19	0.21	2.18	1.50
Net Customs ..	14.59	13.96	134.75	117.98
Gross excise ..	6.98	8.29	62.11	69.89
Refunds ..	0.07	0.15	1.16	0.73
Net Excise ..	6.91	8.14	60.95	69.16
Net total of customs and excise ..	21.50	22.10	195.70	186.64

Imperial Bank of India

Statement of Affairs for the week ended 2nd April, 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 875 per share on 1,50,000 shares ..	5,62,50,000	
Reserve Fund and other Reserves ..		6,35,00,000
Deposits and other Accounts		216,89,11,000
Borrowings from other Banking Companies Agents		1,25,13,000
Bills for Collection being Bills Receivable as per contra		3,04,45,000
Acceptances, Endorsements and Other Obligations as per contra		39,38,000
Other Liabilities (including Inter-Office Adjustments) ..		7,000
Total ..	Rs.	3,74,69,000
		237,80,33,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,54,65,000
Balances with other Banks		3,85,80,000
Money at Call and Short Notice ..		80,00,000
INVESTMENTS—		
Government and other Trustee Securities	81,49,90,000	
Other Authorised Investments ..	10,67,59,000	
Advances—		92,17,49,000
Loans, Cash Credits and Overdrafts, etc.	95,57,86,000	
Bills Discounted and Purchased ..	29,38,22,000	
Bills Receivable being Bills for Collection as per contra		124,95,58,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		39,38,000
Premises less Depreciation		7,000
Furniture and Fixtures less Depreciation		1,33,31,000
Other Assets (including Inter-Office Adjustments)		41,32,000
Total ..	Rs.	2,33,23,000
		237,80,33,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates † 5-Year Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings ⊕	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*
1948-49 ..	1,47	76	74	22,40	22,86	85,67	29,01	13,81	67,55	68,04
1951-52 ..	5,08	77	2,91	22,08	44,81	1,07,56	74,19	27,55	13,10	18,39
1952-53 ..	6,84	66	3,87	33,66	84,18	1,19,86	91,01	31,06	7,54	25,84
January 1953 ..	6,54	4	3,19	2,02	80,77	8,38	86,09	..	..	..
February ..	6,61	8	3,22	1,84	83,14	8,86	86,38	30,01	..	..
March ..	6,84	9	3,27	2,56	84,16	13,75	91,01	30,78	53	24,43
April ..	6,80	5	3,29	2,24	85,95	9,66	93,01	31,06	43	25,09
May ..	6,83	4	3,29	2,06	87,57	9,55	93,80	31,20	50	25,54
June ..	6,82	4	3,31	2,25	89,33	9,48	93,80	31,06	50	26,38
July ..	6,78	11	3,38	2,23	91,02	10,28	95,23	31,78	66	27,00
August ..	6,67	9	3,44	2,23	92,58	8,76	96,67	32,08	66	27,56
September ..	6,59	12	3,53	2,04	94,88	9,20	96,67	32,06	66	28,20
October ..	6,51	11	3,58	1,97	95,83	8,58	97,72	32,86	69	28,87
November ..	6,38	9	3,65	2,08	97,37	7,76	97,72	33,71	69	29,41
December ..	6,27	14	3,74	2,23	98,95	9,85	98,31	33,23	56	29,93
January, 1954 ..	6,16	13	3,83	2,08	1,00,47	8,91	99,23	33,53	46	30,34
February ..	..	..	..	..	..	..	..	33,77	50	30,75
									54	31,23

* At the end of period. ⊕ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBERS OF SECURITY PRICES *
(Base 1949-50=100)

Group and Sub-Group	Week ended 6-3-'54	27-3-'54	3-4-'54
ALL-INDIA			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.4	99.4	99.6
1. Government of India	99.2	99.3	99.4
2. Indian States	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	101.5	101.4	101.4
1. Electricity	102.8	102.7	102.7
2. Jute	98.8	98.6	98.6
3. Plantations	99.6	99.6	99.6
4. Sugar	100.7	100.7	100.7
5. Coal	90.6	90.6	90.6
6. General Engineering	103.3	103.3	103.3
7. Shipping	102.3	102.3	102.3
8. Others	100.6	100.7	100.7
PREFERENCE SHARES	88.0	88.1	88.3
1. Electricity	96.1	96.1	96.9
2. Cotton	85.6	85.8	85.8
3. Jute	88.6	88.2	88.3
4. Coal	90.0	90.2	90.2
5. Iron and Stee	91.8	91.6	91.8
India	74.1	75.4	75.9
Tata	88.4	87.4	87.4
8. Plantations	89.5	90.2	89.9
9. Miscellaneous	87.1	86.1	86.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	103.3	102.6	102.9
(a) Financial	88.3	88.2	87.9
1. Banks	87.3	86.9	86.8
2. Insurance	100.6	101.8	102.4
3. Investment Trust	77.5	77.1	77.6
(b) Public Utilities	113.9	112.8	112.2
1. Electricity	118.5	117.7	116.8
2. Shipping and other Transport	107.9	106.7	107.9
3. Railways	88.4	85.4	85.0
(c) Manufacturing Industries	106.6	105.9	106.5
1. Cotton, Woollen and Silk	102.0	100.7	102.7
2. Jute	85.8	82.6	81.7
3. Iron and Steel	121.8	123.7	124.1
4. Paper	123.1	122.7	125.8
5. Cement	123.6	124.8	126.7
6. General Engineering	133.9	132.1	135.6
7. Sugar and Brewaries	89.2	88.6	89.4
8. Chemicals	111.4	111.2	112.0
(d) Non-Manufacturing Industries	109.6	108.1	110.1
1. Coal	77.5	76.9	76.8
2. Mining and Oil	169.4	162.3	162.9
3. Plantations	104.5	103.6	103.7
(e) Miscellaneous	88.9	93.7	93.2
REGIONAL			
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:			
1. Bombay	89.8	89.9	90.1
2. Calcutta	90.3	90.4	90.6
3. Madras	90.6	90.6	90.8
DEBENTURES OF INDUSTRIAL CONCERNS:			
1. Bombay	101.7	101.4	101.4
2. Calcutta	102.2	102.2	102.2
3. Madras	100.0	100.0	100.0
PREFERENCE SHARES			
1. Bombay	92.4	92.6	92.7
2. Calcutta	85.0	85.1	85.2
3. Madras	89.0	89.8	90.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:			
1. Bombay	112.5	112.3	113.5
2. Calcutta	95.9	94.4	94.8
3. Madras	99.4	100.5	100.3
4. Delhi	105.7	106 1	105.4

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,506,704
1951 ..	1,071	691,921	3,818,922
1952 ..	963	809,242	3,836,951
1953† ..	999	589,667	3,880,709
January 1953 ..	95	206,881	674,340
February " ..	88	82,186	215,607
March " ..	87	42,489	146,498
April " ..	134	59,457	234,341
May " ..	118	80,098	254,866
June " ..	101	59,321	267,063
July " ..	93	40,784	171,368
August " ..	87	46,836	165,833
September " ..	96	57,814	180,662
October " ..	94	78,181	349,616
November " ..	83	48,786	272,249
December " ..	81	37,824	188,017
January 1954†	85	42,383	244,414
February " ..	45	26,477	128,411
March " ..	67	29 321	216,207
April " ..	67	49,132	218,858
May " ..	73	38,617	276,216
June " ..	89	50,857	252,270
July " ..	87	48,066	181,122
August " ..	74	53,083	225,154
September " ..	106	44,663	467,278
October* ..	100	50,097	402,002
November " ..	87	41,031	344,511
December " ..	79	40,330(a)	473,907
January 1954 ..	75	49,600	320,618

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case.

ELECTRIC ENERGY : GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49 ..	459	4,681.1	3,777.7
1951-52 ..	572	5,948.1	4,849.0
1952-53 ..	614	6 801.4	5,134.8
August 1952 ..	598	531.6	428.7
September " ..	597	530.4	430.6
October " ..	609	548.2	441.5
November " ..	608	558.2	457.6
December " ..	608	559.2	457.8
January 1953 ..	611	535.5	441.8
February " ..	614	496.0	417.4
March " ..	614	538.0	435.7
April " ..	616	530.9	438.1
May " ..	619	540.4	445.1
June " ..	625	548.8	450.2
July " ..	627	548.0	471.0
August " ..	629	567.9	468.9
September " ..	632	576.5	464.1
October " ..	634	583.1	464.7
November " ..	637	563.1	455.7
December " ..	640	603.6	486.9

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base : Year ended August, 1939=100)

Particulars	27th March, 1954	20th March, 1954	28th March, 1953	February, 1954	February, 1953	Percentage of increase (+) or decrease (—) in Feb., 1954 as compared with Feb., 1953	1953-'54	1952-'53
Food Articles	378.0	371 3	362.6	373 3	381.6	— 3.2	384.4	367.8
Cereals	432	425*	440	435	430	+ 1.2	451	444
Pulses	371	365	438*	387	511	—26.7	450	507
Other	299	292	245	281	233	+20.6	278	223
Industrial Raw Materials	461.4	459 8	455.7	471 3	440.1	+ 7.1	467.7	436.9
Fibres	446	443	418	457	404	+13.1	432	423*
Oil seeds	518	514	556	526	527	— 0.2	574	485
Minerals	430	442	402	444	460	— 3.5	449	459
Others	404	403	363	403	363	+11.0	375	333
Semi-Manufactures	357.2	355 6	350.5	380.1	347.2	+ 3.7	359.2	343.8
Leather	387	388	444	397	421	— 5.7	403	367
Mineral oils	221	221	233	221	223	— 0.9	224	223
Vegetable oils	484	477	482	499	463	+ 7.8	534	446
Cotton yarn	450	447	446*	451	442*	+ 2.0	442	452*
Metals	238	238	227	237	226	+ 3.0	229	218
Oil Cakes	417	417	413	427	414	+ 3.1	433	430
Others	306	306	211	305	230	+32.6	281	255
Manufactured Articles	376.8	376.7	389.4	388.3	387.	+ 0.1	387.4	371.2
Textiles	419	419	407	408	405	+ 0.7	405	411
Jute	415	415	427	390	475	— 9.5	408	440
Cotton	413*	413*	408*	403*	406*	— 0.7	406*	400*
Rayon and Silk	526*	512*	526*	453*	473*	— 5.0	431*	476*
Woollen	313	313	313	296	296	+ 5.7	314	323
Metal products	837	837	336	837	336	+ 0.3	837	330
Others	286	286	290	283	288	— 1.7	285	294
Miscellaneous	690.0	686.3	685.5	693.9	695.9	+16.6	686.6	614.1
All Commodities	396 8	394 0	385 0	395.0	381.5	+ 3.5	387.5	380 6

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1939	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi August 1939	Ajmer August 1939	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 "	141	337	259	310	441	380	351	330	143	174	142	154	150
July "	142	330	263	304	486	378	354	331	145	175	143	161	155
August "	144	340	267	312	460	377	369	330	143	176	149	160	157
September "	143	341	260	310	463	380	364	328	145	178	143	157	150
October "	144	345	274	311	466	381	363	327	146	179	145	154	150
November "	143	347	271	306	459	380	357	328	143	178	139	150	150
December "	139	346	262	303	447	378	346	327	137	170	138	150	149
January 1953	139	346	260	310	454	381	337	327	138	168	134	149	146
February "	141	351	264	315	459	380	354	331	136	167	132	150	144
March "	142	358	265	322	448	381	333	333	136	165	131	148	145
April "	142	359	268	327	434	384	344	334	137	166	134	148	146
May "	145	363	275	330	441	391	345	336	139	170	137	152	150
June "	150	371	282

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	74,674	75,565	23,424	20,741
Wheat	"	24,041	23,450	6,762	6,039
Jowar 2nd ..	"	41,255†	39,698††	5,850†	4,516††
Bajra	"	25,282	22,639	2,982	2,299
Barley	"	7,500	7,835	2,664	2,298
Maize	"	8,796	8,078	2,507	2,021
Ragi	"	5,898	5,899	1,235	1,212
Gram	"	17,267	16,857	2,771	2,598
Kahi Pulses*	"	11,592	11,559	2,063	2,047
Small Millets	"	12,170	11,834	1,933	1,891
Cotton	bales	1,196†	1,217††	3,125†	4,505††
Cotton 3rd..	"	15,053†	18,672††	2,266†	2,487††
Sugarcane 2nd	tons	4,101†	4,228††	3,107†	4,240††
Groundnuts	"	11,856†	11,856††	2,772†	2,884††
Linseed ..	"	3,294	3,402	355	316
Castorseed ..	"	1,868†	1,857††	1027	1071†
Rape and Mustard Seed	"	5,155	5,015	939	916
Sesamum 3rd	"	5,858†	5,614††	516†	431††
Tobacco (supp)	"	798	712	219	200
Pepper ..	"	208	202	22	23
Ginger ..	"	46	47	14	15
Dry chillies	"	1,240	1,384	301	341

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Feb., 1954 ..	68.8
	Corresponding month 1953 ..	68.6
	Eight months ended Feb., 1954	568.8
	Corresponding period 1953 ..	597.8
Stocks	At the end of Feb., 1954 ..	95.4
	Corresponding month 1953 ..	136.1
		(In 000 bales)
Exports(JuteBags)	Week ended 13th Mar., 1954 ..	2.477
	Corresponding week 1953 ..	7.768
	From 1st Jan., to 13th Mar., 1954	72.879
	Corresponding period 1953 ..	40.584
		(In 000 yds.)
Exports*‡ (Jute(Cloth) ..	Week ended 13th Mar., 1954 ..	8.139
	Corresponding week 1953 ..	13.507
	From 1st Jan. to 13th Mar., 1954	330.984
	Corresponding period 1953 ..	276.938
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 13th Mar., 1954 ..	—
	Corresponding week 1953 ..	—
	During Dec., 1953 ..	—
	Corresponding period 1952 ..	—
Consumption by Mills†	During Feb., 1954 (in lakh bales)	2.98
	Corresponding month 1953 ..	2.98
	Eight months ended Feb., 1954	22.93
	Corresponding period 1953 ..	24.05

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,600
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
March ,, ...	97,400	86,600	65,500
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
March ,, ...	94,600	89,700	65,000
Indian Iron and Steel Co.			
Year ended 31st March, 1953..	6,26,710	4,31,460	3,12,940
Do 31st March, 1954 ..	5,80,020	3,49,030	2,92,440
January 1953	56,370	48,810	28,650
February ,, ...	54,600	37,490	29,090
March ,, ...	50,640	39,350	22,090
January 1954	68,100	42,600	29,870
February ,, ...	59,650	38,360	32,510
March ,, ...	65,000	47,850	44,960

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months, April to November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3,48	6,86	80,42	143,12
Raw materials	9,51	15,62	114,54	129,57
Manufactures	23,89	19,80	183,80	190,58
Other items	35	25	2,54	3,12
Total	37,23*	40,03*	380,80*	466,68*
By land	1,72	3,65	15,53	15,95
Total Imports ..	38,95	43,68	396,33	482,58
Exports				
By sea and air—				
Foodstuffs	17,18	10,52	100,28	95,29
Raw materials	9,61	10,93	71,47	97,25
Manufactures	21,84	18,24	164,77	186,83
Other Items	87	81	2,65	2,78
Total	47,70	40,00	339,17	381,10
By land	74	71	4,63	15,99
Total Exports ..	48,44	40,71	343,80	397,09
Total Re-exports ..	68	66	3,09	2,75
Balance of trade in merchandise	+ 9,77	— 2,60	— 56,94	— 83,65
Balance of transactions in private treasure			— 8	— 4
Total visible balance of trade.	+ 9,77	— 2,60	— 57,02	— 83,69
Imports: ‡				
Total C'wealth countries ..	16,00	18,48	184,94	175,12
Total Foreign countries ..	21,23	21,57	195,86	291,01
Exports: ‡				
Total C'wealth countries ..	25,62	19,85	170,52	179,18
Total Foreign countries ..	22,08	20,35	168,65	201,92

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada @	France	Switzerland	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	641	71	11	16	39	8	18	5	2	7	9	8	5	5	9	..
Average of Months 1951-52	641	71	23	16	41	6	18	9	4	7	9	8	4	7	11	9
Average of Months 1952-53	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of October 1952 ..	672	50	25	16	40	5	20	9	6	7	9	1	4	6	11	8
November ,, ..	672	54	25	16	40	5	20	11	5	7	9	1	4	6	11	7
December ,, ..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February ,, ..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March ,, ..	647	62	26	16	41	5	20	17	6	7	9	2	4	6	11	6
April ,, ..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
May ,, ..	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June ,, ..	642	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July ,, ..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August ,, ..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September ,, ..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
October ,, ..	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11	5
November ,, ..	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	5

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 5th April 1953-54 Bales	From 1st Sept., to 5th April 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts ..	Week ended 8th April 1954 ..	62,420	Cotton Exports to—United Kingdom ..	11,005	11,544
	Corresponding week 1953 ..	53,812	Continents ..	20,504	74,134
	1st Sept., 1953 to 8th April, 1954	1,132,922	China	251	318
	Corresponding period 1952 ..	1,148,589	Japan	52,019	116,111
			U.S.A. ..	12,426	25,693
Cotton Exports ..	Week ended 8th April, 1954 ..	9,752	Other Countries ..	1,452	8,976
	Corresponding week, 1953 ..	11,841	Total to all foreign countries ..	97,657	231,776
	1st Sept., to 8th April 1954 ..	201,276	Coastal Ports ..	101,411	95,927
	Corresponding period, 1953 ..	329,093			
Mill Consumption ..	1st Sept., to 8th April, 1954 ..	748,808		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953 ..	707,647			
Stock (with exporters dealers & mills) in Bombay	On 8th April, 1954 ..	565,813	Consumption of Cotton—Indian ..	December, 1953	347,842
	Corresponding date, 1953 ..	608,384	Foreign ..		54,992
Karachi (Pakistan)			Indian ..	Four months ended Dec., 1953	1,290,298
Receipts	Week ended 27th March, 1954..	29,753	Foreign ..		229,056
	Corresponding period 1953 ..	26,740	Indian ..	Same Period 1952 ..	1,207,358
	1st Sept., to 27th March, 1954..	1,029,200	Foreign ..		239,054
	Corresponding period, 1952 ..	1,358,517	Stocks (Mills and Elsewhere)—		
Exports	Week ended 27th March, 1954..	24,270	Indian ..	As on 30th Dec., 1953 ..	778,760
	Corresponding period, 1953 ..	68,000	Foreign ..		173,520
	1st Sept., to 27th March, 1954..	722,058	Indian ..	As on 30th Dec., 1952 ..	892,077
	Corresponding period, 1953 ..	960,000	Foreign ..		205,766
				Week ended 26th March, 1954 ..	23,649
				Corresponding week, 1953 ..	110,710
				1st Sept., to 26th March, 1954..	1,985,238
				Corresponding period, 1953 ..	2,342,942

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	102
4 ½ Bonds	1926-33	63,30,26,000	1960-70	102 4/8
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	93 4/8
3 ½ Loan	1950	30,33,10,000	1964	90 4/8
3 ½ Loan	1943	1,10,11,78,000	1966-68	90 4/8
3 ½ V. Loan	1944	1,14,06,89,000	1967	88 4/8
3 ½ Loan	1945	1,15,03,83,000	1970-75	87
3 ½ Loan	1945	1,13,65,64,000	1959-61	96 3/8
3 ½ Loan	1951	50,15,63,000	1966	94 4/8
2½ Loan	1946	45,63,07,000	1960	94 4/8
2½ Loan	1946	37,00,49,000	1961	91 4/8
2½ Loan	1946	35,06,06,000	1954	99 4/8
2½ Loan	1946	14,77,48,000	1976	82½
2½ Loan	1947	73,86,72,000	1962	92 4/8
2½ Loan	1949	40,45,01,000	1959	96 4/8
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99 4/8
NON-TERMINABLE LOANS				
3 ½ Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later a. option of Government after three months' notice.	83
3 ½ Loan	1946	248,91,90,000		83
REPATRIATE STERLING LOANS				
3¼% Loan	1933	12,95,22,000	1954-39***	100 4/8
4½% Loan	1928	5,85,20,000	1958-48***	105
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	18th Sept. 1953	99 4/8
3 ½ Bombay	1943	3,50,00,000	14th Sept. 1956	99 3/8
3 ½ Bombay	1944	3,44,00,000	15th Aug. 1958	97 4/8
3 ½ Bombay	1949	6,00,15,000	1st Aug. 1962	93 4/8
3 ½ Bombay	1950	3,01,87,700	31st July 1964	94 4/8
3½ Bombay	1951	3,04,06,900	17th Sept. 1962	98 4/8
4 ¼% Bombay	1953	5,00,00,000	15th July 1963	100 4/8
4 ¼% Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 ½ Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 ½ Cochin	1945	1,00,00,000	16th Dec. 1953-58	98 4/8
3½% Cochin	1936	70,00,000	1st June 1956-61	95 4/8
3½ Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95 4/8
3 ½% Madras	1938	1,21,95,600	21st June 1958	94 4/8
3 ½ Madras	1942	1,23,23,000	18th Sept. 1955	99-0/8
3 ½ Madras	1943	1,25,10,000	14th Sept. 1956	98 4/8
3 ½ Madras	1944	1,07,95,000	15th Aug. 1958	96 4/8
3 ½ Madras	1945	2,78,44,000	14th Sept. 1960	94-0/8
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 ½ Madras	1938	4,38,25,400	31st July 1960	94-1/8
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99 4/8
4 ¼% Madras	1952	5,24,81,200	1st Aug. 1964	99-12/8
3 ½% Mysore( )	1950	1,63,44,300	1st Nov. 1955	104 4/8
4 ½% Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101-0/8
3 ½% Mysore(J)	1936	2,99,72,900	20th April 1956-61	98 4/8
3 ½ Mysore	1947	3,08,05,700	25th Jan. 1958	99 4/8
4 ¼% Mysore	1953	3,00,00,000	15th July 1963	99 4/8
3 ½ M.P.	1942	50,00,000	18th Sept. 1955	99
3 ½ M.P.	1943	50,54,200	14th Sept. 1956	98 4/8
3 ½ M.P.	1944	52,69,800	15th Aug. 1958	96 4/8
3 ½ M.P.	1948	2,03,00,000	15th July 1963	91 4/8
3 ½ M.P.	1950	1,00,26,800	31st July 1960	94
3 ½ M.P.	1942	3,15,20,000	18th Sept. 1955	99 4/8
3 ½ Punjab**	1943	2,48,78,300	14th Sept. 1956	97 4/8
3 ½ Punjab**	1945	2,93,81,600	14th Sept. 1960	97 4/8
2½ Travancore	1944	5,00,00,000	15th May 1952-54	99 4/8
3½ Travancore	1936	50,00,000	16th Aug. 1956	99 4/8
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99 4/8
3 ½% U.P.	1936	1,69,39,800	15th Sept. 1961-66	90 4/8
3 ½ U.P.	1944	3,23,96,800	15th Aug. 1958	97 4/8
3 ½ U.P.	1945	2,36,31,900	14th Sept. 1960	94 4/8
3½% U.P.	1946	2,41,19,800	1st Sept. 1961	93 4/8
3½ U.P.	1951	2,00,00,000	17th Sept. 1962	97 4/8
4 ¼% U.P.	1952	4,11,33,000	1st Aug. 1964	99 4/8
4 ¼% U.P.	1953	5,00,00,000	15th July 1963	99 4/8
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 ¼% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100 4/8
4 ¾% W. Bengal	1953	3,00,00,000	15th July 1963	100 4/8

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
36,50,000	4	1904	1964	
35,00,000	4	1903	1963	
13,00,000	4	1906	1966	
44,00,000	4	1907	1968	
70,00,000	4	1908	1968	97 4/8
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1912	1972	
1,10,00,000	4	1912	1973	
36,13,400	4	1913*	1960	D
10,00,000	4	1913	1973	99 4/8
88,25,000	4	1914	1975	99 N
10,00,000	4	1914	1974	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	3½	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
12,50,000	3½	1935*	1962	
24,50,000	3½	1935*	1963	
15,00,000	3½	1936*	1966	
48,04,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	99 4/8
76,90,100	4	1915	1975	98 4/8
68,02,300C	3½†	1921	1981	79
1,50,00,000C	6§	1921	1981	144 N
1,24,05,300	6	1925	1955-85	105
1,21,60,000	5½	1926	1956-86	104 4/8
99,84,500B	5	1927	1957-87	103 4/8
1,16,00,000	5	1928	1958-88	104 4/8
80,00,000	4½	1931	1991	92
21,75,000C	3	1933	1954	99 4/8
60,00,000C	3½	1933	1965	90 4/8
25,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	70 N
50,00,000	3	1945	1975	82 4/8
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70 N
50,00,000	2½	1947	1977	78 4/8
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94 4/8
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1961	97 4/8
50,00,000	4	1953	1963	99 4/8
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,800	5	1923	1953-83	£87
£901,000	5	1924	1954-84	£87
£835,100	5½	1932	1962	£96
MADRAS				
46,60,347	4	1912	1982	
32,14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	3	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
30,00,000	4	1899	1939	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1967	
30,00,000	4	1905	1965	97 4/8
30,00,000	4	1906	1966	
13,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
30,00,000	4	1914	1974	97 4/8
25,00,000	4	1916	1976	
40,00,000	5	1919	1979-79	113 N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115 N
25,00,000	4	1927	1961-70	98 N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	495 N
£133,000	4	1910	1970	495 N
GALSUTTA				
50,00,000	6	1925	1953	104
25,00,000	5½	1925	1955	107
50,00,000	4	1934	1964	100
35,00,000	3½	1935	1965	94
30,00,000	3	1937	1962	89
50,00,000	3	1937	1962	90
80,00,000	4	1938	1963-68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99 4/8
40,00,000	4	1913-15	1974	99 4/8
20,00,000	4	1914-15	1915	100
10,00,000	5	1920	1980	113
1,00,00,000	5	1924	1954	102
25,00,000	5	1928	1958	102 4/8
26,14,000	5	1929	1949-59	104 4/8
8,45,000	5	1929	1954-59	to
26,21,300	5	1929	1959	102 4/8
2,25,00,000	3½	1947	1977	87
2,50,00,000	3½	1948	1978	87
4,00,00,000	3½	1949	1979	87
2,50,00,000	3½	1950	1980	92
4,00,00,000	4	1952	1964	100
1,30,00,000	4	1953	1963	97
100,00,000†	4	1952	1964	100 4/8
Rs.		**SALE TAX**		Rs.
34,45,500	6½	1925	1955	103 4/8
84,70,000	6	1927	1957	104
36,00,000	5	1928	1958	103 4/8
36,00,000	5	1929	1957	103 4/8
25,00,000	5	1929	1959	103 4/8
10,00,000	5½	1932	1962	108
33,91,000	3½	1937	1954	99 4/8
60,00,000	3	1936	1963	88
2,11,000	3	1937	1954	99 4/8
4,67,100	3	1937	1954	99 4/8
1,62,300	3	1937	1954	99 4/8
4,18,500	3	1937	1954	99 4/8
47,50,000	3	1937	1954	99
10,67,700	3	1938	1958	95
13,56,800	3	1938	1958	97 4/8
13,56,800	4	1939	1956	99 4/8
13,56,800	4	1940	1957	99 4/8
17,64,400	3½	1942	1957	99 4/8
21,10,000	3½	1942	1972	96 4/8
15,40,000	3½	1951	1960	96
16,33,000	3½	1951	1961	96
66,88,000	3½	1951	1966	96
87,36,000	3½	1951	1966	96
72,50,000	4½	1954	1979	99 4/8
Rs.		**MADRAS**		Rs.
71,700	6	1925	1955	100 N
2,68,300	6	1925	1955	101 N
15,00,000	3½	1951	1961	107 N
15,00,000	3½	1952	1962	107 4/8 N

ABBREVIATIONS.

§—Taken up by Imperial Bank of India. D=Domestic Loan not marketable. N=Nominal.
(a) This includes the amount of loan converted into First Development Loan 1970-75. C—Held by Commissioners. (f) Income-tax free. *Loans held entirely by the Trustees
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. A—Held by Government of India
†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport. **Quotations in Pak. Currency ***Rupee Consterpar s.

PREFERENCE SHARES

Company	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Shara: Sugar	5,00,000	1931	5	Dec. ..	75M	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works ..	10,00,000	1905-24	5	Feb. Aug.	142	100
Dalcroa Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	115	100
¶East India Distilleries ..	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	4,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	3,00,000	1940	7B	Dec. ..	70	100
Furtahpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Kamnagar Cane	4,00,000	1933-34	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	5,00,000	1936	7(c)	Oct. ..	16½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	6-8	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Barren	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	81	10
Equitable	4,00,000	1895	6	Mar. Sept.	118	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	80	75(pp)
¶Khas Kajora	3,00,000	1931	5	Mar. Sept.	3N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	105	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	142	100
Do. 'B'	4,00,000	1900	8	Feb. Aug.	101	250
Bradbury	14,75,000	1919	7	June Dec.	326½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodia	1,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1912	5	Apr. Oct.	516½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1913	8	May Nov.	142	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. a.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs	Rs a.	Rs a.	Rs a.	Rs. a.		
BOMBAY CITY AND ISLAND																
30,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2-13/	2	0 4	0 5	0 4		12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	60	100	6 0	Nil	Nil	Nil	12	Y.P.T.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,18,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	4361	250	17 8	20 0	20 0	22 8*	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	9931	250	75 0	100 0	100 0	100 0	3	Y.P.
1,09,42,000	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	337	100	18 0	20 0	20 0	22 0	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(d)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	662	100	Nil	Nil	4 0(e)		12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg.	1111	100	7 8	7 8	7 8	7 8	3	Y.
14,00,000	20,04,821	63,03,745	48,46,641	76,868	Ramnarain Sons, Ltd.	30,304	928	Dawn Mills	90	50	Nil	6 0	6 0		12	Y.
34,00,000	24,00,000	42,31,113	57,35,900	5,622	Parsanal Radhakishan & Co.	50,296	1,024	Edward Textiles	2471	200	15 0	15 0	15 0		12	Y.
39,95,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	4 0	(d)	3 0		12	
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	267	100	15 0	20 0	20 0	16 0	12	Y.
									3,810	1,000	175 0	200 0	200 0*	225 0*	3	Y.P
12,00,000	74,40,589	1,16,64,975	90,91,580	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills		250	43 12	50 0	50 0	56 4*		
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	11-8½	10	0 12½	1 1½	Nil		12	Y.
20,00,00,000									1-8½	10	0 2	0 4	Nil			
9,00,000	60,99,043	1,18,16,178	83,39,000	7,403	Damodhar Thackersey Mooljee & Co	55,704	1,191	Indian Mfg.	3,500	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
39,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	3252	500	87 8	100 0	100 0	112 8*	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killuck Industries Ltd.	1,18,392	1,846	Kohinoor Mills	82	100	12 0	14 0	10 0	10 0	12	Y.
38,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.			Madhusudan Mills		100A	7 8	5 1	6 4	4 4½	6	Y.P.
8,60,000B										20B	1 8	1 0	1 4	1 4½		
52,15,950	47,03,470	1,01,00,576	42,51,268	24,824	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0		10	Y.T.
21,75,000	24,92,733	1,91,00,016	1,44,58,016	2,80,666	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	2108	100	17 0	15 0	12 0		6	Y.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chiasi & Co., Ltd.			National Rayon Corporation	1634xd	100	Nil	Nil	Nil	9 0	6	Y.P.
24,00,000	28,00,686	73,03,363	44,45,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	160	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	156	100	12 8	10 0	10 0	10 0	12	
12,70,100	36,36,004	42,69,552	13,76,660	425	Mafatlal Chanduial & Co. (Bombay), Ltd.	34,100	873	New Union Mills	264	10	0 8	1 0	1 4		12	Y.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	1303	100	10 0	10 0	10 0		12	Y.
40,00,000	40,66,556	24,14,688	21,50,000	1,58,251	Poddar Sons, Ltd.	32,600	930	Poddar Mills	145	100	9 0	12 0	10 0		12	Y.P.
2,00,000	8,93,770	21,19,441	18,93,540	3,615	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	18	10	2 0	2 0	1 4		12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,644	31,949	M. G. Investment Corporation, Ltd.	59,524	1,254	Sassoon Spg. & Wvg.	31	10	0 12	1 0	1 0		12	Y.
60,00,000	64,20,041	76,08,771	39,83,898	3,48,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	212	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	41,60,000	35,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	156	50	14 0	17 0	15 0(p)	15 0	3	Y.
56,80,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	3388	100	15 0	20 0	20 0	20 0	12	Y.P.
95,00,000	1,21,71,160	1,37,29,109	82,56,338	91,397	Tata Industries Ltd.	74,608	2,000	Svadeshi Mills	306	100	18 0	18 0	18 0		12	Y.P.
36,00,000	60,78,465	93,47,163	58,93,668	5,74,757	James Finlay & Co., Ltd.	35,804	552	Swan Mills	3524	100	20 0	25 0	30 0	20 0	12	Y.P.
28,54,413	59,55,048	68,88,347	29,93,248	25,338	Tata Industries Ltd.	59,048	1,800	Tata Mills	504	25	2 0	4 0	3 0		12	Y.P.
12,00,000	60,55,708	98,62,634	75,90,000	4,266	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
30,00,000	38,80,266	88,39,885	51,00,670	3,879	Tata Industries, Ltd.	48 652	1,016	Ahmedabad Advance Mills	1494	100	8 0	12 0	10 0	10 0*	6	Y.P.
10,00,000	88,91,868	85,84,129	38,40,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	475	100	15 0*	20 0*	20 0*		12	Y.P.
31,00,000	2,07,45,673	1,18,76,139	76,53,000	1,389	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	795	100	25 0	25 0	25 0		12	Y.P.
80,00,000	40,85,168	76,03,158	51,50,000	1,11,393	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	3124	100	30 0	35 0*	30 0		12	Y.P.
12,00,000	1,00,37,000	1,29,29,955	81,65,455	1,85,818	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	525	100	17 0	22 0	22 0		12	Y.P.
1,24,77,152	99,56,782	3,97,21,801	2,72,53,344	23,51,386	Karamshand Premchand Ltd.	1,39,120	2,370	Calico	3362	123	12 8	18 0	18 0	18 0	12	Y.P.
30,00,000	64,86,000	88,67,670	62,35,000	4,885	Tricumlal Bhogilal & Co., Ltd.	49,152	1,150	New Commercial Mills	150	50	15 0	70 0	70 0		12	Y.P.
60,00,000	70,78,354	94,79,263	54,40,978	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	6524	123	35 0	35 0	35 0		12	Y.
8,00,000	61,08,644	43,89,260	28,78,001	4,583	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	549	Nutan Mills	7038	100	28 0*	28 0*	30 0*		12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	675	100	25 0	25 0	25 0		12	Y.P.
12,00,000	13,93,967	74,05,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	43,568	1,095	Rajnagar Spg., Wvg. & Mfg.	310	100	30 0	30 0	Nil		12	Y.P.
32,50,000	11,19,819	1,11,05,993	67,15,000	8,566	Harivallabhdas Girdhardas & Co.	43,356	1,092	Shri Ambica Mills	130	100	15 0	30 0	30 0		12	Y.P.
34,50,150	1,18,66,544	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	354	50	15 0	18 0	16 0		12	
19,32,300	52,12,167	61,33,831	48,71,801	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	392	100	15 0	20 0	20 0		12	Y.
88,00,000	29,08,070	91,13,078	47,72,035	16,259	Haridas Ashratlal & Co., Ltd.	34,576	776	Vijaya Mills	5264	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,82,180	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	45	10	0 8	0 5	Nil		12	Y.P.T
7,11,280	2,91,850	38,52,124	22,08,106	—57,210	Bengal Textile Agency, Ltd.	31,080	936	Bengal Lyeml Cotton Mills	35N	40	Nil	3 0	3 0	Nil	9	Y.
6,00,000	22,70,078	77,45,673	51,53,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	290	100	Nil	Nil	Nil	Nil	6-12	N.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	180	100	Nil	Nil	Nil	Nil	6-12	N.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	24	25	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
33,96,288																
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,558	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4	10	0 3	Nil	Nil		12	Y.P.
18,00,000	9,09,109	59,21,613	23,03,246	2,716	Kamal & Co., Ltd.	50,000		Alagappa Textiles(Cochin)Ltd.	64	10	0 14	2 0	9 3		12	Y.P.
11,94,400	51,73,000	1,90,29,119	45,27,372	18 450	Industrial Trust Fund,	36,136	665	Azam Jahi Mills	67 N	100	3 8	6 0	6 0		12	Y.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Buckingham & Carnatic and Silk Mills	401	100	17 8	20 0	15 0	25 0	12	Y.P.
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	12	10	Nil	4 0	4 0	4 0(e)	6-12	H.P.T.
15,00,000	95,71,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	474 N	10	2 8	2 8	2 8	3 0	12	
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	138	100	6 14	7 14	4 0	10 0	12	
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Parsee, Lewis & Co., Ltd.	37,536	4	Cambodia Mills	121cd	10	Nil	3 0	4 0	10 0	12	Y.P.T.
30,00,000	21,97,792	1,16,11,972	54,31,479	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	10	1 0	1 0	1 0	1 0	12	Y.
12,00,000	19,85,494	28,94,635	21,58,900		R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	330	100	12 12	20 0	20 0	20 0	12	Y.
30,00,030	1,79,178	23,84,987	13,33,482	1,53,496	T. R. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills	137	100	7 0	6 0	9 0		12	Y.
20,76,900	4,36,696	1,14,09,011	66,08,068	—10,33,340	R. G. S. Naidu & Co.	12,188	407	Coimbatore Spg. & Wvg.	43	100	6 0	6 0	6 0		12	Y.
46,87,500	88,12,908	2,30,18,398	1,41,83,266	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	182	100	6 0	6 0	6 0		6	Y.P.
3,38,34,450	1,65,19,859	6,76,75,908	3,80,00,000	1,51,617	B. R. Chanai Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	33	25	Nil	2 0	1 2	1 12	6	Y.P.
1,00,523										2½	Nil	0 4	0 2	0 2 4/5		
24,34,800	24,06,342	42,39,030	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	205	100	25 0	20 0	10 0	20 0	12	Y.
30,00,000	46,00,000	1,40,85,212	1,13,21,481	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	151xd	10	1 2	1 8	1 8	1 0	12	Y.
39,04,700	43,25,176	81,87,359	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	263xd	100	10 0	14 0	17 0*	17 0	12	
50,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United	1171	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	30,512	200	Janardana Mills	76	50	1 0	7 8	3 12		12	Y.
24,00,000	15,75,000	61,55,358	8,90,000	3,482	Kothari & Sons	31,972	1,219	Kothari Textiles	123	10	0 11	0 12	0 12	0 8	12	Y.P.
33,00,000	70,45,345	1,38,43,856	93,43,534	1,99,584	Bombay Co., Ltd.			Lakshmi Cotton Mfg.	583	250	37 8	50 0*	37 8	18 0	12	Y.P.
						76,960	200	Lakshmi Mills	114	50	4 0	4 0	2 0	3 0	12	Y.P.
53,46,150	53,10,000	94,98,025	59,73,673	14,247	G. K. Naidu & Co.				371	25	2 0	2 0	2 0	2 0		
						4,66,932		Madura Mills	39	10	2 0	2 0	2 0	2 0	3	Y
1,75,03,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,993	A. & F. Harvey Ltd.	22,392		Malabar Spg. & Wvg.	126	100	8 0	12 0	3 0	3 0	12	Y.
12,00,000	4,17,363	24,32,416	13,52,000	—21,390	A. A. R. S. Chettiar and 2 others	24,720	603	Meenur Industries Ltd.	242	100	25 0	12 0	8 0		12	Y.
60,00,000	62,50,000	55,34,648	38,37,062	77,464	W. A. Beardsell & Co., Ltd.	36,416	704	Minerva Mills	1113	100	6 0	6 0	12 8	12 8	12	Y.
29,80,884	22,90,000	73,68,250	42,26,184	25,960	N. Sirur & Co., Ltd.	47,160	952	Model Mills (Nagpur)	140	250	15 0	7 8	7 8	7 8	12	Y.
94,91,250	27,59,360	1,53,05,970	78,81,528	37,234	Ismail Abirchand Dadabhoy & Co.	88,640	1,834	Muir Mills	165N	100	Nil				12	Y.
30,00,000	32,18,600	1,53,39,272	1,01,91,451	—7,77,290	Indian Textile Syndicate Ltd.	49,498	500	Mysore Spg. & Mfg.	120xr	50	10 0	9 0	10 0*	10 0*	12	Y.P.
19,86,806	61,23,592	93,64,233	59,82,374	42,197	N. Sirur & Co., Ltd.	6,000		Mysore Spun Silk Mills	61	10	0 8	1 0	0 10	Nil	3	Y.P.
11,61,782	2,58,745	29,34,299	13,34,834	2,232	R. Suryanarayana Rao Esq. Manager				18	Nil	Nil	Nil	Nil	Nil	3	
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	New Victoria Mills	0. 23	Nil	Nil	Nil	Nil	Nil	12	Y.
40,00,000	40,66,556	24,14,688	21,50,000	1,58,251	Poddar Sons, Ltd.	32,600	930	Osmanshahi Mills	D. 1	Nil	Nil	Nil	Nil		12	Y.P.
2,97,093D	23,65,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	37,788	902	Osmanshahi Mills	90N	100	5 8	6 8	7 0		12	Y.P.
87,01,800	61,53,493	1,51 62,385	59,76,151	17,946	Industrial Trust Fund	25,200		Pelani Aadavar Mills	72	50A	5 8	6 8	7 0	9	12	Y.
6,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	27,980		Pankaja Mills Ltd.	110	75B	7 8	12 0	7 8		12	Y.P.
6,00,000B						66	160	Radhakrishna Mills	7	100 A	5 0	5 0	5 0		12	
15,00,000	8,56,920	32,56,378	16,55,848	4,411	C. S. R. Medaliar & Sons	38,864	301	Rajalakshmi Mills	159cd	16	0 16	0 16	6 0		12	Y.
16,81,200A	16,63,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	25,896		Raza Textiles	82cd	50B	8 0	8 0	3 0		12	
2,40,600B						33,984	600	Sarma Mills	107cd	50	8 0	8 0	8 0		12	Y.
15,00,000	25,00,896	22,62,213	14,88,315	—83,366	B. R. Naidu & Sons	12,824	440	Shree Sajjan Mills	61	10	Nil	Nil	Nil		12	Y.P.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	18,416	416	Sitaram Spg. & Wvg.	75 N	100	6 0	Nil			12	Y.
60,00,000	10,32,625	25,98,011	17,73,000	65,528	G. Lisdhar & Co., Ltd.				60	60	3 0		Nil	Nil	3	Y.
22,41,300	10,32,625	21,50,228	16,08,115	5,083	T. R. A. Iyer & Bros., Ltd.										8	
7,79,700	2,24,959	47,61,131	28,75,811	50,000	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	2,010	1,000	Nil	Nil	Nil	Nil	3	Y.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498						300						
						25,200	292	Sri Krishnarajendra Mills	54	50	4 0*	4 0*	3 0*	4 0	3	Y.
					H. N. Pallegar, Esq.	25,200	592	Sutlej Cotton Mills	50N	10	4 0	4 0	4 0	4 0	3	
28,69,700	11,73,989	57,42,019	44,96,380	25,287	Birla Brothers, Ltd.	35,556										
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471												
										100	9 8	9 8			12	
17,50,000D	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	10P.O	0 14	2 50	14 2/5	Nil	12	Y.P.
1,57,50,000D	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcove & Sons (Travancore), Ltd.			Travancore Rayons	9½	10	Nil	Nil	Nil	Nil		
99,92,020	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	95cd	100	9 0	14 0	12 0	12 0	12	Y.P.R.
13,98,660	28,00,000	47,61,131	28,75,811	50,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	177cd	100	9 0	14 0	10 0	11 1/2	12	Y.P.
21,00,000	30,43,559	1,20,65,197	83,26,292	2,21,881	Bombay Co., Ltd.	54 280	1,483	Vishnu Cotton	142	100	9 0	14 0*	12 0	10 0	12	Y.P.

* Includes bonus.

(b) Subject to taxation and workers' bonus

(c) Paid out of reserves

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs	Rs			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	23	25	Nil	2 13	Nil	Nil	5	Y.P
6,44,000							9	10	Nil	1 2	Nil	Nil		
16,20,630	15 83,781	23,47-704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	61	5	1 0	0 8	0 8	0 8	5	Y.
£80,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	161cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		Y.P
£300,000B							30cd	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	6	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq (Chairman)	United Breweries	156	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
£1,37,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	112	A. 100	3 12	7 8	7 8		12	Y.P.T.
39,63,334B							11½	B. 10	0 6	0 12	0 12			
43,14,600C	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							1½	D. 1	Nil					
£6,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Associated Cement Companies Ltd.		159½	100	8 8	9 8	9 8	9 8	7	Y.
60,00,000C							9½	O.	0 8	0 10				
26,49,797D	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2½	O. 2½	0 2	0 2½	0 2½		12	Y.P.T
50,00,000D							1½	D. 1	Nil	Nil	Nil	Nil		
62,50,000C	4,00,000	1,43,54,423	31,47,637	6 15,163	Essen Ltd	India Cements Ltd.	18½	O. 25	Nil	Nil	Nil	1 4	3	Y.P.
7,50,000D							2½	D. 5	Nil	Nil	0 4	Nil		
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,638	Martin Burn Ltd	Sonevalley Portland Cement	7½	5	0 3½	0

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
46,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	59½	25	1 4	1 9	1 9	Nil f	6,12	H.P.T.
									1 4	1 9	Nil	6		
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	194	100	5 0	5 0	5 0	6	3,9	H.
									5 0	5 0	5 0	6		
85,00,000	15,50,000	64,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 1b	1 1c	1 0e	1 0e	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	17¼	10	0 12	1 0	1 0	1 0f	3,9	H.P.T.
									1 8	1 6	1 6			
80,86,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	23½	10	0 12	0 12	0 12	0 12f	6,12	H.P.T.
									0 10	0 12	0 12			
80,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10¾	O. 10	Nil	Nil	0 4		3,9	H.P.T.
80,00,000A.							10¾	A. 10	Nil	0 4	0 4			
							40¾	A. 10	1 0	1 0	1 0e	1 0e		
									0 14	1 0	1 0e	1 0e		
56,00,000A.	2,88,46,104	5,21,62,870	2,90,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	40½	B. 10	0 12	1 0	1 0e	1 0e	3,9	H.P.
56,04,800B.									0 12	1 0	1 0e	1 0e		
4,37,500P.O.							4¼	P.O. 2½	0 2	0 2	0 2	0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y
4,50,000	1,00,000	6,89,524	4,73,056	2,554	Pyne & Sons	Camperdown	93N	100	6 0	6 0	7 0	4 0	6	Y
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y
PROPERTY AND LAND														
50,00,780O.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 8		9	Y.P.
8,00,000D.							1½	D. 1	Nil	Nil	Nil			
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	93N	100	2 6	3 0	2 0	1 8	4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	36	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	5	0 8	0 8	0 4		9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	424	Old 125	15 0	37 8	22 8	15 0	5	Y.
							142	New 50	6 0	15 0	9 0	6 0		
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	3 0	Nil	Nil	Nil	6	Y.P
18,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	1 (i)	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,063	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7¼	5	Nil	1 0	Nil	Nil	6	Y.
12,00,000A.	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	100	A. 100	6 0	10 0	10 0	10 0	4	Y
8,00,000B.							111N	B. 10	0 10	1 0	0 12	1 0j		Y.
19,49,050	3,00,000	27,54,524	20,40,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9½	7½	NU	0 10	0 12		9	Y.
15,00,000	12,31,314	15,47,378	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½	10	1 0	1 8	1 8	1 8	6	Y.P.
32,80,000	25,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	8½	10	Nil	Nil	Nil	Nil	6	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,856	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	25½	10	1 8	1 8	1 8	1 8	6	Y.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	0 8	0 8	0 8		6	Y.T.
55,00,000A.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N	'A' 100	6 0	9 0	12 0e	15 0e	6	Y.P
10,00,000O.								O. 100	6 0	9 0	12 0e	15 0e		
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	50N	80	3 0	4 0	Nil	Nil	7	Y.P.
							25N	40	1 8	2 0	Nil	Nil		
							31½N	10	1 0	2 8	2 8	2 8		
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	6½	10	0 8	0 10	0 8	0 4	5	Y.
11,00,000	4,20,000	37,49,397	8,769	.....	Karamchand Thapar & Bros., Ltd.	New Savan	180N	100	20 0	20 0	20 0	20 0	6	Y.
1067,500 A.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	45N	25	3 12	3 0	3 0	3 0	6	Y.
2,71,875 B.							110N	100	6 0	6 0	6 0	6 0		
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	107N	100	6 0	10 0	10 0	7	7	Y.P.
12,00,000	12,71,178	18,94,458	18,81,746	66,008	Nanag Bros. & Co., Ltd.	Punjab Sugar	13½	10	1 0	2 0	1 0		10	Y.P.
9,00,000	17,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	13½N	10	1 0	2 0	1 0	1 0	10	Y.P.
8,00,000	6,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	25,00	10	1 0	1 0	1 0	1 0	6	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	139	10	1 0	1 0	1 0	1 0	6	Y.
80,00,000	21,48,360	1,04,96,727	55,25,283	3,337	Babu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	0 6	1 0	1 0	1 8	7	Y.P.T.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6¾	10	Nil	0 8	0 6¾		6	Y
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	18½	10	1 0	1 8	1 0	2 0e	8	Y.T.
6,50,000O.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	1N	O. 10	Nil	Nil	Nil		10	Y.P.
1,75,000D.							2N	D. 2½	Nil	Nil	Nil			
8,00,000	.....	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Gangos Sugar	23N	10	1 12	2 0	2 0	2 8	6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	15½	10	0 4½	2 0	1 8		9	Y
Other Centres														
44,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	268½	50	12 8	14 0	16 0	16 0	9	Y.
57,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N	100	Nil	5 0	3 0		6	Y.P.
							26½	10	1 8	2 0	1 4		9	
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	5	5	0 12	1 4	1 0		9	Y.P.
83,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Gowa Bros. (Rampur), Ltd.	Buland Sugar	104N	10	0 12	1 0	0 12		10	Y.
81,79,280	89,58,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0e	2 0	2 0	2 0	6	Y.
							106	50	6 0	6 0	6 0	6 0	9	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasalal Ltd.	Phaltan Sugar	224xd	10	0 9½	0 12	0 8	0 6	9	Y.
16,59,820	27,50,830	48,81,755	23,79,327	95,198	Andersen Wright Ltd.	Ramnagar Cane and Sugar	90N	O. 50	7 0	9 0	9 0	Nil	9	Y.P.T.
20,00,00,000O.							79N	D. 10			0 11½			
4,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	101N	10	1 0	1 4	0 13		9	Y.P.T.
19,99,608	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Ram Sugar	10	10	Nil	Nil	Nil		10	Y.
30,00,000	10,73,392	58,70,150	15,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	5½	10	Nil	Nil	Nil		7	Y.P.
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	190	O. 100	12 0	14 0	14 0	14 0j	9	Y.P.T.
77,50,000A.								A. 100	12 0	14 0	14 0	14 0j		
TRANSPORT														
20,00,000	1,10,13,536	1,33,54,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	140xd	100	10 0	12 8	12 8	10 0	12	Y.P.
1,80,00,000		3,00,22,730	1,45,90,327	58,606	Dinshaw Ltd.	Bharat Line	96	100	3 0	4 0	5 0		12	Y.
6455,580	61,123,737	59 428,105	53,312,999	613,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	84½	£10	Nil	Nil	8h 10		12	Y.P.
8,25,00,000	74,99,233	3,91,83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8-10½	15	Nil	Nil	0 8	0 8	12	Y.P.
7,04,60,608	8,57,53,153	17,21,48,094	3,71,00,000	2,74,188	Narotam Morarjee & Co.	Scindia Steam Navigation Co.	18-48½	15	Nil	Nil	0 8	0 12	3	Y.T.
UNCLASSIFIED (Bombay)														
3,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,581	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	60	50	4 0	4 0	4 0		12	Y.
15,98,860	1,03,801	23,18,130‡‡	8,979	9,915	Dena Bank, Ltd.	Devkaran Nanji Investment Co.	8½	25	0 12	0 12	0 12		12	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	25N	30	3 0	3 0	2 8	Nil	3	Y.
99,99,250	18,80,149	1,27,94,392‡‡	11,966	2,11,031	Premchand Raychand & Sons	Industrial Investment Trust	19	100	5 0	5 0	4 8	4 8	12	Y.P.
89,98,350	19,49,340	17,65,055	4,98,441	20,657	R. D. Sheppard, Esq. (Mg. Director).	Killick Industries	173	100	8 0	8 8	10 0	10 0	3	Y.
							135	5			2 8	5 0	6	
8,96,72,500A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asco-Auto Ltd.	Premier Automobiles	64½	A. 100	Nil	Nil	Nil	Nil	6	Y.
10,00,000B.								B. 10	Nil	Nil	Nil	Nil		
10,21,200	5,56,605	14,71,107	12,41,107	36,728	Sir Joseph Kay (Chairman)	United Motor (India) Ltd.	37xd	20	2 0	3 0	3 0		12	Y.
3,75,00,000	67,50,000	2,49,75,164	1,56,25,497	4,26,761	T. Eyrith, Esq. (Managing Director).	Western India Match Co.	215	100	11 0e	15 0e	11 0e	11 0e	12	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000O.	15,00,000	1,56,92,044	50,15,329	76,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½	O. 10	Nil	Nil	Nil	Nil.	3	Y.P.T.
6,50,000D.							3	D. 2½						
30,00,000	38,21,355	31,54,914	20,12,443	4,34,790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	174	10	1 12	2 8	1 4	1 4	9	Y.P.T.
30,00,000	15,34,104	25,69,104	17,19,014	1,03,999	T. H. Rydin, Esq. (Mg. Director)	Assam Railways Co., Ltd.	19	10	1 4e	1 4e	1 4e	1 4	3	Y.
20,00,000	18,97,853	96,60,365	59,87,836	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	43	10	0 9 3/5	0 9 3/5	0 8	0 8	3	Y.P.
80,80,700O.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	311	O. 100	20 0e	25 0e	20 0e	5 0e	12	Y.P.T.
80,80,000D.								D. 40	6 0e	8 0e	6 0e	5 0e		
20,00,000	7,97,945	56,17,513‡‡	.....	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	16	10	1 2	1 4	1 4		3	Y.P.
30,64,480	35,27,348	59,11,649	21,83,999	96,133	P. J. P. Parsons, Esq. (Mg. Director).	Britannia Biscuits	12	10	1 4	1 4	0 12	1 4	9	Y.P.
3,25,00,000	95,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	8-5½	5	0 12	0 12	0 8	0 8	12	Y.P.T.
1,40,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	34½	10	2 0	1 8	0 10	0 8	12	Y.P.
51,26,000	51,50,934	1,29,31,258‡‡	.....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	139	100	9 0	9 0	9 0	9 0	12	Y.P.T.
								100	10 0	12 0	20 0	10 0	12	Y.P.
14,00,000	9,97,000	32,14,898	17,68,862	26,737	MacNeill & Barry Ltd.	Osagpe Rope Co., Ltd.	192	100	15 0	10 0	15 0	10 0	3	H.
65,00,000	36,43,442	47,91,253	3,41,434	2,11,148	Shri Ambica Jute Mills Ltd.	Jardine Henderson Ltd.	114	100	7 8	10 0	10 0	10 0	10	Y.
30,00,000	29,40,554	42,81,816	29,39,773	29,418	Andrew Yule & Co., Ltd.	Indian Aluminium Co.	112	100	3 8	5 0	5 0	Nil	3	Y.P.
12,42,800	5,06,049	40,60,790	41,30,349	23,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	8 0	8 0	3	Y.
4,96,12,500	43,54,147	96,51,147	40,52,719	5,78,557	Birla Bros., Ltd.	Indian Aluminium Co.	7 6½	100	3 12	3 0	3 0	3 0	6	Y.
1,60,00,000	36,77,754	3,45,52,905	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Cables	112	100	3 8	5 0	5 0	Nil	3	Y.
3,12,89,220	1,07,77,144	1,11,09,713	37,29,439	15,84,449	A. R. Dricsen, Esq.	Indian Rubber Manufacturers	201	10	2 0	2 0	1 0	1 0e	3	Y.P.
1,00,00,000	3,38,000	14,39,440	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Jardine Henderson	151	10	1 0	1 0	1 0	0 12	3	Y.P.
2,00,00,000	57,43,280	29,81,4772	6,36,477	4,64,163	G. M. Mackinlay, Esq.		114	100	10 0	10 0	10 0	7 8	3	Y.P.
6,34,000O.	6,03,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	5½	O. 1	Nil	Nil	Nil		3	Y.P.T.
46,80B.							1½	D. 1						
48,00,000O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	240	O. 100	12 8	12 8	7 4		3	Y.
5,80,000D.							—	D. 10	0 12	1 0	0 4			
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	208	10	1 4	1 4	1 4		3	Y.P.
8,35,255	1,74,934	7,74,805	2,66,941	2,039	Opals Glass Works Ltd.	Mysore Glass and Enamel Works	35	10	0 10	Nil	Nil	1 6e	9	Y.P.
4,84,249	8,84,829	9,73,821	3,93,009	11,329	G. Chandy, Esq. (Controller)	Mysore Lamp Works	15½	10	1 0	1 0	1 0		3	Y.P.
10,00,000		11,45,834	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10‡	10	Nil	1 0	1 0	1 0	3	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.								3	Y.T.
						National Insulated Cable	16½	10	0 8	0 8	0 12	1 0	3	
79,97,000	28,12,725	1,12,79,603	42,96,020	18,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	9½	10	0 4	0 8	Nil		12	Y.P.T.
48,00,000	24,00,000	61,58,536	17,74,913	1,52,411	Parry's Holdings Ltd.	Parry & Co.	4½	2	1 3 3/5	0 10½	0 4½		12	Y.P.
8,52,00,000	13,37,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	55½	100	5 8	9 0	4 4½		12	Y.P.
1,25,00,000	78,53,108	6,09,39,497	2,16,88,623	3,17,486	Babu Jain Ltd.	Rohtas Industries	14	10	Nil	0 12	1 0	Nil	3	Y.P.T.
1,00,00,000	94,66,946	1,21,92,814	75,75,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	164	10	1 0	1 0	1 0	1 0	12	Y.P.T.
40,00,000	35,00,000	12,11,9018	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13½	10	1 0	1 0	1 0	1 0	12	Y.
72,00,000	1,50,000	12,67,855	2,60,547	59,789	Opals Brose, Ltd.	Travancore Opals Glass	31	10	0 6½	Nil	Nil		12	Y.P.

‡‡ Includes investments at cost.

‡ Excluding goodwill (written down Rs. 30 lakhs).

• Includes bonus.

† Excluding goodwill at cost Rs. 250 lakhs.

‖ Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	410 N	100	25 0	Nil	7 8		12	Y.P
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	22½	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	29	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,418	14,91,743	4,23,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,361	83,629	Andrew Yule & Co., Ltd.	369	Basmatia	36½	10	3 0	2 8	2 0		12	Y.
3,30,000	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co.	567	Basti	5	10	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	28½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Buhounath	35½	10	5 0	0 8	Nil		12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokahat	9	10	1 0	1 0	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	14½	10	1 8	1 8	Nil		12	Y.P.
85,00,000	9,03,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,002	Brooke Bond	12	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deloo Valley	13½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	280	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,228	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhalakhat	14½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dibunseri	14½	10	2 0	1 0	Nil		12	Y.P
4,50,000	2,75,000	8,03,461	1,17,960	—61,361	McLeod & Co., Ltd.	458	Dibrugarh	12½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	23,960	Williamson Magor & Co.	625	Dimakusi	41	10	4 8	1 12	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co.	669	Dufflaghur	43	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Williamson Magor & Co.	1,168	East India Tea	21½	10	2 4	2 4	0 4		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	23½	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37,439	5,54,439	1,03,645	Williamson Magor & Co.	533	Gobpur	38½	10	4 0	3 0	1 8		12	Y.
A.4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	23½	A.10	3 0	2 0	2 0		12	Y.
B.2,40,790								12½	B.5	1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	38½	10	1 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolasgooree	311 N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13½	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,351	3,953	Shaw Wallace & Co., Ltd.	1,166	Kigosley-Golaghat (Assam)	350N	100	20 0	Nil	Nil		12	Y.P.
6,50,000	1,69,133	10,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Ledo	10½	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,349	87,349	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesma	9½	10	Nil

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	16½	10	4+1	1+½	1+1	1+½	3.9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	206	100	4+10	15+15	8+10	12½	5.11	H.P.
6,00,000	3,95,000	30,34,068	30,69,557	—99,046	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	6.12	H.P.T.
30,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	174	100	Nil	2½	Nil	Nil	6.12	H.P.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	196	100	Nil 10	10+10	10+15	7½+5	3.9	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	111	100	1½+4	6+5	5+4	2+2	3.9	H.P.T.
80,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co.	959	Bally	147	100	6+6	6+1	Nil	4+Nil	3.9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,870	Sir John H. Burder (Chairman) ..	1,889	Barnagore	150	£5	£1	£1	£1	£1	3	Y.P.
28,00,000	35,49,423	88,32,871	48,46,254	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	197½xd	100	7+10	12½+15	7½+7½	7½+7½	6.12	H.P.
12,50,000	35,95,000	54,22,523	24,75,686	4,28,770	Boarsjmull Nagarmull	600	Bengal	10	10	1½	3	1	1	6	Y.P.T.
80,42,000	2,64,06,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14½	10	2½	3	3	3	3	Y.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	141	100	3+10	10+12	6½+6½	6+4	4.10	H.P.
7,47,180	4,29,739	49,77,198	36,13,449	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	144N	10	Nil	1+1	0+8		6.12	H.P.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	158	100	4+10	10+12	6+6	6+6	5.11	H.)
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	147	100	3+5	5+7	7+8	3+3	3.9	H.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Cheviot	213	100	6+10	10+12	6+6	6+6	5.11	H.P.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalsah	11	10	1½	1½+4½	2½+1½	1½	6.12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,867	Shree Krishna Investment Co., Ltd.	969	Clive	23½	10	1	3½	2	3	3	Y.P.
31,49,200	61,49,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	125	100	1+3	8+6	6+1	1+3	3.9	H.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	247	100	5+12½	15+17½	10+10	10+10	5.11	H.P.
15,00,000	32,50,000	76,04,593	54,62,731	37,631	McLeod & Co., Ltd.	500	Empire	192½	10	1+1	1½+1½	1+1	1	4	Y.
39,43,760	74,36,570	3,46,00,164	2,76,14,367	—41,494	F. W. Heilgers & Co., Ltd.	1,884	Fort Gloster	460	10	2½+20	12½+12½	10 Nil	Nil	6.12	H.T.P.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Killick Industries Ltd.	1,014	Fort William	330	100	3	3			3	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Macneill & Barry Ltd.	1,709	Ganges Mfg.	69½	100	3½	2½+2½	Nil	Nil+Nil	3.9	H.T.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	507	Gondalpara	250	100	45	90	30	15	3.9	H.P.
22,00,000	1,08,377	31,70,015	10,36,245	—1,95,248	Bajpaie Trust Ltd.	285	Gourepore	125N	100	2½+15	10+10	1½ Nil	Nil+3½	12	Y.
3,50,000	5,58,000	13,65,400	4,42,347	21,356	Andrew Yule & Co., Ltd.	1,078	Hastings	12SN	100	10	7	10	10	3.9	Y.P.
20,00,000	..	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	458	Hooghly	720	10	1½	3	30	3	2.8	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	540	Howrah	1,940	10	1½+2	3+2	2+2	2+2	2	Y.P.
1,38,400	95,000	10,63,519	3,25,519	1,063	Beriwala & Co.	11	Hukumchand	2,272	10	3½	3½	2	2	1.7	H.
11,00,240	90,000	15,87,375	10,31,164	9,411	H. V. Low & Co., Ltd.	500	Kamarhatty	127	10	1½	3	3	3	6.12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	1,797	Kankinarra	127	100	10+10	12½+12½	7½+7½	7½	6.12	H.P.
7,48,240	1,50,000	11,24,142	8,84,138	39,398	Associated Commercial Co., Ltd.	703	Kelvin	230	100	10+10	12½+12½	7½+7½	7½	6.12	H.P.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	1,530	Khardah	190	100	15	10+6	10+15	10	6.12	H.P.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd.	550	Kinnison	194	100	1½+4	10+9	10+7	4+3	3.9	H.P.
1,15,000	2,46,004	12,74,099	7,73,594	552	Andrew Yule & Co., Ltd.	931	Lansdowne	132	100	2+10	11+8	7+3	4+3	3.9	H.P.T.
1,57,500						840	Lawrence	148	100	3+9	12½+11	11+4	2+2	3.9	H.P.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	1,250	Lothian	280	100	3+10	12+17½	15+15	15+15	5.11	H.P.
10,00,000	1,10,000	35,80,122	14,26,827	56,421	K. C. Thapar & Bros.	558	Megna	102	100	2½+6½	2½+1	2½+2½	2½	3.9	H.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kisbenlall	1,008	Mackinnon Mackenzie & Co.	115	100	Nil 5	10+8	6 Nil	Nil+1	6.12	H.P.
15,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd.	815	F. W. Heilgers & Co.	12	10	1+1	1+1	1+1	Nil+1	3.9	H.
23,99,500	15,67,105	1,11,30,999	77,72,902	—97,825	Shaw Wallace & Co., Ltd.	425	Naskarpara	24½	10	1+1	1+1	1+1	Nil+1	2.8	H.
13,50,000	7,38,383	30,56,328	24,50,328	26,964	Jaipuria Sons Ltd.	852	National	24½	10	1+1	1+1	1+1	1+1	3.9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Gillanders Arbuthnot & Co., Ltd.	316	Nellimarla Jute	111	10	1½+1½	2½+1	2+1	1	4.10	H.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	295	New Central	100	100	4+10	15+15	10+12	12	6.12	H.P.T.
10,50,000	49,78,375	48,94,020	76,237	24,31,324	Sahu Jain Ltd.	367	Northbrook	19½	10	Nil	Nil	1	1+½	6.12	H.P.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	1,092	Ooregaum	46½	10	1½	1½+1½	1	1	3.9	H.P.T.
64,79,500	33,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	58	100	Nil	1½	1 Nil	Nil+½	3.9	H.
24,91,000	26,36,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	169	100	4+10	12+12	12+6	6+6	5.11	H.P.
25,00,000	4,41,364	80,71,921	61,33,411	—1,88,348	McLeod & Co., Ltd.	400	Presidency	5½	5	Nil	Nil	½	Nil	6.12	H.T.
20,00,000	58,659	26,15,293	7,67,993	—2,36,341	Mr. R. N. Banerjee.	305	Ramakrishna	5½	10	Nil	Nil	Nil	Nil	3.9	H.
49,50,000	1,90,000	1,23,47,175	36,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	Nil	Nil	½	3.9	H.P.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd...	2,013	Samnuggur	13¾	10	10%	10%	10%	10%	12	Y.P.
30,00,000	13,07,230	97,34,210	59,19,652	6,05,669	Bagarea More & Co., Ltd.	911	Shree Ambica	15	10	Nil	1½+1	1		3.9	H.
14,00,000	7,74,812	48,14,456	33,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	½	Nil	Nil		12	Y.P.T.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	850	Standard	119	100	3+6	9+8	8% 1	1+1	3.9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	13½	£1	10%	10%	10%	10%	3	Y.P.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	163	100	1+7	12½+11	10+1	1+4	3.9	H.P.T.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	£1	£1	10%	10%	10%	10%	12	Y.P.
2,50,000	1,35,000	36,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6	1	Nil 1/40	1/40 Nil	Nil	Nil	6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	20xd	10	1 + 1	1 + ½	½ + ½	1 + ½	3.9	H.
12,00,000	6,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Bararee Coke	18½	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾N	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd.	Bengal Coal	512	200	17½+17½	17½+17½	20 + 20*	17½+15*	6.12	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	½ + ½	½ + ½	½ + ½	Nil‡	4.10	H.P.
15,97,000	4,73,358	37,29,385	22,67,345	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½	½	6.12	H.P.
40,00,000	14,81,010	1,26,82,109	61,11,074	6,280	Sahu Jain Ltd.	Bharat Collieries	6¾	10	½	½	½	½	3	Y.
7,15,000	14,67,077	51,08,475	35,84,899	—41,494	F. W. Heilgers & Co., Ltd.	Bhulanbarasee	14	10	½ + ½	½ + ½	½ Nil	½ Nil‡	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,794	—1,46,405	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil	Nil	½ + ½	½	6.12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd.	Borrea	31½	10	1½ + 1½	1½+1½*	1½+1½*	1½*	6.12	H.T.
9,92,480	1,70,58,398	4,07,13,995	1,64,07,483	33,552	Bird & Co., Ltd.	Burrakur	9½	10	Nil	Nil	½ + ½	½	6.12	H.P.
49 97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	Nil	Nil	Nil	6.12	H.P.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½N	10	½ + ½	½ + ½	Nil		3	Y.
6,00,000	1,41,587	7,50,000‡		19,867	F. W. Heilgers & Co., Ltd.	Churlia	2½	4	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	8½	10	½ + ½	½ + ½	½ + ½	Nil‡	6.12	H.
£240,000	£332,801	£224,840	49,002	£90,734	Jardine Henderson Ltd.	East Indian	18	£1	2½	3	3	3	6.12	H.
39,43,760	74,36,570	3,46,00,164	2,76,14,367	—41,494	Bhattee's Agency Ltd.	Equitable	32½	10	2½ + 2½	2½ + 2½	2½ (1)	2½ 1/	4	Y.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Killick Industries Ltd.	Ghusick and Mosula	15N	10	Nil	Nil	Nil	Nil	6.12	H.P.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Macneill & Barry Ltd.	Hingir-Rampur	43½	50	3	3	4	3	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	15½	10	½ + ½	½ + ½	½ + ½	3	6	Y.P.
22,00,000	1,08,377	31,70,015	10,36,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	3½	10	Nil	Nil	½ + ½	½	12	H.
3,50,000	5,58,000	13,65,400	4,42,347	21,356	Andrew Yule & Co., Ltd.	Kalapahari	26¾N	10	1½ + 1½	1½ + 1½	1½ + 1½	1½ Nil	12	Y.P.
20,00,000	..	25,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	77	100	Nil	Nil	Nil	1½+1	2.8	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	45½	10	1½ + 1½	1½ + 1½	2+2	Nil 2+2	2	Y.P.
1,38,400	95,000	10,63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	5N	10	½ + ½	½ + ½			1.7	H.
11,00,240	90,000	15,87,375	10,31,164	9,411	H. V. Low & Co., Ltd.	Kusrdi	6¾N	10	3½	3½	2	2	6.12	H.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lalgurh	11½	10	1	1	1	1	6	Y.
7,48,240	1,50,000	11,24,142	8,84,138	39,398	Associated Commercial Co., Ltd.	Nazira	6½	10	½+½xd	½+½	½	½ Nil‡	3.9	Y.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	17½	10	3/10x3/10	Nil	Nil	½	6.12	H.
6,00,000	3,30,000	31,61,632	15,78,155	60,718	Octavius Steel & Co., Ltd.	New Mashbooom	8½	10	½ + ½	Nil	Nil	½+½	4.10	H.P.
1,15,000	2,46,004	12,74,099	7,73,594	552	Andrew Yule & Co., Ltd.	North West	11N	10	½ + ½	½ + ½	½ + ½	½+Nil ‡	3.9	M.
1,57,500							7¼N	10	½ + ½	½ + ½	½ + ½	½+Nil		
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	1 + 1	1½ + 1	½ + ½	½ + ½	3.9	H.
10,00,000	1,10,000	35,80,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	Nil	Nil	Nil	1‡	6.12	H.P.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kisbenlall	Parsora	6	10	½ + ½	½ + ½	Nil ½		12	Y.T.
15,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd.	Pench Valley	24½	10	Nil	Nil	Nil	½	6.12	H.P.
23,99,500	15,67,105	1,11,30,999	77,72,902	—97,825	B. N. Elias & Co., Ltd.	Ranegunge	11½	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
13,50,000	7,38,383	30,56,328	24,50,328	26,964	Shaw Wallace & Co., Ltd.	Rewa	25½	10	½ + ½	½ + ½	½ + ½	Nil ‡	2.8	H.
13,50,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	7½	10	½ + ½	½ + ½	½ + ½		3.9	H.
20,00,000	3,95,008	32,32,218	13,30,500	438	Gillanders Arbuthnot & Co., Ltd.	Searsole	8¾N	2½	½	½	½ + ½	½	6.12	H.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	Seebpore	24½	7	2½ + 2	2 + 2	2 + 2	2 Nil‡	6.12	H.
10,50,000	49,78,375	48,94,020	76,237	24,31,324	Sahu Jain Ltd.	Sendra	10N	10	½ + ½	½ + Nil	½ + ½	½ Nil‡	6.12	Y.
2,80,000	6,77,288	28,80,123	23,19,969	—1,39,849	F. W. Heilgers & Co., Ltd.						Nil		6.12	H.P.
8,00,000	8,74,490	36,99,197	26,21,250	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6¾	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.T.
63,21,450	13,25,954	3,24,72,792	2,26,34,594			South Karanpura	9½	10	½ + ½	½ + ½	½ + ½		12	Y.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Standard	21½	10	½ + ½	½ + ½	½ + ½	½ + ½	2.8	H.
8,00,000	13,89,545	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd.	Tatcher	3½	2½	Nil	Nil	½ + 1	1‡	6.12	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Union	22½	10	1½ + 1½	1½ + 1½	1½		3.9	Y.
3,50,000	3,30,000	18,94,910	14,86,513	14,927	Williamson Magor & Co., ...	West Bengal	6½	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
49,98,000	..	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Jamuria	18½	10	½ + ½	½ + ½	½ Nil	Nil	3	Y.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.								6.12	M.

* Including bonus. ‡ Sales and amount written off. (k) Investments. † For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 764 in the debentures section:—

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

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

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

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

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

(e) Retnrsable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(*Concluded from page 719*)

demand for it is heaviest. It remains to be seen how far it will succeed, for one does not know how hoarding and price racketeering by merchants, who know that the country is short of sugar this year, will be prevented. The total production in the country this year will be no more than 11 lakh tons, which, together with a carry forward of 2 lakh tons, gives a total supply of 13 lakh tons. As against this, consumption is of the order of 17 to 18 lakh tons. It is true that the Government is trying to bridge this gap through imports. But so far it has not been able to buy even 2 lakh tons of foreign sugar, the first shipment of which will be available only next month. There are many in trade circles who wonder whether the Government will be able to import all the sugar it wants to, namely, 5 lakh tons, as prices in the world markets are firm and supplies are not easily available.

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In order to augment supplies in the country, the Government has been considering for some time the question of allowing imports of raw sugar from Cuba and other places to be processed into white sugar by the factories in the Deccan, South India and other centres. But the Government has been slow in taking a decision on this matter and imposing all sorts of irksome conditions which give no incentive to the factories to implement this idea. At a Press conference in Bombay held today, Mr. Rafi Ahmed Kidwai disclosed that the Government has so far given permission to import 1,00,000 tons of brown sugar, which, in terms of white sugar, is equivalent to 90,000 tons. But so far no factory seems to have bought a single ton of brown sugar, as the Government wants not only to skim off all the profit for itself, leaving only a small margin to the manufacturer, but also to maintain strict control over the manufacturers' accounts. Some of these conditions are so stringent that one wonders whether the Government is at all keen on getting the sugar supplies augmented in this manner.

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A welcome development so far as the Deccan sugar factories are concerned is the decision of the Bombay Government not to apply the Growth of Food Crops Act to them from the current year. Ever since 1944, these factories had to devote one-third of the land belonging to their sugarcane farms to food crops. Following the removal of this restriction, the factories can grow more cane and expand their sugar production, provided adequate supply of irrigation water is made available. Another advantage of the withdrawal of this restriction is that factories will be able to get better sugarcane crops. The relaxation will allow green manuring to be carried out or leguminous crops raised or permit the lands to be left fallow with considerable advantage to subsequent crops. None of these measures to maintain the fertility of the soil could be used ever since the grow-more-food crop scheme was extended to the sugarcane farms of the Deccan factories some ten years ago.

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A study group of American agricultural experts—the team is styled as the U.S. Agricultural Trade Mission to Asia—will arrive in this country this week-end, it is learnt. Presumably, they have been asked to perform the study under the ægis of the U.S. Department of Agriculture to implement one of the steps in President Eisenhower's farm programme which he outlined in his message to the Congress early this year. In that message, he called for a series of trade missions—one to Europe, one to Asia and one to Latin America—to study "the possibilities of expanding international trade in food and fibre." These experts are expected to explore the possibilities of expanding trade in agricultural commodities, improving marketing and trade practices and promoting international trade through private channels.

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The agricultural experts have, of course, no powers to conclude trade contracts on the spot. But it seems safe to presume that their advice will materially assist the U.S. Administration in formulating foreign trade policies in relation to agricultural produce. The team which is coming to India is expected to hold consultations with private traders and representatives of the Government. The U.S., as is well known, faces the problem of large surpluses which have accumulated with the Government-sponsored Commodity Credit Corporation. As on 31st December, 1953, the Corporation's holdings of farm production, including wheat, cotton and tobacco, were valued at $4,545 million. The American authorities are known to be thinking in terms of overcoming the dollar shortage, which prevents larger absorption of American produce by foreign countries, through a system under which the buyers would be free to pay the cost of their purchases in national currencies. The Government of India has not yet expressed its attitude towards such proposals in any definite manner. But it is presumed that the Government is not likely to be averse to such proposals from the American side, if the terms and conditions of the latter are favourable. There is no reason why India should not buy such commodities as cotton, if the U.S. were prepared to take the value of the commodity sold in rupees, to be repatriated after some years.

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Among the commodities which the U.S. could offer and India tempted not to reject, must be mentioned cotton. Although the supply of cotton in India is none too scanty, Indian requirements are more than what could be met out of domestic production. Reviewing the cotton position in relation to the textile industry's requirements, Mr. Neville Wadia, Chairman of the Bombay Millowners' Association, observed, in the course of his address at the recent annual meeting of the Association, as follows:

"The cotton crop of 1953-54 has proved to be the best for many years. Although, at one time, it was estimated at as high as 44 lakh bales, it is now much more likely to be 41 lakh bales. While this has enabled larger quotas to be given to all mills, equivalent to 84 per cent. of their normal offtake, this is still far short of the requirements of the industry for which nothing less than 50 lakh bales will suffice. As it is, the carry-over, as on 31st August, is not expected to be more than at the same time last year, and it was already dangerously low then."

THE ANATOMY OF AUTOMATISATION

(*Concluded from page 731*)

machine : man ratios (say 24, 32 or 44 looms to a weaver). The operation of automatic looms involves resp

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
4,99,900 / 14,50,000	1,08,33,956	10,46,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	18 0	12	W.P.
1,01,000	12,41,000	7,143	Andhra Bank	188xd	50	9 0	9 0	9 0	9 0		
23,99,000				116cd	100	6 0	6 0	6 0	6 8	6.12	H.
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	62icd	50	3 0	3 0	3 0	3 4		
50,00,000	14,00,000	8,667	Bank of Bikaner	110½	50	6 0½	6 0½	6 0	6 0½	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	124N	25	0 12	0 12	0 12	0 12	12	Y.
15,30,375	25,00,000	63,001	Bank of Indore	147½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	60N	25	3 0½	3 0½	3 0	3 0	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	20½	10	1 8	1 8	1 8	1 8	12	Y.
39,99,150	51,13,240	29,409	Bombay State Co-operative Bank	29‡	100	16 0½	16 0½	16 0½	16 0½	12	Y.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	59	50	2 8½	2 8	2 8	2 8	6	Y.T.
7,50,000	10,50,000	6,578	Canara Banking Corporation Ltd.	75	50	3 12	4 8	4 8	4 8	12	P.Y.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	80	50	5 0½	5 0½	5 0½	5 0½	12	Y.P.
52,42,905 A				56½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	59½	25	3 8	3 8	3 8	3 0		
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	31½	50	1 8	1 12	1 12	2 0	12	Y.
25,00,000	16,20,000	10,609	Hindustan Commercial Bank	88N	20	2 0	4 0	4 0	4 0	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	9	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	11,825	500	80 0	80 0	80 0	80 0	6 12	R.L.H.
1,87,50,000				445	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				170icd	100	12 0½	12 0½	12 0½	12 0½		
17,60,000	76,50,000	1,23,088	Indian Bank	141cd	85	10 3½	10 3½	10 3½	10 3½	6 12	R.L.H.
16,80,000				99icd	60	7 3½	7 3½	7 3½	7 3½		
49 04 925	22,50,000	2,25,271	Indian Overseas Bank	92	100	5 0½	6 0	6 0	6 0	.12	R.L.H.
6,25,000				67	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				36½	50(C)	3 0	3 0	3 0	—		
87,50,000	90,00,000	3,10,289	Punjab National Bank	242xd	25	1 0	1 0	1 8	2 0	1 8(i)	
1,00,00,000	13,75,000	92,592	Travancore Bank	14cd	25	—	—	—	0 10	12	Y
40,00,000	31,50,000	1,80,225	Union Bank of India	6½	5	0 5	0 5½	0 5½	0 5½	12	Y
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	412d	50	2 0	2 0	2 0	2 0	12	W

PRINCIPAL EXCHANGE BANKS

Dividend (rs c nt)

£5,00,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-3-1½	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20 000 000	H.K.$96 000 000	H.K.$9,859 542	Hongkong and Shanghai Banking Corporation	£96½	H.K $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£3-0-3xd	£1	12†	12†	12 †	14†	12	R.L.Y.
£1,437,296				£1-6-3		5†	5†	5 †	5†	12	R.L.Y.
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank o India	£27½	A £12½	12†	12†	14†	14†		
£375,000 'B'				£27½	B £12½	12†	12†	14†	14†	12	R.L.Y.
£300,000 'C'				£12	C £5	12†	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India	£33½	£12½	16†	16†	16†	16†	12	L.Y.

†Includes bonus. ‡Less Tax (P) Pakistan Currency

††U.S. Currency (i) Interim. *Per share free of tax

DEBENTURES

Amount Rs. or £	Rate of interest per cent.	Interest Payable on	Company		Latest Available Quotations (per hundred Rs. or £	Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	96	28th February	1960(i)
6,00,000	5½	30th June and 30th December	Ravenscroft Cane & Sugar Co., Ltd	1938	99‡	30th December	1956
6,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December	1952-62
4,50,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November	1959-64
6,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April	1956-61
5,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April	1964
4,00,000	4½	10th May and 10th November	Bengal Nagpur	1897	98‡	15th November	1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	1932	101	1st January	1967-75
13,68,000	5‡		Jaypore Textiles	1949	78N	1st January	1956-59
40,00,000	3	1st June	Tata Mills		101		1966-71
ELECTRICS							
9,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	1950	96	31st March	1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd		101‡	14th June	1960
18,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co	1940	100‡	1st October	1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December	1966
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	102	1st January	1978
4,00,000	4	30th June and 31st December	Goutepore Electric Supply Co., Ltd.	1945	86	31st December	1970
15,00,000	5	1st January and 1st July	Bijli (Jherriah) Electric Supply Co. Ltd.	1951	96	30th June	1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1948	96‡		1957-61
2,00,000	5‡	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94‡		1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1957-67
47,73,000	4	1st April and 1st October	Tata Power	1940	100‡	15th September	1951-55(K)
2,50,000	4	1st April and 1st October	Tata Power		93	15th September	1965-70
ENGINEERING							
5,00,000	3‡	30th June and 31st December	Britannia Engineering	1945	98‡	31st December	1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	99	30th June	1958
80,00,000	5‡	15th September and 15th March	Indian Piston Pipe (2nd mortgage)	1942	103	1st July	1957-62
£1 183 400	4‡	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£96	31st December	1966(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd	1946	88	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101‡	1st October	1960-65
80 00,000	6	31st December	Textile Machinery Corporation Ltd	1950	95	31st December	1960
JUTE							
12 00,000	4‡	1st October and 1st April	Agarpara	1939	99	31st March	1954
6 00,000	4‡	30th June and 31st December	Alexandra	1939	98	30th June	1954(h)
15,00,000	6	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December	1964
10,00,000	4‡	30th June and 31st December	Bengal Jute Mill Co., Ltd	1940	99	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd	1945	103‡	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July	1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July	1966
25,00,000	3‡	30th June and 31st December	Mukumchand	1947	92‡	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd	1949	98	31st December	1964
25,00,000	3‡	30th June and 31st December	Naihati	1952	94	31st March	1964
5,00,000	3‡	31st March and 30th September	Naskarpara Jute Mills Co., Ltd	1947	98‡N	31st March	1956
3,00 000	4‡	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May	1959
20 00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December	1964
4,00,000	4	30th June and 31st December	Presidency	1943	93	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd	1950	96	5th September	1965
8,00 000	4‡	14th March and 14th September	Soorah Jute	1937	96	14th September	1957
12,00 000	4‡	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	3‡	31st January and 31st July	Waverley	1925	85	31st July	1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	86	1st July	1956
£350,000	4‡	1st January and 1st July		1908	£60‡N	A 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways				
£201,067	5	1st April and 1st October		1933	£77‡N	1st October	1974
6 50,000	3‡	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90‡	31st December	1959
£200,000	4‡	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85‡N		
80,00,000	4‡	1st March and 1st September	Scindia Steam Navigation		96‡	1st September	1963
PLANTING							
10,00,000	5‡	30th June & 31st December	Consolidated Coffee		102	1st July	1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April	1954-56
4,61,000	5‡	30th June	Ouchterlony		104	30th June	1954-59
9,00,000	5	31st March & 30th September	Shankaramalai		100—11‡	31st March	1953-63
1,89,700	5‡	31st March & 30th September	Teekoy		100	31st March	1949-59
MISCELLANEOUS							
15,00,000	5‡	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
26,80,000	4‡	1st April and 1st October	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	96‡	30th June	1957(1)
21,00,000	5‡	1st February and 1st August	Chowringhee Properties	1915	92	1st February	1964
21,55,000	4‡	1st July and 1st January	Clive Buildings	1938	88‡	1st July	1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September	1960
1,00 00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82		1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102‡	1st January	1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries	1949	96		1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470	30th September	1976
45 00 000	6	30th June and 31st December	McLeod & Co Ltd (Convertible Notes)	1947	(par note) 525 (par note)	31st December	1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April	1971
1 00 00,000	5‡	31st March	Orient Paper Mills Ltd.	1951	96‡	31st March	1961
1 00 00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	88	31st December	1966
4,00,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd	1953	104‡	1st May	1968

Note—See page 762 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th April, 1954.

	Closing quotations 8-4-'54	High	Low	Closing quotations 14-4-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	148	148‡	147‡	148‡
Bank of Baroda (50)	110‡	111	110‡	110‡
Central (25)	56	57	55‡	57
Central 'A' (25)	59‡	59‡	59	59‡
Imperial (F.Pd.) (500)	1,805	1,825	1,815	1,825
Imperial (P.Pd.) (125)	442‡	446‡	445	445
Union Bank (5)	6-8‡xd	6‡	6	6‡
United Com. (50)	40xd	41	40	41
TEXTILES				
Ahm. Adv. (100)	149‡	—	—	149‡
Apollo (2)	2‡	2-13‡	2‡	2-13‡
Bombay Dyeing (250)	423‡	443‡	425‡	440‡
Central India (100)	180‡	190	180‡	188
Century Mills (100)	331‡	342	332‡	341
Colaba (100)	66‡	—	—	66‡
Edward Textile (200)	245	247‡	245	247‡
Elphinstone (50)	44	—	—	44
Finlay (100)	262	270	262	268
Gokak (100)	271	268‡	259‡	264xd
Ind. Untd. Defd. (1)	1‡	1‡	1‡	1-8‡
Ind. Untd. Ord. (10)	11-5‡	11‡	11	11-7‡
Indore Malwa (100)	115	118‡	114‡	116‡
Kamani (100)	117‡xr	122‡	119‡	121‡
Kohinoor (100)	318	328‡	318‡	327
Lakshmi (250)	583‡	—	—	583‡
Madhusudhan (100)	82	—	—	82
M. R. Cotton Mills (100)	59‡	60‡	59‡	60‡
Minerva Mills (100)	111‡	—	—	111‡
Model Nagpur (250)	140	—	—	140
Morarji (100)	210‡	212‡	210‡	212‡xd
Mysore (50)	120xr	—	—	120
National Rayons (100)	168	174‡	164‡	165‡xd
New City (100)	160	160	156‡	160
New Kaiser (100)	151	157	150‡	157‡
New Union (10)	26‡	—	—	26‡
Phenix (100)	128‡	132‡	128‡	132‡
Sedar Mills (100)	145	145	142‡	145
Sassoon Silk (10)	18‡	—	—	18‡
Sassoon Spg. (10)	30‡	31	30‡	30‡
Shahjapur (1,000)	2,010	—	—	2,010
Shrinivas (100)	212‡	226‡	212‡	226‡
Simplex (50)	152‡	158‡	153	156
Standard (100)	333‡	341‡	333‡	340
Svadeshi (100)	303‡	309‡	301	306‡
Swan (100)	353‡	352‡	345	352‡
Tata M. (25)	53	51‡	49	49‡
Vishnu (100)	140‡	142‡	140‡	140‡
Western India (1,000)	3,810	—	—	3,810
ELECTRIC COS.				
Ahmedabad (100)	112‡xd	114‡	112‡	114‡
Amalgamated (10)	10‡	10‡	10‡	10‡
Andhra Valley (1,000)	1,335	1,346‡	1,340	1,346‡
Bom. Sub-El. (100)	121‡	123‡	121‡	122‡
Surat (100)	127‡	129‡	123‡	143
Tata Hydro (100)	143‡	144‡	143	143
Tata Power (1,000)	1,450	1,465	1,447‡	1 455
INSURANCE COS.				
British India (10)	13	13‡	13	13‡
Empire of India (100)	640	655	640	655
Ind. Mercantile (20	40‡	—	—	40‡
Jupiter (10)	7‡	—	—	7‡
New India (15)	46	47	46	47
Oriental (200)	7,850	7,900	7,850	7,900
Universal (10)	9‡	—	—	9‡
Vulcan (10)	12‡	—	—	12‡
STEAMER COS.				
Scindia (15)	17‡	18-13‡	18‡	18-11‡
STEEL COS.				
Ind. Iron (10)	30-13‡	31‡	30-15‡	31-3‡
Tata Steel Ord. (75)	191	197‡	190‡	195‡
MISCELLANEOUS				
Alcock Ashdown (100)	357‡	363‡	355	360‡
Associated Co. (100)	158‡	161	158‡	159‡
Balapur Sugar (5)	269‡	271	266‡	268
Bom. Burmah (125)	418‡	430	417‡	425‡
Do (New) (50)	146‡	147‡	146‡	147‡
Br. B. Petrol (4 sh.)	3	3-3‡	3-0‡	3‡
Br. I. Corpn. (5)	8‡	8-6‡	8-2‡	8-5‡
Indian Copper (2 sh.)	3-1‡	3‡	3-1‡	3-2‡
Ind. Inv. Tr. (100)	79‡	79‡	79	79
Kamani (200)	266‡	—	—	266‡
Killicks (100)	173	—	—	173
Killicks (75)	130	135	130	135
Phalton Sugar (50)	101‡	108	102‡	105
Port Canning (100)	27‡	—	—	27‡
Premier Cso. (30)	128‡	132	127	129
Shaw Wallace (10)	75	75‡	74‡	75
Tata Chemicals (10	14‡	15‡	14‡	15‡
Tata Oil (25)	37‡	40‡	37	39‡
Wadiwal Ind. (100	183‡	190	185	187‡
W. I. Match (100	211‡	216‡	210	212‡

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	99‡	—	3.33	99‡
2½% 1955	98‡	—	3.50	98‡
2½% 1961	91	—	3.93	91‡
2½% 1960	94	—	3.83	94‡
2½% 1962	92	—	3.85	92‡
2½% 1957	82‡	—	3.91	82‡
3% 1957	98‡	—	3.49	98‡
3% 1958	98‡	—	3.42	98‡
3% 1959-61	96‡	3.70	3.50	96‡
3% 1964	93	—	3.85	93
3% 1963-65	93	3.92	3.78	93
3% 1966-68	90‡	3.97	3.87	90‡
3% 1970-75	87	4.09	3.90	86‡
3% 1986 Con. Loan	83‡	—	3.62**	82‡
3½% 1924-59*	100‡	3.34	3.48	100‡
4% 1960-70	102‡	3.62	3.82	102‡
4½% 1955-68	102	3.68	4.13	102
4½% 1958-68*	103	3.27	4.04	105
3½% 1961 N.P. Bonds	99‡	—	3.62	99‡

BRITISH GOVERNMENT SECURITIES	9-4-54 £	High £	Low £	13-4-54 £
2½% Brit. Consols	64‡	66	64‡	66
3% Savings Bonds 1965-75	89‡	89‡	89‡	89‡
3½% War Loan 1955-59	101‡	—	—	101‡
3½% War Loan 1952	88‡	88‡	86‡	88‡
4½% Brit. Iron and Steel 1976-78	95‡	95‡	94‡	95‡
4% Funding Loan 160-90	101‡	101‡	101‡	101‡

** Current Income. x d—Ex-dividend. * Rupee Counterparts. X.R.—Ex-Right.

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COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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RATIONALISATION OF ADMINISTRATIVE MACHINERY TO SUIT DEVELOPMENT

IN recent weeks, much has been said about the Finance Ministry's control over expenditure of other ministries. The complaint has been that the present system is not in keeping with the need for speed in implementing development projects, as it is very cumbersome, breeds red-tapism and causes delay. This school of thought has, therefore, been arguing that there should be a certain amount of delegation of powers to the spending ministry, ensuring freedom of action. While conceding that work must be carried on quickly without being handicapped by red-tape and that petty considerations should not be allowed to stand in the way of development work, the protagonists of the existing system insist that there must be a proper scrutiny of expenditure of public funds, in order to avoid waste. This is doubtless an important issue, but it does not seem to have been widely realised that this issue is but a facet of the far more important problem of improving the efficacy of the administrative machinery, in general, and its usefulness to economic planning and development, in particular. It is obvious that the need for continuing, in its present form, the system of close checks and counter-checks by the Finance Ministry over the expenditure of the various other ministries will not arise, if the administrative machinery as a whole is more efficient than now. The question of financial control should, therefore, be considered not in isolation but simultaneously with the larger question of rationalisation of the whole administrative machinery for expediting Government business.

It is true that, for some time past, this question has been engaging the attention of the Government of India. Recently, a senior official of the Civil Service, Mr. Ashok K. Chanda, was asked to make a rapid and informal review of the existing administrative and financial procedures and make recommendations for improving them. This official has already submitted a few reports to the Prime Minister and some more are on the way. Others, such as Mr. Paul H. Appleby and the late Mr. N. Gopalaswamy Iyengar, too, have studied this problem and made suggestions to raise the efficiency and standards of administration. But, in view of the latest episode, namely, Mr. C. D. Deshmukh's resignation and its subsequent withdrawal, there is a danger of too much prominence being given to the issue of financial control to the exclusion of the much bigger reform of the administrative machinery. In fact, a solution to the former will depend upon the character of the reform of the latter. We, therefore, feel that this question must be given a higher priority than that of financial control. Accordingly, we propose to examine it at some length. In order to avoid misunderstanding, it is necessary to say at the outset that the object of this article is not to criticise the present administrative personnel, who have many achievements to their credit, but to record certain impressions as they strike us, with a genuine desire to assist the organisation of more effective attitudes and practices.

The record of achievements of the Civil Service in India both in maintaining stability at home and, by and large, in upholding prestige abroad has been exemplary. But, at the same time, it must be stated that, with all these qualities, the Service still offers a very inadequate instrument for producing successful results in a practical way, especially in matters of economic planning. It is the purpose of this article to state that, while procedures are important, the real secret of successful administration is more a question of mental attitudes and approaches and a capacity for team work. Both these qualities are absent at present in our administrative set-up, whether it be at the Centre or in the States.

Before proceeding to state as to what is wrong with the attitude of the administrators in this country, it is also fair to admit two more points to their credit. First, the present administration, when it inherited the big job of developing the country's economy, began on a task for which it had no tradition or experience. In pre-war days, the whole budget of the Government of India was limited to a little over Rs. 100 crores per annum, of which probably no more than Rs. 10 to Rs. 20 crores related to developmental activity. Today, the size of the Central Government's development investment has risen to a level varying between Rs. 300 and Rs. 500 crores per annum; in terms of the sheer size of the job, it is so vast and new that it should not surprise anybody if the administration has made some mistakes or faulty approaches.

Secondly, having regard to this magnitude of the job, the size of the administrative personnel is rather small. It is true that, during war-time, the Secretariat of the Government had increased quite appreciably, judged by mere numbers. But this increase is still very inadequate relatively to the nature of the work to be done, partly because the war-time personnel is not suited to handle the big and delicate jobs and partly because the jobs themselves are so heavy, so complicated and so numerous that it is definitely well beyond the competence of the civil servants charged to do them. In making any criticism of the administration in this country, it is only fair to acknowledge that a large body of the senior civil servants in this country works under such great pressure and with so little relaxation and holidays that it is, indeed, a matter of surprise that they have not turned out to be worse than they are. It is only people who do not understand all that is involved in administration and who have no appreciation of how many more people are employed for similar jobs in other countries that can honestly criticise the administration at the senior level in this country for their failures and inadequacies. Side by side with this, however, there is also a great deal of indolence, evasion and incredible incompetence at some of the subordinate levels of the service, involving a great deal of waste of time and money and slowing down governmental operations as a whole. But that is a separate issue by itself.

Having said all this, it is necessary to observe that, while the integrity of the civil service as a whole is beyond doubt, there are numerous traits of a qualitative character which inhibit efficiency in terms of practical results. Some of these are traits of training and environment and some of temperament and character. One of the most important shortcomings which one notices in the attitudes of administrators who evolve policy in this country is their general incapacity for team work. This is, indeed, surprising in a body of men who are so level-headed. If one observes a team of people working on similar jobs, especially in the field of business, an important difference that strikes one is the extent to which these administrators tend to take decisions not as teams but as individuals of superior authority. Here is a question of conflict between the desire to exercise authority and the need to achieve results. In any big practical organisation, whether it be the running of a governmental project or a huge organisation, such as General Motors and I.C.I., which manages a budget much larger than the budget of the Government of India, the system which produces results is one under which most of the important decisions affecting practical policy are evolved after a great deal of discussion between men of varying talents and different degrees of skill and specialisation and on the basis of an array of facts, opinions and judgments which are systematically and laboriously collected and analysed. The efficient administration of today recognises that the best way to produce results is to combine appropriately a great deal of commonsense with a great deal of various types of specialised talent. The present Indian administration, which can claim high credit in many matters, has been found to be singularly defective in its ability to organise policy-making by the method of widespread consultation and the recruitment of skill and knowledge in this process.

The average Indian civil servant, when he inherited the duty of economic planning, came to it with a mind made up more to exercise authority than to organise consultation. He thought of himself in terms of a Deputy Secretary, a Joint Secretary or a Secretary, each higher in wisdom than the other (though all of them cringe before even the most idiotic of ministers) and each of them thinking that his writ was final and not open to question by anyone below or outside of them. Very often the civil servant proceeded to assume that he knew all about everything; indeed, there was even a sneaking feeling that to consult a technician or an engineer or a salesman or a factory manager or an economist even in regard to practical jobs was something beneath the dignity of the wise men in the Government Secretariat. And when consultations were made, in the final analysis, the decision on policy, usually taken by the executive, tended to be coloured by his own prejudices. At the level of execution also, the attitudes and the complexes of the administrator came to influence and modify action. These characteristic features of the Secretariat persist even today.

The explanation for this state of affairs, offered by even enlightened officials, is that they are a more practical-minded and a more level-headed people and that the consultants look at the problem from the angle of special interests and that the academic men take only a very theoretical view of problems. It must be admitted, of course, that these charges are not without some foundation. And what does it prove? It only proves that there are greedy people or foolish people amongst the consultants, as there are amongst the civil servants as well. It should, therefore, be the endeavour of any administration rather to find all the time in each of these categories the most objective of minds and organise them to be able to work together than to take decisions which tend to be related largely to one type of experience or knowledge. It is in that respect that there has been a failure in our administration all along the line and one notices even today the unfortunate tendency on the part of the administrator to presume to be able to decide and to sit in judgment on all manner of highly technical issues.

Further, in much of the thinking of the civil servant, as that in most of the other groups of men of this generation, there is a deeply negative strain, whereas the times require a healthy and positive approach in so many things that India is doing. As in the case of politicians in this country or business men or professors, the present generation of civil servants also is cursed with the blight of being a very good critic but a very poor constructor. To that extent, there is truth in the jibe of Mr. Chester Bowles, an ex-U.S. Ambassador to India, who records, in his recent book, a remark which he is said to have made to an Indian civil servant that civil servants in India know a hundred reasons why a certain thing *should not* or *could not* be done, but not one of them knows as to *why* or *how* it could be done. Brought up largely in the traditions of a Government which accentuated stability as against expansion, law and order as against life and growth, a great deal of the intellectual inheritance of this class tends to be conservative and unadventurous, with a real but unacknowledged preference for the existing order and with little sense of adventure in the context of a dynamic society. This is essentially a failure of attitude, rather than of intellectual competence or executive ability. It is this kind of attitude which inhibits the civil servant from taking risks, from going in search of ideas, from respecting others with ideas and from indentifying himself boldly with policies of a constructive character.

Yet another inheritance from the traditions of the old administration which inhibit progress is the very unfortunate predominance of the mind of the accountant and the legalist and the mind which delights to babble in the tweedledum and tweedledee of procedural niceties rather than that which takes pride in some concrete results and achievements. This was a tradition which suited admirably the old world colonial administrations dominated by the law-and-order boys, classical scholars and poetry readers, who took to administration for a hobby. It, of course, takes time for minds to adjust themselves and to grow from ancient structures to modern needs and it may be that even our administration is adjusting itself slowly. But it is a growth which strikes one as being very painful and very slow.

This is not intended to suggest that we could have achieved better results if the accountants did not keep accounts and the experts in tweedledum and tweedledee did not point out to us the niceties of distinction between a procedure and a policy. The accounts, of course, must be kept and forms of procedure must be observed; but these have a place of their own. That place is not to dominate and exclude the more essential objectives of action and policy. It must be clearly realised that an administration, in which accounting and procedural niceties dominate in the degree in which they do in India, is one which tends to become singularly unrealistic and incompetent to handle the big jobs that await this country.

A similar inhibiting influence on the administration is the quality of parliamentary control that is exercised. The present relationship between administration and Parliament produces the impression of lame people being led by the blind. Parliamentary control is necessary and desirable, but, in this country, it tends to be small minded, unrealistic and devoid of a sense of proportion. Parliament must, of course, be vigilant; financial and other controls must be exercised, but exercising a power presupposes a certain clear-cut appreciation of the important as against the unimportant and of all action in relation to the final objectives. It may be that, in course of time and on the basis of experience which is being acquired gradually, the parliamentary committees will become realistic and competent in their assessment of executive action. But, at present, it will not be far from the truth to say that parliamentary committees proceed with their jobs in a spirit of criminal investigation, out to find fault and to exaggerate failings rather than as practical men keen to get the job done in a spirit of understanding and tolerance which men of truly superior ability can bring to bear on the jobs.

To a minor extent, the effectiveness of administration in this country also suffers from the application of the somewhat outmoded principle of assigning responsibility purely on the basis of seniority in service. A large number of people, who are in high places today, are people who are there not by virtue of aptitude, training and experience, but merely because they were born a few years earlier and joined the service earlier. In a system in which most of the administrative requirements were static, as in the British colonial administration of India, this system worked with a fair amount of success, but today premium should rest on ability, since the principle of seniority does not necessarily produce results. It is true that there is a certain amount of selection for service men in the present administration, but, on the whole, it is ineffective. Another defect is that men on particular desks, when they are just beginning to acquire the mastery of that work, are transferred to some other desk where they are entirely new and will take time to put their shoulder to the wheel effectively. While some amount of movement from place to place is inevitable and even desirable, the larger interests of the country should not be subordinated purely to the small interests of safeguarding claims by seniority; if necessary, justice could be done in all such cases not by transferring people too recklessly but by an adjustment of their monetary recompense, without undue rigidity about grades and salaries attached to particular posts.

A number of these drawbacks could also be rectified by eliminating the present pure blood theory of the civil service tradition and by importing from time to time even at the top levels service men of acknowledged competence from the fields of business, industry, journalism, universities, etc. The old idea that, in order to keep the civil service away from the pampering influences of business and party politics, their privileges for promotion must be inviolate, should be abandoned in favour of the practice of periodical injection of fresh blood at the top levels. In fact, even in the U.K., the traditional home of old-world civil service ideas, these principles have been modified during and after the war to suit the requirements of high-pressure administration. A number of people has been brought into administration at the senior cadres in the U.K. from amongst the managerial class of business executives (who are not the class described as capitalists), as well as by men from the fields of journalism and learning. Some of these men have amply justified their selection, partly because the selection was careful and with an eye to true merit and integrity. In the U.S.A., of course, civil service practices go to another extremity, but, opportunist political considerations apart, a careful periodical reshuffling of civil servants helps to produce a freshness of outlook and ideas which the civil servants, recruited on principles of life-long security of tenure and promotion on the principles of seniority, fail to produce.

Finally, the degree of excellence of administration cannot exceed the merit of the people who are selected to man it. From this angle, the basis of selection should be merit and not province, language or community. This is a truism, but even those who are in sympathy with it often fail to observe it in reality. From this point of view, it would be interesting to investigate how, from the beginning of independence, recruitment to positions of trust and responsibility has tended, in each of the ministries or their subordinate organisations, to result in the recruitment of men of the minister's own clan or State or community. This aspect of our life which seems to affect even some of the highest men in the land represents one of our dismal weaknesses. This failing seems to be applicable even to subordinate organisations and technical bodies, where, at any rate, premium should be given to merit and not to the origin of one's deputies and assistants. And yet who can proclaim honestly today that, by and large, recruitment to civil service positions is free from this virus and that on each job the administration is able to employ our best men rather than the men whom someone in the administration likes for personal, communal, or linguistic reasons?

These are some of the factors which influence the quality and efficiency of administration in relation to the big jobs that await execution. These are not merely matters of formal procedure or methods of keeping the files. They are matters which go deep into the qualitative content of the men in charge of our administration, their attitudes, their temperament and the body of tradition which clings to the administration and governs the nature of its efficiency. The qualities necessary for efficiency can be achieved, but they can be achieved not by laying down a set formulæ but by a collective elevation of the quality of endeavour with which the administrative as well as the parliamentary wings of Government in this country strive to perform their duties. Experts on administration from within or outside the Government may devise systems which are apparently wise and intelligent, but, in the ultimate analysis, it is the men and their attitude which are very important. We concede that it is not easy to produce the necessary qualities or eliminate the failings overnight. Nevertheless, it is better to single out the things against which we should be on our guard and to realise that, in this country, neither the administration nor Parliament has as yet a sufficient degree of the practical approach to things which is the essential prerequisite for achieving success in the big projects that have been taken in hand.

INDIAN BANKS PROPOSE TO CONTROL INTEREST RATES ON DEPOSITS

MORE NEW VENTURES IN THE OFFING

THURSDAY, 5 P.M.

FOR the second week in succession, the Share Markets have been upset. Last week it was the announcement of the new loan which had a dampening effect on sentiment, because of its anti-inflationary implications. But the markets soon staged a recovery, following the spectacular increase in notes in circulation which made it easier for operators to forget the significance of the new loan. This week, however, the markets slumped again, for no other reason than Mr. Deshmukh's casual remark about the value of placing a ceiling on dividends. Market men interpreted his statement to mean that he was not averse to re-introducing the control on dividends and that he might do so at any time. The exact statement made by the Finance Minister on this subject in Parliament yesterday is as follows: "... I have no objection to reviewing this matter (the limitation of dividends). It may be that the Taxation Enquiry Commission is also devoting a certain amount of attention to this subject. Generally speaking, of course, we may admit the proposition that frugality in dividend distribution and maximum ploughing back of profits is highly desirable, and this, indeed, is what every good business concern normally does. In cases where Government assist industry, they take care to ensure that whatever additional resources become available to industry are devoted to capital expenditure and one must recall that the list of industries expecting Government assistance is getting larger and larger every day. For instance, when we fixed the prices for steel and cement, two of the basic commodities, we did take this into account."

MARKET GOSSIP

The foregoing statement was made in reply to a suggestion made by the Deputy Speaker, Mr. M. A. Anantasayanam Iyengar, that a limitation on dividends should be introduced in order to compel corporations to plough back the major part of their profits. But there is nothing in his statement to warrant the conclusion that the Finance Minister is seriously considering the question of introducing dividend control now. On the other hand, there is enough evidence in the latter part of the above quotation from which one can safely infer that he does not see the necessity for it at present. His emphasis on the frugality in dividend distribution may, however, strengthen the hands of conservative company managements not to yield to the vociferous demands of their shareholders for higher dividends. It may have a salutary effect even on those who have been contemplating declaration of big dividends.

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The move to control interest rates on deposits by mutual understanding among the banks themselves, backed by the support of the Reserve Bank, to which a reference was made in these columns in our issue of the 4th inst., has gone a step further. A meeting of Indian banks was held on Monday the 19th inst., in which certain proposals were considered and a unanimous decision was taken on the maximum rates payable on current account and short-term deposits. It is reported that the banks were of the view that the practice of accepting call deposits must be given up. These proposals were considered at a meeting of banks held on Tuesday, under the auspices of the Reserve Bank, in which the Exchange banks also participated for the first time. No final decision was, however, reached, as the Exchange banks wanted time for careful consideration of the suggestions made by the Indian banks. Meanwhile, market circles are sceptical of the success of the proposed "self-controls," for past experience of such gentlemen's agreements has not been quite happy; they were honoured more in the breach than in their observance. There are also some who question the appropriateness of such controls, as they are not in keeping with the fundamental principles of private enterprise and they wonder how the Reserve Bank could informally underwrite any understanding mutually agreed to among the banks A few among the Indian banks themselves are not happy over this move, as they are afraid that it will ultimately lead to more and more controls by the authorities.

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Some very important issues were raised by Mr. Maneklal Premchand, who has succeeded his brother, the late Mr. Kikabai Premchand, as the Chairman of the Industrial Investment Trust Ltd., in his speech at the annual meeting of the Company, held this week. He warned that, in view of the competitive phase in international trade which India is now entering, it is essential that the "old and worn-out" machinery of its industries should be replaced by new and modern equipment. He deplored that the textile industry should have been saddled with a cess in order to help the handloom industry. He said that the sooner the Government ceased penalising efficiency in industry and abolished the cess the better it would be for the country's industrial progress.

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The new Chairman of the Industrial Investment Trust uttered a note of warning against any excessive reliance on deficit finance. "It cannot be too often emphasised," he said, "that there is a danger of inflation, if this method of finance oversteps its limits." He suggested that adherence to a clearer money policy would provide a check on inflation and added: "We must avoid the mistake of borrowing cheap in future, if we want to avert the repetition of the 1952 crisis. We should be prepared to pay a reasonable rate of interest. If we do this, there will be an even flow of funds into trade and industry." This advice is timely, in view of the fact that there are rumours that the Shroff Committee has either recommended or is likely to recommend a lowering of the Bank rate. If such a measure were adopted, it would be deplorable to a degree. It is not clear what purpose will be served by reducing the Bank rate now. Apart from the fact that, in an undeveloped country like India, the Bank rate is a less powerful instrument for stimulating the economy than in the industrially advanced countries, a reduction in the rate would definitely interfere with the flow of savings. If money is not borrowed for investment purposes, it is not because it is costly but because the climate is not favourable for new ventures. The right remedy for this situation lies in a vigorous policy of aiding private initiative and enterprise rather than in any tinkering with the Bank rate.

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Some interesting developments seem to be taking place in the field of Indian automobile industry. The Government of India has suddenly woken up from its slumber and is showing considerable concern over the manufacturing activities of the existing factories. It has appointed a special officer, Lt.-Col. V. P. S. Menon, to study the progress that has been made by these factories and report to what extent they are keeping up to their programme of progressive manufacture of cars. This officer is also expected to help the manufacturers by ascertaining their difficulties and trying to remove them with the assistance of the Government. What is it that has been responsible for this new sense of urgency in the Government? A number of factors can be cited, but the most important would appear to be (a) the worsening international political situation, and (b) the need for fulfilling the promise held out by the Commerce and Industry Minister nearly a year ago that, within a few months, cars would become cheaper. This promise was based on the substantial reduction in import duty on C.K.D. packs a reduction which was given mainly with a view to stimulating the offtake of cars. But the promise has not so far materialised; on the contrary, the prices of cars are higher than they were a year ago, though the offtake has been distinctly better, leading to a clearance of the accumulated stocks. It is stated that the stocks of automobiles in the market are so small that even the prices of second-hand cars have tended to look up.

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The automobile manufacturers, however, contend that it is incorrect to compare the current prices of cars with those of a year or 18 months ago, because the period taken was one of depression for the industry. During that period, the slump was so severe that Hindustan Motors, for instance, had to auction their stocks of automobiles at sacrificial prices. It was these low prices that stimulated offtake and helped them to clear their stocks. Thereafter, the market price has been steadily rising and has now reached a level which is regarded as normal, taking into consideration their cost of production. If this explanation is correct, it is reasonable to presume that they will not allow any further increase in price to take place.

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Another interesting development in the field of automobile industry is the approval by the Central Cabinet of the arrangement recently entered into between the Tatas and Mercedes Benz, the famous German motor car makers, for the manufacture of heavy trucks and cars in the factory of the Tata Locomotive Engineering Co., Ltd. This project will be implemented by the T.E.L.CO., in addition to making locomotives. For the present, no fresh capital is likely to be raised by the Company to finance this new project, as the German firm will be advancing the cost of additional machinery that will be erected. Full details of the arrangement are not available, but the two leading existing motor companies are critical of the conditions under which the Government has allowed this deal to go through. They contend that this new entrant in their field has been assured of an important facility which they have been denied. The facility referred to is the Government's guarantee of a minimum return to the T.E.L.CO. which covers the latter's overheads. This guarantee was offered to the Company, in order to encourage it to make locomotives and not automobiles. They, therefore, feel that to continue the guarantee of minimum return to the T.E.L.CO. is unfair to them, because it places the T.E.L.CO. in a far more advantageous position *vis-a-vis* themselves. It would appear that the protests made by them to the Government have failed to yield any favourable results.

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It is feared that the Tata-Mercedes combination may adversely affect the prospects for the Ashok Motors Ltd., Madras, which, too, has a programme for the manufacture of trucks in collaboration with Leylands of the U.K. It is believed that the Indian market for trucks is not big enough to keep two heavy truck manufacturers going and that, in a fight for the survival of the fittest, the Tata-Mercedes combination may emerge victoriously, because of its large resources and superior talents.

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Meanwhile, the Rootes group is pulling out of India, as it has been unable to make much progress with the manufacture of cars. Its Indian company, the Automobile Products of India, has already ceased its operations, though there are reports that it will restart operations following the permission given to it to import parts for assembling a limited number of cars. The controlling interest in this company has been sold by the Rootes Group to a South Indian business man, Mr. M. A. Chidambaram Chettiar, of the South India Corporation Ltd., subject to Government's sanction. It remains to be seen what the new management will do to make the Automobile Products of India a success.

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It will be recalled that, some weeks ago, we referred to the interest which Tatas had decided to take in the business of Messrs. Volkart Brothers, *vide* page 551 of our issue dated 27th March, 1954. We now understand that negotiations have been completed and the new company that is to be formed for taking over Volkart Brothers' present import and engineering activities will have a capital of Rs. 1.50 crores, of which 55 per cent. will be held by Tatas and 45 per cent. by the present partners of Volkart Brothers. The latter will continue to do their cotton, shipping and insurance business in India as at present.

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There are indications that private enterprise in India is actively planning establishment of new industries. We referred earlier to Tatas joining hands with Mercedes Benz for manufacturing trucks and cars. Their idea in participating in a part of the Volkart Brothers' business is also to manufacture some of the machinery, that is now being imported, within the country itself. This may probably lead to an expansion of the activities of the Investa Machine Tool factory. But these plans are nothing as compared with their plan for the manufacture of dyes at Jamshedpur in collaboration with the world-famous German firm, Bayers. This is a heavy chemical industry, requiring large capital investment, estimated at Rs. 10 crores. It is believed that Tatas will take up 25 per cent. of the capital and that a similar amount will be invested by Bayers. The balance will be offered to the public. It is stated that Jamshedpur is the most ideally suited place for undertaking the manufacture of dyes from coal, because of the large quantity of coal gas available from the coke ovens of the Tata Iron and Steel factory. It is further stated that, with the expansion of the T.I.S.Co. factory, the quantity of coal gas that will be available there will be so large as to make the manufacture of dyes right from the basic raw material a highly profitable proposition. It is true that at present India has one dye factory in Bulsar and another is being planned near Bombay. But these are dependent upon imported intermediates, whereas the Tatas' scheme goes a step further, in that it envisages manufacture of the whole process in India. The reactions of the Government to this project are yet to be known.

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It is learned that Birlas, too, are contemplating to start some new industries. Thus, they are believed to be seriously considering the establishment of a rayon industry in the vicinity of Bombay, similar to the National Rayons Ltd., and a chemical industry in Saurashtra where plenty of sea salt is available. It would, however, appear that no firm decisions have been taken in regard to the latter.

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Apropos the sugar refinery proposed to be established in the Bombay port, the Food and Agriculture Minister, Mr. R. A. Kidwai, stated last week at a Press conference that the question was being examined by the Planning Commission. This implied that the Government has taken no decision at all. But the sugar manufacturers in the Deccan do not seem to be convinced that the Minister was telling the whole truth and they are greatly perturbed by reports that the person who put forward the proposal has already received the licence for importing the necessary machinery. These factories feel that the establishment of a refinery in Bombay would be detrimental to their interests, besides being contrary to the declared objectives of the Five-year Plan.

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It is surprising how issues, accepted as settled, continue to figure in Parliamentary debates. One such issue is India's attitude to foreign capital. Although the Government has repeatedly clarified its policy in relation to foreign capital welcoming it as a necessary aid in the country's attempts at improving living standards, it is a pity that the issue is periodically raised, as if nothing has been said on the subject before. In his reply to the debate on the Finance Bill, the Union Finance Minister, Mr. C. D. Deshmukh, was compelled to restate the Government's attitude to foreign capital. Since the members of the opposition, who raised the issue, continue to rely on stock arguments that used to be levelled against foreign capital in the pre-independence era, Mr. Deshmukh did well to remind the House that the fears voiced by some were groundless, since the Government has "adequate powers to ensure that foreign capital does not use its position to the detriment of national interests." The fact seems to be that the opposition refuses to recognise Indian independence, much less to appreciate its implications. Its attitude towards foreign capital smacks a little too much of the horror of primitive communities for foreigners and foreign things.

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Mr. Deshmukh emphasised that foreign capital could "render useful service or bring the know-how, particularly in an undeveloped or under-developed economy like ours." This aspect was clearly stated, it may be recalled, by Prime Minister Nehru, as far back as in April, 1949, when he averred that "Indian capital needs to be supplemented by foreign capital not only because our national savings will not be enough for the rapid development of the country on the scale we wish,

(*Continued on page 811*)

HEAVY UNLOADING IN EQUITIES

FEARS ABOUT DIVIDEND LIMITATION

(From Our Own Correspondent)

BOMBAY, 22*nd April*

THE Stock Exchange had the most unwelcome news for some time past, when the Finance Minister assured the members of Parliament yesterday, in the course of his reply to the debate on the first reading of the Finance Bill, that the Government was prepared to review the question of limiting the dividends of companies. This statement of the Finance Minister was in response to the suggestion made by the Deputy Speaker of the House, who was one of the main speakers on the Bill, that the time had come when we had to put a ceiling on dividends distributed by companies so that the balance of the profits could be ploughed back into the industry for purposes of capital formation. The Finance Minister's statement caused a shake-out today on the Stock Exchange and under an avalanche of selling orders equities over a wide front suffered fair-sized losses, more than wiping out the earlier gains. End-of-account considerations also induced operators to lighten their commitments.

Earlier in the week, equities followed an irregular pattern, in consonance with outside advices, namely, the movements in bullion and commodity markets, as well as reports from Calcutta where Indian Irons and jute shares were well fancied. The undertone was, however, one of confidence. The week under review was also noted for the high-lights provided by sugar and automobile shares, which were keenly bid.

In the steel section, Tata Ordinaries opened on a confident note at Rs. 196-4 and advanced sharply to a high of Rs. 199-8 on Saturday, on speculative buying and nervous short-covering, backed by higher advices from Calcutta. The higher level, however, encountered sizable liquidation of a profit-taking nature. Lack of buying interest and lower commodity advices pulled the shares down to Rs. 194-8 on Tuesday. Buoyant Calcutta advices and smart rise in bullion prices revived buying enthusiasm yesterday when Tata Ordinaries moved up to Rs. 197-4 before a further erosion, caused by the Finance Minister's statement, brought them down to Rs. 193-4 today. Indian Irons experienced some violent fluctuations during the week. After a spurt from Rs. 31-3½ to Rs. 31-14 early in the week, the shares reacted to Rs. 31-1½ on Tuesday. Heavy buying from Calcutta and short-covering lifted them upto Rs. 31-11½ yesterday, before winding up today at Rs. 31-2.

Textile shares kept a steady front almost throughout the week, but today selling pressure caused deep dents, resulting in moderate losses over the entire list. Bombay Dyeings moved between Rs. 436-14 and Rs. 448-12 *cum-div.*, before closing at Rs. 418-12 *ex-div.* today. Kohinoors finished the week with a loss of Rs. 7 at Rs. 320. Century, which was listed *ex-div.* early in the week at Rs. 320, touched a high of Rs. 333-8, but closed the week lower at Rs. 326-8. Central Indias lost Rs. 6-8 to Rs. 181-8, Finlays Rs. 4-8 to Rs. 263-8, Gokaks Rs. 8 to Rs. 256, Indore Malwas Rs. 3-12 to Rs. 112-8 and New Greats Rs. 4 to Rs. 153. Shrinivas which were a favourite counter last week suffered a drop of Rs. 10 to Rs. 216-4. Simplex moved down by Rs. 2-8 to Rs. 153-8. Srinivas closed at Rs. 320 *ex-div.*, as against Rs. 340 *cum-div.* last week. Svadeshis were marked down from Rs. 306-12 to Rs. 295-8 and Swans from Rs 352-8 to Rs. 350. The notable exceptions to the general trend were provided by Laxmis which gained Rs. 10 to Rs. 593-12, Vishnus which were done Re. 1-14 better at Rs. 142-8 and Sholapoors which advanced by Rs. 200 to Rs. 2,210.

Bank shares were easy, due to the weakness in Gilt-edged securities. Imperial Bank Fully Paids were marked down by Rs. 16 at Rs. 1,810 and Contributories by Rs. 7-8. Centrals lost a rupee to Rs. 56 and their "A" shares As. 4 to Rs. 59-4. Indias lost As. 8 to Rs. 147-12 and Barodas As. 12 to Rs. 106-4 *ex-div.* United Commercials were, however, better by As. 8 at Rs. 41-8.

Insurance shares kept a steady front, with the trend towards higher levels. Orientals put on Rs. 50 to Rs. 7,950 and Empires Rs. 5 to Rs. 655. New Indias were, however, a shade lower at Rs. 46. British India Generals were taken up a fraction better at Rs. 13-2 and Vulcans at Rs. 12-12.

No definite trend was noticed in the public utility section. Ahmedabad Electrics stood Re. 1-4 lower at Rs. 112-13. Bombay Suburbans showed no change at Rs. 122-8. Surat Electrics dropped a fraction to Rs. 128-12. Tata Hydros were a shade better at Rs. 143-8. Andhra Valleys improved by Rs. 8-12 to Rs. 1,353, while Tata Powers lost Rs. 2-8 to Rs. 1,452-8.

In the miscellaneous section, sugar shares provided a lively feature with all-round gains. Keen enquiries, coupled with shortage of stocks, caused a spurt in Belapurs from Rs. 268 to Rs. 283. Although they were marked down to Rs. 274 at the close, the gain over the week was Rs. 6. Phaltans had a rise of Re. 1 to Rs. 106. Walchandnagars were done at Rs. 176-4 *ex-div.*, which on the *cum div.* basis disclosed a gain of Rs. 2-12. Among other industrials, A.C.C. were placed Rs. 2-4 lower at Rs. 157-4; the shares touched a high of Rs. 161 during the week. After an advance from Rs. 425-10 to Rs. 430, Bombay Burmahs (old) retreated to Rs. 415-10. Scindias declined from Rs. 18-11½ to Rs 18-1. B.B. Petrols were As. 2½ lower at Rs. 2-15½. B.I.Cs. were quiet at Rs. 8-4 and Indian Coppers at Rs. 3-2½. National Rayons made a smart rise from Rs. 165-12 to Rs. 170, but were pushed back to Rs. 155-4 at the close on adverse news about rayon prices in the U.K. and fears that the Company's bulk deal with the Silk and Art Silk Mills' Association presented some difficulties. Premier Constructions were a fraction down at Rs. 128-8. Shivraipurs had business at Rs. 67-8 *ex-div.*, as against Rs. 79-8 *cum-div.* (dividend Rs. 8). Tata Chemicals dropped Re. 1-1 to Rs. 14-3. Tata Oils were unchanged at Rs. 39-8 Wimcos reacted from Rs. 212-8 to Rs. 210. Hindustan Motors commanded a good deal of attention on suggestions about the future of the automobile industry and rose from Rs. 7-6½ to Rs. 8. Premier Automobiles hardened from Rs. 65 to Rs. 68. Tata Locomotives had active buyers at Rs. 112, as against Rs. 108, on reports that the Company's plans for manufacture of trucks have been approved by the Government of India.

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Calcutta Stock Exchange

(From Our Own Correspondent)

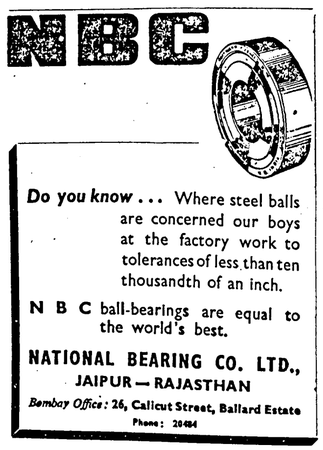
CALCUTTA, 21*st April*

The week under review consisted of only four sessions, in view of the Easter holidays. During this short period, sentiment was highly cheerful, and both investors and professional operators conspired to make the market place very active. The volume of transactions, therefore, recorded an impressive increase, with attractive gains added all round. Miscellaneous industrials, paper mills, engineerings and jutes occupied the pride of place.

The attractive appreciation in the prices of jute goods encouraged speculative activity in jute shares, although, in view of the fact that mills had sold most of the goods for forward deliveries even before the higher trend set in, the mills do not stand to benefit as much as the bazar stockists of jute goods. After the dullness in recent weeks, local shares looked up this week, following the general improvement and expectations of increased consumption of coal by industry. Although engineering shares were subjected to profit-taking, the closing rates were higher on balance. Since miscellaneous industrials and other sections attracted a good portion of the funds available to the market, tea shares were quiet, although gains were maintained in whatever transactions took place. Teas have the distinction of being active, when the general sentiment is weak, and dropping to an air of quietness on the reverse direction of the general trend.

In the engineering section, Indian Irons advanced from Rs. 31-6 to Rs. 31-12 on Thursday. Although, since reopening on Monday last, profit-taking reduced the gain to Rs. 31-1, the undertone was buoyant, today's closing rate being Rs. 31-12. Jessops were better at Rs. 29-6, while Indian Galvanizings, after being lower at Rs. 18-15, rose to Rs. 19-2. Texmacos were put through at Rs. 12-1 and Marshalls were steady at Rs. 7-12. Indian Standard Wagons were wanted at Rs. 74 and Kumardubis realised Rs. 10.

Jutes accounted for a fair turnover at hardening rates. Anglo-Indias were raised from Rs. 198 to Rs. 201, Lawrences from Rs. 148 to Rs. 152, Unions from Rs. 163 to Rs. 170, Champadanies from Rs. 152 to Rs. 157, and Alliances from Rs. 170 to Rs. 183. At Rs. 176-8, Orients were better by Re. 1-8. Budge Budges hardened from Rs. 140 to Rs. 146 and Belvederes from Rs. 208 to Rs. 212. Deltas were steady and, at Rs. 250, the addition was Rs. 6. Ganges were taken higher at Rs. 73-8, as against Rs. 66-8. Nationals were marked today at Rs. 25-9.



Coals were subjected to moderate enquiries. Equitables hardened from Rs. 32-14 to Rs. 33-8, and East Indians from Rs. 26-4 to Rs. 26-12. Pench Valley were steady at Rs. 25-8 and New Beerbhooms at Rs. 18. Central Indias were fractionally higher at Rs. 6-3. Raneegunges were sought at Rs. 11-14, while Bengals were easy at Rs. 503-8.

Among miscellaneous industrials, F. and C. Oslers were in the forefront, and in the large number of transactions that followed, gained Re. 1-5 to Rs. 17-7. Another particular feature of this week was Niccos which steadied to Rs. 17-1, as against the previous rate of Rs. 16-3. Dunlop Rubbers were a shade lower at Rs. 33-2, but Rohtas Industries were fractionally higher at Rs. 14-6. Metal Boxes were crossed at Rs. 17-12. India Steamships evoked attention at Rs. 9-10. Carew Sugars were on demand at Rs. 8-8 and Rallis India at Rs. 56-4.

Shares of paper mills continued to attract attention and, after scoring higher values, a mild profit-taking reduced the gains partially. Thus, after touching Rs. 42-6, as against Rs. 41-12 last Thursday, Titaghurs gave way to Rs. 42. Shree Gopals were very buoyant and were taken up to Rs. 25-4, as against Rs. 24-2. Bengals moved up by Re. 1-6 to Rs. 61-4.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 20*th April*

A strong bullish psychology prevailed in the Madras Stock Exchange. There was enthusiastic buying in most of the scrips. Naturally, prices shot up and recorded impressive gains over the week. A significant feature of the week was the good performance of textile scrips. Led by tea scrips, plantings also came in for encouraging support. The main reason for the firm trend in teas was the expectation of generally satisfactory results of tea companies in 1954. The declaration of dividend by Parksides and Nonsuch Teas buoyed up the sentiment of the operators. The official announcement regarding the appointment of the Plantation Enquiry Committee was generally welcomed in market circles. There was some good buying in rubbers, while selected scrips among coffees were favoured. Miscellaneous and banking scrips, however, failed to make much headway.

Activity in the textile section was broad-based and, under the influence of bull support, prices staged a sharp rally. Thus, Coimbatore Cotton shot up from Rs. 208 to Rs. 220 and Coimbatore Pioneers from Rs. 137-8 to Rs. 145. Coimbatore Spinnings gained Rs. 2-4 to Rs. 45-4. Dhanalakshmis were taken up by Rs. 14 to Rs. 222. Lakshmis (Rs. 50 paid-up) rallied Rs. 3 to Rs. 118 and Lakshmis 'A' (Rs. 25 paid-up) Rs. 2 to Rs. 58-8. Premiers were higher at Rs. 95, as against Rs. 93. Radhakrishnas also rose by a similar amount to Rs. 167 *cum-div.* Metturs hardened by Rs. 5-8 to Rs. 247-8 and Krishnarajendra by Re. 1 to Rs. 56. Saradas firmed up from Rs. 70 to Rs. 76. Vasantas showed a gain of Rs. 3-8 at Rs. 185-8 *cum-div.* Rajalakshmis changed hands at Rs. 109 *ex-div.*, as against Rs. 107-8 *cum-div.* Vijayalakshmis, however, lost Rs. 6 to Rs. 71-8. Loyals were down by As. 4 at Rs. 17-12 and Mysore Spun by As. 2 at Rs. 6-11.

Among plantings, tea shares were in the limelight. United Nilgiris firmed up from Rs. 200 to Rs. 205 and Mlamallays from Rs. 41 to Rs. 42. Parksides disclosed a gain of Rs. 2-2 at Rs. 15-4 *cum-div.* The Directors have declared an interim dividend of 10 per cent. for the year 1953-54. This makes in all a total of 15 per cent. paid so far for the year. The dividend paid during the previous year was also 15 per cent. Nilgiri Tea was up by As. 8 at Rs. 13-8 and Highland Produces by As. 6 at Rs. 12-14. Coorg Tea improved by As. 4 to Rs. 6-14 and Waterfall by As. 2 to Rs. 3-7. Coonoor Teas were dull at Rs. 25-8 *cum-div.*, despite the declaration of a final dividend of 25 per cent. which makes a total of 35 per cent. for the year ended 30th September, 1953, as against Rs. 17½ per cent. during the previous year. Nonsuch Tea was done at Rs. 34-6 *cum-div.*, as against Rs. 34 *ex-div.* The Directors have declared an interim dividend of 10 per cent. for the year 1953-54. The dividend paid so far amounts to 33 per cent. The total dividend paid in the previous year was 35 per cent.

Rubbers came in for selective support. Thamarapallys changed hands higher at Rs. 18, as against Rs. 17-6, and Peninsulars at Rs. 12-2, as against Rs. 11-8. Teekoy and Travancore Rubber improved by As. 4 each to Rs. 7-6 and Rs. 16, respectively. Kailas hardened by As. 2 to Rs. 4-9 and Velimalai by an anna to Rs. 2-15.

Coffee scrips also came in for some buying support. Coffee Lands advanced from Rs. 10 to Rs. 10-4½ and Consolidated Coffees from Rs. 17-15 to Rs. 18-1. Mysore Coffee was up by As. 2½ at Rs. 1-1½. Puthuthotams was fractionally better at Rs. 3-6½.

In the miscellaneous section, Jeypore Mining advanced from Rs. 150 to Rs. 175. Rallis gained As. 8 to Rs. 56 and Indian Steel Rolling Mills As. 3 to Rs. 12-13. Mysore Stonewares were up by As. 2 at Rs. 8-4. Other scrips remained dull. Mysore Glass and Enamel and Mettur Chemicals lost As. 4 each to Rs. 3-4 and Rs. 5-10, respectively. Dalmia Cement (Rs. 10 paid-up) was down by As. 4 at Rs. 9-2 and Nundydroog by As. 2 at Rs. 3-15. Travancore Cement was done at Rs. 5-11 *cum-div.*, as against Rs. 5-10 *ex-div.*, following the declaration of a dividend of 5 per cent. for the year ended 31st December, 1953, the same as in the previous year.

NEWS IN BRIEF

THE Planning Commission will appoint a Committee shortly to study in detail the working of prohibition in the country and suggest measures for its effective implementation as a national policy.

The Government of Madras is examining the possibility of taking over and restarting the Madras City tram service. If, however, it involved heavy initial expenditure, the Government will not restart the service.

The Government of India has exempted raw sugar, that is, sugar with associated impurities and having a sucrose content not exceeding 98 per cent. by weight on the material dried at 105° centigrade, from payment of import duty.

The current session of the House of the People will conclude on 15th May. Among the Bills which will come up for consideration before the session concludes are: the Finance Bill, the Minimum Wages (Amendment) Bill, the Factories (Amendment) Bill and the Companies Bill.

A conference of representatives of the Union Ministry of Food and Agriculture, the Projects Administration, the U.S. Technical Co-operation Mission and the Ford Foundation was held in Bangalore on the 22nd inst. to discuss the progress of the agricultural expansion schemes undertaken by the Government of India, the State Governments and the Ford Foundation.

A textile research institute, the first of its kind in India and modelled after the Shirley Institute of Manchester, U.K., will soon be built up in Coimbatore, at a cost of Rs. 36 lakhs. The South Indian Millowners' Association has submitted plans for approval to the Cotton Textile Fund Committee, Bombay. The Institute will concentrate on research in spinning.

The Fisheries Technological Station, Calicut, has developed a simple method for the preservation of prawn meat. The prawn meat prepared according to the method evolved at the Station retains the flavour of fresh prawns and can be prepared into delicious and wholesome dishes. If properly packed, it can easily last for at least two months.

The Government of Bombay has approved of the Bombay Municipal Corporation's proposal to take over the Bombay Gas Company. It is also stated that the Government will bring in legislation at the next session of the Legislature to enable municipalisation of the 100-year old gas undertaking. The Government is also reported to have asked the municipal corporations of Ahmedabad and Poona to try and start gas services in their cities.

The Government of India has now under consideration the question of planning and erecting a synthetical petrol plant as a long-term measure. Disclosing this in the House of the People this week, the Deputy Minister for Natural Resources and Scientific Research said that this was apart from the three oil refineries which were being set up, two near Trombay and the third at Vishikhapatnam. The question of production of synthetic petrol out of lignite at Neivell in the South was also under consideration.

The tenth meeting of the Crops and Soils Wing of the Board of Agriculture and Animal Husbandry, Indian Council of Agricultural Research, will be held in Bangalore from 25th to 29th April. The meeting will review the progress of the programme for agricultural expansion as envisaged in the Five-year Plan. Planning and analysis of experiments on the cultivators' fields and assessment of the results of improved practices adopted by them is an important item on the agenda for the Crops and Soils Wing. The meeting will also review the work so far done on the Japanese method of paddy cultivation in the country and make recommendations regarding those aspects of it which could be adopted in different agricultural regions.

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From Abroad

The Minister of Finance and Economy, Egypt, has authorised the issue of Treasury Bills not exceeding £E. 60 million to finance purchase of cotton by the Government out of the 1954-55 crop.

Japan's balance of international payments during the fiscal year ended 31st March, 1954, finished with a deficit of $313 million, (£111 million). This compares with a favourable balance of $94 million in the previous year.

World population increased by 30 million from middle of 1951 to mid-1952, according to the U.N. Demographic Yearbook. The Yearbook indicates that, if this rate of increase continues, it will take less than 70 years for doubling the present world population.

Consumption of electricity in the United States has more than doubled in the last nine years. In 1953, a total of 513,000 million kilowatt-hours was generated, or 42 per cent. of the world's total, and 1,400,000 new customers were added, bringing the total to 49,900,000 or 98 per cent. of all American homes.

Most American men past the age of 65—the generally-accepted retirement age—are still actively working, according to a survey by the Metropolitan Life Insurance Company. Of all men at ages 65 to 69, three-fifths are gainfully employed. At ages 70 to 74, the proportion is about two-fifths. Even among those at 75 and over, one in five is still working.

World output of rice this year will be more than ever before in history, according to an estimate by the U.S. Department of Agriculture. The 1953-54 rice crop is estimated at 264,000 million pounds, about 10,000 million pounds more than the previous season. The figures do not include Communist China, Russia and North Korea.

German shipbuilding reached a new peak in March last, the deliveries amounting to 119,000 gross tons, of which 69,000 gross tons were for shipping firms abroad. New orders received are said to have recently increased in volume, but they are not large enough to make up for the extremely high rate of delivery. Recent orders from abroad include two 10,000-ton turbine ships to be built for the India Steamship Co., Ltd., Calcutta.

The National Coal Board, Britain, has increased the price of inland coal by 4.8 per cent. on an average or 2s 10d. per ton. The increased prices will be effective from 3rd May, 1954. The increase is expected to yield to the National Coal Board £17 million in the remaining 8 months of the year and will meet the deficit arising from additional capital charges, new safety measures and changes in pieceworkers' rates.

The Australian-made Holden motor car, produced by General Motors-Holden Ltd. of Melbourne, continues to be popular among the Australians, as will be seen from the figures of registration of vehicles for the month of January, 1954. Of the total of 11,787 registrations for vehicles of all types, except motor cycles, new Holdens accounted for 2,099, Ford for 1,616 and Austin 1,030.

Two large American companies will shortly begin manufacture in Australia. They are the Philip Morris Company, cigarette manufacturers, and the Champion Spark Company, makers of spark plugs. The former will manufacture cigarettes for local consumption and for export to sterling countries. The latter will form an Australian company in association with a Sydney firm and will begin production this year.

The post-war boom in shipbuilding appears to have passed its peak in the U.K. and the U.S., while the output continues to expand in European shipyards, according to the 1953 report of Lloyd's Register of Shipping. This is notably so in Germany, where tonnage built for home and export has increased in one year by 298,000 tons, the report says. The world mercantile fleet increased by 3.2 million tons gross during 1953 to 93.4 million tons gross.

The O.E.E.C. has made three main recommendations to West Germany for cutting to manageable proportions the German surplus with the E.P.U. which is at present unbalancing the whole E.P.U. system. They are: (1) an accelerated redemption of Germany's external debts, (2) a purposeful policy of internal economic expansion with special reference to consumption, and (3) a more liberal import policy. These recommendations have been accepted by the Bonn Government.

Africa, and especially Ethiopia, may become an important world source of coffee in future, according to the United Nations Food and Agriculture Organisation. The F.A.O. reports that harvesting of coffee in Ethiopia, resulting from efforts of the Ethiopian Government, with the U.N. agency co-operating, is under way and shows signs of marked success. However, the development of better transportation and the use of improved cultural methods are required before Ethiopia can become an important source of supply.

The National Cash Register Machine Corporation of Dayton, Ohio, has received a patent on an Indian currency adding machine invented for it by Mr. Nelson R. Frieberg of Ithaca, New York. The machine, it is claimed, can cope with rupees, annas and pies. In designing the machine, the inventor has drawn from the experience in sterling, which has 12 pence to the shilling, although there is no denomination of 16 to one. The keyboard has one column at the right side for the pies and two for the annas. Rupees are added by the usual decimal method.

A novel method of preservation which is claimed to be of great importance to the food industry has been launched in Sweden after ten years of experiment and tests. The system entails the use of hot air instead of steam for sterilisation. Besides the utilisation of hot air, the tins are kept rotating during the process, which reduces the time of operation with a resultant improvement in the quality of the products. Vegetables and fruit treated in this way contain 40 per cent. more vitamins than those preserved by conventional methods. Whipping cream with a high concentration of fat can also be canned by the new system. The preservation apparatus has a capacity of 10,000 400-gr. tins per hour.

PERSONAL

MR. N. V. Rao, lately Joint Chief Controller of Imports, has been appointed Deputy High Commissioner for India at Lahore.

Mr. L. J. Johnson, Chief Secretary, Delhi State Government, has been appointed Deputy Secretary, Ministry of Rehabilitation, Government of India.

Mr. M. R. Sachdev, Director-General of Supplies and Disposals, has been appointed Secretary to the Ministry of Works, Housing and Supply, Government of India.

Dr. A. Krishnaswamy, M.P., is likely to represent India on the Minorities Sub-Committee of the United Nations Human Rights Commission, in succession to Mr. M. R. Masani.

Mr. Denzil A. Bryan, Principal Trade Commissioner for the U.K. in Bombay, left for the U.K. on home leave. During his absence, Mr. Gordon J. Husted will be in charge of the Trade Commissioner's Office.

Mr. S. M. Mistry has been elected President of the Association of Merchants and Manufacturers of Textile Stores and Machinery, India, for the year 1954. Mr. N. J. Nair has been elected Vice-President, Mr. B. M. Ghia, Honorary Secretary and Mr. Hiralal L. Shah, Honorary Treasurer.

Sir Bertram Stevens, who was the Australian representative on the Eastern Group Supply Council in India during the war and at present an accountant and adviser to Indian industrial groups in Sydney, passed through Bombay and Delhi on his way back to Australia after a three months' stay in Britain.

Mr. H. L. Brinkley, leader of a ten-man American Agricultural Trade Mission, has arrived in India, along with the members of the Mission, to discuss with Government officials and private traders the possibility of expanding trade in agricultural commodities. The Mission will proceed to Rangoon next week and later on visit Bangkok, Jakarta, Singapore, Hongkong and Tokyo.

Mr. S. Sen, I.C.S., Consul-General for India, Geneva, will be the Government delegate to the third session of the Advisory Committee on Salaried Employees and Professional Workers of the I.L.O., which is scheduled to be held at Geneva from 10th to 22nd May, 1954. Mr. M. A. Sreenivasan, Chairman of the Kolar Gold Mining Companies, and Mr. B. K. Mazumdar of Atul Products Ltd., will represent employers, while Mr. Purushottam Thakkar, Vice-President, National Union of Commercial Employees, Bombay, and Mr. P. S. R. Anjaneyulu, General Secretary, All-India Telegraph Union, Delhi, will represent workers.

OBITUARY

We regret to place on record the death of Mr. Framroze H. Mehta, a prominent business man of Bombay, on Saturday last. Mr. Mehta was the Managing Director of Messrs. Mehta & Co., and was the Chairman of the British India General Insurance Company, Ltd., besides being a Director of several industrial concerns.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 27*th April*

World's Petroleum Production

In an interview accorded to the London *Times* last week, Sir Henri Deterding urged the necessity of conserving the supplies of petroleum throughout the world. He said that he did not ask that the oil industry should enter into an agreement, but the industry should pledge itself to effect real conservation during the next nine months. Sir Henri declared that, if there was an effective control of production, he could guarantee maintenance of the present rate of production for twenty years. Sir Henri is an authority on the subject and he certainly knew what he was talking about. Although few things are more dangerous than attempting to prophesy future events where oil is concerned, it is difficult to escape the conviction that the world is using up its resources of liquid petroleum at such a rate that bankruptcy is inevitable. Oil, in contrast to coal, is a liquid and will flow; an oil well thus taps a variable, sometimes considerable, area round the actual borehole. Moreover, whereas a coal seam may be continuous over a large area, oil has collected into a number of comparatively small pools. Many of the great oilfields have thus had an extraordinarily short life. Even taking into account probable and possible new areas, there is no doubt that the liquid oil supplies of the world are being used up at a vastly greater rate proportionate to reserves than are the coal supplies. It must be remembered also that the oil, once withdrawn from the earth, is not replenished. Depletion of reserves cannot be made good by natural increase, as it can be, for example, in the case of timber. The United States holds more than ever the dominant position as a world producer. The output in 1927 was 905,800,000 barrels—72.23 per cent. of the world's total. The United States run of luck still holds; the amazing succession of new fields discovered and brought into exploitation from 1918 to 1926 was continued in 1927. But it must be emphasised that the stupendous production is being maintained and increased only by the continued discovery of new fields, the yield from which more than balances the decreased output of old fields. Every year the "possible" areas become more and more restricted and inevitably the tide must turn.



PLEA FOR TAX RELIEF

THE Federation of Indian Chambers of Commerce and Industry has now followed up its (two) earlier memoranda to the Taxation Enquiry Commission by another note, which draws the Commission's attention to the welcome tax reliefs granted by certain foreign countries and to the recent unwholesome changes made by the Indian income-tax authorities in the existing assessment practice. The Federation points out that Australia, New Zealand, the Union of South Africa, West Germany and the U.S. have all taken the initiative in reducing tax burdens. Australia has cut its income-tax rates by 12½ per cent., reduced company taxes, abolished or eased sales tax. New Zealand has increased its income-tax allowances. South Africa has abolished the savings levy and increased the exemptions for income-tax purposes. West Germany has cut its corporation tax from 60 to 45 per cent. and the tax on individuals by as much as 60 per cent. in certain cases. The U.S. has announced several measures which aim at liberalisation of exemptions from tax and at grant of concessions to business incomes. These reliefs include concessions in respect of income from foreign investments, extension of carry-back of losses from one to two years, exemption of expenditure incurred on research and an option for small corporations to be taxed as partnerships and for certain partnerships to be taxed as corporations.

India presents a striking contrast to these countries, inasmuch as not only has there not been any comparable tax concessions but even the existing tax burdens are sought to be increased. The Federation has cited four instances to show how income-tax is sought to be made a more onerous burden than it was. In the first place, the Central Board of Revenue has changed the procedure regarding taxation of the commission waived, either in whole or in part, by the managing agents. Till recently, the procedure was that the Department would not attempt to put an "unjustified burden" on the managing agent who waives a part or whole of the commission with genuine intentions rather than with the intention of dodging tax liability. Even this concession, unsatisfactory as it was, has been modified to the disadvantage of the managing agent. Under the new procedure, the surrendered commission will not be taxable only if the managed company suffers a loss through the payment of the commission. The mere surrender of a commission will not entitle the surrendered commission to tax relief, if the company can make a profit, however small, through the payment of the commission. This is an invidious distinction that will discourage the habit of surrendering commissions, which is practised by many far-sighted managing agents. The Federation rightly insists that "there should not be any distinction, so long as there has been a *bona fide* surrender."

The second instance of an unwelcome change in tax procedure is the authorities' attempt to tax partially the income derived from coffee plantations on the analogy of the demand made on tea companies. The Federation insists that the income of coffee companies is purely agricultural and the process employed by coffee companies to render the produce "fit to be taken to the market" is not in the nature of a manufacturing process. Thirdly, some income-tax officers, it is pointed out, refuse to grant initial and additional depreciation allowances in respect of reconditioned machinery imported from abroad on the ground that it is not new machinery. The Federation points out, in this connection, that, apart from the fact that reconditioned machinery imported from abroad is for all practical purposes new machinery, such machinery ought to be considered as "new" machinery, in terms of the Income-tax Act, since it "would not have earned any initial or depreciation allowances in India prior to its installation."

Finally, the Federation has drawn the Commission's attention to the inherent difficulties which managements have to face in conforming to the statutory obligation to pay compensation to retrenched workers. It is bad enough that compensation has to be paid at a time when the managements are compelled to retrench workers through decline in their profits or through actual loss suffered by them. There is, however, a provision whereby such compensation can be carried forward for a period of six years to be set off against profits in these years. But the concessions will not, in actual practice, imply any great relief. If the unit concerned is closing down operations, there is no question of its carrying forward the compensation amount. The unit should be allowed to carry it back and set it off against previous years' profits. Again, if the unit continues to work and its profits are insufficient to permit it to benefit by the concession to carry forward this compensation amount, it should be allowed to carry it back and to set off the compensation against past profits. There is also some justice in this plea, since compensation has a bearing on the services rendered by the workers in the past. Both on grounds of equity and commonsense, it seems necessary to concede the Federation's demand that the managements should be permitted "to carry at their option, backward or forward, partly or wholly, the unabsorbed compensation."

FINANCE BILL, 1954

The Finance Bill, 1954, which was moved in the House of the People on Monday this week by the Union Finance Minister, Mr. Chintaman Deshmukh, will doubtless be welcomed. For the Bill contains several tax reliefs, direct and indirect. Thus the concessions granted under the Indian Income-tax Act, pending the report of the Taxation Enquiry Commission, and which expired on 31st March last, have been continued for two more years. The concessions include exemption of foreign profits chargeable on remittance only in the case of a resident person, exemption of income from property built before 1st April, 1956, initial depreciation allowance at the rate of 15 per cent. in the case of buildings completed before 1st April, 1956, and exemption available under section 15-6 if production is commenced before 1st April, 1956. The exemption of interest payable outside India to a non-resident on a loan issued for public subscription outside India, which was hitherto given effect to by executive order, is now proposed to be put on a legal footing by an amendment to the Income-tax Act.

Although no relief is proposed to be given in Estate Duty, the two amendments to the Act contained in the Finance Bill are to be welcomed, inasmuch as they clarify the position in respect of the administration of the Act. The first amendment removes any doubt that the property deemed to pass on death is chargeable as the property passing on death. The second makes it clear that the exemption under clauses (F) and (G) of clause 33 regarding insurance for payment of Estate Duty or deposit of advance for payment of Duty is not to exceed Rs. 50,000 in the aggregate.

With regard to indirect taxes, the Finance Bill contains the measures of relief in excise duty on soap and footwear which have already been given effect to. The first 25 tons of toilet and laundry soaps cleared from a soap factory in any financial year are exempted from payment of excise duty. The number of units expected to benefit by this concession is 39, out of a total of 82 which fell under excise control in the beginning. In the case of footwear, the exemption limit for non-power-operated factories has been raised from 19 workers to 49. This is estimated to give relief to 12 out of a total of 76 units. As regards import duty on betel-nuts, no change has been proposed. Justifying the imposition, the Finance Minister reiterated that the duty was levied in order to reduce the profit of the middlemen. He said that reports of market values from the ports indicated that, as against the increased duty of Rs. 33 per maund, the market price had risen by less than Rs. 15 and that his anticipations had materialised to some extent.

It is not so much in respect of these taxes as in that of excise duty on art silk fabrics that the relief sought to be given by the Finance Minister is substantial, as will be evident from the following concessions:

(1) Exemption limit will be raised from factories employing up to nine looms to those employing up to 24 looms.

(2) The rate of excise duty will be reduced from one anna per square yard (exclusive of the handloom cess of 3 pies per yard) to six pies (in addition to the cess of 3 pies).

(3) Mills will be given the option of paying in advance a lump-sum of Rs. 22-8 per month per loom employed in the production of art silk fabrics, instead of the prescribed rate on their actual production.

The foregoing concessions no doubt indicate the Finance Minister's anxiety to provide relief to the art silk industry—the net incidence of excise duty on the industry as a whole is now estimated at Rs. 75 lakhs per annum, as against Rs. 1.6 crores originally estimated—which is said to be passing through very difficult times, thanks to rising manufacturing costs, on the one hand, and poor demand, on the other. As it is, the cost of production, we are told, is very high; the import duty on yarn alone accounts for as much as 50 per cent. of the cost of the raw material. But, in his anxiety to give the industry some relief, the Finance Minister has been unduly partial to small producers by exempting factories employing upto 24 looms completely from payment of excise duty. The number of such factories is estimated at 208, accounting for 5,000 looms out of the total of 26,000 in the country. In other words, by segregating these factories from the bigger units, the Finance Minister has placed a premium on inefficiency, in that the small and inefficient units have been given direct protection against the bigger and the more efficient ones. The latter are now being penalised for no other reason than that they are big and more efficient. This is certainly a clear instance of discriminatory treatment. Further, those units which have looms varying from 25 to 30 will wantonly scrap some of the looms as being useless, with a view to escaping payment of the duty. If the Finance Minister really wants to provide relief to the small art silk mills, he can as well abolish the whole of the excise duty and enhance the import duty on foreign fabrics. What is worse, the bigger units have also been made to face competition from units producing 100 per cent. staple fabrics which will no longer be subject to excise duty. Incidentally, it may be noted that mixed fabrics containing staple fibre and cotton, if produced in composite mills, will be assessable as cotton cloth.

The method of collecting excise duty in a lump-sum of Rs. 22-8 per loom in advance, every month, is quite a novel one and the Finance Minister deserves to be congratulated on his initiating such a procedure. Surely, this procedure will enable the art silk mills to free themselves from a substantial part of excise control and physical supervision over their operations. But the success of this scheme will depend on the trend of the market for art silk fabrics, since the mills will have to decide which is the advantageous course—to pay a lump-sum per loom and escape excise supervision or to invite such supervision and pay the duty on the cloth produced.

FINANCES OF RAILWAYS

The Government of India will shortly appoint a committee of the two Houses of Parliament, with the Railway Minister as the Chairman and the Finance Minister as one of the members, to review the working of the 1949 Convention with particular reference to the contribution of the railways to general revenues. This is in accordance with the recommendation of the Railway Convention Committee of 1949, of which the late Mr. N. Gopalaswami Ayyangar, Minister for Railways, was the Chairman, that the working of the Convention should be reviewed after a period of five years.

It will be recalled that the main recommendations of the Committee, which were accepted by the Government of India, were as follows:

(1) The separation of the railway finance from general finance should continue, but the general taxpayer should have the status of a sole shareholder of the railway undertaking, entitled to a guaranteed dividend of 4 per cent. on the loan capital invested in the undertaking.

(2) A Railway Development Fund should be constituted for the purpose of financing expenditure on passenger amenities, labour welfare and projects which are necessary but unremunerative at the time of construction.

Since the new Convention lays down only a fixed dividend contribution to general revenues, it has bestowed greater freedom on the railways in the regulation of their day-to-day financial transactions, such as the framing of the rules of allocation of expenditure, etc., which, under the 1924 Convention, were controlled by general finance, as they affected the calculation of the surplus in which the latter was interested. It would, however, appear that even the new Convention does not bring about a real separation of the railway from the general finances. Although two distinct accounts are maintained, they do not effect a separation of the ways and means parts of the two wings of the Government. General finance acts as the banker to railways and the reserve funds of the railways are deposited with their banker, who is, however, free to utilise them for his ways and means financing. This has limited the freedom of the railways to draw upon their balances to meet their own requirements.

Apart from this consideration, what has been causing anxiety latterly is that the railway surpluses have declined enormously, while the contributions to general finance have increased. Between 1951-52 and 1952-53, this surplus declined from Rs. 28.34 crores to Rs. 13.19 crores. For 1953-54, the surplus is estimated at no higher than Rs. 5.14 crores. The dividend payable to general finance has, however, increased from Rs. 33.41 crores in 1951-52 to Rs. 33.99 crores in 1952-53 and to Rs. 34.46 crores in 1953-54; it is estimated at Rs. 35.50 crores for 1954-55. This upward trend in the railways' contribution to general finance is attributed to the fact that there has been an increase in capital-at-charge of railways. The capital-at-charge which was Rs. 850.11 crores in 1951-52 rose to Rs. 857.38 crores in 1952-53 and to Rs. 875.16 crores in 1953-54. By the end of the current year, it is expected to stand at as much as Rs. 909.99 crores.

The days of large surpluses are now over. Indeed, the railways might find it difficult even to make steady contributions to the Railway Development Fund. The Fund had a balance of Rs. 19.44 crores at the beginning of 1951-52. While, during the first two years of the Plan, there were net additions to the Fund to the tune of Rs. 2.95 crores and Rs. 4.66 crores, respectively, there was a net withdrawal of about Rs. 8.52 crores in 1953-54. In the current year, there is expected to be a net withdrawal of another Rs. 4.95 crores. This is certainly a disquieting situation, as it would adversely affect the programme of undertaking new projects, which, though unremunerative in the strict technical sense, may yet be very necessary from the passengers' point of view.

There is also another important question to be considered. The over-capitalisation of Indian railways, arising mainly out of the history of its ownership, has been commented upon adversely by various expert committees from time to time. The Indian Railway Enquiry Committee (1947), for instance, pointed out that, out of the total capital-at-charge of railways, about Rs. 68 crores represented intangible assets, which should be gradually written off through a Debt Redemption Fund to be built up out of contributions from revenue at a rate of 1 per cent. of gross receipts.

NEWSPAPER OFFICE A FACTORY?

A judgment of some importance to newspaper concerns in India was given by Mr. L. P. Hirway, Judge of the Gwalior Labour Court, on 14th April, in a dispute between a dismissed journalist, Mr. D. Awasthi, and the Hindusthan Journals Ltd., the proprietors of the *Navprabhat*, when he declared that a newspaper office employing twenty or more persons was a factory within the meaning of the Factories Act, 1948. The proprietors of the Navprabhat had questioned the jurisdiction of the court to entertain the application of the journalist for the recovery of unpaid salary of Rs. 310, on the ground that it did not come within the purview of the Payment of Wages Act, 1936, which applied only to factories. They argued that, since the Navprabhat was not carrying on any manufacturing process, it was not a factory within the meaning of the Factories Act.

The way in which the judge arrived at the decision that the newspaper office was a factory is ingenious. According to section 2(m) of the Factories Act 1948, a "factory" means any premises including the precincts thereof; (i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power or is ordinarily so carried on; or (ii) whereon 20 or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power or is ordinarily so carried on, but does not include a mine, subject to the operation of the Indian Mines Act, 1923 (IV of 1923), or a railway running shed.

"Manufacturing process" is defined as any process which includes, among others, making, altering, repairing, ornamenting, finishing, oiling, washing, cleaning, breaking up, demolishing or otherwise treating or adopting any article or

(*Continued on page* 811)

OFF THE RECORD

(By "ROVER")

THAT there is a sordid, even cruel, side of private enterprise cannot easily be gainsaid. I am not referring here to the black chapter of dishonesty, downright cheating and law-breaking, which emerged during the war years and after as an ugly running sore and which cannot but be regarded as a temporary disorder of the body economic. When a crime of the magnitude of murder, of wholesale destruction of men, women and children in their homes, is exalted to the status of heroism and bravery, when such crimes are publicly honoured and extolled, lowering, nay, even total extinction, for a time, of all moral and social values is not to be wondered at.

But this moral degradation of the human spirit was by no means confined to the domain of private enterprise in commerce and industry. No section of the community and no stratum of society escaped this contamination. Even students in schools and colleges did not escape this moral scourge. Now that the priests and preachers are fast disappearing, or, at least, losing their influence over society, politicians and public men have come to regard themselves as the keeper of its conscience. While in the case of business men and other classes of society, this war-bred demoralisation is definitely fading out, I, for one, fail to notice any such welcome transformation amongst those who are closely associated with politics, as a class. If anything, an enlarged field of operations and the vast increase in opportunities opened up by recent political developments, which have resulted from the State's entry into almost every phase of life of the individual or family, has made nepotism in varied forms a deep-seated canker of the body politic, both in this country and in many other lands.

The cruelty and sordidness, which I referred to at the outset as characterising private enterprise, arise from the growth of industrial and commercial entities to the enormous size of corporations and companies, effacing human ties and human values. Just as the human and healing touch vanished as business and industry tended to become impersonal, it also lost ground as the profit motive came to be accepted, more and more, as a sole criterion of success. There was a stage in the growth of capitalism and private enterprise, when ruthlessness and a false kind of efficiency and drive, which resulted not from voluntary and free co-operation of the staff and workers, but from a brittle and sulking obedience out of a fear of punishment, were ennobled to the status of supreme tests and yardsticks for measuring the achievements of private enterprise. It was the darkest phase of private enterprise, when human lives were looked upon as something cheaper than machines and as material to be squeezed, thrown on the dunghill and replaced by countless other equally cheap lives.

But industry outgrew this stage, partly owing to the pressure of public opinion, and partly owing to the growth of enlightenment and the concept of human welfare amongst the better type of employers. Even this was a phase, though perhaps a much longer phase, and it still lingers in many a business house, as even the vestiges of the earlier inhuman stage, when workers were looked upon as so many hands and not personalities, are still to be found amongst a few units controlled by selfish and arrogant employers, whose minds are so atrophied as to be totally incapable of growth or of receiving new ideas. The more sensitive and refined spirits, amongst those controlling large private enterprises, soon discovered that there was something ugly and revoltingly patronising in the idea of organising benevolent welfare activities. They perceived that so long as these flowed from conscious benevolence, these so-called favours tended to keep employers and employees completely apart in spirit, as if inhabiting two separate worlds.

The other day, I wrote in this column about some of the new and bold ideas advanced by Col. L. Sawhny of the Associated Cement Companies Ltd. He thought in terms of creating, not only a sense of confidence and comradeship but that of co-operative effort and joint enterprise creating or achieving something that is worthwhile, which the country needs, amongst all the people from the top to the bottom in every industrial unit. The best results, both with regard to the quality and the quantity of production, could be achieved only under such conditions and not under the present relationship of enforced and sullen obedience, if not active hostility, leading to less and less output at an ever-increasing cost. I am often surprised at the attitude of resignation amongst many industrialists with this deplorable state of affairs. I have noticed in certain quarters a tendency to accept the present relationship of continuous conflict, on the one hand, with the authorities and, on the other, with the workers as something normal and inevitable. They think they have done their duty when they have criticised official policies and resisted demands from workers up to a point.

I know that they are not happy at heart about the way things are slowly drifting towards disaster in industry, but they refuse to strike out on some daring policy, which would put an end to this aimless drift. I have talked to many of them, and, to my utter dismay, I have found that, barring a few enterprising minds, most of them are content to be forced to make concessions to workers and to accept restrictions and burdens from the Government under protest and to pass them on, in the form of added cost, to the consumers. So long as this defeatist attitude persists, there could be no large-scale expansion of industrial activity. They also appear to be blind to the fact that no amount of increased wages or additional amenities, extracted out of them as a result of fight and friction, will bring about any change in the attitude of workers or harmonious and smooth working in the industry. What is required today for dynamic and enthusiastic effort is a new basis of relationship and the restoration of the human and personal contact.

Being in this mood, I was deeply stirred by the evidence of this so badly needed new spirit in the message of farewell Mr. J. R. D. Tata sent to every worker of Air-India Ltd. and Air India International Ltd., on the 31st of July, 1953, when these two outstanding units in the world of Indian aviation enterprise ceased to be and were swallowed by the two State Corporations which came into existence under the Air Corporations Act, 1953, a minute after the midnight of this fateful day. This message has been reprinted as a fitting prelude to a beautifully got up brochure, recording the history of the two companies and of their long forgotten ancestor, the Tata Air Lines, which was our country's pioneer enterprise in commercial civil aviation. This brochure was presented as a souvenir to the staff of these two companies about eight months ago. It was a happy thought on the part of Bombay House to make this publication, which tells the story of pioneering in civil aviation, available to a wider circle of readers interested in the closing of this proud chapter in the evolution of our country's transport and communications, which form the basis of all economic, social and cultural activities.

Here is a splendid specimen of private enterprise at its best. When the shadows are getting darker, when the evening is closing in, when the ominously still night is about to descend, when the last flicker of life in this enterprise, built up with the loving care and willing sacrifices of a fond mother, is about to depart, when his heart must have felt heavy with the impending tragedy, Mr. J. R. D. Tata's thoughts turn not to the pecuniary losses, which must have been substantial, but to all those who helped him in rearing this child. With a poignancy which rends the heart in shreds as you read this message, Mr. Tata recalls the early pioneer days and more especially a crisp October morning twenty-one years ago, when he took off in a tiny Puss Moth in an inaugural flight from Karachi to Bombay with the first precious load of mail. He recounts how his heart was full of hopes and, at the same time, full of humility and prayer for the safety of all those who then worked and would work in future for this grand adventure. Towards them all, this young aristocrat of industry entertained, throughout the years, an abiding sense of comradeship, which made the extinction of these two pet concerns of his a tragedy, which I can see he has not yet got over.

This is followed by years of planning and fagging, of buying larger planes and expanding operations. After seventeen long years of this gruelling but happy and engrossing task, Mr. Tata and his friends (not employees) feel ready for bigger things, for multi-engined air-liners, for daily frequencies and for unfamiliar sky over strange and far-flung lands. But just when they had worked upto this glorious stage, when excitement and exhilaration must have made their blood course like quicksilver in their veins and arteries, when this band of enthusiatic workers were at the threshold of a new realisation of their bright-coloured dreams, World War II came to shatter these as it must have ruined many an ambitious plan the world over. But happily for them, the later stages of the war brought new opportunities and valuable experience.

The end of hostilities and later independence for the country, instead of bringing them fulfilment and joy, unexpectedly brought them only blinding frustration and anguish. But even in the midst of this humiliation and disappointment, which must have seared his very soul, it must be said to the credit of this great House that they did not let bitterness overtake them or iron to enter their souls. Nothing caused Mr. Tata greater worry and regret than his anxiety about the careers of his men. With a commendable magnanimity of spirit, he, in wishing them success and prosperity in their new employment, urged them "to serve the new Corporations with zeal and loyalty, for in their hands will rest the prestige and success of Indian air transport."

One can imagine the depth of the gloom which must have settled on the soul of this great captain of industry at this crisis. For him, perhaps, the darkest hour of the night had come. There is such a ring of sincerity and truth in the final words of his parting message that I have not the heart to translate or abridge them. I shall let Mr. Tata speak for himself: "And now the time has come to say good-bye. As we turn the last page and put away the book, regret or bitterness has no place in our hearts. Instead, we may find content in the thought that what we did was worth doing, that we set our standards high and would not lower them, that we never need part with our memories."

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PARLIAMENT COMPLETES VOTING ON DEMANDS FOR GRANTS

NEW PHASE OF DEVELOPMENT IN ENGINEERING INDUSTRY

(From A Special Correspondent)

NEW DELHI, 20*th April*

DELHI LETTER

WITH the passing of the Appropriation Bill for the fiscal year 1954-55 on Saturday last, the task of voting on the demands for grants of various Ministries was complete. The last two Ministries the demands of which were voted this week were Commerce and Industry and Finance. The voting on the demands of all Ministries took just a fortnight and, with this, the real work concerning the budget session was over, except for the formal passing of the Finance Bill, which is being debated upon at the time of writing. It was originally anticipated that the budget session would drag on till the end of May, but it has now been decided that Parliament will rise for the summer earlier, that is on 15th May. From this week onwards, the House of the People will be engaged in disposing of a number of Bills, the most important of which being the Minimum Wages (Amendment) Bill, the Code of Criminal Procedure (Amendment) Bill, the Hindu Marriage Bill, the Hindu Marriage and Divorce Bill, the Companies Bill, High Court Judges (Conditions of Service) Bill, T.A. and D. A. of Members Bill, Voluntary Surrender of Salaries (Exemption from Taxation) Bill, and Drugs and Magic Remedies (Objectionable Advertisement) Bill.

Mr. T. T. Krishnamachari, Minister for Commerce and Industry, is nothing if he is not endowed with hitting power against his opponents. His reply to the demand for grants of his Ministry was strewn with invectives and sarcasm. In consequence, it was somewhat lacking in logic, cogency and thought. The Minister did not indicate any new policy. Instead, he was able only to coin new slogans such as "rationalisation without tears." His inability to enunciate any new bold policy must be attributed, to some extent, to the smooth running of his Ministry during the last one year and more and the satisfactory progress it has been able to report on the trade and industrial fronts. Thus, on the trade front, the wide gap in the merchandise trade, very much pronounced during the last few years, have narrowed down appreciably, while, on the industrial front, there has been a moderate increase in production, despite sizable setbacks in some individual sectors.

Textile Industry

Mr. Krishnamachari pointed out that his Ministry could not implement the Working Party's Report on the textile industry because the Report was somewhat incomplete without an evaluation of the factual position and the relationship between the three sectors, namely, the *handloom*, the powerloom and the mill industry. He, however, assured the House that, when the Kanungo Committee submitted its report, the Government would be able to take such decisions as would be possible at that time. The Minister accepted the plea, advanced by a section of the House, that there was considerable disinvestment of foreign capital during the last few years, which was far more than the new foreign investment. There was, however, one particular satisfaction, namely, whereas the new investment was in lines producing new goods, the disinvestment was mainly in industries already established. The Minister stated that he was anxious to promote trade with the U.S.S.R. but felt that the improvement in this sphere would take some more time.

On the question of rationalisation, Mr. Krishnamachari was inclined to adopt what is known as Fabian tactics. At any rate, he was not aggressive, but hoped that everything would shape itself satisfactorily in the end. He agreed that both rationalisation and modernisation were necessary, particularly in regard to the jute industry. The Minister gave some figures regarding jute looms in Pakistan, present and proposed, which appear to be totally misleading. It is regrettable that he is not posted with the latest information on the subject, despite the fact that India has its trade representatives at Dacca. The latest position is that two mills with a capacity of 1,400 looms have been working in Pakistan on a double-shift basis, while another six new mills are under erection. The existing two mills have also been expanding, with the result that, in another two years, their total looms will stand at about 6,750. The current rate of annual production of the two working mills is estimated at about 34,000 tons, as against the country's internal requirements of 40,000 to 50,000 tons. When all the mills come into production stage and are worked on a double or treble-shift basis, Pakistan may be in a position to produce about 200,000 tons of jute goods.

This apart, the Minister was perhaps right when he pointed out that rationalisation was a time-consuming process, in the sense that it took time not only to install new machinery, etc., but also to train people to handle such machinery effectively. Meanwhile, the new industries that would be started in the country in both the public and private sectors, following the encouragement afforded by the Development Corporation and other Finance and Investment Corporations would, according to the Minister, create an expanding economy which might absorb the retrenched labour resulting from rationalisation. He also favoured the creation of a fund which would provide for insurance against frictional unemployment.

Stake in Export Markets

At present, most members of the Government of India have been looking at the question of rationalisation from the angle of labour and unemployment. They should not, however, overlook the fact that, in regard to certain industries, especially in jute and cotton textiles, India has a considerable stake in the export markets. Since the country has to maintain its competitive power in these two industries, the Government spokesmen must evolve a rational policy and see to it that at least such of the mills as have been doing good export business and have foreign connections, as, for example, in cloth, should be given priority to introduce rationalisation and, for this purpose, these mills should be given all reasonable encouragement. Otherwise, the country's foreign trade will be put in jeopardy.

During the debate on the demands for grants of the Commerce and Industry Ministry, most members of Parliament drew the attention of the Government to the low volume of production in a number of industries *vis-a-vis* their installed capacity. The Government is fully aware of this position. The Engineering Capacity Committee, which has been entrusted with the task of suggesting the ways and means of fully utilising the capacity of various industrial units, has already made a number of valuable suggestions regarding import policy, customs duties and Government purchases. It has visited factories all over the country and is bringing to the notice of the Government continuously cases where, through the addition of balancing plant or otherwise, new lines of production can be set up to produce items for which the country is still dependent on imports.

Engineering Industries in 1953

One significant development during 1953 was the production of many new engineering items not hitherto made in the country. This trend of development has been steadily going on during the last two or three years. Among the new lines of production, mention may be made of cylinder liners (dry), free-wheels and chains for cycles, kerosene-operated refrigerators, layer-built batteries, *milling machines* 31½"×9½" (both plain and universal types), multi-spindle drilling machines, rubber conveyor belting, steel wool, shaper 24" all geared, motorised, etc. In addition to these new items, new ranges of manufacture were also established by the existing industries in items such as all-geared head lathes 8½" centre×24" bed, drilling machines 1" cap floor type, squirrel cage motors upto 135 h.p., transformers of 2,000 K.V.A. capacity with 33 K.V. on the H.T. side, lacquered foil in milk strip gauge and in light gauge for the confectionery trade, ni-hard grinding media, reinforced type of

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BRITAIN'S EXTERNAL BUDGET

INCREASE IN STERLING LIABILITIES

(From Our Own Correspondent)

LONDON, 15*th April*

LONDON LETTER

THE Government have now published details of the Balance of Payments for 1953 showing a net surplus of £225 million (including £102 million of U.S. Defence Aid). This is not quite as good as the surplus of £255 million in 1952, or of £300 million in 1950—but both those good years sandwiched the unfortunate 1951 with its deficit of £385 million and a gold loss nearly as great.

This year's surplus was accompanied by an increase in the gold and dollar reserves of £240 million. It is also interesting to find that Overseas Investment last year amounted to over £200 million—but this investment though not far short of the surplus on the external accounts is in no way related to it. Indeed in 1951, the year of the heavy deficit and heavy gold loss, overseas investment was as high as £340 million—and it was financed by a corresponding increase in sterling liabilities—in other words, the U.K. borrowed as much as she lent. Last year, sterling liabilities showed a further increase of £222 million—so that the U.K. borrowed even more than she lent!

The recent history of these sterling balances is interesting. Till two years ago, those owing to non-sterling area countries had been running at over £1,000 million, while those to sterling area countries had been growing to some £2,800 million; a year ago these figures had been reduced to about £750 million and £2,700 million, respectively, but last year saw an increase: the non-sterling area liabilities grew by about £20 million, those to the Colonies grew by £85 million and those to the other Commonwealth countries by £170 million. Investment in the Commonwealth has become a matter of banking—with the U.K. borrowing short and lending long. But the contribution of the Colonial territories to this exercise is much more significant than these figures indicate, for the Colonies earned a dollar surplus of £110 million last year, which gave a major contribution to the growth in the gold reserves as well as swelling the U.K.'s investment potential by the Colonies' willingness to hold it in the form of increased sterling balances.

Earnings of Gold and Dollars

Where did the other £130 million of gold and dollars come from to make up the year's gain of £240 million? Trade with the dollar area did not help, for though exports, visible and invisible, brought in £577 million, *imports*, including invisible, cost £683 million and the defence aid contribution of £102 million barely squared the account. Miscellaneous capital transactions bringing in £20 million was all the dollar area produced. But gold sales by Commonwealth countries brought in some £80 million which, however, was offset to the extent of £33 million by Commonwealth deficits with the dollar area. The biggest net gold gain (after the Colonies) came in part from the non-sterling, non-dollar countries which yielded £64 million.

The following table shows how the net surplus in the balance of payments was achieved:

(Millions of £'s)

VISIBLE TRADE			INVISIBLE TRADE		
Imports f.o.b.		2,872	Payments		
Exports f.o.b. (including re-exports)		2,675	*Add*—		
			Net Government payments		557
Deficit		197			154
					711
			Receipts	£1,031	
			U.S. Aid ..	102	
					1,133
			Surplus		422
			Net surplus		225

It will be noted that, if Government transactions (mainly, of course, the British Government's overseas military expenditure) and U.S. aid are excluded, there is a surplus on commercial "invisibles" of £474 million. Shipping is the main contributor to this, yielding over £120 million; income on investments nowadays only brings in £50 million; tourists coming to Britain pay for Britons travelling abroad, and the balance of the gain, £300 million, comes from the overseas transactions of oil companies, civil aviation, royalties, insurance, banking, commissions and merchanting profits.—*All Rights Reserved.*

PAKISTAN NOTES

FUTURE OF PAKISTAN'S ECONOMY

TREND OF PRODUCTIVITY UPWARDS

WITH the coming into power of the United Front Parliamentary Party under the leadership of Mr. A. K. Fazlul Huq in East Bengal, following the defeat of the Muslim League in the elections, all interest has now centred round the future of Pakistan economy. This is only to be expected, inasmuch as it stems from the anxiety about any possible clash between the new Ministry and the Centre. There is already a section of opinion which fears the danger of an economic fragmentation of Pakistan. Another section, however, feels that there is no justification for so pessimistic a view, although it admits that East Bengal will struggle for greater freedom from control by Karachi. To this section belongs Sir Percival Griffiths, C.I.E. In the course of an interesting article contributed to a recent issue of the *Financial Times*, London, Sir Percival says that "any real separatism is perhaps unlikely." In support of this view, he observes: "East Pakistan contributes the major portion of Pakistan's foreign exchange earnings and its yield in taxation to the Centre is such that a West Pakistan deprived of this support might well not be economically viable. An isolated East Pakistan, on the other hand, would need to import grain from abroad—which, at the moment, would not be difficult—and would be more at the mercy of economic pressure from India."

Nevertheless, Sir Percival warns against the risk—this, he considers, is the immediate cause for anxiety—of uncertainty as to the seat of authority leading to vacillation and lack of any definite economic policy. He therefore, emphasises that the sooner the constitution is settled and the relations between East Pakistan and the Centre determined, the better will it be for Pakistan's economic progress.

Economic Recovery

Sir Percival has made an impressive survey of Pakistan's economic progress in the last one year. He is inclined to feel that the Finance Minister of Pakistan is, above all, a realist, and his picture of a Pakistan in which foreign payments are balanced, the budgetary position is sound, and development and production is in full swing is "basically accurate." According to him, the total payments on current account for goods and services imported were reduced from Rs. 277 crores in 1952 to Rs. 143 crores in 1953. The gold and sterling reserves which had been depleted from Rs. 148 crores to Rs. 60 crores in 1952 stood higher by Rs. 12 crores in 1953. Pakistan's foreign exchange earnings in the current calendar year are not expected to exceed Rs. 150 crores, despite higher jute and cotton prices. Foreign exchange to the extent of nearly Rs. 16 crores is expected from the U.S., Canada, Australia and New Zealand during 1954-55, besides the U.K. credit of £10 million for agricultural purposes and the hoped-for loan from the World Bank. In spite of all this, Sir Percival observes, the position will be "difficult" and, when "priority has to be given to capital goods, defence needs, cloth, medicines and invisible charges, it is clear that there cannot be much relaxation over the import of general consumer goods."

Government Expenditure

Referring to the rise in Government expenditure, Sir Percival says:

"There is an apparently irresistible tendency for the expenditure of any Government in any country to rise, and the revised estimates for 1953-54 have crept up to nearly Rs. 108 crores. This will still leave expenditure and revenue about balanced, but it is a little disturbing to note that the upward tendency in expenditure is still there and that, in 1954-55, expenditure is expected to be Rs. 111 crores. There are good reasons for this increase, but the fact remains that, of the Rs. 26 crores retrenchment proposed in the Budget for 1953-54, about Rs. 13 crores have been restored. Development projects, of course, account for a good deal of the increase."

Sir Percival alludes next to food production. Basing himself on the rise of 500,000 tons in *kharif* crop in 1953 and the substantial improvement in *rabi* crop in 1953-54, he opines that prospects are not unhopeful, but there is a tendency in political circles to exaggerate the possibilities of increased production. Turning to industrial development, Sir Percival says:

"In the industrial field, even the untrained observer forms an impression that much has been achieved and, in the case of textiles there can be no doubt that this is so. The Pakistan Economic Appraisal Committee, the report of which has recently appeared, was nevertheless very critical of what had been done. It expressed disappointment that power capacity had only risen in five years from 74,000 kw. to 125,000 kw. and it lamented the very limited extent to which private enterprise had undertaken industrial development. It is a healthy sign that a Pakistan committee should thus be critical, but an outsider's impartial view of the rapid growth of textile mills, of the development of Chittagong, of the great irrigation schemes under construction, and of the solid achievements of the Pakistan Industrial Development Corporation lead inevitably to the conclusion that Pakistan is, in fact, increasing her productivity rapidly."

Seaports

The constitution by the Pakistan Government of a 17-man National Committee to examine the depth of seaports and their entrances marks an important event in the history of Pakistan shipping. The Chairman of the Committee is Mr. Mohsin Ali, Chairman, Pakistan Central Engineering Authority. This decision of the Government is in pursuance of the recommendations made by the Permanent International Commission of Navigation Congress as early as in 1951.

The terms of reference to the Committee are quite broad-based. Thus, it is asked to make an economic assessment of the practicability on enlarging and/or deepening of ports for anticipated needs, and the relation between the cost of works and the benefit that would accrue. Further, it is to examine the issue relating to the participation of foreign countries in the international and coastal navigation. The Committee is also asked to make a study of the statistical data and other technical problems regarding the structure of harbour installations and equipment for specific shipping demands. The other terms of reference include assessment of the efficiency of labour and influence of mechanisation over cargo-handling, comparison of local and international costs.

(Concluded from next column)

a war. It's not going to be used by our initiative." The President was trying to reassure the country so that Americans "do not develop the jitters or any kind of panic and not fall prey to *hysterical things*," as he said. Pictures and stories of the latest explosions have been widely circulated here and have shown, among other things, that one well directed explosion could wreck a city like New York quite easily.

There is more and more concern in the United States about the Far East. This is clearly reflected in the new foreign aid programme for the fiscal year 1955, which the Administration presented to the Congress. For the first time in many years, emphasis has shifted away from Europe. The Far East is put down for the lion's share—$1,800 million, or nearly twice of what Europe is to get. The largest single item is $1,100 million for Indo-China. The global total asked for by the executive branch of the Government is $3,500 million which is more than $1,000 million less than the funds appropriated last year. The great bulk of the amount is for defence assistance. There is still trouble in the Senate, however, as evidenced by the remark of Senator Knowland, Republican majority leader, who said that the Congress might wish to hold up action on foreign aid "until it finds out which of our allies will go along with a firm Indo-China *policy*." As a matter of fact, Indo-China is becoming as much of a *cause celebre* in the U.S. as Korea was at one time. The American public has been thoroughly aroused by official statements that the fall of that country to Communism may mean the loss of all of Asia to the Kremlin. Yet, while the supply of war goods is freely granted, there is not the lightest suggestion regarding the despatch of troops and of entering the fighting in the same manner as was done in Korea.

The decisions of the Geneva Conference will have to be seen, but there is not too much hope that any reasonable solution will be found at this or possible succeeding conferences, particularly since the American suggestion for a united Western front was coolly received in both Paris and London. Meanwhile, the American public, as a whole, is entering the spring season with much hope and enthusiasm —more than has existed for a long time, both economically and politically.—*All Rights Reserved.*

AMERICAN LETTER

MORE MONEY ON NEW PLANT THIS YEAR

FAR EAST TO GET LARGER SHARE OF U. S. AID

(From Our Own Correspondent)

NEW YORK, 15*th April*

THERE is more optimism in industrial and business quarters than there has been for some time. Surveys by competent sources show that manufacturing concerns, generally, will spend more money this year for plant and equipment than they did in 1953. This is important, since spending for expansion has been one of the mainstays of the American economy for many years. Indeed, most indications are that the slump in business is short-lived.

Savings still continue at record levels. Both mutual savings banks and savings and loan associations reported a new high of deposits for the first three months of the year. Construction outlays in the first quarter of 1954 rose $7,200 million, an increase of $100 million over a year ago. It, too, was a new high for the period. These March quarter expenditures ran at an annual rate of $36.1 billion. The really significant element is that this compares with outlays of $34,000 million forecast for all of 1954 by the Labour and Commerce Departments. Most of the gains, last month, reflected expansion in private housing and public utility construction plus gain in highway work.

There are favourable signs on the economic horizon as well. Farm machinery makers have been in the doldrums, hit by the slump in farm income, but things have picked up in this line, too. Thousands of workers have been recalled to work who had been idle since late last year. In another sector, retail hardware sales are also running ahead of last year. Manufacturers of the Norge washers and refrigerators said: "It begins to look as if 1954 sales might run as much as 20 per cent. above last year." Also, the hoped-for spring sales upturn in the automobile industry seems to be materialising. New car sales have built up to a point where order backlogs are beginning to build up on some of the most popular models, such as Buick and Oldsmobiles. Discounts are not as deep as they were. The average discount early this year was about $300. Today, it is down about 20 per cent. The independent cars, other than Fords, General Motors or Chrysler cars, are also beginning to move off the sales floors and enquiries have increased appreciably.

Keeping Money Easy

The credit authorities have been doing everything in their power to keep money easy and, thus, make it attractive to borrow. At the present time, the rediscount rate of the Federal Reserve Banks is being reduced from 1½ to 1½ per cent. to bring this rate more in line with with open market operations. Treasury bills, currently, are yielding around one per cent. and ninety days bankers' acceptances are about 1½ per cent. as an example. Loans by banks to business are still going down, but that is seasonal (until June) and no cause for alarm.

Spring and Easter buying has been satisfactory on the retail level and special promotions are receiving considerable attention. Price reductions which followed halving of the excise taxes on such luxury items as furs have been passed on the consumer and have helped in better volume.

On the political scene, Senator McCarthy's doings are still in the limelight. The investigation of his feud with the U.S. Army is still to come. It is peculiar, though, to note that the mail of radio commentators and clergymen, who attacked the senator, is running almost half pro and con McCarthy. But this varies and there are localities where the popular reaction is 5 to 1 against McCarthy. Another hot topic of discussion in recent weeks has been the hydrogen bomb and various explosions in the Pacific. India's proposal, submitted by Prime Minister Nehru, that the United Nations Disarmament Commission outlaw nuclear weapons received wide publicity here as well as great popular support. What will be done about it in the U.N. remains to be seen. The United States has, however, for the first time given its pledge to the world that it will not use the hydrogen bomb in war unless the Russians take the initiative. President Eisenhower made that promise, when he said: "But we know with respect to that bomb, we're not going to start

(Continued in previous column)

INSURANCE OF BANK DEPOSITS—II

HOW IT OPERATES IN U.S.—OUTLINE OF A SCHEME FOR INDIA

LAST week, we referred to the enduring structure of the British and American banking system, and also to the great role which the Federal Deposits Insurance Corporation (F.D.I.C.) plays in one of these two countries, namely, the U.S., in creating that confidence among depositors which forms the bedrock on which the giant American banking structure rests. Once it is conceded that in this country, too, a system of insurance of deposits can be trusted to create and sustain such confidence in our banking structure, it should be clear that one cannot possibly find a better model for instituting a similar system than the F.D.I.C.

Established in 1934, the F.D.I.C. has been the first line of defence for depositors as well as bankers in the U.S. Events have proved that it has also been an invincible line of defence. The Corporation was inaugurated under the provisions of the Banking Act of 1933. It was set up with a capital stock of $289 million, contributed by the Federal Government ($150 million) and by the Reserve Banks ($139 million). This capital stock has since been repaid in terms of the Act of 1947. The Corporation is managed by a board of three Directors, of whom two are appointed by the President for six-year terms, and the other is the Comptroller of Currency in his ex-officio capacity. Insurance is compulsorily extended to all member banks of the Reserve system, as well as to such non-member banks as conform to prescribed requirements. In 1952, the system covered 13,631 banks, out of a total of 14,595 banks. The banks covered by the scheme accounted for deposits aggregating about 96 per cent. of the total deposits in the U.S. In seeking admission, a bank applies to the Corporation and the application is approved if the institution is sound. Protection is accorded to the deposits of banks only if they measure up to certain standards. The Corporation thus encourages conformity with high banking standards and advocates improved business practices.

The insured banks pay a premium of one-twelfth of one per cent. annually on their deposits to the F.D.I.C. Out of this premium income the Corporation first pays its operating expenses and losses. Then, it adds two-fifths of the balance to the insurance fund. The rest of the premium income is credited to the insured banks. These banks use this credit in the ensuing year as part payment for the premiums which become due. The Corporation provides for insurance covers for $10,000 per depositor in any one bank. This means that, if an insured bank experiences financial difficulties and goes into receivership, the F.D.I.C. pays the depositor upto a maximum of $10,000. In 1952, the total income of the Corporation was $88.3 million, made up of premium income ($56.8 million) and investment income ($31.5 million). Its operating expenses during that year were $7.6 million and deposit insurance loss and expenses $0.6 million. Thus, the net income added to the deposit insurance fund was $80.7 million. The present insurance fund of the Corporation stands at the impressive total of $1,363 million. This forms, however, only 0.72 per cent. of the total deposits of the insured banks as at the close of 1952.

Draft Scheme for India

It is noteworthy that, although the F.D.I.C. was started with borrowed capital, it has been able to pay back this capital within a short period. If India decides to start a similar Corporation, it will be necessary, according to a draft scheme prepared by a leading Indian banker, to borrow funds, at the first instance. Perhaps, a capital of Rs. 10 crores will not be found too high, since that would be only 1.5 per cent. of the deposits in India of the Indian scheduled banks. Of this capital, the paid-up capital might be initially kept at a level of Rs. 5 crores. The Corporation could be given borrowing power equal to that of the subscribed capital. The premium levy might be fixed at one-sixteenth of one per cent. of deposits with each bank. This would secure for the Corporation an income of Rs. 40 lakhs a year. The levy could usefully be reviewed once in every five years, with a view to making *pro rata* or discriminating refunds to the well-placed individual banks. If losses have to be kept within reasonable limits, great care will have to be exercised before banks are admitted to the scheme. The Reserve Bank is already equipped for intensive inspection of the banks. The Corporation could well depend on these periodical inspection reports, and supplement them, if necessary, by other investigations before conferring its membership on a bank which seeks admission to it. So far as foreign banks are concerned, some feel that India will do well to follow the practice of the F.D.I.C. in the U.S., which does not insure deposits with foreign banks. But there are others who feel that they, too, should be included in the scheme. This is a matter of detail which needs further examination. It can, however, be stated that foreign banks in India are not in the same position as in the U.S.

To begin with, the limit of insurance per depositor in any one bank may be fixed at Rs. 5,000, unless it is found necessary to raise it, say, to Rs. 10,000 in order to attract support. An estimate of the probable rate of progress of the Insurance Fund as worked out in the draft scheme, which covers only the Indian scheduled banks, is given below:

(Rs. in crores)

Year	Deposits in insured banks	Insurance deposits	Insurance fund
1955	650	260*	5.40†
1959	1,000	400*	7.60‡
1974	2,500	1,000*	25.00§

* 40 per cent. of total deposits.
† More than 2 per cent. of insured deposits.
‡ About 2 per cent. of insured deposits.
§ 2.5 per cent. of insured deposits.

Premium income has been calculated in the table above at the lower rate of 1/16th of one per cent. Losses and expenses have not been provided out of the premium income since it is expected that the interest income from the premium fund will, as in the case of the U.S., be sufficient to meet such losses and expenses.

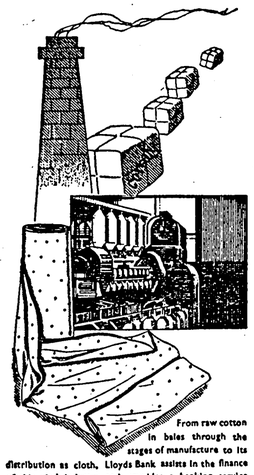
These are, of course, purely notional suggestions and estimates. But the author of the scheme has made suggestions on the basis of the experience in the U.S. A capital structure of Rs. 10 crores is suggested because it will bear a ratio of 1.5 per cent. of the total deposits of Indian scheduled banks. This ratio would be 100 per cent. more than the ratio which the U.S. thought fit to maintain at the first instance. As regards the suggested premium rate (1/16th of one per cent.), it is somewhat lower than the rate (1/12th of one per cent.) fixed in the U.S. But it must be remembered that the average rate in the U.S., after allowing for refunds, has been only 1/25th of one per cent. Further, the Corporation was created in the U.S. at a time when there was a serious economic depression. Since the possibility of facing large losses is remote, at least in the near future, a levy of 1/16th of one per cent. would, perhaps, be safe enough. Finally, the amount of deposit, that will be covered by insurance, is fixed at Rs. 5,000, because most deposit accounts in this country would fall within this level. The average deposit per account in the big Indian scheduled banks is Rs. 2,140 and in the smaller scheduled banks Rs. 1,500. It is true that a few very large banks have an average deposit account of about Rs. 10,000. But the ceiling for insured deposits, it may be noted here, is fortunately illusory. American experience shows that this ceiling is a mere formality and all the deposits in an insured bank do, in reality, acquire protection under the scheme.

Premium Not Onerous

Now, the question is whether the premium will prove the proverbial last straw for the banks. But an analysis of the income and expenditure of the Indian banks shows that the levy, even if it cannot be considered a flea-bite, will not be too onerous for the banks. Indian Scheduled banks will have to pay, under the scheme, only about Rs. 40 lakhs per year (on the basis of 1952 deposits) or only about 1.2 per cent. of the gross earnings—it will certainly be lower if the Exchange banks are brought into the scheme. Nor is this levy large when compared with the increase in the Bank's expenses that has taken place as a result of increase in interest rates and in establishment charges. Between 1950 and 1952, the rate of interest on deposits increased from 0.82 per cent. to 1.09 per cent.; this has meant an additional expenditure of Rs. 158 lakhs to banks. Again, between 1950 and 1952, the establishment charges of the banks rose by Rs. 159 lakhs to Rs. 1,284 lakhs; between 1948 and 1952, the increase in these charges was of the order of Rs. 334 lakhs. Surely, a levy of the order of Rs. 40 lakhs, which deposit insurance implies, is not going to mean an intolerable burden to the banks.

Indeed, the levy is bound to weigh less heavily on banks when one considers that deposit insurance might bring about a downward trend in interest rates on deposits, or at least might facilitate the adoption of measures designed to effect a downward trend in these rates. A ceiling on the rate of interest on deposits, say, at its 1948 level, will alone mean a saving of 25 to 30 per cent. in interest charges; this would mean a saving of Rs. 2.10 to Rs. 2.20 crores. What makes the task of prescribing any ceiling on interest rates so difficult today is the fact that banks differ widely in their creditworthiness. This difference in their standing and importance compels some banks to pay a higher rate of interest than others. But a deposit insurance system will tend to eliminate unhealthy competition for deposits, and thereby bring down interest rates. Thus, the system can be expected to earn its own premium income.

(To be concluded.)



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GRINDLAYS BANK LTD.

A decline of Rs. 4.63 lakhs in the profit to Rs. 4.51 lakhs is disclosed by the audited accounts of the Indian branches of Grindlays Bank Ltd. (General Manager in India: Mr. A. Simpson) for the year ended 31st December, 1953. Though the fall in profit is in consonance with the general trend of bank earnings in India, the extent of decline is somewhat marked, being more than 50 per cent. With the shrinkage of Rs. 4 lakhs noted in the previous year, the Bank's profit has dropped by nearly two-thirds—65.7 per cent. to be precise —in the course of the last two years.

The following comparative table clearly shows how the profit of the Bank has gone down:

(In lakhs of rupees)

	1953	1952	1951
Interest and discount earned ..	34.89	35.34	33.11
Commission and exchange ..	27.27	28.13	30.10
Interest paid	8.44	6.76	4.74
Expenses	48.24	47.54	45.29
Depreciation and repairs ..	0.99	0.06	0.06
Profit	4.51	9.14	13.14

It will be noted that, during the year under review, there has been a decline in both the main sources of income, these accounting together for Rs. 1.28 lakhs, while interest paid has gone up by Rs. 1.68 lakhs and expenses by about Rs. 70,000. It will also be observed that the outgo on the former account has risen by Rs. 3.70 lakhs in the last two years, which reflects the high cost of borrowings by banks, and on the latter account by about Rs. 3 lakhs.

The Bank's balance-sheet at the close of the year under review shows that its deposits, at

(*Continued on page 811*)

DEVELOPMENT OF BACKWARD ECONOMIES

WORLD BANK PRESIDENT URGES SPEEDING UP OF EFFORTS

PROBLEMS of world economic development, with particular reference to the underdeveloped countries and the role which the World Bank plays, were protrayed in a lucid and illuminating manner by Mr. Eugene R. Black, President of the International Bank for Reconstruction and Development, in the course of his address at the seventeenth session of the U.N. Economic and Social Council at New York on Wednesday last week. Mr. Black drew pointed attention to the obvious manifestations of underdevelopment—the misery and poverty of the urban masses, the inefficiency of farm production and inequity of land tenure systems, illiteracy, disease, and, often, sullen hopelessness in many parts of the world. From this, one should not, however, rush to conclude that he presented a rather pessimistic picture of the world economic set-up. For Mr. Black emphasised what he characterised as the "pervading evidences of dynamic, curative forces at work—at work and gaining momentum." Among these evidences, the following three stand out most prominently:

The driving energy of Asia's new nations, sparked by pride in the dignity of independence and fed by a consuming urge to demonstrate that that independence can contribute to a fuller and a better life;

the growing recognition by many powerful interests in Latin America that static economics may be explosive politics, and that, in the long run, the course of conservatism is to push on with the expansion of production and with ever-wider distribution of its benefits; and

the awakening perception of the peoples of Africa, unfortunately sometimes displayed in such extreme and violent form as to be self-defeating, that their position of economic backwardness is not pre-ordained and that the resources of their land can be made to produce a better life within, as well as beyond, the borders of their continent.

Realism and Farsightedness

These are some of the many forces which are at work today throughout the underdeveloped world. If the forces are to be diverted in productive channels, instead of being allowed to be spilt over in riotous and destructive flood, it requires "a high degree of realism and political farsightedness in international statesmanship. How this can be achieved was neatly described by Mr. Black thus:

"On the part of the underdeveloped countries, there has sometimes been an unfortunate tendency to overemphasise the financial aspects of development—to urge that it is the low level of income, and, therefore, of savings, that is the one great obstacle to progress and that, therefore, the one real solution is for the advanced countries to make available large amounts of capital for development purposes. This analysis is one of those half-truths that obscure more than they reveal. If I judge correctly, it is the character and initiative of the people, the confidence they have in themselves and in the future of their country, the honesty and efficiency of the Government administration, the nature of the country's social institutions—it is these and many similar factors, quite as much as capital, which determine the rate of economic growth. *With individual or communal initiative, properly directed, small funds can work miracles. Without initiative or direction, no amount of investment is likely to prove very effective.* (Italics ours.)

"Let me not be misunderstood. I do not minimise the importance of capital, nor am I unaware of the immense investment which will be required if the development objectives of the democratic world are to be achieved. Certainly, the rate of investment that is flowing at present will not suffice to achieve those objectives, at least not in many of the poorer countries of Asia and the Middle East. But I insist that constantly reiterated emphasis on what the advanced countries should do for those less advanced distorts the true nature of the problem and may sometimes even be used as an excuse for failing to act on those matters which only the underdeveloped countries themselves can control. . . .

"For the industrialised countries, the issue is not the extent of the poverty or need elsewhere, but rather the extent to which it is in their own long run interests to aid in the economic growth of areas whose productivity is still unduly low. This issue, I believe, the advanced nations are not yet assessing adequately. Sometimes, even in influential quarters, development appears to be regarded simply as a slogan for debate at international gatherings, or as a matter of social improvement to be worried around by the well-meaning. I think the time has come when, in their own interests, the industrialised countries must really come to grips with the fundamentals of the problem."

In Mr. Black's opinion, the fundamentals of the problem are both economic and political. On the economic side, he posed the question whether the industrialised areas were satisfied with the prospect of a gradual expansion of trade within the existing structure of trading relationships or, wish, as a long-term matter, to enjoy the much wider markets which would become available through an increase in productivity and, therefore, of consumption levels throughout the underdeveloped world. On the political side, he asked whether the advanced countries really believed their oft-stated creed that the best long-term hope for peace lay in the spread of democratic institutions. In his own characteristic way, Mr. Black remarked: "... democracy needs for its vitality an economic climate characterised by hope and not despair. It is only in an atmosphere of economic growth and opportunity that we can realistically expect development of the kind of community which values the rights of the individual above the powers of the State. Economic stagnation and political democracy are not easy companions."

Evidently, Mr. Black must have been provoked to make the foregoing remarks by the fact that the importance of the aforesaid questions to the industrialised countries is often obscured by the insistent pressure of their immediate domestic problems. It is probably because of this that the industrially advanced countries have failed to contribute much to the development of the underdeveloped countries of the world. Mr. Black did well to urge these countries "urgently to re-examine and restate their development objectives, and then to join in the formulation of a long-term programme of action adequate to achieve these objectives."

Positive Side of Development

Looking, however, at the positive side of the world economic development, Mr. Black claimed that, in many ways, the record of accomplishment over the last five years had been impressive. In support of this claim, he observed:

"The validity of the development concept has been widely established and, in many parts of the world, it has gained a political hold that even entrenched interests have learned to respect. In many underdeveloped countries, realistic programmes of development have been worked out—frequently with the help of experts from the Bank and other international agencies—and the implementation of those programmes has often evoked an enthusiastic response of the national will.

"Widespread programmes of technical assistance have been conceived, negotiated and put into effect There are still weaknesses in these programmes, and difficult problems of co-ordination remain unsolved. But it is a striking fact that, at the end of last year, over 3,000 technical experts were at work all over the world under international auspices, the Colombo Plan and the United States assistance programmes, participating in what is undoubtedly the greatest technological education campaign ever undertaken.

"Foreign private capital, too, is beginning to venture more boldly into developmental areas, with its emphasis not quite so heavily concentrated as before on the field of extractive industry. And the flow of public loans has been substantial and accelerating.

"No longer do the words 'inert' or 'static' describe the economies we are discussing—whether in Latin America with its rapid drive towards industrialisation, or in India and Pakistan which are striving so hard and with such marked success to increase the output of their land, or in the many other parts of Asia, the Middle East and Africa where development is now gathering momentum."

Role of World Bank

The World Bank has contributed much to the progress in the development of world economy, especially of the counfries in the underdeveloped region, as noted above. This is clearly revealed by the factual account which Mr. Black gave of what the Bank has been doing and what it has accomplished in the past one year. During the nine months ended March, 1954 alone, for instance, the Bank granted over $302 million as loans to 13 countries, thereby bringing the total loans so far made since the inception of the Bank to $1,892 million, the number of loans and of countries being 102 and 33, respectively. Along with the increase in lending activities, the rate of the World Bank's disbursements to its borrowers has also been accelerated. Thus, in 1953, the disbursements amounted to $240 million, bringing the total to about $1.250 million. In making disbursements, the Bank, it is significant, has been able to use extensively currencies other than dollars. Out of the funds disbursed last year, nearly 30 per cent. was accounted for by non-dollar currencies. Equally significant is the fact that more and more of the loan proceeds are now being expended outside the U.S., rendered possible by increase in productive capacity in these areas. During 1953, about $97 million, or 40 per cent. of the disbursements, was expended in countries other than the U.S. In the early years of the Bank's operation, it will be recalled, most of the funds loaned by the Bank were being utilised for purchases in the U.S. alone.

A striking feature of the World Bank's lending operations is that loans have been made for financing basic production and providing facilities that aid basic production. The Bank-financed facilities have gone a long way towards achieving direct increase in production and promoting expansion of private industrial and agricultural enterprises. An idea of the variety which Bank financing necessarily takes was provided by Mr. Black. The Bank has granted $20 million to Chile for the establishment of a chemical pulp mill and a newsprint plant. It has given to Australia three loans aggregating over $200 million. The most recent of these loans, amounting to $54 million, was made just over a month ago. More than half of this loan is being used for the improvement of transport, a quarter for agricultural purposes, and the remainder for development of electric power facilities and various industries. The Bank has granted $8.5 million to Ecuador for the construction of eight main highways radiating out from Guayaquil, which will help augment agricultural production.

The activity of the World Bank is not confined to lending operations alone. It includes also the provision of services of special representatives to assist the Governments of some countries, such as Nicaragua and Panama, in formulating comprehensive development programmes and technical aid and advice. The principal method of providing technical assistance is through general survey missions, organised at the request of member countries to analyse their economies and to help formulate broad schemes of expansion. In recent months, the Bank has sent out three more missions of this kind to Nigeria, Malaya and Syria.

Raising Funds in Private Markets

The World Bank has also been active in raising additional loan funds in the private capital markets. In 1953, it sold more than $200 million worth of its own bonds, of which U.S. dollar bonds accounted for $175 million and Swiss franc bonds for Sw. Fr. 150 million. The market for these securities, it is gratifying to be told, is broadening significantly among investors in both the U.S. and other countries. Again, the pricing of the Bank's most recent issues has reflected a general reduction—this is a welcome sign—in the cost of long-term money, which, in turn, has enabled the Bank to effect, twice in recent times, a downward revision in interest charges on loans. The Bank has continued to sell securities from its loan portfolio to private investors in the U.S. and other countries. Since the start of the current fiscal year, it has sold the equivalent of about $16 million of such obligations—$5 million with, and $11 million without, the Bank's guarantee. It has obtained other loan funds through further releases by member countries of their 18 per cent. local currency subscriptions to the Bank's capital. Total releases to date which have been used or allocated for loans aggregate the equivalent of almost $757 million, as compared with about $710 million at the beginning of 1953. In addition, the equivalent of about $436 million has been released subject to various conditions or limitations on its use.

Yet another sphere in which the World Bank has evinced keen interest is the encouragement of flow of private capital into productive enterprise. Recently, a mission from the World Bank had visited India to explore the possibilities of setting up a privately-owned and privately-operated development corporation to help finance the expansion and modernisation of Indian industries. A Steering Committee is now drafting a charter for the proposed corporation which will finance both the existing and the new enterprises through loans and equity participations, besides providing technical and managerial advice. Referring to this, Mr. Black expressed the hope that satisfactory arrangements would be completed for bringing into existence the corporation and assured that the Bank would be able to assist it with a loan. Incidentally, he revealed that interest in the formation of a similar corporation had been shown by Ceylon and that the Bank had accordingly sent a mission to Colombo to explore the matter further.

FUTURE OF COTTON TEXTILE INDUSTRY

NEED FOR REDUCING COST OF PRODUCTION

WHAT is the future of the cotton textile industry in India? This question has been discussed and debated upon for some time now in the Press and on the platform not only by those who are directly connected with the industry but by Government spokesmen and the public at large. These discussions have centred round the complicated question of bringing down the cost of manufacture, involving such issues as high labour costs, labour productivity and rationalisation. It is on the extent to which a satisfactory solution of these issues is found that the future of the industry hinges. Mr. Shantilal Mangaldas, President of the Saurashtra Mill-owners' Association, did well, therefore, to devote some attention, in his address at the recent annual meeting of the Association at Ahmedabad, to these issues.

Mr. Mangaldas began by stressing the important role which this industry plays in the country's economy. He regarded the cotton textile industry, which had been built up patiently over the last 100 years, as a national heritage, and added: "To preserve this national heritage is not enough. We must add to it in the years to come."

There is no exaggeration whatever in these remarks of Mr. Mangaldas. The industry does play a vital role in the economy of the country. With an installed capacity of over 11 million spindles and 200,000 looms, the industry produces about 4,850 million yards of cloth, besides providing yarn for producing about 1,200 to 1,500 million yards of cloth on handlooms. It consumes all the cotton produced in the country—3.5 to 4 million bales—and imports about 700,000 to 800,000 bales of foreign cotton. It is thus the mainstay of the cotton producers in the country and exercises a stabilising influence on the agriculturists engaged in cotton production. It consumes 2 million tons of coal, 50 million gallons of fuel oil and 900 million units of electrical energy. The industry provides direct employment to about 800,000 workers and contributes to the Exchequer Rs. 20 crores annually by way of excise duty alone. There are also other taxes which it pays. It earns valuable foreign exchange through export of hundreds of millions of yards of cloth.

Dispassionate Examination

The object of restating these well-known facts is to stress that the issues facing such a vital industry require to be examined in a dispassionate manner and purely from the point of view of the larger interests of the country as a whole, instead of on sectional or sentimental grounds. This is particularly so when the question of giving protection to the handloom and *khadi* industries, in which only a small fraction of India's total population is employed, against the cotton mill industry, has to be considered. In this connection, the remarks of Mr. Mangaldas bear reproduction:

"... there is scope for increase in cloth production on the basis of increased consumption in the country. This is possible, however, only if the purchasing power of the people is improved either by increase in their income or by reduction in the price of cloth. I believe the second alternative only is open to us at present. Price reduction offers the best scope for stimulating internal consumption of cloth and it is here that the mill-made cloth scores over handloom cloth and *khadi*. While recognising the importance of the handloom industry and *khadi* in the present economic set-up of the country and while appreciating the Government's anxiety to protect those who are engaged in these industries, I feel that the artificial method of giving protection to these industries at the cost of the mill industry is not the right way of dealing with this problem. We cannot get away from the fact that textile mills represent the most economic mode of cloth production and any attempt to deprive them of this natural advantage by imposition of extra burdens in the form of excise duty, handloom cess, etc., will merely lead to difficulties in some other form.

"High prices naturally tend to decrease the consumption of cloth in a country like ours where the purchasing power of an average person is extremely low. I am convinced that, if the present restrictions and burdens on the mill industry are continued, we should not expect to see any substantial increase in the present level of *per capita* consumption of 13 yards of cloth. It needs to be examined whether the present policy is ultimately in the best interest of the country. I hope the Kanungo Committee, which is enquiring into this problem, will be able to make practical recommendations which would enable the mill industry to function effectively *in the interest of the consumers* (italics ours), while, at the same time, giving the handloom industry and *khadi* scope to continue to serve the country in the sphere where they are best suited to do so."

In the context of the need for reducing the cost of production, Mr. Mangaldas deprecated the tendency on the part of the authorities to pass a series of labour welfare legislation without due regard to the ability of consumers to pay. Each year, he said, witnessed a new law placing fresh liabilities on the mills. Alluding, in particular, to the question relating to payment of compensation for lay-off and retrenchment, Mr. Mangaldas struck a note of warning that, if such reliefs were given, they would adversely affect production and employment. He said:

"The future of the textile industry in this country depends primarily on the internal market and secondarily on the export market. We have a large internal market to support this industry, but, unfortunately, the purchasing power of the people is low. The offtake of cloth in the internal market is, therefore, relatively small. In the export market, there is keen competition from other countries. This competition will grow more and more acute as time passes. In both the cases, therefore, the cost of production will determine the quantitative demand for cloth. Particularly during the last five years, the cost of production of mill-made cloth has gone up considerably because of a number of labour welfare laws passed by the Government.

"Each year witnesses a new law placing fresh liabilities on the mills. The year 1953 saw the amendment of the Industrial Disputes Act, 1947, so as to provide for relief in the case of lay-off and retrenchment. It has been estimated that a fair size mill, desiring to close either one or both shifts, would be required to pay to the workers an amount varying from Rs. 10 to Rs. 20 lakhs as compensation. I wonder if the Government has examined the effects of this measure in the long run. While it may prevent closure of a mill temporarily, it will also have the effect of forcing it to shut down permanently, even when it may be possible for it to close down temporarily only to avoid losses and restart after a while. To give a concrete instance, two of our units which have been compelled to shut down on account of financial and other difficulties will have to pay compensation to workers to the extent of approximately Rs. 1,50,000 in one case and Rs. 2,50,000 in the other case. These units which are financially tight would be further weakened by payment of such heavy amounts and will probably go out of production for ever. I wish the Government realises that trade cycles and depression may compel employers to curtail production temporarily and, if such reliefs are given, they would adversely affect production and employment."

Turning to the problems of the textile industry in his own State, the S.M.A. President expressed "deep regret" at the deterioration in the conditions of the textile mills. According to him, out of nine mills, two have been forced to shut down completely, while one mill has been compelled to close its second shift. As a result, about 2,500 workers have been thrown out of employment. Most of the remaining mills are working uneconomically, with their financial position gradually deteriorating. In view of these, Mr. Mangaldas averred that, unless immediate steps were taken to relieve undue burdens on the industry and make its working economic, "the textile industry in Saurashtra will continue to shrink from its present position." And he warned that any delay in taking joint action by mills, labourers and the State Government might well prove dangerous. In this connection, he suggested the appointment of a committee to enquire into the working of the industry with a view to recommending ways and means for setting the industry on a sound basis. As this was only of long-term importance, he pleaded for relief by way of exemption of uneconomic units from the operation of the Provident Fund and State Insurance Acts, a downward revision in railway freights on cotton, coal, stores, cloth, etc., and reduction in water and electricity charges.

Rationalisation

On the question of rationalisation, Mr. Mangaldas had a few interesting observations to make. He observed:

"The problem of rationalisation in Saurashtra must be differentiated from that in the more advanced centres like Ahmedabad and Bombay. Whereas, in these latter places, the mills have already succeeded in achieving a certain measure of rationalisation, the mills in Saurashtra have not been able to do so and are very much behind them in this respect. What is demanded is that we should be permitted to bring our labour strength in line with that in a similar unit in Ahmedabad or Bombay. For instance, in Ahmedabad and Bombay, a workman minds two sides of a ring frame and, recently, there has been an agreement for four sides. Two sides of a ring frame per worker must, therefore, be regarded as normal workload in the textile industry. In Saurashtra mills, a worker minds only one side of a ring frame. If, therefore, we ask a worker to mind two sides of a ring frame we are merely asking him to do as much work as his counterpart in Ahmedabad and Bombay is doing. The introduction of the system of giving two sides of a ring frame to a worker and the consequent retrenchment of surplus workers does not, in my opinion, amount to rationalisation in the strict sense. It merely means terminating the services of absolutely superfluous workers who are an unnecessary burden on the industry. Their retrenchment has become unavoidable in the present circumstances, because the purpose is not to enable the mills to make larger profits but to secure their continued existence. I hope the problem will be viewed from this angle, and the efforts of the mills in Saurashtra to assign to workers what has come to be regarded as normal workload in the textile industry will not be misunderstood or misinterpreted."

REORGANISATION OF KANPUR COTTON MILLS

Reorganisation of cotton mills in Kanpur is now a matter of extreme urgency, if they are to survive in the present highly competitive markets. This view was expressed by Mr. R. D. R. Bell, Chairman of the Employers' Association of Northern India, at the seventeenth annual general meeting of the Association held at Kanpur on Wednesday last week. In support of his view, Mr. Bell pointed out that it was almost five years since the seven cotton mills submitted their schemes of reorganisation to the Government of Uttar Pradesh for approval and, during this period, it was estimated that these mills had been carrying approximately 9,000 surplus workers, with a total wage bill amounting to over Rs. 1 crore per annum. He doubtless appreciated the State Government's reluctance to approve of any scheme which might involve retrenchment of workers, in view of the increasing unemployment. But he could find no excuse for the Government withholding approval when certain mills had given an undertaking that they would implement their schemes, as natural wastage of labour occurred, and thus avoid retrenchment.

Mr. Bell presented a somewhat gloomy picture of the conditions in the Kanpur cotton mills. Towards the end of June, 1953, he said, unsold stocks of cloth and yarn, particularly the former, showed a tendency to increase. The position rapidly deteriorated until, in the month of October, when the ten cotton mills were faced with unsold stocks of 43,160 bales of cloth and 4,453 bales of yarn, valued at more than Rs. 4 crores. Even the measures of relief announced by the Government, such, for instance, as abolition of export duty on medium cloth, reduction in excise duty on fine cloth from As. 3-3 to As. 2 per yard, and refund of import duty on cotton used in the manufacture of cloth meant for export, did not bring satisfactory results to the Kanpur mills. For, situated as they are at places far off from the ports, the mills could not compete with the mills situated at, or near to, the ports. "It is, therefore, obvious," Mr. Bell said, "that the financial results of the local cotton textile industry for 1953, when published, will again present a gloomy picture."

Analysing the factors responsible for the "economic crisis" in the Kanpur textile industry, Mr. Bell observed: "During recent years, manufacturing costs have increased considerably as a result of labour legislation and, while much of it is in line with the natural progress towards improved conditions of employment, it is considered that some, if not all, of this legislation is somewhat premature and on too lavish a scale, with the result that the industry has not been able to digest the additional financial burden."

INDUSTRIAL FIBRES

The world output of industrial fibres in the current (1953-54) season would surpass the record level touched in 1952-53, according to the estimates of the Commonwealth Economic Committee. The consumption of fibres, especially of apparel fibres, is also expected to expand. During 1952—the most recent year for which comparative statistics are available—the Commonwealth countries produced 2,180 million lbs. (greasy weight) of wool. This quantity represents 50 per cent. of the world total of 4,328 million lbs. The share of the Commonwealth in the aggregate world exports of wool in 1952 was still larger, bearing 81.6 per cent. This higher proportion was due to the fact that some of the national wool clips were (and are still being) consumed in the countries of production and did not enter world trade.

Among the world's apparel fibres, cotton takes the first place, with the rate of output maintained at 17,386 million lbs. per annum, followed by wool accounting for 2,034 million lbs. (clean). Among non-apparel fibres, carpet wool accounts for 456 million lbs. (clean basis).

The year 1953 witnessed a marked improvement in the world trade in industrial fibres, in distinct contrast to a downward trend in the previous year. The improvement occurred mainly in wool and jute, while cotton showed a moderate rise. The U.K., described as the world's largest importer of fibres, took substantially more in 1953 than 1952, including deliveries of wool which were the highest since the war. The U.S. also imported more cotton and jute, but its purchases of wool continued to be low as in the previous year. Japanese imports of fibres, particularly cotton and wool, rose again in 1953 and those of Continental Europe were well above 1952.

World consumption of apparel fibres tended to rise in 1952-53, as compared with the previous season, due mainly to enlarged demand for cotton in the U.K. and Western Europe.

World stocks of industrial fibres in 1953 stood at the highest level since 1947. Stocks of wool, however, were the only exception, in that they were lower, thanks to the disposal of the greater part of the South American surplus during 1952-53.

LIVERPOOL COTTON MARKET SCHEDULED TO REOPEN NEXT MONTH

AMERICAN 15/16-INCH MIDDLING CHOSEN AS BASE FOR CONTRACT

(By A Special Correspondent)

MANCHESTER, 13*th April*

MANCHESTER LETTER

A GUIDE as to how the Liverpool cotton futures market will function on its reopening for trading next month after a lapse of 12 years has been drawn up and circulated to interested firms by the Liverpool Cotton Association. Two booklets outlining the change from the Raw Cotton Commission's cover scheme to a futures market and the details of transactions likely following the revival of full-scale private enterprise in 1954 provide not only the background to the switch but offer assistance to traders.

Stressing the changes which have taken place in world trading conditions since the Liverpool market was last open, the Association points out that the futures market cannot re-evolve itself gradually in the manner of its original inception. "It has to take on from the start the full burden of carrying the whole of the hedges of an industry which has continued to have parallel facilities during the market's eclipse," it adds.

American Advice

In a foreword to the booklet entitled *The Futures Market* 1954, Mr. A. J. Kentish Barnes, President of the Liverpool Cotton Association, acknowledges the invaluable help and advice extended to Liverpool by members and officials of the New York Cotton Exchange during recent months. "Recognising the benefits that can accrue to the whole structure of world cotton trading, from the complementary operation of futures markets in two great producing and consuming countries," he says, "they have given freely of their unique experience of futures market operation during the post-war years."

The new contract provided by the futures market, which is based on United States cotton and about which criticism has been voiced, is defended by the Association. The new Liverpool contract has been designed with three main features, it is stated. It is closely allied to the New York contract, with a similar quality basis and trading months corresponding to the active positions in New York. The range of tenderable qualities is restricted broadly to those in normal demand for consumption, and it also contains safeguards against a possible "squeeze" of the near position due to shortage of tenderable stock in this country. The contract, the Association states, incorporates the advantages of being reasonably narrow without the attendant dangers.

The basis for the contract will be Middling 15/16 inch American cotton, the trading unit will be 100 bales weighing 48,000 lbs. net and trading positions will be for October-November, December-January, March-April, May-June and July-August. Trading in each position will cease at the end of the first month.

In view of the uncertain situation concerning Egyptian and Sudan cotton it has not been considered prudent by the Liverpool Cotton Association to provide a long-staple cotton contract for the time being. A joint committee of spinners and raw cotton interests, however, has been formed to consider the objective of opening such a contract. "Once the American contract has been successfully launched and the market has secured the participation and confidence of traders throughout the world, a strong base will exist from which to launch an Egyptian type contract, even without its counterpart in Egypt," the Association claims.

Without giving any definite indication as to the level at which prices are likely to open in dealings due to start on 18th May, one of the booklets points out that true parity between October New York and October-November Liverpool should be around 350 to 400 cent points. If New York, therefore, is around 34 cents, Liverpool should be approximately 32d. to 32.50d., with the dollar-sterling rate at 2.81 dollars.

Excessive selling pressure due to a large switch of hedges from the Raw Cotton Commission's cover scheme might tend initially to depress the market and narrow the parity with New York. This should correct itself in due course, the Association observes, as professional straddle operations are likely to be initiated to take advantage of the fact that Middling 15/16 inch cottons will, under such circumstances, be quoted at a price below the cost of bringing such cotton from the United States and tendering it in Liverpool.

Delayed Delivery Probe

Some mystery surrounds the details of a new project which the Cotton Board is sponsoring to investigate the many problems involved in the current delivery situation within the industry. It is understood that a firm of managerial experts has been engaged to undertake a pilot study of the subject.

No one would deny that delivery presents the most awkward handicap to distributors of Lancashire cotton textiles at the moment. It is in many ways far more of a problem than price and it has its repercussions all along the line of production.

The enquiry into the reasons for delays in delivery of cloth is, at any rate in the first place, to be directed towards the finishing section of the trade and the merchants who are concerned with the cloth once it has left the loom. The final processors of the material from its grey state onward have frequently been accused of unnecessarily holding up its further progress and distribution but they have their own problems to face.

Mr. James Ewing, Chairman of the Bradford Dyers' Association, has pointed out, for example, that the finisher is at the moment involved in storage and insurance of grey cloth to an extent which tends to become burdensome. Those in this section, he adds, would welcome a system enabling a more even flow of output in order to make it possible to anticipate accurately the date of completion of orders. The finishing organisations, as a result, are gladly co-operating with the Cotton Board in the investigation.

Japan—The Harsh Reality?

An estimate of the effect which the Anglo-Japanese trade agreement may have on the Lancashire textile industry has been drawn up by a leading firm of Manchester stock brokers. A close study of the likely implications of the pact has brought the authors to the unmistakable opinion that the outlook is not only serious but may well cause a depression extending over several years.

The basis on which this premise is made stems from the forecast that Japanese exports of cotton piecegoods to sterling area countries may expand by nearly 200,000,000 square yards, representing an increase of over 50 per cent. At the same time shipments of rayon piecegoods to these markets are estimated to rise by some 50,000,000 square yards.

Lancashire, as the main supplier of textile goods to this area, is obviously the most vulnerable to increased competition. If the most pessimistic view is taken that our local mills are to lose as much trade as Japan gains, it could mean a total of five weeks' output of cotton cloth and three weeks' production of rayon goods. Spinners in turn may lose trade equivalent to about five and a half weeks' cotton yarn production and two and a half weeks' output of staple fibre yarn.

Further details of how such a trend of trade would affect merchants and finishers are elaborated in the report, but the seriousness of the prospect need not be overemphasised. There are other aspects to the problem, such as the mounting competition from India in overseas markets which, as the survey points out, may well force Japan to improve the quality of her exports, bringing them more directly into conflict with the output of goods shipped from Lancashire.

"Initially, the result may only be to shorten producers' order books in Lancashire and thus increase their competitive position," the survey continues in its summing up. "The critical point to be considered is whether production diverted from export channels can be absorbed in the home market. If Japan gains in international trade at Lancashire's expense it is unlikely that there will be any marked effect upon textile trading results covering 1954."

It is then that the document records the view that a continuation of the export loss envisaged in 1954 into later years may well cause a depression unless surplus capacity can be induced to leave the industry very quickly. The possibility of redundancy in Lancashire's mills has been raised on several occasions since the war, but there is a natural disinclination to avoid taking action to dispose of plant until the last moment.—*All Rights Reserved.*

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COTTON NEWS SERVICE IN U.S.

WIDE RANGE AND VARIETY OF INFORMATION

IN an economy in which private enterprise holds the dominant place, commercial and trade information is of the utmost importance. Indeed, such an economy can hardly function effectively in the absence of prompt and reliable news service. The men engaged in private enterprise, whether as buyers or sellers, should know the trend of prices, the nature and magnitude of supply and demand for commodities, and should be in a position to understand and appreciate the factors which influence these prices. This presupposes the existence of a reliable market news service. If such a service did not exist, the seller would be practically at the mercy of buyers. Again, the sellers, too, would stand to lose, since those who have the knowledge of market conditions would be better able to trade than those who do not possess it. The smooth functioning of a competitive economy implies that the men engaged in it have reasonable access to all relevant information.

So much for the general importance of market news service to an economic democracy. But it should be clear that it is of particular importance to cotton economy. The distinguishing feature of the economy of cotton is that it is produced by thousands of small farmers, collected, stored and marketed by hundreds of small and large traders and consumed by a small number of mills. At every stage of this complicated process of the transfer of cotton from the field to the cotton mill, the men connected with cotton do require a great deal of expert knowledge about this commodity. This fact was realised by the U.S. administrators soon after the Civil War in that country when the centres of cotton consumption began to develop at places far removed from regions where the commodity was grown. The administrators also realised that, if the dissemination of cotton information was left entirely to private news agencies, it might mean not only some bias or other in the content of the service given but also restricted utility for the service, in that only those who subscribed for the service would be in a position to use it. This led to the creation of a nation-wide system of cotton news service undertaken by an impartial agency, namely, the Government, through its Department of Agriculture. The nature and the methods of approach employed by this leading cotton growing, cotton consuming and cotton exporting country in the world in the collection and dissemination of cotton information have been reviewed in a very interesting article, contributed to the January, 1954, issue of the *Indian Cotton Growing Review*, by Mr. R. T. Mirchandani, of the Directorate of Marketing and Inspection, Government of India, who made a special study of the Market News Service of the U.S. Department of Agriculture (U.S.D.A.) in the course of his study tour of the U.S. under the auspices of the Technical Co-operation Administration.

The cotton markets in the U.S. may be broadly classified as "local or producers' markets" and "central spot cotton markets." The former form the medium through which the great bulk of the cotton is marketed by the growers. The latter are small in number but perform the essential services required in assembling, transporting and storing of cotton. The cotton grower in the U.S., unlike his counterpart in India, disposes of his cotton after getting it ginned and baled. The crop sold as seed cotton hardly forms one per cent. of the total production. The prices in the leading spot and forward markets influence the price paid by a buyer to the cotton grower. The U.S.D.A. has selected ten of the central markets on the basis of their importance and strategic location for reporting price quotations and for determining the commercial price difference for tenderable grades above or below the basic grade; the basic grade is Middling 15/16 inch staple cotton.

In short, the Cotton Market News Service provides farmers, ginners, merchants and millowners with information on price, stocks, quality and market activity in cotton, cotton linters, cottonseed, and in some types of cotton cloth. In 1947-48, only 25 per cent. of the growers sold their cotton without having price information. This shows that the Service is widely utilised by cotton men. The Service is administered from Washington through the quality improvement and market reports division of the Cotton Branch of Production and Marketing Administration and is operated through four area offices located at Atlanta, Bakersfield, Dallas and Memphis. The cotton prices collected are: (1) daily price quotations with premiums or discounts as reported for the various qualities of cotton in each of the ten designated spot markets, (2) prices in other markets, (3) prices of cotton delivered or landed at mill points. The volume of sales, as recorded by the cotton exchanges at the end of the business day, is also collected and published. Further, the quality of cotton ginned in States and Districts is reported during the ginning season in terms of its grade and staple length. This information is obtained by classing approximately 10 per cent. of all ginnings. The estimate of the quality of the cotton carried over as on 1st August each year, which is part of the news service, is made by classing representative samples of cotton in storage at mills, public compresses and warehouses.

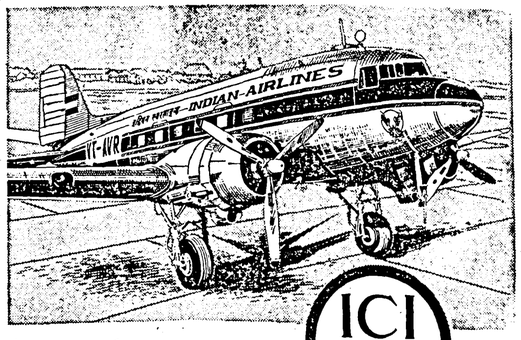
Besides the daily price report, the market news division publishes the *Farmer's Weekly Cotton Price* report which is designed for the use of individual farmers as a guide in selling cotton. Another weekly report, entitled *Weekly Cotton Market Review*, carries a summary of the cotton market situation up to the close of business on Thursday of each week. The *Cotton Price Statistics* is a monthly publication which is a compilation of cotton prices with premiums and discounts for grades and staples. Another monthly publication is the *Cloth Prices* report which shows (a) the prices of approximate quantity of unfinished cloth of 17 standards obtainable from a pound of cotton with adjustments for saleable waste, (b) the average prices in the designated ten spot markets for the types of cotton assumed to be used in the quality of cloth, and (c) the spreads between the price of raw cotton and its approximate cloth equivalent. Reports, entitled *Quality Reports*, are issued twice a month during the season, from September to March, showing the estimated proportions of the various qualities of the cotton ginned in the U.S. and in individual States and districts. Finally, there are two annual reports, one giving the statistics of the quality of cotton ginned in the U.S. and the other showing the statistics relating to grade, staple length and tenderability of the carry-over cotton, as on 1st August each year.

Although raw cotton is the most important commodity about which the News Service gives information, there are two other allied commodities about which the Department gives much useful information, namely, cottonseed and linters. The U.S. Department of Agriculture is the only public source of widespread market information on cottonseed. It publishes a weekly cottonseed review which contains information about the prices, quality and other factors relating to cottonseed. Since linters are an important by-product of the cottonseed crushing industry, the Department issues a weekly review containing market information on cotton linters.

The market reporters, who send by wire information about cotton from their centres to Washington, from where market reports are released, use a code laid down for this purpose. The code has been prepared with an eye to ten points on which information is generally given in the reports—spot cotton market activity, domestic mill buying, export buying, booking for freight space, offerings by merchants and shippers, offerings by farmers, weather conditions, crop conditions, insect infestation and damage, and grade and staple descriptions. Since speed is the essence of the dissemination of market news, every effort is made to publish the news promptly. In order to see that a wide section of the public gets the information it wants, and gets it quickly enough, the authorities make use of newspapers, radios, mimeographed bulletins, telephone and telegraph.

'DULUX'

FOR INDIAN AIRLINES CORPORATION



The livery for India's new Airlines Corporation was designed in conjunction with I. C. I. The colours used are Wexham Red and Oxford Blue—both from the 'DULUX' range—an achievement in colour design.

Supreme ICI Paints

'DUCO'

'DULUX' 'NECOL'

Made in India by

The Alkali & Chemical Corporation of India Limited

Sole Selling Agents:

Imperial Chemical Industries (India) Limited

Calcutta Bombay Madras Kanpur New Delhi Ahmedabad Amritsar Bangalore Cochin

IX-G 184

CONSUMPTION OF INDIAN COTTON

SIZABLE INCREASE SEEN

IT has been clear for a long time now that mills are utilising larger quantities of Indian cotton than in the past. During the season 1952-53, the consumption of such cotton was at a record level of 36 lakh bales as compared with 29.8 lakh bales in the previous season. Even this high level of consumption is likely to be exceeded this year. During the first four months of the 1953-54 season—that is, 1st September to 31st December, 1953—the consumption of Indian cotton was 12.9 lakh bales. On this basis, the current season's consumption of this cotton would be as high as 38 to 39 lakh bales. Indeed, if the consumption of Indian cotton in the last month of this four-month period, namely, December, 1953, is taken as a guide to the consumption for the whole season, the mills are likely to use 40 to 41 lakh bales of Indian cotton. The following figures show the consumption of Indian and foreign cotton in 1951-52, 1952-53 and in the first four months of the 1953-54 season:

(In bales of 392 lbs. net)

	Indian cotton	*Foreign cotton*
1951-52	2,987,453	1,084,018
1952-53	3,611,630	848,786
Sep. to Dec. 1953 (4 months) ...	1,290,296	229,056
September, 1953	310,827	62,812
October	326,526	61,154
November ...	305,601	50,128
December ...	347,342	54,962

It is against this large increase in Indian cotton consumption that one has to study the balance-sheet for cotton in India. The supply of all cottons for the current season is placed by a reputable commercial house at 67.7 lakh bales. This is made up of stocks of Indian cotton (on 31st August, 1953) 14.6 lakh bales, stocks of foreign cotton (on 31st August, 1953) 3.4 lakh bales, production of Indian cotton (including village consumption of 2.7 lakh bales) 43.7 lakh bales and estimated imports of foreign cotton 6 lakh bales. The distribution side of the balance-sheet is estimated to consist of mill consumption of Indian cotton 38.5 lakh bales, mill consumption of foreign cotton 7 lakh bales, village consumption 2.7 lakh bales, exports 2 lakh bales, estimated stocks of Indian cotton (at the end of the current season) 15.1 lakh bales, estimated stocks of foreign cotton (at end of the current season) 2.4 lakh bales. On the basis, the end-season stocks of Indian cotton would be only 50,000 bales higher than on 1st September, 1953. But it should be clear that, if the consumption of Indian cotton goes up to 41 to 42 lakh bales, the end season carry-over stocks might turn out to be very much lower than the stocks at the end of the last season.

If carry-over stocks have to be prevented from dipping below reasonable levels and if mills are to be assured of ample supply of cotton, it is necessary that Indian production of cotton should be increased and, till that is done, a liberal import policy should be adopted. Although Indian cotton output has made remarkable progress in recent years—it was only 20.6 lakh bales (commercial crop) in 1948-49—there is no doubt that the current high levels of consumption of Indian cotton indicate the need for increasing the output of this commodity further. It would appear that the Standing Committee of the Cotton Advisory Board recommended to the Government that the target of production of Indian cotton should be raised to 50 lakh bales as early as possible. The mere raising of the target is, perhaps, not quite the right thing to do, for, in India, where only 7 per cent. of the area under cotton is irrigated land, the monsoon plays a very dominant role. What is necessary is that more irrigated land must be brought under cotton, and farming practices improved. Meanwhile, imports should not be unduly restricted. Many importers feel that the present restriction, which stipulates the prior sale to mills as a condition for the grant of import licence for cotton, does not enable the importers to import and stock foreign cotton freely. Perhaps, the removal of this restriction will help augment the supply of cotton in the country through facilitating larger imports.

U.S. COTTON

The final ginning figure for the 1953 cotton crop of the U.S. is 16,324,000 bales, according to the Bureau of Census. The ginnings of upland cotton this season had a larger proportion of grades St. Middling and above compared to last year. The proportion of Middling and Strict Low Middling was smaller on the same comparison, while the proportion of Low Middling and lower white grades was larger.

BOMBAY FIRE AND GENERAL INSURANCE

FIRE PREMIUM INCOME MOVES UP

NEXT year, the Bombay Fire and General Insurance Company, Ltd. (Manager: Mr. B. H. Reporter, Bombay), will complete two decades of useful existence. Established in 1935, the Bombay Fire and General is a purely general insurance company, transacting business in fire, marine and accident insurance. It has branches in several principal trading centres, such as Calcutta, Madras, Delhi, Ambala, Akola and Dhulia. It derives a substantial part of its premium income, particularly in the fire department, from its overseas business for which it has chief agents in Karachi, Chittagong and Rangoon. Although the year 1953, to which the Company's latest report and accounts refer, proved a difficult one, especially for the Company's accident department, it is gratifying to note that the Company's principal department, the fire section, was able to report satisfactory increase in net premium income. The aggregate profit from the three departments was, however, lower at Rs. 1.10 lakhs, as against Rs. 3.46 lakhs in 1952. Nevertheless, the return to shareholders has been maintained at 5½ per cent. per annum.

Fire Department

In the fire department, which forms the Company's principal source of business, the net premium income advanced from Rs. 8.89 lakhs in 1952 to Rs. 9.22 lakhs during the year under review. The increase is to be attributed entirely to the better performance of the Company's foreign business. For, the premium derived from the Company's foreign fire business increased from Rs. 3.02 lakhs to Rs. 3.82 lakhs, while the premium income from the business effected in India declined from Rs. 5.87 lakhs to Rs. 5.40 lakhs. Losses in this department were, however, higher at Rs. 3.33 lakhs, as against Rs. 1.93 lakhs in 1952. Commission and expenses, on the other hand, were somewhat lower at Rs. 4.73 lakhs. The increase in losses has affected the Company's fire profit which declined from Rs. 2.64 lakhs to Rs. 0.85 lakh.

Marine Department

The net premium income in the marine department aggregated Rs. 2.36 lakhs, as compared with Rs. 2.60 lakhs in 1952. This decline in premium income was shared both by the Indian and the foreign portfolio of the Company, the former having declined from Rs. 1.37 lakhs to Rs. 1.25 lakhs and the latter from Rs. 1.24 lakhs to Rs. 1.12 lakhs. Claims were, however, slightly higher at Rs. 1.53 lakhs. Expenses (including commission) were, on the other hand, somewhat lower at Rs. 0.83 lakh. The profit from the marine department declined from Rs. 0.67 lakh to Rs. 0.24 lakh.

The accident department of the Bombay Fire and General shares the general experience of accident insurers in India as well as abroad, who find it increasingly difficult to run this department on a profitable basis. Although the net premium income in this department improved from Rs. 1.40 lakhs to Rs. 1.52 lakhs, claims also rose from Rs. 0.57 lakh to Rs. 0.64 lakh. Expenses (including commission) were also higher at Rs. 0.79 lakh, as against Rs. 0.71 lakh in 1952. The working of this department yielded a profit of only Rs. 1,439, as compared with Rs. 15,427 in 1952.

Transfer to Reserve

The profits from the fire, marine and accident departments, together with the income from interest and transfer fees (Rs. 39,432), the profit from sale of investments (Rs. 1,797) and the amount brought forward from the previous year's account (Rs. 2.68 lakhs) make in all Rs. 4.20 lakhs. Out of this sum, the Directors have transferred Rs. 75,000 to the reserve for taxation and Rs. 50,000 to the general contingencies fund. The payment of a dividend of 5½ per cent. to shareholders (Rs. 2·4 on the Rs. 40 paid-up shares and As. 9 on the Rs. 10 paid-up shares) absorbs Rs. 0.24 lakh, leaving a balance of Rs. 2.71 lakhs to be carried to the current year's accounts.

The Company's financial position is sound. Besides a capital of Rs. 4.20 lakhs, its reserves (excluding the reserve for taxation), funds and unappropriated surplus aggregate Rs. 14.12 lakhs, inclusive of fire fund (Rs. 4.77 lakhs), marine fund (Rs. 2.36 lakhs), and accident fund (Rs. 0.78 lakh).

A POLICY ISSUED BY

THE

BOMBAY FIRE & GENERAL

INSURANCE COMPANY, LIMITED

(INCORPORATED IN INDIA)

YOUR SYMBOL OF SECURITY IN THE EVENT OF

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

14, Jamshedji Tata Road, Churchgate Reclamation

BOMBAY, 1

REPRESENTED IN

INDIA, BURMA AND PAKISTAN

HIGHER SUGAR OUTPUT AT LOWER COST

REAL SOLUTION LIES IN INTENSIFYING CANE CULTIVATION

ALTHOUGH the Indian sugar industry (including the *gur* and *khandsari* sectors) enjoys the distinction of being the second largest in the world, next only to Cuba, the country has now turned out to be one of the world's principal sugar importers. Not only has the production of sugar failed to keep pace with the expansion in demand but the cost of manufacture also is considerably higher than in other countries. What is this state of affairs due to? It is due, in a large measure, to the fact that the progress in the primary stage—that is, sugarcane cultivation—has lagged far behind that in the secondary stage—that is, sugar manufacture—thanks to lack of adequate and proper attention paid to intensive sugarcane cultivation. That there is no exaggeration whatever in these observations will be clearly evident from the frank remarks of no less a person than Dr. Punjabrao Deshmukh, Union Minister for Agriculture, made in the course of a talk recently broadcast from the Delhi station of the All-India Radio. Mr. Deshmukh said that, in spite of agricultural research conducted over a long period, yields are still very unsatisfactory as compared with other countries. Dr. Punjabrao minced no words when he said that they (per-acre yields) had unfortunately either continued to remain stationary at the low level of 14 to 15 tons per acre and had, in some cases, gone down.

Now that the people have got accustomed to eating more white sugar—the aggregate consumption requirements are estimated at 1,700,000 tons per annum and that it is bound to increase further in future—the necessity for increasing sugar production has arisen. The fulfilment of this need depends mainly on the supply of sugarcane, the principal raw material of the sugar industry. To quote Dr. Punjabrao's own words: "Co-ordinated efforts of the State Governments, factory interests and development workers are needed to achieve greater average acre-yields of sugarcane. If these efforts are speeded up, greater production of the raw material and its diversion to the mills, and, ultimately, greater and more economical production of sugar, will be ensured."

Importance of Cane Development

The Agriculture Minister did well to emphasise, once again, the need for according greater and more careful attention to, and adequate provision of, the essential wherewithals to improve its production. He said:

"India has now become one of the largest sugarcane-producing countries in the world. Nowhere else is its cultivation as ancient as in this country, where it has been converted into products for indigenous consumption from time immemorial. Sugarcane is now being cultivated throughout the Indian Union over an area of 4 to 4½ million acres, and 55 to 59 million tons in terms of *gur* are produced every year. It plays a very important part in the agricultural economy of the country; it is the chief source of livelihood or of cash income for a large section of our agricultural population. The rural economy in the three major sugarcane-growing States of Northern India—U.P., Bihar and the Punjab—is intimately linked with cane cultivation. In the manufacturing side, the sugar industry provides employment to about 135,000 workers in the sugar mills, besides indirectly helping to provide employment to workers in industries dependent upon sugar."

Although there is nothing new or novel in these observations, they do not lessen the importance of the issue involved, especially as the sugarcane cultivation in India has, as already stated, not received adequate and *proper* attention. In the considered opinion of Dr. Punjabrao, seven factors are capable of improving the yield of crops in India. These are: (1) Use of manures and fertilisers, (2) control of water-supply for crops, (3) use of improved varieties, (4) control of pests and diseases, (5) prevention of soil erosion, (6) use of better implements, and (7) better system of cropping. In so far as the sugarcane development, however, is concerned, Dr. Punjabrao urged that highest priority should be given to the first three factors. According to him, variety is no longer a factor limiting the yield of cane in India. Impressive results have been obtained at the Sugarcane Breeding Station at Coimbatore. There are varieties under cultivation which, with proper manuring and irrigation, can give very high yields. In fact, as readers are aware, in Peninsular India, the average yield of sugarcane obtained is 35 to 45 tons per acre.

One of the important factors holding up crop yields in India is lack of adequate manuring. Alluding to this, Dr. Punjabrao Deshmukh, observed:

"Improved varieties demand heavier manuring to show their best performance. While a great many good varieties have been distributed, these have, as a general rule, been grown with whatever manure the cultivator had at his disposal and could spare easily, and the net result is that there has been no spectacular increase in the average yields in this country, in spite of the fact that the sugarcane area in certain major States, like U.P., has been fully saturated with improved varieties. I am of the opinion that inadequate manuring is holding up crop yields in this country. The creation of proper organisations for manure supply, according to schedules worked out by the Agricultural Departments for different crops, should be given the highest priority in our programme of cane development."

Minister's Initiative

There is much force in this view. And it is gratifying to be told by the Minister for Agriculture that he is taking steps to initiate action to increase the production of sugarcane in the three important cane-growing States of U.P., Bihar and Punjab. In this connection, he disclosed that, recently, the sugarcane experts of these three States were invited to New Delhi and consulted about the immediate steps that could be taken to improve the acre-yields of standing cane crop. In consultation with them, it had been decided to provide a heavier dose of top-dressing with sulphate of ammonia and to lay out thousands of trials on the cultivators' fields, in addition to large-scale top-dressing of standing crops in blocks with this or similar nitrogenous fertilisers.

Proceeding, the Minister stated that, notwithstanding the fact that thousands of maunds of manures and fertilisers had already been distributed in the various sugarcane-growing regions, the average cane-grower had not yet become fully fertiliser-minded. This is, indeed, a frank admission. The chief factor responsible for it is lack of adequate financial facilities to cultivators. Reassuring, therefore, is the statement of the Minister that measures are being taken to ensure that application of manure is not hindered on account of lack of finances required by the cane-grower for the purpose. Also reassuring is his statement that the Central Government is evolving a scheme according to which the States and the Centre will share the cost of the organisation required to handle larger quantities of manure for intensive application to the cane crop, as well as on additional plant protection measures.

The foregoing measures refer, however, mainly to the standing sugarcane crop, the improvement of which is of immediate importance. Looked at from the long-term point of view, the problem of developing cane in Northern India, or, for that matter, anywhere else, assumes special significance. The problem will have to be tackled not on one front only but on several fronts. These, as Dr. Punjabrao rightly pointed out, include the following:

(1) Planning and execution of irrigation projects;
(2) propagation of disease-free seeds yielding cane of higher sucrose content;
(3) improved cultural technique, including use of improved implements and treatment of the soil;
(4) provision for plant protection; and
(5) scientific harvesting programme to ensure that under-ripe cane is not delivered to factories for crushing.

It is true that all these matters are being dealt with by the Indian Central Sugarcane Committee, which started five-year sugarcane development schemes in the States of U.P., Bihar, Madras, Bombay, West Bengal and Orissa in 1948-49; these schemes have been continued for a further period of three years. But the progress so far achieved has not been quite satisfactory, the limiting factor being lack of irrigation facilities. With the completion of a large number of tube-wells in the factory areas in the North Indian sugar mills and the river valley projects elsewhere, this deficiency should, as Dr. Punjabrao aptly pointed out, be met fully in the near future. Nevertheless, there is no gainsaying the fact that the tropical conditions of South India are more suitable for cane development than the sub-tropical climate of North India. It is this factor which should be the major plank on which the pattern of the future development of the sugar industry should be based.

LIGNITE MINING IN SOUTH ARCOT

IS PILOT PROJECT A SUCCESS?

EVER since the discovery of large-scale deposits of lignite in South Arcot (Madras State) became known, there has been considerable interest in the possibility of South India becoming an important industrial area. There is, however, much prospecting still to be done. A pilot project was, as is well known, undertaken recently in order to find out whether commercial mining of lignite was possible. This project, however, has not been completed yet. But it is gratifying to learn that the Committee of officials, deputed recently to make an on-the-spot study of the working project, has reported favourably on the project. The Committee consisted of Mr. C. V. Narasimhan, I.C.S., Joint Secretary, Ministry of Finance, Mr. A. Lahri, Director of Fuel Research Institute, and Mr. A. B. Guha, Chief Engineer. It would appear that the Committee's findings indicate that the project is a complete success. The Committee has also suggested measures for the completion of the pilot project as early as possible and for undertaking full-scale mining thereafter, on a commercial scale. In the light of the Committees' findings, the Government of India, it is stated, will render such assistance as is needed for expediting the completion of the pilot project and the commencement of full-scale commercial mining. A project report for mining about 5,000 tons of lignite will be drawn up shortly. There are also proposals for the installation of 100,000 kw. power plant at Neville and a plant for briquetting 1,000 tons of lignite a day.

Since the working of the pilot project so far reveals that it is a success, the commercial exploitation of lignite has become a feasible proposition. About 2,000 million tons of deposits are expected to be recovered from Neville, which is indeed a "very valuable asset to South India." Experts aver that the lignite deposits, which are 15 to 20 million years old, are of "good quality." Laboratory tests have disclosed that lignite catches fire easily and burns well. The composition of lignite, it may be mentioned, is as follows: Moisture 40 per cent., ash 3.6 per cent., volatile matter 29.7 per cent., and fixed carbon 26.7 per cent. The calorific value is 6,500 B.T.U. (British thermal units) per lb. There is a layer of 20 to 25 feet thick white clay, which contains about 40 per cent. alumina.

Power Generation

The influence of lignite and its products on future power generation is enormous. Lignite can be used directly in power stations in pulverised form for raising steam, as is being done in Australia, Germany, and the U.S. It can also be carbonised by low temperature carbonisation and the char obtained can be used in boilers in pulverised form and by-products can be utilised. About 2.5 tons of lignite will be required to make a ton of char, giving a calorific value of about 13,000 B.T.U. The volatile matter will, when condensed, yield a tarry liquid of about 18 gallons a ton or roughly about 15 per cent. on raw lignite. This tar will, on further distillation, yield about one-third of good road surfacing material and about one-third as creosote oil which is useful for wood preservation. The remaining one-third is a liquid fuel with properties and calorific value similar to crude oil. Thus, a million tons of lignite, when processed, will leave about 6 million gallons each of crude oil, creosote oil and of tar. It is possible even to burn crude tar itself directly in boilers for raising steam or in large gas turbines for peak-load relief stations. An important by-product namely, montan wax, can be secured by the solvent process. Montan wax is used for electrical insulations and furniture polish.

The commercial exploitation of lignite will usher in a new era of industrial prosperity in South India. For the progress of this region is, as is well-known, held up, by lack of power resources. Lignite can be made available at a very cheap cost, as compared with that of coal obtained from Bengal and Bihar. The annual rate of demand for coal south of Singareni is low enough, there would be a demand for another 2 million tons. In all, a consumption of 4 million tons of lignite will be possible, including domestic consumption. Lignite deposits in South Arcot are, therefore, a source of great wealth to South India.

GRINDLAYS BANK LIMITED

(Incorporated in England)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER 1953

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	21,05,250	0	0			
2. Reserve Fund and Other Reserves	Not applicable					
3. Deposits and Other Accounts—						
Fixed Deposits	1,45,46,014	13	9			
Savings Bank Deposits	2,25,98,578	13	7			
Current Accounts, Contingency Accounts, etc.	5,80,70,152	0	0			
				9,52,14,745	11	4
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
PARTICULARS—	Rs.	a.	p.			
(i) Secured	Nil					
(ii) Unsecured	Nil					
5. Bills Payable				5,75,443	2	9
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	55,85,510	13	7			
(ii) Payable outside India	63,54,961	1	3			
				1,19,40,471	14	10
7. Other Liabilities—						
(i) Inter Branch Balances—						
Net—Head Office and Branches outside India	1,26,17,887	0	6			
(ii) Staff Provident Fund and Other Funds	18,28,691	11	5			
				1,44,46,578	11	11
8. Acceptances, Endorsements and Other Obligations per contra				1,65,13,892	2	0
9. Profit and Loss—						
Balance as per last Balance Sheet	Nil					
ADD—Balance of Profit for the year	4,51,560	2	11			
				4,51,560	2	11
10. Contingent Liabilities—	Rs.	a.	p.			
(i) On Bills rediscounted	68,38,518	15	0	£512,888	18	5
(ii) On Outstanding Forward Exchange Contracts	3,20,07,548	0	0	£2,400,566	2	0
Total .. Rs.				13,91,42,691	13	9

NOTE.—Foreign Currencies have been converted at the official rates of exchange ruling on 31st December, 1953.

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)				88,66,234	5	0
2. Balances with Other Banks on Current Account—						
(i) In India	67,162	13	2			
(ii) Outside India	9,57,765	12	5			
				10,24,928	9	7
3. Money at Call and Short Notice				98,00,000	0	0
4. Investments (at Below Market Value)—						
(i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	5,09,12,860	15	6			
(ii) Shares	Nil					
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil					
				5,09,12,860	15	6
5. Advances (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—						
(1) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	5,39,89,232	10	8			
(ii) Outside India	Nil					
	5,39,89,232	10	8			
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	26,03,417	14	4			
(ii) Payable outside India	82,99,234	9	7			
	1,09,02,652	7	11			
				6,48,91,885	2	7
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	4,45,17,503	7	11			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,46,54,765	7	6			
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	57,19,616	8	2			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	6,48,91,885	2	7			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	78,489	13	11			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil					
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,09,219	14	1			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil					
(ix) Due from Banking Companies	1,20,00,000	0	0			
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	55,85,510	13	7			
(ii) Payable outside India	63,54,961	1	3			
				1,19,40,471	14	10
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				1,65,13,892	2	0
8. Premises, Less Depreciation—						
Cost to 31st December, 1952	1,42,212	7	0			
Additions during the year (including Rs. 2,70,993-3-6 in respect of shares of three Flats in the property referred to as Ridge Road, Joint Housing Scheme)	2,71,203	11	6			
	4,13,416	2	6			
LESS—Depreciation written off to date	17,160	0	0			
9. Furniture and Fixtures Less Depreciation				3,96,256	2	6
				Nil		
10. Other Assets—						
Deposits and Prepaid Expenses	5,34,052	15	9			
Inter-Branch Adjustment (Net)-Branches in India	2,62,809	10	0			
Silver	Nil					
				7,96,862	9	9
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total .. Rs.				13,91,42,691	13	9

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER 1953

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	8,44,462	9	7
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of General Manager Rs. 55,429-11-0)	35,28,849	7	6
3. Directors' and Local Committee Members' Fees and Allowances	Nil		
4. Rent, Taxes, Insurance, Lighting, etc.	3,00,705	3	6
5. Law Charges	78,040	8	10
6. Postages, Telegrams and Stamps	1,24,062	4	3
7. Auditors' Fees	12,030	0	0
8. Depreciation on and Repairs to Banking Company's Property	90,515	8	5
9. Stationery, Printing, Advertisement, etc.	1,31,173	12	11
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure including Proportion of London Office Administration Charges	6,44,612	9	6
12. Balance of Profit	4,51,560	2	11
Total .. Rs.	62,19,102	3	7

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. By Interest and Discount	34,89,455	0	10
2. Commission, Exchange and Brokerage	27,26,646	0	9
3. Rents	1,732	4	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold, and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale or Dealing with such Assets	Nil		
7. Other Receipts	1,268	14	0
Total .. Rs.	62,19,102	3	7

(Sd.) A. SIMPSON,
General Manager in India.

We have audited the foregoing Balance Sheet of the Indian Branches of Grindlays Bank Ltd., as at 31st December, 1953, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta, Madras, Delhi, New Delhi and Simla Branches and report that:—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 23th March, 1954.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

ENQUIRY INTO CONDITIONS AND PROBLEMS OF PLANTATIONS

THREE-MAN COMMISSION APPOINTED

THE Government of India has appointed a commission of enquiry, under the Commissions of Inquiry Act, 1952, to conduct a comprehensive enquiry regarding the economic condition and problems of three plantation industries, namely, tea, coffee and rubber. This is the first time that a comprehensive enquiry is being instituted into the affairs of these industries. Normally, one may interpret this step as a mark of the Government's recognition of the importance of these three industries to the economy of the country. But we wonder whether it can really be interpreted that way, because the persons chosen to enquire into the industry's affairs are just novices who will have to learn everything from A to Z about plantation industries before they can express their verdict on the problems facing the industry. The utility of this enquiry either to the industry, in particular, or the country at large, is of a very dubious nature.

The Commission consists of three members, Mr. P. Madhava Menon, I.C.S., Additional Secretary, Union Ministry of Commerce and Industry (Chairman) and Mr. K. G. Sivaswamy, formerly of the Servants of India Society and Research Associate of the Delhi School of Economics and Prof. M. V. Mathur, Head of the Department of Economics, Rajputana University, Jaipur (members). A feature of the composition of the Commission is that it contains neither a representative of the industry nor a spokesman of labour. On the other hand, the Government proposes to appoint two assessors, one to represent the interests of the industry and the other to represent the interests of labour, in order to aid and advise the Commission in its work. The names of the assessors are yet to be announced. The assessor representing the industry will, it is learned, be chosen from a panel of names which the Government has invited the planters' associations to submit. It is not known whether the planters have accepted the Government's suggestion and be content with nominating an assessor instead of seeking direct representation on the Commission itself. In addition to the assessors to be appointed on behalf of the industry and labour, the Commission will also associate with itself local assessors with detailed knowledge of local conditions in respect of each planting area and each plantation industry when it visits the different localities. Since the members of the Commission are not intimately acquainted with the affairs of the industry, they will have to rely on the advice of these assessors to a very large extent. One does not, therefore, know how the Commission will decide an issue when conflicting views are expressed on it. In such cases, the outcome may be that of blind leading the blind. In fine, the enquiry ceases to be an expert one, which is what the industry needs.

The Government of India's decision to undertake the enquiry is a sequel to the insistent demands of the planters for a thorough investigation into all aspects of the plantation industry, with particular reference to the cost structure thereof. It will be recalled that one of the criticisms of the Rajaram Rao Committee's recommendations regarding the tea industry was that they did not touch even the fringe of the industry's problems. It will also be recalled that the Industrial Committee on Plantations, which met in December, 1952, to consider some of the recommendations of the Rajaram Rao Committee, recommended the appointment of a Tripartite Commission to investigate the cost structure of the tea industry. The Government, however, did not accept the Industrial Committee's suggestion to appoint a tripartite commission, but instead decided to appoint an expert committee. This was so far as the tea industry was concerned. As regards the coffee industry, the planters have been demanding an enquiry by the Tariff Commission into the affairs of their industry as the price fixed for coffee does not allow any margin for development of coffee production, for which there is a vast scope in the Malnad. The Minister for Commerce and Industry, however, was unwilling to concede this demand. As for rubber, the price of this commodity in India is higher than the world price and this stands in the way of the Indian rubber goods manufacturing industry expanding itself and finding a world market for its products. If the price of rubber is to be brought down, a large-scale rehabilitation and development scheme, which the industry estimates would cost Rs. 7 crores, has to be undertaken. The Indian Rubber Board, at its last annual meeting, recommended, that the Government of India should include the rehabilitation and development scheme in the Five-year Plan and allot necessary funds for subsidising the same. The consumers of rubber, especially those who are catering to world markets, are complaining that they are finding it difficult to retain their markets, let alone expand it as they have to compete with those foreign manufacturers who are getting the benefit of low world prices for raw rubber. As readers are aware, the price of rubber in India is substantially higher than the world price. Their demand, too, needs to be looked into. There are thus enough grounds for undertaking a thorough enquiry into all the aspects of the three plantation industries.

In announcing the decision to appoint an "expert" committee for tea in February, 1953, rather than a tripartite commission in accordance with the suggestion of the Industrial Committee on Plantations, the Ministry of Commerce and Industry itself announced that, in view of the technical nature of the problem of cost and trade structure of the industry, an expert committee would be more appropriate for the purpose and that this committee woud consist also of one person with intimate knowledge of labour problems. This expert committee for tea was never appointed and, after a long interval of 15 months, the Government has now appointed the omnibus body under reference. For reasons already mentioned, no one who knows anything about the plantation industry with regard this commission as an expert body which can successfully tackle the "technical nature of the problem."

The terms of reference of the Commission are broad-based. It has been asked to go into all aspects of the three plantation industries, including the amount of capital, Indian and non-Indian, invested in them, the methods of production and costs of production, the methods of financing and marketing, including all the factors which affect the price paid by the consumer, and the possibilities of further expansion and development of these industries. It has also been asked to make recommendations to the Government on the measures necessary to secure for the producer a fair price for his product and to the consumer a fair price for the article he buys, to enable the provision of necessary finance for the plantation industries, to ensure suitable marketing arrangements, and for the proper development and expansion of these plantation industries.

The Commission is required to submit its report within a year. Thus by the time the Commission reports its findings, more than two years will have elapsed since the Commerce and Industry Minister promised to appoint an expert enquiry committee. Then, the Government will take its own time to announce its verdict on the Commission's recommendations and take action thereon. In the meantime, the industries will continue to suffer from their handicaps. The worst sufferer by this delay will be the coffee industry for which the Government has developed a blind eye for no explicable reasons. Further, by the time the Government makes up its mind on the recommendations of the Commission, there may be a change in the situation facing the industry, thereby rendering the Commission's findings of purely academic interest.

EXPORTS OF NORTH INDIAN TEA

The total shipments of North Indian tea during the year ended 31st March, 1954, amounted to 388.72 million lbs., an increase of 35.54 million lbs. over the previous year. The following table shows the shipments to some of the main countries during the last three years:

(In thousand lbs.)

	Year ended 31st March		
	1954	1953	1952
U.K.	285,560	235,436	231,761
Eire	20,981	11,987	23,607
U.S.	19,595	21,333	17,829
Canada	13,995	15,676	11,862
Persian Gulf	10,794	14,769	12,863
Egypt	8,837	12,598	2,987
Red Sea ports	7,320	8,958	3,945
Istanbul	6,031	6,019	3,627
Amsterdam and Rotterdam	4,369	6,206	4,231
Hamburg and Bremen	3,753	2,360	2,022
Australia	1,438	2,724	4,657
New Zealand	1,119	938	299
South America, Central America and West Indies	1,066	3,479	6,303
U.S.S.R.	...	...	5,165
Iran	902	882	7,431

The total shipments to the U.K. from India during the calendar year 1953 aggregated 302.36 million lbs. as against 225.04 million lbs. in the previous year, a rise of 77.32 million lbs. This increase, it may be noted here, is a little more than the rise in Britain's total import of tea, the exact increase being 73.15 million lbs. Although the total exports of North Indian tea during 1953-54 were 35.5 million lbs. more than in the previous year, the quantity sold in Calcutta for export to all destinations was 23.3 million lbs. less than in the previous year. This is partly due to the shortfall in crop; but the main reason for this is stated to be an increase in direct sales to London, through the auctions held there.

According to a Press report, concern is being felt in Calcutta over the large shipment of North Indian tea direct to London for sale at Mincing Lane. This is said to be detrimental to the development of Calcutta as a world market for tea. Though the need for developing Calcutta as a world market for tea cannot be denied, it should be noted that Calcutta does not offer the same facilities as London. So long as these facilities, for instance, warehousing, arrangements for blending, etc., are not made available in Calcutta, the cry for developing Calcutta as a world market will only be futile. So far efforts made to provide them have not borne any outstanding results. Attempts made in the past to compel all countries to buy direct from Calcutta were not completely successful and India was needlessly losing some of its markets to its competitors. It was, therefore, found necessary to permit London to re-export tea. This has proved beneficial to this country. Thus, Mincing Lane has developed a good re-export trade with several Continental countries, thereby helping Indian tea to be marketed in places where direct sales from India could not be increased.

STOCKS OF JUTE GOODS DECLINE

OUTPUT SIZABLY UP

THE Indian jute mills' monthly returns for March, 1954, discloses a slight improvement in the stock position of jute goods and a rise in production. Thus, at the end of the month under review, the total stocks amounted to 92,914 tons, as against 95,417 tons a month before, a reduction of 2,503 tons. This decline is solely due to a substantial drop of over 10,000 tons in sackings. Hessians, on the other hand, have accumulated by about 8,000 tons over the level that prevailed at the end of February, 1954.

Now to mention the actual figures. Sacking stocks stood at 61,407 tons, as against 71,864 tons a month before and 94,742 tons a year earlier. The reduction would have been even more substantial had the quantity for which delivery was due been shipped. The hessian stock show an increase of 7,594 tons carrying the total to 29,588 tons. Holdings of other varieties of goods also were higher by 360 tons at 1,919 tons. The total stocks of hessian, sacking and other types at the end of March, 1953, were 138,797 tons, of which 41,874 tons were hessian and 94,742 tons sackings. It will be seen from these figures that even though the stocks of hessian showed a marked increase over the previous month, they were well below those a year before.

The following table gives the position of the various types of jute goods as at the end of March this year, as compared with those a month before, as also with those as on 31st March, 1953:

(In tons)

	As on			
	31-3-1954	28-2-1954	31-1-1954	31-3-1953
Civil—				
Hessian	29,298	21,749	21,125	40,755
Sacking	60,607	71,196	72,001	92,406
Others	1,904	1,559	1,643	2,144
Total	91,809	94,504	94,859	1,35,305
Government—				
Hessian	290	245	231	1,119
Sacking	710	668	639	2,336
Others	15	...	...	37
Total	1,015	913	870	3,492
Grand total	92,914	95,417	95,729	1,38,797

The output of jute goods during March, 1954 was 7,325 tons more than in the previous month. To be precise, it amounted to 75,586 tons, as against 68,261 tons in the preceding month. Evidently, the increase is due to the fact that February was a short month. But what is significant is that even as compared with both January, 1954, and March, 1953, the output in the month under review reveals a perceptible increase. On the basis of production figures, consumption of raw jute during the month may be placed at 438,398 tons, as compared with 395,914 tons in the previous month and 431,694 tons in the corresponding month of the previous year.

With March output, the total for the nine months of the season July-March, 1953-54, amounts to 644,358 tons, as against 671,970 tons in the same period of the preceding season, namely, 1952-53. The total consumption of jute during the nine months of the current season 1953-54, based on the output of jute goods, may be placed at 3,736,275 bales, as against 3,896,426 bales in the corresponding months of 1952-53.

The table below gives a summary of the types of goods produced in March, 1954, as compared with that in February and January, 1954, and March, 1953:

(In tons)

	March, 1954	February, 1954	January, 1954	March, 1953
Civil—				
Hessian	34,328	31,792	31,447	29,553
Sacking	37,830	33,804	33,234	39,580
Others	3,120	2,450	2,510	2,746
Total	75,278	68,046	67,191	71,859
Government—				
Hessian	11	24	21	2,082
Sackings	264	191	115	489
Others	13	...	...	...
Total	308	215	136	2,571
Grand total	75,586	68,261	67,327	74,430

The increase in the output of jute goods in March last was shared by all sections, namely, hessian, sacking and other fibres. The output of hessian rose from 31,816 tons in February, 1954, to 34,339 tons in March 1954, sackings from 33,995 to 38,114 tons and other varieties from 68,261 tons to 75,586 tons.

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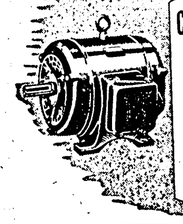
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MONEY GOES DOWN THE DAMODAR

RAU COMMITTEE FINDINGS DISQUIETING

ALTHOUGH the report of the Damodar Valley Corporation Committee to enquire into the affairs of the Corporation was submitted to the Government of India a few months back, only last week a brief summary of the report was made public. It will be recalled that the Committee was appointed on 15th October, 1952, with Mr. P. S. Rau, I.C.S., as Chairman, with Mr. V. D. Dantyagi, Mr. G. R. Garg and Mr. B. N. Lokur as members. Mr. B. D. Nanda was the member-Secretary. The Committee was asked to enquire into and report on the following matters relating to the Damodar Valley Corporation:

(1) Land reclamation and rehabilitation works undertaken by the Damodar Valley Corporation;

(ii) the changes in the design and construction features of the Konar and Tilaya dams; the award of contracts and the rates for the various items of works;

(iii) the planning and purchase of stores and equipment for works on the Damodar Valley Corporation and the procedure therefor;

(iv) the adequacy of the Damodar Valley Corporation Act, 1948, and the organisational set-up of the Corporation; and

(v) the appointment of a chief engineer for the Damodar Valley Corporation.

The brief summary, as released to the Press, contains a scathing indictment of inefficiency and waste of public money in the execution of the Damodar Valley multi-purpose project. The Committee has complained of overcentralisation so common with Government departments. So startling are the revelations of grave administrative irregularities and so damaging the allegations that they are very likely to smash what little confidence the public has in the working of Government enterprises.

Lack of Planning

There has been a lamentable lack of planning and utter disregard of financial propriety in the execution of the project. It is certainly difficult to single out any individual instance from the multiplicity of recklessness and indifference to financial rectitude cited by the Committee. The quantum of mismanagement in the operations has resulted in a loss of Rs. 1.64 crores in the case of the Konar Project alone.

The report is highly critical of the non-appointment of a chief engineer for two and a half years. The adverse effects of it, the Committee says, has been writ large in the loss of expert advice and frequent changes in design, leading to increase in costs and waste of public money. Owing to absence of competent technical advice, there was no proper appreciation of the magnitude of the problem involved in the construction of the project. Little wonder, therefore, that the Corporation failed to pay sufficient attention to planning of equipment in the early stages. Overall planning, according to the Report, was made impossible by frequent and numerous changes in the design and programme. The Committee deplores that, although the Corporation took over the Bermo seam of the Kargali colliery on sub-lease as early as in October, 1950, mining operations have not yet started. This is an instance of lack of proper planning.

The severest criticism of the Committee relates to changes in the features of the Konar dam. To quote the Committee's remark: "If the contract with the French firm, Societies de Construction des Batignolles, was a serious mistake, the appointment of Messrs. Gruner Bros., a Swiss firm, was a misfortune." The original design was prepared by Mr. Voorduin in 1946. Later, the French firm was appointed to recast the design and the Swiss firm, Messrs. Gruner Bros., as consulting engineers, and Hind-Patel, an Indian firm as contractors. The design of the French firm was adopted by the Corporation as revised by Messrs. Gruner Bros. The latter, according to the Committee, made some changes in the design. The Committee is at a loss to understand "how these costly changes were suggested or accepted so soon after Messrs. Gruner Bros., had declared the S.C.B. design (the one prepared by the French firm) to be sound and economical."

It is true that the report has fixed the responsibility for the vacillation and indecision in appointing the chief engineer on the Corporation as a whole. Nevertheless, it does not minimise the personal responsibility of the Chairman in the matter which it says was "by no means negligible."

A significant feature of the Report is its recommendations in regard to the organisational set-up of the D.V.C. At the outset it has made out a case for decentralisation of administration. It remarks: "While the Corporation should concern itself with policy matters and broad features of general administration, supervision and control, there should be generous delegation of power at all levels indicating both well-defined responsibility and adequate powers. The Committee is against full Parliamentary control over statutory corporations in charge of river valley schemes. This is understandable, because, as the Committee itself points out, "such control will have the effect of placing them in a position worse than that of a Government department." Its suggestion that a formal provision can be made in the Damodar Valley Corporation Act enabling the Government to call for information sounds sensible.

Semi-autonomous Corporation

In the Committee's view, a semi-autonomous Corporation is the best method yet devised for the execution of multi-purpose projects efficiently and economically. In view of the tremendous mistakes that have been made in planning and in preparing estimates of cost, the Committee suggests that the Corporation should be created only when a project has been investigated in sufficient detail and a fairly firm estimate has been sanctioned by the Government. While the Corporation should have power to execute the project without any outside interference, within the sanctioned project estimate, it should not have power to modify the project. That power should vest only in the Government. If the project estimate is likely to be substantially exceeded, the Corporation must obtain the Government's sanction. After completion of the project, the Corporation should have full power to run its commercial or quasi-commercial activities like irrigation, navigation, power and flood control. The report suggests that power should be taken over by the Government to give directions relating to the exercise by the Corporation of its functions somewhat on the lines of the Air Corporations Act.

It is interesting to note, in passing, that the Committee has recommended that a high-ranking social worker, with sound knowledge of economics and who commands the confidence of the local population, should assist in the development of the valley. It further suggests that, in the matter of development, the advice and assistance of advisory bodies composed of local leaders should be sought and the co-operation of the State Governments and local authorities ensured. This suggestion is important in that it seeks to invoke the aid of the population, whose lives will be greatly transformed by the benefits of the Corporation, in the fulfilment of one of the most primary functions of the Corporation, namely, the development of the Valley. In implementing this suggestion, the authorities of the Corporation, however, must remember that too many cooks spoil the broth.

PLANNING TRANSPORT

Following the receipt of answers to the questionnaire relating to transport issued by the Planning Commission some time last year to various commercial bodies, Mr J. N. Nanda, Transport Adviser to the Planning Commission, recently visited important commercial centres, with a view to discussing the question personally with the concerned interests. During his visit to Calcutta, the representatives of the Indian Tea Association pointed out that, while the transport needs of the tea industry in Assam were largely met by river steamers, in North Bengal railways were the main form of transport. Unfortunately, frequent bottlenecks at various Ganges crossways, the inadequacy of the Assam rail link, the lack of facilities on the metre-gauge sector for stores despatched by rail-cum-river route via Dhubri were the main obstacles to uninterrupted flow of transport.

The principal problems of the coal industry, as disclosed by the interests concerned, were the shortage of locomotive power and operational facilities, bottlenecks at Moghulseral, Agra and Waltair. The representatives of the Indian Mining Association held that production depended entirely on transport available to carry coal and that the industry could produce all the coal required by the country, provided adequate transport facilities were made available. Mr. Nanda, we are told, admitted that there had so far been no specific planning to deal with increased production of coal, but such planning, he declared, was now being attempted.

The paper industry is also suffering from bottlenecks at important junctions. The Indian Paper Makers' Association forecast an increase in the production of paper by about 40 per cent. in the next five years, which naturally meant setting up of new and expansion of the existing units. These developments would result in a heavy additional demand on existing transport. They urged the spreading of the industry to parts other than Bengal, particularly Madhya Pradesh and Punjab, with a view to reducing congestion at particular points.

The jute interests held that the present transport facilities were, on the whole, adequate, except during the peak season. Of course, there were the bottlenecks at Ganges crossways, Forbesganj and Bihar which must be overcome. In Madras, the movement of jute was hampered by the shortage of wagons and the high priority given to transport of foodstuffs. Plans for increased production would raise the quantum of existing traffic by about 33⅓ per cent. in the next five years. As most of the traffic would be from the north, this would increase congestion at the Ganges crossings.

Mr. Nanda is said to have pointed out that, in spite of large allocations made for railway development during the Five-year Plan, there would still be found considerable deficiency in the requirements for transport facilities. He assured the Calcutta commercial interests that, in the second Five-year Plan, more money would be made available for development of railways.

TATAS RAISE POWER CHARGES

The Tata Hydro-electric Companies have increased the charges for electricity supply to bulk consumers by 15 per cent., with effect from 1st April, 1954. The increase has been effected, with a view to covering the cost of energy supplied from thermal generation since October, 1953, and of thermal energy to be supplied in future months. According to a Press note issued in this connection, it has been the policy of the Tata Hydro Companies from their inception to supply electrical energy at the lowest practical rate, and a progressive policy of rate reduction was followed by the Companies. Even through the war years, right upto 1953, no increase was made in the basic pre-war rate, despite the fact that the prices of other commodities had increased many-fold and the cost of operation of the Companies had increased substantially. Since the end of the war and to the extent feasible, the Tata Hydro-electric Companies increased their hydro generating capacity, but this was not sufficient to meet the growing demands for electrical power. Since October, 1953, the Tata Grid system has been obtaining some electrical energy from the new thermal generating units recently installed at Chola by the Railway and the Bombay Government. The Chairman of the Tata Hydro Companies, Mr. J. R. D. Tata, had stated at the last annual general meetings of the three Companies that the cost of purchase of the output from the thermal stations would be passed on, without profit, to consumers. The surcharge is, therefore, now imposed for the purpose of paying to the Railway and the Bombay Government the charges, which they levy for the additional cost of energy supplied since October, 1953, and of energy which they will supply in future months from their thermal stations. The percentage of surcharge will, however, be subject to variation from time to time, depending on the quantum of energy purchased and the costs charged.

The public are already aware that in order to meet the pressure of pent-up demands, the Tata Hydro Companies have undertaken their new project for a major thermal generating station at Trombay, designed in the first instance for a production of 50 MW.

ROCKET SHIPS TO CARRY MAIL?

The idea of flying postal mails through rocket ships has once again been revived. Reports from London indicate that German scientists are planning the construction of a rocket ship which will carry mail from Hamburg to New York in less than an hour. Dr. Albert Puellenberg, Hitler's rocket scientist, along with certain others, has, it is stated, already prepared the blue-print needed for the purpose.

It will be recalled that it was in 1920 that the first experiment in the construction of a rocket ship was made by an Australian scientist, namely, Ing. F. Schmiedl. But it was not until 1931 that it was actually tried. The rocket, however, exploded in its sixth flight while carrying mails. The Germans were the next in the field with a series of experimental flights in 1931. Even these experiments received a setback with the explosion of the experimental rocket, killing its inventor, Herr R. Tilling. The scene then shifted from the Continent to the U.K. Once again, a German scientist, Gerhard Zucker, was the moving spirit behind the experiment. By 1934, he perfected an aluminium rocket, the front portion of which carried mail and the latter portion the explosive charge which drove the rocket. Zucker's rocket may well be considered as the forerunner of Hitler's V-2 bombs. His experiments were by far the most successful. But even these ultimately failed. It was not until five years later that the subject again received attention and this time in France and the U.K. But even these experiments did not go far enough to make despatch of mail by rocket a feasible proposition. It remains to be seen to what extent the latest attempt will succeed.

CALTEX (INDIA) LIMITED

The Royal Dutch Shell recently applied to The Hague Court of Justice for an injunction against the Caltex Petroleum Company with regard to the letters used on the trade mark "IC-PLUS" for its new ignition Control Additive. The Royal Dutch Shell contended that this was an infringement of the Shell trade mark "I.C.A." and it, therefore, alleged unfair competition. The Hague Court Judge, however, dismissed Shell's suit. Similar proceedings were taken in Belgium, and, as at The Hague, the suit was dismissed there also. It is understood that similar proceedings are pending in Ceylon.

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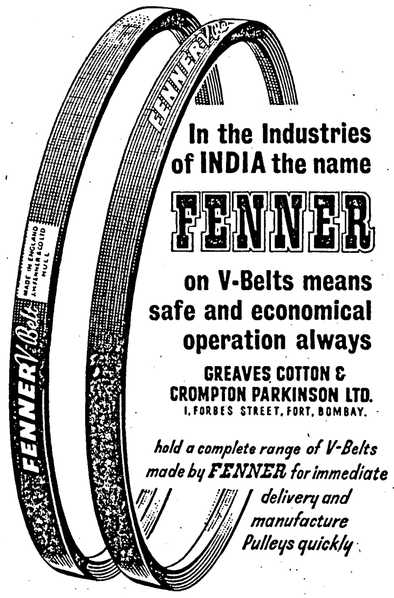

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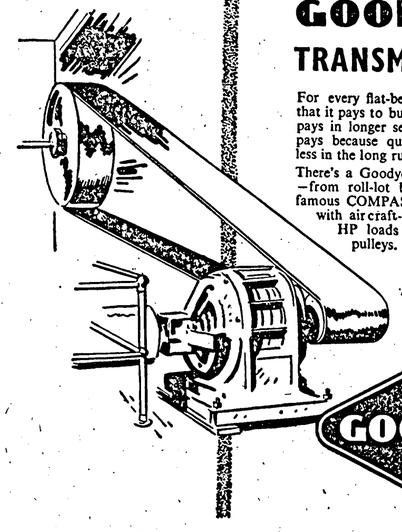

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INDUSTRIAL GOODYEAR PRODUCTS

WORKING OF STATE INSURANCE SCHEME

ATTITUDE OF DOCTORS AND EMPLOYERS CLARIFIED

THE success of the State Insurance Scheme depends on the co-operation of the different parties to the Scheme—the Union Government, the Corporation which administers the Scheme, the State Governments, the employers, the doctors and the workers. Some light on the attitude of the Central Government, the employers, and the doctors towards the Scheme was thrown last week. Mr. V. V. Giri, Union Labour Minister, who addressed Bombay's medical profession in the city, stated that the Scheme had been undertaken in accordance with one of the directive principles of India's Constitution. He emphasised that the fact that the benefits of the present scheme were restricted to a particular category of industrial workers should not go to create an impression that the Government was "out to pamper a particular class." The Government desired progressively to widen the scope of the Scheme as it gained experience in its working. He also revealed that it was proposed eventually to bring the members of the workers' family also within the Scheme. Indeed, the Government's intention was that it should later develop a national health scheme "spread over the length and breadth of the country." He urged the doctors to join the Scheme in the spirit of pioneers and earn the "blessings of the future generations of the country."

Judging from the many questions, which were asked by the doctors that were present at the meeting, it would appear that the medical profession is not satisfied completely with the Health Insurance Scheme. This also becomes clear from the speech of Dr. A. D. Daftary, President of the Bombay Branch of the Society for the Study of Industrial Medicine, India, at the recent Annual Convention of the Society. Dr. Daftary said that the capitation fee of Rs. 6-8 offered by the State Insurance Corporation to the doctors was "barely sufficient" to cover the expenses. He urged the medical practitioners in Bombay to come together and express their opinion on the question. He, however, recognised that the Scheme was a step in the right direction and that it would be a milestone in the history of medical relief in the country.

The employers' attitude towards the Scheme was expressed by Mr. Vithal N. Chandavarkar, Chairman of the Bombay Millowners' Association, who inaugurated the Convention of the Society. Mr. Chandavarkar offered the full co-operation of the millowners in implementing the Scheme. He emphasised that, before introducing the Scheme in Bombay, the authorities should remove the defects found in the working of the Scheme in Delhi and Kanpur. If the Scheme was to be successful, the workers should be provided with medical facilities on their factory premises. He stated that he was prepared to urge the millowners to help the Government and the Corporation with accommodation within their factories, free of charge, and called upon doctors attached to various industries to persuade the Corporation to accept that offer.

The offer, as Mr. Chandavarkar himself explained, has several advantages. In the first place, it would enable the industrial units concerned to retain the services of medical practitioners already working in the industries. Secondly, it would enable the workers to get medical facilities within their respective factories. Thirdly, the workers would be able to attend to their work if the ailment was a simple one. They would not lose their wages, which they would probably have to if the medical facilities were available in centres other than factory premises. In view of these considerations the Corporation authorises will do well to consider the offer made by Mr. Chandavarkar.

There is another point which has unfortunately received less attention than is due to it. The employers, as is well known, have already been contributing, for the last two years, a levy towards their part of the expenditure on the Scheme. And yet, the Scheme itself is not functioning in Bombay. Thus, this levy is a contribution against which they derive no corresponding advantage whatever. On the other hand, many of them continue to maintain the medical facilities which they have created. Although there will necessarily be a certain time lag between the date a levy is imposed and the date on which the purpose for which it is imposed is given effect to, it must be recognised that to continue such a levy for a longer time than is reasonable is to inflict a burden on the employers concerned without any *quid pro quo*. Mr. Chandavarkar rightly contended that the practice was *ultra vires* the Constitution, as no levy could be charged without providing the facilities for which is was collected. This is a point of view which deserves wider notice. After all, a levy is meant to be used for a particular purpose. And it seems an extremely unwholesome practice that it should be collected without the Government or the Corporation fulfilling the purpose for which it is imposed.

CO-OPERATIVE INSURANCE FOR AGRICULTURE

Among the many fields which insurance has invaded, agriculture is one of the most important, for it brings its benefits to the people engaged in an occupation which is subject to many hazards that are beyond man's control. Agricultural Insurance is a very wide term, connoting insurance of crops and livestock against agricultural accidents, including fire, and hail- and wind-storms. In the West, agricultural insurance has made rapid headway, the Government itself directly assisting the insurance societies in covering the initial expenses. Some of these insurance societies, though not all, work on the co-operative principle. The question of applying the insurance principle to Indian agriculture has for some time past engaged the attention of some leading insurers and also the Government of India. In this connection Mr. Kalipada Bhattacharjee, whose article on "The Economics of Co-operative Insurance" in a recent issue of the *Indian Co-operative Review* has been quoted by the *Co-operative News Digest* of the Agricultural Credit Department of the Reserve Bank, says, since India is essentially an agricultural economy, it is only a country-wide co-operative insurance system that will be helpful in solving the problem of agricultural industry. The author suggests that a central institution should be started first to organise local insurance societies and the central society should function as a reinsurance organisation to underwrite all classes of risk. The local societies, according to the author, should work on the following lines:

(1) The society must limit itself to a small area with a population not exceeding 5,000 inhabitants; (2) annual premium and contributions must be fixed within the limits prescribed by the Ministry of Agriculture; (3) it must reinsure all risks with the central society; (4) compensation must be given for a fixed percentage of loss only, and (5) the society should work with the close collaboration of the local co-operative credit society and the central bank.

The method of reinsurance may be: (1) by transferring each risk in whole or in part separately; (2) by covering a certain proportion of losses incurred during the given period, and (3) by reinsuring all losses sustained over a certain sum.

There is great scope for agricultural insurance activities. Each State of the Indian Union should have an agricultural and general co-operative insurance society. All State units should be federated in an all-India Co-operative Reinsurance Union, in which all such societies should be represented and it would be a step forward in the direction for the establishment of co-operative insurance system which will undertake all forms of agricultural and general insurance operations through the State Insurance Units.

A federal co-operative institution can undertake only reinsurance business, keeping the independence and responsibility of State organisations. It will also help maintain the co-operative character and principle. Such a federated reinsurance union, if started in India to undertake reinsurance business in all its branches, will be able to help the promotion of business of agricultural and general insurance. The purpose of the society will be mainly to help its member societies to develop their activities. The co-operative credit societies of Indian States may use the facility of agricultural insurance to protect the borrowing members from all classes of agricultural accidents covered by the insurance policy. The credit societies will also be safeguarded from all risks as all investments will be covered by insurance. The rates of premium will be considerably lower, because the insurance will be booked through credit societies and the societies will collect premia at a very low cost.

FORMATION OF GROUPS

A warning against the present tendency among insurers to form groups with a few strong companies as leaders and others as "camp followers" was given by Mr. E. K. Srinivasan, the retiring President of the Indian Insurance Companies' Association, at the annual meeting of the Association, held at Calcutta. Mr. Srinivasan feared that this tendency might ultimately lead to Indian insurance being concentrated in the hands of a few companies. He warned that such concentration was not in the national interest. Indian insurance, he said, must be broad-based on numerous well-run companies rather than on a few powerful units. This is no doubt a wholesome warning. But it should, at the same time, be made clear that, if the only way in which smaller insurers can maintain themselves and earn reasonable profit is to align themselves with powerful insurers, there is no reason why such alignment should be decried. The smaller insurers would, of course, be at liberty to build up their business in their own way and grow out of the state of dependence on powerful insurers. From this point of view, Mr. Srinivasan's appeal to insurers to develop individuality and resist Government intervention in their affairs is certainly well conceived.

Mr. Srinivasan recognised the advantages of the Insurance Pool but observed that there should be no invidious difference in the distribution of the Pool business. The measure of a company's capacity to handle business should not be based merely on capital and premium income. The running of the Pool, he said, was also "not satisfactory"; it should be run just as any other insurance company and the present system of honorary underwriters should be done away with. He urged every member of the Pool to take a vigilant interest in the terms and conditions on which the Pool business was written and to exercise their right to constructive criticism of the working of the Pool. Proceeding, Mr. Srinivasan observed that, if the insurance Pool did not confine itself to handling Government business alone but spread its activities to procuring reciprosity from foreign fields, it would develop the Pool into a big insurance company which eventually might form the nucleus for nationalisation of insurance in India, against which Mr. Srinivasan sounded a note of warning. It is to be hoped that the Government and the authorities of the Pool will take note of Mr. Srinivasan's observation, and that the Pool's members will avoid the impression that they are not taking an intelligent interest in its affairs.

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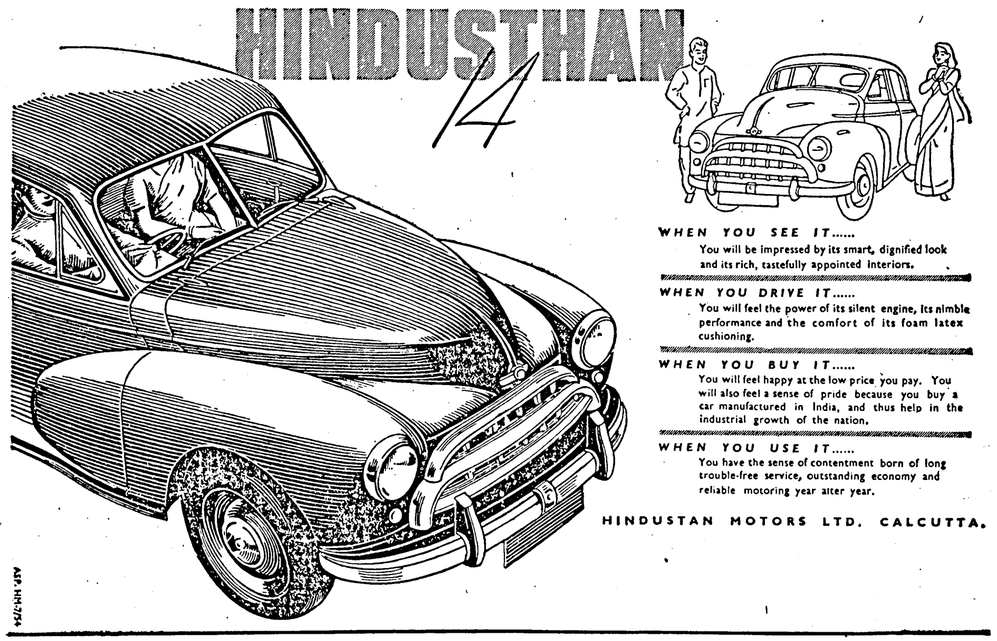



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SUNDATTA COTTON-SEED UTILISATION LIMITED

INDUSTRY ASSURED OF BRIGHT FUTURE

MR. G. L. P. CHATENAY'S SPEECH AT SECOND ANNUAL MEETING OF COMPANY

A NOTE of robust optimism about the outlook for the cottonseed crushing industry was struck by Mr. G. L. P. Chatenay, Chairman of the Sundatta Cotton-seed Utilisation Ltd., in his speech at the Second Ordinary General Meeting of the Company held at Bombay on 7th April, 1954. His address was a lucid exposition of the economics of this new industry in India and its value to the country's economy. It also gave a clear indication of the lines on which the Government could help the industry to register rapid progress.

The following is the full text of Mr. Chatenay's speech:

"GENTLEMEN,

"The Directors' Report and annual statements of accounts for the period ended 31st December, 1953, have been in your hands for some time now, and, with your permission, I propose to take them as read. Being the first year of actual production, the Directors decided to submit a more detailed report than is customary, and there is, therefore, very little that I can add to it. I would, however, like to say that, in my opinion, it is quite creditable for a young company practically to balance its books in the first year of working, and, at the same time, strengthen its financial position considerably. This has been achieved in spite of the initial problems and handicaps which are common to any new industry.

"I am sure that shareholders would be desirous of knowing the immediate and long-term prospects of the cottonseed processing industry, in general, and your Company, in particular. I shall, therefore, devote myself entirely to this important question. First, let me state that I am personally convinced of the bright future of this industry, which creates wealth out of waste.

Wealth Out of Waste

"To illustrate my point, I shall give a concrete example. Out of every 100 lbs. of cottonseed processed, approximately 20 lbs. are extracted by way of cottonseed oil and linters, while about 5 lbs. are lost in processing by way of trash, stones and other foreign matter. The remaining 75 lbs. or so are made available as feed for cattle in the form of clean and wholesome cottonseed oilcake, instead of the whole cottonseed which is fed at present. To make up the loss of the oil removed, cheaper substitutes like maize or barley can be fed to cattle along with the cottonseed oilcake.

"It is estimated that, if all the cottonseed grown in India were processed, the edible oil thus produced would enable the diversion of nearly two million acres of land from other oilseeds to entirely new cultivation after allowing for the land required to grow the substitute cattle feeds to make up for the oil removed from cottonseed.

"Cottonseed oil has long been one of the major sources of edible fat in cotton-producing countries such as the United States, the U.S.S.R., Peru, Mexico, Brazil and Egypt. In more recent years, it has had a phenomenal growth in Pakistan after Partition owing to the paucity of other oils there.

Not Much Headway Made

"In India, which is the second largest cotton-growing country in the world, the cottonseed processing industry has hitherto not made much headway, because, until very recently, almost the entire production of cottonseed was of the low oil-bearing type known as *Desi*. Since Partition, however, there has been a concerted drive to increase the production of medium and long-stapled varieties of cotton, in order to replace the equivalent Pakistani growths. The seeds from these cottons, known as 'American-type,' are admirably suited for crushing, due to their higher oil content as compared with *Desi* cottonseeds.

"Moreover, these American-type seeds yield a valuable by-product of processing known as 'linters' which are practically absent on the *Desi* seeds. Linters are short fibres which remain on the seed after ginning and have necessarily to be removed in delinting machines prior to crushing the seed for oil. These linters, which have a variety of possible uses, are now being utilised by Messrs. Sirsilk Ltd., in Hyderabad State, for the manufacture of acetate rayon yarn. As yet, however, the production of suitable linters in India is not adequate to meet the demand from this industry.

"It is, therefore, apparent that, initially, emphasis has to be placed on processing the American-type cottonseeds grown in India, since they offer the most integrated scope. Your Company's mills are fortunately located in an area which has converted wholesale to the production of American-type cotton and seed known as 'Laxmi.' In the last three years, the production of this seed in Dharwar District has almost trebled from about 15,000 tons to 45,000 tons annually. The oil content of Laxmi cottonseed is about the highest in India, while the linters extracted are among the best.

"An eloquent testimony to the view that I hold of the bright prospects for cottonseed crushing is the large number of people who have entered the field in India during the course of the last two or three years. Apart from your up-to-date and modern unit, it is our estimate that there are now at least 20 units in other areas which are processing cottonseed on a regular basis against the mere handful a few years ago.

Stimulus From Vanaspati

"The main stimulus to this fairly rapid expansion was given by progressive and enterprising *vanaspati* manufacturers, in particular Messrs. Hindustan Vanaspati Manufacturing Company., Ltd., a Lever concern, who are ever seeking new and steadier sources of vegetable oil to replace partially their main raw material, groundnut oil.

"Moreover, a great step forward has been recently taken by the Government of India in allowing *vanaspati* manufacturers to mark their product as 'Made from Vegetable Oil' as against the old requirement of specifically mentioning on the label, in bold print, the names of the various oils used. It is now permissible for cottonseed oil, groundnut oil and til oil to be mixed in any proportion whatsoever in the manufacture of *vanaspati*. As a result, the market for cottonseed oil is broadening, and more and more *vanaspati* manufacturers are turning to its use.

"The demand for cottonseed oilcake has also substantially increased in the last few years. Major cities such as Bombay, Ahmedabad, Poona and Delhi have become large consumers of cottonseed cake, which is slowly but surely replacing whole cottonseed in the feeding of milch cattle. Being a perfect substitute in this respect, the price of cottonseed oilcake bears a somewhat close relationship to that of cottonseed itself and thus provides a partial hedge to the crusher, since approximately 40 per cent. of the sales return from cottonseed processing is derived from oilcake.

Price Levels

"The main difficulty, however, arises from the lack of a relationship between the prices of cottonseed and its major product, cottonseed oil, which provides nearly 52 per cent. of the total sales return. Cottonseed oil fluctuates in price with groundnut oil for which it is a substitute. A fall in the price of groundnut oil entails a reduction in the price of cottonseed oil, but there is no corresponding reduction in the price of cottonseed because the major determinant of cottonseed price in India is still the demand for it as cattle feed.

"In normal times, it is true that the price of cottonseed as a cattle feed should be somewhat below its parity price as a raw material for crushing. For instance, with the decontrol of coarse grains in Bombay State, the price of cottonseed has dropped considerably this year since grain substitutes for feeding cattle have become cheap. It is to be hoped that this is the true level of price for cottonseed as a cattle feed, which automatically makes its crushing a paying proposition.

"The key to successful and increasing crushing of cottonseed on a long-term basis, however, still lies, in my opinion, in achieving some definite relationship between the price of cottonseed and of cottonseed oil. If left to natural forces, this might take a very long time, since it involves the virtual disappearance of cottonseed as a cattle feed and its entire replacement by cottonseed oilcake such as has taken place in the U.S.A. Besides, in India, quite apart from the conservatism of the cattle owner, another factor that has to be contended with is that the *Desi* cottonseeds, which form approximately 80 per cent. of the cottonseed production, are not quite suited to crushing by normal methods, because of their low oil and negligible linter content, as mentioned earlier. For this very reason, they are popular for cattle feeding in the country as a whole.

Readjustment of Freight Rates

"A *via media*, therefore, lies in distinguishing between the *Desi* seeds, which may be considered as cattle feed, and the American-type cottonseeds which can now truly be characterised as oilseeds. In the few areas where the feeding of American-type cottonseeds is prevalent, it is apparent that there should be strong promotional propaganda in favour of diverting to the use of either cottonseed oilcake or *Desi* cottonseed. One such area is the State of Saurashtra. Formerly, owing to its proximity to Pakistan, it used to consume for cattle feeding large quantities of American-type seeds which were imported by sea from Karachi. Since Partition, this demand has now shifted to other areas in India, and exercises a considerable influence on the price structure of American-type cottonseed whose production in India, although increasing, can never hope to meet the needs of both the crushers and the cattle feeders.

"A memorandum has been presented to the Government of India by your Company recently, the main feature of which is a suggestion for variation of relative freight rates between *Desi* and American-type cottonseeds which are clearly distinguishable from each other. At present, strangely enough, all cottonseeds are classified in the railway tariff as 'oilseeds,' and, as such, attract a freight rate which is equal to that applicable to most other oilseeds. It has been suggested that, on the one hand, the freight rate on *Desi* seeds should be reduced to the same level as oilcakes since both are cattle feeds and should, therefore, be in the lowest freight category. On the other hand, it has been argued that American-type cottonseeds should have an increased freight rate since their bulky nature makes them more comparable to groundnuts in shells which have a higher freight rate than other oilseeds.

"The above argument can be justified not only from the railway standpoint but also in the light of the need for developing the cottonseed processing industry. The net result of these suggested modifications in freight rates, if accepted, would be that the *Desi* types of seed would become relatively cheaper in the principal markets, particularly Saurashtra, where the cattle feeders would gradually switch over to them. On the other hand, cottonseed crushing being a highly localised industry, crushers in the American-type growing areas would get their raw material more plentifully than before, unhampered by extraneous influences. More mills would then divert to crushing cottonseed, and competition amongst two or three mills in any one area would serve to relate the price of American-type seed in that area to the price obtainable for cottonseed oil.

Future Plans

"Your Company's plans for the future are being made in the sure hope that further concrete steps will be taken by the Government to encourage the industry in line with the Planning Commission's recommendations. Added support to this view has come from an altogether unexpected quarter, the All-India *Khadi* and Village Industries Board, which has wholeheartedly endorsed the crushing of cottonseed since it is claimed that this would help to relieve the pressure that the organised oilseed crushing industry is exercising on the village *ghanies*. It is being argued that, if oil mills in the interior were to take to crushing of cottonseed which cannot be crushed economically in *ghanies*, the other oilseeds would become more freely available to the village industry.

"Your Company's efforts are at present being directed towards rapidly increasing the cottonseed crushing capacity. During the last one year, the capacity has been increased by 2½

(*Continued on next page*)

THE PUNJAB NATIONAL BANK LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

INTRODUCTION OF DECIMAL SYSTEM FAVOURED

THE One Hundred and Seventh Ordinary General Meeting of the shareholders of the Punjab National Bank Limited was held at the Head Office of the Bank at 8, Underhill Road, Delhi, on 14th April, 1954, Mr. Shriyans Prasad Jain, M.P., Chairman, presiding.

The following is a summary of Mr. Jain's speech on the occasion.

The Chairman stated that the working of the Bank during the year 1953 had resulted in profits amounting to Rs. 41,78,961 including Rs. 1,92,604 brought forward from the accounts of the preceding year. These profits were Rs. 2,32,655 higher than those of 1952 and Rs. 7,05,811 than those of 1951. It was gratifying to note that, notwithstanding the general trend of declining bank profits in 1953, the working of the Punjab National Bank had resulted in relatively higher profits. The paid-up capital of the Bank remained unchanged at Rs. 87,50,000 while over Rs. 1 lakh had been credited to the reserve fund, raising it to Rs. 90,00,000 at the close of the year. The deposits of the Bank were Rs. 65.31 crores at the close of the year, showing an increase of Rs. 6.37 crores over the figures of the preceding year, as against the total increase of Rs. 3.94 crores in case of all other scheduled banks (from 2-1-1953 to 1-1-1954). The working capital of the Bank stood at Rs. 79.78 crores on 31-12-1953 and this showed an increase of Rs. 5.79 crores and Rs. 12.26 crores over that of 1952 and 1951, respectively.

Not only deposits, but the number of depositors too had substantially gone up. The percentage increase in the number of depositors for the year ended June, 1953, in case of this Bank was 4.8, as against 0.94 in case of all other Scheduled banks. Out of the total number of accounts with all the Scheduled banks, nearly 12 per cent. were in the books of the Punjab National Bank.

The Chairman of the Bank pointed out that a study of the balance-sheet of the Bank would reveal a strong liquid position of the Bank. Assets of the Bank in cash, bank balances, money at call and short notice and investment in Government and Trustee securities amounted to Rs. 42.72 crores which was equivalent to 65.41 per cent. of the total deposit liabilities of the Bank. The bills discounted and purchased amounted to Rs. 3.59 crores. The liquid assets of the Bank thus amounted to Rs. 46.31 crores being 70.9 per cent. of the Bank's deposits. In the case of all the Scheduled banks, the percentage of liquid assets to deposits came to 57.25 per cent.

Expanding Foreign Exchange Facilities

The increase in the deposits of the Bank during the year under review led to the increase in the investments of the Bank by Rs. 7.45 crores and in the bills discounted and purchased by Rs. 1.1 crores as compared with the figures of 1952. Foreign exchange business of the Bank grew considerably in volume during the year. A reference to the item of "acceptances, endorsements and other obligations" would reveal that the amount under this head had increased from Rs. 1,92,36,386 on 31-12-1952 to Rs. 2,68,46,663 on 31-12-1953. In order to improve the exchange facilities offered by the Bank to the public, the Bank had reorganised the Foreign Exchange Department at the head office and had entered into reciprocal arrangements with a number of important Exchange banks of the world. The foreign exchange services of the Bank could, therefore, be favourably compared with those offered by any other major Indian bank or foreign Exchange bank operating in India.

The Bank placed 37,823 lockers through its 83 offices at the disposal of the public and this facility proved of great value and utility to the customers.

Training College

The Chairman stated that the Bank had under consideration a scheme for opening a Training College at the head office for officers and clerical staff to impart training in the latest techniques of banking routine and administration and to improve their ability and efficiency. Accounting machines had recently been introduced in the Central Accounts Department at the head office of the Bank, resulting in speed and efficiency. If our currency could be adapted to centesimal system, mechanisation could be more successful. Under this system, a lot of time now being wasted in adding, substracting and multiplying odd units as annas and pies, would be saved.

Labour Relations

After a general review of the economic and political situation in India and abroad, the Chairman chose for special mention the improvement in food and industrial production at home and stated that there were still many economic problems in the country awaiting solution. Banking, which had such a vital role to play in solving the economic problems of the country, was itself suffering from several handicaps. The lack of harmonious relations between the workmen and the managements was proving a great obstruction in the efficient administration and in the progress of the banking institutions. He regretted to observe that the labour laws and awards, instead of improving the situation, had multiplied the difficulties of the Bank, so much so that, under the present law, an employer could not discharge, dismiss or otherwise punish a workman even for "gross misconduct" not connected with the dispute pending before a Tribunal, Conciliation Board or Conciliation Officer. This unsatisfactory state of affairs could not prove conducive to the growth of discipline and efficiency among bank employees. He, therefore, pleaded that section 33 of the Industrial Disputes Act and section 22 of the Industrial Disputes (Appellate Tribunal) Act should be suitably amended as to empower the employer to appropriately deal with an employee for misconduct not connected with the dispute. Such rigid regulations as were now being enforced could not but harm the interests of those whom these claimed to protect. Branch banking was not developing. Smaller offices had become uneconomical to run while new offices at smaller towns and rural centres could only be run at a loss. In 1949, the number of offices of all banks including those of non-scheduled banks was 4,441. In 1950, 1951 and 1952, the number continued declining to 4,353, 4,140 and 4,061, respectively. This affected the overall position of employment in the country to some extent.

The Chairman asserted that the paucity of banking facilities in the rural areas was mainly responsible for the large amount of funds lying idle there. These were being wastefully spent and were not being utilised for the development of the country. He pointed out that the ratio of the bank deposits to the currency in circulation was low in India as compared with other countries. This was because the public was not bank-minded. More money with banks would ultimately mean greater investments in Government securities and more loans to commerce and industry. The Chairman suggested that efforts had, therefore, to be made to increase public confidence in the banking structure of the country.

Shroff Committee

He further referred to the appointment of the Shroff Committee on "Finance for the private sector," the report of which was being anxiously awaited. He stated that, if the agents of the Reserve Bank of India could provide liberal remittance facilities and if the Imperial Bank of India could accept cash in any tenderable form especially small notes and coins without limitation, it would help the banks to work with smaller cash balances, releasing spare funds for financing trade and industry.

Mr. Jain made another suggestion for providing and improving storage facilities for foodgrains so that waste on account of pests, insects and moisture, etc., could be eliminated. This would help the agriculturists in being able to secure accommodation against their produce. In such circumstances, the banks could extend their activities in rural and semi-urban areas and help enlarging the basis of credit. Such warehousing facilities could be provided through co-operative efforts or by commercial banks, assisted by loans or subsidies by the Government. Receipts of recognised warehouses could serve as security for loans from banks.

In the end, the Chairman appreciated the hard and good work done by Mr. B. N. Puri, General Manager of the Bank in improving the work of the Bank. He also complimented the members of the staff for their loyal and conscientious services rendered to the institution. He thanked the constituents of the Bank for their continued patronage. And, lastly, he expressed his gratitude to the Local Directors, Local Advisers and Directors of the General Board for their co-operation.

SUNDATTA COTTON-SEED UTILISATION LIMITED

(*Concluded from previous page*)

times from 12 tons to 30 tons of seeds crushed per day, and it is expected that the final rated capacity of 70 tons per day will be reached in the near future after hydro-electric power reaches Hubli.

"This quick increase in capacity is being undertaken, because it has been found from experience that, owing to the late season for Laxmi cottonseed which commences in our area in April, it is neither possible nor desirable to work on cottonseed on a regular basis for more than six months in a year, since the new all-India crop of groundnuts moves into the markets in October-November every year and depresses the edible oil prices in general. An important advantage, however, is that edible oil prices generally steady down by the following April when we commence our cottonseed purchases, and are usually on the ascendant until September. This considerably minimises the business risk of carrying stocks and takes your industry out of the realm of speculation.

"Our experience shows that, if about nine to ten thousand tons of cottonseed are crushed in six months at an average daily rate of 70 tons, the crushing cost can be reduced to very reasonable proportions, even allowing for the entire year's overheads. However, your Directors have no intention of keeping the mill idle for the six months October-March, when cottonseed is not capable of being crushed on a regular basis. The obvious course is to process groundnuts which are in season at this time of the year, and available freely in the area.

Groundnut Crushing

"The Company tried groundnut crushing early this year, but it was found that, due to severe competition, the economics of non-speculative groundnut crushing was marginal, notwithstanding the excellent degree of efficiency that your mill was achieving. Your Directors are, therefore, seriously considering the question of installing a solvent extraction plant which enables the removal of practically all the residual oil from the oilcake, and makes the integrated processing of groundnuts a sound proposition. The Company may also buy groundnut oilcakes produced by the other local millers and extract the oil therefrom. Besides being a profitable operation, this step would keep the staff fully employed during the slack season for cottonseed. During the cottonseed season, the solvent extraction plant can act as a supplement to the cottonseed processing plant.

"The Company already holds a licence for a solvent extraction plant and is closely watching the successful efforts that have been made in this direction by same manufacturers in Bombay City. Further steps to implement the scheme may be expected in the not too distant future.

"I believe that I have now given you as complete a picture as I can of the cottonseed processing industry as well as of your Company's plans. While Government encouragement can speed up the industry's development, there is no doubt that cottonseed crushing is here to stay in India. Although a great deal still remains to be done. I feel that shareholders can look forward to the future with optimism.

"Before I conclude, I would like to express on your behalf and on behalf of your Directors our appreciation of the services rendered by the working Directors and the employees of the Company.

"I now propose that the Directors' Report and audited balance-sheet and statements of accounts for the period ended 31st December, 1953, be approved and adopted."

CAPITAL EROSION IN IRON AND STEEL INDUSTRY

RESULTS OF STUDY BY AN ASSOCIATION OF RESEARCH WORKERS

THAT there was not only no real capital formation in the iron and steel industry, during the years 1937 to 1951, but the inflation even wiped out the new paid-up capital brought in and the free reserves ploughed back in the industry amounting to Rs. 16 crores is the conclusion reached by a study of the published accounts of the basic iron and iron and steel producers, the Tata Iron and Steel Company, the Steel Corporation of Bengal and the Indian Iron and Steel Company, undertaken by the Association of Indian Trade and Industry. The study, published under the title *Financial Trends in the Iron and Steel Industry*, points out that, assuming the 1951 price level to be 300 per cent. of the 1937-39 level, there has been capital erosion in the industry of about Rs. 25 crores, the entire burden of which has fallen on the shareholders. The industry's profit appropriation trends show that, of the gross profits of the industry available for distribution after paying tax, about two-thirds used to be distributed as dividends in 1937-39, as against one-third in 1949-51, and the balance allocated to depreciation and free reserves. As against this decrease in the amount of dividends distributed to shareholders, employees' earnings have increased more than fourfold. The capital erosion in the industry, according to the study, is due mainly to the practice of calculating depreciation for income-tax purposes on the basis of historical, instead of replacement cost of fixed assets, which caused the industry's book profits to be over-estimated by about Rs. 50 crores, and its income overtaxed by over Rs. 25 crores.

Apart from taxation policy, Government's price-fixing policy has also been at fault, as the 8 per cent. return allowed on gross block to cover taxation, profit-sharing bonus to labour, managing agents' remuneration, dividends and allocation to reserves, is inadequate. The study gives a table which shows that, in 1951, of the 8 per cent. allowed on gross block, the actual expenditure on taxation absorbed 5.7 per cent. bonus to labour 1.5 per cent., and managing agents' remuneration 1.1 per cent. leaving no margin available for either dividends or allocation to free reserves. The study says that the Government intend to make ulterior use of the industry's equalisation fund, which is created by crediting to it the difference between the higher prices charged to consumers and the lower prices paid to producers, as, instead of using the accumulations entirely for subsidising higher priced imports, which is the fund's avowed purpose, the Government propose to lend them to the companies, "thus converting the Industry's own earnings into debts due to the Government."

The study suggests that, "in view of the crippling effect of inflation and the past policy of the Government on the financial position of the companies, the Goverment should (1) immediately sanction the increase in returns on gross block from 8 per cent. to 10 per cent. as recommended by the Tariff Commission; (2) refer to the Commission the problem of paying out the amounts accumulated in the equalisation fund to the industry in the form of retrospective price increases; and (3) introduce appropriate measures to allow all industries to charge to current revenue a part or whole of the difference between the replacement cost and the original (or historical) cost of fixed assets, spreading the amount over a reasonable period." According to this study, there is statistical evidence to show that any tax relief or price increase is likely to be used mainly for enhancing the free reserves of the industry, and scarcely for increasing dividend distribution.

Capital Formation

The total gross assets of the industry increased from Rs. 44 crores in 1937 to Rs. 105 crores in 1951. Of this increase of Rs. 61 crores, gross block absorbed Rs. 34 crores; inventories Rs. 16 crores; and receivables (tax deposits, advances, debtors, etc.) Rs. 11 crores. Cash, bank deposits and Government securities together fell by Rs. 3 crores, but industrial securities increased by the same amount. As against an increase of Rs. 34 crores in the gross block, the net block increased by only Rs. 9 crores. Even this increase in the net block (net fixed assets) is illusory, as book figures, when corrected for price changes, show that the real value of the block added is just short of the real value of the assets consumed (depreciation) during the period. The holding of inventories has increased from 2.5 months' production in 1937 to 4.3 months' production in 1951. The real value of the total assets estimated by correcting book figures for price changes shows that there was no real capital formation in the industry during the period 1937-51. The paradox of a slight decrease in the real value of the fixed assets as against an increase in the installed capacity of the industry is explained by the analogy of a person who had a new car in 1937, as against two highly worn out cars in 1951, the real value of the latter two falling just short of the real value of the former one.

The funds required for increasing the assets as above were obtained mostly from internal sources. The depreciation fund during the period increased by Rs. 25 crores, from Rs. 13 crores in 1937 to Rs. 38 crores in 1951, and free reserves increased by Rs. 13 crores, from Rs. 5 crores in 1937 to Rs. 18 crores in 1951. Of the external sources of capital funds, share capital contributed only Rs. 2.91 crores, and the total paid-up capital of the industry increased from Rs. 16.71 crores in 1937 to Rs. 19.62 crores in 1951. Of this increase, Rs. 1.50 crores was accounted for by the conversion of debentures into preference shares. Debentures and loans increased during the period by Rs. 3 crores, from Rs. 4 crores in 1937 to Rs. 7 crores in 1951. The payables (including tax provision and sundry debtors) increased steeply by Rs. 17 crores, from Rs. 5 crores in 1937 to Rs. 22 crores in 1951.

The brochure says: "A casual look at these impressive rupee records might lull us into the belief that there is nothing to worry about the lack of new venture capital in an industry whose books show increase in capital investment from year to year. This illusion is caused by the inflation, which distorts, the true picture, and camouflages the weak spots in the industry's finance. . . . All the new capital brought in and the free reserves ploughed back into the industry during the period have been completely wiped out by the inflation," and "shareholders have suffered a loss of capital worth about Rs. 25.50 crores in terms of 1951 prices."

Revenue Trends

The study includes an examination of the revenue trends. The total income of the industry during 1937-51 from sales, etc., has been estimated at Rs. 472 crores and the total expenditure at Rs. 356 crores, of which Rs. 211 crores are for raw materials and other manufacturing expenses; Rs. 123 crores for employees (salaries, wages, bonus, welfare expenses, etc.; Rs. 9 crores for capitalised expenditure charged to revenue; Rs. 9 crores for managing agents' remuneration and Rs. 23 crores for sundry expenses. The margin of gross profit was Rs. 117 crores, which was allocated thus: depreciation Rs. 29 crores; taxation Rs. 40 crores; dividends Rs. 36 crores; and free reserves Rs. 12 crores. The net profit was Rs. 88 crores before tax and Rs. 48 crores after tax.

The industry's total income increased from Rs. 16 crores in 1937 to Rs. 56 crores in 1951, but all the different components of costs and appropriations did not increase proportionally. Taking the amounts of different items of costs and appropriations for the triennium 1937-38-39 as 100, we find that in the triennium 1949-50-51, wages and salaries were 414, manufacturing expenses 349, depreciation 327, taxation 248, managing agents' remuneration 121, net profits after taxes 92 and dividends 73. Employees benefited most by this shift, and their share in total revenue increased from 20 per cent. in 1937 to 29 per cent. in 1951. Managing agents' share of total revenue fell from 2.6 per cent. in 1937 to 1.1 per cent., and dividends from 18.8 per cent. in 1937 to 4.2 per cent. in 1951. The industry distributed as dividends over Rs. 3 crores in 1938, and only Rs. 2.35 crores in 1951. The study says:

"The Industry's profits appropriation trends may be regarded as socially desirable but for the fact the burden has been shifted almost entirely on shareholders. Two-thirds of the balance of profits, after deducting tax provision (but before deducting depreciation provision), used to be distributed by way of dividends and one-third retained for depreciation provision and allocation to free reserves in the years 1937-39. The corresponding ratio for the years 1949-51 was exactly the reverse: only one-third was distributed and two-thirds retained."

Taxation Policy

Criticising the Government's taxation policy, especially the practice of allowing depreciation on the historical instead of the replacement cost of fixed assets, which has resulted in the overestimation of profits by over Rs. 50 crores, and overtaxation of its income by about half the amount, the study says:

"Although the method of accelerated depreciation allowances introduced since 1948 enables the industry to obtain finance for replacing fixed assets for the time being, it works in effect only as a system of deferred tax payment, and does not compensate the industry for the overtaxation and capital erosion that has occurred due to overestimation of profits. It would be fairer to the assessees if they were allowed to write off the whole or part of the difference between the replacement cost and the historical cost of assets as extra depreciation, provided that they actually spent the excess amount for replacement purposes. If the writing off of the difference as suggested above is not politically feasible, then the only other way in which the industry could be compensated for this loss of capital is through a general reduction in the rates of income-tax and super-tax on companies."

Price Policy

After an examination of the Government's price-fixing policy, the study says: "The prices paid to the industry do not leave an adequate margin for dividends and for allocation to reserves." In fixing the retention prices, the Tariff Commission had been recommending, till recently, a return of 8 per cent. on gross block, or gross fixed assets, to cover the expenditure on taxation, managing agents' remuneration, a part of the profit-sharing bonus to labour, and also dividends, and provision to free reserves. Fair retention prices used to be calculated, till recently; on the basis of depreciation on original or historical cost. In their most recent report on fair retention prices, the Tariff Commission is reported to have recommended that, in view of the necessity to provide finance for replacement and expansion, the rate of return should be increased from 8 per cent. on gross block to 10 per cent. Even this recommendation has not been accepted by the Government on the ground that they intend to give the companies a loan from the equalisation fund. In 1951, of the 8 per cent. allowed on the gross block, tax provision absorbed about 5.7 per cent. profit-sharing bonus to labour (over and above the amount allowed as costs) absorbed about 1.5 per cent., and managing agents' remuneration one per cent. leaving nothing for distribution of dividends or for allocation to reserves. The highest margin left for dividends and allocation to free reserves in any year since 1944 has been only 3 per cent. (1948).

The study pleads for the strengthening of the reserves of the companies, by increasing retention prices and tax relief, "as statistical evidence based on profit and appropriation figures for the period 1937-51 shows that an increase in profits is likely to be utilised principally for allocation to free reserves and scarcely for increasing dividends."

The study considers that the industry has been meted out unfair treatment in respect of price and taxation policies, and says: "Harsh treatment to an old industry in the private sector is not likely to encourage the growth of new ones, and it is hoped that Government policy will veer round and provide more favourable conditions for the growth of an industry whose shares are the leading counters on the stock market. That would make the climate favourable for attracting the savings of the community into industrial investment and thus contribute to enduring prosperity."

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BANK OF MAHARASHTRA
LIMITED
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Reserve Fund and other Reserves .. .. Rs. 7,00,000
Total working Funds exceed Rs. 4,00,00,000

Drafts on all branches (22) of the Bank and on important cities like Madras, Calcutta, etc., available at moderate rates.

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BURMA: Rangoon
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ADEN: Camp, Aden, Steamer Point, Aden
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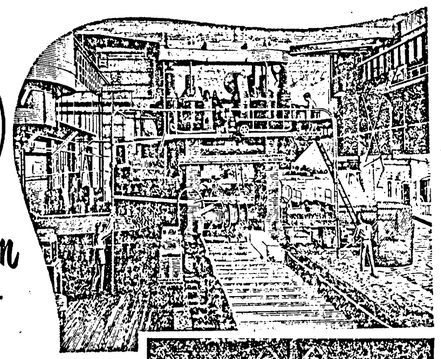
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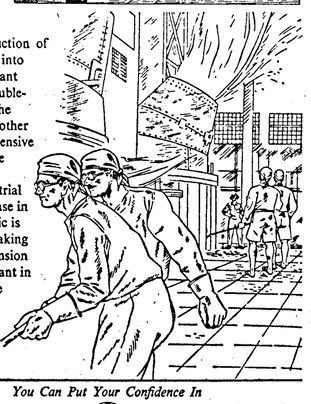
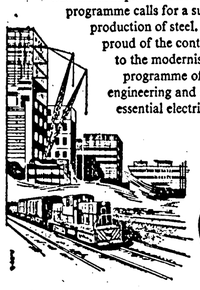
Successful implementation of India's industrial programme calls for a substantial increase in production of steel. General Electric is proud of the contribution it is making to the modernisation and expansion programme of Tata's steel plant in engineering and supplying of the essential electrical equipment.


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Hyderabad State Bank
Constituted under the Hyderabad State Bank Act with Liability of Members Limited.

Paid-up Capital .. .. O. S. Rs. 75,00,000
Reserve Fund .. .. O. S. Rs. 75,00,000
Deposits as on 30-9-1953 .. .. .. O. S. Rs. 16,39,27,000

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For further particulars apply to any office of the Bank.
K. P. R. MENON, *Managing Director.*

INDIA'S FOREIGN TRADE IN 1953

SHARP DECLINE IN ADVERSE TRADE BALANCE

THE trend of India's foreign trade in 1953, for which complete figures are now available, was definitely better in certain respects than that of the previous year or for that matter of 1951. Both in 1951 and 1952, the pattern of trade was somewhat distorted by some abnormal features like the Korean war boom, sharp rise in the prices of imported articles, particularly those in regard to raw cotton, raw jute, foodgrains, large-scale famine conditions and the necessity to import large quantities of foodgrains. During 1953, not only a certain amount of stability was noticeable in the country but the terms of trade also were favourable enough to effect a sizable reduction in the adverse balances. For instance, the impressive rise in the exports of tea, together with the improvement noticeable in the sendings of jute manufactures and cloth, particularly during the second half of 1953, had a favourable effect on the export trade. At the same time, the country was able to bring down the import bill to a considerable extent on account of higher production in foodgrains, raw cotton, etc.

Total imports by sea, land and air in 1953 amounted to Rs. 566 crores, as compared with Rs. 801.24 crores in the previous year, the percentage of decline being 30 per cent. The total value of exports during this period receded from Rs. 619.05 crores in 1952 to Rs. 528.63 crores, the fall being 14.5 per cent. The adverse trade balance, amounting to Rs. 37.39 crores in 1953, was appreciably lower than in the preceding year when it stood at the high figure of Rs. 182.19 crores. The total balance of payments position during 1953 was, however, in favour of India, in view of the increase in receipts from foreign countries such as the U.S. economic aid, loans from the World Bank, the Colombo Plan aid, etc.

Imports

In the import section, the value of foodgrains recorded a substantial decline from Rs. 202.68 crores in 1952 to Rs. 72.27 crores during the year under review; in 1951, it had aggregated Rs. 183.61 crores. The total value of imports under the food and drink group in 1953 was substantially lower at Rs. 114.56 crores, which compares with Rs. 238.28 crores in the previous year. In this section, imports of wheat and rice accounted for Rs. 52.82 crores and Rs. 14.74 crores, respectively, the corresponding figures in the previous year being Rs. 126.37 crores and Rs. 48.75 crores. Imports of *jowar* and *bajra* were also marked down appreciably from Rs. 27.56 crores to Rs. 4.71 crores in 1953. The value of fruits and vegetables recorded a small increase from Rs. 13.55 crores to Rs. 14.71 crores, as also condensed milk from Rs. 3.5 crores to Rs. 3.85 crores. The quantum of increase in the latter was greater, being 4.2 lakh cwts. as against 3.12 lakh cwts. In regard to spices, while the quantum showed a marked decline from 9.06 lakh cwts. to 7.69 lakh cwts., the value disclosed a small rise from Rs. 5.08 crores to Rs. 5.37 crores.

Raw Materials

In the raw material group, raw cotton imports in 1953 were considerably lower at Rs. 49.86 crores, as compared with Rs. 115.44 crores in the previous year. The actual quantum of imports stood at 1.08 lakh tons, as against 2.05 lakh tons in 1952. In 1951, these imports came to the high figure of Rs. 114 crores. The intake of mineral oils continued to show a steady increase, the figure for 1953 being nearly Rs. 86 crores, as against Rs. 84.35 crores and Rs. 71.53 crores in 1952 and 1951, respectively. A substantial portion of these oils consisted of petroleum and lubricating oils for industrial purposes. For instance, kerosene oil accounted for Rs. 23.55 crores and other oils for Rs. 55.61 crores. Imports of raw jute came to Rs. 14.40 crores, as against Rs. 23.50 crores in the preceding year, the respective quantum being 2.64 lakh tons and 2.34 lakh tons.

In the manufactures group, machinery and millwork, including belting, showed a downward trend, the figure for 1953 being placed at Rs. 87.04 crores, as compared with Rs. 94.60 crores in the preceding year. In 1951, this item accounted for Rs. 109.86 crores—the peak figure to be seen so far in the country's history. A part of this decline is attributable to the steady expansion of domestic engineering industries, some of which have begun to manufacture a number of capital goods. A large part of this recession is, however, due to the reduced pace of private investment and the absence of the free flow of risk bearing capital to industries. Imports of instruments and appliances were being maintained at the high level of Rs. 22.87 crores, as against Rs. 21.75 crores in the previous year. Metals, excluding ores, accounted for Rs. 38.82 crores, as against Rs. 44.96 crores in 1952. In this section, iron and steel accounted for Rs. 23 crores and the non-ferrous metals for Rs. 12.63 crores. The total quantum of metals in 1953 amounted to 2.79 lakh tons, as compared with 2.67 lakh tons in the previous year. Chemicals and drugs recorded a decline from Rs. 30.52 crores to Rs. 24.38 crores, the 1951 figure being Rs. 31.42 crores. Dyes and colours moved up slightly from Rs. 12.48 crores to Rs. 15.83 crores, while in 1951 they had touched the high level of Rs. 21.74 crores. The intake of electrical goods was somewhat higher at Rs. 14.96 crores, as compared with Rs. 12.92 crores in 1952.

Among other items, artificial yarn recorded a sharp rise from Rs. 7.07 crores to Rs. 11.39 crores. Raw wool and tops moved up from Rs. 4.86 crores to Rs. 7.92 crores, the quantum in 1953 being 14.6 million lbs., as against 10.1 million lbs. in the previous year. In regard to artificial silk yarn, the quantity rose from 19.1 million lbs. to 34.9 million lbs. The value of motor cars and motor omnibuses declined slightly from Rs. 6.91 crores to Rs. 5.59 crores, the quantum also receding from 10,645 to 9,445. The value of newsprint imports rose from Rs. 4.65 crores to Rs. 5.09 crores, but the volume thereof rose markedly by about 50 per cent., that is, from 9.16 lakh cwts. to 13.65 lakh cwts. Paper, excluding newsprint, recorded a slight decline from the point of value, the figure dropping from Rs. 6.19 crores to Rs. 6.06 crores, but, in respect of quantity, these imports improved from 8.20 lakh cwts. to 12.19 lakh cwts. indicating thereby that the prices of these goods had experienced a marked fall during 1953. Imports of seeds (mostly copra) rose from Rs. 2.84 crores to Rs. 3.71 crores. Staple fibre and yarn imports were lower at Rs. 2.52 crores, as compared with Rs. 4.52 crores in the preceding year. In view of the gradual expansion of the industry, the intake of cycle and cycle parts was lower at Rs. 1.90 crores, as against Rs. 3.87 crores in the previous year. Cotton manufactures receded from Rs. 5.38 crores to Rs. 3.32 crores, while manures increased from Rs. 2.88 crores to Rs. 3.71 crores. The liberalisation in respect of oils was reflected in the higher flow of vegetable non-essential oils, the value going up from Rs. 4.42 crores to Rs. 5.96 crores.

Exports

In some respects, India's export trade in 1953 showed a notable improvement over that of the previous year. The volume of trade in respect of jute goods, cotton manufactures, tea, cashew kernel, manganese ore, tanned hides and skins, coir yarn, etc. recorded a modest rise. Tea exports set up a new record in history both in value and quantum, the respective figures being Rs. 103.12 crores and 502 million lbs., while in the previous year they stood at Rs. 80.80 crores and 413 million lbs. The value of exports in 1951 amounted to Rs. 95.56 crores. Exports of cloth were valued at Rs. 56.39 crores, the quantum being 658 million yards, as against 598 million yards in 1952. The value of exports in 1952 was, however, higher at Rs. 64.31 crores. Besides the above, despatches of other cotton manufacturers, particularly handloom products, amounted to Rs. 7.42 crores, as against Rs. 9.21 crores in the previous year. In 1951, both these items earned as much as Rs. 94.07 crores. The value of jute goods exported recorded a sharp fall from Rs. 162.85 crores in 1952 to Rs. 110.63 crores in 1953, largely as the result of a notable decline in prices and the reduction in the export duty. The quantity of jute goods exports, however, moved up slightly from 7.37 lakh tons to 7.48 lakh tons. Sendings of woollen carpets and rugs improved from Rs. 2.71 crores to Rs. 3.65 crores, as also the quantum from 7 million lbs. to 9 million lbs. Coir yarn and manufactures were higher at Rs. 7.89 crores, as compared with Rs. 7.36 crores in the previous year, the respective quantum figures being 14.76 lakh cwts. and 12.20 lakh cwts.

In the food and drink group, there was a small rise in the quantum of exports of cashew kernels in 1953 which improved from 26,000 tons to 28,000 tons, but their value receded from Rs. 12.12 crores to Rs. 11.88 crores. Due to the fall in price, the value of pepper exports was marked down from Rs. 18 crores to Rs. 13.18 crores in 1953, their quantum also receding from 2.64 lakh cwts. to 2.29 lakh cwts. Exports of tobacco declined appreciably from Rs. 18.31 crores to Rs. 12.30 crores, as also their quantum from 96 million lbs. to 73 million lbs. In the raw materials section, despatches of raw cotton were valued at Rs. 11.00 crores, as against Rs. 15.12 crores in the previous year, and the quantum of exports also declined, albeit slightly, from 46,000 tons to 45,000 tons. Lac and mica exports stood at Rs. 6.82 crores and Rs. 8.48 crores, as against Rs. 8.39 crores and Rs. 9.59 crores, respectively, in the previous year. Coal exports receded appreciably from Rs. 10.92 crores to Rs. 7.64 crores, as also the quantum from 30.63 lakh tons to 20.98 lakh tons. Manganese exports maintained the upward trend, the figure moving up from Rs. 21.63 crores to Rs. 25.70 crores. The quantum of exports also rose from 14.12 lakh tons to 16.58 lakh tons. Raw cotton waste exports stood at Rs. 9.01 crores, as compared with Rs. 9.43 crores in the previous year and raw wool declined from Rs. 8.62 crores to Rs. 6.53 crores in 1953, as also the quantity from 39 million lbs. to 24 million lbs.

Oilseeds, which occupied an important place on the export map, have been gradually losing their importance. During 1953, there was practically no export of linseed and castorseed, while groundnut kernels came down from about 10 lakh tons in the pre-war period to just 10,000 tons during the year under review. Groundnut oil declined from Rs. 9.75 crores to Rs. 2.47 crores, linseed oil from Rs. 6.15 crores to Rs. 1.09 crores and castor oil from Rs. 7.09 crores to Rs. 4.93 crores.

Raw hides and skins were fractionally better at Rs. 5.88 crores, as against Rs. 5.85 crores in the previous year, while those of tanned hides and skins recorded a notable improvement from Rs. 17.69 crores to Rs. 26.46 crores.

Geographical Distribution of Trade

In the import trade, the U.K. occupied the place of pride, accounting for Rs. 140.43 crores, as against Rs. 148.97 crores in the previous year. The sharp decline in the value of foodgrain and raw cotton imports was responsible for the steep fall in the imports from the U.S.A. which were marked down from Rs. 272.66 crores to Rs. 89.52 crores during the year under review. Imports from Pakistan receded from Rs. 29.14 crores to Rs. 19.43 crores, as also those from Canada from Rs. 29.66 crores to Rs. 18.92 crores. Australia was able to improve its exports to India from Rs. 15.10 crores to Rs. 26.56 crores, as also Italy from Rs. 11.46 crores to Rs. 20.90 crores. West Germany's exports to India continued to expand, the figure moving up from Rs. 24.19 crores to Rs. 28.79 crores. Egypt's share, too, rose slightly from Rs. 20.11 crores to Rs. 21.74 crores, but that of Burma declined from Rs. 31.08 crores to Rs. 18.24 crores. Imports from Japan fell sharply from Rs. 19.41 crores to Rs. 12.46 crores and those from Kenya from Rs. 19.67 crores to Rs. 16 crores. Imports from Bahrein Island and Saudi Arabia (mainly mineral oils) amounted to Rs. 17.63 crores and Rs. 13.38 crores, respectively. The Netherlands and France despatched goods valued at Rs. 11.28 crores and Rs. 10.54 crores, respectively.

In the export trade also, the main customers were the U.K. and the U.S.A. which absorbed goods valued at Rs. 148.14 crores and Rs. 95.03 crores, as against Rs. 125.76 crores and Rs. 116.49 crores, respectively, in the previous year. Exports to Pakistan declined from Rs. 47.35 crores to Rs. 7.86 crores and those to Australia from Rs. 23.45 crores to Rs. 15.97 crores. Sendings to Canada were valued at Rs. 13.92 crores, the previous year's figure being Rs. 12.74 crores. Exports to W. Germany, Italy and France amounted to Rs. 10.37 crores, Rs. 5.37 crores and Rs. 5.34 crores, respectively. Despatches to Burma and Japan amounted to Rs. 20.45 crores and Rs. 25.88 crores, as against Rs. 23.49 crores and Rs. 25.20 crores, respectively in 1952.

INDIA'S TRADE POLICY

Replying to the two-day debate in the House of the People last week, Mr. D. P. Karmarkar, Minister for Commerce, claimed that India's foreign trade had, after seven years of difficult times, shown "a condition of creditable satisfaction." This claim is based on the fact that the year 1953, as pointed out in the report of the activities of the Commerce and Industry Ministry, witnessed the restoration of healthy conditions in the economy of the country. Anxiety over the country's balance of payments position disappeared. The fear of depression that had cast a gloom over many industries in 1952 was dispelled. The level of industrial production was the highest on record which enabled the Ministry to relax controls. The general index of industrial production, which stood at 128.7 in 1952, a figure higher than any seen in any other post-war year, was exceeded in 1953, with the average for the first ten months being placed at 134, in spite of the fact that the production of a key item like steel suffered in the early months of the year on account of labour dispute in one of the principal units. The production

(Continued on page 811)

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S. L. MEHTA,
Manager.

THE BANK OF INDORE LIMITED
INDORE
(Incorporated in Indore 1920)
Authorised Capital .. .. Rs. 50,00,000
Subscribed Capital .. .. ,, 30,60,750
Paid-up Fund .. .. ,, 15,30,375
Reserve Fund .. .. ,, 25,00,000
Head Office: Prince Yeshwant Road, Indore City
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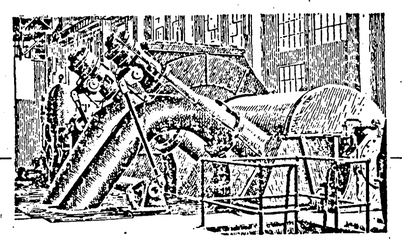
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NEW PUBLICATIONS

The Cotton Mills of India—1854 to 1954. By Dr. S. D. Mehta. The Textile Association (India), Bombay Branch, Ganesh Bhuvan, Suparibaug Road, Parel, Bombay 12.

SO scattered are the statistical data relating to the early history of the cotton textile industry in India that to survey the developments in the industry right from its inception is by no means an easy task. The efforts made by Dr. S. D. Mehta, the author, at conducting an intensive exploration into historical materials concerning the industry are, therefore, commendable. The results of this exploration are published in the book, *The Cotton Mills of India*—1854 to 1954. Some of his findings throw fresh light on the history of this industry not disclosed by the earlier chroniclers.

Dr. Mehta's study may be broadly divided into two sections. The first half of the 100 years, covering the period 1854 to 1904, is placed in the context of individual initiative and growth. The latter half of the period is treated in relation to its domination by more general forces of a wider character, "possessing a significance that travels beyond mere individuals." The progress in the sphere of the cotton mill industry during these hundred years, as reviewed by Dr. Mehta, has been most eventful. The following extract culled from the first chapter of the publication will fully bear testimony to this:

"The ownership of the industry has shifted from a few score individuals of ample means to lakhs of shareholders distributed between the widest extremes of regional affiliation and income categories. Over 800,000 workers are presently on the rolls, where less than 2,000 were employed in 1860. The annual output now hovers around 4,500 million yards of cloth and 1,600 million lbs. of yarn, and comprises a range of other products, all of which together bring into the coffers of the industry Rs. 500 crores annually. Nearly 45,000 comprise the technical, clerical and administrative cadres, besides those who are employed, directly or indirectly, in the ancilliary and auxiliary industries that have accompanied the larger growth."

Dr. Mehta begins his study with a brief review of the conditions that obtained at the time the cotton mill industry took its birth. According to this study, by 1861, the industry had finally emerged from the stage of isolated enterprise into a stabler and more expansive pattern. After alluding to the effects of the civil war in America and the crash that followed on the Indian industry, the author reviews the growth of the industry during the years 1869 to 1892, a period which coincided with the opening of the Suez Canal, the expansion in the roads and railways, and the development of communications. The next chapter covers the series of crises during the years 1892 to 1901—the currency muddle in 1893, the communal riots in Bombay City, the plague epidemic, and the Japanese and the Chinese competition. The following chapter deals with the brighter days for the mill industry in the period ended 1914, accompanied by a nation-wide agitation that took under its fostering care the growth of the indigenous textile industry. The review of the progress of the industry during the first two world wars and the inter-war period is done in four interesting chapters. Then he takes the reader to a study of the first steps in planning.

There is a special chapter, captioned "Looking Ahead", in which Dr. Mehta draws pointed attention to the establishment of the buyers' market for cotton texiles the world over. He has emphasised the need for the adoption, by the industry, of a conscious approach to the problems of management. To quote him:

"The keynote of such an approach will have to be continuous change in place of the more discontinuous developments that have served the purpose, on the whole, none too badly, hitherto. It is no longer merely a question of shifting from one ratio of machines to men, to another, a higher ratio. The change will have to be more continuous, if the industry is to make readjustments in favour of the handloom industry, and also hold its own against the powerloom factories, rayon weavers and hosiery factories. In operational terms, a management approach oriented along these lines would imply a withdrawal of the faith that considerable sections of the industry still lavish on the rule of thumb and traditional methods."

The utility of the publication is enhanced by the inclusion at the end of a statistical analysis "to quantify, to testify and to supplement the fifteen chapters that constitute the main part of this book." This analysis is placed in the context of the cotton mill situation as obtaining in the early months of 1953, the hundredth year of the industry's organised existence in India, although, occasionally, a broader historical perspective is given, with a view to providing a fuller appraisal of the industry and its achievements.

Although one may disagree with Dr. Mehta's views on isolated questions, there is no doubt that the author has presented the history of the cotton textile industry as a record of facts, palatable or otherwise, which should enable one to have a balanced historical understanding of the developments in the industry. Indeed, Dr. Mehta's study, as Mr. H. P. Mody aptly puts it in his foreword to the publication, fills a major gap in the literature concerning the cotton mill industry. Accordingly, it should command a place of its own in the literature concerning the origin and growth of our major industries.

The Structure of Commerce. By Dr. Noel Branton, English Universities Press Ltd., London. Price: Sh. 12-6 net.

In about 279 pages, Dr. Noel Branton has sought to make a comprehensive and up-to-date survey of commercial practices. Among the several subjects dealt with are marketing of natural and manufactured goods, structure of retail and wholesale trade, business finance and capital, services of joint-stock banks, organisation of transport, business risks and insurance, organisation of import trade, and banking instruments for payment of money. In dealing with these subjects, the author has endeavoured to keep technicalities within reasonable bounds. Also, in order to avoid confusing the text with reproductions of commercial documents and description of their use, the latter have been relegated to an appendix.

The treatment of the subjects is based on the views on the study and teaching of commerce as set out in the Carr-Saunders report on education for commerce, published by the British Ministry of Education in 1949. At the end of each chapter is given a specimen answer to an examination question to help the candidate who is studying privately or by means of correspondence course.

Although the book is primarily intended to meet the requirements of students taking commercial examinations in the U.K., it provides the general reader with a clear and objective account of the work of the modern commercial system.

The Wealth of India-Industrial Products, Part III, D-E. Published by the Council of Scientific and Industrial Research, Ministry of Natural Resources and Scientific Research, Government of India. Available at Publications Division, C.S.I.R., Old Mills Road, New Delhi 2. Price : Rs. 20.

The present volume, comprising articles beginning with the letters D and E, follows, in the main, the pattern of the earlier parts of the series. The selection of items dealt with is based on the *Alphabetical Index of the Commodities that enter into the Sea-borne Trade of British India* (Manager of Publications, Delhi, 1948) and Brady's *Materials Handbook* (McGraw-Hill Book Co., N.Y. 1947) and *Raw Materials Guide* (H.M.S.O., London). The volume includes monographic information on 54 industries, some of which have been grouped together under major subject heads. Thus 13 industries including radio receivers and components, telegraph and telephone equipment, transformers and wires and cables, are included under the subject "electrical industries"; 15 items including lemongrass oil and sandalwood oil are included under "essential oils." The other industries dealt with include dairy products, dyestuffs, expanded metals and explosives.

An attempt has been made, in compiling articles, to trace the development of the industries dealt with and to describe their present position, the principal raw materials and their sources. A description of the manufacturing processes and available statistical data are also given. It may, however, be noted that, as in the case of the previous Part, the paucity of published information and statistical data on Indian industries and the reluctance on the part of certain industries to supply information have contributed to the unevenness noticeable in the treatment of the subjects. Such information as has been presented in the articles has been col-

(*Continued on next page*)



Notices

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Podar Chambers, Parsee Bazar Street, Fort, Bombay, on Tuesday the 11th May, 1954, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.
2. To sanction, if thought fit, the payment of Dividend on the Preference and the Ordinary Shares of the Company.
3. To elect Directors in place of those who retire but are eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will remain closed from Saturday the 1st May, 1954, to Saturday the 15th May, 1954 (both days inclusive).

By Order of the Board,
For THE PODAR MILLS LIMITED,
For PODAR SONS LIMITED,
Managing Agents,
RAMNATH A. PODAR,
Managing Director.

BOMBAY, 14*th April*, 1954.

Note.—The Dividend, when declared, will be payable at the Bank of Jaipur Ltd., Bombay, on and after Monday the 24th May, 1954. Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on Saturday the 15th May, 1954.

THE SOORAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 117th Ordinary General Meeting of the Shareholders of the Company will be held at the Principal Office of the Company at No. 8, Royal Exchange Place, Calcutta, at 2-30 p.m. on Wednesday the 12th May, 1954, for the following purposes:—

(1) To receive and consider the report of the Directors and to pass the audited accounts for the year ended 31st December, 1953.
(2) To declare Dividends on Ordinary and Preference shares.
(3) To elect Directors in place of those retiring by rotation.
(4) To appoint Auditors and fix their remuneration.
(5) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 1st to 12th May, 1954 (both days inclusive).

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

CALCUTTA, 9*th April*, 1954.

In particular to Mr. Alexander Holmes King and Mr. Kasam Ahmad Vaiz.

Note.—If Dividends on shares as recommended by the Directors are declared at the meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on 12th May, 1954. No application need be sent for dividends, as relative Dividend Warrants will be posted to such Shareholders by the 25th May, 1954.

The Shareholders are advised to notify any change of address.

THE PODAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at Podar Chambers, Parsee Bazar Street, Fort, Bombay 1, Registered Office of the Company, on Tuesday the 11th day of May, 1954, immediately after the proceedings of the Annual General Meeting convened for the same day, shall have been concluded, and, if thought fit, to pass the following Resolution:—

RESOLVED: "That the Directors' fee for attending the Board Meeting be and is hereby fixed from and after date hereof at Rupees One Hundred for each Meeting attended by him."

By Order of the Board,
For THE PODAR MILLS LIMITED,
For PODAR SONS, LTD.,
Managing Agents,
RAMNATH A. PODAR,
Managing Director.

BOMBAY, 14*th April*, 1954.

BOKARO AND RAMGUR, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninetieth Ordinary General Meeting of the Shareholders of Bokaro and Ramgur, Limited, will be held at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta, on Thursday, the 13th May 1954, at 3-15 p.m. to transact the following business:

1. To receive the Report of the Directors and to pass the Audited Balance Sheet and Profit and Loss Account for the half-year ended 30th June, 1952.
2. To transact such other business as may be brought before the Meeting.

The Transfer Register will be closed from the 26th April, 1954, to the 13th May, 1954, both days inclusive.

ANDERSON WRIGHT (RAMGARH) LTD.,
Managing Agents.

CALCUTTA, 25*th March*, 1954.

(*Concluded from previous page*)

lected mainly through correspondence, personal contacts with manufacturers and visits to factories. The volume also includes indices to Parts I to III.

Cost Accounts. By L. N. Gupta. Publishers : Kitab Mahal, 56-A, Zero Road, Allahabad. Price: Rs. 2-8.

The main purpose of the author in writing this book is to explain the principles of cost accounting and their application in business. Unlike several other publications, the one under review deals with conditions obtaining in India. This, together with the inclusion of a sufficient number of worked out examples and exercises for practice, renders the book quite useful, especially to students offering advanced accounts for the B Com. and M. Com. examinations of the Indian Universities. The business man also will find the book useful, since it indicates how, by maintaining proper records, expenditure can be controlled, waste avoided and labour utilised best.

College Annual. Editor : Prof. Lokaranjan Das Gupta. Publication Section, City College Commerce Department, 13, Mirzapore Street, Calcutta.

The *College Annual* contains several interesting articles on economic topics. There is, for instance, a fairly detailed review of the economic affairs in India during the year 1953 by Prof. R. N. Sengupta. Two other interesting articles are "Financing the Five-year Plan" by Prof. Sukumar Ghose and "Some Thoughts on Nationalisation" by Mr. S. Khaitan. The *Annual* also gives statistical data relating to the progress in the field of economic development since the Partition.

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Ordinary General Meeting of the above-named Company will be held at 8, Royal Exchange Place, Calcutta, on Friday the 14th May, 1954, at 2-30 p.m., for the purpose of adopting the Directors' Report and the Audited Accounts for the half-year ended 30th September, 1953, and declaring dividends.

The Share Transfer Books will remain closed from the 1st to 14th May, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 15*th April*, 1954.

To all the Shareholders of the above-named Company and in particular to Mrs. Bachubai Anklesaria, J. P. Brander, L. D. Buckley, Ct. P. R. Periakaruppan Chettiar, Mrs. Dosibai Dinshaw, A. Rudolph D'Abres, Mrs. M. D. Forest, Mr. Ebrahim Khan, Begum Doulat Khanum, W. Mackay, Miss Hajya Essop Mia, John Rodricks, Francisco Baptista Ramos, Commdg. Gen. Sir Baber Shum Shere J. B. Rana, Pran Ballav, D. N. Kalyanvala, R. F. Naronha and Sir James Reid Kay.

Note.—The dividends, when declared, will be payable on or after the 31st May, 1954.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the shareholders will be held at the Registered Office of the Company, "Stephen House," Fourth Floor, No. 4, Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 10th May, 1954, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 30th June, 1953, declaring a dividend on Preference shares and transacting such other business as may be brought forward.

The Transfer Register will be closed from 4th to 10th May, 1954, both days inclusive, and it is notified that Dividend Warrants for Preference shares will be issued and posted to the registered shareholders only on application. Persons holding Preference shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 4th May, 1954.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE," FOURTH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, 8*th April*, 1954.

BENGAL JUTE MILL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23rd Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Monday the 10th May, 1954, at 5 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts, declaring the Dividend recommended by the Directors for the year ended 30th June, 1953, electing Directors in place of the retiring Directors, appointing Auditors and for transacting any other business of the Company that may be transacted thereat.

The Share Transfer Registers of the Company will remain closed from the 3rd May, 1954, to 10th May, 1954, both days inclusive.

By Order of the Board,
For and on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA, 8*th April*, 1954.

PROFIT OF DUNLOP RUBBER SHRINKS AGAIN

DIVIDEND WELL MAINTAINED

FOR the second year in succession, the Dunlop Rubber Co. (India) Ltd. (Managing Director: Mr. Cecil Stack, Calcutta), reports a contraction in its earnings, the latest year for which it has had a setback being the one ended 31st December, 1953. The gross profit of the Company, for instance, had dropped from Rs. 146.54 lakhs for the year ended 31st December, 1951, to Rs. 125.91 lakhs for the succeeding year. This has further shrunk to Rs. 120.96 lakhs for the year under review. Though the Company's profit has fallen by Rs. 25.58 lakhs during the last two years, it is noteworthy that the contraction in profit for 1953, namely, Rs. 4.95 lakhs, is considerably less than that of Rs. 20.63 lakhs noted a year ago and that the profit for the past year stands well above that for 1950. The net profit has declined by Rs. 11.25 lakhs to Rs. 55.38 lakhs, as against an increase of Rs. 6.79 lakhs in the previous year. The ratio of the Company's profit to turnover works out to 7.4 per cent. before taxation and 4.6 per cent. after taxation, as compared with 7.7 per cent. and 4.8 per cent., respectively, for the previous year. Consequent on this fall, the addition to the reserves has been cut by Rs. 15 lakhs, but the dividend has been maintained at 15 per cent. per annum.

The salient features of the Company's results for the year under review are presented against those for the preceding three years in the following table:

(In lakhs of rupees)

—	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds ..	12,57.95	12,97.48	14,18.78	8,28.27
Other income ..	4.90	5.03	3.25	1.50
Cost of goods sold ..	10,22.19	10,66.03	11,82.26	6,32.25
Selling and other expenses ..	1,13.20	1,04.07	86.12	76.94
Debenture interest ..	6.50	6.50	6.50	..
Gross profit ..	1,20.96	1,25.91	1,46.64	1,17.18
Provision for—				
Bad debts ..	0.30	0.30	0.30	0.30
Depreciation ..	27.78	25.93	38.34	26.92
Taxation ..	37.60	53.05	48.06	40.16
Net profit ..	55.38	66.63	59.84	49.80
To reserves ..	24.00	39.00	32.00	19.00
To debenture expenses	..	..	..	7.76
Dividends—				
6% preference ..	3.57	3.57	3.57	3.60
Ordinary ..	24.00 (15%)	24.00 (15%)	24.00 (15%)†	20.00 (20%)
Carry forward ..	10.83	7.01	6.73	6.01

† On the increased capital of Rs. 1.60 crores raised by the capitalisation of Rs. 60 lakhs from the general reserve in April, 1951.

The sale proceeds have again gone down, due to a reduction in selling prices, but the fall of Rs. 39.53 lakhs compares well with that of Rs. 121.30 lakhs. This is explained by the fact that, whereas, in the previous year, both the volume of goods sold and the selling prices thereof were lower, in the year under review the volume of goods sold was higher than in 1952, thereby offsetting, to some extent, the effect of the reductions in selling prices. To a certain extent, the reduction in selling prices was rendered possible by lower cost of production; this is indicated by the further decline of about Rs. 44 lakhs in the costs as shown in the foregoing table. Selling and other expenses have, on the other hand, gone up by Rs. 9.13 lakhs. The rise in these expenses is accounted for mainly by the increase of Rs. 9.38 lakhs in selling expenses and of Rs. 1.53 lakhs in administration and operating salaries. Office and operating establishment expenses have declined by Rs. 1.78 lakhs. The rise in expenses is evidently due to the increase in the Company's turnover, following the introduction of a new range of products during the year under review.

Nothwithstanding a fall in profit, the Directors have made a higher provision for depreciation on account of the substantial additions to the gross block. The provision for taxation has also been raised by Rs. 4.45 lakhs. This is due to the fact that, while in 1952, the Company had the benefit of double taxation relief for previous years, there has been no such relief in the year under review. On the other hand, the Company has suffered in 1953 certain losses on exchange in respect of Pakistan taxation payments. The decline of Rs. 4.95 lakhs in gross profit and the larger provisions for depreciation and taxation account for the shrinkage of Rs. 11.25 lakhs in net profit. After reducing the allocation to the general reserve, the dividend has been comfortably maintained, as witness the higher sum carried forward.

The financial position of the Company is quite satisfactory, as will be noted from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	2,30,00,000	Gross block	4,54,79,385
Reserves and surplus ...	1,59,82,832	*Less*—Depreciation ...	2,79,62,308
Debenture stock ...	1,30,00,000	Net block ...	1,75,17,077
Provision for taxation ...	3,25,000	Debenture redemption fund ...	11,96,029
Liabilities ...	1,81,75,509	Stores and stocks ...	3,62,59,013
		Investments ...	16,000
		Debts, deposits and advances ...	1,40,47,260
		Cash ...	14,47,962
Rs.	7,04,83,341	Rs.	7,04,83,341

The reserves and surplus stand at Rs. 27.81 lakhs higher than at the close of 1952. The provision for taxation is lower by Rs. 20.75 lakhs, on account of the fact that the Company's income-tax assessments have been completed up-to-date. Current liabilities have been reduced by Rs. 39.34 lakhs. Of the current liabilities, loans from banks account for a decline of Rs. 58.61 lakhs, reflecting the fall in the value of stocks. The liability on account of sundry creditors is, on the other hand, higher by Rs. 19.77 lakhs. On the assets side, there has been a net addition of Rs. 47.73 lakhs to the gross block, mainly on account of additions to buildings, plant and machinery of the value of Rs. 48.60 lakhs. The debenture redemption fund has been strengthened by Rs. 4.08 lakhs. Stocks are lower by Rs. 64.39 lakhs, mainly due to lower costs. As against this, debts, deposits and advances disclose a rise of Rs. 3.39 lakhs and cash balances Rs. 3.66 lakhs. The total current assets, at Rs. 517.70 lakhs, exceed the current liabilities and provision for taxation by a very wide margin of Rs. 332.70 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 34-8. At this rate and on the basis of the latest dividend the yield works out to 4.35 per cent. per annum, free of tax. The relatively low yield, as compared with that available on some of the other first class equities, reflects the popularity of this scrip with investors.

(Concluded from next column)

crores, including the addition of Rs. 13.90 lakhs during the half-year under review, has been written down to Rs. 1.93 crores. The current assets amount to Rs. 3.03 crores and exceed the current liabilities and provision for taxation and cesses by Rs. 54 lakhs.

The Rs. 200 fully paid-up shares of the Company are being currently quoted at Rs. 503 *ex-div.*, at which rate and on the basis of the latest dividend, they gave a yield of about 6 per cent. per annum, free of tax.

MANUFACTURE OF PAPER CONES AND TUBES

A new company will shortly be formed in South India for the manufacture of paper cones, tubes and other specialities. It is understood that the Textile Paper Tube Company, Ltd., Romiley, England, the leading manufacturers in the U.K. of paper cones and tubes, have made arrangements, in conjunction with Messrs. A. & F. Harvey Ltd., Madurai (the Managers of the Madura Mills Ltd.), to set up a factory for this purpose in Punalur (Travancore-Cochin) where there is already a paper mill. The new company, which will be called the Indian Textile Paper Tube Company, Ltd., is expected to commence production within the next 12 months. The consent of the Controller of Capital Issues is said to have been obtained for the issue of capital by the new company. Messrs. A. & F. Harvey Ltd. will be the Managing Agents of the Company.

WIMCO MAINTAINS DIVIDEND ON HIGHER CAPITAL

A decline of Rs. 5.90 lakhs in gross profit of the Western India Match Co., Ltd., (Managing Director: Mr. T. H. Rydin, Bombay), is disclosed by the audited accounts of the Company for the year ended 31st December, 1953. This is in distinct contrast to the increase of Rs. 12.07 lakhs noted in the previous year's profit. After advancing from Rs. 93.97 lakhs for 1951 to Rs. 106.04 lakhs for 1952, the profit has suffered a setback to Rs. 100.14 lakhs for the year under review. This setback is not so serious (the profit still compares very well with that of 1951 and 1950) as to affect the distribution to the shareholders. The return has been maintained, for the fifth year in succession, at the rate of 11 per cent., made up of a dividend of 10 per

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SETBACK IN EARNINGS OF BENGAL COAL

CUT IN RETURN TO SHAREHOLDERS

THE seasonal decline in output, coupled with the loss of production due to an "illegal" strike in September last, together accounting for 75,364 tons or 6.2 per cent., had an adverse effect on the earnings of the Bengal Coal Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) for the half-year ended 31st October, 1953. The gross profit shows, as compared with that for the previous year, a decline of Rs. 12.43 lakhs to Rs. 30.47 lakhs, the lowest since the half-year ended 30th April, 1948. The results would have been far worse than it has been but for an increase in despatches which were higher by 10,600 tons. The net profit has gone down by Rs. 5.77 lakhs. Consequently, the allocation to the reserves has been cut from Rs. 7.50 lakhs to Rs. 2.50 lakhs and the distribution to the shareholders from 17½ per cent. per annum paid for the previous half-year to 15 per cent. by lowering the bonus part of it from 7½ per cent. to 5 per cent. per annum.

It will be recalled that the distribution to shareholders was cut last half-year from 20 to 17½ per cent. per annum, one of the considerations which influenced the Directors in pruning it being "the uncertainty of future trends within the industry," to which the Chairman of the Company made an elaborate reference in his speech at the last annual general meeting of the Company. The Company's performance during the half-year under review has justified a further cut in distribution to the shareholders. The dividend for the half-year under review is the lowest since the Company's capital was doubled in January, 1950. Following this, the distribution for the half-year ended 30th April, 1950, was halved from 35 per cent. to 17½ per cent. per annum, but was enhanced to 20 per cent. per annum for the half-year ended 30th April, 1952. This was maintained for the next half-year also, only to be restored back to 17½ per cent. per annum for the six months ended 30th April, 1953.

The salient features of the Company's financial results for the last four half-years are compared in the following table:

(In lakhs of rupees)

—	For the half-year ended			
	31-10-53	30-4-53	31-10-52	30-4-52
Sale proceeds ..	322.50	315.32	256.33	285.70
Other income ..	5.30	11.26	9.20	8.18
Stocks ..	19.24	23.91	14.83	19.24
Coal purchases ..	21.75	23.85	16.78	25.41
Freight, shipping charges and commission ..	110.80	107.33	59.63	81.89
Other expenses ..	160.11	161.52	142.22	145.30
Gross profit ..	30.47	42.90	42.54	62.08
Provision for—				
Managing Agents' commission ..	1.32	2.29	2.33	3.19
Depreciation ..	12.16	11.20	10.00	7.00
Taxation and cesses ..	7.20	13.35	11.50	21.00
Net profit ..	9.79	15.56	18.71	20.89
E.P.T. refund (net) ..	..	..	..	0.68
To reserves ..	2.50	7.50	7.50	10.00
Dividends—				
4½ per cent. preference ..	0.33	0.33	0.33	0.33
Ordinary ..	7.00 (D. 10% + B. 5% p.a.)	8.75 (D. 10% + B. 7½% p.a.)	10.00 (D. 10% + B. 10% p.a.)	10.00 (D. 10% + B. 10% p.a.)
Directors' commission ..	0.08	0.09	0.10	0.10
Carry forward ..	6.29	6.91	8.03	7.25
	Tons	Tons	Tons	Tons
Raisings ..	11,39,168	12,14,532	10,55,707	11,91,067
Despatches (including coal purchased) ..	13,17,970	13,07,370	12,20,936	12,59,190

The raisings of coal during the half-year under review show a decline of 75,364 tons, as compared with those for the previous half-year, but represent an increase of 83,461 tons as compared with those for the corresponding half-year of 1952. The rise in sale proceeds, despite the fall in output, is on account of the increase in despatches, which, at 1,317,970 tons, represent the highest since the half-year ended 30th April, 1950. The fall of Rs. 6 lakhs in other income is largely accounted for by the decline in commission earned, from Rs. 6.28 lakhs to Rs. 1.48 lakhs. Though there has been a decline in coal purchases by Rs. 2.10 lakhs, it has been more than offset by the rise in freight, shipping charges and commission by Rs. 3.47 lakhs. The provision for depreciation has been raised by nearly Rs. 1 lakh, consequent on the fresh addition to the fixed capital expenditure.

The Company's financial position is quite impressive. The reserves and surplus aggregate Rs. 1.26 crores, as against a paid-up capital of Rs. 1.20 crores. The provision made so far for taxation and cesses amounts to Rs. 35.17 lakhs. The current liabilities aggregate Rs. 2.14 crores. The gross block of the value of Rs. 5.40

(Continued in previous column)

Points From The Chair

Risk Capital by Banks

"IT is also suggested that the banking system in the country, which has been mainly concerned with the supply of commercial credit so far, should undertake the responsibility of helping the industrial sector in finding its requirements for long-term business. This is a responsibility that has also been enjoined on the Indian banking system under the Five-year Plan. Apart from the technical difficulties of the restrictions imposed by the Banking Companies Act, I really wonder how and in what manner the Indian banking system could make this departure without straining its resources which are reasonably fully employed in financing the seasonal trade. The banking organisation could only assist the industries by way of temporary overdrafts or loans, but cannot venture to supply to these manufacturing concerns, what may be termed 'risk capital.' I believe that Industrial Finance Corporations all over the country should undertake this long-term financing of industries."

CHAIRMAN,
Indian Overseas Bank Ltd.

Cheap Money

"To fulfil the big plans and projects, our authorities are relying on deficit finance. It cannot be too often emphasised, however, that there is a danger of inflation if this method of finance oversteps its limits. Whatever steps we may take for the implementation of our development projects and plans we must see that we steer clear of the dangerous rock of inflation. Another check on inflation can be provided by adhering to a dearer money policy. We should not revert to the cheap money policy. We must avoid the mistake of borrowing cheap in future, if we want to avert the repetition of the 1952 crisis. We should be prepared to pay a reasonable rate of interest. If we do this, there will be an even flow of funds into trade and industry."

MANEKLAL PREMCHAND,
Industrial Investment Trust Ltd.

Development in all Spheres Needed

"While it is said that the overall production in the country has been increased, one cannot but express doubts, as so many industries are being closed down. It is only a handful of major industries, like textile, cement, paper and iron and steel, in which there has been increase, but the capacity of absorbing employment of these big industries is very limited. It is the small and medium-scale industries that provide employment in wider area, but these have been hard hit and that is how unemployment is created. If Mr. Deshmukh feels that the total weight of the nation's body has increased, it has to be said that it is not a healthy increase, being one part of the body swelling at the cost of the other limbs... For healthy growth of the nation, development in all spheres is essential and that is what is wanting. This is mostly due to the unsteady policy of the Government."

G. R. SATHE,
Presidency Industrial Bank, Ltd.

Restriction on Jute Crop in Pakistan

"It would appear from reports received here that Pakistan is to restrict the crop now being sown; it is hoped that she has taken into consideration her good fortune in having had favourable weather for her last three crops—unfavourable weather for the next crop could, under the circumstances, have serious repercussions. Pakistan's policy of restricting acreage sown under the jute has, together with the exchange value of her rupee, had the effect of keeping Pakistan raw jute prices approximately 15 per cent. above the price at which Calcutta mills can buy the equivalent qualities of Indian-grown raw jute in their internal markets. Pakistan's action has handicapped her customers—the jute spinning and manufacturing industries of the world—and has made it increasingly difficult for them to compete in world markets with Indian produced goods. While this is a delicate subject, it is my duty to draw Pakistan's attention to the results of her policy."

W. G. N. WALKER,
Jute Industries Ltd.

Financing of Industry Through Insurance Funds

"While on the subject of investments, there is one further matter to which I should like to refer. From time to time statements are made that insurance companies, one of the most effective mediums for private savings, do not invest sufficient of their available funds in providing finance for industry. British insurance companies are as much concerned in the economic health of this country as other financial institutions here and I do not think that this criticism is justified. As regards the funds available for investment on the general side of the business, it must be borne in mind that a considerable volume is transacted overseas, involving the retention there of substantial sums in the provision of reserves. In dealing with the funds accruing from life business, regard must be paid to the obligations to policyholders and our paramount object is, therefore, security. Consistent with our responsibilities in that connection, the published accounts of insurance companies show that investments in industrial debentures, preference and ordinary shares are very considerable and that companies do make a vital contribution to the finance required by industry."

THE RT. HON. LORD BRAND,
North British and Mercantile Insurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Lohat, District Durbhanga, Bihar, 26th April, 1954. Dividend: Re. 1-8 per share. Transfer books remain closed from 17th to 26th April, 1954, both days inclusive.

POONA ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 26th April, 1954. Dividend: Rs. 8 per share. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

BROACH ELECTRIC SUPPLY AND DEVELOPMENT CORPORATION LTD. Annual General Meeting, Bombay, 26th April, 1954. Dividend: As. 12 per share. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

NASIK-DEOLALI ELECTRIC SUPPLY CO., LTD. Annual General Meeting, Bombay, 26th April, 1954. Dividend: Rs. 9 per share. Transfer books remain closed from 12th to 26th April, 1954, both days inclusive.

JAYSHREE TEXTILES LTD. Annual General Meeting, Calcutta, 28th April, 1954. Dividend: *Nil*. Transfer books remain closed from 15th to 28th April, 1954, both days inclusive.

AGARPARA CO., LTD. Half yearly General Meeting, Calcutta, 28th April, 1954. Dividend: As. 8 per share. Transfer books remain closed from 21st to 28th April, 1954, both days inclusive.

RANEGUNGE COAL ASSOCIATION, LTD. Half-yearly General Meeting, Calcutta, 28th April, 1954. Dividend: *Nil*. Transfer books remain closed from 19th to 28th April, 1954, both days inclusive.

KANKNARRAH CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1954. Dividend: Rs. 2-8 per share. Transfer books remain closed from 16th to 30th April, 1954, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 30th April, 1954. Dividend: Rs. 3 per share. Transfer books remain closed from 16th to 30th April, 1954, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Interim dividend of 2½ per cent., free of income-tax, payable on 1st May, 1954, for the year ended 31st December, 1953. Transfer books will remain closed from 3rd to 15th May, 1954, both days inclusive.

AZAM JAHI MILLS LTD. Annual General Meeting, 159, Gunfoundry Road, Hyderabad-Deccan, 6th May, 1954. Transfer books will remain closed from 28th April to 10th May, 1954, both days inclusive.

OOSMANSHAHI MILLS LTD. Annual General Meeting, 159, Gunfoundry Road, Hyderabad-Deccan, 6th May, 1954. Transfer books will remain closed from 28th April to 10th May, 1954, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 6th May, 1954. Transfer books will remain closed from 29th April to 6th May, 1954, both days inclusive.

NUTAN MILLS LTD. Annual General Meeting, Ahmedabad, 6th May, 1954. Dividend: Rs. 30 per share (including a bonus of Rs. 10 per share) free of income-tax. Transfer books remain closed from 19th April to 8th May, 1954, both days inclusive.

REWA COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 7th May, 1954. Dividend: Re. 1 per share. Transfer books will remain closed from 30th April to 7th May, 1954, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 7th May, 1954. Dividend: Rs. 5 per share, free of income-tax, payable on and after 17th May, 1954. Transfer books remain closed from 15th April to 7th May, 1954, both days inclusive.

COONOOR TEA ESTATES CO., LTD. Annual General Meeting, Belmont, Coonoor, Nilgiris, 8th May, 1954. Dividend: Rs. 3-8 per share. Transfer books will remain closed from 26th April to 15th May, 1954, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th May, 1954. Transfer books will remain closed from 3rd to 14th May, 1954, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME.) Annual General Meeting, Calcutta, 18th May, 1954. Transfer books will remain closed from 4th to 18th May, 1954, both days inclusive.

NONSUCH TEA ESTATES LTD. Interim dividend of Re. 1 per share, for the year 1953-54.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Dividend of Rs. 2 per ordinary share, for the year ended 31st December, 1953. Transfer books remain closed from 22nd to 29th April, 1954, both days inclusive.

COMPANY REGISTRATIONS

HINDUSTAN ANTIBIOTICS LTD. (First Director: President of India.) Business: Manufacturers, Buyers, Sellers, Exporters, Importers and Dealers in Penicillin and Penicillin Preparations and all other Antibiotics, Sulpha Drugs, etc. Authorised capital: Rs. 4,00,00,000. Private company. Registered office: To be situated in the State of Bombay.

ARLABS LTD. (First Director: Mr. V. D. Desai.) Business: Manufacturers and Dealers in Indigenous Dyestuffs, Synthetic Dyestuffs, Acid, Mordant, Sulphur, etc. Authorised capital: Rs. 25,00,000. Private company. Address: 272A, Bavla compound, Kala Chowki Road, Chinchpokli, Bombay 12.

CINE INVESTMENT CORPORATION LTD. (First Director: Mr. Goverdhan Das Aggarwal.) Business: Producers, Exhibitors, Distributors and Manufacturers of Cinematographic Films and Pictures. Authorised capital: Rs. 5,00,000. Private company. Address: National House, Tulloch Road, Apollo Bunder, Bombay.

W. R. TALWALKER BROTHERS LTD. (First Director: Mr. W. R. Talwalker.) Business: Agents, Distributors, So'e Concessionaires, Selling Agents and Representatives of any individuals, firms, or companies. Authorised capital: Rs. 5,00,000. Private company. Address: Lentin Chambers, Dalal Street, Fort, Bombay.

QUESTION HOUR IN PARLIAMENT

Chittaranjan Locomotives

THE cost of a locomotive produced in the Chittaranjan Works is Rs. 5.35 lakhs, excluding development expenditure, whereas the estimated landed cost of a similar type from foreign countries is about Rs. 5.59 lakhs. If the number of locomotives produced increases, the cost is bound to go down.

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Mokameh Bridge Project

Approximately Rs. 69.26 lakhs have been spent on the Mokameh Bridge Project up to the end of March, 1954.

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Ganga Bridge

Global tenders for the construction of the main Ganga Bridge have been invited.

—*Deputy Minister for Railways and Transport*

Foreign Exchange

During 1953, the Reserve Bank of India sanctioned about Rs. 23.94 crores to meet the requirements of foreign exchange, including Rs. 18 crores for the U.K. and Rs. 2.47 crores for the U.S.A., on account of deputations, foreign studies, sightseeing tours and remittance of profits by foreign companies in India. The exchange facilities provided under each head are: Deputations (Rs. 6.11 crores), foreign studies (Rs. 1.39 crores), sightseeing tours (Rs. 5.73 crores) and profits of foreign banks and firms, excluding remittance of oil companies, Rs. 16.71 crores.

—*Finance Minister*

Employment Exchanges

The Shiva Rao Committee set up to review the work on the future of employment exchanges in India is expected to submit its report by the end of this month.

—*Labour Minister*

Manganese Plant

An application for the grant of licence under the Industries (Development and Regulation) Act, 1951, for the establishment of a ferro-manganese plant at Rajagada (Orissa) was received in December, 1953. The licence was granted in March, 1954. The Orissa Government has been consulted and it supports the establishment of the plant.

—*Minister for Commerce*

Koyna Project

Negotiations are in progress for securing a World Bank loan for the Koyna Project. The World Bank has given two loans aggregating $29 million for the D.V.C. The total amount withdrawn up to March, 1954, from the first loan was $14,603,157.92. No amount has been withdrawn from the second loan yet. The amount spent on the D.V.C. up to date was Rs. 59,19,65,165. The share of each participating Government was: Central Rs. 16,50,95,165, West Bengal Rs. 29,93,94,000 and Bihar Rs. 12,75,06,000.

—*Deputy Minister for Irrigation*

Swiss Experts

There are at present 13 technicians mainly of Swiss nationality engaged in the machine tool prototype factory at Ambernath. Of these, 10 are on contracts in pursuance of an agreement entered into by Messrs. Oerlikons of Switzerland with the Government of India and the remaining three are on direct contract independently of the firm. There are also 13 Swiss technicians working at Khamaria who have been deputed by Messrs. Oerlikons under a separate agreement, but they are not employees of the Government. They have not been engaged for the manufacture of any particular item, but for the setting up of, and establishing full production at, the machine tool prototype factory, Ambernath, and for the establishment of a project for the manufacture of certain defence stores at Khamaria. Suitable Indian officers have been attached to these technicians to take over from them when they leave. Some of them are also sent to Switzerland for training. It is intended that the Indian officers should replace the Swiss as soon as they are considered to have acquired sufficient experience.

—*Deputy Defence Minister*

Telephones

The Indian Telephone Industries, Bangalore, manufactured 39,997 telephones in 1953.

—*Communications Minister*

Calcutta Telephones

Eight buildings have been completed and one is in progress in connection with the automatic telephone system in Calcutta. So far, the Government has spent Rs. 270 lakhs. Part of the land on which buildings has been erected belongs to the West Bengal Government and the rest is acquired. In selecting the site, technical experts had to take into account the desirability of focussing all the telephone lines at a central place.

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Air Link With Indore

Indian Airlines Corporation proposes to provide and air connection to Indore by a feeder service after it has purchased aircraft suitable for feeder routes.

—*Deputy Communications Minister*

Jute Research

The expert committee appointed by the Indian Central Jute Committee to examine the technological research expansion scheme has submitted its report. The expert committee has recommended that priority should be given to the schemes for (a) woollenising of jute, (b) making cheap wrappers from a mixture of wool and woollenised jute, and (c) making of ply yarn with wool and woollenised jute for knitting purposes.

—*Food and Agriculture Minister*

PROFIT OF RAMNUGGER CANE LOWER DESPITE HIGHER PRODUCTION

AGARPARA JUTE HALVES DIVIDEND

Ramnugger Cane and Sugar Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Anderson Wright, Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st August, 1953.

The factory started crushing on the 26th November, 1952 and continued till 11th April, 1953. A quantity of 21,01,143 maunds of sugarcane was milled with an average sugar recovery of 10.33 per cent. as compared with 17,94,760 maunds and 10.87 per cent., respectively during the previous season.

The total crush was made up of 14,36,653 maunds of cane from the Company's own farms and 6,64,490 maunds of cane from cultivators. The corresponding figures for the preceding season were 11,62,012 maunds and 6,32,748 maunds, respectively. The yield of plant cane per acre from Company's farms was the highest ever obtained. This higher yield more than compensated for the shortfall in recovery percentage, as the quantity of sugar recovered per acre of land recorded a satisfactory increase over previous year's figures.

The minimum price of sugarcane payable by factories was reduced by Government from Re. 1-12 per maund to Re. 1-5 per maund for gate deliveries. No statutory control was exercised by the Government over the price and distribution of sugar, but releases of stocks were so regulated that the industry always had a reserve stock likely to be requisitioned at prices corresponding to the minimum cane price. Accordingly, a quantity of 390 tons amounting to 4.9 per cent. of the production was requisitioned from the factory at a price of Rs. 27 per maund, for grade E27. The balance of the factory's production was sold in the free market including a quantity of 200 tons exported to Japan.

The Government of India reduced the ex-factory price of controlled sugar from 1951-52 season's production in stock with factories on 1st December, 1952, so as to give the consumer immediate benefit consequent upon the reduction in the price of cane. In case of sugar factories in the northern region including the Company's factory, the price was reduced from Rs. 30-8 to Rs. 27 per maund and the difference of Rs. 3-8 was paid by Government direct to factories in the form of subsidy. This subsidy was met from the proceeds of an additional excise duty which was levied at the rate of Re. 1-6 per cwt. on all sugar produced during the season 1952-53.

The statutory price of molasses requisitioned for supply to distilleries in West Bengal was reduced from Re. 1-14 per maund to Re. 1-6 per maund with effect from 4th June, 1953.

The weather conditions during the year under review were very unfavourable for the growth of sugarcane. The rainfall was poor and the prevailing dry conditions adversely affected the standing 1953-54 season crop. Irrigation resources of the Company have now been extended by the addition of more tubewells and pumping sets.

The profit, after deducting all working charges and commissions, and after providing Rs. 1,54,877 (Rs. 1,74,982) for depreciation and Rs. 5,05,000 (Rs. 4,50,000) for taxation, amounts to Rs. 6,89,510 (Rs. 11,44,575) to which is added the amount carried forward from last year of Rs. 1,61,652 (Rs. 3,21,528) making a total of Rs. 8,51,162 (Rs. 14,66,103). This amount the directors recommend, should be dealt with as follows:—

In payment of a cumulative preference dividend at 6 (6) per cent. per annum for the year ended 31st August, 1953, without any deduction in respect of Indian income-tax or Bengal agricultural income-tax paid by the Company Rs. 24,000 (Rs. 48,000 for the years 1951 and 1952); in payment of a dividend on the ordinary shares at 20 (7½ per cent. for 1951 and 20 per cent. for 1952) per cent. per annum for the year ended 31st August, 1953, without any deduction in respect of Indian income-tax or Bengal agricultural income-tax paid by the Company Rs. 3,31,964 (Rs. 4,56,451 for 1951 and 1952) to be transferred to reserve for replacements and extensions Rs. 2,00,000 (Rs. 3,00,000), to be transferred to general reserve Rs. 2,00,000 (Rs. 3,00,000), and to be carried forward Rs. 95,198 (Rs. 1,61,652).

Season 1953-54.—The factory has already completed the season after crushing a quantity of 13,98,985 maunds of cane with an average recovery of 10.05 per cent. These results have been due to extremely dry weather which has affected sugar production all over India, particularly of factories situated in Eastern U.P., Bihar and West Bengal.

The minimum sugarcane price has been fixed by Government at Re. 1-7 per maund for gate delivery for the two seasons 1953-54 and 1954-55, while the additional temporary excise duty of Re. 1-6 per cwt., imposed last year, has been discontinued. The sugar policy otherwise has remained unchanged. The Government, however, have announced that approximately 25 per cent. of the annual production of sugar factories will be treated as reserve stock which can be requisitioned by them at a controlled price of Rs. 27 per maund for E27 grade in case of necessity.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,59,820	Block ...	25,02,428
Debentures ...	6,00,000	Stock ...	16,03,331
Reserves ...	27,50,830	Stores, etc.	10,53,131
Provision for taxation ...	12,44,962	Cane plantation in progress ...	12,18,354
Liabilities ...	13,79,107	Other assets ...	53,911
Profit and loss account ...	95,198	Debts and advances ...	4,82,067
		Cash ...	12,16,395
Rs.	81,29,917	Rs.	81,29,917

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias and Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

With the sum of Rs. 58,243 (Rs. 3,11,246) brought forward from the previous half-year and after providing for depreciation and all other charges, there remains a balance of Rs. 3,96,788 (Rs. 24,43,368) from which the directors have set aside Rs. 2,76,000 (Rs. 8,25,000) for taxation leaving a balance of Rs. 1,20,788 (Rs. 14,68,368) to which has been added the sum of Rs. 3,00,000 (*nil*) transferred from dividend equalisation fund making a total credit of Rs. 4,20,788 (Rs. 14,68,368). This balance the directors propose to dispose of as follows:—

To payment of dividend on 10,000 preference shares at 7 per cent. per annum free of income-tax Rs. 35,000 (Rs. 35,000) and to payment of dividend on 6,00,000 ordinary shares at 10 (20) per cent. per annum free of income-tax Rs. 3,00,000 (Rs. 6,00,000) leaving to be carried forward to next period Rs. 85,788 (Rs. 3,33,368).

In accordance with the provisions of the Indian Jute Mills' Association working time agreement, the Mills worked for 42½ hours per week throughout the half-year with 12½ per cent. of the total looms remaining sealed.

During the period under review, trading conditions continued to be difficult and the gunny market remained depressed but on 14th September, 1953, Government reduced the hessian export duty from Rs. 275 to Rs. 120 per ton.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	46,57,268
Debentures ...	12,00,000	Stocks ...	39,93,429
Reserves ...	56,50,000	Stores ...	8,25,963
Provision for taxation ...	13,83,985	Debts, deposits and advances ...	36,39,637
Liabilities ...	21,56,406	Investments	6,23,198
Profit and loss account ...	85,787	Cash ...	37,36,683
	Rs. 1,74,76,178		Rs. 1,74,76,178

Cambodia Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Coimbatore) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The result of the Company's working for the year after allowing Rs. 1,59,541 (Rs. 1,59,555) for depreciation was a profit of Rs. 6,19,837 (Rs. 4,16,041), to which was added the unappropriated profit brought forward Rs. 93,399 (Rs. 55,358) making a total of Rs. 7,13,236 (Rs. 4,71,399). After deducting dividend paid on cumulative preference shares at 7 per cent. free of income-tax, for the year ended 31st December, 1953 Rs. 7,000 (Rs. 7,000), provision for taxation Rs. 2,60,000 (Rs. 1,71,000), provision for involuntary unemployment to labour Rs. 2,50,000 (*nil*) and transfer to reconstruction and development reserve Rs. 6,579 (*nil*), there remained a balance of Rs. 1,89,657 (Rs. 2,93,399). The directors made payment of a dividend of 7½ (10) per cent. free of income-tax, on the ordinary shares of the Company Rs. 1,50,000 (Rs. 2,00,000) and carried forward the balance of Rs. 39,657 (Rs. 93,399).

It will be observed, that while the gross trading profit for the year showed a considerable improvement on the result of the previous year, the recent Award of the Special Industrial Tribunal has forced on the Company a heavy liability in the form of compensation for involuntary unemployment to labour for the years 1952 and 1953. In these circumstances, the directors paid a dividend of 7½ (10) per cent.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	15,06,790
Reserves ...	20,00,280	Stock-in-trade	18,28,680
Provision for taxation ...	3,12,403	Stores and spare parts	2,77,984
Liabilities ...	12,89,485	Loose tools, etc.	15,067
Profit and loss account ...	39,657	Debts, deposits and advances ...	5,60,634
		Investments	2,33,631
		Cash ...	13,19,039
Rs.	57,41,825	Rs.	57,41,825

Travancore Rubber and Tea Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Aspinwall and Co. (Travancore) Ltd.] submit the audited accounts of the Company for the year ended 31st December, 1953.

The balance in the profit and loss account carried to appropriation account is Rs. 11,98,103 (Rs. 8,71,512). As is customary, the appropriation account bears the necessary provision for depreciation on buildings and machinery, also full provision for taxation has been made at current rates. Unsold stocks at the time of closing are valued at market rates. The balance of Rs. 6,78,477 (Rs. 5,16,606) in the appropriation account is carried to the balance sheet.

Sale averages for both tea and rubber in 1953 show a welcome increase, and have enabled the Company to make a useful profit.

The rubber crop harvested amounted to 34,722 lbs. in excess of estimate, and had it not been for the cessation of Sunday tapping, resulting from legislation introduced in May, would have equalled the 1932 figure. It is satisfactory that in spite of the lower crop figure estate expenditure per lb. shows no material increase. Comparative figures for the last four years are given:

(Cents per lb.)

	Crop	Estate expenditure	All-in cost	Average sale price	Net profit
	Lbs.				
1950 ..	10,36,978	50.42	71.86	85.89	14.03
1951 ..	10,94,201	53.30	87.18	120.09	32.91
1952 ..	10,39,098	64.55	90.63	124.46	33.83
1953 ..	9,89,722	64.91	98.49	129.27	30.78

The Company no longer manufactures any group 4 rubber, which is difficult to sell, and concentrates on producing the maximum percentage of the best sheet rubber, which is being taken up regularly by a large manufacturing firm on the basis of the present Government control rates for rubber which are in force until September, 1955. It is conservatively estimated that 9,80,000 lbs. of rubber will be collected during 1954. Estate expenditure is estimated at 70.15 cents per lb.

Tea—in spite of a late monsoon it was hoped that the estimate of 11,75,000 lbs. would be exceeded, but dry conditions at the end of the year, coupled with the severe attack of helopeltis on Vellani Division, reduced the crop to 11,50,696 lbs.; this figure compares with 12,11,542 lbs. in 1952 and exceeds the 1951 crop of 11,23,542 lbs.

Except for 12,417 lbs. B.O.P. shipped to London, all the Company's teas were sold to advantage at Cochin auctions. As from the first auction in 1953 improved tea prices have been obtained, resulting in a sale average of 186.22 cents per lb., showing a rise of 31 cents over the 1952 figure. Comparative figures of tea crops, cost and revenue for the last four years are placed below:—

(Cents per lb.)

	Crop	Estate expenditure	All-in cost	Average sale price	Net profit
	Lbs.				
1950 ..	9,19,957	120.61	157.06	183.01	25.95
1951 ..	11,23,763	116.89	158.90	197.73	38.83
1952 ..	12,11,542	125.16	144.67	155.21	10.54
1953 ..	11,50,696	122.76	160.26	186.22	25.96

Tea prices in 1954 so far show an improvement as compared with the same period last year, and 50 per cent. of the Company's 1954 production of B.O.P. and B.O.P.F. has been sold forward for the year at higher than last year's average. For 1954 it is estimated that 11,75,000 lbs. of tea will be produced at an estate expenditure of 123.06 cents per lb.

In 1953, rainfall less than average and unevenly distributed affected the tea crop adversely, whilst non-Sunday tapping reduced the rubber crop. At the moment the Company's tea and rubber crops are behind last year's harvesting and further rains are required to help the estates through the hot weather months. Rubber prices for the year are fixed by Government control, and prospects of the continuance of remunerative prices for tea appear good.

The Plantations Labour Act becomes operative as from 1st April, 1954 and obligations under this Act will increase all estates' working costs materially and will involve capital expenditure, but details are not yet available, and the financial burdens involved cannot yet be estimated.

The profit and loss account after deduction of the interim dividend of 2½ (*nil*) per cent. and preference dividends paid, leaves an available balance of Rs. 7,59,669 (Rs. 7,45,692), and the Board recommends disposal as under:—

Payment of a final dividend (first and final) on the paid up ordinary capital, of 7½ (6) per cent. Rs. 3,07,500 (Rs. 2,46,000), transfer to non-executive staff retirement fund Rs. 30,000 (Rs. 20,000), transfer to dividend equalisation fund Rs. 50,000 (Rs. 2,00,000), transfer to rubber replanting reserve Rs. 67,500 (*nil*) and leaving to be carried forward a sum of Rs. 3,04,669 (Rs. 2,79,692).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,00,000	Block ...	66,15,335
Reserves ...	12,98,284	Stock-in-trade	6,19,346
Provision for taxation ...	5,81,216	Stores and spare parts, etc. ...	2,02,384
Liabilities ...	4,77,036	Other assets	48,467
Profit and loss account ...	7,59,669	Debts, deposits and advances ...	44,321
		Investments	6,04,004
		Cash ...	6,82,268
Rs.	88,16,205	Rs.	88,16,205

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

MONEY MARKET DULL

(From Our Own Correspondent)

BOMBAY, 21*st April*

Three days have now passed since the Government of India's National Plan Loan opened for public subscription on the 19th inst. But no visible effect of the flotation of the new loan has so far been felt on the short-term money market. Since the last report was written, conditions in the market have remained dull. The seasonal demand for funds has somewhat abated and there have been an influx of funds, but the supplies have not been enough to ease the stringency. The undertone, therefore, remains firm, with no change in interest rates. Inter-bank call money is still earning 3 per cent., though some stray transactions are being done at 2½ per cent. after clearing hours.

Short-term deposits continue to be bid at 3 per cent. for one to three months and 2½ per cent. for four to 12 months.

As stated last week, there has been no borrowing by the Government through Treasury Bills this week.

The statement of affairs of the Reserve Bank of India for the week ended 16th April, 1954, as compared with that for the previous week, discloses a further expansion of Rs. 3.72 crores in notes in circulation, following the enlargement to the extent of over Rs. 40 crores in the previous two weeks. With the aforesaid increase, the notes in circulation stand at the end of the week under review at Rs. 1,230 crores, as against Rs. 1,165 crores at the end of the corresponding week of 1953. Notes held in the Banking Department have declined by Rs. 3 73 crores in the week under review. In the Banking Department, Central Government deposits show a fall of Rs. 9.28 crores, while those of the State Governments account for an increase of Rs. 2.52 crores. There has been a decline of Rs. 18.75 lakhs in deposits of banks. Cash balances are lower by Rs. 3.74 crores, as also balances held abroad by Rs. 58.96 lakhs. Ways and means advances to Governments show a decline of Rs. 68 lakhs. Other loans and advances have risen by Rs. 1.30 crores. Of these loans, advances to Scheduled banks against usance bills account for an increase of Rs. 1.88 crores. The total amount of such advances to banks since 1st January, 1954 is Rs. 53.22 crores, an increase of Rs. 2.40 crores over the week.

The Scheduled banks' statement for the week ended 9th April, 1954 discloses that the upward trend in bank credit was being maintained in that week, Loans, cash credits and overdrafts show a rise of Rs. 5.70 crores and bills purchased and discounted Rs. 96.29 lakhs, bringing the total advances to Rs. 552.16 crores, which represent not only an increase of Rs. 21.18 crores over those at the end of the corresponding week of 1953 but a rise of Rs. 12.30 crores over the peak level of Rs. 529.86 crores touched on 8th May, 1953. There has been no corresponding rise in banks' deposits during the week under review. In fact, demand deposits are lower by Rs. 36 lakhs. Time deposits have, however, risen by Rs. 2.42 crores. Inter-bank borrowings have declined by Rs. 1.29 crores. Borrowings from the Reserve Bank are up by Rs. 4.55 crores, while those from the Imperial Bank are down by Rs. 1.89 crores. There has been a decline of Rs. 2.51 crores in investments, and of Rs. 9.79 crores in total cash.

The Gilt-edged market suffered a perceptible setback during the week under review. There was selling pressure all-round, the medium and long-dated issues being the worst sufferers. The rot set in early in the week in 3 per cent. 1986 Conversion with a sudden drop of As. 14 to Rs. 82-2 on Thursday. Though there was a recovery to Rs. 82-4 on Saturday, the sentiment was shaken and from Monday onwards there was again a recession which spread to other loans also. The undertone at the close was easy.

3 per cent. 1957 was on offer and dropped As. 2 to Rs. 98-5, while 3 per cent. 1958 was unchanged at Rs. 98-4. 3 per cent. 1959-61 had sellers at Rs. 96-7, that is As. 2 below the previous week's rate. 3 per cent. 1963-65 and 3 per cent. 1964 declined by As. 3 to Rs. 92-14. 3 per cent. 1966-68 shed As. 2 to Rs. 90-6. 3 per cent. 1970-75 was done at Rs. 86-9 *ex-voucher*, as against Rs. 87 *cum-voucher* last week. 3 per cent. 1986 Conversion Loan suffered a loss of Re. 1 to Rs. 82. 3 per cent. 1961 National Plan Bond also encountered heavy selling and lost As. 7 to Rs. 98-14.

There was no change in the rupee-dollar exchange rate during the week under review. In the U.S. market, there was a further accession to strength by sterling, albeit by a fraction. The spot sterling moved between $2.81¾—2.81¾ and $2.81-13/16—2.81-15/16 before closing yesterday at the latter rate. The forward sterling (3 months) advanced from $2.81¼—2.81¼ to $2.81-5/16—2.81-7/16 and transferable sterling from $2.78¾—2.79 to $2.79—2.79¼. It is stated that the demand for sterling in London on American account, as well as on account of the leading continental centres, was heavy, while there was a genuine shortage of sterling.

LINSEED PRICES MAINTAINED

(Messrs. A. Bradley & Co.)

CALCUTTA, 19*th April*

Despite a generally firm undertone, the linseed market remains quietly steady and prices appear to be almost unchanged. Arrivals from upcountry are very poor, whilst buyers have not shown much interest except at lower prices. There has been some speculative activity for forward delivery, but buyers appear to be more cautious. The turnover has on the whole been small. Owing to poor demand, the oil section has been rather inactive, although prices remain fairly steady. Latest quotations are: Ready Rs. 19-6 and June-July Rs. 19-12 per maund.

RECOVERY IN BULLION AT CLOSE

(From Our Own Correspondent)

BOMBAY, 21*st April*

A feature of the trading on the Bullion Exchange during the week under review was the revival of some hectic speculative activity in silver. As a result, the white metal experienced wide fluctuations in prices. Gold also followed an irregular pattern in sympathy, but the variations were not so wide and frequent as in silver.

The selling pressure in silver which began towards the close of the previous week persisted early in the week under review also, causing a heavy drop in prices. As the forward price fell below Rs. 171-2, the margin against bulls which was enforced in the previous week, became inoperative. Thereafter, there was a recovery on revival of bull support and purchases by option dealers. But Monday this week witnessed the reversal of the trend again, consequent on heavy unloading by bulls, coupled with selling by bear operators, on settlement considerations, which run out yesterday. As the decline in the forward rate for the May settlement was more than Rs. 5 from the starting rate for that settlement, there was an automatic clearing on Monday. But the selling pressure was not arrested. In fact, one of the bull operators turned a bear and sold heavily yesterday. Some of the bulls also joined hands and pressed sales, in order to enforce margin on bears. In this effort, they succeeded yesterday, when the closing price for the May settlement stood more than Rs. 7 below the starting rate, and bears were forced to pay a margin of Rs. 500 per bar. The selling was so heavy that the price in Bombay fell below those in other centres. There was, therefore, a rush for buying today not only by local dealers but also by upcountry dealers, with the result that there was a sharp jump in silver prices, wiping off a good part of the earlier losses. However, the white metal finished the week with a loss of Re. 1-4 on balance.

In the gold section, arrivals were on a fairly large scale in the earlier part of the week, and the offtake did not keep pace with the arrivals. There was, therefore, a setback in prices. Later on, arrivals slackened, resulting in a hardening of the rate.

The re-opening of the gold market in London recently was the subject matter of interpellations in the House of the People last week. In reply to a question, the Finance Minister said that the re-opening of the London gold market was expected to have no repercussions in India, as gold prices were higher in India than outside and as residents of the sterling area would not be permitted to buy gold freely in London. In reply to another question, he said that the Government of India had no intention to give direction to the Reserve Bank of India to sell gold, either to buy dollars or for other purposes.

Silver for forward delivery (20th April settlement) opened the week at Rs. 171-1, but dropped on the opening day itself to Rs. 169-3. After a recovery to Rs. 171 on Saturday, there was a landslide to Rs. 165-15 yesterday when the settlement ran out. Business in the next settlement (19th May) began at Rs. 171-7. After moving down to Rs. 169-5, this settlement regained strength to touch Rs. 171-3 on Saturday. Yesterday, it fell to a low of Rs. 166-1 before finishing at Rs. 169-8 today.

Ready silver (.996 Mint) opened at Rs. 171-13 and closed at Rs. 169-9, the highest and lowest levels touched being Rs. 171-15 and Rs. 165-14, respectively. The floating stocks of silver are estimated at 1,600 bars. The daily average offtake was 20 bars.

Opening at Rs. 93-8, gold for forward delivery (19th April settlement) retreated to Rs. 91-12 on Monday, before the settlement ran out at Rs. 92. Forward gold for the May settlement (18th May) began at Rs. 92-15 and drifted lower to Rs. 90-11 yesterday. The closing today was, however, better at Rs. 92-9.

The opening and closing prices of ready gold were Rs. 94-6 and Rs. 93-7, respectively. The highest and the lowest levels touched were Rs. 94-11 and Rs. 91-7, respectively. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals of gold were 6,000 tolas. The daily average offtake was 5,000 tolas.

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

	21-4-54	Highest	Lowest	13-4-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	93 7	94 11	91 7	94 10
Forward	93 9	93 13	90 11	93 10
Sovereign	60 8	61 8	60 4	60 4
SILVER				
Ready (.996 fine Mint)	169 9	171 15	166 4	171 5
Forward	169 5	171 8	165 15	170 9
London Ready	73¼d.	—	—	73¼d.
London Forward	73¼d.	—	—	73¼d.
London Gold	248s.7½d.	248s.7½d.	248s.7d.	248s.8d.
New York Ready	85¼c.	—	—	85¼c.

DEMAND FOR TEA FALLS

(From Our Own Correspondent)

CALCUTTA, 20*th April*

A fall in general demand was the feature of the sales for internal consumption held last week, when offerings of dusts consisted of approximately 19,500 chests. Prices of almost all varieties moved down by half an anna, but the best leafy C.T.C. Assams were steady and the price was raised up by half to one anna. The quotations were: best Assam C.T.C. Rs. 2-4-6, medium Dooars Rs. 2-1, medium Assam grainy dusts Rs. 2-2. In contrast, the leaf market witnessed very strong conditions because of the small quantity on offer, viz., 360 chests. Prices realised were above valuations.

COTTON PRICES LOOK UP

(From Our Own Correspondent)

BOMBAY, 21*st April*

Sentiment in both the forward and spot markets in cotton has been on the whole healthier during the week under review. Though hesitation still marks the activities in the forward market, confidence has returned largely as a result of the revival of mills' interest in the spot market. The statistical position is also beginning to be felt. The widening of the difference between the two contracts to over Rs. 16, too has gone to induce a greater balance in the outstanding business, because a part of the straddle trade has been liquidated. This has brought about purchases in May contract with sales against earlier purchases in the August contract. Had it not been for the too obvious eagerness on the part of some longs in the maturing contract to lighten their burden, as a result of this rise in the price of May contract, the price of May would have been more steady than at present.

Though hedges by spot houses are not likely to be lifted altogether, a movement to transfer these to the later contract is now in evidence. This is also calculated to restore the balance further and to narrow down the gap between the two contracts. The final result will depend, however, on the readiness of bull operators in the forward market to take delivery, and, looking to the conditions in the spot market at present, it is likely that there would be less hesitation now to do so. This fact will, in itself, go far to reduce the quantity tendered for delivery next month. Technical considerations, such as room rates, also will play some part. But, on the whole, a stampede of unloading in May, which was feared at one time, with its upsetting effect on the market, is not now likely. The only danger to the forward market at present is from the very depressing influences from other forward markets, especially from bullion, because of a large amount of interlocked trade, owing to the identity of certain large-scale operators in both the markets. This might upset all reasonable calculations and create a panic where grounds for none exist.

As expected, after the long stretch of holidays leading to a closure of the spot market, there is a revival of mills' demand at Sewri. Conditions in the cloth market are very helpful at present and consumption of Indian cotton, in spite of Government's discouragement, has been on the increase. Unless there is a fillip to imports later in the season, the pressure on the diminishing supplies of Indian cotton, especially of good quality, is bound to increase. Imports may not go beyond 600,000 bales, unless traders are allowed to import U.S. cotton on their own account, for which a move has been set on foot by the trade. All these conditions will operate with greater force in the case of spot trading than in the forward market.

The presence of the 11-member U.S. Farm and Agricultural Trade Mission in Bombay this week might result in some concession by way of extra facilities for import of U.S. cotton in the country, for which this mission is seeking markets in Asia. Apart from Japan, India is the biggest consumer of cotton in Asia, in general, and of U.S. cotton, in particular. It is the short supply of dollars which prevents a greater consumption of U.S. cotton in this country and greater restrictions by the authorities on imports of this cotton. If the mission can succeed in removing this difficulty with regard to exchange, there is bound to be a greater inflow of U.S. cotton in the coming months. This might ease the supply position as well as that with regard to the staple-very-of. At present, this is the only factor which the spot market has to take into account in its operations and expectations.

There has also been some reduction in the price of East African and Sudan cotton at recent auctions. But this reduction though insignificant, is not enough to upset the advantage which U.S. cotton enjoys in the Indian market, if exchange difficulties can be overcome. Import trade might also revive in the coming months because of reduction in the price of Egyptian cotton, which is based on New York futures. But there is little of the type of cotton required by India now left at Alexandria. In any case, whatever the source of imports, some revival in import trade in the spot section is sure to be a feature of trading during the next month or two.

The cotton futures market did not experience any wide fluctuations in prices during the week under review. The tendency, however, was generally upwards. I.C.C. May began the week with a steady note at Rs. 671 and, in following encouraging reports from the spot section, gradually moved up to Rs. 682 on Monday. At higher levels, profit-taking set in and the contract receded to Rs. 675 yesterday. Support was again in evidence today when it recovered to Rs. 678, before closing lower at Rs. 676-12. The net gain over the week was to the extent of Rs. 5-8. I.C.C. August opened at Rs. 683 and, after advancing to Rs. 699 on the 19th inst., drifted lower to Rs. 689-8 early today. Towards the close, however, it staged a recovery to Rs. 693-8. The net gain was Rs. 8-8. The spread between the two contracts which was Rs. 13½ last week-end widened to Rs. 16¾ today.

The following is the trend of prices in the forward market during the week under review:

	Closing 13-4-54	*High*	*Low*	*Closing* 21-4-54
I.C.C. May ...	Rs. 671½	682	671	676¾
I.C.C. Aug. ...	Rs. 685	699	685	693¾

Latest available quotations from the spot market are: Bengal *deshi* Rs. 625; Berar Jarillas Rs. 795; Khandesh Rs. 870; Vijay Rs. 900; Oomra *deshi* Rs. 745; Moglai Rs. 715.

India's interest in the Karachi market is admittedly theoretical. While the tendency towards lower prices at New York, Alexandria, Kampala and Khartoum, which are its natural rivals, is bound to affect prices at Karachi, the statistical position there is not such as to cause much anxiety either to the trade or to the authorities. Receipts

in Karachi during this season till the beginning of this month amounted to 1,048,977 bales, as against 1,429,891 bales during the same period last year. Exports this year during this period came to 753,615 bales, as against 994,700 bales in the preceding season. Excluding the carry-over, Karachi has still to dispose of nearly 250,000 bales of this year's crop. The Continent, which used to favour Karachi, is gradually losing interest in this market, especially now that the spinners in Europe are reported to have covered the requirements for months ahead. The U.S. cotton is likely further to replace Pakistan cotton in these markets, with liberal cash credits given to some of the countries in Europe for the purchase of American cotton. Sooner or later, Karachi will, therefore, be forced to peg down the rates, if it wants to dispose of this quarter of a million bales on its hands. Latest quotations from Karachi market are: Sind *deshi* Rs. 79; Punjab *deshi* Rs. 76 to Rs. 77-4; 4F Punjab Roller Rs. 79-8; S.G. Rs. 85; L.S.S. Punjab Roller Rs. 82; S.G. Rs. 86-8; N.T. Roller Rs. 82-8; S.G. Rs. 87-8; 289F Punjab Roller Rs. 85-8; S.G. Rs. 90.

At Alexandria, there has been easing of prices all round, as a result of the decline in the New York market. Some centres on the Continent and the U.K., however, are still interested in Giza 30. Turnover at Alexandria is very much smaller in recent weeks, in marked contrast to the hectic activities early in the season.

At New York, both the new crop and the old crop deliveries have suffered decline, as a result of welcome rains in certain cotton producing areas previously suffering from droughts. But trade demand for export has remained steady. This, together with some short-covering, gave some support to prices. The undercurrents are uncertain and there is every possibility of a two-sided movement in the near future.

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

(In cents per lb.)

	20-4-54	12-4-54	6-4-54
Spot	35.20	35.00	35.10
May	34.10	34.05	34.24
July	34.22	34.22	34.41
October	33.78	33.76	34.03
December	33.76	33.74	34.02

ART SILK YARN RECOVERS

(From Our Own Correspondent)

BOMBAY, 21*st April*

Although easy conditions were witnessed during the early sessions of the week under review, the art silk yarn market staged a recovery yesterday which was fully maintained today. The initial easiness was the result of three bearish factors, namely, uncertainty regarding excise duty on art silk fabrics, large arrivals of imports, and reports of competition among Continental yarn producers to capture business in India, following the recent bulk purchase agreement signed by an Italian manufacturer with the Silk and Art Silk Mills' Association, Bombay. All these factors combined to induce selling pressure in art silk yarn and values drifted lower. The downward movement persisted till the close of the market on Monday. Yesterday, however, the market gained strength, thanks to the substantial relief in excise duty on art silk fabrics announced by the Union Finance Minister, and prices staged a recovery. But the recovery was not so pronounced as to make up the previous losses, so that today's closing quotations were lower than those eight days before.

In the forward section, 150D April contract receded from Rs. 774 to Rs. 758 on Monday. After recovering to Rs. 771 today, the contract finished a shade lower at Rs. 770. 150D May contract dropped Rs. 17 to Rs. 762 on the 19th inst., but improved to Rs. 775 today. In the spot section, 150 Japan fell by As. 2 to Rs. 4-9, but recovered to Rs. 4-11. 150 Italy, after declining from Rs. 3-14½ to Rs. 3-12, rose to Rs. 3-14. 120 Italy moved irregularly between Rs. 4-3 and Rs. 4-6 before closing at Rs. 4-4. 120 Japan, however, was fully steady at Rs. 4-13.

It is reported that several art silk yarn producing firms on the Continent have of late shown much interest in expanding their business with India. They are said to be offering favourable terms in the form of special terms and discounts. Some have even expressed their willingness to offer yarn at specially low and attractive prices. It now appears that the Syndicate of European yarn producers is now practically dissolved, the members being free to sell their product at the rates and on terms which suit them most. This development may not, however, be expected to bring about a marked decline in yarn prices in the country, what with the restrictions placed by the Government on imports. Much will also depend on the trend of the art silk fabrics and cotton piecegoods markets.

The staple fibre yarn section moved in sympathy with the art silk yarn market. An irregular trend was in evidence in the early sessions with alternate bouts of profit-taking and short-covering induced by rumours regarding excise duty on staple fabrics. Following the Finance Minister's proposal not to treat staple fibre as art silk for purposes of the excise duty on art silk fabrics, the traders thought that it would give impetus to larger production of staple cloth from domestic or imported raw staple fibre. Most of the yarn producing units which had either closed down or curtailed output were expected to reopen. This expectation induced considerable buying enquiries for yarn and prices forged ahead, with gains spreading to both forward and spot sections.

Staple fibre yarn (40×2) for April contract moved up by Rs. 16 to Rs. 699 before closing at Rs. 698. May contract rallied 19 points to Rs. 706, although it was a shade lower at Rs. 704 towards the close. In the spot section, 40×2 New Great was specially favoured and was taken an anna and a half higher at Rs. 3-10-3. Kohinoor, Century, Hind, Hirji and Sitaram gained an anna each to Rs. 3-11, Rs. 3-8-9, Rs. 3-8-3, Rs. 3-7 and Rs. 3-9, respectively. Among foreign yarn (40×2), Suico was better by half an anna at Rs. 4-2. Shinco and Fuji improved by a like amount, the former to Rs. 4-1-6 and the latter to Rs. 4-0-6. Aurora was fully steady at Rs. 4-1-6.

Steady trend in raw cotton prices and encouraging offtake in piecegoods markets induced good buying support for cotton yarn. The upward trend in values registered last week was maintained this week too. The improvement was particularly noticeable in the coarse varieties. Thus, among 20s, Hind advanced by As. 4 to Rs. 17-4. Edward and Madura rose by As. 2 each to Rs. 16-12 and Rs. 19-6, respectively. Seksaria gained an anna to Rs. 16-12. Among 10s, Podars was half an anna higher at Rs. 13-5. Modern was fully steady at Rs. 13-6 and Elphinstone at Rs. 12-12. Among 40s, Madura hardened by As. 12 to Rs. 28-8. Among 60s, City evoked excellent buying support and was marked up by Rs. 2-4 to Rs. 50. Finlay was unaltered at Rs. 59. Among 80s, Elphinstone was picked up at Rs. 60-12, as against Rs. 60-8. Finlay, however, lost a rupee to Rs. 65 and Sri Ram fell by As. 8 to Rs. 61-8.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted yesterday, as compared with those eight days before:—

	21-4-1954	13-4-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 April (per case of 200 lbs.)	770 0	774 0
150 May	775 0	779 0
120 Japan (per lb.)	4 13	4 13
150 Japan (per lb.)	4 11	4 11
120 Italy (per lb.)	4 4	4 8½
150 Italy (per lb.)	3 14	3 14½
Staple fibre yarn—		
40 × 2 April (per case of 200 lbs.)	698 0	683 0
40 × 2 May	704 0	687 0
Suico (per lb.)	4 2	4 1½
New Great (per lb.)	3 10½	3 9½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 6
10s Madura	19 6	19 4
20s Madura	25 0	25 0
40s Madura	28 8	27 12
60s City	50 0	47 12
80s Sri Ram	61 8	62 0
90s Khatau	—	57 8

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 21*st April*

The firm trend witnessed last week gathered further momentum this week. This was partly due to generally encouraging advices from Madras and Adoni, where the Calcutta interests were reported to be hectically covering their commitments. There were also reports of large-scale smuggling of vegetable oils into Pakistan. Consequently, even the rumour that forward business in oilseeds might be prohibited in upcountry centres failed to damp the enthusiasm of operators. As a result, business done in the market was considerable and prices soared, thereby recording substantial gains over the week.

The genuine traders and consumers, as well as the Bombay Oilseeds Exchange, have been much perturbed over the persistent rise in oilseeds prices. Small wonder, the Bombay Oilseeds Exchange has suggested, in a telegram to the Chief Controller of Imports, New Delhi, that free imports of palm oil, palm *kernel* oil, coconut oil and cottonseed oil should be permitted. It has also urged token Imports of linseed oil, which is available at much cheaper prices abroad, since imports would help in realising the Government's objective of bringing down the prices of oils and oilseeds.

The firm trend was pronounced in groundnuts, on support from *vanaspati* interests. It was also due to the rumour that the Government would take into consideration, in the computation of quotas for export of H.P.S. groundnut kernels, the export to soft currency areas also in any one of the calendar years, namely, 1951, 1952 and 1953, as the case may be. As a result, Bold F.A.Q. shot up from Rs. 35-12 to Rs. 36-14. April-May and June-July advanced from Rs. 35-4 and Rs. 35-10 to Rs. 36-4 and Rs. 36-9, respectively. Khandesh quality gained Re. 1-2 to Rs. 38. Groundnut oil ready was higher by As. 10 at Rs. 19 and railway receipt by As. 6 at Rs. 18-12. April-May and June deliveries were done higher at Rs. 18-12, Rs. 18-14 and Rs. 19, as against Rs. 18-6, Rs. 18-9 and Rs. 18-11, respectively.

The linseed section ruled steady in sympathy with groundnuts. The firm trend in mustard seed in North Indian markets was also responsible for it. Linseed Bold ready rallied As. 10 to Rs 26-10. April-May and June-July deliveries were higher by As. 13 and As. 11 at Rs. 26-12 and Rs. 26-15, respectively. Linseed oil gained As. 2 to Rs. 15-2.

The castorseed section too ruled firm, mainly due to speculative support. Castorseed May delivery, which opened at Rs. 111-4 as against Rs. 111-2, fluctuated between Rs. 115-4 and Rs. 110-10 before closing the week at Rs. 114-2. The September contract disclosed a gain of Rs. 2-6 at Rs. 120-8; the highest and the lowest touched during the week were Rs. 121-10 and Rs. 117-12, respectively. Madras quality ready advanced from Rs. 23-4 to Rs. 23-14. Castor oil BSS moved up by As. 4 to Rs. 12-12 and First Pressure by As. 10 at Rs. 12-14. Commercial quality was steady at Rs. 11-12.

Even *kardi* and *niger* seeds proved no exception to the general firm trend in the market. Bold ready firmed up by As. 12 to Rs. 19-4 and June-July delivery by Re. 1-1 to Rs. 19-12. *Niger*, Madras gained As. 4 to Rs. 29-12.

The following table shows the prices of oilseeds and oil on the 21st inst., as compared with those at the end of the previous two weeks:

	21-4-54	13-4-54	7-4-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	38 0	36 14	36 4
April-May	36 4	35 4	34 6
June-July	36 9	35 10	34 13
Linseed—			
Bold Ready (per cwt.)	26 10	26 0	25 4
April-May	26 12	25 15	24 9
June-July	26 15	26 4	24 12
Castorseed—			
May 1954 (per candy)	114 2	111 2	110 2
September 1954	120 8	118 2	117 4
Madras (per cwt.)	23 14	23 4	22 13
Groundnut oil—			
Ex-mill Ready (per quarter)	19 0	18 6	17 14
Castor Oil—			
Commercial (per quarter)	11 12	11 12	11 12

SUGAR PRICES SLUMP

(From Our Own Correspondent)

BOMBAY, 21*st April*

There was a sharp fall in sugar prices in the Bombay sugar market during the week under review, following the Central Government's decision to sell its reserve stocks (25 per cent. of current season's output) and imported sugar at a uniform price of Rs. 31 per maund all over India upto 15th May, 1954, and thereafter at Rs. 30 per maund. Those who had tried to corner their stocks, immediately after the forward sales in sugar by mills were banned, began to unload their holdings while buyers displayed a reserved attitude in expectation of a further downward trend. Arrivals of sugar, too, were a little larger, being 4,600 bags, as against 3,000 bags in the previous week. The consequent fall in prices more than wiped out the gains registered in the previous week. Actually, today's closing quotations were substantially lower than those two weeks ago.

The fall in prices was in marked evidence in the spot section. Large grain sugar was hammered down from Rs. 105-Rs. 110 to Rs. 100-Rs. 102 per bag. Small grain slumped by Rs. 6 to Rs. 95. Medium grain was lower at Rs. 97-Rs. 98, as against Rs. 103. Among foreign sugars, British refined was the worst sufferer, with a loss of Rs. 4 to Rs. 95 per bag of 2 cwts. Czechoslovakian receded from Rs. 100-Rs. 102 to Rs. 97-Rs. 98 per bag of 2 cwts. Cuban dropped Rs. 4 to Rs. 39-8 per 100 lbs. Mexican fell by Rs. 3-12 to Rs. 43.

In the forward section, *Chaitra* delivery which had gone up to as high as Rs. 92-4 last week was squared up at Rs. 88-8 per bag. *Vaishak* delivery declined by Rs. 2-8 to Rs. 87-8.

The Central Government's move to sell its reserve stocks and imported sugar at a uniform price throughout the country is regarded in market circles as a big pincer move to trap in all channels, it is said, have been dislocated as a result of this move. It, however, remains to be seen how speedily and efficiently the scheme will be implemented and the despatches effected by the mills against release orders issued by the Food Ministry. Some are inclined to feel that a serious lacuna still remains to be filled in so far as the release orders are concerned. As these are to be issued by the Food Ministry direct and not by the respective Regional Directors, some delay, fore, felt that, if disposals of sugar are to be speeded up, the Regional Directors should be empowered to issue release orders to specific mills up to a certain quantity.

As regards sugar distribution, it appears that the two trading bodies in the city—the Bombay Sugar Merchants' Association and the *Shakkar Vypari Mandal*—have each been allocated 23,000 bags of sugar for being distributed among the members. Meanwhile, consumers of, and dealers in, sugar from Hyderabad, Madhya Pradesh, Gujrat and other places in Bombay State are daily coming into the market to submit their tenders under the Government-sponsored scheme of distribution.

TEA IRREGULAR

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 17*th April*

The offerings in dust sale "G" which was held on Tuesday, 13th April, amounted to approximately 152,000 lbs. There was a good general demand and although prices were a little irregular the market remained steady.

London Market.—After easier opening, closed firm.

Colombo Market.—No sale this week.

Calcutta Market—Export.—No sale this week.

Dust.—24,900 packages. Less general demand. Market irregularly half anna easier. Best C.T.C. strongest feature.

Special Licence.—At the beginning and throughout the week small business has been effected at 36 pies, but sellers are scarce.

1954-55 Export Quota.—At the beginning and throughout the week a fairly large volume of business was done at 42-43 pies, which remains today's quotation.

Forthcoming Auctions.—Sale No. 8 will be held on Tuesday, 20th April, and dust sale "H" will be held on Tuesday, 27th April, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"Sale 8.—9,60,000 lbs. Less demand. Prices irregularly one to two annas dearer for everything. Whole leaf grades strongest feature and dearer, particularly orange pekoes."

DECLINE IN RAW JUTE ARRIVALS

(From Our Own Correspondent)

CALCUTTA, 20*th April*

Conditions in the jute markets were again steady this week, which was short of three working days on account of holidays. Prices were well maintained. Argentina is stated to have bought 15,000 tons of hessian for June-July shipment, for which tenders had been called earlier in the week. The market anticipates more business from Argentina. The United States was also interested in hessian for July-September shipment. Ready hessian 40" 10 oz. opening at Rs. 43-8 was soon pushed to Rs. 44-2 last Thursday. The improvement yesterday took the rate up to Rs. 44-10. Although production of jute goods, during March, was higher at 75,600 tons as against 68,300 tons in February, the fact that mills were reducing the percentage of production of hessian to that of sacking brought in an element of firmness to hessian. Foreign consumers were reluctant to follow the increase in prices, but shippers had to accept offers to honour commitments. Most of the benefit from the higher prices was derived by the bazar stockists as mills had only little to offer. Shrewd market men realise that the upward trend cannot be maintained in the coming weeks, in view of Continental competition. In the heavy goods section, a moderate quantity was bought for shipment to Australia. Ready B. twills improved to Rs. 110-4 from Rs. 109-2, and the July-September position to Rs. 107-10 from Rs. 106-10. Very firm conditions prevailed yesterday and this raised the rate further to Rs. 112.

Foreign demand for jute goods during recent months has shown that it is difficult to establish a correct relationship between the percentage of production of sacking and that of hessian. One or the other is often higher, but an overall increase in production is not yet called for, although no difficulty is anticipated for meeting raw material requirements even in the event mills decide to increase working hours. The question centres around demand, which supports neither an increase in overall output nor the establishment of any new mill. In this context, Assam's desire to establish a jute mill should be stiffly resisted, and the news that the Central Government is not agreeing to the proposal of a private party to establish a jute mill in Assam suggests that there is full realisation in New Delhi of the industry's views in this regard. Assam is a major producer of raw jute, particularly of superior types. Being sympathetic to Assam's desire to have a mill, the Union Government is reported to be attempting to persuade a mill in West Bengal to shift to Assam. If any of the West Bengal mills agrees to this suggestion, it would indeed be welcome. The loss of production during the time this transfer takes place and the considerable money that would be required for this purpose are deterrent considerations. Perhaps, the Government will come forward with helpful proposals to effect such a transfer.

The raw jute market was firm. Fresh arrivals were small, and sellers were reserved. Mills bought small quantities, although they resisted paying higher prices. For, mills are not benefited by the present rise in the rates for jute goods, since even before this improvement, forward positions had been booked up. As such, it is difficult to see how the better trend of prices in jute goods can be maintained in the days to come. This is, of course, usually the period when raw jute looks up. With depleted stocks and mills' need to consider every offer of raw jute sale in order to enable them to plan their manufacturing programme, stockists of raw jute insist on their terms. This year, owing to the delay in rain in several districts, the new crop would take more time than usual for coming to the market. For the same reason, a near estimate of the crop is not available. So, when raw jute prices are forced up, stockists of jute goods lose no time to push up prices, although such a trend is harmful to mills. At Rs. 28-8, northern bottoms gained As. 8, and Assam bottoms were higher at Rs. 28. Jat bottoms came to business at Rs. 31, and Murshidabad tossa bottoms were enquired at Rs. 28.

FOODGRAINS QUIET TO BEARISH

(From Our Own Correspondent)

HAPUR, 19*th April*

Foodgrains and pulses markets remained quiet to bearish during the week under review, and prices in the spot section moved within a narrow range. The Indian Food Minister, Mr. R. A. Kidwai, has expressed the hope that the Government would remove the remaining controls on wheat and rice at an early date, in view of the continuous improvement in their supply position. The main problem today is, according to Mr Kidwai, the question of movement of foodgrains from place to place. The transport problem is expected to be solved soon facilitating easier movement of foodgrains from place to place. The Union Minister for Agriculture, Dr. Punjabrao Deshmukh, has expressed the confidence that India's agricultural production would be doubled in five to ten years' time. If the present pace in agricultural production is maintained, India will not be required to look to any country for help to feed the people.

Rice is again in the news this week. The Indian Food Minister claims that rice is available in plenty now in the country. India has produced enough for its requirements. The first shipment of rice from Burma under the new agreement will be arriving in a few days. It is announced that, by the middle of May, after a few shipments of Burma rice have reached, rice rationing will have been lifted totally in Bombay. Assam, a deficit State till now, has a surplus of nearly 72,000 tons of rice and Mysore is faced with unsold stocks amounting to 30,000 tons. In these areas, prices of rice are reported to be considerably lower than the Government rates and, if this position continued, prices may, it is feared, decline to an uneconomic level to the farmers. It is learned that India will export 200,000 tons of rice this year and this is the first time it is doing so after the lean years of the war and post-war period. Japan and China have asked for this rice. Canada may also be interested in our better quality rice as, indeed, it was before the war.

With regard to wheat, it is revealed that India has not made any proposal to the International Wheat Council for imports and a boat which was coming empty now has been asked to bring 10,000 tons. It is quite likely that India will be using another ship like that and bring in another 10,000 to 15,000 tons, but no decison has been taken regarding large-scale import of wheat. India imported 29,650 tons of foodgrains from abroad during the first three months of 1954. They included 9,250 tons of wheat, 12,300 tons of rice and 8,100 tons of milo. In addition, 9,900 tons of rice have been received from the Government of Ceylon in exchange for indigenous rice to be supplied to it. The total quantity of rice procured during these three months was 690,750 tons.

According to the final estimates of the current year's *rabi* crops, the area is put at 5,472,000 acres and the yield at 1,564,000 tons. The revised estimates published some time ago placed the two figures at 5,428,000 acres and 1,238,000 tons, respectively. Mysore and Hyderabad have contributed mostly to the increased yield this year.

It has been decided to allow, with immediate effect, free movement of rice on trade account witnin the zone comprising Punjab, P.E.P.S.U., Himachal Pradesh and Bilaspur States. Exports out of the zone will not be allowed. The zoning arrangement for the free movement of wheat in the above-named States will come into force from 1st May next. Government, however, continues to issue unrestricted quantities of wheat from its sale depots in Delhi at the issue price of Rs. 15-8 per maund.

Harvesting of *rabi* crops is nearly over in U.P. and threshing operations are in full swing. Market arrivals have also begun. The supply position is steadily easing and, with this, prices of nearly all the cereals, particularly wheat, are coming down. Wheat prices have also fallen in Punjab and Madhya Pradesh. Gram has remained stationary, since arrivals are poor in face of a moderately good demand. Gram supply position in Bombay and Madras has now considerably improved, following recent receipts. There has been some bearish reaction on rice prices also. Assam and Bihar reports confirm easier conditions. Prices may fall still lower, with the crop movement gathering full momentum. As stated above, *rabi* crop prospects this year raise hopes of an increased yield.

KIPS RULE DULL

(From Our Own Correspondent)

MADRAS, 19*th April*

The kip market has remained steady and trading with the U.K. has been dull due to proximity to Easter holidays. Stockists decline to accept lower prices and shippers think that the bottom has been reached. Enquiries for cow calf and buff calf have been poor. Arrivals of tanned buff heavies have been small and met with keen competition.

In the tanned skins section, prices rule firm, due to good clearance. There were good enquiries for tanned goat skins from the Continent and the U.S., and a few sales of drysalted goat skins to the U.S. have been reported.

PHILIPS

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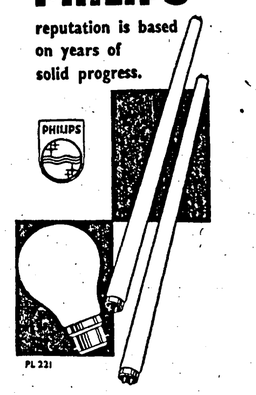

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BUFF RECEDES

(From Our Own Correspondent)

KANPUR, 18*th April*

During the week under review, the conditions of the hides and skins market were slightly different from those in the previous week, inasmuch as there was an easily detectable downward trend in the prices of wet salted buff which is the second important category of the market. The other facets of the market were more or less the same. Wet salted cow was in brisk demand.

Latest quotations are: Wet salted cow, 1st grade Rs. 240 and 2nd grade Rs. 160 per score; wet salted buff, 1st grade 1 lb. 14 ozs. to 2 lbs. and 2nd grade 2 lbs. 4 ozs. to 2 lbs. 8 ozs. per rupee; goat skins, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces. Sheep skins Rs. 250 to Rs. 300 per 100 pieces.

COMPANY AFFAIRS

(Concluded from page 796)

cent. and a bonus of 1 per cent. But the distribution for 1953, being on a higher capital raised during the year by capitalising Rs. 55 lakhs out of the general reserve, the sum required for this purpose absorbs Rs. 6.05 lakhs more than in the previous year.

The following comparative table shows, at a glance, the salient features of the Company's financial results for the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Gross sale proceeds	11,09.80	11,85.11	11,04.30	11,23.46
Closing stocks	41.57	27.10	24.05	18.57
Other income	11.09	15.88	6.91	6.61
Purchases of finished goods	0.01	2.20	14.95	8.46
Excise duty	5,89.72	5,09.75	5,75.86	5,46.33
Manufacturing and other expenses	4,94.99	5,26.06	5,21.89	4,65.23
Gross profit	1,00.14	1,06.04	93.97	93.87
Managing Agents' commission	8.16	9.22	8.25	8.38
Provision for—				
Depreciation	18.30	13.50	11.43	10.05
Taxation	30.65	33.15	32.00	31.00
Net profit	43.03	50.17	42.29	44.44
To Shahdara Factory goodwill written off	..	0.01	..	..
To reserves	4.56	20.00	12.00	17.00
To dividend	30.25 (D. 10% + B. 1%)	24.20 (D. 10% + B. 1%)	24.20 (D. 10% + B. 1%)	24.20 (D. 10% + B. 1%)
	4.08	..	8.27	4.19
To gratuity	..	..	..	..
To extra commission to Managing Agents	4.08	4.01	4.12	4.19
Carry forward	4.28	4.21	2.86	4.16

The Directors report that, for most of the year under review, the Company's factories in India worked to their full capacity, but reduced consumption, coupled with increased competition from the low-priced products of subsidised cottage manufacturers, resulted in a somewhat lower production and sales towards the end of the year. Reflecting the lower production and sales are (1) the decline of Rs. 76 lakhs in sale proceeds, (2) the increase of Rs. 14 lakhs in the value of closing stocks, and (3) the fall of Rs. 30 lakhs in excise duty paid. The provision for depreciation has been raised by Rs. 4.80 lakhs, consequent on the sizable fresh addition made to the fixed capital expenditure. The cut in the provision for taxation follows the fall in gross profit. Although the decline in net profit, at Rs. 43.03 lakhs, is only Rs. 7.14 lakhs, the allocation to the reserves has been reduced substantially by Rs. 15.44 lakhs. The sum of Rs. 4.56 lakhs added to the reserves from the profit for the year under review represents the allocation to the general reserve, as against Rs. 17.50 lakhs provided last year. In addition, a sum of Rs. 2.50 lakhs was transferred last year to the dividend equalisation fund.

The paid-up capital of the Company was raised during the year from Rs. 2.20 crores to Rs. 2.75 crores, by the capitalisation of Rs. 55 lakhs from out of the sum standing to the credit of the general reserves. This was the fourth time that the Company raised its paid-up capital by capitalisation of reserves.

After the capitalisation of Rs. 55 lakhs in 1953, as aforesaid, the reserves and surplus as on 31st December, 1953, stand at Rs. 73.52 lakhs, as against a paid-up capital of Rs. 2.75 crores. The provision for taxation amounts to Rs. 1.02 crores and current liabilities aggregate Rs. 1.39 crores. There has been an addition of Rs. 36.79 lakhs to the fixed capital expenditure during the year, bringing the gross value of the block account to Rs. 2.50 crores. As against this block, a depreciation fund of Rs. 1.50 crores has been built up. The current assets amount to Rs. 4.90 crores, representing more than twice the current liabilities and provision for taxation. Of the current assets, cash balances alone account for Rs. 1.39 crores.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 211-14 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 5.5 per cent. per annum, free of tax.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	9th April 1954	A week ago	A month ago	A year ago.
RESERVE BANK					
Issue Department					
Notes in circulation	173.44	1,226.28	1,207.04	1,194.00	1,166.23
Notes held in Banking Departments	25.06	10.67	10.63	8.27	8.25
Foreign Securities	89.50	678.15	658.15	648.15	598.15
Rupee Securities	57.89	421.84	421.84	421.84	449.86
Banking Department					
Deposits of:					
Government of India	14.89	60.61	63.89	99.06	98.35
Other Governments	..	27.08	33.95	21.51	21.71
Balances held abroad	10.08	74.77	96.04	97.92	127.68
SCHEDULED BANKS					
Demand Liabilities	184.87	539.86	541.51	525.76	543.72
		(7.07)†	(8.85)†	(7.19)†	(13.01)†
Time Liabilities	102.84	327.84	325.41	329.57	317.89
		(1.23)†	(1.23)†	(1.43)†	(2.06)†
Borrowings from Reserve Bank	..	26.02	22.37	28.78	14.97
		(13.18) ‡	(9.00) ‡	(16.40) ‡	(0.99) ‡
Borrowings from Imperial Bank	..	11.55	18.44	11.65	9.20
Cash in India	6.71	31.26	31.88	31.75	32.39
Balances with Reserve Bank	25.28	41.56	50.45	40.19	43.34
Excess over statutory limits	15.52	8.02	16.67	7.82	9.81
Balances with other banks in current account in India	..	11.20	11.58	10.97	14.16
Money at call and short notice in India	..	10.43	10.63	10.71	15.81
Investments (at book value)	..	316.33	318.83	318.03	301.67
Advances and bills	105.09	552.16	545.50	530.85	530.99
IMPERIAL BANK					
Deposits	87.76	212.43	216.89	206.43	219.24
Investments	51.99	90.05	92.17	89.92	53.12
Advances	50.87	127.79	124.96	125.04	132.09
Cash	14.69	15.59	14.90	14.96	15.67

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against suance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	15th April, 1954		9th April, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,25,953	49,65,94,000	2,56,521	58,39,28,000
Calcutta	1,23,070	86,20,13,835	1,64,405	68,39,84,707
Madras	54,095	5,20,81,038	78,777	7,50,04,853
All Centres—				
1953	..	..	1,06,41,941	26,79,51,57,000
1954	..	..	1,14,83,214	26,45,06,03,000
Jan., 1954	..	..	2,794,000	5,75,54,00,000
Feb., ,,	..	..	2,721,000	5,76,25,00,000

Reserve Bank of India

Statement of Affairs for the week ended 16th April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		51,83,01,000
(2) Other Governments		29,60,10,000
(b) Banks		42,14,81,000
(c) Others		45,37,50,000
Bills Payable		6,13,46,000
Other Liabilities		23,94,19,000
	Rupees	208,52,57,000

ASSETS	Rs.	Rs.
Notes		6,94,11,000
Rupee Coin		18,77,000
Subsidiary Coin		8,55,000
Bills Purchased and Discounted—		
(a) Internal		39,50,000
(b) External		....
(c) Government Treasury Bills		14,18,51,000
Balances held abroad*		74,17,51,000
Loans and Advances to Governments		90,00,000
Other Loans and Advances		37,90,31,000
Investments		64,85,25,000
Other Assets		9,01,99,000
	Rupees	208,52,57,000

* Includes Cash and Short-term Securities.

N.B.—The Item 'Other Loans and Advances' includes Rs.15,06,00,000 advanced to Scheduled Banks against suance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against suance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 58,22,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	6,94,11,000	
Notes in circulation	1230,00,26,000	
Total Notes issued		1236,94,37,000
Total Liabilities		1236,94,37,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	678,15,11,000	
Total of A		718,16,82,000
B. Rupee Coin		97,48,85,000
Government of India Rupee Securities		421,88,70,000
Internal Bills of Exchange and other commercial paper	....	
Total Assets	....	1236,94,37,000

Ratio of Total of A to Liabilities: 58.060 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 9th April, 1954

		Rs.
1.	Demand Liabilities in India:	
	(a) Borrowings from banks	7,06,05,000†
	(ab) Other demand liabilities	532,79,66,000
2.	Time Liabilities in India:	
	(c) Borrowings from banks	1,27,50,000†
	(cc) Other time liabilities	326,56,30,000
3.	Cash in India	31,26,41,000
4.	Balances with the Reserve Bank in India	41,56,45,000
5.	Balances with other banks in current account in India	11,19,67,000
6.	Money at call and short notice in India	10,42,89,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	316,32,64,000
8.	Advances in India	477,93,24,000
9.	Inland Bills purchased and discounted in India	74,23,17,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
19th January ..	1.00	1.01	1.00	2 8 0	100
27th ,, ..	1.00	1.81	1.00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th ,, ..	1.00	1.01	1.00	2 9 0	99
16th ,, ..	1.00	1.09	1.00	2 9 11	92
23rd ,, ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th ,, ..	1.00	1.00	1.00	2 10 11½	71
16th ,, ..	1.00	1.27	1.00	2 11 0	79
23rd ,, ..	1.00	1.01	1.00	2 11 0	99
30th ,, ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.48	1.00	2 10 9	63
13th ,, ..	1.00	1.93	1.00	2 10 9	44
Total ..	13.00	16.91	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India† ..	1950-51	359.23	..	9,580	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18.67	Kyats. .. 3,166	317	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84.80	Y. 4,849,400	6,414	761
Philippines ..	1952	20.63	Ps. 7,084	1,675	811
New Zealand ..	1952	2.00	£ (N.Z.) 646	861	4,307
Australia ..	1952	8.65	£ (A.) 3,521	3,756	4,342
U.K. ..	1952	50.48	£ 13,648	18,197	3,606
U.S.A. ..	1952	156.98	$ 290,400	139,292	8,806
Canada ..	1952	14.48	$ 16,135	8,168	5,662
France ..	1952	42.50	Fr. Fr. 10,190,000	13,364	3,145
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	46.88	Lr. 5,112,000	6,181	1,318
Norway ..	1952	3.32	Kr. 16,596	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,716	1,489	3,346
Switzerland ..	1952	4.82	S. Fr. 20,100	2,189	4,541

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source: United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 9th April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		4,00,00,000
Deposits:—		
(a) Central Government		21,89,20,000
(b) Provincial Governments		1,09,00,000
(c) Banks		12,22,80,000
(d) Others		2,48,12,000
Bills Payable		9,44,000
Other Liabilities		5,03,37,000
	Rupees	49,81,93,000

ASSETS	Rs.	Rs.
Notes		6,94,11,000
Rupee Coin		6,000
Subsidiary Coin		55,000
Bills Purchased and Discounted:—		
(a) Internal		....
(b) External		....
(c) Government Treasury Bills		2,75,00,000
Loans and Advances to Governments		8,99,05,000
Provincial Governments' Debtor Balances		5,50,15,000
Other Loans and Advances		19,62,85,000
Investments		10,56,95,000
Other Assets		
	Rupees	49,81,93,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,47,58,000	
Notes in circulation	234,58,90,000	
Total Notes issued		240,16,48,000
Total Liabilities		240,16,48,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	47,95,34,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,38,91,000	
B. Rupee Coin	4,99,60,000	99,75,49,000
Government of Pakistan Securities	131,16,64,000	
Internal bills of exchange and other commercial paper	....	
		136,16,24,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		240,16,48,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.18 per cent.

EXCHANGE RATES

	21st April, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-5¼	1-5¼
Buyers T.T. 10 to 12 months	1-5¼	1-5¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	475	475¼
Buyers T.T. Rs.	471¾	471¾
London on New York	$ 2.81 ⅜–2.81 ⅝	$ 2.81–2.81 ⅜
London on Paris	980–986½	983–984
London on Zurich Rs. Fcs.	12.22½–12.22¾	12.21–12.22½
New York on London	$ 2.81–2.81 ⅜	2.81–2.81 ⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Australia ..	24th Sept., 1952	5	4
Belgium ..	28th Oct., 1953	3	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1952	3½	3
Denmark ..	22nd Sept., 1953	4½	3½
Finland ..	16th Dec., 1951	7½	6
France ..	4th Feb., 1954	3½	3½
Greece ..	18th July, 1946	15	18
India ..	16th Nov., 1951	3	3½
Italy ..	9th April, 1952	3½	3
Japan ..	1st Oct., 1951	4½	6.84
Netherlands ..	7th April 1953	3	2½
New Zealand ..	24th July, 1952	3½	4
Norway ..	9th Jan., 1946	2	2½
Pakistan ..	1st July, 1948	2	3½
Portugal ..	15th Jan., 1953	4	3½
South Africa ..	27th Mar., 1952	3	3½
Spain ..	18th May, 1953	3½	4
Sweden ..	20th Nov., 1952	4½	4
Switzerland ..	26th Nov., 1936	2	2½
Turkey ..	26th Nov., 1953	4	5
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R. ..	1st July, 1924	8	4
U.S.A. ..	16th April, 1954†	1½	1¾
West Germany ..	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue ..	10.66	10.07	84.60	82.62
Protective ..	0.59	0.59	5.01	5.53
On surplus disposals ..	—	0.03	0.03	0.19
Total import duties ..	11.25	10.76	90.64	87.34
Export Duties ..	3.21	1.96	43.24	30.21
Land Customs ..	0.23	0.16	2.14	1.88
Miscellaneous ..	0.11	0.07	0.92	0.55
Gross total customs ..	14.78	14.17	130.94	119.48
Refunds and drawbacks ..	0.19	0.21	2.18	1.80
Net Customs ..	14.59	13.96	128.76	117.68
Gross excise ..	6.98	8.29	62.11	69.39
Refunds ..	0.16	0.16	1.16	0.78
Net Excises ..	6.81	8.14	60.95	68.66
Net total of customs and excise ..	21.50	22.10	195.70	186.64

Imperial Bank of India

Statement of Affairs for the week ended 16th April, 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		210,81,76,000
Borrowings from other Banking Companies Agents		7,00,00,000
Bills Payable		3,75,59,000
Bills for Collection being Bills Receivable as per contra		34,62,000
Acceptances, Endorsements and Other Obligations as per contra		47,000
Other Liabilities (including Inter-Office Adjustments)		3,81,13,000
Total	Rs.	235,70,87,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,68,47,000
Balances with other Banks		8,55,39,000
Money at Call and Short Notice		80,00,000
INVESTMENTS—		
Government and other Trustee Securities	75,76,82,000	
Other Authorised Investments	10,50,40,000	
		86,26,22,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	93,50,06,000	
Bills Discounted and Purchased	29,30,88,000	
		122,80,94,000
Bills Receivable being Bills for Collection as per contra		34,62,000
Customers' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		47,000
Premises less Depreciation		1,55,40,000
Furniture and Fixtures less Depreciation		41,97,000
Other Assets (including Inter-Office Adjustments)		3,09,62,000
Total	Rs.	235,70,87,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates † 5-Year Outstandings*	5-Year Receipts	7-Year Outstandings*	7-Year Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates § Receipts	2½% Ten-Year Treasury Savings Deposit Certificates § Outstandings*
1945-46 ..	1.47	76	74	22.40	22.86	25.67	29.91	—	12.21	..
1951-52 ..	6.08	77	2.91	22.08	66.81	1,07.54	74.18	—	27.44	15.10	15.39
1952-53 ..	6.84	66	2.87	23.06	84.18	1,19.86	91.01	—	31.06	7.54	25.04
January 1953 ..	6.54	4	2.19	2.02	80.77	2.83	86.09	—	30.81	58	24.48
February ,, ..	6.61	5	2.23	1.94	82.14	2.86	89.38	—	31.06	60	25.04
March ,, ..	6.54	9	2.27	2.64	84.16	3.16	91.01	—	31.20	56	25.38
April ,, ..	6.60	8	2.27	2.54	85.95	2.96	91.01	—	31.06	60	25.04
May ,, ..	6.63	4	2.29	2.06	87.57	2.55	93.80	—	31.30	56	25.38
June ,, ..	6.72	4	2.31	2.25	89.33	2.43	93.80	—	31.53	65	25.03
July ,, ..	6.76	11	2.33	2.23	91.02	10.28	95.23	—	31.78	59	27.56
August ,, ..	6.67	9	2.44	2.23	92.53	2.76	96.07	—	32.08	66	28.89
September ,, ..	6.69	12	2.53	2.04	94.38	2.70	97.78	—	32.36	66	28.57
October ,, ..	6.81	11	2.58	1.97	95.89	2.53	97.78	—	32.71	59	29.41
November ,, ..	6.83	9	2.65	2.03	97.37	2.80	97.78	—	32.90	54	29.85
December ,, ..	6.27	14	2.74	2.23	98.95	2.85	97.55	—	33.23	65	30.84
January, 1954 ..	6.16	13	2.82	2.08	1,00.47	2.91	98.31	—	33.53	45	30.75
February ,, ..	..	..	..	..	..	2.91	99.23	—	33.77	50	31.25
										54	31.00

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 2-year and 7-year National Savings Certificates were issued from June 1948. § Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 11-4-'53	13-3-'54	3-4-'54	10-4-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	86.5	89.4	89.8	90.7
1. Government of India	90.3	90.2	90.4	90.5
2. Indian States	95.6	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.3	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	101.5	101.4	101.4
1. Electricity	103.0	102.7	102.7	102.7
2. Jute	93.8	98.8	98.8	98.8
3. Plantations	100.0	99.7	99.6	99.6
4. Sugar	99.1	100.7	100.7	100.7
5. Coal	89.9	90.4	90.6	90.6
6. General Engineering	97.8	103.8	103.3	102.9
7. Shipping	101.1	102.3	102.3	102.3
8. Others	99.9	100.6	100.7	100.7
PREFERENCE SHARES	86.2	87.8	88.3	88.3
1. Electricity	97.7	98.3	95.9	95.9
2. Cotton	83.4	85.4	85.8	85.7
3. Jute	84.6	87.7	88.3	88.4
4. Coal	89.9	90.8	90.2	90.2
5. Iron and Steel	93.4	91.5	91.8	92.1
6. Sugar	73.0	74.1	76.9	76.9
7. Paper	81.7	87.7	87.4	87.4
8. Plantations	85.3	89.6	89.9	89.9
9. Miscellaneous	82.4	85.5	86.4	86.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	82.6	102.3	102.9	103.5
(a) Financial	85.5	88.5	87.9	87.7
1. Banks	84.4	87.1	86.2	86.2
2. Insurance	86.4	99.0	102.4	101.2
3. Investment Trust	75.4	77.7	77.6	78.1
(b) Public Utilities	104.3	117.5	113.1	113.0
1. Electricity	114.7	117.8	118.8	118.8
2. Shipping and other Transport	85.9	105.8	107.9	106.6
3. Railways	82.8	85.4	85.5	86.0
(c) Manufacturing industries	84.3	105.3	105.8	107.5
1. Cotton, Woollen and Silk	91.9	105.3	102.7	103.2
2. Jute	80.0	83.9	91.7	90.9
3. Iron and Steel	103.5	119.3	124.1	127.6
4. Paper	153.0	181.1	185.8	185.7
5. Cement	111.6	122.8	126.7	127.5
6. General Engineering	105.0	130.8	135.6	140.1
7. Sugar and Breweries	82.8	88.0	89.4	90.9
8. Chemicals	93.6	110.7	112.0	112.6
(d) Non-Manufacturing industries	89.3	108.8	110.1	111.1
1. Coal	69.1	70.7	76.3	76.8
2. Mining and Oil	120.9	164.2	162.9	163.4
3. Plantations	82.0	105.3	108.7	110.3
(e) Miscellaneous	83.3	94.8	93.1	93.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.2	89.8	90.1	90.2
2. Calcutta	90.3	90.3	90.4	90.7
3. Madras	90.7	90.6	90.8	90.9
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.2	101.5	101.4	101.3
2. Calcutta	101.5	102.2	102.2	102.2
3. Madras	100.6	100.1	100.0	100.0
PREFERENCE SHARES	94.4	92.6	92.7	93.0
1. Bombay	81.2	84.7	85.2	85.2
2. Calcutta	87.0	88.7	90.0	89.7
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	100.2	111.1	113.5	114.2
1. Bombay	87.8	94.8	94.3	94.8
2. Calcutta	89.0	100.7	100.3	100.6
3. Madras	89.8	104.2	105.4	107.1
4. Delhi	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,321	3,818,928
1952 ..	963	809,242	3,336,011
1953† ..	989	532,267	3,380,709
January 1953 ..	93	308,331	674,349
February ,, ..	88	62,180	218,607
March ,, ..	97	43,432	143,493
April ,, ..	134	69,437	254,886
May ,, ..	118	50,998	204,555
June ,, ..	101	69,281	257,983
July ,, ..	88	40,764	171,288
August ,, ..	87	46,552	148,533
September ,, ..	96	57,878	460,553
October ,, ..	94	78,181	349,618
November ,, ..	83	48,746	278,245
December ,, ..	81	57,324	153,017
January 1954† ..	85	43,383	244,414
February ,, ..	45	26,477	193,411
March ,, ..	67	58,281	216,207
April ,, ..	72	49,132	216,253
May ,, ..	88	36,617	276,216
June ,, ..	99	80,357	252,279
July ,, ..	87	48,068	181,122
August ,, ..	74	53,083	223,154
September ,, ..	106	44,663	407,278
October ,, ..	100	80,097	402,002
November ,, ..	87	41,031	244,811
December ,, ..	79	40,330(a)	472,947
January 1954 ..	75	49,500	220,618

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	573	5,948.1	4,549.9
1952-53 ..	614	@ 301.4	5,134.3
August 1952 ..	592	521.6	456.7
September ,, ..	597	510.4	439.6
October ,, ..	599	548.2	441.5
November ,, ..	605	529.7	438.4
December ,, ..	606	552.2	457.8
January 1953 ..	611	535.5	441.8
February ,, ..	614	498.6	417.4
March ,, ..	614	548.0	458.7
April ,, ..	615	538.0	436.1
May ,, ..	620	560.4	456.1
June ,, ..	622	548.8	450.2
July ,, ..	627	558.0	471.0
August ,, ..	629	567.9	468.9
September ,, ..	633	573.5	464.1
October ,, ..	634	584.1	468.7
November ,, ..	637	563.1	458.7
December ,, ..	640	593.8	486.9

* Excluding railway, military and factory power stations, Cauvery Power Station, being interconnected with the Tata Power System, has been included 2 Incudine, purchases from non-electric utilities.
At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	3rd April, 1954	27th March, 1954	4th April, 1953	February, 1954	February, 1953	Percentage of increase (+) or decrease (—) in Feb., 1954 as compared with Feb., 1953	1953-'54	1952-'53
Food Articles	380.5	378.0	359.1	373.3	361.6	+ 3.2	384.4	357.8
Cereals	429	432	432	435	430	+ 1.2	451	444
Pulses	378	371	427	397	411	—36.7	450	507
Other	337	299	247	281	233	+20.6	278	223
Industrial Raw Materials	484.0	481.4	445.4	471.3	440.1	+ 7.1	467.7	436.9
Fibres	451	446	401	457	404	+13.1	432	423
Oil seeds	518	518	558	526	527	— 0.2	574	485
Minerals	434	430	459	444	460	— 3.5	449	459
Others	400	404	365	403	363	+11.0	375	333
Semi-Manufactures	358.7	357.2	350.6	360.1	347.2	+ 3.7	359.2	342.8
Leather	380	387	443	397	421	— 5.7	403	397
Mineral oils	221	221	223	221	223	— 0.9	224	223
Vegetable oils	490	484	451	499	463	+ 7.8	534	446
Cotton yarn	453	450	446*	451	402*	+ 2.0	442	452*
Metals	240	237	226	227	223	+ 3.9	229	218
Oil Cakes	417	417	407	427	414	+ 3.1	433	430
Others	306	306	217	305	230	+32.8	291	255
Manufactured Articles	377.0	375.8	367.6	368.3	367.	+ 0.1	367.4	371.2
Textiles	421	419	404	408	405	+ 0.7	405	411
Jute	421	415	380	427	390	+ 9.5	408	440
Cotton	418*	418*	407*	403*	406*	— 0.7	406*	409*
Rayon and Silk	530*	526*	512*	493*	477*	+ 3.4	431*	476*
Woollen	313	313	313	313	298	+ 5.7	314	323
Metal products	340	337	336	337	338	— 0.3	337	330
Others	286	286	290	283	288	— 1.7	285	294
Miscellaneous	703.8	690.0	604.0	693.9	595.9	+16.6	686.6	614.1
All Commodities	399.0	396.8	382.3	395.0	381.6	+ 3.5	397.5	389.6

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944-100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gwalior 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
August ,,	144	340	267	312	460

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,646†	74,209††	27,079†	22,495††
Wheat	"	24,041	25,450	6,768	6,839
Jowar 2nd	"	41,265†	39,698††	5,350†	4,514††
Bajra	"	25,268	22,639	2,922	2,299
Barley	"	7,500	7,835	2,664	2,893
Maize	"	8,798	8,078	2,607	2,021
Ragi	"	5,472†	5,428††	1,564†	1,238††
Gram	"	17,267	16,957	2,771	2,983
Kab. Pulses*	"	11,593	11,559	2,063	2,047
Small Millets	"	12,170	11,834	1,992	1,891
Jute	bales	1,196†	1,817††	3 12-0†	4,605††
Cotton 3rd	"	15,058†	13,672††	2,266†	2,467††
Sugarcane 2nd	tons	4,101†	4,292††	5,110†	5,040††
Groundnut	"	11,256†	11,850††	3,772†	2,884††
Linseed	"	3,344	3,402	356	316
Castorseed	"	1,268†	1,357††	107†	108††
Rape and Mustard Seed	"	5,155	5,015	828	916
Sesamum 3rd	"	5,928†	5,614††	516†	431††
Tobacco (supp)	"	795	712	219	210
Pepper	"	208	202	22	23
Ginger	"	46	47	14	15
Dry chillies	"	1 2 0	1,884	301	341

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Mar., 1954	75.6
	Corresponding month 1953	74.4
	Nine months ended Mar., 1954	644.4
	Corresponding period 1953	671.7
Stocks	At the end of Mar., 1954	92.0
	Corresponding month 1953	138.8
		(In 000 bales)
Exports (Jute Bags)	Week ended 20th Mar., 1954	2.216
	Corresponding week 1953	1.801
	From 1st Jan., to 20th Mar., 1954	75.115
	Corresponding period 1953	42.245
		(In 000 yds.)
Exports*† (Jute Cloth)	Week ended 20th Mar., 1954	5.067
	Corresponding week 1953	4.500
	From 1st Jan. to 20th Mar., 1954	236 901
	Corresponding period 1953	281,533
	RAW JUTE	(In 000 bales)
Exports*	Week ended 20th Mar., 1954	—
	Corresponding week 1953	—
	During Dec., 1953	—
	Corresponding period 1952	—
Consumption by Mills†	Mar., 1954 (in lakh bales)	4 38
	Corresponding month 1953	4 32
	Nine months ended Mar., 1954	37 36
	Corresponding period 1953	39.97

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952	11,80,000	10 87,100	7,99,200
Do. 31st March, 1953	11,88,000	10,81,900	7,91,900
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,000
February ,,	92,400	82,000	61,700
March ,,	97,400	86,000	65,500
January 1954	1,02,800	99,800	71,400
February ,,	92,700	84,800	63 3 00
March ,,	94,800	89,700	65,000
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,040
Do 31st March, 1954	5,80,020	5,49,050	2,92,440
January 1953	56,370	45,810	28,650
February ,,	54,800	37,470	29,090
March ,,	60,640	39,350	22,090
January 1954	63,100	42,600	29,870
February ,,	60,650	54,360	37,510
March ,,	65,000	47,850	44,560

FOREIGN TRADE OF INDIA

Particulars	November,		Eight Months April to November,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	8.48	6.86	80.42	143.12
Raw materials	9 81	13.82	111.54	129.97
Manufactures	23.89	19.80	183.30	191.52
Other items	86	25	2.54	8.12
Total	37.23*	40.68*	380.80*	466.63*
By land	1.72	3.65	15.53	15.95
Total Imports	38.95	43.69	396.33	482.58
Exports				
By sea and air—				
Foodstuffs	17.18	10.52	100.28	95.29
Raw materials	8.81	10.03	71.47	97.25
Manufactures	21.34	18.24	164.77	185.93
Other items	87	81	2.65	2.73
Total	47.70	40.00	339.17	381.20
By land	74	71	4.83	15.99
Total Exports	48.44	40.71	343.80	397.00
Total Re-exports	68	66	3.09	2.75
Balance of trade in merchandise	+ 9.77	— 2.60	— 56.94	— 83.65
Balance of transactions in private treasure	...	...	8	— 4
Total visible balance of trade	+ 9.77	— 2.60	— 57.02	— 83.69
Imports: ‡				
Total C'wealth countries	16.00	18.46	184.94	175.12
Total Foreign countries	21.23	21.57	105.86	291.51
Exports: ‡				
Total C'wealth countries	25.62	19.85	170.52	179.18
Total Foreign countries	22.08	20.35	168.65	291.92

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

		United States§	United Kingdom††	Canada @	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1949-50	..	11	11	16	39	8	18	5	2	7	9	3	5	5	9	..
	1951-52	..	11	21	16	41	6	18	9	4	7	9	2	4	7	11	9
	1952-53	..	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of	October 1952	..	672	50	25	16	40	5	20	9	6	7	9	1	4	6	11	8
	November ,,	..	672	54	25	16	40	5	20	11	5	7	9	1	4	6	11	7
	December ,,	..	664	53	25	16	40	5	20	16	5	7	9	1	4	6	11	6
	January 1953	..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
	February ,,	..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
	March ,,	..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
	April ,,	..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
	May ,,	..	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
	June ,,	..	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
	July ,,	..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
	August ,,	..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
	September ,,	..	635	71	24	16	42	5	22	21	6	7	9	2	4	6	11	6
	October ,,	..	633	72	23	16	42	5	22	21	6	7	9	2	4	6	11	6
	November ,,	..	632	73	24	16	42	5	22	21	6	7	9	2	4	6	11	6

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 19th April 1953-54 Bales	From 1st Sept., to 19th April 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts	Week ended 15th April 1954	76,449	Cotton Exports to—		
	Corresponding week 1953	56,954	United Kingdom	11,212	12,702
	1st Sept., 1953 to 15th April, 1954	1,208,671	Continent	21,207	73,868
	Corresponding period. 1953	1,205,843	China	251	818
			Japan	53,473	120,136
			U.S.A.	12,426	39,701
Cotton Exports	Week ended 15th April, 1954	5,167	Other Countries	1,452	4,276
	Corresponding week 1953	13,304	Total to all foreign countries	100,021	247,001
	1st Sept., to 15th April 1954	206,383	Coastal Ports	108,996	99,262
	Corresponding period, 1953	842,397			
Mill Consumption	1st Sept., to 15th April, 1954	772,803		Period	Quantity (Bales of 400 lbs.)
	Corresponding period, 1953	729,597			
Stock (with exporters dealers & mills) in Bombay	On 15th April, 1954	606,081	Consumption of Cotton— Indian	December, 1953	347 342
	Corresponding date, 1953	626,632	Foreign		64 902
			Indian	Four months ended Dec., 1953	1 290 296
Karachi (Pakistan)			Foreign		220 056
Receipts	Week ended 10th April, 1954	15,678	Indian	Same Period 1952	1,207,358
	Corresponding period 1953	58,511	Foreign		249,654
	1st Sept., to 10th April, 1954	1,064 655	Stocks (Mills and Elsewhere)— Indian	As on 30th Dec., 1953	778,760
	Corresponding period, 1953	1,488,402	Foreign		173,820
			Indian	As on 30th Dec., 1952	892 027
	Week ended 10th April, 1954	40,350	Foreign		205,700
Exports	Corresponding period, 1953	29,411		Week ended 9th April, 1954	14 819
	1st Sept., to 10th April, 1954	692,965	Cotton Pressed †	Corresponding week, 1953	80 494
	Corresponding period, 1953	1,024,111		1st Sept., to 9th April, 1954	2 040 457
				Corresponding period, 1953	2,518 024

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
4 % Bonds	1926-33	63,30,26,000	1960-70	102
3½% Loan	1938-39	1,16,17,46,000	1963-65	92½
3 % Loan	1950	30,33,10,000	1964	92¼
3½% Loan	1943	1,10 11,78,000	1966-68	90¼
2½% V. Loan	1944	1,14,06,89,000	1957	98⅛
2½% Loan	1945	1,15,01,83 000	1970-75	86⅛
2½% Loan	1945	1,13,65 64,000	1959-61	94⅛
2½% Loan	1951	50,35,63,000	1974	93⅛
2½% Loan	1946	45 83 07,000	1960	93⅛
2½% Loan	1946	37,00,89,000	1961	90⅛
2½% Loan	1946	35,06,06,000	1954	99⅝
2½% Loan	1946	14,77,46,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99⅛
NON-TERMINABLE LOANS				
3 %Loan	1896-97	2,93,35,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	82
3 % Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,92,000	1954-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,21,300	18th Sept. 1955	99⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	8,00,15,000	31st Aug. 1962	93⅛
3 % Bombay	1950	2,01,87,700	31st Aug. 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
3 % Bombay	1952	3,66,72,700	15th July 1963	100⅛
3 % Bombay	1952	3,66,72,700	1st Aug. 1964	101
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	1,00,00,000	15th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-'57	2,31,07 100	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1949	94⅛
3 % Madras	1942	1,27,25,000	18th Sept. 1955	99-01
3 % Madras	1943	1,25 10 000	14th Sept. 1956	98⅛
3 % Madras	1944	1,07 95 000	15th Aug. 1958	96⅛
3 % Madras	1945	2,78 78 44,000	17th Sept. 1960	94⅛
2½% Madras	1946	3,81 77 200	1st Sept. 1961	91
3 % Madras	1950	4,38,25,400	31st July 1960	94⅛
3½% Madras	1951	3,40,49,200	15th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99–102
3 % Mysore( )	1930	1,63,44,300	1st Nov. 1955	104⅛
3 % Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101
3 % Mysore( )	1936	3,99,72,900	30th April 1956-61	98⅛
3½% Mysore	1947	5,08,05,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,34,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69 800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03 00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,20,800	31st July 1960	94⅛
3½% M.P.	1951	1,00 00 000	17th Sept. 1962	97⅛
3 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87 200	15th Aug. 1958	98
3 % Punjab**	1942	2,15,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,93 81 600	17th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	30,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1934	1,69,39 800	15th Sept. 1961–66	99⅛
3 % U.P.	1944	3,23,96 800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31 900	14th Sept. 1960	94
2½% U.P.	1946	2,41 19 800	1st Aug. 1961	93⅛
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	1,33,00,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75 00 000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
		BOMBAY		
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	5	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
1,50,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	99½N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
55,00,000	3½	1929*	195*	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58 000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,00,000	3½	1937*	1968	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
		CALCUTTA		
Rs. 90,24 300	4	1914	1974	Rs.
76,90,100	4	1915	1975	98½
68,02 300	3½†	1921	1981	79
1,50,00,000	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
98 21 600	5½	1926	1956–86	104½
99,54,500	5	1926	1956–86	103½
1,49,50,000	5	1927	1957–87	103½
1,49 30,000	5	1928	1958–88	103½
80,00,000	4½	1931	1991	92½
21,75,000	3½	1933	1954	99½
60,00,000	3½	1935	1965	99½
25,00,000	3	1938	1963–68	88
50,00,000	3	1943	2005	70N
50,00,000	3	1945	1975	82½
50 00,000	3	1946	1976	82
50 00,000	2½	1946	2006	70N
50,00,000	2½	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	94½
50,00,000	3	1950	1980	80
1 00 00,000	3	1950	1960	94
50,00,000	3	1950	1980	80
50,00,000	3	1951	1981	79
1,50,00,000	3½	1951	1981	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	97
		STERLING LOANS		
£892,600	5	1923	1953–81	£87½
£901,000	5	1924	1954–84	£87½
£833,100	5½	1932	1962	£96
		MADRAS		
Rs. 46,60 347	4	1912	1982	Rs.
32 14,944	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	3½	1918	1982	
7,46,044	6	1920	1952	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
		BOMBAY		
Rs. 30,00 000	4	1899	1939	Rs. 100
30,00,000	4	1901	1941	
30,00,000	4	1902	1942	
60,00,000	4	1903	1943	
50 00 000	4	1904	1964	
30,00,000	4	1905	1965	97½N
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1909	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25 00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113N
66,66,600	6	1920	1955–80	
25,00,000	6	1928	1956–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	4½	1936	1966	
		STERLING LOANS		
£Rs. £566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
		CALCUTTA		
Rs. 50,00,000	5	1925	1955	Rs. 104
25,00,000	5½	1929	1959	107
30,00,000	4	1934	1964	108
15,00,000	3½	1935	1965	94½
30,00,000	3	1936	1966	89
50,00,000	3	1937	1962	90
80,00,000	3	1938	1963–68	88
80,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
		BOMBAY		
49,40,000	4	1913-14	1954	99⅜
50,60,000	4	1913-15	1974	99⅛
20,00,000	4	1913-15	1974	99⅛
10,00,000	5	1920	1980	103
1,00,00,000	5	1920	1954	102
25,00,000	5	1928	1958	103
26 14 000	5	1929	1949–59	104½
2,45,3,000	5	1929	1934–59	102½
26,21,500	5	1929	1959	
8,23,00,000	3½	1947	1977	87
2,50,00,000	3½	1948	1978	87
4,00,00,000	3½	1950	1965	92
2,50,00,000	4	1952	1964	100
2,00 00 000	3½	1953	1963	97
1,30,00,000	4	1953	1963	100
100,00,000††	4	1952	1964	100
R		**DELHI TLA**		Rs.
34,45,500	6½	1925	1955	103½
84 70 000	6	1928	1958	103½
36 56 000	5	1928	1958	103½
25 00 000	5	1929	1959	103½
25 00 000	5	1929	1958	103½
10 00 000	5½	1932	1962	108
33 91 000	3½	1935	1965	93½
60,00,000	3	1936	1966	88½
1,11,400	3	1937	1954	99½
4,67,100	3	1937	1954	99½
1,62,500	3	1937	1954	99½
4,18,100	3	1937	1954	99½
47,50,000	3	1938	1958	88
10,47,700	3	1938	1958	97½
15,56,900	3	1938	1958	97½
3,56,800	4	1939	1956	99½
15,56,900	4	1940	1957	99½
17,64,400	3½	1941	1957	96½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,31,000	3½	1951	1961	96
46,88 000	3½	1951	1966	96
87 36 000	4½	1952	1962	99½
72,50,000	4½	1954	1979	99½
Rs.		**MADRAS**		Rs.
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

ABBREVIATIONS.
N=Nominal.
d=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free. A=Held by Government of India
Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport. ***Rupee Conversion s.

PREFERENCE SHARES

Company.	Amount issued Rs. or £	Year of issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	142	100
Chaman Sugar & Abkhari* A	7,00,000	1920	7	July Apr.	115	100
¶East India Distilleries	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem)	2,00,000	1940	7B	Dec. ..	70	100
Furtabpore Co.	6,00,000	1922	10	Oct. ..	15§	100
Kamnagar Cane	4,00,000	1933-34	6	Aug. ..	104	100
Kesaligan Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	7¼	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	118	100
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	80	75(pp)
††Khas Kajora	1,93,000	1931	8	Mar. Sept.	3N	10
New Beerbhoom	3,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00 000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1894	6	Jan. July	124½	100
Bassein Cotton	5,00,000	1938	6½	Nov ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	1,00,00,000	1919	7	Apr Oct.	118½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	142	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	101	100
Bradbury	4,75,000	1919	7	June Dec.	328§	250
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	137§	100
Cambodias	1,00,000	1928	7	Apr. ..	125§	100
Central India	50,00,000	1912	5	Apr. Oct.	521§	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1913	8	May Nov.	142	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Kesoram	20,00,000	1919	7	June Dec.	135	100
Khatau Makanji	10,00,000	1925	6	Nov. ..	..	100
Do. (2nd)	2,00,000	1947	4	.. ..	89	100
Kothari	12,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	231§	250
Morarjee Goculdas Spg. & Wvg	17,25,000	1947	6½	January	74	100
Muir Mills	30,00,000	1900	7	Jan. July	95N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	..	50
New Great	8,00,000	1913	5½(a)	Mar ..	185	200
New Victoria	26,05,500	1920	6	Apr Oct.	4§	5
Podar Mills	10,00,000	1943	6	Feb ..	79	100
Rajnandgaon	2,00,000	1933	5½	Apr ..	56	50
Shree Niwas Cotton	4 80,000	1944	4	.. ..	..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2½	2	0 4	0 5	0 4		12	V.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	60	100	6 0	6 0	Nil	Nil	12	V.P.Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	426xd	250	17 8	20 0	20 0	22 8*	12	Y.
10,00,000	27,23,759	54,19,515	48,70,797	80,357	Ramanrin Sons, Ltd.	38,208	860	Bradbury Mills	1,001½	250	75 0	100 0	100 0	100 0	3	V.P.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	333½xd	100	18 0	20 0	20 0	22 0	12	V.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	66⅔	100	Nil Nil	Nil	4 0(c)		12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg.	111⅔	100	7 8	7 8	7 8	7 8	3	Y.
16,00,000	30,04,821	63,03,745	48,46,941	76,566	Ramanrin Sons, Ltd.	30,304	..	Dawn Mills	90	50	6 0	6 0	6 0		12	Y.
34,00,000	24,00,000	62,31,113	57,35,000	5,622	Edward Textiles	30,296	928	Edward Textiles	246⅔	200	15 0	15 0	15 0		12	Y.
89,93,700	12,93,292	1,10,11,972	73,59,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	986	Elphinstone Spg. & Wvg.	50	50	4 0	(d)	3 0		12	V.P.
50,00,000	63,61,873	86,92,384	69,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	265	100	15 0	20 0	20 0	16 0	12	Y.
12,00,000	74,49,589	1,16,64,975	99,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	175 0	200 0	200 0*	225 0*	3	V.P.
										250	43 12	50 0	50 0	56 4*		
8,00,00,000	1,28,61,436	4,56,22,824	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	11¼	10	0 12½	1 1½	Nil		12	V.
50,00,000D									1—3½	1,000	0 2	0 4	Nil			
9,00,000	49,99,043	1,18,16,179	83,39,000	7,423	Damodhar Thackersey Mooljee & Co	55,704	1,191	Indian Mfg.	3,850	1,000	175 0*	200 0*	200 0*	225 0*	3	V.P.
39,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	123⅓	100	12 0	14 0	10 0	10 0	3	V.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,453	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	327	100	18 0	25 0*	18 0	20 0*	12	Y.
88,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.			Madhusudan Mills	82	100A	7 8	5 1	6 4	6 4	3	
3,60,000B									2nB —	20B	1 —	1 —	1 —	1 —	3	Y.P.
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 0	7 0	5 0	5 0	10	Y.
51,75,000	24,92,735	1,78,02,041	1,44,55,016	12,706	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	121	100	17 0	15 0	12 0	6 0	12	Y.
1,60,40,000	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chiniz & Co., Ltd.			National Rayon Corporation	161½xd	100	Nil	Nil	Nil	6 0	12	Y.
24,00,000	28,60,686	73,05,363	44,43,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	160	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,62,060	88,88,898	40,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	155	100	10 0	12 8	10 0	10 0	12	Y.P.
12,70,100	36,36,004	42,09,552	13,76,686	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	25½xd	10	0 8	1 0	1 4		12	Y.
48,00,000	33,12,899	1,38,66,478	84,71,256	27,380	Ramanrin Sons, Ltd.	55,228	1,190	Phenix Mills	133⅓	100	10 0	10 0	10 0		12	Y.
40,00,000	40,66,250	24,14,688	21,58,900	1,85,251	Poder Sons, Ltd.	32,600	930	Podar Mills	146⅔	100	9 0	10 0	10 0		12	Y.P.
5,00,000	8,93,779	21,19,461	18,91,340	3,613	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	30xd	10	2 0	2 0	1 4		12	Y.
33,00,000	60,49,474	1,17,17,613	81,93,664	21,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	30xd	10	12 0	1 0	1 4		12	Y.P.
80,00,000	64,20,061	76,08,371	39,83,898	8,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	218⅓	100	14 0	17 8	12 8		12	Y.P.
31,50,000	49,02,108	78,77,540	63,60,000	33,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	156	50	14 0	17 0	15 0(g)	15 0	3	Y.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	324½xd	100	15 0	20 0	20 0	20 0	12	Y.P.
75,00,000	1,18,72,086	1,70,59,941	90,25,820	40,896	Tata Industries Ltd.	75,024	2,000	Swadeshi Mills	303½	100	16 0	18 0	16 0	16 0	12	Y.P.
56,00,000	60,78,465	93,47,153	58,93,668	8,74,157	James Finlay & Co., Ltd.	35,804	552	Swan Mills	350	100	20 0	25 0	30 0	20 0	12	Y.
32,57,438	49,90,352	1,53,47,827	43,36,553	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	25	50	4 0	4 0	2 0	1 8	12	Y.P.
12,00,000	60,35,708	98,62,654	75,30,000	6,344	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	V.P.
AHMEDABAD																
80,00,000	38,80,266	88,29,885	51,09,670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	149⅓	100	8 0	12 0	10 0	10 0*	6	V.P.
10,00,000	18,91,848	85,84,128	59,40,000	1,761	F. M. Hutheesing & Sons, Ltd.	42,768	912	Arvind Mills	475	100	15 0*	20 0*	20 0*		12	V.P.
11,00,000	2,07,45,673	1,18,76,139	74,39,000	1,389	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	812	100	25 0	25 0*	25 0		12	V.P.
80,00,000	40,85,169	76,03,158	51,30,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	894	Aryodaya Ginning & Mfg.	320	100	15 0	20 0*	15 0		12	V.P.
13,00,000	1,00,27,000	82,29,958	61,61,455	1,93,818	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	525	100	17 0	22 0	22 0		12	V.P.
1,24,77,852	99,56,782	3,97,51,801	2,72,53,344	23,51,386	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	337⅓	125	12 8	18 0	18 0	18 0	12	V.P.
50,00,000	64,86,000	88,87,878	62,23,000	4,985	Tricamlal Bhogilal & Co., Ltd.	46,160	867	Tricamlal Somercial Mills	1,150	500	55 0	70 0	70 0	70 0	12	V.P.
99,00,000	70,78,334	94,79,263	71,48,970	1,795	Mafatlal Chandulal & Co. Ltd.	47,952	864	New Shorrock Spg. & Wvg.	653	125	35 0	35 0	35 0		12	V.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	770⅓	100	28 0*	28 0*	30 0*	30 0*	12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,399	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	675	100	25 0	25 0	25 0		12	V.P.
12,00,000	13,93,067	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg. Wvg. & Mfg.	110	100	15 0	15 0	15 0		12	V.P.
32,50,000	19,17,800	1,31,93,993	94,17,807	19,657	Lalbhai Gordhanbhai & Bros.	53,154	648	Rohit Mills	130	100	30 0	9 0	9 0		12	V.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,800	1,23,251	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	351	50	15 0	18 0	16 0		12	V.P.
19,52,500	32,12,167	61,33,831	48,71,861	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	403⅓	100	15 0	20 0	20 0		12	Y.
88,00,000	29,08,070	91,15,078	47,72,855	16,239	Haridas Ashertial & Co., Ltd.	34,576	776	Vijaya Mills	526⅔	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	53,10,908	17,75,212	—3,06,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4⅓	10	0 8	0 3	Nil	Nil	12	V.P.T
7,11,280	2,21,850	38,52,124	22,98,106	—57,230	Bengal Textile Agency, Ltd.	33N	40	Bengal Luxmi Cotton Mills	31,080	936	Nil	Nil	Nil	Nil	3	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	290	100	Nil	Nil	Nil	Nil	6,12	H.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	192	100	Nil	Nil	Nil	Nil	6,12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	24⅓	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	0 8		12	Y.P.
33,96,288																
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,434	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4⅓	10	0 3	Nil	Nil		12	V.P.
18,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramjas & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	4⅓	10	0 14 2/3	0 9 3/5	6 0		12	Y.P.
91,84,400	31,13,009	1,90,39,719	43,27,372	18,450	Industrial Trust Fund,	36,136	665	Azam Jahi Mills	67 N	100	5 8	6 0	6 0		9	Y.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Banaore Woollen, Cotton and Silk Mills	40½	100	17 8	20 0	15 0	25 0	12	Y.P.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13⅓	10	Nil Nil	0 8	0 8	0 4f	6,12	H.P.
15,00,000	95,51,590	84,27,674	58,07,674	4,60,089	Birla Brothers, Ltd.	39,896	908	Birla Cotton Spg. & Wvg. Delhi	471 N	10	2 8	3 0	3 0		12	V.P.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	138⅓	100	6 14	7 8	4 0	10 0	12	Y.
20,00,000	20,00,281	32,98,201	17,91,417	19,657	Parry, Leslie & Co., Ltd.	27,536	4	Cambodia Mills	100	50	4 0	(d)	3 0	10 0	12	Y.P.
80,00,000	21,97,992	56,51,479	38,51,811	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	5	0 9	0 9	0 9	0 12	12	Y.
12,00,000	19,85,494	28,94,635	21,58,900	..	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	142⅓	100	12 8	12 8	9 0	20 0	12	Y.
80,00,000	1,00,00,000	2,54,84,987	1,33,13,422	1,33,496	T. N. Naidu & Co.	19,798	..	Coimbatore Pioneer Mills	142⅓	100	12 8	12 8	9 0		12	Y.
88,76,900	4,36,696	1,14,09,011	64,08,065	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	45	50	2 8	5 0	4 0		12	V.P.
46,87,500	88,12,906	2,30,18,398	1,41,83,288	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	185⅓	100	15 0	20 0	20 0		12	Y.P.
8,38,34,450	1,65,19, 859	6,76,75,908	3,88,00,000	—1,31,617	Delhi Cloth & General Mills	33	1,785	Delhi Cloth & General Mills	2⅓	25	1 0	6 0	2 0	5 0	6	Y.P.
1,00,523					B. R. Charat Ram & Co., Ltd.	75,604			12,000	1,000	0 4	0 4	Nil	Nil		
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	220	100	25 0	20 0	10 0	20 0	12	Y.
63,00,000	46,00,000	1,40,85,212	1,13,21,831	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	15⅓	10	1 2	1 8	1 8	1 0	9	Y.P.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	260	100	10 0	14 0	17 0*	17 0	12	Y.
90,00,000	12,52,505	1,23,32,498	88,30,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	114⅓	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,067	26,01,526	12,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	..	Jayardana Mills	76	50	3 0	7 8	3 12		12	Y.
34,00,000	15,75,000	61,25,258	8,50,000	3,482	Keshavji & Sons	30,512	200	Kothari Textiles	12⅓	10	1 0	0 12	0 12		12	Y.
32,00,000	70,45,343	1,38,43,856	93,43,534	1,99,524	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	593⅓	250	37 8	50 0*	37 8	0 8	6	Y.P.
									118	50	4 0	4 0	4 0	4 0	12	Y.P.
33,46,150	53,10,000	94,98,025	53,73,673	14,347	G. K. Naidu & Sons	76,960	200	Lakshmi Mills	58⅓	25	2 0	4 0	3 0	3 0	3	Y.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,093	A. & F. Harvey Ltd.	4,66,932	..	Madura Mills	40	15	2 4	3 0	2 8	3 8	3	Y.
12,00,000	4,17,363	24,32,416	15,52,499	—22,398	A. L. A. R. S. Chettiar and 2 others	22,592	..	Malabar Spg. & Wvg.	126	200	6 0	12 0	7 0	3 0	12	Y.
60,00,000	62,50,000	95,34,648	58,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720	603	Mettur Industries Ltd.	247⅓	100	25 0	12 8	8 0	8 0	12	Y.
39,80,884	22,90,000	73,68,250	42,20,184	25,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	111⅓	100	6 0	6 0	5 0	12 8	12	Y.
94,91,850	27,56,360	1,53,05,970	78,81,528	87,241	Rasulal Abirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	140	100	15 0	18 0	15 0	7 8	12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,660	1,834	Muir Mills	165N	100	15 0	15 0	7 8	7 8	6	Y.
19,86,800	61,53,392	93,64,233	39,85,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	120⅓	50	10 0	9 0	10 0*	10 0*	12	Y.P.
12,61,780	2,58,745	29,34,299	13,36,634	2,232	R. Suryanarayana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills	6⅓	10	0 8	1 0	1 4	10 0*	12	Y.P.
82,89,883	25,42,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	12	10	0 2⅓	Nil	Nil	Nil	12	Y.
3,07,095D										1	D Nil	Nil	Nil			
87,03,800	61,53,493	1,98,62,385	39,76,151	17,946	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	100	Nil	Nil	Nil		12	Y.P.
4,00,000A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200	..	Palani Andavar Mills	72⅓	50A	5 0	8 0	7 8		9	Y.
4,00,000B									110	50B	5 0	8 0	7 8			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	45	100	7 4	12 0	11 4		12	Y.P.
16,81,200A	16,65,842	52,66,772	34,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	167cd 83xd	100A	16 0	16 0	16 0		12	Y.
8,40,840B									107xcd	50B	8 0	8 0	8 0			
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896	..	Raza Textiles	30	10	4 8	5 0	3 0		12	Y.P.
63,00,000	62,66,508	1,03,26,822	30,52,324	—11,26,958	J. P. Srivastava & Sons (Rampur)	33,984	600	Shree Saijan Mills	8⅓	100	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	15,824	440	Sharada Spg. & Wvg.	75½N	100	Nil	Nil	Nil		12	Y.
7,79,700	2,54,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416		60	60	Nil	3 0			3	Y.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,84,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	2,200	1,000	Nil	Nil	Nil	Nil	3	Y.P.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	992	Sri Krishnarajendra Mills	55	50	4 0*	4 0*	3 0*	4 0*	3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	35,556	992	Sutlej Cotton Mills	50N	10	4 0	4 0	4 0	4 0	3	Y.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100	0 9	0 8	Nil		12	Y.P.
1,57,50,000									10	10P	0 14 2/3	0 14 2/3	14 2/3	Nil		
99,92,030	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.	16,000	..	Travancore Rayons	9—12⅓	10	Nil	Nil	10 0	12 0	12	Y.P.T.
13,98,660	8,68,332	13,19,240	9,97,510	2,009	Mooljee Ramjee & Sons	33,704	270	Travancore Spg. & Wvg.	31cd	10	1 0	1 0	0 11 1/5	0 11⅓	12	Y.
21,00,000	28,00,000	47,61,131	28,75,811	50,000	Vasanta Mills	54 280	1,483	R. K. S. Chetty & Brothers	142⅓	10	9 0	10 0	12 0		12	Y.
32,00,000	50,43,359	1,20,65,197	85,26,292	2,21,881	Bombay Co., Ltd.			Vishnu Cotton	100	100	9 0	14 0*	12 0		12	Y.P.

* Includes bonus.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	Nil	2 13g	Nil	Nil	5	V.P.
6,64,000							9½	10	Nil	1 2e	Nil	Nil		
16,20,630	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	1 0	0 8	0 8	0 8	3	Y.
£80,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	15¾xd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		V.P.
£300,000B							27¾xd	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil		3	V.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Maliya, Esq (Chairman)	United Breweries	156⅓	75	11 4	7 8	15 0	15 0	3	V.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	28,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	112	A. 100	3 12	7 8	7 8		12	V.P.Y.
39,63,384B							11⅓	B. 10	0 4	0 12	0 12			
43,14,600O	11,13,152	1,01,23,997	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4⅓	O. 10	0 8	Nil	Nil		3	Y.T.
4,70,976D							1¼	D. 1	Nil					
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	158⅓	100	8 8	9 8	9 8	7 0	V.	
60,00,000O.							9	O. 10	0 8	0 10	0 10			
26,49,797O.	43,46,380	69,78,209	10,87,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	1⅛	O. 24	0 2	0 2½	0 2½		12	V.P.Y.
50,00,000D.							1⅛	D. 1	Nil	Nil	Nil			
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	18⅛	O. 25	Nil	Nil	1 4	Nil	3	V.P.
7,50,000D.							7⅛	D. 5	Nil	Nil	Nil	Nil		
75,00,000	28,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement	7⅛	5	0 3½	0 6¾	0 8		12	V.
CERAMIC; MINING AND QUARRYING											

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,80,000	20,26,841	1,90,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	61½	25	1 4 / 1 4 / 1 9 / 1 9 / Nil f				6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	194	100	4 0 / 5 0 / 5 0 / 5 0				3,9	H.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. F. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8b / 0 12 / 1 0* / 1 0*				3	Y
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	17⅜	10	0 12 / 1 0 / 1 0 / 1 0				1 0f	3,9 H.P.T
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	25½	10	1 8 / 1 8 / 0 12 / 0 12				0 12f	6,12 H.P.T
80,00,000 / 80,00,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10½ / 42½	O. 10 / A. 10	Nil / Nil	Nil / 0 4	Nil / 0 4	Nil / 0 4		3,9 H.P.T
56,00,000A. / 56,04,800B. / 4,37,500P O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	42½ / 4⅛	A. 10 / B. 10 / P.O. 2½	1 0 / 0 14* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	3,9	H.P
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	T
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0	6 0	5 0	7 0	7	T
9,00,000	1,55,000	11,21,500	9,43,336	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	T
PROPERTY AND LAND														
99,80,7800. / 2,00,000D. / 60,00,000	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 8			9 Y.P.
	20 01 686	98,66,088	15 00 000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27	D. 1	Nil	Nil	1 0	1 8	4	Y.
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil	3 0	2 0	1 6	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	3	0 8	0 8	0 4		9	T
94,50,000	3,75,07,299	3,01,90 100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	42⅜ / 14⅝	Old 125 / New 50	15 0 / 15 0	37 8 / 9 0	22 8 / 9 0	15 0 / 6 0	5	Y.
6,00,000	18,43,037	2,00,768	1,76,945	-5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	10	3 8	3 8	3 0	1 0	6	Y.P
15,00,000		16 83,361	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34⅜	100					9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,883	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7⅛	5	Nil	Nil	Nil	Nil	6	Y
12,00,000A. / 3,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N / 11⅛N	A. 100 / B. 10	6 4 / 0 10	10 0 / 1 0	10 0 / 1 0	10-0 / 1-0	4	Y.
19,49,050	5,00,000	27,54,526	20,60,462	2,37,248	Bangur Bros., Ltd.	Belsund Sugar	9½	10	Nil	Nil	0 12		9	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16¾N	10	1 0	1 0	1 8	1 8	6	Y.P.
32,00,000	25,28,936	1,30,88,057	85,30,460	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	8⅜	10	Nil	Nil	Nil	Nil	6	Y.P.T.
15,00,000	62,99,965	96 64 753	78 07 451	53,636	Begg, Sutherland & Co., Ltd.	Champaran Sugar	38½	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33 12,562	63 47 656	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Ciwpore Sugar	26	10	1 8	1 8	2 0	1 0	6	Y.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	0 8	0 8	0 8	1 0	8	Y.T.
85,00,000A. / 10,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N / — / 50N / 25N	'A' 100 / O. 100	6 0 / 6 0 / 80	9 0 / 9 0 / 1 0	12 0* / 12 0* / Nil	15 0* / 15 0* / Nil	6	Y.P
14,00,000	8,62,508	73,26,508	36 33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	40	10	1 8	2 0	Nil	Nil	7	Y.P.
18,00,000	19,02,918	27 31 285	15 96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	31½N	10	2 0	2 8	2 8	2 8	6	Y.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	100	100	15 0	20 0	20 0	20 0	6	Y
1847,500 A. / 2,71,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N / 45N / 25	A. 100 / B. 10	3 4	11 0	3 0	11 0	7	Y.P.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	6 0	10 0	6 0	10 0	10	Y.
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	105N	100	6 0	10 0	6 0	10 0	10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Puraabpore Co.	13⅜N	10	1 8	2 8	1 8	0 8	7	Y.P.
8,00,000	4,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	14	10	1 0	2 0	1 0	0 8	6	Y.
11,99,000	17,25,204	36,77,360	21 32 129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	10	10	0 6	1 0	1 8	1 8	7	Y.T.
80,00,000	21,68,560	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10						
9,99,950	61,825	22,84,311	11,98,645	7,647	H. K. Ghosh, Esq., and R. N. Datta, Esq., (Managing Directors)	Sitalpore Sugar	6⅜	10	Nil	0 8	0 6½		6	Y.
					Karamchand Thapar & Bros.	Shri Sitaram Sugar	18½	O. 10	1 0	1 8	1 0	2 0*	8	Y.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	N. K. Jain & Co. Ltd.	South Behar Sugar	1N	O. 10	Nil	Nil			7	Y.P.
6,50,000	47,623	25 93,296	11,46,770	-14,94,408	Cotton Agents Ltd.	Upper Gangee Sugar	23N	D. 2½	1 12	2 0	2 0	2 8	10	Y.P.
8,75,000 D.		78,11,307	43,99,754	6,356	James Finlay & Co.	United Provinces Sugar	16⅜	10	0 4½	2 0	1 8		9	Y
8,00,000	.....	30,61,947	24,91,617	36,665										
16,00,000	9,19,618													
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	83,916	W. H. Brady & Co., Ltd.	Belapur Company	278	50	12 8	14 0	16 0	16 0	9	Y.
87,68,900	2,51 646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N	100	Nil	5 0	3 0		9	Y.P*
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	10	10	1 8	2 8	2 8½		9	Y.P.
83,57,520	29,59,139	39,13,908	19,50,442	7,69,891	Govea Bros. (Rampur), Ltd.	Buland Sugar	10⅜N	10	0 12	1 0	0 12		10	Y.
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44⅜	10	2 0*	2 0	2 0	2 0	6	Y.
					Mafatlal, Apte and Kasulal Ltd.	Phalsan Sugar	10	10	0 8	0 8	2 0	2 0	8	Y.
50,00,000	47,49,610	1,09 00 623	54 15 463	4,86 704	Anderson Wright Ltd.	Ramnagar Cane and Sugar	22⅜	10	0 9½	0 12	2 0	2 0	8	Y.P.T.
16,59,320	27,50,830	48,81,755	23,79,327	95,198	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	9 0 / Nil	Nil	9	Y.P.T.
20,00,0000.	24,80,121	80,59,224	48,81,892	1,00,533			103N	10	1 0	1 4	0 12		10	Y.
4,00,00,000.				6,05,982	Govea Bros. (Rampur), Ltd.	Reza Sugar	10	10	Nil	Nil	Nil		7	Y.T.
19,99,600	34,21,961	44,57,626	19,38,191	20,980	Parry & Co., Ltd.	Tiavancore Sugars	5⅜	10	Nil	Nil	Nil	2 0*	7	Y.P.
30,00,000	10,73,392	58,70,150	13,08,961	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	177½	A. 100 / D. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	14 0) / 14 0)	9	Y.P.T.
23,50,000 / 77,50,000A.	51,98,517	1,80,88,459	96,57,110											
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co	Bengal-Assam Steamship Co.	140xd	100	10 0	12 8	12 8	10 0	10	Y.P.
1,80,00,000		3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	96	100	3 0	4 0	3 0		12	Y.P.
6,55,000		4,68,000	3,52,999	813,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	73⅜	£10	Nil	Nil	Nil	Sh 10	12	Y.P.
£655,580	£1,123,737	£3 428,105	£3,432,999	1,24,37,485	Lionel Edwards Ltd.	India Steamship Co.	18⅜	10	Nil	Nil	0 8	0 8	3	Y.P.
£ 25,00,000	£ 3,91 83,993	£ 3,91 83,993	1,24,37,485	1,90,765	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	18⅜	15	Nil	Nil	0 8	0 12	6	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188										
UNCLASSIFIED (Bombay)														
2,40,000	92,000	3,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	45 0	32 0	9	Y.
15,98,860	1,03,801	2,28,588	40,000	7,345	Parakh Agencies Ltd.	Bombay-Uganda	80	50	4 0	4 0	4 0		12	Y.
35,00,000	1,00 000	25,18,130	6,079	8,955	Dena Bank, Ltd.	Devkaran Nanji Investment Co.	8⅜	25	0 12	0 12	0 12		3	Y.
14,96,150	3,83,231	29,77,147	14,08,040	11,425	Choontilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	2 8	Nil	3	Y.P.
99,99,250	18,80,841	1,27,94,592	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	7½	100	3 0	4 0	4 8	4 8	12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	173 / 147⅛ / 65	100	8 8	8 0	10 0 / 10 0	10 0 / 5 0	6	Y.
8,96,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	A. 100 / B. 10	A. 100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
10,21,700	9,46 605	14 71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	37xd	20	2 0	3 0	3 0	6 0	12	Y.
8,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director).	Western India Match Co.	211⅛	100	11 0*	11 0*	20 0	11 0*	12	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 D. / 2,50,000 D.	15,00,000	1,56,92,044	99,15,329	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5⅜ / 3	O. 10 / D. 2½	Nil	Nil	Nil	Nil	3	Y.P.T.
30,00,000	38,21 355	31 54,114	20 12 443	4 74 790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	17⅜	10	1 12	2 8	1 4	1 4	8	Y.
30,00,000	5,75,000	29 21,795	19 64,061	1 34 529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	4⅜	10	0 12	1 0	1 4*	1 4*	12	Y.
30,00,000	20,00,000	29,21,795	19,87,830	23,355	Associated Hotels of India	Associated Hotels of India	4⅜	10	0 9 3/5	0 9 3/5			12	Y.P.T.
20,00,000	18,97,883	96 60,365	39,87,830	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	312 / D. 40	O. 100 / D. 40	20 0* / 6 0	25 0* / 2 0	0 0* / 2 0	5 0(i)	12	Y.
80,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	11,11,692	Lovelock & Lewis	Birds Investment Ltd.	16	10	1 2	1 4	0 12	1 4	3	Y.P.
20,00,000	7,97,945	56,17,513	21,85,000	96,133	P. J. F. Parsons, Esq. (Mg. Director)	British India Corporation Ltd.	12	10	1 4	1 4	1 4	1 4	3	Y.P.T.
30,44,440	33,27,948	99 11 600	54,00,000	1,97,14,167	Sir Robert Menzies	Dunlop Rubber (India) Ltd.	8⅜	5	0 12	1 0	0 10	0 8	12	Y.P.T.
3,25,00,000	95,00,000	2,56,70,947	1,97,14,167	10,82,833	Cecil Stack, Esq. (Mg. Director)	Eastern Investments Ltd.	33⅜	100	2 0	1 8	1 8	1 8	12	Y.P.T.
1,60,00,000	1,49,00,000	4,34,72,386	2,79,62,308	3,11,873	Bird & Co., Ltd.	Gangee Rope Co., Ltd.	139 / 192	100	10 0	12 0	9 0	9 0	12	Y.P.
51,26,000	51,50,834	1,29,31,258		26,757	MacNeill & Barry Ltd.	Gillanders Arbuthnot & Co., Ltd.	108	100	10 0	15 0	10 0	10 0	3	H.
14,00,000	9,97,000	32,14,898	17,68,862	2,11,148	Sir Anthony J. Elkins.	Great Eastern Hotel	265	250	15 0	15 0	15 0	7½	3	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	29,39,773	B. P. R. Syndicate	Hind Cycles	100N	100	7 8	7 8	13 0	15 0	12	Y.
30,00,000	11,42,354	62,81,816	41,30,369	33,939	Birla Bros. Ltd.	Hindustan Motors	7-13⅛	10	Nil	Nil	Nil	Nil	12	Y.P.T.
12,42,860	5,06,049	60 60 790	41,30,369	3,78,147	Birla Bros. Ltd.	Indian Aluminium Co.	20½	10	3 8	5 0	5 0	Nil	3	Y.P.
4,56,12,650	1 92 800	2,83 64 147	60,52,719	9,14,791	J. W. Cameron, Esq.	Indian Cables	20½	10	1 0	1 0	1 0	1 0	3	Y.
1,40,00,000	36,77,754	3,45,57,905	1,35,90,172	15,94,449	A. R. Driessen, Esq.	Indian Rubber Manufacturers	13⅛	10	1 0	1 0	1 0	1 0*	3	Y.P.
1,52,89,220	1,07,77,144	1,11,09,713	37,29,439	38 565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Regenerating	11⅛	10	1 0	1 0	0 12	0 12	3	Y.P.
8 27,970	5,38,000	14,39 400	7,97,308	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	115	100	10 0	10 0	7 8	3	7	Y.P.
2,00 00 000	57,45,280	29,81,477	6,28,477	-64,994	James & Co., Ltd.	Macfarlane & Co.	1⅛ / 1⅛	O. 1 / D. 1	Nil	Nil	Nil		3	Y.
6,34 00 000 / 66,70 000	6,05,270	6,91,531	4,08,253				240	O. 100	12 8	12 8	7 8			
40,00 00000.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	—	D.O. 10	0 12	0 12	0 4		12	Y.P.
5,00 00 00 O.				2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	20⅛	10	1 4	1 2	1 4	1 6*	9	Y.P.
1,30 60 250	39,90,212	18,32,139	6,86,923	-72,313	Opale Glass Works Ltd.	Mysore Glass and Enamel Works	3⅛	10	0 10	Nil	Nil		12	Y.
9,15,255	1,14,934	7,74,805	2,66,942	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	15⅜	10	Nil	Nil	1 0	1 0*	12	Y.
4,68 040	8,84,829	9,73,621	3,93,409	11 329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10⅜	10	Nil	1 0	1 0	1 0	3	Y.T.
10,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	17⅛	10	0 8	0 8	0 12	1 0	3	Y.P.T.
80,00,000						National Tobacco Co.	91	10	0 4	0 8	Nil		12	Y.P.
79,97,000	28,12 725	1,12,79 603	42,96,020	10,37 035	B. N. Elias & Co. Ltd.	Parry & Co.	4⅜	2	1 9 3/5	0 10½	0 9½	Nil	12	Y.P.
24,00,000	24,00,000	41 58,516	17,74,953	1,52,611	Parry's Holdings Ltd.	Ralhs (India) Ltd.	56⅜	100	8 8	9 0	10 0	9 4½	12	Y.P.T.
8,25,00 000	13,27,473	1,05,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Rohtas Industries	14⅜	10	Nil	1 0	0 12	1 0	10	Y.P.T.
1,14,00,000	78,53,108	6 09,59,407	2,16,88,623	5,47,067	Sahu Jain Ltd.	Spencer & Co., Ltd.	16⅛	10	1 0	1 0	1 0	1 0	12	Y.
40,00 000	94,66,946	1,21,92,814	75,55,215	3,56 616	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	13⅜	10	1 0	1 0	1 0	1 0	6	Y.
75,00,000	35,00,000	12,11,901‡	12,17,120	59,789	R. H. D Campbell, Esq.	Travancore Ogale Glass	3⅜	10	0 6½	Nil	Nil		12	Y.
9,98,380	1,50 000	12,67,855	2,60,547		Ogale Bros., Ltd.									

‡ Includes investments at cost. ◆ Includes bonus.

‡ Excluding goodwill (written down Rs. 30 lakhs.) † Excluding goodwill at cost Rs 28 lakhs

§ Excluding Rs. 1,40,86,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	410 N	100	25 0	Nil	7 8		12	V.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	22½	10	2 8	0 12	9 12		12	V.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	29	10	4 0	3 0	Nil		12	V.
5,50,000	9,21,418	14,91,743	4,25,000	-2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	V.
3,40,000	7,36,053	9,47,122	3,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	36½	10	3 0	2 8	2 0		12	V.
3,30,600	2,90,000	8,68,553	5,03,533	63,180	Williamson Magor & Co.	567	Batell	17	10	1 8	0 8	0 4		12	V.
3,20,000	4,90,000	8,79,729	1,76,123	-37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	29½	10	3 8	1 8	Nil		12	V.
16,50,000	16,81,038	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Bishnauth	35½	10	5 0	0 8	Nil		12	V.
6,00,000		10,38,918	1,51,948	-26,221	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	V.
7,50,000	3,43,500	8,21,754	2,13,632	-32,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea	14⅜	10	1 8	1 8	Nil		12	V.P.
35,00,000	9,05,082	72,39,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	11⅜	10	1 0	1 0	1 0	0 8	6	V.P.
1,20,000	1,83,234	3,66,030	1,23,481	-29,101	McLeod & Co., Ltd.	282	Dejoo Valley	13⅛	10	1 8	Nil	Nil		12	V.
6,00,000	7,15,000	25,51,755	13,30,724	19,112	Jardine Henderson Ltd.	1,220	Desai & Parbottia	280	100	30 0	22 8	10 0		12	V.
17,53,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhaikhat	14⅜	10	1 9 3/5	1 3⅜	1 0		12	V.
4,68,910	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	14⅛	10	1 0	1 0	Nil		12	V.P.
4,50,000	2,75,000	8,03,461	1,17,960	-61,561	McLeod & Co., Ltd.	458	Dibrugarh	12⅛	10	1 0	0 8	Nil		12	V.
2,36,700	3,70,000	8,93,119	3,43,119	25,960	Williamson Magor & Co.	625	Dimakuri	41	10	0 8	1 0	1 0		12	V.P.
3,60,500	4,50,000	16,38,157	4,58,157	1,15,948	Williamson Magor & Co.	669	Dullaghur	43⅜	10	2 4	4 0	2 0		12	V.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Williamson Magor & Co.	1,168	East India Tea	21½	10	2 4	2 4	0 4		12	V.
3,60,000	3,00,000	7,99,692	3,47,263	-2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	22	10	1 8	2 0	1 8		12	V.
3,38,000	3,48,904	13,37,439	5,54,439	1,03,645	Williamson Magor & Co.	533	Golpur	38⅜	10	4 0	3 0	1 8		12	V.
4,94,360 / 2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	23⅛ / 12⅜	A.10 / B.5	1 0 / 1 0	2 0 / 1 0	2 0) / 1 0)		12	V.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	38⅜	10	4 8	3 0	1 8		12	V.
4,31,000	8,04,216	18,38,687	8,46,970	-27,154	Andrew Yule & Co., Ltd.	1,281	Hoolungooree	311N	100	25 0	17 0	Nil		12	V.
7,50,000	5,85,000	13,93,352	3,02,650	-1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	13⅛	10	1 4	0 8	Nil		12	V.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	350N	100	20 0	Nil	Nil		12	V.T.
4,50,000	1,69,133	16,51,467	1,03,647	-571	Duncan Bros. & Co., Ltd.	1,017	Lodo	10	10	2 0	Nil	Nil		12	V.
4,80,000		8,87,549	87,549	-1,89,815	Duncan Bros. & Co., Ltd.	673	Mobeema	58	10	Nil	Nil	Nil		12	V.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	560N	100	45 0	35 0	Nil		12	V.
O. 50,000 / P.O.2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	31⅜ / 37½	O.10 / P.O.10	1 8 / 3 8	2 4 / 2 8	2 0) / 2 8)		12	V.
4,00,000	2,98,000	5,78,590	3,53,094	256	R. C. Sen, Esq., Supervising Director	540	Naga Hills	19⅜	10	2 8	3 4	Nil		12	V.
3,35,000		10,14,665	4,06,665	-99,000	Sh

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	15½xd	10	1+½	1+1	1+1	1+½	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	206	100	4+10	15+15	1+10	Nil	5, 11	H.P.
6,80,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	3, 9	H.P.T.
30,00,000	2,10,000	1,17,26,264	87,34,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	183	100	Nil	20	Nil	Nil	6, 12	H.P.T.
40,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	201	100	Nil	10	10+10	10+15	6, 12	H.P.
40,00,000	39,11,041	1,34,33,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	111	100	1½+4	6+5	5+4	7½+5	3, 9	H.P.
20,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co.	950	Bally	147	100	6+6	6+1	Nil	2+2	3, 9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	154	£5	£1	£1	£1	4+N8	3, 9	H.P.
28,00,000	35,49,623	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd. ..	820	Belvedere	212	100	7+10	12½+15	7½+7½	7½+7½	6, 12	H.P.
22,50,000	55,95,000	54,22,523	24,75,686	4,28,770	Soorajmull Nagarmull	600	Bengal	141	10	1½	3	3	3	9	H.P.
30,42,000	2,64,98,367	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14½	10	2½	3	3	3	6	Y.P.T.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	146	100	3+10	10+12	6½+6½	6+4	3, 9	Y.P.
7,47,380	4,29,739	49,77,130	38,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	14N	10	Nil	1+1	0+8	6+4	4, 10	H.P.
18,00,000	31,81,234	78,49,929	38,23,209	1,05,535	Andrew Yule & Co., Ltd. ..	616	Caledonian	158	100	4+10	10+12	6+6	6+6	6, 12	H.P.T.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	1,600	Champdany	150	100	3+5	5+7	7+8	3+3	5, 11	H.
13,95,000	28,39,282	79,96,138	54,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	530	Cheviot	221	100	6+10	10+12	6+6	6+6	3, 9	H.
30,15,000	46,90,000	89,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	900	Chhuvalah	111	10	3+3	13+4½	2½+2½	1½	5, 11	H.P.
14,00,000	17,00,000	78,04,949	48,70,116	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	22½	10	1½	3½	Nil	Nil	6, 12	H.T.P.
21,49,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	125	100	1+3	8+6	6+1	1+3	3	Y.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd. ..	779	Delta	250	100	5+12½	15+17½	10+10	10+10	3, 9	H.P.
15,00,000	32,50,000	76,04,593	54,62,731	57,631	McLeod & Co., Ltd.	500	Empire	192	10	1+1	1+1½	Nil	Nil	5, 11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	2,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	460	100	2½+20	12½+12½	10	Nil	6, 12	H.T.P.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	Nil	5+10	Nil	Nil	3, 9	H.P.T.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	73½	100	Nil	3½	2½+2½	Nil+5	3, 9	H.T.P.
10,80,000	28,85,794	68,12,500	47,46,252	41,193	Gillanders Arbuthnot & Co., Ltd.	907	Gondalpara	805	300	45	90	30	Nil+Nil	3, 9	H.T.P.
84,00,000	29,29,542	2,19,23,080	1,64,09,937	1,88,715	Macneill & Barry Ltd.	2,285	Gouripore	285	100	2½+15	10+10	10	Nil	3, 9	H.P.
48,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	10	Nil	Nil+3½	3, 9	H.P.
16,80,000	15,20,868	64,92,038	44,81,446	45,178	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	311	10	1½	3½	1½	1½	6, 12	Y.P.
43,62,500	51,83,370	1,63,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	25	10	1+1	3+3	1+1	1+1	6, 12	Y.P.
80,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	24½xr	10	3½	3	3	3	3, 9	H.P.
E. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	137	O. 125	3½+9½	7½+1½	3½+5½	9½	3	Y.P.T.
D. 30,000								—	D. 1	A.7½-7½					
24,00,000	24,95,613	1,36,83,508	1,17,96,300	88,224	Jardine Henderson Ltd.	1,797	Kamarhatty	183	100	8½+8½	10+12½	8½+6	6½	3, 9	H.
*g 19,20,000								177	'B' 100	8½+8½	10+12½	8½+6	6½		
30,00,000	16,90,371	1,31,02,619	94,80,962	1,23,240	Kankenrath	1,527	Kelvin	138	100	Nil	5+7½	6+4	5½	6, 12	H.P.
*g 24,00,000								127	'B' 100	Nil	5+7½	6+4	5½		
21,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Khardah	250	100	10+10	12½+12½	10+15	7½	6, 12	H.P.
44,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	190	100	Nil	15	10+6	10+15	6, 12	H.P.
48,00,000	98,02,034	2,25,65,171	1,04,49,830	46,214	F. W. Heilgers & Co.	1,994	Kinnison	194	100	1½+4	10+9	10+9	10+7	3, 9	H.P.
24,48,000	50,32,314	1,38,71,285	74,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	134	100	2+10	11+12	8+8	4+5	3, 9	H.P.T.
28,00,000	59,32,760	1,13,97,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	5+9	12½+11	11+4	5+5	3, 9	H.P.
10,00,000	37,51,301	50,62,630	35,49,176	49,684	Andrew Yule & Co., Ltd. ..	598	Lothian	280	100	5+10	15+17½	10+15	12½+15	3, 9	H.P.
81,65,200	25,35,448	1,93,98,406	1,16,00,448	28,028	Mackinnon Mackenzie & Co. ..	1,008	Megna	102	100	2½+6½	2½+11	2½+15	12½+15	5, 11	H.P.
29,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	115	100	Nil	5	10+6	6	3, 9	H.
15,80,000	13,80,000	37,31,796	16,26,721	—1,10,786	Howrah Trading Co., Ltd. ..	412	Nasarpara	12	10	1½+1	2½+1	1+1	Nil	4, 10	H.
33 00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd. ..	852	National	25½	10	1+1	1+1½	1+1	Nil	4, 10	H.T.
7,50,000	40,00,000	26,25,140	17,12,001	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	1½+1½	2½+3	2+1	1+1	4, 10	H.P.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	295	New Central	100	10	4+10	15+15	10+12	12½	6, 12	H.P.T.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	19½	10	Nil	Nil	1	1+1	6, 12	H.P.
66,79,500	33,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	47	50	Nil	1½	1½+1½	1 Nil	3, 9	H.P.
24,91,000	26,36,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd. ..	601	Orient	177	100	4+10	12+12	6+6	5+6	3, 9	H.P.T.
23,00,000	4,41,364	80,71,921	61,33,411	—1,36,348	McLeod & Co., Ltd.	400	Presidency	5	5½xd	Nil	Nil	Nil	Nil	5, 11	H.P.
20,00,000	58,650	26,13,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	305	Rameshwara	5½	10	Nil	Nil	Nil	Nil	6, 12	H.
49,50,000	1,50,000	1,33,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	14½	10	Nil	Nil	Nil	Nil	3, 9	H.
£600,000	£1,102,661‡	£1,201,886		£82,640	Thomas Duff & Co. (India), Ltd.	2,015	Samnuggur	13½	£1	10%	10%	10%	10%	3, 9	H.P.T.
50,00,000	13,07,220	97,26,210	59,19,652	6,05,669	Bagaria More & Co., Ltd. ..	911	Shree Ambica	15	10	Nil	1½+1	1½	10%	12	H.P.
14,00,000	7,14,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	23½N	10	1	Nil	Nil	Nil	3, 9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14 202	Bird & Co., Ltd.	650	Standard	123	100	3+6	9+8	8½+1	1+1	3, 9	Y.P.T.
£600,000	£849,927‡	£990,895		£115,161	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13½	£1	10%	10%	10%	1+1	3, 9	H.P.
35,98,600	96,57,660	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	168	100	1+7	12½+11	10+1	1+1	3, 9	Y.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	122½	£1	10%	10%	10%	1+1	3, 9	H.P.T.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6	1	Nil	1/40	1/40	Nil	3	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	21½	10	1 + 1	1 + ½	½ + ½	½ + ½	3, 9	
12,00,000	8,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Bengal Coke	18½	10	½ + ½	½ + ½	½ + ½	7/10+7/10	3, 9	H.
4,40,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal-Bhadee	6½N	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd. ..	Bengal Coal	503½xd	200	17½+17½	17½+17½	20+20	17½+15*	4, 10	H.
2,15,000	3,07,662	25,82,001	22,49,221	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	1½ + ½	½ + ½	½ + ½	Nil	4, 10	H.
15,97,000	4,73,358	37,29,383	22,67,345	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½	½	6, 12	H.P.
40,01,000	14,81,010	1,26,82,109	63,11,074	6 280	Sahu Jain Ltd.	Bharat Collieries	6½	10	½	½	½	Nil	9	H.P.
7,15,000	14,67,077	51,08,473	35,54,499	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhutanbarare	14	10	½ + ½	½ + ½	½ + ½	½ + ½	6	Y.T.P.
16,00,000	14,10,773	68,15,834	39,31,704	—1,46,403	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borrea	31½	10	1½ + 1½	1½* + 1½*	1½* + 1½*	1½* + ½	6, 12	H.
9,52,480	1,70,58,398	4,07,13,995	1,64,07,683	83,552	Bird & Co., Ltd.	Chasnalah	97	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.T.
49 97,000	750	34,32,368	37,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	Nil	Nil	Nil	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	141 N	10	½ + ½	½ + ½	½ + ½	½ + ½	3	H.P.T.
6,00,000	1,41,587	7,50,000k		19,867	F. W. Heilgers & Co., Ltd. ..	Churia	2½	4	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	1½	10	1 + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
£240,000	£332,901	£224,840	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	£1	£1	1½	3½	Nil	Nil	6, 12	H.
29,43,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	33½	10	2½ + 2½	2½ + 2½	2½ + 1½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,863	Bhutter's Agency Ltd.	Ghusick and Mosila	15N	10	2	3	3	3	6, 12	
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43½	50	3	4	4	3	6	M.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	13½	10	½ + ½	½ + ½	½ + ½	½	6	Y.
22,00,000	1,08,577	31,70,015	10,56,245	—1,55,248	Bajpaie Trust Ltd.	Jogta Coal	3½	10	Nil	Nil	Nil	Nil	6, 12	Y.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd. ..	Kalapahari	26½N	10	1½ + 1½	1½ + 1½	1½ + 1½	1½+1	12	Y.P.
80,00,000	....	25,62,791	1,50,646	1,828	Bird & Co., Ltd.	Karanpura Collieries	7½	100	Nil	Nil	Nil	Nil	2, 8	H.
5,00,000	12,00,000	42,94,955	33,08,611	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherriah	45½	10	1½ + 1½	1½ + 1½	2+2	2+2	2	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,063	Berriwala & Co.	Khas Kajora	3N	10	½ + ½	1	1½	1	1, 7	H.
11,00,240	50,000	15,87,375	10,31,164	3 411	H. V. Low & Co., Ltd.	Kuardi	6½N	10	3½	3½			6, 12	H.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Laturka	11N	10						H.P.
7,48,240	1,50 000	11,24,142	8,84,138	30,398	Associated Commercial Co., Ltd.	Nazira	6½	10	½ + ½				4	Y.
17,76,230	17,02,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd. ..	New Beerbhoom	17½	10	3/10+3/10	½+½	Nil	½	6, 12	H.
6,00,000	1,30,000	31,61,622	15,78,155	60,718	Octavius Steel & Co., Ltd. ..	New Manbhoom	9½	10	½ + ½	Nil		½+½	4, 10	H.P.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd. ..	North West	11N	10	½ + ½	½ + ½	½ + ½	Nil †	3, 9	H.
1,57,500							7½N	7½	½ + ½	½ + ½	½ + ½	½+Nil	3	
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd. ..	Ondal	19½	10	½ + ½	Nil	½ + ½	½+Nil	3, 9	H.
10,00,000	1,10 000	35,60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	1	1	1	1†	6, 12	H.P.
8,34,000	83,596	17,23,582	6,27,679	15,781	Deepchand Kothari & Co.	Parasea	6½	10	Nil	Nil	Nil	12	6, 12	Y.T.
15,75,000	11,25,000	42,01,250	24,01,650	22,892	Shaw Wallace & Co., Ltd. ..	Pench Valley	25½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
23,99,500	16,17,105	1,12,84,110	78 87,623	27,432	B. N. Elias & Co., Ltd.	Raneegunge	11½	10	Nil	Nil	Nil	2+2	2, 8	H.
13,50,000	7,88,385	30,74,660	25,05,640	27,643	Shaw Wallace & Co., Ltd. ..	Sarisatalli	12½xd	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
30,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	7½	10	½ + ½	½ + ½	½ + ½	1 0	4, 12	H.
1,25,000	1,75,000	11,69,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Seasole	5N	5	½	½	½	½	6, 12	H.
5,80,000	6,77,288	28,60,123	15,19,969	25,878	Andrew Yule & Co., Ltd. ..	Seebpore	2½	10	½	½	½	½	6	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd. ..	Sendra	24½	10	½ + ½	2½ + 2	2 + 1	1	6, 12	H.
63,21,450	13,23,954	3,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		10N	10	½ + ½	½ + ½	Nil	Nil†	6, 12	H.P. H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6½	10	½	½	½	½	6	
8,00,000	13,89,543	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	South Karanpura	9½	10	½ + ½	½ + ½	½ + ½	½ + ½	12	
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	3½	2½	Nil	Nil			2, 8	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Tatcher	Tatcher	2½	10					6, 12	H.
49,98,000		44,91,138	13,91,543	63,500	Williamson Magor & Co.	Union	23½	10	1½ + 1½	1½ + 1½	1½		6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Hindustan Investment Corpn., Ltd.	West Bengal	5½	10	½	½	½		6, 12	H.
					Macneill & Barry Ltd.	West Jamuria	18½	10	½ + ½	½ + ½	Nil	Nil	6, 12	Y.
														H.

* Including bonus. x Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 764 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 767)

but also because, in many cases, scientific, technical and industrial knowledge and capital equipment can best be secured with foreign capital." Although the Government considers, as is well known, each application for investment of foreign capital on its merits, its action has invariably been guided by four broad considerations: (1) The new project should lead to greater production, (2) there is a genuine programme of manufacture, (3) the new project is undertaken in a sphere where Indian capital has not ventured or Indian technical know-how is not available and (4) the project will lead to saving in foreign exchange. Now, Mr. Deshmukh singled out the last consideration for special comment and emphasis. He illustrated it by a reference to investment in the field of oil refining. The total foreign capital invested in the refineries is of the order of Rs. 35 crores. By importing crude oil to the tune of Rs. 26 to Rs. 27 crores, the refineries will manufacture oil which, at current prices, may be valued at Rs. 44 crores. There is thus a net saving of Rs. 17 to Rs. 18 crores of foreign exchange per year (though some allowance will have to be made for profits remitted abroad). Besides this advantage, the refineries provide employment, both direct and indirect, and help train young Indians in an entirely new industry. Now, this is true of many a foreign enterprise. It is not perhaps as widely realised as it should be that, in many fields of industrial enterprise, new ground was broken first by foreign enterprise, though many Indian concerns profited by the work of the early pioneers. Mr. Deshmukh rightly stressed that foreign capital is "desirable and welcome, provided it is of the right kind and is sought to be invested in the right field."

* * * *

Foreign capital may come in in the form either of direct investment through private channels or of indirect investment by means of a Government-to-Government loan. Which of these two methods is the better? We have always held that direct (private) investment is the better form of foreign capital participation in the economic development of the country. There are, as Mr. Deshmukh pointed out, at least two advantages in direct investment. In the first place, direct investment "earns its income out of the profits it creates." This "flexibility" is not shared by the loans made on a Government-to-Government basis. Secondly, private foreign investment "usually brings with it the technical know-how." Since it is in the interest of the foreign investor that the concern should earn a reasonable profit, he brings the best talent of which he is capable to bear upon the new enterprise. It is true that even when a Government-to-Government loan is given, foreign technical personnel could be invited by the country receiving the loan to assist it. But experience shows that, since these experts have no stake in the industry in which the loan is invested, they cannot possibly take the same responsible interest in the new undertaking, initiated with the assistance of the foreign loan, as in the case of direct investment. In any case, these experts, whose services have to be paid for "cast a heavy burden" on the country receiving the loan. But when a foreign investor participates in an undertaking in this country or in any other underdeveloped country, he places the services of his technical men freely at the disposal of the new industry.

SURVEY

(Concluded from page 771)

substance, with a view to its use, sale, transport, delivery or disposal.

At the outset, Mr. Hirway stated that it had not been disputed that the strength of the office was below ten. A manufacturing unit with ten or more employees comes within the definition of "factory," if it uses power. He held that the teleprinter in the *Navprabhat* was part and parcel of the office and it was run by electric power. Referring to this machine and the manufacturing process, he said:

"This machine is run by electric power and sheets of newsreels are constantly manufactured out of this machine. These newsreels are taken out of the machine and the news printed therein is given a new heading, is moulded into a new form and takes a different shape. In this way, the manufacturing process is carried on in the *Navprabhat* with the aid of power."

Thus, the *Navprabhat* fulfilled, in his view, all the requirements of the first definition of a factory in the Act. Assuming that the teleprinter machine did not carry on any manufacturing process, the *Navprabhat* nevertheless came, according to the Judge; within the second definition, namely, that it employed 20 or more persons and a manufacturing process was being carried on there without the aid of power. To quote him:

"The *Navprabhat* is a daily newspaper and the main work of the persons engaged in its office is to collect material for the manuscript of the paper. The news and articles received in the *Navprabhat* press, either through the teleprinter machine or through any other source, is the raw material for this factory. Some material is received through post, some through reporters and some through telephone or radio. All this raw material is treated and adapted by the editorial staff and a new shape is given to it. The news is moulded or casted in a particular manner, attractive and exciting headings are given, suitable headlines are found and, out of all this process, a final product, namely, the manuscript of the *Navprabhat* daily emerges which is used for printing in the press and the paper thus printed is sold. None can dispute that the material received in a newspaper office is in a crude form and in a raw state. This crude and raw substance is subjected to the process of treating or adapting and is finally rendered fit for printing in the press. Such a change would come within the meaning of the term treating or adapting any article or substance with a view to its use, and thus would constitute 'manufacturing process.'"

In this way, he held that the *Navprabhat* office satisfied all the important "ingredients" of a factory. Earlier, he pointed out that the Payment of Wages Act applied to all persons employed in a factory whether they were officers or otherwise and whatever was the nature of the work they did—clerical, manual or otherwise—so long as their wages averaged less than Rs. 200 a month. In passing the Act, he added, the Legislature had carefully avoided the use of words like "workers", "workmen" and "employees", which occurred in similar Acts pertaining to social legislation. Consequently, he held that the nar

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000 / 16,00,000	1,08,33,956	10,66,174	Allahabad Bank	376xd / 188xd	100 / 50	18 0 / 9 0	18 0 / 9 0	18 0 / 9 0	18 0 / 9 0	12	V.P.
1,01,000	12,41,000	7,143	Andhra Bank	116cd	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,000				62½cd	50	3 0	3 0	3 0	3 4		
1,00,000	1,28,00,000	2,33,389	Bank of Baroda	106½	50	6 0½	6 0½	6 0	6 0½	12	V.
*0,00,000	14,00,000	8,667	Bank of Bikaner	121N	25	0 12	0 12	0 12	0 12	12	V.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	148xd	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0½	3 0½	3 0	3 0	12	V.
50,00,000	17,00,000	48,178	Bank of Jaipur	20½	10	1 8	1 8	1 8	1 8	12	V.
50,00,000	84,00,000	2,26,994	Bank of Mysore	29⅞	100	16 0½	16 0½	16 0½	16 0½	12	V.
59,99,150	51,83,240	29,699	Bombay State Co-operative Bank	59	50	2 8½	2 8½	2 8½	2 8½	6	V.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0½	5 0½	5 0½	5 0½	12	V.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	56½ / 28½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
$2,42,905 A											
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	80	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	9	10	—	—	—	—	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	15	10	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	103N	100	6 0½	6 0½	5 0	5 0	9	
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,810 / 437½	500 / 125	80 0 / 20 0	80 0 / 20 0	80 0 / 20 0	80 0 / 20 0	6.12 / 6.12	R.L.H. / R.L.H.
1,87,50,000				172cd	100	12 0½	12 0½	12 0½	12 0½		
54,00,000				142cd	85	10 3½	10 3½	10 3½	10 3½		
17,00,000	76,50,000	1,23,088	Indian Bank	99½cd	50	7 3½	7 3½	7 3½	7 3½	6.12	R.L.H.
16,80,000						—	—	—	—		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank	91	100	5 0	6 0	6 0	6 0	.12	R.L.H.
6,25,800				67	100(A1)	9 0	7 8	6 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 14	1 8		6.12	M.
10,00,000				36½	50(C)	3 0	3 0	3 0	1 8(1)		
87,50,000	90,00,000	3,10,289	Punjab National Bank	243cd	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,292	Travancore Bank	13-3½	10	—	—	—	1 0	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	6½xd	5	0 3	0 5½	0 5½	0 3½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	41½xd	50	2 0	2 0	2 0	2 0	12	W.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-3-1½	£5	14½	14½	16½	14½	12	R.L.Y.
£1,000,000	£1,250,000	£102,997	Eastern Bank	£8½	£5	7½	6½	7½	5½	12	R.L.Y.
H.K.$20 000 000	H.K.$96 000,000	H.K.$9,859,542	Hongkong and Shanghai Banking Corporation	£96½	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555,780	Lloyds Bank	£3-1-5 / £1-6-3	£1	12½ / 5½	12½ / 5½	12½ / 5½	14½ / 5½	12	R.L.Y.
£1,437,296										12	R.L.Y.
£375,000 'A'				£27½	A £12½	12½	12½	14½	14½		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank of India	£27½	B £12½	12½	12½	14½	14½		
£300,000 'C'				£12	C £5	12½	12½	14½	14½		
£2,281,250	£3,675,000	£323,703	National Bank of India	£33½	£12½	16½	16½	16½	16½	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency ††O.S. Currency (*) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co. 1938	100	1st June 1963
5,00,000	3½	1st March and 18th September	Carew & Co. (2nd mortgage) 1941	96	28th February 1960(J)
8,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd 1936	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar 1942	104	27th December 1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New) 1944	90	1st November 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries 1941	105	1st April 1956-61
83,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) 1944	97	1st November 1959-64
COTTON					
18,50,000	5½	30th June and 31st December	Bannari Cotton Mills Ltd. 1942	85	30th April 1964
4,00,000	5½	10th May and 10th November	Bengal-Nagpur 1897	98½	15th November 1956(a)
6,80,00,000	3	1st April and 1st October	Buckingham and Carnatic 1952	101	1st January 1957-72
19,68,000	5½		Rayalvas Textiles 1940	78N	1st January 1956-59
60,00,000	5	1st June	Tata Mills 101		1966-72
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. 1950	96	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101½	14th June 1968
80,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co. 1948	100½	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd. 1940	94	31st December 1964
10,00,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd. 1950	101½	31st December 1978
35,00,000	3	30th June and 31st December	Chenyyore Electric Supply Co., Ltd. 1943	86	31st December 1978
19,00,000	5	1st January and 1st July	Bijli (Iberian) Electric Supply Co., Ltd. 1951	96	30th June 1976
7,50,000	3½	1st January and 1st July	South Arcot Electric Supply 1948	96½	1957-61
8,00,000	4½	1st May and 1st November	South Madras Electric Supply 1939	94	1st October 1954
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1957-67
47,73,000	4	1st April and 1st October	Tata Power 1940	100½	15th September 1951-55(C)
8,50,000	4	1st April and 1st October	Tata Power	93	15th September 1963-78
ENGINEERING					
6,00,000	3½	30th June and 31st December	Britannia Engineering 1948	98½	31st December 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd. 1928	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage) 1942	103	1st July 1957-62
61,183,400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage) 1936	696	31st December 1946(M)
10,00,000	4	31st May and 30th November	Kumardhubi Fagineering Works Ltd. 1946	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive 1950	101½	1st October 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd 1950	95	31st December 1960
JUTE					
18,00,000	4½	1st October and 1st April	Agarpara 1939	99	31st March 1956
6,00,000	4½	30th June and 31st December	Anglo-India 1939	98	30th June 1954(h)
19,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. 1945	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1948	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. 1945	88½	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta 1949	91	31st July 1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills 1951	97	30th June 1966
18,85,000	5	30th June and 31st December	Empire 1951	95	15th July 1966
25,00,000	5½	1st January and 1st July	Hukumchand 1947	92½	30th June 1957
25,00,000	5	30th June and 31st December	Kamarhatty Jute Mills Co., Ltd. 1949	98	31st December 1964
25,00,000	5	30th June and 31st December	Naihati 1952	98	31st March 1967
3,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd. 1947	98½N	31st March 1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. 1939	140	31st May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd 1945	88	31st December 1964
9,00,000	4	30th June and 31st December	Presidency 1945	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. 1950	96	5th September 1965
8,00,000	4½	14th March and 14th September	Soorah Jute 1937	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union 1937	96	30th June 1957(d)
10,00,000	3½	31st January and 31st July	Waverley 1929	85	31st July 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsoot-Basirhat Light Railway 1936	86	1st July 1956
£350,000	4½	1st January and 1st July	1900	£60½N	A 110½ at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways		
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway 1933	£77½N	1st October 1974
6,50,000	3½	30th June and 31st December	1945	90½	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway 1905	£85½N	
6,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	1st September 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee 102		1st July 1957-63
3,00,000	6	31st March & 30th September	Nilgiri Tea 101		1st April 1954-56
4,61,000	5½	30th June & 30th September	Oachterlony 104		30th June 1954-59
9,00,000	5	31st March & 30th September	Periakaramala 100–11½		31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekoy 100		31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd. 1946	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd. 1948	98	31st December 1965
86,00,000	4½	1st April and 1st October	Associated Hotels of India 1948	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills 1937	96½	30th June 1957(I)
11,00,000	5½	1st February and 1st August	Cherrapoonjee Properties 1915	92	1st February 1964
21,55,000	4½	1st July and 1st January	Clive Buildings 1936	88½	1st July 1956
80,00,000	4	15th March and 15th September	Dalhousie Properties 1946	87	15th September 1960
1,00 00,000	4	31st March and 30th September	Dalmia Cement Ltd. 1946	82	1968
1,20,00,000	5	1st January and 1st July	Duncp Rubber 1950	102½	1st January 1971
20,00,000	5	15th March and 15th September	Mettur Chemical Industries 1949	96	1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) 1946	470 (per note)	30th September 1976
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes) 1947	525 (per note)	31st December 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd. 1951	90N	1st April 1971
‡ 80 00,000	5½	31st March	Orient Paper Mills Ltd. 1951	97½	31st March 1961
‡ 80 00,000	4	30th June and 31st December	Rohtas Industries Ltd. 1946	88	31st December 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd. 1953	104½	1st May 1968

Note—See page 810 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd April, 1954.

—	Closing quotations 14-4-54	High	Low	Closing quotations 22-4-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	148½	148½	147½	147½
Bank of Baroda (50)	110½	112	106½	106½xd
Central (25)	57	56½	56	56
Central 'A' (25)	59½	60	59	59½
Imperial (P.Pd.) (500)	1,825	1,825	1,807½	1,810
Imperial (P.Pd.) (125)	445	445	437½	437½
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	41	41½	41	41½
TEXTILES				
Ahm. Adv. (100)	149½	149½	147½	147½
Apollo (2)	2-13½	2-13½	2-7½	2-9
Bombay Dyeing (250)	440½	448½	418½	418½xd
Central India (100)	188	191	181½	181½
Century Mills (100)	341	335½	326½	326½xd
Crown (100)	66½	67	66½	66½
Edward Textile (200)	247½	246½	242½	246½
Hiddaitanee (20)	44	—	—	44
Finlay (100)	268	272	263½	263½
Gokak (100)	264xd	265	256	256
Ind. Ut. Defd. (1)	1-8½	1-8½	1-7½	1-7½
Ind. Unit. Ord. (10)	11-7½	11-7½	11-3½	111
Indore Malwa (100)	116½	118½	111½	112
Khatau (100)	128½	127½	121½	121½
Kohinoor (100)	327	332	320	320
Lakshmi (250)	583½	593½	590	593½
Madhusudhan (100)	82	—	—	82
B. R. Cotton Mills (100)	60½	61½	60½	60½
Mahavir Mills (100)	111½	60½	—	111½
Model Nagpur (250)	140	140	139½	140
Mowarji (100)	212½	212½	211½	211½
Mysore (50)	120	120½	120	120
National Rayons (100)	165½xd	170	155	155½
New City (100)	157	—	—	—
New Great (100)	147½	159	—	160
New Union (10)	26½	—	153	153
Phoenix (100)	132½	—	—	26½
Podar Mills (100)	145	136½	132½	132½
Ramcon Mills (10)	18½	147½	145	146½
Ramcon Spg. (10)	30½	19½	18½	18½
Shahjapur (1,000)	2,010	30½	30	30½
Shrinivas (100)	226½	2,210	2,100	2,210
Simplex (50)	156	232½	216½	216½
Standard (100)	340	157½	133½	153½
Svadeshi (100)	306½	340	320	320½
Swan (100)	352½	327½	295½	295½
Tata Mfl. (25)	49½	307	—	350
Wahkas (100)	140½	50½	49	49
Western India (1,000)	3,810	142½	141½	142½
ELECTRIC SUB.				3,810
Ahmedabad (100)	114½	114½	112½	112½
Amalgamated (16)	10½	10½	10	10
Andhra Valley (1,000)	1,346½	1,357½	1,345	1,335
Bom. Sub-Bl. (100)	122½	122½	122½	122½
Surat (100)	129½	129½	127½	129½
Tata Power (100)	143	144½	143½	143½
Tata Power (1,000)	1,455	1,462½	1,452½	1,452½
INSURANCE SUB.				
British India (10)	13½	—	—	13½
Empire of India (100)	655	—	—	655
Ind. Mercantile (20	40½	—	—	40½
Jupiter (15)	7½	—	—	7½
New India (15)	47	47	46	46
Oriental (200)	7,960	7,960	7,940	7,950
Universal (10)	9½	—	—	9½
Vulcan (10)	12½	12½	12½	12½
STEAMER SUB.				
Scindia (15)	18–11½	18–12½	18½	18½
STEEL SUB.				
Ind. Iron (10)	31–3½	31½	31–1½	31½
Tata Steel Ord. (75)	195½	199½	193½	193½
MISCELLANEOUS				
Alcock Ashdown (100)	360½	362½	356½	358½
Associated Co. (100)	159½	161	156½	157½
Belapur Sugar (5)	268	283	267	274
Bom. Burmah (125)	425½	430½	415½	415½
Do. (New) (50)	147½	146½	144½	145
Br. B. Petrol (4 sh.)	3½	3–2½	2–15½	2–15½
Br. L. Camps. (3)	8–2½	8½	8–3½	8½
Indian Copper (2 sh.)	3–2½	3–3	3½	3–2½
Ind. Inv. Tr. (100)	79	—	—	79
Kamp (200)	266½	—	—	266½
Killick (100)	173	—	—	173
Killick (75)	135	147½	135	135
Phalton Sugar (50)	101	109½	104	147½
Port Canning (100)	27½	28	27	27
Revenue Corp. (50)	129	132	125½	128½
Shivrajpur (10)	79½	79½	67½	67½xd
Tata Chemicals (10	15½	15½	14½	14½
Tata Oil Mills	39½	40½	38½	39½
Walchand Ind. (100	187½	190	176½	276½xd
W. I. Match (100)	212½	213½	210	210

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½ 1954	99½	—	3.38	99½
2½ 1955	98½	—	3.55	98½
2½ 1960	91½	—	3.95	90½
2½ 1965	91½	—	3.85	91½
2½ 1974	92½	—	3.85	92½
3 % 1957	82½	—	3.91	82½
3 % 1958	98½	—	3.59	98½
3 % 1939-41	98½	—	3.48	98½
3 % 1964	96½	3.70	3.59	96½
3 % 1963-65	93½	—	3.87	93½
3 % 1966-68	93	3.92	3.81	92½
3 % 1970-75	90½	3.98	3.89	90½
3 % 1986 Con. Loan	86½	4.10	3.94	86½
3½ % 1954-55	82½	—	3.67**	81½
4 % 1960-70	100½	3.34	3.48	100½
4½ % 1955-60	102½	3.62	3.85	101½
4½ % 1958-68*	102	3.98	4.17	101½
3½ % 1961 N.P. Bonds	99½	3.27	4.04	105
		—	3.70	98½

BRITISH GOVERNMENT SECURITIES

	14-4-54 £	High £	Low £	12-4-54 £
2½% Brit. Consols	66½	66½	66½	66½
3 % Savings Bonds 1965-75	90½	90½	90½	90½
3½% War Loan 1952	101½	101½	101½	101½
3½% Brt. Iron and Steel 1976-78	88½	89½	88½	89½
4 % Funding Loan 1960-90	95½	95½	95½	95½
	101½	101½	101½	101½

** Current Income. xd.—Ex-dividend. * Rupee Counterparts. X.R.—Ex-Right.

COMMERCE

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

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INDIA AND U.S. SURPLUS FARM PRODUCTS

FOR over a week now, the eleven-member U.S. Farm and Agricultural Trade Mission has been touring India and will have probably left the country by the time these lines appear in print. It has met a cross section of business men and Government officials. It is not known what impressions the Mission is carrying with it. Surprisingly enough, not much has been said in the daily Press about the discussions that took place between the members of the Mission and the Indian representatives. Nevertheless, there is enough evidence that the Mission's visit has not created lively enthusiasm and failed to evoke much attention even in the circles intimately concerned. The cotton market, for instance, scarcely took any notice of it, though at one time it used to speculate on the outcome of this move. If this is an indication of India's interest in the proposals put forward by the Mission, then it reflects a poor appreciation on the part of both the mercantile community and the officials of the possibilities of developing trade with the U.S. which these proposals offer. Although the object of the American Mission and its arrival in India were known to them for some time, it would appear that no concrete proposals had been evolved by the Indian side and that much of the talk that took place was of a rambling nature. It is true that the delegation is only on a fact-finding mission and that it has no powers to enter into any firm commitments. All the same, it would have been worthwhile if a carefully thought out scheme for exchange of goods between the two countries had been presented to it, for such would have helped the Mission to give, on its return to America, a precise picture of India's needs to the U.S. Government. Perhaps, it is not too late to do so even now. With the explanations provided by the members of the Mission, India can submit a tentative scheme for consideration by the American side.

One reason for the lack of keen interest displayed by this country in the Mission may be the present none-too-happy political relations between India and the U.S. This, however, is not an adequate explanation. The Mission has been here to discuss not aid but the prospects for trade, an exchange of goods between the two countries on a mutually satisfactory basis. Acceptance of aid may mean an obligation, which India is understandably reluctant to undertake. Surely, there is no such obligation in a two-way trade, under which one country pays for the goods bought in terms of goods. It may, of course, be necessary for the U.S. to provide some facilities to India for making the payment in goods. But that is a normal feature of trade agreements, especially those concluded in a sellers' market, and does not amount to any extraordinary favour being conferred by the U.S. on India.

It is common knowledge that the U.S. has large surpluses of a variety of agricultural commodities and farm products. They are so large as to cause "serious concern" over the economic stability of the U.S. What is even more disquieting is the fact that production of these goods still continues to be in excess of the U.S. needs and currently available export outlets, with the result that the surpluses threaten to expand further. Although steps have been taken to restrict output, the process has to be gradual, as, otherwise, it will cause severe hardship to American farmers which, in turn, will adversely react not only on the whole U.S. economy but also on the world economy. It is, therefore, a difficult problem to be solved quickly.

A few figures may be cited to show how vast are the surpluses. Carry-over stocks of wheat on 1st July last aggregated 562 million bushels, that is, more than twice what they had been a year before; these are expected to go up further to 875 million bushels on 1st July, 1954. Similarly, the cotton carry-over, which stood at 5.5 million bales (of 500 lbs. each) on 31st July, 1953, almost double the previous year's volume, is expected to reach a total of 8.6 million bales on 1st August next. Corn stocks, which had advanced by more than 50 per cent. to 764 million bushels by 1st October last, are expected to aggregate some 900 million bushels by 1st October next. Holdings of fats and oils almost doubled in mounting to 1,550 million lbs. on 1st October, 1953, and will climb up to 1,650 million lbs. on 1st October, 1954. The U.S. Government's anxiety over this situation is aggravated by the fact that, thanks to its price support scheme, a great part of these surpluses has found its way into the warehouses of the Commodity Credit Corporation. Practically the whole of the wheat surplus is held by the C.C.C., the value of such holdings being placed at $2,250 million. Again, more than 8 million bales of cotton, valued at $1,400 million, are either in inventory or under loan. The aggregate investment by the C.C.C. is placed at $6.250 million, divided between inventories and crop loans, their exact share being $2,650 million and $3,600 million, respectively.

The leader of the Mission to India, Mr. H. L. Brinkley, publicly stated in Bombay that the U.S. did not want to disturb the markets of other countries by "dumping" its surplus production. Nor did it desire to destroy the surplus in order to keep up the price levels. Its object was to explore stable markets for its agricultural production and to utilise its surplus for the benefit of the needy people, instead of allowing such surplus to deteriorate in storage. These are encouraging remarks. They show that the Americans are conscious of the need for avoiding the tragic dilemma in which the world found itself in the 'thirties with excess stocks co-existing with hunger. Of course, mere awareness of this need will not do; what is urgently required is its translation into action. The solution lies in increasing the purchasing power of poorer consumers in the world.

The problem is not a simple one, for, even if the Americans are prepared to make a free gift of some of their surpluses, it cannot do so without hurting the interests of some of the other countries producing the same goods. The latter countries may complain that their markets have been lost. When the U.S. offered to sell tobacco to Europe at market prices for deferred payment (that is, for payment in local currencies), Indian tobacco growers, for instance, alleged that their traditional markets were being "stolen" by the Americans. Similar charges may be made by the Australians and Canadians, if the U.S. gives away large quantities of wheat to the needy countries at nominal prices or on very easy terms. The best way of disposing of the surplus products, therefore, is to create additional demand in the countries that offer markets for them. This will necessarily take some time and require the energetic co-operation of the importing countries.

The U.S. Government is trying to dispose of its surplus farm products in two ways. One is to sell farm surpluses to foreign countries for local currencies, which will not be cashed for some years, and the other is to exchange them for commodities which are needed by the U.S. Hardly any progress has been made under the commodity-for-commodity method, while $225 million are expected to be disposed of under the first method (namely, the sale for local currencies) before the end of June next. New proposals are being designed to sell more under this method during 1954-55. American officials hope that the revised programme, which will be submitted to the Congress shortly, will enable them to clear the accumulated stocks at least to the tune of $300 million, if not more. In order to make the new programme attractive to recipient countries, they propose to let them use the largest part of the sale proceeds for financing their development projects. The bulk of the shipments next year, we are told, will be to underdeveloped countries, principally in Asia. The magnitude of this programme is, however, not so impressive when compared with the towering surpluses.

If Mr. Brinkley's remarks are any indication, the U.S. seems to prefer the commodity-for-commodity arrangement, for it is more specific in regard to the payment for imports of American surpluses than the sale-for-local-currencies method. For all practical purposes, the former is a barter agreement, the only difference being that the recipient country agrees to pay in goods not immediately but over a period, say, of five or ten years. The basis for determining the quantum of goods will presumably be the world prices ruling at the time of negotiating the deal. It will not be realistic to expect the U.S. to sell below world prices, for it will then be accused of dumping by other countries producing the same commodity. The country buying American goods under this scheme has two advantages. First, it receives ready delivery of goods, the sale proceeds of which can be used for financing its development projects. Or, alternatively, it has an assured supply of goods in reserve, against which it can

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create purchasing power for implementing its development programme and absorb the currency from circulation as and when the commodity reserves are sold. Secondly, it can sell to the U.S. those goods for the production of which it has all the necessary facilities but which it is unable to use now for want of markets. Even if the scope for this is limited, the advantages of booking orders in advance for, say, five years, are obvious; briefly, they amount to providing a guaranteed market for the products concerned and the producers thereof can plan their production programme with confidence.

India, in our view, stands to gain by such an arrangement. Its reserves of cotton are slender and a supply of half a million bales of American cotton will not be unwelcome. There will be no harm in building up a larger reserve of foodgrains than the one which it has at present. Prospects of better domestic food crops are doubtless brighter than they were in recent years and schemes for increasing the indigenous output are being steadily implemented. But the margin between the expected expansion of production and population is so narrow that one or two bad harvests could upset all the calculations. This is not a prudent risk to take at a time when we are planning to resort to deficit financing to the tune of Rs. 600 crores in the two years ending March, 1956. India is short of oils and fats, as well as milk. An increased supply of these by drawing on the U.S. reserves at a time when we are launching upon large developmental expenditure will help us to prevent the cost of living from going up, if not to bring it down. In exchange for the supply of these goods, India can undertake to supply larger quantities than it does now of jute goods, manganese, tea, pepper, coffee, cashewnuts, coir products, castor oil and a number of minerals such as manganese. Where supplies are found inadequate, arrangements can be made to increase their production, thereby providing opportunities for increased employment and an assured market for these products at least for some years. It will thus be seen that it is worthwhile exploring the possibilities of utilising the U.S. Government's move for the disposal of its surplus farm products for the mutual advantage of both India and the U.S.

WORLD RICE POSITION

WORLD food statisticians have struck the most cheerful note they have played for some time now by drawing attention to the fact that, in the last one or two years, food production in the world has outstripped the growth of population. To those who still remember the gruelling experience of food shortage in the war and early post-war years, the improvement in food output must be more than a mere comfort. They will derive no small satisfaction from the fact that, while the world population has increased by 1½ per cent. in recent years, the production of food in the free world alone has actually exceeded the growth of population by 0.7 per cent.

Although a large proportion of the world population depends for its food requirements on widely different articles of food, such as wheat and other cereals, quite a substantial part of the world's peoples depends almost exclusively on rice as a staple article of diet. Most Asian countries, including large parts of India, are inveterate rice eaters. Since the rice-eating population also inhabits economically underdeveloped countries—though there is no causal connection between the two factors—the availability of rice on an adequate scale in this region has both an economic and a political significance. From this point of view, it is gratifying to note that the U.N. Food and Agriculture Organisation has published a comprehensive report on rice, in the series entitled *Commodity Reports*, which throws much fresh light on world rice position.

World rice production, according to the report, rose by over 8½ million tons or by nearly 6 per cent. between 1951-52 and 1952-53. To give the actual figures: World rice output, excluding the output in the U.S.S.R., rose from 151.2 million tons in 1934-38 period (average) to 152.3 million tons in 1951 and still further to 161.1 million tons in 1952. Many factors contributed to this increase. But the F.A.O. cites the opinion of the U.S. Department of Agriculture, which attributed the increase in rice production to the inducement provided to the growers by the "unusually high prices for rice in 1952" and the concerted effort of world organisations and Governments to stimulate rice production. The following table gives the rice production in different countries in 1934-38 (average), 1951 and 1952:

(In thousand tons)

	Pre-war average, 1934-38	1951	1952
Asia (excluding U.S.S.R.) ..	144,800	140,900	149,000
Of which			
Associated States of Cambodia, Laos, Viet-Nam ..	6,498	4,660	4,604
Burma	6,971	5,500	5,841
China:			
22 provinces	50,065	48,300	..
Manchuria	411		
Taiwan	1,642	2,040	2,100
India	34,182	31,809	35,698
Japan	11,901	11,302	12,404
Pakistan	11,169	11,800	12,416
South America	1,820	4,150	4,640
Of which			
Brazil	1,365	2,931	3,161
Africa	2,180	3,100	3,100
N. and C. America	1,180	2,770	3,000
Of which			
U.S.	956	2,077	2,182
Europe	1,140	1,390	1,570
Of which			
Italy	753	750	863
Oceania	50	80	100
Of which			
Australia	43	58	75
World total (excluding U.S.S.R.).	151,200	152,300	161,100
U.S.S.R.	318	..	..

The increase in rice output has been rendered possible mainly by the increase in the land under rice. Thus, the acreage under rice improved from 85.8 million hectares in pre-war years to 94.3 million hectares in 1951 and to 95.5 million hectares in 1952. Asia accounts for the major portion of the land under rice; its share increased from 82.0 million hectares in pre-war years to 87.6 million hectares in 1951 and to 88.5 million hectares in 1952. The rice yield per hectare has, on the other hand, declined from 17.7 quintals in pre-war years to 16.1 in 1951, though it has since improved to 16.9 in 1952. The yield in 1952, in terms of quintals per hectare, in some of the leading rice producing countries is (figures in brackets refer to the yield in pre-war years) as follows:

Burma 14.6 (14.1); India 11.8 (13.6); Japan 41.3 (36.3); Malaya 20.8 (17.2); Pakistan 13.1 (14.8); Brazil 15.4 (14.3) and Italy 49.6 (53.0).

Although there was thus an overall increase in rice production, the increase itself was unevenly distributed among the leading producers. In analysing the increase in output, the Report has drawn attention to the rice supply position in the countries which participate in world trade in rice either as exporters or as importers. Among rice-exporting countries, Burma continued its gradual recovery in acreage and production, although they still fell short of the pre-war levels by about 20 per cent. In Thailand, on the other hand, there was a sharp decline in rice output. General increase in production was recorded in a number of rice-importing countries. The Report notes that the "most notable improvement occurred in India." The heaviest rice importer, Japan, also reaped on an unchanged acreage a harvest of over one million tons more paddy than in 1951-52. The following table gives the area under rice and the production of rice in leading exporting and importing countries in pre-war years as well as in 1951 and 1952:

	Area (In million hectares)			Production (In million tons)		
	1934-38 (average)	1951	1952	1934-38 (average)	1951	1952
Exporting Countries						
Cambodia ..	5.6	1.2	1.2	6.5	1.5	1.5
Laos ..		0.8	0.8		0.5	0.5
Viet-Nam ..		1.9	1.9		2.6	2.6
Burma ..	4.9	3.8	4.0	7.0	5.5	5.8
Thailand ..	8.4	5.7	5.1	4.4	7.3	5.8
Brazil ..	0.9	1.9	2.1	1.4	2.9	3.2
U.S. ..	0.4	0.8	0.8	0.9	2.1	2.2
Egypt ..	0.2	0.2	0.1	0.6	0.8	0.5
Italy ..	0.1	0.1	0.2	0.7	0.8	0.9
Others ..	1.0	1.5	1.5	1.8	2.2	2.5
Total ..	16.5	17.9	17.7	23.3	26.0	26.3
Importing Countries						
India ..	25.0	29.8	30.2	34.2	31.6	35.7
Indonesia (Java and Madura) ..	3.8	4.0	4.1	6.1	6.0	6.5
Japan ..	8.2	8.0	8.0	11.5	11.3	12.4
Malaya ..	0.3	0.3	0.3	0.5	0.6	0.7
Others ..	4.5	4.9	5.2	5.8	7.0	7.6
Total ..	36.8	42.0	42.8	58.1	56.5	62.9

In 1953, there was, as compared with the previous year, a decline in exports of rice from the principal rice-exporting countries. Thus, Thailand exported 1.11 million tons, as against 1.22 million tons in the previous year, Burma 0.99 million tons, as against 1.14 million tons, and U.S. 0.48 million tons, as against 0.63 million tons. This decline in international trade in rice is attributed to several factors. In the first place, many importing countries increased, as already stated, their domestic production of rice. Secondly, the fall in foreign exchange earnings in some countries compelled them to reduce their rice import targets. Thirdly, there was less rice available for export in some exporting countries, notably Egypt and Brazil. As a result of these factors, some exporting countries had larger surpluses of unsold rice than they had anticipated. But they did not, on that account, reduce their selling prices. If they had done so, the surplus might possibly have been reduced substantially.

The F.A.O. Report spotlights an important feature of the post-war rice situation. Thus, it refers to the fall in the proportion of the world production of rice which enters into foreign trade. In this respect, it is difficult to compare rice with wheat, as the rice that is exported is milled before export, while the reverse is true of wheat. If the exports of rice are converted into their unmilled equivalent, then one finds that, in 1934-35, about 13.5 per cent. of the world's wheat crop was exported but only 8.5 per cent. of the rice crop (excluding the U.S.S.R. in both cases). This disparity widened greatly in post-war years. In 1951, the proportion of wheat exports to total wheat production rose to 20 per cent., while that of rice fell to 5 per cent. Explaining the significance of the relative performance of the two commodities in international trade, the Report says: "The total rice grown is nowadays still higher than the total wheat crop, but the tonnage of rice entering into world trade is now only about one-quarter of that of wheat. Furthermore, the unsold stocks of rice suitable for export are normally very small, as compared with those of wheat. A change of a given quantity in world import requirements or world exportable supplies thus has much sharper repercussions on the world markets for rice than on that for wheat."

Normally, only small quantities of rice are carried over from one season to another. The shortage of capital in rice-producing countries and lack of storage facilities are reasons for the low carry-over stocks in rice. The years 1952 and 1953, however, proved exceptions. By December, 1953, Burma had 500,000 tons of unsold rice, Thailand 400,000 tons and Viet Nam 150,000 tons. Although these stocks are burdensome to their owners, it must be remembered that they form only about 1-1½ per cent. of world rice consumption or 25 per cent. of one year's world trade. By contrast, wheat stocks at the end of the year were 25 per cent. of the world consumption and 130 per cent. of the annual world (except U.S.S.R.) trade and, by the middle of 1954, they may be as high as 30 per cent. and 210 per cent., respectively. Be that as it may, it is estimated that, by July, 1954, rice stocks will aggregate 2.75 million tons.

The supply position of rice for the current year is comfortable. Apart from the unusually high stocks, a bigger rice output is forecast for a number of countries. Export availabilities are expected to be larger in a number of countries. The recent conclusion of the China-Ceylon agreement shows that China might be able to export at least 300,000 tons. Burma and Thailand have large stocks which should increase the export availabilities in these two countries. Viet Nam and Cambodia will together have an exportable surplus of 500,000 tons. Taiwan and Pakistan, according to the Report, may be able to export up to 200,000 and 150,000 tons, respectively. Although the position in several countries is still uncertain, it is predicted that the "world's exportable surpluses of rice will be considerably greater than the amount taken by importers in 1953."

The outlook for supply of rice, bright as it already is, is likely to be even better in the next few years. Many countries have set high production targets. The targets (in million tons of paddy), to be reached before 1956-57, for some selected rice-producing countries, are: Burma 7.8; Ceylon 0.6; India 41.4; Indonesia 11.2; Japan 13.7; Malaya 0.8; Pakistan 15.5; Thailand 8.2 and Viet Nam 4.1. For the Far East region, excluding China, a 23 per cent. rise over pre-war average production is expected by 1956-57, 11 per cent. to result from larger crop areas and 10 per cent. from better yields. Egypt hopes to double its present crop by 1956. Iran and Iraq have set higher production goals. Latin American countries are planning increases of varying degrees. If all the current plans are fulfilled, the world production of paddy in 1956-57 (excluding China) will amount to 129 million tons, as compared with 112.0 million tons in 1952-53 and 100.7 million tons in 1934-38. This would be an impressive increase in production. But it is necessary to remember that it would be somewhat difficult to reach the targets, considering that all the main rice-producing countries belong to the underdeveloped region of the world and that the execution of the plans for expansion in rice output imply large capital investments for which they do not have adequate resources.

INDIAN IRONS FANCIED WELL

CHEMICALS ATTRACT MORE INVESTMENT—BELGIUM GIVES A LEAD TO OTHERS

THURSDAY, 5 P.M.

THE new settlement on the Stock Exchange opened well this week. The market quickly got over the shock caused by Mr. C. D. Deshmukh's observations on dividend limitation. As we stated last week, there was no need at all for the market to have taken his remarks so seriously to heart.

MARKET GOSSIP

Reading between the lines, one could have easily noticed that he was only giving a diplomatic reply to those politicians who have not yet learned that socialism is a spent force. In any case, the Finance Minister's statement did one good thing at least. It helped to bring about a healthy shake-out and improve the technical position of the market. Many weak operators have got out, leading to a restrained activity. It is reported that some big investors availed themselves of the opportunity presented by the sudden fall in prices last week to make selective buying of some leading counters. Over the week, the majority of scrips have recorded small gains. In some cases, particularly steels, the improvement from the lowest levels touched early in the week is sizable. The general sentiment of the market is still bullish, though the tendency to enter into fresh commitments at this level is not so strong as it used to be some weeks ago. This is especially so in the case of textile shares.

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It is reported that there has been some heavy buying of Indian Irons by knowledgeable sources. This is attributed to reports that some scheme of capital expansion, which will be advantageous to the existing shareholders, is under consideration by the management of the Company. Whether or not there is any truth in these reports is beyond our ken. But whatever that may be, the volume of speculative activity in this scrip has expanded to a considerable extent. The place of Tata Deferred is being rapidly taken by this counter. This is neither in the interest of the Company nor in that of the investment market as a whole. It will make the task of the Company's management to issue new capital, whenever the need for it arises difficult, if the value of its shares is pushed up to a level which is beyond their intrinsic merits. The Company's management will do well to consider the advisability of quashing all baseless rumours by stating the real position.

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The bullion market is a shade quiet at the time of writing, after staging a quick recovery from the low levels touched last week. The closing rates, though somewhat below the highest levels witnessed earlier in the week, are substantially higher than those a week ago. At Rs. 94-3, ready gold reveals a gain of Re. 1-7; likewise, ready silver at Rs.171-1 shows a rise of Rs. 2-15. The firmness of both the metals is due to good seasonal demand in the face of smaller floating stocks. It would appear that, thanks to good agricultural crops all over India and fairly decent prices earned by farmers, the demand for both the precious metals is relatively better than in the previous year. Reflecting the improved offtake, ready gold commands a sizable premium of Re. 1. In the case of silver, too, the premium for ready, amounting to As. 10, must be regarded as substantial. A pleasant feature of trading in bullion in recent days is the absence of any concerted effort on the part of resourceful operators to form themselves into a syndicate and rig up the market, even though conditions are quite favourable for it. The offtake is good; arrivals are not plentiful; floating stocks, especially in the case of silver, are small and, above all, the monetary indices point to an inflationary situation. No rational explanation for the indifference of big speculators is forthcoming. Perhaps, it is the good fortune of Dr. B. V. Narayanaswami Naidu, Chairman of the newly constituted Forward Markets Commission, that the turbulent bulls have now become docile and disunited.

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The Indian bullion market is, of course, cut off from the world markets by the ban on imports. Nevertheless, the operators in this market will be interested to know that, for the first time after a long interval, the price of silver in the London bullion market has declined. The change is only a minor one, from 73½d. to 73¼d. per fine ounce for spot. But as even a minor change in this market is a rarity, it has aroused the inquisitiveness of operators there, necessitating an explanation on the part of market scribes. According to one of them, this slight fall is probably a reflection of the recent increase in selling on Russian account. He says that, although the U.S.S.R. has not been very active in the London market, it has been selling silver elsewhere in connection with barter deals and that some of this metal has flowed to London.

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The initial response to the new loan has been encouraging. In the first week, a sum of Rs. 31.5 crores was subscribed. Of this, about half seems to be on account of banks. The Imperial Bank, the Punjab National and the United Commercial—these three alone have subscribed Rs. 12 crores, their individual shares being Rs. 7 crores, Rs. 3 crores and Rs. 2 crores, respectively. It is a safe guess that all the other banks together must have taken up not less than Rs. 4 crores. Such a large subscription by the banks, even at a time when the seasonal demand for funds has not shown any appreciable slackening, was rather unexpected. It has, however, led to some tightness in the short-term money market and interest rates are firm. It has also rendered the Gilt-edged market friendless, with no buyers and all sellers. The following table shows how this market has fared after the announcement of the new loan:

	11-3-1954 Before open market operations	12-4-1954 Before the new loan was announced	22-4-1954 A week ago	29-4-1954 Latest closing
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
3% 1957	98 5	98 8	98 3	98 2
3% 1958	98 2	98 4	98 1	98 1
3% 1959-61	96 2	96 9	96 6	96 6
3% 1963-65	92 8	93 1	92 13	92 13
3% 1964	92 8	93 1	92 13	92 12
3% 1966-68	90 4	90 8	90 3	90 4
3% 1970-75	86 8	87 0	86 8	86 8
3% 1986 Conversion.	82 10	83 2	81 12	81 14*
3½% N. P. Bond ..	98 14	99 5	98 8	98 14

* Sellers at Rs. 81-12 reported.

It will be noted that the closing rates of today are a shade better than those a week ago and that, except in the case of the Conversion Loan, all the securities are now standing at almost the same levels as those that prevailed before the Reserve Bank started preparing the market for the new loan. Two conclusions emerge from this comparative study. One is that the downward trend has been arrested, for the time being at any rate. The other is that the loss in value following the issue of the new loan is no more than the fortuitous gain brought about by the Reserve Bank's open market operations. If the values of existing loans are well held at the current levels, the holders of such loans will, therefore, have no cause to complain that the new issue has placed them at a disadvantage.

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Appropos our report last week regarding the move by the Indian banks for controlling interest rates on deposits, we are reliably informed that it is not strictly correct to say that these banks want to abolish the system of call deposits. What they want is that these deposits should have a minimum limit in regard to both time and amount and a maximum limit on the rate of interest. Thus, no bank should accept call deposit and pay interest thereon in excess of the current account rate of ½ per cent. per annum, unless it is for, say, Rs. 50,000 and is not called before one week from the date of deposit. If anyone were to ask for payment of this deposit before a week was over, that deposit should be treated as current deposit. It is further understood that, although there is no move now to control the rates of interest on advances, steps may be taken in this direction after some time. Meanwhile, the Sub-Committee, which was appointed last week to go into the question of drafting the scheme for the control of interest rates on deposits, is working hard and will complete its labours in time for consideration at the next meeting of banks scheduled to be held early next week under the auspices of the Reserve Bank.

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The manufacture of chemicals seems to have caught the fancy of many a leading industrialist in this country. Last week, we alluded to Tatas' move for establishing a basic dye industry at Jamshedpur, requiring a capital of Rs. 10 crores, and to that of Birlas to establish a rayon factory in Bombay and soda ash factory in Saurashtra. We now understand that Tatas' move is still in a stage when no immediate steps are likely to be taken for its implementation. The Government of India has been kept informed of their plan and of the understanding which they have reached with the German firm, Bayers. It may be that active steps will be taken to translate their plan into action when the T.I.S.CO.'s expansion plan nears completion. Meanwhile, Tatas are said to be sponsoring indirectly through a firm of Ahmedabad millowners—believed to be Chias—a small dyes project involving a capital of Rs. 1 crore. In the implementation of this project also, they will have the assistance of Bayers. The factory will be situated either in Bombay or near Poona. A notable feature of this venture will be that almost all plant and machinery, except some of the value of Rs. 5 lakhs, will be manufactured in India.

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As for Birlas' move to have a soda ash industry in Saurashtra, the Central Government does not seem to be in favour of it, for reasons explained in our Delhi Letter this week. The Saurashtra Government, however, is said to be very keen on having this industry and it remains to be seen whether it will succeed in its plea with the Centre for revising its decision.

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Another industrial house is also said to be planning to make its contribution to the establishment of chemical industries. We hear from reliable sources that the Rohtas Industries Ltd., under the management of Messrs. Sahu Jain Ltd., is contemplating a heavy investment of about Rs. 10 crores on rayon, caustic soda, soda ash, paper and cement. It is already making these products, except rayon and soda ash. This means that, in addition to expanding the existing chemical, paper and cement factories, it proposes to add two new lines of manufacture.

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Yet another move that is calculated to increase India's production of chemicals is in the offing. The Atul Products Ltd., at Bulsar has decided on a scheme of expansion and is understood to have applied to the Government for a loan of Rs. 1 crore, presumably through the Industrial Finance Corporation. The Company is also said to be negotiating with I.C.I. (India) Ltd. for securing its assistance for the manufacture of new lines of dyes and for the marketing of the finished products.

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Prices of edible oils have risen, since the war, out of all proportion to the rise in prices of other commodities, in spite of the drastic reduction in oil exports. The reasons for this are varied, but a position has now arisen where the Government feels that there should be a considerable reduction in prices of edible oils to afford some relief to the consuming public. It has been suggested to the Government by the Bombay Oilseeds Exchange that, if cottonseed oil were allowed to be imported into the country at a preferential tariff, the pressure that the *vanaspathi* industry is exercising on the price of groundnut oil would be eased. It is, however, felt that apart from having some psychological effect, the above step by itself will not secure the desired results. On the other hand, it is feared that the few *vanaspathi* factories which have taken the initiative in using cottonseed oil, produced in India, would go in for imported cottonseed oil which is a more standardised product, particularly that from the U.S.A. The result would be that the nascent cottonseed crushing industry in India would be paralysed, as happened last year, while the majority of the *vanaspathi* factories, which apparently have some prejudice towards using cottonseed oil, would still continue to buy groundnut oil to the fullest extent of their requirements. If, therefore, imported cottonseed oil is allowed into the country at a preferential tariff, it is felt that, at the same time there should be a ceiling placed on the use of groundnut oil by *vanaspathi* factories to the extent of, say, 70 per cent. of the total oil used. These combined measures would have a very healthy effect on groundnut oil prices, since 25 per cent. of the *vanaspathi* demand for groundnut oil would automatically disappear, the balance 5 per cent. being made up of the statutory requirement for the use of *til* oil.

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The only other edible oil allowed to be used in place of groundnut oil in *vanaspathi* manufacture, without marking on the label, is cottonseed oil, and to facilitate this change-over imported cottonseed oil will largely figure in the initial stages. But, as domestic production of cottonseed oil increases, the imports can be tapered off over a period of a few years. It is also felt that these steps would, in fact, tend to increase the production of domestic cottonseed oil which would then be assured of a continued market and a steady price which would be related to that of imported cottonseed oil which fluctuates within narrow limits in the world markets. In regard to the marketability of *vanaspathi* produced out of, say, 25 per cent. cottonseed oil, it may be stated that, in other countries, particularly Pakistan, 100 per cent. cottonseed oil is used for manufacture of *vanaspathi*. There is, therefore, no reason why, if a limited quantity of cottonseed oil is used, the product should in any way suffer. Of course, the colour of the *vanaspathi* may be a shade darker, but already a few manufacturers are producing this type of *vanaspathi* in India, some of them being famous brands. In the national interest, therefore, it is desirable that any measure such as free import of cottonseed oil should be coupled with an enforced reduction in the use of groundnut oil in the manufacture of *vanaspathi*.

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By creating a "Ministry for the Middle Classes," the Belgian Government has taken a step, unprecedented in the constitutional history of any nation in the world. The Ministry, it is stated, will concern itself with the peculiar problems of this class. That the middle class has problems peculiar to itself and that it is a class which has played a distinguished role in world history as a stabilising force, has been acknowledged by all social thinkers. The World War I gave a jolt to this class. The rise of Fascism in Germany in the inter-war years and the success of the Communist revolution in China are both attributed, at least partly, to the difficulties which the middle class had to encounter. World War II has meant a virtual eclipse of this class in many countries.

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Caught between a rising price spiral and inadequately responsive incomes, the middle class has everywhere fought a losing battle. In India, the middle class, which has been a never-failing source of supply of men for the technical cadre, managerial work, retail trade and the learned professions, has been the worst sufferer in the inflationary aftermath of the war. Few people realise that the institution of every form of economic control throws hundreds of small traders out of their traditional jobs, that the increase in prices means a virtual loss of income to this class whose earnings are rigidly fixed. They have little bargaining power, thanks to the fact that they are disorganised. Indeed, it is this consideration which seems to have led the Government of Belgium to set up a separate ministry for the middle class. Organised workers could get the Government to adopt impressive social security schemes for themselves. No such scheme is in existence for middle class, especially the independent workers, shopkeepers and craftsmen. It would appear that the outgoing Belgian Government had introduced a Bill for independent workers but the contribution was fixed so high that the Bill was rejected by the Chamber. The new Ministry can be trusted to evolve a scheme more acceptable to the middle class. In any case, many in this country will wish godspeed to this new Ministry, and hope that it will provide some guidance to other countries, where the problems of the middle class have been no less intractable than in Belgium.

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It is reliably learned there is no truth in the report that the Shroff Committee has advocated a reduction in the Bank rate.

EQUITIES RULE STEADY

PROFIT-TAKING AT CLOSE

(From Our Own Correspondent)

BOMBAY, 29*th April*

THE Stock Exchange displayed a steady tone during the week under review, on a revival of buying orders in the new account which started on Monday. The downward movement caused on Thursday last week by the Finance Minister's statement in Parliament about dividend limitation gathered momentum early in the week under review due partly to end-of-account consideration and partly to the belligerent attitude of Pakistan on the Kashmir issue. The new account, however, opened on a confident note and a rallying disposition was soon in evidence. The recovery movement gathered strength on buoyant advices from Calcutta and firmness in the bullion market. The growing tension in Indo-China also gave a fillip to the bullishness. In broad and active dealings the entire body of shares, under persistent bull support and short-covering, moved up sizably. After three days of consistent rise, operators were disposed to pause and book their profits today. In the process, a good part of the earlier gains was wiped out and in some cases fractional losses were noted.

The world's attention has now been diverted to the Geneva Conference on the one side and the Conference of Prime Ministers of Asia in Colombo on the other. The profit-taking today was evidently due to operators' preference to wait and watch the progress of the talks. The fears about curb on dividends appear to have died out, presumably on the feeling that the Government might not take any action in this direction before the Taxation Enquiry Commission submits its report, even if the Government has any intention of freezing dividends.

Steel shares once again provided the lead to the market. Tata Steels had earlier reacted from Rs. 193-4 to Rs. 189-8, but in the new account advanced to Rs. 198 yesterday. The closing today was a shade lower at Rs. 196-8. After being marked down from Rs. 31-2 to Rs. 30-6, Indian Irons had a bright spell with a spurt to Rs. 31-10½ yesterday, due to paucity of sellers and keen enquiries from Calcutta. Today, however, they declined slightly to Rs. 31-5½ on rumours about issue of new shares.

Small but useful gains were noted over a broad front in the textile section. The reports of growing demand for cloth imparted strength to this section, despite profit-taking operations at the close. Bombay Dyeings declined from Rs. 418-12 to Rs. 410 early in the week, but recovered to Rs. 421-14, before closing at Rs. 416-4. After being placed lower at Rs. 313-12, Kohinoors enlisted support and came up to Rs. 323-4, but closed lower at Rs. 319. Centurys were a favourite counter and gained Rs. 5-12 over the week at Rs. 332-4. Central Indias disclosed no change over the week at Rs. 181-8. Finlays were done at Rs. 248 *ex-div.* (dividend Rs. 16) as against Rs. 263-8 *cum-div.* last week. Gokaks were steady at Rs. 255-8, so were Indu Ordinaries at Rs. 11-4½ and Indore Malwas at Rs. 112-8. Khataus shed Re. 1-4 to Rs. 120. New Greats picked up Rs. 5-8 to Rs. 158-8 and Podars Rs. 3-2 to Rs. 150. Shrinivas were unchanged at Rs. 216-4. Sholapurs scored a gain of Rs. 15 to Rs. 2,225. Simpiex were marked up by Rs. 3-8 to Rs. 157. Standards stood Rs. 2-8 higher at Rs. 322-8 and Svadeshis were done Rs. 2-8 better at Rs. 297-8. Swans were placed at Rs. 330 *ex-div.* (dividend Rs. 20), as against Rs. 350 *cum-div.*

Bank shares were quiet and sentiment towards the close was further affected by the award of the Labour Appellate Tribunal revising the scales of pay of bank employees. Central Banks were marked down by Rs. 2 to Rs. 54 and their new shares by As. 12 to Rs. 58-8. Imperial Fully Paids dropped Rs. 10 to Rs. 1,800, while their new shares were better by Rs. 3 at Rs. 442-8. Indias lost Rs. 2-8 to Rs. 145-4. Barodas were, however, better by Re. 1-12 at Rs. 108 and United Commercials by Re. 1 at Rs. 42.

Quiet conditions prevailed in the insurance section. Orientals were done Rs. 40 lower at Rs. 7,910 and New Indias Re. 1 lower at Rs. 45. Jupiters lost a fraction to Rs. 7-8 and Indian Mercantiles to Rs. 40-4.

The miscellaneous section followed the general pattern of the market and the undertone was steady. Belapurs had a gain of Re. 1-8 at Rs. 275-8 and Bhopals As. 4 at Rs. 12-8. Phaltans were fractionally lower at Rs. 105-8, while Walchandnagars gained Re. 1-4 to Rs. 177-8. Among cement shares, A.C.C. moved between Rs. 156-4 and Rs. 158-12, but closed at Rs. 157-12. Digvijays put on Rs. 2-12 to Rs. 122. Among miscellaneous industrials, Bombay Burmahs reacted on heavy selling pressure from Rs. 415-10 to Rs. 405-10. Alcock Ashdowns declined by Rs. 3-12. B.B. Petrols received some support and gained As. 2½ to Rs. 3-2½. B.I.Cs. were featureless at Rs. 8-4 and Indian Coppers at Rs. 3-1½. C.P. Railways changed hands Re. 1-8 better at Rs. 103-8. National Rayons were on offer and lost Rs. 2-4 to Rs. 153. The highlight of the section was provided by Premier Constructions which rose by Rs. 7-4 to Rs. 135-12 on influential buying. Shivrajpurs were quiet at Rs. 67. Tata Chemicals were favoured at Rs. 14-7½, a rise of As. 3½ over the week. Tata Oils were in demand on expectation of good working results and advanced by Rs. 2-4 to Rs. 41-12. Wimcos were unchanged at Rs. 210. Among shipping and transport shares, Scindias picked up As. 6 to Rs. 18-7. Bharat Lines had business a rupee lower at Rs. 95. India Steams were done As. 3 better at Rs. 8-10. Hindustan Motors firmed up from Rs. 8 to Rs. 9, but closed at Rs. 8-9. Premier Automobiles advanced from Rs. 66 to Rs. 73-8. Tata Locomotives were done at Rs. 121, as against Rs. 111-8.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 28*th April*

The Union Finance Minister's reference to the Government's readiness to review the question of limiting dividends of joint-stock companies caused a setback in share market conditions, and the nervous liquidation that followed brought down the values of several counters. It was, however, soon realised, that is, after the full text of his statement was available, that Mr. Deshmukh's statement was noncommital; what he had said was in reply to a suggestion which called for the reintroduction of dividend limitation. Since Monday last, a ray of cheer was in evidence, but the volume of transactions remained lower.

There is appreciation over Mr. Deshmuk's reference to frugality in expenditure and the need for the maximum ploughing back of profits, both of which, in his own admission, are normally done by every good business concern. Although dividends are not statutorily limited, high taxation and increased labour costs are the two among the powerful factors which necessarily limit dividends. It is stated that the Taxation Inquiry Commission is also looking into this matter, and the market is watching developments. In the present days, dividends are necessarily low, but a statutory restriction would put down private incentive. This is not desirable in the interests of an expanding national economy.

The Finance Minister's announcement of minor adjustments in the new taxation proposals was noted with satisfaction, as also the heavy initial subscription to the National Plan Loan. Jute shares had not yet fully reflected the impressive additions in the prices of jute goods. This was so because the market believed that prices of jute goods were bound to fall and as such, on the basis of the present improvement, commitments in shares would be risky.

Sectionwise, jutes received a smaller number of enquirles, and in transactions, speculative Howrahs declined earlier from Rs. 25-4 to Rs. 24-12, but, on fresh support, staged a recovery to Rs. 25-3. Today, again, a recession to Rs. 24-15 was recorded. Moderate support was given to Presidencies which gained As. 12 to Rs. 6-9. Kelvins were traded at Rs. 253-8, as against Rs. 247 previously, while Bally lost Rs. 5 to Rs. 149. Nuddeas were easy at Rs. 46 and Barnagores at Rs. 144-8. At Rs. 132, Indias lost five points.

Among coals, Burrakurs were better at Rs. 9-5, and Raneegunges were steady at Rs. 11-10. Bengals were unchanged at Rs. 503-8. East Indians were shown further interest and rose from Rs. 26-12 to Rs. 27-8. New Beerbhooms were steady at Rs. 18-5 and Amalgamated advanced from Rs. 21-2 to Rs. 22-12.

Shares of paper mills were subjected to profit-taking, Titaghurs being lower at Rs. 41-4, as against Rs. 42 a week ago. Shree Gopals gave way from Rs. 25 to Rs. 24, but, subsequently, picked up strength to close at Rs. 24-7. India Pulps were priced at Rs. 200.

In the engineering section, Indian Irons opened at Rs. 31-7 last Thursday and gradually lost Rs. 30-8 by the week-end. On Monday, the upward trend set in again and raised the quotation to Rs. 31-9. Burn & Cos. were transacted at Rs. 187. At Rs. 28-12, Jessops were lower by As. 8, and Texmacos were shaded from Rs. 12-1 to Rs. 11-15. Braithwaites declined from Rs. 17 to Rs. 16-7, Indian Galvanisings from Rs. 18-14 to Rs. 18-10 and Indian Standard Wagons from Rs. 74 to Rs. 72.

A feature among miscellaneous industrials was National Rollings which, on interested buying, improved from Rs. 12-12 to Rs. 14-8. Rohtas Industries were in strong demand throughout the week and gained Rs. 2-11 to Rs. 15-14. Profit-taking, however, intervened at one time and reduced the rate to Rs. 15-10. Martin Burns were better at Rs. 20-13. Dunlop Rubbers were steady at Rs. 35. Airways India were an earlier feature for the improvement from Rs. 12-10 to Rs. 14. Niccos were at one time higher at Rs. 18-12, as against Rs. 17-7 last Wednesday, but were subsequently available at Rs. 18-4.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 27*th April*

The hectic trading witnessed on the Madras Stock Exchange last week received a setback this week. Barring a few popular counters, which attracted special attention, the market had a generally dull week. There was a mild wave of selling pressure at last week's high levels. Operators were cautious in making fresh commitments, especially in view of the Union Finance Minister's remark in the Council of States, on Monday last, that the private sector could not be largely left to itself in the second Five-year Plan, thereby indicating stricter controls.

The bullish sentiment which prevailed last week in the textile section, weakened this week. The only notable feature was that a few popular counters came in for some support. Of them, mention must be made of Dhanalakshmis which improved from Rs. 222 to Rs. 227 and Metturs from Rs. 247-8 to Rs. 251. Cannanores gained Rs. 3-8 to Rs. 103-8 and Gnanambikai Re. 1 to Rs. 83. Lakshmis (Rs. 30 paid-up), however, lost Rs. 2 to Rs. 116 and 'A' (Rs. 25 paid-up) Re. 1-8 to Rs. 57. Rajapalayams were lower at Rs. 107-8, as against Rs. 109, and Bangalore Woollens at Rs. 400, as against Rs. 401-4.

Teas among plantings came in for some enquiry. United Nilgiris advanced from Rs. 205 to Rs. 206-8. Coonoors and Mlamallays rallied Re. 1 each to Rs. 25-8 *cum-div.* and Rs. 43, respectively. Parksides and Peermades gained As. 4 each to Rs. 18-8 *cum-div.* and Rs. 34-12 respectively. Nonsuch Tea was done at Rs. 33-4 *ex-div.*, as against Rs. 34-6 *cum-div.*

Rubbers were in poor demand. Thamarapallys advanced from Rs. 18 to Rs. 18-4 and Teekoys from Rs. 7-6 to Rs. 7-8. Vaikundams moved up by As. 4 to Rs. 17-6 *cum-div.* Cochin Malabars and Be Bes were fractionally better at Rs. 7-3½ and Rs. 2-13½, respectively. Rajagiris, however, lost As. 3 to Rs. 11-12 and Pullangodes an anna to Rs. 3-3. Kailas too was lower by an anna at Rs. 4-8. Travancore Rubbers were done at Rs. 16-4 *cum-div.*, as against Rs. 16 *ex-div.* The Directors have declared a dividend of 20 per cent. on the ordinary shares for the year ended 31st December, 1953, the same as in the previous year.

In the coffee section, Coffee Lands recorded a gain of As. 5½ to Rs. 10-10, while Consolidated Coffees lost an anna to Rs. 18. Puthuthotams were also lower by an anna at Rs. 3-5½. Mysore Coffee was, however, quiet at Re. 1-1½.

The enquiry in the miscellaneous section, however, was a little more broad-based. Jeypore Minings shot up from Rs. 175 to Rs. 180. Travancore Cements gathered As. 7 to Rs. 6-2 *cum-div.* and Mysore Chemical Manufacturings As. 6 to Rs. 13-2. Aluminium Industries and Mysore Vegetable Oil rallied As. 4 each to Rs. 13-14 and Rs. 10-8 *cum-right*, respectively. Andhra Cement 'B' also improved by As. 4 to Rs. 11-8. India Cements, however, lost As. 4 to Rs. 18-2 and Mysore Tobaccos As. 2 to Rs. 10-11. Spencers were unchanged at Rs. 16-8.

Among banks Imperials (Rs. 500 paid-up) improved from Rs. 1,795 to Rs. 1,810. Indian, Rs. 100 paid-up, and Rs. 85 paid-up put on Rs. 2 each to Rs. 177 *cum-div.* and Rs. 144 *cum-div.* respectively. Bank of Mysore advanced by Rs. 2 to Rs. 295, Indo-Commercial 'C' eased from Rs. 36-8 to Rs. 33, Andhra, Rs. 100 paid-up, was done at Rs. 112-8 *ex-div.*, as against Rs. 116 *cum-div.* and Rs. 50 paid-up at Rs. 60-12 *ex-div.*, as against Rs. 62-8 *cum-div.*

TELCO TO MAKE TRUCKS

The Tata Locomotive and Engineering Company have concluded, subject to the approval of the Government of India, a long-term agreement with Messrs. Daimler-Benz A.G. of Germany, the well-known automobile manufacturers, for the manufacture of Daimler-Benz products in India, to be marketed under the name of "Tata-Mercedes Benz." Although manufacture may, in later years, extend to other products, the initial programme will be in the field of heavy diesel trucks.

Under the proposed agreement, Messrs. Daimler-Benz will make a substantial investment of Rs. 80 lakhs in the share capital of the Tata Locomotive and Engineering Company and will, for an initial period of fifteen years, place at the disposal of the Indian Company the full benefit of their vast technical knowledge and experience dating back to 1883. With the assistance of Messrs. Daimler-Benz, diesel-engined truck chassis will be built at the Company's Works at Jamshedpur under a progressive programme which will ensure that complete trucks, including engines and transmissions, will be manufactured in India in approximately five years.

While in no way restricting the manufacture of locomotives and locomotive boilers, the automotive project will, by utilising spare capacity and by spreading overheads, increase efficiency in both the locomotive and automotive divisions. In addition, the use of existing facilities and common services will appreciably reduce the total amount of capital expenditure required for the automotive project. The total capital expenditure envisaged in the first step, for the initial truck programme is a little under Rs. 3 crores. Subject to the approval of the shareholders of the Company under its Articles of Association, Messrs. Daimler-Benz's investment will be in the form of ordinary shares of the Company, which they will purchase at par.

The management of the Tata Locomotive and Engineering Company believe that this project will be an important step forward in the progress of India's industrialisation and will in due course bring undoubted benefits to the shareholders of the Company because it will diversify the Company's production and increase its ultimate earning prospects; to labour, because it will afford increased employment and facilities for training in higher engineering skills and techniques; to the users of motor trucks and buses, because it will provide a regular and economical source of supply of vehicles of the highest quality and to the country as a whole, because it will establish a valuable new industry in the precision engineering field and ensure uninterrupted supplies of products vital to the security and economic progress of the nation.

NEWS IN BRIEF

THE budget session of the House of the People, which was to conclude on 15th May, will last till 21st May. The extension of the session has been recommended by the Business Advisory Committee.

The Railway Board has decided to run "sugar specials" to Kanpur from stations in Izzatnagar area to relieve sugar shortage in Kanpur District. It is stated that four or five special trains will carry about 2,500 tons of sugar; this is in addition to the normal quota planned to be carried by the Central Board of Transport.

The Government of India has agreed to the proposal of the Andhra Government to depute a trade delegation to explore foreign markets for Indian tobacco. The delegation, which will comprise representatives of Government, tobacco growers and dealers, will visit Russia and East European countries.

The Government of India has decided to lay 1,500 to 2,000 miles of new railway lines during the Second Five-year Plan period. All States would come under the railways expansion scheme. However, the Government is anxious to open new lines in backward areas first for the benefit of *Adivasis* and backward classes.

According to the Directorate of Economics and Statistics, Union Ministry of Food and Agriculture, the all-India second estimate of linseed for 1953-54 puts the current year's area at 2,455,000 acres, as against 2,668,000 acres of the adjusted second estimate for last year, thereby showing a decline of 208,000 acres or 7.8 per cent. in area over last year.

The Kashmir Government's joinery factory, which has been built at a cost of Rs. 22 lakhs, will shortly go into production, arrangements for which are now complete. The factory has a capacity of producing 36,000 doors and an equal number of windows per year. It is also proposed to produce burglar-proof electric meter boxes and other articles of commercial use. A plant to season wood is also being installed in the factory.

The Andhra Government has decided to remove the ban, with effect from 1st May, on the grant of licences to private tobacco dealers within a radius of five miles of the Central tobacco marketing yards at Guntur, Tadikonda and Mangalagiri in Guntur District. The order will enable the tobacco growers of the area to sell their produce to private dealers also, instead of only on the auction floors at the three marketing yards as hitherto.

The Central Government is arranging to grant about Rs. 35 lakhs to the Orissa Government during the current Five-year Plan period for specific road development purposes. This grant is for undertaking new road works which are likely to promote inter-State through communication or open up new areas or contribute materially to rapid economical development in the State. A similar sum may be made available under the next Five-year Plan also.

Provisional statistics relating to industrial disputes during February, 1954, show a decrease in the number of disputes and workers involved, but an increase in the number of man-days lost as compared with the previous month, according to the Labour Bureau. The total number of disputes during the month was 82, involving 41,003 workers and accounting for a time-loss of 342,805 man-days. The average duration of disputes was 8.4 days, as against 6.3 days in January, 1954.

Electricity generated by 640 public utility power stations in India during January, 1954 was 589.7 million kw.h. of which 478 million kw.h. were sold to ultimate consumers. There was a decrease in production of about 14 million kw.h. as compared with December, 1953. The corresponding figures of output and sale for January, 1953, are 533.5 million kw.h. and 441.8 million kw.h. and for January, 1939, 210.9 million kw.h. and 176.6 million kw.h. respectively.

A non-stop tourist service between Bombay and Cairo was inaugurated by the Trans World Airlines on 30th April, 1954. The new service reduces the travel time between India and the U.S. by 24 hours. It is being introduced as part of the T.W.A.'s world-wide programme to make long-range air travel easier and faster for the tourist and the business man. The T.W.A.'s Flight No. 905 will leave Bombay every Friday, goes to Cairo non-stop and then continues flying to New York *via* Athens, Rome, Geneva and Paris.

An agreement was signed on 25th April between the Government of India and the Nepalese Government regarding certain aspects relating to the execution of the Kosi Project. The project, which envisages a barrage in East Nepal at a cost of Rs. 38 crores, is included in the current Five-year Plan. Its construction is expected to be completed in five years. According to the agreement, the entire cost of the project will be borne by the Government of India. A Co-ordinating Committee will be set up, with three representatives each from Nepal and India. A Nepali Minister will be the Chairman and the Project Administrator the Secretary. A Control Board for the administration of the project will be set up by the Government of India.

The Andhra Government is considering measures to exploit fully the forest wealth as one of the sources of augmenting the revenues of the State. The Government proposes, accordingly, to depute an officer to Japan to study the different uses to which bamboo can be put and two others to Dehra Dun to study the methods by which the forest wealth could be increased. The forests in Andhra contain a good variety of bamboo useful for the manufacture of paper, household articles and toys. The present annual revenue of Rs. 40 lakhs from forests can be easily increased to Rs. 1.5 crores. The Government also proposes to explore the possibility of introducing coffee and other plantations in the State. Coffee is being grown in certain parts of the Agency areas in Visakhapatnam and Srikakulam.

Mr. M. Bhaktavatsalam, Madras State Minister for Industries, disclosed, in the course of a Press interview recently at Madras, that the scope for starting factories producing ceramic products on a cottage scale at Neiveli would be examined. There is already a proposal to start a factory at Neiveli and to dovetailing it with any other scheme which the Government might undertake for promoting ceramicware manufacture on a cottage-industry basis. This proposal, we are told, has already been placed before Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. Mr. Bhaktavatsalam further revealed that the white clay layer which had to be removed before reaching lignite deposits at Neiveli would supply ample material for ceramic industry.

A Council of Industry for the more effective representation of industrial interests has been formed having as its members, Mr. J. R. D. Tata, Mr. G. D. Birla, Mr. Shri Ram, Mr. Kasturbhai Lalbhai, Mr. A. Ramaswami Mudaliar, Mr. Dharamsey Khatau, Mr. Vithal Chandavarkar, Mr. Neville Wadia and Mr. Homi Mody. It will be recalled that, on 12th January last, a conference of some of the leading industrialists in the country was held in Bombay at the instance of Mr. Homi Mody. In the course of the discussion that took place, there was general agreement that immediate steps needed to be taken for a more sustained and vigorous presentation to Government, Parliament and the public of the view-point of industry and of the vital role that free enterprise can play in the economic development of India, and that, for this purpose, special machinery had to be set up which could function continuously and expeditiously. The Council which has now come into existence is a result of that initiative.

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From Abroad

The U.S. Government has granted Yugoslavia another $10 million to buy wheat in the U.S.A. Yugoslavia has so far received $15 million for such purchases.

Six British business men representing engineering and chemical industries, left early this week for East Berlin for talks with Chinese trade delegates.

Burma and the Republic of China have signed a trade agreement in Rangoon under which all payments will be made in sterling. The agreement is for three years.

Japan proposes to start negotiations with the Persian Government next month for a $31 million trade agreement. Japan hopes to export cotton cloth and machines in return for raw cotton and crude oil.

The Soviet Union has joined the International Labour Organisation, after a lapse of 15 years. Russia first became a member of the I.L.O. in 1934. Its membership lapsed on 14th December, 1939, when its membership of the League of Nations ended.

Union leaders in Manchester have decided to back a call for a substantial wage increase for more than 100,000 workers in the cotton and rayon weaving industry. The weavers were granted 5 per cent. rise only in August last which added £4 million a year to the industry's wage bill.

Ceylon, Nepal, Viet Nam, Cambodia, Laos, the Republic of Korea and Japan have been admitted to full voting membership of the E.C.A.F.E. These seven countries had hitherto held associate membership in the E.C.A.F.E. Austria, Finland, Ireland, Italy and Portugal have been granted full membership in the Economic Commission for Europe.

The output of British cars reached a record of 14,700 per week in March, and the commercial vehicle production averaged about 5,000 a week. The output for the first quarter of the year amounted to 183,000 cars, an increase of 54,000 cars over that for the corresponding quarter of last year, and 64,700 commercial vehicles, an increase of 3,700 vehicles. Exports during March amounted to 34,400 cars, the highest figure for any month since January, 1952, and 11,000 lorries and buses, bringing the total for the first quarter to 84,300 cars and 33,000 commercial vehicles, representing an increase of 17,000 and 6,350, respectively over the year.

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OBITUARY

We regret to announce the death, last week-end, at his home in Northern Ireland, of Captain H. J. Miller, R.D., R.N.R. He was the Senior Partner in Messrs. Ericson and Richards, Marine Surveyors, Bombay, and was widely known and respected in commercial circles in the city. During the last war, Captain Miller was seconded for very responsible duty with the Royal Navy in its control of the Bombay Harbour and Port.

PERSONAL

MR. Mahendra Bikram Shah has been chosen by the Nepali Government to be Nepal's Ambassador in India.

Mr. T. Nishiyama, Japanese Ambassador in India, who had been on a three weeks' visit to Japan, returned this week.

Mr. P. A. Engineer has succeeded Mr. C. W. Middleton as Secretary and Treasurer of the Imperial Bank of India.

Mr. George V. Allen, U.S. Ambassador to India, left for Washington this week to testify before the U.S. Senate Appropriations Committee on economic aid to India.

Mr. G. D. Binani has been elected President, Mr. L. N. Kanoria, Senior Vice-President and Mr. K. P. Goenka, Vice-President of the Indian Chamber of Commerce, Calcutta, for the year 1954.

Mr. Frank Kafer, Sales Manager of the Goodyear Tyre and Rubber Company of India Ltd., left for the U.S. to take up his new assignment in the Goodyear Tyre and Rubber Export Co., Ltd., Akron, Ohio (U.S.A.).

Mr. G. V. Sivaswamy, Operation Superintendent, Air-India International Ltd., left for Barcelona to attend the seventh session of the International Air Transport Association Technical Conference, which began there on the 28th inst.

Mr. E. M. Nees, Chief Engineer and Deputy Manager, Export Division of Messrs. Siemens-Reiniger-Werke, Germany, who is on a short visit to India to inspect the various Siemens X-ray installations in some of the large hospitals, arrived in Bombay last week.

Mr. H. L. Jerath, Director-General of Posts and Telegraphs, and Mr. S. S. Anantakrishnan, Director of Postal Services attached to the Posts and Telegraphs Directorate, left for Geneva on Wednesday last to participate in the meeting of the Executive Liaison Commission of the Universal Postal Union which is scheduled to begin at Lucerne in Switzerland on the 3rd inst.

Mr. C. J. E. Keene of Messrs. Titaghur Paper Mills Co., Ltd. has been elected Chairman of the Indian Paper Makers Association for the year 1954-55. Mr. V. Mehta of Messrs. Shree Gopal Paper Mills Ltd. has been elected Vice-Chairman. The Committee of the Association for the year will consist of Mr. P. H. Sykes, Seth P.K. Mehta and Mr. J. R. T. Niemeyer.

Mr. V. Rangachari of Messrs. Maconochie and Co., has been elected President of the Madras Stock Exchange for the year 1954-55, while Mr. H. Subramaniam of Messrs. Chitra & Co. will be the Vice-President. Mr. H. C. Kothari will be the Honorary Treasurer. Mr. K. Venkataraman and Mr. C. R. Chandrasekhariah will be the Joint Honorary Secretaries.

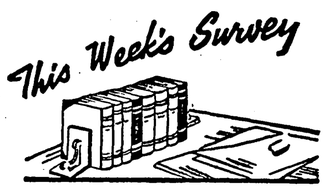
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 4*th May*

Another Bombay Crisis

Sixty thousand Bombay mill operatives struck work on Tuesday last week, and with over 70 mills closed at the time of writing and 135,000 millhands idle, the strike is heading for a crisis. There is a widespread feeling of uneasiness and regret that such a crisis in the Bombay mill industry should have arisen so soon after the Fawcett Committee had finished their labours. The amazing part is that there is decidedly no general disposition to strike on the part of the millhands, and as is pointed out by Mr. H. P. Mody, President of the Bombay Millowners Association, if the workpeople are driven out it will be entirely by the methods of intimidation with which Bombay has now become familiar. Mr. Mody believes that the crux of the whole matter is that the Girni Kamgar Union has called out thousands of men recklessly, and failed miserably in their attempt to bully the management into submission. They now find that they have got thousands of men on their hands and on their consciences. If the Union does not succeed in getting these men reinstated, the position of the leaders becomes exceedingly awkward. "The whole thing," says Mr. Mody, "boils itself down to this, that half a dozen leaders of the Girni Kamgar Union dare not face the thousands of men whom they have thrown out of employment and in order to save their own skins they are determined to create trouble all round, so that if and when a general strike takes place they may be able to escape the consequences." He adds that the operatives have no grieyances of any sort, and the leaders of the Union may be relied upon to cloud the issues and create trouble. The Union in question, by the way, is monopolised by labour leaders of the left wing and the "Red Flag" variety, its President being Mr. Alwe, who is now awaiting trial at Meerut. The Textile Labour Union, of which Mr. N. M. Joshi is President, stands for moderation and conciliation and is opposed to another general strike.



SCIENTIFIC MANAGEMENT

THE conference of South Indian industrialists, which was held at Bangalore last week under the chairmanship of Prof. M. S. Thacker, Director, Indian Institute of Science, and the President of the Institute of Management, Bangalore, urged the need for the promotion of scientific management in business concerns. Welcoming the delegates, Prof. Thacker said that management was no longer a heritage handed down to a select few, but was a science which had to be developed in the same way as other fields of learning. Competence, integrated with scientific and applied management, would, he said, ensure the success of concerns, whether Government or private, while incompetence would result in waste of resources and in failure to canalise the creative energy of workers that was latent. Mr. A. V. Raghavachar, General Manager of the Mysore Government Electric Factory, stated that management must be made out of human material, which should be properly selected. Mr. M. C. Niles of the Technical Co-operation Mission of the U.S. Embassy, New Delhi, held that management was both a science and an art.

It is gratifying to note that industrialists are becoming more and more alive to the importance of scientific management. As management is concerned primarily with people, its success is dependent on two factors: First, its ability to interpret and satisfy human wants; and second, its skill in evaluating human aptitudes and abilities and then applying them to production. Where such insight and skill are lacking, even the best of schemes are bound to fail.

How can the executives and supervisory staff develop such insight and skill? One way is through systematic study of human nature in relation to production problems. This might be called the 'scientific' aspect of management. Another is through experience in practising the art of management. Surely, a combination of the two offers the most fruitful means of increasing managerial efficiency.

The importance of the function of management will be evident when it is realised that industrial development of the U.S. is chiefly attributed to competent management. To quote the observations on management in U.S. industrial concerns, of a group of British labour leaders which visited the U.S. some time back: "We are convinced that it is efficient management which set the pace of productivity in American industry. American trade union officials can rely on management to be sufficiently progressive."

STATE ENTERPRISES

With the incursion of the State into the economic sphere, a question which continues to baffle administrators the world over is how best a governmental undertaking can be conducted efficiently. Assuming that it is necessary for the State to sponsor and manage certain enterprises—this is a big, and, in many individual instances, an untenable assumption—it is at least reasonable to expect that they should be managed well enough to justify State ownership. But efficiency is after all a relative concept. To judge whether the State manages an undertaking which belongs to a sphere in which private enterprise is also engaged would be difficult unless, as Mr. M. R. Masani stated, at a recent meeting organised by the Institute of Management, Bangalore, "there are equal opportunities and facilities for free competition with equal taxation." Mr. Masani warned that, if a State undertaking in India were permitted to charge differential prices or rates or allowed tax and other concessions, it would be a "discriminatory act striking at the root of the mixed economy, and showing a bias that might vitiate the whole experiment embodied in India's Five-year Plan." Since India is weak in its resources, both in finance and trained personnel, he rightly urged that it would be wise, in the national interest, to desist from further acts of nationalisation.

Nevertheless, he made three important suggestions for improving the efficiency of State undertakings: (1) Advisory bodies should be set up to hear consumers' complaints. (2) A system of quasi-judicial tribunal should be set up in order to ratify or reject scales of prices and review the quality of goods or services produced. (3) There should be a periodical "efficiency audit" of the undertaking by an independent organisation. We heartily commend these suggestions to the attention of the Central and State Governments, for if they were implemented, it would be one effective method of reassuring the public that their interests are not being sacrificed for purely ideological considerations.

MINIMUM WAGES

After considerable discussion, the House of the People passed on 23rd April, the Minimum Wages (Amendment) Bill. The Bill extends the time limit for the fixation of minimum wages in "sweated" industries, such as rice, flour and oil mills, which expired on 31st March, 1952, and in agriculture which expired on 31st December, 1953, upto 31st December, 1954. It also validates the wage rates fixed in employments in Part I of the Schedule to the Minimum Wages Act since 31st March, 1953.

A significant feature of the debate on the Bill was the concern expressed by certain members of the House about the repeated extensions, which have been given by the Government, for fixing minimum wages. They also alleged that there had been too many violations of the Act. A few demanded the extension of the scope of the Minimum Wages Act so as to include all industries. A few others, however, bitterly criticised the Act on the ground that, in a number of small industrial pursuits, the fixation of minimum wages under the Act had wrought havoc. Such *entrepreneurs*, they said, had to close down their enterprises, because of their inability to maintain the level of minimum wages. Consequently, they held that thousands had been rendered unemployed, which was certainly not what was intended by the Act.

Replying to the debate, Mr. V. V. Giri, Union Minister for Labour, assured the House that so far as fixation of wages in industries in Part I of the Schedule to the Act was concerned, there would be no further extension. He pointed out that the demand for extension of the scope of the Act so as to include all industries was based on a misunderstanding of the spirit behind the Act. This Act, he said, was mainly intended to cover cases of labour which were unorganised and where trade unions did not exist or where it was difficult to have a strong trade union and where there was little or no bargaining power on the part of the workers.

As regards fixation of minimum wages in agriculture, Mr. Giri held that, in view of many administrative difficulties, only limited beginnings had been made by various State Governments. The fixation of minimum wages was mainly confined to low-wage pocket areas, as also to areas selected for intensive development. The scope of the Act, he said, would be extended further as experience was gained.

Again, speaking on the third reading of the Bill, Mr. Giri forecast the establishment of a national minimum wage in course of time. He promised to place before the forthcoming Labour Ministers' Conference the recommendation made by the Minimum Wages Central Advisory Board at its last meeting held early in April at Bombay that a national minimum wage of Re. 1-2 to Rs. 2 per day should be laid down for different areas and employments.

Now that the time limit for fixation of minimum wages has been extended, it is to be hoped that the State Governments will implement the legislation seriously. They should expand and improve the machinery for fixation of minimum wages. Further, the acts of violation of the law by the industries, if not properly explained, should be seriously dealt with.

Notice

THE UNITED FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-first Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4 p.m. on Wednesday the 12th May, 1954, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th November, 1953.
(2) To declare a Dividend.
(3) To elect a Director.
(4) To appoint Auditors for the current year.

The Transfer Register will be closed from the 5th to the 12th May, 1954, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LTD.,
Managing Agents.

CALCUTTA, 15th April, 1954.

REVISION OF PREMIUM RATES

The question of revising the premium rates, in the light of the request made by the Executive Committee, Life Insurance Council of the Insurance Association of India, has engaged the attention of insurers since 30th March, when the Committee made the request. At its meeting, held on that date, it considered the situation arising from the drastic downward revision of premium rates, announced by some leading insurers. In making the suggestion for a reconsideration of the premium rates, the Committee stated that to the extent that the reductions had been brought about by "increasing the minimum sum to be assured under policies and/or by reducing the rate of commission customarily payable on such policies" the insurers had "offended" the principles laid down by the Committee. The Committee's criticism applies, in the main, to whole life policies, wherein the insurers had reduced the premium rates by increasing the minimum sum for which insurance could be taken and/or by reducing the agents' commission. It would now appear that several insurers have revised, in accordance with the Committee's suggestion, the premium rates in respect of whole life policies. In a Press note issued on this subject, the management of the Oriental Government Security Life Assurance Company, Ltd. announces that "in pursuance of the directive issued by the Life Insurance Council, the Company has now made the requisite upward adjustments in the premium rates for all whole-life types of policies," and that the revised rates will come into force on 29th April, 1954. Despite the upward revision of premium rates, as a sequel to the Committee's directive, the premium rates, it is learnt, will still be below the rates which prevailed before the downward revision was made.

PAPER INDUSTRY

Although the conditions in the paper market are now fairly stabilised and violent fluctuations in prices are conspicuous by their absence, the paper industry in India does not seem to have come out of the wood yet. An indication of this is provided by the downward trend in output. The quantity of paper produced during the year 1953 was not more than 128,536 tons, which compares unfavourably with 137,504 tons in the previous year. What is this state of affairs due to? For an answer to this poser, one has only to peruse the presidential address of Mr. P. H. Sykes, delivered at the recent annual meeting of the Indian Paper Makers' Association held at Calcutta on Wednesday last week.

Mr. Sykes referred, in detail, to the series of disquieting factors which adversely affect the progress of the paper industry, such, for instance, as labour troubles, difficulties in securing at reasonable prices adequate supplies of raw materials, and compulsory use of lower grade coal for which the boilers are not suited. He deprecated the tendency among the labour leaders to play off one section of the paper industry against another. He said that the industry wanted to treat its labour well. But what it desired in return—Mr. Sykes even stated that the industry had every right to demand it—was a full day's work for a full day's wage. Significantly enough, he remarked: "Without it (a full day's work), our industry cannot prosper. Our costs do not show any signs of abating. Indeed, the apparently never-ending upward trend of payments, in one form or another, to labour more than offsets the slight savings in cost in other directions that some of us have been able to achieve."

The I.P.M.A. President reiterated the plea, repeatedly put forward by his predecessors, for co-ordinating all State forest policies into a uniform policy. He also wanted the paper mills to be granted long-term leases of bamboo and grass lands on reasonable terms. In support of this plea, he observed: "Some forests are being wrecked by unscrupulous contractors and, surely, there is a lot to be said for putting these forests in the hands of paper mills which, in their own interests, wish to see them as productive as possible, a state which can only be achieved by careful husbandry." From the Government's point of view, too, long-term leases in the right hands, he said, meant not only steady revenue but also careful preservation of their forests.

It is not the defective lease system alone that has interfered with the free flow of raw materials to the paper mills; the transport bottlenecks also seem to have been equally responsible. Alluding to this, Mr. Sykes observed: "When the Railway Administration recently altered its preferential system of moving traffic, the paper industry lost its priority and has to take its turn with our miscellaneous categories. We get quotas, but, judging from the Eastern Railway Zone, it would appear that the fact that our requirements are largely seasonal has again been overlooked." The imperative need to step up output of paper implies that the complaint regarding shortage of transport facilities should be removed. It is to be hoped that the railway authorities will address themselves to this task in right earnest.

Another handicap impeding the progress of the paper industry, to which Mr. Sykes drew pointed attention, related to the pressure brought upon the industry to use lower grade coal than that to which the boilers are suited. Such pressure, it is needless to add, can only lead to inefficiency, damage to plant, and waste of coal, money and transport. The Government will do well to take steps to remove this pressure, so that the paper industry may, by using good quality coal, enhance its manufacturing efficiency which, incidentally, will serve to bring down the cost of paper production.

FUTURE OF GOLD PRICES

Despite the many innovations that have taken place in the world economy and the many new commodities that have come into use, sometimes creating their own demand and sometimes replacing the demand of other commodities, there is one commodity which has shown a surprising resilience to all changes. It is gold, the demand for which is in no way less keen than in the earliest periods of known history. The yellow metal is still sought after by all nations, young and old, undeveloped as well as industrially advanced. And no nation seems willing to lose its gold reserves without some feeling of a loss that is better averted than borne. In fine, gold has not been dislodged from its pre-eminent position. Whether this position will endure for a long time to come is, of course, difficult to say. Only, there are no signs that the yellow metal is likely to fall from grace. In this connection, it is interesting to hear what Mr. Arthur H. E. Taylor of the Kolar Gold Mining Companies had to say on the subject of the future of gold prices in India.

Speaking at a recent meeting of the Kolar Gold Field Mining and Metallurgical Society, Mr. Taylor, the text of whose address appears elsewhere in this issue, recognised that it was "most difficult" to make any forecast, since there are "so many factors involved which can change prices overnight." Although India is a closed market for gold, in that both imports and exports are prohibited, there are several factors which influence the course of gold prices, such, for instance, as the general level of prices and state of the economy, seasonal demand for gold during the marriage and harvest seasons, and smuggling of gold from abroad. Mr. Taylor, however, thought that one of the causes for the recent decline in gold prices was the depression in the world free market for this commodity. Nor did he see—apart from seasonal and other fluctuations—any "foreseeable reason for expecting the general level of prices in India to rise *greatly* in the near future." He was careful though to add that "should there be a deterioration in international relations, a slump in America, with an eventual raising of the dollar price some two years later, or a revival of purchases of gold by France, the position would, of course, change."

In India, there is a seasonal demand for gold, in the early part of the year when the marriage season is in full swing and during the summer months. This is usually followed by falling prices from October onwards when the smuggling season is believed to be at its height. Apart from these seasonal factors, Mr. Taylor listed two favourable factors for gold. In the first place, the excellent rains of last autumn, he said, had resulted in good crops and the demand for gold had been quite brisk of late. Secondly, the Government's Five-year Plan contemplates an expenditure of Rs. 700 crores in the next two and a half years. Mr. Taylor said: "With so much money circulating and with such stimulus to employment, even if achieved only to a partial extent, the demand for gold must undoubtedly be assisted."

OFF THE RECORD

(By "ROVER")

IT was not without some feeling of pleasant satisfaction that I received, early this week, a brief statement, with the compliments of Mr. Homi Mody, announcing the birth of a Council of Industry consisting of nine leading and representative business men. What is both gratifying and noteworthy about this group is that it is an evenly balanced team, representing every part of the country geographically, every important section of commerce and industry and every shade of opinion in the business world of the country. Any organisation, which has behind it men of such diversified achievement and strength, could speak with authority on important economic issues before the country and would easily command both attention and due consideration from the authorities as well as all thinking sections of the public. To have been able to get together on a single platform all these men, each one of whom can necessarily claim an individual and original outlook and attitude on affairs, in general, and economic policies, in particular, is something of which Mr. Mody can be justly proud.

When nothing more was heard for weeks and then months about the brave utterances at the conference called by Mr. Mody, when it began to appear as if it was likely to prove one of those welcome but spasmodic episodes, with the likes of which the traditional limbo must be cluttered up, I almost kicked myself for a fool, who easily got excited over trifles. I had expected great things of this initial move by so careful and cautious a man as Mr. Homi Mody, who does not plunge into things merely as a result of a stray impulse. I had made no secret of the high hopes I entertained about what was likely to follow from a firm and wise decision taken at this gathering to have efficient machinery for the more effective representation of industrial interests before the public, which is the source of all political power and authority. The extent and the depth of my disappointment could be easily gauged in view of this, when a grave-like silence seemed to envelop the issue and it appeared to have been so utterly forgotten that nobody cared even to mention it in public. In the light of the powerful body which has emerged as a result of possibly what was an intense, behind-the-scene activity, the agonising delay is fully justified and can be readily forgiven.

I wish, however, that the announcement about the formation of this Council of Industry had not been as bald as it is. Besides announcing the names of the members of the new Council, which I refrain from reproducing, as the editor tells me that he has done this elsewhere in this issue, the Press note merely recalls the initial conference last January and the general agreement arrived at then regarding the need for taking immediate steps for a more sustained and vigorous presentation of the viewpoint of industry, to the Government, Parliament, and the public. This new organisation is now supposed to organise and set up special machinery, which would function continuously and expeditiously, to put before the public and the country's sovereign Legislature the vital role that private enterprise can play in India's economic development. Both the public and the rank and file in industry would certainly have liked to know something more about this machinery and the manner in which it is to work. I wish Mr. Mody had taken us more into his confidence and lifted at least a part of the curtain which shrouds the whole affair in mystery.

What I, for one, would like to know is how this new body will differ in its aims, objects and methods from several other organisations, such as, the Federation of Indian Chambers of Commerce and Industry or the A.I.M.O. Without going into the reasons for its partial failure, I am prepared to confess that the Federation has not been able to live up to the expectations of the pioneers who launched it. While it has laboured hard, it has failed to inspire confidence amongst the public and the Governments about the *bona fides* of Big Business, in spite of eloquent annual protestations to the contrary by its foremost leaders. In a sense, it has also ceased to be fully representative of the business community as a whole. A mere duplication of organisations and machinery will not secure the object, which those, who are behind the present move, have in their mind. It will have to be both different and dynamic in its approach and outlook.

I hope Mr. Mody will not mind my being blunt and tactless, for I cannot help saying that the very first thing this new organisation of his will have to tackle is to remove the suspicion in the minds of the authorities and the public about the ability of any business organisation to compel its constituents to be above the common weaknesses attributed to business men, to which, in spite of honourable exceptions, quite a number of them succumb from time to time. The effectiveness of the Council of Industry is bound to depend not merely on the vastness of its resources and the quality and efficiency of the machinery it proposes to set up, about which nobody need have any misgiving, but on the extent of its success in enforcing a rigid code of honour and integrity on the general run of business men. If it can do this, half its battle will be won. It would in no way help to point to the element of corruption and nepotism amongst political parties and other sections of the public. Society as such and on the whole may be loose in its morals. Cæsar's wife has not only to be pure; she has also to be above suspicion.

Whither National Industries?

Though it is now over five years since the country first decided to change the nature of its economy from a capitalist set-up based on free private enterprise, neither those in authority, who are engaged in implementing this momentous decision, nor the public are clear in their mind about the composition and the functioning of the public sector. The British people are endowed with a genius for muddling through without a previously prepared plan and policy. Their political institutions, their vast but now rapidly vanishing empire and even the economic structure of their country are a result of *ad hoc* growth and improvisation and not that of a conscious pursuit of a preconceived design. Besides, the Britishers are a patient race and everything comes ultimately to those who are prepared to wait. We have neither this gift of genius from Heaven nor the grit and patience born of self-discipline. We in this country are temperamental and impatient and we are too much in a hurry to change the face of things and build a brand new economy. Perhaps, this impatience is natural; we had to wait for a cruelly long time to snatch the initiative for doing any building on a large scale. But this does not justify our working without a plan or design. If we are in a hurry, it is all the more necessary to have a clear head and a detailed plan of operation. There may be a vague glimpse of a distant design with blurred outlines amongst some of our leaders. But this is a poor substitute for a plan, meticulous in every detail.

A mixed economy, artificially superimposed by executive authority, which is not a result of natural and slow growth, has necessarily to be precise and clearly defined in all its aspects. Not only have we failed at any time to lay down precisely what the attitude of the State is going to be towards private enterprise, with regard to its growth, financing and functioning, but we have even forgotten in our haste to lay down the shape of industrial units sponsored and run by the State and the lines on which they are to function. It is the taxpayers' money, in large chunks, which the Governments, Central and State, are throwing on these heavily financed industrial concerns without a clear plan and purpose. One would have expected that they would have given some thought at least to the structure and nature of these organisations, instead of just launching them in almost a new cast every time, according to the mood of the moment. They conveniently overlooked even to settle the broad outlines of the kind of control Parliament or the State Legislatures, as the case may be, were to exercise over them or the ties which were to bind them to the individual Ministries, which were supposed to be responsible for their working. Even the original principle of the public sector confining itself to public utility concerns, defence requirements and certain sectors where private investment is not likely to be forthcoming for obvious reasons, has been abandoned in the case of steel, shipping and fertilisers.

One has only to look at the various specimens of State enterprise, to realise the muddle that has been created by inexperienced administrations in this sphere. As pointed out by the Committee of the Federation of Indian Chambers of Commerce and Industry at its meeting in Bombay this week, there are four different forms in which these concerns are being managed. Some are managed departmentally, others executed departmentally but controlled by some inter-State *ad hoc* authority, still others have taken the form of statutory corporations, while a few are registered as public companies under the Indian Companies Act, but owned solely by the Government of India. It is not difficult to visualise the headaches and possibly chaos, these multiplicity of indeterminate forms is going to give rise to, as time goes on. For the time being, the Committee of the Federation has confined its attention only to the pricing policy of these Government enterprises, because it impinges directly on the private sector, but later complications are bound to arise, which will require a deeper study of this subject.

This problem was also discussed at a recent symposium on national industries organised by the Institute of Management at Bangalore, when Mr. M. R. Masani, in an analytical and thought-provoking address, asked how there could be any basis of comparison between the efficiency and utility of State enterprise, unless there were equal opportunities and facilities for free competition with equal taxation for both the sectors. Mr. Masani, of course, seems to have started with an assumption that mixed economy and State enterprise constituted only an experiment and that the latter were still on trial. The politicians, however, seem to have disposed of this question long ago. They have decided in favour of State enterprise irrespective of the cost and the only question in their mind is as to how long and in what progressively narrowing field private enterprise is to be allowed to operate, before it is completely abolished.

I very much doubt if the issue as to whether or not a particular product is best produced under State or free enterprise is still open to be decided, as Mr. Masani claims, in the light of experience obtained through free and equal competition between the two sectors. If it were and if this important issue has not already been decided upon purely on the ground of prevailing ideologies, which is only another name for basic prejudices, the conclusion which Mr. Masani arrived at, namely, that it was yet too early for our country to judge about the merits of State enterprise or its success or failure, is both wise and fair. This conclusion also implied, as stated by him, that, pending a review of the entire position at an appropriate time in the future, the national interest would be best served by desisting from further acts of nationalisation or expansion of the public sector.—*All Rights Reserved.*

MR. DESHMUKH NOT IN FAVOUR OF NEW SODA ASH FACTORY

MORE FOREIGN TECHNICAL EXPERTS

(From A Special Correspondent)

NEW DELHI, *27th April*

DELHI LETTER

IT is seldom that Finance Ministers show versatility other than dull and drab facts and figures. Mr. Chintaman Deshmukh is an exception. He studied botany during his college days, but began life as an administrator. Later, he drifted himself as Finance Secretary to the former Central Provinces Government, which ultimately landed him as the Governor of the Reserve Bank. In this capacity, he was able to distinguish himself as an able and level-headed financier and banker. It is not his capability as a Finance Minister that needs so much emphasis as his scholarship in a number of subjects and languages. He has often quoted verses from eminent Sanskrit poets in support of his arguments on the floor of Parliament but during his reply to the debates on the Finance Bill this week, he himself composed a beautiful Sanskrit sloka in regard to his levy on betelnuts. Lovers of Sanskrit in Parliament very much appreciated the Finance Minister turning himself as a Sanskrit Pundit. Perhaps, Mr. Deshmukh will as easily make his mark as the Head of Sanskrit Chair in any university as he has been able to make his impress felt in his Ministry during the last four years.

The Government of India and the Planning Commission are now thinking of the second Five-year Plan which is expected to be of "a far better amplitude" than the present Plan. They want to seek the co-operation of all parties in the formulation of this Plan and hope to invite suggestions and priorities from important political and commercial institutions shortly. Thus, they hope to be able to formulate a Plan "which may not fall far short of the optimum."

Chemical Industries

In the course of discussion on the Finance Bill, a number of members stressed the importance of fostering the growth of basic industries in the country. The Finance Minister stated that the proposed Industrial Development Corporation might be able to fill up this lacuna. "Our judgment," stated the Finance Minister, "is that, in the prevailing circumstances, when other channels of profit are open to private enterprise, they may not be so willing to establish and nurse over a long period or over a difficult period some of the basic industries which the Planning Commission consider as essential." He revealed that Government had under consideration schemes for increasing the production of soda ash in the country and had appointed a special officer to survey possible sites for the setting up of a manufacturing plant. In so doing, the special officer has to take into account the fact that these factories have to be dispersed all over the country. The Finance Minister told the House that he could not accept the proposal to start another soda ash plant in Saurashtra, as there were already two plants in that area, both of which contemplated expansion. The difficulty in regard to soda ash plants in Saurashtra, according to him, was that wagons available to lift the soda ash were not adequate and it was no use further complicating the situation by starting a third plant in that area.

The installed capacity of caustic soda and soda ash in the country now stands at 39,680 tons and 54,000 tons, respectively, the number of respective units being 12 and 2. The actual production of these two heavy chemicals in 1953 amounted to 21,760 tons and 55,822 tons, respectively. Government has already approved the plans for augmenting the installed capacity of these plants, by 7,000 tons in respect of caustic soda and by 36,000 tons in the case of soda ash. The three important raw materials for the production of soda ash are salt, limestone and coal. In a vast country like India, it is always necessary to reckon the high cost of distribution of basic chemicals such as soda ash and sites, therefore, offering advantages at least in respect of two raw materials with the possibility of facilities for cheap and easy transport to bring the third from other centres of production and simultaneously to distribute the final product to the consuming centres should be considered favourably. Possible sites for the erection of soda ash plants other than Porbandar and Jaffrabad in Saurashtra are Tuticorin and Tinnevelly in South India, areas in Orissa and Bengal where salt production might be developed and the Lake Chilka area in Madhya Pradesh and Orissa. It may be mentioned that the location of lignite deposits in South Arcot District, South India, is likely to create conditions favourable for the industrialisation of this part of the country. Limestone deposits are found near Tiruchirapalli while salt is manufactured at Vedaranyam (Tanjore District). It is, therefore, possible that this area may offer good scope for the development of the manufacture of heavy chemicals.

In regard to the manufacture of caustic soda, the special officer appointed by Government must take into account the large deposits of sodium sulphate associated with small quantities of other chemicals such as sodium carbonate at Didwana and Sambhar available as a by-product of salt manufacture. Such sources have been utilised in other countries for the production of soda ash and other heavy chemicals. It is suggested that the National Chemical Laboratory should investigate the possibility of exploiting such indigenous resources of sodium sulphate for producing caustic soda either by causticising sodium sulphate with lime or by developing suitable electrolytic processes.

Foreign Technical Assistance

Foreign technical assistance and foreign capital have been playing an important part in the industrialisation of the country, especially in such of those industries where the technical know-how is generally at a high level. Besides, Government has been continuing their efforts to secure technical help from industrially advanced nations of the West, for the development of the industries in the country under foreign technical assistance such as the Point Four Programme, the Colombo Plan and the Expanded Programme of Technical Assistance of the United Nations and its specialised agencies.

The period of assignment of the American expert on foundries obtained under the Point Four Programme in March, 1952, for one year to advise on operating conditions and improvement of foundries, has been extended to meet the increased demand for his services by the foundries. His services will now be available till August, 1955, for establishing and directing a training centre at the Indian Institute of Technology, Kharagpur, where practical training is being given to foundry supervisors and foremen drawn from the industry.

Under the United Nations Technical Assistance Programme, the services of an expert from the U.S.A. were obtained to assess the country's future requirements of high tension insulators and to examine various expansion schemes and to advise on the best manufacturing methods, machinery and raw materials. The services of an expert on plastic mould making were also obtained for making suggestions to use to the maximum possible extent the existing tool room facilities for plastic manufactures and generally to advise the industry on the best possible methods of developing mould making. From the Food and Agriculture Organisation of the United Nations, a pulp and paper expert was invited to assess the pulp and paper requirements of the country as well as the potential resources available for the expansion of the pulp and paper industry. Under the Colombo Plan, the services of two experts have been obtained for a survey of the idle capacity in engineering industries.

Foreign Capital

Out of the capital of Rs. 73.2 crores issued during the first eleven months of 1953, foreign capital permitted by Government was computed at about Rs. 15 crores. Among the industries in which foreign capital was permitted to be invested were dyes, drugs, hydrogen peroxide, clinical thermometers, gold gilded glass beads, food essences, abrasives, cycle parts, lifts and water meters. Apart from cases involving the participation of foreign capital, there were a number of schemes in which manufacturing was to be undertaken by Indian firms on payment of royalties or fees to foreign firms which supplied the technical know-how. Some schemes of this kind sanctioned during the year related to the manufacture of laminated and coil springs for automobiles, air conditioners, barfil rollers, Bunsen and other burners, security articles, radio sets, machine tools and workshop equipment, vibrating table frames, diesel engines, switch gear and allied products, piles, reinforced cement concrete pipes, fountain pens and fountain pen ink, perfumes, cosmetics and oils, technical benzene hexachloride and lindane.

The cement industry continues to be expanding. There are now 24 units in operation, with a capacity to meet almost all the essential requirements of the country. The present installed capacity is placed at 4.33 million tons, while the output in 1953 amounted to 3.78 million tons. The supply position of cement is expected to improve further during 1954. One unit, with an annual capacity of two lakh tons, is expected to go into production in July this year. Modernisation of one existing unit is also expected to be completed in the course of this year. The total capacity will then be about 4.53 million tons and the actual production is expected to go up to about 4.1 million tons per annum. Sixteen more expansion schemes approved by the Government of India are in progress. Almost all of them are expected to be completed by 1955-56. The completion of all these schemes will increase the annual capacity to about 6.14 million tons. India will then not only be completely self-sufficient in cement but will also have some surplus for the export market which is being gradually developed by allowing exports in small quantities to neighbouring countries

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The Government of Pakistan has fixed the export quota for tea at 32 million lbs. for the financial year 1954-55. The actual quotas to individual estates which will be allowed to export tea to any destination without restriction will be allotted by the Pakistan Tea Licensing Committee, Sylhet.

THE NATION'S INCOME

RISE OF £750 MILLION IN 1953

(From Our Own Correspondent)

LONDON, *24th April*

AT this time of the year, the Government produces a spate of White Papers concerned with national productivity, the budget, and income and expenditure. The last of these is particularly interesting and there are few countries the Central Statistical Services of which have analysed in the degree which the Treasury has done how the nation gets and spends its money. It is, of course, the estimates of personal income and expenditure which, though, perhaps, not the most significant from the broadest economic angle of what constitutes national progress, is nevertheless what matters most to the persons who contribute to national progress.

LONDON LETTER

In 1953, we find that total personal incomes have risen to £13,500 million, of course, before taxation. This is some £750 million more than last year, which was as much over 1951. The increase since 1948 has been nearly 50 per cent., but this, unfortunately, is not an indication of a similar increase in well-being, since the greater part of this has been due to the steady rise in prices.

Within the total of £13,500 million, wages and salaries, including the income of the men in the Forces, account for £9,000 million. In a similar category come the incomes of professional persons, farmers and private traders, whose earnings aggregate £1,600 million. There we have the grand total of £10,600 million of what are known as "earned incomes", nearly 80 per cent. of the total. The balance of personal income is made up of about £1,500 million of unearned incomes, that is, rents, dividends, interest, etc., and £1,000 million of National Insurance benefits and other income received by private persons from Public Authorities.

How is this total of £13,500 million spent? Nearly £1,000 million, in fact, includes savings and various private provisions for depreciation; another £500 million are National Insurance contributions; and another £1,100 million are provision for taxation. This leaves £11,000 million, or rather more than 80 per cent., which people can spend in any way they choose.

Consumers' Expenditure

The following table shows percentage-wise how consumers' expenditure is made up:

Food	32.3
Drink and tobacco	15.5
Rent, rates, fuel and light	11.4
Household goods	7.1
Clothing	9.3
Private motoring and travel	7.1
Other goods and services	17.4
Total ...	100.0

Thus, little more than one-tenth of our income goes on house room and heating and lighting our homes; one-third goes on food; and, about one-sixth on clothing and household goods. But these items account for only 60 per cent. of what we spend and the remaining 40 per cent. comes into the category largely of luxuries, or, as they are now regarded, semi-luxuries—drink, tobacco, travel, and all the miscellanea which a civilised society regards as essential.

One cannot help concluding with the comment that it is highly improbable that the average consumer whose spending is reflected in these figures exists. Low down in the income scale, expenditure on house room may be as low as indicated above, as a result of controlled rents, while the expenditure on necessities will probably be a good deal higher. Moving up the income scale, the proportion of income spent on rent undoubtedly goes up, that on food often tends to go down, and that on the "luxuries," so-called, may, in the top income levels, amount to more than half.—*All Rights Reserved.*

The Lancashire-Pakistan Cotton Committee has invited the Pakistan cotton industry to send a delegation to Manchester for discussions with the leaders of the cotton industry at Lancashire. The delegation is expected to be in Manchester from the 24th to 29th inst.

U.S. ECONOMIC OUTLOOK

NO FEAR OF RECESSION

(By JAMES C. WORTHY, Assistant Secretary of Commerce for Administration, U.S. Department of Commerce)

THERE have been a series of predictions of economic bad weather for the U.S. economy ever since the end of World War II, but the economy has continued its forward march. Whether the current uneasiness in certain quarters will be justified by the event, only time will tell. Personally, I am looking to the future with great confidence in the capacity of the American economic system, to adapt with a minimum of stress and dislocation to any eventuality. I would like to suggest, briefly, what I consider ample grounds for such confidence.

First, population growth: The population of the United States increased by 19,000,000 during the decade ended 1950, and the Bureau of the Census estimates that it will increase by 28,000,000 more during the present decade. This tremendous rate of growth means not only a constantly increasing total market for goods and services but also important changes in the structure of demand.

The increasing number of babies and younger children, as well as the rising proportion of elderly people in the total population, are bringing about radical changes in the direction of manufacturing and merchandising efforts. These changes represent serious threats to those managements who may be too slow to adapt themselves to rapidly changing circumstances. At the same time, these changes represent great opportunities to those alert enough to make profitable use of them. Very much the same kind of threat and opportunity is presented by the great geographical redistribution of population now under way and by the rapid acceleration of the growth of suburban residential and retail shopping areas.

Personal Disposal Income

The second major cause for optimism is the current high level of personal disposable income (income after taxes), which, in 1953, reached an all-time high of $248,000 million. There is no single economic factor quite as significant as the size of the consumer's pocket-book.

Potential consumer purchasing power in the United States is strong today not only because of current high levels of income but also because of the strong asset position of consumers made possible by past savings. As at the end of September, 1953, American consumers held approximately $374,000 million in currency, bank deposits, insurance, Government bonds, and shares in savings and loan associations. In addition, they held about $200,000 million in corporate securities, more than 90 per cent. equity in farm land and farm buildings, a substantial equity in owned non-farm homes and unincorporated businesses, and an unestimated quality of households equipment and personal durable goods. At the same time, total short-term consumer debt amounted to $28,000 million, or less than one-third of the currency and demand deposits held by consumers. By the standards applied to business, this is an extremely strong financial position. It represents, on a cash assets basis, a ratio of three to one and, on a current or liquid assets basis, a ratio in excess of 20 to one.

New Products and Services

A third element of confidence is the rapid introduction of new products and services into common use. Think, for a moment, of the number of new kinds of merchandise which were either very rare or did not exist at all prior to World War II—television, automatic dishwashers, automatic clothes washers and dryers, home air-conditioning, new kinds of fabrics, new kinds of materials, and new uses for present materials.

Processes of this kind are cumulative. Growth feeds on growth, new products on new products. The very dynamism of industry gives greater and greater emphasis to research and development, which is accelerating still more the rate of innovation. New patents are being issued at the rate of about 750 a week, but the Patent Office of the Department of Commerce still cannot keep up and the backlog of patent applications continues to grow.

The adaptability, resourcefulness, and ingenuity of American business, on the one hand, and the insatiability of human desires for better living, on the other, provide a potential for continued expansion which will continue without the stimulant of war and defence expenditures and which should readily take up any slack created by any curtailment in the level of military procurement. Such curtailment, in any event, will be gradual and likely to represent in any period only a very small proportion of the total gross national product.

Here, we need to keep in mind the natural, virtually irrepressible, tendency of American economic activity toward expansion, a tendency which undoubtedly will prove strong enough to more than offset, in due course, any decline in defence spending which is likely to occur. This continued expansion, however, will not be automatic; it will not occur as easily as a gas fills a vacuum. To realise the magnificent production potential of American industry, to profit on the possibilities of new products and new markets, will require tremendous efforts in distribution. During recent years, as a nation, we have concentrated on production goals, material and equipment goals, industrial expansion goals. From here on, we must direct a greater portion of our national effort to distribution goals and consumption goals.

Economic Resources

My fourth major element of confidence lies in the fact that there are sufficient economic resources available to support an even higher level of consumption than we enjoy today. One index of the opportunity to raise the level of consumption in the United States may be found in the relationship between personal disposable income and actual expenditures. Before World War II, Americans were spending an average of close to 95 per cent. of their personal disposable income for consumption goods and services in the more prosperous years and an even higher proportion of a lower income in less prosperous years. During World War II, shortages of consumer durables and other items sharply limited expenditure and consumption, but, after 1946, purchases increased sharply to make up for the deficiencies which had developed. Consequently, from 1947 through 1950, the proportion of income spent was somewhat higher than in pre-war years.

However, since early 1951, consumer expenditures have averaged only about 92-93 per cent. of disposable income, as compared with 95 per cent. or more in pre-war years. The significance of this shift lies in the fact that a 1 per cent. increase now in the proportion of personal consumption expenditures to personal disposable income would result in more than $2,000 million of additional retail sales.

The purchasing power is there. It is there in terms of both past savings and current income, both of which exceed any previous period. But the fact that it is there is not enough. The time has long since passed in the United States when necessity-goods have dominated the pattern of consumer spending. The great mass of Americans now earn incomes that support standards of living far above the level of subsistence. Both the tremendous increase in national income and its wider diffusion have placed in the hands of consumers a growing proportion of discretionary purchasing power, purchasing power which may not be exerted at all, or, if exerted, may be utilised in alternative ways. The continued expansion of markets is, therefore, dependent on effective merchandising. New methods of production must be matched by new methods of distribution.

Problem of Distribution Costs

Above all, we must deal effectively with the problem of distribution costs. There are no reliable, overall figures on this subject, but a reasonable estimate, leaning heavily on the conservative side, would be that somewhere between 40 and 60 per cent. of the consumer's dollar is absorbed in the distributive process. For many individual items, as I know from my own merchandising experience, distribution costs are even higher. In the United States, we have excelled in cutting production costs, but we have scarcely scratched the surface in cutting distribution costs. Here lies one of the great opportunities in our commercial history for creative imaginative business management to make a tremendous contribution to improved standards of living and to continue healthy industrial expansion.

My fifth element of confidence in the future American economic outlook is that there are ample grounds for believing that the managers of the American distribution system, particularly those in the retail segment of that system, will prove equal to this challenge and opportunity.

PAKISTAN NOTES

AN ECONOMIC PLAN FOR MIDDLE EAST

GOVERNOR-GENERAL'S SUGGESTION

AN economic plan for the countries of the Middle East, on the lines of the Colombo Plan, was suggested by Mr. Ghulam Mohammed, Governor-General of Pakistan, in the course of his inaugural address at the third conference of the non-official International Islamic Economic Organisation held at Karachi on Sunday this week. It should be possible, Mr. Ghulam Mohammed said, to work together on a number of projects of common interest such as research in agriculture, land and water uses, provision of technical information and, in certain cases, technical assistance. He further added that it should also be possible to call upon the experts and technical advisers of the countries of the region for guidance and consultation in matters in which they have attained eminence.

This is not the first time when the suggestion for an economic plan for the Middle East countries has been put forward. For the same suggestion had been made in the two previous conferences also. Mr. Ghulam Mohammed himself was the first to make the proposal. In his capacity as President of the first session of the I.I.E.C., held more than four years ago, on 25th November, 1949 to be precise, Mr. Ghulam Mohammed—he was then Finance Minister of Pakistan—had urged the countries of the Middle East to form themselves into a group of Muslim nations which, by mutual co-operation in the economic field, could help themselves by helping each other. In that connection, he had drawn the attention of the countries concerned to the need for interlinking the economies of the geographically contiguous countries of the Middle East which had been in the iron grip (economically) of powerful nations of the West. To quote his own words: "This is an age of large grouping. The pressure of other large groups is being exerted on us. Let us be strong enough to resist their pressures and develop a system of collective bargaining and collective security."

Although more than four years have elapsed since the suggestion for an economic plan for the countries of the Middle East was first put forward, the progress in its implementation has been dismally unsatisfactory. Apart from the political instability of most countries of the region, economic limitations, such as inadequate capital resources, technical knowledge and know-how, are stumbling blocks in the way of an economic plan for the Middle East. In view of these, as also of the changed and rapidly changing world political situation, it is highly doubtful whether such a plan will prove feasible and practicable.

Textile Industry

Unless the Government of Pakistan effects an upward revision in the controlled prices of cotton yarn produced in the country on or before the 10th inst., the textile mills will have to close down from the 11th. This is the warning given by the Pakistan Textile Millowners' Association. The plea for an upward revision in yarn prices is based on the increase in raw cotton prices. Although the price of raw cotton has risen from Rs. 64-12 to approximately Rs. 84, the Government insists, says the Association, on maintaining the control price of yarn at Rs. 18-12. The series of negotiations with the Government are said to have failed.

My sixth element of confidence is the new Administration in Washington. In his State of the Union Message, Budget Message, and Economic Report to Congress, President Eisenhower has listed the achievements thus far accomplished in the economic field and has outlined the great forward goals for the Congress and the Nation.

These, I think, are six solid reasons for confidence. Certainly there will be readjustments, but, in a dynamic economy, constant readjustment is a condition of growth. Certainly, there may be "soft spots," but, if we had only "hard spots," our system would be so rigid that it would loose its capacity to change and adapt. Certainly, there are potentialities for a recession—whether of the "orthodox" variety or otherwise—but also there are potentialities, which are at least equally great, for moving ahead to even higher levels of achievement.—*Exclusive to "Commerce."*

INSURANCE OF BANK DEPOSITS—III

MANIFOLD ADVANTAGES OF THE SYSTEM

THOSE who have followed the general arguments by which the system of deposit insurance for banks was supported in the first article of this series and the description of the working of the system in the U.S. and of the tentative scheme for the adoption of a similar system in India presented in the second article will be quick to appreciate the manifold advantages that must flow from instituting a system of insurance of bank deposits in this country. All that is now necessary is to sum up the main advantages of the system, in order to indicate briefly how it will directly strengthen the structure and indirectly assist the economic development of the country.

Almost the first effect of instituting a system of insurance of bank deposits is the great confidence it will instil in the minds of the depositors. They will no longer distrust a bank, as many still do in this country, and will be ready to leave their savings with the bank more willingly than in the past. Not only will the decline in bank deposits be averted but they will tend to expand. The expansion of bank deposits may be expected to take place more particularly in the sphere of "personal" deposits. As soon as the news gets abroad that bank deposits are practically Government-guaranteed, a deposit with a bank, in the eyes of the educated, as well as the unlettered, depositors in the country, will acquire the status of a Gilt-edged security. This is particularly true of upcountry and rural areas where the prejudice, bred by ignorance of the working of credit institutions, is unfortunately still too strong to induce people to prefer bank deposits to gold and silver.

Again, with the increase in bank deposits and in the confidence of the people in their security will come a new status for bank cheques. Discharge of debts by cheques will become more universal with all its advantages in the shape of diminution of the risk in handling cash and expeditious settlement of debts and other financial obligations. Government and semi-Government undertakings, too, should have no objection to their dues being paid by cheque. Nor need they continue the present restrictions on banks, such as those relating to the retention of the funds belonging to Government and other semi-Government bodies.

Freed from inhibiting fears of abrupt withdrawal of funds by the depositors, the banks will be encouraged to increase their operations as well as extend the area of their services. The banks will be in a better position to feel their way in unexplored areas. The confidence of foreign banks in Indian banks will improve once they realise that the deposits in the Indian banks are fully insured against normal banking hazards. Indeed, this will assist Indian banks in starting branches abroad.

The system of insurance of bank deposits will ensure that fluctuations in bank deposits (one of the causes for the unevenness of bank profits) will be limited to factors other than the confidence of depositors. A steady trend in profits and dividends of banks, which may be expected to flow from the adoption of the system, will place the banks in a better position to raise fresh resources from the capital market. It may be noted here that in the U.S., the F.D.I.C. has introduced a system of refunding the premium for insurance of bank deposits to the insured banks, in order to enable the latter to declare better dividends and attract fresh capital. This policy has benefited the banks. It has also benefited the insuring authority, since the risk involved in the case of banks, which acquire larger capital resources, is relatively smaller to the insurer. The insured banks derive a benefit not only from their ability to raise additional finance but also from a decline in their expenses. This latter benefit arises from the fact that the insuring authority can take the initiative in placing a ceiling on interest rates. One of the major measures, adopted by the F.D.I.C. immediately after its formation, was to fix a ceiling on the rate of interest paid on bank deposits. Operating costs of the banks are, in fact, under the insuring authority's constant scrutiny. It enforces conformity to certain fairly well defined standards by the banks and thus facilitates the orderly expansion of the banking system.

Since the insuring authority thus takes prophylactic measures designed to prevent the outbreak of banking crises, it should be clear that the growth of the banking system will receive a great stimulus. No longer will it be necessary for the smaller banks to go through the cruelly slow process of a "run" and a recession, before they take their place alongside the honoured members of the banking community. Although it will still be true that no bank can become a "big" one in a day, the system of insurance of deposits will at least lessen the severity of the banks' battle for front place. And if some casualties become inevitable, there is at least one satisfaction, that the fall of the banks concerned will, if they are insured, cause less misery to the depositors than otherwise. Moreover, the insuring authority's perpetual interest in the insured banks will obviate the need for the use of harsh and punitive measures, such as non-licensing of banks and prohibition of receipt of further deposits, in order to weed out the erring members of the banking community.

Perhaps, a major advantage of deposit insurance lies in the fact that it will facilitate merger of banks. What prevents the bigger and well organised banks from taking over the lesser banks is that they are not always certain of the extent of the liabilities they are asked to absorb. Indeed, they are not sure whether the good they might be rendering to the smaller or weaker banks does not involve too heavy a sacrifice on their part. They are often prevented from allowing a smaller bank, in difficulties, to merge its identity with them out of fear that the malady of the patient they are out to cure might ruin their own health. But, when the banks are all insured, there will be less disinclination among the bigger banks to help or to take under their protection a deserving younger bank. Mergers and amalgamations of banks will thus be easier to put through.

Such, in the main, are the advantages that may be expected to flow from the adoption of a system of deposit insurance. It should be clear that the system has its advantages for the general economy too. In the next few years, a large volume of new money, under the Five-year Plan, will be pumped into the economic system. If all this money were left in the hands of the people, they may be tempted to spend it, which will lead to open inflation. On the other hand, if this excess purchasing power were contained within the banks, the temptation to spend would be less. Thus, it would provide one of the best dams against the inflationary floods that might otherwise engulf the whole national economy. The best way to promote the healthy diversion of purchasing power to constructive channels is to encourage the people to deposit their money with the banks. Since deposit insurance can be trusted to promote the spread of this habit among the people, it must be acclaimed as the least offensive and the most effective of anti-inflationary measures undertaken by any Government anywhere in the world.

(Concluded)

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COMMONWEALTH DEVELOPMENT

The Commonwealth Development Finance Company (C.D.F.C.)—set up in London as a result of the Commonwealth Economic Conference of 1952—has, during its first financial year, invested, or negotiated investment, in three major projects, one in Pakistan and two in South Africa. The Pakistani project is the Sui Gas Transmission Company Ltd., to pipe natural gas through the lower Indus Valley to Karachi and provide a fuel source for the area's growing industries and agricultural installations. The South African projects are the Electricity Supply Commission of South Africa, for increasing the supply of power to the Rand and the Orange Free State and expanding gold production; and the South African Industrial Cellulose Corporation, for manufacturing pulp from Natal eucalyptus plantations, saving on pulp imports from outside the sterling area, and adding to the area's exports.

The projects—investments in which, when completed, should aggregate some £5,000,000—are listed by the C.D.F.C. chairman, Sir Frederick Godber, in the Company's first annual report, just published in London.

The Company's activities in regard to the three projects are not fully reflected in the accounts (to be presented at the Company's annual general meeting on 29th April), Sir Frederick points out, explaining that, of the three, only the £2,000,000 loan to the South African Electricity Supply Commission was actually advanced during the year under review. But a footnote to the balance-sheet as on 31st March, 1954, shows that the Company had conditionally agreed to subscribe approximately £1,000,000 in the Sui Gas Transmission Company.

During its first year, the C.D.F.C. received a number of applications, a large majority of which were unsuitable for detailed consideration. But at least three are still under consideration. The intended formation of the C.D.F.C. was first announced at the time of the Commonwealth Economic Conference in December, 1952, when the need was stressed for speeding investment in the Commonwealth to develop its resources and improve the sterling area's balance of payments position. The Company was incorporated in March last year as an instrument of private enterprise formed with Government approval. Of its £15,000,000 share capital, £8,250,000 has been subscribed by 91 industrial, mining, shipping, and banking companies and firms in the United Kingdom, and the remainder by the Bank of England (thus the largest shareholder, though it does not have, or seek to exercise, control).

The main objects of the C.D.F.C. are "to provide or procure financial facilities of all kinds for the development of natural and other resources of any part of the Commonwealth." The C.D.F.C.'s role is primarily to help the financing of development undertaken by private enterprise; it does not, therefore, propose to take direct part itself in such development, and "special emphasis is laid on the provision of expert management by those already engaged in the enterprise concerned."

Generally, C.D.F.C. considers financial assistance only in case of applicants who cannot raise capital in the area where the development is taking place; who have provided a reasonable amount out of their own resources; have raised as much as can reasonably be expected through normal market channels (C.D.F.C.'s policy is to supplement, rather than compete with, existing lending institutions); can provide expert management for the undertaking; and whose projects offer reasonable prospects of being remunerative.

HINDUSTAN COMMERCIAL BANK LTD.

As in the case of many other Scheduled banks in India, the Hindustan Commercial Bank Ltd. (Managing Director: Mr. Kishen Chand Puri, Kanpur) has had an unfavourable period of working during the year ended 31st December, 1953. The Bank's profit, which had been steadily improving from Rs. 1.34 lakhs for 1949 to Rs. 4.80 lakhs for 1952, suffered a setback to Rs. 2.60 lakhs for the year under review. With the sum of Rs. 10,609 brought in from the previous year, the total available for appropriation is Rs. 2.71 lakhs. The Directors have utilised Rs. 2.56 lakhs to write off bad debts and furniture and stationery in respect of Pakistan branches, leaving a sum of Rs. 15,160 to be carried forward. It may be noted that last year a sum of Rs. 4 lakhs was utilised out of the profit to write off bad debts, Rs. 1 lakh was transferred to investment reserve and Rs. 35,000 was provided for paying bonus to staff. For the seventh year in succession, the dividend to the Bank's shareholders has been passed over. In fact, barring the year 1946, when they had a return of 4 per cent., they have not received anything from the inception of the Bank.

The following comparative table giving the variations in the main items of the Bank's balance-sheet as at the close of the last four years, provides an idea of its progress:

(In lakhs of rupees)

	As on 31st December			
	1953	1952	1951	1950
Capital	125.00	125.00	125.00	125.00
Reserves	19.40	15.80	10.80	15.80
Deposits	454.68	450.83	407.86	609.10
Borrowings from other banks	121.57	102.00	84.75	37.00
Advances	309.99	309.47	310.86	305.25
Investments	289.73	289.43	239.66	271.64
Cash	67.45	71.02	86.02	85.43
Balance-sheet total	759.26	783.73	810.29	786.39
Ratio to deposits of—	%	%	%	%
Advances	71.3	68.4	62.4	53.7
Investments*	39.7	41.6	41.1	45.1
Cash	15.5	15.7	17.3	16.4

* Ratio arrived at after taking into account the investments earmarked against borrowings from other banks.

(Continued on page 863)

REFORM OF COMPANY LAW—I

NEW LEGISLATION MUST PROVIDE FOR SPECIAL NEEDS OF THE COUNTRY

(By A. RAMAIYA, Advocate, Madura)

THE new Companies Bill, which seeks to consolidate and amend the law relating to companies, is the longest legislative measure ever introduced in the Legislature of this country. It contains 612 sections and eleven schedules, many of them consisting of numerous clauses with elaborate details, the entire measure occupying nearly 400 pages of closely printed matter. The Bill is based almost entirely on the recommendations of the Company Law Committee, which made its Report early in 1952; in all essential particulars, most of these recommendations have been faithfully adopted in the drafting of the Bill, except that, in respect of one or two matters not covered by the recommendations, such as the provisions relating to the compulsory amalgamation of companies in the national interest, the Government have thought fit, in the light of recent experience, to include them in the Bill. It goes to the credit of the Committee that its recommendations were so thorough and convincing as to be accepted wholesale in the revision of the Indian Companies Act. Whatever may be the views and opposition of certain ultra-capitalist bodies to the reforms sought to be given effect to in the provisions of the Bill, a careful study of it shows that it will usher in a new era in the history of industrial and commercial enterprise through the creation of conditions necessary for the healthy functioning of joint-stock enterprise in the private sector of the country's economy. While the provisions of the Bill as a whole are generally acceptable—and I am inclined wholeheartedly to give my support to it.—I find that, as a lawyer who is specialising in this branch of law and has had occasion to come in contact with and acquire some intimate knowledge of the working of several companies in South India, there is scope for offering a few suggestions for altering or adding a few clauses here and there. I hope that they will receive due consideration at the hands of those responsible for the passage of the Bill in Parliament.

Fundamental Principles

In a Welfare State like ours, the best method of carrying on private enterprise to the extent to which such enterprise is considered expedient, is undoubtedly by means of companies incorporated under the Companies Act. The limited company is an attraction to small investors. As a company, unlike an individual or a firm, is under a statutory obligation to maintain accounts and submit to annual or other periodical audit by a qualified auditor, it is less likely than individuals and firms to be unreliable for any business purposes, including Government dealings, especially in respect of fiscal matters such as the income-tax and business profits tax and is certainly more amenable to Government regulation and less prone to evasion. The object of reform must, therefore, be to encourage in the private sector of the economy the corporate form of business enterprise in preference to individuals and firms.

The system of companies is essentially a democratic one. It is based on majority rule by the shareholders, and through election of representatives called directors for carrying on the management. And the board of directors in their mode of work are also governed by the majority principle. The presumption underlying the system is that the majority having a major stake in the company which is their concern will be more interested than the minority in ensuring proper management. If, however, the majority should do anything to the clear detriment of the minority and for the benefit of the majority only and not of the company as a whole, the law should intervene and protect the minority interests from oppression.

Amendments of the law in this country should not proceed on the lines of a simple adoption of what has been effected in England without due regard to the objectives of the system of economy obtaining in this country. Our special circumstances would seem to require the company law reform to proceed on the following lines:

(1) In the case of companies concerned in the production or distribution of essential commodities or services there should be adequate statutory povision for effective Government intervention in the interests of the public whatever may be the nature of the companies concerned—whether public or private.

(2) In the case of all public companies and the subsidiaries of such companies whether public or private, the law should ensure adequate protection to the investing public and make effective provision against fraudulent promotion and bad and dishonest management.

(3) In the case of private companies (other than subsidiaries of public companies), in view of their being more or less in the nature of family concerns or partnerships, the law should, to the extent to which they do not affect the public interests, give free scope for development and provide for the least interference, with their internal management or affairs.

(4) In the case of any company it is expedient on grounds of public policy that the law should make adequate provision for the protection of shareholders against possible oppression and mismanagement on the part of those who are in charge of the company's affairs.

(5) As a corollary of the last principle, emphasis has to be laid on the need for an efficient administrative machinery to enforce the provisions of the law enacted for ensuring the efficient and honest management of companies. The Committee on Company Law Reform in England expressed, at the very outset of its Report: "It seems to us important that observance of the requirements of the Companies Act should be vigorously enforced and still more important that, where companies are improperly or dishonestly conducted, their affairs should be investigated and the offenders prosecuted."

A Satisfactory Measure

Bearing in mind these basic principles, if we examine the provisions of the Bill now before Parliament, we find that the principle No. 1 calling for adequate statutory provision for Government intervention in the case of companies concerned in the production or distribution of essential commodities and services, has not been recognised at all. Similarly, neither principle (3), which points to the desirability of least interference with private companies, nor the principle (5), which emphasises the need for an efficient administrative machinery to enforce the observance of the provisions of the Act, has received due consideration in the drafting of the Code. While, as observed earlier, the Bill, so far as it goes, is a thoroughgoing and satisfactory measure, the alterations and additions mentioned by me are only by way of constructive suggestions without in any way detracting the merits of the provisions of the Bill.

With these preliminary remarks, I propose to examine some of the sections of the Bill which, in my view, need certain improvements. To take first section 2(2) which deals with "associate of managing agent." If the object of the definition is to secure the effective enforcement of the provisions of the Act relating to the managing agent, by extending them to associates of the managing agent, it is necessary to improve the definition by including an additional sub-clause as follows:—"Any adult member of the Hindu family of which the managing agent is a member manager." It is generally only through such members of his own family as his trusted associates that a managing agent is naturally and ordinarily inclined to put into effect his contrivances for evading any restrictions imposed on him by any provisions of the Act.

Section 5—Officer who is in default: The definition, as it is, is so worded that it will possibly enable any and every officer who has defaulted in his duty to escape by pleading that he was not 'knowingly guilty.' If the object of the penal provisions is to enforce observance of the requirements of the Act and discourage their contravention, it appears to me to be necessary that a proviso as follows will have to be added to this section:

"Provided that an officer who is wilfully in default shall be deemed to be knowingly guilty."

Section 51—Matters to be stated in Prospectus: (A) When a company is formed and forms of application for shares are issued, applicants must be in a position to know whether or not the shares are easily marketable. In the case of several companies, power is given to the directors by the Articles to refuse the registration of any transfers at their discretion; and this has caused a good deal of hardship in many cases. It appears to me desirable that there should be some such statutory provision inserted in section 51 or in Schedule II as follows:

"The Prospectus shall contain a statement in a conspicuous place whether and to what extent there would be restrictions as regards transfers of shares."

Again, where a company is registered in one State and invitation to subscribe for shares is issued in other States, either by means of newspaper advertisements or otherwise, it is highly desirable that soliciting of subscriptions for shares from investors in other States should be prohibited, unless permission to deal in the proposed shares has been obtained from any recognised stock exchange. When any announcement, advertisement or other public offer or invitation is made on an all-India scale, investors not unnaturally expect to obtain a marketable investment; and a statement as to whether or not permission has been granted by any stock exchange will put investors on guard as to deciding whether or not it would be wise for them to put their moneys into the proposed venture. I would, therefore, suggest the inclusion of a sub-section like this, after sub-section (2) of section 51:

"No company having its registered office in one State shall issue any form of invitation for shares in any other State, unless permission to deal in the proposed shares has been granted by a recognised stock exchange."

Questionable Transactions

Section 102—Declaration by transferee: In the public interest, it is necessary that, in all cases of transfer of shares, there should be a declaration by the transferee as to whether he is a beneficial owner or nominee and if the latter for whom. This will check a good deal of *benami* and other questionable transactions by managing agents or directors. The Cohen Committee in England had also made a similar recommendation. I would, therefore, add the following as sub-section (2) to section 102: "Every transfer of shares shall contain a declaration by the tansferee whether he will be the beneficial owner of the shares comprised therein or only a nominee, and, in the latter case, for whom he will be the nominee."

Section 105(3)—Appeals against refusal to register a transfer: In very many cases an appeal to the Central Government at Delhi will be a costly affair. In the interests of the investing public, a right of appeal in the first instance to the Registrar of Companies with a right of further appeal, if need be, to the Central Government will be conducive to economy, besides relieving the Central Government from an overcrowd of mostly small cases of this sort. I suggest that sub-section (3) may be suitably amended as follows:

(3) Against any refusal of a company, the transferor or transferee may appeal to the Registrar, who, after giving the parties an opportunity to be heard, may dispose of the same.

(4) Any person aggrieved by an order of the Registrar under sub-section (3) may prefer a further appeal to the Central Government who may empower a specified authority to hear and dispose of appeals of this class.

Section 159(3)—Default in holding Annual General Meeting: Where there is default in holding the annual general meeting, instead of the Central Government the Registrar may be given power or delegated power to interfere as provided in this section. Otherwise, as the Central Government is at a great distance, there will be great delay and expense.

(To be continued)

BANK OF MADURA LTD.

The Bank of Madura Ltd. (Secretary: Mr. P. S. Viswanathan, Madurai) has earned a profit of Rs. 1.15 lakhs (after providing for bad and doubtful debts) for the year ended 31st December, 1953. This compares with Rs. 2.34 lakhs for the previous year. Out of the profit for 1952, the Directors had adjusted Rs. 2.29 lakhs (besides drawing Rs. 2.65 lakhs from the reserves) for writing off the loss of Rs. 4.94 lakhs on the sale of the Bank's holdings of long-dated securities. After making provision for this, the profit available was Rs. 5,321. There has been no such loss to be provided for this year. The Directors have accordingly transferred Rs. 1.15 lakhs to the reserve fund, as against Rs. 5,000 provided last year. The sum left to be carried forward is Rs. 662, as against Rs. 723 brought in.

The capital of the Bank was raised during the year from Rs. 7.50 lakhs to Rs. 11.25 lakhs by making a call of Rs. 25 per share on 15,000 shares, making the shares Rs. 75 paid-up. The reserves amount to Rs. 1.53 lakhs. There has been an increase of Rs. 12 lakhs in deposits to Rs. 2.05 crores. Advances have declined from Rs. 1.41 crores to Rs. 1.11 crores, while investments (at cost) have been strengthened from Rs. 41.59 lakhs to Rs. 67.63 lakhs and cash balances from Rs. 18.94 lakhs to Rs. 40.59 lakhs. The ratio of advances to deposits has declined from 73.2 per cent. to 54 per cent. and the total liquidity ratio has gone up from 31.4 per cent. to 52.8 per cent.

PROTECTION FOR PICKERS INDUSTRY

ITS CONTINUANCE UNDER CONSIDERATION

LAST week, it was the turn of the pickers industry to appear before the Tariff Commission for the consideration of the question of continuing protection beyond 31st December next. The claim of the industry for protection or assistance, it will be recalled, was first examined by the erstwhile Tariff Board in 1948. And, as a sequel to its recommendations, the Government of India granted protection to the industry for two years, with effect from 1st April, 1949, by converting the then existing revenue duty of 10 per cent. *ad valorem* on pickers into a protective duty. Following a subsequent enquiry in January, 1951, the protection was extended by another 21 months, that is, up to the end of December, 1952. The Government also raised the rate of duty to 10½ per cent. *ad valorem* plus a revenue surcharge of 5 per cent. Pending another detailed enquiry, the protection was extended, in consultation with the Tariff Commission, first up to 31st December, 1953, and subsequently up to the end of the current calendar year. The pickers industry has thus already enjoyed tariff protection for more than five years.

Pickers are extensively used in the textile industry as accessories on looms. The function of a picker is to propel the shuttle across the width of the loom for inserting the weft in the cloth which is being woven. The history of the manufacture of pickers in India dates back to the beginning of the First World War. The industry soon made headway during the war years; by the end of the war, there were as many as 40 factories in operation. After the First World War, the industry faced keen competition which reduced the number of factories to just three. It was only with the commencement of the Second World War that the industry again came into prominence, the chief impetus being the lack of imports. The number of factories rose to 60 at the end of 1945, with an aggregate output of 20,000 gross pickers.

The pickers industry is essentially a small-scale industry; in some cases, it is organised even on a cottage-industry basis. Most of the factories are located in Bombay and Kathiawar, the types of pickers manufactured being those required by the cotton textile industry. The factories situated in Calcutta produce pickers for the jute industry.

Progress of the Industry

Thanks to the tariff protection for five years, the pickers industry has considerably expanded in recent years. The total installed capacity of only 26 factories—the number of units in existence is 70 and that in actual production 60—is now estimated at 93,300 gross per annum, which compares very favourably with 50,000 gross for the whole of the 60 units in existence in 1948. Of the total capacity of 93,300 gross, cotton pickers (4B round foot) account for 68,000 gross, jute pickers for 11,000 gross, drop box pickers for 7,000 gross, and other kinds for 7,300 gross. But the industry is not working to its full capacity. The trend of production has, in fact, been downwards in recent years. Thus, in 1953, the industry produced 27,856 gross pickers, as against 28,638 gross in 1952 and 28,743 gross in 1951. The present rate of production falls short of the demand at 41,450 gross (37,500 gross cotton pickers, 3,200 gross jute pickers and 750 gross other types), as agreed to at last week's Tariff Commission's public enquiry.

The gap between production and demand thus, and also the other aspects, such as supply position of raw materials, quality of indigenous products, imports and import control policy, and c.i.f. prices of imports, have to be dispassionately examined before arriving at a decision with regard to the continuance of protection to the pickers industry. Mr. B. N. Adarkar, member, Tariff Commission, was therefore, right in prefacing his speech, delivered while opening the public enquiry on Wednesday last week, with a request to all the interests concerned—the manufacturers, the importers and the consumers—to help the Commission with their knowledge and experience to arrive at "sound and well-thought-out conclusions."

Case for Continuance of Protection

The case for the continuance of protection to the pickers industry is based on two considerations:

(1) Athough imports of pickers have been totally banned since July-December, 1952, the mills had already built up heavy stocks before the ban was imposed and this has kept the demand for indigenous pickers at a low level and prevented the industry from utilising a reasonable proportion of its capacity.

(2) Continuance of protection will enable the industry to consolidate its position and encourage the more progressive units to modernise their equipment in order to attain a high standard of quality.

Some of the importers, on the other hand, are stated to have expressed the view that the industry is now firmly established and is no longer in need of protection.

The pickers industry fulfils one of the important conditions for protection, namely, that all the principal raw materials required for the manufacture of pickers, with the exception of sperm oil, are available locally. These include raw buffalo hides, sodium sulphide, wire and wire nails, panel pins, lime, sulphuric acid and caustic soda. The main sources of sperm oil supply are the U.K. and the U.S. Although more than five years have elapsed since the Tariff Body recommended investigation of the possibility of supply of sperm oil from sources other than these countries, no worthwhile progress seems to have yet been made.

Quality of Pickers Poor

As regards the other important condition for protection, namely, the quality aspect, the general opinion among the consumers of pickers seems to be that, while the indigenous product has shown some improvement in quality since the last enquiry (1951), it is still below the requisite standard. All the firms which are members of the All-India Pickers and Textile Leather Manufacturers' Association, it is claimed, produce pickers strictly in accordance with the I.S.I. specifications and it is only the large number of units outside the Association that continues to manufacture sub-standard products, thereby impeding the progress of the industry. How far and to what extent this claim is justified it is difficult to say. Mr. Adarkar, however, said: "It seems that the Association has not yet been able to devise adequate measures for enforcement of standards. The Director of Industries, Bombay, has informed us that his efforts in this direction have also not yielded any tangible results. We have received varying estimates of the average life of indigenous pickers, ranging from 150 hours to 350 hours, while the average life of imported pickers is estimated by some at 400 hours and by others at as long as 600 hours."

Surely, this is a great drawback of the pickers industry which should be remedied, if the confidence of consumers is to be won. Mr. Adarkar did well to emphasise this aspect which he characterised as the basic problem of the industry. Said he: "...it is imperative that the industry should try its utmost to find a satisfactory solution to this basic problem." This is possible by proper internal organisation. After all, the present difficulties of the pickers industry, it is said, arise not so much from its cost of production as from its internal organisation.



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PLEA FOR LARGER RAW SILK IMPORTS

A vigorous plea for liberalising imports of raw silk was put forward by Mr. P. M. Chinai, President of the Silk Merchants' Association, Bombay, in the course of his address at the recent annual meeting of the Association. The plea is based chiefly on the ground that there is a wide gap between the quantity now being produced by the indigenous industry and consumption requirements. Said Mr. Chinai: "In view of an increase in the output of filature silk here being unlikely, the demand for more raw silk imports is just and reasonable." Two other grounds on which the plea is based are the poor quality and the high prices of the indigenous product. Mr. Chinai said that, despite protection, the Indian sericulture industry had not made any progress in the matter either of quality or of price. In view of all these, the restrictions on raw silk imports are stated to have caused immense hardship to the handloom weaving and *jari* industry, since the quantity allowed on the present quota basis is not enough to meet the requirements.

The Silk Merchants' Association President expressed the fear that the present difficulty of obtaining quality silk fabrics at reasonable prices might lead to the encouragement of substitutes and might cause a setback to the industry. The position, he maintained, could be averted by maintaining raw silk prices at reasonable levels, which was possible only by allowing liberal imports of raw silk. Mr. Chinai wanted, too, adequate imports of silk fabrics, in view of the inability of the indigenous industry to meet the demand.

CLOTH EXPORTS FROM INDIA

There was a slight setback to India's export trade in cotton piecegoods during March, 1954. The quantity of cloth passed for shipment in that month amounted to 78.9 million yards, a fall of 3.9 million yards and 2.1 million yards as compared with shipments in February and January, 1954, respectively. A further decline in exports is anticipated for the month of April. An indication of this is provided by the fact that the cloth passed for shipment during the first fortnight of April was not more than 36.6 million yards.

The aggregate quantity of cloth exported during the whole of the first quarter of the current calendar year, however, was larger than that in the corresponding quarter of 1953, being 242.7 million yards, as against 135.9 million yards. The bulk of the cloth exported consisted of medium counts, thanks to the abolition of export duty in October, 1953. The quantity of this variety actually passed for shipment was 149.5 million yards, as against 44 million yards. Coarse cloth accounted for 59.9 million yards, fine cloth for 27.9 million yards and superfine varieties for 5.4 million yards. The corresponding figures for the same quarter last year were 56.5 million yards, 32.7 million yards and 2.7 million yards.

TEXTILES EXPORT PROMOTION

Replying to a question in the House of the People on Monday last, Mr. D. P. Karmarkar, Commerce Minister, said that an export promotion committee for textiles was already taking shape. An ad hoc committee with 19 members had already been formed for the year to look after the work of export promotion of textiles. The proposed organisation in future would be an autonomous non-official board which would work under the supervision of the Cotton Textiles Fund Committee. Referring to complaints regarding packing and quality of textiles exported, the Minister claimed that, in both these respects, there had been distinct improvement.

TEXTILE RESEARCH INSTITUTE

Another important step in the establishment of the Textile Research Institute sponsored by the Millowners' Association, Bombay, was marked on Monday last week, when the Bombay Textile Research Association was registered under the Societies Registration Act of 1860. The Interim Council of Management of the Association consists *inter alia*, of the following:

Messrs. Vithal Chandavarkar, Neville N. Wadia, T. V. Baddeley, C.B.E., Dharamsey Mulraj Khatau, Krishnaraj M. D. Thackersey, G. D. Somani, M.P., Ramnath A. Podar, and Arvind N. Mafatlal.

RUSSIA BOYCOTTS AUSTRALIAN WOOL

"From next week, Russia will not buy Australian wool." This was disclosed by Mr. M. N. G. Kovalev, Commercial Attache to the Soviet Embassy at Canberra, on Saturday last. The boycott, it is said, follows the Russian note to Australia breaking off diplomatic relations with that country. The total quantity of Australian wool purchased by Russia since the beginning of this year amounts to 60,000 bales.

The Central Government would continue the system of giving subsidy to *khadi* production and sale during 1954. Disclosing this, the Commerce Minister revealed in the House of the People that Rs. 30 lakhs had been asked for the purpose. During 1953, the quantity of *khadi* produced in the country was 10,657,468 square yards valued at Rs. 1,94,00,798.

MONOPOLIES COMMISSION'S REPORT ON CALICO PRINTING INDUSTRY

YARN OUTPUT MOVES UP

(From A Special Correspondent)

MANCHESTER, 20th *April*

THE Monopolies Commission, set up during the term of office of the Labour Government in Britain, began in 1951 an investigation into alleged restrictive practices in the calico printing industry. Its findings have now been published and its recommendations are as strong as any previous reports produced by the organisation. Textile traders in Lancashire are somewhat indignant that their particular industry should be constantly picked on in this way, contending that restrictive practices are by no means the sole prerogative of industrialists in this area.

MANCHESTER LETTER

The Commission, however, has recommended that the various schemes evolved by textile printers for their own protection during the past 15 years or so should be scrapped. At the same time it admits that there are exceptional circumstances in the Lancashire textile industry. Few people need reminding of the era of price-cutting which caused so much hardship in the county little more than a generation ago. The sponsors of the minimum price schemes and other arrangements contend that only by such means can a decent living be ensured for those employed in the industry, its plant maintained and improved, and an adequate supply of new recruits attracted.

The Commission's view is to take a larger and longer outlook, believing that by maintaining prices at a high level printers will lose ground in the face of foreign competition and that the volume of business done will contract. This, in turn, it observes, means less employment, not only in calico printing but also in spinning, weaving and other sections of the cotton and rayon industries. The arrangements for printing, it contends, will only create a false sense of security and delay adjustments and redeployment of resources which will eventually have to be made.

"Scrap The Lot"

The Commission, therefore, recommends the abolition of the scheme organised by the printers under which firms either pay into a pool or are compensated from it in ratio to the amount of business they undertake below or above an agreed level. It considers the minimum price arrangements operate against the public interest and should be discontinued, although a non-enforceable list of prices may be issued as a guide. Other agreements, particularly those between the Calico Printers' Association and other large finishing combines, should be ended and the redundancy agreement drawn up in 1949 should also be wound up.

Perhaps the basis of the attitude adopted by the Commission is most clearly brought out in the sentence of the report which says: "We believe that it is generally true that price competition provides the keenest stimulus of all to the pursuit of efficiency and that its absence is bound in some degree to lessen the incentive to reduce costs." This investigating body has so far enquired into relatively few trades and the current report is in many ways the most outspoken.

In its future probes, the Commission may well have decided to take a tougher line with the industries being investigated. Lancashire is vitally affected by such an attitude as the spinning and doubling industry is equally vulnerable to attack on its minimum price schemes. Commenting on the report, the Federation of Calico Printers issued a statement which described the proposals as disastrous in their implications not only to the calico printing trade but to the whole of the Lancashire textile industry. The fundamental opposition expressed by the Commission to the principle of minimum price arrangements, the Federation added, applied in one form or another to almost every section.

Unrestricted competition before the war had resulted, the statement continued, in cut-throat competition, the running-down of plant and machinery, a poorly-paid and under-employed labour force, bankruptcy or near-bankruptcy for a large percentage of the firms engaged and had completely failed to stem the loss of export trade.

The Federation claimed that the system failed so disastrously that the Government had to step in in 1939 and pass the Cotton Industry Enabling Act for the express purpose of creating machinery to provide minimum price arrangements of the very type now prescribed by the Monopolies Commission. The implications of the report, it added, will in fact go much further than the textile industry and present an acute problem to a very large section of British industry as a whole.

Buxton Talks

The Golden Jubilee Congress of the International Federation of Master Cotton Spinners' and Manufacturers' Associations to be held at Buxton from 13th to 20th May will be attended by 250 delegates from 14 member-countries, according to the Congress programme. Mr. W. T. Winterbottom, President of the Master Cotton Spinners' Federation of Britain, will act as Congress President. Business sessions range from discussions on international monetary problems as they affect the cotton industry to the utilisation of man-made fibres.

On 17th May there will be a civic reception and dinner given by the Lord Mayor and Corporation of Manchester at which Lord Woolton, Minister of Materials, will speak. On the following day Congress delegates will travel to Liverpool for the reopening of the Cotton Exchange after a lapse of 13 years.

The International Federation was formed in 1904 and its policies have influenced the development of raw cotton growing, encouraged improved and higher crops in a number of countries and helped to achieve quality standards in the cotton industry's raw material. Since its formation the Federation has also undertaken a world statistical service.

Yarn Output Up

Lancashire mill workers spun 34,000,000 lbs. of cotton and rayon yarn more in the first three months this year than in the same quarter of 1953, the Cotton Board announced this week. Total yarn output for the three months was 262,090,000 lbs., as compared with 227,930,000 lbs. over the same period a year ago. The workers rounded off the quarter with their best achievement so far this year. They produced 20,730,000 lbs. of single yarn in the last week of March—40,000 lbs. more than their previous best result recorded the week before and close on 6,000,000 lbs. more than in the corresponding week last year.

Recruitment Aid

As a move to increase the supply of key workers to Lancashire's 1,000 cotton weaving mills, a new apprenticeship agreement has been reached between mill employers and the Loom Overlookers' Amalgamation.

The agreement, announced in Manchester this week, reduces the minimum age of entry into an apprenticeship scheme for loom overlookers from 19 to 17, and provides for junior and senior apprenticeship stages up to 21.

In a statement, the Cotton Spinners' and Manufacturers' Association said there had been concern about the supply of overlookers in mills in many areas. The new agreement, it was hoped, would help to stimulate the flow of entrants and attract the best type of youth for training for these key positions. There are at present 6,000 loom overlookers in the cotton weaving industry.

Unemployment in Textile Industry

Unemployment in Lancashire cotton spinning and weaving mills fell again in the month to mid-March, Ministry of Labour figures for the region show. In cotton spinning, the number idle decreased to 950, of which 450 were temporarily stopped, and in the weaving section the number unemployed dwindled to 480, including 280 on short time. In the finishing section the out-of-work figure was reduced to 420.

More vacancies exist in the spinning and weaving section than in any other single industry in the North-West. Labour requirements in spinning aggregate 5,080 and 2,200 more operatives are needed in weaving. Vacancies in the finishing branches number 460.—*All Rights Reserved.*

PIRACY OF U.K. TEXTILE DESIGNS

The Manchester Chamber of Commerce has asked more than 1,000 textile firms to supply detailed information of Japanese "piracy" of Lancashire designs. In a letter asking the firms for evidence, the Chamber says: "It has agreed with the Cotton Board and the British Rayon and Synthetic Fibres Federation on concerted action for dealing with alleged commercial malpractices by Japanese traders." The bodies had met at the suggestion of Mr. Peter Thorneycroft, President of the Board of Trade.

A spokesman of the Chamber recently said that, since the signing of the recent Anglo-Japanese payments agreement, which provided Japan with wider opportunities for exporting textiles to sterling areas, there had been a resurgence of complaints by Lancashire firms, alleging piracy of their designs.

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THE HINDUSTAN COMMERCIAL BANK, LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

GENTLEMEN,

The Directors beg to submit the audited Balance Sheet as at and Profit and Loss Account for the year ended 31st December, 1953.

The profits for the year including balance of Rs. 10,608-13-0 brought forward from the last year and after providing for all working expenses and depreciation amounted to Rs. 2,70,682-13-1. Your Directors have decided to make the following appropriations therefrom :—

		Rs.	a.	p.
1.	Amount utilised for writing off of Bad Debts and furniture and stationery in respect of Pakistan Branches	2,55,522	14	1
2.	Balance to be carried forward to the next year's account	15,159	15	0
	Total .. Rs.	2,70,682	13	1

The business of the Bank during the year under review continued to be satisfactory.

The Bank's Branch at Lalitpur had to be closed during the year as it was found to be unremunerative.

The Directors take this opportunity of extending their grateful thanks to the constituents and shareholders for their continued confidence and support. They also express their grateful appreciation to the Members of Local Advisory Boards for their help and guidance.

The Directors have examined the list of accounts drawing our special attention as received from the Auditors and are of the opinion that the accounts mentioned therein are either not bad or doubtful and the the Bank holds adequate provision for them as much as is considered necessary.

In terms of Article 97 of the Articles of Association of the Bank, Sardar D. Inder Singh and Lala Pannalal Berlwal were taken as Directors this year. They retire from office but being eligible, offer themselves for re-election.

According to Article 107 of the Articles of Association of the Bank, two Directors, viz.,

1. Lala Gurusharan Lall, C.I.E., and
2. Lala Sital Prasad,

retire by rotation from the Board, but are eligible and offer themselves for re-election.

You are requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of Directors,
PADAMPAT,
Chairman.

30th March, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—5,00,000 Ordinary Shares of Rs. 100 each				5,00,00,000	0	0
ISSUED AND SUBSCRIBED CAPITAL—2,50,000 Ordinary Shares of Rs. 100 each				2,50,00,000	0	0
AMOUNT CALLED AND PAID-UP—Rs. 50 per share on 2,50,000 Ordinary Shares of Rs. 100 each				1,25,00,000	0	0
2. Reserve Fund and Other Reserves and Suspense Account—						
(i) Reserve Fund as per last Balance Sheet	14,00,000	0	0			
(ii) Sinking Fund in respect of Buildings as per last Balance Sheet	1,20,000	0	0			
(iii) Investment Reserve Fund—Amount transferred from Profit and Loss Account	1,00,000	0	0			
(iv) Reserve for Taxes	20,585	3	9			
	16,40,585	3	9			
SUSPENSE ACCOUNT (i) Amount representing difference in Exchange between Indian and Pakistan Currency (Reserved against Bad Debts of Pakistan Branches) kept in Suspense	1,99,234	9	9			
				18,39,819	13	6
3. Deposits and Other Accounts—						
(i) Fixed Deposits, Short Term Deposits, Three Years' Cash Certificates and Security Deposits	2,05,32,799	10	9			
(ii) Savings Bank Deposits	67,59,438	6	1			
(iii) Current, Contingency (unadjusted) and Other Accounts	1,61,76,330	14	8			
				4,34,68,568	15	6
4. Borrowings from Other Banking Companies, Agents, etc.—						
In India (secured by part of Investments as per contra)	1,21,00,000	0	0			
Outside India (secured by part of investments as per contra)	57,467	3	5			
				1,21,57,467	3	5
				6,71,532	10	10
5. Bills Payable						
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	41,72,960	15	9			
(ii) Payable outside India	39,407	10	11			
				42,12,368	10	8
7. Other Liabilities—						
(i) Unclaimed Dividends	6,274	2	0			
(ii) Branch adjustments including Rs. 56,066-3-3 (debit balance) in respect of Pakistan Branches, the verification of which could not be done	3,21,632	10	1			
				3,27,906	12	1
				7,33,367	12	8
8. Acceptances, Endorsements and Other Obligations as per contra						
9. Profit and Loss Account—						
Balance as per Balance Sheet as at 31st December, 1952	1,45,608	13	0			
LESS—Amount transferred to Investment Reserve Fund	1,00,000	0	0			
Provided for Bonus to Staff	35,000	0	0			
	1,35,000	0	0			
	10,608	13	0			
ADD—Net Profit for the year 1953 as per statement annexed (after making an appropriation of Rs. 2,55,522-14-1 towards Bad and Doubtful Debts and writing off Furniture and Stationery of closed branches in Pakistan) subject to taxation	4,551	2	0			
				15,159	15	0
10. Contingent Liabilities—	Rs.	a.	p.			
(a) On partly-paid Shares of Joint Stock Companies	3,12,500	0	0			
(b) Claims against the Banking Company not acknowledged as Debts	5,79,479	13	11			
(c) Liabilities on Bills of Exchange rediscounted	Nil					
(d) Liability on account of outstanding Forward Exchange Contracts	Nil					
(e) Money for which the Banking Company is contingently liable for indemnity on behalf of constituents and Director	5,175	0	0			

NOTE—

(1) No account has been taken of the present liability in respect of future payments of gratuity to staff.

(2) The figures of Bank's Branches in Pakistan have been incorporated in the Balance Sheet and the Profit and Loss Account at the official rate of exchange.

(3) The liability of the Bank in respect of taxes payable for the year 1947 and onwards in Pakistan and in respect of years from 1949 to 1952 in India has not been assessed.

(4) The classification of Loans and Advances does not take into account the Displaced Persons (Debts Adjustment) Act, which may have an effect on the same.

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with the Reserve Bank and Imperial Bank				63,43,975	8	10
2. Balances with Other Banks on Current Accounts—						
(i) In India	3,19,369	3	3			
(ii) Outside India	81,729	2	9			
				4,01,098	6	0
3. Money at Call and Short Notice				Nil		
4. Investments (at Book Value)—						
(i) Securities of the Central and State Governments (Face Value Rs. 2,41,81,700—Estimated Market Value Rs. 2,23,06,304)				2,42,70,576	3	0
(ii) Shares of Joint Stock Companies—	Rs.	a.	p.			
Preference Shares (fully paid-up)	31,25,314	6	0			
Preference Shares (partly paid-up)	3,90,000	0	3			
Ordinary Shares (fully paid-up)	8,44,045	0	3			
Ordinary Shares (partly paid-up)	12,063	12	0			
Debentures and Convertible Notes	4,15,500	0	0			
				47,02,828	2	3
NOTE—Market value as at 31st December, 1953, has been estimated by applying market rates where available and taking book value where market rate is not available, at Rs. 34,07,500-14-0.						
(iii) Gold				Nil		
5. Advances—						
(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	2,53,03,888	11	11			
(ii) Outside India	25,80,515	0	5			
				2,70,74,503	12	4
(ii) Bills Discounted and Purchased— (Excluding Treasury Bills of the Central and State Governments)						
(i) Payable in India	28,28,970	6	0			
(ii) Payable outside India	1,94,297	0	6			
				30,23,267	6	6
PARTICULARS OF ADVANCES—	Rs.	a.	p.			
(i) Debts considered good in respect of which the Banking Company is fully secured	3,47,53,516	0	9			
(ii) Debts considered good representing claims reported to have been locked but not yet admitted with (a) West Punjab Government for commodities alleged to have been taken over by them or sale proceeds deposited into Treasuries of Pakistan, (b) Government clearing agents under grain procurement arrangements, (c) debts against mortgage of immovable property in West Punjab, (d) Stocks stated to have been held in the factories and godowns of the debtors, etc., as per information disclosed on the respective files in the Bank	14,98,870	9	3			
NOTE—Due to abnormal conditions, and incomplete information, the Auditors are unable to express any opinion on this)						
(iii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	48,96,652	15	7			
NOTE—It includes a sum of Rs. 10,82,244-7-2 regarding advances in West Punjab Branches in respect of which the Auditors are unable to express any opinion)						
(iv) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	3,49,231	9	3			
(v) Debts considered doubtful or bad not provided for	Nil					
	3,09,97,771	2	10			
(vi) Debts due by Directors or Officers of the Banking Company or any of them severally or jointly with any other persons	1,00,089	4	9			
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies as members (includes Documentary Demand bills for Rs. 3,45,956-7-0 since paid and Rs. 15,44,293-8-11 secured by Bank's own deposits)	21,77,072	9	1			
(viii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,00,584	0	0			
(ix) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	29,10,357	0	0			
(x) Due from Banking Companies	Nil					
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	41,72,960	15	9			
(ii) Payable outside India	39,407	10	11			
				42,12,368	10	8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				7,33,367	12	8
8. Land and Buildings—						
Bank premises at cost (provision of depreciation in Sinking Fund as per contra)				13,99,788	15	3
9. Furniture, Fixtures and Equipments, etc.—						
Book value as on 1st January, 1953				11,18,294	12	11
DEDUCT—Sales and amounts written off during the year				64,145	9	8
				10,54,149	3	3
ADD—Additions made				5,35,193	9	11
LESS—Amount written off to-date for Depreciation				5,18,955	9	6
				7,35,80,780	7	0

(Continued on next page)

COTTONSEED CRUSHING INDUSTRY

NEED FOR ADJUSTMENT IN FREIGHT RATES

THE prospects for the cottonseed crushing industry in India are now recognised as bright, thanks to the fact that the industry belongs to the class of industries which depend for their raw material on indigenous sources and which have a large domestic market, either actual or potential. And yet few people know the economics of and prospects for this comparatively recent entrant into the ranks of India's industries. Mr. G. L. P. Chatenay, Chairman of the Sundatta Cotton-seed Utilisation Ltd., therefore, did well to avail himself of the opportunity provided by the recent annual meeting of the Company to deal at some length with the fortunes of the cottonseed crushing industry. His illuminating address, published in our last issue, deserves a wider audience than the one for whom it was intended.

The cottonseed crushing industry, Mr. Chatenay said, is "here to stay in India." This optimism is based not only on the economic importance of the industry but also on the admirable natural conditions which prevail in this country for its progress. Although cotton-seed oil has for long been a source of edible fat in the U.S., the U.S.S.R. and certain other cotton-producing countries, the crushing of cottonseed in India, the second largest cotton-growing country in the world, made little headway till recently. India, however, seems to be making up for past neglect. For, apart from the modern plant for crushing cottonseed, owned by the Sundatta Cotton-seed Utilisation Ltd., there are now nearly 20 units engaged in the processing of cottonseed.

The cottonseed crushing industry, Mr. Chatenay said, creates "wealth out of waste." This is because cottonseed, which is now practically entirely used only as cattlefeed, can be converted by the industry into edible oil, the residue (cake) used as cattlefeed and the linters extracted from the seed put to a great many uses. Every 100 lbs. of cottonseed processed yield 75 lbs. of oilcake (cattlefeed), 20 lbs. oil and linters and 5 lbs. waste. It is true that cattle get a slightly less rich food by being fed with the cake rather than the cottonseed. It would, however, appear that, in order to make up the loss of oil removed, cheaper substitutes, like maize or barley, can be fed to cattle along with the cottonseed cake. This will not impose any strain on India's agricultural economy. Actually, it will mean what might well be called rationalisation of agriculture. For, Mr. Chatenay said: "It is estimated that, if all the cotton-seed grown in India were processsed, the edible oil thus produced would enable the diversion of nearly two million acres of land from other oil-seeds to entirely new cultivation, after allowing for the land required to grow the substitute cattlefeeds to make up for the oil removed from cottonseed."

Among the factors which may be trusted to help the cottonseed crushing industry, mention must be made of the demand for cottonseed oil from *vanaspati* interests. The Government has removed the restriction whereby the *vanaspati* manufacturers were compelled to state the kind of oils that had been used in the making of their product. It is now sufficient if the manufacturers state on the label, "Made from vegetable oil." As a result of this, the market for cottonseed oil, according to Mr. Chatenay, is "broadening." The All-India Village and Khadi Industries Board, too, has supported the cottonseed crushing industry on the ground that, if the oil mills in the interior take to crushing of cottonseed which cannot be crushed economically by *ghanies*, the other oil-seeds would become more freely available to the village industry. Again, the cottonseed crushing industry will increase considerably in importance when the linters, extracted from cottonseed, find more extensive use.

If the cottonseed crushing industry, which is thus of great importance to India's national economy, has to be placed on a firm footing, then it is necessary that it should be assured of a regular supply of raw material at reasonable prices. Now, the price of cottonseed is determined by the available supply, as well as by the demand from two competing sources—the crusher, who needs this commodity for crushing, and the cattleowner, who needs it as cattle-feed. The price, which the cattleowner will pay for cottonseed, is itself dependent upon the the prices of certain other commodities, such as coarse grain, which can be put to use as cattle-feed. If the Indian cottonseed crushing industry develops in the same way as it has done in the U.S., cottonseed will cease to be used as cattlefeed, the commodity being exclusively used for purposes of crushing. This, however, is a long-term process. What is now needed is to shorten this period of transition. This can be done only by making the price of cottonseed somewhat costlier for the cattleowner than for the crusher.

Normally, this will be difficult to accomplish. Fortunately, it can be done with some ease, since the crusher is generally interested in American cottonseed, which has a higher oil content and produces better and more linters than *deshi* cottonseed, while the cattleowners, except those in Saurashtra, are content to use *deshi* cotton-seed. If Saurashtra were to be prevented from bidding up the prices of American cottonseed, which should more naturally belong to the sphere of the crusher, then the freight rate for American cottonseed should be higher than that for *deshi* seed. In this way, American cotton-seed could be retained for use by the crushers whose mills are generally located in the cotton-seed-growing region. The rate for *deshi* seeds, as Mr. Chatenay pointed out, could be reduced to the same level as oilcakes, since both are cattle-feeds. Indeed, the bulky nature of American cottonseed is comparable to groundnut which is subject to a higher freight rate than other oil-seeds. Thus, by increasing the freight rate for American-type cottonseed and reducing that for *deshi* seed to the level applicable to oilcakes. the Railway Ministry would not only be assisting the growth of this industry of national importance but also be rationalising the structure of freight rates on this group of commodities in a scientific manner.

THE HINDUSTAN COMMERCIAL BANK, LIMITED—*(Continued)*

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				7,59,26,191	13	8
Total .. Rs.				7,59,26,191	13	8

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				7,35,80,780	7	0
10. Other Assets including Silver—						
(i) Interest accrued on Investments and outstanding dividend on shares of Joint Stock Companies	2,76,628	12	4			
(ii) Deposits with Electric Supply Companies and Government Departments	3,007	0	0			
(iii) Telephone Suspense	7,575	0	0			
(iv) Prepaid Expenses, Advance Payments and other amounts recoverable	1,23,461	15	9			
(v) Amount due from Postal Department in respect of insured parcels lost in transit	36,000	0	0			
(vi) Income-tax deducted at source on interest on Government Securities and shares of Joint Stock Companies	11,77,972	0	6			
(vii) Stamps, Stationery and Library at cost, including Rs. 20,000 for articles in West Punjab Branches, the existence of which could not be verified	1,05,081	2	1			
(viii) Silver	Nil					
(ix) Motor Cars—	Rs.	a.	p.			
Cost as on 31st December, 1952	70,708	6	6			
Additions less sales during the year	3,420	9	0			
	74,128	15	6			
LESS—Depreciation written off up-to-date	31,093	10	6			
	43,035	5	0			
(x) Land for premises and non-banking assets comprising property not acquired in satisfaction of any claims	4,46,700	3	0			
				23,09,461	6	8
11. Non-Banking Assets Acquired in Satisfaction of Claims (at cost) (NOTE—Market value as per Certificate of the Managing Director : Rs. 40,000)				36,000	0	0
Total .. Rs.				7,59,26,191	13	8

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				12,25,640	3	8
2. Salaries and Allowances and Provident Fund Contribution (including Rs. 52,800 being the Salary and Allowances paid to the Managing Director)				12,28,254	10	10
3. Directors' and Local Committee Members' Fees	Rs.	a.	p.			
	2,580	0	0			
Directors' Fees and Local Committee Members' Fees and Directors' Travelling Expenses (including Rs. 10,307-7 paid to Managing Director)	10,903	15	6			
				13,483	15	6
4. Rent, Taxes, Insurance, Lighting and Expenses on Bank's Property				2,16,963	5	11
5. Law Charges				22,380	0	0
6. Postage, Telegrams, Telephones and Stamps				58,083	1	3
7. Auditors' Fees				7,000	0	0
8. Depreciation on Company's Property and Loss on Sale and amounts written off				1,06,055	12	0
9. Stationery, Printing, Advertisement, etc.				78,242	4	8
10. Loss from Sale of or Dealing with Non-Banking Assets				Nil		
11. Net Loss on Sale of Investments				Nil		
12. Other Expenditure				73,441	6	6
13. Balance being Net Profit (after making an appropriation of Rs. 2,55,522-14-1 towards Bad and Doubtful Debts and writing off Furniture and Stationery of closed Branches in Pakistan) subject to taxation carried to Balance Sheet				4,551	2	0
Total .. Rs.				30,34,855	13	11

INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	20,45,190	14	10
2. Commission, Exchange and Brokerage	5,63,341	0	6
3. Rents on Bank premises (excluding rent on premises used by the Bank)	2,17,416	2	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	7,960	8	0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts—Dividends, Share Transfer Fees, Refund of Taxes, etc.	2,00,387	4	7
Total .. Rs.	30,34,855	13	11

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the Balance Sheet of the Hindustan Commercial Bank Ltd., as at 31st December, 1953, as above set forth and the annexed Profit and Loss Account for the year ended the same date with the books and accounts kept at the Head Office in Kanpur in which are incorporated (a) the returns of the Bank's Branches in India and Pakistan (Lahore) certified by the respective Branch Managers and amended at the Head Office on the basis of the information with the Head Office, and (b) Statements of Accounts prepared at the Head Office based on the records of the various other branches in Pakistan which were evacuated in the year 1947. Subject to the complete disclosure and adequate provision for Bad and Doubtful debts and the notes appearing on the face of the Balance Sheet, we report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice, have been within the powers of the Bank.

(c) The returns received from the Branch Offices of the Bank have been found adequate for the purpose of audit.

(d) In our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.

(e) The Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true balance of Profit for the year according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office, and

(f) In our opinion, Books of Account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

P. L. TANDON & CO.,
Chartered Accountants,
Auditors.

KANPUR, 30th March, 1954.

M. D. KHANNA, Accountant.
U. S. MEHROUTRA, Inspector of Branches.
PADAMPAT, *Chairman.*
M. N. KHANNA, Secretary.
KISHEN CHAND PERI, Managing Director.
GURBAKSH SINGH, KEDAR NATH KHETAN, SITAL PRASAD, } *Directors.*

ECONOMICS OF "GUR" INDUSTRY

SCOPE FOR EXPANSION DEPENDS ON AVAILABILITY OF SUGARCANE

IF India occupies a very conspicuous place on the world sugar map, it is due more to production of *gur* than white sugar. Thus, *gur* accounts for as much as 60 per cent. of the total 'sugar' (which includes both *gur* and white sugar) output in the country, the remaining 40 per cent. being shared by white sugar and *khandsari*. The manufacture of *gur* is an important cottage industry; it is responsible for the utilisation of three-fifths of the total sugarcane crop and is equal to more than thrice the quantity of sugar produced by mills. It provides employment for as many as 500,000 persons of whom for 70,000 persons it is the main source of living. Moreover, the industry caters to the needs of the bulk of the population and provides a substitute for sugar. Till recently, the price of *gur* was much cheaper than white sugar, but now the difference in price between the two is not appreciable. Indeed, on certain occasions, certain types of *gur* cost more than white sugar. This has been due mainly to an increase in the consumption of *gur*, mostly for illicit distillation. Incidentally, it may be noted that *gur* is an essential article of food; it is said to contain all the mineral and other nutritive constituents in cane juice. An average sample of *gur* contains 50 to 80 per cent. of sucrose, 10 to 20 per cent. of inverted sugar and a small percentage of mineral salts, ash and moisture.

This brief account indicates the vital role that *gur* plays in the structure of the "sugar" industry, in particular, and in the country's economy, in general. There is a section which strongly feels that, while planning for the future expansion of the "sugar" industry, due recognition must be given to the development of the *gur* sector. Drawing attention to this aspect, in a recent publication, *Planning for Full Employment*, the All-India *Khadi* and Village Industries Board, for instance, has suggested the lines on which the pattern of the future development of the *gur* sector of the Indian sugar industry should be set. Before dealing with these suggestions, it would be better if a brief reference were to be made to the latest position of the *gur* industry and the special problems that are confronting it.

Production of *Gur*

The production of *gur* has varied from year to year, depending on the availability of cane, as well as on the prices of both *gur* and sugar. A record output of 4.36 million tons was achieved in 1937-38. The average annual rate of output in recent years has been between 2.8 million tons and 3.1 million tons. In 1952-53, the production was 2.88 million tons. The State of Uttar Pradesh accounts for more than 50 per cent. of the total *gur* production. Bombay, Hyderabad, Punjab and Madras are the other important *gur*-producing States. Although Bihar is one of the major sugarcane-growing States, little is available for *gur* manufacture, as 70 to 80 per cent. of cane is devoted to sugar production.

Most of the *gur* produced is consumed directly; only a small percentage is utilised for industrial purposes. With the introduction of prohibition in several States, however, *gur* has found an increasing use for purposes of illicit distillation. Significantly enough, the publication under reference makes no mention of this recent development in the economy of the *gur* industry.

The following table culled out from the same publication indicates the trend of consumption of *gur*, against the background of that of white sugar in recent years:

Season	Aggregate consumption (in 000 tons)			*Per capita* consumption (in pounds)		
	Sugar	*Gur*	Total	Sugar	*Gur*	Total
1943-44 ..	12,36	28,33	40,69	6.5	23.8	30.3
1944-45 ..	12,38	28,23	40,59	9.0	22.1	30.1
1947-48 ..	10,45	34,92	45,37	7.3	22.2	29.5
1948-49 ..	11,82	28,87	40,19	9.0	17.5	26.5
1950-51 ..	11,06	31,32	43,27	7.6	19.4	27.0
1951-52 ..	12,63	32,40	45,03	7.9	20.3	28.2
1952-53 ..	17,46	28,77	46,23	6.9	17.9	28.8

It will be evident from the foregoing figures that the *per capita* consumption of "sugar" in India has not only increased but has actually declined, the average being 26 to 28 lbs., which compares very unfavourably with 143 lbs. in Australia, 106 lbs. in the U.S. and 92 lbs. in the U.K. It may be noted, in this connection, that *gur* consumption is higher in the States of U.P., Bombay and Punjab than in the southern parts of the country. Even here, the consumption of sugar is overwhelmingly in the form of *gur*; it is only in the urban areas that there is a marked preference for crystal sugar. But the trend throughout India points decidedly in favour of white sugar.

One of the main impediments to the smooth development of the *gur* industry is the highly unstable market conditions. Drawing attention to this aspect, the Board observes: "The steep variations in prices have not benefited the cultivator or the workers in the industry but have only increased the profits of the middlemen and the hoarder. In the long run, such unsteady conditions are bound to be detrimental to the healthy development of this industry. The prosperity and the future of the sugar industry, as well as those of *gur*, would depend upon the stabilisation of the price of cane, sugar and *gur* on a rational basis."

The supply of sugarcane to the *gur* industry is another important factor. With the contemplated increase in the productive capacity of the sugar factories, the supplies of cane for *gur* production may be reduced, unless the total production of cane itself is raised. Restriction on production of one type of sugar in favour of another is not desirable, since such a development, while not augmenting the total available supplies of "sugar," only transfers the problem of shortage from one sector to the other. The real solution to this problem, therefore, lies in augmenting the output of sugarcane by intensive cultivation. Closely related to the question of supply is that of cane prices. Inasmuch as sugarcane forms the major part of the cost of *gur* (and also of sugar) manufacture, any reduction in its price will help bring down the price for *gur* (and sugar).

Can *Gur* Hold its Own?

With the rapid increase in consumption of crystal sugar, the question arises as to whether *gur* can hold its own. It can if adequate measures are taken to bring down the cost of production and to make *gur* available to the consumer at reduced rates. *Gur* production is still carried on in a primitive manner leading to considerable inefficiency and high cost of manufacture. Extraction of juice is lower than in sugar factories. The *gur* producers are also ignorant of the use of juice clarificants which affect the quality of the finished product. There is at present no agency to educate them on simple modern and scientific methods which would result in higher yield of quality *gur*. These objects can be rectified, if the measures suggested by the Board are implemented. Mention, for instance, may be made of introduction of improved *kolhus*, pans and other implements such as percolators, moulds, juice strainers, etc., construction of improved furnaces, use of cheap and efficient clarifying agents, and improvements in the juice boiling technique.

The development of the *gur* industry depends also on the adoption of sound marketing methods. *Gur* consumption is considerably high in areas where it is produced. If it is produced in abundant quantities in the Southern regions, the consumption in these areas will go up. The scope for this is particularly great in view of the fact that the yield and the sucrose content of sugarcane in these areas are high *vis-a-vis* the sub-tropical areas in the North.

STEPPING UP SUGAR OUTPUT

Licences for the establishment of seven new sugar factories by shifting the idle or unsuitably located plants and one factory by importing a complete plant during the years 1954-55 and 1955-56 have been granted by the Government of India. This was disclosed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, while replying to a question in the House of the People on Thursday last week. The Minister remarked that it was difficult to say how many of these factories would be able to start crushing during 1954-55 or 1955-56. The number of further factories to be erected would depend upon the crushing capacities of the plants to be erected in each case. The target for additional capacity, however, was 450,000 tons. In this connection, the Minister stated that the existing installed capacity of the sugar industry was not fully utilised; the percentage of idle capacity, as distinct from not fully utilised, was 3.58.

The upward revision in the target for additional capacity in the sugar industry—to the extent of 450,000 tons—is a complete modification of the target set by the Planning Commission. The Commission had fixed the target at as low as 1.55 million tons by 1955-56, as against the target of 2.0 million tons now announced by Dr. Deshmukh. While fixing the target, the Commission had proceeded on the following two wrong assumptions:

(1) The production of 1.5 million tons of sugar by 1955-56 will be sufficient to meet the *per capita* consumption of 8.7 lbs.

(2) In the present state of development of the industry in the country, the problem of facilitating full production in the existing units is of greater importance than that of establishing new units, involving heavy capital expenditure.

In view of these, the Planning Commission said that there seemed to be no necessity for creating new capacity. Both the assumptions have proved false. Thus, the consumption requirements of white sugar alone are now found to be very much larger, amounting to 1,700,000 to 1,800,000 tons per annum, which is 300,000 tons more than what the Planning Commission had estimated. Further, the existing units have not been able to utilise their capacity in full, due to factors such as lack of adequate cane supplies to the factories, defective location, and poor efficiency of sugar manufacture on account of worn-out machinery and plant in several factories. It is, however, gratifying to find that, at least now, the Government of India has realised the need for larger production of crystal sugar and has raised the target. Reassuring is the statement of the Union Minister for Agriculture that "increase in the production of sugar is sought to be achieved by (1) stepping up the production of sugarcane by intensive cultivation and (2) installing new factories having an annual production capacity of 450,000 tons."

STOWING IN COAL MINES

LOANS TO BE GRANTED

THE Coal Board has set apart a sum of Rs. 50 lakhs, at the outset, as a reserve for the grant of loans during 1954-55 for the installation of stowing plants in coal mines at 3½ per cent. per annum. The loans are repayable in annual or half-yearly instalments, spread over a period of 10 years. The loans will be granted from the Coal Mines Safety and Conservation Fund. The sum now earmarked is Rs. 27 lakhs more than that set apart last year for this purpose. It is, however, not known how much of this amount was utilised and how many collieries availed themselves of this facility.

The Coal Board has been paying subsidies not only to collieries which have been stowing for ensuring safety of workers, but also to those stowing for conservation of coal. The maximum rate of assistance granted by the Coal Board for stowing carried out for safety used to be 75 per cent. of the actual cost of stowing, subject to a maximum of Re. 1-4 per ton of material for hydraulic stowing, upto 1st March, 1953. Thereafter, the maximum rate was raised to Re. 1-5. The high rate of Re. 1-5 per ton was decided upon, because the cost of handpicking since 1948 had risen and it had been found necessary to encourage smaller collieries, which had no elaborate stowing plants, to carry out stowing for safety. The rate of assistance for handpicking with surface material has been 85 per cent. of the actual cost, subject to a maximum of Re. 1-9 per ton of material. A sum of Rs. 66.77 lakhs was paid as assistance for stowing during 1953-54. Assistance is being granted to collieries stowing for conservation, since 19th December, 1953, as an *interim* measure on similar terms, subject to a maximum of Rs. 1 lakh in each case.

The annual receipts by way of stowing cess has been of the order of about Rs. 1.10 crores. As against this, the expenditure of the Coal Board in 1952-53 was Rs. 72.39 lakhs; in 1953-54, it is estimated to be higher, at Rs. 84.33 lakhs to be precise.

The progress of stowing so far has not been quite satisfactory. Although stowing was started as far back as in 1914, it has hardly touched the fringe of the problem. Till recently, it was practised only as a measure of safety. Latterly, however, a number of mines has been resorting to it for purposes of conservation too. It is true that stowing adds to the cost of extraction, but mining interests have come to realise that, without stowing, only a small fraction of available coal resources in any mine could be extracted and that, as such, stowing would turn out to be a profitable proposition in the long run.

The most successful technique developed so far is hydraulic sand stowing. But encouragement of stowing with materials other than sand is of great importance, as it would reduce the cost of stowing. It is gratifying to note that this question has been engaging the attention of the Coal Board for some time past. We are told that the experiments conducted in certain collieries in this direction have proved a success.

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TENACIOUS EFFORTS BEING MADE TO IMPROVE KENAF

PROGRESS OF RECENT EXPERIMENTS

IT is common knowledge that *kenaf (Hibiscus cannabinus) is one of the fibres which has* been challenging the place of raw jute. It has, of course, not yet established itself as a serious rival, though it made its appearance several years ago. But efforts are continuously being made by certain countries of the world to perfect *kenaf* as a substitute for jute. The latest reports indicate that experiments on the cultivation and utilisation of *kenaf* have disclosed somewhat encouraging results. Attempts to grow *kenaf* on a commercial scale are being pursued tenaciously in Florida, Albama and Lousiana in the U.S. and in parts of Australia. Experiments at improving the quality and strength of the fibre are also being conducted.

At its present stage of development, the quality of *kenaf* is unpredictable. As compared with better grades of jute, its tensile strength is lower. Besides, *kenaf* fibre is coarser and does not split down so well in carding. Consequently, *kenaf*, for the time being, is likely to be used in coarser yarn, which does not require too fine a split. It is further stated that *kenaf's* high prices, combined with its unpredictable quality, usually marred by a dirty slate colour renders it unsuitable for immediate commercial use on a large scale.

There is a difference of opinion as to the best method of treating *kenaf* fibres. Some are of the opinion that all bast fibres should be retted, as this is the only way to remove completely the sap which will otherwise crystallise and make the fibre brittle, while others are in favour of decortication. It has been found, however, that retted *kenaf* sometimes develops mildew. Micro-organisms remain in the finished product after retting and, whenever it gets into a warm damp atmosphere, it is likely to develop mildew. Decorticated *kenaf*, however, does not have the micro-organisms and does not develop mildew and, in this, it is claimed that *kenaf* is superior to jute.

Properties

Reports on the properties of *kenaf* produced in Australian territories by the Commonwealth Scientific and Industrial Research Organisation reveal that retting yields better fibre than mechanical decortication. Decorticated fibre is generally found to be much harsher than retted fibre. Further, it is not so well separated as the retted fibre. Its strength is less than the retted material, usually only about 75 per cent. It is suspected that most of this difference in strength might be due to damage to the fibre during decortication.

There was some indication some time back that retted fibre from more mature stocks was stronger that that from younger stocks. But later strength tests made on this fibre from different heights of the stalks have shown no significant variation, except the fact that fibre from the extreme top is appreciably weaker.

Commercial and laboratory tests have further revealed that retted *kenaf* fibre can be processed on jute systems and can be spun into yarns to at least as fine as 10 lbs. Of course, the yarns will not be so strong as those obtained from first quality jute and tend to be more variable. But it is admitted that *kenaf* fibre can be used for most of the purpose for which jute is used in Australia.

Decorticated *kenaf* fibre may also be spun on jute systems. It requires, however, a heavier batching treatment and is suitable only for yarns of 16 lbs. and heavier. It has been used for the manufacture of yarns for woolpack cloth for which it is reported to be quite satisfactory.

It is generally believed that *kenaf* is less flexible than jute and that *kenaf* yarns break very rapidly at the knots. But tests conducted so far have revealed that these statements are baseless. The knot efficiency, as disclosed from tests, is as follows: Retted *kenaf* 65.6 and decorticated *kenaf* 67.9. As against this, the knot efficiency of jute is only 58.0.

It is stated that direct decortication means too much of waste and that, even if the machines were to be improved, top heavy mechanisation would have to be employed to deal with all green stalk harvested over a short period; the machinery would have to remain idle for the remaining part of the year.

In view of these experiments, it is inferred that, if retted *kenaf* could be produced economically, it would prove a good substitute for much of the raw jute at present imported into Australia. Decorticated *kenaf*, on the other hand, would probably not prove to be acceptable as a general substitute for high quality jute.

WAGES OF JUTE MILL WORKERS

It will be recalled that, early in April, 1954, the Government of West Bengal referred the dispute between the jute mills in the State and their workers relating to wages to the First Industrial Tribunal. The terms of reference to this Tribunal are as follows:

(1) Should there be any revision of basic wages and dearness allowance for a working week of 48 hours in the jute textile industry?

(2) (a) Should there be any change in prevailing basic wages and dearness allowance of all categories of workmen on account of loss in earnings due to reduction of weekly working hours from 48 to 42½? If so, what should be the wage and dearness allowance under the altered working arrangements? (b) What principle should be followed in fixing the wage structure when the weekly working hours are below 48?

CHINESE HESSIAN AND GUNNY BAGS

Chinese-made hessian and gunny bags are, it is reported, competing with the Indian jute goods in Hong Kong market. South Africa, which has been a banned destination for Indian jute goods exports since 1946, is looking to Hong Kong for Chinese supplies. It is understood that about 300,000 gunny bags of Chinese origin have recently left for South Africa. The prices quoted for Chinese goods are 10½d. per yard for hessian (11 oz. 45") and 21½d. per gunny bag weighing 1.11 kilos.

PHILIPPINE BAN ON IMPORT OF JUTE GOODS

The import of jute fabrics, both burlap and bag, into the Philippines has been banned. The object of the ban is to provide incentive to the local jute manufacturing industry which has made repeated representations to the Government for protection. The ban is, however, expected to operate for a temporary period, because the total Philippine production is still far short of the requirements and the quality of the goods produced is said to be inferior to the imported product.

(Concluded from next column)

the cause, the present revival of natural rubber is considered as a genuine improvement in the outlook for the raw rubber industry.

Meanwhile, rubber producers in the East have thought it fit to discuss with representatives of the rubber trade measures designed to improve the quality as well as the packing and shipping of rubber. A conference of representatives of rubber industries of eight countries was held in Singapore last week. In a statement to the conference, Mr. W. J. Sears, Vice-President of the Rubber Manufacturers Association of America, said that the data compiled over the last three years by the R.M.A. showed that all types and grades of natural rubber could be supplied in conformity with R.M.A. standards, which he believed were practical. He added that a substantial part of the material left over after producing certain R.M.A. standards could be used to produce R.M.A. pure smoked blanket, which would find a greater market in America provided it was consistent in quality. "We believe," he said, "that the present R.M.A. types should stand and not be lowered or temporarily suspended. We believe ways will be found to improve quality as a result of the forthcoming free competition between tree rubber and chemical rubber." It was, however, pointed out by Mr. J. E. Cogswell, representing the Joint Committee of the British Rubber Manufacturers and Tyre Conference of Great Britain, that more than half of the natural rubber was being produced by small holders, the vast majority of whom, particularly in Indonesia, had only the most primitive equipment. It might, therefore, take ten years to upgrade the bulk of the low grades to the R.M.A. types. British manufacturers agreed with the R.M.A. that the adoption of universal-type rubber samples was necessary.

It will be interesting to watch the trend of world rubber prices in the next few weeks. If it improves further, it is reasonable to expect that Indian manufacturers of rubber goods will be in a better position to compete with overseas manufacturers in world markets.

RUBBER PRICE HARDENS IN LONDON

FUTURE DEPENDS ON U. S. POLICY

THE London rubber market has been a steady feature in recent weeks. The spot price touched last week-end a high of 18¾d. per lb., the best level which natural rubber has commanded since October last. It may be recalled that rubber touched a low of 15½d. per lb. on 8th March this year, the lowest level for the past four years. This steady advance in natural rubber price is said to be due to persistent buying from America, which in turn has been induced by fears of short supplies and the possibility of an increase in the price of synthetic rubber, as a result of its lower output.

The competitive position offered by the price of natural rubber has, in fact, led to steady demand for this commodity from America since last year, thus raising the proportion of natural rubber consumed in that country from 36 per cent. in 1952 to 50 per cent. at present. In March this year, the latest month for which figures are available, the U.S. consumption of natural rubber amounted to 53,757 tons, the highest monthly consumption since October, 1950, as against 46,604 tons in February and 50,707 tons in March 1953. Consumption of synthetic rubber amounted to 55,585 tons, as compared with 48,806 tons in the previous month and 77,903 tons in the corresponding month of 1953. The total consumption of both natural and synthetic rubber was 109,342 tons, as against 95,410 tons in February and 128,610 tons in March last year. The proportion of natural rubber used to total consumption thus works out to 49.17 per cent. The consumption of natural rubber in the world as a whole declined in February this year by 12,500 tons and the output by 22,500 tons. Thus, the estimated world surplus fell to 15,000 tons in February from 25,000 tons in January this year.

Recently, the Reconstruction Finance Corporation of the U.S. announced that the output of synthetic rubber would be reduced this year. Accordingly, it revised its production schedule for the second quarter of this year so as to reduce the output by 7,000 tons from the original quantity planned. In the quarter April-June this year, the average monthly production of synthetic rubber will be 35,400 tons, as compared with the monthly output of 70,000 tons in 1953. In the last month of the first quarter, the U.S. output of synthetic rubber amounted to 56,394 tons, as compared with 52,024 tons in February, 1954, and 81,408 tons in March, 1953.

The reduction in the output of synthetic rubber during the current year and the narrowing of the gap between production and consumption of natural rubber have made manufacturers feel that the available surplus is not enough to cover their needs. Though the stocks with the trade had been very low, they were not in a mood to give up their hand-to-mouth buying policy. But now they have suddenly realised that the decline in price of natural rubber has been arrested and their stocks which had dwindled considerably must be replenished.

The lower output of synthetic rubber in the U.S. has, as already stated, led to the belief that its cost of production will increase and that there will, therefore, be a rise in the price of this commodity. But, in some quarters, it is held that this is no more than a possibility. Another cause for the hardening of the natural rubber is stated to be the suspension of stockpile rotation policy of the U.S. The future stockpile rotation policy has not been settled and is still under consideration. The decisions reached on this question will exert considerable influence on the future course of the rubber market, particularly the relationship between the prices of the various grades of rubber. It may be recalled that after the meeting of the International Study Group in London, in October last, the U.S. authorities decided to reconsider their rotation policy. Actually, they suspended the rotation policy on 9th December, 1953. At that time, they had sold on a forward basis 10,000 tons per month for the January-March period and about 3,000 tons per month for the April-June period. It is felt that they may now rotate another 2,000 tons for April, making a total of 5,000 tons for the month. Thereafter, they have to await the Government's decision on future rotation policy. In the meantime, the U.S. manufacturers have had to look to the East for part of their requirements of low grades of rubber in April and for the bulk of their requirements in May and June. Whatever may be

(Continued in previous column)

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PRODUCTION AND DISTRIBUTION OF MINERAL OIL

IS THERE AN INTERNATIONAL CARTEL?

THE production and distribution of mineral oil in the world outside the Communist countries are handled mainly by seven gigantic companies. These are: The Standard Oil Company (New York), the Royal Dutch-Shell Group (The Hague and London), the Anglo-Iranian Oil Company, Ltd. (London), the Gulf Oil Corporation (Pittsburgh), the Texas Company (New York), the Standard Oil Company of California (San Francisco) and the Socony-Vacuum Oil Company, Inc. (New York). So vast is the power concentrated in the hands of these concerns that it has often led to doubts whether they have not abused it to the detriment of consumers.

It is alleged that these companies have entered into agreements between themselves on such subjects as fixation of prices and limitation of production which are calculated to cut out competition. In fact, these were the charges, which the United States' Federal Trade Commission had to investigate when it enquired into the working of these companies in 1949-51. The essence of the allegation is that there is an international oil cartel which is detrimental to the larger interests of the consumers. This allegation, however, yet remains to be proved. Examining this oft-repeated charge, especially in the United States of America, in an enlightening article, published in one of the recent issues of *Wirtschaftsdienst*, a German monthly economic bulletin, Dr. Burkhardt Roper, Hamburg, doubts the veracity of the allegation. To quote him: " . . . in the thirties there was an imperfect and unsuccessful international oil cartel. All the arbitrary elements in the present world price fabric notwithstanding, we doubt whether this cartel still exists at the present time and whether the regional arrangements amount to a deliberate system." Apart from the well-known differences of opinion on what constitutes a cartel, he says that the finding of an answer to this crucial question has been rendered more difficult by the fact that, in view of the existing market structure, which he describes as a "partial oligopoly," the effects of "conditionally operative cartel strategy" are almost indistinguishable from the effects of appropriate behaviour on the part of a "few partial monopolists."

Share of Big Seven in World Production

Indicating the extent to which the seven companies hold the field in oil, the author says:

"... outside the U.S.A., about four-fifths of all production and refining and of all reserves are in the hands of the seven big integrated concerns. Furthermore, the greater part of the remaining fifth is owned by Government monopolies—as in the East Bloc countries, Austria, Yogoslavia, Spain, Mexico, Brazil, Bolivia, and Chile. In most of these countries, whose share of world production was not more than 10 per cent. in 1949, the petroleum industry stagnated after its nationalisation. For this branch of trade more than any other calls for enormous enterprise and daring, and this a planned bureaucracy is hardly capable of providing. Well-known instances of expropriation, especially at the expense of the big concerns, are Russia, Mexico, Rumania and, more recently, Iran. Really independent producing companies, i.e., companies connected neither with the big concerns nor with Government monopolies, are consequently rarely met with outside the U.S.A. If, in addition to the U.S.A., we set aside the U.S.S.R., and Mexico, the Big Seven's share of world reserves is as much as 92 per cent. The future trend of events will consequently be determined by the behaviour of these companies, who have it in their power to exploit oil resources more intensively or not. No appreciable changes have occurred recently apart from nationalisation in Iran. The Big Seven have a similar, though slightly smaller, lead in the production of crude oil."

The net income of the seven big companies in 1952 was about $1,000.7 million, an amount larger than the exchequers of many countries in the world today. But they are not, according to Dr. Roper, "excessively large as compared with the capital invested. They have resulted mainly from international combinations which only a few giant firms have been able to achieve up to the present. To the political economist, these profits represent a conglomeration of elements not easily broken down into their component parts consisting of profits on pioneering enterprise, special advantages enjoyed by world-wide integrated firms, temporary or partial monopoly earnings and the customary interest on capital plus an unneeded risk premium." Proceeding, he observes: "The population of the world increases every year by 1 per cent. and industrial production by 2 to 3 per cent., whereas the rate of increase in the oil industry is 5 per cent. So long as this ratio continues, big profits will be earned until successful substitute competitors appear in the power and lubricants sector."

The anti-trust authorities in the U.S. have regarded the big companies of the American oil industry with suspicion ever since the dissolution of the Standard Oil Trust. This was followed by dozens of U.S. anti-trust actions. Accordingly, it is not surprising that the Federal Trade Commission should have selected, in 1949, the oil industry as the object of its eighth investigation of international cartel carried out during and after the Second World War. Dealing with the possible outcome of the present anti-trust proceedings, Dr. Roper says:

"To prophesy as to the outcome of the proceedings at this stage, when the hearings are not due to begin for another few years, would be a risky matter. What the anti-trust authorities have in mind are the acts which are regarded as violating the law. These are to be declared illegal and prevented in future by suitable measures. The parties will presumably come to an arrangement amongst themselves for the termination—ostensible or actual—of agreements, which are particularly restrictive of competition. The intention of restricting competition is clearly discernible in the crisis cartel measures of the thirties, but not in the Middle East agreements. According to the firms' statements, the former are no longer in force and would accordingly not come within the scope of the proceedings unless traces of them have remained. The Middle East agreements obviously affect competition, where exports to the U.S. are concerned, and exclude others from purchases of 'cheap' oil. These agreements will presumably be altered to enable any one to buy oil from ARAMCO at the published prices, so that this will no longer be distributed amongst the joint owners, according to their capital participation. An endeavour will certainly be made to come to a similar arrangement regarding the other Middle East agreements; the long-term delivery contracts between the Big Seven may possibly be relaxed. Now that the wells in the Middle East are flowing freely, pipelines and refineries have been built and a beginning has been made in writing off some of the enormous investments incurred, a loosening up of the present contract system is surely economically defensible. These measures alone will not endanger the position of the Big Seven, and, in our opinion, they will not lead to keener competition between them. It is hardly possible to dispel by force an atmosphere of mutual respect and assistance which has grown up during the many years in which these companies have worked side by side and sometimes in collaboration. It is probable, however, that the market opportunities of the middle-sized companies in the economic area between the U.S.A. and the East Bloc will increase. But it would be dangerous for the five largest American firms if the present head of the Anti-Trust Department is able to carry out his avowed intention of splitting up the vertical organisation of the oil industry in the U.S.A. and dividing trade from production as in the film industry."

Price of Oil

Dr. Roper's study has led him to the view that the break-up of the present world-wide combinations will not lead to any reduction in the prices of oil, as is being hoped by the U.S. anti-trust authorities. He points out that "the decline of solidarity amongst the Middle Eastern producers observable in the past few years has weakened the power of this collective demand monopoly in oil concessions and strengthened that of the geographically restricted but within their economic area omnipotent supply monopolists, the owners of oil resources."

Dr. Roper says that, at present, the roles of exploiter and exploited seem to be changing over. This does not mean any advantage to the consumer but only a shifting of incomes to consumers. The leading industrialists' consciousness of their national and international responsibilities, as also the pressure of public opinion, is a sufficient guarantee, according to Dr. Roper, to see to it that big oil firms do not, for the sake of earning short-term scarcity profits, put up their prices to the excessive extent observed in other staple commodities during the Korean boom. It will rest with the world economic policy, which is gradually taking shape, to see that the mighty stream of oil does not dry up, but flows more abundantly than ever through the most favourable channels to the great marketing centres and is not forced by "self-seeking State and concern policy" along devious cost-increasing by-ways.

Explanation

The aforesaid conclusion of Dr. Roper is based on the following interesting rationalisation:

"The problem which emerges from the long years of successful collaboration between the world's largest oil companies is this: compromise agreements are concluded all along to bridge over irremediable conflicts of interests resulting from private agreements and to eliminate elements of uncertainty. The Governments of the geographically highly concentrated producing countries try to get the highest production royalties and taxes they can and to utilise their labour potential to the best possible effect. They rise up overnight from the depths of poverty to become power-conscious nations. The consuming countries want to import their raw materials as cheaply as possible and refine them in their own countries; the lower the prices of the final products, the greater the prospects of intensive mechanisation and of cutting out other sources of energy—for instance, of replacing coal by heating oil. Here again taxes skim off part of the price advantage enjoyed by petroleum products. Finally, as the organisers of the constantly growing stream of oil, the firms are interested in getting their shareholders the highest possible long-term profits and, what can be even more important, in securing their capital investment. The respective Governments' capacity in the matter of tax revenue is just as great in the firms' home countries as in others. Still further problems arise in the case of the U.S.A. The Government is under considerable pressure from small oil producers, who operate in the U.S.A. only and who would like to see oil imports only admitted to supplement and not to replace domestic output and are interested in high prices for crude oil. For reasons of foreign policy, however, the Government is inclined to favour an increase rather than a restriction of potential sales of Middle Eastern and Venezuelan oil, in order to lessen the danger of Communist manœuvres. The big oil firms naturally look with suspicion on any extension of the powers of the State, for, to them, it may mean the nationalisation or socialisation of their producing, refining or marketing areas, restrictions on imports as the result of foreign exchange or customs policy or rationing, or even a monopoly by a State-owned company. They are consequently free-traders *par excellence*, reject State control as an impediment to 'the natural flow of oil,' and what they want is to use their economic power in the interplay of competition and co-operation to make themselves the natural rulers of the mighty and complex oil empire (as one side puts it), or (according to their opponents) to go about their business for the good of the community."

Thus, three striking conclusions emerge from Dr. Roper's study. One is that the abolition of the present set-up is most unlikely to lead to any fall in oil prices. Secondly, such abolition may be followed by worst forms of State-controlled monopolies, which will not be half as efficient as the gigantic seven oil companies. Thirdly, the States have enough control over these companies to make them behave properly, if, at any time, they tend to fleece the consumer. Accordingly, it is better to tolerate the present set-up than to find a new arrangement. A devil known is preferable to a devil unknown.

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GANGA-BRAHMAPUTRA PROJECT

The fifth meeting of the Ganga-Brahmaputra Water Transport Board was held on 21st April at Calcutta, under the presidentship of Mr. N. M. Ayyar, I.C.S., Secretary, Ministry of Transport. The Board decided to appoint a whole-time officer to take charge of the pilot project for shallow craft on the Upper Ganga and to recommend to the Government that he should be deputed to the Netherlands for a few weeks to finalise designs of the special type of craft required, in consultation with the U.N. expert, Mr. J. J. Sterie, who visited India in connection with this project a few years ago. It also approved the appointment of Mr. Justice N. S. Lokur, Chairman of the Railway Rates Tribunal, to undertake an investigation of the question of freight rates charged by river steamer companies operating on the Ganga and Brahmaputra Rivers. The Board further recommended that the Planning Commission should be approached for a larger allocation of Central Government funds to finance the project.

NEW PRODUCTS AND PROCESSES

Synthetic Textile Fibre

A NEW synthetic textile fibre called *Saran* is being manufactured by a Nürnberg factory (West Germany) from an American raw material, the so-called *Saran-Powder*. This fibre will complement the chemical fibres so far known as, e.g., cellwool, perlon and nylon. The new fibre has, it is stated, exceptional resistance to climatic influences.

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Refining Metals

A new and simple process for refining metals and other substances to almost perfect purity has been invented by the Bell Laboratories (United States). At the degree of purity reached by this method, there will be only one atom of impurity in 10,000,000,000 atoms of the purified material: the equivalent, roughly, of a pinch of salt in 35 freight cars of sugar. The new process is now being used in the purification of germanium for transistors, the tiny devices that do many of the tasks of complicated electronic tubes.

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Rotary Liquid Pump

A firm named Schnabel-Rotoren-Leuvensestraat 43, at Scheveningen (the Netherlands), has put on the market a new type of rotary pump. The rotor body of this pump has near its circumference evenly distributed axial bores, which are turned off down the central part, so that on its circumference semi-cylindrical recesses are formed, which are flanked by two drilled flanges.

The recesses serve to support cylindrical, axially rotating vanes, which are machined between the rotor flanges to an accurately determined profile.

The pump body is formed to a special profile between the rotor flanges. As a result of the couples due to the centrifugal action produced by the rotating rotor, the vanes revolve against the wall of the pump body, because the centre of gravity of each vane will move as far as possible from the centre of the rotor.

As the location of this centre of gravity can be controlled by the choice of material and shape of the vanes, it is possible so to choose the impact of the vanes on the wall as to obtain an exactly effective seal between suction and discharge sides and yet to reduce friction losses and wear to a minimum. Owing to the efficient supports of the vanes, they can, moreover, be made of highly wear-resistant plastics, such as nylon. The pump is suitable for high- and low-viscosity liquids.

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Machines for Prestressed Tubes

New methods and equipment for manufacturing tubes of prestressed concrete for water conduits has been developed in Sweden by the Hälsingborg firm of Sylvan and Qvibelius. The new technique is used for manufacturing the so-called Premo tubes, invented by two Norwegian engineers and now patented in 40 countries. The tubes consist of an inner tube of concrete prestressed lengthwise, an intermediate coil of high-quality steel wire and an outer layer of concrete. In the course of the manufacturing process, the two layers of concrete attain homogeneous tension, which prevents the formation of cracks. The concrete conduits are not heavier than conventional cast-iron tubes. They are also considerably less expensive. A further advantage is that they are rust- and freeze-proof. The tubes are manufactured in standard sizes of 5-metre lengths and with an inner diameter ranging from 300 to 900 millimetres.

THE DUNLOP RUBBER CO. (INDIA), LTD.

MR. CECIL STACK REVIEWS PROGRESS

THE Twenty-eighth Ordinary General Meeting of the Dunlop Rubber Company (India) Ltd. was held in Calcutta on 29th April, 1954. Addressing the shareholders, Mr. Cecil Stack, Managing Director of the Company, observed as follows:

"The Directors' Report and accounts for the year 1953 have been in your hands for some time and with your permission I will take them as read.

The Year's Trading

"You will recall that last year I referred to the sharp decline in demand compared with 1951, which resulted in substantially lower sales in 1952. In 1953, the position became more stabilised with business at a somewhat higher level than during most of the previous year. The volume of sales of nearly all of our products improved satisfactorily. On the other hand, total sales in value were Rs. 40 lakhs, or 3 per cent. lower than in 1952, due to reductions in selling prices. As I indicated at our last annual general meeting, falling raw material prices enabled us to reduce cycle tyre prices in April, 1952, and motor and giant prices in September, 1952. Further substantial reductions were made in March, 1953, affecting all tyres and also Dunlopillo cushioning. Later in the year a downward revision of industrial belting prices became possible as the result of expanding production.

"Tyre stocks were adequate throughout most of the year under review, but the distribution of our products was again interrupted by unsatisfactory transport conditions, mainly lack of railway wagons, thus causing temporary shortages in various parts of the country.

"The net profit for the year was Rs. 7 lakhs less than in 1952, but the ratio of profit to turnover was almost the same as in the previous year—7.4 per cent. before deduction of tax, compared with 7.7 per cent. After taxation the corresponding figures are 4.6 per cent. and 4.8 per cent. in 1953 and 1952, respectively.

Products

"Our technical staff have constantly under review the development of new methods of manufacture and the use and application of new materials, so that the trend of world development is reflected in our products wherever possible. For example, rayon which provides certain definite advantages in tyre performance has, during the past year, replaced cotton in our giant tyre range. Similarly, we are continually seeking to satisfy the need for special performance tyres, and in this connection our Traktmaster Giant Tyre, designed for use where roads are bad or non-existent, was introduced during the year and proved an immediate success.

"Our sales of bullock-cart tyres have increased steadily from year to year, indicating that a growing body of cart owners appreciate the advantages and ultimate economy of pneumatic tyre equipment as opposed to iron-shod wheels. The use of modern agricultural machinery is creating an increasing demand for tractor tyres and plant has been installed at our factory to produce those sizes for which there is sufficient demand to justify economic manufacture.

"Record quantities of cycle tyres and cycle rims were manufactured and sold by us in 1953. India's bicycle manufacturing industry is growing rapidly and the development of this industry is of considerable interest to us for the reason that we supply most of its original equipment requirements of tyres and rims.

"Before leaving our tyre range, I would like to refer to aero tyres, which, although so far a comparatively small part of our business, nevertheless, receive more than a proportionate share of our efforts to meet the nation's requirements. As a result of the continual progress in aircraft design, tyre manufacturers are constantly faced with fresh problems in developing tyres to meet different and invariably more arduous conditions. A number of new sizes was added to our range last year, the latest being the first tyre to be made in India for use on jet aircraft.

"Turning now to our other products, Dunlopillo Latex Foam cushioning has continued to make steady progress. Apart from the comfort of this type of cushioning which is the chief attraction to the domestic user, the fact of its long life and consequent low ultimate cost is becoming more widely known, with the result that it is being increasingly specified for public buildings, hospitals and transport services.

"Industrial transmission belting has made such remarkable progress that we were able to reduce our prices substantially in August, 1953. As I advised you last year, our plant was the first installation in India capable of producing high quality rubber ply belting to British Standard Specifications and it is gratifying to know that industry generally is finding it a useful source of supply. During the year a start was also made with the manufacture of conveyor belting and the results are most encouraging.

"Considerable progress has been made in our manufacture of fan belts and industrial Vee belts. The range of sizes has been expanded and the quality achieved is highly satisfactory.

"Each year since the war has seen an extension to the range of products made at Sahaganj and this has ensured a steady expansion of our manufacturing activities. It should also be a source of encouragement to the rubber plantation industry in considering their replanting policies.

Raw Materials

"The raw material supply position was satisfactory throughout the year and the shipping facilities for imported materials improved. This enabled us to reduce our stocks of imported chemicals, which provided a welcome saving in the amount of capital invested in our inventories. The general price trend was downwards, although to a lesser extent than in the latter half of 1952. There has been no change in the controlled price of indigenous rubber since it was increased in October, 1952. Throughout the year we were able to obtain all our requirements from South India.

Profit and Loss Account

"I have already referred to the decline in turnover and net profit compared with the previous year. After deducting the charge for taxation the balance of profit available for disposal is Rs. 62,39,833, compared with Rs. 73,58,469 for 1952. The Directors are recommending the same rate of ordinary dividend as for 1953, that is, 15 per cent. which will absorb Rs. 24 lakhs. The Directors also recommend the transfer of Rs. 24,00,000 to general reserve as against Rs. 39 lakhs last year. This will increase the total general reserve to Rs. 1 crore 38 lakhs, as shown in the balance-sheet.

Balance-sheet

"The Company expended Rs. 48¼ lakhs on additions to fixed assets, against Rs. 50 lakhs in 1952. These additions in the main consisted of extensions to our housing estate and further additional plant for new products. The depreciation written off in 1953 was Rs. 27,78,060 compared with Rs. 25,93,000 in the previous year.

"Inventories at Rs. 3,62,59,000 were Rs. 64 lakhs lower than at the end of 1952. This is partly due to the saving in imported materials to which I have already referred, and partly to lower costs. Other current assets are a little higher, but the reduction in inventories is responsible for lowering total current assets by Rs. 57 lakhs and net capital employed by almost the same amount. Consequently, the closing bank overdraft is now down to Rs. 82 lakhs, compared with Rs. 146 lakhs at the end of 1952. During the last five years profits to the extent of Rs. 1,45,00,000 have not been distributed, but have been retained in the business and the total reserves and surplus at the end of 1953 amounted to Rs. 1,60,00,000. These retained profits are fully employed in the business representing as they do a substantial part of the increases during the same period of Rs. 2,12,00,000 in gross fixed assets and Rs. 1,21,00,000 for working capital.

Employee Relations

"The Company has a high reputation for working conditions and general labour relations. We are proud of our record in the provision of social amenities for our employees, which we are continually improving and extending. In the last two years alone, despite less favourable trading conditions, expenditure on employees' living accommodation, canteen, school and other services was Rs. 27 lakhs. We are always conscious of the ungrudging and skilled service which the Company receives from its employees. Throughout the year under review all employees, both staff and operatives, have played their part to the full in overcoming our difficulties and achieving the results of which I have told you. I would like once again to send them your warm

(*Continued in first column*)

(*Concluded from third column*)

appreciation and thanks for their continued support and devotion to duty.

"Before concluding, I would like to refer to the retirement of our Works Director, Mr. R. F. Bennett, who resigned from the Board on 31st December last. Mr. Bennett had been at Sahaganj since the inception of our factory in 1936 and was Works Director for the last 14 years of his stay. I feel sure you will wish to join the Directors in expressing our great appreciation of the long and valuable services rendered by Mr. Bennett.

"Mr. Bennett is succeeded by Mr. F. G. W. Jackson, who has been Mr. Bennett's deputy since 1951 and who has served in the Dunlop organisation here and in other countries continuously since 1926, with the exception of the war years. On your behalf I would like to welcome Mr. Jackson as a member of our Board."

VALUE OF INSURANCE TO COMMUNITY

CONFORMITY TO HIGH ETHICAL STANDARDS NECESSARY

AMONG the services rendered by the Indian Life Assurance Offices Association, particular mention must be made of the forum which it provides for the discussion of topics connected with life assurance. Every year, it selects a few life assurance topics and invites those who participate in the conference to read their papers which form the subject of examination and comment by insurance men. The Association must be congratulated on this service, for in this country, where insurance is still not so well understood as in the West, any attempt made to keep its problems steadily before the public deserves both encouragement and praise. We would commend this practice of the Association to the attention of general insurers too, who lag behind life insurers in the very necessary art of publicising their achievements and promoting an intelligent discussion of their problems.

This year, the Indian Life Assurance Offices Association chose, among other topics, an important subject, entitled "Value of Insurance to the Community." Since this subject, as its very title shows, is of general interest, the papers read on this subject deserve wider notice. Mr. G. Somasundara Row of the Andhra Insurance Company, Ltd., rightly treated insurance in its relation to the wider movement towards "Welfare State." Indeed, the human aspect of life assurance deserves particular emphasis, for it cannot be too strongly reiterated that insurance, in the ultimate analysis, renders an essentially humanitarian service, in that it helps a family, on the unfortunate death of its insured bread-winner, to avoid all the misery that must come to it through loss of income. Mr. Somasundara Row did well, too, to point out how this essentially humanitarian character of life assurance was recognised during World War II, when the nations agreed, explicitly or implicitly, that "even in the midst of destruction of many things in the general strife and confusion, the sanctity of life insurance contracts would be upheld and strictly observed and the funds of even enemy nations in all countries would be regarded as inviolable."

Although insurers do not, as Mr. Somasundara Row said, deal in any "tangible commodity," they do help create it. From the point of view of the individual, insurance brings escape from fear or anxiety about the future of his family. Freed from these fears, an insured person goes about his life's work peacefully and with greater efficiency. From the point of view of the community, insurance means a steady stream of investible funds. Thus, insurance benefits both the individual and the State. Apart from the direct benefit, which insurance brings to the State through its ability to make available large funds for national enterprises, it renders indirect help to public finance, in that it helps the State, as Mr. S. P. Sharma of the Victoria College, Gwalior, emphasised in his paper, to curtail "to an appreciable extent public expenditure on alms-houses and orphanages, police and military force, prisons and courts and hospitals and asylums." An insured person, therefore, helps himself as well as the community.

The main advantages of a life insurance policy, as a form of investment, to the insured person were neatly summarised by Mr. P. A. S. Mani of the Oriental Government Security Life Assurance Company, Ltd. In the first place, there is the element of security, thanks to the insurance law which provides for the safe investment of insurance funds. Again, changing economic conditions cannot alter the value of a policy. Secondly, it is convertible into cash at a reasonable rate of interest when the policyholder feels such a need. Thirdly, the policy—the with-profit variety, of course—earns a constant rate of interest for "every moment of time" it remains with the company. Finally, there is what he called "convenience of operation," the agents are at the service of the policyholders for advice, guidance and help. If the policyholder desires that the money should be paid to the beneficiaries in easy instalments so that there may be no risk of dissipation of funds it could also be arranged. Other advantages of a life policy include the reduction in tax which insurance means to the policyholder, the value of a policy as a method of payment of estate duty and the ease with which a policy, representing property, can be inherited by the survivors without administrative expenses, lawyers' charges or court fees.

The primary appeal of a life policy, however, rests on its value as cover for the risk of death. This aspect was emphasised by Mr. Sharma who quoted Sir Winston Churchill's description of insurance. With his great gift for the telling phrase, Sir Winston said:

"If I had my way, I would write the word 'Assure' over the door of every cottage and upon the blotting book of every public man, because I am convinced that, for sacrifices which are inconceivably small, families can be secured against catastrophies which otherwise would smash them for ever. It is our duty to arrest the ghastly waste not merely of human happiness but of national health and strength, which follows, when through the death of the bread-winner, the frail boat in which the fortunes of the family are embarked, founders and the women and children are left to struggle hopelessly on the dark waters of a friendless world."

Few can improve upon Sir Winston's tribute to insurance. It is high tribute. But it is also a well-deserved tribute. And, if insurance in any country has to make it real contribution to individual and social welfare, it is necessary, as Mr. E. K. Srinivasan, President of the Indian Insurance Companies Association, said, at a recent Rotary Club meeting in Calcutta, that both the insurers and the insured should abide by high moral standards. The company should regard its funds as a sacred trust. The insured should, on his part, realise that it is unethical conduct to try to induce payment out of the community fund on false pretences. It is only when such ethical standards are maintained by both the insurers and the insured that insurance, as the highest form of co-operative service, can yield benefits of lasting value to the community.

HEALTH INSURANCE SCHEME

The State Governments' share of the cost of medical benefits, under the Employees' State Insurande Scheme, will be one-fourth of the total outlay, instead of one-third of the expenditure as originally proposed. This décision to reduce the State Governments' share of the cost of the Scheme was taken by the Standing Committee of the Employees' State Insurance Corporation, which met in New Delhi last week. The credit for securing this relief to State Governments goes to the Bombay Government which had protested strongly against the present system of allocation of expenditure. Hitherto, the cost of the medical benefits has been shared between the State Governments and the Corporation in the proportion of one-third and two-thirds respectively. The Bombay Government felt that it would be inequitable to spend a disproportionate amount on industrial workers alone, while the rest of the community received far less attention. In 1953-54, the Bombay Government spent As. 12 per head on public health. Even on the basis of the reduced level of contribution (that is, one-fourth of the cost of medical benefits), the Government would be spending Rs. 2 per head on industrial workers, involving a total expenditure of Rs. 60 lakhs. The Standing Committee further decided that a capitation fee of Rs. 6 per insured person per annum should be paid to medical practitioners with an additional As. 8 in Greater Bombay and Calcutta.

Yet another important decision taken by the Committee was to appoint local advisory committees in all important centres, where the Scheme is in operation or is to be implemented, for securing the co-operation of all the interests concerned at the local level. Each local committee will consist of a chairman nominated by the Chairman of the Regional Board, an official of the State to be nominated by the State Government, the administrative medical officer in change of the Scheme, and between two and four representatives of the Corporation. An official of the Corporation will act as Secretary of the Committee. The Committee approved the Madras Government's proposal to adopt the panel system of medical care. So far as the Bombay State is concerned, the Government will adopt the panel system in Bombay and the service system in Ahmedabad. It was further decided that representatives of the workers and employers should be associated with the committees appointed to select the staff of the Corporation. The Committee examined the recommendations of the Medical Benefit Council in regard to the treatment of insured persons affected by T.B. and other chronic diseases.

The Committee is also reported to have considered a report reviewing the working of the Scheme in Delhi, Kanpur and in certain centres in the Punjab. It is not clear what decisions were taken by the Committee in order to expedite the extension of the Scheme to other centres. The Scheme has been implemented in full only in Delhi, Kanpur and seven industrial centres in the Punjab, covering 40,000, 84,000 and 32,000 workers, respectively. The slow rate at which the Scheme is being implemented has caused misgivings among employers in those parts of the country where it is not now enforced, since they have to contribute to the Scheme without getting any return whatever for the contribution they make. Be that as it may, the Scheme will, it is learned, be implemented in Bombay on 2nd October, 1954, and in Ahmedabad on 26th January, 1955. It will be implemented in Nagpur in May, 1954, in Coimbatore in July, 1954, and in four industrial centres of Madhya Bharat—Indore, Gwalior, Ujjain and Ratlam—in May, 1954. The other centres, where the Scheme, according to a statement made by Mr. V. V. Giri, Union Labour Minister, in Parliament last week, will be introduced during 1954-55, are: Calcutta City and Howrah District (West Bengal), Singapur, Phagwara, Kapurthala and Gobindgarh (P.E.P.S.U.), Bhavnagar and Jamnagar (Saurashtra), Bangalore and Suburbs (Mysore), Jamshedpur, Patna, Mukardhubi, Dalmianagar, Monghyr, Basudevpur (Bihar), Hyderabad, Warangal, Gulbarga, Shahabad, Sirpur and Nandad (Hyderabad), Agra, Allahabad, Banaras, and Lucknow (Uttar Pradesh) Alleppey, Trichur, Quilon, Alwaye and Ernakulam (Travancore-Cochin). It is to be hoped that at least during the current year, the present schedule will be adhered to, and the Scheme extended to the centres, as now proposed. It is gratifying to note, in this connection, that with a view to achieving "quick results" the Corporation has evolved a "control chart" which enables the authorities to watch the progress of the Scheme. Equally reassuring is the Standing Committee's decision to appoint a sub-committee to deal with urgent issues. The Chairman of the Standing Committee will be the Chairman of the sub-committee also. This sub-committee will act on behalf of the Standing Committee in all matters, not affecting major policy, which are likely to arise from time to time and need prompt settlement.

BANK OF MADURA LIMITED,
MADURAI.

Abridged Balance Sheet as at 31st December, 1953.

CAPITAL AND LIABILITIES	Rs.	a.	p.	PROPERTY AND ASSETS	Rs.	a.	p.
Capital Paid-up and Reserves	11,62,801	12	0	Cash and Bank Balances ..	28,59,343	15	5
Deposits	2,05,02,577	2	5	Money at Call and Short Notice	12,00,000	0	0
Bills for Collection (as per contra)	80,133	14	9	Investments at Cost ..	67,63,169	0	0
Other Liabilities	3,42,669	6	9	Loans, Cash Credits, Overdrafts, etc.	1,10,70,974	11	6
Profit and Loss Account ..	1,15,662	1	1	Bills for Collection (as per contra)	80,133	14	9
				Other Assets	2,30,222	11	4
Total .. Rs.	2,22,03,844	5	0	Total .. Rs.	2,22,03,844	5	0

KARUMUTTU THIAGARAJAN,
Chairman.

V. RM. VALLIAPPA CHETTIAR,
N. A. ANNAMALAI CHETTIAR,
O. RM. M. SP. SV. A. ANNAMALAI CHETTIAR, } *Directors.*

P. S. VISWANATHAN,
Secretary.

INDIAN PAPER MAKERS' ASSOCIATION

MR. P. H. SYKES REFUTES CHARGES AGAINST 'THE INDUSTRY

PLEA FOR UNIFORM FOREST POLICY

WARM appreciation of the successful efforts on the part of the representatives of the paper industry and the Government in effecting a contract by free negotiation for the supply of paper to Government was expressed by Mr. P. H. Sykes, Chairman of the Paper Makers Association, at the Annual General Meeting of the Association held in Calcutta on 21st April, 1954. Mr. Sykes availed himself of the opportunity to refute the charges made against paper makers of making enormous profit through the aid of tariffs, import trade control and Government preference for Indian goods, without any effort to make quality paper. Observing that the charges were unjustified, he went on to catalogue some of the industry's problems that stand in the way of the industry's progress, namely, prolonged labour strike, difficulties in getting the raw materials required, pressure brought upon the industry to use lower grade coal for which the boilers are not suited, etc. Mr. Sykes also made a plea for a uniform forest policy for the whole of India.

The following are extracts from Mr. Sykes' speech:

"GENTLEMEN,

"This year has not been a particularly eventful one; so I propose merely giving you now a short resume of such highlights as there have been.

"The subject that has been of the most importance and interest to us—partly because it is the freshest in our minds but mainly because it always is our largest single piece of business—is the Government contract for 1954-55. I am glad to say that this contract was concluded last week and our thanks go to our representatives who acted as negotiators for the industry and to Government for having shown a praiseworthy desire to get the business concluded quickly. Even more important is the fact that Government have agreed with the industry that the unpleasant process of costing need only be resorted to, when there is such a wide disparity in the two parties' ideas of price as to make further negotiations impossible. It is admirable that the two sides have been able to make and accept—or accept after slight adjustment—an offer, without having to call in any outside agency such as costing to effect a settlement, a process which would certainly never have had our approval. What in effect has been achieved is settlement by 'free negotiation' which, indeed, was always the intended basis of settlement for these annual contracts, but which we had recently come to fear was no longer the case in spite of our being a decontrolled industry. For many months the issue was in doubt and the position was very unsatisfactory; but in January we started to make progress. The fact that the contract was not finalised until after the date from which it was to become effective, is to be deprecated; and I hope that this year the next one will be negotiated and completed at least two or three months before it is due to start operating. There will be no tardiness on the part of the industry in achieving this aim. I also hope that Government will be issuing the new contracts to the various mills at a very early date so that supply may be carried on uninterruptedly.

Prices of Paper Supplied to Government

"Government will, I hope, appreciate our willingness to come to terms at the price which has now been agreed on; for there are many units of the industry which do not consider the Government price an attractive one and which think that, with costs as they are, there was justification for an increase. Government have done well in ensuring their supplies at a level of prices which stands remarkably low in the world market. On our side we appreciate Government business, since it gives us security, but the fact of the matter is that we have our duty to the public too and for that reason we would feel it unfair if Government were to expect any one supplying mill to earmark more than about one-third of its production for Government's use, which, of course, would leave less than two-thirds for the civil market, which would be hardly reasonable. Our February offer to Government was, therefore, made on the basis of not more than 30-35 per cent. to Government of each supplying mill's production. Incidentally, the fact that Government require such a high proportion of India's production points strongly to the country's unfortunately low standard of literacy. If that can be raised there will be every justification for the erection of more paper mills, which in turn should curtail the necessity for importing paper on the present scale.

"The mention of new mills reminds me that the Association has had the pleasure of welcoming to its ranks a new member, Ballarpur Paper and Straw Board Mills, a mill which, I am glad to say, seems to have got off with a good start. It speaks well of the healthy tendencies to be found in the Indian paper industry that, whilst there is rivalry between mills, that rivalry is on the whole friendly and reasonable. I would be very sorry if the day ever came when this was not so. Before Ballarpur, our latest-joined recruit was Tribeni Tissues, the only concern in India to make high-grade cigarette paper. Tribeni is able to look after the bulk of India's requirements and then still have two-thirds of its capacity available for export. Response from overseas has been encouraging and I am glad to tell you that the Company is progressing well.

Market Conditions

"I have not much to say on the subject of our market since it was free from violent fluctuations and really quite normal. Throughout the year there was a good steady demand for the usual grades of Indian paper, but there was never very much life in the market. The black market has ceased to exist, I am glad to say, and gone are the days when middlemen made fortunes out of paper. I hope that this healthier state of affairs will persist. Following the trend of paper prices overseas, our market is now tending to harden and it looks as though the demand for Indian paper is going to increase. There is no doubt that the large tonnage of paper that was lost to the market due to the unfortunate strike experienced by one of our leading companies has influenced the present position and tended to extend the delivery periods available from Indian mills. Generally speaking, the quality of our paper is improving and it is very gratifying to know that more and more consumers of speciality papers are endeavouring to obtain their requirements from indigenous sources. I must mention one regrettable feature and that is the growing tendency, doubtless because of the public's reduced purchasing power, to use cheaper grades of paper, such as newsprint, even for text books. I hope very much that consumers will soon learn that such a policy can only prove costly in the long run, for newsprint is not meant to have anything other than a short life. However, the price of newsprint is hardening and its delivery period increasing so that its use may, with any luck, be confined to the purpose for which it is really intended.

"I think I might now comment on an unpleasant, and most unwarranted, attack which has recently been made on our industry by the Paper Traders' Association, Bombay. In extravagant language their President has recently seen fit to accuse us of being lacking in service to the nation, of sponging on Government to an unfair degree and of making vast profits at the expense of the poor people. What the unfair help is that we have been able to get out of Government I do not know, but I can easily conjecture what the feelings are of those mills which can only just pay their way and of those which have suffered enormous losses due to strikes that might never have taken place, had Government legislation not been more favourable to the worker than to his employer. An extract from the President's speech reads as follows: 'we find to our regret that all these aids through tariffs, import trade control and Government buying preferably Indian goods, have been utilised only in making more and more profits. No effort has been made to make quality of paper better or bring down the costs. People of this country have every right to demand better qualities of paper and at cheaper prices.' Whether or not this is an attempt to get Government to reduce import duties on foreign paper, we refute these charges and, I think you will agree with me that they are so obviously unjustified that I need not elaborate further. We also seem to have come under fire from the All-India Printers' Conference over the quality of our products. The criticism (I refer to the presidential address at their recent session in Calcutta) was not nearly so vituperative as in the case of the Paper Traders' Association, Bombay, but I do not consider that there is justification in the charge that our older mills cannot make decent white printing. Many of us can, and do; and, if we do not, then why do we not receive more complaints direct instead of through the Press?

Labour Troubles in Paper Mills

"On the production side, we have, of course, all had our troubles, but the biggest bar to progress has, without any shadow of doubt, been the situation in the field of labour. It is time that labour realised its responsibilities in the industry. It must realise that a worker must work, if he is to earn his pay. The worker, unfortunately, has little individuality or initiative. Consequently, he has to be led. Nobody minds that; but what one does mind is when he is misled, as is so often the case with certain union leaders. We all want our labour to be well treated. All we wish for in return—and we have every right to demand it—is a full day's work. Without it our industry cannot prosper. Our costs do not show many signs of abating. Indeed, the apparently never-ending upward trend of payments, in one form or another, to labour more than offset the slight savings in cost in other directions that some of us have been able to achieve. No decent employer minds paying his labour well, if he is getting something in return. But what of the productivity of our labour? No mill can boast greater productive effort per head, but all can point to a far heavier wage bill. That is a state of affairs of which India cannot be proud and I feel that our Government is not facing up to it in a sufficiently realistic manner. Even more to blame are those union leaders, who instead of setting a good example, are cashing in on the favourable trends of legislation and exploiting situations which employers find themselves powerless to prevent. The result is loss of discipline and less work, a situation which must be avoided if our industry is to accept its responsibility and produce all the paper the nation needs. Such increases in production as we are showing, seem to me to come more from new machinery than from improved effort on the part of the now much better-paid worker. During the past twelve months Titaghur Paper Mills had to put up with a five-and-a-half months' strike in one mill and a three-and-a-half months' strike in the other. In the previous twelve months Bengal Paper Mills suffered a five-and-a-half months' strike and Tribeni a two months' one. The strikes were almost invariably illegal, unjustified and pointless and as a result the country lost thousands of tons of paper and the workers lakhs of wage-money. Many traders suffered badly too. It is a poor record. It is not progress. I see I have been blaming the workers, or their unions, primarily for this sorry state of affairs, and Government indirectly. We, the employers, must, however, also put our house in order. We must make sure that our labour is fairly treated and then we would do well to get together and try to achieve uniformity in the pay and conditions of service that we consider we are in a position to offer. At the present moment we are at the mercy of unscrupulous labour leaders whose favourite pastime is playing off one mill against another.

Raw Materials

"Of materials used by the industry and their attendant problems, I am going to mention only bamboo, sabai grass, salt cake, coal, hosiery cuttings and old hemp rope cuttings. So far as the first three are concerned, the problems consist of availability and transport; and with regard to the last two, their export is our worry. The coal problem is the question of quality, though, in passing, I might mention that the Planning Commission not long ago recommended that we should use less coal—a suggestion with which we are all in accord, but the answer to which is not easy to find without the installation of new steam-raising plant, a very costly business.

"Bamboo and grass are forest produce and the question of leases is thus entailed. It has come to be a hardy annual for the Chairman

(Continued on page 853)

GOLD AND ITS PRICE

FUTURE FOR FREE MARKET SOMEWHAT GLOOMY

(By ARTHUR H. E. TAYLOR, Director, The Kolar Gold Mining Companies Ltd.)

I HAVE chosen as my subject "Gold and its Price," because it seems to me that this is a subject not only of considerable interest to all members of this Society* and staff of the Kolar Gold Field, but because it is of fundamental importance to the industry and its future. In recent years and even months, factors affecting gold and its price have been of such importance as to threaten the very existence of the Kolar Gold Field as a profitable industry.

Gold in the minds of the masses represents inherently wealth and security. Its properties of durability and glitter produce of its conceptions of splendour and ornament, as well as a means of investment and trust. But its value, as a medium of exchange in international credit and national stability, is of singular importance. No other metal has ever taken its place as the backing of international currency, accepted throughout the world. However, its value in terms of currency, like other metals and commodities, is subject to fluctuations. Its price is an index of inflation. I propose to review briefly these fluctuations during the life of the Kolar Gold Field mining industry, with particular reference to the more recent happenings in the world and Indian bullion markets.

Though, to a large extent, gold is held in most countries as reserves for the stabilisation of currencies and its price is regulated by legislation, in India, it is more a commodity than a currency, and can be purchased in the open market. Thus the price varies, like other commodity prices, depending upon supply and demand.

Past History

It is interesting to note that, during the earliest years of the Kolar Gold Field from its inception up to 1914, its production of gold was shipped to London and sold through three well-known firms there. The gold was assayed and refined by these firms and sold at approximately £3 17s. 9d. per standard ounce, equal to Rs. 21-3 per tola. It was under the Bank Charter of 1844 that the price of gold was fixed at this price, and anyone taking bar gold to the Mint in London was entitled to receive in exchange coin or cash to that value. The fact that this Charter remained in force until 1914, with the result that there was no alteration in the price of gold for a period of 70 years, is an indication of the stability of conditions in those times as compared with the changing circumstances of more modern days.

On the outbreak of the First World War in 1914, on the advice of the Bank of England, arrangements were entered into with the Bank for the purchase of the Kolar mines' production of gold on the following terms:

(i) The gold to be deposited at the Bombay mint to the order of the Bank of England;

(ii) the Bank to pay the companies in sterling on the basis of £3 17s. 9d. per standard ounce.

Similar arrangements were entered into by the Bank of England for the purchase of the output from the South African, West African and Australian gold mines. The Kolar arrangement also applied to gold from North Anantapur and the Jibutil (Anantapur) gold mines.

It was one of the terms of this arrangement that it was to be of a permanent nature, but this did not prove to be the case. In order to avoid exchange losses, due to variations in the rupee rate of exchange, this arrangement was varied in May, 1919, to the extent of permitting the mines to sell approximately one half of the gold to the Government of India at Rs. 55-8 or £3 17s. 9d. per standard ounce, the arrangement being for one year from May, 1919. The other half was to be sold at the same price to the Bank of England and the proceeds to be received in London.

Prior to First World War

Previous to the 1914-18 war, India had for many years been importing gold into the country. It is reported from reliable sources that, for the 50 years ended 1913, gold to the value of an aggregate of £230,645,000 or Rs. 307.527 crores was absorbed by India, this being more than 11 per cent. of the world's production during those years. In the year 1911-12, net imports reached Rs. 38 crores. It is thus apparent that India's demand for gold is for the metal itself rather than for its use as a medium of currency. However, during the 1914-18 war, these imports almost ceased, as Gold Standard countries were unwilling to part with their gold resources, and a premium on gold arose in India over the official world price of Rs. 21.2 per tola. By 1916, the price in Bombay was Rs. 26 per tola and, by 1919, it had risen to Rs. 35.

The reason for these increases was the general increase in commodity prices and fears of insecurity caused by the effects of war. These increased commodity prices were having to be borne by gold producers in full, as they were not permitted to dispose of their gold in premium markets. If the Indian gold mines had received the real value of their product, instead of its fixed mint price, and had been paid in rupees, they would have received 12½ per cent. more than they were receiving. Much pressure was, therefore, brought to bear on the appropriate authorities for a revision of the existing system of gold sales. This resulted in the termination of the arrangement with the Government of India in 1921, after which the Kolar Mining Companies were able to obtain the premium prices for gold in Bombay and this has continued ever since that date.

After the end of the 1914-18 war, the prices of gold in India dropped back from the inflated prices of war years and remained fairly steady at around Rs. 21.2 per tola, especially, as in 1929, the price was fixed by law at Rs. 21-8 per tola.

Gold Crisis

As an aftermath of war, a severe slump occurred in 1930. It might also be described as a gold crisis. The vast inflation of currency made during and after the war had led to artificial prosperity and higher prices. Counteracting economic forces, however, began to make themselves felt. Currencies which had been devalued from their pre-war levels were reorganised one after another. Governments fully alive to the important part played by gold during the war aimed at securing as big a share of the world's gold stocks as possible. The amount of monetary gold available has always been regarded by Governments as a measure of the quantity of currency that could be issued to meet the interchange of commodities and services. The result was that, in the scramble for gold, the world's economic equilibrium had been upset. Both the United States and France had adopted a policy of gold buying and in 1929 held nearly half of the world's monetary stock. A serious loss in currency as a medium of exchange had been suffered by the Gold Standard world by reason of such rapid accumulations of the metal by these two countries. Sterilisation of so much gold led inevitably to restriction of currency and credit in other parts of the world. While production maintained its normal increase, the world's consumption capacity was curtailed greatly. The decline in the world's buying power with no corresponding decrease in production caused a collapse in commodity prices, particularly in those of agricultural commodities.

As the prosperity of industry and its employees depends largely on the purchasing power of the people, it was inevitable, in view of the serious fall in prices, that industry should have to suffer. Widespread unemployment was the result. Incomes of Governments declined, with no corresponding fall in expenditure. Governments resorted to borrowing and to a very heavy run on the Bank of England, with the result that Great Britain went off the Gold Standard in 1931.

A Gold Standard is a system of currency based on gold, and on the convertibility at sight of a State's paper or silver currency into gold at a fixed price. A country is on the Gold Standard when the money—paper bills, silver coins, etc.—is redeemable on demand at a fixed weight of fine gold for each monetary unit. To maintain the Gold Standard, two things are necessary. The currency authority—usually a Government—must purchase at a fixed price and coin free of charge all gold brought to it. It must also sell at the same price all gold demanded of it. Gold, therefore, remains the one commodity in a Gold Standard country which requires no change in price measured by monetary units. The Government can easily fulfil its pledge to purchase gold at a fixed price, and it can print paper money for this purpose. The main difficulty in the operation of the Gold Standard arises when the bankers, as agents of the Government, are called upon to redeem in gold large amounts of paper currency or other kinds of money, as the gold held in reserve for such emergencies is normally only a small part of the face value of the paper and other non-gold currency in circulation. A sustained run on gold will eventually force the suspension of the Gold Standard. This is what happened in 1931.

Suspension of Gold Standard

The United Kingdom first went off the Gold Standard during the 1914-18 war. She returned to the Standard on 29th April, 1925 and finally abandoned it in 1931, and has not returned to it since.

In 1930 in India, owing to the tremendous fall in commodity prices and slump in trade, the rupee equivalent of the produce of the Indian cultivator was greatly reduced, while his expenses did not change. Much distress gold came into the market, a total of Rs. 10 crores in value being tendered to the Government at the statutory rate of Rs. 21-3-0; in addition, Rs. 180 lakhs worth were shipped abroad. A regular export business in gold began and the total exports to the end of the year were Rs. 37 crores or 7 per cent. of the net imports since 1900 and about 19 per cent. of the total imports during the last seven years.

The suspension of the Gold Standard in 1931 formed another milestone in the history of gold prices. The run on the Bank of England ceased and alternative sources had to be found by gold buying countries. Gold which ruled at Rs. 21-4 a tola at the beginning of the year 1931 rose steeply and touched Rs. 31-2 per tola by the end of the year, and rose steadily from Rs. 33-7 per tola in 1932 to Rs. 37-10 in 1938. The cause of this rise is attributed to several factors—gradual improvement of the agricultural class from their economic depression, slight recovery in commodity prices, acquisition of gold by countries for payment to the U.S.A. of war debts and the growing tension among the Western countries.

Large quantities of gold were exported from India from 1931 onwards; Rs. 300 crores between 1931 and 1936. With the increased world price and demand, production of gold increased enormously in South Africa, Canada and other countries and prosperity came to gold producers and their Governments.

An important step took place in 1934 when America, recognising the evil of instability and being the largest possessor of gold stocks, fixed the gold price at $35 per ounce with a view to stabilising the dollar in relation to sterling.

Once again, the clouds of war began to gather in Europe and, by 1937, international relationships had seriously deteriorated. Rearmament programmes forced up prices and, owing to war fears, the price of gold began to rise further. Purchase of gold by authorities in the open world markets by all countries, including India, in order to secure sterling funds, were added causes for an increase in price. The process of hoarding continued in Europe and the demand was so brisk that large consignments were air-transported from India.

Demand for Indian Gold

It is interesting to note here that, as from 1st April, 1935, the Reserve Bank of India came into being with control over the management of currency and sterling requirements of Government. With the declaration of war with Germany in September, 1939, the price of gold in Bombay shot up to Rs. 43-8 per tola. Defence regulations were imposed in the United Kingdom prohibiting dealing in gold, except through official channels, and the Bank of England announced its buying price of gold at 168s. per fine ounce, equal to Rs. 42 per tola. The regular flow of gold into the Kentucky vaults of the U.S.A. continued as a result of large-scale purchases of war supplies from her by Great Britain and Empire countries. More than 80 per cent. of the world's monetary stock of gold was held by the U.S.A. in 1941. The demand for Indian gold was enormous and some Rs. 39 crores worth of gold, namely, four million ounces, were shipped abroad from India during 1939. At the same time, cost of living indices all over the world were rising and India was no exception.

While the price of gold in the U.K. and the U.S.A. remained fixed, that is, at 168s. and $35, the Indian market registered prices which broke all previous records. The proximity of war, the possibility of direct attack by Japan, and the expansion of paper currency resulted in continued and strong demand for gold in India, and the premium over world prices grew steadily greater. By 1942, the price had arisen to Rs. 72 per tola and Rs. 93 by the end of 1943. The demand in India reduced exports of gold to negligible proportions and, once again, gold began to be imported, though under restrictions imposed by the Indian Government. After declining to Rs. 84 in July, 1946, at the close of hostilities and following the granting of some licences for import of gold, the price went up to Rs. 117 when imports were banned. The highest ever recorded was Rs. 120 per tola or Rs. 120-2 per ounce registered in May, 1950. The devaluation by the United Kingdom in September, 1949 of the pound sterling in terms of the dollar from $4.03 to $2.8 resulted in the official sterling price of gold being raised from £8 12s. 3d. to £12 8s. per fine ounce. The object of the devaluation of the pound was to stop the drain on the United Kingdom dollar reserves and to assist the export drive to the dollar countries.

With high gold prices, firm demand and free market conditions in the Bombay Bullion Exchange, while the price of gold was pegged in other countries, to smuggle gold into India had and still has of smuggling gold into India from the Middle East through Goa and Pondicherry, and by landing it on the shores from *dhows*, derived handsome profits from the substantial premium obtainable for gold in India.

Effect On The Kolar Gold Field

Before passing to the more recent picture in which we see the position regarding gold prices in the world and in India as it is today, I would like to deal very briefly with the effect of these fluctuations on the Kolar Gold Field mining industry.

By contrast with today's conditions when fluctuations occur almost daily, prior to 1939, the price of gold was so stable as to be taken as a constant when superintendents came to frame their programme for the next year's working. Profits fluctuated according to grade, tonnages and costs, and, in fact, a mining budget in its true sense, both technically and economically, was the rule. Stability of prices enabled programmes to be foreseen and estimated as much as 15 years ahead. Schemes for exploration and development could be laid out and agreed with a reasonable degree of accuracy so far as costs and profits were concerned. This important factor played a big part in the carrying of these mines to great depths and in decisions to sink major shafts from surface, install cooling plants, second stage layout, and so on. Without this element of stability these bold schemes might not have been undertaken.

A sudden rise in the price of gold temporarily resulted in increased profits until such time as resulting inflationary tendencies began to be felt in the form of increased cost of living, wages and costs generally. Sudden upward fluctuations naturally give rise to the seizure of opportunity by Governments to annex for their revenues some portion of the fortuitous profits caused thereby, however temporary they may be.

Gold Duty

In the year 1940, the Government of Mysore imposed a duty on gold under which the Government took 75 per cent of the sale price of gold above Rs. 100 per ounce. In doing so, the Mysore Government followed the action of certain other Governments, notably the Union of South Africa. The gold duty was clearly intended to be a levy of a temporary character. The Government of the Union of South Africa, whose action was followed by the Mysore Government, was the earliest to realise the disastrous effect of the new impost on their gold mining industry, and, indeed, on their national economy. That Government repealed the gold duty in less than six months of its enactment, and, in fact, even before the Mysore Government had imposed the duty. The Governments of Canada, Australia, Rhodesia, and the Gold Coast, sooner or later followed suit, but the Mysore gold duty continued for nine years and undermined the industry so gravely as to threaten its future continuance.

The gold duty was a tax on receipts and bore no relation to profits, which were declining due to increasing costs. The huge sum of £9,300,975, or Rs. 12.43 crores, was paid to the Mysore Government for the years 1940 to 1949 by the Kolar Gold Mines. Such payments to Government so depleted the finances of the industry that it became impossible to provide funds so essential for exploration and development. It has been said that the damage to the industry by the gold duty was such that the industry would never recover from its effects. On its repeal, the gold duty was replaced by a new burden in the shape of a contribution which takes 75 per cent. of any surplus after allowing certain deductions and a 6 per cent. dividend. That this levy is discriminatory and damaging to the industry, its development and expansion, has been repeatedly brought to the notice of the Government.

It is somewhat ironical to note that this situation is the outcome of a sudden increase in the price of gold in 1939 and it may be said that, had such an increase not taken place, the industry would have fared very much better than in fact it has. Rising gold prices, therefore, do not always mean better days for the industry; in fact, very often, the reverse is the case. In the submissions to the Mysore Government during the negotiations that preceded the removal of the gold duty, it was mentioned that the position was indeed so paradoxical that, simultaneously with the exceptionally high price of the product, the industry was suffering from an unprecedented depression.

Unfortunately, there has been a fall in the price of gold of more than 25 per cent., as compared with the price at the time of the signing of the new agreement. Although outputs have been increased to the utmost capacity of the mines, this disastrous fall in the price per ounce, with no compensating fall in inflationary tendencies and costs of living indices which so materially affect costs, has so reduced profits that the permitted amount of 15 per cent. of costs is available only in small part for setting aside towards depreciation and development expenditure, while there has been no surplus on which to pay contribution to the Mysore Government, and only very meagre dividends have been paid to our shareholders.

The Present

Now, let us turn to the trend of events in recent times and review the factors affecting gold prices today and in the immediate future. It was in the early part of 1952 that a crisis occurred in the Bombay bullion market. There had been a gradual decline in price from the peaks of May, 1950 and April, 1951, when the price was around Rs. 118 to Rs. 120 per tola. The year 1952 opened with the price around Rs. 106 per tola, but, in April, 1952, it crashed to Rs. 78 per tola and recovered by the end of the year to Rs. 83 per tola. This fall coincided with a widespread slump in commodity prices in India, and such panic conditions ruled on the Bombay bullion market that, for a period, all dealings ceased by closure of the market until the situation could be assessed more clearly.

We here on the Kolar Gold Field were faced with a sudden and precipitous fall in gold price without any fall in our working costs. In the 1952 bullion review of a well-known firm of brokers in London, the following extract appears with reference to gold prices in India:

"The fall in price is causing concern to local gold mining interests, hampered as they are by Government restrictions and all too painfully aware that considerable quantities of metal are smuggled into the sub-continent through Goa, Macao, Pondicherry and Kuwait. Producers are on the horns of a familiar dilemma; the higher the local gold price, the greater the incentive to the unwelcome competition of smugglers, while a price low enough to cut out smuggling may cut as deep into legitimate mining profits."

Though in the first half of 1953 there was an improvement in price, a definite downward trend commenced towards the end of September and prices fell away to below Rs. 80 per tola, and we have been obliged to review every possible method of meeting the situation, particularly as costs continue to rise and recent legislation places more and more burdens upon the industry. It was these very recent dilemmas that caused me to take this opportunity to bring some of the facts before you. Any information which can be obtained as to the causes of fluctuations in gold price must be of assistance in framing policy.

An all-important factor to appreciate is that, even today, the price of gold in India is at a substantial premium over prices ruling in world markets, due, of course, to the Government's policy of import restrictions and the continued internal demand for gold in India. Though the internal position is all important and somewhat unique, the external position has an important bearing on the subject, with particular reference to the world free market price of gold.

Decline Due to Lack of Demand

The decline in gold prices in Bombay in the autumn of last year resulted from a lack of demand for gold and occurred without any crisis or obvious disturbing influence. This suggests that it might have been due to influences other than speculation, which, if lasting, would result in a long-term downward trend in prices, which in turn would have a fundamental effect on revenue, payable grade of ore, and the economics of the industry.

You may all be aware that, while America will buy gold at the fixed price of $35 per fine ounce, there is also a world free market for gold as indicated by quotations on the leading Continental centres. This world free market price regulates, to some extent, the level of gold prices in Bombay.

In the last two years, there has been a gradual but steady downward trend in the world free market price. At the beginning of 1953, the world free market price was $38; two years previously, it had been nearer $45. In November, 1953, it had dropped to $35, around which price it has remained since. This is the lowest free market price since the war. Much the same story comes from the other international centres in the Middle East and Far East, where prices have dropped back to their pre-Korean levels, and, in some cases, to even lower figures.

There is, therefore, now only a very small incentive to producers to sell their gold in the open markets, as the premium has almost disappeared. Fluctuations in prices are, of course, largely controlled by supply and demand.

World Gold Supply

At present, the world supply is very much greater than the demand so far as the free markets are concerned. Until very recently, that is, the end of 1953, some 700,000 to 800,000 ounces of newly mined gold were being produced and sold on the free markets every month. These figures were made up roughly as follows:

	Ounces
South Africa	400,000
Rhodesia	50,000
Australia	100,000
West Africa	70,000
East Africa, New Zealand	20,000
Canada	100,000
Colombia, Venezuela, etc.	40,000
Others	20,000
Total	800,000

(Continued on page 839)

*The Kolar Gold Field Mining and Metallurgical Society. This article is the presidential address recently delivered by the author to the Society.



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LLOYDS BANK LIMITED

(INCORPORATED IN ENGLAND)

BALANCE SHEET 31st DECEMBER, 1953.

LIABILITIES

Capital—			
AUTHORISED: £74,000,000			
in 14,500,000 "A" Shares of £5 each			
1,500,000 "B" Shares of £1 each			
ISSUED: £73,309,076			
in 14,372,956 "A" Shares of £5 each, £1 per share paid up		£14,372,956	
1,437,296 "B" Shares, converted into Stock		1,437,296	
			£15,810,252
Reserve Fund—			
Share Premium Account		1,143,683	
General Reserve		15,356,317	
			16,500,000
Profit and Loss Balance, as per Account below			555,780
			32,866,032
Current, Deposit and Other Accounts, including Contingency Accounts (Public Accounts secured as per Note III are also included)		1,203,038,832	
Balances in Account with Subsidiary Companies		1,351,577	
			1,204,390,409
Final Dividends, less Income-tax (subject to confirmation by the Members)			652,173
Notes in Circulation (Isle of Man) (see Note III)			9,238
Acceptances			3,158,741
Endorsements, Guarantees, and other Obligations			91,627,089
			£1,332,701,682

ASSETS

Cash, in hand, with Bank of England and Eastern Reserve Banks		£99,191,287	
Balances with, and Cheques in Course of Collection on, Other Banks in the United Kingdom and Ireland		57,073,648	
			£156,264,935
Money at Call and Short Notice			68,110,000
Balances with Banks Abroad			7,074,567
British Government Treasury Bills		234,600,000	
British Bills of Exchange		6,817,201	
Dominion, Colonial and Foreign Bills (including India, Pakistan and Burma Treasury Bills, £4,225,833)		5,738,647	
			247,155,848
Investments (see Notes I, II and III)—			
Securities of, or guaranteed by, the British Government		374,717,483	
Other Investments, including Securities of Dominion and Colonial Governments, British Public Boards and British Municipal Corporations	Quoted £3,508,949; Unquoted 6,828,941	10,337,890	
			410,055,373
Loans and Advances after deducting provision for Bad and Doubtful Accounts.		288,076,114	
Balances in Account with Subsidiary Companies		....	
			288,076,114
Items in Transit			18,526,564
			1,216,763,401
Trade Investments—			
Subsidiary Companies—			
The National Bank of Scotland Limited—			
Consolidated Capital Stock £4,897,320 (nominal), £1,077,410 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided profits		3,545,866	
Lloyds Bank Executor and Trustee Company (Channel Islands) Limited—			
100,000 Shares of £1 each, fully paid, at cost		100,000	
Nominee and Other Companies (written down to nil)		....	
		3,745,866	
Lloyds and National Provincial Foreign Bank Limited—			
12,000 Shares of £50 each, fully paid, at £50 per share		600,000	
Other Trade Investments at cost or under		3,773,436	
			8,119,302
NOTE.—There is a contingent liability for uncalled Capital in respect of a portion of these Investments.			
Other Assets and Accounts (including sundry Properties at cost, less amounts written off)			4,519,590
Bank Premises, at cost, less amounts written off			8,515,559
Liabilities of Customers for Acceptances, as per contra			3,158,741
Liabilities of Customers for Endorsements, Guarantees, and Other Obligations, as per contra			91,627,089
			£1,332,701,682

A. H. ENSOR, E. J. HILL, } Chief General Managers.

T. HARRIS, Chief Accountant.

BALFOUR OF BURLEIGH, Chairman.
OLIVER FRANKS, Deputy Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

Dr.

		Cr.	
To Interim Dividends, less Income-tax	£494,070	By Balance brought forward	£418,242
,, General Reserve	500,000	,, Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts out of which accounts full provision has been made for any diminution in value of assets	2,083,781
,, Reserve for Future Contingencies	300,000		
,, Final Dividends, less Income-tax (subject to confirmation by the Members)	652,173		
,, Balance to be carried forward	555,780		
NOTE.—Directors' Emoluments amounted to £70,589 (1952: £64,973), of which sum £6,471 (1952: £6,213) was paid to certain Directors by Subsidiary and other Companies.			
	£2,502,023		£2,502,023

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank as far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from Branches not visited by us.

We have satisfied ourselves as to the Cash, in hand, with Bank of England and Eastern Reserve Banks, the Balances with, and Cheques in course of collection on, other Banks in the United Kingdom and Ireland, the Balances with Banks abroad, and the Bills. We have also verified the correctness of the Money at Call and Short Notice and the securities representing the Investments of the Bank. We have examined the above Balance Sheet and Profit and Loss Account which are in agreement with the books of account at Head Office and certified returns from the Branches—the Eastern Branches accounts being brought in as at the 31st October, 1953. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required of banking companies by the Companies Act, 1948, and, on the basis authorised therein, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at the 31st December, 1953, and the Profit and Loss Account gives a true and fair view of the profit, ascertained in the manner therein indicated, for the year ended on that date.

In our opinion the group accounts (comprising the Balance Sheet and Profit and Loss Account of the Bank and the annexed accounts of The National Bank of Scotland Limited), have been properly prepared in accordance with the provisions of the Companies Act, 1948, applicable to banking companies and, on this basis, give a true and fair view respectively of the state of affairs and of the profit of Lloyds Bank Limited and its subsidiary dealt with by such group accounts so far as concerns members of Lloyds Bank Limited.

3 Frederick's Place, E.C. 2, 13th January, 1954.

PRICE WATERHOUSE & CO., Chartered Accountants.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES

	Rs. a. p.	Rs. a. p.
Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	22,67,187 8 0	
2½% Loan 1961 Rs. 23,00,000 at Rs. 99-11-0.		
Reserve Fund and other Reserves		Nil
Deposits and other Accounts—		
Short Deposits and Deposits at call	5,36,21,191 13 0	
Fixed Deposits	4,66,56,218 8 6	
Savings Bank Deposits	7,99,89,926 7 9	
Current Accounts, Contingency Accounts, etc.	19,47,72,852 9 2	
		37,50,40,550 6 5
Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	35,00,000 0 0	
(ii) Outside India	4,31,516 10 0	
		40,31,516 10 0
PARTICULARS—	Rs. a. p.	
(i) Secured by Central Government Securities per contra	....	
(ii) Unsecured	40,31,516 10 0	
	40,31,516 10 0	
Bills Payable		27,93,922 8 0
Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	1,90,66,734 7 8	
(ii) Payable outside India	86,10,463 6 4	
		2,76,77,197 13 7
Other Liabilities—		
Inter Branch Balances—Net—Head Office and Branches outside India	1,01,76,651 11 1	
Inter Branch Adjustments—Branches in India	23,51,870 12 6	
Staff Provident Fund	57,01,963 13 8	
		1,82,29,686 4 10
Acceptances, Endorsements and Other Obligations per contra		2,49,36,554 6 8
Contingent Liabilities—		
Liability on account of outstanding Forward Exchange Contracts	11,27,41,122 11 8	
Rs.	45,27,09,428 1 6	

PROPERTY AND ASSETS

	Rs. a. p.	Rs. a. p.
Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		3,12,95,915 0 2
Balances with Other Banks—		
Current Accounts—		
(i) In India	2,16,160 8 2	
(ii) Outside India	1,45,943 2 9	
		3,62,103 11 0
Money at Call and Short Notice		Nil
Investments—At or under Market Value—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (of which nominal value Rs. 7,16,10,400 are lodged as security for borrowings from other Banks and for other accounts)	19,91,25,568 15 3	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		19,91,25,568 15 3
Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.	
(i) In India	14,25,68,918 2 1	
(ii) Outside India	Nil	
	14,25,68,918 2 1	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	50,72,407 15 8	
(ii) Payable outside India	1,90,52,214 6 9	
	2,41,24,622 6 5	
PARTICULARS OF ADVANCES—		16,66,93,540 8 6
(i) Debts considered good in respect of which the Banking Company is fully secured	8,69,18,688 13 1	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,52,97,030 6 5	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	5,44,77,821 5 0	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	16,66,93,540 8 6	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,47,926 4 5	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or Managing Agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,77,377 0 0	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	1,26,77,652 0 4	
Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	1,90,66,734 7 8	
(ii) Payable outside India	86,10,463 6 4	
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		2,76,77,197 13 7
Premises Less Depreciation—		2,49,36,554 6 8
Original Cost		
LESS—Depreciation	9,73,245 15 0	
	41,156 0 0	
Furniture and Fixtures Less Depreciation		9,32,089 15 0
Other Assets, including Silver—		Nil
Interest, Exchange, Commission, Discount and Expenses (No adjustments made as at 31st December, 1953, for the two months, November and December for accrued Interest and Exchange receivable and payable and Commission receivable)		16,86,457 11 4
Non-Banking Assets Acquired in Satisfaction of Claims		Nil
		Rs. 45,27,09,428 1 6

W. T. C. PARKER,
General Manager (Eastern Branches).

(Concluded in next page)

GOLD AND ITS PRICE

(Concluded from page 837)

Of this total, half, namely, 400,000 ounces per month, came from South Africa. About 200,000 ounces of this monthly supply went to Beirut and are believed to have eventually found their way by smuggling into India and Pakistan. About 200,000 ounces went to Indo-China, Malaya and Indonesia, etc. That left between 300,000 and 400,000 ounces per month. In the past, this would have been readily absorbed by France and China. Now these two, until recent years steady buyers of gold, have ceased to buy.

Since 1927, France has been buying gold at the rate of 300,000 ounces every month. It is interesting to note that all this vast quantity of gold has been smuggled into France, since, like India, the import of gold into France is prohibited. A fair proportion of this is believed to have entered France officially under licence to export and then has come back in smuggled form.

In spite of the weakness of the franc and the inherent policy of French people to have their wealth in foreign investments or gold, the demand for gold has fallen right off. French trade has been particularly bad, inflation is ever increasing and the costs of living have soared. The French people, far from buying gold, are obliged to sell it. Public interest in gold in Paris has virtually disappeared. The international situation and its improvement has lessened the need to hoard gold as a hedge against international conflicts. The reform of the inheritance tax in France removed a further reason for Frenchmen to buy gold.

China, which in the past has been a regular buyer of large quantities of gold, has, under Communist rule, ceased to be a purchaser. The punishment on conviction for purchasing or hoarding gold in China today is death. Thus these two important buyers of gold for so many years past are now out of the picture.

A further and very real cause of the recent depression in free market prices is that Russia has recently been selling gold in very large quantities, apparently in order to provide herself with foreign currency with which to buy consumer goods. Some 100 tons of gold have been sold by Russia during the latter part of 1953 and early 1954. The sale of such huge quantities, though of great benefit to Great Britain, which is believed to have purchased a large share of this gold, which results virtually in exports to the U.S.A. of this value, has caused a further setback in the free market price and has been the principal reason for the virtual disappearance of the premium in the free markets. Both South Africa and Australia have ceased selling any portion of their production in the free markets.

World Official Price of Gold

Much speculation in the past regarding the world official gold quotation of $35.00 per ounce came from people who were counting on a change in the American Treasury view towards the official price of gold. In recent months, hopes have waned and, in well-informed circles, the view is held that a change in America's buying price is not even in sight, though opinions are firmly held that one day it must come, but not until at least two years after a slump in American trade. Though a recession has already begun, it is not yet anything approaching a slump. A further point to be borne in mind is that it is a difficult procedure to bring about any such change as it has to go before Congress, where, as at present constituted, it will always meet with much opposition.

On the side of the need for an enhancement in the official world price has been Mr. H. C. Havenga, the South African Minister of Finance, who has on more than one occasion put his country's case before the annual meetings of the International Monetary Fund. In September, 1952, he urged strongly both a higher U.S. price for gold and a return by member countries to an International Gold Standard—the former to enable the revaluation of central reserves at a higher figure in order to further a return to convertibility and also to stimulate trade between the United States and the non-dollar countries; the latter to check inflationary policies and to promote the smooth running of trade and payments. His point was that the alternative was that exchange restrictions and discrimination in international trade might have to be accepted as permanent features of the modern world. His appeal for a higher U.S. gold price was supported by Australia.

The future of free market gold prices is, therefore, somewhat gloomy and there is no immediate reason in sight which might be expected to cause it to improve. Should the French decide to devalue the franc—quite a possibility—gold prices might rise due to a temporary demand for gold, but it would only be temporary. Conditions in France do not lend themselves to the hope of an early return of France as an important purchaser of gold. With France and China both out of the picture, the regular and basic demands for monthly newly mined gold has suffered a severe blow. Should Russia cease selling the price, would probably improve. At present there is no indication that America will cease to purchase gold in such quantities as may be offered at $35 per ounce, in which case the price can fall only fractionally below that figure. The welcome reopening of the London gold market is unlikely to have any immediate effect on free market gold prices.

The Price Of Gold In India

The price of gold in Bombay, as in world markets, is also controlled by supply and demand. The demand for gold by India has been consistent and regular over a long period of years, and India has been virtually a bottomless pit into which gold has not ceased to pour. Hardly an ounce of gold has come out of India since 1941. The demand is mainly one of hoarding through uncountry purchasers throughout the length and breadth of this vast country. The Indian's inherent confidence in the yellow metal as a medium of investment of savings and wealth, the necessity of customary purchase of gold as dowries for marriages, and speculative buying are causes of demand. Demand is, of course, affected by seasonal rains, trade recessions, famine and such like, together with inflationary and monetary confidence—causes similar to those applicable in markets elsewhere.

Gold is consumed in the form of ornaments and small bars (one, five and ten tolas). There are at least half-a-dozen brands in vogue. Gold is first bought by wholesalers in Bombay and then sold to upcountry clients in big lots or smaller pieces.

The supply is made up of smuggled gold, newly mined gold and a certain amount of dishoarding. The daily offtake in the Bombay ready market is said to average about 10,000 to 12,000 tolas during the season (October to May, and half that during the off-season (June to September).

I have already mentioned that, owing to restrictions on import and export of gold, and the demand being consistently more than the supply, the price in Bombay rules higher than the world free price, and hence India becomes attractive to smugglers. It is alleged that gold is usually smuggled in from Kuwait via Goa and Pondicherry and in *dhows* (country boats) along the coast. It is said that the gold is bought in Kuwait from the international markets, Switzerland, France, Hong Kong, Macao and Bangkok, against dollars. It is believed that 20,000 to 25,000 tolas come into the Bombay bullion ready market per week, though this varies greatly. I have heard it from a reliable source that between 1½ and 1¾ million ounces are smuggled into India annually. However, these figures must be regarded with reserve.

The fact that world markets have become overloaded with gold makes supplies much more freely available for smuggling from the Middle East than they were in the past. Not very long ago it was difficult to come by and the quantities which could be obtained in Kuwait were limited. Now supplies are more than ample. The depression in world free markets makes the premium in Bombay attractive, even though less profitable, but, owing to the easy availability of gold, a smaller profit on larger parcels is attractive to smugglers.

Present prices still allow a margin of profit for the smuggler. Opinions differ as to the requisite profit wanted by the smuggler, and the cost of it. The actual cost of smuggling is rated at 10 per cent., with a profit of 10 per cent. to cover risks of confiscation. At $36 per ounce, the price is Rs. 64 per tola. If about 10 per cent. to this is added to the cost of getting it to Bombay, that is Rs. 70, plus about 10 per cent. profit, the price at which it is attractive is between Rs. 76 and Rs. 80 per tola in Bombay. This price is, of course, controlled by the free market price which controls the dollar purchasing price in the Middle East. These figures are, however, pure conjecture and are obtained from various opinions expressed in authoritative circles.

Active steps are being taken by the Government of India to check smuggling of gold and to restrict channels through which dollars required to pay for gold smuggled from the Middle East can be obtained, and we have read in the Press from time to time of substantial confiscations of smuggled gold. But, with such a huge coastline, it is not easy to prevent gold coming in. In fact, the prevention of smuggling is so complex that even the active steps being taken are believed to be only partially effective.

Future Trend Of Gold Prices

To conclude my remarks, you may expect me to make some reference to the possible future trend of prices in India on which the prosperity of the Kolar Gold Field so largely depends. It is, however, most difficult to make any such forecast, for, there are so many factors involved which can change prices overnight. The facts which I have recounted give only a bare picture of some of the aspects.

The fundamental factor of the world free gold market depression and its causes to which I have referred is undoubtedly one of the causes of the lowering of gold prices in India from those ruling not so long ago. Disregarding seasonal and other fluctuations, there is, therefore, no foreseeable reason for expecting the general level of prices in India to rise greatly in the near future. Should there be a deterioration of international relations, a slump in America with an eventual raising of the dollar price some two years later, or a revival of purchasing of gold by France, the position would, of course, change.

In India itself, inflationary tendencies, trade recessions, failure of crops, etc., make money short, and cause buyers to become sellers as in early and late 1952, and October, 1953. These setbacks are likely to occur from time to time. Smuggled gold is, we believe, readily available and finds its way into the Bombay market in large quantities to form a damper on any flare up which may take place. Only in the monsoon months when *dhows* cannot put out to sea is the supply cut off, unless and until prices sink below the price at which smuggling becomes unattractive or if preventive steps by Government prove to be more effective.

However, there are the favourable factors. From an examination of the trend of prices over the past two years, one can note the seasonal changes when demand is good—in the early part of the year when the marriage season is in full swing, and usually during the summer months when the monsoon is on—to be followed by falling prices from October onwards when the smuggling season is believed to be at its height. The excellent rains of last autumn have resulted in good crops and so the demand has been quite brisk of late.

Again, on the better side, is the Government of India Five-year Plan which allows for the expenditure of Rs. 700 crores on industrialisation in the next two and a half years. With so much money circulating and with such a stimulus to employment, even if achieved to only a partial extent, the demand for gold must undoubtedly be assisted. I hope and believe that the Indian's faith in gold will never fail and that, in spite of generally lower prices for some time to come and fluctuations from time to time, but subject always to Government legislation, prices in the future will be such that the Kolar Gold Field Companies can continue to operate profitably.

LLOYDS BANK LIMITED—*(Continued)*

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 33 OF THE BANKING COMPANIES ACT, 1949.

We report that we have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited, dated 31st December, 1953, and above set forth and the annexed Profit and Loss Account for the year ended 31st October, 1953, with the books and accounts as kept at the General Manager's (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the Indian Branches and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of the Bank's Indian Branches' affairs according to the best of our information and the explanations given to us and as shown by the books at Calcutta and the certified returns from the Branches. In our opinion books of account have been kept as required by law.

PRICE WATERHOUSE & CO., Chartered Accountants.

CALCUTTA, 15th March, 1954.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1953.

EXPENDITURE	Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
To Interest paid on Deposits, Borrowings, etc.	37,64,536 9 10	By Interest and Discount	1,26,36,595 7 2
,, Salaries and Allowances and Provident Fund (includes General Manager (Eastern Branches) Rs. 91,074)	72,57,995 8 9	,, Commission, Exchange and Brokerage	54,63,229 11 1
,, Directors' and Local Committee Members' Fees and Allowances	....	,, Rents	13,680 0 0
,, Rent, Taxes, Insurance, Lighting, etc.	5,40,448 6 7	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	2,078 2 0
,, Law Charges	92,805 9 3	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....
,, Postage, Telegrams and Stamps	1,32,169 3 1	,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....
,, Auditors' Fees	10,000 0 0	,, Other Receipts	....
,, Depreciation on and Repairs to the Banking Company's Property	4,21,135 0 2	,, Loss	....
,, Stationery, Printing, Advertisement, etc.	4,28,973 1 0		
,, Loss from Sale of or Dealing with Non-Banking Assets	....		
,, Other Expenditure (including proportion of Head Office Expenditure)	8,11,577 15 8		
,, Balance of Profit (subject to Indian Income-tax and Super-tax)	26,55,911 13 11		
	Rs. 1,61,15,583 4 3		1,61,15,583 4 3

W. T. C. PARKER,
General Manager (Eastern Branches).

THE ASHOK MOTORS LTD.

CHAIRMAN'S SPEECH AT ANNUAL MEETING

HEAVY COMMERCIAL VEHICLES TO BE MANUFACTURED

ADDRESSING the ordinary shareholders of the Ashok Motors Ltd., at their Fifth Ordinary General Meeting which was held on 24th April, 1954, at the Registered Office of the Company at Ennore, Madras, Mr. S. R. Y. Sivarama Prasad Bahadur, Rajah of Challapalli, who presided at the meeting, said:

"I extend to you a warm welcome on the occasion of the Fifth Annual General Meeting of your Company.

"On the 12th of December, 1953, Mr. Raghunandan Saran, who was the Director-in-charge of this Company, while returning from Delhi to Madras, met with an untimely death in the tragic air crash. He was one of the original promoters of the Company and the Company has lost a sincere and loyal friend and an upright and efficient administrator and a gifted and selfless industrialist, who had the national interest foremost in his heart.

"The Director's Report and statement of accounts for the period ended 31st December, 1953, is before you and, with your permission, I shall take them as read. I would, however, like to draw your attention to the marked fall in the sales turnover and profits during the year. This is solely due to the delay in the issue of import licence, resulting in the shut-down of the works for nearly four months and the persistent and concerted go-slow policy adopted by the hourly rated workers for a period of eight months in the year. The workers involved in such go-slow tactics were strongly condemned by the Industrial Tribunal, Madras. In consequence, the sales turnover during the year dropped to about Rs. 1,25,00,000, as against approximately Rs. 1,45,00,000 in the previous year. The Company had provided depreciation to the maximum permissible rate on fixed assets amounting to Rs. 2,20,013-12-0 and, after making this provision, a sum of Rs. 4,48,437-11-6 is available for appropriation on dividends and payment of income-tax, super-tax, etc.

Long-term Planning

"During the year under review, the report on the automobile industry by the Tariff Commission was released on 25th April, 1953. Our comprehensive manufacturing programme to the Government for the progressive manufacture of Leyland commercial vehicles had been approved by the Government of India and intimated to us by their communication dated 1st March, 1954. Our principals, Messrs. Leyland Motors Ltd., Leyland, U.K., have come forward generously with financial and technical assistance to implement the progressive manufacturing scheme and, with their active participation, we can confidently foresee a very bright future for this Company, which would permit the Company to function as a full-fledged manufacturing concern. Now that the Government decision has been released, we can henceforward embark on a long-term planning and this would help to implement the phased progressive manufacturing scheme of the heavy commercial vehicles.

Demand for Vehicles

"Leyland is a well-known product which has stood the test of all trials and have proved successful in operation by the various transport organisations in this country, as also in the rest of the world. The Leyland diesel chassis is well known for its sturdy construction, dependability and low cost of operation. Ever since we took over the distribution of Leyland products in this country, the demand has been steadily on the increase and, all along, it was a question of the demand exceeding the supply, as our principals could not fulfil the various orders in view of the world-wide demand for their products. Once we start manufacturing the Leyland vehicles here, this problem would be solved to a very great extent and we will be in a position to meet the requirements of all the transport organisations. The demand for vehicles is likely to be more in view of the development of road transport in the Five-year Plan.

"In accordance with the agreement reached with our principals, Messrs. Leyland Motors Ltd., with a view to implementing the manufacturing programme, your directors and our principals have considered it necessary to terminate the Managing Agency Agreement and to make the Company Director-controlled. To give effect to the manufacturing programme, it is necessary to raise further capital and our principals, Messrs. Leyland Motors Ltd., have agreed to participate financially in the capital structure of the Company and, to match their capital, it will be necessary to raise capital from Indian sources to an equal extent.

Financial Results

"Here, I may point out that the Company is being run very economically without loss of efficiency, so much so a dividend of 5 per cent. per annum, free of income-tax right from the inception of the Company had been declared to the shareholders to date. To illustrate the healthy position of the Company, it will be pertinent to point out that, out of the total block of fixed assets acquired at the original cost of Rs. 34,40,000, depreciation upto 31st December, 1953 of Rs. 18,09,000 had been provided for. This is in addition to the reserve for replacement of machinery and equipment of Rs. 1,50,000 already created. I wish to bring out another salient point of the accounts of this Company, namely, as against the paid-up share capital of Rs. 54,56,500, the total resources of the Company are in the region of Rs. 84,40,000. This will go to highlight the sound state of affairs of the Company.

"We can be proud of the performance and we are confident we will be able to improve in the future, owing to the active participation in our Company by our principals, Messrs. Leyland Motors Ltd., U.K. I would, therefore, appeal to you to invest in a larger measure in this Company to make the manufacturing programme a success.

"I now move that the Directors' Report and the audited accounts be and are hereby approved and adopted."

The accounts and balance-sheet as at 31st December, 1953 were approved and adopted, and a dividend of 5 per cent. per annum, free of income-tax on 'A' and 'B' class shares of the Company for the year ended 31st December, 1953, as recommended by the Directors, was declared.

(Concluded from next column)

be used to support the Communist war machine, perhaps in aggressive moves against other Asian nations.

It would mean, too, the loss of Indo-Chinese trade for the rest of South-East Asia and other parts of the world. The availability of rice, for instance, so badly needed by Indonesia, Malaya and other rice-deficit nations to feed their growing populations, would be drastically reduced as one-third of the "rice bowl" would be taken from normal trade channels. Moreover, some $40 million of Indo-Chinese trade each year is with other countries of Asia and the Far East. Much of this trade would be lost to them, or would be subject to Communist political direction.

The rest of the free world, too, would find an important source of trade all but cut off. Indo-China's exportable surpluses of a number of important materials would no longer be available in world markets as in the past, and the people of the Associated States would no longer be in a position to obtain from the free nations the quantities of goods they need for their economic development.

Most important, perhaps, all of South and South-East Asia would then lie exposed to the aggressive designs of Communist imperialism. In this area are to be found the bulk of the world's supplies of such materials as tin, rubber, copra, and rice, and much of its oil, bauxite, manganese, tungsten, jute and other commodities. But more than this, supplies of raw materials would be placed in jeopardy. The nations of Asia and the Far East have been making considerable progress in speeding their economic development. Loss of Indo-China, with its increased threat of Communist infiltration and domination throughout the region, would dim the prospects for further development and perhaps nullify the progress that has already been made.

ECONOMIC POSITION OF INDO-CHINA

PROSPECTS FOR INDUSTRIAL DEVELOPMENT ENCOURAGING

INDO-CHINA, the geographical area that includes the Associated States of Viet Nam, Cambodia and Laos, is a land of varied and rich resources, with an outstanding potential for economic development. Its 27 million people live in a total area of about 286,000 square miles —about twice the size of the British Isles and one-third larger than France. They earn their livelihood principally from agriculture.

Rice is the main crop, covering about five of the six million hectares of cultivated land. Rice comprises 90 per cent. of the average diet. Before World War II, it accounted for 35 per cent. of the area's export trade. The Communist-led aggression in Indo-China, following the widespread dislocation caused by World War II, has disrupted the area's efforts to restore its rice trade. The Governments of the Associated States have made good progress in this direction, with output now running close to the pre-war average of about 6.5 million tons a year. But exports from Indo-China, principally from Viet Nam and Cambodia, have been only about 20 per cent. of the pre-war average of 1.3 million tons a year. Indo-China, Burma and Thailand together make up the so-called "rice bowl" of Asia. Supplies from these lands account for nearly three-fourths of world exports, and are indispensable for meeting the needs of the growing populations of other Asian and Far Eastern nations.

Rubber is the great plantation crop of Indo-China. The plantations centre round Saigon in Viet Nam and extend to Cambodia. Output has been brought back to levels close to the pre-war average of 60,000 tons a year, although many of the plantations still must function as virtual armed camps, because of the Viet Minh harrassment. While Indo-Chinese rubber production makes up little more than two per cent. of the world total, it accounts for more than one-third of the export trade of the Associated States.

The other important Indo-Chinese crops are cotton, corn, coffee, tea, sugar and pepper, the latter being an important item on the world market. The vast fish resources of the great Lake of Cambodia and the forests of ebony, mahogany, cinnamon and cinchona—from which quinine is produced—are also important to the economy of Indo-China.

Mineral Resources

In addition, Indo-China has significant reserves of tin, iron, tungsten, manganese and zinc. It also has exceptionally rich sources of water power, with the Red River in the north and the Mekong in the south. With many of its resources still not being utilised fully, and others barely tapped, Indo-China has before it an encouraging prospect for industrial development.

Indo-China also has the fundamentals of an excellent transportation system. But this, too, has been affected by the Viet Minh Communist attacks. The 22,000 miles of roads and 2,100 miles of railroads which existed before World War II have been reduced considerably by direct damage and by Communist sabotage.

Today, because of the Communist disruption of Indo-China's economy, the Associated States have one of the most unfavourable trade balances in the world. Indo-China now buys about three times as much as it sells, whereas, before World War II, its annual trade often was in balance and even showed an export surplus. Indo-Chinese exports have fallen from a pre-war level of about $100 million a year to about $70 million a year. With much of the area's resources devoted to the struggle against Communist aggression and not available to sustain normal economic activity, imports from other parts of the world have climbed. Most economists believe that restoration of internal security would lead to quick resumption of normal activity and trade. It also would permit the people of the Associated States to step up their efforts towards greater industrial and agricultural development of their countries.

If Indo-China were to fall under complete Communist domination, the economic impact on the Far East and other parts of the world could not be overestimated. Most obviously, such a development would lead to exploitation of Indo-Chinese resources for Communist ends. Rice, corn, fish and other foodstuffs would be siphoned off to feed the hungry peoples of the Chinese mainland and other Communist countries. Rubber, tin, coal and other raw materials would

(Continued in previous column)

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		60,06,750
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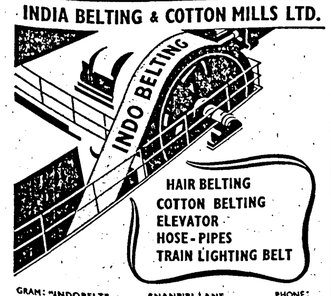

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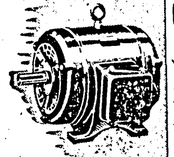
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INDIAN ALUMINIUM COMPANY, LIMITED

MR. K. C. MAHINDRA'S ADDRESS AT SIXTEENTH ANNUAL MEETING

PLAN AND STRUCTURE OF PROTECTION NEEDS REVISION

ADDRESSING the Sixteenth Annual General Meeting of the Indian Aluminium Co., Ltd., held at Calcutta on Friday, 23rd April, 1954, Mr. K. C. Mahindra, Chairman of the Company, confidently stated that the aluminium industry would be able to exchange this year the crutches of a high protective duty to a small cane. Now that the feasibility of production of primary aluminium in India had been proven, the "plan and structure of protection" for this essential industry, Mr. Mahindra declared, needed revision. He emphasised, in this connection, the vital importance of designing the fiscal policies in respect of aluminium in such a way as to provide direct incentives for expansion in demand, and not merely to generate conditions for instituting production of the primary ingot. Referring to his own company, he made it clear that they would seek no special advantage but only welcome a tariff policy which would ensure the long-term stability and progress of the industry.

The following is the full text of Mr. Mahindra's speech at the meeting:

"GENTLEMEN,

"The audited accounts of the Company for the year ended 31st December, 1953, and the accompanying Directors' Report have been circulated.

"The reasons for the unfavourable results shown in the accounts for the past year have been fully stated in the Directors' Report and I do not propose to go over the same ground. I would like, however, to comment briefly upon how I view the Company's position in the light of current developments and give some perspective to the future.

"The fortunes of companies, like those of individuals, are influenced by the environment in which they live and operate. The prosperity of the Indian aluminium industry has so far largely revolved around the utensil market, which is a market particularly sensitive to general economic conditions prevailing in the country. The income of the average consumer is so small that even a slight rise in the price of food causes a considerable reduction in the purchases of less essential articles. During the first eight months of last year, food prices increased by 18 per cent. and, as the cost of living rose, consumption levels declined. However, during the last four months of the year, prices started to decline from the peak reached in August, following the good harvest in that season, and, as the year closed, business was improving and there were signs of revived confidence in the economy.

Competition from Scrap Rollers

"Coupled with the recession in demand for aluminium was the increased competition experienced from the scrap rollers. The two main rollers who produce their own virgin metal are at a serious disadvantage in this competition, as compared to the numerous opportunists rolling scrap on a small scale without regard to quality. So-called surplus profits from our rolling mills are expected to subsidise the return on our smelting enterprises. Unfortunately, there just are not enough profits to do this, as you painfully are aware.

"These events have told their lesson. We still have an uphill task before us, but the worst, I believe, is now over. Although the utensil market is once again active, we do not propose to relax our efforts to increase our outlets, diversify our products and find new markets. Our production and selling rate of rolled products is now double the average rate during 1953 and, while the major portion of it is still destined for the utensil market, an increasing proportion is for industrial applications.

"An interesting commercial prospect is opened up in the possibilities of export to the neighbouring countries in Africa, the Middle East and Asia. During the last session of Parliament, an act was passed which aims at encouraging India's export trade by allowing a drawback of duty paid on raw material imported from abroad for use in the manufacture of articles for export. This act applies to aluminium manufacture also; we should be able to secure a substantial part of the business by rolling aluminium sheets and circles from imported ingot for use in utensils for export to various long-established markets outside India. This, however, would only provide an outlet for our rolled products. We should create the conditions under which export needs can be met, not from imported ingot, but from indigenous metal, so that the markets for Indian manufactures abroad will not be limited only to utensils but extend to other fabricated products.

Uses of Aluminium

"In my address to you last year, I dwelt at length on the numerous new uses being developed for aluminium which form the basis of the remarkable increase in world production of the metal to its present level of about 2 million tons and of the plans for its further expansion. As a recent United Nations report has pointed out, aluminium production has increased by 10 per cent. per year since the beginning of the century, or, in other words, output has doubled every seven years. At this rate, world production of primary aluminium should reach 4 million tons by 1960 and there is every reason to expect it to continue growing at a rapid rate for many decades to come. In America and Europe, a large part of the increase in aluminium has been as a replacement for other non-ferrous metals, but about half the total consumption is for uses in direct competition with steel. It should, however, be remembered that the world production of aluminium constitutes hardly 3 per cent. of the world output of steel and is not expected to increase to more than 5 per cent. by 1960. Aluminium is now being increasingly employed in rail and road transport, civil and mechanical engineering, shipbuilding, household equipment and packaging. Most of the steel so far displaced by aluminium has been in the form of sheets, where aluminium production is 4 per cent. of world production of thin steel flat products on a volume basis, as compared with only 1 to 1½ per cent. in the case of tubes, light structural shapes, castings and forgings. Aluminium is thus proving a more suitable metal than other non-ferrous metals and steel in ever-widening fields of application.

"The resources of copper, lead and zinc in India are limited and about Rs. 14 crores are being spent annually on imports of these metals to meet requirements. Steel supplies also are inadequate and only about 2 million tons of finished steel are expected to be available from internal sources by 1957, as compared with the estimated requirements of about 3 million tons. With the upsurge of industrial activity, there is going to be a growing demand for both ferrous and non-ferrous metals in India. While, for certain industrial uses in the West, aluminium may compete with steel, in India, for many many years to come, aluminium and steel will play supplementary roles in providing the necessary basic materials for industrial development.

Lower Prices and Better Quality

"In the face of these needs and possibilities, it is somewhat surprising to find the scepticism with which even some responsible persons view the proposed expansion of aluminium production in India to 20,000 tons per annum of primary metal by 1957. What answer am I to give to such scepticism? I would say that there is certainly no hope of developing the indigenous aluminium industry so long as it is confined to small production units with a high-cost and high-price structure and serving a restricted market. Ours is a poor country and we, particularly, must rely upon a low-cost and low-price economy. Whether it is aluminium for utensils for the villager or aluminium for industrial applications, markets will only be won and held by lowering costs and prices, while, at the same time, maintaining high quality and rendering better service to the customers than is provided by sellers of competing materials.

"Writing 'Aluminium *versus* Rest,' Oscar R. Hobson, the doyen of city editors of the U.K. dailies, had this to say in the *News Chronicle* of London: '... but demand is necessarily dependent upon price and, if aluminium is to seize the vast opportunities laid before it by science it will need to be cheaper. Not much cheaper, perhaps, as its advantages seem to be so great that a small reduction in its price would probably lead to a very great increase in its use. Until such a reduction in price occurs, aluminium will probably not make very much more headway, as manufacturers feel that, at twice the price of steel, most of its advantages are outweighed. The future of aluminium is thus now solely a matter of price.'

Higher Production

"An appreciable reduction in costs can only be achieved by increased production. The expansions of the smelter at Alupuram and the rolling mills at Belur are expected to be completed by the middle of this year and we look, as a result, for a satisfying improvement in production costs. In the case of the smelter, it is something we have been waiting for since 1947; now for the first time we shall be making full use of our investment in bauxite mines, alumina recovery, and smelting. It would be pleasant to speculate on the fortunes of this Company had we been supplied with full power in mid-1947 as contracted for. Such speculation is not profitable; indulgence in recrimination never is. Our faith and patience have been rewarded, which strengthens us for the next big task we face, namely, a new modern large smelter at Hirakud.

"As you know, we have been licensed to build a smelter at Hirakud with an initial capacity of 10,000 tons and capable of easy expansion to 20,000 tons. In conjunction with our Canadian consulting engineers, we have gone as far as is practicable with this project; before we go any further, however, we must be satisfied of the date on which our requirements of firm continuous electric power will be available. The question of financing is prominently before us, but, in view of its complexity and the general investment climate it does not admit of an easy solution.

Merits of Rationalisation

"May I at this stage avail myself of the privilege of expressing my personal views on topics of more general interest? We have lately had a series of controversial disquisitions on the merits of 'rationalisation.' It appears strange, indeed, that none of the disputants seems to have bothered to find out what rationalisation actually means. Admittedly, there is no Hindi equivalent of this word. I turn, therefore, to the Oxford Dictionary where *'to rationalise'* is '(Econ.) to reform an industry by making production balance consumption and by co-operation of rival industries and of capital and labour, when *rationalisation.*' In the text of this definition are to be found answers to the many ill-inspired criticisms. Do we not, by continuous process of adjustment day in day out, bring our actions into conformity with reason? Do we not, each one of us, attempt to get the most out of our activities by a more efficient handling of our time, our tools, and our talents? It appears to me that the present controversy over rationalisation is an overflow of the talk on employment which engaged our Press and platform a few months ago. Our politicians and trade union leaders, who so dearly love to talk in platitudes, have not stopped to think of the implications and nuances of basic employment which is only a reflection of the problem of population in this country. It is disheartening to observe that the outstanding publication of the last few years has remained comparatively unnoticed by the Press, by the legislators, by the politicians, and even by our statesmen. I refer here to Mr. R. A. Gopalaswami's very able exposition of this problem in *Census of India*, 1951. The ultimate meaning of much of our recent history and present problems is to be found in this report.

"Rather less than 20 per cent. of the earth's surface is suitable for crop cultivation and, of this area, approximately half lies in the tropical zone. It is on this 20 per-cent. of the earth's surface that the great bulk of the world's population is at present concentrated. In Asia, already dense populations press constantly upon the limits of subsistence and have perhaps been kept in check, and only just, by harsh natural controls of famine, war, pestilence and natural calamities. In Eastern Europe and agricultural Asia, cycles of population increase have been started which are now difficult to arrest. The

(*Continued on page 863*)

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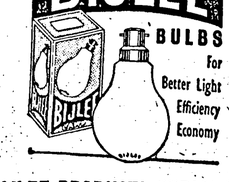

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DEVELOPMENT OF INDIAN INDUSTRIES

VIEWS OF MR. KARAMCHAND THAPAR

IF India were to forge ahead in the industrial field, the Centre and the States should take steps to create an atmosphere that would encourage investment in the private sector. This in brief was the substance of the presidential address of Lala Karamchand Thapar at the annual general meeting of the Indian Chamber of Commerce, Calcutta, held last week. Mr. Thapar was highly critical of the impression prevailing in certain circles that the existence of profit motive was an undesirable instinct. He expressed concern at the spate of legislation affecting the industry, introduced by the powers-that-be partly in their anxiety to better the lot of labour, partly to have control over the irresponsible sections of business men and partly to gather as much revenue as possible in utter disregard of their ill-effects on the growth of industries.

Mr. Thapar prefaced his speech with a review of economic conditions in 1953. He admitted that the year 1953 recorded progress on all fronts. There was generally a marked increase in industrial production over a wide field. The index of industrial production touched a figure of 135 in 1953, as against 128.9 in 1952 and 117.2 in 1951 and 105.0 in 1950. Not only this, the production in some industries, namely, cement and cloth, recorded new highs. The index for cement production rose from 207.2 in 1952 to 245.1 in 1953 and that for cloth output from 117.7 to 125.1. Although the picture presented thus was encouraging, Mr. Thapar held that it still left a lot to be desired, because the general standard of living in India was too low as compared with the U.K., the U.S. or Canada. He asserted, and rightly, that an improvement in the standard could be achieved not by a simple transfer of existing wealth from the relatively rich to the relatively poor, but by raising the total national dividend. After all, the number of those who could be regarded as rich is a fraction of the population and, even if all their wealth is distributed among the have-nots, it will not make any significant improvement in the lot of the poor.

The standard of living is dependent chiefly, among others, on the quantum of industrial output. The increase in industrial production is possible only when capital, especially risk capital, flows freely into the private sector. And this can be had only when capital is assured of a fair return, which, in turn, is dependent on the quantum of profit.

Profit Motive

There is, however, a feeling among some that the very instinct of making profit is undesirable and, therefore, should be deprecated. Alluding to this aspect, Mr. Thapar observed as follows:

"Whatever the organisation of society and industrial management, profits must accrue; otherwise all economic advance would come to a halt. Profits are, no more and no less than the reward for the risks taken and borne by the investing classes and the *entrepreneur*. We, who manage industries, are only the trustees of the investing classes and it is a social duty cast on us to see that they get the reward for their waiting and for the risks they take in industrial enterprises. The concept of a Welfare State connotes welfare of all and I do not think that the idea of earning profits, which is the source of further effort and investment, is inconsistent with this concept which concerns itself not only with distribution, but production of wealth as well, which must increase in the interest of the nation. Industrial organisation is a delicate mechanism, the intricacies of which it is well to understand. If the true role of the investor and the *entrepreneur* and their services to the community are properly appreciated, much of the unwarranted criticism that is at present levied would disappear. It is such an atmosphere that is needed for the healthy growth of the country's economy. If the *entrepreneur* is given adequate incentive and encouragement, I am sure, he will help raise the national income and build up the country rapidly. And it is this more production that alone can translate into reality the dreams of a Welfare State."

That apart, there are a number of other factors which are adversely affecting the development of industries. They are, according to Mr. Thapar, high taxation, restrictions on investment and the spate of labour laws. How these have been retarding the growth of industries will be clear from the following extract from Mr. Thapar's speech:

"High taxation, both corporate and individual at all levels—local, provincial and Central—have discouraged savings and investments. Besides, a number of Government regulations canalising investment into particular fields, for instance, the investing of certain types of funds in Government securities, investment by insurance companies and the like, have diverted large funds away from industries. Then, the industrial enterprises are saddled with heavy burden of labour welfare measures, such as industrial housing which locks up large funds of industry. As a result, capital formation is inadequate and slow. The anxiety about capital formation, therefore, has become indeed great and universal. It is too obvious that, if the Exchequer, on the one hand, and the labour on the other, were to continue to milk the industry's earnings for stimulating consumption and not of further production, the entire basis of our economy would be shattered. The industry, if it has to play its part in the furtherance of industrial growth of the country, has a right to ask for easing of its unbearable burden, the tax burden in particular."

Thus, it is evident that inadequate savings, and the consequent poor rate of capital formation, are the major obstacles to the growth of industry. There is also one more factor which is restricting the quantum of funds available for investment in the private sector. This is, according to Mr. Thapar, Government borrowing. He suggested that the Government should keep in view the needs of private industry when they enter the capital market.

Another suggestion which Mr. Thapar made in regard to the provision of more finance to development of industries related to reorientation of the banking policy in the country. He suggested that the Reserve Bank, the Industrial Finance Corporation and the commercial banking system should evolve a suitable scheme for enabling commercial banks to lend funds for long-term needs. He pointed out, in this connection, how, in the U.S., the commercial banks regarded two-year and three-year loans for equipment as consistent with good banking practice. The I.M.F. Mission, which visited this country last year, also recommended that the Reserve Bank of India should study this problem so that commercial banks might be enabled to utilise their idle resources in providing finance to industry. Another important recommendation made by the Mission related to the fact that the Industrial Finance Corporation should collaborate with commercial banks in making industrial loans. Referring to the short-term needs of finance, Mr. Thapar suggested that the Government could help industries by expediting payment of their bills, and by making advance payments in case of large orders, which require a long time for processing and involved considerable investment.

Company Law Reform

Mr. Thapar made a pointed reference to the significant part played by joint stock enterprises and the managing agency system. He regretted, however, that interference by the Government in the day-to-day working of companies had hindered its smooth working. The Government, he said, had sought to interfere even in the determination of flotations, in the fixation of rate of interest for debentures and preference shares, in the fixation of remuneration to directors, in the determination of the number of directors, etc.

Mr. Thapar also referred to the proposed reform of Company Law and pointed out how some of the provisions were likely to hamper legitimate business, promotion of fresh enterprises and, consequently, the economic growth of the country. As an instance, he pointed out that, after the proposed Bill became law, transfers of managing agencies could not take place, unless approved by a special resolution. Such a provision, he held, would greatly hinder Indianisation of foreign managing agency houses in the country. Similarly, he held that provisions relating to inter-company investments, borrowing by directors for the purpose of the company and loans and advances by companies were equally restrictive.

Mr. Thapar maintained that the allotment of Rs. 400 crores under the Five-year Plan for the development of railways was absolutely inadequate. He suggested that the tempo of activity in improving railway transport should be increased and, in opening of new lines, priority should be given to the areas with bottlenecks and those areas which abounded in mineral and forest resources. He was of the opinion that the difficulties of the industries had been enhanced because of the deterioration in the operational efficiency of railways, and that re-grouping of railways had not been worked wholeheartedly. He, therefore, suggested a thorough enquiry into these matters.

Alluding to the development of road transport, Mr. Thapar pointed out that, while development of road transport in the country was urgently called for, the policies of some of the State Governments were hampering its development. Apart from the high level of taxation on motor vehicles, private operators of lorries and buses could not easily get licences for plying new vehicles. Further, there was delay in the grant of permits for entry of such vehicles in the neighbouring States. Restrictions were imposed even on the movement of vehicles from one district to another of the same State. Operation of the Motor Vehicles Act in some States by the same authority which was responsible for the administration of the nationalised transport organisation was creating difficulties of no mean order. As a result of these difficulties and restrictions, private operators, who had sunk about Rs. 240 crores, were able to work only 50 per cent. of their capacity. Mr. Thapar, therefore, suggested that the State Governments should revise their policy in such a manner as would give maximum scope to the development of road transport.

Rationalisation

On the much discussed subject of rationalisation, Mr. Thapar made the following realistic observation:

"The question of retrenchment and rationalisation are interrelated. The Government seem to be taking the view that, if rationalisation were to result in retrenchment of labour, it should not be proceeded with. This is simply unworkable. If better and modern techniques mean cheapening of cost, either by economy in the use of raw material or by reduction of labour or both, they have got to be introduced if we are not to remain static. Our jute, cotton and coal industries, which are all exporting industries, stand in urgent need of rationalisation and mechanisation. If they are not allowed to proceed with their schemes, only for fear of retrenchment, our costs would go up and we would not be able to compete in world markets. With the emergence of Japan and Germany as our competitors and appearance of substitutes and the building up of the jute industry in foreign countries, our position is vulnerable. If modern methods of production were not allowed to be employed, not only our costs would go up, but even production would suffer which would restrict the volume of employment. The Prime Minister, the other day, expressed himself in favour of introduction of the latest types of technique in production and said that some unemployment was bound to arise. He expressed fear only about large-scale retrenchment as a result of rationalisation. Of course, the human element has got to be kept in view. But I do not think rationalisation on the scale contemplated, looking to the present-day financial difficulties, would result in any large-scale unemployment. But, in any such attempt, the advantages and the disadvantages have to be balanced. In my opinion, the lasting benefit which rationalisation would confer in the shape of reduced cost, higher and more efficient production, and in releasing forces which would create more employment opportunities, far outweigh the temporary disadvantage of some unemployment. I would urge upon the Government to show courage, foresight and statesmanship in this important matter and not to use political brakes on economic progress."

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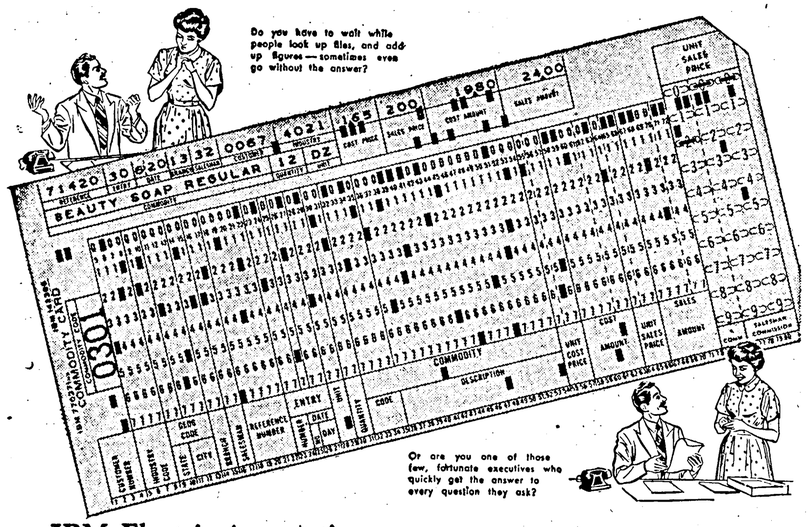

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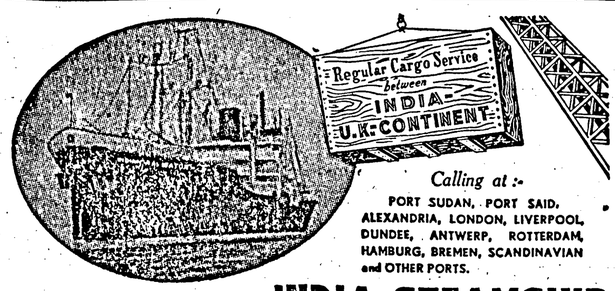

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Notices

HINDUSTHAN WOOLLEN MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the above Company will be held at the Registered Office, 8, Royal Exchange Place, Calcutta, on MONDAY, the 31st day of MAY, 1954, at 3-30 o'clock in the afternoon, to consider and if thought fit to pass with or without modification the following resolutions, namely:—

1. That, subject to the consent of the Central Government being received, the resignation of Birla Brothers Ltd., as Managing Agents of the Company with effect from the 25th day of JANUARY, 1954, be accepted.

2. (*As a Special Resolution*). "That, subject to the consent of the Central Government to the resignation of the Managing Agents being received, the Articles of Association of the Company be altered in manner following :

(*a*) In Article 2, the words "The Managing Agents means the Managing Agents for the time being" shall be deleted and the words "The Managing Director means the Managing Director or Managing Directors for the time being" substituted therefor.

(*b*) The words "Managing Agents or the" wherever they appear in Articles 4, 5, 7, 10, 14, 16, 46, 54, 159 and 176 shall be deleted.

(*c*) In Article 15, the words "by the Managing Agents or by their constituted attorney or" shall be deleted.

(*d*) The words "Managing Agents" wherever they appear in Article 16 line 3, Articles 17, 18, 19, 41, 42, 47, 59, 61, 64, 85, 154(10), 154(19), 154(20), 154(27), 154(29), 154(30), 158 line 1, 183 and 187(2) shall be deleted and the word "Directors" substituted therefor.

(*e*) The words "or the Managing Agents" wherever they appear in Articles 26, 27, 31, 33, 37, 38, 39, 50, 52, 53, 66, 76, 77, 82, 84, 86, 120, 143, 144, 157(*a*) lines 7 and 12, 158, 165(3), 166, 177 and 204 shall be deleted.

(*f*) In Article 43, the words "nor its Managing Agents" in lines 1 and 2 and the words "or Managing Agents" in line 5 shall be deleted.

(*g*) In Article 49, the words "the Managing Agents" shall be deleted and the word "they" substituted therefor.

(*h*) In Article 76, the words "from the Managing Agents or" appearing in line 5 shall be deleted.

(*i*) In Article 81, the words "and the Managing Agents" shall be deleted.

(*j*) Article 89 shall be deleted.

(*k*) In Article 94, the words "or in his absence by any other ex-officio Director representing the Managing Agents on the Board of Directors", and the words "or any other ex-officio Director" shall be deleted. In the same Article, the figures "127" shall be deleted and the figures "137" substituted therefor.

(*l*) In Article 115, the words "ex-officio or an" shall be deleted.

(*m*) In Article 119, the words "but for the purposes of this Article the office of Managing Agent shall not be deemed to be an office of profit under the Company" shall be deleted.

(*n*) In Article 120, line 2, the words "and the Managing Agents" shall be deleted.

(*o*) In Article 121, the words "the Managing Agents or" shall be deleted.

(*p*) In sub-clause 8 of Article 123, the words "but this sub-clause shall not apply to any Director or Directors appointed by the Managing Agents" shall be deleted. Sub-clause 12 of the same Article shall be deleted.

(*q*) In Article 124, the words "Provided that the power to reduce the number of Directors . . ." to the end of the Article shall be deleted.

(*r*) The words "other than an ex-officio Director" appearing in Articles 125 and 128 shall be deleted.

(*s*) Article 127 shall be deleted.

(*t*) In Article 130, the words "other than ex-officio Director or Directors" shall be deleted and the words "other than the Managing Director or Managing Directors" substituted therefor.

(*u*) The first sentence of Article 135 shall be deleted and the following new sentence substituted therefor. "A Director may at any time summon a meeting of Directors."

(*v*) Article 137 shall be deleted and the following new Article substituted therefor.

"137. The Chairman of the Directors shall be appointed from amongst the Directors by the Company in General Meeting. If no Chairman is appointed, or if at any meeting the Chairman is not present within half-an-hour of the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting."

(*w*) The words "and by the Managing Agents" appearing in Article 141 shall be deleted.

(*x*) The Heading and Articles 145 to 153, both inclusive, shall be deleted and the following new Heading and Articles substituted therefor :—

MANAGING DIRECTOR

"145. The Directors may, from time to time, appoint one or more of their body to be the Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he is to hold such office, and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another or others in his place. A Managing Director shall not be subject to retirement under Article 130 hereof."

"146. A Managing Director on ceasing to hold the office of Director from any cause shall, *ipso facto* and immediately, cease to be a Managing Director.

"147. The remuneration of a Managing Director may from time to time be fixed by the Directors, and may be by way of fixed salary and allowances or commission on dividends, profits or turnover of the Company, or of any other company in which the Company is interested, or by participation in any such profits, or by any, or all of those modes."

"148. The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers."

(*y*) In Article 154, the words "subject as aforesaid . . ." to the words ". . . that is to say" shall be deleted and the following substituted therefor—

"Without prejudice to the General powers conferred by Article 143 hereof and to any other powers or authorities conferred by these presents on the Directors, it is hereby expressly declared that the Directors shall have the following powers, that is to say :—

(*z*) Articles 155 and 156 shall be deleted.

(*aa*) In Article 157(*a*), the words "the Managing Agents" appearing in lines 3 and 4 and the words "or of Managing Agents" appearing in line 6 shall be deleted.

(*bb*) In Article 159, the words "The Managing Agents under the control of" appearing in line 1 shall be deleted.

(*cc*) In Article 161, the words "and in any event shall be signed by the Managing Agents" shall be deleted.

(*dd*) In Article 163, the words "Managing Agents or" shall be deleted.

(*ee*) In Article 202, the words "Managing Agents" where they appear in line 2 and 6 shall be deleted.

(*ff*) In Article 204, the words "or of the Managing Agents" appearing in line 10 shall be deleted.

An application under section 87CC(1)(b)(i) of the Indian Companies Act has been made to the Central Government seeking their permission for the matters mentioned above and this notice may therefore also be treated as required under section 289(4) of the Indian Companies Act, 1913."

BY ORDER OF THE BOARD.

CALCUTTA, 23*rd April*, 1954.

HINDUSTHAN WOOLLEN MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Principal Office of the Company at No. 8, Royal Exchange Place, Calcutta, on Monday the 31st May, 1954, at 3.15 p.m., for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the Audited Accounts for the year ended 31st March, 1954.

(2) To declare dividend on Ordinary shares, payable on application, to the Shareholders.

(3) To elect Directors in place of those retiring by rotation.

(4) To appoint Auditors and fix their remuneration.

(5) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 17th May, 1954, to 31st May, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

CALCUTTA, 23*rd April*, 1954.

In particular to all the Shareholders to whom a notice is required to be addressed under Article 188 of the Articles of Association of the Company.

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Ordinary General Meeting of the Shareholders of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 19th May, 1954, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect Directors. Messrs. R. G. Edwards and A. N. Sil retire by rotation and, being eligible, offer themselves for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 6th to 19th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 24*th April*, 1954.

Note.—Payment of the proposed dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 19th May, 1954, or to their Mandatees.

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

Notices

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-third Ordinary General Meeting of the Shareholders of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 17th May, 1954, at 3-00 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect a Director. Mr. R. G. Edwards retires by rotation and, being eligible, offers himself for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 4th to 17th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 23*rd April*, 1954.

Note.—Payment of the proposed Dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 17th May, 1954, or to their Mandatees.

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

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Ordinary General Meeting of the Shareholders of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3 Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 17th May, 1954, at 3-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Bajoria retires by rotation and, being eligible, offers himself for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 4th to 17th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 23*rd April*, 1954.

Note.—Payment of the proposed dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 17th May, 1954, or to their Mandatees.

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

NELLIMARLA JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Ordinary General Meeting of the Shareholders of NELLIMARLA JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 17th May, 1954, at 3-30 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect a Director. Mr. C. L. Bajoria retires by rotation and, being eligible, offers himself for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 4th to 17th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 23*rd April*, 1954.

Note.—Payment of the proposed dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 17th May, 1954, or to their Mandatees.

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

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-third Ordinary General Meeting of the Shareholders of THE KELVIN JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 19th May, 1954, at 3-00 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect Directors. Messrs. G. L. Bangur and R. S. Kanoria retire by rotation and, being eligible, offer themselves for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 6th to 19th May, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 24*th April*, 1954.

Note.—Payment of the proposed Dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 19th May, 1954, or to their Mandatees.

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

THE GANESH FLOUR MILLS COMPANY, LIMITED
DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 62nd Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, at Subzimandi, Delhi, on Sunday the 23rd May, 1954, at 6 p.m., to transact the following business:—

(A) To receive the Directors' Report and pass Audited Accounts for the year ended 30th September, 1953.

(B) To declare Dividend.

(C) To elect Directors in place of Lala Hira Lal and Lala Chandu Lal who retire by rotation and offer themselves for re-election.

(D) To appoint Auditors and fix their remuneration.

The Transfer Register of the Company will remain closed from 10th May to 23rd May, 1954 (both days inclusive).

By Order of the Directors,
(Sd.) KIRPA NARAIN,
Manager.

DELHI, 21*st April*, 1954.

THE LAKHSHMI COTTON MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Wednesday the 12th May, 1954, at 4-30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. G. R. B. Hall as Director.

(4) To elect Directors in place of Sir Vithal N. Chandavarkar and Sir Chunilal V. Mehta, K.C.S.I., who retire by rotation but being eligible offer themselves for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors
Of THE LAKHSHMI COTTON MFG. CO., LTD.,
For THE BOMBAY COMPANY LIMITED,
R. L. COGHLAN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 15*th April*, 1954.

THE VISHNU COTTON MILL LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Thursday the 13th May, 1954, at 4-00 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. Jaisinh Vithaldas as Director. Mr. Jaisinh Vithaldas is interested as a partner in the firm of cotton buyers to the Company.

(4) To elect Directors in place of Mr. J. F. Parry and Mr. A. E. Blair, who retire by rotation but being eligible offer themselves for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors
Of THE VISHNU COTTON MILL LIMITED,
For THE BOMBAY COMPANY LIMITED,
R. L. COGHLAN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 7*th April*, 1954.

EARNINGS OF T WO TATA GROUP MILLS IMPROVE

SVADESHI TO ISSUE BONUS SHARES

A WELCOMF improvement in the earnings of the Svadeshi Mills Company, Ltd., and the Tata Mills Ltd., both under the management of the Tata Industries Ltd., for the year ended 31st December, 1953, has been recorded. The gross profit of the former, which had shrunk from Rs. 50.99 lakhs for the year 1951 to Rs. 17.35 lakhs for 1952, has risen to Rs. 23.13 lakhs for the year under review, a rise of Rs. 5.78 lakhs of 33·3 per cent. over 1952. Similarly, the gross profit of the latter amounts to Rs. 9.70 lakhs, as compared with a loss of Rs. 2.30 lakhs for 1952. The net profit of the Svadeshi Mills amounts to Rs. 12.44 lakhs, as compared with Rs. 10.41 lakhs for the previous year and Rs. 25.29 lakhs for the year before. The net profit of the Tata Mills amounts to Rs. 4.12 lakhs, as against a loss of Rs. 2.30 lakhs for 1952 and a profit of Rs. 13.14 lakhs for 1951.

The Directors of the Svadeshi Mills have decided to maintain the dividend on the ordinary shares at 16 per cent., to which level it had been reduced last year from 18 per cent. paid for 1951. However, it must be noted that, a year ago, the Directors had to draw a part of the amount required from the dividend equalisation fund to pay the dividend of 16 per cent., while there has been no need for such a course now. It cannot, however, be stated that the dividend for the year under review has been fully earned. For the Directors have had to utilise a part of the surplus brought in from the previous year for this purpose. The Tata Mills' dividend has been raised to 6 per cent. from 4 per cent. paid for the previous year, to which level it had been cut from 16 per cent. paid for 1951. The dividend of 4 per cent. for 1952 was entirely met out of the dividend reserve. In enhancing the dividend for 1953, the Directors have had to draw a part of the sum required from the dividend reserve. Thus, from the point of view of dividends, the performance of both the Companies has not been encouraging.

From the point of view of earnings also, the performance of the two companies cannot be considered encouraging. Thus, as against net sale proceeds of Rs. 3.37 crores, the gross profit of the Svadeshi amounts to Rs. 23.13 lakhs, or less than 7 per cent. The position in the case of the Tata Mills is even worse. For the gross profit, at Rs. 9.70 lakhs, works out to only a little over 3 per cent. of the sale proceeds (net).

Referring to the trading conditions that prevailed during the past year, the Directors observe, in their report to the shareholders of the respective companies, as under:

"All price and distribution controls on cotton textiles were removed from 10th July, 1953. The control on production continued. To protect the handloom industry Government imposed a penal excise duty on the sale of *dhotis* in excess of a mill's permissible quota in any quarter. From 1st March the *ad valorem* excise duties on fine and superfine cloths were replaced by specific duties per yard, which made the sales of certain varieties of cloth difficult, as in many cases the specific duties were much higher than they would have been at *ad valorem* rates. Earlier in the year, the export duty on coarse and medium varieties was reduced from 25 to 10 per cent. *ad valorem*. In October, in order to promote exports of cloth, Government abolished the export duty of 10 per cent. on medium cloth. The export duty of 10 per cent. on coarse cloth, however, remained."

The salient features of the financial results of the Svadeshi Mills for the year under review are compared in the following table with those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	337.46	328.18	326.21	297.91
Cotton, art silk, etc., consumed	153.10	173.84	154.31	123.55
Expenses	163.84	142.20	124.84	127.07
Gross profit	23.13	17.35	50.99	50.55
Managing Agents' commission ..	1.23	0.94	4.70	4.80
Depreciation	8.00	6.00	4.00	2.50
Provision for taxation	1.41	..	17.00	19.00
Net profit	12.44	10.41	25.29	24.25
To reserves	..	..	11.00	10.00
To dividend equalisation fund..	12.75	10.00	14.25	13.75
To gratuities account	0.20	0.20	0.15	0.20
Dividends—*				
5 per cent. preference ..	0.75	0.75	0.75	0.75
Ordinary	12.00	12.00	13.50	12.00
	(16%)	(16%)	(18%)	(16%)
Carry forward	0.41	0.91	0.70	0.81

* Paid out of dividend equalisation fund.

A feature of the results for 1953 is the sharp rise of Rs. 21.68 lakhs in expenses, which has wiped out a good portion of the rise in sale proceeds and the saving in consumption of raw materials. Of the expenses, salaries and wages account for a rise of Rs. 13.85 lakhs, stores for Rs. 3.97 lakhs electric energy for Rs. 1.21 lakhs and provident fund contribution for Rs. 2.84 lakhs.

An idea of the progress of the Tata Mills since 1950 can be gained from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	309.95	289.51	335.22	232.98
Cotton, art silk, etc., consumed	148.44	165.03	168.63	118.54
Expenses	152.15	133.20	140.26	109.47
Gross profit (+) or loss (—) ..	+9.70	—2.30	+27.61	+5.38
Managing Agents' commission ..	0.58	..	1.47	0.26
Depreciation	5.00	..	5.00	2.50
Taxation	..	..	8.00	..
Net profit (+) or loss (—) ..	+4.12	—2.30	+13.14	+2.62
To reserves	..	..	5.00	..
To dividend reserve account ..	1.75	..	7.25	2.60
To gratuities account	0.25	..	0.75	..
Dividend*	1.95	1.30	5.21	2.60
	(6%)	(4%)	(16%)	(8%)
Carry forward	0.07	—2.05	0.25	0.11

* Paid out of dividend reserve account.

There has been an increase of Rs. 20.44 lakhs in sale proceeds, accompanied by a drop of Rs. 16.59 lakhs in cotton, art silk, etc. consumed. These are offset to the extent of Rs. 18.95 lakhs by the rise in expenses. A rise of Rs. 9.07 lakhs is noted in salaries and wages, Rs. 4.77 lakhs in stores, Rs. 1.34 lakhs in repairs and renewals, Rs. 1.38 lakhs in interest paid and Rs. 2.64 lakhs in provident fund contribution. It may be noted that the previous year's loss of Rs. 2.30 lakhs was arrived at after taking into account Rs. 6 lakhs, being the surplus provision for taxes made in preceding years. The appropriation of the profit is clearly indicated in the foregoing table.

Both the companies have on hand vast renovation and reorganisation programmes. The Svadeshi Mills installed machinery of the value of Rs. 28.42 lakhs during 1953. At the end of 1953, machinery worth Rs. 14.42 lakhs was received and these have to be installed. The Directors also sanctioned, during the year, a further expenditure of about Rs. 44 lakhs for carrying out the plan of renovation. During 1953, the value of new machinery installed in the Tata Mills amounted to Rs. 62.29 lakhs. Machinery awaiting installation at the end of the year amounted to a further cost of Rs. 14.94 lakhs.

The following synopsis of the balance-sheets of the two companies reflect their financial position:

	Svadeshi	Tata
LIABILITIES	Rs.	Rs.
Capital	90,00,000	82,67,488
Reserves and surplus	1,19,12,082	49,97,217
Debentures	..	39,94,000
Provision for taxes	6,00,000	33,589
Liabilities	1,01,99,025	1,32,06,804
Total ..	3,17,12,007	2,54,99,848
ASSETS		
Gross block	1,70,99,941	1,63,47,827
Less—Depreciation	90,25,820	43,36,553
Net block	80,74,121	1,10,11,274
Stock-in-trade	1,46,94,433	1,15,77,886
Stores and spares	11,97,232	14,36,896
Debts, deposits and advances	14,14,315	11,67,150
Investments	49,69,178	2,31,645
Cash	3,62,728	65,997
Total ..	3,17,12,007	2,54,99,848

The Directors of the Svadeshi Mills have proposed to issue 25,000 new ordinary shares to be allotted as fully paid-up to the holders of existing ordinary shares (in the ratio of one new share for every three existing shares held) by capitalising Rs. 25 lakhs from the reserve fund which now stands at Rs. 50 lakhs. This is the third time that the Company's reserves are being capitalised, all in the post-war years. The two earlier occasions were: (1) in July, 1948, when a sum of Rs. 30 lakhs was capitalised and issued as bonus shares in the ratio of one new share for every old share held, and (2) in August, 1949, when a sum of Rs. 15 lakhs was capitalised and issued as bonus share in the ratio 1:4. Thus the Company would have raised its capital by Rs. 70 lakhs, that is from Rs. 30 lakhs to Rs. 1 crore, by way of capitalisation alone in the course of the last seven years.

The Rs. 100 paid-up ordinary shares of the Svadeshi Mills are being currently quoted at Rs. 294 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 5.7 per cent. per annum, free of tax. The Rs. 25 paid-up shares of the Tata Mills are being currently quoted at Rs. 49 *cum-div.* On the *ex-div.* quotation, the yield works out to 3.2 per cent. per annum, free of tax.

VASANTA MILL REPEATS DIVIDEND OF 12 P.C.

EARNINGS SHOW IMPROVEMENT

AFTER four successive rises from 5 per cent. for 1948 to 12 per cent. for 1952, the dividend of the Vasanta Mills Ltd. (Managing Agents and Secretaries: Messrs. R. K. Shanmugham Chetty and Bros., Coimbatore) has been maintained at the latter rate for the year ended 31st December, 1953. Last year, it may be recalled, the Directors had stepped up the dividend from 10 per cent. to 12 per cent., notwithstanding the precipitous fall in the earnings of the Company. Evidently, they were confident of repeating the dividend for the succeeding year comfortably, if not enhancing it further. The audited accounts of the Company for the year 1953 disclose better results than for the previous year, but the setback noted in the previous year has not been fully offset.

The gross profit of the Company, which had dropped from Rs. 18.67 lakhs for the year 1951 to Rs. 8.52 lakhs for 1952, has risen to Rs. 12.53 lakhs for the year under review. Thus, the profit for 1953 falls short of that for 1951 by as much as Rs. 6.14 lakhs. It is also a shade lower than that for 1950. The net profit for the year under review amounts to Rs. 4.58 lakhs, which is better than that for 1952 by no more than Rs. 0.63 lakh, but compares unfavourably with that of Rs. 7.21 lakhs for 1951 and of Rs. 3.73 lakhs for 1950. Judged from this trend of profit, the distribution to the shareholders for the year under review is certainly a liberal one as compared with that paid for either of the two years 1951 and 1950.

Trading conditions during 1953 were favourable for textile mills in India. Consequently, a number of them have even been able to report bumper results for that year. But some of the mills in South India could not avail themselves fully of the opportunity of better trading conditions, thanks to the curtailment of output occasioned by the cut in power supply. The Vasanta Mill belongs to this category of mills, but it was able to reduce the stoppage of work to the minimum. Referring to this development in their report to the shareholders, the Directors observe:

"As in the previous year, the low water level conditions at the power supply source again necessitated a severe cut in the electric energy available to the mills, but, as a result of the installation of an additional generator, the Company was able to reduce the stoppage of work on this account to a minimum. Any unforeseen cut up to 40 per cent. of the mills' current requirements will now be met by the two generators installed by the Company."

The following summary of accounts for the year under review, as compared with those for the previous three years, gives an idea of the Company's progress since 1950:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	131.50	140.88	172.86	111.84
Raw materials and manufacturing expenses	114.04	128.21	150.03	94.79
Other expenses	5.46	4.43	6.06	4.70
Gross profit	12.53	8.52	18.67	12.67
Managing Agents' commission	0.00	0.55	1.20	..
Depreciation	3.55	2.52	4.26	0.93
Taxation	3.50	1.50	6.00	2.06
Net profit	4.58	3.95	7.21	6.78
To general reserve	..	0.50	2.00	0.50
,, other reserves	1.09	0.50	2.00	0.50
Dividends—		0.52	2.78	4.16
Preference	0.28	0.28	0.28	0.28
Ordinary	2.62	2.62	2.10	1.89
	(12%)	(12%)	(10%)	(9%)
Carry forward	0.24	0.50	0.39	0.40

Reflecting the stoppage of work due to power cut is the decline of Rs. 9.38 lakhs in sale proceeds, but it is not as marked as in the previous year, because the duration of stoppage was a little shorter. Raw materials, stores and power consumed and manufacturing expenses are also lower by Rs. 14.17 lakhs, as against Rs. 21.82 lakhs in the previous year. Of these, raw materials, stores and power consumed account for a decline of Rs. 16.86 lakhs, while mill salaries and wages have gone up by Rs. 2.68 lakhs. The rise of Rs. 1.03 lakhs in other expenses is mainly accounted for by the increase of Rs. 1.01 lakhs in provident fund contribution. The provisions for depreciation and taxation have been raised by Rs. 1.03 lakhs and Rs. 2 lakhs, respectively. No addition has been made to the general reserve which had received Rs. 50,000 in the previous year. The allocation to the reserve for contingencies, however, has been stepped up from Rs. 50,217 to Rs. 99,475. A sum of Rs. 1 lakh has been added to the reserve for replacement and renovation of machinery which did not receive anything last year.

(*Continued on next page*)

Points From The Chair

Demand for Motor Vehicles

"LEYLAND is a well-known product which has stood the test of all trials and has proved successful in operation by the various transport organisations in this country, as also in the rest of the world. The Leyland diesel chassis is well known for its sturdy construction, dependability and low cost of operation. Ever since we took over the distribution of Leyland products in this country, the demand has been steadily on the increase and, all along, it was a question of the demand exceeding the supply, as our principals could not fulfil the various orders in view of the world-wide demand for their products. Once we start manufacturing the Leyland vehicles here, this problem would be solved to a very great extent and we will be in a position to meet the requirements of all the transport organisations. The demand for vehicles is likely to be more in view of the development of road transport in the Five-year Plan."

S. R. Y. SIVARAMA PRASAD BAHADUR,
Ashok Motors Ltd.

Productivity of Labour

"No decent employer minds paying his labour well, if he is getting something in return. But what of the productivity of our labour? No mill can boast greater productive effort per head, but all can point to a far heavier wage bill. That is a state of affairs of which India cannot be proud and I feel that our Government is not facing up to it in a sufficiently realistic manner. Even more to blame are those union leaders, who instead of setting a good example, are cashing in on the favourable trends of legislation and exploiting situations which employers find themselves powerless to prevent. The result is loss of discipline and less work, a situation which must be avoided, if our industry is to accept its responsibility and produce all the paper the nation needs. Such increases in production as we are showing, seem to me to come more from new machinery than from improved effort on the part of the now much better-paid worker."

P. H. SYKES,
Indian Paper Makers Association.

Production of Coffee Unremunerative

"It is unnecessary for me to enlarge further on this subject, as I consider the accounts which are before you provide their own eloquent comment upon the charge one hears levelled against coffee growers that they are earning excessive profits. You will see from the accounts that a modest crop of 422 tons contributed only Rs. 73,000 to the trading profit of the year—a profit of only Rs. 27 per acre, one-tenth of the corresponding yield from tea. Not only is this far from excessive, it is near to loss. I would go so far as to say that no other agricultural product farmed with similar care would give so exiguous a return and, indeed; I feel we could lease our land for grazing more profitably than this. We can understand a slump and recognise that agricultural enterprises are, if anything, less resilient to economic forces than other undertakings. In this particular case, however, there is no slump; there is a boom in world coffee markets. The year's crop could have been sold abroad at more than double the price it is fetching locally and it seems to me a little strange that so much argument should take place on the domestic issue when so much advantage for all concerned can be derived from the fullest exploitation of the high world market."

W. W. KILGOUR,
Ouchterlony Valley Estates (1938) Ltd.

Low-cost Economy Needed

"In the face of these needs and possibilities, it is somewhat surprising to find the scepticism with which even some responsible persons view the proposed expansion of aluminium production in India to 20,000 tons per annum of primary metal by 1957. What answer am I to give to such scepticism? I would say that there is certainly no hope of developing the indigenous aluminium industry so long as it is confined to small production units with a high-cost and high-price structure and serving a restricted market. Ours is a poor country and we, particularly, must rely upon a low-cost and low-price economy. Whether it is aluminium for utensils for the villager or aluminium for industrial applications, markets will only be won and held by lowering costs and prices, while, at the same time, maintaining high quality and rendering better service to the customers than is provided by sellers of competing materials."

K. C. MAHINDRA,
Indian Aluminium Co., Ltd.

(*Concluded from previous page*)

The Company's balance-sheet as on 31st December, 1953, reveals a satisfactory financial position. The paid-up capital is unchanged at Rs. 25.50 lakhs and the reserve and surplus amount to Rs. 32.96 lakhs, exceeding the paid-up capital by Rs. 7.46 lakhs. The provision for taxation stands at Rs. 3.68 lakhs. The current liabilities amount to Rs. 18.29 lakhs. The value of the gross block, at Rs. 49.32 lakhs, has been written down to Rs. 17.10 lakhs. The current assets aggregate Rs. 59.64 lakhs and exceed the current liabilities and provision for taxation by a wide margin of Rs. 37.67 lakhs.

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted at Rs. 185-8 *cum-div.* On an *ex-div.* basis the latest dividend gives a yield of about 7 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

OSMANSHAHI MILLS LTD. Annual General Meeting, Hyderabad, 6th May, 1954. Dividend: Rs. 4 per share. Transfer books remain closed from 28th April to 10th May, 1954, both days inclusive.

AZAM JAHI MILLS LTD. Annual General Meeting, Hyderabad, 6th May, 1954. Dividend: Rs. 6 per share. Transfer books remain closed from 28th April to 10th May, 1954, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 6th May, 1954. Dividend: As. 12 per share. Transfer books remain closed from 29th April to 6th May, 1954, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 10th May, 1954. Transfer books will remain closed from 4th to 10th May, 1954, both days inclusive.

BENGAL JUTE MILL CO., LTD. Annual General Meeting, Calcutta, 10th May, 1954. Transfer books will remain closed from 3rd to 10th May, 1954, both days inclusive.

PODAR MILLS LTD. Annual General Meeting, Bombay, 11th May, 1954. Dividend: Rs. 10 per share. Transfer books remain closed from 1st to 15th May, 1954, both days inclusive.

ASSAM MATCH CO., LTD. Annual General Meeting, Bombay, 12th May, 1954. Dividend: Re. 1-4 per share. Transfer books remain closed from 1st to 15th May, 1954, both days inclusive.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 12th May, 1954. Transfer books remain closed from 1st to 12th May, 1954, both days inclusive.

UNITED FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 12th May, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 5th to 12th May, 1954, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 12th May, 1954. Final dividend of Rs. 27-8 per share (making Rs. 37-8 per share for the year). Transfer books remain closed from 28th April to 12th May, 1954, both days inclusive.

VISHNU COTTON MILL LTD. Annual General Meeting, Bombay, 13th May, 1954. Dividend: Rs. 4 per share. Transfer books remain closed from 29th April to 13th May, 1954, both days inclusive.

BOKARO AND RAMGUR LTD. Half-yearly General Meeting, Calcutta, 13th May, 1954. Dividend: Nil. Transfer books remain closed from 26th April to 13th May, 1954, both days inclusive.

ORIENT PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 14th May, 1954. Transfer books remain closed from 1st to 14th May, 1954, both days inclusive.

BALARAMA VARMA TEXTILES LTD. Annual General Meeting Shencottah, 14th May, 1954. Transfer books remain closed from 1st to 14th May, 1954, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME.) Annual General Meeting, Calcutta, 18th May, 1954. Dividend: Rs. 15 per share. Transfer books will remain closed from 4th to 18th May, 1954, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Transfer books will remain closed from 6th to 19th May, 1954, both days inclusive.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 22nd May, 1954. Transfer books will remain closed from 10th to 22nd May, 1954, both days inclusive.

TRAVANCORE CEMENT LTD. Dividend of As. 8 per share of Rs. 10 each. Transfer books will remain closed from 22nd May to 5th June, 1954, both days inclusive.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. An interim dividend of Re. 1 per share for the year ending 30th June, 1954.

SHREE NIWAS COTTON MILLS LTD. Dividend: Rs. 14 per share. Transfer books will remain closed from 11th to 26th May, 1954, both days inclusive.

KILLICK INDUSTRIES LTD. Interim dividend of Rs. 4 per share for the year ending 30th June, 1954. Transfer books will remain closed from 3rd to 17th May, 1954, both days inclusive.

COMPANY REGISTRATIONS

BHARAT PULVERISING MILLS LTD. (First Director: Mr. Shamjibhai Harjivandas Mehta.) Business: Manufacturing and Dealing in Insecticides, Larvicides, etc. Authorised capital: Rs. 25,00,000. Private company. Address: 38A, Sayani Road, Parel, Bombay 28.

RAJHANS PICTURES (SANGAM) LTD. (First Director: Mr. Jayanti Prasad Agarwal.) Business: Cinematograph Trade and Industry. Authorised capital: Rs. 5,00,000. Private company. Address: 246, Famous Cine Building, Mahalaxmi, Bombay 11.

QUESTION HOUR IN PARLIAMENT

Foreign Assistance

INDIA has so far received Rs. 232 crores by way of foreign assistance. The assistance includes a loan of $71 million from the World Bank, $55 million through the Colombo Plan, $190 million wheat loan, $170 million U.S. aid and $5 million aid by Ford Foundation. —*Deputy Finance Minister*

Synthetic Petrol Plant

The Government of India has now under consideration the question of planning and erecting a synthetic petrol plant as a long-term measure. This is apart from the three oil refineries which are being set up, two near Trombay (Bombay) and one at Vizag.

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Gold Production

Production of gold in 1953 was 222,924 ounces, as compared with 253,264 ounces in 1952 and 180,429 ounces in 1948. The reason for the fall in production during 1953 was the greater depth to which mining had gone, especially in the Kolar mines, coupled with low productivity of labour and the consequent increase in the cost of production. In many places, new findings of gold have been discovered, but the exploitation of gold depends on many factors. There are already some workable mines in Manbhum District in Bihar where it has been mined economically, but it is for the State Government to take the initiative.

—*Deputy Minister for Natural Resources and Scientific Research*

Income from Tourists

India earned in 1952 Rs. 2.3 crores by way of foreign exchange through tourists. In the same period, Indian tourists were estimated to have spent abroad a sum of Rs. 10.72 crores. No separate account of remittances for sight-seeing tours by Indian tourists are available, but the bulk of the expenditure under travelling expenses for non-commercial purposes may be taken as expenditure on sight-seeing tours. The expenditure by students in foreign countries does not come under this head. The question whether expenditure of such large amounts in foreign exchange for sight-seeing tours is justifiable should be directed to the Finance Ministry.

—*Deputy Minister for Transport*

Cotton Imports

The procurement and import programme for cotton for the current season has been settled. The Cotton Advisory Board has suggested that the country's requirements of foreign cotton during the cotton season (1953-54) will be about 600,000 bales.

—*Commerce and Industry Minister*

Tea Production and Exports

It is officially anticipated that the tea crop for 1954 will be 630 million lbs., as against the latest estimate of 608 million lbs. for 1953. While the export quota of good quality tea for 1953 was 437,048,943 lbs., the quota for 1954-55 has not as yet been fixed.

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British Industries Fair

The Government had decided to participate in the British Industries Fair to be held this year. It is proposed to have 75 exhibits which include exportable goods both manufactured and unmanufactured, materials pertaining to general intelligence regarding industrial development, production level attained and targets aimed under the Five-year Plan and exhibits of cultural and prestige value. The estimated expenditure involved is Rs. 2,75,000. —*Commerce Minister*

Industrial Training

Industrial training in 32 categories of trade is given at the centres of the Ministry of Labour in the technical section and 23 in vocational section. There has been a great demand for the trainees and diploma holders and most of them are employed. It is true that the Madras and U.P. Governments have not recognised the diploma granted by the Centres. The Government of India is trying to persuade these Governments to recognise the diplomas.

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Plantation Labour

A Bill to extend to plantation labour the benefits of lay-off under the Industrial Disputes (Amendment) Act, 1953, will be introduced in Parliament as early as possible.

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Dispute of Insurance Employees

The Government hopes to reach a decision soon on the question of setting up of an all-India tribunal to go into the dispute of Insurance employees and their managements. —*Labour Minister*

Ordnance Factories

The final figures of the work done by the ordnance factories against trade orders during the financial year 1953-54 are not available, but it is anticipated that the total value of trade work, excluding those from the Railways and the P. and T. Department, undertaken in ordnance factories during 1953-54 would be approximately Rs. 129 lakhs. In 1952-53, the ordnance factories produced goods valued at Rs. 112 lakhs and, in 1953-54, the total value was estimated at Rs. 129 lakhs. This is in addition to orders from the Railways and Communications Ministries. Inclusive of these orders, the total value is expected to be Rs. 185 lakhs. —*Deputy Minister for Defence*

TRADING RESULTS OF ASSAM MATCH COMPANY SATISFACTORY

COONOOR TEA PAYS RECORD DIVIDEND

Assam Match Co., Ltd.

THE directors of the above Company (Managing Director: Mr. T. Rydin, Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The trading result of the year has been satisfactory. The factory worked to its full capacity and sales continued good. At the turn of the year, however, production had to be somewhat curtailed due to reduced demand. The factory and other property of the Company have been adequately maintained. A sum of Rs. 2,47,196 has been provided for depreciation on buildings and machinery.

A sum of Rs. 10,00,000 out of the amount standing to the credit of the general reserve fund has recently been capitalised pursuant to the extraordinary resolution passed at the Extraordinary General Meeting held on the 9th of November, 1953. In terms of the said extraordinary resolution 1,00,000 ordinary shares authorised to be issued by the aforesaid capitalisation are to rank pari passu with the old shares and to qualify for dividend out of the profits of the Company for the year ended 31st December, 1953.

For 1953 a provision of Rs. 5,00,000 has been made for taxation. The net profit for the year, after providing for depreciation and taxes for 1953 as aforesaid, is Rs. 6,14,515 (Rs. 5,85,308) to which should be added the sum of Rs. 1,35,909 (Rs. 1,00,602), being the balance carried over from last year, making a total of Rs. 7,50,424 (Rs. 6,85,909) which the directors recommend may be dealt with as follows:

To pay a dividend for the year ended 31st December, 1953, at the rate of 7½ (7½) per cent. per annum (i.e., As. 12 per share) free of income-tax absorbing Rs. 2,25,000 (Rs. 1,50,000 on old capital), to pay a bonus for the year ended 31st December, 1953 at the rate of 5 (5) per cent. per annum (i.e., As. 8 per share) free of income-tax absorbing Rs. 1,50,000 (Rs. 1,00,000 on old capital), to set aside for dividend equalisation fund Rs. 75,000 (Rs. 50,000), to set aside for general reserve Rs. 1,63,896 (Rs. 2,50,000) and to carry forward to next year's account Rs. 1,34,529 (Rs. 1,35,909).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	29,21,793
Reserves ...	24,98,165	Stock-in-trade	4,90,235
Provision for taxation ...	12,35,057	Stores ...	5,77,808
Liabilities ...	4,54,002	Raw materials	10,03,817
Profit and loss account ...	7,50,424	Goods-in-transit ...	98,450
		Debts, deposits and advances ...	18,73,783
		Investments ...	6,138
		Cash ...	9,65,622
Rs.	79,37,648	Rs.	79,37,648

Coonoor Tea Estates Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet & Co., Ltd., Belmont, Coonoor) submit the audited accounts for the year ended 30th September, 1953.

A crop of 2,72,717 lbs. of tea was secured against an estimate of 2,10,000 lbs. compared with a crop of 1,95,637 lbs. obtained for the previous season. The crop of 2,72,717 lbs. is an all time record for this estate. The cost of production was 96.68 cts. including manure costs of 11.60 cts. per lb. The crop was sold at a net average of 162.64 cts. per lb., compared with 158.21 cts. obtained for the previous season.

Capital expenditure to the extent of Rs. 11,965 (Rs. 9,760) was spent on the following:—

Reconstruction of lines Rs. 7,483 (*nil*), chimneys to lines Rs. 120 (*nil*), bathrooms Rs. 1,862 (*nil*) and expenditure on new labour quarters (incomplete) Rs. 2,500 (Rs. 7,600).

After providing for depreciation, taxation, etc., the profit for the year amounted to Rs. 1,34,931 (Rs. 53,467) to which has to be added the balance brought forward from the previous season, viz., Rs. 53,875 (Rs. 53,134) making a total of Rs. 1,88,806 (Rs. 1,06,601). An interim dividend of 10 (3) per cent. was paid on 17th August, 1953, absorbing Rs. 24,986 (Rs. 12,493) and 6 per cent. on preference shares Rs. 9,000 was paid totalling to Rs. 33,986. There thus remains a balance of Rs. 1,54,820 (Rs. 85,109). The directors now recommend the payment of a final dividend of 25 (12½) per cent. (making 35 (17½) per cent. for the year) which will absorb Rs. 62,465 (Rs. 31,233) and to transfer Rs. 5,000 to dividend equalisation reserve and Rs. 29,000 to general reserve leaving a balance of Rs. 58,355 (Rs. 53,875) to be carried forward to the current season.

Estimate 1953-54 crop.—A crop of 2,20,000 lbs. is estimated. Cost of production is estimated at 116.45 cts. per lb. including 14.78 cts. for manuring.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,99,860	Block ...	4,20,657
Reserves ...	1,69,025	Stock-in-trade	55,025
Provision for taxation ...	17,200	Stores and spare parts	6,874
Liabilities ...	21,236	Debts, deposits and advances ...	23,835
Profit and loss account ...	1,54,820	Investments	1,27,338
		Cash ...	1,28,412
Rs.	7,62,141	Rs.	7,62,141

Nutan Mills Ltd.

The directors of the above Company (Agents: Messrs. Jagabhai Bhogilal Nanavaty & Co., Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts show a loss of Rs. 3,290 (profit of Rs. 2,35,711) after deducting depreciation on building and machinery. After adding the last year's balance of Rs. 4,584 (Rs. 466), there is a sum of Rs. 1,294 (Rs. 2,36,177) to which is added the amount brought from dividend equalisation fund Rs. 1,66,000 (Rs. 75,000), making a total of Rs. 1,67,294 (Rs. 1,71,177 after providing Rs. 1,40,000 for taxation). The directors recommend the payment of dividends as follows:—

To the payment of dividend of Rs. 20 (Rs. 20) and a bonus of Rs. 10 (Rs. 10) per share, income-tax free on 5,000 ordinary shares of Rs. 100 each for the year ending 31st December, 1953, Rs. 1,50,000 (Rs. 1,50,000), to the payment of dividend at Rs. 3-5-1 (Rs. 3-5-1) per share on 5,000 4½ per cent. cumulative preference shares of Rs. 100 each for the year ending 31st December, 1953 (after deducting income-tax) Rs. 16,594 (Rs. 16,594) and to carry forward to next year's account Rs. 700 (Rs. 4,584).

A sum of Rs. 1,66,000 (Rs. 75,000) has been transferred from dividend equalisation fund for the purpose of distribution of dividends.

The year under review was a very difficult one, for the varieties which the mills have been producing for the last several years. Unfortunately, the Government of India converted the *ad-valorem* duty into a specific one which laid a very heavy burden on the fine goods the mill was producing. Besides, because of the heavy impost, the sales fell off and the stocks accumulated which had to be disposed off at very unremunerative prices. The directors are, therefore, sorry that the results of the working of the mills during the year are anything but satisfactory. The management is trying hard to face the situation but with the difficulties of obtaining the requisite supplies of cotton in the free market it is not an easy task.

During the year under report an amount of Rs. 7,338 (Rs. 3,33,394) was received as refund of part excess profit tax, under Section 10(1) of the Indian Finance Act, 1942, for the year 1946 and the directors have transferred the said amount to the reserve fund. The mills have 24,840 spindles and 572 looms. During the year the mills continued running of third shift upto October, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	46,72,745
Reserves ...	92,91,983	Stock-in-trade	55,33,422
Provision for taxation ...	56,263	Stores ...	6,00,053
Liabilities ...	22,53,524	Debts, deposits and advances ...	15,55,343
Profit and loss account ...	1,294	Investments	99,519
		Cash ...	1,41,982
Rs.	1,26,03,064	Rs.	1,26,03,064

Presidency Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The profit for the half-year after providing for depreciation Rs. 90,700 (Rs. 1,02,500) amounts to Rs. 3,32,164 (Rs. 92,800) from which is deducted the debit balance brought forward from the previous half-year of Rs. 1,80,348 (Rs. 4,76,887) leaving a balance of Rs. 1,51,816 (debit of Rs. 3,93,006). The directors have transferred from this amount to the general reserve account Rs. 75,000 (*nil*) leaving an available balance of Rs. 76,816 (debit of Rs. 3,93,006). This amount the directors recommend should be distributed as follows:—

Dividend on 500,000 ordinary shares at 5 (*nil*) per cent. per annum for the half-year ended 31st December, 1953, or As. 2 (*nil*) per share Rs. 62,500 (*nil*) leaving to be carried forward Rs. 14,316 (debit of Rs. 3,93,006).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale rates and goods unsold on 31st December, 1953, have been valued at market rates.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills Association, working hours were 42½ hours per week with 12½ per cent. of the total looms sealed. Due to a re-allocation of loom hours on a group basis the mills worked 48 hours per week with 12½ per cent. of their total looms sealed.

Unsettled labour conditions prevailed throughout the period. During the period trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	18,47,810
Debentures	8,00,000	Stock ...	24,48,579
Reserves ...	5,18,552	Stores ...	2,94,597
Provision for taxation ...	19,380	Debts, deposits and advances ...	5,75,149
Liabilities ...	16,23,587	Investments	2,64,534
Profit and loss account ...	14,316	Cash ...	45,166
	Rs. 54,75,835		Rs. 54,75,835

Durbhanga Sugar Co., Ltd.

The directors of the above Company (Secretary: Mr W. F. Malden, Lohat, District Darbhanga) submitted the audited accounts of the Company for the year ended 31st August, 1953.

The Lohat Factory started crushing operations on the 24th November, 1952, and stopped on the 25th April, 1953, whereas the Sakri Factory commenced on the 14th November and stopped on the 15th May. The following were the results of the season's operations:—

	Lohat maunds.	Sakri maunds.	Total maunds.
Cane crushed ..	33,51,827	26,61,652	60,13,479
Sugar produced ...	3,21,969	2,65,598	5,87,565
Recovery	9.61	9.978	9.77
Working days ..	135	154	

The minimum cane price was fixed by the Central Government at Re. 1-5 per maund for supplies made at the mill gate and Re. 1-3 per maund at purchasing centres on the railway as compared to a flat rate of Re. 1-12 per maund in the previous season. At long last Government appreciated the plea of the industry that there was high expenditure involved in transport of cane from outstation purchasing centres, which was consistently ignored in their cost structure in the control period. The relief thus obtained was nevertheless threatened to be nullified by the increased freight charges proposed by the Railway Board, who eventually were persuaded to postpone their action. The increased freight charges were thereafter made applicable in season 1953-54.

The cost of transport of cane by factories' own means, such as, by tramways, trucks, trailers, etc., was also recognised for the first time and a deduction of three pies per maund per mile was permitted from the mill gate price, subject to a maximum of three annas, where such transport was undertaken.

The revenue account for the year disclosed satisfactory profits on the operations of the season, and after transferring Rs. 5 lakhs to reserve, there remained Rs. 6,17,612, which together with Rs. 2,04,248 brought forward from last year, and Rs. 63,449 from the suit against the ex-selling agents, gives for appropriation a sum of Rs. 8,85,309 doubtful debt amounting to Rs. 4,054. The directors made payment of a 15 per cent. dividend and carried forward the balance to next year after allowing for a bonus amounting to 25 per cent. of the net profit to all employees, as shown in the following appropriations:—

Payment of 15 per cent. dividend Rs. 3,90,000, to provision for doubtful debt Rs. 4,054, and for bonus to employees (25 per cent. of net profit) Rs. 2,79,403 leaving to be carried forward the balance of Rs. 2,11,852.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Block ...	18,41,866
Reserves ...	32,77,552	Stock of sugar	63,25,773
Provision for taxation ...	8,03,602	Stores, etc.	20,20,197
Liabilities ...	45,64,569	Debts, deposits and advances	12,72,491
Profit and loss account ...	8,31,255	Investments	2,03,251
		Cash ...	65,400
	Rs. 1,19,28,978		Rs. 1,19,28,978

Raneegunge Coal Association, Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

The result for the half-year's working showed a profit of Rs. 3,17,230 (Rs. 3,12,166). After adjustment of profit on sale of old machinery, etc., and providing for depreciation, cess, Bengal Agricultural Tax and transferring Rs. 50,000 (*nil*) to reserve fund the profit and loss account showed a net profit of Rs. 1,25,257 (Rs. 2,68,924). The debit balance of Rs. 97,825 (debit of Rs. 7,22,688) brought forward from last account has been wiped off and the profit and loss account showed a balance of Rs. 27,432 (credit of Rs. 4,53,764) at credit which was carried forward.

Coal raisings, despatches and stocks are as follows:—

	Half-year ended 30th Sept., 1952	*Half-year ended* 31st *March*, 1953	*Half-year ended* 30th Sept., 1953
	Tons	Tons	Tons
Raisings ...	1,33,064	1,64,044	1,43,490
Despatches	1,46,933	1,88,360	1,55,592
Stocks ...	46,557	21,763	9,661

The Company have manufactured for the half-year 2,847 tons of Nos. 1 and 2 hard coke, of this a total of 2,082 tons was despatched and 1,852 tons remain in stock as on 30th September, 1953.

The raisings and despatches for the half-year showed a decrease in comparison with the previous half-year. This has been due largely to difficulties encountered during the monsoon period and steps are being taken to see that these will not occur. The directors reported that again during the half-year the Company has shared in the export trade from Calcutta. The Company has continued to operate satisfactorily during the subsequent half-year and it is hoped that the payment of dividends will be resumed shortly.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,99,500	Block ...	33,96,486
Reserves ...	16,17,105	Stock of coal	1,69,380
Liabilities ...	19,01,487	Stores ...	6,55,632
Profit and loss account ...	27,432	Debts, deposits and advances ...	16,86,258
		Investments	8,158
		Cash ...	29,610
	Rs. 59,45,524		Rs. 59,45,524

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

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 28*th April*

The effect of the National Plan Loan kept on tap on the short-term money market was quite perceptible during the week under review. The subscriptions to the Loan during the first week amounted to Rs. 31.5 crores and this, coupled with the further subscriptions during the last three days, had considerably dried up the floating funds in the market. This was so particularly because the major portion of the subscriptions was provided by the banks. Though no fresh demand for funds was in evidence, the acute shortage of floating funds was keenly felt by banks. In the inter-bank call money sector, most of the banks were keen borrowers, but, in the absence of lenders, they had to seek the help of the Reserve Bank and the Imperial Bank. Inter-bank call money rate was, therefore, unchanged at 3 per cent. Short-term deposits were bid at 3 per cent. for one to three months. Some of the banks were reported to have offered this rate for even longer periods, up to six months. Four to six months' deposits were generally placed at 2½ to 2¾ per cent. The view expressed in these columns four weeks ago that, even during the slack season, there would not be a surfeit of funds seems to have been generally accepted and this accounts for the higher rate offered by some of the banks for four to six months' deposits.

A contraction of Rs. 9.32 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 23rd April, 1954, as compared with that for the previous week. Notes held in the Banking Department are higher by Rs. 9.82 crores. The consequent increase of Rs. 50 lakhs in total notes issues is covered by a similar rise in rupee coin. In the Banking Department, a rise of Rs. 8.94 crores is noted in the deposits of the Central Government. This evidently reflects the initial subscriptions to the new loan. Deposits of other Governments are, on the other hand, lower by Rs. 93 lakhs, whereas deposits of banks have gone up by Rs. 2.06 crores. Cash balances have risen by Rs. 9.83 crores, while balances held abroad are lower by Rs. 46 lakhs. Ways and means advances to Governments show an increase of Rs. 67 lakhs and other loans and advances of Rs. 1.41 crores, of which those to Scheduled banks against usance bills account for Rs. 15 lakhs. The total amount advanced to Scheduled banks against usance bills since 1st January, 1954, is Rs. 55.15 crores, as against Rs. 21.94 crores in the corresponding period of 1953.

The Scheduled banks' statement for the week ended 16th April, 1954, as compared with that for the previous week, discloses a rise of Rs. 1.02 crores in demand deposits of banks and of Rs. 17 lakhs in their time deposits. Inter-bank borrowings have risen by Rs. 1.38 crores. Borrowings from the Reserve Bank of India and the Imperial Bank of India have also gone up by Rs. 1.47 crores and Rs. 1 crore, respectively. A rise of Rs. 3.68 crores is noted in loans, cash credits and overdrafts and of Rs. 90 lakhs in bills purchased and discounted. There has been a decline of Rs. 3.95 crores in investments, presumably due to sale of securities in order to subscribe to the new loan. Cash in India and balances with the Reserve Bank together account for an increase of Rs. 1.25 crores, balances with other banks in current account for a decline of Rs. 95 lakhs and money at call and short notice for an expansion of Rs. 1.73 crores.

The Gilt-edged market remained depressed during the major part of the week. Towards the close, however, the undertone was steady, the downward trend in prices having abated. Though some of the institutional investors are reported to have liquidated their holdings in sizable quantities to make room for the new loan, such sales have not been reflected in the prices. 3 per cent. 1957 had business at Rs. 98-3, a loss of As. 2 over the week. 3 per cent. 1958 had sellers at Rs. 98-1, As. 3 lower than last week. 3 per cent. 1959-61 changed hands an anna lower at Rs. 96-7. 3 per cent. 1963-65, after declining by As. 2 to Rs. 92-12, steadied up by Rs. 92-14. 2½ per cent. 1964 was on offer at Rs. 92-12, as against Rs. 92-14. 3 per cent. 1966-68 was down by As. 2 at Rs. 90-4, some business was reported done at Rs. 90-3 also. 3 per cent. 1970-75 was quoted at Rs. 86-9, though business was put through at Rs. 86-9½ also. 3 per cent. 1986 Conversion Loan, after receding from Rs. 82 to Rs. 81-8, spurted to Rs. 82. Similarly, 3½ per cent. 1961 National Plan Bonds, after receding to Rs. 98-12 recovered and closed steady at Rs. 98-14.

In the foreign exchange section, the rupee-U.S. dollar exchange rate stood unchanged at Rs. 475 (banks' selling) and Rs. 471½ (banks' buying). In the New York market, sterling was a shade quiet, the spot rate declining from $2.81-13/16—2.81-15/16 to $2.81⅜—2.81-7/8 and the forward rate for three months from $2.81-15/16—2.81-7/16 to $2.81-3/16 —2.81-3/16. Transferable sterling was, however, slightly strong, having risen from $2.79—2.79½ to $2.79½—2.79¾.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 25*th April*

During the week under review, the conditions in the hides and skins market were more or less the same as in the previous week. New arrivals of the week were below the average and were readily disposed of. The Madras dealers were not as active as in the preceding week. The main parties behind the transactions were the local tanners.

Latest quotations are: Wet salted cow, 1st grade Rs. 240 to Rs. 260 and 2nd grade Rs. 140 to 180 per score; wet salted buff, 1st grade 1 lb. Rs. 180 per score; wet salted buff, 1st grade 1 lb. 14 ozs. to 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. to 2 lbs. 8 ozs. per rupee; goat, 1st grade Rs. 330 and 2nd grade Rs. 290 per 100 pieces; sheep Rs. 270 to Rs. 300 per 100 pieces.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 28*th April*

Shrinkage in floating stocks in the face of good demand for silver and gold in the ready section and increasing tension in the Far East induced a strong bullish fervour in bullion during the week under review. Demand for silver was reported to be good not only in Bombay, where the daily average offtake was 25 bars, but also throughout upcountry centres. It is estimated that, as against a supply of 50 bars per day, the all-India offtake was in the neighbourhood of 150 bars during the last few days. Consequently, it is believed that there must have been a heavy decline in the stocks of silver readily available in the country. In gold, the main sources of supply were Mysore and Hyderabad and with a successful check on the influx of contraband gold, these supplies were found to be inadequate to meet the demand.

Despite occasional profit-taking the market was firm, the rise in prices over the week being Rs. 2-1 per 100 tolas in silver and Re. 1-1 per tola in gold, both for forward delivery. It is, however, stated in certain circles that the rise has not been as high as is warranted by shortage of stocks. This is said to be due to the fact that there is no syndicate of operators working in the market and operators are trading only individually.

Silver for forward delivery (19th May settlement) began the week at Rs. 169-7 and, after a recession to Rs. 167-7 on Friday, resumed its upward trend to touch a high of Rs. 172-2 today before finishing at Rs. 171-6 on unloading by bulls.

Ready silver (.996 Mint) advanced from Rs. 169-11 to Rs. 172-10, but closed lower at Rs. 172. The premium of ready over the forward which was As. 4 early in the week widened to As. 10 at the close. The floating stocks of silver in Bombay are estimated at 1,500 bars and those all over India at 4,000 to 5,000 bars. The daily average offtake in Bombay was 25 bars during the week.

Opening at Rs. 92-12, gold for forward delivery (18th May settlement) had an early setback to Rs. 91-12, but soon a recovery set in, lifting up the rate to a high of Rs. 94-2 today. But profit-taking at the higher level, pruned it to Rs. 93-10 at the close.

Ready gold picked up from Rs. 93-11 to Rs. 95-2, before closing at Rs. 94-10. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were 5,000 tolas, while the offtake was 7,000 tolas on an average.

In the London market, silver for both spot and forward was unchanged till Friday last at 73¾d. and 73½d. per fine ounce, respectively. But on Monday this week, there was a decline in spot to 73½d. and in forward to 73¼d.; yesterday they dropped further to 73⅜d. and 73¼d., respectively. Gold, on the other hand, was firm with a rise from £12 8s. 7¼d. to £12 9s. 1d. yesterday.

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

	23-4-54	Highest	Lowest	21-4-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	94 10	95 2	92 9	93 7
Forward	93 10	94 2	91 12	92 9
Sovereign	61 4	61 4	61 0	60 8
SILVER				
Ready (.996 fine Mint) ..	172 0	172 10	167 11	169 9
Forward	171 6	172 2	167 7	169 5
London Ready	73¼d.	73¼d.	73¼d.	73¼d.
London Forward	73¼d.	73¼d.	73⅛d.	73¼d.
London Gold	240s.4d.	240s.4d.	240s.	240s.7½d.
New York Ready	88⅛c.	—	—	88⅛c.

SLUGGISH TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, 26*th April*

Kip trading has been sluggish and U.K. interest has been patchy. Leather buyers seem to be buying with caution. Good marks enjoyed good call and heavy premium has been paid. For market qualities, dressers have only increased their bids by ¼d. to 1d. per lb. in isolated cases. The price disparity in marks affects raw prices and smaller tanners have been badly hit. Demand for cow calf and buff calf has been nil. Arrivals of buffs have been small and prices increased by 6 pies per lb., due to good demand. Local prices are 5 per cent. above U.K. levels.

In the tanned skins section, there was good clearance of tanned goat and sheep skins. Prices, however, were unchanged.

In the London public auctions, 550,000 tanned goat and 1,080,000 sheep skins will be available for sale. Prices of raw goat skins were easier and sheep firmer last week.

MODERATE DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, 27*th April*

Although prices recorded an irregular pattern during last week's tea sale for internal consumption, there was moderate demand for the offerings. Dusts aggregated 20,371 packages. The best C.T.C. teas and the bright liquoring Dooars were the strongest features and prices were occasionally raised. Medium Assams were easy, while a steady trend was in evidence in clean commons. The poorer varieties were offered at fractionally lower rates. The rates were: Best Assam C.T.C. Rs. 2-4-6, medium grainy Assam Rs. 2-1-6 to Rs. 2-2, and medium Dooars Rs. 2-1.

The leaf market was very steady, offerings amounting to a small quantity of 258 packages. These included 39 chests of new season's Darjeelings, the major part of the balance being the residue and end-of-season teas. Demand was strong and prices were raised above valuations. Darjeelings were the strongest feature.

SPOT COTTON STILL IN DEMAND

(From Our Own Correspondent)

BOMBAY, 28*th April*

It is worthy of note, by all those who are out to defend wild fluctuations in forward markets as perfectly natural, that a purely technical and temporary factor, such as the fixing of the room-rate for a week, should have brought about a marked fall in prices in the forward section of the cotton market on last Friday evening. It must also be noted that this slump in prices occurred, in spite of the university admitted inherent strength of the statistical position of cotton for the rest of the season. If a small and otherwise insignificant temporary occurrence could so twist the permanent values by frenzied trading, during the hours when the market is supposed to be closed by the very members of the organisation which is controlling forward trading, it must be said that there is something wrong with the system of forward trading as it is allowed to operate in this country.

Last week, it was hinted in this review that technical considerations such as room-rates would play some part in shaping the future of the market during the ensuing weeks. The room-rates for certain varieties fixed by the Committee were considered as bearish and resulted in a wave of selling and in widening the gulf between the May and August positions enormously. This shows the preponderance of speculative elements in market transactions over that of genuine and *bona fide* trading. A joint appeal by over 50 members is believed to have been filed with the Board to revise the room-rates and this brought about an improvement in the position of May contract. This, however, had no effect on the widening gulf between the two contracts which actually increased, in spite of the improvement in the earlier contract as mentioned above. The premium of Rs. 24 in August over May will further accentuate the removal of hedges from the earlier contract to the later one. There is still an air of uncertainty about the actual position with regard to tenders. But it is likely that apprehensions of heavy tenders might be belied, in view of the tempting premium commanded by the August delivery.

Another hurdle which the market will have to get over next week, and also in the weeks following it, will be the proportion of rejections in the cotton offered for delivery. In any case, it is an encouraging sign that the improvement witnessed at the commencement of this week came as a result not merely of short covering but also of some bull support.

In marked contrast to the sentiment in the forward market, the spot market is steady to firm. Demand for staple varieties is gradually broadening. Reports from cloth markets continue to be very encouraging. Imports of cotton from abroad are not likely to overstep the existing estimates, and the carryover position at the end of the season will be materially in favour of those holding stocks. The only snag in the position is with regard to enquiries from abroad. The export trade in cloth is not as buoyant as in previous months. Nevertheless, activity in the spot market has been brisk, the daily turnover being estimated at 4,500 to 5,000 bales.

The foreign cotton section of the spot market, however, is not in this happy position. For the time being at least, the mills seem to have lost their interest in imported cotton. There is little to buy from Egypt. Perhaps, the lowering of prices at Kampala might encourage fresh enquiries for some of the varieties, which are popular with the Indian mills. But interest in East African cotton on the whole is not on a par with the past. Sudan cotton, too, has not been much in the picture during this season. The only active counter in this section is Californian. Being cheaper than the rest on parity and more easily available, with the added advantage of having the licences open till the end of the calendar year, this cotton is claiming the mills' attention almost exclusively, in spite of the recent rise in prices of the current season's cotton at New York. There might be some change in this picture after shippers in Alexandria find themselves in a position to offer next season's crop.

The export market continues to be dull and it looks as if there will be no fresh business for shippers in Bombay for the rest of the season. They have been extremely disappointed at the lack of response from the authorities to their request for fresh release of Bengals. This disappointment is perhaps, shared by the habitual consumers of this cotton in the U.S.A., the U.K. and the Continent also. There is, however, still some hope that there might be a belated release for export, after the Government is thoroughly convinced that Bengal cotton will not be in demand by Indian mills. One of the reasons for refusing to countenance requests for additional release of this cotton for export appears to be the Government's policy to discourage cultivation of this variety, so that the supply of medium-staple cotton in the country might be increased in the coming season. It, however, remains to be seen, whether the cultivators will be influenced readily so far as sowings for the next season are concerned. It is not merely orthodoxy which leads cotton growers to devote their lands to this cotton. Conditions in certain producing areas favour the growth of this cotton in preference to other longer staple varieties and the cultivator is in no position to take big risks by putting his land under medium-staple cotton, which crop might be adversely affected by seasonal conditions.

Except on Saturday last, fluctuations in prices in the futures section during the week under review were confined to a narrow range. The market presented a steady trend during the first two sessions of the week and prices tended to look up. Late on Friday evening and on Saturday, there was a fairly sharp fall, for reasons, already mentioned. Buying support was, however, again in evidence on Monday when a slight recovery was recorded which persisted in the subsequent two sessions also. Nevertheless, today's closing rates, however, were a shade lower than those a week

ago. I.C.C. May contract improved from Rs. 676-12 to Rs. 678 and, after receding to Rs. 665 on Saturday, gradually rose to Rs. 674-8 today before finishing at Rs. 673-12. August contract was steady at Rs. 694 on the opening day, as against Rs. 693½ last week. After declining to Rs. 684½ on the 24th inst., it recovered to Rs. 697 today. At the close, however, it was slightly easy at Rs. 695½.

The following table shows the trend of prices in the forward section, during the week under review:

	Closing 21-4-54	*High*	*Low*	*Closing* 28-4-54
I.C.C. May ...	Rs. 676½	678	665	673½
I.C.C. Aug. ...	Rs. 693½	694	684½	695½

Latest available quotations from the spot section are: Bengal *deshi* Rs. 605; Berar Jarillas Rs. 742; Khandesh Rs. 824; Vijay Rs. 847; Oomra *deshi* Rs. 750; Moglai Rs. 700.

There is little to report about the Karachi market, except that the textile mills in Pakistan have announced their determination to close operations, as they are dissatisfied with the controlled prices of yarn manufactured in the country. The rise in the price of cotton has rendered prices of yarns fixed by the Government uneconomic and, unless there is an upward revision in these prices by the Government or an undertaking to supply cotton to the mills at subsidised rates, the mills might be forced to stop working. As enquiries from abroad are also poor, a reduction in home consumption might adversely affect prices in the cotton market at Karachi.

The quantity of cotton exported from Karachi upto 15th April, 1954 was 833,018 bales, as against 1,049,543 bales in the corresponding period last season.

Latest available quotations from the Karachi market are: Sind *deshi* Rs. 78-80; Punjab *deshi* Rs. 75-78; 4F Punjab roller Rs. 80-81; S.G. Rs. 85-86; L.S.S. Punjab roller Rs. 82-83; S.G. Rs. 85-87; N.T. roller Rs. 83; S.G. Rs. 87; 289F Punjab roller Rs. 85-86; S.G. Rs. 89-90.

At Alexandria, there is a lull. There have been no developments so far with regard to the suggestion made to the authorities to allow forward trading in the new crop. It seems that the authorities are in no hurry to give such permission. In the meantime, the foreign buyers, having satisfied their requirements for some time, are not interested in fresh purchases at present prices. The position with regard to the new crop is encouraging and production next season is expected to be substantially more than during the current year.

The Egyptian Cotton Commission has announced its policy for the disposal of cotton in the next season. According to this policy, with effect from 26th June, 1954, the Commission's sales, of both old and new crops and, whether 'On Call' or at fixed prices, will be based on 'October' New York, plus 40 per cent. for long staple and plus 12½ per cent. for other qualities. Adjustments will have to be made for the differentials in force for various grades at the time of sale, as hitherto. The selling premiums for the next crop are expected to be announced very shortly. All sales up to 25th June, 1954 will be based on New York 'July' and 'On Call' sales based on 'July' must be fixed latest by 25th June, 1954.

At New York, the relative position of the old and the new crops has been practically reversed. The earlier tendency to sell the maturing May contract and to boost the distant deliveries has disappeared, after the welcome news of favourable weather in almost all producing areas. There is little support forthcoming now for distant deliveries. On the other hand, the large volume of repossessions from loan cotton would have depressed the near positions also, but for good support but by shippers who bought for export. While the May position has improved, July is still subject to large-scale hedging of cotton released from loan.

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

(In cents per lb.)

	27-4-54	20-4-54	12-4-54
Spot	35.45	35.20	35.00
May	34.53	34.10	34.05
July	34.33	34.22	34.22
October	33.87	33.78	33.76
December	33.83	33.78	33.74

As regards the new cotton crop, on the basis of the planted acreage and assuming average abandonment, the yield is expected to be approximately 12 million to 13.5 million bales. Disappearance next season is expected to be in the neighbourhood of 12 million bales, consisting of 8.5 million bales for domestic consumption and 3.5 million bales for export.

The U.S. Secretary of Agriculture recently indicated that acceptance of foreign currencies might become the standard practice for sale of surplus commodities, including raw cotton.

ART SILK YARN RECEDES

(From Our Own Correspondent)

BOMBAY, 28*th April*

Limited demand from consuming centres, heavy arrivals of imported yarns, and reports of considerable forward business booked by Japanese, Italian and other Continental producers with Indian firms at lower prices combined to impart an easy tone to the art silk yarn market during the week under review. Nevertheless, the market did not experience any marked fall in prices, although the closing rates today were lower than those a week ago. In fact, a steady tone prevailed during the last three sessions of the week. This was, perhaps, due to the expectation among operators that the demand for art silk yarn would once again revive, since substantial relief had been given to art silk mills by way of reduction in excise duties and drawback of import duty on yarn used in the manufacture of fabrics meant for exports.

Art silk yarn (150D) for April delivery receded from Rs. 770 to Rs. 757 today. At the close, however, the contract was a shade higher at Rs. 758. The net loss over the week was Rs. 12. May contract dropped Rs. 13 to Rs. 761 before finishing at Rs. 762. The spread between the two contracts narrowed down slightly from Rs. 5 last week-end to Rs. 4 today.

Prices of art silk yarn in the spot section also staged a retreat. Following reports of substantial forward business in Japanese yarn, 150 Japan was hammered down from Rs. 4-11 to Rs. 4-4-9 yesterday. Lower levels evoked support and the price recovered to Rs. 4-9 today. The net loss over the week was As. 2. 120 Japan dropped an anna to Rs. 4-12. 120 Italy fell by As. 2 to Rs. 4-2. 150 Italy was half an anna lower at Rs. 3-13-6.

In sympathy with the art silk yarn market and following large arrivals, the staple fibre yarn section also witnessed easy conditions. Staple fibre yarn (40 x 2) for April delivery shed Rs. 15 to Rs. 683. May delivery suffered a loss of Rs. 16 to Rs. 688. In the ready section, Phœnix declined by As. 2 to Rs. 3-7. City, Kohinoor and Century lost an anna and a half each to Rs. 3-10-6, Rs. 3-9-6 and Rs. 3-7-3, respectively. New Great was easy at Rs. 3-9, as against Rs. 3-10-3. Among foreign yarns, Aurora changed hands half an anna lower at Rs. 4-1. Suico and Shinco were neglected, the former at Rs. 4-1-9, and the latter at Rs. 4-1-3. Fuji, however, was steady at Rs. 4-0-6.

An irregular trend was visible in the cotton yarn market this week. Coarse and superfine counts did not experience any change in prices, while medium counts and fine counts up to 40s registered some improvement. Turnover, on the whole, however, was greatly restricted. Among 10s, Modern was steady at Rs. 13-6 and Elphinstone at Rs. 12-12. Among 20s, Edward advanced by As. 4 to Rs. 17. Hind gathered As. 2 to Rs. 17-6. Among 40s, Seksaria moved up from Rs. 26-8 to Rs. 26-14. Hind was fully maintained at Rs. 31-8. Among 60s, Seksaria hardened by As. 4 to Rs. 47. Finlay, on the other hand, receded by As. 8 to Rs. 58-8 and City by As. 6 to Rs. 49-10. Among 80s, Seksaria was unaltered at Rs. 56-12, Finlay at Rs. 65, Elphinstone at Rs. 60-12 and Sri Ram at Rs. 61-8.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:—

	28-4-1954	21-4-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 April (per case of 200 lbs.)	758 0	770 0
150 May	762 0	775 0
120 Japan (per lb.)	4 12	4 13
150 Japan (per lb.)	4 0	4 11
120 Italy (per lb.)	4 3	4 4
150 Italy (per lb.)	3 13½	3 14
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.) ..	683 0	698 0
40 x 2 May	688 0	704 0
Suico (per lb.)	4 1½	4 2
New Great (per lb.)	3 9	3 10½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 6
20s Edward	17 0	16 12
30s Madura	25 0	23 8
40s Seksaria	26 14	26 8
60s City	49 10	50 0
80s Sri Ram	61 8	—

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, 28*th April*

The oilseeds market presented a mixed trend this week. The groundnut section came in for some selling pressure on increased arrivals and lack of enquiry from consuming interests and crushers. The castorseed section, on the other hand, looked up on rumours that the Government of India would reduce duty on export of castor oil by 50 per cent. Market circles also awaited the announcement of export policy for the period beginning from 1st May. The linseed section ruled quiet in the absence of any encouraging development.

The report that the Government had decided to consider, while granting quotas for export of H.P.S. groundnuts, exports made to soft currency areas also in the prescribed period, turned out to be true. According to the circular issued by the Joint Chief Controller of Imports and Exports on 28th April, export quotas for H.P.S. groundnut will be allowed only to the extent necessary to permit shippers to fulfil the commitments made by them prior to 25th March, 1954. This was responsible for some steadiness in groundnuts early in the week. But, subsequently, the prices tended to decline on pressure of fair arrivals. Khandesh quality, which opened at Rs. 38-4 as against Rs. 38, declined to close at Rs. 37-4. Bold F.A.Q. lost As. 2 to Rs. 36-12. April-May was lower by As. 8 at Rs. 35-12 and June-July by As. 13 at Rs. 35-11. Groundnut oil ex-mill eased from Rs. 19 to Rs. 18-6 and railway receipt from Rs. 18-12 to Rs. 18-4. May and June deliveries were done lower at Rs. 18-5 and Rs. 18-7, as against Rs. 18-14 and Rs. 19, respectively.

There was some tussle between the bulls and the bears in castor futures. May contract which opened steady at Rs. 114-2 fluctuated between Rs. 118-4 and Rs. 112-10, before closing at Rs. 116-10. September contract was higher by Rs. 2-2 at Rs. 122-10; the highest and the lowest levels touched were Rs. 124-4 and Rs. 119-2, respectively. Madras quality improved from Rs. 23-14 to Rs. 24-2. Castor oil B.S.S. was steady at Rs. 12-12 and Commercials at Rs. 11-12. Castor oil I pressure declined by As. 2 to Rs. 12-12. On the Continent B.S.S. April was quoted at £123 c. & f., as against £122 c. & f. early in April. Commercial quality was unchanged at £115 c. & f.

The linseed section came in for little enquiry. Bold ready gained As. 2 to Rs. 26-12. April-May and June-July, however, lost As. 4 and As. 7 respectively to Rs. 26-8 each. Satna was down by As. 2 at Rs. 25. Linseed oil was, however, higher by As. 10 at Rs. 15-12.

Among others, *kardi* bold lost As. 2 to Rs. 19-2 and June-July As. 6 to Rs. 19-6. Niger F.A.Q. was lower by As. 4 at Rs. 29.

The following table shows the prices of oilseeds and oil on the 28th inst., as compared with those at the end of the previous two weeks:

	28-4-54	21-4-54	13-4-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	37 4	38 0	36 14
April-May	35 12	36 4	36 4
June-July	35 11	36 3	35 10
Linseed—			
Bold Ready (per cwt.)	26 12	26 10	26 0
April-May	26 8	26 12	25 15
June-July	26 8	26 15	26 4
Castorseeds—			
May 1954 (per candy)	116 10	114 2	111 2
September 1954	122 10	120 8	118 2
Madras (per cwt.)	24 2	23 14	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	19 0	18 6
Castor Oil—			
Commercial (per quarter) ..	11 12	11 12	11 12

BUSINESS IN PEPPER THIN

(Messrs. Parekh and Co.)

BOMBAY, 28*th April*

The pepper market ruled quiet but steady during the fortnight under review, the business being extremely thin. Prices at Alleppey were steadily held and moved between Rs. 1,425 and Rs. 1,450, both sellers and buyers awaiting confirmation of rumours regarding the reduction in the export duty. In the Asta section, however, there were heavy fluctuations. April and May shipments were traded at $0.71 down to $.066. June shipment fluctuated between $0.69 and $0.64. According to the bazar rumours, if the Government were to fix the export duty at the flat rate of Rs. 75 per cwt., there would be no relief to the growers, as, even at the ruling rate of garbled pepper at Rs. 250, the present export duty at 30 per cent. comes to the same figure. There are, however, some in the trade who believe that the Government, in order to encourage export, might reduce the export duty from the present rate of 30 per cent. to 20 per cent. *ad valorem*. No official announcement has been made so far and the trade here, as well as in foreign countries, is in suspense. Such an atmosphere of uncertainty should be removed soon for otherwise, it is likely to tell upon the Indian export during the months of May and June. Thereafter, there will be competition from Sarawak and Lampong and any belated action then may not serve the purpose in view.

At the present level of prices, the market looks very much uncertain, as neither the growers appear to be in a mood to reduce their selling price nor the exporters are willing to buy without concession, on account of poor enquiry from New York. In view of small export to the U.S. during the month of April, growers are expecting better demand from that source during the coming month. Growers and traders are watching very closely the day-to-day developments at the Geneva conference. Sarawak and Lampong at the moment are not pressing sales, as they are at the tail end of their season, although Sarawak is reported selling the new crop for future deliveries at reduced prices.

Today's nominal quotations are: Ready Rs. 170 per Bengali maund and May Rs. 1,170/90 and June Rs. 1,160/80 per candy of 5¼ cwts.

SUGAR PRICES RECOVER

(From Our Own Correspondent)

BOMBAY, 28*th April*

The Bombay sugar market, which suffered a sharp fall in prices last week, staged a recovery during the week under review, following revival of buying support at lower levels. Renewed reports of a marked decline in sugar output during the current season and of low stocks and poor arrivals into the local market engendered fresh buying. The undertone of the market at the time of writing is fully steady.

In the spot section, small grain sugar was specially favoured and hardened by Rs. 2 to Rs. 97 per bag. Large grain was quoted higher at Rs. 100-105, as against Rs. 100-102. Medium grain rose by a rupee to Rs. 98-99. Among foreign sugars, Cuban gained As. 6 to Rs. 39-14 per 100 lbs. British refined and Mexican were fully maintained at Rs. 95 per bag of 2 cwts. and Rs. 43 per 110½ lbs., respectively. Czechoslovakian, however, proved an exception and receded from Rs. 97-98 to Rs. 94-97 per bag of 2 cwts.

In the forward section, *Vaishak* delivery improved by As. 6 to Rs. 87-14 per bag.

As already reported, arrivals of sugar were very poor this week, being no more than 500 bags in all, as against 4,600 bags last week and 3,000 bags in the week previous to it. Stocks of indigenous and imported sugar in the spot section are estimated at 30,000 bags.

The Central Government's move to sell its reserve stocks (25 per cent. of current season's output) and imported sugar at a uniform price of Rs. 31 per maund (f.o.r. destination) all over India would appear to have had the desired effect of bringing down the sugar prices. The proof of this is provided by the appreciable fall in the ex-mill quotations all round and slack demand for ex-mill "free" sugar by traders. Sugar trade circles are now inclined to believe that there will not be any abnormal rise in sugar prices. This expectation is based on the following four factors:

(1) The hoarders and speculators are keen to disgorge their holdings of ex-mill "free" sugar;

(2) the sugar imported from Spain and the U.K. is expected to arrive in Bombay during the second week of May;

(3) the Union Food Ministry is expected to delegate powers to the Regional Director (Food), Bombay, for the issue of release orders upto a certain limit to specified mills in order speedily to meet any demand that may emerge from the inferior centres; and

(4) the price of indigenous sugar, as also of imported sugar, will be reduced to Rs. 30 per maund (f.o.r.) destination with effect from 15th May, 1954.

The problem of handling Government sugar by the two trade associations still remains unsolved. The old association is continuing to complain about the delay in despatches of the sugar allotted to it. It is holding a meeting today to discuss how the distribution should be effected and how the payments should be made and in whose name, etc. As far as the slight delay in despatches is concerned, it appears that the manufacturers are not to be blamed at all; on the contrary, they must be complimented for drawing the attention of the authorities to the fact that, if they are to issue bills in the names of the trade associations in whose names the release orders are issued, then they will have to charge sales tax and general tax aggregating one anna in a rupee, whereas licence dealers will normally be expected to pay only the first stage of sales tax of half-an-anna in the rupee. Further, under their articles of association, the trade associations cannot enter into any commercial dealings and as such they are not entitled to obtain a sales tax *registration certificate* and a *licence* number. Thanks to this technical difficulty, which is by no means easy to overcome, there has been delay in the despatches of Government-allocated sugar to the city and the reports indicate that the Government is thinking of helping the associations by permitting the manufacturers to modify the release orders issued in favour of the associations and deliver sugar to the parties specified by the associations. But, unfortunately, the associations' difficulty does not end here, as a large number of their members is rather reluctant to entrust their funds and handling of sugar in the hands of a few persons in the absence of suitable guarantee for an early settlement of accounts. It, therefore, remains to be seen how this matter will be tackled. In the meantime, reliable reports indicate that some wagons are being loaded today for the trade bodies in the city.

JUTE GOODS PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 27*th April*

Speculative support and covering demand kept the jute goods market very active this week. Shippers reported moderate acceptances from foreign buyers. B. twills were a strong feature and the ready position was at one time as high as Rs. 114-6, as against Rs. 113-9 on Tuesday last. Profit-taking reduced the gain to Rs. 113-12 on Friday, but, by the week-end, a spurt to Rs. 114-2 was recorded. The better trend was continued yesterday and the rate again touched Rs. 114-2. Ready 40" 10 oz. hessian was raised from Rs. 44-8 to Rs. 45-1 and, after losing to Rs. 44-8, closed at Rs. 44-9 which rate was maintained in transactions yesterday. The 8 oz. hessian was better at Rs. 36-12, with the f.o.b. rate at Rs. 40.

The rise in jute goods prices thus, which has been the result of speculative activity, cannot but be considered temporary, as competition from other countries producing jute goods is growing. Particularly this week, there were two items of news, the significance of which would not support Indian jute goods being priced high. That the Philippines is making earnest attempts to be self-sufficient in meeting its baggaging requirements is indicated in its temporary ban against imports of jute fabrics into that country. Production in the Philippines, although inferior to the imported jute goods and much below requirements, is said to be rising, and the temporary ban is a sequel to the manufacturers' demand for protection against imports. The other item of news is that jute goods of Chinese origin are being mentioned increasingly in export transactions in the Hongkong market, from where South Africa, which destination is banned for Indian goods, is reported to have recently bought 300,000 gunny bags. These items of news are reminders to Indian manufacturers to price their goods at a reasonable level, but they have been helpless in the recent rise in prices, which is attributed to speculation and which is now fully reflected in the prices for raw jute.

Mills gave limited support to raw jute, as they were reluctant to support higher prices, in view of the possibility of jute goods losing the gains. A slight increase in fresh arrivals was reported, but, as these were still low for this time of the year, the market trend remained uninfluenced. Sowings are yet below earlier expectations and this encourages stockists to quote higher rates. Assam lower bottoms changed hands at Rs. 29-8, with middles quoting Rs. 32-8. Northern bottoms were supported at Rs. 29, at which rate Dhubri were also available. Pakistani jat bottoms were quoted at Rs. 30. Other latest quotations are: Northern middles Rs. 32, Assam upper middles and bottoms Rs. 31-8 and Rs. 28-8, Daisee middles and bottoms Rs. 34-8 and Rs. 31-8, Murshidabad bottoms Rs. 27, Western bottoms Rs. 26, Jungli bottoms Rs. 25, Orissa middles and bottoms Rs. 32-8 and Rs. 29-8, Uttar Pradesh bottoms Rs. 25, Bimli f.a.q. Rs. 25, and Pakistani northern middles and bottoms Rs. 32 and Rs. 28. Pakistani *habi jabi* rejections were mentioned in business at Rs. 107 a bale and Pakistani N.C. cuttings at Rs. 75 a bale.

DEMAND FOR TEA DECLINES

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 24*th April*

The offerings in sale No. 8, which was held on Tuesday, 20th April, amounted to approximately 960,000 lbs. Following the seasonal decline in quality, the demand was less generally for all grades except for high-growns and whole leaf teas. High-grown teas received very little support, but the whole leaf grades, particularly orange pekoes, were the strongest feature of the sale and were irregularly half to one and a half annas dearer. The following are the quotations:—

	1954 Rs. a. p.	1953 Rs. a. p.
Low-grown Travancore B.O.P.	2 9 0	1 13 0
Medium Travancore B.O.P.	2 10 0	2 0 0
Anamallais B.O.P.	2 13 6	2 4 0
Best liquoring Nilgiri B.O.P.	3 6 0	3 8 0
Well made black leaf O.P.	2 12 6	2 2 0

London Market.—No sale this week.

Colombo Market.—Strong demand. Low-growns firm to dearer. Others lower following quality.

Culcutta Market—Export.—No sale this week.

Dust.—20,300 packages. Less general demand. Market occasionally half anna easier. Best C.T.C. strongest feature.

Special Licence.—Business in special licence has been effected at 39 pies, which remains today's quotation, but sellers are scarce.

1954-55 *Export Quota.*—At the beginning of the week there was a slight decline in new quota, but this has once more appreciated and business has been effected at 42 pies, which remains today's quotation.

Forthcoming Auctions.—Dust sale "H" will be held on Tuesday, 27th April, and Sale No. 9 will be held on Tuesday, 4th May, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale H.*—1,40,000 lbs. Market irregular. Grainy block types fully firm. Others one to two annas easier."

METALS RULE DULL

(From Our Own Correspondent)

CALCUTTA, 27*th April*

Although prices were well maintained, conditions were dull in the metal market during the week under review. After the hectic activity during the past two weeks or so, consumers elected to remain out of the market, in view of the irregular advices from New York and London. There were some Government enquiries, but, as these were for only small tonnages, they did not affect the market trend. Electrolytic copper first gave way from Rs. 185 to Rs. 181, but was again nominally quoted at Rs. 185. Demand was insignificant and the easiness in New York, following American purchases of Chilean copper, imparted an air of uncertainty as regards the future trend. Whether transactions take place or not, any marked decline in prices is difficult, in view of the poor supply position. A small quantity of scrap changed hands.

The order books of manufacturers of non-ferrous metal products are said to be satisfactory. Quotations for brass and copper sheets were maintained, but, in view of the general dullness, buyers were reluctant to enter into commitments. Mercury was steady at Rs. 850 a flask. Tin opened at Rs. 493, and lack of demand soon forced the rate down to Rs. 478. Electrolytic zinc was quoted at Rs. 58-4, at which rate transactions took place. Virgin lead was easy at Rs. 65-8.

FOODGRAINS QUIET TO BEARISH

(From Our Own Correspondent)

HAPUR, 27*th April*

The foodgrains markets remained quiet to bearish during the week under review and prices recorded small decline at most of the places. Transport difficulties have at places developed shortage of supplies. This, however, is regarded as a temporary phase *Rabi* harvesting is now over all over North India and threshing operations are in full swing. Grain movement to the *mandies* has begun, but the same is yet to gather momentum. Nevertheless, the supply position is everywhere improving. The heavy crop output of pulses has been responsible for pressing down their price index by as much as 24 per cent., while cereals had declined by 9 per cent. since September. The all-India final estimates of *rabi* crop for 1953-54 put the current year's area and production at 5,472,000 acres and 1,564,000 tons, respectively. The final estimates show an increase of 0.8 per cent. in area and 26.3 per cent. in production over last year. It is gathered that the wheat crop is not threshing out as well as had been anticipated and hail damage seems to have been very severe in certain districts. The output and quality are expected to be below that of last season. Threshing results of peas crop are also reported to be far from encouraging.

Latest official estimates regarding wheat crop place the current year's acreage at 2,381,000 acres. The final estimate of last year's crop were 24 million acres and 6.7 million tons. According to official quarters, there are indications that the price of wheat in the country is likely to fall. Already, reports of a falling trend are pouring in.

Further relaxation of restrictions on the movement of foodgrains from Punjab have now been announced by the State Government. All restrictions on the movement of paddy, rice and their products from Punjab, P.E.P.S.U., Delhi, Himachal Pradesh and Bilaspur State have been withdrawn with immediate effect. With effect from 1st May, there will be no restrictions on the movement of wheat from one place to another in this north-west region comprising the five States.

The W. Bengal Government has fixed 3rd May, 1954, as the date for the withdrawal of rationing in six more towns in the State—Bansberia, Hooghly, Chinsurah, Halishahar, Kanxhanpara and Naihati—with a total population of about 280,000. This will mark the third stage in the execution of the policy of gradual deration ing. After May, the rationed population in the State will be about 4.7 millions distributed in Calcutta, Howrah and a few neighbouring industrial towns, as well as in Darjeeling,

(*Continued on page* 863)

INDIAN PAPER MAKERS' ASSOCIATION

(*Concluded from page* 835)

of this Association to express at our meetings the pious wish that the Central Government would co-ordinate all State forest policies and persuade State Governments to accept such centralised direction. All we ask is that paper mills be granted long-term leases on reasonable terms. The lure of greater revenue by auctioning forests to the highest bidder for ridiculously short periods cannot be to the nation's ultimate good. Indeed, the safety of India's natural resources might be gravely impaired by the constant chopping and changing of leaseholders that is still the order of the day. Some forests are being wrecked by unscrupulous contractors and surely there is a lot to be said for putting these forests in the hands of paper mills which, in their own interests, wish to see them as productive as possible, a state which can only be achieved by careful husbandry. Apart from this, paper mills cannot exploit their leases, as they should, unless they know that they are going to retain them for some time. From Governments' point of view, long-term leases in the right hands mean not only steady revenue but careful preservation of their forests.

"In Eastern India, bamboo was in fairly good supply, but one should remember that its largest user was out of action for many months. With regard to grass, however, an alarming situation has developed. Its availability seems to be getting less. This is not due to the natural growth of the plant failing, but to the obstacles hindering paper mills in procuring it seemingly growing greater. The output from one vast grass-growing area has this season fallen away to practically nothing. This would never have happened, had that lease been put in the hands of some reputable paper mill. It is hoped that Governments will take notice of the present unfortunate trend and remedy the situation before it is too late.

"The transport of these materials remains a problem. When the Railway Administration recently altered its preferential system of moving traffic the paper industry lost its priority and has to take its turn with our miscellaneous categories. We get quotas but, judging from the Eastern Railway one, it would appear that the fact that our requirements are largely seasonal has again been overlooked. Had it not been for Titaghur's strike some of the other Calcutta mills would have had a very bad time over transporting their bamboo. As it is, from one district of the Eastern Railway from which grass supplies come, it is practically impossible to secure movement and I do not know what will happen when the rains come. I also understand that Shree Gopal Paper Mills are having great difficulty in obtaining grass from Northern and North Eastern Railway stations. Transport difficulties have been experienced too by Ballarpur, largely because it is a new mill and apparently has not yet acquired full recognition by the Railway Administration, and many mills are finding difficulty in getting their salt cake moved from Rajasthan.

"Our troubles over salt cake are not confined to transport. This material is obtainable only from Rajasthan and failure of supplies from there would be a calamity to many mills. At the end of 1953 things had come to such a pass that, had it not been for the efforts of the representatives of several mills who had to go and stay on the site, supplies would have practically dried up. It was apparently just a question of providing more labour and I earnestly hope that the Rajasthan Government will realise the absolute necessity of quickly remedying matters, particularly as in the rains the salt cake pans get flooded and it is, consequently, necessary to stockpile before that happens. The Association appealed to the Government of India, but they have given no indication of really appreciating the gravity of the situation. Though they may claim the contrary, the supply position is again deteriorating and, unless we can be certain that indigenous supplies will be forthcoming in the right quantity, we shall just have to insist on our being permitted to import.

"We have not been able to convince Government that the continued export of hosiery cuttings is detrimental to our interests, but discussions are still taking place on the subject of the export of old hemp rope cuttings. The Association has put forward a *strong case* for a ban on the export of this valuable indigenous raw material. I have not much to say on the subject of coal except that we resent very much the pressure that is still being put on us to use lower grade coal than that to which our boilers are suited. This can only lead to inefficiency, damage to plant and waste of coal, money and transport.

"In conclusion, I have much pleasure in recording my thanks to our Secretary and my fellow Committee members for their valuable assistance during the past year."

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	16th April 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,230.00	1,226.28	1,190.11	1,165.47
Notes held in Banking Department	85.05	6.94	10.67	12.40	9.37
Foreign Securities	89.50	675.15	678.15	648.15	598.15
Rupee Securities	87.39	421.34	421.34	421.34	449.86
Banking Department					
Deposits of:					
Government of India	14.89	51.33	60.61	64.02	97.99
Other Governments	10.08	74.18	74.77	101.88	123.95
Balances held abroad					
SCHEDULED BANKS					
Demand Liabilities	184.37	542.20 (6.35)†	539.86 (7.07)†	518.74 (7.15)†	541.59 (13.66)†
Time Liabilities	102.84	328.06 (1.32)†	327.84 (1.28)†	327.14 (1.43)†	319.22 (2.01)†
Borrowings from Reserve Bank	..	25.39 (15.06)‡	26.92 (18.18)‡	83.91 (18.20)‡	12.62 (2.24)‡
Borrowings from Imperial Bank	..	12.55	11.55	12.45	8.28
Cash in India	6.71	83.00	31.26	30.93	33.48
Balances with Reserve Bank	25.28	41.07	41.56	38.60	42.33
Excess over statutory limits	15.52	7.40	8.02	6.12	8.87
Balances with other banks in current account in India	..	10.25	11.20	10.02	13.40
Money at call and short notice in India	..	12.16	10.43	8.88	16.37
Investments (at book value)					
Advances and bills	105.09	556.74	552.16	537.03	526.39
IMPERIAL BANK					
Deposits	87.76	210.81	212.45	206.24	216.61
Investments	51.99	86.36	90.05	89.37	82.96
Advances	80.87	127.31	127.79	126.06	123.99
Cash	14.49	15.84	15.59	13.37	17.41

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	23rd April, 1954		16th April, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,78,720	62,30,30,000	2,25,953	49,65,94,000
Calcutta	1,63,033	54,33,27,000	1,23,070	36,20,13,335
Madras	76,747	8,07,46,014	54,095	5,20,81,036
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,88,214	26,45,05,08,000
Jan., 1954	..	..	2,74,000	5,75,54,00,000
Feb., ,,	..	..	2,72,000	5,76,25,00,000

Reserve Bank of India

Statement of Affairs for the week ended 23rd April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	50,27,08,000
(2) Other Governments	24,67,21,000
(b) Banks	44,70,50,000
(c) Others	45,58,71,000
Bills Payable	5,33,24,000
Other Liabilities	23,38,53,000
	217,45,57,000

ASSETS	Rs.
Notes	16,75,76,000
Rupee Coin	19,58,000
Subsidiary Coin	8,99,000
Bills Purchased and Discounted—	
(a) Internal	89,50,000
(b) External	
(c) Government Treasury Bills	12,60,05,000
Balances held abroad*	73,71,18,000
Loans and Advances to Governments	1,65,00,000
Other Loans and Advances	39,31,21,000
Investments	63,64,95,000
Other Assets	9,09,35,000
	217,45,17,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 15,21,00,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 55,15,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	16,75,76,000	
Notes in circulation	1220,44,08,000	
Total Notes issued		1237,44 08,000
Total Liabilities		1237,65,32,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	678,15,11,000	
Total of A		718,16,82,000
B. Rupee Coin		97,93,56,000
Government of India Rupee Securities		421,83,70,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1237,44,08,000

Ratio of Total of A to Liabilities: 58.037 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 16th April, 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks	8,37,58,000†
(ii) Other demand liabilities	535,32,70,000
2. Time Liabilities in India:	
(i) Borrowings from banks	1,32,53,000†
(ii) Other time liabilities	326,73,43,000
3. Cash in India	32,99,81,000
4. Balances with the Reserve Bank in India	41,07,22,000
5. Balances with other banks in current account in India	10,25,19,000
6. Money at call and short notice in India	12,16,89,000
7. Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	312,38,00,000
8. Advances in India	481,01,34,000
9. Inland Bills purchased and discounted in India	75,12,61,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
19th January ..	1.00	1.01	1.00	2 8 0	100
27th ,, ..	1.00	1.31	1.00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th ,, ..	1.00	1.01	1.00	2 9 0	99
16th ,, ..	1.00	1.09	1.00	2 9 11	92
23rd ,, ..	1.00	1.28	1.00	2 10 6	54
2nd March ..	1.00	1.61	1.00	2 11 0	100
9th ,, ..	1.00	1.90	1.00	2 10 11	71
16th ,, ..	1.00	1.27	1.00	2 11 0	79
23rd ,, ..	1.00	1.01	1.00	2 11 0	99
30th ,, ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
13th ,, ..	1.00	1.93	1.00	2 10 9	44
Total ..	13.00	16.91	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India† ..	1950-51	$59.33	..	9,530	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18.87	Kyats. 8,168	317	170
Ceylon ..	1952	7.94	Rs. 441	653	653
Japan ..	1951	84.30	¥. 4,849,400	6,414	761
Philippines ..	1952	20.63	Ps. 7,054	1,676	811
New Zealand ..	1952	2.00	£ (N.Z.) 646	861	4,307
Australia ..	1952	8.65	£ (A.) 3,621	3,756	4,342
U.K. ..	1952	50.43	£ 13,948	19,197	3,808
U.S.A. ..	1952	156.98	$ 290,400	138,280	8,808
Canada ..	1952	14.43	$ 18,185	8,168	5,662
France ..	1952	42.50	Fr. Fr. 10,190,000	13,964	3,254
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	46.88	Lr. 8,119,000	6,181	1,318
Norway ..	1952	3.22	Kr. 15,598	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland ..	1952	4.82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 16th April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	21,66,83,000
(b) Provincial Governments	2,77,92,000
(c) Banks	11,86,83,000
(d) Others	2,40,78,000
Bills Payable	14,88,000
Other Liabilities	5,20,51,000
Rupee	50,06,25,000

ASSETS	Rs.
Notes	6,69,50,000
Rupee Coin	4,000
Subsidiary Coin	15,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	3,08,00,000
Provincial Governments' Debtor Balances	3,34,84,000
Other Loans and Advances	8,13,80,000
Investments	16,62,59,000
Other Assets	10,17,83,000
Rupee	50,06,25,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,69,50,000	
Notes in circulation	235,50,69,000	
Total Notes issued		240,20,19,000
Total Liabilities		240,20,19,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	45,02,35,000	
Government of India Securities	18,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	99,82,50,000
B. Rupee Coin	5,03,30,000	
Government of Pakistan Securities	131,09,54,000	
Internal bills of exchange and other commercial paper	....	136,12,84,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	2,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	4,24,75,000
Total Assets		240,20,19,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.20 per cent.

EXCHANGE RATES

	21st April, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	1-5⅛	1-5⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	475	475½
Buyers T.T. Rs.	471½	471¾
London on New York	2.81⅜-2.81⅜	2.81⅜-2.81⅜
London on Paris	986¾-986¾	985¾-985¾
London on Berne Sw. Fcs.	12 22½-12.22½	12 21½-12.22½
New York on London	2.81⅜-2.81⅜	2.81⅜-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	6
Belgium	30th Oct., 1953	2	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1952	2½	3
Denmark	23rd Sept., 1953	4½	5
Finland	16th Dec., 1951	7½	8½
France	4th Feb., 1954	2½	3½
Greece	13th July, 1948	15	12
India	15th Nov., 1951	3	3½
Italy	8th April, 1950	4½	5
Japan	1st Oct., 1951	5.11	5.84
Netherlands ..	7th April 1953	2	2½
New Zealand ..	26th July, 1941	3	4
Norway	9th Jan., 1946	3	3½
Pakistan	1st July, 1948	3	4
Portugal	12th Jan., 1944	3	3½
South Africa ..	27th Mar., 1953	3½	4
Spain	18th Mar., 1948	4	5
Sweden	20th Nov., 1945	3	2½
Switzerland ..	20th Nov., 1936	2½	2
Turkey	26th Feb., 1951	4	14
United Kingdom ..	17th Sept., 1953	4	3½
U.S.S.R.	1st July, 1936	5	4
U.S.A.	16th April., 1954†	1½	1¾
West Germany ..	6th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue	10 66	10.07	84 60	82 62
Protective	0.57	0.59	6 01	4 68
On surplus disposals	..	0.09	0 03	0.19
Total import duties	11.23	10.75	90 64	87.34
Export Duties	8 21	8.19	43 24	80.21
Land Customs	0 23	0 18	2 14	1.88
Miscellaneous	0 11	0 12	0 92	0.55
Gross total customs	14 78	14 17	136 94	119.48
Refunds and drawbacks	0 19	0 21	2 13	1 60
Net Customs	14 59	13 96	134 75	117 98
Gross excise ..	8 98	8 29	62 11	69 89
Refunds	0 07	0 15	1 16	0.72
Net Excise	6.91	8.14	60 95	68.66
Net total of customs and excise	21.50	22 10	195 70	186 64

Imperial Bank of India

Statement of Affairs for the week ended 23rd April, 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
79,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		6 25 00 000
Deposits and other Accounts		211 68 22,000
Borrowings from other Banking Companies Agents		7,00 00,000
Bills Payable		2,81,23,000
Bills for Collection being Bills Receivable as per contra		34,97,000
Acceptances, Endorsements and Other Obligations as per contra		40,000
Other Liabilities (including Inter-Office Adjustments)		2,06,87,000
Total .. Rs.		235,89,21,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		15 43,97,000
Balances with other Banks		2,98,05,000
Money at Call and Short Notice		1,06,67,000
INVESTMENTS—		
Government and other Trustee Securities—		
Other Authorised Investments	76,20,90,000 / 10,59,40,000	86,40,30,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	97,08,62,000	
Bills Discounted and Purchased	30,01,40,000	127,10,09,000
Bills Receivable being Bills for Collection as per contra		34,97,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		40,000
Premises less Depreciation		1,33,47,000
Furniture and Fittures less Depreciation		42,30,000
Other Assets (including Inter-Office Adjustments)		2,38,16,000
Total .. Rs.		235,89,21,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates†						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits. Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates‡
	5-Year		7-Year		15-Year					
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts		Receipts / Outstandings*
1948-49	1.47	76	74	22.40	22.86	55.67	29,91	—	12.81	..
1951-52	6.84	77	2.91	22.08	44.81	1,07.55	74,18	—	21.56	..
1952-53	..	66	2.27	23.56	64.18	1,13.36	91,01	—	31.06	13.10 / 13.89
January 1953 ..	6.84	4	2.19	2.02	80.77	8.58	86,09	—	30.51	7.54 / 25.64
February ,, ..	6.61	5	2.22	1.84	82.14	6.36	86,28	—	30.76	82 / 25.98
March ,, ..	6.84	9	2.27	2.66	84.18	13.75	91,01	—	31.06	82 / 25.98
April ,, ..	6.60	5	2.27	2.24	85.95	9.56	93,01	—	31.30	60 / 25.94
May ,, ..	6.83	4	2.29	2.06	87.78	9.55	93 80	—	31.52	60 / 25.83
June ,, ..	6.82	4	2.31	2.25	89.32	9.43	93.80	—	31.52	56 / 26.68
July ,, ..	6.73	11	2.33	2.23	91.03	10.26	95.23	—	31.78	59 / 27.56
August ,, ..	6.67	9	2.44	2.23	92.83	8.76	96,67	—	32.08	56 / 28.20
September ,, ..	6.59	13	2.53	2.04	94.28	9.20	97.72	—	32.26	60 / 28.87
October ,, ..	6.51	11	2.58	1.97	95.83	8.88	97,72	—	32.71	59 / 29.41
November ,, ..	6.38	9	2.65	2.03	97.37	7.80	97.55	—	32.90	56 / 29.93
December ,, ..	6.27	14	2.74	2.23	98.95	9.35	98,31	—	33.23	46 / 30.84
January, 1954 ..	6.16	18	2.82	2.08	1,00.47	8.91	99,23	—	33.77	45 / 30.75
February ,, ..	..	..	..	..	..	..	..	—	..	50 / 31.23
March ,, ..	..	..	..	..	..	..	..	—	..	54 / 31..

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 18-4-'53	20-3-'54	10-4-'54	17-4-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.4	90.4	90.7	90.7
1. Government of India	90.2	90.2	90.5	90.5
2. Indian States	95.6	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.3	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	101.4	101.4	101.3
1. Electricity	102.9	102.7	102.7	102.7
2. Jute	98.8	98.8	98.8	98.8
3. Plantations	100.0	99.7	99.6	99.6
4. Sugar	99.1	100.7	100.7	100.4
5. Coal	89.9	90.7	90.7	90.6
6. General Engineering	97.8	103.8	102.9	101.0
7. Shipping	101.5	102.3	102.3	102.3
8. Others	99.9	100.6	100.7	100.7
PREFERENCE SHARES	86.2	88.0	88.3	88.4
1. Electricity	97.8	95.8	95.9	95.7
2. Cotton	88.1	85.5	85.7	85.8
3. Jute	84.6	88.8	88.4	88.4
4. Coal	88.2	90.3	90.2	90.2
5. Iron and Steel	93.7	91.5	92.1	92.2
6. Sugar	73.0	74.8	75.9	75.8
7. Cement	90.8	87.4	87.4	87.4
8. Plantations	85.8	90.2	89.9	89.9
9. Miscellaneous	82.4	85.7	86.2	86.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	82.7	102.3	102.5	104.5
(a) Financial	84.8	88.1	87.7	88.1
1. Banks	84.6	87.0	86.2	86.6
2. Insurance	100.0	100.0	100.0	101.7
3. Investment Trust	75.3	76.7	78.1	78.1
(b) Public Utilities	104.3	113.1	113.8	113.9
1. Electricity	115.0	117.5	118.3	119.3
2. Shipping and other Transport	85.8	106.9	108.8	108.6
3. Railways	85.3	85.4	86.0	86.7
(c) Manufacturing industries	84.4	108.4	107.5	108.5
1. Cotton, Woollen and Silk	91.7	102.5	103.2	104.0
2. Jute	79.4	82.6	80.9	80.5
3. Iron and Steel	105.4	121.2	127.6	130.0
4. Paper	151.6	130.2	138.7	104.4
5. Cement	112.0	123.7	127.5	124.5
6. General Engineering	105.5	130.2	140.1	141.3
7. Sugar and Breweries	82.7	87.8	90.9	92.3
8. Chemicals	95.1	110.9	112.6	113.5
(d) Non-Manufacturing industries	89.4	108.8	111.1	112.5
1. Coal	79.8	76.9	78.8	77.1
2. Mining and Oil	122.5	154.4	163.4	167.4
3. Plantations	81.7	105.5	110.5	111.3
(e) Miscellaneous	88.3	94.2	93.4	94.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.0	89.8	90.2	90.1
2. Calcutta	90.3	90.3	90.7	90.7
3. Madras	90.6	90.6	90.9	90.9
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.6	101.4	101.3	100.9
2. Calcutta	101.4	102.2	102.2	102.1
3. Madras	100.5	100.1	100.0	100.0
PREFERENCE SHARES	94.6	92.6	93.0	93.0
1. Bombay	87.5	94.8	94.8	95.5
2. Calcutta	89.1	100.7	100.6	101.3
3. Madras	87.0	89.8	89.7	89.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	101.0	112.0	114.2	115.6
1. Bombay	87.5	94.8	94.8	95.5
2. Calcutta	89.1	100.7	100.6	101.3
3. Madras	90.7	104.7	107.1	108.1
4. Delhi	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,291	3,818,978
1952	963	809,243	3,395,061
1953†	989	582,667	3,380,709
February 1952 ..	88	62,180	215,607
March ,, ..	87	43,439	224,846
April ,, ..	134	69,487	254,865
May ,, ..	113	50,098	234,865
June ,, ..	101	49,881	257,049
July ,, ..	83	40,754	171,268
August ,, ..	87	48,885	148,533
September ,, ..	96	67,978	460,858
October ,, ..	94	78,181	349,618
November ,, ..	83	48,746	273,245
December ,, ..	81	37,858	156,017
January 1953†	85	42,383	244,414
February ,, ..	45	26,477	124,411
March ,, ..	67	34,231	216,207
April ,, ..	72	49,132	214,552
May ,, ..	88	54,617	276,216
June ,, ..	99	50,857	352,279
July ,, ..	87	48,066	181,122
August ,, ..	74	53,093	223,154
September ,, ..	105	44,653	467,278
October ,, ..	100	80,097	402,002
November ,, ..	87	41,031	244,811
December ,, ..	79	40,330(a)	473,907
January 1954 ..	75	49,500	320,618
February† ,, ..	82	41,003	342 e05

† Figures for 1953 are provisional. (a) Not known in one case. ‡ Revised. ‡ Provisional.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49	469	4,681.1	3,777.7
1950-51	573	5,948.1	4,849.0
1952-53	614	@ 801.4	5,154.8
September 1952 ..	597	580.6	450.5
October ,, ..	605	589.7	456.4
November ,, ..	606	552.2	457.8
December ,, ..	..	535.5	441.8
January 1953 ..	611	498.6	417.4
February ,, ..	611	464.1	385.7
March ,, ..	614	538.0	438.1
April ,, ..	616	530.6	456.1
May ,, ..	620	560.4	450.5
June ,, ..	625	548.8	470 0
July ,, ..	627	560.0	468 9
August ,, ..	629	576.6	464 1
September ,, ..	632	576.5	468.7
October ,, ..	634	598.1	458.7
November ,, ..	637	563 1	466 9
December ,, ..	640	602.6	478.0
January, 1954 ..	640	589 7	..

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	10th April, 1954	3rd April, 1954	11th April, 1953	March, 1954	March, 1953	Percentage of increase (+) or decrease (—) in Mar., 1954 as compared with Mar., 1953	1953-'54	1952-'53
Food Articles	389.9	380.5	365.4	371.4	365.0	+ 1.8	384.4	357.8
Cereals	432	429	438	429	457	— 1.8	451	444
Pulses	851	878	410	803	303	+20.6	450	507
Other	324	307	254	289	244	+18.4	278	223
Industrial Raw Materials	472.2	464.0	438.5	462.5	453.1	+ 2.1	467.7	438.9
Fibres	461	451	391	447	415	+ 7.7	432	423
Oil seeds	623	518	559	613	558	— 8.1	574	455
Minerals	454	442	444	444	459	— 2.4	449	459
Others	390	400	364	405	359	+12.8	375	333
Semi-Manufactures	359.9	356.7	349.7	358.8	349.8	+ 1.7	359.2	343.8
Leather	380	380	436	388	457	—11.2	408	367
Mineral oils	221	221	223	221	223	— 0.9	224	223
Vegetable oils	494	490	466	476	451	— 1.0	534	446
Cotton yarn	456	453	444*	449	440*	+ 0.7	442	452*
Metals	240	240	226	238	227	+ 4.8	229	218
Oil Cakes	418	417	400	415	412	+ 0.7	438	430
Others	..	806	217	806	211	+45.0	281	235
Manufactured Articles	380.6	378.7R	365.8	373.0	369.0 *	+ 1.3	367.6	371.2
Textiles	426	423 R	403	416	407	+ 2.2	405	411
Jute	432	421	352	424	376	+12.8	408	440
Cotton	416*	416* R	404*	409*	406*	+ 0.7	406*	406*
Rayon and Silk	501*	502*	404*	493*	501*	— 4.2	421*	476*
Woollen	313	313	313	313	321	—	314	323
Mutual products	340	340	336	337	336	+ 0.3	337	330
Others	289	289	290R	289	288	+ 1.0	285	294
Miscellaneous	..	706.3	703.9	801.0	688.9	+16.3	688.6	614.1
All Commodities	404 6	399.6 R	382 2	394 0	395 2	+ 2 3	397.5	389.6

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	(1944=100)	June 1939	July 1927	January 1939	August 1939	August 1939	August 1939	June 1936	1944	1944	1944	1944	1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	159
August 1952	144	340	267	312	468	377	369	330	143	176	149	160	157
September ,,	143	341	269	310	463	380	364	328	142	178	143	157	150
October ,,	144	345

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1953-54 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,516†	74,209††	27,079†	22,495††
Wheat	,,	24,041	23,450	5,782	6,059
Jowar 2nd	,,	41,265†	39,698††	5,360†	4,516††
Bajra	,,	23,982	22,639	2,922	2,299
Barley	,,	7,600	7,835	2,664	2,923
Maize	,,	8,798	8,078	2,607	2,021
Ragi	,,	5,472†	5,428††	1,564†	1,238††
Gram	,,	12,267	16,357	3,771	4,293
Rabi Pulses*	,,	11,593	11,559	2,063	2,047
Small Millets	,,	12,170	11,834	1,932	1,891
Jute	bales	1,196†	1,017††	3,125†	4,605††
Cotton 3rd	,,	15,053†	13,672††	3,266†	2,487††
Sugarcane 2nd	tons	4,101†	4,224††	5,116†	4,996††
Groundnut	,,	11,356†	11,450††	3,772†	2,884††
Linseed	,,	3,304	3,402	865	810
Castorseed	,,	1,868†	1,857††	307†	306††
Rape and Mustard Seed	,,	5,155	5,915	628	916
Sesamum 3rd	,,	5,828†	6,014††	516†	431††
Tobacco (supp)	,,	793	712	219	20
Pepper	,,	303	202	22	23
Ginger	,,	46	47	14	15
Dry chillies	,,	1,240	1,384	801	841

Source: Ministry of Food and Agriculture

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Mar., 1954	75.6
	Corresponding month 1953	74.4
	Nine months ended Mar., 1954	644.4
	Corresponding period 1953	671.7
Stocks	At the end of Mar., 1954	92.9
	Corresponding month 1953	138.8
		(In 000 bags)
Exports(Jute Bags)	Week ended 20th Mar., 1954	2,236
	Corresponding week 1953	1,391
	From 1st Jan., to 20th Mar., 1954	75,115
	Corresponding period 1953	42,245
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 20th Mar., 1954	5,967
	Corresponding week 1953	4,600
	From 1st Jan. to 20th Mar., 1954	336,901
	Corresponding period 1953	281,533
	RAW JUTE	(In 000 bales)
Exports*	Week ended 20th Mar., 1954	—
	Corresponding week 1953	—
	During Dec., 1953	—
	Corresponding period 1952	—
Consumption [by Mills]†	Mar., 1954 (in lakh bales)	4.38
	Corresponding month 1953	4.32
	Nine months ended Mar., 1954	37.36
	Corresponding period 1953	39.97

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,80,000	10,57,100	7,99,200
Do. 31st March, 1954	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February ,,	92,400	82,000	61,700
March ,,	97,400	86,600	65,500
January 1954	1,02,800	99,800	71,400
February ,,	92,700	84,500	63,800
March ,,	94,600	89,700	65,000
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,26,710	4,81,450	3,12,940
Do 31st March, 1954	5,80,020	5,49,930	2,92,440
January 1953	56,370	43,310	28,650
February ,,	54,500	37,400	29,090
March ,,	60,640	39,350	22,090
January 1954	63,100	42,500	39,870
February ,,	59,850	38,560	32,510
March ,,	65,000	47,850	44,350

FOREIGN TRADE OF INDIA

Particulars	December,		Nine Months, April to December,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3.11	6.93	83.54	150.05
Raw materials	11.38	15.10	126.01	146.16
Manufactures	22.72	20.15	226.10	210.57
Other Items	5.5	2.6	2.90	3.30
Total	37.56	43.64	418.55	510.27
By land	1.76	3.73	17.30	19.69
Total Imports	39.32	47.37	435.85	529.96
Exports				
By sea and air—				
Foodstuffs	17.21	11.82	117.38	107.11
Raw materials	10.10	12.35	81.82	109.61
Manufactures	22.50	19.31	187.28	205.15
Other Items	.49	.38	3.15	3.09
Total	50.30	43.84	389.33	424.96
By land	.94	1.24	5.58	17.24
Total Exports	51.24	45.08	394.89	442.20
Total Re-exports	29	50	3.95	3.64
Balance of trade in merchandise	+10.03	+ 71	—25.58	—81.68
Balance of transactions in private treasure	...	...	8	4
Total visible balance of trade	+10.03	+ 71	—25.66	—81.72
Imports:‡				
Total C'wealth countries	18.71	18.52	203.80	193.63
Total Foreign countries	18.85	25.12	214.75	316.64
Exports:‡				
Total C'wealth countries	28.05	20.89	198.46	199.57
Total Foreign countries	22.25	23.46	190.86	225.38

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

		United States§	United Kingdom††	Canada @	France	Switzerland	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	611	71	11	16	39	8	18	5	2	7	9	3	5	5	9	..
	1951-52	660	52	25	16	40	5	20	12	5	7	9	2	4	7	11	9
	1952-53	660	52	25	16	40	5	20	12	5	7	9	1	4	6	11	8
End of October 1952		672	50	25	16	40	5	20	9	6	7	9	1	4	6	11	8
November		672	54	25	16	40	5	20	11	6	7	9	1	4	6	11	7
December		664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953		659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February		650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March		647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April		647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	6
May		645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June		643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July		639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August		636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September		635	71	28	16	42	5	20	21	6	7	9	2	4	6	11	6
October		633	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
November		632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	5

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 22nd April 1954	62,487
	Corresponding week 1953	54,971
	1st Sept., 1953 to 22nd April, 1954	1,209,158
	Corresponding period 1952-53	1,242,514
Cotton Exports	Week ended 22nd April, 1954	5,179
	Corresponding week, 1953	6,372
	1st Sept., to 22nd April 1954	214,612
	Corresponding period, 1953	348,422
Mill Consumption	1st Sept., to 22nd April, 1954	797,308
	Corresponding period, 1952-53	787,809
Stock (with exporters dealers & mills) in Bombay	On 15th April, 1954	631,746
	Corresponding date, 1953	593,854
Karachi (Pakistan)		
Receipts	Week ended 17th April, 1954	10,732
	Corresponding period 1953	36,316
	1st Sept., to 17th April, 1954	1,075,387
	Corresponding period, 1953	1,624,718
Exports	Week ended 17th April, 1954	30,053
	Corresponding period, 1953	25,432
	1st Sept., to 17th April, 1954	833,018
	Corresponding period, 1953	1,049,543

Particulars	From 1st Sept., to 26th April 1953-54 Bales	From 1st Sept., to 26th April 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	12,055	12,702
Continent	21,306	83,405
China	251	316
Japan	56,475	120,306
U.S.A.	12,426	30,701
Other Countries	1,452	4,676
Total to all foreign countries	103,965	252,108
Coastal Ports	114,220	103,838

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	December, 1953	847 342
Foreign		54 992
Indian	Four months ended Dec., 1953	1,290 296
Foreign		229 056
Foreign	Same Period 1952	1,207,858
Stocks (Mills and Elsewhere)—		280,654
Indian	As on 30th Dec., 1953	778,760
Foreign		173,520
Indian	As on 30th Dec., 1952	892,077
Foreign		295,765
Cotton Pressed †	Week ended 16th April, 1954	24,352
	Corresponding week, 1953	24,852
	1st Sept., to 16th April, 1954	66,984
	Corresponding period, 1953	2,342,897
		2,586,543

†Incomplete.

GOVERNMENT SECURITIES.

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101¼
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	92¼
3 ½ Loan	1950	30,33,10,000	1964	90¼
3 ½ Loan	1943	1,10,11,78,000	1966-68	90¼
2½ Yr. Loan	1944	1,14,06,89,000	1957	96¼
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅜
3 ½ Loan	1945	1,13,65,64,000	1959-61	96⅜
2½% Loan	1951	50,35,63,000	1958	93⅛
2½% Loan	1946	47,63,07,000	1960	93⅛
2½% Loan	1946	57,00,49,000	1961	90⅛
2½% Loan	1946	35,06,05,000	1954	90⅛
2½% Loan	1946	14,77,48,000	1976	82
2½% Loan	1947	75,86,72,000	1962	91⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice, On September, 1986 or later at option of Government after three months' notice	81⅛
3 % Loan	1946	248,91,90,000		82
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,95,22,000	1954-59***	100⅛
4½% Loan	1928	3,85,20,000	1958-64***	105
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1953	99⅛
3 % Bombay	1943	3,50,00,000	15th Aug. 1958	99⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	6,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1960	94⅛
3½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	99⅛
3 % Bombay	1952	3,56,72,700	1st Aug. 1964	101
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	3,00,00,000	15th Dec. 1955-58	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1959	94⅛
3 % Madras	1942	1,29,25,000	18th Sept. 1953	99-10/16
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,72,44,000	14th Sept. 1960	94⅛
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91⅛
3 % Madras	1950	4,38,25,400	31st July 1960	94⅛
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98⅛
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99-8/16
3 % Mysore( )	1930	1,63,44,300	1st Nov. 1955	104⅛
4 % Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101
3 % Mysore( )	1936	5,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	3,08,05,700	23th Jan. 1958	99⅛
4 % Mysore	1953	5,00,00,000	15th July 1963	99⅛
3 % M.P.	1942	50,00,000	18th Sept. 1955	99⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1945	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94⅛
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,93,81,500	14th Sept. 1958	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1936	80,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1934	1,69,39,800	15th Sept. 1951-66	97⅛
3 % U.P.	1944	3,23,96,800	15th Aug. 1958	97⅛
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94⅛
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	93¾
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	3,00,00,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98⅛
4 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
				Rs.
BOMBAY				
Rs 36,50,000	4	1904	1964	Rs.
35,00,000	4	1903	1963	
15,00,000	4	1907	1967	
44,00,000	4	1907	1968	
15,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
36,00,000	4	1910	1971	
50,00,000	4	1911	1973	
1,10,00,000	4	1912	1972	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1973	99⅛N
88,25,000	4	1914	1975	99N
16,86,000	4	1915*	1960	
55,00,000	4	1915*	1975	113N
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1926*	1960	
35,00,000	3½	1929*	19?*	
24,58,000	3½	1930*	1960	
15,00,000	3½	1936*	1966	
40,04,000	3½	1936*	1960	
10 00,000	3½	1938*	1968	
7,00 000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300C	3½	1921	1981	79
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955-85	105
98,21,000	5½	1926	1956-86	104½
99,84,900B	5	1926	1956-86	103
1,49,49,300B	5	1927	1957-87	103⅛
1,49,50,000	5	1928	1958-88	104⅛
80,00,000	4½	1931	1991	92⅛
21,71,000C	3	1933	1954	99⅛
60,00,000	3	1938	1965	96⅛
25,00,000	3	1938	1963-68	88
30,00,000	3	1945	2005	70N
50,00,000	3	1945	1973	83½
30,00,000	3	1946	1976	82
50,00,000	3	1946	2006	70N
50,00,000	2¾	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000C	3	1950	1980	94⅛
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1980	94
50 00,000	3	1951	1981	94
1,50,00,000	3½	1951	1961	97⅛
50 00,000	3	1953	1963	97
50,00,000	4	1953	1983	97
STERLING LOANS				
£892,600	5	1923	1953-83	£87⅛
£901,000	5	1924	1954-84	£87⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40 347	4	1912	1982	
32 14,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	3	1918	1882	
7,46,044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
				Rs.
BOMBAY				
Rs 50,00,000	4	1899	1959	Rs 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	97½N
50,00,000	4	1904	1964	
30,00,000	4	1907	1967	
20,00,000	4	1905	1965	
10,00,000	4	1907	1967	
30,00,000	4	1907	1968	
25,00,000	4	1912	1972	97⅛N
40,00,000	4	1913	1973	
30,00,000	4	1913	1973	
25,00,000	4	1916	1976	
40,00,000	4	1919	1937-79	113N
66,80,000	5	1919	1920 -85-86	
25,00,000	5	1926	1956-86	115N
25,00,000	5	1927	1961-70	98N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95⅛N
£333,000	4	1910	1970	£95⅛N
CALCUTTA				
Rs.				Rs.
50,00,000	6	1925	1955	104
25,00,000	5½	1929	1959	107
30,00,000	5	1930	1960	108
35,00,000	3½	1935	1965	94⅛
30,00,000	3	1936	1966	89
50,00,000	3	1936	1966	89
20,00,000	3	1938	1963-68	88
50,00,000	4	1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-15	1974	99⅛
50,00,000	4	1915-16	1895	100
10,00,000	5	1920	1955	108
1,50,00,000	5	1924	1980	113
25,00,000	5	1924	1954	102
26 14 000	5	1929	1958	
50,00,000	5	1929	1949-59	104⅛
26,21,500	5	1929	1954-59	to
8,25,00,000	3½	1947	1977	102⅛
2,50,00,000	3	1949	1979	86⅛
4,00,00,000	3½	1950	1965	86⅛
2,50,00,000	4	1952	1964	92
1,30,00,000	4	1953	1966	97
100,00,000†	4	1953	1964	99⅛
			1962	
CALCUTTA				
Rs.				Rs.
34,45 500	6½	1925	1955*	103⅛
84 70 000	5	1925	1955	104
36 00 000	5	1928	1958	103⅛
25 00 000	5	1929	1957	103⅛
25 00 000	5	1929	1958	103⅛
10 00 000	3½	1932	1962	108
53 91 000	3½	1935	1945	93⅛
60,00,000	3	1937	1954	93⅛
3,11,400	3	1937	1954	88⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
4,18,100	3	1937	1954	99⅛
47,50,000	3	1938	1955	99⅛
10,67,700	3	1938	1955	88
15,36,800	3	1939	1956	97⅛
15,36,800	4	1939	1956	99⅛
17,64,400	4	1940	1957	99⅛
21,10,000	3½	1942	1959	96⅛
15,49,000	3½	1951	1960	92
16,33,000	3½	1951	1960	96
86,88,000	3½	1951	1961	96
87,76,000	3½	1952	1962	96
72,50,000	4½	1954	1979	99⅛
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,66,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15,00,000	3½	1932	1962	107⅛N

***These shares carry the right of a preferential dividend at the rate of 5 per cent. (of which only 5 per cent. is cumulative) per annum. n the event of a winding up these shares have a preferential claim to repayment of capital. Holders of such shares may exercise upto 31st December, 1949, on giving six months' notice, the right to convert he preference shares into ordinary ones.

† Only 7 per cent. out of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent. these shares carry the right to receive a non-cumulative dividend of 3 per cent. per annum and also to participate in further dividend of 2 per cent. per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

‡These carry the right to cumulative dividend of 7 per cent, and of any surplus profits available after 10 per cent. as ordinary capital.

††† These shares can be redeemed at Rs. 105 any time by special resolution.

These shares are entitled to receive 25 per cent. of the dividable profits, in addition to the dividend

Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

*Loans held entirely by the Trustees
A—Held by Government of India
**Quotations in Pak. Currency
***Rupee Counterpart.

ABBREVIATIONS.
N—Nominal.
6—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free.
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944.
†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April. † Bombay State Transport.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari †A	7,00,000	1920	7	July Apr.	115	100
†East India Distilleries	£300,000	1897	7	Jan. July	16s	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Puriabpore Co.	6,00,000	1922	10	Dec. ..	158	10
Ramnagar Cane	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar	3,00,000	1936	5(c)	Oct. ..	161½	100
Travancore	15,00,000	1946	5(c)	Dec. ..	7¾	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	76N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borne	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	118	100
Karanpura Collieries	7,50,000	1946	5½(c)	.. ..	80	75(pp)
††Khas Kajora	1,93,000	1931	7	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	124	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1886	6	Jan. July	128½	100
Basoni Cotton	5,00,000	1938	6½	Nov ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	63	100
Bengal-Nagpur	3,00,000	1898	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	6	Feb. Aug.	142	100
Do. 'B'	3,00,000	1900	7	Feb. Aug.	90	100
Bradbury	14,75,000	1919	7	June Dec.	328½	250
Buckingham & Carnatic	21,30,000	1922	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	125½	100
Central India	50,00,000	1912	5	Apr. Oct.	522½	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000	1912	8	May Nov.	142	100
Do. 'B' Pref.	4,20,000	1919	8	July ..	104½	100
Elphinstone	25,00,000	1919	7(a)	May Nov.	88	100
Emerson	20,00,000	1919	7	June Dec.	131	100
Khatau Makanji (2nd)	29,52,500

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2 8	2	0 4	0 5	0 4		12	Y.
40,00,000	84,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	60	100	6 6	6 0	Nil	Nil	12	Y.P.T.
2,50,98,000	2,35,32,823	3,91,24,744	3,31,78,249	2,00,057	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	421	250	17 8	20 0	20 0	22 8*	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramanarain Sons, Ltd.	39,208	660	Bradbury Mills	980	250	75 0	100 0	100 0	100 0	12	Y.P.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	335	100	10 0	20 0	20 0	22 0	12	Y.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(a)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	66½	100	Nil	Nil	Nil	4 0(c)	12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Cooria Spg. & Wvg.	111	100	7 8	7 8	7 8	7 8	3	Y.
16,00,000	20,04,821	63,03,745	46,46,041	76,868	Ramnarain Sons, Ltd.	30,304		Dawn Mills	90	50	Nil	6 0	6 0		12	Y.
94,00,000	24,00,000	62,31,113	37,35,000	5,622	Purannal Radhakishan & Co.	20,296	928	Edward Textiles	246½	100	15 0	20 0	20 0	225 0*	12	Y.
39,95,700	12,87,292	1,10,11,972	73,98,225	41,842	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	4 0	(d)	3 0	0 12	12	Y.P.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	246	100	15 0	20 0	20 0	16 0	12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	1,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P
8,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—31,32,478	Agarwal & Co.	2,28,030	6,278	India United Mills	950	250	43 12	50 0	50 0	56 4*	12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	11½	10	1 0	1 8	Nil		12	Y.
									1,850	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
89,92,500	49,54,660	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	132½	100	12 0	14 0	10 0	10 0*	6	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	120	100	12 0	14 0	10 0	10 0*	12	Y.
88,80,000A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	82		Madhusudas Mills	3228	100	18 0	25 0	15 0	20 0*	12	Y.
3,60,000B									192	100A	7 8	5 1	6 4	6 4		
										20B	1 8	1 0	1 4	1 4		
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.				50	10	1 0	1 0	1 0	1 0	10	Y.
51,75,000	24,92,735	1,78,02,041	1,44,55,016	12,706	Piramal & Sons	47,368	644	Modern Mills	300Y	100	17 0	15 0	12 0	12 0	6	Y.P.
1,50,40,000	2,83,011	4,93,70,648	1,10,00,000	5,01,242	Chunni & Co., Ltd.	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	213	100	25 0	30 0	30 0	12 0	12	Y.P.
24,00,000	28,60,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd.			National Rayon Corporation	157	100	12 8	15 0	10 0	10 0	12	Y.
30,00,000	21,82,000	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	160	100	10 0	12 8	10 0	10 0	12	Y.
12,70,100	36,34,004	42,69,552	13,76,440	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	49,012	1,018	New Great Spg. & Wvg.	158	100					12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,388	Ramnarain Sons, Ltd.	34,100	873	New Union Mills	265	10	0 8	1 0	1 4		12	Y.
40,00,000	43,62,741	24,64,450	22,50,000	2,99,184	Podar Sons, Ltd.	55,228	1,190	Phenix Mills	132½	100	10 0	10 0	10 0		12	Y.
8,00,000	8,93,770	21,19,461	18,93,349	9,815	David Sassoon & Co., Ltd.	32,600	930	Podar Mills	151½	100	9 0	10 0	10 0	10 0	12	Y.
85,00,000	60,49,474	1,17,57,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	9,320	277	Sassoon & Alliance Silk Mill	188	100	12 12	1 0	1 4		12	Y.
60,00,000	64,20,061	76,08,371	39,83,898	9,43,873	Sassoon Spg. & Wvg.	59,624	1,254	Shree Niwas Cotton Mills	302½	100	14 0	17 8	12 8	12 8	12	Y.P.
81,50,000	49,02,108	78,77,540	43,60,000	33,939	Marwar Textiles (Agency) Ltd.	66,836	1,540		215							
					Forbes, Forbes Campbell & Co., Ltd.											
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	36,116	1,276	Simplex Mills	156	50	14 0	17 0	15 0(p)	15 0	3	Y.
75,00,000	1,18,72,082	1,70,99,941	90,25,870	40,896	Tata Industries Ltd.	52,892	1,633	Standard Mills	323½	100	15 0	20 0	20 0	20 0	12	Y.P.
36,00,000	60,78,465	93,47,153	58,93,668	3,74,757	James Finlay & Co., Ltd.	75,024	2,000	Svadeshi Mills	298½	100	20 0	25 0	16 0	16 0	12	Y.P.
32,57,438	49,90,352	1,53,47,827	43,36,553	6,865	Tata Industries Ltd.	53,804	552	Swan Mills	350	100	15 0	20 0	30 0	20 0	12	Y.
12,00,000	60,55,708	88,62,654	75,30,000	6,246	Thackersey Mooljee Sons & Co.	54,224	1,176	Tata Mills	25	25	2 0	4 0	2 0	1 8	12	Y.T.
								Western India Spg. & Mfg.	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
96,60,000	38,80,266	88,29,885	51,09,678	5,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	147½	100	8 0	12 0	10 0	10 0*	6	Y.P.
18,00,000	38,91,848	83,84,129	58,40,008	1,761	F. M. Muthesias & Sons, Ltd.	42,768	912	Arvina Mills	475	100	25 0	25 0	20 0*		12	Y.P.
31,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	42,768	1,216	Arvind Mills	812	100	25 0	25 0	25 0		12	Y.
20,00,000	40,85,169	76,03,158	51,50,098	1,11,303	Mangaldas & Bros., Ltd.	62,648	1,764	Aryodaya Ginning & Mfg.	220	100	30 0	35 0*	30 0	20 0	12	Y.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,85,818	Lalbhai Dalpatbhai & Co.	35,884	884	Asoka Mills	525	100	17 8	20 0	20 0		12	Y.P.
1,24,77,852	99,56,782	3,97,51,801	2,72,53,344	23,51,386	Lalbhai Dalpatbhai & Co.	37,398	914	Calico	337½	125	12 8	18 0	18 0		12	Y.
80,00,000	64,48,000	1,18,57,870	62,25,000	4,885	Ramanand Premchand Ltd.	1,39,120	2,370	Dhrangadra Chemicals	100	100	15 0	20 0	20 0	18 0	12	Y.
99,00,000	70,78,354	94,79,243	74,88,970	1,799	Tricumlal Bhogilal & Co., Ltd.	46,160	1,150	New Commercial Mills	1,150	500	35 0	50 0	70 0		12	Y.
5,00,000	61,15,982	46,72,745	31,76,001	700	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	653	125	35 0	30 0	30 0		12	Y.
					Jasabhai Bhogilal Nasavaty & Co., Ltd.											
18,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	770½	100	28 0*	28 0*	30 0*	30 0*	12	Y.P.
12,00,000	13,91,067	74,93,069	39,67,450	—13,90,510	Mangaldas Girdhardas Pateeh Ltd.	31,120	636	Rajpur Mfg.	675	100	25 0	25 0			12	Y.P.
82,50,000	16,11,650	1,10,11,972	66,17,803	9,866	Mafatlal Gordhandas Ltd.	43,558	1,094	Rajnagar Spg., Wvg. & Mfg.	130	250	15 0	20 0	Nil		12	Y.
84,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Sons	73,798	1,323	Rohit Mills	130	100	15 0	15 0	15 0		12	Y.
19,12,500	52,12,167	61,33,831	48,71,901	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	351	50	15 0	18 0	16 0		12	Y.
88,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Achratlal & Co., Ltd.	34,576	776	Vijaya Mills	403½	100	13 0	20 0	20 0		12	Y.
									526½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,95,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	0 8	0 5	Nil	Nil	12	Y.P.T.
7,11,280	2,21,850	38,52,134	22,08,105	—47,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Laxmi Cotton Mills	13½	10	Nil	3 0	3 0	Nil	3	Y.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	292	100	Nil	Nil	Nil	Nil	6,12	H.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	210	100	Nil	7 0	Nil	Nil	6,12	H.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	24	15	1 14	1 14	1 12	1 12	3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	25	1 14	1 14	1 4		12	Y.P.
33,96,288										10	0 12	0 12	0 8			
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,13,341	—9,51,338	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	41	10	0 3	Nil	Nil		12	Y.
15,00,000	9,09,109	59,21,613	30,03,246	2,736	Kamal & Co., Ltd.	30,000		Alagappa Textiles (Cochin) Ltd.	67½	10	0 14 2/5	0 9 3/5			12	Y.P.T.
41,94,400	51,99,334	2 06 06,796	50,52,372	5 771	Industrial Trust Fund,	36,136	665	Asam Jahi Mills	67N	100	5 8	6 0	6 0	6 0	12	Y.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	400	100	17 8	20 0	15 0	23 0	12	Y.P.
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	134	10	1 8	2 0	2 0	0 4*	6,12	H.P.T.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	471 N	10	Nil	2 0	2 0		6,12	H.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	138½	10	2 8	3 0	3 0		3	Y.P.T.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Ferozo, Leslie & Co., Ltd.	17,316	4	Cambodia Mills	121	10	1 14	1 8	1 0	0 12	12	Y.P.
30,00,000	21,97,992	36,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8	10	Nil	1 4	1 0	0 12	12	Y.P.
12,00,000	19,85,494	28,94,635	21,58,900		R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	8	10	0 9	1 0	1 0	1 0	12	Y.
10,00,000	9,19,870	15,84,745	13,53,422	1,35,496	T. R. N. Naidu & Co.	14,000		Coimbatore Pioneer Mills	220	100	12 8	12 8	9 0	20 0	12	Y.
20,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	145	100	7 0	6 0	6 0		6	Y.P.
44,87,500	88,12,906	2,30,16,398	1,41,83,230	9,315	Tata Industries, Ltd.	1,12,196	2,060	Central India	45	50	2 0	2 0	2 0	5 0	6	Y.P.
8,38,34,450	1,45,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Chanrai Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	182	100	6 0	6 0	2 0	1 12½	6	Y.P.
1,00,523									53	25	0 4	0 4	0 1 4/5	0 2 4/5	6	Y.P.
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dharmalingam Mills	227	100	25 0	20 0	10 0	20 0	12	Y.
63,00,000	46,00,000	1,40,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	154	10	1 8	1 8	1 8	1 0	12	Y.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	100	10	0 10	14 0	17 0*	17 0	12	Y.
80,00,000	12,52,505	1,23,52,498	88,20,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	110	100	4 0	5 0	6 0		12	Y.
8,90,000	11,61,047	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	76	50	3 0	7 8	3 12		12	Y.
24,00,000	13,75,000	61,55,358	8,50,000	3,482	Kothari & Sons	30,512	200	Kothari Textiles	124	10	1 0	1 0	1 0	0 8	12	Y.
32,00,000	71,10,321	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	393½	250	37 8	50 0*	37 8	10 0(f)	12	Y.P.
33,46,150	53,30,000	94,98,025	33,73,673	14,287	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	116	50	6 0	4 0	5 0	5 0	12	Y.P.
1,75,62,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,993	A. & F. Harvey Ltd.	4,66,932		Madura Mills	227	25	2 0	4 0	3 0	2 8	3	Y.
12,00,000	4,17,363	24,32,416	15,52,490	—22,598	A. L. A. R. S. Chettiar and 2 others	22,952		Malabar Spg. & Wvg.	40½	15	2 0	2 4	3 0	3 0		
40,00,000	62,50,000	35,34,648	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720	603	Mettur Industries Ltd.	126	200	8 0	12 0	8 0		12	Y.
39,80,884	22,90,000	73,68,250	42,20,184	23,960	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	251	100	25 0	12 8	12 8	12 8	12	Y.
84,91,850	27,56,360	1,53,05,970	78,81,528	27,241	Banalal Abirchand Dadabhoy & Co.	47,566	952	Model Mills (Nagpur)	111½	100	12 0	14 0	10 0	7 8	12	Y.
30,00,000	52,19,400	1,33,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	165N	100	Nil	Nil	Nil		12	Y.
19,86,800	67,33,392	1,01,64,233	59,85,574	42,197	N. Sirur & Co., Ltd.	49,408	500	Mysore Spg. & Mfg.	118½	50	10 0	9 0	10 0*	10 0*	2	Y.P.
13,81,780	2,58,745	29,54,299	13,36,824	2,232	R. Suryanarayana Rao Esq. Manager	6,000		Model Spun Silk Mills	61	10	0 8	0 10	Nil	3 0	3	Y.
82,89,885(3)									11							
9,07,095(3)	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills		(O. 2½	Nil	Nil	Nil		12	Y.P.
87,03,800	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	(D. 1	Nil	Nil	Nil		12	Y.P.
4,00,000A									72½	100	5 8	8 0	7 0	4 0	9	Y.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakhmi & Co.	25,200		Palani Andavar Mills	50A		3 0	8 0	7 8			
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Modaliar & Sons	27,980		Pankaja Mills Ltd.	75B	100	7 0	12 0	11 4		12	Y.
16,81,200A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	45	100	7 4	5 0			12	Y.
8,40,600B									167cd	100 A	16 0	16 0	6 0		12	Y.
									83½cd	20B	8 0	8 0	3 0			
15,00,000	25,00,896	22,62,213	14,88,315	—63,346	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	107½	50	4 8	5 0	Nil		12	Y.
60,00,000	42,96,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	33,984	600	Rasa Textiles	8	100	Nil	Nil	Nil		12	Y.P.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Liladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	752N	100	Nil				12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	—	100	Nil	Nil	Nil		12	Y.
16,00,000	1,60,39,317	2,87,33,062	2,03,87,726	—89,64,998	Under Control of Bombay Government					60		3 0			3	Y.
								Sholapoor Spg. & Wvg.	2,225	1,000	Nil	Nil	Nil	Nil	12	Y.P.
						86,048	2,234		8	500					3	Y.P.
34,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills	561	50	4 0*	4 0*	4 0*	4 0*	3	Y.
15,00,000	1,59,52,602	81,28,140	52,31,894	32,224,471	Birla Brothers, Ltd.	33,556	992	Sutlej Cotton Mills	50N	10	4 0	4 0	4 0	4 0	3	Y.
17,50,00,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100	0 8	0 8	Nil		12	Y.P.
1,87,50,000 rp									8	10P.O.	0 14 2/5	0 14 2/5	Nil			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.			Travancore Rayons	9½	10	Nil	Nil	Nil		12	Y.P.
13,98,650	8,69,132	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	8-11½	10	1 0	1 0	0 11 1/5	0 11½	12	Y.P.T.
21,00,000	32,67,606	49,31,870	32,22,308	28,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	185½cd	100	9 0	10 0	12 0	12 0	12	Y.
82,00,000	47,34,135	1,34,36,953	89,50,678	1,868	Bombay Co., Ltd.	54,280	1,483	Vishnu Cotton	142½	100	9 0	14 0*	10 0	4 0	12	Y.P.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves

(d) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(e) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
83,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	Nil	2 13½	Nil	Nil	5	Y.P.
6,64,000							9 8	10	Nil	1 2½	Nil	Nil		
16,20,630	15 83,781	23,47,704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	9	10	1 0	0 12	0 8	0 8	3	Y.
£80,000A	6,68,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	12	Y.P.
£300,000B							27½	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	156½	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A	8,71,294	72,62,714	25,89,341	20,334	Andhra Engineering Co., Ltd.	Andhra Cement Co.	112	A. 100	3 12	7 8	7 3		12	Y.P.T.
39 63,334B							113	B. 10	0 6	0 12	0 12			
43,14,600O	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4	O. 10	0 8½	Nil	Nil		3	Y.T.
4,70,976D							1½	D. 1	Nil					
40,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	158½	100	8 8	9 8	9 8	9 8	7	Y.
40,00,000O							94	O. 10	0 8	0 10				
26,49,797O	43,46,380	69,78,209	10,87,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2	O. 10	0 2	0 24	8 24		12	Y.P.T.
20 00,000D							1-7½	D. 1	Nil	Nil	Nil			
42,50,000O	4,00,000	1,43,54,423	31,47,637	6,15,163	Essen Ltd.	India Cements Ltd.	18½	O. 25	Nil	Nil	1 4	Nil	3	Y.P.
7,50,000D							2½	D. 5	Nil	Nil	0 6			
73,00,000	20,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement	7½		0 3½	0 6½	0

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
46,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	62½	25	1 4 / 1 4 / 5 0 / 0 8½	1 9 / 1 9 / 3 0 / 0 12	1 9 / Nil / 3 0 / 1 0*	Nil / Nil / 6 / 1 0*	6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,524	Andrew Yule & Co., Ltd.	India Paper Pulp	200	100	5 0	3 0	3 0	6	3,9	H.
85,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8½	0 12	1 0*	1 0*	3	Y.
41,95,000	2,23,31,866	3,32,38,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	16⅛	10	0 12	1 0	1 0*	1 0* / 1 0f	3,9	H.P.T.
99,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	24	10	0 6	0 12	0 12			
80,00,000 / 80,00,000A.	5,04,968	50,01,216	27,29,761	9,831	Bajoria & Co.	Star Paper Mills	11 / 11	D. 10 / A. 10	0 10 / Nil	0 12 / Nil	0 12 / Nil	0 12f / Nil	6,12	H.P.T.
64,00,000A. / 56,04,500B. / 4,37,500P.O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	P. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41½ / 42½ / 43	B. 10 / P.O. 2½	0 14* / 1 0 / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	3,9	H.P.
PRESSING														
8,00,000	3,92,365	15,65,559	10,69,448	9,339	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	3 0	3 0	6	Y
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	5 0	5 0	7 0	7 0	6	Y
8,00,000	1,55,000	11,21,900	9,45,556	10,427	Andrew Yule & Co.	Central Hydraulic	91	100	5 0	5 0	7 0	4 0	6	Y
PROPERTY AND LAND														
10,00,7800O. / 8,00,000D.	6,02,582	42,65,224	19,09,280	419	E. A. Basil, Esq., & others (Directors)	Humayun Properties	10 / 38	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8 / Nil		9	Y.P.
60,00,000	20,01,668	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27	100	2 0	1 8	1 0	1 0	4	Y
84,00,000	35,56,534	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
15,99,598	28,08,354	15,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7½	5	0 8	0 8	0 4		9	Y
84,50,000	3,75,07,299	3,01,90,100	1,25,54,693	63,264	Wallace & Co.	Bombay-Burmah Trading	407 / 141	Old 125 / New 50	15 0 / 5 0	37 8 / 13 0	22 8 / 9 0	15 0 / 6 0	5	Y.
6,00,000	.....	2,00,768	1,76,945	−5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	3 0	3 0	3 0	1 0	5	Y.
18,00,000	18,43,037	16,83,461	11,43,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 4	3 0	1 0	6	Y.P
SUGAR (U.P. and Bihar)														
14,00,000	9,81,983	37,47,864	23,86,458	13,427	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7⅜	5	Nil	1 0	Nil	Nil	3	Y.P.T.
12,00,000A. / 3,00,000B.	29,17,634	48,08,531	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	125N / 11½N	A. 100 / B. 10	6 4 / 1 0	1 0 / 1 0	10 0 / 1 0	10-0 / 1-0	6	Y.
19,49,050	5,00,000	32,06,095	21,68,136	1,66,138	Bangor Bros., Ltd.	Belsund Sugar	7½	Nil	1 0	1 0	1 0	1-0	4	Y
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 0	1 0	0 12	0 12	9	Y
32,00,000	25,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	81	10	1 8	1 8	1 8	1 8	6	Y.P.
15,00,000	62,99,665	99,64,733	78,07,451	53,036	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	Nil	Nil	Nil	Nil	Nil	6	Y.P.T.
18,00,000	33,12,562	63,47,650	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	26	10	1 8	2 0	2 0	2 0	10	Y.P.
5,99,452	6,18,562	22,66,286	14,07,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	32	10	0 8	1 0	1 8	1 8	6	Y.
22,80,000A. / 10,00,000D.	33,23,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd....	Hindustan Sugar Mills	175N / 50N	A. 100 / O. 100	6 0 / 6 0	9 0 / 9 0	12 0* / 12 0*	15 0* / 15 0*	8 / 6	Y.T. / Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29,768	Kilachand Devchand & Co.	Kesar Sugar	22N	40	1 8	2 8	Nil	Nil	7	Y.P
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	31½N	10	1 8	2 8	2 8	2 8	6	Y.P.
11,00,000	4,20,000	37,49,397	24,19,065	9,769	Karamchand Thapar & Bros., Ltd.	New Savan	10	10	1 0	1 0	1 0	1 0	5	Y.
1867,500 A. / 87,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	110N / 45N	100 / 10	13 0 / 2 0	20 0 / 2 0	20 0 / 2 0	20 0 / 2 0	5	Y.P.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 12	5 0	5 0	5 0	6	Y
12,00,000	12,71,178	19,94,418	10,81,766	14,000	Nanng Bros. & Co., Ltd.	Punjab Sugar	105N	100	3 4	3 4	3 4	11 0*	7	Y.P.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Puranpore Co.	131	10	1 8	2 8	1 0		10	Y.
8,00,000	4,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13½N	10	1 8	2 8	1 0	1 0	10	Y.
11,99,900	17,23,204	36,77,350	31,32,129	3,906	Begg, Sutherland & Co., Ltd.	Ramaipur Central Sugar	14½	10	1 0	1 4	1 0	1 0	10	Y.P.
80,00,000	21,68,560	1,04,96,727	55,22,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½d	10	0 8	0 12	1 0	0 8	6	Y.
9,99,950	61,825	22,84,311	11,98,645	7,487	H. K. Obeah, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	68	10	Nil	Nil	1 0*	3	Y.P.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	15½	10	1 0	1 0	1 0	4	Y.
6,50,000O. / 1,75,000D.	47,623	25 93,296	11,46,770	−14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 25	Nil / Nil	Nil / Nil	1 0	2 0*	6	Y.T.
8,00,000	.....	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	23⅜	10	1 12	2 0	2 8	2 8	6	Y
14,00,000	9,19,618	30,61,987	24,91,617	84,643	James Finlay & Co., Ltd.	United Provinces Sugar	16½	10	0 4½	2 0	1 8		9	Y
Other Centres														
44,99,750	79,06,443	45,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Balapur Company	27½	50	12 8	14 0	16 0	16 0	9	Y.
87,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N / 27	100 / 10	Nil / 1 8	3 0 / 2 8	3 0 / 2 0		6	Y. / Y.P.
13,00,000	30,23,916	24,31,980	14,53,776	1,31,354	India Sugar Agencies Ltd.	India Sugar and Refineries	27	10	1 8	2 0	2 0	2 0	9	Y.
13,00,000	30,23,916	24,31,980	14,53,776	1,31,354	India Sugar Agencies Ltd.	Indian Sugar and Refineries	27	10	1 8	2 0	2 0	2 0	9	Y.
3,40,000	92,000	3,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,587	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	60	10	4 0	4 0	4 0		12	Y.
83,00,000	1,00,000	23,18,130‖	8,079	6,955	Dena Bank, Ltd.	Devkaran Nanji Investment Co.	88	25	0 12	0 12	0 12	Nil	3	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Menilal Ltd.	Estrela Batteries	23½	10	1 0	1 0	1 0	1 0	3	Y.
99,99,250	18,80,149	1,27,94,392‖	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	79	100	4 0	4 0	2 8	4 8	12	Y.P.
89,98,350	19,49,340	17,65,055	4,98,441	20,637	E. D. Sheppard, Esq. (Mg. Director)	Killick Industries	175½ / 147½	100 / 75	8 0	8 8	10 0	10 0	6	Y.
8,96,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asso-Asia Ltd.	Premier Automobiles	A. 100 / B. 10	Nil / Nil	Nil / Nil	2 8 / Nil	3 0 / Nil		6	Y.
10,21,200	3,56,605	14,71,107	12,41,107	36,753	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	37½d	20	Nil	Nil	Nil	Nil		
8,75,00,000	60,29,568	2,49,75,164	1,49,74,939	49,761	T. Ryalls, Esq. (Managing Director)	Western India Match Co.	210	100	3 0	3 0	3 0		6	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	11 0* / 20 0	11 0* / 20 0	11 0* / 20 0	11 0* / 20 0	12	Y.
Other Centres														
47,50,000O.	15,00,000	1,36,92,644	56,15,329	78,891	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	58	10	Nil	Nil	Nil	Nil	3	Y.P.T.
8,50,000O.	88,21,355	31,54,314	20,12,443	4,34,790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	174	D. 25	Nil	Nil	Nil	Nil	3	Y.
30,00,000	3,75,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19	10	1 12	2 8	1 4	1 4	8	Y.
20,00,000	18,97,183	96,80,345	59,87,830	23,335	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41	10	3 4*	3 4*	3 4*	3 4*	6	Y.
60,00,7000C. / 10,00,000D.	97,71,800	53,87,807	29,87,807	3,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	313	O. 20 / D. 40	0 9 3/5 / 4 0	0 9 3/5 / 5 0*	0 9 3/5 / 20 0*	0 9 3/5 / 5 0*	12	Y.
30,00,000	7,97,945	56,17,513‖	.....	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	—	O. 40	4 0	8 0	20 0*	20 0*	12	Y.
30,64,680	33,27,348	99,11,669	21,83,999	98,153	F. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	10	10	1 2	1 4	1 4	1 4	6	Y.
3,25,00,000	93,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	81	5	0 12	0 12	0 12	1 4	3	Y.P.
1,40,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,633	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	33	10	1 8	2 0	1 8	1 8	3	Y.P.T.
51,26,000	51,50,934	1,29,31,258‖	.....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	139	10	2 0	2 0	2 0	2 0	12	Y.P.T.
14,00,000	9,97,000	32,14,898	17,65,862	26,757	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	194	100	10 0	12 8	20 0	9 0	12	Y.P.
45,00,000	36,42,442	17,39,293	5,41,434	2,11,518	Sir Ardeshir J. Ellias.	Gillanders Arbuthnot & Co., Ltd.	108	100	3 8	6 0	8 0	10 0	6	H.
30,00,000	14,41,000	42,41,816	29,55,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	265	100	15 0	15 0	15 0	15 0	3	Y.
12,42,800	3,06,049	40,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	250	10	15 0	15 0	15 0	75	3	Y.P.
4,94,12,650	1,93,800	2,83,64,147	60,52,719	2,78,557	Birla Bros., Ltd.	Hindustan Motors	100N	100	7 8	8 0	15 0	15 0	3	Y.
1,40,00,000	36,77,754	3,45,52,905	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	9½	10	Nil	Nil	Nil	Nil	12	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen, Esq.	Indian Cables	115	100	3 8	5 0	5 0	Nil	12	Y.
8,27,970	3,38,000	14,39,460	7,97,308	38,545	O. B. Mention & Co. (India), Ltd.	Indian Rubber Manufacturers	20½	10	2 0	2 0	1 8	Nil	3	Y.P.
8,00,000	57,45,280	25,81,477‡	6,26,477	4,64,163	O. M. Mackinlay, Esq.	Jardine Henderson	11½	10	1 0	1 0	1 0	1 0*	3	Y.P.
4,34,000O. / 44,000D.	6,05,270	4,91,551	4,08,253	−44,994	James & Co., Ltd.	Macfarlane & Co.	13 / 13	O. 5 / D. 1	Nil	Nil	Nil	7 8	3	Y.P.
40,00,0000C. / 8,00,000D.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Ce.	240	O. 100 / D. 10	12 8 / 1 0	12 8 / 1 0	7-4 / 1 6	1 6*	9	Y.
1,50,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	20½	10	0 12	0 12	0-4		12	Y.
4,35,255	1,74,934	2,74,805	2,46,942	−72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 4	1 2	1 6	1 6*	9	Y.P.
48,00,000	8,84,829	9,71,621	3,93,000	2,059	O. Chandy, Esq. (Controller)	Mysore Lamp Works	13½	10	1 0	Nil	Nil	Nil	12	Y.
10,00,000	.....	11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	13½	10	1 0	1 0	1 0	1 0	3	Y.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	10‖	10	Nil	Nil	Nil	Nil	3	Y.P.
79,97,000	28,12,723	1,12,79,603	42,94,020	10,37,033	B. N. Elias & Co., Ltd.	National Tobacco Co.	18½	10	0 8	0 8	0 12	1 0	3	Y.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,613	Parry's Holdings Ltd.	Parry & Co.	91	10	0 4	0 10	Nil		12	Y.
8,25,00,000	13,27,473	1,85,91,320	46,13,954	17,649	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	44	2	1 9 3/5	0 10	Nil		12	Y.P.
3,14,00,000	78,53,108	4,09,39,407	2,16,88,623	7,17,446	Babu Jain Ltd.	Robtas Industries	15½	100	5 8	9 0	Nil	Nil	12	Y.P.T.
4,60,00,000	84,66,946	1,21,92,814	75,35,215	5,47,087	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	15½	10	Nil	0 12	1 0		12	Y.P.
75,00,000	33,00,000	12,11,901‖	2,17,120	5,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16½	10	1 0	1 0	1 0		8	Y.P.
9,98,380	1,50,000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	33	10	1 0	1 0	1 0	1 8	6	Y.P.

‖ Includes investments at cost. • Includes bonus. † Excluding goodwill at cost Rs. 30 lakhs.

‡ Excluding goodwill (written down Rs. 30 lakhs.) § Excluding Rs. 1,40,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	410 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	211	10	2 8	0 12	0 12		12	Y.
3,50,000	4,60,250	10,44,174	1,65,679	72,360	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	29	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	−2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Barmatia	36½	10	3 0	2 8	2 0		12	Y.
3,20,600	2,00,000	8,68,533	5,03,533	63,180	Williamson Magor & Co.	567	Batelt	17½	5	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,121	−37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	29½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	59,59,154	20,59,154	1,61,457	Andrew Yule & Co.	4,078	Bishnauth	35½	10	5 0	2 8	Nil		12	Y.
6,00,000	.....	10,38,918	1,51,948	−36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	−22,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	14½	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	11⅛	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	−29,101	McLeod & Co., Ltd.	282	Deloo Valley	13½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,355	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbutia	280	100	30 0	22 8	10 0		12	Y.
17,33,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhelaikhat	14½	10	1 9 3/5	1 3⅞	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	14½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	−61,561	McLeod & Co., Ltd.	458	Dibrugarh	14½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,91,119	4,63,119	25,960	Williamson Magor & Co.	625	Dimakusi	41	10	4 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,36,157	9,58,157	1,15,948	Williamson Magor & Co.	669	DutBaghur	43½	10	4 0	2 0	1 0		12	Y.
10,00,000	3,65,000	21,47,469	8,22,460	52,681	Williamson Magor & Co.	1,168	East India Tea	20½	10	2 4	2 4	0 4		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	−2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	22	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37,439	5,54,439	1,03,645	Williamson Magor & Co.	533	Gohpur	38½	10	4 0	3 0	1 8		12	Y.
4,4,94,360 / B. 2,40,793	13,22,810	17,77,138	5,02,659	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	233 / 124	A. 50 / B. 5	3 0 / 1 8	2 0 / 1 8	2 0 / 1 0		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	30	4	30‡	10	8		12	Y.
4,35,000	8,04,216	18,38,687	8,66,970	−28,147	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	311N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	−1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlahar	132	10	1 0	0 8	Nil		12	Y.
2,40,000	80,000	6,20,851	3,27,593	Shaw Wallace & Co., Ltd.	1,166	Kigeley-Golaghat (Assam)	350N	100	20 0	Nil	Nil		12	P.Y.	
6,50,000	1,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	10	10	2 0	Nil	Nil		12	Y.
4,80,000	.....	8,87,349	87,349	−1,89,844	Duncan Bros. & Co., Ltd.	673	Lohensra	51	10	1 12	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	560N	100	45 0	35 0	Nil		12	Y.
0. 50,000 / P.O 2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	32 / 37½	O. 10 / P.O 10	3 0 / 3 0	2 3 / 2 8	2 0 / 2 8		12	Y.
4,00,000	2,98,000	5,78,590	3,53,094	256	S. C. Sen, Esq., Supervising Director	540	Naga Hills	19½	10	2 4	2 4	Nil		12	Y.
5,35,000	—	10,14,665	4,06,665	−99,094	Shaw Wallace & Co., Ltd.	810	Narbarmah	8	10	1 0	Nil	Nil		12	Y.
5,00,000	—	9,92,221	1,92,221	−44,129	Duncan Bros. & Co., Ltd.	935	New Chumtollah	78N	100	Nil	Nil	Nil		12	Y.
2,00,000	4,77,500	6,98,742	1,97,159	20,602	Andrew Yule & Co., Ltd.	345	Rajgarh	27½	10	3 0	1 12	Nil		12	Y.
6,00,000	2,82,640	17,57,582	8,23,094	−162	Duncan Bros. & Co., Ltd.	902	Sapoi	15½	10	2 0	1 4	Nil		12	Y.
5,00,000	5,25,000	12,93,437	2,14,245	−89,803	Octavius Steel & Co., Ltd.	513	Seun Ali	30½	10	3 0	1 12	1 0		12	Y.
5,98,000	.....	10,86,022	2,48,752	61,699	Duncan Bros. & Co., Ltd.	673	Seven Ali	30½	10	3 0	1 12	1 0		12	Y.
4,00,000	4,50,455	9,60,684	2,86,202	59,392	McLeod & Co., Ltd.	495	Teloiaa	15½	10	1 12	1 0	Nil		12	Y.
4,00,000	5,40,127	12,23,258	1,63,010	65,374	Gillanders Arbuthnot & Co., Ltd.	1,551	Teogurea	25½	10	3 0	1 8	0 12		12	Y.P.
85,86,310	9,44,803	32,40,671	11,79,671	12,076	Shaw Wallace & Co., Ltd.	2,115	Terpore	21½	10	3 8	0 12	Nil		12	Y.P.
5,20,000	9,50,000	20,41,253	7,88,563	−57,349	McLeod & Co., Ltd.	1,050	Tyroon	26½	10	2 8	2 0	Nil		12	Y.
CACHAR															
3,00,000	1,75,000	5,00,750	1,69,181	−6,74,430	Gillanders Arbuthnot & Co., Ltd.	862	Arcuitipore	5	10	Nil	Nil	Nil		12	Y.
7,00,000	.....	7,80,032	44,842	−4,90,713	Octavius Steel & Co., Ltd.	949	Eastern Cachar	5⅛	10	1 8	0 12	Nil		12	Y.
12,60,000	3,50,000	27,60,482	8,30,378	19,783	Octavius Steel & Co., Ltd.	2,154	Hatikhira	15½	10	1 8	1 0	Nil		12	Y.
4,50,000	1,67,837	2,97,260	7,468	11,615	Bullion Co., Ltd.	377	Kalinugger and Khoreel	70N	100	6 0	Nil	Nil		12	Y.
3,60,000	.....	5,39,567	1,19,567	−1,76,871	Duncan Bros. & Co., Ltd.	599	Kunchuppa	6½	10	1 0	Nil	Nil		12	Y.
7,00,000	.....	10,52,485	2,27,485	−2,46,748	Duncan Bros. & Co., Ltd.	1,344	North-Western Cachar	85	100	Nil	Nil	Nil		12	Y.
1,84,030	.....	3,05,110	7,260	−2,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
63,60,000	55,50,000	54,95,232	50,38,912	85,723	D. N. Elias & Co., Ltd.	879	Agarpara	15½	10	8+4	1+1	1+1	1+1	3, 9	H.T.P.
12,00,000	18,99,800	45,51,094	32,11,551	4,42,185	Babu Jain Ltd.	498	Albion	206	100	4+10	15+15	1+10	1+1	5, 11	H.P.
6,00,000	3,35,000	50,34,068	30,69,557	—99,041	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	6, 12	H.P.T.
13,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	179	100	Nil	20	10+10	10+15	6, 12	H.P.
43,20,760	79,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	203	100	Nil	10	10+10	10+15	7½+5	3, 9	H.P.
23,00,000	29,11,041	1,34,35,061	▪ 81,95,673	42,542	Bird & Co., Ltd.	810	Auckland	111	100	1½+6	6+1	5+5	2+5	3, 9	H.P.
13,00,000	23,17,170	97,56,938	64,26,882	64,082	Jardine Henderson & Co.	959	Bally	149	100	6+1	6+1	5+1	4+No	3, 9	H.P.T.
£275,000	£839,470	£1,342,547	£1,046,810	£31,829	Sir John H. Burder (Chairman)	1,889	Barnagore	144½	£5	£1	£1	£1	£1	3	Y.P.
23,00,000	33,49,423	88,32,871	48,44,256	73,172	Andrew Yule & Co., Ltd.	1,220	Belvedere	210	100	7+10	12½+15	7½+7½	7½+7½	6, 12	H.P.
32,50,000	35,95,000	54,22,523	24,75,686	4,28,775	Soorajmoll Nagarmull	600	Bengal	14½	10	1½	3	1	1	6, 12	H.P.T.
13,42,000	8,44,16,487	4,07,13,995	1,84,71,433	63,552	Duncan Bros. Ltd.	1,373	Birla	14½	10	3+10	10+12	6½+6½	6+6	3	Y.P.
35,00,000	29,22,925	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	144	100	Nil	5	6+6	6+6	4, 10	H.P.
7,41,180	4,29,739	49,77,159	38,73,499	93,481	Dayaram & Sons	502	Calcutta Jute Mfg.	14N	10	4+10	10+12	6+6	6+6	6, 12	H.P.
18,00,000	51,81,234	76,49,929	38,23,209	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	158	100	3+5	5+7	7+8	3+3	3, 9	H.P.
29,16,423	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	150	100	6+10	10+12	6+6	6+6	5, 11	H.
12,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Cheviot	221	100	Nil+8	11+4½	2½+1½	1½	6, 12	H.P.
23,15,000	46,90,000	59,26,842	42,46,385	1,06,004	McLeod & Co., Ltd.	500	Clive	12½	10	1½	3½	2	Nil	6, 12	H.T.P.
18,00,000	17,00,000	78,84,947	64,24,463	18,647	Shaw Wallace & Co., Ltd.	969	Clive Industries Ltd.	23½	10	3	3	2	Nil	3	Y.P.
31,49,200	41,69,973	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	1,225	Cossipore	123	100	1+3	5+6	6+6	6+1	3, 9	H.P.
22,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	748	Delta	148	10	5+12½	15+17½	10+10	10+10	5, 11	H.P.
15,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	19 D	10	2½+2½	12½+12½	10 Nil	Nil+½	6, 12	H.T.P.
21,00,000	55,16,752	2,68,99,877	1,78,29,391	3,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	460	100	Nil	6	Nil	Nil	3, 9	H.P.T.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,018	Fort William	330	100	Nil	5	Nil	Nil+5	3, 9	H.T.P.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	71½	10	3½	5	3½	Nil+Nil	3, 9	H.P.
18,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	225	100	45	50	35	15	12	G.
84,00,000	29,45,542	2,19,25,904	1,66,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	285	100	2½+15	10+10	10 Nil	Nil+33	3, 9	H.P.
40,00,000	44,39,631	77,52,963	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	122N	10	10	1	10	10	3	D.P.
18,40,000	15,20,693	64,52,853	44,81,414	65,175	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	31	10	1+3	3	1½	1½	3	Y.P.
£3,62,500	51,83,370	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	21	10	1+3	8+6	6+6	7+8	3, 9	H.P.
12,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramsutt Ramkumardas	2,272	Hukumchand	100	100	5+12½	15+17½	10+10	10+10	3, 9	H.P.
87,00,000	19,45,623	1,11,61,157	72,03,253	55,253	Lindsay Eccles & Co.	1,075	India	132	100	Nil	5	Nil	Nil	3	Y.P.T.
30,000										A 7-8 7-8					
84,00,000										8½+8½	10+12½	6+6	6+6	3, 9	D.
19,20,000	24,95,613	1,35,83,523	1,17,53,329	63,231	Jardine Henderson Ltd.	1,777	Kamarhaty	183	100	8½+8½	10+12½	6+6	6+6	6, 12	D.P.
12,00,000								173	100	8½+8½	10+12½	6+6	6+6		
84,00,000								133	100	Nil	5	4+4	4+4		
31,00,000	47,00,000	92,15,642	70,45,278	1,05,320	McLeod & Co., Ltd.	703	Kelvin	127	100	Nil	5	5+7	6+4	6, 12	H.P.
24,00,000	22,83,375	1,61,13,039	1,09,52,096	3,07,182	Anderson Wright Ltd.	1,530	Khardah	253½	100	10+10	12½+12½	6+6	7½+7½	6, 12	H.P.
43,00,000	53,02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	190	100	Nil	15	10+9	10+7	4+5	3, 9	H.P.
24,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	1,931	Kinnoull	195	100	5+5	12½+11	7+8	7+8	3, 9	H.P.T.
23,00,000	39,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	5+9	12½+11	11+11	2+5	3, 9	H.P.
10,00,000	37,51,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd.	558	Lothian	220	100	3+10	15+17½	15+15	15+15	3, 9	H.P.
81,45,200	25,35,442	1,93,98,423	1,14,00,000	23,923	Mackinnon Mackenzie & Co.	1,068	Mazna	102	100	4+4	5+6	3+3½	2½	3, 11	H.P.
52,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,373	F. W. Heilgers & Co.	815	Naihati	115	100	Nil	5	10+6	6+6	3, 9	H.
13,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd.	425	Nasharpara	12	10	1+4	3+4	1+1	Nil	4, 12	H.
37,00,000	46,27,417	77,73,940	9,20,551	—1,41,118	Andrew Yule & Co., Ltd.	852	National	25	10	1+3	3+4	1+1	1+1	4, 12	H.T.
7,50,000	42,00,000	24,25,149	17,17,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	1½+1½	2½+5	2+1	1½	4, 12	H.P.
10,50,000	49,78,373	48,94,020	24,31,324	76,232	Saha Jute Ltd.	709	New Central	29½	10	1½+15	15+15	12+12	12½	6, 12	H.P.T.
16,79,220	42,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	587	Northbrook	19½	10	1½	3	1	1	6, 12	H.P.
64,79,500	33,26,497	2,13,29,378	1,36,90,475	65,545	Bisenath & Barry Ltd.	1,692	Nuddea	42	10	Nil	12½+12½	1	Nil	3, 9	H.P.T.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	170	100	4+10	12½+12½	10 6	Nil+½	3, 9	H.
85,00,000	3,18,552	50,71,921	42,24,111	14,316	McLeod & Co., Ltd.	400	Presidency	6½	5	Nil	1	6+6	6+6	5, 11	H.P.
23,00,000	58,650	26,15,293	7,67,493	—2,36,541	Hf. R. N. Banerjee	325	Ramakrishna	6½	5	Nil	Nil	Nil	Nil+½	3, 9	H.T.
47,50,000	41,07,177	1,47,47,178	71,971	Nil	Jardine Henderson Ltd.	1,276	Rameo	14½	10	Nil	Nil	Nil	Nil	3, 9	H.P.
£600,000	£1,102,661‡	£1,203,652	£22,642	Nil	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13½	£1	12½	10½	10½	1+1	3, 9	H.P.T.
52,00,000	13,07,220	97,28,210	57,19,652	6,09,622	Shaw Wallace & Co., Ltd.	911	Shree Ambica	15	10	Nil	1½+1	1	10½	3, 9	Y.P.
14,00,000	7,74,612	48,14,458	35,67,743	3,54,934	Hindustan Investment Corporation	431	Soorah	23½N	10	1½	1½+1	Nil	Nil	3, 9	H.P.
25,19,600	43,76,263	1,00,80,263	53,31,637	14,202	Bird & Co., Ltd.	630	Standard	125	100	3+6	9+8	8+1	1+1	3, 9	Y.P.T.
£600,000	£849,9273	£990,893	£115,183	63,350	Thomas Duff & Co. (India), Ltd.	1,794	Tinglaw	13½	£1	10½	10½	10½	10½	3, 9	H.P.
53,98,600	96,57,600	1,82,88,523	£3,17,475	51,107	Bird & Co., Ltd.	1,326	Union	170	100	2+7	12½+11	10+1	10½	12	Y.P.
£400,000	£587,164	£1,059,917‡	£119,752	37,029	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	123	£1	10½	10½	10+1	1+1	3, 9	H.P.T.
2,50,000	1,35,652	58,35,513	35,63,323	57,029	McLeod & Co., Ltd.	455	Waverley	6	1	Nil	1/4	1/4	Nil	6, 12	H.P.T.

‡ Including Consolidation Fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	75,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22½	10	1+1	1+1	2½+1	7½+7½	3, 9	H.
12,00,000	8,45,617	38,12,795	34,62,055	20,581	Jardine Henderson Ltd.	Bareree Coke	18½	10	1+1	1+1	1+1	1+1	3, 9	H.
4,49,350	70,062	8,49,139	5,30,703	4,527	Andrew Yule & Co., Ltd.	Bengal-Bhadaie	4½N	10	1+1	1+1	1+1	1+1	3, 9	H.
4,03,00,000	4,19,50,000	5,49,31,575	3,47,66,103	6,23,909	Andrew Yule & Co., Ltd.	Bengal Coal	50½	£25	17+17½	17½+17½	2½+2½	17½+15*	4, 12	H.
2,25,000	5,07,662	23,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½	10	1½	1½	1½	1½	4, 12	H.P.
12,97,000	4,73,338	37,29,385	22,67,345	25,525	H. V. Low & Co., Ltd.	Chalgora	4½	10	1	1	Nil	Nil	4, 10	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	6,280	Babu Jain Ltd.	Bharat Collieries	6½	10	1	1	1	1	3, 9	H.P.
7,13,000	14,47,077	51,08,473	35,84,959	—41,494	F. W. Heilgers & Co., Ltd.	Bhulanbarree	14	10	2	2	2	2	6	Y.T.P.
18,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	1	1	Nil	Nil	6, 12	H.
7,50,000	20,20,000	43,12,213	24,77,537	1,63,183	F. W. Heilgers & Co., Ltd.	Borrea	31½	10	1½	1½	1½	1½	6, 12	H.
53,92,412	1,70,58,393	4,07,13,995	1,84,71,433	63,552	Bird & Co., Ltd.	Burrakur	9½	10	1½	1½	1½	1½	6, 12	H.P.
47,97,000	750	34,32,368	37,646	3,033	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	1	1	1	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,252	25,567	Anderson, Wright & Co., Ltd.	Central Kurhead	16½	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
6,00,000	1,41,587	7,50,000‡		19,187	F. W. Heilgers & Co., Ltd.	Churia	2½	4	1½	1½	1½	1½	3	Y.
16,00,000	1,20,000	48,33,738	25,84,732	29,518	Macneill & Barry Ltd.	Dhemo Main	6½	10	1½	1½	1½	1½	6, 12	H.
2,40,000	£132,801	£224,840	£59,734	£20,000	Jardine Henderson Ltd.	East Indian	27½	£5	2½	2½	2½	2½	6, 12	H.
£3,63,760	74,36,570	3,46,00,164	2,76,14,367	2,62,401	Macneill & Barry Ltd.	Equitable	33½	£5	2½	2½	2½	2½	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	63,845	Chanter's Agency Ltd.	Ghusick and Mirzah	15½	10	2½	2½	2½	2½	6, 12	H.P.
12,00,000	1,57,002	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43½	£2	3	3	3	3	6, 12	H.
8,00,000	4,60,000	21,52,651	17,48,213	76,882	Macneill & Barry Ltd.	Hurriadih	15½	10	1½	3	3	3	6	Y.
£2,00,000	1,62,377	31,70,015	10,56,245	—1,95,242	Empale Trust Ltd.	Jogta Coal	3½	10	Nil	Nil	Nil	Nil	3	Y.P.
3,50,000	5,58,023	13,65,402	8,42,347	21,358	Andrew Yule & Co., Ltd.	Kalapahari	25½N	10	1½	1½	1½	1½	6, 12	H.
£3,00,000		25,62,791	1,50,645	1,822	Bird & Co., Ltd.	Karanpura Collieries	7½	£2½	Nil	Nil	Nil	Nil	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,341	Andrew Yule & Co., Ltd.	Katras Jherriah	45½	10	1½	1½	1½	1½+1	3, 9	H.
1,38,400	95,000	10,63,519	3,25,519	1,633	Cervesia & Co.	Khas Kajora	5½	10	1½	1½	Nil	Nil	3	Y.P.
11,00,242	50,000	15,87,375	13,31,164	3,411	H. V. Low & Co., Ltd.	Kusrdi	6½N	10	Nil	6	Nil	Nil+5	1, 7	H.
9,00,000	31,50,000	23,41,242	22,43,925	13,549	H. V. Low & Co., Ltd.	Lakurka	11½	10	2½	2½	2½	2+2	6, 12	H.P.
7,48,242	1,50,000	11,24,142	8,84,138	23,393	Associated Commercial Co., Ltd.	Nazira	6½	10	50	50	35	15	6	Y.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	3/10 3/10	5+12½	Nil	Nil+Nil	3, 9	Y.
6,00,000	1,30,000	31,61,632	15,79,155	63,718	Octavius Steel & Co., Ltd.	New Mashobeon	9½	10	Nil	Nil	Nil	Nil	6, 12	H.
1,13,000							11½	10	1½	1½	1½	1½	6, 12	H.P.
1,57,500	2,46,004	12,74,099	7,73,294	352	Andrew Yule & Co., Ltd.	North West	7½N	7½	1½	1½	1½	1½	3, 9	H.
7,50,000	13,51,845	3,97,655	2,77,655	1,23,525	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	1½	1½	1½	1½	3, 9	H.
18,00,000	1,10,000	35,60,122	14,26,827	58,421	E. C. Thapar & Bros.	Oriental Coal	12½	10	1½	1½	1½	1½	6, 12	H.P.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parsora	6½	10	1½	1½	1½	1½	12	H.P.
15,75,000	11,25,000	42,01,653	29,16,653	52,592	Shaw Wallace & Co., Ltd.	Pench Valley	25½	10	1½	1½	1½	1½	12	H.P.T.
23,99,500	16,17,105	1,12,84,110	78,87,623	27,432	D. N. Elias & Co., Ltd.	Rameegunj	11½	10	Nil	1½	1½	1½	6, 12	H.P.
11,50,000	7,88,385	30,74,660	25,05,660	27,648	Shaw Wallace & Co., Ltd.	Rewa	25 Pfd	10	1½	1½	1½	1½	6, 12	H.
£3,00,000	3,95,003	32,32,218	13,30,500	433	Jalpuria Sons Ltd.	Samla Collieries	7½	10	1½	1½	1½	1½	6, 12	H.
1,25,000	1,75,000	11,69,383	9,78,669	23,459	Gillanders Arbuthnot & Co., Ltd.	Searsole	8N	10	1½	1½	1½	1½	6, 12	H.
47,50,000	41,07,177	1,47,47,178	71,971	2,87,878	Andrew Yule & Co., Ltd.	Seebpore	14½	10	Nil	Nil	Nil	Nil	3, 9	H.
8,00,000	8,74,490	35,99,197	26,21,250	—1,59,849	F. W. Heilgers & Co., Ltd.	Sendra	10½	10	2½	2½	2½	2½	6, 12	H.
£3,21,425	13,25,954	8,24,72,752	2,25,34,524	65,552	Industrial Trust Fund (Government of Hyderabad)	Singareni	6D	10	1½	1½	1½	1½	6, 12	H.P.
17,50,000	11,02,200	55,28,884	13,93,474	23,723	Bird & Co., Ltd.	South Karanpura	9½	10	1½	1½	1½	1½	12	Y.P.
8,00,000	13,63,345	1,69,755	21,510	17,018	F. W. Heilgers & Co., Ltd.	Standard	21½	10	1½	1½	1½	1½	2, 8	H.
12,00,000	12,950	25,13,423	15,43,501	—8,64,335	Villiers Ltd.	Talcher	5½	10	Nil	Nil	Nil	Nil	3, 9	H.
3,50,000	8,53,000	18,94,910	14,66,513	74,927	Williamson Magor & Co.	Union	22½	10	1½	1½	1½	1½	9	H.
£3,98,000		£990,893	£115,183	63,350	Hindustan Investment Corpn., Ltd.	West Bengal	13½	£1	10½	10½	10½	10½	3, 9	H.P.
53,98,600	96,57,600	1,82,88,523	£3,17,475	51,107	Macneill & Barry Ltd.	West Jamuria	18½	10	1½	1½	1½	1½	6, 12	H.
£400,000	£587,164	£1,059,917‡	£119,752	37,029	Macneill & Barry Ltd.	Wyerley	6½	1	1½	1½	1½	1½	6, 12	H.P.
2,50,000	1,35,652	58,35,513	35,63,323	57,029										

* Including bonus. ‡ Gross and amount written off. (b) Investments. † Per cent. ended 31st December 1951.

(f) Ends of Rs. 1-12 per share on 1,25,000 shares and final dividend of Rs. 1-12 per share on 2,40,000 shares of which 1,25,000 shares are bonus shares.

* The following company pays bonus in debentures and ends there on page 854 in the Investment Supplement.

(a) Option to repay on six months' notice, on any interest date after 31st December, 1951, at 102 per cent. Also redeemable out of a cumulative sinking fund of 1½ per cent. per annum (commencing in 1952) by drawings at 102 per cent. or by purchase at or 102 per cent.

(c) Ends of Rs. 1,000 each carrying a 4½ per cent. preference.

(d) Ends bonds of Rs. 1,000 each carrying a 4½ per cent. preference.

(e) Ends bonds of Rs. 1,000 each carrying 4½ per cent. preference.

(g) Ends bonds of Rs. 1,000 each with option of redemption at par on any subsequent interest date at six month's notice.

(h) Redeemable at par on 1st July, 1954, and 1st January, 1955, at 105 per cent. and thereafter at 102½ per cent.

(i) Ends bonds of Rs. 1,000 each with option of redemption at par on 3 months' notice at 102½ per cent. during the 12 months ending 1st March, 1954, at 101 per cent. during the 12 months ending 1st March, 1955, at 100½ per cent. during the 12 months ending 1st March, 1956, and at par thereafter until 1st March, 1957.

(j) Ends of redeemable at par on 1st January, 1955, at 105 per cent. and thereafter at 102½ per cent.

(k) Ends debentures carrying 4½ per cent. interest.

BANKING

(Concluded from page 822)

The increase of Rs. 3.20 lakhs in reserves is due to the inclusion of Rs. 1 lakh provided last year for investment reserve, Rs. 1.99 lakhs being the difference in exchange between Indian and Pakistan currency (reserved against bad debts of Pakistan branches) kept in suspense, and Rs. 20,585 being the reserve for taxes. Deposits have declined by Rs. 16.15 lakhs. Though this drop is smaller than that in the previous year, the downward trend in deposits noted since 1946 has continued. Thus, from Rs. 13.62 crores at the end of 1946, the Bank's deposits have gone down by Rs. 9.27 crores or 68 per cent. With a shrinkage in resources, the Bank has been borrowing rather heavily from other banks to meet the demand for funds towards the close of the year. This practice accounts for the rise of Rs. 19.57 lakhs in this portfolio as at the end of the year under review. Advances are higher by only Rs. 1.51 lakhs, but the fall in deposits has raised the ratio of advances to deposits from 68.4 per cent. to 71.3 per cent. Investments (at book value) are almost unchanged. Their market value is lower by Rs. 32.59 lakhs, of which shares and debentures in joint-stock companies account for a depreciation of Rs. 12.95 lakhs.

The auditors of the Bank, in their report to the shareholders, have drawn attention to some of the Bank's accounts, which presumably are not satisfactory. Referring to this, the Directors observe in their report as follows:

"The Directors have examined the list of accounts drawing our special attention as received from the auditors and are of the opinion that the accounts mentioned therein are either not bad or doubtful and that the Bank holds adequate provision for them as much as is considered necessary."

FOREIGN EXCHANGE FOR COTTON TRADING

The latest step towards the reopening of the Liverpool cotton futures market is an announcement by the Bank of England of arrangements for the use of foreign exchange under the market scheme which comes into effect with the resumption of futures trading on 18th May and the winding-up of the Raw Cotton Commission. The new regulations are similar to those already adopted for other "freed" markets, the trade itself will organise dealings, with the Bank of England exercising supervisory powers. Subject to these arrangements, dealings with buyers and sellers of actual cotton or cotton futures in any part of the world will be permitted to "persons and firms having a continuing interest in the import or marketing of raw cotton."

Generally, foreign currencies, including dollars, will be available without restriction to members of the cotton futures market, provided they are recommended by the Liverpool or the Manchester Cotton Association, and that they comply with the specified procedure for import licences, returns, etc. The market is to have a regular organisation with membership open to merchants, brokers, traders, and others with a continuing interest in the marketing of cotton, and the Liverpool and Manchester Cotton Associations are to have disciplinary powers over its members. They will also consult regularly with the Bank on the general position, trading, and conditions of the market. If the Bank considers that "an excessive position," unwarrantable speculation, or any other undesirable practice or situation is developing, the associations will use their disciplinary powers to check it.

Regulations covering the sale of cotton to overseas buyers have as their principal object the conservation of dollar reserves. The export of cotton of American account origin from the U.K. will "normally not be allowed." Cotton of American account area origin or other non-scheduled territory origin bought with U.S. or Canadian dollars must be re-sold outside the scheduled territories only for U.S. or Canadian dollars, or sterling from American, Canadian or registered account.

BOMBAY STATE FINANCE CORPORATION

The Bombay State Financial Corporation, a body incorporated under the State Financial Corporations Act, 1951, has commenced its work. Started with the objective of giving a fillip to medium and small-scale industries in the State of Bombay, the Corporation will give financial accommodation to such industries for acquiring capital and production assets like land, buildings and plant and machinery for purposes of development. Small-scale industrial concerns are, for purposes of the Corporation's activities, defined as those with an invested capital not exceeding Rs. 5 lakhs and medium-scale concerns as having a share capital or fixed assets of the value of Rs. 20 lakhs. Again, the industrial concerns, which will be eligible for aid, are those concerns that are engaged in the manufacture, preservation or processing of goods or in mining or in the generation or distribution of electricity or any other form of power. The Corporation's functions include the grant of loans or advances to industrial concerns and the purchase of debentures in such concerns. It will also underwrite the issue of stocks, shares, bonds or debentures by industrial concerns and guarantee the issue of loans raised by these concerns in the capital market. In the first instance, the Board of Directors, it is stated, has decided to extend financial accommodation by way of loans or advances and to subscribe for the debentures issued by industrial concerns.

A notable part of the Directors' first decisions is that while the minimum amount for which accommodation will be granted is fixed at Rs. 10,000, the maximum amount of financial accommodation to a single industrial concern has been fixed at Rs. 5 lakhs, though a loan for a larger amount may be granted on the merits of the application concerned. This is a wise decision both from the point of view of the lender and the aided industrial concerns. It will enable the Corporation to distribute its available resources over a wide front. Perhaps, it will also mean that the risks would be comparatively smaller. Although no priority has been fixed for the grant of loans, the Corporation's policy will, it is stated, be to encourage development and expansion of industries in accordance with the programme of industrial development, laid down by the Planning Commission, and with the Bombay Government's industrial policy.

Judged by any standard, the terms and conditions on which loans and advances are proposed to be made by the Board would be considered liberal. The rate of interest will be 6 per cent. per annum. The period of the loan will, it is stated, be decided on the merits of each applicant concern but will not exceed 10 to 12 years; the principal amount will be repayable in instalments which will be specified according to the circumstances of each case. The amount of loan will be approximately 50 per cent. of the net value of fixed assets, land, building, plant and machinery and will be secured by way of legal first mortgage of these assets together with such other assets as may be offered as security by a borrowing concern. In granting a request for loan, the Corporation's authorities will take into account all relevant factors, such as the financial position and adequacy of the security offered, profit-earning capacity, ability to pay interest and to return the loan, competence of technical and managerial staff, technical soundness of the schemes of development, expansion or renovation, title to property and creditworthiness of the borrowing parties.

The Bombay State abounds in many small and healthy industrial concerns which, with the kind of financial help now promised by the Corporation, will be able to make further progress. It is to be hoped that quite a few of these concerns will benefit from the advice, guidance and help which the Corporation, as now constituted, is capable of giving.

INDIAN ALUMINIUM COMPANY, LIMITED

(Concluded from page 842)

deceptive gifts of medical science cutting death rates all over the world without limiting births will soon make the world a permanent and hopeless slum. Besides, health and welfare measures may be favouring the reproduction of weak human strains.

"For large sections of our population today, productivity has little to offer above the necessities of existence. In order to cope with the increased population, the increase in agricultural productivity required is of the order of 21 per cent. before 1961, 37 per cent. before 1971 and 54 per cent. before 1981. Are our various development plans capable of contributing to increased production on such a scale? The Census Commissioner says 'No'.

"The Planning Commission has affirmed that population control can be achieved only by the reduction of the birth rate to the extent necessary to stabilise the population at a level consistent with the requirements of national economy. This can be secured only by the realisation of the need for family limitation on a wide scale by the people.

"The incidence of improvident maternity is at present between 40 per cent. and 45 per cent. Out of every 40 births which occur among every 1,000 people in the course of one year, 17 births are of this nature. A reduction in the number of births from 40 to 23 is likely to reduce the rate of growth of population from about 13 per cent. per decade to about 1 per cent. per decade.

"How much time have we in this matter? Very little, according to the Census Commissioner. In the context of his findings, the present-day problem of unemployment is but a pale reflection of the very grave emergency of population growth facing our country. It is felt that research into the physiological and medical aspects of human fertility and its control, education and persuasion in the matter of family planning are not enough, and more radical measures will be necessary. People have to be convinced that the 'occurrence of improvident maternity should evoke

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
15,00,000 / 14,78,000	1,08,33,956	10,66,174	Allahabad Bank	376xd / 188xd	100	18 0	18 0	18 0	18 0	12	Y.P.
1,01,000 / 23,59,000	12,41,000	7,143	Andhra Bank	112-8xd / 62-8xd	50 / 100	9 0 / 6 0	9 0 / 6 0	9 0 / 6 0	9 0 / 6 8	6.12	H.
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	106½	50	6 3¾	6 0¾	6 0¾	6 0¾	12	Y.
*10,00,000	14,00,000	8,567	Bank of Bikaner	121N	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	145½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21½	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	295	100	16 0	16 0	16 0	16 0	12	Y.
39,99,150	31,91,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,20,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	54	25	3 8	3 8	3 8	3 0	12	R.L.Y.
$2,42,805 'A'				58½	25	3 8	3 8	3 8	3 0		
20,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	8RN	20	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	10,609	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
60,00,000	1,30,000	1,412	Hindustan Mercantile Bank	16	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,800	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				442½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000	76,50,000	1,23,088	Indian Bank	377	100	12 0	12 0	12 0	12 0	12	R.L.H.
17,00,000				144	85	10 3½	10 3½	10 3½	10 3½	6.12	
16,80,000				100	60	7 3½	7 3½	7 3½	7 3½		
40,04,925	22,50,000	2,25,271	Indian Overseas Bank	91	100	5 0	6 0	6 0	6 0	12	R.L.H.
6,25,000				67	100(A)	9 0	7 0	6 0	6 0		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				33	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	90,00,000	3,10,289	Punjab National Bank	253½	85	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	13–3½	85	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	61	5	0 5	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	40½xd	50	2 0	2 0	2 0	2 0	12	F.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2–2–9	£3	14½	14½	16½	14½	12	R.L.Y.
£1,000 000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7½	6½	7½	3½	12	R.L.Y.
H.K. $20 000 000	H.K. $96 000 000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	91½	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372 956 / £1,437,296	£16,500,000	£555 780	Lloyds Bank	£3–9–6 / £1–6–3	£1	12½	12½	12½ / 5*	14½ / 5*	12	R.L.Y.
£375,000 'A'				£27½	A £12½	12½	12½	14½	14½		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank of India	£27½	B £12½	12	12½	14½	14½	12	R.L.Y.
£300,000 'C'				£12	C £5	12½	12½	14½	14½		
£2,281,250	£3,675,000	£323,703	National Bank of India	£28–3	£12½	16½	16½	16½	16½	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency (I) Interim. *8 per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £		Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
3,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	96	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramgoolam Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December .. 1952-62
80,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	90	1st November .. 1959-64
80,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COTTON						
16,50,000	5½	30th June and 31st December	Essanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1947	98½	15th November .. 1956(e)
6,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	102½	1st January .. 1967-72
13,68,000	5½		Jaykisan Textiles	1949	100	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.		101	 1966-71
ELECTRICS						
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	1950	96	31st March .. 1963
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	100‡	1st October .. 1959
12,00 000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964
2,55,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101½	1st January .. 1970
85,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	86	31st December .. 1970
15,00,000	5	1st January and 1st July	Jaipur (Dherijah) Electric Supply Co., Ltd.	1951	96	30th June 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1948	95½	 1957-61
8 00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October .. 1954
1,00 000	5	1st January and 1st July	South Madras Electric Supply		94½	 1953-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July 1957-67
47,73,000	4	1st April and 1st October	Tata Power	1940	100½	15th September .. 1951-55(K)
9,50,000	4	1st April and 1st October	Tata Power		93	15th September .. 1965-70
ENGINEERING						
8,00,000	3½	30th June and 31st December	Britannia Engineering	1943	98½	31st December .. 1954
8,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July 1957-62
61,183 400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	106	31st December .. 1946(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	88	31st May 1971
6,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October .. 1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	95	31st December .. 1968
JUTE						
12,00,000	4½	1st October and 1st April	Agarpara	1939	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	98	30th June .. .. 1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88‡	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July .. .. 1959(c)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	97	30th June 1964
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July 1966
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92½	15th July 1957
25,00,000	5	30th June and 31st December	Kamarhati Jute Mills Co., Ltd.	1949	98	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967
3,00,000	3½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	30th June 1956
5,00 000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September .. 1965
8,00,000	4½	14th March and 14th September	Sreerah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June .. .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	1925	85	31st July .. .. 1960(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	1936	86	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1908	£66½N	A 1055% at any time on 6 months' notice or at par or every seventh year.
£201,067	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	
60,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102	1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony		104	30th June .. 1954-59
9,00,000	5	31st March / 30th September	Periakaramala		100–11½	31st March .. 1953–63
1,89,700	5½	31st March & 30th September	Teokoy		100	31st March .. 1949-59
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
98,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June .. 1957(1)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
21,55,000	4½	1st July and 1st January	Clive Buildings	1936	88½	1st July .. 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87	15th September .. 1960
1,00 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82	 1968
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	1950	102½	1st January .. 1971
20,00,000	5	15th March and 15th September	Mentor Chemical Industries	1949	96	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	470 (per note)	30th September .. 1976
45 00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	525 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April .. 1971
1 00 00 000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. 1961
1 00 00 000	4	30th June and 31st December	Robins Industries Ltd.	1946	88	31st December .. 1968
6,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	104½	1st May 1968

Note—See page 862 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 29th April, 1954.

	Closing quotations 22-4-'54	High	Low	Closing quotations 29-4-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	147½	148	145½	145½
Bank of Baroda (50)	106½xd	108	106½	108
Central (25)	56	56½	54	54
Central 'A' (25)	59½	59½	58½	58½
Imperial (P.Pd.) (500)	1,810	1,810	1,805	1,800
Imperial (P.Pd.) (125)	437½	442½	437½	442½
Union Bank (5)	6¼	6¼	6¼	6¼
United Com. (50)	41½	42	41	42
TEXTILES				
Ahm. Adv. (100)	147½	—	—	147½
Apollo (2)	2⅜	2–13/16	2⅜	2–13/16
Bombay Dyeing (250)	418½xd	426½	410	416½
Central India (100)	181½	184½	177	181½
Century Mills (100)	326½xd	335	327½	332½
Calebs (100)	66½	66½	59	59
Edward Textile (200)	240½	—	—	246½
Elphinstone (50)	44	—	—	44
Finlay (100)	263½	265	247	248xd
Gokak (100)	256	259½	250	255½
Ind. Unit. Defd. (1)	1–7/8	1–7/8	1–7/8	1–7/8
Ind. Unit. Ord. (10)	11–5/8	11–5/8	11–2/8	11–4/8
Indore Malwa (100)	112½	113½	107½	112½
Khatau (100)	121½	122½	117½	120
Kohinoor (100)	320	325½	313½	319
Lakshmi (250)	593½	—	—	593½
Madhusudan (100)	82	—	—	82
B. R. Cotton Mills (100)	60½	60½	60	60
Minerva Mills (100)	111½	—	—	111½
Model Nagpur (250)	140	140	139½	139½
Morarji (100)	211½	—	—	211½
Mysore (50)	155½	159½	151½	153
National Rayons (100)	155½	120½	118½	120
New City (100)	160	—	—	160
New Dvrn. (100)	153	159½	152½	158½
New Union (10)	26½	—	—	26½
Phoenix (100)	132½	135	132½	132½
Podar Mills (100)	146½	151½	146½	150
Rasoon Silk (10)	18½	—	—	18½
Rasoon Spg. (10)	30xd	—	—	30xd
Shahpur (1,000)	2,210	2,225	2,210	2,225
Shrinivas (100)	216½	216½	213½	215
Simplex (50)	153½	157	150	157
Standard (100)	320xd	323½	316½	323½
Swadeshi (100)	295½	301	291½	297½
Swan (100)	350	350	330	330xd
Tata Mf. (25)	49	50	48	49
Vikram (100)	142½	—	—	142½
Western India (1,000)	3,810	—	—	3,810
ELECTRIC COS.				
Ahmedabad (100)	112⅜	113½	111⅜	112⅜
Amalgamated (10)	10⅜	—	—	10⅜
Andhra Valley (1,000)	1,335	1,357½	1,347½	1,357½
Bom. Sub-El. (100)	122½	122½	121½	122½
Jupiter (10)	7⅜	7⅜	7⅛	7⅛
New India (15)	46	46½	44½	45
Oriental (200)	7,950	7,950	7,900	7,910
Universal (10)	9⅛	—	—	9⅛
Vulcan (10)	12½	12½	12½	12½
INSURANCE COS.				
British India (10)	13⅜	—	—	13½
Empire of India (100)	655	—	—	655
Ind Merrantile (20)	40½	40½	40	40½
Jupiter (15)	7⅜	7⅜	7⅛	7⅛
New India (15)	46	46½	44½	45
Oriental (200)	7,950	7,950	7,900	7,910
Universal (10)	9⅛	—	—	9⅛
Vulcan (10)	12½	12½	12½	12½
STEAMER COS.				
Scindia (15)	18⅛	18–10½	17–10½	18⅛
STEEL COS.				
Ind Iron (10)	31½	31–10½	30½	31–5/8
Tata Steel Ord. (75)	193½	197½	189½	196½
MISCELLANEOUS				
Alcock Ashdown (100)	358½	358½	345	355
Associated Cin. (100)	157½	158½	155	157½
Belapur Sugar (5)	274	277	271	275½
Bom. Burmah (125)	415½	423½	402½	405½
Do. (New) (50)	145	143	139½	141½
Br. B. Petrol (4 sh.)	2–15/16	3–2/16	2⅜	3–2/16
Br. I. Corpn. (5)	8⅜	8⅜	8–3/16	8⅛
Indian Copper (2 sh.)	3–2/16	3–2/16	3	3–1/16
Ind. Inv. Trt. (100)	79	—	—	79
Kemp (200)	266½	270	266½	270
Killicks (100)	173	176	173	175½
Killicks (75)	147½	—	—	147½
Phalton Sugar (50)	106	107	102½	105½
Port Canning (100)	27	—	—	27
Premier Cou. (30)	128½	138	125½	135½
Shivrampur (10)	67½xd	68½	66	67
Tata Chemicals (10	14⅛	14½	13½	14–7/8
Tata Oil (25)	30½	43½	30½	41½
Walchand Ind. (100	276½xd	177½	173½	177½
W. I. Match (100)	210	211½	208½	210

GOVERNMENT SECURITIES		Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	
	Rs.			Rs
2½% 1954	99⅜	—	3 38	99⅜
2½% 1955	98⅛	—	3 55	98⅛
2½% 1961	90⅜	—	3 95	90⅜
2½% 1960	93⅛	—	3 85	93⅛
2½% 1962	92⅛	—	3 85	91⅜
2½% 1974	82½	—	3 93	82½
3% 1957	98⅛	—	3 61	98⅛
3% 1958	98⅛	—	3 48	98⅛
3% 1959-61	96⅜	3 77	3 57	96⅜
3% 1964	92⅜	—	3 87	92⅜
3% 1963-65	92⅜	3 56	3 81	92⅜
3% 1966-68	90⅜	4 00	3 89	90⅜
3% 1970-75	86⅛	4 14	3 94	86⅛
3% 1986 Con. Loan	81⅜	—	3 66	81⅜
3½% 1954-59*	100⅛	3 34	3 48	100⅛
4% 1960-70	101⅜	3 67	3 85	101⅜
4½% 1955-60	101⅜	3 13	4 17	101⅜
4½% 1958-68*	105⅜	3 27	4 04	105⅜
3½% 1964 N.P. Bonds	98⅜	—	3 64	98⅜
3½% 1964 N.P. Loan	98⅜	—	3 67	98–8/16

BRITISH GOVERNMENT SECURITIES	21-4-54 £	High £	Low £	28-4 54 £
2½% Brit. Consols	66⅜	67	65⅛	65⅝
3% Savings Bonds 1965-75	90	90	89⅛	89⅛
3½% War Loan 1955-59	101⅛	101⅜	101⅛	101⅛
3½% War Loan 1952	89⅛	89⅜	86⅛	86⅛
3½% Brit. Iron and Steel 1976-78	—	—	—	95⅛
4% Funding Loan 1960-90	101⅛	101⅜	101⅛	101⅛

** Current Income. x.d.—Ex-dividend. * Rupee Counterpart. X.R.—Ex-Right.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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FIRST THOUGHTS ON JUTE ENQUIRY COMMISSION'S REPORT

IT is gratifying to find that the recommendations of the Jute Enquiry Commission (Chairman: Mr. K. R. P. Aiyangar) have dispelled the scepticism with which its appointment in August last was received. Many wondered then what useful purpose the Commission would serve, as the ground it was asked to cover was quite familiar, having been explored by some distinguished persons before. Its appointment was regarded merely as a device by the Government to postpone action on vital issues affecting the development of the industry. This journal, too, was one of those who did not appreciate the necessity for yet another enquiry of the type entrusted to the Commission. Nevertheless, it has no hesitation in admitting now that the Commission has done useful work, completing its assignment expeditiously and satisfactorily. The Commission has covered a great deal of ground. It has met and discussed the issues posed to it with a cross-section of the trade and industry, without any preconceived notions. Its report, so far as it can be judged from Press summaries, seems to be comprehensive and its conclusions and suggestions are, generally speaking, realistic.

Doubtless there is nothing new in most of its findings—a tribute to the work of earlier investigators—but they are valuable all the same for at least two reasons. First, they have been reiterated by a committee of persons chosen by the present Government. They should, therefore, be acceptable to the authority. Secondly, in the present atmosphere, dominated by doctrinaire politicians and truculent labour leaders, who unhesitatingly favour mortgaging even the near future for the immediate present, re-statement of and frequent emphasis on the known conclusions are not without some good; this will enable the public to appreciate the real position of the jute industry. The views of the Commission on taxation of the raw material, controls and rationalisation, for instance, are of topical interest and will be of great assistance to the industry which has been crying hoarse for a fair deal on these matters.

On the subject of grow more raw jute, the Commission has taken a practical view. It has rightly held that the object of the grow-more-jute campaign should be a more restricted one, namely, attainment of relative rather than absolute self-sufficiency and that, in the long-term interests of jute growing in India and of the jute industry, the import of jute from Pakistan should be restricted to grades which are not available in the required quantity in India. Recent experience has shown that only at exorbitant cost can India grow as large a crop as 4.5 to 5 million bales. For an industry the existence of which is dependent on world economic trends and competition from rival producers and substitutes, the cost of raw material is an important factor. Raw jute must, therefore, be grown only on lands highly suited for it and it is undesirable to encourage utilisation of marginal lands for this crop. Accordingly, the Commission has endorsed the view of the expert committee that, in U.P., as well as in other States, a cautious policy of re-examining the areas under jute cultivation should be pursued and cultivation restricted only to places where good retting water is freely available and other serious handicaps like transport difficulties are not great. It is, however, necessary to qualify the last portion of this suggestion relating to transport. If any particular area is suitable for cultivation of jute in every other respect, except transport, that area must not be prevented from growing jute. In such cases, efforts must be made to remove the transport bottleneck.

One of the important issues referred to the Commission was how best raw jute producers could be assured of a sustained economic return for their crop. The Commission has indicated several ways in which this could be done. All these can be summed up under three broad groups, namely, intensive cultivation by adoption of improved methods, proper marketing arrangements coupled with prompt dissemination of market news to farmers in a manner that is easily understood by them, and reduction in taxation and freight rates on raw jute. More specifically, the Commission has advocated abolition of sales tax and similar taxes on raw jute and a reduction in the freight rates quoted by railways and river steamer companies for carrying raw jute. Now that this suggestion has emanated from an official committee, it is to be hoped that the concerned authorities will require no further evidence for appreciating and implementing it.

The Commission has recommended the appointment of a Jute Commissioner, the establishment of a Jute Board and the setting up of a Development Council for the jute industry, all for assisting growers and mills to attain strength and stability. It is stated that the Jute Commissioner and the Jute Board can help the grower know easily the fair price for raw jute on the basis of the rates for manufactured goods and keep a watch over the channels through which the raw material is marketed, while the Development Council can look after the interests of manufacturers. In the absence of the full text of the report, where the Commission must have given its reasons in support of these proposals, one would like to defer comment on them. Nevertheless, it looks as though their implementation will mean needless duplication of existing machinery. Thus, there is no reason why the Indian Central Jute Committee should not do the job expected of the Jute Commissioner and the Jute Board. All that may be necessary is some expansion in the staff of the Committee by taking in persons of the right type. There is hardly any necessity for a Development Council for the industry, inasmuch as the I.J.M.A. is a body quite capable of serving the interests of the industry. Where decisions requiring the consent of labour and the Government have to be taken, the issues can be conveniently thrashed out at tripartite conferences. In any case, the system of development councils which is already being tried in some of the industries, has not been so great a success as to encourage one to advocate its extension to other industries with enthusiasm.

An outstanding feature of the Commission's recommendations for assuring an economic price for the raw jute grower is its rejection of the suggestion for a statutory minimum price for jute, put forward by quite a number of people claiming to champion the cause of the grower. This is a suggestion which, on the face of it and in the light of India's need for achieving self-reliance in regard to jute, is very attractive. The system of guaranteed minimum prices is in vogue in many countries, including such advanced nations as the U.S. and the

ways in which the grower can be helped to get a better return for his crop are, therefore, those suggested by the Commission and already referred to. Incidentally, the Commission has expressed itself against statutory controls over either the manufacturer or the producer of jute and in favour of voluntary regulation. This is another instance of the Commission's sense of realism and appreciation of the fact that throughout the world the trend is towards freedom from official controls.

On the most important terms of reference to it, namely, the place of futures trading in the marketing of jute and jute goods, the Commission's performance does not seem to be quite satisfactory. The Commission has, of course, done well in recognising the importance of a futures market for both raw jute and jute manufactures and in advocating the establishment of "a single well-knit and regulated organisation such as the East India Cotton Association," but it has not put forward any scheme for preventing unhealthy speculation which has been the chronic drawback of the Calcutta jute trade. Besides examining and enquiring into the nature and content of speculation in the *fatka* market, the Commission was expected to say how that market could be prevented from becoming a centre of gambling operations which it was all along, thereby necessitating its closure. It is common knowledge that the wide fluctuations in prices caused mainly by excessive speculation have done the jute industry great harm in the past and they will do so again if a futures market is opened without proper safeguards for keeping speculation firmly under control. While agreeing with this view, the Commission has failed to show how the evil could be checked. All that it has stated on this subject is as follows:

"We endorse generally the recommendations of Mr. Todd for the setting up of such a market. We also consider that for the balanced operation of the futures market, dealings in both raw jute and jute goods should be started simultaneously. We have not gone into details regarding the constitution of any associations to run such a market. In the past, the East India Jute and Hessian Exchange has functioned to some extent as a futures market. But we suggest that a body with a more broad-based construction, representing all interests, and with wider bases for business and necessary checks against speculation can be formed by the voluntary co-operation of those in the trade who are interested in forward business. Further, as, under the Forward Contract (Regulation) Act, 1952, recognition for such association functioning in a forward market has to be accorded by the Forward Markets Commission, it is for those who desire to promote or revive such an association to frame a suitable constitution and submit the same for approval of the Commission."

By thus skipping over the issue, the Commission has not fulfilled one of the tasks allotted to it. It is, however, well that the Commission did not attempt to carry out this task. The job is one which can be satisfactorily done only by an expert body that is fully aware of the techniques of the speculators' game.

The Commission has expressed its views rather categorically on two issues of controversial nature. One relates to the working time agreement and the other to rationalisation. While its views on the former may be contested by the Indian Jute Mills' Association, those on the latter will be opposed by labour. The I.J.M.A. is of the opinion that the working time agreement has many achievements to its credit and that the time has not yet arrived even for some relaxation, let alone abolition. It feels that scrapping of this agreement will spell cut-throat competition and disaster to weaker units. The Commission, however, holds the view that the effect of the agreement has been to spread out the fall in production uniformly over all sections of the industry, irrespective of efficiency, resources and costs. If, however, the efficient mills were to work to full production, it argues, costs would be reduced which in turn would increase their competitive power. It seeks to minimise the shock of this change-over to the industry by suggesting that the change could be effected in stages or by sections. As a first step, it advocates the restoration of the working hours to 48 per week. In any case, it feels that those incurring considerable expenditure for modernisation should be exempted from the restriction on working hours. As for labour displaced from units which close down, such, according to the Commission, could be absorbed in mills working longer hours. In view of the complex nature of the issues involved, fuller details of the pros and cons are required to enable one to express decided views on the Commission's proposal. But, on theoretical considerations, it can be stated that the Commission is on firm ground, for the working time agreement amounts to compelling the efficient units to subsidise the inefficient units. The industry is opposed, rightly, of course, to such a policy in regard to raw jute producers. How then can it justify the application of that policy to itself?

On the subject of modernisation of the industry, the Commission is firmly of the view that such is imperative. "The present size of the market that India holds can be retained," in the words of the Commission, "only by accelerating the pace of modernisation and showing potential competitors that the Indian industry is determined to spare no efforts to keep its markets and will be taking all reasonable steps to increase efficiency and reduce costs." It, therefore, urges the Government to pay immediate attention to the problems connected with modernisation of the industry. It is aware that rationalisation might cause, in the short run, a contraction in employment, but feels that this problem has to be settled as best as possible if permanent damage in the long run to the growers, trade and industry, involving widespread distress, is to be avoided. There is scarcely any exaggeration in this warning. If labour leaders mean well by the country, they should pay heed to this warning and give up their intransigent attitude.

BANK EMPLOYEES

THE Labour Appellate Tribunal (Bombay) has now given its decision on the appeal preferred by the banks and their employees against the Sastry Award. That the Tribunal has taken a broad and human view of the entire question of the wage scales for bank employees is clear from the fact that it has emphasised that it "can do the banks no good to deal in crores if the humble human material which they employ in their work year in and year out has the feeling that a fair wage is for him an unattainable illusion." A perusal of the Tribunal's decisions, as well as a study of the time scales recommended by it, will show that bank employees have been given a generous deal.

The employees will, therefore, have the satisfaction that they did not appeal in vain. In general, not only are the scales more generous than what the employees would have got under the Sastry Award but they are distinctly favourable even as compared with the Sen Award which the banks feared would impose too onerous a burden on them. This factor, welcome as it will be from the bank employees' point of view, might conceivably give a fillip to fresh demands by clerks in other spheres where the wage scales are lower than the scales now awarded by the Tribunal. Indeed, the scales of several classes of employees in many State Governments and even in the Central Government do not seem to compare favourably with those of bank clerks. From this point of view, the Tribunal's decision might conceivably initiate a fresh bout of wage negotiations.

Whether or not the Tribunal's decision provokes the men, engaged in spheres other than banks to make similar wage demands, there is no doubt that there is at least one matter on which there is bound to be perpetual controversy between the banks and their employees. That is the bonus issue. Two questions are involved here. The first relates to the legal problem about the grant of bonus. The second relates to the more practical problem of the quantum of bonus. Section 10(*b*) of the Banking Companies Act states that no banking company shall employ any person whose "remuneration or part of whose remuneration takes the form of commission or of a share in the profits of the company." Hitherto, the banks got over this legal obstacle by treating bonus as an *ex-gratia* payment. Now the Tribunal, quoting from its own previous Full Bench decision, has held that a bonus is "not an *ex-gratia* payment but is a claim to an additional wage which could mature if, and only if, the concern had a prosperous year." Since bonus has no fixed relation to the profits in a year and its grant is subject to many other considerations, the Tribunal holds that it is "unrealistic" to look upon it as a share in profits. Having thus dismissed the idea that a bonus is a share in the profits of a *banking company*, the Tribunal reaches the conclusion that the provision of Section 10 cannot "function as a bar either to the employees' claim to bonus or to the banks' payment of bonus."

It appears to us that the concept of bonus has been left high and dry. If it is neither an *ex-gratia* payment nor a share in profits, it is difficult to say to what species of accounting it could legitimately belong. Perhaps, the Tribunal might have refrained from all this logic-chopping, if it had straightaway acknowledged that bonus is an innocuous form of profit-sharing and had suggested a suitable amendment to Section 10. Or it could even have recognised bonus as an *ex-gratia* payment and suggested some sound principles for its payment.

If bonus has thus been given a "neither fish, flesh nor good red herring" treatment, the distribution of bonus has been made a somewhat difficult task. The Tribunal has held that the "bonus issue of each bank will have to be taken up separately." It admits that its efforts to discover a "relatively simple" formula for the ascertainment of bonus of banking companies have failed, because of the diversity of factors involved. Bonus will, therefore, mean an annual hurdle for each bank, a period of uncertainty, every year, for banks, their shareholders and their employees. Many banks will naturally hate this uncertainty, and the prolonged negotiations, endless disputes, adjudications and all the rest of the apparatus of the Industrial Disputes Act which the Tribunal's decision means for them. The only real beneficiaries of this decision are the lawyers. Indeed, the Appellate Tribunal has provided a boon for the legal fraternity.

Perhaps, a far more disturbing feature of the Tribunal's decision on the bonus issue is its view that an adjudicator who is engaged in settling the quantum of bonus for bank employees is entitled to "call for such information as he considers necessary, notwithstanding the secret nature of the reserve or the banks' claim that, in law, they are precluded from exhibiting certain information in the balance-sheets." Now this is a virtual licence for bank employees and adjudicators to tear down the curtain of secrecy behind which the banks have traditionally operated. A vindictive employees' union will not hesitate to call for information which, even if it does not turn out to be of any material advantage to it, might do some serious damage to the business of a bank. The relations between the banks and their clients have for long been regarded as a matter of strictest confidence between the parties. There is a grave danger that all this confidence may be called in question. The banks might be compelled to produce a whole series of transactions, and much unnecessary controversy might thereby be generated. If this is to be averted, the adjudicators and the industrial courts should exercise considerable discretion in their probes into banks' affairs.

It should be clear to all that the new wage scales and other emoluments, recommended by the Tribunal, will impose a fresh burden on the banks. Estimates place the additional burden at 10 to 15 per cent. of the existing establishment charges. The burden will, of course, vary from bank to bank. Generally speaking, the banks with a large number of branches will be affected more adversely than the banks with a relatively smaller number of branch offices. Also, the burden on the banks will increase with the passage of time, inasmuch as salaries and other emoluments for staff have to be increased according to the length of service.

The Tribunal's decision raises three issues. In the first place, the banks will now have to seek ways of augmenting their income. Perhaps, a slight increase in interest rates on advances will become inevitable. Judiciously applied, the increase, it is to be hoped, will not prove too onerous a burden on borrowers. Secondly, the banks may legitimately look forward to an improvement in the efficiency of their employees. The banks' staff will, we hope, respond generously to this Tribunal's stirring call for a "fair day's work for a fair day's wage." "To do less," the Tribunal says, "would be to invite disaster either by removal for inefficiency or by a general lowering of wages." It adds: "This is the writing on the wall for all to see in the context of our country's present economic situation." Thirdly, the banks must exercise utmost discretion in the recruitment of new personnel. It would be wrong to increase the staff indiscriminately. Again, a job in a bank has been made sufficiently comfortable to entitle the banks to look for a high level of attainment among new entrants. A bank should, therefore, recruit only when it must, and then—and this is important—only the best. Any other course is fraught with danger to the bank's finances.

GOOD DEMAND FOR GOLD IN LONDON

STERLING STRONG—SUGAR AWARD UPHELD

THURSDAY, 5 P.M.

STALEMATE seems to have set in in the Share Market. Barring a rise of over Rs. 20 in Bombay Dyeings and of Rs. 15 in New Greats caused by some special buying, the week under report has seen no new features. Steel shares have not attracted any fresh buying; on the contrary, at every small rise, they are encountering some liquidation. In the absence of any new developments, speculators are biding their time.

MARKET GOSSIP

It is, however, noteworthy that the market has been able to hold the recent gains. The Gilt-edged section has once again started slipping down, with most of the securities dropping a couple of annas. Consequently, these loans are now standing even below the levels that prevailed before the Reserve Bank started preparing the market. Subscriptions to the new loan on tap in the second week was Rs. 14 crores, thereby raising the total for the first fortnight to Rs. 45.5 crores. This is undoubtedly a sizable total, considering that trade demand for money still persists. In a way, the large size of total subscriptions indicates that quite a good part thereof is due to brisk canvassing and support from special quarters. Institutional investors, trusts, business concerns, big individuals, are all being continuously goaded to buy the National Plan Loan. This pressure is largely responsible for the quiet trend of the Gilt-edged market.

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With a substantial amount of funds having gone into the new loan, the money market is tight; banks are keen bidders of short-term deposits, offering 3 per cent. even for periods which run into the traditional slack season, namely, the monsoon months. Informed circles feel that there will be no perceptible fall in interest rates so long as the new loan is kept on tap and that this year the customary break between the slack and busy seasons which occurs during June to November will not be visible in the short-term money market.

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After the recent advance in values, the bullion markets have slumped. Both silver and gold have lost about Rs. 3-8, following heavy selling by leading speculators induced by the prospects of a settlement of the war in Indo-China and by the belief that the seasonal demand for these metals is petering out. In London, however, the price of gold has moved up. It is now more than a month since the London market for gold was re-opened. The price fixed initially was 248s. 6d. per fine ounce. Since then, the quotation has advanced to 249s. 2d. It is claimed for the market that dealing prices here are much closer than elsewhere. This factor gives the market an importance which its Continental confreres do not possess. Also the market has shown its ability to meet the additional demand for gold (reflected in the improvement in gold prices) that has emanated particularly from the U.S., the Middle East and the Far East. It owes its success in meeting this additional demand to the Bank of England's helpful attitude. It would appear that the Bank has been drawing upon its own stocks, as well as upon the inflow of newly mined South African gold, in order to feed the market. Since such sales are against dollars, the Bank's total foreign exchange reserves do not suffer any depletion.

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The Bank of England could not have purchased gold from the U.S. in order to feed the London market. In the first place, the present level of prices does not permit such a transaction to be made on a profitable basis. It is computed that, unless the London price rises above 250s. per fine ounce, the Bank would not find it worthwhile to buy gold from the U.S. at $35 per fine ounce—the U.S. official price for gold—and pay commission and other charges for transport of gold to London. Secondly, even if the gold price were to rise to an attractive level, the Bank could not possibly buy American gold in order to meet the demand in the local market, for the U.S. authorities are generally most reluctant to permit the central bank of a foreign country to divert the gold purchased from them for local consumption. The authorities' opposition is based on the ground that such diversion will encourage the hoarding habit and that it will mean reduced gold reserves for the central bank concerned to support the currency.

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The U.S. official policy on gold continues to be what it was at the time of the Truman Administration. Thus, the authorities are reluctant to raise the official price for gold. Mr. Burgess, Deputy Secretary to the U.S. Treasury, and Mr. M. Martin, chief of the U.S Federal Reserve System, have emphasised that the "intention and assured ability of the U.S. Government to maintain a constant price for gold was one firm basis for measuring world values and a major reason why the dollar could be used everywhere to settle international transactions." An increase in the price of gold would give rise to inflation and induce others to think that the U.S. is prepared to make periodical devaluations of its currency. They have also rejected the suggestion for free convertibility of dollar into gold. The link between gold and dollar, they claim, is more important than the redeemability of dollar into gold. Mr. Burgess, however, said that, if convertibility was restored to the world's principal currencies, the U.S. might choose to permit conversion of dollar into gold. Commenting on the American gold policy, Mr. Lombard writes in the *Financial Times*, London, as follows:—

"When the world economic situation was inflationary, Washington argued that an increase in the world gold price would do nobody any good and that any change in this field would have to wait for the re-establishment of a stable world economy. Now that stability has been attained, it is held that an increase in the world gold price would nevertheless be harmful to the U.S. and its friends, including presumably those among them—and they are many—that have pleaded for such an adjustment. The one hope the gold producer has of seeing the purchasing power of gold restored to its former level, and his financial difficulties eased accordingly, apparently lies in a world recession. Neither Mr. Burgess nor Mr. Martin had anything to say regarding the form U.S. gold policy was likely to take in such circumstances. So, presumably they wanted to leave the Administration free to change its mind about gold in that kind of situation. But since the American Government is, happily, committed to take action to keep a world recession at bay so far as it lies within its power to do so, hopes of a higher gold price coming about from this cause are obviously not very bright."

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Sterling is again in the limelight. Its growing strength, watched with interest by the entire sterling area, is reflected in the sterling dollar exchange rate which touched, in the London market, the ceiling of $2.82, fixed under the rules of the International Monetary Fund. These regulations allow, as is well known, a one per cent. variation either way in relation to the official rate. When the British Exchange control authorities, who have to see that the variation does not exceed the prescribed limits, saw that the ceiling rate had been touched by sterling, they sold sterling in order to keep its rate within the maximum limit. Consequently, sterling is now quoted a shade below the ceiling, at $2.81-15/16, to be precise.

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The firmness of sterling in the international markets stems from the confidence in the currency generated by the continued improvement in the sterling area's gold and dollar reserves. The area achieved a gold and dollar surplus during April 1954, of $135 million, the highest since April, 1953, when it was $107 million. In each of the first three months of the year, ended March, 1954, the surplus was $25 million, $40 million and $102 million, respectively. The surplus for April has raised the central gold and dollar reserves to $2,820 million, their best level since October, 1951, when they were about $3,080 million.

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This striking performance of sterling is not due entirely to the improvement in the sterling area's gold and dollar reserves, impressive as they are. Other factors have also been responsible for it. In the first place, there has been a great flow of short-term investment funds from the U.S. to the U.K. This is because the official rediscount rate in the U.S. is only 1½ per cent., having been recently cut to this level from 1¾ per cent., whereas the Bank rate in the U.K. is as high as 3½ per cent. Secondly, foreign money has come to London in the hope that the pound is bound to appreciate in value and the owners of the hot money feel that it will be a profitable investment to keep the money in London. Thirdly, there has been an increased tendering for British Treasury Bills by sterling area central banks which are looking for suitable short-term employment for their funds and also for ways of augmenting their London balances. Indeed, there has been such keen bidding for the British Treasury Bills that the average rate has declined to 2-1/32 per cent., the lowest level touched since the Bank rate was raised from 2½ per cent. to 4 per cent. in 1952. Finally, there has been considerable speculation about the possibility of widening the limits within which sterling is now allowed to fluctuate. If this is done, sterling is expected to appreciate further in terms of the dollar. This would yield a sizable dividend to the people who have moved their funds to London. At the moment, the I.M.F. rules require member-countries to restrict exchange movement within one per cent. either side of official parities. Those who look forward to a relaxation in the Fund's policies believe that the Fund might decide to allow member-countries freedom to let their rates fluctuate within 10 per cent. of official parities. This would widen the present lower and upper limits for sterling ($2.78 and $2.82) to $2.52 and $3.08.

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Many financial observers feel that it is advantageous to widen the present one per cent. limit to which fluctuations in sterling are restricted. Perhaps, a relaxation of these limits would be a convenient half-way house on the road to convertibility. The Randall Commission, for instance, emphasised that, although it did not favour a "dash" for the convertibility of the pound, it was, however, sympathetic to the concept of a "floating rate." It advocated a "gradual and controlled" approach to full convertibility. It also favoured reasonable relaxation of restrictions by the I.M.F., such as a relaxation of the time schedule for utilisation of quotas and of the provision for maintaining fixed parities.

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It is held that a relaxation of the present limits within which sterling is permitted to fluctuate would be an effective deterrent to speculation. The present limits hold temptation for the speculators who have to lose only one to three per cent., if sterling does not move in accordance with their anticipations. On the other hand, if the limits were widened to, say, 5 per cent. either way, the speculator would stand to lose a heavier amount; the fear of this heavy loss would tend to keep speculation down. However, those who oppose any widening of the limits urge that such relaxation would introduce a large measure of uncertainty into world trade. This fear, it is stated, is not so well founded, in view of the fact that the present rigidity in the exchange fluctuation has not been particularly beneficial to world trade. It is felt, therefore, that it is wise to relax restrictions, since such relaxation might well lead to a state of affairs in which full convertibility could be attained.

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Is the flow of foreign funds into London, which explains partly the growing strength of sterling, a great blessing? In one sense, it is, since it denotes confidence in London's financial position. In another sense, it is not, for it means nothing more than a foreigner's desire to book easy profits without risk. Foreign funds have been employed in order to bid for Treasury Bills. This has been partly responsible, as already noted, for the decline in Treasury Bill rates. Does this decline indicate the possibility of a downward adjustment in the British Bank Rate? Discussing the inflow of foreign money and its possible effect on the Bank Rate, Mr. Oscar Hobson, City Editor of the *News Chronicle*, observes as follows:—

"Bank rate will not come down merely because a few tens of millions of foreign money have come to London. So far the authorities have sternly resisted the downward pull. Action has been taken by them to keep the money market on a pretty tight rein. This month the discount houses have several times been forced to go to the Bank of England, the lender of last resort, to borrow on penal terms. Nothing is easier for the authorities than to counter any inflow of foreign money, but the explanation is somewhat complicated, because it involves that highly discreet instrument, the Exchange Equalisation Account. The E.E.A. is the offshoot of the Government which holds the gold, dollar and other foreign exchange reserve of the country. When it buys gold or dollars, it pays sterling for them and this sterling is normally raised by issuing Treasury Bills.

"If foreign money comes into this country at a time when the commercial balance of payments is in good shape (as it undoubtedly is today), then the inflow of that money will bring gold with it. To finance this inflow of gold, the Exchange Equalisation Account has to issue more Treasury Bills to the market and in this way it extracts cash from the banking system. Thus the effect of the 'hot money' inflow is almost exactly neutralised. This is undoubtedly the policy which is now being followed and which will continue to be followed if the inflow of foreign money becomes larger. When, in a few days' time, the Treasury announces the gold and dollar reserves of the Exchange Equalisation Account at the end of April, it will undoubtedly be a favourable statement. Day by day the Bank of England has bought dollars in the market. We have also received more gold from Russia and from the European Payments Union and over $13 million from the Philippine Government. But let us remember that some of this inflow of gold will be the counterpart of an increase of foreign money employed in the London market. If and when that money departs, gold may go with it."

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Even if it is wrong to assert that American recession has been reversed and a positively helpful turn has been taken by American economy, all available indications suggest that recession has at least been halted. "The month of April," writes the *National City Monthly Letter*, the monthly bulletin of the National City Bank of New York, "has strengthened the impression gained in March that the decline in business is flattening out." It adduces a number of reasons to justify its hopeful reading of the American economic situation. The latest available figures on industrial production and employment "reveal little, if any, slippage in overall totals, with a number of lines showing improvement." Employment is "levelling" off, following the decline which occurred previously. Steel mill operations have been maintained at about 68 per cent. capacity over the past two months, while steel scrap prices have firmed up. Retail car sales have, however, been running less than 10 per cent. below a year ago. Agricultural consumption expenditure, including services as well as goods, for the first quarter of the year, according to the *Monthly Letter*, were at an annual rate of $230 billion as again $228 billion in the first quarter of last year, though the increase was largely accounted for by services. Expenditure on durable goods has, however, declined by 7 per cent. This is not due to lack of purchasing power. The reduction in personal income taxes has increased the "disposable" income. People, it is stated, are saving their money and paying their debts. This is encouraging indeed. But the brightest spot in the business picture, according to the *Letter*, is the building construction. It notes with satisfaction that larger companies, according to a survey conducted by the McGraw-Hill Publishing Company, "intend spending on plant and equipment as much, if not more money than they spent for these purposes during the previous banner year 1953." These plans, if carried out as scheduled, will have a "powerful sustaining influence on the business situation generally." The *Letter* concludes by saying that it is "hard to envision any serious let-down in the face of so high a level of capital investment."

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The appeal of the Deccan sugar factories against the award of the lower court fixing the minimum wages of unskilled workers in factories and on the farms of the sugar companies has been

(*Continued on page 915*)

CAUTIOUS TRADING IN EQUITIES

SPURT IN BOMBAY DYEINGS

(From Our Own Correspondent)

BOMBAY, 6th *May*

CONDITIONS on the Stock Exchange were somewhat stagnant during the week under review. Barring a few counters which received good support on consistent buying from influential quarters, activity was at a low ebb, and price movements were narrow. Operators on the Stock Exchange remained cautious, having liquidated their outstanding positions in most of the counters. The undertone, however, remained good, as could be seen from the fact that the offerings were well absorbed without any worthwhile break in prices. The sentiment was kept intact by encouraging advices from London and New York where industrials were firm. The rumours in London about prospects of a cut in Bank rate was also another factor which prevented any deterioration in undertone.

Operators had, however, reasons to be cautious. The international political situation is still uncertain. The stringency in the short-term money market shows no sign of any relaxation. The persistent weakness of the Gilt-edged securities is a depressing feature. Rationalisation in industry does not seem to get the measure of support it deserves. Above all, there was no fresh factor to stimulate activity, all the factors which portend good prospects for the immediate future have already been discounted in the prices.

Steel shares were uninspiring. After an initial firmness, they ruled quiet on reports of fall in production during the month of April. Tata Steels, which advanced from Rs. 196-12 to Rs. 200-4 on Friday, reacted to a low of Rs. 195-4 on Monday, before closing today a shade better at Rs. 197. The Company's output of pig iron during April amounted to 83,200 tons, representing a decline of 11,400 tons from the previous month's production. The quantity of steel ingots produced was lower at 77,500 tons, as against 89,700 tons in March, and finished steel declined from 65,000 tons to 54,000 tons. The output of pig iron was the lowest since February, 1951 and that of finished steel since February, 1950. Indian Irons jumped early in the week from Rs. 31-5½ to Rs. 31-12. After reacting to Rs. 31-1 on Monday, they closed today at Rs. 31-4. The Company's output of pig iron, steel ingots, and finished steel during April amounted to 61,950 tons, 41,079 tons and 37,600 tons, respectively, as against 63,000 tons, 47,550 tons and 44,560 tons in the previous month.

Textile shares were steady on encouraging advices from the domestic cloth market. Bombay Dyeings and New Greats provided the highlights of this section, on consistent buying from influential quarters. Large parcels of Bombay Dyeings were reported to have changed hands on investment buying by big parties, resulting in a rise of Rs. 20 over the week to Rs. 436-4. Kohinoors moved between Rs. 325-8 and Rs. 318-8, but closed with a gain of Rs. 28 at Rs. 321-8. After improving from Rs. 332-4 to Rs. 340, Centurys were marked down to Rs. 331-8 on Monday. They, however, moved upto Rs. 337 at the close. Central Indias were well held around Rs. 182. Finlays gained Re. 1-8 to Rs. 249-8. Gokaks shed a rupee to Rs. 254-8. Laxmis dropped Rs. 12-8 to Rs. 581-4 and the Minervas Re. 1-4 to Rs. 110. New Greats were concerned in a buying spree by a big operator and spurted from Rs. 158-8 to Rs. 173-8. New Citys had a rise of Rs. 5-15 to Rs. 165-15. Podars rose Rs. 5 to Rs. 153. Simplex picked up Rs. 4 to Rs. 161. Standards were maintained at Rs. 322-8. Svadeshis were done at Rs. 283-8 *ex-div.* (dividend Rs. 16) as against Rs. 297-8 *cum-div.* last week and Tata Mills at Rs. 48 *ex-div.* as against Rs. 49-12 *cum-div.*

After the jolt received on Thursday last week, on the announcement of the Labour Appellate Tribunal's decision, bank shares staged a recovery on replacement buying. Central Banks recouped from Rs. 54 to Rs. 55-8 and their new shares from Rs. 58-8 to Rs. 59-8. Imperial Fully Paids were unchanged on balance at Rs. 1,800, while the Partly Paids hardened by Re. 1-4 to Rs. 443-12. Bank of India's were up by As. 12 at Rs. 146. Barodas stood at Rs. 108 without any gain over the week. United Commercials spurted from Rs. 42 to Rs. 45-4, in the absence of selling.

The *insurance* section was devoid of any notable feature. Activity was restricted and price variations were small. New Indias were a fraction lower at Rs. 44-12. Orientals drifted lower from Rs. 7,910 to Rs. 7,800. Indian Mercantiles had some business As. 4 higher at Rs. 40-8. Empires were done at the self-same rate of Rs. 655. Jupiters were kept at Rs. 7-8 and Industrial Prudentials at Rs. 36-2.

Small selling was in evidence in electricity shares, but the sales were mostly well absorbed, so that the decline in prices, wherever it occurred, was fractional. The undertone, therefore, remained steady. Ahmedabad Electrics showed no variation at Rs. 112-13. Amalgamateds changed hands As. 2 higher at Rs. 10-8. Bombay Suburbans suffered a drop of As. 5 to Rs. 121-14. Andhra Valleys were marked up by Rs. 7-8 to Rs. 1,365. Tata Hydros were unchanged at Rs. 144, while Tata Powers dropped Re. 1-4 to Rs. 1,446-4.

The miscellaneous section showed a mixed pattern and the price changes were small, except in select counters which received influential support. Among sugar shares, Belapurs showed a drop of Re. 1 to Rs. 274-8, while Phaltans had a rise of As. 12 at Rs. 106-4. Walchandnagars stood Re. 1-4 lower at Rs. 176-4. Cement shares were steady, but no notable advance in prices was recorded. A.C.Cs disclosed no change at Rs. 157-12, while Digvijays rose by Re. 1 to Rs. 123. Among engineering and mining counters, Alcocks were put through Rs. 4-6 lower at Rs. 350-10. Premier Constructions closed Rs. 2 lower at Rs. 133-12. Tata *Locomotives had business upto Rs. 125*, and the closing at Rs. 124 was Rs. 3 higher over the week. Hindustan Motors were taken at Rs. 8-8½ as against Rs. 8-9. Premier Automobiles gained a rupee to Rs. 73. Shivrajpurs closed with a loss of a rupee to Rs. 66. Indian Coppers were unchanged at Rs. 3-1½, while B.B. Petrols rallied smartly from Rs. 3-2½ to Rs. 3-9. Among miscellaneous industrials, Bombay Burmahs (old) recorded a rise of Re. 1-4 to Rs. 406-14, while their new shares dropped Rs. 2-8 to Rs. 138-12. B.I.Cs were dull at Rs. 8-3. National Rayons spurted from Rs. 153 to Rs. 164-8. There were rumours that the Company would issue new capital at par to the existing shareholders. Killick Industries picked up Rs. 4-8 to Rs. 179. *Scindias were quiet at Rs. 18-4.* Tata Chemicals were a shade better at Rs. 14-9, while Tata Oils lost Re. 1-4 to Rs. 40-8. Wimcos were featureless at Rs. 210.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 5th *May*

Although the undertone on the Calcutta Stock Exchange was steady during the week under review, each stage of the rise in price was checked. Gains and losses were, therefore, insignificant on balance and there was a fall in the volume of business. Operators were cautious. The drop in the volume of business should be attributed to the diversion of funds for subscription to the National Plan loan.

Although the Central Finance Minister only meant what he actually said recently in New Delhi regarding the suggestion for the reintroduction of statutory limitation of dividends of joint-stock companies, market circles are left with the feeling that Mr. Deshmukh's reference was bound to attract "investment" funds to the new loan. The cause for poor activity in the market this week is found in such an analysis, as this could not be otherwise when industrial activity is on the increase and Government figures, published this week, place 1953 as the year when the overall industrial production in the country touched peak levels since 1947. Industrial labour strikes are happily on the decrease, and there has been no development since the beginning of this year to show why the improvement of last year cannot be maintained in 1954.

It appears that the market is pausing, but it is bound to gather cheerful activity when once the capital market gets settled after the Government is satisfied with its needs. The West Bengal Financial Corporation, public subscription to which is open now, will also claim market funds, especially from this State. Ultimately, however, as in the case of the National Plan loan, the Corporation will also be of help to the industry.

Operators' disinclination to enter into commitments in jute shares, on the basis of the recent improvement in the prices of jute goods, proved justified, because jute goods treaded back this week. The outlook, however, is good. The general weakness affected the volume of business in teas also, although, considering the prospects for tea gardens, no pessimism need be entertained regarding working results for the current accounting period. A fair crop is expected, as also fair price for the same.

Sectionwise, a firm trend was in evidence in engineering shares, but any upward trend was out of the question, in view of the caution exercised by operators. Indian Irons opened last Thursday at Rs. 31-7, but soon gave way to Rs. 31-2 on settlement adjustments. Over the week-end, the rate recovered to Rs. 31-10, but, on Monday, depression set in to take the quotation down to Rs. 31-3, today's rate being slightly better at Rs. 31-4. Jessops were earlier raised from Rs. 28-12 to Rs. 29, but subsequently lost the gain. Texmacos were easy at Rs. 11-8, as were Indian Galvanizings at Rs. 18-5. Indian Standard Wagons were maintained at Rs. 72-8, while Kumardhubis were fractionally better at Rs. 10-3. Burns realised Rs. 188, as against Rs. 187 previously.

Although the volume of business was lower, teas were firm. Some counters were subjected to profit-taking. Thus, New Dooars gave way from Rs. 450 to Rs. 444, Banarhats remaining unchanged at Rs. 447. Batajans were fractionally better at Rs. 29-8, as were Gohpurs at Rs. 39-8. Although steady, Hasimaras were lower at Rs. 33-12. Nagri Farms invited interest at Rs. 22-8 and Patrakolas at Rs. 179.

The earlier dullness in miscellaneous industrials gave way to steadiness subsequently and selective counters recorded gains. Rohtas Industries opened at Rs. 15-11 and gradually improved to close at Rs. 16-6. A note of buoyancy was in evidence in British Burma Petroleums, which sprurted from Rs. 3-1 to Rs. 3-11 on interested buying. The expansion taking place in the works of the National Rolling and Steel Ropes attracted further attention for these shares, which were bought at Rs. 14-13, as against the paid-up value of Rs. 10. Dunlop Rubbers were steady at Rs. 35-2 and Martin Burns at Rs. 20-13. F. & C. Osiers were subjected to profit-taking and, as a result, gave way from Rs. 18-4 to Rs. 17-10. B.I. Corporations were to hand at Rs. 8-5.

Greater attention was shown to shares of sugar mills and, although interest was at lower levels, Ramnugger Canes were an exception and were an impressive feature for the rise of Re. 1-8 to Rs. 23-4. Champarans were transacted at Rs. 26-2, while Belsunds were pushed down from Rs. 8-11 to Rs. 8-9. Darbangas gave way from Rs. 13 to Rs. 12-8.

Jutes were mostly easy. Howrahs declined from Rs. 24-15 to Rs. 24-7. Kinnisons realised Rs. 198, while Khardahs featured with a rise of Rs. 17 to Rs. 212. Orients were better at Rs. 171 On the other hand, Champadanies were pushed down by Rs. 7 to Rs. 153, Standards by Rs. 8 to Rs. 119, and Bally by Rs. 4 to Rs. 145.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 4th *May*

The performance of the Madras Stock Exchange, during the week under review, was devoid of interest. Trading was characterised by a general desire to lighten commitments rather than to enter into fresh ones. Operators, especially in the planting section, awaited the publication of the Bill relating to the proposed agricultural income-tax. Although it was expected to be on the same lines as the Travancore-Cochin Act, fears were expressed about the possible changes in its passage through the Legislature. There was lack of enthusiasm for textile scrips also. Barring a few scrips, the miscellaneous section showed no perceptible improvement.

Even the selective enquiry witnessed last week in the textile section slowly tapered off this week. Lakshmis (Rs. 50 paid-up) lost Rs. 4 to Rs. 112. Bangalore Woollens were down by a rupee at Rs. 399. Rajalakshmis were lower by As. 8 at Rs. 107 and Travancore Rayons As. 1-6 at Rs. 9-5-6, against Rs. 185-8 *cum-div.* Buckinghams, however, gained Re. 1-8 to Rs. 140 and Maduras As. 10 to Rs. 41-4.

Tea shares also were dull. Periakaramalais eased from Rs. 8-4 to Rs. 8. Peermades declined by As. 6 and finished the week at Rs. 34-6. Blue Mountains and Chandramalais were colourless at Rs. 3-1 and Rs. 3-9½, respectively. Devasholas were quiet at Rs. 20-11 and Nilgiri Teas at Rs. 13-8. Nonsuch Teas, however, improved As. 4 to Rs. 33-8 and Highland Produce by an anna to Rs. 12-15.

Rubbers were slightly easy. Pullangodes were down by an anna at Rs. 3-2. Cochin Malabars and Thirumbadis were fractionally lower at Rs. 7-3 and Rs. 3-5, respectively. Nenmenys remained unchanged at Rs. 10-9.

Among coffee scrips, Coffee Lands evoked little interest at Rs. 10-10 and Puthuthotams at Rs. 3-5½. Kil. kotagiri (tea and coffee) were lower by As. 2 at Rs. 7-9 and Nil. Neerugundi (tea and coffee) by As. 8 at Rs. 3-13. Neelamalais (tea and coffee) were, however, fractionally better at Rs. 5-1.

In the miscellaneous section, Deccan Sugars, Rs. 10 paid-up, gained an anna to Rs. 10 and Rs. 25 paid-up, As. 8 to Rs. 24-8. Mysore Sugars moved up by As. 2 at Rs. 44-12. Dalmia Cements, Rs. 10 paid-up, were lower by As. 12 at Rs. 8-6 and Mettur Chemicals by an anna at Rs. 5-8.

Notice

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Travancore-Cochin State)

Registered Office:

Cable House, 70 ft. Road, ERNAKULAM.

Branch Office:

20, Second Line Beach, MADRAS-1.

INTERIM DIVIDEND ANNOUNCEMENT

THE DIRECTORS HAVE DECIDED TO declare an Interim Dividend of 6 annas per share (free of Income-tax) on the shares of Rs. 7-8 paid-up for the year 1953-54. The dividends will be paid on the 25th May, 1954, to those shareholders whose names stand on the Register of Members on the 20th May, 1954. Transfers lodged with the Company after 21st May, 1954, therefore, will not be eligible for this dividend.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

28th *April*, 1954.

NEWS IN BRIEF

THE *main 44-mile canal from Bhakra to Rupar* will be completed by the middle of this month when it will be ready for letting water.

The Government of India proposes to raise the cess on paper and strawboard from As. 4 and As. 2 to Re. 1 and As. 8 per ton, respectively.

According to a report issued by the Akola District Cotton Merchants' Association, the Madhya Pradesh cotton crop for the 1953-54 season is estimated at 725,000 bales (of 392 lbs. each), as against the previous season's crop of 718,069 bales.

The Government of Bombay has issued orders under the Bombay Municipal Boroughs Act, 1925, and the Bombay District Municipal Act, 1901, prohibiting the municipalities from levying octroi or terminal tax on yarn used for handlooms and handloom cloth, including *khadi*, brought within their octroi or terminal limits for consumption or use therein.

The Government of India has decided that, with the exception of oxides and supplies of mercury, the exports of which are banned, exports of mercurous chloride and other mercury salts and compounds, e.g., *raskapoor, shingraf, etc.*, will be licensed freely on shipping bills against prior registration of sales as in the case of mercury chloride.

The Government of India has decided to allow exports of conduit pipes and accessories during 1954 by manufacturers and/or their accredited agents upto 20 per cent. of their production during 1953. During 1953, India produced 3.77 million feet of conduit pipes. There are 7 units with an installed capacity of 7.56 million feet of conduit pipes per annum, on a single-shift basis.

The Government of India has instructed its trade representatives abroad to examine the possibilities of marketing Indian-assembled radio sets in their respective areas. It has removed all restrictions on exports. It may be noted that, immediately after the war, there were promising markets for Indian-assembled radios in Far Eastern countries, but, owing to the shortage of radios within the country, restrictions had to be imposed on exports.

The Union Government proposes to construct about 100 lighthouses and aids to navigation at a total estimated cost of about Rs. 4 crores. The construction is in pursuance of the development plan drawn up by the Central Lighthouse Department. It is expected that, of these, works costing about Rs. 2 crores will be completed during the Five-year Plan period. The overall plan envisages expenditure of over Rs. 262 lakhs on equipment and Rs. 137 lakhs on construction works.

The Government of India has decided to allow *exports of an additional quantity of one* million yards of grey drill, processed into mineral *khaki* colour, on a "first-come-first-served" basis. According to a notification issued by the Joint Chief Controller of Exports on 4th May, the quota of one million yards announced in July, 1953, has been exhausted. All other conditions and requirements, as envisaged in the notification, dated 1st July, 1953, in this regard will remain the same.

Following recent discussions at Delhi between officials of the Food Ministry and the Punjab Government(I), the Punjab has secured an assurance that all rice procured in the State for the Central pool would be lifted. The Punjab officials had complained that, of the 125,000 tons of rice procured for the Central pool, nearly 15,000 tons had still remained even after the Punjab Government had taken about 3,000 tons for internal consumption. Mr. Kidwai, Union Food Minister, is said to have assured the Punjab officials that the Centre would honour its commitments.

A conference of all-India trade associations is being convened at Delhi on 8th and 9th May, 1954, for the purpose of considering the question of Inter-State sales tax and the difficulties thereunder. Representatives of trade associations from different parts of the country are expected to participate in the conference. The conference will be inaugurated by Mr. Chimanlal B. Parikh, President, Indian Merchants' Chamber. Mr. S. K. Patil, President of the Bombay Pradesh Congress Committee, and member of Parliament, will preside over it.

Plans for the annual production of 60 tons of *sulpha drugs*, efficacious in T.B. and leprosy treatment, in Hyderabad State, are likely to materialise from November next under State aid and in collaboration with a Swiss firm, in pursuance of a trade agreement between India and Switzerland. The machinery and plant, already available in local firms, have been selected for the purpose and are being re-aligned. Further shipments of machinery are due in June next. It is stated that the manufacturing programme will be finalised by foreign technical experts in consultation with accredited representatives of the State Government and medical men during this week. The erection of the plant is scheduled to be completed by October next and production is expected to be in full swing before the year closes.

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From Abroad

The price of coffee in Belgium has been frozen by a Government decree after a 25 per cent. increase in the past few days.

West Germany has entered into a barter agreement with Chile for exchanging $500,000 worth of trucks and $4 million worth of Lantz agricultural tractors for $4.5 million worth of copper.

All restrictions on exports of rubber from the U.K. to Eastern Europe and from Malaya to Russia and Eastern Europe have been removed with effect from the 3rd inst.

Pakistan has decided to step up cotton production to 2.5 million bales per annum over the next three years. The object of this decision is to maintain a high level of foreign exchange earnings.

The total number of broadcast receiving licences in the U.K. as at the end of March, 1954, was 13,436,793, of which television sets accounted for 3,248,892 and sets fitted in cars for 226,667.

The Australian Commonwealth Bank has raised its buying price for gold from £15 9s. 10d. to £15 12s. 6d. following the re-establishment of the gold market in London. The price of sovereign has gone up by 6d. to £3 12s. 6d.

Industrial production in the U.K. rose in March 1954 to about the peak level established in November, 1953, the index number being 133 (base: 1948=100). The average rate of production in the first quarter of 1954 was nearly 7½ per cent. higher than in the corresponding quarter of 1953.

The Nash-Kelvinator Corporation and the Hudson Motor Car Company have formally merged and will be known as American Motors Corporation. The combination will make the new company the fourth largest producer of automobiles in the U.S., the other three being General Motors, Fords and Chrysler. The newly formed company commenced business on 1st May, 1954.

A resolution to encourage the flow of private capital to underdeveloped countries was adopted by the United Nations Economic and Social Council last week. Only two countries—Russia and Czechoslovakia—voted against. It recommended that countries should negotiate appropriate treaties, agreement or other arrangements on double taxation, and the insurability of certain non-business risks.

Polish motor-car engineers report experiments with a new petrol-saving device. The device, called "Ozonisator," sends out ultra-violet rays which convert part of the air taken in by the engine into ozone. Ozone causes complete combustion of the petrol and air mixture. The Ozonisator is said to save about 10 per cent. in petrol which otherwise is not completely burnt in the engine. Several cars have been fitted with the device for experimental purpose.

The International Bank for Reconstruction and Development reported a net income of $15,006,406 for the nine months ended 31st March, 1954, as compared with $12,947,735 for the corresponding 1953 period. Total reserves on 31st March, 1954, were $137,309,233. The report said that, during the nine months, the Bank made 22 loans aggregating $275,482,000 to Australia, Brazil, Chile, Colombia, Ecuador, Iceland, Italy, Japan, Nicaragua, Panama, South Africa and Turkey.

The Eastman Kodak Company in the U.S. is investigating and testing two new synthetic textile fibres, both in the wool-like class. One is being made as staple fibre and the other is a new type of polyester of the dacron type, the only difference being in chemical composition. While the latter is still in an earlier stage of development, the former has already undergone trials in mills which show that it dyes well and appears to wear as well as wool.

The view that the current American business contraction was one of the least serious in history was expressed by Dr. Arthur Burns, Chief Economic Adviser to President Eisenhower. He expressed the belief that business downturn had reached its low point and was hopeful that things would improve. The Administration was preparing an emergency public works programme and a new tax cut plan for use if the economy took a downturn instead of improving. No details of possible further tax cut recommendations were given, but higher income-tax exemptions have been suggested as one way of increasing consumer purchasing power.

An analysis of cotton grey cloth imports into the United Kingdom on the basis of supplying countries shows that India replaced Japan as the major supplier in the early months of 1954. Following imports of 5,488,000 square yards from India in January, the total in February rose to 10,727,000 yards. When 311,000 yards of Indian finished cloth is added to this figure, imports from India in February accounted for 11,038,000 yards of the total imports of 18,719,000 yards for the month from all sources. Unlike cloth shipped to the U.K. from a number of other overseas countries, none of the Indian cloth was designed for re-export after undergoing finishing processes in the country.

Britain is now the third most important oil refining country in the world (excluding the U.S.S.R. for which details are not available), according to figures just published by the U.K. Petroleum Information Bureau. These figures show that, at the end of 1953, refining capacity amounting to just over 400 million tons was located in the U.S. out of a world total of some 700 million tons, apart from plants in Russia and in countries of the Soviet block. The most important country after the U.S. was the Netherlands West Indies (with 33 million tons), followed by the U.K. with just under 29 million tons.

The revised estimate of world wool production compiled by the Commonwealth Economic Committee in London forecasts that the output for the 1953-54 season will be some 4,350 million lbs. (greasy)—50 million lbs. less than the earlier estimate issued in October. The chief reasons for this decline are the reduction of 30 million lbs. and 23 million lbs., respectively, in the estimates for Australia and Argentina. The Australian clip, however, is still expected to be the second largest on record—1,260 million lbs., or three per cent. less than last season's peak of 1,300 million lbs. The current Argentine clip is assessed at 397 million lbs., or two per cent. below last season's. Estimates for India and Pakistan remain at 72 million lbs. and 30 million lbs., respectively. The estimate for South Africa has been lowered from 278 million lbs. to 276 million lbs. and that for New Zealand remains unchanged at 421 million lbs. The estimate for the U.S. clip is raised by 2 million lbs. to 285 million lbs. and that for Britain by 7 million lbs. to 105 million lbs.

PERSONAL

MR. A. J. Riches, General Manager of Lipton Ltd., has left for the U.K. on retirement.

Sir Alexander Clutterbuck, British High Commissioner to India, will proceed to the U.K. on leave at the end of this month.

Mr. R. F. Isar, Deputy Secretary to the Union Government, has, it is learned, been appointed Deputy High Commissioner to Ceylon.

Dr. A. Lahiri has been appointed Director of the Fuel Research Institute, Digwadih. Dr. Lahiri, who will succeed Dr. J. W. Whitaker, is the first Indian to hold this post.

Mr. C. S. Jha, India's Ambassador to Turkey, has returned to India after completing his assignment in that country. Mr. Jha has been appointed Joint Secretary to the Ministry of External Affairs.

Mr. Kanwar Sain, Chairman, and Dr. L. R. Rao, Director, Central Water and Power Commission, left for China this week to study the various measures adopted there for controlling floods in the Yellow River.

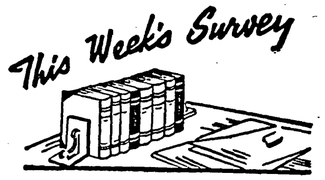
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 11th *May*

India's Credit Abroad

If India is to prosper materially and hold her own in trade, industry and commerce against the other nations of the world, she must maintain intact her credit abroad which is still very high. The credit is not the result of indigenous efforts, but the effect of British rule in India. Unfortunately for her, Indian politicians of a certain type are out to undermine this high credit by their foolish creed of non-co-operation, by their futile cry of boycott of British goods and by their fanatic outcry against the inflow of external capital. Any talk of non-co-operation is foolish, unless and until there is co-operation amongst the non-co-operators themselves; the cry of boycott of British goods is futile unless and until India is in a position to produce enough indigenous goods to meet the demand which is now largely met by imported articles; and the outcry against the inflow of external capital is fanatical unless and until Indians have been able to pool their resources, coax the hoarded money out into fruitful investments and regulate finance by the establishment of credit institutions on a sound basis. But indigenous capital in India is not only inadequate, but is extremely shy even today; and it is a patent fact that but for foreign capital, India would not, and could not, have achieved the marvellous progress she has made in the realms of trade, industry, communication, agriculture and commerce. Sir George Schuster, the new Finance Member, who, in introducing the budget in March last, declared that India's credit was high abroad, warned the Indian Merchants' Chamber in Bombay last week that in the London market the credit of India stands low today as a result of the resolutions recently passed at the political conferences in favour of independence. Indians have not, so far, been able to establish and maintain credit institutions of the first rank and their efforts in that direction have almost always been attended with dire consequences. Indians have thus been afforded an excellent opportunity in the proposed banking enquiry to devise ways and means to regulate finance; and we have an assurance from no less a personage than the Finance Member himself that it is the intention of the Government of India to secure to the central committee not only a majority of Indian personnel, but also an Indian Chairman. Let Indians make the best use of this golden opportunity and establish and maintain first class banking and insurance corporations—the two chief credit institutions.



RATIONALISATION OF COTTON INDUSTRY

WHENEVER anyone connected with the cotton textile industry speaks today, one can with certainty expect a pointed reference to the question of rationalisation. This is not surprising, considering the fact that the question has been so much in the forefront in recent months, being discussed and debated upon extensively in the Press and on the platform. Mr. A. D. Shroff, Chairman of the Svadeshi Mills Ltd., and Mr. N. H. Tata, Chairman of the Tata Mills Ltd., dwelt at length on this question, in the course of their speeches at the annual meetings of the respective companies held recently and stated, in effect, that, in the context of the rapidly changing conditions in the textile markets, rationalisation was inevitable.

Mr. Tata drew pointed attention to the competition in the world textile markets offered by such highly efficient countries as Japan, and said that, if the Indian cotton mills were to withstand competition, they had to be rationalised. In this connection, he alluded to two handicaps, which he called "the inherent disadvantages," from which the textile industry had been suffering. First, the ratio of workload to wages prevailing in India is unfavourable by international standards, even after making due allowance for poor working conditions, enervating climate and malnutrition. Secondly, the present mentality of trade union leaders seems to be to look at a job "as a perpetual institution, wherein even natural vacancies caused by death, retirement or otherwise cannot be utilised for bringing down a bloated muster." Significantly enough, Mr. Tata remarked:

"If the idea finds favour in Government quarters, then let us forget for ever our hopes of building up an efficient industry which can hold its own against foreign competition and serve the interests of the consumer. . . . It would be difficult for any honest and responsible trade union leaders to dispute the fact that the Indian textile industry, which is obliged to sell in highly competitive markets, is employing far more workers than it can afford."

There is considerable force in these observations of Mr. Tata. One may, however, ask: What about the displacement of labour that will arise from rationalisation? The millowners do appreciate this anxiety on the part of labour, as witness the remarks of Mr. Shroff, who said: "I am fully conscious of the fact that, in a country like ours, where avenues of employment under present conditions are limited, the problem of rationalisation cannot be treated in isolation from its reaction on the community as a whole." But, to the millowners, the fears of widespread unemployment following rationalisation are not only clearly exaggerated but also entirely misconceived. As Mr. Shroff rightly pointed out, in its limited application to the cotton textile industry, rationalisation cannot by any stretch of imagination result in "sudden and widespread" unemployment. For there are very few mills in the country which have today the financial resources to embark upon any large-scale renovation of labour-saving plant and machinery. Even if a number of mills simultaneously decides to install such machinery, it can only be made available over a period of years.

This, indeed, is the bare truth which has unfortunately not been recognised by the so-called champions of the cause of labour who are guided more by political than by economic considerations. The major plank on which any plan for economic development should be based is the satisfaction of the community's wants at an economic price. Certainly, rationalisation of the cotton textile industry will, as Mr. Shroff very pertinently stressed, result in lower cost of production and make available to the masses of the country one of the ordinary necessities of life, namely, cloth, at cheaper prices. Looked at from the angle of labour welfare also, rationalisation is highly desirable. To quote Mr. Shroff again:

"It has been actually proved by experience that a weaver working on automatic looms earn decidedly better than he even did before and, at the same time, he is relieved of a certain measure of strain and fatigue, because of both better equipment and conditions of work provided. Experience in Western countries has shown that, by cheapening the cost, the demand for the production can be increased, thus paving the way for increased capacity for the industry which will be reflected in increased demand for labour."

Both Mr. Shroff and Mr. Tata put forward a vigorous plea for the abolition of the 10 per cent. export duty on coarse cloth. Mr. Shroff failed to understand why the Government persisted in retaining the duty, particularly at a time when increased exports were necessary, since the country was not in a position to absorb the entire domestic production. Expressing a similar view, Mr. Tata said: "The export duty of 10 per cent. on coarse cloth still continues to hamper the trade and, if Government are anxious that the textile industry should achieve in 1954 the export target of 1,000 million yards fixed by the Buxton Conference, this duty of 10 per cent. should be removed to enable coarse cloth, which formed about one-third of total exports in 1953, to withstand the stiff competition experienced abroad." Now that the overseas consumer is coming into his own, it is time the question of abolishing the export duty on coarse counts was considered dispassionately.

FUTURE OF ALUMINIUM

The rapid rise of aluminium, once regarded as a very expensive metal of no great practical use, forms an interesting episode in the history of metals. When its versatile qualities such as lightness, strength, workability and ability to conduct heat and electricity became more widely known, it got and continues to get more and more votaries. Its use has expanded greatly in the present century, and the metal is invading many fields. This explains, as Mr. K. C. Mahindra, Chairman of the Indian Aluminium Company, Ltd., pointed out at the recent annual meeting of the Company, the "remarkable" increase in the world production of the metal to its present level of about two million tons. Quoting from a U.N. report on aluminium, Mr. Mahindra emphasised that the production of aluminium has expanded by 10 per cent. per year since the beginning of the century. At this rate, world production should reach four million tons by 1960. A large part of the increase has taken place as a replacement for non-ferrous metals. But about half the total consumption is for uses in direct competition with steel. Lest this should give one an exaggerated idea of aluminium's ability to replace steel, Mr. Mahindra pointed out that world production of aluminium constitutes hardly 3 per cent. of the world output of steel and is not expected to increase to more than 5 per cent. by 1960. Nevertheless, the fact remains that aluminium is "proving a more suitable metal than other non-ferrous metals and steel in ever-widening fields of application."

In India, the supplies of most non-ferrous metals are limited. Even the supplies of steel are inadequate. In this context Mr. Mahindra estimates that, with the "upsurge of industrial activity, there is going to be a growing demand for both ferrous and non-ferrous metals." Nor did he fear that, in this country, aluminium would, as in other countries, compete with steel. Both can be expected to pay "complementary roles in providing the necessary basic materials for industrial development." Mr. Mahindra was, therefore, understandably surprised that there should be sceptics who doubted whether India could expand its aluminium output to 20,000 tons by 1957.

He was, however, conscious of the fact that, if aluminium industry has to develop, it must cease to be "confined to small production units, with a high cost and high price structure, servicing a restricted market." He recognised that an "appreciable reduction in costs can only be achieved by increased production." So far as the Indian Aluminium Company, Ltd., is concerned, it would appear that the contemplated expansion of the smelter at Alumpuram and the rolling mills at Belur would be completed by the middle of this year. This would lead, he hoped, to a reduction in production costs. The Company has also been licensed to build a smelter at Hirakud with an initial capacity of 10,000 tons and an ultimate capacity of 20,000 tons. He said the question of financing the project was being considered, though the "general" investment climate in the country indicated that no "easy" solution was possible. Perhaps, an assurance of a continuous supply of electric power, which, he said, was necessary before the scheme could be taken up, would facilitate the execution of the project.

MADHAVLAL AND CO. LTD.
BOMBAY

MRS. SHANTAGAURI MADHAVLAL M. Bhatt, J.P. and Honorary Magistrate, who was actively associated as a Director with her husband, Shri Madhavlal Makhanji Bhatt, during his lifetime in the business of Madhavlal & Co., Ltd., Bombay, has been appointed Managing Director and Chairman of the Board of Directors of the said Company. The business of the Company will, as usual, be continued as heretofore. The old experienced staff has been continued.

TRAINING FOR BUILDING LABOUR

The building construction industry has reason to feel gratified at the decision of the Government of India to start a pilot scheme at New Delhi to train skilled and unskilled workers for employment in the building trade. For the scheme, which is estimated to cost Rs. 2 lakhs, will, if successful, make available to building contractors a supply of well-trained personnel.

The pilot scheme is a part of a broad plan drawn up by the Ministry of Works, Housing and Supply, with a view to attracting young men to take up construction work as a career. It provides for starting similar training schemes in a number of selected places throughout the country, under a central organisation, if the pilot scheme proves a success. An important function of the central organisation will be to co-ordinate and supervise the training schools. A welcome feature of the scheme is the proposal to run, along with the pilot scheme, an advanced training course for teachers of various training schools in some States. The class for training masons will serve as an object class for this advanced training.

The first year programme of the pilot scheme includes (1) training of educated employed persons, (2) workers of Central Public Works Department from the work-charged staff, (3) persons with basic knowledge and some practical experience, and (4) junior supervisory personnel of the Central Public Works Department. In order to provide incentive to unemployed young men, the scheme guarantees employment for a period of eight or nine months. During the period of training, students will be provided with free board and lodging. A small stipend will be given to educated unemployed trainees and members of advanced classes. No stipend will, however, be given to employees of the Public Works Department of Central or States Governments. The trainees will also be allowed to keep for their out-of-pocket expenses, the money they may earn during the period of practical training.

The scheme is expected to supplement the work of the Rural Housing Cell, which was established at New Delhi, in October last year, to design suitable houses for different areas in the country, keeping in view the availability of local building materials and climatic conditions. While the Cell will supply specialised knowledge, the personnel trained under the scheme will, it is hoped, considerably help in the wide-spread introduction of aided self-help techniques in various States, which, for the time being, seem to be the only solution to the difficult problems of rural housing, slum clearance, sweepers' housing and housing of low-income groups.

DEVELOPMENT OF PORTS

Though belated, the suggestion made by the National Harbour Board, which met last week at Poona, that the Planning Commission should consider the feasibility of developing Malpe or Mangalore on the west coast and Tuticorin on the east coast of Madras as major ports and Pradip at the mouth of the Mahanadi in Orissa as intermediary or major port, is welcome. This, however, raises once again the controversy about the relative claims of Mangalore and Malpe for being developed as a major port. For, while the West Coast Major Port Development Committee rejected Mangalore on marine considerations and selected Malpe as a more suitable site, Mr. S. Nanjudiah, in his report on the survey of minor ports in India, held that the rejection need not be considered final and that it could be reopened at a later stage. It is, however, acknowledged that a major port is necessary between Murmugoa and Cochin and that either Mangalore or Malpe should be developed at an early stage in the interest of developing South West India. So far as Tuticorin is concerned, this is one of the very few important ports on the east coast of Madras. This port has the unique distinction of being the only port which, though classified as a minor port, is constituted into a Port Trust. The need for developing Tuticorin as a major port is stressed, because of the vast hinterland trade which it commands. The question of opening a major port on the coast of Orissa has been engaging the attention of the State Government for a long time now.

At the aforesaid meeting of the Board, considerable discussion centred round the problems relating to deck labour also. It was pointed out by port authorities that there had been a steady deterioration in the output of labour, notwithstanding the improvement that had taken place in the matter of wages and other amenities. If a serious situation were to be avoided, they held that it would be necessary to review the working of the dock labour decasualisation scheme now in operation at Calcutta and Bombay. On behalf of labour, a plea was made for total decasualisation of all sections of port labour and for eliminating the practice existing in Calcutta under which a share of the wage money was retained by the *sirdar*, through whom labour was engaged. Mr. Lal Bahadur Shastri, agreeing with the need for prompt action in the matter, said that he would himself personally meet and hold discussions with the port administrations and labour leaders concerned, port by port, in order to arrive at a satisfactory solution. It would be difficult, he said, to achieve uniformity in the matter of decasualisation of labour as conditions varied from port to port. He was certainly stating the bare truth when he said that labour leadership among dock workers lacked the strength necessary to induce workers to maintain output.

SALES TAX ON FORWARD CONTRACTS

A judgment of far-reaching importance to States' finances in general and to forward trading in particular, was delivered this week by the Constitution Bench of the Supreme Court. The case, on which the judgment was given, arose out of the appeal preferred by the Sales Tax Department of Uttar Pradesh against the order of the Allahabad High Court which had quashed the assessment made on a certain firm in respect of the firm's forward contract in *gur* and peas. The Department had made the assessment in terms of the U.P. Sales Tax Act. A sale, in terms of this Act, includes sales on forward contracts. The U.P. Sales Tax Act was enacted by the State Legislature in exercise of the powers to tax sales, conferred on States by the Government of India Act, 1935.

The Supreme Court considered the question whether the power to impose a tax on sales of goods, conferred on States, included a power to impose a tax on forward contracts. Mr. Justice Venkatrama Ayer, who delivered the judgment, distinguished between the words "sale" and "agreement to sell." He said that since there existed at the time of the enactment of the Government of India Act, 1935, a well-defined and well-established distinction between a sale and an agreement to sell, it would be proper to interpret the expression "sale of goods," in the sense in which it had been used in legislation both in England and India and to hold that it authorised the imposition of a tax only when there was a completed sale involving transfer of title. The position, therefore, was, his Lordship continued, that a liability assessed to sales could arise only if there was a completed sale under which price was paid or was payable and not when there was only an agreement to sell. The power to impose tax on the sale of goods could, therefore, be exercised only when there was a sale under which there was a transfer of property in the goods and not when there was a mere agreement to sell. He held, therefore, that this portion of the U.P. Sales Tax Act, which sought to bring forward trade within the meaning of the word "sale" for purposes of taxation, were *ultra vires* the Constitution.

Two Operational Agreements were signed in New Delhi on Friday last week between the Governments of India and the United States of America, under which agricultural and medical institutions in India will receive facilities and equipment for expansion of their programmes. The total joint cost of the projects covered under the Agreements amount to $700,000 and Rs. 3,20,000. The dollar expenditure, which will be the U.S. contribution, will be utilised for purchasing of equipments, etc., while the rupee part will be for meeting internal costs. Agricultural institutions which will receive assistance include agricultural colleges in India and some of the institutions for agricultural research. The other agreement aims at strengthening and assisting in the upgrading of medical research institutions, medical colleges and allied institutions by supplying essential items of equipment which are not available in India and also related technical assistance.

OFF THE RECORD

(By "ROVER")

IT is not for me to examine the decision of the Labour Appellate Tribunal in the disputes between the banks and their employees. The banks themselves are the best judges in this matter. They know where the new pair of shoes, presented to them in the shape of this new award, will pinch them, because pinch them it will. As has happened in the case of many an industry and trade, the banks after bewailing their woes and the sufferings these new inflictions will involve, will try, perhaps, to pass on as big a part of the new burden to their constituents and grin and bear what they dare not try to shift to other shoulders. As a matter of policy, the bank employees will denounce it as unsatisfactory and deficient in many respects and pocket what gains it has brought them. I, for one, would not grudge them whatever benefits they have received, if the resulting loss to the country by way of retarding the economic development in general and the progress of banking in the semi-urban and rural areas in particular, were not to be disproportionately high.

As the Tribunal has claimed, the matters covered by the award are long-term arrangements. The Tribunal has laid down a set of terms for payment and conditions of work, which should hold good for a long time. Will this be regarded as such by the employees led by politically-minded leaders, who see, in every gain, a convenient jumping board for more strident demands? Echoes of this are already being heard from some of them. Bank managements might console themselves by the consideration that the heavy burden imposed on them might be well worth bearing, if this imposition were to secure not merely peace in the field of banking for a long period, but the loyalty and devotion to work of a satisfied staff, as the Tribunal was sanguine enough to trust.

There are many, however, who fear that there is but a poor chance of these hopes being realised and, looking to the atmosphere prevailing in the world of commerce and industry today and the situation created by legislation with compulsory adjudication as its pivotal principle, which places a premium on workers' leaders raising new disputes and perpetuating old ones to maintain their hold on their following, who can assert with authority that, after all, these realists may not prove right about their forebodings? Even the Tribunal has been forced to recognise that the approach of many of the banks, to the problems arising from their relations with their staff, is inspired by a sympathetic understanding of their circumstances and so has felt obliged to administer a stern warning to the employees against any indiscipline, which in the long run was bound to harm them the most.

The Tribunal could not have been more explicit in its advice to the bank staff that, now that they had been given reasonable terms, they must adjust themselves to these for some years. It could not also have been more emphatic in its admonition that employees must give a fair day's work for a fair day's wages and that to do less would be to invite disaster. How far this stern rebuke by the Tribunal will have effect remains to be seen, because it has been the common experience of employers, whether it be in banks and offices or in fields and factories, that, with every increase in wages and allowances and addition to amenities, output per man-hour has dwindled progressively. In fact, one can almost see that all the time there is a kind of subconscious and subtle 'go-low' movement in operation everywhere.

I am, however, inclined to view this affair from an angle, which has often been missed both by the authorities and the workers. Just as industrialists are apt to create vested interests in the enterprises they control and manage, workers are creating vested interests in the jobs they hold. In a country where overpopulation is chronic and unemployment one of the biggest headaches of the community, one would think that, in every official policy, the emphasis would be on the enlargement of the field for employment in the country. Both the workers and the authorities are only too ready to plead this as an excuse for disallowing the use of labour-saving machinery in industry. But they are completely oblivious of this aspect of the question, when it comes to placing such additional burdens on industry as to shut out any chance of expansion which could provide more jobs.

The time has now come to ask ourselves whether we shall have more jobs to provide employment for those who are out of work today and the millions who are coming of age every year, who will have to search in vain for employment, or better paid and more comfortable billets for those who are already employed. To put it very bluntly, should we have half a loaf for ten people or a full loaf for five and complete starvation for the rest? From this it can be easily seen that almost every conflict today between employers and employees is in reality a conflict between the employed and the unemployed. This callousness on the part of those who are employed towards their own brethren, who are leading an agonising life for want of gainful employment, is really amazing. What grim and terrible repercussions it would have, when the ever-increasing numbers of the unemployed realise the truth that their own more fortunate comrades have, in their struggle for improving their own condition, kept them out of jobs, which would have been created but for this struggle, and that the Governments, while commiserating with them for their misfortune, have all along considered only the interests of those already in employment.

Take, for instance, the case of banks. Several banks had adopted, during recent years, the policy of opening of branches in every likely place. Every new branch opens up an avenue of employment for at least half-a-dozen or more educated unemployed. But, if the pay scales and other conditions demanded by those already working in these institutions are such as to make opening of branches in small towns and large villages a losing proposition for the bank, they would be forced to give up this wholesome policy. It may be that the Government might prevent, by some means, the banks from closing the branches already in existence, but it could not compel them to open new branches, which they would have to run at a loss. In a vast country like ours, with an unrestricted scope for development of banking activities in virgin tracts, a large number of branches would ordinarily have been opened year after year. All this and the economic expansion in the areas concerned, which would have followed from it, have been rendered impossible by this award. Whatever improvement this might bring about in the lot of bank employees will be at the cost of those who would otherwise have found work in branch offices, which now will never be born. There could be no better proof of the bitter fact that the employed and not the employers are the enemy of the unemployed. Only my respect for our Government prevents me from bracketing it in this respect, with "the employed."

Democracy in Dalal Street

Having lived a greater part of my life in an Indian State, I am naturally not enamoured of royalty. There is something cramping, something unreal about the whole atmosphere where princes and potentates abide. While there is still a lot of sentimental moaning, out of attachment born of long association, for the dethronement and disappearance of Tata Deferred, undisputed king of the Bombay share market for a generation and a half, one cannot but help noticing the new freshness and wholesomeness which characterise the air in the trading hall of this extremely vocal body.

During all those years when King Deferred ruled the roost, many an important scrip had to remain subdued and had to creep more or less submissively in the shadow of the sovereign of the market. The allegiance owed by the general run of operators was so deep that it was a rare occurrence for any individual counter to break away on grounds of special merit or otherwise, from the path of aggression or retreat pursued by the all-powerful Deferred at any given moment. Even worthless scrips blossomed and flowered in the sunny smile of the great one; on the other hand, even the aristocrats who had carved out a niche of their own in the Court at Dalal Street, were frowned upon by the multitudes, when the King was in a cheerless mood and sulked in his harem.

I doubt if you could have failed to notice, that is, if you are a frequenter of this once great kingdom now turned a republic, that, with the establishment of democracy in Dalal Street, the whole atmosphere has changed. Men's minds now work unfettered by ties of loyalty to an individual ruler and there is scope and opportunity even for the humblest to forge ahead and come to the fore, though the rabble as a whole, might be in retreat. Even the cobbler who sat huddled in his tattered raiment only yesterday can aspire to and does at times stem the ebb with his individual performance. Free play of individual judgment has today taken the place of outmoded and anachronistic fealty to a Frankenstein who had shackled the imagination of even the brave men in the bazaar.

While a lingering sentiment still renders token homage to the hereditary heir, in Tata Ordinary, and grudgingly concedes some precedence and the privilege of operating out of hours and in darkness, the principle is in no position to assert his authority over the empire of his ancestor. An interloper from the east, Indian Iron, which makes no claim to blue blood but has succeeded in getting together a horde of freebooters and adventurers in Calcutta, has invaded this country in the hope of filling the temporary vacuum created by the passing away of the old monarch. Having tasted the freedom and liberty of judgment brought about by democracy, even during the short period it has been in operation, it is now for the subjects of this free and independent State to resist all the onslaughts or blandishments of new aspirants to the throne either from abroad or some bold spirits from the ranks of the army of the late ruler. The King is dead, long live the Republic!—*All Rights Reserved.*

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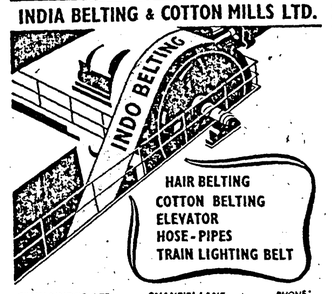

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DEBATE ON COMPANY LAW BILL

MANAGING AGENCY SYSTEM SEVERELY CRITICISED

(From A Special Correspondent)

NEW DELHI, *4th May*

DELHI LETTER

DISCUSSIONS in Parliament took a lively turn this week when the Finance Minister, Mr. C. D. Deshmukh, moved the motion to refer the Companies Bill to a Joint Committee of both Houses of Parliament. The debate on the motion was largely preliminary in character, but a number of members participated actively on many of the controversial character of this Bill. The best speech on this occasion was doubtless made by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, who was able to bring all his experience of commercial life as well as that of administrative work in Government to the solution of many of the problems confronting the company management. The Minister was not only realistic in his approach in dealing with this complicated question, but also made many constructive suggestions as to how the problems should be tackled. Mr. N. C. Chatterjee, a Judge of the Calcutta High Court at one time and one of the foremost lawyers of the country, was also actuated by considerable realism. Mr. Deshmukh, Finance Minister, recounted lucidly the object and reasons of the Bill as well as its scope.

Many members of Parliament were extremely critical of the role of many managing agents in the administration of company affairs. Most of them were imbued with memories of the war and post-war periods when unscrupulous managing agents began to indulge in antisocial activities such as black-marketing, cornering of shares, evading taxes to Government, etc. One member characterised this class of people as "business sharks" who were bent upon swindling people, and insisted that Government should safeguard the interests of innocent shareholders who were tempted to invest their life's small earnings in companies. Another member with leftist leanings stated that not a single committee appointed by either the British Government or the Indian Government had one good word to say about the managing agency system. A member from the Punjab suggested that measures should be taken to curb the speculative activity of managing agents. Another member from the same State compared the unscrupulous managing agents to vultures and wanted that Government should clip their wings in such a way as to ensure that they might not be able to dig their claws deep into the flesh of the investor. A member from Madras wanted that Government should approach the whole problem from three angles. First, business must be 'professionalised,' that is to say, a machinery should be devised for the observance of certain minimum standards of morality and code of conduct; secondly, there should be no undue restriction on initiative and, thirdly, a balance had to be struck between private and social needs. Private greed should be made to subserve social needs, he said. A member from Uttar Pradesh traced the recent developments in the managing agency system and pointed out that big financiers had begun to turn this system into a sort of cartel and a net of companies under one management. He urged that provisions should be made to safeguard the interests of shareholders in every possible way.

The Bengal lawyer Mr. N. C. Chatterjee was very realistic in his approach. He admitted the serious defects in the managing agency system and also conceded the prevalence of "sharks" operating in it, which had brought disrepute to the entire managing agency set-up. He was, however, of the opinion that, before condemning the managing agency system, Parliament should take into account how far, in the present economic structure of the country, it would be advantageous to continue it. There could, however, be no two opinions that the malpractices found in the working of this system should be done away with, but how could there be planning, unless the private sector was allowed full play, subject to certain safeguards, he asked. He agreed that Indian managing agencies in a way tended to be confined to one family and to become almost a hereditary thing, resulting in inefficiency and corrupt managers. This needed to be rectified, so that it might not be possible to develop a "family coterie ruling a particular concern."

Mr. T.T.K.'s Views

In a well-reasoned and cogent speech, the Commerce and Industry Minister, Mr. T. T. Krishnamachari, argued that Parliament should accept certain basic factors in considering the company law reforms. One such was the pre-existence of an *entrepreneur*. He pointed out that, although there were many evils in the system, they had to tolerate it, because of the good that came out of it and also because they had nothing else to replace it with. He was in favour of regulation and control by the Government in order to make the system work tolerably well. The benefits of a joint-stock company primarily flowed to the individual investor and the company promoter and only secondarily to the entire economic structure of the country. If the Bill was looked at from that point of view, the Minister stated, there could be a more realistic appreciation, of it. The Minister laid considerable emphasis that Parliament should carefully consider the safeguards for minority shareholders and the ways of preventing interlocking and other defects of company management. The problem of protecting the ordinary shareholder was not an easy one and Parliament might at best provide for the disclosure of a large amount of information by the company promoter or manager, but the Minister was of the opinion that the shareholder himself must be more alert. Besides, the position of the minority shareholder had also to be safeguarded, especially when the managing agents had been holding a majority share. In this connection, he suggested that Government could undertake the reform of stock exchanges in the country on the lines of the American Securities and Exchange Commission. The American system had provided, according to the Minister, considerable safeguards for the investor.

Referring to the question of managing agencies, Mr. Krishnamachari stated that he was not a supporter of any system of perpetuation of wealth or of managerial power in the hands of a few. The merit of a managing agent was of a person who was the means of bringing together various factors and providing an instrument of production. The development of this system in this country had been horizontal rather than vertical. The Minister made a realistic approach when he said: "The prime necessity today is that there should be expansion. There should be more opportunities for employment. There should be development of national wealth, which is the only way by which we can provide for greater employment, greater benefits for the people and a greater justification for the welfare State for which we stand here wedded.... We cannot therefore rebuild our industrial structure without the managing agency system. Mr. Krishnamachari was in favour of safeguards to prevent the misuse of powers by managing agents. He wanted to ensure that the managing agencies had the capital structure and resources necessary to provide security against misbehaviour. Their capital structure must be substantial, he said. He did not view with favour the establishment of a statutory authority to administer company law. Certain ideas might be good in themselves for certain purposes, but often, when one projected them into certain circumstances, they were not good, he argued. Finally, he stressed the necessity of setting up an Economic Civil Service which could run State concerns on business lines.

In the course of his reply to the debate, the Finance Minister gave some convincing reasons for the retention of the managing agency system since the "time has not come for its elimination." He agreed that many managing agents had committed considerable misdeeds, but said that he had instances that a number of them had nursed the companies, assisted them with loans and helped them to tide over difficulties. After reviewing the whole position dispassionately, he concluded that, if they were to eliminate the managing agency system, they would probably be dealing a very severe blow to the extension of industrialisation of this country. "We should not end this system unless we first tried mending it," he declared. It is, therefore, certain that Government will not take steps to end this system, but to modify it in such a way as to prevent its abuses.

BANK MONEY AND BUSINESS

STOCK MARKETS QUITE STRONG

(From Our Own Correspondent)

LONDON, *1st May*

LONDON LETTER

THE first months of this year have emphasised the trend that began in 1953 of a "reflation" of bank money, in sharp contrast to the successful deflation of 1952 which brought to an end the post-war inflationary period. The deposits of the London Clearing Banks rose, of course, steeply during the war and early post-war years to reach, in 1951, a total three times as great as before the war—an average month by month of over £6,000 million. Then came the tight money policy of 1952 and deposits in that year averaged £6,083 million against £6,162 million a year before. The Chancellor, having successfully halted the endemic inflation, then took fright—and the same trend was evident in most countries with which comparisons can be made—and relaxed his restrictions very gently. The result was a rise in 1953 to £6,256 million of bank deposits; an upswing paralleled *only* in the post-war years. The opening months of 1954, however, show a further *increase* of £200 million over the corresponding months a year ago.

The easing of credit—albeit at higher interest rates than ruled in 1951, so that banking is, once again, a profitable occupation—is manifested in other aspects of banks' accounts. The cash ratio to deposits last year was (and is in this) lower than ever at 8.1 per cent., as compared with the 8.3 per cent. of the early 1950's and the pre-war 10.8 per cent. Indeed, the total of cash and call money was as low as 15.7 per cent. as compared with the 17 per cent. of 1952 and the rather higher percentages of pre-war years. With a rising stock market and prosperous business conditions, it is clear that the banks have felt able to relax their usual caution.

The principal counterpart of the new money created in the past 15 years has been Treasury financing, but this has taken different forms during the post-war years, so that plain figure comparisons are misleading. There have been Treasury Deposit Receipts, standing half-way between bills and investments; but the total of Treasury and trade bills and investments gave 54 per cent. last year or 4 per cent. more than a year before.

But the movement of bank advances is peculiar. Last year, their percentage to deposits was 27.7 and there has been no rise this year, while, in the year 1952 in which stringency was applied, the banks actually devoted over 30 per cent. of their resources to accommodating their customers. But the current percentage of advances is substantially higher than the 25 per cent. ruling four years ago, though comparison cannot be made with pre-war years (when advances were nearer 40 per cent. of deposits), because Government financing has altered the pattern. The heavy advances of 1952 indicated the *needs* of business *in* a year of recession, while the current level of advances indicates rather the prosperity of industry and the continued rise in production. Where the banks *themselves* can determine the level of advances, their own policy is clearly reflected. Thus, their financial loans which had jumped to some £200 million in 1951 were cut back to £177 million in 1952 and are now creeping back towards £200 million again. On the other hand, personal loans, which had climbed well over £400 million by 1951, were cut back sharply in 1952, continued their fall in 1953 and have still hardly reversed their trend.

Behind the confidence of the banks is the strength of the stock markets and back of that is the extraordinary resilience of production as shown by the indices. The all-industries index for March registers over 132 per cent. of the 1948 datum—an increase of 5 points since January and giving an average for the first three months of 130 per cent. This figure compares with 121 per cent. for the first quarter of last year and 120 per cent. for the same period in 1952. Over each of the past four quarters since the turn in prosperity began a year ago, the indices have risen 6.3 per cent., 8.7 per cent., 8.5 per cent. and now 7.4 per cent. over the corresponding figures for the previous year. This steady improvement over a year of between 7 and 8 per cent. in production is extremely good and fully warrants the optimism which the banking system is at present revealing.—*All Rights Reserved.*

AMERICAN LETTER

U.S. CAN MEET THE ECONOMIC CHALLENGE

MONEY RATES EASE—CREDIT SURVEY DISCLOSES NO CAUSE FOR PESSIMISM

(From Our Own Correspondent)

NEW YORK, *29th April*

THE last few weeks saw a continued easing of money rates. Most of the twelve Federal Reserve Banks reduced their rediscount rates from 1½ to 1½ per cent., while commercial banks throughout the country cut their prime lending rate from 3½ to 3 per cent. This is all within the pattern of stemming the recession in business and making it easier for individuals and businesses to borrow.

While there is no question that there is a moderate increase in unemployment and production, some indices would seem to point to an early revival of greater activity. Business spending for plant and equipment during 1954 is officially estimated at $27,200 million, which is only slightly under the record year of 1953. These are Government figures based on records supplied by business and industry. In line with the usual increase in business during the spring, an improvement is looked for in nearly all lines. Automobile manufacture is up and even steel-scrap prices, which declined earlier in anticipation of production declines, have risen for the first time since October.

Retail business is anxiously awaiting the results of the excise tax cuts enacted by Presidential signature. With the usual variations, allowing for different dates for various religious holidays, sales this year have about equalled those of 1953. The excise tax cuts involve such items as electrical appliances, furs, jewellery, cameras and lipstick, to mention only a few. The President of the United States stated that the excise tax cuts, together with income-tax reductions from 1st January, would total $7,400 million, on the basis of previous receipts, the largest tax reduction the U.S. has ever achieved. Many retail concerns announced promptly that the excise cuts would be passed on to consumers. Among others, New York Telephone Company estimated the tax cut would save its customers an average of 55 cents on their monthly bills and business houses, generally, were cautiously hopeful that the tax savings would show up in final Easter buying statistics. Easter, next to Christmas, is a very heavy U.S. buying period, because it has become somewhat of a custom to buy new outfits at least for the female members of the family. Although the Government has, so far provided only incentives—and that is all it can do—and although it has no control over individual intentions to save money or to spend it, there seems to be general agreement that the tax savings and accelerated buying will be better in the second quarter of the year than in the first one.

War in Indo-China

A disturbing element in the general business atmosphere is the war in Indo-China and the wholly inconclusive statements of the Geneva Conference. Opinions aired by Secretary of State John Foster Dulles have left no doubt that Washington regards the situation as critical to the point where, in the last few days, the question of direct participation has been raised, including the employment of U.S. military personnel in all sorts of tasks which would support the French forces. The hydrogen bomb explosion disclosures added another element of caution to the scene, but the general consensus in financial and business quarters seems to be that the chances of outbreak of all-out war of the atomic and hydrogen variety are less than they were two years ago.

The stock market certainly seems to take an optimistic view of the contemporary scene. Prices of equities have risen to their highest level since 1929 and 1930, depending on the averages used for comparison, in a general movement which can be described only as a bull market. Freeing of exchange restrictions in Britain and Germany helped to bolster optimism. It is regarded as a step nearer convertibility of Western currencies. Foreign trade in the U.S., however felt the effect of reduced activity by lower imports and exports. But the domestic price structure, showed a remarkable degree of stability which was not known to such an extent in previous "recessions."

"Recession" is hardly the word. But that is a matter of semantics. Some call it disinflation, others un-boom, still others a dip, but the economy as a whole continues to bear up well despite all small and learned talk. To be sure, business activity has eased in recent months, as compared with 1953, but, in a good many instances, it is still higher than in 1952 which happened to be a very good year.

Consumer Financing

So far as the consumer is concerned, signs of prevailing strength are found in the ninth annual survey of the Federal Reserve Board on consumer financing. These polls have proved an accurate gauge in the past. The 1954 survey shows that, almost 70 per cent. of consumers consider their financial situation as good or better than a year ago. That happens to be a drop of 3 per cent. from early 1953, but the current figure is well above any other post-war year.

Opinions as to whether this is a good or bad time to buy goods or services are not too much at variance from a year ago. The number of families planning to buy new automobiles is smaller than a year ago, according to the Federal Reserve survey, but it is still larger than in 1951 and 1952. Current plans are consistent with new car sales at the rate of more than 5,000,000 a year. As is usual, in a period of relatively declining prices, more consumers look for lower prices and are, therefore, in no hurry to buy, according to their own statements. All told, the survey reveals strong markets for attractive products at high prices.

Business Readjustment

As mentioned above, there is a feeling that lower taxes should stimulate private purchases and this would, naturally, exert an increasing leverage on the markets for consumer and capital goods. All these trends add up to the conclusion that the business readjustment, certainly, has not got out of hand in the first place and shows no signs of so doing. Inventories are being worked off at a rapid rate. Capital goods activity promises to level out and consumer markets are holding up quite well, to be sure. There is the old American economic challenge in the air—not a novel one, by any means—how to generate a new wave of expansion. Business trends in recent weeks hold out the hope that this challenge will be met, even if it means a new inflationary wave of whatever proportions. —*All Rights Reserved.*

(Concluded from next column)

1953-54 amounts to 8.81 million tons, as against the 7.80 million tons reported in the third forecast of the previous year, which represents an increase of 13 per cent. The final forecast for 1952-53 placed the rice crop estimate at 8.15 million tons. The rise in rice production is due partly to an increase in area, from 22.18 million acres to 23.69 million acres, and partly to improvement in per-acre yield. The acreage reported in the final forecast for 1952-53 was 23.02 million.

The improvement in the rice crop has been brought about by four factors, namely, favourable weather conditions, availability of adequate supplies of water at the time of sowing, high prices of rice, and grow-more-food campaign. The bulk of the improvement in rice crop has occurred in East Bengal.

• • • •

A trade agreement between Pakistan and France was signed in Karachi on 15th April, 1954. Details of the agreement are not available. It is, however, gathered that the agreement covers a period of 18 months ending June, 1955. The object of the new pact, a Pakistan Government announcement says, is to expand the trade between the two countries for their mutual benefit.

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Arrangements have been completed by Pakistan for the purchase of cloth worth Rs. 4.5 lakhs from Syria, Beirut and Egypt. The cloth is expected to arrive in Pakistan next week. Among the varieties of cloth for which orders have been placed are grey shirting, striped shirting and chintz.

PAKISTAN NOTES

SUI GAS PROJECT

£2 MILLION PIPELINE ORDER PLACED WITH A BRITISH FIRM

ANOTHER important stage in the implementation of the Sui Gas Project in Pakistan has been completed with the placing of a contract with a British firm for over 350 miles of seamless pipe for the gas transmission line. The contract involves an aggregate tonnage of over 40,000 and the value exceeds £2 million. Shipments of the 16" diameter pipe, which is required for the construction of a pipeline from the natural gas field at Sui (in Baluchistan) to Karachi are expected to commence in about three weeks' time. The pipeline will commence operation some time in 1956.

The Sui gas field, it will be recalled, was discovered recently in the course of exploration for petroleum in Pakistan. The field has very rich reserves of natural gas which is to be used as fuel for industrial purposes. The Sui Gas Transmission Company was incorporated in Pakistan a few weeks ago. The shareholders of this Company include the Pakistan Industrial Development Corporation, the Commonwealth Development Finance Co., Ltd., and the Burmah Oil Company.

State Bank Branch at Khulna

A notable event in the activities of the State Bank of Pakistan is the opening of a branch at Khulna, an *important navigation* centre in East Pakistan. Khulna has recently emerged as a great business and industrial centre. With the development of Chalna anchorage, several jute companies, match factories and other industries have been established at Daulatpur. A substantial part of foreign trade is also passing through Khulna. As a result of the growing commercial importance of this region thus, the need for adequate banking facilities has been felt for some time now. This need has since been met by the opening of the new branch of the State Bank of Pakistan.

The new branch has now only two departments dealing respectively, with deposit accounts and public accounts. The former maintains current accounts of Scheduled banks, besides making available to them remittance, credit and other services as bankers' bank. The Public Accounts Department manages Government receipts and disbursements. It is also proposed to set up an exchange control department.

Five-year Plan for Sind

A Five-year Plan for Sind, it is reported, has been prepared by the Provincial Government. It will be submitted shortly to the Pakistan Government Planning Board for approval. The aggregate capital outlay of the Plan is estimated at Rs. 122 crores. The Plan is said to be a very comprehensive one covering all aspects of economic development, including agriculture, irrigation, industry, transport, community project, rehabilitation and social service.

Ganges-Kobadak Project

The Government of East Bengal has sanctioned the implementation of the first phase of the six-year Ganges-Kobadak Scheme designed to provide irrigation facilities for agriculture. The first phase covers an area of about 250,000 areas of land in the Kushtia and Jessore districts bounded on the north by the river Garai and on the south by the river Kumar. The whole of the area is to be irrigated by pumping water from the Ganges river. The outlay on the scheme is estimated at Rs. 1.65 crores. About Rs. 39 lakhs have already been spent for the preliminary survey of the area. It will be recalled that 15 F.A.O. experts toured East Bengal recently to carry out the survey work in connection with the Ganges-Kobadak Project.

The U.S. Foreign Operations Administration is reported to be involved in negotiations to assist in this project. Equipment and machinery worth Rs. 65 lakhs are expected to be provided by foreign aid schemes. The East Bengal Government has applied to the Centre for a development loan of Rs. 110 lakhs on the receipt of which the first phase of the project will be undertaken.

Pakistan Rice

The production of rice in Pakistan during the current (1953-54) season would be considerably higher than that in the previous season, if the official forecasts were to prove correct. According to the third All-Pakistan forecast, the aggregate yield of the rice (clean) crop during

(Continued in previous column)

PAY SCALES OF BANK EMPLOYEES

APPELLATE TRIBUNAL'S DECISION

THE decision of the Labour Appellate Tribunal (Banks), announced last week, modifies some provisions and confirms certain other provisions of the earlier award, known as the Sastry Award, in respect of the emoluments of those employed in banking offices in India. The Appellate Tribunal consisted of Mr. F. Jeejeebhoy (President) and two other members, Mr. D. E. Reuben and Mr. A. Dasgupta. With the announcement of the Appellate Tribunal's decision, the working conditions of the banking staff have been examined, on an all-India basis, no less than three times; the earlier tribunals, which investigated their conditions, are the Sen Tribunal and the Sastry Tribunal.

The Central Government constituted, it may be recalled, an *ad hoc* tribunal in June, 1949, with Mr. K. C. Sen as Chairman and Mr. S. P. Varma and Mr. J. N. Majumdar as members, to make an award in respect of the disputes as to the terms of the service and conditions of work between the banks and their employees. In August, 1949, the Government nominated Mr. N. Chandrasekhara Iyer, in place of Mr. S. P. Varma, whose services had ceased to be available. The Sen Tribunal's award, which was made in August, 1950, was declared void by the Supreme Court, in April, 1951, on a point concerning its composition. After an infructuous attempt at constituting another tribunal, the Government finally constituted the Sastry Tribunal in January, 1952, with Mr. S. Panchapagesha Sastry as Chairman and Mr. M. L. Tannon and Mr. V. L. D'Souza as members. Against the award of the Sastry Tribunal, published in April, 1953, both banks and the employees of banks appealed to the Appellate Tribunal. The present decision is a sequel to this appeal.

The general consideration that has weighed with the Appellate Tribunal in arriving at its decisions is that "no bank clerk should receive less than a wage which would not only provide him with the bare necessities of life but also give him at least a small measure of comfort." The Tribunal has further held that "fair wages must have priority over profits," though it has admitted that the factors which determine the quantum of "fair" wages include the "capacity of a concern to pay." The problem, according to the Tribunal, is to assess the "reasonable wage level of a bank clerk having regard, on the one hand, to the actual cost of living with adequate neutralisation and to the necessity of keeping wages in tune with wages of comparable concerns on the other."

Such, in the main, are the considerations which the Appellate Tribunal has borne in mind in its approach to the question of salaries and allowances for bank employees. In giving its decision, the Tribunal has taken over the classification of banks as well as areas, laid down by the Sastry Tribunal. The Sastry Tribunal classified India into three areas: Class I Area: Calcutta, Bombay, Madras, Delhi and Ahmedabad; Class II Area: towns and cities (other than those included in Class I) which have a population of one lakh and more; Class III Area: all other places. Again, the Tribunal divided the banks into the following four classes:

A Class: A bank with working funds of Rs. 25 crores and more; B Class: a bank with working funds of between Rs. 7½ crores and Rs. 25 crores; C Class: a bank with working funds of between Rs. 1 crore and Rs. 7½ crores; D Class: a bank with working funds of less than Rs. 1 crore. Now the wage scales and dearness allowance for the employees of different banks, as fixed by the Appellate Tribunal, are as follows:

Class "A" Banks:

Area I: Rs. 85-5-100-6-112-7-140-8-164-9-227 E.B.—9-245-10-265-15-280.

Area II: Rs. 77-4-85-5-100-6-112-7-140-8-164-9-209 E.B.—9-245-10-255.

Area III: Rs. 73-4-85-5-100-6-112-7-140-8-164-9-200 E.B.—9-245.

Class "B" Banks:

Area I: Rs. 77-4-85-5-100-6-112-7-140-8-164-9-209 E.B.—9-245-10-255.

Area II: Rs. 69-4-85-5-100-6-112-7-140-8-164-9-191 E.B.—9-236.

Area III: Rs. 66-3-69-4-85-5-100-6-112-7-140-8-164-9-182 E.B.—9-227.

Class "C" Banks:

Area I: Rs. 69-4-85-5-100-6-112-7-140-8-164-9-191 E.B.—9-236.

Area II: Rs. 63-3-69-4-85-5-100-6-112-7-140-8-164-9-173 E.B.—9-218.

Area III: Rs. 60-3-69-4-85-5-100-6-112-7-140-8-164 E.B.—9-209.

Class "D" Banks:

(Till 31st March, 1959, and as for "C" Class Banks thereafter):

Area I: Rs. 57-3-69-4-85-5-100-6-112-7-140-8-156 E.B.—8-164-9-200.

Area II: Rs. 54-3-69-4-85-5-100-6-112-7-140-8-148 E.B.—8-164-9-191.

Area III: Rs. 51-3-69-4-85-5-100-6-112-7-140 E.B.—8-164-9-182.

The combined running scale will, therefore, be as follows:

Rs. 51-54-57-60-63-66-69-73-77-81-85-90-95-100-106 - 112 - 119 - 126-133-140-148-156-164-173-182-191-200-205-218-227-236-245-255-265-280.

The scale of dearness allowance for employees in "A", "B" and "C" Class banks and in "D" Class banks is as follows:

"A", "B" and "C" Class Banks

Area	Minimum		Maximum
I ..	Rs. 50	1st slab of Rs. 100	50%
		2nd ,, ,, ...	40%
		Thereafter	35%
II ..	Rs. 45	1st slab of Rs. 100	45%
		2nd ,, ,, ...	35%
		Thereafter	30%
III ..	Rs. 40	1st slab of Rs. 100	40%
		2nd ,, ,, ...	30%
		Thereafter	25%

*Dearness Allowance for "D" Class Banks**

Area	Rate	Minimum	Maximum
I	33⅓%	Rs. 35	Rs. 70
II	33⅓%	Rs. 30	Rs. 60
III	33⅓%	Rs. 25	Rs. 40

* This scale will continue till 31st March, 1959, and thereafter, the scale will be the same as for employees in Class "C" banks.

No change has been made in respect of the scales of house rent allowance. Thus, the scales will continue to remain as follows:

Pay*	Calcutta and Bombay	Other places with population of more than 7 lakhs
(a) Upto Rs. 100 ..	Rs. 8	Rs. 6
(b) Between Rs. 100-200 ..	Rs. 12	Rs. 8
(c) More than Rs. 200 ..	Rs. 16	Rs. 12

* Pay includes basic pay, special allowance and officiating allowance.

So far as the members of the subordinate staff are concerned, the Appellate Tribunal has decided to retain the wage scales, recommended by the Sastry Award, but has increased the scale of dearness allowance for this group of employees. The new scales of dearness allowance for subordinate staff will be as follows:

Dearness Allowance

	Area I Rs. a.	Area II Rs. a.	Area III Rs. a.
Class "A" Banks ..	42 8	40 0	37 8
Class "B" Banks ..	40 0	37 8	35 0
Class "C" Banks ..	37 8	35 0	32 8

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As regards the subordinate staff of Class "D" banks, the scales of dearness allowance and house rent allowance, as given by the Sastry Tribunal, will remain in operation for five years from 1st April, 1954, as in the case of clerical staff, after which period the scales of the "C" Class banks will be applicable to them.

The net effect of the changes, made by the Appellate Tribunal, may be illustrated by a reference to the total emoluments (basic pay plus D.A. plus H.R.A.) which an employee in Class A bank in Area I will get now. In the first year of his service, he will get Rs. 143, as against Rs. 128 which he would have got under the Sastry Award or Rs. 129½ under the Sen Award. In his twenty-fifth year of service, he would get Rs. 414, as against Rs. 366 under the Sastry Award and Rs. 368½ under the Sen Award. If the bank is situated in Area II, an employee, in the first year of his service, will now get Rs. 122, as against Rs. 103 under the Sastry Award and Rs. 119 under the Sen Award. In his twenty-fifth year of service, he will get Rs. 351½ as against Rs. 305 under the Sastry Award and Rs. 338½ under the Sen Award. If the bank is situated in Class III area, an employee, in the first year of service, will get Rs. 113, as against Rs. 91 under the Sastry Award and Rs. 83 under the Sen Award. In his twenty-fifth year of service, he will get Rs. 326, as against Rs. 267 under the Sastry Award and Rs. 244½ under the Sen Award. The members of the subordinate staff also gain from the new award as compared to what they would have been entitled to get under the Sastry Award or the Sen Award.

The Tribunal has steered clear of the workmen's apprehension that the efficiency bar, provided in the time scale, will be utilised as a cloak to victimise workers and the employers' fear that automatic scales of pay, without any check upon efficiency, might well result in cases of indolence, indifference and inefficiency. It says: "Neither apprehension has been proved to be based on facts but both apprehensions have a latent basis." For the operation of the efficiency bar, it has, therefore, laid down certain conditions which include:

(1) The efficiency bar shall be applied very sparingly.

(2) The circumstances necessitating the proposed imposition of the bar shall be communicated to the employee, and the employee shall be given an opportunity to submit an explanation which shall be duly considered.

On the question of bonus, the Appellate Tribunal has quoted from its Full Bench decision, in a previous case, and has held that "bonus is not an *ex-gratia* payment but is a claim to an additional wage which would mature if, and only if, the concern has had a prosperous year." It has further held that it is "unrealistic" to regard bonus as a share of profits in view of the fact that bonus "has no fixed relation to the profits of a year, is so removed from the amount of gross or even the net profits and is so dependent on an 'available surplus' and thereafter subject to so many considerations." The Tribunal admits that its own efforts to discover a "relatively simple" formula for the ascertainment of bonus of banking companies have failed because of the diversity of factors in several banks. The Tribunal has, therefore, concluded that the "bonus issue of each bank will have to be taken up separately."

As regards medical aid and expenses, the Tribunal has decided that it is unnecessary to alter the figures fixed by the Sastry Tribunal. But, in order to ensure that the amounts which are small may be of real assistance, the Appellate Tribunal has decided that the "amounts fixed by the Sastry Tribunal shall be allowed to accumulate to such figures as do not exceed three times these amounts."

Finally, in an appeal to banks and their employees, the Tribunal says:

"The matters covered by the Award and by our decision are long-term arrangements. We have endeavoured to the best of our ability to supply a set of terms of employment and conditions of labour which would do justice to the employees and yet permit the banks to carry on their business successfully. We trust that we have succeeded.

"The success of a scheme of this character depends a good deal on the manner in which it is worked and we trust that with the experience of the past and the hopes of the future both parties will now settle down to a proper basis of mutual relationship in a business which requires high qualities at the top and loyalty and devotion to work of the staff.

"We trust, that the rapidly changed relationship of employer and employee will be more generally recognised, as indeed it has been recognised

(*Continued on next page*)

PROGRESS OF BANK OF BIKANER MAINTAINED

DEPOSITS AT RECORD LEVEL

AN all-round improvement in business during the past year is indicated by the audited accounts of the Bank of Bikaner Ltd. (General Manager: Mr. Satya Dev, Bikaner) for the year ended 31st December, 1953, thus maintaining the steady progress achieved by the Bank in the earlier years. Reflecting this is the rise of Rs. 51.42 lakhs in the balance-sheet total as at the end of 1953. This rise is, of course, very much smaller than that (Rs. 1.14 crores) witnessed in the previous year; nonetheless, it is satisfactory in the context of the difficult business conditions that prevailed during the year under review. The deposits of the Bank, which have been expanding year after year, show a further rise of Rs. 73.31 lakhs. This expansion has been well utilised to increase the advances by Rs. 27.56 lakhs and at the same time to strengthen the liquid assets. The investments have thus been raised by Rs. 28.56 lakhs and cash balances by Rs. 6.54 lakhs. The Bank's profit has gone up by Rs. 21,000, in refreshing contrast to the experience of many other Scheduled banks. The reserves have been strengthened sizably and the dividend is kept unchanged at 3 per cent.

The following comparative table gives an idea of the Bank's progress in the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned ..	44.63	36.55	30 91	28.73
Commission and exchange ..	9.67	8.40	8.33	4.49
Gross income	54.93	45.41	39.63	84.59
Interest paid	26.43	19.50	16.28	12.06
Expenses	19.88	18.84	16.40	14.81
Depreciation and repairs ..	0.94	0.80	0.57	0.43
Loss on sale of investments ..	..	..	..	0.14
Profit	7.68	7.47	7.38	7.10
Taxation	2.00	2.00	..	1.50
To reserves	3.65	3.50	0.50	2.50
,, investment account ..	..	..	5.00	1.50
,, bonus to staff	0.50	0.45	..	0.41
Dividend	1.50	1.50	1.50	1.50
	(3%)	(3%)	(3%)	(3%)
Carry forward	0.12	0.09	0.07	0.19

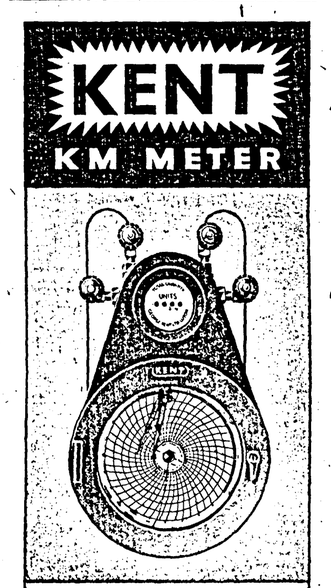
	As on 31st December			
	1953	1952	1951	1950
Capital	50.00	50.00	50.00	50.00
Reserves	17.00	14.00	10.00	10.00
Deposits ..	11,83.58	11,12.85	10,08.90	9,70.88
Borrowings from other banks ..	..	8.00	..	..
Bills for collection and acceptances	59.20	71.17	64.11	55.68
Advances	5,23.48	4,95.92	4,30.90	3,46.92
Investments	5,21.41	4,92.85	5,00.21	4,88.15
Cash balances	1,01.29	1,04.75	2,44.80	2,01.21
Balance-sheet total	13,30.88	12,79.46	11,84.93	11,20.77
Ratio to deposits of—	%	%	%	%
Advances	44.2	44.6	42.7	35.7
Investments	44.1	44.0	38.7	50.3
Cash	16.2	16.6	24.2	20.7

The upward trend in the Bank's total earnings noted since 1949 has been well maintained during the year under review also. This improvement has been shared by the two main sources of income. The working cost of a bank mainly consists of, as the Chairman pointed out in his address to the shareholders of the Bank at their annual general meeting held recently, interest paid on deposits and the emoluments of staff. Due to abnormal increases under both these heads of expenditure, the profits of most banks for the year under review have appreciably dropped. Though the outgo by way of interest paid and administrative expenses has been higher in the case of the Bank of Bikaner also, the rise in these has not offset the increase in earnings. Consequently, the Bank's profit has gone up from Rs. 7.47 lakhs to Rs. 7.68 lakhs. After providing Rs. 2 lakhs for taxation, as in the previous year, the Directors have increased the statutory allocation to the reserve fund under section 17 of the Banking Companies Act, 1949, from Rs. 1.50 lakhs to Rs. 1.70 lakhs, but have reduced the transfer to the general reserve fund from Rs. 2 lakhs to Rs. 1.30 lakhs. They have, on the other hand, provided Rs. 65,000 to the contingency account which received nothing in the previous year.

After the aforesaid useful addition to the statutory and general reserves, the Bank's reserves stand at Rs. 17 lakhs, as against a paid-up capital of Rs. 50 lakhs. As already pointed out, the deposits of the Bank have gone up by Rs. 71 lakhs to Rs. 11.83 crores, a record in the history of the Bank. Of these deposits, fixed deposits and 3-year cash certificates have together accounted for a rise of Rs. 54 lakhs, savings bank deposits for Rs. 16 lakhs, and current and other accounts for Rs. 1 lakh. As against a rise of Rs. 71 lakhs in deposits, advances show an increase of only Rs. 27 lakhs. Referring to the rise in advances, the Chairman said, "while demand for funds during the year under review has been moderately good, the main problem was to find avenues yielding a higher rate of income to meet the growing all-round expenditure without affecting safety adversely in any way. I have to assure you that the continued protection of our assets is uppermost in our minds at all times." To afford adequate liquidity to the increased resources, the investments have been strengthened by Rs. 28 lakhs. Cash balances also are higher by Rs. 6 lakhs. The combined total of investments and cash balances represent 128 per cent. of the demand deposits and over 60 per cent. of the total deposits.

JAIPUR BANK'S PROFIT HIGHER

A refreshing feature of the audited accounts of the Bank of Jaipur Ltd. (General Manager: Mr. S. L. Kothari, Jaipur) for the year ended 31st December, 1953, is the rise of Rs. 41,000 to Rs. 4.40 lakhs in its profit, as compared with that for the previous year. This is a creditable performance in the context of the rising cost of banking operations. With this improvement in profit, the declining trend in the Bank's profit noted since 1946 has been not only arrested but reversed. Thus, from Rs. 7.11 lakhs for 1946, the Bank's profit had dropped to a low of Rs. 3.99 lakhs for 1952. The improvement in earnings for the year under review has been due not a little to the expansion in its business rendered possible by an increase in its resources, as witness the rise of Rs. 1.45 crores in deposits as at the end of the year under review. A perceptible rise in the Bank's advances and bills business is also noted and this has enabled the Bank to offset the rise in expenses and higher outgo by way of interest paid. The dividend has been



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The following comparative table provides a bird's-eye view of the Bank's progress since 1950:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount	24.84	23.37	21.64	24.37
Commission and exchange ..	4.91	3.60	4.26	4.07
Interest paid	10.18	8.49	7.89	7.86
Expenses	14.41	14.19	13.20	14.51
Depreciation and repairs ..	0.59	0.48	0.39	0.46
Profit	4.40	3.99	4.59	5.22
Taxation	0.75	1.00	1.25	2.25
To reserves	2.00	2.35	1.00	3.55
Dividend	1.50	1.50	1.50	1.50†
	(3%)	(3%)	(3%)	(3%)
Carried forward	0.48	0.35	1.21	0.37

	As on 31st December			
	1953	1952	1951	1950
Capital	50.00	50.00	50.00	50.00
Reserves	17.00	15.00	12.65	11.65
Deposits ..	6,60.72	5,16.23	5,01.43	6,49.90
Borrowings from other banks ..	0.33	2.00	5.15	8.00
Bills for collection and acceptances	49.27	24.80	45.79	65.40
Advances	3,78.23	3,07.01	3,68.19	3,95.84
Investments	2,10.56	1,87.66	1,86.97	1,93.09
Cash	1,63.87	1,17.64	1,18.56	1,35.06
Balance-sheet total	8,15.29	6,55.20	7,36.24	8,01.86
Ratio to deposits of—	%	%	%	%
Advances	57.2	59.5	62.2	60.9
Investments*	31.8	35.9	30.7	29.2
Cash	24.8	22.8	20.0	20.5

* After taking into account investments earmarked against borrowings from other banks.
† Paid out of dividend equalisation fund.

The rise in income from the two main sources of earnings has been offset, to a large extent, by the increase in interest paid and expenses. The statutory addition to the reserves under section 17 of the Banking Companies Act has been raised from Rs. 95,000 to Rs. 1 lakh, while the transfer to other reserves has been reduced from Rs. 1.40 lakhs to Rs. 1 lakh.

The most striking feature of the Bank's balance-sheet as on 31st December, 1953, is the rise of Rs. 1.45 crores in its deposits, which is shared by all classes of deposits. Thus, fixed deposits have gone up from Rs. 1.77 crores to Rs. 2.25 crores, savings bank deposits from Rs. 58.86 lakhs to Rs. 60.37 lakhs and current and other accounts from Rs. 2.80 crores to Rs. 2.75 lakhs. This break-up analysis of deposits indicates that the Bank has evinced keener interest in strengthening the least expensive class of deposits. It may be also noted that this is the first time since 1947 that the Bank's deposits have shown an upward trend. In consonance with the rise in deposits, the Bank's advances have gone up by Rs. 71.22 lakhs, investments by Rs. 22.90 lakhs and cash balances by Rs. 46.23 lakhs. Investments are shown at book value. The market value of the same at the end of the year under review was Rs. 205.51 lakhs, the depreciation being of the order of Rs. 5.05 lakhs. The combined total of investments and cash balances gives a comfortable coverage of 56.6 per cent. to total deposits.

10-YEAR NATIONAL PLAN CERTIFICATE

The Government of India has announced the issue of a new series of 10-Year Savings Certificates, called the National Plan Certificates as part of the National Plan Loan. These certificates will be sold from 10th May, 1954, onwards and so long as the National Plan Loan remains open, at all Post Offices throughout the country conducting savings banks business.

The new issue is intended to provide facility for the small investor, particularly the investor in rural areas and will be sold in only two denominations, namely, Rs. 25 and Rs. 50. The maximum amount that an individual can invest will be limited to Rs. 1,000. At the end of 10 years from the date of issue, a certificate of Rs. 25 will be redeemed for Rs. 36-4 and a certificate of Rs. 50 for Rs. 72-8. If held to maturity, these certificates will earn simple interest at 4½ per cent. per annum. While the holder can, if he so desires, encash this certificate any time after a period of one year after issue, the yield from time to time has been so arranged as to offer an inducement to the holders to retain these certificates till maturity. For the small investor this issue has also the advantage that the interest on it is free of income-tax. The Government of India trusts that the new issue will enable the humblest citizen of the country to make his contribution towards the National Plan Loan.

The National Plan Certificates are only a temporary issue and are not intended to replace the 7-year or 12-year National Savings Certificates which will continue to be issued as before.

(*Concluded from previous page*)

by many of the banks, so that their approach to the problems of dealing with the staff is inspired by a sympathetic understanding of their circumstances.

"On the other hand, we do not disguise our strong objection to indiscipline which in the long run will hurt labour most of all, and we trust that the staff will now realise that they have reasonable terms which are a long-term measure and to which they must adjust themselves for some years to come. Employees must give a fair day's work for a fair day's wage. To do less would be to invite disaster either by removal for inefficiency or by a general lowering of wages. This is the writing on the wall for all to see in the context of our country's present economic situation."

COTTON TEXTILE MACHINERY INDUSTRY

CLAIM FOR CONTINUANCE OF PROTECTION

AFTER enjoying protection for four years and five months, the Indian cotton textile machinery industry is now before the Tariff Commission with a plea for continuance of protection. A public enquiry into this question was held by the Commission on Saturday last. It was nearly eight years ago—in July, 1946 to be precise—that this industry's claim for protection was first referred to the erstwhile Tariff Board. As, however, a reasonable estimate of cost could not be made, on account of the very low level of domestic output, the Board suggested that a fresh enquiry could be held in 1948. The suggestion was accepted by the Government. In 1948, an enquiry was held and the Board, in its report submitted in October, 1949, recommended protection for the industry, which then consisted of ring frames, spinning frames, spindles and plain looms, for a period of three years ended March, 1953, by an imposition of 10 per cent. *ad valorem* import duty. The Government accepted the recommendation and announced protection with effect from 19th December, 1949. In order that the import duty on complete ring frames might be fully effective, the Government extended the application of that duty to all parts of ring frames including fluted and tin rollers.

The question of granting substantive protection to fluted and tin rollers, independently of the protection to complete ring frames, was investigated by the Board in 1950-51. The investigation revealed that the duty of 10½ per cent. *ad valorem* (inclusive of 5 per cent. surcharge levied under the Finance Act of 1951) on the two items afforded adequate protection to the domestic industry. It was accordingly suggested that the import duty on the two items should remain in the protected category so long as complete ring frames continued to enjoy protection and should have the same duration as the duty on complete spinning frames, that is, upto the end of March, 1953. The Government accepted this suggestion. Protection to the industry was first extended upto 31st December, 1953, and subsequently, on the recommendation of the Tariff Commission, for a further period of one year.

Progress of the Industry

By the end of this year, the Indian cotton textile machinery industry will have thus grown under the shelter of protection for full five years, not to speak of the adventitious aid from import restrictions on balance of payments considerations and, since January, 1953, from a complete ban on imports of spinning ring frames, spindles, looms, fluted rollers and tin rollers. It was most appropriate, therefore, that Mr. M. D. Bhatt, Chairman of the Tariff Commission, should have laid stress on the need for carefully reviewing the progress made by the industry and examining its various problems, in order to determine whether continuance of protection beyond 31st December, 1954 was necessary.

The review of the progress of the cotton textile machinery industry, as made by Mr. Bhatt, reveals that the number of units engaged in the manufacture of protected items has risen, from 10 at the time of the previous enquiry to 14 at present, of which 6 are in Bombay, 2 each in Saurashtra, Madras and West Bengal and 1 each in Madhya Bharat and Mysore. The total capital invested in the industry now stands at Rs. 5 crores, as against Rs. 2.8 crores in 1949, and the number of workers employed at 4,700, as against 3,600 four years before. The capacity of the industry and the extent to which it is being utilised is indicated below:

	Capacity		Production			
	1949	At present	1949	1951	1952	1953
Ring frames ..	..	756	213	807	803	209
Spindles ..	175,000	876,000	..	394,412	349,733	351,059
Spinning rings ..	..	540,000	..	273,854	419,658	601,422
Looms ..	9,900	9,040	1,938	2,576	1,933	1,922
		152,000				
Fluted rollers	..	plus 4,800 lines	..	86,576	106,057	147,186
Tin rollers ..	..	4,000	..	1,945	2,124	1,127

It will be evident from the above figures that, barring spinning rings, the capacity of the units manufacturing other items of textile machinery is not being utilised fully. In fact, the rate of output falls considerably short of the capacity. Mr. Bhatt did well to call upon the representatives of the producers, importers and consumers of textile machinery to help in the assessment of the various factors which are effectively, or are likely to affect, production in 1954 and in the coming years, particularly the extent to which restrictions on installation of automatic looms impinge on production in the looms section of the industry. He also did well to make, in this connection, a pointed reference to the manufacture of almost all the components of textile machinery as ancillary industries. "This feature of the organisation of the industry," to quote him, "seems to be bound up with the volume of offtake of the production in the future, but we would like to know the extent to which purchases of parts are being made, or can be made, from indigenous sources."

Scope of the Enquiry

Incidentally, it may be noted that, besides plain looms, India is producing, at present, automatic, semi-automatic and drop box looms. As these are not included in the protected category, Mr. Bhatt said that the question whether all these types of looms should now be brought within the scope of the present enquiry had to be examined. There are also the following other points which require to be discussed and to which Mr. Bhatt drew attention.

(1) Whether plain silk looms, which are interchangeable with plain cotton looms should be treated in the same manner as plain looms for the purpose of protection;

(2) whether doubling ring frames or twist ring frames or such of their parts as cannot be used for spinning ring frames, spinning rings or spindles should be treated in the same manner for the purpose of assessing the protective duty as spinning rings, looms and spindles; and

(3) whether all types of spindles, such as slubbing, roving and loom spindles, should be included within the scope of the enquiry or whether the enquiry should be confined only to certain types of spindles.

The different sections of the cotton textile machinery industry have placed varying emphasis on different forms of protection and assistance. Describing these, Mr. Bhatt said:

"Some producers have asked for continuance of protection for another five years and also for an increase in the rate of protective duty. Strong emphasis has been laid by several producers on the continuance, and even intensification, of import restrictions until such time as the indigenous industry is able to compete with the foreign manufacturers. Assistance is sought in respect of sufficient supply of required quality and grade of pig iron and also in respect of the supply of non-rationalised sections of steel required by the industry. The producers of ring frames and looms have also asked for the removal of restrictions laid down by Government regarding installation of new ring frames and looms in the cotton mills. The producers have asked, too, for better railway transport facilities for the movement of raw materials, stores and finished products. Further, it has been suggested that concessional freight rates should be allowed to the manufacturers of cotton textile machinery for carrying raw materials, consumable stores and finished products."

There are three essential criteria for determining the question of protection for the cotton textile machinery industry, as that for any other industry, namely, domestic demand, quality and price. As regards demand, the available estimates show wide variations. The estimated demand for ring frames, for instance, varies from 500 to 1,375 per annum and that for looms from 2,500 to as much as 20,000 per annum. Unless therefore, accurate and agreed estimates of demand—current and future—are available, the Commission will be in a difficult position to determine the basis for protection.

Quality

Similarly, there are varying opinions regarding the quality of the indigenous products. These, in the words of Mr. Bhatt, are as follows:

"The producers have generally claimed that they have effected improvement in the quality of their products, which are now as good as the imported products. They claim to have installed the necessary testing equipment for raw materials and finished products and to have introduced other modern equipment in their plants. The Development Wing of the Ministry of Commerce and Industry have stated that the quality of the indigenous products is believed to be satisfactory and that no complaint from the users in respect of the protected categories of machinery have been received by them during the past two years. The views of the cotton textile mills and the associations of millowners vary from complete satisfaction to considerable complaint, particularly in respect of the quality of the individual items, while the importers think that the quality of the main components, such as fluted rollers, spindles and rings of indigenous manufacture, leaves much scope for improvement and that the U.K. manufactures of spinning machinery can offer a large number of variable specifications as against the limited range available in the country.

"The deficiencies specifically pointed out in the indigenous *ring frames* are that creel guide rods, in short lengths, become loosened after a short run; tin roller guards are not provided; there is no locking arrangement for gearing covers; underclearer springs are of too soft material and do not allow proper removal of bonda waste taken up by the rollers; starting handle screw does not allow quick movement of belt from fast to loose pulley and vice versa and no brake pulley is provided; arbour springs of the loose bosses inside the 'Casablanca' apron are in many cases too tight; copping mechanism is not provided with a cover; tubes in one shot lubrication have to be frequently renewed, etc.

"In respect of indigenous *spindles*, one consumer has complained that, at spindle speeds in excess of 9,500 r.p.m., there was marked frame vibration.

"About *spinning rings*, it is stated that, since their manufacture has commenced only recently in this country, definite opinion about their quality cannot be expressed but each ring should be previously subjected to Rockwell Hardness Test and examined for service condition.

"As regards the quality of indigenous *looms*, it is mentioned that they are much heavier than the imported ones; their component parts are not properly tuned; the casting used is not as good as in the imported loom; the component parts are not standardised and not even properly machined and looms do not run as smoothly as imported looms.

"In respect of *fluted rollers*, the main deficiencies pointed out are lack of uniformity in quality, pronounced roughness and want of parallelisation in the flutes; lack of accuracy in the dimensions of the boss adjacent to the roller neck so that correct fit to the cradle in the case of 'Casablanca' drafting cannot be obtained; lack of precision in the cut of saw teeth; slight eccentricity in roller joints when put together; fast wearing out of flutes as well as of the rollers, etc.

"The indigenous *tin rollers*, are stated to be heavier than the imported ones and to consume more power; soldering is found to give way to joints and at high speeds they are stated to suffer vibration and to go out of alignment."

An assessment of the quantum of protection necessarily involves the comparison of the fair ex-works prices of the indigenous products with the c.i.f. prices and the landed cost of imported products. Allied to this question are the issues relating to the selling prices of indigenous and imported cotton textile machinery and the selling arrangements made by the indigenous producers. All these, we are told, will be examined by the Tariff Commission.

Raw Materials

The Tariff Commission has also to consider the question how far production of the component raw materials and consumable stores, which are now being imported, can be developed within the country. Drawing attention to the importance of this question, Mr. Bhatt gave the following facts.

Most of the principal raw materials and consumable stores are available from indigenous sources, but some of them will have to be imported for some time to come. Pig iron is indigenously available, but the manufacturers complain that they are not allotted their full requirements of graded pig iron, that is, grades I and II and that, whatever quantity of graded pig iron they are allotted, they are not able to obtain it. They have, therefore, to use off-grade pig iron which not only does not give satisfactory results, but raises cost, because of the ferro-alloys which have necessarily to be used with it. Another difficulty put forward by the manufacturers relates to the supply of the required sizes of bright flats for making the serrated steel for warp stop motions. One producer has also complained about the non-availability from indigenous sources of non-rationalised sections of steel required for the manufacture of fluted rollers. As regards the principal raw materials and consumable stores which are being imported, namely, spindle steel, steel for fluted rollers, free cutting steel, bright drawn flats and bars, cold rolled tubes, aluminium tubes, nickel, alloy steel bars, celeron sheets for gears, different types of springs required for looms, ring temples, weft forks and grates, grinding wheels and segments in special sizes, heat treatment chemicals, lubricants, alloy tool, special steels, etc., we are informed that the industry has no difficulty in meeting its requirements. Either these articles are put on the Open General Licence or the licences for their imports are being granted freely except in the case of grinding wheels and segments. Springs, certain types of ball bearings, chains required for frames and temples required for looms have also to be imported at present. It has been suggested that it would be desirable for an industry like the cotton textile machinery industry to obtain its raw materials and consumable stores and such of the components as it purchases from outside, from indigenous sources as far as possible.

The foregoing account serves to emphasise the wide and varied aspects of the cotton textile machinery industry which the Tariff Commission will have to examine dispassionately before determining the question of continuing protection beyond 31st December, 1954. This industry, as readers are aware, plays a vital and important role in the industrial economy of India not only as one of the very few industries producing capital equipment but also as an adjunct to the well established cotton textile industry. It has already made considerable advance and has definite achievements to its credit. Fully acknowledging this aspect, Mr. Bhatt opined that the industry should, in the coming years, be able to consolidate its position firmly, by further improving the quality of its products and by reducing their prices, and thereby bringing within the range of realisation "the aim of complete national self-sufficiency in the matter of capital equipment required by the cotton textile industry."

TEXMACO (GWALIOR) LTD.

In an article, entitled "Development of Textile Industry—A Case for Allowing Expansion in Looms," contributed by Mr. C. V. Narahari Rao, published in our issue dated 17th April, 1954, (vide page 728), a reference was made by the author to the productive capacity of Texmaco (Gwalior) Ltd. According to the Company, there is a slight inaccuracy in the author's account. Thus, in a letter address to us, the Company observes as follows:

"The writer has very rightly and effectively put his argument against the present policy of the Government not to allow expansion in looms. This policy is undoubtedly not in the best interests of the country. There are, however, certain inaccuracies in the article regarding the productive capacity of the Indian loom manufacturing concerns. The productive capacity of Texmaco (Gwalior) Ltd. has been given as 2,700 looms a year. This was so upto the year 1949 when the new plant of this Factory had not come into operation. Since then, however, a completely new workshop has been put with the latest and most modern foundry and workshop machinery suitable for manufacturing all types of weaving appliances such as plain looms, automatic looms, underpick looms, semi-automatic looms, dobbies, drop boxes, jacquards, etc., and the full capacity of the Factory is 6,000 looms a year. The plain looms manufactured by this Company have already been working all over India with the utmost efficiency and are in no way inferior to any of the imported looms. The latest production of our automatic looms, a large installation of which has been made in one of the leading mills in Northern India, also compares extremely favourably with the imported automatic looms. With the full capacity of Texmaco (Gwalior) Ltd., it will, therefore, be seen that it will not be necessary to allow any import of any type of looms, plain or automatic. Indian manufacturers are prepared to give a guarantee of their machinery working equally efficiently as the foreign machines."

JOINT CORPORATION OF ART SILK MILLS

Commenting on the suggestion for the establishment of a joint corporation of all the art silk mills which Mr. Murarji J. Vaidya, Vice-Chairman of the Silk and Art Silk Mills Association, Bombay, put forward some time ago, we observed—*vide* page 154 of *Commerce* dated 30th January, 1954—that, in the absence of more details, it was difficult to say whether the scheme would be implemented with success. Mr. Vaidya has since worked out the details of the scheme. The scheme envisages the setting up of a corporation as a private limited company with an authorised capital of Rs. 1 crore, divided into 40,000 shares of Rs. 1,000 each. Of this, the issued and subscribed capital will be Rs. 25 lakhs. The number of shareholders should not ultimately exceed 50, but, in the beginning, it will be limited only to 20. The basic qualification for membership is the possession of at least 50 looms, complete with dyeing and finishing equipment. Those who wish to be members of this corporation should be capable of producing reliable and quality goods which have a good reputation in the market. The aggregate contribution to the capital will be equal for all the member-mills joining the scheme, namely, Rs. 1.25 lakhs.

The objects of the Corporation are: (1) to organise the joint purchase of yarn, (2) to evolve a system of allocation of qualities of art silk fabrics to be manufactured by the mills with a view to avoiding duplication and/or over-production of fabrics of particular qualities, and (3) to organise joint-marketing of the finished products.

The above scheme is expected to confer great advantages on the art silk mills. It is, for instance, calculated that the profits accruing from joint purchase of art silk yarn will bring in sufficient amount to enable the members to subscribe to the capital of the company out of these profits alone. Here are the figures cited by Mr. Vaidya in support of this conclusion:

On the basis of, say, about 5,000 looms for 20 members who will join the group, the yarn quota will be Rs. 77,90,000 at the rate of Rs. 1,558 per loom for January-June and July-December, 1953 periods. The 3 per cent. *plus* 1½ per cent. rebate or discounts to be received from Messrs. Italviscosa will provide Rs. 3,50,550. Therefore, an additional sum of about Rs. 1,50,000 will have to be found by the 20 members, which would mean a contribution of Rs. 7,500 only by every member mill from their own resources for making up the initial capital of Rs. 5,00,000. The production of the 5,000 looms at the rate of Rs. 60 per double shift per day would amount to at least Rs. 9,00,00,000 per annum. The raw material, that is, yarn required for this production would be at least Rs. 5 crores. Further, purchases such as stores, etc., will amount to Rs. 2 crores. Therefore, if, on the purchases amounting to Rs. 7 crores, a saving of 10 per cent. is made on these purchases, it will amount to Rs. 70,00,000 per annum. Then, again, on the sales side, even if a saving of 2 per cent. is made, or a benefit of price to the extent is made, it will amount to Rs. 18,00,000 a year. It will thus be seen that, in a year's time, the joint group can easily collect Rs. 88,00,000 out of its products.

The organisation of joint marketing of the finished product is also expected to be of a great advantage. It will, it is claimed, result in a considerable saving in selling expenses by ensuring direct contact between the mill and the genuine merchants. Further, it will go a long way towards maintaining stability in prices of art silk fabrics by avoiding any unhealthy competition among the mills.

ART SILK YARN IMPORT POLICY

Art silk yarn interests met at a conference in Bombay on Friday last week, under the auspices of the Federation of Indian Chambers of Commerce and Industry, to discuss the Government's import policy for art silk yarn. The conference assumes special significance, inasmuch as it has been held on the eve of the Import Advisory Council meeting scheduled to be held in New Delhi on Saturday next. The conference has not yet issued any statement to the Press regarding the deliberations or the decisions taken thereat. But from such information as is available, we gather that the art silk consuming interests urged the Government to liberalise imports of art silk yarn to the extent necessary for fully meeting the domestic requirements, besides ensuring a reserve of 5 million lbs. The plea is based chiefly on two grounds. First, the rate of production of art silk yarn is only 13 million lbs. per annum, which is too inadequate to meet the domestic requirements, estimated at 40 million lbs. Secondly, with the grant of the drawback of import duty on art silk yarn, exports of piecegoods will receive great stimulus, which means enlarged demand for yarn.

The art silk yarn interests are reported to have also urged the authorities to reimpose restrictions on imports of bemberg yarn, since this would be produced in abundant quantities in India itself shortly. Further, they supported the Government's policy of granting import quotas for 120 and 150 denier yarns to the extent of 25 per cent. and 5 per cent., respectively, of the face value of licences. It is pointed out that, as these yarns are being produced by the indigenous units also, the quota allotted will be sufficient to meet the needs of domestic weavers.

Meanwhile, the negotiations for renewing the bulk purchase agreement of art silk yarn beyond 30th April, 1954, between the National Rayon Corporation and the Silk and Art Silk Mills Association, Bombay, have so far yielded no results. Under the previous agreement, it may be noted, the Corporation was every month selling 400,000 lbs. of yarn, out of the monthly output of 625,000 lbs., on this basis. The chief factor responsible for the failure is, as is only expected, the price issue. The Corporation is willing to sell yarn of 150 deniers and 120 deniers at Rs. 3-10 and Rs. 4 per lb., respectively, including ½ per cent. discount and payment of sales tax. The prices quoted come to Rs. 3-8 and Rs. 3-14 per lb., which are only As. 2 less than the price it received on the previous arrangement. The current market rates, it may be noted here, are Rs. 3-12 per 150 deniers and Rs. 4-4 for 120 deniers. This offer, however, has not been accepted by the Association, as it wants yarn at lower rates. Its contention is that the imported cost of the corresponding counts of yarn is considerably lower than those that prevailed at the time of the last agreement and that, therefore, the National Rayon Corporation, too, should make a corresponding reduction in the prices of its yarns.



TEXTILE WORKERS' CLAIM FOR MORE WAGES

ALLEGED JAPANESE "PIRACY" OF LANCASHIRE CLOTH DESIGNS

(By A Special Correspondent)

MANCHESTER, *27th April*

MANCHESTER LETTER

AN industry-wide wage claim affecting the 290,000 operatives in Lancashire cotton spinning and weaving mills is likely to be initiated soon. The Central Committee of the Weavers' Amalgamation decided unanimously in Manchester last week-end to accept a resolution from Nelson calling for a "substantial" wage increase for more than 100,000 workers in the cotton and rayon weaving industry.

Mr. Lewis Wright, General Secretary of the Amalgamation, said that after the resolution was endorsed by the Amalgamation's General Council, the procedure would be for consultations with the Northern Counties' Textile Trades' Federation and also with the two main spinning unions, the Cardroom Amalgamation and the Operative Spinners' Amalgamation.

Any application would follow the pattern of the last application when the unions put forward a uniform demand, said Mr. Wright. The last wage advance negotiated for cotton workers was one of five per cent. last August. Employers estimated that it would add £4,000,000 a year to the industry's wages bill.

It has been known for some time that the union leaders have been assessing the wages position in the light of the cotton industry's improved trading situation and the recent financial results of the leading companies.

Cotton Supplies

Another stage in the freeing of cotton supplies from the restrictions which have bounded purchasing for more than a decade has been reached. The Cotton Act having become law, even contracting-in spinners are no longer tied to the Raw Cotton Commission and can now obtain their requirements as and where they please.

In the circumstances, the Commission has made its position clear by describing its plans for future importation and the extent of its current stocks. But it intends, at first, to retain its supplies for the benefit of contracting-in users until the end of June, after which any buyer can purchase from the organisation.

The latest stock figure of cotton held in this country is 199,000 tons at the end of last year. The Commission itself holds sufficient stocks of United States cotton to satisfy normal requirements of contractors-in to the end of October. Brazilian cotton is also available to the same extent and no further purchases are to be made. East African varieties from Uganda (other than B.P. 52) are available until March next year and no further supplies will be bought.

Contracts for Pakistan cotton can be made for delivery up to the end of the first quarter of 1955 and allocations will shortly be made for Nigerian cotton for delivery to the end of February next. Stocks of sundry other American type growths held by the Commission are now very low and no more will be purchased.

Spinners who are still using the Commission's cover scheme have been given alternative arrangements for the transitional period of 3½ months while the futures market and the cover scheme operate at the same time. They will be able to use either the futures market or the cover scheme at will on the understanding that any outstanding positions at the end of August will be closed out at the cover prices ruling on 1st September.

Details of the arrangements regarding stocks of Egyptian-type cotton are not yet to hand, but are promised shortly. Users of long-staple growths are understandably anxious as to their future prospects and little has happened in the past few weeks to reduce their anxiety.

Copying Designs

At the suggestion of Mr. Peter Thorneycroft, President of the Board of Trade, three leading organisations in the British textile industry—the Cotton Board, Manchester Chamber of Commerce and the British Rayon and Synthetic Fibres' Federation—have met and agreed on concerted action for dealing with commercial malpractices by Japanese traders, it was disclosed last week.

Following complaints of a resurgence of Japanese copying of Lancashire export designs since the recent Anglo-Japanese Payments Agreement, more than 1,000 textile firms were asked in a letter to provide as much detailed information as possible, producing actual cuttings of Lancashire designs and Japanese copies. A spokesman of the Manchester Chamber of Commerce said that in recent weeks some 20 complaints had been lodged with the Chamber about Japanese "piracy" of Lancashire designs.

In addition to taking all possible steps to deal with cases of design infringement, the three organisations also intended to enquire into other forms of commercial malpractices, including pricing methods and "dumping" of goods. Under the arrangements now made it was believed that the President of the Board of Trade would receive fully-documented information from the trade on the extent of Japanese copying.

Private Cotton Buying

Moves to take advantage of the freer trading facilities in raw cotton which will be available next month when the Liverpool Cotton Market reopens are being taken by leading Lancashire spinning mill groups.

Following the registration of L.C.C. (Liverpool) Ltd., the Atherton amalgamation of Combined English Mills (Spinners) Ltd. has formed a new company to enable it to qualify for membership of the Liverpool Cotton Association. This is Combined English Mills (Liverpool) Ltd., the object of which is "to enter into and guarantee the performance of contracts for the purchase and sale of cotton and other fibrous and non-fibrous substances for future delivery, and to subscribe for and acquire membership of the Liverpool Cotton Association Ltd. and Cotton Clearing Association of Liverpool Ltd." Nominal capital of the new company is £10,000 in £1 shares. Its directors are Sir John Reynolds, Bart., Chairman of Combined English Mills (Spinners), Mr. Ernest Hirst, Managing Director and Mr. J. T Porritt and Mr. P. J. D. Toosey, Directors of the group.

Anglo-Pakistan Trade

A delegation of Pakistan textile experts is expected in Lancashire next month for talks which may lead to an expansion of trade in cotton and cotton goods between Pakistan and this country. Their proposed visit follows an invitation by the Lancashire-Pakistan Cotton Commission, set up by the Cotton Board with the aim of studying ways of fostering trade between the cotton industries of the two countries.

Lancashire hopes to persuade Pakistan to take a greater volume of cotton piecegoods from its mills and Pakistan textile leaders would like Lancashire spinners to purchase more raw cotton from them. The 12-man delegation is expected to reach Manchester towards the end of May.

A slight improvement occurred in exports of cotton cloth last month, their value being £10,565,260 compared with £10,550,744 in March last year. The progress made, however, is still severely restricted and gives no indication of any substantial expansion in the near future.

Cloth shipments for the month of March were 63,774,000 square yards, valued at £7,965,927, as compared with 56,283,000 square yards, worth £7,136,820 a year ago. Yarn exports amounted to 3,459,857 lb., valued at £1,436,370, as against 3,114,500 lb., worth £1,241,552, in March, 1953.

The situation at the end of the first quarter of the year is that shipments are slightly higher than at the corresponding stage twelve months ago but exports of cloth remain below the levels reached in both the third and fourth quarters last year. The following table shows recent quarterly comparisons:—

		Cloth Sq. yds.	Yarn Lbs.
1953 1st quarter		173,407,000	9,870,281
2nd "		161,004,000	9,942,300
3rd "		182,020,000	9,087,300
4th "		183,925,000	12,388,400
1954 1st quarter		176,756,000	11,174,884

Leading buyers have so far been:—Cloth: Australia, 30,231,000 square yards; South Africa, 23,133,000 square yards; and Nigeria 17,079,000 square yards. Yarn: Australia, 1,726,887 lb.; Germany, 1,046,140 lb., and Irish Republic, 942,842 lb.

Imports of foreign grey cloth in the quarter were more than double the quantity arriving in the same period last year, being 40,825,000 square yards, as against 19,144,000 square yards. Yarn imports exceeded 3,000,000 lb. as against less than 275,000 lb. in the first three months of 1953.

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MR. P. PADMANABHA RAO'S SPEECH

THAT mutualisation of insurance companies provides a happy mean between nationalisation, on the one hand, and private ownership, on the other, was the view expressed by Mr. P. Padmanabha Rao, Director of the Canara Mutual Assurance Company, Ltd., who, in the absence of Mr. B. Vaikunta Baliga, Chairman of the Company, presided over the Annual General Meeting of the Company held at Udipi, on Friday, 30th April, 1954. He deplored that the Government-sponsored insurance departments should compete with Indian insurers and add to their difficulties, especially when they (Indian insurers) were already facing keen competition from foreign insurers. Referring to the fifth valuation of the Company, he revealed that, despite valuation on a stringent basis, it disclosed a surplus which made it possible for the management to declare a sizable bonus at the rate of Rs. 18 per Rs. 1,000 per year for whole life policies and Rs. 15 per Rs. 1,000 per year for endowment policies.

The following is the text of Mr. Padmanabha Rao's speech:

"FRIENDS,

"The year 1953 began with the hope of seeing some new approach towards world peace and ended with that hope only because no tangible progress was made in that direction. Instead, the power blocks, viz., the U.S.A. and the U.S.S.R. have been acquiring new recruits into their camps and new weapons in their armoury to attain their own ends. In this manner the cold war has been spreading and enveloping in its fold an ever-increasing area of this planet. But for the shining statesmanship displayed by India in maintaining peace in this sub-continent of ours and holding it forth before the world also for its adoption, the future picture of the world would have still remained dismal and gloomy. In this regard we really feel proud of our present leaders.

"In the economic sphere, 1953 was a year of relative stability and increased production. Our Company too had the same experience and during the year under review proposals of the aggregate value of Rs. 59,47,500 were received. Out of these, as also out of the proposals pending on hand at the beginning of the year, a business of Rs. 50,04,400 resulted in new policies. The remaining proposals were either rejected or accepted on terms not agreeable to the proponents or were awaiting completion at the close of the year. The premium income and income from interest and other sources amounted to Rs. 17,93,848 and Rs. 3,34,081-4-9 respectively. The life fund at the close of the year stood at Rs. 93,80,044-2-4 in addition to the investment reserve fund of Rs. 3,79,400. The net addition to the life fund during the year was Rs. 11,31,474-11-11 after transferring Rs. 6,000 to the investment reserve fund for meeting the fluctuation in the value of the Government securities and other investments.

"The progress of the life insurance fund from 1942 to 1953 is shown below:

Valuation on	*Life fund* Rs.	*Percentage Increase*
31-12-1942	5,24,878	—
31-12-1946	23,42,141	346
31-12-1950	61,91,192	1,079
31-12-1953	93,80,044	1,687

"So much about the balance-sheet that is before you for your adoption.

Valuation Report

"News of vital import to the policyholders is the brilliant result disclosed by the Company's fifth valuation as on 31st December, 1953. The surplus disclosed at this valuation is sufficient to declare a bonus of Rs. 18 and Rs. 15 per thousand per year for whole life and endowment respectively under all profit participating policies. The basis of this valuation has been retained at the same stringent level as in 1950, viz., 2½ per cent. interest with a view to keeping intact the strong reserve position of the Company. Still the result is excellent and our policyholders can really feel proud of it. During the valuation period of 1951 to 1953 all insurance companies had to suffer heavy depreciation on their investments due to change in the Bank rate, but our Company suffered comparatively less. Besides, the mortality experience of the Company for this period was very favourable, the interest yield being better and the expense ratio remaining low. All these factors contributed to the substantial surplus and the Consulting Actuary has rightly made the following observations.

"'The valuation results are excellent. It is a matter of pride for a company of your size to be in a position to declare substantially high bonuses without relaxing the strong reserve position which you have been maintaining for the past many years. At the present time when many companies are busy reducing the premium scales in the light of favourable working conditions it is very opportune and gratifying that you will be passing on the past benefits to your existing policyholders by way of enhanced bonus. The new premium rates that you have already put into force would be helpful in cheapening the cost of insurance and thus attracting more and more policyholders.'

"This much about the latest valuation.

One Among Privileged Few

"Glancing through the *Indian Insurance Year Book*, 1953 (a publication of the Government of India), we find that there are 167 life insurance companies in India, out of which 165 had undergone valuation. Of these 165, only 112 companies had shown a surplus. Of these 112 companies, only 73 companies were able to declare a bonus and out of these 73, only 10 companies with a life business in force of Rs. 3 crores and above were able to declare bonus on a stringent valuation basis of 2½ per cent. interest or less and yet out of these 10 companies only a handful could claim to have paid a bonus for every year since inception and amongst these privileged few, the Canara Mutual is one.

"Coming to the question of nationalisation of insurance, today one feels that this idea is obsolete. Recently in Norway, a well advanced European country, which was thinking in terms of nationalisation, mutualisation was recommended by the Royal Commission appointed to investigate the future of life insurance in that country. What we repeatedly recommended from year to year at these meetings, viz., mutualisation, has come to stay in this country as also elsewhere, as aforesaid. One insurance company in South India has already mutualised itself and shortly one of the biggest proprietory companies in India might get mutualised. Thereafter, this movement will gather momentum and many more will be mutualised. Mutualisation has come to stay, because it strikes a healthy balance between nationalisation on the one side and private ownership on the other.

Unhealthy Competition

"Then, again, there is the problem of State and Central Governments entering into unhealthy competition with the Indian insurers. In this connection, I have to emphasise the supreme importance of our appealing to and persuading the said Governments to stand by the Indian insurers by closing down their Postal and State insurance departments. At a time when Indian insurers are facing very keen competition from foreign insurers under conditions which are very favourable to the foreigners, these attempts of the State and Central Governments to further increase the difficulties of the Indian insurers are really deplorable. Governments of highly advanced and insurance-minded countries like the U.K. and the U.S.A. have failed in their attempts to popularise State insurance, in spite of its being cheaper than private insurance. Therefore the Government of a comparatively less insurance-minded country like India or its States cannot so easily popularise State insurance. Experimenting in and subsidising such schemes at the expense of the taxpayer is not only going to be a strain on the State revenues but also contribute to the growth of unemployment by depriving regular insurance agents of their dues and jobs.

Selection of Agents

"Selection of insurance agents is by far an important aspect of our business. The better the selection, the better will be the business and the morale of the insurance world as such. It is also likely that the total annual output of Indian insurers will go up, if care is taken by them to select only quality salesmen. As selection standards are raised, the double purpose of building up public goodwill and removing the ill-will caused by the less competent agents in the past will be served very well. Today the total new business produced by Indian insurers is slowly going down from year to year compared with that produced by foreign insurers. One of the main reasons for this is that the foreign insurers select a definitely better class of salesmen than Indian insurers. Another important reason for this fall in the total of the Indian insurers' new business is the fast diminishing or vanishing of the spirit of *swadeshi* among Indians. With the advent of political freedom, many of our countrymen have begun to forget the need for nurturing the spirit of *swadeshi*. Political independence does not imply economic independence and until a nation becomes economically free, it will not be a really free nation. So our first duty today is to build the economic freedom of our country and that can be done to a certain extent by increasingly patronising Indian insurers. Today Indian insurers stand on a par with foreign insurers, if not excel them. Therefore, it is quite essential that Indians should patronise indigenous insurers only.

"During the last official year, the mutual insurance companies in India through their Association, of which the Managing Director of this Company, Mr. T. R. A. Pai, was the President for two consecutive years, have represented to the Taxation Enquiry Commission set up by the Government of India, various reasons for exempting mutual insurers from income-tax on the same basis as the co-operative insurers. In countries like the U.K., the U.S.A., and Canada, mutual insurers are exempt from income-tax for the reason that the members forming these companies carry on their business among themselves and so no profit can arise in their operation. But, strange enough, in India this protection is denied to mutual insurers and so it has become necessary to convince and persuade our Government to desist from taxing the surplus of mutual insurance companies. Let us hope these efforts will bear fruit in due course.

Future of the Company

"Finally, I have to point out that the future of our Company is very bright because of its incorporation as a mutual company, its excellent bonus record and its efficient and able management under the capable stewardship of Mr. T. R. A. Pai, the Managing Director of the Company. Before I conclude let me thank you all, the policyholders of the Company, whose number has been growing from year to year. I feel very happy to point out to you that every new policyholder of the Company is making it more and more broad-based. The reduced rates of premium and the increased rates of bonus have made Canara Mutual policies cheaper and profitable. Therefore, please recommend this Company to your circle of friends.

"Let me congratulate the Managing Director, Mr. T. R. A. Pai, whose tactful and honest efforts have resulted in excellent bonus figures, etc., and won the best of encomiums for the Company in the Indian insurance world. Our thanks are also due to the Chief Agents, viz., The Commercial Corporation of India, Ltd., and the field force for their enthusiastic and splendid work. The Company's achievements and progressive developments reported here could not have been realised without the loyal support and competent service of our staff personnel. To them I convey our sincere appreciation."

Emphasising the importance of the agency system in selling life assurance, the Rt. Hon. Winthrop W. Aldrich, American Ambassador in the U.K., observed, in the course of his recent speech at the Insurance Institute of London, as follows:

"The agency system is one of the things which American firms adopted from you in Britain and for which they have long been grateful. A trained agent, they feel, is the most effective means of reaching the public. For that reason, a great deal of time and effort is devoted to agent training. Both intensive and extensive programmes for training have been developed by the companies singly and by the industry collectively. Many companies have special schools and special courses for the instruction of both their agents and their supervisory personnel. One result of this intensive training is that the agent becomes professionally-minded, a fact which contributes to greatly reduced turnover. But more important is his greater ability to serve the policyholder. All the companies use other channels of information to reach the public—advertising, press releases, publications—but the agent remains the most effective point of contact."

INTERNATIONAL SUGAR SITUATION

F.A.O. ON LONG-TERM PROSPECTS

SINCE the International Sugar Agreement came into force four months ago—on 1st January to be precise—not much has been heard about its actual working. It is, therefore, not possible to say anything definite as to what it has done to bring about stability in the world sugar markets. But the recent behaviour of these markets reveals that the downward trend in prices witnessed towards the closing months of last year has somewhat abated. In fact, prices have lately shown a slight improvement. Cuban sugar, for instance, is now quoted at 3.37 cents per pound (F.A.S.), as against 3.30 cents at the end of December, 1953. But, as compared with the price prevailing in May, 1953, the present price is lower by 0.27 cent per pound. In 1951, it will be recalled, the price was as high as 5.67 cents per lb. This, of course, cannot be taken for purposes of comparison, inasmuch as it relates to a period which was marked by abnormal conditions in the world sugar markets following the Korean War boom.

It is true that the share of the "free" market sugar (supplied mostly by the low-cost producers) in the world sugar trade and production is only a fraction, being only 5 million tons out of the annual world exports of 12 million tons and production of 38 million tons. Nevertheless, the changes in the supply of and demand for sugar in this market have wide repercussions on the trend of world prices generally. Stability in world sugar prices, therefore, depends largely on the conditions in the "free" market. It is precisely for this consideration that the actual working of the International Sugar Agreement will be watched with interest. In this connection, the remarks made by the U.N. Food and Agricultural Organisation (F.A.O.) is pertinent. Commenting on the long-term prospects for sugar, in its recent report, *The State of Food and Agriculture*, 1953, the F.A.O. observes:

"Although some expansion of North American imports seems probable by 1956-57, projected increases in production may limit any increase in European import requirements. On the export side, the restrictions on production in Cuba are outweighed by projected increases in other Latin American countries and the Far East. Although sugar consumption is increasing, a continuation of present marketing difficulties seems likely, unless the situation is stabilised by the Sugar Agreement."

Sugar is one of the commodities which is expected to record an improvement in output by 1955-56 as compared with 1952-53. Thus, the aggregate world output of sugar (raw) in 1955-56 is estimated at 42.8 million metric tons—a record figure—as against 36.0 million tons in 1952-53 and the pre-war average of 27.9 million tons. How this anticipated increase in sugar output will be shared by the principal sugar-producing areas is indicated in the following statement:

(In million metric tons)

	1934-38 Average	1948-50 Average	1952-53 Provisional	1956-57 Estimate
Latin America ..	7.2	12.2	12.4	15.8
Far East (excluding China) ..	6.6	5.3	6.8	7.9
North-Western and Southern Europe ..	4.0	4.8	5.5	6.2
North America ..	2.8	3.0	3.0	3.8
Africa	1.0	1.3	1.4	1.7
Oceania	1.1	1.1	1.1	1.4
Near East	0.2	0.4	0.5	0.6
Other areas	5.0	4.8	4.8	6.4
World total	27.9	33.1	36.0	42.8
Per capita production (in kilograms) ..	16.4	17.1	17.9	16.9

It will be evident from the above figures that all the areas are expected to account for a rise in sugar output. The rise is particularly marked in "other areas." These estimates, however, are not forecasts made by the F.A.O. They merely represent what the Governments of the sugar-producing countries have planned to do or what is expected to happen, given normal weather conditions. Some of the plans may have to be modified if circumstances warrant. The actual production may fall short of the 1956-57 estimates or exceed them. In this connection, the F.A.O. has made the following interesting observations:

"These production targets, however, are likely to be considerably modified. The expansion of production in Europe, greatly stimulated by good weather in 1953-54, may be deterred by the increasing availability of cheaper cane sugar from non-dollar sources; the targets of some countries in this area have, in fact, already been reduced from their original levels. Eastern Europe's probable surplus may be largely absorbed by the U.S.S.R. where the very high production target seems unlikely to be reached, though these two areas have between them a total export quota of nearly a million tons under the new International Sugar Agreement. As a result of this Agreement, some production programme will probably be scaled down, as participating exporters have agreed to adjust their production in accordance with domestic consumption, permitted exports and a specified level of stocks."

Be that as it may, the rise of 19 per cent. in the world sugar output anticipated for 1955-56 is not expected to be accompanied by any commensurate expansion in demand. The quantity of sugar to be imported by the "net importers" in 1956-57 is estimated at not more than 8.3 million tons, as against 8.0 million tons in 1948-52. Consequently, the supplies available for exporters are expected to be substantially larger, being 10.6 million tons, as against 8.4 million tons in 1948-52. The table below indicates the anticipated trend of world trade in sugar in 1956-57, as compared with the period 1948-52 and the pre-war years:

(In million metric tons)

	1934-38 Average	1948-52 Average	1956-57 Estimate
Net exporters—			
Latin America ..	4.7	7.4	7.5
Far East (excluding China) ..	1.5	..	1.1
Oceania	0.6	0.4	0.7
Other countries ..	0.7	0.6	1.3
Total ..	7.4	8.4	10.6
Net importers—			
North America	4.0	4.5	5.1
North-Western and Southern Europe	2.6	2.7	2.6
Other countries ..	0.6	0.8	0.6
Total ..	7.2	8.0	8.3

Commenting on the world trade in sugar, the F.A.O. says:

"Production in North America (including Hawaii) is not expected to increase as sharply as in other regions and import requirements seem likely to rise by up to 0.7 million tons over the average post-war level. On the other hand, the projected expansion in North Western and Southern Europe, the other major importing region, would, if achieved, leave import needs at little more than their present level, even if the United Kingdom regains its pre-war consumption after the end of rationing. Net import requirements of all regions in 1956-57 are likely to be somewhat less than 9 million tons. On the other hand, if all the production targets are realised, more than 11 million tons may be available for inter-regional export. The limitation of Cuban production is largely offset by projected expansion elsewhere in Latin America. Australian and South African exports are expected to expand considerably, and the production estimates for the Far East imply a substantial recovery of the region's pre-war level of exports. Eastern Europe may be able to export as much as a million tons."

The one conclusion that emerges from the foregoing account is that, if the estimates for 1956-57 were to be realised, there would be a more abundant supply of sugar than at present. This conclusion must, however, be heavily qualified. For much will depend on the general economic conditions, as well as on weather. Much will also depend on the extent to which efficiency of production increases in the coming years. The F.A.O. points out that, unless market demand and prices are favourable, the farmers—and often Governments—have little incentive for further investment, while, in North America and N. W. Europe, limitations of demand are already retarding agricultural development. In view of these, the F.A.O. advocates a close watch on the supply and demand situation in each region and preparation of frequent outlook reports for the information of those responsible for planning production. It also wants collection of precise information on changes in demand in response to price movements. All these point to the heavy responsibility that devolves on the International Sugar Council, the body which actually administers the International Sugar Agreement.

(Concluded from next column)

COAL STATISTICS FOR 1953

EXPORTS RECORD SHARP FALL

THE latest available statistics relating to coal in the year 1953 disclose a slight fall in raisings and despatches, as compared with those in the previous year. Thus, raisings in 1953 were 35.8 million tons, as against 36.2 million tons in 1952 and despatches 30.7 million tons, as against 31.1 million tons. Production in Bengal and Bihar collieries showed a slight decline, because of the ceiling on the output of metallurgical coal upto grade II. Although total despatches of coal during 1953 were slightly smaller than in the previous year, internal supplies revealed, on the whole, some improvement. There was ample movement capacity "down country" from the collieries. An increase in despatches of soft coke and brick-burning coal, in particular, was recorded. Coal supplies to certain areas, however, continued to be unsatisfactory, because of limitations on rail capacity beyond Waltair, Katni and Moghul Sarai. The stocks of coal at colliery pitheads at the end of 1952 were higher at 3,193,653 tons, as against 2,976,253 tons at the end of 1952.

The slight fall in the overall despatches of coal was chiefly due to a sharp drop in exports. The volume of exports in 1953 was 1.99 million tons, as compared with 3.30 millions in 1952. The decline, despite the abolition of surcharge on coal exports to Pakistan in March, 1953, and subsequently on exports of coal to all other destinations in May, 1953, is, indeed, disquieting. One of the reasons for the decline in exports during 1953 was the disappearance of abnormal conditions in 1952 which led to increased exports. Further, during 1953, there was increased production of coal in Europe and severe competition from South Africa. Besides, Australia, China and Formosa emerged as competitors in foreign markets.

The following table shows the exports to some selected countries during 1953, as compared with those in 1952:

(In tons)

	1953	1952
Pakistan	764,833*	1,143,875
Burma	255,766	200,069
Hongkong	88,145	214,031
Singapore	45,345	123,650
Australia	—	205,846
Japan	429,793	765,767
Egypt	—	30,543
Ceylon	211,208	277,833
Aden	—	41,750
United Kingdom	—	36,954

*Approximate.

Thus, it is clear that, on the export front, the coal industry suffered a setback to the tune of more than a million tons. The decline in exports to Pakistan was due, to a considerable extent, to the withdrawal by the Government of Pakistan of nearly 500 wagons on the Indo-Pakistan route. It may be noted, in this connection, that under the Indo-Pakistan Trade Agreement, which was concluded last year, it was expected that Pakistan would buy 81,000 tons of Indian coal a month. Actual exports from October, 1953, to February, 1954, however, were much less, being a little short of 55,000 tons a month.

It will be noted from the above table that some of the countries which had imported coal from India in 1952 did not take anything in 1953. The more notable among these were Australia, Aden and the U.K. Even Japan from which much was expected imported much less than in 1952.

It is difficult to forecast the trend of events in the current year, that is, 1954. The output and despatches depend on three important factors, namely, (1) the pace of increase in internal demand for coal, (2) the capacity of transport for movement of coal, and (3) the demand from overseas countries. Present indications are that neither internal demand nor the transport capacity is likely to record any sharp rise during 1954. So far as exports are concerned, Pakistan, the biggest importer of Indian coal, has turned out to be an unreliable market. Even the new arrangement, effective from the 1st of this month, under which Pakistan will buy coal from India on an open tender system, instead of on a Government-to-Government basis, is not expected to result in any substantial increase in exports to Pakistan. In regard to exports to other countries also, it is doubtful whether the steady increases noted in the past few months would be maintained, though in February, 1954,

(Continued in previous column)

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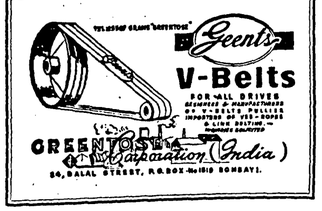



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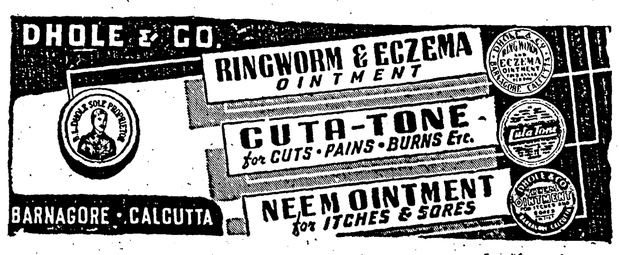

JUTE DELEGATION TO UNITED STATES

MARKET CONDITIONS TO BE STUDIED

THE decision of the Indian Jute Mills' Association to send a delegation to the U.S. and Canada will be welcomed by the jute industry and the trade. The delegation, which will consist of Mr. J. G. Walton, Deputy Chairman, Mr. D. P. Goenka, Vice-Chairman, and Mr. M. P. Birla, President of the Federation of Indian Chambers of Commerce, Calcutta, will study the present position of jute goods in the U.S. market in the light of current economic trends and particularly the competition which the goods face from other jute manufacturing countries and from substitute packaging materials.

The delegation proposes to make wide contacts with representative organisations and consumers in the U.S. It will also attend the summer meeting of the Textile Bag Manufacturers' Association at Hot Springs and will have discussions with other trading interests in New York. Again, it will visit some of the main consuming areas, notably New Orleans and Houston in the south, Los Angeles and San Francisco in the west and St. Louis in the midwest. Towards the end of the trip, the delegation proposes to visit Montreal to discuss prospects of burlap in the Canadian market. While in the U.S., the delegation will examine the results of the public relations campaign which has been in force during the last 18 months and will also consider the possibility of establishing continuous research in the U.S. into new industrial uses for jute goods. On its way back to India it will visit the U.K. and discuss the latest developments in trade and industry and mutual problems in this important market.

Substitutes

This delegation is the second of its kind to be sent to the U.S. in recent years, the first one being a Goodwill Mission in 1952. The importance of this trip will be evident from the fact that since the war, cotton and paper bags have made serious inroads into the markets which have for long been served almost entirely by Indian jute goods. Besides, there is stiff competition from Continental jute mills. So keen was the competition last year from the Continental manufacturers and from substitutes for jute goods that India's share of American imports fell from 82.3 per cent. in 1952 to 77.9 per cent. in 1953, although American consumption was maintained, at 825,000,000 yards. The total U.S. hessian imports from India amounted to 599,800,000 yards in 1953, as compared with 720,400,000 yards in 1952. This decline in Indian exports in the face of the reduction in export duty, first in 1952 and then in 1953, is indeed disquieting. More so is the report that Japan has recently begun to sell jute goods of excellent quality at low prices.

The failure of exports to reach a more satisfactory level is all the more disturbing, because the prices of hessian and sacking goods have all along been held at reasonable levels. Indeed, the price level during the first five months of 1953 was the lowest since 1946. It is, therefore, dangerous to be complacent. There is urgent need not only to explore the causes for the failure of demand last year to react to cheap supplies, but also to discover new fields of consumption.

A significant fact to be noted in this connection is that, by reason of the enormous advantages which jute goods, especially burlap bags, score over their substitutes, the delegation should find little difficulty in bringing conviction to the consumers of the U.S. of the superiority of burlap over paper bags. In fact, burlap bags are, in many ways, superior to any other kind of packing material. What is needed is, therefore, to publicise this essential fact and to induce the U.S. importers, as well as the manufacturers and dealers, to increase their efforts in various consuming fields to regain the markets which have gone over to paper and other bags during the last few years.

Mere publicity about the volume and utility of jute goods, however, is not enough. For the ultimate strength of the Indian jute mill industry lies in its ability to sell goods in foreign markets at rates which, while yielding a modest profit, would also be sufficiently low in order to enable the goods to compete effectively with bulk handling, foreign-made jute goods and substitute packaging materials. This demands toning up of the working of the jute industry to the pitch of the highest possible efficiency. This is dependent in the long run on three factors, namely, (1) raw jute supplies and the manner in which they are marketed, (2) modernisation of mill equipment, and (3) the whole range of labour policy. If raw jute is not available at reasonable prices, little can be achieved by mere modernisation of equipment. The cost of labour is an important factor which determines the price of the manufactured product. Hence the need for higher productivity.

JUTE MILLS CENSUS

A report on the Census of Jute Manufacturing Industry, recently released by the Directorate of Industrial Statistics, gives useful data on production, capital outlay, cost of raw materials and the number of employees of jute mills in India during 1951. The census was compiled out of returns received from 105 jute factories employing 20 or more persons and using power. The capital outlay of the 105 establishments aggregated to Rs. 77,77,44,327, of which fixed capital accounted for Rs. 28,56,76,595, and working capital Rs. 49,20,67,732. The number of workers employed was 271,662 and of other employees 15,393—the former group receiving Rs. 22,30,83,494 as wages and the latter Rs. 3,10,66,403 as salaries. The output of jute manufactures in 1951 was 889,411 tons, valued at Rs. 2,12,42,38,487. The cost of raw materials consumed was Rs. 1,54,81,32,487, of which raw jute alone accounted for 9,37,446 tons, valued at Rs. 1,46,50,45,658.

U.P. PLAN FOR SEED MULTIPLICATION

The Jute Development Department in Uttar Pradesh has decided to build up a stock of 1,500 maunds of seeds by multiplying the improved strains of *C. Capsularis* (white jute) obtained from the Jute Agricultural Research Institute and the West Bengal Directorate of Agriculture. The mechanised farms under the State Government as well as some private farms have been selected for the purpose of multiplication. It is proposed to bring 415 acres of land under the seed multiplication plan, which is expected to yield 1,500 maunds of improved seeds for the next year's sowing.

RAW JUTE ARRIVALS

Imports of raw jute into Calcutta and mill stations during February, 1954, amounted to 21,63,000 maunds, which were 3,24,000 maunds lower than the previous month's arrivals.

From Indian sources came 16,01,000 maunds, a decrease of 2,73,000 from 18,74,000 maunds in January, while only 5,62,000 maunds were imported from Pakistan as compared with 6,13,000 maunds in January. During February, 1953, imports from India and Pakistan were estimated at 16,03,000 maunds and 3,94,000 maunds.

Aggregate imports of raw jute during July-February, 1953-54, amounted 1,88,04,000 maunds, of which 1,34,01,000 maunds were of Indian, and 54,03,000 maunds of Pakistani origin. In the corresponding period of the previous season (1952-53), total arrivals were 1,87,55,000 maunds of which Pakistan accounted for 51,06,000 maunds, the remainder having come from Indian sources.

U.K. JUTE INDUSTRY

The Government of the U.K. was closely watching the needs of the jute industry, said Lord Viscount Woolton, Minister of Materials, in the House of Lords the other day, when questioned about the policy for decontrol. Reiterating the Government's intention to continue public trading in imported jute goods until safeguarding measures for the industry could be introduced, Lord Woolton emphasised that this course might "take some time." Lord Barnby suggested that the present policy amounted to a substantial subsidy to the jute industry at the expense of the Exchequer. Lord Woolton disagreed with the contention that the Ottawa agreement would prevent country from putting any duty on manufactured goods from within the Commonwealth and expressed the hope that the Exchequer would not have to make any payments as a result of present conditions in the jute industry.

SWEDISH JUTE IMPORTS

Sweden's jute imports in January, 1954, aggregated 847,912 kilos, valued at 1,053,174 crowns. This compares with 464,659 kilos, worth 587,184 crowns in the previous month. Details of country-wise imports in January, 1954, were as follows: West Germany 5,390 kilos worth Kr. 3,450; U.K. 900 kilos worth Kr. 1,174; Pakistan 751,353 kilos worth 925,529; and India 90,269 kilos worth Kr. 123,021.

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AGRICULTURAL INCOME-TAX ON PLANTATIONS

U.P.A.S.I.'S REPRESENTATION

A DEPUTATION on behalf of the United Planters Association of South India waited last week on the Chief Minister of Madras, the Finance Minister and the Revenue Minister of the State and made representations to them in respect of the proposed levy of agricultural income-tax on some of the plantation products. The deputation consisted of Messrs. A. Atkinson, C. M. Kothari, S. Simnonds, N. B. Athrey, S. Subbu and P. S. Subramaniam.

The proposal to levy agricultural income-tax on plantation products like tea, coffee, rubber and cardamom was included in the Madras Budget for 1954-55 submitted to the State legislature on 26th February last. The details of the measure have not yet been announced, but the State Finance Minister disclosed in his Budget speech that the tax will be levied more or less on the basis of the Act already worked in Travancore-Cochin State. A Bill embodying the proposal is expected to come up before the forthcoming session of the Madras legislature.

The deputation on behalf of the U.P.A.S.I. represented to the Ministers that the proposed tax would hit the plantation industry, especially coffee and tea, very hard. It was also submitted that the proposed levy at the rate obtaining in Travancore-Cochin would be very high, having regard to conditions in plantations in the Madras State at the present juncture. The total revenue receipts from this tax, in the opinion of the U.P.A.S.I. would be far in excess of what was anticipated by the Government. It was estimated to bring about Rs. 10 to Rs. 12 lakhs. But, according to the deputationists, the income from this source would go up to at least Rs. 1 crore. In case, however, the Government insisted on having an agricultural income-tax in place of the existing levy, it was submitted, the Government should make the levy at lower rates.

It is reported that, in the course of the discussion that ensued, a number of suggestions, including increasing the present revenue assessment, were put forward. The deputationists are reported to have stated that they would submit information regarding these suggestions after examination. They further requested the Government to defer the proposed levy of agricultural income-tax until the Taxation Enquiry Commission and the Sub-Committee appointed by the Central Government to enquire into the financial condition of plantations had completed their enquiry and submitted their reports.

The proposal to levy agricultural income-tax in Madras was not altogether unexpected. For the Subramaniam Committee had recommended more than two years ago the levy of agricultural income-tax. It is, therefore, felt, in some quarters, that it was as overdue. But what is painfully surprising is that the levy comes on top of many other burdens already cast on plantations in recent years under the Minimum Wages, Plantation Labour and Provident Fund Acts. Furthermore, in the case of the coffee industry, in particular, the levy of agricultural income-tax will not only prove burdensome but will be a source of litigation. For it was recently reported that the income-tax officers in some districts of Madras and Mysore served notices to coffee growers asking them to state why a portion of their income should not be taxed on the ground that it is derived by industrial processing. If the coffee growers in some of the districts of Madras are assessed income-tax on a portion of their income, can these growers be asked to pay agricultural income-tax also on that portion of their income which had already borne income-tax? Be that as it may, in view of the fact that the entire question is being examined in great detail by the Taxation Enquiry Commission, the U.P.A.S.I.'s request to the Madras Government to stay its hand till the Commission's findings are made known is a reasonable one.

SALE OF RUBBER TO RUSSIA

The export of rubber from the U.K. and Singapore to the Soviet bloc has been freely allowed without any restriction on the quantity from Monday this week. The relaxation does not apply, however, to exports to Communist China. There was no ban on export of rubber to Russia, but a limit was placed some months after the outbreak of the Korean war. The extent to which such exports were restricted was never officially disclosed. The ceiling on export was placed in order to ensure that Russia should be allowed to acquire enough rubber for normal business requirements, but not sufficient to enable the building of a military stockpile.

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N. GOPALA IYER,
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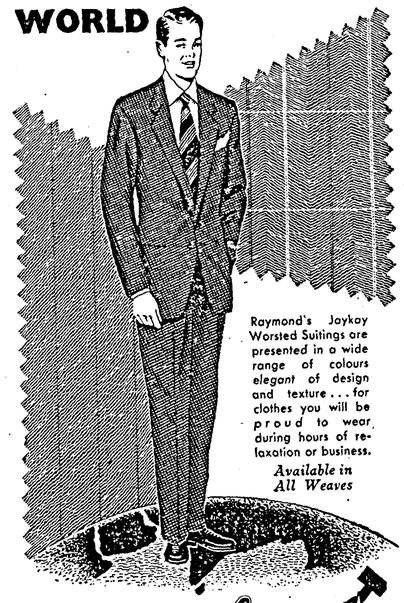

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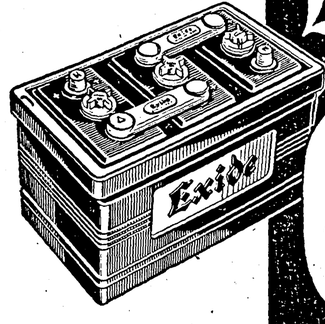

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AUTOMOBILE INDUSTRY IN INDIA

DETAILS OF MANUFACTURING PROGRAMME

THE Government of India has given its approval for the manufacturing programmes submitted by the various automobile units for a period of three years commencing from 1954. It will be recalled that the Government of India had accepted the recommendation of the Tariff Commission on 31st May, 1953, to the effect that the demand for vehicles in the country should be concentrated on the firms which have manufacturing programmes. As a result of this, General Motors and Ford Motors, which did not intend to embark on the manufacture of automobiles in India, had to wind-up their business.

When the Tariff Commission took up the case for protection and assistance to the automobile industry, there were five firms which had manufacturing programmes. These were: (1) Hindustan Motors Ltd., (2) Premier Automobiles Ltd., (3) Standard Motor Products of India Ltd., (4) Automobile Products of India Ltd., and (5) Ashok Motors. Hindustan Motors had already made substantial progress in the manufacture of essential components of "Hindustan 14." None of the programmes, however, included either the manufacture of baby cars or heavy trucks.

After its decision to grant protection and assistance to the automobile industry, the Government of India called upon the automobile firms to submit their detailed programmes, with a view to testing the technical soundness and feasibility of these programmes. Meanwhile, the Tata Locomotive and Engineering Company, Ltd., in combination with Daimler-Benz of Germany, submitted a programme for the manufacture of diesel trucks. All these programmes have been approved.

Vital Components

The programmes, as approved, provide for the manufacture of vital components like engines, transmission, front and rear axles, etc. The details of the manufacturing programme of three of the aforesaid manufacturers are as follows:

(1) *The Hindustan Motors, Ltd.*—(a) Studebaker—(big car), (b) Hindustan 14—(light car), and (c) Studebaker—(medium truck).

(2) *The Premier Automobiles Ltd.*—(a) Dodge, De Soto, Plymouth—(big car) and (b) Dodge, De Soto, Fargo—(medium truck).

(3) *The Standard Motor Products of India, Ltd.*—Standard Vanguard—(medium car).

The Hindustan Motors claim to have already attained, in the case of "Hindustan 14," an indigenous content of 65 per cent. by value. They propose to import only 50 per cent. of value of knocked down components for the Studebaker cars and trucks at the end of the three-year period. Similarly, in the case of the Premier Automobiles and the Standard Motors, the imported components will, at the end of the three-year period, be of the order of 50 per cent. of the c.i.f. value or less.

Apart from these vehicles, the Government has provided for the manufacture of baby cars and heavy duty vehicles. While generally accepting the recommendations of the Tariff Commission regarding the types of vehicles to be manufactured and the firms which should undertake such manufacture, the Government did not consider that the manufacture of baby cars need be confined to one manufacturer. Accordingly, it called for programmes for the manufacture of baby cars by September, 1953.

The following are the three schemes for the manufacture of baby cars which have been approved by the Government as being technically sound and feasible:

(1) Morris Minor—The Hindustan Motors Ltd.;

(2) Fiat 1100—The Premier Automobiles Ltd.; and

(3) Standard 8—The Standard Motor Products of India Ltd.

As these Programmes were submitted by manufacturers, who had approved programmes, the Government accepted all the programmes and permitted them to proceed with their implementation. These programmes are also approved for a period of three years commencing from 1954. At the end of 1954, the percentage of imported components in all these cases is expected to be of the order of 50 per cent.

So far as the manufacture of heavy duty vehicles is concerned, the position as explained by the Government in its Press note is as follows:

"The programmes for the manufacture of heavy duty diesel vehicles were received by Government from different firms. The heavy duty vehicles should have an engine of 90-120 b.h.p., tyre size 9.00-20 and a gross vehicle weight of approximately 10 tons (22,000 lbs.). After scrutinising the schemes received, the Government approved the programme submitted by the Ashok Motors, Limited, for the manufacture of Leyland 'Comet' and at a later stage the Leyland 'Tiger Cub' in collaboration with the Leyland Motors of the U.K. As the volume of demand for this type of vehicle is estimated to be less than 1,000 per annum, Government did not consider it desirable to permit more than one unit to undertake its manufacture since it would not be economical to do so. The Leyland Motors of the U.K. will be investing a considerable amount of capital in the project. According to the programme, within a period of five years, this firm will be manufacturing most of the essential components. At the end of the fifth year, the indigenous content of this truck will be about 53 per cent. of the c.i.f. price."

It will be noted from the account given so far that the schedule of work for four out of the five manufacturers mentioned at the outset has been laid down. As for the fifth, namely, the Automobile Products of India, this company had not taken any steps towards the implementation of their programme. It has, therefore, had to close down its operations.

Light Cars

With the exit of the Automobile Products of India from the field of manufacture, a certain gap was created for light cars and medium trucks. With the approval of the three programmes for baby cars, this gap in the field of cars was filled to a certain extent. The Tata Locomotive and Engineering Co., Ltd., Jamshedpur, had, in the meanwhile, submitted a programme for the manufacture of Tata Mercedes-Benz diesel trucks in collaboration with the Daimler-Benz of Germany. These trucks can develop a maximum b.h.p. of 108 and have a gross vehicle weight ranging from 14,771 to 18,750 lbs. They usually use tyres of 7.5-20 or 8.2-20 sizes. On scrutiny, the programme, it is stated, was found to be extremely satisfactory and the technical collaboration contemplated by the TELCO was with a German firm of good reputation, the technical experience of which was quite welcome to this country. As there was already a gap in this field created by the withdrawal of the Automobile Products of India, Ltd., the scheme submitted by TELCO was, it is stated, approved by the Government. This scheme contemplates the manufacture of all the components of the vehicle within a period of four years. At the end of the fourth year, they will not be importing any components.

The only type of vehicle for which no manufacturing programme has been approved so far relates to jeep. Mahindra and Mahindra Ltd. has been assembling jeeps in the country from components imported in completely knocked down condition. With a view to ensuring plentiful supplies of jeep type vehicles at all times, the Government is now freely licensing their import in completely knocked down packs.

The Tariff Commission had recommended that a special officer possessing high qualifications in automobile engineering and practical experience should be appointed to watch and report on the progress of the industry, the implementation of the manufacturing programmes and the quality of the products of the industry. A Development Officer of the Development Wing, Ministry of Commerce and Industry, was specially looking after the work connected with the automobile industry till recently. Now that the programmes have all been finalised and approved, Government has selected and appointed a Special Officer to watch the implementation of the programmes approved by the Government and to take such steps as may be necessary from time to time towards the development of this industry.

OIL PROSPECTING IN WESTERN AUSTRALIA

Following the recent discovery of oil in Western Australia, there has been increased activity in prospecting in the State. Western Australian Petroleum Pty. Ltd. plans to sink 11 additional wells in the north-west area this year, and more than £A2,735,000 will be spent on the operations. Additional rigs and drilling equipment will arrive in Australia in the first half of this year. One of the rigs will be used to drill six developmental wells to 3,000 feet on the structure at Rough Range, location of the original strike. The second rig will drill three exploratory wells on known geological structures in the area between Rough Rand and Carnarvon, the port at the mouth of the Gascoyne River.

KOSI PROJECT

INDO-NEPALESE AGREEMENT

DETAILS of the recent agreement between the Governments of India and Nepal on the construction of the Kosi Project and other relevant matters are now available. The agreement provides for a number of concessions by India to Nepal in return for the provision by Nepal of all facilities to construct a barrage at Hauman Nagar and other appurtenant works in East Nepal. The agreement is a commendable example of co-operation between the two sovereign States for their mutual advantage.

The Government of Nepal, will receive, under the agreement, royalty in respect of power generated and utilised in the Indian Union; no royalty will, however, be paid on power sold to Nepal. It will also be entitled to receive payment of royalties in respect of stone, gravel, and ballast obtained from the territory of Nepal and used in the construction and future maintenance of the barrage and other connected works at rates to be settled by agreement. Further, Nepal will be entitled to use upto 50 per cent. of the power generated at the barrage site power house on payment of such tariffs as may be fixed for the sale of power by the Union of India, in consultation with the Government of Nepal. Acquisition of land in Nepal for the purpose of constructing the Kosi barrage and replacement of displaced persons will be done at India's expense. While the Indian Government will be the owner of all lands acquired, the rights of sovereignty and the territorial jurisdiction of the Government of Nepal in respect of such lands shall continue to remain unimpaired by such transfer. Besides, all navigation rights in the Kosi River in Nepal will rest with its Government. So also, all fishing rights in the Kosi River in Nepal, except within two miles of the barrage. The Government of India will pay compensation to the Government of Nepal (a) for the loss of land revenue as at the time of acquisition in respect of the area acquired and, (b) to whomsoever it may be due, for the lands, houses and other immovable property acquired for the project and transferred to the Union. The Nepal Government has also been given an assurance that, in respect of employment of personnel and contractors, priority will be given to Nepalese to the extent that they are available and suitable in the opinion of the Government of India for the construction of the project. The Government of India, however, will be at liberty to import labour of all classes to the extent necessary.

The agreement assures Indian officers all facilities required "before, during and after the construction of the project." They can undertake such investigations as may be necessary. These include aerial and ground surveys, hydraulic, hydrometric, hydrological and geological surveys. The Government of Nepal will also authorise and give necessary facilities for the investigation of storage or detention dams on the Kosi and its tributaries, soil conservation measures, such as check dams, afforestation, etc., required for a complete solution of the problems presented by the Kosi River. The Government of India has the right to regulate all the supplies of water in the Kosi River at the barrage site and to generate power at the same site for the purpose of the project; this will not, however, prejudice the Nepal Government's right to draw for irrigation or any other purpose in respect of such supplies of water as may be required from time to time. India can construct roadways, tramways, railways, ropeways, etc., required for the construction of project. Subject to the territorial jurisdiction of the Government, the ownership and control of the metalled roads, tramways and railways shall vest in India. The Nepal Government shall be responsible for the maintenance of law and order in project areas within the territory of Nepal.

Differences of opinion between the two States in regard to the implication or/and working of the agreement will be referred to arbitration by two persons—one to be appointed by Nepal and the other by India—whose opinion will be binding. In the event of disagreement between the arbitrators, the differences are to be settled by an umpire to be jointly appointed by the two arbitrators.

A supplementary agreement provides for the establishment of a co-ordination committee, which will consist of three representatives from each country to be nominated by the respective Governments. The Chairman of the committee will be a Minister of the Government of Nepal and the Administrator of the Project will be the Secretary. The committee will consider matters of common interest, including land acquisition, rehabilitation of displaced persons, maintenance of law and order, soil conservation measures and such other items as may be referred to the committee for consideration by the Government of either Nepal or India from time to time.

SWEDEN'S FIRST ATOMIC REACTOR

Sweden's first atomic reactor is nearing completion and will start operating this summer. The entire plant has been blasted down into the granite rock to a depth of 120 feet, and its rock roof has a thickness of 40-50 feet. The safeguard against radiation contains 1,500 tons of iron ore. So-called reflector walls containing 60 tons of graphite surround the heavy-water tank. The reactor contains three tons of uranium and the aluminium tank holds seven tons of heavy water, bought from Norway at a cost of Kr. 7,000,000 (£483,000). The plant is immediately connected with the subterranean laboratory of the Academy of Engineering Sciences in Stockholm's Science City. Some 20 persons will be employed at the reactor proper. Atomenergi has hitherto received grants of Kr. 32,000,000 (£2,207,000) for completing it.

NEW PRODUCTS AND PROCESSES

Detection of Neutrino

THE neutrino, the atomic "ghost particle" needed for years to preserve sub-atomic balance, has at last been detected, according to reports submitted recently to a meeting of the American Physical Society in New York. The search for this, it is stated, has so far been one of the most difficult searches for atomic particles ever undertaken. To find evidence for the neutrino, a particle so small that it has practically no mass and no electrical charge, the physicists used a scintillation counter—a great tank with chemical liquids that would promote the reaction in which neutrinos play such a small but balancing part. This counter was exposed to the intense bombardment of radiation from one of the Atomic Energy Commission's giant atomic reactors at Los Alamos. The physical authentication of the neutrino came about during tests that consisted of taking readings when the reactor was producing an immense radiation blast and when it was shut down. Because the readings were significantly higher when the reactor was running and neutrinos abounded, the scientists are confident that, in this way, they have "seen" the elusive neutrino.

Vinyl Plastics

Vinyl plastics, which were first used in the United States about 10 years ago to make unbreakable phonograph records, are now finding a steadily increasing number of new applications. Some of the fast-growing new uses are in linoleum floor coverings and in cheaper oilcloth made of paper or felt coated with the plastic. Vinyl-plastic garden hose is now seen in every American hardware store. There is an increasing production of vinyl-plastic piping for use in home plumbing and in chemical plants, where it is of special value because it resists corrosive acids. Another new use for vinyl plastics is to coat fibres used in weaving rugs and carpets. The plastic coating is invisible but helps the fabric wear longer and resist dirt.

Structure of Cotton Fibre

A new approach to the problem of ascertaining the structure or constitution of the individual fibres of cotton has been developed at the Raman Research Institute in Bangalore, founded by the distinguished Indian scientist and Nobel Prize winner for Physics, Mr. C. V. Raman. The technique of the new method is the use of light diffracted by a strongly-illuminated fibre to reveal its inner structure. The diffracted cations record themselves on a photographic film held in the path of the illuminating pencil of light. The diffraction pattern of cotton in particular, is highly characteristic of this material and reveals its inner fibre. It is stated that tte wide range of applicability and the essential simplicity of the new technique, taken in conjunction with the fact that it yields information of a kind not otherwise accessible, holds out promise of its becoming a useful tool of study and research in this field.

Plane Communications

Transistors are being used to make a new microphone that improves the clarity of radio communication between airplane pilots and airport control towers, according to the Remler Company, a United States electronics firm. Transistors are the tiny devices, no bigger than the eraser on a lead pencil, that can do much the same work as electron tubes. They are now being used in hearing aids. The new microphone, its manufacturers say, makes voice messages more intelligible when planes are flying in "instrument weather." Frequently, due to control-tower clatter and outside noises from aircraft motors, the range of present microphones is inadequate and talking with a pilot is difficult. The new transistor microphones keeps down the extraneous noises and more than triples the range, it is claimed.

Hydraulic Bumper Jacks

Hydraulic bumper jacks for passenger cars are being manufactured by J. de Koning Az., Oostdijk, 4, Oud-Beyerland (the Netherlands). The owner-driver in particular will find it a great advantage that he can raise or lower his car with a few strokes of the lifting mechanism, without soiling his hands or clothes.

The base, which is of sturdy construction, is profiled, so that it can be safely used on any road surface.

A couple of aluminium stopblocks, which are included in the supply, prevent the car from moving forward or backward.

A fork-shaped attachment to be used with the jack can be supplied for the various European types of car which can be jacked up under the chassis. In that case it is necessary to state make and model of the car.

Carbo-hydrates From Lichens

Carbo-hydrates have been prepared from Indian lichens by research workers of the Department of Chemistry, Delhi University. By using Indian lichens as the source, they have obtained pure lichenin and iso-lichenin in the form of colourless powders. Both of these yield glucose on acid hydrolysis. It may be noted that several lichens have been used from ancient times as fodder for animals and as food for human beings. In certain parts of India, a type of lichen is commonly used as component of various food preparations. The value of lichen in this respect is due to the presence of considerable quantities of special types of carbo-hydrates, the more important of which are lichenin and iso-lichenin.

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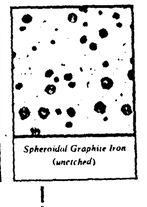

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TWIN AIMS OF INVESTMENT POLICY OF BRITISH INSURERS

SAFETY OF FUNDS AND BENEFIT TO NATION

FROM time to time, many persons, both insurers and others, *not* directly connected with insurance, make the criticism that insurers are prevented from utilising their funds for the cause of industrial expansion as they are compelled by law to invest a large proportion of the funds in Government securities or other securities, shares and debentures approved by Government. There might be some substance in this criticism, considering that the investments of insurers in this country are largely governed by the Insurance Act. In the U.K., where there is no comparable statutory obligation, insurers are nevertheless criticised for being somewhat unmindful of the need for providing risk capital to industries. British insurers have, therefore, been at some pains this year to explain the major objectives of their investment policy, to show that they have not altogether neglected the needs of industry and to restate the fundamental principle of investment of insurance funds, namely, the security of the policyholders' funds.

The first mis-statement about the investment policy of insurance companies that should be cleared is that, since insurers have large funds at their disposal, they could or should make liberal advances to industries. Referring to this view in his statement to shareholders, Mr. W. Proctor Smith of the Refuge Assurance Company, Ltd., said:

"In some quarters, it seems to be thought that, because life assurance offices have money to invest and because certain projects deemed advisable in the quarters concerned require money, the money should be provided by the life offices without further consideration. The first duty of the directors of any life office is the protection of the interests of their policyholders. While they must and do examine objectively with this interest in mind any investment proposition put to them, they must not allow themselves to be influenced merely by the considerations, so often of a purely political character, which sometimes sway persons not bearing their responsibilities. This is not to say that life assurance companies should not invest a proportion of their funds in the 'risk capital' of industry (all companies regularly make such investments) but merely that there is a definite limit to the amount of such new investments which can be made by any office. This limit depends not only on the other investments already made by the office in question, but also on the character of the contracts with policyholders for the fulfilment of which these investments are the security."

Indeed, the primary aim of the investment policy of insurers should be the safety of the policyholder's money. This is a principle which insurers should constantly bear in mind. In this country, there have been some unfortunate instances where insurers have brought disrepute upon themselves and given a severe jolt to public confidence in insurance companies by wrong investment policies. Mr. Proctor Smith emphasised that the life offices were the trustees of the savings of their millions of policyholders and the funds, which they hold, represent the reserves held against "contracts some of which will continue for a very long period of years." He stressed that in investing these funds, the "paramount consideration must be the ultimate benefit of the policyholders who have provided the money to be invested." This point was elaborated by the Hon. R. M. Preston of the London and Lancashire Insurance Company, Ltd., in his statement to the shareholders. Mr. Preston said:

"The overriding aim must always be security of principal, but *this is not to be regarded as* synonymous with a narrow outlook or with an unduly restricted range of investment. On the contrary, insurance carries into the field of investment its underwriting principle of spreading the risk, both as regards the type or class of investment in which funds are employed and the limit of amount which may prudently be put into the issues of any single authority, company or undertaking. These are the prime factors which govern our investing policy."

Next in importance to the security of capital is that of *a high return on* investments. The importance of a high return on capital arises, as Mr. C. H. Shuttleworth, Chairman of the Royal London Mutual Insurance Society, Ltd., pointed out, in the course of his speech at the annual meeting of the Society, from the fact that bonuses to policyholders depend to a substantial extent on earning a high rate of interest on the funds. Thus, security of capital and high return on investments form the "yardstick" by which every investment of a life office must be measured. Mr. Shuttleworth also emphasised that, in the matter of investments of funds, the directors of a life office should regard themselves as *acting in* the "capacity of trustees." He regretted that "many otherwise well-informed" people fail to appreciate this aspect of the problem of investment of insurance funds. He was obviously referring to the criticism that insurers do not provide risk capital to industries. This, of course, is not a valid criticism at all. It is certainly not the function of insurance offices to risk the money which belongs to the policyholders. In this connection, Mr. Shuttleworth observed:

"The provision of 'risk capital' was, in past years, mainly the function of the private investor, who was prepared to risk losing his money to the hope that he would make a profit. Owing to the heavy taxation of the higher income groups, the supply of this private capital is now very much restricted. Life assurance offices can never completely take the place of these private investors, for the taking of undue risks would not be consistent with their duty to conserve the security of the policyholders' savings."

It would, however, be a mistake to think that to invest funds safely is necessarily to ignore the industrial or national interest. Consistent with the main aim of providing for the safety of investments, insurers do take into account the vital needs of really sound industrial concerns. Mr. J. A. Jefferson, Chairman and Managing Director of the Britannic Assurance Company, Ltd., affirmed, in effect, in the course of his speech at the annual meeting of the Company, that "national interest" was not something different from policyholders' interest. He said: "I believe that, by investing in the best interests of the policyholders, which means investing in the best securities and the most efficient industries, we are, at the same time, investing in the national interest."

That British insurers are utilising their funds, without in any way sacrificing the interests of policyholders, to build up British industries as well as to speed up *Commonwealth development* was the theme of the speech made by Mr. L. E. D. Bevan of the National Provident Institution for Mutual Life Assurance. Mr. Bevan said:

"One factor that is *certainly common* to all offices is that, while their first concern is to invest policyholders' funds for the security and benefit of the policyholders, investments are made with the national interest and the Commonwealth economy well in mind. Many examples could be quoted, but it will be sufficient if I mention only a few of our own investments. Development loans in *Dominions* and Colonies are necessary for the proper expansion of natural resources in those countries. By investing there, we play our part in creating new assets in those countries, from which will flow goods or services to aid their economies and to increase international trade. Public services, such as electric power, are being developed in Canada and Jamaica, fresh mineral deposits are being worked in Rhodesia and in South Africa. At home, certain of your funds last year were used for such diverse purposes as the *erection of oil* refineries, the building of new factories, the manufacture of *chemicals*, and the construction of road-making plant. On the one hand, your funds have helped towards building the most modern types of aircraft, which speed the benefits of international communication; on the other, they have aided the *expansion of services which touch* our everyday lives such as the relaying of wireless programmes to hospital wards and factories. Funds have also been made available to British industry to open up factories in other parts of the Commonwealth."

It will thus be clear that British insurers are playing an increasingly important role in the development of the British and Commonwealth economy. The premium income from all classes of insurance has risen from £90 million in 1938 to £500 million today. And the insurers are alive to the fact that they owe it to the policyholders to invest these funds safely, and that they owe it to the nation to aid sound economic development, both at home and in the Commonwealth. It reflects great credit on British insurers that they are able to do this without being told by the Government how the funds should be invested. Speaking at a recent meeting of the Institute of Actuaries, London, the Rt. Hon. Peter Thorneycroft, President of the Board of Trade, stated, in effect, that the Government would leave it to the good sense of the insurers to aid industry. He said: "It is not the policy of the present Government to tell insurance companies how much they should invest in industry, still less, to tell them the particular branches of industry they should select, though I welcome the fact that companies have found it sound policy to increase their equity holdings. I am confident that the importance of maintaining industrial expansion will continue to be in the forefront of your minds." There is no doubt that British insurers have, by and large, justified the confidence reposed in them by their Government.

MOTOR INSURANCE

The general experience of insurers all over the world is that it is difficult to operate motor insurance at a profitable level. Indian insurers, too, complain frequently against the large number of accidents that take place and the heavy cost of repairs to damaged vehicles and the consequent losses or meagre profits in the motor insurance departments. They will no doubt be interested to hear what a successful motor insurer has to say about the way he conducts his business. Thus, the Chairman of the Cornhill Insurance Company, Ltd., London, Sir William Christie, in the course of a statement circulated among the shareholders of the Company, says that the Company has successfully avoided deficits in its motor insurance department. Explaining how the management has been able to establish such a creditable record in their motor insurance department, Sir William says:

"That we have succeeded in avoiding deficits during the post-war period is due mainly to good underwriting, and it is a tribute to the skill and experience of our officials that 1953 shows the best surplus for a long time—on a premium income now exceeding one million pounds. We have not attempted to conduct this account by the application of averages to broad classifications of vehicles. Successful motor underwriting seems to us essentially a matter of individual selection, involving a serious attempt to assess the 'risk' of the drivers of the insured vehicles. Interesting light was shed on this by an internal investigation we carried through recently. We considered some hundreds of accidents where there was serious personal injury to the third party, and the negligence of the driver of the vehicle we insured caused, or substantially contributed to, the accident. We then extracted such information as was available to us about the previous records of the drivers concerned. In about one-third of the cases, we had no evidence of the drivers having been involved in a previous accident within five years, or in that period. In nearly as many cases, however, the drivers had been involved in two or more previous accidents, and a large percentage of these drivers had been convicted of a driving offence on a previous occasion. Our knowledge of drivers' records is necessarily incomplete, and the probability is that fuller information would show that the numbers in the category of drivers with previous accidents would be increased. We are left with a confirmed impression that the proportion of serious accidents caused by drivers who, for one reason or another, and to a greater or less degree, are accident-prone, is by no means negligible, and that, accordingly, our underwriting methods must seek to differentiate between individuals. In considering the social problem of road safety and the authoritative forecast that, if the 1952 casualty rate continues, something like four million persons will be killed and injured on the roads during the next 20 years, it is essential to remember how large a part the human factor plays. Although much may be done by wise public expenditure on improved road engineering and similar projects, the fact remains, that finally it is nearly always the dangerous act of a driver, cyclist, or pedestrian, which precipitates disaster."



THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur, Limited, for the year ended 31st December, 1953.

After providing for all expenses and making necessary provisions, the net Profit of the Bank for the year amounted to Rs. 4,40,353-9-8 to which is to be added Rs. 35,324-7-10 brought forward from last year making a total of Rs. 4,75,678-1-6 available for distribution. The directors recommend its appropriation as under:—

	Rs.	a.	p.
Reserve under Section 17 of the Banking Companies Act	1,00,000	0	0
Other Reserves	1,00,000	0	0
Dividend at 2½ Tax Free	1,50,000	0	0
Provision for Taxes	75,000	0	0
Contribution towards Rajasthan Famine Relief Fund	2,500	0	0

and the balance of Rs. 48,178-1-6 be carried forward to next year's account.

The working of the Bank during the year continued to be satisfactory.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for re-election:—

(1) Shri Ramnath A. Podar. (2) Shri Sunderlal Tholia.

The Directors wish to convey their thanks to the members of the various Local Boards for their guidance, the depositors for their valuable support and the members of the Staff of the Bank for their devoted and efficient services.

Shareholders are requested to appoint Auditors for the ensuing year and fix their remuneration.

For and on behalf of the Board,
RAMNATH A. PODAR,
Chairman.

JAIPUR, 29th March, 1954.

BALANCE SHEET AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
Capital—						
AUTHORISED CAPITAL—						
2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0	2,00,00,000	0	0
ISSUED AND SUBSCRIBED CAPITAL—						
1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0	1,00,00,000	0	0
AMOUNT CALLED-UP at Rs. 50 per Share in cash on 1,00,000 Shares	50,00,000	0	0			
LESS—Calls unpaid	Nil					
	50,00,000	0	0			
ADD—Forfeited shares	Nil			50,00,000	0	0
Reserve Fund and Other Reserves—						
Reserve under Section 17 of the Banking Companies Act	6,00,000	0	0			
Dividend Equalisation Fund	1,00,000	0	0			
Other reserve earmarked for contingency of bad or doubtful debts	8,00,000	0	0	15,00,000	0	0
Deposits and Other Accounts—						
Fixed Deposits	2,24,91,147	4	7			
Savings Bank Deposits	60,37,130	2	8			
Current Accounts, Contingency Accounts, etc.	2,75,44,199	6	5	6,60,72,476	12	8
Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	32,727	7	10			
(ii) Outside India	Nil			32,727	7	10
PARTICULARS—						
(i) Secured by part of Government securities as per contra	32,727	7	10			
(ii) Unsecured	Nil					
Bills Payable				6,13,261	0	7
Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	22,10,327	13	6			
(ii) Payable outside India	13,60,671	1	0	35,70,998	14	6
Other Liabilities				29,06,145	11	4
Acceptances, Endorsements and Other Obligations as per contra				13,55,762	8	0
Profit and Loss Account—						
Profit as per last Balance Sheet	5,20,324	7	10			
LESS—Appropriations—						
Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act	95,000	0	0			
Transfer to Reserve other than under Section 17 of Banking Companies Act	1,40,000	0	0			
	2,35,324	7	10			
LESS—						
Payment of Dividend (Rs. 1,50,000 0 0)						
Provision for Taxes	1,00,000	0	0			
	2,50,000	0	0			
ADD—Profit for this year brought from the Profit and Loss Account	35,324	7	10			
	4,40,353	9	8	4,75,678	1	8
Contingent Liabilities—						
In partly paid shares of Joint Stock Companies	2,500	0	0			
Liability on account of outstanding Forward Exchange Contracts	9,56,856	10	8			
Claims against the Bank not acknowledged as debts	19,22,975	13	10			
Liability on Bills of Exchange re-discounted (of which Rs. 52,827-3-3 have run off)	1,00,972	4	4			
Total			Rs.	8,15,29,050	7	5

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
Cash—						
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)				1,26,63,982	3	11
Balance with other Banks in Current Account—						
(i) In India	20,64,198	14	6			
(ii) Outside India	6,881	4	6	80,73,080	3	0
Money at Call and Short Notice				6,50,000	0	0
Investments (at Book Value)—						
(i) Securities of the Central and State Governments and Other Trustee Securities, including *Treasury Bills* of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing arrangements as per contra: Face value Rs. 2,00,00,000 0 0; Market value Rs. 1,93,94,390 0 0	1,98,97,681	4	0			
(ii) Shares—	Rs.	a.	p.			
(a) Fully paid preference shares	1,44,442	0	9			
(b) Fully paid ordinary shares	7,12,904	0	7			
(c) Partly paid ordinary shares	6,750	0	0			
Market value Rs. 9,72,706 10 0	8,64,096	0	7			
(iii) Debentures or Bonds	2,94,000	0	0			
Market value Rs. 2,84,000 0 0						
(iv) Other Investments (to be classified under proper heads)	Nil					
(v) Gold	Nil			2,10,55,777	4	7
Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(i) Loans, Cash Credits, Overdrafts, etc.—						
(a) In India	2,68,93,955	15	10			
(b) Outside India	Nil					
(ii) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)—						
(a) Payable in India	97,09,923	8	4			
(b) Payable outside India	12,18,741	7	9	3,78,22,620	10	11
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	3,10,10,988	12	9			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	31,41,287	14	2			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	36,70,346	0	0			
(iv) Debts considered doubtful or bad not provided for	Nil			3,78,22,620	10	11
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	37,548	9	9			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies, as members	25,29,251	12	1			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	62,052	12	0			
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in the case of private companies, as members	27,76,623	9	10			
(ix) Due from Banking Companies	20,066	1	0			
Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	22,10,327	13	6			
(ii) Payable outside India	13,60,671	1	0	35,70,998	14	6
Acceptances, Endorsements and Other Obligations per contra				13,55,762	8	0
Premises—						
At cost upto 31st December, 1952	37,258	9	8			
Additions	341	15	0			
	37,600	8	8			
LESS—Depreciation upto 31st December, 1953	5,000	0	0	32,600	8	8
Furniture and Fixtures—						
At book value upto 31st December, 1952	6,46,663	2	0			
Additions and Transfers	25,263	5	8			
	6,71,926	8	8			
LESS—Sales and Transfers	9,782	11	0			
	6,62,143	13	6			
LESS—Depreciation—	Rs.	a.	p.			
Upto 31st December, 1952	2,82,376	3	6			
During the year	45,365	2	4	3,27,741	6	0
Other Assets including Silver—				3,34,402	6	8
Stamps	854	14	0			
Stationery	86,338	8	11			
Advance Payment to Government of India re: Tax	3,98,319	12	0			
Interest accrued	2,09,258	8	7			
Taxation at source	2,77,850	7	0			
Non-Banking Assets Acquired in Satisfaction of Claim				9,69,825	13	6
				Nil		
Profit and Loss				Nil		
Total			Rs.	8,15,29,050	7	5

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
To Interest paid on Deposits, Borrowings, etc.				10,18,063	4	0
,, Salaries, Allowances and Provident Fund—						
(i) General Manager	80,487	8	0			
(ii) Staff	10,06,584	8	8			
				10,86,052	0	8
,, Directors' and Local Committee Members' Fees and Allowances				10,843	4	0
,, Rent, Taxes, Insurance, Lighting, etc.				1,82,041	6	6
,, Law Charges				14,590	4	6
,, Postage, Telegrams and Stamps				62,870	6	8
,, Auditors' Fees				5,550	0	0
,, Depreciation on and Repairs to the Banking Company's Property				83,986	5	1
,, Depreciation on and Repairs to Furniture				37,578	9	11
,, Stationery, Printing and Advertisement, etc.				Nil		
,, Loss from Sale of or Dealing with Non-Banking Assets				22,878	8	4
,, Other Expenditure				4,40,353	9	8
,, Balance of Profit (subject to Taxation)						
Total			Rs.	29,58,598	9	11

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
By Interest and Discount	24,33,733	9	4
,, Commission, Exchange and Brokerage	4,90,770	7	1
,, Rents	Nil		
,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Net Profit on Revaluation of Investment, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
,, Other Receipts	34,094	8	6
Total	29,58,598	9	11

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Jaipur Ltd., as at 31st December, 1953, and also the above Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) the returns received from branch offices of the Bank have been found adequate for the purposes of the audit;
(d) in our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of Profit for the year;
(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and
(g) in our opinion, books of account have been kept by the Bank as required by Section 128 of the Indian Companies Act.

S. D. BILLIMORIA & CO., Chartered Accountants.
K. N. GUTGUTIA & CO., Chartered Accountants.

29th March, 1954.

S. L. KOTHARI, General Manager.
S. B. L. BHARGAVA, Manager, Jaipur.
A. R. SAVOOR, Acting Manager, Bombay.

RAMNATH A. PODAR, Chairman.
KANAI LALL JATIA, Vice-Chairman.
MADAN SINGH,
GANGA SAHAI PUROHIT,
GOKUL LAL MEHTA.
} Directors.

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

(FRENCH BANK)

(Incorporated in France with Limited Liability)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital— Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, Government Securities of the face value of Rs. 20,50,000 included in investments on the opposite side.	Not applicable	
2. Reserve Fund and Other Reserves	Not applicable	
3. Deposits and Other Accounts— Fixed Deposits	76,03,462 12 6	
Saving Bank Deposits	Nil	
Current Accounts, Call Deposits, Contingency Accounts, etc.	2,41,20,671 9 1	
		3,17,24,134 5 7
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil	
(2) Outside India	66,925 13 10	
PARTICULARS— (i) Secured		66,925 13 10
(ii) Unsecured	Nil	
	66,925 13 10	
5. Bills Payable		1,83,523 14 4
6. Bills for Collection Being Bills Receivable as per contra— (i) Payable in India	64,31,201 10 1	
(ii) Payable outside India	19,09,225 2 4	
		83,40,426 12 5
7. Other Liabilities— Branch Adjustments (in India)	25,809 10 1	
Head Office and Balances of Foreign Branches	67,49,836 5 9	
Unexpired Discounts	15,493 12 6	
Pension and Provident Funds	3,80,951 2 7	
		71,71,890 15 1
8. Acceptances, Endorsements and Other Obligations per contra		72,95,809 14 6
9. Profit and Loss— Profit for the year 1953	3,11,482 4 5	
Less—Merged with Head Office and Inter-Branch Balances	3,11,482 4 5	
		Nil
10. Contingent Liabilities— (i) For Bills of Exchange rediscounted, all of which have run off	Rs. a. p. 2,23,843 12 0	
(ii) For Outstanding Forward Exchange Contracts (net)	63,84,432 0 0	
(iii) Guarantees given on behalf of others	22,29,427 14 4	
(iv) On Partly-paid Shares of a Joint Stock Company	8,500 0 0	
(v) Other	90,000 0 0	
Total .. Rs.		5,47,82,711 11 9

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank of India and Imperial Bank of India (including Foreign Currency Notes)		30,12,702 3 9
2. Balances with Other Banks on Current Accounts— (i) In India	1,34,573 15 6	
(ii) Outside India	3,10,507 1 7	
		4,45,081 1 3
3. Money at Call and Short Notice		18,00,000 0 0
4. Investments (at market value)— (i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments	88,17,966 1 6	
(ii) Shares—Partly-paid Shares—unquoted	Written off	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	
		88,17,966 1 6
(Securities of the face value of Rs. 20,50,000 deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949, of Rs. 4,500 as deposit with Post and Telegraph Office, and of Rs. 4,00,000 with Reserve Bank of India as security against guarantees given on behalf of clients to Government Departments)		
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 1,44,87,626 11 10		
(ii) Outside India .. 900 0 0		
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	1,44,88,526 11 10	
(i) Payable in India .. 17,23,017 2 3		
(ii) Payable outside India .. 78,89,294 5 6		
	96,12,311 7 9	
(Particulars of Advances as per attached Schedule)		2,41,00,838 3 7
6. Bills Receivable Being Bills for Collection as per contra— (i) Payable in India	64,31,201 10 1	
(ii) Payable outside India	19,09,225 2 4	
		83,40,426 12 5
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		72,95,809 14 6
8. Premises Less Depreciation (Transferred to Head Office Accounts)		Nil
9. Furniture and Fixtures Less Depreciation		Written off
10. Other Assets— Head Office and balances of or with Foreign Branches	97,897 11 3	
Interest accrued on Investments	49,518 0 0	
Other Interest Receivable	3,811 12 6	
Advance Payment of Income-tax	7,41,846 9 0	
Stamps	4,090 2 0	
Prepaid Expenses and Charges recoverable	66,715 0 1	
Deposits	5,084 4 0	
		9,69,797 6 9
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		5,47,82,711 11 9

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1953

PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	1,97,27,138 0 3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	23,94,026 8 3
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	19,79,673 11 1
(iv) Debts considered doubtful or bad, not provided for	Nil
Total .. Rs.	2,41,00,838 3 7

PARTICULARS	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	14,812 3 11
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
(vii) Maximum total amount of advances including temporary advances, made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	31,372 9 6
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
(ix) Due from Banking Companies	4,01,933 9 0

Dr. **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953** *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc.	3,73,449 12 8	1. By Interest and Discount including from Head Office and Foreign Branches	13,15,536 15 7
2. ,, Salaries and Allowances and Provident and Pension Funds	8,81,713 12 9	2. ,, Commission, Exchange and Brokerage	10,48,210 2 2
(Salaries and Allowances to Manager of Principal Office in India, excluding Bonus Rs. 3,600, Rs. 60,140-6-6)	Nil	3. ,, Rents	79,030 8 0
3. ,, Directors' and Local Committee Members' Fees and Allowances	1,45,558 7 10	4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
4. ,, Rent, Taxes, Insurance, Lighting, etc.	7,62 13 0	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	17,081 14 6
5. ,, Law Charges	34,751 5 2	6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
6. ,, Postage, Telegrams and Stamps	5,400 0 0	7. ,, Other Receipts	3,100 0 0
7. ,, Auditors' Fees	Nil		
8. ,, Depreciation on and Repairs to the Banking Company's Property	54,368 10 0		
9. ,, Stationery, Printing, Advertisement, etc.	Nil		
10. ,, Loss from Sale of or Dealing with Non-Banking Assets			
11. ,, Other Expenditure (including Provision for Income-tax and Head Office Supervision Charges)	3,78,584 8 0		
12. ,, Balance of Profit	3,11,482 4 5		
Total .. Rs.	24,62,971 7 10	Total .. Rs.	24,62,971 7 10

E. FINOT,
Acting Manager for India.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National d'Escompte de Paris, as at 31st December, 1953, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the audited returns of the Calcutta Branch, and report that :—

(a) we have obtained all the information and explanations which we have required ;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches ; and

(d) in our opinion books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 26th April, 1954.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

WHITHER NATIONALISED INDUSTRIES?

PROBLEM OF RECONCILING ENTERPRISE WITH STATE CONTROL

(By M. R. MASANI)

(Last week, we made a brief reference to the thought-provoking speech which Mr. M. R. Masani of the Tata Industries Ltd., made at a symposium on "Nationalised Industries," organised by the Institute of Management, Bangalore. In the text of the speech, which is given below, Mr. Masani has covered a very wide ground, and raised many important issues involved in the running of State undertakings. It is significant that this study, impartial and unprejudiced as it has been, leads him to the conclusion that it is in the national interest that the Government should desist from "further hasty acts of nationalisation."—Ed.)

DURING the last few years, the Government of India and the State Governments have set up a number of important industries as State enterprises. The Sindri Fertiliser Factory, the Chittaranjan Locomotive Works, the Hindustan Machine Tools Factory, the Hindustan Shipyard, the Hindustan Cables, the Indian Telephone Industries, the NEPA Mills, and the multi-purpose river valley projects, like the Damodar Valley Project, the Bhakra Nangal Project, and the Hirakud Project, are prominent examples of these enterprises. The recently formed Airlines Corporation must also be included in the list.

Besides, these new State enterprises, the Government of India has been managing the Railways and the Posts and Telegraphs, and States like Hyderabad and Mysore have been managing a few industries producing commodities like sugar and steel. The Hindustan Aircraft Limited was taken over by the Government of India from private management in 1942 and was converted into a limited company at the end of the year.

From the point of view of management, the existing State enterprises can, broadly speaking, be classified under three categories, namely, (a) enterprises owned and managed by the Government Departments, (b) enterprises owned and managed by public corporations, and (c) enterprises owned by the Government wholly or in partnership with private agencies and managed as private limited companies.

Apart from the Railways and the Posts and Telegraphs, an important instance of a State enterprise managed by a Government department is the Chittaranjan Locomotive Works. The general trend, however, as far as one is able to make out, is towards the management of State enterprises either through public corporations or through private limited companies. The Airlines, the Damodar Valley Project and Shipping are run by public corporations, while most of the industrial enterprises proper are run by private limited companies. The management of public corporations has to be carried out according to the specific provisions of the Acts establishing the corporations while the management of private limited companies is subject only to the provisions of the Indian Companies Act which also regulates the management of industries under private enterprise. "It is a form of management combining what is best in business with what is best in public service for the attainment of the public good." This is from a report on the work of the Ministry of Production published by the Government itself.

Lack of Adequate Information

It is too early to say how State enterprises in general are doing. Most of the public corporations and private limited companies have been established during the last few years and quite a number of them have not yet commenced operation. The greatest difficulty, however, in attempting any assessment is the lack of adequate information on the working of these enterprises. In fact, one of the objections which is being increasingly voiced against public corporations and private limited companies is that the community, the owner of these enterprises in the last resort, gets very little information on their working.

Some information is available regarding the working of the Damodar Valley Corporation which shows that the Statute which created the Corporation was faulty in several respects, and as a result the freedom of action of the Corporation appears to have been severely curtailed. Besides, owing to constant friction between the Ministry concerned and the Members of the Board, the working of the Corporation has been greatly handicapped. From the experience of the D.V.C. it is possible to discover some of the pitfalls in the working of a public corporation, but it is difficult as yet to say whether and how far they are unavoidable. The *Hindustan Times* wrote on 12th April, 1954:

"The Ministry of Production has now under its care eight manufacturing enterprises. Of them the housing factory has clearly not been much of a success. Two of the more important undertakings—the steel and machine tool factories—are not yet in production and in both cases there have been prolonged delays in the taking of initial decisions and the clearance of preliminaries. The steel scheme in fact got its first effective start only late last year when an agreement with the German consultants was signed. The machine tools venture, after struggling through many infructuous starting dates, is now expected to go into production by the middle of this year. The penicillin and D.D.T. factories are still in the construction stage, while the scheme for the manufacture of cables is slightly more advanced. The two important State undertakings which are already in effective operation are the shipyard at Vizag and the fertiliser factory at Sindri. Of the two, the former was taken over from private enterprise as a going concern, while the latter's planning and construction dates back to a period before the Five-year Plan was thought of.

It will already be obvious from the rather sketchy and tentative survey of the existing position which has been attempted that we are discussing this matter in the absence of adequate information and perhaps, at too early a stage, in the history of State enterprises in this country to be able to arrive at a sound evaluation of the direction in which these State enterprises are proceeding. Even if this were not so, I for one would not feel qualified to sit in judgment on the progress made by these enterprises or on their strong and weak points and to forecast their likely development. Rather than attempt such a personal assessment which in any event would not be worth very much, I would prefer to raise certain issues in regard to the future development of State enterprises and to indicate what in my view might be sound principles, by which they should be guided.

Functions of State Enterprises

What are the proper functions and objectives of a State enterprise in the "mixed economy" in which it today functions in India? Obviously, the first obligation of such an enterprise would be—consistently with its responsibilities to the tax-payer to run its affairs in a business-like way—to serve the consumer by providing for the manufacture of the best quality of goods and making them available at the cheapest possible price. While this may be obvious, it is yet necessary to stress this primary obligation since, in certain countries such as Soviet Russia where nationalisation has been the order of the day, this primary function has been altogether overlooked.

A second objective must surely be that of giving a fair deal to labour employed in the establishment. This can be implemented in a variety of ways but among these must inevitably be the provision of a fair wage and decent conditions of employment alongside of the maintenance of joint consultation and free and unfettered collective bargaining. State enterprises have unrivalled opportunities to become pioneers in the fostering of all that is sound in the notion of "industrial democracy" since in their case co-operation between management and workers need not be impeded by the supposed "profit motive" of the management. As it happens, however, it is open to question whether any State enterprise has gone nearly so far towards attaining this supposedly specific advantage of public ownership as the best private firms.

Thirdly, a State enterprise is a national trust and has the additional obligation of serving the national interest in the broadest sense of the term. So long as we function in a "mixed economy" and judge the merits of different forms of industrial organisation pragmatically on a basis of taking each case on its merits and being guided by the experience achieved, an important function of existing State enterprises in India is to make the experience of the effort available to the public so that public opinion may be enlightened and guided in the choice it exercises in the years to come. Such experience can obviously not be made available unless the manner in which a State enterprise is run is such as to provide a fair basis of comparison with units in that industry which may be run by free enterprise.

What is the form of structure which will best permit a State enterprise to-perform the functions and further the objectives outlined above? In attempting an answer there are, in my view, two overweening considerations to be kept in mind. The first is the imperative necessity of maintaining that business efficiency and flexibility without which the very purpose for which such an enterprise is founded, namely, the manufacture and supply of goods at the cheapest possible prices, would be frustrated. I suppose it is generally agreed that the last thing that anyone in charge of a business enterprise can wish is that it should become the sport of politicians. So too, there will be agreement that the virtues required in a civil servant and those required to run industries are by no means identical

The second consideration is the maintenance of democratic control permitting the community—the real owner of the enterprise—to exercise an intelligent and effective control through democratic processes and to prevent it from becoming a close preserve of the prototypes of the "managerial revolution."

Structure of Control and Management

While there is general agreement on the validity of these two considerations, there is room for considerable difference of opinion as to the way in which these two aims can be reconciled. In other words, the problem is whether it is possible to devise a structure of control and management of a State enterprise which will permit of such reconciliation. It is by this yardstick that I suggest that we measure the virtues and merits of the various possible forms which a State enterprise might take.

So far, as we saw earlier, one of three alternatives has been adopted for the corporate structure of a Government undertaking in India. The first is to run it as a department of the Government under the direct control of the appropriate Ministry. I suppose it will be agreed that this is no way to run a business or an industrial enterprise. The direct departmental control under which All India Radio, the State broadcasting monopoly, is at present run has been the subject of widespread and legitimate criticism and there can be no question that an autonomous body on the lines of the British Broadcasting Corporation provides a more suitable model for the running of even such a public utility service.

There remain two main variants—a joint stock company under the Indian Companies Act or a Statutory Corporation established by an Act of Parliament. Most of the State enterprises today fall under one or other of these categories and a lot can undoubtedly be urged in favour of or against each.

Each of these forms, it is obvious, has its own advantages and disadvantages. The statutory corporation, which is popular in Britain, has the important advantage that the law under which it operates can be tailor-made to fit the exact requirements and circumstances of a particular process. On the other hand, this very circumstance brings with it certain disadvantages which may well outweigh the advantages. Since a statute can only be amended by an Act of Parliament, the constitution of a statutory corporation is necessarily rigid. It is only too likely that the enterprise may soon grow out of its statutory framework.

The strength of the joint stock company, which is more common in the countries of Europe, is that it is managed entirely on commercial lines, adopts commercial forms of accounting, and is operated, financed, taxed and audited in the same way as a company in the private sector. "The more Parliament debates the problems of its own control over the nationalised industries," writes the *Financial Times*, "the better adapted the company system seems to the administration of modern industry on a large scale. In the public company, a device has been hit on which gives the management the necessary freedom to act, while at the same time providing just the right amount of check on efficiency. . . . In the Public Board, on the other hand . . . Parliament seems to have invented something which even its supporters now feel to be neither fish, flesh, nor good red herring."

By and large, there appears to be a great deal to be said in favour of adopting the joint stock company as the normal structure for an industrial enterprise owned and managed by the State. It has been urged that such companies, in which the President of the Republic is the only shareholder, do not provide for responsi-

bility and accountability to Parliament and the public. There is undoubtedly some force in that objection. It should be possible, however, to supply this missing link by parliamentary conventions and administrative measures. What is essential is that the annual report and the balance-sheet should become available to Parliament and through it to the public who are the real shareholders of such companies.

In cases where it is found that the joint stock company would not be able to fulfil its obligations to the people or to Parliament without special provisions which do not exist in the Companies Act, the formula of a statutory corporation would be worth considering. A great deal can be learnt by a detailed study of the several public corporations formed in the U.K. in connection with air, rail and road transport, broadcasting, coal and gas.

The Problem of Parliamentary Control

Whether the form of the public corporation or the joint stock company is adopted, the relations that are established between the State enterprises and the political system that controls them on behalf of the nation will decisively influence the well-being of the community and the success of State enterprise in the future. "How are these enterprises," it has been asked, "to be guaranteed the vitality, spontaneity and sense of service to the consumer which have hitherto been the marks and tests of efficient private enterprise guided under competitive conditions by the 'profit motive'?" On the other hand, since the mere fact that an industry becomes a public concern in one sense converts into a public concern in a quite different sense, how is the State enterprise to be made accountable to Parliament in an effective manner?

In the U.K., the Labour Government was inclined to the view that a full-scale inquest into each of the nationalised industries every seven years would serve the purpose. Shortly after taking office, the present Government, however, found the situation so unsatisfactory that it appointed a select committee to examine the question. This committee recommended that a new standing committee of the House of Commons consisting of 21 members should be set up at the beginning of each session to undertake the task of providing Parliament with the information it needs about the aims, activities and problems of the nationalised industries but not of controlling their work. It was recommended that the Committee's staff should include an officer of the status of a Controller or Auditor General who would examine the reports and accounts of the nationalised industries in order to direct the attention of the standing committee to matters requiring examination.

When the report was discussed in Parliament, it was found that, while front-benchers belonging to all parties were against parliamentary interference, back-benchers on both sides were for a certain measure of direct control of Parliament. The report met with strong dissent. Mr. Herbert Morrison, a veteran parliamentarian, said he "would die for Parliament," but was apprehensive about the kind of scrutiny proposed, which would tend to develop in the business men running publicly-owned industry a "red-tapish, unadventurous and conventionally civil service frame of mind", which may be all right in Government departments but is wrong in public corporations." Lord Reith expressed similar apprehensions and thought the prospect was "terrifying." Sir Geoffrey Heyworth provided a comment from the point of view of a business man helping the running of a State enterprise: "The more I felt some one was looking over my shoulder all the time and was going to examine these things at any time later, the less I would be inclined to take a decision and the less decisive I would become—and pretty well certainly the less would be the results." In the end, while there was general understanding of the fact that the compliment of the State corporation's responsibility to Parliament must be a self-denying ordinance on the part of Parliament in the exercise of its authority, the House of Commons had to adjourn its discussion on the subject without being able to arrive at a decision.

In our own country, this problem is coming to the fore. There was an interesting discussion in the Council of States on 18th September, 1953, when Mr. K. C. Reddy, Minister for Production, replying to Mr. B. C. Ghose of the Praja-Socialist Party, said: "There is no doubt that Parliament should be given full information regarding the activities and policies of Government undertakings. It would not be appropriate, however, for the Minister to answer questions on matters which completely fall within the competence of the Board of Directors." While the Minister's answer is reasonable enough, it is obvious that the difficult problem of reconciling the two parts of his own statement still remains to be tackled.

A later discussion in Parliament brought forth a statement from Mr. Chintaman Deshmukh in the House of the People on 10th December, 1953. The hurried setting up of a Parliamentary committee to control public corporations on lines recommended by the Select Committee in the U.K. was described by the Finance Minister as "throwing the baby out with the bath-water." He gave the assurance, however, that the budgets of the State enterprises could be made available to the House. That could be done by giving executive instructions to these bodies and the House would have an opportunity to scrutinise them either during the Budget debate or by raising special discussions. "It is in our thoughts," said Mr. Deshmukh, "that at the appropriate moment either we might come forward with legislation authorising the setting up of State corporations for carrying on business or industry by the Government or alternately we might introduce in the Company Bill, which is before the House, a separate chapter in regard to companies which are owned either wholly or predominantly by the State. . . . A certain amount of balance has to be struck between the desirability of ensuring that public funds are well spent and the desirability of eliminating red-tape." All of which shows that we too have come up against the same snags that have brought the process of nationalisation in the U.K. to a standstill.

Solution to the Problem

The question arises whether with the best will in the world there is a solution to this problem. Is it not possible that the irreconcilable nature of political control with business efficiency and fluidity is inherent in the situation and that whatever efforts may be made they are doomed to failure? Thus, writing about the attempts to give autonomy to State enterprises, Mr. A. D. Gorwalla, an experienced administrator and an outstanding commentator, wrote in the *Statesman* of 19th June, 1953:

"The independence is illusory and, whatever the outer appearance, essentially there would seem to be no difference between this arrangement (corporations) and management by a department of Government or by a committee of secretaries and other Government officials under a department of Government, assisted in both cases by an advisory council consisting of non-official members. The flexibility and business aptitude which the corporation form is designed to conserve are most unlikely to be really operative in such an arrangement. Interference by the Government in day-to-day working will be inevitable and the corporations are hardly likely to be left alone to do their work."

It is perhaps considerations such as these that impelled Dr. John Matthai, Chairman of the Taxation Enquiry Commission, speaking in Bombay on 21st September, 1953, while criticising the absence of parliamentary control over the officials who have been put in charge of State-owned companies, to come to the conclusion that "where a business calls for energy, drive, enterprise and specialised management, the proper solution is not to shelter officialdom from parliamentary scrutiny, but to leave such business in the hands of private enterprises subject to the general control of Government."

An escape is probably to be found not in legal demarcations of the sphere of authority of the Minister and the State enterprise but in recognising that these demarcations are not sufficient safeguard of the public interest and that other checks and balances will have to be evolved for the purpose of fortifying the structure of State enterprise. "Having neither a carrot before it nor a stick behind it, is it not likely," it has been asked, "that the monopolist public corporation will just go to sleep, or at least fall into a leisured jog-trot?"

Checks and Balances

The system of checks and balances suggested may consist of three sets of machinery. Advisory bodies to hear and marshal consumers' complaints are the first requirement. In Britain, all the recent nationalisation measures establish such bodies which would provide the means of organising consumers' pressure on the enterprise. Secondly, there should be a system of quasi-judicial tribunals—statutory bodies independent of the political authority with power to ratify or reject scales of prices or charges and to review the quality of goods or services produced, operating according to principles defined by the Government and open to discussion in Parliament. The Railway Rates Tribunal, which now survives in Britain as the Transport Tribunal, is an example.

Thirdly, there would be need for any agency, independent of the State enterprise and the Government alike, to conduct a periodical "efficiency audit" of the undertaking. In the absence of economic competition, this is a vital means of keeping the State enterprise on its toes and of satisfying the public just as the Tribunal referred to earlier is a guarantee to the consumer of protection against the arbitrary behaviour of a monopoly. This would require the creation of an independent and specialised body which would apply standards of efficiency appropriate to the particular undertaking. Some would be technical, some financial or statistical and some pragmatic. It could compare the corporation's performance with its own past performance and that of other comparable undertakings in private hands. It may be mentioned that advisory bodies provide no substitute for quasi-judicial tribunals standing outside the political system.

Equality of Opportunity

Whether the State enterprise be given the shape of a joint stock company or a public corporation and whatever the other machinery set up, the extent to which two fundamental considerations are given weight in actual operation will determine to a large extent the future success or failure of State enterprise. One is the need for the fullest autonomy from interference by the bureaucracy and by the politicians in office. This point is now well appreciated and need not be laboured.

The other need is for a policy of non-discrimination as between a State enterprise and units operating under free enterprise. It is difficult to stress the importance of this principle sufficiently. For one thing, if the mixed economy—with public and private sectors both functioning in the national interest—has any meaning, it would be wrong to discriminate between units functioning in one or other sector. It is not, however, only a desire for fairplay to non-State units that determines this principle. The overriding national interest is equally affected. Unless there are equal opportunities and facilities for free competition with equal taxation, how can there be any basis for comparison to be drawn between the efficiency and utility of State enterprise on the one hand and free enterprise on the other?

The very basis of the mixed economy is a pragmatic approach to the question of whether or not a particular product is best produced under free or State enterprise. The experience that can be obtained through free and equal competition is an essential element in enabling public opinion and Government to decide such issues as they arise from time to time. If differential prices or rates were to be permitted or a State unit were to be exempt from tax in circumstances where a free enterprise unit did not enjoy similar concessions, it would be a discriminatory act striking at the very root of the mixed economy and showing a bias that would vitiate the whole experiment embodied in India's Five-year Plan.

A situation in which the application of this principle would become relevant is where two or more units exist in a particular industry, including some run by the State and some by free enterprise. When there is need for expansion of production, what principle should decide whether a State or a private unit should be given permission to expand? The only answer can be that this should be done on a pragmatic basis of deciding which will give the best and most productive returns. It may be asked whether, when the State itself is thus involved, one may expect an objective appraisal to be made by Government. The solution obviously would be to provide for the matter being decided by some such authority as the Tariff Commission or by a body of a quasi-judicial nature.

Problems of Management

One of the sad discoveries made by British trade unionists and other advocates of nationalisation in the U.K. and by Yugoslav communists in recent years has been that nationalisation solves no problems of management, all of which still remains to bedevil the new controllers of the enterprise. A problem on the correct solution of which a great deal depends is the proper staffing of the board of directors or governors and of the chief executive in charge of the day-to-day administration of State enterprises.

Since the board of directors or governors represent the owner of the concern, they should naturally be nominated by the Government. In the case of a joint stock company under the Indian Companies Act, the procedure for election of directors is simple and well known. The

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real difficulty lies, however, in the selection of appropriate personnel to serve on such boards. In Britain, some, though not all of the members, including the chairman, of the boards of statutory corporations are usually appointed on a wholetime paid basis. Such a course may not be possible in the case of a country like India where there is a great dearth of experienced business administrators willing to leave their own business and join a State corporation as paid directors. It would therefore be desirable that, apart from the managing director who might be a full-time executive, the Board should consist of others with experience in business, industry or public administration who would only have to attend board meetings. Alongside of this, there would be representatives of appropriate ministries or departments of the Government.

It has been alleged that recently the boards of State enterprises are being loaded more and more heavily with Government officials who are in no way specially qualified to be in charge of the affairs of an industrial unit, and who must of necessity function under the orders of the Government. If this is so, it is a tendency to be deprecated in the interest of State enterprises themselves. The best model that can be found is that provided by the Reserve Bank of India where, apart from the Governor, Deputy Governors and another official, the large majority of the Directors are non-officials and of these again, a majority consists of business and industrial representatives. Why should this model not be adopted or adapted in other State enterprises?

The shortage of trained and experienced personnel is even more noticeable when it comes to the appointment of chief executives of State enterprises possessing the necessary competence, integrity and experience appropriate to the functions of responsible management. In this context, we in this country will have to reconcile ourselves for many years to the need for employing foreign experts in responsible executive posts which cannot be filled from within the country. An alternative may sometimes be provided by the method of associating an existing unit in industry with the management of a new State-owned enterprise.

Both in the U.S.A. and in the U.K., during the last war, the expedient of entrusting the management of a State-owned factory to free enterprise for a period was resorted to with considerable success. It might be worth while to obtain from those countries details of such arrangement with a view to considering whether it would not be useful to enlist the co-operation of free enterprises in India in a similar manner. Here again, a joint stock company provides a form which would best permit of an arrangement of this nature, since it leaves open the details of management to the board of directors, unlike the statutory corporation where provisions for management are apt to be laid down in detail in the statute. In the case of joint stock companies, however, it is possible to appoint an existing industrial concern as managers or secretaries and treasurers to provide the top administrative machinery.

It is possible that legal difficulties might come in the way of the management of a new concern, both administrative and technical, being entrusted to an existing manufacturing company. Section 87H of the Indian Companies Act prevents a company engaged in a particular business from taking over a managing agency of another company engaged in the same business if it is directly competitive. Since the kind of possibility discussed here was obviously not contemplated when the Companies Act was framed, it may be worth considering whether the Act should not be amended so as to exempt such cases as we are here concerned with from the purview of section 87H.

It is obvious that such an arrangement would serve little purpose if it was not for a period long enough to make it worthwhile for the firm or company concerned to undertake the effort and responsibility involved in establishing a new industry. Perhaps, 20 years, which is the usual period for managing agency agreements, would be appropriate.

There are alternative ways in which the remuneration of such a firm or concern could be effected. A commission on profits would be unsuitable as a basis for remuneration in the conduct of State-owned enterprises since the managing firm would have little control over policy and prices. In general, the payment of a fixed annual or monthly fee commensurate with the importance and responsibility of the business supplemented by an additional commission to provide an incentive for increased output or efficiency could be recommended.

Conclusions

What are the conclusions to which this somewhat sketchy review brings us? There can be no doubt that in Britain where the experiment has had a longer life there has been general dissatisfaction with the results of nationalisation. The British T.U.C. has already shown

(Continued on page 915)

THIS IS NOT A PROSPECTUS BUT ONLY AN ANNOUNCEMENT

A copy of this Prospectus has been filed for registration with the Registrar of Companies, Bombay, as required by section 92 (2) of the Indian Companies Act of 1913

"Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Head Office of the Company. It must be distinctly understood that in giving the consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them."

The special feature of this Company is that it is the only Company that is engaged in carrying out diamond mining operations on up-to-date and modern mechanised basis. Furthermore, extensive geological tests and prospecting work which in the normal course should cost the Company initially lakhs of rupees have already been done over a period of three years by the private limited company, thus saving a huge amount of initial unproductive capital outlay. The new Company has taken over a going concern with potentialities and possibilities tried and established. Extensive mining operations at Panna are already in progress.

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The shares are offered for public subscription on the footing that for Ordinary share Rs. 25 (Rupees twenty-five) only per share and for Preference Shares Rs. 100 (Rupees one hundred) only per share shall be payable on application.

Out of the 2,00,000 Ordinary Shares, shares of the value of Rs. 20,36,000 have been taken up and allotted to the existing shareholders of the Panna Diamond Mining Syndicate Ltd. (Private) in lieu of their old shares, at par. Applications for Ordinary Shares are invited in units of four shares or multiples of four.

LIST OF DIRECTORS

(1) His Highness Col. YESHWANTRAO BHAUSAHEB MAHARAJ PAWAR, Maharaja of Dewas, Junior Branch].
(2) Bahadur C. B. TARAPORVALA, Financial Adviser to H.E.H. the Nizam of Hyderabad and Berar.
(3) M. G. KULKARNI, Bombay.
(4) Shri M. B. REGE, Indore.
(5) Shri RAMRAO M. DESHMUKH, M.P., Amraoti.
(6) Shri RANGARAO J. SAWANT, Bombay.
(7) Shri SHAMJI KARAMSI, Bombay.
(8) Shri BHANJI MONJI SHAH, Jabalpore.

MANAGING AGENTS:

Messrs. M. G. KULKARNI, People's Building, Sir P. Mehta Road, Bombay 1.

BANKERS:

IMPERIAL BANK OF INDIA, Bombay.
CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA, Bombay.
BANK OF BIKANER LTD., Bombay and Panna.
BANK OF MAHARASHTRA LTD., Bombay.

SOLICITORS:

Messrs. NANDLAL PATWARI & Co., Medows House, Medows Street, Bombay 1.

AUDITORS:

Messrs. DALAL AND SHAH, Apollo Street, Bombay 1.

REGISTERED OFFICE:

PEOPLE'S BUILDING, SIR P. MEHTA ROAD, BOMBAY 1.

I. OBJECTS

The Company is converted from a Private Limited Company to a Public Limited one for the purposes set out in the amended Articles of Association and Memorandum of the Company, and in particular, to carry out the following business:

1. To expand the existing mining operations at Panna by the most up-to-date and modern machinery; to attain, gradually, milling capacity of 10,000 tons per day.
2. To acquire all-India rights for the mining of other diamond fields in India, namely Golkonda and areas of Madras, Andhra and Hyderabad States. Certificates of Approval for these areas have been obtained and prospecting licence is being applied for.
3. To start subsidiary industries involving the use of diamond—gem and industrial—like Diamond Cutting and Polishing and Diamond Tool Manufacturing, for which a large market exists in India. Bismond Tools used in the manufacture of all the precision tools and heavy industrial equipment are being imported from foreign countries of the value of approximately Rs. 30 lakhs annually and by starting an industry for manufacturing these diamond tools, the produce of the Company will find a ready market.
4. To undertake mining of other profitable minerals.

II. SHORT HISTORY

The Panna Diamond Mines are situated in the centre of India in Vindhya Pradesh. The entire territory has been prospected and tested in regard to the quality and quantity of the diamondiferous ore and the diamond deposits. Scientific investigations have satisfied the promoters of the Company of the potentialities.

The Panna Diamond Mining Syndicate Ltd. was established in 1936 as a Private Limited Company. The Company has so far spent Rs. 15,36,000 on prospecting and development work of the Panna Mines and the results achieved have been good. This was because of the wide experience and sound knowledge of the modern methods of mining operations possessed by the experts employed, by the Company in the operational field.

Shri M. G. Kulkarni, the Managing Agent of the concern, has himself firsthand knowledge and experience of working in the African mines and since he took over the direction and control of this organisation in 1950, results have been so encouraging that the promotors have taken a more farsighted and long-range view of the diamond mining industry as such.

Extensive prospecting has proved that there are twenty-two mining blocks in this area to be fully exploited. Of these, the Majgawan Mines definitely is one of the main sources of Diamond.

Hitherto a large part of the income from the operations had been ploughed back into the business for development purposes but experience has shown that this method of financing a planned expansion and development programme is uneconomical, and even underproductive. Therefore, it is necessary to have much larger resources at the disposal of the Company, so that the programme of planned development and expansion during the next four years can go ahead, according to schedule, without having to depend upon the uncertain factor of operational surpluses. The proposed Five-year Plan will cost nearly Rs. 50 to Rs. 60 lakhs. The target is to complete the programme of full mechanisation before the end of 1958.

III. PRINCIPAL FEATURES

1. The present mining lease of the Company is for a period of fifteen years, covering an aggregate area of ten square miles.
2. The whole area is within easy reach of the present operational set-up which is now being expanded to keep pace with the expansion programme.
3. The estimated ore reserve according to geological experts is expected to last for a long period.
4. The average yield is expected to be ten carts of 100 tons of ore treated.
5. The average value of diamond will be Rs. 150 per carat.
6. In India experience has shown that the recovery of gem diamonds is more than that of industrial diamonds as compared to other mines of this kind abroad.
7. The intrinsic value of gem diamonds is much more than that of industrial diamonds.

IV. PROSPECTS

Diamond Mining, as an organised industry, had not been tried in India on any scientific and mechanised basis. Whatever mining activities there have been, were of a primitive and sporadic character, confined to local digger's handpicking of a few stones immediately after the rains.

The Panna Diamond Mining Syndicate Ltd. is the first enterprise that attempted on a limited scale to organise diamond-mining operations on a mechanised basis. Even those limited mechanised operations were started as recently as 1950. With the arrival in 1950 on the scene of Shri M. G. Kulkarni, with experience in modern methods of mining operations, geological surveying and prospecting the whole area were undertaken. Eminent Indian and foreign experts, who participated in these prospecting activities, have firmly confirmed the potentialities of these Mines.

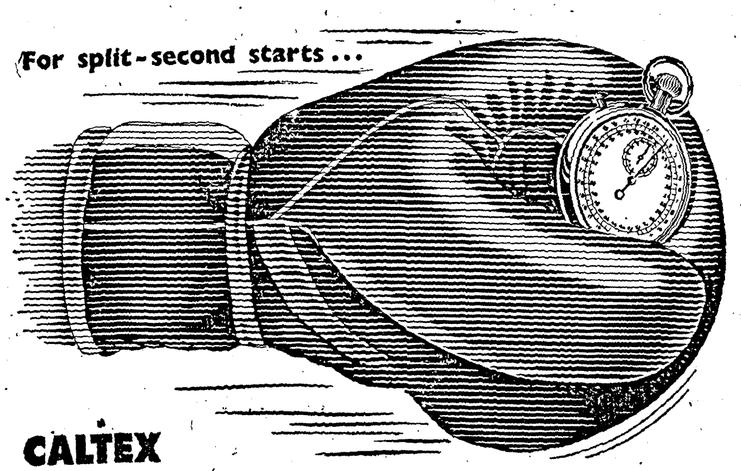
The Panna Diamond Mining Syndicate Ltd. though handicapped by the limited capital resources available to them, have been able, by systematic prospecting, to locate twenty-two diamond-bearing blocks. They have been luckily successful in striking the almost perennial source of diamonds, the Majgawan Pipe, which, according to expert opinion, may produce crores of rupees worth of the coveted treasure.

The limited resources of a private limited company were considered too inadequate for large-scale mining operations and, therefore, the Directors of the Company have decided to seek public co-operation and support by widening the basis and ownership of the Company with the association of a large body of the public in this vital undertaking.

In pursuance of this policy of broad-basing the ownership of this undertaking, the Directors have converted it into a public limited company with authorised capital of Rs. 1,00,00,000.

An undertaking of this scope, character and dimensions has normally to start almost from scratch but in this case, there is a ready-made organisation, already having done a great amount of valuable research and prospecting work.

Full particulars and form of application may be obtained from the Registered Office of the Company or its Bankers. Those who wish to take up the agency for sale of shares should apply immediately.



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REFORM OF COMPANY LAW—II

PROXIES—DIRECTORS' REPORT—AUDITORS —DIRECTORS' POWERS

(By A. RAMAIYA, Advocate, Madura)

IN actual practice, the only use to which proxies are ordinarily put is to make them serve as an effective weapon in the hands of the management to silence and put down any diligent shareholders who choose to attend any general meeting in person and try to raise their heads and voice any grievance against bad management. The real evil underlying proxies consists in the procuring of blank proxy forms by the management signed by shareholders and keeping them as pocket bombs ready to be thrown against any opposition at shareholders' meetings. The Company Law Committee made no attempt in its Report to deal with the misuse of proxies and the present Bill simply translates the Committee's suggestions into statutory form and goes no further.

Though it is difficult for legislation to make adequate provision against the misuse of proxies, it appears to me that, for guaranteeing the genuineness of proxies, a provision should be inserted to the effect that every proxy lodged with the company should be dated and authenticated in the same manner as affidavits. This may prove an effective check against the present practice of obtaining undated blank proxy forms bearing the signatures of the shareholders. Section 167(5) may be amended by adding to clause (a) "and dated" after the word "writing" and inserting as clause (c) "and attested by witness giving his full name and address and the place where he attested the same."

Section 167(7)—Inspection of Proxies: The provision here is defective. It is provided that proxies may be inspected "during the period beginning 24 hours before the commencement of the meeting. . . ." If the meeting is fixed at 5 p.m. on a day, inspection can be made only for a few hours before the meeting. Though the expression "twenty-four hours" is used, not more than a few hours will in practice be made available. The words "twenty-four" may be replaced by "forty-eight." This will not inconvenience the company in any way, as the proxies would have been lodged prior thereto.

Section 202—Directors' Report: Directors and managing agents are in a specially advantageous position as regards the dealings in the shares of the company under their charge. They use inside information for the purpose of acquiring or disposing of shares to their own private advantage. Sometimes by "rigging," sometimes by "churning" the market for the shares of the companies under their charge, they manipulate the market value of such shares to their own advantage and amass large private fortunes for themselves. The examples are legion in South India of the managing agents of textile mills with puppet directorate under their control and by planned deals declare far lower dividends than the profits of the companies under their management would warrant, thereby depressing the market value of the shares and acquiring and accumulating in their own hands and the hands of their nominees and relatives the bulk of the shares of the companies under their control.

The shareholders are kept in the dark as to the operations of the managing agents and the directors in respect of the latters' dealings in the shares of the company.

It is absolutely necessary that shareholders should be put in the know of the dealings in shares by the managing agents and the directors during any year and the directors' report for the year must be made to disclose and certify the truth or correctness of the extent of the sales and purchases of the company's shares by the managing agents and the directors during the year under review.

In this connection, the proviso of section 283 are not effective enough. Sub-section (5) of that section unduly restricts the right of members to inspect the register of directors' shareholdings for a period of 14 days before the annual general meeting. A specific mention in the directors' report of the actual dealings of the directors and managing agents during the financial year under review would bring home the position to the minds of the shareholders. Even though there is room for evasion by buying and selling in the names of nominees, information as to their direct dealings has its own value.

Section 210—Appointment and Removal of Auditors: Shareholders are given no right to look into the proceedings of the directors or the books of account of the company in which they have invested their moneys, except to the extent disclosed in the balance-sheet and profit and loss account. Auditors are watch-dogs of shareholders and their duty is to bring to the notice of the general body any irregularity in the management of the company's affairs and, though, in theory, they are supposed to be elected by the shareholders at the annual general meeting, in practice they are almost invariably the nominees of the management and, when they indicate the slightest inclination to assert themselves and choose to say anything about the management in their report, they stand to lose their job. This embarrassing position of the auditors has time and again been pointed out by various associations of accountants in England and other countries, but no satisfactory solution has been found so far. In such a state of affairs, even the small right of the general body to elect such auditors as they may choose at the annual general meeting is sought to be taken away by the restrictions imposed by this section. While the retiring auditor may be free to make his own representations at the meeting, the shareholders must have the right to elect an auditor of their own choice.

The section may be redrafted as follows:

1. "Every auditor, except the first auditor, who shall hold office until the first annual general meeting, shall be elected by the company in general meeting, and he shall ordinarily hold office for three years, unless the company at any general meeting otherwise decides, and shall be eligible for re-election.

2. "An auditor who is about to retire or who is sought to be removed may be present at the meeting and make any representation touching his reappointment or removal.

3. "Any auditor other than a retiring auditor intending to be appointed as auditor of a company at any general meeting shall give notice of such intention to the company, not less than fourteen days before the date of the meeting at which the appointment is to take place."

In order to make effective provision against bad management and its being screened by a subservient audit, it is also very necessary to add a new section as follows, after section 210:

"Where, in the interests of any company, the Central Government thinks it expedient, it may appoint an auditor additional to the one appointed by the company, having the same powers and exercising the same functions as the other auditor; and his remuneration shall be paid by the company, or by such person as the Central Government may determine."

Section 214—Signing of Audit Report, etc.: In very many cases, while a company ostensibly appoints a well-known auditing firm as its auditor, in reality the auditing is done by some subordinates, and the shareholders are hoodwinked into believing that the affairs of their company have been audited by a reputed firm. There is no guarantee of efficient and honest audit in several cases. In view of the fact that the shareholders have themselves no access to the accounts and have to rely only on the auditor's scrutiny and report, it is necessary that only the auditor who actually made the audit should sign the report, etc., and he should also be required to attend the annual general meeting in which the balance-sheet and profit and loss account to which his report is attached are laid before the company. A statutory obligation to be present at the meeting and answer questions put to him at the time touching any of the matters covered by his audit will go a long way towards ensuring an honest audit. In actual practice, auditing in the case of many companies is superficial. What happens is that the actual audit is done by one or more clerks of the auditor and they make notes and prepare the balance-sheet and profit and loss account and the auditor scrutinises them and subscribes his signature almost invariably to a stereotyped report, which he attaches to the balance-sheet. If he is compelled to attend the annual general meeting at which the balance-sheet and profit and loss account are laid, he can certainly be expected to be more careful in his audit.

Section 248—Share Qualification of Directors: One of the ways in which the managing agent gains or retains control of the company under his management is to get his own nominees elected as directors. From out of his own accumulations, he transfers the necessary number of qualification shares to such of his men as he wants to bring in as directors, at the same time protecting himself by getting from them blank transfers signed by them and when he wants to substitute other men in their places, he simply gets the transfer of the qualification shares effected in the names of the substituted men and so on.

The point to be noted here is that persons who have no beneficial interest are brought in and made to figure as directors only to serve as the right-hand men of the managing agents. This is the general practice adopted in very many companies in South India, to my personal knowledge. This evil must be put an end to, if companies are to be governed in the interests of the shareholders, and the only way of doing this is to amend section 248 of the Bill. After sub-section (3) of this section, the following has to be added:

"In determining the share qualification of a director, no share in which he has no beneficial interest shall be included; and every candidate standing for election as director shall make a declaration as to the number of shares in his name in which he has a beneficial interest."

This will, of course, exclude trustees of shareholders from standing for election as directors. My answer is: "Why should trustees for any shareholders be allowed to be elected as directors?" Beneficial interest must be a condition for directorship, as such interest alone will make a person take a genuine living interest in the affairs and welfare of the company in which he has a stake.

Section 242—Directors' Power to appoint Additional Directors: The exercise of this power may possibly be abused on occasions. For example, the articles of a company fix the number of directors between, say three and sixteen, and the company may work with six directors, four elected and two nominated by the managing agent. In such a situation, the directors may, if they want to have their way, either detrimentally to the company or to the managing agent, proceed to appoint any number of additional directors upto ten. The board may thus be swayed by the appointed directors and the annual election by the shareholders of one director by rotation will have no significance. The device of appointing additional directors upto the maximum every year after the annual general meeting, will make a mockery of the powers of the general body of shareholders. The scope for the possible abuse of the power of appointing additional director, may be limited by adding a further proviso to sub-section (2) in some such terms as follows:

"Provided further that the power of appointing additional directors shall not be exercised except to the extent necessary in the interests of the company; and the reasons for the same shall be disclosed in the directors' report."

Section 246—Consent of Director to be Filed with Registrar: The wording of the section would seem to require every candidate standing for election to file the consent in writing, whether he ultimately succeeds or not. For it requires the consent to be filed "*before* appointment," that is, before being elected.

If the words "acting as" are substituted for the words "being appointed" there will be no hardship, while at the same time satisfying the intention of the section, namely, that a director who is elected or otherwise appointed shall not be entitled to act before he files his consent.

Sections 253 to 257—Limit on Number of Directorships: The recommendation of the Committee which is simply adopted in these sections is arbitrary, ineffective and mere eyewash. They say that a person should not hold more than twenty directorships, not including private companies. In practice, this will not affect more than a few persons in the whole country. If a director should really render useful service to the company for which he is elected, he will not be in a position to do so if he is a director of more than, say, half a dozen companies, public or private or both. The bogey of want or scarcity of capable men to occupy the position of directors is baseless and belittles the talents available in the country. There may be a case for directors being paid decent remuneration in proper cases, but to give statutory permission to a person to hold upto twenty directorships in public companies and in addition, in an unlimited number, possibly over another twenty private companies, is simply fooling the public. The office of director is not a merely honorary office. A director is entitled to have access to the account books and all other documents relating to the company, and jointly with the

(Continued on page 901)

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Paid-up Capital - -	,,	3,14,54,250
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Deposits as at 30-12-53 -	Rs.	118,19,74,654

DIRECTORS:
Sir Homi Mody, K.B.E. (*Chairman*)
Dinshaw D. Romer, Esq.
Dharamsey Mulraj Khatau, Esq.
Cooverji Hormusji Bhabha, Esq.
Manmohandas Madhavdas Amersey, Esq.
C. P. Wadia, Esq.
Chimanlal B. Parikh, Esq.
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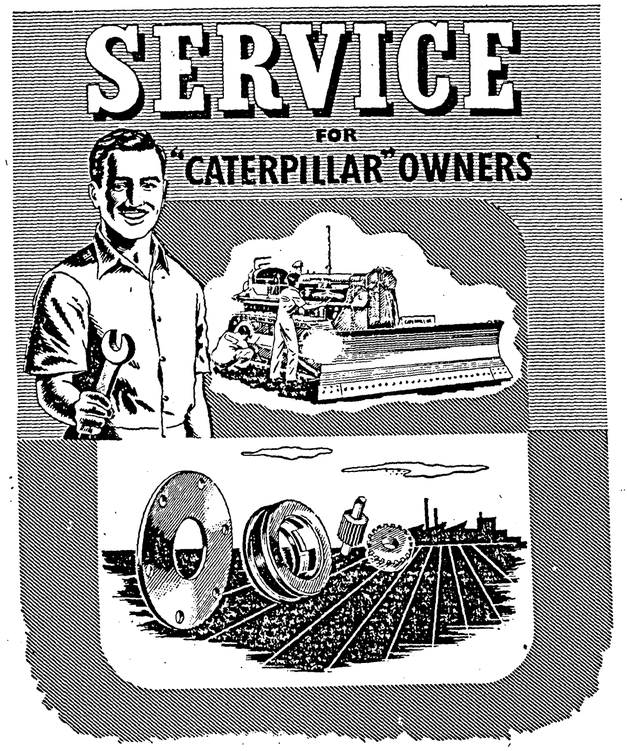

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PROBLEMS OF OILSEEDS INDUSTRY

NEED FOR INCREASING OUTPUT HIGHLIGHTED

THE problems facing the oilseeds industry were highlighted at the annual general meetings of the Bombay Oilseeds Exchange and the Central Organisation for Oil Industry and Trade, held at Bombay last week. Addressing the members of the Exchange, Mr. Ramdas Kilachand, President, called upon the Governments to take energetic measures for increasing the output of oilseeds and a change in export policy with a view to helping India retain its vanishing export markets and increasing the standard of living of the masses. He also made out a case for the resumption of hedge trading in oilseeds such as groundnuts, linseed and castorseed. Presiding over the annual general meeting of the Central Organisation for Oil Industry and Trade, Mr. Naval H. Tata detailed the problems of the crushing industry in particular and the oilseeds industry in general. The Organisation adopted the following four important resolutions:

1. The Government of India should not accept the recommendations of the All-India *Khadi* and Village Industries Board that a cess of Re. 1-4 should be levied on every maund of oil produced by power-driven oil mills and that a ceiling on crushing oilseeds by oil mills at the present level of crushing should be fixed through legislation, with a view to developing the *ghani* industry.

2. The Railway Board should adopt the basic and fundamental principle of allotting rail wagons between mineral oil traffic and vegetable oil traffic on the basis of their respective volume of traffic over the railway system.

3. The Government of India should provide for exemption of inter-State trade from the scope and purview of sales tax legislations of the various State Governments. The Constitution of the country should be amended, if necessary.

4. An enquiry committee, consisting of the representatives of the Ministries concerned of the Government of India, the Planning Commission and interested State Governments, the Indian Central Oilseeds Committee, oil crushing industry and trade, technical experts and other interests should be appointed to enquire into the conditions of the crushing industry, which is deplorable, and to suggest remedial measures, with a view to assuring a planned, rational and scientific development of the oil crushing industry in India.

That there is great need for increased production of oilseeds will be evident from the fact that, according to available statistics, the *per capita* consumption of oil in India is less than 7 lbs. per annum. This compares very unfavourably with the optimum figure of 45 lbs. said to be necessary for maintaining normal health.

Output of Major Oilseeds

At present, there are about 27 million acres under major oilseed crops, namely, groundnuts, sesamum, rape and mustard, linseed and castor, their aggregate production ranging between 4.8 million and 5.2 million tons. As in the case of other crops, the yield per acre is very low, as compared with what it is in many foreign countries. In the case of groundnuts, for instance, the average yield per acre in India in 1950-51 was 713 lbs., whereas the corresponding figure for China was 1,666 lbs. and that for the U.S. 893 lbs.

Increase in output is possible by extending the acreage or by intensive cultivation or by both. Any significant increase in acreage would neither be possible nor very desirable so long as topmost priority is to be given to food production. It is, therefore, necessary to concentrate on better methods of cultivation. What is the extent to which production of oilseeds should be stepped up? Answering this poser, Mr. Ramdas Kilachand said:

"Oilseeds have now come to occupy a very important place in our economy. Since our consumption of vegetable fats is still very low, there is the likelihood of continued increase in internal demand as a result of better standard of living of the masses. I would even venture to say that a target of at least 50 per cent., that is, 7½ million tons more production in the immediate future for oilseeds should be aimed at, so that we are able to meet our own needs and are also able to regain our position as the chief exporter in the international market. This target is not difficult to attain, particularly with the several major and minor irrigation projects which will bring a large number of tracts under irrigation and also if efforts are made to increase the production per acre by intensive and better cultivation methods. We are all aware that the yield per acre of oilseeds in India is probably one of the lowest in the world. Therefore, by devising suitable methods of cultivation and proper use of good fertilisers and improved strain of seeds, it should not be difficult to increase our production by 30 to 35 per cent. even on the same acreage."

India was one of the premier exporters of oilseeds before and during World War II and held an important position in international markets. Since then, the Government of India has adopted the policy of allowing the export of oils only, as far as possible. But, even here, the Government has been bungling. Either the export quotas are announced before time or too late in the season, so that the country has not been able to take full advantage of world market prices for their commodities. Again, the export policy has been vitiated by too many drawbacks. Latterly, the export policy in regard to castor oil, in particular, has come in for a good deal of criticism. To quote Mr. Ramdas Kilachand in this connection:

". . . the Government has been announcing its policy for short periods. It has always been represented to the Government that there should be policies for six-monthly periods and that there should be no change therein during such periods. We are now at the end of April and yet the Government's policy for May onwards is still not announced. This is detrimental to the interest of trade and I would, once again, request the Government to announce its policy; first, in time; secondly, for a fairly long period, at least for six months; and lastly, after the announcement of the policy, no change should be made therein."

Export Duties

The levy of duties on exports of oils is another subject about which the oilseed interests have been highly critical. Export duties are not promptly readjusted to meet the changing conditions in world markets, with the result that they have been retarding the flow of exports to a great extent. Mr. Tata, therefore, urged the Government to review the position from time to time, in relation to internal price structure and trend in world markets consistent with the interests of Indian industry.

Of late, the oil crushing industry, which derived considerable fillip during the last world war, has not been passing through good days. The very fact that many crushing units have to close down their operations for some time during the year for one reason or another, such as shortage of raw materials, and that the crushing industry has not been in a position to earn even normal manufacturing profits regularly throughout the year tells its own tale. It is high time, therefore, that a committee was appointed to enquire into the affairs of this industry and to suggest measures for placing it on a sound economic footing.

The need for developing the *ghani* industry, with a view to providing employment for the unemployed manpower in the villages, is understandable. But the question is whether it should be at the cost of the mill industry, especially when its economic position is on tenterhooks. Certainly, as the Central Organisation has pointed out, "any further financial burden on the oil crushing industry would prove to be the proverbial last straw on the camel's back and would deal the death-blow to the industry, which is functioning only upto a portion of its total installed capacity."

It is alleged that the oil crushing industry has not received a fair deal in the allotment of tank wagons operating in different railway zones in the country. How true this charge is will be evident from the following extract of a resolution adopted at the annual meeting of the Central Organisation for Oil Industry and Trade: "Whereas the vegetable oil traffic works out roughly to one-fourth of the mineral oil traffic, it has been allotted a meagre number of tank wagons, namely, 264 on broad-gauge and 38 on metre-gauge, as against 3,336 and 1,391, respectively, allotted to the mineral oil traffic, which allotment, that is, the allotment to vegetable oil traffic, works out to only one-sixteenth of the tank wagons allotted to mineral oil traffic."

ASK

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INTERNATIONAL PRINT AND PAPER FAIR

The second DRUPA—International Print and Paper Fair, is to be held at Duesseldorf, West Germany, from 15th to 30th May. More than 700 exhibitors, including more than 100 foreign undertakings from the United States, Great Britain, France, Belgium, Denmark, Holland, Italy, Austria, Sweden, Switzerland and Finland, ensure the DRUPA its world-wide importance; 667,360 sq. ft. of hall space raise it to the largest market for print and paper in the world. Sub-divided into four main groups, namely, machines and accessories, paper and paper products, printing inks and the printing trade, this Fair will demonstrate the systematic development of technical knowledge, the improvements and inventions which have resulted in more rational methods of working, new developments and reductions in costs. These will be shown here to the international trade world for the first time.

IMPORT OF CIGAR WRAPPER TOBACCO

Since the removal of the item "cigar wrapper tobacco" falling under serial No. 96, Part IV of the Import Trade Control Schedule, from Open General Licence No. XXXI, cigar manufacturers have been finding it difficult to import wrapper tobacco from Pakistan, since many of them are not established importers of unmanufactured tobacco. A notification issued last week by the Joint Chief Controller of Imports and Exports, Calcutta, has drawn attention to the provision that already exists against serial number 96, Part IV, for the issue of licences to actual users in regard to the import of unmanufactured tobacco from soft currency countries, including Pakistan. Cigar manufacturers may, therefore, apply to the licensing authorities for import of cigar wrapper tobacco from Pakistan for their full requirements.

U.S. AID TO NATIONAL LABORATORIES

Two Operational Agreements were signed on 29th April in New Delhi between the Governments of India and the United States of America, under which specialised equipment will be made available to India's national laboratories and also to certain technical service departments of the Government of India. The total joint cost of the project will be $2.7 million, and Rs. 27.75 lakhs. Out of this amount, a sum of $700,000 and Rs. 8,75,000 will be utilised for providing technical assistance and equipment to the Indian Institute of Technology, Kharagpur, while the rest of the amount, namely $2 million and Rs. 19 lakhs, will be for several National Laboratories, the Survey of India, the Geology Survey of India and the Bureau of Mines.

EXPORTS OF MANGANESE AND IRON ORES

The Government of India has reviewed the export policy of manganese and iron ores from the port of Calcutta in the light of availability of wagons and the accumulations at the port of Calcutta. Since substantial quantities of these ores from the previous allotments still remain to be transported, it has been decided to extend the period of validity of the quota slips for purpose of allotment of wagons up to the end of May, 1954. The concession announced in the Press note dated 3rd April, 1954, that *ad hoc* consideration would be given to requests for grant of supplementary export licences from shippers and mineowners, who have completed shipment against the previous allotments and who do not require any transport facilities for the additional quantities applied for, will also be continued.

PROTECTION TO COATED ABRASIVES INDUSTRY

The Government of India's resolution on the Tariff Commission's report on the continuance of protection to the coated abrasives industry has been published in the *Gazette of India* dated 1st May, 1954. The Government has accepted the Commission's main recommendation that protection to the industry should be continued for a further period of one year, i.e., up to 31st December, 1955. It has further accepted the recommendation that the protective duty on abrasive papers and rolls, etc., covered by item No. 30 (9) of the Indian Customs Tariff should continue to be levied at the existing rates of 25-1-5 per cent. *ad valorem* (preferential) and 37-4-7/5 per cent. *ad valorem* (standard), inclusive of surcharge, and that the protective duty on emery cloth and abrasive rolls, etc., covered by item No. 30(10) should be reduced from 37½ per cent. to 31½ per cent. *ad valorem*, inclusive of surcharge. A notification giving effect to the reduction in the duty has been issued. The Government has also accepted the other ancillary recommendations of the Commission.

INDUSTRIAL CLAY DEPOSITS IN RAJASTHAN

About 544,000 tons of industrial clay are available in the Barmer district of Rajasthan, according to investigations conducted by the Geological Survey of India. There are three different types of clay, namely Bentonite, White Clay and Fuller's Earth.

Reserves of Bentonite are estimated at 344,000 tons. Bentonite has found application in a number of industries such as oil drilling and refining, foundries, as a puzzolina in cement etc. The Barmer bentonite, particularly from the Akli and Thumbli deposits compare favourably with foreign bentonite. The White Clay reserves are estimated at 100,000 tons. Tests at the Central Glass and Ceramic Institute show that this clay possesses good plasticity and is useful for pottery industry.

THE BANK OF BIKANER, LIMITED

(ESTABLISHED 1944.)

BALANCE SHEET OF THE BANK OF BIKANER, LIMITED, AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—4,00,000 Shares of Rs. 50 each	2,00,00,000 0 0	
ISSUED AND SUBSCRIBED CAPITAL—2,00,000 Shares of Rs. 50 each	1,00,00,000 0 0	
AMOUNT CALLED UP AND PAID—At Rs. 25 per share on 2,00,000 Shares	50,00,000 0 0	
ADD—Forfeited Shares	60 0 0	
		50,00,060 0 0
2. Reserve Fund and Other Reserves—		
As per last Balance Sheet	14,00,000 0 0	
Additions during the year	3,00,000 0 0	
		17,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits and 3 years Cash Certificates	5,49,84,862 4 3	
Savings Bank Deposits	85,74,237 0 1	
Current Accounts, Contingency Accounts, etc.	5,48,57,590 9 3	
Staff Security Deposits (deposited with this Bank itself being a Scheduled Bank)	2,37,093 15 3	
		11,83,57,793 5 10
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	Nil	
(ii) Outside India	Nil	
		Nil
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	Nil	
		18,90,209 1 3
5. Bills Payable		
6. Bills for Collection being Bills Receivable (as per contra)—		
(i) Payable in India	54,52,085 3 9	
(ii) Payable outside India	12,905 8 0	
		54,64,990 11 9
7. Other Liabilities—		
(i) Sundry Creditors	32,825 7 11	
(ii) Dividend Account	16,468 3 0	
(iii) Rebate on Bills Discounted	565 8 0	
		49,859 2 11
8. Acceptances, Endorsements and Other Obligations (as per contra)		4,64,348 5 9
9. Profit and Loss Account (subject to Taxation)—		
Profit as per last Balance Sheet	1,58,667 7 0	
LESS—Dividend at 3 per cent. per annum free of income-tax for the year ended 31st December, 1952	1,50,000 0 0	
	8,667 7 0	
ADD—Balance brought from the Profit and Loss Account	7,68,127 11 10	
	7,76,795 2 10	
LESS—Appropriations as under— Rs. a. p.		
Reserve for Taxation 2,60,000 0 0		
Statutory Transfer to Reserve Fund as per Section 17 of the Banking Companies Act, 1949 1,70,000 0 0		
Transfer to General Reserve Fund 1,30,000 0 0		
Transfer to Contingency Account 80,000 0 0		
Bonus to Staff 60,000 0 0	6,15,000 0 0	1,61,795 2 10
10. Contingent Liabilities—		
Claims against the Banking Company not acknowledged as debts Rs. 22,207-2-0.		
NOTE.—The figures in respect of Pakistan balances have been incorporated in the accounts at pre-devaluation parity.		
Total .. Rs.	18,80,88,455 14 4	

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand, and with Reserve Bank and Imperial Bank.		1,84,82,468 12 9
2. Balances with Other Banks—		
In Current Account—		
(i) In India	5,83,890 3 10	
(ii) Outside India	62,256 10 1	
		6,46,146 13 11
3. Money at Call and Short Notice		Nil
4. Investments (At Book Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities—Face Value Rs. 5,15,48,000-0-0.	5,07,47,085 10 0	
(ii) Shares of Joint Stock Companies—		
Preference (Fully Paid Up)	1,78,750 0 0	
Ordinary (Fully Paid Up)	1,97,037 8 0	
(Market Value Rs. 3,42,348-12-0.)		
(iii) Debentures or Bonds (Market Value Rs. 10,39,500-0-0)	10,17,858 7 10	
(iv) Other Investments	Nil	
(v) Gold	Nil	
(Part of the securities lodged with other Banks against borrowing arrangements.)		5,21,40,731 9 10
5. Advances—		
1. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 4,85,69,555 5 0		
(ii) Outside India 18,900 0 0	4,85,88,455 5 0	
2. Bills Discounted and Purchased—		
(i) Payable in India 37,59,752 10 5		
(ii) Payable outside India Nil	37,59,752 10 5	
PARTICULARS OF ADVANCES—		5,23,48,207 15 5
(i) Debts considered good in respect of which the Banking Company is fully secured	5,15,33,180 3 9	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	8,37,284 15 11	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,77,742 11 9	
(iv) Debts considered doubtful or bad not provided for	Nil	
	5,23,48,207 15 5	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	5,14,933 3 0	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	18,21,981 3 10	
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	5,17,648 5 3	
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	13,32,708 11 10	
(ix) Due from Banking Companies	81,294 11 3	
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	54,52,085 3 9	
(ii) Payable outside India	12,905 8 0	
		54,64,990 11 9
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		4,64,348 5 9
8. Premises Less Depreciation		Nil
9. Furniture, Fixtures and Vehicles— Rs. a. p.		
At cost as per last Balance Sheet (31st December, 1952) 10,89,218 2 5		
Additions during the year 1,14,667 13 3		
12,03,886 1 8		
DEDUCT—Sales or write offs 1,99,901 13 4		
DEDUCT—Depreciation—	11,85,884 2 4	
Upto 31st December, 1952 2,47,691 12 0		
For the year 94,195 0 9		
3,41,886 12 9		
LESS—Depreciation on sales and write offs 7,018 15 6	3,34,867 13 3	
10. Other Assets—		8,50,516 5 1
(i) Prepaid Expenses and Other Amounts, Receivable or Adjustable	98,808 6 1	
(ii) Interest accrued on Investments	4,22,215 0 0	
(iii) Stationery and Stamps on hand	1,69,156 13 9	
(iv) Advance Payments of Taxes and Income-tax Deducted at source (Estimated liability of taxation provided contra)	20,02,469 14 0	
		26,91,650 3 10
Income-tax Assessments from 1949-50 have yet to be completed.		
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Total .. Rs.		13,80,88,455 14 4

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

Dr. *Cr.*

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		26,43,384 4 3
2. Salaries and Allowances and Provident Fund (this includes Salaries and Allowances paid to the General Manager Rs. 25,200-0-0)		14,51,558 4 4
3. Directors' and Local Committee Members' Fees and Allowances		9,211 0 0
4. Rent, Taxes, Insurance, Lighting, etc.		1,90,642 2 1
5. Law Charges		12,558 12 0
6. Postage, Telegrams and Stamps		92,154 9 7
7. Auditors' Fees and Expenses		5,760 6 0
8. Depreciation on and Repairs to the Banking Company's Property		94,195 0 9
9. Stationery, Printing, Advertisement, etc.		75,677 4 6
10. Loss from Sale of or Dealing with Non-banking Assets		Nil
11. Other Expenditure— Rs. a. p.		
(i) Travelling, Conveyance and Remittance Charges 1,29,478 2 5		
(ii) Miscellaneous Expenses 18,808 4 1		
	1,48,280 6 6	
12. Balance carried to Balance Sheet	7,68,127 11 10	
Total .. Rs.	54,93,440 6 10	

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
1. Interest and Discount		44,63,088 6 3
2. Commission, Exchange and Brokerage Rs. a. p.		
10,92,175 0 3		
LESS—Commission, Exchange and Brokerage paid 64,708 14 6		
		9,87,466 1 9
3. Rent		Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		4,022 8 6
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
7. Other Receipts		67,963 8 4
Total .. Rs.		54,93,440 6 10

AUDITORS' REPORT TO SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Bikaner Ltd., as at 31st December, 1953, and also the Profit and Loss Account for the year ended that date in which are incorporated the audited returns from Bombay (Fort), Bombay (Zaveri Bazar), Calcutta, Delhi, and Bikaner Branches and the authenticated returns from other branches. We report that:—

(a) We have obtained all the information and explanations we have required;

(b) In our opinion the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law;

(c) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank;

(d) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913;

(e) The information and explanations required have been found to be satisfactory;

(f) The transactions of the Company which have come to our notice have been within the powers of the Company;

(g) The returns received from the branch offices of the Company have been found adequate for the purposes of the audit; and

(h) The Profit and Loss Account shows a true balance of Profit and Loss for the period covered by such account subject to Taxation and the appropriations made.

V. SANKAR AIYAR & CO., Chartered Accountants.

SINGHI & CO., Chartered Accountants.

M. D. HEGDE, Chief Accountant.

SATYA DEV, General Manager.

K. B. DAGA, Chairman.
RATANLAL RAMPURIA,
JOEMAL PEKIWAL,
CHHAGANMULL CHOPRA,
PREM SINGH,
GANGA RAHAI PUROHIT,
G. L. MEHTA,
BISHANDAS CHOPRA. } Directors.

BIKANER, 16th March, 1954.

HINDUSTAN COMMERCIAL BANK LIMITED

MR. PADAMPAT SINGHANIA'S SPEECH AT ANNUAL GENERAL MEETING

PAYMENT OF HIGH RATES OF INTEREST ON CALL DEPOSITS DEPRECATED

THE tendency among some of the banks to secure money at all costs to meet their requirements was deprecated by Mr. Padampat Singhania, Chairman of the Hindustan Commercial Bank Ltd., in the course of his speech at the Tenth Annual General Meeting of the Bank held at Kanpur on 29th April, 1954. The new feature of accepting call deposits at 3 per cent. plus a brokerage, he thought, was not a healthy feature, since it would further add to the already high cost of banking operations and leave little margin of profit. Warning against this feature becoming a permanent part of the banking operations in the country, Mr. Singhania urged not only those who controlled Indian banking but also the Reserve Bank of India authorities to pay special attention to the question.

Analysing the financial results of his Bank, Mr. Singhania observed:

"GENTLEMEN,

"The net banking profits for the year, including the balance of Rs. 10,608-13 brought forward from the last year and after meeting all working expenses and providing depreciation, amounted to Rs. 2,70,682-13-1. A sum of Rs. 2,35,522-14-1 has been utilised for writing off bad debts and furniture and stationery in respect of Pakistan branches, and the balance of Rs. 15,159-15 has been carried forward to the next year's account. Our policy of consolidation of our resources and of riggling out of all odds, resulting from the change-over of the economic conditions created by the post-war effects followed by the Korean war and the partition of the country, continues. I must, however, say that we are making a solid and satisfactory improvement, and the time is not far off when we shall be able to place ourselves in the list of the first-rate banking institutions of the country. The overall working position of the Bank during the year has been stationary and a careful study of the monetary and banking conditions in India will indicate that further development was not possible in the circumstances. I should hope that the year 1954 will usher in the betterment of banking in the country, as, of late, greater attention is now being directed by all concerned towards this direction and we are bound to have our share of the same.

Cash

"Cash in hand and in current account with banks amounted to Rs. 67.5 lakhs and that represents 15.5 per cent. of our demand liabilities. The ratio of cash in hand and with bankers, including the unencumbered securities, to the total deposits will amount to about 39 per cent., which is far above the statutory requirement, and I must say, should be deemed as satisfactory. The Bank's demand liabilities are, however, fully covered by its cash resources. We have throughout tried to work on that position, as the maintenance of a sound liquid cash position is an essential part of sound banking.

Investments

"In the matter of the securities of the Central and State Governments, the position continues to be the same. The face value or the value on maturity fully covers the book value and the small difference was provided for out of the profits of the year 1952. . . . As regards the investment in shares of the joint-stock companies, we were able to effect some improvement in the nature of these investments by converting our investments from the ordinary shares from Rs. 13.86 lakhs to Rs. 8.44 lakhs. Fully paid-up preference shares advanced from Rs. 26 lakhs to Rs. 31.28 lakhs. . . . The present money market conditions have forced the Government's hands not only to raise the Bank rate from 3 per cent. to 3½ per cent. but also to raise their borrowing rates from 3½ per cent. to 4 per cent. and at times to issue them at a little below par. This will also explain away the Bank's position of high borrowings as the present market conditions do not permit our disposal of the same which otherwise we would very much like to do. We have got, therefore, to be losers by lower yield on our investments and to secure money at a higher rate of interest to cater to the needs of our clientele. It should not be forgotten that, even otherwise, the rates of deposits have gone up, due to stringency in the money market, our yields from these investments continue to be on the old basis. If the market conditions permitted disposal of a part of our investments both in Government securities and in the variable yield securities, we could positively have better income.

Advances

"The advances of the Bank, amounting to Rs. 2.54 crores at the close of the year, excluding those outside India, represent 58.42 per cent. of our deposits. The amount invested in the demand bills, amounting to Rs. 28.28 lakhs in India, represent a temporary short-term investment, and they go a long way towards controlling the overall cash position of the Bank's branches. Most of our advances are of seasonal character against commodities and are of the nature of self-liquidating according to the times. This proportion will vary according to the classification of banks and is bound to be lesser in the case of big deposit banks as against the medium-sized or the small ones. We, however, keep a vigilant eye over this feature of the banking operations, and I have explained elsewhere that the sound liquidity of our cash resources has always been well maintained. Your Directors in this respect have always followed a cautious and conservative policy not only from the point of view of the safety of our funds but also to maintain a liquid cash position.

"A disclosure in the balance-sheet with regard to the particulars of the outstanding advances indicates a satisfactory position. Our strenuous efforts for the recovery of advances in Pakistan continue and their realisation is more a matter of relationship between the two neighbouring countries. We are quite hopeful that the time is not far off when better understanding will prevail and when we should be in a position to realise our dues which were largely covered by the assets left behind by our borrowers, and which are now in the charge of the Custodian-General of Evacuee Property, Pakistan. As to the debts due by the companies or firms in which your Directors are interested, representing Rs. 21.27 lakhs, the bulk thereof amounting to Rs. 15.84 lakhs is covered by the Bank's own deposits and Rs. 3.46 lakhs represent demand bills purchased which have since been paid. This indicates a happy position.

Investment in Land and Buildings

"There is no change in the Bank's investment in land and buildings during the year under review. In spite of the drop in property prices, the present market values of these assets exceed the amount invested, and the return therefrom is highly satisfactory. We have not so far been able to put up our Head Office building in Kanpur, due to non-availability of proper materials, the need whereof is acutely felt, but I assure you that the same is being taken up shortly.

Deposits

"The total deposits of your Bank stand at Rs. 4.35 crores, which, as compared to those of the previous year, reveal a stationary position. You will, however, notice that there has been no change in the matter of time deposits, the little drop is in the current accounts. The continued stringency in the money market stood in the way of further development and a comparative study of the Scheduled Banks' deposits will reveal that the downward tendency during the year has been checked and, we hope, our efforts will now bring fruit and we should have our due share of the advancing deposits, tendency towards which direction is being slightly noticed. With regard to the classification, our deposits position is quite happy and indicates a porportion of Rs. 240 to Rs. 194 crores between the time and demand liability.

Foreign Exchange Business

"We continued to operate in the arena of foreign exchange business to the extent the commercial banks of the country could and should. This being a specialised subject fits mainly the foreign exchange banks or such big banks of our country as have large surplus funds and have also entered foreign countries by opening regular offices or by having made proper agency arrangements. I congratulate them on their enterprise and strongly hold that they must be given all-out support by our Government. Unless they have that patronage and the confidence of our national Government, they cannot create confidence in the outer world. While on the subject, I still hold the old view that the Indian banks should start an exchange bank of their own with the help and all-round patronage of our National Government, as, in the present circumstances of the exchange controls and the foreign trade being mainly conducted at the Government level, such an institution could only fit in and serve the country's needs.

Profit and Loss Account

"A comparison of the particulars of the expenses and income between the years 1952 and 1953 reveals a stationary position, the total thereof in the year 1952 was Rs. 30.37 lakhs and for the last year continues to be Rs. 30.34 lakhs. This, of course, does not come up to our expectations, but, looking to the times, this cannot be said to be an unsatisfactory result.

"In the matter of establishment charges, the expenses incurred are almost the same, in spite of the curtailment made here and there. There is an increase in the matter of interest paid on deposits and borrowings, which element is self-explanatory, due to the higher rates of interest on borrowings, coupled with the increase in the interest rates on deposits. . . . It has been our earnest endeavour to exercise every possible economy in our expenses, without, of course, impairing the efficiency and standard of services to the clientele. Our endeavours in that respect shall continue and the Board of Directors and the management will always welcome any suggestions which you, our friends and well-wishers, may have to make now or at any stage.

"By the closing down of some of the unremunerative branches, we had to incur losses in their winding-up, which were even more than the expenses incurred in the shape of preliminary opening expenses, but this was considered necessary in the interest of the Bank to avoid future losses. Change of circumstances and also the trading conditions rendered some of the business places unsuitable for banking operations and added to that have been the ever-increasing cost of establishment."

Role of Banks in Economic Life

Mr. Singhania drew attention to the vital role played by the banks in the economic life of the country and said:

"The institutional investors, particularly the banks, have always discharged their responsibilities in a creditable manner and co-operated highly to make the Government's flotations, Central and Provincial, successful. Last year, cash contributions to the extent of Rs. 58.1 crores were made, besides conversion to the extent of Rs. 54.6 crores in the matter of both Central and State loans. The banking system requires pumping up with the monetary supply from out of the savings of our people and the circulation thereof has got to be increased to the maximum and also the credit system of the country, which alone could solve the present stringency and cater to our future planning requirements. There should not be any suspicion as regards the money which people put out for deposits in banks or otherwise invest in the private sector. All types of enquiries and suspicion by the Income-tax Department are adding to the fears of the investing public and forces hoarding at home. That alone will curb the present characteristic shyness and the hoarding habit of those who possess money.

"An all-out effort should be made to put our Indian banking system on a sound basis and all concerned should extent their fullest patronage and confidence in our own banks. While I say that, I could also urge all those managing the affairs of the banks to rise up to the national level and inculcate a spirit of service to further the cause of national prosperity. Banks are the only credit institutions which call, to attract for trade and planning purposes, the wealth and savings of the people. It is necessary even from the Government's point of view, as it should not be forgotten that, out of the present bank deposits, about 40 per cent. is invested by them in the Government securities. The more money they are able to attract to their coffers the larger will be the money at the disposal of the Government without incurring any recurring expenses of their own."

Expansion of Banking Activity

Emphasising the need for expanding the sphere of banking activity, Mr. Singhania remarked:

"In the matter of foreign banks, two more were added to the list of the Scheduled banks and, at present, there are 91 Scheduled banks and, number of offices of all the banks, including the Exchange banks and the Imperial Bank of India, is 2,710. Looking to the vastness of this subcontinent and the population of 368 million people, this number presents a very poor picture of banking in our country. Moreover, a very large number of them is concentrated only in the big towns and cities. Vast tracts requiring banking services from the trade and commercial point of view and also from the point of view of attracting deposits go unserved. This accounts for the underdeveloped banking and monetary position of our country. Even on the Government's side, the various means and methods adopted in the matter of Post Office Savings Bank deposits, National Savings Certificates, ten-year Savings Certificates, etc., have not attracted much money, excepting that they have retarded the commercial bank's deposits and acted as a competitor to these private enterprises. After independence, the development of banking on the basis of our own requirements and system should have received the priority attention of our national Government and leaders for making India a welfare democratic state and add to day-to-day prosperity of our people. While I do not discourage in the least the inviting of foreign capital and the securing of aid given by the foreign nations to the underdeveloped countries, I strongly feel that we have got to make all out efforts to secure independence on this front if we have to place ourselves amongst the progressive nations of the world. May be that the present system of the existing banking institutions may require a complete overhauling and the sooner it is done the better in the interest of the country. It may not be forgotten that, with the limited means and scope that the present banks possess, they have since the time of independence been out for the maximum service and co-operation in all respects to improve the economic condition and to add to the national prosperity of the country."

Alluding to the question of agricultural finance, Mr. Singhania said:

"Agriculture is a very important feature in our economy, ours being mainly an agricultural country. This question has been the responsibility of the Reserve Bank of India since its inception, but, for years together, nothing in that direction was ever contemplated or done. Of late, the Reserve Bank of India has started taking interest in this respect and has now made itself eligible to give accommodation for agricultural, cottage and small industries. Such credit facilities have now been availed of in a number of States mainly through the co-operative societies. I am glad that a beginning has been made, but the scope will have to be widened progressively to provide all types

(Continued on page 905)

PREMIER CONSTRUCTION COMPANY, LIMITED

PROSPECTS PROMISING

ADDRESSING the shareholders of the Premier Construction Company, Ltd., at their Thirty-fourth Annual General Meeting, held in Bombay on 4th May, 1954, Mr. Gulabchand Hirachand, Chairman of the Company, said:

"It must have been a matter of satisfaction to you that the balance transferred to the balance-sheet in the profit and loss account for this year amounts to Rs. 11,04,504, as against Rs. 8,71,422 in the previous year. This increase in the net profits of your Company has been due to better dividends received by your Company on its investments. This rise in profit has been responsible for a higher provision of Rs. 75,000 for taxation. In this respect I cannot help drawing your attention to the fact that there is inordinate delay in the assessments for income-tax of public companies. So far, this assessment has been completed only up to 1949. The provision in the balance-sheet for the purpose of taxation, therefore, represents liability of tax for four years—1950 to 1953. Representations have been made by your Company with regard to this delay.

"Looking at the balance-sheet you will find a new item of works-in-progress amounting to Rs. 22,722. You would be glad to know that your Company has made a start of undertaking construction activity directly in the nature of cement guniting work. It has secured a contract in connection with guniting 57-inch steel pipes at the Tulsi Pipe Road from the Bombay Municipality. The amount spent up to the end of the year has been carried forward as it is, because a substantial part of this work still remained to be done at the close of the Company's year.

"With regard to the future, you must be aware of the all-round expansion of economic activities under the first Five-year Plan. The second Five-year Plan will carry this expansion much further. This is bound to have its effect on the prospects of all industrial concerns and especially of those engaged in constructional engineering and manufacture of machinery and other requisites for this kind of engineering activity. Unless there is a drastic change in the attitude of the authorities to the private sector or there is an addition of appreciable burden by way of taxation or further concessions to workers, the future of industry as a whole, including of those in which your Company is financially interested, cannot, therefore, be said to be in any way discouraging.

"Before I conclude, I want to draw your attention to an item of expenditure of Rs. 1,00,000, to which your attention has already been drawn under para 4 of the Directors' report. This amount represents part payment of Rs. 1,50,000 sanctioned by your Directors as donation to the Seth Walchand Hirachand Memorial Trust. You would be glad to know that this Trust has been created to perpetuate the memory of a great pioneer in the world of Indian industry, who laid the foundations of your Company along with a number of other outstanding industries and nursed them with great care and ability."

Notices

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE last date for submission of Coupons for one-third of Ordinary Shares and one-third of Fractional Shares for conversion into Fully Paid and Fractional Shares, respectively, has been extended from 28th April, 1954, to 28th July, 1954.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 29*th April*, 1954.

THE PHALTAN SUGAR WORKS LIMITED

SAKHARWADI

NOTICE

Under Section 289-B of the Indian Companies Act, 1913.

To,

THE MEMBERS OF
THE PHALTAN SUGAR WORKS LIMITED.

NOTICE IS HEREBY GIVEN IN PURSUANCE of section 87-B of the Indian Companies Act, application will be made to the Central Government for their approval to

A change in the constitution of Messrs. Mafatlal, Apte and Kantilal, Ltd., Managing Agents of the Company, by reason of change in the registered ownership of shares in that Company as indicated below

Out of the 80 shares of Messrs. Mafatlal, Apte and Kantilal Ltd., standing in the names of Seth Kantilal Nahalchand and Mrs. Hiraben Kantilal (40 shares each), 70 shares are to be transferred to Messrs. Nahalchand Laloochand Ltd., 35 shares from Seth Kantilal Nahalchand's account and 35 shares from Mrs. Hiraben Kantilal's account.

FOR THE PHALTAN SUGAR WORKS LTD.,
K. G. APTE,
General Manager.

Dated, 1st May, 1954.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT AN interim dividend in respect of the year ending 30th April, 1954, at the rate of As. 12 (Annas twelve only) per share without any deduction for Indian Income-tax paid by the Company, has been declared payable by the Directors and will be paid to the Registered Shareholders as on 31st May, 1954.

The Share Transfer Books of the Company will be closed from the 18th to 31st May, 1954, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Managing Agents and Secretaries.

4, CLIVE ROW,
CALCUTTA, 30*th April*, 1954.

N.B.—Payment of the above dividend will be made only to those members whose names are registered in the Books of the Company on the 31st May, 1954, or to their mandatees. No application for Warrants will be necessary. Claims on behalf of the holders of shares on blank transfer will not be entertained.

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI

NOTIFICATION

IT IS HEREBY NOTIFIED THAT THE SHARE Register of the Corporation will be closed and the registration of transfers suspended from 16th June, 1954, to 30th June, 1954, (both days inclusive).

V. R. SONALKER,
Managing Director.

30*th April*, 1954.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend of 15 per cent. per annum for the half-year ended 31st December, 1953.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 27*th April*, 1954.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-third Ordinary General Meeting of the Shareholders of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 24th May, 1954, at 3 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report and to pass the Accounts for the half-year ended 31st December, 1953.
(2) To declare Dividends.
(3) To elect Directors. Messrs. R. G. Edwards and D. P. Goenka retire by rotation and, being eligible, offer themselves for re-election.
(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th to 24th May, 1954, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 29*th April*, 1954.

Note.—Payment of the proposed dividends if declared, will be made only to those members whose names are registered in the Books of the Company on the 24th May, 1954, or to their Mandatees.

No application for Warrants will be necessary. Claims on behalf of holders of Shares on blank transfer will not be entertained.

ALBION JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 11, Clive Row, Calcutta, on Friday the 21st May, 1954, at 11-30 a.m., to adopt the Directors' Report and Audited Accounts for the half-year ended 30th November, 1953, to declare dividends for the half-year at Rs. 3-8 per share on the Preference shares and Rs. 12 per share on the Ordinary shares, to elect a Director and to appoint Auditors for the current year.

The Share Transfer Books of the Company will remain closed from 15th to 21st May, 1954, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 26*th April*, 1954.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 11, Clive Row, Calcutta, on Friday the 21st May, 1954 at 12 noon, to adopt the Directors' Report and Audited Accounts for the half-year ended 31st December, 1953, to declare dividends for the half-year at Rs. 3-8 per share on the Preference shares and Rs. 12 per share on the Ordinary shares, to elect a Director and to appoint Auditors for the current year.

The Share Transfer Books of the Company will remain closed from 15th to 21st May, 1954, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 26*th April*, 1954.

BILL TO AMEND AND CONSOLIDATE COMPANY LAW

AN ATTEMPT TO ORGANISE PRIVATE SECTOR

THE Company Law Bill was taken up for discussion by the House of the People on 28th April last, after a lapse of nearly eight months since it was introduced in the House on 2nd September, 1953. It is one of the longest measures in recent legislative history containing, as it does, 612 clauses and 12 schedules. It is a lengthy one, because it is both an amending measure and a consolidating one. This is the first opportunity since 1913 for the consolidation of the Companies Act and, as the Finance Minister put it, in his speech moving the Bill for reference to a Select Committee, "advantage, therefore, has been taken of this opportunity to re-draft the Act comprehensively." The re-draft of the Bill and rearrangement of the existing chapters in the Companies Act in a more logical order have, the Finance Minister said, resulted in a noticeable improvement in the form of the Bill and should facilitate a better understanding and appreciation of the scheme of the future Indian Companies Act. After a four-day debate, the Bill was referred to a Joint Select Committee of both the Houses of Parliament, consisting in all of 33 members.

The Company Law Bill is based largely on the recommendations of the Company Law Committee appointed by the Government of India at the end of 1950, modified in a few particulars by the comments received from trade and industrial associations to whom the report was circulated. During the last months, after the Bill was introduced in the House, the officers of the Finance Ministry were engaged in further studies and informal discussions with the interests concerned. The Finance Minister also gave, during this period, some further thought to some of the issues arising out of the Bill and he proposed, at the appropriate stage, to bring up to the Select Committee any changes in the provisions of the Bill, which seemed to him to be worthy of consideration in the light of this further examination.

Moving the Bill for reference to the Joint Select Committee, Mr. C. D. Deshmukh, Finance Minister, referred to the salient provisions of the Bill and elucidated the basic principles underlying some of its main provisions, which related to six aspects, namely, (*a*) company promotion and formation of capital structure of a company, (*b*) company meetings and procedure; (*c*) presentation of company's accounts and their auditing and the powers and duties of auditors; (*d*) inspection and investigation of the affairs of the company; (*e*) formation of board of directors, their powers and duties, and (*f*) terms and conditions of appointment of managing agents, their powers and duties.

Company Formation

In regard to company formation, the provisions of the Bill make considerable changes in the existing legislation in regard to prospectuses, allotment of shares, terms and conditions on which companies may be floated and the capital structure of companies. In regard to company prospectus, for example, Schedule II of the Bill, which replaces section 93 of the Companies Act, greatly enlarges the particulars that will have to be disclosed in future in the prospectus. To give an instance, the Bill requires that the previous consent of experts should be obtained before their views can be reproduced on a prospectus issued to the public and that, in the case of companies managed by managing agents, the subscribed capital of the managing agency companies should be disclosed. All material contracts into which a company promoter may have entered or proposed to enter on behalf of the company are required to be disclosed. The new provisions relating to allotment of shares are designed to improve the machinery of the new issue market by prescribing the form and manner in which an application for an allotment of shares should be made and by regulating the commissions to be paid to the promoters and underwriters of new issues. Commending these provisions, the Finance Minister said:

"The effect of all these provisions under the general head relating to company formation is to impose on directors and others concerned with the promotion of a company a much higher degree of vigilance than is at present required of them, and to place the investors in a much better position than they are at present to assess the intrinsic merit of a new issue. It is not necessary for me to argue the point whether the principle of disclosure underlying these provisions could adequately safeguard the interests of prospective investors or ensure sound company flotation, but, I am sure, all hon'ble members will agree that disclosure of essential information is a first step in this connection and cannot by any means be said to impose any burden on private enterprise."

Clauses 79 and 87 of the Bill contain the most important changes relating to the capital structure of a company, under which the share capital of a company shall, in future, be only of two kinds, namely, equity capital and preference capital, and voting rights should ordinarily be conferred only on the holders of equities. Disproportionate voting rights are also sought to be eliminated, except where the conferment of such rights is considered necessary in the public interest by the Central Government.

Company Meeting and Procedure

The present provisions relating to company meeting and company procedure are stated to have provided a ".prolific source of litigation" and to no small extent, Mr. Deshmukh admitted, has this been due to the uncertainties of the present law. The new Bill attempts "to remove the existing obscurities and to try and hold the scales even as between company managements and shareholders in regard to the exercise of their rights in company meetings." Two important changes relating to these introduced in the Bill are: (1) abolition of extraordinary resolutions, so that, in future, company resolutions will be either ordinary or special resolutions, and (2) extension of the period of notice for general meetings from 14 to 21 days.

The provisions relating to company accounts and audit of company funds require the presentation, in the balance-sheets and profit and loss accounts, of such additional items of information as will reveal the true financial position of a company and its state of affairs as a going concern. The Company Law Committee's recommendations on this subject were largely based on the advice it received from the accountancy profession. Referring to this aspect, Mr. Deshmukh disclosed that, lately, some further discussions had taken place on this subject between the officers of the Finance Ministry and the representatives of the profession. "In due course," Mr. Deshmukh added, "we shall place before the Select Committee our ideas on one or two issues which, if accepted, will involve some minor changes in the provisions of the Bill. . . . These are, in my view, such as are calculated to promote sound financial practices by joint-stock companies and also to ensure a higher standard of auditing of company accounts in future."

The provisions relating to the appointments, qualifications, duties and powers of auditors are intended to secure the independence and integrity of the auditors. They seek to create conditions under which auditors would be able to discharge their statutory duties without fear or favour.

Perhaps no other aspect of the present company law has attracted so much adverse comment from the public as the one relating to the inspection and investigation of the affairs of companies. Under the provisions of the new Bill, it will be open to the Central Government not only to initiate investigation of its own motion in suitable cases, but also to apply to a court of law for redress in cases where a company acts in a manner prejudicial to its interests or in a manner which is oppressive to any part of its members. The existing powers of shareholders to apply for investigation or to seek relief in a court of law are also enlarged. Mr. Deshmukh said that some recent cases exposed the inadequacy of the powers now conferred on inspectors to investigate the ownership of shares in a company and demonstrated the necessity for the enlarged powers. These are sought to be achieved by the provisions of the new Bill.

Directors

The Finance Minister next referred to another set of controversial issues, namely, the provisions of the Bill relating to directors and managing agents. The provisions which deal with directors are designed to ensure (1) constitution of independent board of directors consisting of representatives of management and shareholders without domination of the former over the latter, (2) selection of directors, who could devote sufficient time and thought to the affairs of the company, (3) adequate control of directors over the managing agents where day-to-day management of the company was in the hands of the latter, and (4) prevention of the misuse by directors of powers which they were entitled to exercise on behalf of the company.

As regards the last mentioned objective, Mr. Deshmukh said that past experience had shown that some control was needed over the exercise of some of these powers, e.g., the power to make loans, the power to enter into contracts, the power to sell, lease or otherwise dispose of property, the power to limit or extend the date of payment of debt; and the power to borrow on behalf of the company.

Touching upon the controversy which the aforesaid provisions relating to directors have given rise to, Mr. Deshmukh sought to remove the fears which the critics of the Bill might have over their restrictive nature. Thus, he said:

"The House is not unaware that some of these provisions have given rise to acute controversy and that it has been argued on behalf of the managements that they unduly restrict their initiative and enterprise, and might in the long run prove to be detrimental to the interests of the companies themselves. To what extent these fears are justified will depend on the view one takes of the detailed provisions of the Bill relating to these matters. I do not like to anticipate the recommendations of the Select Committee, but, I am sure, I have the support of the House in saying that nothing is farther from the thoughts of anyone here than to impose unnecessary restrictions on *bona fide* business. Our proposals on this subject have been formulated only to prevent abuses and malpractices and not to hinder sound and honest management of companies. I am always prepared to give further thought to representations on this matter. Of course, I need hardly assure the critics that I shall welcome a full consideration of these by the Select Committee."

The Finance Minister also mentioned, in passing, the provisions of the Bill relating to the age-limit of directors and the number of directorships which a person can hold. The first one, he said, closely followed the provisions of the English Act on this subject. The latter was intended to ensure that adequate attention was paid to the affairs of a company by its directors. These two provisions, he said, had received prominence in current discussions quite out of proportion to their importance in the scheme of reform envisaged in the Bill. However, he left it to the Select Committee to weigh the pros and cons of these issues set out fully in the report of the Company Law Committee in the light of such guidance as the House gave in due course and to arrive at a decision.

Managing Agency

The provisions of the Bill relating to managing agency cover a wide range of topics such as the terms and conditions of appointment of managing agents, their remuneration, the powers of managing agents *vis-a-vis* the directors and the powers and duties of managing agents in regard to borrowing, loans, contracts, sales and purchases. The main object of the proposed regulations, the Finance Minister said, was to prevent the widespread abuse of the powers conferred on managing agents on these subjects, which took place all over the country, more particularly since the commencement of World War II. Referring to the importance of these provisions and the Government's views on the managing agency system and justifying the need for the provisions, Mr. Deshmukh observed:

"I am sure all of us will agree, irrespective of our attitude towards the managing agency system, that these provisions are of key importance in the scheme of reforms envisaged in the Bill. Government are in agreement with the unanimous view of the Company Law Committee that under the present economic structure of the country, the managing agency system will continue to have its uses for some time to come and that, cleansed of the abuses and malpractices which have disfigured its working in the recent past, the system may yet prove to be a potent instrument for tapping the springs of private enterprise. This view is based not only on history and tradition but also on an objective assessment of the present structural organisation in our trade and industry, and the obvious gaps in our institutional set-up, particularly in the closely related fields of company investment and company finance—gaps which it will take us some years to close. It is, therefore, of the utmost importance that the system should be purged of the evils, which have crept into it, as early as possible, so that it can play a worthy role in the future development of the private sector. Here again, as in the case of directors, the problem before us is one of striking a balance between the admitted case for regulation and control and the need for preserving the initiative and resilience of the honest managing agent. This is not the place to go into details, but, by and large, the provisions

(*Continued on page 913*)

Points From The Chair

Rationalisation of Textile Industry

"THE problem of rationalisation has been much to the fore in recent months. I am fully conscious of the fact that, in a country like ours where avenues of employment under present conditions are limited, the problem of rationalisation cannot be treated in isolation from its reaction on the community as a whole. But the manner in which this problem has been discussed so far reveals a lack of proper understanding of its real meaning and purpose. In its limited application to the cotton textile industry, it cannot, by any stretch of imagination, result in sudden and widespread unemployment. In the first place, there are very few mills in the country which have today the financial resources to embark upon any large-scale renovation of labour-saving plant and machinery, and secondly, even if a number of units simultaneously decided to install such machinery, it can only be made available over a period of years. Therefore, the fears of thousands of men being thrown out of employment suddenly are entirely misconceived. On the other hand, a gradual rationalisation of the industry will certainly result in cheapening the cost of production and making available to the masses of this country one of the ordinary necessities of life, namely, cloth, at cheaper prices. No scheme of rationalisation can ever be considered reasonable or successful unless it results also in improving the earnings of the workers employed."

A. D. SHROFF,
Swadeshi Mills Co., Ltd.

Money Supply and Deposits of Banks

"The amount of money in deposit with the Scheduled banks in our country is rather low in comparison to the total amount of money in circulation. The reason for this seems to be that more money is in the rural areas where there are very few banks. So, to attract the monies in the hands of the people of the country in rural areas, rural banking should develop and rural areas should be served by banks. Besides, people living in rural areas should be made to realise the importance of banking and they should be made bank-minded. By attracting monies in the hands of the rural population, banks will make these monies available to trade, industry and commerce and this will tend to improve the economic wealth and position of the country. Another reason is a fairly large amount of money is in hiding and it doesn't come in for circulation as the holders of such money are afraid of making use of them, lest they might be assessed to tax thereon."

R. SUNDARAM IYER,
Indian Bank Ltd.

Prospects for Constructional Engineering

"With regard to the future, you must be aware of the all-round expansion of economic activities under the first Five-year Plan. The Second Five-year Plan will carry this expansion much further. This is bound to have its effect on the prospects of all industrial concerns and especially of those engaged in constructional engineering and manufacture of machinery and other requisites for this kind of engineering activity. Unless there is a drastic change in the attitude of the authorities to the private sector or there is an addition of appreciable burden by way of taxation or further concessions to workers, the future of industry as a whole, including of those in which your Company is financially interested, cannot, therefore, be said to be in any way discouraging."

GULABCHAND HIRACHAND,
Premier Construction Co., Ltd.

Saving for Investment in New Plants

"At the present time investment in new plant and factories in this country compares unfavourably with that being undertaken by our competitors. The reason for this appears to be twofold. In the first place, there still appears to be reluctance on the part of some British business to scrap old plant and replace it by newer, more efficient machinery. In the second place, despite the striking increase which has taken place in savings in the past two years, their level is still, in my view, below that required to maintain a satisfactory flow of capital into industry, taking into account the housing programme and other capital expenditure to which the Government is committed. To build new factories and to equip them with the latest machinery of the most modern type requires a steady flow of new investment provided by savings. I hope that in this direction that offices such as ours link up with British industry."

C. H. SHUTTLEWORTH,
Royal London Mutual Insurance Society Ltd.

Mutualisation Has Come To Stay

"Coming to the question of nationalisation of insurance, today one feels that this idea is obsolete. Recently, in Norway, a well advanced European country, which was thinking in terms of nationalisation, mutualisation was recommended by the Royal Commission appointed to investigate the future of life insurance in that country. What we repeatedly recommended from year to year at these meetings, namely, mutualisation, has come to stay in this country as also elsewhere, as aforesaid. One insurance company in South India has already mutualised itself and shortly one of the biggest proprietory companies in India might get mutualised. Thereafter, this movement will gather momentum and many more will be mutualised. Mutualisation has come to stay, because it strikes a healthy balance between nationalisation, on the one side, and private ownership, on the other."

P. PADMANABHA RAO,
Canara Mutual Assurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

TIDE WATER OIL CO., (INDIA) LTD. Half-yearly General Meeting, Calcutta, 11th May, 1954. Dividend: *Nil*. Transfer books remain closed from 8th to 11th May, 1954, both days inclusive.

ORIENT PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 14th May, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 1st to 14th May, 1954, both days inclusive.

NEW MANBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Dividend: *Nil*. Transfer books will remain closed from 10th to 17th May, 1954, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Dividend: As. 6 per share. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Dividend: As. 8 per share. Transfer books will remain closed from 4th to 17th May, 1954, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME.) Annual General Meeting, Calcutta, 18th May, 1954. Dividend: Rs. 15 per share. Transfer books will remain closed from 4th to 18th May, 1954, both days inclusive.

KELVIN JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Dividend: Rs. 7-8 per share. Transfer books will remain closed from 6th to 19th May, 1954, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Transfer books remain closed from 6th to 19th May, 1954, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Transfer books will remain closed from 13th to 19th May, 1954, both days inclusive.

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Dividend: As. 8 per share. Transfer books remain closed from 6th to 19th May, 1954, both days inclusive.

ALBION JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May, 1954. Dividend: Rs. 12 per share. Transfer books will remain closed from 15th to 21st May, 1954, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May, 1954. Dividend: Rs. 12 per share. Transfer books will remain closed from 15th to 21st May, 1954, both days inclusive.

GODFREY PHILLIPS (INDIA) LTD. Annual General Meeting, Bombay, 21st May, 1954. Transfer books remain closed from 8th to 21st May, 1954, both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Delhi, 23rd May, 1954. Transfer books will remain closed from 10th to 23rd May, 1954, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 27th May, 1954. Final dividend: Rs. 8 per share (making a total of Rs. 8 per share for the year). Transfer books will remain closed from 10th to 27th May, 1954, both days inclusive.

HINDUSTAN WOOLLEN MILLS LTD. Annual General Meeting, Calcutta, 31st May, 1954. Transfer books will remain closed from 17th to 31st May, 1954, both days inclusive.

SURAT ELECTRICITY CO., LTD. Final dividend: Rs. 4-8 per share for the half-year ended 31st December, 1953 (making Rs. 7 per share for the year) and proportionate to the amounts called-up. Transfer books will remain closed from 14th to 28th May, 1954, both days inclusive.

CENTRAL PROVINCES RAILWAYS CO., LTD. Transfer books will remain closed from 31st May to 12th June, 1954, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Dividend: *Nil*. Transfer books will remain closed from 14th to 26th June, 1954, both days inclusive.

TRAVANCORE RUBBERS LTD. Dividend: Rs. 2 per share. Transfer books will remain closed from 12th to 20th May, 1954, both days inclusive.

REFORM OF COMPANY LAW—II

(*Concluded from page 894*)

other directors, he has the duty to direct the management and affairs of the company. If a director is to discharge his duty conscientiously, he cannot fairly, honestly and efficiently justify his holding the office in more than seven, or eight or ten companies at the most, however extraordinarily energetic he may be. The limit of twenty directorships fixed by the present section will practically leave the position as it is. Further, there is no reason why, in counting this "twenty," directorships of private and other companies are to be excluded. If its directors are to be useful to a company, they must be in a position to devote themselves to the affairs of the company entrusted to their charge. I would, therefore, suggest that, in sections 253 to 257, wherever necessary, for the words "twenty" the word "six" should be substituted.

(*Concluded.*)

QUESTION HOUR IN PARLIAMENT

World Bank Loan to I.F.C.

EFFORTS to get a loan of $8 million from the World Bank for the Industrial Financial Corporation have been given up. The total amount utilised till 31st March, 1954, of loans, so far granted by the World Bank is $54.7 million. So far as the efforts of the Indian mission of senior officials which had gone to Washington are concerned, the Trombay Project and the Koyna Project are being studied by the International Bank.

* * * *

American Loan Fund

The American Loan Fund was built up by the sale of the American wheat loaned to the Government of India. It was originally thought that the total amount would be Rs. 90.43 crores, but, due to capital loss owing to subsidised sale of the food-grain, the amount credited to the Fund was actually Rs. 73 crores. In the ceilings for Central assistance to States each year on schemes approved by the Planning Commission, medium-term loans are being met from the Fund. There is no question of any cases for assistance from the Fund coming up as such. The amount paid during 1953-54 out of the Fund for mostly irrigation, power and other development schemes included Rs. 85.87 lakhs to Assam, Rs. 100 lakhs to Bihar, Rs. 311 lakhs to Bombay, Rs. 40 lakhs to Madhya Pradesh, Rs. 175 lakhs to Madras, Rs. 95 lakhs to Orissa, Rs. 75 lakhs to the Punjab, Rs. 100 lakhs to Uttar Pradesh, Rs. 149 lakhs to Mayurakshi Project and Rs. 200 lakhs to West Bengal. Rs. 39 lakhs were given to Madhya Bharat, Rs. 152 lakhs to Mysore, Rs. 97 lakhs to Rajasthan, Rs. 123 lakhs to Saurashtra and Rs. 225 lakhs to Travancore-Cochin.

—*Parliamentary Secretary to Finance Ministry*

I.F.C. and Industrial Loans

The International Monetary Fund Mission has recommended that the Industrial Finance Corporation should collaborate with banks in granting industrial loans. The matter has been under the consideration of the Government. The Government is also awaiting, in this connection, the report of the Shroff Committee, which was appointed by the Reserve Bank of India with the approval of the Government, to examine, among other things, the possibility of providing bank finance for development in the private sector. The Industrial Finance Corporation has also contacted commercial banks to find out what has been done in the matter, particularly on the question of debentures issued by the Corporation. Reactions of the banks in regard to debentures appear to be satisfactory.

—*Deputy Finance Minister*

Second Five-year Plan

Plans and schemes for inclusion in the Second Five-year Plan would require greater study and investigation. Surveys and studies of resources, needs and practical possibilities are a normal and continuous aspect of planned development. The States have been asked to indicate the irrigation and power schemes which they have in view to the next plan and, in respect of each scheme, the stage reached in its investigation. The States have also been addressed on the manner in which investigations should be carried on and the information made available. A Central official is also to be deputed to go round the States, so that his advice in respect of investigation may be available on the spot. These steps are being taken to avoid delay that may occur if the investigation and surveys are incomplete and additional information has to be called for. States are also being addressed on the subject of preparation of district and local plans which would call for surveys of local resources and needs. In respect of these, the local people may also be associated. With the assistance of the States, a large number of investigations into social and economic problems has been initiated through universities and other research institutions under the direction of the Research Programmes Committee of the Planning Commission.

—*Deputy Minister for Irrigation and Power*

More Aircraft

A further advance of Rs. 3.37 lakhs will be given to Air-India International Corporation during 1954-55 towards the payment of the price of Super-Constellation aircraft. The Government has already advanced Rs. 266.55 lakhs to the Corporation, Rs. 89.55 lakhs as loan and Rs. 177 lakhs as capital. Out of this, Rs. 227 lakhs represent instalments paid towards the cost of five Super-Constellation aircraft which have been ordered by the Corporation. The Government's share in the paid-up capital of the Company is Rs. 102 lakhs.

—*Deputy Communications Minister*

Aid to Travancore-Cochin

The Centre has promised assistance of Rs. 275 lakhs in the current year to the Government of Travancore-Cochin for the execution of development projects in the State.

* * * *

China's Debt to India

The Government of India has taken up with the Peking Government the question of repayment to India of Rs. 10,80,103, being the sum owed to India by the former Chinese Government. This debt was incurred during the war and post-war period. The claim is admitted by the former Chinese Nationalist Government. It has now been taken up by the Indian Ambassador in Peking with the Chinese Government and also by the Indian Government with the Chinese Embassy here. The Embassy has stated that the matter has been referred to the Chinese Government and their decision is awaited.

—*Deputy Finance Minister*

RESULTS OF VISHNU COTTON MILLS DISAPPOINTING

MODERN MILLS MAINTAINS DIVIDEND

Vishnu Cotton Mill Ltd.

THE directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts show a profit for the year of Rs. 2,69,069 (Rs. 13,39,541) to which must be added balance brought forward from last year Rs. 2,21,881 (Rs. 2,21,813) and net surplus on sale of old machinery, etc. Rs. 33,480 (*nil*) giving a total of Rs. 5,24,430 (Rs. 15,13,354) after payment of interim dividend of Rs. 3 per share. The directors have transferred from reserve for taxation Rs. 40,000 (*nil*) being the provision made in previous years no longer required and from depreciation, renewal and extension fund Rs. 1,15,000 (*nil*) making available a sum of Rs. 6,79,430 (Rs. 15,13,354). From this sum they have transferred to depreciation Rs. 6,63,691 (Rs. 6,68,602) and gratuity fund Rs. 13,000 (Rs. 24,000) leaving a balance of Rs. 738 (Rs. 5,26,752), after providing Rs. 2,50,000 for taxation and Rs. 44,000 for depreciation, renewal and extension fund). They have transferred from the dividend fund Rs. 2,10,000 (*nil*) making available a sum of Rs. 2,10,738 (Rs. 5,26,752). Out of this balance the directors recommend a dividend of Rs. 35 (Rs. 35) per share less income-tax on 3,133 preference shares, and a dividend for the year of Rs. 4 (Rs. 7 final) per share on 32,000 ordinary shares, free of income-tax absorbing Rs. 2,08,870 (Rs. 3,04,870) and to carry forward the balance of Rs. 1,868 (Rs. 2,21,881).

Forfeited dividends amounting to Rs. 2,576-4 have been added to reserve fund.

Trading conditions were stable during the early part of the year, but in the second half there was a considerable decline in the cloth market; although there has been some improvement since November last, conditions continue to be very difficult as regards coarse, medium and fine varieties of cloth, and the weak selling policy of other local mills has contributed to these difficulties. The Company continued to do a fair business for export throughout the year, but here again conditions have become increasingly competitive.

Old buildings which cost Rs. 5,693 have been demolished. Additions to buildings during the year amounted to Rs. 1,13,042 and to machinery Rs. 13,24,908. The main items were: erection of a new bungalow, extensions to loom-shed, dye-house, folding room and workshops, loom-shed humidification, 8 new ring frames, conversion of 5 doubling frames, and replacement of spindles. Erection of the new boilers continues. They are expected to be under steam later this year.

The workers received a bonus of 12½ per cent. of basic earning in respect of 1952.

The Company's contribution to the Employees Provident Fund was Rs. 3,23,837, which compares with Rs. 49,578 in 1952, during only two months of which the Act was in force. Dearness allowance to workers and staff totalled Rs. 36,69,596 which is Rs. 4,36,571 in excess of the amount paid in 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	47,66,500	Block ...	44,86,278
Reserves ...	47,34,135	Stock-in-trade	79,82,725
Reserve for taxation ...	2,99,355	Stores ...	18,44,318
Liabilities ...	85,27,802	Debts, deposits and advances ...	35,41,959
Profit and loss account ...	2,10,739	Investments	6,62,167
		Cash ...	21,084
Rs.	1,85,38,531	Rs.	1,85,38,531

Modern Mills, Ltd.

The directors of the above Company (Managing Agent: Messrs. N. Sirur & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st October, 1953.

The result of the Company's operations during the year shows a profit of Rs. 2,37,648 (Rs. 3,14,514) which with Rs. 24,034 (Rs. 31,305) brought forward from the previous year's account makes a total of Rs. 2,81,682 (Rs. 3,95,267) after taking into account profit on sale of machinery Rs. 45,189 and surplus bonus provided in 1943 Rs. 4,259. From this sum the directors allocated to provision for taxation Rs. 27,700 (Rs. 27,700), depreciation on buildings Rs. 65,950 (Rs. 15,000) and part depreciation on machinery Rs. 1,88,032 (Rs. 60,000 in full) leaving a balance of *nil* (Rs. 2,45,339 after transferring Rs. 47,228 for machinery rehabilitation fund).

In order to provide for balance of depreciation due on machinery and to enable payment of a dividend at Rs. 5 (Rs. 5) per share on 44,261 ordinary shares of Rs. 50 each and to carry forward a small sum to next year, the directors propose to transfer from the reserve fund (which has already been taxed in previous years) Rs. 5,95,000 (*nil*) to be disposed of as under:

Balance of depreciation on machinery Rs. 3,61,518 (*nil*), dividend of Rs. 5 (Rs. 5 per share (free of income-tax) on 44,261 ordinary shares of Rs. 50 each Rs. 2,21,305 (Rs. 2,21,305) and to carry to next year's account Rs. 12,177 (Rs. 24,034).

Although price and distribution controls on cloth and yarn were completely removed from 10th July, 1953, the working of the Mills was adversely affected by the serious depression in the cloth trade during the last four months of the year under report. Moreover, the Employees' Provident Fund Scheme came into force at the commencement of the year under report and the Company's contribution to the Fund amounting to Rs. 1,80,507 was an additional charge on the earnings of the Company.

The property and stocks at the Mills at Parel and Mahalaxmi are insured for the sum of Rs. 3,37,48,525 and the profits and standing charges for Rs. 45,00,000 for 24 months' benefit, that is, Rs. 22,50,000 annually.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,13,050	Block ...	62,04,772
Reserves ...	41,30,928	Stock-in-trade	93,16,611
Debentures ...	12,00,000	Stores, spares, etc. ...	9,66,659
Provision for taxation ...	55,495	Debts, deposits and advances ...	7,45,873
Liabilities ...	96,48,367	Investments	2,20,368
Profit and loss account ...	2,33,482	Cash ...	26,839
Rs.	1,74,81,322	Rs.	1,74,81,322

Lakhshmi Cotton Manufacturing Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts show a profit for the year of Rs. 14,87,256 (Rs. 18,47,514), to which must be added balance brought forward from last year Rs. 1,99,524 (Rs. 2,77,995) giving a total of Rs. 16,86,780 (Rs. 21,25,489). The interim dividend of Rs. 10 per ordinary share paid in November, 1953 absorbed Rs. 1,28,000 (Rs. 1,28,000) leaving a balance of Rs. 15,58,780 (Rs. 19,97,489). From this amount the directors have transferred to depreciation Rs. 8,06,271 (Rs. 953,966) reserve for taxation Rs. 2,30,000 (Rs. 3,60,000), engine and machinery fund Rs. 46,142 (Rs. 48,000) and gratuity fund Rs. 13,000 (Rs. 25,000). Out of the balance of Rs. 4,63,367 (Rs. 6,10,524) the directors recommend a dividend of Rs. 12-8 (Rs. 12-8) per share less income-tax on 6,400 preference shares, and a final dividend of Rs. 27-8 (Rs. 27-8) per share on 12,800 ordinary shares (making Rs. 37-8 (Rs. 37-8) per share for the year) free of income-tax, absorbing Rs. 4,11,000 (Rs. 4,11,000) and to carry forward the balance of Rs. 52,367 (Rs. 1,99,524).

The amount transferred to engine and machinery fund covers the estimated amount of taxation saved by the allowances for initial depreciation. This does not affect the value of the block.

A sum of Rs. 2,953, representing surplus on sale of old machinery, has been credited directly to engine and machinery fund, and forfeited dividends amounting to Rs. 3,081-1-8 net have been added to reserve fund.

Trading conditions were stable during the early part of the year, but in the second half there was a considerable decline in the cloth market; although there has been some improvement since November last, conditions continue to be very difficult as regards coarse, medium and fine varieties of cloth, and the weak selling policy of other local mills has contributed to these difficulties. The superfine section of the Mill has not been subjected to this competition, and has consequently shown better results. The Company continued to do a fair business for export throughout the year, but here again conditions have become increasingly competitive.

Additions to buildings during the year cost Rs. 25,497 and to machinery Rs. 5,08,221. The main items were new dyeing machinery and 5 carding engines.

In respect of 1952 workers received a bonus of 12½ per cent. of basic earnings.

The Company's contribution to the Employees Provident Fund amounted to Rs. 3,38,071, compared with Rs. 51,902 in 1952 during only two months of which the Act was in force.

Dearness allowance to workpeople and staff aggregated Rs. 30,82,003, which is Rs. 2,36,885 in excess of the amount paid in 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block ...	41,63,221
Reserves ...	71,10,521	Stock-in-trade	77,42,183
Reserve for taxation ...	6,54,366	Stores ...	14,83,508
Liabilities ...	47,31,988	Debts, deposits and advances ...	35,88,121
Profit and loss account ...	4,63,367	Investments	7,73,175
		Cash ...	10,034
Rs.	1,77,60,242	Rs.	1,77,60,242

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Bros. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

The result for the year, after providing for depreciation shows a profit of Rs. 6,13,792 (Rs. 7,32,732) from which has been deducted for taxation Rs. 2,90,000 (Rs. 3,25,000) leaving a balance of Rs. 3,23,792 (Rs. 4,07,732). To this has been added the carry forward from the previous year Rs. 2,37,248 (Rs. 2,24,419) leaving at credit of profit and loss account Rs. 5,61,040 (Rs. 6,32,151). This sum the directors recommend should be disposed off as follows:

Transfer to reserve Rs. 2,00,000 (Rs. 2,00,000) in payment of dividend at As. 12 (As. 12) per share free of income-tax for the year ended 30th September, 1953, Rs. 1,94,902 (Rs. 1,94,902) and carry forward to the next account Rs. 1,66,138 (Rs. 2,37,248).

The factory commenced crushing on 6th December, 1952, and finished on 7th May, 1953, with a total crush of 2,833,894 maunds of cane. The quality of cane available was normal and the recovery was 10.5¼ per cent. as compared to 10.86 per cent. in the previous year.

The cane price was reduced to Re. 1-5 per maund at the factory and Re. 1-3 per maund at outstations. Cane cess was levied at As. 3-3 and cane co-operative society commission was 9 pies per maund of cane.

Building and machinery were maintained in good order and necessary additions and alterations were made at the factory.

The minimum cane price for the season 1953-54 is increased though the difference in price of gate and outstation cane is maintained. Due to flood condition in cane areas the cane supply during the current season has been considerably reduced. Sugar market is steady and it is considered it would continue like that.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Block ...	10,37,959
Reserves ...	3,00,000	Stocks	21,00,389
Provision for taxation ...	9,24,983	Stores and spares ...	8,37,866
Liabilities ...	10,89,638	Investment ...	914
Profit and loss account ...	3,61,041	Debts, deposits and advances ...	7,53,855
		Cash ...	93,729
Rs.	48,24,712	Rs.	48,24,712

Bokaro and Ramgur, Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright (Ramgarh), Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1952.

The working of the half-year after deduction of all working charges shows a profit of Rs. 35,273 (loss of Rs. 30,195) which has to be set off against the debit balance from previous half-year carried forward Rs. 1,46,405 (debit of Rs. 56,998) leaving a debit balance of Rs. 1,11,132 (debit of Rs. 87,184). After adding provision for depreciation Rs. 25,000 (Rs. 25,000), there is a debit balance of Rs. 1,36,132 (debit of Rs. 1,37,184).

In view of the fact that the Company could earn no substantial profit during the half-year ended 30th June, 1952, the Board records with regret that no provision for debenture redemption reserve can be made during this half-year.

The output during the half-year was 43,982 tons as compared to 55,572 tons during the previous half-year and 62,956 tons during the corresponding period of 1951. Raisings continued to be restricted owing to the existing large stocks of coal at both Dhori and Pipradih Collieries.

Despatches during the half-year were 24,750 tons as compared to 42,774 tons and 40,001 tons respectively. Despatches of coal and coke during the half-year continued to be very unsatisfactory due to acute wagon shortage and in common with most other colliery companies trading results suffered accordingly.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	28,41,613
Debentures	10,00,000	Stock of coal	7,93,370
Reserves ...	16,22,936	Stores ...	3,72,871
Provision for taxation ...	2,00,045	Other assets ...	12,17,935
Liabilities ...	19,60,010	Debts, deposits and advances ...	10,00,772
		Cash ...	20,298
		Profit and loss account ...	1,36,132
Rs.	63,82,991	Rs.	63,82,991

Punjab Minerals Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

No further progress has been made since the issue of the last directors' report.

The profit and loss account shows a debit balance of Rs. 75,180 (Rs. 69,103) which is being carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,23,294
Reserve for doubtful debts	288	Other assets ...	8,615
Liabilities ...	13,474	Security deposits	88
		Investments ...	4,753
		Cash ...	1,833
		Profit and loss account ...	75,180
Rs.	3,13,762	Rs.	3,13,762

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

MONEY MARKET STRINGENT

(From Our Own Correspondent)

BOMBAY, 5th *May*

There was no sign of any easing of the stringency of the short-term money market during the week under review. If anything, it was little more stringent, with a further subscription of Rs. 14 crores to the National Plan Loan, during the second week, causing further shrinkage in the volume of floating funds. Banks were, therefore, keen borrowers in the inter-bank call money sector. In the absence of any lenders, there was very little activity in this section, and the rate was maintained at 3 per cent.

With the issue of a new series of 10-year savings certificates called the National Plan Certificates as part of the National Plan borrowing programme, in order to attract people of smaller means, it is expected that the deposits of banks, particularly savings bank deposits, will be diverted to these savings certificates. Presumably, in order to keep themselves supplied with enough funds, some of the banks were reported to have offered higher rate of interest for short-term deposits of longer periods. Three months' deposits were bid at the self-same rate of 3 per cent. The rate of 2½ to 3 per cent. became more common for 4 to 6 months. The rate for longer periods, say upto 12 months, was anything from 2 to 2½ per cent. One of the banks was even said to have offered upto 3 per cent. for 12 months' deposits.

A further contraction of Rs. 3.50 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 30th April, 1954, following the fall of Rs. 9.32 crores noted in the previous week. Notes held in the Banking Department are higher by Rs. 3.64 crores. The next increase in total notes issued is covered by a rise of Rs. 14 lakhs in rupee coin. In the Banking Department, deposits of the Central Government show an increase of Rs. 26.50 crores which is explained by the subscriptions to the National Plan Loan. Deposits of other Governments are lower by Rs. 35.86 lakhs. Deposits of banks have also gone down by Rs. 4.16 crores, which may be due to the bank's subscription to the Loan. On the assets side, cash balances show an increase of Rs. 3.66 crores, reflecting the rise in notes held in the Banking Department. Balances held abroad are also higher by Rs. 33 lakhs. Ways and means advances to Governments' have declined by Rs. 90 lakhs, while other loans and advances have gone up by as much as Rs. 14.63 crores, a good part of which is due to advances to Scheduled banks against usance bills. Total amount of such advances during the week was Rs. 11.50 crores, but the net increase over the week is only Rs. 8.90 crores. Investments have risen by Rs. 3.05 crores.

The Scheduled banks' statement for the week ended 23rd April, 1954, as compared with that for the previous week, discloses a rise of Rs. 4.22 crores in demand deposits and of Rs. 75 lakhs in time deposits. Inter-bank borrowings have declined by Rs. 95.52 lakhs. Borrowings from the Reserve Bank show an increase of Rs. 1.12 crores, while those from the Imperial Bank reveal a fall of Rs. 74 lakhs. Advances have gone down by Rs. 31 lakhs, while bills purchased and discounted have risen by Rs. 1.70 crores, so that the rise in total advances is of the order of Rs. 1.39 crores. Investments have gone up by Rs. 1.34 crores. Cash on hand and balances with the Reserve Bank have together accounted for an expansion of Rs. 1.34 crores and balances with other banks in current account for Rs. 86 lakhs, while money at call and short notice have gone down by Rs. 1.15 crores.

The Gilt-edged market displayed a further weakening of prices during the week under review. There was no sign of an improvement and prices declined further for want of buying. 3 per cent. 1957 dropped As. 3 to Rs. 98 and 3 per cent. 1958 1957 dropped As. 3 to Rs. 98 and 3 per cent. 1958 1957 dropped As. 3 to Rs. 97-15. 3 per cent. 1959-61 was marked down by As. 2 to Rs. 96-4. 3 per cent. 1963-65 was on offer As. 8 lower at Rs. 92-12. 3 per cent. 1964 was, however, unchanged at Rs. 92-12. 3 per cent. 1966-68 was placed at Rs. 90-2, As. 2 lower than last week. 3 per cent. 1970-75 fell back by As. 3 to Rs. 86-6. 3 per cent. 1986 Conversion Loan found sellers and lost As. 5 to Rs. 81-11. 3½ per cent. 1961 National Plan Bond was quiet at Rs. 98-13 as against Rs. 98-14.

Subscriptions to the 3½ per cent. National Plan Loan 1964 during the period 26th April to 1st May, according to reports received upto the 3rd May, amounted to about Rs. 14 crores. The total subscriptions since 19th April amounted to about Rs. 45.5 crores.

In the foreign exchange section, the spot rate for the rupee-U.S. dollar exchange rate was unchanged at Rs. 475 per $100 (banks' selling) and Rs. 471¼ (banks' buying). In the New York market, sterling ruled strong in terms of the dollar. The spot rate improved from $2.81½-$2.81¾ to $2.81-15/16-$2.82, but shaded off yesterday to $2.81-13/16-$2.81-15/16. Similarly, the forward rate for three months closed ¼ per cent. higher at $2.81-11/16-$2.81-13/16, after touching $2.81½-$2.81-13/16. Transferable sterling was, however, a fraction lower at $2.79¼-$2.79½.

LINSEED STOCKS SCARCE

(Messrs. A. Bradley & Co.)

CALCUTTA, 3rd *May*

A somewhat quiet tendency has prevailed in the linseed market during the week. Although prices have shown little change, conditions appear to be generally steady. Trading has been slack with ready stocks very scarce, owing to poor arrivals from upcountry. There has been a fairly good demand for ready delivery, but only small business has resulted, thanks to scarcity of supplies. Local demand for linseed oil remains poor while bills purchased and discounted have risen and activity has been very limited. Latest quotations are: Ready Rs. 19-8 and June-July Rs. 20 per maund.

BULLION TURNS WEAK

(From Our Own Correspondent)

BOMBAY, 5th *May*

After last week's sharp rise, bullion values developed a sagging tendency during the week under review, under the impact of continuous unloading in silver by bull operators and selling by a prominent bear operator of Calcutta. Option dealers also hurried to liquidate their interests. Though, at the close, there was a smart recovery in silver, it was not sufficient to cover the earlier losses. Over the week, therefore, the white metal lost Rs. 2-13 per 100 tolas. Gold also turned weak and stood on balance Rs. 2-10 per tola lower.

It seems strange that, when the floating stocks of silver were reported to have dwindled very much, some of the main bull operators preferred to unload their holdings. This change of attitude was said to be due to lack of sufficient offtake. The bear operators seized the opportunity to depress the market further. Upcountry advices also were far from inspiring. Another cause for the heavy unloading in silver was said to be the heavy loss suffered by a group of operators in castorseeds. This group had gone long in silver too and had to lighten its commitments, with a view to cutting its losses.

Large arrivals in gold, without sufficient offtake to absorb them, were the main damper in the gold section. The weakness of silver also affected sentiment in this section.

Silver for forward delivery (19th May settlement) opened on a quiet note and the pressure of selling brought it down to Rs. 170-6 on Friday last. The attempts at recovery early on Saturday, in which process forward silver came up to Rs. 171-11, proved futile and further reaction set in from Monday this week onwards, dragging the price to a low of Rs. 167-2 yesterday. Today, there was some replacement buying, on account of which the forward rate recovered to Rs. 168-9 at the close.

Ready silver (.996 Mint) opened at Rs. 169-1. The premium of ready over the forward widened early in the week from As. 10 to As. 12, but soon narrowed down to As. 8. The floating stocks of silver in Bombay are estimated at 1,500 bars. The daily average offtake was no more than 15 bars.

Forward gold (18th May settlement) began at Rs. 93-7, but, after a momentary rise to Rs. 93-12, relapsed to Rs. 90-8 today before closing at Rs. 91.

The opening and closing levels of ready gold were Rs. 94-7 and Rs. 92, respectively. The premium of ready over the forward which stood at Re. 1 narrowed down to As. 12 in mid-week due to an increase in arrivals, but regained to Re. 1 at the close, following the decline in the pace of arrivals. The floating stocks of gold are estimated at 20,000 tolas. The daily average arrivals were 5,000 tolas, while the offtake was no more than 4,000 tolas on an average.

In the London market, the spot silver moved between 73¾d. and 73⅞d. per fine ounce and closed at 73¾d., with a loss of ⅛d. per ounce. Similarly, the forward was lower by ⅛d. at 73¾d. per ounce. The price of gold dropped initially from £12 9*s.* 4*d.* to £12 8*s.* 11½*d.*, but recovered to close yesterday at £12 9*s.* ½*d.*

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

		5-5-54	Highest	Lowest	28-4-54
Gold		Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.999 fine Mint)	..	92 0	94 12	91 8	94 10
Forward	..	91 0	93 12	90 8	93 10
Sovereign	..	60 12	61 0	60 8	61 4
Silver					
Ready (.996 fine Mint)	..	169 1	171 14	167 10	172 0
Forward	..	168 9	171 14	167 2	171 6
London Ready	..	73¾d.	73⅞d.	73¾d.	73⅞d.
London Forward	..	73¾d.	73⅞d.	73¾d.	73⅞d.
London Gold	..	240*s* 4*d*.	240*s*. 4*d*.	240*s* 11¼*d*	240*s*. 4*d*.
New York Ready	..	85⅛c.	—	—	85⅛c.

TEA DUSTS IRREGULARLY EASY

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 1st *March*

The offerings in dust sale "H", which was held on Tuesday, 27th April, amounted to approximately 140,000 lbs. There was a good general demand, but the market was irregularly As. 1 to As. 2 easier, except for good grainy black types which were fully firm.

London Market.—Market steady.

Colombo Market.—Active demand. Low-grown brokens firm to dearer. Others lower following quality.

Calcutta Market—Export.—No sale this week.

Dust.—22,000 packages. Fair general demand. Market irregularly half anna easier. C.T.C. and bright liquoring teas strongest feature.

Special Licence.—Business in special licence has been effected here at 40 pies, but sellers are scarce.

1954-55 *Export Quota.*—There has been a further appreciation in the price of new quota and business has been done here at 48 pies which remains today's quotation.

Forthcoming Auctions.—Sale No. 9 will be held on Tuesday, 4th May, and dust sale "I" will be held on Tuesday, 11th May, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire:—

"*Sale 9.*—11,45,000 lbs. Less demand. Market irregular and easier. Common and low medium half to one anna down. Medium and good medium As. 2 to As. 3 easier. Best liquoring considerably lower following quality."

SPOT COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 5th *May*

As anticipated last week, apprehensions regarding heavy tenders were set at rest, at least so far as the first delivery day was concerned. With the premium for August over May assuming formidable proportions, it was naturally more profitable to transfer sales to the later delivery than to tender cotton against sales in the expiring contract. This transfer had in itself a salutary effect on the position of the market, by way of both reducing the quantity of cotton tendered on the opening day and reducing the premia to a certain extent in the initial days of the week. The high prices commanded by many of the tenderable varieties in the spot market have reached a stage where tendering cotton against hedges in the forward market has become unprofitable. With a greater emergence of buying on the part of mills and investors in the spot market, not only has any danger to the May contract been averted, but it has emerged with some added strength. One of the reasons for this change in sentiment is the fact that, during the recent fall, most of the weak holders on the long side were shaken out and those who remained were parties with substantial resources to absorb deliveries. While the May position is still vulnerable because of certain technical considerations, there is a steady current running beneath the surface.

With the extinction of practical interest of the general run of operators in the market in the May contract, the August position has come to receive good attention. Opinion in this sector is divided. Those basing their opinion on purely statistical position foresee a good rise in the final contract of the season, as supplies of cotton get diminished. There are, however, others who contend that, as there is little scope for a rise in the rates of premia in the spot market now, any effort at rigging up prices of the August contract will not only bring large-scale hedging but also create possibilities of greater deliveries three months hence. Still on balance, the sentiment in the market points to firmness. Although one cannot say to what extent the August contract will go up, it looks as though one can safely say that an appreciable decline from the level of Rs. 700 could be safely ruled out. Buyers also will have to be careful, inasmuch as this is the last contract of the season, and, if the opening of forward trading in the new crop deliveries is delayed, as it was last year, there may be no alternative left to weak holders to taking delivery except that of squaring up their outstanding purchases at ruinous prices. On the other hand, the course of forward trading for the next two months will depend very largely on the development in the monsoon trends. Good rains may act as an important bearish factor, just as any unfavourable development with regard to sowings at the start would tend to push up prices. To this extent, trade in August will partially be a gamble on the rains.

In the Sewri market, mills have been consistent buyers, as in the previous week, in all the staple varieties. News from the cloth market has also been encouraging. Knowing that good cotton is fast disappearing, mills have turned their attention to all the upcountry centres in the producing areas and they are mopping up what is left there, in view of the shortage in supplies likely to arise at a later date. Investors have also infiltrated the ranks of spot merchants and, as the busy season will soon be over, this tendency to invest in a safe commodity when money is plentiful would naturally be on an increase. It is believed that, with the exceptional premia paid by mills and investors for some varieties, ceilings will soon be reached in these cases.

It is now foreseen that, whether they wish it or not, mills will soon have to turn their attention to imported cotton and the imports may go up as a result of this. The ruling prices for Sudanese cotton, though still high, may become attractive, if Indian cotton of good quality is not to be had. At present, however, interest is centred in U.S. cotton, but, with any appreciable rise in the prices of this, the mills may switch over to Sudanese and East African varieties.

Listless conditions prevailed in the cotton futures market during the first three sessions of the week. Transactions were mostly of a squaring up nature. Values, therefore, moved within narrow limits. On the 3rd instant, however, the market picked up some strength, following continued short-covering and purchases by offices inspired by smaller issuance of tenders. The firmness persisted in the early hours the next day also, but, towards the close, profit-taking set in and values drifted lower. The downward trend continued today too, although, at the beginning, a somewhat slightly steady tone was in evidence. Over the week, the May contract did not experience any marked change in price, while August contract recorded some improvement. I.C.C. May opened the week at Rs. 673-8 and, after advancing to Rs. 685 yesterday, receded to Rs. 674 today before finishing a shade higher at Rs. 675. August contract improved from Rs. 694-8 to Rs. 706-8. Thereafter, it fell down to Rs. 700-12. At the close, however, it was better at Rs. 702-8. The spread between the two contracts widened appreciably from Rs. 21-8 at the close of last week to Rs. 27-8 today.

The following table shows the trend of prices in the forward section during the week under review:

		Closing 28-4-54	*High*	*Low*	*Closing* 5-5-54
I.C.C. May ...	Rs.	673¾	685	671	675
I.C.C. Aug. ...	Rs.	695½	706½	694	702½

Latest available quotations from the spot section are: Bengal *Deshi* Rs. 620-625; Khandesh Rs. 847; Berar Rs. 795-800; 320F Punjab Rs. 892; California St. Mdlg. Rs. 1,550.

At Karachi, prices have hardened appreciably in both *deshi* and staple varieties. This is sur-

prising, in view of the announcement by the U.S. Secretary of Agriculture that American cotton will be available to most of the countries against payment in their own currencies, because this would cancel the one advantage which Pakistan cotton has been enjoying for many years. In spite of this, Pakistan has decided to increase its present output of cotton by nearly a million bales during the next three years on the strength of Japan's willingness to purchase cotton in big bulk.

Latest available quotations from the Karachi cotton market are: Sind deshi Rs. 75; Punjab deshi Rs. 72; 4 F. Punjab R.G. Rs. 76-8; S.G. Rs. 79-8; L.S.S. Punjab R.G. Rs. 77; S.G. Rs. 81; N.T.R.G. Rs. 77-8; S.G. Rs. 81-8; 289 F. Punjab R.G. Rs. 80-8; S.G. Rs. 84.

At Alexandria, no significant change is generally expected in the buying policy of the Egyptian Government for the new crop. Arrangements for the financing of the purchase of this crop by the Government are also believed to have been completed. Shippers and local mills will be required, as in the current year, to obtain their requirements from the Cotton Commission. From the last week of June, selling prices will be based on the October position at New York, with 40 per cent., increase for good Karnak and Menoufi and 12½ per cent. for other varieties, over the closing prices at New York in the previous week. This shows an increase of 10 per cent. in the case of higher staple varieties and 7½ per cent. for others over the percentages for increase in prices fixed for the current year. As the price range at New York, owing to restricted acreage, is likely to improve as time goes on, Egyptian cotton next year is likely to cost considerably more for Indian importers than in the current year.

The position at New York has changed once again. While the improvement in the current crop prices has continued, the new crop positions which were losing ground on account of favourable weather reports, have gone up. Spot cotton is gaining in strength and this has led many observers to expect a good rise in the July position, due to shortage of supplies, once the May contract is out of the way. Demand for export has been steadily on the increase and there may be a rush for U.S. cotton during the closing months of the season.

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

(In cents per lb.)

	4-5-54	27-4-54	20-4-54
Spot	35.35	35.45	35.20
May	34.53	34.53	34.10
July	34.42	34.33	34.22
October	33.87	33.87	33.78
December	33.82	33.83	33.76

* * * *

A new textile policy designed to increase exports and hold down prices on the local market has been approved by the Japanese Ministry of Trade and Industry, according to reports from Tokyo. The target for cotton exports for the fiscal year 1954 has been set at the equivalent of 780,000 bales. This includes about 1,000 million yards of cotton cloth, compared with the 915 million yards of cotton cloth exported in 1953. This is in spite of reduced imports of raw cotton fixed for 1954 at 2.1 million bales. The Ministry will fix a cotton goods export target for each quarter and will allot foreign currency to traders strictly according to the ratio between their exports and that target. When the amount is exceeded extra foreign currency will be allowed for the following quarter. Conversely, foreign currency allocations will be cut back when production falls below the target.

The new policy fixes monthly production of cotton goods at 180,000 bales, of which from 115,000 to 120,000 bales will be for domestic consumption. The link rate for raw cotton imports will be raised to an average of 15 per cent. from 12.5 per cent. last year to encourage exports. Any traders who extend markets will be awarded from 3 to 4 per cent. additional allocations of raw cotton. There will be no extra allocation, however, if expansions are made at prices considered to be "unreasonably low," even in new markets.

ART SILK YARN FIRM

(From Our Own Correspondent)

BOMBAY, 5th *May*

After remaining easy during the first three sessions of the week under review, the art silk yarn market exhibited a firm tone on Tuesday which persisted today too. The initial easiness was induced chiefly by continued slack demand from consuming centres and heavy arrivals of imported yarn. Reports of large bookings for forward delivery by various Japanese and Continental suppliers also acted as a damper to the market. The selling pressure that ensued as a consequence brought about a fall in art silk yarn prices. The downward trend was, however, halted yesterday, when the market picked up considerable strength, following the confirmation of the reported breakdown of negotiations for bulk purchase of yarn between the National Rayon Corporation and the Silk and Art Silk Mills Association (S.A.S.M.A.). Not only were the previous losses completely recovered but the closing quotations today stood very much higher than those a week ago.

In the spot section, 150 Japan forged ahead from Rs. 4-9 to Rs. 4-15 per lb. 120 Japan and 150 Italy gained an anna each to Rs. 4-13 and Rs. 3-14-6, respectively. 120 Italy, however, receded by As. 2-6 to Rs. 3-15-6 for want of support. In the forward section, 150D May contract, after moving down from Rs. 762 to Rs. 750 per case of 200 lbs. on Tuesday, recovered to finish at Rs. 776. The net gain for the week was Rs. 14.

It is reported that the negotiations with the S.A.S.M.A. having failed, the National Rayon Corporation is trying to have a bulk deal with the Yarn Merchants' Association and Exchange Ltd., Bombay. It will appear that no concrete proposals regarding prices, etc., have yet been made by the Company.

Referring to the reported bulk purchase agreement between the S.A.S.M.A. and the Italian firm, we stated, in the report dated 13th April, 1954—*vide* page 752—that the latter had agreed to supply art silk yarn at 40d. per lb., as against the average rate of 43d. at which it had sold Rs. 1 crore worth of yarn last year. In this connection, the Italian firm, Italviscosa Eastern Trading (Branch Office), Bombay, in a communication addressed to us, says:

"It is likely that you are mixing up the prices of the yarn made up on cones (43d. per lb. for 120 den. bright) and in cakes (40d. per lb. for 120 den. bright). It is not true that we are now supplying the yarn at a price lower than last year. As a matter of fact, the present prices are higher than those of last year, taken as a whole, and correspond exactly to the quotations valid for August-December, 1953. The price of 43d. per lb. cannot be taken as an average for all counts, since the greater proportion of Indian purchases are made in finer counts, the prices of which are much higher than 43d. per lb. We should like to add that, even at the present rates, India is receiving rayon yarn at lower prices than those quoted by us or by other producers of rayon yarn to other countries."

Staple fibre yarn was subjected to selling pressure induced by heavy pressure of sales by cotton mills, larger arrivals and poor enquiries from consuming areas. Prices, therefore, tended to move down. Staple fibre yarn (40 x 2) May contract receded by As. 11 Rs. 677 per case of 200 lbs. In the spot section, Vasanta, Sriram, and Sitaram lost nine pies each to Rs. 3-7, Rs. 3-6-6 and Rs. 3-7-3 per bundle of 10 lbs., respectively. New Great was half an anna lower at Rs. 3-8-6. Among foreign yarns, Suico and Shinco fell by nine pies each to Rs. 4-1 and Rs. 4-0-6, respectively. Fuji and Aurora were each half an anna easy at Rs. 4-0-6.

Enquiries for almost all kinds of Indian cotton yarns continued to remain satisfactory. Turnover was rather limited on account of high prices demanded by the producers. Offtake in coarse counts of cotton yarns continued to be limited, on account of poor demand. In the case of medium and fine counts upto and including 40s, demand remained steady, but buyers were afraid of making large purchases on account of present high level of prices. In the case of superfine yarns, however, prices remained unchanged, due to very limited offtake. Mills were quoting hgher prices for forward deliveries, but the business resulting was very limited. Among 10s, Podar was half an anna higher at Rs. 13-5 per bundle of 10 lbs. Modern was steady at Rs. 13-6. Among 20s, Seksaria advanced by As. 3 to Rs. 17 and Hind by As. 2 to Rs. 17-8. Among 30s, Madura rose by As. 8 to Rs. 25-8. Among 40s, Meenakshi was specially favoured at and moved up by Rs. 1-6 to Rs. 29-12. Madura hardened by As. 14 to Rs. 29-4 and Meenakshi by As. 6 to Rs. 27-4. 60 count yarns suffered losses. Sri Ram receded by As. 12 to Rs. 56-4. Seksaria lost As. 2 to Rs. 46-14. Among 80s, Finlay dropped As. 6 to Rs. 64-10. Elphinstone and Shri Ram fell by As. 4 each, the former to Rs. 60-8 and the latter to Rs. 61-4.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:—

	5-5-1954	28-4-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 April (per case of 200 lbs.)	—	758 0
150 May	776 0	762 0
120 Japan (per lb.)	4 13	4 12
150 Japan (per lb.)	4 15	4 9
120 Italy (per lb.)	3 10½	4 2
150 Italy (per lb.)	3 14	3 13½
Staple fibre yarn—		
40 x 2 April (per case of 200 lbs.) ..	—	683 0
40 x 2 May	677 0	688 0
Suico (per lb.)	4 1	4 1½
New Great (per lb.)	3 8½	3 9
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 6	13 6
20s Seksaria	17 0	16 13
30s Madura	25 8	25 0
40s Meenakshi	29 12	29 0
60s Sri Ram	56 4	57 0
80s Finlay	64 10	65 0

CRISIS IN CASTOR FUTURES

(From Our Own Correspondent)

BOMBAY, 5th *May*

The most depressing development of the week is the failure of a prominent bear to honour his commitments in castor futures in May contract. The difference of Rs. 4 between the latest settlement rate fixed at Rs. 115 on Wednesday, the 28th ultimo, and the previous one, ought to have been paid by Monday the 3rd May. It would appear that the operator concerned has failed to honour his commitments. The amount involved is estimated at Rs. 5 lakhs. Consequently, trading in this section had to be suspended. The Board of the Oilseeds Exchange, which reviewed the situation on Tuesday, deferred its decision till this afternoon, as the brokers involved asked for 24 hours' time. But, this afternoon again, they requested another 48 hours' time which too has been granted.

The suspension of trading in the castorseeds section had its reaction in other sections as well. The same bear is said to be involved heavily in groundnut and linseed ready contracts also. Operators, therefore, preferred to suspend trading in these sections also. The market will remain closed for the next two days.

The groundnut section displayed a steady trend. Although arrivals have been fairly encouraging, they do not seem to have any decisive influence in easing prices. Khandesh quality, after narrow fluctuations, closed quiet at Rs. 37-4. Bold F.A.Q. ready, however, lost As. 8 to Rs. 36-4. April-May delivery was unchanged at Rs. 35-12, while June-July gained an anna to Rs. 35-12. Groundnut oil ex-mill was colourless at Rs. 18-6. Railway receipt declined by As. 2 to Rs. 18-2. May delivery was low by As. 2 to Rs. 18-3 and June by an anna at Rs. 18-6.

Although the rise in castor futures in the past few days is hardly Rs. 8 per candy, there were heavy sales. The outstanding business of the defaulting bear operator is placed, in market circles, at about 30,000 candies. May delivery, which opened quiet at Rs. 117-12 as against Rs. 116-10, fluctuated between Rs. 118-4 and Rs. 115, before closing at Rs. 116-6. September delivery was higher by As. 4 at Rs. 122-14; the highest and the lowest touched were Rs. 124-2 and Rs. 121-10, respectively. Ready Madras quality gained As. 6 to Rs. 23-6. Castor oil B.S.S. was steady at Rs. 12-12. First Pressure improved by As. 6 to Rs. 12-8, while Commercials lost an anna to Rs. 11-11.

The linseed section, however, witnessed an upward trend. This was mainly due to scarcity of offers and the firm trend in the mustard markets in the U.P., Delhi and Punjab. Bold ready improved from Rs. 26-12 to Rs. 27-4. April-May and June-July gathered As. 4 to Rs. 26-12 each. Indores gained As. 8 to Rs. 27-6. Linseed oil, however, lost As. 4 to Rs. 15-5.

The following table shows the prices of oilseeds and oil on the 5th inst., as compared with those at the end of the previous two weeks:

	5-5-54	28-4-54	21-4-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	37 4	37 4	38 0
April-May	35 12	35 12	36 4
June-July	35 12	35 11	36 0
Linseed—			
Bold Ready (per cwt.) ..	27 4	26 12	26 10
April-May	26 12	26 8	26 12
June-July	26 12	26 8	26 12
Castorseeds—			
May 1954 (per candy)	116 6	116 10	114 2
September 1954	122 14	122 10	120 8
Madras (per cwt.)	23 12	24 2	23 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	18 6	19 0
Castor Oil—			
Commercial (per quarter) ..	11 11	11 12	11 12

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 5th *May*

Despite the Government of India's decision to reduce the price of imported sugar by Re. 1 to Rs. 30 per maund with effect from the 15th inst., heavy arrivals and expectation of the unloading of 32,000—35,000 tons of imported sugar in the harbour by the 10th of next month, the Bombay sugar market presented a steady trend during the week under review. Prices were generally well maintained. In the spot section, bold grain sugar was quoted at Rs. 101-106 per bag, as against Rs. 100-105 last week. Among foreign sugars, Cuban was up by As. 6 to Rs. 40-4 per 100 lbs. British refined sugar was fully steady at Rs. 95 per bag of 2 cwts. and Mexican at Rs. 43 per 110½ lbs. Small and medium grain sugars (Government stocks), however, were lower. Thus, the former was quoted at Rs. 92-3 per bag, as against Rs. 97, and the latter at Rs. 93-1, as against Rs. 98-99.

In the forward section, *Vaishak* delivery improved from Rs. 87-14 to Rs. 88-8 per bag before tract commenced today. It is now quoted at Rs. 85-12.

Arrivals of sugar into the Bombay market was larger than those in the past three weeks, the quantity actually arriving being 10,000 bags. Arrivals in the previous three weeks were 500 bags, 4,600 bags and 3,000 bags, respectively.

The Union Food Ministry has announced that imported sugar will be marketed at Rs. 30 per maund, irrespective of whether fresh imports arrive before or after the 15th inst. It is reliably understood that about 32,000—35,000 tons of sugar will be unloaded in the Bombay harbour in the next five weeks. Of this quantity, British refined sugar accounts for three shiploads and Spanish and Peruvian sugar for one shipload each. It is also understood that no release order for indigenous sugar will be issued after the delivery of imported sugar is commenced. It, therefore, remains to be seen how the zonal allocation of sugar will be fixed to meet the pre-monsoon demand for sugar, which is actually very heavy, as also the demand during the monsoon when no imported sugar will be arriving in the harbour.

The world raw sugar market has been presenting a distinctly steady tone for some time now. Demand is reported to be fairly good. Not only is there no competition for Cuban sugar, but the Cuban sellers are themselves reserved in making offers. Formosa is said to be out of the market until next month so far as raw sugar supplies are concerned. The question of making offers for shipment in bulk is still under discussion in Cuba. Cuban raw sugar is quoted at 30s. 4½d. to 30s. 7½d. per cwt. c.i.f. U.K. India continues to be a buyer of refined sugar.

As these lines are written, a meeting is being held today in London to review the position of the International Sugar Agreement. It is widely reported in the sugar trade, says the latest review of the sugar market by Messrs. E.D. and F. Man, that the Cuban delegation to the London meeting will press for a further 3 per cent. reduction in export quotas, bringing the original quotas to 20 per cent., the maximum allowed under the Agreement. It is even reported that the delegation may put forward a proposal seeking to alter the Agreement in such a way as to give the International Sugar Council wider powers to reduce quotas by more than 20 per cent., should the Council deem it necessary. To what extent Cuba will be able to persuade the other participants to support its proposal remains to be seen.

PEPPER PRICES RECEDE

(Messrs. Parekh & Co.)

BOMBAY, 5th *May*

On the first day of the week under report, Malabar black pepper showed improvement at all centres, owing to the international situation and in sympathy with *New York* where dealers are reported to have bought from India a sizable quantity for afloat and for shipment during the first half of May at $0.71 to $0.69, respectively. Next day, however, the U.S. withdrew and the prices in India once again exhibited a downward trend with business thin, there being lack of enthusiasm on the part of the *Indian* exporters to take position, as they had on their hands a sizable quantity still unmarketed. May shipment was done at as low as $0.65. June shipment was traded down to $0.62, while July found difficult buyers even at $0.60, though, *earlier*, Messrs. Volkart Bros. had bought some 30 tons for July shipment at $0.63.

Growers in *Travancore-Cochin* areas are reported to be less anxious to liquidate their holdings than their counterparts in North Malabar for two reasons. First, they have already marketed a fair quantity of their produce. Secondly, they have greater holding capacity. In the opinion of growers in general and of some of the dealers, in particular, the present prices are low and, therefore, they hesitate to press sales at cut prices. They are awaiting development and are willing to sell at any upturn. The total export of Malabar black from November, 1953 to April, 1954 is estimated at 8,300 tons, as against 7,100 *tons* in the same period last year. Though the export to the U.S. this year is considered poor, shipments to Russia and China reached a new high level of 2,600 tons.

There is a section of trade which believes that there are possibilities of a great increase in the consumption of pepper in India, because of the present low prices and the likelihood of the removal of trade restrictions between India and East Pakistan, one of the largest *consumers of* pepper. They think that the inland consumption may reach the high figure of 10,000 tons and, if so, the statistical position of Malabar pepper is not so pessimistic as made out by some of the bears in the trade. The reported difficulty of one of the merchants at Alleppey has created some nervousness in the market and, at the time of writing, there are more sellers and few buyers for June shipment at $0.61½ and July shipment at $0.59. In the delivery section, prices have sagged down to Rs. 1,030, Rs. 1,020 and Rs. 1,000 for May, June and July delivery, respectively.

The nominal quotations are: Ready Rs. 165 per Bengal maund: *May* delivery Rs. 1,030-50, June Rs. 1,020-40 and July Rs. 1,000-1,020 per *candy* of 5½ cwts., respectively.

JUTE EASY

(From Our Own Correspondent)

CALCUTTA, 4th *May*

Following the reserved attitude of buyers of both raw jute and jute goods, a markedly easier trend prevailed in all sections of the market. The fact that most of the jute districts in Assam and West Bengal had the benefit of the first showers of the season, followed by sunny days, accelerated *sowing operations* and the earlier ideas of the crop have now changed entirely. It is now expected that a bigger crop will be sown and that there would be plenty of raw jute in both Pakistan and India, notwithstanding the fact that the carry-over this year has been less. Reports from East Bengal indicate that sowings have proceeded satisfactorily and, wherever rains have been experienced, sowings are substantially higher than at this time last year.

The market has noted the declaration of Mr. Fazlul Huq, the East Bengal Premier, that he desires to remove the artificial barriers now existing between the two wings of Bengal. If Mr. Huq *were to succeed* in implementing his desire, the jute mills would be enabled to get the superior qualities of raw jute from East Bengal at the ruling market prices there. This would mean that the advantage over prices for raw material which the Continental mills *enjoy* would be removed and, with this, a factor which enables Continental mills *to offer* competition to Indian producers would also be removed. There was, therefore, no surprise in the reserve of mills against buying jute now, which made quotations fall by As. 8 to Re. 1-8. For which made quotations fall by As. 8 to Re. 1-8. For *jute goods* successfully and to find new markets. The following table gives the latest quotations of the more important varieties, with the rates prevailing a week ago provided in brackets:

	Middles	*Bottoms*
Northern	Rs. 31-8 (32)	Rs. 28-0 (29)
Assam Upper	,, 30-8 (31-8)	,, 27-8 (28-8)
Assam Lower	,, 31-0 (32-8)	,, 28-0 (29-8)
Western	....	,, 25-0 (26)
Murshidabad ..	....	,, 26-0 (27)
Daisee	,, 33-0 (34-8)	,, 30-0 (31-8)
Jungli	....	,, 24-8 (25)
Orissa	,, 31-8 (32-8)	,, 28-8 (29-8)
Uttar Pradesh ..	....	,, 24-8 (25)
Pakistani Northern ..	,, 31-8 (32)	,, 27-8 (28)
Pakistani Jat ..	....	,, 29-8 (30)

Bimli f.a.q. gave way from Rs. 25 to Rs. 23-8, and business took place in Pakistani jat cross bottoms at Rs. 24-8. In spite of the earnest plea of the jute mills to drop the measure, the Assam Government has announced the fixation of 1st June as the date from which the tax of As. 8 per bale of jute transported by road and inland waterways in the State would be levied. This means that the new tax would be realised from the new crop, as, before 1st June, the movement of old stocks would have been completed.

Conditions in jute goods were also dull and uninteresting, and there was no business of importance with foreign buyers. Prices for all constructions fell and the decline was accentuated by profit-taking in the *Fatka*. Ready B. twills fell from Rs. 114-2 to Rs. 112-8, the forward rates sympathising with the decline. D.W. flour bags were quoted lower at Rs. 138-8, as were green-striped heavy cees at Rs. 130-8. Ready 40" 10 oz. hessian at Rs. 43-15 was lower by As. 9. The 8 oz. was priced at Rs. 36-12 f.a.s. and at Rs. 39-6 f.o.b. From the point of view of the industry, the fall in the prices of both the raw material and the finished products are welcome, as the recent additions were due to the machinations of the speculative elements which made foreign buyers of jute goods withdraw from the market

FURTHER FALL IN FOODGRAIN PRICES

(From Our Own Correspondent)

HAPUR, 3rd *May*

Foodgrain markets all over the country continued to remain quiet to bearish and there was a further fall in prices. Larger seasonal supplies in all principal markets and the general apathy of the public to augment stocks were the factors responsible for the downward tendency. The inflow of indigenous wheat to the markets in the Punjab, Uttar Pradesh, Madhya Bharat and Madhya Pradesh adversely affected the demand for coarse grains and, consequently, there was more perceptible fall in coarse grain prices than in wheat.

Hoarders of grains in surplus areas are reported to be unnerved and anxious to liquidate their possessions as early as possible. Besides, coarse *grains yield is better than last year, while threshing* results relating to wheat do not seem to be equally promising. There is reported to be distress selling on a small scale of wheat in Madhya Bharat while in general prices in the Punjab and U.P. are substantially below the Government prices. Bihar and Orissa also report of a general fall in prices. There has been some fall in rice prices also with the increased availability. It is, however, reported that the demand for Burmese rice has not improved in the surplus areas, because of its high prices. Gram prices have declined in U.P. So also *prices of nearly* all the pulses, excepting *urd*. Pulses futures too have reacted bearishly and speculative support has not kept pace despite the fall in prices.

The Union Minister for Food and Agriculture has declared that the food situation in the country has improved in recent months to such an extent that the *Government* is wondering if the surplus States should continue their procurement programmes. Foodgrain prices are falling, just as other articles, he added, and the State Governments may have to reduce their procurement prices. The Union Minister thought that, if the State Governments desired to ensure fair prices to the producers, they should bring down the statutory price, taking into consideration the prevailing market conditions. Mr. Kidwai has assured the State Governments that the Centre would honour its commitment as far as possible to lift the grains already procured at the price allowed by the State Governments at the beginning of the *kharif* year.

It is now announced that the Government of India proposes to build up a rice reserve of one million tons during the year 1954. Some of the State Governments are reported to have a surplus of about 1.2 million tons, while the requirements of the deficit areas are between 900,000 and 1,000,000 tons. About 900,000 tons of rice are expected from Burma.

The position regarding the different foodgrains controls as they exist today has been officially stated to be as follows:

Coarse grains and gram have been completely decontrolled, except that the export of coarse grains from Madhya Bharat, Saurashtra and Amreli District of Bombay, and the eleven districts in U.P. is not permissible. Wheat has also been completely decontrolled, except that restrictions on its inter-State movements continue. With effect from 1st May, 1954, a zone comprising Punjab, P.E.P.S.U., Delhi, Himachal Pradesh and Bilaspur has been formed for free movement of wheat within it. The *policy of allowing increased relaxations* within the framework of control on the procurement and distribution of rice is being continued.

The Government of Bombay has lifted all quantitative restrictions on rice sales in the State with effect from the 2nd inst. The announcement came as ships carrying large consignments of Burmese rice were off the high seas approaching Bombay Port. With the removal of quantitative control on rice, there is now virtually decontrol of foodgrains in the State. In 11 rationed cities, however, rice will be issued through ration shops, but, in rural areas, through authorised shops.

The West Bengal Government has so far purchased from the *free market* 251,000 tons of rice. The Government may, however, have to purchase another 30,000 tons from the Central pool. Meanwhile, due to continued drought, the price of rice has gone up slightly throughout the State.

The *crop outlook* for Madras this year is reported to be very promising. The total area sown with paddy in 1953-54 in the State is estimated at 6,378,000 acres. This is an increase of 12.6 per cent. over last year's figure. The yield per acre for the current year is estimated higher than that of the last year, the increase being 23.7 per cent. in the *case of the first crop* and 12.6 per cent. in the case of the third crop. The condition of the standing crop is reported to be generally fair.

Latest quotations in the Hapur market are: ready wheat Rs. 14 to Rs. 15; gram Rs. 12; barley Rs. 8-8; *bejhar* Rs. 8-12; rice: *basmati* Rs. 30, *sela* Rs. 24 and coarse Rs. 19; peas: *dara* Rs. 10-2 and white Rs. 13 to Rs. 16; *arhar* Rs. 10-10; *urd* Rs. 14 to Rs. 18; *moong* Rs. 14; *masoor* Rs. 12-8. *Rabi* crop arrivals are in full swing in all principal markets.

SUGAR BEARISH

(From Our Own Correspondent)

HAPUR, 3rd *May*

Crystal sugar markets, which had been unsettled for over a week, following the announcement of the Government's new sugar distribution *scheme on* 13th April, showed *more normal conditions* this week. There has been a general fall in prices all over the country, induced by a contraction in offtake in all principal markets. The Government of India has been freely allotting sugar *against tenders received from* different parts of the country and the present position is that, at many places, sugar received through these tenders is actually being sold at a price slightly lower than the Government rate of Rs. 31 per maund.

There is a section of sugar traders which believes that the Government's sugar distribution scheme will fail sooner or later, and it will not be able to honour its price schedule. It is somewhat sceptical about the *flow of imported sugar* on the scale needed and they foresee a period of scarcity and high prices.

The Government of India has once again declared that it does not contemplate reviving control on sugar. Its fivefold policy to maintain continuity in sugar supply and stability in prices has also been reiterated, which includes advice to the factories to expedite despatches of sugar already released for free sale, and warning to the stockists to clear their stocks by 31st May, 1954, and threat to requisition uncleared stocks of sugar as and when necessary after that date.

Over 3,978,000 maunds of sugar were produced in Bihar in 1953-54, as against 7,433,000 maunds in 1952-53. About 40 million maunds of cane were crushed in 1953-54, as against over 74 million maunds in the previous season. The fall in the production of sugarcane followed the reduction in acreage in cane cultivation in 1952-53, consequent on the heavy reduction in the minimum prices of cane and also on damage caused to cane crop by floods. A portion of the cane had also been diverted to the manufacture of *gur* on account of its high prices.

Gur prices also reacted bearishly in sympathy with the downward trend in crystal sugar prices. The fall in prices was shared by both the ready and the futures sections. With the close of the *gur* manufacture season, arrivals from the interior were also considerably reduced. Enquiry from importing areas, though on a somewhat reduced scale, continued and there were some despatches too. With reduced *gur* production this year, the supply position is expected to continue tight and no appreciable fall in prices is anticipated. Pansera *gur* at Hapur is quoted at Rs. 19-8 per maund.

Gur futures at Hapur moved within a narrow range. Although the general trend did not favour speculator bulls, support was not wanting at lower levels. *Baishak* is presently quoted at Rs. 17-13, as against the week's high of Rs. 18-2-3 and low of Rs. 17-9-3. *Pahagan* is now quoted at Rs. 15-2.

HINDUSTAN COMMERCIAL BANK LTD.

(*Concluded from page* 898)

of facilities for the improvement of this industry. Like the financing corporations, it may be considered a welcome step if agricultural credit corporations are also established in the various States of the country.

"The tendency has been to fulfil this need through the agency of the co-operative system and the supply of money from the States. It is also contemplated to use this agency and that of the rural post offices for tapping the rural savings resources. My experience is that the people in our country, particularly the rural folks, are more enamoured by local operations and attracted to help schemes and undertakings promulgated in their own respective areas. I would, therefore, suggest the establishment of rural banks on an organised sub-divisional basis in each State. These banks should be shareholders' banks and work as subsidiaries of the big Scheduled banks, which should mainly contribute to their share capital along with the State Governments and the people of that area. With the knowledge of accountancy and the banking system with which these Scheduled banks are already equipped, they could create better local support and interest.

"In the matter of providing credit and financing, the *panchayat* system would not work on the standard of lending principles devoid of all personal considerations. Whereas the theory of mutual help sounds high, it has hardly a place in the matter of providing credit facilities. It is essential to watch and see that these lending facilities are purely utilised for production and marketing, and no part of it should be utilised for so many social purposes to which our society particularly in the rural areas, is very much inclined. Credit facilities utilised for unproductive social purposes, howsoever needed, may well hit at the very root of the whole system. Those who have an inner experience of these things will bear me out in this direction. We have just to make a beginning in this direction, and the elementary stages, State help both in the matter of supply of adequate funds and to cover up additional reasonable losses is very essential. In any case, an experiment of this nature will be less expensive and open to lesser risk and will also be more useful to serve the real objective of the rural areas. The Planning Commission has laid great stress on the necessity of stimulating co-operative activities in the rural fields and contemplates a real credit to the extent of Rs. 100 crores per annum by the Government and the Reserve Bank through the co-operative institutions. I submit that the proposed rural banks functioning in close association with the commercial banks will succeed not only in collecting savings but also in operating money supply."

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	23rd April 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,220 68	1,230.00	1,185.92	1,159.75
Notes held in Banking Department	35.05	16.76	8.94	17.23	15.90
Foreign Securities	39.50	678.15	678.15	646.15	596.15
Rupee Securities	97.89	621.84	621.84	621.84	449.86
Banking Department					
Deposits of :					
Government of India	16.80	80 27	81.32	65.77	104.14
Other Governments	..	2o 67	29 80	28.69	15.68
Balances held abroad	10.08	78.71	74.18	104.82	115.26
SCHEDULED BANKS					
Demand Liabilities	184.87	545 67 (17.02)†	542.20 (16.82)†	528.89 (16.96)†	539.88 (11.96)†
Time Liabilities	108.84	228 71 (1 23)†	228.06 (1 23)†	227.57 (1.53)†	220.01 (1.96)†
Borrowings from Reserve Bank	..	29 57 (16.21) ‡	28.35 (15.06)‡	21.10 (17.06)‡	11.77 (4 60)‡
Borrowings from Imperial Bank	..	11.31	12.55	11.50	8.69
Cash in India	6.71	33.45	33.00	32.07	32.28
Balances with Reserve Bank	25.28	41.06	41.07	40.85	41.16
Excess over statutory limits	16.58	8.11	7.40	7.88	7.77
Balances with other banks in current account in India	..	11.11	10.25	10.84	12.86
Money at call and short notice in India	..	11.01	12.16	9.40	17.21
Investments (at book value)	106.09	858.18	856.74	838.19	824.92
Advances and bills		318.92	312.58	316.87	301.07
IMPERIAL BANK					
Deposits	87.76	211.66	210.81	206.85	214.76
Investments	61.99	86.40	86.26	91.14	92.39
Advances	30.87	127.10	127.31	124.63	130.86
Cash	14.69	16.43	15.54	14.70	15.46

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	14th April, 1954		22nd April, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,31,7o6	54,76,16,006	2,76,720	62,30,39,046
Calcutta	1,44,296	47,90,90,945	1,55,933	54,33,27,o49
Madras	74,918	7,44,14,968	76,747	8,07,48,014
All Centres				
1953	..	..	..	1,08,41,94,126	2,o,7o,81,67,oo6
1952	..	..	..	1,14,48,81,6	2,26,45,06,08,oo6
Jan., 1954	..	..	..	2,7o4,oo6	6,76,54,oo,oo6
Feb., ,,	..	..	..	2,721,ooo	6,76,25,oo,oo6
Mar., ,,	..	..	..	3,o46,ooo	6,44,44,oo,ooo

Reserve Bank of India

Statement of Affairs for the week ended 30th April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,oo,oo,ooo
Reserve Fund	8,oo,oo,ooo
Deposits :—	
(a) Government—	
(1) Central Government	86,77,41,ooo
(2) Other Governments	24,31,83,ooo
(b) Banks	4o,o4,69,ooo
(c) Others	45,o6,21,ooo
Bills Payable	4,91,o6,ooo
Other Liabilities	21,81,81,ooo
Rupees	236,76,o5,ooo

Assets	Rs.
Notes	2o,39,56,ooo
Rupee Coin	21,4o,ooo
Subsidiary Coin	9,23,ooo
Bills Purchased and Discounted :—	
(a) Internal	4o,75,ooo
(b) External	..
(c) Government Treasury Bills	1o,81,4o,ooo
Balances held abroad*	74,o4,52,ooo
Loans and Advances to Governments	75,oo,ooo
Other Loans and Advances	55,93,53,ooo
Investments	66,69,73,ooo
Other Assets	9,4o,55,ooo
Rupees	236,76,o5,ooo

* Includes Cash and Short-term Securities.

N.B.—The Item 'Other Loans and Advances' includes Rs. 24,11,oo,ooo advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act, since 1st January, 1954 is Rs 86,8o,oo,ooo.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 86,8o,oo,ooo.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	2o,39,56,ooo	
Notes in circulation	1217,15,71,ooo	
Total Notes issued		1237,55,27,ooo
Total Liabilities		1237,55,27,ooo
ASSETS	**Rs.**	**Rs**
A. Gold Coin and Bullion		
(a) Held in India	4o,o1,71,ooo	
(b) Held outside India		
Foreign Securities	678,15,11,ooo	
Total of A		718,16,82,ooo
B. Rupee Coin		
Government of India Rupee Securities		421,35,7o,ooo
Internal Bills of Exchange and other commercial paper		
Total Assets		1237,55,27,ooo

Ratio of Total of A to Liabilities: 58.o8o per cent.

Scheduled Banks*

Statement of Affairs for the week ended 16th April, 1954

		Rs.
1.	Demand Liabilities in India:	
	(a) Borrowings from banks	7,56,o6,ooo†
	(b) Other demand liabilities	536,o4,8o,ooo
2.	Time Liabilities in India :	
	(a) Borrowings from banks	1,25,53,ooo†
	(b) Other time liabilities	227,4o,7o,ooo
3.	Cash in India	33,45,72,ooo
4.	Balances with the Reserve Bank in India	41,56,92,ooo
5.	Balances with other banks in current account in India	11,11,oo,ooo
6.	Money at call and short notice in India	11,oo,61,ooo
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	819,96,58,ooo
8.	Advances in India	431,8o,o4,ooo
9.	Inland Bills purchased and discounted in India	76,82,89,ooo

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
				Rs. a. p.	%
1954					
19th January ..	1.00	1.01	1.00	2 3 0	100
27th ,, ..	1.00	1.81	1.00	2 3 0	78
2nd February ..	1.00	1.14	1.00	2 3 0	88
9th ,, ..	1.00	1.01	1.00	2 3 0	99
16th ,, ..	1.00	1.00	1.00	2 3 0	100
23rd ,, ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.81	1.00	2 11 0	100
9th ,, ..	1.00	1.90	1.00	2 10 11	71
16th ,, ..	1.00	1.27	1.00	2 11 0	78
23rd ,, ..	1.00	1.01	1.00	2 11 0	99
30th ,, ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.00	1.00	2 10 9	93
13th ,, ..	1.00	1.93	1.00	2 10 9	44
Total ..	13.00	16.91	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of Rupees (Crores)	Per capita income (Rs.)
India† ..	1950-51	359.83	..	9,530	265
Pakistan ..	1949	75 04	..	1,071	228
Burma ..	1951	18 87	Kyats. 8,168	817	170
Ceylon ..	1952	7 94	..	441	556
Japan ..	1951	84 30	Y. 4,849,400	6,614	261
Philippines ..	1952	20 68	Ps. 7,084	1,676	811
New Zealand ..	1952	2 00	£ (N.Z.) 844	1,641	4,807
Australia ..	1952	8 65	£ (A.) 3,521	3,756	4,348
U.K. ..	1951	50 48	£ 13,645	18,197	3,606
U.S.A. ..	1952	154 96	$ 290,400	139,200	8,986
Canada ..	1952	14 48	$ 15,134	8,165	5,638
France ..	1952	42 60	F. Fr. 10,190,000	19,844	4,174
W. Germany ..	1952	48 48	Dm. 96,400	11,156	2,301
Italy ..	1952	46 89	Lr. 8,319,000	8,181	1,818
Norway ..	1952	3 32	Kr. 20,716	1,106	3,333
Denmark ..	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland ..	1952	4 82	S. Fr. 20,100	2,189	4,541

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,oo,oo,ooo
Reserve Fund	3,oo,oo,ooo
Deposits :—	
(a) Central Government	16,87,21,ooo
(b) Provincial Governments	2 85,87,ooo
(c) Banks	11,74,74,ooo
(d) Others	3,44,71,ooo
Bills Payable	1,o1,o4,ooo
Other Liabilities	8,o2,28,ooo
Rupees	48,55,81,ooo

Assets	Rs.
Notes	9,11,7o,ooo
Rupee Coin	5,ooo
Subsidiary Coin	14,ooo
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	3,25,oo,ooo
Provincial Governments' Debtor Balances	2,81,o7,ooo
Other Loans and Advances	4,31,3o,ooo
Investments	16,18,93,ooo
Other Assets	9,24,42,ooo
Rupees	45,55,81,ooo

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,11,7o,ooo	
Notes in circulation	231,22,42,ooo	
Total Notes issued		24o,34,12,ooo
Total Liabilities		24o,34,12,ooo
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	7,91,42,ooo	
Silver Bullion	....	
Sterling Securities	48,o3,26,ooo	
Government of India Securities	13,89,82,ooo	
Inter Wing Notes representing assets receivable from the Reserve Bank of India	29,98,91,ooo	
	9,17,23,ooo	99,83,41,ooo
B Rupee Coin		
Government of Pakistan Securities	131,o8,72,ooo	
Internal bills of exchange and other commercial paper	....	
		136,25,96,ooo
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,o8,ooo	
Sterling Securities	3,o6,13,ooo	
Government of India Securities	7o,1o,ooo	
Rupee Coin	29,61,ooo	
		4,24,78,ooo
Total Assets		24o,34,12,ooo

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.16 per cent.

EXCHANGE RATES

	21st April 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. spot six months	1-5⅛	1-5⅛
Buyers T.T. spot on six months	1-4⅛	1-4⅛
Buyers T.T. 10 to 12 months	1-4⅛	1-4⅛
Bombay on New York—		
Sellers T.T. D.D.	475	475⅛
Buyers T.T.	471⅛	471⅛
London on New York	$ 2.81⅜-2.81⅝	2.81⅜-2.81⅝
London on Paris	965-980	963-984
London on Berne	11.22½-11.22⅝	11.21⅞-11.22½
New York on London	$ 2.81⅜-2.81⅝	2.81⅜-2.81⅝

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	3	4
Belgium ..	26th Oct., 1953	2	2½
Canada ..	17th Oct., 1950	1½	2
Ceylon ..	25th July, 1952	2	3
Denmark ..	22nd Sept., 1953	3½	4
Finland ..	16th Dec., 1951	6	7
France ..	4th Feb., 1954	2½	3½
Greece ..	18th July, 1946	12	10
India ..	29th Nov., 1951	3	3½
Italy ..	8th April, 1950	3½	4
Japan ..	1st Oct., 1951	6	7.3
Netherlands ..	7th April 1953	2.11	2.64
New Zealand ..	26th July, 1941	2	2½
Norway ..	1st July, 1941	3	4
Pakistan ..	1st July, 1948	2	3½
Portugal ..	16th Dec., 1944	3	4
South Africa ..	27th May, 1946	2	3
Spain ..	18th Nov., 1948	4½	4
Sweden ..	19th Mar., 1949	2	3
Switzerland ..	20th Nov., 1952	1	2½
Turkey ..	26th Nov., 1936	8	5
United Kingdom ..	28th Feb., 1951	2	4
U.S.S.R. ..	17th Sept., 1953	4	3
U.S.A. ..	1st July, 1946	2	1½
West Germany ..	16th April, 1954	3½	4
	5th Jan., 1953	4	3½

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE

GOVERNMENT OF INDIA

(In crores of Rs.)

	December, 1952	1953	Nine months April to December 1952	1953
Import Duties:				
Revenue ..	10 68	10.07	84.80	88.62
Protective ..	0.87	0.69	8.01	4.58
On surplus disposals ..	..	0.09	0.03	0.19
Total import duties ..	11 22	10.75	90.84	87.94
Export Duties ..	4 21	2 19	43 24	20.21
Land Customs ..	0.11	0 18	2 14	1.88
Miscellaneous ..	0.22	0.07	0.98	0.55
Gross total customs ..	15.76	14.17	136.94	110.58
Refunds and drawbacks ..	0.19	0 21	2 15	1.90
Net Customs ..	14.59	13.96	134.75	117.98
Gross excise ..	1.14	0.89	62.11	69.39
Refunds ..	0.07	0 18	0.16	0.78
Net Excise ..	0.91	8.14	60.95	68.66
Net total of customs and excise	21.50	22 10	195 70	186 64

Imperial Bank of India

Statement of Affairs for the week ended 30th April, 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each.		
July paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves ..		6,25 00,000
Deposits and other Accounts ..		208,11,02,000
Borrowings from other Banking Companies Agents		15,00 00,000
Bills Payable ..		2,72,42,000
Bills for Collection being Bills Receivable as per contra ..		33,09,000
Acceptances, Endorsements and Other Obligations as per contra ..		40,000
Other Liabilities (including Inter-Office Adjustments) ..		4,72,13,000
Total ..	Rs.	242,87,86,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		9,80,31,000
Balances with other Banks ..		3,46,75,000
Money at Call and Short Notice ..		93,83,000
INVESTMENTS—		
Government and other Trustee Securities ..	62,65,95,000	
Other Authorised Investments ..	10,59,40,000	
		93,25,35,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	100,74,31,000	
Bills Discounted and Purchased ..	29,82,76,000	
		130,56,86,000
Bills Receivable being Bills for Collection as per contra ..		33,09,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		40,000
Premises less Depreciation ..		1,82,29,000
Furniture and Fixtures less Depreciation ..		42,99,000
Other Assets (including Inter-Office Adjustments) ..		2,14,50,000
Total ..	Rs.	242,87,86,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings @	21/2% Ten-Year Treasury Savings Deposit Certificates ‡
	5-Year		7-Year		12-Year					
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*
1945-46 ..	1.47	76	76	29.40	29.56	85.67	29.91	—	13.31		
1951-52 ..	4.06	77	2.91	27.08	54.81	1,07.55	74.16	—	21.04	13.19	13.19
1952-53 ..	5.84	66	3.27	32.56	84.19	1,18.36	91.01	—	31.06	1.24	15.84
February 1953 ..	6.61	5	3.23	1.86	82.14	2.86	86.86	—	30.76	88	85.09
March	6.84	9	3.27	2.60	84.18	13.75	91.01	—	31.06	93	86.34
April	6.80	5	3.27	2.84	86.93	6.64	93.01	—	31.06	60	86.94
May	6.83	6	3.29	2.06	87.47	5.55	93.52	—	31.52	58	87.52
June	6.82	4	3.31	2.26	89.32	9.42	93.80	—	31.52	58	88.10
July	6.79	11	3.32	2.25	91.06	10.24	96.22	—	31.78	56	88.66
August	6.67	8	3.44	2.28	92.18	8.76	97.57	—	32.01	58	87.66
September	6.59	16	3.53	2.04	94.25	9.20	97.72	—	32.26	66	87.72
October	6.61	11	3.58	1.97	95.83	8.58	97.72	—	32.71	56	88.28
November	6.54	9	3.65	2.03	97.37	7.99	97.72	—	32.90	59	88.87
December	6.37	14	3.74	2.23	99.06	9.35	98.81	—	33.23	56	89.43
January, 1954 ..	6.16	12	3.82	2.08	1,00.47	8.91	99.23	—	33.44	46	89.89
February	..	..	..	..	..	..	..	—	33.77	54	90.76
March	..	..	..	..	..	..	..	—	..	50	91.28
										54	91.78
										44	92.11

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base : 1949-50 = 100)

Group and Sub-Group	Week ended 25-4-'53	27-3-'54	17-4-'54	24-4-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.8	89.4	89.7	89.
1. Government of India	99.8	89.8	90.5	90.5
2. Indian States	93.8	93.8	93.8	93.8
3. Municipal, Port Trust, etc.	95.6	95.7	95.7	95.7
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	101.4	101.3	101.2
1. Electricity	102.9	102.7	102.7	102.7
2. Jute	93.8	93.8	93.8	93.8
3. Plantations	100.0	99.6	99.6	99.6
4. Sugar	99.1	100.7	100.4	100.5
5. Coal	89.9	90.6	90.6	90.6
6. General Engineering	97.8	103.3	101.0	101.0
7. Shipping	101.6	102.3	102.3	103.3
8. Others	99.6	100.7	100.7	100.7
PREFERENCE SHARES	88.3	88.1	88.2	88.3
1. Electricity	97.8	96.1	95.7	95.8
2. Cotton	85.0	85.8	85.8	85.5
3. Jute	88.0	88.2	88.4	88.4
4. Coal	85.9	90.2	90.2	90.2
5. Iron and Steel	91.2	91.1	92.2	91.7
6. Tea	73.1	75.4	75.8	76.9
7. Sugar	79.8	87.4	87.4	87.8
8. Plantations	85.5	90.2	89.9	90.0
9. Miscellaneous	82.5	86.1	86.4	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	98.5	102.6	104.5	104.6
(a) Financial	86.6	86.8	86.6	86.4
1. Banks	84.4	86.8	86.6	86.4
2. Insurance	97.7	101.8	101.7	101.9
3. Investment Trust	77.1	78.1	78.1	76.6
(b) Public Utilities	104.9	113.2	113.8	113.4
1. Electricity	116.0	117.7	118.3	118.4
2. Shipping and other Transport	87.5	106.7	108.6	107.5
3. Railways	86.5	85.4	86.7	86.7
(c) Manufacturing Industries	96.5	108.9	108.5	108.6
1. Cotton, Woollen and Silk	91.8	102.8	104.0	103.5
2. Jute	79.5	82.6	80.6	83.0
3. Iron and Steel	105.5	123.7	130.0	129.2
4. Paper	153.0	182.8	194.4	198.6
5. Cement	115.2	124.8	126.5	126.7
6. General Engineering	105.7	138.1	141.3	140.8
7. Sugar and Breweries	82.4	88.5	92.8	92.1
8. Chemicals	94.7	111.3	113.5	113.3
(d) Non-Manufacturing Industries	89.8	109.1	113.5	112.1
1. Coal	79.7	76.9	77.1	77.9
2. Mining and Oil	121.0	166.8	167.4	162.5
3. Plantations	82.0	111.5	111.8	111.9
(e) Miscellaneous	88.7	83.7	84.4	84.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.1	89.9	90.1	89.9
2. Calcutta	90.8	90.4	90.7	90.4
3. Madras	90.8	90.7	90.9	90.7
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.8	101.4	100.9	100.9
2. Calcutta	101.4	102.2	102.1	102.1
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES :				
1. Bombay	94.9	92.6	93.0	92.7
2. Calcutta	81.0	85.1	85.3	85.3
3. Madras	87.4	89.8	89.9	90.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	101.4	113.8	115.5	114.5
2. Calcutta	87.6	94.4	95.5	95.9
3. Madras	88.8	100.5	101.8	101.9
4. Delhi	89.9	106.1	108.1	107.7

Source : Department of Research and Statistics, Reserve Bank of India.
* Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,882	12,806,704
1951	1,071	691,291	5,818,938
1952	903	806,242	5,336,951
1953	989	583,567	5,880,709
1953† ..	..	..	..
February 1953 ..	88	62,180	516,607
March ,, ..	87	42,488	243,848
April ,, ..	144	60,437	284,848
May ,, ..	118	50,998	257,993
June ,, ..	91	40,781	171,598
July ,, ..	83	48,856	448,188
August ,, ..	87	57,875	460,452
September ,, ..	90	78,181	548,614
October ,, ..	94	58,746	878,245
November ,, ..	88	57,855	154,017
December ,, ..	81	..	..
January 1953† ..	85	45,888	244,414
February ,, ..	45	24,477	126,411
March ,, ..	67	36 231	216,207
April ,, ..	73	49,133	218,858
May ,, ..	88	50,617	278 216
June ,, ..	90	60,357	252 279
July ,, ..	87	48,068	181,122
August ,, ..	74	53,083	235,154
September ,, ..	106	64,063	457,278
October ,, ..	100	80,067	409,002
November ,, ..	87	41,031	244,811
December ,, ..	79	40,336(a)	479,867
January 1954 ..	75	49,500	320,618
February† ..	82	41,003	342,805

† Figures for 1953 are provisional. * Revised.
(a) Not known in one case. ‡ Provisional.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1945-46 ..	469	4,681.1	3,777.7
1951-52 ..	578	8,848.1	7,048.8
1952-53 ..	614	9,201.4	8,184.8
September 1952 ..	599	680.6	480.8
October ,, ..	599	699.7	488.4
November ,, ..	608	658.3	457.4
December ,, ..	..	..	..
January 1953 ..	611	688.5	461.8
February ,, ..	614	695.6	417.4
March ,, ..	614	838.0	485.7
April ,, ..	616	830.4	456.1
May ,, ..	620	880.9	480.8
June ,, ..	625	848.8	460.2
July ,, ..	627	905.0	471.0
August ,, ..	629	887.9	468.9
September ,, ..	631	870.5	464.1
October ,, ..	634	888.1	468.7
November ,, ..	637	868.1	465.7
December ,, ..	640	906.6	486.9
January, 1954 ..	640	880.7	478.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1952=100)

Particulars	17th April, 1954	10th April, 1954	18th April, 1953	March, 1954	March, 1953	Percentage of Increase (+) or decrease (—) in Mar., 1954 as compared with Mar., 1953	1952-'54	1552-'53
Food Articles	381.6	388.0	366.4	371.4	365.0	+ 1.8	384.4	387.8
Cereals	425	432	436	429	437	— 1.8	451	444
Pulses	308	321	449	303	507*	—39.8	450	507
Other	316	324	253	289	244	+18.4	278	223
Industrial Raw Materials	478.5	472.2	454.2	462.5	453.1	+ 2.1	467.7	438.9
Fibres	464	461	415	447	415	+ 7.7	452	422
Oil seeds	527	523	573	518	558	— 7.1	574	488
Minerals	469	454	456	444	455	— 2.4	449	459
Others	414*	390	354	405	359	+12.8	375	333
Semi-Manufactures	386.1	388.6	381.0	386.6	346.6	+ 1.7	389.2	341.8
Leather	376	380	428	368	437	—11.2	408	367
Mineral oils	221	221	223	223	223	— 0.8	224	223
Vegetable oils	524*	494	499	476	491	— 1.0	534	446
Cotton yarn	456	456	444*	445	446*	+ 0.7	442	452*
Metals	240	240	226	238	227	+ 4.8	229	218
Oil Cakes	445	445	411	415	412	+ 0.7	438	430
Others	305	306	217	306	211	+45.0	231	255
Manufactured Articles	381.5	380.6	385.6	373.9	369.9	+ 1.1	367.4	371.2
Textiles	426	426	401	414	407	+ 1.7	406	411
Jute	436	432	466	402	476	+12.8	408	440
Cotton	416*	416*	407*	409*	406*	+ 0.7	406*	400*
Rayon and Silk	562*	547*	480*	499*	521*	— 4.2	481*	476*
Woollen	312	312	318	318	316	+ 0.6	314	323
Metal products	340	340	356	337	336	+ 0.3	337	330
Others	299	289	288	288	289	— 1.0	285	294
Miscellaneous	713.2	708.3	603.4	686.9	585.5	+17.3	686.6	614.1
All Commodities	404.4	404.4	385.5	394.9	385.2	+ 2.3	397.5	380.6

* Revised. † Estimated.

WORKING CLASS COST OF LIVING INDICES

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MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1953-54 Final	1951-52 Final	1953-54 Final	1951-52 Final
Rice	tons	76,646†	74,200††	27,079†	22,495††
Wheat	,,	24,041	23 450	6,768	6,089
Jowar 2nd	,,	41,265†	39,698††	5,850†	4,516††
Bajra	,,	23,502	22,959	2,925	2,299
Barley	,,	7 500	7 835	2,664	2,293
Maize	,,	8,796	8,078	3,807	3,021
Ragi	,,	5,472†	5,429††	1,564†	1,236††
Gram	,,	17,267	16,857	3,771	3,293
Kabli Pulses*	,,	11,948	11,559	2,063	2,047
Small Millets	,,	12,170	11,834	1,933	1,891
Jute	,, bales	1,196†	1,917††	3,154†	4,805††
Cotton 4th	,,	16,266	15,677††	2,624	2,407††
Sugarcane 2nd	tons	4,101†	4,228††	6,140†	4,990††
Groundnut	,,	11,350†	11,850††	3,772†	2,884††
Linseed	,,	2,304	2 478	352	316
Castorseed	,,	1,268†	1,357††	107†	106††
Rape and Mustard Seed	,,	5,155	5,015	823	916
Sesamum 3rd	,,	5,823†	5,614††	516†	431††
Tobacco (supp)	,,	794	715	219	200
Pepper	,,	203	202	22	23
Ginger	,,	48	47	14	15
Dry chillies	,,	1,210	1,894	301	341

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During Mar., 1954 ..	75.6
	Corresponding month 1953 ..	74.4
	Nine months ended Mar., 1954 ..	644.4
	Corresponding period 1953 ..	671.7
Stocks	At the end of Mar., 1954 ..	92.9
	Corresponding month 1953 ..	135.8
		(In 000 bags)
Exports(JuteBags)	Week ended 10th April, 1954 ..	10,851
	Corresponding week 1953 ..	1,454
	From 1st Jan., to 10th April,1954	110,675R
	Corresponding period 1953 ..	60,302
		(In 000 yds.)
Exports** (Jute Cloth) ..	Week ended 10th April, 1954 ..	35,102
	Corresponding week 1953 ..	11,898
	From 1st Jan., to 10th April, 1954	425,822 R
	Corresponding period 1953 ..	374,030
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 20th Mar., 1954 ..	—
	Corresponding week 1953 ..	—
	During Dec., 1953 ..	—
	Corresponding period 1953	—
	Mar., 1954 (in lakh bales) ..	4.38
Consumption by Mills†	Corresponding month 1953 ..	4.32
	Nine months ended Mar., 1954	37.86
	Corresponding period 1953 ..	39.97

† Estimated. R. Revised. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.				
Year ended 31st March, 1953..		11,80,000	10,67,100	7,99,200
Do. 31st March, 1954..		11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..		11,84,000	10,70,200	7,80,000
January 1953 ..	..	1,02,400	95,500	69,900
February ,, ..	..	92,400	82,000	61,700
March ,, ..	..	97,400	86,600	65,500
April ,, ..	..	97,000	83,100	60,800
January 1954 ..	..	1,02,800	99,800	71,400
February ,, ..	..	92,700	84,500	63,300
March ,, ..	..	94,500	89,700	65,000
April ,, ..	..	83,200	77,500	54,800
Indian Iron and Steel Co.				
Year ended 31st March, 1953..		6,26,710	4,31,460	3,12,040
Do 31st March, 1954 ..		6,80,020	5,49,930	2,92,440
January 1953 ..	..	56,870	43,310	23,650
February ,, ..	..	54,600	37,400	29,000
March ,, ..	..	60,640	39,350	22,000
April ,, ..	..	52,210	30,960	19,000
January 1954 ..	..	65,190	42,600	30,670
February ,, ..	..	59,650	38,860	32,610
March ,, ..	..	65,000	47,650	44,560
April ,, ..	..	61,950	41,070	37,640

FOREIGN TRADE OF INDIA

Particulars	December,		Nine Months, April to December,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	3.11	6.93	83.54	150.05
Raw materials ..	11.88	16.80	126.01	146.16
Manufactures ..	22.72	20.15	206.10	210.87
Other items ..	35	25	2.90	3.89
Total ..	37.56	43.64	418.55	510.97
By land	1.76	3.73	17.30	19.69
Total Imports ..	39.32	47.37	435.85	529.96
Exports				
By sea and air—				
Foodstuffs ..	17.21	11.32	117.38	107.11
Raw materials ..	10.10	15.31	81.52	109.61
Manufactures ..	22.60	19.31	187.28	205.15
Other Items ..	49	86	3.15	3.09
Total ..	50.30	43.84	389.33	424.96
By land	94	1.24	5.56	17.24
Total Exports ..	51.24	45.08	394.89	442.20
Total Re-exports ..	29	50	3.95	3.64
Balance of trade in merchandise ..	+10.03	+ 71	— 25.58	— 81.68
Balance of transactions in private treasure ..			8	— 4
Total visible balance of trade..	+ 10.03	+ 71	— 25.66	— 81.72
Imports:‡				
Total C'wealth countries ..	18.71	18.52	203.80	193.63
Total Foreign countries ..	15.55	25.12	214.75	316.64
Exports ‡ §				
Total C'wealth countries ..	28.05	20.39	198.46	199.57
Total Foreign countries ..	22.25	23.46	190.86	226.88

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada @	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	641	71	21	16	39	8	18	6	2	7	9	3	5	5	9
	1951-52	666	52	25	16	41	6	18	9	4	7	9	2	4	7	11
	1952-53	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11
End of December 1952..	..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11
January 1953..	..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11
February ,,	..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11
March ,,	..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11
April ,,	..	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11
May ,,	..	645	66	27	16	41	5	20	18	6	7	9	2	4	6	11
June ,,	..	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11
July ,,	..	639	70	27	16	42	5	20	19	6	7	9	2	4	6	11
August ,,	..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11
September ,,	..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11
October ,,	..	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11
November ,,	..	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11
December ,,	..	631	72	28	16	42	5	22	21	6	7	9	2	4	6	11
January 1954 ..	..	630	73	29	16		5	22	21	6	7	9	2	4	6	11

§ Gold holdings of U.S. Treasury and Exchange Stabilization Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 29th April 1954 ..	51,030
	Corresponding week 1953 ..	58,983
	1st Sept., 1953 to 29th April, 1954	1,259,188
	Corresponding period. 1953 ..	1,206,497
Cotton Exports ..	Week ended 29th April, 1954 ..	5,045
	Corresponding week, 1953 ..	6,372
	1st Sept., to 29th April 1954 ..	219,657
	Corresponding period, 1953 ..	302,253
Mill Consumption ..	1st Sept., to 29th April, 1954 ..	821,808
	Corresponding period, 1953 ..	813,429
Stock (with exporters dealers & mills) in Bombay	On 29th April, 1954 ..	646,191
	Corresponding date, 1953 ..	594,678
Karachi (Pakistan)		
Receipts	Week ended 24th April, 1954 ..	9,318
	Corresponding period 1953 ..	8,590
	1st Sept., to 24th April, 1954 ..	1,084,705
	Corresponding period, 1953 ..	841,908
Exports	Week ended 24th April, 1954 ..	28,670
	Corresponding period, 1953 ..	30,407
	1st Sept., to 24th April, 1954 ..	1,551,388
	Corresponding period, 1953 ..	1,088,960

Particulars	From 1st Sept., to 26th April 1953-54 Bales	From 1st Sept., to 26th April 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	12,152	12,952
Continent	21,886	85,378
China	251	818
Japan	58,196	127,076
U.S.A.	12,476	32,088
Other Countries ..	1,462	4,676
Total to all foreign countries ..	106,083	202,488
Coastal Ports ..	115,740	104,983

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian	December, 1953	847,342
Foreign		54,992
Indian	Four months ended Dec., 1953	1,290,296
Foreign		229,056
Indian	Same Period 1952 ..	1,207,358
Stocks (Mills and Elsewhere)—		239,654
Indian	As on 30th Dec., 1953 ..	778,760
Foreign		178,620
Indian	As on 30th Dec., 1952 ..	892,077
Foreign		295,766
Cotton Pressed † ..	Week ended 23rd April, 1954 ..	29,320
	Corresponding week, 1953 ..	29,072
	1st Sept., to 23rd April, 1954 ..	2,877,063
	Corresponding period, 1953 ..	2,664,615

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101⅛
4 ¼ Bonds	1926-32	43,30,26,000	1960-70	101⅛
3 ½ Loan	1938-39	1,14,17,46,000	1965-85	92⅜
3 ½ Loan	1950	30,33,10,000	1964	92⅛
3 ½ Loan	1943	1,10,11,78,000	1956-68	94⅜
3 ½ V. Loan	1944	1,14,06,85,000	1957	98
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅜
3 ½ Loan	1945	1,13,57,64,000	1959-61	96⅛
2½ Loan	1951	50,35,63,000	1958	97⅛
2½ Loan	1946	45,63,07,000	1960	93⅜
2½ Loan	1947	57,92,64,000	1961	90⅛
2½ Loan	1948	35,06,06,000	1954	99
2½ Loan	1949	14,77,48,000	1976	82⅛
2½ Loan	1947	75,84,72,000	1962	91⅜
2½ Loan	1948	60,45,01,000	1955	98⅜
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
NON-TERMINABLE LOANS				
3 ½ Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later.e. option of Government after three months' notice.	81⅛
2 ½ Loan	1946	248,91,90,000		81⅜
REPATRIATE STERLING LOANS				
2½% Loan	1933	12,95,22,000	1954-59***	100⅛
4½% Loan	1928	3,82,20,000	1958-68***	104⅜
PROVINCIAL LOANS				
3 ½% Bombay	1942	2,54,23,300	18th Sept. 1953	99⅛
3 ½% Bombay	1943	3,50,00,000	14th Sept. 1958	99⅜
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅝
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1962	93⅜
3 ½% Bombay	1950	3,01,87,700	31st July 1966	94⅛
3 ½% Bombay	1951	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	100⅛
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	99
3 ½% Cochin	1944	30,00,000	1st Oct. 1953-55	99
3 ½% Cochin	1945	1,00,80,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah (Bridge (New)	1936-37	2,31,87,100	1956-66	95⅛
3 ½% Madras	1939	1,21,25,500	21st June 1959	94⅜
3 ½% Madras	1942	1,21,25,000	18th Sept. 1955	99-03
3 ½% Madras	1943	1,25,10,000	14th Sept. 1958	98⅜
3 ½% Madras	1944	1,07,95,000	15th Aug. 1958	96⅜
3 ½% Madras	1945	2,78,44,000	14th Sept. 1960	94⅜
3½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 ½% Madras	1949	4,38,25,400	31st July 1960	94⅜
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99-½
3 % Mysore( )	1910	1,63,44,300	1st Nov. 1953	104⅛
3 ½% Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101
3 ½% Mysore(j)	1936	5,99,72,900	30th April 1956-61	98⅛
3 ½% Mysore	1947	3,08,05,700	15th Jan. 1958	99-⅜
4 % Mysore	1953	3,00,00,000	15th July 1963	99-⅜
3 ½% M.P.	1942	50,00,500	18th Sept. 1955	99⅛
3 ½% M.P.	1943	50,54,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1960	94
3 ½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 ½% Punjab**	1942	2,33,20,000	18th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 ½% Travancore Cochin	1946	3,00,00,000	15th May 1952-54	99⅜
3½% Travancore	1936	80,00,000	16th Aug. 1956	99⅜
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 ½% U.P.	1938	1,69,39,800	15th Sept. 1961-66	96⅛
3 ½% U.P.	1944	3,23,96,800	15th Aug. 1958	97
3 ½% U.P.	1945	2,36,31,900	14th Sept. 1960	94
2½% U.P.	1946	2,41,19,800	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅜
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅜

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
38,50,000	4	1904	1964	
55,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅛N
40,00,000	4	1909	1970	
5,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
1,33,87,600	3½	1913	1960	D
80,00,000	4	1913	1974	99⅛N
1,25,00,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1973	
81,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1960	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,38,000	3½	1935*	1975	
24,38,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98⅛
76,90,100	4	1915	1975	98⅛
68,02,300‡	3††	1921	1981	
1,30,00,000‡	6½	1921	1981	144N
1,24,66,300	5	1925	1955-85	103⅛
98 21 600	5½	1926	1956-86	104⅜
99,84,300‡	5	1926	1956-86	103⅜
1,49,49,500‡	5	1927	1957-87	103⅛
1,49,30,000	5	1928	1958-88	104⅜
80,00,000	4½	1928	1961	93⅛
21,75,000‡	3	1933	1954	92⅜
60,00,000	3½	1935	1965	96⅛
50,00,000	3	1938	1963-68	88
50,00,000	3	1945	2005	78N
50,00,000	3	1945	1975	82⅜
50,00,000	3	1946	1976	82⅛
50,00,000	3	1946	2006	70N
50,00,000	3½	1947	1977	78⅛
50,00,000	3	1948	1978	81
30,00,000	3	1949	1959	94⅜
50,00,000‡	3	1950	1980	80
1,80,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
20 00,000	3	1951	1981	79
1,30,00,000	3½	1951	1961	97⅛
50,00,000	3	1952	1963	95⅛
50,00,000	4	1953	1983	97
STERLING LOANS				
£				Rs.
£892,800	5	1923	1953-83	£87⅜
£901,000	5	1924	1954-84	£87⅜
£839,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40 347	4	1912	1982	
21,14,964	4	1913	1983	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,48,044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1890	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
30,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97⅛N
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1912	1972	
25,00,000	3½	1913	1960	
25,00,000	4	1914	1974	97⅛N
40,00,000	5	1915	1976	
50,00,000	5	1919	1937-79	113N
25,00,000	5	1920	1955-80	
25,00,000	4	1926	1956-86	115N
10,00,000	3½	1936	1966	90N
STERLING LOANS				
£566,600	4	1909	1949	£93⅜N
£333,000	4	1910	1970	£93⅜N
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	
30,00,000	3	1936	1966	100
50,00,000	3	1936	1966	89
20,00,000	3	1937	1963	89
80,00,000	4	1938	1963-68	88
		1952	1962	100

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
49,40,000	4	1913-14	1954	99⅜
20,40,000	4	1913-14	1954	99⅜
20,00,000	4	1913-19	1959	101
2,60,00,000	4	1920	1960	99⅛
25,00,000	5	1928	1958	113
26 14 000	5	1928	1958	102
8,45,300	5	1929	1949-59	104⅜
24,71,300	5	1929	1954-59	102⅜
6,25,00,000	3½	1929	1959	102⅜
2,50,00,000	3½	1949	1977	86⅛
4,00,00,000	3½	1950	1978	86⅛
2,50,00,000	4	1952	1965	86⅛
2,00,00,000	3½	1951	1964	92
1,30,00,000	4	1952	1964	100
100,00,000†	4	1952	1964	100
R				99⅜
CALCUTTA				
34,45 300	6½	1925	1955*	103⅛
84 70 000	5	1925	1955	104
36 00 000	5	1928	1958	103⅛
29 00 000	5	1929	1959	103⅛
25 00 000	5	1929	1957	103⅛
10 00 000	5½	1932	1958	103⅛
33 90 000	3½	1935	1962	108
60,00,000	3½	1937	1965	93⅛
3,11,400	3	1937	1966	88⅜
4,01,100	3	1937	1954	99⅜
1,62,500	3	1937	1954	99⅜
6,18,100	3	1937	1954	99⅜
47,50,000	3	1938	1968	88
10,47,700	3	1938	1955	97⅜
15,56,800	3	1939	1956	99⅜
15,56,800	3	1939	1956	99⅜
17,64,400	3	1940	1957	99⅜
21,10,000	3½	1942	1957	99⅜
13,49,000	3½	1942	1959	99⅜
16,33,000	3½	1951	1966	96
66,88,000	3½	1951	1961	96
87,36,000	4	1952	1966	96
72,30,000	4½	1952	1962	99⅜
Rs.				99⅜
MADRAS‡				
71,700	6	1925	1955	Rs.
2,66,300	6	1925	1955	100N
15,00,000	3½	1951	1961	101N
15,00,000	3½	1952	1962	107N
				107⅜N

N—Nominal.

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

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1905	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari †A	7,00,000	1920	7	July Apr.	115	100
¶East India Distilleries ..	2,50,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	7B	Dec. ..	70	100
Parnaparo Co.	6,00,000	1922	10	Oct. ..	15⅜	10
Ramnagger Cane ..	4,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar ..	20,00,000	1943	3½	Oct. Apr.	75	100
South Behar Sugar ..	5,00,000	1936	7(a)	Oct. ..	161⅛	100
Travancore	15,00,000	1946	5(c)	Dec. ..	7⅜	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borneo	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar Sept.	118	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	80	75(pp)
††Khas Kajora	1,93,000	1931	7	Mar. Sept.	3N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12⅜	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	110	100
Bangalore	4,00,000	1894	6	Jan. July	118½	100
Basaud Cotton	5,00,000	1938	6½	Nov ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1894	7	Apr. Oct.	118½	100
Bowrah †A	6,00,000	1900	8	Feb. Aug.	142	100
Do. †B	4,00,000	1900	7	Feb. Aug.	90	100
Bradbury	4,75,000	1919	7	June Dec.	328½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. e.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns "Paid-up Ordinary Capital" and "Paid-up per share." *Accounts:*—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
30,00,000	9,99,757	42,27,928	45,05,372	—3,75,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2¾	2	0 4	0 5	0 4			
60,00,000	24,00,000	1,22,39,883	70,22,855	45,644	B. Sons, Ltd.	60,828	1,021	B. R. Cotton Mills	60	100	6 0	6 0	Nil	Nil	12	Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	428	100	60 0	60 0	60 0	Nil	12	Y.P.T.
10,00,000	27,25,759	34,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	963	250	20 0	20 0	20 0	22 8*	12	Y.
1,09,42,800	2,27,88,983	2,35,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	334	100	18 0	20 0	20 0	100 0*	3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(d)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	66½	100	Nil	Nil	Nil	20 0*	12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cawasjee Jehangir & Co., Ltd.	50,412	680	Gordhan Spg. & Wvg.	111½	Nil	Nil	4 0(c)			12	Y.
14,00,000	20,04,821	43,03,745	48,46,041	76,868	Ramnarain Sons, Ltd.	30,304		Dawn Mills	90	100	7 8	7 8	7 8	7 8	12	Y.
24,00,000	24,00,000	62,31,113	37,35,800	5,622	Nowrosjee Wadia & Co.	50,976	928	Edward Textiles	246½	Nil	6 0	6 0	6 0		12	Y.
89,95,700	12,93,792	1,10,11,972	73,99,223	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	200	15 0	15 0	15 0		12	Y.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	250	100	4 0	5 0	5 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,590	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	15 0	20 0	20 0	15 0	12	Y.P.
8,00,00,000¶									1,950	175	0	200	0	225 0*	12	
80,00,000 D.	1,28,61,436	4,56,22,024	3,07,08,000	—31,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	11–3½	250	43 12	50 0	50 0	56 4*	3	Y.P.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	10–7½	10	0 12½	1 15	Nil	12		
									3,850	10	0 2	0 4	Nil			
29,92,500	49,54,640	2,07,51,457	1,57,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	1,000	175	200 0*	200 0*	200 0*	225 0*	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,11,423	Kilick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	500	87 8	100 0	100 0	100 0	112 8*			
28,80,000A									120	100	12 0	14 0	10 0	10 0	6	Y.P.
1,60,000B	64,00,787	4,36,527	68,878	6,03,536	Dina Nath, Esq.			Madhusudan Mills	320½	100	14 0	10 0	10 0	10 0	12	Y.
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	664	Modern Mills	82	100A	18 0	18 0	18 0	20 0*	12	Y.
21,75,000	24,92,735	1,10,70,041	1,44,55,016	12,700	Piramal & Sons	63,004	1,652	Morarjee Goculdas Spg. & Wvg.	208	100	7 8	5 1	4 0	4 0	6	Y.
1,50,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chiraf & Co., Ltd.	171	15	National Rayon Corporation	163½	100	17 0	15 0	12 0	12 0	12	Y.T.
24,00,000	28,60,686	73,05,363	44,45,960	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	160	Nil	Nil	Nil	4 0	4 0	6	Y.P.
80,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	Elgin Mills	172	100	12 8	10 0	10 0	10 0	12	Y.P.
12,70,100	36,36,004	42,49,532	13,76,680	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	253	100	10 0	10 0	10 0	10 0	12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,256	27,380	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	10	10	0 8	1 0	1 4		12	Y.
50,00,000	43,62,747	24,64,450	22,50,008	2,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	155	100	9 0	10 0	8 0		12	Y.
8,00,000	8,93,779	21,19,461	18,93,340	3,613	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	188	10	1 0	1 0	1 0	10 0	12	Y.
83,00,000	60,49,474	1,17,37,612	81,93,664	21,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	30½d	10	2 0	2 0	1 4		12	Y.
60,00,000	64,20,061	76,98,371	39,33,898	8,43,872	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Nirwas Cotton Mills	216½	100	14 0	17 0	12 8		12	Y.P.
81,50,000	49,02,108	78,77,540	83,69,008	85,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	160½	50	14 0	17 0	15 0(c)	15 0	3	Y.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,033	Standard Mills	320½	100	16 0	20 0	20 0	20 0	12	Y.T.
75,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industrues Ltd.	75,024	2,000	Svadeshi Mills	283½d	100	15 0	20 0	20 0	20 0	12	Y.
36,00,000	60,78,465	93,47,153	58,93,568	8,74,757	James Finlay & Co., Ltd.	35,804	552	Swan Mills	350	100	15 0	20 0	16 0	16 0	12	Y.P.
32,57,438	49,90,352	1,52,47,827	45,36,353	6,862	Tata Industrues Ltd.	62,096	1,800	Tata Mills	484d	25	2 0	2 0	2 0	20 0	12	Y.
12,00,000	40,55,708	88,62,654	75,30,086	6,248	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
80,00,000	38,80,266	86,29,885	51,09,678	3,979	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	147½	100	8 0	12 0	10 0	10 0	6	Y.P.
10,00,000	88,91,868	85,84,129	58,40,000	1,761	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	405	100	8 0*	20 0*	20 0*	16 0*	12	Y.P.
81,00,000	2,07,45,675	1,18,76,139	76,31,000	1,389	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	812	100	15 0	20 0*	20 0*		12	Y.P.
80,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	854	Ayodyaa Ginning & Mfg.	225	100	25 0	25 0	25 0		12	Y.P.
12,00,000	1,00,27,000	82,29,958	63,65,455	1,85,818	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	525	100	30 0	35 0*	15 0		12	Y.P.
1,24,77,852	99,56,782	3,97,51,801	2,72,53,344	*2,51,51,386	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	1778	100	17 0	20 0	18 0		12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	4,885	Tricumlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills	1150	500	15 0	18 0	18 0	18 0	12	Y.P.
99,00,000	70,78,354	96,79,263	74,68,975	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	653	125	35 0	35 0	70 0		12	Y.P.
5,00,000	61,15,982	46,72,763	31,76,001	700	Jagabhai Bhogilal Nanawaty & Co., Ltd.	24,840	572	Nutan Mills	770½	35	35 0	35 0	35 0		12	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,128	696	Rajpur Mfg.	200	100	28 0*	28 0*		30 0*	12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	43,568	1,095	Ramnagar Spg., Wvg. & Mfg.	110	100	25 0	25 0	25 0		12	Y.P.
12,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	130	100	30 0	20 0	10 0		12	Y.P.
84,90,150	1,18,66,180	1,01,07,709	77,25,000	1,22,551	Harivallabhdas Kalidas & Co.	53,598	1,323	Shri Ambica Mills	50	15	6 0	10 0	10 0		12	Y.P.
19,52,500	52,12,167	61,33,831	48,71,581	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	403½	100	15 0	20 0	20 0		12	Y.P.
88,00,000	29,08,070	91,15,078	47,72,055	16,259	Haridas Ashratlal & Co., Ltd.	34,576	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*		12	Y.
																Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,98,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	0 8	0 8	Nil		12	
7,11,280	2,21,850	38,32,124	22,08,106	—97,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	33¾	40	Nil	3 0	3 0	Nil	12	Y.P.T.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	202	100	Nil	Nil	Nil	Nil†	3	
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	201	100	Nil	7 0	Nil	Nil†	6,12	M.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	24	15	1 14	Nil	Nil	Nil†	6,12	M.
6,00,000										25	1 14	1 14	1 12	1 12	3	Y.P.
33,96,288	9,75,000	84,54,400	67,06,237	8,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 12	1 4		12	Y.P.
													0 8			
SOUTH INDIA AND OTHER CENTRES																
11,00,000	4,32,726	33,21,634	12,15,361	—9,51,338	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil	Nil		12	
13,00,000	9,09,109	39,21,813	21,03,246	2,745	Samuel & Co., Ltd.	50,000		Alagappa Mills (Cochin) Ltd.	6	10	0 12½	2 5	0 9	3/5	12	
91,94,400	51,99,334	2,06,06,796	50,52,372	5,771	Industrial Trust Fund, Ltd.	36,136	665	Azam Jahi Mills	67½	100	3 8	6 0	6 0	Nil	12	Y.P.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	399	100	17 8	20 0	15 0	6 0	12	Y.P.T.
87,00,000	22,25,163	73,26,199	52,12,199	19,999	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	Nil	2 0	2 0	3 0	12	
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	474 N	10	Nil	2 0	2 0	3 0	12	Y.P.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	158½	100	2 8	2 8	2 8	3 0	6,12	H.P.Y.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Peirce, Leslie & Co., Ltd.	37,536		Cambodia Mills	5	100	6 14	1 4	1 4	1 4	3	Y.
30,00,000	21,97,992	56,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8½	Nil	Nil	1 4	1 0		12	Y.P.T.
12,00,000	19,85,496	28,94,635	21,58,900		R. Ribeeme Naidu & Co.	28,864		Coimbatore Cotton Mills	220	100	0 9	1 8	0 9	10 0	12	Y.P.
80,00,000	9,19,870	25,84,987	13,33,422	1,35,496	T. R. N. Naidu & Co.	19,798		Coimbatore Pioneer Mills	156	100	12 8	12 8	12 8	20 0	12	Y.
80,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	44–12	50	7 0	6 0	9 0		12	Y.
46,87,500	88,12,506	2,30,18,398	1,41,83,280	9,315	Tata Industrues, Ltd.	1,15,188	2,082	Empress Mills	182	100	6 0	6 0	6 0		12	Y.P.
8,38,24,450	1,65,19,859	8,76,75,508	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	33	10	1 4	2 0	2 0	3 0	12	Y.P.
1,00,521									28	Nil	Nil	2 8	0 1	4/5	6	
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	227	100	25 0	20 0	20 0	0 2	4/5	Y.P.
63,00,000	46,00,000	1,40,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	15½	10	1 2	1 8	1 8	20 0	12	Y.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	254	100	10 0	14 0	17 0*	17 0	12	Y.P.
80,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	113½	100	4 0	5 0	6 0		12	
8,90,000	11,61,061	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Jamadanga Mills	76	50	3 0	3 0	3 0		12	V.
24,00,000	15,75,000	61,35,358	8,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	12½	10	0 11	0 12	1 12		12	Y.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	593½	858	32 0	32 0	32 0		12	Y.
53,46,150	53,30,000	94,98,025	53,73,673	14,267	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	116	50	4 0	4 0	4 0	37 4	6	Y.P.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,993	A. & F. Harvey Ltd.	4,66,932		Madura Mills	57	25	2 0	3 0	3 0	3 0	12	
12,00,000	4,17,363	24,32,416	15,52,698	—22,590	A. L. A. R. S. Chettiar and 2 others	22,592	603	Malabar Spg. & Wvg.	41	25	2 0	2 0	2 0	2 8	12	
60,00,000	62,50,000	33,34,848	38,37,062	77,484	W. A. Beardsell & Co., Ltd.	24,720		Mettur Industries Ltd.	1266	200	5 0	12 0	8 0	5 0	12	V.
89,80,884	22,90,000	73,68,250	42,20,184	85,940	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	251	100	12 0	12 0	12 0	3 0	12	Y.
84,91,858	27,56,160	1,50,05,970	78,81,528	87,241	Bamilal Abirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	110	100	6 0	8 0	8 0	12 8	12	Y.
80,00,000	52,19,600	1,33,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	140	250	12 0	12 0	12 0	12 0	12	Y.
19,86,800	61,51,392	93,64,233	58,93,568	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	165N	100	Nil	Nil	7 8	7 8	12	Y.
13,61,780	2,58,745	29,34,299	15,36,624	2,232	R. Suryanarayan Rao Esq. Manager	6,000		R. Suryanarayan Rao Esq. Mills	119½	50	6 0	9 0	10 0	10 0*	12	Y.
27,89,880									61	10	0 8	0 10	Nil	Nil	3	Y.P.
3,07,29,510	25,62,333	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	12	O. 25	Nil	Nil	Nil	Nil	3	Y.P.
87,03,800	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanshahi Mills	90N	1	Nil	Nil	Nil	Nil	3	Y.
4,00,00,000A									72½	100	8 8	8 8	7 0		12	Y.P.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200		Palani Andavar Mills	110	50A	3 0	8 0	8 0	4 0	9	V.
10,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd.	75¾	75B	7 8	12 0	11 4		12	Y.
16,81,200A									45	100	7 8	12 0			12	V.
8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills	167cd	100A	16 0	16 0	6 0		12	V.
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	85½d	50B	8 0	8 0	3 0		12	V.
80,00,000	62,66,508	1,03,26,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	13,904	600	Shree Ambica Mills	107	50	4 8	Nil	Nil		12	V.
22,41,300	10,52,625	25,98,011	17,73,000	65,528	G. Eliadhar & Co., Ltd.	13,824	440	Shree Sajan Mills	75¾N	10	6 0	Nil	Nil		12	Y.P.
12,79,700	2,24,939	21,50,228	16,08,113	3,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	—	60	Nil	3 0			12	V.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	2,225	1,000	Nil	Nil	Nil	Nil	3	V.
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills	561½	500	4 0*	4 0*	3 0*	4 0*	3	V.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	35,556	992	Sutlej Cotton Mills	50N	10	4 0	4 0	3 0*	4 0*	3	V.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100	0 8	0 8	Nil		12	
8,57,50,000									8	10P.O.	0 14	2 5	0 14	2 5		
9v 92,070	3,25,000	2,67,68,703	53,91,774	2,34,553	Emerie & Sons (Travancore), Ltd.			Travancore Rayons	9¾	10	Nil	Nil	Nil	Nil	12	Y.P.
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Kamjee & Sons	16,000		Trichinopoly Mills	8–11½	10	1 0	1 0	1 0	1 0	12	V.
81,00,000	32,67,606	49,31,870	32,72,308	28,000	N. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	185½d	100	9 0	10 0	10 0	11 1/5	12	Y.P.T.
82,00,000	47,34,135	1,34,36,953	89,50,676	1,868	Bombay Co., Ltd.	54,280	1,483	Vishnu Cotton	142½	100	9 0	14 0	14 0*	10 0	12	Y.P.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profits by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed

(c) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves

(d) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up Per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	24	25	Nil	2 13g	Nil	Nil	3	Y.P.
6,64,000							9⅜	10	Nil	1 2g	Nil	Nil		
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	64	25	1 0	0 8	0 8	0 8	3	V.
£40,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	3	Y.P.
£300,000B							27½	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	9	V.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	156½	75	11 4	7 8	15 0	15 0	3	V.
CEMENT														
81,57,700A	8,71,294	72,62,714	25,89,341	20,534	Andhra Engineering Co., Ltd.	Andhra Cement Co.	112	A. 100	3 12	7 8	7 8		12	Y.P.T.
89 63,334B							11½	B. 10	0 6	0 12	0 12			
83,14,600O	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	0 8½	Nil	Nil		3	Y.T.
4,70,976D							1¾	D. 1	Nil					
80,56,25,938	5,44,71,391	17,62,07,681	3,69,730	7,14,06,639	Cement Agencies Ltd.	Associated Cement Companies	157	100	8 8	9 8	9 8	9 8	7	V.
60,08,000O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	9	O. 10	0 8	0 10	0 10		12	Y.P.W.
26,49,797O.							2	O. 25	0 2	0 2½	0 2½			
30,00,000D.							1–7½	D. 1	Nil	Nil	Nil			
62,50,000O.	4,00,000	1,43,54,423	31,47,437	6,15,163	Essen Ltd.	India Cements Ltd.	10	O. 25	Nil	Nil	0 4	Nil	3	Y.P.
7,50,000D.							2½	D. 5	Nil	Nil	0 4			
75,00,000	80,05,000	1,72,56,035	1,33,85,166	38,638	Martin Burn Ltd.	Sonevalley Portland Cement	7½		5	0 3½	0 6§	0 8	12	V.
CERAMIC; MINING AND QUARRYING														
31,70,635	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	3½	24	0 2	0 2½	—0 2½		12

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
46,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	62½	25	1 4 / 1 0 / 2 0	1 9 / 2 0 / 3 0	1 9 / 2 0 / 3 0	Nil / 2 0 / 3 0	6.12	H.P.T.
30,80,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	200	100	5 0	5 0	5 0	6	3,9	H.
30,80,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8½	0 12	0 12	1 0*	3	Y.
41,95,000	2,23,31,866	3,32,58,294	75,01,000	2,26,754	Birla Bros.	Orient Paper	17½	10	0 12 / 1 0	1 0 / 1 0	1 0 / 1 0	1 0* / 1 0	3,9	H.P.T.
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	24	10	0 8 / 0 10	0 12 / 0 12	0 12 / 0 12	0 12†	6,12	H.P.T.
80,80,000 / 80,80,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	11 / 11	O. 10 / A. 10	1 0 / Nil	1 0 / Nil	1 0 / Nil	1 0* / Nil	3,9	H.P.T.
86,00,000A. / 86,04,900B. / 4,37,500P.O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41 / 4½	B. 10 / P.O. 3½	1 0 / 0 2	1 0 / 0 2	1 0 / 0 2	1 0* / 1 0* / 0 2	3,9	H.P.
PRESSING														
8,00,000	3,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	3 0	3 0	6	W
4,50,000	1,00,000	6,89,526	4,73,058	2,354	Fyzo & Sons	Camperdown	93N	100	6 0	6 0	5 0	4 0	7	Y
2,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y
PROPERTY AND LAND														
80,00,780O. / 2,00,000D.	6,02,582	42,65,884	19,09,280	419	E.A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10 / D. 1	0 9 3/5	0 9 3/5	0 8½		9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	27	100	Nil	Nil	Nil	Nil	4	Y.
84,00,000	35,26,934	97,00,410	98,782	420	Andrew Yule & Co.	Midnapore Zamindary	35½	100	Nil	3 0	3 0	3 0	4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	7 / 407½ / 138½	3 / Old 125 / New 50	0 8 / 15 0 / 6 0	0 8 / 37 8 / 15 0	2 4 / 22 4 / 9 0	15 0 / Nil	9	Y
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	25N	100	5 0	Nil	5 0	5 0	9	Y.
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	34	10	3 0	5 0	5 0	Nil	6	Y.P
18,00,000	18,43,037	16,83,461	11,65,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products						1 (f)	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,983	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½ / 125N	5 / A. 100	Nil / 6 6	1 0 / 10 0	Nil / 10 0	Nil / 10-0	6	Y.
12,00,000A. / 5,00,000B.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	113N / 7½	B. 10	0 10 / Nil	1 0 / 0 10	0 12 / 0 12	0 12 / 1 6	4	W
19,49,050	5,00,000	32,06,093	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	16N	10	1 0	1 0	1 8	1 8	4	Y.
15,00,000	12,31,314	15,47,378	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	8½	10	Nil	Nil	Nil	Nil	6	Y.P.
32,80,000	25,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	38½	10	2 0	3 0	2 0	2 0	6	Y.P.T.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	26	10	2 0	3 0	2 0	2 0	10	Y.P.
18,00,000	33,12,562	63,47,454	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	11	10	0 8	0 8	0 12	0 12	6	Y.P.
2,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	175N	"A" 100 / O. 100	6 0 / 6 0	8 0 / 8 0	8 0 / 12 0*	8 0 / 15 0*	6	Y.T.
25,80,000A. / 80,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bashiraj & Co., Ltd.	Hindustan Sugar Mills	— / 80	100 / 10	6 0 / 3 0	9 0 / 4 0	12 0* / Nil	15 0* / Nil	6	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	25N / 31½	10 / 10	1 0 / 1 0	2 8 / 2 8	Nil / Nil	Nil / 2 8	7	Y.P.
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	6	10	1 0	2 0	2 0	2 0	6	Y.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	180N / 45N	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0	11 0 / 5 0	5	Y.
1867,500 A. / 8,11,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	110N	100	3 4	11 8	6 0	6 0	6	Y.
77,48,900	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	105N	100	6 0	10 0	10 0	11 0	7	Y.P.
12,00,000	12,71,174	18,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	13	10	1 0	2 0	1 0		10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Puraibpore Co.	13½	10	1 0	2 0	1 0	1 0	10	Y.
8,00,000	4,04,162	25,16,182	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryan Sugar	90N	O. 50	7 0	9 0	9 0	9 0	10	Y.P.T.
11,99,000	17,23,204	36,77,360	21,32,129	2,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	13½	10	1 0	2 0	1 0	1 0	10	Y.P.
80,00,000	81,68,560	1,04,96,727	55,25,283	5,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	122d	10	0 6	1 0	1 8	0 8	7	Y.P.T.
9,99,950	61,825	22,84,311	11,98,645	7,487	H. K. Cheak, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	9 6½		6	Y.
7,93,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	1N	O. 10	Nil	Nil	Nil	2 0*	6	Y.T.
6,50,000 / 1,75,000D.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co. Ltd.	South Behar Sugar	3N	D. 2½	Nil	Nil	Nil		10	Y.P.
8,00,000	.....	78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	23N	10	1 12	2 0	2 0	2 8	6	Y.P
14,00,000	9,19,618	30,61,987	24,91,617	36,665	James Finlay & Co., Ltd.	United Provinces Sugar	16½	10	0 4½	2 0	1 8		9	Y.P. Y
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	27½	50	12 8	14 0	16 0	16 0	9	Y.
87,48,900	2,31,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N / 27	100 / 10	1 8	5 0 / 2 8	3 0 / 2 8	3 0 / 2 4	6	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	17 / 101N	5 / 100	0 12	1 4	1 4	1 4†	9	Y.P
23,57,520	29,59,135	39,13,908	19,50,442	2,69,851	Govan Bros. (Rampur), Ltd.	Buland Sugar	10	10	1 0	1 0	1 0	0 12	10	Y.
81,79,200	89,58,225	1,08,06,148	48,17,373	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0*	2 0	2 0	2 0	6	Y.
60,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasalial Ltd.	Mafatlal Sugar	106	50	8 0	8 0	8 0	8 0	4	Y.
14,59,820	27,50,830	48,81,755	23,79,327	95,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar	23½ / 90N	O. 50	0 9½	0 12	2 0 / 9 0	2 0 / 10 0*	9	Y.
80,00,000O. / 4,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N / 101N	D. 10	7 0	9 0	{9 0 / 10 11½}	Nil	9	Y.P.T.
19,99,600	84,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	10	10	1 0	1 4	0 12		10	Y.P.T.
30,00,000	10,73,392	59,70,150	13,08,961	20,986	Parry & Co., Ltd.	Travancore Sugars	31	Nil	Nil	0 8	Nil	Nil	7	Y.
23,50,000 / 77,50,000A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	176½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	14 0† / 14 0†	9	Y.P.T.
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	140xd	100	₹10 0	12 8	12 8	10 0	10	Y.
1,80,00,000		3,00,22,738	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	95	100	3 0	4 0	3 0		12	Y.
£655,580	£1,123,737	£5,428,105	£3,532,999	£13,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	73§	410	Nil	Nil	8s.10		12	Y.
£25,00,000	74,99,233	£1,91,83,993	£,26,37,485	£,90,765	Lionel Edwards Ltd.	India Steamship Co.	£-8-8	Nil	Nil	Nil	Nil	0 8	12	Y.P.
7,04,80,808	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	181	15	Nil	Nil	Nil	0 12	3	Y.P.T.
UNCLASSIFIED (Bombay)														
8,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	5,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay Salt	60	80	4 0	4 0	4 0		12	Y.
15,00,000	1,00,000	23,18,150	8,079	8,955	Dosa Sons, Ltd.	Devkaran Nanji Investment Co.	8§	25	0 12	0 12	0 12		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	40	100	4 0	4 0	2 8	Nil	3	Y.
99,99,250	18,80,000	1,27,94,592‡	11,960	2,11,031	Premchand Raychand & Sons	Premchand Investment Trust	79	100	4 0	4 8	4 0	4 0	12	Y.P.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	178 / 147½	100 / A. 100	8 0	8 0	10 0 / Nil	10 0 / Nil	6	Y.
8,96,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Acro-Auto Ltd.	Premier Automobiles	73	B. 10	Nil	Nil	Nil	Nil	6	V.
10,21,200	9,56,603	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	37xd	100	2 0	3 0	3 0	3 0	6	Y.
8,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	Western India Match Co.	210	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,800O. / 8,50,000D.	15,00,000	1,56,92,044	56,15,329	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	4½ / 3	O. 10 / D. 2½	Nil	Nil	Nil	Nil	3	Y.P.T.
30,00,000	38,21,355	81,54,314	20,12,443	4,34,796	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	171	10	1 12	2 8	1 4	1 4	4	Y.
50,00,000	3,75,000	29,21,755	19,64,063	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19	10	1 4*	1 4*	1 4*	1 4*	12	Y.
20,00,000	18,97,883	96,60,363	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	44	10	9 3 3/5	0 9 3/5	0 10	0 10	12	Y.
80,80,700O. / 88,00,000D.	97,71,800	53,87,807	29,87,807	3,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	313 / —	O. 100 / D. 40	20 0* / 6 0	25 0* / 8 0	25 0* / 8 0	20 0* / 5 0	3	Y.P.T.
20,00,000	7,97,945	56,17,513‡		1,11,692	Birds Investment Ltd.	Birds Investment Ltd.	10	10	1 2	1 4	1 4	1 4	12	Y.
30,64,480	13,27,344	39,01,560	21,81,999	94,133	P. J. F. Pereira, Esq. (Mg. Director)	British India Corporation	16	10	1 4	1 4	0 12	0 12	4	Y.
5,22,00,000	93,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	15½	10	2 0	0 12	0 12	0 8	3	Y.P.T.
1,60,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,87,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	35½	10	2 0	3 0	1 8	1 8	12	Y.P.T.
51,26,000	51,50,934	1,29,31,2358	11,960	2,11,031	Bird & Co., Ltd.	Eastern Investments Ltd.	139	100	8 0	10 0	9 0	9 0	12	Y.T.
14,00,000	9,57,000	32,14,898	17,65,862	26,757	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	194	100 / 10	6 0 / 10 0	12 8 / 12 8	20 0 / 20 0	20 0 / 10	3	Y.P.
63,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins	Gillanders Arbuthnot & Co., Ltd.	108	100	7 8	10 0	10 0	10 0	3	H.
30,00,000	11,42,356	62,81,816	29,39,773	29,418	Sir P. P. Syndicate	Great Eastern Hotel	265	250	15 0	15 0	15 0	15 0	3	Y.
12,42,800	3,04,049	40,60,790	41,30,349	37,939	Birla Bros., Ltd.	Hindustan Motors	8½	10	Nil	Nil	Nil	Nil	3	Y.
4,94,12,650	1,93,8,966	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Indian Aluminium Co.	100	100	2 8	5 0	5 0	5 0	3	Y.P.T.
1,60,00,000	36,77,754	3,45,52,905	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Cables	20½	10	1 0	1 0	1 0	1 0	3	Y.P.
1,32,18,220	1,07,77,146	1,11,09,713	37,75,439	15,56,449	A. R. Dickson Esq.	Indian Rubber Manufactures	13½	10	1 0	1 0	1 0	1 0*	3	Y.P.
2,27,970	3,38,000	14,39,460	7,97,308	38,565	G. B. Moulton & Co. (India), Ltd.	Indian Rubber Manufactures	13½	10	1 0	1 0	1 0	1 0*	3	Y.P.
8,00,00,000	37,49,280	29,81,477‡	6,24,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	110	100	10 0	10 0	10 0	9 12	3	Y.P.
4,54,000O. / 66,900D.	6,05,270	6,91,531	4,08,253	—64,994	Macfarlane & Co	Macfarlane & Co	11 / 5 / 240	O. 5 / D. 1 / O. 100	Nil	Nil	7-3 / 0-4	Nil	3	Y.
60,00,000O. / 8,00,000D.	63,05,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	— / 20½	D.O. 10	0 12	0 12	0-4 / 0 12		12	Y.
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	18½	10	1 4	1 2	1 4	1 6	12	Y.P.
6,35,255	1,71,934	7,23,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	15§	10	1 0	1 0	Nil	Nil	3	Y.
4,88,040	8,84,829	9,71,421	3,93,009	2,099	G. Chandy, Esq. (Controller)	Mysore Lamp Works	15§	10	1 0	1 0	1 0	1 0*	3	Y.P.
10,00,000		11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10§	10	Nil	Nil	1 0	1 0	3	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	18½	10	0 8	0 8	0 12	1 0	3	Y.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,57,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	91	10	0 4	0 8	0 8		3	Y.P.T.
40,00,000	34,00,000	61,38,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	48	2	1 9 3/5	2 0	0 10½	0 4½	12	Y.P.
8,25,00,000	13,27,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Ralli (India) Ltd.	138.98	100	8 0	9 0	Nil	Nil	12	Y.P.
1,14,00,000	78,53,108	1,01,99,497	2,16,88,825	7,17,486	Sahu Jain Ltd.	Rohtas Industries	16½	10	Nil	Nil	1 12	1 0	8	Y.P.
40,00,000	84,66,946	1,21,92,814	75,35,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½	10	1 0	1 0	1 0	1 0	8	Y.P.
75,00,000	35,00,000	12,11,9018	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13§	10	1 0	1 0	1 0	1 0	6	Y.P.
9,98,380	1,30,000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	31	10	0 6§	Nil	Nil		12	Y.P.

‡ Includes investments at cost.
* Includes bonus.
§ Excluding goodwill (written down Rs. 80 lakhs.)
† Excluding goodwill at cost Rs. 30 lakhs.
‖ Excluding Rs. 1,40,86,000 which represent shares in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	3,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	410 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	2 8	0 12	0 12		12	Y.
3,50,000	3,68,250	10,44,174	1,65,679	72,500	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	29	10	4 0	3 0	Nil		12	Y.
3,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	3,27,561	63,629	Andrew Yule & Co., Ltd.	369	Bamunia	36½	10	3 0	2 8	2 0		12	Y.
3,30,800	2,90,000	8,68,533	3,03,533	63,180	Williamson Magor & Co.	567	Bateli	18	5	1 8	1 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—31,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	29½	10	3 0	3 0	Nil		12	Y.
46,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Bahnuth	35½	10	3 0	3 0	Nil		12	Y.
6,00,000	.....	10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	Nil	Nil	Nil		12	Y.P.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Borneh Jan Tea	14½	10	1 0	1 0	1 0	0 8	6	Y.P.
35,00,000	9,03,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	11½	10	1 8	Nil	Nil		12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	13§	10	1 8	Nil	Nil		12	Y.
4,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Desai & Parbuttia	280	100	30 0	22 8	10 0		12	Y.
17,33,440	8,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd.	610	Dhankhat	14§	10	1 9 3/5	1 3½	1 0		12	Y.P.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	413	Dhunseri	14§	10	2 0	1 0	Nil		12	Y.
4,50,000	2,75,000	8,03,461	1,17,960	—41,581	McLeod & Co., Ltd.	458	Dibrugarh	12§	10	1 0	1 0	Nil		12	Y.P.
2,16,700	3,70,000	8,93,119	2,15,960	—45,119	Williamson Magor & Co.	625	Dimakusi	41	10	4 8	1 8	1 0		12	Y.P.
3,60,500	4,50,000	16,38,157	9,38,157	1,15,948	Williamson Magor & Co.	669	Duffaghur	41½	10	2 4	2 0	2 0		12	Y.
10,00,000	3,65,000	21,47,460	8,22,460	—36,603	Williamson Magor & Co.	1,168	East India Tea	20½	10	2 4	2 4	0 4		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gilapukri	22	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37,439	5,54,439	1,03,645	Williamson Magor & Co.	533	Gobpur	38½	10	4 0	3 0	1 8		12	Y.
A. 4,94,360 / B. 2,40,790	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	23½ / 12½	A. 10 / B. 5	3 0	2 0	2 0		12	W.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjuli	10	10	1 8	1 0	0 8		12	Y.
4,35,000	8,04,216	18,38,8877	8,46,970	—28,143	Andrew Yule & Co., Ltd.	1,288	Hoolangooree	311 N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutibari	12§	10	1 0	0 8	Nil		12	Y.
2,40,000	30,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kapsley-Golaghat (Assam)	350N	100	20 0	Nil	Nil		12	P.Y.
6,50,000	1,69,133	6,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,037	Ledo	10	10	2 0	Nil	Nil		12	Y.
4,80,000	.....	8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohuma	5§	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,992	2,033	Kailewil Sultan & Co., Ltd.	433	Moiholi	560 N	100	45 0	35 0	Nil		12	Y.
O. 50,000 / P.O. 2,00,000	3,65,000	8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	32 / O.10 / P.O.10	O.10 / P.O.10	3 0 / 3 0 / 2 8	2 4 / 2 4 / 2 8	2 0 / Nil / Nil		12	Y.
4,00,000	2,98,000	5,78,590	3,53,094	256	B. C. Sen, Esq., Supervising Director	540	Naga Hills	19§	10	2 4	2 4	Nil		12	Y.
5,35,000	—	10,14,665	4,06,665	—99,094	Shaw Wallace & Co., Ltd.	810	Namburnadi

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	56,30,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	15¼	10	1¼	1+1	1+1	1+1	3, 9	H.T.P.
12,00,000	18,99,800	45,53,094	32,11,351	4,42,186	Sahu Jain Ltd.	498	Albion	209	100	4+10	15+15	8+10	12f	5, 11	H.P.
6,00,000	3,55,000	50,34,068	30,69,557	—59,046	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5 Nil	Nil	Nilf	6, 12	H.P.
20,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	172	100	Nil	Nil	Nil	Nilf	6, 12	H.P.
49,20,700	70,44,144	2,30,35,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	109	100	Nil 10	10+10	10+15	5+15	6, 12	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	116	100	12½+4	6+5	5 Nil	Nil	7½+5	H.P.
80,00,000	49,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co.	1,145	Bally	145	100	6+6	6+1	Nil	5	4+Nil	H.P.T.
£275,000	£639,470	£1,342,547	£1,044,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barnagore	143	£5	£1	£1	£1	£1	3, 9	H.P.
28,00,000	35,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	210	100	7+10	12½+15	7½+7½	7½+7½	6, 12	Y.P.
12,50,000	15,95,000	54,22,523	24,75,686	4,28,770	Soorsmull Nagarmull	600	Bengal	14½	10	2½	3	1	3	6	H.P.L.
80,42,000	2,64,76,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14½	10	2½	3	1	3	6	Y.P.T.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	100	100	3+10	10+12	6½+6½	3	6+4	Y.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	302	Calcutta Jute Mfg.	14N	10	Nil	Nil	Nil	Nil	4, 10	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	158	100	4+10	10+12	6+6	6+6	6, 12	H.P.T.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	153	100	3+5	5+7	7+8	3+3	5, 11	H
15,95,000	28,39,282	79,96,158	54,82,736	1,52,904	Andrew Yule & Co., Ltd.	515	Cheviot	215	100	6+10	10+12	6+6	6+6	6, 12	H.P.T.
30,15,000	46,90,000	59,26,842	42,66,385	1,06,004	McLeod & Co., Ltd.	500	Chitavalah	12xd	10	1½+1	1½+4½	Nil	2½+1½	5, 11	H.P.
16,00,000	17,00,000	78,04,949	64,24,462	18,647	F. W. Heilgers & Co., Ltd.	969	Churia	23½	10	1½	3½	2	Nil	6, 12	H.T.P.
81,49,200	61,69,975	1,28,92,451	61,83,266	35,814	Bird & Co., Ltd.	766	Dalhousie	125	100	1+3	8+6	6+1	1+3	3, 9	Y.P.
28,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	248	100	5+12½	15+17½	10+10	10+10	5, 11	H.P.
17,00,000	33,00,000	59,18,201	35,62,731	62,204	McLeod & Co., Ltd.	500	Empire	19½	10	1+10	11+12	5+5	1	6	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	455	100	2½+20	12½+12½	10 Nil	Nil	6, 12	H.T.P.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	Nil 4	6 Nil	Nil	Nil+5	3, 9	H.P.T.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Gangesa Mfg.	73½	100	Nil 38	2½+2½	Nil	Nil+Nil	3, 9	H.P.T.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	805	300	45	90	30	15	3, 9	H.P.
84,00,000	29,45,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,594	Gouripore	285	100	2½+15	10+10	1½ Nil	Nil+3½	3, 9	Y.
40,00,000	44,39,831	77,32,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	Nil	3, 9	H.P.
16,80,000	15,20,698	64,92,986	44,81,416	63,178	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	31	10	1	3	1½	1	3	Y.P.
65,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	24	10	1½	3	1½	1½	3, 9	Y.P.
80,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	24½ xr	7½	3	3	3	3	3, 9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co.	1,076	India	132	O. 125	32+9½	34+14½	34+34½	34f	3, 9	Y.P.T.
D. 30,000									D.	A.7-8 7-8					
24,00,000	24,95,613	1,36,83,508	1,17,96,300	88,234	Jardine Henderson Ltd.	1,797	Kamarhatty	183	100	8½+8½	10+12½	8½+8	6f	3, 9	H.
'B' 19,20,000								173	'B' 100	8½+8½	10+12½	8½+6	6f	6, 12	H.P.
30,00,000								133	100	Nil	5 7½	6+4	5f		
'A' 24,00,000								127	'B' 100	Nil	5 7½	6+4	5f	6, 12	H.P.
81,00,000	47,00,000	92,15,648	70,45,276	1,05,320	McLeod & Co., Ltd.	703	Kelvin	10+10	12½+2½	7½+7½	7½f	6, 12	H.P.
84,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	210	100	Nil 13	10+6	10+10	10f	3, 9	H.P.
48,00,000	98 02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	198	100	11+4	10+9	10+7	4+5	3, 9	H.P.
24,48,000	50,32,314	1,38,73,283	85,48,83	1,93,931	Bird & Co., Ltd.	931	Lansdowne	133	100	2+10	11+8	5+5	2+5	3, 9	H.P.T.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	3+9	12½+11	5+5	2+5	3, 9	H.P.
10,00,000	37,51,301	50,62 630	35,49,126	46,884	Andrew Yule & Co., Ltd.	558	Lothian	280	100	3+10	15+17½	13+15	13+15	3, 9	H.P.
81,65,200	25,35,448	1,93,98,404	1,16,00,448	25,820	Mackinnon Mackenzie & Co.	1,008	Magma	102	100	2½+6½	2½+12	2½+2½	2½f	5, 11	H.P.
89,98,900	41,07,583	1,57,03,661	92,02,957	—4,87,375	F. W. Heilgers & Co.	815	Naihati	115	100	Nil 5	10+7½	6 Nil	Nilf	3, 9	H.
15,80,000	27,31,886	27,31,886	16,56,721	—1,47,786	Howrah Trading Co., Ltd.	425	Naskarpara	12	10	1½	1½+1½	1½	Nilf	4, 10	H.T.
35 00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	24½	10	1½	1½+1½	1½	Nilf	4, 10	H.T.
7,50,000	40,00,000	26,25,140	17,12,019	31,895	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	1½+1½	2½+5	2+1	1f	4, 10	H.P.
10,50,000	49,78,373	48,94,020	24,51,324	76,232	Saha Jain Ltd.	709	New Central	314	100	4+10	15+15	10+12	12f	6, 12	H.P.T.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	19½	10	Nil	Nil	1	Nilf	6, 12	H.P.
66,79,500	33,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	47	50	Nil 15	14+14	1 Nil	Nil+3½	3, 9	H.P.T.
24,91,000	26,50,949	70,74,043	47,77,992	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	171	100	4+10	12+12	1 6	6+6	3, 9	H.
85,00,000	5,18 552	80,71,921	62,24 111	14,316	McLeod & Co., Ltd.	400	Presidency	6½	5	Nil	Nil	Nil	6+6	3, 11	H.P.
80,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	205	Ramesh-wara	5½	10	Nil ½	Nil	Nil	Nil+4	6, 12	H.T.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	13½	10	1½	1½+1½	Nil	Nil	3, 9	H.P.
£600,000	£1,102,661‡	£1,203,880	....	£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13½	£1	10%	10%	10%	5+5	3, 9	H.P.T.
30,00,000	13,07,220	97,26,210	59,19,652	8,05,669	Begaria More & Co., Ltd.	911	Shree Ambica	11½	10	Nil	1½+1	1f	10%	3, 9	Y.P.
14,00,000	7,74,812	48,14,456	35,67,743	3,54,956	Hindustan Investment Corporation.	401	Soorah	11½	10	½	Nil	Nil		3, 9	H.P.
85,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	119	100	3+6	9+8	8+1	1+1	12	Y.P.T.
£600,000	£649,927‡	£990,893	....	£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	13½	£1	10%	10%	10%	10%	3, 9	H.P.
85,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	178	100	1+7	12½+11	10+1	1+4	3, 9	Y.P.
£400,000	£587,164	£1,059,917‡	....	£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	12½	£1	10%	10%	10%	10%	12	H.P.T.
2,50 000	1,35,000	56,35,513	35,66,368	57,059	McLeod & Co., Ltd.	465	Waverley	6	5	Nil 1/40	1/40 Nil	Nil	Nil	6, 12	Y.P. H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½	10	1+1	1+1	1+1	1+1	3, 9	
12,00,000	6,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Barsarc Coke	18½	10	1	1	1	1	3, 9	H.
4,49,350	70,000	8,49 159	5,30,703	4,887	Andrew Yule & Co., Ltd.	Bengal-Bihardee	6½N	10	1	1	1	1	3, 9	H.
1,80,00 000	1,19,50,000	5,40 31,575	3,47,66,103	6,28 909	Andrew Yule & Co., Ltd.	Bengal Coal	501	200	17½+17½	17½+17½	20+20%	17½+15*	4, 10	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,103	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13½	10	1½	1½	1½	Nil	4, 10	H.P.
15 97 000	4,93,158	37,29,381	22,67,361	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	1	1	1+1	Nil	6, 12	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	6 280	Sir John H. Burder (Chairman)	Bharat Collieries	6f	10	1	1	1	1	3, 9	H.
7,15,000	14,67,077	51,08,473	35,84,193	—41,494	F. W. Heilgers & Co., Ltd.	Bhulanbarree	14	10	½	½	½	½	6	Y.T.P.
16,00,000	16,22 936	68 16 454	39,74 841	—1,36 132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil	Nil	Nil	6, 12	H.
9,50,000	20,20,000	43,12,213	24,77,517	1,06,183	F. W. Heilgers & Co., Ltd.	Borrea	31½	10	1½	1½	Nil	Nil	6, 12	H.
19,92,480	1,70,58,398	4,07,13,993	1,64,07,483	83,552	Bird & Co., Ltd.	Burrakur	81	10	1½	1½+1½	1½+1½	1½	6, 12	H.T.
49 97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6½	10	Nil	Nil	Nil	1f	6, 12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Andersen, Wright & Co., Ltd.	Central Kurkend	14½ N	10	1	Nil	Nil	Nil	3	H.P.T.
6,00,000	1 41,587	7,50,000k	....	19,867	F. W. Heilgers & Co., Ltd.	Churia	4	10	1	1	1	1	6, 12	H.
16,00,000	1,20,000	48,31,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	23½	10	1½	3½	2	Nil	6, 12	H.
4,240,000	4,32,401	£224 840	£9 002	£90,734	Jardine Henderson Ltd.	East Indian	27½	41	1½	3	3	Nil	6, 12	H.
£9,63,760	74,36,570	3,46,00,164	2,76,14,367	£,82,401	Macneill & Barry Ltd.	Equitable	33½	10	2½	2½	3½ D	2	4	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Chusack and Maslia	15N	10			1½		6, 12	H.P.
12,00,000	1,57,000	35,64,154	17,41,189	1,843	Killick Industries Ltd.	Hingir-Rampur	43½	50	3	3	4	3	3	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	15½	10	½	½	½	½	6	Y.P.
£2,00,000	1,08,377	31,70,015	10,56,245	—1,35,248	Bangur Brust Ltd.	Jogta Coal	3	10	Nil	Nil	½	½	6, 12	H.
3,50,000	3,58,000	12,87,400	8,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	26½N	10	1½	1½	1½	1½	12	Y.P.
20,00,000	....	25,62,791	1,40,648	1,828	Bird & Co., Ltd.	Karanpura Collieries	77	100	Nil	Nil	Nil	Nil+½	12	H.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Ketras Jherrah	45½	10	1½	1½	1½	Nil	2, 8	H.
1,38,400	95,000	10 63,519	3,23,519	1,043	Berriwala & Co.	Kinas Kajora	5N	10	1	1	1	2+2	1, 7	Y.P.
11,00,240	50,000	15,87,375	10,31,164	2,411	H. V. Low & Co., Ltd.	Kuardi	6½N	10	½	½	½		3, 9	H.
9,00,000	11,50,000	28,41,243	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakurka	11N	10	1	1	1		6, 12	H.P.
2,48,240	1,50 000	11,24,142	8,84,138	30,398	Associated Commercial Co., Ltd.	Nazira	6½	10	½	½	½		4	Y.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	18½	10	1½	1½	1½		4	Y.
8,00 000	3,20,000	31,61,432	13,78,155	60,718	Octavius Steel & Co., Ltd.	New Kenbhoom	3/10x3/10	10	Nil	Nil	½	½+½	6, 12	H.
1,15 000‡	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	11N	10	1½	1½	1½	Nil†	4, 10	H.P.
1,57,500‡							7½N	10	½+½	½+½	½+½	½+Nil	3, 9	H.
7,50,000	10,51,866	3,97,666	2,77,666	1,06,566	F. W. Heilgers & Co., Ltd.	Ondal	19½N	10	1½	1½	1½	1½+Nil	3, 9	H.
10,00,000	1,10 000	35,60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	1½	1½	1½	1½	6, 12	
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	6½	10	Nil	Nil	Nil	Nil	12	H.P.
15,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd.	Pure Valley	25½	10	½	½	½	½	6, 12	Y.T.
23,99,500	16,17,105	1,12,84,110	78 87,623	27,432	B. N. Elias & Co., Ltd.	Raneegunge	11½	10	Nil	½	½	½+½	6, 12	H.P.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd.	Rhee	24½xd	10	1½	1½	1½	1½	3, 9	H.
80,00,000	1,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Sanla Collieries	7½	10	½	½	½	1 0	3, 9	H.
1,25,000	1,75,000	11,46,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8½	10	½	½	½		6, 12	H.
2,80,000	6,77,288	28,40,133	15,19,949	25,876	Andrew Yule & Co., Ltd.	Seepore	24½	10	2½	2½	2½		6, 12	H.
8,00,000	8,74,490	36,99,197	26,21,250	—1,39,849	F. W. Heilgers & Co., Ltd.	Sendra	10N	10	2	2	2	1	1	Y.
63,21,450	13,25,954	9,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)			10	½	½	½	½	6, 12	H.P. H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6½	10	½	½	½	½	12	Y.T.
8,00,000	13,89,545	1,69,570	21,310	87,018	F. W. Heilgers & Co., Ltd.	South Karanpura	9½	10	1	1	1	1	2, 8	
10,00,000	12,550	30,15,423	13,43,501	—3,54,536	Villiers Ltd.	Standard	21½	10	1½	1½	1½	1½	6, 12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.,	Talcher	3½	10	Nil	Nil	Nil	Nil	6, 12	H.
99,58,000	....	44,91,158	13,91,545	63,900	Hindustan Investment Corpn., Ltd.	Union	22½	10	1½	1½	1½	1½	6, 12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Bengal	3½	10	½	½	½		6, 12	H.
						West Jamuria	18½	10	1½	1½	Nil	Nil	6, 12	Y. H.

* Including bonus. a Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,28,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 916 in the debentures section:—

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 867)

dismissed by the Labour Appellate Tribunal. It will be recalled that the lower court's award resulted in an increase in the minimum basic wage from As. 9 to As. 14-3, though the dearness allowance remained unchanged at Re. 1-4 per worker. Following the Appellate Tribunal's decision, the increased wages are payable with retrospective effect from 1st October, 1952. This will make a substantial addition to the burden of standing charges of the Deccan factories. This is not all. Soon, the lower court will be taking a decision on the workers' remaining demands pending before it; these include, among others, standardisation of wages, provident fund contribution and retention allowances.

* * * *

Diamond is valued not only as an article of luxury but as an article of extensive industrial uses, particularly in modern precision tools and equipment, thanks to its hardness. There are diamond mines in Panna (Vindhya Pradesh), Golkonda (Hyderabad State) and other areas of the South. Diamond mining, as an organised industry, has not been tried in India on any scientific and mechanical basis. It is the considered opinion of some that, if these mines are properly tapped and developed, India can produce diamonds in sufficient quantities not only to satisfy the country's domestic needs but even cater to the world markets, where Indian diamonds can fetch a higher price. The Panna Mining Syndicate Ltd., as a private company, has already made a valuable contribution in this direction. It is now proposed to convert this company into a public concern, by offering its shares to the public.

* * * *

The authorised and issued capital of the Company is Rs. 1 crore, made up of 200,000 ordinary shares of Rs. 25 each, 25,000 6 per cent., tax free, cumulative preference shares of Rs. 100 each —these are redeemable in 15 years—and 25,000 6 per cent., tax-free, irredeemable preference shares of Rs. 100 each. Out of the 200,000 ordinary shares, shares of the value of Rs. 20.36 lakhs have already been allotted to the existing shareholders of the Panna Diamond Mining Syndicate Ltd. (private company) in lieu of their old shares at par. The balance of ordinary shares, along with the two classes of preference shares, is being offered for public subscription.

* * * *

It is claimed that this is the only company in India that is engaged in carrying out diamond mining operations on up-to-date and modern mechanical basis. A notable feature of this venture is that extensive geological tests and prospecting work have already been done over a period of three years by the private company, at a cost of Rs. 13.36 lakhs, and the results achieved are said to be encouraging. This initial unproductive capital outlay has thus been saved for the public company. There are twenty-two mining blocks in the Company's mining area at Panna to be fully exploited. A planned development and expansion programme is envisaged at a cost of Rs. 50 to Rs. 60 lakhs. The full mechanisation programme is expected to be completed before the end of 1958. The present issue to the public is for the purpose of financing this development programme. Besides expanding the existing operations at Panna, the Company proposes to acquire all-India rights for mining other diamond fields in India, namely, Golkonda, and areas of Madras, Andhra, and Hyderabad States. It is also proposed to start subsidiary industries for diamond cutting and polishing and diamond tool manufacturing.

COMPANY AFFAIRS

(Concluded from page 900)

of the Bill under this head embody, in our judgment, a reasonable compromise."

Administrative Set Up

Explaining the Government's plans for setting up a machinery for administering the Companies Act in future, Mr. Deshmukh agreed with the views of Lord Cohen, Chairman of the well-known Cohen Committee in the U.K. and a great authority on commercial and mercantile law in that country, that a strong and competent civil service was necessary for the satisfactory administration of a modern system of company law. As a first necessary step in the scheme of reorganisation the Government had already accepted the recommendation of the Company Law Committee that the Central Government should resume its responsibility for the administration of joint stock companies which it had delegated to the State Governments. The Government, however, does not seem to feel the immediate necessity of setting up a statutory authority at the Centre under the new Act, as recommended by the Bhabha Committee, for the administration of the company law and for the discharge of other related functions. The Government considers that, for the time being at any rate, it is desirable to set up an organisation directly under the administrative control of Government and to defer the confernment of statutory status on the organisation to a later date. Explaining the set-up of this organisation, Mr. Deshmukh said:

"In pursuance of this decision, a central organisation has been set up under the Department of Economic Affairs. This organisation will have regional offices in important centres of trade and industry and will be in overall charge of the administration of the Companies Act through these regional offices. The Registrars of Joint Stock Companies will be under the direct control and guidance of this central organisation. This organisation is now in the process of being built up, and it is my hope that, when it is fully established, it will constitute an important administrative reform and will be a major step in strengthening and improving the administration of the Companies Act all over India."

Commending the Bill as "the first comprehensive attempt, after prolonged investigation and deliberation, at a basic reorganisation of the private sector of our economy," Mr. Deshmukh ably summed up the principle behind the Company Law reform. In this connection, he also drew the attention of the House to the observations of the Company Law Committee on the objects of these reforms and of the Planning Commission which said that private enterprise had to visualise for itself a new role and accept in the larger interest of the country, a new code of discipline. Referring to the ends which the reforms seeks to achieve, Mr. Deshmukh said:

"In this view, the basic problem of company law is to consider to what extent it is possible to adjust the structure and methods of the corporate form of business management with a view to weaving an integrated pattern of relationship as between promoters, investors and the management is that the following ends may be secured: (a) the efficiency of corporate business may be increased, as measured by accepted standards; (b) managerial efficiency may be reconciled with the legitimate rights of investors; (c) the interests of creditors and other partners in production and distribution may be duly safeguarded, and (d) the attainment of the ultimate ends of social policy may be helped and not hindered by the manner in which the corporate form of business organisation works in this country."

The fundamental problem underlying the Bill was, Mr. Deshmukh said, one of balancing private and social interests, a problem which was never easy of solution, and, in the issue of company law, had been rendered more difficult by the contemplated nexus of relationship which had been built up over the years between the promoters, the investors and the management of a company. In view of the criticism that the present disorganised state of the private sector made it difficult for it to fulfil its assigned role in the economic development of the country, Mr. Deshmukh sought the co-operation of the House for the fulfilment of the effort made by the Bill to reorganise the private sector in the shortest possible time.

WHITHER NATIONALISED INDUSTRIES?

(Concluded from page 892)

lack of enthusiasm for further nationalisation. The *Sunday Times* of 18th August, 1953, wrote:

"The consumer and employee complains alike, the one that charges are higher and services are worse than before; the other that he is less free than he was under private employers. Nor do the broader requirements of the public interest seem to have been better met. . . . There would also remain a hard core of difficulties inherent in working nationalised industries under a political democracy. The indications are that, although in certain cases nationalisation cannot now be dispensed with, even there its working raises many problems; and until they are solved there is no case for extending it."

The British Prime Minister, Sir Winston Churchill, confirmed this judgment a little later, on 11th October, 1953. He said:

"There is no doubt that it (nationalisation) has been proved a failure, hampering the competitive power of our industry, rendering an inferior service to the public and weakening the just and necessary influence of the trade unions by confronting them not with private employers but with the power of the State."

In our own country, it will be agreed that it is yet too early to judge of the success or failure, the strong and the weak points, of State enterprise. It would be wise to suspend judgment, but in that event it would also be wise not to rush into further action until the material is there on which such judgment can be exercised. The State in India is weak in its resources, both of finance and trained personnel. It should learn to walk before it can attempt to run. In the opinion of many who are qualified to judge, it has already bitten off a larger sector of the national economy than it can hope to chew. Wisdom dictates that these limited resources be concentrated in making the existing State enterprises successful and thus furthering the implementation of the Five-year Plan.

Recent parliamentary probes have revealed the weakness of the administrative machinery which has often resulted in estimates being greatly exceeded and the time schedule put out of gear. Pending a review of the entire position at an appropriate time, it is clear that the national interest will be served by desisting from further hasty acts of nationalisation or expansion of State enterprise.

Market Reports

BASE METALS HESITANT

(From Our Own Correspondent)

CALCUTTA, *4th May*

Although prices of base metals were steady during the week, buying activity was markedly low. Stockists were reserved and disinclined to discount rates. Attention was given to the Geneva Conference, the outcome of which was awaited. Higher prices are supported by international political considerations, especially those from the developments in Indo-China, but consumers are in no mood to carry heavy stocks.

Electrolytic copper,

BANKS

Paid-up ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	376xd	100	18 0	18 0	18 0	18 0	12	V.P.
14,40,000				188xd	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	112-8xd	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,000				62-8xd	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	108	50	6 0	6 0	6 0	6 0	12	Y.
40,40,040	17,40,000	11,795	Bank of Bikaner	124N	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	7,24,778	Bank of India	146	50	7 0	7 0	7 0	7 0	12	Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21½	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	295	100	16 0	16 0	16 0	16 0	6	Y.P.T.
39,99,150	31,13,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	12	Y.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	Y.P.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0	5 0	5 0	5 0		
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	255	25	3 8	3 8	3 8	3 0	12	R.L.Y.
$2,42,905 'A'				259	25	3 8	3 8	3 8	3 8		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	2 0	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	89N	28	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	10,409	Hindustan Commercial Bank	82	50	—	—	—	—	12	Y.
60,00,000	1,30,000	1,412	Hindustan Mercantile Bank	16	50	—	—	—	—	9	Y.
75,00,000	75,00,000	1,00,393	††Hyderabad State Bank	105N	100	6 0	6 0	5 0	5 0	6.12	R.L.H.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,800	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
				1,800	500	20 0	20 0	20 0	20 0		
1,87,50,000				443½	125	12 0	12 0	12 0	12 0		
24,00,000				177	100	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
17,00,000	76,50,000	1,23,088	Indian Bank	144	85	7 3½	7 3½	7 3½	7 3½	.12	R.L.H.
16,80,000				100	60	6 0	6 0	6 0	6 0		
49,04,923	22,50,000	2,25,271	Indian Overseas Bank	91	100	5 0	7 8	6 0	—	6.12	H.
6,25,000				67	100(A)	9 0	7 8	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank	18	25(B)	2 4	1 4	1 8	—		
10,00,000				33	50(C)	3 0	3 0	1 8	1 8	1 8(f)	
87,50,000	90,00,000	3,10,289	Punjab National Bank	273	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	12-14	25	—	—	—	2 0	12	Y.
40,00,000	31,50,000	1,80,223	Union Bank of India	61	50	5 0	5 0	5 0	5 0	12	W.
2,00,00,000	80,00,000	1,52,330	United Commercial Bank	453		2 0	2 0	2 0	2 0	12	

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-2-6	£5	14†	14†	16†	14†	12	R.L.Y.
				£8½	£5	7†	9†	7†	9†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank								
H.K. $20 000 000	H.K. $16 000 000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	93½	H.K. $125	5*	5*	5*	5*	12	R.L.Y.
				£3-1-3	£1	12†	12†	12 †	14†	12	R.L.Y.
£14 372,956	£16,500,000	£555 780	Lloyds Bank	£1-6-3		5*	5*	5 †	5*		
£1,437,294				£27½	A £12½	12†	12†	14†	14†		
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank of India	£27½	B £12½	12†	12†	14†	14†	12	R.L.Y.
£375,000 'B'				£12	C £5	12†	12†	14†	14†		
£300,000 'C'				£27-9	£12½	16†	16†	16†	16†	12	L.Y.
£2,281,250	£3,675,000	£323,703	National Bank of India								

‡Includes bonus. †Less Tax. (P) Pakistan Currency. ††O.S. Currency (I) Interim. *6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
2,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	96	28th February .. 1960(f)
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	104	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	105	1st April .. 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,80,00,000	3	1st April and 1st October	Buckingham and Carnatic	102½	1st January .. 1956-61
13,68,000	5½		Jaipuria Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills	101	1966-71
ELECTRIC					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
8,25,97,000	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1978
25,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	86	31st December .. 1970
15,10,000	5	1st January and 1st July	Bihar (Dhurtiah) Electric Supply Co. Ltd.	96	30th June .. 1976
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	96½	1957-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
2,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1957-63
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July .. 1957-67
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September .. 1951-55(b)
2,50,000	4	1st April and 1st October	Tata Power	93	15th September .. 1963-78
ENGINEERING					
5,00,000	3½	30th June and 31st December	Britannia Engineering	98½	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	103	1st July .. 1957-63
£1 183 400	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£98	31st December .. 1946(ff)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	1st October .. 1960-65
4,30,00,000	5	1st April and 1st October	Tata Locomotive	101½	31st December .. 1960
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	95	
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. 1954(a)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June .. 1953
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	91	31st July .. 1959(e)
10,49,000	5	30th June and 31st December	Chinsurah Jute Mills	97	30th June .. 1966
8,86,000	5	30th June and 31st December	Empire	95	15th July .. 1966
25,00,000	5½	1st January and 1st July	Hastcharan	92½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	98	31st December .. 1966
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
5,00,000	5½	31st March and 30th September	Naihatipara Jute Mills Co., Ltd.	94½	31st March .. 1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Prasiderey	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd	96	5th September .. 1963
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	85	31st July .. 1960(a)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barsaot-Basirhat Light Railway	86	1st July .. 1956
£330,000	4½	1st January and 1st July		£60¼N	A 1955% at any time on 6 months' notice or at par or every seventh year.
				1908	
£201,067	5	1st April and 1st October	Calcutta Tramways	£77¼N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85¼N	1st September .. 1963
90,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102	1st July .. 1957-63
5,00,000	6	31st March & 30th September	Peljari Tea	101	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
9,00,000	5	31st March / 30th September	Peruakaramala	100-11½	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd	98	31st December .. 1965
86,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December .. 1962
4,90,500	6½	30th June and 31st December	Bengal Paper Mills	96½	30th June .. 1957(f)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
81,55,000	4½	1st July and 1st January	Dalhousie Buildings	88½	1st July .. 1986
80,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,80 00 000	4	31st March and 30th September	Dalmia Cement Ltd.	82	1969
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102½	1st January .. 1971
50,00,000	5	15th March and 15th September	Mettur Chemical Industries	96	1964
89,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470	30th September .. 1978
				per note)	
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	525 (per note)	31st December .. 1972
75 00 000	5	1st April and 1st October	Macneill and Barry Ltd.	90N	1st April .. 1971
1 60 00 000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961
1 80 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	88	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	105½	1st May .. 1968

Note—See page 914 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th May, 1954.

	Closing quotations 29-4-'54	High	Low	Closing quotations 6-5-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	145½	147½	145½	145
Bank of Baroda (50)	108	108	107½	108
Central (25)	56	55½	54	55½
Central 'A' (25)	58½	59½	58½	59½
Imperial (P.Pd.) (500)	1,800	1,805	1,800	1,800
Imperial (P.Pd.) (125)	442½	443½	440	443½
Union Bank (5)	6½	6½	6½	6½
United Com. (50)	42	46	41½	45½
TEXTILES				
Abm. Adv. (100)	147½	—	—	147½
Apollo (10)	2-13½	2-13½	2-12½	2-13
Bombay Dyeing (250)	416½	435½	415	435½
Central India (100)	181½	185	180	182
Central Mills (100)	332½	340	331	337
Colaba (100)	59	—	—	59
Edward Textile (200)	246½	—	—	246½
Elphinstone (50)	44	—	—	44
Finley (100)	248xd	250½	247	249½
Gokak (100)	255½	257	253	254½
Ind. Unit. Defd. (1)	1-7½	—	1-7½	1-7½
Ind. Unit. Ord. (10)	11-4½	11-5½	11-4	11-5½
Indore Malwa (100)	113½	115½	110	113½
Khatau (100)	120	122½	120	121½
Kohinoor (100)	319	325½	318½	321½
Lakshmi (250)	593½	593½	581½	581½
Madhusudhan (100)	82	—	—	82
N. R. Cotton Mills (100)	60	60	58½	59½
Minerva Mills (100)	111½	111½	110	110
Model Nagpur (250)	140	141½	140	140½
Morarji (100)	211½	—	—	211½
Mysore (50)	120	120	119½	120
National Rayons (100)	153	166½	152½	164½
New City (100)	160	164½	160	163½
New Great (100)	158½	178	158	172½
New Union (10)	26½	26½	26	26
Pandu Mills (100)	132½	—	—	132½
Sassoon Silk (10)	150	155	148½	155
Sassoon Spg. (10)	18½	—	—	18½
Shahjapur (1,000)	30xd	—	—	30
Shrinivas (100)	2,225	—	—	2,225
Simplex (50)	215	218½	215	216½
Standard (100)	157	164½	155½	161
Svadeshi (100)	322½	325	320	322½
Swan (100)	297½	303½	282	283½
Tata Mf. (25)	330xd	332½	330	330
Vishnu (100)	49½	50½	47½	48
Western India (1,000)	3,810	—	—	3,810
ELECTRIC SOS.				
Ahmedabad (100)	112½	113½	112½	112½
Amalgamated (10)	10½	10½	10½	10½
Andhra Valley (1,000)	1,357½	1,367½	1,355	1,365
Bom. Sub-El. (100)	122½	122½	121½	121½
Burat (100)	126½	—	—	144
Tata Hydro (100)	144	144	143	144
Tata Power (1,000)	1,447½	1,450	1,445	1,446½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	655	—	—	655
Ind. Mercantile (20)	40½	40½	40½	40½
Jupiter (15)	7½	—	—	7½
New India (15)	43	45½	44½	44
Oriental (200)	7,910	7,910	7,800	7,800
Universa (10)	9½	—	—	9½
Vulcan (10)	12½	—	—	12½
STEAMER COS.				
Scindia (15)	18½	18-10½	18-2½	18½
STEEL COS.				
Ind. Iron (10)	31-5½	31½	31½	31½
Tata Steel Ord. (75)	196½	200½	193½	197
MISCELLANEOUS				
Alcock Ashdown (100)	355	356½	350½	350½
Associated Co. (100)	157½	158	156½	151½
Belapur Sugar (5)	275½	276	274	274½
Bom. Burmah (125)	405½	414½	403½	406½
Do. (New) (50)	141½	141½	138½	138½
Br. B. Petrol (4 sh.)	3-2½	3-3	3-1½	3-2½
Brit. Enterpn. (5)	8½	8½	8½	8½
Ind. Inv. Tr. (100)	3-1½	3-3	3-3	3-3
Kesoj (100)	79	75	74½	8-1½
Killicks (100)	270	—	—	75
Killicks (75)	173½	179	175½	270
Pakistan Sugar (50)	147½	147½	142½	179
Port Canning (100)	109	105½	102½	142½
Premier Cem. (50)	27	27	24	106½
Shirwarpur (50)	67	137½	131½	24
Tata Chemicals (10	14-7½	67½	65½	133½
Tata Mf. Def. (25)	418	14-14½	14½	66
Walchand Ind. (100	170½	42½	40½	14½
W. I. Match (100)	210	178½	176½	40½
		211½	209½	176½
				210

GOVERNMENT SECURITIES	Gross Yield: Earlier Redemption	Later Redemption	Rs.
2½% 1954	99½	—	—
2½% 1955	99⅜	—	3 20
2½% 1961	90⅜	—	3 93
2½% 1960	90⅜	—	3 93
2½% 1962	93⅜	—	3 93
2½% 1974	82⅜	—	3 85
2½% 1957	82⅜	—	3 85
3% 1958	98⅜	—	3 93
3% 1959-61	98⅜	—	3 65
3% 1944	96⅜	—	3 51
3½% 1963-65	93⅜	3.79	3 59
3½% 1964-66	92⅜	3.96	3 87
3½% 1970-75	90⅜	4.01	3 81
3½% 1986 Con. Loan	81⅜	4.15	3 90
3½% 1954-59*	100⅜	3.34	3 95
4% 1960-70	101⅜	3.67	3 67
4½% 1955-60	101⅜	3.67	3 48
4½% 1958-68*	101⅜	3.18	3 85
3½% 1961 N.P. Bonds	98⅜	3.31	4 18
3½% 1964 N.P. Loan	98-8⅜	—	4 08
			3 70
			3.67

BRITISH GOVERNMENT SECURITIES	28-4-54 £	High £	Low £	5-5-54 £
2½% Brit. Consols	65⅜	68⅜	65⅜	68⅜
3 % Savings Bonds 1965-75	89⅜	90⅜	89⅜	90⅜
3½% War Loan 1955-59	86⅜	102⅜	101⅜	102⅜
3½% War Loan 1952		88⅜	86⅜	88⅜
3½% Brit. Iron and Steel 1976-78	95⅜	96	95⅜	96
4 % Funding Loan 1960-90	101⅜	101⅜	101⅜	101⅜

** Current Income. x.d.—Ex-dividend. X.R.—Ex-Right. * Rupee Conversions.

COMMERCE

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

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NO NEED FOR SUGAR REFINERY

THE move to establish a sugar refinery in Bombay figured in the Upper House last week during question hour. From the replies given by both the Minister for Agriculture and the Food Minister, certain interesting bits of information have emerged. These are: a Bombay firm has sought permission for setting up a "bonded sugar refinery" in Bombay State for refining approximately 70,000 tons of imported raw sugar annually. The proposal is still under the consideration of the Government. It is incorrect to say that the licences for importing the required machinery have already been issued. The Food Minister, Mr. Kidwai, is very much in sympathy with the proposal and he wishes the necessary licences were issued. In his opinion, the existing shortage of sugar will continue for the next few years, thereby necessitating import of sugar. If, instead of importing finished sugar, raw sugar were to be imported and refined in the country, it would provide another avenue of employment. Once the country produces enough sugar, the refinery would stop importing raw sugar from abroad and refine the indigenous product. It is thus obvious that the Government is seriously considering the proposal for the establishment of a refinery. Experience shows that, when Mr. Kidwai fancies a thing, he invariably gets it. The coming into existence of a refinery is, therefore, almost a certainty. In this connection, his remark that he had not consulted the sugar industry on this question, as it was sure to oppose the move, is highly significant.

Nevertheless, it is not too late to examine the question whether or not India needs a sugar refining industry. It will be misleading to consider it only in terms of the proposed plant, for, in the present context of sugar shortage, estimated at 400,000 tons, this plant may appear to be a small one, though its productive capacity is equal to nearly half the quantity of sugar produced in the Bombay State, which is of the order of 150,000 tons. What is involved is the principle behind it. In his statement in the Council of States, Mr. Kidwai has succinctly stated the reasons for permitting a refinery to come into being. There is a shortage of sugar in the country which is likely to continue for some years. Since the gap can be bridged only by imports, why not import raw sugar and refine it, thereby providing a new outlet for employment and saving a part of the foreign exchange now being utilised for importing white sugar?

On the face of it the argument sounds convincing. But the assumption on which it is based is questionable, because the assumption itself proceeds on the dubious conclusion that there is no prospect of India being in a position to produce, in the near future, all the sugar it wants. Is such a conclusion right? Did not India produce as much as 1,500,000 tons of sugar two years ago? Has not India facilities to produce more sugar? Are these facilities being fully utilised? If not, who is responsible for it? Answers to these posers will show how absurd is Mr. Kidwai's fancy for a sugar refinery and how Mr. Kidwai is following the path of least resistance, instead of courageously tackling the obstacles in the way of India deriving full advantage to itself of the vast market it has for sugar.

The Indian sugar industry has sufficient capacity to produce the requirements of the country. What is standing in its way is lack of adequate supply of cane. Efforts must, therefore, be made to increase the production of sugarcane by both intensive and extensive cultivation. Enough is not being done in this direction. Detailed plans have been suggested in this regard, but the State Governments concerned have paid scarcely any attention to them. The worst culprits in this respect are the U.P. and Bihar Governments. They seem to be more interested in pampering the cane growers in their area than in helping them to grow better varieties of cane and increase the yield per acre. Other State Governments are not free from blame either. They are not doing all they can to secure an expansion in the cane grown in their respective areas. The Governments of Bombay, Hyderabad, Andhra, Mysore and Madras, that is, the Governments of States which are ideally situated for growing sugarcane, could have done a lot more than they have to bring about an increase in sugarcane production and to bring into existence more sugar factories. They could have, for instance, increased the supply of irrigation water in areas suited for growing sugarcane and encouraged manufacturers to expand their capacity or to establish new factories by giving them certain concessions in regard to land, taxation, etc. But, instead of providing incentives, they have actually been taxing the sugar industry and sugarcane growing out of existence. The Bombay Government, in particular, has been placing all possible disincentives. Till a few weeks ago, this Government was compelling the sugar factories to devote a third of the land in their sugarcane farms to foodgrains, although the necessity for it had disappeared long ago. It has increased the rates for irrigation water and been levying a heavy cane cess. Its laws governing the disposal of molasses are unrealistic and needlessly restrictive. In short, all State Governments have come to regard the sugar industry as their milch cow, without doing anything worthwhile to keep it hale and hearty.

It is not suggested here that Mr. Kidwai is not aware of all this. He knows as well as anyone in the sugar industry does that India can produce all the sugar it needs. If, despite this, he is in favour of establishing a sugar refinery, it is an admission of his failure to induce the State Governments to toe the line. He must have realised the futility of asking his colleagues in the States to follow a realistic policy, designed to secure a larger production of sugar at a price that will suit the pockets of the people. No one who had watched the developments in the field of sugar during the past two years can fail to pity Mr. Kidwai in his plight. As Minister in charge of food, he is responsible for providing the people with sugar, but he has no power to compel the State Governments to do what he feels should be done for bringing about an increase in domestic production. He may have come to the conclusion that the only way to knock some sense into the heads of the intransigent State Governments and to silence the vociferous, inefficient sugarcane growers, who, like Oliver Twist, continue to ask for more and still more price for their cane, is to plant in the country a competitor in the shape of refineries.

This attitude is quite understandable, but, instead of yielding the expected results, it may produce unhealthy repercussions. There is a danger of the country tending to rely more and more on foreign countries for its supply of sugar. This danger is real, because the present State Governments are not half as conscious of the need for increasing sugar production as those under the British regime. How indifferent they are towards this industry is evident from the absence of protest against Mr. Kidwai's idea regarding the refinery from any of the State Governments. If any further proof of their indifference is needed, one has only to compare and contrast the attitude of the present Bombay Government towards the sugar industry with that of its predecessor some 20 or 25 years ago.

While Mr. Kidwai's stand is understandable, it cannot be said to be correct. Appreciation of one's difficulties does not amount to an approval of the remedy suggested for them. In a planned economy, there is no excuse for the failure of States to fall in line with the Plan. It is the duty of the Centre to see to it that the State Governments pursue appropriate policies for bringing about more production of sugar.

It can be rightly argued that, since the sugar industry is no longer a protected industry, it cannot complain against a move designed to introduce a certain measure of competition. To them it should be immaterial whether this competition takes the shape of imports of white sugar or brown sugar. The issue, however, is not so simple as all that. The sugar industry cannot object to fair competition, but it can legitimately demand that it should be freed from all controls and the crushing burden of taxation which it is compelled to carry now. This is a very pertinent point so far as the Deccan factories are concerned, inasmuch as it is these factories that will have to face the competition from the proposed refinery. There is also another point that has to be considered. One of the reasons put forward in support of the refinery is its employment potential. But the employment potential will be definitely greater if supply of sugar in the country is sought to be increased through higher domestic production. It should be obvious that, if this remedy is followed, more people will find employment not only in sugar factories but also in the farms growing sugarcane. Finally, even if it is conceded that imports of sugar will be necessary for some years and that this necessity should be utilised for increasing employment in the country, the object could very well be realised by importing raw sugar and processing it into white sugar in

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the existing sugar factories during the off season, without wasting capital—a scarce commodity—on establishing a refinery. In fact, this seems to be a quicker and a more convenient way of raising domestic supplies through imports of raw sugar than establishing a refinery. There is, of course, nothing new in this suggestion; it had been placed before the Government months ago by a number of sugar factories in the Deccan and in South India. But Mr. Kidwai, for reasons best known to himself, has cold-shouldered the idea, though at one time he was inclined to give it a fair trial.

NUCLEAR POWER

THE Parliamentary debate on Dr. Meghnad Saha's proposal for a larger expenditure on atomic research, which took place this week, served at least one useful purpose. It made the Prime Minister, Mr. Nehru, to reaffirm India's faith in the peaceful uses of atomic energy. Indeed, India, as an underdeveloped country, is more vitally concerned with the development of nuclear power than even the industrially advanced nations which probably set greater store by the strategic importance of atomic energy than by its peace-time uses. Mr. Nehru rightly said that atomic energy was of "greater importance to power-starved or power-hungry countries like India."

That India which, despite its backwardness, has made some notable contribution to the world of science, has been attracted to the idea of developing atomic energy should occasion no surprise. The Prime Minister himself is known to take keen interest in scientific development. Although the development of atomic power is a highly technical process, the broad principles of the process have been known for a considerable time now. Atomic energy is released by the fission of the nuclei of uranium in which process a considerable quantity of radioactive substances is formed, besides a new element, plutonium. It is possible to liberate and use atomic energy through the fission of the nuclei of uranium, thorium and plutonium. Perhaps, many other substances will be used for this purpose in future.

The chief advantage of the nuclear power process lies in its compactness. One kilogram of any atomic substance contains, it is computed, a potential supply of atomic energy equal to the chemical energy of 2.7 million tons of coal. Thus, only a small quantity of such substance is needed to generate nuclear power, as against the several thousand tons of coal needed for generating thermal power, or the elaborate arrangements or geographical advantages needed for generating hydro-electric power. There is also no difficulty of transport of coal over long distances such as would be met with in the case of a thermal power unit. Because of its compactness, a nuclear power set is of great advantage in rockets, submarines and aeroplanes. Nor are its advantages to other fields, industrial, medical and agricultural, less impressive. Indeed, the wider utilisation of atomic energy, it is confidently predicted, would some day be able to banish poverty and economic backwardness from this planet.

Leaving the remote possibilities of the use of atomic power severely alone, the immediate question, which all nuclear enthusiasts have to face, is how far atomic energy is a feasible economic proposition. Unfortunately, the data on this problem are too obscure to enable one to estimate the economics of atomic power. In fact, it is this uncertainty that has so far deterred private enterprise from engaging itself in the task of generating nuclear power. It should, of course, be clear that, in an area which is situated at a great distance from coal-fields or which possesses no facilities for generating hydro-electric power, nuclear power would be of great value. The question is whether nuclear power would be advantageous even in areas which are well equipped to generate either thermal or hydro-electric power.

No hard and fast answer can be given to this question. Nevertheless, it is interesting to note that some comparative data on the costs of generating nuclear and thermal powers are available. The data refer to the U.K. which means that several adjustments would be needed if they were to be applied to this country. In the U.K., it is computed that a nuclear power plant could generate electricity at a cost of 1d. per kw.h. which compares with the average cost of 0.54d. per kw.h. of coal-generated electricity. But this estimate does not take into account the revenue that would become available through the sale of by-products in the generation of nuclear power. The capital cost of establishing a nuclear power plant, it is again computed, would be two to three times that of a normal thermal station. Again, uranium which is needed for generating nuclear power is a costly metal. It is estimated that, if the U.K.'s whole electric supply, which absorbs 36 million tons of coal and coke, were to be based on natural uranium reactors, it would need 4,000 tons of uranium; uranium oxide costs about $3.5 a lb. or £2,800 a ton, while the natural uranium metal made from it would cost £10,000 to £20,000 per ton. Also, the procurement of uranium may create many new problems. In this connection, it may be noted that the total world reserves of uranium metal are at present estimated at about 25 million tons. These considerations led Mr. B. L. Goodlet of the British Atomic Energy Commission to state recently that, although nuclear power was a certainty and economic nuclear power a possibility, it would never be a cheap source of energy.

It should, therefore, be clear that, although nuclear power is technically feasible, it is wrong to overestimate its immediate importance as an aid to industry and agriculture. Nevertheless, science may alter the whole picture and improve the economic feasibility of atomic power. From this point of view, it is necessary to pursue relentlessly the research on the atoms. And this many countries in the world are doing irrespective of the costs involved. India cannot certainly afford to spend as much money as it might wish on this very costly enterprise. The Atomic Energy Commission in India is engaged in setting up an atomic energy establishment at Trombay. It has also sponsored fundamental research in nuclear physics. Its raw materials division is engaged in the survey of selected parts of the country for atomic minerals. The Commission was instrumental in setting up the Indian Rare Earths Ltd., which operates a monazite processing factory at Alwaye. Mr. Nehru admitted that the research work should be expedited, particularly the work connected with geological and other surveys. The progress of atomic research in India will be greatly facilitated if the advanced Western nations, notably the U.S., and the U.K., decide to share with this country their own research results and, in particular, the results of research in applied atomic physics. Unfortunately, this raises a whole host of political problems. Till they are solved, India has to depend on its own resources and the genius of its own scientists. As both are limited, no quick results can be expected.

LAND CENSUS

THE move to hold a Land Census does not seem to be making much headway. The replies submitted by the State Governments to the Union Ministry of Agriculture reveal considerable differences of opinion on the size of land holdings for the purpose of the Census, although all the States, with the exception of Travancore-Cochin, have agreed to hold the Census. The Travancore-Cochin Government is reported to have expressed the view that there is no use taking a census of holdings because it has already formulated a land policy on the basis of reports of the various committees which have gone into the matter thoroughly. Evidently, the Government is satisfied with the findings of the previous enquiry committees and feels that it has adequate and reliable data to implement its programme. Further, the attitude of this Government suggests that the Praja-Socialist Party, now in charge of the administration of the State, wants to follow its own programme and not that of the Congress. Here is an instance of what may happen when a State passes under the control of a party which holds a minority position in the rest of the country. Be that as it may, following the non-co-operation of the State, the Land Census figures for the country will be incomplete.

It may be noted that the holding of a Land Census has been considered necessary by the Planning Commission for several reasons. It would help, according to the Commission, the fixation of ceiling on existing land holdings not only for rehabilitation of agriculture in India but also for the fulfilment of the dubious social objective of redistribution, among the landless workers, of land held by persons in excess of the limit. Besides, a census of land is needed because the information available regarding the distribution and size of holdings in India is inadequate. The available data do not distinguish between cultivated land and uncultivated land. Nor is it generally known how much area is held by tenants and how much under the personal cultivation of owners. Again, no information is available about the quality of land. Consequently, the Union Ministry of Agriculture has proposed that (*a*) the Census should relate to agricultural lands comprised in owners' holdings; (*b*) it should be carried out by the revenue agency in each State as a special operation; and (*c*) the responsibility for carrying out the Census should rest with the State Governments.

In addition to these broad directives, the Ministry has given some clear definition with a view to introducing a certain measure of uniformity in the Land Census. Thus, it has defined agricultural land as "area comprised in a holding including groves and pastures." Area owned is to include "land held as owner as well as land held under rights of occupancy." Area owned under personal cultivation is to include "owned land other than that leased for a period of one year or more." An area of land held by two owners—one superior and the other inferior —should be shown in favour of the latter. Area owned by each member of the family is to be treated as a separate holding. The Ministry further proposed that the area held by a person in all villages of a *patwari* circle should constitute a holding for the purpose of the Census.

These proposals of the Union Ministry have been referred to here in somewhat detail, because it is these proposals that have given rise to differences of opinion among the States and the Centre. Contrary to the views of the Ministry, the Bombay Government, for instance, holds that the area held by a person in any district should be termed a holding instead of the smaller *patwari* circle. For it feels that, if the *patwari* circle is taken as the unit, the area available for distribution will be small. Again, the U.P. Government thinks that the land owned by a joint family should be taken as a holding and not the share of each co-sharer. These differences of opinion, however, are not so serious as to defy solution. A conference of representatives of the States and the Union Government would help remove these differences. While composing these differences, however, the officials concerned should, in no circumstances, lose sight of the fundamental objective before the country, namely, making agriculture more productive. That the danger of losing this perspective is in prospect is evident from the move on the part of the Congress Party to mix productivity with redistribution of land, two objectives which are not reconcilable with each other. For redistribution seeks to break up farms, while productivity prospers well on large-scale farms. Yet the Prime Minister, who is also the President of the Congress Party, observes:

> "I am quite positive in my mind that there should be a ceiling on land and that the sooner it is brought about the better, although what that ceiling will be depends so much on the quality of land and so many factors. . . . Of course, you have to think immediately of possible co-operative ways of dealing with land so as to make it more productive. We must remember that this question is an important and vital question. It is an urgent question. It is a question which got rather bogged up in our States, and they are chiefly concerned with it."

The general terms in which the problem has been explained above by the Prime Minister do not carry one far. They do not give a correct lead and, therefore, it is not surprising that the question has "bogged up" in the States. In the present circumstances in the country, the thing that needs to be done first is consolidation of small farms and not cutting of large holdings into small bits. It will be readily conceded that it is only the former that is consistent with the need for raising agricultural production. If this is followed up by relieving pressure of population on land through extensive industrialisation, the necessity for redistribution of land, which is relatively scarce in India, will not arise at all. The psychological discontentment among the landless classes and the evils of absentee landlordism can be tackled very well through suitable tenancy reforms and conciliation agencies for settling disputes between owners of land and their tenants.

BANK RATE IN BRITAIN LOWERED

POSITION IN INDIA—EXPORT DUTIES—EGYPT'S COTTON POLICY

THURSDAY, 5 P.M.

THE stalemate that we saw in the Share Market last week has yielded place to a distinctly downward trend. This is due to the fact that the bulls, who were sitting on the fence last week, decided to book their profit. Indian Irons have lost nearly a rupee and a half over the week. Tata Ordinaries have shed about Rs. 4, Bombay Dyeings Rs. 11-4, Centurys Rs. 12, Kohinoors Rs. 7-8, National Rayons Rs. 7-8, Scindias As. 9-6 and Bombay Burmahs Rs. 11-4. Even an investment scrip like Belapurs have dropped Rs. 2-8. It is reported that one of the big operators, who had accumulated several lakhs of Indian Irons, has been liquidating his purchases and that the fall in the rate would have been much heavier but for the covering by a leading bear. It seems that the bull has not yet completely sold out his holdings and it remains to be seen whether the market can easily absorb his remaining holdings without a further setback in values. It was only a fortnight ago that market men were talking up the Indian Irons to Rs. 40; but today the bulls are on the run. This is exactly what happens to a scrip which is boosted far beyond its intrinsic merits. Why have the other scrips also suffered? The answer is simple. When the leading speculative counter drops, others also experience selling pressure.

MARKET GOSSIP

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There have been no new developments in the money market. Supply of funds is still very limited, as the National Plan Loan seems to be absorbing more than what returns to the market by way of seasonal repayment of trade advances. It would appear that the authorities are maintaining a close check on all new issues and that they are reluctant to give permission even for issue of bonus shares. Evidently, they feel that announcement of bonus issues may divert the investible funds to equities, thereby having an adverse effect on the flow of funds into the new loan.

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The news of the week is undoubtedly the reduction today in the British Bank rate from 3½ per cent. to 3 per cent. This is the second reduction after an interval of some eight months. The previous cut took place on 17th September, 1953, when the rate was reduced to 3½ per cent. from 4 per cent., to which level it had been raised on 12th March, 1952. The first post-war increase in the British Bank rate took place in November, 1951 when it was stepped up from 2 per cent. to 2½ per cent. Thus, during a period of 2½ years, the Bank rate in Britain has been altered four times, upward in the first two occasions and downward in the last two occasions. The present rate of 3 per cent. is still half per cent. above the one that prevailed between November, 1951, and 12th March, 1952.

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The official explanation for the reduction in the Bank rate is not available at the time of writing. Last time (that is, in September, 1953) when it was reduced, the reason given was that it was lowered to conform with the fall that had taken place in other rates of interest. British money market commentators argued last week, when everyone was expecting a reduction in the Bank Rate only to be disappointed, that there was a close parallel between the situation then and now, there having been a reduction in other interest rates over the past few weeks. But a more important reason this time seems to be the wide disparity between the interest rates in London and other centres, particularly New York. Since short-term interest rates in London have been higher than in other centres, there have been for some time past large transfers of funds to London for interest arbitrage. The disparity in interest rates between London and New York widened considerably last week, when, in the latter centre, the yield on 91-day Treasury Bills fell to a record low of 0.773 per cent. and when the Treasury was successful in raising $2 billion of new money, in addition to putting through a conversion operation of about $7 billion worth of issue falling due shortly at exceptionally low rates of interest. The new issue was for a period of 4¼ years and carried interest at the rate of 1½ per cent. The conversion of maturing issues was allowed either with this new issue or with one year certificates carrying interest at no more than 1½ per cent. The interest rates on these two types of investments are the lowest for comparable issues for several years. The flow of funds from New York to London for taking advantage of higher rates of interest itself began to pull down the short-term interest rates in London, thereby placing the Bank rate at 3½ per cent. out of line with other interest rates. Even then, the margin between the yields in the London and New York markets was at least ½ per cent. in favour of New Yorkers, even after providing for the cost of covering the exchange risk.

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It is true that, in course of time, this margin might have disappeared but not before a lot of short-term funds had found their way to London. Upto a point the flow of such funds would have been welcomed, but it is distinctly disadvantageous to have too much of money which can be withdrawn at a moment's notice. When this money flows back, it may have a certain amount of unhealthy repercussions on London financial markets, though not necessarily on the exchange value of the pound sterling, as most of those who switch funds for the sake of a turn in interest rates simultaneously cover their exchange risk by a forward transaction. Apparently, the British authorities must have felt that a stage had been reached when it was no longer safe to stimulate further flow of short-term funds into London.

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Another reason that might have prompted the British authorities to lower the Bank rate is the need for increasing the competitive capacity of British exporters. Lower interest rates in other centres give the exporters in those countries a definite advantage over their British confreres. All this does not mean that Britain has cut the Bank rate without some risk. In recent months, business in Britain has by no means been dull. On the contrary the business trends have been mostly upward. Industrial production has been rising and unemployment falling. Industrial profits are high, with all leading companies stepping up their dividends in a handsome fashion. Stock markets are distinctly bullish. In these circumstances, a cut in Bank Rate could be dangerous and may lead to inflation. Moreover, a lower Bank rate is not conducive to increased savings. It is true that, in the last two years, savings in Britain have been rising, due, to a considerable extent, to the higher Bank rate itself. Nevertheless, they are still not large enough, considering Britain's needs for re-equipping its industries and for financing investment in the Commonwealth and colonies. Considering these factors, as well as the fact that interest rates in the U.S. are now at record low levels, it looks as though the scope for any further cut in the Bank rate in Britain is very, very limited.

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Now that there has been a further reduction in the British Bank rate, the school of thought, which is in favour of a lower Bank rate in this country also, will feel emboldened to raise its voice again. But conditions in India are different from those in the U.K. London has now practically regained its pre-war status of being a world financial centre. The Bank of England rate is, therefore, governed by developments in other centres with which London has to compete. India has no such problem. Again, the Bank rate in India has always been one per cent. higher than the British Bank rate. This has enabled India to have the benefit of obtaining funds from the London market for financing its trade and industry. The present resources in the Indian money market are by no means so large as to dispense with this assistance. With a large programme of deficit financing on hand, it will be dangerous to reduce the Bank rate. Unlike in Britain, frequent changes in Bank rate in India will upset the confidence of investors. India needs, more than Britain, a large volume of savings and a lower bank rate will not be conducive to the promotion of the savings habit. In Britain, a cut in the Bank rate has been preceded by other tangible forms of incentives to production, such as a reduction in taxation, liberal depreciation allowances and active encouragement to re-equipment of British industries, even through subsidies in some instances. In India, the Government has not done any of these things and does not propose to do anything in this direction until the findings of the Taxation Enquiry Commission are known. A mere reduction in the Bank rate, in the absence of these incentives, will not help industries to any appreciable extent. On the contrary, it may give a fillip to inflationary forces, thereby leading to an increase in the cost of production. In any case, the cost of bank credit in India did not go up to the same extent as it did in Britain when the Bank rate was raised. These are some of the chief reasons why there need not be a reduction in the Bank rate in India.

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A reference was made in these columns last week to the remarkable strength of the pound sterling which was then standing at the top rate of $2.82. Since then, there has been a fall in the rate to $2.81-13/16. This slight recession has been due to the slackening of demand for sterling consequent on the categorical denial by the British Treasury officials of the rumours that Britain was intending to go beyond the permitted range of fluctuations under the I.M.F. rules. In fact, a good part of the "hot money" that had come to London in the hope of making a swift profit on the exchange rate is reported to have already left that city.

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The Union Government's announcement relating to the readjustment of export duties is of vital importance to the oilseeds market, because, apart from the reduction in the export duty on black pepper to Rs. 65 per cwt., and the abolition of the duty on cheroots and cigars, the Government's decision refers mainly to oilseeds and oils. Thus, the export duty on mustard oil, rapeseed oil, linseed oil, kardiseed oil, nigerseed oil and cottonseed oil has been abolished. The export duty on castor oil has been reduced from Rs. 300 per ton to Rs. 200 per ton. A duty of Rs. 150 per ton has, however, been imposed on exports of kardiseed and nigerseed. All these changes came into effect from 12th May, 1954.

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Announcing these changes, an official Press note says that the Government has, in accordance with its policy of keeping export duties under constant review, decided to readjust export duties in respect of these commodities. It is clear that the Government's decision to free exports of the vegetable oils concerned from all duties stems from a desire to promote exports of manufactured goods rather than of raw materials.

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The local seeds and oils market, as was only to be expected, reacted bullishly to the official announcement relating to the abolition of export duty on oils. Thus, castorseed May delivery, which had closed at Rs. 116-2 on 11th May, moved up to Rs. 121 on the following day. Similarly, castorseed, September delivery, improved by Rs. 5-2 to Rs. 126. Fractional gains were witnessed in other seeds and vegetable oils, though there was a slight decline in nigerseed and kardiseed, thanks to the fact that an export duty of Rs. 150 per ton has been imposed on them. But today, the gains were all partially wiped out, which suggests that the market has felt, on second thoughts, that the rise had been overdone. Castorseeds May closed today at Rs. 119, September at Rs. 124-2. Groundnut, Bold ready, was fractionally marked down to Rs. 35-8. Vegetable oils too, were quoted at lower levels; groundnut oil at Rs. 17-14, and castor oil (Commercial) at Rs. 11-12. Only linseed oil was somewhat better at about Rs. 15-6.

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It is too early yet to predict whether and, if so, how far the Government's decision will promote exports in seeds and oils. The relief is, of course, welcomed. Only, the reimposition of the export duty on kardiseed and nigerseed is regarded as a heavy burden, because these seeds are low-priced varieties. It is somewhat anomalous that kardiseed, quoted at Rs. 19, nigerseed at Rs. 29 and groundnut at Rs. 40, should all bear the same burden of export duty of Rs. 150 per ton. Nevertheless, it is felt that kardiseed oil exports may get a fillip through the abolition of the duty. As regards mustard oil and rapeseed oil, the high duty was a major incentive for smuggling these oils across the Indian border into Pakistan. The abolition of the duty should check this nefarious activity. Little can be predicted about the prospects for castor oil, in view of the fact that the Government has not yet announced its export policy. This is a regrettable lapse on the part of the Government, for it allowed the latest policy in relation to the exports of castor oil to expire (on 30th April 1954) without letting the shippers know the Government's mind on this question for the current period. For many of the other vegetable oils, export quotas are valid only upto June, 1954. The shape of the export trade in these oils will become known only after the Government's announcement of its export policy.

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As regards linseed oil, the prospects for its export are none too bright, for, even after the abolition of the duty, the Indian prices for linseed oil are at a higher level than the prices in world markets. No export may be possible unless the Indian prices go down or there is an upward adjustment in foreign markets. In this connection, it is reported that the U.S. authorities are still sellers of fairly large quantities of linseed oil, and that they may continue to do so for some time to come. It would appear that the original tonnage of about 225,000 has been sold already and that about 150,000 tons, held in stockpile, has been transferred to the Commodity Credit Corporation for export sales. It is, however, difficult to predict whether this will lead to a decline in linseed oil prices. On the contrary, reports from London suggest that the price outlook over a period of some months is considered firm. But world prices will have to firm up considerably before export trade in linseed oil from this country can take place.

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The Egyptian Government has, it is learned, announced a further increase in the prices to be paid by the Egyptian Cotton Commission for the 1954-55 cotton crop. The Government has raised the buying prices for Ashmouni and similar varieties by two tallaries and for Karnak and other long-staple varieties by three tallaries. The is the second time that an increase in buying prices for the forthcoming crop has been announced. It will be recalled that, in February, the Government announced an increase of four tallaries per cantar for Karnak and three tallaries per cantar for other varieties (of the 1954-55 crop). The latest announcement does not specifically mention anything about selling prices. It is, therefore, understood that the selling prices will be the same as those announced in February.

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In February, 1954, the Government had stated that the selling prices for the next crop would continue to be based on the New York futures market. But the premium to be paid for the crop was stepped up. Thus, the premium for the crop, it was stated, would be raised from 5 per cent. to 12 per cent. in respect of the Ashmouni-Giza 30 crop and from 30 per cent. to 40 per cent. in respect of the Karnak-Menoufi crop.

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In raising the buying prices for the next crop, the Government, according to an official statement, has been influenced by the consideration that the growers should be given the "most advantageous" prices which, in turn, could "enhance their purchasing power." In this connection, it is interesting to note the efforts that have been made by the Government at stabilising cotton prices. The Government has passed a law setting up a committee to run the Cotton Prices Stabilisation Fund. The Commission will transfer 25 per cent. of the profits it makes to this fund. If any losses are incurred in future seasons, they will be met from out of this fund. The balance of the profits, namely, 75 per cent., will be returned to producers. It would appear that such profits amount to £E4 million this season. It is not clear how the profit will be distributed among the growers. The Government,

(*Continued on page 963*)

EQUITIES DRIFT LOWER

HEAVY SELLING PRESSURE IN INDIAN IRONS

(From Our Own Correspondent)

BOMBAY, 13*th May*

THE cautious note in equities noted last week gave place to a relatively weaker trend during the week under review. The change-over was due neither to any major bearish factor in the domestic economic sphere nor to any disturbing development in the international political situation. In the absence of any ostensible reason, the downward movement may be attributed to a technical correction, initiated by a few minor factors, such as lack of buying enthusiasm, continuous selling of Indian Irons by a prominent Calcutta operator to the extent of several lakhs of shares, the weakness of the bullion and commodity markets, lack of sustained demand for cloth in the overseas markets and persistent stringency in the money market. Intermittent attempts at recovery on short-covering and small replacement buying were not sustained, but only brought forth fresh liquidation. In the result, almost the entire list of equities showed sizable losses.

The steel section was dominated by selling orders in Indian Irons. From Rs. 31-4, the shares slipped back to Rs. 30-10½ on Tuesday morning. Lower Calcutta advices, attributed to rumours of labour unrest at Burnpur (since reported to be baseless), caused a sudden drop to Rs. 29-14 yesterday. Though in the subsequent recovery they came up to Rs. 30-4, the closing was once again weak at Rs. 29-15. Tata Irons declined from Rs. 197 to Rs. 195 early in the week, due to end-of-account considerations. They, however, opened the new account on a promising note at Rs. 197-8, but failed to consolidate the initial advantage due to the weakness of Indian Irons. Consequently the shares moved down to a low of Rs. 193-4 at the close today.

The textile section proved vulnerable to the general reactionary trend. Bombay Dyeings, which came in for special attention in the previous week and rose by Rs. 20 to Rs. 436-4, failed to attract buyers during the week under review. With occasional upsurges, they closed the week lower by Rs. 11-4 at Rs. 425. Kohinoors drifted from Rs. 321-8 to Rs. 314. Centurys had a loss of Rs. 12 at Rs. 325. Central Indias dropped Rs. 7 to Rs. 175. Finlays Rs. 3-8 to Rs. 246, Gokaks Rs. 2 to Rs. 252-8 and Indu Ordinaries As. 7½ to Rs. 10-12. Indore Malwas declined by Rs. 5-10 to Rs. 107-8, Lakshmis by Re. 1-4 to Rs. 580 and New Greats by Rs. 4-8 to Rs. 169. Simplex were taken down by Rs. 4-8 to Rs. 156-8 and Standards by as much as Rs. 7-8 to Rs. 315. Swadeshis passed hands Rs. 5-8 lower at Rs. 278.

Bank shares were easy. In the absence of any buying support, business put through was small. Central Banks were a shade lower at Rs. 55-4, but their new shares were unchanged at Rs. 59-8. Imperial Fully Paids lost Rs. 30 to Rs. 1,770 and Partly Paids Rs. 3-12 to Rs. 440. Indias were lower by Rs. 2 at Rs. 144. Barodas were, however, unchanged at Rs. 108, United Commercials were put through Re. 1-4 lower at Rs. 44.

General inclination to sell and restricted activity characterised trading in electricity shares. As offerings were well absorbed, no serious losses were noted on balance. Ahmedabad Electrics were placed As. 10 lower at Rs. 112-3. Amalgamated Electrics were, however, a fraction better at Rs. 10-12. Bombay Suburbans changed hands at Rs. 121-4, as against Rs. 121-14. After an initial spurt from Rs. 128-2 to Rs. 133-2, Surat Electrics relapsed to Rs. 130. Andhra Valleys closed on balance unchanged at Rs. 1,365. Tata Hydros were a rupee down at Rs. 143. Tata Powers moved down by Rs. 3-12 to Rs. 1,442-8.

Barring a decline of Rs. 140 to Rs. 7,660 in Orientals on reports of a hitch over the mutualisation of the Company, there was nothing noteworthy in the insurance section. New Indias were unaltered at Rs. 44-12; so also Empire of Indias at Rs. 635 and Jupiters at Rs. 7-8. Indian Mercantiles were maintained at Rs. 40-8, and Industrial and Prudentials at Rs. 36-2. Vulcans were done As. 2 higher at Rs. 13.

In the miscellaneous section, sugar shares had an easy spell, Belapurs being marked down from Rs. 274-8 to Rs. 272 and Phaltans from Rs. 106-4 to Rs. 103. Walchandnagars were, however, maintained at Rs. 176-4. Among cement shares, A.C.C. moved in a narrow range and closed As. 8 lower at Rs. 157-4. Digvijays dropped from Rs. 123 to Rs. 120. In the engineering and mining section, Alcock Ashdowns, after an advance from Rs. 350-10 to Rs. 353-12, wound up at Rs. 350. Premier Constructions had a loss of Rs. 3-4 at Rs. 130-8. Tata Locomotives looked down from Rs. 122-8 to Rs. 121. B.B. Petrols were quiet at Rs. 3-7½, as also Indian Coppers at Rs. 3. Shivrajpurs drifted lower by a rupee to Rs. 65. Among miscellaneous industrials, Bombay-Burmahs had a setback from Rs. 406-14 to Rs. 395-10 and their new shares from Rs. 138-12 to Rs. 135. B.I.Cs. dropped As. 2½ to Rs. 8-0½. National Rayons tumbled down from Rs. 164-8 to Rs. 157. Tata Chemicals stood As. 8 lower at Rs. 14-1 as also Tata Oils at Rs. 40. Wimcos were done at Rs. 197-8 *ex-div.* (dividend Rs. 11) as against Rs. 210 *cum-div.* last week. Shipping shares were quiet, Scindias were done As. 9½ lower at Rs. 17-10½, India Steamships softened from Rs. 8-7½ to Rs. 8-4 and Bharat Lines from Rs. 96-8 to Rs. 96. Among automobile shares, Hindustan Motors were marked down from Rs. 8-7½ to Rs. 8-4½ and Premier Automobiles from Rs. 72-8 to Rs. 70. Killick Industries proved an exception in recording a small rise of Rs. 4 to Rs. 183 on yield considerations.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 12*th May*

Trading on the Calcutta Stock Exchange during the week under review was featureless. Quotations were easy, and the volume of business was further affected. The main cause for such a trend was the absence of institutional investment which found its way to the tap loan. In the present lethargy, weak holders turned sellers although the prudent operator utilised the opportunity to buy first class counters coming to hand, at attractively lower prices on the expectation that the uptrend was bound to develop sooner or later.

Jute shares were weak, and both investors and operators are watching what action the Government proposes to take on the report of the Jute Enquiry Commission. The future of the jute industry depends on the implementation of at least the main recommendations of the Commission, i.e., those relating to modernisation of mills, lowering output costs, drawing up specifications for the different construction of goods, and freeing raw jute from sales taxes and other provincial levies.

Interest in sugar shares was subdued, although the outlook for the sugar industry was not in doubt. Output of sugar this season would certainly record a decline because of the lower cane yield. This factor, it is felt, would not affect working results of mills in view of the higher price that the sweet commodity realises. The general weakness affected teas also, and prices gave way. However, export prospects for tea are good, and there is no reason why teas should not move up when once the general weakness is driven away.

In the engineering section, speculative Indian Irons searched lower levels. Opening at Rs. 31-4 last Thursday, the rate gradually receded to Rs. 30-11 but closed for the week-end at Rs. 31-2. Trading in the last two days was lethargic, and the quotation eased to Rs. 30-3. From Rs. 11-8 Texmacos declined to Rs. 10-12. At Rs. 7-6 Marshalls lost As. 6, and Braithwaites were brought down to Rs. 16-4 from Rs. 16-7. Jessops were quiet at Rs. 28-10.

Among shares of shipping companies, Calcutta Landing and Shippings spurted to Rs. 23 from a previous rate of Rs. 21-2 following satisfactory dividend news and the recommendation of a bonus of As. 8 per share. India General Navigations were unchanged at Rs. 72, and India Steamships realised Rs. 8-7.

Jutes lacked interest, Howrahs lost to Rs. 24-2 from Rs. 24-9. Unions at Rs. 173 were lower by six points, while Presidencies at Rs. 6 put on As. 2 on sporadic enquiries. Agarparas were shaded to Rs. 14-14 from Rs. 15-6, as were Nationals to Rs. 24-5 from Rs. 24-10.

In the coal section, Western Bengals were fractionally better at Rs. 6-3, Burrakurs being quiet at Rs. 8-15. Raneegunges were as low as Rs. 11-2, while Central Indias, after being better at Rs. 6-2, gave way to Rs. 6. Pench Valley at Rs. 25-9 were an anna higher, while Khatras Jherriahs lost Rs. 45-8 from Rs. 46. South Karanpuras were unchanged at Rs. 9-3.

Miscellaneous industrials were not devoid of features, although the general pull was in the downward direction. N.I.C.O's were a buoyant counter, and the keen interest shown pushed the rate to Rs. 19 from Rs. 18-3. National Rolling and Steel Ropes belonging to the same managing agency as N.I.C.O's were another feature with a rise from Rs. 14-13 to Rs. 15-4. British Burma Petroleums fully maintained the improvement at Rs. 3-11 although, for a time, they were quoted, fractionally lower at Rs. 3-10. Rohtas Industries moved down to Rs. 15-11 from Rs. 16-4. Rallis were quiet at Rs. 55-12. Earlier, F. & C. Oslers recovered to Rs. 18-4 from Rs. 17-10 but subsequently gave way to Rs. 17-7. Indian Cables were better at Rs. 20-6, as against Rs. 19-15 a week ago, and Eastern Investments at Rs. 144 as against Rs. 143.

In the paper mills section, India Paper Pulps were Re. 1 better at Rs. 203. Titaghurs receded to Rs. 39-4 from Rs. 41. After being fractionally higher at Rs. 24-8, Shree Gopals were put down to Rs. 23-12. Orients were put to business at Rs. 16-15.

Among sugar shares, Ramnugger Canes gave way to Rs. 22-8 from Rs. 23-4 but subsequently changed hands at Rs. 22-12. Belsunds were one anna better at Rs. 8-10, while Carews were quiet at Rs. 7-15.

Excepting for yesterday when a steady trend was in evidence, teas were easy. East Indias were lower at Rs. 20-2 and Banarhats were quiet at Rs. 448. Batelis at Rs. 18-3 were better by As. 2. Earlier Dimakusis were put through at Rs. 40-10 and Tezpores at Rs. 22. At Rs. 265, Gungarams gave way 3 points. Hantaparas moved down to Rs. 218 from Rs. 218-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 11*th May*

After last week's easiness, the Madras Stock Exchange staged a mild recovery and presented a somewhat cheerful appearance, with sporadic enquiries from buyers. Textile scrips were in good demand resulting in a spurt in the values of select scrips. Teas, among plantings, came in for renewed support, on reported possibilities of increased offtake of tea by the U.S. in the current year. Rubbers came in for scattered enquiry, while coffees were almost out of shape. Sugars, however, came into favour occasionally. Miscellaneous scrips reported some stray deals. The undertone remained steady.

In distinct contrast to the previous week's easiness, the textile section fared better this week. Radhakrishnas, Rs. 100 paid-up, shot up from Rs. 162 to Rs. 172 and 'B', Rs. 50 paid-up, from Rs. 80 to Rs. 86. Dhanalakshmis gained Rs. 9 to Rs. 236 and Premiers Rs. 7 to Rs. 102. Lakshmis, Rs. 50 paid-up, advanced by Rs. 4 to Rs. 116 and were higher by Rs. 3 at Rs. 143 and R. C. Ambikal by Rs. 4-8 at Rs. 138-8. Bangalore Woollens, however, lost Rs. 3 to Rs. 396.

Among plantings, teas were the brightest. Nilgiri Teas improved by As. 10 to Rs. 14-2. Peermades and Peninsulars put on As. 6 each to Rs. 34-12 and Rs. 12-8, respectively. Udayagiris too were up by a similar amount at Rs. 9-12. Chandramalais were higher by one anna and a half at Rs. 3-11. Parksides were done at Rs. 17 *ex-div.* as against Rs. 18-2 *cum-div.*

Rubbers came in for scattered enquiry. Travancore Rubbers improved by As. 4 to Rs. 16-8 *cum-div.* and Vaikundams by As. 2 to Rs. 15-8. Kailas gathered an anna to Rs. 4-8. Cochin Malabars were unchanged at Rs. 7-3 and Be Bes at Rs. 2-14. Malankaras were quiet at Rs. 37-4.

Coffee scrips ruled dull. Consolidated Coffees lost As. 4 to Rs. 17-12 and Coffee Lands As. 2 to Rs. 10-8. Puthuthotams, however, put on an anna to Rs. 3-6½. Mysore Coffees were fractionally better at Re. 1-2.

Sugars were in keen demand. Deccan Sugars, Rs. 10 paid-up, were up by As. 4 at Rs. 10-4 and Rs. 25 paid-up, by As. 12 at Rs. 25-4. E.I.D's 'B' Rs. 10 paid-up, by As. 8 to Rs. 27-8.

Among miscellaneous scrips, Rallis gained Re. 1 to Rs. 57 and Mysore Chemicals and Manufacturings As. 8 to Rs. 13-10 *cum-div.* General Papers and Aluminium Industries put on As. 5 each to Rs. 8-1 and Rs. 14-5, respectively. Mysore Papers, however, lost As. 2 to Rs. 18-2.

Notice

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and Eighteenth Ordinary General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 2nd June, 1954, at 4-15 p.m., for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 31st December, 1953.

(2) To declare Dividends.

(3) To elect a Director. Mr. G. L. Bangur retires by rotation and, being eligible, offers himself for re-election.

(4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 20th May to 2nd June, 1954, both days inclusive.

By Order of the Board,

McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th May*, 1954.

Note.—Payment of the proposed dividends, if declared, will be made only to those members whose names are registered in the Books of the Company on the 2nd June, 1954, or to their Mandatees.

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

NEWS IN BRIEF

THERE were 803,266 licensed radio sets in the country at the end of 1953. The revenue earned through licence fees during the year exceeded Rs. 1.18 crore.

Indian shipping moved 2,500,000 tons of cargo in the coastal trade during 1953. Out of this, coal alone accounted for about 1,200,000 tons.

The revised draft of the Inter-State River and River Valleys (Development and Regulation) Bill is being circulated among the States for their comments and may be introduced in the next session of Parliament.

The Government of Andhra has sanctioned a scheme for the establishment of a regional oilseeds research station at Anantapur at an estimated cost of Rs. 89,000, allocated by the Indian Central Oilseeds Committee.

A survey for a rail link between Dindigul and Gudalur has been completed. The proposed line has been included in the list of projects which will be considered for inclusion in the second Five-year Plan. This information was given in the House of the People the other day by Mr. O. V. Alagesan, Deputy Minister for Railways and Transport.

According to British cement manufacturing experts, Mr. J. A. Mackintosh, Deputy Managing Director of the Tunnel Portland Cement Company, and Mr. A. B. Jorgenson, Director of F. L. Smith and Company, who arrived in Nigeria recently, a cement works can be built at Nkalagu in Eastern Nigeria. It is estimated that the plant to be installed there will have a capacity of 100,000 tons a year. At present, cement is imported into Nigeria; last year, imports aggregated 300,000 tons. The Nigerian Government has voted £1,200,000 for the setting up of a cement factory. The Eastern Regional Production Board has also voted £500,000.

The Government of India has readjusted export duties, with effect from the 12th inst., in respect of a number of commodities. According to a Press note issued by it, the export duties on mustard, rapeseed, linseed, *kardi* seed, *niger* seed and cotton seed oils, cigar and cheroots have been abolished. Castoroil has been exempted from so much of the export duty as is in excess of Rs. 200 per ton and black pepper from so much as is in excess of Rs. 65 per cwt. A rate of Rs. 150 per ton has been reimposed on exports of *kardi* and *niger* seeds.

The Spices Enquiry Committee has made separate recommendations in regard to each of the six crops investigated by it. The main recommendations of the Committee are: (1) A Central Development Fund should be set up for developing the production and marketing of pepper and cashew-nut, which are the most important dollar-earning commodities, according to an integrated ten-year plan; (2) special agencies should be set up in the U.S. and the U.K. for publicity and sales promotion, and (3) a Central and State Advisory Committee should be set up to organise development of spices.

The question of the Government of India taking over the manufacture of boilers and locomotives from the Tata Engineering and Locomotive Company is still under consideration. The Company has fallen behind the production schedule envisaged in an agreement between Government and the Company, but no ad hoc advances have been made to the Company. Provisional payments against bills submitted by it for work done have been made from time to time in terms of the Agreement. A settlement is now reached on important outstanding issues. It is expected that the provisional payments will be finalised shortly.

It is learned that the Indian Air Lines Corporation has decided that integration of all the existing lines should be secured speedily in a single step, instead of evolving at first a regional set-up to be replaced later by a completely unified system of administration. For this purpose, in general, and for more effective administration, in particular, an organisation is being set up at the headquarters of the Corporation in New Delhi, which will assume direct responsibility for initiating and implementing proposals designed to secure uniformity in all important matters concerning policy, programme and procedure. The Chairman of the Corporation will also function as General Manager, in addition to his duties, and the departmental heads will be responsible to him for proper and efficient discharge of their duties.

The Government of India has constituted a nine-member Board of Directors for the Bharat Electronics Ltd., which was registered on 19th April, 1954, in Bangalore, as a company. Mr. M. K. Vellodi will be the Chairman of the Board of Directors. Mr. A. K. Ghosh has been appointed as the Managing Director. Early last year, it will be recalled, the Government of India entered into an agreement with a French firm, *Campagnie General De Telegraphie Sans Fil*, to set up a large-scale industry for the manufacture, within the country, of a wide range of wireless equipment capable of meeting major requirements of the armed forces and other Ministries of the Central Government and States. The entire capital, amounting to nearly Rs. 9 crores will be provided by the Government of India. Jalahalli, near Bangalore, has been selected for establishing the factory.

The Government of India has fixed the maximum extra charges payable by buyers of controlled categories of iron and steel, on account of railway freight, at Rs. 60 per ton in respect of rail-head stations within the Indian Union, with effect from 10th May, 1954. The main object of this step is to give relief to industrial consumers and fabricators in the north-western parts of India who, as a result of the Partition, have so far had to pay higher freight charges (about Rs. 85 per ton) than what they had to pay before the Partition (about Rs. 69 per ton), when Karachi was the port nearest to this region. The selling prices of steel are fixed with reference to the main ports and the price payable at any inland station is calculated by adding the freight charges from the nearest main port to the selling price.

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From Abroad

The O.E.E.C. Council of Ministers has agreed in principle to renew the European Payments Union for one year from 30th June, 1954.

Sale of tea in the U.S. during the first quarter of 1954 rose by 25 per cent., as compared with the corresponding quarter of 1953.

The final report of the U.S. Bureau of Census shows that the ginnings of the U.S. cotton crop of 1953 aggregated 16,317,126 running bales of 500 lbs. each.

The World Bank has decided to give Norway a loan of $25,000,000, primarily to finance payments for ships built abroad. The rate of interest will be 4½ per cent.

Spain has concluded an agreement with Poland for bartering 300,000 tons of iron ore against 200,000 tons of coal. The value of this deal is put at £1.6 million.

Representatives of 20 nations who recently met at Strasbourg decided to set up a European Commission of Civil Aviation to ease inter-European air travel.

The directors of cottage industries from 11 Asian countries have begun a four-week tour of Japanese workshops, experimental stations and co-operatives. They plan to draw up recommendations for developing cottage and small-scale industries in their own countries.

The consumption of coffee in the United States, traditionally a nation of coffee-drinkers, reached a record total of 103.3 million lbs. in 1953. Tea imports in 1953, at 105 million lbs., were 11 per cent. higher than in 1952, when they were 12 per cent. more than in 1951.

Trade talks are going on between Western Germany and Sweden, aiming at an agreement for the period 1st July, 1954, to 30th June, 1955. If these talks materialise, Sweden is expected to export more wheat to Western Germany and buy a larger number of German cars.

Production of rayon in the U.K. during March, 1954, broke all records, the exact quantity produced being 40.2 million lbs. This is 5.4 million lbs. higher than the peak reached in October, 1951. The total of 40.2 million lbs. is made up by 20 million lbs. of staple fibre and 20.2 million lbs. of continuous filament yarn.

The Advisory Committee of the European Coal and Steel Pool has approved the proposal of the High Authority to appropriate $1 million to each of two research projects on blast furnace technique. One will deal with the quality of coke to be used, and the other with the operation of blast furnaces under pressure.

The Dunlop Rubber Company (U.K.) has just completed a contract which involved the lining with 170 tons of corrosion-resistant rubber of the Associated Ethyl Company's new plant in the Isle of Anglesey. The value of the contract is stated to run into six figures. The plant has been built to produce bromine from sea water. Bromine is used for ethylene derivatives which are mixed with tetra-ethyl lead in the production of petrol additives.

Sweden and Japan have signed a new trade agreement running until 31st March, 1955. Under the agreement, Sweden will export less—$8 million compared with $10 million—than in 1953-54, but Japan's exports will rise from $10 million to $12 million. The difference will be used to help pay Japan's debt to Sweden, amounting to nearly $8 million originally, of which about $3.2 million has been paid in dollars.

The International Labour Organisation is undertaking extensive consultations with Governments to ascertain the technical assistance needs of Asian countries during 1955 in the various fields within the Organisation's scope of activities. In this connection, Mr. Richard M. Lyman, Director of the Asian Field Office in Bangalore, will shortly visit Burma, Thailand, Hong Kong, Formosa and the Philippines, as the first of a series of programme planning missions to Asian countries.

The U.S. Department of Agriculture has announced its readiness to sell its surplus stocks of butter for export at world price. This announcement marks a departure from the policy followed hitherto, under which the U.S. was selling butter for export only at its domestic price of 60.5 cents a pound. The present average overseas price is 47 cents a pound. The surplus stocks of butter in the U.S. are placed at 363 million lbs. All these stocks are for sale, including to countries belonging to the Soviet bloc, provided exporters to this bloc obtain an export licence from the Commerce Department. By selling butter at world prices, the U.S. Government will be enabling foreign consumers to buy butter cheaper than the consumers in the U.S.

The chartered banks in Canada are discussing a plan for the creation of a money market. All banks are expected to join the scheme, sponsored by the Royal Bank of Canada. The banks are now completing their plans, which, it is hoped, all will adopt. It is reported that the Bank of Canada would not step out of the picture entirely, if and when the chartered banks agree on their new policy, but would be available if required. Jobbers would have the assurance of the Central Bank's purchase and resale offers, though they would be kept in the background. The Bank of Canada would also retain its facilities for the purchase or sale of bills in the short-term markets, and this would provide another instrument whereby the Bank of Canada could exercise control over the supply of cash and credit.

The U.S. Government has completed a review of its shipping policies and submitted a lengthy report to the Congress. The principal features of this report are:—No drastic changes have been made in the subsidy policies established by the Democrats, but greater reliance will be placed on private capital to finance new ship construction. The Randall Commission's suggestion that the 50 : 50 shipping provisions in foreign aid legislation should be discarded if a suitable alternative can be devised, has been accepted by the President in principle. The latter has, accordingly, directed the Commerce Department to study the matter and report as to whether direct aid to steamship companies can be substituted for indirect aid granted through the 50 : 50 scheme.

Although the European consumption of wine has generally risen since the war, the long-term trend of world consumption of wine is downward, according to a F.A.O. study. This trend is causing serious concern to a number of the world's most important wine-producing countries. In France, an unconsumed surplus of about 370 million gallons is expected on the 1953-54 production. In an attempt to cope with this surplus, the French Government has ordered distillation into alcohol of 150 million gallons of wine and compulsory storage of further quantities. These measures can only be carried out at a considerable cost to wine producers and a substantial loss to the Government. French national consumption of wine is at only 138 litres per head, as compared with 163.4 litres before the war. In Italy, wine production is above pre-war levels and consumption is rising, too, but, at 95.3 litres per head in 1952, it is still well below the 1911-13 average annual per head consumption rate of 123 litres. In Spain, about 150 million gallons of wine will probably be carried over unconsumed from the 1953 production.

PERSONAL

MR. A. B. Waring, Chairman and Joint Managing Director of Joseph Lucas (Industries) Ltd., has been elected President of the Society of Motor Manufacturers and Traders, London.

Sardar Datar Singh, Additional Secretary to the Union Ministry of Food, has been attending, on behalf of India, the five-day co-ordinating meeting of the F.A.O. which commenced on the 10th inst.

Mr. Nakul Sen, I.C.S., has been appointed to officiate as Secretary to the Central Ministry of Rehabilitation, in place of Mr. C. N. Chandra, who has gone on leave. Mr. Sen was the Joint Secretary to the same Ministry at the time of his appointment.

Dr. C. Popp, Chief Engineer of Demag, arrived in India last week from Geneva, with a view to submitting the preliminary report on the proposed Rs. 72-crore steel plant of the Hindustan Steel Ltd., to be set up at Rourekela in Orissa, jointly by the Government of India and Krupps and Demag, the German firms.

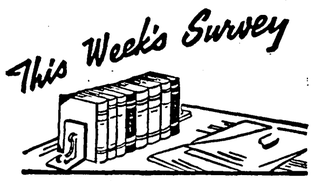
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 18*th May*

Government and Mill Strike

The Government of Bombay are certainly doing everything in their power to bring about a settlement of the mill strike. They are keenly watching developments, and His Excellency the Governor, after receiving various deputations, called a round table conference at the Bombay Secretariat in the middle of the week—though the proceedings were *in camera*. At the time of writing, Sir George Rainy, Commerce Member of the Government of India, is expected in Bombay in connection with the strike. It is a happy sign that the Central Government will also leave no stone unturned in their efforts to find the path to peace. At the moment, the total number of mills which are working either completely or partially is 42, employing about 40,000 operatives, and this state of affairs shows a great improvement on the previous few days—though it may, of course, be very much changed by the time this appears in print. One of the hopeful features is that there is no panic on the market, and no tendency by speculators to sell mill shares at a loss. One thing which helped the 1928 strike to last so long was that the "Back-to-the-villages" slogan, preached by the labour leaders, proved very successful. At present, however, the villagers would probably not be very pleased to see their Bombay relations, as there is not much doing on the land. It is easy enough to easy that it is only the poor mill operatives and *mazdis* who have been bringing Bombay's good name into disrepute; but there are men of education and wealth in Bombay loud in their declamation of the riots who, by teaching and example, have—unwittingly and undesignedly—helped to create a contempt for law and order which prepares the soil for mob rule and riots.



RUBBER BOARD

THE Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, convinced no one, except himself, of the need for amending the Rubber (Production and Marketing) Act. Moving the Bill to amend the Act, he stated, in Parliament last week, that despite all the "sins of commission and omission," the Government and the interests concerned had served the industry well. In 1953, the output of rubber was 21,136 tons, as against consumption of 22,200 tons. The output is likely to rise to 25,000 tons this year. He paid a tribute to the foreign owners of rubber estates. He said: "The European is very efficient and it is a question of emulating him." If there is any shortfall in output, the industry will have to import rubber. This should impose no great strain on the industry, since Malayan rubber is available at a price lower than that fixed for Indian rubber. He recognised that not all rubber growers get the price fixed for rubber (Re. 1-6 per pound); only the "middlemen, with money and organisation" get the price. Nevertheless, the growers, he stated, had been served better than previously.

For all this, it would seem that there is no urgent need to change the present legislation affecting the rubber industry. But the Minister thinks otherwise. He said, generously enough, that "a lot can be done" for the rubber growers and that it had not been done. He was also frank enough to admit that he could not altogether absolve himself of "responsibility for this inaction." Unconscious of the consideration that the charge that he, like a bad workman, was quarelling with his tools might be levelled against him, he said, "I plead that the instrument I have at my disposal is not good enough." The only explanation he gave for moving the Bill, which seeks to give powers to the Government to appoint the Chairman and the Vice-Chairman of the Rubber Board instead of their being elected from among the non-official members and for raising the cess on rubber, was that he had disagreed with the Board because both he and the Chairman, Mr. Kurien John, were "blunt" men, though he recognised that Mr. John had done "good work." Apparently, between a blunt Minister and a blunt Chairman, it is the latter that must go.

All this sounds too amateurish a sentiment for a Minister to give expression to. Indeed, it would be dismissed as such but for the fact that it raises certain fundamental issues. Mr. Krishnamachari claimed that a non-official chairman would not serve the Board well enough, since he would have other preoccupations. Apart from the fact that the work of the chairmanship of the Board may not justify a full-time worker, it may be wondered whether a bureaucratic chairman with no firsthand knowledge of the industry and practical experience in the field, could do better work than a man who is engaged in the industry. The best that could be said in favour of an official chairman is that he is likely to be disinterested. But then, disinterestedness is no substitute for intimate knowledge. In any case, the Government has ample powers, at present, to modify, amend and even reject the Board's recommendations.

By seeking to alter the principle of election to the highest posts of the Board, the Minister only invited the understandable, though obviously ungenerous, criticism that he wanted to appoint some "favourites" to the office. Several members rightly wondered why the Bill should be brought forward at a time when a commission was enquiring into the conditions in the plantation industry. Nor is the criticism totally unjustified that the Minister is anxious to have more and more power in his hands. Mr. Krishnamachari started off his ministerial career with a diatribe against the non-official element in the Silk Board and entrusted the work of the Board to the Government. This has worked no miracle in the silk industry. He followed it up by the formation of an ineffectual Tea Board with a strong official element. It is unlikely this Board too will perform any miracle. The Minister's attitude towards industry in general and the plantation industry in particular, has been: "I know better than you what is good for you. I can do things better than you. I can also do things which you cannot." This attitude does not inspire confidence. It augurs well neither for the Minister no for the Government nor for the industries concerned.

PLANS FOR DISTRICTS

Economic planning can either commence at the top levels of administration and work itself downwards, or spring from the people whom the plans must ultimately benefit, so that the necessary co-ordination is done at top levels. The essence of all true planning in a democracy is of the latter variety. The chief disadvantage of this type of planning is that it is likely to be cumbrous, slow-moving and that it may frequently involve overlapping. In any case, it will lack the "finish" which a plan, imposed from above, may possess. But it makes up for this deficiency by enlisting popular enthusiasm in the cause for economic planning, by making the people conscious that the plan is theirs and that it is they that will benefit by it and will, therefore, have to work it. The basic weakness of India's First Five-year Plan was that, despite the fact that the best minds were harnessed to the task of planning, it was essentially an "imposed" plan. It is, therefore, gratifying to note that this defect is sought to be remedied by the authors in the Second Five-year Plan.

The Planning Commission states, in a circular to State Governments, that the district will be the pivot of the Second Five-year Plan. Thus, at the district level, there should be information and guidance about the programmes contemplated by the State Government. Within the district, guidance should also be available for the plans of villages or groups of villages with reference to their special conditions. Local bodies should be actively associated with planning so that each of these has a plan of its own which is an integral part of the district plan. The Commission expects that, by the end of the second planning period, the entire country will be provided with the National Extension Service. In working out the details of the district plan, this aim, it is stated, should be kept in view. In National Extension areas, intensive village planning and development can be undertaken to a greater extent than in other areas. The aim, it is suggested, should be that every family has a plan of improvement of its own, becomes a member of a co-operative society, and devotes a portion of its time and resources to the benefit of the community.

Among the specific items suggested for consideration by village planners are: use and production of improved seeds; use of manures and fertilisers; consolidation of holdings; village irrigation works; reclamation of waste lands; contour-bunding and soil conservation; introduction of new crops; improved cattle; development of subsidiary occupations and the improvement of village industries; village communications and other local works programmes. District plans will reflect local resources and requirements. The Commission suggests further that each district may be divided into a few convenient "planning" areas. The special problems of each "planning" area should be carefully assessed and taken into account in preparing village programmes.

Each town, according to the Commission, should have a plan of its own, which has a defined part in the district plan. Each municipal authority, it is accordingly suggested, should work out plans for developing services, augmenting its own resources and integrating the programme of urban development with other activities under the State plan. The Commission contemplates the setting up of development committees at the district level, and the strengthening of these committees, where they are already functioning. The Commission recommends that rural local bodies like district and taluka boards should be associated more fully with these committees. Plans for districts and villages will be fitted into State plans which, in turn, will take cognizance of the national plan.

Such, in broad outline, are the Planning Commission's suggestions for harnessing "local effort and resources" in formulating as well as in implementing the Second Five-year Plan. There is, however, one important consideration, namely, finance. If the village plans turn out to be too ambitious, it is likely that the plans may fail to be implemented, and the rural communities may lose much of their original enthusiasm. What is needed is to see that they prepare plans which are within the bounds of practicability. From this point of view, it is necessary to implement the Commission's suggestion that each village plan should specify the contributions in terms of money, labour and supplies which the villagers themselves are prepared to make and the help which would be required of Government in the matter of technical advice, supplies and finance.

TREND OF PRICES IN 1953-54

On the purchase of every rupee's worth of goods and commodities, the consumer in India had to pay about nine pies more in the financial year 1953-54 than in the previous year. This additional burden on the consumer was the result of a rise of 4.4 per cent. in commodity prices. The general index of average wholesale prices (base: August, 1939=100) for the year under review was higher at 397.5, as against 380.6 for 1952-53. In fact, at one time—during the week ended 8th August, 1953, to be precise—the index had touched the highest level of 412.0.

The upward trend in prices during 1953-54 was rather strange, considering the improvement in the supplies of several commodities, especially foodgrains, and the return of the buyers' market, as reflected in the downward trend in world commodity prices. The increase in the index number is remarkable also because the Government adopted several measures in order to check the rising tendency in prices. These included a ban on sugar and *gur* exports, restriction on groundnut oil export, liberalisation of imports of coconut oil and copra, reduction in import duties on palm oil, copra, sugar and cotton seed oil, opening of fair price shops, increase in the quantum of rations and reduction in the price of imported wheat supplied by the Centre. The effect of these measures was nullified, to a great extent, by the following four factors:

(1) Substantial relaxation in control over prices and distribution of several consumer goods, including cloth, sugar and foodgrains and certain categories of iron and steel manufactures;

(2) reduction in export duties and liberalisation of export policy with a view to maintaining and stimulating external demand for Indian products;

(3) upward revision in the prices of pig iron, steel and rubber;

(4) expectation of lower output in certain important commodities such as sugar, black pepper, cotton and groundnut; and

(5) large demand for commodities like sugar and cotton, owing to increased internal consumption.

To revert to the trend of prices. The prices started rising continuously from the beginning of the year 1953-54, when it stood at 384.9, to reach the highest level of 412.0 during the week ended 8th August, 1953. Thereafter, a gradual fall was noticed and the index touched 389.4 in December, 1953. In the following month, however, it again rose steeply to 398.5 before closing the year lower at 394.0. Taken as a whole, 1953-54 witnessed, as already noted, a rise of 4.4 per cent. in wholesale prices. The rise was shared by all the constituent groups, barring manufactures the index of which fell by 1 per cent. to 367.4. The increase was particularly marked in the case of "miscellaneous" group, being 11.8 per cent.; its index was 686.6. The index of food articles improved by 7.4 per cent. to 384.4, of industrial raw materials by 7 per cent. to 467.7 and semi-manufactures by 4.5 per cent. to 359.2.

Despite the sizable fall of 11.2 per cent. in the prices of pulses, the index of food articles was higher. This was due, in the main, to the continued advance in the prices of food articles such as tea, coffee, sugar, *gur* and salt, and partly to the rise in prices of cereals. The increase in the index number of industrial raw materials was brought about mainly by an improvement in the prices of fibres (cotton, wool, jute and silk), oilseeds and other raw materials. The average for minerals, however, fell, owing to lower export prices of manganese ore, mica and iron ore. The indices for coal and rubber were unchanged. Among semi-manufactures, prices of leather, mineral and vegetable oils, metals, oilcakes and others were higher, while those of cotton yarn were lower. In the manufactured articles group, excepting cotton goods and metal products, all the other items suffered a fall in prices. The decline in jute goods alone was to the extent of more than 7 per cent. Among miscellaneous articles, *vanaspati*, spices and condiments, betelnuts and tobacco leaf all registered an improvement in prices. Cashewnuts, bricks and tiles, on the other hand, moved downwards.

ELECTRICITY UNDERTAKINGS IN THE SOUTH

The Madras Government has published the Madras Electricity Supply Undertakings (Acquisition) Bill, 1954, and the Andhra Government the Andhra Electricity Supply Undertakings (Acquisition) Bill, 1954. Both the Bills seek to re-enact as far as possible all the provisions of the Madras Electricity Supply Undertakings (Acquisition) Act of 1949, which was declared *ultra vires* recently by the Supreme Court.

It will be recalled that several provisions of the 1949 Act were challenged in two batches of civil miscellaneous petitions. In the first batch of cases relating to company licensees, the High Court of Madras held that the power conferred upon the Government to appoint an accredited representative, where the shareholders failed to appoint one, nullified the rights of the company and the directors and was, therefore, invalid. In the other batch of cases, the High Court held that the Act, in so far as it provided for differential treatment of local authority licensees in the matter of payment of compensation in respect of the undertakings of the local authorities taken over by the Government, the procedure was *ultra vires* the Constitution. When the case went in appeal to the Supreme Court, Their Lordships held that the whole Act was *ultra vires* as the Provincial Legislature had no legislative competence under the Government of India Act, 1935, to enact the impugned law in the absence of notification by the Governor-General.

The present Bills seek to re-enact all the provisions of the 1949 Act, excepting those which the High Court has declared invalid and provides for making such minor alterations as are considered necessary, as a result of the actual working of the Act. The subject of "acquisition or requisition of property" falls under entry 36 of the State list in the seventh schedule to the Constitution, and the subject of "principles on which compensation for property acquired or requisitioned for the purposes of a State is to be determined and the manner in which such compensation is to be given" falls under entry 42 of the current list. The State Legislature is thus, competent to enact a law for the acquisition of electrical undertakings.

The 1949 Act permits the Government to take over, in the interests of the public, the generation and supply of electricity in the whole of the State of Madras. According to the statements of objects and reasons of the Bills referred to above, the Government considered, in 1949, that, for the proper development of electricity supply over the vast rural areas, large resources were required. The company or the local authority licensees could hardly ever command such resources. Besides, small-scale distribution of power would neither be effective nor economical. Consequently, the Madras Electricity Supply Undertakings (Acquisition) Act, 1949, was enacted by the Madras Provincial Legislature. The re-enactment of almost all the provisions of the Act by the Andhra and Madras legislatures will restore virtually the original position. Although the States may thus reacquire powers to take over electricity undertakings, it is to be hoped that the powers will be used only sparingly. It is needless to add that, if private undertakings are enabled, through appropriate fiscal and other reliefs, to make the generation and supply of electricity a profitable enterprise, the State Governments will be freed from a heavy responsibility.

COMMUNITY PROJECTS

A five-day Conference of the Development Commissioners of the State Governments, who are concerned with the implementation of the Community Programme and the National Extension Service, is scheduled to be held at Ootacamund on 27th May. The main object of the Conference is to consider, for the first time, the expansion of the Community Programme and the National Extension Service during the second Five-year Plan. The Commissioners will also consider the operational position, that is, the progress of community projects and the National Extension Service in the various States and the extent to which the programme for training the project personnel which has been initiated has helped in the implementation of the Programme and the steps to be taken to accelerate training. Further, they will enquire into adjustments needed in the administrative set-up of the community projects and extension blocks, with a view to making them function smoothly and efficiently as an integral part of the normal governmental machinery. An important subject for discussion will be the extent of people's parti-

(*Continued on page 963*)

OFF THE RECORD

(By "ROVER")

SUGAR is in a sorry mess once again. All the desperate but misguided efforts of the Food and Agriculture Ministry for bringing down the cost of sugar have failed miserably. For the small domestic consumers, sugar is selling in a greater part of the country today, exactly a month after the heroic scheme of the authorities to flood the country with cheap sugar was announced, at more or less the same rate at which they were obtaining it, before. Even apart from the consumers, the wholesale market quotations for Indian sugar even in the port city like Bombay is several rupees higher than the rate at which Government is supplying sugar practically to anybody who cares to apply for an allocation and pays the requisite deposit of Rs. 5 per maund.

All that the Government has succeeded in doing is to arrest the further rise in prices which might have followed and to transfer some profits from the factory to the traders and to pocket a part of it itself. It was, indeed, both cynical and callous of the Government to have utilised the distress of the people for making a few crores of rupees by way of profits by requisitioning sugar at an uneconomical price from the factory and assigning it to the trade at a higher price. The average cost of rail transport per maund is bound to be less than the difference of Rs. 3-14 now and Rs. 2-14 per maund after the middle of this month, which the Government is earnings from what it ironically calls a strictly commercial transaction between the factory and the sugar merchant to whom this sugar is allotted.

A few months ago, when sugar prices were rising, the Government of India played the same trick of making several crores of rupees as profit, under the guise of rushing to succour the public in distress. The obvious thing to do then was to sell the imported sugar at cost, to break the back of the swiftly soaring price range. The Food Ministry is today paying Rs. 27-2 per maund, ex-factory, to the sugar mills. If this be a fair price in its opinion, it should have sold imported sugar at port towns at a price in parity of this price for Indian sugar, which would have come to about Rs. 77-8 per bag at the most, including transport and town duty, etc. Instead, it chose to sell it at Rs. 82-8, i.e., about more than Rs. 50 higher per ton. Even at the price of Rs. 77-8 per bag, there would have been a very wide margin of about Rs. 5 per bag left for the Government, besides the handsome amount it was earning by way of customs duty.

Had the Government been more alert and businesslike in arranging for imports of sugar and had it sold it at a price, which it considered would be fair to the sugar industry in the country on parity, the abnormal rise in prices which has been witnessed since March would have never been there. Incidentally, the higher price at which the Government sold imported sugar and coolly pocketed a few crores, under the plea that it did not want to injure the industry in the country, goes to prove that the price at which it is requisitioning as much as a quarter of the production of sugar from the mills today must be distinctly ruinous for the indigenous industry. In making a profit on this requisitioned sugar, the Ministry of Food is not merely a self-confessed profiteer, but it can as well be held guilty of injuring the industry in the country also.

It is for the Ministry to state in clear terms whether the price of Rs. 27-2 per maund which it is paying today is a fair price for the factory or not. If it is, the Food Ministry stands self-condemned for profiteering on a vast scale in imported sugar and for victimising the public whom it is supposed to protect. If it is not a fair price, it is unfair to the sugar industry. If the Government needs more revenue, there are fair and constitutional means open to it for levying taxes. This quixotic and misplaced zeal, on the part of a Ministry not connected with finance and revenue, to augment the income of the Government by robbing the consumer, exactly when, by Mr. Rafi Ahmed Kidwai's own showing, he is being distressingly squeezed, is a matter of which the Taxation Enquiry Commission which is in session should take note. In the meantime, it is poor consolation for the consumer of sugar that, though he is being systematically bled, the one who is doing it is not the rapacious merchant or the greedy manufacturer, but his own benign Government who has rushed to his assistance.

It might be interesting to examine why a scheme, which was loudly claimed to be foolproof, has failed even after a month to produce some tangible results. To start with, the Ministry being inexperienced in the ways and machinery of commerce and industry, did not know that, in times of emergency, it never pays to disturb and disorganise the delicate fabric of trade. The officials, being, perhaps, ignorant of the fact that ours is a very vast country of great distances with thousands and thousands of small and big towns, each with a number of sugar merchants, did not realise the stupendous task of directly supplying these innumerable merchants stocks of sugar for them to distribute to crores of consumers spread over seven lakh villages. What the selling organisations of one hundred and fifty factories and the vast and complicated wholesale, semi-wholesale and retail trade organisation in the country, with years of experience and specialised ability, is doing for distribution of sugar from the factory to the small wholesaler, who deals in lots of one or two hundred bags, the Secretariat of the Ministry tried to do single-handed with disastrous results.

The Ministry should have known that the factories would naturally carry out their orders, but there was no reason to expect that they would be enthusiastic and efficient about this. Not knowing anything about established trade practices, it devised, to start with, a fantastic system of payment for supplies, which put the back of the factories up. By this time, all the weird and bizarre provisions of about sixteen or more State Sales Tax Acts started a witches' dance on their own. Being totally innocent of this nightmarish legislation, the officials naturally forgot to take into account the agonies they would create for everybody concerned. Heavy allocations in the name of some of the sugar trade orgnisations in Bombay and their efforts to transfer the transactions in the name of their constituents to avoid the barbed wire entanglements of the State Sales Tax Act, gave rise to irritations and delays, which have not yet been got over. It was impossible for the Ministry's officials stationed in Delhi even to understand the difficulties experienced by the factories in complying with their release orders for supplies to these trade bodies and much more so to find a way out of them.

Knowing these difficulties and complications, I am not in the least inclined to blame the officials of the Ministry for the clumsy way in which the machinery of the Ministry has tried to tackle this hopeless job. The Secretariat, though it may be efficient and well conversant with its usual chores, cannot be expected to handle matters beyond its ken and experience. A large part of the sugar, which has been requisitioned on paper, is still lying in the godowns of the factories. In the meantime, the usual releases from the mills for free sales, which kept the markets supplied, have been stopped and all their sugar frozen. The rains will soon be upon us and transport of an easily perishable commodity like sugar will be both more difficult and risky in the monsoon. As the old stocks are consumed, new pockets of scarcity are being created every day in the countryside. The lucky few, who are able to secure supplies against their release orders on mills within reasonable time, will begin a fresh wave of profiteering.

What this new brain wave of the Ministry of Food has achieved so far is not to bring down prices, but to create conditions of an artificial famine in sugar in a large number of towns, which would help the traders in gradually pushing up prices for consumers, to a level higher than where they stood when the grandiose scheme was conceived. In normal times, each factory dealt with a few reliable and selected dealers in a few big towns and despatches were quick and in large quantities. Now, they have been ordered instead, to deal with quite a large number of unknown merchants in scores of towns and to supply each of them a small quantity. The trade channel through which sugar used to flow smoothly having been thus blocked up, the sugar will still overflow on the sides, but with delay, difficulties and damage. All this turmoil and torture would not have been gone through in vain, if it teaches our politicians and bureaucrats that the established trade machinery also performs a valuable social service and that it is necessary to know and study it, before presuming to control it.—*All Rights Reserved.*

UNION GOVERNMENT'S PREPARATIONS FOR SECOND FIVE-YEAR PLAN

INDUSTRIAL SECTOR LIKELY TO RECEIVE MORE EMPHASIS

(From A Special Correspondent)

NEW DELHI, 11*th May*

THE Planning Commission has now begun to think of the second Five-year Plan. It has sent a circular to all the State Governments inviting suggestions, proposals, information, etc., regarding the next Plan. It is anxious that the next Plan should be a well-thought-out and well formulated one. The first Plan was, it will be remembered, formed on an *ad-hoc* basis, and most of the schemes it began to implement were those which had been discussed and to some extent given shape by the previous Government. For instance, the Damodar Valley Scheme was more or less ready for implementation, the project having been born as a result of the devastating floods of this river in 1943. Similarly, the Hirakud Dam was thought necessary to control the floods of the Mahanadi. The Bhakra-Nangal Project was conceived before the Partition and priority was given to this project, not only because of its usefulness but also on account of the necessity to provide work for the vast refugee population. The Tungabhadra Project in the South, the foundation-stone for which was laid by His Excellency Sir Arthur Hope (Madras Governor) in about 1943, was essentially a war-time scheme. Many of the big industrial projects were also a war-time conception. For example, the Sindri Fertiliser Project was conceived following the terrible Bengal Famine of 1943. The Hindustan Aircraft Factory or, for that matter, the Vizag Shipyard, was started during war-time. Again, when the idea of the first Plan was being mooted, the country was in the grip of a galloping inflation, the wholesale index number standing at the peak figure of 462 in April, 1951. The food question became the foremost problem while the supply of raw materials to the two leading industries of the country, namely, jute and cotton textiles, was causing considerable headache to the Government.

DELHI LETTER

Disinflationary Measures

It was against this background that Mr. C. D. Deshmukh, Finance Minister, began to tread the ground slowly and cautiously but steadily upward. He undertook a number of disinflationary measures so as to attain stability on the financial front and at the same time, began to pursue a progressive expansion policy. Within two years his policies began to bear fruit, which were greatly helped by the two favourable agricultural seasons during 1952-53 and 1953-54. Despite these improvements in the general economy of the country, certain undesirable features have become manifest in the country during the fourth year of the Plan. The foremost is the unemployment problem which has now reached staggering proportions. The educated unemployment in the urban centres has taken a menacing shape, providing a first class breeding ground to all extreme leftist doctrines. In the villages also, the position of the landless labourers and the low fixed-income group people has become precarious due to the prevalence of an inflationary economy in the country for well over a decade. At the same time, there has been a phenomenal rise in the consumption of a number of daily necessities such as sugar, vegetable oils, tea and coffee.

Under these circumstances, the Government of India has been anxious to formulate the second Plan in such a manner as to tackle all these problems effectively. It has a twofold objective. One is to strengthen the general economy of the country as much as practicable. The second is to generate the enthusiasm of the masses for the ideas of planning and progress. With this end in view, the Planning Commission wants to pursue a sort of decentralised policy. The local people should be enabled to contribute as much as possible both with their brawn and brain, not to speak of money also. It is proposed to take a district as a unit in this connection which will be asked by the Government to formulate its own plans, as also the ways and means by which they should be implemented. In other words, the initiative for planning will be given to the district. The Government of India has now begun to feel this policy will be productive of results. If the enthusiasm of the villagers and local people is harnessed, the sum total of achievements all over the country will become colossal. Since the improvement in the food production in the country during the last two years has been, to a considerable extent, the result of the success of the minor irrigation plans, it is suggested that the district plans will show substantial progress eventually in different spheres.

Multi-purpose Projects

At the same time, the big multi-purpose river valley projects will be fully implemented. When the second Five-year Plan commences, most of the present multi-purpose projects such as the Bhakra-Nangal, Damodar, Hirakud, etc., will be in the final stages of completion while others such as the Kosi, Chambal, Rihand and Krishna projects, will be in the first stage of execution. In the formulation of these projects, the Government of India has to bear in mind certain factors. For instance, in the next few years India has to step up appreciably its raw cotton and sugar production. Now that the consumption of indigenous cotton has risen to about 40 lakh bales per annum, it has to revise the production target of raw cotton to about 60 lakh bales during the next Plan period because of the possibilities of higher domestic offtake and export demand. Sugar production will have to be doubled from the present scale in view of the steady increase in the domestic consumption in recent years and for this purpose, the irrigation projects in Andhra, Deccan, Hyderabad, etc., should be given top priority. Intensive cultivation methods have to be pursued in respect of jute and other commercial crops such as groundnut, linseed, etc., and these commodities must also be included among those that figure in the crop competition list.

The industrial sector is likely to receive greater emphasis than hitherto. Since steel is the very basis of all the industries, its production target will have to be fixed at about five million tons. Not only should the Bilhai Project in Madhya Pradesh be taken in hand, but one or two plants in Hyderabad and South India also should be set up. Now that the lignite resources of South Arcot district can provide good fuel resources, plans should be prepared to utilise the aluminium and iron ore resources of Salem by setting up two factories for this purpose. Similarly, the possibilities of the expansion of the Bhadravati Steel Works in Mysore State could also be explored. These expansions are necessary not only because of defence and strategic requirements but also with a view to removing the transport bottleneck in the South. By developing sugar industry in the Deccan and the South considerable transport economy could be obtained. Again, till now very little has been done to stabilise and improve the dollar-earning commodities such as pepper, cashewnuts, etc. Similarly, the development of the Malnad in the Mysore and the Bombay areas has become necessary in view of the possibilities of stepping up the exports of coffee. In regard to railways, the necessity for the electrification of some sections has become imperative with a view to effecting economies in the consumption of coal. In the industrial sector, the Government is anxious to bring about a close integration between the public and private sector in order to improve the general economy of the country. Special encouragement is expected to be provided for establishing industries in which private capital has not been forthcoming in adequate measure.

Financial Aspect

In the financial sphere, the second Five-year Plan will continue to present certain difficulties. Now that the national income of the country is around Rs. 10,000 crores, the total outlay in the fourth year of the first Plan at Rs. 545 crores works out roughly at 5.5 per cent. Next year, the percentage of the expenditure will be raised to slightly above 6 per cent., while in the first three years of the Plan period, it worked out to 3.15 per cent. per annum on an average. When the second Five-year Plan commences, the expenditure under the Plan may be around 7 per cent. of the national income, that is about Rs. 700 crores. This rate of expenditure is necessary in order to maintain the economic tempo in the country. If the ratio of expenditure to the national income were to be increased by about 1 per cent. every year during the second Plan period, the aggregate expenditure will amount to Rs. 4,500 crores as against Rs. 2,244 crores during the present Plan. In other words, the total outlay is expected to show a hundred per cent. increase during the next Plan. The Finance Minister will continue to find it difficult to raise sums of this magnitude, through taxation and public borrowings. No doubt the income from these sources will improve with the increased economic activity in the country, but the Finance Minister will have to depend partially on deficit financing for achieving his objectives since the possibilities of external aid during the coming years may not be adequate to met the deficit needs of the Plan. In other words, the principle of deficit financing for development purposes has come to stay in the country.

The Industrial Disputes (Amendment) Bill, which was introduced in the Council of States on the 6th inst., provides for extension of the original Act to plantation workers. According to the statement of objects and reasons of the Bill, the Industrial Committee on Plantations has recommended that these provisions should be applied to the plantation industry with effect from 1st April, 1954, subject to the condition that none of the provisions of the Act derogated from the effect of any statutory notifications issued by Governments or of any agreements or contracts entered into between the parties requiring the provision by employers of a minimum number of days of work or of wages or of compensation to workers. The Bill is intended to give statutory effect to this recommendation. The Act, as amended last year, provided for payment of lay-off compensation to workers in factories covered by the Factories Act, 1948, and in mines coming under the Mines Act, 1952.

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INDIA IN BRITISH INDUSTRIES FAIR

ENTERPRISING DISPLAY

(From Our Own Correspondent)

LONDON, 8*th May*

INDIA has come back to the British Industries Fair with a vengeance. For the last two years its stand has left a gap in the otherwise complete displays of the Commonwealth countries, and it seems that the reason has been it was reorganising its technique of presenting itself commercially to the outside world. There is, of course, a permanent Indian commercial exhibition centre in the heart of London but it is no substitute for representation at the British Industries Fair. There, this year's Indian stand has stolen the thunder of every other country represented. It is not only the largest; it is also the most tastefully arranged, and the most interesting. In its centre fountains play coolly in blue-tiled lily ponds, and arranged round these are exhibits of jute and textiles, handicraft industries, leather, timber, cotton and silk manufactures, carpets and so on; each a special group and yet each homogeneously blending with the rest. The enterprising display of carpets includes the exhibit of a shoddy carpet as a warning to the public of what not to buy. The coir and coir products have aroused the greatest interest, particularly from continental buyers, and a completely novel feature is the display of machine tools by a Bombay firm. It is most interesting to find that, although handicrafts play their part in the exhibition, in the enquiries made by visitors the principal emphasis is on the products of India's modern industries.

LONDON LETTER

India is also indirectly represented in the large exhibit of the successful Everest 1953 Expedition which fills the centre of the largest exhibition building. Here are shown all the products used on the Expedition and around the exhibit the firms which contributed to the products and to the success of the Expedition have a comprehensive display of their wares—the special types of clothing, the tents, the specially prepared foods and the means for heating them, and the oxygen and medical supplies.

Attendance Figures

This year's Fair in London is by way of contrast smaller than its most recent predecessors, and the figures for the first few days show a drop in the attendance of both home and overseas buyers. The attendance figures for the first four days are: Overseas buyers 4,600 as against 4,900 last year; home buyers 15,000 as against 20,000 last year.

It may be that this is simply a reaction from the heavy attendances of recent years, but it is also reflected in the show-cases which many firms have set up this year instead of stands which require staffing. Yet this smaller exhibition has numerous examples, of which the piano section is the most outstanding, of very great interest being shown by the buyers who have come. There are few piano manufacturing firms which have not sold the whole of their stands and booked very substantial orders for all parts of the world.

Much of the interest of this year's exhibition lies in the concentration on quality in design. It may be that the many firms making different goods who have decided to stay away have shown up the remainder, but the British Council of Industrial Design has undoubtedly contributed to the interest of the displays by its own "Design Centre" which groups together a great number of domestic and industrial products ranging from door handles and furniture to machinery and where special attention has been given to pleasing design as well as efficient functioning.

Another feature of the exhibition is the growth in the variety and size of prefabricated buildings. Originally designed to alleviate the post-war housing shortage in this country, the technique of prefabrication has now been applied to high quality permanent houses for erection in this country and to buildings for erection abroad either in connection with some development scheme such as the townships that grow up when a great dam has to be built or even a large exhibition manned, or to houses and hospitals for the tropics. Wherever the erection of buildings from local labour and materials on the site presents difficulties, it is now possible to have the building produced in this country and put up rapidly where wanted. A good example of this is the very fine house for erection in the tropics built with light steel and aluminium sections, and special weather and ant-resisting plasterboard, with movable glass panels as an important feature for light and ventilation. But if a buyer wants his house fully mobile, he can now have a caravan 50 feet long which can be split into two parts for towing, or he can have one 12 feet long which in a confined space can give him as luxurious a home, including a bath set into the floor, as he could hope to have in the most permanent of buildings.

Other travellers are catered for by a section for sailing craft, the principal one of which is a large auxiliary sloop 35 feet long and 12 tons in weight, with a mast towering 50 feet high. This will cost the buyer over £3,000, but for little more than single figures he can buy a collapsible canoe which he can take to the roughest seas and the fiercest rapids anywhere in the world.

Conventional Displays

The other displays are more conventional. British firms have always led in the production of office appliances and machinery for the printing and allied trades. These exhibits are even better than in most past years. The British watch and clock industry shows the latest advances in competition with the Swiss, and it is a maker of British watches who can claim that it was one of his products that was used to tell the time on the top of Everest on the 29th May last year!

The scientific instruments section is smaller than usual, nuclear research having apparently decided to give the B.I.F. a miss this year, and the heavy chemical industries and allied products are notable by their absence. They may have decided that they are too busy this year and have concerted together to keep away. The pottery and glasswares section are as unrepresentative as usual of what the British industry can really do when it sets its mind to it, and the textiles section, though large, has no special feature about it this year.

The buyer, however, has rather more room in which to move and, in most cases, rather better products on which to concentrate. The British Industries Fair was certainly getting overcrowded, and it will be interesting to see whether the firms which have given the Fair a miss this year decide to come back to it in force next. Meanwhile, from all reports, those buyers who have made the trip to London are fully satisfied that their journey has been worthwhile.

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STERLING AREA TRADE IN 1953

The volume of sterling area trade in 1953, according to the U.K. *Board of Trade Journal*, showed little overall change from the previous year. Exports were worth slightly less than in 1952, although their volume was maintained. The demand for primary commodities was barely maintained at the reduced level to which it fell in 1932. Any further fall was prevented, however, by increased industrial activity in Europe and purchases by East European countries. Increased prices brought bigger earnings for wool and tea. Imports were worth 9 per cent. less than in 1952, but the various import cuts imposed in 1952 were largely restored and the volume of imports gradually recovered to the early 1952 total. The value of exports to non-sterling area countries was some 4 per cent. lower than in 1952, although volume was about the same. Imports from non-sterling countries was valued at 15 per cent. below that in 1952 and 25 per cent. below the 1951 level. There was, however, a marked increase during 1953 from the low fourth quarter of 1952, accompanied by falling prices and the volume of sterling imports from the rest of the world may not have been much lower in 1953 than in the previous year. There was an appreciable improvement in the sterling area's balance of visible trade with the rest of the world—imports on a trade basis (c.i.f.) exceeded exports by £116 million in 1951, £968 million in 1952 and £492 million in 1953. Exports exclude Middle East oil, amounting to some £150-£200 million (f.o.b.) in 1952. The reduction of £24 million in U.K. exports to non-sterling countries concealed a rise of £27 million (7 per cent.) to the dollar area and £49 million (7 per cent.) to O.E.E.C. countries.

(Concluded from next column)

Pakistan has also obtained a special credit of £10 million from the U.K. and loans aggregating $30.45 million from the World Bank. In addition to the direct economic assistance and loans, Pakistan has received aid in the form of wheat gifts. Australia has supplied £A.2 million worth of wheat and Canada $5 million worth. The U.S. has supplied 700,000 tons of wheat.

PAKISTAN NOTES

DEVELOPMENT OF SHIPPING

ECONOMIC AID FROM SWEDEN LIKELY

THE assumption of responsibility for the establishment of shipyards and the reorganisation of ship-repairing activities in East Bengal by the Pakistan Industrial Development Corporation (P.I.D.C.) marks a new phase of development in the sphere of Pakistan shipping. This is in pursuance of the agreement signed some time ago between the P.I.D.C., on the one hand, and the Central and East Bengal Governments, on the other. The P.I.D.C., in consultation with German technical advisers, is reported to have decided to build two shipbuilding and ship-repairing yards in East Bengal, one at Khulna and the other at Narayanganj. Work on the construction of the former is understood to have commenced already.

The dockyard at Narayanganj is to be modernised to cope with the increasing traffic move efficiently. The Narayanganj shipyard will not only specialise in the repairs of diesel engines and riverine craft but also manufacture boats to meet the requirements of the Province's inland transport system. The Khulna shipyard will have seven shipways to enable the hauling of seven boats at a time for underwater repairs. This shipyard will also be equipped with a dry dock large enough to take in the boats that are presently being used or are likely to be used in East Bengal. A shipbuilding company is also likely to be floated by the Pakistan Industrial Development Corporation, in which the East Bengal Government will hold shares and will be represented on its Board of Directors. The total investment in the proposed project is estimated at about Rs. 1.25 crores.

Road Development

The Government of Pakistan has decided to grant Rs. 5 crores to the Provincial and State Governments for implementing the programmes of road development. The programmes envisage the construction and improvement of about 1,348 miles of selected arterial roads in the country. The aggregate capital outlay on these programmes amount to Rs. 10 crores. About Rs. 1.11 crores have already been spent. In the programmes, high priority has been accorded to the Karachi-Lahore-Peshawar road which is the principal highway of West Pakistan.

Aid From Sweden

Questions relating to economic aid from Sweden to Pakistan were discussed recently by a Swedish delegation with the representatives of the Pakistan Government. The proposed aid is expected to have the form of the establishment of a centre for training young men in specific fields of small-scale industries in which Sweden has particular skill and experience. A special feature of the scheme, it is claimed, is that it will turn out not technicians looking for jobs but men who will be qualified and actually prepared to set up small units of production. Accordingly, the training covers instruction on management and economics of small industries. The basic objectives are to augment production and supply of consumer goods within the country and to assist the small *entrepreneurs* to establish industries on sound and scientific lines. The centre is also to provide short-term courses and consultant services for men and units already engaged in the field.

Foreign Assistance

So far, Pakistan has received over Rs. 29.2 crores as direct economic assistance under the Colombo Plan and the U.S. Point Four Programme. The bulk of the assistance, amounting to Rs. 14.6 crores, is accounted for by the U.S. and has been utilised for implementing the major agricultural, industrial and power development projects. Among these, mention may be made of the fertiliser plant at Daudkhel, village aid project, Karachi water-supply and distribution scheme, and college exchange programme. Canada has provided Rs. 9.6 crores, the major portion of which has been spent on the construction of a cement factory at Daudkhel, the Warsa project and the aerial survey. Contributions from Australia and New Zealand amount to £A.5.7 million and £750,000, respectively. The former has been utilised for importing diesel tele-communication equipment and the latter for erecting a cement factory at Hyderabad (Sind), as also for executing the development projects in Baluchistan.

(Continued in previous column)

WORLD'S GOLD AND FOREIGN EXCHANGE RESERVES

RISE OF $1.5 BILLION IN 1953

THE improvement in the world's gold and foreign exchange reserves witnessed in 1952 gathered further momentum during 1953. Thus, the gold and foreign exchange holdings of central banks, stabilisation funds and other Government institutions of countries outside the Soviet bloc as at the close of 1953 were substantially higher by $1.5 billion (American) at $47.8 billion as compared with those a year before, according to the latest issue of the *International Financial Statistics*. This represents a record, surpassing the previous figures attained in 1951 by $800 million. The improvement will be even more perceptible if the holdings of the international agencies also are included. The aggregate world gold and foreign exchange holdings as at the end of 1953 stood at as high as $56.7 billion, which compares very favourably with $54.50 billion a year before and $53.75 billion two years before.

Of the rise of $1.5 billion in reserves during 1953, foreign exchange holdings accounted for the major portion, the exact quantity being $1 billion. Addition to gold holdings was to the extent of $450 million, which is the largest in any post-war year.

Trend of Improvement

The table below indicates the trend of improvement in gold and foreign exchange reserves during 1953 as compared with the position that obtained in the previous two years, as also in 1938:

(In million U.S. dollars)

	1938	1951	1952	1953
GOLD				
U.S.A.	14,592	22,873	23,252	22,091
Canada	186	842	885	986
Latin America	690	1,932	1,805	1,980
E.P.U. countries	6,060	4,010	4,495	5,100
U.K.	2,877	2,200	1,500	2,300
Other sterling countries	535	627	620	612
Rest of the world	945	960	920	840
International agencies	14	1,710	2,047	2,047
Total	25,900	35,150	35,500	35,950
FOREIGN EXCHANGE				
U.S.A.	84	984	979	840
Canada	100	1,140	1,310	1,550
Latin America	440	3,160	3,850	4,850
E.P.U. countries		174	453	246
U.K.	635	4,426	3,830	4,225
Other sterling countries	450	2,710	2,430	2,220
Rest of the world		6,014	6,118	6,763
International agencies				
Total	1,700	18,600	18,950	20,700
Grand total of gold and foreign exchange holdings	27,600	53,750	54,500	56,650

The foregoing statement reveals that the aggregate world gold reserves as at the end of 1953 stood at $35.95 billion, which represent approximately half the total world gold production. In the previous years, the rise in the official gold reserves accounted for smaller proportions of new gold output. The apparent decline in the demand for gold by private individuals is reflected in the fall in the price of gold in the free markets of the world. The premium on the official price of $35 per ounce in Brussels at the end of 1953, for instance, was less than 5 per cent. a year before and 30 per cent. in June, 1950. Incidentally, the price of bar gold in the Brussels market converted to its U.S. dollar equivalent at free exchange rates has been taken as an example of the world free market price of gold.

An idea of the gross foreign exchange assets of the world can be had from the following table:

(In million U.S. dollars)

	1950	1951	1952	1953
Dollars	4,338	4,064	5,195	6,047
Sterling	8,132	7,901	6,520	6,966
Credit to E.P.U.	402	665	1,077	1,272
Balances with B.I.S.	250	192	364	353
Errors and omissions	—97	—222	—306	—713
Gross assets	13,125	12,000	12,850	13,925

It will be seen from the foregoing figures that the liabilities of the U.S. to foreign official agencies increased by about $850 million, of E.P.U. to member-Governments by $200 million and of the U.K. to all foreigners—official and private—by $450 million. The total rise of $1,500 million thus exceeds the increase in the world's official holdings by $500 million. The gross asset data include also other currencies, the holdings of which appear to have declined during 1953. The U.K. liabilities figure is somewhat large, because it includes liabilities to private holders, an element that probably grew appreciably during 1953. The greater readiness of private banks and individuals to hold sterling is indicated by the higher level of the "free" exchange rates for sterling in 1953 than in earlier years. The discount in the exchange rate for transferable sterling in New York from the official rate for convertible sterling has been taken as an example of the "free rate for sterling."

The rise of $450 million in the value of the world's official gold reserves was, however, concurrent with a decrease of over $1 billion in the gold holdings of the United States. Consequently, the gold holdings of the world other than the U.S. and the Soviet bloc increased by more than $1.5 billion during 1953. The whole of the increase of $1.5 billion of foreign exchange is held by countries other than the U.S. Hence, the total gold and foreign exchange holdings of these countries increased by about $2.7 billion, or over 10 per cent., to a total of $25.7 billion, and their holdings of gold and dollars rose by more than $2.4 billion, or approximately 15 per cent., to a total of $17.9 billion.

Balance of Payments

The main balance of payments transactions of the three largest trading nations—the U.S., the U.K. and Canada—together with a column for the rest of the world, computed as an offset to the transactions of the three countries, is indicated in the table given below:

(In million U.S. dollars)

	United States	United Kingdom	Canada	Rest of World
Goods and services	290	390	—584	—96
Private capital and donations	—530	—520	430	350
Errors and omissions	270			
Non-monetary gold exports	80	—130	—154	254
			144	306
Government capital and grants	30	—130	—10	560
Increase in short-term liabilities to—	—2,160	130	—10	1,990
Independent countries—Official holders	850	440		
Others	30			
Colonies		100	—20	—410
Decrease in net private short-term assets	90			
Increase in gold and foreign exchange (that is reserves)	—1,160	590	—40	2,140

The figures relating to the aforesaid three countries cover transactions with one another, as well as with all other countries, while those for the rest of the world are estimates of transactions with the three countries plus an estimate of gold production (less consumption and absorption in hoards) in the world outside the three countries.

The increase in the official net reserve position of the rest of the world approximately equalled exports of non-monetary gold and the U.S. Government grants and loans. The reserve accounts of Canada were nearly stable, since its large deficit on goods and services was offset by receipts of private capital. The U.K. increased its official reserves by almost $600 million, but this was offset by an increase in the U.K.'s foreign liabilities in sterling. For "the rest of the world," U.S. Government grants and loans to these countries were approximately equal to the rise in their gold and foreign exchange holdings, while exports of non-monetary gold approximately equalled the estimated reduction in their short-term liabilities to foreigners and increases in their private holdings of exchange.

Data Inadequate

Though detailed, the foregoing account is not so comprehensive as to cover the whole of the world's gold and foreign exchange holdings. For the figures for each of the areas are only estimates which are subject to "reservation." For several countries, no data are available and estimates are incorporated in the totals. Thus, for Argentina, no data are published for the period after 1948, and for France no data are published on the holdings of the Stabilisation Fund. However, most of the other countries for which data must be estimated do not have large official gold and foreign exchange assets. The dollar component of the foreign exchange holdings of the U.K. contained in these tables is the difference between the U.S. Federal Reserve Board's estimates of the U.K.'s gold holdings and the U.K.'s reported holdings of gold and U.S. and Canadian dollars.

The estimates of dollar liabilities are also subject to reservation. Data are available from U.S. sources for the total of U.S. liabilities to all official agencies, but for each country only the sum of liabilities to official agencies and other banks is published. Canada, Cuba, Germany, Japan, the Philippines, and Thailand publish data relating to their official holdings of U.S. dollars, and these have been incorporated in the regional totals of dollar assets. The U.K.'s dollar holdings are obtained from the estimate described above. Estimates for the dollar countries of Latin America are derived by dividing the total U.S. liabilities to Governments and banks in all those countries, in the proportion that the total holdings of foreign exchange are divided between the central and other banks in the ten Latin American countries for which this information is available.

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RENEWAL OF E.P.U.

The life of the European Payments Union has been extended for one more year from 30th June next. The extension was the outcome of the two-day discussions on the E.P.U. held in Paris on the 5th and 6th inst. by the O.E.E.C. Council of Ministers. From the discussions also emerged certain general principles accepted by the Council. These include: (1) immediate cash payments by different countries in part settlement of their deficits; (2) the funding of a substantial proportion of the remaining balance on conditions to be established separately for each case by bilateral negotiations between each debtor and creditor; (3) the creditors will be entitled to mobilise in international markets the funded balances, provided agreement to this end is reached with the debtor concerned; (4) part of the E.P.U.'s own resources (originating from the earlier special U.S. grants to some small countries) will be used to reimburse fresh advances by creditor countries; (5) the percentage of gold payments by the E.P.U. in the settlement of surpluses will not be increased above the existing percentage (50 per cent. when the quota is exceeded).

The agreement embodying these general principles represents a modified version of the British proposals, with changes originating from the Swiss compromise formula discussed at the meeting of the Council. Details of the E.P.U. renewal are yet to be worked out.

Commenting on the implications of the agreement to Britain in particular, the *Financial Times*, London, observes:

"So far as can be judged, the conditions on which the renewal has been agreed are broadly in line with the proposals made by this country. Germany, the principal creditor, has agreed both to extend further credits and to take steps to counter the other O.E.E.C. countries. The United Kingdom, on its side, has undertaken to make a cash payment in part settlement of its debt—presumably the £30 million which it had already offered—and has secured agreement in principle that a large part of the remainder of the debt should be funded. This part of the agreement cannot, of course, be judged finally, until it is known what this will mean in practice. But since the negotiations are to be bilateral, the United Kingdom will be able to press strongly on the Germans the pattern of the proposal that creditors should receive a higher proportion of gold payments has been resisted."

TAXATION OF BANKING COMPANIES

A CASE FOR SPECIAL TREATMENT

(By A Correspondent)

WHENEVER banking companies demand tax concessions or reliefs for the purpose of strengthening themselves, they are told that, if such concessions or reliefs are granted to them, in justice they will have to be granted to other joint-stock companies also and that this will mean excessive loss of revenue, which the Government cannot afford to bear. When this argument is advanced for not granting tax concessions or reliefs demanded by banking companies, it is forgotten that banking companies hold a special position in the country's economy, which is not held by other joint-stock companies and which justifies the grant of tax concessions or reliefs to them to the exclusion of other joint-stock companies. In the interest of the economic welfare of the country, therefore, it is very desirable that the authorities as well as the public should appreciate the special position of banking companies. The following paragraphs are meant to elucidate this special position.

While each of other joint-stock companies confines itself to a particular activity, banking companies, being credit institutions, perform the national service of providing a part of the finance required by agriculture, trade, commerce and industries, which are carried on by individuals, partnership firms and/or joint-stock companies. Without such finance, all these sectors of the nation's economy would be unable to pursue their respective activities to the same extent. Thus, whereas the stock-in-trade of other joint-stock companies consists of particular kinds of goods, the stock-in-trade of banking companies is money, which is needed by all joint-stock companies for pursuing their respective activities. This is seen from the fact mentioned in an article entitled "Bank Advances: June 1953" prepared by the Research Department of the Reserve Bank of India and published in the October 1953 issue of the *Reserve Bank Bulletin*, that, on 30th June, 1953, the total advances of Scheduled banks amounted to Rs. 544.87 crores, out of which advances to industrial concerns amounted to Rs. 188.96 crores; the advances made to the cotton industry, jute industry, other textiles, engineering, sugar, vegetable oil industry and chemicals and dyes were Rs. 50.76 crores, Rs. 11.92 crores, Rs. 12.47 crores, Rs. 14.58 crores, Rs. 32.74 crores, Rs. 8.65 crores and Rs. 8.44 crores, respectively; the total advances of non-Scheduled banks amounted to Rs. 41 crores, out of which advances to industrial concerns amounted to Rs. 6.05 crores. The special position of banking companies and the service which they are rendering to all other joint-stock companies have been recognised by the Planning Commission. According to the Five-year Plan, banking companies are expected to make Rs. 150 crores more in the form of working capital available to industrial companies in the private sector, which has been assigned an important role in the Plan.

Special Responsibilities

Further, the terms of reference of the Committee recently appointed by the Reserve Bank of India, with the approval of the Government of India, under the chairmanship of Mr. A. D. Shroff, bring out the special position of banking companies. The terms are "to examine how increased finance, particularly bank finance, can be made available to the private sector, through sources other than those which are under the consideration of the Taxation Enquiry Commission."

The special position of banking companies is again indicated by the fact that, while other joint-stock companies are subject only to the provisions of the Indian Companies Act, banking companies are subject not only to the provisions of the Indian Companies Act, but also to the much stricter provisions of the Banking Companies Act. Further, additional provisions were incorporated into the latter Act in 1953, so as to impose special responsibilities, which are very onerous, upon the directors of banking companies. Directors of other joint-stock companies are free from such responsibilities. The more important special responsibilities imposed upon directors of banking companies, which are in liquidation, are as follows:

1. The depositions made by directors in their examination before a High Court can be used in evidence against them in all proceedings, civil or criminal.

2. When a *prima facie* case is made against a Director, the High Court can make an order against him to repay and restore the money or property, unless he proves that he is not liable to make the repayment or restoration either wholly or in part.

3. There is no period of limitation for the recovery of arrears of calls from any director of a bank which is being wound-up or for the enforcement by the bank against any of its directors of any claim based on a contract, express or implied; and in respect of all other claims by the bank against its directors, the period is 12 years from the date of accrual of such claims.

Contribution To Economic Development

Furthermore, banking companies are performing the very important function of collecting money from the people of the country and making it available to the Central and State Governments for economic development in the public sector by investing it in Government securities. This is seen from the fact, mentioned in an article entitled "Investments of Banks: June 1953" prepared by the Research Department of the Reserve Bank and published in the September 1953 issue of the *Reserve Bank Bulletin*, that, in June 1953, the investments of Scheduled and non-Scheduled banks in Government securities amounted to Rs. 321.06 crores and Rs. 10.50 crores, respectively.

Indian banking companies have a special position as regards their foreign branches also. Indian traders have done business in foreign countries for centuries but, until recently, the financing of foreign trade was in the hands of non-Indian banks. Indian trading firms and companies have had branches all over the world for a long time, but it is only recently that Indian banks have opened branches abroad. This is an innovation greatly to be desired, as it is much to the benefit of Indian banking and trade, but it costs a lot of money for Indian banks to establish and maintain foreign branches. Hence, there is a good case for giving special encouragement to Indian banks to do so, until they become established abroad on something like the scale of foreign banks.

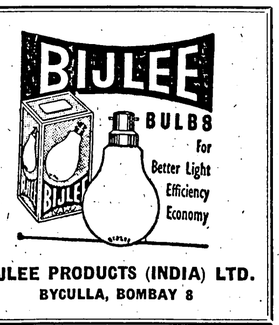
Indian companies and firms are different from banks. They are already established abroad and there is no need for a policy of giving encouragement to them. Their overhead charges need not be anything like those of a bank and they can not only establish branches without difficulty, if such branches cease to pay. A bank cannot close a branch abroad, without, at least, loss of prestige and it is not the policy of a bank to close a foreign branch because of a temporary period of bad trade. With a trading firm or company, such considerations would not matter much.

Onerous Taxation

Taxation on bank profits is onerous and where a foreign branch of an Indian bank is established in a country where taxation is higher than in India, the bank has to pay the higher taxation of the country and gets no relief from it in India. If taxation is lower in the country in which the branch is established than in India, the bank is required to pay in addition in India the difference between the foreign rate and the Indian rate.

The best method of assisting Indian banks having foreign branches would be to allow each foreign branch to pay the tax levied in the country in which the branch is established, no additional Indian taxation being levied if the rate of the foreign tax is lower than that of the Indian tax. This is not much for Indian banks with foreign branches to ask. It is a benefit which Indian firms and companies trading abroad substantially receive at present, by establishing a separate firm or company in the foreign city. This method is not open to a bank, because a small separate banking company established in the foreign city would not have the resources of, or command the confidence in, the parent bank and would, perforce, have to do less business and make lower profits.

Thus, it becomes clear that, if banking companies are enabled to strengthen themselves by the grant of tax reliefs or concessions to them, they will be able to give larger financial assistance to agriculture, trade, commerce and industries of the country.



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NATIONAL PLAN CERTIFICATES

Subscriptions to the National Plan Certificates, recently announced by the Central Government, commenced on Monday last at all post offices conducting savings bank business. These Certificates form a part of the National Plan Loan floated by the Centre on 19th April, 1954, and will remain open for subscription for the entire period during which the Loan continues. The chief objective behind the issue of these Certificates is to provide an opportunity for investors, especially small investors, "for helping in the national development."

The Certificates are in the denomination of Rs. 25 and Rs. 30. The minimum amount that one can subscribe is Rs. 25 which, in 10 years' time, will fetch Rs. 36-4. The maximum for an individual that can be subscribed is upto Rs. 1,000 which will bring in Rs. 1,450 at the end of 10 years. Two persons acting jointly can purchase upto Rs. 2,000. The redemption value of the Certificates works out at nearly 4½ per cent. per annum which is better than any other investment Government has so far offered. The interest that accrues on these Certificates is income-tax free and the Certificates are encashable at any time after a period of one year from the date of a subscription. As it is in the interest of the holder not to encash the Certificates, if he can, before the period of maturity, its surrender value has been so arranged as to offer an inducement to him to retain it for the entire 10-year period.

The new National Plan Certificates are a temporary issue and are not intended to replace the 7-year and the 12-year National Savings Certificates which will continue to be issued as before. Authorised agents and others who receive commission for the National Savings Certificates will be entitled to similar commission for these Certificates also.

Subscription to the 3½ per cent. National Plan Loan 1964 during the period 3rd to 8th May, 1954, according to reports received so far, amount to approximately Rs. 11.76 crores. The total subscriptions since 19th April, 1954, thus comes to about Rs. 57.26 crores.

Hereafter, Press *communiques* regarding the new Loan will be issued in the first week of each month in respect of the subscriptions received during the previous month.

CO-OPERATION IN BOMBAY

The Government of Bombay has created a Statistical Section in the Co-operative Department. This section is entrusted with the work of collection, compilation and collation of statistics relating to different types of co-operative organisations, particularly those included in the Five-year Plan. The other duties of the section include: (1) Analysis and interpretation of the data so obtained, (2) assessment of the results of the various activities of the Co-operative Department based on the data collected, (3) investigation of special problems, e.g., pilot survey of one or two cottage industries or the incidence of indebtedness in particular areas, or the assessment of the economic conditions of a particular village or villages and the determination of the nature and extent of their indebtedness, etc., and (4) other items of work such as the determination of the agricultural practices in a particular area, the conditions of soil, productivity of lands, etc., included in co-operative farming of lift irrigation societies, etc.

HALI SICCA CURRENCY

Only about Rs. 13 crores of Hyderabad's Hali Sicca (local currency) are at present in circulation in the State. Giving this information an official spokesman recently revealed that Rs. 42 crores of this currency were in circulation as on 1st April, 1953. The Hali Sicca continues to be legal tender up to 31st March, 1955. The Government may consider, if necessary, the question of accepting the Hali Sicca currency even after 1st April next for exchange purposes, though not as legal tender, he added.

The prospect for gold on a strip of land measuring about 40 miles in length and approximately one mile in width in the Champua sub-division of Keonjhar District, in Orissa, which was started in July, 1953, by the Indian Bureau of Mines, has been progressing well. The results of manual washing of the rock material, which has so far established an incidence of 3 to 4 grains of gold per ton, are encouraging. It is expected that, with improved methods of washing, the recovery of gold might improve.

In exercise of the powers conferred by section (3) of the Travancore-Cochin State Aid to Industries Act, 1952, ((XIX of 1952), the Government of Travancore-Cochin has constituted a State Aid to Industries Board consisting of nine members.

EXPORTS OF INDIAN COTTON TEXTILES

ABOLITION OF LICENSING PROCEDURE URGED

AMONG the several subjects to be discussed at the meeting of the Export Advisory Council tomorrow, that relating to exports of cotton textiles will undoubtedly stand out as the most prominent. This fs so because of the setback which exports of piecegoods have once again experienced in the past two months. The quantity of cloth shipped during the month of April, 1954, for instance, was distinctly lower at 69.4 million yards, as against 78.9 million yards in March and 82.8 million yards in February.

The following table indicates the trend of cloth export during the first three months of the year as compared with that in the corresponding month of 1953:

	Coarse	Medium	Fine	Superfine	Total
1953					
January	17.7	15.0	9.7	1.0	43.4
February	15.0	11.6	11.3	0.8	38.6
March	23.8	17.5	11.7	0.9	53.9
Total ..	56.5	44.0	32.7	2.7	135.9
1954					
January	21.9	24.2	..	..	81.0
February	21.0	46.8	..	..	82.8
March	17.0	66.5	..	..	78.9
Total ..	59.9	149.5	27.9	5.4	247.7

It is true that, as compared with the corresponding quarter of 1953, the performance in the first quarter has been quite encouraging. But the point is that exports in April and March of this year have been lower than those in January and February, 1954, thereby giving rise to the impression that the Indian mills are once again losing their overseas markets. The chief factor responsible for the decline is, as is well known, the growing competition from Japan, which has been making vigorous efforts to boost its export considerably. Japan's target for cotton goods exports for the fiscal year 1954-55 has been set at the equivalent of 780,000 bales. With a view to achieving this target, the Japanese trade and Industry Ministry has launched a new export policy. Under this policy, export targets for cotton goods will be fixed for each quarter and traders will be allotted foreign currency for their imports according to the ratio between their exports of cotton manufactures and the targets. Where the amount exceeds, extra foreign currency will be allowed for the following quarter. Any trader who extends markets will be awarded an additional allocation of raw cotton import.

Higher Tariffs

It is not the competition from Japan and other countries alone that is hampering India's export trade in cloth. The raising of the import duty, effected by some of the countries which are traditional sources of markets for Indian cloth, has also been equally responsible. It was only recently that the Government of Afghanistan doubled the export duty on cloth imported from India.

In view of the changed position in the world cotton textile export thus, a bolder and more rational export policy is needed, if India is to hold its position as one of the world's leading cotton textile exporters. Naturally enough, the deliberations of the Export Advisory Council will be watched with considerable interest.

The representatives of the cotton textile export trade attending the meeting are expected to press for the removal of licensing procedure for exports. Considering the present high level of production of cloth in the country and the need for promoting exports, the present system of licensing is said to be anomalous and unduly restrictive in operation. It is accordingly felt that, barring a few items, exports of cotton piecegoods should be placed under an open general licence. In this connection, it is pointed out that the question of the Government losing the revenue derived by way of licensing fees should not deter the authorities from considering the matter favourably, since the chalans were first introduced by the Government not so much for getting additional revenue as for restricting the number of applications for the issue of export licences.

The exporters are also expected to put forward the following two suggestions for the special consideration of the meeting:

(1) Piecegoods upto 180 yards sent as samples by air freight or sea parcel should be excluded from the licensing procedure for exports;

(2) the export duty should be collected on the net f.o.b. sale price to the overseas buyer. For, in cases where certain overseas buyers purchase goods at f.o.b. price less discount, the customs authorities insist on the collection of export duty on the gross value which is not justified.

Another important aspect to which the exporters are expected to draw the pointed attention of the Government relates to the difficulties experienced by exporters in the matter of refund of excise duty on cloth exported out of India. In administering excise regulations and procedural rules, the excise authorities levy penalties on exporters even for their unintentional, *bona fide* or technical lapses. The penalties, it is alleged, are so heavy and deterrent as to take away the incentive to expand export business. To quote one report: "There are some cases where goods are cleared on invalid bonds through oversight or mistake on the part of the mills, or the excise inspectors posted at the mills, but the exporters are penalised for no fault of their own." Consequently, exporters are subjected to considerable hardship. This can be avoided if the inspectors posted at the mills are advised to verify whether the cloth cleared under A.R. 4 forms is against the valid bonds, so that the claims for refund of excise duty will not be refused or rejected by the excise authorities.

MR. NEVILLE WADIA ON FUTURE OF COTTON MILL INDUSTRY

Apprehensions regarding the future of the cotton textile industry and trade in India have been expressed by several millowners for some time past. These apprehensions have stemmed from the failure of demand to keep pace with the steady upward trend in production. It is no wonder, therefore, that Mr. Neville N. Wadia, one of India's leading cotton textile industrialists and Deputy Chairman of the Millowners' Association, Bombay, should have posed and answered, in the course of a talk which he broadcast from the All-India Radio on Monday last, the question: What about the future of the cotton textile industry? Evidently, Mr. Wadia has been provoked by the fact that, while the rate of production has been mounting up from year to year, beating the all-time record, and outdistancing the target set in the Five-year Plan, the level of *per capita* domestic consumption has not reached even the pre-war figure of 15-16 yards. Nevertheless, Mr. Wadia is confident that the cotton textile industry can have an assured future if—a big "if" indeed—a wider demand is created for its product.

How can the demand for cotton textiles be stepped up? There is no gainsaying the fact that the most important factor which has kept down the level of consumption of cloth, not merely in the domestic market but also in overseas markets, is the high level of prices, thanks to the heavy cost structure. Mr. Wadia did well to make a pointed reference to this aspect. He said: "The obvious remedy for this state of affairs is to reduce cloth prices which can be done by scaling down production cost." This, no doubt, is a correct appraisal of the position. But the point is whether, in the present context of cost inflation, the mills can successfully curtail cost of production. Mr. Wadia says that such is not possible and, in support of this contention of his, he observes:

"In the present state of inflation, however, the manufacturer finds it difficult to curtail his costs, as the prices of every item that goes into the manufacturing charges, namely, cotton, fuel, electricity, mill stores and wages, have gone up four to five times. You will be interested to know how each rupee of gross income is being expended by the industry. Raw materials and stores alone account for 66.57 per cent., while wages claim 24.36 per cent., leaving a balance of only 9.07 per cent., out of which the producer has to make provision for such varied items as depreciation, taxes, reserves, dividends and agents' commission, which is only 0.92 per cent. of the total. You will, therefore, appreciate that the only way of making a reduction in cloth prices is by reducing the cost of labour."

Mr. Wadia is, of course, not suggesting a reduction in the workers' wages. Only he emphasises the need for what he characterised as "streamlining production by improving the manufacturing technique." He remarks:

"It is perhaps not widely known that most of the plant and machinery now in use by the industry are more than 25 years old and were subjected to very heavy wear and tear during the last war. Such debilitated equipment vitiates the quality of yarn and cloth, increases the cost of production, and imposes a heavier strain than necessary upon the worker. All this can be avoided by re-equipping the mills with modern machinery. . . . Apart from the fact that other countries are taking full advantage of the latest technological developments, modernisation of the premier industry of India is in the best interests of all. Nobody, much less labour, would desire that the existing machinery should be worked to a standstill and then consigned to the scrap-heap. That would be a retrograde step and would hurt our national economy, besides accentuating the unemployment problem. On the other hand, mills equipped with modern machinery can achieve the twofold object of efficiency and economy in production, in addition to affording proper incentive to workers to increase their productivity and earn higher emoluments. By stimulating a higher rate of consumption, the industry would be in a much better position to give employment to a greater number of people."

In this connection, Mr. Wadia sought to dispel the fears entertained by labour that rationalisation will result in total displacement of labour. For, according to him—and few will dispute his statement—modernisation is a product and long-term process, as the capital costs involved are prohibitively high. It is estimated that the industry as a whole would require about Rs. 300 crores in order to make good the immense arrears of machinery modernisation, but the funds at its disposal are hardly one-third of the staggering sum.

Rationalisation of cotton mills is imperative, especially in the present context of growing competition in world markets. As, Mr. Wadia rightly stressed, price and quality are the most decisive factors in the export market. To quote him again:

"The secret of Japan's formidable competitive strength lies in its efficient machinery, in the scientific development of labour, and in an all-out drive to capture foreign markets and retain them. In these circumstances, we cannot possibly wage our export battles with outmoded weapons" . . . India has set before herself an export target of 1,000 million yards of mill-made cloth per annum. This goal must be reached, not only because it will enable the country to earn foreign exchange, which, on an average, amounts to about Rs. 75 crores a year, but also because it affords a sure means of maintaining production and employment at current high levels. Exports, in fact, provide employment to about 150,000 textile mill workers."

This, indeed, is plain speaking. As we have ourselves stressed ere now, it is of the utmost importance that the productive equipment of the cotton mill industry should be geared to the highest light of competitive efficiency. Given first class productive equipment and a stable export policy, there is no reason why India cannot achieve the target of 1,000 million yards a year never more.

"TERYLENE" HOSE FOR FOREST FIRES

British high-pressure hose made of "Terylene" is to be used to fight forest fires in Canada. The British Columbia Forestry Commission, which has placed an order for a quantity of this new hose from George Angus & Co. Newcastle-on-Tyne, is interested in hose which withstands twice the normal working pressures and which can be used efficiently over great distances—distances sometimes of over a mile from the source of water. The specifications for the hose are that it should have a working pressure of 600 lbs. per square inch and a burst strength of 1,000 lbs. per square inch. "Terylene" is selected as the fibre most able to meet these severe requirements economically, an excellent example of the new British synthetic fibre being employed to produce greater efficiency and economy in industry.

Messrs. George Angus & Co. has pioneered the production of fire hose made with synthetic fibres and, during the last two years, it has worked closely with Imperial Chemical Industries Ltd. towards the manufacture of "Terylene" hose.

ADDITIONAL SALES TAX ON COTTON TEXTILES IN MADRAS

It will be recalled that the levy of an additional sales tax of 15 per cent. in the rupee on all mill-made cloth of 17 counts and above was one of the new tax proposals which the Finance Minister of Madras announced while presenting the budget for the year 1954-55 about two months ago. This proposal is now sought to be given effect to in two ways, that is, by amending the Madras General Sales Tax Act (1939)—the principal Act—and by enacting a new Act called the Madras Medium Cotton Mill Cloth (Sales Act) Act 1954. Under the former, the Madras Government will levy an additional sales tax of 15 pies in the rupee on the first sale of the following varieties of cotton textiles:

(1) Cloth, whether of silk, artificial silk, wool, flax or any other material not being cotton, made in mills in which the count of warp yarn employed (excluding the border) is 17s or finer—whether single or folded;

(2) cotton cloth made in mills in which the count of warp yarn employed (excluding the border) is 36s or finer—whether single or folded.

In the case of goods imported into Madras, either from abroad or from any other State in India, an additional tax will be levied on the first sale effected in the State by a seller after the cloth is imported into the State.

(Continued on page 953)

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INCREASE IN EMPIRE COTTON SUPPLY

LABOUR LEADER CRITICISES U.K.'S PACT WITH JAPAN

(By A Special Correspondent)

MANCHESTER, *4th May*

EMPIRE cotton crops continue their good work of providing supplies not only for Lancashire mills but other countries. According to the latest annual report of the British Cotton Growing Association, the average output over the past three years has been just over one million bales annually. Of this about 400,000 bales has been the longer staple varieties and 600,000 bales of American type cotton.

MANCHESTER LETTER

The main reason for an increase of 26,000 bales in output last year was the sharp advance in production in the Sudan, where the second largest crop ever produced was recorded at 463,600 bales. Unfortunately, this improvement was offset by a drop in American type cotton output in the main growing countries of East, Central and West Africa.

It is encouraging to read in the report that transport facilities for carrying the bales and seed to the ocean ports have improved during the year. Slow movements of supplies has frequently handicapped Empire crops in the past. The continuance of quicker transport will be a vital factor, especially in the more competitive times to come, now that freer trading in cotton is at hand.

Meanwhile, as promised, the Raw Cotton Commission has now indicated its supply position and future intentions regarding Egyptian type cotton. Unsold stock is to be retained for the use of contractors-in up to the end of July, an extra month compared with American type cotton. Spinners of long-staple varieties hardly need the Commission's reminder that from August the only price cover available will be on fluctuations in American cotton rates.

As for stocks, the Commission says it can provide for normal requirements of Karnak, Giza 30 and Ashmouni to the end of November, but that little remains of supplies of Menoufi or Zagora. Small to moderate stocks of most Sudan cotton are held and in any case spinners can now make their own arrangements to secure supplies at the local auctions. Californian cotton will be available up to the end of the year from the Commission, while supplies of Peruvian Tanguis will be offered up to May and Uganda B.P. 52 up to April next year.

Cloth Imports

India has become the leading overseas supplier of cotton grey cloth to the United Kingdom. Following shipments of more than 5,600,000 square yards in January, India's exports to this country in February aggregated 10,727,000 square yards. Including 311,000 square yards of finished cloth, India accounted for 11,038,000 yards of the total imports of 18,719,000 yards for the month.

India's lead over other suppliers is spotlighted by figures for supporting countries, which included Western Germany (1,516,000 square yards), Belgium (1,575,000) Hong Kong (866,000) and France (782,000). All the Indian cloth is for the home market. Japan—once Britain's biggest supplier—shipped only 681,000 yards to the U.K. in February. Larger supplies of cotton cloth continue to reach Britain from overseas, the quantity during the first quarter being more than 50,000,000 square yards, of which 40,000,000 yards was grey unbleached material.

It is significant that the proportion of grey cloth for processing and re-export has fallen compared with earlier years when it was practically all imported on this understanding. In the first two months this year, out of total arrivals of nearly 26,000,000 square yards of grey cotton cloths, barely 7,000,000 yards were purchased for finishing and later shipment abroad.

Textile Plant Exports

The contraction in shipments of textile machinery from Britain which has been in evidence during the past two years has continued in the first quarter of 1954. To the end of March shipments amounted to 426,829 cwt. against 471,511 cwt. in the same period last year. The value of these goods dropped from £11,281,645 to £10,355,081.

As a result of the more detailed information now provided by the Board of Trade in connection with overseas business in textile plant, it is clear that machinery for the cotton industries of foreign countries is not being taken up to the same extent as plant for the processing of other fabrics. Exports of machinery for spinning and twisting cotton and staple fibre have, for example, fallen from 73,207 cwt. in the first quarter last year to 34,556 cwt. in 1954. In contrast, shipments of the same type of machinery for wool and other textiles have increased.

The same tendency is as pronounced in the case of processes preparatory to spinning. A sharp decline has occurred in the export of machinery for making synthetic fibres, shipments this year being only 726 cwt. against nearly 18,000 cwt. in the first quarter of 1953.

India remains the biggest consumer of textile plant made in Britain, having so far absorbed 86,740 cwt. compared with 99,337 cwt. a year ago. Pakistan has taken 47,744 cwt. against 51,805 cwt. and Italy 43,188 cwt. against 29,288 cwt. A severe slump has occurred in overseas trade with Brazil, the purchases of which this year have barely exceeded 3,000 cwt. against 50,000 cwt. in the first three months of 1953.

Union Viewpoint

Warning that the Lancashire textile industry was fighting a battle for existence, Mr. William Roberts, of Bolton, said in his presidential address at the opening of the annual conference of the United Textile Factory Workers' Association at Morecombe that in negotiating the recent trade pact with Japan the British Government's concern "seemed to be more for the economic difficulties in Japan than for the difficulties of their own people."

"This agreement opens the gate to our great rival of the past with whom we are in free competition once more—free competition but not fair competition," Mr. Robtrts told 250 delegates. He added:

"Already we hear of Japan moving away from the international standards of behaviour which indicates that their trading methods have not changed and we may expect the kind of competition we had before the war. The Japanese trade agreement stands for twelve months from the date of signing. At the end of that period we shall expect the Government to strengthen the safeguards against their unfair practices and if they continue the Japanese should be told we cannot be bound by our part in the agreement."

Strongly criticising the decision to abolish the Raw Cotton Commission, Liverpool, Mr. Roberts said:

"I am not satisfied that there is a change of heart among the Liverpool market fraternity who piously point to the promised land of Hope and Tory. We are not deceived. We remember the slippery slope to abuse, gambling and speculation which was associated with Liverpool in the past and their repercussions in the industry."

With the Raw Cotton Commission everyone was served alike and cotton in short supply fairly allocated. "I cannot imagine the same procedure under the resuscitated free market, in which many directors of spinning firms have an interest in Liverpool merchanting firms," said Mr. Roberts.

German Competition

West German textile firms are selling corduroy cloth in important Lancashire export markets at below manufacturing cost in an effort to capture some of Lancashire's trade.

In Denmark, Norway and Sweden, all of which are valuable markets for British-made corduroy, the Germans are selling at as much as 1s. 9d. a yard below Lancashire prices, Mr. A. N. de Thier, Chairman of the firm of Balstone, Cooke and Rayonese, which has mills at Oldham and Halifax, told the annual meeting in Manchester. "We know they are selling at a loss to try and get certain of our markets," he said.

One result of undercutting of Lancashire prices by the Germans is that buyers are delaying placing orders for autumn delivery. When orders do eventually start to flow in it could mean a bottleneck in the dyeing section and delays in delivery. "If that happens, it might give the Germans a chance to sell their goods in Britain also," said Mr. de Thier later.—*All Rights Reserved.*

Reopening of the Liverpool cotton futures market on the 18th May was described as a "red letter day" of world-wide interest by Mr. A. J. Kentish Barnes, President of the Liverpool Cotton Association. "Lancashire will get all the cotton she wants," he declared. "What is more, she will get the quality she wants, when she wants it."

They did not want trade to come to the new market with a great rush, but in a gradually expanding volume. They did not want vast speculative orders, but the co-operation of the trade of Lancashire. Eventually they would build up a market in which the entire world had faith, as it used to have. Mr. Barnes stated that he did not think it was the official view of the Labour Party that, if returned to power, it would revert to centralised cotton buying. He could not conceive responsible statesmen wanting to shoulder the taxpayer with another burden of £52 million within two years, as had happened with the Raw Cotton Commission.

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SALES TAX ON COTTON IN BOMBAY STATE

MAIN PROCEDURE EXPLAINED

THE Bombay Sales Tax (Amendment) Act, 1953, which has come into force with effect from 1st April, 1954, has been assailed by its critics as a very complicated measure, while its supporters assert that it is just as simple as the measure it replaces. Be that as it may, the Act should be carefully studied by all cotton men, in view of the fact that its provisions apply to cotton as well. Since there are many classes of persons who deal in cotton, such as agriculturists who grow cotton, traders who buy and sell cotton, millowners who purchase cotton for consumption in their mills, exporters and importers of cotton, it is necessary to examine how the new measure affects the different cotton interests. In this connection, a note on the Bombay Sales Tax (Amendment) Act, 1953, prepared by the Cotton Buyers' Association, will be read with interest, inasmuch as the note deals with the Act primarily from the point of view of the cotton interests.

The Act is based, as is well known, on a two-point scheme of sales tax and provides for the levy of three principal varieties of tax: (1) Sales tax at the first stage of transactions; (2) general sales tax on transactions at the last stage, and (3) purchase tax on transactions at the first stage. Under the amended Act, every dealer whose turnover of "sales" or "purchases" has, during the period commencing from 1st April, 1953, and ending with 31st March, 1954, exceeds the prescribed limits is liable to pay tax from 1st April, 1954. The prescribed limits are: (1) Rs. 10,000 in the case of a dealer, who brings goods into the Bombay State or to whom goods are despatched from any place outside the Bombay State; (2) Rs. 10,000 in the case of a dealer who produces, collects, extracts, manufactures or processes any goods for sale, and (3) Rs. 25,000 in the case of any other dealer.

For purposes of assessment of general sales tax and purchase tax, raw cotton has been classified into (1) unginned cotton or *kapas* and (2) ginned cotton which may be either in pressed or unpressed condition. Sales of unginned cotton originates from agriculturists. Since an agriculturist is not a dealer, in terms of the Act, sales by agriculturists do not attract any tax. Section 2(b), which defines a dealer, specifically exempts an agriculturist. It says: "An agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally should not be deemed to be a dealer within the meaning of this clause."

Purchases of unginned cotton (*kapas*) by a registered dealer from an agriculturist or from an unregistered dealer attract purchase tax. If the *kapas* so purchased is meant for resale without altering or processing it, then it does not attract purchase tax. If the registered dealer gets such cotton processed, that is, ginned, he becomes liable to purchase tax, though under the Bombay Sales Tax (Exemptions set off and Composition) Rules, 1954, he is entitled to either refund or remission of purchase tax, if the ginned cotton is for resale. Sales of *kapas* by registered dealers are subject to general sales tax. But, if the sales are confined to registered dealers who hold a declaration in form 'K', the question of payment of this tax does not arise. The form 'K', it may be mentioned here, provides for declaration by the dealer concerned to the effect that the goods are meant for resale. Thus, the liability to pay this tax arises only when sales are effected to (1) unlicensed dealers and (2) to persons who purchase the cotton for purposes of consumption, say mills, irrespective of the fact whether they are holding licences or not.

When a registered dealer purchases ginned cotton, in pressed or loose condition, whether from an agriculturist or from an unregistered dealer, the transaction attracts purchase tax. If ginned cotton so purchased is meant for resale, it is again exempt from the tax. Also, sales of ginned cotton by registered dealers are subject to general sales tax, though, where the sales are confined to registered dealers who have executed declaration in form 'K', the payment of this tax by the sellers does not arise. In fine, the general sales tax is levied on the last sale and is, therefore, payable only by the last seller.

As regards the position of exporters under the Act, the cotton required by a shipper for export may be purchased (*a*) from registered dealers and/or (*b*) from persons not registered under the Act. When an exporter purchases cotton from a registered dealer, the exporter need not pay general sales tax to the dealer concerned, provided he furnishes to the dealer a declaration in form 'K'. If the shipper purchases cotton from an unregistered dealer, there is a liability on the part of the shipper to pay purchase tax to the Government, although the cotton in question is intended for purposes of export. In other words, sales of cotton to shippers who are holding licences are exempt from the general sales tax, if the shipper executes a declaration in form 'K'. When the shipper sells the cotton so purchased to overseas buyers, the sales of such cotton to overseas buyers, which fall under the provisions of section 46 of the Act, are exempt from general sales tax.

Section 46 of the Act, it may be noted here, restates the constitutional position in respect of sales tax and also incorporates the Supreme Court's decision on inter-State trade. Thus, section 46 says that no tax on any sale or purchase of goods may be imposed when "such sale or purchase taken place (*a*) (1) outside the Bombay State or (2) in the course of the import of the goods into the Indian territory or the export of goods out of such territory, or (b) in the course of inter-State trade or commerce except in so far as Parliament may by law otherwise provide." A sale or purchase, it is further explained, shall be deemed to have "taken place in the State in which the goods have actually been delivered as a direct result of such sale or purchase for the purpose of consumption in that State, notwithstanding the fact that under the general law relating to sale of goods the property in the goods has by reason of such sale or purchase passed in another State."

Imports of cotton, like exports of cotton, are governed by section 46 of the Act and are, therefore, exempt from taxes leviable under the Act. In this connection, it may be pointed out that licences for import of raw cotton are issued (*a*) against prior sale to mills and (*b*) on consignment basis. When an importer imports cotton against prior sale to mills the question of paying any tax does not arise so long as imports are governed by an import licence which is known as the "actual user's licence"; in this form of licence, the name of the consumer party to which the goods should be delivered for purposes of consumption is specifically mentioned in the licence. The licensed importer in such cases will not be liable to pay sales tax provided the relevant documents, such as bills of lading and others, are transferred to the "actual user" before the goods are cleared over the customs frontier. If the licences have been issued to the importer on "consignment basis," the question of payment of tax does not arise, if the documents are similarly endorsed during the time the goods are still on the high seas.

If the imported cotton is despatched by the importer to places outside the Bombay State for consumption in the respective States, then also the question of payment of general sales tax by the importer does not arise. The importer concerned is, however, liable to pay tax, if any, which is provided under the sales tax law of the State where the delivery of cotton takes place. If the importer sells the cotton he imports to dealers who hold licences against declaration in form 'K', then also, there is no liability to pay general sales tax. Further, the dealers who purchase cotton from the importer on the strength of declaration in form 'K' and send the cotton so purchased to a place outside the Bombay State are also not liable to pay general sales tax under the Bombay Act. But they may be liable to tax, if any, levied by the delivery State in respect of the cotton so delivered.

IMPORT OF RAW COTTON

That the licences for the import of cotton from the dollar area, which were revalidated for shipment upto the 30th June, 1954, should now be utilised before the end of the stipulated period, warns a notice issued by the Joint Chief Controller of Imports. Importers are also informed that any failure to utilise these licences before 30th June, 1954, will be taken into consideration in the disposal of applications from importers for further import of foreign cotton in future.

Another notice, issued by the same authority, states that the import of dollar area cotton by importers on their own account will be permitted with immediate effect (that is, from 7th May, 1954). Hitherto, import licences, it may be noted, were issued to importers only against evidence of prior sale to mills. Importers obtaining licences to import on their own account are required to inform the Textile Commissioner, Bombay, and the Joint Chief Controller of Imports, Bombay, of the arrival of the cotton and the price at which purchase has been made. They will not be permitted, without the prior sanction of the Textile Commissioner, to sell the cotton to persons other than mill consumers.

RAW COTTON TRADE IN U.K.

The freeing of British trade in raw cotton advanced one stage further on 5th May, with the announcement from the Board of Trade that from 12th May, imports of raw cotton into the U.K. from non-dollar sources will be permitted under the open general licence. Imports from dollar countries will be permitted on the same basis from 1st September, 1954. The announcement says that the new Cotton Act repeals, among others, those sections of the 1947 Cotton (Centralised Buying) Act which conferred monopoly powers on the Raw Cotton Commission in regard to the import and sale of raw cotton in Britain. "It thus makes possible a full return to private trade in raw cotton," the statement adds, recalling that the Minister of Materials announced in the House of Lords last November, that facilities would be provided in the way of free access to cotton from all sources, including the U.S.A., and that the Raw Cotton Commission would cease to engage in new trade at the end of the current buying season—31st August, 1954.

EGYPTIAN COTTON

The Egyptian Government has announced their selling differentials for the 1954-55 cotton crop. Differentials for grade Good to Fully Good and others have been reduced in the case of Karnak by 1¼T., Menoufi by 7T., Giza 30 and Ashmouni by 2T. per cantar. As from 26th June, 1954, the Egyptian Cotton Commission will base its sales of old crop and new crop cotton on New York October futures plus 40 per cent. for long-staple cotton and plus 12½ per cent. for other varieties.

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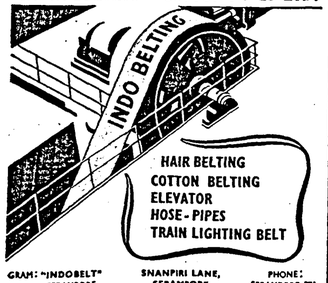

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OUTLOOK FOR WOOL IN UNITED STATES

FIBRE'S PRESTIGE AND QUALITY BEING REAFFIRMED

(By RUTH JACKENDOFF, Director, Department of Economics and Statistics, Wool Bureau Inc.)

DURING 1953, the U.S. wool textile industry consumed approximately the same quantity of raw wool as in 1952. Total fibre consumption however, declined, and resulted in 7 per cent. less yardage, the net of a 69 per cent. reduction in Government apparel yardage and a 7 per cent. increase in civilian apparel and non-apparel yardage. The relative importance of virgin wool and animal hairs in total fibre consumption of wool textile mills improved from 62 per cent. in 1952 to 65 per cent. in 1953, reflecting an improvement in the worsted system. Wool top production gained 7 per cent. over 1952, in contrast to a decline of 9 per cent. in consumption of wool for woollen yarn.

During the second half of 1953, the rate of wool consumption in woollen mills and the value of retail sales of apparel stores and clothing sections of department stores declined steadily. The manufacturers' new orders for men's and women's wear apparel fabrics made of wool declined sharply from first half-year levels, reflecting the lack of demand from cutters and retailers. A mild autumn and winter slowed consumer demand and led to retail inventory surpluses.

Policy of Under-commitment

The uncertain economic outlook anticipated in 1954 led to a general policy of under-commitment. Retail buying orders were curtailed below normal seasonal needs, cutters ordered cloth at a correspondingly low rate and mills purchased wool for immediate needs only. As a result, imports of apparel wools declined by 33 per cent., the Commodity Credit Corporation stocks of 1952 wools remained almost intact at 92 million lbs. (actual weight), while about 33 million lbs. of the 1953 clip entered the loan programme. In mistaken anticipation of a decline in world wool prices, mills ate into trade stocks and ended the year in the lowest stock position relative to consumption since the end of World War II.

According to an estimate published by the U.S. Tariff Commission, apparel wool trade stocks at the beginning of the year were about 67 million lbs. (clean basis), or the equivalent of about 13 weeks' consumption. This is below the level of 15 weeks' requirements considered as the minimum consistent with efficient operations.

There was a significant shift in the sources of apparel wool imports from 1952 to 1953. Imports from the British Dominions declined from 70 per cent. of total United States' imports in 1952 to 48 per cent. in 1953, while imports from South America rose from 25 per cent. to 46 per cent. of the total. The countervailing duties of 18 per cent. on Uruguay wool tops succeeded in reducing these imports to insignificant quantities. Recently, this duty was cut to 6 per cent. and it remains to be seen whether this will stimulate imports again.

Apparel fabric imports during 1953 of 24.3 million square yards exceeded the 1952 imports of 24 million square yards, and represented a lower percentage (6.2 per cent.) of civilian apparel fabric production than that of 1952 (6.5 per cent.).

Carpet Wool

The carpet wool situation was substantially better than that of apparel wool. Carpet mills consumed 9 per cent. more wool during 1953 than during 1952, while production of carpets and rugs increased by 8 per cent. Although the second half of 1953 was not as satisfactory as the first half, consumption of carpet wool held up better than that of apparel wool. Imports of carpet wool during 1953 were 8 per cent. higher than during 1952 and, like apparel wool imports, showed important shifts in countries of origin. Argentina's share of the total rose from 27 per cent. in 1952 to 47 per cent. in 1953, while New Zealand's share declined from 15 per cent. to 9 per cent.

When the combined consumption of apparel and carpet wool is compared with the consumption of man-made staple fibres, wool's position in the textile economy appears somewhat more favourable than when viewed by itself. Wool consumption increased by 3 per cent., whereas rayon and acetate staple plus non-cellulosic staple consumption declined by 2 per cent. It is thus apparent that the outlook for wool is, to a large extent, dependent on the outlook for all textiles. The ratio of consumer clothing expenditures to disposable income reached a post-war low during 1953, indicating a further diversion of part of the clothing dollar to other areas of consumer expenditures. A recovery in this ratio is a prerequisite to a significant recovery in overall textile demand.

The scant data available for the opening of the current year—limited almost entirely to January—give some hope for a recovery. The value of women's and children's retail clothing sales turned up very remotely from the fourth quarter of 1953, and that of men's and boys' clothing somewhat more (13 per cent.). The improvement was based more on clearances of surplus inventories than of regular priced merchandise; nevertheless, it opened the way for spring merchandise.

Fabrics

The manufacturers' new orders for men's and women's wear fabrics of wool also reversed their declining trend, but still compared very unfavourably with January, 1953. Preliminary figures for the month of February indicated a further rise of moderate proportions. Mill consumption of both apparel and carpet wool was somewhat higher in January than in December, while increased American purchases in Dominion markets during the 1954 sales to date indicate that a moderate raw material restocking movement is taking place.

Production of men's tailored clothing in January was especially favourable to wool's competitive position. Summer-weight suits made of 50 per cent. or more wool increased by 94 per cent. over January, 1953, compared with a gain of 32 per cent. in those made of man-made fibres. Separate trousers made of wool showed a gain of 36 per cent., compared with those of other fabrics. No comparative statistics are as yet available on 1954 production of women's wear.

Fine wool prices have been relatively stable and, at the most recent date, the average of domestic and Australian types on the Boston market stood at $1.83. However, since the reduction of the higher-priced non-cellulosic staple fibres in January, 1954 (Orlon from $1.90 to $1.50, Dacron from $1.80 to $1.60, nylon from $1.80 to $1.50, Acrilan from $1.85 to $1.40), wool has lost its competitive price standing with these fibres.

In other respects, wool's prestige and quality is being reaffirmed. According to trade reports, designers' and manufacturers' dissatisfaction with many characteristics of the synthetic fabrics during the various stages of design and production of apparel has resulted in a noticeable return to wool and other natural fibres. The consumer, too, is much more sophisticated in his attitude towards synthetics today than two years ago, and it has become evident that his choice from the wide array of available fabrics is being guided by established standards of quality and service.

A challenging development during the past year is the accelerated programmes of the cotton and rayon interests to offset the competition of the newer synthetics. The acknowledgment of this competition is stimulating new fabric designs and uses and improved finishes of infinite variety with the apparent intention of making these fabrics adaptable to a wider variety of apparel end uses than ever before.

There was a marked rise in imports of raw wool and wool tops into India during 1953, the quantity, actually imported being 13.8 million lbs., as against 9.7 million lbs. in 1952. New Zealand and Australia were the main sources of supply for raw wool and the U.K. for wool tops. Imports of yarn and knitting wool also were larger, being 1,876,000 lbs., as compared with 925,000 lbs.

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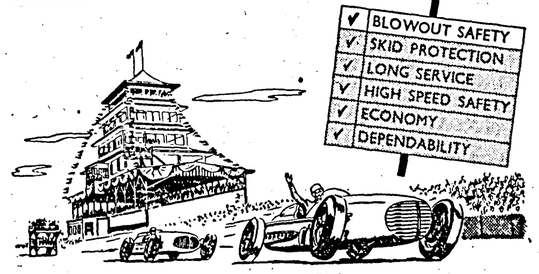

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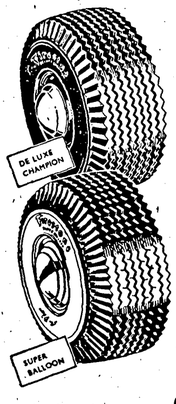

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MINIMUM WAGES FOR DECCAN SUGAR LABOUR

APPELLATE TRIBUNAL JUSTIFIES LOWER COURT'S DECISION

A BRIEF reference was made in our last issue to the Labour Appellate Tribunal's judgment on the appeal filed by the Deccan sugar factories and employees against the minimum wages award of the Bombay Industrial Court. The details of the judgment are now available and it is proposed to refer to them at some length here. It was more than a year ago—on 8th April, 1953, to be precise—that the Bombay Industrial Court announced its award fixing the minimum wage of an unskilled worker in the seven sugar factories at Rs. 23-2-6 per month of 26 working days or As. 14-3 per day on the pre-war level of prices. Against this award, both the managements of factories and the workers appealed to the Appellate Tribunal. The former contended that the lower Court had fixed the minimum basic wage at a very high level and that it should be reduced to Rs. 11 or Rs. 12 per month. The latter, however, contended that the wage should be raised to Rs. 30 for a month of 26 working days when the cost of living index was at 105 and that retrospective effect should be given to the new scale with effect from 1st October, 1949. The Appellate Tribunal has dismissed both the appeals and upheld the lower Court's decision.

In the opinion of the Tribunal, the minimum basic wage fixed by the Industrial Court cannot be said to be higher than that fixed in other industries in the neighbouring localities nor is there any good reason for enhancing the minimum as contended on behalf of the employees. In support of this contention, the Tribunal observed:

"In fixing the minimum wage, the learned lower Court took into consideration the needs of a worker, that is, good house, rent, fuel and lighting, clothing, bedding, footwear, etc., as was done in the case of the textile industry, while fixing the minimum wage . . . the learned lower Court was quite right in its approach. After all, the elementary requirements of a worker are the same whether he is working in the textile or in the sugar industry . . . the concept of minimum wage has recently undergone a progressive change. It is no longer based upon the subsistence theory according to which the minimum wage equals the cost of commodities necessary to feed and clothe a worker and his family. The minimum wage now includes not only the bare physical necessities but also a modicum of comforts, otherwise known as conventional necessities."

Incidence on Factories

Viewed purely from the human angle, the aforesaid observations are perfectly sound and unobjectionable. The point, however, is that this will add to the cost of sugar at a time when it requires to be reduced. The industry can have no objection to pay the wage fixed by the Court, provided the burden of taxation on it is reduced. As a result of this judgment, the factories have to pay, with retrospective effect from 1st October, 1952, a minimum fair wage of Rs. 23-2-6 for a month of 26 days, whereas, hitherto, they were paying about Rs. 11 only, the actual rise being Rs. 12-2-6 per labourer per month or Rs. 145-14 per annum. Incidentally, it is said that about 10,000 workers are employed in the factories, and 40,000 in the field. On this basis, the additional burden on the Deccan sugar factories as a whole works out to as much as Rs. 72.94 lakhs, not to speak of the corresponding increase in dearness allowance which is linked to the basic wage.

It is, however, gratifying that the Tribunal should have rejected labour's demand for giving effect to the scale of wages fixed by the lower Court with effect from 1st October, 1949, instead of from 1st October, 1952. It says: "In order to avoid a heavy burden on the sugar factories, the learned lower Court thought it proper to give effect to the new scales of wages from 1st October, 1952. We see no valid ground to interfere with the discretion exercised by the learned lower Court. In fixing the date from which the new scale of wages should have effect, we must bear in mind the effect upon the finances of the concern also."

The Labour Appellate Tribunal has dismissed the plea for making a distinction between a factory worker and a farm worker by paying a lower minimum wage to the latter. The chief considerations which weighed with the Tribunal in deciding so are as follows:

"... the factories carry on sugarcane cultivation in an organised and more or less on a mechanised system. The workers there have supervisors over them and they cannot afford to work in a leisurely manner as they can when working under ordinary landlords. Moreover, the rate that has been fixed by the learned lower Court is the rock-bottom figure and, from the mere fact that they are engaged in agricultural operations, it does not follow that their minimum needs are less than those of the factory workers. Some of the workers engaged on the farm have to do mechanical work also, as, for example, those who are engaged in tractor operations or in operations connected with lifting of water by mechanical means. Reliance is also placed upon the fact that the assessors, in fixing the dearness allowance, made a distinction between a factory and a farm worker. While this is true, it may be noted that they made no distinction in regard to basic wages. We are not concerned in the present appeal with dearness allowance and it is not necessary for us to express any opinion on that point. It was argued also that farm workers had other supplementary sources of income. But for this, we were referred to no evidence. Having regard to all the circumstances, we see no good reason to make any distinction in the matter of basic wages between a factory and a farm worker."

There is considerable force in the above line of reasoning and it is difficult to rebut the Tribunal's argument in a manner that will carry conviction.

Male and Female Workers

Similarly, the Tribunal has rejected the demand for a distinction between a male and a female worker for purposes of paying minimum wages. It says:

"It was strenuously urged before us that the scale of wages for females should be lower. No evidence was adduced before the learned lower Court to show that the work performed by females was less strenuous or that they did not put in the same hours of work as males. Clause (d) of Article 39 of the Constitution provides that the State shall direct its policy towards securing that there is equal pay for equal work for both men and women. Clause (a) of the same Article further provides that the citizens, men and women equally, have the right to an adequate means of livelihood. Further, Article 15 provides that the State shall not discriminate against any citizen, *inter alia*, on grounds of sex. When there is no evidence that the women workers do less work than men or put in less hours of work, we see no good reason, in view of the aforesaid provisions in our Constitution, to make any distinction between male and female workers in the matter of basic wages.

"We have been referred to the notifications issued by the State Governments of Delhi, East Punjab and Himachal Pradesh under the Minimum Wages Act, 1948, wherein a distinction has been made in the matter of minimum rates of wages between male and female workers. It may be that the distinction was made by those Governments, because the work done by the female workers was less strenuous or because they worked for lesser hours. It is difficult to believe that, in the face of clause (d) of Article 39 of the Constitution, a lesser wage was prescribed for female workers, even though their output of work was the same as that of male workers. We have been referred to Appendix V of the Assessors' report from which it appears that, at present, the sugar factories pay the female workers at lower rates. By the mere fact of the payment to the female workers at lower rates, we cannot infer that they work less than the males. The female workers might have been exploited in the past and, now that the matter has come for adjudication this exploitation cannot be allowed to continue any longer.

"Learned counsel on behalf of the factories requested that the case should be remanded to the lower Court for evidence on the point as to the output of, and hours of work put in by, female workers. The employers had ample opportunity to adduce evidence before the Assessors and then before the lower Court. No reason has been assigned by them as to why such evidence was not produced in the lower Court. If the factories did not avail of the opportunity, we see no good reason to prolong the dispute by remanding the cases. It may be noted here that, in the notification issued by the Government of Bombay under the Minimum Wages Act, no distinction has been made between a male and a female worker. For the reasons given above, we hold that no distinction should be made in the matter of minimum basic wages between male and female workers of these seven factories."

These observations also are essentially sound. For, looked at from any angle—legal, economic or social—the principle of equal pay for equal work stands justified. There is, however, a practical problem to which we referred while commenting on the lower Court's award in our issue of 2nd May, 1953. We then stated:

"Now that the implementation of the award entails additional expense by way of increased wages and dearness allowance, there will be a tendency to avoid employment of women when male workers are readily available for the same wage. The elimination of female workers will almost halve the earnings of most of the workers' families, of which both husband and wife usually work on the farms. This, in its turn, would affect adversely the standard of living of these families, defeating thereby the very purpose of the award, namely, to improve the living standards of the working classes."

It will be interesting to see whether the above reading of the situation will be borne out in the coming months. It is to be hoped that somebody will some day study the effects of the award on the employment of women labour and see who has been right, the Industrial Court or this journal.

SUGAR PRICES

Commenting on the speech of Mr. Gulabchand Hirachand at the recent annual meeting of the Walchandnagar Industries Ltd.—*vide* page 732 of the issue dated 17th April, 1954—we observed that even the current prices of sugar in India were higher than what the people could afford to pay and also higher than the world price. We also posed the question as to how long did he expect the people to pay such prices. These remarks have evoked some comments from Mr. Gulabchand. Thus, in a communication addressed to us, he says:

"In the first place, you are aware that the high price of sugar is due to heavy taxation and the high price of cane. The manufacturing cost, as well as the margin left with the factories, forms only a small part of the price to the consumers. While every effort is being made to reduce the manufacturing cost, any possible economy in this direction would be so small as hardly to affect the price of sugar. With regard to the price of sugar-cane, the industry's hands are tied and it is equally helpless with regard to the mounting cost of taxation, wages, bonus and other amenities, all being gradually increased by the central and the State Governments. It is rather strange that every other factor contributing to the cost of sugar should be allowed to increase this cost by pitching their demands higher and only the industry should be asked to restrict its profits which, as I said in my speech, are required not for raising dividend but for internal finance for rehabilitation. Your question regarding how long our people are to be asked to pay high prices should more properly be addressed to the Central and the State Governments, the workers and to the cane growers, who are primarily responsible for the rise in price. In fact, many factories in Bihar and U.P., because of short supply of cane, are working very short seasons and, even at the present prices, they are making a loss.

"I am also somewhat intrigued about your statement that the price of sugar is higher than what the people can afford to pay. As the prices have risen, consumption has risen at even a higher rate. If prices were higher than what the people can afford, there should have been a definite fall in the consumption of sugar, as we always see in the case of cloth when the prices go up. I am not trying to justify high prices in commodity; but I am only trying to draw your attention to this aspect of the question also. As you must have observed, the ex-factory price of sugar has been increased from the beginning of this month by doubling the sales tax. The total burden from this tax alone comes to about Rs. 5-8 to Rs. 6 per bag. Cane cess, which was imposed only a few years ago accounts for another Rs. 5. The Central excise was also raised from Rs. 3 per cwt. to Rs. 3-12. Irrigation charges have been raised from time to time to an enormous extent. A new tax on electricity has been levied. The cost of manure during certain years was artificially boosted up by Government action of a predatory nature. If you add to all this, the increase granted in wages, dearness allowance, bonus and other amenities under awards, you will find that they, together with the increase in the price of cane, would account for whatever increase that has taken place in the price of sugar. It is for responsible and enlightened journals like yours, to bring this fact both to the notice of the public and the authorities, instead of asking the manufacturers to bring down the cost of sugar, when they have practically no say in the matter."

We fully agree with Mr. Gulabchand that the heavy cost structure of the sugar industry has been due, in large measure, to the high level of taxes—Central and State. We also agree with him on the need for enabling the industry to build up adequate rehabilitation finance. And these are aspects which we have ourselves amply emphasised on more than one occasion ere now. But the real solution to the problem lies not in an upward revision of sugar prices, which are already high in all conscience, but in a downward revision of taxes. Mr. Gulabchand must, therefore, go at the Governments and not at the consumers.

CO-OPERATION IN SUGAR

The Central Government has extended, upto the 31st inst., the time limit for the submission of applications for licences for the establishment of new factories, expansion of existing ones and erection of refineries. While the parties interested are busy working out the details regarding their schemes, the Honorary Secretary, Bombay Provincial Co-operative Institute, has issued a statement to the Press in which he has urged the Government not to issue any new licences for setting up sugar factories on individual or joint-stock enterprise basis but to encourage the establishment of sugar mills on co-operative lines. The plea is based on the following two grounds:

(1) The problem of labour is already presenting considerable difficulties in the areas where privately-owned factories are working.

(2) There are conflicts between the cane growers and the factory owners, as in U.P., or lands to sugar factories on long lease and have

(*Continued on page 934*)

WORLD COAL SITUATION

RECENT DEVELOPMENTS ANALYSED

THE recent developments in the world coal situation make disappointing reading. According to latest available statistics,* there was a sharp drop in world production, consumption and trade during the three years 1951-53. Thus, the output of coal, which was at a record high level of 1,475.2 million metric tons in 1951, declined to 1,444.2 million metric tons in 1952 and further to 1,442.0 million metric tons in 1953. Gross consumption also fell, from 1,470.4 million metric tons in 1951 to 1,442.4 million metric tons in 1952, though in 1953, it recorded a slight increase of 5.6 million metric tons to 1,448.0 million tons. But, as compared with 1951, the output in 1953 was lower by 22.4 million metric tons. The aggregate volume of international trade in coal and briquettes eased from 127 million metric tons in 1951 to 120 million metric tons in 1952, and further to 112 million metric tons in 1953.

The decline in production during the three-year period was largely due to changing conditions in North America, more especially to the strike in the U.S. steel industry in mid-1952, dieselisation of railways that took place during the period and the rapid extension of natural gas works. The output in North America fell from over 535 million tons in 1951 to 470 million tons in the following year. It further declined to 447 million tons in 1953. It is true that there was some improvement in the position elsewhere, but it was not such as to affect the decline in North America. The following table discloses the world output of coal region-wise and the percentage of world total in the year 1953, as compared with those in the previous two years.

	Output in million metric tons			Percentage of share in world output		
	1953	1952	1951	1953	1952	1951
Africa ..	33.0	32.3	30.4	2.3	2.2	2.1
North America ..	447.0	469.5	534.7	31.0	32.5	36.1
Latin America ..	7.0	7.4	6.9	0.5	0.5	0.5
Asia ..	95.0	90.9	88.0	6.5	6.3	6.0
Western Europe ..	479.0	483.7	471.8	33.2	33.5	32.0
Eastern Europe and U.S.S.R. ..	361.0	340.1	326.0	25.0	23.6	22.1
Oceania	20.0	20.8	17.4	1.4	1.4	1.2
World total ..	1,442.0	1,444.2	1,475.2	100.0	100.0	100.0

World consumption of coal and briquettes very nearly balanced with production in each of the years 1951, 1952 and 1953. Within each of the regions, except Latin America which imported a relatively large part of its coal supply, consumption and production corresponded rather closely throughout the period. The net trade of all other areas resulted only in small percentage changes in supplies. The table below gives the consumption of coal region-wise in the year 1953, as compared with those in the previous two years.

	1953	1952	1951
Africa	34.0	33.3	30.8
North America	445.0	451.6	501.0
Latin America	10.0	10.4	10.6
Asia	95.0	92.9	91.6
Western Europe	490.0	502.6	508.2
Eastern Europe and U.S.S.R. ..	364.0	321.5	315.8
Oceania	20.0	19.1	17.9
World total ..	1,448.0	1,442.4	1,470.4

The total international trade in coal and briquettes in 1951, amounting to 127 million tons, was 23 million tons more than in 1950 and only 13 million tons below the level reached in 1929. This trade declined in 1952 to 120 million tons, of which 84 million tons consisted of shipments between countries within the same region; another 8 million tons moved from East Europe and the U.S.S.R. to West Europe. Excluding these latter movements, the large-haul trade accounted for only about 28 million tons, consisting chiefly of shipments from the U.S. to Western Europe, Asia and Latin America.

International trade continued to shrink in 1953. The total trade fell to about 112 million tons, while inter-regional movement fell to about 22 million tons and the large-haul trade to less than 15 million tons. Much of the decline in the last mentioned category was due to improved position of Western European suppliers, who increased their intra-regional exports by more than 7 million tons during 1953.

Most of the world's export coal originates in the U.S., Poland, the U.K., West Germany and the Saar. These countries, together, provided 90 per cent. of the world's export coal in 1952 and 88 per cent. in 1953. Their respective contributions to the total were as follows in the two years (in percentages of world exports):—

	1952	1953
United States	39.6	29.5
Poland	22.9	25.0
United Kingdom	10.4	12.9
Western Germany	10.3	12.5
Saar	6.6	7.9
Total ..	89.8	87.8

World import requirements are much less concentrated. Close to 100 countries are regular importers of more than one thousand tons of coal annually, and, of these, about 20 normally take more than a million tons per annum. In 1952, the West European countries, together, imported 65 million tons of coal, while the shares of particular regions and major importing countries in total imports of coal and briquettes were as follows:—

Distribution of World Coal Imports in 1952

(Percentage of total coal imports)

Regions		*Principal Importers*	
Western Europe ..	53.9	Canada	18.7
North America ..	18.9	France	10.9
E. Europe and U.S.S.R.	16.5	Western Germany	9.8
Asia	5.3	Italy	7.3
Latin America	2.7	Netherlands ..	4.6
Africa	2.3	Sweden	3.9
Oceania	0.4	Denmark ..	3.5

Canada alone imported more than 22 million tons. Combined imports of the East European countries and the U.S.S.R. appear to have amounted to about 20 million tons, while Asia imported 6 million tons, chiefly for Japan, and Latin America and Africa each about 3 million tons.

*U.N. *Monthly Bulletin of Statistics, March*, 1954.

STANDARD SPECIFICATION FOR HARD COKE

The Indian Standards Institution (I.S.I.) has announced the publication of standard specification for hard coke. This standard prescribes various requirements such as moisture content, ash content, volatile matter content, sulphur and phosphorous content, etc., for the material commercially known as hard coke, for use in foundries and blast furnaces. Methods of sampling and test have also been indicated in the standard. In order to cover coke for other purposes, such as gasification in gas producers, steam raising, etc., the I.S.I. expects to issue a separate standard. In this standard, coke has been graded on the basis of its composition and physical characteristics irrespective of the method of manufacture adopted. The I.S.I. took up the thread of the work involved in the preparation of this Indian Standard from the Indian Railway Fuel Committee, which originally took up the task of preparing a standard specification for coke used in Indian railway workshops and foundries. The railways' requirements have, therefore, been specifically kept in mind in the preparation of this standard.

EMPLOYMENT IN COAL MINES

As many as 353,231 persons were, on an average, employed daily in 844 collieries and 8 coke plants in February, 1954, thus representing an increase of 19,473 persons over the previous month's figure. The overall percentage of absenteeism was 12.29—a drop by 1.37 over the previous month's percentage. In January 840 collieries and 8 coke plants worked. The production of coal increased by 152,563 tons during the month. As much as 3,055,847 tons of coal and 316,674 tons of soft, hard and other kinds of cokes were produced, as compared with 2,903,284 tons and 349,121 tons, respectively, produced in January 1954. The output per man-shift for miners and loaders increased from 1.04 in January, 1954, to 1.05 in the month under review.



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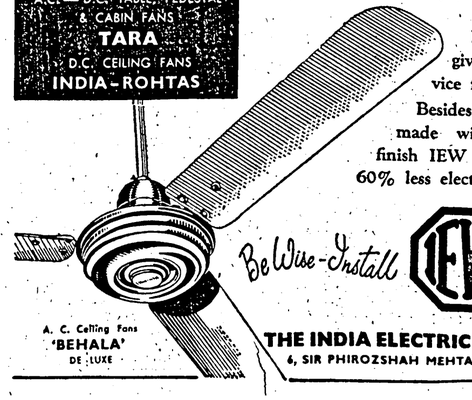

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MARKETING OF JUTE IN INDIA

VIEWS OF ENQUIRY COMMISSION

IT is common knowledge that the Indian cultivator does not get a fair share of the prices realised by his crop from the consumer. Even today his position, in spite of all the various measures adopted by the State Governments through their Agricultural Departments, does not show any marked change from what it was decades ago. The jute grower is no exception to this general tendency. This is confirmed by the findings of the Jute Enquiry Commission, which examined his position in detail a few months ago. In its Report published last week, the Commission observes that market conditions and practices have remained unchanged and that deductions and allowances and use of non-standard weights still persist. These remarks are rather disquieting—and call for some serious reflection on the part of the authorities concerned, as the country which is depending for the bulk of its earnings of foreign exchange on jute goods can hardly afford to neglect the welfare of the producer of this raw material. The findings of the Commission are, therefore, worth recording here.

The jute growers in villages sell, according to the Commission, about 75 per cent. of their crop at their doors to *farias* and *beoparies*, who constitute the first link in the chain of intermediaries engaged in supplying jute to the up-country *kutcha* balers. A small percentage of growers take their produce to primary markets, but hardly any hold their stocks and sell in secondary markets. The average crop sold by growers is seldom over 20 maunds per head. The middlemen often perform subsidiary functions such as financing the growers and arranging for storing, sorting and transport of jute to the market. The *farias* and *beoparies* sell the jute to *aratdars*, who are themselves balers or who in turn sell to *kutcha* balers, and these latter sell the jute to mills. This procedure is generally the pattern, but local variations exist in each State.

Mill Purchases

Mills purchase their requirements from dealers through brokers. Brokers and dealers complain that mills do not nowadays stock raw jute to the same extent as before the war. In fact, mills now carry less than three months' stocks, and the bulk of the stocks during a season is held by intermediaries. The mills state that they are unable to carry such large stocks, as they used to in the past, because of the reduced offtake of manufactured goods. They argue that, if they were to hold more stocks, such would shift the burden of financing them (stocks) from the intermediaries to the mills and, therefore, would not improve the cultivator's prospects of securing a better price. The Commission is of the opinion that the elimination of unnecessary intermediaries will result in the grower realising a better price.

Basis of Prices

The prevailing price of jute in Calcutta forms the basis on which prices in the primary markets are determined. Accordingly, any fluctuation in prices in the Calcutta market will have its immediate effect on the prices quoted in the secondary and primary markets, as also in the villages.

Transport is another vital factor which plays an important part in the determination of prices in the growing centres. In Purnea and Saharsa Districts of Bihar and certain areas of West Bengal and Orissa, the jute-growing tracts are cut off from the primary markets during the rainy season, and till October *kutcha* roads are not usable for movement of jute. In this period, the village dealers are sole buyers of jute and enjoy a position of vantage. Needy growers would have to accept, in the circumstances, the prices and the terms dictated to them by the dealers. Thus transport difficulties tend to bring about a fall in prices.

Again, in the primary markets, no proper allowance is made for factors like quality and grading. Consequently, prices are determined on *andazi* basis of the composition of the particular parcel of jute. Discount, however, is made if the quality is below the mark. Deductions are made for excess of moisture and for short fibre. This explains the lack of incentive on the part of the jute grower to improve the quality of the jute he grows. The grower's share is also cut by deductions for commission for *aratdars*, and for weighing, assorting, and baling charges. Besides these, different unauthorised weights are also adopted in different localities. In order to end these malpractices, the Commission has advocated the introduction of regulated markets and standard weights.

It has been stated above that, in marketing jute, transport difficulties figure prominently to the disadvantage of the grower. The Commission has, therefore, done well in dealing with this aspect, in greater detail. In Orissa, Bihar and Assam, where roads become impassable in monsoons, the cost of transport, even by bullock carts, increases considerably. Before the war, the cost varied between two and five pies per maund-mile, whereas now it is as much as six pies to one anna. This increase is stated to be one of the biggest handicaps. Again, before the war, the average freight did not exceed As. 8 per maund by steamer and Re. 1 by train. At present the incidence has increased on account of the fact that jute is carried over the longer Assam rail-link route. Practically, all trade associations connected with jute marketing have mentioned that the present rates, whether by rail or river transport, are high. The present freight rates on jute from Assam to Calcutta are stated to be more than the sea freight from Calcutta to the U.K. and only slightly lower than that from Calcutta to the U.S.! The Committee, therefore, recommends that the railway authorities should consider a change in the classification of jute so as to effect a due reduction in freight rates. It feels that river transport companies should evolve a more equitable freight schedule for jute despatches to Calcutta. It has suggested that no positive encouragement should be given to jute cultivation in areas where transport facilities are not available or can be provided only at prohibitive cost.

Indebtedness

The previous enquiries into the conditions of jute marketing revealed that the burden of indebtedness, as a result of receiving advances from brokers, acted heavily on the small grower. It is encouraging to note from the present enquiry that the grower is today less indebted, thanks to the general increase in prices of agricultural commodities. In *bimli*-growing areas, his position is stated to have improved considerably. Nevertheless, it is true to say that, generally speaking, the growers are not free from indebtedness. In West Bengal 30 per cent. of cultivators are indebted; in U.P. the percentage is 40, while in Bihar it is as high as 95. In all these cases, despite legislation against usury, the rates of interest are still high. The State Governments are, therefore, urged to enforce the laws against usurious practices more strictly.

It is pointed out that the handicaps of the grower are due more to his lack of holding power and levy of unauthorised discounts and deductions than to lack of market information regarding current prices. The supply of information through broadcasts, telegrams and the Press is considered to be quite adequate to give an idea of the current price trends to the growers.

Absence of proper standards of grading for loose jute is one of the chief handicaps of growers in the primary markets. The quality of fibre for grading is governed by factors such as length, strength, colour, fineness, stiffness, proportion of barky root-ends or cuttings and proportion of faults (specks, knots, runners, hard crop, and moss). An accurate assessment of any of these features by hand-and-eye methods is scarcely possible. Nevertheless, the Expert Committee, appointed some time ago, has graded the jute into tops, inters, middles, bottoms and low bottoms. This classification has been criticised as involving too many grades. The Enquiry Commission has, however, recommended that the specification of the I.S.I. regarding grades of jute should be adopted and applied by the trade and industry. It has also advocated a rational utilisation of the storage accommodation available at Calcutta. For this the buying agencies and dealers are required to buy regularly in secondary markets and move their stock to Calcutta throughout the season.

Regulated Markets

For bettering the conditions of the cultivator, the Commission has, as stated already, recommended the establishment of regulated markets in important centres in the jute-growing areas of each State. The benefits of such markets are: (a) provision of cheap storage facilities to the grower, (b) assurance of a fair deal between buyers and sellers, (c) use of standard weights and measures, (d) elimination of improper allowances and deductions, (e) reduction of market charges to the minimum, (f) supply of market information, and (g) quick settlement of disputes. To be successful such markets can only be set up under the authority of a State law, and their efficient function could be ensured only by their being linked to a local body or a licenced marketing authority. Steps should also be taken to set up approved warehouses at all regulated markets. This will also facilitate the the organisation of co-operative effort to improve the position of cultivators. While making all these suggestions, the Commission has not forgotten to add that, in view of the importance of jute as a raw material, the State Governments should not levy sales tax on this commodity.

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SUGAR

(Concluded from page 932)

been turned as mere labourers for factories, as in the Deccan.

The conflicts, the Secretary observes, can be avoided if the primary producers (cane growers) are encouraged to form co-operative sugar factories. In this connection, he points to the co-operative sugar factory at Loni in Ahmednagar District, which, he claims, is working satisfactorily. He also points to the registration of another co-operative sugar factory on the Godavari canal and the few more schemes reported to be under the consideration of the Bombay Government.

The above suggestion is preposterous, in that it amounts to asking for statutory protection for the Co-operative Movement against private enterprise and a closed field for the Movement. At present, nobody prevents co-operative societies from coming up. The fact that the protagonists of the Movement have found it necessary to ask for State intervention is itself a striking indication of the efficiency of sugar factories established under the joint-stock company system. The salutary instance of a factory at Loni run on co-operative lines is not proof enough to convince us that the Co-operative Movement can deliver the goods. One swallow does not make summer. It will be interesting to conduct a critical study of the working of this factory and compare its efficiency, its contribution to the well-being of the society in its area and the taxes paid by it to the State with a factory run on joint-stock lines. We have no doubt that the Government of India will respectfully reject the suggestion made by this Bombay co-operator as being impracticable and against the very principles of Co-operation.

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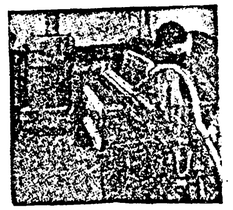

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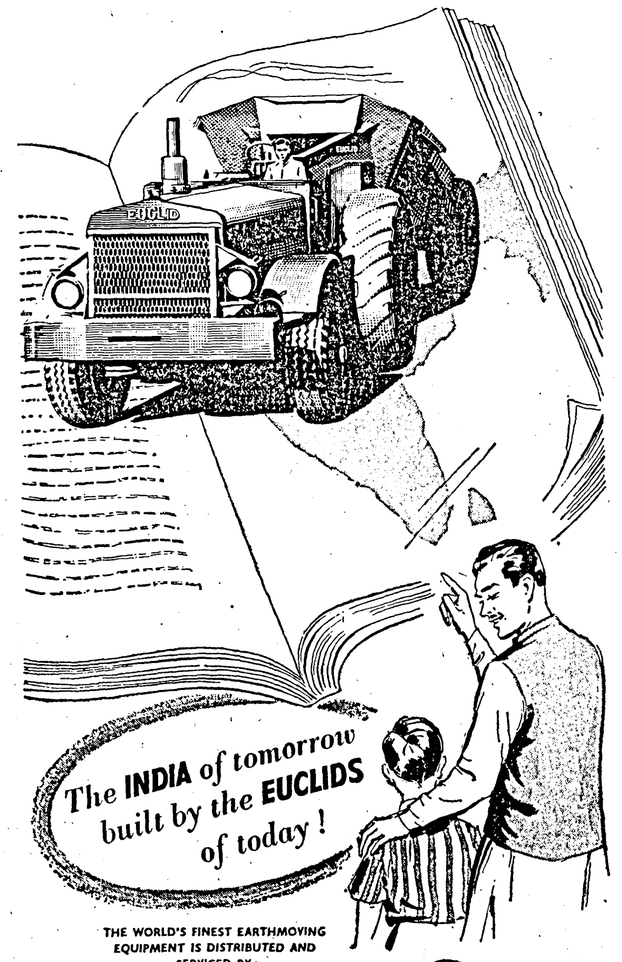

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EXPANSION OF SODA ASH PRODUCTION

FACTORS THAT NEED TO BE CONSIDERED FOR LOCATING A THIRD PLANT

[*By Dr. L. A. BHATT, M.Sc., Ph.D. (London), D.I.C., A.I.I.Sc.*]

SODA ash is one of the basic chemicals required as a raw material in the production of glass, enamelware, ceramics, caustic soda, silicates and other chemicals, as also in the finishing processes of textile industry. Considerable quantities are required by the laundry trade and washerman. It must, therefore, be available at as cheap a price as possible so that productions in which it enters do not become unduly costly. If it is realised that even today the price of soda ash in the U.K., the U.S. and on the Continent is between Rs. 130 and Rs. 160 per ton and that in India it is Rs. 460 per ton, the difficulties of the consumer industries can well be appreciated, especially when such consumer industries have to be sustained through tariff protection.

Prices of soda ash in India are high because of two factors. First, soda ash production has been granted tariff protection and, secondly, the cartelisation methods followed by producers in the U.K. and on the Continent demand high prices from Indian importers. Tariff protection granted to an industry presupposes that, within a reasonable period of years, the industry will be able to take care of itself and survive the foreign or internal competition. Let us, therefore, examine if the industry, as it exists in India today, is capable of fulfilling this role in future.

As it happens at present, the total Indian requirements of soda ash are of the order of 115,000 tons annually. As against this, local production by two units in Saurashtra has been steadily going up during the last few years, with the result that, in 1953, soda ash production reached 55,822 tons, as against the established productive capacity of 54,000 tons. This is due mainly to the Government of India's policy of regulating imports very judiciously.

The target capacity indicated in the first Five-year Plan is 150,000 tons by the year 1955-56. As against this, the two existing units of soda ash are increasing their capacity from the present 54,000 tons per annum to 80,000 tons per annum. Even assuming that their plans will be successfully implemented, there will be, at the present rate of consumption, a gap of 35,000 tons which will need to be bridged by imports from outside. If the figure of the first Five-year Plan materialises and consumption reaches a total of 150,000 tons annually, India will require an import of 70,000 tons per annum.

Normally, such a situation, wherein a country produces half its requirements and imports the balance, should lead to healthy competition by which the consumer benefits. In this particular instance, however, the traditional source of supply to India, namely, the U.K., raised the c.i.f. value to India to bring the price in parity with the sale price of Indian manufacturers, as fixed by the Indian Tariff Commission. It did so, evidently because it knew that India must import this basic chemical and that, in a cartelised product, India must pay the price it demands. Thus, protection to the soda ash industry in India has proved an all-round costly measure to the consumer industries.

Before analysing the reasons for the very high costs of soda ash produced in India, let us get acquainted with the economics of production. For every ton of soda ash produced, two tons of salt and one and a half ton of good grade limestone are required. Also one ton of coal and 1.5 ton of coke are needed for process steam, power and lime burning. Availability of salt and limestone at cheap costs is, therefore, a necessary pre-requisite for economic production of soda ash, as the quantities of raw materials required are much larger than the end product and also coal and as such cannot bear haulages over long distances. It will be pertinent to recall here that the Alkali and Chemical Corporation plant located at Khewra (now in Pakistan) had to pay only As. 8 per ton by way of royalty for using the mineral salt in the Punjab. This is the price at which mineral salt of a much purer grade than sea salt is available to American manufacturers of soda ash at Pennsylvania.

In India, apart from the high cost of salt, namely, Rs. 15-0-0, per ton, the Government collects a cess of Rs. 3-6-0 per ton of salt consumed by the soda ash industry. A well planned salt production from the sea near the factory site of soda ash should not cost more than Rs. 6 per ton. But the Government must exempt this industry from the levy of cess on salt. Similarly, an adjacent source of limestone mechanically querried should be capable of delivering limestone to the factory site at Rs. 5 per ton maximum. In the U.S., cement factories get their limestone delivered to them at a price of 20 to 30 cents (Re. 1 to Re. 1-8) per ton. The present manufacturers of soda ash have to secure their limestone from sources more than 100 miles away from their factory sites, with the result that their limestone costs them Rs. 18 per ton delivered to their factory site. All these facts are given to indicate that all is not well with the cost of raw materials of the two units manufacturing soda ash in Saurashtra because of mislocation of their plants.

As against the cost of raw materials, the quantities of raw materials actually consumed by units of uneconomic size are much more than the normally accepted requirements per ton of soda ash produced. Indian plants consume on an average two tons of salt and 1.8 ton to 2 tons of limestone per ton of soda ash produced. These findings by the cost-accounting section of the Tariff Commission should warn the future *entrepreneurs* in this field against uneconomic units and any long-distance haulage of salt and limestone for the unit production of soda ash.

To produce salt economically, the site selected must have a minimum rainfall and a maximum number of sunny days in the year. There should be adequate breeze, preferably from the seaside, for the removal of water vapour generated from the evaporation of brine in shallow basins. Temperature data of the location needs to be studied, for the higher the temperature the better is the evoporation by solar heat. Facilities must be provided for economic pumping of the brine and removal of the crystal salt, by adequate trolly transport to the adjacent factory site. Limestone required for soda ash must be dense and capable of remaining hard ever after burning in suitable kilns. It must be minimum 90 per cent. and must not contain siliceous impurities exceeding 3 to 5 per cent. silica content. It must be as cheap as possible and hence should be nearest to the proposed factory site of soda ash.

Adequate quantities of soft water, to the extent of two million gallons per day, should be there for a unit of 400 tons soda ash per day. The quantity of water required can be reduced to some extent, if concentrated brine is taken into process, instead of taking salt and dissolving it in water so as to use it in the process. The process of refining brine by treatment with chemicals will, however, prove costly, as against natural refining occurring while salt is crystallising out of brine. If adequate source of water is available, it is better to use crystal salt than brine—the partly concentrated sea water.

So far as fuel is concerned, it is Hobson's choice. Freight structure adopted by the Government of India makes coal available at Rs. 38 per ton at likely sites in Saurashtra or in South India. The losses during haulage and transhipment, which are as high as 10 to 15 per cent. ash content and are of poor thermal value, bring the cost of coal in parity with the price of furnace oil which is available at Rs. 140 per ton. There is not much to choose between the two forms of fuel, except that, in any future emergency, at least some supplies of coal, which is an indigenous product, will be available as against the likely stoppage of supply of imported fuel oils. In any case, for a fairly large unit of soda ash production, namely, 400 tons a day, the quantity of coal required will be 400 tons per day, as against at least 600 tons of limestone and 800 tons of salt. On the return trip, the wagons bringing coal can carry soda ash upcountry. A part of soda ash can also be sent by sea to the consuming centres such as Bombay and Calcutta. Transport of coal by rail-*cum*-sea route is prohibitive in these days, as the cost this way amounts to Rs. 65 per ton to Saurashtra, as against Rs. 38 per ton by the all-rail route.

In the light of considerations stated above, the south coast of Saurashtra becomes an ideal location for any new soda ash project. Places between Jafarabad and Veraval could produce salt for at least 300 working days in a year, as the average annual rainfall in the area varies from 15 to 20 inches. The south-east coast of India can scarcely be considered suitable for establishing salt production and, even if it could be done, it would be a high-priced glory. The very fact that no worthwhile quantity of salt is being produced on that coast these days shows that the economics of salt production on that coast are not favourable. Again, as compared with the enormous quantity of good-grade limestone available all along the cost of Saurashtra stretching from Porbander to Veraval and Jafarabad—an area where production of the cheapest salt is already established and can be expanded at short notice—the availability of good quality limestone in sufficient quantity on the east coast of South India yet remains to be 'proved.'

There is a general belief that there is water scarcity in Saurashtra, as compared with other parts of India. This particular coastline between Porbander and Jafarabad, however, is blessed with a fairly easy supply of sub-soil water, thanks to the Gir Forest area. In fact, the required quantity of good water will not be a difficult proposition. The Saurashtra Government is at present engaged on the task of evaluating all the economic factors discussed above, in order to arrive at a location with optimum benefit of each individual factor. It is only then that a claim based upon proved data should be made for locating the third soda ash plant in Saurashtra.

The main arguments against location of a third unit in Saurashtra are of strategic considerations and transport bottlenecks. Transport is a problem all over India to a smaller or greater extent. It has got to be eased by the authorities concerned. The major industries consuming soda ash are located in U.P., Bombay and Calcutta area. If Soda ash production is contemplated in South India, its transport to northern, western and eastern parts of India is as big, if not a bigger, headache as that to be faced if production is expanded in Saurashtra. The argument based on strategic grounds is one which becomes quite handy when no other convincing arguments are available. The very fact that the Government of India has decided on developing Kandla as a main port, in spite of its being on the northern side of Saurashtra, should silence all arguments about the strategic suitability of Saurashtra for this plant. If argued in the same fashion, the whole of the jute industry located in West Bengal is strategically unsound. For an industry to develop in a particular area, it is the availability of natural facilities that decides the location on an economic basis.

There is a general belief that the existing factories in Saurashtra producing soda ash suffer from lack of adequate supplies of limestone and water. This belief, which is true to an extent in the case of the two existing units, create an immediate reaction against the location of a third unit there. Those who decide the location for a third unit should learn at least from the experience of these two units. This experience is available in concrete shape in the records of the Tariff Commission's enquiry into this industry. Let us, therefore, pause for a while and assess the economic cost of production of a very basic and important chemical such as soda ash before deciding one way or the other. The Government of India has taken a very wise decision in appointing an expert as its adviser on this matter and in asking him to study all the aspects of locating a third unit. Let us hope that this will enable the Government to help the *entrepreneurs* to proceed on the right lines and build the industry on sound lines.—*All Rights Reserved.*

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Portable Atomic X-ray Unit

DEVELOPMENT of a portable X-ray unit using thulium in place of electricity has been announced by the Argonne National Laboratory of the U.S. Atomic Energy Commission. Weighing 10 pounds, the unit produces rays comparable to a 100,000-volt X-ray machine without the need of a power source. Its light weight makes it possible for a doctor to carry the unit to isolated areas where electricity is not available and to take X-ray pictures of persons who cannot be moved. The active component of the instrument is a tiny particle of thulium which has been made radioactive in the heavy water nuclear reactor at Argonne. Thulium is a rare material which heretofore has found little practical application. The thulium is mounted in a source holder and shield equipped with a shutter mechanism in order that X-ray photographs may be made. The shutter is operated by a standard photographic cable release. The instrument does not require an electrical power supply as does conventional X-ray equipment. In addition, it is quite inexpensive. Exclusive of irradiation charges, the total cost of the first model was $40. For diagnostic purposes, equipment of this type will be of greatest value in isolated locations such as army field hospitals, naval vessels and isolated construction projects. Industrially, it has potential use as a density determinant. It may find considerable use in the determination of levels and densities of liquids in closed systems.

Trees Fed Through Their Bark

According to Michigan State College Scientists, fruit trees can be benefited and their diseases overcome by feeding fertilising materials to them through their trunks and branches. The scientists incorporated "tagged atoms" or radio-active isotopes into soluble fertilisers. They soaked cotton gauze in the solutions and tied the strips around branches of fruit trees. Within a few hours, the material was detected within the branches and several inches from the point of application. Entry occurred most easily when the bark was scraped and the fertiliser held in place in the form of a plaster or paste. The scientists, however, point out that roots are still the principal nutrient-absorbing organs of plants. Nevertheless, the fact that nutrients may enter plants through the bark as well as the roots means that several nutritional troubles, such as deficiencies of zinc and magnesium, can be corrected. Also, winter-injured and under-nourished trees can be given prompt supplies of needed nutrients.

Mobile Truck Factory

A mobile truck factory method of manufacturing plastic pipe is being used by Basson Industries Corporation in New York to reduce freight costs. Materials needed for the manufacture of plastic pipe are transported by truck and trailer to the area where the pipe is needed and the product made on the spot. One truck is loaded with the necessary chemicals, chopped glass, coagulate material and resin. The other truck carries the moulding equipment. Sections of pipe can be turned out in a complete cycle of about 20 minutes. Most of the field-produced pipe is used for the transport of oil. But pipe for sewers and carrying corrosive liquids can also be supplied more economically by the truck-factory process in some instances.

Magnetic Tape Broadcasts TV Programme

The Radio Corporation of America (R.C.A.) has broadcast a colour television programme which was first "photographed," or recorded, on magnetic tape. The new technique, it is stated, is the first major step into an area of electronic photography in which motion pictures will be produced quickly and economically without photographic development or processing. The first use of the method is expected to be for making recordings of television programmes for later broadcasting. This will replace the present method of using films made by regular photographic processes.

Electronically-controlled Crane

A special electronically-controlled crane that keeps its load from swinging back and forth has been developed at the Argonne National Atomic Energy Laboratory at Lemont, Illinois (United States). The sway in the crane is prevented by a pair of metal fingers that straddle the crane's cable. When the cable moves to one side and hits one of the fingers, a motor sets into motion to return the crane carriage to the middle position. The crane was designed to protect workers handling radio-active machinery.

Window-type Air Cooler

The United States Air Conditioning Corporation of Minneapolis, Minnesota, is marketing a new window-type air cooler made of glass fibre. The parts of the cooler, both inside and out, are made of fibrous glass reinforced with plastic. The manufacturing firm states that this construction results in lighter weight and elimination of rust and corrosion with no loss in structural strength.

Jet-propelled Towboat

A jet-propelled towboat is being tested by the Magnolia Motor and Logging Company, of Portland, Oregon (U.S.). The 30-foot towboat can travel in very shallow water since the jet nozzle extends only nine inches below the bottom of the boat. Water is drawn into the boat, pressurised and expelled at the rear of the craft through a nozzle.

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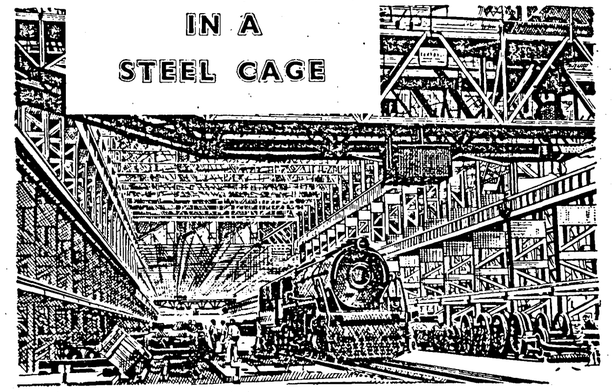

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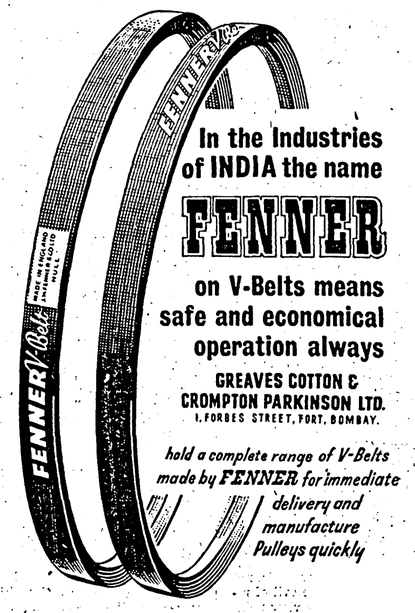

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GENERAL INSURERS URGED TO ADOPT POLICY OF "LIVE AND LET LIVE"

MR. B. K. SETALVAD ON EVIL OF REBATING

THE reduction in premium rates for life assurance, recently effected by nearly all the insurers in the country, has led many people to ask whether a similar reduction cannot be effected in the field of general insurance. The rates for "general risks," it is held, are high enough to permit such a reduction. It is also argued that the evil of rebating could be substantially checked, if not altogether eliminated, through a downward adjustment in the tariff rates. This view seems to be held in official circles where the men concerned have noted with dismay the fact that, despite the adoption of several measures designed to check the evil of rebating, there are no signs of its complete eradication. Small wonder, then, that the problem of reducing the rates and of the persistent nature of the evil of rebating figured prominently in the speech of Mr. B. K. Setalvad, Chairman of the General Insurance Council of the Insurance Association of India, made at the annual general meeting of the Council, held in Bombay last week.

At the outset, Mr. Setalvad reviewed the situation in the insurance market. Although the administrative machinery to supervise the observance of the Code of Conduct promulgated for the working of the general insurers has been functioning for nearly a year now, no "unbiassed" student of current insurance affairs, as Mr. Setalvad said, will fail to be struck by the fact that this machinery has "made little or no difference in market conditions." It is true, as Mr. Setalvad himself admitted, that allowance has to be made for the necessarily slow progress that can be made in the direction of the eradication of the evil of rebating. After all, the evil has persisted too long to be eradicated in a day. Mr. Setalvad rightly warned that, unless "things improve radically," the insurers run the risk of "complete regimentation by more and stricter general regulations." He added: "Unless we put our house in order, it is quite obvious that the time is not far distant when we will not be permitted the liberty of running our business as best suits our needs and abilities." Proceeding, Mr. Setalvad observed:

"The impression has gained ground that rebating is possible, because tariff rates are too high and leave insurers a big margin which can be used for obtaining business by unfair means. But you all know that motor car business is not particularly profitable and that private car comprehensive rates had to be increased last year in view of the adverse claims experience. You are also aware that, in order to meet overseas competition, tariff insurers in this country have had to slash their marine rates to uneconomic levels. It would appear, therefore, that the criticism in regard to the rates being too high can only be meant to apply to rates in the fire section of the tariff. Restrictions on exports and imports and falling prices have resulted in lower premia while the trade recession apparent since 1951 has done little to improve matters. This would show that the margin of profit in fire insurance business, which is supposed to pay for rebating, is illusory. Even assuming, without admitting, that the fire rates all round are too high, I personally am of the opinion that the remedy now suggested is unlikely to eradicate the disease. Recently, we have had experience of reduction in tariff rates in the marine section which did not have the anticipated result of any appreciable improvement in the market conditions. In the past, we had similar experience in the fire department. I do not expect much better results if the present move is carried to finality. As I said before, the answer to the whole problem lies within ourselves and our attitude to each other. If we trust each other and are willing to adopt the policy of "live and let live," I am sure there is room for all of us. If, however, there is a desire on the part of some of us to expand at any cost, the chain reaction is certain to be a fight for survival at any cost on the part of the smaller units. "I, therefore, once again repeat the appeal which I have made earlier to take what business one can get without resorting to unfair means and be satisfied with it.

Fervent Call

This is a fervent call to insurers to desist from countenancing or encouraging the evil of rebating. Nevertheless, it may be asked whether any valuable results can be expected from such exhortations, considering that past experience shows that the call for good behaviour has been made in vain. It must, at the same time, be admitted that a reduction in tariff rates is not necessarily the best way to check the evil of rebating. Those who strongly hold the view point out that, although the rates were reduced in 1937, it had only a temporary effect in checking the evil of rebating.

Among the three main classes of general insurance—marine, accident and fire—the tariff rates for marine insurance, as Mr. Setalvad emphasised, have been reduced without any marked effect on the evil of rebating. Nor should it be forgotten that, in marine insurance, it is wrong to go by the experience of a few years, for a period of favourable experience may well be followed by a prolonged period of unsuccessful underwriting. It is necessary that insurers should be allowed to build up ample reserves when times are good, so that they may be able to meet the losses in a subsequent period. In accident insurance, the claims experience has not been particularly happy, although the recent upward revision of rates may have gone some way towards averting serious losses. It is only in fire insurance that most insurers are able to show anything like an encouraging level of profits. But any sizable reduction of rates will involve many marginal insurers in serious losses.

Tariff Rates

It should, therefore, be clear that the question of reducing tariff rates should be tackled with a certain degree of caution. In this connection, it may be noted that some healthy reduction in fire tariff rates has been effected in the case of cinemas, some classes of restaurants and residential buildings. An abrupt and sizable reduction in rates might not also achieve the anticipated results. This is because the smaller insurers might be tempted, in the event of reduction in tariff rates, to practice the evil of rebating even more vigorously than now, in order to increase the volume of their business and thereby earn a larger premium income. It looks as though the two problems—the problem of reduction in tariff rates and that of checking the evil of rebating—are best tackled separately. But it is essential that an attempt should be made to tackle the former problem without in any way relaxing the efforts that are now being made to tackle the latter problem. From this point of view, the Council's decision to appoint four regional sub-committees to examine the rating structure is a commendable one. It is to be hoped that the sub-committees will deal exhaustively with the problem assigned to their charge, and they will be able to suggest some healthy measures for revising the rate structure.

The efforts that are being made to reorganise the rating structure are a logical growth of the present approach to the problem. But one wonders whether the present approach itself is the correct one. Its failure so far has led some men to ask the question whether a more satisfactory, even if inconvenient, solution is not to let the insurance industry find the correct level of rates through the restoration of free competition. Unhampered by the "Code of Conduct," which is now more honoured in the breach than in its observance, and by a whole series of governmental controls, the industry will, under free competitive conditions, emerge cleaner and healthier than now. If this means the mortality of the weaker and uneconomic units, it may prove a necessary, though painful, price to pay for freedom from inhibiting restrictions on insurance. Perhaps, those who advocate the scraping of all codes of conduct and urge freedom from all controls as the only way out of the present impasse may yet prove to be the correct prophets.

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panies have devoted millions of dollars to research concerning one of the major causes of death—cardio-vascular diseases. At the same time, individual companies have contributed to research on cancer, tuberculosis and other diseases.

Finally, the Ambassador referred to the intimate connection between insurance and national economy. He said: "Like other basic elements in the economy, insurance prospers when the economy as a whole is doing well." The prosperity of American insurance is only one index of the general economic prosperity of that country which has been the leader of private enterprise and economic and political freedom. Insurance in the U.S., as in all countries, is vitally concerned in natural prosperity. It has, as the Ambassador said, a "vested interest in prosperity."

LIFE ASSURANCE IN U.S.

HOW IT AIDS NATIONAL ECONOMY

LIKE all things, life assurance in the U.S. is a gigantic enterprise. Its rapid growth and development form a remarkable chapter in the history of American economic institutions. The experience of insurance companies in the U.S., as in other countries, has followed the development of national economy. Indeed, in this very process of national economic development, the companies have played a notable role. Some idea of the magnitude of the insurance enterprise in the U.S. and also for its distinguishing features can be had from the very illuminating lecture which the Rt. Honble Winthrop W. Aldrich, American Ambassador to U.K., delivered at the Insurance Institute of London.

At the outset, the Ambassador acknowledged the general indebtedness which the U.S. life assurance business owes to the U.K., to the large list of British actuaries, executives and others whose work laid the foundations for American insurance. Secondly, he emphasised the "extraordinary importance" of the role which insurance plays in the "welfare and destiny" of both the U.K. and the U.S. Describing the magnitude of American life assurance business, the Ambassador said that the combined commercial companies have some insurance in force on about one-half of the U.S. population. The business in force amounted, at the end of 1953, to about 316,000 million dollars, that is, about double the volume with which it emerged from World War II, or about 25 times as much as in 1907. Of this total, the large part consisted of ordinary life assurance (195,000 million dollars). Industrial assurances accounted for 40,000 million dollars and group life assurance for 85,000 million dollars.

At the end of 1953, the combined assets of the U.S. companies were 78,600 million dollars. There are now some 800 companies selling life assurance in the U.S. which collect nearly 11,000 million dollars gross premium a year on various kinds of life, accident and health and annuity policies. The premium income, together with other sources of income like investment income, made a total of 14,000 million dollars. The companies handling the business have a total work force (office employees, agents and others) of approximately 350,000.

State Laws

American insurance, as is well known, is governed by State laws. Some co-ordination of insurance supervision is achieved through the activities of the Association of the Insurance Commissioners of the individual States, but there are no national laws and supervision. Again, the laws and regulations of the States confer a somewhat narrower latitude upon the executive judgment of the company boards and officers than do British laws and regulations. The laws of American States have set limits on insurers' investment in ordinary shares (known as common stock in the U.S.), whereas no such restrictions prevail in the U.K. American companies hold hardly one per cent. of their assets in such shares in contrast to about 12 per cent. in the U.K. Another feature which distinguishes American insurance enterprise from the British is that the former is not so international in character as the latter.

Since World War II, the U.S. companies have invested most of their new moneys in mortgages, corporate lands and notes. The total of mortgages in portfolio more than trebled, from less than 7,000 million dollars soon after the war to over 23,000 million dollars in 1953. Nearly one-third of the American insurers' assets are in mortgage, as compared with about one-tenth of the British. Again, about one-third of the investments of American companies are in Government securities as compared to less than one-fifth of British companies. The net rate of interest earned on their total assets by American companies moved upward to an all-time peak of some 5 per cent. in the 1920's. It touched a low of 2.9 per cent. in 1947. Since then, it has moved up to about 3.1 per cent.

American insurers are keenly alive to the importance of promoting national health. Individual companies and groups of companies have shown a growing interest in, and responsibility for, health conservation, disease prevention and prolongation of life. Recently, the companies have placed greater emphasis in research into current disease and health problems. It would appear that both the U.S. and Canadian com-

(Continued in previous column)

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West End Office: 13, ST. JAMES'S SQUARE, LONDON S.W. 1

BRANCHES:

INDIA: Calcutta, Chowringhee, Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin
PAKISTAN: Karachi, Sadar Branch, Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna
BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden)
SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga, Dar-es-salaam, Mwanza, Lindi, Moshi, Mbeya, Mikindani (Sub-Branch)
KENYA: Mombasa, Nairobi, Delamere Avenue, Nairobi
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Mbale, Tororo, Soroti, Mbarara, Thika, Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Eldoret, Kericho, Sotik (Sub-Branch to Kericho)

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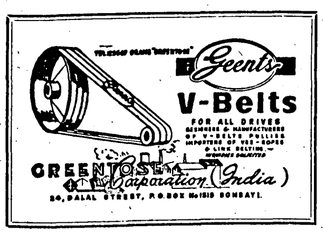
G. R. WEST, *Manager.*



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Hyderabad State Bank
(Constituted under Hyderabad State Bank Act, with Liability of Members Limited)

Authorised Capital .. .. .. O. S. Rs. 1,50,00,000
Paid-up Capital 75,00,000
Reserve Fund 75,00,000
Deposits as on 30-9-1953 16,39,27,000

Head Office: HYDERABAD (DECCAN)

BOMBAY. MAIN OFFICE:
New India Assurance Bldg.
Mahatma Gandhi Road, Fort
Telephone No. 34986

MADRAS:
41, Linghi Chetty Street
George Town, Madras
Telephone No. 2283

SECUNDERABAD. MAIN OFFICE: Rashtrapathi Road
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K. P. R. MENON,
Managing Director.

THE INDIAN BANK LIMITED

CHAIRMAN'S SPEECH AT FORTY-SEVENTH ANNUAL MEETING

PLEA FOR SUBSIDISING EXPANSION OF RURAL BANKING

THE various economic and monetary trends during the past year, which have an important bearing on banking, were reviewed by Mr. R. Sundaram Iyer, Director of the Indian Bank Ltd., who presided over the Forty-seventh Ordinary General Meeting of shareholders of the Bank held in Madras on 1st May, 1954. Referring to industrial financing, Mr. Sundaram Iyer expressed the hope that banks would willingly contribute their mite for the economic advancement and development of the country. He also stated that there was more money in rural areas and, if this was tapped successfully, there would be enough funds for financing trade, industry and commerce and the country could even do away with foreign aid. If banks were to expand their activities to rural areas—the reason for non-development of rural banking was the high cost of branch banking—the Government, he said, should subsidise banks.

The following is the full text of Mr. Sundaram Iyer's speech:

"GENTLEMEN,

"It is really very kind of you to have voted me to the chair for the second year in succession to preside over this forty-seventh annual general meeting of the Bank and I am grateful to you for it.

"The balance-sheet of the Bank as at 31st December, 1953, the profit and loss account for the year ended 1953 and the Directors' report thereon have been with you now for over a fortnight and I am sure you would have studied them with attention and I believe that there will be no necessity for me to read them here again and that you will allow me to take them as read.

"The past year marks a definite turn for the better in the post-war readjustment in almost all countries of the world and India is not an exception to it. Here in India, nature was kind and merciful, there was a good monsoon and, as a consequence, there was increased foodcrop and as a result of it, India had to import less of foodgrains which enabled her to conserve foreign exchange for other important purposes. Trade which was rather dull during the early part of the year, was brisk during the last months of the year. Demand for money for trade was not very high and in consequence, profits of banks generally were lower than in the previous year with, of course, few exceptions. While the volume of export trade in India remained more or less the same in the year under review, the amount realised on account of exports stood reduced by reason of the fall in prices of the exported commodities. India exports raw products and the prices of raw products in world markets had gone down. Anyway, the balance of trade on imports and exports was not disturbed.

Cost of Living

"The cost of living index in the year 1953 has not come down. It will come down only if the level of prices goes down and the present inflationary prices are reduced. To bring the level of prices to normality, there should be greater production of consumer goods and industrial activity. Until such time as India reaches her maximum productive capacity, price levels are not likely to go down. Price level is the result of two factors: one is that of the supply of goods and the other is the fund of money available for purchase of commodities. Increased wages and salaries are demanded to meet the higher cost of living and when the demand is met, more money is available in the hands of the countrymen, and when larger amount of money is made available in their hands, prices of commodities which are of a fixed quantity, rise in competition. So it is a vicious circle. More wages and more salaries mean inflationary prices. The only solution to check these inflationary prices is to make more consumer goods and commodities available by means of larger production. It is to achieve this end that our Union Government has started the Five-year Plan to improve the economic condition of the people of this country by initiating multi-purpose schemes of irrigation, electricity, etc., so that there may be larger production of foodstuffs and other industrial goods to satisfy the growing needs of an ever-increasing population of this country. The Union Government should be complimented on the very bold scheme of the Five-year Plan they have undertaken, and they have in full measure the sympathy and co-operation of the people of this country.

"Unemployment is on the increase. To solve the unemployment problem to some extent, in addition to the Five-year Plan, the Union Government is proposing to start two Industrial Development Corporations with a view to enabling the private sector also to take part in the industrial development of the country, so that more men may be employed and thereby the unemployment position in the country may be eased. Banks may be expected to take a share in the proposed industrial development and expansion in the private sector and it is hoped that banks will willingly contribute their mite to the economic advancement and development of the country.

Bank Deposits and Money in Circulation

"The amount of money in deposit with the Scheduled banks in our country is rather low in comparison to the total amount of money in circulation. The reason for this seems to be that more money is in the rural areas where there are very few banks. So, to attract the moneys in the hands of the people of the country in rural areas, rural banking should develop and rural areas should be served by banks. Besides, people living in rural areas should be made to realise the importance of banking and they should be made bank-minded. By attracting moneys in the hands of the rural population, banks will make these moneys available to trade, industry and commerce and this will tend to improve the economic wealth and position of the country. Another reason is a fairly large amount of money is in hiding and it doesn't come in for circulation as the holders of such money are afraid of making use of them, lest they might be assessed to tax thereon. If all such moneys which are now underground are made to come out, there will be greater availability of money for use by industry, trade and commerce and there will be greater supply of money for economic advancement instead of our country being placed in the position of going in for foreign aid to a great extent. As Mr. G. D. Birla, the Chairman of the United Commercial Bank, pointed out in his speech, the Union Government might issue bearer debentures for the purpose of bringing out such hidden moneys and making them productive.

"To encourage rural banking, Government should subsidise the opening and operation of such rural branches of banks. The reason for the non-development of rural banking is that the cost of branch banking is very high and banks cannot afford to expand their activities in rural areas, unless Government comes to their help by way of subsidy in order to induce them to open branches in rural areas.

"Coming to our own State, in October last year the State of Andhra was formed and now we have, in the place of the old composite Madras State, the Andhra State and the residuary Madras State. Though politically there are now two States out of the old Madras State, economically both are one and the States are interrelated through trade and commerce. The citizens of both these States were living all these years as brothers and the same relationship is bound to continue. We have a number of branches of our Bank in the newly formed Andhra State and our branches there will, I am sure, take their part in the financing of trade and commerce and the development of industries in the newly-formed State.

"Coming nearer home to our own State, there has recently been a change in the Ministry. Mr. C. Rajagopalachari who was invited to become the Chief Minister of the State at a time when trouble was apprehended, has just retired on grounds of health and we wish him a long and well-earned rest. His place has been taken up by the Hon'ble Shri K. Kamaraja Nadar who is a veteran Congressman, who was for many years the President of the Tamil Nad Congress Committee and who has his life and soul in the Congress from a very early age. With his experience, tact and knowledge and judgment of men and things we are sure he will acquit himself very creditably in his new office. We take this opportunity to assure him of our co-operation and support and he has our best wishes.

Balance-sheet

"Next, I have to turn to the balance-sheet and the profit and loss account. You will be gratified to find that the deposits of the Bank have increased at the end of the year by nearly Rs. 1½ crores and the increase is nearly 7 per cent. The total working funds have increased in the year by over a crore. The liquid position of the Bank is high. The combined total of unencumbered investments and cash balances gives a liquid coverage of 56.7 per cent. to the deposits and it is almost equal to the average ratio of liquid assets to deposits of all Scheduled banks put together. The paid-up capital of the Bank stands increased from Rs. 55,40,000 to Rs. 57,80,000 and the reserve fund also has been increased by appropriation of Rs. 2½ lakhs from out of the profits, to Rs. 58 lakhs. You will be pleased to find that our borrowings from other banks stand considerably reduced to Rs. 15 lakhs and the reason for such high liquidity and and lesser borrowings is due to there not being much demand for money from trade. Turning to investments, depreciation in securities is about Rs. 61 lakhs. These are terminable securities and about three-fourths of our holdings in such securities mature within a period of 10 years. While the difference between the market value and the book value is about Rs. 61 lakhs against the Bank, the difference between the face value of the securities and their book value is about Rs. 12,80,000. When the securities are redeemed, there will be a loss of about Rs. 12,80,000 and to meet this loss the sinking fund has been created in which there is now a provision of Rs. 9½ lakhs after the addition of half a lakh this year out of the profits. By the time these securities mature for redemption, we hope to augment the sinking fund by transferring moneys out of the profits of future years every year and thereby bring it up to Rs. 13 lakhs, so as to set off the loss we might incur when the securities are redeemed. The investments stand increased by nearly Rs. 73 lakhs and this increase was necessitated by reason of our not being able to utilise funds profitably consequent upon the demand for money from trade being less. We hope things will be better this year and we will be able to find more profitable channels of investments. Advances show an increase of Rs. 60 lakhs in the year over that of 1952.

"Now turning to the profit and loss account, you will be glad to find that the published gross income of the Bank is greater by Rs. 2,25,000 than that of 1952. This published gross income is after making provision in the year for bad or doubtful debts and other usual and necessary provision. Unusually, we had to make a larger provision for bad or doubtful debts in the year under review and consequently the published gross income shows only a small increase over that of the previous year. The net profit also is shown as Rs. 12,91,000, while in the previous year it was Rs. 14,17,000 and the net profit is, therefore, less by Rs. 1,26,000. The lower net profit is mainly due to the higher cost of deposits and increase in salaries and allowances to staff. Consequent upon the Government coming out for borrowing in the market at higher rates, banks are obliged to pay higher rates of interest on deposits and there is thus keen competition between banks for deposits at higher rates. As regards salaries and allowances to staff, they are mounting up and increase under this item over the figure in the previous year amounts to nearly Rs. 3 lakhs. For your information, I wish to give you a comparison of the position of the Bank fifteen years ago and now, i.e., at the end of 1938 and end of 1953. While capital, reserves, net profit and depreciation in the value of securities have increased 4½ times, deposits, total working funds, deposits' interest have increased 6½ times, and gross income has increased 7½ times, salaries, gratuity and bonus to staff have increased 11 times. So, the increase under the head 'establishment charges', as you will see, has been very considerable. That is one of the reasons why the net profit has gone down.

Bank Awards

"There has been a number of awards touching the service conditions of bank employees. There was the Sen Award, then the Sastry Award and now the Award of the Labour Appellate Tribunal, Bombay, on the appeal against the Sastry Award. The Labour Appellate Tribunal has delivered its judgment only a couple of days back. It is bound to throw additional burdens on banks as you will see from the abstract of the judgment published in the Press. The basic wages have been increased and the dearness allowance has been enhanced. Until we see the full report of the judgment of the Labour Appellate Tribunal and study its implications, it is not possible to know now the extent of the additional burden our Bank will be called upon to shoulder. But one thing is clear: that further burden will have to be borne by us and to meet that burden our earnings will have to go up. Unless that is done, the net profit is likely to go down. We hope that everyone connected with the Bank will put forth his best efforts and do his utmost to improve the earnings of the Bank and maintain its profits, notwithstanding higher costs and higher burdens.

"You will be gratified to find that the book value of the Bank's properties stands at Rs. 1,40,000 after writing off Rs. 25,000 from out of this year's profits and I am sure they will be worth about Rs. 7 to Rs. 8 lakhs. We have, therefore a secret reserve therein.

"You will all appreciate that the Board of Directors have provided in full for all apprehended bad and doubtful debts out of the profits before arriving at the net profit, and have still maintained the dividend at 12 per cent. They have not starved the allocation to reserves which takes Rs. 2½ lakhs and also to sinking fund to which also half a lakh of rupees has been transferred. The staff has not been forgotten and they have been given a bonus of one month's salary. Though the Directors will be pleased to give more to the staff by way of bonus, the profits of the Bank will not allow of greater amount of bonus being paid to them. So, taking account of all these factors, I am sure you will all agree with me when I say that the Bank has, in spite of the several handicaps, worked successfully and has produced satisfactory results.

"During the year, two offices in the City of Madras and five offices in the mofussil were opened. The Bank has, besides the head office, 91 branches, sub-offices and pay offices.

Foreign Exchange Department

"It is now two years since the Foreign Exchange Department of the Bank was started and we are glad to tell you that the department is making satisfactory progress. We hope that in course of time we will develop the Foreign Exchange Department still further with a view to taking a greater part in financing the import and export trade of our country.

"Our overseas branches in Ceylon and Malaya are working fairly well, notwithstanding the recession in prices of tin and rubber in Malaya consequent on the stoppage of stock-piling in the United States of America due to the cessation of war in Korea.

"I am sure you will all be proud along with me, that this Bank which was started in 1907 with a capital of Rs. 10 lakhs, has successfully steered all these 46 years clear of all storms, withstood all shocks and has come up to a position of one of the big nine banks in India. It is my fervent prayer and the prayer of my colleagues on the Board and, I am sure, it is also the prayer of all of you and of those who serve the Bank, that the Bank will grow from strength to strength in the years to come and will acquire further higher position in the comity of the leading banks in India.

"Before I conclude my speech, I have to pay a tribute on my behalf and on behalf of my colleagues on the Board, to all the members of the staff for their loyal and efficient services. Our thanks are also due to the Members of the Local Advisory Boards at all places where we have such Boards for their help, advice and support to the institution.

"Now, gentlemen, I have great pleasure, in moving, the adoption of the Directors' report and the balance-sheet for the year ended 1953."

Messrs. K. Balasubramania Aiyar, Rao Sahib E. M. Muthappa Chettiar, L. Alagusundaram Chettiar and P. V. RM. Kulandayan Chettiar were re-elected Directors of the Bank.

Messrs. M. K. Dandekar & Co., Messrs. Sundaram and Srinivasan, Messrs. V. Soundararajan & Co. and Messrs. Brahmayya & Co. were elected auditors of the Bank for the year 1954.

MONEY SUPPLY IN FRANCE

A preliminary report of the Conseil National du Credit indicates that the money supply in France increased from 4,159 billion francs on 31st December, 1952, to 4,627 billion francs on 31st December, 1953. This increase of 468 billion francs (11 per cent.) was somewhat less than the increase of 481 billion francs (13 per cent.) in 1952. The ratios of notes and deposits to the money supply, which had been remarkably stable in the preceding year, tended to be less stable in 1953, as deposits increased by 14 per cent. while currency increased by 9 per cent. Bank credit to the Government increased by 253 billion francs in 1953, and bank credit to business increased by 242 billion francs. For the year as a whole, gold and foreign exchange holdings of the Bank of France declined by 11 billion francs, although they ceased to decline in the third quarter and increased by 19 billion francs in the fourth quarter. An important development was the increase of 185 billion francs in bank credit to business in the last three months of the year, which was in sharp contrast to the decline in the early months. The increase in bank credit to the Government, on the other hand, was mainly in the first half of the year. The report also noted that certain forms of savings in 1953 were greater than in 1952. Most marked was the increase in savings bank deposits (179 billion francs in 1953, as against 124 billion francs in 1952). Treasury bonds subscriptions by individuals and time deposits were also higher than in 1952.

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THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LTD.

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THE Employers' Liability Assurance Corporation Ltd. has had a "fair measure" of success in achieving the objective of greater spread of business both as between fire and casualty and also geographically, according to The Rt. Hon. Lord Courtauld-Thomson, K.B.E., C.B., Chairman of the Corporation. This view has been expressed by the Chairman in his annual statement to the shareholders, accompanying the Directors' report and statement of accounts of the Corporation for the year ended 31st December, 1953.

The following is the text of the Chairman's statement:

"On 31st December this year, after thirty years as a Director and twenty years as Chairman, I propose to retire from the chairmanship of the Corporation, and it is the unanimous wish of the Directors that Viscount Knollys should be invited to become Chairman in my place. For many reasons the Board would have been glad if Lord Knollys could have continued his notable and successful services as Managing Director. Lord Knollys, however, wishes to relinquish this post, to which he was first appointed twenty-one years ago, because he feels the time has come to facilitate promotion. He has, therefore, for some time, in co-operation with the Directors, been making arrangements for the appointment of a successor as Chief Executive and the consequential changes. In this connection, it is generally recognised that, if promotions and appointments in any organisation are unduly delayed, those involved in the changes might in some cases be too old to embark on the new duties which they are called upon to undertake.

Active Chairman

"Lord Knollys, amongst many other qualifications, has very exceptional knowledge of the United States, where so much of our business lies, as well as of Canada and other business areas overseas, and the Board are glad to feel that as an active Chairman he will still be in a position to provide this experience and knowledge to a special degree, not least in maintaining contact with our overseas business by means of those personal visits which have been invaluable in the past.

"We are glad to announce that it is the Board's intention to appoint Mr. C. E. Keysell chief executive officer of the Corporation with the title of General Manager. With his fine record of service, his knowledge of our business overseas and his long co-operation with the Managing Director, we feel sure that Mr. Keysell will prove successful in the highest degree.

"In order to facilitate and synchronise with these changes, I have stayed on as Chairman somewhat longer than is usual, and in order to complete the sequence of these arrangements the Directors have asked me to submit my name for re-election as a Director at this meeting. Should I be re-elected I would remain on as Chairman until 31st December, this year but would then retire. The Board have expressed a wish that I should then become Honorary President of the Corporation. I need scarcely say how much I should appreciate this honour.

"The combined premium income of our group of companies for 1953 was £27,664,156, an increase of £1,935,333 on that for 1952:

	£
Fire	2,590,511
Motor	10,239,014
Workmen's Compensation ...	5,258,609
Other Casualty	6,974,164
Marine	496,906
Life	2,104,952
Total ...	£27,664,156

"The Corporation's own underwriting profit for the year was £915,828. Our share of the life profits of the Clerical, Medical and General Life Assurance Society was £55,816, and the gross interest on our investments amounted to £849,851. After making a contribution of £320,000 to the staff pension account and charging sundry other expenses of £43,386, there was a total trading profit of £1,458,109, the largest figure ever recorded by the Corporation. From this amount we have provided £885,891 for United Kingdom taxation, leaving our net profit for the year at £572,218. With the balance of £750,667 brought forward from last year, we thus have available a total of £1,322,885. The Directors have appropriated £250,000 to general reserve and recommend the payment of a final dividend at the rate of 3s. per share, making a total dividend for the year of 4s. 6d. per share, less income-tax. This would cost £190,463 net, leaving the carry forward at £882,422, an increase of £131,755 on the year. The Directors have also, this year, approved the transfer of a further £500,000 from inner reserves to the general reserve. With the transfer of £500,000 made from inner reserves last year and the above transfers, the general reserve amounts to £4,250,000.

"Having regard to the present strength of the reserves, the Directors feel that the time has now come to pay up the uncalled capital of 15s. per share on the existing shares by capitalising £1,154,317 10s. from general reserve, in respect of which the appropriate resolution is being submitted to the annual general meeting.

"We are informing the shareholders separately of an issue of fresh capital which we are making. Apart from a small internal issue in 1928, the Corporation's paid-up capital, which is now £384,772, has not been changed since 1921. In this period its premium income has increased from £5,500,000 to almost £25,000,000 per annum and fresh capital is now desirable. Such additional capital would enable the Corporation to continue even more actively its policy of world-wide development, particularly in fire business, to the full extent which its organisation is capable of in all other respects.

"As the result of these operations the total issued share capital will be increased to £2,000,000, which, with the general reserve and carry forward, will then give a total of over £7,500,000.

Fire

"We have continued our policy of the steady expansion of our fire business, and the premiums in this account again showed a considerable increase at £2,443,350, £338,825 higher than in 1952. Although the results in this class were generally favourable, the margin of profit, at £119,266, was no greater than that of the previous year, largely because our United States business, much of which is of a long-term nature requiring high reserves, has continued to develop rapidly.

Accident and General

"The premiums in this account have increased by £1,531,358 to £22,402,866 and the underwriting profit amounted to £796,562 compared with the corresponding figure of £233,171 a year ago. This welcome advance is due mainly to a more profitable experience in the United States, and to a very considerable improvement in the results from Canada, which has returned to its normal role as a source of steady profit.

"Of the separate classes included in this account, motor business was, as usual, the largest, with premiums of £10,239,014, £954,816 more than in 1952, and I am glad to be able to tell you that it has, overall, provided us with a reasonable amount of profit—a welcome reversal of the general experience of recent years.

"Workmen's compensation premiums showed a small decrease of £159,837 at £5,258,609. The modest profits realised in this class from certain of our branches and agencies was almost exactly balanced by correspondingly small losses in other parts of the world.

"Other casualty business included in this account—public liability, personal accident, burglary, plate glass and fidelity—amounted to £6,905,243, an increase of £736,379. These classes generally have again provided satisfactory results.

"Our United Kingdom business continued to go ahead. The premium income was once more some 10 per cent. higher on the year, and the overall profit was bigger. The Home fire account, which was again a good one, showed the best results for several years. Motor business continues to cause concern, but we are hopeful that the increasing attention which is being given to road safety, coupled with our policy of careful selection of risks, will lead to improved results. In respect of our Employers' Liability portfolio, we trust that the revised rates of premium which are being applied will help to place the business on a profitable basis.

"In the United States the improvement in results shown in 1952 continued into 1953, and the experience of companies in general was the best for some years. I am glad to say that the tide has again turned for motor business, the class which has the greatest influence on our total results, although we must expect it, like all tides, to continue to ebb and flow. Increases in 1951 and 1952 have brought rates to a level which appears to have been adequate for the experience of this particular year, although the profit is not sufficient to counteract the loss suffered on balance in the previous few years. In 1953 there was no material change in these rates except for a welcome increase, applicable in 1954, for the compulsory motor insurance in Massachusetts, of which we write a substantial amount. We shall, therefore, receive at least as much by way of premium per risk in 1954 as we received last year and, provided that there is no extraordinary trend in claims, this may again give us the opportunity of making a profit on our United States motor business. The delayed effect of the rate increases granted in previous years assisted towards the 10 per cnt. increase shown in our premiums, which would have been even larger in total if we had not pursued our programme of careful selection of risks.

Casualties

"As many of you may be aware, the death roll on the roads in the United States was over 38,000 in 1953, and 1,300,000 were injured in that year. These are very much higher figures than those for the total casualties in the whole of the Korean war. This terrible record stands in spite of many local road safety campaigns. Now President Eisenhower himself has launched a nation-wide campaign by calling on each State Governor down to the leaders in every small community to take effective measures to reduce accidents. We all earnestly hope to see the desired result.

"Workmen's compensation business did not run as favourably for us as in 1952 and we were able only to break even as the result of the year's transactions. Other classes as a whole made their usual satisfactory contribution to the year's profit.

"Our fire business showed a substantial growth and, consequently, a much heavier charge in the provision for unexpired risks, which is carried at a high proportion of the annual premium income. . . .

"Whilst our business from overseas territories other than the United States does not show so marked an increase as last year, it is nevertheless progressing well, and has contributed substantially towards the total underwriting profit for the year. In Canada, the still appreciable growth in premium income has been accompanied by a notable improvement in the results of our casualty business but, although the Canadian fire business in general maintained the standards of recent years, the results were adversely affected by a severe tornado in the Province of Ontario in May, 1953. This inflicted great damage in the town of Sarnia, where we have substantial connections, resulting in several hundred claims. The return to a profitable basis of operation, after the previous year's unexpected loss, must be very gratifying to Mr. Curtis, our Canadian Manager, to whom we extend congratulations on a good year's work.

"In Australia, too, our growth has continued on a substantial scale, although at a slightly slower rate than we have been accustomed to in recent years, and the profit again yielded by the year's transactions is proof of the general quality of our business there. Our Manager, Mr. Keysell, was able to see at first hand, during his recent visit, the progress which is being made in that country and the satisfactory share which we are taking in its development.

"In August, last year, we received the sad news of the death of Mr. Harry S. Hopkins, who held the Chief Agency for the Corporation in Rhodesia for so many years. Our close association with the firm of Harry S. Hopkins & Co. will continue. Following the creation of the Federation of Northern and Southern Rhodesia and Nyasaland, the Corporation has opened a branch at Bulawayo to assist in the development of our business in these territories.

"In South Africa, difficulties continue to be experienced with our casualty business, a large part of the income of which is derived from motor insurance, and the efforts of our Managers, Joseph Liddle (Pty.) Ltd., to improve this class are indicated in the recent trend.

"Both in India and in Malaya, where trading conditions during the past year have not been at all easy, it is satisfactory to be able to record that our energetic and capable representatives have maintained their premium incomes at a higher level than could have been anticipated, and that both territories yielded profitable results.

"Elsewhere in the overseas markets outside the United States our operations have reflected the local difficulties, but although our motor business in many areas, and particularly in Israel, East Africa and Jamaica, continues to be a source of some anxiety, it is satisfactory to be able to say that our business generally has been well maintained and has contributed its quota to the profits of the year.

Life

"Our associated life office, the Clerical, Medical and General Life Assurance Society, continues to do well. Net new business for 1953, at £7,302,053, showed an increase of £583,933 on the 1952 figure, and the annual premium income exceeded £2,000,000 for the first time. The life assurance fund of £22,046,492 is up by £935,715, and the combined life and capital redemption funds now total £24,447,901.

"During the year there was a considerable appreciation in the value of the Society's existing investments but this was, however, associated with greater difficulty in finding remunerative outlets for new money. In spite of this the gross yield on the Society's investments, as a whole, increased by 2s. 7d. to £5 4s. 8d. per cent. and the net yield by 1s. 9d. to £4 1s. per cent.

Marine

"The results of our marine subsidiary, The Merchants Marine Insurance Company, Ltd., continue to be satisfactory. The net marine premiums totalled £496,906 and the marine fund, at the end of the year, amounted to £698,568, or 140 per cent. of the premium income.

"The drop of over £100,000 in the premium income is due mainly to the fall in world commodity prices and to the general reduction in cargo rates. The widespread rate-cutting in this class of business continues, and rates have reached a new low level. Unless something is done by the market to remedy this state of affairs, it is very likely that this hitherto profitable side of marine business will be running at a loss. In spite of the good work of the Joint Hull Committee, it is doubtful whether hull rates are yet adequate to meet the ever-increasing cost of repairs. There are signs, however, of some improvement in the length of time taken before repairs are put in hand, with a consequent trend towards a reduction in the number and the total cost of settlements made after the third year of account.

"The fire and casualty business, with premiums of £215,823, continued to develop profitably.

"I am glad to say that the improved position of this company has enabled it to declare a dividend at the rate of 5 per cent. in respect of 1953, the whole of which will come to the Corporation as sole owners of the shares.

Aviation

"Our main interest in this market is still through our shareholding in the Aviation and General Insurance Company. The business of this company continued to develop satisfactorily and its operations have again resulted in a profit.

Investments

"The Corporation's total investments (including property and subsidiary and associated companies) amounted to £32,579,590, showing an increase of £3,050,584 on the year. I can report, with pleasure, that their total market values at 31st December, 1953, showed an even greater appreciation than last year over their total book values.

"While in the United States last year, Lord Knollys was able to meet the members of our Executive Committee there on more than one occasion and to discuss with them our investments, which they supervise, so successfully. The prospects of a serious business recession and its possible effects on our portfolio are given watched regularly and carefully, but no material change in our investment policy seems to be called for at the present time. We are fortunate in that the Chairman of our United States Executive Committee, Mr. Lewis Douglas, pays periodical visits to this country, thus enabling us to hear from him personally about our investment problems.

"Last year I indicated that we had considered it best to hold a proportion of short-term securities in the United States. During 1953 we felt that we could, with advantage, transfer a part of these funds, at maturity, into long-term corporate obligations.

"The continuing economic development of Canada has encouraged us to enlarge once more our portfolio in that country by the purchase of further carefully selected bonds and stocks.

Directorate

"We were pleased to be able to announce, in September last, the appointment of Mr. A. G. Stewart to a seat on the Board. Mr. Stewart is Chairman of Stewart and Lloyds Ltd., President of the British Employers' Confederation and President-elect of the British Iron and Steel Federation, and his wide business experience will be of great help to the Corporation.

Overseas Visits

"Lord Knollys paid his customary visit to the United States and Canada last autumn. In Canada, in addition to visting Montreal, Toronto and Quebec, he made special journeys to centres of activity in the development of Canada's natural resources. He visited Arvida, in Northern Quebec, where operates the largest aluminium smelter in the world, as well as spectacular power stations, and many paper mills, and also Sudbury in Northern Ontario, where almost all the world's nickel is produced, and where we have a recently opened branch office. He also made a tour of the area in South Western Ontario where such striking industrial development has taken place, and was able to meet our representatives and agents in such growing towns in that promising district as Hamilton, London and Windsor.

"The Manager, Mr. C. E. Keysell, visited our United States Branch in October last in the course of a long tour of our branches and agencies in Australia, Malaya, Ceylon and Pakistan, while the Assistant Overseas Managers, Mr. A. Wanford and Mr. G. W. Norris, have between them, made journeys to the Far East, East Africa and the Rhodesias.

"By reason of the universal interest aroused by the Coronation last year, we had the great pleasure of entertaining even more of our overseas friends from many parts of the world than usual, and we hope that they retain very happy memories of their stay in this country. Our North American Managers, Mr. Larner from the United States and Mr. Curtis from Canada, were very welcome visitors and, during the year, we were glad to see, among others, General H. D. G. Crerar, C.H., C.B., D.S.O., and Mr. Shirley Dixon, O.B.E., Q.C., two of our Canadian Local Advisory Directors, Mr. Normand Hill, an Australian Local Advisory Director, Mr. E. S. A. Mathie, Managing Director of Joseph Liddle (Pty.) Ltd., our Managers for South Africa and several of our overseas Agents, including M. René Giblain of Le Havre, Mr. Roland Holst of Amsterdam and Mr. Donald Vincent of Nairobi. We were particularly pleased to have with us again Senator Edward C. Stone, who was, for many years, our United States General Manager and who is now the Vice Chairman of our United States Executive Committee.

"I know that you would wish me to take this opportunity of again expressing our warmest thanks to our managers, agents and staff in all parts of the world, whose keenness and efficiency have contributed so much towards the success of our year's work.

General Review

"I think it would be of interest, and appropriate, on this occasion to review some aspects of the progress of the Corporation during the past twenty years.

"Our total premiums in 1934 were almost entirely in casualty business, and 83 per cent. of our premiums were in the United States. It was then our aim gradually to achieve a greater spread of our business both as between fire and casualty, and also geographically. This did not mean, of course, that we were anything but proud of the leading position in casualty insurance which we had attained largely because of our energetic pioneer work in this type of business (The Employers' wrote the first liability policy in North America in 1886) for although insurance grows all the time, liability and, indeed, casualty business in all its variety has made special progress. Its total premiums exceed those of fire, and fresh kinds of cover are constantly being called for. These modern requirements we are everywhere well equipped to supply, not least because of our long and wide experience in these classes and our old-established agency connections.

"Nor can we fail to be gratified at our outstanding position in the United States. I am sure that we are fortunate in being so widely and firmly established throughout a country where the opportunities for an insurance company such as ours to march forward with the inevitable economic development of that country are so obvious. One fact alone illustrates what can lie ahead in this field. The population of the United States is now approximately 160 million—twenty years hence it is estimated that this figure will inevitably have increased to 200 million. I do not underrate the difficulties involved in underwriting in the United States, nor in the fluctuations in results which are typical of carrying on insurance business in that country. But our own growth is steady, our assets there have increased to over $100,000,000, and over the years we have traded, and, I am sure, shall continue to trade, at a profit. We can indeed congratulate ourselves that we are able and equipped to continue to advance in the United States in step with the natural development in that country.

"This thought applies equally in the case of Canada, where we have a large and profitable business and can look forward to having our share in the unfolding of the magnificent prospects which exist there to a greater degree, perhaps, than anywhere else in the world.

"But nonetheless we have over the last twenty years thought it wise, as I have already indicated, to increase the spread of our business not only as between casualty and fire, but geographically. I think I can say that we have had a fair measure of success in achieving this, not by writing less casualty or less in the United States, but in writing more fire business and more of all classes in other parts of the world.

"We have, as I have said, aimed at increasing our fire portfolio, and a good opportunity to do this has occurred within the last few years owing to the change in the United States law which has permitted a casualty company for the first time to write fire business in its own name. We have taken full advantage of this and have built up a satisfactory amount of attractive fire premiums.

"We must not forget, too, the very satisfactory progress of our associated companies, the 'Clerical, Medical and General' and the 'Merchants Marine,' through whom we transact life and marine business.

"We are very proud of these achievements of 'The Employers' over the years, particularly because they have been largely accomplished through the splendid team-spirit of our executive management and staff throughout the world. Those qualities, even more than mere figures and records, are the best assurance of success in any business enterprise.

"In this connection, the Board wish to pay a special tribute to Viscount Knollys. Lord Knollys became Managing Director of the Corporation so long ago as 1933 at a comparatively early age and, in regard to his tenure of office, the following facts and figures speak for themselves. In 1934 our total premiums were less than £7,000,000, almost entirely in casualty lines, and some 83 per cent. of them were in the United States. Twenty years later, in 1953, our total premiums were close on £25,000,000. While, however, our casualty business more than trebled, our fire business has grown over sevenfold. In the United States our premiums increased from about £5,500,000 to £19,000,000, but the proportion of total premiums written outside the United States rose during the same period from 17 per cent. to nearly 24 per cent. In addition our free reserves progressively increased up to the present comfortable figure.

"With regard to the past, I should like to say that my long association with the Corporation will always remain in my mind as a privilege and a very happy memory. As to the future, I am confident that Lord Knollys, with his outstanding qualities and widespread experience, will make an ideal Chairman, under whose leadership, supported by our distinguished colleagues on the Board and our most excellent staff, we can look forward to the future with hope and ample assurance."

PROBLEMS OF GLASS INDUSTRY

CONTROVERSY REGARDING AUTOMATIC VS. SEMI-AUTOMATIC MACHINES

ALTHOUGH the overall industrial production in India during 1953 was the highest in any year since independence, there was still a large number of industries in which the trend of production was far from satisfactory. A recent analysis of over 150 industries during the first three years of the Five-year Plan has revealed, we are told, a substantial increase in installed capacity accompanied by a decline in production levels in a large number of them. In these industries, the heavy accumulation of idle capacity has not only resulted in the contraction in employment opportunities, but tended to weaken the competitive status of such units. A typical instance of these disquieting trends is provided by the Indian glass industry. An idea of the hardships facing this industry can be had from the speech of Mr. B. B. Sarkar, President, Bengal Glass Manufacturers' Association, delivered at the tenth annual general meeting of the Association recently held at Calcutta.

One of the factors which have hard hit the industry is stated to be the disequilibrium between the cost and price structure. The rigidity of the cost structure in the face of a recession in demand, resulting in continued fall in selling prices, is considered to be responsible for the closure of a number of units during 1953, adding thereby to the accumulation of heavy unused capacity. According to Mr. Sarkar, out of 36 factories in West Bengal, not more than half the number is working at the moment, and that too, much below their rated capacity. The Draft Report on the Glass Industry prepared by the Ministry of Commerce and Industry has estimated the output of glass goods in 1953 at only 83,156 tons, as against the target of 127,500 tons fixed by the Planning Commission for the year. "It is possibly in consideration of this decline in production," says Mr. Sarkar, "that in the Draft Report, the production target has been revised downward to only 140,000 tons for 1955-56 against the target of 168,510 tons originally fixed by the Commission." He doubts the feasibility of reaching even this reduced target, as (a) high and inelastic cost of production, and (b) decline in the purchasing power of the masses have stood in the way of increasing the volume of output.

Mr Sarkar seeks a solution to the difficulties mentioned above in the adoption of two measures, namely, reduction in costs and increase in the *per capita* income of the country. The reduction in costs is, to a certain extent, within the reach of the industry, in so far as it relates to economies in the cost of raw materials, fuels and labour. With regard to raw materials, the price of furnace oil has gone up, it is stated, by 100 per cent. Again, the freights on coal, sand, lime and finished goods have also recorded considerable increase in recent times. He regrets that innumerable representations made to the Government seeking some degree of relief in respect of raw materials, fuel and freight have been of no avail. He, therefore, feels that both his Association and the All-India Glass Manufacturers' Federation should approach the Government, once again, and put forward effectively, the case of the industry before the appropriate authorities. To quote Mr. Sarkar: "The glass industry is now at the cross roads and there is urgent need to chalk out its future plans and programmes of development through close collaboration of the Government and the industry on sound lines with the aid of fully automatic and semi-automatic units with reservation of respective spheres of activity."

Future of Semi-automatic Units

The future of semi-automatic factories would appear to be causing considerable headache to the glass industry. In foreign countries, with the advent of full automatic machine, accounting for 90 per cent. of the total output of glass, semi-automatic factories went out of existence within a decade. In India, most units are semi-automatic factories, but there is a growing demand for products manufactured by full automatic factories. One leading factory has started production through these machines. Others may follow suit. But Mr. Sarkar seems to be rather apprehensive of this growing trend towards modernisation, although he does not seem to be totally opposed to the installation of automatic machines. He thinks that indiscriminate installation of such machines may recoil adversely on the full automatic factories themselves The attitude of Mr. Sarkar towards this problem is better assessed by his own analysis of the problem. He states:

"It is at times argued that, since industrial efficiency is much higher on full automatic machines, such factories should be allowed to replace semi-automatic units. Though this opinion is not being directly aired, an indirect effect of this nature is bound to operate, unless the number of full automatic units is controlled. Even if there is a feeling somewhere high up that, for the sake of greater industrial efficiency, full automatic plants should be allowed to replace semi-automatic machines, justifications for the continuation of factories equipped with semi-automatic machines are not lacking. First, the labour absorbing capacity of the semi-automatic factories is much larger than that of fully automatic units. Secondly, semi-automatic factories have attained an efficiency of production by virtue of which, I feel, they are in a position to meet the requirements of a large majority of consuming industries and the general public. Finally, judged by the criterion of cost of production or sale price, semi-automatic factories have successfully reduced the prices of their finished wares to levels which are still far below those of products of fully automatic factories. Finally, a huge amount of national wealth has been invested in the semi-automatic factories and, in case of their going out of production, the entire capital invested will have to be written off and the bulk of the labour force will be thrown out of employment.

"I am not sure whether it is too early for me to take up this line of argument. I have done so only to emphasise the possible reactions of complete mechanisation of production and also to bring to the limelight the desirability of striking a balance between full automatic and semi-automatic factories in a planned way. The first Five-year Plan has already completed three years of its operation. I would suggest the adoption of necessary steps at this stage to work out a plan of balanced development. I am slightly afraid that, in the huge mass of estimates of installed capacity, anticipated demand and production target, the paper evidence in support of more than the necessary number of full automatic factories may be brought forward. I would request the Association, the Federation and interested persons to be on guard regarding any complacent sanction for full automatic machines which may cause confusion and ultimately bring disaster for the Indian glass industry."

It is evident from the foregoing that the controversy regarding the relative merits of using automatic and semi-automatic machinery in the glass industry is more or less similar to the controversy relating to the cotton mill industry and the handloom industry. The protagonists of the semi-automatic factories may find support from the Government which has been biased in favour of labour intensive units. But that does not necessarily mean that their arguments are sound and progressive. The semi-automatic factories may employ more labour but they may not be able to pay this labour as well and provide for its comforts as much as the more efficient units. Nor will they be in a position to make quality products on a large scale, bringing down the cost of production and build up an expanding market.

In the sphere of labour too, the position of the glass industry is not encouraging. As in many other industries, in this industry also, the number of workers employed is far too large in comparison with the capital resources or the value of output. The capital investment per worker being one of the lowest in the glass industry, there is virtually no margin to accommodate even the occasional demands of workers. Again, the leadership of labour unions have been responsible for gross indiscipline of workers. Further, labour laws initiated by Government for the promotion of labour welfare on a scale not commensurate with the industry's ability to bear the burden of these laws have also adversely affected the progress of the industry.

Imports

Despite the numerous handicaps mentioned above, the industry would appear to have achieved considerable success with regard to quality and diversification of production. Thus, the requirements of various types of glass for pharmaceutical bottles, ink bottles, mineral water bottles, excise and milk bottles, penicillin vials, vacuum flasks, etc., have been produced in large quantities and in much better quality. But, the industry complains of competition from foreign products. It is stated that the import policy of the Government should be so adjusted as to help diversification of output and increase in production. Steps should be taken to see that foreign imports do not adversely affect the position of the indigenous units manufacturing diversified products. As raw material such as heavy soda ash, borax, selenium, etc., are not available at home, the Government is requested to ensure the industry of adequate supply of these raw materials at competitive prices. Besides, the refund on duty on imported soda ash which the industry so far enjoyed has been, it is stated, not only withdrawn, but the duty has been enhanced to the detriment of its progress.

Mr. Sarkar further points out that rationalisation of the glass industry has been slow. At the moment, too many factories are making very many things, requiring a large number of different chemical composition, from one and the same furnace. This practice, prompted by the instability of the market, has been adopted, he says, as a security measure so as to ensure quick switch over in times of difficulty regarding sale and transport for any particular type of products. Nevertheless, there is, we are told, full agreement amongst member-factories regarding the desirability of rationalisation. The only difficulty is, according to Mr. Sarkar, the lack of better organisation and adequate resources. The Central Glass and Ceramic Research Institute is stated to have done very good work which could be turned to the advantage of the industry, but old habits and methods of the existing units are in the way. Besides, the Institute is new and a tradition of seeking and giving aid can be built up only in the course of some years of painstaking work. The problem of technical personnel suitable to Indian conditions remains yet to be solved. The foreign-trained technicians have been found to be suited to large-scale factories only. Mr. Sarkar, therefore, suggests that the Institute should chalk out a scheme of industrial research and training under the auspices of the Institute and that factories desiring to depute their experts to work on any of their specific problems should be allowed to take advantage of the facilities available in the Institute.



ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited.

Incorporated in England

A.D. 1808

Agents:

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FIRE * MARINE * ACCIDENT

MR. S. P. JAIN ON SOME PROBLEMS OF INDUSTRY

The problem of modernisation of industry has become the burning topic of the day. Proposals for rationalisation have evoked country-wide protests from labour leaders on fears that modernisation would lead to large-scale unemployment in the country. These protests have been so vociferous that even those in authority seem to have been swayed by them, as witness the remarks on the subject of the Minister for Commerce and Industry during the discussion on the Finance Bill in Parliament a fortnight ago. An analysis of the stand taken by labour leaders discloses that they are guided more by fears of displacement of labour rather than by a careful study of the effects of modernisation on employment. In this context, it is worthwhile pointing out that this aspect has found full emphasis in the speech delivered by Mr. Shanti Prasad Jain, as President of the Bihar Industries Association, at the annual meeting of that body held on Sunday last at Patna. Mr. Jain admitted at the meeting that the process of rationalisation involved some displacement of labour, but it was not retrenchment as it was understood at present. Rationalisation hinged, he observed, on the need for the highest possible productivity and equally for achieving lower production costs. Although some amount of labour would be displaced from work, there would be better efficiency and improvement in the earning capacity of workers. Further, those who were apathetic to rationalisation overlooked the fact that it was not something which could be achieved overnight. It had to take place over a period of years in any industry, as there was always the overriding consideration of finance. And complete modernisation

(Continued on page 963)

Notices

THE VELLORE ELECTRIC CORPORATION LIMITED

INTERIM DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN THAT THE Directors have declared:

(a) An interim dividend of 5 per cent. or Re. 0-8-0 per share tax-free on Ordinary Shares, for the year 1953-54.

(b) An interim dividend of 3 per cent. less tax on Preference Shares, for the year 1953-54.

The Dividend Warrants will be posted on or after 1st June, 1954, to those shareholders, whose names stand on the register of members as on 31st May, 1954.

The Share Transfer Books of the Company will be closed from 22nd May to 31st May, 1954, both days inclusive.

By Order of the Board,
CHANDRIE & CO., LTD.,
Managing Agents.

MADRAS, *6th May*, 1954.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 29th April, 1954, the following Dividends were recommended to be paid for the half-year ended 31st December, 1953, without any deduction for Income-tax paid by the Company:—

On Preference Shares—6¼ per cent. per annum.

On Ordinary Shares—20 per cent. per annum plus 4 annas Bonus per share.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 29th April, 1954, the following Dividends were recommended to be paid for the half-year ended 31st December, 1953, without any deduction for Income-tax paid by the Company:—

On Preference Shares—6½ per cent. per annum.

On Ordinary Shares—20 per cent. per annum.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 29th April, 1954, a Dividend of 20 per cent. per annum was recommended to be paid for the half-year ended 31st December, 1953, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-third Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 4th June, 1954, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1953, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 21st May to the 4th June, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and twenty-sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 2nd June, 1954, at 11-10 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1953, declaring the Dividends recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 19th May to the 2nd June, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 4th June, 1954, at 12-30 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1953, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 21st May to the 4th June, 1954, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and ninth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 2nd June, 1954, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1953, declaring the Dividends recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 19th May to the 2nd June, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

THE BHULANBARAREE COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-fifth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 2nd June, 1954, at 10-40 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1953, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 19th May to the 2nd June, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 2nd June, 1954, at 11 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December, 1953, declaring the dividend recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 19th May to the 2nd June, 1954, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CALCUTTA, *29th April*, 1954.

PROFIT OF AZAM JAHI MILLS IMPROVES

OSMANSHAHI CUTS DIVIDEND ON DISAPPOINTING RESULTS

THE performances of the two textile mills under the management of the Industrial Trust Fund, Government of Hyderabad, namely, the Azam Jahi Mills Ltd. and the Osmanshahi Mills Ltd., during the year ended 30th September, 1953, have not been quite uniform. While the earnings of the Azam Jahi have been higher than those for the previous year, those of Osmanshahi show a contraction. Thus, the gross profit of the former has registered an increase from O.S. Rs. 7.92 lakhs for 1951-52 to O.S. Rs. 11.77 lakhs, which, it may be noted incidentally, is the highest in the past five years. The gross profit of the latter has suffered a shrinkage of I.G. Rs. 3.10 lakhs to I.G. Rs. 7.67 lakhs.

The dividend to the shareholders of the Azam Jahi Mills has been maintained at 6 per cent., a rate which was paid for the previous two years, after it was raised from 5.5 per cent. paid for 1949-50. The distribution to the shareholders of the Osmanshahi Mills, which had been raised successively from 5.5 per cent. for 1949-50 to 6.5 per cent. for 1950-51 and to 7 per cent. for 1951-52, has been cut to a modest rate of 4 per cent. for the year under review. It may be noted that the dividend for 1952-53 is the lowest for the last 13 years.

The following comparative tables, giving the salient features of the results of the two mills for the last four years, give an idea of their progress in these years:

AZAM JAHI MILLS

(In lakhs of O.S. Rs.)

	For the year ended 30th September			
	1953	1952	1951	1950
Sale proceeds (net)	176.77	518.62	162.71	141.81
Cotton consumed	84.07	84.01	91.69	81.89
Expenses	82.89	68.81	65.07	57.08
Gross profit	11.77	7.92	7.92	4.71
Secretaries', Treasurers' and Agents' commission	1.47	0.99	0.94	0.50
To depreciation	3.25	2.25	2.00	2.00
,, general reserve*	1.00	1.00	0.75	0.75
,, dividend	4.32 (6%)	4.32 (6%)	4.32 (6%)	3.96 (5.5%)
Carry forward	0.06	0.18	0.28	0.46

OSMANSHAHI MILLS

(In lakhs of I.G. Rs.)

Sale proceeds (net)	175.01	170.02	160.54	142.23
Cotton consumed	88.41	92.47	87.96	78.44
Expenses	80.66	68.60	63.49	56.98
Gross profit	7.67	10.77	10.81	6.83
Secretaries', Treasurers' and Agents' commission	0.96	1.35	1.20	0.82
To depreciation	2.00	2.50	3.00	2.00
,, general reserve*	0.75	1.00	1.00	1.00
,, dividend	3.50 (4%)	6.12 (7%)	5.69 (6.5%)	4.81 (5.5%)
Carry forward	0.16	0.18	0.01	0.19

* Including provision for taxation.

The year under review was not entirely free from controls on textile goods. The controls on prices of a number of varieties of cloth were first relaxed in October, 1952, but it was not until July, 1953, that the entire control on prices and distribution of cloth was removed. Thus, for only three months of the year under review, the two companies enjoyed the freedom from all controls over prices and distribution. Referring to the trading conditions that prevailed during the year under review, the Directors observe:

"In order to protect the handloom industry, Government introduced the *Dhotis* Control Order, whereby mills are restricted in the production of *dhotis* to 60 per cent. of the previous production, this resulting in overproduction of other qualities, which again affected prices adversely. The net result of decontrol of cloth, however, was that prices declined and a buyers' market resulted. The movement of cloth, especially after the summer, has been extremely slack and with mounting stocks, the industry was faced with tremendous difficulties. During the year, your mill was fortunate to obtain a quantity of Government orders at remunerative prices which helped to increase the profit. On representations made by the industry, Government removed all restrictions on exports and licences were freely issued. Considering that the year under review has been a difficult trading year, your Directors feel that the results have been satisfactory. The Mills continued to work three shifts throughout the year and production has been well maintained."

It will be observed that there has been a rise of O.S. Rs. 18.15 lakhs in the sale proceeds of the Azam Jahi Mills. The rise in sale proceeds of the Osmanshahi Mills, however, is no more than I.G. Rs. 5 lakhs. The saving in cotton consumed, on the other hand, is greater in the case of Osmanshahi. There has been a substantial increase in expenses of both the mills, but the rise in expenses of the Osmanshahi has more than offset the increase in sale proceeds and the saving in cotton consumed. This accounts for the shrinkage in profit of the Mill.

The balance-sheet of the Azam Jahi as on 30th September, 1953, shows that the reserves and surplus aggregate O.S. Rs. 52.05 lakhs against a paid-up capital of O.S. Rs. 71.94 lakhs. The gross block of the value of O.S. Rs. 206.07 lakhs has been written down to O.S. Rs. 155.54 lakhs. The current assets aggregate O.S. Rs. 118.70 lakhs as against the current liabilities amounting to O.S. Rs. 150.24 lakhs. Of the current liabilities, loans from bank secured by hypothecation of movable assets and guaranteed by the Industrial Trust Fund account for O.S. Rs. 113.49 lakhs.

During the year, the building work of the Azam Jahi Mill was completed and the whole of the spinning machinery and all but 60 looms were erected and most of the extended plant came into operation towards the later part of the year. New machinery of the value of O.S. Rs. 9.72 lakhs was received during the year and most of it has been erected.

The latest balance-sheet of the Osmanshahi Mills discloses that, as against the paid-up capital of I.G. Rs. 87.08 lakhs, the reserves and surplus aggregate I.G. Rs. 62.06 lakhs. The gross block of the value of I.G. Rs. 164.48 lakhs has been written down to I.G. Rs. 101.86 lakhs. The current assets amount to I.G. Rs. 120.03 lakhs and exceed current liabilities amounting to I.G. Rs. 72.80 lakhs by a wide margin of I.G. Rs. 47.23 lakhs.

During the year under review, the installation of the whole spinning plant and all but 67 looms was completed and most of the extended plant came into operation towards the close of the year. New machinery of the value of I.G. Rs. 4.66 lakhs was received and erected during the year.

SHOLAPUR MILLS

On Wednesday last week, the Government of Bombay handed over the management of the Sholapur Spinning and Weaving Co., Ltd., back to Messrs. Morarka & Co., the former Managing Agents. Negotiations for this purpose had been going on for some time. The transfer of control has become necessary on account of the Supreme Court's ruling in its judgment on 17th December, 1953, holding that the Ordinance and the subsequent Act under which the administration of the Company was taken over by the Government were *ultra vires* the Constitution.

The Government of India, it may be recalled, took over the management of the Company, under Ordinance (Emergency Provisions) No. II of 1950, in January, 1950. The Ordinance was later replaced by an Act on 10th April, 1950. By another order, the Government of India delegated its powers to the Government of Bombay which, in pursuance of the powers vested in it, issued an order dated 10th January, 1950, appointing a board of Directors, with Mr. Vithal N. Chandavarkar as Chairman. Since that date, the Company has been managed by the said Board nominated by the Bombay Government.

(Concluded from next column)

amenities reserve and workers' gratuity reserve. In fact, the Directors, have not added anything to the general reserve during the last seven years, except a sum of Rs. 2.15 lakhs, being the balance of sinking fund added two years ago. The distribution to the shareholders has, however, been raised from 7½ per cent. to 10 per cent. because the Directors have felt that the "average return to the shareholders on their investments is very poor."

The balance-sheet of the Company as on 31st December, 1953, discloses that the reserves remain to be augmented considerably. As against a paid-up capital of Rs. 53.71 lakhs, the reserves and surplus aggregate no more than Rs. 8.75 lakhs. The gross block of the value of Rs. 75.79 lakhs, including additions to the extent of Rs. 3.08 lakhs during the year, has been written down to Rs. 39.89 lakhs. The current assets, at Rs. 49.24 lakhs, exceed the current liabilities and provision for taxation amounting to Rs. 26.68 lakhs in all, by a wide margin of Rs. 22.56 lakhs.

ANDHRA CEMENT'S RECORD PROFIT

SHAREHOLDERS TO GET MORE

AN increase of Rs. 3.58 lakhs to Rs. 21.89 lakhs in gross profit is disclosed by the financial results of the Andhra Cement Company, Ltd. (Managing Agents: The Andhra Engineering Company, Ltd., Madras), for the year ended 31st December, 1953. This rise in profit is less marked than that of Rs. 4.32 lakhs noted in the previous year and of Rs. 10.68 lakhs two years ago; it is, nevertheless, satisfactory, considering that a reduction in the price of cement was effected during the year. Moreover, with this increase the Company's profit has reached a record level in its history of 16 years. The net profit, after making provisions for Managing Agents' remuneration, depreciation and taxation, is, however, fractionally lower at Rs. 5.10 lakhs, as compared with Rs. 6.07 lakhs for the previous year. The distribution to the shareholders is proposed to be stepped up from 7½ per cent. paid for the previous two years to 10 per cent. by paying a bonus of 2½ per cent.

The following comparative table provides an idea of the Company's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds ..	94.01	71.50	51.05	21.77
Expenses ..	72.08	53.27	37.56	19.86
Gross profit ..	21.89	18.31	13.49	3.31
Managing Agents' remuneration ..	1.34	1.49	1.07	0.29
Depreciation ..	10.00	10.00	7.76	1.13
Taxation ..	5.45	0.75	..	..
Net profit ..	5.10	6.07	5.16	1.89
Reserves ..	..	2.15	1.15	..
Dividends—				
Preference ..	0.15	0.15	0.15	0.15
Ordinary ..	5.10 (D. 7½% + B. 2½%)	3.88 (D. 7½%)	3.83 (D. 7½%)	1.91 (D. 3½%)
Carry forward ..	0.02	0.20	0.25	0.22

It will be observed that the Company's sale proceeds of cement have gone up sizably, representing, as they do, an increase of Rs. 22.51 lakhs over the year, thus maintaining the upward trend since 1950. The sale proceeds have thus gone up by Rs. 72.24 lakhs in the course of the last three years. The increase in sale proceeds during the year under review is due to the satisfactory progress made in production. Evidently, the two kilns of the Company were put into continuous operation without any trouble, unlike in the previous year when there was intermittent trouble in the running of the new kiln. The efficiency of the plant was also improved.

Commenting on the results achieved during the year, the Directors, in their report to the shareholders, observe:

"Your Directors have pleasure in reporting that by their untiring efforts and other favourable circumstances, they have been able to achieve satisfactory progress in production and also clear a good portion of the accumulated stock of clinker by a substantial increase in the sales. This has not, of course, been reflected correspondingly in the year's profits, as the price of cement was reduced during the year. Production costs continued to remain high owing to the rising spiral of wages. The prices of packing as well as of the raw materials also remained high."

Last year, despite the increased production, sales were hampered to some extent by transport difficulties. Referring to the transport bottleneck, the Chairman had said, in his speech at the last annual general meeting, that the Company was making arrangements for providing additional railway siding facilities to cope with the increased traffic. The Company's accounts for the year under review show that a sum of over Rs. 85,000 has been spent for this purpose.

Of the rise in expenses, power and fuel consumed account for Rs. 1.19 lakhs, salaries, wages and bonus for Rs. 0.35 lakh, maintenance and other charges for Rs. 0.60 lakh and packing, forward and commission for Rs. 0.85 lakh.

Notwithstanding the rise in gross profit, the managing agency remuneration is lower. This is because of the reduction in managing agency commission in terms of the agreement between the Company and the Managing Agents, according to which the latter agreed to forgo, for the time being, 37½ per cent. of the annual commission. The net profit is lower because of the increase in the provision for taxation. No addition to the reserves has been made out of the profit for the year under review. The allocations to the reserves made in the previous two years represented provisions made for workers'

(Continued in previous column)

PODAR MILLS' PROFIT SHRINKS

FINANCIAL POSITION COMFORTABLE

THE progressive rise in gross profit of the Podar Mills Ltd. (Managing Agents: Messrs. Podar Sons Ltd., Bombay), noted since 1949, that is, from Rs. 15.96 lakhs for 1949 to Rs. 21.90 lakhs for 1952, suffered a setback in the year ended 31st December, 1953, the exact decline being Rs. 2.24 lakhs, to Rs. 19.66 lakhs. Though this drop in profit is in distinct contrast to the experience of many other mills, it may be noted that it is relatively much smaller than in the case of a few others. In conformity with this recession, the net profit has also contracted by Rs. 1.04 lakhs to Rs. 8.77 lakhs. This is the second year in succession in which the net profit shows a fall, having declined from Rs. 10.93 lakhs for 1951 to Rs. 9.81 lakhs for 1952. Consequently, the allocation to reserves, which had been reduced slightly from Rs. 6.00 lakhs to Rs. 5.51 lakhs in the previous year, has been cut further to Rs. 2.63 lakhs. The dividend, however, has been maintained at 10 per cent. per annum paid for the previous two years.

The sale proceeds of cloth, yarn and waste have all gone up, those of cloth from Rs. 115.59 lakhs to Rs. 139.32 lakhs (gross), of yarn from Rs. 16.70 lakhs to Rs. 19.08 lakhs and of waste from Rs. 1.58 lakhs to Rs. 1.91 lakhs. Offsetting the increase in sale proceeds is the rise of Rs. 6.21 lakhs in value of cotton consumed and of Rs. 4.40 lakhs in expenses. It may be noted, in this connection, that the value of cotton consumed has been arrived at after taking into account the expenses incurred in connection with the purchase of cotton and gain or loss on forward contracts for purchase of cotton. In the year under review, the Company has incurred a loss on such forward contracts, whereas in the previous year there had been a gain.

The following comparative table containing the salient features of the Company's accounts for the past four years, shows at a glance its progress during these years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net) ..	154.09	146.65	159.74	123.84
Cotton consumed ..	84.47	76.26	94.68	72.03
Expenses ..	52.51	47.91	44.74	37.08
Loss on shares ..	0.14	1.06	0.42	0.10
Gross profit ..	19.66	21.90	20.92	16.13
Managing Agents' commission ..	1.09	2.09	1.93	1.43
Provision for—				
Depreciation ..	1.00	1.00	0.50	0.50
Taxation ..	8.00	9.00	7.50	6.00
Net profit ..	8.77	9.81	10.93	8.14
To reserves ..	2.63	5.51	6.00	4.16
Dividends—				
4 per cent. preference ..	0.40	0.40	0.40	0.40
Ordinary ..	4.00 (10%)	4.00 (10%)	4.00 (10%)	3.80 (9%)
Carry forward ..	2.99	1.25	1.26	0.83

In consonance with the decline in gross profit, the Managing Agents' commission is lower, and so also the provision for taxation. The transfer to depreciation, which had been raised from Rs. 40,000 to Rs. 1 lakh last year, has been maintained at Rs. 1 lakh. Out of the net profit, the allocation to the reserve fund amounts to Rs. 1 lakh, having been reduced from Rs. 4 lakhs. The dividend equalisation fund has been provided with Rs. 1 lakh, the same as in the previous year. The rehabilitation fund receives Rs. 63,213 as against Rs. 51,467 last year. In addition to the aforesaid sum provided out of the profit, a sum of Rs. 36,787 has been transferred to the rehabilitation fund from the net E.P.T. post-war refunds received during the year. The distribution of 4 per cent. preference dividend absorbs Rs. 40,000 and the ordinary dividend at 10 per cent, Rs. 4,00,000. The larger sum left to be carried forward, at Rs. 2.99 lakhs, as against Rs. 1.25 lakhs brought in, shows that the dividend has been comfortably maintained.

The Company's latest balance-sheet shows a comfortable financial position. The reserves and surplus aggregate Rs. 46.62 lakhs, after capitalisation of a sum of Rs. 30 lakhs during the years 1943 to 1947, and are equal to over 93 per cent. of the paid-up capital of Rs. 50 lakhs. The gross block of the value of Rs. 24.64 lakhs has been provided with a depreciation fund of Rs. 22.50 lakhs; in other words, the gross block has been written down to the extent of nearly 92 per cent. The current liabilities amount to Rs. 24.42 lakhs and provision for taxation to Rs. 17.57 lakhs. These together are covered more than three times by current assets aggregating Rs. 136.47 lakhs. Of these current assets, cash balances alone account for Rs. 51.20 lakhs and exceed the current liabilities and provision for taxation by a decent margin.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 153-12 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of about 7 per cent. per annum, free of tax.

Points From The Chair

Trade Union Politics

"THERE are disturbing factors in the industrial life of England today which cast a dark shadow over our future and which demonstrate only too clearly the moral *malaise* from which we are suffering. Let me give you one or two examples which have occurred (not, I'm glad to say, in the cement industry) in recent weeks. A man honours his obligation to his employer and refuses to cease work for a day at the behest of union leaders. He is, thereafter, shunned by his workmates and later leaves his jobs for new employment with a nationalised industry. There, after a few days, his new workmates demand his dismissal under threat of a strike and the employer weakly dismisses him. Such incidents are by no means confined to the nationalised industries. Have employers in these cases neither guts nor self respect? Have they no sense of loyalty to a loyal employee?—for loyalty should be a two-way traffic. There can be but one answer to a threat if the threatened is to retain any vestige of self-respect. A few weeks ago, we heard of a man who did an honest week's work and was fined by his union for doing too much. A man is paid his wages to do his best; if he deliberately does less than that by 'go-slow' tactics or otherwise, he is in every moral sense indistinguishable from one who pilfers the petty cash—a thief; and he should be labelled as such. Similar incidents abound today, yet the country remains unmoved. Tyranny is allowed to triumph in the land where freedom once flourished. I am not by nature a pessimist, but I confess that I see no worthwhile future for a nation, whose moral senses are so dulled that such things are passed by with indifference. We seem to have let principle fly out of the window, while we fling wide open the front door and put down a 'welcome' mat to expediency."

HALFORD W. L. REDDISH,
Rugby Portland Cement Co., Ltd.

American Tariff Policy

"Last year, I ventured to say that if we and our partners in the free world are to build the kind of economic and military strength we need for our security, we must all co-operate to reduce and minimise barriers to trade between us. World trade, freely conducted by private enterprise, increases material well-being, promotes higher standards of living and develops friendly intercourse among free peoples. The strength of all free peoples today lies in unity; their danger is discord. We look to the U.S.A. as a powerful creditor country to give the lead in freer international trade. And it is gratifying to know that, while she built up her prosperity as a debtor country with tariffs, now that she is a powerful creditor country President Eisenhower has seen wise to present plans to Congress within the last few weeks for an annual 5 per cent, cut in selected American tariff duties over the next three years. His own party has rather frowned on his proposals, but, in contrast, the Democrats have praised the President for his boldness in challenging his own party and have promised their support. He has also asked for power to reduce by 50 per cent. tariffs on products imported in negligible volume. The President, who used Mr. Butler's 'Trade not Aid' slogan, warned Congress that if the United States failed in its trade policy 'We may fail in all.' Let us hope that President Eisenhower may succeed. . ."

J. F. A. SWANSTON,
The English Association of American Bond and Shareholders, Ltd.

Rationalisation

"As for the prospects for the current year, . . . the sellers' market has given place to a buyers' market. This situation calls for a radical approach and it is now recognised that, if we are to face the present keen competition, emphasis must be laid on production of quality goods, lowering of production costs, and improving the productive effort of labour. With regard to bringing down costs of production, I am glad to tell you that various active measures are being taken to effect economies in all possible manner and, added to it, the technical and supervisory staff have been strengthened recently. With regard to improving the productive effort of labour, this can be achieved only if labour realise that it is in their own interests to give their wholehearted support to a scheme of rationalisation for increasing production and minimising cost."

VINAYAKRAO KORATKAR,
Osmanshahi Mills Ltd.

Mica Industry

"The position of the mica industry is, I understand, extremely difficult. India used to enjoy monopolistic position in the world mica market. With the fall in demand for mica splittings which make the bulk of the trade, judging from the value of exports and foreign buyers asking for upgraded qualities, many of the mica mines, especially the smaller ones, have been severely affected in this country. Stocks have accumulated and retrenchment and closure have had to take place. I feel that while efforts may be made to improve the export market, the possibilities of utilising mica as a raw material in this country itself by starting new industries must be seriously investigated. The mica industry is one of national importance and its development should receive the earnest consideration of both the State and Central Governments. The Bihar State must take particular interest in this industry. To facilitate the development of the industry and easy movement of materials, etc., Government have to assist by constructing good roads in the mica fields. The industry is contributing for the purpose, but the benefit in return is practically nothing."

SHANTI PRASAD JAIN,
The Bihar Industries Association

COMPANY MEETINGS AND DIVIDENDS

NEW MANBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 17th May, 1954. Transfer books remain closed from 10th to 17th May, 1954, both days inclusive.

SOCIETE GENERALE INDUSTRIELLE DE CHANDERNAGOR (SOCIETE ANONYME) (GONDALPARA MILL). Annual General Meeting, Calcutta, 18th May, 1954. Dividend: Rs. 15 per share. Transfer books remain closed from 4th to 18th May, 1954, both days inclusive.

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 19th May, 1954. Dividend: As. 8 per share. Transfer books remain closed from 6th to 19th May, 1954, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 20th May, 1954. Dividend: As. 14 per share. Transfer books remain closed from 10th to 20th May, 1954, both days inclusive.

ALBION JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May, 1954. Dividend: Rs. 12 per share. Transfer books will remain closed from 15th to 21st May, 1954, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 21st May, 1954. Dividend: Rs. 12 per share. Transfer books will remain closed from 15th to 21st May, 1954, both days inclusive.

GODFREY PHILLIPS (INDIA) LTD. Annual General Meeting, Bombay, 21st May, 1954. Transfer books remain closed from 8th to 21st May, 1954, both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Delhi, 23rd May, 1954. Transfer books will remain closed from 10th to 23rd May, 1954, both days inclusive.

UPPER JUMNA VALLEY ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th May, 1954. Dividend: As. 8 per share plus an additional payment of As. 2 per share; free of income-tax. Transfer books will remain closed from 20th to 26th May, 1954, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 27th May, 1954. Dividend: Rs. 8 per share (including interim-dividend of Rs. 2 per share).

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 2nd June, 1954. Dividend: Rs. 7 per share (including the interim-dividend of Rs. 2-8) free of income-tax, payable on and after 25th June, 1954. Transfer books remain closed from 14th to 28th May, 1954, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 2nd June, 1954. Dividend: Re. 1-2 per ordinary share (12½ per cent.). Transfer books will remain closed from 25th May to 2nd June, 1954, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Dividend: Re. 1 per share. Transfer books will remain closed from 19th May to 2nd June, 1954, both days inclusive.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Transfer books will remain closed from 19th May to 2nd June, 1954, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1954. Transfer books will remain closed from 21st May to 4th June, 1954, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1954. Transfer books will remain closed from 21st May to 4th June, 1954, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 9th June, 1954. Transfer books will remain closed from 17th May to 8th June, 1954, both days inclusive.

ARUNA MILLS LTD. Dividend of Rs. 20 per share (including a bonus of Rs. 8 per share) for the year ended 31st December, 1953.

COMPANY REGISTRATIONS

SHANTA BROTHERS LTD. (First Director: Major General Shanta Shumshere Jung Bahadur Rana.) Business: Financiers, Importers, Exporters and Dealers in Tea, Sugar, Coffee, Spices, etc. Authorised capital: Rs. 50,00,000. Private company. Address: Kamani Chambers, Nicol Road, Ballard Estate, Bombay.

SHRI PRITHVI COTTON MILLS LTD. (First Director: Mr. Purshottamlal Rungta). Business: Spinners and Weavers of Cotton, Wool, Jute, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 401, Cotton Exchange Building, Kalbadevi Road, Bombay.

DOCTOR SHAH AND CO., LTD. (Managing Director: Mr. Shantilal Maneklal Doctor.) Business: Importers and Exporters. Authorised capital: Rs. 5,00,000. Private company. Address: Swadeshi Mills Estate, Bombay 4.

DESAI AND DESAI TRADING CORPORATION LTD. (First Director: Mr. R. D. Desai.) Business: Manufacturers and Dealers in Dyes, Chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 4, Chateau Windsor, 86, Veer Nariman Road, Fort, Bombay.

RESULTS OF MCLEOD GROUP JUTE COMPANIES

IMPRESSIVE PERFORMANCE BY I.B. PETROLEUM

Alexandra Jute Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after making provision for doubtful debts Rs. 25,000 (*nil*) and providing for depreciation Rs. 1,60,000 (Rs. 2,20,000), amounts to Rs. 3,27,301 (Rs. 1,65,685). Deducting therefrom the debit balance brought forward from the previous half-year Rs. 59,046 (Rs. 3,29,636) there is a balance of Rs. 2,68,255 (debit balance of Rs. 1,63,951), to which must be added the amount received on account of post-war E.P.T. refund (net) Rs. 58,574 (*nil*), making a total of Rs. 3,26,829 (debit balance of Rs. 1,63,951). From this the directors have transferred to general reserve account Rs. 1,55,000 (*nil*) leaving an available balance of Rs. 1,71,829 (debit Rs. 1,63,951). Out of this sum the directors recommend a dividend on 9,000 preference shares at 7 per cent. per annum for two years ended 31st December, 1952 and 31st December, 1953, or Rs. 14 per share Rs. 1,26,000 (*nil*) and a dividend on 6,000 ordinary shares at 5 (*nil*) per cent. per annum for the half-year ended 31st December, 1953, or Rs. 2-8 per share Rs. 15,000 (*nil*) leaving to be carried forward Rs. 30,829 (debit Rs. 1,63,951).

Unsettled labour conditions prevailed throughout the period.

During the period trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	18,32,099
Reserves ...	5,35,000	Stocks ...	29,01,445
Debentures ...	6,00,000	Stores ...	5,56,812
Liabilities ...	33,15,452	Investments ...	70,000
Profit and loss account ...	30,829	Debts, deposits and advances ...	5,40,207
		Cash ...	80,718
Rs.	59,81,281	Rs.	59,81,281

Chitavalsah Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after providing for depreciation Rs. 1,35,000 (Rs. 1,70,000) and taxation Rs. 1,45,000 (Rs. 2,10,000) amounts to Rs. 1,29,234 (Rs. 3,15,097) to which must be added the credit balance brought forward from the previous half-year Rs. 1,06,004 (Rs. 60,392), amounts over-provided in respect of liabilities in previous periods Rs. 1,22,174 (*nil*), amount transferred from reserve for jute stocks Rs. 6,50,000 (*nil*) and amount transferred from taxation reserve Rs. 2,40,000 (Rs. 1,50,000), making a total of Rs. 12,47,412 (Rs. 5,25,489) from which the directors have transferred to general reserve account Rs. 10,000 (Rs. 1,25,000) and reserve for machinery renewals Rs. 9,75,000 (*nil*) leaving an available balance of Rs. 2,62,412 (Rs. 2,50,489 after providing Rs. 1,50,000 for taxation reserve). The directors recommend out of this sum a dividend on 5,000 preference shares at 7 per cent. per annum for the half-year ended 31st December, 1953, or Rs. 3-8 per share Rs. 17,500 (Rs. 17,500) and a dividend on 3,01,500 (1,00,500) ordinary shares at 10 (25) per cent. per annum for the half-year ended 31st December, 1953, or As. 8 (Re. 1-4) per share Rs. 1,50,750 (Rs. 1,25,625) leaving to be carried forward Rs. 94,162 (Rs. 1,07,364).

Considerable labour reductions have been effected during the half-year and a large number of old workers have left the mill service taking their gratuities and retrenchment relief. This position continued into 1954. Total amount paid on these accounts during the half-year ended 31st December, 1953, amounted to Rs. 2,02,550.

In terms of the resolutions passed at the Extraordinary General Meeting of the Company held on the 8th December, 1953, the general reserve of the Company was capitalised to the extent of Rs. 20,10,000 by the issue of bonus shares in the proportion of two fully paid ordinary shares for every existing ordinary share held on that date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	25,83,119
Reserves ...	48,00,000	Stocks ...	32,18,037
Provision for taxation ...	7,52,724	Stores ...	8,28,165
Liabilities ...	17,46,517	Investments	6,53,733
Profit and loss account ...	1,24,120	Debts, deposits and advances ...	27,49,485
		Cash ...	4,90,822
Rs.	1,05,23,361	Rs.	1,05,23,361

Empire Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after making provision for doubtful debts Rs. 25,000 (*nil*) and providing for depreciation Rs. 1,00,000 (Rs. 1,20,000) and taxation Rs. 1,35,000 (Rs. 1,75,000), amounts to Rs. 1,64,573 (Rs. 2,57,674) to which must be added the credit balance brought forward from the previous half-year Rs. 57,631 (Rs. 45,656) making a total of Rs. 2,22,204 (Rs. 2,82,730). From this the directors have transferred to general reserve account Rs. 50,000 (Rs. 1,25,000) leaving an available balance of Rs 1,72,204 (Rs 1,57,730). Out of this sum the directors recommend a dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 31st December, 1953, or Rs. 3-8 per share Rs. 35,000 (Rs. 35,000) and a dividend on 1,50,000 ordinary shares at 10 (10) per cent. per annum for the half year ended 31st December, 1953, or As. 8 (As. 8) per share Rs. 75,000 (Rs. 75,000) leaving to be carried forward Rs. 62,204 (Rs. 47,730).

During the period labour conditions were unsettled. A strike occurred, the mills being closed from 22nd to 24th December, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	20,55,470
Reserves ...	33,00,000	Stocks ...	30,24,894
Debentures ...	8,86,000	Stores ...	5,76,627
Provision for taxation ...	4,26,077	Investments	9,17,206
Liabilities ...	10,17,873	Debts, deposits and advances ...	9,71,715
Profit and loss account ...	62,204	Cash ...	6,46,242
Rs.	81,92,154	Rs.	81,92,154

Kelvin Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after making provision for doubtful debts Rs. 25,000 (*nil*) and providing for depreciation Rs. 2,10,000 (Rs. 1,15,000) and taxation Rs. 2,30,000 (Rs. 2,65,000), amounts to Rs. 2,86,300 (Rs. 3,51,267) to which must be added the credit balance brought forward from the previous half-year Rs. 1,05,320 (Rs. 1,07,129), making a total of Rs. 3,91,620 (Rs. 4,58,396). From this the directors have transferred to general reserve account Rs. 75,000 (Rs. 1,50,000) leaving an available balance of Rs. 3,16,620 (Rs. 3,08,396). Out of this sum the directors recommend a dividend on 10,000 preference shares at 7 per cent. per annum for the half-year ended 31st December, 1953, or Rs. 3-8 per share Rs. 35,000 (Rs. 35,000) and a dividend on 21,000 ordinary shares at 15 (15) per cent. per annum for the half-year ended 31st December, 1953, or Rs. 7-8 (Rs. 7-8) per share Rs. 1,57,500 (Rs 1,57,500) leaving to be carried forward Rs 1,24,120 (Rs 1,15,896).

During the period labour conditions were unsettled. Due to the commencement of double shift working on modern machinery a strike occurred, the mills being closed from 21st to 24th December, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	25,83,119
Reserves ...	48,00,000	Stocks ...	32,18,037
Provision for taxation ...	7,52,724	Stores ...	8,28,165
Liabilities ...	17,46,517	Investments	6,53,733
Profit and loss account ...	1,24,120	Debts, deposits and advances ...	27,49,485
		Cash ...	4,90,822
Rs.	1,05,23,361	Rs.	1,05,23,361

Nellimarla Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after providing for depreciation Rs. 96,000 (Rs. 1,20,000) and taxation Rs. 1,80,000 (Rs. 2,14,000) amounts to Rs. 2,68,391 (Rs. 4,92,438) to which must be added the credit balance brought forward from the previous half-year Rs. 31,895 (Rs. 21,345) amounts over-provided in respect of liabilities in previous periods Rs. 84,354 (*nil*), amount transferred from reserve for jute stocks Rs. 2,50,000 (*nil*) and amount transferred from taxation reserve Rs. 1,50,000 (Rs. 1,00,000) making a total of Rs. 7,84,640 (Rs. 6,13,783) from which the directors have transferred to reserve for machinery renewals Rs. 5,50,000 (*nil*), leaving an available balance of Rs. 2,34,640 (Rs. 2,13,783 after providing Rs. 3,00,000 to the general reserve and Rs. 1,00,000 for taxation reserve). This sum the directors recommend should be distributed as follows:

Dividend on 5,000 preference shares at 6 per cent. per annum for the half-year ended 31st December, 1953, or Rs. 3 per share Rs. 15,000 (Rs. 15,000), dividend on 2,62,500 (75,000) ordinary shares at 7½ (20) per cent. per annum for the half-year ended 31st December, 1953, or As. 6 (Re. 1) per share Rs. 98,438 (Rs. 75,000) and carried forward Rs. 1,21,202 (Rs. 1,23,783).

Jute stocks are shown at or under cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st December, 1953, have been valued at market rates.

The Company's mills continued to work in accordance with the Main and Supplementary Working Time Agreements of the Indian Jute Mills Association.

During the period trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

In terms of the resolutions passed at the Extraordinary General Meeting of the Company held on 8th December, 1953, the general reserve of the Company was capitalised to the extent of Rs. 18,75,000 by the issue of bonus shares in the proportion of five fully paid ordinary shares for every two existing ordinary shares held on that date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,25,000	Block ...	8,51,654
Reserves ...	22,75,000	Stocks ...	27,01,107
Debentures ...	5,00,000	Stores ...	3,54,216
Provision for taxation ...	4,34,800	Investments ...	4,85,984
Liabilities ...	11,38,614	Debts, deposits and advances ...	12,77,613
Profit and loss account ...	1,21,202	Cash ...	18,34,042
Rs.	75,94,616	Rs.	75,94,616

Waverley Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The accounts show that the profit for the half-year, after making provision for doubtful debts Rs. 10,000 (*nil*) and providing for depreciation Rs. 1,43,000 (Rs. 2,70,000), amounts to Rs. 2,93,256 (loss Rs. 17,727) to which must be added the credit balance brought forward from the previous half-year Rs. 57,059 (debit balance of Rs. 47,909), making a total of Rs. 3,50,315 (Rs. 65,636), from which the directors have transferred to general reserve account Rs. 2,00,000 (*nil*), leaving an available balance of Rs. 1,50,315 (debit balance of Rs. 65,636). Out of this sum the directors recommend a dividend on 15,000 preference shares at Rs. 2-8 per share for the year ended 31st December, 1952 Rs. 37,500 dividend on 15,000 preference shares at Rs 2-8 per share for the year ended 31st December, 1953, Rs. 37,500 (*nil*), an additional dividend on 15,000 preference shares at 1½ per cent. per annum for the year ended 31st December, 1953, i.e., As. 10 per share Rs. 9,375 (*nil*) and a dividend on 2,50,000 ordinary shares at 6¼ per cent. per annum for the year ended 31st December, 1953, i.e., As. 1 per share Rs. 15,625 (*nil*), leaving to be carried forward Rs. 50,315 (debit balance of Rs. 65,636.

During the period labour conditions were unsettled. A strike occurred, the mills being closed from 20th to 25th July, 1953.

During the period trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	19,36,825
Reserves ...	3,45,000	Stocks ...	30,57,175
Debentures ...	10,00,000	Stores ...	6,17,896
Liabilities ...	39,28,677	Investments	60,000
Profit and loss account ...	50,315	Debts, deposits and advances ...	5,46,129
		Cash ...	1,05,967
Rs.	63,23,992	Rs.	63,23,992

Indo-Burma Petroleum Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Steel Brothers and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

After providing Rs. 4,61,438 (Rs. 4,34,921) for depreciation on plant, motor vehicles, chattels, etc., allocating Rs. 4,00,000 (Rs. 8,00,000) to general reserve, Rs. 8,469 (*nil*), capital reserve and providing Rs. 44,00,000 (Rs. 27,15,902) for taxation liabilities there remains at the credit of profit and loss account the sum of Rs. 23,51,443 (Rs. 21,61,601) of which Rs. 4,03,476 (Rs. 2,10,329) was brought forward from the previous year.

The usual dividends on preference shares have absorbed Rs. 2,58,125 (Rs. 2,58,125) (net), while the interim dividend of Rs. 2 (Re. 1-8) per share which was paid on the ordinary share capital, on 8th December, 1953, accounted for a further Rs. 5,00,000 (Rs. 3,75,000). The directors recommend the payment of a final dividend of Rs. 6 (Rs. 4-8) per share on the ordinary share capital, payable on 28th May, 1954 which will absorb Rs. 15,00,000 (Rs. 11,25,000) and that the sum of Rs. 93,318 (Rs. 4,03,476) be carried forward to 1954. The profits for the year have again been at a high level, to some extent due to better trading results in Burma and taking into profits a contingent liability on trading provided required. Taxation liabilities have also increased. The directors feel justified in recommending an increase in the dividend on the satisfactory results of the year.

The Company's sales volumes of oil products in all spheres of our trading showed some increase especially in Burma where more settled conditions prevailed.

The Company received during the year a final *ex gratia* payment of Rs. 41,531 from H. M. Government towards the war damage suffered in Burma, and this sum has been placed to capital reserve as was the initial grant received in 1950. A further sum of Rs. 8,469 has been allocated from the profit and loss account this year to round off the amount in capital reserve.

In previous reports the directors have referred to negotiations between the Oil Companies and the Government of the Union of Burma for the latter's participation in the Oil Industry in Burma. Shareholders will doubtless have seen references in the press in January, of this year to the successful conclusion of these negotiations in Rangoon. The Government of the Union of Burma will now become a shareholder, along with the Oil Companies in a new Company which has been registered under the name of Burma Oil Company (1954) Ltd., for the production and refining of oil in Burma.

The directors expect to be able to inform shareholders shortly how the Company will be affected by the new arrangements, which of course are in respect of the operations in Burma only.

The suit against the Government of the Union of Burma relating to the Company's claim for compensation for war damage has, according to the directors, made no further progress during the the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Block ...	27,54,901
Reserves ...	1,57,97,964	Stocks ...	35,00,693
Provision for taxation ...	38,36,678	Stores ...	15,47,108
Liabilities ...	1,48,34,869	Other assets	1,36,96,433
Profit and loss account ...	93,318	Debts, deposits and advances ...	38,30,614
		Investments ...	63,40,833
		Cash ...	1,78,92,247
Rs.	4,95,62,829	Rs.	4,95,62,829

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

After providing Rs. 11,761 (Rs. 12,391) for depreciation and Rs. 6,000 (Rs. 7,500) for taxation, the accounts for the half-year show a profit of Rs. 13,071 (Rs. 79,660). After adding Rs. 55,848 (Rs. 50,539) brought forward from the previous half-year and Rs. 1,82,604 (*nil*) for E.P.T. refund (net), there is a balance at the credit of the profit and loss account of Rs. 2,51,523 (Rs. 1,30,199). Out of this amount the directors have transferred Rs. 1,25,000 (*nil*) to general reserve and recommend payment of a dividend of As. 8 (As. 8) per share, absorbing Rs. 70,411 (Rs. 70,411) and leaving a balance of Rs. 56,112 (Rs. 59,788) to be carried forward.

Freight earned during the period shows a considerable decrease compared with the previous half-year, due principally to the fact that the amount of scrap being exported from Calcutta has declined with a consequent effect upon the earnings of the Company.

Owing to inter-Union rivalry, there was considerable unrest amongst the boatmen during the period under review. This resulted in an illegal stoppage of work for one day in September and five and a half days in December, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,08,220	Block ...	26,51,511
Reserves ...	26,00,000	Stores ...	1,05,212
Provision for taxation ...	87,026	Stock of foodstaffs ...	2,131
Liabilities ...	6,35,952	Debts, deposits and advances ...	7,98,335
Profit and loss account ...	56,112	Investments ...	6,28,270
		Cash ...	6,01,851
Rs.	47,87,310	Rs.	47,87,310

Seebpore Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

After providing Rs. 91,000 (Rs. 1,05,000) for depreciation and Rs. 58,000 (Rs. 1,01,000) for taxation and cesses and after transferring to capital reserve Rs. 4,310 (*nil*) being profit in investment account on realisation of the Company's investments, there remains a balance at the credit of profit and loss account of Rs. 66,956 (Rs. 80,584) out of which the directors recommend:— 80,584)

Dividend on 4,000 5 per cent. non-taxable cumulative preference shares Rs. 10,000 (Rs. 10,000), and dividend of As. 14 (Re. 1) per share on 40,000 ordinary shares Rs. 35,000 (Rs. 40,000) leaving to be carried forward Rs. 21,956 (Rs. 30,584).

Raisings for the half-year were 55,749 (73,523) tons as compared with 69,928 tons in the previous half-year and despatches 60,861 (88,132) tons as against 51,645 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,80,000	Block ...	12,65,854
Reserves ...	6,81,598	Stock of coal	2,08,182
Provision for taxation ...	76,907	Stores ...	87,968
Liabilities ...	5,43,781	Debts, deposits and advances ...	4,21,571
Profit and loss account ...	21,956	Cash ...	20,667
Rs.	20,04,242	Rs.	20,04,242

Surat Electricity Co., Ltd.

The directors of the above Company (Agents: Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The final call of Rs. 25 per share on the 13,750 ordinary shares of the last issue was made payable on 1st October, 1953, making this issue fully called up.

There was no change in the basic rates of supply. A special rebate of 5 per cent. was, however, allowed on the gross amounts of all bills for energy consumed after the meter readings in September, but not applicable to the coal surcharge.

1,303 new consumers were connected to the mains bringing the total number to 21,596, an increase of 5.61 per cent. over 1952.

The quantity of energy sold during the year was 23,619,224 kw.h., as against 16,652,609 kw.h., in 1952, an increase of 41.83 per cent. over the year. The sales for private lighting and fans registered an increase of 4.07 per cent. Low tension motive power sales improved by 29.38 per cent. mainly due to the withdrawal of restrictions by Government. Sales to high tension consumers increased by 1.15 per cent. One more such consumer was connected bringing the total to 10.

Negotiations with the Surat Borough Municipality over the interim tariffs were concluded, and a new contract for the supply of energy, was entered into with effect from 1st August, 1953.

The gross profit for the year amounts to Rs. 4,99,077 (Rs. 5,57,542) after charging depreciation, in accordance with the provisions of the Electricity (Supply) Act, 1948, amounting to Rs. 2,38,236 (Rs. 2,14,366). After providing Rs. 1,20,000 (Rs. 1,32,000) for taxation, Rs. 22,928 (Rs. 40,267) for statutory contingencies reserve and writing off Rs. 1,632 (Rs. 1,439) from new share capital issue expenses, there then remains a balance of Rs. 3,54,517 (Rs. 2,70,398 after providing Rs. 85,000 to dividend fund and Rs. 28,388 for gratuities reserve) which together with Rs. 5,222 (Rs. 2,552) brought forward from last year's accounts, makes a total of Rs. 3,59,739 (Rs. 2,72,950). From this sum an *ad-interim* dividend of Rs. 2-8 (Rs. 2-8) per share, free of income-tax, proportionate to the amounts called up on the ordinary shares and half-yearly dividend on the preference shares which together absorbed Rs. 1,22,823 (Rs. 90,952), are to be deducted. The balance thus available amounts to Rs. 2,36,916 (Rs. 1,81,998) which it is proposed to apply as follows:—

To payment of a dividend for the second half-year ended 31st December, 1953, at the rate of 6¼ per cent. per annum, free of income-tax, on preference shares Rs. 16,250 (Rs. 16,250), to payment of a dividend for the second half-year ended 31st December, 1953, at the rate of Rs. 4-8 (Rs. 4-8) per share (making 7 (7) per cent. for the year), free of income-tax, proportionate to the amounts called up, on ordinary shares Rs. 2,20,081 (Rs. 1,60,570) and balance to be carried forward Rs. 605 (Rs. 5,178).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,23,200	Block ...	63,38,924
Reserves ...	12,37,056	Capital issue expenses ...	24,486
Provision for taxation ...	1,76,205	Stores, tools, etc. ...	19,49,619
Liabilities ...	22,72,278	Debts, deposits and advances ...	7,61,987
Profit and loss account ...	605	Investments ...	1,00,500
		Cash ...	1,33,848
Rs.	93,09,344	Rs.	93,09,344

Bengal Jute Mill Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sorajmull Nagarmull, Calcutta) submit the audited accounts of the Company for the year ended 30th June, 1953.

The accounts showed a gross profit of Rs. 18,46,832 (Rs. 10,33,746) after providing Rs. 2,72,998 (Rs. 2,19,380) for depreciation and Rs. 3,53,121 (Rs. 2,56,297) for interest, commission, allowance and other expenses there was an available balance at credit of profit and loss account of Rs. 12,20,713 (Rs. 5,58,069). To this was added the amount brought forward from the previous year of Rs. 4,28,770 (Rs. 4,07,701) making a total of Rs. 16,49,483 (Rs. 9,65,770). From this sum was deducted provision for bad and doubtful debts and advances, Rs. 2,50,000 (*nil*), and reserve for taxation and (income, super-tax, etc.) Rs. 5,36,000 (Rs. 2,51,000) leaving a balance of Rs. 8,63,483 (Rs. 7,08,770. Out of this the directors paid a dividend of 5½ per cent. per annum on 10,000 redeemable cumulative preference shares for the year ended 30th June, 1953 (free of income-tax) Rs. 55,000 (Rs. 55,000) and a dividend on 4,50,000 (2,25,000) ordinary shares of Re. 1-4 (Re. 1) per share (free of income-tax) for the year ended the 30th June, 1953 Rs. 5,62,500 (Rs. 2,25,000) leaving to be carried forward a sum of Rs. 2,45,983 (Rs. 4,28,770).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	55,00,000	Block ...	27,38,937
Debentures ...	20,00,000	Stocks ...	34,61,633
Reserves ...	35,95,000	Stores and spare parts	11,80,101
Provision for taxation ...	67,89,417	Other assets	14,44,039
Liabilities ...	50,12,476	Debts, deposits and advances ...	74,53,334
Profit and loss account ...	13,99,483	Investments ...	5,000
		Cash ...	80,13,332
Rs.	2,42,96,376	Rs.	2,42,96,376

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

Notices

MINERVA MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FOURTH ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Wednesday the 9th June, 1954, at 4-30 p.m. (S.T.)

(1) To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1953,
(2) To declare a dividend and bonus,
(3) To elect Directors in place of those who retire by rotation, but who are eligible for re-election, and
(4) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be CLOSED from Monday the 17th May, 1954, to Tuesday the 8th June, 1954, both days inclusive.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, *7th May*, 1954.

N.B.—The Dividend and Bonus when declared will be made payable at the Imperial Bank of India, Bombay, on and after Thursday the 17th June, 1954, to those Shareholders whose names stand on the Register of Members on the 17th May, 1954, and who have paid all dues to the Company, whether in respect of the calls on their shares, interest thereon or otherwise. The dividend warrants will be made negotiable at par at the Imperial Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

THE MODERN MILLS, LIMITED

NOTICE OF 13th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A DIVIDEND of Rs. 5 per share of Rs. 50 free of income-tax, for the year ended 31st October, 1953, sanctioned by the Shareholders at the Twentieth Ordinary General Meeting held on the 7th May, 1954, is made payable at the Registered Office of the Company on and after Monday the 17th May, 1954, between 12 noon and 3 p.m. on week days other than Saturdays and between 12 noon and 1-30 p.m. on Saturdays to those Shareholders whose names stood on the Register of Members on the 15th April, 1954.

By Order of the Board,
N. SIRUR & Co., LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *7th May*, 1954.

ROHTAS INDUSTRIES LIMITED

NOTICE

THE 21st ORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Wednesday the 2nd June, 1954, at 3 p.m., to receive and adopt the Directors' Report and Audited Accounts for the year ended 31st October, 1953, to declare dividends at Rs. 9 per Preference, Rs. 4-4 per "B" Preference and Re. 1-4 per Ordinary Share (12½ per cent. on Ordinary Shares), to elect Directors and to appoint Auditors.

Share Transfer Books of the Company will remain closed from 25th May to 2nd June, 1954, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

DALMIANAGAR, 3rd *May*, 1954.

NEW PUBLICATIONS

Post-war Agricultural Problems and Policies in India. By S. Thirumalai. Sole Distributors in India: Vora and Co. Publishers Ltd., 3, Round Building, Bombay 2. Price: Rs. 12.

THIS book, which has been published by the Institute of Pacific Relations in co-operation with the Indian Society of Agricultural Economics, gives up-to-date details and extensive analysis relating to India's agricultural problems and policies. The first part of the book provides a historical background of Indian Agriculture, outlining the conditions that used to prevail under the British rule and the developments resulting from the Second World War. The second part relates to a detailed study of the basic factors in Indian Agriculture such as land utilisation, rainfall, particulars of crops raised, level of food consumption, trends in yields of crops, etc. The third part of the book deals with the present-day agricultural problems and farm organisation, technological improvements in Indian agriculture, credit facilities, and plans for social change and rural welfare as exemplified in the Community Development Projects.

A book which seeks to attempt a meticulous survey of the vast field of agricultural problems within a space of about 300 pages cannot, by its very nature, be expected to deal in detail with all the problems, including agricultural credit. Still one cannot help feeling that the author's treatment of the subject of agricultural credit, which is a pivotal problem in the scheme of agricultural development, is somewhat cursory and inadequate. One may not agree with the author's view about the need for State control of the co-operative movement, but the author has rightly emphasised the need for systematic supervision of co-operative credit societies. Further, the author is of the yiew that there is no need for any duplicating organisation for provision of agricultural credit in various States when there is a complete integration of the co-operative movement with the Reserve Bank of India. This is doubtless the correct view of the situation; after all, credit and farm development are parts of one whole issue in the evolution of long-term credit policy in agriculture. The important problem is one of proper integration and nationalisation at all levels of the institutions for development of co-operative system.

The book as a whole gives an interesting overall picture of Indian Agriculture and will prove to be very useful to the students who wish to carry on a systematic and dispassionate research relating to the solution of agricultural problems. To administrators and policy-makers alike, this book may prove to be an important guide for evolving a scientific policy for the reconstruction of agriculture. The author deserves to be complimented for the charts and graphs which he has used for bringing out, in telling manner, certain important statistical data relating to such subjects as trend of prices, pattern of agriculture, Five-year Plan, etc. The book is attractively got up but rather heavily priced. In short, it provides in "capsule form" the various problems facing Indian Agriculture, with up-to-date statistics.—T. S. K. CHARI.

The Economic Development of the Great Powers and India (Third Edition). By Dr. S. G. Panandikar. Publishers: Kitab Mahal, 56-A Zero Road, Allahabad. Price: Rs. 5-8.

The importance of this book is mainly historical and academic. For it pertains to a period which is four decades old. Thus, in this book, Dr. S. G. Panandikar, the well-known Indian economist, has portrayed the economic development of the great powers and India from the early times up to 1914. The author would have done well if he had brought the review more up-to-date, that is, by incorporating the changes that have occurred in the economies of the countries during the last forty years, especially since the Second World War. This should not, however, detract the intrinsic worth of the publication, since its aim is, as the author says, to focus, within a reasonable compass, the readers' attention on the fundamental economic and social forces at work in India and other countries, so that the reader can study the causes of the great contrast in the nature of economic development in these countries.

Before analysing the features of the modern economic order, Dr. Panandikar describes the old economic system and studies the influence of the social and religious institutions on economic life. He then studies the Industrial Revolution in the West and in India. In the subsequent three chapters, he studies the revolutions in the spheres of transport, commerce and agriculture. Aspects relating to the agrarian developments in India in the modern era are discussed in a separate chapter. There is an interesting chapter dealing with the factory laws in several countries, besides a brief account of the trade union movement and social insurance. The concluding chapter is devoted to the changes of economic thought and policy in modern times—*laissez faire*, State intervention and commercial policies. That the book has run into three editions shows that its utility as a text-book in economic history, continues undiminished.

Britain—An Official Handbook. Prepared by the Central Office of Information, London. Available in India: British Information Services, Eastern House, Mansingh Road, New Delhi. Price: Rs. 4-8 plus Rs. 1-2 Postage.

Do you want to know more about Britain today—its people, institutions, administration, economy? A factual handbook of some million and a half words has been produced in London which will answer all your queries. Entitled *Britain—An Official Handbook*, it presents, in condensed, easily readable form, a wide range of basic reference material dealing with British Government and administration, the national economy, transport and communications, labour and management, social welfare, religion, science and the arts, broadcasting and the press.

The book presents a word-picture of the British scene which has never been attempted before. It will prove invaluable to the traveller —business man or holiday-maker—who comes to the United Kingdom. Its reference index will enable him to make a quick and simple assessment to help him to understand the people, the culture, and the institutions of the country. For the writer and journalist, the book is important, as it can provide a pick check on facts. For the ordinary reader who takes an interest in British affairs, the book is a "must".

Among its hundred and one paragraphs, it tells how the British are governed, how much they pay in income-tax, how research is developed, how much is spent on national defence; how law and order is maintained, the connection between Church and State; the size of the Hindu and Muslim communities, how trade and industry are organised, who own British newspapers and how many people buy them, what Britain does for its youth, and so on. Its extensive bibliography should prove useful to the reader whose appetite for British affairs the handbook has whetted.

(Concluded from next column)

four of them to find out if they are suitable for small-scale farming. Exports from India during the last few months since the conclusion of the trade treaty amounts to Rs. 4 lakhs, while imports into India from the U.S.S.R. are valued at Rs. 22 lakhs. No capital goods were imported during the period. It is left to importers in India to import whatever they like.

—*Commerce Minister*

Investment in Tata Locomotives

There is no proposal under consideration at present for further Government investment in the Tata Locomotive and Engineering Company, Ltd. The total investment in the Company is approximately Rs. 7 crores, out of which the Government's share is Rs. 2 crores. No dividend has been declared so far.

—*Minister for Railways and Transport*

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QUESTION HOUR IN PARLIAMENT

Sugar Refinery

I AM in sympathy with the application for granting a licence for the setting up of a sugar refinery in India, but it is still under the consideration of the Government. The application is for setting up a refinery to refine approximately 70,000 tons of imported raw sugar annually. I have not consulted the sugar industrialists on the subject, as they are sure to oppose it.

* * * *

Shifting of Sugar Mills

I have been trying to persuade several factory owners whose factories are situated in areas in North India where cane supply is difficult to shift to South India.

—*Minister for Food and Agriculture*

New Sugar Mills

Licences have been issued to three industrial undertakings in Madras to set up new sugar factories. The application of another undertaking is under consideration. The Government wants to increase the indigenous production of sugar by another 400,000 tons. While no time limit is fixed for the parties who have been given licence, they are expected to install their factories within a reasonable time.

—*Minister for Agriculture*

Disclosure of Concealed Income

The amount of concealed income discovered under the Voluntary Disclosure Scheme during the three years 1951, 1952 and 1953 was Rs. 71.16 crores. The respective figures for the three years were Rs. 24.20 crores, Rs. 37.04 crores and Rs. 9.92 crores. The aggregate concealed income discovered by the Income-tax Investigation Commission was Rs. 18.12 crores in 1951, Rs. 10.89 crores in 1952 and Rs. 5.92 crores in 1953.

* * * *

Loans to Co-operative Banks

During the period 1st July, 1953 to 5th March, 1954, the Reserve Bank of India sanctioned to the different State co-operative banks for seasonal agricultural operations and marketing of crops an advance of Rs. 1,494.9 lakhs. Out of this, Rs. 1,019.2 lakhs were actually drawn till that date. The State-wise break-up of the amount advanced was: Madras Rs. 190.6 lakhs, Bombay Rs. 439.3 lakhs, Andhra Rs. 259.7 lakhs, Madhya Pradesh Rs. 20.9 lakhs, U.P. Rs. 48.6 lakhs, Orissa Rs. 21 lakhs, West Bengal Rs. 18 lakhs, Punjab Rs. 15.2 lakhs, Hyderabad Rs. 4 lakhs and Saurashtra Rs. 2.7 lakhs. It is not possible for the Reserve Bank to impose any conditions on the rate of interest which the co-operative banks should charge the agriculturists for loans, but the Reserve Bank is giving the loans to the co-operative banks at the rate of 1½ per cent., although the Bank rate is 3½ per cent. The position regarding the rate of interest charged by the co-operative banks, particularly in view of the fact that the Finance Minister himself has admitted that the rate ranges from 6 to 25 per cent. has improved considerably. So far as the organisation of co-operative banks in the States is concerned, it is a matter for the State Governments to deal with.

—*Deputy Minister for Finance*

Loans to Punjab

A sum of Rs. 75 lakhs has so far been advanced as loan to the Punjab Government for the construction of the capital at Chandigarh. The amount to be given in 1954-55 has not yet been decided. The Punjab Government has, however, requested for a loan of Rs. 168 lakhs for the capital project in 1954-55 and the matter is under consideration.

—*Parliamentary Secretary to Finance Minister*

Centre's Aid to Kashmir

A sum of Rs. 8,63,05,000 has so far been advanced to the Jammu and Kashmir Government as interest-bearing loans. About Rs. 233.8 lakhs have been given in connection with development schemes. The rates of interest on the loans vary from 3 to 4 per cent.

—*States Minister*

Chambal Project

The revised estimate of the Chambal Project has been received, according to which the cost of the project will be Rs. 52 crores, instead of Rs. 34 crores. Some estimates and plans have been submitted by the Rajasthan and Madhya Bharat Governments for the purpose of submitting a unified scheme to the Planning Commission. The Chief Engineers of the two States are preparing the combined project report and have promised to submit it by the end of this month. The commanded area has been surveyed in detail. Maps for the major portion of the area have been prepared and those for the remaining portion are under preparation. The expected financial returns are being worked out. The extent of Central assistance will be determined after the final estimate and project report are ready.

—*Deputy Minister for Irrigation and Power*

Indo-Russian Trade

Soviet Russia has offered to supply Indian traders with hydraulic turbines and the offer has been communicated to the Indian Federation of Chambers of Commerce and Industry. Russia has also offered 12 horse-power tractors, and the Ministry of Food and Agriculture proposes to buy

(Continued in previous column)

FUNDS FLOW INTO NEW LOAN

(From Our Own Correspondent)

BOMBAY, 12th *May*

The National Plan Loan, on tap since 19th April last, continued to have its adverse effect on the money market for the third week in succession. Subscriptions to the loan received during the week were of the order of Rs. 10.5 crores. With this, the total subscriptions now stand at Rs. 56 crores.

Such a large flow of funds into the new loan has reduced the volume of floating funds to next to nothing, although there was an influx of funds this week from Calcutta on account of sales of jute and tea bills. The banks have been falling back on the Reserve Bank for accommodation. Inter-bank call money rate is, therefore, unchanged at 3 per cent. Short-term deposits are still being bid at 3 per cent. for one to three months and 2½ per cent. for four to six months. The rate for 12 months' deposit is anything between 2½ per cent. and 3 per cent.

Borrowing by the Government through weekly Treasury Bill auctions remained suspended this week also.

The National Plan Certificate scheme, referred to in this report last week, was officially opened on Monday this week. As the redemption yield on these certificates will be as much as 4½ per cent., a good response is expected from small investors. Banks seem to be expecting diversion of some funds from fixed deposits to this small savings scheme.

The statement of affairs of the Reserve Bank of India for the week ended 7th May, 1954, discloses a marked rise of Rs. 16.55 crores in notes in circulation, contrary to the downward trend in the previous two weeks. There is nothing special about this rise, as it is a common occurrence in the first one or two weeks of every month. Notes held in the Banking Department are, however, down by Rs. 8.2 crores. The net increase in the total notes issued, namely, Rs. 8.3 crores, is covered by a rise of Rs. 10 crores in foreign securities and a fall of Rs. 11.42 lakhs in rupee securities and of Rs. 1.58 crores in rupee coin. In the Banking Department, deposits of the Central Government, as also of those of other Governments, reveal a recession of Rs. 2 crores and Rs. 7.27 crores respectively. But deposits of Banks, as also those of others, have gone up by Rs. 40 lakhs and Rs. 50 lakhs respectively. On the assets side, cash balances show a fall of Rs. 8.36 crores. So also the balances held abroad which have declined by Rs. 8.79 crores. This fall is due to the transfer of sterling securities to the Issue Department. Other loans and advances, however, show a marked rise of Rs. 10 crores.

The Scheduled Banks' statement for the week ended 30th April, 1954, as compared with that for the previous week, reveals a marked fall of Rs. 9.3 crores in demand deposits. Borrowing from other banks have risen by just Rs. 68 lakhs, while those from the Reserve Bank have shot up by Rs. 14.5 crores. Advances have risen by Rs. 5.9 crores. There has been a marked increase of Rs. 9 crores in investments. Total cash, including balances with the Reserve Bank, has contracted to the tune of Rs. 2.45 crores.

The Gilt-edged market presented an easy trend during the week with most loans being on offer at lower rates. The market was bereft of support, with the continued flight of funds to the new loan as stated at the outset. 3 per cent. 1986 Conversion loan had sellers at Rs. 81-8, as against Rs. 82 last week. 3 per cent. 1957 and 1958 were marked down by As. 3 and As. 2, respectively, to Rs. 97-15. 3 per cent. 1959-61, had sellers, As. 5 lower, at Rs. 96-2. 3 per cent. 1963-65 lost As. 3 to Rs. 92-11. Some business was done in 1966-68 at Rs. 90, as against Rs. 90-3 a week ago. 3 per cent. 1970-75 was quoted at Rs. 86 with sellers. 3½ per cent. 1961 National Plan Bonds were available at Rs. 98-11-8, as compared with Rs. 98-12.

Among the State loans, there were buyers for the 4 per cent. 1963 Bombay Loan at Rs. 100-12. There were also enquiries for the 4 per cent. 1963 Madras loan at Rs. 99-10.

In the foreign exchange section, the rupee-U.S. dollar exchange rate was unchanged at Rs. 475 per $100 (banks selling) and Rs. 471¾ (banks buying). In the New York market, sterling fluctuated narrowly in terms of the dollar, but closed a fraction lower on balance. Thus, spot sterling finished at $2.81¾-$2.81¾ per £, as against $2.81-13/16-$2.81-15/16. The forward sterling (three months) dropped from $2.81-11/16-$2.81-13/16 to $2.81¼-$2.81⅛ and transferable sterling from $2.79¼-$2.79¼ to $2.79-$2.79⅛.

TEA DUSTS FARE BETTER

(From Our Own Correspondent)

CALCUTTA, 11th *May*

Steady conditions were in evidence during last week's auctions for domestic consumption, when dusts made available to the market amounted to 25,000 chests. Moderate attention was shown to best C.T.C. dusts, prices of which improved by half anna to one anna. C.T.Cs. with poor appearance and inferior liquors were a quiet market. Better liquoring sorts improved by an anna, while medium Assams improved by half an anna and Dooars were quoted at firm rates. The quotations were: Best Assam C.T.C. Rs. 2-2-6, medium Assam grainy dust Rs. 2-1-6 to Rs. 2-2, and medium Dooars Rs. 2-0-6 to Rs. 2-1. Conditions in the leaf market were somewhat mixed. Old season's offerings aggregated 650 chests, mainly consisting of poor liquoring residue types. Demand was strong. New season's offerings amounted to 148 chests, of which Darjeelings were sold at higher rates. The remainder of the new season's teas had to be withdrawn, as buyers offered prices only below brokers' valuations.

HIGH PREMIUM FOR SPOT GOLD

(From Our Own Correspondent)

BOMBAY, 12th *May*

The bullion market presented a mixed trend during the week under review. Activity in the market was dominated mainly by gold which staged a sharp rise over the week, on good offtake and reports of heavy confiscation of smuggled gold at Ratnagiri, Bombay and Calcutta. The white metal, however, ruled weak on heavy liquidation by bulls. In fact, on the first day of our week, namely, Thursday, the bears had to pay a margin at the rate of Rs. 500 per bar as the closing rate on that day was Rs. 7 below the previous settlement rate.

A notable feature of the week was the heavy premium of Rs. 2-3 (per tola) commanded by ready gold over the forward. This reflects the shortage of floating stocks on smaller arrivals and good offtake. Gold ready, which opened at Rs. 92, as against Rs. 91 on the last day of the previous week, fluctuated between Rs. 93-11 and Rs. 90-11, before closing at Rs. 93-8. Forward gold began at Rs. 90-15, as against Rs. 91 and declined in an erratic fashion to a low of Rs. 89-9 early in the week. It then staged a gradual recovery and touched a high of Rs. 91-6 on Monday. Thereafter, it moved between Rs. 91-5 and Rs. 90-1 and finished at Rs. 91. Arrivals of gold, including those from Kolar, were about 5,000 tolas per day, as against an offtake of 7,000 tolas. The floating stocks of gold are 15,000 tolas.

The carry forward rates also were heavily against the bears. They were Re. 1-4 today, as against Re. 1-14 yesterday and Re. 1-2 on the 10th inst.

The undertone of silver was essentially downward though price fluctuations were rather wide and erratic. Over the week, ready silver has lost Rs. 2-5 and forward Rs. 3-1. Although the offtake was not unsatisfactory, the market tended to remain bearish, because some leading operators chose to sell short in anticipation of a fall in demand for silver in the coming weeks. Bulls, too, decided to cut their losses. Even though the carry forward charges were heavily adverse to bears and the floating stocks were small, none had the courage to rig up the market.

Forward silver began the week on a firm note but soon collapsed, the rate after moving up from Rs. 168-10 to Rs. 168-12, slumped to Rs. 166-12 on the first day itself and still further to Rs. 165-7 on the second day. Thereafter, it moved within a range of Rs. 2 between Rs. 165-5 and Rs. 167-6, but closed weak at Rs. 165-8, as against Rs. 168-9 a week before. Ready silver (.996 Mint) opened the week at Rs. 169-10, as against Rs. 169-1 end of last week. After a temporary advance to Rs. 169-12, it declined by quick stages to Rs. 166-9 on Tuesday and finished today at Rs. 166-12.

The floating stocks of silver in the local market are estimated at 1,300 bars. The daily offtake from Bombay was about 25 bars and from all over India 75 bars.

The carry-over charges were As. 14 today against the seller. At one time during the week, they were as high as Re. 1-4 per 100 tolas.

The London market presented virtually a dull appearance. Gold was quoted at £12 8s. 11½d. per ounce, the same as Wednesday the 5th inst. Silver spot was quoted at 73½d., as against 73½d. and forward at 73d. as against 73¼d.

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

	12-5-54	Highest	Lowest	5-5-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	93 8	93 11	90 11	92 0
Forward	91 0	91 6	89 9	91 0
Sovereign	60 13	60 12	60 8	60 12
SILVER				
Ready (.996 fine Mint) ..	166 12	169 12	166 7	169 1
Forward	165 8	168 12	165 5	168 9
London Ready	73¼d.	73¼d.	73d.	73¼d.
London Forward	73d.	73d.	73d.	73⅛d.
London Gold	24h 11¼d	24h 11¾d	24h 11d.	24h. 11d.
New York Ready ..	85c.	—	—	85¼c.

RESTRICTED BUSINESS IN METALS

(From Our Own Correspondent)

CALCUTTA, 11th *May*

With buyers adopting a cautious attitude, business that was done in the metal market during the week under review was limited to small quantities. Stockists were, however, in no mood to discount quotations. Reports from the United States indicated that the proposed stockpiling would commence soon. A higher trend in metal prices is, therefore, expected. Electrolytic copper was done at Rs. 180 after opening at Rs. 182. The easiness was due to expected arrivals of Chilean copper. Demand for copper is bound to improve as the wire drawing industry which has been buying only day-to-day requirements should appear on the market sooner or later to buy on a larger scale than at present. Mercury was a steady market, and the price quoted was Rs. 865 a flask. Lead was maintained at Rs. 66, and business put through was moderate. Electrolytic zinc realised Rs. 57-8. If London advices are any guide, the price may move down. During recent weeks, speculators had bought substantial quantities in anticipation of higher prices. This anticipation has so far not materialised, and there is nervousness among weak holders. An irregular price movement is in evidence in tin. After opening at Rs. 480 the rate moved down to Rs. 474. At this stage, an upward trend set in and the quotation improved to Rs. 481. This improvement could not be maintained and the closure was lower on balance at Rs. 476. It is reported that stocks with railways have diminished.

SPOT COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 12th *May*

With the reluctance on the part of shorts to deliver cotton in the May contract, as was impressively pointed out by the delivery of only 200 bales of cotton on Monday last, which was the third delivery day, it is not the longs who are worried about being burdened with unwanted cotton, but the shorts about transferring their sales from the May contract to the August contract. This has changed the whole position in the market and the difference between the two contracts first narrowed to about Rs. 20-21 and later to Rs. 17. Trading in the August contract will thus be influenced for some time not by the merits of the situation but by the lengthening or shortening of the shadow of the May contract till the time the latter expires. In spite of every factor making for a bullish trend in the market for August, the prices are subdued due to this temporary complication. The turnover in the forward market has also suffered as a result of this. With only one contract left and no straddle operations possible, the turnover for the next three months also is likely to remain on the low side.

In the case of cotton, unlike other commodities, the interest has shifted from the forward to the spot market. Mills have continued to be active buyers both at Sewri and at upcountry centres. It is now certain that the mills will not be able to obtain as much Indian cotton as they need and they will have to choose foreign cotton to make up the total quantity required by them. There is, however, only restricted demand for fine and superfine cloth, which discourages the mills from going in for imported cotton on any substantial scale. There are also uncertainties regarding the world price level of cotton during the next season. Production is expected to increase in every country and, in view of lower prices quoted for the new crop cotton, Indian mills cannot at this stage enter into commitments beyond their present requirements. In this connection, it is significant that Egyptian Karnak from the next crop, though offered at a rate considerably lower than that commanded by it for ready delivery, has met with little enthusiasm from Indian mills. This concentration on home-grown cotton has naturally encouraged a higher range of premia for Vijay, Surti and other staple varieties. The only imported cotton conspicuously favoured at present is East African, which has been purchased at prices higher than those a week ago. There is, however, a feeling in the spot market that, finally, it will be the U.S. cotton which will have to be sought for by the mills to satisfy their requirements for the next six months.

The cotton futures market presented a dull appearance, in the absence of any fresh stimulus. Reports from the bullion and piecegoods markets also were not encouraging. Turnover was, therefore, greatly restricted. Over the week, prices tended to look down. This tendency was more pronounced in I.C.C. August contract. Tenders against the May contract were negligible, being only 5,640 bales so far, thanks to reduced arrivals and excellent demand in the spot section. I.C.C. May contract began the week steady at Rs. 676¼, as against Rs. 675 at the close of last week, improved to Rs. 679, but receded to Rs. 670 today. At the close, however, it was better at Rs. 675. The net loss was Rs. 2. I.C.C. August opened a rupee higher at Rs. 703-8 and, after fluctuating between Rs. 704 and Rs. 689, finished the week at Rs. 692. The net loss over the week was to the extent of Rs. 10-8. The spread between the two contracts, therefore, narrowed down from Rs. 27-8 at the close of last week to Rs. 19 today.

The following table shows the trend of prices in the forward section during the week under review:

	Closing 5-5-54	High	Low	Closing 12-5-52
I.C.C. May ...	Rs. 675	679	670	673
I.C.C. Aug. ...	Rs. 702½	704	689	692

Latest available quotations from the spot section are: Bengal *deshi* Rs. 640; Berar Jarillas Rs. 820; Khandesh Rs. 850; Vijay Rs. 920; Oomra *deshi* Rs. 750; Moglai Rs. 735.

At Karachi, the recent reduction in quotations for various varieties has revived some interest on the Continent, though the reduction is not regarded as sufficient to produce actual business. What happens at Karachi is that the slightest interest evinced by other countries, by way of enquiries, immediately tends to send prices up, with the result that enquiries do not result in any effective business. Conditions in this market have on the whole been dull and it is living in the hope of Japan becoming a big buyer in future. Exports from Karachi upto 22nd April amounted to 841,608 bales, as against 1,088,950 bales in the same period last year.

Latest available quotations from the Karachi cotton market are: Sind *deshi* Rs. 75; Punjab *deshi* Rs. 71-8 to Rs. 74-8; 4F Punjab Roller Rs. 73-12 to Rs. 75-12; S.G. Rs. 78-4 to Rs. 81-4; L.S.S. Punjab Roller Rs. 76-8; S.G. Rs. 81-8; N.T. Roller Rs. 77-4; S.G. Rs. 81-12; 289F Punjab Roller Rs. 79-12; S.G. Rs. 84-12.

At Alexandria, with the announcement by the Government of the selling differentials for the next season's crop, activity has revived to a certain extent. Differentials for 'good' to 'fully good' cottons, in the case of Karnak, have been reduced by 1½ T., in that of Menouf, by 7 T. and in that of Giza 30 and Ashmouni, by 2 T. per cantar. On the other hand, the Egyptian Government has decided to raise its buying prices for cotton by 2 T. for Ashmouni and 3 T. for all other varieties. Moderate activity is reported from Alexandria, as a result of some new interest shown by China and the U.S. Consumption of Ashmouni by the local mills also is encouraging. Exports from Alexandria aggregated 749,000 bales, as against 601,000 bales till the end of April last year.

At New York, after a long period of featureless trading, there seems to be an increase of acti-

vity in the market with the opening of this week. The price of July jumped up by 10 points last Monday and fell by almost as many on Tuesday. Previous to that, prominent operators appeared to be sitting on the fence, possibly because of the international uncertainties. Some of them appear to have entered the market. The only development of note on the political side is the announcement, by the Secretary of Agriculture, that he is not prepared to make any statement with regard to export subsidy after the end of July this year. All that he has said is that there will be no subsidy during the 1953-54 cotton year. Till this question is finally decided, buyers from abroad are not likely to enter into heavy commitments with regard to new crop cotton. The price trend during the coming weeks is likely to be shaped by international developments with regard to South-East Asia.

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

(In cents per lb.)

	11-5-54	4-5-54	27-4-54
Spot	35.15	35.35	35.45
May	34.29	34.55	34.53
July	34.51	34.42	34.33
October	34.22	33.87	33.87
December	34.23	33.82	33.83

CASTORSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 12*th May*

There were two outstanding developments during the week under review. One was the end of the deadlock over the settlement of May contract in castorseeds, and the other the announcement of the Government's export policy regarding oilseeds. The market has welcomed, with a sigh of relief, the reduction in export duty on mustard, rape, linseed, *kardi* seed, *niger* seed and cottonseed oils and the exemption of castor oil from payment of so much of duty as is in excess of Rs. 200 per ton, with effect from 12th inst. It has, however, viewed with considerable disappointment the imposition of an export duty of Rs. 150 per ton on *kardi* and *niger* seeds.

The settlement of the deadlock with the debtors agreeing to pay their creditors As. 6 in the rupee was generally welcome, as it paved the way for the resumption of trading which had remained suspended for four days, although there were a number of jobbers who were discontented with the terms of the compromise. During the three days of the week on which the market was in session, trading, however, remained restricted, with values revealing narrow fluctuations.

The groundnut section moved rather erratically. Bold ready was done today at Rs. 36 as against Rs. 36-4 on the 3rd inst. April-May and June-July were also lower by As. 4 each at Rs. 35-8. Khandesh quality suffered a loss of As. 6 at Rs. 36-14. Groundnut oil ex-mill eased from Rs. 18-6 to Rs. 18. May and June were done at Rs. 18-1 and Rs. 18-3, as against Rs. 18-3 and Rs. 18-6, respectively.

Trading in castor futures was resumed on Monday last. The tone was generally firm on reduction of export duty by Rs. 100 to Rs. 200. May delivery, which opened at Rs. 116-8 as against Rs. 116-6, fluctuated between Rs. 121-12 and Rs. 114-12, before closing at Rs. 121. September delivery opened in the 10th inst. at Rs. 122-8 as against Rs. 122-14. Thereafter, it declined to Rs. 119-12 on the next day. Today, however, it shot up to Rs. 126-14, before finishing at Rs. 126. Among spots, Madras quality gained As. 12 to Rs. 24-8.

In the linseed section Bold ready changed hands at Rs. 27-8 today as against Rs. 27-4 on the 3rd inst. June-July delivery lost As. 6 to Rs. 26-6, while April-May was done later at Rs. 26-12. Linseed oil eased Rs. 15-5 to Rs. 15.

Among others, *kardi* Bold gained As. 10 to Rs. 19-10, while June-July lost As. 2 to Rs. 19-4. *Niger*, Madras, eased from Rs. 28-12 to Rs. 28-8.

The following table shows the prices of oilseeds and oil on the 12th inst. as compared with those at the end of the previous two weeks:

	12-5-54	5-5-54	28-4-56
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	36 14	37 4	37 4
April-May	35 8	35 12	35 12
June-July	35 8	35 12	35 11
Linseed—			
Bold Ready (per cwt.) ..	27 8	27 4	26 12
April-May	26 12	26 12	26 8
June-July	26 6	26 12	26 8
Castorseeds—			
May 1954 (per candy)	121 0	116 6	116 10
September 1954	126 0	122 14	122 10
Madras (per cwt.) ..	24 8	23 12	24 2
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	18 6	18 6
Castor Oil—			
Commercial (per quarter) ..	12 2	11 11	11 13

ART SILK YARN BEARISH

(From Our Own Correspondent)

BOMBAY, 12*th May*

Following the open sale of 500,000 lbs. of art silk yarn at rates lower than the landed cost of imports by the National Rayon Corporation Ltd., the art silk yarn market ruled distinctly bearish during the major part of the week under review. Expectation of a liberalised imports policy in the ensuing half-year and lack of encouraging advices from the rayon fabrics market also acted as a damper on the market. Traders were, therefore, more inclined to lighten their commitments, while buyers were somewhat reserved in anticipation of a further fall in prices. Art silk yarn values, as a result, tended to move down. The decline persisted till the close yesterday when lower levels evoked some support. Consequently, values staged a feeble recovery, which, however, failed to move up the previous losses. Today's closing rates were, therefore, lower than those a week ago.

Art silk yarn (150D) for May delivery slumped from Rs. 776 to Rs. 763 but recovered to Rs. 770 today. June contract was quoted at Rs. 767. In the spot section, 150 Japan dropped As. 3 to Rs. 4-12 and 120 Japan As. 2 to Rs. 4-11. 150 Italy lost an anna to Rs. 3-13-6. 120 Italy was half an anna easy at Rs. 3-15.

The negotiations with the Silk and Art Silk Mills Association (S.A.S.M.A.) with regard to the renewal of the bulk sale agreement having failed, the National Rayon Corporation Ltd. has now commenced the sale of its product in the open market. It has already sold 500,000 lbs. of 120 and 150 deniers. As reported in last week's *Commerce*, the chief factor responsible for the failure of negotiations between the S.A.S.M.A. and the Corporation is the price issue. At a Press Conference in Bombay, on Monday last, Mr. P. M. Chinai, of the Corporation, stated, for instance, that the price of 150D art silk yarn quoted by the Corporation to the S.A.S.M.A. was Rs. 3-10 per lb., which was lower than the landed cost of imported yarn. He made it clear that the Corporation could not sell yarn at rates lower than Rs. 4 per lb. for 120 deniers, because the cost of production was higher. Explaining the reason why the landed cost of this denier was lower, Mr. Chinai said that it was due to the competition of foreign manufacturers who had offered it at the same price as 150 deniers.

In sympathy with art silk yarns and as a result of slackness in demand from consuming countries, the staple fibre yarn section also ruled weak. 40 x 2 May contract was hammered down from Rs. 683 to Rs. 656. June contract was transacted at Rs. 659. In the ready section, City and Phœnix fell by As. 2 each to Rs. 3-8 and Rs. 3-4-3, respectively. New Great lost an anna and a half to Rs. 3-7. Hirji was lower by a like amount at Rs. 3-4-6. Among foreign yarns, Suico dropped As. 3 to Rs. 3-14. Shinco, Fuji and Aurora declined by As. 2-6 each to Rs. 3-14.

Easy conditions prevailed in the cotton yarn market this week. The easiness was due to dullness in the piecegoods market as reflected in lower exports. Recession in art silk and staple fibre yarn prices was another unhelpful factor. Consequently, cotton yarn prices drifted lower. Among 80s, Seksaria receded by As. 8 to Rs. 56-4, Elphinstone and Sri Ram declined by As. 4 each to Rs. 60-4 and Rs. 61, respectively. Among 60s, City and Finlay finished the week As. 8 lower, the former at Rs. 49-2 and the latter at Rs. 58. Among 40s, Seksaria and Madura lost As. 2 each to Rs. 27-2 and Rs. 29-2, respectively. Among 30s, Girdhandas and Madura eased from Rs. 23-6 and Rs. 25-8 to Rs. 23-2 and Rs. 25-4, respectively. Among 20s, Seksaria declined by As. 2 to Rs. 16-14. Hind and Edward lost an anna each to Rs. 17-7 and Rs. 16-14, respectively. Among 10s, Podar was half an anna lower at Rs. 13-4-6.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	12-5-1954	5-5-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 May (per case of 200 lbs.)	770 0	776 0
150 June	767 0	—
120 Japan (per lb.)	4 11	4 12
150 Japan (per lb.)	4 12	4 15
120 Italy (per lb.)	3 15	3 15½
150 Italy (per lb.)	3 13½	3 14
Staple fibre yarn—		
40 x 2 May (per case of 200 lbs.) ..	656 0	677 0
40 x 2 June	659 0	—
Suico (per lb.)	3 14	4 1
New Great (per lb.)	3 7	3 8½
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	12 6	12 6
20s Seksaria	16 14	17 0
30s Madura	25 4	25 8
40s Meenakshi	28 12	29 12
60s City	48 2	49 4
80s Finlay	64 8	48 10

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 12*th May*

The steady trend, which prevailed in the Bombay sugar market last week, persisted during the week under review also. This was due chiefly to reports that no shipments of sugar would be reaching this harbour earlier than the 17th inst. There were, besides, helpful factors such as reduced arrivals and renewed buying enquiries from interior centres. Consequently, prices of sugar tended to look up, the rates prevailing at the time of writing the report being generally higher than those a week ago.

In the spot section, Cuban sugar is quoted at Rs. 41-4 per 100 lbs., as against Rs. 40-4 last week. Mexican sugar has improved from Rs. 43 to Rs. 43-8 per 110½ lbs. British refined sugar, however, has receded by a rupee to Rs. 94 per bag of 2 cwts., on reports that the first ship carrying British refined sugar would reach Bombay by about the 20th inst. The price of "free" market sugar ranges from Rs. 100 to Rs. 108 per bag, as against Rs. 101-106. The Government stocks of sugar are being made available at rates varying from Rs. 92-3 to Rs. 93-9 per bag according to varieties.

In the forward section, *vaishak* delivery shot up from Rs. 87-12 to Rs. 90-8 per bag. But it is now quoted slightly lower at Rs. 90. *Jeth* delivery advanced by Rs. 2-4, but is currently standing at Rs. 87-8. The improvement in price is due to buying support induced by the expectation that allocations of sugar to tenderers who have applied for very large quantities of sugar to the Regional Directorate (Food) in this city would be considerably small.

The Bombay Sugar Merchants' Association has announced the procedure for allocating the balance of 37 per cent. of the quota of sugar allotted to it by the Government for distribution. The basis of allocation is said to be the aggregate actual spot turnover of a member over a period of three consecutive years. Accordingly, out of the 35 A class members of the Association, one will get 9.15 per cent. and another 7.10 per cent. Five members will get about 2 per cent. each and ten others less than 1 per cent. each. Another member will get just 1 per cent. From this, it is evident that a couple of leading members of the Association have tried to secure as large a quantity of sugar as possible, thereby ignoring the interests of the small members.

POOR BUSINESS IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 11*th May*

The week under review was highlighted with the publication of the Jute Enquiry Commission's report, which has received a warm reception both by representatives of the jute mills industry and market circles. Most of the remedies suggested by the Commission to place the industry on a sound basis have often been put forward before the authorities by the industry and trade, and their reiteration by the Commission, it is expected should go a long way in convincing New Delhi that, at present, all is not well with the jute industry and that immediate action is necessary to help the mills.

Market circles have particularly noted with satisfaction the Commission's desire that State Governments should not levy sales tax or similar taxes on raw jute. It was only recently that the Assam Government decided to levy a tax of As. 8 a bale on jute transported by road and inland waterways in the State. Traders in raw jute are expecting the Assam Government to cancel this tax in view of the Commission's recommendation. The trade has always felt that a well-regulated futures market for jute goods is necessary, and the Commission has recommended this. Government has not expressed any contrary views in this regard, and the ban on futures trading in Calcutta was due to the heavy speculation done in futures, which brought about violent fluctuations in the prices of jute goods and which placed the industry in serious difficulties very often. A futures market on the model of the East India Cotton Association in Bombay would be a welcome addition to Calcutta's markets. The Commission takes a serious view of the contraction of markets for jute goods, and has rightly suggested rationalisation and lowering output costs as the only remedies.

The trade, however, regrets that no mention has been made by the Commission regarding the export duties levied on jute goods. Both the industry and trade are of the unanimous view that, in the present circumstances when prices should go down to attract foreign buyers, an immediate relief can be given only by cancelling the export duties. The industry should carry on and expand production. Labour costs are already high, and lowering them is difficult, but with some sacrifice of revenue, New Delhi should be able to do away with the outmoded duties.

With reports of further rains and satisfactory sowing conditions from the jute districts, the raw jute market was dull and easy. Although fresh arrivals were limited, stockists were keen on selling, their holdings but mills were reserved. For, reported satisfactory, and with the lower trend in prices of jute goods, mills desired to wait before entering into commitments. Prices declined further by As. 8 to Re. 1 as evidenced in the latest quotations given below as against the rates a week ago in brackets:

	Middles Rs.	*Bottoms* Rs.
Assam Upper ..	29-8 (30-8)	26-8 (27-8)
Lower ..	30-0 (31)	27-0 (28)
Daisee ..	32-8 (33)	27-0 (28)
Northern ..	30-0 (31-8)	29-8 (30)
Orissa ..	30-8 (31-8)	27-0 (28)
Murshidabad ..	....	27-8 (28-8)
Western ..	....	25-0 (26)
Jungil ..	....	24-8 (25)
Uttar Pradesh ..	....	24-0 (24-8)
Pakistani ..	....	24-0 (24-8)
Pakistani Northern ..	31-8 (32)	27-8 (28)
	31-0 (31-8)	27-0 (27-8)

Business was done in Dhubri bottoms at Rs. 28. *Bimli* f.a.q. was lower at Rs. 23, as against Rs. 23-8 previously. Pakistani cuttings invited interest at Rs. 72 a bale.

Business in jute goods was poor, as foreign buyers postponed entering into commitments. There was some covering demand, and this made quotations firm for a time. Ready B. twills opened better at Rs. 118-6 last Tuesday and thinly opened Rs. 113-12. Subsequently, the pull was in the downward direction, and the closure yesterday at Rs. 111-14 was the lowest on balance during the week. Stocks of sacking held by mills as at the end of April were only 57,500 tons, showing a decline of 3,900 tons and representing production of just six weeks. This is the lowest level touched since August, 1952. Sales during April was satisfactory. On the other hand, stocks of hessian increased to 32,400 tons from 35,200 tons, and this despite the transfer of a portion of the hessian looms to sacking. From Rs. 44-4 ready 40" 10 oz. hessian gave way gradually to Rs. 43-8.

TEA EASY

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 8*th May*

The offerings in sale No. 9, which was held on Tuesday, 4th May, amounted to approximately 11,50,000 lbs. With quality showing a further seasonal decline, there was less demand, and the market was easier throughout. Low and low medium were half to one anna easier, and medium and good medium teas declined by As. 2 to As. 3. High-grown teas continued to receive weak support, and sold at As. 2 to As. 6 below valuation following quality. Whole leaf grades met a poor market, particularly O.Fs. and F.O.Ps. which were As. 1 to As. 2 easier.

The following are the quotations:—

	1954	1953
	Rs. a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	2 8 6	1 11 6
Medium Travancore B.O.P. ...	2 9 0	1 14 0
Anamallais B.O.P.	2 11 6	2 1 0
Best liquoring Nilgiri B.O.P.	3 4 0	2 9 0
Well made black leaf O.P. ...	2 12 6	1 15 0

London Market.—Commons farthing to ½d. Better sorts ½d. to 1d. dearer.

Colombo Market.—Active and general demand firm to dearer except stalk and thin liquoring sorts.

Calcutta Market—Export.—No sale this week.

Dust.—19,800 packages. Good demand. Market fairly firm. Black leafy types and best liquoring teas strongest feature. Commonest steady.

Special Licence.—Small business in special licence has been effected here at 45 pies and sellers remain scarce.

1954-55 *Export Quota.*—There has been a further appreciation in the price of new quota and business has been effected at 49 pies, which remains today's quotation.

Forthcoming Auctions.—Dust sale "I" will be held on Tuesday, 11th May, and sale No. 10 will be held on Tuesday, 18th May, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis wire:

"*Dust Sale* 1.—2,00,000 lbs. Market very irregular and easier As. 1 to As. 2."

FOODGRAINS BEARISH

(From Our Own Correspondent)

HAPUR, 11*th May*

Foodgrain markets all over India remained quiet to bearish during the week under review, reflecting an excellent overall supply position in respect of both wheat and rice. The Indian Food Minister has announced that the country has no more need to import wheat and that the prospects of the new wheat crop are very good. He has disclosed that India's rice position is so comfortable that it can spare 500,000 tons for exports. The total quantity of rice procured this year up to the end of April was 1,009,950 tons. Foodgrain prices all over India tended to fall. Wheat prices in Punjab steadied very slightly, due to large-scale movements to Delhi. In U.P., wheat arrivals are in full swing in all the important assembling centres. Already, at some places, *dara* wheat is now quoted at Rs. 13. There may be some further fall in the near future. Gram prices have also tended to fall, due to improved supplies position. Bombay and Madhya Pradesh States have reported good fall in prices. Madras has also been getting good supplies of gram. The immediate needs having been satisfied, prices tend to fall.

The position in regard to rice is quite bearish. Owing to the probabilities of India exporting superior grade rice shortly, prices of this grade have shown slight improvement. Trader-stockists are of late showing eagerness to liquidate their stocks, on fears that their dreams of realising very high prices may never be fulfilled.

The food position in U.P. continues to be very satisfactory. It is claimed that U.P. will alone be able to meet nearly half the food deficit of India by the end of the first Five-year Plan period. The area under monsoon fallow in the State comes to about 10 million acres. These are being replaced by green manure crops, especially those of those kinds which yield some food before being ploughed in. It is expected that, by the end of the first Five-Year Plan, about half this area will be under these crops resulting in an increase of about one million tons from such crops and about 500,000 tons from the crops that would follow. An additional production of 1,143,000 tons in the chief crops in the State took place during the five years ended 1952-53. This increase was 12 per cent. of the State's production of crops.

A five-year scheme to raise the quality and yield of the maize crop through breeding is under way at research stations of the Agriculture Department in U.P.

Over 300 culture, including 52 new samples are given trailed observation plots and one of the biggest and diverse genetic collection of this crop has been evolved, following experimental work spread over four years.

About 66,000 tons of wheat were imported into U.P. last year, as against a target of 300,000 tons. This included over 58,000 tons of wheat stored in the State by the Central Government which was taken over. During the same period, the State exported 44,650 tons of rice, 5,550 tons of gram, 19,733 tons of milo and over 4,000 tons of bajra to other deficit States.

Rabi grain arrivals are in full swing in all the assembling centres of the State. Wheat arrivals are particularly good. The fall in prices is common to gram, barley, *bejhar* and other coarse grains. Pulses remained unsteady, due to poor offtake. There was some enquiry for peas from Madras and Assam side, but *arhar* was nowhere in demand. Pulses futures moved within a narrow range, but the trend was not bullish in any sense. The latest quotations in the local market are: Wheat Rs. 13-4 to Rs. 13, gram Rs. 11 to Rs. 12, barley Rs. 8-8 to Rs. 9, *bejhar* Rs. 8-12 to Rs. 9, maize Rs. 10, *bajra* Rs. 11, *jowar* Rs. 8-4, *guwar* Rs. 9, rice Rs. 33-8 to Rs. 19, peas green Rs. 9-12, white Rs. 12-12, *arhar* Rs. 10-2, *urd* Rs. 15 to Rs. 16, *moong* Rs. 14-8 and *masoor* Rs. 12-8.

SUGAR LOOKS UP

(From Our Own Correspondent)

HAPUR, 11*th May*

Crystal sugar markets in general presented a normal condition this week. The bearish enthusiasm of the previous week had subsided and prices in the different markets seemed to get stabilised at current levels. There were panicky purchases by consumers and also by profit-seeking traders. At places, notably Calcutta and Baghalpur, stockholders were reported to be eager to liquidate their stocks. The offtake was generally poor.

It is now disclosed that India's sugar imports from Cuba, Formosa and other countries may exceed 300,000 tons. About 20,000 tons of imported sugar are expected to be unloaded at Bombay and Madras ports by the end of this week and imports by the end of June may aggregate about 100,000 tons. Early imported sugar is scheduled to be distributed in Bombay, Hyderabad, Madhya Pradesh and Saurashtra. It has been decided that this sugar will be supplied at Rs. 30 per maund ex-dock or f.o.r. destination, as the case may be, even if the deliveries of sugar brought by these ships are effected before the 15th inst.

The U.P. Government is reported to be perturbed over the steadily declining sugar production in the State and it is learned that the Centre is also anxious to find out the reasons for this decline. During the 1951-52 season, U.P. produced 22.75 million maunds of sugar. The quantity was reduced to 19.05 million maunds in 1952-53 and to 15.00 million maunds in 1953-54. It is said in official circles that the P.S.P. sponsored sugarcane growers' strike in the State did not materially affect sugar production. At worst, might have accounted for a fall of 225,000 maunds only. The sugar production season being over, all concerned are now engaged in finding out the reasons for this fall in output. One of the reasons given is reduced sugarcane acreage this year in the State and the low per acre yield which affected the overall sugarcane supplies. Another reason given is that due to the prevailing high rate of *gur* throughout the season, much of the sugarcane got diverted to *gur* production. The State Government is, it is learnt, concentrating attention on improving the per acre yield of the cane and, for this reason, it has planned to distribute improved varieties of seed and fertilisers to producers to encourage improved methods. Recent experiments carried out by the State Agricultural Department have revealed that a more liberal application of ammonium sulphate on cane fields will raise yields. It has, therefore, been decided to launch a special drive for top-dressing of sugarcane fields with this fertiliser early in July. Diseased sugarcane varieties such as CO-312, COS-186, CP-419 and CO-331 are being replaced during the next season.

The trade union workers of 60 sugar factories in Uttar Pradesh, of 30 in Bihar and of 12 in P.E.P.S.U., Rajasthan, Bhopal, Bengal and Bombay belonging to the Indian National Sugar Mill Workers Federation have urged the sugar industry and the State Governments to declare bonus for the season 1953-54, in view of the large profits which the industry had made, due to high prices. A tripartite conference of representatives of cane growers, sugar factory owners and the U.P. Government will be held very shortly to decide the basis on which the cane-growers should share excess profits earned by the sugar factories as a result of the increase in sugar prices. The main problems which the conference will have to tackle are whether the formula of profit-sharing should be applied on a permanent basis and also applied to profits made in the 1952-53 season and, if so, what should be the basis for sharing the profits. The cane-growers' representatives, it is learned, have demanded that a formula of profit-sharing should be evolved on a permanent basis which should also be applied to profits earned by the factories in 1952-53. The sugar factory owners, however, seem reluctant to accept the proposal for sharing on a permanent basis.

Ready *gur* markets ruled quiet to steady. There was sustained enquiry from Gujerat, Karnatak, Khandesh, Bombay and Madhya Pradesh States, but actual stock movement was only small, due to railway booking restrictions. The *gur* manufacture season has come to a close in South India also. Stock accumulations in the South Indian markets are comparatively better than in the north, as railway booking difficulties in the South had been more irksome. Arrivals in the West U.P. *mandies* were very small. Ready *gur* prices moved between Rs. 19-8 and Rs. 20 at Hapur, Meerut and Muzaffarnagar. *Gur* futures moved erratically, but the undertone was not very unsteady and speculative coverings did not fail to appear at reduced prices. The volume of trade, however, was small.

An additional financial provision is being made by the U.P. Government for widening the scope of schemes of the Directorate of Cottage Industries for the development of manufacture of *gur*, including palm *gur*. The manufacture of *gur* is the biggest cottage industry in the field of agriculture in U.P. It is, however, scattered and disorganised and methods employed are crude and wasteful. The authorities have accordingly implemented a scheme which aims at reducing avoidable losses in the manufacture of *gur* by introducing improved methods and appliances.

LINSEED QUIET

(Messrs. A. Bradley & Co.)

CALCUTTA, 10*th May*

A somewhat quieter tendency developed in the linseed market during the week and prices registered a small decline. The demand for ready goods from crushers was limited even at lower price levels. Sellers showed keener interest, owing to better arrivals from upcountry, but activity was poor. The oil section was very dull and price levels were appreciably lower, owing to lack of buying support. Little trading was recorded.

Latest quotations are: Ready Rs. 19 and June-July Rs. 19-8 per maund.

KIP PRICES HARDEN

(From Our Own Correspondent)

MADRAS, 10*th May*

Kip prices in the local market have hardened by an anna per lb., as shippers have been active. U.K. buying has been restricted, though the dressers have paid ½d. to 1d. advance on certain lines, despite the fact that they are not getting down their stocks. Tanners think that the market has touched the bottom, but U.K. buyers are cautious. Arrivals of buffs have been small and prices have advanced by an anna per lb. There are stray enquiries for cow calf and buff calf, but prices were 5 per cent. too low. The tanned skins market has ruled steady with good clearance.

Shipments during the month of April, 1954 were: To the U.K.: 3,754 bales td. cow hides, 275 td. cow calf, 72 td. buff hides, 433 td. buff calf, 1,082 td. goat and 931 td. sheep; to the Continent: 334 bales tanned goat, 60 tanned sheep and 1 bale D/S goat; to the U.S.A.: 50 bales td. cow hides, 165 td. buff hides, 67 td. buff calf, 226 td. goat, 138D/S goat and 15 bales tanned snake skins; and to Japan: 136 bales tanned sheep skins.

TEXTILES

(Concluded from page 928)

Under the Madras Medium Cotton Mill Cloth (Sales Tax) Act, 1954, medium cotton mill cloth is defined as cloth made in mills in which the count of warp yarn employed (excluding the border) is 17s or finer, but is less than 25s—whether single or folded. On the first sale of such cloth in the State of Madras, the seller who is not exempt from taxation under sub-section (3) of section 3 of the principal Act, must pay a tax of 15 pies in the rupee. This is in addition to the tax which he is liable to pay under the said sub-section. In the case of cloth imported into the State, either from abroad or from any other State in India, the tax will be levied on the first sale effected in the State by a seller, who is not exempt from taxation under the said sub-section, after the import into the State. The burden of proving that the sale is not the first sale made in Madras by a person not exempt under the sub-section or is not the first sale effected by such persons after the import, as the case may be, must lie on the persons concerned.

DEVELOPMENT OF HANDLOOM INDUSTRY

The Government of India has sanctioned a further grant of Rs. 75,610 to the Mysore State Government for the development of the handloom industry. Of this sum, Rs. 50,000 are to be utilised for rebates on sales of handloom cloth and Rs. 15,000 for providing improved equipment. Of the remaining, Rs. 5,000 will be utilised for publicity and propaganda, Rs. 3,000 for the supply of standard reeds, and Rs. 2,610 for organisational expenses. Assam gets a further grant of Rs. 6,400 for opening handloom sales depots in the State.

The total grants and loans sanctioned by the Government of India to 22 States in 1953-54 amounted to Rs. 2,96,55,976-8. Madras received the largest amount, being Rs. 92,51,354, followed by Andhra and Uttar Pradesh which received Rs. 38,95,283 and Rs. 38,49,958, respectively. Bombay got Rs. 31,57,020. The other States which received grants and loans were: Mysore Rs. 6,21,900; Travancore-Cochin Rs. 9,73,000; Saurashtra Rs. 2,67,187-8; Orissa Rs. 6,66,206; Madhya Bharat Rs. 2,36,411; Tripura Rs. 79,385; Bihar Rs. 14,22,780; West Bengal Rs. 16,12,000; Madhya Pradesh Rs. 16,44,017; Assam Rs. 4,78,225; Manipur Rs. 38,400; Coorg Rs. 1,500; Bhopal Rs. 15,500; Hyderabad Rs. 13,39,300; Punjab Rs. 24,160; Ajmer Rs. 47,037; P.E.P.S.U. Rs. 21,818; Delhi Rs. 12,575. None of these States have fully utilised the amounts sanctioned, but the unutilised amount will be made available to them during the current financial year. Only four States, Rajasthan, Himachal Pradesh, Vindhya Pradesh and Kutch, did not receive any amount, as they did not send any schemes in time.

For the current financial year (1954-55), the Government has made a budget provision of Rs. 5 crores, of which Rs. 3 crores will be sanctioned as grants and Rs. 2 crores as loans. These sums will be allocated to the States on the same basis as last year. Generally, the Government gives financial assistance for specific schemes, if they conform to the general principles laid down for this purpose.

ART SILK YARN IMPORTS

While the meeting of the Import Advisory Council is being held in New Delhi today, the Bombay Yarn Merchants' Association and Exchange Ltd. has put forward a strong plea for liberalising import of art silk yarn during the ensuing half-year, that is, July-December, 1954. In a communication addressed to the Government of India, the Association has urged for the grant of liberal licences to established importers at least upto 50 per cent. of the last year's import. The plea is based chiefly on the acute shortage of yarn supplies in the country and the consequent high level of prices. It is based also on the fact that, as a result of the restricted import policy now in vogue, the established traders, who, it is said, constitute an essential source of supply to the small handloom weavers, have been put to much hardship. In view of these and with a view to preventing any upward tendency in prices, the Association has, as already stated, urged for liberalisation of art silk yarn import policy.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept. 1939 (pre-war)	30th April 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,117.19	1,220.68	1,207.04	1,164.56
Notes held in Banking Department	35.05	20.40	16.76	10.63	10.98
Foreign Securities	89.50	678.15	678.15	658.15	598.15
Rupee Securities	37.59	421.24	421.24	421.34	449.86
Banking Department					
Deposits of :					
Government of India	14.89	86.77	60.27	63.59	97.99
Other Governments		22.31	22.67	34.95	16.56
Balances held abroad	10.08	74.05	73.71	96.04	123.95
SCHEDULED BANKS					
Demand Liabilities	134.37	536.92	545.57	541.51	536.96
		(8.20)†	(7.52)†	(8.35)†	(12.07)†
Time Liabilities	108.84	328.47	329.71	329.41	320.97
Borrowings from Reserve Bank	..	(1.23)†	(1.23)†	(1.23)†	(1.35)†
		44.06	29.52	22.37	18.04
		(24.11)‡	(15.21)‡	(9.00)‡	(10.14)‡
Borrowings from Imperial Bank	..	13.80	11.81	13.44	10.36
Cash in India	6.71	32.43	33.45	31.38	31.81
Balances with Reserve Bank	25.23	40.52	41.96	50.45	40.63
Excess over statutory limits	15.52	7.10	8.11	16.87	7.37
Balances with other banks in current account in India	..	10.69	11.11	11.58	12.60
Money at call and short notice in India	..	10.57	11.01	10.83	16.26
Investments (at book value)	..	322.85	313.03	318.83	300.93
Advances and bills	105.09	563.13	558.13	545.50	536.22
IMPERIAL BANK					
Deposits	67.76	208.11	211.68	216.89	213.58
Investments	51.99	93.25	88.40	92.17	82.13
Advances	80.37	130.67	127.10	124.96	135.22
Cash	14.89	13.28	16.43	14.00	14.88

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	7th May, 1954		30th April, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,47,880	56,79,56,000	2,51,798	58,76,15,000
Calcutta	1,49,150	54,98,07,986	1,49,296	47,99,90,945
Madras	79,297	7,33,85,795	74,918	7,48,14,593
All Centres—				
1954	..	..		1,06,41,94,126
1953	..	..		1,14,58,21426,45,06,68,000
Jan., 1954	..	..		2,794,000 5,78,54,00,000
Feb., „	..	..		2,721,000 5,76,23,00,000
Mar., „	..	..		3,046,000 6,49,48,00,000

Reserve Bank of India
Statement of Affairs for the week ended 7th May, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	84,75,60,000
(2) Other Governments	21,04,16,000
(b) Banks	40,45,19,000
(c) Others	45,56,70,000
Bills Payable	4,84,35,000
Other Liabilities	23,16,63,000
Rupees	229,62,58,000

ASSETS	Rs
Notes	12,14,03,000
Rupee Coin	10,24,000
Subsidiary Coin	9,41,000
Bills Purchased and Discounted—	
(a) Internal	40,25,000
(b) External	..
(c) Government Treasury Bills	10,65,51,000
Balances held abroad*	65,24,80,000
Loans and Advances to Governments	35,00,000
Other Loans and Advances	63,99,34,000
Investments	66,66,36,000
Other Assets	9,44,34,000
Rupees	229,62,58,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 29,86,00,000 advanced to Scheduled Banks against rupee bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against rupee bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 79,95,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	12,14,03,000	
Notes in circulation	1233,74,50,000	
Total Notes issued		1245,88,53,000
Total Liabilities		1245,88,53,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	688,15,11,000	
Total of A		728,16,82,000
B. Rupee Coin		96,49,43,000
Government of India Rupee Securities		421,22,28,000
Internal Bills of Exchange and other commercial paper		..
Total Assets		1245,88,53,000

Ratio of Total of A to Liabilities: 58.446 per cent.

Scheduled Banks*
Statement of Affairs for the week ended 30th April, 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	8,20,14,000†
	(ii) Other demand liabilities	528,72,28,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,22,50,000†
	(ii) Other time liabilities	327,24,55,000
3.	Cash in India	32,43,40,000
4.	Balances with the Reserve Bank in India	40,52,47,000
5.	Balances with other banks in current account in India	10,68,54,000
6.	Money at call and short notice in India	10,57,01,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	322,84,68,000
8.	Advances in India	457,20,26,000
9.	Inland Bills purchased and discounted in India	75,92,83,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
19th January ..	1.00	1.01	1.00	2 8 0	100
27th „ ..	1.00	1.21	1.00	2 8 0	76
2nd February ..	1.00	1.14	1.00	2 8 0	88
9th „ ..	1.00	1.01	1.00	2 9 0	99
16th „ ..	1.00	1.09	1.00	2 9 11	92
23rd „ ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th „ ..	1.00	1.90	1.00	2 10 11	71
16th „ ..	1.00	1.27	1.00	2 11 0	79
23rd „ ..	1.00	1.01	1.00	2 11 0	99
30th „ ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.45	1.00	2 10 9	63
13th „ ..	1.00	1.93	1.00	2 10 9	44
Total ..	13.00	16.01	13.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* Income (Rs.)
India† ..	1950-51	359.33	..	9,530	265
Pakistan ..	1949	75.04		1,671	223
Burma ..	1951	18.87	Kyats. ..	3,166	317
Ceylon ..	1952	7.94		441	555
Japan ..	1951	84.30	¥. ..	4,849,400	6,414
Philippines ..	1952	20.63	Ps. ..	7,034	1,075
New Zealand ..	1952	2.00	£ (N.Z.)	646	861
Australia ..	1952	8.63	£ (A.)	2,021	3,756
U.K. ..	1952	50.48	£	15,548	18,197
U.S.A. ..	1952	156.98	$	290,400	133 240
Canada ..	1952	14.43	$	18,138	8,565
France ..	1952	42.60	F. Fr.	10,190,000	13,884
W. Germany ..	1952	48.48	Dm.	98,400	11,156
Italy ..	1952	46.81	Lr.	8,112,000	6,181
Norway ..	1952	3.32	Kr.	16,596	1,106
Denmark ..	1951	4.30	Kr.	20,716	3,146
Switzerland ..	1952	4.82	S. Fr.	20,100	2,189

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan
Statement of Affairs for the week ended 30th April, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Central Government	14,56,30,000
(b) Provincial Governments	1,82,45,000
(c) Banks	11,70,45,000
(d) Others	2,61,48,000
Bills Payable	6,88,000
Other Liabilities	5,09,33,000
Rupees	44,36,87,000

ASSETS	Rs.
Notes	6,84,93,000
Rupee Coin	4,000
Subsidiary Coin	11,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	2,90,00,000
Provincial Governments' Debtor Balances	87,99,000
Other Loans and Advances	4,68,55,000
Investments	19,04,53,000
Other Assets	10,00,72,000
Rupees	44,36,87,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,84,93,000	
Notes in circulation	229,56,37,000	
Total Notes issued		236,41,30,000
Total Liabilities		236,41,30,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	....	
Sterling Securities	46,84,80,000	
Government of India Securities	13,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
		98,64,95,000
B Rupee Coin	5,24,42,000	
Government of Pakistan Securities	128,27,13,000	
Internal bills of exchange and other commercial paper	....	
		133,51,60,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02 000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,41,30,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 43.40 per cent.

EXCHANGE RATES

		11th May, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5⅜	1-5⅜
Sellers T.T. D.D. spot six months	£.	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	£.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	£.	1-5⅛	1-5⅛
Bombay on New York	..		
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471½	471½
London on New York	$	2.81⅜-2.81⅜	2.81⅜-2.81⅜
London on Paris	Fcs.	986¼-986¾	985¼-985¾
London on Berne	Sw. Frs.	12.22¼-12.22¾	12.22¼-12.22¾
New York on London	$	2.81¼-2.81¼	2.81⅜-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	24th Sept., 1953	5	4
Belgium	28th Oct., 1953	3	2½
Canada	17th Oct., 1950	2	2½
Denmark	25th July, 1952	3½	3
Finland	22rd Sept., 1953	5	4½
France	16th Dec., 1951	7½	6½
Greece	4th Feb., 1954	8½	8
India	18th July, 1948	3	3½
Italy	15th Nov., 1941	3½	4
Japan	6th April, 1950	4½	6
Netherlands	1st Oct., 1951	3	4
New Zealand	7th April 1953	4½	5.94
Norway	26th July, 1941	2	2½
Pakistan	9th Jan., 1948	3	3½
Portugal	1st July, 1953	3	4
South Africa	18th Jan., 1944	2	3
Spain	27th May, 1952	3½	4
Sweden	18th Mar., 1948	2	3
Switzerland	20th Nov., 1952	2	1½
Turkey	24th Nov., 1953	4	5
United Kingdom	26th Feb., 1951	2	4
U.S.S.R.	15th Sept., 1953	4	3
U.S.A.	1st July, 1954	2	1½
West Germany	16th April., 1954†	3½	4
	8th Jan., 1954	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In crores of Rs.)

	December, 1952	December, 1953	Nine months April to December 1952	Nine months April to December 1953
Import Duties:				
Revenue	10 66	10.07	84.60	82.62
Protective	0.57	0.59	6.01	4.53
On surplus disposals	..	0.00	0.03	0.19
Total import duties	11.23	10.75	90 64	87.34
Export Duties	8.21	8 19	48 24	80.21
Land Customs	0 23	0 16	2 14	1.88
Miscellaneous	0.11	0.07	0.92	0.55
Gross total customs	14.78	14.17	136 94	119.48
Refunds and drawbacks	0.19	0 21	2.18	1 50
Net Customs	14 59	13.96	134.75	117.98
Gross excise	0 98	8.29	62.11	60.89
Refunds	0.07	0.15	2.11	2.82
Net Excise	0 91	8.14	60.95	58.66
Net total of customs and excise	21.50	22 10	195.70	186 64

Imperial Bank of India
Statement of Affairs for the week ended 7th May, 1954

CAPITAL AND LIABILITIES

	Rs.	Rs.
Authorised Capital—		
2,25,000 shares of Rs. 500 each.	11,24,00,000	
Issued and Subscribed Capital—		
2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up—		
75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		6,85,00,000
Balances from other Banking Companies Agents		206 99 37,000
Bills for Collection being Bills Receivable as per contra		22,50,00,000
Acceptances, Endorsements and Other Obligations as per contra		12,05,55,000
Other Liabilities (including Inter-Office Adjustments)		32,92,000
Total	Rs.	1 56,000
		2,50,06,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		247,06,07,000
Balances with other Banks		10,92,38,000
Money at Call and Short Notice		3,40,99,000
Investments		1,00,00,000
Government and other Trustee Securities	82,83,93,000	
Other Authorised Investments	10,54,41,000	
		93,28,34,000
Advances—		
Loans, Cash, Credits and Overdrafts etc.	102 57,78,000	
Bills Discounted and Purchased	30,80,75,000	
Bills Receivable being Bills for Collection as per contra		133,47,53,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		32,92,000
Premises less Depreciation		
Furniture and Fixtures less Depreciation		56,000
Other Assets (including Inter-Office Adjustments)		1,32,41,000
		45,33,90,000
Total	Rs.	2,76,31,000
		247,06,07,000

SMALL SAVINGS
(In lakhs of rupees)

POSTAL SAVINGS

	National Savings Certificates† 5-Year Outstandings*	5-Year Receipts	5-Year Outstandings*	10-Year Receipts	10-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings	2½% Ten-Year Treasury Savings Deposit Certificates‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates‡ Outstandings*
1948-49 ..	1,47	76	74	22,40	22,88	85,67	29,91	— 12,81		
1951-52 ..	6,08	77	2,91	22,06	66,81	1,07,85	74,18	— 31,56	13,10	13,39
1952-53 ..	6,84	66	9,27	23,66	84,18	1,15,34	91,01	— 31,06	7,64	20,64
February 1953 ..	6,61	5	9,22	1,56	82,14	8,36	98,88	— 30,76	62	25,08
March „ ..	6,84	9	9,27	2,66	84,18	13,75	91,01	— 31,06	60	25,84
April „ ..	6,60	5	9,27	2,24	82,95	9,84	93,01	— 31,06	62	25,98
May „ ..	6,83	4	9,29	2,06	87,57	9,55	93,01	— 31,30	60	26,54
June „ ..	6,92	4	9,31	2,25	89,33	9,43	93,80	— 31,30	60	26,84
July „ ..	6,78	11	9,38	2,23	91,08	10,26	93,80	— 31,62	62	26,98
August „ ..	6,67	9	9,44	2,23	92,83	9,76	95,23	— 31,78	66	27,00
September „ ..	6,69	12	9,53	2,04	94,38	9,20	95,67	— 32,08	66	27,56
October „ ..	6,61	11	9,58	1,97	95,83	9,86	97,72	— 32,36	64	28,03
November „ ..	6,33	9	9,65	2,03	97,37	7,89	97,72	— 32,71	59	28,87
December „ ..	6,27	14	9,74	2,23	98,98	9,35	98,91	— 32,99	59	29,41
January, 1954 ..	6,16	13	9,82	2,08	1,00,47	8,91	99,23	— 33,23	56	29 93
February „ ..	..	..	..	..	..	..	..	— 33,53	46	30,34
March „ ..	..	..	..	..	..	..	..	— 33,77	45	30,75
									50	31,23
									54	31,73
									44	32,11

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates, 7-year and 7-year National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*
(Base: 1949-50=100)

Group and Sub-Group	Week ended 2-5-'53	3-4-'54	24-4-'54	1-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.7	90.6	90.	90.3
1. Government of India	90.5	90.4	90.3	90.2
2. Indian States	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.3	89.3	89.3	89.3
DEBENTURES OF INDUSTRIAL CONCERNS	100.1	101.4	101.3	101.3
1. Electricity	102.7	102.7	102.7	102.7
2. Jute	93.8	98.8	98.8	98.8
3. Plantations	100.0	99.6	99.6	99.6
4. Sugar	99.1	100.7	100.3	100.3
5. Coal	89.9	90.6	90.6	90.6
6. General Engineering	97.8	102.3	101.9	101.9
7. Shipping	102.0	102.3	102.3	102.3
8. Others	99.5	100.7	100.7	100.7
	88.6	88.3	88.3	88.1
PREFERENCE SHARES	97.1	95.9	95.8	95.2
1. Electricity	83.9	85.8	85.5	84.2
2. Cotton	84.7	88.3	88.4	88.3
3. Jute * ..	87.9	90.2	90.2	90.2
4. Coal	91.8	91.8	91.7	91.8
5. Iron and Steel	93.3	94.2	94.1	94.2
6. Sugar	73.5	77.9	75.9	75.9
7. Paper	83.4	87.4	87.8	87.3
8. Plantations	87.7	89.9	90.0	90.2
9. Miscellaneous	92.0	88.4	86.5	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	93.4	102.8	104.4	104.2
(a) Financial	85.7	87.8	87.8	87.8
1. Banks	84.5	86.3	86.4	86.4
2. Insurance	97.7	102.4	101.9	101.1
3. Investment Trust	75.2	77.3	77.3	77.9
(b) Public Utilities	110.7	113.2	113.6	113.4
1. Electricity	115.7	118.8	119.4	119.4
2. Shipping and other Transport	87.4	107.9	107.5	106.7
3. Railways	85.3	85.5	86.7	87.3
(c) Manufacturing industries	85.4	106.5	108.6	108.3
1. Cotton, Woollen and Silk	92.7	102.7	103.5	103.0
2. Jute	80.6	81.7	83.0	83.0
3. Iron and Steel	106.7	124.1	129.2	129.9
4. Paper	153.7	185.8	198.3	196.2
5. Cement	113.7	126.7	126.7	126.5
6. General Engineering	105.8	135.6	140.3	140.2
7. Sugar and Breweries	82.5	99.4	92.1	90.9
8. Chemicals	94.5	112.0	113.2*	112.8
(d) Non-Manufacturing industries	89.4	110.1	112.1	111.9
1. Coal	81.8	76.8	77.9	78.0
2. Mining and Oil	118.4	162.9	162.5	161.0
3. Plantations	85.1	107.7	111.9	112.1
(e) Miscellaneous	88.7	93.2	94.4	94.3
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.3	90.1	89.9	89.8
2. Calcutta	90.5	90.6	90.4	90.3
3. Madras	90.9	90.8	90.7	90.6
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.6	101.4	100.9	100.9
2. Calcutta	101.2	102.2	102.1	102.1
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES				
1. Bombay	94.9	92.7	92.7	92.6
2. Calcutta	81.5	85.2	85.2	84.9
3. Madras	87.7	90.0	90.0	90.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	102.1	113.5	114.5	114.4
2. Calcutta	87.8	94.3	95.9	95.8
3. Madras	89.1	100.3	101.9	101.8
4. Delhi	91.6	105.4	107.7	107 4

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	991,891	3,818,928
1952 ..	1,059	899,242	3,339,951
1953† ..	989	582,667	3,380,709
February 1953..	88	62,189	218,607
March „ ..	87	43,460	148,498
April „ ..	134	59,457	234,346
May „ ..	118	50,093	257,065
June „ ..	101	49,381	187,982
July „ ..	82	40,764	171,288
August „ ..	87	45,555	146,584
September „ ..	96	57,575	460,583
October „ ..	94	78,181	249,618
November „ ..	83	48,746	272,246
December „ ..	81	37,525	155,017
January 1953†	85	42,383	244,414
February „ ..	45	23,477	124,411
March „ ..	67	39,291	218,207
April „ ..	78	49,193	218,568
May „ ..	88	39,817	279,218
June „ ..	87	80,857	252,279
July „ ..	87	48,068	181,122
August „ ..	74	35,093	253,154
September* ..	106	44,863	467,278
October* ..	100	80,097	402,002
November* ..	87	41,031	244,811
December* ..	79	40,333(a)	473,967
January 1954 ..	75	49,500	320,618
February‡ ..	82	41,003	342,805

† Figures for 1953 are provisional. (a) Not known in one case. * Revised. ‡ Provisional.

ELECTRIC ENERGY; GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated ‡	Units Sold
1948-49 ..	469	4,681.1	3,777.7
1951-52 ..	573	5,948.1	4,849.0
1952-53 ..	614	6 801.4	5 514.4
1952-53			
September 1952 ..	597	580.4	430.6
October „ ..	599	648.2	481.5
November „ ..	608	629.7	456.4
December „ ..	608	652.3	457.8
January 1953 ..	611	635.5	441.8
February „ ..	614	495.6	417.4
March „ ..	614	548.0	435.7
April „ ..	618	530.9	458.1
May „ ..	620	560.4	450.2
June „ ..	625	545.3	450.2
July „ ..	627	568.0	471.0
August „ ..	629	587.9	468.9
September „ ..	633	576.5	464.1
October „ ..	634	583.1	465.7
November „ ..	637	563.1	455.7
December „ ..	640	603.6	486.9
January, 1954..	640	589.7	478.0
February „ ..	1,002	1,110	893

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	24th April, 1954	17th April, 1954	25th April, 1953	March, 1954	March, 1953	Percentage of increase (+) or decrease (—) in Mar., 1954 as compared with Mar., 1953	1953-'54	1952-'53
Food Articles ..	376.5	381.6	376.0	371.4	365.0	+ 1.8	384.4	357.6
Cereals ..	421	423	439	429	437	— 1.8	451	444
Pulses ..	380	386	474	382	507*	—28.6	450	507
Other ..	306	316	208*	289	244	+18.4	278	223
Industrial Raw Materials ..	474.7	478.5	457.6	462.5	453.1	+ 2.1	467.7	438.9
Fibres ..	401	404	413	447	432	+ 7.7	432	423
Oil seeds ..	530	527	594	513	558	— 8.1	574	485
Minerals ..	445	469	439	444	455	— 2.4	449	459
Others ..	400	414*	344	405	359	+12.8	376	333
Semi-Manufactures ..	366.3	368.1	355.8	373.9	349.8	+ 1.7	359.2	343.8
Leather ..	375	376	418	368	437	—11.2	403	367
Mineral oils ..	221	221	223	221	223	— 0.9	224	223
Vegetable oils ..	520	524*	527	476	481	— 1.0	534	446
Cotton yarn ..	465	459	444	449	446*	+ 0.7	442	452*
Metals ..	240	240	223	238	227	+ 4.8	229	218
Oil Cakes ..	443	443	424*	415	412	+ 0.7	433	430
Others ..	306	305	251	306	211	+45.0	281	255
Manufactured Articles ..	382.7	381.5	385.2	373.9	369.0	+ 1.3	367.4	371.2
Textiles ..	430	428	401	416	407	+ 2.2	405	411
Jute ..	445	436	357	454	409	+10.8	408	440
Cotton ..	417*	416*	407*	409*	406*	+ 0.7	406*	400*
Rayon and Silk ..	562*	562*	480*	499*	501*	— 4.2	431*	476*
Woollen ..	313	313	312	318	318	—	314	323
Metal products ..	340	340	336	337	336	+ 0.8	337	330
Others ..	288	289	288	286	289	— 1.0	285	294
Miscellaneous ..	706.2	713.2	598.4	686.9	585.8	+17.3	688.8	614.1
All Commodities ..	402.4	404.4	389.4	384.9	385.2	+ 2.3	397.5	389.6

R=Revised.

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 „	141	337	259	310	441	380	351	330	143	174	142	154	159
September „	143	341	269	310	463	380	364	328	148	178	143	157	150
October „	144	345	274	311	466	381	363	327	146	179	143	154	150
November „	143	347	271	306	459	380

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,546†	74,209††	27,070†	22,495††
Wheat	"	94,041	93,450	6,768	6,089
Jowar 2nd	"	41,265†	39,698††	5,350†	4,516††
Bajra	"	25,282	22,839	2,923	2,299
Barley	"	7,500	7,825	2,664	2,295
Maize	"	8,792	8,078	2,607	2,021
Ragi	"	5,472†	5,428††	1,564†	1,238††
Gram	"	17,257	16,857	3,771	3,298
Rabi Pulses*	"	11,593	11,559	2,083	2,047
Small Millets	"	12,170	11,834	1,928	1,891
Jute	bales	1,190†	1,217††	4,125†	4,605††
Cotton 4th	"	16,266	13,672††	3,658	2,457††
Sugarcane 2nd	tons	4,101†	4,228††	5,110†	4,990††
Groundnut	"	11,656†	11,450††	2,727†	2,384††
Linseed	"	3,394	3,408	855	810
Castorseed	"	1,368†	1,357††	307†	306††
Rape and Mustard Seed	"	5,155	5,915	928	916
Sesamum 3rd	"	5,828†	5,614††	516†	431††
Tobacco (supp)	"	798	718	219	205
Pepper	"	208	202	22	23
Ginger	"	46	44	14	16
Dry chillies	"	1,240	1,384	301	341

Source: Ministry of Food and Agriculture.

f.R.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Mar., 1954	75.6
	Corresponding month 1953	74.4
	Nine months ended Mar., 1954	644.4
	Corresponding period 1953	671.7
Stocks	At the end of Mar., 1954	92.9
	Corresponding month 1953	138.8
		(In 000 bags)
Exports (Jute Bags)	Week ended 10th April, 1954	10,651
	Corresponding week 1953	1,454
	From 1st Jan., to 10th April, 1954	110,675 R
	Corresponding period 1953	60,392
		(In 000 yds.)
Exports** (Jute Cloth)	Week ended 10th April, 1954	85,102
	Corresponding week 1953	11,886
	From 1st Jan. to 10th April, 1954	425,622 R
	Corresponding period 1953	374,030
	RAW JUTE	(In 000 bales)
Exports*	Week ended 20th Mar., 1954	—
	Corresponding week 1953	—
	During Dec., 1953	—
	Corresponding period 1953	—
Consumption by Mills†	Mar., 1954 (in lakh bales)	4.38
	Corresponding month 1953	4.82
	Nine months ended Mar., 1954	37.88
	Corresponding period 1953	39.97

† Estimated. R. Revised. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953	11,80,000	10,87,100	7,99,200
Do. 31st March, 1953	11,68,000	10,81,900	7,91,800
Do. 31st March, 1954	11,84,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February "	92,400	82,000	61,700
March "	97,400	86,600	65,500
April "	97,000	83,100	60,800
January 1954	1,02,800	99,800	71,400
February "	97,700	84,500	63,300
March "	94,600	89,700	65,000
April "	83,200	77,500	54,800
Indian Iron and Steel Co.			
Year ended 31st March, 1953	6,26,710	4,31,480	2,12,040
Do 31st March, 1954	5,80,020	3,49,350	2,92,440
January 1953	56,370	43,310	23,650
February "	54,600	37,400	29,090
March "	60,240	39,350	22,090
April "	52,510	30,980	19,000
January 1954	63,100	42,600	32,870
February "	59,650	38,360	32,510
March "	60,750	47,650	44,560
April "	61,050	41,070	37,600

FOREIGN TRADE OF INDIA

Particulars	December,		Nine Months, April to December,	
	1953	1952	1953	1952
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	3.11	6.93	83.54	150.05
Raw materials	11.88	10.80	126.01	146.16
Manufactures	25.78	20.16	206.10	210.67
Other items	25	26	2.90	3.89
Total	37.56	43.84	418.55	510.77
By land	1.76	3.75	17.30	19.69
Total Imports	39.32	47.87	435.85	529.86
Exports				
By sea and air—				
Foodstuffs	17.21	11.62	117.38	107.11
Raw materials	10.10	15.88	81.53	109.01
Manufactures	22.50	19.31	187.25	205.15
Other items	49	86	3.15	3.09
Total	50.30	45.84	389.35	424.96
By land	94	1.24	5.58	17.24
Total Exports	51.24	45.08	394.89	442.20
Total Re-exports	29	50	3.95	3.64
Balance of trade in merchandise	+10.03	+ 71	—25.58	—31.68
Balance of transactions in private treasure			8	— 4
Total visible balance of trade	+10.03	+ 71	—25.66	—31.72
Imports : ‡				
Total C'wealth countries	18.71	18.58	222.90	193.63
Total Foreign countries	18.86	25.12	214.78	316.64
Exports : ‡				
Total C'wealth countries	28.05	20.89	198.46	199.57
Total Foreign countries	22.25	23.46	191.88	225.88

* Excludes value of certain special imports of foodgrains and stores all particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States	United Kingdom ††	Canada @	France	Switzerland	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	641	71	11	16	39	8	18	5	2	7	9	3	5	5	9	..
	1951-52	641	71	21	16	41	6	18	5	2	7	9	2	4	6	11	3
	1952-53	666	52	23	16	40	5	20	12	6	7	9	1	4	6	11	8
End of December	1952	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January	1953	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February	"	650	60	26	16	41	5	20	16	5	7	9	1	4	6	11	6
March	"	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April	"	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	6
May	"	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June	"	643	68	27	16	41	5	20	17	6	7	9	2	4	6	11	6
July	"	639	70	27	16	41	5	20	18	6	7	9	2	4	6	11	6
August	"	636	71	27	16	41	5	20	18	6	7	9	2	4	6	11	6
September	"	633	71	23	16	42	5	20	19	6	7	9	2	4	6	11	6
October	"	633	72	23	16	42	5	21	21	6	7	9	2	4	6	11	6
November	"	632	72	23	16	42	5	22	21	6	7	9	2	4	6	11	6
December	"	631	72	23	16	42	5	22	21	6	7	9	2	4	6	11	5
January	1954	630	73	29	16		5	22	22	6	7	8	2	4	6	11	5

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 6th May, 1954	58,484
	Corresponding week 1953	50,508
	1st Sept., 1953 to 6th May, 1954	1,517,673
	Corresponding period. 1952-53	1,347,005
Cotton Exports	Week ended 6th May, 1954	4,548
	Corresponding week, 1953	6,161
	1st Sept., 1953 to 6th May 1954	224,205
	Corresponding period, 1952-53	308,414
Mill Consumption	1st Sept., 1953 to 6th May, 1954	854,830*
	Corresponding period, 1952-53	833,629
Stock (with exporters dealers & mills) in Bombay	On 6th May, 1954	661,505
	Corresponding date, 1953	606,903
Karachi (Pakistan)		
Receipts	Week ended 1st May, 1954	5,223
	Corresponding period 1953	21,413
	1st Sept., 1953 to 1st May, 1954	1,089,928
	Corresponding period, 1952-53	1,572,801
Exports	Week ended 1st May, 1954	24,668
	Corresponding period, 1953	68,775
	1st Sept., 1953 to 1st May, 1954	866,216
	Corresponding period, 1952-53	1,157,723

Particulars	From 1st Sept., to 10th May 1953-54 Bales	From 1st Sept., to 10th May 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	12,561	13,852
Continent	22,500	66,708
China	251	918
Japan	58,557	127,171
U.S.A.	12,405	32,288
Other Countries	1,452	4,676
Total to all foreign countries	107,847	264,513
Coastal Ports	123,227	100,644

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
India	January, 1954	348,068
Pakistan		55,654
Foreign	Five months ended Jan., 1954	1,633,884
India		284,710
Foreign	Same Period 1953	1,251,048
Stocks (Mills and Elsewhere)		355,021
India	As on 31st Jan., 1954	907,292
Pakistan		157,594
Foreign	As on 31st Jan., 1953	1,025,020
Cotton Pressed †	Week ended 30th April, 1954	277,317
	Corresponding week, 1953	30,015
	1st Sept., to 30th April, 1954	68,142
	Corresponding period, 1953	2,764,757

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
4½% Bonds	1926-33	63,30,26,000	1960-70	101¼
3½% Loan	1938-39	1,16,17,46,000	1963-65	92⅛
3½% Loan	1950	30,33,10,000	1964	72⅛
3½% Loan	1943	1,10,11,78,000	1966-68	90
2½% V. Loan	1944	1,14,06,89,000	1957	97½
3½% Loan	1945	1,15,05,83,000	1970-75	86
3% Loan	1945	1,13,87,64,000	1959-61	96⅛
2½% Loan	1951	50,35,61,000	1958	97¼
2½% Loan	1946	45,65,07,000	1960	93⅛
2½% Loan	1946	57,00,49,000	1961	90⅜
2½% Loan	1946	35,06,06,000	1954	99½
2½% Loan	1946	41,77,48,000	1956	82½
2½% Loan	1947	75,86,72,000	1962	91⅜
2½% Loan	1948	60,45,01,000	1955	98
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
3½% N.P.Loan	1954	On Tap.	1964	98–10⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1966 or later a. option of Government after three months' notice.	81⅛
3 % Loan	1946	248,91,90,000		81⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-59***	100⅛
4½% Loan	1928	5,93,20,000	1958-68***	104⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1953	99⅛
3 % Bombay	1943	3,50,00,000	14th Sept. 1956	99⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97⅝
3 % Bombay	1949	6,00,15,000	1st Aug. 1963	93⅜
3 % Bombay	1950	3,01,87,700	31st July 1966	94⅛
3½% Bombay	1952	3,04,06,900	17th Sept. 1962	98⅛
4 % Bombay	1953	5,00,00,000	15th July 1963	100
4 % Bombay	1952	3,46,72,700	1st Aug. 1964	100⅛
4 % Bombay	1953	30,00,000	1st Oct. 1953-55	99⅛
3 % Cochin	1945	1,98,80,000	16th Dec. 1955-58	98⅜
3½% Cochin	1936	70,09,000	1st June 1956-61	99
3½% Howrah Bridges (New)	1936-37	2,91,67,100	1956-66	95⅛
3 % Madras	1939	1,21,95,600	21st June 1959	94⅜
3 % Madras	1942	1,23,25,000	18th Sept. 1953	98–13½
3 % Madras	1943	1,23,10,800	14th Sept. 1956	98⅜
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅜
3 % Madras	1945	2,78,44,000	14th Sept. 1960	93⅜
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,38,25,400	31st July 1960	93 14½
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	3,24,81,200	1st Aug. 1964	99–12½
3 % Mysore( )	1930	1,63,44,300	1st Nov. 1953	104⅜
4½% Mysore( )	1933	2,95,85,200	1st Dec. 1953-63	101
4½% Mysore( )	1936	3,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1950	5,08,03,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅜
3 % M.P.	1942	50,00,000	15th Sept. 1955	99
3 % M.P.	1943	50,34,200	14th Sept. 1956	98⅜
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,55,20,000	15th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1953-54	99⅛
3½% Travancore	1936	80,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,69,39,800	21st Sept. 1961–66	96⅛
3 % U.P.	1944	1,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31,900	14th Sept. 1960	94
3½% U.P.	1946	2,41,19,800	1st Sept. 1961	93⅜
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	98
4 % U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	97⅛
4½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest payable per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
24,50,000	4	1904	1964	
33,00,000	4	1904	1965	
15,00,000	4	1905	1965	
44,00,000	4	1906	1967	
75,00,000	4	1907	1967	
40,00,000	4	1908	1968	97½N
36,00,000	4	1909	1969	
75,00,000	4	1910	1971	
1,10,00,000	4	1912	1972	
14,15,800	4	1912	1973	
80,00,000	4	1913*	1960	D
88,25,000	4	1914	1974	100N
10,00,000	4	1914*	1960	99N
25,00,000	4	1915*	1960	
61,61,500	4	1915	1975	
11,51,000	4	1922*	1960	
10,25,000	4	1924*	1960	
12,50,000	3½	1926*	1960	
12,50,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
24,38,000	3½	1932*	1962	
13,50,000	3½	1933*	1963	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	Rs.
76,50,000	4	1915	1975	98⅛
68,02,300@	4	1921	1981	98⅛
1,30,00,000@	6‡	1921	1981	79
1,24,00,000@	6‡	1921	1981	116N
98,21,600	5¼	1925	1955–83	105
99,64,500@	5	1926	1956–86	104⅛
1,49,45,500@	5	1926	1956–86	104⅛
1,49,50,000	5	1927	1957–87	103⅛
80,00,000	5	1930	1960–90	104⅛
21,75,000@	4½	1931	1991	92
60,00,000	3½	1935	1954	99⅛
23,00,000	3	1938	1965–68	88
30,00,000	3	1938	1963–68	88
30,00,000	3	1939	1969	70N
30,00,000	3	1945	1975	82N
30,00,000	3	1946	1976	82
30,00,000	3	1946	2006	70N
30,00,000	2½	1947	1977	78N
30,00,000	3	1948	1978	81
30,00,000	3	1949	1979	84
1,00,00,000	3	1950	1980	94
1,00,00,000	3	1950	1960	94
30,00,000	3	1951	1981	94
1,50,00,000	3½	1951	1981	94
50,00,000	3	1952	1982	97½
50,00,000	4	1953	1953	97½
	3	1953	1983	97
STERLING LOANS				
£272,600	5	1923	1953–83	£87⅛
£501,000	5	1924	1954–84	£87⅛
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,40,347	4	1912	1982	
32,14,994	4	1917	1982	A
3,21,489	4	1918	1982	
3,42,951	5	1918	1982	A
7,46,044	6	1920	1982	
2,13,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
90,00,000	4	1899	1939	100
30,00,000	4	1901	1941	
30,00,000	4	1902	1942	
30,00,000	4	1903	1943	
30,00,000	4	1904	1944	97½N
30,00,000	4	1905	1945	
15,00,000	4	1906	1946	
20,00,000	4	1907	1947	
20,00,000	4	1908	1948	
18,00,000	4	1912	1972	
40,00,000	5	1913	1973	
40,00,000	5	1914	1974	97½N
25,00,000	4	1914	1976	
40,00,000	5	1915	1975	
96,00,000	5	1919	1937–79	113N
25,00,000	5	1920	1935–80	
25,00,000	4	1924	1954–84	115N
10,00,000	4	1927	1961–91	96N
	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£95½N
CALCUTTA				
50,00,000	4	1925	1955	104
25,00,000	5½	1929	1959	107
35,00,000	4	1934	1964	100
30,00,000	3	1935	1965	94½
30,00,000	3	1936	1966	94
30,00,000	3	1937	1962	90
80,00,000	3	1941–42	1971	85
	3	1952	1962	100

MUNICIPAL LOANS

BOMBAY				
49,60,000	4	1913–14	1954	99⅛
20,60,000	4	1914–15	1954	99⅛
10,00,000	4	1913–15	1955	100
1,60,00,000	6	1920	1980	118
23,00,000	5	1923	1953	103
26,14,000	5	1928	1958	
25,55,300	5	1929	1949–59	104½
28,21,500	5	1929	1944–59	104
3,23,00,000	5	1929	1959	102½
2,50,00,000	3½	1947	1977	
4,00,00,000	3½	1949	1979	86½
2,30,00,000	4	1950	1965	87
2,00,00,000	4	1952	1964	92
1,30,00,000	4	1953	1963	100
100,00,000†	4	1953	1961	97
	4	1952	1964	100
CALCUTTA				Rs.
34,45,500	6½	1925	1935	103½
84,70,000	5	1926	1956	104
36,00,000	5	1928	1958	103
20,00,000	5	1928	1953	103⅛
25,00,000	5	1929	1957	103⅛
10,00,000	5	1930	1960	103⅛
33,91,000	3½	1932	1962	102
60,00,000	3	1936	1945	93⅛
1,41,400	3	1936	1964	93⅛
4,67,100	3	1937	1954	99⅛
10,62,500	3	1937	1954	99⅛
4,18,100	3	1937	1954	99⅛
47,30,000	3	1938	1954	99⅛
10,47,700	3	1938	1954	99⅛
15,36,800	3	1938	1955	97⅛
15,36,800	3	1939	1956	97⅛
15,36,800	3	1939	1956	99⅛
17,64,400	3½	1940	1957	99⅛
11,10,000	3½	1941	1957	99⅛
15,49,000	3½	1951	1972	96⅛
16,33,000	3½	1951	1960	96
66,88,000	3½	1951	1961	96
37,36,000	3½	1951	1966	96
72,50,000	4½	1952	1962	99⅛
		1954	1979	99⅛
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15,00,000	3½	1931	1961	107N
15,00,000	3½	1932	1962	107½N

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

PREFERENCE SHARES

Company	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	135	100
BREWERIES AND SUGAR						
Sharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Jan.	115	100
†East India Distilleries	£200,000	1897	7	Jan. July	16½	£1
Gwalior Sugar	£750,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00,000	1940	10	Oct. ..	15§	10
Hartzpore Co.	6,00,000	1922	6	Aug. ..	104	100
Kamnagar Cane	4,00,000	1933-34	6	Aug. ..	75	100
Kavalgaon Sugar	20,00,000	1943	3½	Apr. Apr.	70N	100
South Behar Sugar	3,00,000	1936	7(a)	Oct. ..	16½	100
Travancore	13,00,000	1946	5(c)	Dec. ..	7¾	100
Upper Ganges	12,00,000	1933	7	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borsora	4,00,000	1896-97	7	Apr. Oct.	118	100
Burrakur (1st)	22,99,800	1901-19	6(a)	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6	Mar. Sept.	118	100
Equitable	4,00,000	1895	5½(a)	.. ..	80	75(pp)
Karanpura Collieries	1,93,000	1946	5	Mar. Sept.	5N	10
††Khas Kajora	1,93,000	1931	5	Jan. July	12§	10
New Beerbhoom	2,00,000	1920	5	Jan. July	12§	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1884	6	Jan. July	128§	100
Basanti Cotton	5,00,000	1919	6½	Nov ..	6½	10
Benares Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	8	Apr. Oct.	118§	100
Bowrah 'A'	6,00,000	1900	7	Feb. Aug.	142§	100
Do. 'B'	14,75,000	1900	7	Feb. Aug.	90	100
Bradbury	21,30,000	1919	7½	Jan. July	328§	250
Buckingham & Carnatic	1,00,000	1920	7	Apr. Oct.	137§	100
Cambodias	50,00,000	1913	7	Apr. Oct.	125§	100
Central India	1,00,000	1935	6½	Nov ..	518§	500
Coimbatore Pioneer	11,00,000	1912	6	Nov. Nov.	124§	100
Elgin	4,20,000	1913	8	July Jan.	142	100
Gowlas	25,00,000	1943	5	May Nov.	10⅛	10
Gokuldas	20,00,000	1919	7(a)	May Nov.	88	100
Hukumchand	20,00,000	1947	7	June Dec.	132	100
Khatau Makanji (2nd)	12,00,000	1937	6	Nov. ..	89	100
Kothari	16,00,000	1947	6	Nov. ..	89	100
Lakshmi Cotton (Bombay)	37,25,000	1947	6(a)	.. ..	231§	250
Morarjee Goculdas Spg. & Wvg.	30,00,000	1900	4½	January	74	100
Muir Mills	7,45,050	1913	5	Jan. July	95N	50
Mysore Spg.	25,00,000	1928	5½(a)	Mar. ..	185	200
New Great	26,05,500	1913	8	Apr. Oct.

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	9,99,757	42,27,928	43,05,572	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2-12½	2	0 4	0 3	Nil			
1,50,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. K. Cotton Mills	59½	100	6 0	0 5	0 4			
2,50,98,000	2,52,32,929	3,91,27,744	3,31,78,249	2,00,087	Norwoojee Wadia & Sons, Ltd. ..	1,93,520	4,855	Bombay Dyeing & Mfg. ..	431½	250	17 8	20 0	Nil	Nil	12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Rasunarain Sons, Ltd.	38,208	860	Bradbury Mills	96¾	100	7 8	20 0	Nil	20 0	12	Y.
1,09,42,800	2,27,88,983	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	331	100	18 0	100 0	100 0	100 0	3	Y.P.T.
49,00,000	16,04,856	1,06,30,358	59,17,373	2,06,619	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil	Nil	20 0	22 0	12	Y.
56,00,000	27,40,380	58,91,576	24,86,747	1,28,731	Cowasjee Jehangir & Co., Ltd. ..	30,412	688	Cooria Spg. & Wvg.	111½	100	7 8	Nil	4 0			
16,00,000	20,04,821	63,03,745	48,46,041	76,868	Rasmarain Sons, Ltd.	30,304	..	Dawn Mills	92	50	4 0	7 8	Nil	Nil	12	Y.
24,00,000	24,00,000	62,31,113	37,35,800	5,622	Puranmal Radhakishen & Co. ..	50,296	928	Edward Textiles	246½	200	13 0	15 0	15 0	15 0	3	Y.
29,93,700	12,93,352	1,10,17,972	73,99,223	41,862	K. D. Jalan, Esq. (Chairman)	43,376	885	Elphinstone Spg. & Wvg. ..	46	50	4 0	4 0	4 0	4 0	3	Y.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	248	100	15 0	20 0	15 0	15 0	12	Y.
12,00,000	74,49,589	1,16,64,973	90,91,500	7,391	Thackersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810 / 1,000	1,000	175 0	200 0	200 0	225 0*	3	Y.P.
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—11,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	10-13¾ / 10	10	0 12½	50 0	50 0	56 4½	3	Y.P.
9,00,000	69,99,043	1,18,16,179	83,59,000	7,422	Damodhar Thackersey Mooljee &Co	55,704	1,191	Indian Mfg.	1-7½ / 1D / 3,850	1,000	0 2 / 175 0*	0 3½ / 200 0*	Nil / 200 0*	Nil / 225 0*	12	Y.
29,92,500	49,54,640	2,07,51,457	1,57,18,445	28,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	121¾	500	87 8	200 0*	200 0*	225 0*	3	Y.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	318	100	12 0	14 0	100 0	112 8*	3	Y.P.
80,80,000A / 2,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.			Madhusudan Mills	82 / 100A / 20B	100	7 8 / 25 0*	5 0 / 15 0*	18 0 / 6 4	20 0* / 6 4	6	Y.P.
27,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	50	4 8	1 0	1 4	6 4	12	Y.
51,75,000	24,92,735	78,02,044	44,55,216	12,706	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	211¾	100	14 0	14 0	14 0	14 0	3	Y.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chimal & Co., Ltd.			National Rayon Corporation	159½	100	17 0	15 0	15 0	15 0	10	Y.
24,00,000	28,60,686	93,05,363	44,43,868	15,887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	165¾	100	Nil	Nil	Nil	Nil	12	Y.
30,00,000	21,60,059	88,88,698	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	172	100	12 8	10 0	10 0	10 0	12	Y.P.
12,70,100	36,36,004	42,49,552	13,76,689	423	Mafatlal Chandulal & Co (Bombay), Ltd.			New Union Mills	26	100	12 8	10 0	10 0	10 0	12	Y.P.
48,00,000	33,52,899	1,38,66,478	84,72,356	27,388	Ramnarain Sons, Ltd.	55,328	1,190	Nowrosjee Wadia & Sons, Ltd.	133½	100	8 0	1 0	1 4			
40,00,000	43,62,741	24,64,450	22,50,000	2,99,184	Podar Sons, Ltd.	32,600	930	Podar Mills	153½	100	9 0	10 0	1 4			
8,00,000	8,93,779	23,19,461	18,91,340	3,615	Devji Ramoon & Co., Ltd. ..	9,320	277	Sassoon & Alliance Silk Mill	18¾	10	2 0	2 0	1 0	1 0	12	Y.
25,00,000	60,49,474	1,17,57,612	81,93,444	31,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	30	100	2 0	2 0	1 4			
60,00,000	64,20,061	76,08,371	39,83,898	8,43,873	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	215	100	14 0	17 0	12 8	14 0	12	Y.
31,50,000	49,62,108	78,77,540	49,46,000	1,03,256	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	157½	50	14 0	17 0	15 0	15 0	12	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	100	100	13 0	20 0	15 0	15 0	3	Y.
75,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	72,024	2,000	Svadeshi Mills	280	100	16 0	20 0	20 0	20 0	12	Y.
36,00,000	60,78,465	93,47,153	58,93,668	8,74,757	James Finlay & Co., Ltd. ..	35,804	552	Swan Mills	330	100	18 0	16 0	16 0	20 0	12	Y.P.
32,57,438	40,90,352	1,53,47,827	43,36,353	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	48	25	2 0	4 0	30 0	20 0	12	Y.P.
18,00,000	60,55,708	98,62,654	73,80,000	4,244	Thackersey Mooljee Sons & Co. ..	54,224	1,176	Western India Spg. & Mfg. ..	3,810	1,000	175 0*	200 0*	200 0*	225 0*	3	Y.P.
AHMEDABAD																
30,80,000	38,80,266	88,29,885	51,00,670	5,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	144¾	100	8 0	12 0	10 0			
10,00,000	90,53,638	89,83,424	65,39,067	7,878	F. M. Hatheesing & Sons, Ltd. ..	42,768	912	Arvna Mills	475	100	15 0*	20 0*	20 0*	10 0*	6	Y.P.
80,00,000	2,67,43,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	857¼	100	25 0*	25 0*	20 0*	20 0*	12	Y.P.
12,00,000	40,85,169	76,03,158	51,50,000	1,11,309	Mangaldas & Bros., Ltd.	35,884	884	Ayodaya Ginning & Mfg. ..	320	100	30 0*	35 0*	25 0*		12	Y.P.
12,00,000	1,00,27,000	82,29,958	43,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	361¼	100	30 0*	35 0*	15 0*		12	Y.P.
1,24,77,852	99,56,782	3,97,21,301	2,72,51,344	23,51,386	Karamchand Premchand Ltd. ..	1,39,120	2,370	Calico	123	12	8 12	8 0	8 0	8 0	12	Y.P.
80,00,000	64,86,000	88,47,870	42,25,000	4,882	Tricumlal Bhoolal & Co., Ltd.	46,100	867	New Commercial Mills ..	1 150	100	12 8	18 0	22 0	18 0	12	Y.P.
39,00,000	70,78,334	96,79,243	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd. ..	47,952	864	New Shorrock Spg. & Wvg.	639xd	125	35 0	70 0	70 0	70 0	12	Y.P.
5,00,000	61,15,982	65,72,745	31,76,001	700	Jagadbai Bhoolal Nanavaty & Co. ..							35 0*	35 0*	35 0*	12	Y.P.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	770½	100	28 0*	28 0*	30 0*	30 0*	12	Y.P.
12,00,000	13,93,067	4,79,29,000	39,67,450	—13,95,250	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Raipur Mfg. Co., Wvg. & Mfg	687½	100	25 0	25 0	25 0		12	Y.P.
82,50,000	10,11,650	81,93,993	46,17,803	9,844	Lallubhai Gordhandas Ltd. ..	33,15o	648	Robi Mills	250	100	30 0	20 0	Nil	Nil	12	Y.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,351	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	363	30	15 0	18 0	14 0		12	Y.P.
19,52,500	32,12,167	41,33,831	48,71,881	4,241	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	411½	100	15 0	20 0	20 0		12	Y.P.
88,00,000	29,08,070	91,18,078	47,72,055	16,239	Haridas Ashratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	526½	400	30 0	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,212	—3,02,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	0 3	Nil				
7,11,280	2,21,850	38,52,124	22,08,106	—97,230	Bengal Textile Agency, Ltd. ..	35N	40	Bengal Laxmi Cotton Mills ..	5N	100	Nil	0 3	Nil	Nil	12	Y.P.T.
6,00,000	22,75,078	77,43,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	320	100	Nil	Nil	3 0	Nil	12	Y.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	210	100	Nil	7 0 / Nil	Nil	Nil	6,12	Y.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	24	15	1 14	Nil	Nil	Nil	6,12	H.P.
6,00,000 / 33,96,288	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—/—	25 / 10	1 14 / 1 14	1 12 / 0 12	1 12 / 0 8	1 12 / 0 8	3 / 12	Y.P. / Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	0 3	Nil				
18,00,000	9,00,109	39,21,613	21,03,246	—97,230	Ramal & Co., Ltd.	50,000	..	Alagappa Textiles(Cochin) Ltd.	6½	10	0 14 2/5	0 3	Nil			
31,94,400	51,99,334	2,06,06,796	50,52,372	5,771	Industrial Trust Fund, ...	36,136	665	Asam Jahi Mills	67N	100	0 9	0 9 3/5	Nil			
40,20,000	1,74,49,038	3,06,08,237	2,18,61,353	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	396	100	17 8	20 0	15 0		12	Y.P.
87,00,000	22,25,163	73,26,199	32,12,199	19,993	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills..	12½	10	1 4	2 0	2 0	25 0	12	Y.P.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	48 N	10	2 8	3 0	3 0	10 0	12	Y.P.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	143	100	6 14	8 0	8 0	30 0	6,12	H.P.T.
20,00,000	20,00,281	32,98,201	17,91,411	39,955	Peirce, Leslie & Co., Ltd. ..	17,516	4	Cambodia Mills	133	10	Nil	2 0	2 0	2 0	12	Y.
30,00,000	21,97,992	76,51,479	45,04,815	39,859	Begg, Sutherland & Co., Ltd. ..	28,796	591	Cawnpore Textiles	88	5	1 9	1 8	1 8	1 8	12	Y.
12,00,000	19,85,494	28,94,635	21,58,900		R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	219	100	12 8	12 0	9 0	20 0	12	Y.P.
30,00,000	9,19,870	25,84,947	13,33,422	1,31,496	T. R. N. Naidu & Co.	19,798	..	Coimbatore Pioneer Mills ..	166	100	7 0	8 0	9 0	10 0	12	Y.P.
20,76,900	4,36,696	1,14,09,011	66,08,063	—10,23,340	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	44½	50	2 8	3 0	2 0	2 0	12	Y.
44,87,500	88,12,906	2,30,18,308	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	179	100	6 0	6 0	Nil	2 0	6	Y.
5,38,34,450 / 1,00,523	1,65,19,825	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd. ..	73,604	1,785	Delhi Cloth & General Mills ..	33 / 2½	25	2 0	2 0	Nil	Nil	6	Y.P.
24,39,600	24,06,342	42,39,039	30,10,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	236	100	2 0	2 0	2 0	2 0	6	Y.
63,00,000	46,00,000	1,40,85,212	1,13,21,431	73,424	Begg, Sutherland & Co., Ltd. ..	52,812	1,198	Elgin Mills	15½	10	2 0	1 8	10 0	20 0	12	Y.P.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	253	100	10 0	14 0	17 0*	17 0	12	Y.
80,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore) ..	51,180	1,420	Indore Malwa United	108½	100	4 0	7 0				
8,90,000	11,61,087	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	76	50	3 0	3 0	3 0	3 0	12	Y.
24,00,000	15,75,000	61,55,358	8,30,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	12½	10	1 0	1 0	1 0	1 0	12	Y.
52,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	581½	250	37 8	50 0*	37 8	50 0*	12	Y.
81,46,150	53,30,000	94,98,025	53,73,673	14,287	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	116 / 58 / 25	50	4 8	5 0	37 8	50 0*	12	Y.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,893	A. & P. Harvey Ltd.	4,66,932	..	Madura Mills	421	15	2 4	3 0	3 8	5 0	12	Y.
12,00,000	4,17,363	24,32,416	15,52,890	—22,390	A. L. A. R. S. Chettiar and Sethers	22,592	..	Malabar Spg. & Wvg.	118xd	200	8 0	12 0	12 0	12 0	3	Y.
60,00,000	62,50,000	93,54,848	38,37,062	77,484	Mentur Industries Ltd.	24,720	603	Mentur Industries Ltd.	251	100	23 0	12 8	12 8	12 8	12	Y.
20,80,884	22,90,000	73,48,250	42,20,184	85,960	Model Industries Ltd.	36,416	704	Model Mills (Nagpur)	110	100	6 0	6 0	6 0	6 0	12	Y.
94,91,850	27,56,360	1,53,05,970	78,81,528	57,241	Basanlal Abirchand Dadabhoy & Co.	47,560	952	Muir Mills	141½	250	12 8	12 8	12 8	12 8	12	Y.
50,00,000	52,19,600	1,52,39,272	1,05,91,651	—7,77,298	Indian Textile Syndicate Ltd. ..	88,640	1,836	Muir Mills	152N	100	7 8	7 8	7 8	7 8	12	Y.
19,16,800	61,53,392	93,64,223	39,35,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	120	50						
13,61,780	2,58,745	29,34,299	13,96,624	2,232	R. Suryanarayana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills	6½	10	0 8	9 0	10 0*	10 0*	12	Y.
82,89,883 / 3,07,095	25,62,533	98,01,625	52,78,826	—25,85,836	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	11 / O. 2½ / D. 1	10	0 8 / Nil / Nil	0 10 / Nil / Nil	Nil / Nil / Nil	Nil / Nil / Nil	12	Y.
87,02,800	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanabad Mills	90N	100	3 8	5 0	5 0	5 0	12	Y.
4,00,000A / 6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200	..	Palani Andavar Mills	72½xd / 110xd	100	7 8	8 0	7 0	4 0	9	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980	..	Pankaja Mills Ltd.	42	100	3 4	3 0	3 0		12	Y.
16,81,200A / 8,40,600B	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	38,864	301	Radhakrishna Mills	172 / 86	100A / 50B	16 0 / 8 0	16 0 / 8 0	16 0 / 8 0		12	Y.
	25,00,896	22,62,213	14,88,515	—65,366	Rajalakshmi Mills	25,896	..	Rajalakshmi Mills	106½	50	3 0	3 0	Nil			
15,00,000	62,66,508	1,03,28,822	30,52,328	—11,26,958	B. R. Naidu & Sons	33,984	600	Raza Textiles	6-6½	10	Nil	Nil	3 0		12	Y.
40,00,000	10,52,625	25,98,011	17,73,000	65,528	J. P. Srivastava & Sons (Rampur)	15,824	440	Shree Sajjan Mills	75½N	100	6 0	Nil				
22,41,300	2,24,959	21,50,228	16,08,115	3,083	G. Ellakthar & Co., Ltd.	18,416	416	Sriram Spg. & Wvg.	60	100	Nil	3 0			12	Y.P.
7,79,700	1,60,39,317	2,87,33,062	2,03,87,726	—89,84,498	T. R. A. Iyer & Bros., Ltd. ..										12	Y.P.
16,00,000					Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg. ..	2,225 / 1,000 / 500	1,000	Nil	Nil	Nil	Nil	12	Y.P.
	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	36½	50	4 0*	4 0*	4 0*	4 0*	3	Y.P.
36,69,700	1,39,52,602	81,28,140	52,31,896	52,22,471	Birla Brothers, Ltd.	35,556	952	Sutlej Cotton Mills	50N	100	4 0	4 0	4 0	4 0	3	Y.
15,00,000					Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8 / 8	10	0 0	0 8	Nil	Nil		
17,50,00,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717				Travancore Rayons	9-6½	10P.O.	0 16 2/5	0 16 2/5	Nil	Nil		
1,37,50,000	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Trichinopoly Mills	10	10	1 0	1 0	1 0	1 0	12	Y.P.
99,92,020	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,000	..	Vasanta Mills	8-11½	10	1 0	1 0	1 0	1 0	12	Y.
13,98,660	32,67,606	49,31,870	32,72,308	28,000	R. K. S. Chetty & Brothers	33,704	270	Vishnu Cotton	173½	100	9 0	14 0*	10 0	12 0	12	Y.P.
81,00,000	47,34,133	1,34,36,953	89,50,676	1,868	Bombay Co., Ltd.	54,280	1,483		142½	100				10 0	12	Y.P.

* Includes bonus

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(b) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(c) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each.

(c) Paid out of reserves

X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000 / 6,64,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	25½ / 10½	25 / 10	Nil / Nil	2 13g / 1 2g	Nil / Nil	Nil / Nil	5	Y.P.
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0	0 5	0 5	0 5	3	Y.
£40,000A / £300,000B	£668,781	£1,193 278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	15½ / 25½	A. 16sh. 3 / B. £1	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 4	Rs. 1 3/5 / Sh. 4	3	Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	Nil	Nil	Nil	8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Maliya, Esq. (Chairman)	United Breweries	162	75	11 4	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A / 39,67,420B	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	112 / 11½	A. 100 / B. 10	3 12	7 8	7 8	10 0*	12	Y.P.T.
43,14,600O. / 4,70,976D.	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½ / 1¼	O. 10 / D. 1	0 8½ / Nil	Nil	Nil	1 0*	3	Y.T.
18,36,25,538 / 60,00,000O.	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies ..	137½ / 9¾	100 / 10	8 8	9 8	9 8	9 8	7	Y.
26,49,797O. / 80,00,000D.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	2 / 1-7½	O. 25 / D. 1	0 5 / Nil	0 10 / Nil	0 10½ / Nil		12	Y.P.T.
62,50,000O. / 7,50

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
40,00,000	20,22,841	1,90,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	62	25	1 4 / 1 4 / 1 9 / 1 9 / Nil / Nil				6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	203	100	6 0 / 5 0 / 5 0 / 5 0 / 6 0				5,9	H.
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	B. P. Ramakrishnan Esq.	18½	10	0 8¾ / 0 12 / 1 0 0 / 1 3 0				3	Y.
1,46,83,000	2,38,21,427	2,42,04,213	80,01,000	2,71,007	Birla Bros.	Orient Paper	16⅜	10	0 12 / 1 8 / 1 0 / 1 0 / 1 0				3,9	H.P.T.
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	23½	10	0 10 / 0 12 / 0 12 / 0 12 / 0 12				6,12	H.P.T.
80,80,000 / 99,80,000A.	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	10½ / 39½	O. 10 / A. 10	Nil / Nil / 1 0 / 1 0	Nil / Nil / 1 0* / 1 0*			3,9	H.P.T.
86,00,000A. / 86,04,800B. / 4,97,500P.O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	39½ / 42	B. 10 / P.O. 25	0 14* / 1 0* / 1 0* / 1 0* / 0 2 / 0 2 / 0 2 / 0 2				3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,65,359	10,69,448	9,339	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	7 0	6	Y.
4,30,000	1,00,000	4,89,328	4,32,056	2,354	Pyne & Sons	Camperdown	93N	100	3 0	5 0	5 0	7 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,427	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	7 0	6	Y.
PROPERTY AND LAND														
82,00,7800. / 8,00,000D.	6,02,582	42,65,284	19,09,280	419	E. A. Basil, Esq., & others (Directors)	Hemayun Properties	10 / 1½	O 10 / D 1	0 9 3/5	0 9 3/5	0 9 3/5			
60,00,000	20,01,684	98,66,088	15,00,000	.....	David Samoon & Co., Ltd. ..	Port Canning Land	100	100	Nil	Nil	Nil	Nil	9	Y.P.
84,00,000	85,54,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	39½	100	Nil	3 0	1 0	1 8	4	Y. Y.P
SAW MILLS AND TIMBER														
18,99,998	28,08,354	15,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6¼	3	0 8	0 8	0 4			
94,50,000	3,75,07,299	3,01,90 100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	398½ / New 50	Old 12½	37 8	62 8	22 8	15 0	9	Y.
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading ..	25N	100	3 0	Nil	Nil	6 0	5	Y.
18,00,000	18,43,037	19 83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	5 0	5 0	1 0	9	Y.P. Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	23,86,496	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7⅜	5	Nil	1 0	Nil	Nil		
12,00,000A. / 8,00,000B.	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	114N / 8½	A. 100 / B. 10	6 4 / 1 0	1 0 0 / 1 0 0	1 0 0 / 1 0 0	Nil / 10-0 / 1-0	6	Y. Y.
13,49,050	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	8½	7½	Nil	1 0 0	1 0 0	1-0	4	Y.
15,00,000	12,31,314	15,47,378	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 0	1 8	1 8	1 8	9	Y.
32,00,000	25,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd. ..	Canew & Co.	18½	10	Nil	Nil	Nil	Nil	6	Y.P.
18,00,000	62,99,665	96,64,733	78,07,451	23,636	Begg, Sutherland & Co., Ltd.	Champaran Sugar	38½	10	2 0	3 0	2 0	Nil	6	Y.P.T.
16,00,000	33,12,562	83,47,659	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Deoria Sugar	26½	10	1 8	2 0	2 0	1 0	10	Y.P.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros. ..	Hindustan Sugar Mills	8	10	0 8	0 8	0 8	0 8	7	Y.
95,00,000A. / 90,90,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Beckett & Co., Ltd.		175N / 100	A* 100 / O. 100	6 0 / 9 0	9 0 / 12 0*	12 0* / 12 0*	15 0* / 15 0*	6	Y.T. Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kiliachand Dev chand & Co. ..	Kesar Sugar	50N / 80		3 0	4 0	Nil	Nil		
7,89,100	19,02,918	27,31,285	13,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	25N / 31½		2 0	2 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	0 8	2 0	2 8	2 8	6	Y.P.
1057,500 A. / 8,71,875 B.	47,39,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	1180N / 45N	100	15 0	20 0	20 0	20 0	5	Y.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4	11 0	6 0	11 0	4	Y.
12,00,000	12,71,178	19,94,458	18,81,744	66,008	Nanang Bros. & Co., Ltd. ..	Punjab Sugar	100N	100	1 0	3 0	6 0	3 0	7	Y.P.
9,00,000	13,26,479	33,86,923	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	131	10	1 0	1 0	1 0	1 0	10	Y.
6,00,000	4,04,162	25,16,182	10,51,418	18,993	Begg, Sutherland & Co., Ltd.	Ryan Sugar	131	10	1 0	1 0	1 0	1 0	10	Y.P.
11,99,000	17,25,204	36,77,360	21,32,129	2,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	13½	10	1 0	1 0	1 0	0 8	6	Y.P.
80,00,000	21,68,560	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12xd	10	0 4	1 0	1 0	1 0	7	Y.P.
9,99,950	61,825	22,84,311	11,98,643	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sisalpore Sugar	6¾	10	Nil	0 8	0 8	1 8	7	Y.T.
7,95,462	16,32,940	29,93,970	16,32,168	92,009	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	18½	10	1 0	1 0	0 8	9 8	6	Y.
6,80,0000. / 3,73,000D.	47,623	25 93,256	11,44,770	—14,94,408	N. K. Jain & Co Ltd.	South Behar Sugar	1N / 1N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	2 0*	8	9	Y.T.
8,00,000		78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	23⅜	10	0 12	2 0	2 8	2 8	10	Y.P.
16,00,000	9,39,618	30,61,987	24,91,613	36,665	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	16½	10	0 4½	2 0	2 8	2 8	6	Y.P. Y
Other Centres														
44,99,750	79,06,443	65,05,216	51,13,758	93,916	W. H. Brady & Co., Ltd.	Belsapur Company	272	50	12 8	14 0	16 0	16 0	9	Y.
27,48,900	2,51,648	37,63,451	16,01,711	81,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	35N	100	Nil	3 0	3 0	4 0	6	Y.
13,00,000	80,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	27½	10	1 8	3 0	3 0	3 0	6	Y.P.
83,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	10	0 12	1 4	1 4	1 4	9	Y.P.
81,79,280	89,98,053	1,08,06,148	48,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0*	2 0*	2 0*	2 0*	10	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kaadlai Ltd.	Phaltan Sugar	104	50	8 0	2 0	2 0	2 0	6	Y.
16,39,820	27,50,830	48,81,755	23,79,327	95,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	22½	10	0 9½	0 12	2 0	2 0	9	Y.
80,00,000A. / 4,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	90N / 7N	O. 50 / D. 10	7 0	9 0	3 0 / 3 0	Nil / Nil	9	Y.P.T.
10,99,600	94,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rana Sugar	10½N	10	1 0	1 4	0 12	0 11½	6	Y.P.T.
80,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	5½	10	Nil	Nil	Nil	Nil	10	Y.
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries ..	176½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	14 0 / 14 0	7 / 9	Y.P. Y.P.T.
TRANSPORT														
20,00,000	1,10,13,536	1,35,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	150	100	10 0	12 8	12 8	10 0	10	Y.
1,80,00,000		8,00,22,730	1,45,00,237	58,604	Dinshaw Ltd.	Bharat Line	96½	100	3 0	Nil	4 0		10	Y.P.
4655,980	81,123,737	43,428,105	83,512,999	613,172	Kilburn & Co., Ltd.	Indian General Navigation & Rly. Co.	610	100	Nil	Nil	8h10		12	Y.
8,50,00,000	74,99,333	3,91,83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8½	10	Nil	Nil	Nil	0 8	12	Y.P.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	17½	10	Nil	Nil	0 8	0 12	3	Y.P.
UNCLASSIFIED (Bombay)													6	Y.
8,40,000	92,000	3,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	500	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	60	50	4 0	4 0	4 0		12	Y.
1,00,000	1,00,000	25,18,130	8,075	9,955	Dena Sons, Ltd.	Dawkaraes Nash Investment Co.	90	25	0 12	0 12	0 12		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	4 0	4 0		12	Y.
99,99,250	18,80,149	1,27,94,592	11,966	2,11,031	Premchand Raychand & Sons ..	Industrial Investment Trust ..	74½	100	4 0	4 0	2 8	Nil	3	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	R. D. Sheppard, Esq. (Mg. Director).	Killick Industries	182 / 142½	100 / 75	8 0	8 0	8 0	8 0 / 10 0	4 / 12	Y.P. Y.
8,06,72,500A. / 10,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Acre-Auto Ltd.	Premier Automobiles	72½	A. 100 / B. 100	Nil / Nil	Nil / Nil	2 8 / Nil	5 0 / Nil	6	Y.
10,21,200	3,56,603	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	Sir Joseph Kay (Chairman) ..	37	20	2 0	3 0	3 0	Nil	6	Y.
8,75,00,000	69,25,164	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	Associated India Match Co. ..	193½d	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	100	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,30,0000. / 8,50,000D.	15,00,000	1,56,92,644	56,15,329	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3⅜ / D. 2½	O. 10 / D. 2½	Nil	Nil	Nil	Nil	3	Y.P.T.
30,00,000	38,21,355	31,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	17½	10	1 12	2 8				
30,00,000	8,75,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19	10	1 4*	1 4	1 4	1 4	3	Y.P.T.
10,00,000	19,97,883	96,60,363	99,87,830	23,355	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	44½	10	0 9 3/5	0 9 3/5	1 0	1 4*	4	Y.
80,00,700C. / 10,00,000D.	97,71,800	33,87,807	29,87,807	3,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	314 / D. 40	O. 100 / D. 10	20 0*	25 0*	20 0*	20 0*	12	Y.
80,00,000	7,97,945	56,17,513	11,91,692	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	16½	10	6 0	8 0*	4	3 0*	3	Y.P.T.
30,64,680	33,27,348	99,11,669	21,85,999	96,193	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuit	12	10	1 0	1 4	1 4	1 4	12	Y.P.T.
3,25,00,000	93,00,000	2,56,70,847	1,99,14,917	3,55,733	Sir Robert Menzies	British India Corporation Ltd.	55	10	0 12	1 0	1 0	1 0	3	Y.P.
1,40,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Duntop Rubber (India) Ltd. ..	355	100	2 0	2 0	2 0	2 0	3	Y.P.T.
51,26,000	51,50,934	1,29,31,2588	.....	5,11,873	Bird & Co. Ltd.	Eastern Investments Ltd. ..	144	100	9 0	9 0	9 0	9 0	12	Y.P.T.
14,00,000	9,97,000	32,14,898	17,65,862	26,757	MacNeill & Barry Ltd.	Cauvery Ropes Co., Ltd. ..	194	100	10 0	12 8	20 0	10 0	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Rhins	Gillanders Arbuthnot & Co., Ltd.	108	100	7 8	10 0	10 0	10 0	3	H.
10,00,000	11,42,154	42,81,810	29,39,773	29,418	B. P. R. S. Enderase	Great Eastern Hotel	265	100	17 0	20 0	15 0	15 0	3	H.
12,42,800	3,06,049	40,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	100	7 0	15 0	15 0	15 0	3	Y.P.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	8-4½	10	7 8	7 8	6 0	15 0	3	Y.
1,40,00,000	36,77,754	1,45,52,961	1,33,10,179	3,19,751	J. W. Cameron, Esq.	Indian Aluminium Co.	117	10	Nil	Nil	Nil	Nil	12	Y.P.T.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	13,94,449	A. R. Driessen, Esq.	Indian Cables	20½	10	2 8	5 0	5 0	Nil	3	Y.
8,27,970	8,38,000	14,39,460	7,97,308	31,545	G. E. Mesters & Co. (India), Ltd.	Indian Rubber Manufacturers ..	14½	10	1 0	1 0	1 0	Nil	12	Y.P.
8,00,00,000	57,45,280	29,81,477	4,24,477	4,44,163	G. M. Mackinlay, Esq.	Jardine Henderson	111	100	10 0	10 0	10 0	10 0	3	Y.P.
6,34,0000. / 66,0000.	4,05,270	4,91,331	4,08,253	—44,994	James & Co., Ltd.	Macfarlane & Co	3⅛ / O. 5	O. 5 / D. 5	Nil	Nil	Nil	Nil	7	Y.P.
40,00,0000. / 8,80,000D.D.	63,05,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co	240	O. 100 / D.O. 10	12 8	15 0	12 8 / 6 4		5	Y.
1,30,60,230	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	20½	10	0 12	1 0	1 0	1 0	12	Y.P.
6,35,255	1,74,934	7,74,805	2,86,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3-3½	10	0 10	1 4	1 6	1 6*	12	Y.P.
4,88,040	8,84,829	9,73,621	3,93,009	1,039	O. Chandy, Esq. (Controller) ..	Mysore Lamp Works	15½	10	1 0	1 0	1 0	1 0	12	Y.P.
10,00,000		11,43,854	3,93,796	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10½	10	Nil	1 0	1 0	1 0	3	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	18½	10	0 8	0 8	0 8		3	Y.P. Y.T.
77,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	9	10	0 8	0 8	0 12	1 0	3	Y.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	4-11½	10	1 9 3/5	2 0	1 0	1 0	3	Y.P.T.
82,50,000	13,27,473	1,65,91,420	46,13,194	17,549	T. A. Lykiardopulo, Esq.	Ralli's (India) Ltd.	53½	100	Nil	9 0	9 0	Nil	12	Y.P.
1,14,00,000	78,53,108	8,09,39,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Rohtas Industries	15⅜	10	Nil	9 0	Nil	Nil	12	Y.P.T.
40,00,000	94,66,946	1,21,92,814	72,53,215	3,42,047	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	42½	10	2 0	2 0	2 0	Nil	12	Y.
72,00,000	23,00,000	12,11,9014	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	12½	10	1 0	1 0	1 0	1 0	12	Y.P.T.
9,98,380	1,50,000	12,67,855	2,60,547	39,789	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 6½	Nil	Nil	Nil	12	Y.

§§ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs 20 lakhs.

‡ Excluding goodwill (written down Rs. 80 lakhs.) ‡ Excluding Rs. 1,40,00,000 which represent shares in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Rate of exchange
Rs.	Rs.	Rs.	Rs.	Rs.				Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
ASSAM															
4,45,700	5,45,826	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	410 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	2 8	0 12	0 12		12	Y.
3,50,000	3,68,250	10,44,194	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	29	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	14,91,743	4,25,000	—2,58,910	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Baanasia	36½	10	3 0	2 8	2 0		12	Y.
3,30,600	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co.	567	Bateli	18⅜	5	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	29½	10	3 8	1 8	Nil		12	Y.
16,50,000	16,81,058	50,59,134	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Bishnauth	33½	10	5 0	0 8	Nil		12	Y.
6,00,000	.....	10,38,918	1,51,948	—34,027	Octavius Steel & Co., Ltd. ..	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
7,50,000	3,43,200	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bornah Jan Tea	14½	10	1 8	1 8	Nil		12	Y.P.
85,00,000	9,03,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,502	Brooke Bond	11½	10	1 8	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Deloo Valley	13½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,795	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbottia	280	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,828	20,85,548	2,76,346	31,084	James Warren & Co., Ltd. ..	610	Dhaikhat	14½	10	1 9 3/5	1 3⅜	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	14½	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—61,551	McLeod & Co., Ltd.	458	Dibrugarh	12½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	25,960	Williamson Magor & Co.	625	Dimakuai	40½	10	4 8	1 8	1 0		12	Y.
3,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co.	669	Duffleghur	43½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,681	Williamson Magor & Co.	1,168	East India Tea	20½	10	2 4	2 0	0 4		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	—2,546	Andrew Yule & Co., Ltd.	407	Gillapukri	22	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37 439-	5,54,439	1,03,645	Williamson Magor & Co.	533	Gohpur	38½	10	4 0	3 0	1 8		12	Y.
4,,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd. ..	1,393	Grob	12½ / 12½	A. 10 / B.5	3 0	2 8	2 0		12	Y.
B,2,40,790										1 8	1 0	1 0			
2,00,000	6,50,000	6,89,042	2,11,316	27,064	Andrew Yule & Co., Ltd.	476	Hoogrehali	8	10	1 0	Nil	Nil		12	Y.
6,35,000	8,04,216	18,38,687	8,46,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	311 N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
60,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	3+3	1+1	1+1	1+1	3.9	
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	206	100	4+10	15+15	8+10	12*	5.11	H.P.
6,00,000	5,10,000	50,61,656	32,29,557	30,829	McLeod & Co., Ltd.	446	Alexandra	165	100	Nil	5	Nil	Nil	5.11	H.P.
90,00,000	2,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	181	100	Nil	Nil	Nil	Nil+2½	6.12	H.P.T.
49,20,700	70,44,144	2,30,35,106	1,71,40,000	1,14,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	199	100	Nil	25	Nil	Nil	6.12	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	116	100	10	10+10	10+15	7½+5	3.9	H.P.
80,00,000	29,17,170	97,36,936	64,26,882	64,088	Jardine Henderson & Co.	959	Bally	144	100	11+4	6+5	5+4	2+2	3.9	H.P.T.
£215,000	£439,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman)	1,889	Barasagore	139	£1	6+6	6+1	Nil	4+4 Nil	3.9	H.P.
28,00,000	35,49,623	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd. ..	920	Belvedere	200	10	7+10	£1	£1	£1	3	Y.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Bowrampull Nagarmull	600	Bengal	141	100	7+10	12½+15	7½+7½	7½+7½	6.12	H.P.A.
30,42,000	2,64,46,567	3,04,30,766	1,23,13,242	1,03,646	Bria Bros., Ltd.	1,373	Biria	14	10	1½	3	3	3	6	Y.P.T.
36,00,000	29,22,926	1,08,33,702	71,14,745	998	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	142	10	3+10	10+12	6½+6½	6+4	4.10	H.P.
7,47,980	4,29,739	49,77,158	34,73,499	93,461	Dayaram & Sons	502	Calcutta Jute Mfg.	143	10	Nil	1+1	0+8	Nil	4.10	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,333	Andrew Yule & Co., Ltd. ..	616	Caledonian	139	100	4+10	10+12	6+8	6+6	6.12	H.P.T.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	1,800	Champdany	153	100	3+5	10+12	6+8	6+6	5.11	H.I.
13,95,000	28,39,282	79,96,158	54,82,736	1,32,904	McLeod & Co., Ltd.	530	Cheviot	215	100	6+10	10+12	6+6	3+3	3.9	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	Shree Krishna Investment Co., Ltd.	969	Chitavalsah	11	10	1½	Nil	1½	1½	5.11	H.P.
16,00,000	17,00,000	78,04,949	64,24,460	19,867	F. W. Heilgers & Co., Ltd. ..	1,076	Clive	23	10	2½	1½+1½	2½+1½	1½+1	6.12	H.P.T.
31,49,200	61,69,973	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	123	10	1½	1½+1½	Nil	Nil	3	Y.P.
28,00,000	44,74,179	73,85,992	64,657	20,518	Andrew Yule & Co., Ltd. ..	779	Delta	248	100	1+3	5+6	6+1	1+3	3.9	H.P.
15,00,000	23,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	191	10	5+12½	15+17½	10+10	10+10	5.11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	455	100	1+1	1+1	1+1	1+1	5.11	H.T.P.
14,00,000	1,00,000	76,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	2½+2½	12½+12½	10 Nil	2½+2½	6.12	H.P.T.
84,12,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,704	Macneill & Barry Ltd.	1,709	Ganges Mfg.	73	100	Nil	Nil	Nil	Nil	3.9	H.P.T.
19,80,000	28,00,000	71,47,356	47,46,252	743	Gillanders Arbuthnot & Co., Ltd.	605	Gondalpara	805	300	Nil	3½+2½	Nil	Nil+5	3.9	H.P.
14,00,000	15,15,543	2,19,25,904	1,45,43,937	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	278	100	45	30	30	15	3.9	H.
40,00,000	46,39,431	77,32,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	2½+15	10+10	12½ Nil	Nil+3½	3.9	H.
16,80,000	15,20,698	64,92,980	44,31,416	65,178	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	27	10	10	7	10	10	3	Y.P.
65,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	27	10	1½	1½	1½	1½	3	Y.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Hukumchand	2,272	Hukumchand	23½	10	1½	1½	1½	1½	3	Y.P.
87,00,000	19,45,065	1,11,61,187	72,03,206	85,266	Mackinnon Mackenzie & Co. ..	1,076	India	131	O. 12½	3½+9½	3½+1½	3½+3½	3½+3½	3	Y.P.T.
30,000								1	D. 1	A 7·8 7·8					
24,00,000	24,95,613	1,36,83,308	1,17,96,300	80,234	Jardine Henderson Ltd.	1,797	Kanarbatty	183	100	8½+8½	10+12½	8½+6	6+6	3.9	H.
19,00,000								165	'B' 100	8½+8½	10+12½	8½+6	6+6	6.12	H.P.
30,00,000	16,90,371	1,31,02,619	94,60,962	1,25,240	Jardine Henderson Ltd.	1,527	Kankarrah	127	'B' 100	Nil	5+7½	6+4	5+4		
24,00,000								127	'B' 100	Nil	5+7½	6+4	5+4		
21,00,000	47,75,000	98,38,395	72,35,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	233½	100	10+10	12½+12½	10+7	7½+7½	6.12	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	210	100	Nil	12½+12½	7½+7½	7½+7½	6.12	H.P.
48,00,000	98,03,034	2,25,65,171	1,04,49,520	46,214	F. W. Heilgers & Co.	1,250	Khanoor	198	100	13+4	10+6	10+10	10	3.9	H.P.
84,48,000	50,32,314	1,38,73,285	78,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	104	100	2+10	5+7½	6+4	5+4	3.9	H.P.
38,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	2+10	11+8	7+3	2+5	3.9	H.P.T.
14,00,000	37,51,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd. ..	558	Lothian	280	100	5+10	12½+12½	11+4	12+15	3.9	H.T.
81,65,200	25,35,448	1,93,98,406	1,14,80,448	39,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	102	100	5+10	12½+12½	11+4	12+15	3.9	H.P.
19,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Mohini	109	100	2½+6½	2½+3½	2½+2½	2½+5	3.9	H.
30,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	123	10	Nil	10+6	6	Nil	3.9	H.
35 00 000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd. ..	852	National	241	10	3+3	3+1½	1+1	1+1	4.10	H.
26,25,000	22,75,000	26,59,673	18,08,019	1,21,202	McLeod & Co., Ltd.	316	Nellimarla Jute	112	10	1½	2+1½	1+1	1+1	4.10	H.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	112	10	1½+1½	2+2½	1+1	1+1	4.10	H.P.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	316	100	4+10	15+15	10+12	12+	6.12	H.P.T.
66,79,500	33,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	45	10	Nil	1+1	Nil	1+1	3.9	H.P.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd. ..	601	Orient	171	50	Nil	11+4½	Nil	1+1	3.9	H.P.T.
25,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Presidency	100	100	4+10	12+12	7+6	6+6	3.9	H.
30,00,000	58,559	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee.	305	Rameswara	3	Nil	Nil	Nil	Nil	Nil	5.11	H.P.
49,50,000	1,50,000	1,23,47,173	36,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	13½	10	Nil	Nil	Nil	Nil	6.12	H.T.
£600,000	£1,102,661‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	13½	10	Nil	Nil	Nil	Nil	6.12	H.
80,00,000	13,07,220	97,26,210	59,19,652	6,05,669	Begaria More & Co., Ltd. ..	911	Shree Ambica	41	10%	10%	10%	10%	10%	3.9	H.P.T.
14,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	13½	Nil	Nil	1½+1	1½		6.12	Y.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	11½	10	3	6½	3	3	3.9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	119	100	3+6½	9+8	8+1	1+1	12	Y.P.T.
35,58,600	96,57,600	1,82,80,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	13½	£1	10%	10%	10%	10%	3.9	H.P.
£400,000	£587,104	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	323	100	1+7	12½+11	10%	10%	12	Y.P.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	12½	10%	10%	10%	10%	10%	3.9	H.P.T.
								6	1	Nil	1/40 1/40	Nil	Nil	3	Y.
													Nil+½	6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,054	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	22½	10	1 + 1	1 + 1	1 + 1	1 + 1	3.9	
12,00,000	6,43,017	38,12,795	34,62,035	30,561	Andrew Yule & Co., Ltd. ..	Bengal-Bhadees	18	10	1½	1½	1½	1½	3.9	
4,49,350	70,000	8,49,159	5,30,703	4,887	Andrew Yule & Co., Ltd. ..	Bengal Coal	6½N	10	1½	1½	1½	1½	3.9	
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	501	200	17+17½	17½+17½	20 + 20*	17½+15*	4.10	H.
2,25,000	5,07,662	25,82,001	22,49,321	25,529	H. V. Low & Co., Ltd.	Bhaigora	12½	10	1½	1½	1½	Nil	6.12	H.
13,97,000	4,73,358	37,29,385	22,67,365	6,280	Sahu Jain Ltd.	Bharat Collieries	6½	10	1½	1½	1½	Nil	4.10	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	—41,494	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14	10	1	1	1	Nil	6.12	H.P.
7,15,000	14,67,077	51,08,475	35,84,899	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	1½	1½	1½	Nil	9	H.
16,00,000	16,22,936	68,16,454	39,74,841	1,06,183	F. W. Heilgers & Co., Ltd. ..	Borera	21½	10	1½	1½	1½	Nil	6	Y.T.P.
7,50,000	20,20,000	43,12,213	24,77,517	83,552	Bird & Co., Ltd.	Burrakur	8½	10	1½	1½	Nil	Nil	6.12	H.
1,92,480	1,58,38,398	4,07,13,965	1,64 07,683	3,038	Hindustan Investment Corpn., Ltd.	Central India	6	10	Nil	1½+1½	1½	1½	6.12	H.T.
49 97,000	750	34,32,368	27,846	19,867	Anderson, Wright & Co., Ltd.	Central Kurkend	13½ N	10	Nil	Nil	Nil	1½	6.12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,369	F. W. Heilgers & Co., Ltd. ..	Churia	23½	10	1½	1½	Nil	1½	6.12	H.P.T.
6,00,000	1,41,587	7,50,000k		19,867	Macneill & Barry Ltd.	Dhemo Main	2½	4	1½	1½	Nil	1½	3	H.
16,00,000	1,20,000	48,53,738	20,518	£90,734	Jardine Henderson Ltd.	East Indian	8½	10	1½	1½	1½	1½	6.12	H.
£240,000	£332,801	£724,840	±9,002	£82,601	Macneill & Barry Ltd.	Equitable	27½	£1	1½	3	Nil	Nil	6.12	H.
89,63,760	74,36,570	3,46,00,164	2,76,14,367	2,33,963	Bhatter's Agency Ltd.	Ghusick and Msalia	33½	10	2½	2½	3 Nil	Nil	6.12	H.
10,00,000	2,62,255	8,41,723	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	15N	10	2	2½	2	2½	4	H.
12,00,000	1,57,000	35,64,154	17,45,213	—1,95,248	Macneill & Barry Ltd.	Hurriladih	43½	50	2	3	1½	1½	6.12	M.P.
8,00,000	4,60,000	21,52,651	10,56,245	2,912	Bangur Trust Ltd.	Jogta Coal	13½	10	1	1	1	1	3	Y.P.
82,00,000	1,08,577	31,70,015	13,65,400	21,558	Andrew Yule & Co., Ltd. ..	Kalapahari	34	10	Nil	Nil	Nil	Nil	6	Y.P.
2,50,000	5,58,000	13,65,400	6,42,347	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	26½ N	10	1½	1½	1½	1½	6.12	H.
80,00,000		25,62,991	1,50,646	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherrah	77	100	Nil	1½	1½	1½	12	H.
5,00,000	12,00,000	42,94,931	33,08,831	1,38,400	Bertram & Co.	Khas Kajora	45½	10	1½	1½	1½	1½+1	6.12	Y.P.
1,38,400	93,000	10 63,519	3,25,519	11,240	H. V. Low & Co., Ltd.	Kusrdi	38½	10	1½	1½	Nil	Nil	2	Y.P.
11,00,240	11,50,000	10,31,164	5,411	9,00,000	H. V. Low & Co., Ltd.	Lakurka	64N	10	1½	1½	2+2	2+2	1.7	H.
9,00,000	11,50,000	28,41,242	22,43,025	7,48,240	Associated Commercial Co., Ltd.	Lalgurh	11N	10	3½	3½			1.7	H.
17,76,210	1,50,000	11,24,142	6,84,138	1,12,347	Andrew Yule & Co., Ltd. ..	New Beerbhoom	61	10	1½	1½	1½	1½	6.12	H.P.
6 00,000	17 03,824	1,13,20,521	82,27,177	9,405	Octavius Steel & Co., Ltd. ..	New Manbhoom	18½	10	3/10	3/10	Nil	Nil	6	Y.
1,13,000	1,60,000	32,13,833	19,29,968	552	Andrew Yule & Co., Ltd. ..	North West	9½	10	1½	1½	Nil	Nil	4	Y.
1,51,500	2,46,004	12,74,099	7,73,294				11N	10	1½	1½	1½	1½	6.12	H.
7,50,000	10,51,866	5,97,666	2,77,666	1,04,566	P. W. Heilgers & Co., Ltd. ..	Ondal	7 N	10	Nil	Nil	Nil	Nil	3.10	H.P.
10,00,000	3,10 000	35,60,122	14,26 827	56,421	K. C. Thapar & Bros.	Oriental Coal	198 N	10	1½	1½	1½	1½+Nil	3.9	H.
5,54,000	81,594	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	12N	10	1½	1½	1½	1½+Nil	6.12	H.
13,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd. ..	Pench Valley	6½	10	1½	1½	1½	1½	6.12	H.P.
23,99,500	16,17,105	1,12,84,110	78,87,623	27,432	B. N. Elias & Co., Ltd.	Rameegunga	23½	10	3 + 3	3 + 3	Nil	Nil	6.12	Y.T.
13,50,000	7,88,383	30,74,660	25 05,660	27,848	Shaw Wallace & Co., Ltd. ..	Rewa	11½	10	Nil	Nil	Nil	Nil	6.12	H.P.
80,00,000	3,95,008	32,32,218	13,30,500	4,438	Jaipuria Sons Ltd.	Samla Collieries	24 xd	10	2½	2½	2½	2½	3.9	H.
1,25,000	1,75,000	11,49,387	9,78 699	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	7	10	1½	1½	1½	1 0	5.9	H.
2,80,000	6,81,597	28,76,823	16,10,969	21,936	Andrew Yule & Co., Ltd. ..	Seepore	8N	10	2½	2½	2½		6.12	H.
8,00,000	8,74,490	36,95,197	24,21,759	—1,30,849	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	2½	2½	2½	2½	6.12	H.
63,21,450	13,25,954	1,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6½	10	2 + 2	2 + Nil	2 + 1	1½+½ Nil	6.12	H.P.
						South Karanpura	9½	10	3	3	3	3	6.12	H.T.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Standard	22½	10	1½	1½	1½	1½	12	Y.P.
8,00,000	13,89,543	1,69,570	21,510	87,018	F. W. Heilgers & Co., Ltd. ..	Villiers Ltd.	10½	10	1½	1½	1½	1½	2.8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Williamson Magor & Co. ..	23½	10	3	3	3	3	6.12	H.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.	Union	22½	10	1½	1½	1½	1½	3	Y.
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	6½	10	Nil	Nil	Nil	Nil	6.12	M.
7,00,000	6,65,000	44,81,176	20,28,251	53,939	Macneill & Barry Ltd.	West Jamuria	18½	10	2 + 2	2 + 2	1½	Nil	6.12	H.

* Including bonus. ‡ Sales and amount written off. (h) Investments. † For ten months ended 31st December 1951.

(i) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 916 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 919)

it is stated, is drafting a law organising the distribution of profits to producers. It is further stated that small growers and co-operatives will be accorded priority in regard to the distribution of profits.

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It is gratifying to note that cotton exports from Egypt are being well maintained. Till 28th April, 1954, exports aggregated 5.03 million cantars, as against 3.92 million cantars during the same period in 1952-53. During the current season, the crop is estimated at 7.08 million cantars, as against 9.9 million cantars in 1952-53. Total supplies in the current season are placed at about 10 million cantars, as compared with about 12 million cantars last year. This suggests that the Government will have less difficulty than it had last year in selling its cotton stocks.

SURVEY

(Concluded from page 923)

cipation needed to make the Community Programme and the National Extension Service a success.

Thus, the agenda before the Conference covers the whole range of the Community Programme and the National Extension Service. The Community Programme, which began with 55 projects, equivalent to 165 development blocks, in October, 1952, has now been extended and covers nearly 24,000 villages, with a population of about 22 million, while the National Extension Blocks, inaugurated in October last year, covers about 25,000 villages with a population of nearly 17 million at present. Thus nearly 39 million people in about 49,000 villages —roughly one-eighth of the total rural population of India—have been covered under these two programmes. The target for the first Five-year Plan is to cover one-fourth of the rural population. During the remaining two years of the Plan, the programmes, we are told, will be extended to reach the target.

The ensuing conference, the third of its kind to be held since the initiation of the Community Programme, represents the culmination of the series of regional seminars of community project officers that began last year. Few will deny that these seminars—four of which have so far been held at Batala in the Punjab (I), Gandhigram in Madras, Rajgir in Bihar and Aurangabad in Hyderabad—have resulted in new ideas and new approaches to problems that have arisen in the wake of the implementation of the Programme. The Development Commissioners are expected to take common counsel, on measures to tackle the problems at the forthcoming conference.

The selection of Ootacamund for this all-India Conference has been made in pursuance of the policy, followed by the Community Projects Administration, to hold inter-State meetings in different parts of the country in rotation, so that personal contacts are established and the officials not only get to know each other, but also learn by the experience of actual working of the Community Programme in different regions. The two previous conferences of the Development Commissioners, it will be recalled, were held—one in May 1952 and the other in April 1953—at New Delhi.

Much hope is laid on the future of the Community Programme and the National Extension Service. The Community Development is the method and the National Extension the agency through which the Five-year Plan has sought to initiate a process of transformation of the social and economic life of the villages. The task before the Development Commissioners is indeed great. And the Conference will certainly facilitate the exchange of experience among, and the pooling of knowledge of, the participants in the Conference.

SALES TAX IN MADRAS

An important judgment, which is likely to produce far-reaching changes in sales tax procedure, was delivered by the Madras High Court on 5th April, 1954, in Messrs. Gannon, Dunkerley & Co., Ltd.'s case, when it was held that the State Legislature had no power or jurisdiction to enact provisions with a view to bringing "works contracts" within the scope of sales tax nor to levy sales tax on the sale of foodgrains by employers to employees at cost price.

It was in 1947 that the Madras General Sales Tax Act was amended so as to include "works contracts" within the scope of the sales tax. A "works contract" was defined as "any agreement for carrying out for cash or for deferred payment or other valuable consideration the construction, fitting out, improvement or repair of any building, road, bridge or other immovable property, or the fitting out, improvement, or repair of any movable property." The Madras Government's action in thus bringing "works contracts" under the scope of the Sales Tax Act was strongly criticised by business interests at the time as being completely outside the scope of this legislation. The Government did not, apparently, take any notice of the criticism.

In the case under reference, Messrs. Gannon, Dunkerley & Co., were a company carrying on business as engineers and contractors with their head office in Madras and work-spots all over South India. Their business consisted mainly of execution of contracts for construction of buildings, bridges, roads and structural contracts of all kinds. To facilitate the execution of their works and to provide amenities for their workmen, they also distributed to their workers foodgrains and debited the cost thereof against the wages which they had to pay to the workers. A canteen was also run for the supply of foodstuffs to their employees at the work-spots, and the Company did not derive any profit from such sales.

The Deputy Commercial Tax Officer assessed the Company in 1951 on a turnover, which included the value of "works contracts" executed by the Company, as well as the sale of foodgrains to their employees. An appeal to the Sales Tax Appellate Tribunal having failed, a revision petition was lodged in the High Court.

In their judgment, their Lordships Mr. Justice Satyanarayana and Mr. Justice Rajagopalan observed that the contention of the petitioners as regards the turnover on works contracts was that the amended Act of 1947 was beyond the legislative competence of the Provincial Legislature, as the works contracts executed by the assessees were not contracts of sale of goods and, therefore, the Provincial Legislature had no jurisdiction or power to enact the impugned provisions, with a view to bringing works contracts within the scope of taxation.

The Amending Act of 1947 had added the following to the definition of sale in section 2(h): "It includes also a transfer of property in goods involved in the execution of a works contract." The point to be considered was whether the contracts of the assessees, which were mostly building contracts, constituted contracts of sale of goods and contained any element of the nature of sale of goods to justify the imposition of the tax upon them. Contracts which involved labour and work might relate to a chattel such as building a ship or an engine or may relate to immovable property such as building contracts, contracts for the construction of bridges, etc. A contract for the supply purely of labour and work was not a contract of sale of goods, as labour and work could not be deemed to be goods in any sense of the term. There was no element of sale of the materials in a building contract and the contract was one and entire and indivisible. The building contracts which the assessees entered into in the assessment year on which the turnover was calculated did not involve any element of sale of the materials and were not in any sense contract of the sale of goods as understood in law. Therefore the levy of a tax under this head was not justified in law. "If the amendments introduced in 1947 by the Provincial Legislature are intended to catch in the net of tax contracts of the n

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,33,936	10,46,174	Allahabad Bank	376	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				188	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	112½	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,900				60½	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	108	50	6 0½	6 0½	6 0	6 0½	12	Y.
40,40,000	17,00,000	11,795	Bank of Bikaner	122N	25	0 12½	0 12½	0 12½	0 12½	12	Y.
8,50,00,000	3,53,00,000	7,29,778	Bank of India	144½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0½	3 0½	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21½	50	1 8½	1 8½	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	297½	100	16 0½	16 0½	16 0½	16 0½	12	Y.
39,99,158	51,73,240	29,609	Bombay State Co-operative Bank	59	50	2 8½	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd. ..	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0½	5 0½	5 0½	5 0½	12	Y.P.
2,62,11,675	399,79,642	16,49,868	Central Bank of India Ltd.	255½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,42,905*A				59½	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (F)	88N	20	2 0	4 0	4 0	4 0	12	Y.
2,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
80,00,000	1,30,000	1,412	Hindustan Mercantile Bank	17	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank ..	105N	100	6 0½	6 0½	5 0	5 0	6	
3,75,00,000				1,775	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000	6,35,00,000	33,25,047	Imperial Bank of India ..	441½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				180½d	100	12 0½	12 0½	12 0½	12 0½		
17,00,000	76,50,000	1,23,688	Indian Bank	146½d	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				104½d	60	7 3½	7 3½	7 3½	7 3½		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank ..	91	100	5 0½	6 0	6 0	6 0	.12	R.L.H.
6,25,000				67	100(A)	9 0	7 8	6 0			
2,50,000	6,33,939	1,580	Indo-Commercial Bank ..	18	25(B)	2 4	1 14	1 8		6.12	M.
10,00,000				33	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	90,00,000	3,10,289	Punjab National Bank ..	24½	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	12½	25	—	—	—	1 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India ..	6½	5	0 5	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank ..	45	50	2 0	2 0	2 0	2 0	12	M.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,000,000	£4,000,000	£599,215	Chartered Bank of India, Australia and China	£2-2-6	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7†	6†	7†	3†	12	R.L.Y.
H.K.$20,000,000	H.K.$56,000,000	H.K.$9,859,542	Hongkong and Shanghai Banking Corporation ..	934	H.K. $125	5*	5*	5*	5*	12	Y.
£14,372,956				£3-2-3	£1	15†	12†	12†	14†	12	R.L.Y.
£1,437,296	£16,500,000	£555,780	Lloyds Bank	£1-7-0	£1	5*	5†	5†	5*	12	R.L.Y.
£375,000 'A'				£27½	A £12½	12†	12†	14†	14†		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank of India .	£27½	B £12½	12	12†	14†	14†	12	R.L.Y.
£300,000 'C'				£11½	C £5	12†	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India ..	£27-9	£12½	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency
(i) Interim
*6 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1st June .. 1963
8,50,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	96	28th February .. 1960(f)
9,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	104	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November .. 1959-64
80,00,000	4	1st May and 1st November	Walchandnagar Industries	105	1st April 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Barsoti Cotton Mills Ltd.	85	30th April .. 1964
4,00,000	6	15th May and 10th November	Bengal-Nagpur	98½	15th November .. 1956(a)
1,80,10,000	5	1st April and 1st October	Buckinghan and Carnatic	102½	1st January .. 1947-72
13,68,000	5½		Jagadree Textiles	78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.	..	.. 1966-71
ELECTRICS					
19,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101½	14th June .. 1968
98,24,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	100§	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	31st December .. 1964
8,55,97,200	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	101½	1st January .. 1970
15,00,000	4	30th June and 31st December	Cauvery Power Electric Supply Co., Ltd.	88	31st December .. 1961
15,00,000	5	1st January and 1st July ..	Bijua (Sherriah) Electric Supply Co. Ltd.	96	30th June .. 1976
7,56,200	5½	1st January and 1st July ..	South Madras Electric Supply	96½	.. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October .. 1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply	94½	.. 1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply	94	1st July .. 1957-67
47,71,000	4	1st April and 1st October ..	Tata Power	100§	15th September .. 1951-2(d)
8,50,000	4	1st April and 1st October ..	Tata Power	93	15th September .. 1965-70
ENGINEERING					
8,00,000	3½	30th June and 31st December	Britannia Engineering	98½	31st December .. 1954
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage) ..	103	1st July 1957-62
61,183,400	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)..	456	31st December .. 1946(H)
10,00,000	4	31st May and 30th November	Kumardubbi Engineering Works Ltd. ..	88	31st May .. 1971
8,50,00,000	5	1st April and 1st October ..	Tata Locomotive	101§	1st October .. 1960-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	95	31st December .. 1968
JUTE					
12,00,000	4½	1st October and 1st April ..	Agarpara	99	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	98	30th June .. .. 1954(a)
13,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90§	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mills Co., Ltd.	99	30th June 1953
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88§	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	99	31st July .. .. 1959(c)
10,00,000	5	30th June and 31st December	Chitavalah Jute Mills	97	30th June 1966
8,66,000	5	30th June and 31st December	Empire	95	15th July 1966
25,00,000	5½	1st January and 1st July ..	Hukumchand	92§	30th June 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	99	31st December .. 1957
25,00,000	5½	30th June and 31st December	Naihati	98	31st March .. 1967
3,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd. ..	95½N	31st March .. 1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. ..	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	94	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. ..	96	5th September .. 1965
8,00,000	4½	14th March and 14th September	Soorah Jute	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	30th June .. .. 1957(d)
10,00,000	3½	31st January and 31st July	Waverley	85	31st July .. .. 1960(c)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	86	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1908 £60§N	At 105% at any time on 6 months' notice or at par on any seventh year.
£201,067	5	1st April and 1st October ..		1933 £77§N	
4,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945 90§	31st December .. 1974 31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £85§N	
80,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96§	1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102	1st July .. 1957-63
3,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April .. 1954-56
4,61,000	5½	30th June	Ouchterlony	104	30th June .. 1954-59
9,00,000	5½	31st March & 30th September	Periakaramala	100-11§	31st March .. 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September .. 1953
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	98	31st December .. 1965
86,40,000	4½	1st April and 1st October ..	Associated Hotels of India	86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96§	30th June .. .. 1957(1)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1st February .. 1964
21,55,000	4	1st July and 1st January ..	Clive Buildings	88§	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September .. 1960
1,80,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	82	 1960
1,30,00,000	5	1st January and 1st July ..	Dunlop Rubber	102§	1st January .. 1971
20,00,000	5	15th March and 15th September	Mentor Chemical Industries	96	 1964
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	470 (per note)	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	525 (per note)	31st December .. 1972
75,00,000	5	1st April and 1st October ..	Maxwell and Berry Ltd.	90N	1st April .. 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	98	31st March .. 1961
1,80,00,000	4	30th June and 31st December	Robins Industries Ltd.	88	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	104§	1st May 1968

Note—See page 962 for explanations to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th May, 1954.

	Closing quotations on 6-5-'54	High	Low	Closing quotations on 13-5-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	145	146	144	144
Bank of Baroda (50)	108	108½	108	108
Central (25)	55½	56	55½	55½
Imperial (F.Pd.) (500)	1,800	1,797½	1,770	1,770
Imperial (P.Pd.) (125)	443½	441½	438½	440
Union Bank (3)	6½	6¾	6¾	6¾
United Com. (50)	45½	46	44	44
TEXTILES				
Ahm. Adv. (100)	147½	145	143½	144½
Apollo (2)	2⅜	2-12½	2-12½	2-12½
Bombay Dyeing (250)	435½	438½	425	425
Century India (100)	182	181	174½	175
Century Mills (100)	337	338	325	325
Celaba (100)	59	—	—	59
Edward Textile (200)	246§	—	—	—
Elphinstone (50)	44	—	—	246§
Finlay (100)	246½	246½	246	44
Gokak (100)	254½	255½	252½	246
Ind. Unid. Defd. (1)	1-7⅛	1⅛	1⅛	252½
Ind. Unid. Ord. (10)	11-3½	11½	10½	1⅛
Indore Malwa (100)	113½	113½	107½	10½
Khatau (100)	121½	—	—	107½
Kohinoor (100)	322½	321½	314	—
Lakshmi (250)	581½	581½	580	314
Madhusudhan (100)	82	82	81	580
B. B. Cotton Mills (100)	59½	—	—	82
Model Nagpur (250)	110	111½	110	59½
Morarji (100)	141½	—	—	110
Mysore (100)	211½	—	—	141½
National Rayons (100)	120	—	—	211½
New City (100)	164½	164½	156	120
New Great (100)	163½	—	—	157
New Union (10)	173½	173	168½	165½
Phoenix (100)	26	—	—	169
Podar Mills (100)	132½	135	132½	26
Ramson Blk (10)	155	—	—	135
Ramson Spg. (10)	18½	—	—	153½
Shahpur (1,000)	30	—	—	18½
Shriniwas (100)	2,225	—	—	30
Simplex (50)	216½	215	212½	2,225
Standard (100)	161	161½	156	212½
Sudarshi (100)	322½	322½	313½	156½
Swan (100)	283½	283½	278	315
Tata Mills (25)	330	331½	328½	278
Vishnu (100)	48	48	47½	330
Western India (1,000)	142½	48½	—	47½
	3,810	—	—	142½
ELECTRIC COS.				3,810
Ahmedabad (100)	112½	113½	112½	112½
Amalgamated (10)	10½	10½	10½	10½
Andhra Valley (1,000)	1,365	1,367½	1,363	1,365
Bom. Sub-El. (100)	121½	122½	121½	121½
Surat (100)	128½	133½	130	130
Tata Hydro (100)	144	146	143	143
Tata Power (1,000)	1,446½	1,450	1,442½	1,442½
INSURANCE. COS.				
British India (10)	13½	—	—	—
Empire of India (100)	655	—	—	134
Ind. Mercantile (20	40½	—	—	655
Jupiter (13)	7½	—	—	40½
New India (15)	44½	45½	44½	7½
Oriental (200)	7,800	7,715	7,650	44½
Universal (10)	9½	9½	9½	7,000
Vulcan (10)	12½	13	12½	9½
STEAMER COS.				13
Scindia (15)	18½	18⅜	17-10½	17-10½
STEEL COS.				
Ind Iron (10)	31½	31-1½	29½	29½
Tata Steel Ord. (75)	197	197½	193½	193½
MISCELLANEOUS				
Alcock Ashdown (100)	350§	353½	348½	350
Associated Co. (100)	157½	157½	156½	157½
Belapur Sugar (5)	274½	276	271	272
Bom. Burmah (125)	406§	407½	394½	395½
Do. (New) (50)	138§	138½	135	135
Br. B. Petrol (4 sh.)	3⅛	3⅛	3-7½	3-7½
Br. I. Corpn. (5)	8⅛	8⅛	8-0½	8-0½
Indian Copper (2 sh.)	3-1½	3-1½	3	3
Ind. Inv. Tr. (100)	75	73	74½	74½
Killicks (100)	270	—	—	270
Killicks (75)	179	183	178	183
Phalton Sugar (50)	142½	—	—	142½
Port Canning (100)	106½	106	102½	103
Premier Cos. (30)	24	24	23½	23½
Shivaram (10)	137½	134½	129½	130½
Tata Chemicals (10	66	66	65	65
Tata Oil (Rs. 25)	14⅜	14⅜	14⅛	14⅛
Welchand Ind. (100	40½	41	39½	40
W. I. Match (100)	176½	—	—	176½
	210	210	196½	197½xd

GOVERNMENT SECURITIES	Rs	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	Rs.
2½% 1956	99½	—	3.20	99½
2½% 1955	98⅜	—	3.95	98⅜
2½% 1961	90½	—	3.95	90½
2½% 1960	93½	—	3.85	93½
2½% 1962	91½	—	3.85	91½
3% 1976	82§	—	3.93	82§
3% 1958	98	—	3.70	97½
3% 1959-61	97½	—	3.55	97½
3% 1964	96½	3.81	3.62	96½
3% 1963-65	92½	—	3.90	92½
3% 1966-68	92½	3.98	3.83	92§
3% 1970-75	90½	4.02	3.91	90
3% 1986 Con. Loan	86½	4.17	3.97	86
3½% 1954-56*	81⅛	—	3.68**	81½
4% 1960-70	100½	3.34	3.48	100½
4½% 1955-58	101½	3.69	3.57	101½
4½% 1958-68*	101½	3.18	4.20	101½
3½% 1961 N.P. Bonds	103½	3.56	4.17	103½
3½% 1964 N.P. Loan	98	—	3.70	98
	98-9§	—	3.65	98-10§

BRITISH GOVERNMENT SECURITIES	6-5-54 £	High £	Low £	12-5-54 £
2½% Brit. Consols	68§	68§	67§	67§
3% Savings Bonds 1965-75	91§	91§	91½	91§
3½% War Loan 1952	102§	102½	102½	102½
3½% Brit. Iron and Steel 1976-78	88§	88§	87§	87½
4% % Funding Loan 1960-90	96	96	95½	95½
	102	102	101§	101§

** Current Income. x.d.—Ex-dividend. * Rupee Counterparts. X.R.—Ex-Right.

COMMERCE

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

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INDIA'S FOREIGN TRADE POLICY

THE ministerial speeches and the discussions that followed at the meetings of the Import and Export Advisory Councils held at New Delhi last week-end revealed nothing new either in the matter of policy or in that of procedure, except that the Government is now more inclined to liberalise the restrictions on imports than in the past. The absence of any new features reflects two things. One is that both the administration of controls and the trend of trade have been generally satisfactory. The other is that whatever alterations the trade considers necessary in the Government's policy are the same as those advocated by it at the last meetings of these Councils, the passage of time having witnessed no fundamental change in the circumstances. Thus, on reading the account of the proceedings of the meetings, one finds that business men reiterated the need for abolition of export duties, relaxation in export controls, and removal of the class distinction among the traders participating in foreign trade, such as established traders, newcomers and users. A certain section of the mercantile community again voiced its view that protection for indigenous industries through import controls was necessary in some cases and that the Government should not fight shy of giving such protection.

The lack of any serious complaints from trade quarters about the administration of import and export controls redounds to the credit of the Ministry of Commerce and Industry. Both Mr. T. T. Krishnamachari and Mr. D. P. Karmarkar, as well as the officials in charge of these controls, deserve to be complimented for the smooth working of controls which once constituted a source of serious discomfort, if not nightmare, to those engaged in foreign trade. Mr. Krishnamachari mentioned, with justifiable pride, a few facts to show the continuous improvement that has been taking place in the administration of import controls. During the first four months of the current licensing period, as many as 80,000 applications were disposed of, that is, 10,000 more than the figure for the corresponding previous period. At the end of April, only 4,994 applications remained to be dealt with. The old quota certificates have been changed into new typed quota certificates, made out on security paper. The licences are neatly typed with "Superriters Gothic pin point," so that they cannot be easily tampered with. Arrangements are being made to maintain a quota register at all the ports, giving particulars of the established quotas of established importers. Steps have been taken to form a self-contained unit under the Special Police Establishment to help the import control organisation to carry out investigations into fraudulent activities and attempted breaches of import control. In consultation with the Finance Minister, arrangements have also been made to minimise the difficulties experienced by importers at the Customs House while clearing the goods. The list of items open to newcomers has been widened. They have been given repeat licences, so that they may continue to exist. Importers have been permitted to import allied and ancillary items against licences for particular categories of goods and facilities have been given to persons employed in some avocations to import their requirements directly from abroad.

On the export side, too, administration of controls has been simplified. Mr. Karmarkar gave some instances of the useful modifications that have been made. The small sector in which control is exercised has been further narrowed. A number of items has been freed from the scope of export control. The Open General Licence has been expanded by the addition of a few more items. A number of goods has been transferred from the restricted to the free licensing list. The distinction between imported goods and indigenous goods has been removed and exports are now licensed irrespective of the origin of the goods. The Export Control Order has been revised and stream-lined. All the notifications dealing with export controls have been brought together in one place. The schedule of controlled commodities has been rearranged and indexed. A more comprehensive edition of the handbook on export trade control has also been published, in order to assist the intending exporters. The Sea Customs Act has been amended, with a view to encouraging exports of manufactured goods by granting rebates of the duty paid on imported raw materials and components. Besides these welcome relaxations, the Government has taken some positive steps, too. Special attention is being paid to stimulate exports of handloom cloth, tobacco and tea by opening emporia in a number of foreign countries, conducting market research, as well as propaganda, and participating in trade exhibitions.

While the Government has thus gone a long way towards easing the difficulties of importers and exporters caused mainly by inefficient administration of controls, it has not done all it can to promote exports. There can be no two opinions on the need for stepping up India's export trade. It is true that during the past one year, India's foreign exchange position has not given rise to any anxiety and that its sterling balances today at Rs. 755.50 crores are Rs. 36 crores higher than those a year ago. But this is due more to a fall in its imports than to any significant rise in exports. And, as both the Commerce Ministers took care to point out, this state of affairs cannot continue much longer. Increased imports will be necessary to offset the effects of increased domestic expenditure in the public field, not to speak of the large deficit financing budgetted for 1954-55. Again, an adverse monsoon might upset all our calculations, forcing India to import more food and raw materials. With increasing population, consumption also is rising, necessitating a larger supply of goods. The present foreign exchange resources are not large enough to meet all these contingencies. It is, therefore, necessary to increase the export trade.

There is considerable truth in Mr. Karmarkar's statement that "there are obvious limits to what Government can do in the matter of export promotion" and that "only determined and sustained efforts on the part of the trade can deliver the goods." It is, of course, the job of the trader to conduct market research, establish contacts with foreign markets and popularise the goods in those markets through publicity, propaganda and so on. There is a growing realisation of all this among the traders, though they cannot claim to be as active and skilful as their competitors. The delay in the establishment of Export Promotion Councils is largely due to the lack of drive and earnestness of business men themselves. But, at the same time, it cannot be denied that the Government, too, is slow in removing the impediments in the way of free flow of exports. Take, for instance, the question of export duties. The Government has rarely reacted promptly to the changes in world market conditions and removed or reduced the duties in good time. It has invariably acted only after a lot of agitation and loss of markets to competitors. In a buyers' market, one has to steal a march over one's competitors by entering the field first. Such an action will never be possible so long as export duties are retained. Today, India's exports chiefly consist of tea, jute goods, cotton textiles and spices. And it is only these goods, in addition to some non-edible oils, that India is in a position to spare for building up a large export trade. India has by no means a monopoly of these goods. Yet, they are being subjected to export duties at varying rates. Repeated representations to the authorities to the effect that exports of castor oil, jute goods and coarse cloth should be free from export duties have yielded no results. Exports are being adversely affected also by lack of proper transport arrangements, inadequate port facilities, high dock charges and defective freight rates. The solution to these handicaps lies in the hands of the Government and not in those of the business community. Another factor that tells on the competitive capacity of Indian exports is the Government's labour policy, which is not conducive to improving the productivity of Indian industries.

Most of the business men who plead for stimulating India's exports do not fully realise that foreign trade is a two-way traffic and that it is unrealistic to expect an increase in exports, while pleading for a restriction on imports. Mr. Krishnamachari, therefore, did well to remind our business men of this economic truism. He was equally right in strongly deploring the tendency on the part of some of our business men to consider that it is quite legitimate to expect protection for their industries through import controls. Characterising this dependence on import controls for industrial progress as unhealthy, he declared that such would sap the internal vitality of industry and jeopardise the interests of consumers. Proceeding, he remarked: "Freedom from competition has acted as a drag on progress and the temptation so provided for some industries to exploit the situation, by charging high prices from the consumer or by persistently maintaining poor quality standards, should not, in the interests of the healthy industrial development of the country, become a permanent feature of our economy." We fully endorse this statement. Protection for domestic industries against foreign competition should be granted only after due investigation by the Tariff Commission and that in the form of tariffs; only in exceptional cases of great national importance or when there is a proved case of dumping and unfair competition should it be afforded in the form of a closed market.

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MARKET REPORTS ...

LIVERPOOL COTTON EXCHANGE

THE century-old Liverpool Cotton Exchange which had lain dormant since 1941, reopened on Tuesday this week. This marks yet another stage in Britain's march towards freedom for private enterprise and a striking indication of the present rulers' faith in the efficacy of this system. Ever since the Conservative Party came to power, it has been taking several measures designed to restore economic freedom to trade and industry. Perhaps, a Labour Government would have been more chary of removing the shackles on trade, though it was not a Conservative Government that restored freedom to rubber, the first commodity to gain it. Rubber, it may be recalled, regained its freedom in 1946. The other commodities, which were freed later, are: Coffee (July 1947); tin (November, 1949); cocoa (January, 1951); lead (October, 1952); raw sugar (November, 1952); zinc (January, 1953); grains (June 1953); copper (August 1953); and wool (wool futures opened in April, 1953).

That cotton should have been the last of the commodities to earn freedom need occasion no surprise. Not only is cotton not grown in the U.K., but its purchases entail an expenditure of dollars, a scarce currency. To use a phrase which has come into current usage, cotton is a commodity with a relatively large "dollar content." Further, until recently, the world supply position of cotton was not comfortable enough to allow resumption of futures trading. The restoration of freedom was, therefore, delayed, until the Government was certain that it could take the risk of freeing the market for this commodity. The ground was prepared by restoring partial freedom to the mills either to buy their requirement from the State-sponsored cotton dealers, the Raw Cotton Commission (R.C.C.) or to make their own private arrangements for the importation of cotton. In 1952, mills, which accounted for nearly 30 per cent. of the cotton consumption in the U.K., walked out of the fold of the R.C.C.; they "contracted-out" of the Commission. In 1953, this proportion increased, for mills which account for over 50 per cent. of the total cotton consumption decided to make their own arrangements for buying cotton. This encouraged the Government to go ahead with the programme for conferring freedom on cotton.

But there are three considerations which seem to have finally weighed with the Government in deciding to reopen the Liverpool Market. The first was the unequivocal declaration by the Hopkins Committee (Chairman: Sir Richard Hopkins), appointed last year to examine the working of the prevailing system of cotton trade, that it was "intrinsically undesirable that public funds should be risked to provide cover for the cotton spinning industry." The second consideration was the loss sustained by the R.C.C. During the 13 months ended August, 1952, the Commission reported a loss of £28.5 million. What surprised the cotton men was not so much the fact that a loss was sustained as the magnitude of the loss. The Government obviously felt that it was wrong to risk taxpayers' money for performing a duty which the spinners themselves should discharge and which they can be reasonably expected to carry out without serious difficulty. The third consideration was the marked improvement in supply position of cotton.

The main features of the new contract are: (1) The basis of the contract is U.S. Middling 15/16" cotton. Allowances will be added or deducted in respect of tenderable qualities other than the basic quality, according to Liverpool official value quotations to be published regularly. (2) There are four trading positions, *vaidas* as they are called here. These are October-November, December-January, March-April and May-June. (3) Prices will be quoted in pence per lb. (4) The maximum permitted range of fluctuation in any one day's trading will be 1d. per lb. above or below the previous close and 1d. per lb. between the highest and lowest quotations during the day. (5) The trading unit will be 100 bales, weighing 48,000 lbs. net.

It may be noted here that, before the war, there were three main grades of cotton—two American and one Egyptian. The Liverpool Cotton Association has thus not provided a long-staple cotton contract for the time being. This is due to the uncertain situation in the Egyptian and Sudan cotton markets, both of which, as is well known, do not enjoy a freedom of movement similar to the one enjoyed by the cotton markets in the U.S. Nevertheless, the authorities seem to be alive to the need for such a contract. A joint committee of spinners and raw cotton interests has been formed to consider the objectives of opening such a contract. The authorities of the Association are confident that, once the American contract has been successfully launched, a "strong base will exist from which to launch an Egyptian type contract, even without its counterpart in Egypt."

Some observers have raised a few doubts about the success of even the present step. They ask, for instance, whether the traders will be in a position to hold the large stocks that would be needed for providing a continuous supply of raw material to the British textile industry. It cannot be that the authorities have not taken this factor into account before permitting the resumption of forward trading. In any case, it must be remembered that cotton trading in the U.K. does not start from scratch. A ready market in cotton has functioned for some time now, thanks to the spinners' decision to contract-out of the R.C.C. Private imports of cotton in 1952-53 aggregated 442,587 bales, as against 900,134 bales imported by the R.C.C. Objection has also been raised on the ground that it is wrong to make American cotton the basis of contract, since this variety of cotton forms only a minor part of the total consumption of cotton in the U.K. In 1952-53, the U.K. imported in all 1,342,721 bales, as against 1,926,057 bales in 1951-52. Of these imports, American cotton accounted for only 350,633 bales in 1952-53 and 654,835 bales in 1951-52. Some are, therefore, not happy about the establishment of a contract tenderable against a growth of cotton which accounts for only about 30 per cent. of total imports of cotton. But the authorities' decision relating to the present basis of the contract has been prompted, as already stated, by the consideration that the American cotton market is a free market, and that American cotton prices still influence world prices to a marked extent.

Fears have also been expressed about the possibility of a large dollar drain. But the exchange control authorities have devised a scheme which will reduce such a drain. Under the scheme, cotton can, no doubt, be imported from any part of the world. But, if a dollar cotton is resold to a non-dollar country, payment must be obtained in dollars. One effect of this regulation is that, although dollars can be spent when they are needed for buying cotton for home consumption, it does not permit the exchange of dollar cotton for sterling. This condition does not make any difference to buyers of American cotton through Liverpool, for, if they were to buy direct from the U.S., they would have to pay in dollars. They could, therefore, as well buy in the Liverpool market if they were to find it more convenient to do so than in the New York market. Another effect of the grant of freedom for purchasing cotton from any part of the world is that British textile manufacturers will no longer be compelled to pay the premium that is sometimes demanded for sterling cotton. This will increase the competitive capacity of British mills. More than these gains, the chief advantage of the resumption of trading in the Liverpool Cotton Exchange is that this city once again becomes a live centre of international cotton trade. This will enable Britain to perform other ancillary services also, such as shipping and insurance, for the world trade in cotton and thereby increase its invisible exports.

CENTRAL TRACTOR ORGANISATION

AN inestimable service rendered from time to time by the Estimates Committee is to spotlight the defects in the working of the various Central Ministries and to make positive and constructive recommendations for improving their work. The Committee's Report on the Ministry of Food and Agriculture, released last week, examines mainly the work of the Central Tractor Organisation (C.T.O.). The Committee has unearthed quite a few scandals in regard to the C.T.O. All this must be disconcerting to those who had pinned much faith on this organisation as a powerful aid in the fight for reclaiming hard, difficult uncultivated land. But there there will be much satisfaction that, if the Committee has been understandably devastating in its comments, it has also been quite constructive in its suggestions for improvement.

The C.T.O. is one of those bodies which owe their birth to the post-war enthusiasm for new ideas. The war-time shortages in food had compelled the Government to examine the possibility of bringing back into cultivation large areas of weed-infested land for the production of foodgrains. The Union Government prepared a scheme for the reclamation of 10 million acres of land. The first phase of work envisaged reclamation of three million acres with 375 tractors operated during a period of seven years; this, it was estimated, would yield an additional food production to the tune of one million tons. The Government negotiated a loan of 10 million U.S. dollars with the World Bank. Of this only $7.5 million is being used; $1.5 million has already been surrendered and $1 million is proposed to be surrendered. The C.T.O., which now consists of a headquarters office at New Delhi, two base workshops, located at Delhi and Bairagarh (Bhopal), and three regional offices (two at Bairagarh and one at Jhansi), had cleared upto 31st March, 1953, only about 800,000 acres of *kans*-infested land and 33,000 acres of jungle. This is very slow progress indeed. At this rate, it will take several years to hit the target of three million acres, instead of just seven years as originally planned.

Even conceding that this achievement is good, it has cost the Exchequer a great deal more than it might have if the work had been properly organised from the beginning. The cost of *kans*-clearance per acre has gone up by more than a third, from Rs. 40 (originally fixed) to Rs. 54 now. This will no doubt be recovered from peasants. Even so, it will be "unfair" to be indifferent to the mounting cost of the C.T.O.'s operations, because the high cost of clearing the land will affect the return to the farmer whose ability to pay is very limited.

The major defects of this organisation are: top-heavy administration, establishment of workshops for which no suitable work can now be found, and purchase of unsuitable tractors and stores. The Land Reclamation Scheme is estimated to cost Rs. 2.08 crores in 1953-54, out of which the salaries and allowances of officers and establishment charges amount to as much as Rs. 45 lakhs. The Delhi workshop is an "uneconomic" proposition, in that it is not able to manufacture "any spare parts except a few for ploughs." And even here, a farmer who used the ploughs "brought them back in a damaged condition complaining they could not stand up to the rough use for which they were intended." The Committee has urged that the Delhi workshop should examine the possibility of manufacturing light tractors, agricultural implements and spare parts. It has also made a number of recommendations for reducing the establishment charges of the C.T.O.

The C.T.O. has, on the whole, been a very imprudent enterprise. For the three years ended 1952-53, its losses are estimated at Rs. 68 lakhs. The loss may conceivably be more, if the State Governments refuse to "pay in full the dues amounting to Rs. 5.16 crores outstanding against them on 31st March, 1954," and if the surplus stock to the tune of Rs. 1 crore (book value), is not sold at prices that will at least cover the cost. Indeed, this surplus stock weighs like a millstone round the neck of the C.T.O. The Committee is sharply critical of the Organisation's "unco-ordinated and unplanned" policy in the matter of purchase of tractors, spare parts, equipment, etc. The Committee says: "Without sufficient data to guide them and without possessing the technical knowledge of the tractors, purchases were made involving a capital expenditure of Rs. 95,73,384 (excluding freight, etc.). Subsequent experiments conducted by the C.T.O. have proved these tractors to be uneconomic." The result has been that surplus stores to the tune of over Rs. 1 crore have accumulated. Even the inventory of these stores has not been completed; about 500 boxes have not been opened at all.

The Ministry, it would appear, has not been able to give "any adequate explanation" why, when very heavy capital expenditure was involved in the purchase of tractors, no question of experiment and trial was considered necessary. The Committee asks, very rightly, it would appear, how "enormous quantities of stocks" estimated at 70 to 80 per cent of the cost of tractors, came to be bought, considering that the general policy of the C.T.O., based on the World Bank's suggestion, has been to order, at the first instance, spare parts to the tune of only 25 per cent. of the capital cost of tractors. The Committee has, therefore, urged upon the Government to punish the guilty officials. Perhaps, a more important recommendation is that an advisory committee should be constituted for scrutinising indents for fresh stocks of spare parts and equipment. It is to be hoped that this recommendation will be expeditiously implemented, for it may avoid at least further loss to the country on the project.

HESITANT FEELING IN SHARE MARKET

TREND OF COMMODITIES—OUTLOOK FOR TEA—STERLING CONVERTIBILITY

THURSDAY, 5 P.M.

AFTER making a somewhat promising start and staging a smart rally in the latter half of the week, the share market has finished on a distinctly quiet note. This may be due to the approach of the fortnightly settlement which invariably results in squaring up operations by the bulls. But, fundamentally, the market seems to have reached a state of exhaustion. Although bears are not as active in this market as in other markets, the bulls are in no mood to venture further. Unless some new developments take place, equities cannot make much headway for the present. In fact, one of the grounds on which equity values had moved up in recent weeks, namely, inflation arising from deficit financing, seems to be receding. At any rate, one may not find signs of inflation for several months to come. This view is based on (a) the large subscriptions to the new loan, (b) the decision of the Government to step up imports, and (c) the U.S. Ambassador's optimistic hope that the American Congress will agree to the Administration's request for economic aid to India to the tune of $104 million. Further, most of the leading counters have now gone up to levels at which the yields are just about the current ideas. The technical position of the market, however, is healthier in the sense that the large speculative positions that had been built up in recent months have been liquidated. Accordingly, it can be regarded as highly susceptible to both bearish and bullish developments.

MARKET GOSSIP

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The Gilt-edged market is a shade steadier than last week, thanks mainly to the sporadic and slight support extended by the Reserve Bank. The pressure on money market seems to be easing, though no firm evidence of it is yet available. But, even if the seasonal return of funds were to start in right earnest, it might not have any marked effect on short-term interest rates, as the banks have already borrowed against it and bought the new National Plan loan. In the absence of official *communique*, it is not possible to say how this loan has been faring. There is, however, an impression in knowledgable circles that its progress is not so satisfactory as was expected and that, sooner or later, the authorities would have to consider seriously the question of closing the list. They feel that, by keeping the loan open, considerable damage is being done to the existing loans which in turn has an adverse effect on the sentiment of investors in Government securities. In their opinion, the judicious thing to do will be for the Reserve Bank to take up a large block of the new loan, say, Rs. 50 crores or Rs. 75 crores, and close the list. This will mean a total subscription of Rs. 110 to Rs. 125 crores. The Reserve Bank can then gradually sell its block in the market as and when there is a demand for it. The sale of new National Plan Certificates, however, could be continued for some more time, as they are primarily meant for small savers. It is not known how far this suggestion will appeal to the Government.

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The bullion and commodity markets are distinctly weak. There has been heavy short-selling in both silver and gold, as a result of which there has been a loss of Rs. 2-2 in forward gold and Rs. 2-11 in silver. In both the sections, ready positions have been relatively better. This is especially so in gold, as witness the heavy premium of Rs. 3-4 (per tola) commanded by ready over the forward. The carry-forward rates in silver and gold alike were heavily against the bears. This, however, does not seem to have disheartened them. It is stated that, in silver, one operator has gone short to the tune of 8,000 bars and that, in gold, another operator has sold about 200,000 tolas. Although these sales are far in excess of the floating stocks, the operators are banking on the hope that ere long the slack season for bullion will set in, with the off-take declining to negligibly low levels. They are further believed to be of the opinion that the bulls are mostly scattered and weak and that, with the money market remaining tight, the chances of their being squeezed out are slender. It will be interesting to see to what extent their optimism will be justified in the coming weeks.

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Among commodities, oilseeds as well as cotton have gone down. The reduction in the export duty on castorseed which the abolition of that on linseed oil have had no effect on prices. On the contrary, both the oils have declined, the fall being heavier in the respective seeds. In so far as linseed is concerned, India has already missed the bus and Argentina has got in long ago. The only way to capture the market now is to allow exports of linseed oilcake which the crushers maintain India can now afford as the cattle-feed situation is comfortable. As regards castor oil, it is still out of parity with the world markets. The reduction of Rs. 100 per ton in export duty on this oil, that is, from Rs. 300 to Rs. 200 per ton, has evidently been inadequate. Of all the commodities in the world, oilseeds have been one of the few to follow a downward trend in recent weeks, as the world surplus of these is fairly high. It is, therefore, no use in the Government of India not facing the fact and taking the necessary measures for stimulating exports of the non-edible vegetable oils before it is too late. In cotton, it is only the forward section that has shed quite a few points, but the spot section is steady. Both I.C.C. May and August have declined, the former from Rs. 678 (a week ago) to Rs. 665-8 and the latter from Rs. 693-8 to Rs. 683-8. The continued weakness of the futures section, in striking contrast to the firm trend of the ready section has evoked critical comments on the character of the contract as well as the method of its working. It is reported that even the Textile Commissioner, who ought to know better than many in the trade, has asked the Board of the E.I.C.A. to explain the marked discrepancy in the behaviour of the futures contract, as compared with the ready section. The Board is expected to consider this issue tomorrow.

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Despite the doleful warnings of gloomy prophets of an American recession and its possible devastating effect on world markets, there are no signs—at least, not yet—of any depression around the corner. Nay, the markets are all in good form. The undertone of Wall Street is firm. Dow Jones Industrial averages finished last week at a fresh peak of 322.5. London shows unmistakable signs of good health. The *Financial Times* index of ordinary shares (Base: 1st July 1935=100) touched a high of 149.9 towards the close of last week. Commodities are no less firm, wheat, oils and sugar being the only exceptions. An almost continuous rise has been seen in commodity markets since the beginning of the year. The *Financial Times* index of sensitive world commodity prices (Base: 1st July, 1952=100) rose from about 88 at the beginning of the year to 93.80 on 12th May. At the end of last month, the *Economist* commodity price indicator (Base: 1952=100) touched 100.2, the highest level seen during the last two years.

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Is then American recession a thing of the past? Does it no longer constitute a real danger to world markets? Can one be certain that there is no likelihood of an American recession? These questions continue to dominate business men's thoughts the world over. No hard and fast answers could be given for them. The U.S. Administration still believes that a large-scale recession is out of the question. In fact, President Eisenhower himself described the situation as one in which there is a "preponderance of favourable signs." But it must be admitted there has been a certain setback to American economy for some time now, though, more recently, there has been some notable improvement.

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It is highly remarkable that the commodity and share markets have managed to present an upward trend despite the slight American recession. Explaining this resilience of world markets, the *Economist* says that the effect of the U.S. recession has not spread throughout the American economy. Further, the coming of the recession had been so long expected and the post-Korean decline in markets so prolonged that prices and consumers' stocks were already low. Again, business men now appear to be confident that the recession is no more than an inventory adjustment. A revival, once begun, tends to feed on itself; it encourages buying. Finally, the fear that Indo-China might become another Korea has strengthened several markets.

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The general upward trend in commodity prices is best reflected in coffee, cocoa, tin, copper, cotton and rubber. Coffee, cocoa and tea, the *Economist* observes, have soared to their "highest prices in history." This is attributed to the fact that production of these commodities has "either dropped this season or failed to respond to the growth in population." With the threat of surplus out of the way, tin has recovered. Copper is also firm, thanks to recovery in American consumption and other favourable factors. Both tin and copper are, however, below their last year's levels. Nevertheless, the significant fact is that both have improved since the beginning of the year. A similar trend is noticeable in rubber. Cotton is firm. World cotton consumption, the journal says, is "rising to near boom levels." Wool has been the best feature among the textile fibres and has recorded sizable gains. Only wheat, sugar and certain edible oils and fats are either stagnant or falling. Again, wheat prices have declined since March this year.

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An interesting feature of this trend, as our London contemporary points out, is that the rise in prices has benefited the sterling commodities more than the dollar commodities. Will this favourable trend continue? Any hopeful conclusion, it says, rests on two main assumptions: that the American recession does not go much further; and that the American Government will hold its huge surpluses off the market. It adds: "The first assumption is reasonable but no certainty. The second is a matter for serious concern, for American eagerness to unload surpluses of agricultural commodities is already apparent. Such action would have to be weighed against the American decision to expand its strategic purchases of industrial materials. At this juncture, no one can tell whether the U.S. will take away with one hand more than it gives with the other."

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Seldom have the fortunes of a commodity changed so satisfactorily as those of tea. Only two years ago, the market for tea was so very weak that many thought that the closure of many a garden was inevitable. Within a period of a year, tea forged ahead. Since 1953, tea has consistently enjoyed a firm market. At the first sale for the new season, held this week, at Calcutta, it is reported that there was good demand for Darjeeling whole leaf grades. There was relatively less demand for brokens and fannings. Clean Common B.P. was quoted at Rs. 2-10½, as against about Re. 1-12 this time last year. What are the prospects for tea in 1954? The prospects, according to the well-known tea and commodity brokers, Messrs. J. Thomas & Co., Ltd., of Calcutta, "can seldom, if ever, have looked brighter than they do at present." This is because world consumption is definitely on the increase. In the U.K., the leading tea consuming country, consumption is estimated to have increased by 50 million lbs. This is attributed mainly to the derationing of tea. One of the reasons for this increase, the firm says, is "probably that the consuming public in the U.K. drink more tea in the evenings while watching the television programmes." Consumption in the U.S. is estimated to have increased by 10 million lbs.

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At the moment, one of the main reasons why world consumption of tea is in excess of production, according to the firm, is that "tea is still the cheapest drink of its type available in the world." It adds: "The industry must ensure, therefore, that the price of tea does not become too high as this would cause consumer resistance and coffee and other beverages would then begin to regain their popularity, with the result that the present rate of production would far exceed world demand." It also warns that it would be dangerous to forget how the 1952 slump was overcome. The slump, it may be noted, was overcome by reversion to fine plucking and careful manufacture. Emphasising that nothing should be done to reverse this trend, the firm observes:

"....the temptation to make large crops and take further advantage of the high prices at present reigning on the world markets is great and the use of artificial manures and large amounts of replanted young tea coming into bearing may easily have the same effect as the increased garden acreage planted out prior to 1929. It is our forecast that the market will start at a very high level and continue to rise while the second and third flush teas are still being sold. However, it is possible that an increase in the August crop figure over the previous year may lead the buyers to presume that a much larger crop is being harvested. In that event, the market in September and October may show a decline. It does not at the moment seem probable that world production will increase to such an extent as to pass world consumption, but the lessons of 1952 and 1953 are that the balance between supply and demand is a delicate adjustment. However, the very wide fluctuations in prices which have occurred between October, 1951 and March, 1953 can only be considered as unsettling factors to the whole structure of the industry and all sections of the trade would surely welcome a more stable price level. In conclusion, 1954 has every appearance of being a boom year for the tea industry but, as the key to the complex position of world supply and demand would seem to lie with North-east India, some form of crop regulation to ensure against large amounts of badly manufactured tea flooding the market would seem advisable. It would also seem essential, however, for producers to ensure that enough tea is produced to keep the price of this commodity at a level which will maintain its popularity with the public."

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There are some aspects of the world economic situation that are worth watching. Apart from the improvement in world commodity prices, particularly sterling commodity prices, to which reference has been made on this page, there is the U.K.'s progress in its march towards freedom for commodities, the reopening of the Liverpool Cotton Exchange being a significant stage in this march. Then, there is the strength of sterling itself, and the improvement in the sterling area's gold and dollar reserves, to which reference has been made in these columns before. Now, the restoration of freedom for commodities in the U.K. represents, it should be remembered, a move, limited though it is, towards convertibility of sterling. There are, of course, different degrees of convertibility envisaged in these measures. Thus, for cotton, it is only limited convertibility in that dollar cotton may be freely bought but not sold for sterling. But in the case of other commodities, such as lead, zinc or copper, there is full freedom to buy and sell them anywhere in the world. To this extent, sterling becomes truly convertible.

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From all this, it is reasonable to expect that complete convertibility will no longer be delayed; at least, it may not be delayed indefinitely as was feared once. Indeed, some financial observers predict such a development in the course of the next 12 months, and even earlier, before the end of the current year. It is, of course, pointed out that such a decision will rest on a continuing favourable trend in the U.K.'s and the sterling area's gold and dollar reserves, a fresh improvement in American economic activity and absence of any factor that will tend to make the U.S. more protectionist-minded. The sterling area's gold and dollar reserves now stand at over $2,000 million. This would have to rise, it is estimated, to about $5,000 million before the U.K. could risk convertibility. It is argued that even if this level is not attained through the area's own efforts, convertibility could still be contemplated, if the I.M.F. granted a credit of $1,300-1,400 million. This credit, together with $3,250 million, to which level the area's gold and dollar reserves might rise before the end of this year, would give a comfortable supply with the aid of which to restore convertibility to the pound.

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This line of reasoning implies that the I.M.F. would be willing to make the necessary grant. This would require relaxation of the present restrictions which limit a member's withdrawal from the I.M.F. only to 25 per cent of the member's quota. The I.M.F. has, in the past, seldom used the discretion it has for waiving this condition. More recently, however, the authorities have relaxed some of the restrictions on the Fund's activities. Thus, they

(*Continued on next page*)

EQUITIES RULE DULL BUT STEADY

ALCOCK ASHDOWNS SLUMP

(From Our Own Correspondent)

BOMBAY, 20*th May*

DULL conditions prevailed on the Stock Exchange during the week under review. After last week's reaction, the market displayed a tendency to settle down around the lower levels. Persistent offerings of Indian Irons, weaker advices from bullion and commodity markets, the uncertainty in the international political situation and the continued stringency in the money market were the main factors which curbed the enthusiasm of the operators. Many operators, however, feel that the market is in a more healthy position than a few weeks ago, as the leading operators are said to have almost squared up their outstanding positions. The undertone, therefore, remained steady, with fluctuations confined to a narrow range.

In the steel section, Tata Steels were unimpressive. Opening at Rs. 193-4, they reacted to Rs. 191-4 on Saturday, but revival of fresh enquiries and short covering lifted them up to Rs. 196-4 on Tuesday. Lack of follow-up support and fresh weakness in Indian Irons pushed them back to Rs. 193-8 at the close. Indian Irons began the week at Rs. 29-13, but gave way to Rs. 29-5¼. After a short-lived recovery to Rs. 30-2 yesterday, due to replacement buying, the shares once again relapsed to Rs. 29-11¼ at the close of the week.

Textile shares were subdued on fears of dull market for cloth. Bombay Dyeings moved between Rs. 430-10 and Rs. 421-4 before closing at Rs. 422-8, a loss of Rs. 2-8 over the week. Kohinoors were depressed in the earlier part of the week due to selling by a large holder of the shares. They fell sharply from Rs. 314 to Rs. 306-12, and recovered to Rs. 312-4 before closing lower at Rs. 308-8. After an early rise from Rs. 325 to Rs. 329 Centurys reacted to Rs. 323-8, at which level there was some good resistance. Consequently, the scrips closed better at Rs. 326-8. Central Indias were marked down by a rupee on balance to Rs. 174. Finlays lost Rs. 4 to Rs. 242, Gokaks Rs. 2-8 to Rs. 250 and Mysore Spinnings Rs. 5-8 to Rs. 114-8. Phœnix stood Rs. 7-8 lower at Rs. 127-8, Podars Rs. 3-12 at Rs. 150 and Srinivas Rs. 3 at Rs. 207-8. Simplex receded by a rupee to Rs. 155-8, Standards by Rs. 2-8 to Rs. 312-8, Svadeshis by a similar extent to Rs. 275-8 and Swans by Rs. 5 to 325. Indu Ordinaries were steady at Rs. 11-2, Indore Malwas at Rs. 107-8 and New Greats at Rs. 169-8.

Activity in bank shares was low, but the undertone was steady with slight marking up in values, presumably on expectations that banks would get some relief to compensate the effect of the Award. Imperial Fully Paids picked up Rs. 12-8 to Rs. 1,782-8, while their Partly Paids lost Re. 1-4 to Rs. 438-12. Bank of Indias gained Re. 1-4 to Rs. 145-4. Barodas were maintained at Rs. 108. Central Banks were held at Rs. 55-4, while their 'A' shares hardened by As. 12 to Rs. 60-4. United Commercials were, however, a shade lower at Rs. 43-12.

Insurance shares were steady, though little increase in activity was reported. Orientals had buyers Rs. 30 higher at Rs. 7,690 on reports that the mutualisation proposal would be carried out soon. New Indias dropped As. 8 to Rs. 44-4. All-India Generals gained As. 8 to Rs. 3-12 and B.I.G. As. 2 to Rs. 13-4. Vulcans changed hands As. 2 lower at Rs. 12-14.

Electricity shares attracted moderate enquiries and fractional gains were noted in most scrips. Ahmedabad Electrics improved by As. 10 to Rs. 112-13 and Amalgamated Electrics by As. 3 to Rs. 10-15. Bombay Suburbans stood unchanged at Rs. 121-4. Surat Electrics gained As. 10 to Rs. 130-10. Tata Hydros were marked up by a rupee to Rs. 144. Andhra Valleys, however, dropped Rs. 15 to Rs. 1,350 and Tata Powers Rs. 2-8 to Rs. 1,440.

The miscellaneous section presented a mixed pattern and price variations, except in selected shares, were small. Sugar shares were slightly lower. Belapurs eased by Rs. 3 to Rs. 269 and Phaltans by Re. 1 to Rs. 102. Walchandnagars were down by As. 10 at Rs 175-10. Bhopals remained neglected at Rs. 12-8. Among cement shares, A.C.C. drifted lower by Rs. 2-8 to Rs. 154-12 and Digvijayas were dull at Rs. 119-8. In the engineering and mining sections, Alcocks were conspicuous with a heavy slump in price due to liquidation induced by adverse rumours about dividend. After an initial rise from Rs. 350 to Rs. 355, the shares dropped to a low of Rs. 312-8 today. Premier Constructions came into demand on reports that the Company would shortly get a big contract for dam construction. Consequently, the shares were bid at Rs. 128-4 *ex-div.* (dividend Rs. 6) as against Rs. 130-8 *cum-div.* last week. British Burma Petrols gained As. 2 to Rs. 3-9½ on expectations of a better interim dividend. Indian Coppers were dull at Rs. 2-15½. Shivrajpurs declined by As. 12 to Rs. 64-4. Shipping shares were steady. Scindias moved between Rs. 17-8½ and Rs. 17-13½ and closed at Rs. 17-11. India Steamships gained As. 3 to Rs. 8-7 on reports that the scrip had been included in the forward list of the Calcutta Stock Exchange. Bharat Lines had buyers at Rs. 96. The Company has maintained the dividend for 1953 at 5 per cent. Among automobile shares, Hindustans were unchanged at Rs. 8-3. Premier Automobiles were fractionally better at Rs. 69.

Among miscellaneous industrials, Bombay Burmahs dropped Re. 1-14 to Rs. 393-12. B.I.Cs. were steady at Rs. 8-1. Killick Industries were well held at Rs. 183. National Rayons lost a fraction to Rs. 156-4. Operators in this scrip are watching with interest the signing of an agreement by the Company with the S.A.S.M. Association for bulk deal contract. Tata Chemicals were in keen demand on news of good working of the Company and rose by As. 13 to Rs. 14-14. Tata Oils moved up by As. 8 to Rs. 40-8. Wimcos declined by Rs. 3-2 to Rs. 194-6.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 19*th May*

The performance of the Calcutta Stock Exchange was disappointing this week too. The initial enthusiasm among the operators, following the cut in the Bank rate in the U.K., tapered off gradually. This was due to a mild wave of selling pressure that ensued subsequently, as a result of weak commodity advices. The brightest spot in the market was provided by the tea scrips, which staged a moderate rally on better prices fetched at this week's auctions. Jutes were generally neglected. Engineering scrips were caught, at one time, in a bull-bear tussle. Miscellaneous counters were steady. Activity in the market, on balance, was limited and price movements were narrow.

Tea scrips, as stated at the outset, changed hands at improved levels. On the declaration of 25 per cent. dividend, Hansqua was done better at Rs. 23-10. Hantapara were done at Rs. 227, as against Rs. 218. Batelis were well in demand at Rs. 27. Attals met with support at Rs. 4-3 and Tengpani at Rs. 25-5.

Jutes lacked support. Indias lost Re. 1 to Rs. 128. Nationals were practically lower at Rs. 24-3. Presidency, however, gained As. 2 to Rs. 6-2. Howrahs improved from Rs. 23-14 to Rs. 24-6. Chitavalsahs were done at Rs. 11-1 and Hooghly at Rs. 41-4.

In the engineering section, Indian Irons were lower by As. 2 at Rs. 30-1. Preference shares were done at Rs. 108-8, as against Rs. 107-8. Textile Machinery gained As. 3 to Rs. 11-14. British Burmah Petroleum improved by an anna to Rs. 3-10. Indian Coppers was quiet at Rs. 3, while Consolidateds was a shade better at Rs. 2.

Among coals, Burrakur gathered an anna to Rs. 9-1, while West Bengal was quiet at As. 6. Central India was done at Rs. 5-14 and Raneegunge at Rs. 11-4. Bengal Coal was enquired at Rs. 485, as against Rs. 501.

In the sugar section, Ramnugger cane gathered Rs. 2-2 to Rs. 24-12, while Carew & Co., was quiet at Rs. 7-14. Dharbhanga was done at Rs. 12-9.

Miscellaneous scrips were steady. India Steamship improved by As. 3 to Rs. 8-8 F. & C. Osler also gained a similar amount to Rs. 18-10, whereas Rohtas Industries were lower by As. 11 to Rs. 16-5. B.I.C. was unchanged at Rs. 8-1. Orient Papers were done at Rs. 18-2 and Sree Gopal at Rs. 23-8. Indian National Airways changed hands at Rs. 4-7 and Martin Burn at Rs. 20-6.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 19*th May*

The mild activity witnessed last week in the Madras Stock Exchange gathered momentum this week. There was some enthusiastic buying in many scrips. Textiles led the rest, on reports of better offtake from important consuming centres. Select scrips among them registered sizable profits over the week. Planting shares put on a cheerful appearance. Of them, the performance of tea scrips was notable. For, following the increase in duty by Ceylon on exports of tea leaves, Indian and Indonesian tea leaves have begun to enjoy some advantage over those of Ceylon in the export market. Rubbers came in for some speculative support. Coffee scrips were dull. A levy up to Rs. 6 per cwt. as cess has been proposed under the revised Coffee Bill. This depressed considerably the sentiment of the operators. Among the miscellaneous scrips, sugars continued to meet with selective demand; the performance of others, were, however, not encouraging.

The textile section came in for substantial support. Buckinghams gained Rs. 2 to Rs. 145 and Lakshmis, Rs. 50 paid up, Rs. 4 to Rs. 120. Metturs moved up from Rs. 251 to Rs. 258-8 and Radhakrishnas from Rs. 172 to Rs. 180. Rajalakshmis advanced by Rs. 2-12 to Rs. 109. Coimbatore Cotton improved from Rs. 219 to Rs. 220 and Pioneers from Rs. 166 to Rs. 171. Coimbatore Spinnings rallied Re. 1 to Rs. 45-8. Coimbatore Kamalas, however, eased from Rs. 85-8 to Rs. 85. Dhanalakshmis declined by Rs. 8 to Rs. 228 and Saradas by Rs. 2-8 to Rs. 72-8. Travancore Rayons were done lower at Rs. 9-4, as against Rs. 9-6½.

Teas, among planting scrips, were the highlight. Blue Mountains and Chandramalas advanced by an anna each to Rs. 3-1 and Rs. 3-12, respectively. Devasholas gathered As. 3 to Rs. 20-14. Nilgiri Tea changeds hands at Rs. 14-3, as against Rs. 14-2, and Udayagiris at Rs. 10-4, as against Rs. 9-12.

Rubbers enjoyed a steady market. Cochin Malabars improved by As. 2 to Rs. 7-5. Thirumbadis were also up by a similar amount at Rs. 3-7. Rajagiris disclosed a gain of As. 11 at Rs. 12-3. But Pullangodes, however, eased from Rs. 3-2½ to Rs. 3-1. Nenmenys were quiet at Rs. 10-9.

Among coffees, Consolidated Coffee declined from Rs. 17-12 to Rs. 17-8. Mysore Coffee was unchanged at Re. 1-3 and Puthuthotams at Rs. 3-6½. Nil Neerugundis (tea and coffee) advanced by As. 3 to Rs. 4-3.

In the miscellaneous section, Dalmia Cement, Rs. 10 paid-up, advanced from Rs. 8-10 to Rs. 8-13. Deccan Sugars, Rs. 10 paid-up, improved from Rs. 10-4 to Rs. 11-14, and E.I.D. 'A' from Rs. 15-8 to Rs. 15-12. Travancore Sugars, however, lost As. 4 to Rs. 5-5. Rallis declined from Rs. 57 to Rs. 56 and Mettur Chemicals from Rs. 5-8 to Rs. 5-5. But Spencers gained an anna to Rs. 16-9. Mysore Papers were quiet at Rs. 18-2.

GOLD SMUGGLING

Mr. Shantilal Sonavala, a leading bullion merchant of Bombay, in the course of a communication to us, observes as follows:

"The Government of India has been very lucky in seizing large quantities of smuggled gold, thus placing a check on this illegal trade. It is estimated that about 1 lakh tolas, worth about Rs. 90 lakhs, have been captured by the authorities in the months of April and May alone. This large seizure reveals symptoms of the disease, a cure for which is still to be found. By seizing at the point of selling to the consumers, the source of entry is hardly affected, as the vast land and sea frontiers of the country make it difficult to check this trade. But it is still a moot point how far the traders, once goods have entered into this country, can be considered responsible for handling this business at the last point. Gold is a commodity which finds buyers everywhere and, even if smuggling is checked in the regular channels, it finds a market all over India in centres outside Bombay, where this gold reaches consumers in various other forms. In other words, seizing of gold after it has come into the country not only leads to an indirect business in that commodity but creates a scare among genuine traders of repute.

"Smuggling of gold on a very large scale into India is due chiefly to the disparity in price between India and abroad. London market can supply gold at an equivalent parity of $35 per ounce (which comes to Rs. 62-8 per tola) against receiving dollars. The sale of gold against dollars to a non-resident amounts to returning to the orthodox gold specie standard in countries outside the sterling area. It accepts in practice the need for supplying bullion to individuals. It partly nullifies the pious hopes of the authorities of the International Monetary Fund to divert all the newly mined gold to the reserves of the central banks only. Thanks to the sale of large quantities of gold by Russia in the sterling area and also due to coordinated and vigilant policy of the sterling area countries, especially the Commonwealth countries, to keep the balances of payments position with the dollar area countries under strict observation and control, the gold position of the sterling area has substantially improved. The position of trade balance has also been very favourable.

"Conditions in India have improved in all sectors of production too. The Five-year Plan is well ahead. Still a large programme of development is to be completed which is to be financed by deficit financing. The Five-year Plan and other relief measures pump in the purchasing power into the hands of workers, peasants and small men, who prefer a part of their earnings to be invested in bullion. This is reflected in the substantial demand for the precious metals, to the tune of Rs. 25 to Rs. 30 crores per year. At present, the stocks of silver and gold are meagre, while the demand is unsatisfied. It is said that the financial authorities believe that the Indian people should not make investment in bullion. Is this a reality? The London authorities used their far-sighted policy and took a lead. It is to be hoped that the Indian authorities would follow the example and permit imports of gold against submission of dollars to the Reserve Bank of India. The liberalisation of import policy is an instrument to be used as an anti-inflationary measure to combat the effects of deficit financing. Import of bullion, therefore, deserves to be given priority, as it does affect the indigenous industry, as will be the case in respect of consumer goods industries, if free imports of other consumer goods are allowed. It is for the authorities to weigh the advantages and disadvantages of allowing bullion imports and take a realistic view in regard to placing this trade on a regularised manner."

MARKET GOSSIP

(Concluded from previous page)

have promised Peru that they will make available $12.5 million at any time, in the next 12 months, although the Fund's rules permit the grant of a stand-by credit over a maximum period of only six months. If the Fund has thus developed a flexible attitude towards its operations, it should not be difficult for this organisation to relax in favour of the U.K., its restrictions relating to the quantum of stand-by credit that the Fund is now authorised to grant to a member-country. If any request for such relaxation comes from the U.K., the U.S., it is stated, would be willing to support it, particularly because the U.S. itself is keen on seeing that convertibility is restored to sterling as early as possible.

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The reduction in the British Bank rate has benefited the Indian exporters to some extent, as the interest rates for discounting bills in the London money market have fallen. The benefit of this fall has been passed on to exporters by the banks lowering the rupee-sterling exchange rate for buying 60 days' sight and 120 days' sight bills by 1/32d. for all deliveries.

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Apropos the report that appeared in these columns some time ago that Tatas have reached an understanding with Bayers, a German firm, for the manufacture of basic raw materials for dyes at Jamshedpur, the Public Relations Officer of Tata Industries Ltd. says that there is no truth in it.

NEWS IN BRIEF

THE strength of Indian shipping stood at 435,000 gross registered tons in 1953.

The Rajasthan Government has set up a State Advisory Council of Farmers to advise the Government in regard to development of agricultural production.

The average per-acre yield of rice in India in 1953-54 was about 790 lbs., as against 680, 635 and 595 lbs. in 1952-53, 1951-52 and 1950-51, respectively.

The Government of India has decided to fix the price of imported British refined, Cuban and Formosan sugar at the rate of Rs. 30-8 per maund. The price for other qualities of imported sugar shall remain at Rs. 30 per maund.

The House of the People approved last week of a resolution moved by the Railway Minister suggesting the setting up of a Parliamentary Committee to review the rate of dividend at present payable by the railway undertaking to the general revenues. The Committee, comprising 12 members, will also look into other ancillary matters connected with the separation of railway finance from general finance. The Committee will make its recommendations by 30th November, 1954.

The Government of India has decided to consider applications from actual users for import of all types of boards falling under serial number 45-A, Part V of the Import Trade Schedule, except straw board, mill board, grey board and single-faced corrugated board. This is in modification of the earlier provision in the import policy for January-June, 1954, under which applications from actual users for import of special types of boards falling under the serial number 45-A, Part V, namely, paste board, mill board, card board and straw board—all sorts—were to be considered.

Andhra has abundant resources of structural minerals used primarily for building and in civil engineering, according to an article by Dr. A. K. Dey, of the Geological Survey of India, published in the latest issue of the *Indian Minerals* issued by the Survey. The reserves of limestone suitable for cement-making or lime-burning are of the order of 11,795 million tons in the various districts of Andhra. Limestone for cement manufacture is also available in the Godavari valley.

The Committee appointed by the Government of India to deal with the proposed foundation of the Industrial Development Corporation with the assistance of the World Bank will be able to finalise the draft agreement by the middle of July. Disclosing this, Mr. A. Ramaswami Mudaliar, Chairman of the Committee, who paid a two-day visit to Bombay last week-end and held discussions with Mr. A. D. Shroff, a member of the Committee, said that a full Committee meeting will be held at the end of this month.

The Union Finance Minister is reported to have agreed to refer to State Governments for their sympathetic consideration the suggestion, made by a deputation of the United Chamber of Trade Associations, that the levy of inter-State sales tax be postponed till the Taxation Enquiry Commission submits its report. He is also said to have asked a Secretary of his Ministry to collect data of the estimated yield of inter-State sales tax, expenses of collection and the hardship imposed on trade with a view to assessing whether the yield was worthwhile.

Indian sugar will be available for sale to retailers and consumers in the city of Bombay at the rate of Rs. 90-14 per bag weighing 2¼ maunds net on the basis of E.27 Grade, subject to grade price differentials fixed by the Government ex-godowns of the Government nominees appointed for the purpose. This will be inclusive of the cost of gunny. The godown addresses of the Government nominees are: (1) Messrs. Hansraj Hari Ram, 104-114, Frere Road, Bombay and (2) Messrs. Arpit Ltd., 104-114 Frere Road, Bombay. The sale to one party shall be limited to a minimum of one bag and a maximum of eight bags. Distribution at the above rate has already started.

The President of India has sanctioned the appointment of a four-member expert committee of scientists to advise the Central Government on the technical side of the penicillin project. The Committee will examine this question from the production, as well as research, aspects and advise the Government from time to time on the steps necessary to ensure technical excellence of the project. The President has also sanctioned the appointment of another 11-member committee to study and advise the Government on the extent and type of penicillin to be produced at the factory, the influence of the types on production, mechanism, and recommend such other technical matters of health importance as might fall within the Committee's competence.

The Government of India has decided to form another wheat zone, comprising the States of Bombay (excluding Bombay City), Madhya Bharat, Madhya Pradesh, Rajasthan and Bhopal. The State Governments concerned have been asked to issue necessary notifications to implement this decision with immediate effect. Wheat will now move freely within this zone on trade account, but its export from the zone will not be permissible. Bombay City has been excluded from this zone in order to avoid excessive demand on the availability of wheat in the zone. This city will continue to be fed by imported wheat. This is the second free zone to be formed, the first comprising the States of the Punjab, P.E.P.S.U., Delhi, Himachal Pradesh and Bilaspur. It is not proposed to form any more free wheat zones.

The Government of India's tube-well constructions programme is going ahead satisfactorily. Of the 965 tube-wells in Uttar Pradesh, Bihar and the Punjab, for which the contract had been given to a foreign firm in December, 1950, 941 has already been constructed, while the remaining 24 wells are expected to be completed by the end of June next. Of the 2,000 well projects taken up under the Indo-American Technical Assistance Programme for 1952, in respect of which contracts were signed with three foreign firms in August, 1952, 763 tube wells have so far been drilled, as against 637 scheduled to have been completed by 30th April. In all, 1,505 tube-wells have been given in contracts and the remaining 495 are being constructed departmentally by the Governments of U.P., the Punjab and Bihar. Of the wells entrusted for departmental construction, 203 have already been drilled, including 150 out of 295 in Uttar Pradesh, 23 out of 100 in Bihar and 30 out of 100 in the Punjab. Under another scheme for 650 tube-wells in the States of Uttar Pradesh, Bihar, the Punjab and P.E.P.S.U., under the Indo-U.S. Technical Assistance Programme for 1953, a French combine of contractors has undertaken to construct 482 tube-wells. The remaining 165 tube-wells will be constructed departmentally by the Governments of Uttar Pradesh and Bihar.

A request to the Government of India to install a Commercial Wood Seasoning and Wood Preservation Unit at Delhi to give a lead to the establishment of these industries on an all-India basis was made by the Executive Committee of the Timber Dryers' and Preservers' Association of India at its first meeting held last week at the Forest Research Institute, Dehra Dun. The other resolutions passed by the Committee called upon the Central Government, (1) to prepare a code of practice on the prophylactic treatment of timbers and maintenance of timber depots under hygienic conditions, with a view to controlling the heavy losses of timber due to fungal and insect infection during transit and storage, (2) to prepare a note on the large-scale production of seasoned and preserved wood so as to enable Government Departments to insist on Government contractors to supply such materials for their use with effect from 1st January, 1956, (3) to prepare a detailed scheme for the popularisation of seasoned and treated wood by the public, (4) to prepare technical standards for the timber seasoning and preservation operations, and (5) to devise practical means for the speedy and sustained supply of wooden sleepers for the railways. Several sub-committees were set up to prepare detailed schemes for the execution of these resolutions.

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From Abroad

The population of the United States reached 161,763,000 as on 1st April, 1954, according to the latest U.S. Census Bureau report. This is an increase of 2,746,000 or 1.7 per cent. over the estimate as on 1st April, 1953.

A great increase in Commonwealth oil output has been announced in London by the Petroleum Information Bureau. In the first quarter of this year, Commonwealth countries produced 5,200,000 tons of oil (including natural gasolene). This compares with an output of only 4,000,000 tons in the first quarter of 1953, though production over last year as a whole averaged approximately 5,000,000 tons a quarter. The leading producer was Canada, which supplied, 2,890,000 tons in the first three months of this year, as against 1,940,000 tons in the corresponding period of 1953. After Canada, the most important producers were British Borneo, with 1,250,000 tons in the first quarter of 1954, and Trinidad, with 800,000 tons—both approximately the same as in the first quarter of last year.

Eight Indian mine managers have started a year's training in Britain under the Technical Co-operation Scheme of the Colombo Plan. They are taking an academic course at Sheffied University. Practical training is being arranged for them by the National Coal Board during the summer vacation and, if further experience is considered necessary, after the university course. The course follows a request by the Government of India to the Colombo Plan Technical Co-operation Bureau for facilities for the training of selected Indian mining officials (holders of mine manager's certificates and university graduates).

The Norwegian Trades Union Federation and the Norwegian Employers' Federation have reached an agreement on proposals for renewing for two years all wage agreements expiring between 1st January and 1st June this year. The proposals cover about 470 agreements affecting 173,000 workers. The proposals, which will now be submitted to the workers and employers for acceptance or rejection, include provisions for compensation at the rate of 25 shillings for men and 20 shillings for women for religious and other occasional holidays not falling on Sundays. Provision is also made for workers to receive pay during absence caused by accidents occurring at work. Wage rates for young workers are proposed to be improved. Further, it is agreed that, if the cost of living index rises or falls by 7 points or more by March or September next year, as compared with the index figure for March this year, negotiations can be started with a view to adjusting wage rates generally.

PERSONAL

MR. Homi Mody, Chairman of the Central Bank of India, Ltd., left for London last week.

Mr. H. A. Twist, the newly appointed Deputy High Commissioner for the U.K. in Bombay, took charge of his office on Monday this week, shortly after his arrival from London.

Mr. S. Dutt, the erstwhile Ambassador of India to Bonn, has assumed charge as Commonwealth Relations Secretary, Ministry of External Affairs, Government of India.

Mr. Gulabchand Hirachand, Chairman of the Premier Construction Co., Ltd., left for the U.K. early this week *en route* to the United States of America, on a business tour.

Mr. A. D. Shroff, Chairman of the New India Assurance Co., Ltd., and a Director of Tata Sons, Ltd., left for Ootacamund on a short holiday on Sunday this week.

Mr. F. C. Badhwar, Chairman, Railway Board, who is leading the Indian delegation to the 16th International Railway Congress, meeting in London from 19th to 26th May, left for London on Saturday last.

Mr. M. P. Birla passed through Bombay on Tuesday this week to the U.S. where he will join the delegation of the Indian Jute Mills' Association which will be studying the trend of jute markets in that country.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 25*th May*

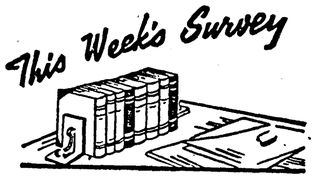
Indian Agriculture (1927-28)

When one takes into consideration that 256 million acres of land are under cultivation in British India, one can well appreciate the difficulties in bringing about any striking improvement in the process of agriculture under the existing conditions. The review of Agricultural Operations during the year 1927-28 by Dr. D. Clouston, Agricultural Adviser to the Government of India, modestly points to the activities of the Departments of Agriculture in India and the achievements that may be credited to them. In actual operations on the soil the progress, judged by outturns, has not been appreciably great. On the other hand, the outturns in such commodities as rice and wheat the two main articles of staple food, suffer by comparison with the figures for the preceding year. The reduction of 6 per cent. in the outturn of rice is atributed to bad monsoon, and cloudy weather is responsible for the reduction in yield of 14 per cent. In wheat in an area which exceeded that of the previous year by 3 per cent. There was a distinct improvement in cotton, but the strike in Bombay was responsible for the reduction in consumption. A decrease of 1 per cent. in yield is recorded in sugarcane, although the area under cultivation was 1 per cent. to the good. There was decrease both in the acreage and production to the extent of 12 and 16 per cent., respectively, in jute. Congressmen in Bengal may lay the soothing unction to their soul that this was the result of their agitation for restricted cultivation of jute, but the cause of this shrinkage should be found elsewhere. It was due to the record crop of 1926 which resulted in a drop in the price of the raw product. Other agricultural products maintained their positions, more or less, as compared with the previous year. But if the departments have failed to show any reasonable results in actual operation, they have made marked progress in scientific research, and in the distribution of improved varieties of staple crops of the country.

The World Bank will shortly send a mission to Rhodesia and Nyasaland to make a detailed study of the finances of the new Federation. The Mission is expected to pay particular attention to hydro-electric power projects. It is expected that the Bank will agree to provide the major portion of the capital needed for the initial stages of hydro-electric power projects in the Zambesi Basin.

Steel production in the U.K. during April this year reached a record annual rate of 19.15 million tons, as compared with that of 18.97 million tons in March and of 18.78 million tons in the first quarter. Pig iron production also reached a new peak, the annual rate being 12.07 million tons. With new capacity coming into operation, the Iron and Steel Board states that there should be sufficient for the production of 18.5 million tons of steel in 1954, if such an output were required.

Industrial development in the Netherlands showed marked progress in 1953. The production (total, as well as output per worker) and the turnover (of home and of foreign sales) substantially increased in comparison with 1952 and preceding years. The Index of industrial production for the year 1953 was 163 as against 147, 145, 139 and 126 for the previous four years, respectively. The index of output per worker in industry was 107 for 1953, as compared with 98, 95, 93 and 88 for the previous four years, respectively. For the first time in 1953, the pre-war level of output per worker was exceeded and that by a considerable extent.



SPICES INDUSTRY

THE Spices Enquiry Committee (Chairman: Mr. K. R. Damle), a summary of the findings of which is published elsewhere in this issue, has done well to recommend the setting up of regional committees for carrying out measures designed to improve and extend the cultivation of India's chief spices, pepper, cardamom, ginger, turmeric, lemongrass oil and cashewnut. In view of the fact that these commodities are grown largely in Travancore-Cochin, Madras, Bombay and Mysore States, the Committee has suggested three regional advisory committees—one for Travancore-Cochin, another for Malabar and South Kanara and a third for Mysore, including Coorg and South Kanara. This is a welcome suggestion, considering that a central committee of the type that exists for other commodities, like tobacco, could hardly be expected to function effectively when it has to deal with as many as six commodities, the cultivation of which is spread over all the States of South India.

Besides the general recommendation for the setting up of regional committees, the Damle Committee has made quite a few specific suggestions for individual commodities. As regards pepper, it suggests the creation of a central fund of Rs. 1 crore from out of the revenue from the export duty on this commodity. The Committee suggests the establishment of two regional research stations for extending as well as improving the cultivation of pepper. India accounts for nearly 50 per cent. of the total world supply of 43,500 tons (93,500 tons before the war). Pepper derives its importance not only from the fact that it is an export commodity—its exports fetched Rs. 27 crores in 1952-53—but also from the consideration that it is a good dollar earner.

The scope for extending the export trade in cardamom and lemongrass oil is somewhat limited. Cardamom crop is normally of the order of 1,800 tons, as against an average demand for 1,200 tons, though further research into the utilisation of cardamom oil may lead to an extension of the market for this commodity. India produces about 700 tons of lemongrass oil which forms the basic raw material for many aromatic substances used in soaps and cosmetics. The oil is also used in synthesising Ionones and Vitamin-A. The Committee suggests that this process should be undertaken in India itself in order to improve the internal offtake of this commodity. As an export commodity, turmeric has less value, since only 10,000 tons out of the total output of 120,000 tons are exported. It would, however, appear that the Committee could not gather much data on this commodity. The subject is, as the Committee suggests, well worth pursuing. Indian ginger, the output of which is estimated at 10,000 tons, suffers in the world markets by comparison with the produce of other countries by reason of its larger fibre content and higher price. This is a matter which should engage the attention of the Agricultural Departments of the State Governments concerned.

Finally, there is cashewnut. India holds the pride of place in world cashewnut trade; it supplies 95 per cent. of the trade. Since the cashewnut processing industry is dependent partly on raw nuts imported from East Africa, it is necessary that imports should be liberally permitted. But the long-term solution, as the Committee suggests, lies in increasing the production of cashewnuts in the country. In this connection, the Committee recommends that a development fund of Rs. 25 lakhs should be earmarked for being spent on a ten-year development programme aimed at increasing and improving cashewnut cultivation in India. Whether a fund is set apart or not, it is necessary that cashewnut cultivation, as well as the processing industry, ought to be encouraged in all possible ways. This is because, while cashewnut is a good cash crop, the processing industry can contribute to India's export trade, besides producing cashewnut-shell oil, capable of being put to many industrial uses.

ART SILK FABRICS

The breakdown of the negotiations between the Silk and Artsilk Mills' Association and the National Rayon Corporation in respect of the bulk purchase arrangements for rayon yarn has unfortunately been followed by mutual recriminations. The controversy now seems to include not merely the question of price at which the rayon yarn is to be sold by the National Rayon Corporation but such related questions as the quantum of rayon yarn imports that should be allowed and the quality of the Indian-made rayon fabrics. On behalf of the National Rayon Corporation, Mr. P. M. Chinai contends that they cannot possibly sell 150D yarn at less than Rs. 3-10 per lb., since this level is itself less than the landed cost of similar yarn. Nor can the manufacturer take less than Rs. 4 per lb. for 150D yarn. He places the yarn output at 15 million lbs. and the consumption of yarn at 40 million lbs. In other words, he wants the imports to be limited to the difference, namely, to 25 million lbs., though he concedes that larger yarn imports may be allowed if exports pick up. He believes that the present scarcity of yarn is due more to maldistribution of yarn than to any other factor. He feels that the quality of Indian rayon fabrics is low and favours also the import of fabrics. He has also urged an enquiry into the installed loomage working on art silk yarn and other aspects of the art silk weaving industry in order to find the precise level of the country's yarn requirements.

These conclusions and assumptions have been disputed by Mr. Murarji, J. Vaidya, Vice-President of the Silk and Artsilk Mills' Association. He contends that the figure of rayon yarn requirements (40 million lbs.), quoted by Mr. Chinai, is a gross underestimate, inasmuch as even the Tariff Commission places it at 70 million lbs. He emphasises that what the industry needs is an "adequate supply of raw materials." In this connection, he says that any decision on the question of raw material supply to the weaving mills, arrived at by the Federation of Indian Chambers of Commerce and Industry, will not be binding upon the Association. He joins issue with Mr. Chinai over the latter's demand for permitting imports of rayon fabrics. He believes that it will be a waste of foreign exchange. But consumers of these fabrics may want the same treatment to be extended to them as he wants in regard to imports of rayon yarn. He does not, however, belittle the importance of quality. Although a few mills produce cheaper qualities to suit the demand of particular areas, the quality of Indian-made fabrics compares in quality with the best that are imported. He is also proud of the sizable contribution of Rs. 45 lakhs which the Association has made towards the establishment of a research institute for the industry.

From all this, it should be clear that the two unresolved but important issues are the price of yarn and the quantum of imports. The first issue is an internal arrangement between the rayon yarn producing unit and the rayon yarn consuming industry. In a buyers' market, it is not surprising that they are unable to reach an agreement mutually satisfactory to both. The fact seems to be that, so long as there are uneconomic and inefficient units in the weaving industry, there will always be a tendency, in any bulk purchase arrangement, to beat down prices. It is much better that the really uneconomic units are allowed to close down than that an artificial bulk purchase agreement should be concluded. Accordingly, there should be no bulk purchase agreement and prices for the yarn should be left to be determined by the free market forces. As regards the question of the level of yarn imports that should be allowed, it is wrong to resist the weaving industry's demand for an adequate supply of raw materials.

TRADE WITH CHINA

A significant feature of the report of Mr. Harold E. Stassen, Director of Foreign Operations Administration, U.S., on the working of the Battle Act submitted to the Congress last week, was that the U.S. would not coerce its allies to place a total embargo on trade with China. The American policy throughout the six months under review was to continue its total embargo on exports, strategic and non-strategic, to China and North Korea. Mr. Stassen points out that, though the policies of other major free Governments regarding trade with Communist China had not been identical with its own, the U.S. had not attempted to bring about conformity through coercion. Proceeding, he says that other free Governments had agreed to maintain the ban on exports of strategic goods to China and "such relaxations as took place did not affect the multilateral embargo." Mr. Stassen has characterised as baseless the rumours current from time to time in various countries to the effect that the U.S. had decided to relax its embargo or was under irresistible pressure to do so and that American cars were reaching the Chinese mainland by way of Japan.

Mr. Stassen's assurance that the U.S. will not attempt to bring about conformity through coercion is welcome. For, outside the U.S., there are few countries which are in a position to sever trade connections completely with China purely on ideological grounds. Another reason for the readiness of some of the countries to trade with the Communist block, in general, and China, in particular, is the hope that the removal of trade obstacles will help reduce international tension. Most of the free countries, however, are agreed that a wholesale removal of restrictions is impolitic. The present attempts on the part of the free countries, other than the U.S., at widening the area of trade between the two major rival blocks are in the nature of a limited investigation into expanded trade possibilities without undermining military security.

There is a feeling that a "historic" increase in the size of trade between the two blocks is taking place. This feeling is due to a flurry of new trade agreements between Russia and the non-Communist countries concluded last year. A feature of these agreements is that they cover a large volume of goods. But the actual outcome of these agreements is different. The report, accordingly, argues that this "impression seems hardly justified." The agreements usually merely authorise, but do not guarantee the exchange of goods. Mr. Stassen says, in effect, that there has been no significant improvement in East-West trade. As far as trade with China is concerned, there is actually a substantial fall both in imports and exports, though some countries have benefited at the expense of others. According to the report, the countries which were able to sell more to the Chinese in 1953 than in the previous year were Western Germany, France, Japan and the U.K. Western Germany's exports to China rose from $2,800,000, in 1952 to $25,000,000 in 1953. Those of France increased from $3,300,000 to $12,400,000 and those of Japan from $500,000 to $4,500,000. Exports from the U.K. to China rose from $12,800,000 to $17,500,000. But exports from Hongkong, the traditional gateway of commerce, to, and imports from, the mainland of China, fell drastically in the second half of 1953.

TRADE MARKS

The infringement of trade marks has been a popular and profitable pastime in this country for a long time now. It has, however, grown to menacing proportions in recent years. The Trade Marks Owners' Association is naturally perturbed by the increase in this crime, and more particularly, by the fact that the procedure against the offenders is slow. In any infringement that may be effected for punishing the guilty, it is necessary to see justice is done irrespective of the consideration whether the affected interests can bear the loss or not.

In his address at the annual general meeting of the Trade Marks Owners' Association of India, held at Bombay on the 17th inst., Mr. K. T. Chandy, Chairman of the Association, rightly warned against discrimination in the matter of protecting trade marks owners. He held that discrimination against groups as, for instance, national against foreign, and small against big, enterprises and *vice versa* was not only bad in law but in practice and that it would be destructive of the initiative and enterprise of honest traders and harmful to the development of export trade. He pointed out that, if India were to show scant respect for the goodwill of business enjoyed by foreign traders here, it cannot expect anything better in foreign markets. He reiterated that the urgent need was more effective remedies against infringement of trade marks, with a view to safeguarding the interests of the consumer and encouraging honest business practices. Mr. Chandy said:

"Trade marks are not a tangible property, the loss of which to one is gain to another. It is essentially a symbol of goodwill and the loss of one's goodwill is not the gain of another. Goodwill is of the consumer which can only be acquired by strict and consistent adherence to uniform and high standards of quality and the adoption of fair trade practices. Trade marks do not create goodwill, but only represent it, and goodwill can only be created by honesty and efficiency in trade, and quality in goods. It is, therefore, wrong to assume that goodwill can be acquired by deceptive copies of trade marks. On the contrary, the habit of copying only betrays the lack of honesty on the part of the person who does the copying and his incapacity to manufacture something of good quality which would be accepted on its own merits. A nation's prosperity cannot be built up on dishonesty. Such vulgarisation of national interest will, I am sure, receive no support from the Government or from any right-thinking persons among the public . . . . What an infringer does is not merely to attack my rights, but the equally important and co-related rights of the consumer."

After all, there is no more nefarious form of industrial brigandage than the infringement of trade marks and sale of spurious drugs. And yet the evil has persisted with a remarkable resilience, worthy of a better cause. The evil should be put down with a stern hand. Justice will thereby be done not merely to the trademarks owner but to that defenceless individual, the consumer. In this connection, the report of the Trade Marks Enquiry Committee which has been submitted to the Government will be awaited with interest.

COFFEE MARKET EXPANSION BILL REVISED

The Coffee Market Expansion (Amendment) Bill, 1952, which was introduced in the House of the People in December, 1952, has now been revised and a new Coffee Market Expansion (Amendment) Bill, 1954, was introduced in the House last week. According to the statement of objects and reasons appended to the new Bill, the Act of 1942 was passed to meet the situation which confronted the coffee industry on the outbreak of World War II when most of our European markets for coffee were lost. This resulted in a surplus of coffee in the country and a slump in prices. The situation today was entirely different. The internal consumption of coffee had increased considerably and it was of utmost importance to step up production, in order to meet the increasing demand of the home market, keep prices at reasonable levels and to meet our export requirements. The problem now was, therefore, one of the development of the industry rather than of marketing.

The Indian Coffee Board also had to be reconstituted to ensure better co-ordination between the Board and the Central and State Governments and a more equitable representation of all the interests concerned by altering the present method of according individual representation, by name, to various associations on the Board. The nature of the future work of the Board would entail the appointment of a whole-time chairman, and power was therefore taken for Government to appoint the chairman.

There were many small-sized coffee estates the economic position of which being weak needed some special help; this required additional funds. The present duty of excise and customs was only Re. 1 per cwt. It is, therefore, proposed that the Central Government should have powers to levy a higher rate of duty, subject to a maximum of Rs. 6 per cwt.

Clause 6 of the Bill, dealing with the composition of the Board, provides that the Board shall consist of a chairman to be appointed by the Central Government, four representatives of the States Governments to be appointed by those Governments, 12 representatives of the coffee-growing industry to be nominated by the States Governments concerned, four representatives of coffee trade interests, three of labour, two of consumers and two of other special interests, all to be nominated by the Central Government. It is thus seen that there is practically no change in the composition of the Board, compared to the provisions of the original Bill.

Clause 9 provides for the payment to the Chairman of such salaries and allowances and laying down such conditions of service in respect to leave, pension, provident fund, etc., as may be fixed by the Central Government. It also provides for the election of a vice-chairman from amongst the members of the Board. This is an important change from the previous Bill and now follows the principle adopted in the new Tea Act. In clause 10, power is sought to increase the present duties of customs and excise up to Rs. 6 per cwt. if required. This should not be mistaken for the excise duty on coffee which is Rs. 21 per cwt.

Provision is made in clause 12 for the payment of the proceeds of the duty of customs and excise and of any fees levied under the Act, less the cost of collection, to the Board for being utilised for the purposes of the Act, provided that Parliament so provides by appropriation made by law in this behalf. This alters the provision in the previous Bill, in that the funds collected can now be regarded as fully earmarked for the use and benefit of the coffee industry.

One other significant feature is that some of the provisions in the original Bill which enables Government to take action without consulting the Board continue to remain so in the revised Bill.

In a "financial memorandum" attached to the new Bill, it is pointed out that the levy of a duty of excise and customs at Re. 1 per cwt. is expected to yield Rs. 5 lakhs. The average annual expenditure on the Board and on measures taken for promoting agricultural and technological research is about Rs. 4 lakhs. The balance of the proceeds realised by levy of a duty at a higher rate will be earmarked for granting assistance to coffee estates. In another memorandum attached to the Bill it is stated that, in the matter of nomination of members of the Board, the nominating authorities should consult the representative organisations of interests concerned before making the nominations.

The Government of India has decided, on a review of the policy for regulating exports of castor oil, to release a further quantity for export for the period ending 31st July, 1954. Export allotment will be given to established shippers for quantities equal to one-fourth of the total shipments effected by them during the calendar year 1953.

OFF THE RECORD

(By "ROVER")

IT must, indeed, be very gratifying to the vast business community scattered all over the country that, with the election of Mr. B. M. Birla, as President of the Federation of Indian Chambers of Commerce and Industry, a new dynamic note of activity and sober optimism has been sounded by this somewhat somnolent body. Perhaps, the period of seven years after independence was not propitious for a change in approach or traditional policy. The business community itself was bewildered, both by the radical change in the political set-up and the successive problems posed by a difficult post-war era. The Governments were too much in a hurry to bring down heaven on earth and to put scores of their pet but untried theories into practice to listen to any sane advice, especially from a quarter on which they looked with some distrust and no little contempt.

The atmosphere was charged with suspicion, jealousy and passive, if not an overt and active hostility towards private enterprise, which in spite of shackles in the shape of numerous controls, had emerged fattened from the lean years of the war. Apart from the fact that commerce and industry were in no condition to think clearly or to act rationally, at least during the first five years of this period, it is not improbable that any constructive and co-operative approach on its part to the authorities would have met with a humiliating snub from power-drunk politicians. A period of frustration and some heart-searching was necessary for both the sides to get their bearings afresh.

The Governments have experienced enough failures in their ambitious plans and have had to suppress so many scandals hinting at waste, nepotism and corruption in their brief career that the wise ones amongst the politicians, capable of learning from experience, have realised their limitations and shed some of their erstwhile airs of moral superiority. Barring lone and tragic figures like the Chief Minister of Bombay or the former Chief Minister of Madras, others, high up in the hierarchy of the Governments, have learnt, not without making the country pay a heavy price in toil and tears though, that they have to carry both the public and the business community with them in their efforts at economic regeneration of the country.

Industrialists and financiers, on the other hand, have also learnt that the old days of unrestricted exploitation of men and materials, without any regard to social justice and welfare of the community as a whole, are gone for ever. They too have painfully realised that the divine rights of employers and of those who control the means of production have been swept away during the turbulent forties, along with the divine rights of the princes. Both the politicians and the business men, though still divided in their outlook and approach, are at least in a salutary mood today to work together, if not enthusiastically, at least in an accommodating manner, for the limited objective of restoring the economy of the country to an even keel.

It was evident during Mr. B. M. Birla's recent visit to Bombay that he was out, on the one hand, to offer sincere co-operation to the Government and to educate and consolidate the business community, on the other. He tried, while here, to understand the basic problems of various trades and industries, because he transparently believed that, if properly and painstakingly put before it, the Government would try to be helpful in solving them to the extent that it lay in its power to do so. If further evidence of this attitude was necessary, it is furnished by the preparation and publication of a valuable monograph on *Imports And Industrial Development* last week by the Federation secretariat. Coming as this useful compilation did on the eve of the Imports Advisory Council, this brochure, packed with well analysed and interpreted statistics, is bound to prove helpful to the Ministry which is engaged in regulating imports and still more so to the designers and builders of the country's Second Five-year Plan.

It is one of the functions, to my mind of important business organisations in the country to educate the Governments and the public in the intricacies of practical economics. I welcome this effort on the part of the Federation as an earnest of what it might do in this direction. I have no doubt that studious and conscientious men, like Mr. D. P. Karmarkar at the Ministry of Commerce would appreciate the value of this contribution and give it the attention it deserves. Though not openly acknowledged as an accepted official principle, regulation of imports has also become an important instrument of our policies regarding tariffs and protection. The authorities ought to feel grateful to the body for this ready-made piece of research, which can serve as a plank in the new bridge, which its young and enthusiastic president hopes to build to remove the estrangement and the occasional bitterness, which have characterised the relations between the Government and business men in general in the not very distant past. In matters like this, an ounce of logic and reliable statistics is worth a ton of aimless propaganda. Now that the Federation has launched its efforts in this direction, let us hope for a whole series of factual and objective monographs on important problems of industry and commerce, leaving the task of pursuing the more controversial and polemical side to the recently formed Council of Industry.

Vulgar Display of Wealth

It is said of ancient Rome that, before it began to disintegrate and to crumble to pieces, it had given itself over to the pursuit of pleasures and a luxurious way of life. A similar demoralisation is believed to have overtaken France in the two decades prior to World War II. I have been painfully reminded of this by the lavish and at times even vulgar display of wealth and hospitality at marriage celebrations by some leading men of the business community, who have made fortunes during the war years and later, by exploiting shortages of materials and the distress of large masses of people. This exhibitionism amongst the new rich has, during the current season, broken all bounds of moderation as well as discretion, if not decency.

In a country reputedly poor and struggling painfully to stabilise its economy, a country still dependent on foreign aid for the completion of its important projects, where necessities of life like houses, education, medical relief, roads and even food and clothing for millions of unfortunate ones are grieviously in short supply, waste on a colossal scale on loud and garish illuminations, entertainment and decorations, is bound to wound the susceptibilities of the sensitive and cultured sections of the community and to drive to despair and desperation the countless who have to struggle hard to keep themselves alive at a mere animal level of existence.

When we ask for more houses to be built to provide a modest home for those who are herded together in slums and hovels or on the pavements, those who command the resources ask for adequate returns and incentives. When the National Plan Loan for urgent needs of the country is still on tap and has not reached the stage of even a hundred crores, it should be regarded as a matter of shame to throw away large chunks of money on an evening's reception. I wonder what returns by way of profit or dividends these people, who spend lakhs on marriage celebrations, expect from their investments. And if these huge sums could be spared for objects of such ephemeral value or of no value at all in the context of the country's plight, why could similar amounts be not forthcoming on the basis of moderate or token returns for what the country needs badly and urgently?

I have neither the desire to preach austerity to those who are favoured by fortune, nor the intention of thrusting moral values on them, which their present stage in evolution would not enable them to understand to appreciate. But I do certainly want to appeal to their own sense of self-preservation, which no successful business man could be devoid of. If considerations of citizenship and fellow-feeling fail to move them, let their dormant sense of enlightened self-interest warn them of the disaster they are inviting by drawing the attenion of the multitudes and the authorities to their vast possessions and hoarded wealth.—All *Rights Reserved.*

CEYLON RAISES EXPORT DUTY ON TEA

The Government of Ceylon has raised the export duty on tea by 15 cents to 60 cents per lb. (flat rate) with effect from the 13th inst. This increase would yield an additional revenue of about Rs. 18 million during the rest of the current financial year and of Rs. 50 million in 1954-55. The internal price of tea is not likely to be affected by this alteration in export duty. It will be recalled that a sliding scale of export duty was in force until the end of October, 1953, when a flat rate of 45 cents per lb. was introduced. The sliding scale of duty had been opposed by the tea trade not only on account of its severity but also because of the great deal of paper work involved. In response to representations made by the tea trade, a Parliamentary Commission of Enquiry was appointed. This Commission had recommended a lower scale of duty. Its enquiry showed that payment of export duty could be avoided at higher levels in various ways. In order to protect revenue, therefore, the Government introduced a flat rate of export duty.

According to reports from London, the price of tea in Britain will not be affected by the Ceylon Government's decision to raise the export duty on tea. Tea merchants in London will continue to pay the world price of tea at the Colombo auctions. One tea merchant is quoted as having said: "It is something which the producers will have to bear. The Ceylon Government realises that the tea producers are doing very well and it is their way of sharing in the planters' prosperity."

MEETING OF TRADE COUNCILS

IMPORTS TO BE LIBERALISED—EXPORTS TO BE STIMULATED

(From A Special Correspondent)

NEW DELHI, 18*th May*

THE biannual meetings of the Import and Export Advisory Councils which were held this week in the Capital provide, generally speaking, a forum for the exchange of views between Government and the mercantile community on the progress of trade in the country during the preceding six months. From the point view of Government, these meetings serve as a sort of stocktaking of the working of the import and export controls and also help it to formulate the import control policy for the following six months. From the consumers viewpoint, they give them the much needed opportunity to ventilate their grievances against the trading community caused by such acts as cornering of stocks and spreading news of artificial scarcity. From the point of view of the general public, the speeches and discussions at these meetings give an indication of the economic progress of the country.

DELHI LETTER

The improved economic position of the country during the last one year is fully reflected in the speeches of the participating members of both the Councils. There was satisfaction at the general success of the policies that had been pursued by Government in recent years with the result that most of the members began to approach the problems now confronting them in a constructive manner. At the same time, some broad indications of the Government policy were also made at these meetings by the spokesmen of the Government, Mr. T. T. Krishnamachari, Mr. D. P. Karmarkar and Mr. H. V. R. Iengar. What was noteworthy was the spirit of understanding that animated the speeches of Government spokesmen. They were not only receptive to the views of the mercantile community but were anxious to solve the difficulties of traders in pushing up India's exports to foreign countries.

The Minister for Commerce and Industry, Mr. T. T. Krishnamachari, informed the Import Advisory Council that the Government was anxious to maintain stability as well as continuity in its import trade policy. With the disappearance of large-scale imports of foodgrains at exorbitant prices, as well as a moderate cut in the intake of foreign cotton, the foreign exchange position was becoming comfortable, with the result that the opportunities of trade on private account would show a gradual expansion in the coming months. "Increased imports," the Minister said, "will be necessary to offset the effects of increased domestic expenditure in the public field, not to speak of deficit financing which is estimated to be of the order of Rs. 250 crores in 1954-55." The same idea was, as it were, repeated and endorsed by Mr. Karmarkar, Minister for Commerce, when he suggested before the Export Advisory Council to the effect that "we will doubtless have to provide for increased imports to meet what seems to be a clear indication of an increase in the purchasing power of the people and to offset maleffects of deficit financing." Mr. Krishnamachari deprecated the idea of import control as a means of protection to industries and pointed out that the policy of token imports was on the whole exercising beneficial effects on the industrial situation in the country. In this connection, he drew the attention of the members to the fact that the liberalisation of imports in as many as 69 commodities since March, 1953, had, apart from satisfying the discriminating consumer and contributing a sizable sum to the exchequer by way of import duties, helped "to focus the industries' attention on the continuing need to lower costs and to improve quality."

Another remark of the Minister is worth attention. He said: "Fiscal duties cannot obviously provide in every case a reliable substitute for import controls from the point of view of the interests concerned, but I feel very considerable scope exists for an extended application of this policy." It is, therefore, likely that the Government of India will liberalise import control in such a manner as to earn more revenues to Government by way of enhanced import duties. In this connection, Government would do well to take note of the criticisms of Mr. B. M. Birla, President of the Federation of Chambers of Commerce and Industry. Mr. Birla was of the opinion that imports could be made freer by the raising of the tariff rates, so that this policy would lead to competition and prices would be reduced to the consumer. Monopolies in export-import trade should end, he said. There is considerable force in this suggestion. For instance, in certain consumer articles such as safety razor blades, etc., advantage is being taken by importers to charge high prices on reports of diminished stocks in the country. Although Government does not like the policy of import control being utilised as protection to industries, it can, as an experimental measure, do away with import control in some consumer goods after raising the customs duties of these goods to an appreciable extent. In these cases, it is the Government which has been the loser, for, while the consumer does not benefit, the middlemen continue to make substantial gains in respect of a number of foreign imported articles.

Mr. D. P. Karmarkar, Minister for Commerce, was the principal speaker at the Export Advisory Council meeting. He did not take a complacent view of the improvement in certain spheres of the export trade, but urged the exporters to take the initiative from the Government's hands in developing new lines of export in the coming years. Diversification of exports is doubtless a desirable thing and it is a slow process depending ultimately on the country's ability to quicken the pace of industrialisation. At the same time, it has to fight against innumerable difficulties and prejudices in developing export trade in manufactured goods. The Minister for Commerce made some noise about the necesssity of establishing export promotion councils in respect of a number of articles, but he did not explain why the formation of these councils has been taking an unconscionably long time for coming into existence. For over a year the Government has been announcing from time to time that an export promotion council for textiles would be set up shortly, but it has not yet come into being. The Minister informed the Advisory Council members that the Government had been taking steps to set up export promotion councils in respect of art silk industry and engineering goods, while, in regard to tobacco, the Central Tobacco Committee had already appointed an Export Promotion Sub-Committee.

The Secretary for Commerce and Industry, Mr. H. V. R. Iengar, filled up the gap in the Ministers' speeches when he clarified Government's point of view more lucidly, particularly in regard to the exports of major commodities such as jute goods, cotton cloth and tea. He admitted that Pakistan was going ahead with its plans for establishing stable jute and cotton textiles industries and that it was only a question of time when India would be called upon to face keen competition in respect of these commodities. He assured the Council that the Government of India was keenly alive to these facts and it had been keeping itself in close touch with the Indian Jute Mills' Association, particularly in regard to the steps to be taken for meeting the eventual competition from Pakistan in the export trade of jute goods. According to Mr. Iengar, the Government was anxious to maintain and even to augment the exports of cotton cloth and was in close touch with the trend of this trade. It would also undertake such measures as would be necessary to achieve its purpose. The demand for the abolition of export duty on coarse cloth was a complicated one, inasmuch as it involved the question of quality control, the question of cotton production, etc. Mr. Iengar agreed with the Bombay millowner, Mr. Neville Wadia, that there was always a tremendous gap between the number of licences issued and the actual exports. According to the January figure, so far as coarse cloth was concerned, the licences were issued for about 61 million yards but the actual exports amounted to only 27.7 million yards. According to him, Government would bear in mind Mr. Wadia's suggestion that the abolition of the export duty on coarse cloth would rectify this sort of disparity in the export trade of the country.

BANK RATE FLEXIBILITY

SIGNIFICANCE OF LATEST CHANGE

(From Our Own Correspondent)

LONDON, 15*th May*

THE announcement by the Treasury nearly a fortnight ago that the Sterling Area's gold and dollar reserves had risen by nearly £50 million to a total now well over £1,000 million—the highest point for nearly three years—gave rise to a good deal of comment about the source of the funds. Little more than £5 million could be directly ascribed to sources other than the balance of payments, for this total was received partly as defence aid from the U.S. and partly the monthly gold settlements from the E.P.U.

LONDON LETTER

It was quite clear that, although this country is enjoying an active balance of payments, the surplus cannot produce anything like £50 million in one month, nor even like the £100 million by which the gold and dollar reserves have increased since the beginning of the year. What has been happening, in fact, this year has been a repetition of the time-honoured process of foreigners investing short-term funds at the attractive rates available on the British market. Even after the reduction of the Bank rate to 3½ per cent. last September, which coincided with, and no doubt partly contributed towards, the slackening off in the rise of gold reserves last year, British short-term money rates remained attractive. Their relative attractiveness to those obtainable on the Continent or even in the U.S., where the American Government borrows on Treasury Bills well under 1 per cent., has steadily increased.

Naturally this inflow of foreign funds seeking investment here has caused market rates to weaken somewhat. But, with the Bank rate remaining at 3½ per cent. and thus pegging the commercial banks' loan rates, there has not been much scope for movement. However, a week ago, there was a general feeling that the Bank rate would at last be reduced to match the trend in money rates and commercial money rates underwent a further weakening, as, indeed, did the yields on Gilt-edged and the best industrials. When the Bank of England made no change in its rate, it was not unnatural that the question should be asked whether the Government had in mind to allow the rate for sterling, which for some time has been up against the upper pegged limit, to strengthen. The talks in Bonn and the agreements reached between the British Chancellor and Western Germany gave additional rise to the suspicion that some upward valuation of sterling might be contemplated.

All these doubts were resolved this week when the Bank rate was dropped a further ½ per cent. to 3 per cent. Market rates have dropped in sympathy, but not as much as ½ per cent., since a part of the fall had already been discounted. For instance, the Treasury Bill rate, which a week ago was running at over 2 per cent. was, this week, 1.7 per cent., enabling the Government to borrow its short-term money at a cheaper rate than it has been able to do for over two years. Gilt-edged and first class industrials have all appreciated, but, on balance, by rather less than ½ per cent. in price.

There is no need to look in this movement in the Bank rate for any particular intentions of the Government towards industry. Production is rising and has no need of monetary stimulus; exports are not particularly strong and require no handicaps in the form of additional incentives to consume at home; but one effect of the drop in the Bank rate will be to cheapen loan rates and the rates charged on business and personal over-drafts. If the industrial criteria had been used to determine whether to move money rates or not, it is quite certain that the Chancellor would have left the Bank rate alone. In brief, the recent move has been a straightforward response to a drop in market rates which, in turn, have reflected the inflow of foreign funds. It does this country no particular good to accumulate gold and dollar reserves which can be melted away at short notice on call from their overseas owners. The Bank and the Treasury have taken a realistic view of the situation, adapted the Bank rate to the present trends, and brought about a money structure more in line with that in financial centres overseas. The incentive to bring "hot" funds in will be weakened, but the move is certainly not one likely to induce any outflow.—*All Rights Reserved.*

AMERICAN LETTER

U.S. INDUSTRIES PLAN EXPANSION AND MODERNISATION

PROBLEMS OF FAR EAST RECEIVE MUCH ATTENTION

(From Our Own Correspondent)

NEW YORK, 13*th May*

BUSINESS conditions in the United States will be good for the rest of the year, despite smaller volume in some lines. This has now become an almost universally accepted theory. It is borne out, in fact, by earning reports for the first quarter of 1954 which were much better than expected. Also, unemployment dropped 260,000 last month, the first decline since the fall of 1953.

The seasonal spring upsurge is, of course, in part responsible for the fact that more people are working. Two big surprises which became fully evident lately concerned industrial spending and construction. A whole new series of plant expansion and modernisation plans were announced. Also, the building and construction boom which was not recognised in its true scope became apparent, far larger than envisaged, which will be aided by a Federal outlay of nearly $2,000 million under the new highway aid law. These two categories of spending have been principal mainstays of business activity and employment for years and they promise to fulfil that function again in 1954.

The fast and furious new equipment spree, planned by industry, is partly based on the rapid technological refinements being developed these days. As a result, a machine which represented the latest development five years ago, may be obsolete today in some lines of business. In an era of greater competition, as at present, the need for up-to-date machinery is also greater than it was several decades ago.

The Federal U.S. highway programme has a two-pronged aim. One is an attempt by the States to create a series of through highways to take the load off the otherwise antiquated highway system of the U.S. in the face of the growing number of motor vehicles. Secondly, Federal support is designed also to bring the traffic arteries of the U.S. which had been neglected during the last war to a point where they can more adequately take care of cars and trucks with higher speeds—also to provide a stimulus for construction and employment.

Disturbing Notes

This cheerful domestic picture is marred somewhat by the fall of Dien Bien Phu in Indo-China and the warnings by official quarters here that a Western defeat in that country may mean the eventual loss of all South-East Asia to the Communists. A second disturbing note to U.S. business and industry was the belligerency of the Soviet and satellite delegates to the Geneva Conference which left no doubt that the Moscow offensive against the West has not been relaxed.

The demand of Communist China for the Western powers to get out of the Far East, for some reason, was interpreted here as less reminiscent of the Monroe Doctrine than of the *pronunciamenti* of Hitler. It was regarded as an ominous note. Reports of worsening conditions inside Russia and the satellites put an even more sinister interpretation on these remarks since dictators have often used wars as a diversion from internal difficulties. Thus, the threat of disturbance remains throughout the world, but for the time being people in the U.S. do not pay too much attention to it. The hydrogen bomb explosions in the Pacific which are now concluded added another element of caution to the scene. However, the general consensus in financial and business quarters still seems to be that the chances of all-out war of the atomic or hydrogen variety are less today than they were, say, two years ago.

The stock markets here certainly have been most optimistic in their interpretations. New 24-year highs were established in recent weeks. Though buying has been quite selective, companies with good earning reports fared better, price-wise, than those with poorer profits. Good "blue chips" have been favourites for some time and the "cat and dog" variety of equities has not done so well. This is easily understandable by the increasing institutional character of the stock market and the decreasing element of personal speculation.

Fall in Consumer Credit

Public psychology continues to play an important part in the markets. Consumer credit, for example, fell $327 million in March for the third straight consecutive monthly drop. However, savings of all categories continued to rise, not as steeply as a year ago, but still in very appreciable amounts. In line with this trend, airlines in this country experienced a decline in first class travel, but this was fully offset by the rise in air coach service. The latter, however, has a very narrow margin of profit and cannot stand losses sustained on half empty planes on first-class flights.

It cannot be overemphasised, however, that domestic and international political factors are influencing business and must be given no less consideration in appraising future business conditions than the normal, constantly operating forces.

The dispute between Senator McCarthy and the U.S. Army has had much of an influence on public opinion and the consensus, somehow, seems to be that there is lack of leadership from the White House and that such a performance would never have been permitted to take place under President Roosevelt or President Truman. What is certain, however, is that the problems of the Far East are receiving here much wider attention than they did before—over and above those of Europe.—*All Rights Reserved.*

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The U.S. cotton crop for 1953 of 16,465,000 bales was the fourth largest on record. Based on the average price of 32.2 cents per lb. for the season to 1st May, the value of the 1953 crop aggregated $2,652 million, an increase of 1 per cent. over that for the previous year.

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The construction machinery industry in the U.S. has joined the other industries in asking for a change in American banking laws, so as to permit banks and financial institutions to enter into long-term credit arrangements to finance machinery exports. The credits will be insured by the Export-Import Bank.

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President Eisenhower has just signed into law a record federal highway construction Bill aggregating $2,000 million. The funds will be made available to the States to aid road building during the next two fiscal years starting 1st July.

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The House Ways and Means Committee of the U.S. Congress has approved a Bill to continue for another two years until 30th June, 1956, the present suspension of the import duty of two cents per pound on copper. Under the present law, the President will be required to put the duty back in effect, if the average U.S. copper price for any calendar month dropped below 24 cents per lb.

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The United States has made its final payment of $1,645,812 towards its total contribution of nearly $13 million to the United Nations Expanded Technical Assistance Programme for 1953. The United States had pledged to contribute 60 per cent. of the total of all contributions for the 1953 technical assistance programme that was pledged before 1st April, 1953. On that date, the total was $21,278,375.

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and that last year more than one ton of forage was produced on each dunnum.

Import of Coal

The Government of Pakistan has asked for 68,012 tons of coal from India during the current month. It has made arrangements for the procurement of coal from May, 1954, by tender system directly under the Indo-Pakistan Agreement, 1953. Under the new arrangement payments for coal and coke as also railway freight will be made not by the Deputy Coal Commissioner but by the appointed agents of the Pakistan Government, in whose favour letters of credit will be opened by the Government of Pakistan. The import of coal by Pakistan from India during April, 1954, was estimated at 70,796 tons, as against 71,831 tons in the previous month.

PAKISTAN NOTES

LABOUR UNREST IN EAST PAKISTAN

INCREASE IN JUTE ACREAGE EXPECTED

THE labour unrest at Narayanganj and the crisis in the Sind Cabinet have given a rude shock to Karachi. Two members of the Central Cabinet have already arrived in Dacca to study the situation. It is alleged that Communists and other subversive elements have been behind the riots, in which over 200 lives were lost. The significant feature of the riots is that they were not preceded by any labour demands. Nor were strike notices served on the management. The riots at the Adamji Jute Mill and the Chandragona Paper Mills started, it is stated, without any provocation whatsoever. There are reports that the Centre might ban the Communist party in Pakistan. The crisis in the Sind Cabinet is deepening. It is also stated, that all is not well even with the Punjab Cabinet.

Jute Acreage

The acreage under jute in Pakistan, according to a survey conducted by the Ministry of Commerce, is expected to increase by 100 per cent. The Jute Board is reported to have informed the Government that the demand for Pakistan jute has recently been steady and the same is expected at least to be maintained, if not improved. It is likely that there will be no carryover of stocks from the present jute season. The estimated world demand for jute is about 9 million bales. The production of India this season amounted to just over 3 million bales, while that of Pakistan was officially estimated at 2½ million bales. It is stated that Pakistan will have to produce 6 million bales during the next season, if it is to meet both foreign and internal demand. Under the trade agreement between Indian and Pakistan, the former will buy 1.8 million to 2.5 million bales. About 1 million bales will be required by Pakistan for its own consumption.

Rayon Factories

The Pakistan Rayon Corporation is engaged in making arrangements for the establishment of two rayon factories, which are together estimated to cost about Rs. 5 crores. One of the factories will be set up in East Pakistan and the other in the North-West Frontier Province. About 200 acres of land, it is stated, have already been acquired at Tongi, 15 miles away from the city of Dacca, for this purpose. Reports from Dacca indicate that machinery worth Rs. 3.71 crores will arrive shortly in Pakistan. Mr. Ralph S. Von Kohorn, Vice-President of Von Kohorn International Corporation, New York, and Mr. J. I. Duplant, have been in Pakistan to advise in connection with the erection of the rayon plants.

Bagasse and wood-pulp, which could be used as raw materials for the production of rayon, are available in both wings of Pakistan. The sugar mill of Mardan crushes about 30 million tons of sugarcane every season and the bagasse produced thereby could form the raw material for the rayon yarn industry. An abundant supply of wood-pulp is available from the vast forest areas in East Pakistan. Another essential need is water; this also is available in the region. Each of the factories, according to the present planned capacity, will consume about 1.5 million gallons of water daily.

Water-spreading Training

A group of technicians from Pakistan are attending a three week water-spreading training programme, which commenced on 3rd inst., at Jordan. Afghanistan, Egypt, Iran, Iraq, Jordan, Lebanon and Saudi Arabia are the other seven Middle Eastern countries represented at the training centre. The centre is sponsored by the U.S. Foreign Operations Administration and the Government of Jordan is acting as host. The programme is the outgrowth of keen interest evinced by countries of the area in a water-spreading project that has helped Jordan develop a barren tract into a fertile grass-growing area. Under this project, Jordanian and American technicians have constructed an earthen dyke system for irrigation in an area where there was no record of grass ever growing before. At the opening of the training centre on the 3rd inst., Mr. Tracy Welling, F.O.A. Director in Jordan, pointed out that 20,000 dunnums of land in Jordan are now under water-spreading dykes

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PUNJAB FINANCIAL CORPORATION

FACTORS LIMITING ITS ROLE IN AIDING INDUSTRIES

IT is generally believed that, once a financial corporation is started in a State, the problem of financing industries will automatically solve itself. That such belief is no more than an illusion, is evident from the Directors' report of the Punjab Financial Corporation covering the period from 1st February, 1953, to 31st March, 1954. This Corporation represents the first experiment in the sphere of organising financial credit to small and medium-scale industries at State level. The experience of patiently tackling a number of teething troubles, legal hurdles, lack of appreciation on the part of the borrowers of its statutory obligations, etc., gained by the infant Corporation, is worth the attention of those engaged in the establishment of such Corporations in other States.

The first six months or for that matter the entire period under review, may be taken as essentially a period of preparation and organisation. Considerable time and effort had to be spent on attending to such matters as issue of capital, framing of rules and regulations in consultation with the Reserve Bank of India with the previous sanction of the State Government, recruitment of staff, preparation of applications and instruments evidencing the security to be taken for loans and advances. There is, of course, nothing new in these preliminaries as, in fact, they must be gone through at the initial stage of starting every business concern, financial or otherwise. But these should be borne in mind, as they cause delay in the progress of operations of such concerns.

The Punjab Financial Corporation is intended to undertake, among others, the business of underwriting the issue of stocks, shares, bonds and debentures by industrial concerns. It can also sell bonds or debentures or invite deposits. It can also raise large additional funds at reasonable rates of interest. For one reason or another none of these was taken up by the Corporation during the period under review. Thus, no requests were made for issue of stocks or bonds by any industrial concerns, nor was the Corporation keen on undertaking such requests, as the conditions of the money market were not favourable for doing so. It did not attempt to raise large additional funds either, as it had money to meet its present requirements.

Granting Loans

The main business activity of the Corporation was, therefore, confined to granting loans and advances to industrial concerns. The first loan application was sanctioned on 6th June, 1953. In all, 84 applications for a total sum of Rs. 108.05 lakhs were received by the Corporation. Of these, 14 applications, valued at Rs. 26.87 lakhs, were from those engaged in the textile manufacturing and processing industry. There were also 19 applications worth Rs. 19.05 lakhs from the metal engineering industry. Twelve applications were from the hosiery manufacturers for a total of Rs. 6.71 lakhs. Two electric supply companies and three cold storage companies applied for loans of Rs. 4 lakhs and Rs. 9.5 lakhs, respectively. Among others, applications were received for smaller loans from utensils undertakings, cotton ginning and pressing factories, sports, wood working, glass, oilseeds crushing industries, electric goods, wood and machine screw manufacturers, woollen yarn spinners, etc. The sugar industry came in with a request for Rs. 10 lakhs. The applicants included 7 public limited companies, 14 private limited companies, 31 partnership concerns, 10 joint Hindu family businesses and 22 sole proprietorships.

Of the 84 applications for an aggregate loan of Rs. 108.05 lakhs, as many as 40 applications for a sum of Rs. 22.88 lakhs, or about 47 per cent. of the applications amounting to 21 per cent. of the loans, were rejected. The reasons for rejection covered a variety of grounds, such as absence of adequate security and scope for further expansion, insufficiency of profit-earning capacity to repay the instalments of principal and interest, unsatisfactory financial position, unfavourable credit deposits, bad management, etc.

The number of applications sanctioned, however, was 20, covering an amount of Rs. 28.52 lakhs. Four applications for loans amounting to Rs. 10.55 lakhs were sanctioned in favour of the textile industry. Five hosiery manufacturers were granted a loan of Rs. 3.67 lakhs. Three metal engineering concerns received Rs. 4.10 lakhs. Among others were a cold storage company which got a loan of Rs. 1.5 lakhs, two utensil making concerns, Rs. 1.8 lakhs, one glass company Rs. 2.5 lakhs, one electric goods and manufacturing company, Rs. 80,000 and one wood and machines screw making unit Rs. 3 lakhs.

Again, out of the total sum of Rs. 28.52 lakhs sanctioned by the Corporation, an amount of Rs. 3.45 lakhs comprising four parties was subsequently cancelled, either because there was a change in the financial position of the concern or because the terms of the loan were not applicable to the applicants.

The minimum amount that was sanctioned to any individual concern was Rs. 12,000 and the maximum Rs. 7.5 lakhs. Of the 20 loans sanctioned, six went to companies, 12 to partnership concerns, one to a joint Hindu family concern, and 1 to a sole proprietorship. Again, of the total amount of Rs. 28.52 lakhs sanctioned, only a sum of Rs. 8.84 lakhs was actually disbursed, thereby leaving an amount of Rs. 16 lakhs undistributed as on 31st March, 1954.

Some Limitations

From the foregoing details of the Corporation's operations, one notable feature emerges, namely, that the actual financial accommodation provided to industry was only Rs. 8.84 lakhs, as against a sum of Rs. 108 lakhs for which applications were submitted. The causes for this wide disparity are summed up below:—

(1) In order to save payment of interest, the industrial concerns do not generally draw the entire amount in a lump sum, but prefer to avail of their requirements in instalments, as and when their obligations mature. Consequently, the amount actually disbursed will be low.

(2) The time taken in the registration of the industrial concerns and in the taking of a licence by them under the Industries (Development and Regulations) Act, 1951, cabses delay in disbursements.

(3) The Corporation also does not consider it desirable to make the full amount of the loan available in a single instalment, as it is anxious to see that the sums lent are spent on purposes for which they are specified.

(4) In some cases, the amount sanctioned is reduced on receipt of the valuation report of the assessor, if he assesses the value of the assets at less than that shown by the application.

(5) The most common cause of delay is the lack of sufficient care on the part of industrial concerns to examine the titles to the land on which the factories are to be built. Time is, therefore, taken to rectify this defect which is essential to safeguard the interests of the Corporation as mortgagee of the property. Sometimes, properties do not stand in the names of concerns but in the personal names of the partners or other persons. In these cases, the Corporation is forced to the necessity of making such partners or persons in whose name the property stands as parties to the mortgage.

(6) The interest charged by the Corporation is as high as 7 per cent. per annum for amounts upto Rs. 2 lakhs and 6½ per cent. per annum for amounts above Rs. 2 lakhs. It allows a rebate of ½ per cent., if the instalments of principal and interest are paid on due dates. Again, under the Stamp Duty Act, a duty equal to one per cent. of the consideration money has to be paid on mortgages without possession, and this constitutes additional charge on the industrial concerns which obtain medium-term or long-term accommodation from the Corporation. For financial reasons, the Corporation considers it not practicable to reduce its rates of interest and other charges on the loans These charges when added together constitute a fairly heavy burden on the industrial concerns. These latter, therefore, think twice before drawing the sums sanctioned.

(7) A fairly large section of the inhabitants of the Punjab consists of displaced persons, who have settled or are endeavouring to settle in industries. These persons seem to regard the Corporation not as a statutory credit institution designed to discharge certain obligations but as Refugee Rehabilitation Finance Administration. Applications for loans are submitted with the object of finding accommodation without offering any security. Considerable time and energy are spent in making them understand the legal limitations under which the Corporation has to function.

(8) The Corporation insists upon the mortgage of fixed assets such as land, building, plant and machinery, as, under this arrangement, there is not the same necessity for maintaining a day-to-day watch over the securities offered and keeping contact with the activities of the borrowing concern. On the contrary, if the Corporation were to accept hypothecation of goods over a large area, such would necessitate the setting up of a large local organisation which is well beyond the financial resources of the Corporation. These limitations of finance and organisation of the Corporation tend to restrict the sphere of its activities. Small-scale industries in outlying areas with no proper securities to offer cannot find assistance from the Corporation. The small industries have to look for aid to the co-operative credit institutions.

(9) Loans applicants seem to be indifferent to maintenance of their accounts and other records according to the accepted standards of industrial banking, and are unwilling to submit to a certain amount of discipline which alone can enable the concerns to take advantage of the Corporation's assistance. In some cases, no proper system of accounts exist at all. In others, some sort of books are kept, but they are in the nature of scrolls from which it is impossible to get the exact postion of the concern.

(10) Unlike the Industrial Finance Corporation of India, the State Corporation is authorised to deal with not only limited companies and co-operative societies, but also concerns which are organised as private limited companies, partnerships, joint family businesses and sole proprietorships. It is easier for the Corporation to deal with concerns which have a well defined constitution and status. But, in the case of others, the difficulties to be met are many. Joint families, for instance, are broken up without proper partition deeds; partnerships are made and unmade, without dissolution deeds or documents, showing the settlement of accounts between partners. If the Corporation has to help concerns owned by these, it will have to go into a number of details, in order to see to it that its position as a mortgagee would not become vulnerable at a subsequent date.

It will thus be noted from the foregoing limitations that the Corporation's role in the industrial development of the State is considerably restricted. It can provide financial assistance only to those selected industries which are organised and are able to offer tangible assets as security. This means, as has been rightly pointed out by Mr. N. D. Nangia, Managing Director of the Corporation, in his report, that the Corporation "can merely supplement the existing capital resources of an industry and there will always be need, on the part of the industrial concerns, to raise a substantial part of their requirements from other sources. The extent of assistance that the Corporation will be able to offer in furthering the industrial development of the State will, therefore, depend on the sufficiency of private capital investment in the industry, as also on the efficacy of the measures that are taken, from time to time, to the development of fresh investment opportunities in the industrial sector of the State and, generally, to strengthen and stabilise the industries and to improve their efficiency and competitive power."

Mr. Nangia has also drawn attention to the repercussions of national and international factors on industries, particularly to the fiscal, trade, monetary, freight and social policies of the Government which continue to react on the industrial sentiment in the State and on the Corporation's capacity to assist industries. He warns

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the State Government, industrialists and leaders that, if they do not handle the situation with care and tact, they may have to face the prospect of losing the great asset the State possessed so long, in the industries and willing labour force. He wants those State Governments which are sponsoring industries all over the country to recognise the need for seeking more distant markets under severe competitive conditions. He, therefore, observes that vigorous efforts should be made to overcome transport bottlenecks, difficulties in obtaining a steady supply of raw materials at proper time and at competitive prices and other factors required for keeping industrial production and employment opportunities at a high and expanding level.

UNITED STATES GOLD POLICY

Mr. Randolph Burgess, Deputy to the Secretary of the Treasury, and Mr. W. McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, appeared before a sub-committee of the Banking and Currency Committee on 20th March, 1954, to state their positions on four legislative proposals to amend U.S. gold policy. Mr. Burgess said that, at present, the United States was on an international gold bullion standard. Since the removal of unnecessary restriction on the citizen is an objective of the administration, the current regulations concerning gold were being reviewed with a view to simplification, but without involving any change in the general gold policy.

Mr. Burgess rejected the view that the gold in Fort Knox was idle and useless. It was the legal reserve of the Federal Reserve System against its deposits and currency in circulation. He observed that the knowledge that the U.S. dollar had at the back of it this stock of gold, coupled with the intention and assured ability to maintain a constant price for gold, was one firm basis for measuring world values, and a major reason why the dollar could be used everywhere to settle international transactions. The continuing and unchanging link between gold and the dollar was more important than the redeemability of currency into gold. It would not be wise to take the risk of a major relaxation of restraints on the use of gold, so long as a large part of the world's new gold production continued to vanish into hoards and became unavailable for monetary reserves. Until the public temper was one of greater security, it would be unwise, he warned, to expose U.S. gold freely to the hoarder. If gold coins were circulated, they would be subject to the pull of demand from overseas sources—a demand which would rise and fall with every political and economic turn of events. He, however, added that, when more restrictions on trade and payments had been removed and convertibility had been restored at least among the principal currencies, the United States would be freer to consider a return to gold redemption. Gold payments were the seal of approval of good money, and the free world had not yet gone far enough in the achievement of good money. Mr. Burgess was doubtful whether gold redeemability should be considered until other major countries were ready and able to do likewise.

Mr. Burgess contended that similar reasoning applied to the proposal to open a free gold market. If such a market were established, either the U.S. Government would stay out of it, in which case the price would depend on the demand for a relatively small amount of gold production, and there would be more instability instead of more stability, or the Government would buy and sell gold at the official price to prevent fluctuations, which would mean in effect full convertibility of the currency into gold.

Mr. Burgess was convinced that an increase in the price of gold would be against the best interests of the United States and of its foreign friends. It would be contrary to the programme of maintaining stability in the economy. Revaluation of the gold stock could set in motion long-term inflationary forces and would upset a relationship of great importance both to the United States and to the world. It would be a grievous error, particularly at a time when the world was achieving some element of stability, to open up the possibility that the United States was prepared to make periodic devaluations of its currency.

In his evidence before the Committee, Mr. Martin said that no advantage was to be gained today from further safeguarding the dollar by establishing gold redeemability. If the country's solvency were in question, if there were a flight from the dollar, it might help to regain confidence to make the dollar redeemable as part of a programme of fiscal and monetary reformation. He felt that the universal confidence that now existed could not, however, be enhanced by this measure, and that it was not worth while to take the risks involved.

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

A small contraction of Rs. 72,000 to Rs. 3.11 lakhs in the profit of the Comptoir National D'Escompte de Paris (Acting Manager for India: E. Finot, Bombay) is disclosed by the audited accounts of the Bank for the year ended 31st December, 1953. This decline follows the sharp fall of Rs. 4.90 lakhs noted in the previous year, but this is inevitable in the context of the very difficult trading conditions. In fact, there has been a distinct fall in the total earnings of the Bank during the year under review, presumably due to a recession in the turnover.

The gross income of the Bank, which had gone down from Rs. 33.28 lakhs to Rs. 30.08 lakhs in the previous year, has declined further to Rs. 24.63 lakhs in the year under review. Interest and discount earned show a fall of Rs. 4.25 lakhs to Rs. 13.16 lakhs and commission and exchange to Rs. 2.10 lakhs to Rs. 10.48 lakhs. The drop in the two main sources of income would have seriously affected the profit of the Bank had it not been for the decline in the outgo, interest paid on deposits and borrowings showing a fall of Rs. 2.58 lakhs to Rs. 6.73 lakhs and establishment expenses Rs. 2.15 lakhs to Rs. 14.79 lakhs. The profit, after providing for all expenses, amounts to Rs. 3.11 lakhs, as compared with Rs. 3.83 lakhs for 1952 and Rs. 8.73 lakhs for 1951, the whole of which has been merged with head office and inter-branch balances.

The following table gives the salient features of the Bank's accounts for the past three years:—

(In lakhs of rupees)

	For the year ended 31st December		
	1953	1952	1951
Interest and discount earned..	13.16	17.41	14.18
Commission and exchange ..	10.48	12.58	18.95
Interest paid	6.73	9.31	4.80
Expenses	14.79	16.94	19.65
Profit	3.11	3.83	8.73
	As on 31st December		
	1953	1952	1951
Deposits	317.24	337.68	234.57
Borrowings from other banks.	0.67	..	166.83
Bills for collection	83.40	73.98	103.71
Acceptances	72.96	110.86	273.71
Advances	241.01	210.60	411.80
Investments	88.18	60.99	39.56
Cash	52.58	125.62	57.56
Ratio to deposits of—	%	%	%
Advances	76.0	62.4	188.03
Investments	27.8	18.1	17.0
Cash	16.6	37.2	24.4

The Bank's deposits, which had shown a sharp increase of Rs. 1.03 crores as at the close of 1952, show a decline of only Rs. 20 lakhs as on 31st December, 1953, so that they are still well above those at the end of 1931. Borrowings from other banks reveal a small outstanding of about Rs. 67,000. These borrowings are unsecured and have been made outside India. The increase of Rs. 9 lakhs in bills for collection has been more than offset by the decline of Rs. 38 lakhs in acceptances on behalf of customers. Notwithstanding a drop in deposits, advances as at the end of the year under review show a rise of nearly Rs. 31 lakhs, of which loans, cash credits and overdrafts account for about Rs. 17 lakhs and bills purchased and discounted for Rs. 14 lakhs. Investments, which are shown at market value, disclose a rise of Rs. 27 lakhs. The investments are entirely in Gilt-edged securities, of which securities of the face value of Rs. 20.50 lakhs have been deposited with the Reserve Bank of India under section 11(2) of the Banking Companies Act, 1949, and of Rs. 4 lakhs as security against guarantees given on behalf of clients to Government Departments. Cash balances, on the other hand, have shrunk by Rs. 73 lakhs, but the cash coverage is still at the comfortable level of 16.6 per cent.

ITALIAN BANKING ORGANISATION

Three hundred and fifty Italian banks have joined the new banking cartel, which came formally into existence early in February. These banks hold about 98 per cent. of the bank deposits of Italy. Obligatory interest rate standards would be established by the cartel, because of the recent unhappy experience of the Italian banking system, which has permitted interest rates to be driven up by competition for deposits.



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PROFIT OF UNITED BANK OF INDIA SHRINKS

LIQUIDITY RATIO HIGH

THE year ended 31st December, 1953, was the third year of working for the United Bank of India Ltd. (General Manager: Mr. B. K. Dutt, Calcutta), since it was formed by the amalgamation of four Scheduled Banks of Bengal towards the close of 1950. The first two years of its working constituted a period of consolidation of its position as one of the major banking units in India. The year under review, however, proved to be a difficult one for the Bank and, in common with many other Scheduled Banks in this country, the Bank suffered a setback in the financial results. The profit for the year under review was lower, amounting to Rs. 12.07 lakhs, as against Rs. 20.21 lakhs for the previous year, a fall of Rs. 8.14 lakhs. The shrinkage in earnings naturally meant a cut in the allocation to the reserve fund, but the return to the shareholders has been kept unaltered at the very modest level of 3 per cent.

The following comparative table, presenting the salient features of the profit and loss accounts and balance-sheets of the Bank for the past four years, gives a bird's-eye view of the Bank's progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Interest and discount earned ..	92.12	98.38	102.16	115.60
Commission and exchange ..	22.01	25.58	25.03	17.20
Other income	13.14	10.73	10.92	10.72
Interest paid	26.87	29.01	27.81	37.99
Expenses	84.98	84.44	86.47	82.61
Depreciation and repairs ..	3.84	3.07	3.82	2.51
Profit	12.07	20.21	21.01	20.41
Taxation	1.72	7.50	4.00	7.50
To reserve fund	2.42	4.05	4.21	4.71
„ investment account ..	..	0.50	8.00	1.00
Dividend	7.07	7.06	7.77	7.94
	(3%)	(3%)	(3%)	(3%)
Carry forward	1.64	1.58	1.89	4.34
	As on 31st December			
	1953	1952	1951	1950
Capital	269.43	269.28	268.77	264.62
Reserves	104.00	103.00	102.00	101.00
Deposits	26,02.33	26,66.24	29,36.47	28,89.52
Borrowings from other banks ..	..	..	..	2,86.00
Bills for collection and acceptances	2,64.81	2,46.50	3,33.35	2,42.34
Advances	13,84.02	13,24.50	14,31.81	13,09.06
Investments	13,36.16	13,16.13	14,21.00	14,23.08
Cash balances	4,00.76	3,90.79	4,75.80	4,54.58
Balance-sheet total	34,72.60	34,16.35	38,46.44	36,93.33
Ratio to deposits of—	%	%	%	%
Advances	44.5	40.7	48.5	51.6
Investments	49.5	49.2	48.2	55.0
Cash	14.9	14.6	16.2	16.7

The gross income of the Bank for the year under review amounts to Rs. 127.27 lakhs, a drop of Rs. 7.36 lakhs over the year. Interest and discount earned show a fall of Rs. 6.26 lakhs and commission and exchange Rs. 3.50 lakhs. The shrinkage in income on these two accounts has been offset to some extent by the increase of Rs. 2.41 lakhs in "other income." On the expenditure side, the outgo by way of interest paid has risen by no more than Rs. 0.36 lakh. Expenses also have gone up by only Rs. 0.54 lakh. It will thus, be seen that, unlike many other banks, the profit of the Bank has declined due more to the fall in income than to a sharp increase in interest paid and expenses.

It will be noted from the foregoing table that the reserves of the Bank (including investment reserve) as at the close of the year under review show an increase of only Rs. 1 lakh over the year, and of Rs. 3 lakhs over the last three years, although a sum of Rs. 10.68 lakhs has been transferred to the reserve fund in the last three years, besides Rs. 8.50 lakhs added to the investment reserve. The deposits have risen by about Rs. 27 lakhs, in contrast to the decline of Rs. 2.70 crores noted in the previous year. The increase in deposits has not been shared by all classes of deposits. Fixed deposits and cash certificates account for a rise of Rs. 5 lakhs and current accounts, contingency accounts, etc. for Rs. 28 lakhs, while savings bank deposits have recorded a fall of Rs. 5 lakhs. As against an increase of Rs. 27 lakhs in deposits, advances disclose a rise of Rs. 10 lakhs. Investments and cash balances also have been strengthened by Rs. 22 lakhs and Rs. 10 lakhs, respectively. The investments are shown at book value, while their market value is lower by Rs. 37 lakhs. This depreciation is covered by a similar amount in the investment reserve. It will be noted from the table that the total liquidity ratio has been maintained at a very satisfactory level.

ADDITIONAL LEVY ON MILL CLOTH IMPOSED IN MADRAS

CALCULATED MEASURE FOR PROTECTING HANDLOOMS

IT has been clear for some time now that the Madras Government is actuated by a single-minded devotion to the cause of the handloom weavers. No measure of assistance, granted by the Centre is considered sufficient. With a sense of economic chivalry worthy of a better cause, the Government has been at considerable pains to prop up the handloom weaver. The Madras Legislature has now passed the Madras General Sales Tax Amendment Bill and the Medium Cotton Mill Cloth (Sales Tax) Bill, the provisions of which were outlined in these columns last week, in order to provide an additional levy of sales tax to the tune of one anna three pies in the rupee on sales of mill-made cloth of counts 17 and over.

Protectionist Measure

It is somewhat surprising that the statement of objects and reasons of the Bill emphasises only the need for "augmenting the revenues of the State." For the Bill is, in all conscience, a frankly protectionist measure, intended to buttress the position of the handloom industry against the mills. Indeed, the Government spokesmen themselves have made no secret of their desire to assist the handloom industry at the expenses of the mills. Presenting the Madras State budget, Mr. C. Subramaniam, Finance Minister, referred, on 26th February, 1954, to what he called the "agonising competition" which the handloom industry had to face from their mills and stated that the only "lasting remedy" for this situation was to provide "this widespread and important industry with a sheltered internal market." The levy (of one anna three pies in the rupee on sales of mill cloth), he thought, would secure a "further measure of protection" to the industry in his State—that is, in addition to what the Central Government was doing in order to assist the industry. He further announced that, when the levy came into force, the sales tax of 1½ pies in the rupee, levied on handloom products, would be given up. He said:

"Handloom products will now gain a substantial margin per rupee over mill-made cloth, made up of 1½ annas as rebate on the sale of handloom product from out of the cess fund, 2 annas as sales tax on mill-made cloth at all points put together and 3 pies as cess on mill cloth now being levied by the Centre. This should go a long way to ensure a sheltered market for the handloom."

Mr. Subramaniam made the point even clearer in his reply, made on 6th March, to the Assembly debate on the Madras budget. He said that the levy was intended to remove the "unfair competition" between the mill cloth and the handloom. The State Government, he said, had certain powers within the State sphere and they could exercise these powers to give protection to the industry. He emphasised that it was only by making mill cloth more costly that they could give some protection to the handloom product. In justification of the high rate of levy, he said that, as the handloom weavers were a "weak sector," the levy had been fixed at one anna three pies in the rupee, in order to "afford sufficient protection."

"Greatest Enemy"

Mr. C. Rajagopalachari, the State's then Chief Minister, was no less explicit on the issue. Speaking on 10th March, in the Legislative Council, he said that they could not allow the "machine-made product to beat down the whole body of weavers." He declared: "The second biggest industry in our country—the first is agriculture and the second, handloom weaving—must be protected. And we must protect it, whatever the difficulty in doing so." He said that the textile mills of Bombay and Ahmedabad and elsewhere got protection against foreign competition in the past, and that they, not content with keeping foreign cloth out of the country, had today become the "greatest enemy of a large, widespread, vital industry in India itself." He defended the levy of an additional sales tax on cloth on the ground that it will provide a "protected market" for the handloom product. He added that the object of introducing the tax was that the "market for the mill cloth might shrink a little and the market for the handloom cloth might expand a little more."

There is, therefore, no getting away from the fact that the additional levy on mill-made cloth, which the Madras Government has adopted, is intended to provide protection to the handloom industry. Now, this raises the very important issue whether, and if so, how far, a State Government is entitled to use the Sales Tax Act as a protectionist device. Before we refer to the economic implications of the issue, it is necessary to examine its legal and constitutional implications. Since the levy imposes an additional burden on cloth, which has been declared by the Central Government as an essential article under the Essential Goods Act, and also interferes, in an indirect manner, with the smooth flow of trade in cloth between the Madras State and other States, it also offends the spirit of Article 286 of the Constitution, which governs States' sales tax legislation in respect of inter-State trade and commerce. The legal and constitutional implications of the new levy have been ably analysed by one of our readers, Mr. C. V. Narahari Rao, who, in a communication addressed to us, observes:

"It cannot be denied, that one of the consequences of this legislation will be an involuntary imposition of some restrictions on inter-State trade, but the Bill does not seek to impose these restrictions, as restrictions pure and simple. We have also to remember that the judgment of the Supreme Court in the United Motors case has considered Article 304 with Articles 286(2) and 286-1(a) read along with the explanation to the last. It has recognised the right of the State wherein delivery and consumption have taken place to levy sales tax on the non-resident dealer. It might be said that the Bill seeks to levy the tax only on the first sale in this State and as such the two clauses of Article 286 referred to above have no relevancy.

"In this connection, two points have to be remembered. The Supreme Court decision has not made any observations with reference to Article 304 read with Article 286(3) of the Constitution, which latter speaks of States' legislations in respect of essential goods declared as such by Parliament. The other point is whether the present legislation itself is not against the spirit (though not the letter) of Article 286(3) of the Constitution even as regards the additional levy on intra-State trade in medium mill-made cloth, which is a recognised essential article under an Act of Parliament.

"For bringing a Bill in the State Legislature to enable taxation of an essential article, no previous sanction of the President is made necessary under Article 286(3) of the Constitution, but such a measure cannot be put into effect unless and until it has been reserved for the consideration of the President and has received his assent. The proposed Madras legislation will, therefore, become effectual, only if the President's assent to it is secured after the Bill is passed.

"Now, is the President bound normally to give his consent? The State Government, here or elsewhere, in similar circumstances might put forth all the argument in its power supported by special circumstances of the case to get his assent. Theoretically, the President can withhold his assent, but practically would he be able to withstand the pressure, especially when he is informed that otherwise the States' finances would be wrecked? Whatever may be the practical side of it, legally I should think the President could signify his assent only if the measure is not against the letter as well as the spirit of the Constitution. Article 60 of the Constitution strictly enjoins on the President to discharge his functions so as 'to the best of his ability preserve, protect and defend the Constitution and the law.' His discretion is not unrestricted.

"In this connection, it would also be pertinent to understand what is stated in Article 286(2) itself. All State Governments' fiscal measures which were in force before the commencement of the Constitution were allowed to be continued to be enforced till only a fixed time, namely, 31st March, 1951, with the President's direction in this behalf, notwithstanding that such continuation was repugnant to the Constitution. The lesser of two evils being preferred, this exemption was meant only not to upset a whole order of existing things, a time limit being given to States to get ready for the new order, and in any case, the spirit being not to perpetuate what is clearly opposed to the spirit of the Constitution.

"Reference further on in Article 286(3) to the President's assent could not have been intended to have a different purpose and concede an unlimited time to State Governments to approach the President for his assent in every case for whatever reason. To my mind, the time limit here should be taken as the time till Parliament has declared by law any commodity as an essential article. With the passing of the Essential Goods (Declaration and Regulation of Tax on Sale or Purchase) Act, I should think this enabling provision of the Constitution under Article 286(3) for the benefit of the several States should be taken to have lapsed, at least in principle. Already there is a widespread feeling in the country that the Essential Goods Act has been by-passed too often, and it will be really unfortunate if the idea gets further strengthened.

"Surely, the attempt of the Madras Government should be a pointer to the desirability of overhauling the entire sales tax legislations and evolve as far as possible a uniform measure, if need be, by amending the Constitution itself. Such a drastic remedy, I am afraid, has already been delayed too much."

Economic Issues

Now that sums up the legal and constitutional position. The economic issues raised by the levy are no less onerous. Is it right to subject so basic a necessity as cloth to so penal a levy? Will the levy really help the handloom industry? Is an artificial stimulus to the handloom industry at the expense of the mill industry the only means open to the Government in order to assist the handloom weavers? These are only a few of the questions for which the State Government has provided no answer yet. In all the Ministers' pronouncements, one may look in vain for an answer to these questions. And yet, no set of questions is more worthy of a reply. The fact must be faced that what has been done is not calculated to make cloth cheaper for the consumer. The measure is avowedly meant to make it dearer for him. The consumer must bleed in order to cure the handloom weaver of his economic anæmia. Nobody paused to enquire whether such transfusion of blood is either possible or desirable. Nor did they even examine whether the measure was not calculated to raise the prices of yarn for the handloom weaver. If yarn prices rise—as they undoubtedly will, considering that the handloom weaver has been assured a comfortable margin of profit—then will not the measure cease to be of any help to the handloom industry? On the other hand, if the mills succeed, through reduced costs, in breaking the barbed wire fence which the State Government has built around the handloom industry, of what avail will the Government's assistance be to the industry?

Economic Balkanisation

A far more important question is the implication of this measure to national economy. If every State seeks to protect, through its Sales Tax Act, its cottage industry against large-scale industry or the industry within its borders against the industry outside it, what will be the repercussions of such a series of measures on national economy? For instance, what can prevent a predominantly *gur*-producing State from taxing sugar in order to keep the latter commodity out of its borders? India will then present a sad spectacle of States hurling Sales Tax Acts at one another. Indeed, sales tax law in this country has become a muddle, a travesty of economic justice. Surely, it is time that somebody cried halt to the tendency for sales tax legislation in the States to run riot, before it leads to the economic Balkanisation of the country. The President has powers to veto the Madras Bill. It is to be hoped that he will not hesitate to do so.

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NO YARN EXPORT QUOTA

The Government of India has decided, according to a Press note issued by the Textile Commissioner, not to grant any export quota for export of cotton yarn during the first part of 1954—that is, during the period January-June, 1954.

TRANSITION FROM STATE TRADING TO PRIVATE ENTERPRISE IN COTTON

A NEW RECORD IN CLOTH OUTPUT

(By A Special Correspondent)

MANCHESTER, 11*th May*

THE next few days will be an eventful time for many people connected with the cotton trade in Lancashire, providing them with an opportunity to discuss mutual problems with visitors from distant lands. At the end of the week the Golden Jubilee Congress of the International Cotton Federation begins at Buxton where only a couple of years ago the major cotton textile producing nations met in conference to discuss their future trade prospects.

MANCHESTER LETTER

This new international gathering, important as it is, does not plan to cover as wide a field as its predecessor. The delegates come mainly from European countries and the topics to be considered at the open sessions of the Conference are on more general lines. As in so many other meetings of this kind, however, there will be plenty of opportunities for informal talks between groups and individuals dealing with problems in which all are interested.

Coinciding with the Congress is the long-awaited reopening of the cotton futures market in Liverpool. The event was arranged so that as many foreign delegates as possible could be in Britain to attend this memorable function. In addition to those who will be visiting Buxton, representatives of cotton interests in the United States, India and Egypt will watch the official reopening ceremony in Liverpool next week.

To expect startling developments from a market which has been in abeyance for more than a dozen years would be asking a good deal, but there is naturally intense interest as to how prices will react when trading recommences. The traditional hedging facilities offered by the futures system have been maintained through the cover scheme organised by the Raw Cotton Commission. As a result the market will be required to function from a very early stage at a fairly high level of activity. Using a motoring metaphor, the Liverpool Cotton Association has likened the situation to "starting in top gear with a cold engine."

Technical experts are a little apprehensive about the initial dealings if there is a tendency in any large degree to switch hedges from the cover scheme. Excessive selling pressure may depress prices but this trend should be corrected in due course by professional straddle operations.

A further move to ease the transition from State trading to private enterprise has been taken by the Board of Trade enabling cotton from dollar sources to be obtained on open general licence after the end of August. Other types of cotton can be obtained on these terms immediately. It will be interesting to observe whether the tendency, already noticeable since private buying was resumed, to purchase more cotton from the United States will be intensified when the futures market starts to function once more.

More Cloth Woven

The Lancashire weaving industry produced more cotton and rayon cloth in the first three months this year than in any first quarter since the war.

A survey of output over the quarter shows that the mills turned out 723,870,000 yards of cloth—over 1,000,000 yards more than the previous record established in 1951, when cotton had its "boom" year.

The first three months this year contained three more working days than the similar period three years ago and this is the chief reason for the new record. It has nevertheless been achieved with 13,000 fewer weavers in the mills than in 1951. A Cotton Board spokesman said: "It should not, however, be taken as an indication that this year the industry is going to beat its post-war record output in 1951."

Figures of cotton, rayon and mixture cloth production in the first quarter of the last four years are: 1951, 722 million yards, 1952, 709 million yards, 1953, 631 million yards and 1954, 723 million yards. Over that period rayon and mixture cloth output has increased from 187 million yards to 207 million yards in the first three months this year.

A warning to Lancashire not to let its present prosperity obscure the fundamental need for a wider variety of industry in the areas overdependent on a single industry, has been given by Sir Alfred Shennan, Chairman of the Lancashire and Merseyside Industrial Development Association. Sir Alfred, speaking at a meeting of the Association's General Council, cited the textile towns of East Lancashire, the shipbuilding towns of Barrow and Birkenhead, and the colliery districts of South Lancashire as examples. At times like this, when their basic industries were working to capacity, these localities found it difficult to make much progress in establishing new industries. He said: "As the 1952 textile recession showed, however, localised unemployment can quickly become severe in areas which have specialised on one industry."

At the moment, the industrial outlook for Lancashire, according to Sir Alfred, is fairly bright, but it would be a bad policy to wait for the storm to break before taking any action to reduce the exposure of some parts of the area to any adverse economic weather. He expressed confidence in the ability of Lancashire's industries, both old and new, to adapt themselves to the continually changing demands made upon them and to meet the challenge of foreign competition.

Empire Cotton Supplies

Vigorous help in boosting Empire cotton crops by assisting in the production of cotton in new areas was pledged by Lord Derby, President of the British Cotton Growing Association, at the annual meeting in Manchester.

Projects completed or sanctioned for various Empire countries meant that over a period of seven years new capital expenditure would amount to £200,000. Some of this money had been spent in the erection of new ginning factories up to 200 miles away from the nearest railway. Lord Derby said:

"The Association is not just living on the achievements of the past but is prepared to—and does—assist the production of cotton in new areas by providing the necessary processing facilities at distant points where there is quite an element of risk."

Empire cotton production in the three years 1951-53 averaged slightly over 1 million bales—an average never before achieved and 170,000 bales higher than the previous best performance for three successive years.

Jobless Lower

A further drop in unemployment in the Lancashire cotton industry is recorded in Ministry of Labour figures for the month to mid-April, just released. The out-of-work total in cotton spinning now stands at 870 of which 50 are temporarily stopped, while weaving unemployment is down to 460 of which 53 are on short time. In the finishing section, 60 operatives are on short time out of an unemployed total of 290.

Labour requirements in textiles remain higher than those in any other individual industry in the North-West. Vacancies in spinning number 5,260, the weaving section has a manpower requirement of 2,300 and in finishing 500 more workers are needed. More full-time workers joined the Lancashire cotton spinning industry in Easter week than in any week for eight months, according to the Cotton Board. Recruitment exceeded losses by 380, but this was partly offset by the loss of 50 part-time operatives.

Output of cotton and rayon yarn during the week aggregated 16,910,000 lbs. as compared with 16,330,000 lbs. in the previous week and 15,560,000 lbs. in Easter week last year.—*All Rights Reserved.*



WORLD CONSUMPTION OF COTTON EXPECTED TO INCREASE

I.C.A. COMMITTEE'S FORECAST

A RECORD level of consumption of cotton in the current season (from 1st August, 1953, to 31st July, 1954) by the world's textile industry has been forecast by the International Cotton Advisory Committee, Washington. Thus, the Committee visualises a consumption of 34.4 million bales (of 478 lbs. each), as against 33.4 million bales in 1952-53 and 32.3 million bales in 1951-52. The increase in cotton consumption, it is predicted, will be shared by the free world and the non-communist countries. The share of the former is likely to move up to 26.6 million bales, as against 25.9 million bales in 1952-53, and of the latter from 7.5 million bales to 7.8 million bales. It may be noted that the average consumption in the pre-war years 1934-35 to 1938-39, in the communist countries was 7.1 million bales.

The following table gives the consumption of cotton in the free world in 1934-38 (average), 1951-52, 1952-53, and 1953-54:

(In thousand bales of 478 lbs. each)

Continent and country	1934-38 Average	1951-52	1952-53	1953-54*
N. America	6,969	9,920	10,226	9,450
U.S.†	6,454	9,196	9,461	8,750
Canada	286	343	371	300
Others	240	381	394	400
S. America	742	1,615	1,506	1,590
W. Europe	7,465	6,757	6,549	7,200
U.K.	2,741	1,759	1,564	1,500
France	1,203	1,228	1,180	1,250
W. Germany ..	1,193	965	1,073	1,200
Italy	685	892	864	875
Belgium	357	407	371	420
Netherlands ..	244	287	299	320
Others	1,040	1,241	1,222	1,285
Asia	6,998	6,460	7,159	7,505
Japan	3,441	1,816	2,005	2,500
India	3,411	3,520	3,875	3,900
Pakistan		190	230	400
Others	144	944	999	1,005
Africa	105	445	458	465
Total ..	22,270	25,197	25,898	26,600

* Preliminary estimates. † In bales of 500 lbs. each.

The high level of free world cotton consumption during the current season, according to the Committee, may have greater significance from the longer-term point of view than the high level of consumption in the 1950-51 boom year. This is because the high level of consumption in 1950-51 was in "no small measure, the result of speculative influences." On a rising market, textiles were produced in anticipation of demand and stocks accumulated. When the boom collapsed, textile production was curtailed. The present pattern of textile production is fundamentally different. Increased textile production in most countries, the Committee points out, is moving into consumption channels and stocks of cloth and yarn show no tendency to get out of line with actual offtake. The current expansion of textile production in many countries is, therefore, on a "sounder foundation' than in 1950-51.

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The present pattern is also significant from another point of view. The consumption of cotton—that is, textile production—is expanding outside the U.S. and Canada. It is taking place in countries having lower standard of living and where, in the long run, the "opportunity for a more permanent increase in cotton consumption is unlimited." Not only is the *per capita* consumption in many of these countries still very low but the population also is rapidly increasing.

Yet another significant feature of the present increase in cotton consumption, according to the Committee, is that it is occurring in countries where competition from rayon and the synthetics is strongest. Explaining this feature of cotton consumption, the Committee says: "In general, this may be due to the enhanced competitive position, resulting from price reductions in cotton yarns and cloths in many markets plus a greater consciousness of the need for promotional activities in this field."

A geographical analysis of consumption trends in cotton reveals that, in contrast to other textile producing countries, the U.S. and Canada are presently undergoing a period of contraction in their respective textile industries. Thus, the consumption of cotton in the U.S. and Canada aggregated during the August-January 1953-54 period, 4.42 million bales (of 500 lbs. each) and 0.16 million bales (of 478 lbs. each), respectively, as compared with 4.74 million bales and 0.19 million bales in the corresponding period of 1952-53. The decline in cotton consumption in the U.S. is attributed to decrease military procurement and exports and also to the overall decline in economic activity in recent months. Canadian textile industry, it is stated, is facing keen competition from foreign textiles. Indeed, the textile situation is "still serious." Some mills are completely shut down and there is large-scale unemployment within this industry.

In Western Europe and in Asia, however, cotton consumption continues to increase. During the August-January, 1954 period, the consumption of cotton aggregated 0.91 million bales in the U.K., 0.66 million bales in France, 0.61 million bales in Germany and 0.42 million bales in Italy, as against 0.74 million bales, 0.57 million bales, 0.53 million bales and 0.42 million bales, respectively in the corresponding period of 1952-53. In the U.K. there has been considerable recovery in textile activity, though the limiting factor is shortage of labour.

A further "significant increase" in cotton consumption in Asian countries has been forecast by the Committee. In Japan, cotton consumption has rapidly expanded in recent years. Trade sources, however, think that cotton consumption in the future may be "influenced by the tighter money policy and retrenchment plans and by difficulties in respect of raw cotton imports." As regards India, the Committee believes that the relief in import duties on imports of foreign cotton may influence the demand for finer qualities of cloth though the "recent increase in excise duties on cotton textiles may result in dearer textiles to the domestic market." On present indications, according to the Committee, there "is not likely to be any significant change in the volume of cotton consumption this season as compared with the 1952-53 total of 3.9 million bales."

ESTIMATE OF INDIAN COTTON FOR 1953-54

The current year's (that is, for the year 1953-54) cotton acreage and production have been placed at 16,266,000 acres and 3,658,000 bales (of 392 lbs. each) of cotton lint by the Directorate of Economics and Statistics, Union Ministry of Food and Agriculture, which has released the fourth estimate for cotton. The corresponding adjusted estimates of acreage and production for 1952-53 are 15,013,000 acres and 2,905,000 bales. The current year's estimate thus shows an increase of 1,253,000 acres or 8.3 per cent. in area and 753,000 bales or 25.9 per cent. in production over last year. This estimate, it may be mentioned here, covers the period up to the end of January, 1953. Again, it must be remembered that the official estimate has always been below the trade estimates which, as experience shows, are much nearer the real magnitude of the crop. The value of the official estimate lies in the fact that it gives a continuous estimate of the crop, both during a year, and year after year, and also in the fact that it shows the relative importance of different varieties of cotton. The production of cottonseed during 1953-54 is estimated at 1,280,000 tons, as against 1,018,000 tons in 1952-53.

The following two tables give the details in terms of trade descriptions of the varieties and staple lengths of current and previous year's estimates:

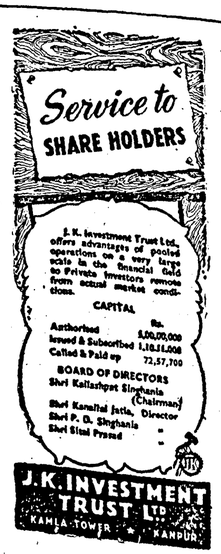
Trade Descriptions

	Area (In 000 acres)		Production (In 000 bales of 392 lbs. each)	
	1953-54 Fourth estimate	1952-53 Adj. Fourth estimate	1953-54 Fourth estimate	1952-53 Adj. Fourth estimate
Bengals	965	1,092	421	454
Americans	2,771	2,447	812	690
Jarilla (including Virnar)	2,231	2,176	408	306
H. 420	293	260	52	44
Oomras	293	216	53	37
Hyderabad-Gaorani ..	2,278	1,965	405	301
Malvi	1,227	1,157	129	145
Broach-Vijay	1,049	772	222	131
Surti-Suyog	652	648	275	236
Dholleras	488	481	180	107
Southerns	1,506	1,376	339	219
Comillas	2,156	2,161	323	303
	58	60	27	26
Total ..	15,288	15,013	3,658	2,905

Staple Lengths

	Area (In 000 acres)		Production (In 000 bales of 392 lbs. each)	
	1953-54 Fourth estimate	1952-53 Adj. Fourth estimate	1953-54 Fourth estimate	1952-53 Adj. Fourth estimate
Long-staple				
Americans	2,317	1,800	672	478
Hyderabad-Gaorani ..	1,527	1,157	129	145
Surti-Suyog	488	481	130	107
Southerns-Jayadhar H. 420 ..	444	436	93	65
	293	216	53	37
Total ..	4,869	4,094	1,050	817
Medium-staple				
Americans	454	647	140	127
Jarilla (including Virnar, Varuna) ..	2,524	2,436	520	350
Broach-Vijay	852	648	279	228
Malvi	1,048	778	221	181
Dholleras	1,297	1,204	296	201
Southerns	1,469	1,492	217	206
Total ..	7,644	7,899	1,673	1,253
Short-staple				
Bengals	965	1,092	421	454
Oomras	2,278	1,965	405	301
Dholleras	209	172	48	37
Southerns	243	281	89	99
Comillas	58	60	27	25
Total ..	3,753	3,520	925	840
Grand Total ..	16,266	15,013	3,658	2,905

It will be seen from the tables above that the increase in production has occurred mainly in Americans, Jarilla (including Virnar), Dholleras and Oomras. As regards staple lengths, the increase in production is shared by long-staple, medium-staple and short-staple varieties, particularly by the long and medium-staple growths. It would appear that the increase in acreage during the current year has been reported by almost all the cotton-growing States, more particularly by Madhya Pradesh, Hyderabad, Bombay, Saurashtra, Madhya Bharat, the Punjab and Mysore. This increase is attributed mainly to timely and sufficient rains at the time of sowing operations. The increase in production, it is stated, is more marked in Bombay, Madhya Bharat, Saurashtra, Madhya Pradesh and the Punjab.



ROLE OF INSTALMENT-CREDIT IN STIMULATING DEMAND

NEED FOR POPULARISING THE SYSTEM IN INDIA

(By S. R. SARNA)

RETAIL trade under a free economy, carries the heavy responsibility of arranging the distribution of goods and meeting the fluctuating, as also variegated, needs of an anonymous and widespread clientele. In addition, it is responsible for translating production into consumption. These two requirements have made the retail-business, irrespective of the size of the business undertakings to search new methods and to find new avenues of marketing activity. In this enterprise advertising is used to make the wares widely-known and help in expanding sales; house-delivery and mail-order business is availed to minimise the distance between the market and the customers; fair-price stores and co-operative stores vouchsafe customers' benefits.

But the buyers' resistance, underlined by the deficiencies in the purchasing power, could still persist and influence the market. To overcome this obstacle, sales on instalment-credit have been introduced. Instalment credit is a system which amounts to an extension of credit towards the purchase of goods and commodities, under some form of contract or agreement, whereby the price is agreed to be paid in partial payments or instalments, at stipulated intervals. The convenience in the mode of payment gives a relief to the shrinking family-budgets and thereby the restrictions on effective demand recede away. This business is also called "hire-purchase business," or "deferred payment plan" or "sales on extended credit"or "sales through easy payments."

The instalment-credit business is a recent growth. In the past, it was enjoined, under the orthodox economics of marketing, that a person who has not got sufficient funds to purchase a commodity or manufactured goods should better go without it or should postpone the purchase until he could accumulate sufficient savings to afford the payment. Credit, in the parlance of orthodox economics, should be confined to the sphere of production, where increased value can be created by providing credit to productive enterprise, and can meet the financial obligations of interest, rent, wages and profit. Therefore, the purchase of consumer goods on credit were frowned upon, and application of credit was considered unproductive and therefore uneconomic. This argument fared well in normal marketing conditions.

Effect of Depression

But the bottom was knocked off when the marketing conditions became difficult. The development of slump and "buyers' market" compelled the people engaged in marketing and distribution to find out ways and means for expanding sales. It was then realised that a pretty large number of consumers, in the lower brackets of income-groups, were going unattended, because they had not got sufficient funds or savings to make outright purchases. For such people, the only *via media* was a plan of deferred payments, which was, in fact, a reversal of the idea of "first save and then purchase."

Since then, it has been found that the effect of sales under instalment credit system upon the total demand is invigorating and stimulating. Its mechanism is, essentially, purchase now and pay later. This easy method of acquiring anything, on small monthly payments, tempts the purchasers to go in for what they may require or not, and what they may afford or not. Through this additional sales promotion, sales are liable to expand and consumption is liable to increase, whereby the business activity reaps added benefits.

Another important advantage of the sales on instalment credit is intimately, though indirectly, connected with national savings. People with small incomes, in the middle classes, generally find it difficult to put something aside or save on voluntary basis, and feel awry of the compulsory savings schemes. Sales, on easy payment basis, imply a methodology of "deferred payments" which in effect amounts to small-savings from family budgets for clearing the "extended credit." These savings in the form of fixed monthly payments are expected to play a prominent part in capital formation, which further supplements the productive investments. This economic phenomenon is liable to inject new vigour in the national economy.

Instalment-credit is, in its elementary functions, a credit business, where credit is given in the form of goods through credit-sales, contrary to credit in the form of cash. To provide safety-cushions to the risks involved, screening of the customer's reliability and paying capacity is done before entering into the deal. After preliminary enquiries have been completed, agreements are finalised and signed. The most popular form of contract or agreement, in instalment business, is the conditional sale agreement, which is signed by the purchaser and contains three salient features: (1) the title of ownership is vested in the seller, (2) the possession of the goods is held by the purchaser and (3) the title of ownership is passed on to the purchaser when payments have been realised in full and final terms. If the purchaser fails to make full settlement of the payments, the seller is entitled to repossess the goods and cannot be compelled to refund the payments already made, unless specifically agreed otherwise. Where conditional sale is not allowed by law, a chattel-mortgage or a lease-plan is entered upon to finance the sales on instalment-credit basis. In this case, the purchaser is considered to have leased the article and payments are made in the form of lease rent until final settlement. This is also called hire-purchase business.

Credit Goes to the U.S.

The credit for starting this business goes to the U.S.A. In the beginning, this sales-plan was started by American furniture-business in the early decades of the nineteenth century. Then, the infection spread far and wide. Eventually, the sales on easy payment basis have extended to all spheres of marketing and all types of goods, including books, clothing, jewellery, sewing-machines, pianos, radios, gramophones, stoves, washing-machines, vacuum-cleaners, refrigerators, bicycles, automobiles and immovable property. After the First World War (1914-19), there has been a tremendous expansion in the volume of business conducted on instalment-plans. To some extent, the immense proportions of mass-production in the U.S. are responsible for encouraging sales-promotion through instalment-credit.

Inspite of the setbacks caused by the slump in 1930-31 and inflation in the Second World War, the volume of sales on instalment-credit in the U.S. has been rising steadfastly and has become the accepted method of buying and selling. Large manufacturing concerns have opened subsidiary establishments to transact credit-sales of their products. Banks, insurance companies credit unions and other sales-finance companies have also entered the field of instalment credit and have lent large amounts. Department-stores and other stores have invested enormous amounts in these transactions. It has been estimated that the total instalment-credit in the U.S. during 1939 was $4.503 million, out of total consumer-credit of $7,222 million. In 1952, the instalment-credit had gone up to $18,639 million, out of the total consumer-credit of $25,705 million.

Consumer credit in U.S.A.
(In million dollars)

	1939	1946	1952
Total consumer credit	7,222	11,570	25,705
Instalment credit:	4,503	8,695	18,639
1. Financial Institutions	3,065	5,955	15,423
Commercial Banks	1,079	2,625	7,576
Sales—finance companies ..	1,197	1,855	4,833
Credit unions	152	235	615
Other financial establishments ..	657	1,040	2,199
2. Retail Trade	1,438	1,440	3,216
Department Stores	354	879	1,101
Furniture Stores	439	474	900
Household-appliance stores ..	183	79	239
Automobile dealers	123	101	336
Other trades	339	407	640

(Source: *Federal Reserve Bulletin.*)

Hire-purchase in the U.K. has not achieved the popularity it enjoys in the United States. The main reasons for this state of affairs seem to be Government policy and social prejudice. The method of buying durable consumer goods on the instalment system is still suffering from taboos and regarded as not desirable by many people. The official policy is also not encouraging this method of sales on credit, and, in certain respects, it is proving restrictive. As part of the policy for restricting consumer credit, a recent enactment stipulates that durable consumer goods, such as radio and television receivers, domestic electrical apparatus, etc., except furniture, could be sold on hire-purchase, subject to the condition that there should be a minimum deposit of 33.3 per cent. and a repayment period of not more than 18 months. Another measure under the same policy has fixed that the Capital Issue Committee would not allow any company specialising in hire-purchase finance to raise new capital.

Steadily Progressing

Inspite of these restrictions and regulations, it has been observed that hire-purchase business is steadily progressing. Approximately 80 per cent. of new furniture sales and between 33 and 50 per cent. of radio and television sales are new channelised through instalment credit. Similarly, in the field of agricultural and industrial equipment, there is a growing tendency to acquire new equipment through hire-purchase system, and it can be anticipated that, on account of working capital being depleted by taxation and death-duties, this trend will record still higher levels of business transactions. The profit records of many furniture stores and other domestic equipment stores bear ample evidence that this outlet of sales is proving profitable. Moreover, taking into account that, on an average, the amount outstanding per hire-purchase account is not very large, the risks involved in this business are generally very small in a period of national full-employment. There are, therefore, good reasons to believe that in the U.K., too, hire-purchase finance will continue to play increasing part in industrial as well as individual accounts.

Instalment-credit is becoming more and more popular in West Germany. This country has gained a lead over all other countries of the world, with the exception of the U.S., in the sphere of sales on monthly instalments. The economic structure of Germany emerged, after the holocaust of 1939-45, in shattered conditions and on the brinks of chaos and ruin. The political division of the State into two hostile camps, followed by reparations, made matters still worse. The hire-purchase system, in those dark days, provided a welcome-relief and has been playing an important role in bringing about the country's celebrated economic miracle, that is the rapid increase in production-programmes and mass-distribution. The total amount, advanced towards instalment-credits in Western Germany, is nearly 6,000 million Deutsche Marks (almost Rs. 680 crores) which represents approximately 10 per cent. of the total national income available for all consumer expenditures.

Position in India

Coming to India, we find that the instalment-credit business is still in its infancy, though more than 30 years have passed since Messrs. Govan Bros. opened the first commercial enterprise, specialising in automobile-sales on hire-purchase basis. Perhaps, the lethargy in the promotion of instalment credit business or hire-purchase business is explained by the ignorance, and hence the absence of interest, in this institution in commercial and financial circles. The main drawback is the virtual non-existence of the finance company, which is the mainspring of the instalment-credit mechanism. Similarly, the subsidiary companies or units and independent undertakings or companies are also conspicuous by their virtual absence. It may be explained that subsidiary companies are organised by the parent manufacturing enterprises for the sole purpose of financing sales of their own products, while the independent companies deal in one or more than one product, manufactured by others. In India, manufacturers have taken little interest in promoting sales of their products, on hire-purchase basis, through their own subsidiary units. So far as large retails-stores are concerned, they have been concentrating upon cash-sales, or charge-account sales. Banks and other financial institutions have completely overlooked this sector of business. The overall position can be summarised as follows:

(*a*) *Subsidiary units.*

1. Singer Sewing Machine Company started the sale of sewing machines on monthly payments in India nearabout the First World War. But this activity came to an abrupt stop when the Second World War flared up, on account of restrictions placed upon imports.

2. Phillips radios are being sold on instalment credit basis, under a sales campaign organised by the manufacturing concern, Phillips Electric Coy., of India Ltd.

(*b*) *Independent companies.*

1. Sale of radio-sets, sewing machines and bicycles, on hire-purchase basis, is now being established in Delhi, Calcutta and Bombay.

2. Sale of furniture, on hire-purchase terms,

(*Continued on page 1011*)

INTERNATIONAL SUGAR COUNCIL MEETS

EXPORT QUOTAS OF MEMBER-COUNTRIES CUT BY 5 PER CENT.

AFTER deliberating for full three days, the International Sugar Council concluded its session at London on the 7th inst. The session was presided over by Baron Kronacker. Besides the representatives of 25 countries, an observer from the U.N. Food and Agriculture Organisation also attended the session. This session is of particular significance, inasmuch as it marks one more major step by the Council since the World Sugar Agreement came into force nearly six months ago to bring about stability in the world sugar market. The Council took two decisions of outstanding importance. First, the export quotas of the member-countries have been cut by a further 5 per cent. of the basic export tonnages, bringing the total reduction of quotas to 20 per cent., the maximum allowed under the Agreement. Secondly, the exporting countries have been asked to limit their exports during the first eight months of the current calendar year to 75 per cent. of their initial quotas. The chief object of these measures is to impart a certain measure of stability to sugar prices in the free market by reducing the quantity of sugar that flows into that market. It will be recalled that the International Sugar Agreement seeks to contain the price variations in the market within a floor of 3.25 (U.S.) cents a pound and a ceiling of 4.35 cents a pound f.a.s. Cuban port. A feature of this Agreement is that the Council has powers to raise or lower export quotas, even while the ruling market prices are within this range. Evidently, this freedom is intended to render the holding of the limits easier. In deciding to lower the export quota last week, the Council has apparently exercised this option, for, so far as this year is concerned, the price of sugar has mostly been over 3.30 cents a pound and had not touched the floor of 3.25 cents. The other highlights of last week's London meeting were:

(1) The Governments which had ratified the International Sugar Agreement decided to bring into force.

(2) London was selected as the seat of the Council and the U.S. was appointed to fill the vacant seat on the Executive Committee.

(3) The Council adopted an estimate of 3,864,000 metric tons of sugar (raw value) as the free market requirements for 1954.

(4) The Council did not consider it appropriate to have additional measures, in view of the poor outlook for European beet crop; the situation will be re-examined at its next meeting scheduled to be held before 8th September, 1954.

Cuba's Anxiety

The reduction of a further 5 per cent. in the export quotas and the limitation of exports to three-fourths of the initial quotas are a sequel to the vigorous plea put forward by some of the world's leading sugar producing countries, especially Cuba, which have been concerned over the prospect of sugar prices falling below the minimum. It will be remembered that, before the World Sugar Agreement was signed in August, 1953, the various exporting countries had asked for a total export of over 7 million tons. But, by the time the Agreement was finally signed, the combined basic export quotas of the 16 exporting countries participating had been reduced to a little over 4.6 million tons. As this quantity was considered to be still well above the likely outlet, a 15 per cent. scaling down was applied—for certain countries, it worked out to 10 per cent. only—with the consequent quota cuts aggregating about 684,000 tons.

The scaling down in export quotas thus, however, was not considered by some countries as quite adequate. Cuba, for instance, urged a further cut of 5 per cent. "in order to bring supply into line with demand and keep the price from falling below the minimum envisaged in the Agreement." In support of this plea, Cuba said: "While demand is as low as it is at present, it is especially easy for countries outside the Agreement to capture markets." In fact, this country is reported to have even urged altering the Agreement in such a way as to give the Council wide powers to reduce quotas by more than 20 per cent., should the Council deem it necessary. This plea, however, did not find favour with some of the other participants to the Agreement.

While Cuba's anxiety is quite understandable, the solution advocated by it is not. Reduction in export quotas to the free market will, of course, reduce the quantum of sugar available to the market and may prevent the price from falling further. But that does not help producing countries, such as Cuba, to sell their surplus stocks. How will these stocks be disposed of? Since there is no buffer stock scheme, the producing countries themselves will have to carry the stocks which in turn will act as a drag on the market. It remains to be seen how this tangle will be solved. The success of the International Sugar Agreement is, therefore, still in doubt.

The Present Position

It will be interesting to note here that the Cuban authorities have so far released only 750,000 tons for sale in the world free market and have held back the remaining 1.2 million tons. Alluding to the implications of this large carry over, the Commodity Market Editor of the *Financial Times*, London, has made a few interesting observations. He says:

"Unless she markets this sugar in 1954, Cuba will be unable to carry forward her international agreement quota into next year. Already, in the past few years, Cuba has restricted her output to 5 million tons or less, as compared with a potential production under favourable conditions of fully 7 million tons. Even so, it is estimated by Czarnikow, the well-known London sugar brokers, that this year's (1953-54) world crop will reach 38.9 million tons, an increase of over 3 million tons on the 1952-53 level. This is largely due to excellent beet yields in Europe. That such yields will be repeated at the end of this year is doubtful. On balance, therefore, Europe should be a much larger importer of sugar next year.

"There are other hopeful factors. India, which is normally more or less self-sufficient, has this year been a heavy buyer of refined sugar from U.K. and other refiners. This is partly because of poor domestic crops, but there is another reason. At present world prices, sugar is one of the cheapest energy foods in the world and, to both the people and the authorities of the poorer countries, this is an important factor tending to increase effective world demand. In Japan, the high domestic price at which sugar can be sold has made it a favourite medium in barter and triangular deals designed to sell Japan's dearer export goods. Despite this loading of the price paid by consumers, Japanese demand is a major factor in the world market."

In the circumstances, it is believed that Cuba may try to dispose of its surplus sugar this year by "unorthodox deals." But "the world market," to quote the *Financial Times*, "is still suffering from last year's special sale of 1.4 million tons to the U.K. Ministry of Food, a sale which preceded rationing." As a result of this, U.K. stocks of sugar have reached a record of over 1.8 million tons. Home beet sugar output and Commonwealth imports are together estimated at 2.40 million tons, as against the consumption requirements of 2.65 million tons. In view of the need to reduce stocks, the U.K.'s imports of Cuban sugar for home consumption are considered unnecessary for some years. As far as import of sugar for refining and re-export are concerned, business is, for the present, diverted from Cuba, owing to the latter's unwillingness to allow bulk shipment.

To revert to the cut in export quotas and limitation of exports. These may no doubt bring about the desired effect of preventing any downward tendency in the "free" sugar prices. But these are only negative solutions. The positive solution to the problem confronting the countries which are surplus in sugar supplies, as, for example, Cuba, lies in lifting up the level of consumption which is, at present, very low, especially in the underdeveloped countries. This can be achieved by bringing down the prices of sugar. The International Sugar Council will do well to examine dispassionately the question of reducing the minimum price of 3.25 cents per pound (f.a.s. Cuba).

It may be mentioned, in passing, that, although originally 25 countries had signed the International Sugar Agreement, only 17 of them have ratified it and agreed to bring it into force. Again, some of the leading producing countries, including Peru and Indonesia, have not even signed the Agreement. It is true that the Council has enough voting strength to enable the Agreement to work. But the non-participation of some leading producing countries might lead to the creation of a sufficiently large market outside the Agreement, thereby making it difficult for the Agreement to be a success.

PETROL FROM COAL

NEW COMMITTEE TO EXAMINE PROJECT REPORTS

MR. Jawaharlal Nehru, Prime Minister, disclosed, on the 10th inst., in the Council of States, that a council of experts and non-experts had been appointed, under the chairmanship of Mr. K. D. Malaviya, Deputy Minister for Natural Resources and Scientific Research, to study the reports and schemes relating to the manufacture of petrol from coal and advise the Government on the installation of a plant. It is reported that a number of well-known American and British firms have submitted proposals for the establishment of a synthetic petrol plant. If the Government were to decide on the erection of a plant, it is expected that it will most probably be situated in the Ondal area, the coal of which is stated to be most suitable for the purpose, according to a special investigation conducted by the Geological Survey of India some years ago. According to Mr. Malaviya, valuable data and experience has been gained in the research on a laboratory scale, on the production of synthetic petrol by the Fischer Tropsch and Berggius process carried out at the Fuel Research Institute, Digwadih. It is also stated that some experiments for the production of synthetic petrol are being carried out at Jamshedpur by Tatas.

The proposal to set up a synthetic petrol plant in India goes as far back as 1948, when the Government invited Messrs. Koppers Inc., submit a project report for the manufacture of liquid fuel from low-grade coal. Later, a German expert, Mr. D. Grimme, was also asked to advise it on the same proposal. Subsequently, a committee of expert industrialists was appointed by the Council of Scientific and Industrial Research to enquire into the question. All their reports are before Government. There was also a report, in the later half of 1951, that a private firm had proposed to install and work, in co-operation with a German and a few French firms, a 10,000-ton plant in Orissa.

It is true that petrol extracted from coal will generally be costlier than imported natural petrol and, consequently, it will be waste of money in investing in such a project. But the countries, which are engaged, or propose to engage, in this manufacture, do so chiefly for considerations of defence. Even this consideration will not be valid if a country were to have a few allies among those that are producing oil. But that is a contingency which cannot be forecast and depended upon.

Be that as it may, where there are abundant local supplies of coal, the production of synthetic petrol from coal may in the long run prove to be an economically useful proposition. So far as India is concerned, the reserves of coal are beyond anxiety. They are estimated as follows:—

(In million tons)

Total reserves of coal in the Indian rock-formations, upto a depth of 2,000 feet ...	60,000
Total reserves of available coal, of all grades, which are considered workable by present methods	
Reserves of first-grade coal, workable ...	20,000
Reserves of coking coal suitable for metallurgical use	5,000
Present-day annual consumption of coal, of all grades	1,750 to 2,000
Annual consumption of metallurgical grade coal (coking coal used both for metallurgical and non-metallurgical purposes)	35
Consumption of coking coal purely for metallurgical purposes	about 8 to 12
	about 3

Thus, it is clear that India has reserves of 2,000 million tons of high grade and coking coal. This should last, if their consumption were restricted to the use in the iron and steel industry and other metallurgical purposes, for a period of 650 years. But India is using coking coal today for ordinary furnace and railway purposes, for domestic fuel and some industrial uses to the extent of about 10 to 12 million tons per annum. At this rate, the life of coking coal will be reduced to 160 years only.

But as petrol is sought to be extracted from low-grade coal, the reserves of high-grade and coking coal are not germane. What is more relevant is the position in respect of low-grade coal of good quality. The reserves of these varieties of coal are ample, inasmuch as they will last for several hundreds of years even after taking into account the possible increase following industrial expansion in the country.

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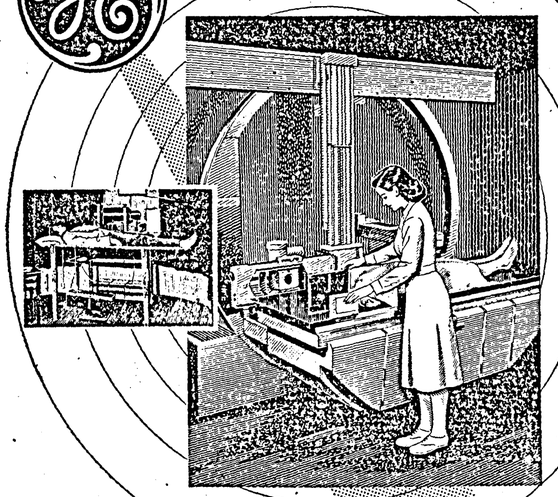

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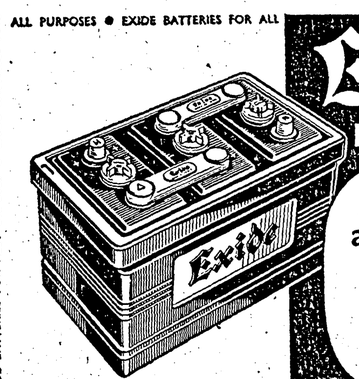
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EXPORT DUTY ON JUTE GOODS

ENQUIRY COMMISSION'S VIEWS DISAPPOINTING

THE jute industry and trade in India have not hesitated to lay the blame for the miserable plight in which the industry finds itself today on the jute goods export policy of the Government of India. Ever since the Government raised, in September, 1949, the export duty on jute goods to abnormally high levels, the wisdom of the Government in imposing such heavy export duties as Rs. 1,500 per ton on hessians and Rs. 350 per ton on sackings has been questioned. Although these duties have since been reduced gradually about two years, indeed, the controversy persists even now and the demand for the total abolition of the duties has not yet subsided. What has the Jute Enquiry Commission, which recently went into the affairs of the industry, to say on this subject? The Commission has unfortunately not carried out a *post-mortem* examination of the effects of the Government's export duty policy on the industry's future and given its verdict on the controversy. This is rather disappointing. It has, however, crisply remarked that there is no justification for the demand for abolition of export duty. The Commission observes: "There have been demand from many quarters that the export duty on jute goods must be removed. It has been stated that there is pressure for this even from overseas buyers. On the evidence of informed witnesses with firsthand knowledge of continental markets, we are satisfied that, with the existing rates of duty, it would not be possible for overseas manufacturers to undersell Indian goods. We, therefore, do not support the demand for the removal of the existing duties."

More Elbow Room Needed

Considered against the background of the weighty reasons put forward by the jute industry for the abolition of export duties, the foregoing quotation from the Report makes very poor reading. It has dismissed the demand on the ground that the present level of duties does not stand in the way of Indian jute goods overcoming the competition in foreign markets. This view has a familiar ring, as it has been stated so often by the Government whenever the question of abolition of the duties figured prominently in Parliamentary discussions. Further, in arriving at the decision, the Commission states that it has the evidence of informed witnesses with firsthand knowledge of continental markets to support its stand. Unfortunately, no details have been made available in the Report about either the informed witnesses or the type of evidence they tendered to the Commission justifying its views. It may, however, be pointed out here that the industry is not unaware of the reason put forward by the Commission. More than anybody else, it is fully aware that, with the existing rate of duties, the overseas manufacturers will not be in a position to undersell Indian goods. If despite this, it has demanded the removal of the duties, it is because of the need for more elbow room in the overseas markets and for building up resources for the rehabilitation of its plant and machinery. Had the Commission cared to examine the issue from this angle, it would have reached a different conclusion.

Industry's Case

It will, however, not be inappropriate to recall here the overwhelming arguments of the industry to have the export duties totally removed. At the beginning of this century and till the end of the First World War, the jute manufacturing industry enjoyed a virtual monopoly. Subsequently, other countries, especially the European, entered the field of manufacture, and these found opportunities for expansion under the shelter provided by the heavy export duties imposed by the Government in 1949. These manufacturers gained a firm foothold in the U.S. and European markets and were able to compete with Indian mills, even after the reduction of the duties, thanks to their modern equipment and economic working facilitated by full utilisation of their plant. In this task of theirs, the jute policy of Pakistan which discriminated against India came in handy. They were at times able to purchase Pakistan fibre at rates lower than those paid by the Indian mills. Under these stimulating conditions, the Philippines, Cuba, many South American countries, Spain, Egypt, Australia and even Thailand and Burma sought either to expand their existing units or to open new ones. The entry of Pakistan into the field of manufacture with its command over the raw material was facilitated by the imposition of an export duty on Indian jute goods over a prolonged period. Being no longer a sole supplier of goods in these circumstances, the industry desires the duty to be abolished, so that it may have a good start in recovering its lost markets.

There is also another good reason which justifies the demand for abolition of the export duties. The industry has already lost considerable ground to substitute materials such as cotton and paper. The export tax has only resulted in enabling these materials to invade and establish new markets at the expense of jute, and competition from paper is now much keener than that it was some years ago. Besides, bulk handling, too, though a natural development in countries such as the U.S., Canada and Australia, where crops are large and labour expensive, has been directly and greatly encouraged by shortage of jute goods and high prices occasioned by the heavy duties, speculation, etc. The inroads of these substitutes into the markets formerly served by Indian jute have been quite disturbing. In 1948, for instance, India supplied more than 95 per cent. of the total imports of hessians into the U.S. This dropped to 87 per cent. by 1950. In August, 1953, it was only 71 per cent. The industry feels that the reduced prices resulting from the removal of duties would tempt consumers of substitute materials to stage a comeback to the use of gunny. It is needless to add that it will be difficult, if not impossible, to win over the consumers to the use of gunny bags, if they are allowed to get accustomed to the use of substitutes for a long period.

Policy of Gradual Reduction Harmful

The Government's policy of lowering the rates of export duty by gradual stages may be said to have done more harm than that done by the duty levied at the maximum rate. The inadequate cuts in duties give rise to cries of further cuts and foreign buyers become reluctant to enter the market in the expectation of further cuts. For, according to the terms of the contract under which all sales of jute goods are made to foreign buyers, all changes in the export tax are on account of the buyers. When a cut in the tax is made, it depreciates the value of the holdings of importers all of a sudden. No importer will, therefore, be anxious to buy from a country in which the export policy is subject to vacillation and if at all he buys, he will buy only the minimum that is required by him. What is more, this particular tax on jute goods in India, being a specific duty, did not vary with prices. Its incidence becomes heavier with every fall in the price of jute goods, and importers resented paying a price the bulk of which went to fill the exchequer of a foreign country. Thus, the import duty, acted, and has been acting, as a psychological disincentive to consumers of jute goods in foreign countries. In the result, sales declined, goods accumulated and production diminished, thereby aggravating the upward trend in the cost of production. Having been subjected to this sad experience, the industry would not but blame the Government's policy for most of its difficulties.

It is now eight months since the duty on hessians was last brought down. The stock position, according to the I.J.M.A. figures for April, 1954, discloses that the falling trend of hessian production, as a result of switch-over to sacking, has not stopped the mills' stocks of these from rising. This tendency reflects, to a certain extent, the hesitancy on the part of importers to place new orders in expectation of a further relief in the export levy on hessians. The Government will, therefore, do well to review its jute goods policy *de novo* in order to give the much needed fillip to the jute mills.

(Concluded from next column)

held that the best way to stimulate greater use of rubber was by improvement and extension of road transport. It laid stress on the importance of furthering measures designed to strengthen the competitive position of natural rubber by replanting the existing estates with high-yielding strains, by establishing new plantations and by constant research in the production as well as utilisation of the commodity.

INTERNATIONAL RUBBER STUDY GROUP MEETS

U.S. URGED TO REVISE PRICE OF G.R.-S. RUBBER

THE eleventh session of the International Rubber Study Group concluded its deliberations on Tuesday last week, after a week-long sitting in Colombo. Seventy delegates, representing 21 countries, participated in the discussions. It was an important session, inasmuch as it met in one of the large natural rubber producing countries and offered an opportunity to the representatives of the synthetic rubber producing countries, the most important of which is the U.S., to see for themselves the problem of natural rubber producers.

The main problem before the natural rubber producers at present is the effect of the violent fluctuations in prices of natural rubber. At the Colombo session, the I.R.S. Group set before itself the task of evolving means of stabilising world rubber markets. The most important means discussed was a buffer stock scheme. The *communique* issued by the Group at the end of the session shows that the Group has failed in this task. No agreement was reached on this scheme, though the Group agreed that the work done on the draft buffer stock agreement had been valuable and should be borne in mind in the event of the present balance between demand and supply being disturbed by unforeseen circumstances.

As regards the short-term remedies recommended by the Management Committee of the International Rubber Study Group at its special meeting held in London in October last, the Group noted that rubber stockpile rotation practices of the U.S. Government were revised in December, 1953, and in May, 1954, and that the U.S. was prepared to give sympathetic consideration to specific proposals for the assistance of the producers for planting or replanting with high-yielding strains, reducing costs and improving the efficiency of production and marketing. It was recognised that such measures could, in the long run, enhance the competitive position of natural rubber producers.

Another matter of vital importance to natural rubber producers is the price relationship between the synthetic and natural rubber. This is particularly so in countries which are mainly dependent on the export proceeds of their natural rubber for their economic welfare and development. Representatives of natural rubber producing countries, therefore, urged that the raising of the G.R.-S. price would help them to re-equip their industry. This was not the first time that such a request was being made to the U.S. At the last meeting of the Rubber Study Group held in October, 1953, a similar plea was made, but no action has so far been taken by the U.S. Regretting this, the Colombo session of the Group held that, even at this late stage, an increase in price of the G.R.-S. rubber would be of great assistance to natural rubber producers in encouraging them to rehabilitate their plantations and to place their product on a more competitive footing so as to meet the probable future world demand. In view of the important relationship between synthetic and natural rubber, the Group decided to entrust the Management Committee with the task of keeping the relationship between synthetic and natural rubber prices under close scrutiny and to draw the attention of member-Governments to any important change in the situation. If the reported view of the U.S. delegate to the Colombo session is any indication, it is clear that the U.S. authorities do not yet appreciate the necessity for raising the price of their synthetic rubber. It is stated that the U.S. delegate, while agreeing to communicate the request of the I.R.S. Group to his Government, pointed out that the outlook for rubber was such that the natural rubber industry could be developed satisfactorily without artificial or arbitrary increase in the price of G.R.-S.

The Rubber Study Group estimates the world production of natural rubber during 1954 at 1,705,000 long tons, and of synthetic rubber at 706,000 long tons. World consumption in 1954 is estimated at 1,681,000 long tons of natural rubber and 714,000 tons of synthetic rubber, apart from synthetic rubber produced in non-member countries. The balance of estimated production over estimated consumption of both natural and synthetic thus amounts to 16,000 tons, which will be available for absorption into governmental and commercial stocks. The Rubber Study Group

(Continued in previous column)

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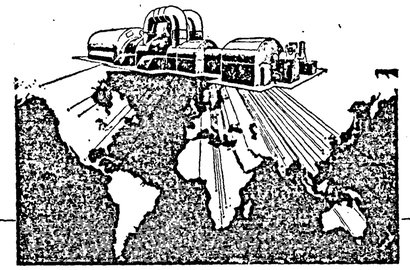
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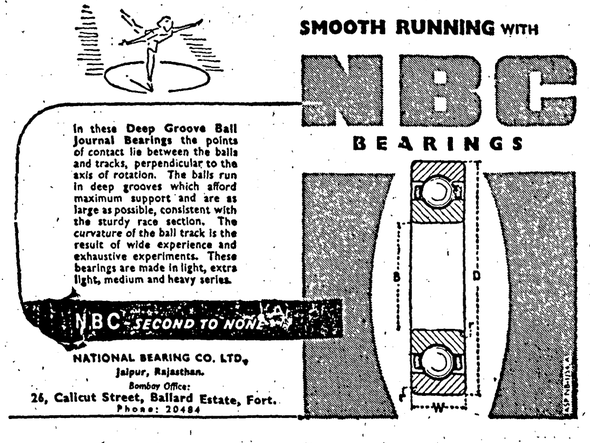
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DEVELOPMENT OF WATER RESOURCES

E.C.A.F.E. TECHNICAL CONFERENCE AT TOKYO

THE five-day regional technical conference of the Economic Commission for Asia and the Far East on the development of water resources, which commenced on the 17th *inst.*, at Tokyo, is of considerable interest to this country as it has embarked on a vast programme of construction of big multi-purpose river valley projects. The Conference is expected to help evolution of common standards, which can be adapted to the nations concerned with suitable modifications. The exchange of ideas will certainly be of great help in improving techniques for planning and executing the various phases of development of water resources. The subjects for discussion include:—

1. *Economic and social aspects of multi-purpose river basin development*: Criteria for justification of projects, or for the selection of a project from among alternative proposals; benefit-cost analyses; and methods of reimbursement.

2. *Hydrologic problems*: The necessity of sufficient basic hydrologic data for appraising available water resources and planning water resources development projects; *minimum length* of records and minimum number of stations required in planning; *methods* for the indirect computation of run-off from rainfall and other records in lieu of records of direct discharge measurement; and other important hydrologic problems.

3. *Selection of types of hydrologic structures*: Experience gained in the selection of types of structures in water resources development with special reference to the availability of labour and material and to local conditions in countries of the E.C.A.F.E. region.

4. *Planning of sediment control works*: Technical features and economic justification (check dams, torrent control works, desilting works, and other sediment control structures).

5. *Recent progress in multiple-purpose projects*: Salient features of important water resources development projects (planned or constructed) in countries of the region with special reference to multiple-purpose projects.

6. *Organisation for water resources development*: Organisation for the effective execution of river basin development; relative merits and suitability of various kinds or organisation such as, autonomous and semi-autonomous valley authorities, joint management by related States or Provinces, execution of work separately by various departments or provinces under a joint co-ordination board, corporation or company under State ownership or joint ownership of the State and private sector.

7. *Component parts of multiple-purpose river basin development.*

8. *Hydrologic standards*: Standards of methods, records and terminology of hydrologic measurements as proposed by the Bureau of Flood Control and Water Resources Development for interim use in the E.C.A.F.E. region.

9. *Programme of work and priorities for the Bureau of Flood Control and Water Resources Development.*

The Conference will be followed by study tours for a period of about one week to the various river basin development projects in Japan. The Japanese Government has organised an exhibition of hydraulic and hydrological instruments and construction machinery manufactured in Japan for use on river valley projects.

It is common knowledge that water is the governing factor of all human existence and activities. It is the priceless source on which all growing things depend. In fact, it is the life blood of civilisation. Where there are ample supplies of good water, vigorous nations flourish, farms thrive and cities prosper. Where the supply of water fails, farms are abandoned and cities and cultures die, leaving crumbling ruins to mark past glory.

If we were to exclude the very slow recession of glaciers, the sea is the source of all moisture. The distribution of rainfall is controlled by the availability of atmosphere, which, in turn, is determined by the energy received by the sun. The average rainfall for all land areas in the world is 26 inches. The average rainfall continent-wise is as follows:

	Inches
South America	53.1
Africa	26.1
Europe	24.3
North America	23.7
Asia	25.4
Australia	16.5

Variations within the continent may be great. In India, for instance, the annual rainfall ranges from 5 inches in Rajputana to 500 inches in Chirapunji. In the dry regions of Australia, rainfall has, in individual years, varied from about 1 inch to 20 inches. Distribution is generally erratic. Rain does not always fall when required by agriculture. Experts put the minimum limit of rainfall for successful agriculture, without irrigation, at 20 inches per annum.

This, however, does not mean that plentiful supplies of water will solve all problems. The solution, for the problem lies in conservation, which does not mean hoarding but wise utilisation. Conservation is a wall set up for static defence against distant and doubtful dangers. Certain general guides for conservation and utilisation, as indicated by Mr. Krugg in his address to the U.N. Scientific Conference on conservation and utilisation of resources held at Lake Success, New York, in August, 1949, which hold good even today, are as follows:

First, most natural resources are interrelated and must be developed and conserved together for maximum benefit. It is folly and waste to build flood control dams without at the same time doing soil and forest conservation to slow up the rainy season run-off and to prevent the reservoirs from filling with silt. It is not wise utilisation to build such flood control dams without also developing hydro-electric power, irrigation, and navigation which may be possible. In water control developments, frequently, the integrated whole shows much greater benefits than the sum of its parts.

Secondly, faster economic progress and greater social values are obtained from the combined development of industry and resources during the same period than in the usual pattern where there is no such co-ordinated development. This is a matter of proper timing. Roads, harbours, power plants and other public improvements will not pay for themselves until industry is ready to utilise them. The opening up of a new era requires demonstration of the new opportunities and advantages of industry and agriculture so that business men and farmers will have their projects ready to go as soon as the basic developments are ready.

Thirdly, natural resources are the basis for the strength, the growth, the very future of every nation and people. The private owners of such resources have certain rights but, if free Governments are to survive, individual citizens cannot have the right as private owners of essential resources to imperil the future of the nation by short-sighted practices in developing these resources. No individual has the right to damage his fellow citizens irreparably by reckless and wasteful use of resources. For example, overgrazing the range and clear cutting the forests can dump water and floods on people downstream, silt up vital control reservoirs, pollute the streams and endanger future supplies of food and fibre. Until we come to the place where we recognise the real damage of such acts to the property and lives of others and find a practical way to prevent them, it is useless to talk about full conservation in any competitive society.

The multi-purpose river projects are a very important phase of combined resource development of a river valley. It serves some or most of the following functions:

(a) Irrigation;

(b) generation of hydro-electric power for low cost supplies to homes, farms and industry;

(c) flood control and navigation;

(d) stabilised fresh water supply for municipal and industrial uses;

(e) fish and wild-life protection and propagation;

(f) recreation, drainage, pollution, abatement and silt control; and

(g) salinity repulsion in areas affected by ocean tides.

Other supplementary functions may be prevention of soil erosion, sedimentation control, sewage and industrial waste control and malaria control in tropical and temperate areas. In most multi-purpose projects, one or two functions are of major importance and are accorded priority in various phases of planning over other benefits obtained from the same project.

Intelligent allocation of water resources is the key to the future development of any country. And a single national policy in the conservation and utilisation of available water resources will go a long way in this direction. Broadly speaking, the fundamentals of a sound water policy are today the same as those that were set forth by the U.S. Water Committee of the National Resources Committee during President Roosvelt's regime. These fundamentals hold good for any river valley. In brief, these are:

(1) Water control should not be considered an end in itself but only a means for the promotion of social welfare. Without a conscious pursuit of this goal, no expenditure to control the behaviour of water would be justified.

(2) Wherever feasible, every project must be planned and constructed so as to yield every possible benefit. Not to promote the maximum integrated control and use of water is to invite waste of potential wealth and so is incompatible with the public interest.

(3) The entire drainage basin of a river system should as a rule be treated as the unit area of operation. For a "chain of connected problems extend from the source of each tributary to the mouth of the main river." It follows that the optimum overall results can be achieved only through a well integrated programme comprising all the problems of the entire drainage basin.

(4) Co-operation between the Federal Centre and the States is essential in the development of inter-State streams.

(5) Study of facts must be regarded as an essential prerequisite to sound action. Plans for the development of large river systems must invariably be based on the most careful study of adequate data covering every aspect of the problem involved and never on mere opinions, no matter how widely held.

(6) In judging the economic soundness of projects, not only specific but also all general and potential benefits must be taken into consideration. "Social accounting should take its place with economic accounting."

There are two important aspects relating to multi-purpose projects and they are financial and technical. If river valleys are financed from public loans, it is generally held that they must pay the rate of interest which has to be paid on the specific loan raised for this purpose. If this is not done, it may lead to borrowing from future generations and placing their financial position in jeopardy. This aspect is particularly important in a democratic government where those responsible for the policy may be in power for a limited period. On the other hand, whenever it is possible to finance these projects from revenue budgets of the Centre or the States, it should be necessary to apply the test of economic feasibility only, i.e., total benefits to the nation must exceed total costs. It is only in very rare cases that projects which do not meet the economic test should be authorised.

As regards technical aspects the first aspect relates to preparation of project report. Side by side with the financial, a resources budget also needs to be prepared. This should include the assessment of technical manpower, not only in superior grades, but also in regard to auxiliary personnel.

A detailed project report may be divided into two parts, general report and technical report. The general report should be complete in itself and should be concise and informative to non-technical, as well as technical readers. Primarily, it should consist of a statement of facts and conclusions, with reliance upon the detailed technical report for proof or justification. The report should consist of, among others, general description of physical features, climate, etc., present development of land and water uses, problems of the areas, potential development, economic analysis of benefits, and related investigations.

The detailed technical report, which should accompany the general report, should present discussions of the subjects necessary for a thorough understanding of the findings, conclusions and recommendations made in the general report. This report should be in sufficient detail to substantiate, for the technical reader, the facts and conclusions contained in the general report. The technical report should present not only the results of the investigations but also the basis of analysis and computations and reference to methods used.

THE PUNJAB NATIONAL BANK LTD.

(Estd. 1895)

Head Office: 8, UNDERHILL ROAD, DELHI.

STATEMENT OF ACCOUNTS AS ON 31-12-1953.

LIABILITIES		Rs.
(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		90,00,000
(iii) Deposits		65,31,18,035
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc..		12,69,54,164
Total ..	Rs.	79,78,22,199
ASSETS		Rs.
(i) Cash and Balances with Bankers.		7,47,49,531
(ii) *Investments*	Rs.	
(a) Securities of the Central and State Governments and Other Trustee Securities ..	35,24,28,070	
(b) Other Investments	89,98,924	
		36,14,27,003
(iii) Loans and Advances		25,54,91,216
(iv) Other Assets including Bills Receivable, etc.		10,61,54,449
Total ..	Rs.	79,78,22,199

B. N. PURI,
General Manager.

NEW PRODUCTS AND PROCESSES

Sands for Glass Manufacture

INVESTIGATIONS on the beneficiation of sands from South India in glass manufacture have been conducted by the Central Glass and Ceramic Research Institute, Calcutta. They have disclosed that sands of high iron and titania contents from South India consist of black mineral particles, some of which have been magnetic and some non-magnetic. It has also been found that by simple process of sieving and magnetic treatment, considerable improvement can be effected in the quality of the sand. The sands, after processing, can be used for the manufacture of commercial colourless and light coloured glasses, sheet glass, etc. The cost of processing is small and the increase in the cost of production of glass is negligible. A simple procedure has also been worked out to reduce further the iron content of the sands.

Milk for Heart Patients

Patients suffering from heart and circulatory diseases, who are denied fresh cow's milk by their physicians, because of its high sodium content, may soon, according to the American Heart Association (A.H.A.), which conducts through private donations a nation-wide fight against heart diseases, be drinking milk again as the result of a new process which eliminates 90 per cent. of the offending sodium. Sodium is the factor that often eliminates table salt from the diets prescribed for patients with heart disease.

Through the process, heart and circulatory patients have a milk low in sodium content that looks and tastes like any other wholesome fresh milk. It is already available in Los Angeles, where it is delivered to hospitals, and under a doctor's prescription, to homes. It is expected to be produced soon in other parts of the country. Until now, according to the A.H.A., persons on low-sodium diets who still want part of the food value of milk have had to use powdered milk products. The new process, developed by Dr. A. L. Chaney, a Glendale, California, chemist, provides a fresh fluid milk with 90 per cent. of the sodium content removed. A single dairy organisation is now producing the new milk for the Loss Angeles area. It is the only present producer, but arrangements are being made with major milk companies to produce the milk in other large U.S. marketing areas.

At present the new product retails at approximately twice the price of fresh fluid milk. It is still cheaper—and generally more palatable—than most powdered, low-sodium content milks.

Atomic Radiation Preserves Meat

Meat can be kept fresh longer by treating it with gamma rays, according to experiments recently conducted by the U.S. Atomic Energy Commission. Gamma rays, given off by radioactive materials, are similar to X-rays, but of shorter wave length. The Commission's experiments indicate that meat which now normally stays fresh for three days can be kept fresh and wholesome for 15 days, "by exposing it to a modest pasteurisation dose of gamma radiation." The experiments are part of the Commission's programme to speed development of the many peaceful uses of atomic energy.

New Engine for Helicopters

A new and powerful "baby gas turbine," which is expected to increase the flight capacity of helicopters, has been developed in the United States by the General Electric Company. The new engine is about the size of an automobile engine but seven or eight times more powerful, developing 600 to 800 horse-power. This makes it suitable for helicopters carrying from six to ten passengers. Gas turbines are similar to jet engines, but drive a propeller shaft instead of using a jet thrust. They are especially suitable for helicopters, engineers believe, because helicopter engines must operate at full capacity when the craft is moving vertically or hovering. This is difficult for the piston engines now used, most of which are designed to operate best at about 60 per cent. of full power. The gas turbine, on the other hand, does its best work at 80 per cent. or more of full power. For this reason, it may become the most practical engine for standing the stresses and strains of helicopter operation.

Machine-tool Vice

A vice for machine tools that can be closed by hand and then tightened by hydraulic power is being distributed by the American Tooling Corporation of New York (U.S.). As soon as the jaws of the vice are manually closed on the clamped object, a clutch is automatically activated and more force is applied hydraulically. To prevent work from being crushed, the jaw of the vice is adjusted to move no more than one-thirty-second of an inch once the hydraulic action takes place.

"Sting Chemical" Makes Arthritis Drug

The chemical that gives the sting to ants and nettles plays a key role in a new method of synthesising the latest hormone for the treatment of arthritis. The hormone is known as hydrocortisone, or Compound F. Announcement of the new synthesis, as affording a "potentially cheap and plentiful supply" of the drug, was made recently by the Schering Corporation of Bloomfield, New Jersey (U.S.). The ant and nettle sting chemical, formic acid, is used in the new process to yield a substance which previously was obtained from ox bile. This substance goes through later steps in the synthesis of hydrocortisone without destruction of the complicated molecular structure which makes the compound active and effective against arthritis.

DEVELOPMENT OF ROAD TRANSPORT

PLEA FOR REDUCTION OF TAX BURDEN

THE symposium on road transport held at Bombay by the Indian Institute of Road Transport, a few days ago, provided a welcome opportunity for discussing threadbare the causes for the present stagnation in road transport and suggesting remedies for them. Mr. D. K. Kunte, Speaker of the Bombay Legislative Assembly, presided on the occasion. Mr. E. A. Nadirshah, Chief Engineer, Concrete Association of India, Mr. B. V. Vagh, Member of Council, Indian Roads and Transport Development Association, Mr. N. Salivateeswaran, Member, Bombay Legislative Assembly, and Mr. Manohar Singh Dhody, Singh Transport Company, Bombay, participated in the symposium.

A significant feature of the symposium was the recognition that stagnation in road transport, which has been persisting for long, was responsible for the slow pace of development of the nation both in the industrial and agricultural sectors, as roads were what the arteries are to the human body. It was clearly admitted that the development of roads should form a part of a co-ordinated plan for the development of all forms of transport in India.

There are five forms of transport, namely, roads, railways, waterways, air and underground system. Air transport is too costly for the carriage of freight for a country like India, the standard of living of which is too low. River traffic is still to be developed. There are, however, no underground communications in India as in the West. Consequently, the only two important forms of traffic are the railways and the roads.

Railways

So far as the railways are concerned, their capacity is far below the requirements and there are no prospects of their coping with demand in the new future. The present rail mileage is hardly 34,000 miles and, for a country of vast size like India, this is very meagre. The roads too are not adequately developed. India has 201 miles of roads per 100 sq. miles, as compared with 2,017 in the U.K. and 3,988 in Japan. The number of automobiles, which are the quickest means of road transport, is, as pointed out by Mr. Salivateeswaran, about 250 per 1,000 sq. miles, as against 650 in the Philippines, 850 in Malaya, 1,300 in Ceylon, 7,000 in France, 12,000 in the U.S. and 30,000 in the U.K. The number of automobiles works out to 93 per lakh of population in India, as compared with 386 in the Philippines, 500 in Ceylon, 780 in Malaya, over 3,600 in France and the U.K. and 26,000 in the U.S. India is thus backward in road transport not only as compared with Western countries but even as compared with some of the Asiatic countries. Small wonder, therefore, that there have been frequent reports of bottlenecks in transport all over India.

Apart from the lack of roads, there are three other reasons, which are retarding the development of road transport. These are: (1) the intolerably heavier tax burden, (2) the physical restrictions imposed by the Motor Vehicles Act, 1939, and (3) the policies of the Central and State Governments regarding nationalisation of road transport.

All the speakers agreed that the tax burden on motor vehicles was so heavy as to retard development. According to Mr. Salivateeswaran, the annual tax per vehicle in India works out to Rs. 1,913, as against Rs. 409 in the U.S. The higher taxation is responsible for the high cost of operation, which is 42.73 pies per mile in India, as against 34.03 pies per mile in the U.S., in spite of the high wages paid there.

There was also unanimous agreement in regard to the fact that the Motor Vehicles Act, 1939, imposed severe restrictions on the private operators operating vehicles through different regions and States. How restrictive are the provisions of the Act will be evident from the following extract from the speech of Mr. Nadirshah:

"In 1939, the Government of India passed the Indian Motor Vehicle Act which, with one stroke of the pen, removed from our midst the numerous long-distance services by road which till then operated between Bombay and Calcutta, Bombay and Delhi, Bombay and Madras, Peshawar and Bombay, etc. The scheme of the Act is to bottle up available road transport in small regions within States, so that a vehicle cannot even operate from one end of a State to the other without specific permission from several regional transport authorities. Such permission, of course, is rarely given. This being the case, inter-State transport has practically ceased to exist. In addition to restrictions on the area of operation of vehicles, the regional authorities are given discretionary powers to limit the number of vehicles permitted to operate in their respective regions. The Motor Vehicles Act, by creating numerous authorities in charge of small regions, has created a vested interest in the fragmentation and restriction of road transport. Many of these restrictions form permissive and not mandatory provisions of the Act. Immediately after the creation of the authorities, however, there was a continuous flow of memoranda from the Government of India recommending that the powers be used for the benefit of the railways; and today many authorities, by force of habit, continue to exercise their powers and impose restrictions with little rhyme or reason, ignoring the fact that lack of transport facilities is doing incalculable harm to the country."

Nationalisation

Referring to nationalisation, Mr. Nadirshah, Mr. Vagh and Mr. Singh held that the threat of extension of nationalisation had muzzled private enterprise and thereby retarded the development of road transport. While declining to comment on the question of nationalisation, Mr. Salivateeswaran nevertheless admitted that nationalisation was being carried out in a haphazard manner. Proceeding, he observed:

"The State transport undertakings own only 10,000 buses, while over 40,000 buses are owned by private operators. It is impossible for the State Governments to take over all these 40,000 buses. Therefore, even if the nationalisation policy is pursued by the State Governments, it will take years before they completely nationalise the roads so far as passenger traffic is concerned. Coming to the goods traffic, no Government has nationalised it. A few Governments, including Bombay, have put in a few hundred vehicles on the roads. They do not in any way compete with the private operators. Including private carriers, there are nearly 85,000 vehicles of which about 50,000 are public carriers. In my opinion, there should be no nationalisation of goods traffic for another 10 years at least, so that, the problem of bottleneck can be completely solved. A 10-year period should enable the private operators to carry on their trade in an efficient manner and recover the money invested in this trade. Road transport is entirely owned and financed by Indian nationals. The money invested is over Rs. 130 crores. I do not think that any Government will alter this industry, in spite of the nationalisation programme, if the private undertakings form co-operative societies and run efficiently. After all, Government is interested in the welfare of the people. If private operators can give them the best amenities at a lower cost, there will be no justification for any Government to interfere."

Remedies

What then are the remedies? First, everybody agreed that there should be considerable relief in taxation. Mr. Vagh wanted a 50 per cent. cut in the present taxation on goods vehicles immediately and then gradually to one-third. Further, he suggested abolition of octrois and wheel taxes and substantial reductions in taxes on petrol and tyres. Mr. Salivateeswaran suggested that the Centre should straightaway give relief to the States by guaranteeing half of their revenues in this regard, which he claimed would amount to Rs. 9 or Rs. 10 crores, to enable the States to reduce the taxes and abolish tolls and wheel taxes imposed by local bodies. Secondly, there was also unanimity of opinion on the need for amending the Motor Vehicles Act, 1939, with a view to eliminating the restrictive provisions. Finally, the consensus of opinion of the speakers was that, for a considerable period, at least, goods transport should be assured immunity against nationalisation.

Summing up the position, Mr. Kunte deplored that, while asking for a reduction of taxes, no speaker had looked at the problem from the point of how the State managed its finances. Referring to restrictions on automobiles in their movement from region to region, he appreciated the operators' difficulties and said that they deserved to be looked into. He referred also to the suggestion that there was need for reorientation of road transport policy. He held that human considerations would have to be taken into account, while taking any step in this regard. To quote him: "To do a thing in a better way is not always to do it in a speedier way but to do it in human ways." Further, he added that planning should neither be for speed nor for improvement of individual economy, but for the uplift of the society as a whole.

INVESTMENT PATTERN OF INDIAN INSURERS

MORE THAN FOURFOLD INCREASE IN TOTAL ASSETS

A QUESTION which is asked from time to time is whether insurers in the country could not possibly utilise the large funds at their disposal for promoting industrial development. The implied assumption is that their funds are largely invested in Government securities. Before any definite answer to the question of deciding how insurers may devote their funds to greater advantage can be given, it is necessary to know the present disposition of their assets. Such knowledge should form the basis for any further discussion of the question. In this connection, it is interesting to note that an excellent piece of investigation into Indian insurers' investments has been conducted by Mr. C. R. Cirvante of the Monetary Research Division of the Reserve Bank of India. An article in the April issue of the *Reserve Bank Bulletin* gives the results of the investigation, with special reference to war-time and post-war shifts in the investment pattern of Indian insurers.

In India, there are 178 insurance companies (as on 30th November, 1953) doing life insurances, of which 161 are Indian and 17 non-Indian. Besides insurance companies, there is a number of small provident societies which undertake life insurance business. But the volume of business they transact is very small; at the end of 1952, these societies had policies for an aggregate amount of Rs. 3.50 crores in force. The Government of India operates the Post Office Insurance Fund for Government and semi-Government employees; such business in force amounts to about Rs. 23 crores. Some States like Mysore (since 1891) and Rajasthan (since 1943) have compulsory life insurance schemes for Government employees.

The total business in force in India of reporting Indian and foreign companies (excluding the aforesaid type of insurers) rose from Rs. 142 crores in 1929 to Rs. 272 crores in 1939 and to Rs. 916 crores in 1952. The new annual business also increased from Rs. 29 crores in 1929 to Rs. 47 crores in 1939 and to Rs. 146 crores in 1952. There has also been a gradual rise in the average sum assured per policy. In the case of Indian companies, the average rose from Rs. 1,473 in 1939 to Rs. 2,526 in 1952. In the case of non-Indian companies, it rose from Rs. 3,717 to Rs. 7,388. Nevertheless, the number of policies in India forms less than one per cent. of the total population, while the *per capita* insurance coverage is Rs. 25. In the U.S., the *per capita* insurance, it may be noted, is as high as $1,900 (about Rs. 9,000).

The annual amount of new funds available to the Indian and foreign companies for investment has shown a continuous increase from Rs. 7.14 crores in 1939 to Rs. 15.49 crores in 1945 and Rs. 27.05 crores in 1952. The following table gives the annual insurance in life funds available for investment over the 1939-52 period:

TABLE 1

Annual Increase in Life Funds

(In crores of Rs.)

Year	Indian Insurers	Non-Indian Insurers	Total
1939	5.93	1.21	7.14
1940	6.26	1.21	7.47
1941	6.97	1.33	8.30
1942	7.27	1.22	8.49
1943	8.99	1.59	10.65
1944	10.07	1.75	11.82
1945	13.21	2.28	15.49
1939-45 (Average)	8.88	1.68	9.91
1946	16.05	2.11	18.16
1947	16.16	1.15	17.30
1948	18.51	0.93	19.44
1949	19.43	0.88	20.31
1950	20.39	1.68	22.07
1951	22.62	1.90	24.52
1952	24.84	2.21	27.05
1946-52 (Average)	19.71	1.65	21.26

The aggregate assets of all Indian insurance companies, comprising life, composite and non-life insurance companies, amounted to Rs. 295.37 crores at the end of 1952, as against Rs. 138.27 crores and Rs. 69.58 crores at the end of 1945 and 1939, respectively. There has thus been more than a fourfold increase in the insurers' total assets since the war. In 1952, a great bulk of the assets was held in the form of Central and State Government securities which amounted to Rs. 138.52 crores (46.9 per cent. of the total assets), followed by industrial securities which amounted to Rs. 41.79 crores (14.1 per cent.). Approved securities (other than Government securities) amounted to Rs. 23.26 crores (7.9 per cent.), land and house property, loans on policies and mortgages each constituted 4 to 7 per cent. of the total assets. In the U.K. also, insurers, as is well known, invest their funds largely in Government securities. But industrial securities, as channels of investment, are more important than in India. They account for 29.9 per cent., as against 14.1 per cent. in India. In the U.S., industrial securities and mortgages occupy a much more important place than Government securities, their percentage to total assets in 1952 being 43.1 per cent., 29.0 per cent. and 17.4 per cent., respectively.

Because the provisions of the Insurance Act, 1938, lay down rigid restrictions relating to the investment of insurers' funds, there was a "significant shift" in the pattern of this investment in the war years. Thus, investment in Government securities rose continuously (except in 1940) from 53.7 per cent. in 1939 to an all-time high of 63.8 per cent. in 1945. Industrial securities also increased from 6.8 per cent. to 9.4 per cent. during the same period. On the other hand, the percentage of investments in semi-Government securities, mortgages, real estate, loans on policies and in stocks and shares showed a decline.

The following table gives the distribution of assets of Indian insurers (life, composite and non-life insurers) in 1939, 1945, 1951 and 1952:

TABLE 2

Distribution of Assets of Indian Insurers

(Rs. in lakhs)

	1939	1945	1951	1952
Total Assets	69,58 (100.0)	138,27 (100.0)	272,00 (100.0)	295,37 (100.0)
Of which				
Central and State Government securities	37,37 (53.7)	88,15 (63.8)	129,66 (47.7)	138,52 (46.9)
British, Colonial and Foreign securities	80 (1.1)	1,81 (0.9)	4,73 (1.7)	5,04 (1.0)
Municipal, Port Trust, Improvement Trust securities,	5,62 (8.1)	9,96 (5.0)	14,00 (5.5)	17,67 (6.0)
Shares of joint-stock companies and co-operative societies.	4,72 (6.8)	13,04 (9.4)	39,11 (14.4)	41,79 (14.1)
Mortgages on property ..	2,04 (2.9)	1,36 (1.0)	10,91 (4.0)	13,27 (4.5)
Land and house property ..	4,09 (6.7)	5,55 (4.0)	13,48 (5.0)	15,20 (5.1)
Loans on policies	5,27 (7.6)	6,72 (4.9)	15,82 (5.8)	19,74 (6.7)
Agents' balances	2,65 (3.9)	5,51 (4.0)	14,54 (5.3)	14,62 (4.9)
Deposits, cash and stamps	2,61 (3.8)	6,37 (4.6)	16,86 (6.2)	17,39 (5.9)

N.B.—Figures within brackets refer to percentages.

In post-war years, there has been a reversal of the war-time trend. Gilt-edged securities accounted for only 46.9 per cent. of the insurers' assets in 1952, as against 63.8 per cent. in 1945. Relatively higher yields on industrial securities and mortgage loans on property prompted insurance companies to step up their investments in these channels. The proportion of investments in securities of joint stock companies, etc., to total assets rose from 9.4 in 1945 to 14.1 in 1952. The percentage of investments in mortgages also rose sharply from 1 in 1945 to 4.5 in 1952. Loans on policies increased from 4.9 per cent. to 6.7 per cent. The post-war trend in the pattern of investment of life insurance funds in the U.S. and the U.K. was also somewhat similar to that of India—a decline in the proportion of Government securities and a rise in the proportion of industrial securities, mortgages and real estate. In the U.S., investment in Government securities declined from 50.3 per cent. in 1945 to as low as 17.4 per cent. in 1952; in absolute terms, this meant a decline from $23 billion to $13 billion. Investment in business and industries rose from 24.7 per cent. in 1945 to 43.1 per cent. in 1952, (from $11 billion to $31.6 billion). Mortgages rose from 14.8 per cent. to 29 per cent. In the U.K. also investment in Government securities declined from 41.9 per cent. in 1945 to 30.6 per cent. in 1952. But the absolute amount showed a rise as in the case of India.

The net rate of interest earned on mean life funds by Indian companies has declined over the last 10 years. Thus, it declined from 4.68 per cent. in 1939 to 3.02 per cent. in 1948. This is attributed to the reduction of the yields on gilt-edged securities, increased investments by insurers in these securities necessitated by the statutory obligation under the Insurance Act, 1938, and increase in the income-tax and super-tax on insurance companies from 42 pies in the rupee in 1939-40 to 63 pies during the period 1942-46. The combined rate of income- and super-tax was, however, reduced to 60 pies in 1946-47 and still further to 54 pies in 1950-51, but was again increased to 65.4 pies for proprietory companies and 69.4 pies for mutual companies in 1951-52.

Since 1948, however, there has been a steady rise in the net rate of interest earned by Indian companies. It has risen from 3.02 per cent. in 1948 to 3.43 per cent. in 1952. The increase is attributed to a rise in the yields on gilt-edged securities, particularly since the raising of the Bank rate in November, 1951, and to considerable switch-over by insurance companies from gilt-edged to equities. The following table gives the trend of net rates of interest earned by Indian companies, non-Indian companies and insurers in the U.S.:

TABLE 3

Net Rate of Interest

(Per cent.)

Year	Indian companies	Non-Indian companies	U.S.
1914	4.2	N.A.	4.77
1919	5.3	N.A.	4.68
1929	5.5	N.A.	6.05
1939	4.68	N.A.	5.54
1940	4.37	3.66	5.45
1941	4.17	3.63	5.41
1942	3.94	3.50	5.40
1943	3.89	3.70	5.29
1944	3.84	3.35	5.19
1945	3.48	3.22	5.07
1946	3.20	3.16	2.92
1947	3.03	3.10	2.68
1948	3.02	3.15	2.96
1949	3.05	3.01	2.94
1950	3.16	3.11	2.94
1951	3.33	3.19	3.00
1952	3.43	3.35	2.99
			3.07

N.A.—Not available.

The data relating to the maturity distribution of Indian and non-Indian insurers shows that securities which mature within 5-10 years account for the largest single group of investments; this group accounts for 22.6 per cent. of the insurers' investments. The following table gives the maturity distribution of investment of controlled funds in Government and other approved securities at the end of 1952:

TABLE 4

Maturity Distribution of Investments

(Rs. in crores)

Maturity groups (years)	Indian Insurers		Non-Indian Insurers		Total	
	Amount	Per cent. of total	Amount	Per cent. of total	Amount	Per cent. of total
0–5 ..	16.87	11.1	10.86	28.4	27.73	14.6
5–10 ..	36.33	23.9	6.74	17.7	43.07	22.6
10–15 ..	33.73	21.6	5.61	14.7	39.39	20.8
15–20 ..	12.62	8.3	6.99	18.1	19.62	10.3
20–25 ..	17.57	11.5	5.39	14.6	23.10	12.1
25–30 ..	1.00	0.7			1.00	0.6
30–35 ..	30.60	20.1	0.24	0.6	30.84	16.2
35–40 ..	0.41	0.3	0.62	1.6	1.03	0.5
Irredeemable ..	3.86	2.5	1.70	4.4	5.56	2.9
Total ..	152.12	100.0	38.20	100.0	190.32	100.0

It will be seen from the table above that next in importance to securities with a maturity period of less than 10 years is the group of securities with a maturity period of 10 to 15 years, which account for 20.2 per cent. of the insurers' investments. It is significant that securities with a maturity period of 30 to 35 years account for as much as 16.2 per cent. This is only another index of the essentially long-term nature of insurers' operations.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LTD.

Judged even by the admittedly high standards of British insurance companies, the Employers' Liability Assurance Corporation Ltd. (Managing Director: The Rt. Hon. Viscount Knollys) has shown, during the year ended December, 1953, a remarkable improvement in its premium income as well as trading profits. Thus, the premium income in the fire department moved up from £2.10 million in 1952 to £2.44 million in 1953 and so also that of the accident department advanced from £20.87 million to £22.40 million. The Corporation's own underwriting profit—that is, as distinguished from its share of the profit from its subsidiary, the Clerical, Medical and General Life Assurance Society—more than doubled to £915,828 (as against £353,566 in 1951). The increase was mainly accounted for by the accident and general department. The fire department's profit was slightly lower at £119,266 whereas there was nearly a threefold increase in the accident department's profit at £796,562. As a result of this and other favourable factors, the Corporation's trading profit moved up from £890,877 to £1,458,139; this level, according to the Chairman, the Rt. Hon'ble Lord Courtauld-Thomson, is a record one in the annals of this seventy-three year old company. But, in the best British traditions of conservative dividend policy, the Directors have only maintained the dividend at 4½ per share (paid-up value 5s.), inclusive of the recommended final dividend of 3s. per share.

The slight decline in the fire department's profit is attributed to the fact that a large part of the Corporation's business in the U.S. is of a "long-term nature, requiring high reserves." The sizable improvement, which has taken place in 1953, in the accident department's profit, is the more creditable, because the Corporation actually suffered a loss to the tune of £919,219 in the department in 1951. This increase in underwriting profit reflects the Corporation's "profitable experience"

(Continued on page 998)

DEVELOPMENT OF SPICES INDUSTRY IN INDIA

DAMLE COMMITTEE SUGGESTS RS. 1.25 CRORE CENTRAL FUND

THE creation of a separate fund of Rs. 1.25 crores for purposes of developing the pepper and cashewnut industries in India has been suggested by the Spices Inquiry Committee, the report of which was released early this week. The Committee emphasises that the fund should be utilised for developing the production and marketing of these crops as part of an integrated ten-year plan. The Committee (Chairman, Mr. K. R. Damle, Additional Secretary to the Government of India), it may be recalled, was constituted in 1951 by the Indian Council of Agricultural Research at the instance of the Planning Commission and the Union Ministry of Food and Agriculture.

The Committee also recommends the constitution of three regional advisory committees for organising the development of these industries in the States of (a) Travancore-Cochin, (b) Malabar and South Kanara, and (c) Mysore, including Coorg and North Kanara. For co-ordinating the activities of these regional committees, a small advisory committee at the Centre has also been recommended.

From the evidence gathered, the Spices Committee has come to the conclusion that organisations such as the central commodity committees or statutory bodies like the Indian Coffee Board, are not suitable for the speedy development of these industries. The regional committees have been recommended mainly with a view to enlisting public co-operation in all the developmental plans and to make the maximum use possible of all the available resources in the producing States.

Promoting Sales

The Committee is convinced of the lack of publicity for these products in the foreign markets and has accordingly recommended the setting up of two special agencies, one in the U.S.A. (New York) and the other in the U.K. (London) for purposes of publicity and promotion of sales of these products.

The Committee separately deals with the problems of pepper, cardamom, ginger, turmeric, cashewnut and lemongrass oil and recommends the opening of additional research stations in the different producing areas for providing greater scientific aid to these industries. The report points out how the yields per acre in India are low and mentions the scope for stepping up production. It emphasises that, in order that India may be able to maintain its present favourable position in world trade in regard to these commodities, it should pay particular attention to reducing the production costs and standardising the quality of its products.

Export Trade

The bulk of these crops are exported to foreign markets, the total value of these exports amounting to Rs. 33.939 crores, Rs. 36.980 crores and Rs. 31.738 crores in 1950-51, 1951-52 and 1952-53 respectively. Of this, the hard currency earned amounted to Rs. 22.523 crores, Rs. 19.651 crores and Rs. 20.169 crores. On an average, the total value of exports of these six commodities, during the triennium ending 1952-53, amounted to Rs. 34.219 crores, of which Rs. 20.781 crores or 60.7 per cent. were earned in hard currency. Of this dollar income, pepper alone accounted for Rs. 13.126 crores, the balance being earned mostly by the export of cashew kernels.

Pepper and cashewnuts are the most important dollar-earning commodities of South India, and the Committee has, therefore, recommended that their scientific development should be undertaken for the benefit both of the producing States and the Central Government.

Terms of Reference

The Committee's wide terms of reference included an examination of the entire position regarding the production and marketing of the six dollar-earning crops of South India. It was specially asked to consider whether centralised direction was necessary and feasible, and, if so, the form in which the desired improvements should be brought about. The Committee first prepared a comprehensive questionnaire and circulated it to the State Governments concerned, Directors of Agriculture, growers, merchants, trade associations and other interested individuals. As the response was not very encouraging, it decided to visit nearly all the producing States and study the problems of these industries by making on-the-spot enquiries.

The Committee first visited Travancore-Cochin, the most important producing area for most of these crops, and conducted public enquiries at Cochin, Alleppey, Kottayam, Quilon and Trivandrum. The next study tour was confined to the smaller producing areas of Coorg and Mysore. Malabar and South Kanara districts, which form the remaining major spice-producing area on the west coast, were visited last.

Keen Interest

During these tours, the Committee took evidence of leading cultivators, traders, representatives of co-operative societies and Government officials. Throughout the investigations, it was impressed by the keen interest shown by all concerned in bringing about a rapid improvement in these industries. The Committee observed a general sense of awareness on the part of all the parties interviewed of the importance of these commodities in the agricultural economy of the tract, particularly in the coastal region. There was a feeling among them that these agricultural products, which had assumed great importance in the economy of the country, particularly as dollar-earners, had not received proper recognition and that no organised effort had hitherto been made for developing these industries on scientific lines. The need for better planning, more agricultural research and co-ordinated effort in executing developmental measures were pointedly brought to its notice as measures which should substantially increase production and result in financial gains both to the growers and the Governments concerned.

The Committee has, therefore, recommended that the development of these six commodities should be considered as an important aspect of agricultural development work in the regions where these commodities are grown and that urgent steps should be taken in this regard. While the tours and enquiries have enabled it to make an exhaustive study of the problems of these industries, it has made recommendations only in respect of such measures as could easily be implemented by Government, without undue difficulty, in the course of the next five to ten years.

Black Pepper

World supplies of pepper have declined considerably during the post-war period and this has resulted in a phenomenal increase in its price. As against 93,500 tons of commercial pepper produced before World War II, the present supply has gone down to 43,500 tons, the reduction being largely due to the loss of Indonesian crops. Nearly half of this quantity is produced in India, the bulk of indigenous production being exported to overseas markets. The average annual exports from India during the triennium ended 1952-53 amounted to 14,000 tons, valued at Rs. 27.17 crores. This spice has become the most important dollar-earner, the average amount earned as hard currency during the corresponding period being Rs. 13.13 crores.

The Committee has come to the conclusion that the present increased demand or price cannot be maintained for long unless the Indian pepper industry takes early steps to reduce the cost of production and offer more competitive prices to foreign consumers. It has recommended that two regional research stations should be started in the important producing areas of Travancore-Cochin and Malabar and two substations at Sirsi in North Kanara and some suitable hill area in Assam. In order to increase internal production, it has urged encouragement being given to (1) intensive methods of cultivation, (2) replacement of old and uneconomic vines, and (3) extension of cultivation wherever possible.

To provide the necessary inducement, the Committee has recommended that the Government of India should create a Pepper Development Fund and earmark from the export duty levied on this article a sum of not less than Rs. 1 crore, which should be utilised for organising and subsidising these developmental measures, which should be carried out according to a detailed integrated ten-year plan.

The Committee has pointed out the wide differences noticed between the official crop estimates and those given by the trade, particularly in regard to the annual outturn of the crop. As such conflicting estimates react unfavourably on the export prices, it has suggested early steps being taken to conduct pilot sample surveys for determining the normal yield of pepper in the different producing areas and arrive at a more scientific basis for estimating the total area and yield of the crop in India.

Cardamom

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BALANCE SHEET AS AT 31st DECEMBER, 1953

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
1,00,000 "A" Shares of Rs. 50 each	95,00,000 0 0	
3,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
	4,00,00,000 0 0	
ISSUED CAPITAL—		
40,000 "A" Shares of Rs. 50 each	20,00,000 0 0	
3,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
	3,25,00,000 0 0	
SUBSCRIBED CAPITAL—		
39,022 "A" Shares of Rs. 50 each	19,51,100 0 0	
2,98,153 "B" Shares of Rs. 25 each	74,53,825 0 0	
6,00,155 "C" Shares of Rs. 20 each	1,20,03,100 0 0	
10,35,454 "D" Shares of Rs. 10 each	1,03,54,540 0 0	
	3,17,62,565 0 0	
CALLED AND PAID-UP CAPITAL—		
8,054 "A" Shares called at Rs. 50 per share	4,02,700 0 0	
30,983 "A" Shares called at Rs. 25 per share	7,74,200 0 0	
2,07,255 "B" Shares called at Rs. 25 per share	51,81,375 0 0	
90,398 "B" Shares called at Rs. 22-8 per share	20,45,205 0 0	
1,87,583 "C" Shares called at Rs. 20 per share	37,51,660 0 0	
4,12,592 "C" Shares called at Rs. 10 per share	41,25,920 0 0	
10,35,454 "D" Shares called at Rs. 10 per share	1,03,54,540 0 0	
	2,68,35,200 0 0	
ADD—Forfeited Shares	8,07,750 0 0	2,69,42,950 0 0
(Reserve Liability of Shareholders Rs. 49,00,120)		
2. Reserve Fund and Other Reserves (including Investment Reserve Rs. 37,00,000)		1,04,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits and Cash Certificates	4,47,40,002 10 1	
Staff Security Deposits	9,40,744 11 5	
Savings Bank Deposits	11,31,14,125 2 2	
Current Accounts, Contingency Accounts, etc.	11,05,37,959 12 11	26,93,32,831 4 7
4. Borrowings from Other Banking Companies, Agents, etc.		Nil
5. Bills Payable		55,66,149 0 2
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,34,65,288 4 7	
(ii) Payable outside India	55,09,299 1 7	1,89,74,587 6 2
7. Other Liabilities—		
Branch Adjustment	70,01,314 10 3	
Unclaimed Dividend	3,44,021 14 10	
Staff Gratuity Fund	1,05,818 1 3	
Capital Redemption Fund	95,618 12 0	
Sundry Liabilities for Expenses	93,441 4 4	
Rebate on Bills Discounted	1,764 2 9	76,41,978 13 5
8. Acceptances, Endorsements and Other Obligations per contra		74,56,921 3 10
9. Profit and Loss—		
Balance of Profit and Loss Account as per last Balance Sheet	9,53,542 6 4	
Less—Appropriation for Dividend	7,95,636 3 0	
	1,57,906 3 4	
ADD—Profit for the year brought from the Profit and Loss Account	12,07,227 8 9	
	13,65,133 12 1	
LESS—Appropriations— Rs. a. p.		
Transfer to Reserve Fund under Section 17 of the Banking Companies Act	2,42,000 0 0	
Transfer to Provision for Taxation	1,72,000 0 0	
	4,14,000 0 0	9,51,133 12 1
10. Contingent Liabilities— Rs. a. p.		
(i) Claims against the Banking Company not acknowledged as debts	29,25,532 10 8	
(ii) Money for which the Banking Company is contingently liable—		
(a) Liability for partly paid up shares held by the Bank on Investment Account	4,67,503 14 4	
(b) Guarantee given on behalf of Directors or Officers	Nil	
(c) *Guarantee on behalf of others*	22,263 5 9	
(iii) Liability on Bills of Exchange re-discounted	3,10,531 3 3	
(iv) Liability on account of outstanding Forward Exchange Contracts	99,95,140 1 1	
Total .. Rs.		34,72,66,551 8 3

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		3,01,52,520 5 11
2. Balance with Other Banks in Current Accounts—		
(i) In India	2,08,366 3 9	
(ii) Outside India	77,17,505 9 2	70,25,871 12 11
3. Money at Call and at Short Notice		20,00,000 0 0
4. Investments (at Book Value)—		
(i) Securities of the Central and State Governments and other Trustee Securities (Face Value Rs. 10,01,58,000-0-0) (Market Value Rs. 9,95,24,773-10-0)	9,92,26,378 12 6	
Treasury Bills of the Central and State Governments	Nil	
(ii) (a) Shares, Preference, fully paid-up	10,03,696 12 0	
(b) Shares, Ordinary, fully paid-up	35,90,891 12 7	
(c) Shares, Ordinary, partly paid-up	4,53,405 1 5	
(d) Shares, Deferred, fully paid-up (Market Value of above shares Rs. 43,12,603-13-11)	2,726 4 0	
(iii) Debentures or Bonds (Market Value Rs. 54,68,455-0-0)	55,91,676 10 6	
Shares and Debentures of the Value of Rs. 66,39,829-2-9 not quoted at Stock Exchange, taken at cost.		
(iv) Other Investments—		
(a) Pakistan, Central and Provincial Government Securities (Market Value Rs. 2,32,84,257-12-9)	2,33,61,311 4 0	
(b) Foreign Securities (Market Value Rs. 60,375-0-0)	87,500 0 0	
(c) Capital Redemption Policy (Surrender Value Rs. 1,05,435)	95,818 12 0	
(d) Gold	Nil	13,34,18,205 5 0
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India .. 10,38,24,036 8 7		
(ii) Outside India .. 1,62,68,006 14 3	12,00,92,043 6 10	
(II) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India .. 1,11,70,605 7 1		
(ii) Payable outside India .. 21,30,069 1 2	1,33,00,674 8 3	13,34,01,717 15 1
(Particulars required by Act X of 1949 as per separate Schedule annexed and forming part of this Balance Sheet)		
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	1,34,65,288 4 7	
(ii) Payable outside India	55,09,299 1 7	1,89,74,587 6 2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		74,56,921 3 10
8. Premises less Depreciation—		
At cost as per last Balance Sheet	21,17,877 2 7	
ADD—Additions during the year	6,015 6 11	
	21,23,892 9 6	
LESS—Sales or deductions made during the year	1,95,485 12 7	
Total cost to date	19,28,406 12 11	
LESS—Depreciation written off to date	1,07,875 1 8	18,20,531 11 3
9. Furniture and Fixtures less Depreciation—		
Cost as per last Balance Sheet	21,92,800 11 3	
ADD—Additions less deductions during the year	1,19,725 12 6	
Total cost to date	23,12,026 8 2	
LESS—Depreciation written off to date	6,81,425 5 1	16,30,601 3 1
10. Other Assets including Silver—		
Interest Accrued on Investment	12,50,586 11 3	
E.P.T. Deposits and Tax paid in advance and deducted at source	35,77,321 12 10	
Stores, Stationery and Printed Materials	3,70,370 11 4	
Cheques in hand	1,82,537 15 9	
Silver and Jewellery	9,950 0 0	
Land and Buildings not used as Bank's Premises less depreciation (Cost Rs. 25,99,181-10-0 less Rs. 3,26,658-0-2)	22,72,523 9 10	
Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, etc.)	19,32,694 7 6	95,45,905 4 6
11. Non-Banking Assets Acquired in Satisfaction of Claims (Immovable property at Book Value)		9,39,599 4 6
Total .. Rs.		34,72,66,551 8 3

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953

EXPENDITURE.	Rs. a. p.	INCOME. (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	26,37,598 4 0	1. Interest and Discount	92,12,310 0 11
2. Salaries and Allowances and Provident Fund (General Manager Rs. 27,412-6-0)	64,95,131 10 4	2. Commission, Exchange and Brokerage	22,00,697 5 10
3. Directors' and Local Committee Members' Fees and Allowances	35,726 7 8	3. Rents	2,09,525 13 5
4. Rent, Taxes, Insurance, Lighting, etc.	7,41,355 2 1	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	2,57,106 9 1
5. Law Charges	50,440 15 2	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postage, Telegrams, Telephones and Stamps	3,10,094 11 8	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	2,680 7 9
7. Auditors' Fees	24,215 0 0	7. Other Receipts	3,44,673 12 2
8. Depreciation on and Repairs to the Banking Company's Property	3,34,204 10 9	Total .. Rs.	1,27,26,999 0 2
9. Stationery, Printing, Advertisement, etc.	4,73,328 0 5		
10. Loss from Sale of or Dealing with Non-Banking Assets	908 1 0		
11. Other Expenditure	3,64,678 8 4		
12. Balance of Profit	12,07,227 8 9		
Total .. Rs.	1,27,26,999 0 2		

(Continued in next page)

ed to be 1,800 tons, while the average demand for this spice in the world markets is reckoned at hardly 1,200 tons annually. Since the bulk of this demand is already being met by supplies from India, the scope for further expansion of India's foreign trade is limited. The Committee has, therefore, recommended that research should be carried out by the National Chemical Laboratory at Poona and the Council of Scientific and Industrial Research to find out alternative uses of cardamom and cardamom oil and for greater utilisation of this spice in India itself. It has also suggested the opening of two additional research stations for conducting agronomic and botanical researches on the crop, one in the Saklaspur region of Mysore State and the other in the Cardamom Hills of Travancore-Cochin.

More than in any other commodity, the Committee noticed lack of market intelligence in the case of cardamom, and has emphasised the urgent need of market news service being organised in all the important assembling centres. It has also recommended that the State Governments concerned and the Central Government should provide adequate storage and credit facilities and encourage the formation of co-operatives for the marketing of the produce.

Ginger

Although ginger is widely cultivated, the bulk of annual production in many countries is consumed locally, either as green ginger (*adrak*) or in the preserved form, while only a small proportion is converted into dry ginger (*sonth*). In India, the preparation of commercial dry ginger is largely confined to Travancore-Cochin and Malabar on the west coast, and the average annual supply from these sources is reckoned at 10,000 tons, as against 1,500, to 2,500 tons available from Sierra Leone and 1,000 to 1,500 tons from Jamaica. There is, however, a preferential demand for Sierra Leone and Jamaican ginger in the world markets. This is largely attributed to the larger fibre content of the Indian product as well as to its relatively higher price. Any further expansion of India's export trade in dry ginger is largely dependent on improvement in the quality of indigenous varieties as also in the cost of the product. The opening of research stations in all typical producing areas has, therefore, been recommended by the Committee.

One of the main handicaps in increasing the production of ginger was found to be lack of adequate credit facilities for financing seasonal agricultural operations. Therefore, the Committee has recommended that the Governments of the States concerned and the Central Government should assist in removing all the restrictions in the working of co-operative societies so as to make adequate production credit available to the cultivators. There is considerable scope for stepping up production, if such seasonal credit facilities are provided. The Committee has also recommended financial assistance being given by the Government to co-operative societies for the construction of a sufficient number of warehouses in all the important marketing centres, fumigation of the product before export and provision of an efficient market intelligence service to the producers.

Turmeric

The average area under turmeric cultivation in India is estimated at 1,35,000 acres and the total annual outturn of dry cured turmeric at 1,20,000 tons. Out of this, 10,000 tons are exported and the rest of the quantity utilised in internal trade. This crop has, however, minor importance in the agricultural economy of the west coast. As the Committee could neither visit important producing areas in Andhra State, Orissa, Bombay and Hyderabad nor obtain adequate evidence concerning the problems of this industry, it has recommended a further detailed survey by the Central Government for a comprehensive study.

Cashew-nut

With the growing demand for cashew kernels in America and Europe, the Committee envisages a bright future for this industry. India is its principal source of supply in the world markets and accounts for more than 95 per cent. of the international trade in this product. The processing factories are also concentrated in India, but the main problem confronting the cashew-nut industry in the country is the shortage of supplies of raw cashew-nuts experienced by these factories.

Out of the 26,012 tons of kernels processed in India during 1951-52, nearly half the quantity was extracted from raw cashew-nuts imported from East Africa, the value of imports being of the order of Rs. 3.3 crores. In spite of the large quantities imported, the processing factories remain idle for two to three months in a year for want of raw material. The more urgent problem of the industry is to reduce India's dependence on foreign imports by taking early steps to step up indigenous production of raw nuts and enable the factories to work to their maximum installed capacity.

The Committee urges encouragement of extensive cultivation of the crop on a plantation basis on the east coast of Madras, the coastal districts of Ratnagiri and North Kanara in Bombay State and parts of Coorg and Mysore. The forest and public works departments in the major producing areas have also been asked to undertake extension of cultivation of the crop in suitable lands under their jurisdiction.

The Committee has recommended that the Central Government should prepare a co-ordinated ten-year cashew-nut plantation scheme, in consultation with the State Governments concerned, and execute it expeditiously. The Centre should also create a development fund for the purpose and earmark a sum of Rs. 25 lakhs for a period of ten years for extending cashew-nut cultivation and other developmental measures concerned with the industry.

The Committee has asked the Central Government to make adequate additional funds available to enable the States of Madras, Bombay and Travancore-Cochin to start systematic studies at their respective regional research stations at Mangalore, Ratnagiri and Kottarakara sanctioned by the I.C.A.R. for a scientific development of the crop. It has also urged the railway authorities to provide greater facilities for quicker transport of raw nuts to the processing factories from the assembling centres or ports.

Quality of Kernels

The main complaint heard about the quality of cashew kernels exported from India, the Report says, is that these products get wormy in certain cases by the time they reach foreign destinations. In order to minimise such complaints, the Committee has suggested that the factory-owners should (i) pay greater attention to environmental hygiene in the manufacturing premises, (ii) use new tin-containers for packing kernels, and (iii) adopt airtight packing for the export of kernels to foreign countries. The need for publicity both in the internal and foreign markets has also been emphasised by the Committee.

An important by-product of the cashew-nut processing industry is the cashew-shell liquid. This oil is directly used as a preservative in the painting of boats, fishing nets and light woodwork. It is also used as a waterproofing agent. The distillation products of this oil are used in various industries, such as the manufacture of insulating varnishes, typewriter rolls, industrial flooring tiles and automobile brake linings. As the industrial utilisation of this by-product presupposes a uniform quality, the Committee has recommended the adoption of standard specifications for its manufacture.

Lemongrass Oil

India is the largest supplier of lemongrass oil in the world markets, the main producing areas being Travancore-Cochin and Malabar. From a few tons produced before the war, the annual supply of this oil has gradually increased to over 700 tons now. Although the bulk of this oil used to be exported to foreign markets, the demand for it has declined since last year. This is attributed partly to larger supplies received from Guatemala and partly to curtailment of demand from the manufacturers of Ionones and synthetic Vitamin-A in America and other foreign countries. Lemongrass oil is also an important basic raw material for the manufacture of many aromatic substances used in soap, perfume and cosmetic industries, and unless arrangements are made for synthesising these products in India itself or finding alternative uses for this oil, the prospects of this industry are not bright.

Preliminary investigations carried out by the Government of Travancore-Cochin have indicated the possibility of utilising Indian lemongrass oil for synthesising Ionones and Vitamin-A. The Committee has, therefore, recommended that a pilot plant should be set up in this State for the commercial manufacture of these synthetic products. The Central Government should subsidise this project and encourage the use of these products by Indian industries.

Although Indian lemongrass oil contains as high as 85 per cent. of citral content and is considered to be superior in quality, the producers do not realise the premium for this superior quality mainly because, according to the shipping contract terms, the shippers try to guarantee only a minimum of 75 per cent. citral content in the consignments exported to foreign markets. This encourages adulteration and affects the reputation of the high quality of Indian oil.

The Committee has, therefore, recommended that the shipping contract terms should be suitably amended to guarantee a minimum of 75 per cent. citral content and provide for higher allowances above this minimum limit. Necessary arrangements should also be made by the Central Government to prevent the export of sub-standard qualities of lemongrass oil under the provisions of the Sea Customs Act.

UNITED BANK OF INDIA LTD.—*(Continued)*

Schedule of particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1953

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	11,51,56,518 2 7
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,36,68,799 1 7
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	45,86,405 10 11
(iv) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	13,34,01,717 15 1

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	22,84,032 12 7
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	19,723 1 3
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	36,43,547 0 1
(ix) Due from Banking Companies	11,70,622 1 0

AUDITORS' REPORT.

We have audited the Balance Sheet as on 31st December, 1953, and Profit and Loss Account for the Year ending 31st December, 1953, of United Bank of India Ltd., as above and in attached sheets set forth Balance Sheets as on 31st December, 1953, and Profit and Loss Accounts for the year ending 31st December, respectively with Books of Accounts as kept at the Head Office with which are incorporated the Branch 1953 (both in India and Pakistan) as audited, certified and reported to by the respective Auditors and reports that—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank.

(c) The Balance Sheets and Profit and Loss Accounts and the relative returns received from branch offices of the Bank have been found adequate for the purpose of the audit.

(d) The Balance Sheet and the Profit and Loss Account are drawn up in conformity with the Law.

(e) Such Profit and Loss Account shows a true balance of Profit for the year.

(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the Books of the Bank.

(g) In our opinion the Books of Account have been kept by the Bank as required by *Section (130)* of the Indian Companies Act, 1913.

CALCUTTA, 25th March, 1954.

RAY & RAY,
Chartered Accountants.

N. N. LAW,
Chairman.

B. K. DUTT,
General Manager (Director).

A. K. ROY,
Secretary.

P. N. BANERJEE,
S. CHAUDHURI,
K. G. M. FAROQUI,
B. N. CHATURVEDI,
N. C. DATTA,
S. B. DUTT,
K. C. DAS,
} Directors.

REORGANISATION OF EMPLOYMENT EXCHANGES

SHIVA RAO COMMITTEE'S REPORT

THE Report of the Training and Employment Organisation Committee provides, for the first time, a plan for the reorganisation of employment exchanges. It will be recalled that, following the recommendation of the Planning Commission, the Government appointed in November, 1952, a Committee with Mr. B. Shiva Rao, M.P., as Chairman, and seven members, including representatives of workers and employers, to examine and report on the changes in character, methods and organisation of the employment organisation. The Committee submitted its report on 28th April, 1954, that is after an interval of about a year and a half.

Although the recommendations of the Committee are generally sound, there are some which need to be critically examined. Few can dispute its principal recommendation, namely, that the employment exchange organisation should be developed into a full-fledged national service, on a permanent footing and with enlarged powers. For a national employment service is indispensable for solving manpower problems arising out of economic and social developments. It necessarily plays a central role in the whole manpower programme. Where there is no effective employment service, the Government concerned will have little knowledge of what its manpower problems are, where they are and how to deal with them. An employer cannot be sure that he is selecting his workers from those best suited to his needs. Neither will the worker have any means of knowing where his most favourable opportunities lie. Certainly, the whole community will suffer directly or indirectly from the lack of good employment service, in that it will have to bear the continuous burden of unsolved manpower problems and of the dissatisfaction among employers, who cannot find suitable workers, and workers who cannot find suitable jobs. In fact, a competent employment service is vital to successful economic development. Effective employment of workers, including skilful placement of workers in jobs which demand their full capacity, can raise the whole standard of national production and productivity.

Decentralisation of Administration

The Committee has recommended decentralisation of administration, so that the States may be entrusted with the day-to-day administration, with the Centre being responsible for laying down policy and standards and for co-ordination and expansion of the work of employment exchanges. This, it is stated, is necessary, if the employment exchange organisation is to continue to function as a nation-wide system and, at the same time, be integrated with the plans and programmes of the States. This recommendation, however, is of dubious value. For, in the developing economy of a vast country like India, an important factor to be recognised is the maintenance of mobility of labour, so that labour might freely flow from States with surplus population to States where an increase of manpower resources is sought. Since the administration will be in the hands of State Governments, the employment exchanges might develop a narrow provincial outlook, so that it would be difficult, if not impossible, to draw workers, say, needed by the Bhakra-Nangal Project in Punjab (I) from the Madras State or the Travancore-Cochin State. This is not a stock argument based on a prejudicial view of our administrations. In the present state of affairs, the danger is real, as witness the remarks made by the Mysore Census Commissioner in his report on the population trends of Mysore State. He has given such a mischievous twist to the migration of workers from other parts of the country to Mysore that it has given rise for an agitation by a section of the public that no more non-Mysoreans should be employed in the Mysore State. It is common knowledge that one of our serious failings is that, in making appointments, those in authority are prone to favour persons of their own clan, community or State. This virus will gather considerable strength if the administration of the proposed national employment service is left to be managed by the State Governments.

This danger is far more serious than the ground on which decentralisation has been recommended by the Shiva Rao Committee. In any case, it is not clear as to how the integration of the employment service with the States' plans for development will not be a feasible proposition, if that service is Centrally administered. The task is purely one of collaboration between the officers of State Governments and those of the employment service. In this context, the State figures as an employer in the same way as firms and companies do in the private sector. If, therefore, the employment service is to be rational, in every sense of that word, it must be administered by the Centre and not by the States.

A significant recommendation of the Committee is that, although the subsidy being paid by the Centre to the States is sought to be restricted, the Centre shall foot the major portion of the expenditure of the exchanges. The Committee has recommended that, for the present, the subsidy to be paid to a State Government should be restricted to 60 per cent. of the expenditure on the regional headquarters and employment exchanges in the States, subject to a maximum of the amount provided for in the budget for 1953-54 or the actual expenditure incurred during 1952-53, whichever may be of greater advantage to the State Government concerned. Within this amount, the State Governments should be free to reorganise their respective employment service organisations, except that the closing down of the exchanges not considered necessary and the opening of new exchanges, where the need exists, would require the prior approval of the Central Government. The Central Government should share 60 per cent. of the cost of these district employment exchanges also which in some States are, at present, financed entirely by the State Governments concerned. The Central Government should continue to bear the entire cost of the Central headquarters, while the State Governments should provide, at their cost, the necessary accommodation for the employment exchanges. The expenditure of the Central Government on the employment exchange organisation should not, on the whole, be reduced from the present level.

Functions

The Committee has recommended a wide range of functions for the employment exchanges. These are briefly summarised below:

Employer relations: Maintaining good relations with the employers and employees groups; soliciting and taking orders (applications for workers) and subsequently following them through until placements are effected.

(2) *Registration of applicants*: Supervising and assisting registrants and conducting necessary tests.

(3) *Selection and referral of applicants*: Maintaining live files, renewals and revivals, selecting and referring suitable applicants to employers and maintaining placement records.

(4) *Clearance of labour*: Receiving orders in clearance and referring such orders to the appropriate sections for selection and referral, placing orders in clearance and receiving applications thereon.

(5) *Employment information*: Collecting information regarding employment opportunities and making such information available, with a view to assisting workers seeking employment and employers seeking workers. The exchanges are also to maintain and publish employment statistics and to forecast the trend of employment.

There is, however, one recommendation which restricts the scope of the exchanges as well as coverage of unemployment statistics. This relates to the procedure recommended for adoption by the exchanges in respect of unskilled workers. The Committee says: "Vacancies for unskilled workers should not be formally registered, nor should any formal submission be made against them. It should suffice if such vacancies are brought to the notice of employment-seekers by announcements or other means. Thereafter, applicants should approach the employers direct. No statistics should be maintained of those who assemble at the exchange each day, nor of the number of vacancies involved in the announcements." Perhaps, this recommendation might have been a sequel to the enormous burden that will fall on the exchanges, if they were to register unskilled workers, whose number runs into millions.

Government and semi-Government Departments should recruit through the exchanges the required staff. As regards private industry, the Committee has observed as follows:

"The working and the results of the recommendation regarding recruitment by Government and semi-Government employers through the exchanges should be watched for a time before enforcing compulsion on the private sector also. Private employers should, however, be required on a compulsory basis to notify to the exchanges all vacancies, other than vacancies for unskilled categories, vacancies of a very temporary duration and vacancies proposed to be filled through promotion. The obligation to notify vacancies should apply equally to firms engaged on Government contracts, undertakings in respect of which Governments hold a part of the stock, and establishments which have received aid/subsidy from the Governments. Until the employment exchange coverage is made more intensive, it should be optional on the employers located in the areas distant from the exchanges to notify their vacancies. Such employers should, however, be required to furnish the staff strength returns. The Central Government should decide, in consultation with State Governments and the various employers' and workers' organisations, the particular industries and the categories and size of industrial establishments, which should be brought under the operation of the suggested measures of compulsion. The suggested measures of compulsion may, if necessary, be embodied in a suitable legislation."

In other words, the private sector may, in due course of time, be brought within the scope of the employment exchanges, by compulsion, if need be.

Training of Personnel

Some important recommendations relating to the training of personnel have been made by the Committee. The employment service, according to the Committee, should develop standardised aptitude and trade tests to assess, wherever necessary, the aptitude and/or proficiency of applicants desiring training or employment in skilled trades. Side by side with the development of trade tests, the employment service should undertake, in collaboration with technical experts and representatives of workers, industry and the Government, the task of standardising definition of skills and functions of the different types of tradesmen. The "Guide to Occupational Classification" should eventually be developed into a comprehensive dictionary, which would provide both nomenclature of trades and occupations as well as their definitions. The exchanges should further develop a counselling programme, with a view to advising the prospective employee the choice of a career or an occupation.

So far as training of craftsmen and instructors are concerned, the Committee has suggested that the training facilities now provided in the centres run by the D.G.R. & E. should be integrated with similar facilities provided by State Governments, the administrative responsibility for the D.G.R. & E. scheme being also transferred to State Governments. In respect of the latter, the whole expenditure excluding the cost of the Central headquarters (to be borne fully by the Centre) should be shared between the Central and State Governments in the ratio of 60 : 40.

The Committee has further suggested the establishment of National Trades Certificate Board to act as an advisory body to the Ministry of Labour in framing the training policy. The co-ordination function of the Central Government, such as prescription of standards and methods of training and the drawing up of the curricula for training in different trades might be entrusted to the Board and necessary powers delegated to it to enable it to discharge its functions. In fact, training of all craftsmen in technical and vocational trades of national importance throughout the country should be co-ordinated through the Board. Further, the Committee has proposed a small cess on employers, the proceeds of which should be utilised for the supervision of apprenticeship training and other connected expenditure. Industrial undertakings which are operating their own programmes of apprenticeship training, it says, should be allowed a rebate upto the level of their expenses, subject to prescribed ceiling limits. Employers will have no objection to pay this cess provided they are sure that the proceeds of cess are utilised for the purpose for which they are meant. Unfortunately, the behaviour of State Governments in this respect is found wanting. If proof of this is needed, one has only to examine how the cess collected for development of sugarcane, roads, cotton, etc., are being used.

Finally, it may be mentioned here that the employment service itself is not a panacea for manpower problems. It works within the existing economic and social framework. After all, the employment exchanges cannot create jobs. They can only direct the unemployed who are capable and available for work, but unable to obtain suitable employment, to jobs if available and notified to it. The extent of jobs available is dependent on measures taken for the development of national economy.

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PROTECTION TO SAGO INDUSTRY

PERIOD EXTENDED AND QUANTUM RAISED

THE protection to the sago (tapioca globules) industry, due to expire at the end of 1954, has been extended by two more years, that is, till the end of 1956. A decision to this effect was taken by the Government of India on the recommendations of the Tariff Commission and it came into force as from the 1st inst.

The quantum of protection to be enjoyed by the industry during the period of production, beginning from 1st May, 1954, has been raised. Sago globules and tapioca pearls were, upto this date, subject to a preferential rate of duty of 24 per cent. *ad valorem* in respect of imports from a British colony, the standard rate being 36 per cent. *ad valorem*. In addition, there was a surcharge of 5 per cent. of the total duty in both cases imposed for revenue considerations. As suggested by the Tariff Commission, the Government has raised the preferential rate to 36 per cent. *ad valorem* plus 5 per cent. surcharge. With regard to the standard rate, the Commission had suggested that the rate of duty on imports from countries other than British colonies should be fixed in accordance with the provisions of the Indo-British Trade Agreement. On this basis, the Government has fixed the rate of 46 per cent. *ad valorem* plus the 5 per cent. surcharge.

The scope of the Commission's enquiry, which preceded the above decision of the Government, was confined to sago globules manufactured from tapioca only and did not include sago flour. For sago palm is not grown in India, and sago globules are manufactured entirely from tapioca root.

The particulars furnished to the Commission disclose that the industry has made considerable progress since the previous enquiry held in 1950. The number of units engaged in the manufacture of sago globules in that year was 40, employing about 3,000 workers. It now stands at 175, providing employment for about 8,000 workers.

Rated Capacity

The rated capacity of the industry is estimated at about 30,000 tons and the annual production is about 18,000 tons. The demand for sago globules is also estimated at 18,000 tons. As sago globules do not constitute a staple food and are used largely during fasts or religious ceremonies in parts of Central India, Bombay and Bengal States and by individuals, the Commission thinks that the demand in the future is not likely to increase appreciably, unless there is a reduction in the price of sago globules.

Although the quality of the globules is fairly satisfactory, there is still much room for improvement in technique and condition of manufactures. The bulk of them is stated to be produced under unhygienic conditions.

The price of the globules could be considerably reduced, if the per-acre yield of tapioca, grown extensively in Travancore-Cochin and certain States of Madras, is increased by means of improved methods of cultivation. The average yield in this area is about 3.11 tons per acre, as against 10 to 15 tons per acre in Java and Malaya.

The fair ex-works price of sago globules is estimated by the Commission at Rs. 38.33 per cwt., representing an increase of Rs. 395 per cwt. over the ex-works price estimated by the Tariff Board in 1950. The increase is attributed to lower realisation on the sale of the by-product and the increase in the price of tapioca roots. As the consumption of tapioca globules is on a large scale in Bombay and Bengal, the industry contended that the average freight from Salem, where the industry is most concentrated, to Bombay and Calcutta should be taken into account for the purpose of comparison of the ex-works price of indigenous tapioca globules, with the landed cost of sago globules from Malaya. Considering this contention reasonable, the Commission allowed a freight differential of Rs. 2.25 per cwt. The fair ex-works price of indigenous sago globules was thus estimated at Rs. 40.577 per cwt. As against this, the landed cost (without duty) of imported sago globules at Bombay and Calcutta amounted to Rs. 29.071. Thus, the indigenous industry required a differential of Rs. 10.876 per cwt. or 37.4 per cent. of the c.i.f. price to protect itself against competition from the imported sago globules. On the basis of this figure, the Tariff Commission fixed the protection duty at the rate of 36 per cent. *ad valorem* plus 5 per cent. of the total duty. In recommending the duty, it said: "This cottage industry is of considerable importance to the people in Salem District, in which it is concentrated, as it provides employment to surplus labour during the slack season and additional source of income to the agriculturists during the off season. We consider it essential that this industry, in the rural area, should not be jeopardised by foreign competition at this stage of development."

Since the previous enquiry in 1950, there has been a ban on imports of sago globules on consideration of foreign exchange. Drawing attention to this fact, the Commission observes that, whenever any changes are made in the import restrictions, the Government should regulate the import of sago globules taking into account the capacity of the industry to meet the entire requirements of the country and the scope for its further expansion in the future.

The Commission has further suggested that the Government of Madras should send one of its officers to study the methods of tapioca cultivation and manufacture of globules in Malaya. The Government is asked to start an experimental farm in Salem for introducing improved methods of cultivation. As the manufacture of sago globules is carried on on a cottage-industry basis, the various producers have been advised to form co-operative societies to further their economic interests.

SOME IMPORTS LIBERALISED

In a review of the import policy for the current half-year, the Government of India has liberalised the imports of certain items. These include copper pipes below 3/8" and above 5" diameter, copper sheets wider than 4 feet, and copper sheathing thinner than 34G, brass tubing below 3/8" and above 5" diameter, brass sheets wider than 4 ft. and brass sheathing thinner than 34G, palm oil, para amino-salicylic acid (P.A.S.) and its salts, photographic negatives and printing paper, excluding X-ray films, photographic instruments, apparatus and appliances other than cinema, all sorts, N.O.S. and empty gelatine capsules.

It has also been decided to grant additional licences to established importers for reasonable amounts in suitable cases in respect of the above items. Newcomers are also permitted to apply, and their case will be considered on merits. The Government notification to this effect appears in the *Gazette of India Extraordinary* dated 11th May, 1954.

By a notification published in the *Gazette of India*, dated 15th May, 1954, the Government of India has exempted industrial undertakings engaged merely in the processing, blending or in the repacking of dyestuffs from the registration and *licensing provisions of the* Industries (Development and Regulation) Act, 1951.

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ROPE INDUSTRY IN INDIA

SOME PROBLEMS FACING IT

BOTH in peace and war ropes are of vital importance. The multifarious uses to which ropes, big and small, are put, have created such a demand that rope manufacturing in India has developed into a large-scale industry. According to Mr. K. N. Mukerjee, President, Indian Rope Manufacturers' Association, Calcutta, the combined capacity for production of ropes and cordages, made of Manila, sisal and aloe fibres, of the members of this Association, is stated to be 12,000 tons per year. Over and above this, these firms are also capable of producing every year further 5,000 tons of ropes and cordages from coir, jute, hemp and cotton. Unfortunately, actual production of ropes by these member firms is stated to be considerably below their installed capacity. The industry is today facing a slump to tide over which Mr. Mukherjee, in his address at the annual meeting of the Association held at Calcutta on the 11th inst., has made certain notable suggestions which fully merit the attention of the Government.

With a view to utilising its idle capacity, the industry seems to be anxious to develop its export markets. Exports of coir ropes, it is stated, are satisfactory, but export business in sisal and aloe ropes remains, we are told, meagre. Besides, there is a ban at present on export of Manila ropes. The ban was imposed at a time when the fibre itself was scarce in the world markets. The country could not afford to sell the manufactured product in markets which fetched sterling against dollars spent on imported Manila fibre. Mr. Mukherjee says that today conditions have so changed that other sterling countries are exporting these ropes abroad. He, therefore, suggests that India too should remove the ban, so that the manufacturers can sell the ropes in neighbouring countries and thus mitigate, to a certain extent, their existing difficulties.

Freight Rates

Another grievance of the industry is the heavy freight rates for ropes of different categories by rail. These rates were upgraded a couple of years ago, after a reference to the Railway Rates Tribunal, on the ground that the fibre from which the ropes were manufactured was itself in a higher classification than the manufactured ropes. Since then, it is stated, there has been a very progressive and substantial fall in the price of ropes, on which the case of ropes was heard by the Tribunal. The Railway Board is requested to assist the industry by restoring the old freight rates which were in force before the reference to the Tribunal.

So far as the raw materials for the industry are concerned, it is freely utilising indigenous fibres such as coir, aloe, cotton, jute and sunn. Of these indigenous fibres, permission granted to export aloe fibre has worked to the disadvantage of the industry. As this fibre is stated to be just sufficient for the use of the existing rope factories, the rope makers want the Government not to allow indiscriminately the exports of this fibre. Apart from these fibres, the rope industry is consuming large quantities of imported Manila and sisal fibres. The licensing policy in respect of these two fibres is subject to periodical revision. The current O.G.L. is to expire at the end of September next. Unless this period is extended, it would not be possible for the rope industry which needs these fibres throughout the year, to take advantage of price fluctuations in world markets. According to the New York Cordage Institute, the outlook for the current year appears to be not quite bright, as both the fibres may be in short supply, their prices depending on the policy of such buyers as the U.S., the U.K. and Japan. The industry desires that the Government should keep the O.G.L. for Manila and sisal fibres operative for long periods so that the industry may be free to take advantage of a fall in their prices whenever it occurs.

It is alleged that there has been considerable decline in the quality of Manila fibre received from Manila. As the low quality affects maintenance of uniform quality of ropes, the industry is subjected to dangers of rejection by rope indentors on test. Mr. Mukerjee suggests that the Indian Trade Mission in Manila should take up this question with exporters and producers there and impress upon them the necessity to maintain the quality of fibres up to the specified standards.

COATED ABRASIVES INDUSTRY

PROTECTION FOR ONE MORE YEAR

THE Government of India has, as briefly mentioned in these columns a fortnight ago, accepted the recommendations of the Tariff Commission in regard to continuance of protection to the coated abrasives industry. The Commission, which enquired into the industry's claim, recommended as follows:—

(1) Protection to the industry should be continued for a further period of one year, *i.e.*, upto 31st December, 1955. The protective duty on abrasive papers, covered by I.C.T. item No. 30(9) should be continued at the existing preferential rate of 25-1/5 per cent. *ad valorem* inclusive of surcharge, the standard rate being fixed in accordance with the provisions of the Indo-British Trade Agreement; and the protective duty on abrasive cloth covered by I.C.T. item No. 30(10) should be fixed at 31½ per cent. *ad valorem* inclusive of surcharge.

(2) The existing concession enjoyed by the industry, viz., duty-free import of emery and kraft paper, should be continued.

(3) The Indian Standards Institution should be requested to finalise specifications for abrasives manufactured in India as early as possible.

While accepting these recommendations, the Government has stated that it will take necessary steps for implementing them as far as possible. At the same time, the Government has impressed upon the industry the need for taking up and expanding the production of waterproof abrasive papers and waterproof abrasive cloth.

Although protection is to continue for only one year more, as against two to three years asked for, it is expected to enable the industry to consolidate its position by rationalising production techniques, improving the quality of the product and reducing the cost of production. The industry has various schemes of technical collaboration with foreign manufacturers and, if these were to materialise, it would not be difficult for the industry to improve its competitive capacity and to produce bonded abrasives of the same quality as those produced in the U.K. and the U.S.

The present scheme of protection to the coated abrasives industry covers abrasive paper, emery cloth, abrasive rolls, coils, discs, belts, shapes, tapes, etc. Of these, emery fillets are not manufactured in India and they had, therefore, been excluded from the scope of the Commission's enquiry. There are four units engaged in the manufacture of coated abrasives. They are (1) Ajax Products Ltd., Madras; (2) Krishnalal Tirani & Co., Ltd., Calcutta; (3) National Sand Paper Mills Ltd., Rawalpindi; and (4) Straw Board Manufacturing Co., Ltd., Saharanpur. The capacity of these four units is estimated at 86,000 reams, on the basis of eight hours a day and 300 working days in a year. No information is, however, available about the capacity of cottage producers. The demand for abrasives of all types in 1953 was estimated at about 73,000 reams. It is, however, expected to be a little higher at 80,000 reams for 1954, and, on the basis of an assumed annual increase of 25 per cent., the demand for 1955 is put at 100,000 reams. The production of abrasive paper and cloth during January-June, 1953, was 29,549 reams and assorted sizes of abrasives 37,015 (in numbers); the output in 1952 was 55,060 reams and 61,795, respectively.

The raw materials required for the manufacture of coated abrasives may be classed under the following heads:

(*a*) Natural abrasive minerals, such as flint, garnet, quartz, corundum and emery;

(*b*) synthetic abrasive minerals, such as silicon carbide (carborundum) and aluminium oxide grains;

(*c*) backing materials such as kraft paper, cloth and vulcanised fibre; and

(*d*) bonding materials, such as hide-glue, technical gelatine and synthetic resin.

Flint, garnet, quartz and corundum are available from indigenous sources. Natural emery occurs in certain parts of Bihar (near Gaya) and South India (near Bangalore), but the quality is not of the required standard. Consequently, manufacturers have been importing emery in the form of lumps from Turkey and also in the form of grains and powder from the U.K. and Holland. During the last two years, the Shevaroy Bauxite Products Company, Ltd., Salem, have supplied to some of the manufacturers synthetic lumps and grains made from the bauxite mineral by them, which are similar to the lumps and grains of natural emery imported from abroad. Silicon carbide (carborundum) and aluminium oxide grains are imported mostly from the U.S.

As the indigenous kraft paper is not upto the standard required, it is imported from the U.S., Sweden and the U.K. Backing cloth is manufactured by the Buckingham and Carnatic Mills Ltd., Madras, but their supplies of this cloth to the manufacturers of coated abrasives are stated to be irregular, as well as inadequate. The requirements of vulcanised fibre are met by imports. The Rohtas Industries, Ltd., Dalmianagar, it is stated, have recently started manufacturing thick quality fibre, but this is not suitable for the abrasives industry. Hide-glue is available from indigenous sources and is suitable for ordinary quality abrasives, but not for special quality abrasives, such as discs, belts, rails, etc. In the case of abrasives which are used for operation in power-driven machines, technical gelatine is required and this is imported from the U.K. Resin bonded abrasives are not manufactured in India at present, as the process involved is highly technical, but when the schemes of the Ajax Products Ltd. and Krishnalal Thirani & Co., for securing foreign collaboration materialise, it is expected that this deficiency will be removed.

SOVIET TRADE POLICIES

The Kremlin's use of foreign trade as a political as well as an economic weapon is noted in the Report on "East-West Trade Trends" submitted to Congress on the 16th inst. by the Foreign Operations Administration (F.O.A.). Soviet promises of big and attractive deliveries of machinery—whether fulfilled or not—the Report states, were made with this in mind. The Report recalls the case of Yugoslavia, pointing out that, "in 1948, it was possible for the Kremlin first to reduce and then to cut off all trade between Eastern Europe and Yugoslavia as a part of the attempt to bring Marshal Tito to his knees. The Kremlin in its propaganda make much of Western trade restrictions," the Report continues. "But the West's limited controls over the shipment of strategic goods did not come into existence until long after the Kremlin had begun using trade as a cold-war weapon." Even then, the Report points out, Western controls were designed only to foster security "by withholding, from aggression-minded Governments, the important war-building materials that would make aggression easier." The semi-annual Report covers operations through December, 1953, under the Mutual Defence Assistance Control Act, usually referred to as the Battle Act, which provides for control by the U.S. and co-operating nations of exports to Soviet bloc nations. F.O.A. Director Harold Stassen, in a foreword, stresses that "the soundness of East-West trade policy is to be judged not primarily on the amount of trade, but more on what kind of goods move back and forth, and on what terms they move." Pointing out that for more than four years the United States and certain other countries have been working together to withhold strategic goods from the Soviet bloc, the Report defines strategic goods as "those goods which would make a significant contribution to the war-making power of the Soviet bloc." In the cases of Communist China and North Korea, the U.S. maintains a total embargo on all exports—strategic or non-strategic. In this connection, the Report says: "Though the policies of other major free Governments regarding trade with Communist China have not been identical with our own, the U.S. has not attempted—and will not attempt—to bring about conformity through coercion. This is true of all of our relations with other countries not merely our relations with them on the issue of Communist China."

Reviewing the Kremlin's recent trading activities, the Report notes that Moscow has "tried to fasten closer economic ties with Asia and Latin America." It says one device used by Soviet trade bosses has been to build "lavish exhibits" at trade fairs, especially in South Asia. The Report says: "On an increasing scale, since 1951, the Soviet Union and its satellites have been using trade fairs for a double purpose—to promote the kind of trade the bloc desires and to propagate Communist ideas." Another Soviet device "was to join hands with a key nation of each continent in a brand-new impressive trade agreement which seemed to offer attractive benefits to that nation and which might stimulate neighbouring countries to hanker after similar opportunities. The Kremlin chose India and Argentina." Nothing that proposals to deliver certain kinds of machinery were contained in Soviet agreements with India, Argentina and Iran, the *Report observes*: "Machinery, as we know, is what the Soviet rulers go to extreme pains to import. If they were serious now about exporting it, and if they really intended to deliver large quantities and not mere tokens, it would be something new, although even then they would probably not be exporting the advanced types which they usually seek to obtain in the West . . . But one could only suspect that the promises of big and attractive deliveries—whether fulfilled or not—were made in large part for the purpose of weakening the ties of those countries with the rest of the world." A primary objective of the Soviet bloc, the Report says, is to increase the reliance of non-Communist nations on the bloc for markets or supplies, "and thus make the free world more vulnerable to bloc pressures." Pointing out that the U.S. basic policy on controls, which is primarily dedicated to strengthening the security of the free world, is subject to a continual process of review, the Report states: "International trade in general can be a broad highway to better living standards and more peaceful relations. It has served humanity well. There should be more of it. But it takes two to trade, and trade is not necessarily a road to peace unless both parties wish to make it so."



NEED FOR FREER TRADE

A Report issued on the 17th inst. by the Twentieth Century Fund, a well-known economic research organisation, asserts that reduction of trade discrimination and establishing freely convertible currencies will strengthen the free world in the struggle against communism. Entitled *Foreign Exchange in the Post-war World*, the study is the work of Raymond F. Mikesell, Professor of Economics at the University of Virginia and consultant at many international monetary conferences. The Report states: "Trade discrimination and exchange restrictions on current transactions are not only economically harmful, but they are responsible for a misallocation of resources which the free world can ill afford if it is to defend itself against internal and external aggression."

Prof. Mikesell contrasts what he describes as the chaotic trade and currency practices of the free world with the rigid methods of the "Moscow dictatorship" which runs its economic machine according to a *unified plan of action*. He says: "The free world cannot compete with the Soviet sphere in this struggle for world power without some kind of an organising principle. In the absence of political unification the principal co-ordinating force available to the free world economy is the operation of unfettered markets for goods and capital. In the broadest sense, therefore, the defence of the free world and its institutions depends upon the creation of a payments mechanism which will permit the *unrestricted* operations of these market forces." Specifying what such a mechanism might seek to accomplish, Prof. Mikesell says, "all free world trade should be financed solely in currencies or means of payment which are readily available for use in any currency area, so that the need for discrimination on currency grounds will disappear . . . ."

According to the Report, the creation of a new international organisation is not the solution to the problem. Prof. Mikesell believes, however, that "a programme of convertibility would require the co-ordinated efforts of existing institutions, including the European Payments Plan, the British Commonwealth, Conference, the Monetary Fund the General Agreement on Tariffs and Trade, the Organisation for European Economic Co-operation and the North Atlantic Treaty Organisation. . . ."

Summarising, Prof. Mikesell observes: "It should be emphasised that the world's payments problems cannot be dealt with apart from a vast complex of other international economic and political issues. Currency convertibility is not likely to be achieved by pious resolutions. . . . It must be achieved by concerted action of the leading countries of the free world to create a system of universal multilateral settlements. . . . Above all, there must be the will among the major nations of the free world—including the U.S.—to adopt the policies and programmes which are essential to the creation of an orderly system of world payments."

TENDERS FOR UREA AND NITRATE PLANTS AT SINDRI

Only four firms out of five invited to submit tenders for the establishment of urea and ammonium nitrate plants at Sindri have submitted, it is stated, their tenders. The tenders are now being examined by the team of experts to which has been entrusted the work of establishing the plants.

This team, consisting of the representatives of the Government of India and the U.S. Technical Co-operation Administration, visited important countries where urea and nitrate plants are in operation, such as Japan, North America, and Europe. After studying there the different processes of manufacture of these two fertilisers, the team had recommended the names of five firms to submit tenders. This recommendation was accepted by the Government of India and, on invitation of tenders from them, only four chose to respond to the invitation, as stated at the outset. The team of experts now examining these tenders consists of Mr. B. C. Mukerjee, I.C.S., Dr. Nagaraja Rao, Industrial Adviser (Chemicals), Ministry of Commerce and Industry, and Mr. C. C. Sharma, Plant Manager, Sindri Fertilisers. Representing the T.C.A. on the team is Dr. Chalkley. This team was appointed by the Government of India last year to study all the processes available for the manufacture of urea and ammonium nitrate. It recommended the processes to be adopted for refining or cracking of oven gases in the ammonia urea and nitrate plants.

Ten million cubic feet of coke oven gas will be available from a coke oven battery which is under erection at Sindri and is expected to go into production in 1954. Out of this 10 million c.ft. of gas, 4 million c.ft. will be utilised for the present for firing the coke ovens and the balance of 6 million c.ft. is proposed to be converted into ammonia. By fully utilising this 6 million c.ft. of gas, it is considered possible to produce 90 tons of ammonia per day, which will be further processed to give 70 tons per day of fertiliser grade urea and about 110 tons of ammonia nitrate or 35 tons per day of fertiliser grade urea and about 150 tons of ammonia nitrate.

EARNINGS OF SHREE NIWAS MILLS IMPROVE

CUT IN DIVIDEND PARTIALLY RESTORED

A RISE of 1½ per cent. to 14 per cent. in the return to shareholders has been recommended by the Directors of the Shree Niwas Cotton Mills Ltd. (Managing Agents: The Marwar Textile (Agency) Ltd., Bombay), for the year ended 31st December, 1953. The increase does not fully restore the cut effected last year in the dividend from 17½ per cent. to 12½ per cent., but brings it to the level paid for the year 1950. The partial restoration of the cut in dividend is only in consonance with the welcome improvement in the fortunes of the Company during the past year, as compared with those for the previous year. The gross profit of the Company for the year 1953, at Rs. 32.77 lakhs, shows an increase of Rs. 9.46 lakhs over that for 1952, but represents only a little less than half the profit (Rs. 65.68 lakhs) for 1951. As compared with the profit for 1950, at Rs. 40.46 lakhs, the profit for the year under review is lower by Rs. 7.69 lakhs. Judged from this trend of profits for the last four years, the distribution of a dividend of 14 per cent. for the year under review is indeed a generous one.

The better results for 1953 is not a peculiar feature of the Shree Niwas Cotton Mills alone, but is in conformity with the general trend of financial results of cotton mills. The Directors' report indicates that the profit of the Company would have been better but for some adverse factors. Thus, they observe: "The working results for the year under review are considerably better than last year, but the high-priced stocks of foreign cotton which the Company held at the beginning, together with the slump in the cloth market during the latter part of the year, have affected the final results." In the circumstances, the results shown for the year under review can be considered to be quite satisfactory.

The salient features of the Company's performance for the year under review are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	838.12	862.81	401.92	232.63
Stocks	123.56	110.04	114.85	125.67
Expenses	807.47	840.07	246.72	257.50
Gross profit	32.77	53.31	65.68	40.46
Managing Agents' remuneration	3.69	2.90	8.21	5.00
Provision for—				
Depreciation	7.98	9.97	7.49	4.41
Taxation	8.50	2.50	18.00	12.50
Net profit	12.70	7.94	31.98	18.49
To reserves	2.00	..	22.00	9.00
Dividends—				
4 per cent. preference	0.19	0.19	0.19	0.19
Ordinary	8.40	7.50	10.50	8.40
	(14%)	(12½%)	(17½%)	(14%)†
Carry forward	2.70	3.44	3.19	3.10

* Approximate.
† On the increased capital of Rs. 60 lakhs raised in February, 1951, by the capitalisation of reserves.

A notable feature is the improvement in profit notwithstanding a decline in sale proceeds and an increase in stocks. This is due to a significant drop in expenses, of which only an approximate estimate can be had from the published accounts. But wages and Company's contribution to workers' provident fund have gone up by Rs. 10.92 lakhs and establishment charges by Rs. 2.42 lakhs. Another noteworthy feature is reduction of Rs. 2 lakhs in the provision for depreciation. As is only to be expected, a substantial part of the increase in profit has been utilised to raise the provision for taxation. Out of the net profit of Rs. 12.70 lakhs, which shows an increase of Rs. 4.76 lakhs over the previous year, the Directors have transferred to the renewal and replacement reserve a sum of Rs. 2 lakhs which did not receive anything in the previous years. No addition to any other reserve has been made.

The paid-up capital of the Company is unchanged at Rs. 64.80 lakhs, made up of 60,000 ordinary shares of Rs. 100 each and 4,800 4 per cent. redeemable preference shares of Rs. 100 each. It may be noted here that as much as Rs. 36 lakhs of the Company's equity capital and the entire preference capital of Rs. 4.80 lakhs represent capitalisation of resources in the course of the last ten years. Even after such a large capitalisation, the reserves and surplus as at the end of the year under review stand at the impressive level of Rs. 68.90 lakhs. The gross block of the value of Rs. 87.30 lakhs has been written down to a book value of Rs. 41.49 lakhs, the depreciation so far provided being Rs. 45.81 lakhs. The current assets aggregating Rs. 146.81 lakhs exceed the current liabilities and provision for taxation, amounting to Rs. 100.41 lakhs, by a margin of Rs. 46.40 lakhs. An analysis of the current liabilities shows that loans from banks account for Rs. 42.69 lakhs, showing a rise of Rs. 21.92 lakhs over the year. Of these loans, those against pledge of shares of joint-stock companies amount to Rs. 10.19 lakhs, borrowed presumably for the acquisition of a substantial interest in the firm of Messrs. Hall and Anderson Ltd., proprietors of the Shree Madhusudan Mills. The Company has purchased 298,750 fully paid-up ordinary shares of Rs. 10 each at a cost of Rs. 15.11 lakhs. The Company has also advanced to Messrs. Hall and Anderson Ltd. a substantial sum which, as at the end of the year under review, stands at Rs. 26.67 lakhs. The Directors report that since the acquisition of the substantial interest in Messrs. Hall and Anderson Ltd., the Shree Madhusudan Mills Ltd. has been working under the guidance and supervision of the Shree Niwas Cotton Mills Ltd. and is making steady progress and the present working is satisfactory.

The Rs. 100 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 212-8 *cum-div.* On the *ex-div.* basis of Rs. 198-8, the latest dividend gives a yield of over 7 per cent. per annum, free of tax.

COMPANY FORMED TO PROCESS FOOD BY ELECTRONIC RADIATION

A new company has been formed in the United States for the processing of fresh meats, vegetables and fruit by electronic radiation. The Company, the Applied Radiation Corporation, of Walnut Creek, California, is headed by four scientists. They are building a new machine—an electron linear accelerator—to handle the operation. It will be ready for testing by September and is expected to have a deep impact on the food industry, medical therapy and other electrical applications.

The scientist-businessmen say that radiation not only destroys bacteria, but in sufficient strength interrupts enzyme action. Food preserved in this fashion, they say, loses none of its natural flavour or nutritional qualities. Two years ago, scientists at the University of Michigan and the Massachusetts Institute of Technology discovered that food treated by radiation from radioactive materials could be kept without refrigeration. But the danger and difficulty of handling radioactive substances and the high cost have prevented commercial application. As a result of further research and the new machine, the Company says, radiation now can be controlled easily and accurately. The new radiation process, it is said, can be made to penetrate wood to kill worms or termites or to penetrate grain bins to kill weevils and even rodents.

DUNLOP RUBBER CO., LTD.

The Dunlop Rubber Company, Ltd., London, has earned a net profit (after taxation) of £3,509,842 for the year 1953, as against £1,969,358 for the previous year, representing an increase of 78.2 per cent. A sum of £1,800,000 has been transferred to the general reserve, which compares well with £520,000 added last year. The Directors have declared a dividend of 12 per cent. and a bonus of 2 per cent. on the ordinary capital of £19,280,974 increased in January last by a 50 per cent. free scrip issue, as compared with a dividend of 15 per cent. and a bonus of 2½ per cent. paid last year on the old capital of £12,853,969. The sum left to be carried forward is £1,488,893, as compared with £1,472,438 brought in.

BHARAT LINE LTD.

The Directors of the Bharat Line Ltd. have decided to maintain the dividend for the year ended 31st December, 1953, at Rs. 5 per share, after having raised it last year to that level successively from Rs. 3 per share paid for 1950 and Rs. 4 per share for 1951.

The Board of Directors of the Century Spinning and Manufacturing Company, Ltd., has approved of a proposal to set up a five-ton rayon yarn plant.

(*Concluded from next column*)

the Company capitalised in March, 1954, a sum of Rs. 104.87 lakhs out of the reserves and issued 1,048,750 fully paid up ordinary shares of Rs. 10 each to the existing shareholders in the ratio of three shares for every two shares held. The new shares are not entitled to the dividend declared in respect of the half-year under review, but are eligible for it for the subsequent half-year onwards.

SETBACK IN PROFIT OF ORIENT PAPER

DIVIDENDS, HOWEVER, UNCHANGED

THE audited accounts of the Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) for the half-year ended 30th September, 1953, disclose a sharp fall in the earnings of the Company, as compared with those for the previous half-year, the gross profit having declined from the record level of Rs. 71.58 lakhs to Rs. 49.65 lakhs. The fall in profit for the half-year under review is almost as precipitous as the rise was in the previous half-year from Rs. 47.86 lakhs to Rs. 71.58 lakhs. What is more, with this shrinkage in profit, the upward trend in earnings noted since the six months ended 30th September, 1951, has been reversed. The setback in results has not affected the return to the shareholders which is maintained at 20 per cent. per annum for the sixth half-year in succession.

The steady dividend policy which the Company has been pursuing over a number of years irrespective of the fluctuations in the fortunes of the Company has enabled it to pay an assured return for the last 13 years without a break during its history of 17 years. Established in 1936, the Company paid a maiden dividend of 10 per cent. per annum for the half-year ended 31st March, 1941. In the next half-year, the dividend was stepped up to 15 per cent. per annum and this rate was maintained till the half-year ended 31st March, 1950. The dividend was doubled for the six months ended 30th September, 1950. In March, 1951, the ordinary capital of the Company was doubled to Rs. 41.95 lakhs, as a consequence of which the rate of dividend was reduced to 20 per cent. per annum for that half-year and this has since been maintained.

To revert to the working of the Company during the half-year under review. The adverse results for the half-year are attributed to "lower production by reason of water shortage during summer season in the river Ib." Reflecting the lower exports are the decline in sale proceeds, stocks and expenses, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the half-year ended			
	30-9-53	31-3-53	30-9-52	31-3-52
Sale proceeds (net)	154.22	177.56	153.75	137.70
Stocks	9.19	12.42	5.42	8.70
Expenses	103.89	117.81	103.42	144.87
Loss on sale of investments	6.50	..	..	..
Gross profit	49.65	71.58	47.86	88.89
Managing Agents' remuneration	4.84	7.01	4.57	8.77
Depreciation	5.00	5.00	5.00	5.00
Taxation	16.00	31.00	10.00	7.00
Net profit	23.80	28.57	28.29	23.12
To reserves	15.00	20.00	20.00	15.00
Dividends	2.40	2.23	2.00	2.00
Preference	..	..	..	..
Ordinary	1.77	1.77	1.77	1.77
	4.19	4.19	4.19	4.19
	(20%	(20%	(20%	(20%
Carry forward	p.a.)	p.a.)	p.a.)	p.a.)
	2.71	2.27	10.91	1.68

Although the gross profit shows a decline of Rs. 21.93 lakhs, the net profit is down by only Rs. 4.77 lakhs. Out of the net profit, a sum of Rs. 15 lakhs has been transferred to the dividend equalisation account which was created in the previous half-year by the allocation of Rs. 20 lakhs from the profit.

The paid-up capital of the Company as at the close of the half-year under review stands at Rs. 121.95 lakhs, made up of 419,500 ordinary shares of Rs. 10 each, 20,000 5½ per cent. (tax-free) cumulative preference shares of Rs. 100 each and 60,000 5½ per cent. (taxable) cumulative preference shares of Rs. 100 each. As against this capital, the reserves and surplus aggregate Rs. 240.92 lakhs, that is, nearly double the paid-up capital. Of these resources, as much as Rs. 100.70 lakhs represent capital reserve, Rs. 100 lakhs being the result of the revaluation of fixed assets in 1950. General reserve amounts to Rs. 56.50 lakhs, repairs and renewals reserve Rs. 45 lakhs and dividend equalisation fund Rs. 35 lakhs. There is a debenture liability to the extent of Rs. 1 crore. Provision for taxation stands at Rs. 87.09 lakhs and current liabilities at Rs. 54.81 lakhs. The gross block of the value of Rs. 342.04 lakhs has been written down to Rs. 262.03 lakhs. The current assets amount to Rs. 342.74 lakhs and exceed the current liabilities and taxation by a very wide margin.

As will be seen from the foregoing analysis of the latest balance-sheet, the paid-up capital amounts to only Rs. 121.95 lakhs, as against a gross block of Rs. 342.04 lakhs. With a view to bringing the capital structure in conformity with the size of the capital assets and turnover,

(*Continued in previous column*)

Points From The Chair

Subsiding Production of Cycle Components

"THIS Development Council has to consider the manufacturing targets of the cycle industry and various other problems regarding small-scale cycle parts manufacturers, etc. During the war, when there was a great dearth of bicycles and components, the manufacture of odd parts was encouraged so that some sort of reclamation work could be done to cycles which required repairs and for which the parts could no longer be imported. Having allowed the starting of manufacture of some components, vested interests have necessarily grown. The problem still arises as to what part these small-scale manufacturers of components should be allowed to play in the promotion of the cycle industry, and whether it is proper to lay any burden on the regular manufacturers of cycles, towards the maintenance of the small-scale industry. There is an idea that the manufacturers of odd cycle components in different parts of India should be subsidised by the major cycle manufacturers and, I think, it will be disastrous to the cycle industry if this is done."

A. RAMASWAMI MUDALIAR,
T. I. Cycles of India Ltd.

Trend of World Output and Consumption of Aluminium

"Free world production of aluminium in 1949 was 1,240,000 tons and is estimated to be 2,000,000 tons in 1954—a 110 per cent. increase over the period. When contrasted with the recorded growth in demand over several decades—the historical growth of trend—it becomes immediately apparent that the recent surge in production is exceptional. Historically, demand and production have approximately doubled every ten years. Even assuming the continuance of this favourable growth rate, recent production increases exceed by substantial margins the nominal growth in demand measured by the same historical standards. One is consequently led to question the ability of the market to consume the enlarged production capacity in the near term. Today, and for several months, there has been adequate primary aluminium to meet all demands in fields of consumption. Consumption has, however, been supplemented and may continue to be supplemented by Government stockpiling. The stockpiling programmes bring an important, but unknown, factor into the determination of current and near-term demand. What these stockpiling reserves are at the moment, what they may be in future years, and how they may be handled are matters of conjecture."

NATHANAEL V. DAVIS,
Aluminium Limited.

Outlook for Insurance

"I have already mentioned that the economic conditions now prevailing will not give rise to the rapid growth of income that we have experienced in recent years. Lower values inevitably result in lower premiums and, moreover, it is as well to remember that premium rates are constantly being modified as new methods of building construction or improvements in the manufacturing process diminish the risks of fire or accidents. However, we live in an age when commercial and industrial enterprise all over the world is seeking to promote new ventures and business activity. Such developments bring with them fresh markets for insurers and with our extensive organisation, we hope to participate in these new opportunities."

LT.-COL. JOHN LESLIE,
Commercial Union Assurance Company

High Cost Economy of Britain—A Danger

"We are still a good way from reaching the desired objective of having a really strong free currency so that we can feel assured that our economy is built on durable foundations able to meet all shocks. Our greatest danger is that we shall find our costs too high to meet the severe and continued competition we must expect, not only from American industry but, more particularly, from industry in Germany, Japan, Switzerland and other countries. Since our people are as intelligent and efficient as any others, there is no inherent reason why this danger should not be overcome if they are well led both on the employers' side and by their own trade union chiefs and if, as it is at present, the Government's internal economic policy is directed to the right ends."

THE RT. HON. LORD BRAND,
North British and Mercantile Insurance Co., Ltd.

Higher Wages Must be Recompensed by Extra Effort

"Indeed, in my opinion, we shall be fortunate if the recent increase in wages, especially in the nationalised industries which contribute comparatively little to export business, but vitally affect export costs, do not presage a period of further inflation. In our own case, the increase must obviously add to the costs of our products at a time when they should be reduced if, in future, we hope to retain our export business and compete effectively in overseas markets. Employers in the heavy engineering industry are anxious to give their employees a just return for their labours, but at the same time, the principal objective of employers must be to maintain a satisfactory order book and so to ensure full employment in future years. Both these endeavours will be in serious jeopardy, if higher wages are not recompensed by extra effort, and we all know that, if our national exports fall away, this country will once again be faced with a most critical and dangerous situation."

W. LIONEL FRASER,
Babcock and Wilcox Ltd.

COMPANY MEETINGS AND DIVIDENDS

SHREENIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 26th May, 1954. Dividend: Rs. 14 per share, payable on and after 1st June, 1954. Transfer books remain closed from 11th to 26th May, 1954, both days inclusive.

CLIVE BUILDINGS (CALCUTTA) LTD. Annual General Meeting, Calcutta, 26th May, 1954. Dividend: Rs. 3 per share. Transfer books remain closed from 20th to 26th May, 1954, both days inclusive.

UPPER JUMNA VALLEY ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 26th May, 1954. Dividend: As. 8 per share plus an additional payment of As. 2 per share; free of income-tax. Transfer books remain closed from 20th to 26th May, 1954, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 27th May, 1954. Dividend: Rs. 8 per share (including interim-dividend of Rs. 2 per share).

CALCUTTA LANDING AND SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 28th May, 1954. Dividend: Re. 1-2 per share (including a bonus of As. 6 per share). Transfer books remain closed from 17th to 28th May, 1954, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Bangalore, 29th May, 1954. Dividend: Re. 1-4 per share, payable on and after 1st June, 1954. Transfer books remain closed from 17th to 29th May, 1954, both days inclusive.

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Transfer books remain closed from 20th May to 2nd June, 1954, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 2nd June, 1954. Dividend: Rs. 7 per share (including the interim-dividend of Rs. 2-8) free of income-tax, payable on and after 25th June, 1954. Transfer books remain closed from 14th to 28th May, 1954, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 2nd June, 1954. Dividend: Re. 1-2 per ordinary share (12½ per cent.). Transfer books will remain closed from 25th May to 2nd June, 1954, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 19th May to 2nd June, 1954, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Dividend: Re. 1-4 per share (including a bonus of As. 4 per share). Transfer books remain closed from 19th May to 2nd June, 1954, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 19th May to 2nd June, 1954, both days inclusive.

BHULANBARAREE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Transfer books remain closed from 19th May to 2nd June, 1954, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1954. Transfer books remain closed from 21st May to 4th June, 1954, both days inclusive.

KARANPURA DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1954. Transfer books remain closed from 21st May to 4th June, 1954, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 4th June, 1954. Dividend: Re. 1-9 per share.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 9th June, 1954. Dividend: Rs. 7 per share, including bonus. Transfer books remain closed from 17th May to 8th June, 1954, both days inclusive.

SASSOON AND ALLIANCE SILK MILL CO., LTD. Dividend of As. 12 per share, for the year ended 31st December, 1953.

VELLORE ELECTRIC CORPORATION LTD. Interim dividend of As. 8 per share, for the year 1953-54. Transfer books remain closed from 22nd to 31st May, 1954, both days inclusive.

EAST INDIAN COAL CO., LTD. Interim dividend of As. 12 per share, for the year ending 30th April, 1954. Transfer books remain closed from 18th to 31st May, 1954, both days inclusive.

COMPANY REGISTRATIONS

AMAR DYE-CHEM LTD. (First Director: Mr. A. K. Doshi.) Business: Manufacture, Produce, Process, Sell and Deal in Synthetic Organic Dyestuffs, Colours, etc. Authorised capital: Rs. 1,00,00,000. Address: 11, Sprott Road, Ballard Estate, Bombay.

POORNIMA AGRICULTURAL AND INDUSTRIAL CORPORATION LTD. (First Director: Mr. Shamrao Sitaram Samant.) Business: Manufacturers of Manure, Fertilisers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Kolhapur (Laxmipuri, Kolhapur).

KANWAL & CO., LTD. (First Director: Sardar Bahadur Bakshi Dilip Singh.) Business: Importers, Exporters and Dealers in Taximeters and all kinds of Motor Spare Parts, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 16, Arthur Bunder Road, Colaba, Bombay 5.

BAKUL INVESTMENTS LTD. (First Director: Mr. Y. C. Barodekar.) Business: Investment in Land, House and other Properties. Authorised capital: Rs. 5,00,000. Private company. Address: 261C, Chandavarkar Road, Matunga, Bombay 19.

A-ONE INVESTORS LTD. (First Director: Mr. N. G. Joshi.) Business: Manufacturers of Agricultural Manures, Chemists and Druggists, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 11 Padamji Road, Bombay 4.

Notices

KHARDAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary Half-yearly Meeting of the Shareholders of the Khardah Company, Limited, will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, at noon on Thursday the 10th June, 1954, for the following purposes:—

(1) To receive the Report of the Directors and to pass the Audited Accounts for the half-year ended 30th September, 1953.

(2) To elect a Director.

(3) To elect Auditors for the current year and to fix their remuneration.

(4) To declare Dividends on the Preference and Ordinary Shares.

(5) To transact any other business which may properly be brought before the Meeting.

The Share Transfer Register of the Company will be closed from 27th May to 10th June, 1954, both days included.

By Order of the Board of Directors,
ANDERSON WRIGHT, LTD.,
Managing Agents.

CALCUTTA, 13*th May*, 1954.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eleventh Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at 11 a.m. on Tuesday the 8th June, 1954, for the following purposes:—

(1) To receive and consider the Report of the Directors, Accounts and Balance Sheet for the year ended 31st March, 1954.

(2) To declare a Dividend.

(3) To elect Directors.

(4) To appoint Auditors.

(5) To transact any other competent business which may be brought before the Meeting.

The transfer books of the Company will be closed from the 28th May, 1954, to the 10th June, 1954, both days inclusive.

By Order of the Board,
ASPINWALL & CO., LTD.,
Managing Agents.

FORT COCHIN, 14*th May*, 1954.

BENGAL PAPER MILL COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO RECOMMEND to the forthcoming General Meeting of the Shareholders to be held on 4th June, 1954, dividends for the half-year ended 31st December, 1953, as follows:—

(a) Dividend on Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax,

(*b*) Dividend on "A" Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax,

(c) Dividend on "B" Cumulative Redeemable Preference Shares at 6 per cent. per annum, (subject to deduction of Income-tax),

(*d*) Dividend on Ordinary Shares at 12½ per cent. per annum, free of Income-tax.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA.

GONDALPARA MILL HALVES RETURN TO SHAREHOLDERS

POOBONG TEA RESUMES DIVIDEND

Societe Generale Industrielle De Chandernagor (Gondalpara Mill)

THE directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

In accordance with the Indian Jute Mills Association's main and supplementary working time agreements the mill worked 42½ hours per week with 12½ per cent. looms sealed throughout the year.

The export duty on hessian goods was reduced from Rs. 275 to Rs. 120 per ton on 14th September, 1953, but the benefit of this went mainly to the consumer, although Calcutta Hessians are again competitive in world markets.

During the year, raw jute prices were not in parity with sacking goods and this is the reason for the poor result shown.

Jute in stock and process has been taken into account at rates corresponding with forward sales of manufactured goods, and manufactured goods have been taken into account at contract or market rates.

In view of the difficult conditions prevailing during the year, the agents have waived the sum of Rs. 1,00,000 (Rs. 1,50,000) from the commission due to them by the Company.

The result of the year's working was a profit of Rs. 1,17,550 (Rs. 63,630) to which was added the credit balance brought forward from previous year of Rs. 41,193 (Rs. 25,156) making a total of Rs. 1,58,743 (Rs. 2,49,193). Out of the above sum the directors paid a dividend at the rate of 5 (10) per cent. per annum (or say Rs. 15 (Rs. 30) per share) without any deduction in respect of income-tax payable by the Company Rs. 54,000 (Rs. 54,000), transferred to depreciation reserve Rs. 1,00,000 (Rs. 1,00,000), and carried forward to next year Rs. 4,743 (Rs. 41,193).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,80,000	Block ...	24,01,104
Debentures ...	1,800	Stocks ...	16,65,202
Reserves ...	28,00,000	Stores ...	5,37,819
Provision for taxation ...	2,57,066	Other assets ...	1,429
Liabilities ...	20,58,613	Debts, deposits and advances ...	16,24,546
Profit and loss account ...	1,58,743	Investments ...	79,089
		Cash ...	47,033
	Rs. 63,56,222		Rs. 63,56,222

Poobong Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit of Rs. 22,051 (loss of Rs. 55,548). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 30,328 (credit of Rs. 335) of which the directors have transferred Rs. 10,000 (nil) to revenue reserve and Rs. 5,000 (nil) to buildings and machinery reserve. The directors recommend that a dividend of 2½ (nil) per cent. be declared at the annual meeting, leaving Rs. 7,828 (Rs. 335) to be carried forward.

Crop weighed out at 1,845 maunds as compared with 2,237 maunds in 1952 and the average selling price was Rs. 2-3-9 per lb. as against Re. 1-13-7 per lb. in the previous year. Hail damage in March, caused a loss of leaf estimated at 550 maunds pucca tea. Planted area remains at 500.43 acres.

Estimates for 1954 provide for a crop of 2,200 maunds for an outlay of *Rs. 3,43,170 including* inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,85,000
Reserves ...	3,03,709	Stores and supplies ...	27,073
Provision for taxation ...	21,063	Tea sales receivable	63,672
Liabilities ...	36,101	Other assets	7,393
Profit and loss account ...	7,828	Advances and deposits	21,797
		Investments	1,38,714
		Cash ...	1,25,052
	Rs. 6,68,701		Rs. 6,68,701

Ondal Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

During the half-year July to December, 1953, a total of 74,888 tons of coal were raised and 68,186 tons were despatched.

The Secretaries report that some success has been achieved subsequently in movement from this area, but wagon supplies are still much below productive capacity.

The profit and loss account after providing *Rs. 73,384 (Rs. 1,05,119)* for taxation, transferring *Rs. 74,764* (nil) to general reserve and including the sum of Rs. 1,06,566 (Rs. 1,23,852) brought forward from last half-year shows an available balance of Rs. 1,84,912 (Rs. 1,81,995) which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 6,500 (Rs. 6,500), in paying a dividend on the ordinary shares at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 75,000) and in carrying forward Rs. 1,03,412 (Rs. 1,00,495).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,50,000	Block ...	1,20,000
Reserves ...	11,26,866	Debts, deposits and advances ...	3,37,465
Provision for taxation ...	1,45,989	Investments ...	22,86,259
Liabilities ...	4,30,033	Cash ...	12,576
Profit and loss account ...	1,03,412		
	Rs. 27,56,300		Rs. 27,56,300

Standard Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The case before the Appellate Tribunal is still to be heard, but no indication of the probable result can be given.

The profit and loss account, after providing Rs. 1,000 (nil) for depreciation, Rs. 94,168 (Rs. 71,144) for taxation, transferring Rs. 29,572 (Rs. 50,000) to general reserve and including the sum of Rs. 87,018 (Rs. 74,094) brought forward from last half-year, shows an available balance of Rs. 1,64,141 (Rs. 1,66,379) which the directors propose to dispose of as follows:—

In paying a dividend at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 80,000 (Rs. 80,000) and in carrying forward Rs. 84,141 (Rs. 86,379).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	1,47,060
Reserves ...	14,19,545	Debts, deposits and advances ...	10,20,323
Provision for taxation ...	3,55,661	Investments	17,79,312
Liabilities ...	3,12,492	Cash ...	25,144
Profit and loss account ...	84,141		
	Rs. 29,71,839		Rs. 29,71,839

Bhulanbararee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

As much as 63,363 tons of coal were raised and 76,334 tons were despatched during the half-year in comparison with 72,010 tons and 68,457 tons in the previous half-year. Raisings were affected by mining difficulties, which however, the directors report, are gradually being overcome. It was referred in the last report to the necessity for augmenting sand-getting arrangements. Plant is now installed.

Although there are indications that Government is aware of the difficulties under which stowing collieries are labouring, alleviation is not yet forthcoming. Meanwhile the Company continues to follow the best known method of coal conservation, but it must be appreciated that this is very costly.

The number of wagons available daily for coal loading in the Bengal-Bihar fields was 3,119. *This is 16 wagons more than for the previous* period.

In order to assist forward planning, the Coal Industry has informed the Planning Commission that in its opinion, transport to the extent of an additional 2 million tons per year for the next 10 years will be required if the Industrial expansion programme is to be fulfilled. This programme will necessitate very early action by the authorities.

While the directors give their full support to reasonable improvement in the conditions under which labour works in so far as these improvements fall within the capacity of management to pay, they can only suggest that the criterion is the capacity to pay, and this is governed first and last by labour's willingness to do a fair day's work for the many benefits which are now available in return for services rendered.

As this report is written the Industry is under the orders of a Tribunal set up by Government in response to demands formulated by labour (or 'their leaders) which, if acceded to *in toto*, will increase the pit-head price of coal to Indian Industry by about 50 per cent.

The profit and loss account, after providing Rs. 26,270 (Rs. 22,607) for depreciation, writing back Rs. 11,071 (nil) over-provided previously against taxation and including the debit balance of Rs. 41,494 (credit of Rs. 3,437) brought forward from last half-year, shows a debit balance of Rs. 1,36,897 (debit of Rs. 43,876) which the directors propose to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,15,000	Block ...	15,40,869
Reserves ...	14,30,111	Stock of coal	2,19,387
Liabilities ...	7,24,791	Stores ...	2,07,044
		Debts, deposits and advances ...	6,66,504
		Investments ...	64,105
		Cash ...	35,096
		Profit and loss account ...	1,36,897
	Rs. 28,69,902		Rs. 28,69,902

Borrea Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

As much as 72,733 tons of coal were raised and 75,298 tons were despatched during the half-year July-December, 1953, in comparison with 72,735 tons raised and 71,086 tons despatched during the previous half-year. Raisings at this colliery continue to be controlled by Government's Conservation plans. There is the seasonal increase in production costs owing to monsoon pumping.

The number of wagons available daily for coal loading in the Bengal-Bihar fields was 3,119. This is 16 wagons more than for the previous period.

In order to assist forward planning, the Coal Industry has informed the Planning Commission that in its opinion transport to the extent of an additional 2 million tons per year for the next 10 years will be required if the Industrial expansion programme is to be fulfilled. This programme will necessitate very early action by the authorities.

While the directors give their full support to reasonable improvement in the conditions under which labour works in so far as these improvements fall within the capacity of management to pay, they can only suggest that the criterion is the capacity to pay, and this is governed first and last by labour's willingness to do a fair day's work for the many benefits which are now available in return for services rendered. As this report is written the Industry is under the orders of a Tribunal set up by Government in response to demands formulated by labour (or their leaders) which, if acceded to *in toto*, will increase the pit-head price of coal to Indian Industry by about 50 per cent.

The profit and loss account, after providing Rs. 30,244 (Rs. 36,392) for depreciation, Rs. 1,37,839 (Rs. 99,248) for taxation, transferring Rs. 6,000 (Rs. 8,000) to tax contingency reserve, Rs. 29,423 (nil) to general reserve, Rs. 30,000 (Rs. 30,000) to development reserve, Rs. 15,000 (nil) to dividend equalisation reserve and including the sum of Rs. 1,06,183 (Rs. 1,07,078) brought forward from last half-year, shows an available balance of Rs. 2,10,952 (Rs. 2,13,084), which the directors propose to dispose of as follows:—

In paying a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 13,000 (Rs. 13,000), in paying a dividend on the ordinary shares at the rate of 20 (20) per cent. per annum without any deduction for income-tax paid by the Company Rs. 75,000 (Rs. 75,000), in paying a bonus of As. 4 (As. 4) per share on the ordinary shares without any deduction for income-tax paid by the Company Rs. 18,750 (Rs. 18,750) and in carrying forward Rs. 1,04,202 (Rs. 1,06,334).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	11,50,000	Block ...	16,55,516
Reserves ...	21,01,000	Capital expenditure-in-progress	2,24,701
Provision for taxation ...	1,72,756	Stock of coal	52,414
Liabilities	6,75,210	Stores ...	2,33,549
Profit and loss account ...	1,04,202	Debts, deposits and advances ...	12,82,140
		Investments	7,15,324
		Cash ...	39,524
	Rs. 42,03,168		Rs. 42,03,168

New Manbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

The revenue account showed a loss of Rs. 45,544 (Rs. 80,869) as a result of the half-year's working and after debiting and crediting sundry items as detailed in the profit and loss account there was a gross loss for the half-year of Rs. 81,629 (Rs. 1,07,232). After adding the balance brought forward from the previous half-year and also Rs. 18,248 (Rs. 2,058) on account of sundry adjustments in respect of previous half-years, there is a debit on profit and loss account of Rs. 1,60,595 (debit of Rs. 7,595). This has been adjusted against a transfer of Rs. 1,70,000 (Rs. 3,00,000) from general reserve, leaving Rs. 9,405 (debit of Rs. 7,595) at credit of profit and loss account to be carried forward.

The raisings for the half-year, amounted to 59,771 tons, despatches being 50,377 tons. This compares with 62,429 tons and 68,079 tons respectively for the previous half-year and with 59,003 tons and 62,321 tons respectively for the corresponding half-year in 1952.

It was unfortunate that during the half-year, the coal raised from 16 and 16A seams was downgraded from grade I to grade II, the latter having a lower selling price and a more limited demand than the former. Despatches during September, were disrupted owing to the strike at the Works of the Indian Iron and Steel Co. Ltd., who are the main consumers of selected "B" grade coal.

The Coal Board restricted the colliery output which was pegged during 1953 to 1,56,000 tons. For the current year the output is restricted to 77,000 tons selected "B" coal and 50,000 tons grade II coal.

A considerable amount of development was done during the period and this should be reflected in increased raisings in the future.

It is also noteworthy to record that the fire area in 14 and 15 seams closed in 1936, has been recently re-opened and as a result of this considerable areas containing selected "B" coal are now available for working. The re-opening of these areas is a very creditable achievement on the part of the colliery management.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	12,83,965
Reserves ...	1,60,000	Stock of coal	3,17,095
Liabilities ...	14,84,939	Stores ...	2,64,774
Profit and loss account ...	9,405	Other assets	14,557
		Debts, deposits and advances ...	3,05,683
		Investments	36,932
		Cash ...	31,438
	Rs. 22,54,344		Rs. 22,54,344

Bridge & Roof Co., (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1953.

The profit for the half-year after providing for debenture interest, depreciation and taxation, was Rs. 1,89,926 (Rs. 1,13,131) to which was added items relating to preceding half-years Rs. 34,608 (nil) and balance brought forward Rs. 91,681 (Rs. 91,200) making a total of Rs. 3,36,195 (Rs. 2,04,331). Out of the above sum, the directors have set aside Rs. 1,50,000 (Rs. 25,000) to general reserve. This left a balance of Rs. 1,86,195 (Rs. 1,79,331) at the credit of profit and loss account, which the directors dealt with as follows:

Paid a dividend at the rate of 15 (15) per cent. per annum Rs. 90,000 (Rs. 90,000) and carried forward the balance of Rs. 96,195 (Rs. 89,331).

In addition to normal structural steel and building work the Company is now engaged on an instructional order for railway wagons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	9,84,901
Debentures ...	2,00,000	Materials and stores ...	4,99,226
Reserves ...	12,30,000	Work-in-progress ...	23,66,325
Provision for taxation ...	7,29,700	Debts, deposits and advances ...	19,22,135
Liabilities ...	33,73,176	Investments	28,617
Profit and loss account ...	96,195	Cash ...	10,27,867
	Rs. 68,29,071		Rs. 68,29,071

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

The following schedule, in respect of sale of electricity and revenue for the past three years, indicates that normal progress has been maintained during half-year under review.

Half-year Ended	*Units* Sold	*Revenue* Rs.
31st March, 1951 ...	3,185,992	6,39,499
30th September, 1951	3,339,707	6,53,129
31st March, 1952 ...	3,174,549	6,49,675
30th September, 1952	3,635,698	6,66,947
31st March, 1953 ...	3,537,022	6,96,433
30th September, 1953	3,659,582	6,96,992

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provision for liabilities, there remains a balance of Rs. 62,274 (Rs. 59,958) including Rs. 26,460 (Rs. 26,502) brought forward from the previous half-year available for distribution and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 24,875 (Rs. 24,875), an additional payment of As. 2 (As. 2) per share free of income-tax Rs. 6,218 (Rs. 6,219) and in carrying forward to next half-year Rs. 31,181 (Rs. 28,864).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,98,750	Block ...	6,00,868
Reserves ...	4,42,237	Stores ...	3,79,462
Provision for taxation ...	1,23,736	Tools and instruments ...	8,956
Liabilities	15,50,343	Debts, deposits and advances ...	6,39,571
Profit and loss account ...	62,274	Investments	24,349
		Cash ...	10,24,134
	Rs. 26,77,340		Rs. 26,77,340

Godfrey Phillips, India, Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. D. S. Barron, C.I.E., Bombay) submitted the audited accounts of the Company, for the year ended 31st December, 1953.

The Company made a net profit after provision for taxation, depreciation and all other charges, of Rs. 9,96,198, to which was added the balance brought forward from last year of Rs. 13,38,984. A sum of Rs. 57,537 was deducted for short provision for bonus in the year 1952, and Rs. 2,47,369 provision for taxation no longer required was added, making a total of Rs. 25,25,014. The directors transferred to rehabilitation and replacement reserve Rs. 1,00,000, and reserve for gratuities Rs. 60,000, leaving a balance of Rs. 23,65,014. Out of this sum the directors paid a dividend on the preference shares at 5½ per cent. per annum subject to tax Rs. 1,21,688, paid a dividend on the ordinary shares at 17½ per cent. per annum Rs. 7,00,000 and carried forward to next year a sum of Rs. 15,43,326.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	36,07,768
Reserves ...	6,35,000	Goodwill ...	62,587
Provision for taxation ...	8,10,265	Stock-in-hand	99,73,543
Liabilities ...	61,11,061	Goods-in-transit	29,561
Profit and loss account ...	15,43,326	Debts and advances ...	23,40,157
		Cash ...	76,036
	Rs. 1,60,99,652		Rs. 1,60,99,652

United Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th November, 1953.

The Company's profit for the half-year, after the inclusion of Rs. 6,922 (Rs. 35,699) brought forward and Rs. 3,565 reserve for taxation no longer required, was Rs. 25,591 (Rs. 57,687). Out of this sum the directors made payment of a dividend, free of income-tax, at the rate of 10 (25) per cent. per annum, absorbing Rs. 12,500 (Rs. 31,250) leaving to be carried forward Rs. 13,091 (Rs. 25,781).

In July, new arrangements were entered into with the Assam Government, and the better margin allowed under these arrangements, coupled with increased demand for atta in Assam enabled the Company to make a modest profit, in spite of the *fact that the mill was almost completely idle during* the first two months of the half-year, before the new system came into force.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,000	Block ...	3,24,265
Reserves ...	6,71,506	Stock ...	49,263
Liabilities ...	16,22,681	Stores ...	27,005
Profit and loss account ...	13,091	Debts, deposits and advances ...	3,28,848
		Investments	1,95,812
		Cash ...	16,32,085
	Rs. 25,57,278		Rs. 25,57,278

Aruna Mills Ltd.

The directors of the above Company (Agents: Messrs. P. M. Hutheesing and Sons, Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The profit for the year amounted to Rs. 6,53,531 (Rs. 1,02,765) to which was added last year's balance Rs. 1,761 (Rs. 5,872) making a total of Rs. 6,55,292 (Rs. 1,08,636). From this sum was deducted provision for taxation Rs. 3,00,000 (Rs. 30,000), transfer to reserve fund Rs. 30,539 (nil) and transfer to dividend equalisation fund Rs. 80,000 (Rs. 1,80,000) leaving an available balance of Rs. 2,44,753 (Rs. 2,38,636). The directors made payment of a dividend of Rs. 12 (Rs. 12) and a bonus of Rs. 8 (Rs. 8) per share income-tax free on 10,000 ordinary shares for the year ending 31st December, 1953 Rs. 2,00,000 (Rs. 2,00,000), made payment of a dividend on 10,000 5 per cent. cumulative preference shares for the year ending 31st December, 1953, (less income tax) Rs. 36,875 (Rs. 36,875) and carried forward to next year's account a sum of Rs. 7,878 (Rs. 1,761).

The directors trust that the result of the working of the mills will be found satisfactory.

The Company's properties have been insured against fire, excepting a certain risk, which is carried by the Company. The standing charges and profits have also been insured. The Mills have 42,768 spindles, 1,452 doubling spindles and 912 looms and complete dyeing and bleaching plants.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	89,83,424
Reserves ...	90,53,638	Stock-in-trade ...	61,67,748
Depreciation fund	65,39,067	Stores ...	9,25,825
Provision for taxation	3,09,076	Other assets	1,28,318
Liabilities ...	32,20,501	Debts, deposits and advances ...	41,73,673
Profit and loss account ...	2,44,753	Investments	8,53,383
		Cash ...	3,34,664
	Rs. 2,13,67,035		Rs. 2,13,67,035

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

Notices

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-sixth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4 p.m. on Wednesday the 9th June, 1954, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 31st December, 1953.

(2) To declare a Dividend.

(3) To elect a Director.

(4) To appoint Auditors for the current year.

The Transfer Register will be closed from the 2nd to the 9th June, 1954, both days inclusive.

By Order of the Board,
SHAW WALLACE & COMPANY, LIMITED,
Managing Agents.

CALCUTTA, *3rd May*, 1954.

NEW INDIA INVESTMENT CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Ordinary General Meeting of the Shareholders of New India Investment Corporation Ltd. will be held at the Registered Office of the Company at 9, Brabourne Road, Calcutta, at 4 p.m. on Thursday the 10th June, 1954, for the purpose of receiving the Directors' Report, passing the Audited Accounts for the year ended 31st December, 1953, declaring dividends recommended by the Directors, electing Directors, appointing Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Register of the Company will be closed from 1st June to 10th June, 1954, both days inclusive.

By Order of the Board,
RAMDUTT RAMKISSENDASS,
Secretaries.

9, BRABOURNE ROAD,
CALCUTTA, 13*th May*, 1954.

THE NEW INDIA ASSURANCE COMPANY, LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 29th May to 25th June, 1954, both days inclusive.

By Order of the Board,
B. K. SHAH,
General Manager.

BOMBAY, 17*th May*, 1954.

NEW PUBLICATIONS

Demographic Yearbook 1953: Published by U. N. Department of Economic Affairs: Price: $ 5·00.

THE population of the world in the middle of 1952 is estimated to have numbered around 2,469 million, an increase of approximately 30 million since the corresponding estimate for 1951, according to the 1953 edition of the *Demographic Yearbook* published by the U.N. Statistical Office. This estimated increase, according to the *Yearbook*, indicates an annual rate of increase between one and one and a half per cent. If this rate of increase should continue, it would take less than 70 years for the world to double its present population.

Population trends are one of the features of the fifth edition of the *Yearbook*, which contains 280 pages of statistical tables giving basic demographic data for most countries of the world. Other features include trends in births, stillbirths, deaths, marriages and divorces, and a new compilation of data showing the increase in expectation of life that has taken place since the turn of the century. According to the *Yearbook*, the trend towards higher birth rates in the early reproductive years among women seems to continue in areas where such data are available, while there is a notable, in some instances quite steep, decline among women in the middle and later part of the child-bearing ages. Although the post-war rise in fertility has levelled off in most areas, birth rates are still in excess of those prevailing before World War II.

In a large majority of countries the trend towards lower death rates continued, according to the *Yearbook*. This is especially noticeable as far as infantile mortality is concerned. Here countries already having a very low rate continued to reduce the losses occurring during the first year of life. The differences between countries with a relatively high proportion of the population in the older ages as against countries with a young population is perhaps most strikingly demonstrated by the table listing causes of death, the *Yearbook* reveals. In the former, the large share in the death toll taken by cancer and heart disease is especially notable. Also, the continuous downward trend of deaths caused by tuberculosis is remarkable throughout the large majority of countries listed.

According to the *Yearbook*, the highest life expectancy at birth shown is for white women in the United States during 1950: a life expectancy of 72.4 years. The highest figure shown for men is 69.4 years for the Netherlands during the period 1947-48. The improvement in longevity that has taken place in most parts of the world since the turn of the century is well exemplified by Austria, where the expected life span of a newborn girl baby increased from 41 years in 1901 to 67 years in 1951, a gain of 26 years. This increase in longevity has been caused primarily by a sharp reduction of infantile and childhood mortality, but all ages have benefited from the general improvement in health that has taken place in recent decades, the *Yearbook* notes.

Besides its statistical tables, the *Yearbook* contains an introductory chapter of technical notes in English and in French and an extensive bibliography of 75 pages giving references to the most recent published census returns, sources of periodic and other demographic statistics since 1920 and life tables since 1900 for all countries in the world where such material is being published.

(*Concluded from page 986*)

in the U.S. and the improvement in its Canadian operations. Considering that the trend of motor profits of insurers the world over has been downward in recent years, it is gratifying to hear that the Corporation's motor business, the largest of the Corporation's different accounts, has provided a "reasonable amount of profit."

For the year 1953 the Corporation's own underwriting profit was, as already stated, £915,828 which, together with its share of profit from its subsidiary company (£55,816) and income from interest and dividends (£849,851), made in all £1,821,495. From this amount, the Directors have transferred £320,000 to staff pension fund, while sundry expenses absorb £43,386. The trading profit thus amounts to £1,458,109. Taxation absorbs £885,891, leaving a net profit of £572,218. This net profit, together with £750,667 brought forward from the previous year, gives a total of £1,322,885. Out of this, the Directors have transferred £250,000 to the general reserve. The payment of the dividend of 4½ per share (less income-tax) absorbs £1,90,463, leaving a sum of £882,422 to be carried forward to the current year's accounts.

In view of the global nature of the Corporation's activities, the Directors have decided to reorganise its capital structure in order to enable it to "continue even more actively its policy of world-wide development." The Corporation's issued capital now consists of 1,539,090 shares of £1 each, but as only 5s. per share are paid-up, the paid-up capital is £384,772. The Directors propose to capitalise £1,154,318 from the general reserve in order to make the shares fully paid up. They are also proposing to invite subscriptions for an issue of fresh capital. By these changes, the total issued share capital will be raised to a total of £2 million. This capital, together with the general reserve and carry forward, will give an impressive total of over £7.5 million as the owned resources of the Corporation.

QUESTION HOUR IN PARLIAMENT

Gold Haul

THE Bombay Customs authorities seized during 1953 10,323 tolas and 140 grains of gold valued at Rs. 8,86,252.

Foreign Exchange Facilities

Foreign exchange equivalent of about Rs. 1.28 crores was made available during the period April, 1953 to February, 1954, to students who had gone abroad for studies. Figures for March, 1954, are not yet available.

Statistics of Overseas Trade

It is the intention of the Government of India that collection of statistics relating to overseas trade should be done by official agencies only as far as possible. Such collection is being done by the Custom Houses at all major ports except Bombay, where the Bombay Chamber of Commerce has been doing it for a number of years. The question of taking over of this work by the Custom House is under consideration.

Loans to Co-operative Banks

Abstention from trading activities has not been made a condition precedent to the grant of any loan to State Co-operative Banks by the Reserve Bank of India. It is, however, the policy of the Reserve Bank to discourage State Co-operative Banks and Central Co-operative Banks from undertaking trading activities along with their banking activities as the combination of trading and banking is fraught with danger.

—*Deputy Minister for Finance*

Textile Research

The Bombay Millowners' Association has proposed the establishment of a textile research institute in Bombay. The proposal has been approved by the Cotton Textile Fund Committee. The details of the scheme are being worked out. The Bombay millowners have agreed to collect a sum of Rs. 50 lakhs for the purpose, but as regards Government's contribution, the matter has not yet been decided. It is still under consideration of the Cotton Textile Fund Committee.

State Trading in Handloom Cloth Exports

A proposal is under the consideration of the Government to establish a State Trading Corporation to undertake the export of handloom cloth and certain selected small-scale and cottage industry products. For the first time an attempt at State trading is being made. It is too early to say when the matter will be finalised. This matter is taken up as a result of the recommendations of the State Trading Committee. The State Governments have given their views and these are being processed here.

Tin Agreement

India will shortly be signing the International Tin Agreement. The Agreement is worked out at the U.N. Tin Conference. As for the other participating countries, the Government has been informed that the U.S. will not be a signatory to the agreement. The Government has no information whether the other participating countries have signed the agreement or not. The floor and ceiling prices have been fixed at £380 and £640 per ton, respectively, and the buffer stock will so operate that the prices will not fluctuate beyond this range.

Markets for Tobocco

Representations have been received by the Government urging upon them to send a deputation abroad and the Government is considering the question. The question of expenses, composition of the delegation and the places it should visit have not yet been definitely fixed. The Government has reason to believe that a delegation might be sent to Eastern Asia, Japan and China. It will be a composite delegation consisting of officials and non-officials. The Government is trying to develop export markets for Indian tobacco and the sending of a delegation was one of the measures through which the Government wants to promote exports. Regarding European markets, reports have been called for from Indian Trade Commissions which are still awaited.

—*Minister for Commerce*

Prohibition

The Planning Commission is arranging a study of certain aspects of the programme of prohibition. At a later stage in the study, the appointment of a committee would be considered.

—*Deputy Minister for Irrigation and Power*

Own-Your-Own-Wagon Scheme

The Own-Your-Own Wagon scheme has been dropped after the feasility of implementing the scheme had been considered.

British Technicians

Eleven British technicians have joined the Chittaranjan Locomotive Works under the Technical Co-operation Scheme of the Colombo Plan. The technicians have been appointed for one year, but the appointment may be extended to two years. The British Government bears the full cost of the technicians' salaries and allowances and passage to and from India, while the Government of India provides them with free furnished accommodation and free travel facilities within this country.

Visakhapatnam-Bimlipatam Line

The proposal to construct a railway line between Visakhapatnam and Bimlipatam will be considered for inclusion in the projects to be undertaken in the second Five-year Plan.

Payment of Municipal Taxes

The railway administration has been paying whatever taxes they have been liable to pay before 26th January, 1950, at the rates in force before that date. Taxes demanded by municipalities in respect of new properties or at higher rates in respect of old properties are not being paid in the absence of permissive legislation as required by the Constitution. The Government has since devised a formula on the basis of which taxes to various municipalities should be paid. The issue of necessary orders is now under the consideration of the Finance Ministry in consultation with other Ministries concerned.

Transport of Cement and Coal

The movement of coal during March and April this year, taken together, was slightly in excess of the quota fixed for the two months. But in the case of cement the movement was less than the quota mainly due to transport conditions on the rivers having adversely affected the ferry capacity.

—*Deputy Minister for Railways and Transport*

Bombay-Singapore Air Service

It is proposed, after the receipt of Constellations by Air-India International to start a Bombay-Colombo-Singapore air service and a Bombay-Calcutta-Hongkong-Manila-Tokyo service.

—*Deputy Minister for Communications*

Oil Prospecting in Bengal

Proposals have been received from the Caltex and the Burma Oil Companies in regard to the rights for oil prospecting in the Bengal Basin. The Assam Oil Company has also sent proposals. Another oil company's proposals have been received. These proposals are under consideration of a negotiating committee appointed by the Government. Aeromagnetic survey has been completed. Seismic and other surveys will be carried out by the company with which agreement is reached.

—*Deputy Minister of Natural Resources and Scientific Research*

Ceiling on Land Holdings

The Central Agricultural Ministry has issued a circular to the State Governments cautioning them against fixation of ceilings on land holdings at too low a figure, so as not to reduce an individual to a status which, the Government thinks, will not give him a living wage.

—*Minister for Agriculture*

Pakistan's Debt to India

It is proposed to resume, as early as circumstances permit, the negotiations that the Finance Minister had been having with the Finance Minister of Pakistan on the question of payment of debt to India by Pakistan and other financial issues outstanding between the two countries. The exact amount of Pakistan's Partition debt to India has not yet been determined. This debt is repayable in 50 annual equated instalments of principal and interest beginning on 15th August, 1952. No payment so far. Apart from the drawing down of its rupee balance with India by Pakistan, there is no transaction or commitment of financial nature between the two countries during the last two years.

—*Finance Minister*

Tungabhadra Project

Construction equipment worth about Rs. 21 lakhs has been received from abroad for the Tungabhadra Project up to 31st March, 1954. The sale proceeds of the Australian wheat gift were given to the Hyderabad Government as a loan to the earthmoving machinery, which the Australian Government has agreed to make available for the Project, will be about £A900,000 and this also will be treated as loan to the Hyderabad Government.

—*Finance Minister*

Hindustan Machine Tools Factory

The Hindustan Machine Tools Factory, Bangalore, is expected to go into initial production by July this year. As regards the recruitment of technical staff for the factory it is understood right from the beginning that certain amount of top technicians have to be recruited from abroad. The agreement envisages that every effort to train Indian personnel should be made, so that within a period of ten years from the start, there will be sufficient number of Indians available to hold not less than 85 per cent. of the posts.

—*Minister for Production*

GILT-EDGED STEADY

(From Our Own Correspondent)

BOMBAY, *19th May*

There was no perceptible change in the complexion of the short-term money market during the week under review from that noted in the earlier weeks. Though there was some return of funds during the week, such was not enough to relax the stringency, in view of the diversion of funds to the National Plan Loan, which remained on tap throughout the week. There was, however, an air of confidence that there would be fresh flow of funds in the coming weeks, thanks to the reduction of the Bank rate in the U.K. from 3½ per cent. to 3 per cent. on Thursday last.

So far interest rates, however, have remained unchanged. Inter-bank money continued to be bid at 3 per cent. among all sections of banks, though on Saturday and today some deals were reported at 2½ per cent. House money was also placed at 3 per cent. Short-term deposits were wanted at 3 per cent. for one to three months and at 2½ per cent. for four to six months.

A contraction of Rs. 4.92 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 14th May, 1954, in contrast to the rise of Rs. 16.56 crores noted in the previous week. Notes held in the Banking Department are, on the other hand, up by Rs. 4.62 crores. The consequential decline in total notes issued is covered by a fall in rupee coin. In the Banking Department, deposits of the Central Government show an increase of Rs. 4.36 crores, while those of other Governments have fallen by Rs. 30 lakhs. A rise of Rs. 3.54 crores is noted in deposits of banks. On the assets side, cash balances and balances held abroad have both gone up by Rs. 4.68 crores and Rs. 2.13 crores, respectively. Ways and means advances to Governments are higher by Rs. 86 lakhs. The total amount of advances availed of by Scheduled banks against usance bills since 1st January, 1953 is Rs. 84.07 crores, which is more than double that of Rs. 40.09 crores in the corresponding period of last year. It has even exceeded the total amount availed of during the whole of 1953, namely, Rs. 65.84 crores, by about Rs. 18 crores. Investments reveal a rise of Rs. 2.92 crores.

The Scheduled banks statement for the week ended 7th May, 1954, reveals a further fall of Rs. 7.62 crores in demand deposits, following the decline of Rs. 9.32 crores noted in the previous week. Time deposits have, however, risen by Rs. 46 lakhs. Inter-bank borrowings repayable on demand are lower by Rs. 95 lakhs, while those of a time nature are up by Rs. 21 lakhs. There has been a sharp increase of Rs. 10.06 crores in borrowings from the Reserve Bank and of Rs. 2.57 crores in those from the Imperial Bank. Advances disclose an increase of Rs. 4.09 crores, but there has been no worthwhile change in bills purchased and discounted. Investments are better by Rs. 40 lakhs. Total cash balances are down by Rs. 99 lakhs, balances with other banks by Rs. 14 lakhs and money at call and short notice by Rs. 1.34 crores.

After four weeks of successive recession in prices, the Gilt-edged market presented a steady tone. Though there was no expansion in activity, a change in sentiment was noted, following the reduction in the British Bank rate. It was widely felt here that the Reserve Bank would not follow suit, but a section of operators in Calcutta seemed to think otherwise. There was, therefore, consistent enquiries for the 3 per cent. 1986 Conversion Loan from that centre. This led to an improvement in the undertone of the market. 3 per cent. 1957 improved by As. 2 to Rs. 98. 3 per cent. 1958 which had declined early in the week from Rs. 97-15 to Rs. 97-13, remained unchanged during the rest of the week. Likewise, 3 per cent. 1959-61, after dropping an anna to Rs. 96-1, stood at that level. 3 per cent. 1963-65, and 3 per cent. 1964, reacted from Rs. 92-11 to Rs. 92-10, but revived to close at Rs. 92-11. 3 per cent. 1966-68 was well maintained at Rs 90, as also 3 per cent. 1970-75 at Rs. 96. 3 per cent. 1986 Conversion Loan picked up As. 4 to Rs. 81-12. 3½ per cent. 1961 National Plan Bond gained an anna to Rs. 98-13.

In the foreign exchange section, the rupee-U.S. dollar exchange rate stood unchanged at Rs. 475 per 100 (banks' selling) and Rs. 471¾ (banks' buying). In New York, there was again a slight hardening of the sterling in terms of the dollar. The spot sterling improved from $2.81¾—2.81¾ to $2.81¼—2.82 per £, but closed yesterday a shade lower at $2.81-13/16—2.81-15/16. The forward sterling (three months) gained strength from $2.81¼—2.81⅜ to $2.81-11/16—2.81-13/16. The transferable sterling, however, relapsed from $2.79—2.79½ to $2.78½—2.78⅝.

LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, *17th May*

Prices have reacted to lower levels during the past week; trading has been on a very small scale and generally easier conditions have prevailed. Arrivals at this centre are better and there have been keener sellers for forward deliveries. The local offtake has been small, owing to a very poor local demand and sellers have been interested mainly in covering against previous sales. In the oil section, a general dullness prevails, largely owing to lack of buying support. There are still no fresh enquiries from overseas.

The latest quotations are as follows: Ready Rs. 18-8 and June-July Rs. 19 per maund.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, *19th May*

The forward section of the bullion market ruled weak during the week under review, the sentiment having been affected adversely by persistent bear hammering in both silver as well as gold. Over the week, forward silver disclosed a drop of Rs. 2-12 per 100 tolas and forward gold Re. 1-5 per tola. The heavy liquidation in spite of the steady demand for both metals, is attributed to expectation by leading Calcutta operators of a fall in demand for the metal in the coming weeks. The ready position, however remained strong, as witness the premium of As. 12 commanded by silver and of Rs. 2-10 by gold at the close. However, the bulls could not take advantage of the statistical position and resist the onslaught of the bears.

The trading on the Bullion Exchange during the week thus offered an interesting spectacle. It will be interesting to note here that, only four weeks ago, when the floating stocks of silver in Bombay amounted to 1,700 bars, forward silver stood at a high of Rs. 173-13, while now when the floating stocks are less than 1,000 bars, it has been brought down to a low of Rs. 161-10, a drop of over Rs. 12 in four weeks. Similarly, forward gold is standing today at a low level of Rs. 87-15, when the floating stocks of the yellow metal are 10,000 tolas, as against Rs. 98-1 on 10th April last when the stocks were 15,000 tolas. One leading bullion merchant attributed this trend to two factors, namely, (1) the rules of the Bullion Association are very rigid for the bull operators to corner the stocks and squeeze the market and (2) the sales tax payable on bullion is heavy. Be that as it may, the bear operators seemed to be sure of their grounds and hammered down prices, even at the cost of having had to pay as heavy a carry forward charge as Rs. 2-2 in gold. In silver, they succeeded in outwitting the bulls by exacting a carry forward of As. 2 in their favour today, as against As. 15 they had to pay a week ago.

Forward silver (19th May settlement) opened the week at Rs. 165-3 and moved down to a low of Rs. 164-8 on Friday. After a short-lived revival to Rs. 168-4 on Saturday, it relapsed to Rs. 161-10 yesterday. It, however, closed higher today at Rs. 162-12, at which rate the settlement ran out. Business in the next settlement opened at Rs. 164-6. After touching a low of Rs. 161-10, this settlement wound up the week at Rs. 162-14. As the closing rate for the first settlement stood yesterday at Rs. 162-8, that is more than Rs. 5 below the previous clearing rate, a special clearing was ordered.

Ready silver (.996 mint) opened at Rs. 166-3 and the closing was done at Rs. 163-8. The floating stocks of silver are placed at 800 to 900 bars. The daily average offtake was estimated at 25 bars.

Opening at Rs. 90-8, gold for forward delivery (18th May settlement) reacted to close at Rs. 89-13 yesterday when the settlement ran out. Business for next settlement (17th May) began the week at Rs. 89-6, but at the close today it was done at no higher than Rs. 88-7, after having touched a low of Rs. 87-12 yesterday.

Opening and closing rates for ready gold were Rs. 92-4 and Rs. 91-1, respectively. The floating stocks of gold are reported to be 10,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 4,000 tolas on an average.

In London, there was a notable decline in silver prices during the week spot silver dropping from 73¼d. to 72¼d. yesterday and forward silver from 73d. to 72¼d. Gold prices also suffered a setback from £12 9s. to £12 8s. 11d. after having touched £12 9s. 1d. early in the week.

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

	19-5-54	Highest	Lowest	12-5-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	91 1	92 7	89 15	93 8
Forward	88 7	90 15	87 12	91 0
Sovereign	60 8	61 0	60 8	60 12
SILVER				
Ready (.996 fine Mint) ..	163 8	166 8	162 2	166 12
Forward	162 12	165 3	161 10	165 3
London Ready	72¼d.	73¼d.	72¼d.	73¼d.
London Forward	72¼d.	73d.	72¼d.	73d.
London Gold	84s. 11d.	84s. 11d.	84s. 11d.	84s. 11d.
New York Ready	—	—	—	88½c.

METALS RULE FIRM

(From Our Own Correspondent)

CALCUTTA, *18th May*

Although consumers were interested in buying their day-to-day requirements only, prices were firm at lower levels. Better advices from New York were reflected in the local quotation for electrolytic copper which improved from Rs. 182 to Rs. 188. Supplies of scrap will be needed to do away with an expected shortage of fire-refined copper which the Government has bought in a moderate quantity. Copper sheets were quoted firm, in view of the difficulty in locating supplies, while brass sheets were a shade easy on account of fresh arrivals. On reports of shortage of mercury in overseas markets, the local quotation improved from Rs. 865 to Rs. 870 a flask. As it stands, a further rise is expected. Tin was featureless, and lack of demand made the rate fall from Rs. 480 to Rs. 478. Electrolytic zinc was As. 8 lower at Rs. 57. The decline was due to selling by weak holders. On the other hand, virgin lead firmed up from Rs. 66-8 to Rs. 67-8 due to the tightness in the ready position, consequent upon the satisfaction of Government's demand for a moderate quantity.

COTTON EASY

(From Our Own Correspondent)

BOMBAY, *19th May*

The most important event in the cotton world was the opening of the Liverpool Cotton Futures Exchange yesterday in the U.K. after 13 years. In the old, pre-war days, Bombay, New York and Liverpool was the constantly active triangle for straddle trading in cotton. Since then, many regulations not only with regard to the trade, imports, exports and cultivation of cotton, but even regarding exchange and export duties, subsidies, etc., have rendered forward trading on an international basis a very difficult, if not an altogether impossible, proposition.

It is to be seen how far forward trading in cotton at Liverpool will succeed in a world which is constantly in flux. Very wisely, the Liverpool Exchange authorities have decided to confine trading to the single basis of Middling 15/16" U.S. cotton to be quoted in pence per pound, with a trading unit of 100 bales. Before the war, three main grades for trading had been recognised, two American and one Egyptian, even though the spot trade today has extended to various other growths from many climes. Today, in a country like the U.K., not producing any cotton, it would be very hazardous to base forward trading on any other basis, because the other varieties lack absolute stability and often do not reflect world price because of State intervention. There is, however, a possibility of adding a new basis for forward trading at Liverpool in the form of some Egyptian variety after some negotiations with the representatives of the Alexandria cotton market, who are to go to U.K. next week.

There will be four delivery periods at Liverpool. Amongst the restrictions on day-to-day trading would be the maximum limit of 100 points above or below the previous close in any one day and also a maximum limit of 100 points between the highest and the lowest point in the quotations touched during any day. The inauguration ceremony by the Earl of Derby, though simple, created good enthusiasm at the end of Government control over the cotton trade which had come as an emergency war-time measure. It coincided with the jubilee celebrations of the Congress of International Cotton Spinners and Manufacturers' Associations where representatives from 14 countries are participating at present at Buxton and the presence of these additional guests at the opening ceremony made it more representative than it would have been otherwise.

At home, after an uncertain behaviour during a greater part of the week under review and conditions of some easiness there was a feeling of steadiness growing in forward trading at Kalbadevi. The current week opened on a weak basis but a good deal of strength was lent to it as a result of disinclination on the part of stockholders to hedge their cotton. But before this feeling had a chance to stabilise itself, there was a sudden onrush of selling, possibly because of the continued slump in the other commodity markets, which are passing through a period of bearishness. The Stock Exchange also has not got over its jitters. There is still about a week left for adjusting outstanding positions in the May contract and this factor will prevent operations in the August contract from being completely normal. After all, the May positions have been liquidated, the market is likely to pass more under the influence of the spot market at Sewri. Last Monday, only 900 bales were tendered for delivery and this led to some short-covering in the May position bringing down the difference in favour of August from Rs. 19 to Rs. 17.

In the spot market also, there was a lull in the enquiries during the week under review, though premia rates were well maintained. Reports from the cloth market were not very encouraging and the speeches by chairmen at the annual meetings of some textile mills gave rather a gloomy picture of the future of the cotton industry. On the whole, however, interest in Indian cotton by the mills is likely to remain well sustained and if the pressure from the mills and the textile trade on the Government to reduce export duties or coarse cloth succeeds in winning some concession, the demand for Indian cotton by those mills, which have still some quotas left unfilled, is likely to go up. In any case, there is little for holders of quality cotton in the spot market to worry about, because even if there be stagnation in the coming weeks, there is bound to be a sizable demand later. In the import section, while Sudans still continue to be completely ignored, there was a slight revival of enquiries for Egyptian small lots. Main interest, as usual, however, was centred on East African and Californian cotton.

Perhaps the Government has been lethargic in its response to the request from the trade to allow imports of cotton from dollar areas on their own account. Had this response come earlier, importers would have arranged for supplies from the U.S. when the prices were more attractive there and the object of the Government to build up stocks in the country as an insurance against a poor monsoon might have been served better. There is little enthusiasm at present on the part of the spot trade to make large purchases in the U.S., especially because prices there might fall suddenly, if the Administration decides to boost exports of new season's cotton by way of subsidies.

I.C.C. May opened the week at Rs. 672½ and moved up, on speculative support, to Rs. 679 on 15th inst. But reports of slackness in cloth offtake soon led to liquidation at higher levels. The contract declined, to touch a low of Rs. 665½ today. I.C.C. August opened at Rs. 691 and fluctuated between Rs. 695 and Rs. 683½. The following is the trend of prices in the local forward market during the week under review:

	Opening	High	Low	Closing
I.C.C. May (Rs.) ...	672½	679	665½	665½
I.C.C. Aug. (Rs.) ...	691	695	683½	683½

Latest available quotations from the spot market are: Bengal Deshi Rs. 620; Berar Jarilla Rs. 820; Khandesh Rs. 840; Vijay Rs. 910; Oomra Deshi Rs. 740; Moglai Rs. 725.

At Karachi, while there has been a decline in the prices of *Deshi* varieties, the staple American seed varieties have all registered a good rise, as a result of some enquiries from the Continent. Apart from this there has been no further development of note during the week under review so far as cotton is concerned in Pakistan.

Latest available quotations from Karachi are: Sind *Deshi* Rs. 73¼; Punjab *Deshi* Rs. 70¼; 4F Punjab R.G. Rs. 70; S.G. Rs. 74; L.S.S. Punjab R.G. Rs. 73¼; S.G. Rs. 77¼; N.T.R.G. Rs. 74; S.G. Rs. 78¼; 289 F. Punjab R.G. Rs. 76¼; S.G. Rs. 81.

At Alexandria though India's interest has practically vanished in view of the present high prices, the export trade is doing well and some export business with the Continent has taken place during the week. There has also been some interest in the new crop Karnak but, transactions are few and far between. Sudan is holding an auction this week and it is expected that about 27,000 bales will be offered.

At New York, it has been a week of small and in some ways irregular fluctuations. The undercurrent, however, has been steady and internal industrial demand for new crop is gathering strength. Export demand, however, is slack and bound to remain so, till the question with regard to the subsidy for the new crop is finally settled one way or the other by the authorities.

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

(In cents per lb.)

	18-5-54	11-5-54	4-5-54
Spot	35.40	35.15	35.35
July	34.44	34.51	34.42
October	34.26	34.22	33.87
December	34.26	34.23	33.82
March	34.39	—	—

CASTORSEEDS WEAK

(From Our Own Correspondent)

BOMBAY, 19*th May*

Those who had expected free export policy for castor oil were disappointed by the official announcement on the 15th inst. to allot further export quotas for the period ending 31st July, 1954, to established shippers for quantities equal only to one fourth of the total shipments effected by them during the calendar year 1953. Besides, there was virtually very little demand from overseas countries for castor oil. As a result, there ensued selling pressure and prices naturally slumped. Even the groundnut section witnessed an easy trend, on reports of increased arrivals in the leading South Indian market centres. There was lack of demand from *vanaspati* interests. The linseed, *kardi* and *niger* seed sections proved no exceptions.

Liquidation by bulls and continued hammering by bears depressed the prices of castor futures. Castorseed May delivery eased from Rs. 121 to Rs. 113-12, the lowest touched in the week. September delivery which opened at Rs. 125-6, as against Rs. 126, fluctuated between Rs. 126-2 and Rs. 118-8; it closed the week at the latter level. F.A.Q. lost As. 14 to Rs. 23-2 and Madras quality Re. 1-4 to Rs. 23-4. Castor oil First Pressure was lower by As. 8 at Rs. 12-2. *Commercials too* were lower by a similar amount at Rs. 11-10. Despite the reduction of export duty on castor oil and the announcement of export quotas, the much advertised business from the U.S. has not materialised.

The groundnut section was devoid of interest. Bold F.A.Q. fell from Rs. 36 to Rs. 34-4. April-May and June-July deliveries were done lower at Rs. 34 and Rs. 33-8, respectively, as against Rs. 35-8 each. Khandesh quality eased from Rs. 36-14 to Rs. 35. Groundnut oil ex-mill was down by As. 8 at Rs. 17-8 and June delivery by As. 11 at Rs. 17-8.

The linseed section was also easy. Bold steady disclosed a loss of As. 12 at Rs. 26-12. April-May and June-July eased from Rs. 26-12 and Rs. 26-6 to Rs. 26 and Rs. 25-8, respectively. Linseed oil was lower by As. 4 at Rs. 14-12.

Among others, *kardi* Bold sustained a loss of Re. 1-10 to Rs. 18 and June-July of As. 12 to Rs. 18-4. Niger F.A.Q. fell from Rs. 28-12 to Rs. 28. Ready Madras quality was lower by As. 8 to Rs. 28.

The following table shows the prices of oilseeds and oil on the 19th inst. as compared with those at the end of the previous two weeks:

	19-5-54	12-5-54	5-5-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	35 0	35 14	37 4
April-May	34 0	35 8	35 12
June-July	33 8	35 8	35 12
Linseed—			
Bold Ready (per cwt.) ..	26 12	27 8	27 4
April-May	26 0	26 12	26 12
June-July	25 8	26 6	26 12
Castorseeds—			
May 1954 (per candy)	118 12	121 0	116 6
September 1954	118 8	126 0	122 14
Madras (per cwt.)	23 4	24 8	23 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 8	18 0	18 6
Castor Oil—			
Commercial (per quarter) ..	11 10	12 2	11 11

SHARP FALL IN STAPLE FIBRE

(From Our Own Correspondent)

BOMBAY, 19*th May*

A feature of the yarn market during the week under review was the sharp decline in the prices of staple fibres. This was due to the hammering by bears on continued absence of demand from weavers and the consequent decline in despatches of yarn to Surat, Khandesh and Punjab. It is also attributed to a tendency on the part of weavers in the Punjab (I) to switch over from 40/2 staple fibre yarn to 20s and 30s yarn of the same quality. Curiously enough, the fall in demand in staple fibre yarn has coincided with upward trend in its production. The imports of staple fibre or fibro from which staple fibre yarn is manufactured have increased considerably during the last four months; this has led to accumulation of stocks with the dealers. Small wonder, therefore, that prices slumped heavily.

Staple fibre 40 x 2 May contract declined from Rs. 658 to Rs. 620. June contract was transacted at a low of Rs. 624, as against Rs. 659. In the ready section, City was lower by As. 2 at Rs. 3-6. Phœnix and Hirji were each down by As. 1-6 at Rs. 3-2-9 and Rs. 3-3, respectively. Centurys declined by As. 1-3 to Rs. 3-3-9. Among foreign yarns, Suicos and Shincos lost an anna each to Rs. 3-13.

Among art silk yarns, the futures which opened firm tended to look down presumably in sympathy with staple fibres, while ready showed minor fluctuations. Scarcity of goods and heavy purchases by one or two prominent operators, as also the general eagerness on the part of the operators to take delivery of goods by the end of the month, were factors which served to arrest a slump in art silk yarns. 150D May which opened at Rs. 776, as against Rs. 770, declined to Rs. 766 on the 17th inst. Thereafter, it recovered to Rs. 770 before declining again to close at Rs. 768. 150D June was lower by Rs. 9 at Rs. 758, the highest and the lowest touched during the week were Rs. 773 and Rs. 756, respectively. In the ready section, 120 Japan was unchanged at Rs. 4-11, while 150 Japan put on As. 1-6 to Rs. 4-13-6. 150 Italy was higher by an anna at Rs. 3-14-6 and 120 Italy by half an anna at Rs. 3-15-6.

Cotton yarns presented an easy trend on the announcement by the Government of India that it would not grant any quotas for export of the yarn during the first half of 1954. There were also reports of restricted offtake from consuming centres. General weakness in raw cotton also contributed to the easiness in cotton yarns. Among 80s, Finlays disclosed a loss of As. 12 at Rs. 63-12, while Elphinstones put on As. 4 to Rs. 60-8. Sri Rams were unchanged at Rs. 61 and Seksarias at Rs. 56-4. Among 60s, Finlays lost As. 12 to Rs. 56-4 and City As. 6 to Rs. 48-12. Raghuvamshi was down by As. 2 at Rs. 52-4 and Sri Rams by As. 4 at Rs. 56. Among 40s Meenakshis gained As. 8 to Rs. 29-4, Maduras As. 6 to Rs. 29-8 and Seksarias As. 2 to Rs. 27-4. Among 30s, Maduras eased from Rs. 25-4 to Rs. 25, while Girdhardas were unchanged at Rs. 23-2. Among 20s, Edwards put on As. 2 to Rs. 17 and Hind an anna to Rs. 17-8. But Maduras lost an anna to Rs. 16-13. Among 10s, Moderns, Podars and Elphinstones were unchanged at Rs. 13-6, Rs. 13-14-6 and Rs. 12-12, respectively.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	19-5-1954	12-5-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 May (per case of 200 lbs.)	768 0	770 0
150 June	758 0	767 0
120 Japan (per lb.)	4 11	4 11
150 Japan (per lb.)	4 13½	4 12
9/120 Italy (per lb.)	3 15½	3 15
150 Italy (per lb.)	3 14½	3 13½
Staple fibre yarn—		
40 x 2 May (per case of 200 lbs.) ..	620	656 0
40 x 2 June	624	659 0
Suicos (per lb.)	3 13	3 14
New Great (per lb.)	3 6	3 7
Cotton yarn (per bundle of 10 lbs.)—		
10s Moders	13 6	13 6
20s Seksaria	16 13	16 14
30s Madura	25 0	25 4
40s Meenakshi	29 4	30 12
40s City	48 12	49 8
80s Finlay	63 12	64 8

SUGAR PRICES DECLINE

(From Our Own Correspondent)

BOMBAY, 19*th May*

The most significant development during the week under review was the nomination by the Central Ministry of Food of two established spot houses to distribute indigenous sugar to retailers and consumers in this city at almost half the margin allowed to the two trading bodies in the City. There has been extremely bitter opposition to this arrangement from the two trading bodies, because their members would now be hardly able to make both ends meet on the aggregate allocation of 50,000 bags to them. It is understood that protests have been lodged with the Food Ministry against this decision.

The following were the reasons why the Food Ministry took this speedy decision.

(1) In spite of the allocation of 50,000 bags to the two trade bodies about four weeks ago, less than 50 per cent. of sugar had actually been despatched and the prices had continued to rule high in the City and the neighbouring countries.

(2) There was an urgent need to bring the sugar promptly from the factory sites to the City, in order to check the rising spiral of prices which was having a demoralising effect on everybody. The Government was convinced that the nominees chosen by it were competent enough to fulfil this task and deliver the goods.

(3) Negotiations with the trade bodies for getting their consent to work at a smaller margin of profit would obviously be protracted resulting in a further delay which the Government could not afford in the face of rising market.

The Government's swift action and distribution of sugar through its nominees, coupled with the proximity of the date of arrival of imported sugar, have acted as a powerful deterrent to any further rise in price. In fact, prices have already declined to levels which are equal to no more than the cost of landing sugar in the City from the factories. At the time of writing, the rates for spot sugar are Rs. 90 per bag for small grains, Rs. 92 for medium grains and Rs. 100 for larger grains. A week ago, these varieties were being sold at rates ranging between Rs. 100 and Rs. 108 per bag.

In the forward section, *vaishak* delivery was squared up at Rs. 86 per bag; this rate compares with Rs. 90-8 a week ago. *Jetha* delivery, which had advanced by Rs. 2-4 last week to Rs. 87-8 collapsed to finish at Rs. 85-12, on receipt of news that at least three shiploads of imported sugar would be discharged into this harbour before the end of the month. The undertone of both the spot and forward sections is distinctly weak.

PEPPER MARKED DOWN

(Messrs. Parekh & Co.)

BOMBAY, 19*th May*

During the fortnight under review, Malabar black pepper ruled weak with downward tendency, afloat and nearby shipments having been sold at from $0.66 down to $0.57. Business in June shipment was done as low as at $0.54. Malabar black pepper being the cheapest, the dealers in New York started buying May-June-July shipments in equal monthly lots from $0.60 to $0.63, but lack of support from grinders, easy selling policy of Indian growers and change in export duty ceiling from Rs. 75 to Rs. 65 were some of the causes responsible for their present holding back and indifferent attitude. Importers in New York are reported to be marking time and will restart buying more seriously as soon as market in Malabar becomes steady round about a certain level. The present heavy fall in the prices of garbled and ungarbled at Cochin is said to be due to nervous liquidation by growers from North Malabar who are anxious to bring down and sell as much pepper as possible before monsoon. It was reported that they preferred to store more prospective commodities rather than pepper which seems to have passed through a bull period of seven years and to be entering upon a bear period in the price-cycle of the commodity.

In the delivery section, prices gave way under pressure of liquidation by bulls, May delivery having reached a record low price of Rs. 900. In the A.S.T.A. section, an averaging down by bears has brought about the fall in the prices, the continuous fall at Cochin from Rs. 250 to Rs. 205 per cwt. for garbled pepper having afforded necessary incentive to Bombay bears. The following are today's nominal quotations:—

Ready delivery Rs. 140 per Bengal maund, June delivery Rs. 890-1,010 and July delivery Rs. 875-95 per candy of 5½ cwts.

TEA DUSTS EASY

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 15*th May*

The offerings in dust sale "I", which was held on Tuesday 11th May, amounted to approximately 2,00,000 lbs. The market was very irregular with less demand and closed easier by As. 1 to As. 2, except for good grainy black types which were half to one anna dearer.

London Market.—Very strong, ½d. to 1d. dearer.

Colombo Market.—Strong demand. Brokens and fannings dearer; leaf firm.

We have received a report from Colombo informing us that the export duty on tea has been raised from 45 cents to 60 cents.

Calcutta Market—Export.—No sale this week.

Dust.—11,200 packages. Strong general demand. Commons and mediums half anna to one anna dearer. Commonest irregular. Black leafy types and any good liquoring teas strongest feature.

Special Licence.—There has been a slight decline in the price of special licence and business has been effected here at 44 pies, sellers remain scarce.

1954-55 *Export Quota.*—There has been a decline in the price of new quota and business has been done at 47 pies which remains today's quotation.

Forthcoming Auctions.—Sale No. 10 will be held on Tuesday, 18th May and dust sale "J" will be held on Tuesday, 25th May, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Sale* 10.—15,25,000 lbs. Market strong and active, particularly for low and low medium. Prices irregular and sometimes lower following quality. Clean black leaf dearer. Whole leaf much weaker."

JUTE GOODS DULL

(From Our Own Correspondent)

CALCUTTA, 18*th May*

Dull conditions continued to prevail in the jute markets this week, the only feature being the sizable decline in the price of B. twills which erased completely the recent gains brought about by speculation. This is only as it should be, as the higher price kept away buyers, despite lower month-end stocks of sacking. The market may now be expected to rule steady and attract export business. In the meantime, the market's attention has been drawn to this week's meeting of the Export Advisory Council, at which the Commerce Minister spoke in appreciative terms of the heartening recovery of the export trade in jute goods as also the level of monthly production almost equalling or just surpassing demand.

It should be noted that the phrase of "heartening recovery" has been coined after a comparison with 1952-53 which was one of the worst years for the jute industry and trade, as the high export duties made foreign consumers of jute goods buy as much of their requirements as possible from

Continental production. However, the reduction in the export duty on hessian in September last brought about a welcome change and the trade was soon able to attract more and more business from abroad. Trade circles strongly feel that, if only the duties on hessian and sacking had been abolished altogether, the results would have been more impressive and the industry could have been enabled to work 48 hours a week, instead of the present restricted 42½ hours which would have given incentive for the producers of jute to grow more and which would have provided more employment.

From the trend of the speech of the Commerce Minister to the Export Advisory Council, it does not appear that the Government is likely to accede to the demand of the industry and trade for abolition of the duties. As such, whether the recovery would be maintained during the next year is open to doubt. Whenever the question of revision of export duty had arisen in the past, the Government had waited unduly long to give a decision, and only when the duty had affected the industry for over a period better counsels had prevailed among the authorities in New Delhi. Up to such a time, the advice given by the industry and trade had always fallen on deaf ears. If, therefore, past experience is any guide, Government may consider abolition of the duties at about the end of 1954 or early 1955 when statistics are likely to reveal a marked decline in the foreign earnings of the industry. Market circles put forward the question: will new Delhi read the writing on the wall and do the right thing at the right moment? An affirmative answer can only be official action. It is to be hoped that the passing on to the West Bengal Government of the Jute Inquiry Commission's report by the Central Commerce and Industry Ministry for examination will be made use of by the West Bengal Government as an opportunity to consider this question and advise New Delhi to do the right thing so that the jute industry can be saved.

During the week, only small business took place for export. This is nothing unusual in a declining market, as foreign buyers enter into commitments only in a steady market as far as jute goods are concerned. Expectations of a further decline and uncertainty as to the Central Government's action on the Jute Inquiry Commission's report imparted a cautious feeling among foreign buyers. The fall in the prices of raw jute as well as the recurrence of rain in the jute districts of West Bengal and Assam were noted and induced the buyers of jute goods to be reserved. Ready B. twills opened last Wednesday at Rs. 110-4 and, by Friday, had given way to Rs. 108-8. The week-end saw a fractional improvement to Rs. 108-12, and today there was a further increase to Rs. 109-4. The July-September position, after giving way to Rs. 106 from Rs. 107-14, was quoted at Rs. 107. D.W. flour bags at Rs. 130 were lower by Rs. 2, while green-striped heavy cees improved to Rs. 123-4 from Rs. 122-12.

The price of hessian was more or less steady, as the recent speculative rise was not shared by it. However, a business of importance took place. It is reported that a new order would be placed on behalf of the Argentine. Ready 40 oz. hessian was quoted at Rs. 43-11 and declined at one time to Rs. 43-4. The closing for the week-end was, however, better at Rs. 43-6. When it opened after the week-end, there was a spurt to Rs. 44, with the f.o.b. rate being at Rs. 48-1. The 8 oz. hessian was quoted at Rs. 36-2 f.a.s. and at Rs. 39-6 f.o.b.

Prices of sackings gave way, despite the fact that demand is higher than production. The production in April was only 40,500 tons while despatches from mills for export as well as for local consumption aggregated 43,721 tons. On the other hand, hessian produced was 31,800 tons, while deshatches on both accounts were no more than 29,275 tons. Such a position shows that, irrespective of whether there is tightness in supply or not, consumers are not prepared to pay higher prices however much the speculative elements raised the quotations and endeavoured to maintain them at higher levels.

Although, over the week-end, moderate business took place in raw jute, prices were easy, the decline over the week under review being about a rupee. Upper Assam bottoms fell to Rs. 25-8 from Rs. 26-8, while the new crop forward was priced at Rs. 26.

NEW SEASON'S TEAS WELL BID

(From Our Own Correspondent)

CALCUTTA, 18*th May*

The first export sale of the new season was held yesterday when offerings aggregated 14,500 chests. There was a fair general demand, and prices were up fractionally. Judging from this trend earlier expectations that prices would advance to high levels in view of the keen export demand are likely to materialise. Keen competition was offered to Dooars, of which stylish whole leaf grades and teas possessing first flush were buyers' favourites. Prices realised were between Rs. 2-11 and Rs. 3. Fannings and brokens were steady. Darjeelings were keenly sought, and whole leaf grades secured high prices. The offerings from Assam and Cachar were insignificant. The quotation for clean common B.P. was Rs. 2-10-6.

There was a strong general demand during last week's auctions for internal consumption when 11,204 packages of dust were offered. These consisted of 10,737 and 467 packages of old and new seasons' teas, respectively. Medium Assam and clean common Dooars were bought at rates higher by ½ to 1 anna. Black leafy exportable teas were very steady. The new season's teas realised As. 2 above those realised by old season's teas. The smaller types of the former were well favoured by buyers. The commonest residue grades were somewhat irregular. Medium Dooars were quoted at Rs. 2-1-6, and medium Assam grainy dusts at Rs. 2-2-6. Since no good liquoring best Assam C.T.Cs. were on offer, the quotation at Rs. 2-6 was nominal. The leaf market was also steady. The market was offered 781 packages of old season and 337 packages of new season teas. The residue types of old season teas were sold at last rates, while the new season teas crossed brokers' valuations.

Notices

SRI KRISHNARAJENDRA MILLS LIMITED, MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeeting of the shareholders of Sri Krishnarajendra *Mills, Ltd.*, will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 19th June, 1954, at 3 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March 1954.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors for the current year (1st April, 1954, to 31st March, 1955) and to fix their remuneration.

The Share Transfer Books of the Company will be closed from 8th June, 1954, to 20th June, 1954, both days inclusive.

By Order of the Board,
B. S. VISWESWARAIYA,
Secretary.

MYSORE 15*th May*, 1954.

N.B.:—(1) The final dividend, when declared, will be made payable at the Bank of Mysore, Ltd., Mysore, on and after 5th July, 1954. The dividend warrants will be posted to those shareholders whose names stand on the Register of Members of the Company on 8th June, 1954.

(2) Under Article 123 of the Company's Articles of Association, notice of candidature for the office of the Director is to be left at the Registered Office of the Company, in writing, at least seven days before the date of the meeting, viz., before 3 p.m. on 12th June, 1954.

(3) Shareholders are requested to immediately advise the Company of any change in their address.

THE PHOENIX MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the Shareholders of the Company will be held on Friday the 11th June, 1954, at 4-30 p.m. (S.T.), at the Registered Office of the Company, Imperial Bank Building, Bank Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect two Directors in place of those who retire by rotation, but, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from Monday the 3rd May, 1954, to Saturday the 29th *May*, 1954, both days inclusive.

By Order of the Board,
For RAMNARAIN SONS, LIMITED,
MADANMOHAN RAMNARAIN,
Director,
Agents.

BOMBAY, 13*th May*, 1954.

N.B.—The Dividend, if sanctioned, will be made payable at the Company's Registered Office, Imperial Bank Building, Bank Street, Bombay, on and after Thursday the 17th June, 1954, to those shareholders whose names stand on the Register on Monday the 3rd May, 1954, to whom Dividend Warrants will be posted at their registered addresses. Intimation of any change of address should be given to the Company immediately.

THE DAWN MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-first Ordinary General Meeting of the Shareholders of the Company will be held on Thursday the 10th June, 1954, at 4-30 p.m. (S.T.), at the Registered Office of the Company, Imperial Bank Building, Bank Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December, 1953.
2. To declare a Dividend.
3. To elect two Directors in place of those who retire by rotation, but, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from Monday the 3rd May, 1954, to Saturday the 29th May, 1954, both days inclusive.

By Order of the Board
For RAMNARAIN SONS, LIMITED,
MADANMOHAN RAMNARAIN.
Director,
Agents.

BOMBAY, 30*th April*, 1954.

N.B.—The Dividend, if sanctioned, will be made payable at the Company's Registered Office, Imperial Bank Building, Bank Street, Bombay, on and after Monday the 14th June, 1954, to those shareholders whose names stand on the Register on Monday the 3rd May, 1954, to whom Dividend Warrants will be posted at their registered addresses. Intimation of any change of address should be given to the Company immediately.

THE BIRLA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual Ordinary General Meeting of the Shareholders of the Company will be held at the Principal Office of the Company, No. 8, Royal Exchange Place, Calcutta, on Wednesday the 23rd June, 1954, at 3-30 p.m. for the following purposes:—

(1) To receive and consider the Report of the Directors and to pass the audited accounts of the Company for the year ended 31st March, 1954.
(2) To declare dividends on Preference and Ordinary Shares.
(3) To elect Directors in place of those retiring by rotation.
(4) To appoint Auditors and fix their remuneration.
(5) As a special business, to consider the following resolution which will be proposed as an Ordinary Resolution, viz.:
"RESOLVED that the sale of residential building at New Delhi at Rs. 3,00,000 to Messrs. Paramsukhdas Suganchand of Bikaner, be and is hereby confirmed."
(6) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 7th June to 23rd June, 1954, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, 14*th May*, 1954.

Notice in particular to: Sm. Grihya Kumari, Sm. Sarojini Devya, Mrs. Rubie Nanda, Messrs. Ambika Charan Neogy, Gopal Chandra Das, Burjorji D. Mama, Andrew Gibb, Gayanath Shaha and C. K. Mistri and others.

Note: If dividends on shares as recommended by the Directors are passed at the meeting, THE DIVIDENDS WLL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on the 23rd June, 1954. No application need be sent for dividend as relative Dividend Warrants will be posted to such shareholders by the 7th July, 1954.

The shareholders are requested at once to notify any change of address.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (pre-war)	7th May, 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,233.75	1,117.19	1,226.28	1,179.81
Notes held in Banking Department	35.05	12.14	20.40	10.67	9.76
Foreign Securities	89.50	658.15	678.16	658.15	613.15
Rupee Securities	87.89	421.22	421.24	421.24	449.36
Banking Department					
Deposits of:					
Government of India	14.89	84.76	86.77	60.61	98.83
Other Governments	..	21.04	23.31	27.08	15.58
Balances held abroad	10.08	65.25	74.05	74.77	105.65
SCHEDULED BANKS					
Demand Liabilities	134.37	528.34	536.92	539.66	524.18
		(7.52)†	(8.20)†	(7.07)†	(10.91)†
Time Liabilities	102.84	329.15	328.47	327.84	321.72
Borrowings from Reserve Bank	..	(1.44)‡	(1.23)‡	(1.28)‡	(1.85)‡
		54.12	44.06	26.92	25.23
		(29.86) ‡	(24.11)‡	(13.18)‡	(15.64)‡
Borrowings from Imperial Bank	..	16.37	13.80	11.55	11.50
Cash in India	6.71	32.32	32.43	31.26	32.13
Balances with Reserve Bank	25.23	39.65	40.52	41.56	33.34
Excess over statutory limits	15.52	10.54	7.10	8.02	5.69
Balances with other banks in current account in India	..	9.23	10.69	11.20	10.97
Money at call and short notice in India	..	..	10.57	10.43	14.11
Investments (at book value)	..	323.25	322.85	316.33	300.73
Advances and Bills	105.09	567.26	563.13	552.16	539.56
IMPERIAL BANK					
Deposits	87.76	206.90	208.11	212.43	203.48
Investments	51.99	93.28	93.25	90.05	81.51
Advances	30.87	153.46	150.57	127.75	135.78
Cash	14.49	14.42	13.28	15.59	13.75

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.

‡ Borrowings against essence bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	14th MAY, 1954		7th May, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,80,027	54,03,01,000	2,47,880	56,75,56,000
Calcutta	1,47,855	41,47,08,063	1,49,150	44,56,07,806
Madras	74,648	6,66,46,285	70,297	7,33,38,795
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,83,214	26,45,05,03,000
Jan., 1954	..	..	2,79,5(0)	6,75,54,00,000
Feb., „	..	..	2,721,000	5,76,25,00,000
Mar., „	..	..	3,048,000	6,49,44,00,000

Reserve Bank of India

Statement of Affairs for the week ended 14th May, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	89,11,91,000
(2) Other Governments	20,74,40,000
(b) Banks	43,99,37,000
(c) Others	45,73,05,000
Bills Payable	4,85,67,000
Other Liabilities	24,33,50,000
Rupees	238,77,90,000

ASSETS	Rs
Notes	16,75,84,000
Rupee Coin	17,50,000
Subsidiary Coin	5,75,000
Bills Purchased and Discounted—	
(a) Internal	39,25,000
(b) External	..
(c) Government Treasury Bills	10,06,68,000
Balances held abroad	67,38,14,000
Loans and Advances to Governments	1,71,00,000
Other Loans and Advances	63,11,01,000
Investments	69,61,73,000
Other Assets	9,47,92,000
Rupees	238,77,90,000

* Includes Cash and Short-term Securities.

N.B.—The Item "Other Loans and Advances" includes Rs. 29,87,40,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances walled or by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 84,07,40,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	16,75,84,000	
Notes in circulation	1228,82,52,000	
Total Notes issued		1245,58,36,000
Total Liabilities		1245,58,36,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	668,15,11,000	
Total of A		728,16,82,000
B. Rupee Coin		96,19,26,000
Government of India Rupee Securities		421,22,33,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1245,58,36,000

Ratio of Total of A to Liabilities: 58.460 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 7th May, 1954

		Rs.
1.	Demand Liabilities in India:	
	(i) Borrowings from banks	7,24,60,000†
	(ii) Other demand liabilities	521,09,68,000
2.	Time Liabilities in India:	
	(i) Borrowings from banks	1,44,00,000†
	(ii) Other time liabilities	327,70,70,000
3.	Cash in India	32,31,98,000
4.	Balances with the Reserve Bank in India	39,64,85,000
5.	Balances with other banks in current account in India	10,54,25,000
6.	Money at call and short notice, in India	9,23,03,000
7.	Investments (at book value) in India in Central and State Government Securities including Treasury Bills and Treasury Deposit Receipts	223,25,41,000
8.	Advances in India	491,29,86,000
9.	Inland Bills purchased and discounted in India	75,96,17,000

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

† Excludes borrowings from the Reserve Bank and the Imperial Bank.

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
23rd February ..	1.00	1.28	1.00	2 10 6	64
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th „ ..	1.00	1.90	1.00	2 10 11	71
16th „ ..	1.00	1.27	1.00	2 11 0	79
23rd „ ..	1.00	1.01	1.00	2 11 0	99
30th „ ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	43
13th „ ..	1.00	1.03	1.00	2 10 9	44
Total ..	8.00	11.35	8.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India† ..	1950-51	359.33	..	9,530	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18.67	Kyats. .. 2,166	817	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84.30	Y. 4,849,400	6,414	761
Philippines ..	1952	23.00	Ps. 7,034	5,975	811
New Zealand ..	1952	2.00	£ (N.Z.) 546	861	4,307
Australia ..	1952	8.85	£ (A.) 3,521	5,756	4,542
U.K. ..	1952	50.43	£ 13,648	18,197	3,608
U.S.A. ..	1952	156.98	$ 290,400	133,280	8,508
Canada ..	1952	14.43	$ 18,155	8,168	5,662
France ..	1952	42.60	F. Fr. 10,190,000	13,564	3,254
W. Germany ..	1952	45.48	Dm. 98,400	11,806	2,301
Italy ..	1952	46.84	Lr. 8,117,000	6,181	1,518
Norway ..	1952	3.82	Kr. 16,596	1,106	3,321
Denmark ..	1951	4.30	Kr. 10,715	1,439	3,545
Switzerland ..	1952	4.82	S. Fr. 20,100	2,189	4,541

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.

Source: United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 7th May, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	12,39,87,000
(b) Provincial Governments	1,19,67,000
(c) Banks	11,37,30,000
(d) Others	2,41,98,000
Bills Payable	6,03,000
Other Liabilities	5,55,51,000
Rupees	41,51,30,000

ASSETS	Rs.
Notes	4,04,18,000
Rupee Coin	4,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	4,05,00,000
Provincial Governments' Debtor Balances	72,12,000
Other Loans and Advances	4,70,56,000
Investments	17,32,30,000
Other Assets	10,16,99,000
Rupees	41,51,30,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,04,18,000	
Notes in circulation	232,17,85,000	
Total Notes issued		236,22,03,000
Total Liabilities		236,22,03,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	45,65,56,000	
Government of India Securities	15,89,82,000	
India Notes representing assets received from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	5,05,15,000	97,43,71,000
Government of Pakistan Securities	129,48,42,000	
Internal Bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan		134,53,57,000
Gold Coin and Bullion	19,08,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,22,03,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.92 per cent.

EXCHANGE RATES

		18th May, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5	1-5
Sellers T.T. D.D. upto six months	£.	1-5	1-5
Buyers T.T. spot to nine months	£.	1-5	1-5
Buyers T.T. 10 to 12 months	£.	1-4	1-4
Bombay on New York—		1-4	1-4
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471	471
London on New York	Rs.	2.81-2.81	2.81-2.81
London on Paris	Fcs.	966-968	966-968
London on Berne	Sw. Fcs.	12.23-12.23	12.23-12.24
New York on London	$	2.81-2.81	2.81-2.81

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	6
Belgium ..	20th Oct., 1953	2	2½
Canada ..	17th Oct., 1950	2	2½
Ceylon ..	25th July, 1952	2½	3
Denmark ..	23rd July, 1953	3½	4
Egypt ..	23rd Sept., 1953	3	4
France ..	16th Dec., 1951	5	4½
Greece ..	4th Feb., 1954	7½	8
India ..	1st Jan., 1954	3½	3
Italy ..	16th Nov., 1951	12	10
Japan ..	21st April, 1950	3	9½
Netherlands ..	1st Oct., 1951	4½	4
New Zealand ..	29th April, 1953	5.11	4.84
Norway ..	28th July, 1950	3	2½
Pakistan ..	9th Jan., 1948	3	1½
Portugal ..	1st July, 1948	3	2½
South Africa ..	18th Jan., 1944	3	2
Spain ..	27th Mar., 1948	3½	2½
Sweden ..	14th Mar., 1949	2½	4
Switzerland ..	20th Nov., 1940	2	1½
Turkey ..	24th Nov., 1950	4	5½
United Kingdom ..	25th Feb., 1954	4	3½
U.S.S.R. ..	15th May., 1954	3	2
U.S.A. ..	3rd July, 1936	2½	2
West Germany ..	16th April, 1954†	3	4
..	8th Jan., 1954†	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1953	January, 1954	Ten months April to January 1952-53	Ten months April to January 1953-54
Import Duties:				
Revenue	8.40	9.64	93.00	92.28
Protective ..	0.32	0.64	6.53	6.11
On surplus disposals	0.02	..	0.05	0.10
Total import duties	8.74	10.22	99.58	98.49
Export Duties	3.20	2.72	47.15	39.72
Land Customs	0.16	0.21	2.31	1.59
Miscellaneous	0.08	0.05	1.05	0.61
Gross total customs	12.38	13.20	150.05	132.69
Refunds and drawbacks	0.17	0.14	2.86	1.84
Net Customs	12.21	13.06	147.19	130.85
Gross excise ..	7.80	8.64	69.24	181.35
Refunds ..	0.04	0.09	1.74	7.71
Net Excise	7.72	8.55	67.50	173.64
Net total of customs and excise	19.93	21.61	215.69	304.49

Imperial Bank of India

Statement of Affairs for the week ended 14th May, 1954

CAPITAL AND LIABILITIES

	Rs.	Rs.
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,24,09,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 18,000 shares of Rs. 500 each, fully paid	2,75,00,000	
1,80,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,80,000 shares	5,62,50,000	
Reserve Fund and other Reserves		8,25,00,000
Deposits and other Accounts		209,05,81,000
Borrowings from other Banking Companies Agents		19,00,00,000
Bills Payable		2,61,11,000
Bills for Collection being Bills Receivable as per contra		34,90,000
Acceptances, Endorsements and Other Obligations as per contra		56,000
Other Liabilities (including Inter-Office Adjustments)		2,17,23,000
Total	Rs.	245,17,25,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		13,00,40,000
Balances with other Banks		8,34,03,000
Money at Call and Short Notice		1,20,00,000
Investments	62,84,21,000	
Government and other Trustee Securities	10,64,41,000	
Other Authorised Investments		93,28,62,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	97,23,30,000	
Bills Discounted and Purchased	30,44,07,000	
Bills Receivable being Bills for Collection as per contra		127,72,37,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		34,90,000
Premises less Depreciation		3,25,154
Furniture and Fixtures less Depreciation		56,000
Other Assets (including Inter-Office Adjustments)		1,33,39,000
		42,87,000
Total	Rs.	245,17,25,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings	21% Tax-Free Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*
1948-49 ..	1,47	76	74	22,40	22,88	55,67	29,01	—	15,31		
1951-52 ..	6,08	77	2,81	12,05	34,81	1,07,55	74,18	—	37,44		
1952-53 ..	6,84	66	3,27	13,66	44,18	1,13,96	91,01	—	51,08	18,16	13,19
										7,64	25,64
February 1953	6,61	5	3,22	1,56	33,14	8,36	86,86	—	50,76		
March „	6,84	9	3,27	2,64	34,18	13,75	86,86	—	50,76		
April „	6,80	4	3,27	2,24	33,95	9,06	91,01	—	51,08	62	25,08
May „	6,88	4	3,29	2,08	37,57	9,65	93,89	—	51,80	60	25,84
June „	6,82	4	3,31	2,25	39,38	9,43	95,80	—	52,06	65	25,94
July „	6,78	11	3,33	2,23	91,03	10,28	96,22	—	51,78	66	27,00
August „	6,67	9	3,44	2,23	92,83	8,76	96,67	—	52,06	66	27,56
September „	6,59	12	3,58	2,04	94,88	9,20	97,78	—	52,36	66	27,59
October „	6,61	11	3,68	1,97	95,88	8,56	97,78	—	52,36	66	28,29
November „	6,33	9	3,65	2,03	97,37	7,99	97,78	—	53,71	69	28,37
December „	6,27	14	3,74	2,23	98,65	9,25	98,35	—	52,96	68	29,41
January, 1954	6,16	13	3,82	2,08	1,00,47	8,91	99,23	—	53,53	68	29,93
February „	..	..	..	..	..	..	..	—	53,77	45	30,24
March „	..	..	..	..	..	..	..	..	..	50	30,75
										54	31,23
										44	32,11

* At the end of period. ◎ Progressive net repayments at the end of period from 18th August, 1947.

† Issued from 1st October, 1943 in lieu of Defence Savings Certificates. ‡ Issued from 1st February, 1951. 5-year and 7-year National Savings Certificates were issued from June 1945.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 2-5-'53	3-4-'54	24-4-'54	1-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	86.7	86.6	86.	86.3
TIES	90.5	90.4	90.8	90.2
1. Government of India	95.7	95.7	95.7	95.7
2. Indian States	..	..	..	..
3. Municipal, Port Trust, etc.	90.8	89.8	89.8	89.8
DEBENTURES OF INDUSTRIAL CONCERNS	100.1	101.4	101.3	101.3
1. Electricity	102.7	102.7	102.7	102.7
2. Jute	100.0	98.8	98.8	98.8
3. Plantations	99.1	99.6	99.6	99.6
4. Sugar	99.9	90.6	90.6	90.6
5. Coal	97.8	103.8	101.0	101.0
6. General Engineering	102.0	102.8	102.3	102.3
7. Shipping	99.5	100.7	100.7	88.1
8. Others	88.6	88.3	88.3	88.3
PREFERENCE SHARES	97.1	95.9	95.8	95.2
1. Electricity	85.9	85.8	85.8	84.2
2. Cotton	89.3	88.5	88.4	88.2
3. Jute	84.7	88.3	88.4	90.2
4. Coal	97.9	90.2	90.2	90.2
5. Iron and Steel	94.3	91.8	91.7	91.8
6. Sugar	76.3	75.8	75.9	76.9
7. Paper	77.5	77.5	77.5	77.8
8. Others	83.4	87.4	87.3	90.2
9. Miscellaneous	85.7	89.9	90.0	88.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	82.6	86.4	86.5	86.5
(a) Financial	93.4	102.9	104.4	104.2
1. Banks	85.7	87.3	87.8	87.8
2. Insurance	88.7	86.3	86.4	86.4
3. Investment Trust	97.7	108.4	101.9	101.1
(b) Public Utilities	116.7	118.8	110.4	75.9
1. Electricity	..	..	..	113.4
2. Shipping and other Transport	87.4	107.9	107.5	107.7
3. Railways	83.5	85.5	85.7	87.3
(c) Manufacturing Industries	88.4	108.5	108.8	109.3
1. Cotton, Woollen and Silk	92.7	109.7	109.5	103.0
2. Jute	80.6	81.7	83.0	83.0
3. Iron and Steel	106.7	124.1	129.3	129.9
4. Paper	115.8	125.9	125.8	126.2
5. Cement	115.7	126.7	126.7	126.5
6. General Engineering	105.8	135.6	140.3	140.2
7. Sugar and Breweries	92.6	89.4	92.1	90.9
8. Chemicals	94.5	112.0	113.2	112.8
(d) Non-Manufacturing Industries	89.6	110.1	112.1	111.8
1. Coal	81.8	76.8	77.9	73.0
2. Mining and Oil	119.4	162.9	169.2	161.0
3. Plantations	92.1	108.7	111.9	112.1
(e) Miscellaneous	88.7	93.3	94.4	94.3
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	..	..	..	..
TIES:	90.3	90.1	89.9	89.8
1. Bombay	90.6	90.6	90.4	90.3
2. Calcutta	90.9	90.8	90.7	90.6
3. Madras	..	..	..	..
DEBENTURES OF INDUSTRIAL CONCERNS:	99.6	101.4	100.9	100.9
1. Bombay	101.2	102.3	102.1	102.1
2. Calcutta	100.4	100.0	100.0	100.0
3. Madras	..	..	..	..
PREFERENCE SHARES	94.9	93.7	93.7	93.6
1. Bombay	81.5	85.3	85.3	84.9
2. Calcutta	87.7	90.0	90.0	90.1
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	108.1	113.6	114.5	114.4
1. Bombay	97.8	94.3	95.9	95.8
2. Calcutta	89.1	100.2	101.9	101.8
3. Madras	91.6	105.4	107.7	107 4
4. Dohil ..	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppages of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,281	8,818,928
1952 ..	963	809,249	9,350,021
1953 ..	989	852,807	8,380,709
1953† ..	..	93,189	818,807
February 1953 ..	88	43,486	284,846
March „ ..	97	49,437	254,884
April „ ..	118	80,095	1,49,498
May „ ..	101	40,551	171,268
June „ ..	83	40,784	145,833
July „ ..	97	48,855	284,552
August „ ..	96	57,876	349,918
September „ ..	94	78,181	572,545
October „ ..	93	46,748	195,017
November „ ..	81	37,329	..
December „ ..	82	43,565	244,434
January 1953†	48	26,477	152,411
February	47	33,121	215,207
March „	72	39,193	218,353
April „	88	33,917	276,216
May „	99	50,857	322,279
June „	87	48,058	191,122
July „	74	33,093	255,154
August „	106	50,097	467,278
September „	100	44,653	402,002
October „	87	41,031	344,511
November „	79	40,33(0)	475,967
December „	75	49,500	320,618
January 1954 ..	93	41,003	342,805
February „	..	..	..

† Figures for 1953 are provisional. * Revised.

(a) Not known in one case. ‡ Provisional.

ELECTRIC ENERGY‡ GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated ‡	Units Sold
1948-49 ..	459	4,651.1	3,777.7
1951-52 ..	573	5,948.1	4,846.0
1952-53 ..	614	6,201.4	5,184.3
		530.4	440.6
September 1953† ..	599	549.7	459.4
October „ ..	605	556.7	467.3
November „ ..	606	553.2	461.2
December „ ..	611	585.5	477.4
January 1953 ..	614	586.0	485.7
February „ ..	616	550.9	456.1
March „ ..	616	560.4	450.8
April „ ..	620	543.8	471.0
May „ ..	625	555.0	468.9
June „ ..	627	537.9	454.1
July „ ..	629	576.6	488.7
August „ ..	632	583.1	485.7
September „ ..	634	563.1	458.7
October „ ..	637	605.6	498.9
November „ ..	640	589.7	478.0
December „ ..	640	589.7	478.0
January, 1954 ..	..	..	..

* Excludes railway, military and (some?) power stations (Okhla Power Station, being interconnected with the Tata Power System, has been included) ‡ Excluding purchases from non-electric utilities. § At the end of period

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	1st May, 1954	24th April, 1954	2nd May, 1953	March, 1954	March, 1953	Percentage of increase (+) or decrease (—) in Mar., 1954 as compared with Mar., 1953	1953-'54	1952-'53
Food Articles	372.7	375.5	373.7	371.4	368.9	+ 1.8	384.6	357.8
Cereals	417	421	445	429	437	— 1.8	431	444
Pulses	373	380	302	470	507*	—28.6	450	507
Other	305	306	259*	289	244	+18.4	278	223
Industrial Raw Materials	473.8	474.7	468.6	462.5	453.1	+ 2.1	467.7	436.9
Fibres	465	461	423	447	415	+ 7.7	452	423
Oil seeds	535	530	500	513	553	— 8.1	574	485
Minerals	451	448	445	444	455	— 2.4	449	459
Others	404	400	348	405	359	+12.8	375	333
Semi-Manufactures	365.0	368.3	357.4	355.3	349.2	+ 1.7	359.2	343.8
Leather	375	373	410	348	357	— 2.5	403	367
Mineral oils	221	221	224	221	225	— 0.9	224	223
Vegetable oils	514	520	533	476	481	— 1.0	534	446
Cotton yarn	463	465	415*	498	449	+ 0.7	443	452*
Metals	249	240	224	238	227	+ 4.8	229	218
Oil Cakes	447	443	431	415	412	+ 0.7	433	430
Others	305	306	251	306	221	+45.0	231	255
Manufactured Articles	382.8	382.7	366.7	373.9	389.0	+ 1.3	367.4	371.2
Textiles	430	430	407	416	407	+ 2.2	405	411
Jute	445	445	385	424	370	+12.8	408	440
Cotton	417*	417*	417*	409*	409*	+ 0.2	436*	400*
Rayon and Silk	502*	502*	493	499*	521*	— 4.2	431*	476*
Woollen	313	313	312	313	313	..	314	323
Metal products	340	340	336	337	336	+ 0.3	337	330
Others	289	288	288	286	289	— 1.0	285	294
Miscellaneous	695.3	708.2	615.5	686.9	585.5	+17.3	688.8	614.1
All Commodities	400.7	402.4	392.4	394.0	385.2	+ 2.3	397.5	380.8

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 „	141	337	259	310	441	380	351	330	143	174	142	154	150
September „	143	341	269	310	465	380	364	328	143	177	139	151	147
October „	144	345	274	314	466	381	363	327	144	178	140	154	150
November „	143	347	271	306	459	380	357	328	143	176	139	150	150
December „	139	346	268	303	447	378	346	327	137	173	137	148	149
January 1953	139	346	260	310	456	381	337	327	133	168	134	149	146
February „	141	351	264	315	459	380	334	331	134	168	134	148

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1953-54 Final	1951-52 Final	1953-54 Final	1951-52 Final
Rice	tons	76,646†	74,209††	27,079†	22,495††
Wheat 3rd ..	,,	23,924†	23,115††	6,693†	6,386††
Jowar 2nd ..	,,	41,265†	39,698††	5,360†	4,516††
Bajra ..	,,	25,272	22,838	3,923	3,299
Barley ..	,,	7,500	7,835	2,664	2,293
Maize ..	,,	8,796	8,073	2,607	2,021
Ragi ..	,,	5,472†	5,423††	1,564†	1,238††
Gram ..	,,	17,287	16,857	3,771	3,298
Rabi Pulses* ..	,,	11,595†	11,552††	2,068†	2,047††
Small Millets ..	,,	12,170†	11,854††	1,857†	1,801††
Jute	bales	1,196†	1,617††	8,128†	4,605††
Cotton 4lb.' ..	,,	16,260	18,872††	3,458	4,467††
Sugarcane 2nd	tons	4,010†	4,223††	5,160†	4,990††
Groundnut ..	,,	11,356†	11,850††	3,772†	3,884††
Linseed ..	,,	2,394	2,409	356	416
Castorseed ..	,,	1,268†	1,257††	107†	106††
Rape and Mustard Seed	,,	5,155	5,915	628	916
Sesamum 3rd ..	,,	5,828†	5,614††	518†	431††
Tobacco (supp)	,,	703	712	239	209
Black Pepper ..	,,	208†	207††	23†	23††
Ginger ..	,,	46†	47††	14†	18††
Dry chillies ..	,,	1,240	1,884	301†	341††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
* Excluding gram.
† Relates to 1953-54. †† Relates to 1952-53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1954 ..	75.0
	Corresponding month 1953 ..	74.5
	Ten months ended April, 1954 ..	719.4
	Corresponding period 1953 ..	746.0
Stocks	At the end of April, 1954 ..	91.5
	Corresponding month 1953 ..	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 24th April, 1954 ..	3,136
	Corresponding week 1953 ..	414
	From 1st Jan. to 24th April, 1954 ..	121,492
	Corresponding period 1953 ..	65,994
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 24th April, 1954 ..	1,068
	Corresponding week 1953 ..	14,010
	From 1st Jan. to 24th April, 1954 ..	430,301
	Corresponding period 1953 ..	896,459
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 24th April, 1954 ..	—
	Corresponding week 1953 ..	—
	During Jan., 1954 ..	—
	Corresponding period 1953 ..	—
	April, 1954 (in lakh bales) ..	4.35
Consumption by Mills† ..	Corresponding month 1953 ..	4.31
	Ten months ended April, 1954 ..	41.71
	Corresponding period 1953 ..	44.28

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1952..	11,80,000	10,67,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	98,500	69,900
February ,, ...	92,400	82,000	61,700
March ,, ...	97,400	88,600	65,500
April ,, ...	97,000	83,100	60,500
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
March ,, ...	94,600	89,700	65,000
April ,, ...	83,200	77,600	54,800
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,26,710	4,31,450	3,12,940
Do 31st March, 1954 ..	5,80,020	3,99,930	2,92,440
January 1954	56,570	48,810	28,650
February ,, ...	54,600	37,400	29,090
March ,, ...	60,640	50,850	22,090
April ,, ...	52,270	30,050	19,090
January 1954	63,100	42,600	29,870
February ,, ...	59,650	38,350	32,510
March ,, ...	65,000	47,850	44,560
April ,, ...	61,950	41,070	37,600

FOREIGN TRADE OF INDIA

Particulars	January.		Ten Months. April to January.	
	1953	1954	1952-53	1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	6.29	2.93	156.34	86.58
Raw materials ..	12.03	10.89	158.19	126.90
Manufactures ..	22.25	23.34	272.94	229.58
Other Items ..	.33	.39	3.71	3.29
Total ..	40.91*	37.55*	561.18*	456.35*
By land	2.58	2.80	22.26	19.60
Total Imports ..	43.49	39.85	583.44	475.95
Exports				
By sea and air—				
Foodstuffs ..	11.71	13.38	118.82	130.75
Raw materials ..	18.84	7.52	121.44	83.84
Manufactures ..	15.85	21.66	223.70	208.94
Other Items ..	.45	.48	3.64	3.63
Total ..	42.85	42.84	467.60	432.16
By land	.70	.66	17.93†	6.12
Total Exports ..	43.55	43.40	485.43	438.29
Total Re-exports ..	1.20	.32	4.84	8.98
Balance of trade in merchandise ..	+2.84	+5.61	—78.84	—20.21
Balance of transactions in private treasure ..	—2	— 6	— 6	— 8
Total visible balance of trade	+2.82	+5.61	—78.90	—20.29
Imports: ‡				
Total Cwealth countries ..	20.16	17.41	213.79	221.84
Total Foreign countries ..	20.78	20.14	337.39	235.01
Exports: ‡				
Total Cwealth countries ..	20.68	24.88	220.25	223.34
Total Foreign countries ..	21.87	17.96	247.25	206.82

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available
‡ Excludes Trade by Land. † Subject to revision.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States‡	United Kingdom†‡	Canada®	France	Switzerland	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	...	611	71	11	16	29	8	18	5	2	7	9	8	5	7	9	..
Average of Months 1951-52	...	641	71	21	16	41	6	18	9	2	7	9	2	4	8	11	9
Average of Months 1952-53	...	666	62	25	16	40	5	20	12	6	7	9	1	4	8	11	9
End of December 1952..	...	664	53	26	16	40	5	20	16	6	7	9	1	4	6	11	6
January 1953..	...	659	57	26	16	40	5	20	16	6	7	9	1	4	6	11	6
February ,, ..	...	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March ,, ..	...	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April ,, ..	...	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	6
May ,, ..	...	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June ,, ..	...	643	66	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July ,, ..	...	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August ,, ..	...	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September ,, ..	...	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
October ,, ..	...	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
November ,, ..	...	632	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
December ,, ..	...	631	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
January 1954 ..	...	630	73	29	16	..	5	22	22	6	7	..	2	4	6	11	6

‡ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. ® Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 13th May, 1954 ..	49,630
	Corresponding week, 1953 ..	48,499
	1st Sept., 1953 to 13th May, 1954 ..	1,431,952
	Corresponding period, 1952-53 ..	1,414,502
Cotton Exports ..	Week ended 13th May, 1954 ..	7,534
	Corresponding week, 1953 ..	12,769
	1st Sept., 1953 to 13th May 1954 ..	231,689
	Corresponding period, 1952-53 ..	331,183
Mill Consumption ..	1st Sept., 1953 to 13th May, 1954 ..	879,330
	Corresponding period, 1952-53 ..	863,929
Stock (with exporters dealers & mills) in Bombay	On 13th May, 1954 ..	623,296
	Corresponding date, 1953 ..	604,244
Karachi (Pakistan)		
Receipts ..	Week ended 8th May, 1954 ..	4,219
	Corresponding period 1953 ..	15,523
	1st Sept., 1953 to 8th May, 1954..	1,094,147
	Corresponding period, 1952-53 ..	1,088,324
Exports	Week ended 8th May, 1954 ..	13,446
	Corresponding period, 1953 ..	80,363
	1st Sept., 1953 to 8th May 1954..	884,662
	Corresponding period, 1952-53 ..	1,188,088

Particulars	From 1st Sept., to 17th May 1953-54 Bales	From 1st Sept., to 17th May 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	12,661	13,576
Continent ..	22,739	88,935
China ..	201	818
Japan ..	59,251	135,414
U.S.A. ..	12,426	33,288
Other Countries ..	1,482	4,676
Total to all foreign countries ..	108,850	276,707
Coastal Ports ..	124,476	108,569

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian Mills ..	January, 1954 ..	348,088
Foreign ..		86,654
Indian ..	Five months ended Jan., 1954 ..	1,633,384
Foreign ..		384,710
Stocks (Mills and Elsewhere)—	Same Period 1953 ..	1,431,044
Indian ..		855,021
Foreign ..	As on 31st Jan., 1954 ..	907,898
Indian ..		157,293
Foreign ..	As on 31st Jan., 1953 ..	1,025,020
Cotton Pressed †	Week ended 7th May, 1954 ..	277,517
	Corresponding week, 1953 ..	8,009
	1st Sept., to 7th May, 1954 ..	56,228
	Corresponding period, 1953 ..	2,639,309
		2,786,088

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS		Rs.		
4½% Loan	1918	9,05,64,000	1955-66	101¼
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101¼
2½ Loan	1938-39	1,16,17,46,000	1963-65	92⅛
2½ Loan	1950	30,31,10,000	1964	72⅜
3 ½ Loan	1943	1,10,11,78,000	1966-68	90
3 ½ V. Loan	1944	1,14,04,85,000	1957	98
2½ Loan	1945	1,13,03,84,000	1970-75	86⅛
2½ Loan	1945	1,13,65,64,000	1959-61	96⅛
2½ Loan	1945	50,15,63,000	1958	97⅛
2½ Loan	1946	45,63,07,000	1960	93⅛
2½ Loan	1946	57,00,89,000	1961	91
2½ Loan	1946	57,06,06,000	1954	99⅛
2½ Loan	1946	14,77,48,000	1976	82⅛
2½ Loan	1946	75,86,72,000	1962	91⅜
2½ Loan	1947	40,45,01,000	1948	98
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅛
3½% N.P.Loan	1954	On Tap.	1964	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	81⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1956-59***	100⅛
4½% Loan	1928	5,85,20,000	1958-68***	103⅛
PROVINCIAL LOANS				
3 % Bombay	1842	2,54,23,300	18th Sept. 1953	99⅛
3 % Bombay	1843	2,50,00,000	14th Sept. 1954	99⅛
3 % Bombay	1844	3,44,00,000	18th Aug. 1958	97⅛
3 % Bombay	1849	6,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1850	3,91,57,700	31st July 1960	94⅛
3½% Bombay	1851	3,04,86,900	17th Sept. 1962	98⅛
4 % Bombay	1853	5,00,00,000	15th July 1963	100⅛
3 % Bombay	1937	3,44,72,700	1st Aug. 1964	100⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953-55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3 % Cochin	1936	76,09,000	1st Jan. 1956-61	99
3½% Howrah Bridge (New)	1936-37	2,31,67,100	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1939	94⅛
3 % Madras	1943	1,33,33,000	18th Sept. 1955	98-1/32
3 % Madras	1943	1,33,18,000	18th Sept. 1956	98⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1948	93⅛
3½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,38,25,400	31st July 1960	93 1/4
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98⅛
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99-1/32
3 % Mysore( )	1886	1,63,44,300	1st Nov. 1955	104⅛
4 % Mysore( )	1933	1,95,85,200	1st Dec. 1953-58	101
4 % Mysore(f)	1935	2,99,72,900	30th April 1956-61	98⅛
3 % Mysore	1947	3,02,03,700	25th Jan. 1958	99⅛
4 % Mysore	1953	3,00,00,000	15th July 1963	99⅛
2 % M.P.	1943	50,00,000	11th Sept. 1955	98⅛
3 % M.P.	1945	30,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	53,69,500	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,00,28,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	15th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	2,49,27,200	15th Aug. 1958	98
3 % Punjab**	1942	2,15,27,900	15th Sept. 1961	96⅛
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952-54	99⅛
3½% Travancore	1934	80,00,000	16th Aug. 1958	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1938	1,69,39,600	15th Sept. 1961-64	90⅛
3 % U.P.	1946	3,23,96,800	15th Aug. 1958	97
3 % U.P.	1945	3,36,31,900	14th Sept. 1960	94
3½% U.P.	1946	2,41,12,500	14th Sept. 1961	97⅛
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
4 % U.P.	1952	4,11,33,800	1st Aug. 1964	99⅛
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
3 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
40,00,000	4	1906	1966	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1971	
56,00,000	4	1910	1971	
50,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,878	4	1913*	1960	D
50,00,000	4	1913	1974	99½N
88,23,000	4	1914	1974	99N
10,00,000	4	1915*	1960	
10,00,000	4	1915	1975	
41,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1929*	1958	
12,50,000	3½	1930*	1960	
13,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1933	1963	
15,00,000	3½	1936*	1966	
10,00,000	3½	1936*	1966	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1916	1974	92⅛
76,90,100	4	1915	1973	93⅛
68,02,300	3½†	1921	1981	79
1,50,00,000	3½	1931	1991	64¼N
1,24,06,300	3	1925	1955-85	69⅛
98,21,600	3½	1926	1956-86	104⅛
99,54,300	3	1927	1957-87	80⅛
1,49,49,300	3	1927	1957-87	80⅛
1,49,50,000	3	1928	1958-88	80⅛
80,00,000	3½	1928	1958	104⅛
21,75,000*	3	1933	1954	92⅛
60,00,000	3½	1934	1963	96⅛
25,00,000	3	1938	1943-68	82⅛
50,00,000	3	1945	2003	70N
50,00,000	3	1946	1971	82⅛
50,00,000	3	1946	1976	82⅛
50,00,000	3	1948	2004	70N
58,00,000	3	1948	1978	78⅛
30,00,000	3	1948	1978	81⅛
30,00,000	3	1949	1979	84⅛
30,00,000	3	1949	1979	84⅛
1,00,00,000	3	1950	1960	82⅛
1,00,00,000	3	1950	1980	82⅛
50,00,000	3	1951	1961	94⅛
1,50,00,000	3½	1951	1981	77⅛
50,00,000	4	1953	1983	99⅛
STERLING LOANS				
£292,600	5	1923	1953-83	£87½
£901,000	5	1924	1954-84	£87½
£233,100	5½	1932	1942	£96
MADRAS				
Rs.				Rs.
46,60,345	4	1912	1962	
32,14,942	4	1917	1962	
3,21,489	4	1918	1962	
3,42,951	4	1918	1882	A
7,46,044	4	1920	1952	
2,15,832	4	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Year Issue	Repayable	Market quotation
Rs.			Rs.
BOMBAY			
50,00,000	4	1899	1959
30,00,000	4	1900	1960
30,00,000	4	1902	1962
50,00,000	4	1903	1963
50,00,000	4	1904	1964
20,00,000	4	1905	1965
20,00,000	4	1906	1966
13,00,000	4	1907	1967
25,00,000	4	1908	1968
18,00,000	4	1912	1972
40,00,000	4	1913	1973
25,00,000	4	1914	1974
40,00,000	5	1916	1976
86,00,000	5	1919-20	1979
25,00,000	5	1920	1955-80
25,00,000	4	1926	1956-86
10,00,000	4½	1927	1961-76
		1936	1966
STERLING LOANS			
£566,600	4	1909	1969
£333,000	4	1910	1970
CALCUTTA			
Rs.			
50,00,000	4	1899	1959
25,00,000	3½	1925	1955
50,00,000	4	1934	1964
35,00,000	4	1934	1964
30,00,000	3½	1935	1965
50,00,000	4	1936	1966
20,00,000	3	1937	1963
50,00,000	4	1937	1963-68
		1952	1962

MUNICIPAL LOANS

BOMBAY				
Rs.				Rs.
49,40,000	4	1913-14	1954	99⅛
20,40,000	4	1913-14	1974	99⅛
10,00,000	4	1913-14	1974	99⅛
1,60,00,000	4	1920	1980	113
1,00,00,000	4	1920	1980	113
26,14,000	3	1928	1958	102
3,45,300	3	1928	1948-58	104⅛
24,21,500	3	1929	1954-59	70N
8,22,00,000	3	1929	1959	102⅛
2,50,000	3½	1947	1977	86⅛
4,00,00,000	3	1949	1979	84⅛
2,50,00,000	3	1950	1965	92
2,00,00,000	3½	1952	1964	108
1,30,00,000	3½	1931	1964	97
100,00,0000	4	1953	1963	100
1,00,00,000	4	1954	1966	99⅛
R				
34,45,300	4½	1925	1955	103⅛
84,70,000	4½	1926	1956	104
25,00,000	5	1928	1958	103⅛
25,00,000	5	1929	1957	103⅛
10,00,000	3½	1932	1958	103⅛
33,91,000	3½	1932	1962	103⅛
60,00,000	3	1935	1965	97⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	99⅛
1,62,500	3	1937	1954	99⅛
13,16,800	3	1938	1968	88⅛
15,56,800	3	1939	1958	99⅛
13,56,800	3	1940	1958	99⅛
17,64,400	3	1940	1958	99⅛
21,10,000	3½	1942	1959	96⅛
13,49,000	3½	1942	1972	92⅛
16,33,000	3½	1951	1962	96⅛
66,88,000	3½	1951	1961	96⅛
37,56,000	3½	1951	1966	96⅛
72,50,000	4½	1954	1962	99⅛
			1979	100
Rs.				Rs.
MADRAS				
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	100N
15,00,000	3½	1931	1961	107N
15,00,000	3½	1932	1962	107½N

ABBREVIATIONS. N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-73. (f) Income-tax free. *Loans held entirely by the Trustee
†† Rate of interest reduced from 4½ to 4 per cent with effect from 1st April. †Bombay State Transport. A=Held by Government of India
**Repss Counterpart

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	95M	100
Carew & Co.	8,00,000(b)	1873	6½	Mar. Sept.	142	100
Cawnpore Sugar Works ..	10,00,000	1920	7	July Apr.	115	100
Deccan Sugar & Abkhari* ..	2,00,000	1897	7	Jan. July	161	£1
§East India Distilleries ..	£100,000	1940	7B	Dec. ..	70	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	158	10
Do. (Non-redeem.)	5,00,000	1922	10	Oct. ..	104	100
Puttapore Co.	6,00,000	1922	6	Aug. ..	100	100
Ramnagar Cane	4,00,000	1933-36	6	Aug. Apr.	75	98
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	1614	100
South Behar Sugar	5,00,000	1936	7(c)	Dec. ..	74	10
Travancore	15,00,000	1932	5	Dec. ..	90N	100
Upper Ganges	12,00,000	1946	5(a)	Dec. ..	70N	100
Do.	15,00,000					
COAL						
Bengal-Nagpur	1,12,500	1903	7	Jan. July	121	100
Borree	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	4,50,000	1895	6	Mar. Sept.	118	100
Do. (2nd)	1,50,000	1901-19	5½(a)	Mar. Sept.	61	10
Equitable	7,50,000	1946	6(a)	Jan. July	117	100
Karanpura Collieries ..	1,93,000	1920	6	Jan. July	12⅜	10
††Khas Kajora	12,00,000	1920	6½	Apr. Oct.	111⅛	100
New Beerbhoom	2,00,000	1898-99				
COTTON						
Ahmedabad Advance ..	10,00,000	1919	5	Apr. Oct.	110	100
Bangalore	5,00,000	1934	6	Jan. July	124½	100
Basanti Cotton	1,05,200	1898	7	Apr. Oct.	8	10
Banaroe Cotton	6,00,000	1900	7	Feb. Aug.	182½	100
Bengal-Nagpur	6,00,000	1900	7	Feb. Aug.	101	100
Bowrah 'A'	6,00,000	1900	7	June Dec.	328½	250
Do. 'B'	14,75,000	1919	7½	Jan. July	137½	100
Bradbury	21,30,200	1920	7	Apr. Oct.	125	100
Buckingham & Carnatic ..	11,00,000	1928	5	Apr. Oct.	118	100
Cambodia	50,00,000	1912	6½	Nov. ..	124½	100
Central India	1,00,000	1933	6	May Nov.	142½	100
Coimbatore Pioneer ..	11,00,000	1912	5	July Jan.	103⅜	10
Elgin	4,20,000	1943	5	May Nov.	104	100
Do. 'B' Pref. ..	23,00,000	1919	7(a)	June Dec.	131	100
Elphinstone	20,00,000	1919	7	Nov. ..	89	100
Kesoram	29,52,500	1937	4	Nov. ..	102	10
Khatau Makanji (2nd) .

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nomination, n.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
90,00,000	9,99,757	42,27,928	43,05,372	—3,75,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2½							
90,00,000	24,00,000	1,22,39,883	72,25,655	43,646	B. R. Sons, Ltd.	50,826	1,021	B. R. Cotton Mills ..	25	2	0 4	0 5	0 4			
2,50,00,000	2,32,52,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg. ..	100	6 12	12 0	0 0	Nil		12	Y.P.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd. ..	38,208	860	Bradbury Mills	250	17 8	20 0	Nil	Nil		12	Y.P.
1,09,42,800	2,27,88,983	2,33,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg. ..	100	18 0	20 0	100 0	100 0	22 8a	12	Y.P.
49,00,000	16,04,856	1,06,30,358	39,87,173	5,06646	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill ..	50			20 0	20 0	25 0	12	Y.
26,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cowasjee Jehangir & Co., Ltd.	39,412	680	Coorla Spg. & Wvg. ..	100	Nil	Nil		Nil		12	Y.
16,00,000	20,04,821	43,03,745	43,46,941	76,198	Rasmanain Sons, Ltd.	30,304		Dawn Mills	100	7 8	7 8	7 8			12	Y.
34,00,000	34,00,000	62,31,113	57,35,800	5,622	Puranmal Radhakishan & Co.	50,296	928	Edward Textiles ..	245	Nil	6 0	6 0			3	Y.
19,53,792	13,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	100	15 0	15 0	15 0			12	Y.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	245	4 0	(d)	5 0	6 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,51,500	7,581	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	175 0	20 0	20 0	16 0	12	Y.P.
2,00,00,0001	1,28,61,636	4,56,22,024	3,07,00,000	—51,32,478	India United Mills ..	2,38,030	6,278	India United Mills ..	950	250	43 12	30 0	30 0	225 0*	12	V.
80,00,0001									11-2½		30 0	30 0	30 0	54 4*	3	Y.P
9,00,000	69,99,043	1,18,16,170	83,59,000	7,428	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	3,850	1,000	175 0	200 0	Nil		12	V.
29,92,500	49,54,660	2,07,51,457	1,37,18,445	22,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	300	87 8	100 0	200 0*	200 0*	225 0*		
1,80,00,000	1,35,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd. ..	1,18,392	1,846	Kohinoor Mills	100	12 0	14 0	100 0	100 0	562 8*	3	Y.P.
3,60,000A	64,00,787	4,36,527	88,878	6,98,536	Dina Nath, Esq.			Madhusudan Mills ..	100	18 0	25 0*	18 0	20 0	20 0*	12	Y.P.
3,60,000B									100A	7 8	8 0	6 0	6 0	6 4	12	
27,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd. ..	47,368	644	Modern Mills	208	1 8	1 0	1 0	1 0	0 4	6	Y.
51,75,000	24,92,733	78,03,843	44,33,016	12,706	Piramal & Sons	65,448	1,632	Morarjee Goculdas Spg. & Wvg.	90N	1 8	1 0	1 0	1 0	1 0	12	Y.P.
1,60,40,600	2,63,011	4,93,70,648	2,10,00,000	5,01,242	Chiani & Co., Ltd. ..		1561	National Rayon Corporation	100	17 0	15 0	10 0	10 0	10 0	12	Y.P.
24,00,000	28,60,686	73,05,363	44,45,860	15,887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg.	163	100	Nil	Nil	Nil		12	Y.P.
20,00,000	21,52,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg.	170	12 8	15 0	10 0	10 0	10 0	12	Y.P.
12,70,100	86,36,004	42,89,352	13,76,660	425	Mafatlal Chandulal & Co (Bombay), Ltd. ..	34,100	873	New Union Mills	26	10 0	8 8	1 0	1 4		12	Y.P.
40,00,000	33,52,899	1,38,66,478	84,72,256	27,388	Ramanuja Sons, Ltd. ..	55,228	1,190	Phoenix Mills	1324	100	12 0	10 0	10 0	10 0	12	
40,00,000	43,62,741	24,64,450	22,50,000	2,59,184	Podar Sons, Ltd. ..	32,600	930	Podar Mills	150	10 0	10 0	10 0	10 0	20 0	12	V.
8,00,000	8,93,779	23,19,441	8,00,965	3,613	David Sassoon & Co., Ltd.	15,000	277	Sassoon & Alliance Silk Mill	100 Pfd	10 0	2 0	1 0	1 0		12	V.
25,00,000	60,49,474	1,17,57,612	81,93,664	31,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg. ..	30	10 0	12 0	10 0	10 0	10 0	12	V.
60,00,000	66,20,061	87,30,546	45,41,044	2,69,922	Marwar Textiles (Agency) Ltd.	46,836	1,640	Shree Niwas Cotton Mills ..	100	14 0	17 8	10 0	14 0		12	V.
31,50,000	49,04,108	78,77,546	63,98,000	93,939	Forbes, Forbes Campbell & Co., Ltd. ..	36,116	1,276	Simplex Mills	50	14 0	17 0	15 0	14 0	15 0	12	Y.P.
36,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	100	15 0	20 0	0 0	0 0	20 0	3	Y.
75,00,000	1,18,72,086	1,70,99,941	90,21,820	40,896	Tata Industries Ltd. ..	75,024	2,000	Svadeshi Mills	100	16 0	18 0	16 0	16 0	20 0	12	Y.P.
36,00,000	60,78,465	93,47,153	28,91,668	5,74,757	James Finlay & Co., Ltd. ..	35,804	952	Swan Mills	100	20 0	15 0	16 0	16 0	16 0	12	Y.P.
52,57,438	49,90,252	1,52,47,872	1,06,25,231	6,165	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	100	20 0	25 0	30 0	0 0	30 0	12	Y.P.
12,00,000	60,35,708	98,62,634	73,30,000	6,344	Thackersey Mooljee Sons & Co.	34,524	1,176	Western India Spg. & Mfg.	3,810	1,000	375 0*	200 0*	200 0*	225 0*	12	Y.P.
AHMEDABAD																
40,00,000	88,80,266	88,39,885	51,99,678	3,879	Tata Industries, Ltd. ..	48,652	1,016	Ahmedabad Advance Mills ..	1444	100	8 0	12 0	10 0	10 0		
10,00,000	90,53,638	89,83,424	65,39,067	7,878	F. M. Muthesaing & Sons, Ltd.	42,768	912	Arvind Mills	475	100	15 0	20 0*	20 0*	20 0*		
21,00,000	2,07,45,473	1,16,74,139	76,31,000	1,309	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	836	100	25 0	25 0*	20 0*			
20,00,000	40,43,149	76,03,158	51,50,000	1,11,303	Ahmedabad Spg. & Wvg. Co.	35,884	824	Ayyadeva Ginning & Mfg.	320	100	30 0	35 0*	15 0			
12,00,000	1,00,27,000	82,29,958	63,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	561	100	17 8	22 0	22 0	0 0		
1,24,77,852	99,56,782	3,97,51,801	2,72,53,564	23,51,316	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	1362	125	12 8	18 0	22 0	0 0		
90,00,000	44,58,000	98,67,870	68,61,000	4,883	Chamalia Bhagilal & Co., Ltd.	46,160	847	Saraspur Commercial Mills	1150	500	15 0	15 0	15 0	15 0		
39,00,000	70,78,354	96,79,263	74,68,978	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	625	125	35 0	70 0	70 0	35 0		
5,00,000	61,15,982	46,72,765	33,76,001	700	Jagabhai Bhagilal Nanavaty & Co., Ltd.	24,840	372	Nutan Mills	770	100	28 0*	28 0*	30 0*			
10,00,000	1,07,77,633	77,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	687	100	25 0	25 0*	30 0*	30 0*		
12,00,000	1,00,67,450	74,15,096	47,67,450	—13,90,318	Shri Dinkarrao Girdhardas Parekh Ltd.	45,548	1,095	Shri Ambica Spg., Wvg. & Mfg.	1,095	100	15 0	20 0	20 0			
52,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhandas Ltd.	23,15s	648	Rohit Mills	1324	100	10 0	10 0	0 0			
34,50,150	1,18,66,544	1,07,07,707	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	333	50	15 0	18 0	16 0			
19,52,500	52,12,167	41,33,831	40,71,981	8,978	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	4114	100	15 0	20 0	20 0			
88,00,000	29,08,070	91,18,078	47,72,055	16,299	Maridas Ashvatlal & Co., Ltd.	34,576	776	Vijaya Mills	5264	400	30 0	35 0*	35 0*			
WEST BENGAL																
15,00,000	96,065	33,10,908	17,75,213	—9,98,190	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	41	10	0 8	0 5	Nil			
7,11,280	2,21,850	38,52,124	23,08,106	—67,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills ..	35N	40	Nil	3 0	Nil			
6,00,000	22,75,078	77,45,673	51,55,000	—9,68,728	Kesterwell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills ..	405	100	Nil	Nil	Nil	Nil	12	Y.P.T
19,00,000	23,16,009	97,50,979	69,98,251	—5,24,085	Kesterwell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	210	100	7 0	Nil	Nil	Nil	6 12	Nil
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd. ..	69,352	1,990	Kesoram Cotton Mills ..	23½	15	1 14	1 14	Nil	Nil	6 12	N.
4,00,000	9,75,000	84,54,400	67,06,257	5,138	Chakravarti Sons & Co. ..	19,288	532	Mohini Mills	—	25	1 14	1 14	1 12	1 12	3	Y.P.
33,96,288										10	0 12	0 12	0 6		12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,654	13,15,341	—9,51,528	Samuel Aaron, Esq. ..	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	0 3	Nil				
15,80,000	9,09,109	39,21,613	21,93,346	5,736	Kamal & Co., Ltd. ..	50,000		Alagappa Textiles (Cochin) Ltd.	10	0 14 2½	0 14	Nil				
91,94,400	31,99,334	2,06,06,796	30,52,372	3,771	Industrial Trust Fund.	36,136	865	Asan Jahi Mills ..	67N	100	5 8	6 0	6 0		12	V.P.
40,50,000	1,74,49,038	3,06,08,237	2,18,01,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills ..	396	100	17 8	20 0	6 0	6 0	12	Y.P.T.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13	10	1 4	2 0	15 0	25 0	12	Y.P.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd. ..	39,896	998	Birla Cotton Spg. & Wvg. Delhi	47½ N	10	Nil	2 0	2 0	0 4*	12	Y.P.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic ..	143	100	6 14	7 8	8 0	0 0	12	Y.P.
20,00,000	20,00,287	32,58,201	17,91,413	39,657	Volvo, Leslie & Co., Ltd.	27,536	4	Cambodia Mills	133	10	Nil	1 0	1 0	1 0	3	Y.
30,00,000	21,97,993	54,51,479	43,04,818	39,639	Begg, Sutherland & Co., Ltd.	28,796	591	Canapore Textiles ..	8	10	1 0	1 4	1 8	1 0	12	Y.
15,00,000	19,85,494	28,04,635	21,58,900	1,51,496	R. Ekambra Naidu & Co.	28,864		Colachel Cotton Mills ..	200	100	12 8	15 0	15 0	0 0	12	Y.P.
30,00,000	1,51,496	43,54,987	13,53,432	1,51,496	T. R. N. Naidu & Co. ..	19,798		Coimbatore Pioneer Mills	166	100	12 8	15 0	15 0	20 0	12	V.
38,76,900	4,36,606	1,14,99,011	66,08,063	—10,23,340	K. G. R. Naidu & Co. ..	72,188	207	Coimbatore Spg. & Wvg.	44	50	2 8	6 0	6 0		12	V.
44,87,500	18,13,206	2,50,18,398	1,81,82,288	9,313	Murugappa Chettiar Ltd. ..	3,15,196	2,062	Carnatic Mills	175	100	12 8	15 0	15 0	15 0	12	V.
8,38,34,450	1,65,19,859	6,76,75,808	3,88,00,000	1,31,617	R. M. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	298	10	1 0	2 0	2 0	2 0	6	Y.P.
1,00,523									24	Nil	0 8	1 0	1 4	1 12		
24,34,800	24,06,342	42,39,039	30,16,681	9,452	M. N. Chettiar & Sons ..	32,164	201	Dhanalakshmi Mills ..	242	100	25 0	20 0	10 0	0 0	6	Y.P.
40,00,000	26,00,000	4,46,85,212	1,11,21,481	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	10	10	1 0	1 0	1 0	1 0	6	Y.
39,04,700	43,25,176	81,87,319	42,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	250							
90,00,000	12,52,365	1,23,32,498	88,20,332	2,824	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United ..	108	100	14 0	17 0*	17 0*			
9,90,000	11,81,007	26,01,526	13,15,172	—8,56,581	G. V. Naidu & Co., Ltd. ..	23,184		Janardana Mills	76	50	3 0	7 8	7 8	17 0	12	V.
34,00,000	15,75,000	61,55,358	9,50,000	3,882	Kothari & Sons	30,512	200	Kothari Textiles	124	10	0 12	1 0	1 0		12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg. ..	355xd	10	2 0	2 12	2 12	2 12	12	V.
53,46,150	53,30,900	94,98,025	58,73,678	14,347	G. K. Naidu & Co. ..	76,960	200	Lakshmi Mills	38	856	37 8	50 0*	37 8	37 8	12	V.P.
1,75,02,480	2,93,81,878	5,45,66,244	3,28,28,290	93,693	A. & F. Harvey Ltd. ..	4,66,932		Madura Mills	423	25	2 0	3 0	3 0	3 8	12	V.
15,00,000	4,17,345	27,72,881	16,02,069	1,14,098	A. L. A. R. F. Chettiar and 2 others	22,392		Malabar Spg. & Wvg. ..	118xd	100	8 0	8 0	8 0	8 0	12	V.
60,00,000	62,50,000	55,54,648	38,37,962	77,464	W. A. Scardsell & Co., Ltd.	24,720	603	Meiur Industries Ltd. ..	257	100	25 0	12 0	0 0	3 0	12	V.
39,80,584	22,90,000	73,68,250	42,96,184	33,940	N. Sirur & Co., Ltd. ..	36,416	704	Minerva Mills	110	100	6 0	12 0	8 0	8 0	12	V.
84,91,259	27,56,360	1,53,05,970	78,81,528	57,241	Sassanlal Ahirchand Dadabhoy & Co.	47,360	952	Model Mills (Nagpur) ..	141	250	12 0	15 0	12 8	12 8	12	V.
50,00,000	52,19,600	1,53,39,272	1,03,91,651	—7,77,290	Indian Textile Syndicate Ltd.	49,640	1,834	Moly Mills	152N	100	10 0	7 8	7 8	7 8	12	V.
19,86,800	61,52,392	93,64,232	59,65,574	42,197	N. Sirur & Co., Ltd. ..	49,498	500	Mysore Spg. & Mfg. ..	220	50	10 0	5 0			12	V.
13,61,780	2,58,745	39,34,299	15,34,624	2,232	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Silk Mills	10	10	0 8	0 10	10 0*	10 0*	12	V.
82,89,8830	23,62,333	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills ..	13	0. 24	Nil	Nil	Nil	Nil	3	Y.P.
3,07,09,512										D. 1	Nil	Nil	Nil		12	V.
87,03,600	87,08,000	61 89,619	1,64,48,327	62,62,651	Industrial Trust Fund ..	37,788	902	Osmanshahi Mills	90N	100	5 8	8 0	0 0	0 0	12	V.
4,00,000A	4,37,362	26,20,198	13,74,913	3,180	Bhaghyalakshmi & Co. ..	25,200		Palani Andavar Mills ..	110xd	50A	5 0	8 0	7 0		12	V.
4,00,000B									110xd	75B	7 8	12 0	10 0	4 0	9	
15,00,000	8,56,920	32,56,378	16,33,848	4,411	C. S. R. Mudaliar & Sons	27,980		Pankaja Mills Ltd. ..	45	100	7 4	10 0	11 4		12	V.
18,81,200A	16,63,842	53,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Radhakrishna Mills ..	180	160	16 0	16 0			12	V.
8,40,800B									89	80B	8 0	8 0	6 0		12	
15,00,000	25,00,896	22,62,213	14,88,515	—43,366	B. R. Naidu & Sons ..	15,996		Rajalakshmi Mills	1062	50	4 8	3 0	3 0		12	V.
60,00,900	62,96,508	1,03,28,822	30,32,326	—11,26,958	J. P. Srivastava & Sons (Rampur)	33,984	600	Rama Textiles	6-6d	10	1 0	1 0	1 0	1 0	12	V.
22,41,300	10,52,625	25,98,011	17,73,000	45,528	G. Sladhar & Co., Ltd.	15,824	440	Shree Sajjan Mills	75N	100	Nil	Nil	Nil		12	V.
7,79,700	2,24,959	21,30,228	16,08,115	2,083	T. R. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg. ..		50	Nil				12	V.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg. ..	2,225	1,000	3 0				12	V.
										500	Nil	Nil	Nil	Nil	8	
36,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Fallegar, Esq. ..	25,200	292	Sri Krishnarajendra Mills ..	54	50	4 0*	4 0	4 0	4 0	12	V.
13,00,000	1,59,52,602	81,28,140	52,31,894	32,22,471	Birla Brothers, Ltd. ..	33,556	992	Sutlej Cotton Mills	10	10	4 0	4 0	4 0	4 0	3	Y.P.
17,50,000	2,20,00,000	4,23,38,718	1,51,33,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8	100	0 8	0 8	1 0		12	V.
1,87,50,000P									9	10	14 2½	0 14	2½			
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcee & Sons (Travancore), Ltd.			Travancore Rayons ..	91	10	Nil	Nil	Nil	Nil		
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons ..	16,000		Trichinopoly Mills ..	8-1½	10	1 0	1 0	1 0		12	V.
21,00,000	32,67,606	49,31,870	32,72,598	28,000	R. K. S. Chetty & Brothers	33,704	270	Vasanta Mills	173xd	100	9 0	10 0	10 0	1 0	12	V.
82,00,000	47,34,135	1,34,36,953	89,50,678	1,868	Bombay Co., Ltd.	54,280	1,483	Vishnu Cotton	100	100	9 0	14 0*	10 0	12 0	12	V.

* Includes bonus.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(f) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

(c) Paid out of reserves

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	26	25	2 13s	Nil	Nil		3	Y.P
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Dyer Meakin Breweries ..	Dyer Meakin Breweries ..	68	5	0 8	0 8	0 8		3	Y.
14,20,630		£1,193,278	£500,508	£59,690	Mr. K. O. Khanna	Parry's Holdings Ltd. ..	151	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			Y.P.
£60,000A	£668,781	55,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	East India Distilleries and Sugar	29½	B. 8½	Sh. 3	Sh. 3	Sh. 4			Y.
£300,000B	8,14,510	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	Murree Brewery	4N	5	Nil				6	Y.
24,00,000	9,00,000					United Breweries	162	75	7 8	15 0	15 0		3	Y.
6,00,000						**CEMENT**								
11,37,700A	8,69,857	75,78,758	33,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	130cd	A. 100	7 8	7 8	10 0*		12	Y.P.T.
39,67,420B							125cd	B. 10	0 12	0 12	1 0*			
43,14,600O	11,55,132	1,01,23,597	7,14,06,639	5,69,730	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	4½	O. 10	Nil	Nil			3	Y.T.
4,70,976D	5,44,71,391	17,62,07,681		—7,87,632	Cement Agencies Ltd. ..	Associated Cement Companies	15½	D. 100					12	Y.
19,56,25,938			39,834		Hari Brothers Ltd.	Dalmia Cement (Bharat)† ..	88½	O. 10	0 10	0 10				
60,00,0000.	43,66,380	69,78,209	18,07,424				18½	D. 10	0 24	Nil	Nil		12	Y.P.T.
26,49,7970.					Essen Ltd.	India Cements Ltd.	24	O. 25	Nil	1 4	Nil		3	Y.P.
20,00,000D.			1,43,54,423	31,47,637				D. 5	Nil	0 8	Nil		12	Y.
62,50,0000.	4,00,000				Martin Burn Ltd.	Saoswalley Portland Cement ..	7		0 6½	0 8				
7,50,000D.		1,72,56,055	1,33,85,166	38,658										
12,00,000	22,03,000					**CERAMIC; MINING AND QUARRYING**								
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lal Bhagat & Co.	Bengal Potteries	28	2½	0 2½	0 2½			12	Y
10,00,000	22,36,815	55,46,474	31,63,961	4,983	Bird & Co., Ltd. .. ..

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference Rs. a.
						PAPER								
46,80,000	20,26,841	1,98,62,964	1,30,39,820	23,669	Balmer Lawrie & Co.	Bengal Paper Mills	61½	25	1 4 / 4 0 / 5 0 / 6 0	1 9 / 5 0 / 5 0 / 6 0	1 9 / Nil / 5 0 / 6 0	Nil / 6 / 0e* / 12½	6,12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	203	100	4 0 / 5 0 / 5 0 / 6 0	5 0 / 5 0 / 5 0 / 6 0	Nil / 5 0 / 5 0 / 6 0	Nil / 6 / 0e* / 12½	6,12	H.P.T.
88,00,000	15,50,000	66,33,833	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18½	10	0 8h / 0 12 / 1 0 / 1 0	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	6 / 0e* / 1 0	3,9	H
1,46,83,000	2,38,21,427	2,42,04,213	80,01,000	2,71,007	Birla Bros.	Orient Paper	16½	10	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	6 / 0e* / 1 0	3	Y.
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	23½	10	0 8 / 0 12 / 1 0 / 1 0	0 12 / 1 0 / 1 0 / 1 0	1 0 / 1 0 / 1 0 / 1 0	6 / 0e* / 1 0	3,9	H.P.T.
80,00,000 / 80,00,000A..	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co....	Star Paper Mills	10½ / 10½	O. 10 / A. 10	Nil / Nil	Nil / 0 4	0 4 / 0 4	0 12f / 1 0	6,12	H.P.T.
66,00,000A.. / 36,04,800B. / 4,37,500P O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	39½ / 39½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0 / 0 2	1 0 / 1 0 / 0 2	1 0 / 1 0 / 0 2	1 0e* / 1 0e* / 0 2	3,9	H.P.
						PRESSING								
8,00,000	5,92,365	15,65,539	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y.
4,30,000	1,00,000	8,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0	5 0	5 0	7 0	7	Y.
1,80,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	3 0	3 0	5 0	7 0	6	Y.
						PROPERTY AND LAND								
80,00,780O. / 8,99,000D.	6,02,582	42,45,884	19,09,280	419	B.A. Basil, Esq., & others (Directors)	Humayun Properties	10	D. 10	0 9 3/5	0 9 3/5	0 9 3/5	0 9 3/5	9	Y.P.
60,00,000	20,01,686	28,66,088	15,00,000	....	David Samoon & Co., Ltd.	Port Canning Land	23½	100	2 8	Nil	Nil	Nil	9	
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	39½	100	Nil	3 0	1 0	1 8	4	Y.
						SAW MILLS AND TIMBER								
83,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	68 / 393 / 133½ / 24N / 34½	3 / Old 125 / New 50 / 100 / 10	0 8 / 15 0 / 6 0 / 3 0 / 3 8	0 8 / 15 0 / 15 0 / Nil / 3 8	0 8 / 22 8 / 9 8 / 3 0 / Nil	4 / 15 0½ / 6 9½ / Nil / 1 0½	9 / 7 / 6 / 5	Y. / Y. / Y.P. / Y.P.
94,50,000	3,75,07,299	9,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading								
6,00,000	....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading								
18,00,000	18,43,037	18 83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products								
						SUGAR (U.P. and Bihar)								
14,98,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	71	5	Nil	1 0	Nil	Nil		
12,00,000A. / 8,00,000B. / 19,49,050	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	111N / 8½ / 16½N	A. 100 / B. 10 / 10	0 10 / 1 4h / 1 0	1 0 / 1 4h / 1 0	10 0 / Nil / 1 0	10-0 / 1-0 / 6	6	Y.
15,00,000	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	73	10	Nil	0 10	0 12	0 12	7	Y
15,00,000	15,31,316	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	73	10	Nil	1 0	1 8	1 8	9	Y.
22,50,000	25,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	38½	10	2 0	Nil	Nil	Nil	6	Y.P.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	26½	10	1 0	1 0	2 0	2 0	6	Y.P.T.
18,00,000	53,12,562	47,47,656	47,82,745	45,107	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	17	10	0 8	0 8	1 0	1 0	10	Y.P.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros. ..	Deoria Sugar	175N	'A' 100	0 8	0 8	1 0	1 0	6	Y.
22,00,000A. / 90,00,000O. /	33,25,000	69,95,552	45,50,000	1,08,699	Bashiraj & Co., Ltd....	Hindustan Sugar Mills	50N / 25N	O. 100	6 0 / 80	9 0 / 4 0	12 0e* / 15 0	15 0 / 6	8	Y.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co.... ..	Kesar Sugar	40		3 0	4 0	Nil	15 0	6	Y.P
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	29½N		1 0	2 0	Nil	Nil	7	Y.P
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd. ..	New Savan	6½	10	0 8	2 0	10 0	10-0	4	Y.
1067,500 A. / 2,71,875 B.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills ..	180N / 45N	100 / 25	15 0 / 3 12	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	12	Y.P.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 0	3 0	3 0	3 0	6	Y.
12,00,000	12,71,178	28,94,458	18,81,746	66,000	Narang Bros. & Co., Ltd.	Punjab Sugar	100N	100	6 0	6 0	6 0	6 0	7	Y.P.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	13½	10	1 0	1 0	2 0	2 0	7	Y.P.
9,00,000	9,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	34N	10	1 0	1 0	2 0	2 0	7	Y.P.
11,70,000	17,25,204	36,77,360	31,32,129	3,906	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14	10	1 0	2 0	1 0	1 0	10	Y.P.
80,00,000	21,68,560	1,04,96,727	55,25,283	3,337	Babe Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 0	1 0	1 0	1 0	8	Y.P.
9,99,950	41,825	22,84,311	11,98,645	7,487	H. K. Ghosh, Esq., and R. N. Dastur, Esq. (Managing Directors)	Sitalpore Sugar	68	10	Nil	Nil	1 8	1 8	7	Y.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	18½	10	1 0	1 4	0 8	0 8		
6,90,000O. / 8,75,000D.	47,623	25 93,206	11,48,779	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N / 23N	O. 10 / D. 24	Nil / Nil	Nil / Nil	0 8 / Nil	0 8 / Nil	6	Y.
2,00,000	9,19,618	30,61,987	24,91,617	16,665	James Finlay & Co., Ltd.	Upper Ganges Sugar	16½	10	0 4½	2 0	2 0	2 8	8	Y.P.
						Other Centres							9	Y.P.
46,99,730	79,06,443	85,05,216	51,13,758	83,916	W. H. Brady & Co., Ltd.	Belapur Company	270	50	12 8	14 0	16 0	16 0		
87,64,950	2,51,646	87,63,451	16,01,711	81,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	Nil	3 0	3 0	9	Y.B
13,00,000	30,23,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries ..	27½	10	1 4	1 8	2 0	2 0	6	Y.P
83,37,520	29,39,135	89,13,908	19,50,442	7,69,891	Gowan Bros. (Ramper), Ltd. ..	Buland Sugar	5	10	0 12	1 0	2 8			
81,79,280	89,98,053	1,08,06,148	48,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	104N	10	0 12	1 0	2 0	2 0	9	Y.P.
							448	10	2 0e*				10	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasatial Ltd. ..	Phaltan Sugar	103	10	2 0	2 0	2 0	2 0		
16,59,820	27,50,830	48,81,755	23,79,327	95,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	133½	10	0 9	0 12	1 0	1 0	6	Y.
80,00,000O. / 6,00,000D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	90N / 7N / 101N	O. 10 / D. 10	7 0	9 0	2 0 / Nil	2 0 / Nil	9	Y.P.T.
19,99,660	34,21,951	44,57,626	19,38,191	6,05,982	Cawnpore Sugar (Rampur), Ltd.	Rasa Sugar	5½	10	1 0	1 4	0 11½	Nil	9	Y.P.T.
30,00,000	11,73,992	58,70,150	13,05,441	20,980	Parry & Co., Ltd.	Travancore Sugars	5½	10	Nil	Nil	Nil	Nil		
23,50,000 / 77,50,000A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries ..	175½	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	14 0 / 14 0	7 / 9	Y.P
						TRANSPORT								
20,00,000	1,10,13,536	1,33,34,106	11,00,516	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	170	100	10 0	12 8	12 8	10 0		
1,80,00,000	....	3,00,22,730	1,45,00,237	58,606	Dinshaw Ltd.	Bharat Line	96	100	3 0	4 0	5 0		10	Y.P.
4,653,980	41,123,737	£5 428,105	£3,512,999	613,172	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	72	100	Nil	Nil	Nil	Nil		
8,23,00,000	74,90,213	3,91,81,953	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8-6½	10	Nil	Nil	5 0			
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	172	15	Nil	Nil	Rs.10		10	Y.P.
						UNCLASSIFIED (Bombay)								
3,40,000	92,000	3,32,174	3,86,000‡	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
13,98,860	1,03,801	2,28,588	40,000	1,545	Parekh Agencies Ltd.	Bombay-Uganda	60	80	4 0	4 0	4 0		9	Y.
85,00,000	1,00,000	25,18,130‡	8,079	8,955	Deen Sons, Ltd.	Dwarkesh Nanji Investment Co.	9	25	0 12	1 0	1 0	0 12	9	Y.
14,96,150	3,83,233	24,77,147	14,08,049	4,455	Chhotalal Manilal Ltd.	Estrela Batteries	23N	25	2 0	3 0	3 0	3 0	9	Y.
99,99,250	18,80,149	1,27,94,952‡	11,966	2,11,031	Premchand Roychand & Sons ..	Industrial Investment Trust ..	74½	100	4 0	4 0	0 12	0 12	12	Y.
89,98,350	19,49,340	17,65,055	4,98,441	20,637	R. D. Sheppard, Esq. (Mg. Director)	Killick Industries	183½ / 142½ / 68½	100 / 100 / 100	8 0	Nil	Nil	Nil	3	Y.P
8,06,72,500A. / 18,00,000B. / 10,21,200	5,61,813	2,27,70,043	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	Pf. 100 / Eq. 10	Pf. 100 / Eq. 10	Nil / Nil	Nil / Nil	15 0 / Nil	10 0 / Nil	12	Y.
8,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Krydin, Esq. (Managing Director)	Western India Match Co.	104½	100	3 0	3 0	3 0	Nil	6	Y.
45,00,000	34,64,847	1,24,608	1,07,188	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	20	11 0e*	11 0e*	11 0e*	11 0e*	12	Y.
						Other Centres								
67,30,000O. / 2,30,00D.	15,00,000	1,56,92,044	98,15,329	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	33½ / 2½	O. 10 / D. 24	Nil	Nil	Nil	Nil		
30,00,000	38,21,355	81,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	18	10	1 12	2 8	Nil	Nil	3	Y.P.T
30,00,000	7,75,000	29,21,795	19,64,061	1,34,529	T. H. Brydia, Esq. (Mg. Director)	Assam Match Co., Ltd.	20‡	10	1 4*	1 4*	1 4	1 4		
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	26	10	0 9 3/5	1 0	1 0	1 0	3	Y.P.T
80,00,700O. / 10,00,000D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	314	O. 100	20 0	20 0	20 0	20 0	12	Y.
20,00,000	7,97,945	56,17,513‡		1,11,692	Lowlock & Lewis	Birds Investment Ltd.	168	D. 10	6 0	6 0	6 0	3 0	3	Y.P.T.
80,94,680	33,37,348	99,11,869	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director)	Britannia Biscuits	12		1 0	1 2	1 4	1 4	12	Y.
3,25,00,000	95,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd. ..	8-6½	10	0 12	1 0	1 4	1 4		
1,40,00,000	1,40,00,000	4,54,79,385	2,79,62,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	34	10	0 12	1 0	1 4	1 4	9	Y.P.T.
51,26,000	51,50,534	1,29,31,238‡	....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	144	100	1 0	1 0	1 0	1 0	3	Y.P.T.
14,00,000	9,97,000	32,14,898	17,65,862	26,757	MacNeill & Barry Ltd.	Gangee Rope Co., Ltd.	199	100	6 0	6 0	6 0	6 0	12	Y.P.T.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Ambrose J. Elkins	Gillanders Arbuthnot & Co., Ltd.	110	100	7 0	8 0	9 0	9 0	12	Y.P.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. Byrnihosa	Great Eastern Hotel	262	100	15 0	15 0	20 0	10 0	12	
12,43,800	1,98,049	40,60,779	41,30,360	53,039	Birla Bros., Ltd.	Hindustan Motors	81	10	7 8	10 0	10 0	15 0	3	H.
4,96,12,650	1,92,800	2,83,66,147	60,52,719	3,76,557	Birla Bros., Ltd.	Indian Aluminium Co.	110	100	2 8	3 0	3 0	3 0	3	Y.P.
1,60,00,000	35,77,754	3,45,32,905	1,33,90,172	9,14,791	J. W. Cameron, Esq.	Indian Cables	208	10	2 8	3 0	3 0	Nil	3	Y.P.
1,52,89,220	10,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen, Esq.	Indian Rubber Manufacturers ..	513	10	1 0	1 0	1 0	Nil	12	Y.P.T.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Moolten & Co. (India), Ltd.	Jardine Henderson	110	10	1 0	1 0	1 0	Nil	3	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,24,477	4,64,163	G. M. Mackinlay, Esq.	Macfarlane & Co.	100	100	10 0	10 0	10 0	10 0	12	Y.P.
6,34,000O. / 86,000D.	6,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.		2‡ / 240	O. 5 / O. 100	Nil	Nil	Nil	Nil	3	Y.P.
40,00,000O. / 5,00,000D.O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co....		D.O. 10	12 8	12 8	12 8	12 8	12	Y.P.
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	20½		0 12	1 0	1 4	7-8	3	Y.
4,35,255	1,74,364	7,74,805	3,66,962	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3-3½		1 4	2 0	2 0	2 0		
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	15½		0 10	1 0	1 0	1 0	12	Y.P.
10,00,000	....	14,45,854	3,93,966	11,329	E. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10‡		1 0	1 0	1 0	1 0	12	Y.P.
80,00,000	36,41,172	50,75,803	33,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	18½	10	0 8	0 8	0 8	1 0	12	Y.P.
						National Tobacco Co.	9	10	0 8	0 8	0 8	0 8	3	Y.P.
19,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	Parry & Co.	45½	2	1 9 3/5	2 0	0 12	1 0	3	Y.T.
40,00,000	24,00,000	41,58,536	17,74,953	1,32,611	Parry's Holdings Ltd.	Rallis (India) Ltd.	55‡	100	8 0	8 0	9 0	10 0	12	Y.P.T.
3,25,00,000	13,27,473	1,65,91,420	46,15,194	17,649	T. A. Lykiardopulo, Esq.	Rohtas Industries	16½	10	1 0	1 0	1 0	1 0	3	Y.P.T.
1,14,00,000	78,53,108	8,09,59,407	2,16,88,623	7,17,486	Sahu Jain Ltd.	Spencer & Co., Ltd.	12‡	10	Nil	0 12	Nil	Nil	12	Y.P.
40,00,000	94,66,946	1,21,92,814	75,55,215	5,47,067	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 0	1 0	1 0	Nil	12	Y.P.T.
75,00,000	35,00,000	12,11,901‡	2,17,126	3,56,616	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	1 0	1 0	1 0	1 0	12	Y.
9,98,380	1,50,000	12,67,855‡	2,60,547	39,789	Ogale Bros., Ltd.			10	0 6½	Nil	Nil	Nil	12	Y.

‡‡ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down Rs. 30 lakhs.)

† Excluding goodwill at cost Rs. 20 lakhs.

§ Excluding §§Rs. 1,40,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed Rs. a.	Reference Rs. a.
							ASSAM								
4,45,700	3,45,426	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	410 M	100	25 0	Nil	7 8		12	Y.P.
2,76,500	2,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	21½	10	2 8	0 12	0 12		12	Y.
3,50,000	3,68,250	10,44,174	4,25,000	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	29	10	4 0	3 0	Nil		12	Y.
3,50,000	2,21,416	14,91,743	4,27,561	1,65,679	McLeod & Co., Ltd.	513	Baghmari	14	10	1 12	Nil	Nil		12	Y.
3,40,000	1,34,053	9,47,122	5,03,533	63,180	Andrew Yule & Co., Ltd.	369	Bamunia	36	10	3 0	2 8	2 0		12	Y.
3,30,600	2,90,000	8,79,729	3,76,123	1,61,457	Williamson Magor & Co.	566	Bateli	5	10	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	20,59,154	8,68,553	—36,227	Octavius Steel & Co., Ltd. ..	4,078	Bokakhat	26½	10	5 0	0 8	Nil		12	Y.
16,50,000	16,81,058	10,58,918	1,51,948	—32,144	McLeod & Co., Ltd.	493	Bormah Jan Tea	9	10	0 8	Nil	Nil		12	Y.
6,00,000	....	8,21,734	2,13,652	12,511	Brook Bond India Ltd.	450	Borpukhuri	14½	10	1 8	1 8	1 0	0 8	12	Y.P.
7,50,000	3,43,500	72,59,232	16,14,785	—29,101	McLeod & Co., Ltd.	2,602	Brooke Bond	11½	10	1 8	Nil	Nil		12	Y.
35,00,000	9,05,082	1,23,481	....	19,112	Jardine Henderson Ltd.	1,220	Bessai & Parbuttia	13½	10	1 8	Nil	Nil		12	Y.
1,20,000	1,83,234	15,50,724	25,51,755	35,084	James Warren & Co., Ltd.	280	Bhaskat	280	100	30 0	22 8	10 0		12	Y.
3,00,000	3,15,000	20,85,548	2,76,346	3,110	James Finlay & Co., Ltd.	6170	Bhuneari	14½	10	1 9 3/5	1 3½	1 0		12	Y.
17,53,440	6,66,828	8,09,426	32,879	—61,561	McLeod & Co., Ltd.	613	Dibrugarh	14½	10	2 0	Nil	Nil		12	Y.P.
4,68,970	2,20,000	8,03,641	1,17,940	25,946	Williamson Magor & Co.	458	Dimakuri	12½	10	1 0	0 8	Nil		12	Y.
4,50,000	2,75,000	4,63,119	4,63,119	1,15,948	Williamson Magor & Co.	669	Dufflaghur	40½	10	1 4	1 8	1 0		12	Y.
2,36,700	3,30,000	16,38,157	9,58,157	52,681	Williamson Magor & Co.	1,165	East India Tea	43½	10	2 4	2 0	2 0		12	Y.P.
3,60,500	3,65,000	8,22,460	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	23½	10	1 0	Nil	Nil		12	Y.
10,00,000	3,65,000	7,99,692	1,03,645	7,99,692	Williamson Magor & Co.	533	Gobpur	38	10	4 0	3 0	1 8		12	Y.
3,60,000	3,00,000	13,37,439	....	5,54,439				23½	A.10	3 0	3 0	2 0		12	
35,00,000	3,48,904	....	33,724	33,724	Octavius Steel & Co., Ltd. ..	1,593	Grob	12½	B.5	1 8	1 8	1 0		12	Y.
3,38,000	....	5,02,656	....	....				37½	10	1 8	1 8	1 0		12	
A.4,94,360 / B.2,40,790	13,22,810	17,77,138	27,061	27,061	Andrew Yule & Co., Ltd.	476	Hoograhjuli	16	4	1 0	Nil	Nil		12	Y.
2,00,000	6,50,000	6,89,043	2,11,316	—28,147	Andrew Yule & Co., Ltd.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
80,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	15½	10	3+3	1+1	1+1	1+1	3.9	H.T.P.
12,00,000	16,99,800	45,55,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	229	100	4+10	15+15	3 Nil	8+10	5.11	H.P.
6,00,000	5,10,000	50,61,656	32,29,557	30,829	McLeod & Co., Ltd.	446	Alexandra	162	100	Nil	5	Nil	Nil	6.12	H.P.T.
40,00,000	5,10,000	1,17,26,264	87,54,069	—1,70,951	McLeod & Co., Ltd.	1,264	Alliance	164xd	100	Nil	5	Nil	Nil	6.12	H.P.
49,20,708	78,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	190	100	Nil	Nil	Nil	Nil+2½	6.12	H.P.T.
40,80,000	39,11,041	1,34,35,061	81,95,673	42,548	Bird & Co., Ltd.	810	Auckland	115	100	1½+4	10+10	10+15	Nil	6.12	H.P.
80,00,000	29,17,170	97,56,934	64,26,887	64,088	Jardine Henderson & Co. ..	1,889	Bally	149	100	4+6	6+12	5+4	7½+5	3.9	H.P.
£275,000	£639,470	£1,342,547	£1,048,810	£81,878	Sir John H. Burder (Chairman)	1,889	Barnagore	85	£1	£1	6+1½	Nil	2+2	3.9	H.P.T.
22,00,000	19,49,423	88,32,871	68,44,254	73,372	Andrew Yule & Co., Ltd. ..	820	Belvedere	207	100	7+10	12½+15	£1	4+Nil	3.9	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Seersmall Nagarmull	600	Bengal	15½	10	2½	Nil	Nil	Nil	3	M.
30,42,000	2,64,06,567	3,06,38,766	1,33,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14½	10	2½	3	7½+7½	7½+7½	6.12	H.P.
56,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	142	100	3+6·10	10+12	1	3	6	Y.P.T.
7,47,380	4,29,739	49,77,158	36,73,499	95,441	Dayaram & Sons	502	Calcutta Jute Mfg. ..	14½N	10	Nil	10+12	6½+6½	6+4	3	Y.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd. ..	616	Caledonian	159	100	4+10	10+12	6+4½		4.10	H.P.
59,16,480	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	600	Champdany	146½	100	3+5	5+7	6+6	6+6	6.12	H.P.T.
15,95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	530	Cheviot	229	100	6+10	5+7	7+8	6+6	5.11	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chitavalsah	11½	10	3+4	10+12	5+6	5+5	3.9	H.
140,00,000	17,00,000	78,84,949	44,24,446	18,847	Shaw Krishna Investment Co., Ltd.	969	Clive	24½	10	3+3	3+4	2½+1½	6+6	5.11	H.P.
81,49,200	61,49,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	132	100	3+3	3	2	3+3	6.12	H.T.P.
28,00,000	44,74,179	73,83,992	44,91,279	64,657	Andrew Yule & Co., Ltd. ..	779	Delta	243½	100	3+12½	8+6	6+1	1+1	3	Y.P.
15,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	19½	10	2½	15+17½	10+10	10+10	3.9	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	105	100	23+20	12½+12½	10	10+10	5.11	H.P.
14,00,000	1,00,000	74,05,434	35,41,178	2,912	Begg, Sutherland & Co., Ltd.	1,014	Fort William	Nil	100	Nil	5	Nil	Nil	6.12	H.T.P.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	68½	100	Nil	2½	Nil	Nil	3.9	H.T.
18,10,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	305	100	2½+15	50	Nil	Nil+4½	3.9	H.T.P.
84,00,000	29,15,542	2,19,23,904	1,40,07,377	1,88,731	Macneill & Barry Ltd.	1,394	Gouripore	276	100	2½+15	10+10	12½+12½	Nil+Nil	3.9	Y.
40,00,000	46,39,631	77,52,908	49,35,241	2,81,842	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	10	Nil	Nil+3½	12	Y.
30,00,000	15,20,498	54,52,594	44,51,416	65,178	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	44½	10	1½+1½	3	1½+1½	10	5.11	H.P.
65,42,500	51,83,570	1,85,53,177	1,11,34,858	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	24½	10	3+3	3	1½	1½	3	H.P.
30,00,000	40,00,000	2,27,97,451	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	22½	10	3+3	3	1½	1½	3	Y.P.
87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	O. 122	100	3+9½	3½+1½	2½+1½	3+3½	3.9	H.P.
30,000								D. —	A. 7·8 7·8					3	Y.P.T.
24,00,000	24,95,613	1,36,83,508	1,17,94,300	88,236	Jardine Henderson Ltd.	1,797	Kanarbatty	181	100	2½+2½	10+12½	6+6	6+6	3.9	H.
19,20,000								'B' 100		2½+2½	10+12½	6+6	6+6		
30,00,000	16,90,371	1,31,02,619	94,08,982	1,28,260	Jardine Henderson Ltd.	1,527	Kankinarrah	124	100	Nil	5+7½	6+6	6+6	6.12	H.P.
24,00,000								'B' 127	100	Nil	5+7½	6+6	6+6		
21,00,000	47,75,000	98,38,395	72,55,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	235	100	10+10	12½+12½	6+6	6+6	6.12	
54,00,000	22,83,375	1,61,13,039	1,09,32,499	3,07,185	Andersen Wright Ltd.	1,530	Khardah	201	100	Nil	15	10+6	10+7½	7½+7½	6.12	H.P.
48,00,000	98,02,034	2,25,65,171	1,34,49,620	46,214	P. W. Heligers & Co.	2,250	Kinnison	196	100	11+4	8+6	10+7½	10+7½	6.12	H.P.
24,48,000	50,32,314	1,38,73,283	74,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	136	100	2+10	11+6	10+7	4+5	3.9	H.P.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	152	100	3+9	12½+11	11+6	2+5	3.9	H.P.T.
18,00,000	12,51,310	50,62,639	46,69,452	358	Andrew Yule & Co., Ltd. ..	358	Lilooah	277	100	2+10	12½+17½	12+13	12+13	3.9	H.P.
81,45,200	25,35,448	1,93,98,408	1,16,80,446	38,896	Meakinnon Mackenzie & Co.	1,008	Magma	102	100	2½+6½	2½+1½	2½+2½	2½+1½	5.11	H.P.
29,98,900	41,07,582	1,37,03,661	92,02,957	—4,87,375	F. W. Heligers & Co.	815	Nalhati	116½	100	3+3	10+6	6 Nil	Nil+1½	3.9	H.P.
30,00,000	15,80,000	27,31,786	16,26,727	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12½	10	1½+1½	1½+1½	1+1	1+1	3.9	H.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd. ..	852	National	24½	10	1+1	1+1½	1+1	1+1	4.10	H.
25,25,000	22,25,000	26,59,078	16,08,018	1,21,202	Meleod & Co., Ltd.	316	Nellimarla Jute	24½	10	1½+1½	1½+1½	2+1	1+1	4.10	H.T.
10,50,000	49,78,375	48,94,020	34,51,324	76,272	Shaw Wallace & Co., Ltd. ..	709	New Central	294	100	4+10	15+15	10+12½	12½	6.12	H.P.T.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	20½	10	Nil	Nil	1	12½	6.12	H.P.T.
84,79,500	1,33,26,493	2,13,29,394	1,36,90,478	66,545	Macneill & Barry Ltd.	1,092	Nuddea	38	10	Nil	1½	1	1+1	3.9	H.P.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd. ..	601	Orient	173	100	4+10	12+12	1 Nil	Nil+1½	3.9	H.P.T.
25,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Prasidency	50	10	Nil	Nil	6+6	6+6	5.11	H.
30,00,000	1,39,659	26,15,291	7,74,493	—2,36,541	Mr. B. N. Banerjee.	305	Ramakrishna	25½	10	Nil	Nil	Nil	Nil	5.11	H.T.
49,50,000	1,50,000	1,23,47,173	85,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	13½	10	Nil	Nil	Nil	Nil	3.9	H.T.
£600,000	£1,103,645‡	£1,203,886		£82,640	Thomas Duff & Co. (India), Ltd...	2,013	Samnuggur	61	£1	10%	10%	10%	10%	2.8	H.T.
30,00,000	13,07,220	97,28,210	59,19,652	6,67,660	Begaria More & Co., Ltd. ..	911	Shree Ambica	15½	10	Nil	1½+1	Nil	10%	3.9	H.P.T.
16,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	13	10	Nil	Nil	Nil	Nil	3.9	Y.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	123	100	3+6	9+9	8+6	1+1	6.12	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	13½	£1	10%	10%	8+1	1+1	3.9	Y.P.T.
23,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	190	100	1+7	12½+11	10+1	10%	12	H.P.
£400,000	£587,164	£1,059,972‡		£119,708	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	22½	£1	10%	10%	10%	1+4	3.9	H.P.T.
2,50,000	3,35,000	84,22,252	37,09,368	50,313	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	1/40	Nil	10%	3.9	H.P.T.
													Nil+5	6.12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
25,50,000	18,50,000	76,32,850	50,57,850	16,934	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	20½	10	1+1	1+1	1+1	1+1	3.9	H.
12,00,000	8,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd.	Barrare Coke	18	10	1+1	1+1	1+1	1+1	3.9	H.
4,40,350	70,000	8,49,159	5,54,203	3,555	Andrew Yule & Co., Ltd. ..	Bengal-Bhaidee	6½N	10	1+1	1+1	1+1	1+1	3.9	M.
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd. ..	Bengal Coal	487½	500	17½+17½	17½+17½	20+20	17½+17½	6.12	H.
2,25,000	2,07,662	25,82,001	22,49,321	—14,103	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	12½	10	1½+1	1+1	1+1	1+1	4.10	H.
15,97,000	4,97,358	47,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	1	1	1	1	4.10	M.
40,09,000	14,81,010	1,26,82,109	63,11,074	6,280	Shaw Jain Ltd.	Bharat Collieries	7	10	1	1	1	1	6.12	H.P.
7,15,000	14,30,911	51,57,038	36,16,169	—1,26,897	F. W. Heligers & Co.	Bhulabarrare	14½	10	1	1	1	1	6	Y.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Andersen Wright (Ramgarh), Ltd.	Bokaro-Ramgur	8½	10	Nil	Nil	Nil	Nil	6	Y.T.P.
7,50,000	21,01,000	43,87,978	25,07,761	1,84,202	F. W. Heligers & Co., Ltd. ..	Borrea	30½	10	1½+1½	1½+1½	1½+1½	1½	6.12	H.
2,92,72,480	1,70,58,398	4,07,13,995	1,44,07,883	82,552	Bird & Co., Ltd.	Burrakur	9	10	Nil	Nil	Nil	Nil	6.12	H.
49,97,000	750	34,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	5½	10	Nil	Nil	Nil	Nil	6.12	H.T.
8,80,000	13,30,350	48,70,116	32,07,282	84,569	Andersen, Wright & Co., Ltd. ..	Central Kurkend	15 N	10	1½	1½	1½	1½	6.12	H.P.
6,00,000	1,42,075	7,23,000k		4,368	F. W. Heligers & Co., Ltd. ..	Charlia	2½	4	1	1	1	1	3	H.P.T.
16,00,000	1,20,000	48,33,738	25,84,722	18,518	Macneill & Barry Ltd.	Dhemo Main	8½	10	1½	1½	1½	1½	6.12	Y.
2,40,00,000	£132,801	£224,840	£90,734	£99,052	Jardine Henderson Ltd.	East Indian	26½	£1	Nil	Nil	Nil	Nil	6.12	M.
29,43,760	74,36,570	3,66,00,164	2,76,14,367	5,82,401	Macneill & Barry Ltd.	Equitable	34	10	2½+2½	2½+2½	2½+2½	2½+1½	6.12	M.
10,00,000	2,42,253	8,41,725	2,33,963	64,865	Bhatter's Agency Ltd.	Ghusick and Mealie ..	15N	10	3	3	3	3	6	Y.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Fort William	43½	50	3	3	3	3	6.12	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	16½	10	3	3	4	3	3	H.P.
82,90,000	1,08,377	31,70,015	10,36,245	—1,95,548	Rajasa Trust Ltd.	Jogta Coal	11	10	Nil	Nil	Nil	Nil	3	Y.
3,50,000	3,58,000	13,65,400	6,42,347	31,356	Andrew Yule & Co., Ltd. ..	Kalapahari	26N	10	1½+1½	1½+1½	Nil	Nil	6.12	Y.P.
88,00,000	....	28,62,791	1,50,648	1,888	Bird & Co., Ltd.	Karanpura Collieries ..	83	100	Nil	Nil	1½+1½	1½+1½	12	M.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd. ..	Katras Jherriah	45½	10	1½+1½	1½+1½	Nil	Nil	3.9	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,962	Beriwala & Co.	Khas Kajora	10N	10	3	3	2+2	2+2	3	M.
11,00,240	50,000	15,87,373	10,31,164	3,411	H. V. Low & Co., Ltd.	Kasrdi	6½N	10	3½	3½			3.7	Y.P.
9,00,000	11,50,000	28,41,242	22,43,8215	11,549	H. V. Low & Co., Ltd.	Lakurka	11N	10	3	3			6.12	H.
7,48,240	1,50,000	11,24,142	8,84,138	36,398	Associated Commercial Co., Ltd.	Nazira	6½	10	3	3			6	H.P.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd. ..	New Beerbhoom	16½	10	3/10:3/10	Nil	Nil	Nil	3	Y.
6,00,000	1,60,000	32,13,833	19,29,968	9,403	Octavius Steel & Co., Ltd. ..	New Manbhoom	9½	10	1½	1½	Nil	Nil	6.12	Y.
1,15,000						North West	13N	10	1½	1½	Nil	Nil	4.10	M.
1,57,500	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd. ..		7½N	10	1½	1½	Nil	Nil	3.9	H.P.
7,50,000	11,26,866	3,97,666	2,77,666	1,03,412	F. W. Heligers & Co., Ltd. ..	Ondal	19½N	10	1½	1½	1½	1½+Nil	3.9	M.
10,00,000	1,10 000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	1½	1½	1½	1½+Nil	3.9	H.
8,34,000	83,594	17,23,382	4,27,675	15,719	Deepchand Kishenlall	Pargaea	6	10	Nil	Nil	Nil	1+1	6.12	H.P.
15,75,000	11,25,000	42,01,853	29,13,653	22,892	Shaw Wallace & Co., Ltd. ..	Panch Valley	24½	10	Nil	Nil	Nil	Nil	6.12	Y.T.
23,99,300	16,17,105	1,12,84,110	78,87,623	27,432	B. N. Elias & Co., Ltd.	Raneegunge	11½	10	Nil	Nil	Nil	Nil	6.12	M.P.
15,50,000	7,88,150	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd. ..	Santa Collieries	25½	10	1½	1½	1½	1½+1	6.12	M.
30,00,000	1,55,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Silkaberra	7½	10	1	1	1	1	3.9	M.
1,25,000	1,75,000	11,49,383	9,78,699	20,499	Gillanders Arbuthnot & Co., Ltd.	Sijua	8N	2½	1	1	1	1	6.12	M.
2,80,000	6,81,597	28,76,823	16,10,969	21,956	Andrew Yule & Co., Ltd. ..	Sendra	23½	7	2½	2	2	1	6.12	M.
8,00,000	8,74,858	36,99,010	26,36,686	—2,06,478	F. W. Heligers & Co., Ltd. ..		10N	10	1½	1½	Nil	1½+1	6.12	H.
63,21,450	13,25,954	1,24,72,792	2,26,34,594	63,560	Industrial Trust Fund (Government of Hyderabad)							Nil	6.12	H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6½	10	1	1	1	1	6.12	H.P.
8,00,000	14,19,343	1,69,570	22,510	84,141	F. W. Heligers & Co., Ltd. ..	South Karanpura	22½	10	1½	1½	1½	1½	6.12	H.T.
10,00,000	12,950	30,15,423	15,43,501	—3,64,336	Villiers Ltd.	Standard	22½	10	Nil	Nil	Nil	Nil	12	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.	Tasher	3½	2½	1	1	1	1+1	2.8	H.
69,98,000	1,21	44,91,158	13,91,345	63,500	Hindustan Investment Corpn., Ltd.	Usica	18½	10	1½	1½	1½	1½	6.12	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Bengal	6	10	1	1	1	1	6.12	M.
						West Jamuria	18½	10	4	4	Nil	Nil	6.12	W.
													3	Y.
													6.12	M.

* Including bonus. s Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-16 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1012 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1953 on six months' notice in each case.

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

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

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

ROLE OF INSTALMENT-CREDIT IN STIMULATING DEMAND

(Concluded from page 979)

is conducted extensively in Calcutta. It has been started recently in Delhi also.

3. Sale of watches, jewellery and woollen-suitings and other valuable consumer goods is not much practised in this country.

(c) Housing.

The Hindustan Co-operative Insurance Society, Calcutta, started a scheme of housing in Calcutta, in 1935. This scheme was dropped during the war. After the Partition of India, in 1947, and the resultant influx of millions of displaced persons from Pakistan, a huge demand for houses was created. To relieve the housing shortage, the Rehabilitation Ministry of the Government of India launched many schemes of refugee-housing and refugee colonies. One of these schemes was based upon hire-purchase system for construction and sale of houses on monthly payments. The Jungpura Extension Scheme in New Delhi was started on these lines. Later, Delhi Land and Finance, a housing concern, was started in New Delhi by private enterprise to cater for residential houses, on hire-purchase lines. Now, a dozen or more colonisation concerns are working for housing on hire-purchase methods in Delhi and its suburbs. Similar efforts are being made in Calcutta and Bombay. In the rest of the country, hire-purchase business in housing is not very prominent.

(d) Automobiles.

Sales of automobiles on instalment credit basis, through financing companies in India, can boast of being more popular than other lines. As already mentioned, this business was established nearly 30 years ago by Messrs. Govan Bros. in New Delhi. At present, hire-purchase sales of automobiles occupy an important position in the total volume of automobile sales. This business has been working on organised lines in Delhi, where the concerns working at Lahore before the Partition have also shifted. There are, at present, nearly 15 companies in Delhi, engaged in financing hire-purchase of automobiles. Their working capital is in the neighbourhood of Rs. 1.3 crores. Their business circle extends over the neighbouring States of the Punjab, P.E.P.S.U., Rajasthan and Uttar Pradesh. Instalment credit on automobiles in the Bombay State is working on a lower key, as compared with its business potentials. In the rest of the country, there is no organised attempt at promoting sales through instalment credit.

Why is it so? The main reason for this deplorable state of affairs is that the idea of instalment-credit or hire-purchase business in India is bracketed with money-lending, and not another channel of sales, forgetting that the fundamentals of the device, that is, sales on easy payments, are to promote sales and to attract the border-line customers. The present trend in the hire-purchase business is to surcharge a higher marginal profit on the sales, in addition to high rates of interest on the amount transacted, thus making it a highly unattractive liability to be shouldered. It is no surprise, therefore, that customers prefer to take cash-loans for utilising the money towards purchasing essential requirements.

The Other Side

But the hire-purchase dealers explain that instalment-credit is, in essentials, a risk-capital going under the garb of sales on deferred payments. The repayment of the money thus advanced is not always certain and not always without trouble, because people do not care to pay back regularly, or do not pay in full. The paying-capacity, as also the purchasing power, of the public being not very high, a large number of hire-purchase agreements end in evasions, and, consequently, in legal-proceedings. Therefore, higher rates of interest are representative of high-collection charges and risks involved. But, in spite of this dismal position, the hire-purchase business needs to be made less-costly and more attractive, if it is to flourish in this country.

The present facet of the economic weather, it may be added, is most opportune for introducing the system of instalment-credit in this country. The market-conditions, after a long period of inflationary spirals and controls, are changing from a "sellers' market" to a "buyers' market." The buyer's resistance is slowly making itself felt. Consequently, the retail-trade is finding it very difficult to check the downward swing in the sales, the producers are finding it difficult to dispose of the accumulating stocks of the finished products. This development can be assessed from the following statement of stocks of finished goods with producers, taken from the *Fourth Census of Indian Manufactures* (1949), published recently by the Directorate of Industrial Statistics, Government of India.

Stocks of finished products with producers

(Value in lakhs of rupees)

Year	Bicycles	Sewing Machines	Electric Fans
1946	10.7	5.4	22.8
1947	28.5	6.9	41.5
1948	29.1	11.8	57.4
1949	40.3	21.2	65.6

From the trend of events, it can be assumed that India is entering the era of recession, if not of slump. Already the money-market has become tight, the demand is slackening, stocks are piling up and sales are going down. In these circumstances, instalment-credit business can provide a welcome relief and it is high time this business was given a vigorous push in India. It was practically in similar economic conditions that instalment-credit gate-crashed into the retail-trade in U.S. and West Germany.

It will not, however, be out of place to suggest here that a comprehensive legislation should be put on the statute-book for legal and other assistance to the instalment-credit business. At present, there are many legislations affecting directly or indirectly, this business but a full-fledged Hire-purchase Act is conspicuous by its absence. Specific legislation, in the U.S., the U.K. and West Germany, for regulating the various operations of the instalment-credit business have been passed, especially for (1) the terms of the agreement, (2) fixation of initial payment, (3) number of monthly instalments in proportion to the total amount, (4) the rate of interest, (5) provision for collection charges, and (6) default. Similar provisions are required to be provided for the regulation of the business in India. It has been found from experience that the litigation of suits, arising from default, is tending to become very expensive and unduly prolonged. The administration, in the absence of specific regulations, is unable to give any active help in cases, where default has occurred, for execution of the decrees or possession of the goods (motor-vehicles, in particular) and other contingencies. These hardships tend to block the working-capital and hinder the smooth-working of the operating concerns. These problems should, therefore, be suitably tackled for creating a healthy atmosphere in which instalment-credit may operate and achieve its ultimate objective, that is, more and still more consumption of goods on terms convenient to every pocket.—*All Rights

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
10,00,000	1,08,33,956	10,66,174	Allahabad Bank	373	100	18 0	18 0	18 0	18 0	12	V.P.
14,50,000				181	50	9 0	9 0	9 0	9 0		
1,01,000				112	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,000	12,41,000	7,143	Andhra Bank	6¼	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	108	50	6 0	6 0	6 0	6 0	12	Y.
40,00,000	17,00,000	11,795	Bank of Bihar	12¼N	25	0 12	0 12	0 12	0 12	12	Y.
3,50,00,000	3,52,00,000	7,29,778	Bank of India	145½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21½	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	297	100	16 0	16 0	16 0	16 0	12	Y.
59,99,150	81,43,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd. ..	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	60	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd. ..	25¾	25	3 8	3 8	3 8	3 0	12	R.L.Y.
58,42,805 A				60½	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Dhanlaxmi Nanjee Banking Co.	22	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
1,85,00,000	16,20,008	15,160	Hindustan Commercial Bank	8¾	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	10½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank ..	105N	100	6 0	6 0	5 0	5 0	9	Y.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India ..	1,782½	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				438¾	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
84,00,000				175xd	100	12 0	12 0	12 0	12 0		
17,60,000	76,50,000	1,23,088	Indian Bank	146xd	25	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,50,000				104xd	50	7 3½	7 3½	7 3½	7 3½		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank ..	9¼	100	5 0	6 0	6 0	6 0	.12	R.L.H.
6,25,000				67	100(A)	9 0	7 0	6 0	—		
2,50,000	6,33,939	1,380	Indo-Commercial Bank ..	17	25(B)	2 4	1 14	1 8	—	6.12	H.
10,00,000				33½	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	90,00,000	3,10,289	Punjab National Bank ..	23¾	25	1 0	2 0	2 0	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	12½	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India ..	6¾	5	0 5	0 5	0 5	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank ..	43¾	50	2 0	2 0	2 0	2 0	12	M.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,000,000	£4,000,000	£599,215	Chartered Bank of India, Australia and China	£2-2-6	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8¾	£5	7†	6†	7†	3†	12	R.L.Y.
H.K. $20 000 000	H.K. $56,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	93¾	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555 780	Lloyds Bank	£3–3–0	£1	12†	12†	12 †	14†	12	R.L.Y.
£1,437,296				£1–7–0		6†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£27¾	A £124	12†	12†	14†	14†		
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank of India ..	£27¾	B £124	12	12†	14†	14†	12	R.L.Y.
£300,000 'C'				£11¾	C £62	12†	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India ..	£27–9	£124	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency
(I) Interim.
*£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	100	1938	1st June 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	96	1941	28th February .. 1960(†)
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	99½	1938	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravulgaon Sugar	104	1942	27th December .. 1952-62
10,00,000	6	1st May and 1st November	Ravulgaon Sugar (New)	90	1944	1st November .. 1959-64
60,00,000	6	1st May and 1st November	Walchandnagar Industries ..	103	1941	1st April 1956-61
65,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97	1944	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	1942	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	98½	1897	15th November .. 1956(a)
1,00,00,000	5	1st April and 1st October	Buckingham and Carnatic ..	96½	1952	1st January .. 1967-72
18,48,000	5½		Jaysbree Textiles	78N	1949	1st January .. 1936-59
40,00,000	5	1st June	Tata Mills	101	..	 1946-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd ..	96	1930	31st March .. 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..	101½		14th June .. 1968
99,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	100½	1940	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	94	1940	31st December .. 1964
2,35,97,200	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	101	1950	1st January .. 1970
85,00,000	4	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	86	1942	31st December .. 1970
12,00,000	5	1st January and 1st July ..	Bijna (Sheriah) Electric Supply Co. Ltd.	86	1951	30th June 1978
7,56,200	5½	1st January and 1st July ..	South Madras Electric Supply ..	96½	1940	 1957-61
1,00,00,000	5	1st May and 1st November	South Madras Electric Supply ..	94	1939	1st October .. 1958
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply ..	94½		 1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	94		1st July 1957-67
4,77,100	4	1st April and 1st October ..	Tata Power	100½	1940	15th September .. 1931-55&C
6,50,000	4	1st April and 1st October ..	Tata Power	93		15th September .. 1965-70
ENGINEERING					
5,00,000	5½	30th June and 31st December	Britannia Engineering	98½	1948	31st December .. 1956
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd. ..	99	1928	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Piston Pipe (2nd mortgage)	103	1942	1st July 1957-62
41,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	696	1936	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Fagineering Works Ltd.	88	1934	31st May 1971
8,00,00,000	5	1st April and 1st October ..	Tata Locomotive	101½	1950	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	99	1950	31st December .. 1960
JUTE					
42,80,000	4½	1st October and 1st April ..	Agarpara	100	1939	31st March .. 1956
6,00,000	4½	30th June and 31st December	Alexandra	99	1939	30th June .. .. 1956(A)
10,00,000	4	30th June and 31st December	Anglo-Indian Jute Co., Ltd. ..	90½	1948	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	99	1940	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	88½	1940	30th June 1960
9,00,000	5	31st January and 31st July ..	Calcutta	91	1949	31st July .. .. 1959(e)
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	97	1931	30th June 1946
8,86,000	5	30th June and 31st December	Empire	95	1934	30th June 1966
35,00,000	5½	1st January and 1st July ..	Hukumchand	92½	1940	30th June 1957
35,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd. ..	98	1934	31st December .. 1964
35,00,000	4½	30th June and 31st December	Manek	98	1952	31st March .. 1967
5,00,000	5½	31st March and 30th September	Maskarpara Jute Mills Co., Ltd. ..	98¾N	1947	31st March .. 1956
4,00,000	4½	14th November and 14th May	Meiliarpta Jute Mills Co., Ltd. ..	93	1939	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	88	1945	31st December .. 1964
8,00,000	4	30th June and 31st December	Prosidency	93	1943	30th June 1958
8,00,000	5	31st March and 30th September	Rallaram Jute Mills Co., Ltd. ..	96	1948	30th September .. 1963
8,00,000	4½	14th March and 14th September	Soorah Jute	96	1937	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	97	1937	30th June .. .. 1957(d)
18,00,000	3½	31st January and 31st July ..	Waverley	85	1923	31st July .. .. 1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barsaat-Basirhat Light Railway ..	86	1926	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	£60¾N	1900	A 1105% at any time on 6 months' notice or at par or every seventh year.
£201,067	3	1st April and 1st October ..				1st October .. 1974
6,50,000	3½	30th June and 31st December	Kanakhal-Lalsbarar Railway ..	£77¾N 90¾	1933 1945	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85¾N	1905	
₹90,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96¾		1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102		1st July .. 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	101		1st April .. 1954-58
4,61,000	5½	30th June	Ouchterlony	100		30th June .. 1954-59
9,00,000	5	31st March & 30th September	Periakaramala	100–11½		31st March .. 1956-61
1,89,700	5½	31st March & 30th September	Teekoy	100		31st March .. 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	1946	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	98	1948	31st December .. 1962
86,80,000	4½	1st April and 1st October ..	Associated Hotels of India ..	86	1948	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	96½	1937	30th June .. .. 1957(†)
81,00,000	5½	1st February and 1st August	Chowringhee Properties	92	1935	1st February .. 1964
81,55,000	4½	1st July and 1st January	Clive Buildings	87	1938	1st July 1968
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	1946	15th September .. 1960
6,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	82	1946	 1966
1,00,00,000	5	1st January and 1st July ..	Dunlop Rubber	102½	1950	1st January .. 1971
20,00,000	5	15th March and 15th September	Metrur Chemical Industries	90	1949	 1964
39,37,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	94	1946	30th September .. 1976
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	470 (per note) 525 (per note)	1947	31st December .. 1972
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	90N	1951	1st April 1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	98	1951	31st March 1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	90	1946	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	104½	1953	1st May 1968

Note—See page 1010 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th May, 1954.

	Closing quotations 13-5-54	High	Low	Closing quotations 20-5-54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)				
Bank of Baroda (50)	144	145½	143	145½
Central (25)	108	108½	107½	108
Central 'A' (25)	55½	55½	55	55½
Imperial (P.Pd.) (500)	59½	60	59½	60½
Imperial (P.Pd.) (125)	1,770	1,782½	1,775	1,782½
Union Bank (50)	440	438½	436½	438½
United Com. (50)	6¾	6¾	6¾	6¾
	44	44	43½	43½
TEXTILES				
Ahm. Adv. (100)	144½	—	—	
Apollo (2)	2-12½	2-13½	2-12½	144½
Bombay Dyeing (250)	425	428	421½	2-13
Central India (100)	175	178½	175	422½
Century Mills (100)	325	329	323½	174
Edward Textile (200)	59	—	—	326½
Elphinstone (50)	246½	246½	245	59
Finlay (100)	44	44	43½	245
Gokak (100)	246	245	242	44
Ind. Unid. Defd. (1)	252½	251½	249½	242
Ind. Unid. Ord. (10)	1-8	1-7½	1-6½	250
Indore Malwa (100)	10½	11	10½	1-6½
Kastee (100)	107½	110	107½	11
Kohinoor (100)	107½	111½	107½	107½
Lakshmi (250)	314	315½	306½	120
Madhusudhan (100)	389	—	—	308½
B. R. Cotton Mills (100)	82	—	—	590
Minerva Mills (100)	59½	—	—	82
Model Nagpur (250)	110	—	—	59½
Morarji (100)	141½	—	—	110
Mysore (50)	211½	—	—	141½
National Rayons (100)	120	120	114½	211½
New City (100)	157	158½	135½	114½
New Great (100)	165½	—	—	156½
New Union (10)	169	172	168	165½
Phenix (100)	26	—	—	169½
Podar Mills (100)	135	133½	127½	26
Rasoon Bilk (10)	153½	153½	150	127½
Rasoon Spg. (10)	18½	18½	17½	150
Shahpur (1,000)	30	—	—	17½
Shrinivas (100)	2,225	—	—	30
Simplex (50)	212½	212½	207½	2,225
Standard (100)	156½	157	155	207½
Svadeshi (100)	315	317½	312½	155½
Swan (100)	279	279½	274½	212½
Tata M.T. (25)	330	330	325	275½
Vishan (100)	47½	48½	47½	325
Western India (1,000)	142½	—	—	47½
	3,810	—	—	142½
ELECTRIC COS.				3,810
Ahmedabad (100)	112½	113½	112½	
Ahmiganand (10)	10½	10½	10½	112½
Andhra Valley (1,000)	1,365	1,365	1,340	10½
Bom. Sub-El. (100)	121½	121½	120½	1,350
Surat (100)	130	130½	130	121½
Tata Hydro (100)	143	143	143	130
Tata Power (1,000)	1,442½	1,445	1,433½	144
				1,433½
INSURANCE COS.				
British India (10)	13½	—	—	
Empire of India (100)	655	13½	13½	13½
Ind. Mercantile (20	40½	—	—	655
Jupiter (10)	—	—	—	40½
New India (15)	44	—	—	7
Oriental (200)	7,660	46	44	44½
Universal (10)	9½	7,690	7,680	7,690
Vulcan (10)	13	—	—	9½
		13	12½	12½
STEAMER COS.				
Scindia (15)	17-10½	17½	17-8½	17½
STEEL COS.				
Ind. Iron (10)	20½	30½	29½	29-11½
Tata Steel Ord. (75)	193½	196½	191½	193½
MISCELLANEOUS				
Alcock Ashdown (100)	350	—	—	
Amalgamated Co. (100)	157½	355	306½	312½
Belapur Sugar (5)	272	157½	153½	154½
Bom. Burmah (125)	271	280	269	269
Dr. Fernel (4 sh.)	135	400	393½	133½
Ind. Cement (5)	3-7½	135½	133½	3-9½
Indian Copper (2 sh.)	2-0½	3-10½	3-6½	2-13½
Ind. Inv. Tr. (100)	3	8-14	7-15½	3-9½
Kesoy (300)	74½	7	2-15½	7
Killicks (100)	270	75	2-15½	2-13½
Killicks (75)	183	271½	264	75
Phalton Sugar (50)	271½	183½	270	271½
Port Canning (100)	103	—	183	183
Premier Cos. (50)	23½	103½	—	142½
Shirvalkar (100)	130½	23½	101½	590
Tata Chemicals (10	65	131½	23½	23½
Tata Oil (25)	14½	65½	127½	128 xd
Walchand Ind. (100	40	14½	63½	64
W. I. Match (100)	176½	42	14½	14½
	197 xd	175½	39½	40½
		195	175	175½
			192½	194½

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	99½	—	—	
2½% 1955	98¾	—	3.40	99½
2½% 1961	90¾	—	3.63	98½
2½% 1962	91¾	—	3.95	91
2½% 1974	91¾	—	3.90	91½
3% 1957	82½	—	3.94	91½
3% 1958	97½	—	3.93	82½
3% 1959-61	97¾	—	3.65	98
3% 1964	96¾	—	3.55	97½
3% 1963-65	92½	3.84	3.62	96½
3% 1966-68	92½	4.18	3.89	92½
3% 1970-73	86¾	3.98	3.82	92½
3% 1986 Con. Loan	86	4.03	3.97	86¾
4% 1954-59*	81½	4.18	3.67**	81½
4% 1958-60	101½	—	3.48	100½
4% 1958-628	101½	3.34	3.87	101
3½% 1961 N.P. Bonds	101½	3.25	4.20	101½
3½% 1964 N.P. Loan	98½	3.56	4.17	103½
	98-10½	—	3.70	98½
			3.65	98½

BRITISH GOVERNMENT SECURITIES	13-5-54 £	High £	Low £	19-5-54 £
3½% Brit. Consols, 3 Savings Bonds 1965	68½	68½	67½	67½
3½% War Loan 1955-59	91½	91½	91½	91½
3½% War Loan 1952 75	102½	102½	102	102½
4% Brit. Iron and Steel 1976-78	88½	88½	87½	87½
4 % Funding Loan 1960-90	96½	96½	96½	96½
	102½	102½	101½	102½

** Current Income. x.d.=Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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MUST BANK RATE BE REDUCED?

THE recent reduction in the British Bank rate has, once again, brought to the forefront the question whether the Bank rate in India, too, should be lowered. If the views publicly expressed so far on this question are any indication of the general run of thought in this country, it would appear that the consensus of opinion is not in favour of India following the footsteps of Britain. This view is not based on any political considerations or fear of being teased by the critics that, even after attaining independence, India is blindly copying Britain. It is based solely on the conclusion that circumstances in India do not warrant such a course. The absence of any open demand for a reduction in the Bank rate does not, however, mean that there is no section which wants such a change. On the contrary, there is evidence to believe that an influential section is not only in favour of a downward revision of the Bank rate but has informally impressed upon the authorities the need for it at an early date. The slow response to the National Plan Loan has given this section additional ground to press its demand for reducing the Bank rate to 3 per cent. Will the authorities, who are anxious to secure a large measure of support to the new Loan, be tempted to accept this demand? Events alone can provide an answer to this poser. It will, however, be apposite to examine the question whether or not a lowering of the Bank rate is essential in the present circumstances.

The economic fashion of the day is flexibility of interest rates. It is held that, in a free economy, the Bank rate should be flexible if it is to play the traditional role of a stabilising factor. When a country is affected by inflationary tendencies, the Bank rate is increased in order to counteract such tendencies. The higher Bank rate leads to an increase in the cost of carrying stocks or of financing new constructions, establishment of new plant and industries on *borrowed money*, thereby reducing the internal investment demand and inducing liquidation of stocks. It may also stimulate savings, as higher rates of interest will be available on investments. Conversely, reduction in Bank rate is generally made when there is deflation. A lower Bank rate stimulates investment through expansion of bank credit, though it may serve as a depressant to savings. This, in brief, is the theory of Bank rate. But, in actual practice, the effects of changes in Bank rate on savings and investment are far more complex, as they depend upon several other factors. The fundamental point to be borne in mind here is that the effects of a change in Bank rate are only marginal. Their value will be nothing if the circumstances or the policies of the State are not conducive to the achievement of the object in view. The anti-inflationary effect of a higher Bank rate will be felt only if the State does not follow an inflationary policy in other respects, such as its expenditure. Similarly, a lower Bank rate will be a useful stimulus to economic activity only if there is a disposition on the part of business men to invest and to expand their activities. If this disposition is not there owing to some reason or other, a reduction in Bank rate will have been in vain. Another important point to be borne in mind is that the results of a decrease in Bank rate, or those of an increase in it, will not necessarily be of the same degree even in a highly developed economy with a well integrated capital market, let alone in a semi-developed economy such as India. Experience has shown that, invariably, an increase in Bank rate is far more effective than a decrease in Bank rate. Whereas an upward revision of Bank rate produces quick results, a downward revision takes quite a long time to yield results. This is especially so with the underdeveloped and undeveloped economies.

At this stage, it will pay one to pause and consider why the Bank rate in Britain was reduced a fortnight ago. The main consideration, according to Mr. Butler, Chancellor of the Exchequer, was the fall in money rates in various centres since the last reduction. This means that, as rates of interest in London were higher than in the U.S. and many other Continental countries, there was a large flow of short-term funds from these countries and it was mainly in order to check this flow that the Bank rate was reduced. The object was not to prevent a recession or to stimulate the British economy further. There was no recession at all in the U.K. nor was its economy such as to necessitate the use of an artificial stimulus by way of a cut in the Bank rate. If, however, these advantages were to flow from the latest action, they would be purely incidental. In fact, when Britain was faced with a slump in the first quarter of 1952 and when its balance of payments position was desperate, demanding an increase in exports, the Bank rate was not lowered but raised, and raised sharply. It did so because, a higher Bank rate could, by reducing domestic demand, stimulate exports and moderate the demand for imports, thus correcting the balance of payments deficit. Indeed, there are many in Britain today who fear that the present lower Bank rate might stimulate domestic consumption, thereby discouraging exports and encouraging imports. This school of thought, however, admits, but regrettably, that a reduction was necessary in order to stave off hot money. At the same time, it has warned the authorities that they should not go too far in wielding the weapon of Bank rate for this purpose, as it might lead to inflationary conditions.

It will be no exaggeration to say that, generally speaking, a lower Bank rate is an index of prosperity; that is to say, a lower Bank rate is the natural outcome of larger production and greater savings. It is only when there is excessive savings that interest rates decline and such a development is healthy up to a point. If today money in the U.S. is cheaper than in the U.K., it is because the savings in the former country are greater than in the latter. A country should, therefore, try to achieve cheap money conditions, that is, low interest rates, through more production, greater employment and larger savings. A forced reduction in interest rates through the Central banking institution will bring no lasting benefits and the main beneficiaries will invariably be the speculators and middlemen.

Conditions in India today are by no means ideal for trying to boost the economy by such an artificial method as a reduction in Bank rate. Neither the *per capita* national income nor the level of savings are so large as to say that a Bank rate of 3½ per cent. is excessive. This point will be readily appreciated by those who concede that the trend of savings has some bearing on interest rates. If the Bank rate were to be reduced now, say, to 3 per cent., all those life insurance companies which have lowered their premium rates would soon have to put their rates up and this, in turn, would affect the savings that are represented by life insurance business. While this result is almost certain, it is not equally certain that a cut in Bank rate will automatically lead to any perceptible improvement in genuine business activity. As already mentioned, such an improvement will depend upon other climatic conditions, such as the Government's fiscal, taxation and labour policies. If these conditions are not favourable, as they certainly are not in this country now, a cut in Bank rate will be in vain. It may have a bullish effect, perhaps short-lived, on equities and Gilt-edged securities, as well as on commodities, to some extent. But this development will not induce any appreciable new investment, without which there can be no improvement in the country's economic conditions. It will benefit only the existing holders of shares and securities and speculators who enter the market as bulls in anticipation of a reduction in Bank rate. The banks will, of course, be one of the important beneficiaries, as their investments will gain in value. But this advantage will in all probability be more than offset by disadvantages to the other sectors of the economy.

It is common knowledge that cheap money encourages speculation. This is particularly so in this country, where overtrading is one of the main failings of its business community. The margin on the turnover of middlemen is generally small and it is because of this small margin that merchants, wholesalers and commodity speculators operate on a large scale. This small margin will be wiped out when interest rates are high, whereas it will become quite attractive when interest rates are low. This is a very pertinent point that cannot be lightly dismissed at a time when the Government has taken the risk of resorting to deficit financing on a fairly large scale.

In all Western countries and even in the U.S., to some extent, a reduction in Bank rate has followed an intensive phase of economic development fostered mainly through appropriate budget and employment policies. Britain, the Netherlands, Belgium and Germany, all these gave liberal relief in taxation and other direct incentives to stimulate production, expand business and encourage savings. Even the U.S. has reduced the burden of taxation. The reduction in Bank rate was only a minor instrument which they adopted to bring about improved business conditions. The Governments of these countries have realised that a mere reduction in the cost of credit to the business community would not

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encourage it to go forward and increase its commitments, if it were assailed by doubts and uncertainties about the future. Similarly, in India, too, the authorities must first reduce the burden of taxation, follow a labour policy which will not hinder expansion in production and employment, give up the policy of placing a premium on inefficiency under the pretext of protecting the small producer and provide a large measure of freedom from bureaucratic controls. To give relief in interest rates through a reduction in Bank rate before these measures are implemented will tantamount to placing the cart before the horse. In saying this, we do not minimise the value of a correct monetary policy for economic development, but what is more important here is not so much a reduction in the cost of bank credit as an increase in the availability of credit.

FINANCIAL CONTROL—I

IT has been clear for a long time now that, although the Indian civil servants, the higher and the lower ranks alike, are in no way inferior, as a class, to any body of administrators in any part of the world, there have been lamentable lapses of efficiency, inordinate delay in dealing with issues, particularly economic issues, and quite a few instances of extravagant, and even improper, expenditure. Since the "good" things that are done are always forgotten in the public outcry against a few wrongs that are committed, it is necessary to emphasise that the Indian administration is basically sound and efficient. There might be, as the Deputy Home Minister said, in the course of a Parliamentary debate on a non-official resolution demanding an enquiry into the Central administrative machinery, "instances here and there of black sheep" but, taken, as a class, the men are efficient and patriotic. The lapses, such as there have been, are to be attributed primarily to the bewildering complexity of the tasks which the civil service, trained originally to collect a small revenue and to maintain law and order, has been called upon to perform.

The war, the Partition and the Five-year Plan are the three important events in recent Indian history, each of which would, in itself, put any nation's civil service to a serious test. Considering that these events came in quick succession, it is scarcely to be wondered at that many grave mistakes have been made. But it must be said to the credit of the Government that it has permitted the fullest scope for Parliamentary bodies, such as the Estimates and the Public Accounts Committees, and for that independent officer, the Comptroller and the Auditor-General, to probe into departmental ways and expose the inner workings of the Government and its undertakings to public view. And it has also made no secret of the fact that it wants to level up the efficiency of the service, in order that they may be able to do things in a more efficient manner. First, the late Mr. Gopalaswamy Iyengar was asked to submit a report on the *re-form of the administrative machinery*. Later, the Government received the reports of Mr. A. D. Gorwala and Mr. Appleby.

Now, these reports have been followed by the report submitted by Mr. A. K. Chanda, Secretary, Production Ministry and Auditor-General-designate. The Prime Minister, Mr. Nehru, felt that there was need to overhaul the financial procedure, in order to expedite the implementation of the Five-year Plan and of the various projects undertaken, or that may be undertaken in the future by the Government. It was at his instance that Mr. Chanda investigated the procedural and other problems in Governmental administration. Although his report has not been published, it is stated that it deals with such subjects as financial control, delegation of authority and functions, reorganisation of the railway administration, the services, the pay structure and the Secretariat. The report is now under the Government's consideration. Meanwhile, the Organisation and Methods Division has initiated a combined operation to improve the speed and quality of the work done in the Secretariat. The Institute of Public Administration, it is stated, will set up joint teams of officials and non-officials for a detailed study of different aspects of public administration.

By far the most intractable problem has been the institution of a financial procedure which will ensure that work is speedily done, but public money is spent to the best public advantage. There are at least four issues involved here: (1) The need for forethought in planning expenditure and expeditious execution of a plan that has been carefully prepared; (2) the maintenance of a proper system of accounts and the adoption of correct financial procedure—public tender system, for instance—at every stage in the execution of the plan; (3) the need for separating audit from accounts; and (4) the adoption of a "commercial and business-like" attitude in the administration of commercial enterprises, partly or wholly owned by the Government. Now each of these issues is important, in its own way, but it is necessary that all of them must be tackled more or less simultaneously, if the country is to derive full value for the money spent by the Government.

The delay in the execution of projects in the public sector has been attributed to the Finance Ministry. It is stated that the Ministry is a little too fastidious in raising objections and that it is a stickler for minute details. It is easy for other Ministries to call the Finance Ministry as wooden and unimaginative, and to condemn it as the "villain of the piece." But public sympathy will unhesitatingly express itself in favour of the Finance Ministry. As the watch-dog of public money, the Finance Ministry should certainly see that what is spent is well spent and that the sanctioned expenditure is not exceeded. It is true that conformity to financial procedure may be overdone. But more mistakes have been committed by non-conformity with procedure than by an excessive insistence on conformity. Nevertheless, it should be possible to evolve a procedure that will be a happy mean between the attitude of an impatient administrator who wants to get things done quickly, irrespective of considerations of cost, and that of a punctilious officer who is a stickler for procedure. Both these types of officers are needed to run the machinery of Government, even as an automobile has to be fitted with an accelerator as well as brakes, if it has to run well. The point is that haste should be avoided as well as excessive delay in dealing with issues.

Government officers do give the impression that they are engaged in a leisurely, stubborn and almost interminable game of shuttlecock, the files flying from one office to another, back and forth. Surely, it is in nobody's interest that this game should be continued from year to year. In this connection, a correspondent to the *Hindu*, who subjected the whole issue to an impartial scrutiny, made quite a few notable suggestions for reform of financial procedure. These suggestions, which are worthy of study by the Central Government, are:

"(i) The Finance Ministry must apply the same yard-stick in measuring the cases of all Ministries. (ii) The need for an independent financial scrutiny and control is greater today than it ever was. Examination, in some detail, of various cases will bring to light large sums of the tax-payers' money saved by such scrutiny. (iii) The Finance Ministry does, in several cases, raise petty objections on matters of little consequence. This should be remedied by (a) making Financial Advisers share, with the administrative Ministries, responsibilities for the efficient progress of development schemes and (b) by restricting the number of times cases are allowed to move to and from the Finance Ministry, senior officers on both sides being brought into the picture with as little delay as possible. (iv) Important cases, before they go to the Finance Ministry must be seen by senior officers in the administrative Ministry itself; this will ensure that schemes have been carefully worked out and thereby lessen the chances of objections from the Finance Ministry. (v) On receiving a case, the Finance Ministry should examine it fully and bring out all comments and/or objections in the very first instance. The raising of objections piecemeal should be treated as an indication of perfunctory examination. (vi) Financial Advisers should personally look into a case which is supported by the Joint Secretary or Secretary of an administrative Ministry, before advising against any such proposal. To ensure this, the number of such Advisers should be increased, so as to give each only a manageable charge. (vii) Undue interference and delays in other branches of the Finance Ministry in dealing with proposals agreed to between an administrative Ministry and the Financial Adviser should be strongly discouraged. Such differences as may arise should be quickly settled by discussion at equal levels and failing that, at Minister's level. (viii) As many schemes may not be ready for inclusion in the budget, token grants should be allowed in respect of such of those schemes as are likely to be ready for execution during the following financial year. This will, of course, be followed by a fuller examination and submission of detailed supplementary demands during the year in which the implementation of the scheme is actually undertaken. (ix) Personal discussions should take place much more frequently than at present. As far as possible, such discussions should take place at each level, or at the next higher level, immediately after one unsuccessful exchange of notes has taken place."

The subject of financial control has also engaged the attention of the Estimates Committee, the latest report of which on this subject has been rightly hailed as the most important document of its kind. The Committee makes two notable suggestions for facilitating the process of financial control: (i) Before a scheme is embarked upon, it should be properly planned and it should be ascertained whether the money required for it is available or can be made available at the proper time. Detailed plans and estimates should be worked out fully, so as to enable the Finance Ministry to approve the scheme and accord financial concurrence. (ii) After the scheme is concurred, from the financial point of view, it should be included in the Budget Estimates of the Ministry concerned and, thereafter, there should be no further embargo on reappropriations within the various sub-heads of the scheme so long as the total amount sanctioned for the scheme is not exceeded. The State Governments, the Committee points out, should be asked to send consolidated proposals for all the schemes for the financial year in advance of that year. This will ensure a careful examination of the schemes sponsored by the State Governments.

On more than one occasion, the Comptroller and Auditor-General has emphasised that it is anomalous that both the accounting and audit functions should be concentrated in the same department. Bifurcation of the functions has been rightly demanded on grounds similar to those that are urged in favour of the separation of the judiciary and the executive. In this connection, the Estimates Committee has suggested that urgent steps should be taken to see that (a) the Comptroller and Auditor-General concerns himself with audit functions only; (b) the accounting and payment functions devolve on the Ministry concerned; (c) the present audit and accounts organisation should be bifurcated and the accounts files placed under an Accountant-General or Director of Accountants under the Ministry of Finance for the time being; and (d) the present system of treasuries should be abolished. Their payment functions should be taken over by the branches of the Imperial Bank of India or where a branch of the Imperial Bank does not function, by a branch of some other Scheduled bank in consultation with the Reserve Bank. Where there is no branch of any Scheduled bank in existence, the treasury office itself should be converted into a pay office of the Imperial Bank.

Yet another reform that has been suggested by the Estimates Committee is decentralisation of functions. As all good executives know, the essence of sound and expeditious administration is a wise devolution of functions to subordinates, so that they themselves are free to concentrate on broader policy issues. At no time was the need for such devolution of power to subordinate members more necessary than now. A multiplicity of functions and a plethora of duties, all concentrated at the top, tend to create an administrative system which, like an inverted pyramid, is in perpetual danger of a grievous fall. Wisely, the Committee has stressed that, in the administrative departments concerned and within the service itself, there should be as much decentralisation as possible, and that the authorities, at different levels, should be encouraged to take decisions. This might conceivably lead to some mistakes being made in the beginning, for subordinate officials, who have been trained for long to look for decisions from the top, might be found unequal to the new task. Nevertheless, the experiment is worth trying. For, if the subordinate officers are allowed to work under the guidance of more trained officers, it should be possible to instil in them, in course of time, a habit of taking decisions as well as the responsibility for the decisions.

BUYERS' MARKET IN SHARES EMERGING

WHEAT AGREEMENT IN PERIL?—MOVE TO STABILISE WORLD COTTON PRICES

THURSDAY, 5 P.M.

THERE have been no outstanding developments in the Share Markets. In the absence of any fresh support, the trend is quiet. Earlier in the week, there was a feeble rally, but, as the week advanced, the gains were lost, the closing rates in the case of most of the shares showing modest losses. Steels have fared relatively better, but textiles have been the worst sufferers, as reports about the outlook for cotton textiles are not quite encouraging. There are fears that the mills are now producing more than what they can sell both in the external and the internal markets. Foreign advices, too, point to the same conclusion; competition may increase in the event of the Japanese yen being devalued. The delivery of large blocks of leading textile counters in the last settlement came as a painful surprise to the market, for that indicated some investors are booking their profit at these levels. Even in the steel section, Indian Irons have become a soft spot on account of disquieting reports about the labour situation at the Company's works. It is stated that inter-union rivalry is threatening to disturb the peace and that section 144 has been promulgated at both Burnpur and Kulti. Although sales returns of the T.I.S.Co. for the first 9 months of the Company's last accounting year are satisfactory, this scrip is meeting with considerable resistance whenever it crosses the Rs. 193-level, because the dividend for 1953-54 is expected to be no more than Rs. 11 per share.

MARKET GOSSIP

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The fact that equities have not been able to make much headway in the past three weeks suggests that a buyers' market is surely and steadily emerging in shares, too. It is true that the general economic situation in the country is satisfactory and that all the major industries, as well as agriculture, are doing well. But the current prices of equities have already discounted this to a considerable extent and the yields have declined. Expectations of an increase in the dividends for the current year constitute the main factor that is keeping up the present level of prices, but it is yet too early to be sure that they will materialise. From this point of view, the coming two months will be crucial ones. They will show how the year will end for most of the industries. They will also show to what extent the authorities are prepared to readjust their policies in order to improve the competitive capacity of Indian industries. During this period, a clearer picture of the international political situation will also emerge.

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It is now clear that the Government is unlikely to close the list for the National Plan Loan in the near future. Renewed efforts are being made to stimulate the investors' interest in it. The Congress Working Committee has called upon all Congress men to do their best for making the loan a success. Fresh instructions have been given by the State Governments to the district officials to intensify their drive. An appeal has been made to the people, especially to the women, to sell their jewellery and invest the proceeds in the new loan. The Government is trying to make arrangements with banks for accepting subscriptions to the new loan in gold ornaments and other jewellery.

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It is not known how far this novel move by the Government will succeed. Many are critical of it and the banks are very reluctant to undertake this additional responsibility. In fact, a number of big banks have already turned down the Government's request, as they are afraid it may provide an easy source for malpractices and they have no desire to run the risk of their name being tarnished. Moreover, they regard this as a dubious way of inducing the people to invest in the new loan. Even today jewellery constitutes a form of savings for a large section of the people in the country and they may not wish to exchange it for Government paper. Among the well-to-do, many have deliberately invested a part of their savings in precious metals and stones as a hedge against inflation. Having announced from the house tops that deficit financing is inevitable, it is too much to expect this class of people to sell these and buy the Government loan. Those who have gone in for these metals and stones to hide their ill-gotten wealth will certainly not respond to the Government's call for fear of their being caught. The Government, of course, cannot give amnesty to them by saying that it would not question the source of their wealth if they were to invest their hoards in the National Plan Loan. For, apart from placing a premium on dishonesty, such would mean an open invitation to evade taxes. In view of all this, many wonder how the Government was persuaded to accept a suggestion of such doubtful value.

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Readers of this column are aware of the efforts that are being made by some of the Indian banks to avoid unhealthy competition for deposits and to reach a gentlemen's agreement for regulating the rate of interest on short-term deposits. A number of meetings had taken place in recent weeks, both among the banks themselves and with the Reserve Bank. The Exchange banks also were invited to extend their co-operation. After protracted discussions, it was agreed, at a meeting held early this week at which the Exchange banks' representatives were present, that the move was a desirable one and that a sub-committee of bankers should evolve a scheme for achieving the object. This sub-committee has completed its task and a meeting of the full committee of bankers will be held early next week to consider the scheme. Details of the scheme are not available, but it is understood that, if that scheme were adopted, there would be a ceiling on the rate of interest for time deposits; no interest would be paid on current accounts, except under certain conditions and in some specified cases, and the present vicious practice of accepting call deposits would cease. It is further understood that the medium- and small-sized banks will be exempted from these conditions, in order to make the scheme workable.

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Although many of the world commodity markets have been steady to firm, there is no doubt that the uncertainty over the U.S. farm surplus policy has continued to cast a shadow over the markets for agricultural produce. Recently, the world grain markets were disturbed by the report that the authorities of the U.S. Commodity Credit Corporation would offer maize for export. It is true that the report has not unduly depressed the market but a feeling of concern persists. Three reasons are given for the absence of any big drop in prices. In the first place, the U.S. authorities have not tried to force the market down by offers of sale at prices considerably below world prices. It would appear that the prices at which the authorities are willing to sell are competitive, particularly for near positions, but the difference is not so large as to have any depressing effect. Secondly, no large transactions are possible, as buyers are not so keen; they are inclined to wait till the full effects of the U.S. move become known. Thirdly, the weather in the U.K. and other countries has not been particularly favourable to the cultivation of feed grain. Besides maize, the U.S. authorities are also reported to have offered linseed. Some business has been done with the U.K. and the Continent at lower rates. The result of these transactions has been a decline of $6 to $8 in linseed prices which stand at $105 a ton c.i.f. Further, it is feared that the decline may gather momentum in the coming weeks, since the U.S. linseed stocks are large and the new crop prospects bright. Owing to these developments, the Indian linseed markets are distinctly weak.

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It is not the grain markets alone that are disturbed by the presence of heavy surplus stocks. The wheat market also is in the same plight. In fact, during the last two months, there has been a heavy fall in prices. Taking the Chicago near futures position, the price in mid-March rose above $2.30 a bushel, the highest figure since January, 1953. It has now declined to $1.96, that is, a drop of 34 cents, in two months, which is in striking contrast to the general upward trend of commodity prices discussed in these columns last week. Explaining the causes for this fall and its implication to the International Wheat Agreement, Oscar R. Hobson, City Editor of the *News Chronicle*, observes:

"As usual both supply and demand factors enter into the explanation. So far as the Northern Hemisphere harvests are concerned, the outlook seems generally satisfactory. Owing to acreage cuts, the United States crop will not reach last year's high figures, but the latest yield estimates indicate an improving position. In Canada, as in this and other European countries, the spring has been late and the growth of cereals retarded, but there is nowhere anything to suggest any failure of crops. At this stage in the crop year, however, it is the bird in hand which counts and the supply factor which is really important is that the four great wheat-exporting countries (U.S., Canada, Argentina, Australia) had between them a carry-over, on 1st April, of 1,800 million bushels which represents 20 months' consumption and is nearly double the normal figure. On the side of demand, the remarkable feature is the degree to which the importing signatories to the International Wheat Agreement have neglected to make their guaranteed purchases. The total of these for the wheat year 1953 was 421 million bushels—which, of course, is also the guaranteed sale obligation under I.W.A. terms of the four exporting countries. Of this 421 million bushels only 190 million had been taken up in the first nine months of the year, leaving 230 million, say 55 per cent., to be taken up in the final three months. Some importing signatory countries had not bought a single bushel of I.W.A. wheat. India, the country with the second biggest import quota, had taken up under 1 per cent. of her 36 million bushels.

"It is now certain, of course, that the sales and purchases of I.W.A. wheat will this year show a great shortfall from the guaranteed quantities. The I.W.A., in fact, if not in imminent danger of breakdown, is faltering badly. Its selling price has been stepped down from the maximum of $2.05 to $1.85 without any obvious effect in stimulating demand. Is it now to be lowered again towards or even to the $1.53 minimum? And, if not, why not? Certainly, Britain has as yet no reason to blame herself for taking the stand that she did fifteen months ago when she came out of the agreement rather than commit herself to pay a price of over two dollars. She has got her wheat cheaper than she would have done had she signed and almost certainly by refusing to sign she has pushed down the price for other importing countries as well. She has reason to be grateful to Major Lloyd-George for his courage."

There is strong dissatisfaction among up-country sugar merchants over the indifferent manner in which the Government is treating them in regard to their applications for supply of sugar. In accordance with the Government's notification, these merchants had submitted their tenders to the Regional Directorates with the necessary deposits. These tenders were duly transmitted to New Delhi for disposal, but the Food Ministry has so far taken no decision on these tenders, though several days have passed. Repeated reminders have produced no results. The merchants concerned have now submitted to the Government certain alternatives. These are: (a) The Government should allocate forthwith the quantity of sugar they had asked for or (b) refund the deposits or (c) transmit their call deposit receipts to the Regional Directorates for allocation from the imported sugar. These are, indeed, fair propositions and the Government should soon make up its mind one way or the other. It is really difficult to understand why the Government is sleeping over this matter for such a long time. After all, these merchants must be having their own commitments to honour.

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An important subject that will be taken up for discussion at the forthcoming meeting of the International Cotton Advisory Committee, scheduled to be held at Sao Paulo (Brazil) on 7th June, is stabilisation of world cotton prices and supplies through an international agreement—a subject which has occupied the attention of exporting and importing countries for several years. It may be recalled that, at the meeting held last year at Washington, the member-Governments rejected the idea of signing an international agreement. They, however, agreed that some form of agreement to stabilise prices and supplies was desirable. The Committee, therefore, directed its staff to prepare a draft agreement for study at this year's meeting. It is not known whether the new proposals are substantially different from those which were discussed last year. Washington experts, however, have admitted that there was still considerable disagreement as to whether any form of international pact would change the peculiar characteristics of the cotton trade—wide and sudden fluctuations between the extremes of surpluses and low prices, on the one side, and shortages and price increases, on the other.

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The two proposals, which were put forward last year, it may be mentioned, were: (1) a scheme of multilateral contract and (2) an international buffer stock scheme. Under the first proposal, maximum and minimum prices for cotton are to be fixed by agreement countries. Buying and selling of definite quantities of cotton during the agreement period are to take place between these limits: When prices touch the maximum level, importers can ask exporters to sell the undelivered quota at the maximum price. If prices touch the minimum level, the exporters can ask the importers to buy cotton at that level. An exporting country is free to sell in the free markets any surplus above its guaranteed exports. This scheme is similar to the International Wheat Agreement. Under the second proposal, the countries acceding to the agreement will decide on the limits to be set to price fluctuations. An international executive is to be set up to buy a stock of cotton large enough to exert a powerful influence on world prices. When prices weaken in times of abundant supply, the executive will buy cotton and, when they tend to fall, it will release stocks.

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Many experts felt then that it might be difficult to apply the principles of wheat agreement to cotton, since cotton, unlike wheat, is used to make another commodity, namely, cloth, which itself has an international market. Other factors, which militated against an international agreement for cotton were then stated to be: the existence of price support legislation in different countries and the system of differential prices in terms of different currencies for identical varieties of cotton, and the continuing difficulties in the balance of payments position in different countries. Although conditions in regard to the last-mentioned point have eased to a certain extent this year, it cannot be said that the difficulties in the way of an agreement, which were pointed out last year, have ceased to exist. It will, therefore, be interesting to see what decisions the Committee takes this year on the subject.

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Meanwhile, the British and European spinners, who meet this week at Buxton (U.K.) at the Congress of the International Federation of Master Cotton Spinners' and Manufacturers' Associations, have affirmed their opposition to an international cotton agreement. The Federation stated that its views on this question remained what they were when it met at Copenhagen last year. Although the Federation admitted that the stabilisation of cotton prices at a level fair to growers, manufacturers and consumers was a highly desirable ideal, it felt that the proposals suggested would encounter great practical and financial difficulties, owing to the more varied nature of cotton in contrast to more uniform agricultural products. The Federation added that an agreement of this kind on cotton would restrict development of the trade in the raw material and mean that prices might be maintained at an uncompetitive level with other natural or synthetic fibres.

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An account of I.C.I's profit-sharing scheme, which is given in this week's letter of our London Correspondent, will be read with interest in this country; for the scheme is an excellent instance of what a far-sighted management can be expected to do for its workers. No one can, however, claim

(Continued on page 1059)

EQUITIES CLOSE WEAK

TEXTILES MARKED DOWN

(From Our Own Correspondent)

BOMBAY, *27th May*

EQUITIES on the Stock Exchange experienced a two-sided movement during the week under review. In the first two sessions of the week a cheerful sentiment was seen creeping over it and, as a result, leading counters scored handsome gains, especially on Monday, on accumulation of buying orders. Heavy covering by shorts in steels, fresh buying interest in textiles, better advices from Calcutta and technical considerations were all factors responsible for the firmness on that day. Thereafter, during the rest of the week, a reactionary trend was in evidence. The main body of shares drifted down listlessly on lack of follow-up support and heavy unloading. The selling was initiated in the textile group, on reports of heavy delivery in some of the leading textile counters and on disquieting advices from cotton and piecegoods markets. Weakness of the bullion market was another additional adverse factor to dislodge the sentiment of operators. Moreover, the keeping of the National Plan Loan on tap was considered unhelpful to the share market. The announcement that the Government would give facilities for subscribing to the loan in the form of gold and jewellery was interpreted bearishly in market circles. The recourse to this new method of attracting funds was, in fact, taken as an indication of poor response to the loan and this in turn, gave rise to fears regarding the possibilities of the Government adopting sterner measures to make the loan a success. This fear psychology, coupled with the other discouraging factors, induced operators to keep their commitments light.

In the steel section, Tata Steels hardened from Rs. 193-8 to Rs. 197-12 on short covering, but reacted to close at Rs. 194. Indian Irons were lifted from Rs. 29-11½ to Rs. 30-15½ on sustained buying, but fell away to Rs. 30-2½ at the close.

After being slightly active textile shares turned weak subsequently. Heavy selling, particularly in the last two days, for reasons already stated, brought about sharp declines in the values of these shares. Bombay Dyeings drew good support early in the week and rose from Rs. 422-8 to Rs. 428-2, but slumped to Rs. 415 at the close. Similarly, after advancing from Rs. 308-8 to Rs. 313-12, Kohinoors reacted to Rs. 305-8. Centurys closed at Rs. 322-8 with a loss of Rs. 4 after having been done up to Rs. 331-8. Central Indias were done today at Rs. 172-8, as against Rs. 174 a week ago. A similar loss was noted in Finlays at Rs. 240-8, though they passed hands higher at Rs. 246 earlier. Gokaks were, however, unchanged on balance at Rs. 250. Indu Ordinaries dropped an anna to Rs. 11-1, Indore Malwas Re. 1-4 to Rs. 108-12, New Greats Rs. 2-8 to Rs. 167, Shree Niwas moved down from Rs. 207-8 to Rs. 206-4. Simplex were lower by As. 8 at Rs. 155. Standards disclosed no change over the week at Rs. 312-8, although they had business at Rs. 316-4 earlier. Swans suffered a decline of Rs. 5 to Rs. 320. Bradburys moved down from Rs. 957-8 to Rs. 952-8.

Barring some selling in selected counters, bank shares were generally steady on fair enquiries. Central Banks were marked down by As. 12 to Rs. 54-8 and their new shares by As. 4 to Rs. 60. Bank of Indias were in good demand and gained Re. 1-8 to Rs. 146-12. Imperial Fully Paids picked up Rs. 2-8 to Rs. 1,785, but their Partly Paids lost Re. 1-4 to Rs. 437-8. Barodas were a shade better at Rs. 108-4. United Commercials rose by a rupee to Rs. 44-12 and Unions As. 1½ to Rs. 6-7½. Eastern Banks reported business Rs. 10 higher, at Rs. 112.

Trading in the insurance section was quiet and price changes were *nil* in almost all the counters. New Indias were an exception with a rise of Re. 1 to Rs. 45-4. Orientals stood unchanged at Rs. 7,690 and Empires at Rs. 655. British India Generals were held at Rs. 13-4, Indian Mercantiles at Rs. 40-8, Industrial and Prudentials at Rs. 36-2, and Jupiters at Rs. 7-8.

Mild selling pressure was noted in the electricity section. Ahmedabad Electrics were on offer on the announcement of fresh capital issue and lost Re. 1-4 to Rs. 111-9. Bombay Suburbans were, however, better by As. 10 to Rs. 121-14. Surat Electrics were unchanged at Rs. 130-10. Andhra Valleys were done at Rs. 1,322-8 *ex-div.* (dividend Rs. 30), as against Rs. 1,350 *cum-div.* a week ago. Tata Powers had business at Rs. 1,405 *ex-div.* (dividend Rs. 30), as against Rs. 1,440 *cum-div.* and Tata Hydros at Rs. 140 *ex-div.* (dividend Rs. 3) as against Rs. 144 *cum-div.*

Notwithstanding the adverse conditions in the latter part of the week under review, several counters in the miscellaneous groups emerged brighter over the week. The sugar group was featureless. Belapurs moved within a narrow range between Rs. 270-8 and Rs. 268-8, before finishing at Rs. 269. Phaltan shed Re. 1-8 to Rs. 100-8. Bhopal Sugars stood at Rs. 12-8 *ex-div.* and Walchandnagars at Rs. 175-10. The cement section was steady with a moderate gain in values. A.C.C. hardened by Rs. 2-4 to Rs. 157 and Digvijays Re. 1-4 to Rs. 120-12. In the engineering and mining group, Alcocks staged a good recovery on fresh buying attracted by the low levels touched last week and rose from Rs. 312-8 to Rs. 331-4, but fell back to Rs. 322-8 at the close. Premier Constructions were a fraction better at Rs. 129. Tata Locomotives found buyers at Rs. 116. Shivrajpurs were a shade higher at Rs. 64-8. B.B. Petrols were in good demand and rose by As. 3½ to Rs. 3-13. Indian Coppers were steady at Rs. 3. In the shipping section, Scindias were quiet at Rs. 17-9½, after having been done up to Rs. 18. But Bharat Lines were unchanged at Rs. 96. India Steamships provided a steady feature at Rs. 8-7½. Automobile shares were in demand, Hindustan Motors being bid at Rs. 8-5, as against Rs. 8-3 a week ago, and Premier Automobiles at Rs. 71, as against Rs. 68. In the miscellaneous industrial group, Bombay Burmahs advanced early in the week from Rs. 393-12 to Rs. 405, but reacted to Rs. 396-14. B.I.C.'s were unchanged at Rs. 8-1. Killick Industries gained Rs. 2 to Rs. 185, and their Partly Paids Rs. 12-8 to Rs. 155. After rising from Rs. 156-4 to Rs. 161, National Rayons shed part of the gain and closed at Rs. 157-4. Tata Chemicals were in demand up to Rs. 15-5, as against the previous week's closing of Rs. 14-14, but receded to Rs. 14-11. Tata Oils were quiet at Rs. 40-4. Wimcos had a rise of Rs. 5 to Rs. 200. Larsen and Toubros had business at Rs. 11-3 and Hind Cycles at Rs. 125.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *26th May*

Fairly steady conditions were in evidence on the Calcutta Stock Exchange during the week under review. The number of transactions also recorded an increase. The rise in quotations was by fractional stages, the money available in the market being limited, in view of the vigorous drive for collection for the National Plan Loan. Here and there, weak holders appeared, and were interested to take quick but sure profits when, according to them, the going continued to be good. Closing levels were, however, higher on balance.

Teas were extremely buoyant counters. Attractive gains in prices were noted, despite a mild profit-taking. The section had the distinction of recording the longest list of transactions on all days of the week. This was due to good prospects for export especially to the hard currency area. Another reason for the good attention shown to tea shares was the recent publication of company reports, many of which showed good working results.

Among jutes, selected counters were in the forefront and the fact that prices of heavy goods were again on the increase this week made buyers pay more attention to shares of mills producing a higher percentage of sacking than hessian. Operators desired to wait for the views of the Government on the recommendations of the Jute Enquiry Commission. More interest was shown to textiles on the publication in New Delhi of satisfactory export figures relating to cotton piecegoods for January to April.

Good lead was given to the market by speculative Indian Irons, while miscellaneous industrials maintained a firm trend.

In the large number of transactions recorded in the tea section, Patrakolas were lifted from Rs. 180 to Rs. 190-8. Hantaparas were steady at Rs. 246 and Nagaisurrees hardened to Rs. 247 and New Dooars to Rs. 450. Birparas hardened from Rs. 98 to Rs. 128. Among the light-weights, Jutlibaris were supported up to Rs. 13-4. Nagri Farms were bid at Rs. 24-8, as against Rs. 23 earlier. After realising Rs. 24-12, Batelis were taken back to Rs. 23-2. At Rs. 9-13, Sonai Rivers were higher by one point. Other features were:

	Latest quotation	*Rate as on or before 20th May*
	Rs. a.	Rs. a.
Ananda Assam	24 0	21 12
Betjan	32 12	29 8
Brooke Bond	12 12	12 0
Dhelakhat	16 8	15 0
Dhunseri	15 15	14 2
East Indian	22 12	20 2
Hansqua	24 8	23 8
Hasimara	35 12	33 13
Killcott	19 14	17 12
Rajabat	21 4	20 8
Teloijan	17 0	16 0
Teesta Valley ...	27 0	24 8
Tezpore	25 8	22 0

In the textile section, Kesorams advanced from Rs. 23-4 to Rs. 23-8. Elgin Mills were higher at Rs. 15-2, as against Rs. 14-12 earlier. Dunbars, on the other hand, were transacted at Rs. 202, as against Rs. 210 previously.

Shares of paper mills were steady, Orients being the most impressive feature with a rise from Rs. 17-6 to Rs. 19-8, before reacting yesterday to Rs. 19-1. Titaghurs were nearly two points higher at Rs. 41-2, and Shree Gopals changed hands at Rs. 23-9. Bengals came to business at the lower level of Rs. 60.

Indian Irons opened at Rs. 29-13 last Thursday and rose to Rs. 30-11 on Saturday. On Monday, the rate touched a high of Rs. 30-15 after which a decline set in to bring the rate down to Rs. 30-8 on Tuesday. Texmacos were wanted at Rs. 11-12 and Braithwaites fetched business at Rs. 16-15. Jessops improved from Rs. 28-5 to Rs. 28-14, and Kumardhubi were steady at Rs. 10-2.

In the miscellaneous section, Niccos were shown keen attention and in the process were raised from Rs. 18-12 to Rs. 20-2; subsequently profit-taking brought them back to Rs. 19-15. One of the most impressive features was provided by Indo-Burma Petroleums which spurted from a previous rate of Rs. 97 to Rs. 107. British Burma Petrols were steady at Rs. 3-13. National Tobaccos were wanted at Rs. 10-4, Dunlop Rubbers at Rs. 33-12, and Sone Valley Cements at Rs. 7-1. After rising to Rs. 16-7, Rhotas Industries reacted to Rs. 15-15. Metal Boxes at Rs. 16-12 were better by As. 4, National Rollings at Rs. 16, and Ramnugger Canes at Rs. 25.

Among Jutes, Nationals were taken from Rs. 24-1 to Rs. 26-7, following expectations that this counter would be placed on the forward list, while Fort Glosters were lower at Rs. 394 and Deltas Rs. 241. Howrahs were crossed at Rs. 24-10, Unions were quiet at Rs. 173, and Kamarhatty 'D' were steady at Rs. 171.

More interests was shown to Coals, where Raneegunges hardened from Rs. 11-3 to Rs. 12-3 and East Indians were better at Rs. 27-13. At Rs. 34-4, Equitables showed a gain of As. 12, while Jherriahs were supported at Rs. 484. Khatras Rs. 45-6 earlier. Bharats were steady at Rs. 8-5.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *25th May*

Brisk trading in textiles and firmness in plantings were the main features of trading in the Madras Share Market during the week under review. The postponement by the Government of Madras, of the levy of agricultural income-tax on plantation products and improved prospects of Egyptian purchases of Indian tea were responsible for enlivened activity in planting shares. Among these, select tea and rubber shares came in for good buying support and their prices, as a result, recorded sharp increases. The encouraging investment demand for textiles was attributed to handsome dividends already declared by some companies and expectations of similar announcement by many others. Sugars too were in good demand. Favourites among the miscellaneous scrips had buyers even at higher rates. On the whole, business reported done in the market was, therefore, very encouraging and prices disclosed notable gains.

Textiles came in for brisk enquiry. Balasubramanias, Rs. 40 paid-up, gained Re. 1 to Rs. 42 and Buckinghams Rs. 2 to Rs. 147. Coimbatore Spinnings rallied Re. 1-8 to Rs. 47. Coimbatore Pioneers were done at Rs. 174 *cum-div.*, as against Rs. 171 *ex-div.* The Directors have recommended a dividend of 15 per cent. for the year ended 31st December, 1953 as against 9 per cent. for the previous year. Lakshmis, Rs. 50 paid-up, improved from Rs. 120 to Rs. 122 and Rajalakshmis from Rs. 109 to Rs. 113. Premiers advanced by Re. 1 to Rs. 105. P. Andavar 'A' changed hands at Rs. 91-8 *ex-div.*, as against Rs. 103-8 *cum-div.* and 'B' at Rs. 138-8 *ex-div.*, as against Rs. 155 *cum-div.*, as compared with Rs. 258-8 *ex-div.* The Directors have declared a dividend of 12½ per cent. and a special bonus dividend of 10 per cent., thus making a total of 22½ per cent., for the year ended 31st March, 1954, as against 12½ per cent. for the previous year.

Teas, among plantings, enjoyed the major share of the market's attention. Of them, Chandramalais improved by As. 2½ to Rs. 3-14½ and Blue Mountains by an anna to Rs. 3-2. Emerald Valleys rallied an anna and a half to Rs. 5-8. Highland Produces disclosed a gain of As. 12 at Rs. 13-8, Parksides put on As. 4 to Rs. 17 and Periakaramalais as Rs. 214, as against Rs. 210. Devasholas, however, lost an anna and a half to Rs. 20-12½ and Nilgiri Teas an anna to Rs. 14-2.

Among rubbers, Thirumbadis were enquired at Rs. 3-14½ *cum-right.*, as against Rs. 3-7. The Directors have proposed to capitalise a sum of Rs. 3,05,100 out of reserves and issue bonus shares in the proportion of one new ordinary share for every Re. 1 of ordinary stock held to holders as on 19 June, 1954. Thamaraparly changed hands at Rs. 24 *cum-div.*, as against Rs. 23-8 *ex-div.* The Directors have recommended a dividend of 30 per cent. for the year ended 31st December, 1953, as against 25 per cent. for the previous year. Malankaras advanced by As. 6 to Rs. 37-10 and Vaikundas by As. 8 to Rs. 16. Pullangodes rallied an anna and a half to Rs. 3-3½ *cum-div.*

In the coffee section, Consolidated Coffees disclosed a gain of As. 4 at Rs. 17-12 and Coffee Lands As. 2 at Rs. 10-10. Puthuthotams were fractionally better at Rs. 3-7, while Mysore Coffees were unchanged at Rs. 1-3½.

Sugar shares also attracted good support. Indian Sugars Rs. 10 and Rs. 5 paid-up put on Re. 1 each to Rs. 28-12 and Rs. 18-8, respectively; Deccan Sugars, Rs. 25 paid-up, and E.I.D. 'A' gathered As. 4 each to Rs. 27-4 and Rs. 16, respectively. Travancore Sugars, however, lost an anna to Rs. 5-4.

Selective buying was in evidence in the miscellaneous shares. Aluminium Industries gathered As. 2 to Rs. 14-12 and Dalmia Cements As. 11 to Rs. 9-8. F.A.C.T.'s were enquired at Rs. 4-0½, as against Rs. 3-14½. Jeypore Minings were higher by Rs. 10 at Rs. 230. Travancore Cements, however, lost an anna and a quarter to Rs. 6-2 *cum-div.* Rallis were unchanged at Rs. 56 and Parrys at Rs. 4-12.

NEWS IN BRIEF

IT is proposed to build a railway line connecting Rampur and Rudrapur Kaldawani to serve the Terai colonisation area under the second Five-year Plan. The line will be 50 miles long.

The Government of India has decided to allow export of rice products like murmura, chirwa and poha, freely on trade account from the surplus States of the Punjab, P.E.P.S.U., Hyderabad and Madhya Pradesh to other States.

The Estate Duty (Controlled Companies) Rules, 1953, and Estate Duty Rules, 1953, framed by the Central Board of Revenue in exercise of the powers conferred by sections 20 and 85 of the Estate Duty Act have been printed in book form.

The Madras Legislature has passed the Madras Electricity Undertakings (Acquisition) Bill, 1954, which sought to re-enact as far as possible all the provisions of the Madras Electricity Undertakings (Acquisition) Act, 1949, except those which had been held invalid by the Madras High Court and the Supreme Court.

The Government of India has set up Deck Passenger Welfare Committees in the ports of Bombay, Calcutta and Madras. This is in accordance with the Government's acceptance of the recommendation of the Deck Passenger Committee appointed in 1950 to investigate into conditions of travel on ships, accommodating deck passengers, and to make recommendations on the subject.

A tripartite labour conference concerning the sugar industry will be held at Naini Tal on 8th and 9th June next. The subjects to be discussed include bonus for 1953-54, revision of standing orders, leave rules and provident fund. Besides, Government representatives, there will be nine invitees to represent factories and nine representatives of employees.

A sugar mill situated at Hamira in P.E.P.S.U. is being shifted to Iqbalpur in U.P. Confirming this, Dr. P. S. Deshmukh, Union Minister for Agriculture, said in Parliament last week, that the Government of P.E.P.S.U. and the Punjab were consulted before according permission to shift and they were not in favour of shifting. The ground on which permission to shift had been given was that there was no reasonable certainty of the factory getting the required sugarcane.

According to the Directorate of Economics and Statistics, Union Ministry of Food and Agriculture, the all-India final estimate of dry ginger (*Zingiber officinale*) for 1953-54 puts the current year's area and production at 47,232 acres and 14,601 tons, as against the partially revised estimate of 45,563 acres and 13,634 tons for 1952-53. The current year's estimate, compared to last year's, thus shows an increase of 1,667 acres or 3.7 per cent. in area and 967 tons or 7.1 per cent. in production.

The Andhra State Assembly has passed a Bill empowering the State to acquire electricity undertakings in the State. The enactment of the measure became necessary after a similar legislation enacted by the composite Madras Assembly was invalidated by the Supreme Court on the ground that the President's assent to the introduction of the Act in the Assembly had not been secured. Most of the electricity undertakings in Andhra have already been taken over by the Government and the Bill merely seeks to regularise this acquisition.

A new method for increasing the viscosity of linseed oil has been evolved by the Lakshmi Narayan Institute of Technology, Nagpur, under a research scheme of the Council of Scientific and Industrial Research. Linseed oil is used in varnish, paint, enamel and ink industries. For different uses, oils of different viscosities are required. The viscosity of the oil is increased through heat treatment. Generally, this treatment takes 35 to 54 hours and consumes a large amount of fuel. The new method reduces the period of operation for a particular batch to about one-sixth and, consequently, saves an appreciable amount of fuel.

The Indian Council of Agricultural Research has given a grant to the Andhra State Government for the opening of a saline rice research station at Masulipatam. Work in this station will commence next month. The object of starting this research station is to evolve suitable paddy strains for cultivation in saline soils in the State. From Nellore in the south to Visakhapatnam in the north, all along the coast in Andhra State, there are large stretches of saline soil. These stretches are, it is stated, for the most part left uncultivated or are utilised for cultivating coarse varieties of paddy which are poor yielders. At present, there are already a few saline-resistant strains of paddy and the idea behind starting the research station is to evolve new suitable varieties by hybridization experiments.

The Central Board of Revenue has brought out the eleventh edition of the *Indian Income-tax Manual*, Part I, containing the Indian Income-tax Act, 1922, as amended up to 30th April, 1954, the Indian Investigation Commission Act, extracts of all the Finance Acts from 1922 to 1954 and other Acts and ordinances relating to income-tax as amended up to date. One of the special features of this book is the revival of the procedure adopted in 1943 of giving reference to rules in the margins of appropriate sections. Further, the footnotes giving references to the changes effected by the various amending Acts are a little more explanatory than in the previous editions, giving, wherever necessary, the date from which the particular amendment took effect. It is proposed to keep this edition current by issuing supplements as and when any subsequent amending legislation is passed.

The accumulation of rice stocks in Orissa and non-lifting of the quota by State Governments formed the subject matter of a motion in the House of the People last week. In his reply, Mr. M. V. Krishnappa, Deputy Food Minister, said that the Orissa Government had declared a surplus of 260,000 tons of rice and the entire quantity had been reserved partly for the Central Reserve and the rest for deficit States. 1,23,000 tons had already been allowed to leave and the balance of 1,37,000 tons of rice remained in Orissa. It was true that the West Bengal Government suddenly surrendered a part of its quota because of improved supply position in the State. This had partly led to the present accumulation of stocks in Orissa which was further increased by record procurement. During the first three months of 1954, Orissa procured 1,80,000 tons of rice against 1,38,000 tons in the previous year. Some of the mills had not been able to cope with the heavy arrivals. In order to meet the situation the Central Government had agreed to take a substantial quantity of paddy for the Central Reserve. Movement for Madras and Travancore-Cochin was in excess of the quota. Rice was going to the Central Reserve depots of Calcutta and Hyderabad in a simultaneous movement in two directions. The movement had started and would be in full swing within a week.

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From Abroad

The Canadian Government has authorised the export of 9,850 tons of rayon wood-pulp—used in the manufacture of textiles—to the Soviet Union since 1st January, 1953.

A five-year project for research on the preservation of food by atomic radiation has been taken up by the U.S. Army. If the research is successful, atomic preservation may revolutionise food processing, packing, transportation and storage.

The U.N. Technical Assistance Administration spent $7,059,225 on its programmes last year. Some 494 experts from 50 countries were sent by T.A.A. to 54 countries during 1953. T.A.A. fellowships were awarded to 627 nationals of 78 countries and territories.

The large soda ash industry to be established in northern Holland by the Royal Netherlands Salt Industry, the State mines and other concerns, with financial help from the Dutch Government, will be completed in 1956-57. It will have a capacity of 160,000 tons per annum, as against an estimated home consumption of about 90,000 tons.

The American Synthetic Rubber Corporation, a new venture formed by a group of 29 companies, proposes to place a single bid to buy one of the Government-owned synthetic rubber plants. The Corporation has a capital of $6.6 million. Each participant will receive 500 tons of rubber yearly for every $50,000 invested.

The British Government has refused licences for export of fish factory ships to Russia on the ground that the ships can be converted into submarine depot ships in war-time. This refusal has resulted in a deadlock of the negotiations for a contract by a shipbuilder in the U.K. to build three fish factory ships for the U.S.S.R. worth $4 million in British yards.

The world's civil airlines carried more passengers during 1953 than ever before—and more safely —according to the International Civil Aviation Organisation. The number of passengers carried by scheduled airlines was 52 million over 28,000 million passenger-miles, an increase of 16 per cent. in the number of passengers over that in 1952, with 10 per cent. fewer passenger casualties.

The U.S. Foreign Operations Administration has set up a training centre for South Asian and Far Eastern technicians and officials in Tokyo, Japan. About 200 persons will study improved techniques in public health, agriculture, public administration, community development, education and industry at the Japanese centre in the next 12 months.

A British textile machinery firm will supply between 50 and 60 per cent. of the £7 million Russian order for British textile machinery. This is the largest single order in value that the firm has obtained in the face of keen competition from other European countries. Deliveries of the machinery will start towards the end of this year and will be completed by 1957. Payment, so far as the contracting firms are concerned, will be in cash.

A delegation of six German industrialists and bankers is scheduled to leave for Moscow on 7th June next to discuss general conditions of payment and other terms of future German trade with Soviet Russia. The visit is sponsored by the Eastern Trade Committee for German Industry and follows the recent German-Soviet trade talks held in Geneva. This is the first time since before the war such a delegation from Germany is to visit Moscow.

Continuing its all-out attack on world markets against overseas competition, the British motor industry exported again in April this year a large part of its rising production of cars, commercial vehicles and agricultural tractors. Notwithstanding the Easter holidays, almost 34,000 cars, only 500 less than in March, were shipped abroad. Both commercial vehicle exports at just over 11,000, and tractors, at nearly 10,350, in fact, slightly exceeded the number sent in March. More than 14,500 cars a week were made in British factories in April; the average for commercial vehicles was over 4,500.

PERSONAL

MR. Ras Imru Haile Salassie, Ambassador-designate of Ethiopia to India, arrived in New Delhi early this week.

Mr. George V. Allen, Ambassador of the U.S. to India, has returned to New Delhi after a three-week visit to the U.S.

Dr. G. Blank has been appointed Trade Commissioner of the Federal Government of Germany in Bombay. He assumed charge of his office on the 14th of this month.

Mr. Naval H. Tata, Chairman, Tata Mills Ltd., left for Geneva on Tuesday this week to attend the meeting of the Governing Body of the I.L.O. and the main conference to be held in June next.

Mr. N. G. Abhyankar, former Collector of East Khandesh, Bombay State, has been appointed Director, Division of Programming and Financial Management with the U.N. Technical Assistance Board in New York.

Mr. D. L. Mazumdar, Officer on Special Duty in the Union Finance Ministry in connection with the Company Law Reforms Committee, has been appointed officiating Secretary, Department of Economic Affairs, Finance Ministry, *vice* Mr. K. G. Ambegaonkar who has proceeded on leave.

Sir Alexander Roger, Chairman of the British Insulated Callender's Cables Ltd., will retire from the chairmanship of the Company after the annual meeting on 10th June. Mr. W. H. McFadzean, the Deputy Chairman and Chief Executive of the Company, will succeed Sir Alexander.

The following members of the House of the People have been declared elected to serve on the Committee on Estimates for the year 1954-55, commencing from 30th June, 1954.

Mr. Kamal Kumar Basu, Mrs. B. Khongmen, Mr. Radhelal Vyas, Mr. K. Raghuramiah, Mr. Balvantray Gopaljee Mehta, Mr. H. V. Pataskar, Mr. T. Madiah Gowda, Mr. Diwan Chand Sharma, Pandit Balkrishna Sharma, Mr. Mohanlal Saksena, Dr. Syed Mahmud, Mr. Upendranath Barman, Mr. Nityanand Kunungo, Mr. Nalla Reddi Naidu, Miss Annie Mascarene, Dr. Ram Subhag Singh, Mr. C. P. Mathew, Dr. Lanka Sundaram, Mr. M. D. Ramaswami, Mr. V. B. Gandhi, Mr. M. R. Krishna, Mr. Ahmed Mohiuddin, Dr. Natabar Pandey, Mr. P. N. Rajabhoj and Mr. K. Kelappan.

The following members of the House of the People and of the Council of States have been declared elected to serve on the Committee on Public Accounts for the year 1954-55, commencing from 30th June, 1954.

Mr. B. Bas, Mr. Tribhuvan Narayan Singh, Mr. Ramananda Das, Mr. S. N. Agarwal, Mr. S. N. Das, Mr. B. S. Mehta, Mrs. Ammu Swaminadhan, Mr. Khandubhai K. Desai, Mr. Amarnath Vidyalankar, Mr. S. V. Ramaswamy, Mr. Uma Chandra Patnaik, Mr. Choitharan Partabrai Gidwani, Mr. V. P. Nayar, Dr. Indubhai B. Amin and Mr. U. M. Trivedi.

Members of the Council of States: Mrs. Violet Alva, Diwan Chaman Lall, Mr. K. S. Hegde, Mr. P. S. Rajagopal Naidu, Mr. Ram Prasad Tamta, Mr. Mohamed Valiulla and Mr. J. V. K. Vallabharao.

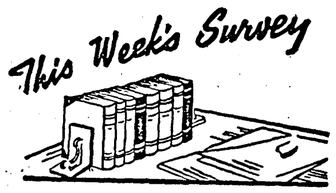
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *1st June*

Share-hawking in India

The Bombay Shareholders' Association has addressed an interesting letter to the Government of India in the Department of Commerce, on the subject of the sale in India of shares and debentures of foreign companies. In it, the Committee of the Association lay stress on the highly objectionable methods adopted by some foreign companies in pushing the sales of their shares and debentures in this country. In a recent Bombay case, in which a foreign company was involved, Mr. Justice Mirza, of the Bombay High Court, described, in his judgment, the company in question as a bond-hawking company. His Lordship found that the plaintiff company had employed a large number of sub-agents all over the country for the purpose of selling debentures and, this system had been described by His Lordship as being one which would be regarded in any civilised country as a scandal. His Lordship added that the defendant in the suit had justified his statement that the bonds which the Company were attempting to sell were worthless to their knowledge. As no official copy of the judgment has yet been obtained, we refrain from referring to it at further length. The evil effects of the objectionable bond or share-hawking practices resorted to by some companies cannot be exaggerated. They play upon the credulity of a section of the investing public, particularly the middle class and the middle lower class, who are not in close touch with the bazar and ultimately discourage indigenous investment and saving. They divert the country's surplus funds from beneficial indigenous investments to investments abroad of a very shady or undesirable nature. The Bombay Shareholders' Association do not doubt that the Government are alive to all these aspects of the situation and contend that these practices are possible owing to the unsatisfactory state of the law as it exists in this country.



POOR DEFENCE OF C.T.O.

THE Union Minister for Agriculture, Dr. Punjabrao Deshmukh, has now made an elaborate statement which is intended to be a reply to the charges of gross negligence and waste of public funds levelled against the Central Tractor Organisation by the Estimates Committee. That the Ministry was anxious to defend the C.T.O., even before the Estimates Committee's probe was completed, is evident from the fact that it set up a parallel departmental committee, the Zaidi Committee, to investigate the C.T.O.'s affairs. This compelled the Speaker to remark that it was "not correct for any Ministry whose affairs were being examined by a Financial Committee of Parliament to appoint a parallel committee, wholly or partly of members of Parliament, to examine the same matter at the same time, without the knowledge of the Committee." The Zaidi Committee, the report of which has not been published, is reported to have pointed out that "some mistakes were inevitable in an enterprise of the magnitude undertaken by the C.T.O., with no precedents and traditions." Dr. Deshmukh's statement is inspired by precisely this sentiment, for he too emphasised that "one has to pay a certain price for acquiring experience in a new field." This might be an extenuating circumstance, but hardly a justification. In any case, it is poor consolation for the taxpayer who finds that the C.T.O.'s losses, during the three years ended 1952-53, amount, on a very conservative estimate, to as much as Rs. 68.32 lakhs. The question is whether the "experience" has not been too dearly acquired. Yet another way of looking at the question is to ask whether the management in a private sector would have been permitted to commit the same mistakes without inviting the wrath of the shareholders and even Government's intervention.

Only a few of the specific charges made by the Estimates Committee have been answered by the Union Minister. Thus, the Estimates Committee had complained that the C.T.O. indulged in "indiscriminate purchase of four different makes of heavy tractors and accessories." The Union Minister's defence is that the types of tractors bought by the C.T.O. were the only types that were then available, and that they were approved by the World Bank. It is not clear whether other types were not available at that time. The Estimates Committee, however, affirms that many types "were then available in the world market outside the U.S." The Estimates Committee has also raised the point as to why "when very heavy capital expenditure was involved, no question of experiment and trial was considered" by the Ministry. To this charge, Dr. Deshmukh says that trial would have meant two years of work, and that the need to augment food production was too urgent to brook delay. Perhaps, the Minister is exaggerating the difficulties in carrying out trials. The Committee has asked why experiments, even on a "modest scale," were not found necessary. The question is whether a "modest" experiment could not have saved valuable money without, in any way, holding up the progress of the campaign for reclaiming waste land.

As regards spare parts, the Committee emphasised that "one direct result of the unco-ordinated and unplanned policy which has been followed is the accumulation of a huge surplus of spare parts, equipment and stores, etc., estimated at over a crore of rupees." The Minister's reply to this makes strange reading. More spare parts were needed, he says, because the "tractors were not designed to do the type of work for which we had purchased them." He is giving the case away. If they were not designed for the purposes which the Ministry had in view, why were they bought at all? It would appear that since the Ministry had no experience in the working of the tractors, it relied on manufacturers' advice regarding the quantum of spare parts needed. More spare parts were also bought because the Ministry decided to "err on the side of safety" in order to see that the C.T.O.'s work was not held up. Even so, it is not clear why the World Bank's advice which, he says, was followed in the matter of purchase of tractors, was not followed in the matter of purchase of spare parts. The World Bank, it is stated, had suggested the purchase of spare parts to the tune of 25 per cent. of the cost of tractors, whereas the Ministry bought spare parts to the tune of 70-80 per cent. of the tractors' cost. The Minister, however, is proud of the fact that, whereas many privately-owned tractors are not working for want of some spare part or other, such disaster has not befallen the C.T.O. Private owners of tractors, it is well to remind him, have no taxpayers' money to build up an Everest-like pile of spare parts.

MARKETING OF COFFEE

The Coffee Market Expansion (Amendment) Bill, which has been referred by Parliament to a Select Committee, is intended to ensure better co-ordination between the Board and the Government and to empower the Government to increase the present cess of Re. 1 per cwt. to a maximum of Rs. 6 per cwt. of coffee. The Chairman of the Board is to be a full-time officer, appointed by the Government. The Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, who piloted the Bill, reviewed the position of the coffee industry and indicated briefly the reasons which prompted the Government to alter the constitution of the Board.

Mr. Krishnamachari said that the lowest level of production of coffee was touched in 1946-47, when the output was 15,300 tons, whereas this year there was a bumper crop of 27,000 tons. Out of the 235,000 acres under coffee plantation, about 85,000 acres were small estates owned by 27,800 people. The average production of coffee, he said, was 8 cwts. per acre in big estates and 1½ cwts. in small estates. Normally, about 18,000 tons of coffee were consumed in the country, though the level of consumption declined to 15,600 tons in 1953. He attributed this decline to increase in prices. The floor price was Rs. 180 per cwt. and any higher price realised would go to the pool and be distributed to the producers. He calculated that, on an average, the price paid by the consumer was Rs. 225 per cwt. Any increase in the price paid by the consumer, he said, acted as a direct benefit to the producer. He added that "it stood to reason that a Board dominated by the producers would welcome an increase in the price of coffee." The increase in coffee prices affected the lower middle-class people. The Board, he contended, had done little to bring down prices. He asked the House to remember two cardinal factors: (1) Prices shot up and the determination of prices was entirely in the hands of the Board; and (2) development of the industry had not been even. The Government, he revealed, was thinking in terms of further expanding the acreage by 100,000 and raising the yield of small-sized estates from 1½ cwts. to 2½ cwts. per acre.

More than one member of Parliament raised objection to the provisions of the Bill which seek to give powers to the Government not only to appoint a Chairman for the Board—instead of his being elected—but also to nominate the members. It was argued that it would lead to more bureaucratisation of the Board. The Minister's only defence seemed to be that the Board was dominated by producers and that too by large producers. He said, in effect, that the Government ought to have greater control over the Board. Although the Government could veto any decision now, it had, he remarked, no powers to initiate any measures.

In considering the effect of the proposed legislation, it is necessary to bear in mind some distinguishing features of the coffee industry. The price of coffee in India is lower than in the world markets. It is only 30 to 35 per cent. of the world market price. In this respect, it differs from many other commodities such as silk, sugar and rubber, the prices of which are considerably higher in the Indian market than in the world market. Again, coffee is the only commodity for which there is a body (Coffee Board) which enjoys the monopoly over its sale. The Coffee Board takes over the entire coffee crop produced each year and sells it on behalf of the growers. In the Act, as it stands at present, the Central Government has to fix the maximum or minimum prices "after consultation with the Board." The Bill seeks to omit the words "after consultation with the Board," so that it is open to the Government to fix any price it thinks best. Thus, not only will the Board consist wholly of Government's nominees, but the producers are denied the right to be consulted in matters relating to price-fixation. Apart from the legal question, whether it is right for any Government-nominated body to compel producers of a relatively non-essential item like coffee, to part with their produce at a price, in the determination of which they have no voice, there might be many practical difficulties in giving effect to the Government's powers. If the prices are high, the consumers will complain. If the prices are low, the producers will suffer. The basic problem in coffee is that demand has outstripped production. No improvement in the scheme of marketing, by giving greater representation to either consumers or small producers or both, will solve the problem of high prices for coffee.

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Commenting on the debate on the Coffee Bill in Parliament, our Plantation Correspondent writes as follows:

"It is clear from the debate on the Indian Coffee Market Expansion (Amendment) Bill, 1954, in the House of the People, that the Government has not furnished adequate reasons for the far-reaching changes proposed in the Bill. The main provisions of this Bill were published in these columns last week. In his speech introducing the Bill, the Minister for Commerce and Industry referred to the fact that a considerable proportion of the acreage under coffee in India was in the hands of small growers and also to the wide disparity in the yields per acre of the small grower and big grower. He, therefore, proposed that the levy of the increased cess up to Rs. 6 per cwt., as against the existing cess of Re. 1, should be used to help the small estates to increase their production. The manner in which this help might be rendered in practice was not disclosed by the Minister.

"The Minister then went on to say how the consumer had maintained the industry when the export markets were closed during the war. He also explained how the Government had succeeded in bringing down the price of coffee to the consumer and claimed that, in the first four months of this year, the total consumption had increased to 8,400 tons. It is difficult to accept his contention that the increase in consumption during the four months is entirely due to a little reduction in price. He conveniently ignored the fact that it was the Government which was mainly responsible for the sudden rise in the price of coffee in the previous year.

"Opposition to many of the provisions of the new Bill was strongly voiced by some members. Mr. Asoka Mehta said that efforts were being made to subordinate the Board to Government and that the Board was sought to be completely emasculated. He did not know where was the necessity for the Board itself, when the Government could run it as a Government Department. He regarded the proposals in the Bill as of a retrograde character. Mr. C. P. Mathen paid a tribute to the Board's work in the past. He did not know why the growers' representatives in the Board could not be elected by their organisations. Other members also criticised the Minister's attitude regarding growers' representation, pointing out that the growers should have an important say in the affairs of the Board which took away the whole of the production of the growers.

"Mr. Krishnamachari's reply to the debate, as reported in the Press, was hardly an answer to the criticisms. He did not deal with some of the main objections to the Bill raised by the industry. As far as the question of nominations of growers' representatives to the Board was concerned, he said that the State Governments may be advised to select representatives out of panels of names submitted by growers' organisations. But he did not say why the present system of growers' associations nominating their own representatives could not be continued. Nor did he give any reasons for the proposal to give up the present practice of the Government consulting the Board before taking important decisions affecting the industry. It is difficult to appreciate the reasons for the Minister not dealing with these matters.

"It is to be hoped that the Select Committee, to which the Bill has been referred, will go into the objections raised and put the Bill into a shape in which it will be acceptable to the growers and others concerned."

PROGRESS OF T. I. CYCLES

An impressive instance of healthy development achieved by the cycle industry is provided by the performance of the T.I. Cycles of India Ltd. If the monthly average output of completed bicycles in the country has improved from 9,523 in 1951 to an impressive figure of 22,014 in 1953, such improvement is not a little due to the progress made by the T.I. Cycles. When this Company was started four years ago, it was expected that it would take five or six years at least before most of the components could be manufactured in the country. But today, in its fourth year of existence, the Company is in the happy position of claiming that practically all the essential components, except three or four, are capable of being manufactured in its factory, which was recently opened by His Highness the Maharaja of Mysore.

Much of this speedy progress would not have been possible by the mere erection of the factory or the installation of the machinery, as it depends more on the trained staff appointed to handle the machines. Training enables the workers to manufacture, as was pointed out by the Chairman of the Company, Mr. A. Ramaswami Mudaliar, in his address at its annual meeting held a few weeks ago, "those very complicated components of the cycle with precision and accuracy which alone can give strength to the cycle." Accordingly, the Company has not hesitated to have its best men trained not only by sending them to England but also by securing the services of expert technicians from the U.K., for short periods, to supervise the work going on in the Indian factory. These visits have been very valuable for the Company by enabling it to produce the Indian "Hercules" as good as its English counterpart.

Mr. Ramaswami Mudaliar, however, scents a possible danger to the progress of the industry and that is the prospect of being called upon to bear the burden of subsidising small-scale manufacturers of odd cycle components. These manufacturers appeared on the scene during the last war when there was dearth of bicycles and components. Having entered the field, they have now their own problems, and Mr. Mudaliar fears that their cries for assistance may result in the Government's compelling the organised units to buy the parts manufactured by these small-scale producers. Considering the way in which the Government has been trying to pamper small-scale industries in other sectors at the cost of organised units, the fears of Mr. Mudaliar are not unfounded. It is needless to add that any move of the kind feared by him would certainly impede the progress of this infant industry on sound lines.

EQUAL PAY FOR WORK OF EQUAL VALUE

The Government of the U.K. has decided to implement the principles of equal remuneration for men and women doing work of equal value. This principle, which was accepted as far back as in the twenties of this century, is expected to be implemented before the end of March, 1954. It will, according to Press reports from the U.K., be introduced gradually. The form it will take will depend on the result of the negotiations that will shortly commence between the Treasury and the Civil Service unions.

The Government's decision has had a mixed reception. While the labour ranks have hailed it as a welcome measure, the private employers have begun to view the decision with concern. Labour ranks aver that equal treatment of men and women as regards remuneration would facilitate the distribution of labour supply according to the capacities and abilities of workers and would promote mobility of labour in the interests of production. This is so, especially because women in the U.K. represent an integral and substantial part of the labour force.

The employers' concern at the Government's decision is based on the possible increase in the wage bill. They point out that, at a time when the need for reducing the cost of production is urgent, the present decision would impose additional financial burden on the employers. It is true, they admit, that the decision of the Government is confined only to its servants. But this, they point out, is bound to have repercussions on the private sector. Thus, there will be a demand for equal pay from women teachers and from women employed by local authorities and private enterprises. It is also possible that men with dependents who find their standard of living falling below those of women workers might clamour for increased family allowances, a fear which was responsible for the Labour Government postponing the implementation of the principle when it was in power.

The immediate effect of the decision is that about 130,000 women who are employed in the Civil Service will get a pay rise equal to the present difference between the pays of women and men for work of equal value done. Even the other 100,000 women employed in the Civil Service on women's rate for women's work may get a sympathetic increase. The implementation of the principle is estimated to cost the Civil Service £13 million and school authorities £17 million. If that is so, the cost to private enterprise, which is the largest employer of women labour, would naturally be very large.

INTERNATIONAL TIN AGREEMENT

The Government of India's ratification of the International Tin Agreement is welcomed in British circles. According to a spokesman of the British Ministry of Materials, India's position as a disinterested consumer might influence a number of other countries, which have been hesitant to participate in the Agreement, and thus make it workable. The ratification by India brings the number of countries which have so far accepted the Agreement to four, with a total consumer vote of 224. As nine consumer voters are needed with their total of 333 votes, there is still insufficient consumer signatories to make the Agreement effective. The last date for the ratification of the Agreement is 30th June, 1954.

The agreement, it may be recalled, envisages the creation of a buffer stock in tin and the allocation of export quotas among producing countries on the basis of an estimated surplus of 25,000 tons per annum. The Agreement is expected to stabilise the price of tin on a basis which will secure long-term equilibrium between supply and demand and, at the same time, ensure adequate supplies of tin at reasonable prices at all times.

Of the countries that do not desire to participate in the Agreement, the U.S. is the most important. Its attitude, which is presumed to follow the recommendations of the Randall Commission, is, however, far from being hostile and is described as "benevolent neutralism." It is true that the Agreement is also so framed as not to make its execution depend on the concurrence of the U.S. Nevertheless, it is held that the scheme will lose much of its substance without active American support, as the U.S. is the largest consumer of tin.

OFF THE RECORD

(By "ROVER")

MY lexicon tells me that etymologically the word 'bonus' in English is borrowed from the Latin. In the latter tongue it means 'good.' In the context of present employer-employee relations, very little, if any, of the original meaning remains attached to this word. Instead of indicating harmony, cordiality and well-being, it has gradually come to acquire and gather round it an evil connotation of discord, coercion and strife. Bonus has, perhaps, created more disputes and ill-feeling than any other single issue in our history of industrial relations during recent years. It is hardly appropriate to designate a veritable bone of contention, a hardly annual of evil repute, a seed of many a potent discord and active strife, as bonus, meaning something good. A subsequent reference to the dictionary on my desk has, however, enabled me to discover a grim appropriateness in the adoption of this term 'bonus' for the ex-gratia payment that an employer makes to his worker. Bonus, it says, also means a bribe. It is possibly asked for and conceded more in this secondary sense than in its primary sense of a gift as a token of goodwill.

I was led to undertake this diverting research in etymology by the Press report regarding the award in the dispute regarding 'bonus' between the Millowners' Association at Ahmedabad and the textile workers in that industrial beehive. It was given by Mr. H. V. Divatia, an Ex-Chief Justice of Saurashtra and now Vice-Chancellor of the Gujerat University. Mr. Divatia was also for a long time a judge of the Bombay High Court, but I doubt if he would want this decision of his to be taken and interpreted as a judicial pronouncement. As he has himself called it, it is an *ad-hoc* award, following no principle and laying down none. Some newspapers have called, what he has given to the workers of 22 units of the textile industry in Ahmedabad, a 'gesture bonus.' I would not call it so. A gesture indicates a state of feeling or attitude on the part of one making it. It would have this significance and some value if the millowners had given it off their own bat. There is little point and no value in an umpire making it on behalf of one of the contestants. It could not and would not, in this instance, be taken either as voluntary or spontaneous. It would, therefore, set no bones, if any were broken.

Whatever one might think of this demonstration of generosity, while admitting in the same breath that there was little in the earnings of these units to justify it, I consider Mr. Divatia's award as very valuable and its contents, taken as a whole, including the *obiter dicta*, as opportune. I do so not because it is likely to maintain peace in the textile industry at Ahmedabad. It may or may not do so. From the vehement and extravagant manner in which it has been denounced as "a cruel joke on workers" and the call given to reject it by a small section of workers there, it might quite conceivably lead to some trouble, in spite of this somewhat gratuitous gesture.

I consider it valuable and timely, because Mr. Divatia has underscored, with all the emphasis resulting from a deep study of the conditions in the industry, the present unsatisfactory nature of the law, procedure and practice of deciding whether any bonus is due, and, if so, the quantum of it. It is scandalous that, in spite of the Centre and the States passing lorry-loads of legislation for regulating industrial relations in the minutest details, it has never occurred to the benign authorities to define bonus and to lay down clear and precise principles governing its fixation. Laws are meant to avoid disputes or to settle them when they do happen to arise. Most of our recent laws have created new disputes and resolved none of the old ones.

Love for fractious litigation has been accepted as one of the main causes of rural poverty in our country. Not content with this evil trait in our character, the authorities themselves have helped to import this spirit in our towns and cities, in order, perhaps, to bring them on a level with the ruined countryside. It is little use striving strenuously for securing peace in industry, when, with every new Act you put on the statute book, you create a vast new field for unending disputes for compulsory adjudication. A cynic might justifiably aver that it would be kinder to let the score be settled once for all by a clean fight than to create conditions which would perpetuate bickerings and feed the fire of ill feeling. While I do not subscribe to this counsel of desperation, I do feel tired of the present state of suppressed hostility seeking numerous outlets and vitiating the atmosphere necessary for peaceful and plentiful production.

The trouble with our overwhelming volume of legislation on industrial relations is not necessarily confined to the question of bonus. Both the psychological and economic effects of hurried enactments, for a hot-house improvement in the standard of life of the workers, have tended to arrest industrial expansion at the cost of millions of people who, every year, attain the age for work and for whom it is necessary to earn their living. This has aggravated the problem of unemployment and brought about frustration and disillusionment for countless youths, at the very threshold of their working life. This is by no means the right way of breeding good citizens and it is the next generation which will have to pay the heavy price for turning our bright lads and bonny lasses into twisted and tortured souls.

It is time our public leaders, as well as the vast army of unemployed in search for a living of sorts, realised that every additional anna which is being given to the workers in jobs today is not at the expense of the industrialists, but at that of those who are out of work or who have never known gainful employment. How does it help a man who is starving, if his brother, who already has a loaf, is given a savoury to make him relish his bread better. The time for distributing wealth is after it is produced. It is poverty and hunger we have to distribute equitably today, not wealth. Our distribution of poverty, even amongst the limited ranks of the poor, is becoming monstrously inequitable and grossly unjust. If our Governments and the labour leaders believe that adding burdens on industry for workers' welfare in any way pinches the wealthy, they are grievously mistaken. All that they are doing, in the present circumstances, by this ill-conceived policy is to pinch the consumers to whom the burden is passed on and to arrest expansion, thereby closing the door for employment of the out-of-work. While the gain for the few is illusory, the hurt for the many is very real.

In this connection, I have just received from a kind friend a cutting from the *New York Times*. I learn from it that conditions in Cuba in this respect are very similar to our own. They too need new investment and new industries to solve their problem of growing unemployment. Not unlike us, they in Havana had also rushed headlong towards welfare legislation after the war. They have, however, discovered in time that the atmosphere which resulted from this was an obstacle to industrial expansion. The Government, after listening to the representatives of industry and the workers, have proposed revolutionary modifications of the existing labour laws. The right to dismiss workers, long denied to employers in Cuba, is soon to be restored as a part of the proposed change. Enlightenment does come to every one in the end. Some can sense a tornado from the flight of a straw. Others, less wary or more obstinate, wait for the proof till they are overtaken by the storm. All a poor scribe can do is to congratulate Dr. Carlos Saladrigas, Minister of Labour at Havana, and to lament for the lack of forethought and foresight of our own popular leaders.—*All Rights Reserved.*

INDUSTRIAL DEVELOPMENT CORPORATION

SOME UTOPIAN PROPOSALS OF ESTIMATES COMMITTEE

(From A Special Correspondent)

NEW DELHI, *25th May*

THE much dreaded North Indian summer has descended on the capital this week. The mercury has been hovering between 110 and 113 degrees during the peak period of the day. The incessant heat waves have been making life extremely unpleasant and driving the citizens away from the main thoroughfares during noon and early afternoons. Perhaps being unable to stand the strain caused on account of an enervating summer, members of Parliament left immediately after the close of the Budget session for their respective home towns. The official exodus has also begun in right earnest, the first to set the example being the President of the Republic who has left the Capital for salubrious Simla for a five-week sojourn. The Prime Minister has followed him for a week's stay in that Himalayan hill station while the Finance Minister, always bent on business, has also left Delhi for Bombay and other places in order to make a personal study of the progress of the Five-year Plan in a number of States. He is likely to return to the Capital some time at the end of June. It is likely that many other Central Ministers will be leaving the Capital in the next few days, under one pretext or another, mainly to avoid the rigours of the summer. The top-ranking officials will not also be immune from the contagion of the summer exodus. Since the closing of schools generally synchronises with the advent of the summer here, the lower rungs of officialdom have also developed a tendency to be out of the Capital during the worst part of the summer. This is borne out from the fact that the railway authorities have been compelled to resume the *Janata* service to the South, which had remained suspended for the last few months.

DELHI LETTER

A start has been made by the Government of India this week in connection with the establishment of an Industrial Development Corporation, as envisaged by the Minister for Commerce and Industry. Mr. Boothalingam, until now Joint Secretary of the Ministry, has been promoted as Special Secretary to look after the work of this Corporation and to give it practical shape, especially in its initial stage. It is likely to take a couple of months before the skeleton of this organisation is completed. In the next few days, the Corporation will be formally registered with a capital of Rs. 1 crore. Immediately after this the Directors of the Corporation will be chosen, who will be asked to select for public ownership and expansion, such of those industries as could not attract private capital and initiative. It is likely that this Corporation will try to attract foreign participation in the capital structure of the new industries that are proposed to be established, as also the technical know-how. Although it is now proposed that the Government should hand over the entire structure to private enterprise after a few years when the industry becomes fully established, it is extremely doubtful that Parliament will give its consent to such a proposal, now that the sphere of the State in the economic life of the nations has more a tendency to expand rather than to contract, and since the managing agency system has not found favour among some sections of the public as a fit organisation to continue to adorn the mantle of industrial leadership in the present-day industrial world, it is very unlikely that the new industries nursed by the State would be handed over to it.

Commercial and Industrial Services

The successful development of the Industrial Development Corporation pre-supposes a well-knit organisation to manage State enterprises not only in a businesslike manner but also with utmost efficiency and speed. In order to fill up this lacuna as it were, the Estimates Committee has recommended the setting up of an Indian Commercial and Industrial Service to look after State undertakings. The Estimates Committee is of the view that the personnel to man this cadre should be drawn from business, commerce, industry and trade. It further adds: "The present practice of appointing officers from Services either on the Board of Directors or as Managing Directors should be done away with, and in any case, the Secretary or the Joint Secretary of Ministries who are concerned with advising the Minister or Government on matters of policy and otherwise to keep effective control on the various activities of the Ministry should not be associated with the day-to-day execution of their policies either in connection with State undertakings or otherwise." It may be mentioned that for some time past, the Government has been considering the establishment of two Services called the Economic and Statistical Service and the Industrial Management Service. A definite decision has not yet been taken in the matter, and now that the Estimates Committee has also favoured the above proposal, it is hoped that Government will expedite the constitution of this Service. The Estimates Committee has laid down a number of fundamentals for the efficient and proper running of State undertakings. There should be a separate Board for each industry, the directors of which should be reputable people in their line. The Comptroller and Auditor-General is asked to issue instructions in regard to the maintaining of proper accounts. Another useful recommendation is the setting up of an Institute of Costs and Works Accountants for the purpose of training a sufficient number of men in this line with the modern and up-to-date methods suited to the various types of undertakings. Besides, with a view to improving the efficiency of the governmental work, the Estimates Committee has stressed the need for the constitution of a Standing Civil Establishment Committee consisting of representatives from different Ministries to see that there is no overlapping or duplication in the functions assigned to different Ministries and undertake a review of the strengths of the Ministries and Departments of the Government of India every three years, suggesting increases or decreases in the number or rationalisation of their duties and improvement in methods of work and the like. The Committee should also examine periodically the structure of pay scales of the various categories of staff, etc. If this scheme is implemented, it will lead to greater efficiency in administration and bring about uniformity of approach to staff problems, methods of procedure, quantum of work done by the employees, and avoid duplication or waste. Another important recommendation suggested by the Estimates Committee is concerned with the setting up of an expert organisation for purchasing goods abroad for Government requirements. It does not favour the principle of purchase organisations being run as part of Government Department or as consular offices in the U.K. and the U.S.

Ceilings on Salaries in Private Concerns

These apart, many of the recommendations and suggestions of the Estimates Committee are either conventional or completely utopian in character. When it has recommended that early steps should be taken to examine the question of prescribing the ceilings on salaries in private employment, consistent with the policies and principles adopted for public service, it has allowed itself to tread on slippery ground. This is impracticable, to say the least, since it is not only the question of demand and supply but the enforcement of such things is beyond the practical possibilities of Government. There is not also any notable precedence in this respect in any of the democratic Governments. Further, why should Government lay down a scheme along the rationalisation of salaries in private sectors, qualifications and other conditions of employment for various services, etc. Again, when the Committee has desired the nationalisation of the Imperial Bank, it has put on the mantle of expert financiers, for which task the members are least qualified.

(Concluded from next column)

employees of this size, that it cannot possibly do any harm to the relations between employees and management, and that it may have the effect of strengthening staff loyalties. In any event, they have been very wise in attaching no strings to their bonus, and in letting the merits of the scheme bring their own reward. Other industries will await with interest reports of the Directors on the effects of the operation of the scheme which may quite easily be a forerunner of numerous similar attempts by other industrial giants.—*All Rights Reserved.*

I.C.I'S SCHEME FOR SHARING PROFITS

NO STRINGS ATTACHED

(From Our Own Correspondent)

LONDON, *22nd May*

THE classical example of profit-sharing in British industry up to date has been the famous John Lewis Partnership. It was not at all uncommon after the war to hear of many cases of "demobbed" officers who announced proudly that they had now become partners in a large department store. But the John Lewis Partnership adopted the technique of the benevolent despot. They did good but it had to be in the way that the management and Mr. John Lewis, in particular, thought desirable. Although profit-sharing in some form or other has been tried by many small industrial concerns, it has in no other case been adopted by a really substantial enterprise and the experiment which Imperial Chemical Industries is undertaking is a piece of pioneering work.

LONDON LETTER

From the point of view of the I.C.I. shareholders, they are, in practice, increasing the wages of the employees by one per cent. for every one per cent. by which the actual dividend exceeds a datum figure of five per cent. Looked at this way, the cost cannot be regarded as great, since that one per cent. increase might easily have been claimed in other directions and it is in any case a very small price to pay if the objective of the Directors is realised, which is to give a greater identification of interest between employees and shareholders.

The exact form of the proposal to share profits is to issue bonus shares to the employees in the ratio of one per cent. of their annual earnings less tax for every one per cent. by which the dividend exceeds five per cent.; the payment to be made after deduction of tax in the same way as if the bonus were wages. Where the sum provided is not enough to purchase a minimum of 25 £1 shares, then it is put aside in a fund until it is sufficient for this purpose. The shares have themselves to be bought on the market at market prices and the employee is left free to do whatever he wishes with them, that is, to sell them and spend the proceeds, if he wants. For its part, the Company expects to have the payments rank as allowable expenses for Income-tax in exactly the same way as if they were wages. That is why the scheme is essentially one for paying additional wages *pro rata* to the increase in profits, but paying these wages initially in the form of shares. If an employee is not particularly interested in remaining a shareholder in I.C.I., he can sell the shares, and the test of whether or not the scheme is achieving its purpose can only be judged by the percentage of retention of shares by the employees.

As a matter of interest, the five per cent. which has been selected as the datum above which the bonus is paid is calculated after the capitalisation of some £80 million of reserves. Clearly I.C.I. want to be in no danger from any take-over bids. The capitalisation of these reserves will in effect double the capital and make a future five per cent. dividend equivalent to a current 10 per cent.

As far as the employees are concerned, the merit of the proposal is that they are being given without any strings attached. It is a straightforward increase in income to match a given level of profits; and, since I.C.I. is a Company from which one can expect relatively stable *dividends*, there is not the danger from which so many schemes suffer that employees tend to accept the bonus as part of their wages and to treat it as a cut in wages if the bonus does not materialise because there are not sufficient profits. But the fact that the bonus is paid in shares instead of in cash is a further safeguard underlining the fact that the payment is something separate from the ordinary wage payment.

As far as the Company is concerned, they have always believed in individual incentives—as, indeed, does every progressive industrial concern in England today—and nearly half of I.C.I.'s pay-roll benefits from incentive schemes. It would be pointless to look for a precise result from the incentive payment. The I.C.I. Directors are no doubt taking the sensible view that the Company can afford a bonus payment to its

(Continued in previous column)

PAKISTAN NOTES

COMMISSION TO ENQUIRE INTO LABOUR UNREST AT NARAYANGANJ

U.S. AID WILL NOT AFFECT COTTON TRADE WITH CHINA

THE East Pakistan Government has decided to appoint a three-man enquiry commission, comprising a judge of the Dacca High Court, an official of the rank of district judge and a non-official to go into the causes of the recent rioting in the Adamjee Jute Mills at Narayanganj. The managers of the two mills of the Company, along with two other officials of the mills, have been arrested in connection with the riot.

American Embassy sources in Karachi are reported to have stated that the U.S. military aid to Pakistan "does not affect" Pakistan's current cotton trade with Peking. The above statement was in reply to queries from business circles on a clause in the agreement which reads: "In the interest of their mutual security, the pact was designed to control trade with nations which threaten the maintenance of world peace." Business men were naturally anxious to know whether the clause would have the effect of stopping their dealings with China. During the last few years, China has been importing 200,000 bales of cotton out of Pakistan's annual average production of 1,500,000 bales. The statement of American Embassy sources is in contrast to the attitude of the U.S. towards Ceylon, which was recently reported to have been told by the U.S. that if it stopped exports of rubber to China, the U.S. would give economic aid to it.

The Pakistan Government is still examining the question of concluding a new trade agreement with India. This was disclosed in Parliament during question hour on Monday this week by the Pakistan Education Minister speaking on behalf of the Commerce Minister. The three-year agreement with India covering jute and coal concluded in March, 1953, is still valid. He said that the one-year agreement covering minor commodities signed was extended upto 30th September, 1953, on condition that Pakistan would issue import licences only for the items which conformed to its general import policy. Pakistan, according to the Minister, asked for further extension of this agreement upto 31st December, 1953, on the same conditions, but India did not agree and insisted that import licences should be issued also for certain items which were not being licensed under Pakistan's general import policy, but were included in the agreement.

An Industrial Research and Development Centre will shortly be established in Lahore. This is in terms of the agreement signed between the Government of Pakistan and the U.S. Foreign Operation Administration. The former will spend Rs. 11.36 lakhs and the latter will contribute $727,000 towards this project. The Centre will cater to the needs of small-scale industries by the supply of reliable tools and dies, designing and improvement of manufacturing equipment, training of technicians in modern production methods, etc. The owners of small industries will send one or more of their personnel to the Centre for specialised training, in order that the industrial units can acquire the knowledge of new methods and techniques. The trainees will manufacture tools, dies, jigs, spare parts and other necessities of small industrial firms. These products will be made available to industries at cost price.

Pilot production plants for various purposes will also be installed at the Centre in due course and will be available for demonstration and sale to small *entrepreneurs*. The Centre will also provide technical, managerial and marketing advice to private industries, while hoping to increase the technical skill of workers, particularly in those trades in which there is an actual shortage. Besides, it will carry out research in the use of raw materials and the development of new processes in the manufacture of consumer goods for the common man.

At present the Centre will be staffed by Pakistan instructors with advisers from the U.S. The latter will be furnished under contract with one of the outstanding non-profit industrial research organisations in the U.S. like the Armour Research Foundation. It is expected that a similar centre will be established shortly in East Pakistan.

Another important step towards rapid industrialisation of Pakistan is the proposal to set up a power development corporation with the object of providing cheap power for industries. This was announced by the Minister for Industries in Parliament last week. Parliament has allowed the Pakistan Industrial Development Corporation to develop power from gas and Sui field, which will be distributed by the Sui Gas Transmission Company. The transmission project will cost £10 million. The World Bank has agreed to provide £5 million. The balance will be provided by the Pakistan Industrial Development Corporation, Burmah-Shell Oil Company and Commonwealth Development Finance Company. This Sui Gas Company, which was incorporated a few weeks ago, recently placed a contract with a British firm for laying 350 miles of seamless pipe for the gas transmission line. The value of the contract exceeds £2 million.

A large consignment of machinery for the Tanharabad Sugar Factory has been received. The factory is expected to do its first crushing in November this year.

About 8,400 tons of cement have also been received from the U.K. for use, mostly in the construction of the shipbuilding yard at west wharf, Karachi, and the cement and fertiiser factories at Dandkhel.

The Governments of Pakistan and the U.S. have signed an agreement providing for the construction of modern facilities for storage of foodgrains in both East and West Pakistan. The Government of Pakistan will contribute Rs. 24 lakhs and the U.S. $1,485,000 towards this project. It is proposed to construct three steel silos each of 10,000 tons capacity at the ports of Karachi and Chittagong and at Lyallpur. The construction of these three silos will form the first step in a programme of building a network of modern storage facilities throughout the country. The modern storage elevations are claimed to provide for foodgrains safe storage over a long period. They are equipped with mechanical cleaning equipment which will improve the quality of grain and make the surplus more marketable as well as enable carrying over the surplus to periods of scarcity. It has been decided by the Government to keep a national reserve of at least 500,000 tons of wheat in West Pakistan and 100,000 tons of rice in East Pakistan. The storage facilities will be made available both for grains purchased on Government account and for those bought on private account, so that there will be a constant supply of grains to the people of the country.

The erection of modern storage facilities for foodgrains is an indication that the country not only has overcome successfully the food crisis that faced the country last year, but will soon have a surplus of food. This prospect has also been responsible for the current conversion of the "Grow More Food" Emergency Committee, appointed in April, 1953, into an Agricultural Development Committee. The functions of the latter Committee are more varied than those of the former. The Committee will look after all aspects of agricultural economy of the country, including increased production of food and cash crops as well as the development of livestock, poultry and fisheries.

Pakistan and Saudi Arabia, it is stated, have entered into a special payments agreement for promotion of a greater volume of trade and increasing the number of pilgrims for Haj. Under this agreement, Saudi Arabian Government will not convert the foreign exchange carried by Pakistan pilgrims into sterling as hitherto, but will use it exclusively for import of goods from Pakistan. The agreement has been entered into in order to meet the request of a large number of Pakistani pilgrims to perform Haj and of the Arabian Government to receive a large number of pilgrims. Due to shortage of sterling, the Pakistan Government has so far not been able to send all the pilgrims desiring to do so for Haj, but, with the present arrangement, it will not only be possible to send a large number of pilgrims but to enlarge its export trade with Saudi Arabia.

DEVELOPMENT OF KENYA

U. K. TO FINANCE

WITHIN the next decade or two, the African farmer should become Kenya's major producer of coffee, pyrethrum and pineapples. This is the expected result of a scheme to increase both acreage and production of cash crops in the colony. The scheme forms part of Kenya's new five-year plan to intensify African farming by employing the £5,000,000 loan that Britain has provided for the purpose. The cash crop scheme, the biggest single item in the plan, is expected to use more than £1,000,000 of the British loan. Other projects under the plan aim at bringing more wealth to the pastoral tribes of the semi-arid districts like the northern frontier, which constitute two-thirds of the colony's area. These pastoralists now own most of the 6,000,000 head of cattle in the territory. A target has been set of increasing the value of cattle from between 30s. and 50s. each to as much as 200s. and 300s. each.

As a result of a recently conducted survey, it is considered that no vast areas of Kenya remain to be settled. In fact, in the semi-arid areas, wherever population or stock increase above the optimum, denudation and near-desert conditions are created. Large irrigation schemes are contemplated under the five-year plan. These involve the spending of over £500,000 on irrigation surveys and works, of which Nyanza, Central and Southern Provinces each would have £150,000 of the total.

The grand total of schemes to exploit more fully the colony's water resources adds up to £1,764,000, but over four-fifths of the money will come from Kenya's own finances. Included in the water resources scheme are such items as £300,000 for two new dam construction units to serve Rift Valley and Central Provinces. £260 000 for more boreholes and water pipelines and £420,000 for rural water and irrigation development (surveys and planning).

Most of this money is expected to come from the increase in cash crops. Fluctuations in crop prices make it difficult to gauge the likely extent of this new-found wealth. But its aim is the raising of the surplus output of some 600,000 African families from around £10 a year to £100 or more apiece—a jump from £6,000,000 a year to £60,000,000 in production from the most fertile parts of Kenya.

In detail, the plan for the phased development of cash crops in the African areas involves five main crops—coffee, pyrethrum (for insecticides), tea, pineapples and sisal.

Coffee: Coffee is to be expanded in five years from the present 4,000 acres to 18,000 in 1958, and 43,000 in 1966, with a possible 71,000 in 15 years' time.

If the planting target of 71,000 acres is achieved, the crop should yield from 15,000 to 20,000 tons of cleaned coffee a year additional to Kenya's present crop of 10,000 to 12,000 tons, raising the export value of African coffee to £1,500,000, assuming a low price of £100 a ton or as much as £4,500,000 at £300 a ton.

Pyrethrum: The pyrethrum flower which is in demand for the manufacture of insecticides is suited to high altitude cultivation and can be grown over a large area of the African lands of Kenya. Over the next 10 to 15 years, the present African acreage will be increased from 1,300 to 48,300, produced by 96,000 growers. Should the total area be fully developed, it would yield 10,000 tons of dried pyrethrum flowers valued at £1,800,000 as compared with the present total Kenya production of 2,500 tons.

Tea: Because of the high cost of tea factories, the plan contains a warning that tea growing by Africans must be approached with the greatest caution and allows for a development of only 12,000 acres in the next 15 years out of a potential 70,000 acres.

Pineapples: The aim is to expand the pineapple-growing area from its present 3,000 acres to 15,000.

Sisal: Sisal is already a flourishing industry, and the five-year plan aims at considerable expansion. Seven schemes are envisaged, and when all are in full production they will turn out between 8,000 and 10,000 tons of sisal a year worth about £700,000 or more.

These are the major cash crops to be encouraged in the African areas but other proposals are under consideration for crops like sugarcane, cotton, tobacco, maize, pulses, rice, oilseeds, horticultural crops and coastal tree crops.

Out of the £1,025,000 which is to be spent on the cash crop drive within the next five years, the biggest single item will be the three sisal factories aggregating £350,000, but staff to develop the cash crop programme will cost some £384,000. An expenditure of £50,000 is budgeted for "bird control" for the benefit of the rice-growers, while £80,000 will be spent on tea nurseries if the pilot scheme at Nyeri proves a success.

IMPLEMENTATION OF BANK APPELLATE TRIBUNAL'S DECISION DEFERRED

A BANKER'S ASSESSMENT OF THE EFFECTS

THE Government of India has done well in postponing action on the decision of the Labour Appellate Tribunal (Banks), announced on 29th April last, for the repercussions of the Tribunal's decision on the country's economy when implemented will be serious enough to merit calm and careful consideration. Under section 15 of the Industrial Disputes (Appellate Tribunal) Act, 1950, the Government have the power to give effect, if it thinks necessary, to the whole or part of a tribunal's decision or to modify it. But such modifications should be made before the expiry of 30 days from the date on which the Tribunal's decision is pronounced; otherwise, its decision becomes enforceable. The Government feels that this period of 30 days given to it by the law to make up its mind on the various aspects of the Tribunal's judgment is not adequate. It has, therefore, decided to issue an Ordinance amending the section 15 above so as to extend the period of 30 days by a further three months. Ordinarily, the Tribunal's decision should have come into force on the 27th inst. by when the period of 30 days granted to the Government to express its views would have been completed. Now that the period has been extended by three months, the Government must come to a decision by 27th August next, unless it decides to take more time in the meanwhile. Pending the Government's final decision, the existing position in regard to salaries and other conditions of service of bank employees will remain unchanged.

Evidently, the Government does not want to take a hasty decision on the vital issues involved in giving effect to the award. For the Tribunal's judgment covers a very complicated dispute, the adjudication of which required the establishment of three different tribunals presided over by three judges, namely, Mr. K. C. Sen, the late Mr. S. Panchapagesa Sastry and Mr. F. Jeejeebhoy. It may be noted that the Sen Tribunal was appointed in June, 1949, but its award was declared void by the Supreme Court. Thereafter in January, 1952, the Sastry Tribunal was constituted. The award of this Tribunal was published in April, 1953, but both banks and employees were dissatisfied with it and went in appeal to the Appellate Tribunal presided over by Mr. Jeejeebhoy which pronounced its verdict on 29th April last. Thus, the adjudication of the dispute has taken, in all, a period of five years.

Protracted Settlement of Disputes

This protracted settlement of the disputes between employees and managements of banking companies underlines the difficult nature of the issues and their far-reaching importance. Besides, the Appellate Body's decision affecting, as it does, a very important sector of the country's economy and a large number of banking companies, cannot be dealt with in a hurried manner. And in taking its decision on the various aspects of the Tribunal's judgment, the Government can ill afford to overlook its effect on the cost of banking service and the capacity of banks to build up reserves for meeting future contingencies. Further, the Government will have to consider the repercussions of the Tribunal's verdict on the other employment sectors where persons of comparable qualifications are engaged. If this verdict were accepted and implemented, it could encourage demands for higher salaries from the staff in Government offices and other commercial establishments, thereby giving fresh fillip to the vicious spiral of wages, cost and prices. The country cannot afford the cost of this chain reaction at a time when the sellers' market is a thing of the past and when its industries have to sell their products in highly competitive world markets. It may be noted here that, in other parts of the world, cost of bank credit is declining following lower bank rates. Here the cost of banking service would increase if the award were to be enforced. In the circumstances, the power sought by the Government to extend the period for the consideration of the Tribunal's decision by three months is quite justified.

It is reported that the Central Cabinet which went into the details of the Tribunal's decision and its possible repercussions on bank finance has appointed a Cabinet Sub-Committee to examine the various implications and suggest the lines on which it should be modified in the interest of the economic well-being of the country as a whole. This development follows the strong representations made to the Government on behalf of the business community as well as of the banks. Last week, the President of the Indian Banks' Association, accompanied by some of the leading bankers, paid a flying visit to the capital and submitted to the Finance Minister a clear picture of the effects of the award on the banks, in particular, and business in general. This was followed by an interview with the Finance Minister by Mr. B. M. Birla, President of the Federation of Indian Chambers of Commerce and Industry. Mr. Birla is reported to have expressed grave concern at the prospects of an increase in bank charges and a curtailment of banking facilities, should the award be implemented in its present form. The business community is strongly of the opinion that, if these prospects were to materialise, the entire area of commercial and industrial activity would be affected. It is also claimed by knowledgeable sources that the Reserve Bank, too, concurs with the views of banks. It seems to have good reasons to feel that if the Appellate Tribunal's decision were to be implemented the expansion of banking service would receive a serious setback.

Entire Economy Affected

It will thus be seen that the question is not one which concerns the banks and their employees alone. It vitally affects the entire economy. The Government is, therefore, fully justified in wanting to examine the possible consequences with great care. Banking employees will no doubt realise that their welfare is dependent upon the progress of the country as a whole, and that they should not insist upon a scale of emoluments which is not in consonance with the country's general economic conditions and which will retard its progress. They will also appreciate that the Government is not treating their case in any light-hearted manner, as witness the fact that it is being considered by a Cabinet Sub-Committee. That, in taking time to consider the Appellate Tribunal's decision, the Government is not showing any partiality towards the employers will be clear from the fact that, in the past, this very Government compelled the banks, through special legislation, to follow the directions of the Sen Award in the matter of emoluments to staff, even though that Award was declared null and void.

The public still has only a vague idea of the effects on banks of the Labour Appellate Tribunal's verdict on the Sastry Award. We, therefore, give below an extract from a careful assessment of these effects made by Mr. B. T. Thakur, General Manager of the United Commercial Bank Ltd., in a detailed memorandum circulated to Cabinet Ministers and others:—

"Labour Appellate Tribunal's award directly affects clerks and subordinate employees in banks, but its indirect effect will be to create discontent amongst junior officers of banks, who, at the present moment, are getting less than the maximum provided for the clerical staff or slightly more than the maximum. Banks will have to upgrade terms of employment of their assistants and junior officers, who have been loyally and faithfully carrying on the burden of responsibility in banks.

Burden Increases

"It is estimated that implementation of the Award will increase establishment expenses by 15 per cent. over their existing establishment charges, taking consequential increases to assistants and junior officers. Total establishment expenses of Indian Scheduled, Non-scheduled and foreign Exchange banks, during the year 1952, as given on pages 17, 18 and 19 of the *Statistical Table Relating to Banks in India*, published by the Reserve Bank of India, amounted to nearly Rs. 17 crores. The figure for 1953 is not available, but that will probably be at least 2 per cent. more than the 1952 figure, or, in other words, the 1954 expenses, on the basis of the Award, would be 17 per cent. more than the 1952 establishment expenses. In terms of money this would mean an increased burden on banks of the order of Rs. 2.89 crores.

"The establishment expenses of banks in 1948, according to the Reserve Bank's publication, referred to above, were Rs. 12.86 crores. In the four years 1948-52, there was an increase in these expenses of the order of Rs. 4.14 crores or 32 per cent. The estimated expenses for 1954 under the Labour Appellate Tribunal's Award, will show an increase of over Rs. 7 crores since 1948 or an increase of 58 per cent. No business can bear such a heavy increase.

"These figures of mounting establishment charges do not tell the whole tale. No bank makes provision for gratuity payable to its 'staff,' in its annual establishment charges. If this were made, expenses would be higher. Estimated increases given in the preceding paragraphs are in this sense underestimates.

Net Profit Falls

"The net profit of Indian Scheduled banks, Exchange banks, and Non-scheduled banks in 1952 was Rs. 11.6 crores. In arriving at this figure no provision is made for payment of gratuity on actuarial basis nor is adequate provision made for depreciation in the value of Government securities held or investment by banks. If these provisions were made, the real figure of net profit would be less. Figures for 1953 are not available, but it is estimated that the profits for 1953 would be down by about Rs. 1 crore. Assuming that conditions for profit of banks for 1954 remain the same as in 1953, the increased establishment expenses due to the Labour Appellate Tribunal's Award, would mean reduction in profit by Rs. 2½ crores on the 1953 figure. In other words, the net profit of banks which stood at Rs. 13 crores in 1948, Rs. 11.6 crores in 1952, and is estimated at Rs. 10.6 crores in 1953, will further dwindle to Rs. 8 crores in 1954 or even less. Apart from such serious repercussions which this fall in profits will have on the price of banks' shares and stability of banks, this will mean a deterioration in income-tax receipts of the Government of India to the extent of about Rs. 1.50 crores on the 1952 basis. Establishment expenses of banks in India, as compared to their deposits and their gross profits, are much heavier than even in the richest country of the world, the United States of America. In 1952, establishment expenses of Indian Scheduled banks worked out to 1.8 per cent. on their deposits, as compared to only 0.84 per cent. in the case of American banks. From the point of gross profit, establishment expenses of Indian Scheduled banks absorbed 50.86 per cent. of such profit as compared to 33.1 per cent. in the case of American banks. These percentages, in the case of American banks, have remained practically unchanged during the five years 1948 to 1952, but in the case of Indian banks, they were in 1948 only 1.09 per cent. and 44.81 per cent, respectively, showing that the load of establishment expenses on deposits has increased by 65 per cent. and in point of gross profit they absorb 14 per cent. more. Banks in India have already been working on very thin margin, and this would again become much thinner as a result of the Award, endangering the very stability of banks. Banks are subject to substantial losses due to adverse events in market conditions and sudden depreciation in the value of their investments. The capacity of banks to bear such shocks, which is already low in India, would further deteriorate as a result of the Appellate Tribunal's Award.

Costs of Banking Services Will Rise

"To meet the increased burden of establishment expenses, banks may have regretfully to increase their charges for banking services to the public. Such increase would no doubt be borne by industry, merchants, consumers, exporters, etc. On account of decreased activity, it may mean even decrease in exports because export market is highly competitive. At a time when money rates are being deliberately reduced in the world money market, the latest being a fall of ½ per cent. in the Bank of England rate which is now 3 per cent., increase in bank charges would adversely affect production, employment and payments of balance position. No doubt, such increase is to be regretted, but the banks have no other alternative.

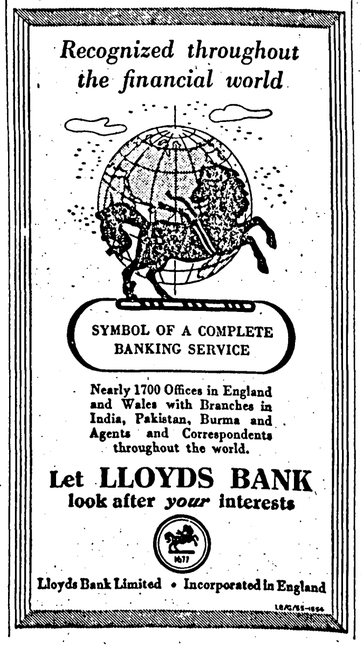
"Another result of the implementation of the Labour Appellate Tribunal's Award would be that banks will not only not open new branches so necessary for the national economy, but they will have to close down several of their existing branches, which will reduce facilities of banking services to the public and throw out of employment thousands of men. Exact particulars are not available, but it looks that on the basis of 10 per cent. closure, nearly 400 offices of banks, out of 3,900 at the end of 1952, may be closed. Assuming 10 employees on an average, are employed at each of these branches, nearly 4,000 people may be thrown out of employment. Over and above the people actually working at these branches there will be surplus, due to closure, in the supervisory and inspection staff; and the number of men to be retrenched may be anything between 6,000 and 10,000. India needs tremendous expansion in banking activities and enlargement of avenues of employment. Not only both these objectives would be completely frustrated by the Award, but on the contrary there would be worsening in the present position.

"Recommendations of the Rural Banking Enquiry Committee could not be implemented because of heavy establishment charges imposed by labour awards. Banks and business men alike represented to the Shroff Committee that emoluments of bank clerks and subordinates were beyond the capacity of banks and the present condition of the country's resources. The Appellate Tribunal's Award has made the position much worse. If this Award continues, the recommendations of the Shroff Committee will be equally infructuous. The Five-year Plan will itself be in danger, let alone the difficulties of the private sector, which will be further accentuated."

It will be seen from the foregoing extracts that Mr. Thakur has based his calculations on facts collected by the Research Department of the Reserve Bank and that as such his conclusions are not just wild conjectures.

In the introduction to the memorandum, Mr. Thakur pertinently points out that "it is a mistake to consider clerical employment in banks as industrial employment. Clerks are far superior in education and intelligence to workmen in factories. In factories and mills a workman remains a workman all his life. In banks, it is gathering of experience from days of clerkship upwards, so that personnel may be built up through actual work and experience. This process of building up competent bankers, with a sense of responsibility, is completely frustrated by application of labour legislation to banks which has removed incentive and created laziness and indiscipline."

He, therefore, concludes that industrial legislation should not be applied to banks.



PROSPECTS FOR EXCHANGE CONVERTIBILITY

The adequacy of monetary reserves for convertibility and ways for supplementing them are discussed in a staff paper presented by the I. M. F. to the U.S. Commission on Foreign Economic Policy. After discussing the progress already made towards relaxing discriminatory import restrictions and, to some extent, towards the convertibility of other currencies into U.S. dollars, the question is raised whether the U.S. Government would be prepared to grant special stabilisation credits to the United Kingdom and, perhaps, to a few other Western European countries. The basic purpose of such credits, according to the authors of this paper, would be not to finance dollar deficits (except perhaps those that might temporarily be associated with the introduction of convertibility itself), but to strengthen confidence in the convertible currencies, and to discourage speculative pressure at subsequent periods of temporary balance of payments setbacks and thereby to minimise the possibilities of a breakdown of convertibility or of a tightening of import restrictions.

The concept of adequacy of reserves can have meaning only within a framework where there are occasional temporary fluctuations of a self-reversing character in the balance of payments of a country which is in a fundamentally "strong" or balanced payments position. Every country has a certain "rockbottom" level below which it will not normally allow its reserves to fall; but after allowance for "rockbottom" needs, reserves to be adequate must be sufficient not only to finance the current deficits that might periodically arise, but also to maintain confidence in the currency and thus discourage speculative pressures.

So simple statistical criteria can be laid down for determining the adequacy of reserves in any given case. If U.S. private imports of goods and services were to fall 10 per cent. below the 1953 level, it might be expected, on the basis of past experience, that U.S. imports from the sterling area would fall by about 15 per cent. and imports from Continental Western Europe by about 10 per cent. This would mean a decline in the dollar earnings of the sterling area by about $350 million in one year, and in those of Continental Western Europe by less than $300 million. The drain on reserves in one year would amount to about 9 per cent. of the present gold and dollar holdings of the sterling area, and 3 per cent. of the reserves of Continental Western European countries as a whole. At the same time, speculation would probably accentuate the drain on reserves, as it did in 1949, by expediting payments for imports and retarding receipts from exports. It may be assumed that this drain would be no greater than that due directly to the decline in U.S. imports. If there were no other pressure on reserves, say the authors of the paper, the present level of reserves in the sterling area and in Western Europe appear to be adequate to finance temporary deficits associated with moderate and short-lived declines in U.S. imports, without the need for tightening import restrictions. If, however, the setbacks were more severe or prolonged, the present reserves, especially those of the sterling area, would be inadequate.

Commenting on sterling convertibility in particular, the staff paper says:

"The uncertainties of the 'impact effects' of a sudden establishment of convertibility, which would give foreign earners of a currency the privilege of spending it in the United States if they so desired, are particularly pertinent to the United Kingdom. The sterling area's imports of goods and services from the rest of the world are more than $12 billion per annum. Exporters who receive about three-quarters of this total are, for the most part, permitted at present to spend their proceeds only in non-dollar countries. If convertibility were established, it is not an extreme assumption to suppose that 10 per cent. of their earnings would be converted into dollars in the first year of convertibility, which would involve a drawing upon the central reserves of the sterling area of more than one-third. It, therefore, appears that sterling area reserves are not now adequate to underwrite the risks of sterling convertibility. It may be presumed that no Western European country would make its currency fully convertible into dollars unless sterling were convertible. Probably their reserves are relatively more adequate for this purpose than those of the sterling area; yet, in many cases, the degree of adequacy may not be enough.

"The system of 'stand-by-credits,' recently inaugurated by the International Monetary Fund, is described as 'highly suited for assistance to members contemplating a significant movement toward convertibility.' These arrangements, if of sufficient magnitude, could help underwrite the uncertain demands on the convertible currency. Their very existence would tend to encourage confidence and discourage speculative movements against the newly convertible currency. It is conceivable that the Fund might be prepared to set aside as much as one-third to one half of its present gold and convertible currency holdings, that is, $1 billion to $1.5 billion, as a stand-by credit to the United Kingdom. This would require a waiver of the condition which limits drawings during any one year to 25 per cent. of a member's quota. Without a waiver, the United Kingdom and other Commonwealth members of the sterling area could together draw about $525 million in any one year. This might be of great assistance in the event of a recession, but appears insufficient to support the achievement of convertibility. Supplementary financial support for convertibility might be obtained by increasing the resources of the Fund, which would involve additional contributions by the United States and other member-countries, by U.S. Government stabilisation credits granted through the Treasury or the Foreign Operations Administration, or by stabilisation credits to foreign central banks from the Federal Reserve System. The requirements for credit backing for some of the Western European currencies which might arise if a concerted move for convertibility were to be undertaken without the E.P.U. might be satisfied by making available the Fund's holdings of European currencies, including sterling, which amount to the equivalent of about $2.8 billion."

HOUSING FOR RESERVE BANK EMPLOYEES

The Byculla Housing Colony for the clerical staff of the Reserve Bank of India, declared open by Mr. Chintaman Deshmukh, Finance Minister, Government of India, on the 25th inst., is undoubtedly an achievement of high ambition. Although intended to cater to the needs of clerical and upper subordinate staff of various pay scales, the Colony has been designed to foster community life among the residents. It consists of 11 multi-storied reinforced cement concrete structures, with 565 flats, capable of housing 2,800 people. The central clubhouse, with a card room and canteen, the underground storage reservoir, the covered badminton court, the dispensary, the servants' quarters, the cooperative stores and the open spaces and lawns provided in the Colony, all should contribute richly towards promoting the social, economic and community life of the families housed in the Colony. If the scheme has not provided for a school to educate the children, it is because of limitations imposed by considerations of language. But this lapse may be said to have been made good by the decent surroundings in which the children will be brought up there. The Governor of the Reserve Bank of India, Mr. B. Rama Rao, is, indeed, justified in characterising the Colony as "the first of its kind in the country for clerical staff." The rent to be collected from the staff would not even cover, it is stated, the annual maintenance cost of the buildings and the quantum of subsidy provided by the Bank is estimated to be equal to two-thirds of the economic rent for the kind of accommodation now provided for the staff. The example of the Reserve Bank in starting this Colony deserves to be emulated by other employers in the country. The cost of the colony is estimated at Rs. 1.27 crores.

Declaring open the Colony, the Finance Minister spoke in an apologetic tone for the Government's inability to give a high priority in the first Five-Year Plan for a deserving purpose like the implementation of an ambitious housing scheme, on account of inadequate resources. He, however, hinted, at the possibility of the second Five-year Plan laying greater emphasis on housing than in the first, as, by then, he hoped that the two essential needs of the community, namely, food and clothing, would have been met. He added that, in determining priorities, the needs of persons in the low-income groups should be attended to first. He opined that, in doing so, new slums should not be allowed to arise and that, in building houses, one should always aim at slightly higher standards than at present, so that at least the minimum facilities could be assured to tenants.

Mr. Deshmukh expressed the hope that the employees of the Reserve Bank housed in the Colony would approach their work with renewed enthusiasm. He did not, however, forget to add that, as Finance Minister, he would have to take notice, in future, of the amount the Reserve Bank was spending on the housing of its staff. But even the present housing Colony can accommodate only 40 to 50 per cent. of the clerical and upper subordinate staff in the Bombay office. Besides, the employees of the Bank in other branches also will expect similar accommodation. Thus, the Bank has yet to go a long way in fulfilling its ambition. Failure to do so will cause discontentment among the employees of the Bank who have not been fortunate enough to get housing accommodation. The Bank, therefore, cannot afford to defer the completion of the housing programme for any appreciable length of time.

BOMBAY STATE FINANCIAL CORPORATION

The Bombay State Financial Corporation (Managing Director: Mr. R. S. Bhatt, Bombay) has earned a gross profit of Rs. 14,826 during the first four months of its working upto 31st March, 1954. After making a provision of Rs. 6,950 for taxation and transferring Rs. 1,000 to the reserve fund, there is a balance of Rs. 6,876 available for appropriation. The Directors propose to utilise this sum towards payment of a dividend of 3¼ per cent. guaranteed by the Bombay Government. As the aforesaid sum is not sufficient to pay the guaranteed dividend, the Directors have decided to request the Government of Bombay to give subvention for the balance of Rs. 80,619 to make up the distribution for the three months ended 31st March, 1954.

The Corporation was established by a notification of the Bombay Government dated 30th November, 1953, for the purpose of providing financial assistance for industrial development in the State. During the four months under review, the Corporation was mainly engaged in making arrangements for the issue of share capital and in doing the preliminary work of framing regulations in consultation with the Reserve Bank of India and formulation of policy and procedure for its authorised business. The Corporation has so far received 35 applications which are under consideration of the Executive Committee. Those applications which are eligible and contain sound propositions will be disposed of as expeditiously as possible.

The Corporation is authorised to grant financial accommodation to industrial concerns engaged in (1) manufacture of goods, (2) preservation of goods, (3) processing of goods, (4) mining, (5) generation or distribution of electricity or any other form of power. The financial accommodation will, in the first instance, be by way of loans or advances to our subscription to debentures of industrial concerns. The Corporation is authorised to grant accommodation to a single industry of not more than 10 per cent. of the paid-up capital of the Corporation, but in no case more than Rs. 10 lakhs. However, in order to make an equitable distribution of its resources, it has been decided that, ordinarily, the maximum financial accommodation to a single individual concern should be Rs. 5 lakhs and the minimum Rs. 10,000. The rate of interest chargeable on this accommodation has been fixed at 6 per cent. per annum. The period of loan will not exceed 10 to 12 years and the principal amount will be repayable in instalments which will be specified according to circumstances of each case. The amount of loan will be about 50 per cent. of the net value of fixed assets of the industry concerned. The Corporation primarily grants accommodation for acquisition of fixed assets, but it may give loans for working capital in exceptional and specified cases. It will not, however, give advances against hypothecation of raw materials and stocks of finished goods.

The Corporation is mainly intended to cater to the needs of medium- and small-scale industries. As the information regarding the present position and problems of these industries is meagre, the Corporation has not been able to draw up a list of priorities. The Directors have, therefore, decided that, in the matter of priorities, the Corporation's approach in the initial stage should be flexible and its general policy will be to encourage development and expansion of industries according to the programme of industrial development of the Planning Commission and the industrial policy of the Government of Bombay.

U.S. INVESTMENTS ABROAD

The United States investments in foreign countries reached a total of $39,500 million at the end of 1953, showing an increase of nearly $21,000 million since 1946. During this same post-war period, foreign investments in the United States increased by almost $8,000 million, making a total of $23,600 million. According to a summary prepared by the Commerce Department's Office of Business Economics, the increase in U.S. foreign investments was about evenly divided between private investments and Government credits and subscriptions to the International Bank and Monetary Fund. U.S. private investments abroad gained $10,000 million since 1946 and at the end of last year aggregated $22,100 million. Ninety per cent. of this increase was through direct investments in other countries.

Outstanding U.S. Government post-war credits to other countries amounted to about $12,000 million at the end of 1953. Subscriptions to the International Bank and Monetary Fund accounted for another $3,400 million.

TASK FOR EUROPEAN TEXTILE INDUSTRIES

DR. KROESE'S ANALYSIS AT WORLD COTTON CONGRESS

THAT the cotton manufacturing countries of Western Europe, including the U.K., are faced with the difficult task of retaining their place in a shrinking world market was the view expressed by Dr. W. T. Kroese, Netherlands Representative, in the course of his speech at the International Cotton Congress, which met recently at Buxton (U.K.). Dr. Kroese referred to the rise of the cotton industry in countries which were formerly purely agricultural. After referring to the role which Japan has played in the textile history as a 'formidable' competitor to the European cotton industry and also to India's rise as a textile manufacturing country, he commented: "Whether in course of time it will be India who will take over this role (as a formidable competitor) and push Japan out, so that Japan penetrates even further into the West European sphere of competition, only the future will show."

The International Cotton Congress, it may be mentioned here, is the Jubilee Congress session of the International Federation of Master Cotton Spinners' and Manufacturers' Associations, at Buxton. The members of the International Federation, which was formed in 1904, are England, Denmark, Finland, Italy, Sweden, France, Austria, Germany, Norway, Egypt, Switzerland, Belgium, Holland and Spain. It has influenced the development of raw cotton growing and international policies inseparable from this and other aspects of a world-wide industry. At the beginning of the century, the world's cotton crop was 15 million bales (of 500 lbs. each); it is now almost 40 million. The International Federation besides its promotion work in several countries for improved and increased cotton crops, has also concerned itself with the quality of cotton delivered to spinners, and has helped to achieve higher standards. From its formation, it instituted a world statistical service. Since 1905, it has collected half-yearly statistics (except during the world wars) on cotton spindles and raw cotton consumption; and to these have been added, periodically, figures of the world's power-looms, the last such review being in 1952. The work of the Federation was interrupted by the two wars, and its latest revival was brought about in 1948. Its headquarters have always been in Manchester, so it is appropriate that Jubilee year should be celebrated by holding the Federation's 23rd Congress in England. Of 22 congresses and conferences held in 14 different countries, this Congress is only the second to be held in England; the first was in 1905. The English host organisations are the Federation of Master Cotton Spinners' Associations Ltd., of which Mr. W. T. Winterbottom is President, and the Cotton Spinners' and Manufacturers' Association, of which Mr. E. W. Cockcroft is Chairman. Both bodies have headquarters in Manchester.

To revert to Dr. Kroese's address. He is probably right in thinking that W. European textile industries would find it increasingly difficult to hold their position in a shrinking world trade for textiles. While this might be true in the context of the growing domestic textile industries in countries which were formerly the main markets for W. European textile industries, it must be admitted that there are still many regions where the *per capita* textile consumption is at an abysmally low level. If the problem of raising the living standards in these regions is tackled realistically, it should be possible for W. European textile industries to retain their markets, at least in certain specialised lines of textile manufactures, without in any way endangering the progress of the domestic textile industries in these regions. This calls for a high level of economic statesmanship on the part of the industrially advanced nations.

Be that as it may, Dr. Kroese was certainly right when he emphasised the importance of the problem of raw material supply to the textile industry. If the industry has to expand it must be assured of a reasonable supply of raw cotton. In this connection, Dr. Kroese said that, since the rapid growth in world population would in most cases require priority for the growing of foodstuffs, it was logical to assume that the supply of natural raw materials, such as cotton and wool, should be supplemented by production of man-made fibres. The fact that the course of prices of the new fibres had shown greater stability while becoming relatively more attractive was a warning to cotton growers all over the world to show great caution. Discussing world stocks of cotton, Dr. Kroese said the international textile industry was entirely in the dark as to how the American Government as the holder of the largest part of the stocks, intended to solve this cotton problem. He added that it was not only of great importance to American farmers and industrialists that a satisfactory way out of the impasse should be found, but also to cotton producers and consumers in other parts of the world.

Besides Dr. Kroese's address, another important contribution to the discussions at the Congress was an excellent survey of the problems of the use of machines in the sphere of cotton cultivation. This survey formed the subject of a paper read by Mr. W. T. Winterbottom, President of the Congress. The importance of this subject to cotton spinners arises from the fact that, if mechanisation could lead to lower prices for cotton, it would naturally mean lower prices for cotton textiles. Machines are used for preparing the ground, for sowing seed and for picking the cotton crop. Mr. Winterbottom dealt particularly with mechanical harvesting of cotton. He said that it was generally recognised that mechanical harvesting lowered the quality of the lint. The usual estimate was that, approximately one grade by universal standards was lost. "It is obviously absurd," he said, "to waste available shipping space in bringing this useless trash across the Atlantic. Many of the U.S. mills have installed additional screening machinery to deal with the trash in machine-picked cotton."

The spinner, Mr. Winterbottom said, had to make up his mind whether to insist on hand-picked cotton at higher prices, or whether to concentrate on machine-picked cotton and rely on the lower price to compensate for the cost of additional machinery and higher waste losses. Mr. Winterbottom thought that it was most unlikely that the trend towards mechanisation in cotton growing could be reversed. Machine harvesting, however, would not necessarily lead to low cost of production of cotton in the future. The pressure of economic circumstances, particularly the difficulty of getting adequate supplies of labour for work on the farms, he said, was forcing the extension of mechanisation in the United States and elsewhere.

It should, therefore, be clear that the use of machines in the harvesting of cotton creates a new problem for spinners. From all this, it should be easy to appreciate Mr. Winterbottom's conclusion that, until the many obstacles to complete mechanisation in production, harvesting and processing of cotton can be removed, "it cannot be said that mechanisation will lead to cheap cotton or cheap yarn."

LEVY ON MILL CLOTH

The new levy on mill cloth imposed by the Madras Government would not, according to Mr. L. Srinivasan, Vice-President of the Madras Retail Piecegoods Merchants' Association, help the handloom industry. The extra sales tax (As. 1-3 in the rupee), he said, would affect the wholesale dealers, since they sold on credit but would be called upon to pay the tax long before they could recover the amount from the buyers. This would result in the blocking of capital and decline in the offtake of cloth. He believed that the levy would encourage retailers to purchase cloth from the neighbouring States, which did not impose any sales tax, and realise the tax from the consumers in the State at the first sale. The Government would lose revenue by removal of the wholesale link from the chain of traders; the additional revenue from the tax would not be worth much, considering the damage it did to trade.

In view of the prevailing impression that the handloom factories suffer considerably from the competition from the mill industry's products, it is interesting to note Mr. Srinivasan's analysis of the problem. He pointed out that there was no competition to the handloom industry in many of its products like silk *saris*, coloured *saris*, bed-sheets, furnishing fabrics and lace bordered *dhotis*. Handloom *saris* were now exported to other States in the Union. The only item in which there might be some competition was *dhotis*. If the Government wanted to protect the handloom industry, he said, then a tax on each mill *dhoti* sold might have been levied. The Government, he thought, might also insist on a minimum quality control of handloom goods and help improve their designs.

PROMOTING EXPORTS OF TEXTILES

ADVISORY COUNCIL'S SUGGESTIONS

ON a study of the proceedings of the Export Advisory Council, in so far as they related to textile exports, one is struck by the fact that more than one member of this important body should have been compelled to stress the desirability of removing the export duty on coarse cloth. This is not surprising, in view of the fact that the textile producing countries the world over have recognised the return of the buyers' market for textiles, so that the question they are now considering is not one of removing any obstacle to export trade but of providing positive incentives for exports. Thus, Dr. Kroese, whose address at the World Congress is summarised on this page, is reported to have emphasised that, if European textile industries must retain their export markets, they must realise that "attack is the best form of defence." The Indian textile industry might well adopt this maxim as its motto for retaining the export markets it has won in recent years.

It must, however, be realised that the textile industry cannot adopt this motto without prompt and effective assistance from Government. It is true that exports of piecegoods continue to be a bright spot in India's export picture. During 1953-54, India's exports aggregated 769 million yards as against 620 million yards in the previous year. But they were very much below the target of 1,000 million yards. The Government is also alive to the need for promoting exports of cloth. The Government has set up the Export Promotion Council. The Union Minister for Commerce, Mr. D. P. Karmarkar, expressed, in the course of his address at the meeting of the Export Advisory Council, the hope that the Council will "begin to function effectively." The Government has also abolished the import duty on foreign cotton.

Textile exporters are not, however, certain that these measures, commendable as they are, are enough to encourage a large flow of Indian-made textiles to foreign countries. Mr. B. M. Birla, President of the Federation of Indian Chambers of Commerce and Industry, and member of the Council, emphasised that the heavy duty on coarse cloth should be abolished in the interests of the export trade. Mr. N. N. Wadia struck a realistic note when he said, in effect, that the recent creditable performance in the sphere of textile exports should not lull the country into a sense of complacency. He estimated that, in May, the exports would hardly exceed 40 to 50 million yards, as against 70 to 80 million yards in the previous months. He thought that the export of coarse cloth would be less han 10 million yards in the near future. This meant that the country would be deprived of a large amount of foreign exchange. The loss would far outweigh the revenue the Government would earn by the export duty on coarse cloth. Again, they should remember the bad effect of removing the duty on one sector of the textile goods and retaining the duty on the other. The industry would be losing goodwill in the overseas market. He, therefore, appealed to the Government to do away with the duty on coarse cloth and make an announcement as early as possible.

Mr. Wadia referred to the importance of rationalisation of the textile industry in the context of possible competition from Pakistan. Like India, Pakistan had an advantage of growing short-staple as well as medium-staple cotton. In addition, Pakistan was building up the industry very rapidly, far more efficiently and in a highly rationalised way. Pakistan would suddenly come into the picture and take India by surprise. During two or three years, the capital of Pakistan's most modern machinery with automatic looms would be practically written off by profits made by them. The Indian industry should start taking steps right now and he thought that "with proper rationalisation without tears, we can achieve it."

The question of export duty on coarse cloth should be considered in the light of its effect both on domestic production and on export trade. As regards domestic production, the duty has encouraged the output of pseudo-medium cloth. Again, it has encouraged overseas importers to discard certain popular varieties of Indian cloth and prefer certain other duty-free varieties or to buy cloth of non-Indian origin. The fact is that, although the duty may not be a very onerous burden, it should be removed, if it distorts the normal production pattern in the country or interferes with the sales of the varieties for which India has established a well deserved reputation for quality. Mr. H. V. R. Iengar, Secretary to the Ministry of Commerce and Industry, however, denied that there was substantial shift in favour of pseudo-medium cloth. He said that it was still a matter of conjecture. Many mills had, according to him, actually refused to produce pseudo-medium cloth, although their refusal meant diminution of their export trade. This does reflect great credit on the Indian textile industry. Nevertheless, if the effect of the duty is to initiate a tendency towards the production of pseudo-medium cloth, it is necessary that the duty should be abolished. From this point of view, it is gratifying to note that, although Mr. Iengar affirmed that no "single solution" would solve the problems of the textile export trade, the Government would take all possible steps in order to enable the industry "to maintain and possibly improve its competitive position."

Several intricate procedural matters were raised by Mr. N. L. Kara, of the All-India Exporters' Association and member of the Council. Mr. Kara

(Continued on page 1046)

FINE YARN SPINNERS' CONCERN OVER HEDGING FACILITIES FOR COTTON

REPORT ON EUROPEAN TEXTILE INDUSTRY

(From A Special Correspondent)

MANCHESTER, 18*th May*

THE main event concerning the cotton trade in Lancashire, if not the international cotton textile scene, this week, has been the reopening of the Liverpool cotton futures market. This important development is not likely to have any effect on conditions in other parts of the world, but it paves the way to freer trading facilities in various directions.

MANCHESTER LETTER

Now that the decision to reopen trading has been taken, the main object is that the spinning mills of Lancashire should have at their disposal all the cotton of the right type they require. The re-establishment of an adequate supply of spot cotton at Liverpool is an important factor in this connection but it is doubtful whether the necessity to have something like 1,000,000 bales available, as before the war, now arises. The financial burden in keeping such stocks ready for possible use is so much heavier in view of the much higher level of values.

Throughout the negotiations leading up to the reopening of the market the position of spinners of fine yarns using Egyptian-type cotton has been fraught with difficulty. The news that talks are to open with Egyptian cotton interests with the long-term object of reopening the Alexandria futures market has therefore been welcomed in Lancashire. It is felt that as soon as the three basic cotton futures markets—in Liverpool, New York and Alexandria—are once more functioning, the sooner will price stability and real freedom in trading be attained.

No doubt it will take some considerable time for any real progress to be made in easing the Egyptian cotton situation but there are hopes that the Egyptian Government will agree to some form of reopening at Alexandria in the 1955-56 season. If the venture at Liverpool is successfully launched it will have an important bearing on raw cotton affairs in many other parts of the world.

Empire Cotton

One of the other points at issue during the controversy over the freeing of raw cotton buying has been its effect on future output and distribution of supplies grown in Empire countries. It does seem likely that at least in the early stages after Liverpool reopens there will be a movement towards the greater use of cotton grown in the United States. The fact that only a purely American contract is being offered is bound to react on imports in this way.

The sponsors of the switch to private buying have their own views as to how the system will operate. They believe it may be possible to obtain relatively cheap dollar cotton and this will allow the prices of outside growths to find their correct levels. It may be that other countries with an excess of sterling and perhaps a shortage of dollars will prefer to buy from British Commonwealth sources and this will in turn stimulate higher output, particularly in Africa. The increased purchasing power of the native population in these territories could, therefore, be translated into more buying of Lancashire-made textile fabrics.

There are numerous problems facing the market during its transitional stage and after September, when futures trading will be the only way of obtaining cover. The "new-old" system is on trial but it has had a sympathetic send-off. Spinners have had the experience of centralised purchasing and distribution for more than a decade and now must accustom themselves to fresh methods. Some give-and-take between raw cotton merchants and their customers will be required and adjustments may be necessary as experience dictates but it is essential for the well-being of the industry as a whole that the venture is made to work.

Trade Survey

A comprehensive document setting out the past, present and future of the cotton industry was presented to the delegates attending the Jubilee International Cotton Congress at Buxton last week. It was prepared by Dr. W. T. Kroese, Netherlands representative on the International Cotton Committee.

Tracing the history of the International Federation of Master Cotton Spinners' and Manufacturers' Associations during the past 50 years, Dr. Kroese pointed out that the organisation was originally founded as an international defence front of industrialists to counter an attempt to corner the American cotton crops.

Steps were taken in Lancashire by temporarily reducing consumption through short-time working to defeat the American speculators and support was sought from European countries. The foundation of the Federation was thus due to an attempt by the cotton consumers to break a monopoly in the trade and to ensure greater continuity in the supply of cotton.

But although the organisation was originally founded to deal with processing of cotton, after three decades of further development since their creation man-made fibres must now be classified as raw materials for the cotton industry in the widest sense and Dr. Kroese's survey dealt with all types of fibres.

Over the 50 years, he continued, there was a great contrast between increasing world cotton consumption and a decreasing total number of spindles. In Lancashire, the birthplace of the cotton industry, declining capacity to a certain extent was accompanied by decreasing production. In the United States, however, a completely opposite tendency was noticeable. During the past 25 years capacity had been reduced to two-thirds of what it used to be, while production was not less than 40 to 50 per cent. greater than in 1928.

Weaving capacity was apparently being ever more intensively utilised. The number of looms in the world was gradually diminishing, while at the same time cotton consumption increased. In North America with a weaving capacity reduced to 57 per cent. of what it was in 1930, production was at least 40 per cent. more than in the 1930's. Another striking fact was the greatly increased weaving capacity of some important cotton-growing areas, including India, Mexico and several South American and Middle Eastern countries.

Early Starters

In an endeavour to assess the future of the cotton industry, largely from the European viewpoint, Dr. Kroese said: "Our disadvantage is that we started early. We have seen the part we once played grow smaller in the last 25 to 30 years. Our early start has indeed hampered our progress."

Since the rapid growth in world population would in most cases require priority for the growing of foodstuffs, he continued, it was logical to assume that the supply of natural raw materials such as cotton and wool should be supplemented by production of man-made fibres. The fact that the course of prices of the new fibres had shown greater stability while becoming relatively more attractive was a warning to cotton growers all over the world to show great caution.

Yarn Price Scheme

In an indictment of the minimum selling price schemes operated in the spinning and doubling branches of the Lancashire cotton industry, the yarn section of the Cotton and Rayon Merchants' Association, in its Annual Report, declared that export orders were being lost to Britain as a result. The Report said:

"On many occasions business has been lost to Continental suppliers, who being aware of the rigid minimum price levels of United Kingdom yarns have secured orders at prices which only needed to be fractionally lower than U.K. prices. Strong competition is being encountered from European producers, particularly Belgian and Italian."

Expressing the "grave concern" of the section's executive at the effect of the price schemes on Britain's competitive power, the report urged that some flexibility should be introduced into the scheme. The approach of completely free buying of raw cotton made the problem even more urgent and the executive was taking active steps in the matter.

Defending the minimum price agreements, Mr. John Lindley, President of the Yarn Spinners' Association, said in a trade review that the cotton recession year of 1952 would live in spinners' memories "not only as a year of trial but also as a year of achievement." He added:

"Whatever critics may have said about our Association they were confounded by the loyalty and solidarity shown by its members. Any crack in our defences at that time, any indication of weakness in our organisation would have had a dire effect on our future. I am convinced that the stability given to the price level by the Association proved a benefit to the whole of the textile industry and created a confidence which curtailed the period of the recession."—*All Rights Reserved.*

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MILLS LIKELY TO CONSUME MORE COTTON IN FUTURE

IMPLICATIONS TO INDIAN ECONOMY

AS readers are already aware, the Indian cotton mills continue to consume, during the current year (1953-54 season), larger quantities of cotton than in the previous season. Thus, during the five months ended January, 1954, the mills consumed 1.92 million bales of cotton (of 400 lbs. each) as against 1.89 million bales in the corresponding period of the previous season. Again, mills are consuming more Indian cotton than they did in the previous season, which itself was a season of record consumption of Indian cotton. Indian mills consumed during the 1952-53 season 3.61 million bales of Indian cotton and 850,000 bales of foreign cotton, as against 2.99 million bales and 1.1 million bales respectively in the previous season. During the five-month period ended January, 1954, the mills consumed 1.64 million bales of Indian cotton, as against 1.53 million bales in the first five months of the previous season.

In the light of the increased consumption of cotton, particularly Indian cotton, by Indian mills, it will be interesting to examine the prospects of cotton consumption in the Indian Union. Such an examination has been ably made by Mr. M. S. Natesan, Assistant Secretary, Indian Central Cotton Committee, in an article contributed to the *Journal* of the International Cotton Advisory Committee. The record mill consumption of cotton last season, as Mr. Natesan points out, was facilitated by the easier supply position of cotton in the country, lower price level of Indian and foreign cottons, better labour relations, removal of distribution control on cloth and reduction in export duty on cloth. As regards the prospects for the current season, he relates how the internal and export demand for cloth was somewhat sluggish in the first two months of the season and how it improved subsequently, following the Government's decision, in October, 1953, to abolish the export duty on medium cloth and to reduce the excise duty on superfine cloth and to permit the drawback of import duty on foreign cotton used in the manufacture of cloth and yarn exported to overseas countries. Internal demand for cloth, too, has broadened considerably. Discussing the availability of cotton and prospects of consumption of Indian cotton in the current season, in terms of bales of 478 lbs. each, Mr. Natesan says:

"As regards the availability of supplies of cotton, although the current season's cotton crop is not expected to be as high as that anticipated earlier in the season, it is quite on the cards that a commercial crop of about 3.4 million bales (excluding 220,000 bales utilised for extra-factory consumption, which is usually left out from both supply and distribution) will be realised. Adding the opening stocks of cotton with the mills and the trade, as on 1st September, 1953, the total supply for the season may be estimated at 4.8 million bales. The mill consumption of cotton during the first three months of the current season amounted to 934,000 bales, of which 775,000 bales represented Indian cotton, the relevant figures for the corresponding period of the previous year being 897,000 bales and 680,000 bales respectively. On this basis and on the assumption that the present rate of production of coarse and medium varieties of cloth will be maintained, the total consumption of cotton during the whole season may be estimated at about 3.8 million bales, of which 3.2 million bales might be Indian cotton.

"Exports of cotton for the whole season are not expected to exceed 164,000 bales, while imports of foreign cotton may be placed at 492,000 bales. This would mean that stocks of foreign cotton in the country at the end of the season would be lower by 82,000 bales than those on the corresponding date of the previous year. Though the removal of the import duty on foreign cotton under the budget proposals for 1954-55 recently announced would enable mills to use more foreign cotton, this concession is largely offset by the simultaneous increase in the excise duty on superfine cloth by six pies per yard. Besides, it is felt that the cheaper prices of Indian cotton and the increasing demand for coarse and medium varieties of cloth would tend to maintain the consumption of Indian cotton at the current level."

From what is stated above, it will be seen that, in Mr. Natesan's view, Indian cotton consumption is likely to be maintained at the current level. This is amply borne out by the latest figures of cotton consumption quoted at the outset. These figures will show that, if anything, the consumption of Indian cotton is likely to exceed last season's level. As regards the long-term prospects, say, after a period of five years, Mr. Natesan emphasises that the possibility of a sizable expansion of the mill industry cannot be ruled out. Between 1948 and 1953, the installed spindleage increased from 10.27 million to 11.72 million. The effect of the development schemes under the First Five-year Plan and the Second Five-year Plan will be to raise the living standards. He, therefore, anticipates a further increase in cotton consumption. Proceeding, he points out that, since the highest monthly consumption of all cottons has been of the order of 328,000 bales (of 478 lbs. each), even under present conditions wherein only 42 per cent. of the mills have been working three shifts, it is reasonable to expect that "under optimum conditions, the annual rate of mill consumption of all cottons might reach 4.1 million bales." Again, the increased consumption will largely be accounted for by Indian cotton as the "bulk of the increased demand for cloth will be confined to coarse and medium varieties." The implications of this conclusion to the Indian cotton economy should be obvious. There should be, as Mr. Natesan himself points out, a "corresponding expansion in the production of cotton in the country."

SALES TAX ON COTTON: EXPORTERS' LIABILITY

Apropos the article on sales tax in Bombay State, published in our issue of the 15th inst., wherein it was stated that an exporter is liable to pay purchase tax to the Government, if he buys cotton, even with the intention to export it, from an unregistered dealer, Mr. M. H. Parikh of the Gujarat Chamber of Commerce, observes, in a letter to us, as follows:

"If the exporter purchases cotton from an unregistered dealer, whether an agriculturist or a small village merchant, with a view to exporting it in the same form in which it is purchased, (that is, without its being processed in any way), the purchase does not attract purchase tax. Purchase tax is payable when goods falling under entries 1 to 80 of Schedule B are purchased from unregistered dealers by registered dealers for manufacturing or processing purpose. But if such goods are purchased for sale or resale in the same form, either in the State of Bombay or outside, the purchase tax is not payable on goods falling under entries 1 to 18 (both inclusive) and its payment in respect of goods falling under entries 19 to 80 is optional. In the case of those goods, if the purchaser elects, under section 10A of the Act, to pay purchase tax on his purchase he will not be liable to pay sales tax on sale of these goods which he would otherwise be liable to pay as that would be the first sale of these goods in the State of Bombay by a registered dealer and if he elects to pay sales tax when the goods are sold he will not be liable to pay purchase tax.

"But in the case of goods falling under entries 1 to 18 (and "cotton-ginned or unginned" is an article under entry No. 1) no purchase tax is leviable or liable to be paid if the goods are for sale or resale or are sold after purchase—*vide* proviso to section 10 of the Act reading as under:

"'Provided that no purchase tax shall be levied under clause (a) on the purchase of any goods specified in entries 1 to 18 (both inclusive) of Schedule B if such goods are sold by the dealer after such purchase.'

"Hence, as far as dealings in exclusively one or more of the goods falling under these first 18 entries are concerned, since no purchase tax is leviable on such goods if they are meant for sale or resale or are sold after purchase, it is not necessary for such a dealer to make a selection under section 10A as to whether he would like to pay purchase tax on his purchase or sales tax on his sale. This is because there is no sales tax payable on sales of these goods. These goods are liable to general sales tax at the time they are sold by a licensed registered dealer to an unlicensed registered dealer or an unregistered dealer or person in the State of Bombay. But if his purchaser is again a dealer who is a resident outside the State of Bombay and if the goods are despatched to such dealer or in accordance with his instructions to a place outside the State of Bombay no general sales tax will be payable by the selling dealer.

"In the Amendment Act it is explained that a sale or resale includes a sale which does not take place within the State of Bombay. No purchase tax will be payable by the exporter, who is engaged in the transaction we are considering, because he sells that cotton. This case is amply covered by the proviso to section 10 of the Act."

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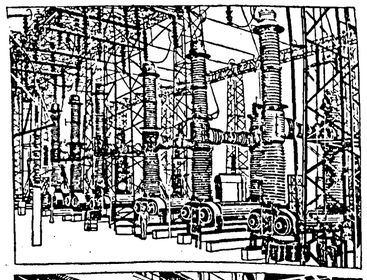

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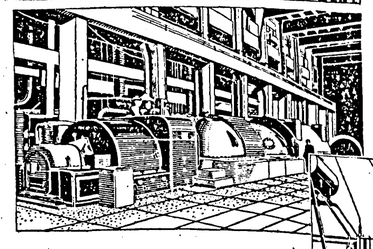

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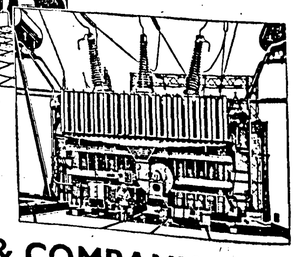

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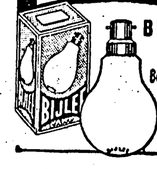

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SUGARCANE CESS IN BOMBAY STATE

UTILISATION OF PROCEEDS IMPROPER

AN *important aspect of the sugar policy of* State Governments which has evoked bitter criticism for a considerable time now from the sugar industry relates to cess on sugarcane. The States in general have laid themselves open to the universal complaint of continuing to spend only a negligible portion of the total cess collected on sugarcane development, despite the specific recommendation of the Tariff Board (1950) that the cess proceeds should be utilised exclusively for such work. In fact, all States except Bihar, are using the sugarcane cess for general budget purposes and not for the development of sugarcane exclusively. An index of this nature is provided by the consolidated statement of expenditure from the cess in the State of Bombay during 1952-53, as given below, which was made available to the Deccan Sugar Factories Association recently:

Details of provision of Rs. 50,67,354 (Rs. 51 lakhs in round figure) to be met from the Bombay State Sugarcane Cess Fund

Budget head and description of item	*Provision for 1952-53 (In Rs.)*
1. Minor irrigation works financed from the State Cess Fund	*4,80,000*
2. Agricultural expériment and research ..	6,95,354
3. Subsidies to co-operative societies undertaking schemes of lift irrigation ..	15,00,000
4. Civil works : cement concreting of roads..	6,19,000
5. Construction of drainage works	2,73,000
6. Loans to co-operative societies undertaking schemes of lift irrigation	15,00,000
Total ... Rs.	50,67,354

It is clear from the above that hardly 10 per cent. of the total cess fund was spent on research and cane development works, while more than 50 per cent. of the total amount was spent on subsidies and loans to co-operative societies. The rest was spent on drainage and communications, but not necessarily in the sugarcane-growing area. The explanation given by the State Government is that, though the direct expenditure on cane development is only a small fraction of the total collection of the cess, a large amount is being spent for extending facilities for irrigation and communications, etc., which confer an indirect benefit on cane development. It justifies its action on the basis of sub-section 2 of section 11 of the Bombay Sugarcane Cess Act, 1948, which reads as follows:

"The Fund shall be expended in such manner and under such conditions as may be prescribed for the purposes of development and improvement of the cultivation, growth and marketing of sugarcane and other irrigated crops, for the development of sugar industry and for the improvement and development of agriculture in general in the Province of Bombay."

This explanation does not carry conviction, because the law itself is defective. The proceeds of a specific tax have to be spent only for a specific purpose. There are other taxes, such as irrigation cess, cotton cess, road and petrol taxes, which are being levied and utilised for specified purposes and there is no reason why the cess on sugarcane alone should be treated differently. The fact is that this is being used as a device to tax the sugar industry. Nowadays the State Governments are in the habit of debiting a part of the expenditure on road development to the cane cess fund and arguing that the proceeds of cane cess have been properly utilised. Questioning the appropriations of this allocation, the Deccan Sugar Factories Association points out that cement concreting of roads even in the sugarcane area is not a legitimate item of expenditure from the sugarcane cess fund. While the Association is prepared to agree that better roads in this area would be of great assistance in marketing sugarcane, it points out that roads are not used exclusively for transport of sugarcane and, as such, they cannot form a legitimate charge on a specialised fund. In the first place, the responsibility for providing roads for general traffic, whether it be in the sugarcane area or other areas, is on general revenues. But, apart from this, when the tax on motor vehicles and sales tax on petrol have been specifically raised to unheard of and unprecedented heights for the purpose of building roads, any diversion of a special fund like the cane cess for this purpose is certainly unjustifiable under any canons of public finance. Further, the sugarcane growers including the sugar factories are contributing a huge amount in the form of local cess on land revenue and irrigation charges to the District Local Boards, the primary responsibility of which is to provide feeder roads in rural areas. Thus, when there is a special collection for Central and State roads in the form of Central excise and State sales tax on motor fuel and vehicle tax on all motor vehicles, besides local cess for subsidiary and feeder roads, there can be no justification for diverting any part of the cane cess fund for this purpose, especially so when large credit balances in the road fund have remained unspent. Further, these amounts are being spent on roads already existing for general purposes which are already a charge on general revenues. There might have been some justification for utilising a part of the cane cess for this purpose, if there had been no money available in the road fund. The Association, therefore, finds it difficult to justify the expenditure of Rs. 6,19,000 from the *cess fund on cement concreting of roads*. If, however, in spite of the foregoing facts, the Government were still to insist upon spending a portion of the State sugarcane cess fund for the cement concreting of highways, like Ahmednagar-Manmad road, the Association would urge that priority be given for constructing feeder roads connecting the sugar factories to the surrounding villages to facilitate transport of cane to the factories from their adjoining areas.

Subsidies to Co-operative Societies

As regards the provision of Rs. 15 lakhs for subsidies to co-operative societies undertaking lift irrigation, it is not clear that this irrigation facility is for the specific purpose of sugarcane growing. Consequently, the Association has asked for an assurance from the Bombay Government that lift irrigation is for sugarcane growing. It has further pointed out that, even though some of the factories are undertaking schemes of lift irrigation, no subsidies are being given to them for this purpose. On the contrary, the request of the sugar factories not to increase the very heavy charges on lift irrigation has been ignored. If it is the intention of the State Government to encourage and assist lift irrigation in the State and if more than 25 per cent. of the proceeds of the cane cess is devoted to this purpose, the sugar factories should have the first claim on it and should benefit from such an expenditure. "It is, indeed, an anomaly," says the Association, "that lift irrigation charges should be increased in the case of sugar factories, while cane cess extracted exclusively from them should be largely utilised to give subsidies for lift irrigation schemes to cane growers other than sugar factories."

Referring to the sum of Rs. 15 lakhs provided for loans to co-operative societies undertaking lift irrigation works, the Association wonders how loans could be described as expenditure. The Association has also questioned the appropriateness of debiting the cane cess fund with Rs. 4.80 lakhs for minor irrigation works, as this expenditure should be financed from ordinary revenues, according to the accounting head itself, and as proceeds of the sugarcane cess are not supposed to form part of the general revenues. Similarly, the sum of Rs. 2.73 lakhs for maintenance of works connected with irrigation should, the Association states, be debited to revenues from irrigation works and not to the cane cess fund.

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It is thus evident that the sole purpose of the sugarcane cess, namely, development of sugarcane growing, is being defeated both in law and spirit. Small wonder, then, that the State has no achievement to its credit in the sphere of sugarcane research. If, despite this, sugarcane growing in the Bombay Deccan has not suffered any deterioration, it is solely because of the enormous amounts and effort put in by the factories themselves for increasing the quality of cane and the yield per acre. Really speaking, therefore, the State Government has no moral right to levy a cess at all. It is simply using its power to collect a cess on agriculture for raising additional revenue from the factories.

Tax on Raw Materials

It is one of the accepted canons of taxation that raw materials should be exempted from tax, though a small cess may be imposed on such raw materials for the purpose of improving its yield, quality or and marketing. To quote the significant words of the Tariff Board:

"The levy of a tax on a raw material is as a rule wrong in principle and it is particularly objectionable when it is imposed on the raw material of an industry (sugar industry) which has been nursed by the consumers all over the country for a period of 18 years for which they have made a heavy sacrifice during all these years."

And yet the State Government collects a cess at a rate which works out to Rs. 5 per ton of sugar. The power given to the State Government for collecting a small rate of cess is thus being utilised for levying it at a rate which is big enough to be described as excise duty. Can there be a more glaring instance of misuse of powers by State Governments? If the Bombay Government has any sense of justice, the least that it should do is to reduce the rate of cess and use it solely for the purpose of expanding sugarcane production, both quantitatively and qualitatively so that, in course of time, there will be more sugar at a cheaper price.

The Association had asked for the constitution of an Advisory Committee to advise the Government on matters relating to the expenditure of the cess fund, on which the sugar interests are represented. It wanted also that cane development should be carried out under the supervision of the Committee. We are told that the Government has refused to comply with this request. This is understandable, because no Government responsible to an elected legislature can permit any form of control on the expenditure of its revenue by a private agency. It is, however, gratifying to hear that the Government has volunteered to consider the suggestions put forward by the factories for building roads in the rural areas adjacent to the factory, to be financed from the sugarcane cess fund. This is, indeed, a small mercy, but something is better than nothing.

SUGARCANE PRICE

In a memorandum to the Prime Minister, 58 members of Parliament belonging to the Opposition, which includes National Democratic, Praja Socialist and Communist Parties, have pleaded for the fixation of sugarcane price at Re. 1-12 per maund, and for making arrangements whereby cultivators could get a share in the excess profits of sugar mills. They have pointed out that during the period of peak production in 1952, the Government-fixed prices of Re. 1-12 per maund of cane and Rs. 31 per maund of sugar (ex-factory) gave not only reasonable profits to factories, but also provided some incentive to the cane cultivator to grow cane on adequate area and to practice improved method of cane cultivation by the use of fertilisers, insecticides, etc. But the sudden cut of 25 per cent. in the price of sugarcane in 1952, against the advice of the Indian Central Sugarcane Committee, brought about demoralisation in the industry. The memorandum says that, if the price of Re. 1-12 had been continued, growers would have been satisfied, there would have been no setback to cultivation, the mills would have got the required quantity of cane, the Government would have got full revenue, the country would not have to import sugar and the consumer would not have to pay a higher price. It suggests that the Government should declare its policy for the next five years so that cane-growers are not kept in suspense from season to season. It also asks for the appointment of a committee consisting of some members of Parliament and experts to suggest ways and means to place the industry on a sound footing.

SUGAR PRODUCTION AND STOCKS

The opening stock of sugar with factories in India on 1st March, 1954, was 5.93 lakh tons, as against 8.65 lakh tons on the corresponding date of the previous season, but arrivals of foreign sugar up to 31st March, 1954, aggregated 2.54 lakh tons. The production of sugar in the country and arrivals of foreign sugar during the month of March, 1954, were 1.55 lakh tons and 0.08 lakh tons, respectively. Out of the stock with the mills, 1.31 lakh tons were despatched during the month under review, as against 1.51 lakh tons during the corresponding period of last year. The closing stock with the factories on 31st March, was 6.17 lakh tons, as against 9.82 lakh tons on the same date last year.

LABOUR WELFARE IN COLLIERIES

REPORT FOR 1952-53

THE detailed report on the activities of the Coal Mines Labour Welfare Fund for the year 1952-53 discloses a rise in the number of persons treated in hospitals, a drop in the morbidity rate of malaria, an increase in educational and welfare schemes for women and children and better housing facilities. Collection of cess aggregated Rs. 1,26,49,098. This amount was credited to the Fund during the year and distributed between the General Welfare account and the Housing Account in the ratio of 7:2. The welfare cess continued to be levied at the rate of As. 6 per ton of coal and coke despatched by collieries. On despatches by rail, the cess was collected by the railways and on those by means other than rail, it was collected departmentally from individual collieries. A total sum of Rs. 56,45,426 was spent from the Fund during the year under review.

The Central Hospital at Dhanbad commenced working in full swing during the year under review and treated 1,680 indoor and 8,343 outdoor patients. Four other regional hospitals and maternity and child welfare centres at Tisra and Katras (Jharia coalfields) and at Chora and Searsol (Raniganj coalfields) treated 19,683 indoor and 41,650 outdoor patients. Two T.B. clinics at Katras and Searsol, each having accommodation for eight beds, were completed during the year. The campaign against malaria continued and the mortality rate dropped further in Jharia coal fields from 57.09 per 1,000 in 1951 to 53.65 in 1952. As many as 13 pithead baths and 21 creches were completed, thereby bringing the total to 105 baths and 140 creches by the end of March, 1953. Seven miners' institutes were completed. Of the eight new centres for the welfare of women and children sanctioned during the year, seven were opened. As regards housing, following the increase in the rate of subsidy to colliery owners from 20 to 25 per cent. of the cost of construction, 31 companies applied for the construction of 1,652 houses. Under this scheme, 2,465 houses were sanctioned to be set up in 12 coalfields. Out of these, 282 were completed and 504 were under construction.

A consolidated abstract of receipts (provisional) and expenditure under the two accounts of the Coal Mines Labour Welfare Fund, namely, (a) General Welfare Account, and (b) Housing Account, from their inception up to the 31st March, 1953, is as follows:

(A) General Welfare Account

(In Rupees)

Year	*Receipts*	*Expenditure*
1944-45	70,867	2,01,452
1945-46	*68,29,343*	*2,25,284*
1946-47	43,42,500 (a)	57,15,531
1947-48	50,70,964	22,93,034
1948-49	63,05,351	41,07,528
1949-50	47,11,298	55,22,048
1950-51	51,97,793	37,07,383
1951-52	86,03,634	55,47,111
1952-53	1,07,91,891	46,81,970
Total ..	Rs. 5,09,23,641	3,20,01,341

(a) It includes Rs. 40,00,000 *ad-hoc* transfer from Housing Account.

Closing balance on 31st March was Rs. 1,89,07,764. This excludes Rs. 52,662 transferred to Contributory Provident Fund Account of employees on account of their subscriptions and includes Rs. 38,127 transferred from Housing Account on account of security deposits.

(B) Housing Account

(In Rupees)

Year	*Receipts*	*Expenditure*
Ad-hoc transfer from the General Welfare Account ..	40,00,000	..
1947-48	11,18,862	6,48,485
1948-49	16,73,673	18,52,417
1949-50	66,99,159	30,26,547
1950-51	78,19,114	11,80,394
1951-52	22,76,949	14,36,660
1952-53	29,81,805	9,63,456
Total ..	Rs. 2,64,69,562	91,05,959

Closing balance on 31st March, 1953, was Rs. 1,73,25,476. This excludes Rs. 38,127 transferred to General Welfare Account.

A significant development of the year under review was that the Coal Mines Labour Welfare Fund Act, 1947, which was in force throughout India, except in the State of Jammu and Kashmir, was extended to the United Khasi and Jaintia hill districts. More important was the amendment to the Coal Mines Labour Welfare Rules, 1949, so as to provide for the following:

(a) Delegation to the Coal Mines Welfare Commissioner of powers to sanction expenditure on new welfare and housing schemes not exceeding Rs. 10,000 non-recurring and Rs. 1,000 per annum recurring in each case;

(b) exemption of colliery owners from furnishing monthly returns of despatches of coal and coke by means other than rail in certain specified cases;

(c) refund of excise duty collected on raw coal during the course of its transport to washery, where the excise duty was again collected on despatch of the washed coal from the washery to the consuming centres; and

(d) the re-opening of assessment cases of excise duty on despatches of coal and coke by means other than rail in certain cases.

BRITAIN'S DEPENDENCE ON COAL WILL DIMINISH

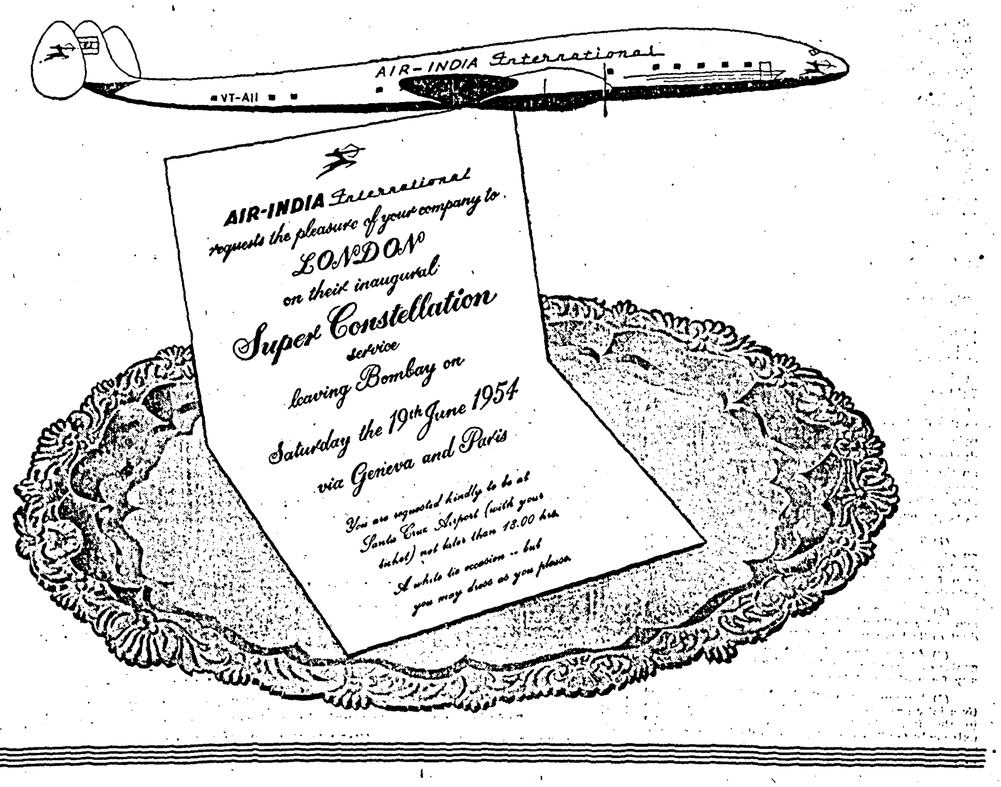
Britain has "entered a new age which provides new sources of power," says the *Daily Mail*. "Our dependence upon coal will not last for ever. Already atomic energy is waiting its turn upon the stage of history. Until recently it was thought this would not be available for perhaps 10 years. Now it is expected that the first atom power station in Cumberland may be working in two years. So brilliant have been the results of British research that the breeder-reactor station in Scotland may be feeding power into the national grid system within three years.

"Then," says the *Daily Mail*, "there is oil. In the first quarter of this year, the British Commonwealth produced 5,200,000 tons of oil, as against 4,000,000 in the same period of 1953. Most of that spectacular increase came from Canada, whose vast reserves have as yet scarcely been tapped. There has been a promising 'strike' in Australia—and, of course, Persia is reappearing on the scene. More and more machinery and transport will desert coal and turn to oil. The proposal to scrap London's trolley buses in favour of Diesel-engined vehicles is a sign of the times. British railways have embarked on a plan to convert 573 shunting Diesel-electric locomotives....

"It would be foolish to imagine that these changes will be rapid," adds the Paper. "Coal is still a vital element in our industrial strength, and will remain so for many years. But every encroachment on its domain lessens by that much our complete dependence on it. We are on the threshold of an era in which, eventually, no man will have to dig for light, heat, and power in the dark recesses of the earth."

COAL AND COKE STATISTICS

The output of coal and coke in India increased from 3,059,794 tons and 316,674 tons, respectively, in February, 1954, to 3,071,088 tons and 333,186 tons in March, according to the Chief Inspector of Mines in India. During the month, 848 collieries worked, employing on an average 326,581 workers daily. The output per man-shift for miners and loaders increased from 1.05 tons in February, 1954, to 1.08 tons in the month under review. The overall percentage of absenteeism was 13.96, representing an increase of 1.67 over the previous month's percentage.



DIRECT EXPORTS BY JUTE MILLS INADVISABLE

NEED FOR STANDARDISATION AND STABILITY STRESSED

BESIDES analysing the position of raw jute in India, the Jute Enquiry Commission has examined not only the organisation and set-up of the jute mill industry, but also the various methods of costing of jute goods. Further, it has suggested a basis for determining fair prices for raw jute in relation to the price of jute goods.

At the outset, the Commission draws attention to the capacity of the mill industry which has doubled between 1880 and 1900 and again between 1900 and 1930. Of the 84 mills in the Indian Union, as many as 73, with a complement of 95 per cent. of the loomage, are located around Calcutta and its suburbs. Andhra has four mills, Bihar three, U.P. three and Madhya Pradesh one. The total productive capacity of the mills is estimated at 100,000 tons per month on the basis of single shift of 48 hours a week. But production has been consistently below this capacity since May, 1949.

The value of output of the industry is over Rs. 150 crores a year. The industry's share in the export trade of India is the largest for any single commodity, accounting for Rs. 129 crores and representing 23 per cent. of the total export trade during 1952-53. It is also the biggest dollar earner. About three lakh workers are provided with employment by the industry. Its demand for raw materials furnishes the means of livelihood to nearly two million families. The collective welfare of the industry is looked after by the Indian Jute Mills Association. About three-fourths of the mills are under the control of a dozen managing agency houses, of whom four control 45 per cent. of the loomage. The main types of manufacture are hessians and sackings, the size and width of the cloth and the texture being according to the specifications prescribed by buyers. Under sackings, the main variety is "B twills." Other popular varieties are heavy cees, Australian corn sacks, Cuban sugarbags, and Australian woolpacks. Other manufactures include canvas, yarn and twine. In regard to hessians, the production lines are in accordance with the foreign markets' appreciation of the output of a mill.

The functionaries in the gunny trade include shippers, dealers and merchants. A shipper normally buys according to orders he has secured from abroad. A dealer generally buys and sells in the Calcutta market and sometimes engages himself in export business. There is also the broker, an intermediary working on commission basis, which he collects from the seller. These functionaries handled the export trade in gunnies before the last war. Since the end of the war, the mills have directly entered into the export business, with the help of their own export personnel. About 42 per cent. of the total exports are now carried out by mills themselves. This entry of the mills into the sphere of intermediate functionaries has been criticised by a section of the trade.

The contention of the middleman is that, as only some mills have the advantage of direct export connections, and as the benefit of valuable contacts which exporters of long standing in the trade can provide is a factor for stabilising the level of exports, there should not be large-scale displacement of the trade in the field of exports. The Commission attributes the entry of the mills in the sphere of export trade to the desire on the part of mills to keep export prices as low as possible and to even out price fluctuations as much as possible. This attempt on the part of mills to check speculation is, however, considered by the Commission as inadvisable. The reasons given by it are convincing indeed. They are:

(1) The export trade in jute manufactures is an extremely intricate business. It has been built up by the trade over the past 50 years. If the manufacturers were to export now, the established valuable contact by the trade will be lost.

(2) From a practical point of view, direct export by mills will be impossible, because individual mills have not the necessary finance.

(3) Any system of joint export would antagonise overseas buyers, especially in the U.S. where any form of cartel is anathema.

(4) Bureaucratic methods of business conducted by a joint organisation would be quite inappropriate to the trade in jute goods which requires an extremely flexible organisation to deal with a number of overseas markets to cope with rapid changes in the market situation.

(5) A central selling organisation in the exporting country would certainly result in the establishment of a central buying organisation in the importing country as a means of retaliation.

(6) The trade also would be hostile to such controls on export trade.

For the same reasons mentioned above, the Commission rules out the establishment of State trading also. It observes, and rightly so, that "in a free economy, we are left with no alternative to allowing the establishment of proper futures markets operating under regulations and conditions approved by the Government." In holding this view, the Commission has the full support of the I.J.M.A. Although those mills which have established their own export departments have so far succeeded in their efforts at direct exports, such is due to the fact that there has been a steady decline in the stocks of ready jute goods over the past one decade. But, when once the volume of trade expands, following an increase in the output of jute goods, the financial and other risks of an expanding market are bound to impose limitations on the export trade activities of these mills. It will, therefore, be in their own interests, in the long run, to take recourse to the established trade channels which are experienced in dealing with changes in trading conditions and fluctuations in prices.

Pattern of Mill Production

The Commission has done well in spotlighting attention on changes which have occurred in the pattern of mill production since the last war. To a certain extent, the manufacture of jute goods has been conditioned by the availability of the raw material as also by its variety. Thus, before Partition, the mills obtained the bulk of their raw material from areas now in Pakistan. Now the mills have switched over to the utilisation of the types and varieties of jute that could be grown in India. For instance, daisee jute, which was formerly exported to Dundee, is now extensively used by the mills. Jat varieties of Pakistan have yielded place to Assam and Bihar jute in the absence of supplies of the former. Further, the use of *jungli*, *mesta* and *bimli* jute is now on the increase in the manufacture of jute goods in India and it is stated that the use of these could be extended further by means of technological improvements.

Changes in the offtake of goods in the overseas markets have also caused changes in the types of goods manufactured by mills. Early in 1953, the mills had heavy accumulation of stocks, both hessian and sacking. Subsequently, offtake improved and accumulation of stocks tended to decline. Towards the close of the year, the mills reduced the production of sacking und increased that of hessian. This position, however, seems to have been reversed in the first quarter of this year, as the output of sackings has gone up steadily owing to the switching over to the manufacture of these from hessians.

But the production of jute goods is stated to be not in accordance with well defined standard specifications. It is regretted that this country, though the biggest producer of jute goods, has not taken the lead in fixing necessary and adequate specifications for its standard products. The non-observance of standards has given rise to complaints, particularly in regard to exports of heavy goods, where most of the trade is now done on the basis of the vague trade description, "fair average quality." Although a draft Indian standard specification for hessians has been drawn up, progress has been halted, as the trade is not supporting the standard. In this context, the Commission observes that "it is difficult to avoid the impression that the Indian jute industry is taking a complacent attitude on the question of specification, because as far as the hessian market is concerned, the classification of Bemis Brothers satisfies the main U.S. market." It has, therefore, stressed the need for proper standardisation in the manufacture of all types of goods. Besides, standardisation is also necessary for the conduct of a sound futures market.

Costs and Prices

The enquiry into the cost-price structure of jute goods by the Commission has resulted in providing one of the stimulating chapters of the report, as so far no comprehensive account of the subject was available. At present, there is no uniform system of cost accounting by mills. The standard cost system, although adopted for purposes of cost control by a large section of the mills, is not regarded by the industry as offering a suitable basis for pricing.

In order to measure the trends in costs, the Commission obtained from mills an analysis of their costs for the years 1951-52 and 1952-53 for two popular constructions, namely, hessians 40" × 10 oz. and B twills. On the basis of data thus collected, the costs estimated for the two varieties by the Commission are as follows:

Items of cost	Estimate for 100 yards hessian 40" × 10 oz.	Estimate for 100 bags B Twill 44" × 26½" GE2½ lbs.
	Rs.	Rs.
(1) Labour (direct and indirect)	7.5000	20.00
(2) Other materials		
(3) Works on cost excluding depreciation	7.000	21.00
	14.5001	41.50
(4) Administrative overhead assessed	1.000	1.50
	15.500	43.00
(5) Depreciation	1.110	3.00
	16.610	46.00
(6) Brokerage	0.330	0.75
	16.940	46.75
(7) Managing Agents' commission	0.180	2.88
	17.120	49.63
(8) Interest on working capital at Rs. 13.8 per ton of hessian and 44 per cent. on 800 per ton for sacking	0.880	1.35
	17.000	50.98
(9) Return on block at Rs. 64 per ton of hessian and 8 per cent. on Rs. 800 per ton of sacking	1.780	6.40
	19.380	57.38
(10) Raw jute	24.321	57.07
Total cost	Rs. 43.000	114.45

Thus, in a standard estimate based on the price of raw jute at Rs. 26 to Rs. 27 per maund, the cost to consumers of 100 yards of hessian 40" × 10 oz. works out, as shown in the table above, to Rs. 43.6, of which Rs. 24.32 represents the cost of jute and Rs. 19.28 the processing cost, overheads and profits. A similar estimate for 100 bags of B. twill shows a total cost of Rs. 114.45, comprising Rs. 57.07 as cost of jute and Rs. 57.38 as element of processing, overheads and profits.

The Commission observes that, during the last three years, the majority of mills has continued to declare reasonable dividends, although there has been a steady downward trend in prices of jute goods, barring occasional spurts.

The Commission considers that it is not desirable to prescribe ceilings for prices of jute goods. As 80 per cent. of jute goods are produced for export, such a ceiling would not be advantageous to the Indian consumer. It has not recommended fixation of prices to raw jute also. It, however, supports the view that prices should be allowed to stabilise themselves over a long period and the advantages to the grower should come from other positive measures for removing the handicaps under which he suffers. The Commission's emphasis on stabilisation is based on the fact that stable prices would be more welcome to foreign buyers than a drastic cut in prices. In this context, it draws attention to the presence of a few factors which, in the long run, would help stabilisation of prices. In the case of raw jute, increase in Indian production and the position of Pakistan as the largest supplier of jute would combat the effect of speculative factors. Similarly, in the case of jute goods, the strong position of producers overseas and the emergence of Pakistan as a producer of jute goods would also restrict the scope for speculation. Further, by providing the facilities of a regulated futures market, the scope for violent fluctuations of prices could be minimised as a result of hedging operations of those interested in jute and jute goods. As a measure of stability could thus be achieved, the Commission rules out the need for price controls.

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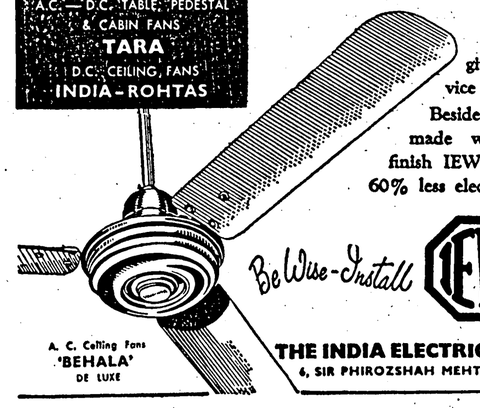

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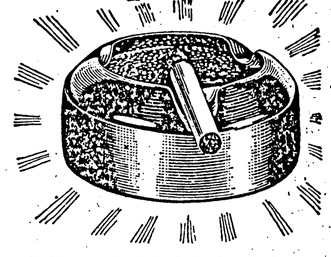

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EUROPEAN COAL AND STEEL COMMUNITY

NEED FOR LONG-TERM INVESTMENT AT LOW RATES OF INTEREST

THE annual session of the Common Assembly of the European Coal and Steel Community was held at Stasbourg recently. Although full details of the proceedings are not available, Press reports show that M. Monnet, President of the High Authority, reviewed the progress made by the Community so far in establishing a common market in an atmosphere of free enterprise and also gave an account of the investment needs for developing the coal and steel industries in the pool area.

It is now twenty months since the High Authority and the other institutions of the Schuman Coal and Steel Community were created and a year since a common market for coal and steel was established. This is too short a period to permit a correct assessment of the achievements of the Community. Nevertheless, there have been many tangible results in all the fields of action of the High Authority, which redound to the credit of M. Monnet and his colleagues, who have been striving hard to make the Community a success. Summing up the balance-sheet of the results achieved, the High Authority's Second General Report on the activities of the Community (13th April, 1953 to 11th April, 1954) observes as follows:

"Not all the problems have been solved, not all the difficulties overcome, but each stage that has been passed—with all the precautions necessary to avoid causing serious disruption in the economic life of the six countries—has brought the Community nearer to its fundamental objective: increase of production, free and equal access for all consumers to the sources of production, improvement of living and working conditions for labour. By these achievements, the Community has given proof of the effectiveness of the first supra-national European institutions for obtaining the ultimate goal and of their flexibility for adapting themselves to the various situations which they meet. That certainly is the essential fact which emerges from the balance-sheet of one year of the common market and 20 months of functioning of the institutions which govern it. The results achieved in the as yet limited field of coal and steel foreshadow visibly those that would follow from the creation of that broader and closer community whose initial foundations must be laid by the European Coal and Steel Community."

An outstanding feature of the working of the High Authority so far is that, in the case of several steel products, internal prices of the European Coal and Steel Community have declined below those of the British producers who are the major competitors of the Continental steel makers. In the case of certain varieties, the prices of the Community's products are slightly higher than those of the British, but, by and large, they compare favourably. A comparison with the prices of American steel products shows that, barring strips and sheets, all the others are definitely cheaper. The Community's internal steel prices for billet sheet bars and wire rods are less than those of British producers. The following table gives a comparison of the internal prices of the Community's steel with those of the U.K. and the U.S.:

TABLE I

*Comparison of Internal Prices**

(In dollars per metric ton)

	Community† (Basic-Bessemor steel)	United Kingdom (Open-hearth steel)	United States (Open-hearth steel)
Billets ..	64.00	67.85	68.35
Sheet-bars ..	66.35	67.70	68.35
Merchant bars.	85.00	75.75-86.10	91.50
Sections ..	84.70	75.75	90.40
Wire rods ..	83.00	85.05	99.75
Strip	96.35	89.10	86.65
Plates ..	94.75	80.80	90.40
Medium sheets.	97.00	90.40	90.40
Thin sheets ..	113.80	111.10	86.65

* Prices ex-works or basing point at the end of March, 1954. The comparison between basic Bessemor steel and open-hearth steel is considered to be justifiable, as, apart from shipbuilding plates and a few special products, consumers in the Community use basic Bessemor steel instead of open-hearth steel.

† Lowest prices.

Even in the export markets, the prices charged by the producers in the Community have fallen during the last ten months. In the U.K., the difference between home and export prices has been declining continuously. Export prices are lowered all the time, while home prices are tending to rise, under the influence of increased wages and transport costs. The table below shows the export prices of steel of the Community, as compared with those of the U.K. and the U.S.

TABLE II

*Comparison of Steel Export Prices**

(In dollars per metric ton)

	Community† (Basic Bessemor steel)	United Kingdom‡ (Open-hearth steel)	United States§ (Open-hearth steel)
Billets ..	66.00	..	79.35
Sheet-bars ..	69.50	..	79.35
Merchant bars.	82.00	87.50-88.25	105.15
Sections ..	82.00	91.00	103.60
Wire rods ..	84.00	..	110.90
Strip	95.00	..	100.30
Plates ..	98.00	104.70	103.60
Medium sheets.	98.00	121.25	103.60
Thin sheets ..	131.30	128.00	121.90

(In order to compare these export prices with the home prices of corresponding countries, the prices taken here are f.o.b., which, therefore, include to a greater or lesser degree the cost of transport.)

* Prices f.o.b. North Sea port.

† Prices fixed by agreement between producers and given here by way of indication; the real prices are lower by varying amounts.

‡ The U.K. producers are authorised to lower export prices to the level of home prices.

§ Prices in force at the end of 1953: since reduced from 1 to 10 per cent.

It is less easy to make comparisons in regard to export prices in view of the differences from one transaction to another. The prices given above should be considered as maximum prices for all practical purposes. They show that exporters of the Community are generally in a position to meet British competition, except as regards thin sheets. Despite the recent reductions, the prices charged by American exporters would seem to be still somewhat higher than those quoted by the Community.

The first European common market has opened up new opportunities for investment. In fact, investment is clearly a key factor, partly because a large proportion of steel goes into investment of one kind or another and partly because of the close dependence of the general level of activity and the rate of increase on investment. It will be recalled that, according to an agreement entered into between the U.S. and the High Authority, on 23rd April, 1954, the former will loan $100 million to the Community. Spread over a period of 25 years, the loan bears interest at the rate of 3¼ per cent. and will be repaid in 22 equal instalments beginning from the fourth year. The High Authority is exploring new means by which private capital both in the U.S. and in Europe can be mobilised for investment in Europe's basic industries. Western Europe's need of the hour is long-term capital at reasonable rates of interest. At present, the coal and steel industries' development is being financed by short-term bank loans carrying high rates of interest. To quote the views of M. Monnet on the subject as adumberated in the speech to the special session of the Common Assembly held in January last:

"The statistics of both coal and steel finance show that the enterprises are finding it more and more difficult to manage and are able to carry out essential work only by increasing recourse to ever more uncertain and costly financing. Rates of interest charged are now as high as 7 per cent. or 8 per cent. (sometimes even higher) for loans frequently running for less than five years, whereas those which extend to ten or fifteen years are described as long-term loans. It need hardly be pointed out that a ten-year loan at 6 per cent. represents a gross financial burden of nearly 14 per cent. per annum, which has inevitable repercussions upon prices and must, in the final analysis, be paid by the consumer. How can basic industries, whose costly investments can only be amortised over a long period, continue to pay such high rates of interest for such short-term loans? At the same time, companies in the U.S. can readily obtain loans at between 3 per cent. and 4 per cent., redeemable in up to twenty-five years. In Great Britain, loans for similiar periods bear a rate of interest of between 4 per cent. and 5 per cent. It is obvious that the High Authority can only make a partial contribution to the total financing requirement, but this contribution will, in our opinion, be vital, for, whether by contracting loans or granting guarantees, its sole purpose will be to open up for the enterprises new financial sources to which they would normally have no access. The High Authority will do its best to make capital available to the enterprises at more favourable rates of interest and for longer periods than those which they are today generally obliged to accept. It intends to offer loans on standard terms to all enterprises engaged upon similar activities. In the belief that this additional supply of capital at a standard rate of interest may be an incentive to our industries to harmonise their financing methods, and at the same time a first effective contribution towards the much-needed transformation of the European capital market.

"Whatever the success of these efforts on the part of the High Authority, they will not automatically solve all the financing problems. Investment in heavy industries such as those of the Community cannot be depended upon in the long run while capital is so costly and so hard to come by in Europe itself. Both this problem of finance and that of increasing the consumption of coal and steel require joint action by the High Authority and the Governments. The expansion and improvement of production, readaptation measures, the finding of new sources of capital—never before have these various problems been tackled so resolutely and from the point of view of Europe as a whole. Such action will have a profound effect upon the business conditions of every enterprise and upon the very life of the workers. It will act as a leaven in the expansion and modernisation of the economies of our countries. The success of this policy presupposes a tenacious and unremitting campaign to change old habits. The High Authority is under no illusion regarding the difficulties before it. It appeals to industrialists and workers alike for their understanding, to the Governments for their co-operation and to your Assembly for its support, so that by our combined efforts we may be equal to this great undertaking."

The negotiations which M. Monnet has been carrying on with the U.S. for some time past for getting financial assistance are expected to yield good results. As stated earlier, the U.S. has already sanctioned a loan of $100 million. Some more loans are expected to follow as a result of the present talks. Be that as it may, the $100 million which the U.S. has loaned will go not a small way in strengthening M. Monnet's hands in his tussle with the cartels and in boosting up the prestige of the Coal and Steel Community.

The Tables III and IV reveal the investment in the Community as on 1st January, 1953 and 1954 and the means of financing at the disposal of the enterprises of the Community. As will be seen from Table IV, the enterprises have been able to obtain 75 per cent. of the funds needed by them outside their own resources; about $500 million in 1952 and $600 million in 1953 came from sources which cannot be considered as normal, because they came either from short-term bank loans or American aid and public funds. Furthermore, these funds can often be obtained only at extremely high rates, frequently rising as high as 8 to 9 per cent. and even higher. These facts clearly reveal the gravity of the problem of financing investments in the Community and the urgency with which a solution for it requires to be found.

TABLE III

Investments in the Community (1)

(In millions of dollars)

	As on 1st January, 1953		As on 1st January, 1954			
	Total expenditure involved (2)	In percentage of expenditure involved	Total expenditure involved (2)	In percentage of total expenditure involved	Expenditure yet to be made: Amount	Expenditure yet to be made: In percentage of amount of each industry
Hard coal industry (3) (4)	1,791	40.5	1,497	40.9	727	48.6
Iron and steel industry (3)	1,715	38.8	1,220	33.3	654	53.6
Coking plants (5)	397	9.0	388	10.6	150	38.7
Lignite industries (3) (6)	400	9.0	461	12.6	346	75.0
Iron ore mines	120	2.7	96	2.6	54	56.3
Total ..	4,423	100.0	3,662	100.0	1,931	52.7

(1) Excluding construction of workers' housing.
(2) Excluding interest on capital during construction.
(3) Including thermal power stations, but excluding cokeries.
(4) Including patent fuel plants.
(5) All coking plants producing metallurgical coke.
(6) Including plants for producing low-temperature coke.

TABLE IV

Means of Financing at the Disposal of the Enterprises of the Community

(In millions of dollars)

	1952			1953		
	Total	Public issues and loans for more than 5 years: Amount	Public issues and loans for more than 5 years: In percentage of total	Total	Public issues and loans for more than 5 years: Amount	Public issues and loans for more than 5 years: In percentage of total
Iron and steel industry	353.3	83.1	25	428.7	98.4	23
Coal-mining industry	305.0	70.8	23	344.1	100.2	29
Iron ore mines	6.5	2.4	37	12.4	1.2	10
Lignite mines	8.0	..	..	25.1	..	..
Total ..	654.8	156.3	24	810.3	199.8	25

The figures are concerned not with the net amount of investments but with all the work undertaken by the enterprises and thus include, in particular, replacements and major repairs costing more than $500,000 (E.P.U. units). Thus, the idea of investment as used here is rather that of gross investment—less variations in the value of stocks and repairs costing less than $500,000.

POLLUTION OF SEA BY OIL

The first steps towards the prevention of oil pollution of the world's beaches on an international basis were taken in London on the 12th inst., when the International Conference on Pollution of the Sea by Oil agreed to fix zones in which dumping of oil by ships would be banned. Forty countries including India were represented at the Conference, which opened on 29th April. The problem of oil pollution is not one which presently affects India so seriously as it does the U.K. or some other European countries. Nevertheless, it is felt that it is essential that India also should take steps to guard against the problem assuming any serious proportions in the near future owing to the tendency in the world to use more and more oil fuels for ships' propulsion and more particularly as in some major Indian ports, oil refineries will soon go into production, necessitating imports of large quantities of crude oil by tankers.

The main source of pollution of the sea beaches by oil is tankers which discharge tank washings and sludge and oil contaminated ballast water from cargo tanks. Another important source is the oil-contaminated ballast water from bunker fuel tanks of dry cargo, passenger and other vessels. Among the ill-effects of oil pollution are the spoiling of beaches and the amenities of coastal resorts, destruction and injuring of sea birds, damage to fish, shell fish and larvæ, fouling of boats, fishing gear, piers, quays, etc., and risk of fire in harbours and other enclosed waters.

The London Conference has drafted a convention and it was agreed among the representatives of the countries who took part in the Conference that from the date the Convention is to take effect there should be zones throughout the world within which the discharge of certain oils—crude oil, fuel oil, heavy diesel oil and lubricating oil—must be prevented. The Convention covers all registered ships except those under 500 tons, those for the time being used as naval auxiliaries and those used as whalers. It covers tankers as well as dry cargo ships for which separate zones have been agreed. Three years after the Convention comes into force, ships will have to carry record books giving an account of any operation resulting in oil discharge. The Convention will come into force after it is signed by 10 countries including five having a tanker tonnage of not less than 500,000 tons. The U.K., which is affected very seriously by pollution of its beaches by oil, has been the first to sign the Convention. The British Government proposes to introduce immediately legislation required to put the measures proposed by the Convention into force. It may be noted, in this connection, that a previous international conference on oil pollution convened at Washington by the United States Government in 1926 failed to come to any agreement regarding the steps to be taken to prevent pollution of sea beaches by oil.

SUPER-CONSTELLATION FOR AIR-INDIA INTERNATIONAL

Air-India International will shortly receive the first Super-Constellation, already named "Empress Nurjehan", which will commence its first flight from Bombay to London on 19th June, 1954. Developed by the Lockheed engineers in co-operation with the internationally famous designer organisation, namely, Henry Dreyfuss, the Constellation provides speed with luxurious comfort; it will have a maximum speed of about 375 miles per hour.

A point of interest to passengers in this big new Lockheed transport is the club lounge providing seating accommodation for eight members. It offers passengers such new travel pleasure features as (1) fine-arts murals for decoration and diversion, (2) partitions of rich-grained wood, replacing cold metal, (3) low-backed sofas upholstered in interesting materials, (4) etched translucent panels as a design highlight, (5) contrasting colour schemes, and (6) fingertip control curtains.

The new aircraft will place Air-India International in line with the leading airlines in the world which operate luxurious aircraft. The fuselage of the Super-Constellation is the longest among the world's commercial transports. The interior of the plane can be rearranged quickly and easily to provide tourist accommodation if desired; each of the three passenger compartments may be converted quickly for high density tourist traffic (five abreast) or for low density air travel in berthable seats (four abreast and seats respaced for maximum leg room).

2½-MILE SUBMARINE PIPELINE LAID

The first stage in the gigantic operation of launching submarine pipelines, connecting the Butcher Island Marine Terminal and the 2-million-ton Burmah-Shell Refinery at Trombay, has now been completed. These 20,000-foot long steel lines, 12,000 ft. of which are below water level, cover the distance between Butcher Island and the mainland, and will be used for importing crude oil in addition to exporting finished products.

Working against great difficulties, the Bombay Port Trust contractors succeeded in laying one 12-inch and two 16-inch steel pipelines. These are three of the final seven concrete-encased steel lines that will connect the two Trombay Refineries with the Marine Oil Terminal where the 30,000-ton super-tankers will discharge. One 8-inch and three 24-inch pipelines are expected to be laid after the monsoon.

The laying operation is very complicated and considerable thought and research goes into this operation before plans for actual laying of the lines can be taken in hand. For instance, strong wind, current, tide movements and other marine factors in the channel separating the Butcher Island from the mainland, had to be ascertained before launching the pipeline. After this, a thorough investigation was made by soundings with the help of echo-meters to determine the nature of the seabed on which the pipelines will temporarily rest before they are trenched below the seabed.

POST-WAR RAILWAY DEVELOPMENT

SIMPLIFICATION OF EQUIPMENT IN U.K.

(By MAXWELL TAYLOR)

THE biggest problem which British railways are having to tackle is how to make up for the accumulated deficiencies of a period of more than 30 years which included two world wars. This is a problem shared by many countries. Paradoxically, the greater the damage suffered by a nation's railway system, the easier it is to repair for, with nearly total destruction, so much equipment that is becoming obsolete and inefficient is swept away, giving greater opportunity for new works and up-to-date equipment. Conversely, where the greater part of a railway system remains intact, renewals and replacements take a lower priority in rehabilitation plans. British railways, by the end of World War II, were sadly deficient in up-to-date motive power and rolling stock, while track renewals and maintenance were considerably in arrears. But nowhere was it impossible to provide services well in advance of minimum requirements. Thus, plans to overtake arrears were hampered by severe restrictions on capital expenditure and shortage of raw materials—particularly steel—with comparatively low priorities in each field.

New Locomotives

In the matter of motive power, the most interesting post-war development has been in the new standard locomotives. Six years ago, the motive power of British railways consisted of more than 20,000 locomotives of some 400 different types. The average age of the locomotives was about 30 years. This multiplicity of types meant an even greater multiplicity of non-interchangeable working parts, and to replace old locomotives according to their original type was not only undesirable but impossible. British railways, therefore, set about designing and constructing 12 standard types to replace the existing 400.

Each of the 12 types was designed to give maximum route availability, maximum efficiency in the light of the need for economy in initial costs, simplicity in maintenance and ability to run efficiently on varying grades of coal. Many components of each of the 12 types are interchangeable with those of one or more of the other types. Naturally, a complete change-over to the standard types will take several years, but the largest of the standard engines, the "70,000" or "Britannia" class, designed for both fast passenger and freight work, has already established itself as an excellent locomotive.

The new standard locomotives are all steam engines. Why does Britain persist in relying mainly on steam when so many other countries are turning towards diesel-electric locomotives or electrification? Countries favouring extensive electrification generally have available abundant supplies of hydro-electric power; those changing over to diesel-electric traction have indigenous oil supplies; Britain has neither in any considerable quantities. To convert the country's whole railway system to a motive power dependent on imports—as would happen if a change were made from steam to diesel-electric traction—would be unsound economically and strategically.

This is not to say that Britain has no electrified system. Some 2,500 miles of track—mainly in densely populated areas—are electrified, and more is planned. There are hundreds of diesel-mechanical locomotives in service for shunting and a few diesel-electric engines are in use on main lines. But the main source of motive power is still the steam engine, and is likely to remain so for many years.

All-steel Coaches

Standardisation, with its resulting economies and simplification, is not confined to motive power. New types of standard rail are gradually replacing the old type of "bull head" rail. The standard flat-bottom rail is stronger, longer lasting and simpler. As compared with the present "bull-head" type of rail, each mile of the new track will require nearly 17,000 fewer components. The number of different types of passenger stock is also being reduced and new designs are a considerable improvement on the old. New coaches are of all-steel construction giving increased strength and consequently greater protection to the passenger.

But all this conversion to better methods and better equipment can only be undertaken as existing equipment becomes obsolete; there can be no question of scrapping equipment which is still capable of service. The British Transport Commission might be glad to do so, but neither capital nor materials is available.

A criticism often heard is to the effect that United Kingdom trains are not as fast as they used to be. This is undoubtedly true, but each twice-yearly issue of new time-tables shows improvements as track renewals are completed and new equipment becomes available. It is very unlikely, however, that the very high speed trains familiar in Britain before the war will be restored, and the reasons for not restoring them are sound ones.

Britain has more railway per square mile than any other country in the world, except Belgium; British railways carry more than twice as many passengers as all the railways in the United States of America. This means that the tracks are densely occupied. Now, an abnormally high speed train must have more head room than an ordinary express for reasons of safety. That is to say, it needs more space between it and the next train in front of it. This head room is, in effect, waste of space, and it has been decided that more and fast is better than fewer and faster. And it must be noted that, apart from the 24,000 passenger trains which run daily in Britain, there are 16,000 freight trains to be fitted into a tight daily schedule. Running spectacular services may be nice for the few who can use them, but they are a nuisance to everyone else. British railways have a impressive safety record. An examination of post-war figures has shown that passengers travelled over 850,000,000 miles for each fatality in a train accident.

COMPENSATION FOR BANK EMPLOYEES INVOLVED IN ACCIDENTS

APPELLATE TRIBUNAL'S DECISION

AWARDS of industrial courts, which seek to increase employees' emoluments and improve their conditions of service, will generally be welcomed by insurers. For insurers, as a class, stand to benefit from any improvement that may take place in the economic status of any section of the population. The recent decision of the Appellate Tribunal in respect of the salaries and service conditions of the bank staff, however, may not be welcome to them, as it has inspired their employees to agitate for an increase in their emoluments. Nevertheless, it should be welcome to them from the business point of view, inasmuch as the effect of the decision will be to place the sixty and odd thousand employees of banks in a better economic position than they have enjoyed till now.

There are two issues in respect of the insurance of bank employees. The one relates to life assurance of bank employees, pure and simple. The second relates to the insurance of these employees against accidents which might occur in the course of the performance of their duties. Although the Tribunal has decided neither of these two issues, it should be clear that both are important from the point of view of bank employees. As regards the question of life assurance, it should be possible for life insurance agents to persuade the employees, especially the younger section, to take up life policies for modest sums. It should be noted that, while the conditions of their service, in particular the permanency of their service, have improved greatly, even their emoluments have increased out of all proportion to what a bank clerk used to receive in pre-war years. A clerk in a class I bank, in Area I, for instance, will now start on Rs. 143 (inclusive of pay and allowance) and rise to Rs. 414 in the twenty-fifth year of his service. This scale compares favourably with what an ordinary clerk in a Government Department can hope to get.

Payment of Premium

The question as to how the premium should be paid was discussed both by the Sastry Tribunal, against whose award the appeal was filed, and the Appellate Tribunal. On behalf of the banks' staff, it was contended the banks should share 50 per cent. of the premium in respect of "insurance against old age, sickness or injury from accident in the course of the discharge of duties." The Sastry Tribunal held that, inasmuch as it had already recommended two retirement benefits, namely, provident fund and gratuity (or pension), the banks should not be burdened with the cost of insuring the members of the staff. But the Tribunal recommended that the banks should "allow the workmen to utilise their contributions to the provident fund towards the payment of premium on life assurance policies taken by them." The Appellate Tribunal also does not interfere with the decision. Thus, it is for insurers to take advantage of this recommendation and persuade bank employees to take up insurance. Premiums may be paid out of the employees' personal savings or out of their provident fund.

The second issue relates to the death or injury of bank employees which may take place in the course of the discharge of their duties. Now, this is a very serious matter, for bank raids and bank robberies have been quite a few in recent years. It is not right that a loyal member of a bank's staff should be exposed to risks of injury and death and that he, in the case of injury, or his family, in case of his death, should receive no compensation for loyal performance of duties. It is true that banks, even private bankers, are invariably generous in rewarding their employees who suffer injury or death in accidents of this type. The banks, as the Sastry Tribunal itself emphasises, "have not failed to recognise their moral obligations in such circumstances." It is, however, necessary in the interests of both employees and bankers that the whole arrangement for compensation should be placed on a more regular basis. The Sastry Tribunal considered the question whether it should recommend that bank employees should also receive benefits similar to what industrial employees get under the Workmen's Compensation Act. But it felt that to issue such directions would tantamount to a "kind of private legislation extending the Workmen's Compensation Act to bank workmen," and that it should "not assume such legislative functions."

The Sen Tribunal, which considered the question before the whole dispute between the banks and their employees was referred to the Sastry Tribunal, gave an award which extended the benefit of compensation as per scales fixed under the Workmen's Compensation Act to bank employees. But the Sastry Tribunal did not endorse this view. Apart from the legal difficulty in applying the Act to bank workmen, to which a reference has been made above, the Sastry Tribunal cited yet another difficulty. It said:

"The Act provides a well considered scheme of compensation with several safeguards and also an appropriate machinery for deciding the amount and for distribution amongst the workmen and certain of dependents. Our award cannot possibly take in all the safeguards, including the services of a Commissioner and an appeal to the High Court in matters relating to the amount of compensation. It will not be right to adopt one section of the Act without the necessary safeguards where the benefits that are being given are substantially of a monetary character. The proper method will be to apply to the Government to have the Act extended with such modifications as may be necessary so as to apply to certain categories of bank employees, as well. A well considered scheme in its totality is not before us."

Complex Issue

The Appellate Tribunal also felt that the issue of compensation to bank employees involved in accidents in the discharge of their duties was a complex one. It said:

"The materials before us are meagre and no scheme has been placed before us which would merit consideration. The subject has many difficulties, and it is doubtful whether the liability of the banks under the common law could be extinguished by taking out an insurance for a certain amount against loss of life or limb of an employee resulting from, say, an armed attack on the bank. Each individual case would present its own features, not only as to the extent of the physical harm but also as to the compensation which would attach to such injury. The analogy of the Workmen's Compensation Act fails, without the administrative and judicial machinery, to support it. In such circumstances, it is not possible for us to give any directions on this issue, which for the purposes of this appeal has been limited to the question of injury or death, arising in the course of the bank's work, like an armed raid or an armed hold-up outside the bank. The banks do not repudiate their moral obligation nor do they deny their liability to compensate the workmen in such circumstances. And all we can, therefore, do is to repeat the obvious, namely, that the banks should be generous in compensating the employees when such occasions arise."

It should, therefore, be clear that if both the Sastry Tribunal and the Appellate Tribunal have not been able to arrive at any decision on the question of compensation to bank employees, it is partly due to legal difficulties and partly to the absence of a proper scheme for insurance. But it should not be difficult for insurers to evolve a scheme that will provide for payment of compensation to bank employees involved in such accidents for a certain consideration by way of a small premia. Such a scheme will also be beneficial to banks, since they would then not have to set apart, under a sense of moral obligation, sizable sums for payment of compensation. But this implies that all the banks do consent to pay the premia, for any sound scheme of insurance implies that the risk is as widely spread as possible. The whole issue calls, therefore, for joint consultation between banks and insurers.

MOTOR ACCIDENTS

Motor insurers are vitally concerned in any move designed to prevent motor accidents on the roads and to improve the "road sense" of pedestrians. They will be interested to know that the Government is contemplating to produce a film on "road sense." This was revealed in Parliament by Mr. Shah Nawaz Khan, Parliamentary Secretary to the Railway Ministry, who said that the film would be ready for release by the end of June. He also gave information about automobile road accidents in the country. The total number of accidents in 1950-51 was 42,816 in which 2,479 persons were killed and 23,194 injured. Among States, West Bengal accounted for the highest number of accidents; its share was 26,409 accidents involving 249 deaths and 7,884 persons injured. For subsequent years, the figures given excluded West Bengal. In 1951-52, there were 17,298 accidents, involving 2,293 cases of death and 14,784 cases of injuries. In 1952-53, there were fewer accidents, such being 16,373. These accidents involved 1,841 deaths and 13,521 cases of injuries.

HEALTH INSURANCE SCHEME

NEED FOR GRADED EXTENSION

THE Employees' State Insurance Scheme is, as is well known, at present in operation in Kanpur, Delhi and seven industrial centres in the Punjab. It concerns industrial workers in these areas. The authorities of the Employees' State Insurance Corporation have been at some pains to extend it to other industrial centres in accordance with a programme of expansion which has been drawn up. The facilities, which the Scheme offers, are now confined only to industrial workers. Nevertheless, the scheme, as the Director-General of the Corporation, Col. V. M. Albuquerque, emphasised, at a recent interview in Madras, must be regarded as the nucleus of a health insurance scheme which will expand gradually to cover the general population of the country.

The need for interpreting widely the term "industrial worker," particularly in India, where agricultural industry claims the largest proportion of workers, was recognised by the Employees' State Insurance Act, 1948. In that Act, provision has been made for extension of its operation "to any other establishment or class of establishments, industrial, commercial, agricultural or otherwise." Although the corporation has, at present, no intention whatever of extending the Scheme to agricultural labour, its aim is to cover eventually all workers in the country. Explaining the objectives of the Corporation, the Director-General said that it would function as a co-ordinating link between the Ministries of Labour and Health for the development of an "integrated health organisation" in order to promote a positive sense of well-being among the workers.

Need for Research

Although the Corporation will certainly aid workers when they become sick or are involved in accidents, the aim must be to prevent avoidable sickness and accidents. This implies research in industrial hygiene and the adoption of prophylactic measures. Also, safety first precautions should be observed more universally than now if accidents are to be kept at a minimum level. Again, working conditions in factories must be improved. Reviewing, in the light of these considerations, the organisation of factory inspection, and the work done in the sphere of industrial health, Col. Albuquerque said, that under the Factories Act, there was already the Chief Adviser of Factories with a specialised branch for co-ordinating factory inspection work in the States. There was also an engineering branch which dealt with such aspects of factory work as lighting, ventilation, temperature, humidity, dust control, accident prevention, and other environmental factors affecting the health of the worker. The information branch collected and disseminated technical information relating to health, safety, and welfare of workers, besides training of factory inspectors, safety officers and welfare officers. The Factory Act also provides for the appointment of whole-time medical inspectors who should be integrated into the factory inspectorate. He pointed out that Bombay and Bihar were the only two States which had so far appointed full-time medical inspectors.

Factual Surveys

As regards industrial health, the Director-General said that a number of factual surveys were recently carried out in certain factories by the industrial medical officer attached to the Chief Adviser of Factories for the detection of health hazards and for promoting the development of techniques and preventive measures to obviate or, at any rate, to reduce these risks. The first survey was on environmental and medical studies in the storage battery industry. The survey covered 16 factories; 492 workers were examined. Out of these, 10.6 per cent. showed clinical evidence of lead poisoning, 56.5 per cent. showed urine lead values in excess of the normal, 48.7 per cent. had blood lead values in excess of the recognised standard and 57.0 per cent. showed the presence of prophyrinuria. The second survey carried out was on the incidence of occupational diseases in the manfacture of dichromate and in the mining of chromate. The survey was confined to 631 workers in seven factories which showed skin affections in 20.8 per cent., typical skin ulcers in 19.7 per cent., nasal cartilage perforations in 20.9 per cent. and nasal ulceration in 20.6 per cent. The third survey on silicosis in mica mining in Bihar revealed that out of 329 miners examined, 33.1 per cent. were suffering from nodular and conglomerate silicosis which was directly related to the degree of dustiness of the occupations. Pulmonary tuberculosis, which is a well-known complication of silicosis, was discovered in 18.6 per cent. of the miners.

Industrial medicine is fast becoming a highly specialised branch of medicine in the West. As India becomes more and more industrialised, it would be necessary to take special precautions to see that industrial workers are well protected. In this task, the Corporation should be able to give the correct lead to the country, for, when its services are extended to all regions, it will acquire extensive basic data relating to the health problems of industrial workers.

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NEW INDIA STORIES FROM LIFE 1

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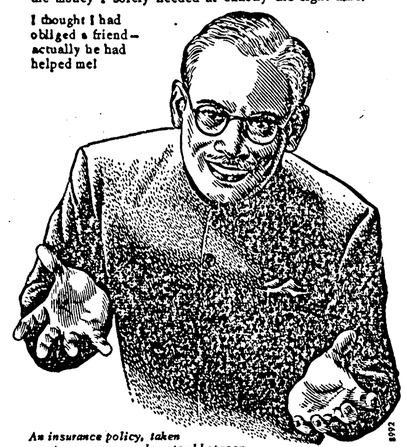

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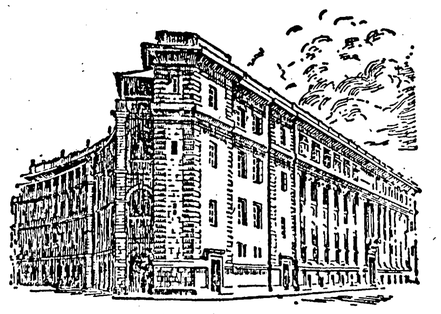

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THE MANAGING AGENCY SYSTEM

IT IS STILL VITAL FOR THE DEVELOPMENT OF THE COUNTRY

[The recent debate on the Company Law Bill in both the Houses of Parliament was marked by strong criticisms against the managing agency system. Several members even pleaded for the abolition of the system. In spite of the Finance Minister's plea that the system should not be ended but only mended, there are some in the country who feel that the managing agency system should be scrapped. Only a few days ago the Indian National Trade Union Congress, for instance, demanded the abolition of the system. In this context, the following note, detailing the origin and utility of the system, prepared by the Secretariat of the Federation of Indian Chambers of Commerce and Industry and published in its fortnightly bulletin, Notes and News, *will be read with interest, as it provides the other side of the picture.—Ed.]*

THE managing agency occupies an important place in our industrial structure. The total number of companies in India is estimated to be over 28,500 and the total capital invested in all kinds of productive activity, including mines and plantations, is estimated to be about Rs. 1,600 to 1,700 crores, if valued at original cost. The figure would, of course, be much larger, if assets are revalued at current prices. Of the total productive assets of companies in India, nearly 80 per cent. are estimated to be in companies which are managed by managing agents. It is also estimated that about 60 per cent. of the managing agency concerns are limited liability companies. In other words, the managing agency system is a vital part of the present structure of our industrial organisation and today its stake in the use and management of productive capital runs into many hundred crores.

It also deserves to be noted that, although managing agents as such are not common features of British or American company management, in certain categories of industries, particularly in the shipping industry, companies have been managed by 'managers' or 'agents' under managing agreements somewhat similar to the managing agency contracts. Actually, the recent U.K. Companies' Act of 1948 recognises the status of managing agents even in a British company. In the United States, where industrial development has been more rapid than in the U.K., the system of management in the larger groups of companies more closely approximates to the managing agency system. Under this system, the holding or controlling company which has interest in one or more industries provides technical, managerial and financial advice and control at top levels to various managed companies. The managing company also receives a fee based on gross revenue, net profits or other basis for the services rendered. The important point, therefore, is that, in essentials, the managing agency system is not something unique to this country nor something which we can dispense with easily and without harm to the growth of industries.

In the absence of an organised capital market and also for want of a sufficiently large investing class, it is difficult in India today to float a company without the backing of an industrial house. The promoters of a company have generally to take up substantial blocks of shares, arrange for working finance and generally undertake the management of the affairs of the company guaranteeing its commitments where required and nursing the project till it is established. The managing agency arrangements take the form of an agreement between the company and the promoter, usually called the 'managing agents.' These managing agents are usually persons of means and are prepared to pledge their own credit to obtain finance for the companies they manage. It is pertinent to refer here to some of the wholesome practices which have developed with the working of a managing agency system and which make for stability, are conducive to expansion and new developments and generally inspire confidence in shareholders and the public alike. Some of the important services rendered by the managing agents are:

(*a*) They undertake all preliminary investigation and enquiry into the scheme before promotion. If, as often, the industry is new or difficult and complicated, such investigation extends over many years and the managing agents always provide the finance to carry out such investigations. For instance, the iron and steel, hydro-electric and chemical industries were all set up after many years of preliminary investigation and on many occasions after investigation the scheme had to be given up, in which case the managing agents bore the burden of preliminary expenses. Further, as a result of the preliminary investigations undertaken by the managing agent, a company comes to be floated only when a project is mature so that the lag between the flotation of a company and its normal working is reduced. This always helps the interests of the shareholders.

(*b*) As pointed out earlier, the managing agency system enables a substantial proportion of the issue to be taken up by the managing agents, their friends and associates thereby inspiring a measure of confidence in the investing public. It is the experience of all persons connected with industry that the ordinary middle class investor comes into the picture at a later stage when the company has started functioning and earning profits. But till then, the managing agents, his friends and associates have to provide the brunt of the finance.

(*c*) Under the managing agency system, management is not confined only to top level, but at various administrative levels. The managing agents have their own organisations to supplement, advise, guide and direct the affairs of the company.

(*d*) The managing agency system makes available to the managed companies the services of the administrators, financial, economic and legal experts and generally engineering and technical services which some of the larger managing agency houses have been able to build up as a result of long experience in various fields of industry. Thus, services which the resources of one single company could not afford become available to it through its association with a large firm of managing agents.

(*e*) The managing agents apart from contributing capital themselves, provide guarantees for obtaining overdrafts and other credit facilities from banks and in support of other borrowings. Even in the case of borrowings from Governmental institutions like the Industrial Finance Corporation in large number of cases, the security of the managing agents (in some cases together with that of individual directors) is required.

(*f*) The managing agents are often required to make sacrifices including the surrender of their managing agency commission and locking up of capital in long-term industrial development. They do so in the hope of profits when the industries become well established. Instances can be quoted of numerous concerns which are today in the forefront, but which would not have survived, but for the care and support rendered by its managing agents.

Sometimes it is argued by certain sections that managing agency system should be abolished. It is difficult to understand, however, why the system which has been responsible for whatever industrialisation there has been should be destroyed particularly when the country is short of administrators and technical experts in various fields. Two arguments are often put forth. First, it is argued that managing agency system has resulted in malpractices and that its abolition would help improve the confidence of the investor. While there may have been some adverse developments in the organisation and management of joint stock enterprise in immediate post-war years, one must bear in mind the real incidence of such developments which has been very small indeed. There is no point in adopting new stringent provisions, particularly because the existing law with a few modifications would be in a position to check effectively any misuse of position by the managing agents. Secondly, it is sometimes argued that such services as the managing agents have rendered have to be paid for at a very high price. It is contended that the managing agents take an unduly large share of the profits arising out of business and thus act to the detriment of the rights of shareholders, on the one hand, and the interests of the consumer, on the other. An analysis of the balance-sheets of companies would dispel such an impression. An analysis of profit and loss account of a large number of companies indicates that in industries like textiles (cotton, jute, and silk), printing, cement, paper, matches, manganese and limestone, and fanneries the proportion paid to the managing agents is between 1 and 2 per cent. of the total income of the companies. On the whole, therefore, it cannot be said that for the services rendered the managing agents take an unduly large slice of a company's income. Further, in connection with the income of the managing agent, it deserves to be noted that such income is the source of strength to the managing agency house. In order that an entrepreneur may venture out into new lines, it is first of all necessary that he has the financial resources for doing so. It is doubtful whether it is desirable to make the terms and conditions of managing agency agreements so stringent as to make it practically very difficult for the managing agency system to undertake the necessary pioneering activity.

If the purpose is to modify the legislation relating to companies in such a manner as to ensure efficient management, this purpose will not be achieved by the virtual elimination of the managing agency system or by reducing the status of a managing agent to a point close to extinction. It would be better to adopt certain suitable safeguards against exploitation of the funds and resources of the company at the instance of interested parties who try and secure the control of a company in order to utilise its funds in their own interests and contrary to the interests of the company.

THE
BANK OF MAHARASHTRA
LIMITED

Head Office: **Bajirao Road, POONA 2**

Capital

Called and Paid-up .. .. Rs. 16,00,000
Reserve and Other Funds .. Rs. 7,00,000
Total Working Funds Exceed Rs. 4,00,00,000

Board of Directors

Shri V. P. Varde (*Chairman*)
Shri S. G. Maratha (*Vice-Chairman*)

Shri D. K. Sathe — Shri N. G. Pawar
„ M. R. Joshi — „ F. D. Padamjee
„ M. V. Shah — „ S. L. Kirloskar
„ B. M. Gupte

L. G. MARATHE, *Bombay Branch Agent.* — C. V. JOAG, *Manager.*

WORLD BANK PRESIDENT IN LONDON

During his three-day visit to London last week, Mr. Eugene Black, President, the International Bank for Reconstruction and Development, held discussions with Mr. R. Maudling, Economic Secretary to the U.K. Treasury, and Mr. R. A. Butler, Chancellor of the Exchequer. He visited several financial institutions in the city.

One of the main points Mr. Black discussed with the British Ministers was the future use of £60 million of Britain's local currency subscription to the Bank's capital, which the British authorities had released early in 1953 for lending to sterling area countries. In a Press interview, Mr. Black admitted that only slow progress had been made in putting this sum to use. He was of the opinion that the Bank should be allowed to use this sum for lending to non-sterling countries, since the Bank had no sterling available to lend to these countries. But he saw no immediate prospect of a change in British policy on this question.

Mr. Black admitted that, at the moment, the statutory obligation placed on the Bank to levy an additional charge of 1 per cent. per annum, for strengthening its reserves, on all its loans, had the effect of making its advances more costly to sterling area countries than loans raised by them in the London capital market. But, at the same time, he took care to add that the Bank was authorised to abolish the commission charge ten years after it had come into existence. He, therefore, felt that in the next two or three years the Bank would be able to quote competitive rates for its advances.

Asked whether the Bank would insist upon such countries as Greece and Argentina settling their existing debts before they are allowed to have access to the Bank's resources, Mr. Black pointed out that it usually preferred not to make loans until a country had settled defaults on its outstanding public debt. In some instances, it might be advantageous to all parties not to wait until this stage had been reached. The Bank did not want to be regarded, he remarked, as a debt collecting agency. It was naturally interested in all matters affecting the credit standing and credit-worthiness of an intending borrower, but, in general, its main interest was whether or not the publicly issued loans of a country were in default or not.

The Durga Bank Ltd., Chhindwara, and the Dass Bank Ltd., Calcutta, both non-scheduled banks, have been refused licences to carry on banking business in India. The refusal of a licence makes it obligatory on a bank to cease transacting banking business and receiving deposits from the public.

NEW PRODUCTS AND PROCESSES

Element 100 Discovered

THE discovery of the 100th element in the periodic table of substances has been announced by scientists of the University of California. The new element, long predicted by scientists, is the eighth element to be discovered beyond uranium, the heaviest element existing in nature. All of the elements beyond uranium have been produced artificially through the use of cyclotrons, popularly known as atom smashers, or through the bombardment of natural substances in atomic furnaces.

Element 100 was discovered in research sponsored by the U.S. Atomic Energy Commission in a programme to carry on fundamental research on nuclear structure. The new element was produced in the National Materials Testing Atomic Reactor in Idaho. The new element is highly radioactive and decays rapidly. It has a half life of three hours, the scientific period of measurement in which half of its energy disappears. Element 100 has a mass number of 254, as compared with uranium which has a mass of 238. Experiments leading to discovery of the new element were made by a group of scientists headed by Dr. Glenn T. Seaborg, Professor of Chemistry at the University of California. Dr. Seaborg has been identified with the discovery of all of the new elements beyond uranium. Element 99 was produced in cyclotron experiments at the university laboratory earlier last month. The two new elements have not yet been named.

Hyper-Sensitive Balance

Two scientists at Johns Hopkins University in Baltimore, Maryland, have developed a laboratory balance that is just as responsive to the weight of dust particles as it is to the weight of heavy samples.

Dr. Alsoph H. Corwin, a Professor of Chemistry, and Joseph Walter, an instrument designer, have devised this instrument which is mounted in an aluminium box, where the temperature does not vary more than one-hundredth of a degree. The balance is so highly sensitive that its scale must be read through a 200-power microscope, where weight can be read to millionth of a gram. The heart of the Corwin-Walter instrument is a triangular strip of boron carbide, set apex-down across the bottom of the balance beam. Boron carbide was selected, because of three reasons, namely, (1) its hardness is second only to that of diamonds, (2) it does not absorb moisture from the air, and (3) it can be finely ground to a sharp, near-permanent edge.

Versatile Metal Alloy

The development of a new and versatile heat-resistant metal alloy, which eventually may become "almost as common as iron," has been announced by the U.S. Naval Ordnance Laboratory at Washington.

Made of aluminium and iron, the new alloy, called Thermenol, may be used in items ranging from electric toasters to jet engines and airplane parts. It is light in weight and has high resistance to heat, oxidation and chemical corrosion. Thus, it appears likely that it may take the place of many present high-temperature alloys. Thermenol is of particular value as it does not need the relatively scarce metals, such as cobalt, nickel and chromium that are used in other high-temperature alloys. In addition, its electrical sensitivity is 50 per cent. higher than that of the nickel-chromium alloy used in electrical appliance heating elements. This should make it valuable in such appliances as toasters, hot plates, coffee makers and electric stoves.

Radioisotopes to Measure Liquids in Tanks

Radioactive atoms or radioisotopes are being used by many United States industries to measure the height of liquids within closed tanks. Radioisotopes are ordinary substances, such as iron or phosphorus, the atoms of which have been made radioactive in an atomic pile. They give off rays, which can be detected by a Geiger counter.

The height of a liquid within a closed tank is measured by placing a radioisotope on the outside of one side of the tank and a Geiger counter on the other side, opposite it. When there is no liquid in the tank between the radioisotope and the counter, there is little material to absorb the isotope's radiations. Consequently, the Geiger counter registers a high radiation reading. When the liquid rises between the isotope and the counter, however, a large portion of the radiation is absorbed by the liquid and consequently the reading on the counter is lower. The radiation that reaches the counter can also be used to open and close valves by remote control, so that automatic control of the liquid level can be achieved. This type of gauge is particularly valuable for the measurement of very corrosive liquids or of liquids in tanks that must have no openings from which gas or vapour can escape.

Natural Teeth Fillings

Instead of using gold, silver amalgam or porcelain, dentists of the future may use materials that allow calcium and phosphate mineral crystals to grow into the teeth, according to two Brooklyn (New York) doctors. These doctors aver that they have synthesised in a test tube the chemical ingredients responsible for mineral deposition in teeth. The synthesis was accomplished by combining collagen, a protein found in the bone and skin and widely used in the manufacture of gelatin, with a solid, insoluble substance called chondroitin sulfate. The latter is believed to be a promoter of chemical processes in the body, similar to the enzymes. The findings of the Brooklyn researchers were part of a long search for the key chemicals that cause minerals to deposit in the form of hard crystals in the sponge-like framework of organic matter present in teeth and bones.

T. I. CYCLES OF INDIA LIMITED, MADRAS

SIR A. RAMASWAMI MUDALIAR'S SPEECH AT FOURTH ANNUAL MEETING

THE commendable progress made by the T.I. Cycles of India, Ltd. in the erection of the factory, the installation of the necessary plant and machinery and the organisation of the manufacture of cycle components well ahead of the original schedule was referred to by Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon.), Chairman of the Company, in the course of his address to the shareholders at their Fourth Annual General Meeting held in Madras on 30th April last. He held out the hope that the shareholders might look forward to a small dividend being paid to them next year. He expected the Company to reach, in the course of the current year, the target of a minimum output of 100,000 cycles per year.

The following is an extract from Sir Ramaswami Mudaliar's speech:

"GENTLEMEN,

"The Directors' report and the audited accounts and balance-sheet for the year ended 31st December, 1953, have been before you for some time. With your permission I shall take them as read.

"It is very rare in these days, that a chairman has the pleasure of reporting continued and satisfactory progress of any of the industrial concerns in this country, and I am in the happy position today of reporting continued progress that has been made, in erecting the factory, in installing the necessary plant and machinery and in organising the manufacture of cycle components in the T.I. Cycles of India Ltd., factory. The progress that has been made is somewhat unique.

"I remember that, at the first annual meeting, I stated after consulting our British Directors, that it will take five or six years at least before most of the components could be manufactured and released, but within the course of two years after the first factory was completed, we are in a position to state that practically all the essential components except three or four are capable of being manufactured in the Factory 'B,' which was opened by His Highness the Maharajah of Mysore. You will realise that not only has the progress been satisfactory, but it has been achieved at hectic speed.

"The essential thing is not merely to erect a factory, not merely install the machinery, but, as I have repeatedly stated, it is to so train the staff that they are able to manufacture those very complicated components of the cycle with precision and accuracy which alone can give strength to the cycle. We have so far deputed for training in the United Kingdom night trainees for various periods and they have returned with full knowledge, and, if I may say so, full of enthusiasm, to their work. We had also to send our Engineer, Mr. T. Viswanath, to Great Britain for a refresher course during last year and that refresher course has considerably helped him in organising, under the guidance of the Works Director, the manufacture of these component parts. Our British Directors have been good enough to send from time to time various technicians for short periods to supervise the work that has been going on here and these visits have been vastly helpful in organising our manufacture on a proper basis. I should take the opportunity of specially paying my compliments to Mr. T. A. Yapp, who is one of the foremost technicians in Birmingham and a Director of The Hercules Cycle and Motor Company, Ltd., for having organised the components factory on a proper and adequate basis.

"I have repeatedly stressed that it is our ambition to produce an Indian 'Hercules' as good as the English Hercules and I am glad to say that we are achieving it. I trust we shall continue to maintain for all time the quality of the cycles that we have put on the Indian market.

"I had to report last year that the Works Director, Mr. Powell, passed away under very tragic circumstances, owing to a motor accident, when he was visiting certain factories in Germany. I am glad to report that we have Mr. Hatton to take his place.

"In the early years, I had to tell you that we were suffering losses, but I took care then to say that they were not real losses. They included certain initial expenses and the amount written off for depreciation on the full scale. On this basis, the losses came to about Rs. 7 lakhs and odd at the time we presented our accounts last year. This year we have changed the method of providing for depreciation. We have chosen a seven-year period as the basis to write off the major portion of the capital assets, prorated equally every year and at the end of that time limit, the total provisions we will have made for depreciation will equal the total allowable under the income-tax rules and, therefore, the full benefits will accrue to the Company, but on a different method, which the Directors feel will be equitable and just. The result of that is, the entire losses of about Rs. 7 lakhs and odd in the last year's account has been wiped out, leaving a small net profit of about Rs. 23,000. That brings to me the hope that from, say, next year the shareholders may look forward to a small dividend being distributed to them. The finances of the Company are on a sound footing, as is established by the accounts themselves. Our capacity is at the minimum, 100,000 cycles per year and I have great hope that we shall meet the target in the course of this year.

"There are one or two factors which I would like to refer to. We have recently had a tariff enquiry regarding the cycle industry and we trust that the Tariff Board has taken due consideration of all the difficulties which the cycle industry has to face. Arising out of the Tariff Board enquiry, a Development Council for the bicycle industry has been set up and my friend and colleague Mr. Murugappa Chettiar is a member of this Development Council. This Development Council has to consider the manufacturing targets of the cycle industry and various other problems regarding small-scale cycle parts manufacturers, etc. During the war when there was a great dearth of bicycles and components, the manufacture of odd parts was encouraged so that some sort of reclamation work could be done to cycles which required repairs and for which the parts could no longer be imported. Having allowed the starting of manufacture of some components, vested interests have necessarily grown. The problem still arises as to what part these small-scale manufacturers of components should be allowed to play in the promotion of the cycle industry, and whether it is proper to lay any burden on the regular manufacturers of cycles towards the maintenance of the small scale industry. There is an idea that the manufacturers of odd cycle components in different parts of India should be subsidised by the major cycle manufacturers and I think it will be disastrous to the cycle industry, if this is done.

"I have referred to the progress that your industry has made and is making. The Prime Minister is very keen on one thing and, as President of the Planning Commission, he strongly feels that the Five-year Programme should be completed within the period and there should be no falling back. So far as T.I. Cycles is concerned, I must say categorically that we shall play our part fully and worthily in reaching the target and our wholehearted co-operation will be behind the Prime Minister in making the Five-year Plan, in regard to this industry, at least, complete. I give that assurance not merely as one interested in the private sector of an industry, but also as one who is patriotic enough to realise that the Five-year Plan must somehow be accomplished and carried through.

"I would like to refer to the keen interest and great co-operation our British Directors have extended to us throughout these years. It was our privilege to welcome Mr. I. A. R. Stedeford, Chairman and Managing Director of The Tube Investments Ltd., and Mr. Arthur Chamberlain, Director of Tube Investments Ltd., and Managing Director of The Hercules Cycle and Motor Co., Ltd., at the time of the opening of our components factory in January this year. Their advice and enthusiasm have been as great as that of ourselves and they are equally anxious to do their best to see that T.I. Cycles of India, Ltd., accomplishes its target and thereby fulfils its part in the Five-year Plan of the Prime Minister. They, as Directors of this Company, are as much responsible to you as we are and the assistance and co-operation they have extended deserve the highest praise.

"I would like to express on behalf of the Directors and on your behalf our appreciation to the devoted services of all the members of the staff of the factory, administrative office and its branches and to the workers, skilled and unskilled, for their enthusiastic co-operation."

BETTERMENT LEVY ON AGRICULTURAL LANDS

ABSENCE OF UNIFORMITY IN STATE ACTS

THE Madras and Andhra State Governments have proposed betterment levies on lands, the values of which have appreciated as a result of measures taken by them for improving the productivity of land. The Madras Irrigation (Levy of Betterment Contribution) Bill, 1954, which was introduced in the State Legislative Assembly on the 18th inst., has since been referred to a Select Committee. A similar Bill is under consideration of the State Legislative Assembly in Andhra. The imposition of a betterment levy is no new thing in India. Already Bombay, Hyderabad, Punjab, P.E.P.S.U. and Rajasthan have passed legislation authorising the executives to levy betterment fees. A betterment fee on lands under irrigation has been in practice in Mysore since 1888. Many other States have accepted the principle underlying the levy and are, it is understood, taking steps to put the principles into practice.

Although the levy in India came into vogue as far back as in 1888, the question of its imposition received prominence following the observations of the Planning Commission in its draft report that the States should take effective steps to levy a betterment fee on lands irrigated by the various river valley projects. The main object of the levy is to secure for the States concerned a share in the unearned appreciation in land values through the availability of better irrigation facilities. According to the Planning Commission, this fee is to be levied only once when irrigation facilities are provided for the first time, as the value of land increases appreciably on this account. It may, however, be recovered either in a lump sum or in instalments spread over a number of years.

Right to Levy

There is a school of thought which is against the betterment levy. The States, according to this School, have no right to levy betterment fee, as the extra facility provided is only the belated discharge of a longstanding obligation. But this is a view which cannot be considered reasonable. Few can deny that it is natural for the State Governments to expect some reasonable return from those parts of lands for the development of which they have invested considerable sums. There is nothing wrong on the part of a Welfare State in asking these regions, which benefit from the projects constructed from the finance at the disposal of the public exchequer, to share the cost of development.

Although there is a general agreement as to the need for betterment levy, opinion seems to be divided on the rate of contribution which the regions benefiting by the new projects should pay. Should it depend on the principle of charging "what the traffic can bear" or any other equitable principle? In the United States, a special assessment of this sort is subject to the judicial principle that no special assessment may exceed the cost of improvement or the special benefit whichever is lower. Again, the assessment, it is stated, should be distinct and measurable.

The application of the principle of betterment levy in the U.K. was at first confined to particular improvements carried out at the expense of the public exchequer. It was subsequently extended to cases where property had increased in value "by the operation of any provision contained in any scheme (of town planning)," whether that involved public expenditure or not; it is now generally understood to include enhancement in the value of property arising from the general community of influences, such as growth of urban population. According to the Uthwatt Committee, which recently enquired into the theory and practice of betterment levy by the U.K., "the term 'betterment' may now be taken in its technical sense to mean any increase in the value of land (including buildings thereon) arising from the Central or local Government action whether positive, e.g., by the execution of public works, or negative, e.g., by the imposition of restriction on other lands.

A brief review of the Acts and Bills passed by the various States in India discloses that the betterment levy is confined to benefits arising from particular works of improvement of irrigation and drainage, as defined therein. Generally speaking, irrigation works as defined in the Acts and Bills include all canals, channels, lakes, reservoirs, ponds lift irrigation arrangements, etc., used for the supply or storage of water and all works, embankments and structures therewith constructed, owned or controlled by the State. Drainage works include channels for the discharge of waste or surplus water, escape channels from irrigation works, dams, weirs, embankments, sluices and all works for the protection of lands from floods or erosion.

Lack of Uniformity

In the various State legislations, there is a marked lack of uniformity both in the basis for determining the levy and in the rate of assessment thereof. In the Bombay Act, and the Madras and Andhra Bills, the increase in the value of land is the sole criterion, for the assessment of betterment levy. In other States, however, the increase in value is not the sole basis for assessing the levy. In the Punjab, Rajasthan and P.E.P.S.U., for instance, the Acts provide that, in the determination of rate of betterment charged, regard should be had to "the type of irrigation and improvement in irrigation." It is, however, laid down in these States that the amount of the levy should not exceed one half of the value of lands ascertained in the prescribed manner. Thus, in these States, though the increase in value does not constitute the sole basis for the assessment of the levy, the rate of assessment is still determined in terms of such increase. Dealing with these aspects in an article entitled "Betterment Levy on Agricultural Lands", published in the March issue of the *Agricultural Situation in India*, Mr. C. Radhakrishnadas observes as follows:

"The determination of the levy involves (i) fixing of the 'base value' from which the increase in value may be calculated, (ii) ascertaining the increase in value, and (iii) the determination of the quantum of betterment to be taken by the Government. The base value should naturally relate to the value of land prior to the commencement of the work of improvement. Where proposals for a project are known long before the actual commencement of the project, it is to be expected that lands will rise materially in value in anticipation of the proposed development and, in some cases, it may so happen that such increment will have been realised by their owners through sale. It is, therefore, necessary that the 'base value' should be so fixed that the Government is enabled to recover its full share of the betterment. The Acts in Bombay, Punjab and P.E.P.S.U. expressly empower the State Governments to fix the dates with reference to which values of lands, prior to the commencement of the work and after its completion, have to be ascertained or estimated for determining the extent of betterment. A very important step in the assessment of betterment levy is the mode of ascertaining the extent of betterment. Since it is the special benefit accrued to the assessee in the form of enhanced value of his lands that constitutes the justification, limit and measure of the levy, the efficiency and equity of the system of betterment levy depends on the degree to which the estimated increment in the value of lands approximates the actual benefit accrued to the assessee. A forecast about future values of lands is always difficult. Moreover, there are always numerous factors that determine the market values of lands and to isolate and prove that a part or whole of the betterment is due to a particular improvement is no easy task. It is also necessary that the mode of estimating betterment be such that the scope for the subjective influences of the assessing authority is reduced to the minimum."

The Madras Bill treats 10 times the net annual increase in gross produce as the increase in the capital value of lands, while the Andhra Bill defines the appreciation in the capital value of lands as 25 times the net additional income minus the expenses incurred on making the land fit for irrigation. In the Punjab, the rules provide that the value of the land shall be calculated at 30 times the net assets as defined in the Land Revenue Act, 1886. The net asset will be calculated on the basis of the owner's share being limited to one-third of the divisible produce.

Amount of Levy

The maximum amount proposed to be recovered as betterment levy in all enactments is invariably half the enhanced value. Thus, in Bombay and Madras, it is half the value. In Andhra, it is stated that the recovery shall not exceed half the increase in the value of land. Dealing with other States, Mr. Radhakrishnadas points out that only the upper limit is laid down, leaving the actual amount to be levied in a prescribed manner. In the Punjab, P.E.P.S.U. and Rajasthan, for instance, it is to be determined having regard to (i) the type of irrigation, (ii) the improvement in irrigation, and (iii) the extent of betterment accruing to the lands, but subject to the maximum limit of one-half of the increase in value. In the Hyderabad Act, it is provided that the contribution should not exceed one-half of the increase in the capital value of land. The rules made under the Act, however, make a distinction between the lands served by the irrigation works and the old wet lands and lay down the maximum limit on the contribution at one-half in the case of the former and one-fourth in the case of the latter. In determining the amount of contribution, the rules require the assessing authority to take into account such factors as the market rate of dry land and wet land in the area, the nature of the soil, its productivity and fitness for irrigation, the wet crops that can be grown economically, proximity to market, village or road, the probable expenditure to be incurred in converting the dry land into wet land and the like. It will thus be seen that the provisions in the Bombay Act and the Madras and Andhra Bills are more definite in regard to the determination of the actual amount of the levy and do not leave scope for the play of subjective element in its assessment. When once the actual betterment, that is, the enhancement in the value of land is ascertained or estimated, the quantum of the levy could be determined with definiteness.

Madras Bill

A feature of the Madras Bill which has come in for considerable criticism is the provision envisaging the assessment of betterment contribution on the basis of the average prices of agricultural produce over the previous three years. Thus, the *Hindu* of Madras points out that "the violent fluctuations in the price of a commodity like tobacco, over the past three years, indicate the difficulty involved in adopting any short period for the purpose of determining average prices which are to be the basis of a levy which is to be collected over a period of 20 or 30 years." Proceeding, it states that "while the anxiety of the State Government to recover at least a part of the capital expenditure incurred by them on irrigation schemes is understandable, the method adopted for the purpose must have relation to the peculiar characteristics of agriculture, the income from which is subject to various vicissitudes from year to year."

The Madras Bill provides for the betterment contribution to be paid in 20 instalments, while the Andhra Bill provides for 30 instalments. Where the entire amount is paid in one lump sum, the Madras Bill provides for a discount of 20 per cent., while the Andhra Bill provides for 10 per cent. The rules in Bombay require the landowner to state the number of annual instalments, not exceeding 20, in which he could pay the charges. According to the rules in the Punjab, the owner can pay the charges in half-yearly instalments spread over a number of years as decided by the Government, the maximum number of instalments not exceeding 30. All the States, except Hyderabad, provide for charging interest on the outstanding instalments at prescribed rates. In Hyderabad, the rules provide that the amount shall be paid in 15 instalments free of interest and a rebate of 10 per cent. shall be allowed in case the entire amount is paid in a lump sum within six months.

FARMERS CONFER AT NAIROBI

Farm leaders from a number of Commonwealth countries, including India, are attending the seventh conference of the International Federation of Agricultural Producers, which commenced its nine-day session at Nairobi on the 20th inst. The delegates will enquire into the methods of reducing economic friction between friendly countries. They will discuss the co-ordination of farm and trade policies for the promotion of a healthy and expanding economy, and will consider the problem of mounting surpluses of agricultural produce. The delegates will further examine various ways of promoting the consumption of food and fibre surpluses, including the provision of food and fibres for workers on development projects in "hungry areas". The agenda also includes questions relating to wheat, sugar, cotton, fats, oils, feedingstuffs, wool and dairy products; the international trade and payments position, with particular reference to agricultural products; markets and production in various countries; reports from member organisations; and inter-governmental activities in food and agriculture.

The P.E.P.S.U. Government has put into operation the P.E.P.S.U. Tenancy and Agricultural Lands Act of 1953, aimed at raising a very large number of tenants to the status of full proprietors or permanent tenants. This and the other two Acts, namely, the Abolition of *Ala Malkiyat* Rights Act and the Occupancy Tenants (Vesting of Proprietary Rights) Act are intended to achieve the land-to-the-tiller objective after the expiry of five years. The *Ala Malkiyat* Rights Act abolishes intermediaries and rights of *ala malkiyat* or superior proprietors. Compensation payable to the former superior proprietors has been fixed at five times the annual rent. By virtue of the Occupancy Tenants Act, occupancy tenants automatically become full proprietors over an area of about three lakh acres. Compensation payable under this Act has been settled at 12 times the annual land revenue.

NATIONAL BANK OF INDIA
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Incorporated in the United Kingdom (Established 1863)
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital £4,562,500
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West End Office: 13, ST. JAMES'S SQUARE, LONDON S.W. 1

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G. R. WEST, *Manager.*

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GOVERNMENT'S ACTION ON PATIL COMMITTEE REPORT

IT is gratifying that, at long last, that is, three years after the Film Enquiry Committee's Report was submitted, the Union Government has come forward with a statement showing the action taken by it on the recommendations of the Committee. The statement which was presented to both Houses of Parliament by Dr. B. V. Keskar, Minister for Information and Broadcasting, Government of India, on the 19th inst., reveals that the majority of the recommendations has been accepted with certain modifications in some, while in regard to certain others orders have already been passed for their implementation.

It may be noted that the Film Enquiry Committee was appointed by the Government in September, 1949, under the chairmanship of Mr. S. K. Patil, President, B.P.C.C., to examine the position of the industry. He was also deputed to visit a number of foreign countries to study conditions there. The Committee completed its deliberations early in 1951 and it submitted a comprehensive report to the Government. The film industry then faced many odds. The box-office collections were adversely affected by the high living costs which reduced the funds available to the public for amusement. Besides, lack of adequate exhibition facilities and difficulties in securing the increased capital outlay required to construct new theatres and to obtain supplies of raw films and machinery continued to be the main obstacles in the way of the industry's progress. There was also the apathy of film-goers to visit picture houses as frequently as they used to in pre-war years, mainly on account of the distaste created by the stereotyped films put on show by mushroom producers who had crowded the field following the post-war boom. Coming on top of these was the heavy incidence of taxation.

Film Finance

Viewed against this background, the statement presented to Parliament by Dr. Keskar, though very encouraging in certain respects, should be disappointing to the film industry, at least in one important respect, that is in relation to its demand for the establishment of a Film Finance Corporation. Referring to this demand, the Minister stated as far back as in July, 1952, at the All-India Film Conference organised by the Film Federation of India, that the Government had under its active consideration the issue of starting a Film Finance Corporation. This assurance had given some hopes to the industry, but the statement referred to above points out that, having regard to the priorities of expenditure to meet the urgent requirements of the development projects and programmes of the Five-year Plan, the Government at this stage do not find themselves in a position to spare funds for a corporation for film production which by its very nature is fraught with greater risks. The Minister, however, added that the Government would be prepared to provide suitable machinery by legislation, if the producers were inclined to find some ways and means of securing the necessary funds by contributions or otherwise.

We think this is the maximum that the Government can do in this direction. The problem of finding finance is the function of the producer, and if he is efficient and honest and runs his show on strictly business lines, there is no reason why he should not be able to get finance through the normal channels. It is too much to expect the Government to start separate finance corporations for financing each industry, especially for industries which are unorganised. If the film magnates are united, they can, however, join together and form either a co-operative venture or a joint-stock corporation with the assistance of some of those individual financiers who are at present providing the funds needed by the industry. To ask for material assistance from the State in this direction is to court State control. Does the industry want to lose its freedom? The solution for this problem lies in its hands. It must improve its creditworthiness.

The views of Mr. S. S. Vasan, President of the Film Federation of India, on this question are interesting. Commenting on the Government's decision, he says: "As regards the formation of a Film Finance Corporation, responsible members of the industry must be relieved to find that the Government of India have officially realised that financing film production is 'by its very nature fraught with great business risks.' This statement must put a definite stop to the wrong notion prevailing in many quarters that the film industry is an extraordinarily profitable business."

The film industry in India has been urging all along that the Government should reduce the entertainment tax to 20 per cent. of gross takings, abolish separate taxes levied on cinema shows, eliminate double taxation, reduce fees for censorship to a nominal amount and, finally, give facilities for the construction of new cinemas on a population basis. It further requested the Government to introduce a certain measure of uniformity in entertainment tax. The Film Enquiry Committee, too, had endorsed more or less these demands of the industry. With regard to the fixed percentage of entertainment tax, the Government of India has stated that the whole question of taxation is now before the Taxation Enquiry Commission for further investigation.

Income-tax

The industry has suggested that the formula to be adopted for amortisation of the cost of films, while assessing income-tax on producers, should be so changed as to avoid taxation on income from films on which producers incur a loss. Following the Committee's recommendation supporting this plea of the industry, the Government appears to have viewed the issue somewhat sympathetically. For arrangements have been made, says the statement, to treat, in a flexible manner, the present procedure of amortisation of the cost of production of films, namely, 60 per cent. in the first year, 25 per cent. in the second year, and 15 per cent. in the third year and to vary it in favour of the assessee if he is able to prove that the earning capacity of the film was extinguished much earlier than the period assumed in that formula. The statement further says that the Income-tax Act and Rules have already been so amended as to include the cost of furniture and fittings in cinemas, as well as the cost of renovation, for purposes of rebate in assessment of income-tax.

Commenting on the industry's claim that a special deduction should be allowed for professional expenses from the earnings of the artistes, the statement observes that, though there is no difference between film artistes' profession and any other profession such as that of a lawyer or a doctor, the question whether special instructions are necessary can be considered on receipt of details.

As regards the demand for providing facilities for the construction of cinema theatres, it is stated that the Union Government has requested State Governments to include cinemas in the list of items eligible for building materials, subject to priorities. The latter Governments have also been requested to encourage touring cinemas and to put up open-air theatres.

The Committee had recommended the establishment of a Film Council of India on a statutory basis. The Government, however, feels that, in the present state of the industry with its diverse elements in different stages of development and with the attendant difficulty of reconciling several interests, it would not be advisable to make a beginning to set up a representative statutory council at the top. It is felt that such a council would, at this stage, have great difficulty in wielding authority and taking responsibility for shaping the affairs of the industry. If a council dealing with the diverse activities in the field of film production, distribution and exhibition is at all to be useful eventually, it would be necessary, observes the statement, first to develop the various functional units. The working of such units would provide opportunities for co-operative endeavour and would give experience which would be useful for the emergence of a council in future. Besides, there will be difficulty in persuading State Governments to agree to any division of the revenues from the entertainment tax for financing a council as suggested by the Committee. The Government, therefore, proposes to concentrate its attention in the development of basic functional units such as the production bureau, the film institute, etc.

With a view to developing the film as a medium of national culture, education and healthy entertainment, a National Film Board, will, however, be set up. This Board will direct and supervise the work of the Film Production Bureau and the Film Institute as also the existing three Regional Offices of Film Censors. The functions of the Central Board of Film Censors will also be taken over by the Board.

The Film Production Bureau referred to already, besides giving advice on scripts, will provide guidance to producers on various aspects of production such as story, scenarios, artistic talent, cost of estimates, etc. It will also provide a nucleus of a library and research service. The functions of the Bureau will be purely advisory. The Film Institute will, on its part, impart training in direction, photography, sound engineering, editing and other aspects of production. The Institute will be equipped with a small studio to enable practical training to be given to students. Suitable legislation will be undertaken, we are told, for the constitution of the Board and its constituents, namely, the Bureau and the Institute, as soon as possible. Welcoming this aspect of the Government's decision, Mr. Vasan observes that the formation of the Board, the Institute and the Bureau will be of real help to the industry as a whole. He is, however, critical of the Government's decision that the National Film Board should take over the functions of the Central Board of Film Censors as well. And he has given a pertinent reason for his misgiving. He says: "It may not, perhaps, be advisable that a board vested with statutory authority to censor films should also supervise an advisory body like the Production Bureau." Mr. Vasan is extremely modest in voicing his misgiving thus. There is no doubt that it is based on very good ground. It is to be hoped that the Government will heed his advice and keep the Board of Film Censors as a separate entity.

INDO-BRITISH TRADE DURING JANUARY-MARCH, 1954

India's exports to the U.K. in the first three months of this year, were valued at £41,239,000, and its imports from Britain, at £30,092,000. Total trade between the two countries (including a small amount of British re-exports) amounted to £71,425,000 compared with £51,586,000 in the first quarter of 1953. The figures for March were: exports to the U.K. £11,627,000; imports from the U.K. £11,691,000.

As usual, India met the major part of Britain's tea requirements; in March the U.K. imported 414,670 cwts. of tea, of which India provided 273,885 cwts. valued at £5,273,000. This brought India's tea exports to Britain for the quarter to 1,097,129 cwts. (worth £22,083,000) compared with 665,695 cwts. in the first quarter of last year. During the three months Britain imported, in all, 1,492,811 cwts. of tea of which only 44,097 cwts. came from non-Commonwealth sources.

The second largest group of India's exports to the U.K., in the first three months of this year, came under the heading "miscellaneous textile manufactures" (including jute fabrics and yarn and coir products). India sent Britain £2,306,000 worth of these commodities in March, bringing the quarter's total to £5,661,000—three times the figure for the same quarter last year.

Leather took the third highest place in Britain's first-quarter imports from India. Under the heading "leather, leather manufactures and dressed furs," India sent Britain £1,184,000 worth in March, bringing the three months' total to £4,068,000—an increase of about 25 per cent. on the same three months of 1953.

Wool was another commodity showing an increase: Britain imported from India 1,223,000 lbs. of wool in March, valued at £284,000. The total for the quarter rose to 6,651,000 lbs. (worth £1,520,000), as compared with 4,867,000 lbs. in the first three months of last year. Cotton sent to the U.K. by India in March—4,052,000 lbs. valued at £306,000, nearly all of it of 1 inch staple and under—brought the total for the quarter to 12,803,000 lbs. to the value of £962,000.

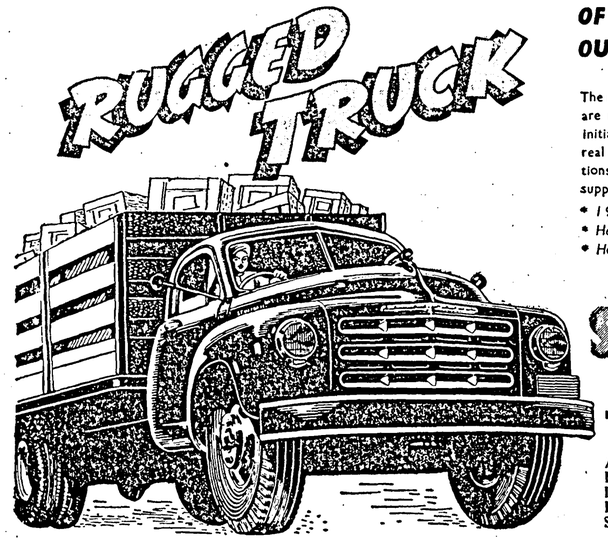
Metalliferous ores and scrap imported from India by the U.K. in the first quarter aggregated 63,278 tons, worth £905,000. This included the March figure of 7,150 tons of manganese ore (costing £107,000) that brought the three months' total to 29,245 tons (£518,000).

Other Indian exports to Britain in March included 483,164 lbs. of tobacco (worth £87,000)—bringing the quarter's total to 2,365,000 lbs. (£319,000)—and £116,000 worth of miscellaneous textile fibres (including jute, hemp and coir) making the quarter's total £205,000.

Machinery headed the list of India's imports from Britain in March—139,372 cwts. of machinery other than electric, (£2,735,000), bringing the quarter's total to 379,196 cwts. worth £7,410,000; and £1,595,000 worth of electrical machinery and apparatus out of the quarter's total of £4,154,000. The former group included £1,084,000 worth of power-generating machinery—boilers and boiler house plant, steam and internal combustion engines—weighing 76,126 cwts., an increase of one-quarter over that in the same period last year; 21,786 cwts. of metal-working machine tools worth £313,000; and 86,740 cwts. of textile machinery (£1,875,000).

The electrical machinery, apparatus and appliances India took included 17,374 cwts. of generating sets, generators and motors (£556,000); £599,000 worth of telegraph and telephone equip-

(Continued on page 1046)



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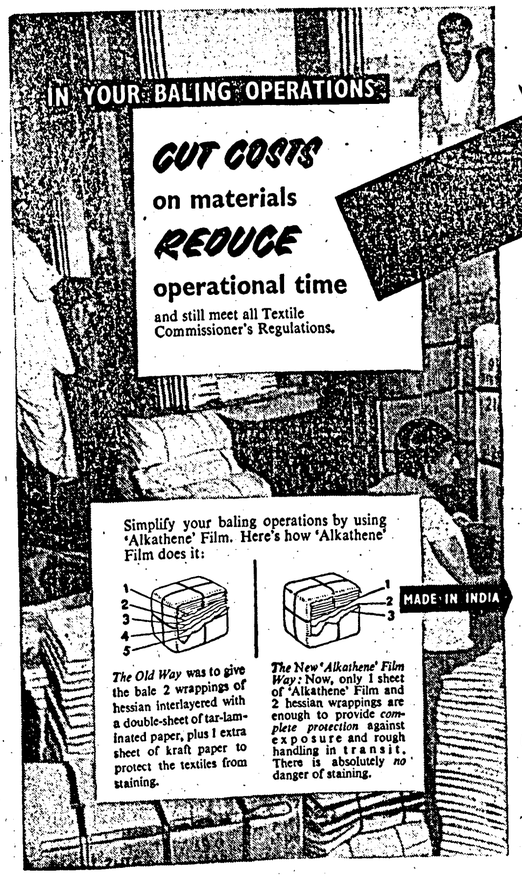

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ROHTAS INDUSTRIES RAISE DIVIDEND LEVEL AGAIN

EXPANSION PROGRAMME PLANNED

FOR the second year in succession, the dividend on the ordinary shares of the Rohtas Industries Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar, Bihar) is proposed to be stepped up. After having remained off the dividend list for four years, the Company resumed payment with a distribution of 7½ per cent. for the year ended 31st October, 1951. This was raised to 10 per cent. for the year 1951-52 and is now proposed to be stepped up further to 12½ per cent. for the latest year, namely, 1952-53. The dividend for the year under review is by no means a record; for, in 1942-43, a record return of 15 per cent. was paid. It must, however, be noted that the dividend for 1952-53 is on the increased capital raised by the capitalisation of Rs. 30 lakhs and by the issue of fresh capital to the extent of Rs. 54 lakhs, both in November, 1944.

The resumption of the dividend distribution for 1950-51 was enabled by the substantial rise in the Company's earnings for that year, the gross profit having jumped up from Rs. 26.65 lakhs for the preceding year to a record level of Rs. 89.09 lakhs. Though the profit for 1951-52 was a little lower at Rs. 84.58 lakhs, the dividend level was enhanced. The profit for the year under review amounting, as it does, to Rs. 84.10 lakhs, is very near the previous year's level.

The Company has a wide variety of interests, namely, manufacture of sugar, cement, paper and boards, asbestos, and caustic soda, and production of electricity. The following comparative table shows the output of the important units during the past three years, as well as in the first half of the current year:

		Year ended 31st October			Six months ended April, 1954
		1951	1952	1953	
Paper	(tons)	11,127	13,644	12,801	7,998
Cement	(tons)	234,345	835,029	302,746	180,801
Asbestos	(tons)	..	..	2,924	1,530
Caustic soda ..	(tons)	1,353	1,388	1,357	809
Power	(kw.h.)	60,084,870	74,869,502	73,612,180	40,222,500
Sugar	(maunds)	171,988	845,202	861,640	171,844
Sugar recovery ..	(%)	10.10	9.80	9.73	9.72

The decline in the output of paper is more apparent than real. For, during the year under review, the Company resorted to production of new varieties of paper, as the consumption of the Company's regular products of boards had declined considerably. The production of the new varieties work out in terms of tonnage to much less than that of boards manufactured earlier. Besides, the German Yankee machine for the manufacture of tissue paper, which was expected to go into production in August, 1953, could not do so as scheduled, on account of the delay in the arrival of the electric drive. The installation could be completed only by the end of 1953 and production commenced early in 1954. Output of cement was affected during the latter half of the year under review due to special overhauling of the plant. Though the output of sugar shows an improvement, full advantage of the transport facility for movement of sugarcane provided by the laying of a 16-mile railway line between Dalmianagar and Nasriganj could not be gained, due to meagre supply of cane in the area covered.

The following comparative table shows at a glance the results of working of the Company during the last four years:

(In lakhs of rupees)

	For the year ended 31st October			
	1953	1952	1951	1950
Sale proceeds	5,43.08	6,03.90	4,73.81	3,62.78
Other income	5.61	5.83	4.76	6.79
Stock-in-trade	67.07	83.32	51.11	25.83
Raw materials, stores, etc., consumed	3,02.79	3,96.45	2,78.92	2,25.86
Other expenses	1,47.44	1,60.92	1,35.53	1,01.15
Gross profit	84.10	84.58	89.09	26.65
Managing Agents' remuneration	5.60	5.73	5.42	0.67
Depreciation	41.06	39.70	35.89	14.40
Net profit	37.44	39.15	46.78	11.58
Transfer from reserves ..	..	1.15	23.25	..
To reserve	35.00	50.00	1.10	..
Dividends—				
Preference	5.41	5.41	15.14	..
Ordinary	14.25	11.40	8.55	..
	(12½%)	(10%)	(7½%)	
Carry forward	0.78	12.59	33.65	—11.55

The provision for depreciation, which had been substantially raised in the previous years, has been increased further and amounts to nearly 50 per cent. of the gross profit. No provision for taxation has been made; evidently because there is substantial amount of unabsorbed depreciation on account of initial, additional and triple shift allowances, due to various extensions and installation of new plants in recent years. A sum of Rs. 35 lakhs has been transferred to the general reserve, as against Rs. 50 lakhs added in the previous year. A rather unusual procedure is being followed by the Company in the distribution of dividend on the two classes of preference shares. Last year, although the profit, along with large undistributed surplus brought in, was large enough to pay the preference dividends out of the same, the Directors paid them out of the capital reserve. They have again recommended the payment of preference dividends for the year under review from the capital reserve.

The latest balance-sheet of the Company shows that the reserves and surplus aggregate Rs. 103.48 lakhs, against a paid-up capital of Rs. 218.76 lakhs. There is a debenture liability to the extent of Rs. 122 lakhs. Current liabilities aggregate Rs. 202.63 lakhs, of which loans from banks account for Rs. 153.21 lakhs. The gross block of the value of Rs. 670.23 lakhs (including an addition of Rs. 49.60 lakhs during the year under review) has been written down to a book value of Rs. 412.37 lakhs. Current assets amount to Rs. 239.92 lakhs and exceed current liabilities by Rs. 37.29 lakhs.

The outlook for the Company seems to be promising. The trend of production in the first half of the current year has been encouraging. A further expansion and modernisation programme is on hand. The first cement kiln is proposed to be modernised on the lines of the second kiln. The Directors report that "it should result in improved coal consumption and higher output by about 15 000 tons per year." The Company also proposes to import some quantity of raw sugar for refining before the next crushing season. It is planned to extend the siding of about 14 miles of the Dehrl-Rohtas Light Railway. This will improve further the supply of sugarcane and also connect the cement factory to certain new limestone quarries. The development programme for paper and paper board is, according to the Directors' report, as follows:

"In accordance with plans for additional improvements and extensions, your Directors have finalised arrangements for extending the capacity of both your pulp plant and paper factory. The pulp plant is being modernised as to result in higher recovery of chemicals and saving in steam and extension of capacity to meet the increased requirements. The quality of pulp will improve, giving a whiteness of lasting character. In regard to paper production, your Company is placing an order for two paper machines which will concentrate on production of those qualities of paper which are largely being imported now. Your Company is further planning to extend the capacity of the board unit by 50 per cent., thus keeping the production capacity of your plant ahead of the demands in the country. It is expected that the increased production of the board plant will be available from the middle of 1955 and the two paper machines will come into production by the end of 1955 and the beginning of 1956. Thus, the stepped up production will be available gradually in the next two years. With the completion of the various plans it is expected that the total production capacity of your paper factory will increase to about 44 000 tons."

The power plant also is proposed to be modernised by the end of 1954. The Directors hope that the financial results of the Company for the current year will be substantially better and that, with the expansion that is planned and is on hand, there will be a steady improvement.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 16-4 *ex-div.*, at which rate and on the basis of the proposed dividend for the year under review, the yield works out to 7.7 per cent. per annum, free of tax.

T.I. CYCLES WIPE OFF ACCUMULATED LOSS

The Directors' report and audited accounts of the T.I. Cycles of India Ltd. (Managing Agents: T. & M. Industries Ltd., Madras), for the year ended 31st December, 1953, reveal an all-round improvement in the Company's affairs. Production, sales, and trading results have all been encouraging as compared with those for the previous year. The trading profit for the year under review, amounts to Rs. 15.27 lakhs, as against Rs. 11.29 lakhs for 1952. The profit before providing for depreciation, at Rs. 8.32 lakhs, compares favourably with Rs. 6.15 lakhs for the previous year. A sum of Rs. 39,863 has been provided for depreciation, as against Rs. 5.53 lakhs a year ago. The balance of profit, namely, Rs. 7.92 lakhs, has been utilised to wipe off the loss of Rs. 7.68 lakhs brought in from the previous year and to carry forward a tiny sum of Rs. 23,654 to next year.

The lower provision for depreciation, noted above, is due to a revision of the basis for providing for depreciation. Alluding to this, the Directors observe, in their report to the shareholders as follows:

"The income-tax basis that has been fully adopted in the previous years, results in very heavy depreciation rates in the earlier years and very insignificant ones in the later years. They (the Directors) recommend that an ideal period within which to provide for depreciation on this basis will be seven years, at the end of which period it would be possible to take full advantage of the provisions for initial, extra and normal depreciations on building erected and on plant and machinery installed each year and so equal the total amount permissible under income-tax regulations. The seven-year period will commence from 1952 and since, according to the new basis, a substantial excess provision has been made in the previous years, the provision for depreciation for the year 1953 is very low. The Directors feel that this provision is sufficient and is in the best interests of the Company."

Now that the accumulated loss brought in from the previous years has been written off, the shareholders may, as the Chairman stated in his speech, an extract of which is published elsewhere in this issue, "look forward to a small dividend being distributed to them."

The production and sales of the Company's product, "Hercules-India" bicycles, are reported to have increased substantially during the year under review. It is gratifying to note that the Company reached 50 per cent. of the rated capacity of the plant even during the second year of its manufacturing activities. It is expected that the Company will be able to reach, during the current year, its minimum capacity of 100,000 cycles per year. The construction of the second factory for the manufacture of bicycle components has been completed and almost all the machinery and equipment have been installed in position. The automatic nickel and chrome plating plant, which is claimed to be the only one of its kind operating in the East, has been installed and bright finishing of all metal parts is now being done. "With the commissioning of the second factory fully equipped and the installation of the plating plant," the Directors add, "the Hercules-India bicycle will be an almost fully Indian product, and its strength, quality and finish will be comparable to its British counterpart 'Hercules,' as ture and the technical processes involved are the raw materials used, the methods of manufacidentical in both brands of bicycles."

TIRUMBADI RUBBER TO CAPITALISE RESERVES

The Directors of the Tirumbadi Rubber Company Ltd. (Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode), propose to reorganise the capital structure of the Company by (1) sub-dividing the existing unissued ordinary shares, (2) capitalising a part of the reserve fund, and (3) converting the ordinary shares into ordinary stock. The present authorised capital of the Company amounts to Rs. 3,50,000, made up of 4,490 ordinary shares of Re. 1 each and 308,000 ordinary stock units of Re. 1 each, of which only the ordinary stock has been issued and subscribed.

The Directors propose to split the 4,490 unissued shares of Rs. 10 each into 44,900 ordinary shares of Re. 1 each. Thereafter, they propose to capitalise a sum of Rs. 3,05,100 being part of the undivided profits standing to the credit of the reserve fund (this amounts to Rs. 5,50,000 as on 30th September, 1953) and issue 305,100 ordinary shares of Re. 1 each, as capital bonus to the holders of the existing ordinary stock as on 19th June, 1954, in the proportion of one new share for every unit of ordinary stock held by them. In order to carry out the proposal to capitalise the sum of Rs. 3,05,100 from out of the reserves, the authorised capital of the Company needs to be raised. The Directors, therefore, propose to increase the authorised capital from Rs. 3,50,000 to Rs. 6,10,200 by the creation of 260,200 ordinary shares of Re. 1 each. After the aforesaid proposals are carried out, the Directors propose to reconvert the entire ordinary shares into ordinary stock, thus, the 305,100 ordinary shares of Re. 1 each issued as capital bonus to the holders of the existing ordinary stock will become ordinary stock in units of Re. 1 each. The authorised and issued capital of the Company will be Rs. 6,10,200 in ordinary stock. The new stock issued will rank in all respects *pari passu* with the existing ordinary stock. Thus, the new ordinary stock will participate in the dividend to be declared for the year ended 30th September, 1954.

It may be recalled that, in the year 1939, the 30,510 ordinary shares of Rs. 10 each were converted into ordinary stock units of Re. 1 each.

The object of converting ordinary shares into stocks is evidently to provide easy marketability. Whereas, in the case of shares, transactions usually take place on the Stock Exchange in units of a lot fixed for them, depending on their face value, there will be no such marketable lot in the case of stocks. Transactions even in single unit of stock will be possible without any difficulty and considered a complete transaction by the Stock Exchange authorities.

CENTURY MILL TO MANUFACTURE ART SILK

The Directors of the Century Spinning and Manufacturing Co., Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Bombay), have decided, subject to the approval of the shareholders, to extend the business of the Company by putting up a plant for the manufacture of artificial silk. They feel that there is good scope in the country for manufacturing artificial silk which is now being imported in large quantities. Having considered the matter at great length, they have decided to proceed with the project.

EARNINGS OF BHARAT LINE DROP

DIVIDEND, HOWEVER, MAINTAINED

A DECLINE of Rs. 11.28 lakhs to Rs. 42.71 lakhs in the gross profit is recorded by the audited accounts of the Bharat Line Ltd. (Managing Agents: Messrs. Dinshaw Ltd., Bhavnagar) for the year ended 31st December, 1953. With this decline, the upward trend in profit of the Company, noted from its inception, has been reversed. Thus, from Rs. 79,067 in the first year of its operation, namely, 1946, the gross profit had risen to a record level of Rs. 53.99 lakhs for 1952. But the decline in profit for the year under review has been inevitable in the face of 'an all-round reduction in freight rates and high cost of operation and maintenance. Nevertheless, the profit for 1953, at Rs. 42.71 lakhs, is almost the same as that earned in 1951. The setback in earnings has not affected the distribution to the shareholders, which is proposed to be maintained at the modest rate of 5 per cent., to which level it had been raised successively from 3 per cent. for 1950 and 4 per cent. in 1951. The Company, it may be recalled, paid a maiden dividend of 3 per cent. for 1947, the second year of its operation, and this was maintained for the next three years.

The following comparative table shows the progress of the Company's working during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Freight	214.97	205.95	162.24	160.29
Charter hire and other Income..	8.00	7.11	7.21	4.26
Expenses	180.26	158.86	126.70	133.27
Gross profit	42.71	53.99	42.75	31.23
Managing Agents' remuneration.	3.09	4.40	2.59	0.36
Depreciation	34.51	45.17	35.36	28.30
Taxation	..	..	1.00	..
Net profit	5.11	4.42	3.80	2.62
Dividend	5.00	5.00	4.00	3.00
	(5%)	(5%)	(4%)	(3%)
Carry forward	0.69	0.59	1.17	1.37

The rise in freight earned, notwithstanding an all-round reduction in freight rates, reflects the larger number of units that were in operation. The benefits of intensive employment of the Company's ships seem to have been more than offset by higher expenditure caused by delays at loading and discharging ports and high maintenance costs, which rose in the aggregate by Rs. 21.40 lakhs. A substantial part of this increase—Rs. 12.69 lakhs to be precise—is accounted for by hire of chartered steamers. Stevedoring charges, etc., had gone up by Rs. 4.40 lakhs, marine dues, light dues and customs charges by Rs. 4.35 lakhs and salaries, wages and establishment charges by Rs 2.51 lakhs. There was, however, a drop in expenses in other directions. Thus, coal, fuel oil, stores and victualling account for a decline of Rs. 1.22 lakhs and repairs, survey expenses and dry dock charges for Rs. 2.15 lakhs.

The latest balance-sheet of the Company shows that the paid-up capital is unchanged at Rs. 1 crore. There are no reserves, except a fleet replacement reserve of Rs. 11.18 lakhs created during the year under review from the profit on sale of a ship, after adjusting the depreciation provided for the previous year's accounts. The borrowings, secured and unsecured, as at the close of the year show an increase of Rs. 66.42 lakhs to Rs. 99.07 lakhs, of which loans from the Government of India, secured by mortgage of five ships, amount to Rs. 90.95 lakhs, as against Rs. 57.56 lakhs a year ago borrowed against two ships. The gross block shows an increase of Rs. 57.02 lakhs to Rs. 337.25 lakhs, of which Rs. 36.20 lakhs represent additions to the fleet, after deducting the cost (Rs. 18.57 lakhs) of ship sold during the year, and Rs. 38.94 lakhs, payment on account of ships under construction. As against this gross block, there is a depreciation reserve of Rs. 160.90 lakhs, after adjusting the depreciation (Rs. 18.62 lakhs) on ship and vehicle sold. The current assets (excluding deferred revenue expenditure amounting to Rs. 7.09 lakhs) aggregate Rs 51.81 lakhs, as against current liabilities amounting to Rs. 141.38 lakhs.

In order to secure fresh avenues of activities, the Company has, since the close of the year, entered the Persian Gulf-India-Burma trade on fortnightly-liner-service basis. But it is expected that, for some time, the Company will not be able to secure a sure and satisfactory footing in this trade, on account of severe competition from long-established foreign interests. The Government of India is reported to have promised its full support for the Company in this venture. This requires the employment of at least four ships and the Government of India has approved the acquisition of this additional tonnage with the help of loans from its Ships Purchase Loans Project. This approval is subject to the condition that the Company will place an order for one ship with the Vizag shipyard, in addition to the one nearing completion. The order has to be placed before the end of 1954 against a separate loan from the Government. The Directors had already placed an order for an 8,000-tonner at the Hindustan Shipyard, in replacement of a ship sold during the year. The delivery of this ship is expected in July, 1954. The Company lost, on 1st April, 1954, a ship through grounding in the Gulf of Cambay. The Directors are arranging to secure a suitable ship to replace the same.

Points From The Chair

Reopening of London Gold Market

"THE gold-mining industry welcomes the reopening early in the current year, of the London gold market which had been closed since the outbreak of hostilities in 1939. With the re-establishment of this market, the arrangements for the sale at enhanced prices of a portion of the industry's gold output for industrial and artistic purposes were discontinued. I should, however, like to make it clear that this source of additional revenue, which fell away latterly owing to the disappearance of the premium, is not lost to the industry, as gold is now sold for its account by the South African Reserve Bank on the London market, or elsewhere if the conditions are more favourable. Prices on the London market are not determined by the official dollar-sterling exchange rate and have, in fact, varied from 248s. 3½d. to 249s. 1d., thus providing a small, but comparatively satisfactory, premium over the price based on the rate of exchange."

W. M. FRAMES,
Rand Mines, Ltd.

Dangers of Wholesale Government Assistance

"You may perhaps have noticed that the chairman of a conference of the world's airlines said, in effect, to the Governments of the various countries represented, 'Give us more subsidies so that air fares can become even more attractively uneconomic than they are today.' This hardly seems advantageous from the point of view of our national economy if traffic is to be drawn from British passenger ships which are making a very considerable contribution to the invisible exports of this country. I quite realise that State-aid to air is a world-wide and not merely a national phenomenon and that for a very long time it has been stated that our air corporations will cease to be dependent on State support in the course of 'a year or so.' It seems to me, however, that the danger of the wholesale assistance given by Governments to air, at the risk of doing serious damage to longstanding national assets like shipping, must be so obvious to all nations that it cannot be long before a halt is called. When the two forms of transport are left alone to fit into their proper economic places in the world's transport system, I, personally, should expect both to be the gainers from each other's progress."

A. I. ANDERSON,
Orient Steam Navigation Co., Ltd.

Mexican Government's Fiscal Policy

"I sometimes wonder if the Mexican Government knows where it is going with its fiscal policy towards the mining industry in Mexico. The industry has always been, and still is, one of the mainstays of the whole Mexican economy. And yet the Government's fiscal policy has time and again been apparently aimed at curtailing all new enterprises and reducing the productive capacity of existing enterprises in this important field. It seems to me that a completely new approach by the Mexican Government to the question of taxation of the mining industry and a real reduction in the total rate of tax paid by it is now essential if the industry is to prosper and thus continue to be the important prop to the Mexican economy which it has been in the past. The industry has been pressing its claims on the Mexican Government to this end. Let us hope the Government will listen."

C. E. TEMPERLEY,
San Francisco Mines of Mexico, Ltd.

Cable Manufacturing in India

"Included in the B.I.C.C. Group is the Indian Cable Co., Ltd., in which your Company holds a substantial interest with the great bulk of the balance owned by Indian nationals. Early in 1923, the Company commenced production of the first Indian-made copper conductors and rubber-insulated cables. From small beginnings it has grown considerably and the factory at Tatanagar now stands in an area of 170 acres as a thriving township with well-designed workers' housing and medical, recreational and educational facilities for its 1,300 employees. Farseeing post-war plans for expansion are now coming to fruition. The new non-ferrous rod rolling mill went into production early in 1953, while nearby, a spacious building has been erected to house plant and equipment for the manufacture in India for the first time of paper-insulated power cable. These developments represent a major contribution to India's Five-year Plan and a consolidation of our long and happy association with that great country."

SIR ALEXANDER ROGER,
British Insulated Callender's Cables Ltd.

The Company proposes to install a small workshop at Calcutta, adequately equipped to attend to urgent jobs. Heavy jobs such as annual and special surveys will, however, be carried out at its main workshop in Bombay. This is being done as a measure of economy. For the Company's ships usually ply between Bombay and Calcutta and occasionally, when urgent repairs are required at Calcutta, it experiences great delays apart from heavy costs. For this purpose, a private limited company, under the name "Ship Repairers Ltd.," with a capital of Rs. 1 lakh, has been registered as a subsidiary to the Company.

An indication of the short-term outlook of the Company is given by the Directors in their report. They say: "In view of the persistent demand for further reductions in freight rates and in the absence of any counterbalancing factors, your Directors anticipate a further fall in earnings and profits in the coming year."

COMPANY MEETINGS AND DIVIDENDS

ALLIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd June, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 20th May to 2nd June, 1954, both days inclusive.

ETHELBARI TEA CO., (1932) LTD. Annual General Meeting, Calcutta, 4th June, 1954. Dividend: *Nil.* Transfer books will remain closed from 1st to 4th June, 1954, both days inclusive.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 4th June, 1954. Dividend: *Nil.*

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 4th June, 1954, Dividend: *Nil.*

MANABARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 8th June, 1954. Dividend: Rs. 10 per share. Transfer books remain closed from 29th May to 8th June, 1954, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 8th June, 1954. Dividend: Rs. 2-8 per share. Transfer books remain closed from 29th May to 8th June, 1954, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, 8th June, 1954. Dividend: As. 4-4/5 per share. Transfer books remain closed from 28th May to 10th June, 1954, both days inclusive.

HOOGHLY FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 9th June, 1954. Transfer books will remain closed from 2nd to 9th June, 1954, both days inclusive.

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 10th June, 1954. Transfer books will remain closed from 1st to 10th June, 1954, both days inclusive.

KHARDAH CO., LTD. Half-yearly General Meeting, Calcutta, 10th June, 1954. Dividend: Rs. 7-8 per share. Transfer books remain closed from 27th May to 10th June, 1954, both days inclusive.

DAWN MILLS LTD. Annual General Meeting, Bombay, 10th June, 1954. Dividend: Rs. 6 per share, payable on and after 14th June, 1954.

PHŒNIX MILLS LTD. Annual General Meeting, Bombay, 11th June, 1954. Dividend: Rs. 8 per share, payable on and after 17th June, 1954.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 19th June, 1954. Transfer books will remain closed from 8th to 20th June, 1954, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 23rd June, 1954. Transfer books will remain closed from 7th to 23rd June, 1954, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES LTD. Final dividend of Re. 1-8 per share, for the year ended 31st December, 1953. Transfer books will remain closed from 7th to 14th June, 1954, both days inclusive.

SRI VENKATESA MILLS LTD. Dividend of Rs. 7 per share, for the year ended 31st December, 1953. Transfer books will remain closed from 30th May to 14th June, 1954, both days inclusive.

GNANAMBIKAI MILLS LTD. Dividend of Rs. 6 per share, for the year ended 31st December, 1953.

PALANI ANDAVAR MILLS LTD. Dividend of Rs. 12 per 'A' ordinary share and Rs. 18 per 'B' ordinary share, for the year ended 31st December, 1953.

NEELAMALAI TEA AND COFFEE ESTATES LTD. Interim-dividend of As. 6 per ordinary share, for the year 1953-54. Transfer books will remain closed from 1st to 7th June, 1954.

COMPANY REGISTRATIONS

SARAT PRESS LTD. (First Director: Mr. H. P. Goenka.) Business: Printers, Publishers, etc. Authorised capital: Rs. 5,00,000. Public Company. Address: 12, Dalhousie Square East, Calcutta.

NU-BILT FURNITURE LTD. (First Director Mr. K. B. Casyab.) Business: House Furnishers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3, Chowringhee Road, Calcutta.

GENERAL MERCANTILE CORPORATION LTD. (Mr. H. P. Murarka.) Business: General Importers. Authorised capital: Rs. 5,00,000. Public company. Address: 5, Clive Row, Calcutta.

DEEPAK INDUSTRIES LTD. (First Director: Mr. P. K. Daga.) Business: Cold Storage, etc. Public company. Authorised capital: Rs. 10,00,000. Address: 9, Royal Exchange Place, Calcutta.

NAV BHARAT COMMERCIAL CORPORATION LTD. (First Director: Mr. M. C. Mimani.) Business: Dealers in Absorbent Cotton, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 86/10, Wellesley Street, Calcutta.

SENDRA COAL SUFFERS LOSS AGAIN

MYSORE CHEMICAL MANUFACTURES PAY MORE

Sendra Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

As much as 67,480 (71,051) tons were raised and 61,143 (63,539) tons were despatched during the half-year in comparison with 71,691 tons and 64,928 tons in the previous half-year.

The smaller despatch figure for the period under review reflects the difficulties with collieries which are not prepared to give rebates have to meet.

Sand was received as usual from the Burrakur Coal Co. Ltd.'s Loyabad Ropeway. This satisfactory though expensive method of conservation of the country's coking coal reserves has not yet received from Government the financial recognition that it deserves.

The number of wagons available daily for coal loading in the Bengal/Bihar fields was 3,119. This is 16 wagons more than for the previous period.

In order to assist forward planning, the Coal Industry has informed the Planning Commission that in its opinion transport to the extent of an additional 2 million tons per year for the next 10 years will be required if the Industrial expansion programme is to be fulfilled. This programme will necessitate very early action by the authorities.

While the directors give their full support to reasonable improvement in the conditions under which labour works in so far as these improvements fall within the capacity of management to pay, they can only suggest that the criterion is the capacity to pay, and this is governed first and last by labour's willingness to do a fair day's work for the many benefits which are now available in return for services rendered.

As this report is written the Industry is under the orders of a Tribunal set up by Government in response to demands formulated by labour (or their leaders) which, if acceded to in toto, will increase the pit-head price of coal to Indian Industry by about 50 per cent.

During the half-year July to December, 1953, a total of 74,888 (68,970) tons were raised and 68,186 (62,807) tons were despatched from the Company's subsidiary Company, viz., The Karanpura Mining Syndicate. The secretaries report that some success has been achieved subsequently in movement from this area, but wagon supplies are still much below productive capacity.

The profit and loss account, after providing Rs. 15,436 (Rs. 21,736) for depreciation, writing back Rs. 14,089 (nil) over-provided previously against taxation and including the debit balance of Rs. 1,59,849 (credit of Rs. 10,379) brought forward from last half-year, shows a debit balance of Rs. 2,06,478 (debit of Rs. 70,471) which the directors propose to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	10,45,768
Debentures	2,00,000	Capital expenditure-in-progress ...	16,556
Reserves ...	8,74,358	Stock of coal	4,68,998
Liabilities ...	7,48,551	Stores ...	1,34,055
		Debts and advances ...	5,55,197
		Investments	1,77,074
		Cash ...	20,283
		Profit and loss account ...	2,06,478
Rs.	26,24,409	Rs.	26,24,409

Mysore Chemical Manufactures, Ltd.

The directors of the above Company (Managing Agents: Messrs. Krishna & Co., Ltd., Bangalore) submitted the audited accounts of the Company for the year ended 31st March, 1954.

After providing a sum of Rs. 32,680 (Rs. 19,382) for depreciation and Rs. 48,898 (Rs. 36,000) for taxes (Rs. 43,000 for income-tax and Rs. 5,898 for sales tax) out of the current year's profits, the net profit of the Company amounted to Rs. 64,626 (Rs. 55,106), which, together with the balance of Rs. 42,388 (Rs. 29,283) brought forward from last year's account makes up a total of Rs. 1,07,014 (Rs. 84,388) which the directors disposed of as follows:—

In payment of a dividend of 6 per cent. per annum for the year under report on 20,000 6 per cent. cumulative preference shares, free of income-tax Rs. 12,000 (Rs. 12,000), in payment of a dividend of 12½ (10) per cent. per annum for the year under report on 30,000 ordinary shares, free of income-tax Rs. 37,500 (Rs. 30,000) and carried forward to next year's account Rs. 57,514 (Rs. 42,388).

The probable loss on redemption of the investments on 4 per cent. Mysore Government Loan Bonds is expected to be Rs. 31,406 which is amply covered by the amount carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	2,14,987
Reserves ...	4,00,000	Stock-in-trade	1,36,327
Provision for taxation ...	53,349	Stores ...	2,17,893
Liabilities ...	78,824	Debts, deposits and advances ...	1,78,985
Profit and loss account ...	1,07,014	Investments	3,35,406
		Cash ...	55,589
Rs.	11,39,187	Rs.	11,39,187

Churulia Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

During the half-year July to December, 1953, a total of 74,888 (68,970) tons were raised and 68,186 (62,807) tons were despatched from the Company's subsidiary Company, viz., The Karanpura Mining Syndicate. The secretaries report that some success has been achieved subsequently in movement from this area, but wagon supplies are still much below productive capacity.

The profit and loss account, after providing Rs. 7,732 (Rs. 591) for taxation and including the sum of Rs. 19,867 (Rs. 28,918) brought forward from last half-year, shows an available balance of Rs. 9,056 (Rs. 18,661) which the directors propose to dispose of as follows:—

In paying a dividend of 6 (6) pies per share without any deduction for income-tax paid by the Company Rs. 4,688 (Rs. 4,688) and in carrying for ward Rs. 4,368 (Rs. 13,973).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,26,037
Reserves ...	1,42,075	Debts and advances ...	5,393
Liabilities ...	12,952	Cash ...	27,965
Profit and loss account ..	4,368		
Rs.	7,59,395	Rs.	7,59,395

Karanpura Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

There has been some improvement in the transport position in the Karapura field. There was little change from the previous period in the income from analysis work on coal exports. Amongst the Company's other activities however there was an improvement in results from proving work carried out by drilling in adjacent areas.

It is expected that the Company's appeal to the Supreme Court against the decision of the Patna High Court will come up for hearing in the latter half of this year.

During the period under review 3,99,107 (4,11,048) tons of coal were raised and 3,76,337 (4,10,311) tons were despatched from the undernoted properties.

As previously, on the advice of the Company's lawyers the directors do not recommend the payment of any dividend. For the same reason the managing agents do not propose to draw their commission for the half-year and the amount in question will be carried forward.

The directors referred a year ago to the income-tax appeal which was under submission to the Appellate Tribunal. They regret to report that the decision went against the Company, but the matter is now being taken to the High Court as it is considered to be in the shareholders' interest to do so.

The profit and loss account after providing Rs. 8,059 (Rs. 6,705) for depreciation, and transferring Rs. 31,500 (Rs. 22,500) to bad and doubtful debts reserve shows a debit balance of Rs. 18,034 (credit of Rs. 1,27,234) which is carried down to profit and loss appropriation account. A sum of Rs. 98,514 (nil) has been transferred from general reserve to the credit of profit and loss appropriation account and a sum of Rs. 1,32,500 (Rs. 30,135) has been taken to provision for taxation for additional income and super-tax raised on the Company. Including the sum of Rs. 72,147 (Rs. 1,15,795) brought forward from last half-year, there is available a balance of Rs. 20,127 (Rs. 1,27,234) which will be carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	31,49,003
Reserves ...	26,81,896	Stores ...	79,693
Provision for taxation ...	2,76,752	Stock of lime, etc. ...	3,565
Property sales suspense ...	4,63,480	Other assets	23,627
Liabilities ...	19,12,653	Debts, deposits and advances ...	15,58,690
Profit and loss account ...	20,127	Investments	25,04,900
		Cash ...	35,430
Rs.	73,54,908	Rs.	73,54,908

Tropical Plantations, Ltd.

The directors of the above Company (Managing Director: P. T. Thomas, Esq., Kottayam) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The tea crop harvested during the year amounted to 3,49,212 (3 61,402) pounds (736 pounds per acre). The production cost is 115.745 (131.813) cents (Rs. 1-2-6.231) per pound, and the average price realised is 158.453 (112.348) cents (Rs. 1-9-4.229) per pound.

The rubber crop obtained during the year is 8,15,244 (8,15,107) pounds (456 pounds per acre) at a cost of 57.095 (54.472) cents (9 as. 1.622 ps.) per pound and the average price realised is 122.734 (120.661) cents (Rs. 1-3-7.649) per pound.

After providing Rs. 1,80,814 (Rs. 1,48,414) for taxation and after charging depreciation, bonus to staff and remuneration to the managing director, the net profit for the year amounted to Rs. 3,52,117 (Rs. 2,07,346). This together with Rs. 9,921 (Rs. 2,575) brought forward from the previous year aggregated to Rs. 3,62,038 (Rs. 2,09,921). Out of this, the directors have transferred Rs. 120,000 (nil) to general reserve, leaving a balance of Rs. 2,42,038 (Rs. 2,09,921) available for distribution. The directors made payment of a dividend of 12 (10) per cent. [Rs. 3 (Rs. 2-8) per share], free of income-tax and agricultural tax, absorbing Rs. 2,40,000 (Rs. 2,00,000) and carried forward the balance of Rs. 2,038 (Rs. 9,921) to 1954 accounts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	19,92,551
Provision for taxation ...	1,81,674	Stock-in-trade	3,49,006
Liabilities ...	1,81,068	Stores and spare parts	1,15,187
Profit and loss account ...	3,62,038	Nurseries ...	1,209
		Debts, deposits and advances ...	37,702
		Cash ...	2,29,125
Rs.	27,24,780	Rs.	27,24,780

Shahjabanpur Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

The revenue account shows a profit on the year's working of Rs. 88,391 (Rs. 1,09,816) and after deducting from this the appropriation under the Electricity (Supply) Act, 1948 Rs. 3,057 (Rs. 5,416), gratuity to retired employees Rs. 383 (nil), provision for taxation Rs. 33,000 (Rs. 22,500) and reserve for deferred taxation Rs. 14,700 (Rs. 17,300) there is a credit balance of Rs. 31,236 (Rs. 54,059). After adding to this Rs. 27,279 (Rs. 16,895), the adjusted balance brought forward being the amount transferred from reserve for tariffs and dividends control in accordance with paragraph II (2) of the sixth schedule to the Electricity (Supply) Act, 1948, there is a balance of Rs. 71,282 (Rs. 70,954) at credit of profit and loss account, which the directors recommend be disposed of as follows:—

Pay a dividend at 5 (5) per cent. for the year ended 30th September, 1953, without any deduction of income-tax paid by the Company Rs. 45,500 (Rs. 45,500), transfer to general reserve Rs. 20,000 (Rs. 20,000) and carry forward the balance of Rs. 5,882 (Rs. 5,454).

A continuous supply of energy was maintained throughout the year, and an increase of approximately 6 per cent. in the number of units sold was recorded as compared with the previous year. Information received appears to indicate that the State Government intend to make a bulk supply of electricity available to the Company within the next twelve months. The Company's future prospects are considered good.

The number of consumers connected to the Company's system at 30th September, 1953 was 1,919 representing a connected load of 2,420 kw. as compared with 1,825 with a connected load of 2,350 kw. at the close of the previous financial year. These figures include bazar lighting consumers numbering 101 as against 104 at 30th September, 1952.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,10,000	Block ...	7,44,487
Reserves ...	2,52,974	Stores ...	2,81,827
Provision for taxation ...	55,206	Other assets	28,229
Liabilities ...	3,41,560	Debts, deposits and advances ...	1,51,253
Profit and loss account ...	71,381	Investments	3,16,743
		Cash ...	1,08,582
Rs.	16,31,121	Rs.	16,31,121

Walford Transport Ltd.

The directors of the above Company (Manager: Mr. E. A. Smith, Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

After writing off Rs. 37,957 (Rs. 32,842) for depreciation, the available profit for the year is Rs. 2,15,622 (Rs. 2,73,239) including Rs. 1,96,536 (Rs. 1,38,488) carried forward from the last account. There is a nil amount on account of taxes. The directors recommend that this sum be dealt with as follows:—

Payment of a dividend of 8¼ (8¼) per cent. per annum on 2,10,200 preferred ordinary shares, absorbing Rs. 17,867 (Rs. 17,867), payment of a dividend of 7 (7) per cent. per annum on 8,40,800 ordinary shares, absorbing Rs. 58,856 (Rs. 58,856) and carry forward Rs. 1,38,899 (Rs. 1,96,536).

The year under review was an extremely difficult one for most companies engaged in the automobile distributing business, including the Company. The effects of policies propounded by the Government of India as far back as 1950, referred to in previous reports, were felt with increasing severity during the ensuing period and culminated, early last year, in a Tariff Commission Enquiry into the Automobile Industry in India. Meantime, because of the restriction on import licences pending formulation of policies based on the Commission's findings, supplies from the Factories dwindled or ceased altogether. These facts rendered the profitable operation of the Company difficult indeed. Further, on March 31st of this year, General Motors India Ltd., pioneer automobile assemblers in this country and the Company's most profitable connection, closed down their Bombay plant being unable to comply with the Government's demands concerning the manufacture of vehicle components within the Indian Union. There is no indication at this stage that General Motors' vehicle products will again be available after stocks now in the hands of dealers are sold.

A not dissimilar situation exists in regard to Automobile Products of India, Ltd., Rootes Group Concessionaires in India, another important source of vehicle supply for the Company. In their case, however, it would appear that, although the Rootes Group as such have withdrawn from the field, arrangements are contemplated for the passing of the control of Automobile Products of India, Ltd., to Indian hands. If this materialises, then it seems that Rootes Group products will again be available to the Company, but as the new owners will still be required to satisfy the Government in regard to a programme of ultimate manufacture of components in India, the quantum of supplies is likely to be small for some time.

Foreseeing these situations, certain other selling lines were taken on during the course of last year, i.e., Willys-Overland Jeep and David Brown Agricultural Tractors and Implements. Factory supplies of the Jeep, however, have been below the demand to date, and an improvement cannot be expected before July next.

Considering the situation in the Indian Automobile Industry described, which was foreseen, the wisdom of curtailing dividends in 1952 and providing for as large a carry forward balance as possible to the 1953 accounts will be agreed. On this occasion also the directors feel that the same policy should obtain in view of the uncertain future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,51,000	Block ...	4,29,347
Reserves ...	17,33,073	Stocks ...	24,82,213
Provision for sales tax ...	40,445	Stores ...	24,394
Liabilities ...	9,52,243	Goods-in-transit ...	1,62,545
Profit and loss account ...	2,15,622	Work-in-progress ...	11,554
		Debts, deposits and advances ...	7,46,345
		Investments	26,800
		Cash ...	1,09,185
Rs.	39,92,383	Rs.	39,92,383

Sassoon and Alliance Silk Mill Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. David Sassoon & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The result of the year's working showed a loss of Rs. 71,025 (Rs. 20,049). Against this loss, the directors have transferred the following sums to the credit of the appropriation account:—

From general reserve Rs. 70,000 (nil), from equalisation of dividend reserve Rs. 37,500 (nil) and added the balance brought forward from the previous year of Rs. 3,615 (Rs. 3,162) making a total of Rs. 1,11,115 (Rs. 96,164). From this amount is deducted the loss for the year 1953, of Rs. 71,025 (Rs. 20,049) leaving a balance of Rs. 40,090 (Rs. 66,115 after transferring Rs. 10,000 to replacement of machinery reserve). Out of this balance, the directors paid a dividend of As. 12 (Re. 1-4) per share, free of income-tax, absorbing Rs. 37,500 (Rs. 62,500) and carried forward to 1954 account Rs. 2,590 (Rs. 3,615). The directors have also transferred a further sum of Rs. 4,000 (nil) from the general reserve to the provision for gratuity to employees on retirement.

The directors regret that the working of the Mill has resulted in a loss. This adverse result, however, is not peculiar only to this Company, but reflects the general trend of the serious depression which has overtaken the Art Silk Industry during the past two years.

Although the trading year opened with a slight improvement, unfortunately this position was not maintained as conditions deteriorated in sympathy with the world-wide recession in textiles during the latter half of the year.

With increased labour costs, augmented by several imposts placed by Government on the Industry, slackness in the demand and the steep fall in prices of artificial silk fabrics, the Company passed through a period of grave difficulties.

In the last Budget the Government placed a further burden in the form of an excise duty and cess on artificial silk fabrics and this has dealt a crippling blow to the progress and welfare of the Art Silk Industry. In the circumstances, it is difficult to foresee any appreciable improvement in the near future unless some relief is offered in the high labour costs and imposts and there is a better demand with more remunerative prices for cloth. All taxation upto and including the Company's year 1952, has been finalised and paid to the income-tax authorities.

The Mill buildings, plant and machinery, inclusive of electrical installation and furniture having been fully written down in past years, no further depreciation has been considered necessary by the directors, except in the case of the motor vehicle. The Mill properties including buildings, machinery and stocks are fully insured against fire, riots and civil commotion. Prospective profits and fixed charges are covered as usual.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	2,21,409
Reserves ...	8,44,062	Stock-in-trade	7,32,242
Provision for taxation ...	398	Stores ...	1,46,349
Liabilities ...	2,67,335	Debts, deposits and advances ...	2,84,161
Profit and loss account ...	2,590	Cash ...	2,30,224
Rs.	16,14,385	Rs.	16,14,385

Bengal Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December, 1953.

The profit for the half-year, after providing for taxation and depreciation was Rs. 2,41,103 (Rs. 68,992) to which has to be added items relating to previous half-years Rs. 1,706 (Rs. 24,576) and balance brought forward Rs. 35,086 (debit of Rs. 16,619) making a total of Rs. 2,77,895 (credit of Rs. 86,382). The directors have transferred Rs. 1,00,000 (nil) to general reserve, leaving a balance of Rs. 1,77,895 (Rs. 86,382) available for distribution. Out of the above balance the directors paid a dividend on 1,20,000 shares at 17½ (12½) per cent. per annum Rs. 1,05,000 (Rs. 75,000) and carried forward Rs. 72,895 (Rs. 11,382).

There has been a good demand for the Company's products during the half-year. The controlled milling of wholemeal atta on account of the West Bengal Government ceased in November and since that time both Mills have been engaged fully for the manufacture of wheaten products for free sale.

The Mills have run satisfactorily under electrification and the changeover has shown economy and more constant output.

Reference was made in the last report to the announcement by Government permitting mills to export flour but owing to competition from Australian mills, the Company has been able to make little headway in its export programme.

A recent order of Government in allowing the same wheat to be issued at different prices for the milling of "Fines" and of wholemeal atta has created difficulties in the market. Representations have been made to Government that wheat should be at one price and the Company is continuing its efforts to this end.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	7,20,100
Reserves ...	5,20,000	Stock-in-trade	5,270
Provision for taxation ...	1,89,700	Stores and spare parts	2,38,700
Liabilities ...	19,55,232	Debts, deposits and advances ...	24,02,401
Profit and loss account ...	72,895	Investments	34,649
		Cash ...	5,36,707
Rs.	39,37,827	Rs.	39,37,827

Tide Water Oil Co. (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st October, 1953.

After providing for depreciation and having brought in the debit balance from the last half-year, there was a debit balance on profit and loss account of Rs. 50,315 (credit of Rs. 316 after paying dividend at As. 8 per share, absorbing Rs. 30,000) which the directors carried forward.

In their report for the half-year ended April, 1953, the directors referred to the difficulty experienced in meeting price competition and said their efforts were being directed to reducing the cost of putting the products on the market. The directors are pleased to say that after prolonged negotiations arrangements have now been completed for importing products in bulk and the reduced transport and handling costs which will result from this should enable the Company to trade competitively.

The directors regret any inconvenience to shareholders by reason of the late presentation of the accounts for the half-year to October, 1953. They felt that it was desirable to await completion of the negotiations mentioned before issuing their report for that period. The Company has taken credit in the profit and loss account of a special allowance of Rs. 1,57,521. This represents the amount allowed by the Company's principals to cover the gap between costs and market price for the period during which negotiations were proceeding.

In these circumstances, and as the new arrangements will only commence during the current trading period, the directors have thought fit not to draw on reserves in closing the accounts for the October, 1953 half-year. They would also point out that the adverse trading conditions have affected the whole of the April, 1954 half-year just ended.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	81,613
Reserves ...	8,95,899	Stocks ...	17,53,504
Provision for taxation ...	14,295	Debts, deposits and advances ...	12,50,500
Liabilities ...	20,63,855	Cash ...	2,38,117
		Goodwill ...	2,00,000
		Profit and loss account ...	50,315
Rs.	35,74,049	Rs.	35,74,049

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

Notices

THE INDIAN WOOD PRODUCTS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-fourth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta, on Friday the 18th June, 1954, at 12-15 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th September, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

NOTICE is also hereby given that the Register of Members of the Company will be closed from the 4th June, 1954 to the 18th June, 1954, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or their mandatees.

By Order of the Board,
For GILLANDERS ARBUTHNOT & CO., LTD.,
K. R. FETTES,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 18*th May*, 1954.

NASKARPARA JUTE MILLS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 42nd Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at No. 8, Dalhousie Square East, Calcutta, on Monday the 21st June, 1954, at 5 p.m. for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended the 31st October, 1953, electing Director, appointing Auditors and for transacting any other business of the Company that may be brought forward.

The Share Transfer Register of the Company will be closed from the 14th June, 1954, to 21st June, 1954, both days inclusive.

By Order of the Board,
For and on behalf of
NASKARPARA JUTE MILLS CO., LTD.,
HOWRAH TRADING CO., LTD.,
Managing Agents,
K. D. JALAN,
Director.

18*th May*, 1954.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Monday the 28th June to Thursday the 22nd July, 1954, both days inclusive.

The dividends for the year ended 31st March, 1954, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company, on Thursday the 22nd July, 1954.

By Order of the Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, 27*th May*, 1954.

SHREE NIWAS COTTON MILLS LIMITED

MR. G. D. SOMANI'S SPEECH AT NINETEENTH ANNUAL MEETING

A FERVENT plea for the adoption of rationalisation measures in the long-term interest of labour, consumers and the industry was made by Mr. G. D. Somani, M.P., Chairman of the Shree Niwas Cotton Mills Ltd., at the Nineteenth Annual General Meeting of the shareholders held in Bombay on the 26th inst. Referring to the recent trends in textile trade, Mr. Somani wished that the export duty on coarse varieties were withdrawn. He also made a strong appeal for liberalisation of depreciation allowance for old units, in order to enable them to meet the heavy cost of rehabilitation and renovation.

The following is the full text of Mr. Somani's speech:

"GENTLEMEN,

"I have great pleasure in placing before you for adoption the audited balance-sheet and profit and loss account for the year ended 31st December, 1953. Since these have been in your hands for some time, I will, with your consent, take the same as read.

"I would at the outset like to draw your attention to the reference made in the Directors' report about the Company having acquired substantial shares of Messrs. Hall and Anderson, Ltd., which owns the Shree Madhusudhan Mills which has 61,516 spindles and 1,640 looms, with 1,01,113 square yards of freehold land. This mill, formerly known as Pearl Mill of the Fazalbhoy Group, was regarded as the best of the group's mills. The mill, however, during the last few years changed hands several times and its working was very unsatisfactory at the time its control and management was assumed by your Directors. The mill machinery had been almost starved of its proper maintenance and there were several technical irregularities in the departmental working. The new management had thus to face manifold problems during the initial period, but I am glad to be able to report that, after several months of intensive and sustained all-round efforts, we have turned the corner and are hopeful of steady and gradual improvement in its working.

"Turning now to general matters, I cannot help making a few observations on the important problem of rationalisation which has caused so much controversy in the recent past. I agree that we cannot afford to aggravate our unemployment problem by any large-scale retrenchment by having recourse to any drastic and hasty measures of rationalisation, but, on the other hand, we cannot also lose sight of the hard fact that, in the ever-growing competition both here and abroad, any total ban on the installation of modernised equipment and rationalised working will prove disastrous to the very cause of maintaining maximum employment which we want to serve. It is quite clear from the history of the introduction of rationalisation measures in other countries that, in the long run, this has resulted in substantial improvement in working conditions and creation of better and more employment in the industry. Indeed, if the industry is to be forced to continue to employ obsolete machinery and old methods, the time may not be far off when the working of the industry may be so adversely affected by economic factors as to result in widespread unemployment, caused by enforced curtailment of production. I maintain, therefore, that, apart from many other benefits that are bound to follow, the rationalisation measures will be found ultimately to be as much in the interest of labour as of consumers and industry. I am confident that, with a little goodwill on both sides, a scientific formula on a long-term basis may be worked out which, while not unduly disturbing the present employment position, will ensure adoption of gradual methods under which labour will secure better working conditions in producing superior quality at cheaper cost.

Export Duty on Coarse Cloth

"Immediately after the export duty on medium varieties was withdrawn in October last, there was a good revival of export demand and the export figures during the first few months showed encouraging trends. However, the latest position again reflects the difficulty which the industry is facing in overseas markets and it is feared that, unless the export duty on coarse varieties is withdrawn, we may not be able to achieve the target. It is extremely desirable, therefore, that Government should keep a very close watch over the situation and take effective measures before it is too late to ensure that the industry does not lose any ground in the export markets.

"There are at present too many Government restrictions and regulations coming in the way of prompt execution of mills' extension plans. It is desirable, in the interest of industrial development of the country, that the whole complicated chain of formalities necessary in this connection should be simplified to avoid delays.

"Much has been said from time to time from so many quarters about the vital need for liberalising the depreciation allowance for old units to meet the huge financial requirements of rehabilitation and renovation. I would like to make a reference in this connection to the very valuable concession given by the U.K. Chancellor of the Exchequer in his last Budget, whereby any investment now in new machinery will entitle the industry concerned to a 20 per cent. investment allowance. It should be appreciated that the present liberal allowance for new machinery and plant here does not mean any real concession, because the depreciation allowance does not go beyond 100 per cent. and it is only a concession of deferred payment of tax liabilities. The present investment allowance as granted by the U.K. Government will, however, be over and above the 100 per cent. depreciation allowance and is thus a substantial incentive to encourage investment in new machineries. The need here in our country to stimulate investment is much more than in the U.K. and I hope that the Taxation Enquiry Commission and our Government will give still more liberal incentive to the industry here, so that the pace of new investment may be accelerated.

"The textile industry has just celebrated its centenary and this premier industry, after passing through a long period of hard struggle, can today rightfully claim a prominent position in the national economy. While the industry is still faced with a number of complicated problems, it can certainly look forward with confidence to a still more glorious future. What is, however, wanted is that those of us, who are in charge of management, should fully appreciate the spirit of the changing times and should make every endeavour to conform to the highest standard of managerial efficiency and integrity, so that we can make our due contribution in building a new India."

COMMERCE AND INDUSTRY

(*Concluded from page 1040*)

ment; 83,740 cwts. of insulated cables, wires, strips and strands (£927,000); and 42,782 cwts. of converting and rectifying machinery, transformers and switchgear valued at £1,030,000.

The second largest group of British products imported by India in March included chemical elements and compounds worth £547,000 bringing the quarter's figures to £1,275,000; £241,000 worth of dyestuffs, pigments, paints and varnishes, bringing the quarter's total to £636,000; and medical and pharmaceutical products to the value of £338,000, taking the quarter's total to £771,000. India's total imports of British chemicals in March were valued at £1,563,000, and in the March quarter, at £3,760,000, as compared with under £2,500,000 in the first quarter last year.

Indian imports of British vehicles also showed an increase. During March India took 2,148 tons of railway vehicles, bringing the quarter's total to 5,703 tons worth £1,012,000; and £1,254,000 worth of "road vehicles and aircraft" taking the total for the quarter to £2,704,000. The latter group included 900 motor cycles in March, bringing the quarter's total to 2,920 (valued at £342,000) compared with 917 in the same period last year; and 170 chassis for goods vehicles, bringing the quarter's total to 302 (£367,000).

Other leading British exports to India during the first quarter of this year, included 24,311 tons of iron and steel (£1,605,000) compared with 12,954 tons in the same quarter of last year; £1,440,000 worth of the wide range of products headed "manufactures of metals"; wool products to the value of £1,386,000 (including £1,180,000 worth of wool tops compared with £983,000 in the same period of last year); £1,367,000 worth of petroleum products compared with £755,000 in the first quarter of 1953; and goods under the heading "scientific instruments, photographic and optical goods, watches and clocks" to the value of £523,000.

SCHEME FOR HANDICRAFT TRAINING CENTRES

The Executive Committee of the All India Handicrafts Board has approved, and recommended to the Ministry of Commerce and Industry, a scheme for the establishment of three mobile handicraft training centres. The Committee has also approved schemes for supply of conch shells to artisans in West Bengal, the establishment of a training-cum-production centre for *Jamdani saris* and for the setting up of classes for toy making and cloth printing.

The mobile handicraft centre provides for training in lacquer and wood carving, button making, manufacture of shell products and for production of utility and artistic goods from bamboo cane grass, straw and various other locally available fibres. It is proposed to establish three different centres to cover all these handicrafts. Each of these centres will admit a number of trainees each year and give them full training for one year. The centres will move from one place to another, particularly in those areas where there are large concentrations of traditional artisans, or where local people show keen interest in such handicrafts.

RELIEF FOR TOBACCO GROWERS

The Andhra Government is considering a proposal to start a cigarette factory in order to provide a market for the tobacco grown in the State and thus relieve distress of tobacco growers. It also intends to request the Centre to give financial aid for starting a Finance Corporation for the benefit of tobacco growers. Further, it has represented to the Union Government that the imposition of a flat rate of excise duty, irrespective of the grades of tobacco, has militated against the disposal of lower grade tobacco. It has, therefore, asked for a graduated rebate of excise duty on the purchases of existing stocks of low grade tobacco.

Messrs. J. H. Fenner & Co. (India) Ltd., Calcutta, state that their associates, Messrs. J. H. Fenner & C. (Overseas) Ltd., Hull, England, have made arrangements to establish, as soon as possible, a factory at Madural, Madras State, in the name of Fenner Cockill Ltd., for the manufacture of woven belting, V-belts and spindle tape. The necessary licence has been obtained, it is stated, from the Ministry of Commerce and Industry, New Delhi.

TEXTILES

(*Concluded from page 1024*)

is reported to have stressed that the licensing procedure should be modified so as to remove uncertainty in regard to the grant of export licences. He also emphasised that piecegoods, except the prohibited varieties, should be placed on the O.G.L. and that the fact that the Government would lose the revenue from licensing fees should not deter the authorities from taking a favourable view of the demand. He is also reported to have demanded that the export duty should be collected on the net f.o.b. sale price to the overseas buyer. He drew the Government's attention to the difficulties experienced by exporters in the matter of refund of excise duty on cloth exported out of India. Mr. Iengar assured the Council that the Government would examine the existing procedure and see whether it could not be made simpler in order that the procedure caused the least inconvenience to the mills and the trade.

Finally, the question of promoting the exports of handloom goods engaged the Council's attention. Mr. Karmarkar stated that a scheme for the marketing of handloom cloth had been evolved and that marketing officers would be posted at Colombo, Bangkok, Rangoon and Singapore. Emporia for the sale of handloom goods, he said, would also be set up in foreign countries. Mr. M. Somappa, a member of the Council representing the handloom industry, suggested that a goodwill mission should be sent to Burma to explore the possibility of promoting sale of handloom cloth from India, particularly *lungis*.

While any attempt made to promote the export of handloom cloth might be welcomed, it is necessary to see that the measures do not interfere with the normal exports of mill-made cloth. There is at least one measure, the present restriction on the exports of mill-made *dhotis*, which, it is stated, helps neither the handloom industry nor the mills. The restrictions were presumably intended to benefit the handloom industry in order to promote export of handloom *dhotis*. While the industry is not in a position to derive any advantage through this measure because it cannot prevent competition from other countries in mill-made *dhotis*, the Indian mills which can export these varieties are unnecessarily made to suffer. This is an excellent instance of the "dog-in-the-manger" policy which the handloom interests sometimes advocate. It is well to remember that the "handloom *versus* mills" controversy is a domestic issue, and that any attempt at compulsion of overseas buyers to toe the Indian Government's line in this matter will be futile as they cannot be so compelled, and that it will cause serious injury to the domestic mill industry without conferring any benefit on the handloom industry.

STRINGENCY IN MONEY EASES

(From Our Own Correspondent)

BOMBAY, 26th *May*

Signs of a slight easing of the stringency in the short-term money market were noted during the week under review. The return of funds from the trade was perceptible, while the demand for funds had somewhat slackened. With the National Plan Loan still kept on tap, however, the effect of these developments on interest rates was not appreciable. Indications of the lessening of pressure on the market are seen in the latest bank statements. These show a sizable contraction in notes in circulation, an enlargement in deposits of banks and a drop in their advances.

Inter-bank call money which had been generally bid at 3 per cent. and occasionally at 2½ per cent. in the previous week, was bid at 2½ per cent. during the week under review. At times, some of them offered 3 per cent. also. House money, however, continued to fetch 3 per cent. Short-term deposits were taken at 3 per cent. for one and two months and at 2½ per cent. for three and four months.

The statement of affairs of the Reserve Bank of India for the week ended 21st May, 1954, as compared with that for the previous week, discloses a shrinkage of Rs. 13.27 crores in notes in circulation, following the fall of Rs. 4.92 crores in the previous week. Notes held in the Banking Department have risen by Rs. 13.55 crores and the consequent increase of Rs. 28 lakhs in total notes issued is covered by a similar change in rupee coin. In the Banking Department, deposits of the Central Government have risen for the second week in succession, the latest increase being of the order of Rs. 8.47 crores. Deposits of other Governments are lower by Rs. 63 lakhs, while those of banks are up by Rs. 96 lakhs. Deposits of others are also higher by Rs. 1.20 crores. On the assets side, cash balances show a rise of Rs. 13.60 crores and balances held abroad a drop of Rs. 2.08 crores. Loans and advances to Governments and other advances have declined by Rs. 66 lakhs and Rs. 6.89 crores, respectively, the drop in the latter reflecting mainly the repayment of loans taken by Scheduled banks against usance bills. The weekly outstanding of such borrowings shows a decline of Rs. 4.50 crores, while the total amount taken so far during the current year shows an increase of Rs. 3.90 crores. Investments have recorded a rise of Rs. 6.08 crores.

The consolidated statement of position of Scheduled banks for the week ended 14th May, 1954, as compared with that for the previous week, reveals a rise of Rs. 7.52 crores in demand deposits and a decline of Rs. 65 lakhs in time deposits. Inter-bank borrowings show a rise of Rs. 99 lakhs. Borrowings from the Reserve Bank show a drop of Rs. 1.43 crores and those from the Imperial Bank Rs. 5.78 crores. A decline of Rs. 5.98 crores is noted in advances and of Rs. 91 lakhs in bills purchased and discounted. Investments have gone down by Rs. 23 lakhs. Cash balances disclose an increase of Rs. 3.68 crores, balances with other banks in current account Rs. 93 lakhs and money at call and short notice Rs. 2.02 crores.

The Gilt-edged market was featureless with the volume of business done remaining small. There was a tendency to book profits at higher levels, but the undertone remained steady. 3 per cent. 1957 was quoted at the self-same rate of Rs. 98, but there appeared sellers at this rate towards the close. 3 per cent. 1958 had business an anna better at Rs. 97-14. 3 per cent. 1959-61 had small buyers at Rs. 96-1. 3 per cent. 1963-65 put on an anna to Rs. 92-12, at which there were buyers. 3 per cent. 1964 was wanted As. 2 better at Rs. 92-13. 3 per cent. 1966-68 was the demand at Rs. 90. 3 per cent. 1970-75 shaded off from Rs. 86-1 to Rs. 86. 3 per cent. 1986 Conversion Loan was taken up from Rs. 81-12 to Rs. 82, but dropped to Rs. 81-14 on profit-taking. 3½ per cent. 1961 National Plan Bond was in request at Rs. 98-13.

In the foreign exchange section, there was no change in the rupee-U.S. dollar exchange rate. In the New York market, sterling gained fresh strength during the week, but towards the close shaded off a little. Transferable sterling, however, firmed up smartly. Thus, spot sterling picked up from $2.81-13/16-2.81-15/16 to $2.81¾-2.82 per £, but closed at $2.81-13/16-2.81-15/16. Likewise, forward sterling for three months, after hardening from $2.81-11/16-2.81-13/16 to $2.81⅞-2.81⅞, reacted to $2.81⅛-2.81⅜. Transferable sterling rose from $2.78¾-2.78⅞ to $2.79-1/16-2.79-3/16.

GENERAL DEMAND FOR TEA GOOD

(Messrs. Forbes, Ewart & Figgis Ltd.)

COCHIN, 22nd *May*

The offerings in sale No. 10, which was held on Tuesday, 18th May, amounted to approximately 15,24,000 lbs. There was good general demand, particularly for low and low medium teas which sold at or just below valuation. Medium and highgrowns were well supported, in spite of the further falling away in quality, although prices were a little irregular. Medium and good mediums were quoted at half to one anna easier. Whole leaf teas received very little support and were once again the weakest feature of the sale, being As. 1 to As. 1-6 easier.

The followng were the quotations:—

	1954 Rs. a. p.	1953 Rs. a. p.
Lowgrown Travancore B.O.P.	2 8 0	1 11 0
Medium Travancore B.O.P.	2 8 9	1 12 0
Anamallais B.O.P.	2 11 0	1 15 6
Best liquoring Nilgiri B.O.P.	3 0 0	2 8 3
Well made black leaf O.P.	2 11 3	1 15 0

London Market.—Dearer market. Commons half penny better sorts full penny 4/8.

Colombo Market.—Good demand. Discounting increased duty, lowgrowns slightly dearer. Thin stalky highgrowns and u.v.a.'s down five cents.

Calcutta Market—Export.—Strong general demand. Whole leaf and Dooars brokens with character keenly sought after. First flush Darjeelings well supported, often well above valuation, easing towards close. Clean common B.P. Rs. 2-10-6.

Dust.—No sale this week.

Special licence.—Small business has been effected here at 47 piles.

1954-55 *Export Quota.*—There has been a strong demand for current season's quota causing an appreciation in the price to 52 pies, which remains today's quotation.

Forthcoming Auctions.—Dust Sale 'J' will be held on Tuesday, 25th May, and Sale No. 11 will be held on Tuesday, 1st June, 1954.

As we go to Press, Messrs. Forbes, Ewart & Figgis Ltd. wire:

"*Dust Sale J.*—300,000 lbs. Market very irregular and easier As. 2 to As. 3."

BULLION WEAKENS AFTER EARLY RISE

(From Our Own Correspondent)

BOMBAY, 26th *May*

After last week's heavy drop in prices, the bullion market made a strident advance early in the week under review, but this recovery proved to be a short-lived affair. Both the metals once again came under bear hammering, with the result that the earlier gain was entirely wiped off. On balance, both silver and gold disclosed no change over the week.

The earlier sharp rise in bullion prices, particularly in silver, was due to nervous covering by short sellers who feared that the bulls might demand delivery at the next settlement. Attempts by a prominent operator to break the morale of the market by persistent selling proved futile, as leading bull operators and option dealers carried out heavy purchases. The satisfactory offtake and scarcity of stocks also favoured the buyers. The wide premium of Rs. 3-4 which ready gold commanded over forward was successfully exploited by the bulls. However, reports of diminishing offtake, increased arrivals of silver in upcountry centres, the offer of the Government of India to give facilities for subscribing to the National Plan Loan in the form of gold and jewellery and lack of follow-up support were all factors which had an unsettling effect on the bulls and induced them to book their profit. The disinclination of bears to cover their sales in the current settlement is evident from the heavy carry forward charges they are prepared to pay. The *badli* rate, which was Rs. 2-8 against sellers on Saturday, widened to Rs. 3-4 today at the close.

Silver for forward delivery (18th June settlement) opened the week at Rs. 162-10 and flared up to a high of Rs. 166 on Friday. On the subsequent days, it reacted strongly and touched a low of Rs. 161-11 on Tuesday, but steadied up to close at Rs. 162-11 today.

Ready silver (.996 Mint) began at Rs. 163-4 and, after hardening to Rs. 166-10 dropped to Rs. 162-8. The closing was, however, better at Rs. 163-3. The premium of ready over the forward, which was As. 12 at the close of the previous week, narrowed down to As. 8 this week. The floating stocks of silver are placed at 800 to 900 bars. The daily average offtake was about 20 bars.

Opening at Rs. 88-4, gold for forward delivery (18th May settlement) jumped up to Rs. 89-15 on Friday. It, however, dropped to Rs. 87-14 yesterday, before recovering to Rs. 88-6 at the close today.

Ready gold opened at Rs. 91-14 and closed at Rs. 91. The highest and the lowest levels touched were Rs. 93-1 and Rs. 90-14 respectively. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals were 5,000 tolas while the offtake was 4,000 tolas on an average.

In the London market, silver prices remained unchanged almost throughout the week at 72¼d. per fine ounce for spot and at 72¼d. for forward. Yesterday, however, there was a quarter-penny rise to 72¼d. and 72⅜d., respectively. Gold weakened from £12 8s. 11d. to £12 8s. 9d., but hardened yesterday to £12 8s. 10d., disclosing a loss of 1d. over the week.

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

	26-5-54	Highest	Lowest	19-5-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	91 0	93 1	90 14	91 1
Forward	88 6	89 15	87 14	88 7
Sovereign	60 10	60 14	60 10	60 8
SILVER				
Ready (.996 fine Mint)	163 3	166 10	162 3	163 8
Forward	162 11	166 0	161 11	162 13
London Ready	72¼d.	72¼d.	72¼d.	72¼d.
London Forward	72⅜d.	72⅜d.	72⅜d.	72⅜d.
London Gold	248s.10d.	248s.10½d.	248s.9d.	248s.11d.
New York Ready	85⅛c.	—	—	85⅛c.

LINSEED WEAK

(Messrs. A. Bradley & Co.)

CALCUTTA, 24th *May*

Very weak conditions prevailed during the week, although prices had shown little change. Towards the close, however, the general tendency appeared to be somewhat better. Trading was dull and crushers were reserved, but there were keen buyers in the bazar to cover previous sales. The oil market displayed a slightly better undertone, owing to some forward enquiries and ready settlements. The latest quotations are as follows:—Ready Rs. 18-12, June-July Rs. 19-2 per maund.

COTTON QUIET

(From Our Own Correspondent)

BOMBAY, 26th *May*

Market men's thoughts are now turning to the new crop. Once again, considerations regarding the cotton policy of the Government for the future have come to the fore. The demand for price decontrol of cotton is again being heard and the pressure on this score will increase as time goes on. The moral basis for such control, on which the Government could rely, has been removed, inasmuch as there is now no control on the price of cloth. Control on the price of cotton was primarily designed as a necessary condition for maintaining control on the prices of cloth. But it had a secondary function of preventing diversion of land from foodgrains to cotton also. Now that foodgrains are plentiful and control on foodgrains also is practically removed, it has become difficult for the authorities to justify its continued hold on the price of cotton.

They have, however, a new justification for maintaining certain floors and ceilings for the price of cotton. The offtake of cloth, both for the purposes of export and for internal consumption, depends on the price of textiles and it is necessary in the interests of the country's economy to maintain both the level of production in the textile industry and the export of cloth abroad, for the sake of preventing deterioration in the situation regarding employment. Exports could be maintained only if cloth is priced competitively and once the ceiling on the price of cotton is removed, it is not unlikely that speculators might push up the rates to world parity, which would gravely affect our balance of trade and internal consumption of textiles. There will also be some danger of diversion of land from foodgrains to cotton and in no sense could it be said that we are self-sufficient with regard to foodgrains. All these are serious considerations and the Government will have to weigh them very finely in the balance, to arrive at a fair decision on this question. There is also the usual uncertainty about the monsoon and the authorities would be reluctant to be pushed into a premature announcement on a question of such grave import.

The question with regard to giving permission for forward trading in the new crop is also bound to come up soon. But unless the Government decide one way or the other about the continuance or otherwise of floors and ceilings, such permission is out of the question. The market will, therefore, have to wait for a considerably long time, till a clearer picture with regard to the monsoon has emerged, before an alternative to the present August delivery is provided. This question has also been further complicated by the behaviour of the forward market at Kalbadevi. Cotton circles are apt to resent any suggestion from commentators that there is a wide disparity in the position of the two parallel markets. This fact, together with the totally unrealistic trend in the forward market, however, can no longer be either concealed or explained away. This fact has also now been noticed by the Textile Commissioner and grave doubts have arisen in the minds of the authorities, the producers and textile men whether the hedge market is discharging its most obvious function.

Whatever might be said about the controversy regarding the nature of the hedge contract or the way in which 'On' and 'Off' allowance and room rates are being fixed, one has to face the fact that the E.I.C.A. authorities are not in a position or are reluctant to enforce the degree of control necessary in all highly speculative markets. It has no longer remained a secret that the contract is being worked by groups of wild but wealthy men in the trade or sometimes outside it, to twist and manipulate it. This is serious enough to jeopardise the interests of the growers and the actual holders of stocks. But for such unhealthy pressures, the spot trade would not have been forced to liquidate some of its holdings by cutting prices, actually when the statistical position is favourable for the maintenance of the price level.

Besides, coming as it does just prior to the time of sowing, these bear raids which have been witnessed during the last few days, when the August contract has retreated from Rs. 705, two or three weeks ago, to Rs. 668 today, the growers are likely to be discouraged and to put their land under alternate crops. The E.I.C.A. authorities themselves are now engaged in considering this question. But the vested interests being powerful, it is feared that the Association will not be able to come to any reasonable decision involving stringent kerbs on frenzied speculation.

The continued deterioration in the forward market as a result of large-scale selling has, to a certain extent, demoralised the spot trade during the week under review. With the futures sliding down fast, the mills are in no mood to buy Indian cotton except for the barest immediate requirements. The turnover has, therefore, gone down considerably at Sewri. The statistical position, however, continues to be good and as the mill's consumption of Indian cotton has not been reduced, they will have to buy Indian cotton sooner or later. Financial stringency also is believed to have played a part in the present lethargy in the market and talks of increasing the rates of interest on advances by the banks have also led to a certain amount of unloading of actual stocks. The busy season, however, will soon be ended and in view of this and the hope of Government intervening in the Bank Appellate Tribunal's award, will hold the hands of the banks from raising rates on advances. Confidence is, however, a plant of delicate growth and the bears in the forward market have shaken the roots of this plant.

It is also not unlikely that the Government would have to give fresh quotas to mills for the purchase of Indian cotton as and when the stocks with the mills are consumed and it is still six months before new crop cotton would be available to them. Imported cotton, even though a larger

quantity is brought and made available to the mills, cannot replace Indian cotton as the mills' production pattern cannot be changed without detriment to their earning capacity. The stocks in the country are not overflowing to such an extent as to cause any pessimism so far as the spot trade is concerned, though repeated efforts are likely to be made by speculators to push down prices. The future, though dim and uncertain for the next two months, is bound to be reassuring for the period between July and new crop arrivals.

There is not much demand for imported cotton also from the mills at present, in spite of offers at lower prices from Alexandria and the lower prices realised in the auctions at Khartoum. There is some interest in East African cotton as also in the U.S.A. styles, but with regard to the latter the unsettled question of aid to exports in some form or other keeps back buyers in this country from large-scale commitments at New York. There is revival of talk about a fresh release of Bengals for export. If this is forthcoming, it will provide a little relief for stockholders in these depressing days. But, here again, there is danger of Government delaying its decision and rates being pushed up in anticipation, making the task of shippers difficult.

I.C.C. May opened the week at Rs. 665 and moved up, on trade support, to touch a high of Rs. 668½ on 21st inst. But reports of slackening of activity in the spot market and of offtake in the piecegoods market depressed the contract which touched a low of Rs. 648½ on 24th inst., though on the following day, when the contract expired, it was somewhat higher at Rs. 650. Tenders issued so far against the May contract aggregate 13,400 bales which include Vijay (11,700 bales), Laxmi (800 bales), Surti (650 bales) and 216F (250 bales). I.C.C. August opened the week at Rs. 683 and fluctuated between Rs. 685½ and Rs. 668½ before it finished the week at Rs. 668¼. Thus, the spread between the May and August contracts, which was of the order of Rs. 18-Rs. 18½ in the beginning of the week, widened to Rs. 27 on the 25th inst., when the May contract went off the boards.

The following is the trend of prices in the forward market during the week under review.

	Opening	High	Low	Closing
I.C.C. May (Rs.) ...	665	668½	648½	650
I.C.C. August (Rs.)	683	685½	668¼	668¼

Quiet conditions prevailed in the spot market. The following are the latest available quotations from the market: Bengal Deshi Rs. 620; Berar Jarillas Rs. 810; Khandesh Rs. 830; Vijay Rs. 900; Oomra Deshi Rs. 930; Moglai Rs. 720.

At Karachi, while there was a sizable spurt in the prices of Sind and Punjab Deshi cotton, there was only a slight improvement in the rates for American seed cotton. This is generally attributed to heavy business on settlement and for technical reasons, as also to hopes entertained with regard to permission being granted to start hedge trading there. The following are the latest available quotations from the Karachi market: Sind *Deshi* Rs. 76; Punjab Jandhi Rs. 73; 4F Punjab R.G. Rs. 70½; S.G. Rs. 75½; L.S.S. Punjab R.G. Rs. 74; S.G. Rs. 78½; N.T.R.G. Rs. 74½; S.G. Rs. 79½; 289F Punjab R.G. Rs. 77; S.G. Rs. 81.

At Alexandria, there was some revival of activity following the Cotton Commission reducing its selling prices for the remaining stocks. Some Continental countries have responded to this move and some business resulted as a result of it. There is also a possibility of allowing future trading in the 1955-56 crop at a later date, though this will have no immediate effect on the present price levels.

At New York, due to unfavourable weather reports from some of the producing areas, prices have remained steady, though previous to this, during the earlier part of the week, there was some decline, the effect of which has not yet been fully wiped out. There is, however, lack of enthusiasm for the July position, which is gradually giving way under pressure.

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

(In cents per lb.)

	25-5-54	18-5-54	11-5-54
Spot	35.45	35.40	35.15
July	34.33	34.44	34.51
October	34.21	34.26	34.22
December	34.24	34.26	34.23
March	34.34	34.39	—

ART SILK YARN CLOSES FIRM

(*From Our Own Correspondent*)

BOMBAY, 26*th May*

The art silk yarn market opened easy on heavy arrivals of yarn and absence of satisfactory demand from consuming centres. The weakness in the grain and bullion markets was also responsible for the easiness. Subsequently, however, the market put on a firm trend on aggressive buying by a group of speculative operators. Yarn prices, as a result, advanced and revealed, on balance, sizable gains over the week.

Among futures, 150D May, which opened at Rs. 765 on the 20th inst., as against the previous closing of Rs. 768, declined to Rs. 760 on the same day. Later in the week, it advanced to as high as Rs. 810 before closing lower at Rs. 804. 150D June, which changed hands at Rs. 753 early in the week, as compared with the previous closing quotations at Rs. 758, fluctuated between Rs. 752 and Rs. 778 and finished at Rs. 770. Among spots, 150 Japan gained half an anna to Rs. 4-14, while 120 Japan lost As. 6 to Rs. 4-5. 150 Italy was higher by As. 2-6 at Rs. 4-1 and 120 Italy by only half an anna at Rs. 4.

The staple fibre section, however, presented a mixed trend. Thus, during the first three sessions, it ruled steady, while in the latter sessions, it staged a decline. The decline persisted almost upto today when again an upward trend was visible. The mixed performance was attributed to conflicting reports about offtake of staple fibre yarn and cloth from upcountry centres. Staple fibres 40x2 May, which was done at Rs. 624 on the 20th inst. as against Rs. 620 earlier, ruled steady at about Rs. 625 during the next two sessions. In the subsequent session, it declined to Rs. 612, the lowest touched in the week. At this low level, buying support accompanied by short covering lifted the rate to Rs. 627, although it finished the week at Rs. 625. June delivery rallied Rs. 5 to Rs. 629, the highest and the lowest touched being Rs. 631 and Rs. 612, respectively. In the ready section Century, New Great and Phœnix lost an anna and six pies each to Rs. 3-2-3, Rs. 3-4-6 and Rs. 3-1-3, respectively. Kohinoors were down by three-fourths of an anna, at Rs. 3-7-6. City, however, gained half an anna to Rs. 3-6-6. Among foreign yarns, Suico and Shinco declined by an anna each to Rs. 3-12.

Cotton yarns ruled generally easy. It was reported from almost all the consuming centres that the handlooms and powerlooms were reluctant to make purchases at the present level of prices, which they considered to be unduly high. Most of them have been buying ready goods and in small lots just sufficient to meet their immediate requirements. Cotton mills' hopes of making forward sales for longer deliveries have consequently failed to materialise. Among 80s, Finlays lost As. 12 to Rs. 63 and Elphinstones As. 8 to Rs. 60. Seksarias and Sitarams were unchanged at Rs. 56-4 and Rs. 61, respectively. Among 60s, Sri Ram and Raghuvamshis lost As. 8 each to Rs. 55-8 and Rs. 51-12, respectively. City, however, gained As. 4 to Rs. 49, while Seksarias were unchanged at Rs. 46-12. Among 40s, Seksarias put on As. 2 to Rs. 27-6 and Meenakshi As. 6 to Rs. 29-10. Maduras were quiet at Rs. 29-8. Among 30s, Giridhardas and Maduras were colourless at Rs. 23-2 and Rs. 25, respectively. Among 20s, Hind eased from Rs. 17-8 to Rs. 17-7, Seksarias from Rs. 16-13 to Rs. 16-12. Edwards were dull at Rs. 17-7. Among 10s, Moderns were up by As. 2 at Rs. 13-8. Podars and Elphinstones were unchanged at Rs. 13-4-6 and Rs. 12-12, respectively.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	20-5-1954	19-5-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 May (per case of 200 lbs.)	804 0	788 0
150 June	770 0	758 0
120 Japan (per lb.)	4 5	4 11
150 Japan (per lb.)	4 14	4 13½
120 Italy (per lb.)	4 0	3 15½
150 Italy (per lb.)	4 1	3 14½
Staple fibre yarn—		
40 x 2 May (per case of 200 lbs.) ..	625 0	620
40 x 2 June	629 0	624
60 x 2 June	3 12	3 13
Suico (per lb.)	3 4½	3 6
New Great (per lb.)		
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	12 8	13 6
20s Seksaria	16 12	16 14
30s Madura	25 0	25 0
40s Meenakshi	29 10	29 4
40s City	49 0	48 12
60s Finlay	63 0	63 12

OILSEEDS EASY

(*From Our Own Correspondent*)

BOMBAY, 26*th May*

The oilseeds market came under a wave of selling pressure during the week under review. This was in the main due to weakness in upcountry produce markets. The groundnut section ruled easy on the reiteration by the Commerce Minister at the Export Advisory Council meeting that the Government would not allow export of groundnut oil. The linseed section also disclosed a downward trend on discouraging export advices indeed by reports that the U.S. would deluge the European market with its huge stocks of linseed oil under its programme for the disposal of U.S. farm surplus products. The castor, *niger* and *kardi* seed sections proved no exception to the general easiness. This was due to the non-materialisation of the expected overseas demand for castor, *kardi* and *niger* seed oils, despite the reduction of export duty on castor oil and its complete abolition on *kardi* and linseed oils. As a result, there was a sharp decline in prices in all the sections.

Groundnuts came in for very little buying support as against heavy selling pressure. *Vanaspati* interests were inclined to cover their small purchases by forward sales. This accentuated the downward trend in groundnut forward delivery. Bold F.A.Q. lost As. 12 to Rs. 33-8. June-July eased further from Rs. 33-8 to Rs. 31-13. Khandesh quality and Coromandals declined from Rs. 35 each to Rs. 34-4. Groundnut oil ready was lower by As. 12 at Rs. 16-12. June and July deliveries disclosed a loss of Rs. 1-4 at Rs. 14-4 *each*.

In the linseed section, Bold ready changed hands at Rs. 25-14, as against Rs. 26-12. June-July delivery fell from Rs. 25-8 to Rs. 24-14. Linseed oil was lower by Re. 1 at Rs. 13-12. Linseed oil April-May was quoted in the U.K. and the *Continent* at £102 (sellers) per ton c.i.f.

In the castorseed section, the belief that export quota for castor oil, announced recently by the Government, amounting to about 7,000 tons, has fallen short of expectations, was strengthened by reports of large stocks of unsold castor oil with a number of dealers. This in its turn adversely affected the sentiment of the market and prices, as a result, suffered sizable recessions. Among futures, September opened the week at Rs. 117-8, as against Rs. 118-8. It fluctuated thereafter between Rs. 113-14 and Rs. 119-2, before closing lower at Rs. 114-10. The September clearing rate is Rs. 114-8, as against the previous rate of Rs. 126. The clearing rate for May is Rs. 110-8 as against Rs. 121. Madras quality disclosed a loss of As. 11 at Rs. 22-9. Castor oil B.S.S. eased from Rs. 12-12 to Rs. 12-10, and Commercials from Rs. 11-10 to Rs. 11-6. First B.S.S. was quoted at £116 c. & f. per ton, as against £136 c. & f. per ton ten days back and Commercials £108 c & f per ton as against £124 c & f per ton.

Among others, *kardi* Bold ready was done lower by As. 12 at Rs. 17-4. June-July lost Re. 1 to Rs. 27-8. *Niger* F.A.Q. eased from Rs. 28 to Rs. 29. Nigerseed oil (crude) is quoted at £135 c.i.f. in the U.K. and the Continent.

The following table shows the prices of oilseeds and oil on the 26th inst. as compared with those at the end of the previous two weeks:

	26-5-54	19-5-54	12-5-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	34 4	35 0	36 14
April-May		34 0	35 8
June-July	31 13	33 8	35 8
Linseed—			
Bold Ready (per cwt.) ..	25 14	26 12	27 8
April-May		26 0	26 12
June-July	24 14	25 8	26 6
Castorseeds—			
May 1954 (per candy)	110 8*	113 12	121 0
September 1954	114 10	118 8	126 0
Madras (per cwt.)	22 9	23 4	24 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	16 12	17 8	18 0
Castor Oil—			
Commercial (per quarter) ..	11 6	11 10	12 2

* Clearing rate.

SUGAR WEAK

(*From Our Own Correspondent*)

BOMBAY, 26*th May*

It looks as though the nominee distribution scheme announced by the Government of India a fortnight ago has been a great success in bringing down the price of sugar. It has introduced a certain element of competition between the sugar merchants, for the members of the two sugar merchants' association in the City have been trying to undercut the Government nominees by selling their stocks at a price which gives no room for the nominees to make even the modest profit of As. 8 per bag. It is possible that the competition is aimed at inconveniencing the Government nominees and putting them to a loss, for they dared to work for the Government in defiance of the wishes of their associations. But it is serving the purpose of the Government all right, in that it has reversed the bullish trend caused by the machinations of some resourceful sugar merchants. The retail traders in Bombay City at least are getting sugar regularly and at prices lower than they were a fortnight ago.

Another important factor that has led to a fall in sugar prices for the second week in succession is the heavy arrivals of both indigenous and foreign sugar. About 30,100 bags of sugar have arrived from the factories, while 8,800 tons of British refined sugar through the s.s. *Herpalycus* have been unloaded. The prospects of further large arrivals of foreign sugar in the near future also had an adverse effect on the trend of prices, especially in the forward section.

In the ready section, the price of indigenous sugar small grain has declined from Rs. 90 per bag a week ago, to Rs. 86, and medium grain from Rs. 92 to Rs. 90-91-8. Large grains, however, have been ruling steady at about Rs. 102 to Rs. 105 per bag owing to paucity of stocks. There has been a substantial fall in the price of imported sugar, with Cuban being current and quoted at Rs. 37-8 per 100 lbs. Mexican at Rs. 41 per 110½ lbs. and British refined at Rs. 85-12 per bag of 2 cwts.

The forward section remained dull but the trend was weak in sympathy with ready. *Jeth* delivery was neglected at Rs. 84 per bag.

It is expected that, within the next six weeks, about 65,000 tons of foreign sugar will be discharged in Bombay. The anticipated arrivals of imported sugar will consist of two shiploads of Formosan sugar, one shipload of Spanish sugar, three shiploads of British refined sugar, one shipload of Peruvian sugar and two shiploads of Polish and East German sugar.

PEPPER PRICES RECEDE

(*Messrs. Parekh & Co.*)

BOMBAY, 26*th May*

During the earlier part of the week, Malabar black pepper ruled firm, in view of the political situation in Indo-China and in sympathy with New York where dealers are reported to have accepted all offers from India for May shipment at $0.58 and for shipment during the first half of June at $0.56. The next day, however, New York buyers having withdrawn, the Indian market, at all primary centres, became weak with anxious sellers. In the later part of the week, even though there were short-coverings by the local bears, Alleppey failed to follow the rise, and the growers remained soft sellers at Rs. 1,100. The undertone of the market remained weak in view of the anxiety of growers who seemed to be more prone to liquidate their holdings, rather than hold over as they did in the previous years. From next month, Sarawak will become a more important factor for the world market, and if large purchases from India are not done by overseas, it is feared that there will be rate-war between Sarawak and India as the Indian growers, unfortunately, this year, lack backbone. The exporters from Malabar seemed to have diverted their energy to Bombay market and sold a good sized quantity for June and July shipments at $0.55 and $0.54, respectively, as they did during January, February and March last, since it was more profitable for them to sell in Bombay than to sell

in New York where buyers are asking about 2 to 3 cents lower. Sarawak is reported selling June shipment on the Continental markets but the quantities offered being in excess of their requirements, prices in London are sagging.

In the delivery section, the prices improved owing to bull support and bear covering, the highest and the lowest for June delivery being Rs. 950 and Rs. 900, respectively. At the time of writing, there are sellers for June shipment at $0.54 and July at $0.53. Following are today's nominal quotations:—

Ready delivery Rs. 140 per Bengali maund, June delivery Rs. 920-30, and July delivery Rs. 900-10 per candy of 51 cwts.

SACKINGS IMPROVE

(*From Our Own Correspondent*)

CALCUTTA, 25*th May*

The feature during the week under review was an impressive improvement in the prices of heavy goods, following keen speculative activity in the futures market. Business for export was confined to small quantities only, but stockists were not willing to discount such quotations. Ready B. twills opened at Rs. 109-12 last Tuesday and gradually rose to close at Rs. 112-8 towards the week-end. A further gain to Rs. 113 was recorded yesterday. The July-September delivery at Rs. 110 was better by Rs. 3, and October-December goods were offered at Rs. 108-4 which was the same as before. Earlier in the week, there were baseless rumours in the market that mills were to increase the number of working hours to 48 a week from the present 42½. The increase has indeed been favoured by the Jute Enquiry Commission, but those connected with the industry knew that these rumours were incorrect, as the proposed increase is not the first step to be taken by way of implementation of the Commission's recommendations which are being examined by the Governments concerned and on which official views have not yet been stated. Meanwhile, it is interesting to note that representative sections of the raw jute trade consisting of balers, dealers, brokers and sellers have joined together and impressed upon Government the early implementation of the Commission's recommendations. They have laid special emphasis on the recommendation which calls for establishing parity between raw jute prices and the prices of jute goods.

Hessians were quiet and the 40" 10 oz. was transacted at Rs. 44-1 for most part of the week. For a time the rate was better at Rs. 44-3. The transfer of hessian looms to the production of heavy goods has been so rapid that prices for hessian are expected to firm up. This, it is felt, would not affect heavy goods. Hessians 9 porters, ready, were priced at Rs. 40 f.o.b., and 11 porters at Rs. 48-3. Among other constructions of heavy goods, ready A. twills were quoted at Rs. 144 f.a.s., while D.W. flour bags advanced to Rs. 134-6 from Rs. 130. There was a further improvement in the quotation for the green-striped heavy cees to Rs. 127-3 from Rs. 123-4. Ready plain heavy cees were priced at Rs. 112-8, f.a.s.

In sympathy with jute goods, the raw jute market was more or less steady. Prices were better, and sellers were reserved although mills were not anxious to increase their stocks of raw material. Earlier in the week, the report that the jute crop in East Bengal for the 1954-55 season would be planned to yield as much as 6 million bales, as against the current season's estimate of 3.5 million bales, caused prices to fall further. But the decline was arrested by the better sentiment in jute goods subsequently. Business was done in new crop Assam bottoms at Rs. 26-8 a maund. Northern bottoms were shown interest at Rs. 27, and new crop Dubris changed hands at Rs. 26-8. In the *pucca* bales section, business was sought for Pakistani cuttings at Rs. 67. A moderate quantity changed hands at rates varying from Rs. 65 to Rs. 67.

Prices were almost unchanged in the Pakistani markets. Demand was far from fair, and it would appear that foreign buyers are biding for time, probably in anticipation of a further decline in the prices of raw jute. A decline is considered quite possible, as the official estimate of the new crop at 2.5 million bales is considered by the trade as very low. The trade expects the crop to be about 3.5 million bales. Some of the latest quotations in the Narayanganj market are: District white middle Rs. 21-8, jat tossa middle Rs. 26-12, northern tossa middle Rs. 22-4, northern white middle Rs. 19-4, district tossa middle Rs. 23-12, jat white middle Rs. 22-8, jat white bottom Rs. 19-8, northern tossa bottom Rs: 19-4, northern white bottom Rs. 16-4, jat white cross bottom Rs. 10-12, district white bottom Rs. 18-8, jat tossa bottom Rs. 23-12, and district tossa cross bottom Rs. 15-4.

CEREAL PRICES FALL

(*From Our Own Correspondent*)

HAPUR, 25*th May*

The foodgrain markets remained quiet to bearish during the week under review and prices are declining in all the markets and of all cereals. The downward trend has been stimulated by the excellent food supplies in the country, huge surpluses with the State Governments and the Centre and increased yield expectations for all major cereals including wheat, gram, barley, *bajra*, according to the latest crop estimates issued recently, and the start of imports of Burma rice under the new agreement with that country. All needy areas are being adequately fed from out of the reserves with the Centre. During the week ended 15th May, 1954, over 35,653 tons of foodgrains were despatched to the needy areas, the main recipients being Madras, Bombay and West Bengal.

Well-informed sources in New Delhi state that though the Centre will not reintroduce food controls, it is anxiously watching the downward tendency in wheat prices. The prevailing wheat price, between Rs. 11 and Rs. 12 per maund, is not reckoned uneconomic to the cultivators. As far as the Punjab is concerned, the total harvest has not yet arrived in the *mandies* and the same is the case with Uttar Pradesh. But this year's wheat crop being extraordinarily good in the Punjab, the price may come down steeply when the entire harvest comes to the market. There are speculations that the Government may have to step in to prevent any untoward fall in prices to render them uneconomic to the producer. It is considered likely that the Government will step into the market, as soon as the wheat price tends to fall below Rs. 10 per maund. Both the Centre and the State Governments might buy, if necessary large stocks of wheat in order to keep up the wheat prices in the neighbourhood of that level.

Under the recent agreement, Burma rice has started arriving in the country and is being distributed to the needy States. 11,950 tons of Burma rice was received during the week ending 12th May. The total imports of foodgrains from 1st January to 12th May 1954 are 51,460 tons including 9,250 tons of wheat and 34,110 tons of rice.

A regular incursion of locust swarms into India has begun. During the fortnight ended 15th May, 1954, the latest Plant Protection Directorate bulletin states, several swarms entered the Punjab from the west, moving into Gurdaspur, Amritsar, Kangra, Jullundur, Ferozepur and Ludhiana Districts. A large number of swarms is expected to follow and continue their movement eastwards. All the States in Northern India have been alerted. Numerous swarms are reported to have entered Pakistan from Iran and Afghanistan and large-scale breeding has started in Baluchistan. Egg-laying and emergence of hoppers has continued in Arabia and Iran on an extensive scale.

The ten-year control on rice has been lifted by the Assam Government with effect from 10th May. The rationing system has also been abolished in the State except in Shillong, the capital. Price control on rice will be lifted from 30th May in the whole of the Bombay State, including the 11 rationed cities. With this order, rationing in Bombay City will completely vanish.

Rabi grains are flowing to all the assembling centres in U.P. With the consumers already well provided, trade stocks have begun to increase. There was some disappointment on the Government that it is not proposed to form any more free wheat zone, as formerly it had been anticipated that U.P., Bihar, West Bengal and some other States might form a third free wheat zone. Coarse grains and pulses prices declined further and there was very indifferent enquiry for these cereals. Trade stockists are still very reluctant to build stocks, as they anticipate further fall in prices. There was some enquiry for superior quality wheat from east U.P. districts and for peas from Madras side and there were some despatches, but the receipts were appreciably higher. Pulses, ready and futures, remained very unsteady and there has been a sharp fall in prices.

The latest quotations in the Hapur market are: wheat *dara*: Rs. 12 to Rs. 12-8, farm Rs. 14-12 to Rs. 15, *gram*: Rs. 10-4 to Rs. 11, barley: Rs. 7-14, *bejhar*: Rs. 8, peas *dara*: Rs. 8-14, *arhar*: Rs. 9, *urd*: Rs. 13 to Rs. 14-4, *moong*: Rs. 13-12, *masoor*: Rs. 12. Futures peas *jeth*: Rs. 8-13, *bhadon*: Rs. 8-14, *arhar jeth*: Rs. 9, *bhadon*: Rs. 9-3, *urd magh*: Rs. 12-10, *guwar magh*: Rs. 6-11. These are the lowest for the week also.

GUR WEAK

(*From Our Own Correspondent*)

HAPUR, 25*th May*

The *gur* markets remained unsteady this week, and there was a steep fall in prices both in the ready and forward sections. The outlook in the ready crystal sugar section was rather gloomy on the receipt of heavy consignments of imported sugar at Bombay, Calcutta and Madras, and acceleration of sugar stock movements to scarcity pockets in the country. The fall in sugar prices in almost all important trade centres, unnerved *gur* stockists and forward market dealers and forced them to unload their holdings or reduce their commitments even at a loss. Enquiries from the deficit areas was poor although there was slight improvement in market arrivals, as producer stockists were induced to bring out their hoards. Despatches to the needy States were small, despite the fact that railway loading facilities were fully available for almost all the deficit States in the country, but despatchers were reluctant, as they anticipated further fall in prices. While Madhya Pradesh and Berar got their supplies from Ankapalli, Gujerat was a consistent buyer in North Indian markets. Recent loadings were on prior commitments, while fresh enquiry was non-existent. Reports from South Indian markets indicate a fully bearish trend with declining offtake.

Pansera *gur* at Hapur is today quoted at Rs. 17-4 against Rs. 19-4 quoted last week-end. In the futures section, the fall was equally steep with utter lack of speculative support. *Fagan* is presently quoted at Rs. 12-10.

The Union Ministry of Food and Agriculture has decided to launch a campaign on 1st June to increase the per-acre yield of sugarcane. Arrangements have been made for supplying fertilisers for a target area of 2.2 lakh acres, of which one lakh acres each will be in U.P. and Bihar, and 20,000 acres in the Punjab. In addition to the supply of ammonium sulphate, the Ministry is undertaking an educative programme to acquaint farmers with the technique of better sugarcane production.

The crystal sugar markets remained very unsteady. Tendered sugar was in good request, and with the Centre readily meeting all demands, the availability of sugar improved everywhere. Sugar stocks were moved more speedily. Besides, a heavy consignment of over one lakh bags of British refined sugar was unloaded in Bombay port this week, and it was expected that three more steamer-loads of sugar would reach Bombay by the end of this month. 1,500 tons of imported sugar reached Calcutta also. It is announced that the Government of India has completed purchase of about six lakh tons of sugar from abroad. Out of this quantity about 70,000 tons will be reaching Indian ports within this month, and the rest during the next five months. The question of making any further purchases from abroad will be considered in due course, in the light of the actual offtake during the coming months.

Average prices of sugar per maund were: Ambala Rs. 34, Delhi Rs. 33-10, Meerut Rs. 32, Hapur Rs. 32-8, Kanpur Rs. 32-4, Bhagalpur Rs. 34-8, Calcutta Rs. 33, Madras Rs. 33-3, and Bombay Rs. 35-8.

METALS STEADY

(*From Our Own Correspondent*)

CALCUTTA, 25*th May*

From the point of view of business, the week under review in the metal market was uninspiring; nevertheless, quotations were steady as, with the commencement of the busy season for manufacturers of non-ferrous metal products, bazar stockists of the base metals were confident of a moderate demand. It was for this reason that no downward movement in prices occurred, as would have been the case in a market devoid of moderate support from buyers.

The feature of the week was provided by the firmness in mercury which, although it did not change hands in mentionable quantities, spurted from Rs. 870 to Rs. 910 following the very firm reports received from Bombay and London. The price of electrolytic copper was firmly maintained throughout the week at Rs. 188. The virgin ingots, as well as wire bars, are hard to obtain, and it was on account of this that the lower trend in the London Metal Exchange was unnoticed in Calcutta. The I.C.C. brand fire-refined copper was steady. Moderate business was done in brass ingots as well as in brass and copper sheets for re-rolling. Virgin lead was maintained throughout the week at Rs. 68. Transactions could be put through only for forward deliveries, as the ready material was hardly available. Some imports are now expected to reach Calcutta soon. After opening at Rs. 56-12, electrolytic zinc advanced to Rs. 57, but in the absence of business moved down to Rs. 56-8. Tin was quiet at Rs. 472.

U. K. BUYING IN HIDES PATCHY

(*From Our Own Correspondent*)

MADRAS, 25*th May*

Arrivals of tanned cow hides and calf have been on a moderate scale and clearances small, due to sellers' price resistance. U.K. buying has been patchy. Good marks have realised heavy premium over ordinary market qualities. Demand for calf skins has been poor and for buff heavies steady. There has been good clearance of goat and sheep skins in the local market, while shipment business has been poor.

HEAVY ARRIVALS IN HIDES

(*From Our Own Correspondent*)

KANPUR, 22*nd May*

During the week under review the conditions of the local hides and skins market remained unaltered from those in the previous week. Fresh arrivals from outside the city was considerable. Local butcheries provided a smaller number of items in view of the extreme heat of the season when ordinarily non-vegetarian diets are avoided. Transactions in sheep and wet salted buff were brisk. The latest quotations are as follows:—

Wet salted cow 1st grade at Rs. 360 and 2nd grade at Rs. 260 to Rs. 160 *per score*; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 270 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 225 per 100 pieces.

Some private power companies in the United States will be generating electricity for public use through atomic energy within the next five to ten years, a conference of the Atomic Industrial Forum was told on 24th inst. The forum is an organisation representing more than 100 private companies interested in developing commercial uses of atomic power. Its one-day conference was devoted to reports on the five-year reactor development programme of the U.S. Atomic Energy Commission and experiments by private companies on adapting the use of atomic furnaces to the production of electric power. A representative of the General Electric Company said it seemed certain electric companies in the United States would be operating a number of atomic power plants within the next 10 years. He forecast that electricity would be generated by atomic energy at costs competitive with present power production, possibly within five years. According to the General Electric representative, said two types of reactors seemed to offer the best possibilities for producing electric power. One of these is the boiling water reactor in which circulating water is boiled to produce steam and the other a reactor in which graphite is used as a moderator. The Director of Reactor Development for the A.E.C., said that the five different types of reactors, which the commission plans to develop, represented five different approaches to the problem of developing a practical atomic furnace. He said that, at the present stage of development, all reactors were very expensive, because they were being made on an experimental basis. He said that, eventually, the cost of producing reactors would be reduced through experience gained in developing experimental models.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept., 1939 (Pre-war)	14th May, 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,228.83	1,233.75	1,230.00	1,174.83
Notes held in Banking Department	35.06	16.76	12.14	6.94	15.19
Foreign Securities	89.50	688.15	688.15	678.15	613.15
Rupee Securities	87.39	421.22	421.22	421.84	449.86
Banking Department					
Deposits of:					
Government of India	14.89	89.12	84.76	51.33	100.71
Other Governments	..	20.74	21.04	29.60	14.28
Balances held abroad	10.08	67.33	65.25	74.18	106.35
SCHEDULED BANKS					
Demand Liabilities	134.37	536.75	528.34	542.20	525.39
Time Liabilities	102.84	(8.15↑ 328.60	(7.52↑ 329.15	(6.84↑ 328.06	(10.27↑ 322.32
Borrowings from Reserve Bank	..	(1.55↑ 52.69	(1.44↑ 54.12	(1.33↑ 29.39	(1.85↑ 23.39
		(29.87)‡	(29.86)‡	(15.06)‡	(14.64)‡
Borrowings from Imperial Bank	..	10.59	16.37	12.55	11.09
Cash in India	6.71	33.64	32.82	33.00	32.06
Balances with Reserve Bank	25.29	42.01	39.65	41.07	40.58
Excess over statutory limits	15.52	8.61	6.65	7.40	7.86
Balances with other banks in current account in India	..	11.47	10.54	10.25	11.28
Money at call and short notice in India	..	11.25	9.23	12.16	13.96
Investments (at book value)		323.03	323.25	312.38	300.68
Advances and bills	105.09	881.23	867 26*	856 74	533.85
IMPERIAL BANK					
Deposits	87 76	200.06	206 99	210.81	200 63
Investments	51 99	93 29	93 28	86 36	81 31
Advances	30.37	127 79	133 44	127 81	115 03
Cash	14.69	16 34	14 42	15 54	15 96

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes Foreign Bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	21st May, 1954		14th May, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,33,206	84,07,84,000	2,39,057	84,03,01,000
Calcutta	1,44,879	42,37,79,968	1,47,855	41,47,06,083
Madras	72,971	6,42,75,752	74,648	6,56,46,285
All Centres—				
1952	..	..	1,06,41,961	26,79,51,57,000
1953	..	..	1,14,85,214	26,45,05,03,000
Jan., 1954	..	..	2,794,000	5,75,54,00,000
Feb.,	..	..	2,721,000	5,76,25,00,000
Mar.,	..	..	3,046,000	6,49,49,00,000

Reserve Bank of India

Statement of Affairs for the week ended 21st May, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		97,59,37,000
(2) Other Governments		20,11,19,000
(b) Banks		44,05,87,000
(c) Others		46,93,56,000
Bills Payable		3,83,04,000
Other Liabilities		24,87,37,000
	Rupees	2,48,30,40,000

ASSETS	Rs
Notes	30,30,68,000
Rupee Coin	22,06,000
Subsidiary Coin	9,19,000
Bills Purchased and Discounted—	
(a) Internal	39,25,000
(b) External	
(c) Government Treasury Bills	9,56,86,000
Balances held abroad*	65,29,93,000
Loans and Advances to Governments	1,05,00,000
Other Loans and Advances	56,21,76,000
Investments	75,69,95,000
Other Assets	9,45,67,000
Rupees	2,48,30,40,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 25,57,25,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 87,07,25,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	30,30,68,000	
Notes in circulation	1215,55,73,000	
Total Notes issued		1245,86,41,000
Total Liabilities		1245,86,41,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	..	
Foreign Securities	668,15,11,000	
Total of A		728,16,82,000
B. Rupee Coin		95,47,31,000
Government of India Rupee Securities		421,22,28,000
Internal Bills of Exchange and other commercial paper	..	..
Total Assets		1245,86,41,000

Ratio of Total A to Liabilities: 58.447 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 14th May, 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India†	8,13,26,000
(ii) Other demand liabilities	528,62,15,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India†	1,54,50,000
(ii) Other time liabilities	327,05,23,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	10,58,61,000
(ii) Time liabilities	..
4. Cash in India	33,63,75,000
5. Balances with the Reserve Bank in India	42,01,49,000
6. Balances with other banks in current account in India	11,47,49,000
7. Money at call and short notice in India	11,24,84,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	323,02,59,000
9. Advances in India	465,31,05,000
10. Inland Bills purchased and discounted in India	75,04,94,000
11. Foreign Bills purchased and discounted in India	20,86,57,000

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

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
2nd March ..	1.00	1.51	1.00	2 11 0	100
9th ,, ...	1.00	1.90	1.00	2 10 11	71
16th ,, ...	1.00	1.27	1.00	2 11 0	79
23rd ,, ..	1.00	1.01	1.00	2 11 0	99
30th ,, ...	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
13th ,, ...	1.00	1.93	1.00	2 10 9	44
Total ..	7.00	10.07	7.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India† ..	1950-51	359.33	..	9,530	265
Pakistan ..	1949	75 04	..	1,671	223
Burma ..	1951	18 57	Kyats. .. 3,165	317	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84 30	Y. 4,849,400	6,414	761
Philippines ..	1952	20 68	Pesos 7,034	1,575	761
New Zealand ..	1952	2 00	£ (N.Z.) 645	861	4,307
Australia ..	1952	8 65	£ (A.) 5,521	3,756	4,342
U.K. ..	1952	50 48	£ 13,648	18,197	3,608
U.S.A. ..	1952	156 98	$ 290,400	139,290	8,898
Canada ..	1952	14 43	$ 16,135	8,185	5,662
France ..	1952	42 60	F. Fr. 10,190,000	13,864	3,254
W. Germany ..	1952	48 48	Dm. 93,400	11,256	2,301
Italy ..	1952	46 84	Lr. 8,112,000	6,181	1,318
Norway ..	1952	3.32	Kr. 16,926	1,106	3,331
Denmark ..	1951	4 30	Kr. 20,716	1,459	3,346
Switzerland ..	1953	4 82	S. Fr. 20,160	2,189	4,541

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.
Source: United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 14th May, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		12,99,53,000
(b) Provincial Governments		2,57,00,000
(c) Banks		12,58,63,000
(d) Others		2,40,12,000
Bills Payable		1,10,000
Other Liabilities		5,55,82,000
	Rupees	42,25,10,000

ASSETS	Rs.	Rs.
Notes		5,75,93,000
Rupee Coin		4,000
Subsidiary Coin		14,000
Bills Purchased and Discounted:—		
(a) Internal	..	....
(b) External	..	....
(c) Government Treasury Bills	..	4,57,00,000
Provincial Governments' Debtor Balances		73,73,000
Other Loans and Advances		4,10,30,000
Investments		17,57,17,000
Other Assets		9,50,79,000
	Rupees	42,25,10,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,75,93,000	
Notes in circulation	230,51,41,000	
Total Notes issued		236,27,34,000
Total Liabilities		236,27,34,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion	..	
Sterling Securities	45,63,56,000	
Government of India Securities	18,89,82,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	5,10,46,000	
Government of Pakistan Securities	129,48,42,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		134,58,88,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,27,34,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.91 per cent.

EXCHANGE RATES

		26th May, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£.	1-5⅛	1-5⅛
Sellers T.T. D.D. sight	£.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	£.	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	£.	1-5¼	1-5¼
Bombay on New York—			
Sellers T.T. D.D.	Rs.	475	475
Buyers T.T.	Rs.	471⅛	471⅛
London on New York	$	2.81⅛-2.81⅜	2.81⅛-2.81⅜
London on Paris	Fcs.	985¼	985-00½
London on Berne	Sw. Fcs.	12.23⅛-12.23⅜	12.23⅛-12.23⅜
New York on London	$	2.81⅛-2.81⅜	2.81⅛-2.81⅜

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
America	24th Sept., 1953	2	1½
Belgium	29th Oct., 1953	3	2½
Canada	17th Oct., 1940	2	2
Ceylon	25th July, 1953	3	2½
Denmark	23rd Sept., 1953	2½	3
Finland	16th Dec., 1951	5	4½
France	4th Feb., 1954	7½	6½
Germany	1st Jan., 1954	5½	5½
India	16th Nov., 1951	3	3
Italy	6th April, 1950	5	5½
Japan	1st Oct., 1951	4½	6
Netherlands	7th Aug., 1953	3½	3
New Zealand	26th July, 1951	3	3
Pakistan	9th Jan., 1946	3	2½
Portugal	1st July, 1951	3	3½
South Africa	18th Jan., 1944	3	4
Spain	27th Mar., 1953	3	2½
Sweden	18th Mar., 1949	4	4
Switzerland	20th Nov., 1948	4	3
Turkey	29th Nov., 1950	4	2½
United Kingdom	26th Feb., 1953	4	4
U.S.S.R.	15th May, 1954	3	3
U.S.A.	30th July, 1953	2½	3
West Germany	16th April., 1954†	3	4
	8th Jan., 1953	4½	4

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1953	January, 1954	Ten months April to January 1952-53	Ten months April to January 1953-54
Import Duties:				
Revenue	8.40	9.64	93.00	92.26
On surplus disposals	0.52	0.58	6.53	5.11
Total import duties	8.92	10.22	99.53	97.37
Export Duties	8.94	10.22	99.58	97.57
Land Customs	3.20	2.72	47.16	33.72
Miscellaneous	0.18	0.21	2.31	1.59
Gross total customs	0.08	0.05	1.00	0.61
Refunds and drawbacks	12.34	13.20	150.05	132.99
Net Customs	0.17	0.14	2.85	1.84
Gross excise	12.21	13.06	147.20	131.15
Refunds	7.80	8.64	69.24	77.71
Net Excise	0.08	1.24	7.82	0.82
Net total of customs and excise	7.72	6.55	69.00	76.89
	19.93	21.61	215.69	208.24

Imperial Bank of India

Statement of Affairs for the week ended 21st May, 1954

CAPITAL AND LIABILITIES

CAPITAL—	Rs.	Rs.
Authorised Capital— 2,25,000 shares of Rs. 500 each		11,25,00,000
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each		11,25,00,000
Amount Called up— 79,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		220,38,41,000
Borrowings from other Banking Companies Agents		200,38,41,000
Bills Payable		15,50,00,000
Bills for Collection being Bills Receivable as per contra		2,50,95,000
Acceptances, Endorsements and Other Obligations		37,84,000
Other Liabilities (including Inter-Offices Adjustments)		56,000
Total	Rs.	2,53,64,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,52,63,000
Balances with other Banks		8,53,09,000
Money at Call and Short Notice		1,20,00,000
Investments—		
Government and other Trustee Securities	52,52,36,000	
Other Authorised Investments	10,38,83,000	
Advances—		92,98,19,000
Loans, Cash Credits and Overdrafts, etc.	94,93,93,000	
Bills Discounted and Purchased	31,12,01,000	
Bills Receivable being Bills for Collection as per contra		126,06,84,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		37,84,000
Premises less Depreciation		1,33,40,000
Furniture and Fixtures less Depreciation		42,33,000
Other Assets (including Inter-Offices Adjustments)		3,52,64,000
Total	Rs.	242,28,91,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates† 5-Year Outstandings*	5-Year Receipts	7-Year Outstandings*	7-Year Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings‖	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*
1948-49 ..	1,47	78	74	22.40	22.56	55.67	29.91	74.16	—	13.81
1951-52 ..	5,08	77	2,91	24.08	24.18	1,17.56	91.01	1,31.06	13.10	16.19
1952-53 ..	6,84	66	3,27	23.06	24.18	1,15.36		1,31.06	7.54	23.25
February 1953	6,61	5	3,22	1.88	82.14	8.86	96.86	—	—	—
March ,,	6,84	9	3,27	3.66	84.18	19.75	91.01	30.76	—	—
April ,,	6,80	5	3,27	2.84	85.95	9.56	93.01	31.06	62	25.06
May ,,	6,83	4	3,29	2.06	87.57	9.55	93.80	31.30	60	25.64
June ,,	6,82	4	3,31	2.25	89.28	9.43	93.80	31.53	60	25.98
July ,,	6,78	11	3,33	2.28	91.08	9.73	93.80	31.78	66	27.00
August ,,	6,67	9	3,44	2.23	92.83	9.76	95.28	31.78	66	27.56
September ,,	6,59	12	3,53	2.25	94.58	9.20	97.72	32.36	66	28.20
October ,,	6,51	11	3,58	1.97	96.18	9.26	97.72	32.71	59	28.87
November ,,	6,38	9	3,65	2.03	97.87	9.89	97.72	32.99	59	29.41
December ,,	6,27	14	3,74	2.25	99.98	9.85	97.55	33.23	56	29.83
January, 1954	6,16	13	3,82	2.06	1,00,47	8.91	99.22	33.53	45	30.34
February ,,	..	..	..	..	..	..	..	33.77	45	30.76
March ,,	..	..	..	..	..	..	..	..	50	..
									54	31.23
									44	32.11

* At the end of period. ‖ Progressive net repayments at the end of period from 15th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. *5-year* and *7-year* National Savings Certificates were issued from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 16-5-'53	17-4-'54	8-5-'54	15-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	98.8	99.7	99.2	99.1
1. Government of India	99.4	99.5	99.1	99.9
2. Indian States	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.8	89.3	89.2	89.2
DEBENTURES OF INDUSTRIAL CONCERNS	100.5	101.3	101.0	100.9
1. Electricity	102.4	102.7	102.1	102.0
2. Jute	93.6	93.8	93.8	93.8
3. Plantations	100.0	99.6	99.5	99.6
4. Sugar	99.1	100.4	100.3	100.8
5. Coal	89.9	90.6	90.6	90.6
6. General Engineering	97.8	101.0	101.0	101.0
7. Shipping	101.6	102.8	102.8	102.8
8. Others	99.4	100.7	100.7	100.7
PREFERENCE SHARES	88.7	88.4	88.3	88.1
1. Electricity	96.8	95.7	94.9	94.8
2. Cotton	84.4	83.8	84.3	84.6
3. Jute	84.5	88.4	88.2	87.8
4. Coal	88.1	90.2	90.2	90.1
5. Iron and Steel	94.5	92.2	92.2	92.1
6. Sugar	73.5	75.8	75.9	75.9
7. Paper	85.0	87.4	87.3	87.3
8. Plantations	86.3	89.9	90.5	90.5
9. Miscellaneous	82.5	86.4	86.5	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	83.9	104.5	104.3	103.8
(a) Financial	85.5	85.8	85.9	87.9
1. Banks	84.7	86.6	87.0	86.5
2. Insurance	97.4	101.7	100.7	100.6
3. Investment Trust	78.0	79.1	78.6	78.6
(b) Public Utilities	108.7	113.8	113.1	113.8
1. Electricity	116.1	119.3	119.6	119.3
2. Shipping and other Transport	87.4	108.6	105.0	103.6
3. Railways	83.8	86.7	87.6	87.8
(c) Manufacturing Industries	83.6	108.5	108.2	107.2
1. Cotton, Woollen and Silk	93.5	104.0	102.8	102.6
2. Jute	83.6	80.5	82.3	81.4
3. Iron and Steel	107.0	130.0	130.3	128.8
4. Paper	103.7	104.4	105.4	101.8
5. Cement	113.1	123.5	126.6	126.2
6. General Engineering	106.9	141.3	139.8	137.0
7. Sugar and Breweries	83.7	92.8	92.3	92.2
8. Chemicals	95.4	113.5	112.6	112.2
(d) Non-Manufacturing Industries	88.6	112.5	112.3	111.7
1. Coal	82.7	77.1	77.9	78.3
2. Mining and Oil	116.9	167.4	164.9	161.9
3. Plantations	89.2	111.3	111.5	111.2
(e) Miscellaneous	88.7	94.4	95.0	94.7
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.1	90.1	89.7	89.6
2. Calcutta	90.4	90.7	90.1	90.0
3. Madras	90.8	90.9	90.5	90.3
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.7	100.9	100.9	100.9
2. Calcutta	101.0	102.1	101.6	101.4
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES				
1. Bombay	95.0	93.0	92.8	92.8
2. Calcutta	81.5	85.3	84.9	84.8
3. Madras	87.9	89.9	90.0	90.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	102.2	115.6	114.6	113.4
2. Calcutta	85.5	86.3	86.3	85.6
3. Madras	90.1	101.3	101.2	101 8
4. Delhi	91.6	108.1	107.0	105.1

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,883	12,806,704
1951 ..	1,071	691,821	8,818,928
1952 ..	963	809,242	8,336,951
1953† ..	989	882,667	9,350,709
February 1953 ..	88	68,180	815,607
March ,,	87	62,482	142,498
April ,,	134	89,437	234,848
May ,,	113	80,993	254,068
June ,,	101	89,881	257,063
July ,,	83	40,784	171,258
August ,,	87	48,685	148,532
September ,,	96	57,878	460,553
October ,,	94	78,181	946,618
November ,,	83	45,746	278,248
December ,,	81	37,822	155,017
January 1953†	85	42,583	244,414
February ,,	65	26,477	158,411
March ,,	67	38 231	216,207
April ,,	72	49,138	218,853
May ,,	88	38,917	276 216
June ,,	99	80,857	252 279
July ,,	87	48,066	131,128
August ,,	74	53,083	225,154
September ,,	106	44,663	467,273
October ,,	100	80,097	402,008
November ,,*	87	41,031	344,811
December ,,	79	40,330(a)	473,967
January 1954 ..	75	49,500	320,618
February ,,‡ ..	82	41,093	342,805

† Figures for 1953 are provisional. * Revised
(a) Not known in one case. ‡ Provisional.

ELECTRIC ENERGY: GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated ‡	Units Sold
1948-49 ..	469	4,651.1	3,777.7
1951-52 ..	573	5,943.1	4,548.8
1952-53 ..	614	6,801.4	5,184.3
September 1953 ..	597	530.6	430.6
October ,, ..	608	552.2	441.5
November ,, ..	608	553.2	457.8
December ,, ..	611	585.5	441.8
January 1953 ..	614	496.6	417.4
February ,, ..	614	458.0	385.7
March ,, ..	616	530.9	438.1
April ,, ..	620	540.4	456.7
May ,, ..	625	543.8	450.2
June ,, ..	627	538.0	471 0
July ,, ..	629	567.5	486.9
August ,, ..	632	570.5	464.1
September ,, ..	634	548.1	463.7
October ,, ..	637	563.1	485.7
November ,, ..	640	503.6	436.9
December ,, ..	640	580.7	479 0
January, 1954 ..	640	580.7	479 0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	8th May, 1954	1st May, 1954	9th May, 1953	April, 1954	April, 1953	Percentage of increase (+) or decrease (—) in April, 1954 as compared with April, 1953	1953-'54	1952-'53
Food Articles	378.5	372.7	378.7	381.6	388.4	+ 4.1	384.4	357.8
Cereals	413	417	449	426	437	— 2.5	451	444
Pulses	369	373	491	381	445	—14.4	450	507
Other	305	305	262	313	256	+22.3	278	223
Industrial Raw Materials	468.7	473.6 R	472.6	472.1	448.9	+ 5.2	467.7	436.9
Fibres	454	465	429	459	405	+13.3	432	423
Oil seeds	527	523 R	607	524	568	— 7.7	574	485
Minerals	440	431	463	451	449	+ 0.4	449	459
Others	410	404	349	397	357	+11.2	378	323
Semi-Manufactures	384.0	385.0	358.2	382.4	351.4	+ 3.0	368.2	343.8
Leather	373	375	420	378	431	—12.3	403	387
Mineral oils	221	221	224	221	223	— 0.9	224	223
Vegetable oils	514	510	534	507	498	+ 1.8	534	445
Cotton yarn	462	462 R	445*	458	445*	+ 2.9	442	452*
Metals	240	240	225	240	226	+ 6.2	229	218
Oil Cakes	444	447	441	440	430	+ 4.8	433	410
Others	304	305	251	306	225	+36.0	231	255
Manufactured Articles	381.8	382.8	369.3	380.9	365.8	+ 4.1	367.4	371.2
Textiles	428	430	408	427	402	+ 6.2	405	411
Jute	438	434	462	432	357	+21.3	408	400
Cotton	417*	417*	407*	416*	407*	+ 2.2	406*	400*
Rayon and Silk	562*	562*	512*	550*	488*	+12.7	451*	476*
Woollen	313	313	312	313	336	—	316	325
Metal products	340	340	336	340	336	+ 1.2	337	330
Others	289	289	288	288	289	— 0.3	285	294
Miscellaneous	691.0	695.3	615.8	707.4	601.7	+17.6	686.6	614.1
All Commodities	398.8	400.7	395.1	402.6	384.9	+ 4.6	397.5	380.6

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1939	Madras June 1936	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jubbulpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	166
1952 ,,	141	337	259	310	441	380	351	330	143	174	142	154	150
September ,,	143	341	269	310	463	380	364	328	148	178	143	157	150
October ,,	144	345	274	311	466	381	363	327	148	179	143	154	150
November ,,	143	347	271	306	459	380	357	328	147	179	139	150	150
December ,,	139	346	262	303	447	378	346	327	137	178	138	150	149
January 1953	139	346	260	310	454	381	337	327	138	168	134	149	146
February ,,	141	351	264	315	459	380	354	331	136	167	132	150	146
March ,,	142	358	265

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,646†	74,209††	27,079†	22,495††
Wheat 3rd ..	,,	23,324†	23,115††	6,893†	6,386††
Jowar 2nd ..	,,	41,256†	39,698††	5,360†	4,516††
Bajra	,,	25,282	22,839	2,922	2,296
Ragi	,,	7,500	7,835	2,064	2,293
Maize	,,	8,796	8,078	2,807	2,021
Barley	,,	5,472†	5,428††	1,564†	1,238††
Gram	,,	17,267	16,857	2,771	2,298
Kabi Pulses* ..	,,	11,498†	11,569††	2,068†	2,047††
Small Millets ..	,,	12,170†	11,854††	1,934†	1,891††
Jute	bales	1,196†	1,817††	3,128†	4,605††
Cotton 4th	,,	16,206	15,672††	3,658	2,457††
Sugarcane 2nd	tons	4,101†	4,228††	5,190†	4,940††
Groundnut ..	,,	11,856†	11,850††	3,772†	2,884††
Linseed	,,	3,394	3,402	355	316
Castorseed ..	,,	1,368†	1,367††	107†	106††
Rape and Mustard Seed }	,,	5,155	5,915	828	916
Sesamum 3rd ..	,,	5,828†	5,614††	516†	451††
Tobacco (supp)	,,	798	712	219	208
Black Pepper ..	,,	228†	226††	22†	23††
Ginger	,,	48†	47††	14†	15††
Dry chillies ..	,,	1,240	1,884	301†	341††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1954 ..	75.0
	Corresponding month 1953 ..	74.3
	Ten months ended April, 1954 ..	719.4
	Corresponding period 1953 ..	746.0
Stocks	As the end of April, 1954 ..	91.5
	Corresponding month 1953 ..	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 1st May, 1954 ..	N.A.
	Corresponding week 1953 ..	10,791
	From 1st Jan., to 1st May, 1954 ..	121,4921
	Corresponding period 1953 ..	76,785
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 1st May, 1954 ..	N.A.
	Corresponding week 1953 ..	10,324
	From 1st Jan. to 1st May, 1954 ..	430 301‡
	Corresponding period 1953 ..	405,783
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 1st May, 1954 ..	—
	Corresponding week 1953 ..	—
	During Jan., 1954 ..	—
	Corresponding period 1953 ..	—
Consumption by Mills† ..	April, 1954 (in lakh bales) ..	4.85
	Corresponding month 1953 ..	4.31
	Ten months ended April, 1954 ..	41.71
	Corresponding period 1953 ..	43.28

† Estimated * From Calcutta
N.A.=Not Available. ‡ Upto 24th April, 1954.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co. Year ended 31st March, 1952..	11,80,000	10,67,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,81,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,500	7,80,000
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
March ,, ...	97,400	86,000	65,500
April ,, ...	97,000	83,100	60,800
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,600	63,800
March ,, ...	94,800	89,700	65,000
April ,, ...	83,200	77,500	54,800
Indian Iron and Steel Co. Year ended 31st March, 1953..	6,26,710	4,81,460	3,12,040
Do 31st March, 1954 ..	5,80,020	5,49,930	2,92,440
January 1953	56,370	48,310	28,650
February ,, ...	54,600	47,430	29,090
March ,, ...	60,540	39,550	22,090
April ,, ...	52,210	30,080	19,090
January 1954	63,100	42,600	29,870
February ,, ...	59,650	38,350	26,810
March ,, ...	55,000	47,850	44,560
April ,, ...	51,950	41,070	37,600

FOREIGN TRADE OF INDIA

Particulars	January,		Ten Months April to January,	
	1953	1954	1952-53	1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	6.29	2.93	156.34	86.58
Raw materials ..	12.03	10.89	153.19	136.90
Manufactures ..	22.26	23.84	232.94	229.58
Other Items ..	83	89	8.71	8.89
Total ..	40.91*	37.55*	551.18*	456.85*
By land	2.58	2.80	22.26	19.60
Total Imports ..	43.49	39.85	573.44	476.95
Exports				
By sea and air—				
Foodstuffs ..	11.71	13.38	115.82	130.75
Raw materials ..	11.84	7.32	151.44	88.54
Manufactures ..	18.85	21.66	223.70	208.94
Other Items ..	45	48	8.54	8.68
Total ..	42.85	42.84	467.50	432.16
By land	70	56	17.93†	6.12
Total Re-exports ..	43.55	43.40	485.43	438.28
Total Re-exports ..	1.20	.32	4.84	3.98
Balance of trade in merchandise ..	+2.84	+5.61	—78.84	—20.21
Balance of transactions in private treasure ..	—2	..	6	8
Total visible balance of trade..	+2.82	+5.61	—78.90	—20.29
Imports : ‡				
Total C'wealth countries ..	20.16	17.41	219.79	221.54
Total Foreign countries ..	20.75	20.14	337.89	235.01
Exports : ‡				
Total C'wealth countries ..	20.68	24.88	220.25	223.34
Total Foreign countries ..	21.87	17.96	247.25	208.82

* Excludes value of rerail in special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land. † Subject to revision.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States	United Kingdom ††	Canada @	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	641	71	11	16	39	8	18	5	2	7	9	3	5	5	9	..
Average of Months 1951-52	641	71	21	16	41	6	18	9	4	7	9	2	4	7	11	9
Average of Months 1952-53	666	62	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of December 1952..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February ,, ..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March ,, ..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April ,, ..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
May ,, ..	645	68	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June ,, ..	643	68	27	16	41	5	20	17	6	7	9	2	4	6	11	6
July ,, ..	639	70	27	16	41	5	20	18	6	7	9	2	4	6	11	6
August ,, ..	636	71	27	16	42	5	20	19	6	7	9	2	4	6	11	6
September ,, ..	635	71	28	16	42	5	20	20	6	7	9	2	4	6	11	6
October ,, ..	633	72	28	16	42	5	21	21	6	7	9	2	4	6	11	6
November ,, ..	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	6
December ,, ..	631	72	28	16	42	5	22	21	6	7	9	2	4	6	11	5
January 1954 ..	630	73	29	16	42	5	22	22	6	7	9	2	4	6	11	5

‡ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 20th May, 1954 ..	57,856
	Corresponding week 1953 ..	40,036
	1st Sept., 1953 to 20th May, 1954 ..	1,491,803
	Corresponding period, 1952-53 ..	1,454,540
Cotton Exports ..	Week ended 20th May, 1954 ..	5,108
	Corresponding week 1953 ..	5,609
	1st Sept., 1953 to 20th May 1954.	236,797
	Corresponding period, 1952-53 ..	336,882
Mill Consumption ..	1st Sept., 1953 to 20th May 1954.	903,830
	Corresponding period, 1952-53 ..	880,029
Stock (with exporters & dealers & mills) in Bombay	On 20th May, 1954 ..	678,879
	Corresponding date, 1953 ..	595,772
Karachi (Pakistan:		
Receipts	Week ended 15th May, 1954 ..	1,211
	Corresponding period 1953 ..	9,838
	1st Sept., 1953 to15th May, 1954..	1,095,338
	Corresponding period, 1952-53 ..	1,598,162
Exports	Week ended 15th May, 1954 ..	13,228
	Corresponding period, 1953 ..	32,095
	1st Sept., 1953 to15thMay, 1954.	897,890
	Corresponding period, 1952-53 ..	1,220,183

Particulars	From 1st Sept., to 24th May 1953-54 Bales	From 1st Sept., to 24th May 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	12,961	13,576
Continent ..	22,950	90,617
China	251	31
Japan	60,055	136,509
U.S.A. ..	12,455	33,856
Other Countries	1,552	5,286
Total to all foreign countries ..	110,233	280,142
Coastal Ports ..	130,064	100,240

Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—	
Indian	843 088
Foreign	55 054
January, 1954	1,638 884
Indian	294,710
Foreign	1,631.046
Five months ended Jan., 1954	856,021
Same Period 1953 ..	
Stocks (Mills and Elsewhere)—	
Indian	907,202
Foreign	157,299
As on 31st Jan., 1954 ..	1,025,020
Indian	277,317
As on 31st Jan., 1953 ..	20 209
Foreign	40,282
Week ended 14th May, 1954 ..	2 859,809
Corresponding week, 1953 ..	2,888,267
Cotton Pressed † ..	

†Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
2½ % Bonds	1926-33	63,30,26,000	1960-70	101
3 % Loan	1938-39	1,16,17,46,000	1963-65	92½
3 % Loan	1950	30,33,10,000	1964	72½
3 % Loan	1941	1,10,11,78,000	1966-68	90
2½% V. Loan	1944	1,14,06,80,000	1957	98
2½% Loan	1945	1,15,05,83,000	1970-75	86
2½% Loan	1945	1,13,45,64,000	1959-61	96⅛
2½% Loan	1951	30,35,63,000	1974	97⅛
2½% Loan	1946	45,63,07,000	1960	94
2½% Loan	1946	17,00,49,000	1961	91
2½% Loan	1946	35,06,06,000	1954	99⅛
2½% Loan	1947	14,77,48,000	1976	82⅛
2½% Loan	1947	75,86,72,000	1962	92
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
3½% N.P.Loan	1954	On Tap.	1964	98–101
NON-TERMINABLE LOANS				
3,½ Loan	1896-97	9,93,35,000	At option of Government after three months' notice	81⅛
3 ½ Loan	1946	248,91,90,000	On September, 1986, or later at option of Government after three months' notice.	81⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	13,95,22,000	1954-56***	106⅛
4½% Loan	1928	5,85,20,000	1958-48***	103⅛
PROVINCIAL LOANS				
3 % Bombay	1942	1,54,23,000	18th Sept. 1953	99⅛
3 % Bombay	1943	3,50,00,000	18th Sept. 1954	99⅛
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97
3 % Bombay	1949	4,60,17,000	15th Aug. 1962	93⅛
3 % Bombay	1950	3,01,87,700	31st July 1964	93⅛
3½% Bombay	1951	3,84,86,900	17th Sept. 1962	98⅛
4 % Bombay	1953	3,00,00,000	15th Aug. 1963	100⅛
4 % Bombay	1952	3,96,72,700	1st Aug. 1964	100⅛
4 % Cochin	1943	50,00,000	1st Oct. 1953–55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955–58	99
3½% Cochin	1936	76,09,000	1st June 1956–61	99
Bridge (New)	**1936-37**	**2,31,87 100**	**1956-66**	**95½**
3 % Madras	1939	1,23,95,600	21st June 1939	94⅛
3 % Madras	1942	1,23,23,000	18th Sept. 1953	98–103
3 % Madras	1943	1,25 18 000	14th Sept. 1953	98–99
3 % Madras	1945	1,07,95 000	15th Aug. 1958	96⅜
3 % Madras	1945	2,78 44,000	15th Sept. 1960	93⅛
2½% Madras	1946	3,81 77 200	1st Sept. 1961	91
3 % Madras	1950	3,18,25 400	31st July 1964	94
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	3,00,00,000	15th July 1963	99–111
4½% Madras	1952	5,24,81,200	1st Aug. 1964	99–102
3 % Mysore( )	1938	1,63,44,300	1st Nov. 1955	94⅛
3 % Mysore( )	1939	2,93,53,000	1st Dec. 1953–63	101
3 % Mysore( )	1936	1,99,72,900	30th April 1956–61	98
4 % Mysore	1947	3,00,05,700	25th Jan. 1958	99
4 % M.P.	1943	3,00,00,000	15th July 1963	99⅛
4 % M.P.	1942	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 % M.P.	1945	2,03 00,000	15th Sept. 1961	94⅛
3 % M.P.	1950	1,00,26,800	31st July 1964	93⅛
3½% M.P.	1951	1,00,00 000	17th Sept. 1962	98
3 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
3 % Punjab**	1938-44	1,49,87,000	15th July 1963	99⅛
3 % Punjab**	1942	2,35,20,000	15th Aug. 1958	98
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,93 81 600	14th Sept. 1960	97⅛
3 % Travancore	1944	3,00,00,000	15th May 1952–54	99⅛
4 % Travancore Cochin	1953	50,00,000	16th Aug. 1956	99⅛
3 % U.P.	1938	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1944	1,99,39 800	15th Sept. 1961–66	90⅛
3 % U.P.	1945	3,23,96 800	15th Aug. 1958	97
2½% U.P.	1946	2,36,31 900	14th Sept. 1960	94
3½% U.P.	1946	2,41 19,800	15th Sept. 1961	91⅝
4 % U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 % U.P.	1953	3,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00 000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00 000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97¾N
56,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	D
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1914	1974	99¾N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
15,00,000	4	1915*	1961	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10 25,000	3½	1924*	1960	
35,00,000	3½	1929*	197	D
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,38,000	3½	1938*	1968	
15,00,000	3½	1935*	1964	
48,04,000	3½	1936*	1960	
10 00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98½
76,90,100	4	1915	1975	98½
68,02,300	3½†	1921	1981	79
1,50,00,000	6½	1921	1981	144N
1,24,04,300	3½	1923	1955–85	88
98 21 600	3½	1926	1956–86	104½
99,84,800	3	1926	1956–86	103½
1,49,49,300	3	1926	1956–86	103½
1,49 36,000	3	1928	1958–88	104½
1,00,00,000	4†	1931	1991*	93⅛
21,75,000C	3	1931	1954	90
60,00,000	3½	1935	1965	96½
25,00,000	3	1938	1943–48	88
90,00,000	3	1945	2005	78½
50,00,000	3	1945	1973	82½
50,00,000	3	1946	1976	82
50,00,000	3	1946	2006	76N
50,00,000	2¾	1947	1977	78½
50,00,000	3	1948	1978	81
50,00,000	3	1949	1959	94½
50,00,000C	3	1950	1980	80
1,00,00,000	3	1950	1960	94
1,00,00,000	3	1950	1980	79
1,50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	98
STERLING LOANS				
£892,600	5	1923	1933–83	£87½
£901,900	5	1924	1954–84	£87½
£235,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,50 347	4	1912	1982	
32 14,944	4	1912	1982	
3,21,489	4	1918	1982	A
3,42,951	4	1918	1982	
7,46 044	6	1920	1982	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Year of Issue	Repayable	Market Quotation per cent.
BOMBAY			
Rs.			Rs.
50,00 000	4	1899	1959
30,00,000	4	1901	1961
30,00,000	4	1902	1962
60,00,000	4	1903	1963
50,00,000	4	1904	1964
50,00,000	4	1905	1965
20,00,000	4	1906	1966
15,00,000	4	1907	1967
50,00,000	4	1908	1968
25,00,000	4	1912	1972
18,50,000	4	1913	1973
50,00,000	4	1913	1973
25,00,000	4	1916	1976
50,00,000	5	1919	1957–79
66,00,000	5	1920	1955–80
25,00,000	5	1926	1956–86
75,00,000	5	1927	1961–70
10,00,000	3½	1936	1966
STERLING LOANS			
£566,600	4	1909	1969
£333,000	4	1910	1970
CALCUTTA			
Rs.			Rs.
50,00,000	4	1925	1955
25,00,000	5½	1929	1959
50,00,000	5	1929	1959
35,00,000	3½	1935	1965
30,00,000	3	1936	1966
50,00,000	3	1937	1967
20,00,000	3	1938	1963–68
80 00,000	4	1952	1962

MUNICIPAL LOANS

Bombay				Rs.
49,40,000	4	1913–14	1954	99⅛
20,40,000	4	1915–15	1974	99⅛
20,00,000	4	1918–19	1978	108
10,00,000	5	1928	1988	113
1,40,00,000	5	1924	1954	102
21,00,000	5	1928	1958	
26 14 000	5	1929	1949–99	(104½
24,45,500	5	1929	1954–99	(101
24,21,500	5	1929	1959–99	(102½
5,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1948	1978	86⅛
2,00,00,000	3½	1950	'965	92
2,50,00,000	4	1953	1964	100
2,00,00,000	3½	1951	1964	97
1,10,00,000	4	1953	1963	100
100 00 000†	4	1952	1966	99⅛
1,00,00,000†	4	1954	1966	99⅛
CALCUTTA				
54,45 500	6½	1925	1955	103⅛
1,70,00,000	5	1928	1958	104
36 00 000	5	1928	1958	103⅛
25 00 000	5	1929	1957	103⅛
25 00 000	5	1929	1959	103⅛
10 00 000	3½	1932	1962	100
50,00,000	3	1938	1965	93⅛
60,00,000	3	1937	1968	88⅛
3,11,400	3	1937	1954	99⅛
4,67,100	3	1937	1954	100
1,62,300	3	1937	1954	99⅛
4 18,100	3	1937	1954	99⅛
47,50,100	3	1937	1954	99⅛
10,47,700	3	1938	1955	98
15,35,300	3	1938	1956	98⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	96
16,13,000	3½	1951	1961	96
46,88 000	3½	1951	1966	96
17,36,000	4	1952	1962	99⅛
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15 00 000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107N

*Loans held entirely by the Trustee. A=Held by Government of India
**Bombay State Transport. ***Rupee Counter parts.

ABBREVIATIONS.
N=Nominal.
S=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. (f) Income-tax free.
Rate of interest reduced from a to 3 per cent. with effect from 1st June 1944. @Quotations in Pak. Currency
†† Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April,

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	95xd	100
Cawnpore Sugar Works ..	10,00,000 *	1905-24	6	Feb. Aug.	142	100
Deccan Sugar & Abkhari †A	7,00,000 *	1920	7	July Apr.	115	100
‡East India Distilleries ..	2,00,000	1897	7	Jan. July	161	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem.)	5,00 000	1940	7B	Dec. ..	70	100
Portabpore Co.	6,00,000	1922	10	Oct. ..	15§	10
Rasmuggar Cane ..	4,00,000	1933 36	6	Aug. ..	104	100
Ravalgaon Sugar ..	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar ..	5,00,000	1936	7(a)	Dec. ..	161½	100
Travancore	13,00,000	1946	5(c)	Dec. ..	7¾	10
Upper Ganges	12,00,000	1913	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borree	4,00,000	1896-97	6½	Oct. Apr.	118	100
Burrakur (1st)	22,90,800	1901-19	7	Apr. Oct.	118	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar Sept.	117	100
Karanpura Collieries ..	7,00,000	1946	5½(a)	.. ..	82½	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar Sept.	6N	10
New Beerbhoom	2,00 000	1920	..	Jan. July	12⅜	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	111½	100
COTTON						
Ahmedabad Advance ..	10,00 000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1884	6	Jan. July	124½	100
Basanti Cotton	5,00,000	1938	6½	Nov ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	40N	100
Bengal-Nagpur	3,00,000	1896	7	Apr Oct.	116	100
Bowreah "A"	6,00,000	1900	7	Feb. Aug.	182½	100
Do. "B"	6,00,000	1900	7	Feb. Aug.	101	100
Bradbury	14,75,000	1919	7	June Dec.	328½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Jan. July	137½	100
Cambodias	1,00,000	1928	7	Apr. ..	125½	100
Central India	30,00,000	1913	5	Apr. Oct	518½	100
Coimbatore Pioneer ..	1,00,000	1935	6½	Nov. ..	124½	100
Elgin	11,00,000

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=No recent quotation. x.d.=Ex-Dividend. c.d.=Com. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
80,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2⅜	2	0 3	0 4			12	Y.
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	59½	100	6 0	Nil			12	Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	419½	250	20 0	20 0	22 8*		3	Y.P.T.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	250	100	0 0	100 0	100 0		12	Y.
1,09,42,800	2,27,88,985	2,53,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	325½	100	20 0	20 0	22 0		3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. J. Pilaci (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil	4 0(c)			12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg.	111½	100	7 8	7 0	7 8		12	Y.
18,00,000	20,04,821	63,01,745	48,46,041	76,868	Ramnarain Sons, Ltd.	30,304	928	Dawn Mills	93	50	4 0	6 0			3	Y.
34,00,000	24,00,000	62,31,113	37,35,000	5,623	Paramasi Radhakishan & Co.	50,296	1,126	Edward Textiles	238½	200	15 0	15 0			12	Y.
89,95,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	(d) 3	0 0	3 0		12	Y.
50,00,000	63,61,875	86,92,384	68,31,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	241½	100	20 0	20 0			12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,580	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	200 0	200 0*	225 0*		3	Y.P.
2,00,00,000									3,850	1,000	200 0	200 0*	225 0*			
80,00,000 D.	1,28,61,436	4,56,22,024	3,07,00,000	—51,32,478	Agarwal & Co.	55,704	1,191	Indian Mfg.	3,850	1,000	200 0	200 0*	225 0*		12	Y.
9,00,000	69,99,043	1,18,16,170	83,59,000	7,423	Damodhar Thackersey Mooljee &Co.	55,704	1,191	Indian Mfg.	3,850	1,000	200 0	200 0*	225 0*		3	Y.
39,92,500	49,54,660	2,07,51,457	1,57,18,445	82,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	118½	100	14 0	10 0	12 8*		3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	307	100	25 0*	18 0	20 0*		6	Y.P.
88,80,000 A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	57,592	742	Madhusudan Mills	82	100A	5 0	6 0	7 0		12	Y.
3,60,000 B										20B	1 0	1 4	1 4			
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90¥	50	3 0	4 0	5 0		6	Y.P.
31,75,000	24,92,733	1,78,02,041	1,44,55,016	12,706	Pirsmal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	213½	100	5 0	5 0	5 0		10	Y.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,342	Chunsi & Co., Ltd.			National Rayon Corporation	157½	100	15 0	15 0	15 0		6	Y.P.
24,00,000	28,00,686	73,00,263	44,45,860	15,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	165⅛	100	Nil	9 0	12 0		12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	168	100	12 8	10 0	10 0		12	Y.
12,70,100	36,36,004	42,69,552	13,76,680	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	26	10	1 0	1 4			12	Y.
48,00,000	83,52,899	1,38,66,478	84,72,256	87,388	Ramnarain Sons, Ltd.	55,228	1,190	Phoenix Mills	122½	100	10 0	8 0	8 0		12	Y.
40,00,000	43,67,741	2,64,64,250	22,50,000	2,90,184	Podar Sons, Ltd.	32,600	930	Podar Mills	140xd	100	10 0	10 0	10 0		12	Y.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	17½xd	10	2 0	1 0			9	Y.P.
25,00,000	60,49,474	1,17,57,512	81,93,664	31,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Seasoon Spg. & Wvg.	30	10	1 0	1 4	0 12		12	Y.
60,00,000	66,20,061	87,30,346	45,61,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Nirwa Cotton Mills	206½	100	17 8	12 8	14 0		12	Y.P.
81,50,000	49,02,108	78,77,540	63,69,008	85,939	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	155½	50	17 0	15 0(c)	15 0		3	Y.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	312½	100	17 0	20 0	20 0		12	Y.P.
75,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	75,024	2,000	Svadeshi Mills	275½	100	18 0	16 0	16 0		3	Y.P.
50,00,000	56,78,465	93,47,153	58,93,668	8,74,757	James Finlay & Co., Ltd.	35,804	852	Swan Mills	320	100	15 0	16 0	20 0		12	Y.P.
32,37,438	49,90,352	1,33,47,827	43,36,553	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	47½	25	4 0	3 0	3 0		12	Y.P.
12,00,000	40,55,708	88,62,654	75,30,080	6,346	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	200 0*	200 0*	225 0*		12	Y.P.

AHMEDABAD

80,00,000	38,80,266	88,29,885	51,09,670	9,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	144½	100	12 0	10 0	10 0*			
10,00,000	90,51,638	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	47½	100	20 0*	20 0	20 0*		6	Y.P.
81,00,000	2,07,45,675	1,18,76,139	76,33,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	843	100	25 0	20 0			12	Y.P.
80,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros, Ltd.	35,884	854	Ayyadya Ginning & Mfg.	320	200	35 0*	25 0			12	Y.P.
12,00,000	1,00,27,000	82,29,958	43,65,455	1,05,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	550	100	15 0	15 0			12	Y.P.
1,24,77,852	99,36,782	3,97,21,801	2,72,53,344	23,51,386	Karamchand Premchand Ltd.	1,39,120	2,370	Calico	323½	125	18 0	22 0			12	Y.P.
80,00,000	64,86,000	88,67,870	62,25,000	1,885	Tricumlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills	500	100	70 0	70 0	18 0		12	Y.P.
89,00,000	70,78,334	99,79,263	74,68,970	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	631	125	33 0	33 0			12	Y.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	770½	100	28 0*	30 0	30 0*		12	Y.
18,00,000	1,07,77,635	73,98,913	42,94,887	3,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	710	100	25 0*				12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,450	—13,90,510	Mangaldas Girdhardas Parekh Ltd.	31,196	1,099	Shahnagar Spg., Wvg. & Mfg.	210	250	20 0				12	Y.P.
82,50,000	38,11,850	81,93,993	46,17,803	9,866	Balubhai Girdhandas Ltd.	33,154	648	Rohit Mills	132½	100	Nil				12	Y.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,000	1,23,551	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	353	50	18 0				6.12	H.
19,52,500	52,12,167	61,33,831	48,31,891	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	395	100	20 0	20 0			12	Y.P.
88,00,000	29,08,070	91,15,078	47,72,055	16,299	Haridas Achratlal & Co., Ltd.	34,576	776	Vijaya Mills	526½	400	35 0*	35 0*			12	Y.

WEST BENGAL

15,00,000	96,065	33,10,908	17,75,213	—3,08,106	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	0 3	Nil				
7,11,280	2,21,850	38,52,124	22,08,106	—67,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	33¥	10	0 3	Nil			12	Y.P.T.
6,00,000	22,75,078	77,45,873	51,55,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	335	100	Nil	Nil	Nil		3	Y.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	205	100	7 0	Nil	Nil	Nil	6.12	H.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23½	15	1 14		1 12	1 12	6.12	H.
6,00,000	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	1 14				3	Y.P.
33,96,288										10	0 12		1 4		12	Y.P.

SOUTH INDIA AND OTHER CENTRES

11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	Nil					
15,00,000	9,09,109	59,31,613	21,03,244	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles(Cochin) Ltd.	10	10	0 9 3/5	Nil			12	Y.P.
91,94,400	51,99,334	2,06,06,796	50,52,372	3 771	Industrial Trust Fund,	36,136	665	Azam Jahi Mills	82 N	100	6 6	6 0	6 0	6 0	12	Y.P.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	395	100	20 0	15 0	25 0		12	Y.P.T.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13	100	0 8	0 8	0 4*		12	Y.P.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	54 N	10	0 8	0 8	0 4*			
1,76,47,800	1,44,80,321	5,91,55,208	3,09,15,105	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	147	100	7 8	8 0	8 0		6.12	H.P.T.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Parry, Leslie & Co., Ltd.	17,536	4	Cambodia Mills	133	10	1 4	1 0	1 0		12	Y.P.
50,00,000	21,97,992	56,51,479	45,04,813	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	81	10	1 4	1 0	1 0		12	Y.P.T.
12,00,000	19,85,494	28,94,633	21,58,900		R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	220	10	1 0	1 0	1 0		12	Y.P.
20,00,000	13,90,000	33,17,361	17,08,703	3,400	T. R. N. Naidu & Co.	21,980	407	Coimbatore Pioneer Mills	156d	100	12 8	10 0	12 0		12	Y.
20,76,900	4,36,696	1,14,09,011	66,08,065	—10,23,340	R. G. S. Naidu & Co.	72,188	1,707	Coimbatore Spg. & Wvg.	46½	50	6 0	9 0	13 0		12	Y.
46,87,500	88,12,906	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Empire India	173½	100	6 0	Nil		Nil	6	Y.P.
8,38,54,450										100	6 0	Nil		Nil		
1,00,523	1,65,19,855	6,76,75,908	3,88,00,000	1,51,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	29½	25	2 8	1 4	1 12		6	Y.P.
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	25½	2½	1 2	1 2	1 12			
62,00,000	40,00,000	1,40,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	144	100	20 0	20 0	0 2 4/5		6	Y.P.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.	72,960	2	Gokak Mills	250	10	1 8	1 8	1 0		12	Y.
80,00,000	12,52,505	1,23,32,498	88,20,323	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	109½	100	14 0	17 0*	17 0		9	Y.P.
8,90,000	11,61,067	26,01,526	13,55,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784	200	Jenardana Mills	76½	100	5 0	6 0			12	Y.
84,00,000	15,75,000	61,55,358	8,50,000	3,682	Kothari & Sons	30,512		Kothari Textiles	50	50	7 8	6 0			12	Y.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	555	100	10 0	12 0			12	Y.
83,46,150	53,30,000	94,98,025	83,73,673	14,267	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	60	50	3 0	3 0	3 0		12	Y.P.
1,75,02,480	3,93,81,878	5,45,66,244	3,78,28,290	9,36,093	A. & F. Harvey Ltd.	1,66,932		Madura Mills	56½	25	4 0	5 0	3 8	3 8		
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others	22,592		Malabar Spg. & Wvg.	118	13	3 0	3 0	3 0	3 0	3	Y.
60,00,000	69,00,000	61,38,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd.	24,720	603	Mettur Industries Ltd.	265	200	12 0	8 0	3 0	3 0		
29,80,884	28,14,157	76,14,218	44,82,683	12,036	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	110	100	12 0	12 8	8 0	8 0	12	Y.
84,91,850	27,56,360	1,51,05,970	78,81,528	87,241	Banaleal Abirchand Dadabhoy & Co.	47,360	952	Model Mills (Nagpur)	141½	250	6 0	5 0	7 0*		12	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	132N	100	7 8	7 8	7 8*		12	Y.
19,86,800	61,53,392	93,64,233	39,85,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	115	50	9 0	10 0*	10 0*		12	Y.P.
13,61,780	2,58,745	29,34,299	13,36,624	2,232	R. Suryanarayana Rao Esq. Manager	6,000		New Victoria Mills	6½	10	0 10	Nil	Nil		3	Y.P.
82,89,883	25,62,533	98,01,625	52,78,826	—25,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	Osmanabadi Mills	1½	10	Nil				3	Y.P.
3,07,095									80N	100	6 8	7 0			12	Y.P.
87,03,400	87,08,000	61 89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Palani Andavar Mills	103xd	50A	6 8	7 0	4 0		9	Y.
4,00,000 A	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	25,200		Pankaja Mills Ltd.	156cd	75B	4 0	7 0				
6,00,000 B									45	100	3 0	11 4			12	Y.P.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Mudaliar & Sons	27,980		Radhakrishna Mills	189	100 A	16 0					
16,81,200 A	16,65,842	52,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co.	38,864	301	Rajalakshmi Mills	89	50B	6 0	6 0			12	Y.
8,40,600 B						25,896			112	50	3 0	Nil				
15,00,000	25,00,896	22,62,213	14,88,315	—63,366	B. R. Naidu & Sons	33,984	600	Raza Textiles	50	10	3 0	Nil			12	Y.
60,00,000	42,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	18,416	416	Sitaram Spg. & Wvg.	14N	10	Nil				12	Y.P.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd.				60	3	0	Nil			12	Y.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg.	2,225	1,000					8	Y.
										500	Nil		Nil			
86,69,700	11,73,989	57,42,019	44,96,380	23,287	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills	60xd	50	4 0	4 0*	4 0*		3	Y.P.
15,00,000	1,39,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	35,556	992	Sulej Cotton Mills	50N	10	4 0	4 0	4 0		3	Y.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100					3	Y.
1,87,50,000 PO									8	10P.O.	0 8	Nil				
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcete & Sons (Travancore), Ltd.			Travancore Rayons	8½	10	14 2/3	Nil			12	Y.P.
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,000		Trichinopoly Mills	10	10	Nil	Nil				
81,00,000	32,67,606	49,31,870	32,22,308	28,000	Mooljee Ramjee & Sons	33,704	270	Vasanta Mills	174	100	10 0	10 0	11 1/3	0 11½	12	Y.P.T.
82,00,000	47,34,135	1,34,36,953	89,30,676	1,868	R. K. S. Cherry & Brothers	54,280	1,483	Vishnu Cotton	142½	100	12 0	12 0	12 0		12	Y.
					Bombay Co., Ltd.					100	14 0*	10 0	4 0	0	12	Y.P.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(c) Paid out of reserves

(d) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	Accounts Closed	Reference
						BREWERIES AND DISTILLERIES								
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	27½	25	2 12½	Nil	Nil			
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khaone	Dyer Meakin Breweries	11½	10	1 2e	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	£500,508	Parry's Holdings Ltd.	East India Distilleries and Sugar	6⅝	5	0 8	0 8	0 8			
£80,000A	£668,781	£1,193 278	£500,508	£59,690			15½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
£300,000B							30½	B. 61	Sh. 3	Sh. 3	Sh. 4			
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,612	S. P. Smith, Esq.		4N	5	Nil					
6,00,000	9,00,000	13,19,812	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	162	75	7 8	15 0	15 0			
						CEMENT								
11,37,700A	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	117xd	A. 100	7 8	7 8	10 0*		12	Y.P.T.
39 67,420B							113xd	B. 10	0 12	0 12	1 0*			
43,14,600O	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	41	O. 10	Nil	Nil			3	Y.T.
4,70,976D.							1½	D. 1					7	Y.
10,36,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	157½	100	9 8	9 8	9 8			
60,00,000O.							108	O. 10	0 10					
20,49,797O.	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	2½	O. 2½	0 2½				12	Y.P.T.
50,00,000D.							2	D. 1	Nil					
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6 15,163	Esen Ltd.	India Cements Ltd.	18½	O. 23	Nil	Nil	Nil		3	Y.P.
7,50,000D.							2½	D. 3	Nil	0 4	Nil			
75,00,000	20,05,000	1,72,56,055	1,33,85,166	38,638	Martin Burn Ltd	Sonevalley Portland Cement	7½	5	0 6½	0 8			12	Y.
						CERAMIC ; MINING AND QUARRYING								
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	2⅜	2½	0 2½	0 2½			12	Y.
10,00,000	22,36,815	55,46,474	31,63,961	4,985	Bird & Co., Ltd.	Burn Stone Lime Co.	34N	10	0 14	0 14	14¢		3, 9	H.
£914,200	£1 030,500	£1,704,558	£913,916	£93,098	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3	3sh. 2	3d.	3d.			12	Y.
20,00,000	26 81,899	43,64,332	12,15,329	20,127	Bird & Co., Ltd.	Karanpura Development	14½	10	Nil	Nil	Nil		6, 12	H.
6,00,000	2,33,000	8,10,206	4,55,139	7,910	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	1 0	1 0		3	Y.P.
10,00,000	33,53,830	33,73,290	20,97,229	1,58,544	Bird & Co., Ltd.	Orissa Minerals	45½	10	0 12	2 0			6, 12	H.
									0 12	2 0	Nil			
10,00,000	8,62,360	29,75,298	19,16,699	20,243	Andrew Yule & Co. Ltd.	Reliance Firebrick & Pottery	14½	10	0 8	0 8	0 4		2, 8	H.
6,00,000	36,45,000	33,70,988	15,32,501

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	24,26,841	1,98,06,008	1,33,11,164	1,40,294	Balmer Lawrie & Co.	Bengal Paper Mills	61½	25	1 4	1 9	1 9	Nil	6,12	H.P.T.
									1 4	1 5	Nil	1 9		
80,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	195	100	5 0	5 0	5 0	6	3,9	H.
									5 0	5 0	5 0	6		
80,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	18	10	0 8½	1 0	Nil	1 0*	3	Y.
1,46,83,000	2,38,21,427	2,42,04,213	80,01,006	2,71,007	Birla Bros.	Orient Paper	19½	10	0 12	1 0	1 0	1 0*	3,9	H.P.T.
									1 0	1 0	1 0	1 0		
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	23½	10	0 8	0 12	0 12	0 12	6,12	H.P.T.
80,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co.	Star Paper Mills	O. 10	O. 10	Nil	Nil	0 4	0 4	3,9	H.P.T.
20,00,000A.							9⅜	A. 10	0 14*	1 0*	1 0*	1 0*		
							A. 10		0 14*	1 0*	1 0*	1 0*		
86,00,000A.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	39½	B. 10	0 14*	1 0*	1 0*	1 0*	3,9	H.P
56,04,500B.									0 14*	1 0*	1 0*	1 0*		
4,37,500P.O.							48	P.O. 25	0 2	0 2	0 2	0 2		
									0 2	0 2	0 2	0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,59,648	9,539	Andrew Yule & Co.	Calcutta Hydraulic	80	100	3 0	3 0	5 0	3 0	6	Y.
4,30,000	1,00,000	6,89,526	4,73,056	2,554	Pyce & Sons	Camperdown	93⅜	100	6 0	6 0	5 0	7 0	6	Y.
9,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co.	Central Hydraulic	91	100	6 0	6 0	5 0	7 0	6	Y.
PROPERTY AND LAND														
10,00,7800.	6,02,582	42,65,284	19,09,280	419	E. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 8½			
8,00,000D.							1½	D. 10	Nil	Nil	Nil			
60,00,000	20,01,686	98,66,088	13,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	23	100	2 0	3 8	1 2	1 8	9	Y.P.
84,00,000	35,26,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	39½	100	Nil	3 0	1 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6¾	5	0 8	0 8	0 4			
84,50,000	3,75,07,299	9,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	398⅝	Old 125	15 0	0 37	0 22	15 0	9	Y
							138½	New 50	4 0	13 0	9 0	6 0	3	
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	Nil	Nil	Nil	Nil		
18,00,000	18,43,037	16,83,461	11,63,013	1,70,441	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34½	10	3 8	3 8	3 0	1 0)	6	Y.P
SUGAR (U.P. and Bihar)														
54,00,000	9,81,883	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	71	5	Nil	1 0	Nil	Nil		
12,00,000A.	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	120½N	A. 100	6 4	10 0	10 0	10 0*	6	Y.
3,00,000B.							111N	B. 10	0 10	1 0	1 0	1 0*	4	Y
19,49,050	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	9	10	1 0	1 0	1 0	1 0*	4	Y
15,00,000	12,31,314	12,57,578	11,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½N	10	Nil	0 10	0 12	1 0	6	Y.P
32,00,000	25,78,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	73	10	1 0	1 8	1 8	1 8	9	Y.P.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	Nil	Nil	Nil	Nil	6	Y.P.
18,00,000	33,12,562	83,47,659	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champerun Sugar	26½	10	1 8	2 0	2 0	2 0	6	Y.P.T.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	1 8	1 8	2 0	1 0	6	Y.P.
95,80,000A.	33,23,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd...	Hindustan Sugar Mills	175N	'A' 100	6 0	9 0	12 0*	15 0*	8	Y.T.
10,00,000D.							—	O. 100	6 0	9 0	12 0*	15 0*		
18,00,000	8,62,508	73,26,508	36,33,242	29 748	Kilachand Devchand & Co.	Kesar Sugar	59N	100	4 0	6 0	Nil	10 0*	6	Y.P
							25N	40	1 8	2 0	Nil	Nil		
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	29½N	10	1 8	2 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6¼	10	1 8	2 8	2 8	2 8	6	Y.P
1017,500 A.	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	185N	100	13 0	20 0	20 0	20 0*	5	Y.
8,31,875 B.							45N	25	12 0	5 0	5 0	5 0*		
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	3 4	11 8	3 0	5 0*	6	Y.
12,00,000	17,71,172	18,94,458	18,81,746	66,908	Begg, Sutherland & Co., Ltd.	Punjab Sugar	104N	100	6 0	10 0	6 0	11 0	7	Y.P.
9,00,000	13,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Purnaipore Co.	13⅜	10	1 8	2 0	Nil		6	Y.P.
30,00,000	4,04,162	25,16,182	18,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13⅜N	10	1 8	2 0	Nil		6	Y.P.
11,99,000	17,25,204	36,77,360	31,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	12⅜	10	1 8	2 8	1 8	1 0	10	Y.P.
80,00,000	21,68,560	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12⅜	10	1 0	2 0	1 0	1 0	6	Y.P.
9,99,950	81,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Dass, Esq. (Managing Directors)	Sitalpore Sugar	6⅝	10	0 0	1 0	1 8	0 8	7	Y.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	16⅛	10	Nil	1 0	0 8	0 8	6	Y.
6,50,000O.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	1N	O. 10	1 0	1 0	0 6½			
1,75,000D.								D. 25	Nil	Nil	Nil	2 0*	6	Y.T.
8,00,000		78,11,307	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	23N	10	Nil	Nil	Nil		10	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	14,665	James Finlay & Co., Ltd.	United Provinces Sugar	16½	10	1 12	2 0	1 8	1 0	9	Y.P.
									0 4½	2 0	1 8			
Other Centres														
44,99,750	79,06,443	65,05,216	51,13,758	83,916	W. H. Brady & Co., Ltd.	Belapur Company	269	50	12 8	14 0	16 0	16 0	9	Y.
37,68,900	2,51,646	37,63,451	16,01,711	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	4 0		9	Y.P.
13,00,000	30,25,936	24,51,980	14,55,776	3,71,334	India Sugar Agencies Ltd.	India Sugar and Refineries	28	10	1 12	2 8	1 4	1 4	9	Y.
83,57,520	29,59,135	39,13,908	19,30,442	7,69,891	Geoffrey Bros. (Rampur), Ltd.	Buland Sugar	17½	10	0 12	1 4	1 4	1 4*	9	Y.P
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	103½	10	0 12	1 0	0 12	1 0*	9	Y.P
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasulal Ltd.	Phaltan Sugar	44⅜	10	2 0*	2 0	2 0	2 0	10	Y.
18,39,220	12,37,830	48,81,755	23,79,527	95,198	Andersen Wright Ltd.	Rohtak Industries Cane and Sugar	10½	10	0 8	1 0	1 0	1 0	6	Y.
80,00 0000.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	24½	50	0 9⅜	1 8	2 0	2 0	9	Y.
4,00,000D.							7N	O. 10	7 0	9 0	2 0	2 0	8	Y.P.T.
19,99,000	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd.	Raza Sugar	7N	D. 10	7 0	9 0	2 0	2 0	8	Y.P.T.
80,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	103N	10			0 11½	0 8	5	Y.P.T.
23,50,000							17½	10	1 0	1 4	0 14	1 0*		
77,50,000A.	51,58,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	175⅜	A. 100	Nil	Nil	Nil		10	Y.
								O. 100	12 0	14 0	14 0	14 0*	9	Y.P.
TRANSPORT									12 0	14 0	14 0	14 0)		Y.P.T
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	170	100	10 0	12 8	12 8	10 0	10	Y.P.
1,00,00,000	11,17,773	3,57,24,932	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	96	100	3 0	3 0	5 0	5 0	9	Y.
£655,580	£1,121,737	£5 428,105	£3,332,999	£13 172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	78	100	Nil	Nil	Nil		12	Y.P.
8,25,00,000	34,99,233	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	61	100	Nil	Nil	5 0	5 0	12	Y.P.
7,04,60,608	8,37,93,133	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	17⅜	50	Nil	Nil	5 8	10 0	12	Y.
8,40,8000.	17,33,073	10,83,408	6,54,058	1,58,899	E. A. Smith, Esq., (Manager)	Walford Transport Ltd.	15	Nil	Nil	Nil	0 8	0 8		
2,10,200P.O.							1½	O. 1	n.a.	1 19/25	as 1 19/25	as 1 3/25	6	Y.T.
							1½	P.O. 1	n.a.	1 23/25	as 1 23/25	as 1 9/25	12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	40 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	40N	50	4 0	4 0	4 0		9	Y.
85,00,000	14,00,000	25,18,130‖	8,000	8,079	Desa Sons, Ltd.	Devkaran Nanji Investment Co.	93	100	3 0	3 0	3 0		9	Y.
14,96,150	3,83,231	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Estrela Batteries	23N	50	3 0	3 0	0 12	0 12	12	Y.
99,99,250	18,80,149	1,27,94,592‖	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	30	10	3 0	3 0	3 0	0 12	12	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	R. D. Shappard, Esq. (Mg. Director).	Killick Industries	75	100	4 0	4 8	4 8	4 8	9	Y.P.
							185	100	4 0	4 8	4 8	4 8	6	Y.
1,06,72,500A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	75	10	8	8	10 0	10 0	6	Y.
10,00,000B.							68	A. 100	Nil	Nil	Nil	5 0		
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd	—	B. 10	Nil	Nil	Nil	Nil	6	Y.P.
8,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director).	Western India Match Co.	37	20	2 0	3 0	3 0	Nil	9	Y.
45,00,000	54,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	200	20	2 0	3 0	3 0	Nil	9	Y.
							350N	150	11 0*	11 0*	11 0*	11 0*	12	Y.
								20	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
67,50,000O.	15,00,000	1,56,92,044	98,15,329	70,891	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	3⅜	O. 10	Nil	Nil	Nil	Nil	3	Y.P.T.
8,50,000D.							2⅜	D. 25	Nil	Nil	Nil	Nil		
80,00,000	38,21,355	81,54,814	20,12,443	4,24,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	18½	10	1 12	2 8	1 4	1 4*	9	Y.
50,00,000	11,42,354	62,81,816	29,49,178	29,418	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	20½	10	1 4*	1 4*	1 4*	1 4*	6	Y.
12,42,800	5,06,049	60,60,790	41,30,369	33,939	Birla Bros., Ltd.	Oberoi Hotels (India) Ltd.	203	100	6 0	8 0	8 0	8 0	3	Y.P.
4,96,12 650	1 92,800	2,43,64,147	60,32,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	100N	100	7 8	8 0	8 0	13 0*	3	Y.
1,60,00,000	36,77,754	3,45,52,905	1,33,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	8⅝	10	Nil	Nil	Nil	Nil	12	Y.P.T.
1,52,89,220	1,07,77,144	1,11,09,713	37,29,439	15,94,449	A. R. Driessen, Esq.	Indian Cables	126	100	3 8	5 0	5 0	Nil	3	Y.P.
82,27,970	3,58,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufactures	20	10	1 8	2 0	1 0	Nil	3	Y.P.
2,80,00,000	57,44,320	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	13⅜	100	1 0	1 0	1 0	1 0*	3	Y.P.
6,34,0000.	4,05,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co.	108	100	6 0	10 0	10 0	12 0	3	Y.P.
66,00000D.							2⅜	O. 5	Nil	Nil	Nil	7 8	3	Y.P.
40,00,00000.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	1½	D. 1	Nil	Nil	Nil		3	Y.
8,00,000D.O.							240	O. 100	12 8	12 8	7-8			
1,30,60,320	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	1N	D.O. 10	12 8	12 8	7-8		9	Y.T.
6,35,235	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	20⅜	10	1 4	1 0	0 12	0-4	12	Y.P.
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chandy, Esq. (Controller)	Mysore Lamp Works	3-3⅛	10	0 10	Nil	Nil	1 6*	9	Y.P.
10,00,000		11,45,854	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	15⅜	10	1 0	1 0	1 0	1 0	12	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.		10⅜	10	Nil	1 0	1 0	1 0	3	Y.P.
									1 12	2 0	1 8			
44,99,750	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Insulated Cable	20½	10	0 8	0 8	0 12	1 0	3	Y.T.
49,00,000	24,00,000	41,58,536	17,74,953	1,32,611	Parry's Holdings Ltd.	National Tobacco Co.	10	10	0 4	0 8	0 12			
8,25,00,000	11,27,473	1,65,91,220	46,13,194	17,649	T. A. Lykiardopolo, Esq.	Ralli (India) Ltd.	48	2	1 9 3/5	0 10⅜	0 14½	1 2	12	Y.P.T.
1,14,00,000	1,08,11,658	6,70,23,808	2,37,86,415	78 206	Sahu Jain Ltd.	Rohtas Industries	56½	100	8 8	10 0	Nil	0 4½	12	Y.P.T.
40,00,000	94,66,946	1,21,52,814	55,35,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	16½xd	10	Nil	Nil	Nil	Nil	3	Y.P.
75,00,000	35,00,000	12,11,901‖	2,17,120	3,56,616	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16⅜	10	1 0	1 0	0 12	1 0	12	Y.P.T.
9,98,380	1,50,000	12,67,855	2,60,547	59,789	Ogale Bros., Ltd.	Travancore Sugar Glass	12½	10	1 0	1 0	1 0	1 8	6	Y.P.T.
							3⅜	10	0 6½	Nil	Nil	1 0	12	Y.P.

§§ Includes investments at cost. * Includes bonus.

‡Excluding goodwill (written down Rs. 80 lakhs.)

† Excluding goodwill at cost Rs 20 lakhs.

‖ Excluding Rs. 1,40,00,000 which represent shares in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	415 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	24	10	2 8	0 12	0 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd.	416	Ananda Bag	30	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,414	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil	Nil	12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd.	369	Basmatia	36½	10	3 0	2 8	2 0		12	Y.
3,30,600	2,90,000	8,68,553	5,03,533	63,180	Williamson Magor & Co.	567	Bateli	23½	10	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	31½	10	3 8	1 8	Nil		12	Y.
65,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Bahnaiah	37½	10	5 0	0 8	Nil		12	Y.
6,00,000		10,38,918	1,51,948	—36,227	Octavius Steel & Co., Ltd.	493	Bokakhat	9	10	0 8	Nil	Nil		12	Y.
9,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Bormah Jan Tea	15⅜	10	1 8	1 8	Nil		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,765	12,511	Brook Bond India Ltd.	2,602	Brooke Bond	12½	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	14½	10	1 8	Nil	Nil		12	Y.
6,00,000	7,12,000	25,51,795	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Dessai & Parbottia	283	100	30 0	22 8	10 0		12	Y.
₹7,53,440	6,66,828	20,85,548	8,76,346	35,084	James Warren & Co., Ltd.	610	Dhelaikat	16½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd.	613	Dhunseri	15⅜	10	2 0	1 0	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	—41,561	McLeod & Co., Ltd.	458	Dibrugarh	9½	10	1 0	0 8	Nil		12	Y.
2,36,700	3,70,000	8,97,119	2,51,960	25,960	Williamson Magor & Co.	423	Dimakuai	42½	10	4 0	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co.	669	Duffla ghur	42½	10	2 4	4 0	2 0		12	Y.P.
10,00,000	3,65,000	21,47,460	8,22,460	52,581	Williamson Magor & Co.	1,168	East India Tea	22⅜	10	2 0	2 4	0 4		12	Y.
3,60,000	5,00,000	7,90,692	3,67,363	—2,586	Andrew Yule & Co., Ltd.	407	Gillapukri	23½	10	3 0	1 0	Nil		12	Y.
3,38,000	5,48,904	13,37 439	5,54,439	1,03,645	Williamson Magor & Co.	533	Gohpur	38⅜	10	4 0	3 0	1 8		12	Y.
4,94,360	13,22,810	17,77,138	5,02,656	33,724	Octavius Steel & Co., Ltd.	1,393	Grob	23½	A.10	3 0	2 0	1 0)		12	Y.
2,40,790								12½	B.5	1 8	1 0	1 0)			
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	476	Hoograjoll	38	10	1 8	3 0	1 8		12	Y.
4,35,000	8,04,216	18,38,687	8,46,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	308 N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,890	Gillanders Arbuthnot & Co., Ltd.	900	Jutlibari	15⅜	10	1 4	0 8	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,551	3,993	Shaw Wallace & Co., Ltd.	1,166	Kigniley-Golaghat (Assam)	353⅜	100	20 0	4 0	Nil		12	P.T.
6,50,000	1,69,133	6,53,647	1,03,647	571	Duncan Bros. & Co., Ltd.	1,037	Ledo	10⅜	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohoema	6⅜	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,590	7,45,692	3,81,993	2,033	Kettlewell Bullen & Co., Ltd.	433	Mohtola	560N	100	45 0	32 0	0 12		12	Y.
3,65,000		8,80,915	4,99,415	37,518	Andrew Yule & Co., Ltd.	325	Murphulani	31⅜	O.10	3 0	3 0	2 0)		12	Y
2,00,000	2,98,000	5,78,590	3,53,094	256	S. C. Sen, Esq., Supervising Director	540	Naga Hills	37½	P.O.10	3 8	2 8	2 0)			
5,35,000	—	10,14,662	4,06,665	—99,094	Shaw Wallace & Co., Ltd.	810	Namburnadi	19	10	2 4	2 4	Nil		12	Y
5,00,000		5,92,221	1,92,221	—44,129	Duncan Bros. & Co., Ltd.	935	New Cinnamollah	8	10	Nil	Nil	Nil		12	Y
2,00,000	4,77,500	6,98,742	1,97,159	20,602	Andrew Yule & Co., Ltd.	345	Rajgarh	85N	100	Nil	Nil	Nil		12	Y.
6,00,000	2,82,640	17,57,582	6,23,986	—69,162	James Finlay & Co., Ltd.	902	Sapoi	29	10	3 0	1 12	Nil		12	Y.
3,00,000	6,55,500	10,86,022

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
80,00,000	56,50,000	96,85,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	14⅜	10	8+1	1+1	1+1	1+1	3, 9	
12,00,000	18,99,800	45,53,094	32,11,551	4,42,186	Sahu Jain Ltd.	498	Albion	213xd	100	4+10	1+1	2+10	1+1	3, 9	H.T.P.
6,00,000	3,10,000	50,61,656	32,29,357	30,829	McLeod & Co., Ltd.	446	Alexandra	163xd	100	Nil	5	Nil	Nil	3, 11	H.P.
30,00,000	3,60,000	1,17,29,964	89,13,069	55,656	McLeod & Co., Ltd.	1,264	Alliance	164xd	100	Nil	25	Nil	Nil	6, 12	H.P.T.
49,20,700	70,44,144	2,30,35,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	190	100	Nil	10	10+10	10+15	6, 12	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,544	Bird & Co., Ltd.	810	Auckland	116	100	1½+4	6	6+5	5+4	3, 9	H.P.
30,00,000	29,17,170	97,36,936	64,26,882	64,088	Jardine Henderson & Co.	959	Baily	145	100	6+6	6	6+7	7+2	3, 9	H.P.T.
£275,000	£639,470	£1,342,547	£1,044,810	£81,870	Sir John H. Burder (Chairman) ..	1,889	Barnagore	140½	£5	£1	£1	Nil	4+Nil	3, 9	H.P.
28,00,000	35,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd.	1,955	Belvedere	195½	100	7+10	12½+15	7½+7½	£1 7½+5	3, 9	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	141xd	10	1½	2½	3	7½+7½	6, 12	H.P.T.
30,42,000	2,64,16,367	3,04,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	14⅛	10	2½	3	3	4	6	Y.P.T.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	142	100	3+10	10+12	6½+6½	3	3	Y.P.
7,47,180	4,29,739	49,77,150	36,73,499	95,461	Dayaram & Sons	502	Calcutta Jute Mfg.	141N	10	Nil	1	0+1	6+4	4, 10	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	163	100	4+10	10+12	6+6	6+6	6, 12	H.P.T.
59,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	157	100	3+5	9+7	7+8	5+6	5, 11	H.T.
15 95,000	28,39,282	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Cheviot	210	100	6+10	10+12	6+6	3+3	3, 9	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chitavalsah	111	10	8+8	13+14	2½+1½	6+6	5, 11	H.
18,00,000	11,00,000	78,94,949	44,24,440	18,847	Shree Durga Investment Co., Ltd.	969	Clive	23½	10	1½	3½	2	1½+1½	6, 12	H.T.P.
81,49,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	68	10	1+3	8+6	6+1	1+2	3	Y.P.
28,80,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	235	100	5+12½	15+17½	10+10	1+3	3, 9	H.P.
15,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	22½	10	1+1	1+1	1+1	10+10	5, 11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	3,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	403	100	21+20	12½+12½	10+Nil	1+1	6, 12	H.T.P.
14,00,000	1,00,000	74,05,434	45,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	Nil 4	1	Nil	Nil	3, 9	H.P.T.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67½	100	Nil 38	2½+2½	Nil	Nil+5	3, 9	H.P.T.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	507	Gondalpara	710xd	100	45	50	30	Nil+Nil	3, 9	H.T.P.
24,00,000	25,25,242	2,19,22,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,594	Gouripore	274	100	21+15	10+10	12 Nil	1+3	12	Y.
40,00,000	46,39,431	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	100N	100	10	7	10	Nil+1	3, 9	H.P.
14,10,000	15,20,698	64,92,988	44,31,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	41½	10	3	3½	2	1+Nil	3	Y.P.
45,62,500	51,83,570	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	24⅜	10	1+1	8+6	6+1	1+2	2, 8	H.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	24	7½	3½	3	3	1+1	3, 9	Y.P.
O. 30,000	19,45,065	1,11,61,187	72,03,206	85,266	Mackinnon Mackenzie & Co. ..	1,076	India	129	O. 125	3½+9½	3½+1½	3½+3½	3½+	3, 9	Y.P.T.
D. 30,000									D. 1	A. 7.8.7.8.					
84,00,000	24,95,613	1,36,83,508	1,17,96,300	88,224	Jardine Henderson Ltd.	1,797	Kamarhatty	175	100	8+8	10+12½	8+8	6½	6, 12	H.
'B 19,20,000								171	'B' 100	8½+8½	10+12½	8+8	6½		
30,00,000								131½	100	Nil	5+7½	6+6	6½		
'B' 24,00,000	16,90,371	1,31,02,619	94,60,902	1,23,248	Jardine Henderson Ltd.	1,527	Kankinarrah	133	'B' 100	5+7½	5+7½	6+6	5½	6, 12	H.P.
21,00,000	47,75,000	98,38,395	72,55,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	246xd	100	10+10	12½+12½	7½+7½	7½+7½	6, 12	H.P.
54,00,000	22,83,375	1,61,13,039	1,09,52,499	3,07,185	Anderson Wright Ltd.	1,530	Khardah	200	100	Nil 15	10+6	10+15	10+15	6, 12	H.P.
48,00,000	98,02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,196	Kinnison	196	100	11+10	10+8	10+7	10+7	6, 12	H.P.
24,48,000	50,32,314	1,38,71,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	131	100	2+10	10+8	10+7	4+5	3, 9	H.P.T.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	147	Lawrence	108	100	5+9	12½+11	7+7	2+5	3, 9	H.P.
10,00,000	27,51,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd.	558	Lothian	310	100	5+5	12½+11	11+7	5+5	3, 9	H.P.
81,45,200	25,35,448	1,93,98,406	1,16,00,448	2a,020	Mackinnon Mackenzie & Co. ..	1,008	Magma	98	100	2½+6½	2½+7½	13+15	13+15	5, 11	H.P.
29,98,900	41,07,583	1,57,03,661	92,02,957	—4,87,375	F. W. Heilgers & Co.	815	Naihati	100 N	100	Nil 3	10+8	6 Nil	2½+2½	6, 12	H.P.
20,00,000	15,80,000	27,31,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12½	10	1+1	1+1	1+1	Nil	3, 9	H.
35 00 000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	25⅜	10	1+1	1+1	1+1	Nil	4, 10	H.
26,25,000	22,75,000	26,59,673	18,08,019	1,21,202	McLeod & Co., Ltd.	316	Nellimarla Jute	111xd	10	1½+1	2½+3	2+1	1+1	4, 10	H.T.
10,50,000	49,78,375	48,94,020	24,51,324	76,232	Sahu Jain Ltd.	709	New Central	313xd	100	4½+10	15+15	2+1	1+1	4, 10	H.P.
14,79,880	48,96,093	1,22,95,304	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	19½	10	2½	3	10+12	12	6, 12	H.P.T.
66,79,200	33,26,497	2,13,29,378	1,36,90,475	66,345	Macneill & Barry Ltd.	1,092	Nuddea	44½	50	Nil 11	14+14	1 Nil	1+1	3, 9	H.P.
24,91,200	20,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	169	100	4+10	10+12	6+6	Nil+4	6, 12	H.P.T.
25,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	490	Presidency	6½	5	Nil	Nil	1+6	6+6	5, 11	H.
30,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	305	Rameshwara	5	10	Nil	Nil	Nil	Nil	6, 12	H.P.
49,50,000	1,50,000	1,23,47,175	36,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	13½	10	Nil	Nil	Nil	Nil	6, 12	H.T.
£600,000	£1,102,661‡	£1,203,880		£82,440	Thomas Duff & Co. (India), Ltd..	2,013	Samnuggur	13⅜	10	10½	10½	10½	Nil	3, 9	H.
30,00,000	13,07,220	97,26,210	59,19,652	6,05,669	Begaria More & Co., Ltd.	911	Shree Ambica	15⅜	10	Nil	10½	10½	10½	3, 9	H.P.T.
14,00,000	7,74,512	48,14,456	35,67,745	3,54,954	Hindustan Investment Corporation.	401	Soorah	124xd N	10	½	Nil	Nil	Nil	3, 9	Y.P.
25,19,600	48,76,263	1,00,80,263	54,31,637	14,202	Bird & Co., Ltd.	650	Standard	122	100	1+6	9+8	8+8	8+1	6, 12	H.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	11½	£1	10½	10½	8+1	1+1	3, 9	Y.P.T.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	172½	100	+7	12½+11	10+1	1+1	3, 9	H.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd..	1,331	Victoria	12½	£1	10½	10½	10½	1+1	12	Y.P.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	6½xd	1	Nil 1/40	1/40 Nil	10½ Nil	10½ Nil+½	12 6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1950 Rs.	1951 Rs.	1952 Rs.	1953 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23⅜	10	1+1	1+1	1+1	1+1	3, 9	
12,00,000	6,45,617	38,12,795	34,52,055	50,561	Jardine Henderson Ltd.	Barrane Coke	18	10	1+1	1+1	1+1	1+1	6, 12	H.
4,49,350	70,000	8,49,159	5 34,203	3,555	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	7N	10	1+1	1+1	1+1	1+1	6, 12	H.
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd.	Bengal Coal	484	200	17+17½	17+17½	20+20	7/10+7/10	3, 9	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,103	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	1½+1	2+1	2+1	1+1	6, 12	H.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4⅜	10	Nil	1+1	1+1	1+1	6, 12	H.
40,01,000	14 81,910	1,26,82,104	61,11,774	6 280	Sahu Jain Ltd.	Bharat Collieries	8⅜	10	1+1	1+1	1+1	Nil	6, 12	H.P.
7,15,000	14,30,111	31,52,038	36,11,169	—1,36,897	F. W. Heilgers & Co., Ltd. ..	Bhulnbarane	14	10	Nil	1+1	Nil	Nil	6, 12	H.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	9	10	Nil	Nil	Nil	Nil	6, 12	H.
7,50,000	21,01,000	43 87,978	25 07,761	1,04,202	F. W. Heilgers & Co., Ltd. ..	Borera	31½xd	10	1½+1½	1½+1½	Nil	Nil	6, 12	Y.T.P.
93,92,480	1,70,58,398	4,07,13,995	1,64 07,683	83,552	Bird & Co., Ltd.	Burrakur	9⅛	10	1½+1½	1½+1½	Nil	Nil	6, 12	H.
49 97,000	750	36,32,368	57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	6⅜	10	Nil	Nil	Nil	Nil	6, 12	H.T.
8,00,000	13,30,330	48,70,176	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	14½N	10	1+1	1+1	Nil	Nil	6, 12	H.P.
6,00,000	142,075	7,25,000‡		4,368	F. W. Heilgers & Co., Ltd. ..	Churia	2⅜xd	10	1+1	Nil	Nil	Nil	6, 12	H.P.T.
16,00,000	1,20,000	48,13,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	8⅛	10	1+1	Nil	Nil	Nil	3	Y.
£240,000	£332,101	£224,840	£29,002	£90,734	Jardine Henderson Ltd.	East Indian	2⅜	£1	1+1	1+1	1+1	1+1	6, 12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	34	10	2½+2½	3	3	Nil	6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,963	66,365	Bhattee's Agency Ltd.	Ghusick and Mauria	15N	10	2	2½+2½	3 (D. 1)	2½	6, 12	H.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	45	10	2	2+1½	2+1½	1⅞	4	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	15⅜	10	3	3	4	4	6, 12	H.P.
22,00,000	1,08,577	31,70,013	10,36,245	—1,95,248	Bapalal Trust Ltd.	Jogta Coal	1⅜	10	½	½	½	½	3	Y.
3,50,000	5,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	27N	10	1½+1½	1½+1½	1½+1½	1½+1½	6	H.
10,00,000		23,62,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	79	100	Nil	Nil	1½+1½	1½+1½	6, 12	H.
5,00,000	12,00,000	42,94,951	33,08,831	77,361	Andrew Yule & Co., Ltd.	Katras Jherriah	46½	10	1½+1½	1½+1½	1½+1½	1½+1	12, 3	Y.P.
1,38,400	95,000	10 63,519	3,25,519	1,063	Beriwala & Co.	Khas Kajora	5N	10	1½+1½	1½+1½	Nil	Nil	2, 8	H.
11,00,240	50,00,000	1,87,23,735	1,01,51,164	3,411	H. V. Low & Co., Ltd.	Kuardi	68N	10	3½	3	2+2	2+2	3	Y.P.
9,00,000	11,50,000	28,41,242	22,43,025	13,549	H. V. Low & Co., Ltd.	Lakha	11N	10	1	1	1	1	1, 7	H.
7,48,240	1,50,000	11,24,142	8,84,138	30,398	Associated Commercial Co., Ltd.	Nazira	6⅜	10	1	1	1	1	4, 12	H.P.
17,76,240	17,03,824	1,13,20,521	82,27,177	1,12,547	Andrew Yule & Co., Ltd.	New Beerbhoom	17⅛	10	1½+1½	1½+1½	1½+1½	1½+1½	4	Y.
6,00,000	1,60,000	32,13,833	19,29,968	9,405	Oesavius Steel & Co., Ltd. ..	New Mashbhoom	3	10	3/10x3/10	Nil	Nil	1	4	Y.
1,15,000]	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd. ..	North West	11½ N	10	1+1	Nil	1+1	1+1	6, 12	H.
1,57,500]							7½ N	10	1+1	1+1	1+1	Nil	6, 10	H.P.
7,50,000	11,26,866	3,97 666	2,77,666	1,03,412	F. W. Heilgers & Co., Ltd. ..	Ondal	18½xd N	10	1+1	1+1	1+1	Nil	3, 9	M.
10,00,000	1,10,000	35,60,122	16,28,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	1+1	1+1	1+1	1+Nil	3, 9	
8,34,000	81,596	17,23,582	6,27,675	15,789	Deepchand Kabenlall	Pandaveswar	7	10	Nil	Nil	Nil	1+1	6, 12	H.
15 75,000	11,25,000	42,01,653	29,16,653	22 892	Shaw Wallace & Co., Ltd. ..	Peach Valley	25⅛	10	1+1	Nil	Nil	Nil	6, 12	H.P.
23,99,500	16,17,105	1,12,84,110	78,87,633	27,432	B. N. Elias & Co., Ltd.	Ranegunge	11⅜	10	Nil	1+1	1+1	1+1	6, 12	Y.T.
12,50,000	7,88,385	30,74,660	25 05,660	27,848	Shaw Wallace & Co., Ltd. ..	Rewa	24½xd	10	Nil	1+1	Nil	1+1	6, 12	H.P.
20,00,000	3,95 008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	7	10	1+1	1+1	Nil	1+1	2, 8	H.
1,25,000	1,75,000	11,89,393	9,78,999	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8N	10	1+1	1+1	1+1	0	3, 9	H.
2,80,000	6,81,597	28,76,823	16,10,969	21,956	Andrew Yule & Co., Ltd.	Seebpore	24xd	10	1+1	1+1	1+1	1+1	6, 12	H.
8,00,000	8,74,858	36,99,010	26,36,686	—2,06,478	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	2½+2	2+2	2+1	Nil	6, 12	H.
63,21,450	13,23,954	3,24,72,792	2,24,39,954	65,560	Industrial Trust Fund (Government of Hyderabad)			10	4+4	4+4	Nil	Nil	6, 12	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni	6⅜	10	2+2	2+2	Nil	Nil	6, 12	H.P.
8,00,000	14,19,545	1,69,570	72,510	84,161	F. W. Heilgers & Co., Ltd. ..	South Karanpura	9⅜	10	1+1	1+1	1+1	1+1	6, 12	H.T.
10,00,000	12,950	30,13,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	21⅛	10	2⅜	3⅜	3⅜	1+1	12	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., ..	Union	22	10	1½+1½	1+1	1+1	1+1	2, 8	H.
69,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	6⅜	10	1½+1½	1½+1½	1st	9	6, 12	H.
7,00,000	6,65,000	44,81,176*	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	17⅜	10	2+2	2+2	Nil	Nil	9 6, 12	Y. H.

* Including bonus. ‡ Sales and amount written off. (k) Investments. † For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1060 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 1015)

that profit-sharing will solve all industrial problems, much less the problem of industrial relations. And it is also well to remember that profits must first be made before they can be shared. Paradoxically enough, the group of people who advocate profit-sharing is also the loudest of seldom realise that profits can only come of these people, all profit is suspect. They and that, in fact, they are the result of all those virtues which go to make trade or industry a commercial success. After all, enterprise must have its reward. And, the reward for enterprise, as Sir Ernest Lever, chief of a leading steel company in the U.K., is reported to have said, "ought to be greater than the reward of dependence." He deplored that management should be regarded as a "fair game for criticism, even when it is trying to justify its name and give humanity of human relations—this did not mean ready agreement with all the claims of workers or the spending of large sums of money upon welfare—Sir Ernest said that real management meant "demanding of themselves as well as demanding of others, a standard of fairness and demanding it also of those who work for them."

Notices

THE NEW GREAT EASTERN SPG. & WVG. CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The New Great Eastern Spinning and Weaving Company, Limited, will be held at the Registered Office of the Company at Royal Insurance Buildings, 12/14, Veer Nariman Road, Fort, Bombay, on Monday the 28th day of June, 1954, at 2-45 p.m., when the following Resolution will be proposed as a Special Resolution:

"RESOLVED that Clause III of the Memorandum of Association of the Company be altered by lettering the present sub-clause as sub-clause (*a*) and by inserting the following new sub-clause as sub-clause (*b*):

"'(b) To promote or join in the promotion of, or become a member of and to subscribe to the funds of any company, society or association the objects of which are such that the promotion or membership of such company, society or association appears to be likely directly or indirectly to benefit the Company and in particular but without prejudice to the foregoing generality to promote or join in the promotion of or become a member of or subscribe to the funds of any company, society or association which has for its objects or part of its objects the work of carrying out research into any of the business or parts of the business which the Company is authorised to carry on or research into any of the machinery or methods used in connection therewith; to promote or join in the promotion of or become a member of and to subscribe to the funds of any trade or commercial association, whether incorporated or not, consisting of members whose objects or interests are similar to those of the Company.'"

By Order of the Board,
W. H. BRADY & Co., LTD.,
W. JENKINS,
Director,
Secretaries and Agents.

BOMBAY, 29TH *May*, 1954.

To the Shareholders of The New Great Eastern Spinning and Weaving Company, Ltd., and in particular to:—

A. M. A. Karimjee, Esq., Mrs. Allu Faredoon Dastur, Cyril M. Carvey, Esq., Domingos Roque De Souza, Esq., T. M. Fernandes, Esq., Mrs. Meherbanoo P. Dubash, Antonio Augusto de Rego, Esq., Dr. John H. E. Sequeira, Dr. Francis C. "G." Sequeira, Valkunthlal M. Clerk, Esq., Miss Dina B. Sethna, Miss Freny B. Sethna, Mrs. Bessie Julia Peek, H. G. H. Everitt, Esq., Lloyd Knibb, Esq., G. P. Cooke, Esq., Dr. Fernando Rodrigues.

THE NEW CITY OF BOMBAY MANUFACTURING CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of The New City of Bombay Manufacturing Company, Limited, will be held at the Registered Office of the Company at Royal Insurance Buildings, 12/14, Veer Nariman Road, Fort, Bombay, on Monday the 28th day of June, 1954, at 2-30 p.m., when the following Resolution will be proposed as a Special Resolution:

"RESOLVED that the Memorandum of Association be altered by relettering sub-clauses (*n*) and (*o*) of Clause 3 of the Company's Memorandum as (*o*) and (*p*) and by inserting in Clause 3 immediately after sub-clause (*m*), a new sub-clause (*n*) as follows:

"'(*n*) To promote or join in the promotion of, or become a member of and to subscribe to the funds of any company, society or association the objects of which are such that the promotion or membership of such company, society or association appears to be likely directly or indirectly to benefit the Company and in particular but without prejudice to the foregoing generality to promote or join in the promotion of or become a member of or subscribe to the funds of any company, society or association which has for its objects or part of its objects the work of carrying out research into any of the business or parts of the business which the Company is authorised to carry on or research into any of the machinery or methods used in connection therewith; to promote or join in the promotion of or become a member of and to subscribe to the funds of any trade or commercial association, whether incorporated or not, consisting of members whose objects or interests are similar to those of the Company.'"

By Order of the Board,
W. H. BRADY & Co., LTD.,
W. JENKINS,
Director,
Managing Agents.

BOMBAY, 29TH *May*, 1954.

To the Shareholders of The New City of Bombay Manufacturing Company, Ltd., and in particular to:—

Mrs. Amy Blanche Connell, Mrs. Beatrice De Coninck, H. G. H. Everitt,

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	376	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				188	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	112½	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,000				61½	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	107½	50	6 0½	6 0½	6 0	6 0½	12	Y.
40,40,000	17,00,000	11,795	Bank of Bikaner	122½	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	147	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0	3 0	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,904	Bank of Mysore	297	100	16 0	16 0	16 0	16 0	12	Y.
39,99,150	51,13,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.Y.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	548	25	3 8	3 8	3 8	3 0	12	R.L.Y.
92,42,905				50	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	52	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,00,000	15,160	Hindustan Commercial Bank	84	50	—	—	—	—	12	Y.
80,00,000	1,30,000	1,412	Hindustan Mercantile Bank	16½	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank ..	105N	100	6 0½	6 0½	5 0	5 0	9	Y.
3,75,00,000				1,787½	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000	6,35,00,000	33,25,047	Imperial Bank of India ..	437½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				177½	100	12 0½	12 0½	12 0½	12 0½		
17,00,000	76,50,000	1,23,088	Indian Bank	143½	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				101	60	7 3½	7 3½	7 3½	7 3½		
49,04,925	22,50,000	2,25,271	Indian Overseas Bank ..	92	100	5 6	6 0	6 0	6 0	.12	R.L.H.
6,25,000				60	100(A)	9 0	7 8	6 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank ..	16	25(B)	2 4	1 4	1 8		6.12	H.
10,00,000				30	50(C)	3 0	3 0	3 0	1 8(i)		
87,50,000	90 00,000	3,10 289	Punjab National Bank ..	241xd	25	1 0	1 0	1 8	2 0	12	Y.
1,00 00,000	13,75,000	92,592	Travancore Bank	12	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India ..	6-6½	5	0 5	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank ..	44½	50	2 0	2 0	2 0	2 0	12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£8 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-3-10½	£8	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7†	9†	7†	3†	12	R.L.Y.
H.K. $20 000 000	H.K. $96,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	£99½	H.K. $125	5*	5*	5*	5*	12	Y.
£14 372,956	£16,500,000	£555 780	Lloyds Bank	£3-3-0	£1	12†	12†	12†	14†	12	R.L.Y.
£1,437,296				£1-7-0		5*	5*	5†	5*		
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank o India ..	£28	A £125	12†	12†	14†	14†	12	R.L.Y.
£375,000 'B'				£28	B £125	12	12†	14†	14†		
£300,000 'C'				£11½	C £5	12†	12†	14†	14†		
£2,281,250	£3,675 000	£323.703	National Bank of India ..	£27-10½	£124	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax (P) Pakistan Currency ††O.S. Currency (I) Interim. *4 per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £		Principal Repayable	
BREWERIES AND SUGAR							
19 40,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June ..	1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	96	28th February	1960(f
9,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd	1938	99½	30th December	1958
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December	1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New) ..	1944	90	1st November	1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	105	1st April ..	1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. ..	1942	85	30th April	1964
4,00,000	4½	19th May and 10th November	Bengal-Nagpur	1897	98½	15th November	1956(e)
1,10,0,000	5	1st April and 1st October	Buckingham and Carnatic ..	1952	99½	1st January	1957-72
13,68,000	5½	Jan/June	Jaykhree Textiles	1949	78N	1st January	1956-59
60,00,000	5	1st June	Tata Mills		101	.. ..	1960-73
ELECTRICS							
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd	1938	96	31st March	1963
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd		101½	14th June ..	1968
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1948	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Bengal Electric Light and Power Co., Ltd.	1949	94	31st December	1964
8,55,97,200	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January	1970
85,00,000	4	30th June and 31st December	Gouripore Electric Supply Co., Ltd.	1945	86	31st December	1970
15,00,000	5	1st January and 1st July ..	Rihand (Dhirauli) Electric Supply Co., Ltd.	1951	96	30th June ..	1976
7,56,200	5½	1st January and 1st July ..	South Madras Electric Supply	1940	96½		1957-61
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	94	1st October	1954
1,00,000	5	1st January and 1st July ..	South Madras Electric Supply		94½		1953-63
6,63,800	4½	1st April and 1st October ..	South Madras Electric Supply		94	1st July ..	1957-67
47,72,000	4	1st April and 1st October ..	Tata Power	1948	100½	15th September	1951-256C
2,50,000	4	1st April and 1st October ..	Tata Power		93	15th September	1965-70
ENGINEERING							
5,00,000	3½	30th June and 31st December	Britannia Engineering	1945	98½	31st December	1954
4,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June ..	1958
40,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July ..	1957-62
41 146 600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage).	1936	96	31st December	1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	88	31st May ..	1971
4,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	101½	1st October	1960-65
40 00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99	31st December	1960
JUTE							
48 00,000	4½	1st October and 1st April ..	Agarpara	1939	100	31st March	1954
6,00,000	4½	30th June and 31st December	Alexandra	1939	99	30th June ..	1954(h)
13,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	99	30th June ..	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½	30th June ..	1960
9,00,000	5	31st January and 31st July	Calcutta	1949	91	31st July ..	1959(e)
10,49,000	5	30th June and 31st December	Chitavalsah Jute Mills ..	1951	97	30th June ..	1966
8,88,000	5	30th June and 31st December	Empire	1951	95	30th June ..	1966
25,00,000	5½	1st January and 1st July ..	Hukumchand	1947	92½	30th June ..	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1947	98	31st December	1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March	1967
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	98½N	31st March	1954
3,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May ..	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945	88	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June ..	1958
23,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1963
6,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September	1957
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June ..	1957(f)
10,00,000	3½	31st January and 31st July	Waverley	1923	85	31st July ..	1960(e)
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway ..	1936	86	1st July ..	1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1908	£60§N	A 105% at any time on 6 months' notice or at par or every seventh year.	
£201,067	5	1st April and 1st October ..	Katakhal-Lalabazar Railway ..	1933	£71§N	1st October	1974
6,50,000	3½	30th June and 31st December		1945	90§	31st December	1959
£200.000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85§N		
60,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96§	1st September	1963
PLANTING							
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102	1st July ..	1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April ..	1954-56
4,61,000	5½	30th June	Ouchterlony		104	30th June ..	1954-59
9,00,000	5	31st March & 30th September	Periakaramala		100—11½	31st March ..	1953-63
1,89,700	5½	31st March & 30th September	Tenkey		100	31st March	1949-59
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd. ..	1946	101	30th September	1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	98	31st December	1965
86,80,000	4½	1st April and 1st October ..	Associated Hotels of India	1948	86	31st December	1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	96½	30th June ..	1957(1)
81,00,000	5½	1st February and 1st August	Chowringhee Properties ..	1915	92	1st February	1964
21,00,000	4½	1st July and 1st January ..	Clive Buildings	1938	87	1st July	1986
21,55,800	4½	15th March and 15th September	Dalhousie Properties	1948	87	15th September	1960
20,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	82	1st January	1960
1,90 00,000	5	1st January and 1st July ..	Dunlop Rubber	1950	102½		1971
1,90,00,000	5	15th March and 15th September	Mettur Chemical Industries ..	1949	98	30th September	1964
80,00,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) ..	1946	470		1978
59,57,000						(per note)	
	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	525	31st December	1972
45,00,000					(per note)		
		1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April ..	1971
75 00,000	5	31st March	Orient Paper Mills Ltd.	1951	98	31st March	1961
1 00 00,000	5½	30th June and 31st December	Rohtas Industries Ltd.	1948	90	31st December	1959
1 80 00,000	4	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	104½	1st May ..	1968
4,00,00,000	5½						

Note—See page 1058 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th May, 1954.

	Closing Quotations 20-5-'54	High	Low	Closing Quotations 27-5-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	145½	149	145½	146§
Bank of Baroda (50)	108	108½	107½	108½
Central (25)	55½	55½	54½	54½
Central 'A' (25)	60	60½	59	60
Imperial (F.Pd.) (500)	1,782½	1,787½	1,782½	1,785
Imperial (F.Pd.) (125)	438½	438½	437½	437½
Union Bank (5)	6§	6-7§	6§	6-7§
United Com. (50)	43½	45	43§	44§
TEXTILES				
Ahm. Adv. (100)	144§	—	—	—
Apollo (2)	2§	—	—	—
Bombay Dyeing (250)	422½	428½	2-12§	144§
Central India (100)	174	175§	415	2-12§
Century Mills (100)	326½	331½	172½	415
Calabs (100)	59	59	322§	172§
Edward Textile (200)	245	—	58§	322§
Elphinstone (50)	44	—	—	59
Finlay (100)	242	246	43§	238§
Gekalc (100)	250	251	240	44
Ind. Unrd. Defd. (1)	1-6§	1§	249	240§
Ind. Unrd. Ord. (10)	11§	11-3½	1-6§	250
Indera Malwa (100)	107½	110§	11	1-7§
Khatau (100)	120	121½	107½	11¼
Kohinoor (100)	308½	313§	118§	108§
Lakshmi (250)	580	—	—	118§
Madhusudhan (100)	82	—	—	305§
R. R. Cotton Mills (100)	211½	—	—	580
Minerva Mills (100)	59§	—	—	82
Model Nagpur (250)	110	—	—	59§
Morarji (100)	141½	—	—	110
Mysore (50)	211½	213½	211½	143§
National Rayons (100)	144	—	—	211½
New City (100)	156§	161	136§	114§
New Great (100)	165§	—	—	165§
New Union (10)	169½	171	167	167
Phænix (100)	26	—	—	26
Podar Mills (100)	127½	127½	122½	122§
Sassoon Silk (10)	150	151§	140	140xd
Sassoon Spg. (10)	17§	—	—	171
Shahpur (1,000)	30	—	—	30
Shrinivas (100)	2,225	—	—	2,225
Simplex (50)	207§	208§	206½	206§
Standard (100)	155§	158	154§	155
Bradeshi (100)	312½	316½	312½	312§
Swan (100)	275§	278	273§	274§
Tata Mfg. (25)	325	—	—	320
Vishnu (100)	47§	47§	47	47§
Western India (1,000)	142§	—	—	142§
	3,810	—	—	3,810
ELECTRIC COS.				
Ahmedabad (100)	112½	113½	111½	111½
Amalgamated (10)	10§	—	—	10§
Andhra Valley (1,000)	1,350	1,345	1,320	1,322xd
Bom. Sub-Ut. (100)	121½	122½	121½	121½
Surat (100)	121§	—	—	130
Tata Hydro (100)	141	144	139	140xd
Tata Power (3,000)	1,433§	1,440	1,405	1,405xd
INSURANCE COS.				
British India (10)	13§	—	—	—
Empire of India (100)	655	—	—	13§
Ind. Mercantile (20	40§	—	—	655
Jupiter (15)	7§	—	—	40§
New India (15)	44§	—	—	7§
Oriental (200)	7,690	45§	44§	45§
Universa (10)	9§	—	—	7,690
Vulcan (10)	12§	—	—	9§
				12§
STEAMER COS.				
Scindia (15)	17§	18	17-9§	17-9§
STEEL COS.				
Ind. Iron (10)	29-11§	30-15§	29-13§	30-2§
Tata Steel Ord. (75)	193§	197§	194	194
MISCELLANEOUS				
Alcock Ashdown (100)	312§	331½	316§	322§
Associated Cm. (100)	154§	158	155	157
Belapur Sugar (5)	269	270§	268½	269
Bom. Burmah (125)	393½	405	393½	396§
Do. (New) (50)	133§	137§	132½	136½
Br. B. Petrol (4 sh.)	3-9§	3-13§	3-9§	3
Br. I. Corpn. (5)	8§	8-4§	8§	8§
Indian Copper (2 sh.)	2-15§	3-0§	2-15§	2-15§
Ind. Inv. Tr. (100)	75	—	—	75
Kesoram (200)	271½	—	—	271§
Killicks (100)	183	185	183	183
Killicks (75)	142§	142§	142§	155
Phelton Sugar (50)	102	155	100	100§
Port Canning (100)	22§	103§	22§	22§
Premier Co. (30)	228§xd	23§	128§	129
Shivrenjee (10)	64§	64§	64	64§
Tata Chemicals (10	40§	43§	14§	14§
Tata Oil (100)	175§	41§	40	40§
Walchand Ind. (100	194§	—	—	175§
W. I. Match (100)		200	195	200

GOVERNMENT SECURITIES	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½% 1954	—	3 40	99§
2½% 1955	—	3 63	99§
2½% 1961	—	3 95	91
2½% 1962	—	3 95	91
2½% 1963-65	—	3 86	94§
3 % 1957	—	3 87	92
3 % 1958	—	3 93	82§
3 % 1959-61	—	3 85	98
3 % 1964	—	3 53	97§
3 % 1963-65	3.84	3 62	96§
3 % 1966-68	3.96	3 88	92§
3 % 1970-75	4.03	3 81	92§
3½% 1986 Con. Loan	4.18	3 91	90
3½% 1954-59*	—	3 97	86§
4 % 1960-70	3.34	3 67**	81§
4½% 1958-68	3.71	3 48	100
4½% 1958-68*	3.57	3 57	101
3½ % 1961 N.P. Bonds	3.25	4.20	101
3½% 1964 N.P. Loan	3.56	4.17	103§
	—	3 70	98§
	—	3.65	98-11§

BRITISH GOVERNMENT SECURITIES	20-5-'54 £	High £	Low £	25-5-'54 £
2½% Brit. Consols	67§	67§	66§	66§
3 % Savings Bonds 1965-75	91§	91§	91§	91§
3½% War Loan 1952	87§	87§	87	87
3½% Brt. Iron and Steel 1976-78	96§	96§	96§	96§
4 % Funding Loan 1960-90	101§	102§	101§	102

** Current Income. x.d.=Ex-dividend. * Rupee Counterparts.

SECRETARIAT LIBRARY MADRAS 1-JUN-1954 GOVERNMENT

COMMERCE

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

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FINANCE FOR THE PRIVATE SECTOR

FEW committees have discharged the task entrusted to them so expeditiously and thoroughly as the Committee on Finance for the Private Sector, popularly known as the Shroff Committee. The appointment of the Committee was announced by the Reserve Bank of India early in October last and the Committee commenced its work at the end of that month. After undertaking a country-wide tour and taking evidence *from many important* associations and individuals, the Committee formed its conclusions and completed its report within a short period of *six months.* To be precise, the report was signed and submitted to the Reserve Bank on 23rd April, 1954. And, in a month's time the entire report (*of* 165 pages, closely printed in small type) has been printed and released to the public. All this is quick work. Indeed, this is a remarkable achievement, because the members of the Committee are all active business men, with plenty of work already on their hands, and the issues referred to their consideration were by no means simple. Their conclusions and findings give no indication of hasty work. On the contrary, they bear the stamp of careful consideration and deep study.

A refreshing feature of their recommendations is the absence of fanciful ideas; apparently, the Committee has been realistic enough not to be carried away by the impracticable suggestions advocated by some of those who tendered evidence before it. And for this very reason, there will be quite a few critics of its work. This is not to say that the Committee has been very conservative in its attitude. Far from being so, the Committee has displayed a progressive spirit and put forward proposals which conservative bankers will hesitate to endorse. In fine, the Committee has followed the principle of the golden mean in making suggestions that will enable the commercial banks to increase their utility to the society, which is determined to have a welfare State, and to operate in a manner which will leave little doubt about their activities being socially purposive.

The terms of reference to the Committee contained three distinct tasks. These were:

(i) to examine why investment in the private sector has not reached the level envisaged in the first Five-year Plan and, in this connection, to consider the factors, other than taxation, which influence investment in this sector;

(ii) to examine how increased finance could be made available to the private sector through sources other than those which are under the consideration of the Taxation Enquiry Commission; and

(iii) in particular, to examine the possibility of providing on a larger scale bank finance for development in the private sector.

The first impression that we get after a rapid study of the report is that the Committee has fulfilled these tasks well and that the Reserve Bank, which was responsible for its appointment, can have the satisfaction of having got done some good work for the economic advancement of the country.

The Committee's study of the impediments in the way of development in the sectors marked for private enterprise confirms the conviction of this journal that the greatest inhibiting factor is the lack of appropriate economic and political climate rather than non-availability of finance. The Committee has done well to emphasise that, so long as private enterprise is looked upon with suspicion and distrust by the Government—it will be more appropriate to say by the ruling party—*mere* multiplication or strengthening of agencies supplying finance will not add much to industrial development. After examining the causes for the slow progress in the private sector, the Committee finds that, in the present-day conditions in India, there are two forces tending to depress investment. One is the deprecatory attitude in society towards the profit-motive. The other is the contraction in savings available to the private sector. The Committee has been realistic enough to admit that, in India as elsewhere in the world, there has been a fundamental change in the conceptions of the functions of the modern State and social justice. It recognises that some of the difficulties and uncertainties facing private enterprise are, perhaps, inevitable in a period of transition to a planned economy and may disappear as organisational problems are gradually overcome and greater experience of planning is gained. Nevertheless, it feels that "the process of adjustment in attitudes and policies should and can be quickened," in order to enable private enterprise to regain its confidence and make its maximum contribution to the social good. At the same time, the Committee has hastened to add that, in recent years, the behaviour *of private enterprise* left much to be desired and that the organisations representing it must take vigorous measures to root out the many unhealthy and unethical practices that still prevail in the business sector and to raise the standards of business management and morality. This is doubtless a balanced assessment of the situation as it exists today.

The Committee has made several pertinent suggestions for improving the economic climate in a manner that will be conducive to private investment on an expanding scale. No reference has been made to the issue of taxation, as it is being considered by the Taxation Enquiry Commission. As these suggestions are summarised on page 1111 of this issue, it is unnecessary to state them here. Suffice it to add that we fully support the Committee's suggestions; in fact, they are in consonance with what we have ourselves urged in the past. Many may wonder whether, in the light of the Government's repeated statements on nationalisation, the Committee is right in demanding further clarification and assurances. But such a demand is not altogether unwarranted, because, in the first place, it refers only to large investments involving considerable risk and time lag in getting returns and, secondly, even the party-in-power still seems to be in two minds on this issue. It was only *the other day* that the Chairman of the Estimates Committee and Deputy Speaker of the Lok Sabha, Mr. A. Ananthasayanam Ayyangar, demanded the nationalisation of the Imperial Bank of India, even though there was no provocation for it.

Next to climate comes the availability of savings. It is common knowledge that, in India, there is a genuine shortage of savings. There are, therefore, serious limitations to what can be achieved through financial arrangements, that is, steps taken to mobilise and direct the available savings into desired channels. Even this bristles with difficulties, as, in recent years, there has been a diffusion of savings over a wide area occasioned by changes in the pattern of income distribution. These basic limitations have to be borne in mind while judging the work of the Committee.

There is, however, some room for increasing the volume of credit that can be made available to the private sector by a suitable adjustment of the financial policies and central banking practices. The Planning Commission has envisaged an expansion of Rs. 158 crores in the advances of commercial banks and other sources of short-term finance available to the private sector. If this is to materialise, there must be a very substantial expansion of at least Rs. 230 crores in the deposits of banks. But, during the past three years, there has scarcely been any increase in their deposits. In order, therefore, that the banking system may play its role in financing development, it is of paramount importance that its resources should be substantially increased. It is in this direction that the Committee has done valuable work. It has made a number of recommendations which, if implemented, will enable the commercial banks to render a little more assistance to business men. These recommendations fall under two groups, one seeking to raise the resources of banks and the other to increase the capacity of banks to create credit with the assistance of the central banking institution.

The Committee's study of the position has revealed certain impediments that stand in the way of banking expansion. These impediments, for the removal of which the Committee has made detailed suggestions, are: (i) the relative backwardness of the banking habit in the country, (ii) the inability of banks to expand branches owing to the steep rise in their establishment charges as a result of the Awards of Labour Tribunals, (iii) increasing competition from the public sector for available resources, (iv) certain directives of Government departments in regard to keeping of moneys of Government and quasi-Government institutions with banks, (v) insistence by Government on deposit of Government securities in respect of guarantees furnished by banks, (vi) inquisitorial enquiries regarding the customers' accounts with banks by the income-tax and sales tax departments of Governments, and (vii) advice tendered by the Reserve Bank to certain banks regarding banking practices.

Besides removing these handicaps, there are also some positive ways in which the banks can be enabled to expand their resources and make more money available to the private sector. These, according to the Committee, are: (i) liberalisation of the Bill Market Scheme of the Reserve Bank of India, (ii) liberalisation of

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existing remittance facilities, (iii) granting subsidies to banks to open branches in rural areas, (iv) deposit insurance, (v) legislation to make drawing of fraudulent cheques a criminal offence, (vi) adequate security arrangements for banks in mofussil areas, (vii) mobile banks, and (viii) special measures to be taken by banking associations in India to popularise the banking habit, to avoid undue competition and to promote co-operation amongst banks in matters of common interest.

In a single article, it is not possible to express an opinion on all the suggestions made by the Committee for expanding banking facilities and spreading banking habit. There is, however, no doubt that the Committee's proposals are comprehensive and that, by and large, they are modest and practicable. They have to be implemented, if banks are to be more serviceable to the society. This, of course, means that the Reserve Bank will have to be more energetic than now and play a positive and dynamic role as a lender in the last resort. But that is inevitable in a planned Welfare State economy, in which the free play of economic forces is restrained through controls and profit-motive is subject to a discount.

On the question of providing long-term finance for industries, the Committee, it is gratifying to find, has chosen to be circumspect in its approach. It is plainly not in favour of mixed banking, in spite of powerful pleadings made by a section of the business community. It, however, points out that, in a limited way, banks in India have already been participating in the provision of long-term finance to industries through their investments in industrial securities and through lending on such securities. It favours an extension of this indirect form of providing long-term finance to the private sector. More specifically, the Committee feels that there is no harm in making available such finance by (a) adding to their investments in the shares and debentures of first class industrial concerns where they are satisfied about the transferability and marketability of the scrips, (b) making larger advances to approved parties against such shares and debentures, and (c) subscribing to a greater extent to the shares and bonds of the Industrial Finance Corporation of India and the State Financial Corporations. The Committee is confident that the liquidity position of banks will not be materially prejudiced, if banks indirectly assisted long-term financing of industries by subscribing to the securities of such special corporations.

While this is perfectly true, not much long-term finance can be made available to industries in this way. Again, there is considerable risk in encouraging banks to increase their commitments in industrial equities and debentures, as this may lead to misuse which may affect the confidence of the public in banks. It may be argued that the scope for such misuse cannot be appreciable, as the Reserve Bank has powers of inspection and control. But this is not, in our view, a sufficient safeguard. That apart, a slump on the Stock Exchange may cause a run on those banks which are known to have invested substantial sums in shares and debentures and this, in turn, may adversely affect the entire banking system. Great care must, therefore, be exercised in implementing this proposal.

Another specific suggestion made by the Committee is as follows:

"The Committee feels that the indirect participation by banks in long-term industrial finance would be considerably facilitated if the leading banks in India, in co-operation with insurance companies, could form a consortium or syndicate for underwriting or investing in new issues of shares and debentures of industrial companies wherever they are satisfied about the soundness and prospects of the projects. If banks in India would invest, say, an amount equal to 5 per cent. of their deposits in such shares and debentures, they could make available a further sum of over Rs. 30 crores for the long-term finance of industries in the private sector, without seriously jeopardising their liquid position. Such a consortium could appropriately function under the leadership of the largest joint stock bank in the country, namely, the Imperial Bank of India. Under the Imperial Bank of India Act as it stands at present, however, that Bank is prohibited from investing in the shares and debentures of joint stock companies, though it is authorised to accept fully paid-up shares as collateral security for advances, and is also empowered to make advances against the debentures of companies with limited liability. It is presumed that the present statutory restrictions are a relic of the times when the Imperial Bank functioned as a banker to the Government of India. We recommend that, in the present-day conditions, such restrictions are out of date and that Part I of Schedule I to the Imperial Bank of India Act may be suitably amended to enable the Bank to participate actively in providing long-term finance for industries through such investments."

On the face of it, the proposal sounds attractive and harmless. But the resources that are thus made available can come only at the expense of those for providing working capital for industries. Further, it is doubtful whether there will be any need for it, if the Development Corporation sponsored by the World Bank in co-operation with the Government of India and warmly welcomed by the Committee, comes into being.

FINANCIAL CONTROL—II

AMONG the financial issues raised by the governance of this country, none is perhaps more intractable than the exercise of control over the activities of State undertakings. These enterprises are not all limited companies. And yet, their relation to the public is not dissimilar to that of a company towards its shareholders. The situation is further complicated by the fact that some of them are wholly, and some only partly, owned by the Government. Their legal status is still obscure. The Comptroller and Auditor-General once described the Government-sponsored "private limited" companies as a "fraud" on the Indian Companies Act. He rightly pointed out that the joining together of officers, who have no financial interest in the undertaking they administer, cannot constitute a company. He held that the Government should have the backing of suitable Parliamentary enactment for setting up corporations and companies in which it owns any financial interest.

Again, the question of auditing the accounts of these undertakings remains to be satisfactorily settled. To deny the Comptroller and Auditor-General the right to audit their accounts is to whittle down his powers and, indirectly, to restrict Parliamentary supremacy over public expenditure that is implicit in the whole Constitution. If, on the other hand, he is given that right, he cannot, consistent with his distinguished and privileged position under the Constitution, hold himself responsible to the Board of Directors, however eminent that Board might be; he is responsible only to Parliament. If a mean is struck between the methods of company administration and those of Governmental administration, pure and simple, by appointing both an outside auditor and the Comptroller and Auditor-General to audit the accounts, the question of their relative importance is bound to arise sooner or later. If it leads to any difference of opinion between the two, it may well give rise to an accounting crisis.

The Government seems to be alive to the gravity as well as the complexity, of these problems. Speaking on the Company Law Amendment Bill, the Finance Minister, Mr. C. D. Deshmukh, revealed that the Government felt that a distinction could be made between State undertakings which were wholly owned by the Government and those that were only partly owned by it. The Government, it was stated in Parliament, was thinking in terms of amplifying the provisions which should govern State undertakings and the nature of control to be exercised by Parliament. It was also revealed that, when the Government took a decision on the question, a suitable amendment to the Act would be introduced in Parliament. The Government's decision will be awaited with interest, not only because some academic questions of legal and Constitutional importance are involved but also because the whole issue is of profound significance to the future of the ever-growing State-sponsored enterprises in the country.

The Estimates Committee has stressed that the State undertakings should be "given full measure of autonomy within the framework of the Statute and a careful watch should be kept to see that the undertaking is fulfilling its role efficiently and properly." The problem here is to generate in the men who run these enterprises that "commercial" sense which alone can make these undertakings a profitable proposition. Perhaps, a judicious conferment of freedom on the management for operating the enterprises and a certain willingness, on the part of Parliamentary bodies, like the Estimates and Public Accounts Committees, to exonerate mistakes, arising from errors of judgment rather than from moral turpitude will go a long way towards making the administrators more quick to take responsible decisions. At the same time, it seems necessary to point out that the mistakes committed in the administration of State undertakings, which have recently come to light, appear to be the result of inadequate, rather than of excessive, control. It is yet to be shown that the numerous instances of infructuous, extravagant and irregular expenditure would have been avoided had the men involved had greater freedom of operation.

The "commercial sense," so vital to the progress of State undertakings, cannot be so easily acquired by men who have spent their lives in measuring red-tape. With refreshing candour, Mr. T. T. Krishnamachari, in the course of the debate on the Company Law Bill, said: "I do not mind admitting that, as Minister for Commerce and Industry, I find I am handicapped, because it is difficult for me to get together a body of men who will appreciate that something has to be done quickly." Perhaps, this deficiency could be rectified, if the Government adopted the Estimates Committee's suggestion for the creation of an "Indian Commercial and Industrial Service," envisaged in the Government's Statement on Industrial Policy (1948). The inclusion of some fresh element, drawn from other walks of life, into the Government administration may, in course of time, prove a valuable addition.

Moved by an understandable anxiety to prevent the best men in the Government from seeking employment in the "private" sector, the Estimates Committee has suggested that "early steps should be taken to examine the question of prescribing the ceilings on salaries in private employment, consistent with the policies and principles adopted for the public sector." This is an absurd suggestion. If the flight of men from Government to private service is to be prevented, the remedy lies in upgrading the salaries of Government servants. If, on the other hand, the object is to lessen the inequality in incomes, it should be done by taxation, rather than by the prescription of omnibus ceilings. Again, the salaries of Government servants and those of private employees are not strictly comparable, since the former is entitled to certain privileges—such as, greater security of service, larger leave facilities and pension—which a private employer, by reason of the peculiar hazards to which the competitive, free and private economy is subject, cannot possibly ensure for his workers.

Finally, it is well to remember that no system of financial procedure, or of Governmental regulations or service conditions, however well conceived each might be, is a substitute for human material. It is the way in which the regulations are implemented that really determines the value of an administration. As Pope said:

"For forms of Government let fools contest
What is best administered is best."

The choice of personnel must be carefully made, in order that the men selected have a positive and constructive mind. They must conform as closely as possible to Mr. N. R. Pillai's excellent description of an ideal public servant. In the course of his address at the Convocation of the Travancore University, in December last, Mr. Pillai said:

"Far from being a neutralist, the public servant of today, and still more of tomorrow, should be one rich in human sympathy and with a fully-awakened social conscience. To his work, he must bring not only competence but faith and fervour and a mind, receptive as well as constructive, able to see, beyond the immediate difficulties, the opportunities that lie ahead. This does not mean that the public servant should degenerate into a 'yes-man'. But it does mean that he should on no account be a 'no-man', the man who can only see snags and pitfalls and whose instinctive reaction to external stimulus is one of obstruction. The yes-man tries to please others, the no-man pleases himself; the yes-man does not reveal his mind, the no-man has no mind to reveal. Both species are a danger to any organisation, but the no-type is a greater danger at a time of growth and development."

Such should be the men to whose care the administration of the country could be safely committed. It is true that it is difficult to find them. But the nation is not so poor in talent or in character as not to throw up the men the Government needs, provided sufficient incentives are given. In any case, far too much is at stake to excuse inertia or unwillingness, on the Government's part, to undertake bold new experiments in recruitment, training and administration.

SHROFF COMMITTEE AND BANK RATE

MR. BUTLER ON CONVERTIBILITY—OUTLOOK FOR WORLD SUGAR

THE eagerly awaited report of the Shroff Committee has been published. This report will no doubt be read with great interest by market circles, especially those who are interested in the capital market, including the section represented by indigenous bankers. The report is a comprehensive one, containing, as it does, as many as 66 recommendations. A fairly detailed summary of these appears on page 1111 of this issue, while an appreciation of the report is provided in the first leading article. As readers are aware, keen interest was evinced in the work of this Committee, as is borne out by the large number of detailed memoranda submitted to it. What has the Committee done? Will its suggestions result in more bank money being available to business men at cheaper rates of interest? It is not possible to give straight, simple answers to these posers. The Committee's report is easily the best on banking and the capital market published in the past two decades. It goes right to the heart of the current problems and may not, therefore, be of much interest to academical men. But it will be of live interest to practical business men, bankers, insurers and brokers connected with the capital market. As for the question whether more credit will be available at cheaper rates of interest, the answer is "yes", provided the Committee's recommendations are implemented. The qualification here is important.

MARKET GOSSIP

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After reading the report, a superficial critic may say that the Committee has recommended too many corporations and financial institutions. He may argue that a mere increase in the number of such institutions will not necessarily mean that more money will be forthcoming. This criticism will possibly receive considerable strength from the Committee's recommendation that a Special Development Corporation, with a capital of Rs. 5 crores and a loan of Rs. 10 crores from the Central and State Governments, be established for financing small-scale industries. The question that will naturally be asked is: "Where is the need for such a corporation when almost every State will be having its own Financial Corporation? Will this not lead to overlapping and duplication of effort?" The Committee has anticipated this criticism and given impressive reasons in support of its recommendation.

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The problem of linking indigenous bankers with the Reserve Bank is as old as the Reserve Bank itself. Yet no solution has been found for it. The Shroff Committee, however, has made some interesting proposals which, if implemented, would practically solve it. The Committee has looked at the issues from a practical angle and sought to establish the link with the Reserve Bank through the Scheduled banks. It has, of course, proposed certain changes in the method of operation of the indigenous bankers and the maintenance of books by them which they will do well to accept, if they are really interested in becoming an integrated part of our banking system. A detailed reference to this important aspect of Indian banking will be made in our next issue.

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When the Committee was sitting and framing its recommendations, there were rumours that it would recommend a reduction in the Bank rate. But as was anticipated by us at that time, the Committee has made no such recommendation. In fact, there is no reference whatever to this question in its report. It has not even conducted a *post-mortem* over the last change made in the Bank rate, that is, the increase in the rate (from 3 to 3½ per cent.) effected in November, 1951. The Committee has devoted a whole chapter to an examination of the factors that act as an impediment in the way of the private sector getting adequate bank accommodation, but it has not said a word on whether or not the increase in Bank rate has been one of them, although a large section of the business community had contended that it was. There is thus no inkling as to what the Committee felt on the issue of Bank rate. Its silence is, perhaps, due to the understandable desire to avoid speculation.

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In one place, however, the Committee makes the following comment, from which one may try to infer what might be its view on this issue:

"Finance, if it should adequately perform its function as a catalytic agent, has to be elastic enough to sustain genuine activities of production and trade on an upward trend. There is general agreement today that the supply of money and credit in India needs to be adjusted to meet the requirements of the public and private development programmes. Money supply with the public was brought down steeply in 1951-52, in order to counter the post-Korean inflation. Since then, production in several fields of economic activity has increased, and there has been an abatement of inflationary pressures from abroad. Also, the employment situation in the country is such as to cause considerable concern. These factors, as well as the need to step up development outlays in both the public and private sectors in order to achieve the planned targets, warrant adjustments on the monetary front. Measures such as the Bill Market Scheme have, to some extent, added to the flexibility of the monetary system, and the busy season expansion in money supply has tended to increase from year to year. However, there is a general feeling in the country that economic activity can be further stimulated by an increase in effective demand through activation of idle balances and deficit spending by Government."

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Continuing this discussion, it adds:

"As the central bank of the country, the Reserve Bank of India has the monopoly of note issue and can, therefore, directly affect the amount of currency in circulation. It has also statutory powers of control and regulation over the banking system; through the exercise of these powers and with the prestige it enjoys, it can affect both the size and the pattern of bank advances. In the exercise of these powers, the Reserve Bank has doubtless to bear in mind the overall implications of an expansion of liquid resources available to the community. But it has also to guard against rendering the monetary mechanism not flexible enough to meet the demands of an expanding economy. Until 1952, the emphasis of Reserve Bank policy was rightly on the former aspect of monetary policy. But the position now is different, inasmuch as the Indian economy is no longer in a stage of inflation. In this altered situation and in view of the fact that the Reserve Bank has enough powers and experience to control undue monetary expansion, if necessary, there is room for a more active policy on the part of the Reserve Bank."

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The above quotations show that the Committee is of the view that, as the economy is no longer in a state of inflation, the Reserve Bank can afford to follow a more active policy. It is also of the view that the present situation warrants adjustments on the monetary front in such a manner as to lead to an increase in the money supply. Does all this mean that the Committee is in favour of a cut in the Bank rate? One's guess is as good as another's. But it is necessary to add that, in another place, the Committee clearly states:

"We have referred at the outset to the question of the 'economic climate' necessary for a rapid growth of private investment. It is a truism that, while lack of finance might inhibit investment, an increase in the supply of finance will not by itself bring about an increase in investment. Cheap or plentiful credit cannot *per se* be an incentive. Private investment will come forth, only if there is an expectation of reasonable compensation for the risks it has to undertake. The investor's expectations of the returns he is likely to get on his investment are coloured not only by the purely economic factors of demand and costs but also by various political, social and psychological elements that make up the environment in which he has to function. These semi- or non-economic factors could well limit his willingness to invest and undertake risks, even when a proposition seems worthwhile on purely economic considerations. The Committee feels that, in the past few years, several changes have occurred in the socio-economic climate of this country which tend to discourage and discredit private enterprise. Unless these inhibiting factors are remedied, mere multiplication or strengthening of agencies supplying finance will not add much to industrial development."

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This quotation shows that what is more important than the provision of cheap finance is the creation of correct economic climate. If this be the criterion for determining whether or not the Bank rate should be reduced, then it confirms the view editorially expressed in our last issue.

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The U.K. Government gave the first concrete shape to its cheap money policy by making a surprise announcement, this week, of an issue for cash of £300 million of a new 2 per cent. Conversion Stock 1958-59, the issue price being £99¼ per £100 nominal. The holders of the £321 million of 3 per cent. National Defence Loan 1954-58 have been given the option of accepting payment at par in September, 1954, or of converting their stock into the new issue. If they choose the latter alternative, they would get £100 of new stock and a cash payment of 13s. for each £100 of Defence Loan tendered for exchange. The issue, it is stated, is designed to appeal largely to money market institutions. The terms of the issue of the new loan suggest, according to financial observers, that the Government regard 2½ per cent. as the appropriate yield on a 5-year stock. The immediate reaction of the Gilt-edged market was a sharp fall in the value of stocks, which have their first maturity date in the near future but a more remote second maturity date; these stocks had been quoting higher in the belief that they would be redeemed at the later date. Thus, the 3 per cent. War Loan 1955-59 declined by ½d. to £102. But some single-dated issues were marked up. Thus, 3 per cent. Exchequer Stock 1960 rose 11/16d. to £102½.

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Three years ago, anyone who talked of the possibility of early convertibility of the pound sterling would have been sent to bedlam. And yet, so rapid has been the recovery of the pound that the prospect of convertibility is now seriously discussed the world over. Although at no time in the post-war years was sterling nearer convertibility than now, it is apparently not so near as a few optimists would have it. Perhaps the ill-fated experiment in convertibility, tried by the U.K. in the early post-war years, has something to do with the caution with which even the spokesman of the Conservative Government in the U.K., who can normally be expected to speak enthusiastically about it, approaches the question. Thus, the U.K. Chancellor of the Exchequer, Mr. R. A. Butler, said last week, that three conditions would have to be fulfilled before the pound could be made a freely convertible currency. These are: sound finance within the sterling area, adequate reserves and the adoption by the major countries of policies conducive to trade expansion. He emphasised that the third of these conditions was by no means the least important. Presumably, he meant to correct, by this, the growing impression in the U.S. that Britain could achieve convertibility without any significant change in the American trade policies.

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So there it is. It is idle to presume that convertibility is round the corner. But then, there are hopeful signs. The sterling area's performance in the economic sphere is particularly encouraging. In this connection, Mr. Butler said that he regarded it as significant that, despite the fall in industrial activity in the U.S., trade and production outside the dollar area had gone on rising. Between July, 1953 and April, 1954, the U.S. industrial production had fallen 10 per cent. Between those dates, the sterling area gold and dollar reserves had risen by 19 per cent. Referring to his own country, Mr. Butler pointed out that, during the first few months of 1954, total industrial production had gone up by 7½ per cent. as compared with the same period last year. Car output was 42 per cent. higher, yarn spun 12 per cent. higher and steel production 4 per cent higher. Mr. Butler has certainly pulled his country out, so that even his harsh critics will not deny him Mr. Churchill's alliterative praise—"Mr. Butler banished bankruptcy." Mr. Butler, on his part, emphasised the need for vigilance. He warned that the country was "entering a period when it will be difficult to keep prices from rising," and urged that it was a matter for both sides of the industry to "see that increased money returns, either dividends or wages, are matched by increased output."

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It will be recalled that a reference was made, in these columns (vide *Commerce* dated 1st May, 1954) to the move that was being made by the Atul Products Ltd., Bulsar, to manufacture new lines of dyes with the co-operation of the leading British chemicals manufacturers, the I.C.I. Ltd. It is now learnt that the Licensing Committee of the Central Government, which examines and sanctions, under the Industries (Regulation and Control) Act, applications for setting up new undertakings, has approved the application of Atul Products Ltd. for licence to manufacture dyestuffs in co-operation with the I.C.I. It is understood that the I.C.I. will subscribe nearly one-half of the capital needed for the new undertaking, besides making available to Atul Products Ltd. all technical guidance and help. This news has been well received by the Stock Exchange (at Ahmedabad) and the value of the Company's shares which was standing at Rs. 128½ a few weeks ago, has now spurted to Rs. 138½.

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Yet another notable example of fruitful Indo-British co-operation is likely to be furnished soon, if the reported intention of the Government of India to set up an aero-engine factory, at Bangalore, with the assistance of the well-known Rolls-Royce firm is carried out. It would appear that the Company's technical team, which visited India recently, has submitted its report to the Government. The team has recommended Bangalore for the location of the factory which will go into production two years after its establishment. The factory is intended to manufacture both piston and jet engines. It is further reported that, if agreement is reached between the Company and the Government of India, one of the directors of the Company will soon visit India.

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Last month, the International Sugar Council, which met in London, took, as readers are no doubt aware, two important decisions—to reduce the export quotas by a further 5 per cent., bringing the total reduction to 20 per cent., and to ask the exporting countries to limit their exports during the first eight months of the current calendar year to 75 per cent. of their initial quotas. These decisions were designed to keep the quantum of sugar flowing into the "free" market under check. The re-cent 5 per cent., cut in export quotas will bring the total export quota to 3.71 million tons. Although world requirements in 1954 have been placed higher—at about 3.86 million tons—one has to take into account exports from non-member countries.

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In this connection, E.D. and F. Man's latest review of the sugar market states that the estimate of world requirements is now a realistic one and that supplies are between 600,000 and 700,000 tons in excess of requirements. The two main features which are stated to have a depressing effect on the sugar position are the large stocks of sugar in the U.K. and the unsold stocks in the leading producing country, Cuba. It may be mentioned here that the stocks of sugar in the U.K. are reported to have reached a record of over 1.8 million tons. The review says that, with judicious handling and the creation of a strategic stock, it should be possible for the U.K. Government to whittle down its stocks to quite reasonable proportions before the end of next year. On the other hand, Cuba, it is stated, will probably find it difficult to sell 1 million tons before the end of this year, although the Cuban sugar is not weighing on the market at present.

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Whether Cuba or, for that matter, any other Agreement country, is able to dispose of its surplus sugar at favourable prices will, of course, depend on the trend of world output and requirements. As regards the former, a factor that may make a significant difference is the final outturn of the European beet crop in the 1954-55 season. Last year, Europe had a very high yield. It would appear that a high crop is normally followed by a

(Continued on page 1112)

CAUTIOUS TRADING IN EQUITIES

UNDERTONE STEADY

(From Our Own Correspondent)

BOMBAY, *3rd June*

TRADING on the Stock Exchange proceeded on a cautious note during the week under review. Barring some select counters in the miscellaneous section which received some special attention, equities moved in a narrow range and disclosed small variations on balance. Sentiment of the market was, however, a little better this week, as equities regained most of the losses suffered in the previous week. This was in marked evidence in textiles. As the market lacked fresh driving force, operators were generally reluctant to go long.

There were quite a few restraining factors which influence the cautious note. The international political situation was still in a fluid state. Nearer home in East Bengal, the political and economic situation was disquieting, with the Pakistan Central Government imposing Governor's rule on the State. The dispute between the rival labour unions at Burnpur in West Bengal, which necessitated the imposition of section 144, remained still unsolved. Advices from the cotton piecegoods market both at home and abroad were far from inspiring. It is reported that in the past two weeks exports of cloth have suffered a notable setback. Prices in the domestic market are said to have dropped a little, with the demand remaining slack. The commodity and bullion markets were unsettled and could not, therefore, lend support to equities. In spite of these restraining factors, values did not deteriorate, because of the occasional professional support at lower levels. The undertone was steady, though the turnover was restricted.

The Stock Exchange remained closed today on account of *Ramzan-Id.*

In the steel section, Tata Steels received fresh support early in the week on account of expectation about early dividend announcement. They rallied from Rs. 194 to Rs. 196-8, but reacted to Rs. 195-8 on Monday, due to weakness of Indian Irons, before closing finally at Rs. 194-8. Indian Irons hardened from Rs. 30-2½ to Rs. 30-8½ early in the week, but fell back to Rs. 30-1 on Monday. The finish was, however, better at Rs. 30-5.

The textile group presented a steady front with small gains on revival of small support. Rumours that the Government might abolish the export duty on coarse cloth and reports about the satisfactory stock position of mills helped the sentiment to remain intact. Bombay Dyeings, which had dropped from Rs. 436-4 to Rs. 415 in the previous three weeks, was able to stage a small recovery to Rs. 420-10 before finishing at Rs. 419-6. Kohinoors, which had been marked down in the previous three weeks by Rs. 16 to Rs. 355-9, revived to Rs. 369, but closed a shade lower at Rs. 367-4. Century's, however, gained over the week Rs. 2-8 to Rs. 325. Central Indias, on the other hand, lost Re. 1-8 to Rs. 171, as also Gokaks to Rs. 248-8. Finlays were just steady around Rs. 240 and Indu Ordinaries at Rs. 11-1. Khataus were better by Re. 1-4 at Rs. 120. Mysore Spinnings were impressive with a rise of Rs. 6-12 to Rs. 121-4. New Great's showed no change at Rs. 167. Shree Niwas were done at Rs. 198-12 *ex-div.* (dividend Rs. 14), as against Rs. 206-4 *cum-div.* at the close of the previous week. Simplex closed with a fractional loss at Rs. 154-8. The Directors of the Company have declared a final dividend of Rs. 6 per share for the year ended 31st March, 1954 on the increased capital of Rs. 42 lakhs, as against the corresponding distribution of Rs. 9 per share for the previous year on the then capital of Rs. 31.50 lakhs. With the interim payment of Rs. 5 per share, also on the increased capital, the total distribution comes to Rs. 11 per share, as against Rs. 15 per share for 1952-53 on the lower capital of Rs. 31.50 lakhs. Standards were marked up by Re. 1-4 to Rs. 313-12, while Svadeshis were down by a rupee at Rs. 273-8. Vishnus changed hands Rs. 2-8 lower at Rs. 140.

Bank shares maintained a steady tone and fractional gains were noted in several counters. Barodas changed hands As. 4 better at Rs. 108-8, as also Centrals at Rs. 54-12. Centrals (New), however, eased a little to Rs. 59-8. Imperial Fully Paids were unchanged at Rs. 1,785, while their Partly Paids were wanted Re. 1-4 higher, at Rs. 438-12.

Activity in the insurance section was very much restricted, but the undertone was steady. A rise of Rs. 15 to Rs. 670 in Empire of India and a drop of Rs. 2-2 to Rs. 34 in Industrial Prudentials were the main features in this section. New Indias were picked up at Rs. 45-4. Orientals were unchanged at Rs. 7,690, Jupiters at Rs. 7-8, Indian Mercantiles at Rs. 40-8 and Vulcans at Rs. 2-14. *British India Generals stood at Rs. 13-4.*

Minor variations were noted in the electricity group. Ahmedabad Electrics continued to be depressed, losing As. 10 to Rs. 110-13 over the week. But Suburbans added As. 10 before closing at Rs. 122-8. Surat Electrics were maintained at Rs. 130-10. Tata Hydros were a shade better at Rs. 140-8. Tata Powers changed hands at Rs. 1,400-4, as against Rs. 1,405. Andhra Valleys lost Rs. 2-8 to Rs. 1,320.

The miscellaneous section was more active on some selective support. In the sugar group, Belapurs rose early in the week from Rs. 269 to Rs. 271, but receded to close at Rs. 267-8. Phaltans stood on balance As. 8 better at Rs. 101. Walchandnagars were featureless at Rs. 175-10. In the cement group, a rise of Rs. 2-12 to Rs. 123-8 was noted in Digvijays. A.C.Cs. were steady at Rs. 157-12. Among engineering and mining shares, Alcocks suffered a setback from Rs. 322-8 to Rs. 302-8 on apprehensions about cut in dividend. Premier Constructions received good support and rose by Rs. 3-8 to Rs. 132-8. Shivrajpurs were quiet at Rs. 64. Indian Coppers were in good demand and rose by As. 3 to Rs. 3-3. B.B. Petrols were another notable feature with a jump of As. 5 to Rs. 4-2, on expectations of encouraging working results following the agreements reached between the Company and the Burma Government. In the shipping group, Scindias were steady at Rs. 17-10, as also India Steamships at Rs. 8-7½. Among miscellaneous industrials, Bombay Burmahs (old), after an initial rise from Rs. 396-14 to Rs. 400, drifted lower to Rs. 391-4 but revived at the close to Rs. 394-6. B.I.Cs were unchanged at Rs. 8-1. Killick Industries were done at Rs. 183-4 *ex-div.* (interim div. Rs. 4) as against Rs. 185 *cum-div.* at the close of last week.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, *2nd June*

A cheerful note was struck during trading on the Calcutta Stock Exchange during the week under review, and it would appear that the market is beginning to mark the end of the dullness caused by the diversion of funds for the National Plan Loan. Although the Loan has not yet been closed and a further vigorous drive has been initiated by the State Governments and the Congress Committees, it is difficult to get anything more from the capital market which stands dried up already.

Most of the rises recorded this week were in tea, miscellaneous and engineering shares. Sellers in teas became scarce, and the favourite counters could be dispossessed only after attractive additions in prices. Speculative Indian Irons were firm and, despite profit-taking, the closing rate compared favourably with the opening. A firmer trend could have been in evidence but for the deteriorating labour situation in Burnpur and Kulti following inter-union rivalry. It is to be hoped that nothing serious would develop. Precautionary measures have been taken by the Government to prevent a disturbance to the peace. Good miscellaneous counters are keenly kept in view by long-term investors. In fact, these shares have come to attract business from other sections, especially from jutes and coals.

The forward list, which now contains only Indian Irons, will soon have three more scrips, viz., Orient Papers, National Jutes and Burrakur Coals. As soon as procedure for the clearing is fixed, dealings in these shares on a forward basis would commence. This would be by the end of this month.

Among engineering shares, Indian Galvanisings rose earlier from Rs. 18-12 to Rs. 19-3, but subsequently lost the gain. Indian Standard Wagons were steady at Rs. 71. Burn & Cos. were a strong feature and rose from Rs. 187 to Rs. 194.

Indo-Burma Petroleums were again a feature in the miscellaneous section and at Rs. 131-8 disclosed a gain of 11 points. British Burma Petrols advanced from Rs. 3-13 to Rs. 4-5. At Rs. 22-1, Martin Burns were better by Re. 1-9, while Rhotas Industries remained unchanged at Rs. 15-13. Alkali Chemicals were transacted at Rs. 16-12, as against Rs. 15-6 previously.

Orient Papers improved further from Rs. 18-12 to Rs. 20-10, following the report that this counter would soon be placed on the forward list. Business in Titaghurs was sought up to Rs. 42. India Paper Pulps spurted from Rs. 203 to Rs. 212. Shree Gopals were steady at Rs. 24.

Teas received distinct attention. Banarhats strengthened from Rs. 450 to Rs. 465, Choonabhutis from Rs. 322 to Rs. 332, New Dooars from Rs. 450 to Rs. 460, and Hantaparas from Rs. 243 to Rs. 267. Unsatisfied demand pushed Gungarams from a previous rate of Rs. 293 to Rs. 350.

Only mild interest was shown to jute shares. Nationals were taken at Rs. 26-7. Howrahs changed hands at Rs. 24-6, while Ganges were quiet at Rs. 68. At Rs. 165-8, Orients were lower by Rs. 5-8.

In selected trading among coals, Raneegunges encountered support and in the process improved from Rs. 12-6 to Rs. 13-10. Burrakurs were steady at Rs. 10. At Rs. 28-3, East Indians added As. 6, while Equitables declined from Rs. 34-1 to Rs. 33. Bengals were lower at Rs. 479.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, *1st June*

The Madras Stock Exchange continued to witness brisk trading conditions this week also. Almost all the scrips came in for support. Active buying enquiries were persistent even at higher levels, especially in planting shares. Prospects of increased demand for tea leaves from the U.K. and the U.S. were chiefly responsible for considerable hectic activity in tea scrips. The performance of rubbers was also colourful. The announcement of higher dividends by certain companies and prospects of similar announcements by others caused the uptrend in rubbers. Coffee and sugar scrips, however, lacked support, while the miscellaneous section came in for some selective enquiry. There was renewed interest in textiles. Small wonder, therefore, that business done in the market was encouraging and equities recorded, on balance, substantial gains spread over the entire list.

In the textile section Balasubramanias, Rs. 40 paid up, gained Rs. 4 to Rs. 46 and 'B' Rs. 70, paid-up, Re. 1 to Rs. 76. Janardhanas were higher by Rs. 2 at Rs. 78-8. Metturs gathered Rs. 17 to Rs. 297 *cum-div.* and Premiers Re. 1 to Rs. 106. Rajalakshmis rallied Rs. 5 to Rs. 118. R.C. Ambikai put on Rs. 8 to Rs. 153. Vasantas shot up from As. 4 to Rs. 146-12, while Bangalore Woollens were unchanged at Rs. 395. Travancore Rayons changed hands at Rs. 9-11 *cum-div.*, as against Rs. 9-8 *ex-div.*, on the declaration of a dividend of 5 per cent. for the year ended 31st December, 1953, as against *nil* As. 12 to Rs. 61-8 *cum-div.* A final dividend of Rs. 2-8 per share has been recommended for the year ended 31st March, 1954, thereby making a total of Rs. 4-8, the same as in previous year.

Teas were the brightest among plantings. Coonoor Teas improved by As. 4 to Rs. 24-4 and Hailleyburia by Re. 1 to Rs. 19-2. Highland Produces were higher by As. 8 at Rs. 14. Mlamallays and Nonsuch Teas gathered As. 4 each to Rs. 45 and Rs. 33, respectively. Peermades rallied As. 8 to Rs. 35-4. United Nilgiris were done higher at Rs. 218, as against Rs. 214. Waterfalls and Chandramalais put on an anna each to Rs. 3-5 and Rs. 3-15½, respectively. Emerald Valley Estates changed hands at Rs. 5-10 *cum-div.*, as against Rs. 5-8 *ex-div.* The Directors have declared a dividend of 25 per cent. for the year ended 31st December, 1953, as against 15 per cent. in the previous year.

Rubbers were also in good shape. Cochin Malabars advanced from Rs. 7-7 to Rs. 7-11 and Malankaras from Rs. 37-10 to Rs. 38. Nenmerays As. 5 to Rs. 12-10. Vaikundams improved from Rs. 16 to Rs. 16-12 and Teekoys from Rs. 7-12 to Rs. 8. Be Bes were higher by an anna and a half at Rs. 3, Anandams were enquired at Rs. 11-12 *cum-div.*, as against Rs. 11-4 *ex-div.* A dividend of 10 per cent. has been declared for the year ended 31st December, 1953, as against 15 per cent. for the previous year.

Among coffees, Coffee Lands gained As. 6 to Rs. 11 and Puthuthotams As. 3 at Rs. 3-10. Mysore Coffees were fractionally better at Re. 1-4. Consolidated Coffees, however, lost an anna to Rs. 17-11.

Among sugar scrips, India Sugars and Refineries, Rs. 10 paid-up, were quiet at Rs. 28-12 *cum-div.*, and Rs. 5 paid-up, at Rs. 18-8 *cum-div.* The Directors have maintained the dividend of 25 per cent. for the year ended 30th September, 1953. A call of Rs. 5 per share, with the balance of premium of Rs. 2-8 per share, has been made on the Rs. 5 paid-up shares, payable on or before 1st July, 1954. It is also proposed to capitalise a sum of Rs. 16 lakhs out of reserves for issuing one bonus share for every share held by shareholders as on 1st July, 1954. E.I.D. 'A' was up by As. 4 at Rs. 16-4. Other scrips were dull and their quotations were almost unchanged.

The miscellaneous section met with some selective enquiries. Bangalore Transport and Binnys put on As. 8 each to Rs. 12-10 and Rs. 124-8. Champion Reefs hardened by As. 8½ to Rs. 3-13 and Dalmia Cement, Rs. 10 paid-up, by As. 6 to Rs. 9-14.

Notice

LARSEN & TOUBRO LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, J. K. Building, Dougall Road, Ballard Estate, Bombay, on Saturday the 3rd July, 1954, at 2.00 p.m., to transact the following business:—

1. To receive the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 1954.
2. To sanction the declaration of a Dividend.
3. To elect Directors in place of Mr. M. V. Desai and Mr. S. K. Toubro, who retire by rotation, but being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact any other business that may be transacted at an Ordinary General Meeting.

The Transfer Books of the Company will be closed from Monday, 14th June, to Saturday, 3rd July, 1954, both days inclusive.

By Order of the Board,
A. CORONEOS,
Constituted Attorney.

BOMBAY, *1st June, 1954.*

Note.—The Dividend when sanctioned will be made payable on or after 5th July, 1954, to those shareholders whose names stand on the Company's Register on 3rd July, 1954.

NEWS IN BRIEF

THE Government of India sanctioned, during April, a sum of Rs. 7,33,085 as subsidy and loan for the construction of 426 tenements under the Subsidised Industrial Housing Scheme.

Two railway delegations from India, one a three-member official team, and the other a seven-member non-official one representing railway workers, will visit the U.S.S.R. this month.

A plan to improve Kashmir's sheep and wool industry has been drawn up by Mr. George Upward, an Australian sheep expert attached to the F.A.O. The State Government has approved of the plan, which will be implemented in co-ordination with the F.A.O.

The proposed State-owned Industrial Development Corporation will come into being in about two months' time. Prominent industrialists will be associated with the administration of the Corporation and the Government hopes to finalise the personnel of the directorate within a fortnight.

A committee, with Mr. K. Raghuramiah, M.P., from Andhra as Chairman, is being deputed by the Ministry of Commerce and Industry to tour South-East Asian countries with a view to exploring the possibility of expanding the market for Indian tobacco.

The Government of Bombay has issued an order prohibiting the sale of sulphate of ammonia at a price exceeding Rs. 345 per ton wholesale and Rs. 4-6-6 per quarter of 28 lbs. or Rs. 13 per maund of 82.2/7 lbs. in retail from 1st June. The wholesale deal has been defined as sale in quantities exceeding 196 lbs.

The 21-member Housing Committee appointed by the U.P. Government to suggest ways of overcoming the housing shortage has decided to conduct a survey of housing conditions in the district headquarters of the State. The State Village and Town Planner, who has already conducted such surveys for the five principal towns, has been entrusted with the task which is to be completed within two months.

The Steering Committee of the Development Corporation sponsored by the World Bank will meet in Bombay next week to finalise its constitution to be placed before the Government. After the Government is satisfied that the Corporation thus formed conforms to the principles laid down, an approach will be made to the World Bank for a loan on the basis of the guarantee to be given by the Government in respect of the loan.

The Government of India has sanctioned Rs. 10 crores to develop inter-State roads, particularly in such areas where transport facilities do not exist. Disclosing this, Mr. O. V. Alagesan, Union Deputy Minister for Railways and Transport, said in Calcutta last week that this amount would be in addition to this year's budgetted figure of Rs. 27 crores for capital expenditure on national highways under the Five-year Plan.

For the convenience of the public, a special Estate Duty-cum-Income-tax Circle has been created for Bombay City, with effect from 1st June, 1954. This Circle will deal with all work connected with Estate Duty cases arising in Bombay City, including applications for Exemption Certificates. The Office of the Estate Duty Circle is located on the Fifth Floor (Room No. 6), Central Government Offices Building, Queen's Road, Bombay.

The Government of India has decided to regulate exports of crushed bones and bone grist during the quarter June-August, 1954 on a quota basis. Quotas will be issued to established crushers and shippers to the extent of 25 per cent. of their best year's exports during the calendar years 1950, 1951, 1952 and 1953. Quotas so issued will be valid for shipment upto 31st August, 1954.

American tourists and business travellers spend more than one billion dollars abroad every year, according to Trans World Airlines' statistician who have been campaigning to emphasise the importance of tourism. The average expenditure abroad by every American traveller is about $771, according to Norman C. Thompson, T.W.A.'s Chief in India. Coffee is the only commodity sold to America and imported in greater value than the one billion dollars worth of vacations bought by Americans on trips abroad, stated Mr. Thompson.

The Uttar Pradesh Government has suggested to the Government of India to declare the members of the State Legislatures and some district revenue officials as "authorised persons" for purposes of receiving and collecting small contributions to the National Plan Loan. Such a declaration would entitle the "authorised persons" to a commission of 1.25 per cent. on the collections they make and would give them an incentive for pushing up the drive for the mobilisation of small savings for the loan.

The Government of Bombay has extended upto 30th June, 1954, the period for submission by registered dealers of the statements in Form 10 in respect of the general tax and special tax paid by them on their purchases of the stocks held by them on 1st April, 1954. Under sub-rule (4) of rule 11 of the Bombay Sales Tax (Exemptions, Set-off and Compensation) Rules, 1954, these statements were required to be furnished by 31st May. The Government has extended the time limit by one month on requests from some trade associations to that effect.

With a view to meeting the demand for agricultural implements in the State, especially plough points, the Government of Mysore which owns and manages the biggest iron and steel works in South India, located at Bhadravati, has directed that steel flats required for plough shares, cart tyres, etc., be rolled by the works on a top priority basis. These implements will be supplied to co-operative societies. The Mysore Iron and Steel Works has programmed to roll such flats to the tune of 400 tons of different sizes required by agriculturists.

A pilot plant for the manufacture of fruit products and preserves, such as jams, jellies, candies, squashes and crushes was opened today at the Fruit Research Station at Kodur in Cuddapah district. The manufacturing plant, which costs Rs. 1.98 lakhs, will be worked by electricity supplied by a generator. This is the first commercial enterprise of the Andhra State. The normal production capacity of the plant will be on an average one lakh units of different products or in terms of money value, about Rs. 1.5 lakhs per annum.

The first consignment of locomotive boilers given by Canada to India under the Colombo Plan arrived at the Chittaranjan Locomotive Works in West Bengal early this week. The boilers will be fitted to locomotives manufactured at Chittaranjan. Canada is making a gift to India of 50 W.G. boilers and 120 W.P. locomotives under the Colombo Plan. The approximate cost of these is Rs. 8,44,00,000. An Indian railway officer is now in Canada in connection with the inspection of these boilers and locomotives.

A conference sponsored by the Government of India to consider proposals for setting up an All-India Co-operative Marketing Organisation is to be held at Srinagar about the middle of July. Ministers from all States dealing with the subject and representatives of agricultural interests are expected to participate in the conference. The object of the marketing organisation is to help agriculturists to market their produce on more advantageous terms within India and abroad. The organisation is also expected to obtain from abroad heavy agricultural machinery, chemical manure and other requirements of agriculturists on favourable terms.

In pursuance of the recommendation of the Engineers' Seminar held at Nangal early this year, the Ministry of Irrigation and Power, Government of India, has appointed an Engineers' Committee of Co-ordination, with Mr. Kanwar Sain, Chairman, Central Water and Power Commission, as Chairman. The Committee will take follow-up action on the recommendations of the seminars which will be held every three or four months at the site of one of the major river valley projects in India. It will also function as the steering committee for the next seminar. In addition to co-ordinating work relating to the organised development and execution of projects in the country, the Committee will advise the Board composed of the Central and State Ministers of Irrigation and Power on matters of high-level policy.

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From Abroad

The Danish Government has decided to import 30,000 foreign cars and Kr. 350 million (£12.5 million) worth of textiles this year.

American corporations offered $1,800 million of new securities to investors in the first quarter of this year, as against $2,500 million and $2,000 million in the last and first quarters, respectively, of 1953.

As a result of further pressure on behalf of British shipbuilders seeking orders from Russia, the U.K. Government has assured that the official policy is to approve such exports of ships, subject to security requirements.

The prices of a number of iron and steel products have been raised in the U.K. with effect from 31st May last, consequent on the increase in coal and coke prices which came into force on 3rd May and the recent increase in wages.

Canada and Spain have signed the first trade agreement giving each other most-favoured-nation treatment with regard to tariffs and related matters. The agreement will come into force provisionally on 1st July next. Both the countries have undertaken not to impose discriminatory import or exchange restrictions, except for balance of payments reasons.

Import of foreign cotton cloth by the U.K. during the first quarter of 1954 amounted to 50 million yards, of which more than 28 million yards were from India. The total imports from all sources were double those during the corresponding period of 1953, reflecting the hampering effect of manpower shortages on Lancashire's production. A quantity of 603,000 yards was imported from Russia during the quarter.

Decontrol of copper in the U.K. was completed on Saturday last week, with the withdrawal of the Government broker from the London metal market, after operating for ten months. When controls were lifted in the private trading of copper last August, the Government instituted the role of official sales of copper to tide over the difficult transition to free dealings.

China may buy more than the agreed quantity of rubber from Ceylon during the current year. Under the pact with Ceylon, China takes 50,000 tons of sheet rubber annually. In the current year, Ceylon's surplus sheet rubber has also been offered to China for sale on the same terms as under the pact. China is expected to accept the offer. The quantity of surplus offered is not known.

A spokesman of the International Bank for Reconstruction and Development denied last week that a four million dollar loan for a paper mill project in East Pakistan had been refused. Negotiations for the loan had been going on for some time, he said. The Bank had not ceased consideration of the loan, the spokesman added. The loan is being sought by the Pakistan Development Corporation on behalf of the Karnaphuli Paper Mills.

The Government of Ceylon has decided to encourage the assembling of cars, radio sets and other mechanical equipment in Ceylon. As an inducement to the establishment of assembly plants in Ceylon, the Government is said to be considering a proposal to reduce or abolish duties on spare parts. If there is good response from private enterprise, the Government will, it is reported, make necessary changes in the tariff of import duties on parts in the next budget.

PERSONAL

MR. Khub Chand, Minister-in-charge of the Embassy of India at Baghdad, has been concurrently appointed Minister to Jordan.

Mr. Ganga Prasad Birla of Messrs. Birla Bros. Ltd., has left for London on a business tour.

Mr. J. R. D. Tata, Chairman, Air-India International, left for Rome last week-end to attend a meeting of the International Air Transport Association.

Mr. S. N. Bilgrami, Commerce and Industry Secretary to the Government of Hyderabad, has been appointed Chief Controller of Imports and Exports at New Delhi.

Mr. K. B. Lall, I.C.S., until recently Chief Controller of Imports and Exports, has been appointed Joint Secretary, Ministry of Commerce and Industry, Government of India.

Sardar Datar Singh, Additional Secretary to the Ministry of Food and Agriculture, Government of India, returned on Saturday from Rome, where he had been to attend the meeting of the Co-ordinating Committee of the F.A.O.

Mr. S. S. Vasist, Member for Transportation, Railway Board, will lead the official railway delegation to Moscow. The other members of the delegation are, Mr. D. Saudilya, Joint-Director (Finances) and Mr. B. Sahay, Officer on Special Duty, Railway Board.

Prof. C. N. Vakil, Director, School of Economics and Sociology, University of Bombay, has left for Paris to attend a special meeting of the Executive Committee of the International Economic Association, meeting from the 4th to 6th inst. He will return to Bombay on the 9th inst.

OBITUARY

Mr. Chhotabhai S. Patel

We regret to record the sad demise of Mr. Chhotabhai S. Patel, J.P., Chairman of the Bombay State Road Transport Corporation, in London on Friday, 28th May, 1954, after a heart attack. Mr. Patel, who was aged 65, had been to London four weeks ago on a business-*cum*-holiday tour. A member of the old Bombay Legislative Assembly for about seven years, representing the Indian Merchants' Chamber, Mr. Patel was also a member of the State Labour Advisory Board and the State Advisory Council of Industries and Chairman of the *Vanaspati* Manufacturers' Association of India. He assumed charge as Chairman of the Bombay State Road Transport Corporation in November, 1952.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *8th June,*

India's Debt to England

The Bengal Chamber of Commerce has been well advised in circulating amongst its members the text of the speech delivered by Sir Stephen Demetriadi, K.B.E., Chairman of the Council of the London Chamber of Commerce, at the annual dinner of the Chamber in London on 30th April last. The speech contains some home truths which should be realised and recognised—and that sooner than later—by Indians as well as Europeans. In proposing the toast of His Majesty's Ministers, especially in the presence of Lord Peel, the Secretary of State for India, Sir Stephen appropriately referred to the relations of Britain with India. The decision which will have to be taken by the British Government after the Simon Commission has submitted its report will, he said, be the most momentous for India and for Britain since that day in 1858 when the entire administration was transferred from the East India Company to the British Crown. "The Governor and Company of Merchants of London trading into the East Indies," was a body founded by Queen Elizabeth on 31st December in the year 1600, and for over three hundred years the history and the development of the two countries have been inextricably interwoven. Sir Stephen reminded his hearers that the British found the country in a state of chronic internecine strife, both racial and religious, and there was any amount of corruption and oppression and insecurity both of life and of property. To the horrors of constant war were added, for the unfortunate peasant, periods of famine, bringing in its wake devastating epidemics of disease.



CANAL WATERS DISPUTE

THE prospects of a settlement of the seven-year-old Indo-Pakistan canal waters dispute now appear to be more bleak than ever. While India has accepted the World Bank's proposals, Pakistan's initial reaction appears to be wholly negative. If that is true, it is indeed unfortunate. Again, Pakistan is perhaps not so well advised in asking Sir Zafrullah Khan, Foreign Minister, to lead the Pakistan delegation at the forthcoming meeting of the working party of engineering experts, because Sir Zafrullah is only a politican, while the issue involved is not political but technical.

The details of the World Bank's proposals have not yet been made public. But, from Press reports, it is gathered that the World Bank has recognised India's claims for the exclusive utilisation of waters of the Sutlej, the Beas and the Ravi and of Pakistan's for the waters of the Indus, the Jhelum and the Chenab. Pakistan seems to be harping upon the fact that, while the Indus, Jhelum and Chenab should be exclusively Pakistan's rivers, the other three allotted to India should continue to be treated as common to both the countries. According to Mr. Nehru, India has accepted both the good and the bad in the World Bank's proposals, with a view to facilitating settlement of the problem once for all.

The dispute has come to a climax with the release of the waters of the Sutlej on Monday last into the 108-mile Bhakra main canal and the prospects of the opening up of the whole network of Bhakra-Nangal canals by the end of the first week of July. This, according to Pakistan, constitutes a violation of India's commitment to the World Bank, under which no unilateral action is to be taken by either party during the course of negotiations.

Pakistan's objection, however, seems to be wholly baseless. For the opening up of the canals neither violates the commitments entered into nor even international law. Even, according to the World Bank's proposals, India has the exclusive right to the ownership of the waters of the Sutlej, the Beas and the Ravi. It is also in keeping with the earlier agreement of 4th May, 1948, in which Pakistan recognised India's right to withdraw the waters from these rivers gradually to its underdeveloped areas. Again, according to international law, a sovereign nation has the right of ownership to the waters of all the rivers within it. It can direct these waters to profitable use in its area and, the neighbouring country, if it lies below the river, can claim no right to these waters either by tradition or past usage. Moreover, the amount of water to be used does not make much difference to Pakistan. It is pointed out that the proposed diversion of the waters from the Sutlej will not adversely affect the irrigational interests of Pakistan, as it has already built canals, certain connecting links, intermediaries, etc., so that it can get more water from other sources.

In the existing situation, it is difficult to forecast whether Pakistan will ultimately accept or reject the World Bank's proposals. Should Pakistan reject the proposals, the Working Party of engineering experts which is tackling this problem will cease to exist. If, on the other hand, Pakistan were to accept the proposals, it would become necessary for the two Governments to negotiate a detailed treaty.

The Government of India has always tried to settle the dispute with Pakistan in an amicable manner. It is the intransigent attitude of the Pakistan Government that is holding up the solution. A settlement of this dispute will not be difficult, if the present rulers of Pakistan realise that their country has 80 per cent. of the waters of the Indus basin which is not put to use for irrigation now and which is, therefore, running to waste. Even if a fraction of this water is put to use, Pakistan's needs could be more than met. It is clear, therefore, that the urgent problem is one of storing up the waters which are now running to waste in Pakistani territory, so that they can be fed down and distributed by engineering works and canals to lands where they can be profitably used. But the powers-that-be in Pakistan seem to be more keen on hurting India than on minding the welfare of their people. So long as this mentality persists, it is futile to appeal to their good sense.

TELEPHONE SERVICE

A plea for an extensive and better telephone service and the abolition of the present classification of trunk calls into "urgent" and "ordinary" and of "own-your-own-telephone" scheme has been put forth by the Federation of Indian Chambers of Commerce in a memorandum to the Union Ministry of Communications. Further, it has expressed concern at the charges for urgent calls which are twice those for ordinary. If it was not possible to abolish the distinction immediately, the Federation avers that, at least, the charges should be reduced as an interim measure. The memorandum says that, if necessary, a surcharge of 10 to 12 per cent. may be charged for urgent calls. It has further pleaded that this surcharge should not be made applicable to extended calls and that a part of the extended calls should be charged at a lower rate. The distinction between urgent and ordinary calls seems wholly unnecessary; few countries maintain it. After all, all trunk calls are urgent calls. Again, the "own-your-own-telephone" scheme is wrong in principle. A private citizen should not be allowed to own a part of a public utility. If the scheme is meant to increase revenue, it is again wrong, since it entails capital expenditure.

The need for an extensive and better telephone service has been felt for some time now. The number of telephones in India, as compared with other important Western countries, is very low, so that India does not figure prominently on the world's telephone map. The telephone density compares unfavourably even with some of the countries in South America, Middle East and Asia. It is stated that some of the principal cities, such as Sydney in Australia, have more telephones than the whole of India. Further Sao Paulo in Brazil, a modest town, has, we are told, a more advanced telephone system than a city like Bombay or Calcutta which is far more important from a commercial angle. The following table gives the density of telephones in India as compared with that in some important countries of the world:

(As on 1st January, 1952)

Country	Total Telephones	Telephones per 100 persons
U.S.A.	45,636,437	29.3
Sweden	1,788,874	25.2
Canada	3,140,000	20.1
U.K.	5,724,440	11.4
Argentina	852,327	4.8
Chile	137,700	2.3
Brazil	591,700	1.1
Egypt	125,308	0.6
Malaya	28,086	0.5
Iraq	24,165	0.4
Ceylon	18,362	0.2
Iran	30,000	0.2
India (as on 31-12-1953) ...	218,653	0.08

The main cause for India's backwardness in regard to telephone communication service, according to the Federation, is the failure of the authorities to adopt the commercial principle of ploughing back telephone revenue into long-term development of the service, in order to meet the growing needs of the business community, in particular, and the public, in general. Investment in tele-communications, it points out, secures a high rate of return. On a capital outlay of Rs. 25.6 crores, the telephone branch of the P. & T. Department earned Rs. 4.11 crores or a return of 16 per cent. (including interest on capital). These earnings have not only helped to make good the deficits in other branches of the departments, but have also provided a net contribution to general revenues. The Federation considers this to be "hardly fair" to the telephone users, actual and prospective. Incidentally, the Federation might as well have contrasted the Government's parsimonious attitude towards the electricity industry in regard to the return on capital invested with the high rate of return it earns on telephones and its indifference to consumer interest in the matter of providing telephone service, though both are public utilities.

MR. ALLEN ON AID TO INDIA

The recent divergence in the American and Indian foreign policies has led many to doubt whether the U.S. will continue its economic assistance to India. Apart from the few people in this country who, for certain extremist political reasons, would like to see that the aid is discontinued, there are many who would consider such break in the relationship between the two countries as a failure of the true democratic spirit. After all, it is the essence of democracy that differences should be not only tolerated but even appreciated. Over there, in the U.S., also, there is a section of opinion which is opposed to assistance to India on the ground that this country has chosen to differ from the American line in foreign policy. It would be tragic if the extremists in this country and their counterparts in the U.S. were to succeed in widening the breach between the two countries.

In this context, it is gratifying to note that Mr. George V. Allen, U.S. Ambassador to India, represents the nobler tradition in American political life, for he emphasised, in a recent broadcast from New York, that "in freedom, there is room for diversity." Mr. Allen said that though there were "sharp differences of opinion" between India and the U.S., he did not think these outweighed the advantages of American assistance to India. Supporting President Eisenhower's proposal for a grant of $104.5 million economic and technical aid to India, Mr. Allen said that democracy faced its most important trial in India. He was obviously paying a tribute to the way the Government in this country has been able to maintain domestic peace and initiate several measures of economic improvement, when he said: "We are not trying to put out a fire in India. But we are taking constructive fire preventive measures." He contrasted the Indian and Chinese political experiments. He said that, whereas on the Chinese mainland, communist totalitarianism was "gripping the Chinese people in an iron voice to achieve rapid material gain," in India, "360 million people under the leadership of a Government chosen by their votes are attempting to achieve similar material gain through democratic methods."

Clearly, it is better that the U.S. should help India adopt these "preventive" measures rather than it should frantically strive to save this country at a later date, if and when political conditions deteriorate for want of stable economic basis. The stakes are high. The success of democracy in India will determine the future of democratic institutions in the world. Mr. Allen rightly emphasised that India should continue to succeed in the "most enormous experiment in democracy the world has ever seen." It is to be hoped that his call will evoke a sympathetic response in that country and that it will succeed in making the sceptics view India's need for aid in a broader perspective.

TAX INVESTIGATION COMMISSION

A judgment of far-reaching significance to the work of the Income-tax Investigation Commission was delivered last week by the Supreme Court. The Court held that section 5(4) of the Taxation on Income (Investigation Commission) Act, 1947, was void, inasmuch as it offended against the provisions of Article 14 of the Constitution which does not permit discrimination by the State. The facts of the case are easily stated. A case had been referred to the Commission by the Government under section 5(1) of the Act, which empowers the Government, when it "has *prima facie* reasons for believing that a person has, to a substantial extent, evaded payment of taxation on income," to refer the case to the Commission. In the course of the Commission's investigation into the case, it became clear to the Commission that there was another case of tax evasion. The Commission asked the Government to refer this case too to it; in doing so, it was acting under the powers conferred on it, under section 5(4), which provides that if, in the course of investigation of a case referred to it under section 5(1), the Commission has "reason to believe that some person other than the person whose case is investigated has evaded payment of taxation on income it may make a report to the Central Government." The assessee, whose case fell within the scope of section 5(4), contended that the section was bad in law and contravened the Constitution. This contention has been upheld by the Supreme Court. The Court, however, refrained from expressing any opinion on section 5(1) of the Act, since it did not arise for decision in this case.

In his judgment, the Chief Justice affirmed that the validity of all laws, even those made before the coming into force of the Constitution, has to be "tested on the touchstone of the new Constitution." He subjected section 5(4) of the Taxation on Income (Investigation Commission) Act, 1947, to an elaborate examination in the light of the new Constitution, especially of Article 14 which affirms the right of all persons to equality before the law and to equal protection of the laws. He brought out the distinction between section 5(1) of the Act and section 5(4) thereof; the latter was held more general in scope in that no reference was made by the section to the fact that there should have been, as in section 5(1), a "substantial" evasion of tax. In other words, section 5(4) referred to all persons who, according to the Commission, had evaded taxes on income. Now, section 34 of the Indian Income-tax Act also prescribes a procedure to be followed by the Government in respect of tax evaders. Briefly, this section provides for cases where (1) an assessee has failed to disclose his correct income and, therefore, has escaped assessment or has been under-assessed, and (2) the Income-tax Officer has reason to believe that the assessee has escaped assessment or excessive relief has been granted. The Income-tax Department is empowered to reopen the cases falling under (1) within eight years and the cases falling under (2) within four years.

The Chief Justice asked, in effect, why any class of persons, who commit the same offence, should be treated differently—that is, leniently, if they were proceeded with under the Income-tax Act and, rigorously, if they were proceeded with under the Taxation on Income (Investigation Commission) Act. Again, in effect, he answered the question whether the section 5(4) of the latter Act implied any discrimination in the affirmative. He said that the section deprived a person of the rights of appeal, second appeal and revision to which he is entitled under the Income-tax Act. He added:

"A person who has evaded payment of income-tax and is proceeded with under section 34 and is held to have escaped income-tax has a right of appeal to the Appellate Assistant Commissioner of Income-tax and can challenge all the findings of fact given by the Income-tax Officer. If he does not get relief from the Appellate Assistant Commissioner, he is entitled to go before the Appellate Tribunal under section 33 and can challenge all the findings of fact given by the Income-tax Officer. On the other hand, a person dealt with under section 5(4) of the impugned Act has no such right."

Yet another ground on which the Chief Justice held that section 5(4) was bad in law was that, under this section, it is the Commission itself that reports to the Government against the persons who, in its opinion, have evaded taxes and it is also the Commission that decides their cases. Under this section, the Chief Justice said, "the Commission itself finds and gathers reason to believe that these persons have evaded income-tax and on its report Government is bound to refer their cases to the same Commission who has already arrived at the *prima facie* conclusion that they have evaded payment of income-tax. Thus, the "investigator and the judge in this situation are rolled into one." Finally, he held that section 5(4) offended the provisions of Article 14 of the Constitution and thus was void and unenforceable.

It is clear that a somewhat difficult situation has arisen for the Government as a result of the judgment. Since section 5(4) of the Act has been held void, the Commission can no longer report to the Government the cases of tax evasion, which comes to its notice, in the course of its work. Also, the Commission cannot deal with all the pending cases referred to it under this section. The Government itself may not be in a position to take action against those tax evaders, since section 34 of the Income-tax Act prescribes time limit for reopening cases of assessment. This means that the good work done by the Commission would avail the Government nothing. Again, the position of even section 5(1) of the Taxation of Income (Investigation Commission) Act is uncertain, although the Court has not expressed any opinion on the validity of this section. It may be difficult to uphold the validity of even this section. Reports from New Delhi emphasise that the Government is likely to examine the possiblity of amending the law, though it is not clear what amendments are contemplated. In business circles, it is felt that the Government will be well advised to settle the cases at ministerial level, though it is, again, not clear how this could be legally accomplished.

OFF THE RECORD

(By "ROVER")

THE business community in Bombay is used to occasional squabbles in the bullion market at Sheikh Memon Street. It is no new thing for it to learn one fine morning that some dispute regarding trading or settlement has been taken by a constituent to a court of law. There have also been times when trading in the market has remained suspended, as a result of some deadlock in settlement. Such occurrences are, however, very rare in the other speculative markets in the city. The forward market in cotton at Kalbadevi has a tradition of smooth working. Apart from the question of out-of-hours trading right in the trading hall, about which the authorities of the East India Cotton Association were alleged to be totally indifferent, the E.I.C.A. has built up a tradition of disciplined and ordered trading during the long regime of Mr. Purshotamdas Thakurdas. By his fair and firm, but tactful, handling, he has often saved a situation which might otherwise have developed awkwardly.

It is, therefore, with no small shock and surprise that business men in Western India have learnt about the recent developments in the Kalbadevi market, regarding the May contract, which expired on the 25th of last month. Though the E.I.C.A., or its committees have not been directly involved in the legal action, it has to be admitted that the reference to the court arose from a decision of the Association. The dispute is of a technical nature and it is not easy for those not intimately connected with forward trading in cotton and the by-laws of the E.I.C.A., to get a proper hang of it. It centres round the fixing of room rate, which forms the basis for calculating the "on" and "off" allowances for cotton of varieties other than the standard Jarilla of 25/32" staple, which are tenderable against contract.

It is said that, according to the prevailing practice, the basic rate for delivery in the matured contract was fixed by the Committee on the rate prevailing in the forward market on a given day. This rate was about Rs. 75 per candy lower than the rate for cotton of this quality in the spot market at the time. The "on" and "off" allowances were worked out on the comparison of this basis and the spot prices of various tenderable cottons on that day. It is claimed that under the by-laws of the Association, the prevailing spot rate for standard Jarilla should have been taken as the basic rate for fixing the price differentials. This action of the Committee, according to some, created an anomalous position under which Jarilla cotton of only 1/32" higher staple became entitled to a premium of Rs. 125 over the contract rate, while that of 1/32" lower staple stood at a discount of only Re. 1 below the contract rate!

It is alleged that this procedure gave an enormous advantage to those who were short in the May contract, as it forced the buyer to accept delivery of cotton at an artificially inflated rate. Even if one were to ignore the further allegations that the shorts, relying on this practice of fixing room rates and price differentials, deliberately pressed sales to lower the contract, so as to get higher "on" and lower "off" allowances and to scare away the buyers, one must admit that, whatever be the procedure laid down in the by-laws for fixing the basic rate, it is on the face of it unfair to accept the forward market rate for determining the basis and spot rates for working out the differences.

So long as the forward and spot rates keep near each other, as they usually do, at the time of the expiry of the contract, there is no injustice involved to either side in the practice of accepting as the basis for room rate the former, which is more definite than the latter. It is also true that had the futures rate been disproportionately higher than that in the ready market, instead of being considerably lower as in this case, the longs would have been the gainers because they would have paid only a nominal premia for higher staple cotton, while the discount on lower permissible staple would have been enormous. But it has to be remembered, in this connection, that the shorts would still have some remedy in such a contingency, inasmuch as they could have avoided giving delivery by paying the penalty fixed under by-law 64.

The Committee in following this long-established practice, however, cannot be blamed for doing so. On the one hand, it had no intention of favouring or disobliging either side. And, on the other, if it had departed from this practice, the other side would have questioned the decision and accused it of deliberately favouring the longs. All the same, a practice which is likely to favour either side and which cannot stand the test of logic, however time-honoured, has to be re-examined and revised if necessary. Now that the matter has been brought to a head and trading in August delivery to the extent of hundred of thousands of bales is in progress, it is imperative for the Association to consider the matter and clarify the position with regard to the method which will be adopted to fix the room rate and price differentials at the time when deliveries under the August contract would be due.

I can easily realise that it would be difficult for the Association to do so in view of the present dispute so long as it stands unresolved. But it would be in the interest of this august body and the enormous prestige and power it wields, to arrange for the settlement of the present disagreement on amicable lines. If there is litigation in the future between the E.I.C.A. and some of its constituents, on this or a similar issue, it would throw the whole working of the market out of gear and create innumerable complications. According to current reports, the Committee of the Association has very wisely left the matter in the hands of Mr. Purshotamdas Thakurdas.

I know that many of the readers of this column would wonder why I should have selected this somewhat technical subject for my comments this week. But I would like to remind them that cotton and textiles jointly form a solid foundation of the economy of Western India. It is, therefore, the duty of the business community as a whole, and of those who are not directly interested in any aspect of cloth and cotton, to keep track of what is happening in this important sphere. But my real aim in bringing up this matter is, once again, to point to the danger of letting the forward markets run away with themselves. Whether they like it or not, they have to be firmly anchored to their respective spot markets. They could only have a fixed cable length for meandering and any attempt at straying away from the circle and venturing on the high seas is bound to prove dangerous for the essentially frail craft. We have witnessed, during recent weeks, the bewildering spectacle not only of unnatural gaps between the spot and forward positions in various markets, but of the two markets marching in opposite directions at times.

Forward trading, offering hedge facilities to huge seasonal crops and a large number of equities, is an essential part of our present economic structure. However, it can be regarded as such only so long and so far as it serves this purpose. When it tends to get unreal, as a result of over-trading, cornering or organised bear raids, it endangers itself and the whole economy. Under our new concept of mixed economy, forward markets are already frowned upon severely by the authorities, while the more leftist elements want their extinction at an early date, not knowing the important help they render both to agriculture and industry. At a time like this, it would be nothing short of lunacy or suicide for the trade organisations responsible for regulating forward trading to relax their grip on wild and undisciplined elements operating in the markets.

I consider it equally necessary to draw the attention of the Forward Markets Commission to the unhealthy state of affairs in some of the markets. This is not a mere seasonal aspect. Apart from the *contretemps* in cotton, gold and silver have also been behaving in an unaccountable manner. Oilseeds too have been highly erratic. Some checks on the value of individual trading and on the daily range of fluctuations, which operate in forward markets abroad, are clearly indicated, to save these markets from themselves.

It is no defence to plead that the Commission has no powers to interfere in their working. If the Commission is convinced that all is not well with some of the markets, it must either ask for more powers or draw the attention of the Government to the anomalies which require setting right. The pose of the serene and detached Buddha in deep contemplation, though highly artistic and impressive in a statue, is hardly the right one for a body, which has to deal actively with everyday economic realities in all their ugly crudeness. I invite the Commission to state publicly what exactly it is doing to justify its existence.—*All Rights Reserved.*

WORKING OF TRADECONTROLS IN INDIA

ADVICE OF COMMERCIAL BODIES HELPFUL

(From A Special Correspondent)

NEW DELHI, 1st *June*

THE functioning of trade controls is being made smoother by the Government of India by the adoption of a device by which representative members of trade and commercial bodies have been asked periodically to send in their suggestions towards the improvement not only of the working of the trade controls, but also of expanding the export trade of the country. It is gratifying to note that the commercial community has taken advantage of this procedure and has begun to send in their constructive suggestions from time to time, which are being examined by the Government on their merits. One such suggestion, for instance, recently submitted to the export Advisory Council is that the export policy should be guided by two principal factors: it should be stable and motivated by a long-term outlook. Even though the internal supply position might not warrant free exports of some of the country's commodities to established markets, the Government should at least allow some token exports, so that the country could maintain continuity in the trade relationship. In respect of some commodities, the Government should facilitate the conclusion of long-term contracts with foreign buyers. Further, as the country has embarked on a policy of planned development, it should be able to assess to some extent the possible changes in the internal economy of the country within the next two or three years and should formulate plans for building up our export trade from now on in such commodities as might become surplus in the next year or two. During the last few years, for instance, a number of engineering and consumption goods manufacturing industries have come into existence. These industries have been gradually expanding their production and it is, therefore, possible that trade links could be established in respect of these industries from now on, through suitable publicity, setting up of export promotion councils, etc.

DELHI LETTER

Export Duty on Myrobalans

At a time when the merchant community has been making incessant demands on the Government regarding either the reduction or abolition, as the case may be, of export duties, it is somewhat surprising that it has come forward with a suggestion that the Government should impose an export duty on myrobalans. This export duty is intended to protect the indigenous myrobalan extract industry. It is alleged that the Indian industry has been suffering from a disadvantage on account of preferential shipping freight, since 1950, on exports of raw myrobalans, showing a difference of 60 shillings per ton for shipment to the U.K. The foreign manufacturers of myrobalan extracts have the advantage of disposing of their home-made extract in liquid form to their tanneries in tank wagons, whereas the Indian manufacturers have to convert the liquid extracts into solid or powder form and pack the same in triple bags to ensure safe transit, all these taking the cost of production to a higher level. Further, many foreign countries have imposed heavy import duties on the extract ranging from 8 per cent. to 25 per cent., keeping at the same time import of raw myrobalans free of duty. Thus the cost of Indian myrobalan extract has become higher than that of foreign-made extracts and the Indian industry is considerably handicapped by unfair competition from foreign manufacturers. It is computed that the landing cost of Indian myrobalan extract in the U.K. comes to about £54, while the cost of myrobalan extract produced by manufacturers in the U.K. and the Continental countries works out to about £51 per ton ex-factory. Thus foreign manufacturers are stated to be having an advantage of £3 per ton, if they import raw myrobalans. It is further argued that myrobalans have no suitable substitute either within or outside the country. Foreign importers have, therefore, to depend on India for the import of raw myrobalans. During the last three years, India has exported, on an average, about 30,000 tons per annum of raw myrobalans valued at Rs. 80 lakhs. Despite considerable disadvantages, the quantum of exports of myrobalan extract improved from about 3,400 tons in 1950-51 to about 6,000 tons in 1952-53. On account of the decline in prices, the value of exports in 1952-53, however, amounted to Rs. 25.12 lakhs only as against Rs. 33.62 lakhs in 1951-52 (5,000 tons) and Rs. 21.27 lakhs (3,400 tons) in 1950-51. In order to increase the competitive capacity of the Indian manufacturers of myrobalan extract, it is suggested that a nominal export duty of Rs. 50 per ton on raw myrobalans exported from this country would fetch about Rs. 150 lakhs to the Government exchequer. Besides giving protection to the indigenous industry, this levy will enable India to increase the exports of manufactured goods as against raw materials. The Central Board of Revenue can examine the whole problem from this angle and once it is conclusively proved that myrobalans have no competing raw materials in other countries, the case for the levy of an export duty becomes strong.

A number of suggestions have been made for promoting India's export trade in diverse directions. For instance, India is not in a position to compete on equal terms in Australia in regard to linoleum due to the low preferential duty levied on the U.K. products. It is suggested that the Government of India should take up the matter with the Australian Government, so that Indian exporters may be in a position to compete with the U.K. manufacturers on fair terms. With a view to propping up exports of linseed oil, a suggestion has been made to allow a small quantity of exports of linseed oilcake, linking it with oil. Exports of linseed oil in 1953 receded to 7,265 tons as against 33,000 tons in the preceding year, the decline being attributable to the lower prices quoted by Argentina and Uruguay and also due to the release of reserve stocks by the U.S.A. at reduced prices. It is, therefore, stated that some special steps should be taken to improve exports of linseed oil from the country.

Discrepancies in the Classification List

The trade has also drawn the attention of the Government to the discrepancies in the classification list regarding the export duty on cloth and kindred items. For instance, exports of rubberised cloth is now subject to the export duty of 10 per cent. *ad valorem*. It is argued that rubberised fabrics, whether single-textured or double-textured, have been excluded from cloth for the purpose of excise duty and that they have also been classified as rubber manufacture by the Export Trade Control Office for the purpose of export. Further, the purpose for which rubberised sheeting is used is completely different from that from which rubberised sheeting for raincoats, holdalls, ground sheeting and other rubberised waterproof garments are used. It is suggested that waterproof cotton canvas should also be excluded from the exportable list. This duty, along with a fairly high import duty in the importing countries, tends to make the price of Indian canvas almost prohibitive. As a result, such goods from other countries, particularly from Japan, are gradually pushing out the Indian materials from the markets of Burma, Hongkong, Siam, East Africa and the Middle East. The abolition of this duty is expected to improve the economic position of the waterproofing industry. Similarly, cotton stockinette should be excluded from the taxable list in regard to export duty, since it is a hosiery item. The abolition of this duty will enable India to build up a market for these products in Australia and New Zealand. According to the trade, there is no justification for classifying hosiery knitted fabrics under cloth (Indian Customs Tariff No. 6) as all technicians and experts in this line consider that this item cannot come under cloth, and as the Textile Commissioner has exempted hosiery and hosiery knitted fabrics in rolls from the purview of the textile control orders.

Some improvements have also been suggested in regard to the presentation of statistics. According to the trade, export statistics of the following items should be maintained separately: *kardi* oil, *niger* oil, tobacco seed oil and *kardi* seed. Separate figures for export of linseed oil raw and linseed oil boiled should be maintained to ascertain the trend of the export of refined products. The export statistics of rapeseed and mustard seed are recorded separately. As both these items are the same and there is no distinction in the export policy, as also in the crop reports, these items may be amalgamated, it is suggested.

M.P'S SALARY INCREASE

OPPOSITION WINS THE DAY

(From Our Own Correspondent)

LONDON, 29*th May*

THERE are times when the House of Commons, usually so sensitive to every cross-current of British public opinion that it often falls into the danger of doing nothing lest it offend anybody whose votes its members rely upon, suddenly turns its eyes upon itself and becomes entirely blind to the public which it represents. Such an occasion has been the recent discussions and debate about the salary increase recommended by the Parliamentary Commission. Indeed, though the House has voted decisively in favour of the increase, there is talk even now from some Conservative back-benchers that they should have a go at postponing the increase till old-age pensioners and Service pensioners have had their benefits brought into line with present-day costs of living. These members are apparently quite oblivious to the fact that what began as a reasonable proposition in the eyes of the public is, with excessive debate and excessive argument that the needs of others should come first, on the way to becoming a joke which could turn Parliament into a laughing stock.

LONDON LETTER

Those who feel genuinely that the needs of the pensioners should come first (though this is a matter on which the House could hardly coerce the Government) would be better advised to copy the example of the Labour member who announced after the debate that he would devote the whole of his increase to the needs of the old-age pensioners in his constituency. But most members—unless they be company directors or the like, or journalists or have independent incomes—will find that charity has to begin at home. After all, on the present rate of £1,000 per annum, less average expenses £750 per annum, an M.P. can reckon on the princely salary of £5 per week! His proposed £15 per week (less tax, which will lop off most of the increase for anyone enjoying an extra-Parliamentary income) will be none too much.

But the interesting part of this economic exercise in determining the equitable allowance (the Labour Party speaks of allowances and the Conservative Party of salaries) for a Parliamentary representative lies in the method of treatment. When the proposition first came before the House, it was referred back for further consideration and the House asked the Government for guidance. The guidance came in the Chancellor's plea not to vote for a salary increase but for a tax-free expense allowance. There is no doubt that, from the economic angle, the tax-free allowance would be the better proposition, better in the sense of being truer to the facts since the Parliamentary Commission had already established that £750 was the average expense "fully and solely incurred" in the performance of Parliamentary duties. If all members were allowed £500 per annum for their expenses, then the onus would be on them to show whether they were entitled to tax allowance on any part of their salary as well and the salary, remaining at £1,000, would be more in line with what professional people understand as a salary; which is no doubt why most of the Conservative ranks supported the Chancellor.

The opposite point of view, which won the day in Parliament, was the feeling of most Labour members—and of the small group of Conservatives who supported them and whose adherence (together with the abstention of a good many other Conservatives from voting at all) turned the scale—that expenses are a business racket for tax-dodging and that Members of Parliament should have no part with them. It would no doubt have been different if it had been proposed to provide members with services in kind, such as free secretarial assistance or even the free meals which one member suggested, but, as the Inland Revenue is prepared to admit various expenditure as tax-free, the Labour Party felt that it made no practical difference whether to call the increase an expense allowance or a salary increase (or even just an "allowance") but it would sound very different in the constituencies. There an honest-to-goodness salary increase would go down a deal better. All this shows how important it is to handle an issue of this kind tactfully in Parliament: if, when the Commission first reported, Parliament had decided on adding an expense allowance to members' pay, it would have attracted relatively little attention.—*All Rights Reserved.*

CONTROL OF MANAGING AGENTS

VALUE OF MANAGEMENT AUDIT

(By R. NANABHOY, F.C.W.A., F.C.C.S., Industrial Management, Cost and Quality Control Consultant)

IT is indeed a matter of gratification that the Finance Ministry is prepared to give further thought to representations for preventing abuses and *mala fides* that have brought discredit to the system of managing agents in the country and injured the interests of shareholders, in particular, and the national economy, in general. Critics must really be thankful to the Finance Minister for his assurance to give fullest consideration to their views. This assurance has encouraged the present writer to put forward a suggestion which, if implemented, should enable the Government to regularise the working of joint-stock companies in such a manner as to avail all classes of investors of equal benefit.

My suggestion in brief, is to make a mandatory provision in the Company Law for *management audit* in every company in addition to financial audit. The Government has already tried its level best to make the law perfect and comprehensive. But there are still some 'vexed' problems which cannot be totally solved by legislation. It, however, cannot afford to stop its efforts to solve the problem merely because it is difficult. It has to try hard and evolve a method for checking malpractices. My suggestion, if given due consideration, will, without unnecessarily interfering with the genuine commercial or industrial activities of a company, help close the loopholes through which the company's funds may be dissipated.

A managing agent is considered to be a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company and under the control and direction of the directors. Managing Agents in India have played a vital role in the economic development of the country. They have started and nursed the industry, and have borne risks. The system, as Dr. S. G. Panandikar says in his book, *Banking in India*, has proved to be "a substitute for a well-organised capital market and an industrial banking system of Western countries and has come into existence by the sheer force of economic circumstances."

As if to outbalance such favourable points, managing agents have become nearly the sole proprietors of companies and have tried to place their personal interests above those of shareholders. In several cases, inefficient descendants have been obliged to engage supervisory personnel at the cost of the company while retaining their own remuneration. Consequently, supervisory costs have become heavy. Thus, as the managing agency system has been marred by numerous abuses and malpractices, it is quite understandable that the Government should be anxious to assume powers for exercising a strict control over the activities of managing agency companies. The malpractices have given a fillip to the demand by a section of the public for putting an end to the system itself. The saner section, however, still considers that, under the present economic structure of the country, the managing agency system will continue to prove useful for some time to come, provided the defects therein are removed.

Difference Between the Two Systems of Audit

It is not the managing agency system that is defective, but it is the dishonest men who have made it so. We have now to see how a managing agency firm can be controlled by the shareholders, if they are given power of carrying out management audit as distinct from the financial audit. The most important difference between these two forms of audit is that, while the financial auditor will start somewhere in the middle of the process, the management auditor will start from the beginning. The financial auditor at times will rely on certificates given by the management, but the management auditor will testify the genuineness of the certificate by virtue of his specialised skill. The financial auditors are more or less bound by legal duties and tend to confine their activities only to matters of legal importance more than to those of moral importance. The management auditors will serve the moral obligation more, as they are supposed to guard the interest of the shareholders and workers. Let us take some instances of improper practices followed by some of the managing agents and see how they can be remedied.

The managing agents have their personal interests in some other concerns. They will manufacture the goods for that private concern of theirs in the company managed by them. There will be no trace of such transactions in the account books. In such a case, suppose the book figures are as under:

	Units
Opening stock	5,000
Purchases during the year	50,000
	55,000
Closing stock	10,000
Consumption	45,000

From the above illustration, it will be seen that the closing stock is 10,000 units. But supposing, for argument's sake, physical stock is only 7,000 units. In such a case, the financial auditor may invariably pass the physical stock as correct on the strength of the stocktaking report certified by the management. Actually, the closing stock should be 10,000 units. The management audit will not allow such a flaw to escape so easily. This auditor will go through every stage and will verify what the actual stock should be and will demand explanation from the managing agents, if the difference between the physical stock and the book figures is abnormally high. This will also reveal the malpractice of payment of false invoices or at times receiving short supplies and making payments for more quantities. Thus, in the above example, for instance, the purchases may be shown as 50,000 units, but actually only 45,000 units might have been received and payment made for 50,000 units; or after receiving 50,000 units, 5,000 units might be privately sold out as raw material. Such defects are not usually discovered under the routine financial audit, but management audit will surely discover them.

Relationship Between Consumption and Output

The management auditor will try to arrive at the nearest relationship between consumption and output in the industrial or business concern which is under his audit. Suppose the relationship is as under:

	Tons
Consumption	100
Finished products	75

Now the auditor will testify the figures supplied by the management on the touchstone of this ratio. The production figure must prove its relationship to the consumption figure and the management will be answerable for any variation from this estimate.

Relationship Between Hours Worked and Output

The management auditor will relate the number of hours worked to output. This will assist him in ascertaining whether the labour is fully employed or whether bogus labour is shown while actually the industry is underemployed. The financial auditor will only ensure the appropriateness of the wage bill, while the management auditor will calculate the total number of hours worked from the wage bill and compare the results with actual production shown on the basis of a fixed ratio arrived at from experience.

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Managing agents may incur expenses at their sweet will and may utilise the funds for wrong purposes, as is alleged in the cases relating to the Sholapur Mill, Mr. Venkataraman (I.C.S.) and Messrs. R. Nanavaty & Co. (fertiliser scandal). It is a wonder how these expenses escaped the eyes of the auditors. Perhaps, the main reason is that the auditors considered legal validity of documents as a matter of important concern rather than the actual or potent use to which the amount is put to. The members of managing agency firms enjoy trips to foreign countries in the name of business tours, while, in effect, very little business is done on behalf of the company, bearing no relationship to the expenses of the trips. Not only do the managing agents themselves enjoy those so-called business tours but they send their brothers, sisters and even distant relatives to foreign countries at the cost of the managed company without any mentionable return. Similarly, under the disguise of secrecy of business, the managing agents hide their misdeeds and malpractices. This state of affairs should not be tolerated under the new Act. The expenses incurred by the managing agents should be related to their productive value. They should be made to explain how far these expenses have helped business uplift as compared with the costs incurred. This work can be done by management auditors by asking for the contracts entered into after going abroad, actual supply of goods to foreign countries or actual imports from foreign countries. They can also see whether the work could not have been done by correspondence.

Unproductive Units

From the detailed review of consumption and output as well as sale proceeds, the auditor will abe able to find out whether or not some units are unprofitable and will make suitable recommendations for dealing with such units. Similarly, he will point out which units are weak and need improvement. Thus the shareholders will come to know the week points of their concern and can take measutes in beneficial direction.

Records of Finished Goods

Records of finished goods are not maintained in such a way as to disclose the real position. As the financial auditor does not go deep into these facts, the malpractices continue to exist. Whereas the financial auditor will only check the invoices and outstanding balances, the management auditor will first verify the invoices with challans and stock record and will find out whether the finished goods sent out are actually billed or not. If this is not done, it will provide a loophole which unscrupulous agents will take advantage of to the detriment of shareholders and the Treasury.

If the system of management audit, with extensive powers, is put into practice, it will help reduce the malpractices to the minimum and thereby bring down the costs appreciably. The profits will proportionately rise, which in turn will bring more dividend to shareholders and yield more revenue to the Government. Another advantage of this system is that it will have an automatic check on the financial auditors and will compel them to be more careful, while confirming and certifying the accounts. Incidentally, if this system is introduced in Government undertakings, there will practically be no scope for corruption among their employees.

It is, however, important to decide as to who should have the power to appoint these auditors. It is needless to add that neither the managing agents nor those who are in charge of managing the companies which are not under managing agents should have the power of appointment of management auditors. The Central Government should have an areawise list of recognised management auditors which should include chartered accountants and cost accountants having practical experience of such work. It is from the list of such approved auditors that a company should select a management auditor with the consent of a 75 per cent. majority of shareholders. The removal of an auditor once chosen should be subject to the prior approval of the Government. This is necessary in order to ensure that he can work freely without fear of his being dismissed by the managing agents with the help of majority votes which they can invariably muster. It is, of course, necessary to add that provision must be made for giving suitable punishment to an auditor who does not discharge his duties properly.

BOMBAY STATE FINANCIAL CORPORATION

CHAIRMAN EXPLAINS POLICY

THE policy of the Bombay State Financial Corporation in regard to rendering financial assistance to needy industries in the State, as outlined briefly in the Directors' report (vide *Commerce* dated 29th May, 1954), has been further elucidated by Mr. Purushotamdas Kanji, its Chairman, in his speech at the first annual general meeting of the Corporation held on 31st May last. This elucidation gives a clear idea of the nature and extent of aid which the Corporation can extend to industry in the State. The speech clarifies also the conditions under which the assistance will be provided for industries. This clarification should help industrialists precisely to know what they can expect from the Corporation.

The Corporation is authorised to undertake various types of business under section 25 of the State Finance Corporation Act. The Corporation does not propose to venture into all these types at present. Its operations, in the first instance, will be confined to granting loans and advances to industrial concerns of medium- and small-scale industries. It would participate in subscribing also to debentures of industrial concerns. As business expands and experience is gained, the Board, according to Mr. Kanji, may consider undertaking other lines of business in due course. All this shows that the Corporation is proceeding on cautious lines.

In deciding its policy, the Board has taken care to avoid overlapping of activities with the all-India concern, the Industrial Financial Corporation of India. This is sought to be achieved by its decision to entertain loan applications from public limited companies of medium- and small-scale industries only upto a maximum of Rs. 5 lakhs. Accordingly, public companies in the State requiring loans and advances in excess of this maximum limit will have to approach the bigger body for their financial requirements. As the central institution, however, entertains applications only from public companies, other concerns such as private limited companies, registered partnerships, and proprietory concerns can only seek financial aid from the State Corporation. This demarcation of activities between the State and the Central Corporations is both necessary and practical. Besides preventing overlapping, it helps co-ordination of work between the two institutions.

The Board has fixed the minimum and maximum amount of loan which it can lend to concerns at a time at Rs. 10,000 and Rs. 5 lakhs respectively. The Board considers that the minimum loan fixed at Rs. 10,000 would enable small-scale concerns to take advantage of the assistance of the Corporation. Concerns requiring loans below this minimum will have to seek assistance from other sources. Although the maximum limit prescribed in the Act is Rs. 10 lakhs, the Board has done well in deciding that, in the initial stages, the limit should be Rs. 5 lakhs. This will help the Corporation to extend assistance to a wider sector of industry in the State.

Although the Corporation's activities are confined to medium- and small-scale industries only, such concerns as can offer adequate security can alone avail themselves of accommodation from the Corporation. For, under the provisions of the Act, the loans—both medium- and long-term—must be secured by mortgage of fixed assets of the concerned company. Consequently, industrial concerns which have no tangible or fixed assets to offer as security are not eligible for assistance from the Corporation. As the amount of loan sanctioned will be about 50 per cent. of the net value of fixed assets of a concern, the company concerned should have assets valued at not less than Rs. 20,000, if it seeks a loan of Rs. 10,000. This limitation may act rather harshly on small industrial units such as rice mills and oil mills operating in mofussil areas. It may be noted here that these concerns will have to offer securities to commercial banks for credit other than medium- and long-term, for carrying on their day-to-day operations.

During the four months ended 31st March, 1954, the Corporation received about 50 applications. The Executive Committee of the Board has already considered seven applications and investigations are in progress in respect of others. A striking feature of these applications is that loans are required either wholly or partly for working capital. But the Board has decided that loans should be primarily given for purposes of acquiring fixed assets, either for development of new units or for expansion, renovation or modernisation of existing units and that loans for working capital should be given only in exceptional cases. The Government of Bombay, too, is stated to have instructed the Corporation that loans for working capital should be given in exceptional cases for only limited amounts and for shorter periods. Although this direction does not rule out the possibility for giving loans for working capital altogether, the Corporation has, for the present, decided to reject all applications for loans purely for purposes of working capital.

The assistance to be provided by the Corporation will, to a certain extent, be limited by changes in economic conditions. This point has been very well explained by Mr. Kanji. As a result of the change-over from a sellers' to a buyers' market all the world over, industries, large and small, are faced with a set of tough problems such as keen competition within and from without, declining prices, lower turnover, etc. In the result most of them are working below their installed capacity. Commenting on this aspect of the question, Mr. Kanji observes: "It may be due to high cost of production, lack of marketing facilities, competition from imports, lack of finance, lack of technical personnel, want of co-ordination, poorer quality products, labour conditions and such other factors." He desires that the Central or State Government should appoint a Committee to enquire into the condition of these industries. He thinks that such an enquiry is necessary, because, unless the underlying causes are known, it would not be possible to apply effective remedies. In other words, the Corporation will be in a better position to deal with loan applications from such of the industries as are producing goods below their installed capacity, if it is posted with up-to-date information regarding the economic position of these industries.

U.N. ECONOMIC DEVELOPMENT FUND

Response to the proposal for establishing a Special U.N. Fund for Economic Development (S.U.N.F.E.D.), put forward by the members of the U.N., would appear to be not very encouraging. The replies received from 20 member-nations on this proposal fall under three categories. The first category, from the underdeveloped countries, expresses the view that the world situation—and, in particular, the situation in the underdeveloped countries—demands that the S.U.N.F.E.D. should be set up as soon as possible. Even, if provided with only modest resources, the Fund would be an important part of the U.N. machinery for ensuring speedy economic development. The countries under this category take the view that it is now time to draft the statute of the Fund on the basis of the recommendation of the special committee of nine which went into this question. They are prepared to contribute to the finances of the Fund to the extent their means permit.

The second category of replies is from the industrially advanced countries. This group seriously doubts the advisability and feasibility of setting up the Fund now or even in the near future. It recalls that the U.N. Assembly's resolution on the establishment of an international fund for financing development of underdeveloped countries was conditional on supervised disarmament which would make it possible for the advanced countries to make available to the Fund resources at present absorbed in defence expenditure. That condition has not been fulfilled. It further says that the economic and financial position of the developed countries does not permit them to contribute to the S.U.N.F.E.D. Some of the countries, however, seem to be willing to contribute, if the U.S. participates in the scheme.

The third group of replies is also from industrialised countries and opines that the Fund should be set up at once. It feels that it is neither necessary nor desirable to make the establishment of the Fund conditional on disarmament. The sum of $250 million required to start the Fund will be only an infinitesmal fraction of the world's total annual defence expenditure. It believes that the Fund will not duplicate or diminish the effectiveness of existing agencies.

The views of the three categories above are summarised in an interim report prepared by Mr. Raymond Scheyven of Belgium. He was appointed by the U.N. Assembly, last December, to examine the comments of Governments on the proposal to establish S.U.N.F.E.D., as suggested by nine international experts. These experts—Dr. D. R. Gadgil of the Gokhale Institute, Poona, was one of them—had proposed that the Governments of member-countries should be requested to contribute an amount equivalent to $250 million as initial capital for the Fund from which long-term, low interest loans could be given mainly for non-self-liquidating projects, in underdeveloped countries, such as road building and irrigation schemes. It was felt that the Fund would fill a gap in the existing U.N. machinery for promoting economic development and, at the same time, help fill another gap between the money needed by underdeveloped countries and the capital available for their development.

BANK EMPLOYEES URGE TRIPARTITE CONFERENCE TO AMEND AWARD

The Government of India's decision to issue an ordinance extending by three months the statutory limit of 30 days given to it for taking a decision on the Appellate Tribunal's award has been criticised by the All-India Bank Employee's Association, Calcutta. The Secretary of the Association told Press representatives last week that the Government was anxious to provide relief to bankers at the cost of the workers. It has set, he remarked, the public, depositors and the shareholders against the employees by saying that banks would be in jeopardy, if they were required to implement the award fully.

Analysing the provisions of the award, he said that while it gave some relief to 57 per cent. of the 60,000 bank employees, it adversely affected the remaining 43 per cent. Most of those who would be benefited were in rural areas or working in 'B' class banks. The bankers now wanted, he alleged, to exclude employees in rural areas from the purview of the award.

With a view to settling the dispute amicably, the Secretary has suggested the holding of a tripartite conference of the representatives of bank employers, employees and the Government. He opined that suitable amendments to the award could be made at the conference so that "it may be acceptable to all employees." It may be mentioned here that whenever tripartite conferences are held, the object is to see to it that the decisions reached at such conferences are acceptable to all the parties concerned and not only to one section.

"BANKRUPTCY BANISHED BY BUTLER"

History should have on record the high and richly deserving tributes paid by Sir Winston Churchill to Mr. R. A. Butler, the Chancellor of the British Exchequer, at a mass meeting at Albert Hall, London, last week. Coining an appropriately alliterative slogan, "Bankruptcy Banished by Butler," Sir Winston remarked: "We salute Mr. Butler, the Chancellor of the Exchequer, who has so faithfully and patiently followed the prudent, though often unpopular, courses which alone made this recovery possible."

These observations followed Sir Winston's review of the welcome change that had taken place in the status of the pound sterling since the Conservatives came to power. "Soon after we became responsible," he said, "the drain on our precious store of gold and dollars was stopped, and, for two years, we have been steadily rebuilding our reserves. Today they stand once more at over £1,000 million or £3,000 million." He claimed that the outside world, which was watching the country's efforts and seeing its results, had regained its confidence in the country. Sterling once again had become a currency which the world could trust. "From the shadow of bankruptcy," he continued, "we have advanced to solvency. At home during the past two years, the cost of living has been very much steadier, and we have also had the hope that we should not find it beyond our power to turn the slope downwards. Production has achieved new high records and the highest level of employment has been maintained."



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BANK OF RAJASTHAN SHOWS BETTER RESULTS

DEPOSITS AT A *RECORD* LEVEL

A SMALL but welcome improvement in profit is disclosed by the audited accounts of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta) for the year ended 31st December, 1953. The profit, before providing for taxation, which had dropped from Rs. 2.06 lakhs for 1951 to Rs. 0.85 lakh for the succeeding year, has risen to Rs. 1.05 lakhs. Though the setback in profit suffered in the previous year has thus not been fully recouped, even this small improvement is a noteworthy achievement in the face of the difficult business conditions and high cost of operations, which hit hard many a Scheduled bank in India. After providing a larger sum for taxation and making a small addition to the reserves, the dividend has been maintained at the modest rate of 3½ per cent., to which level it was reduced last year from 4½ per cent.

The following table gives the salient features of the Bank's profit and loss accounts and balance-sheets relating to the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1953	1952	1951	1950
Interest and discount earned ..	5.92	5.63	5.84	4.64
Commission and exchange earned	2.70	1.02	2.38	1.98
Interest paid	2.71	2.29	1.72	1.15
Expenses	4.08	4.43	4.41	3.65
Depreciation	0.22	0.11	0.21	0.16
Profit	1.05	0.85	2.06	1.82
Provision for taxation	0.50	0.27	0.25	0.40
To reserves	0.24	0.29	1.68	1.02
Dividend	0.32	0.28	0.28	0.23
	(3½%)	(3½%)	(4½%)	(4½%)
Carry forward	0.02	0.03	0.02	0.05

	As on 31st December			
	1953	1952	1951	1950
Capital	9.22	9.22	7.45	5.15
Reserves	5.01	4.82	4.50	2.53
Deposits	172.80	150.22	152.81	149.89
Advances and bills purchased and discounted	69.12	70.23	63.83	49.64
Investments	63.02	55.81	65.76	47.68
Cash	61.79	48.26	67.32	66.79
Balance-sheet total	209.50	190.23	197.24	183.89
Ratio to deposits of—	%	%	%	%
Advances	40.0	46.7	41.4	33.1
Investments	36.6	37.1	36.6	31.8
Cash	35.8	32.1	37.3	44.5

The gross income of the Bank for the year under review, amounting to Rs. 8.97 lakhs, is a record and represents an increase of Rs. 1.09 lakhs over the year. The increase in gross income is presumably due to a larger turnover of business. This may be due to the improvement in the agricultural situation in the State, which had been affected seriously by drought in the previous year. Of this rise in income, the two main sources, namely, interest and commission, account for Rs. 29,000 and Rs. 78,000, respectively. The rise in profit has not kept pace with the increase in gross income on account of the rise in operation costs. Expenses for the year under review are the highest on record for the Bank. Interest paid also has gone up sizably, but this is evidently due to the increase in deposits and the high rate of interest that prevailed throughout the year. After providing Rs. 50,000 for income-tax, as against Rs. 27,000 in the previous year, the Directors have set aside Rs. 24,000 to the reserve fund, which had received Rs. 17,062 in the previous year.

It will be observed from the foregoing table that deposits have gone up by Rs. 22.58 lakhs to a record level of Rs. 172.80 lakhs. A break-down analysis of deposits shows that fixed deposits have risen by Rs. 7.32 lakhs to Rs. 57.67 lakhs, savings bank deposits by Rs. 4.62 lakhs to Rs. 33.91 lakhs and current, contingency accounts, etc., by Rs. 10.64 lakhs to Rs. 81.21 lakhs. Advances and bills purchased and discounted show a small drop of Rs. 1.11 lakhs over the year. Investments, on the other hand, have been strengthened by Rs. 7.21 lakhs to Rs. 63.03 lakhs, almost the whole of which—Rs. 62.56 lakhs to be precise—are in Government securities. The market value of the investments in Government securities as at the close of the year is lower at Rs. 60.68 lakhs, the depreciation being more than covered by the investment reserve amounting to Rs. 2 lakhs. The major part of the investments consists of short- and medium-dated securities maturing within ten years, those maturing after ten years representing only 13.2 per cent. of the total investments. Cash balances are higher by Rs. 13.53 lakhs at Rs. 61.79 lakhs, at which the cash coverage to deposits is as high as 35.8 per cent. The total liquidity ratio is at an impressive level of 72.3 per cent. In fine, the Bank's balance-sheet is a clean one.

AMERICAN LETTER

ECONOMIC CONDITIONS BELIE TALKS ABOUT RECESSION

1954 WOULD BE A GOOD BUSINESS YEAR

(From Our Own Correspondent)

SAN FRANCISCO, *27th May*

I HAVE just completed a tour of the United States, particularly California. The strongest impression is that of continued and unimpeded growth of the West Coast, partly at the expense of other sections of the United States. It belies all recession talk. The second somewhat frightful observation is the fear of imminence of another war. There is general realisation that things have been going badly at the Geneva Conference. Also, there is a very acute feeling here on the West Coast that the South-Asian situation is highly critical and highly explosive. The hesitancy on the part of Great Britain and the United States to take any decisive measures is compared with the appeasement policy of Chamberlain towards Hitler at Munich. That this policy does not work, is quite obvious and that the Kremlin has had the initiative all these years is equally apparent to the man in the street in even the smallest farming communities.

While President Eisenhower is still much revered, he is accused of indecisiveness. Secretary Dulles' statements, stoutly defended by the President, make no sense to most people. The general question is "What next?" Commentators galore say in print, on radio and television, in effect "we are very close to war."

India's Position Misunderstood

India's position in this serious Asian situation is widely misunderstood, largely out of ignorance, in my opinion. For most people, the stand taken by Prime Minister Nehru is a complete mystery. It is not to me, because I had the privilege of attending a dinner which was given for him five years ago at the San Francisco Press Club. He explained his position then and it has been logical, on the basis of that, that India has taken the line of policy, it has pursued. There is great need that official quarters at New Delhi explain to the United States and the Western world the reasons for their actions. Prime Minister Nehru is accused here in many quarters to aspire for the leadership of all of South-East Asia. Also, that he does not want any United States interference, politically or economically, and that, in effect, he favours the Communist side.

Turning back to the political situation in the United States, there seems to be little doubt that, if national elections would be held today, instead of next November, the Democrats probably would win. However, party-lines are quite confused. Voters have become quite selective, just as the investors in the stock market. Those of independent thought, vote for people rather than for a party.

In the economic field, things have been much better than expected. Industrial production came up to seasonal expectations in April for the first time since last July. The Federal Reserve Board, which never abandons caution, estimates that the April output rate continued into the first part of May. Steel operations climbed to the highest point since last February, although a decline was forecast. A survey of aluminium sales showed the volume to be higher than a year ago. Also, business inventories have been trimmed at a $5,000 million pace.

Steel scrap prices advanced. Cotton textile prices firmed in response to the biggest buying wave since last August and there were many budding plans in evidence in the fields of electronics, atomic power industrial applications and port developments stemming from the St. Lawrence Seaway Project.

A large chain retail store, S. S. Kresge Company, announced plans for 31 new stores and Woolworth, the largest in the field, will open 34 new branches.

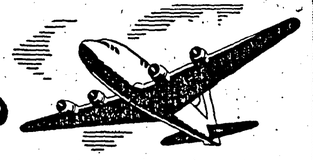
From all indications, home building this year may reach the second largest total in history. Aluminium Company of America announced that it expected to borrow $100 million to complete its five-year expansion programme. Johns-Manville said that it would spend this year about $18.5 million on improvements and Southern Pacific Company has a $60-million capital programme coming up.

Perhaps the best indicator of consumer health are the public utilities. The largest concern in the business, Consolidated Edison Company, of New York, held its annual meeting the other day. H. R. Searing, President of the Company, told stockholders, "we judge that wages are holding up well, because we see no slowing down in the payment of service bills. We keep a close watch on store vacancies and see no significant increase. We see no unusual unemployment. As a matter of fact, we have difficulty in hiring manual workers and certain classes of manual help."

This has been characteristic throughout this "recession." Here in California, for example, there has been a big ado about the influx of labour from Mexico, mostly illegally. Fact of the matter is, that most of the rice farmers in the desert, which is being reclaimed by irrigation, welcome these workers, legally or illegally, because they cannot find Americans willing to work in the fields.

So far as the overall picture is concerned, the two mainstays of the American economy in recent years are better than expected. They are construction which is supported by a $2,000-million Federal highway aid programme and industrial spending for plant and equipment. The logical conclusion, therefore, is the much heralded depression will not develop any further. Indeed, signs of upturn are appearing every day. Should a war break out, activity would, of course, be accelerated beyond present projections, but even without it, 1954 should be a very good business year.—*All Rights Reserved.*

Taking to the air?



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MILLS URGED TO BUY NEW PLANT

U.K. PREPARED TO FACE COMPETITION

A CONTRAST between the attitude of the Government in this country towards the Indian textile industry and that of responsible persons in overseas countries towards the industry in their own countries is provided by a study of the proceedings of the recent International Cotton Congress at Buxton. The Government in this country, as well as the labour leaders and others in public life, are never tired of preaching the dangers of re-equipment, modernisation and rationalisation, and the virtues of the *status quo*. By contrast, Sir Harry Pilkington, President of the Federation of British Industries, told the International Cotton Congress that the industry should invest in new plant and equipment without delay. He believed that many people in industry were postponing re-equipment, because they were continuing to think in terms of 1939 values. It was an unrealistic attitude, because there could be no return to 1939 levels. He said: "Anybody who is putting off investment in the belief that prices will be cheaper later on is living in a fool's paradise." The moral of this advice could be slightly varied to suit Indian conditions. It would then be: "Anybody who believes that by postponing modernisation and rationalisation the Indian textile industry can maintain its competitive position is living in a fool's paradise."

Sir Harry appealed for wider opportunities for British industry to export its products to overseas markets. He said it wanted the opportunity to sell in the U.S., in West Africa, in the Argentine, and "even on the other side of the Iron Curtain." In the best British tradition of courage in the face of heavy odds, he said: "We in Britain are not afraid of competition; we have been brought up on it and we are prepared to compete with anybody provided we can have conditions of a fair fight. In that way, we can hold our place in the markets of the world on our merits." We would like to see similar courage in the ranks of Indian millowners. But before that can happen, it is necessary that both the Central and State Governments and the workers should play fair, the former by showing their willingness to reduce the numerous burdens it has imposed on the industry partly in the interests of revenue and partly in the interests of the handloom industry and the latter by increasing man-hour productivity.

Although the General Agreement on Tariff and Trade, Sir Harry said in effect, was not a perfect institution, it should not be abolished. He said that in the eyes of domestic manufacturers in importing countries the G.A.T.T. seemed to hamper their freedom and restrict their power of expansion by providing low-cost imports. But he thought that it would be wrong to give it up. Proceeding, he observed: "Doubtless none of us is satisfied with the details of G.A.T.T. But what matters is that G.A.T.T. in some form or other should continue—that the 34 countries who have formed themselves into this club should continue to work in harmony and co-operation." It may be mentioned, in this connection, that the committee of the Congress considered the question of temporary admission of Japan to the G.A.T.T. and confirmed its belief that the full admission of Japan to this organisation was unjustifiable. It is not, however, clear whether this means that the Congress is not opposed to temporary admission of Japan.

To revert to Sir Harry's address. He deplored that some people in the U.S. should oppose the adoption of the Randall Commission's report. He said:

"In the U.S., in my own industry, in the last few months I have seen propaganda to prevent the adoption of the Randall Commission's report—a report which we think is so gentle and so tender to the American interests that we are amazed that it should have aroused any opposition over there. We have seen plenty of propaganda to avoid its being passed into law by those who fear that the two or three per cent. of the total imports of the U.S. that we and our European opposite numbers can now supply would totally disrupt their markets. That same attitude will be voiced later in the year against the renewal of G.A.T.T."

On the question of the Commonwealth Preferential system, Sir Harry took a middle position in that he favoured neither its abolition nor its conversion into a more rigorous system.

"Some people in this country take the view that we should build a ring round the Empire with complete internal Empire free trade in the same way that the United States do. That is neither possible nor desirable. Even if we would have it, much of the Commonwealth would not."

On the other hand, he was quite certain that Britain would never abandon the general principle of Imperial Preference and would prefer to abandon G.A.T.T. first, as would most of the Commonwealth.

Among other subjects considered by the International Cotton Congress were the trash contained in raw cotton and the statistical activities of the International Federation. It was stated that the amount of dead cotton and immature fibre has increased in American and other cottons during recent years. International cotton statistics are in future to be published annually, instead of twice a year, but figures showing the number of looms in the world are also to be published annually, instead of at irregular intervals. There is to be further collaboration between the International Federation and the National Cotton Council of America covering the marketing of cotton, raw cotton research, technical matters and sales promotion.

The Federation of Master Cotton Spinners and Manufacturers' Association is to change its name from the beginning of September to the International Federation of Cotton and Allied Textile Industries. Responsibility will be put in the hands of a smaller and highly experienced international committee. The Egyptian Association of Cotton Spinners and Manufacturers, it is stated, has been admitted as a member of the Federation.

ENCOURAGEMENT TO KHADI

Contracts for a sum of Rs. 2½ lakhs have been placed with the all India Khadi and Village Industries Board, by the Director-General of Supplies and Disposal during the last five months. These contracts, it is stated, are in addition to those concluded by the end of December, 1953, for about Rs. 2 lakhs. This is in implementation of the Government of India's policy to encourage the use of *khadi* in various Government departments. In addition, enquiries against demands of an aggregate value of Rs. 15 lakhs are still pending with the Board and contracts for at least 50 per cent. of these may be concluded within the next three months. The Supply Department is considering the possibility of entering into annual rate contracts with the Board for standard types of articles, such as, dusters, towels, bed sheets and table covers, for which *khadi* has been found suitable.

The Board, it is pointed out, has had to overcome many difficulties. Organising production of new types of materials of uniform standard and quality required by the Government and not previously manufactured in *khadi* takes time. Government purchases of *khadi*, it is believed, will rise further as and when the Board is in a position to improve the quality and reorganise its production centres to handle demands for standard types of materials in keeping with the delivery requirements of the indentors. To this end, the Board is reported to be so arranging production that each centre specialises in a particular item of store and gains experience in meeting Government orders. To assist the Board to attain the rigid standards of inspection adopted by the Department and in order to increase production, the Department has laid down certain tolerances in width, warp and weft for the guidance of inspection authorities. This will enable the *khadi* production centres to maintain standards within these tolerances. Detailed specifications to govern supplies of different categories and qualities of *khadi* material are also being drawn up by the Supplies Department for adoption in consultation with the Board. The Department, it is stated, has found that there are several other varieties of cloth which could be replaced by *khadi*." It has circulated to all principal indentors samples of these varieties. A committee consisting of representatives of the principal indenting departments for cloth has been functioning under the chairmanship of the Director-General, Supplies and Disposals, since last year to ensure that effective action is taken in regard to greater utilisation of *khadi*.

WORLD WOOL CONSUMPTION

World consumption of wool in 1953, as estimated by the Commonwealth Economic Committee, is 2,600 million lbs. (clean basis). This level, according to the review of the world wool textile activity published by the Committee, was exceeded only in 1950, when the effects of the Korean war were particularly felt. World wool consumption was at its highest level during the first half of 1953, when the wool textile industry was completing its recovery from the recession of the previous year and rebuilding working stocks of tops, yarns and tissues. But, in the second half of the year, the rate of usage fell off to some extent, particularly in the U.S. Raw wool prices, however, remained generally firm. World output of wool tops is estimated to have risen by about 30 per cent. over 1952, while worsted yarn production increased by nearly 20 per cent. Woollen yarn production in 1953 was, however, only about 5 per cent. higher than in the previous year. Production of woven wool cloth showed practically no change over the year.

World wool supplies during 1954 are expected to amount to about 2,570 million lbs. (clean), excluding strategic reserves and normal carry-over in exporting countries, as against 2,640 million lbs. in 1953. As regards consumption in the current year, the review says:

"Consumption in 1954, would appear to have an approximate upper limit set to it by the amount of new available supplies—that is around 2,570 lbs. —and even these may not necessarily all be marketed. On the other hand, in view of the easier trend in consumption towards the end of 1953, consumption may well fall short of this upper limit. In this connection, much depends on developments in the U.S. and these are impossible to predict. Retail sales of wool textiles in the U.S. were unduly depressed during 1953 for various reasons, though they could well recover quite sharply in 1954."

RAW COTTON COMMISSION'S LOSSES

The Raw Cotton Commission of the U.K., which has been responsible for buying cotton from abroad and selling it to the British textile industry, suffered a loss of £22.4 million during the year ended 31st August, 1953. It may be recalled that when the Commission's accounts for the 13 months ended August, 1952 were published there was quite a sensation in the U.K., for they revealed a loss of £27.8 million. The Hopkins Committee, which investigated the problem of providing cover for the British textile industry, held that it was "intrinsically undesirable that public funds should be risked to provide cover for the cotton spinning industry." The latest report is the sixth of its kind to be published by the Commission which is scheduled to be closed down before the end of August this year.

The Commission's liabilities as on 31st August, 1953, it is stated, exceeded its assets by £11.1 million. The Commission's reserve fund built up in previous years to provide against losses stood at £9.9 million at the beginning of the year under review but now shows a deficit of £12.8 million. The year to which the latest report refers, it may be noted, covers a period when the mills were free to buy from the Commission or to make their own private arrangements for the import of cotton (to contract out of the Commission). For the current season, spinners using an estimated 56 per cent. of the industry's total cotton requirements have contracted out.

Commenting on this loss, the report states, that both the Commission and the free trade were long throughout the year, their stocks plus purchases exceeding sales. Hedges by contractors-out showed a deficit of £3.75 million and the Commission's own cover required a transfer of £17.06 million. The cover loss was larger than it would have been but for the Commission's obligations to contractors-out at the beginning of the season. Some 37,000 bales bought specially for mills which subsequently contracted out had to be carried for the whole season while the opening stock had been acquired to meet the needs of the whole trade. Over the season stock was gradually reduced from 1,148,070 bales to 633,390 bales, but the excess had to be carried while prices were falling. It is estimated that these factors accounted for £3.9 million of the cover loss.

HANDLOOM INDUSTRY

The Government of India has sanctioned further grants and loans to various States for the development of the handloom industry. The All India Handloom Board gets Rs. 2,30,000 for opening show-rooms for handloom fabrics in the regional offices of the Central Marketing Organisation at Madras, Nagpur, Bombay, Gwalior, Banaras and Calcutta. The expenditure on each show-room is expected to be about Rs. 38,440 of which Rs. 10,000 will be non-recurring and Rs. 28,440 recurring expenditure. The Rajasthan Government has been sanctioned a loan of Rs. 3,19,500 and a grant of Rs. 87,240. The loan is to be utilised to provide working capital for setting up 8 sales depots (Rs. 12,000), working capital for 5,000 weavers (Rs. 2,50,000), and share capital for 3,000 weavers (Rs. 37,500). The grant is to be utilised for converting 200 throw-shuttle looms into fly-shuttle ones (Rs. 10,000), opening 8 sales depots, (Rs. 26,240), awards of prizes (Rs. 500), organisational expenses (Rs. 7,100), inspection and stamping of handloom cloth (Rs. 15,000), rebate on sale of handloom cloth (Rs. 25,000) and for publicity and propaganda purposes (Rs. 2,500). A loan of Rs. 46,000 and a grant of Rs. 19,688 have been given to Vindhya Pradesh. The loan is to be utilised for providing share capital to weavers (Rs. 6,000), and working capital for 800 looms (Rs. 40,000). The grant is to be spent as rebate on sales of handloom cloth (Rs. 10,000), conversion of 420 throw-shuttle into fly-shuttle looms (Rs. 8,400) and organisational expenses (Rs. 1,288). Hyderabad has been given a grant of Rs. 21,500 towards expenses on organisation and supervision of the schemes for the development of the handloom industry.

A review of the conditions in the sphere of Indian cotton textile industry during 1953 forms part of the statement issued to the shareholders of Messrs. James Finlay and Co., Ltd., by the chairman of the Company, Mr. W. H. Marr. He points out that the production of cloth and yarn created a new record and exceeded the target to be reached by the industry by 1955-56 under the Five-year Plan. Exports were less than had been expected, but again reached a very substantial figure. Referring to the need for modernisation, he says: "The industry generally is faced with the necessity of modernisation to maintain efficiency and, even though this would cause some reduction in the total number of workers employed, it would help to reduce prices for export markets. Continued exports are essential for the Indian mills and they are likely to meet with some competition from new Pakistan mills in the course of a few years."

SLOW RATE OF ACTIVITY IN LIVERPOOL COTTON MARKET

MERCHANTS FAVOUR FLEXIBLE PRICE SCHEME FOR YARN

(From A Special Correspondent)

MANCHESTER, *25th May*

THE reopening of the Liverpool futures market may have been a milestone in the post-war history of the trade in Lancashire but it has not so far created any fresh set of circumstances having an important bearing on trade in yarn and cloth. Transactions in the reopened market have been relatively small and price movements have been narrow, if mainly downwards in direction.

MANCHESTER LETTER

This slow rate of activity was only to be expected and follows the example of other commodity markets which have restarted in recent years. In any case, the continued presence of the Raw Cotton Commission means that Liverpool has not yet felt the full weight of trading. Later in the year there should be an increased business, particularly when the new American crop begins to move.

Spinners' yarn quotations are still linked to the Commission's cover scheme but within the next few weeks the transfer to the futures market will have to be made. The operation of the dual system for this transitional period of three months or so has benefits of this kind. The Yarn Spinners' Association can arrange its affairs so as to choose the most opportune moment for taking this action.

The Association, in conjunction with the Master Spinners' Federation, has appointed a joint cotton committee to decide on a basis of cotton values to be used by all its members for operating cost price purposes. This development follows the realisation that the Raw Cotton Commission was to be wound-up and that the majority of spinners were obtaining their supplies privately.

A new spinning cost questionnaire has lately been completed by members of the Yarn Spinners' Association and the results of the investigation are being summarised. Many members are believed to feel that the marginal rates at present in operation are inadequate and do not now reflect current costs. The leaders of the Association will have to decide in the light of the information gained from the questionnaire and the present state of trade whether any adjustments should be made in the basis on which yarn quotations are calculated.

April Exports

Very little change occurred in shipments of Lancashire cotton goods last month, earnings being £10,434,578 against £10,565,260 in March. Cloth exports at 59,296,000 square yards showed a small decline but were almost identical with those of a year ago. Shipments of yarn were a little better but remained just below the 4,000,000-lb. mark.

For the first four months, cotton cloth exports aggregated 236,117,000 square yards, against 232,767,000 yards in 1953, the respective values being £29,932,522 and £29,348,844. Yarn shipments were 15,098,041 lbs. against 13,171,270 lbs., earning £6,379,258, compared with £5,466,575 a year ago.

Leading buyers have so far been:—*Cloth*—Australia 40,351,000 square yards; South Africa 31,806,000 square yards and Nigeria 22,019,000 square yards. *Yarn*—Australia 2,318,000 lbs.; Western Germany 1,420,718 lbs. and Irish Republic 1,187,136 lbs.

Imports have continued to increase, the quantity of foreign grey cloth reaching Britain being 57,516,000 square yards in the four months, against 27,975,000 yards last year. Other fabric arriving amounted to 11,868,000 yards, against 7,664,000 yards. Cotton yarn imports increased from 422,962 lbs. last year to 3,626,830 lbs. to the end of April.

Delivery Probe

As a measure to solve the problem of delays in delivery from the finishing section of the textile industry an independent investigator has been appointed to study and submit recommendations on how the problem can be overcome. This has been done with the agreement of the Confederation of Textile Dyers and Finishers and the Cotton and Rayon Merchants' Association, Mr. F. S. Winterbottom, Chairman of the Association, declared in his annual report.

These recommendations will be based on an examination of the actual practice adopted by converters and finishers in their relations with one another and for this purpose three firms, members of the Merchants' Association, have volunteered to give the necessary facilities to the investigator, said Mr. Winterbottom.

To overcome these delivery difficulties the merchant community endeavours to maintain ample supplies in the pipeline in order to safeguard our normal trade, said Mr. Winterbottom. Even so, it is essential that undertakings in regard to delivery given to converters by other firms engaged in production should be adhered to once they had been accepted.

Selling Abroad

Wider opportunities for British industry to sell its products in overseas markets were urged by Sir Harry Pilkington, President of the Federation of British Industries, at the concluding session of the International Cotton Congress at Buxton.

Sir Harry warned that firms which were putting off the buying of new plant to modernise factories in the belief that prices would be cheaper later were living "in a fool's paradise."

"We in Britain are not afraid of competition. We have been brought up on it and we are prepared to compete with anybody provided we can have conditions for a fair fight. In that way we can hold our place in the markets of the world on our merits," he said.

But what British industry needed, and certainly the textile industry, was access to other countries. It wanted the opportunity to sell in the United States, in West Africa, in the Argentine and on the other side of the Iron Curtain. Competition was not just a question of price alone but a combination of price, quality, service and design.

Sir Harry said there were "plenty of special interests" which would like to be without G.A.T.T. so that they could see tariffs raised in their own countries against destructive imports in their own particular line. "In the United States in my own industry in the last few months I have seen great propaganda to prevent the adoption of the Randall Commission's Report —a report which we think is so gentle, so tender to the American interests that we are amazed that it should have aroused any opposition over there."

Price Maintenance "Battle"

Disagreement among the different sections of the industry in Lancashire as to how each runs its own business is never allowed to lie dormant for many months. There is a long-standing argument between the merchants on the one side and the spinners and doublers on the other in connection with the working of the price agreements organised by the producers.

The war of words has broken out again as a result of statements issued by the yarn section of the Cotton and Rayon Merchants' Association and Mr. John Lindley, President of the Yarn Spinners' Association. For the merchants, "grave concern" is expressed at the effect of the price schemes on the competitive position of Lancashire in relation to producers in other countries. It is alleged that on many occasions business has been lost to Continental suppliers who, it is said, know the minimum price levels of British yarns and by making their own prices fractionally lower secure orders. This competition comes chiefly from Belgium and Italy.

The Council of the Merchants' Association is reported to be taking "active steps" in the matter and the position is certainly complicated by the approach of completely free buying of raw cotton. What the merchants and their supporters want is a greater degree of flexibility in the operation of the minimum price schemes. They contend that on certain occasions it would be preferable to make concessions to secure business in the face of foreign competition, provided the opportunity was offered to spinners as a whole, to avoid any one mill obtaining an advantage over another.

Spinners' Reply

The Yarn Spinners' Association, on the other hand, is equally convinced that the operation of its price scheme has been of such benefit to the industry in general that they should be continued without making any fundamental revisions of this kind. Mr. Lindley, in his annual remarks, referred to the critics of the Association who, he said, were "confounded by the loyalty and solidarity shown by its members in the year 1952," which was not only a year of trial but also, in his view, a year of achievement.

"Any crack in our defences at that time, any indication of weakness in our organisation, would have had a dire effect on our future," he declared. "Without this association we may well have been repeating even now the dismal history of the inter-war years."—*All Rights Reserved.*

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EXPORT POLICY FOR COTTON

NEED FOR FURTHER QUOTA

THE export policy of the Government of India is, as is well known, determined by the need to conserve the available supply of cotton for the use of Indian mills. Exports are consequently permitted only in respect of those varieties of which there is a surplus in this country, after meeting the legitimate requirements of the Indian textile industry. This policy has been generally endorsed by the Indian cotton interests, though, from time to time, there have been protests against the delay in the announcement of quotas for export and also against the quantum permitted for export.

The interests concerned have welcomed the early announcement of quotas for export for the current season (1953-54). But there is a consensus of opinion that it is both possible and necessary to permit a larger quota than has been allotted so far. The Government announced, it may be recalled, on 28th September, 1953, an export quota of 175,000 bales of the 1953-54 crop short-staple cotton made up of the following varieties:

	Bales
Bengal Deshi	75,000
Mathias, Kalagin and Dholleras ...	50,000
C.P. I, C.P. II, Central India Deshi and Oomra Deshi 11/16" and below	50,000
Total ...	175,000

The Government also announced then that export licences would be issued for shipment upto 31st August, 1954, and that the total quota would be distributed among established exporters and newcomers in the ratio of four-fifths and one-fifth of the quota, respectively. It was also stated that this announcement was not final and the final export quota would be announced after the crop position became clearer. It is now felt that the supply position of cotton is comfortable enough to permit the Government to take a more liberal view of the export quota, especially for the Bengal Deshi cotton.

The supply of Bengal Deshi cotton is currently placed at about 349,600 bales, made up of the production of 277,000 bales and the carry-over of about 72,600 bales from the last season. As regards consumption of Bengal Deshi cotton, the mills used about 73,000 bales during the five-month period 1st September to 31st January, 1954, as against about 73,400 bales in the corresponding period in the year 1952-53. On the basis of the current rate of consumption, the mills are likely to use about 175,000 bales during the 12 months ended 31st August, 1954. This level of consumption, together with the quota of 75,000 bales for export, announced in September last, will make in all about 250,000 bales. If allowance were made for mills to hold a stock of even 60,000 bales—this would be 20,000 bales more than what they held on 31st August, 1953—it would still leave a surplus of about 40,000 bales. Indeed, this level of stocks should be comfortable enough for mills, considering that it would last them about 3¼ months beginning from September, 1954, and that the new crop Bengal Deshi would become available in October, this year. Since a clear surplus is thus indicated, the cotton interests argue that an additional quota for export could be permitted with profit to the country and without damage to the cotton requirements of the Indian mill industry.

The quota of 75,000 bales of Bengal Deshi, released in September last, is understood to have been sold out completely. It is pointed out that, in the local market itself, there is an unsold quantity of about 25,000 bales of very rough Bengals, while a similar unsold quantity is lying in upcountry centres. Mill demand for those varieties is virtually absent, with the result that they are weighing heavily on the market. It is stated that this quantity could be released for export without affecting the overall supply position of Indian cotton, in general, and that of Bengals, in particular.

It is intriguing, according to cotton men, that, while Dholleras and Oomras which can spin 10-12s counts are released for export, why Bengals, which spin only 6s counts, should not be more liberally treated for export purposes. Further, it would appear that Bengals command a better and readier export market than other short-staple varieties of Indian cotton. It is, therefore, urged that the question should be considered dispassionately and a decision reached on the basis of the available supply and mill requirements of Bengal Deshi cotton.

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COTTON CONSUMPTION IN FRANCE

France is one of those countries which have now exceeded the pre-war level of cotton consumption. In an article contributed to the *Journal* of the International Cotton Advisory Committee, Mr. Edouard Senn, President, *Institute de Recherches du Cotton at des Textile Exotiques*, Paris, estimates the consumption of cotton in the 1953-54 season at 1.3 million bales (of 478 lbs. each). This is substantially larger than the level of 1.16 million bales touched in 1952-53 and 1.20 million bales, the average consumption in the pre-war period, 1934-38. The French textile industry consists, it may be mentioned here, of 7,714,775 spindles; the rate of activity (December, 1953 figure) was 86.37 per cent.

During the period 1st August, 1953 to 31st January, 1954, France imported 585,142 bales as against 561,619 bales in the same period in 1952-53. The following table gives the imports of cotton into France during the period 1st August, 1953 to 31st January, 1954, the same period in 1952-53 and the whole of the 1952-53 season:

Imports of Cotton into France

(In bales)

Country of origin	1-8-1953 to 31-1-1954	1-8-1952 to 31-1-1953	1-8-1952 to 31-7-1953
U.S.	132,073	153,077	513,884
Mexico	..	5,486	9,510
Brazil	44,336	5,839	5,940
Peru	14,837	29,389	40,292
Egypt	103,658	130,883	258,662
Sudan	19,067	22,129	35,716
Uganda	1,278	6,194	6,692
French Africa ..	103,643	103,246	158,242
Greece	10,166	231	2,453
Turkey	28,757	30,168	76,054
Syria	61,678	25,625	55,424
Pakistan	43,797	27,290	73,608
Others	21,862	19,062	36,911
Total ..	585,142	561,619	1,273,293

It will be seen from the table above that the U.S. was the largest supplier of cotton to France in 1952-53 as well as in the period 1st August, 1953 to 31st January, 1954. The breakdown of French imports from the U.S. during 1952-53 shows that strict middling accounted for 262,892 bales, good middling 66,876 bales, middling 129,140 bales, strict low middling 15,220 bales, low middling 15,220 bales and miscellaneous 24,444 bales. About 70 per cent. of the imports, it is stated, were either 1-1/32" or 1-1/16".

The prospects of cotton consumption in France are, of course, dependent on the prosperity of the French textile industry. As regards export trade, the exports of French cotton cloth to foreign countries aggregated 2,988 metric tons in 1953, as against 2,433 metric tons in 1952 and to overseas territories 47,940 metric tons as against 53,703 metric tons in 1952. France imported 3,147 tons of cloth in 1953 as against 8,293 tons in the previous year. The export trade is likely to be affected by the war in Indo-China. A high level of imports would be prejudicial to the interests of the domestic textile industry. The industry, it is stated, is opposed to liberalisation of import restrictions, because it considers that "some neighbouring countries can purchase their raw material freely in the most competitive markets, whereas French spinners receive parsimoniously exchange credits expendable in some countries only at a given time, which makes them unable to draw consistent plans as regards the purchasing of their raw materials." Also, French labour, according to the industry, is more expensive than the labour in neighbouring countries. The industry, according to Mr. Senn, considers that the problem created by the excess capacity of the European cotton industry "can only be solved by determined efforts to increase consumption at home and the world at large."

STANDARD INDIAN COTTONS

The results of the tests carried out by the Indian Central Cotton Committee's Technological Laboratory on the Standard Indian Cottons during the 1952-53 season are found in a report, published by the Committee, under the title, *Technological Reports on Standard Indian Cottons*. In his introduction to the report, Dr. C. Nanjundayya, Director of the Laboratory says that, before the establishment of the agricultural departments in the States, different types of cotton used to be grown by the cultivators regardless of the fact as to whether or not they were suited to the geographical and climatic conditions of a particular tract. The Agricultural Departments later commenced systematic work with a view to evolving new and improved varieties for each area. These improved varieties are maintained as standard cottons which are located at different cotton-growing tracts in the Indian Union. The new and improved varieties developed by the cotton breeders are tested at the Committee's Laboratory. Standard cottons are subjected to a large number of tests in each season along with those that are evolved from time to time, the former serving as standards of reference. The following is the present list of standard cottons:

Bombay: Jayawant; Jayadhar; Gadag I; Jarilla; Virnar. *Punjab:* Punjab American L.S.S.; Mollisoni. *Madhya Pradesh:* H 420. *Hyderabad:* Gaorani 6. K.2; Karungani K.5. *Andhra:* Nandyal 14. *Mysore:* Westerns I.

Standard cottons are subjected to a thorough examination for their fibre properties, spinning performance, and yarn characteristics. In the bulletin under review, the report on each cotton is divided into five sections: agricultural details, grader's report, fibre properties, spinning tests and remarks. At these tests, the varieties which showed "definitely better" results were: Laxmi, Vijay, Punjab-American L.S.S., Cambodia Co2 and Nandyal 14. The varieties which showed "definitely poorer" results were: Jayawant, Suyog, Jarilla and Mollisoni. The other varieties showed "approximately the same result" as in the previous season.

"H" CLASS LICENCE

The Government of India has introduced a new licence, "H" class licence in regard to hand-ginned cotton. Any person who purchases, or sells or carries on business in hand-ginned cotton, or holds hand-ginned cotton in hypothecation or against pledge, will, henceforth, have to obtain a "H" class licence from the State licensing authority concerned. Any person desirous of taking out "H" class licence will have to apply to the State licensing authority in Form "F" appended to the Cotton Control Order, 1950.

The scheme under which relief is granted to handloom weavers has been continued by the Government of Bombay for the financial year 1954-55 at a cost of Rs. 25 lakhs. Under the scheme, loans to the tune of Rs. 22 lakhs will be advanced to co-operative societies of handloom weavers for working capital for about 10,000 looms at the rate of Rs. 200 per loom and Rs. 11 (Rs. 10 for share contribution and Re. 1 entrance fee) for each new member. In addition, subsidy of Rs. 20 per loom for six months will be given to co-operative societies to offset the losses which they have to face while working the scheme, subject to certain conditions. It is estimated that the expenditure on account of the grant of subsidies to co-operative societies would come to Rs. 3 lakhs.

Indian mills are not interested in East African cotton at the present quotations at which it is offered in the Bombay market. At the last auction of East African cotton, held on 19th May, it would appear that 15,000 bales A. R. Mwanza were sold and that better prices were obtained for this cotton.

Private reports from Egypt indicate that the new cotton crop is making good progress. The cultivated area is about 16 per cent. more than that of last year.

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RUBBER INDUSTRY HAS BRIGHT FUTURE

VAST SCOPE FOR EXPANSION

(By C. A. FAILING, Managing Director, The Goodyear Tyre and Rubber Co. of India Ltd., Calcutta)

(A note of optimism about the outlook for the rubber industry was sounded by Mr. Failing in the course of his interesting address on this subject to the Rotary International at Calcutta last week. He advised business men to take an optimistic view of the future and told them, in an impressive manner, that the Government of India was genuinely in favour of industrialisation on modern lines. He was convinced that India was well set for rapid economic progress. He reminded his listeners that an economy did not always grow at a steady unfaltering pace and that it was a good deal like the waves that break over the beach on the incoming tide. They should not make the mistake of the pessimists who simply could not see the tide for the waves.—ED.)

THE forecasting for any industry must necessarily involve a review, an analysis of the past performance, and developments affecting that industry. Now, let us go back to the year 1800, when Charles Goodyear was born. He was a dreamy type of man, considered by his friends as a queer character, because of his constant devotion to this useless, sticky, coagulated sap of the rubber tree. He was considered by his wife to be a poor husband and father, because his earnings were *nil*, and he contracted debts to experiment with this sticky, evil-smelling stuff in her kitchen.

However, for all this, Charles Goodyear discovered the process of vulcanisation of rubber. It was an accident but it laid the foundation of one of the world's basic industries. It was an accident in the sense that, hearing the approach of Mrs. Goodyear, Charles chucked a batch of his mixture into the firebox of the kitchen stove in order to escape the tongue lashing he might expect to receive if his wife were to catch him in another experiment.

Some time later, at the first opportunity, when Mrs. Goodyear was busy with her many household duties—she was her own bearer, cook, sweeper, *dhobi*, nanny and *durzi*, Charles Goodyear retrieved his mixture of rubber and sulphur from the stove and found that it was tough but not brittle, hard but pliable. He was elated with success.

It led him to the pursuit in various directions of the application of vulcanised rubber to commerce and industry. Unfortunately, it led him to a debtors' prison and he died a bankrupt. Well, so it goes with many great men in history, and, not to be outdone, the largest and greatest rubber company in the world today, which bears the name of the inventor of vulcanisation of rubber, also went broke as late as 1921, because it grew so fast it neglected to forecast the future and provide for adequate contingencies.

Progress During 100 Years

Now, it may interest you to go back one hundred years and look briefly at the progress of the rubber industry before we attempt to look into the future. In the year 1850, the total consumption of rubber in America was approximately 1,000 tons—and remember! that was 11 years after rubber became useful and had industrial application. When the automobile age began at the turn of the twentieth century, America was consuming less than 25,000 tons of rubber, which is approximately the consumption in India today. And, in the year 1914, at the beginning of World War I, that relatively small consumption had barely more than doubled. Today, the consumption of rubber, synthetic and natural, is going on at the rate of over 1,300,000 long tons annually in the U.S.A. alone, which, incidentally, is more than that consumed by the balance of the world. Here are some simple figures for those who have a flair for statistics:

Consumption of rubber per annum per person

Canada	11 pounds
England	8 ,,
Russia	1½ ,,
China	Few ounces
India	2 to 3 ounces
America	20 pounds

In 1953, 60 per cent. of the rubber consumption in America was synthetic and 40 per cent. natural. I leave to your imagination what the rubber situation would be in the world today if it were not for the production of synthetic rubber. The supply would be 500,000 tons less than the demand. Can you imagine what the price would be for a pound of rubber under conditions where the demand so far exceeds the supply? It might be $5.00 or $10.00 a lb. or more.

It is really fantastic when you pause to comprehend the effect that such a shortage of rubber would have on world trade. No industry operates without the aid of rubber products. The car in which you ride has over 200 different pieces of rubber assembled in the finished machine. Prices of products would be higher, resulting in sales resistance and employment would be less. The vicious economic cycle would be in full swing.

The Future

Now let us take a look at the future, say, the next 25 years, and the part that the rubber industry will play in coming generations. A broad basic viewpoint, as disclosed by statistics and by conditions such as the changing needs of the people, gives us certain facts.

Some industries are in a state of shrinkage, such as wool, soap, lumber, railroads, leather, traction and ice distribution. These industries are shrinking, because there are better and cheaper materials and services to meet the growing needs of the population. Synthetic fibres are replacing wool, cotton, lumber and leather. Detergents are an improvement for many purposes over soap. The radio and telephone are taking business from the telegraph lines. Highway transportation is replacing railroads and traction traffic. Electrical refrigeration is largely replacing the distribution of ice.

I can safely say to you now that, if the rubber industry were to depend upon its growth by devoting its efforts to products made from natural rubber only, it is not unlikely that it would lead the list of declining industries, but, as the situation now stands, the rubber industry is amongst the foremost of industries on the ascendancy. Why is that so? It is true because of a far-sighted programme of research to find new applications for rubber—to find new ways to improve living standards and create additional customers.

There would seem to be an inconsistency when I tell you that we have built a few laboratory test tyres which will outlast the average life of your automobile. The time is not too many years away when you will save your tyres for your new car when you discard the old one. This new tyre is constructed from a new type synthetic rubber developed by Goodyear, known as Chemigum SL. At the moment, its application to mass production has not been solved but just as sure as the tide it will reach the consumer sooner than we think. The rubber industry today has sent out its roots and firmly fastened them to many diversified lines of industry, particularly the chemical industry, the plastic industry and the aircraft industry, both lighter and heavier than air. The rubber industry is not depending upon rubber alone for the future. It is deeply concerned with atomic energy—Goodyear is now in the process of building for and will operate for the Government a two-billion dollar atomic energy plant in Southern Ohio. This project will be completed and in operation next year.

Yes—rubber is only a part of the rubber industry; to illustrate, if Goodyear's Industrial Rubber products were to be segregated into a separate unit, that unit would be the fifth largest rubber company in the world.

Greater Value for Money

The rubber industry is one of the very few industries where the customer today is receiving greater value for his money than he received pre-war. Look back to 1910 when the price to the consumer of a tyre for his Ford automobile was $31.20 or at the rate of $3.55 per lb. Today he will pay 93 cents only per lb. for that tyre and he can rightfully expect eight times the trouble-free mileage.

I think you will all agree with me that the rubber industry, during the great industrial age which we have experienced during the past 25 years, contributed as much, if not more, to the progress of that age than almost any other existing industry. You might dispute that the automobile industry has contributed the most, but surely the automobile industry would have come to a standstill long ago had it not been able to move on trouble-free rubber.

You might well say: "What has all this to do with the future of the rubber industry in India?" I say to you that India is not isolated from the rest of the world, that she shall progress with the rest of the world, and likely at a much faster pace, because there is so much that can be done.

Allow your imagination to reflect for a moment on the possibilities that exist in India today, with its population of over 360 million people, and which population is growing annually at the rate of 3 per cent. Suppose India were to consume 20 lbs. of rubber per person. The figure is fantastic and almost beyond the realm of our imagination. It would require twice as much rubber as is consumed in the world today. To even approach this figure of consumption by the population of India, it will require the raising of the standard of living of the multitudes beyond what you and I shall live to see. But a start must be made somewhere—and I say to you that the start has already been made.

Government Wants to Help

Just yesterday, I returned from Delhi where I had the good fortune to discuss some of these things with men very high in your Government. I am extremely encouraged and feel definitely that your Government has the welfare of the people at heart and has a keen interest in the advancement of industry. Now you may say—"What can the Government do?" It is quite obvious to me that Government is destined to play a great part in the future of all industry in India and in the future of all industry is, of course, included the rubber industry.

During the span of my business career in America, I recall the early thirties, when unemployment reached the dangerous level of well over 10 million. Our Government had, at that time, adopted a programme based upon a fallacy, a programme that Government could prime the pump of industry by circulating quantities of easy money. It spent money like paper and piled deficit upon deficit. It spent millions upon millions in public work projects, raking leaves and many other unproductive projects. This programme was carried on for six or seven years, but it did not bring back prosperity and it did not end unemployment. In 1939, when World War II began, there were still 9½ million jobless people, and this represented 17 per cent. of our total civilian labour force—one man out of every six was idle.

I would like to strike home to you today one thought, if you will but retain it. That the future of Indian industry depends upon you citizens of India; upon business men, labourers, farmers and everyone in India. The only thing that Government can do for you is to provide a fertile field in which to work. The only thing that will lead to a fixed progressive state of affairs is the individual efforts of all the people trying to do a little more for themselves, a little more for their families, a little more for each generation. The accumulative effect of all that work by all those people is the one thing that will give India the place in the world which it deserves.

Government Providing Fertile Field

We have in the rubber industry one of the finest examples of a Government service to its people. In 1942, America suddenly found her supply of crude rubber cut off by the Japanese from the Far East source. Her stockpile of crude rubber at that time would last only six months. Private industry could not hope to finance quickly and set into operation the facilities to provide a substitute for natural rubber. The Government stepped into the breach and, in one year's time, America was safe for her rubber supply and safe to prosecute the war in which she was involved.

Now that we are in a period of peace, the Government has decided to liquidate its interest in the production of synthetic rubber and sell out to private enterprise. Here is an example where the Government provided another fertile field for industry which the American people will now cultivate to their own advantage and to the benefit of all humanity.

My discussions in Delhi convinced me that your Government has in mind to provide fertile fields in which you can work, in which you will be able to improve the standard of living of your people. The Five-year Plans are designed along these lines—to provide electrical power, to provide water for irrigation, to build better roads for easier communication and the transport of supplies from places of plenty to places of need. Your Government, I think, appreciates that industry must be fostered and encouraged. It does not believe that what is bad for industry is good for Government.

I say to you people in India that you are indeed fortunate—there is so much that you can

(*Continued on page* 1101)

INCREASING THE YIELD OF SUGARCANE

INTENSIVE CAMPAIGN LAUNCHED

THE Ministry of Food and Agriculture, Government of India, has embarked upon an intensive campaign for increasing the per-acre yield of sugarcane with effect from the 1st inst. According to a Press note issued by the Government, the Minister has, in consultation with sugarcane experts and sugarcane commissioners of the major cane-producing States of Uttar Pradesh, Bihar and the Punjab (I), decided to direct immediate attention towards improving the yield of the standing crop of sugarcane and to further intensify efforts in that direction during the next sowing season. It is also stated that arrangements have been made for supplying fertiliser for a target area of 2.2 lakh acres, of which 1,00,000 acres each will be in the State of Uttar Pradesh and Bihar and 20,000 acres in the Punjab. As much as 23,000 maunds of ammonium sulphate are also being distributed free to selected cane growers for demonstration in 10,000 acres of land in the three States scheduled for the purpose. Besides supplying ammonium sulphate, the Ministry is also undertaking an educational programme to acquaint the farmer with the technique of better sugarcane production. Arrangements are also being made to distribute, free of charge, in the three States, publicity material containing information on the application of fertiliser to sugarcane cultivation and improved cultural practices. This literature will also be made available to other States on demand. The Press note, however, warns that it is not the intention of the Ministry to confine this intensive drive to these areas alone. It recalls the convention of a special meeting of the Directors of Agriculture at Bangalore by the Minister for Agriculture to impress upon the Directors the desirability of their taking up suitable areas for such treatment all over India.

Although belated, the decision of the Government of India to launch an intensive campaign for increasing the per-acre yield of cane is welcome news. For, despite the long period of 18 years of protection granted by the Government, the efficiency of sugarcane cultivator has not improved appreciably. If anything, conditions have deteriorated thereby greatly belying the expectations of the consumer getting his requirements of sugar at reasonable prices and in sufficient quantities. It is, indeed, a sad commentary on, and hardly creditable to sugarcane growers that, although India has the largest acreage under sugarcane in the world, it has to import sugar worth Rs. 35 to Rs. 40 crores. This is particularly so, because this feature is expected to be not a casual one but prolonged for several years to come.

Yields Compared

What is this sad state of affairs due to? As is common knowledge, not only the yield of cane per acre in India continues to be low, but the sucrose content is also poor. The average yield per acre in India in 1952-53 was 12.00 tons, as against 14.10 tons in 1943-44 and 15.20 tons in 1933-34. The sucrose content was 9.98 per cent. in 1952-53, as against 10.02 per cent. in 1943-44 and 8.80 per cent. in 1933-34. Both the yield and the recovery per cent. of sugarcane are the lowest in the world. The yield per acre in Cuba is 17.12 tons, Mauritius 19.63 tons, Australia 21.34 tons, Puerto Rico 24.16 tons, Java 56.00 tons and Hawaii 62.05 tons. The recovery per cent. of sugarcane in Cuba is 12.25, Mauritius 12.08, Australia 14.33, Puerto Rico 12.23, Java 11.49 and Hawaii 10.46. It is true that, in some estates in the Deccan and South India, the yield is almost equal to the yield in Java and Hawaii, but they are exceptions accounting for only a fraction of the quantity of sugarcane produced in this country.

The irresistible conclusion that emerges from this study is that adequate attention has not been paid to improving the fortunes of the industry. The decision to carry out an intensive campaign in the U.P., Bihar and the Punjab is not only because they are the major producing centres, but also because the yield and recovery of sugar per cent. are low as compared with those in other parts of India. The yield per acre in 1952-53 was 10.00 tons in the U.P., 6.8 tons in Bihar and 11.1 tons in the Punjab (I). The recovery per cent. was 9.75, 10.03 and 10.21, respectively. The main reason for such a state of affairs is the ignorance of cultivators to use scientific methods of cultivation by utilising mixed fertilisers and the like. In Madhya Pradesh, it is also due to frequent occurrences of drought and lack of irrigation facilities.

If India is to be self-sufficient, efforts should be concentrated on measures for raising the yield and sucrose content of cane not only in the main producing areas in North India, but also in the Deccan and Peninsular India. In fact, ways and means must be found to expand sugarcane cultivation in South India. For, it is a well-established fact that the sub-tropical regions of the North are relatively less suitable for sugarcane growing as compared with the tropical tracts of the South. Consequently, better results can be had by devoting care and attention to sugarcane cultivation in the South than in the North.

Position In the Deccan

So far as the existing sugarcane farms in the Deccan are concerned, the major handicap in the way of increasing the yield of the crop is lack of water in sufficient quantities. The table given below gives the quantity of water supplied during the fair weather season in 1949-50, 1950-51 and 1951-52 to areas cultivated by the sugarcane factories in the Deccan. It will be evident from it that, barring the Girna Canal area, the total quantity of water supplied by the Government of Bombay to the sugarcane farmers during the three years under reference varied from 19.6 to 25.3 per cent. of the storage. Only in the Girna Canal area did the Government supply 55 per cent. of the storage. But this was an exception, because the water there was not in substantial demand for other purposes owing to the light nature of the soil. The quantity of water supplied to the farms cultivated by sugarcane factories falls woefully short of the Government's specific assurance to supply 35 per cent. of the total available water. If the sugar industry in the State is to expand, the Government of Bombay must take steps to liberalise the restrictions on the supply of water and tap fresh sources of irrigation. It must at any rate honour its commitments to the factories in this connection by supplying water to the extent to which it has already agreed.

Supply of water to Sugarcane Farms cultivated by Factories in the years 1949-50, 1950-51 and 1951-52

No.	Name of Cane	Cane Area (In acres)			Quantity consumed at the Distributory-head for cane (In million c. ft.)			Proportion to total capacity (In percentage)			Total storage capacity (In million c. ft.)
		1949-50	1950-51	1951-52	1949-50	1950-51	1951-52	1949-50	1950-51	1951-52	
1	2	3	4	5	6	7	8	9	10	11	
1	Nira Right Bank Canal	7,880	8,067	8,091	4,335	3,912	3,332	17.9	16.15	13.8	24,200
2	Nira Left Bank Canal	2,354	2,055	1,983	1,324	720	506	3.44	2.97	2.46	591
	Shetphal Tank ..	..	..	..	..	..	..	..	..	..	
3	Pravara Right Bank Canal ..	..	..	..	..	..	..	..	..	..	11,189
4	Pravara Left Bank Canal ..	7,678	7,759	8,417	3,435	3,221	3,426	30.7	29.8	30.6	
5	Visapur Canal ..	560	600	636	..	..	..	..	..	..	1,510
6	Godavari Left Bank Canal	1,700	1,700	1,700	642	661	622	8.3	8.5	8.0	7,750
7	Godavari Right Bank Canal ..	2,150	2,150	2,105	802	817	791	10.3	10.5	10.2	
8	Girna Canal	1,505	1,505	1,505	838	732	437	55.0	47.2	28.2	1,548
	Total ..	23,837	23,856	24,317	11,876	10,063	9,204	25.3	21.5	19.6	46,788

grower, in the wider interests of agrarian economy.

Dealing with the importance of sugarcane industry in the economic development of the Bihar State, he says that the industry pays Rs. 10 crores annually to the impoverished farmers of Bihar. The year 1953-54 was a bad one for the sugarcane industry because of floods in North Bihar and the disinclination on the part of cultivators to cultivate sugarcane on a larger area on account of low prices for the cane.

It is estimated that there are 400,000 sugarcane growers in the State and seasonal work is provided for as many as 30,000 workers. The State Government is helping the industry in every possible way. Recently, for instance, a sum of Rs. 14,00,000 was advanced by the Government to sugar factories. Besides this, it has also granted a loan of Rs. 4,00,000 to a factory for laying out a tramway line to facilitate quick movement of sugarcane from the fields to factories.

Raw sugar, molasses, jaggery and crude saccharine have been the important products of Gaya and Shahabad Districts in South Bihar for ages. These districts at one time exported lakhs of maunds of these commodities to East Bengal on the one side and Rajputana and Central India on the other. Bihar's sugar refineries, which have now become a thing of the past, were once known throughout the country for the excellent sugar they produced.

SHIFTING OF SUGAR FACTORY

It will be recalled that a reference was made in our last issue to the statement of Dr. Punjabrao Deshmukh in Parliament on the move to shift a sugar mill at Jagatjithagar near Himira in U.P.P.S.U. to Iqbalpur in the Sahanpur district in Uttar Pradesh. It is now learned that the factory referred to belongs to the Mahalaxmi Sugar Mills Co., Ltd., which has a daily cane-crushing capacity of 1,800 tons. Although the Centre has given its permission for shifting the factory on the ground that there was no reasonable certainty of the factory getting sugarcane in required quantity, there appears to be a lot of opposition to this move which is scheduled to materialise before the commencement of the forthcoming crushing season. An emergency meeting of the representatives of cane growers and the Agriculture and Co-operative Departments, was held at Jullundur under the Chairmanship of Mr. S. K. Chhibber, Deputy Commissioner, to consider the effects of the move. At this meeting the growers contended that there was no dearth of cane supply to warrant the shifting of any sugar mills, but it was the growing discontentment among them, due to delayed payments by mill managements, that enough cane had not been supplied during the crushing season. They alleged that the management of the Mahalaxmi Sugar Mills had secured permission from the Central Government to shift the mills by misrepresentation of facts.

Mr. Chhibber informed the meeting that the Government of Punjab (I), was alive to the grower's hardships and had decided to float a concern on a co-operative basis with a capital of Rs. 30 lakhs, of which Rs. 10 lakhs would be subscribed by the Government and the remainder by the public, preferably by the growers themselves. Before the Centre gives its permission to this move, it must satisfy itself as to the economic feasibility of the proposed sugar factory on co-operative lines, in order to avoid loss of capital in the coming years.

SUGARCANE INDUSTRY IN BIHAR

Dr. B. P. Pal, Director of the Indian Agricultural Research Institute, New Delhi, has disclosed, in a report published last week on the quality of research work done under the Central Sugarcane Research Station at Pusa, that the cultivation of the varieties of sugarcane evolved by the Institute and the measures discovered by it for controlling such pests as sugarcane borers, pyrilla, smut, wilt and rednot have saved the sugarcane industry in the Bihar State from ruin. He has recommended the study of biology of parasites for achieving even more satisfactory results and emphasised the need for sound cultivation on the part of the small-scale

POWER ALCOHOL

It will be remembered that, while commenting on the inaugural address of Mr. K. C. Reddy, Union Production Minister, and the presidential address of Mr G. S. Gupta at the eighth annual general meeting of the All-India Distillers' Association in our issue dated 10th April, we held that it was difficult to agree to the demand of the Association that the price of power alcohol should be increased. For such a step, we pointed out, would result in a further rise in the price of petrol-power alcohol mixture, thereby leading to an increase in the cost of transport run on this mixture. Advertting to this, the Association observes, after a long interval of 40 days, as follows:

"We would like to point out that, in case an increase in the price of the power alcohol is granted by the Union Government, this increase would not be passed on to the consumer in the shape of an increase in the marketing prices of power alcohol-petrol mixture, the reason being that, at the present moment, every State Government is making over As. 6 a gallon as net profit on every gallon of power alcohol consumed in the State. Besides, the handling charges paid to the oil companies are exorbitant and out of all proportion to the price of power alcohol paid to the manufacturer. Any increase in the price of power alcohol granted to the manufacturer, therefore, will be adjustable within these two limits and will not result in any increase in the price paid by the consumer."

CANE PRICES PAID IN MARCH

On the basis of returns received from the Central sugar factories, the average all-India price of cane paid per maund (including co-operative society's commission, transport charges, etc., but excluding cess) at the factory gate during March, 1954 was Re. 1-8-7, the maximum and minimum being Re. 1-13-4 and Re. 1-8-7, respectively. The average price actually received by the grower was Re. 1-7-2 per maund; the maximum and minimum prices were Re. 1-10-6 per maund and Re. 1-4-11 per maund, respectively.

METALLURGICAL COAL

REASSESSMENT OF RESERVES PROPOSED

A PROPOSAL to evolve a systematic and scientific procedure for reassessment of the reserves of coking coal in the country is reported to be engaging the attention of the Coal Board. The Board will, it is stated, also examine the methods of estimation of actual and potential reserves of various grades of coking coal in the country. The Board is also engaged in assessing the extent of coking coal which is lost in barriers. Reports from Calcutta disclose that, of the 197 collieries which were requested to submit the necessary information in this regard, about 62 have already done so.

That there is need for evolving a systematic and scientific procedure for reassessing the reserves of coking coal is common knowledge. The estimates of reserves made so far have been criticised on the ground that no scientific procedure had been adopted for this purpose. Even the estimates of the largest committee, know as the Krishnan Committee, were based on reports submitted by the collieries and not on an independent investigation, so that they too can hardly be regarded as reliable.

It may be recalled that Dr. C. S. Fox estimated, in 1932, the reserves of good coking coal, i.e., coal which when subjected to destructive distillation yields a hard coke suitable for smelting iron or smelting in blast furnaces, at about 1,500 million tons. In 1936, Sir Lewis Fermor estimated the reserves at 1,649 million tons. The next estimate was made in 1937, when the Coal Mining Committee placed them at 1,426 tons. Bringing these figures up to date to the end of 1944, Mr. Gee estimated the total reserves at 1,185 million tons. The Indian Coalfields Commitee assessed the reserves at about 750 million tons, after allowing for the inferior coal in certain parts of seams 12 to 18 of the Jharia coalfields. The Committee stated that not all the coal reserves in the Raniganj coalfields which Dr. Fox classified as coking coal were capable of being used by themselves for the manufacture of metallurgical coke; only Ramnagar seam and a portion of Laikdih seam contained coal fit for metallurgical coke. In this Committee's opinion, the major portion of Bokaro coal was not good coking coal and it was suitable only in admixture with good capital coal. The Krishnan Committee held that, with the adoption of stowing, washing and blending processes, India could recover about 2,000 million tons of metallurgical coal. But, if these processes were not adopted, he warned that the quantum of reserves would be halved. Thus, the estimates made so far place the reserves of coking coal suitable for metallurgical use at between 1,750 and 2,000 million tons.

Even if we were to assume that the dependable reserves are about 2,000 million tons, they would still be meagre, as compared to the vast size of India and the growing industrial use of coal. At the present rate of consumption of coking coal, ranging annually from 8 to 12 million for both metallurgical and non-metallurgical purposes, the available reserves will be used up in about 160 years. If we are to restrict the coking coal consumption to metallurgical purposes, which is estimated to be running at an annual rate of 3 million tons at present, they will last for 650 years. But with the establishment of the State-owned iron and steel factory and other basic industries for which metallurgical coal will be needed, it is needless to emphasise that the consumption requirements for essential metallurgical purposes are bound to expand. This explains the Government's anxiety to conserve coking coal towards which it has been taking steps by means of pegging the output, encouragement of voluntary stowing, aiding installation of washing plants and the like. But it would be better to base this policy on a proper reassessment of the reserves of coal fit for metallurgical purposes. It is gratifying to learn that the reassessment of the reserves, which will commence after a systematic and scientific procedure for this purpose is evolved and proper methods of estimation determined, will form part of the extensive survey of the country's mineral resources which the Ministry of National Resources and Scientific Research is planning to undertake.

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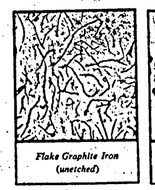
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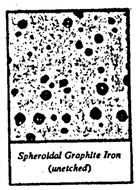
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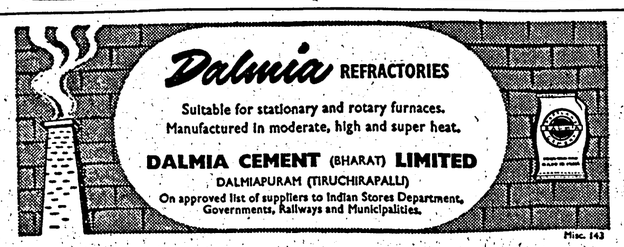

INDIAN RUBBER BOARD MEETS

PRODUCTION REQUIRES TO BE STEPPED UP

THE production of natural rubber in India has steadily gone up during the last six years. Thus, from 15,422 tons in 1948, it has gone up to 21,136 tons in 1953. Consumption, too, has advanced during this period from 19,719 tons to 22,373 tons. Thus, the output has risen by 5,714 tons, while the consumption has gone up by only 2,654 tons. In other words, the gap between production and consumption which stood at 4,297 tons in 1948 has narrowed down to 1,237 tons in 1953. The output of rubber in 1954 is expected to be 22,000 tons provided weather conditions are favourable. But consequent on the expansion programme that has been recently undertaken by rubber goods manufacturers, the consumption is anticipated to go up to 25,000 tons, that is, well above the output during the current year. In recent months the pace of consumption has been going up at a fairly rapid rate, so that stocks have considerably dwindled. As at the end of April last, stocks with estates and dealers were no more than 3,703 tons, which included 1,110 tons already sold to manufacturers and in transit, and with manufacturers 2,613 tons, as against a total of 9,047 tons at the end of April, 1953. It, therefore, looks as though some imports of rubber will have to be allowed not only this year but also for a few years more, till domestic production oversteps the demand.

Two notable points arise from the aforesaid statistical analysis. First, the indigenous production should be stepped up to catch up with the demand, if continued imports from foreign countries are to be averted and, secondly, the manufacturers should be assured of a steady supply of rubber till production keeps step with the demand. These two problems, therefore, figured prominently in the speech of Mr. A. V. Thomas, M.P., Chairman of the Indian Rubber Board, at the seventeenth annual meeting of the Board held in Bangalore last week. The increase in production of rubber is sought to be increased by rubber growers not by indiscriminate extension of areas of cultivation, but by intensive cultivation. The recent meeting of the International Rubber Study Group held in Colombo also emphasised the need for planting or replanting with high yielding strains, so as to improve production at a lower cost. Recalling this recommendation, Mr. Thomas pertinently observed: "If countries like Malaya, where production per unit area is comparatively high, should feel the urgent need for replacing old rubber with high yielding new strains, one could imagine how much more should it be applicable to India where average yields are lower and most of the estates are still under ordinary low yielding rubber." In this connection, he pointed out that the Indian Rubber Board had been urging the Government, for the last seven years, the need for replacing nearly 70,000 acres of old and worn out areas with new and high yielding material. "It is a necessity," he said, "of undoubted primary importance to producers in this country, without which raw rubber production cannot be stabilised as a growing and purposeful industry helping itself to be in a competitive position and finding all the rubber the country may require for its manufacturers."

Future of Consumption

The Government of India is not unaware of the need for increasing the output of rubber in India. Nor is it in favour of allowing large-scale imports of rubber which might adversely affect the producers in India. This awareness is evident from the observations of Mr. T. T. Krishnamachari in the House of the People recently when he spoke on the motion to refer the Rubber Bill to a Select Committee. He said:

"As I said, even as I visualise the present, the consumption will be about 25,000 tons. I am not sure if our production is going to be very much more than 22,000 tons. About this time last year, our overall stock position was about 9,300 tons. Some time back—the latest figures I have seen are really about a month old—we were just about the 6,000-ton limit. And today, the industrialists who want rubber tell me that the total available quantity, according to the peak figures with the estates and the dealers, is about 2,000 tons. But really they are not able to produce more than 50 lot tons anywhere, because it is spread over. Today, we are really getting very dangerously to the position of having low rubber stocks and, perhaps, we will have to import some. But I can assure the House that any importation will be very careful; we will not import such a quantity as will affect the interests of the rubber producers in the future. But that brings home to us the fact that it is imperative that we develop the acreage under rubber, the production of rubber, to make them more efficient so that we can look forward to a production which will keep pace and would be pari passu with our consumption needs. I do not think that I am being unduly optimistic when I feel that our consumption of rubber will considerably increase. With our having gone to the bottom of our consumption of tyres and purchase of motor vehicles, we have to rise in future and have more vehicles on the road. The transport problem is none too good.

"So it is quite possible that, within the next five or six or seven years, our consumption might rise in stages of two, three or four thousand tons per year, and we have really to look forward to a time when we need about 40,000 tons of rubber. The existing acreage might produce it to some extent, by adequate replanting and by making the trees yield a little more, but it might be necessary for us even to extend the acreage, even for purposes of meeting our own needs."

It is gratifying to find that the Government is fully aware of the need for raising the production of rubber. But mere awareness is not enough. What is required is action. It is here the Government has not done all that it can and should. Years ago, the Rubber Board submitted a concrete scheme for raising production. Nothing, however, was done about it. Even the Planning Commission, which has examined the question of transport, failed to consider the issue of finding the raw material for the manufacture of tyres that will be required by an expanding system of road transport. Even when its attention was drawn to this lapse by the interests concerned, nothing was done. It is to be hoped that at least now the Commerce and Industry Ministry will come forward with concrete proposals for raising the output of rubber.

Mr. Thomas referred to the need for a comprehensive rubber research scheme and experimental stations to educate rubber producers of the need to adopt scientific methods of production. The modest scheme, circulated by the Board to its members, he said, had the approval of the Indian Council of Agricultural Research. Mr. Thomas disclosed that the Union Government was anxious that the scheme should be implemented as early as possible.

Referring to the stock position, Mr. Thomas said that stocks were at present moving out fairly fast. The reasons for this were: (1) There was a small fall in production due to suspension of tapping on Sundays; (2) there was a better offtake and increased consumption by big manufacturers who had expanded their factories; and (3) the Government of India took timely action in stopping imports of any large quantities of foreign rubber during 1953.

Buffer Stocks

In order that the present healthy co-ordination between production and consumption might continue, Mr. Thomas felt that as a long-term measure, the Rubber Board would have to recommend to the Government some practical measure which would neutralise even the seasonal inconvenience that is caused to producers by accumulation and to manufacturers by shortage in supply. His own suggestion was that some purchase arrangement could be made for holding buffer stocks by the Governmental or convenient agencies under the auspices of the Rubber Board when the stocks were heavy in the market and releasing them to the manufacturers when there was an apparent shortage in the supply position in the market.

The Rubber Board reviewed the present rubber stock position in the country. In view of the present low level of stocks it has recommended to the Government that manufacturers should be allowed to import immediately raw rubber equivalent to the dry rubber content of their export of manufactured goods during the second half of 1953. The Board had already recommended the issue of import licences to manufacturers under the D.R.C. scheme for the first half of 1954. The imports against these recommendations amounting to approximately 1,650 tons will, it is expected, cover the immediate requirements of the manufacturers over and above their purchases of indigenous rubber. The Board has also recommended the allotment of an export quota of 100 tons to producers of sole crepe during the current year. The Board reiterated again the urgent need for the rehabilitation of old and worn-out rubber area in the country and the establishment of a rubber research station.

MARKETING OF JUTE AND JUTE GOODS

FINDINGS OF ENQUIRY COMMISSION

THE Jute Enquiry Commission's investigations into the current practices of marketing of raw jute and jute goods reveal that these practices leave much to be desired. They relate to (1) contract form for jute goods, (2) arbitration, and (3) Pucca Delivery Orders (P.D.O.). The evidence tendered before the Commission regarding the existing standard forms of contract for sale and purchase of goods shows that they were unsatisfactory in several respects. These contracts are the standard ones accepted by the I.J.M.A. In the case of forms for jute goods, there is a clause of a very wide nature which enables a seller of jute goods to give timely notice when, due to circumstances beyond his control, he finds it impossible to fulfil the contract and asks for extension. If the buyer is not agreeable to this, the contract can be cancelled by him, without having any further claims against sellers. In practice, it has been found that advantage has been taken of this clause to deny the buyer the normal contractual remedy for losses resulting from non-fulfilment of contract by the seller in cases which are not acts of God.

In the case of contracts for raw jute, the forms are stated to be one-sided and in favour of the buyers. Clause 10 of the form for Indian jute in *kutcha* bale packing allows the buyer, after arbitration award is given, to exercise one of three options, namely, (a) to accept the goods with the allowances awarded, (b) to cancel the contract and claim the difference between the contract and the market rates, and (c) to cancel the contract and accept a fresh tender. As the buyer initially gets three months' time to decide what remedy he should take, this clause is regarded to be unduly in his favour. The three months' time gives him plenty of time to watch the trend of the market and choose a course of action best suited to him. He can, for instance, take advantage of a falling market, but there is no similar provision to protect the interests of a seller.

In order to remedy these defects, the Commission has suggested that the proposed Jute Board should examine the appropriateness of the present forms in use in markets overseas and make suitable changes in the Indian contract forms, in order to see that the long-term interests of the parties concerned are not affected. The I.J.M.A. has also been advised to set right the defects in consultation with the interests concerned.

Arbitration Clauses

Complaints have also been received regarding the present system of arbitration connected with jute contracts. The main one is that buyers get two months' time to file a case before the Bengal Chamber of Commerce who, at present, appoint the panels of arbitrators. Over and above this time, the buyer of raw jute is allowed a further five days before he is called upon to exercise one of the three options mentioned earlier. This enables the buyer to accept the goods with the allowance when the market is in his favour or cancel the contract if it suits him. In the case of a dispute, the buyer of raw jute does not submit a proper statement of facts, laying down his case and the amount he actually claims as allowance for moisture and low quality, with the result that the seller does not specifically know the basis of the dispute. Again, on the panel serve brokers and dealers whose interests lie with the mills who are buyers of jute. The panels thus do not enjoy the fullest confidence of those on whose behalf they are established. The panel proceedings are usually held in mill premises and as such the atmosphere is not conducive to impartial arbitration. The Commission has recommended that steps should be taken to remedy these defects as soon as possible.

Then there are the Pucca Delivery Order forms which need considerable modification. The P.D.Os are normally issued on the basis that goods are ready for delivery, but, at the same time, it is open to the purchaser for any reason whatsoever to leave the goods in the custody of mills. As far as sales to dealers are concerned, the system of issuing P.D.Os enables the latter to negotiate their value on sale although the custody may still be retained by the mills. It is admitted that this system has a measure of flexibility which is advantageous both to the mills and the trade, as it permits the maximum turnover to take place. As P.D.O. is regarded

(Continued on page 1098)

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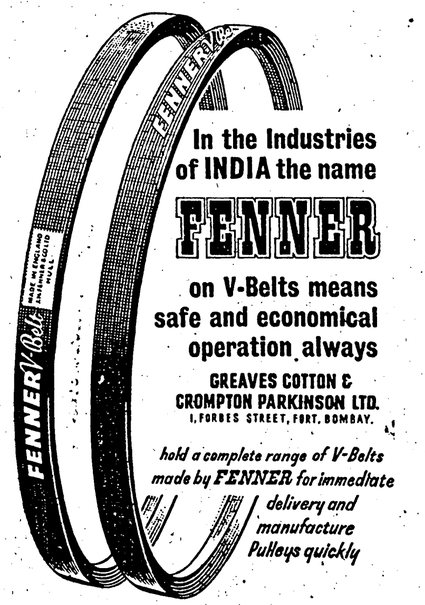

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ELECTRIFICATION OF RURAL AREAS IN EUROPE

REPORTS OF U.N. EXPERTS

AS the electricity projects now being implemented and proposed to be implemented under the Five-year Plan materialise one after another, large blocks of electric power will become available which can be profitably used for agricultural operations and rural development. Experience has shown that, given necessary facilities, electric power for such operations will be popular. When electricity is extended to the villages, there is no doubt that farmers will use it more and more for agricultural operations and not merely for lifting water, and that artisans will utilise this power for employing their skill and establishing rural industries.

Electrification of agricultural operations is already a common phenomenon in Western countries. The Central European peasant, for example, hardly thinks of mentioning electric light as something novel or something to be wondered at, because he has already become accustomed to it in his daily life, whereas for the Turkish and the Indian peasant it is still an object of longing. Few can dispute that the peasants must be offered all the blessings of technical progress, that can make their lives worth living, for this experience will inevitably induce them to organise their work more efficiently to keep their produce from going to waste and to increase their production steadily. This is a field in which technology and electricity can still work miracles.

Viewed against this background, the reports on rural electrification, prepared by the Technical Assistance Administration, Economic Commission for Europe, Food and Agriculture Organisation, make profitable reading to those who are interested in this subject. Mr. C. A. Cameron-Brown, Expert on Agricultural Electrification of the British Electricity Authority, England, and Mr. F. Ringwald, Director, *Forces motrices de la Suisee Centrale*, have considered the technical and economic aspects of utilisation of electricity in rural areas, laying practically the whole emphasis on farm operations and more closely allied processes and operations.

Utility

The reports are mainly useful to an electrical engineer who has to tackle the problem of assessing the electrical potentialities of a projected rural electrification scheme, whether it be on a national scale under a new conception or on a limited local extension. Since practically no suggestion can be made without qualification on the agricultural practices involved, it is assumed that, given a general picture of the main problems involved, the engineer will consult the agricultural specialist to find just which aspect of electrical application can be followed.

The reports are handled throughout bearing in mind the two main requirements of the engineer-planner, namely, (1) the loads likely to be imposed and (2) the consumption likely to be involved. Where categorical power and demand cannot be given, a lead is shown, which, if followed through agricultural channels, will give the answer. Wherever considered practical, the expected consumption for individual application has been given in such a way that, again with agricultural consultation, the aggregate consumption under different farming conditions can be estimated. No attempt has, however, been made to assess global consumption on an area basis. Mr. Cameron-Brown says that there is no evidence that such assessments are significant or that they can be transferred from one agricultural area to another. "It is sounder," he declares, "to build up the total assessment from detailed assessments made in consultation with agricultural authorities."

While the various quantitative information is given throughout the text, an attempt is made to facilitate consultation by appending a list of expected consumption for different agricultural processes and operations. Often, however, the conditions can vary so much that a wide range of consumption has to be given and such assessments should be examined in detail before selecting a figure.

The potentialities of electrification of the rural areas for their economic development is clearly brought out by both the experts. As clearly pointed out by Mr. Ringwald, electric power is without doubt a saver of time and labour and protects the farmer from physical overstrain. The harassed labourer can husband his forces, leave the host of mechanical jobs to the more efficient machine and make his personal contribution more in the form of brainwork and initiative. The farmer is always an *entrepreneur* as well, and as such is expected to plan his work logically, unharassed by the trivial daily grind. Proper planning, according to him, is an essential condition for success and the appropriate combination of human and mechanical power is, after all, an essential part of progressive planning. Dealing with this aspect, Mr. Cameron-Brown observes as follows:

"It is common in farming, subject to such wide market variations, to safeguard income by diversifying the activities carried out. What the Americans call 'horizontal diversification' is widely carried out and means, in effect, the growing of a wide range of crops in the hope that, if one fails, either in fact or in market return, one or two of the others will come up well enough to compensate. With the coming of electricity and power readily available, many farmers will be able to consider what the Americans aptly call vertical diversification. This is the carrying of any one farm product through a processing stage to make its marketing value higher and so raise the farm income, e.g., the making of fruit into jam or bottling it, cold storage of eggs, poultry and butter, making straw into strawboard. Such diversification may best be applied, in these or other ways, where the holdings are small and the existing labour is not fully utilised or has time available now that electric power is available for facilitating the normal farm processes. Full consideration should be given to this aspect of economic return to a projected rural supply scheme."

As so many farm power operations are of comparatively short duration and as many of the machines installed are capable of much more work than they do, and again, as they mainly operate, to use the technical expression, at a poor load factor, Mr. Cameron-Brown has urged the need for exploring the possibilities for co-operative working. The expert points out that co-operative working would mean a lower capital investment per farm, lower costs of electricity distribution and generally cheaper working all round. The obstacle in the way of full co-operative working of field cultivation, namely, the urgency of utilising limited spells of favourable weather, does not generally apply to the processes operated electrically and undoubtedly much can be done in this direction. As aptly remarked by Mr. Cameron-Brown, co-operative working may be simply a "help-thy-neighbour" scheme, whereby one farmer owns one machine and another owns another type and each allows the other to come and use the equipment which he possesses. Alternatively and more fully, it can mean the central placing and common ownership of all the necessary equipment, with each farmer taking to this point the materials to be processed. Examining this latter aspect, Mr. Cameron-Brown observes as follows:

"Co-operative schemes have failed to make any appreciable headway in most countries so far electrified, because the type of economic and social development has resulted in a dispersed settlement of holdings, so that considerable haulage problems and loss of time are involved. Nevertheless, even in some of these countries, for many years farmers would haul grain to the local mill to be ground there. Where, however, the history of a country has resulted in more closely-knit settlements of village and farm buildings together, the way is open to the fullest development of co-operative schemes. It is, too, basically essential in the working of, say, a co-operative central machinery depot that it should be substantial enough to justify the services of a reasonably skilled attendant, if not full-time, at least for a substantial part of the working period. To leave machines to be attended to by the co-operative users would call for a degree of operative ability, not to mention conscientiousness, not likely to be found in any group of workers. In order, therefore, to help meet such a requirement, strong consideration should be given to the possibility of expanding what may have initially been envisaged as a pool of farm machines to become a full communal scheme providing at a reasonable *per capita* cost all those modern electrical services which would require a high level of individual income to provide in each house separately."

The first uses of power current in agriculture is naturally for actual production. Electric motors of almost every capacity from 1/20 h.p. to 50 h.p. and above are in fact to be found in use in agriculture. The use of electric motors for pumping water is one of the most direct contributions of electricity towards the betterment of rural work and living. At the same time, it is a sphere of application which, lacking proper and full consideration, can give results far below the real possibility. This arises largely from the basic simplicity of water-pumping and from the feeling that any form of power-pumping is better than hand-pumping or water-carrying. Mr. Cameron-Brown says that there are in existence far too many electrically-powered water-pumping sets which give something far short of full water service which electricity can provide. He then refers to uses of electricity in such operations as feed preparation transporting and conveying, ploughing and cultivating the land; cropdrying, preparation of milk, poultry production, pig rearing, food cooking, fruit handling, sugar production, horticulture, pest control, fencing farms and the like. As all this is applicable only to the highly developed countries of Europe and America where there is plenty of resources but not enough manpower and not to a capital starved and overpopulated country like India, it is unnecessary to go into details of his suggestions.

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UTILISATION OF WIND POWER

The preliminary investigations carried out by the Wind Power Sub-committee of the Council of Scientific and Agricultural Research of which Dr. P. Nilakantan, Principal, Birla College, Pilani, is the convenor, have disclosed that windmills, which have been regarded in this country more as a curiority than as a practical scource of power, can, in fact, be profitably established in the arid waste lands of Rajasthan. The disappointments that followed the attempts made in the past to establish such mills in India have been due, according to him, to defects in location and installation. Dr. Nilakantan points out that, in Poona and Hardwar, for instance, windmills had been located in the midst of obstruction and, consequently, they could not function effectively even when the velocity of wind was high. Windmills are widely used even today in the U.S., in dry regions such as Arizona, and in Holland. They have been found quite practicable and their extensive use in India should, says Dr. Nilakantan, be an economic proposition.

In places where the wind velocity seldom exceeds six miles per hour during most of the year, the usual type of windmill cannot be effective or economic. But in arid regions, having no alternative sources of power supply, the windmill can be of great use even though it can function effectively only during a part of the year. It can, for instance, be a boon to the farmer around Jodhpur, particularly during the hot months when the velocity of wind is high. There is also considerable scope, according to Dr. Nilakantan, for windmill pumping plants in the drought-stricken areas of Saurashtra and in south Rajputana where also the wind velocity is comparatively high. In a place like Jodhpur, where the wind velocity exceeds eight miles per hour for about 3,500 hours in the year, a 12-foot diameter windmill, if properly installed, can give an output of 1 million gallons of water per annum from a 60-ft. deep well. A design for a composite type of windmill has been developed which uses common locally available material, thus reducing the cost of construction. A new feature in the design is the use of twin wheels. The whole system is mounted on a 60-ft. high tower. This model is expected to be useful for experiments in India. It is likely to give an output of 330 gallons per hour from a 200-ft. deep well in a 10-mile per hour wind and much more if the depth is reduced. It may be noted, in this connection, that a world symposium on the utilisation of wind power will be held in India next September.

The opening ceremony of the Bhakra main canal was performed by Mr. Bhimasen Sachar, Chief Minister of the Punjab, when he released Sutlej waters into the canal on 31st May. The Bhakra main line is a continuation of the 39-mile Nangal hydel channel, which takes off from the Nangal channel eight miles down-stream Bhakra. It will carry water to perched lands of Hissar and Rajasthan.

The Bhakra main line is the biggest lined canal so far constructed in India. Starting from Rupar and passing through the enclaves of P.E.P.S.U., the canal proceeds straight to the border of Hissar district, where it bifurcates into two branches—one lined (Bhakra branch) and the other unlined (Fatehabad branch). These two branches feed numerous distributaries.

NEW PRODUCTS AND PROCESSES

Radio Eyes Probe Space

ASTRONOMERS believe they will soon discover the secret of mysterious radio waves from outer space that reach the earth. These may come from the vast collections of stars known as galaxies. Radio signals are also flashed by meteors after hitting the outer layers of the earth's atmosphere. This was one of the developments in science reported at a recent meeting in Boston, Massachusetts, of the American Association for the Advancement of Science. Using radio waves in place of visible light waves, astronomers can now "see" several thousand light years farther than they can with optical telescopes. A light year is the distance light travels in one year—about six trillion miles. The radio waves pierce vast clouds of cosmic dust and hydrogen gas that obstruct the view of the ordinary telescope.

The most accurate radio telescope in the world is installed at the U.S. Naval Research Laboratory in Washington. It has a bowl-shaped antenna 50 feet across, that points to the sky. The world's largest radio telescope, with an antenna 250 feet across, is at Manchester, England.

Ultra-sensitive Device for Planes

The "most sensitive instrument ever devised for use in aircraft"—a new type of gyroscope—is being produced at Minneapolis, Minnesota, by the Minneapolis-Honeywell Regulator Company. It is designed for use in automatic flight control systems for supersonic aircraft. Operating on the principle of a child's spinning top, gyroscopes are the "brains" of automatic pilots and other robot devices necessary for modern air-planes that travel through space at speeds greater than sound. The new ultra-precision instrument is cylindrical in shape and weighs less than 3 pounds. It is capable of detecting motion 3,000 times slower than the movement of the hour on a watch. Engineers explain that the gyroscope's sensitive performance is due to the reduction of friction among its moving parts almost to zero. This was accomplished by floating the instrument's delicate, jewel-mounted "spin mechanism" in a special oily fluid. So sensitive is the mechanism that one speck of dust weighing one one-thousandth of a gram would have the same effect on it as the dropping of a handful of gravel into an automobile transmission. As proof of its ruggedness, engineers said they had used a demonstration model to drive nails through a board without affecting its performance. According to a company spokesman, if a man walked around in a small circle so slowly as to take him five years to complete his journey, the gyroscope could measure his rate of speed.

3-D X-Rays

The General Electric Company has developed a process of taking X-rays which produces a picture with three-dimensional effects. The new method can process a plate in two minutes and is expected to cut the cost per picture by 50 per cent. The photograph shows bones in rounded contour with soft tissue details appearing more clearly.

Water-purifying Unit

A compact water purifying unit which attaches to the water tap has been developed by A.R.F. Products, Incorporated, River Forest, Illinois. Bacteria is destroyed in a few seconds as the running water is exposed to a four-watt germicidal lamp which produces ultra-violet rays.

Supersensitive Photography

A self-amplifying camera that produces strong, sharp pictures in very dim light has been developed at the Massachusetts Institute of Technology. It operates on the principle of the Geiger counter: light energy from the object to be photographed is made to trigger a large electrical discharge which in turn develops the emulsion on the photographic plates. The camera consists of a pair of parallel plates, one transparent to the radiation being used and the other coated with a photographic emulsion. A high voltage difference is maintained between the plates. When a single photon of radiation enters the instrument through the transparent plate, it releases electrons from the plate from the gas inside. As in the Geiger counter, the high voltage field quickly expands the initial ionization into an avalanche of ions and electrons rushing towards the negative and positive plates. The discharge produces a large amount of energy, mainly in the ultra-violet, which develops the photographic emulsion. Physicists agree that what is remarkable about this device is that the inventor has found a way to keep the discharge from spreading. Each avalanche runs as a pencil beam from one electrode to another. It makes a small developed dot on the film. The picture, consisting of a huge number of dots, has high resolution.

Ethyl Acetate

The manufacture of ethyl acetate recently started by N. V. Electro, Zuur-en Waterstoffabriek, (the Netherlands), Distelweg, 90, Amsterdam, is now available for export. Ethyl acetate is a colourless, low boiling and highly volatile solvent for nitrocellulose, cellulose acetate varnish, resins, fats, oils, lacquers, diluents, varnishes, photographic films and many plastics. As a solvent it is often used in mixtures with alcohol. It is a base material for the manufacture of medicines, perfumes and many other organic substances. Owing to its good solvent properties, it is also used as an extractive agent, for instance for recovering organic substances from aqueous solutions.

INDIAN TRADE AND GENERAL INSURANCE COMPANY, LIMITED

NET PREMIUM INCOME EXCEEDS RS. 50-LAKH LEVEL

THAT the net premium income of the Indian Trade and General Insurance Company, Ltd., during the year ended December, 1953—that is at the end of the first decade of its establishment—should have exceeded the Rs. 50-lakh mark was "sure evidence" of the fact that the Company's business had been developed along the "right lines," states Mr. Karam Chand Thapar, Chairman of the Company, in a statement circulated to shareholders, along with the report and accounts for the year 1953. In his statement, Mr. Thapar affirms that in view of the restrictions on expenses, the Company should be satisfied with "such increase in our Indian business as is attracted by the services we are able to render, the security we offer and the enviable reputation we have acquired for prompt and fair settlement of claims."

The following are extracts from Mr. Thapar's statement:

"It is a happy coincidence that our net premium income in all departments should, at the end of this first decade, exceed the Rs. 50-lakh mark. I think you will agree that this is sure evidence that we have developed our business along the right lines.

"Market conditions are still far from satisfactory; this is borne out by the large number of companies that operated at an expense ratio well above that permitted under the Insurance Rules, in 1952, as published in the 1953 *Insurance Year Book*; it is obvious, therefore, that if we are to continue to operate within the specified limit of expenses we must be satisfied with such increase in our Indian business as is attracted by the services we are able to render, the security we offer and the enviable reputation we have acquired for prompt and fair settlement of claims.

Abridged Balance Sheet as at 31st December, 1953

Liabilities	Rs.	Assets	Rs.
Creditors ..	22,10,365	Cash and Bank.	5,98,124
Taxation ..	36,250	Debtors ..	32,05,395
Underwriting Funds ..	30,25,146	Investments (marketable).	41,27,974
Current Liabilities ..	52,71,761	*Current Assets.* .	79,31,493
Provisions ..	4,60,933	Furniture and Fixtures ..	1,77,260
Capital ..	24,00,000	Motor Cars and	
Profits and Loss	99,747	Stationery ..	1,23,688
	Rs. 82,32,441		Rs. 82,32,441

"Our total net premium income amounted to Rs. 51,58,146 as against Rs. 40,53,261 in 1952.

"To the net premium income of Rs. 51,58,146 must be added interest and dividends (less income-tax) amounting to Rs. 1,44,068 and miscellaneous receipts of Rs. 1,533; the total income of the Company thus amounted to Rs. 53,03,747; claime, paid and outstanding, take Rs. 25,01,250; commissions, expenses of management and foreign taxes Rs. 18,00,951; Company's contribution to provident and pension fund and bonus to staff aggregate Rs. 66,500, and depreciation, bad debts and other debits account for a further Rs. 1,61,563, leaving a balance of Rs. 7,73,483, to which must be added the balance carried forward from the previous year amounting to Rs. 10,886, making a total credit balance of Rs. 7,84,369. Out of this balance an amount of Rs. 6,71,706 (equal to 13 per cent. of our total premium) is placed to reserves for unexpired liabilities in all departments, and after reserving Rs. 13,000 for bad and doubtful debts, there is an available balance at the end of the year of Rs. 99,663.

"It is proposed to maintain the same dividend as last year of Re. 1-8 per share (tax-free) which will absorb Rs. 90,000, and to carry forward the balance to the next account.

"Management expenses, commissions, depreciation and foreign taxes work out at 37.7 per cent. of our net premium income, a further improvement on the figure of 37.9 per cent. in 1952, and I can say without fear of contradiction that at this level our expenses compare most favourably with those of almost any company of whatever size or age, Indian or foreign; the importance of this aspect of the management of our business cannot be sufficiently emphasised.

Fire

"Net premiums aggregated Rs. 25,97,027 as against Rs. 22,61,308 in the previous year. Claims, paid and outstanding, were higher at 46.4 per cent. due to the preponderance of foreign business but commissions and management expenses at 40.5 per cent. of the income showed a welcome reduction on the figure of 46 per cent. in 1952.

A sum of Rs. 2,47,346 is transferred to the profit and loss account.

Marine

"Net premiums were Rs. 16,57,459 as against Rs. 9,90,309. This increase is mainly due to a change in our method of reinsuring. Whilst commissions and expenses of management show an increase at 29.4 per cent. of the premium income due to the reduced commissions earned on reinsurances ceded under the new system of reinsurance, this is more than offset by the substantial reduction in the claims ratio at 53.6 per cent. as against 70.4 per cent. in 1952.

"The rapid increase in premium brings with it a heavy financing charge and we have transferred Rs. 2,09,544 to the profit and loss account. As a result of this, the reserve for unexpired liabilities is strengthened and now stands at Rs. 13,25,967, an increase of over Rs. 5 lakhs.

Miscellaneous

"Premiums at Rs. 9,03,662 show an increase of a little over one lakh on the previous year. Commission and expenses at 42.8 per cent. are 1.5 per cent. higher due to the initial cost of procuring business in certain overseas territories.

"Claims have improved to 45.3 per cent. of the premium as against 51.4 per cent. in 1952. An amount of Rs. 36,013 has been transferred to the profit and loss account.

Balance-Sheet

"The position is greatly strengthened as a result of the year's operations.

"Investments exceed Rs. 41 lakhs, underwriting and contingency reserves are over Rs. 35 lakhs and our total assets now stand at the substantial figure of Rs. 82,32,441.

"We can look to the future with every confidence and I must thank our General Manager, Mr. T. M. Sturgess, the senior executives and staff, both in India and abroad, as well as our many friends and agents who have all contributed to the success of our operations."

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23-25, Mahatma Gandhi Road, Bombay 1.

SCIENTIFIC SELECTION OF INSURANCE AGENTS

QUALITIES NEEDED FOR SUCCESSFUL SALESMANSHIP

ALTHOUGH it is only a few insurers, of whom the New India Assurance Company, Ltd., deserves prominent mention, that have attempted to follow a well conceived procedure for recruiting and training salesmen for insurance, all insurers now realise the importance of a proper selection of agents and of their training. The New India is now conducting a valuable experiment in training men in the difficult art of selling insurance. That the subject has received wide attention is evident from the fact that it formed part of the agenda of the recent Insurance Conference, at which the authors of the several instructive papers discussed the qualities that are needed to make a success of the profession of insurance salesmen.

The number of insurance agents who take up insurance salesmanship with great hopes only to leave the profession is certainly alarming. In the year 1951, the Government issued 1,26,691 licences, of which 64,200 were fresh licences and 62,491 were renewal licences. In the following year, 68,922 licences were issued of which only 2,959 were renewal licences. The turnover is, perhaps, nowhere larger than in this profession. Surely, it does nobody any good that there should be many large accretions to and frightfully large defections from the ranks of insurance salesmen. "The time has come," as Mr. Nand Kishore of the New India Assurance Company, Ltd., said in a paper read at the recent Insurance Conference, "when we must cry halt to this senseless waste of time, effort and manpower and conserve it for better achievement."

It is this large turnover in the profession that is responsible for the popular prejudice against it. When the public finds that many life insurance agents fail in their profession and take up positions elsewhere, there develops an "atmosphere of antagonism." Again, unless those already engaged on it are enjoying a comfortable level of income, the best men will not come forward to join this profession. The fact that many agents are not able to earn a comfortable level of income deters the really able men from taking up insurance as a career. Emphasising the importance of co-operative effort at tackling this problem of unpopularity of the insurance agents' profession, Mr. Nand Kishore says:

"The problem as it exists cannot be tackled so effectively by individual offices. It calls for a joint effort and co-operative research. Unless the leading insurance institutions willingly agree to supply the data necessary for co-operative research we shall not get anywhere near the solution."

The reason why many agents give up their work is the initial failures which discourage them. Mr. B. Sardana of the Lakshmi Insurance Company, Ltd., says:

"Our experience is that more than 75 per cent. of our new recruits give up this business without giving it a fair trial, merely because they do not realise the importance of very close touch with the organising officials of the company in the initial stages. This close touch would keep them charged with enthusiasm and would help them overcome the natural period of depression which all salesmen experience, particularly in the initial stages."

When a person offers himself to work as a life insurance salesman it is necessary, as Mr. J. A. Monsoor of the Bombay Mutual Life Assurance Society, Ltd., pointed out, in his paper, that he should be given a note "outlining the career which life insurance has to offer and the immense opportunities available to a really ambitious person. At the same time, he should be told that it does not promise a life of ease straightaway. Enterprise will have its reward. But hard work is necessary in the early stages. The unique advantages of life insurance salesmanship as a career for the right type of young man should be stressed. It is a business which, as Mr. Sardana said, requires no capital outlay. Again, the "sense of security that renewal income gives is unique in this profession." Above all, in the "hereditary renewals," which this profession assures to the agent, it has an advantage "unknown to any other calling."

There are three types of men who, as Mr. R. Jayaraman of the Bombay Life Assurance Company, Ltd., rightly says, should never be appointed as insurance salesmen. They are: (1) Dishonest men; (2) men with low mental capacity; (3) men who are "financially in trouble." "Run up the red play against these persons," he says. Again, caution is needed in appointing three other types of men: (1) A person who has few or no contacts, (2) a person who has no ambition, (3) a person with decided anti-social views.

In the U.S., selection of agents is done after an Aptitude and Personality test which is administered to the person applying for the job. It will be a long time before a similar test is standardised in this country, though an attempt has been made by the Indian Life Assurance Offices' Association to formulate an Aptitude Index suitable to Indian conditions. But it is possible to say, broadly speaking, what qualities will enable a man to carve out for himself a successful career as an insurance agent. These were listed by Mr. Nand Kishore who laid stress on age, stability, reliability, education, sociability, personality, self-discipline, manners, physical fitness, industriousness, determination, enthusiasm, sincerity, cheerfulness, and financial stability. Of these qualities, the first would need some explanation. Mr. Nand Kishore says: "It would appear that men between the ages of 23 and 30 have better chances of survival than people who are younger or older."

Finally, it is necessary to emphasise that, however able may be the man chosen, he is apt to fail, or to take an unduly long time in making a success of his job, if he is not properly trained. Training can make a good agent a better one, and an average agent into a successful man. Some guidance in the art of canvassing, if not a full-fledged course of training, will avert many failures.

INDIAN TRADE AND GENERAL INSURANCE CO., LTD.

A notable improvement in premium income in the principal departments, namely, fire, marine and miscellaneous, is shown by the report and accounts for the year ended 31st December, 1953, of the Indian Trade and General Insurance Company, Ltd. (General Manager: Mr. T. M. Sturgess, Calcutta). The net premium income from all departments has improved from Rs. 40.53 lakhs in 1952 to Rs. 51.58 lakhs in 1953. It is certainly gratifying to note that this comparatively young Company should have, within the very first decade of its establishment, shown so creditable a performance. Mr. K. C. Thapar, the Chairman of the Company, was fully justified in claiming (in the course of his statement to the shareholders) that the improvement is "sure evidence" of the fact that the Company's business has been developed along "right lines." Despite the increase in premium income, the balance carried to the appropriation account aggregated only Rs. 88,861, as against Rs. 99,809 in the previous year. This fall is primarily due to the fact that the marine department again worked at a loss. The Directors have recommended the maintenance of the dividend at the modest level of 3½ per cent.

The creditable record of progress which the Company has established for itself, will be clear from a study of the following table:

(In lakhs of rupees)

	Net premium income	Total assets
1944	2.81	26.69
1945	4.89	28.53
1946	8.18	33.87
1947	12.07	38.70
1948	15.55	45.47
1949	21.12	50.75
1950	24.66	56.66
1951	29.60	68.03
1952	40.53	77.92
1953	51.58	82.32

Turning to individual departments, one finds that the net premium income in the fire department advanced from Rs. 22.61 lakhs to Rs. 25.97 lakhs. The claims ratio was, however, higher at Rs. 46.4 per cent. as against 32 per cent. in 1952. This is attributed to the fact that a large part of the premium income is derived from foreign treaties on which the claims ratio is normally higher than on Indian business and also to the "series of heavy losses" on jute in Calcutta early in the year. The underwriting profit in the department, which continues to be the mainstay of the Company, aggregated Rs. 2.48 lakhs as against Rs. 0.64 lakh in the previous year.

Although the net premium income in the marine department improved by nearly Rs. 6½ lakhs to Rs. 16.57 lakhs during the year under review, the department could yield no profit. A sum of Rs. 2.10 lakhs had to be transferred from the profit and loss account, as against Rs. 0.51 lakh so transferred in the previous year. Last year, the Chairman referred to the "cut-throat competition" prevailing in the marine market. "If conditions did not worsen," the Chairman says this year, "there was certainly no improvement in this respect during 1953."

In the miscellaneous department, the net premium income was Rs. 1 lakh higher at Rs. 9.04 lakhs. The claims ratio was somewhat more favourable to the Company, it being 45.3 per cent. as against 51.4 per cent. in 1952. This is a result as much of the recent enhancement in comprehensive rates for private cars as of the "more stringent" underwriting policy pursued by the Company. The underwriting profit in the department was Rs. 0.36 lakh as against Rs. 0.46 lakh in 1952.

After taking into account the profits from the fire and miscellaneous departments, and the other sources of revenue, and providing for the loss in the marine department, and for Rs. 13,000 on account of bad and doubtful debts, there remains a balance of Rs. 88,861, which, together with the balance carried forward from the previous year, aggregates Rs. 99,747. The payment of the recommended dividend (Re. 1-8 per share) will absorb Rs. 90,000, leaving Rs. 9,747 to be carried forward to the current year's accounts. The strength of the financial position of the Company will be evident from the fact that it has, besides a capital of Rs. 26 lakhs, reserves aggregating Rs. 35.22 lakhs.

PRUDENTIAL ASSURANCE CO., LTD.

The leading British insurance office, the Prudential Assurance Company, Ltd., wrote a new life business of £120 million during 1953, which brought the total sums assured, including bonuses, to over £908 million. The premium income for the year was £41 million or nearly £2.75 million more than for the preceding year. At the recent annual general meeting of the Company, Mr. E. J. W. Borrajo, Deputy Chairman of the Company, stated that a record volume of new life business had been written by the Company's overseas branches; over 45,000 policies were issued in 1953, assuring sums of £51 million. After tracing the expansion of the Company's foreign business which commenced in 1924 with the establishment of an office in India, the Deputy Chairman said that the annual premium income from the Company's overseas life business now exceeded £10 million. He added:

"The extent of this development makes it most important that we should be satisfied that the overseas business is administered on sound lines.... When we started business in the various overseas territories, we determined our premium rates having regard to local conditions such as interest and mortality rates, expenses and taxation. During the early years of our development abroad, we declared the same rate of bonus in all territories as in the United Kingdom, because the trends of the overseas surpluses were not sufficiently stable to justify us in differentiating bonuses. But with the growth of the business, significant divergencies in surplus earnings have, as we anticipated, become apparent and the different rates of bonus declared in the various territories reflect these divergencies. The policy which we have followed enables us to keep our business in each territory on a self-supporting basis and to quote premiums and declare bonuses appropriate to local conditions."

Mr. Borrajo emphasised that the Company was at all times willing to play its part in providing finance for undertakings which were expanding on sound and progressive lines. Only, he deplored this character" available to absorb the funds at the Company's disposal, so that the Company had been compelled to increase its holdings of British Government securities. He said that the fact that the Company could not find suitable outlets for its funds might "well be an indication that too little is being done towards the re-equipment and modernisation of British industry."

If the Company is thus willing to finance sound enterprises, it is at the same time unwilling to hold an excessive proportion of any individual company's share capital. Mr. Borrajo said: "It is our policy to steer a middle course between our our readiness to invest in industry and to avoid holding a large proportion of the equity capital of individual companies." This reluctance to hold an excessive proportion of another company's share capital, it should be clear, stems from the understandable fear that it might be compelled to exercise an undesirable measure of control over the affairs of that company. Explaining the nature of the relationship between insurers and the capital market, he said:

"Our funds represent reserves which are required to meet the obligations under our insurance contracts. It must, therefore, be our aim, as has been previously stated on so many occasions, to invest our funds with a view to producing the best return for our policyholders. The very real competition which exists between the many offices seeking to achieve this aim is a vital factor in maintaining a healthy capital market, thereby enabling the intending borrower to raise money on fair and equitable terms. I do not claim perfection for the system on which the capital market is based but it has been built up and adapted over many years and works remarkably well. The introduction of State control of the investments would, by removing this competitive element, seriously interfere with the smooth working of the market to the disadvantage of those desiring to raise fresh capital. More serious still would be the effect upon the prospects of the policyholders. In my view, it is quite clear that State control of life assurance investments would result in subordinating the policyholders' interests to political considerations."

Those who advocate nationalisation of insurance in this country will do well to ponder Mr. Borrajo's analysis of the problem of investment. A single insurer which, in case of nationalisation of insurance, would be the State itself, would hardly provide funds to industrial borrowers on reasonable terms.

BRITISH INSULATED CALLENDER'S CABLES

GROWTH OF FOREIGN COMPETITION AFFECTS BUSINESS

SIR ALEXANDER ROGER'S STATEMENT

THE Ninth Annual General Meeting of British Insulated Callender's Cables Ltd., will be held on 10th June in Liverpool, England.

The following is an extract from the circulated statement of the Chairman, Sir Alexander Roger, K.C.I.E.:

"The Directors deeply regret to record the loss, through death last July, of Sir Johnstone Wright who, after a lifetime of service in the electricity supply industry, joined the Board of this Company in 1948. His friendship and wise counsel are greatly missed by us all.

"The resignation from the Board has just been received, on account of impaired health, of The Rt. Hon. Lord Ramsden to take effect from the forthcoming annual general meeting. No words of mine can adequately describe the outstanding services Lord Ramsden has rendered since 1942.

"We had much pleasure in appointing Sir Rex Hodges to our Board on 31st March last. He is a man of wide experience with an outstanding reputation in the Merseyside area, in which so many of our main factories are located.

"In my statement last year, I expressed the opinion that trading conditions in 1952 had been exceptionally favourable and the drop in 1953 trading profit of £1,178,002 to £8,344,074 was not unexpected by us.

Production

"1953 has not been an easy year for our production people. In certain of our activities the Group has enjoyed a good load factor with all its benefits, but in others the load has been erratic with all its consequent problems. This latter position has applied particularly where copper is mainly involved.

"In addition, we have had such abnormal experiences as the flooding of our Erith Works and an explosion last August in our copper refinery after 22 years of trouble-free operation. Fortunately, no loss of life occurred in either case.

"We have, however, made excellent progress on several large schemes of improvement which have left us with manufacturing units of which we can be justly proud.

"In some of our activities turnover was increased and in others well maintained, but in our copper wire mill products and in power cables substantial reductions were experienced. Admittedly, some falling away from previous levels was to be expected, but in the summer of last year there was an abnormal shortage of orders in copper products when it became known that the London Metal Exchange was reopening in August.

"The other main factor affecting business in 1953 was the growth of competition, particularly from European and Japanese manufacturers in overseas markets.

"In the all-important matter of exports one of the many strong points of the B.I.C.C. Group is in having operating subsidiaries in several overseas countries.

"In my statement last year, I dealt at length with our new investment in Canada and our new subsidiary in Australia. The former has had a satisfactory first period of operation and, as regards Australia, I have just returned from an extended tour of that country and of New Zealand. I was amazed at the developments in both these countries.

"We have since the close of the year received an order in face of international competition, valued over $3,000,000, from the British Columbia Electric Company for the supply and installation of some 77 miles of 138,000-volt gas pressure type cable.

"In Uganda, good progress has been made with the erection of 132,000-volt transmission lines to carry power from the Owen Falls Hydro Electric Station recently opened by H. M. the Queen. In Portugal a 130,000-volt transmission line from Lindoso to Oporto was commissioned last June.

"The contract for the supply and erection of the overhead equipment, together with underground feeder cables and pillars, for the first trolley-bus system in Ceylon was completed during the year.

Indian Interest

"Included in the B.I.C.C. Group is the Indian Cable Company Limited, in which your Company holds a substantial interest, with the great bulk of the balance owned by Indian nationals. Early in 1923, the Company commenced production of the first Indian-made copper conductors and rubber insulated cables. From small beginnings it has grown considerably and the factory at Tatanagar now stands in an area of 170 acres with well designed workers' housing and medical, recreational and educational facilities for its 1,300 employees. Far-seeing post-war plans for expansion are now coming to fruition. The new non-ferrous rod rolling mill went into production early in 1953, while nearby, a spacious building has been erected to house plant and equipment for the manufacture in India for the first time of paper insulated power cable. These developments represent a major contribution to India's Five-year Plan and a consolidation of our long and happy association with that great country.

"Standard parts for our Callender-Hamilton bridges and hangars have been shipped to New Zealand, Trinidad, British Guiana, Malaya and Sudan.

"On the marine side, we were particularly happy to be associated with the cabling of the royal yacht, and with many other new ships.

"Although there has been a welcome increase in the intake of orders since last autumn, there is no doubt that the days of having long order books are over, and that we are back to the pre-war position in many of our products with delivery and price becoming of increasing importance. This applies particularly to our overseas business where, for reasons I have already given, competition is becoming more and more intense.

"The relinquishment, however, of Government controls over most of our raw materials, and the growing freedom we, therefore, enjoy, are a help and challenge to us all in the Group to achieve greater productivity, even higher efficiency and lower costs. They must remain our foremost objectives.

"Conditions from the short-term aspect may not be easy—they rarely are! But I have confidence in the future of this Group with its widespread interests both in products and in territories; with its active research and technical activities; with its fine factories constantly being improved; and above all with its enthusiastic, competent and loyal team of men and women.

The Chairmanship

"In concluding this review of the 1953 results, I also virtually conclude my active service as a Director and as your Chairman, for it is my intention immediately after the forthcoming general meeting to resign both these offices.

"I get particular pleasure and comfort from the proposed appointment of Mr. W. H. McFadzean as my successor in the chair. He and I have worked together closely and happily for over 20 years, and since the amalgamation he has been my right-hand man.

"I commend him to you with complete confidence, and my final wish is that he will receive from all stockholders and all the B.I.C.C. team, the understanding and support and trust which I have enjoyed and have so deeply appreciated, and which will, always remain one of my most treasured memories."

Also issued with the accounts was a tribute from the Board of Directors to Sir Alexander Roger on the occasion of his retirement as Chairman and Director of the Company.

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ANDHRA CEMENT COMPANY, LTD.

SIXTEENTH ANNUAL GENERAL MEETING

MR. V. RAMAKRISIINA PLEADS FOR GREATER INCENTIVES TO CEMENT INDUSTRY

AN expression of gratification at the high degree of priority given by the Government of India to the expansion and development of the cement industry was made by Mr. V. Ramakrishna, M.A., C.I.E., I.C.S. (Retd.), Chairman, Andhra Cement Co., Ltd., in the course of his address to the shareholders at their Sixteenth Annual General Meeting held in Madras on 22nd May, 1954. But he noted with disappointment the Government's attitude in not allowing a fair increase in the selling price of cement. Recalling the satisfactory progress made by the industry in recent years, Mr. Ramakrishna said that when the need for expansion of this industry was so great, it was but fair that the Government should give greater incentives. He also drew the attention of the shareholders to the vast potentialities for the development of the industry in the Andhra State.

The following is the full text of Mr. Ramakrishna's speech:

"GENTLEMEN,

"I have very great pleasure in extending to you a very hearty and warm welcome to the sixteenth annual general meeting of our Company, this evening.

"The Directors' report, the audited statement of accounts together with the profit and loss account for the year ended 31st December, 1953, have already been in your hands for some time, and I, therefore, with your kind permission, will take them as read.

A Notable Year

"1953 has been a year of notable improvement with regard to both agricultural and industrial production. On the food front, the production has substantially increased during the past two years leading to gradual decontrol of foodgrains all over the country. The industrial production in 1953 has been the highest since Independence. The general index of industrial production has gone up from 117.2 in 1951 to 135.1 in 1953. Though the targets fixed by the Planning Commission exceeded in certain cases, like cotton textiles and salt, some industries, like steel, suffered a small setback due to labour troubles. In the case of cement, the production was 3.78 million tons, as against installed capacity of 3.96 tons. Tea and paper have also recorded increased production.

"India completed three years out of the Five-year Plan programme, and spent about Rs. 1,000 crores. The Planning Commission recommended an increase in the total expenditure under the Five-year Plan by Rs. 175 crores to Rs. 2,244 crores. The Government will have, therefore, to spend about Rs. 1,250 crores during the next two years. This increase in expenditure in the public sector may create greater opportunities for employment, but unless this is accompanied by a corresponding increase in expenditure in the private sector, it will not be conducive to the creation of proper opportunities for full employment. I hope the Committee appointed by the Reserve Bank under the Chairmanship of Mr. A. D. Shroff, must have recommended appropriate measures of assistance to the private sector. The initiative taken by the Government to start two development corporations for providing financial assistance to the private sector is really to be welcomed. One will be started directly by the Government of India and the other will be by the Indian industrialists with the assistance of the Government of India and the World Bank. I hope that, with the increased expenditure in the public secfor, and with the availability of adequate financial facilities in the private sector, there will be greater activity in our country leading to greater economic prosperity.

Tariff Commission's Enquiry

"I referred in my speech last year to the enquiry undertaken by the Tariff Commission and the representations made by our Company. The Tariff Commission, among other things, recommended the fixation of a basic price of Rs. 72 per ton f.o.r. destination, as against the existing price of Rs. 71 per ton for all companies other than the five high-cost units and also an extra price ranging from Rs. 5 to Rs. 8 per ton for all the high-cost units. The Tariff Commission, while recommending the price of Rs. 72 per ton, made provision for a return of 10 per cent. on the gross block and 4½ per cent. return on the capital employed, and about Rs. 3.9 per ton for rehabilitation and expansion.

"Apart from the question whether the recommendation of a return of 10 per cent. on gross block is fair or not, in view of certain items of expenditure, such as managing agents' allowance and bonus, are not taken into account while computing the various elements of cost of production, the Government of India considered it adequate to allow a return of only 8 per cent. on gross block. This would mean a reduction of about Re. 1½ per ton in the price recommended by the Tariff Commission. The Government also felt that there was no justification for allowing Rs. 3.9 per ton in the cost, towards rehabilitation and expansion in the case of high-cost units. They decided, therefore, to treat Rs. 67 per ton f.o.r. destination as the standard ceiling price of cement. In order to assist the old units to carry out their rehabilitation and expansion programmes, the Government of India allowed these units to add a sum of Rs. 4 per ton to the standard cost, to make the total cost as Rs. 71 per ton as before. After deduction of taxes, the amount of Rs. 4 per ton allowed for rehabilitation and expansion, will yield a little over Rs. 2. As it is the intention of the Government that this sum of Rs. 2 per ton should be exclusively utilised for rehabilitation and expansion, they ordered that all the companies concerned should credit this amount in a separate account which should be operated with the consent of the Government. As the Government felt that there was no necessity for any rehabilitation in the case of high-cost units, but at the same time these units cannot economically work on returns on the same scale as other units, they allowed an increase in the price ranging from Rs. 5 to Rs. 12 over the standard ceiling price of Rs. 67 in the case of five high-cost units.

Fair Increase in Selling Price Needed

"While it is gratifying to note that the Government of India have given a high degree of priority to the expansion and development of the cement industry along with other basic-industries, it is somewhat disappointing to notice the discouraging attitude on the part of the Government in not allowing a fair increase in the selling price. This decision of the Government of India is likely to prove to be a great hardship to the industry in general, and particularly to our unit which is a small and single unit, and which is partly old and partly new, by treating it on the same basis as the A.C.C. Ltd.

"The cement industry has made a fairly satisfactory progress during the past few years, with the production increasing from about 1.55 million tons in 1948 to 3.78 million tons in 1953. The total demand for cement exclusive of the requirements of multi-purpose projects and roads, is expected to be around 3.8 million tons by 1955-56. The requirements of cement for multi-purpose projects and roads are estimated at about 7 lakh tons during the first Five-year Plan period. As against the anticipated demand of 4.5 million tons by 1955-56, the Planning Commission have fixed the target for increasing the rated capacity of this industry at 5.01 million tons in 1955-56.

"At a time when the need for expansion of this industry is so great, it would have been fair for the Government of India to offer enough incentives to the industry, especially taking into account the very satisfactory part played by this industry in fulfilling the expectations of all the interests concerned.

Potentialities in Andhra

"It may be mentioned that the potentialities for the development of the cement industry in the Andhra State are very great, not only on account of the existence of huge high quality deposits of limestone but also on account of a growing demand for cement as a result of the coming into existence of two big hydro-electric projects and construction of a very big river valley project on the Krishna River, in addition to a large number of minor irrigation schemes. With the development of various river valley and irrigation projects and with the growth of electricity and the construction of the State capital, the demand for cement in the Andhra State alone may be expected to be doubled in the next few years.

"Coming to our own affairs, I hope the shareholders will regard with satisfaction the results of the working of our Company during the year 1953. You will observe from the accounts placed before you that the profits of the Company amounted to Rs. 10,73,622, after providing a sum of Rs. 10 lakhs towards depreciation, as against the profit of Rs. 7,07,918 in the previous year after providing the same amount of Rs. 10 lakhs for depreciation. Production as well as despatches were, of course, higher during the year under review. Cement despatches amounted to 1,20,231 tons during 1953, as against 76,861 tons in 1952. This increase in production and despatches could not find a corresponding reflection in the trading results during the year under review, on account of a reduction in the price of packed cement and an increase in production costs. The packing charges are fixed by the Government and they have been reduced every quarter in 1953. Ourselves being a small unit, it is not possible for us to buy huge quantity of packing materials at advantageous rates. The prices of various raw materials as well as of packing materials continued to rule high. The labour costs also have been on the increase. The increase in profits in 1953 was, therefore, due to higher turnover and not to improved margin of profit.

"I would like to draw your attention to the provision made for taxes at Rs. 5.45 lakhs, as against Rs. 75,000 last year. Provision under this head will be on the increase hereafter.

Supplies of Wagons Inadequate

"Last year, I referred to the question of providing additional railway siding facilities at our factory to cope up with increased despatches. We have finalised the programmes regarding the provision of additional siding facilities at the factory and also to lay a special line for about six furlongs at the limestone quarries in Nadikude to ensure increased supplies of good quality limestone. In this connection, I wish to point out that we are not able to get adequate supplies of wagons for transporting our cement and this is proving to be a limiting factor over our sales, on many occasions, apart from the great inconvenience caused to our constituents.

"Your Directors have been always striving their level best to maintain cordial relationship with labour, and you may be glad to note that our relations with the labour have been on the whole, quite satisfactory, despite occasional manifestation of a few discordant notes now and then.

"The construction of the first set of 50 quarters allotted to us under the Industrial Subsidised Housing Scheme is almost completed, and arrangements are now being made for undertaking the remaining quarters contemplated under the Subsidised Scheme. It is proposed to build these quarters in two patterns suitable for the lower income and higher income groups respectively.

"In January, 1954, we have floated a subsidiary company under the name and style 'Andhra Cement Construction Co., Ltd.' for the purpose of undertaking various kinds of construction works and also to carry on any other business which will be conducive to the interests of this Company, and we hope this institution will prove to be of great assistance to us.

"With these few remarks I now commend the Directors' report and the audited statement of accounts for your adoption."

NEW RUSSIAN CERAMIC MATERIAL

A new Russian ceramic material developed in the Department of Glass and Ceramics Technology at the Moscow Chemical Technical Institute is said to have exceptionally good wearing qualities at high speeds. Average wear resistance for this material, TsM-332, which is one of several "micro-lite" materials, is said to be of the order of 350 minutes at 300 metres per minute, but it is said to have been used at speeds of the order of 3,500 metres per minute on some occasions. The material has a high density and a fine grain size. It is very brittle, but its hardness is said to be of the order of 92-93 Rockwell A scale, and its compression strength up to 500 kilograms per square millimetre.

THE BANK OF RAJASTHAN LIMITED

Head Office :—Udaipur *Central Office :*—Jaipur

BALANCE SHEET AS AT 31st DECEMBER, 1953.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED— 20,000 Shares of Rs. 100 each	20,00,000 0 0	
ISSUED— 20,000 Shares of Rs. 100 each	20,00,000 0 0	
SUBSCRIBED— 18,182 Shares of Rs. 100 each	18,18,200 0 0	
CALLED AND PAID-UP CAPITAL— 300 Shares of Rs. 100 each fully paid up	30,000 0 0	
17,882 Shares of Rs. 100 each, Rs. 50 per Share called up	8,94,100 0 0	
	9,24,100 0 0	
LESS—Calls unpaid (Rs. a. p. 1,525 0 0)		
ADD—Forfeited Shares Nil	1,525 0 0	
		9,22,575 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund	2,00,000 0 0	
Investment Reserve	2,00,000 0 0	
Provision for bad debts (Rs. a. p. 5,500 0 0)		
LESS—Doubtful debts not shown on the contra	4,815 15 9	
	684 0 3	
Provision for Income Tax		5,00,684 0 3
		41,998 4 9
3. Deposits and Other Accounts—		
Fixed Deposits	57,67,427 12 4	
Savings Bank Deposits	33,91,214 15 2	
Current Accounts, Contingency (Unadjusted) Accounts, etc.	81,21,019 3 6	
Staff Security Deposits	51,907 2 9	
		1,73,31,569 1 9
4. Borrowing from Other Banking Companies, Agents, etc.—		
(a) In India	Nil	
(b) Outside India	Nil	
		Nil
PARTICULARS—		
(a) Secured	Nil	
(b) Unsecured	Nil	
		Nil
5. Bills Payable		5,97,039 7 9
6. Bills for Collection being Bills Receivable per contra—		
(i) Payable in India	8,49,559 5 8	
(ii) Payable outside India	5,263 0 0	
		8,54,822 5 8
7. Other Liabilities—		
(a) Unpaid Dividends	3,918 15 9	
(b) Sundry Creditors	1,67,340 14 11	
(c) Currency Notes received for collection	742 0 0	
(d) Branch adjustments	2,56,189 13 5	
		4,28,191 12 1
8. Acceptances, Endorsements and Other Obligations as per contra		2,39,465 0 0
9. Profit and Loss Account—		
Balance of last year's profit after appropriation (Rs. a. p. 31,104 9 4)		
LESS—Dividend on Shares for 1952 (Rs. a. p. 28,510 0 0)	2,594 9 4	
ADD—Profit for the year brought from Profit and Loss Account	1,05,496 12 9	
	1,08,091 7 1	
LESS—Appropriations— Reserve Fund (Rs. a. p. 24,000 0 0)		
Provision for Income-tax 50,000 0 0	74,000 0 0	
		34,091 7 1
Grand Total .. Rs.		2,09,50,434 7 4

ASSETS AND PROPERTY	Rs. a. p.	Rs. a. p.
1. Cash—		
(i) In hand and with Reserve Bank and Imperial Bank of India	57,26,218 6 6½	
(ii) Cash in transit	200 0 0	
(iii) Currency Notes sent for exchange	1,162 0 0	
		57,27,580 6 6½
2. Balance with Other Banks in Current Account—		
(i) In India	3,71,842 1 4	
(ii) Outside India	Nil	
		3,71,842 1 4
3. Money at Call and Short Notice		80,000 0 0
4. Investments—		
(i) Securities of Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments of the face value of Rs.62,56,400, market value Rs. 60,56,848-10-0	62,56,378 15 0	
NOTE 1.—Full provision for the difference between the market value and the cost of the investment has been made as per contra. 2.—All the Securities lodged with the Bankers against overdraft arrangements.		
(ii) Shares	Nil	
(iii) Debentures or bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	46,013 8 11	
		63,02,392 7 11
5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(i) Loans, Cash Credits, Overdrafts—		
(a) In India	53,77,569 5 3½	
(b) Outside India	Nil	
	53,77,569 5 3½	
(ii) Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— (Only demand bills purchased in course of collection)		
(i) Payable in India (Rs. a. p. 15,34,106 6 5)		
(ii) Payable outside India Nil	15,34,106 6 5	
(Particulars as per separate Schedule attached.)		69,11,675 11 8½
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	8,49,559 5 8	
(ii) Payable outside India	5,263 0 0	
		8,54,822 5 8
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,39,465 0 0
8. Additions and Alterations to Bank's Leasehold Property—		
As per last Balance Sheet	12,790 5 9	
LESS— (Rs. a. p.)		
Depreciation as per last Balance Sheet. 2,698 0 0		
Depreciation during the year 1,279 0 0	3,977 0 0	
		8,813 5 9
9. Furniture and Fixtures—		
As per last Balance Sheet	1,97,889 12 8	
Additions during the year	5,401 15 6	
	2,03,291 12 2	
LESS— (Rs. a. p.)		
Depreciation as per last Balance Sheet. 49,213 2 1		
Depreciation this year 15,893 6 11	65,106 9 0	
		1,38,185 3 2
10. Other Assets—		
(i) Sundry Debtors	15,539 14 6	
(ii) Stationery	45,977 2 11	
(iii) Stamps	34 0 0	
(iv) Indian Income-tax deducted at source	1,30,362 7 1	
(v) Interest accrued on Investment but not realised	66,826 5 0	
(vi) Interest accrued from Government of Rajasthan account	26,064 10 2	
(vii) Income-tax paid in Advance	15,500 0 0	
	3,00,204 7 8	
LESS— (Rs. a. p.)		
Library—as per last Balance Sheet 5,746 13 9		
Additions during the year 1,224 1 6		
6,970 15 8		
LESS— Depreciation as per last Balance Sheet (Rs. a. p. 1,563 12 11)		
Depreciation this year 625 14 6	2,189 11 5	
	4,781 3 10	
Conveyance (Motor Cars and Tongas). (Rs. a. p.)		
As per last Balance Sheet 23,165 13 3		
Less written off during the year 211 1 0		
22,954 12 3		
LESS— (Rs. a. p.)		
Depreciation as per last Balance Sheet 7,952 1 3		
Depreciation during the year 4,330 9 3	12,282 10 6	
	10,672 1 9	
		3,15,657 13 3
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
Grand Total .. Rs.		2,09,50,434 7 4

Schedule of Particulars required by the Banking Companies Act, X of 1949, attached to and forming part of the Balance Sheet as at 31st December, 1953.

PARTICULARS OF ADVANCES	Bills discounted & purchased	Loans, Advances, cash credits & overdrafts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured	12,94,849 3 5	52,12,749 3 5	65,07,598 6 10
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	2,05,170 7 9	3,913 13 9	2,09,089 5 6
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors—			
(a) Debts guaranteed by the Government of Rajasthan	Nil	1,54,261 6 4½	1,54,261 6 4½
(b) Other	34,096 11 3	6,639 13 9	40,726 9 0
(iv) Debts considered doubtful or bad but not provided for	Nil	Nil	Nil
	15,34,106 6 5	53,77,569 5 3½	69,11,675 11 8½

	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	Nil	201 12 0	201 12 0
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or in case of private companies, as members	Nil	2,66,849 0 0	2,66,849 0 0
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other person	Nil	5,788 3 6	5,788 3 6
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Companies are interested as Directors, Partners or Managing Agents or in case of private companies as members	1,41,523 8 0	3,76,674 2 6	5,18,202 10 6
(ix) Due from Banking Company	Nil	Nil	Nil

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1953.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		2,71,502 0 5
2. Salaries, Allowances and Provident Fund—	Rs. a. p.	
General Manager	11,570 0 0	
Other Staff	3,08,357 6 9	
		3,19,927 6 9
3. Directors' and Local Committee Members' fees and allowances		700 0 0
4. Rent, Taxes, Insurance Lighting, etc.		29,142 11 6
5. Law Charges		1,951 0 0
6. Postage, Telegrams and Stamps		29,620 13 5
7. Auditors Fees and allowances		1,420 2 9
8. Depreciation on and repairing to the Banking Company's property (Safe, Furniture, Fixtures, Conveyance and Library, etc.		22,123 14 8
9. Stationery, Printing Advertisement, Subscription to Newspapers and Uniforms for Servants, etc.		41,606 12 4
10. Loss from sale or dealing with Non-Banking assets		Nil
11. Other Expenditure—	Rs. a. p.	
Remittance charges	22,025 12 5	
Travelling expenses and Conveyance charges	20,333 15 9	
Other Miscellaneous Expenses	11,067 4 4	
		53,432 0 6
		1,05,496 13 9
12. Balance of Profit (subject to Income Tax)		
Total .. Rs.		8,96,723 11 11

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	5,92,042 4 10
2. Commission, Exchange and Brokerage	2,69,941 5 6
3. Rent	Nil
4. Net Profit on sale of Investment, Gold and Silver, Land Premises and other assets	Nil
5. Net Profit on revaluation of Investment, Gold and Silver, Land Premises and other assets	Nil
6. Income from Non-Banking Assets and Profit from sale of or dealing with such assets	Nil
7. Other Receipts	34,745 1 7
Total .. Rs.	8,96,723 11 11

AUDITORS' REPORT.

We beg to report that we have audited the Balance Sheet of the Bank of Rajasthan Ltd., Udaipur as at 31st December 1953 and the relative Profit and Loss Account of the Bank for the year ended on that date as above set forth with Books and Accounts of Udaipur and Jaipur offices and Returns of Branches and Pay Offices and report that—

(a) We have obtained all the information and explanations we have required and the same were satisfactory.
(b) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.
(c) Such Balance Sheet exhibits a true and correct view of the state of affairs according to the best of our information and explanations given to us and as shown by the books of the Bank. Also such Profit and Loss Account shows a true balance of Profit for the year.
(d) In our opinion, Books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act.
(e) All the transactions which came to our notice were within the powers of the Bank.
(f) The Returns received from Branches and Pay Offices for the year ended 31st December, 1953 were duly audited by Messrs. Y. T. Korke & Co., Chartered Accountants.

B. D. GARGIEYA & CO.,
Chartered Accountants and Auditors, Beawar.

BEAWAR, 17th May, 1954.

HARISINGH, Chairman.
G. S. PUROHIT, } Directors.
D. L. MANSINGHKA }
D. L. GUPTA, Ex-Officio Director and General Manager.

NOTE—The other Directors have not signed the Balance Sheet and Profit and Loss Account being absent.

CONSEQUENCES OF DEFICIT FINANCE

PRIORITIES IN PLANNING REQUIRE TO BE RECONSIDERED

(By J. M. LOBO PRABHU, I.C.S.)

AS one of the first exponents of deficit finance to secure full employment and to implement the Five-year Plan, I am no doubt gratified that the budget of the year contains a deficit of Rs. 238 crores, and that the Finance Minister estimates the total of deficit finance in the next two years will be of the order of Rs. 600 crores. The change in policy is already reflected in the buoyant conditions of the share market. In so far as this created money will be available for development, the country has been spared more taxation, which has generally heartened industry. The new climate is likely to be felt over the whole field of production and consumption, as and when the new policy actually results in increasing money and opportunities.

To understand the impression, which Rs. 600 crores will make on the economy, it is necessary to relate it, first to currency in circulation, second to the national income, third to the previous actuals of development expenditure, fourth to the specific items of expenditure budgetted, and, fifth, to the bank and credit structure of the country. In the total note issue of about Rs. 1,200 crores, created money of the order of Rs. 600 crores may appear sizable. In this connection, it has to be remembered that the note issue in 1947-48 reached a total of Rs. 1,274 crores, when the national income was less than Rs. 8,600 crores, as against nearly Rs. 10,000 crores now, the general industrial index was 108.4 as against 133 now, the food production index was 99 in 1939-40, as against 102 in 1952 and much higher since. The figures of increased income and production could by themselves now support a greater volume of money in circulation, so that there is no reason to expect any disequilibrium from Rs. 600 crores of created money. Secondly, our money supply is deficient even comparatively with the national income per head in the countries mentioned. Thirdly, during the war, our economy had shown its capacity to absorb even a sixfold increase of currency, without adverse effects on production. It has to be noted that the country is subject, particularly in rural areas, to the traditional habit of keeping money hoarded which effectively reduces the volume and velocity of circulation. In these circumstances, Rs. 600 crores of created money should not make the total money supply excessive to the actual requirements and potentials of our economy.

Income and Money Supply

In a national income of Rs 10,000 crores, increasing yearly at the rate of nearly Rs. 500 crores, Rs. 600 crores of created money, injected over a period of two years, is rather short of the natural appetite. In fact, the increase in money should have matched the increase in income, in order to maintain the efficiency of purchasing power.

With reference to the previous provisions of capital expenditure, the current provision of Rs. 433 crores, based largely on loans and Treasury Bills, no doubt appears large. In terms of the national income, however, it is only 4.3 per cent. which is very small comparatively with similar expenditure in the U.S. or the U.K. No doubt our economy will be affected by this expenditure on account of its catalytic character. This will be more so if, on account of the steps now being taken, the provision will be fully spent, instead of standing over in a large part, as it did last year. This will be all to the good, as the direct employment, which cannot be of the order of less than 250,000 men, and the secondary employment, which may be four times as much according to Keynes "multiplier" theory, may produce a new economic climate.

The items of capital expenditure in the current budget seem to be more definitely aimed at increasing employment opportunities. The provision of Rs. 178 crores as advances to State Governments, of Rs. 24 crores for industries, and Rs. 25 crores for civil works, which have naturally wider employment opportunities, are much larger than in the past.

In relation to the credit and banking structure, the liberal money policy will generally have a catalytic effect. It has already been declared that Industrial Investment Corporations to handle about Rs. 50 crores are under consideration. Even otherwise, new expenditure of a large magnitude must increase the size of credit and banking operations. Advances from Scheduled banks, which fell from Rs. 526 crores in January, 1952 to Rs. 458 crores in February, 1954, have, since the budget, already shown an improvement to Rs. 567 crores in March. If there is some let up on the credit restrictions—this would be in keeping with the new policy of the Bank of England—bank credit will amplify the money supply arising from deficit financing.

It would appear that Rs. 600 crores of created money will not, because of its magnitude, be a strain on the economic structure. Its effect on the various propensities of the economy will be generally healthy. On the propensity for production, the dear money policy of the last two years has been restrictive, as may be seen from at least two consequences, first the tendency of stocks to accumulate, which has hit the marginal units, and, secondly, the decrease in investment which has broken the impetus of industrialisation, which started with the war. Planned production seems to be halted, because there has been no money for commensurate consumption. Should created money again flush the economy, not only will the impulse of production be restored but it may intensify in rapid progression. In a country with most deficient living standards, it is not difficult to stimulate the propensity to consume. The question really is how this propensity should be trained, so that it does not press on articles in short supply, but absorbs production, which is available and is beneficial.

Medium-scale Industries

The problem can be dealt both at the supply and the consumption ends. At the supply end, it seems necessary that there should be priorities in the expenditure both in the public and private sectors. It is possible to distinguish projects as long- or short-term, large- or medium-scale with visible or invisible returns, rural or urban, employing more capital or labour, with short or long chains of raw material supply and of trade lines. The emphasis in the Five-year Plan has been on long-term projects, the river valley and other irrigation and electricity schemes, and the great State factories, taking up the bulk of the finance available. While these projects are basic for other development, they are not immediately productive, with the result that the money spent on them is not balanced at once by increased supplies. This is true, to some extent, also of large- as against medium-scale projects. It would appear necessary to shift the emphasis now from long-term and large-scale projects to short-term and medium-scale ones. To some extent, this is a shift from the public to the private sector, making cheap money available to private investors. If along with capital, these investors are, by a long-term policy, assured protection from foreign competition in respect of production of standard quality, it can be expected that many medium-scale industries will quickly come into existence.

As between projects with visible returns like factories, electricity and irrigation, projects with invisible returns like education, health and social service, the latter may have to be toned down, till the unemployment problem is under control. As between rural and urban projects, the former may have preference, not only for reasons of the decentralisation involved, but because labour employed in rural areas is less liable to spend its full earnings. The choice between projects employing more capital, or labour is difficult to make. The capital-labour ratio of the country, which is the index of its economics, is very poor. For controlling inflation, imports of capital goods for which exchange is now available deserves to be preferred to employment of labour for which money has to be created. Generally, therefore, capital intensive projects are to be preferred, the exception being roads and housing, both of which are deficient and can absorb a large proportion of unskilled labour, throughout the country. As between projects employing short or long chains of raw material, the latter are to be preferred, because of the greater employment offered. This does not mean that agriculture and mining, in which the chain is short, nature playing a great part, should be stepped down. They are important for other reasons, but they do not, at present, require the same nursing as projects offering more widespread employment. It seems necessary, therefore, that priorities in planning require to be reconsidered. What was sound three years ago, when the food problem was overwhelming and conditions were inflationary, has to be viewed in a new context, that of using created finance to create full employment which will, at the same time, balance production and consumption better.

Apprehensions About Value of Money

The effect of deficit finance on the value of money has no doubt created apprehensions. There is a fear that inflationary pressures may be revived, because of the money available being in excess of the goods in supply. While the theory may be true generally, in underdeveloped countries, and particularly in a country like India in which the money supply is a pitiful eleven dollars per head, a good part of which is impounded in hoarding, we are a long way from a state of saturation. Even the opposite theory could be advanced that the volume and velocity of money in the economy, is low to the point of making it anæmic. If only people spent more, and on the right things, a greater proportion of the human and material resources of the country would be employed. In these circumstances, it is not necessary to encourage the propensity to save as a deflationary measure. Savment, but to the extent money can be created and used for productive purposes, it can do as well as personal savings, perhaps better, because the volume of demand will muster that much stronger to match increased production. This may sound unorthodox, but, to a great extent, the Indian economy suffers more from underspending than from over-spending. Deficit financing, if it can correct this tendency, without causing inflation, may do something which is not expected of it, but which may have significant consequences.

Much, therefore, can follow from deficit finance, provided it is fully utilised. In the last budget year, the deficit finance of Rs. 140 crores provided for remained largely on paper, because, on capital account, the shortfall in spending was of the order of Rs. 100 crores. If the current provision is to be spent, and the arrears of the Five-year Plan to be overtaken, a great deal of streamlining is necessary. In the first place, it is suggested that the interference of the Finance Department should be restricted, on the one hand, to overall sanctions and, on the other, to audit and accounting. The independence which the administration will acquire from this, will not only make for speed, but may promote economy from spot decisions of what is found necessary. Secondly, working to targets, under periodical review, which may be every quarter, enforces attention to day-to-day work, as has been found in the Madras State. Thirdly, considering that, even with the best will and effort, schemes always lag behind schedule, the plan should contain more schemes than are covered by the budget provision. A saving of 25 per cent. can be assumed and additional schemes started to that extent. As and when budget allocations are fully spent, such margins can be given up, but, for the present, the plans of work should take note of previous actuals of default, and to that extent should be surplus to the financial provision.

In anticipation of the deficit finance of the current budget, the economic climate has already begun to change. The large increase in public expenditure is expected to increase employment and revive purchasing power. The private sector seems to be reacting quickly. If, however, public expenditure is delayed, due to control and caution, characteristic of austerity finance, the country will not only miss the dawn of a better economic order but may have inflationary conditions, which only benefit speculators. Along with deficit finance, there must, therefore, be surplus performance. The economic mechanism which has now supply of power, can be engaged in the proper gear only by new spirit and action first in the public and then in the private sector.

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BANK RATE IN WEST GERMANY CUT

West Germany has reduced its Bank rate from 3½ per cent. to 3 per cent. The reduction was given effect to on the 20th inst. This decision was taken in order to act in step with the Bank of England, which effected a cut in its discount rate from 3½ per cent. to 3 per cent. on the 13th ult.

Following the reduction in West Germany's Bank rate, the banks' lending rate there has come down from 4½ per cent. to 4 per cent. Similarly, the rate for Treasury Bills and for short-term loans of the Provincial Banks has been lowered from 3½ per cent. to 3 per cent.

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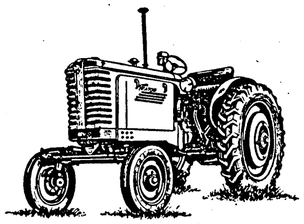
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COMMUNITY PROJECT PROGRAMME

CAUSES FOR SLOW AND UNEVEN PROGRESS

THE Report of the Programme Evaluation Organisation of the Planning Commission on the first year's working of the Community Projects is an immensely useful document. The Report is the outcome of an intensive study of this Organisation of 18 selected Community Project centres, of which five were Pilot Extension centres. Although the study is confined to a cross section of the projects which are scattered all over the country, its observations on operational problems confronting those in charge of this great national drive towards the economic rejuvenation of the countryside will help the project administrators to avoid pitfalls and to implement the programme on sound lines.

The Programme Evaluation Organisation (P.E.O.) was set up by the Planning Commission concurrently to evaluate the working of the Community Projects which constitute a pioneer experiment in the field of national welfare. The Organisation carries on the work of evaluation of the Community Projects under the direction of the Planning Commission. The main tasks of the P.E.O. have been specifically outlined in the agreement between the Government of India and the Ford Foundation under which the Foundation has agreed to make a very substantial contribution towards meeting the cost of the Organisation for three years. The main functions of the Organisation are:

(i) Current appraising of progress being made towards accomplishing programme objectives;

(ii) pointing up those extension methods which are proving effective and those which are not;

(iii) helping explain why some practices are adopted while others are rejected by the villagers; and

(iv) furnishing the insight into the impact of the community development programme upon rural economy and culture.

These tasks have to be performed in respect of the fourfold objectives of Community Projects, namely, (a) more employment; (b) more production; (c) co-operative efforts on the part of the people; and (d) spread of progressive outlook among the rural population.

The present Report, first in the series, seeks to reveal the strong and weak points in the operational organisation under the responsibility of the Community Projects Administration, also in the methods employed for the purpose of development. A striking feature of the Report is that it does not attempt at picking holes. On the contrary, it reveals a genuine attempt at understanding the problems through a detailed examination, so that it may find out how far the objects of the Community Programme—to which we shall refer presently—have been realised in the project areas and know the reasons for good progress in certain project areas and slackness in certain others. The study is undoubtedly a manifestation of a great desire on the part of the P.E.O. to see what constructive measures are necessary to make the Community Project Programme a great success. It is here that one finds the chief value of the Report.

Activities Under the Programme

The Report covers all aspects of activities under the Community Programme. Its main observations relate to the following: (1) the time-limit set for full implementation of the Community Projects, (2) the position of existing *panchayats*, the *ad hoc* popular organisations created in the various States and the role of co-operative societies in the implementation of the programme, (3) the need for fuller administrative co-ordination, (4) adequacy of trained personnel, (5) the role of project advisory committees, (6) achievements of physical targets, (7) creation of progressive outlook among people and (8) employment potential of the Community Projects.

Excepting the field of agriculture, the progress so far made in other spheres of community development such as building of schools, roads, hospitals, promotion of co-operative institutions, establishment of rural industries, sanitation, etc., has been uneven and in some respects disappointing. The causes for this slow progress make interesting reading.

The aim of Community Projects is to help people to earn more, in order to live better. This means the achievements of social, economic and community development at one and the same time. The Community Projects accordingly are planned on the pattern of many-sided development. Unfortunately, attempt at this planned development is a new thing for India. It is unfamiliar to the official as well as to the popular mind. Appropriate attitudes have to be induced in the officials and the masses alike. This itself is a tremendous educational task requiring time, energy and efforts.

Passivity of the popular mind in the initial stages is a great factor which hinders progress. Those connected with the projects seem to have a great headache in bringing about a gradual change in the attitude of the rural people from one of initial unconcern and scepticism to that of a rousing interest and ultimately to conversion to the very idea in order to instil faith in planned development on modern lines. It is encouraging to note in a number of centres this change was in full evidence.

The P.E.O. has found that targets to be achieved by the programmes in many cases had no proper basis, being no more than the officers' own conception of what they would be able to do. The figures represented only a goal to be reached. In determining the targets, the people, who are required to reach them, seemed in most cases to be unconcerned. Consequently, there was difficulty in assessing progress.

Reasons for Delay

It has also been found that, if the progress of development was slow, such was not due to lack of finances but to indefiniteness in initial budgetting by officials and other causes. These budgets were prepared hastily with vague ideas and time had to be spent on asking for details before sanctioning funds for them. There was also strict and rigid control over the spending powers of the staff. The normal rules of technical, financial and administrative sanctions caused delays and hindered progress. Again, co-ordination among officials of the various departments was not there to the full extent. There were also delays in indenting ordering, receiving and forwarding of equipment from the purchasing authorities to the project centres Contributions towards the development effort were from three parties, namely, the C.P.A., the State Governments and the people. The C.P.A. not only shares the financial costs but is also responsible for obtaining imported equipment or equipment chargeable to those sources. There are also contributions from State resources. At present, there are so many contributory schemes which are being framed and adopted by Central and State Governments that some Governments have lost track of their overall commitments, recurring and non-recurring. Consequently, the procedure involved in financing schemes arrests progress. The contribution by the people is mostly in kind rather than in coin. The Report says: "Where the non-official contribution is not in the form of big contributions, but is made up of a number of small contributions in cash, kind and service, a prior guarantee or deposit is out of the question. It is true that, in a few cases, works started on the strength of an assurance of popular participation were left unfinished. But this is inevitable in the initial stages, in any case more inevitable than the suspension of works on account of the failure of the Government to carry out its own part." All these causes are responsible for the low speed of constructive achievement.

Rural Organisations

Again, assistance from existing rural organisations such as *panchayats* and co-operatives for sustaining enthusiasm among the people in the development would appear to be not as much as was expected of them. Even the *ad hoc* popular organisations set up for the purpose have degenerated into official bodies. *Panchayats* do not exist in all areas, and where they exist, they generally suffer from group conflicts. Co-operatives can be of use but, unfortunately, there are limitations on their usefulness in the development projects. Their number is few, their membership is limited, and their rules make for selective rather than general membership. By their very nature, their functions are limited. The *ad hoc* advisory bodies, known by different names, are stated to be doing good work under the general guidance of competent officers. But the danger is that they may cease to function after the official agencies are withdrawn.

In this context, the Report emphasises the need for some suitable permanent institutions which will sustain popular enthusiasm and promote work under the programme after the special staff and assistance are withdrawn. This is a problem which requires the attention of the Planning Commission and the Governments both in the Centre and the States. Failure to organise independent popular institutions capable of undertaking the work under the projects may spell the doom of the scheme of Community Projects.

Again, the progress of development schemes is stated to have been adversely affected by the inadequacy of the trained extension worker at the village level. The Report says that the village level worker has proved himself to be a good extension agent. Unfortunately the number of such workers is stated to be very low. Most of them are from the urban areas, whose rural background has been poor. The training imparted to such candidates would be superficial. This underlines the need for selecting persons with a rural background.

The Report makes a critical evaluation of the progress made towards the achievement of the four main objectives of the Community Project Programme. The first one relates to the generation of a progressive outlook among the rural population. We are told that, as a result of the work so far done, such an outlook has been created among the villages. The danger is that it may very soon be difficult to check the speed of expansion, so that it may not outrun the resources of the Government.

Habits of Co-operative Action

The second objective concerns the formation of habits of co-operative action in the project areas. In view of the limitations of the existing institutions, namely, *panchayats*, co-operatives and *ad hoc* advisory committees, the attainment of this objective bristles with difficulties. Regarding the last mentioned agency, it is stated that even after the lapse of a year, advisory committees had not been set up in some States; few committees meet regularly and in certain cases the first meeting was the only one held in the year. Attendance of officers themselves was in some cases far from regular. Consequently, the Report says that the manner of association of non-official opinion with project and development work and the mutual relationship among departmental and administrative officers constitute two of the most important problems of development policy.

Another objective of the Community Project is increasing production. Although further intensified studies are needed for the actual measurement of physical targets achieved, the Report has no hesitation to say that "the objective of increasing production is being steadily attained." With the growing popularity of extension measures, increased supply of seeds, fertilisers, implements and water-supply, the trend towards increasing production may be expected to continue. It warns, however, that the trend may be affected by factors such as floods and droughts.

On the question of attaining the last objective, namely, increasing the volume of employment, the Report says that, to the extent to which tillage has been made possible by the grow-more-food schemes incorporated in the Project schemes, the volume in employment in agriculture has been increased. But the Projects have little to offer by way of direct addition to employment in the non-agricultural sector, except that they have created some jobs for those employed by the Community Project Administration.



NEW PUBLICATIONS

Agricultural Economics. By Dr. D. S. Chauhan. Published by Lakshmi Narain Agarwal, Educational Publishers, Hospital Road, Agra. Price: Rs. 12.

THE growth of population at a rate faster than the increase in food production in most South-East Asian countries has latterly tended to focus the attention of economists and agricultural scientists on problems of land and its cultivation. Studies in these problems have received further stimulus on account of the prominence given to land reform by the powers-that-be. As a consequence, agricultural economics has come to occupy an independent place of its own, breaking away from the conventional practice of being treated as an appendage to the studies in general economics. In India particularly, this subject is still being treated as part and parcel of Indian economics. A break from this traditional practice, however, is latterly visible by the publication, from time to time, of books exclusively devoted to the principles of agricultural economics. The book under review from the pen of Dr. Chauhan, Director, the B. R. School of Economics and Sociology, Agra, is one of these.

Post-graduate students desirous of specialising in agriculture, will find in Dr. Chauhan's book much that is of use to them in their attempts at studying agricultural problems on a scientific basis. For the book, as the author himself claims, is intended primarily to provide a clear and precise understanding of the principles of agricultural economies. To a certain extent, it will help students to face controversial issues relating to problems of land, and the bibliography suggested by the author will show the way for further studies on this subject.

One of the outstanding features of the book is the case made out by the author for proper land utilisation. The sections devoted particularly to soil erosion are stimulating and should go a long way towards practical solution of this most vexed problem. He has also skilfully dealt with the various classification of farms. In this context, however, one fails to get his guidance on the burning question of imposing a ceiling on landholdings, as no reference is made to this subject. So also the question of redistribution of land and the Bhudan movement which is gaining in importance on account of the indefatigable efforts of Acharya Vinoba Bhave. Nevertheless, this lapse has been made good by the author in other ways. Particularly, his strong plea for rural industrialisation on a decentralised basis merits consideration. Liberal use of maps and charts and profuse footnotes help clarification of the controversial issues dealt with by the author. In fine, the publication is doubtless a valuable addition to the literature on agricultural economics.

Criticism of Published Accounts. By R. S. Saksena, M. Com. Published by Motilal Banarsidass, Bankipore, Patna. Price: Rs. 2-8.

The publication under review is an attempt to fill the demand for a suitable guidance to students of advanced accountancy in the criticism of published accounts of companies. The author sets out the subject under two heads, namely, (1) criticism of the form and contents of published accounts, and (2) criticism of the substance of published accounts. The aim of the former is to see whether the statutory requirements are duly complied with. Under this head, the author gives the legal form of a company's balance-sheet and profit and loss account and discusses the information which each of the items of the accounts is required to provide. The criticism of the substance of published accounts of a company consists in analysing their contents in order that the existing and prospective shareholders and creditors of the company may form an opinion about the progress of the Company's business and its financial position. There is a separate chapter on the study of company's prospects. In this chapter, the author shows how the various factors such as the price and supply of raw materials, labour situation, the expansion programme of the company concerned, etc., should be watched in order to get an idea of a company's prospects. He also points out that the critic should carefully study the directors' report and chairman's speech, examine the results of the company in the past and that he must possess a thorough knowledge about the industry or business in general in which the company is engaged. Suitable illustrations have been given, wherever necessary, to elucidate the principles involved.

ANGLO-IRANIAN OIL COMPANY

SIR WILLIAM FRASER OUTLINES EFFORTS TO SOLVE IRANIAN DISPUTE

THE Forty-fifth Annual General Meeting of the Anglo-Iranian Oil Company, Ltd., will be held on 10th June in London, England.

In the course of the statement to stockholders, circulated with the report and accounts of the Company Sir William Fraser, C.B.E., LL.D., Chairman, says:

"Consolidated trading profit and other income for 1953 was £43,827,585 after provision of £20,056,243 for depreciation. The gross consolidated profit thus totalled £63,883,828, comparing with £61,260,584 for 1952 when depreciation and other write-offs totalling £14,198,946 were provided.

"Total capital expenditure during 1953 was just under £75,000,000, financed by the proceeds of the debenture issue in January, 1953, retained profits and reduction of net current assets. This capital expenditure included the following main items: Aden Refinery £26,500,000; Kent Refinery £14,600,000; Kwinana (W. Australia) Refinery £10,700,000; other U.K. Refineries £4,300,000; Tankers £8,500,000; oil exploration interests £4,500,000 and marketing interests £4,000,000—a total of £73,100,000.

"Capital expenditure in 1954 continues to be heavy, being of the order of £60,000,000.

"After providing £19,342,232 for taxation on profits, the amount available for reserves and dividends is £24,382,850 compared with £25,165,966 for 1952. Your Directors have placed £14,000,000 to general reserve and have recommended a final dividend on the ordinary stock of 25 per cent., and, in addition, a cash bonus of 2s. 6d. per £1 stock unit, both less income-tax. The total distribution for the year approximates 7 per cent. on the ordinary stock plus general reserve."

The Company's Interests In Iran

The statement then describes the latest events relating to the Company's interests in Iran including the resumption of diplomatic relations between Her Majesty's Government and the Iranian Government. "Following inter-Government negotiations and inter-Company discussion of the problem of restoring Iranian oil to the world market, it has been agreed that the best chance of reaching a solution lies in the formation of a consortium of Anglo-Iranian and seven other major oil companies concerned with the production and marketing of Middle East oil.

"The consortium of companies would be as follows: Anglo-Iranian Oil Company, with a 40 per cent. share; the five United States companies, Standard Oil (New Jersey), Socony-Vacuum Oil, Standard Oil of California, Gulf Oil and Texas with an interest aggregating 40 per cent; Royal Dutch-Shell with 14 per cent., and the Compagnie Francaise des Petroles with 6 per cent. The consortium would not be established until there is an agreement with the Iranian Government which is acceptable to all the companies participating.

"At the invitation of the Iranian Government a delegation of three negotiators left London for Tehran on 10th April.

"Parallel with the negotiations between the consortium delegation and the Iranian Government, negotiations with regard to the compensation to be paid to the Anglo-Iranian Oil Company by the Iranian Government are being conducted by Her Majesty's Ambassador, who arrived at Tehran in March. It had been agreed that this question, with which the other members of the consortium are not directly concerned, should be dealt with separately.

"The two sets of negotiations are in progress and developments between now and the annual general meeting will be reported then.

Production, Exploration and Refining

"Crude oil production in Kuwait, Iraq and Qatar was again substantially increased during 1953, when our offtake from those sources totalled some 32,200,000 tons compared with 25,600,000 tons in 1952. Our range of exploration activities (including Australia, Papua, Canada, East and West Africa, Trinidad, Sicily and the Persian Gulf) has been further extended.

"Our total refinery throughput during 1953, at 20,000,000 tons, was 2,000,000 tons greater than in 1952. With the new Aden Refinery coming into commission this summer, and Kwinana (W. Australia) Refinery early next year, as well as expected increases in capacity of some of our existing refineries, our total refining capacity by the end of next year should be some 30,000,000 tons. Parallel with this expansion in refining capacity, our refining operations and the quality of products are being continuously improved by the installation of new plant, in a constant effort to achieve the most efficient and competitive production.

"In Great Britain, our refinery throughput in 1953 was 9,327,000 tons against 6,788,000 tons in 1952."

The statement details the Company's refinery operations in Belgium, France, Germany, Italy, Israel, Kuwait, Australia and Aden.

"World demand for petroleum products (excluding the Iron Curtain countries) increased by about 5 per cent. in 1953, a similar rate to that experienced in the preceding year. In the Eastern Hemisphere the increase in consumption was about 8 per cent., only fractionally less than in the preceding year.

"1953 was our second full year without supplies from Iran. As reported last year, although the Anglo-Iranian Group's sales of over 32 million tons of crude oil and products in 1952 were 3 million tons below those for 1951, our position had been improving. This improvement continued, with the result that the Group's sales of crude oil and products in 1953 increased by 4½ million tons, or just over 14 per cent., as compared with 1952, and totalled just under 37 million tons. This increase occurred mainly in crude oil sales; sales of refined products increased by rather over one million tons and were supplied to a greater extent from our own resources.

"In India, Pakistan, and in our other outlets in East and South Africa, the Rhodesias, Egypt and the Sudan, etc., our trading position has been maintained or improved upon."


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OIL PRESSURE LAMPS INDUSTRY

TARIFF BODY ENQUIRES INTO CLAIM FOR FURTHER PROTECTION

THE claim of the oil pressure lamps industry for the continuation of protection came up for enquiry before a Panel of the Tariff Commission on 31st May, 1954. The Panel was presided over by Mr. B. N. Adarkar and included Messrs. B. N. Das Gupta and L. Ramasubban. According to Mr. Adarkar, the industry has asked for, in addition to protection, a ban on imports of oil pressure lamps of the hurricane type. It has also asked for assistance by way of special railway freights, better booking facilities on railways and provision of shipping space for exports of oil pressure lamps to countries such as East Africa. A suggestion has also been made that all Indian products should be marked as "made in India" and that steps should be taken to prevent marketing of indigenous products in a manner calculated to mislead the consumer by indicating some sort of foreign origin of the product. The other demands of the industry include the extension of Government patronage and imposition of severe restrictions on the establishment of new units of the industry.

These demands have been made even after three years of protection the industry has enjoyed. From the speech of Mr. Adarkar delivered at the public enquiry held by the Panel last Monday, it is evident that the claim for protection by the industry was taken up by the old Tariff Board for investigation in April, 1949. In its report submitted in August, 1950, the Board recommended the conversion into protective duty of the then existing revenue duty of 30 per cent. on oil pressure lamps to remain in force till the end of 1953. The Government accepted this recommendation in principle but observed that the "Board should review the progress made by the industry during the first year of protection and, if no tangible progress in the improvement of the quality of its products was shown by the industry, they would have seriously to consider the withdrawal of all concessions or assistance granted to it." The Board enquired into the case of the industry after a year, that is at the end of 1951, and, being satisfied with its progress, recommended continuance of protection up to the end of 1953. This recommendation also was accepted and as it was not possible to review the position of the industry before the expiry of the term, the period was extended automatically to the end of 1954 by the Indian Tariff (Third Amendment) Act, 1953.

The oil pressure lamps industry owes its expansion largely to the conditions of internal shortage created by the last war. At the Tariff Board enquiry, the indigenous production was found to be confined mostly to the manufacture of hand or lantern type of oil pressure lamps with 100 to 400 candle-power (c.p.) and the scope of the enquiry was confined to all types of oil pressure lamps having 100 to 400 c.p. Since this classification has given rise to administrative difficulties, it is proposed that a distinction should be made only between the hurricane type and the hanging type of oil pressure lamps, irrespective of candle-power and that only the hanging type should be excluded from the scope of the enquiry. The Tariff Commission has now to examine this proposal.

Since the last enquiry the industry has made considerable progress. In 1950 there were only eight units. Although two of them went out of production subsequently, four more units have entered the field, three in Bombay and one in Bihar. Thus, the industry now consists of 10 units of which six are in Bombay, three in Calcutta and one in Bihar. The annual rated capacity, on single-shift basis, of eight out of the 10 existing units which have furnished information to the Commission, is 128,900 lamps which compares with 90,500 lamps at the last enquiry. Production has, however, been far below the rated capacity, in that it amounted to 39,932 lamps in 1950, 65,336 lamps in 1951, 37,231 lamps in 1952 and 31,325 in 1953. The drop in production is attributed to increased imports of foreign lamps. As against the output, the domestic annual demand is placed at 90,000 lamps by the Ministry of Commerce and Industry, 80,000 by the Oil Pressure Lamp Industries' Association, Calcutta, and 100,000 to 300,000 by the import trade.

As regards imports, trade figures include both the protected and non-protected variety of oil pressure categories, and no separate figures of imports of the protected categories, namely, lamps upto 400 c.p., are available. The trade accounts of both varieties show that in 1952-53, as many as 37,893 pressure lamps valued at Rs. 15.87 lakhs were imported and in 1953-54 during April to December, 91,253 lamps, valued at Rs. 36.34 lakhs, were imported. The Director-General of Commercial Intelligence and Statistics has, however, furnished only the value of imported oil pressure lamps upto 400 c.p. Thus, imports of oil pressure lamps during May-December, 1951, were valued at Rs. 7,21,689, in 1952 at Rs. 3,39,602 and Rs. 4,04,989 in January-November, 1953. Taking the average c.i.f. price of foreign lamps at about Rs. 30, the Commission estimates the imports of the protected variety at 24,056 lamps in 1951, 11,320 in 1952, and 13,496 in 1953. On this basis, it comes to the conclusion that lamps having more than 400 c.p. were imported in large numbers in 1953. As the total demand for this category of lamps is only 9,000 per annum, it looks as if there was no justification for these large imports. In fact these estimates go to substantiate the industry's complaint that certain importers imported lamps of 400 c.p. under the pretext that they were lamps of more than 400 c.p. as the latter variety are being allowed to be imported under the present policy.

There seems to be considerable improvement in regard to the quality of the indigenous lamps. For, we are told that most of the producers have installed automatic machinery and maintain that they are now able to produce the various components to the required degree of precision. But some consumers are reported to have stated that the pressure gauge needs improvement, while there is no standardisation as regards candle-power.

From the foregoing account emerge certain fundamental points. First, the industry has a large unutilised capacity, though it has enjoyed protection for about three years, the rate of protective duty being 31½ per cent. *ad valorem* including surcharge. On the basis of figures furnished to the Commission, although the demand is about three times the actual production in 1953, the industry has not been able to improve its sales in the domestic markets. It complains that this is due to excess of imports from abroad, and there is evidence that, to a certain extent, these complaints are well founded. Being a war-time industry, it is entitled to protection, provided it has taken measures to improve its efficiency and reduce costs. It is, however, not known to what extent it has made efforts in this direction and to enhance the quality and reputation of its products. If the present enquiry stands this test and proves that the cost of production of the indigenous lamps is higher than the c.i.f. landed cost of the imported products, its claim for the extension of tariff protection is certainly justified, but not protection through import controls.

U.K. SURVEYS EXPORT MARKET IN MIDDLE EAST

The report on trade possibilities in the Middle East countries submitted to the British Board of Trade by the British Trade Mission should be of considerable interest to trade and industry in India which too have commercial transactions in that region. The Mission headed by Sir Edward Benthall, Chairman of Bird & Co., Ltd., Calcutta, and a former Railway Member of the Government of India, provides a good deal of useful information regarding a region about which facts and figures are hard to gather. Such information as is available is often inadequate and sometimes contradictory. Official statistics, where available, are incomplete and leave much to be desired. The Mission's report has been prepared with care and caution after a personal spot-study of five States, namely, Iraq, Kuwait, the Lebanon, Syria and Saudi Arabia.

The mainstay of the Middle East area is the oil industry. The development of this industry in the post-war period was phenomenal. Between 1946 and 1953, oil output of the area, according to one source, rose from 35.6 million tons to 121.8 million tons. As a result of this rapid progress, the income of the Arab oil producing States also rose sharply. For instance, the State income of Iraq rose from £8 million in 1938 to £67 million in 1953. The State income of Kuwait rose between 1950-51 and 1952-53 from £13 million to £61 million and of Saudi Arabia from £49 million to £73 million. With this expanding revenue, each country has development plans of varying dimensions and objectives, providing immense scope for importing a variety of capital, semi-capital and consumer goods.

The Benthall Mission found evidence that British enterprise, which once dominated the region, has tended in the last few months to slip rather rapidly from its original position. There is a serious danger of the Continental countries, the U.S., and Japan usurping the part played by Britain in these markets. The main cause for this deterioration is stated to be the liberal credit facilities offered by competitors in respect of the goods needed by the area. Says the *Financial Times*: "British prices are being severely undercut, often to the extent of 20 per cent., and not infrequently more. British firms, with the laudable exception of the engineering industry, too often insist on escalator clauses in their contracts and refuse to quote firm prices. There is a reluctance to find out what the market really needs, and delivery dates are still longer and less frequently adhered to than those of our competitors." While these outmoded practices are deplored, the Mission lays strong emphasis on the need for tax concessions, by observing that "the whole structure of taxation in the U.K. provides a strong disincentive to the taking of risks in these markets by exporters of all kinds."

Among the Mission's recommendations calculated to develop the Middle East market for British goods with speed and efficiency, the following are the most important:

(1) The U.K. should go out of its way to select men of the highest technical and personal qualifications to advise these Governments when invited to do so;

(2) a Standing Committee should be set up in London to co-ordinate governmental and industrial action in the selection of experts to take service with these Governments;

(3) every assistance should be given by the U.K. to further the technical education of the nationals of these countries; and

(4) a conference of all parties interested in technical education should be called in London at an early date to consider how best the U.K. can assist.

Analysing the various items of export from the U.K. to the Middle East countries, the Mission points out that, in the market for oilfield equipment, the country still holds its own position. But exporters are advised to pay increasing attention to design, packing and service. The U.K. has, however, been losing ground in the public works contract business, owing to increasing competition. In motor vehicles, the U.S. holds the lion's share, though there is still large scope for the small car. The region is also in need of agricultural machinery and electrical equipment.

IMPROVING THE HIDES AND SKINS INDUSTRY IN U.P.

The suggestion that co-operative societies of village flayers and curers should be started for putting the hides and skins industry in Uttar Pradesh on a sound footing has been made by Mr. F. H. Hoek, an F. A. O. expert, in his report to the U.P. Government.

At present, Uttar Pradesh produces hides and leather of the value of Rs. 9.5 crores per annum. The expert is of the opinion that the value of the annual production could be raised to Rs. 11.80 crores by improving the quality of the products. He points out that the ban on cow slaughter enforced by local bodies has arrested progress in the output of slaughtered hides in which U.P. is short. At present, the State tanneries are importing slaughtered hides from Bihar and other States in large quantities. There is no likelihood of the production going up so long as the ban continues.

The production of fallen hides, that is, hides obtained from naturally dead animals, is estimated at 1.8 million per annum and it is in respect of fallen hides that the question of quality improvement arises. This is sought to be done by the erected methods of marketing of hides and by-products and transportation of carcasses. This work is to be entrusted to rural co-operative societies established for the purpose, as stated at the outset, in selected areas. The Co-operative Department is required to grant loans to these societies for the setting up of flaying sheds and central collection and marketing centres.

Other suggestions of the F.A.O. expert are the following:

(1) The collection of fallen animals in large towns should be placed under the control of municipal boards;

(2) all butchers working in slaughter houses should be in possession of a certificate of proficiency in slaughtering and flaying;

(3) proper measures should be taken against pests causing damage to hides and skins, and

(4) the plantation of babul trees for the production of tanning materials should be increased, especially in localities in rural areas running tanning industry.





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FIRE ★ MARINE ★ ACCIDENT

BENGAL PAPER RETURNS TO DIVIDEND LIST AFTER A YEAR

PRODUCTION REACHES RECORD LEVEL

HEARTENING results are disclosed by the audited accounts of the Bengal Paper Mill Company, Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta), for the half-year ended 31st December, 1953. The gross profit for the half-year under review amounts to Rs. 13.64 lakhs, in refreshing contrast to the loss of Rs. 3.38 lakhs for the previous half-year and of Rs. 6.47 lakhs for the corresponding six months of 1952. It will be interesting to note that the profit for the half-year under review is the highest since the six months ended 30th June, 1949. Such an encouraging performance, after successive losses during the previous two half-years, has enabled the Directors to strengthen the reserves by Rs. 4 lakhs after a lapse of three half-years and resume the distribution of dividend on the ordinary shares at the rate of 12½ per cent. per annum. It will be remembered that the dividend for the previous two half-years had to be skipped over on account of the aforesaid losses after having maintained an enviable and unbroken record of dividend for nearly 27 years.

The satisfactory results achieved during the half-year under review were not unexpected. For the period was free from strike of workers which had been responsible for the adverse results in the previous two half-years. In fact, the strike was called off on 23rd March, 1953. Since the resumption of work, the Company's mill has been working efficiently. Furthermore, the management availed itself of the opportunity provided by the strike to concentrate on repairs to plant. This has contributed materially to the high level of production achieved after work was resumed. The output of paper during the half-year under review was a record and the Directors acknowledge that this was "made possible by the co-operation of all sections of the Company's employees and by the efficient machine running."

The following comparative table presents the financial results of the Company for the past four half-years, from which one can get an idea of how far the position has been retrieved since the strike:

(In lakhs of rupees)

	For the half-year ended			
	31-12-53	30-6-53	31-12-52	30-6-52
Sale proceeds	97.89	86.76	46.21	85.16
Stocks	1.90	4.87	9.76	5.98
Manufacturing and other expenses ..	81.86	55.94	48.45	81.44
Gross profit (+) or loss (—) ..	+18.54	—3.38	—6.47	+8.63
Managing Agents' remuneration.	0.51	0.06	0.06	0.57
Depreciation	4.34	1.58	2.10	3.59
Taxation	..	..	..	0.71
Net profit (+) or loss (—) ..	+8.79	—4.97	—8.63	+3.76
Other income	..	10.72	1.52	..
Reserves	4.00	..	..	..
Dividends—				
7 per cent. preference ..	0.21	0.21	0.21	0.21
6 per cent. preference ..	0.60	0.60	0.60	0.60
Ordinary	2.81 (12½% p.a.)	..	..	2.81 (12½% p.a.)
Carry forward	1.40	0.24	—4.70	3.22

The record production during the half-year under review is reflected in the sharp rise in sale proceeds, which are more than double those in either of the previous two half-years, and in expenses. The provision for depreciation has been substantially raised, but no provision has been made, as in the previous two half-years, for taxation, notwithstanding a sizable improvement in earnings. Referring to this, the Directors observe:

"... it should, however, be noted that contrary to usual practice, no taxation provision or appropriation to tax contingency reserve has been made out of the profits.

"The special depreciation allowances on new plant and strike losses were large and relieved the Company of any immediate tax liability on the profits earned, but, as pointed out in a previous report, the special depreciation allowances do not represent any permanent relief. They are in the nature of relief in advance and have the effect of substantially increasing future tax liability, the extent of which it is not possible to determine at present.

"In a normal half-year this situation would have been coped with by an appropriation to the tax contingency reserve. The losses recently incurred have, however, obscured the position and your Directors have provided for the contingency in the transfer to general reserve. If necessary, the tax contingency reserve can be adjusted in a later period to cover the anticipated additional liability once the position has been fully investigated."

Out of the net profit of Rs. 8.79 lakhs, a sum of Rs. 4 lakhs has been transferred to the general reserve. The dividend on the ordinary shares has been restored to the rate paid prior to the strike period, namely, 12½ per cent. per annum. This rate, which is a record one since the capital of the Company was increased substantially in May, 1948, has been paid for three successive half-years upto 30th June, 1952, after having been raised from 10 per cent. per annum for the preceding five half-years.

Besides the loss of profit, the strike of workers in the Company's mill during the period from 9th October, 1952 to 23rd March, 1953, has cost the Company about Rs. 14 lakhs. The Directors say that this loss had to be paid out of the funds intended to finance the replacement of old machinery and developments. "There is, therefore, every necessity," they add, "to restore our finances as quickly as possible to their former strength by the careful husbanding of the Company's resources."

The Rs. 25 paid-up ordinary shares of the Company are being currently quoted at Rs. 60 *ex-div.*, at which rate and on the basis of the latest dividend, they provide a yield of 5.2 per cent. per annum free of tax.

INDO-BURMA PETROLEUM CO., LTD.

After over five years since the scheme for rehabilitation of the oil industry in Burma and the participation of the Government of Burma in the industry along with the three major companies in that country was put forward, a satisfactory agreement was reached in January, 1954, between the Government and the three oil companies. The three companies which have concluded this agreement are (1) the Indo-Burma Petroleum Company, Ltd., (2) the Burmah Oil Company, Ltd. and (3) the British Burmah Petroleum Company, Ltd. In the course a circular letter addressed to the shareholders, the Indo-Burma Petroleum Company, Ltd., gives the following details of the arrangements which the agreement with the Government of Burma gives effect to:

"A new company, the Burma Oil Company (1954) Ltd., has been formed in Burma with an authorised capital of K.30,00,00,000 divided into three million shares of K.100 each, of which K.20,00,00,000 will be issued as fully paid, to which new company will be transferred the undertakings in Burma of certain subsidiaries of the Burmah Oil Company, Ltd. and those undertakings or parts of undertakings of your Company and of the British Burmah Petroleum Company, Ltd., relating to production, transportation and refining of petroleum in Burma. In addition, these Companies will make a cash payment of Kyats 1 crore to the new company for working expenses. Your Company will receive approximately 300,000 fully paid shares in the new company for that part of our Company's undertakings in Burma which is included in this transaction.

"The Union Government of Burma has agreed to purchase for £5,000,000 from your Company, the Burmah Oil Company, Ltd., and the British Burmah Petroleum Company, Ltd., one-third of each of their holdings in the new company, 50 per cent. of the purchase price of which has been paid in cash in London and the balance will be paid by annual instalments equal to two-thirds of the total taxation on profits paid by the Burma Oil Company (1954) Ltd. during the year previous, but not necessarily exceeding £200,000 in any one year, but if it so wishes the Union Government of Burma may pay off the balance in full at any time. This means that the Union Government of Burma is acquiring initially a one-third interest in the new company, but it is also a condition of the agreement that after it has paid in full for this initial allotment of one-third of the shares, the Union Government may, as and when it desires, acquire further shares from the oil companies up to the total number issued to them at the same sterling price, i.e., £750 per 100 shares, payable in London.

"A further condition of the agreement is that, after provision only for depreciation at income-tax rates applicable at the time, the whole of the net profits, as certified by the auditors of the Company, shall be paid out as dividends to the shareholders and the Union Government of Burma has undertaken to provide facilities for the remittance of these dividends to the United Kingdom, India and Pakistan.

"An agreement will shortly be entered into confirming the appointment of your Company and the Burmah Oil Company (Burma Trading) Ltd. as agents for the sale of the indigenous oil products of the new company, for which they will be remunerated by means of an agency commission. It has been agreed also that, if the Union Government of Burma has acquired a majority shareholding in the new company or if the production and refining of indigenous oil has rendered Burma independent, or nearly independent, of imported supplies of motor spirit, kerosene and high speed diesel oil, the Union Government has the right to acquire an interest in the distribution and marketing organisations in Burma of the two selling agents corresponding to their then interest in the Burma Oil Company (1954) Ltd.

"Finally, the business of your distribution and marketing organisations in India and Pakistan will in no way be affected by the foregoing arrangements."

METTUR INDUSTRIES SHOW BETTER RESULTS

EXCELLENT FINANCIAL POSITION

THE removal of price and distribution controls over cloth, the installation of a power generating set to offset the adverse effects of a cut in Government power supply and the keen demand for cloth throughout South India were all cumulatively responsible for the satisfactory results achieved by the Mettur Industries Ltd. (Managing Agents: Messrs. W. A. Beardsell & Co., Ltd., Madras) during the year ended 31st March, 1954. The gross profit of the Company, which had dropped from Rs. 42.33 lakhs for 1951-52 to Rs. 29.69 lakhs for 1952-53, has gone up to Rs. 37.26 lakhs for the year under review. The net profit for the year amounts to Rs. 22.48 lakhs, an increase of Rs. 7.71 lakhs over that for the previous year. The distribution to the shareholders is proposed to be stepped up, from 12½ per cent. paid for the previous three years to 22½ per cent., by distributing a special bonus of 10 per cent.

The results would have been far more encouraging had it not been for the power cuts in April and May, 1953. The Directors report that the year's working was affected by power cuts in these two months. However, a diesel generating set was installed and started working by the end of May. This set is said to be capable of supplying about 50 per cent. of normal power requirements. The demand for the Company's cloth continued to be keen throughout South India. Following the removal of price and distribution controls, some minor adjustment in prices was made, but the Company's products were, and are still being, sold at fixed retail prices through their distribution organisation of wholesalers and retailers.

The following table shows the trend of the Company's earnings and appropriations thereof since 1950-51:

(In lakhs of rupees)

	For the year ended 31st March			
	1954	1953	1952	1951
Sale proceeds ..	132.93	123.76	165.27	
Closing stocks ..	1.55	0.97	1.24	
Expenses including cotton consumed ..	98.55	94.90	123.45	N.A.
Gross profit ..	37.26	29.69	42.33	
Managing Agents' commission ..	3.02	2.07	4.17	25.80
Depreciation ..	1.96	1.45	2.78	2.52
Taxation ..	9.20	10.50	14.50	8.13
Net profit ..	22.48	14.77	20.87	8.50
Refund of E.P.T. (net) ..	6.81	..	..	11.14
To reserves ..	6.50	7.00	13.10	..
" bonus ..	9.67	..	..	4.10
Dividend ..	13.50 (D. 12½% +D. 10%)	7.50 (D. 12½%)	7.50 (D. 12½%)	7.50 (D. 12½%)
Carry forward ..	0.60	0.77	0.50	0.23

N.A. Not available

Though the gross profit for the year under review is Rs. 5.07 lakhs less than that earned in 1951-52, the net profit is slightly higher, because of the lower provisions made for depreciation and taxation than those in 1952. The net profit has been supplemented by the receipt of a sum of Rs. 6.81 lakhs being the refund of E.P.T. after taxation thereon. Thus, the total sum available for appropriation is substantially higher than that two years ago. But the addition to the reserves is only half of that transferred out of the profit for 1952. This is because of the large allocation that has had to be made for payment of bonus and compensation for involuntary unemployment relating to previous years in addition to the bonus for the year under review. A sum of Rs. 6 lakhs has been placed to the fixed assets replacement reserve, which is Rs. 1 lakh more than that transferred to this reserve a year ago. The dividend equalisation reserve gets Rs. 50,000, as against *nil* in the previous year. The general reserve, which had received Rs. 2 lakhs, has not been provided with anything. A sum of Rs. 2.45 lakhs has been provided for paying bonus to workers for 1953-54, Rs. 2.16 lakhs for 1952-53, Rs. 2.43 lakhs being additional bonus for 1951-52 and 1952-53 and Rs. 2.53 lakhs being compensation for involuntary unemployment due to power cut in 1952-53. The receipt of E.P.T. refund is proposed to be utilised by the Directors to distribute a special bonus of 10 per cent. to the shareholders in addition to the dividend of 12½ per cent.

Half of the Company's present paid-up capital represents capitalisation of reserves in the past. Even after such a large transfer, the reserves and surplus stand well over the capital. The reserves include a general reserve of Rs. 38 lakhs, raw materials fluctuation reserve of Rs. 10 lakhs, fixed assets replacement reserve of Rs. 11 lakhs and dividend equalisation reserve of Rs. 10 lakhs. A notable feature of the balance-sheet is the strong liquid position of the assets, the cash balances alone more than adequately covering the current liabilities and provision for taxation. A year ago, these cash balances stood at Rs. 77.93 lakhs. The decline in cash balances has been offset by the increase in investments from a mere Rs. 82,285 to Rs. 72.07 lakhs.

The financial position of the Company is quite sound, as will be seen from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ..	60,00,000	Gross block ..	61,38,483
Reserves and surplus ..	69,50,153	Less—Depreciation ..	39,86,352
Provision for taxation ..	1,34,480	Net block ..	21,52,131
Liabilities ..	25,67,618	Stores, spares, etc. ..	14,54,771
		Stock-in-trade ..	14,95,076
		Debts, deposits and advances ..	4,22,925
		Investments ..	72,06,884
		Cash ..	29,19,464
Rs.	1,56,52,251	Rs.	1,56,52,251

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 295 *cum-div.* On an *ex-div.* basis, the latest distribution gives a yield of 8.25 per cent. per annum, free of tax.

INDIA SUGARS AND REFINERIES LTD.

Lower production and additional payment to cane growers based on the S.I.S.M.A. formula have been responsible for the decline in earnings of the India Sugars and Refineries Ltd. (Managing Agents: The India Sugar Agencies Ltd., Madras) during the year ended 30th September, 1953. The gross profit of the Company amounts to Rs. 10.42 lakhs, as compared with Rs. 20.17 lakhs for the previous year and the record one of Rs. 28.91 lakhs for 1950-51, thus recording a shrinkage for the second year in succession. Nevertheless, the dividend to the shareholders is proposed to be kept unchanged at 25 per cent., to which level it was raised two years ago from 15 per cent. for 1949-50.

The Company's factory crushed during the year under review 89,660 tons of sugarcane and produced 9,425 tons of sugar, as against 132,634 tons and 12,502 tons, respectively, in the previous year. The Company had to pay, on the insistence of the Government of India, a sum of Rs. .9 lakhs to sugarcane growers over and above the contraced rates. This liability, the Directors say, was imposed on the Company long after the cane was purchased and paid for and was based on the S.I.S.M.A. formula. "Our factory" they add, "paid thus a bonus to cane growers which is higher than that paid by any other factory in the South during the year." The working of the Company's distillery is said to be not satisfactory.

Out of the gross profit of Rs. 10.42 lakhs, the Managing Agents' remuneration takes up Rs. 72,320, as against Rs. 1.96 lakhs in the previous year. The provision for depreciation has been stepped up from Rs. 1.37 lakhs to Rs. 4 lakhs, which includes Rs. 3.02 lakhs, representing additional depreciation in excess of the normal depreciation. The Directors have felt that additional depreciation should be charged off in the accounts so as to write down the plant and machinery. They believe, very rightly in our view, that "this conservative practice is in accord with prudent commercial policy and takes into account the need for rehabilitation and modernisation of our plant." The provision for taxation has been reduced from Rs. 7.50 lakhs to Rs. 3.75 lakhs. The net profit amounts to Rs. 1.95 lakhs, as compared with Rs. 9.34 lakhs. With the sizable sum of Rs. 3.71 lakhs brought in from the previous year, there is a sum of Rs. 5.66 lakhs available for appropriation. No addition to the general reserve has been made, while a year ago a sum of Rs. 5 lakhs had been added. The distribution of 7½ per cent. dividend on the preference shares requires Rs. 9,218 and of 25 per cent. on the ordinary shares Rs. 3.25 lakhs, leaving Rs. 2.32 lakhs to be carried forward.

The latest balance-sheet of the Company shows that the reserves and surplus aggregate Rs. 32.53 lakhs, as against a paid-up capital of Rs. 14.23 lakhs. The gross block of the value of Rs. 25.07 lakhs has been written down to Rs. 8.54 lakhs. The current assets aggregating Rs. 80.22 lakhs are more than double the current liabilities and provision for taxation and contingencies amounting to Rs. 40.01 lakhs.

The Government of India has accorded sanction to the Company's proposal to capitalise a sum of Rs. 16 lakhs being part of the amount standing to the credit of the general reserve (Rs. 30 lakhs) and issue 160,000 ordinary shareholders as capital to the existing ordinary shareholders as capital bonus in the proportion of one new share for each share held by them as on 1st July, 1954. The present paid-up ordinary capital amounts to Rs. 13 lakhs, made up of 1,00,000 shares of Rs. 10 each fully paid and 60,000 shares of Rs. 5 each (partly paid). Thus, the partly paid shareholders are also entitled to the bonus shares. After the issue of bonus shares, the ordinary paid-up capital of the Company will be Rs. 29 lakhs, made up of 260,000 shares of Rs. 10 each and 60,000 shares of Rs. 5 each (partly paid). The new shares will rank for dividend from 1st July, 1954.

The Directors have submitted proposals to the Government to put up an additional plant, so as to increase the crushing capacity by about 50 per cent. and to improve the economy and efficiency of the factory. They expect that this additional plant will be erected in the course of the next two years.

The Government of India has granted the Company a loan and a subsidy for the construction of 165 houses at a cost of about Rs. 4 lakhs to provide additional accommodation for the Company's labour. The first 44 quarters will be completed in a few weeks' time.

The Company's prospects for the current year is not unsatisfactory, as will be seen from the following extract from the Directors' report:

"Consequent on our factory coming within the Mysore State, we have had to pay an additional cane cess of about Rs. 5 lakhs per annum with effect from the current year. The working of the distillery has not been satisfactory, but it is tied up with the marketing conditions for rectified spirit, in which we expect improvement in the current year. In spite of adverse factors and the uncertain sugar market, we believe that, with the economies and improvement in efficiency that are constantly being attempted, it will be possible to present to you a not unsatisfactory report for the current year in due course."

Points From The Chair

Potentialities for Cement Industry in Andhra

"IT may be mentioned that the potentialities for the development of the cement industry in the Andhra State are very great, not only on account of the existence of huge high quality deposits of limestone but also on account of a growing demand for cement as a result of the coming into existence of two big hydro-electric projects and construction of a very big river valley project on the Krishna River, in addition to a large number of minor irrigation schemes. With the development of various river valley and irrigation projects and with the growth of electricity and the construction of the State capital, the demand for cement in the Andhra State alone may be expected to be doubled in the next few years."

V. RAMAKRISHNA,
Andhra Cement Co., Ltd.

Shipping Must Pay

"Your Board takes the view that the world will need shipping for as far ahead as any of us can see. Nothing has yet taken the place of sea transport as the most economical form of transport for general world trade. If this is true, it must be assumed that, over a period, shipping will be able to charge what is necessary to make it pay. There will be periods in the future, as in the past, when shipping does not pay, but unless it can recover its costs over a period, it will disappear. In our view, the world cannot afford to let it disappear. Thus, whilst we, in common with other shipping men, say that prospects are at present poor, we are not suggesting that this is a permanent state of affairs. In these troubled times no one can safely predict the level of demand for shipping even 12 months ahead, let alone for the 20 years we must have in view when building a new ship. But, if world shipping is to pay its way over a period, there is every reason to suppose that we, as part of it, can do the same, so long as we progress and do not fall behind."

SIR WILLIAM CRAWFORD CURRIE,
Peninsular and Oriental Steam Navigation Company

Warning Against Undue Rise in Tea Prices

"So far as one can judge, supply and demand appear to be more or less in balance at present and, while we expect larger crops from North India, where considerable areas have been replanted in recent years, there is every indication that consumption figures will also show an increase. With our large interests in producing companies we naturally look for remunerative selling prices, but we think the present level is rather high to be truly healthy. With the world-wide rise in all costs that has taken place since 1940, pre-war levels of tea prices cannot be expected, and I think it is true to say that generally tea prices have not risen more than those of other commodities, but it would be very dangerous to the prosperity of tea producing concerns, if the price of tea rose to a level which limited its consumption. It is a very popular beverage and, even at its present price, the cost of a cup of tea is far from being exorbitant."

W. H. MARR,
James Finlay & Co., Ltd.

Public Participation in Long-term Risks

"While from several points of view we welcome the association of national capital in such enterprises as ours, we would rather in some respects that the financial stake were held by the public than by the Government. Governments come and go, but the public remains, and oil ventures are long-term propositions. But it is one thing to prescribe that the public shall subscribe and quite another thing to attract them to do so. In the case of Pakistan Petroleum Ltd., after the list had been kept open for three months to allow time for the public to take up their prescribed 30 per cent., they had actually applied for less than 1 per cent. and the Government subsequently decided to take up the balance. In the case of the Sui Gas Transmission Co., which is not a speculative prospecting venture, but an undertaking expected to show a good and reasonably safe return, the public issue was oversubscribed five times in a few hours. The difference is interesting and instructive. The public have the money but are not prepared to take the kind of long-term risk which your Company and other British companies have taken for many years past, sometimes successfully and more often not. I feel sure the implications have not been lost upon the interested Governments."

SIR KENNETH B. HARPER,
Burmah Oil Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 7th June, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 20th May to 18th June, 1954, both days inclusive.

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

CHAPARMUKH-SILGHAT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Rs. 1-12 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

HOWRAH-AMTA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

HOWRAH-SHEAKHALLA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Re. 1-12 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

SHAHDARA (DELHI) SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 7th June, 1954. Dividend: Rs. 6 per share, less income-tax. Transfer books remain closed from 1st to 7th June, 1954, both days inclusive.

METHONI TEA CO., LTD. Annual General Meeting, Calcutta, 11th June, 1954. Dividend: Re. 1-8 per share. Transfer books remain closed from 5th to 11th June, 1954, both days inclusive.

BOKAHAT TEA CO., LTD. Annual General Meeting, Calcutta, 11th June, 1954. Dividend: *Nil*. Transfer books remain closed from 4th to 11th June, 1954, both days inclusive.

THAMARAPALLY RUBBER CO., LTD. Annual General Meeting, Kottayam, 15th June, 1954. Dividend: Rs. 3 per share, payable on 1st July, 1954. Transfer books will remain closed from 10th to 15th June, 1954, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 18th June, 1954. Transfer books remain closed from 4th to 18th June, 1954, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 19th June, 1954. Dividend: Rs. 4-8 per share, free of income-tax (including the interim dividend of Rs. 2 per share), payable on and after 5th July, 1954. Transfer books will remain closed from 8th to 20th June, 1954, both days inclusive.

NASKARPARA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 21st June, 1954. Transfer books will remain closed from 14th to 21st June, 1954, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd June, 1954. Transfer books will remain closed from 8th to 22nd June, 1954, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Alwaye, 26th June, 1954. Dividend: *Nil*. Transfer books will remain closed from 14th to 26th June, 1954, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet, 28th June, 1954. Dividend: Rs. 2-8 per share (25 per cent.), payable on or after 2nd July, 1954. Transfer books will remain closed from 21st June to 1st July, 1954, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 2nd July, 1954. Dividend: Rs. 11 per share (includes interim dividend of Rs. 5 paid), payable on and after 3rd July, 1954. Transfer books will remain closed from 14th to 28th June, 1954, both days inclusive.

MADURA INDUSTRIES LTD. Annual General Meeting, Madras, 5th July, 1954. Dividend: Rs. 22½ per share (including a bonus of Rs. 10 per share). Transfer books will remain closed from 21st June to 5th July, 1954, both days inclusive.

COMPANY REGISTRATIONS

ORIENT GENERAL INDUSTRIES LTD. (First Director: Mr. S. R. Saboo.) Business: Manufacturers, Commission Agents, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: 8, Royal Exchange Place, Calcutta.

CHANDMALL JIWANMALL (INDIA) LTD. (First Director: Mr. D. M. Bhutoria.) Business: Exporters and Importers of Ores, Metal, etc. Authorised capital: Rs. 13,00,000. Public company. Address: 29, Sir Hariram Goenka Street, Calcutta.

DAGA BROTHERS LTD. (First Director: Mr. Prithvi Raj Daga.) Business: Spinners, Weavers, etc. Authorised capital: Rs. 15,00,000. Public company. Address: 11, Armenian Street, Calcutta.

DEOKINANDAN BIRENDRA KUMAR LTD. (First Director: Mr. Deokinandan Bhuwalka.) Business: General Merchants, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 161/1, Harrison Road, Calcutta.

BHOTICA TRADERS LTD. (First Director: Mr. B. D. Jhunjhunwala.) Business: Dealers in Gold, Silver, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Doyehatta Street, Calcutta.

DAGA PROPERTIES LTD. (First Director: Mr. Rameswar Daga.) Business: Purchase, Exchange, Hire or Acquire any Estate, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 9, Old Court House Street, Calcutta.

SONANG TEA ESTATE LTD. (First Director: Mr. D. R. Roy.) Business: Cultivation of Tea, Coffee, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Mabra, Dist. 24-Parganas.

PHŒNIX MILLS SHOWS GOOD RESULTS

HANSQUA TEA PAYS RECORD DIVIDEND

Phœnix Mills, Ltd.

THE directors of the above Company (Agents: Messrs. Ramnarain Sons Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The result of the year's working shows a profit of Rs. 12,37,095 (Rs. 21,027) subject to provision for depreciation and taxation. To this has to be added a sum of Rs. 27,380 (Rs. 2,40,353) brought forward from last year's account, making a total of Rs. 12,64,475 (Rs. 4,11,380), which, the directors recommend, may be dealt with as under:—

To payment of dividend at the rate of Rs. 8 (Rs. 8) per share free of income-tax for the year Rs. 3,84,000 (Rs. 3,84,000), to reserve for taxation Rs. 1,50,000 (*nil*), to depreciation on buildings Rs. 1,20,000 (*nil*), machinery Rs. 5,00,000 (*nil*), electric equipment Rs. 50,000 (*nil*), humidifier plant Rs. 10,000 (*nil*), furniture Rs. 15,000 (*nil*), electric light installation Rs. 2,000 (*nil* and on motor cars and lorry Rs. 3,000 (*nil* leaving to be carried forward to next year's account Rs. 30,475 (Rs. 27,380).

During the year under report, the following major additions have been made to machinery:—Thirty-eight ring frames Rs. 1,54,375 (*nil*) 12 pneuma-fils Rs. 9,750 (*nil*). 1 warp tying machine Rs. 28,788 (*nil*), 1 auto heald and reed brushing machine Rs. 12,026 (*nil*), 1 split cutting machine Rs. 7,336 (*nil*), 6 singer sewing machines Rs. 12,096 (*nil*) and 1 leesona roto coner Rs. 38,190 (*nil*).

The Mill buildings with machinery and stocks of cotton, yarn, cloth, etc., are insured against fire and riot risks to the extent of Rs. 2,85,02,450 (Rs. 3,01,04,000). The profits and fixed charges, including the risk of riot and civil commotion, have been insured for Rs. 40,00,000 (Rs. 50,00,000) covering indemnity for 24 months.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block ...	1,42,08,882
Reserves ...	1,20,67,084	Stock-in-trade	71,82,231
Provision for taxation ...	36,27,159	Stores and spare gear	8,40,572
Liabilities ...	68,64,337	Debts, deposits and advances ...	62,06,011
Profit and loss account ...	12,64,475	Investments	1,73,101
		Cash ...	12,258
Rs.	2,86,23,055	Rs.	2,86,23,055

Hansqua Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit of Rs. 3,97,483 (loss of Rs. 22,704). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 3,08,143 (credit of Rs. 12,269) of which, the directors have transferred Rs. 75,000 (*nil*) to revenue reserve and Rs. 75,000 (*nil*) to buildings and machinery reserve. They recommend that a dividend of 25 (*nil*) per cent. be declared at the annual meeting, leaving Rs. 33,143 (Rs. 12,269) to be carried forward.

Crop weighed out at 6,276 maunds which compares with 6,554 maunds in the previous year. The average selling price was Rs. 2-0-1 per lb. against Re. 1-4-11 per lb. in 1952. Planted area remains at 516.73 acres.

Estimates for 1954 provide for a crop of 7,000 maunds at an outlay of Rs. 6,68,930, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	5,11,380
Reserves ...	5,18,089	Stores and supplies ...	57,109
Provision for taxation ...	1,55,807	Tea sales receivable ...	4,97,570
Liabilities ...	2,25,951	Other assets ...	3,625
Profit and loss account ...	33,143	Advances and deposits ...	21,241
		Investments ...	51,781
		Cash ...	2,90,284
Rs.	14,32,990	Rs.	14,32,990

Coimbatore Pioneer Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. T. R. Narayanaswamy Naidu & Co., Peelamedu; Coimbatore) submit the audited accounts of the Company for the year ended 31st December, 1953.

After deducting all working expenses and providing a sum of Rs. 3,75,282 (Rs. 1,69,106) towards depreciation including initial depreciation, there is a profit of Rs. 6,08,726 (Rs. 3,51,340) and with Rs. 1,33,497 (Rs. 1,28,656) brought forward from last year there is a sum of Rs. 7,42,223 (Rs. 4,79,996) available for distribution, which the directors recommend to be appropriated as under:—

To transfer to machinery renewal fund Rs. 2,96,276 (*nil*), to transfer to contingency reserve Rs. 1,20,000 (*nil*), to provision for bad and doubtful debts Rs. 16,047 (*nil*), to pay a dividend at the rate of 6¼ per cent. per annum, free of income-tax on the preference share capital of the Company for the year ended 31st December, 1953, Rs. 6,500 (Rs. 6,500), to pay a dividend at the rate of 15 (9) per cent. per annum, free of income-tax on the ordinary share capital of the Company for the year ended 31st December, 1953, Rs. 3,00,000 (Rs. 1,80,000) and to carry forward Rs. 3,400 (Rs. 1,33,496).

During the year under report the Mill had worked 301 days of which 41 days were of double shift and 227 days were of triple shift.

The Company has installed a generator to augment the power supply during the year under review to off set the cuts in electricity. The installed capacity of the Mills has been increased by an additional spindleage of 2,180 spindles, stepping up the total spindleage to 21,980 besides doubling cone and cheese. The entire stock of cotton and yarn, besides the Company's building and machinery have been insured as usual.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	16,08,658
Reserves ...	9,57,677	Stock-in-trade	11,75,091
Provision for taxation ...	4,08,645	Stores and spare parts	1,76,645
Liabilities ...	8,82,566	Other assets	34,108
Profit and loss account ...	7,42,223	Debts, deposits and advances ...	10,55,836
		Investments	10,25,410
		Cash ...	15,363
Rs.	50,91,111	Rs.	50,91,111

Manabarrie Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit of Rs. 3,13,573 (loss of Rs. 2,49,129). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs 1,12,992 (debit of Rs. 2,10,574), of which the directors have transferred Rs. 45,000 (Rs. 20,000) to revenue reserve and Rs. 30,000 (Rs. 5,613) to buildings and machinery reserve. They recommend that a dividend of 10 (*nil*) per cent. be declared at the annual meeting, leaving Rs. 17,992 (debit of Rs. 2,10,574) to be carried forward.

Crop of tea obtained was 6,316 maunds, as compared with 5,337 maunds in 1952. The average selling price was Rs. 2-0-8 per lb. as against Re. 1-0-10 per lb. in the previous year. Planted area is 629.28 acres.

Estimates for 1954 provide for a crop of 6,200 maunds at an outlay of Rs. 6,36,250, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	2,12,000
Reserves ...	75,000	Stores and supplies ...	27,969
Liabilities ...	5,78,494	Tea sales receivable	5,47,779
Profit and loss account ...	17,992	Other assets	990
		Advances and deposits ...	46,872
		Investments	200
		Cash ...	35,676
Rs.	8,71,486	Rs.	8,71,486

Seeyok Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit of Rs. 48,216 (loss of Rs. 1,25,216). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 56,071 (credit of Rs. 311) of which the directors have transferred Rs. 20,000 (Rs. 1,20,000) to revenue reserve and Rs. 10,000 to buildings and machinery reserve. They recommend that a dividend of 2½ (*nil*) per cent. be declared at the annual meeting, leaving Rs. 18,571 (Rs. 311) to be carried forward.

Crop was 2,056 maunds as compared with 1,779 maunds in 1952. The average selling price was Rs. 2-7-1 per lb. against Re. 1-12-7 per lb. in the previous year. Planted area remains at 389.32 acres.

Estimates for 1954 provide for a crop of 2,000 maunds at an outlay of Rs. 3,36,890, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,60,000
Reserves ...	85,161	Stores and supplies ...	30,267
Provision for taxation ...	18,397	Tea sales receivable	93,696
Liabilities ...	39,074	Other assets	100
Profit and loss account ...	18,571	Advances and deposits ...	18,047
		Cash ...	59,093
Rs.	4,61,203	Rs.	4,61,203

Baghmari Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The season's working resulted in a profit, before providing for depreciation, of Rs. 3,34,568 (loss of Rs. 79,334) from which must be deducted loss on farming Rs. 1,556 (*nil*), adjustments Rs. 6,948 (Rs. 10,219), amount written off stores Rs. 26,358 (*nil*), depreciation for 1953 Rs. 1,14,299 Rs. 1,607 (*nil*) and loss brought forward from 1952 of Rs. 2,58,910 (Rs. 89,152) leaving a balance of debit of profit and loss account to be carried forward to 1954 of Rs. 75,110 (debit of Rs. 2,58,910).

The saleable crop weighed out at 9,008 maunds against an estimate of 9,000 maunds and was disposed of at an average price of As. 31.26 per lb.

The estimate for season 1954 provides for a saleable crop of 9,700 maunds at a total revenue expenditure of Rs. 9,52,320. The results may be considered to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,50,000	Block ...	11,27,483
Reserves ...	7,21,416	Stock of tea	3,28,438
Liabilities ...	5,71,993	Stores ...	2,17,779
		Other assets	22,266
		Debts and advances ...	47,250
		Investments	1,107
		Cash ...	23,976
		Profit and loss account ...	75,110
Rs.	18,43,409	Rs.	18,43,409

Sungma Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The season's working resulted in a profit, before providing for depreciation, of Rs. 93,086 (loss of Rs. 3,04,072) from which must be deducted adjustments Rs. 1,052 (Rs. 25,009), amount written off stores Rs. 8,282 (*nil*), depreciation for 1953 Rs. 39,314 (Rs. 21,428) and loss brought forward from 1952 Rs. 3,23,732 (credit of Rs. 19,301) leaving a balance at debit of profit and loss account to be carried forward to 1954 of Rs. 2,79,294 (debit of Rs. 3,23,732).

The saleable crop from Sungma and Turzum Estates weighed out at 4,127 maunds against an estimate of 4,590 maunds and was disposed of at an average price of As. 37.33 per lb.

The estimate for season 1954 provides for a saleable crop of 4,700 maunds at a total revenue expenditure of Rs. 6,85,409.

The results may be considered to be satisfactory, although owing to unfavourable weather conditions, the gardens could not make the full estimated crop.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,23,000	Block ...	10,20,519
Reserves ...	5,74,585	Stock of tea	1,50,094
Liabilities ...	6,36,162	Stores ...	2,89,904
		Other assets	15,171
		Debts and advances ...	72,901
		Investments	2,817
		Cash ...	5,047
		Profit and loss account ...	2,79,294
Rs.	18,35,747	Rs.	18,35,747

Ethelbari Tea Co. (1932), Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the company for the year ended 31st December, 1953.

A crop of 5,743 maunds of tea was manufactured and disposed of, for sale in Calcutta for export 3,593 maunds, and for sale in Calcutta for internal consumption 2,150 maunds.

The teas realised an average price of Re. 1-12-9 per lb. as compared with Re. 1-6-3 a lb. obtained for the previous season's crop of 6,313 maunds. The Company's export quota for season 1953 was 3,381 maunds.

The shortfall of 657 maunds in the crop as compared with the Estimate can be attributed to the fact that the garden was closed down during January, 1953, pending the outcome of negotiations for finance through the Company's Bankers. As a result of this closure pruning was delayed, added to which rainfall during the season was short and badly distributed.

No extensions were put out during the year and the area under cultivation remains unchanged at 447 acres as registered with the Indian Tea Licensing Committee at 31st December, 1953.

The revenue account showed a profit of Rs. 2,70,934 (loss of Rs. 2,53,946) and after deducting from this staff commission and bonus Rs. 16,391 (nil), managing agents' commission on profits Rs. 5,464 (nil), and depreciation Rs. 24,993 (Rs. 28,300) there remained a sum of Rs. 2,24,086 (debit of Rs. 2,82,246). After adding forfeited dividends Rs. 375 (Rs. 630) there was a net profit for the year of Rs. 2,24,461 (loss of Rs. 2,81,616). After deducting from this the adjusted debit balance of Rs. 83,682 (debit of Rs. 54,303) brought forward from the previous year, there was a credit balance of Rs. 1,40,779 (debit of Rs. 85,919) on profit and loss account. The directors transferred

a sum of Rs. 1,00,000 (*nil*) to reserve account and Rs. 40,779 (debit of Rs. 85,919) carried forward.

The estimates for season 1954 are as follows:—

Garden	Crop	Expenditure		Total
		Garden	Calcutta	
	Maunds	Rs.	Rs.	Rs.
Ethelbari	6,500	6,14,347	1,29,740	7,44,087

The total number of hands employed on the garden at 31st December, 1953, was 626.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	5,31,095
Reserves ...	1,02,500	Stock of tea	4,48,345
Provision for taxation ...	16,529	Stores ...	58,711
Liabilities ...	5,78,740	Debts, deposits and advances ...	26,535
Profit and loss account ...	40,779	Investments	1,100
		Cash ...	22,762
Rs.	10,88,548	Rs.	10,88,548

Alliance Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the company for the half-year ended 31st December, 1953.

The profit for the half-year, after making provision for doubtful debts Rs. 50,000 and providing for depreciation Rs. 1,61,000, (Rs. 2,39,000) amounted to Rs. 9,46,607 (Rs. 1,96,939). Deducting from this the debit balance brought forward from the previous half-year of Rs. 1,70,951 (debit of Rs. 13,63,074) there was a balance of Rs. 7,75,656 (debit of Rs. 11,66,135) from which the directors have transferred to general reserve account Rs. 3,00,000 (*nil*) leaving an available balance of Rs. 4,75,656 (debit of Rs. 4,75,656). The directors disposed of the above balance as follows:—

Paid dividend on 15,000 preference shares at Rs. 6 per share for the year ended 31st December, 1951 Rs. 90,000, dividend on 15,000 preference shares at Rs. 6 per share for the year ended 31st December, 1952 Rs. 90,000, dividend on 15,000 preference shares at Rs. 6 per share for the year ended 31st December, 1953 Rs. 90,000, dividend on 30,000 ordinary shares at 10 (*nil*) per cent. per annum for the half-year ended 31st December, 1953, or Rs. 3 (*nil*) per share Rs. 1,50,000 (*nil*) and carried forward Rs. 55,656 (debit of Rs. 11,66,135).

Jute stocks are shown at cost. Sold stocks of goods have been calculated at contract sale price and goods unsold on 31st December, 1953 have been valued at market price.

In accordance with the main and supplementary working time agreements of the Indian Jute Mills' Association, working hours were 42½ hours per week with 12½ per cent. of the total looms sealed. Due to a re-allocation of loom hours on a group basis, the mills worked 45 hours per week with 12½ per cent. of their total looms sealed. Unsettled labour conditions prevailed throughout the period. During the period trading conditions remained difficult with an upward trend in prices of both raw jute and manufactured goods towards the end of the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	28,14,895
Reserves ...	5,60,000	Stocks ...	57,32,531
Liabilities ...	66,91,903	Stores ...	11,72,275
Profit and loss account ...	55,656	Debts, deposits and advances ...	16,46,982
		Investments	2,10,000
		Cash ...	2,30,878
Rs.	1,18,07,561	Rs.	1,18,07,561

Thamarapally Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1953.

The total acreage under rubber, coconut, cashew, etc., amounts to 534.78. Both Maliyakal and Thamarapally Estates are in good condition.

The rubber secured during the year was 2,39,123 (2,28,967) pounds at 32.86 (45.74) cents per pound against an estimate of 2,15,000 (2,00,000) lbs. The crop estimated for 1954 is 2,25,000 lbs. at 60 cents per pound. The crop was sold at an average price of 124.70 (121.12) cents per pound.

The net profit after providing for taxes depreciation, etc., is Rs. 91,040 (Rs. 84,899). To this has to be added the balance from the last year Rs. 41,669 (Rs. 66,520) making a total of Rs. 1,32,709 (Rs. 1,51,419). The directors now recommend the following distribution:—

Dividend of 6¼ per cent. on preference shares Rs. 6,906 (Rs. 9,750), dividend of 30 (25) per cent. on ordinary shares Rs. 75,000 (Rs. 62,500) and transfer to dividend equalisation fund Rs. 37,500 (*nil*) leaving a balance of Rs. 13,303 (Rs. 41,669) to be carried forward.

Capital:—The preference share capital was reduced from Rs. 1,50,000 to Rs. 75,000 as per the resolution passed at the extraordinary General Meeting held on 12th September, 1952. Rs. 5 per share was refunded to the preference shareholders from 1st June, 1953.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,25,000	Block ...	5,00,364
Reserves ...	2,00,000	Stock-in-trade	60,115
Provision for taxation ...	96,998	Stores and spare parts	4,672
Liabilities ...	22,343	Other assets	880
Profit and loss account ...	1,32,709	Debts and advances ...	1,524
		Cash ...	2,09,495
Rs.	7,77,050	Rs.	7,77,050

Travancore Ogale Glass Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Ogale Brothers Ltd., Trivandrum) submit the audited accounts of the Company for the year ended 31st December, 1953.

The total tonnage of glass melted was 1,026 tons and the value realised, about Rs. 6,00,000 (Rs. 5,70,000). After providing for all working expenses and depreciation of Rs. 41,052 (Rs. 41,182), the working resulted in a loss of Rs. 46,756 (loss of Rs. 61,644).

During the first six months when protracted negotiations were going on with labour, the production was unsatisfactory resulting in heavy losses which could not fully be covered by the year-end. Labour has to realise the changed business conditions and adopt a helpful attitude to the benefit of all concerned.

In keeping with the general market trend, the prices of glass articles had to be reduced from time to time and this process still continues. In the absence of corresponding relief in the costs, the only alternative remains to increase the production without corresponding increase in the costs. It is hoped to put the automatic bottle-making machines on full production in the latter part of 1954 which will put up the present production.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,98,380	Block ...	11,25,809
Reserves ...	1,50,000	Stock-in-trade	20,000
Provision for taxation ...	2,029	Stores and raw materials ...	1,59,229
Liabilities ...	3,96,750	Tools, etc. ...	28,467
		Debts, deposits and advances ...	70,331
		Cash ...	36,778
		Profit and loss account ...	1,06,545
Rs.	15,47,159	Rs.	15,47,159

Broach Electric Supply and Development Corporation Ltd.

The directors of the above Company (Managing Agents: The Rajputana Textiles (Agencies) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1953.

The generating station functioned satisfactorily throughout the year and a steady, continuous supply of energy was maintained. However, the need for additional plant capacity mentioned in the report for the preceding year was keenly felt, not only for the purpose of catering to the unsatisfied demand, but also to improve the power house economy by eliminating or reducing as far as possible the operation of the older sets. Accordingly, the directors after considering all aspects of the question, and particularly the delivery position, authorised the purchase of a 450 kw. s.i.m.—brush generating set early in June, 1953. The set was delivered and installed within a few months and that it was actually commissioned in and has been satisfactorily operating since December, 1953.

The distribution system was well maintained and received the necessary attention to ensure safety and increase efficiency. With the increasing demand changes must be effected in the system, and the installation of the requisite sub-stations and other apparatus for maintaining the desired standard of efficiency, is receiving urgent attention. The progress of the Corporation during the past five years is reflected in the following tabulation:—

Year	Number of consumers	Connected load k.w.	Units of energy sold	Revenue from energy sold Rs.
1953 ..	3,583	1,876	1,340,506	4,78,941
1952 ..	3,374	1,513	1,348,456	4,24,578
1951 ..	3,095	1,330	1,220,340	3,39,269
1950 ..	2,857	1,407	1,094,204	3,08,155
1949 ..	2,660	1,412	937,445	2,62,232

It will be noted that revenue from sales of energy shows a satisfactory increase. There was some dissatisfaction amongst motive power consumers, as a result of Government orders based on the recommendations of the Rating Committee, that all consumers both large and small should be subject to the same tariff rates. The directors felt that there was justification for this attitude of the large power consumers, and opportunity was taken during the year to introduce, after due intimation to the Government of Bombay, a sliding tariff rate which was offered to such consumers. Capital expenditure during the year amounted to Rs. 2,23,803.

The profit and loss account shows that the result of the year's operation, compared with the previous year, was as follows:—

	1953	1952
	Rs.	Rs.
Revenue from sales of energy	4,79,041	4,24,373
Revenue from other sources	27,846	20,682
Total gross revenue ..	5,01,587	4,45,055
All charges including depreciation and taxes	3,98,777	3,74,524
Net profit ..	1,02,810	70,531

It will be observed that the total gross revenue shows a satisfactory increase. However, this increase has been partly offset by the higher expenditure, while it is proposed to utilise a major portion of the balance to reduce the statutory liability in respect of arrears of depreciation, ascertained in accordance with the provisions of the Electricity (Supply) Act, 1948.

The Employees' Union at Broach formulated certain demands which were taken up by the conciliation officer, and the resulting conciliation proceedings proved successful inasmuch as the grades and scales of pay as also the dearness allowance—the principal objectives of the Union—offered by the Corporation proved acceptable in the light of the financial capacity and well-being of the Corporation. The relationship between the employees and the management is excellent.

After adding to the net profit Rs. 1,02,810 (Rs. 70,531) for the year, the amount brought forward from the preceding year's account and deducting therefrom the various statutory appropriations as also an amount of Rs. 7,400 for payment of bonus to employees, there remains a balance of Rs. 57,164 (Rs. 34,043) which the directors have recommended, should be utilised as follows:—

To dividend on shares at As. 12 (As. 5-9) per share (7½ (3.59) per cent.) free of income-tax Rs. 53,026 (Rs. 25,409) and balance to be carried forward Rs. 4,138 (Rs. 8,634).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,07,020	Block ...	14,21,795
Debentures	1,32,200	Stores and tools ...	79,893
Reserves ...	7,25,720	Other assets	56,890
Provision for taxation ...	69,647	Debts, deposits and advances ...	94,231
Liabilities ...	1,95,952	Investments	7,332
Profit and loss appropriation account	4,138	Cash ...	1,74,536
Rs.	18,34,677	Rs.	18,34,677

Rewa Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

The Company's profit for the half-year after the inclusion of Rs. 26,964 (Rs. 35,347) brought forward is Rs. 3,56,232 (Rs. 4,86,908). After making provision for taxation Rs. 1,43,384 (Rs. 1,87,519) there remains a sum of Rs. 2,12,848 (Rs. 2,74,389). Out of this sum the directors have placed to development reserve Rs. 50,000 (Rs. 1,00,000) and recommend payment of a dividend at the rate of 20 (20) per cent. per annum, free of income-tax, absorbing Rs. 1,35,000 (Rs. 1,35,000) leaving to be carried forward Rs. 27,848 (Rs. 36,004).

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings*	*Despatches*
	Tons	Tons
31st December, 1953	1,59,034	1,57,021
30th June, 1953	1,45,493	1,42,358
31st December, 1952	1,67,990	1,65,004

The supply of wagons improved to some extent over the half-year, but production continued to be restricted on this account. In view of the cost of development work to maintain output in future, a further Rs. 50,000 has been placed to development reserve.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	5,69,000
Reserves ...	7,88,385	Stock of coal	67,831
Provision for taxation ...	2,85,000	Stores ...	6,11,281
Liabilities ...	15,55,478	Debts, deposits and advances ...	14,68,444
Profit and loss account	27,848	Investments	2,05,381
		Cash ...	10,84,774
Rs.	40,06,711	Rs.	40,06,711

Bengal Bhatdee Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

After providing Rs. 3,500 (Rs. 8,175) for depreciation, end Rs. 4,000 (Rs. 4,000) for taxation, there is a balance of Rs. 9,172 (Rs. 10,786) at the credit of profit and loss account from which the directors recommend payment of a dividend at As. 2 (As. 2) per share Rs. 5,617 (Rs. 5,617) leaving to be carried forward Rs. 3,555 (Rs. 5,169).

Raisings for the half-year were 39,915 (33,770) tons as compared with 44,189 (31,565) tons in the previous half-year and despatches 39,837 tons as against 42,208 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,49,350	Block ...	3,14,056
Reserves	70,000	Stores ...	309
Provision for taxation ...	18,894	Debts and advances ...	132,207
Liabilities ...	1,42,633	Cash ...	2,36,961
Profit and loss account ...	3,556		
Rs.	6,84,433	Rs.	6,84,433

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

Notices

THE INDIA SUGARS AND REFINERIES LIMITED

MADRAS

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twentieth Ordinary General Meeting of the Company will be held at the Factory of the Company at Hospet on Monday the 28th June, 1954, at 4 p.m., to transact the following business:

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th September, 1953.

2. To declare dividends on Preference and Ordinary shares.

3. To elect two Directors in place of
   (i) Janab Rukn-ul-Mulk S. Abdul Wajid Sahib Bahadur.
   (ii) Lala Ram Gopal Gupta.

who retire and are eligible for re-election.

4. To appoint Auditors for the year 1953-54 and fix their remuneration.

5. To consider, and if thought fit, to pass the following resolutions as Special Resolutions with or without modifications:—

A. RESOLVED as a Special Resolution that the Articles of Association of the Company be and are hereby altered in the manner following, that is to say:—

(i) In place of the existing Article 12 the following be substituted:—

12. The nominal or authorised share capital shall be Rs. 60,00,000 (Rupees Sixty Lakhs) divided into 10,000 Preference shares of Rs. 100 each and 5,00,000 Ordinary shares of Rs. 10 each. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions and at such times as the Directors think fit.

(ii) After the existing Article 17 the following shall be inserted as Article 17A:

17A. Regulation 42 of Table A of the Act shall apply.

(iii) After the existing Article 136, the following shall be inserted as Article 136A:

136A. (a) Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares, debentures, or debenture-stock of the Company, or paid-up shares, debentures, or debenture-stock of any other company or in any one or more of such ways.

(b) Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or in the hands of the Company and available for dividend (or representing premium received on the issue of shares) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

(c) For the purpose of giving effect to any resolution under the two last preceding sub-articles the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less value than half rupee may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with section 104 of the Companies Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

(iv) In place of the words "six months" appearing in Article 148, the words "nine months" shall be and are hereby substituted.

B. RESOLVED as a Special Resolution that

(i) It is desirable to capitalise a sum of Rs. 16,00,000 (Rupees Sixteen Lakhs) being part of the amount standing to the credit of the General Reserve and accordingly that the said sum be capitalised and distributed amongst the Ordinary Shareholders on the footing that they become entitled thereto as Capital in pursuance of Article 136A (b) read with Article 17A of the Articles of Association of the Company and that such capital sum be applied on behalf of the persons who are on the first day of July, 1954 holders of Ordinary shares in the Company, in payment in full for 160,000 Ordinary shares of the Company of Rs. 10 each and that such new Ordinary shares, credited as fully paid up be accordingly allotted to such persons respectively in the proportion of one of such shares for every one of the said Ordinary shares then held by such persons respectively and that the new shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such shareholder and not as income.

(ii) That such new shares shall rank for dividend from the 1st day of July, 1954 and shall in all other respects rank *pari passu* with the existing issued Ordinary shares in the capital of the Company.

(iii) That in satisfaction of the said capital distribution the Directors be and are hereby directed to allot and distribute 160,000 Ordinary shares, credited as fully paid, amongst the persons who are on the 1st day of July, 1954, holders of the issued Ordinary shares of the Company, or their nominees, in the proportion of one share for every one held by such shareholders respectively.

(iv) That the draft of the agreement providing for the allotment of the said 160,000 shares hereinabove referred to, submitted to this meeting and signed in the margin by the Chairman thereof by way of identification be and the same is hereby approved and that the Directors be authorised to affix the Seal of the Company to duplicate engrossments of such agreement as and when the same shall have been signed by Mr. K. Venkataraman of 322, Linghi Chetty Street, Madras, or failing him Mr. A. C. K. Krishnaswami of 90, Mowbrays Road, Madras, on behalf of the members holding Ordinary shares in the Company on the 1st day of July, 1954, and that the said Mr. K. Venkataraman and failing him Mr. A. C. K. Krishnaswami be and are hereby authorised on behalf of the holders of Ordinary shares in the Company's capital to enter into such agreement.

The Share Transfer Books of the Company will be closed from 21st June, 1954, to 1st July, 1954 (both days inclusive).

By Order of the Board,
for THE INDIA SUGAR AGENCIES LTD.,
Managing Agents.
C. HARIPRASAD,
General Manager.

MADRAS, *27th May*, 1954.

The dividend when declared will be made payable at the Imperial Bank of India, Bellary, on or after the 2nd July, 1954, and the Dividend Warrants will be posted to the Shareholders whose names stand in the register of members as on 21st June, 1954. Shareholders may kindly intimate to the Company any changes in address immediately.

Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on Tuesday the 29th June, 1954, at 3 p.m., for the following purposes:

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1953.

(2) To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares.

(3) To elect Directors.

(4) To appoint Auditors and to fix their remuneration.

(5) As special business, to pass the following Special Resolution:—

"That the Articles of Association of the Company be altered in the manner following:—

(1) In Article 147, line 2, the words "for such period" shall be deleted and the following words substituted therefor:

'for a term not exceeding five years at a time.'

(2) Article 149 shall be deleted and the following new Article substituted therefor:

'The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit save and except the power to:—

(a) Make calls on Shareholders in respect of moneys unpaid on shares in the Company.

(b) Borrow moneys except within limits previously fixed by the Directors at a Board Meeting.

(c) Invest the funds of the Company, and

(d) Make loans except within the limits previously fixed by the Directors at a Board Meeting.

The powers to be exercised by a Managing Director may be conferred upon him for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as the Directors may think expedient, and they may confer such powers either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.'"

The Transfer Register of the Company's Ordinary Shares will be closed from 21st June to 29th June, 1954, both days inclusive.

By Order of the Board,
(Sd.) R. H. D. CAMPBELL,
Managing Director.

4, BANKSHALL STREET,
CALCUTTA, *1st June*, 1954.

THE FORT WILLIAM JUTE COMPANY, LIMITED

NOTICE

THE HALF-YEARLY ORDINARY GENERAL Meeting of the Company will be held at the Registered Office, No. 14, Netaji Subhas Road, Calcutta, on Monday the 28th June, 1954, at 3-30 p.m., for the purpose of receiving the Directors' Report and Auditors' Report, passing the Accounts for the half-year ended 31st March, 1954, declaring dividends, electing Director, appointing Auditors and transacting such other business as may be brought forward before the meeting.

The Share Transfer Registers of the Company will be closed from 15th June to 28th June, 1954, both days inclusive.

By Order of the Board,
Per Pro BANGUR BROTHERS LTD.,
N. D. BANGUR,
Managing Director.

CALCUTTA, *25th May*, 1954.

Notices

SHREE YUVRAJ SUGAR MILLS LTD.

NOTICE

To

THE DEBENTURE-HOLDERS, PREFERENCE AND ORDINARY SHAREHOLDERS OF

SHREE YUVRAJ SUGAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT PURsuant to the resolutions of the Debenture-holders, Creditors, Preference and Ordinary Shareholders passed in November last, approving and confirming the proposal for the sale of the Company's sugar plant at Ranbirsinghpura to the Panipat Sugar Mills Limited, for the consideration and the terms and conditions indicated in the scheme, the Company has entered into agreement for the sale of the Company's sugar plant with the Panipat Sugar Mills Limited, which has since been incorporated and has commenced business.

In terms of the aforesaid scheme:

(*a*) The Panipat Sugar Mills Limited will issue to the existing debenture-holders of the Company in lieu of and in full satisfaction and/or in replacement of the debentures of the Company, its own registered mortgage debentures of equivalent amount bearing interest at 6 per cent. per annum from 1st April, 1954, and repayable after 10 years. Interest upto 30th April, 1954, will be paid by the Company, and thereafter by the Panipat Sugar Mills Limited.

(*b*) The Panipat Sugar Mills Limited will issue to the existing Preference Shareholders of the Company in full satisfaction of the Preference Shareholdings including the arrears of dividend its Preference Shares on the basis of two fully paid-up Preference Shares of Rs. 25 each for every one fully paid-up Preference Share of Rs. 100 held by them.

(*c*) The Panipat Sugar Mills Limited will issue to the existing Ordinary Shareholders of the Company in full satisfaction of their Ordinary Shareholdings, its Ordinary Shares on the basis of one fully paid-up Ordinary Share of Rs. 10 for every Rs. 100 paid-up in respect to the individual Ordinary Shareholdings of the Company.

The Preference and Ordinary Shares of the Panipat Sugar Mills Limited will be allotted to the Preference and Ordinary Shareholders respectively of the Company who are registered in the books of the Company as Preference and Ordinary Shareholders on 15th June, 1954.

The Preference and Ordinary Shareholders of the Company are requested to apply on the prescribed form for allotment of Preference and Ordinary Shares of the said Panipat Sugar Mills Limited in lieu of their Preference and Ordinary Shareholdings of the Company on the above basis. Copies of the prescribed form of application can be obtained from the Panipat Sugar Mills Limited, 5, Royal Exchange Place, Calcutta or from the office of the Company at New Hospital Road, Jammu (Jammu and Kashmir State).

Applications on the prescribed form together with the Share Scrips for the Preference and Ordinary Shares of the Company held by them may be forwarded to the Company's office at New Hospital Road, Jammu, as early as possible but not later than 15th July, 1954.

The Debenture-holders of the Company are similarly requested to forward the debentures of the Company held by them to the Panipat Sugar Mills Limited, 5, Royal Exchange Place, Calcutta, for exchange with the debentures of equivalent amount in the said Panipat Sugar Mills Limited. The debentures should be accompanied by an application on the prescribed form which can be obtained from the said Panipat Sugar Mills Ltd. or from the Company on application. Applications for exchange of Debentures should reach the Panipat Sugar Mills Limited on or before 20th June, 1954.

For SHREE YUVRAJ SUGAR MILLS LIMITED,
KARAMCHAND THAPAR & BROS.
(J. & K.) LTD.,
Managing Agents.

JAMMU, *24th May*, 1954.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fourteenth Ordinary General Body Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Tennur Railway Road, Tiruchirapalli, on Saturday the 7th August, 1954, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st March, 1954.
2. To declare a Dividend.
3. To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors are eligible for re-election.
4. To elect Directors in place of the following who retire under Article 79 of the Articles of Association. The retiring Directors are eligible for re-election.
   1. Sri S. Vaidyanatha Iyer, B.A., B.E., M.E.
   2. ,, Appanna N. Rengachariar.
   3. ,, V. Swamy Iyengar.
   4. ,, K. Chinnaswamy Iyer, M.A., and
   5. ,, Dr. T. K. Ranganathan, B.A., L.M. & S.

All shareholders are requested to be present in person or by proxy.

The Register of Members and the Share Transfer Books of the Company will be closed from 13th July, 1954, to 7th August, 1954, (both days inclusive).

By Order,
SESHASAYEE BROS., LTD.,
Managing Agents and Chief Engineers.

TIRUCHIRAPALLI, *18th May*, 1954.

Note:—

1. The printed Balance Sheets are expected to be posted to the members on or about 13th July, 1954.

2. Holders of blank transfers are advised to have the shares registered in their names in time before closure of books.

3. Early intimation should be given to the Company of any change of address.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday the 22nd June, 1954, at 11-30 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December, 1953, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 8th to the 22nd June, 1954, both days inclusive.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CALCUTTA, *27th May*, 1954.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on 27th May, 1954, the following Dividends were recommended to be paid for the half-year ended 31st December, 1953:

On 1st Preference Shares—7 per cent. per annum,

On Ordinary Shares—5 per cent. per annum without deduction for Income-tax paid by the Company in each case and on 2nd Preference Shares 6 per cent. per annum after deduction of Income-tax paid by the Company.

By Order of the Board,
BIRD & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, *27th May*, 1954.

THE BURDWAN CUTWA RAILWAY COMPANY, LIMITED

THE FORTY-SEVENTH ORDINARY GENEral Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 25th June, 1954, at 3-30 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 11th June to 25th June, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *1st June*, 1954.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the books of the Company on 25th June, 1954, or to their mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

THE KATAKHAL LALABAZAR RAILWAY COMPANY, LIMITED

THE FORTY-THIRD ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 25th June, 1954, at 3-45 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th June to 25th June, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *1st June*, 1954.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the books of the Company on 25th June, 1954, or to their mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

THE FORTY-SEVENTH ORDINARY GENEral Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 25th June, 1954, at 3-40 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 11th June to 25th June, 1954, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *1st June*, 1954.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the books of the Company on 25th June, 1954, or to their mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

Notices

1953-1954

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-second Ordinary General Meeting of Shareholders of The Simplex Mills Company, Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Friday the 2nd July, 1954, at 5-0 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and Audited Statements of Account for the year ended 31st March, 1954.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those who retire from office under the Articles of Association of the Company but are eligible for re-election.

(4) To appoint Auditors for the coming year and fix their remuneration.

The Transfer Books of the Company will remain closed, as previously advertised, from the 14th day of June, 1954, to the 28th day of June, 1954, both days inclusive.

By Order of the Board,

FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, *28th May*, 1954.

Note.—The Dividend when sanctioned will be made payable free of Income-tax, at the Chartered Bank of India, Australia and China, Bombay, on and after 3rd July, to those Shareholders holding Fully Paid and Consolidated Shares of Rs. 50 each whose names stand on the Register on the 28th June, 1954, to whom Dividend Warrants will be posted, and in the case of holders of Fractional Shares, upon presentation to the Company of their Fractional Certificates.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

THE FORTY-SIXTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Friday the 25th June, 1954, at 3-35 p.m. to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 11th June to 25th June, 1954, both days inclusive.

By Order of the Board,

McLEOD & CO., LTD.,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, *2nd June*, 1954.

Note.—Payment of the proposed dividend, if declared, will be made to those members whose names are registered in the books of the Company on 25th June, 1954, or to their mandatees.

Dividend warrants will be despatched as soon as possible after the General Meeting. Applications for warrants will not be necessary.

REQUIREMENTS OF ROLLING STOCK AGAINST 1955-56 PROGRAMME TO BE OBTAINED FROM ABROAD

THE RAILWAY BOARD, GOVERNMENT OF India, propose to obtain from established and reliable manufacturers the items of rolling stock and other railway equipment shown in the list below. Manufacturers in Europe, the United Kingdom and North America can obtain further details of designs, specifications, etc., from the Director General, India Store Department, 32/34, Edgware Road, London, W.2, and manufacturers in other countries and authorised agents in India of all foreign manufacturers can obtain these particulars from the Director of Railway Equipment, Railway Board, New Delhi, on or after 15th June, 1954.

LIST OF ROLLING STOCK AND RAILWAY EQUIPMENT

Locomotives

Broad-gauge:
15 Electric Prototype Locomotives (3,000 volt for Calcutta Electrification Scheme).

Metre-gauge:
12 'YM' Class Locomotives.
5 Diesel Shunting Locomotives.
20 Diesel General Purposes Locomotives.

Locomotive Boilers

Broad-gauge:
11 'XB' type.
6 'XA' type.

Locomotive Components

76 CWD/AWD Fire Boxes.
14 MAWD Fire Boxes.

Coaching Stock

Broad-gauge:
Electric Multiple Unit Stock (1,500 volt Bombay Suburban Traffic).
(*a*) 12—4 Car Units.
(*b*) 2—Spare Motor Coaches.
Electric Multiple Unit Stock (3,000 volt DC Calcutta Electrification).
(*a*) 16—3 Car Units.
(*b*) 2—Spare Motor Coaches.
Alternatively—
(*a*) 12—4 Coach Units.
(*b*) 2—Spare Motor Coaches.

Goods Stock Wagons

Broad-gauge:
3 Tower wagons without body for Western Railway.
3 Tower wagons without body for Eastern Railway (Calcutta Electrification).

Cranes

Broad-gauge:
1 75-ton Steam Breakdown Crane.
4 40-ton Steam Breakdown Cranes.
6 20-ton Steam Travelling Cranes.
3 5-ton Steam Travelling Cranes (special specification).

Metre-gauge:
3 35-ton Steam Breakdown Cranes.
8 20-ton Steam Travelling Bridge Cranes.

Wheelsets

Broad-gauge:					
WA 23	...	...	...	...	18,000
Metre-gauge:					
WA 42	...	...	...	...	1,000
WA 36	...	...	...	...	12,000
Narrow-gauge		...	...	...	400

JUTE

(*Concluded from page 1078*)

as a document of title to goods, banks are giving discounting facilities. But this flexibility of the system lays it open to certain abuses on occasions. These are:

(1) In cases where shipping instructions are sent against mills' P.D.Os. some mills do not bring down goods for a number of days. This prevents the P.D.O. holders from fulfilling their contractual obligations.

(2) The time limit for the delivery of goods against P.D.Os is neither provided in the contract terms nor mentioned in the P.D.O.

(3) The holder of P.D.Os, after making payment for the P.D.Os, is left at the mercy of the mill for the delivery of goods and he cannot take any action against the mills.

(4) Certain mills are found to be in the habit of issuing P.D.Os greatly in excess of their holdings of goods and are on presentation unable to deliver the goods.

Overissue of P.D.Os.

The Commission's investigation into the position of overissue of P.D.Os showed that there had been in many cases, no direct correlation between the quantum of production per month and sales, including their own P.D.Os in that month. Some mills were in the habit of repurchasing their own P.D.Os or P.D.Os of their group. A few others had purchased P.D.Os of other mills to cover their sales.

Thus under the present practice, P.D.Os are often issued in excess of actual production and stocks. They are also issued against anticipated production expected to be completed in due course before presentation of P.D.Os, as it happens that delivery is not usually called or made within a week or ten days of their issue. The Commission rightly comes to the conclusion that this was a contributory factor favouring the gross overissue of P.D.Os. in the speculation racket of 1952. With a view to setting right these defects, the Commission recommends that the standard form of contract, as well as the P.D.O. form, should refer to the period of delivery, and, in the case of P.D.O., there should also be an endorsement or declaration that the goods are ready and will be available for inspection or delivery within a specified period. This recommendation, if adopted, would have a salutary effect on unhealthy speculation.

The terms of reference to the Commission included the assessment of the extent of speculation in the jute goods market in December, 1952, when the *katka* market was suspended. On examination of the various witnesses closely connected with the speculative operations, the Commission seems to agree with the view of the I.J.M.A. that the operations represented "a struggle for mastery of the market between bears and bulls." It feels that the speculation was also due to overissue of P.D.Os and to the cheap credit facility provided on easy terms against P.D.Os. by a prominent Scheduled bank. Describing this incident, the Commission says:

"Another feature is that substantial bank finance at a low rate of interest to meet obligations in the futures market was provided. A prominent Scheduled bank advanced on P.D.Os substantial sums to three parties, including dealers and brokers. It was noticed that an account was opened by one party on the 27th November, 1952 and cheques for over Rs. 2½ crores were issued by him on 29th November, though the necessary securities were lodged with the bank only on the 2nd December. This cheap credit facility was specially authorised on easy terms (4½ per cent. interest) on the authority of the head office of the bank. We have examined the party, who was the Branch Manager at the time these transactions occurred, and append as a confidential enclosure, the details regarding his evidence. Although no loss was stated to be incurred by the bank and settlement was effected through the influence of important parties concerned, we are of the view that the way in which cheap credit is made available to speculative transactions of this type requires a very careful examination by the banking authorities in the country."

The Commission's conclusions after going into the whole episode, are noteworthy and bear reproduction:

"The factors which in our opinion facilitated this orgy of speculation were the inadequacy of regulations of the Calcutta Jute and Hessian Exchange to take action to prevent overtrading and cornering when they were apprehended or occurred. Absence of a proper code of ethics among directors and their lack of forbearance in taking part in the speculation themselves was a favouring circumstance. Mr. Bagaria agreed that directors could have kept a watch and instead of merely receiving the margin of deposit, could have called for a settlement directly when it was known that the transactions for November delivery had exceeded the capacity of the mills, a fact which the operators as well as the dealers were doubtless aware. The laxity in the system of issuing P.D.Os without full cover of goods enabled the mills or their managing agents also to speculate in the hope of netting as large a profit as possible. The case also discloses a serious risk to the financial system of the country, if banks should also undertake the risk of financing transactions in speculative markets without any other collateral support than the P.D.Os themselves and this in a situation when these documents were issued without due credit warranty."

As the Commission had been directed to study the position of futures market in raw jute and jute goods, it has dealt with this aspect of the question in some great detail. As a prelude to the subject, it gives a very interesting account of the history of futures markets in the commodity since 1925 upto the present day. Its remarks on the *katni* market—a market where business is conducted on vacant plots and at street corners under no definite rules and regulations—are worth noting. It characterises these transactions as "apparently pure gambling which the arms of the law are yet unable to root out." It is strongly of the opinion that every step should be taken by the Government to standpoint altogether *katni* and other irregular markets. It, however, makes no suggestions as to how this could be carried out.

After examining the various witnesses, it concludes that the establishment of a futures market for jute and jute goods will be helpful to the industry, and endorses generally the opinions of Prof. Todd of the Liverpool Cotton Exchange, who was invited by the Government of Bengal in 1940 to report on the conditions of futures trading in raw jute and jute goods. As already remarked in the course of a leading article in *Commerce* a few weeks ago, it has wisely refrained itself from attempting to provide a cut and dried scheme of futures trading. It has merely proposed that an Association on the model of the East India Cotton Association for regulating and controlling futures trading in jute and jute goods should be formed and left the question of details to the trade and the Forward Markets Commission.

GILT-EDGED FIRM

(From Our Own Correspondent)

BOMBAY, *2nd June*

The easing of stringency in the short-term money market, noted in the previous week, has proved to be a short-lived affair. For, as the week under review progressed, conditions became a little more tight than in the initial days. This was due more to supplies having dwindled than to any notable increase in demand. With the influx of funds slowing down, there was a scarcity of floating funds and activity in the inter-bank call money was small.

Inter-bank call money was done at the self-same rate of 2½ per cent. Though some banks were willing to pay 3 per cent., in the absence of availability of funds, business put through was next to nothing. Short-term deposits were wanted at 3 per cent. for one to two months, at 2½ per cent. for three to five months and at 2½ per cent. for six to twelve months.

A further contraction of Rs. 12.64 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 28th May, 1954. This is the third week in succession in which a shrinkage is noted, the total fall in notes in circulation during the three weeks being of the order of Rs. 30.83 crores. Practically all the notes returning from circulation are being retained in the Banking Department, with the result that there is no decline in the total note issue during the three-week period; indeed, it actually shows a small rise of Rs. 32 lakhs. During the week under review alone, notes held in the Banking Department have gone up by Rs. 12.98 crores, that is, Rs. 34 lakhs more than the fall in notes in circulation. The significance of this variation is that the authorities do not expect the present downward trend in notes in circulation to continue for long and that they might have to place these notes back in circulation very soon. It is just possible that the next statement itself may show a big rise in note circulation. In the Banking Department, the deposits of the Central Government have risen by Rs. 3.49 crores and those of other Governments by Rs. 44 lakhs. Deposits of banks have gone down by Rs. 1.16 crores and those of others by Rs. 77 lakhs. Cash balances are up by Rs. 13.02 crores, while balances held abroad have dropped by Rs. 3.30 crores. Loans and advances to Governments are lower by Rs. 18 lakhs and other loans and advances by Rs. 8.20 crores. Advances to Scheduled banks against usance bills show a decline of Rs. 4.10 crores. The total amount of advances availed of by Scheduled banks against usance bills since 1st January, 1954, is Rs. 90.57 crores, as against Rs. 41.09 crores in the corresponding period of 1953.

The Scheduled banks' statement for the week ended 21st May, 1954, as compared with that for the previous week, discloses an increase of Rs. 4.69 crores in demand deposits and of Rs. 44 lakhs in time deposits. Inter-bank borrowings are lower by Rs. 19 lakhs. Borrowings from the Reserve Bank and the Imperial Bank have declined by Rs. 7.04 crores and Rs. 1.27 crores, respectively. Following the drop of Rs. 5.98 crores noted in the previous week, there has been a further fall of Rs. 2.45 crores in loans and advances during the week under review. Inland bills purchased and discounted are, however, higher by Rs. 90 lakhs. For the first time, a new item, namely, foreign bills purchased and discounted, has been included in the statement and these bills show a fall of Rs. 10 lakhs over the week to stand at Rs. 20.76 crores. A rise of Rs. 1.25 crores is noted in investments. Cash in India and balances with the Reserve Bank disclose an increase of Rs. 32 lakhs. Balances with other banks in current account have gone down by Rs. 61 lakhs, while money at call and short notice have risen by Rs. 53 lakhs.

The Gilt-edged market was cheerful during the week under review, with an all-round rise in values, on sustained enquiries. The bullish tendency was touched off by rumours that cut in the Bank rate was imminent. In fact, there were buyers in all counters, while sellers were scarce. 3 per cent. 1957 was reported done at Rs. 98-5, a rise of As. 5 over the week. 3 per cent. 1958 had buyers As. 4 higher at Rs. 98-2. 3 per cent. 1959-61 changed hands higher at Rs. 96-2½, as against Rs. 96-1 a week ago. 3 per cent. 1963-65 was bid at Rs. 92-13 *ex-voucher*, as against Rs. 92-12 *cum-voucher* last week. 3 per cent. 1964 rose by As. 2 to Rs. 92-14. 3 per cent. 1966-68 had deals at Rs. 90-4, an increase of As. 4 over the week. 3 per cent. 1970-75 was taken up from Rs. 86 to Rs. 86-4. 3 per cent. 1988 Conversion spurted by As. 6 to Rs. 82-2. 3½ per cent. 1961 National Plan Bond was done at Rs. 98-11 *ex-voucher*, as against Rs. 98-13 *cum-voucher*.

In the foreign exchange section, there was no change in the rupee-U.S. dollar exchange rate this week also. In New York, sterling moved within a narrow range, with a fractional rise in the forward position, while transferable sterling ruled weak. Spot sterling dropped from $2.81.13/16-2.81.15/16 to $2.81½-2.81¾, but recovered to close at $2.81.13/16-2.81.15/16. Forward sterling (three months) rose over the week by 1/16 cent, to an initial rise from $2.79.1/16-2.79.3/16 to $2.79¾-2.79¾, reacted to $2.78¾-2.79.

KEEN ATTENTION FOR QUALITY TEAS

(From Our Own Correspondent)

CALCUTTA, *1st June*

Export sale No. 2 was held yesterday when offerings aggregated 13,864 chests as follows: 13,781 chests of new season's tea and 83 chests of old season's. Despite a general fall in quality, prices recorded gains. Demand was moderate. Buyers paid keen attention for quality teas. Prices realised for stylish flavoury Darjeelings were above brokers' valuations. Whole leaf grades and the tippy teas were very steady. However, the commonest and plain liquoring Dooars were notably easy. Clean common B.P. was quoted at Rs. 2-10.

BULLION WEAKENS FURTHER

(From Our Own Correspondent)

BOMBAY, *2nd June*

The bullion market was in jitters during the week under review. It was under a spell of nervous liquidation by bulls and heavy sales by option dealers. Early in the week, there was a mild buoyancy on active demand and scarcity of stocks, but soon the operators took a bearish appraisal of the demand and began to liquidate their holdings. This was more in evidence in silver than in gold. The absence of any demand in the ready position, fresh arrivals and apprehensions that there would be a heavy influx of silver during the off-season, which, coupled with the present floating stocks, would be more than what could be consumed by the market in the next season, and rumours about the possibility of the Government of India imposing a tax on purchases of bullion were all responsible for the weakness of silver.

Gold also reacted more in sympathy with silver than on its own merits. No doubt, there were reports of large arrivals of gold in upcountry centres where the ruling prices were lower than in Bombay. Consequently, there was some selling on account of upcountry centres. The offtake was smaller than in the previous week, but it was just in keeping with the arrivals.

Silver for forward delivery (18th May settlement) opened the week on a bright note at Rs. 163-3, as against last week's closing of Rs. 162-11, and hardened to Rs. 163-12. But this buoyancy was short-lived, consequent on the revival of bull liquidation and bear selling. Despite occasional attempts at recovery, silver reacted to a low of Rs. 159-8 today. As the closing rate today was below Rs. 159-11, that is the level below which automatic margin was applicable, the bears were obliged to pay a margin of Rs. 500 per bar. The bears were in no mood to cover their sales, though the carry forward charges for the settlement were unofficially quoted at as high as Rs. 3-8 against them and they were obliged to pay margin in the current settlement.

The opening and closing rates of ready silver (.996 Mint) were Rs. 163-11 and Rs. 159-3, respectively. The premium commanded by the ready metal over the forward which stood at As. 8 early in the week narrowed down to just As. 2 at the close, reflecting the fall in demand in the ready position. The floating stocks of silver are placed at 1,100 bars. The daily average offtake was 10 to 15 bars. Gold for forward delivery (17th June settlement) began at Rs. 88-4 and fell by stages to Rs. 85-11 at the close.

Opening at Rs. 91, ready gold dropped to Rs. 87-1. The premium of ready over the forward narrowed down from Rs. 2-12 to Re. 1-6. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In the London market, silver prices were unchanged at 72½d. per fine ounce for spot and at 72-3/8d. for forward. After an early decline from £12 8s. 10d. to £12 8s. 9½d., gold recovered to close higher at £12 8s. 10½d.

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

	2-6-54	Highest	Lowest	26-5-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	87 1	91 4	86 13	91 0
Forward	85 11	88 8	85 7	88 6
Sovereign	60 0	60 12	59 0	60 10
SILVER				
Ready (.996 fine Mint)	159 8	164 4	158 10	163 8
Forward	159 1	163 12	158 8	162 11
London Ready	72¼d.	—	—	72¼d.
London Forward	72¼d.	—	—	72¼d.
London Gold	248s.10½d.	248s.10½d.	248s.9½d.	248s.10d.
New York Ready ..	85½c.	—	—	85½c.

METALS QUIET

(From Our Own Correspondent)

CALCUTTA, *1st June*

With little variation in prices, the metal market was quiet during the week under review. The uncertain international political situation does not enable consumers to go in for materials not more than they require to meet day-to-day requirements. However, the news from Washington that the American Government would soon commence buying domestic metals and minerals under the revised stockpiling programme is expected to boost sentiment in the coming weeks, provided New York advices are encouraging. The report that the United States had finalised all contracts for the purchase of 100,000 tons of Chilean copper for stockpile was also noted. Electrolytic copper was firm at Rs. 189, although the price realised for almost ready delivery was at one time as low as Rs. 170. This was due to the report of imports having reached Calcutta port. Good demand for copper sheets continued, and sellers being reserved, business done was confined to small quantities. Electrolytic zinc was maintained at Rs. 87-8. Mercury was firm and rose further to Rs. 945 per flask. Tin eased from Rs. 469 to Rs. 467, as there were no buyers and weak holders showed an anxiety to lessen commitments. Lead was unchanged at Rs. 68.

SPECULATION IN COTTON

(From Our Own Correspondent)

BOMBAY, *2nd June*

It is unusual for the cotton trade to have such sharp differences of opinion amongst the constituents of the E.I.C.A. as to drag matters to a court of law. The divorce between the two wings of the market, to which pointed attention was being drawn from time to time in *Commerce*, and which some parties in the trade were trying to defend as a normal domestic disagreement to be found in all marriages, has ultimately led to a state of affairs which certainly could not be to the liking of the leaders of this important association. As reported earlier, even the authorities had to ask for an explanation from it for the wide disparity between the prevailing rates in the forward and spot markets.

When the Association's Committee was engaged in considering the best explanation that could be offered for this anomaly, the issue was complicated further. A member operator who had suffered not directly out of this disparity but because of the usual practice of basing the room rates for cotton delivery against forward contracts on the ruling futures rates, and fixing the 'On' and 'Off' allowances by taking the difference between this rate and the spot rates for tenderable varieties, which have a distinct advantage to those who were short or who had hedged their cotton, took the matter to the High Court. Whatever be the outcome of this controversy, it has directed the flashlight on the need for maintaining some realistic relation between the spot and forward positions in trade involving any commodity or bullion. The real cause of wide gaps between these two positions lies in an unjustifiably excessive volume of speculation in the forward markets and neither of the reassuring phrases like "statistical position," or "technical considerations" can truly account for them. It is, therefore, necessary for all organisations to devise controls on trading which would put natural checks on heavy speculation. While the compulsory margin system provides the most effective check, various other methods have also been devised for keeping bull or bear enthusiasm within manageable volume.

It is feared that the Committee of the E.I.C.A., in spite of the brave front put up by it, will have some difficulty in adjusting matters to the satisfaction of all concerned in this dispute. This unexpected trouble, together with the uncertainty about the future form of the contract and any likely revision of the machinery to enforce it, is bound to create instability and erratic fluctuations in forward trading till the matter is finally settled. This was demonstrated during the last week when the prices were first pushed down to Rs. 664 per candy, then lifted suddenly over the week-end to Rs. 688 and again pushed down to Rs. 678 on the opening day of the current week.

Market men are also preoccupied with the future policy of the Government regarding cotton. Till this is announced, it is going to prove another unsettling factor both in the spot and the forward market. Already an unofficial 1955 February contract is being talked about at Rs. 38 below the current contract. It is not known whether some of the record transactions are actually taking place on this basis or not. But this creates a new complication about the market's working till something definite is known about the policy of the Government and the official commencement of the next contract.

This hand-to-mouth policy, creating a crisis or at least a grave uncertainty every year during the monsoon, is not calculated to stabilise and encourage either cotton production or the textile industry. It also creates unnecessary headaches for the cotton trade which has to carry several lakhs of bales worth hundreds of crores of rupees from year to year. It is time all the three sections, the growers, the trade and the industry, insisted upon the Government forming, if not a long-range policy, at least one having some duration. Mr. Kidwai, the Food and Agricultural Minister, recognised this need last year in the case of sugarcane when he announced that the minimum rate he proposed would remain in force for two years. But cotton, though far more important agricultural crop than sugarcane, is being anomalously dealt with by another Ministry which cannot be alive to the agricultural aspect of the question.

The spot trade during the week has been very dull. The mills have exhausted their quotas and they cannot buy any more Indian cotton, while they are reluctant to buy imported cotton to a larger extent. There are mills who have got unused quotas but they are in no hurry to use them or to relinquish them. The trade has, therefore, to carry a larger burden than normal and this in itself is enough to depress sentiment at Sewri. The volume of turnover has gone down considerably and the conditions are, therefore, listless in vivid contrast to those at Kalbadevi. The trade is awaiting fresh issue of quotas (about which some are very doubtful), and the abolition of the export duty on coarse cloth, which might give a fillip to mill buying. Even the limited interest which was there in imported cotton has been absent during recent weeks, because of an equally unsettling uncertainty regarding the subsidy policy of the U.S. Government for export of new crop cotton. Fortunately for the trade, the stringency in the money market is no longer there.

According to the latest reports there would be no fresh quota of Bengal *Deshi* for exports. This has caused disappointment not only to the shippers but also to both the sections of the market. If these reports be true, the stock of unwanted *Deshi* cotton will continue to press heavily on the total stocks carried by the trade. The effect of this can be gauged from the fact that the August contract dropped by about Rs. 5 in kerb trading on receipt of this news.

I.C.C. August opened the week at Rs. 661½, as against the previous close of Rs. 668½ and moved down to touch a low of Rs. 664 on the same day. Buying support was forthcoming in the following three days so that the contract was lifted to touch

a high of Rs. 688 on 31st May. Profit-taking induced a somewhat easier trend and the contract declined to Rs. 674½ today, before closing the day's session higher at Rs. 675½.

The following is the trend of prices over the week under review:

	Opening	High	Low	Closing
I.C.C. Aug. .. .. .. Rs.	666½	688	664	675½

The following are the latest available quotations from the spot market:

Bengal *Deshi* Rs. 610; Berar Jarillas Rs. 805; Khandesh Rs. 825; Vijay Rs. 890; Oomra *Deshi* Rs. 720; Moglai Rs. 710.

At Karachi, while the Sind and Punjab *Deshi* varieties secured further gains during the week, American seed cotton more or less maintained its previous level of prices. Fluctuations were narrow and the market is quietly awaiting developments. The political storm which overtook Pakistan during the last week-end does not seem to have affected the cotton trade. The latest available quotations from the Karachi market are:

Sind *Deshi* Rs. 77½; Punjab *Deshi* Rs. 75; 4F Punjab R.G. Rs. 69½; S.G. Rs. 74½; L.S.S. Punjab R.G. Rs. 73; S.G. Rs. 77; N.T.R.G. Rs. 73½; S.G. Rs. 77½; 289F Punjab R.G. Rs. 75½; and S.G. Rs. 79½.

Activity revived in the Alexandria market during the week. There were fair enquiries from the Continent as also from Japan and India for early deliveries of new crop Karnak.

There is little to report about the working of the New York market. Activity was confined more to domestic consumption demand which continues at a normal pace. There was also some slight improvement in enquiries from the Continent. Prices during the week under review have remained steady with narrow fluctuations. Straddle trading between New York and Liverpool has become now a regular feature in the New York market and prices are to a certain extent affected by these cross Atlantic manipulations.

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

(In cents per lb.)

	1-6-54	25-5-54	18-5-54
Spot	34.45	35.45	35.40
July	34.38	34.33	34.44
October	34.16	34.21	34.26
December	34.19	34.24	34.26
March	34.30	34.34	34.39

ART SILK YARN ADVANCES

(From Our Own Correspondent)

BOMBAY, 2nd *June*

The announcement of the licensing policy, on 29th May, for the import of art silk yarn, for July-December, 1954, has been received with mixed feelings in the art silk yarn market. While the rayon manufacturers have welcomed it, traders have viewed it with concern and have characterised it as being very "restrictive" in nature. According to the announcement, established importers will get a quota of 25 per cent. of half of the best year's imports of artificial silk yarn and thread. The licences will be valid for six months only but will not apply for the import of double yarn and twisted yarn from quality yarn and yarn of deniers between 101 and 119 inclusive. Licence-holders will not be permitted to utilise more than 15 per cent. of the face value of their licences for import of 120 deniers art silk yarn in bright finish and not more than five per cent. of the face value of their licences for the import of 150 denier art silk yarn in bright finish. These restrictions will apply to all types of yarn including acetate but excluding bemberg and other non-viscose yarn of 120 and 150 deniers. Licences will not also be valid for import of staple fibre yarn but may be utilised for import of other synthetic yarns like nylon, grillion, ardil and casein.

It has further been decided that applications from actual users, both members and non-members of the various associations, for supplementary licences over and above the allotments made to them, in the ordinary course, will be considered on an *ad hoc* basis by the Joint Chief Controller of Imports, Bombay, in consultation with the Textile Commissioner. Applications for these additional licences should be made only after receipt of the licences/allotments for the licensing period July-December, 1954. These additional licences will not be valid for yarn of 120 and 150 deniers of bright finish and other prohibited varieties. Applications for import of synthetic fibres and other than staple fibre and rayon yarn, like nylon, grillion, merinova, ardil, casein, etc., for actual use, as also for stock and sale, will also be entertained and considered on an *ad hoc* basis in consultation with the Textile Commissioner.

Following the announcement of the import quota, which restricts the import of 150 deniers to 5 per cent. of the face value of licences, as before, and 120 deniers to 15 per cent., as against 25 per cent., during the last quota period, the art silk yarn market which was till then easy picked up strength considerably. Thus, 150D June, which was quoted at Rs. 730 on 28th May, as against Rs. 770 a couple of days before, improved steadily to Rs. 780 where it closed for the week. May delivery declined from Rs. 804 on 27th May to Rs. 795 on the 28th May. Thereafter, it improved to close, on 31st May, at Rs. 825. In the ready section, 120 Japan gained As. 2 to Rs. 4-7 and 150 Japan an anna to Rs. 4-15. 120 Italy gathered As. 2 to Rs. 4-2 and 150 Italy an anna to Rs. 4-2.

The National Rayon Corporation was reported to have sold in the open market its production upto the end of July and negotiations were going on in respect of August output. The sales have been generally on the basis of Rs. 3-10 for 150 deniers and Rs. 4 for 120 deniers with no discounts and the buyer accounting for sales tax.

The performance of staple fibre was generally easy, on accumulations of stocks and reports of discouraging offtake from important North Indian consuming centres. 40 x 2 June delivery opened the week at Rs. 619 as against Rs. 629. It declined to Rs. 614 on the subsequent day. Thereafter, it improved to Rs. 624 on 31st May. Subsequently, an easy trend was again witnessed. It receded to Rs. 613 on the 1st inst., before closing at Rs. 617 on the following day. May delivery was done at Rs. 620 on 31st May, as against Rs. 625 end of last week. In the ready section, City lost half an anna to Rs. 3-6. New Great and Phœnix, however, gained a quarter anna each to Rs. 3-4-9 and Rs. 3-1-6, respectively. Among foreign yarns, Shincos were lower by an anna at Rs. 3-11, while Suicos were unchanged at Rs. 3-12.

The easy trend in cotton yarns witnessed last week gathered further momentum this week. In the absence of buyers, the attempts of various mills to press forward sales was futile this week also. In view of the declining prices of raw cotton and unfavourable offtake from almost all consuming centres, particularly from handloom weavers, dealers hesitated to commit themselves to long contracts. Small wonder if, therefore, prices further declined and disclosed substantial losses over the week. Among 80s, Seksarias eased from Rs. 56-4 to Rs. 55-10, Finlays from Rs. 63 to Rs. 62 and Elphinstones from Rs. 60 to Rs. 59. Sri Rams were down by Rs. 2 at Rs. 59. Among 60s, Sri Rams fell from Rs. 55-8 to Rs. 52-12 and Raghuvamshis from Rs. 51-12 to Rs. 49. Citys were lower by Re. 1 at Rs. 48, Finlays by Re. 1-6 at Rs. 35-4, and Gold Mohurs by Re. 1-8 to Rs. 54-8. Seksarias, however, gained As. 12 to Rs. 47-8. Among 40s, Seksarias declined by As. 2 to Rs. 27-4, Among 40s, Seksarias declined by As. 2 to Rs. 29-4. Maduras were Meenakshis by As. 6 to Rs. 29-4. Maduras were unchanged at Rs. 29-8. Among 30s, Girdhras disclosed a loss of As. 2 at Rs. 23 and Maduras As. 4 at Rs. 24-12. Among 20s, Hinds and Edwards fell by As. 2 each to Rs. 17-5 and Rs. 16-4. Among 10s, Moderns were unchanged at Rs. 13-8 and Podars at Rs. 13-4-6. Elphinstones, however, gained an anna to Rs. 12-13.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	2-6-1954	26-5-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 May (per case of 200 lbs.)	—	804 0
150 June	780 0	770 0
150 Japan (per lb.)	4 7	4 3
150 Japan (per lb.)	4 15	4 14
120 Japan (per lb.)	4 2	4 0
120 Italy (per lb.)	4 2	4 1
150 Italy (per lb.)		
Staple fibre yarn—	—	625 0
40 x 2 May (per case of 200 lbs.)	617 0	629 0
40 x 2 June	5 12	5 12
Suico (per lb.)	3 4 8/9	3 44
New Great (per lb.)		
Cotton yarn (per bundle of 10 lbs.)—	13 8	13 8
10s Moderns	16 12	16 12
20s Seksaria	24 12	25 0
30s Madura	29 4	29 10
40s Meenakshi	48 0	49 0
60s City	62 0	63 0
80s Finlay		

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 2nd *June*

The oilseeds market ruled easy during the week under review. Continued fears that the U.S. may dump its large stocks of oilseeds and oils in the European markets and discouraging commodity market advices were responsible for the easiness. There was heavy selling pressure in groundnuts on increased arrivals of oil and lack of enquiries. Even at lower levels, enquiries from *vanaspati* interests were in want. The linseed, *kardi* and *niger* sections also put on a dull appearance partly in sympathy with groundnuts and partly in the absence of export enquiries for linseed oil and *niger* and *kardi* seeds and their oils. The costorseeds section proved no exception to the general downward trend. Consequently, prices declined sharply and disclosed major losses.

Operators in the groundnut section were reluctant to enter into commitments in a declining market. Although there were rumours that the Government may revise its export policy in regard to groundnut oil and H.P.S. groundnuts, they failed to enthuse the operators, as they expected further decline in values following the arrivals of summer crop in South Indian centres in the next week or two. As such, Bold F.A.Q. dropped from Rs. 33-8 to Rs. 31-10 and June-July delivery from Rs. 31-13 to Rs. 30-12. Khandesh quality eased from Rs. 34-4 to Rs. 32-4. Groundnut oil ex-mill was down by Re. 1 at Rs. 15-12. July delivery lost As. 8 to Rs. 15-12.

In the linseed section, Bold ready disclosed a loss of As. 14 at Rs. 25 and June-July (Forward) As. 12 at Rs. 24-2. Sutnas were lower by As. 14 at Rs. 23-8. Linseed oil declined from Rs. 13-12 to Rs. 13.

Among castorseeds, September delivery, which opened at Rs. 114-2 as against Rs. 114-10, fluctuated between Rs. 114-6 and Rs. 109-10, before closing at Rs. 110-12. May delivery, which changed hands at Rs. 109-12 on the 27th inst., as against Rs. 110-8 on the previous day, eased to Rs. 108-8, before finishing at Rs. 109-8 on the 29th inst. Madras ready eased from Rs. 22-9 to Rs. 21-8 and Kanpur from Rs. 21 to Rs. 20. It is stated that there is a large carry-over of the last year's crop. In addition, this year's crop is also hanging on the market heavily. Exports of castor oil upto the end of April during the current year are estimated at about 5,000 tons. Castor oil B.S.S. and Commercial lost As. 10 each to Rs. 12 and Rs. 10-12, respectively.

The Bombay Oilseeds Exchange has, in a telegram to the Chief Controller of Exports, Government of India, New Delhi, pleaded for free exports of castor oil or in the alternative substantial additional quotas. It has also requested that the quotas in the latter case should be valid upto the end of December, 1954. It has further pleaded for extending the period for the quotas expired at the end of April last, up to the end of July next. Regarding export of *kardi* and *niger* seeds, the Exchange has suggested not only the abolition of the export duty on them but also permission for further exports of these seeds.

Among others, both *kardi* Bold ready and June-July (forward) declined from Rs. 17-4 to Rs. 13-8. *Niger* ready Madras was down at Rs. 26-8 as against Rs. 27-4.

The following table shows the prices of oilseeds and oil on the 2nd inst. as compared with those at the end of the previous two weeks:

	2-6-54	26-5-54	19-5-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	32 4	34 4	35 0
June-July	30 12	31 13	33 8
Linseed—			
Bold Ready (per cwt.) ..	25 0	25 14	26 12
June-July	24 2	24 14	25 8
Castorseeds—			
September 1954	110 12	114 10	118 8
Madras (per cwt.)	21 8	22 9	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 12	16 12	17 8
Castor Oil—			
Commercial (per quarter) ..	10 12	11 6	11 10

SUGAR PRICES DECLINE FURTHER

(From Our Own Correspondent)

BOMBAY, 2nd *June*

The downward trend noticed last week in the Bombay sugar market gathered further momentum during the week under review. Under the impact of a series of highly bearish factors, the tone of the market in both the spot and forward sections became nervous. The factors responsible for the bearish trend were: (1) Rushing of indigenous sugar by special trains under the nominee distribution scheme; (2) arrival of s.s. *Herpelicus* with 8,800 tons of British refined sugar; (3) liberal allocation of Formosan sugar per s.s. *Maria* and full allocations of Spanish sugar per s.s. *North Anglia*, both of which have already arrived in this harbour, awaiting allocation of sheds in Alexandra docks; (4) further invitation of tenders for British refined sugar per s.s. *Margo* and s.s. *Atlantica*, Peruvian sugar per s.s. *Elba*, all the three ships due to anchor at this port next week; (5) slack upcountry demand, owing to satisfactory allocations of imported sugar to Madhya Pradesh, Gujerat and Bombay Deccan sides; (6) rumours of a probable reduction, by the Food Ministry, in the price of imported sugar to be issued from the ships expected to arrive here in the near future.

Another factor which accelerated the fall in prices is the arrival this week of 8,100 bags of indigenous sugar, being the balance of allocations made by the Central Food Ministry for the city. It is understood that only a couple of thousands of bags now remain to be despatched to the City in order to complete the full quota of indigenous sugar allotted to the market.

In the spot section prices for the small grain sugar receded by a rupee from Rs. 86 to Rs. 85 a bag. Medium grains which stood around Rs. 90—91-8 last week came down this week to Rs. 89—91-8 per bag. Large grain sugar was also sizably lower from Rs. 105—102 to Rs. 100—102. Stocks of Cuban and Mexican sugar are reported to have been exhausted, while British refined was freely offered at Rs. 84 per bag, disclosing thereby a clean loss of Re. 2-8 per bag.

The forward section ruled very weak on rumours of a probable reduction in the tender price of imported sugar, as stated above, to be announced by the Food Ministry shortly.

It looks as though the references in the "Market Gossip" columns last week, on New Delhi's slumber on the applications of the upcountry merchants, has had the desired effect on the powers-that-be. For, it is reliably learnt that New Delhi has issued circulars to the tenderers asking them whether they want the refund of their earnest money, or they wish to purchase imported sugar, in which case they are directed to submit their tenders to the respective Regional Directorates.

It must be admitted that New Delhi has made rapid strides in delivering sugar in sizable quantities and if the rumours of the expected reduction in the prices of imported sugar were to come true, a great blow would have been dealt with to hoarders and speculators in the sweet commodity.

PEPPER TOUCHES A NEW LOW

(Messrs. Parekh & Co.)

BOMBAY, 2nd *June*

Malabar black pepper during the week had a one-way traffic, with prices, at all primary centres, declining to a record new low level. Alleppey and Tellichery were anxious sellers at Rs. 900 and Rs. 850 respectively with poor response. In Bombay, June shipment for New York changed hands at as low as $0.47½. July and August shipments went abegging at $0.46 and $0.45 respectively. The market of Alleppey, after piercing the resistance level of Rs. 1,000, developed a crisis-like condition, as dealers who advanced loan to the growers against stock at higher prices became panicky. At Cochin, garbled pepper was traded at as low as Rs. 170 per cwt. with small buying interest. Such an abrupt fall in the Indian market at this time of the season was never dreamt of even by the worst pessimists among the trade. With the whole of the Sarawak and Lampong crop still to be marketed, one does not know the bottom pepper will touch this year. Statisticians in the trade seem to be revising their estimates of Malabar crop, and they are said to be whispering among themselves that this year's outturn of pepper, in Malabar District, must be much larger than the estimates given out earlier by various trade agencies; as otherwise such pressure of sales by the growers at any price cannot be possible, because, on the whole, India's export from November to May does not make bad reading. The buying policy of American dealers is such that they never buy in an unsettled market. If New York does not place very soon big orders with India, so as to instill confidence in the Indian growers, it is feared that the market may go still further down, because panic will spread among the dealers and growers with every further fall in the prices. If it is the policy of the Indian Government to keep the export duty on pepper under constant review, the time for scaling it down, or even abolishing it, is never more urgent than it is at present. But the Government machinery is very slow and usually they act too late. It is reported that the decision for the reduction in export duty on pepper was taken some 6 months back on the basis of the prices ruling then. But the Government dallied and the announcement was made only on the 12th May which did not prove helpful either to export or to the growers. If the Government this time also delays taking action, we fear it will lose precious dollars it is likely to earn from the export of pepper to U.S.A. and the growers will lose heavily on their investment on pepper cultivation, thus hitting hard the agricultural economy of Malabar, giving a handle to the Communists to exploit further the already exploited agriculturists of the area.

Following are today's nominal quotations:—Ready delivery Rs. 125 per Bengal maund, June delivery Rs. 820-30, July delivery Rs. 805-15 and August delivery Rs. 785-95 per candy of 5½ cwts.

TEA DUSTS REACT

(*Messrs. Forbes, Ewart and Figgis Ltd.*)

COCHIN, 29th *May*

The offerings in dust sale "J" which was held on Tuesday, 25th inst., amounted to approximately 3,03,000 lbs. There was less demand with prices very irregular and the market closed As. 2 to As. 3 easier, except for good grainy black types which remained fully firm.

London Market.—Offering unattractive. Market stronger to dearer.

Colombo Market.—Good demand. High-grown brokens declined about five to eight cents. Others firm to slightly dearer.

Calcutta Market—Export—No sale this week.

Dust.—No sale this week.

Special Licence.—The last business transacted in special licence was at 50 ples and there are now no sellers.

1954-55 *Export Quota.*—There has been a very strong demand for new season's quota and the price has appreciated to 57½ ples, which remains today's quotation.

Forthcoming Auctions.—Sale No. 11 will be held on Tuesday, 1st June and dust sale "K" will be held on Tuesday, 8th June, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"*Sale* 11.—18,50,000 lbs. Good general demand, but prices tending lower, except for fannings and whole leaf."

B. TWILLS DECLINE

(From Our Own Correspondent)

CALCUTTA, 1st *June*

A gradual fall in the prices of heavy goods was the feature of trading in the week under review. Quotations for hessian were, however, unchanged and firm. But genuine support for B. twills could not be had at the higher level which was reached a week ago, following speculative manipulations. Consequently, prices declined. Even at the lower level, not much support was necessary before the market could attract genuine buyers. Such wide fluctuations in prices as have been witnessed recently have been caused by illegal trading in futures which remains banned.

The feeling among the genuine traders is strong for the complete elimination of this sort of manipulation which hits the trade and industry, but which enables the *katni* operator to make quick and easy money. Every rise is abrupt and accompanied by an equally abrupt shake-out. The pity is that the West Bengal Government, which banned futures trading, is not taking adequate steps to stop this sort of illegal trading. Under the conditions which exist today in the market, it is difficult to see how a regularised futures market on the lines of the East India Cotton Association of Bombay could function in Calcutta as recommended by the Jute Enquiry Commission. As a prelude, the illegal futures trading that is going on at present should be brought to an end without any further delay.

Last Wednesday, ready B. twills were done at Rs. 111-4 as against Rs. 113 previously. The lower level was due to heavy selling in *fatka*. Subsequently, there was an improvement to Rs. 111-12, but as genuine business could not take place even at this level the week-end took the rate down to Rs. 110-12. A spurt to Rs. 111-6 was recorded yesterday. The July-September position, after declining to Rs. 108-4 from Rs. 110, recovered to Rs. 109. Business was put through in October-December deliveries at Rs. 108. Hessian was throughout steady, and there was a fear that the recent transfer of hessian looms to sacking would lead to a shortage in hessian. The ready material was quoted for most part of the week at Rs. 44-4, and month-end considerations made the rate to improve to Rs. 44-7. There was some covering demand, and business was transacted for July-September shipment.

The low stock position of mills as regards manufactured goods would appear to be a sound cause for mills to consider the question of increasing working hours. While the industry's views on this matter have not yet been stated, it is understood that some of the mills find no reason why a reversion to a 48-hour week should not be made, if the export duties are done away with. Increasing working hours would bring a number of labour and marketing problems, the settling of which would take up both the time and energy of those dealing with the industry. If after finding a solution for these difficulties, stocks of finished goods accumulate and prices recede, mills would have to regret any earlier decision for increasing production. The marketing of a higher production can be ensured only if prices are brought down. And the only way of achieving this is by the Government sacrificing some revenue by the abolition of the export duties. Jute goods would be able to maintain their place as packaging materials only when they are offered at attractively low rates. Trade circles are inclined to agree with the view of the Deputy Chairman of the Indian Jute Mills Association, Mr. Walton, who is leading a delegation of his Association to the U.S.A., that exports of jute goods would increase by 10 per cent. if the duties were eliminated. In which case, there would be no demand from jute producers for the export of raw jute.

The raw jute market was quiet and featureless. Mills were reserved. The latest quotations are given below:

	Middles	Bottoms
	Rs. a.	Rs. a.
Pakistani district	31 0	27 0
„ northern	30 8	26 8
Indian: Daisee	31 0	28 0
Assam lower	29 8	26 8
Assam upper	28 8	25 8
Northern	29 0	26 0
Orissa	30 0	27 0
Murshidabad	—	24 8
Western	—	24 0
Jungli	—	23 8
Uttar Pradesh	—	23 8

Bimli f.a.q. was quoted at Rs. 22-8, and in the *pucca* bales section firsts marks ready were priced at Rs. 165 a bale.

There was a fractional rise in the prices of raw jute in the Narayanaganj market, although transactions were limited and foreign demand was insignificant. Northern tossa cross bottoms gained to Rs. 14-8 from Rs. 14, district white middles to Rs. 22 from Rs. 21-8, and jat white middles to Rs. 23 from Rs. 22-8. Jat white bottoms were better at Rs. 20, jat tossa middles at Rs. 27, and northern white bottoms Rs. 16-4. Other latest quotations are: district white bottom Rs. 19, district tossa bottom Rs. 23, northern white middle Rs. 19-8, jat tossa bottom Rs. 24, and northern tossa middle Rs. 22-4.

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, 31*st May*

Quiet conditions prevailed in the U.K. kip market and shipment businesss was patchy. But prices locally ruled firm, due to shippers' buying to cover their earlier commitments. Arrivals were on the usual scale with good clearance, leaving small stocks with the *mandi* merchants, U.K. buying might revive when prices for lights decline to 52d., mediums to 42d. and heavies to 39d., but tanners are finding the raw market 5 per cent. over the above parity and are not willing to follow U.K. prices at present.

There was patchy demand for cow calf and buff calf. Buff heavies ruled 2d. over U.K. levels. There were stray enquiries from U.S.A. for buff lights and calf

In the tanned skins section, shipment business was restricted. Arrivals in the local market were taken up steadily by the exporters. Demand for lining sheep for run, parcels from U.K. was insistent, but sellers wanted orders for all selections combined, as otherwise they would be holding lower grades, for which there was little or no demand.

KANPUR HIDES AND SKINS STEADY

(From Our Own Correspondent)

KANPUR, 30*th May*

During the week under review, conditions in the local hides and skins market were rather unchanged from what they were in the previous week. There was a slight fall in fresh arrivals of goats and sheep, due to smaller consumption of meat during the present season which is hotter than usual. Brisk business was done in wet salted cow and buff. Behind the main transactions we had the local tanners. The latest quotations are as follows:—

Wet salted cow, 1st grade Rs. 360 and 2nd grade Rs. 260 per score; wet salted buff, 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 280 per 100 pieces; sheep skins, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

RUBBER INDUSTRY HAS BRIGHT FUTURE

(*Concluded from page* 1075)

do and you have the opportunity of showing great progress from day to day, from year to year, and can look forward to the time when future generations will enjoy the comforts of life found in other parts of the world.

During the course of industrial development in India, you will encounter always the pessimist. It would be wonderful if economy always grew at a steady unfaltering pace, but that has never happened in any nation anywhere. Economic progress is a good deal like the waves that break over the beach on the incoming tide Each one comes rolling in, spends itself and then recedes, but in doing so contributes to the volume and the force of the next wave, which always comes in a little farther. There are those who spend their time watching the waves and become so obsessed with the process that they fail to observe the onward movement of the tide itself. So, I think, it is with our pessimists today. They simply cannot see the tide for the waves.

Be An Optimist

From day to day, as I mingle with business men throughout Calcutta and other parts of India, I often ask—"How is business with you?" It strikes me that, in Calcutta, that question is answered by the great majority—"Business is not very good, money is tight, the people are not buying." Personally, I do not believe it. I do not believe that the money in India, and there is plenty of it, has been taken out and dumped in the Hooghly. I believe it is there to be spent if you have the goods to sell, and do a job of salesmanship. Yes, business is what you yourself make it.

To illustrate, I will tell you a litle story about a retired rubber worker. This elderly gentleman had worked in a rubber factory in America for 40 odd years and when he retired at the age of 65 he received a sizable pension, but he could not reconcile himself to be idle and so he bought what we in America think is an institutional part of the life of the American people. He bought a hot-dog and a hamburger stand at the side of a busy thoroughfare. He was deaf so he had no radio. His eyesight was poor so he did not read the newspapers, but he sold good hot-dogs and good sandwiches, and served good coffee and pure milk. He advertised by posting signs along the highway. He stood by the roadside and asked people to buy his sandwiches and his food. The people bought. He increased his food orders, he bought new cooking equipment, all of which made business for other workmen and other industries. He needed extra help to take care of his customers, so his son came home from college to help him.

Then things began to happen. His son said—"Dad, haven't you listened to the radio, there is a big recession on. The European situation is chaotic, the domestic situation is even worse." Whereupon, the father thought, well, my son has been to college, he reads the papers and listens to the radio, he should know. So, anticipating a recession, the father cut down on his food orders, let his advertising go to seed, and no longer bothered to stand by the highway to sell his wares. His sales fell overnight and the old gentleman said to his son—"You are right my boy, we are certainly in the middle of a great recession."

Yes, business is what you make it. Do not, under any consideration, be a pessimist about the future of industry in India—it can go only one way and that is up and up. Be an optimist—keep your eyes on the tide and absorb the waves as they come and go.

Sweden's 40-year-old liquor-book ration system will be abolished on 1st October, 1955. A Bill to this effect was passed by the Riksdag on 21st May, 1954. The abolition of the restrictions will be combined with "intensified anti-misuse measures" on the part of Governmental and municipal authorities and the country's temperance organisations. According to the decisions, the purchase rights will be unlimited for all persons over 21 years of age. Licensed restaurants will be entitled to serve liquor as from noon on week days and 1 p.m. on Sundays, although in conjunction with food. Beer of the export type (4.5 per cent. alcoholic content) will be available for sale and may also be served in restaurants. The excise policy shall aim at furthering a shift from hard liquor to beverages with a lower alcoholic content. Sales of alcoholic beverages are to be handled by special stores to be run by a State-controlled national company. A professor's chair in theoretic alcohol research is to be established at the Carolinian Hospital in Stockholm. Commenting on the reform, the Finance Minister, a teetotaller himself, recalled that Sweden was the only nation in the world to have tried rationing as a remedy against alcohol misuse. "We must admit that we have been unsuccessful," he said when recommending the new scheme.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	21st May 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,215.56	1,228.83	1,220.68	1,166.30
Notes held in Banking Departments	35.05	80.31	16.76	16.76	23.79
Foreign Securities	89.50	668.15	688.15	678.15	613.15
Rupee Securities	87.89	421.22	421.22	421.84	449.86
Banking Department					
Deposits of :					
Government of India	14.89	97.59	89.12	60.27	100.84
Other Governments	1.08	20.11	20.74	28.67	15.72
Balances held abroad	10.08	65.80	67.88	73.71	101.92
SCHEDULED BANKS					
Demand Liabilities	184.87	541.85	536.75	545.57	530.36
		(6.03)†	(6.13)†	(7.52)†	(11.22)†
Time Liabilities	102.84	329.95	328.60	328.71	322.99
		(1.46)†	(1.56)†	(1.23)†	(1.89)†
Borrowings from Reserve Bank	..	15.55	52.69	29.57	17.94
		(23.37)‡	(29.87)‡	(15.21)‡	(11.50)‡
Borrowings from Imperial Bank	..	9.32	10.59	11.81	9.92
Cash in India	6.71	33.04	33.54	33.45	31.86
Balances with Reserve Bank	..	..	..	..	..
Excess over statutory limits	15.52	9.29	8.61	8.11	7.89
Balances with other banks in current account in India	..	10.87	11.47	11.11	11.30
Money at call and short notice in India	..	11.78	11.25	11.01	16.29
Investments (at book value)	..	324.28	323.03	313.93	300.21
Advances and bills	105.09	579.58	581.23	558.13	530.77*
IMPERIAL BANK					
Deposits	..	37.76	209.33	209.06	211.68	209.40
Investments	..	21.09	92.98	93.29	86.40	81.52
Advances	..	30.37	126.07	127.72	127.10	132.63
Cash	..	14.69	17.07	16.34	16.43	14.31

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes Foreign Bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	28th May, 1954		21st May, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,29,501	50,41,01,000	2,33,206	54,07,84,000
Calcutta	1,47,017	41,39,22,263	1,44,879	42,37,79,968
Madras	71,888	6,92,87,273	72,971	6,42,78,702
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,58,214	26,43,06,08,000
Feb., 1954	..	..	5,721,000	5,76,25,00,000
Mar., „	..	..	5,046,000	5,49,38,00,000
April „	..	..	5,901,000	6,25,77,00,000

Reserve Bank of India

Statement of Affairs for the week ended 28th May, 1954

BANKING DEPARTMENT

LIABILITIES

	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	101,08,19,000
(2) Other Governments	20,55,13,000
(b) Banks	43,79,49,000
(c) Others	46,16,10,000
Bills Payable	2,91,82,000
Other Liabilities	25,27,84,000
Rupees	249,78,07,000

ASSETS

	Rs.
Notes	43,23,37,000
Rupee Coin	25,92,000
Subsidiary Coin	9,50,000
Bills Purchased and Discounted—	
(a) Internal	33,25,000
(b) External	....
(c) Government Treasury Bills	8,62,86,000
Balances held abroad*	63,00,25,000
Loans and Advances to Governments	87,00,000
Other Loans and Advances	48,01,80,000
Investments	75,54,91,000
Other Assets	9,54,21,000
Rupees	249,78,07,000

* Includes Cash and Short-term Securities.

N.B.—The Item 'Other Loans and Advances' includes Rs. 31,27,25,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 90,57,25,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	43,23,37,000	
Notes in circulation	1202,92,13,000	
Total Notes issued		1246,20,50,000
Total Liabilities		1246,20,50,000
ASSETS	**Rs.**	**Rs.**
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	688,15,11,000	
Total of A		728,16,82,000
B. Rupee Coin		96,81,40,000
Government of India Rupee Securities		421,22,28,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1246,20,50,000

Ratio of Total of A to Liabilities: 58.471 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 21st May, 1954

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India†	8,03,48,000
(ii) Other demand liabilities	533,31,25,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India†	1,45,50,000
(ii) Other time liabilities	327,49,11,000
3. Borrowings in India from the Imperial Bank of India :	
(i) Demand liabilities	9,32,04,000
(ii) Time liabilities	....
4. Cash in India	33,04,32,000
5. Balances with the Reserve Bank in India	42,93,38,000
6. Balances with other banks in current account in India	10,86,54,000
7. Money at call and short notice in India	11,77,95,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	324,26,01,000
9. Advances in India	492,56,15,000
10. Inland Bills purchased and discounted in India	75,95,53,000
11. Foreign Bills purchased and discounted in India	20,76,03,000

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

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
9th March ..	1.00	1.90	1.00	2 10 11	71
16th „	1.00	1.27	1.00	2 11 0	79
23rd „	1.00	1.01	1.00	2 11 0	99
30th „	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
13th „	1.00	1.93	1.00	2 10 9	44
Total ..	6.00	8.56	6.00	..	..

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India† ..	1950-51	359.23	..	9,580	265
Pakistan ..	1949	75.04	..	1,671	223
Burma ..	1951	18.67	Kyats. .. 8,166	317	170
Ceylon ..	1952	7.94	..	441	555
Japan ..	1951	84.30	Y. 4,849,400	9,414	761
Philippines ..	1952	20.68	Pa. 7,084	1,579	811
New Zealand ..	1952	2.00	£ (N.Z.) 946	861	4,307
Australia ..	1952	8.65	£ (A.) 2,581	2,756	3,542
U.K. ..	1952	50.43	£ .. 19,648	18,197	3,608
U.S.A. ..	1952	156.93	$ 290,400	138,280	8,808
Canada ..	1952	14.48	$ 16,125	9,168	6,322
France ..	1952	43.60	F. Fr. 10,190,000	13,864	3,254
W. Germany.	1952	48.48	Dm. 48,400	11,186	2,301
Italy ..	1952	46.88	Lr. 8,115,000	9,181	1,918
Norway ..	1952	3.32	Kr. 16,596	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland.	1948	4.93	S. Fr. 20,100	2,180	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.
Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 21st May, 1954

BANKING DEPARTMENT

LIABILITIES

	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Central Government	12,31,17,000
(b) Provincial Governments	3,62,48,000
(c) Banks	14,25,42,000
(d) Others	2,50,38,000
Bills Payable	1,00,000
Other Liabilities	5,86,47,000
Rupees	43,75,03,000

ASSETS

	Rs.
Notes	8,23,22,000
Rupee Coin	4,000
Subsidiary Coin	16,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	4,47,00,000
Provincial Governments' Debtor Balances	86,16,000
Other Loans and Advances	3,84,30,000
Investments	16,22,01,000
Other Assets	10,12,15,000
Rupees	43,75,03,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,23,22,000	
Notes in circulation	228,10,01,000	
Total Notes issued		236,33,23,000
Total Liabilities		236,33,23,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	7,01,42,000	
Silver Bullion	....	
Sterling Securities	44,28,72,000	
Government of India Securities	13,89,49,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	5,16,35,000	96,08,54,000
Government of Pakistan Securities	130,83,59,000	
Internal bills of exchange and other commercial paper	....	
		135,99,94,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,33,23,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.33 per cent.

EXCHANGE RATES

		1st June, 1954	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	Rs.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto three months	Rs.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	Rs.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 15 months	Rs.	1-6 1/32	1-6 1/32
Bombay on New York—			
Sellers T.T. D.D. ..	Rs.	475	475
Buyers T.T. ..	Rs.	475	475
London on New York ..	$	2.81 3/4-2.81 3/4	2.81 3/4-2.81 3/4
London on Paris ..	Fcs.	980	980
London on Berne ..	Sw. Fcs.	12.22-12.23	12.22 3/4-12.23
New York on London ..	$	2.81 3/4-2.81 3/4	2.81 3/4-2.81 3/4

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria ..	24th Sept., 1953	5	4
Belgium ..	29th Oct., 1953	3	2½
Canada ..	17th Oct., 1950	2½	2
Ceylon ..	25th July, 1952	3	2½
Denmark ..	23rd Sept., 1953	3½	3
Finland ..	16th Dec., 1953	6	5
France ..	4th Feb., 1953	7½	6½
Germany ..	1st Jan., 1954	5½	5
India ..	1st Jan., 1935	2	3
Italy ..	16th Nov., 1951	5	4
Japan ..	9th April, 1950	10	8½
Netherlands ..	7th Oct., 1953	4½	4
New Zealand ..	26th July, 1951	5	4.84
Norway ..	26th July, 1948	3	2½
Pakistan ..	19th Jan., 1948	2	3
Portugal ..	1st July, 1948	3	2½
South Africa ..	15th Jan., 1944	3½	3
Spain ..	27th Mar., 1950	5	4½
Sweden ..	16th Mar., 1949	4	3
Switzerland ..	30th Nov., 1953	3½	3
Turkey ..	26th Nov., 1953	4	2½
United Kingdom ..	25th Feb., 1951	4	3½
U.S.S.R. ..	15th May, 1954	3	4
U.S.A. ..	1st July, 1954	2½	3
West Germany ..	16th April, 1954†	3½	3

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1953	January, 1954	Ten months April to January 1952-53	Ten months April to January 1953-54
Import Duties:				
Revenue	8.40	9.64	93.05	92.76
Protective	0.52	0.58	6.53	6.11
On surplus disposals ..	0.02	....	0.05	0.20
Total import duties ..	8.94	10.22	99.63	99.07
Export Duties	3.20	2.72	47.16	27.57
Land Customs	0.18	0.21	2.81	2.32
Miscellaneous	0.08	0.05	1.00	0.91
Gross total customs ..	12.38	13.20	150.05	129.87
Refunds and drawbacks	0.17	0.14	3.26	2.96
Net Customs	12.21	13.06	146.79	126.91
Gross excise	7.80	7.64	67.69	131.35
Refunds	0.08	0.09	69.24	77.71
Net Excise	7.72	8.55	71.24	0.82
Net total of customs and excise ..	19.93	21.61	218.69	208.24

Imperial Bank of India

Statement of Affairs for the week ended 21st May, 1954

CAPITAL AND LIABILITIES

	Rs.	Rs.
Capital—		
Authorised Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,50,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	2,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders Rs. 375 per share on 1,50,000 shares	5,62,50,000	
		5,62,50,000
Reserve Fund and other Reserves ..		6,25,00,000
Deposits and other Accounts ..		209,38,41,000
Borrowings from other Banking Companies Agents		15,50,00,000
Bills Payable ..		2,50,96,000
Bills for Collection being Bills Receivable as per contra ..		37,84,000
Acceptances, Endorsements and Other Obligations as per contra ..		56,000
Other Liabilities (including Inter-Offices Adjustments)		2,55,64,000
Total ..	Rs.	242,28,91,000
PROPERTY AND ASSETS		
Cash in hand and with Reserve Bank		13,52,03,000
Balances with other Banks		3,53,98,000
Money at Call and Short Notice ..		1,20,00,000
INVESTMENTS—		
Government and other Trustee Securities ..	82,59,36,000	
Other Authorised Investments ..	10,38,83,000	
		92,98,19,000
Advances—		
Loans, Cash Credits and Overdrafts, etc. ..	94,98,98,000	
Bills Discounted and Purchased ..	31,12,91,000	
		126,08,84,000
Bills Receivable being Bills for Collection as per contra ..		37,84,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		56,000
Premises less Depreciation ..		1,33,40,000
Furniture and Fixtures less Depreciation ..		43,88,000
Other Assets (including Inter-Offices Adjustments).		2,52,54,000
Total ..	Rs.	242,28,91,000

SMALL SAVINGS

POSTAL SAVINGS (In lakhs of rupees)

	National Savings Certificates † 5-Year Outstandings*	5-Year Receipts	7-Year Outstandings*	7-Year Receipts	15-Year Outstandings*	15-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	2½% Ten-Year Treasury Savings Deposit Certificates ‡ Outstandings*
1948-49	1.47	76	74	22,40	22,56	88,67	29,91	....	12,31	....	....
1949-50	5.84	4.38	5.27	28,66	84,18	1,13,86	91,01	....	31,06	....	....
1950-51	5.93	1,46	4.24	25,57	1,04,43	1,13,15	1,03,26	....	31,06	7.54	436.8
1951-52	6.84	9	3.27	2.68	84,18	13,76	91,01	....	31,06	6.94	437.1
March 1952 ..	6.80	5	3.27	2.34	83,95	9.56	93.01	....	31,06	0.04	437.1
April „ ..	6.83	4	3.29	2.25	83,87	9.55	93.80	....	31,80	....	441.8
May „ ..	6.82	4	3.31	2.23	83,83	9.43	93.80	....	31,80	....	417.4
June „ ..	6.72	11	3.33	2.23	81,02	10.26	95.23	....	31,78	56	25.84
July „ ..	6.67	9	3.44	2.23	81,03	9.76	95.57	....	32,08	56	28.36
August „ ..	6.59	13	3.53	2.04	84,88	9.20	95.77	....	32.26	56	27.56
September „ ..	6.51	11	3.58	1.97	85,58	8.58	97.72	....	32.26	56	28.29
October „ ..	6.88	9	3.65	2.08	87,87	7.80	97.72	....	32.71	56	28.07
November „ ..	6.27	14	3.74	2.23	86,96	9.35	97.55	....	32.29	56	29.41
December „ ..	....	....	....	....	....	96,91	98.31	....	33.23	56	28.82
January, 1954 ..	6.16	18	3.82	2.06	1,00,47	8.91	99.23	....	33.53	45	30.84
February „ ..	6.03	12	3.80	2.12	1,02,11	9.49	1,00.88	....	33.77	45	30.75
March „ ..	5.93	44	4.24	3.07	1,04,43	12.07	1,03.26	....	33.98	60	31.23
April „ ..	....	....	....	....	....	....	....	....	34.18	54	31.78
May „ ..	....	....	....	....	....	....	....	....	....	64	32.11
June „ ..	....	....	....	....	....	....	....	....	....	70	32.77

* At the end of period. @ Progressive net repayments at the end of period from 18th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 23-5-'53	24-4-'54	15-5-'54	22-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	98.7	99.4	99.1	99.1
1. Government of India ..	90.5	90.3	89.9	89.9
2. Indian States ..	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc. ..	90.8	89.8	89.2	89.1
DEBENTURES OF INDUSTRIAL CONCERNS	100.5	101.2	100.9	100.9
1. Electricity	102.4	102.7	102.0	101.9
2. Jute	99.6	98.8	98.8	98.8
3. Plantations	100.0	99.6	99.6	99.6
4. Sugar	99.1	100.3	100.3	100.3
5. Coal	89.9	90.6	90.6	90.6
6. General Engineering ..	97.8	101.0	101.0	101.0
7. Shipping	101.7	102.3	102.3	102.3
8. Others	99.4	100.7	100.7	100.7
PREFERENCE SHARES	97.0	98.2	98.1	98.0
1. Electricity	97.1	95.8	94.8	95.5
2. Cotton	84.4	85.5	84.6	84.7
3. Jute	84.9	88.4	87.8	87.7
4. Coal	94.9	90.2	90.1	89.5
5. Iron and Steel ..	94.9	91.7	91.7	91.7
6. Sugar	85.0	87.3	87.3	85.6
7. Paper	86.5	90.0	90.0	90.0
8. Plantations	82.5	86.5	86.5	86.6
9. Miscellaneous ..	89.4	91.1	90.8	90.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES ..	94.8	104.4	103.6	103.5
(a) Financial	86.1	87.8	87.3	87.3
1. Banks	84.7	106.4	86.5	85.8
2. Insurance	97.8	101.9	100.6	100.6
3. Investment Trust ..	76.8	76.0	76.0	76.1
(b) Public Utilities ..	116.1	119.4	119.3	119.0
1. Electricity	87.6	107.5	103.6	104.7
2. Shipping and other Transport	85.4	86.7	87.9	87.9
3. Railways	97.8	109.4	117.2	116.8
(c) Manufacturing Industries.	94.5	103.5	102.6	102.5
1. Cotton, Woollen and Silk	84.7	93.0	81.4	80.4
2. Jute	107.0	129.2	126.8	126.2
3. Iron and Steel ..	155.4	193.3	191.8	189.7
4. Paper	118.8	126.7	126.2	125.2
5. Cement	107.4	140.8	137.6	137.7
6. General Engineering.	94.8	92.1	92.2	92.4
7. Sugar and Breweries.	99.7	113.2	112.2	112.4
8. Chemicals	80.6	112.1	111.7	113.8
(d) Non-Manufacturing Industries	93.1	77.9	78.3	78.4
1. Coal	118.7	162.5	161.9	163.8
2. Mining and Oil ..	87.1	111.9	111.2	114.1
3. Plantations ..	88.8	84.4	84.7	84.4
(e) Miscellaneous				
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.2	89.9	89.6	89.6
2. Calcutta	90.5	90.4	90.0	90.1
3. Madras	90.9	90.7	90.8	90.8
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.7	100.9	100.9	100.9
2. Calcutta	101.0	102.1	101.4	101.3
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES	95.5	92.7	92.8	92.8
1. Bombay	81.6	85.2	84.8	84.6
2. Calcutta	88.0	90.0	90.1	90.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	102.7	114.5	113.4	113.0
2. Calcutta	89.1	95.9	95.6	95.5
3. Madras	90.8	101.9	101.8	101.6
4. Delhi	91.6	107.7	105.1	105.0

Source: Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of persons involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,981	8,818,928
1952	963	809,243	8,330,961
1953	989	588,667	3,880,709
1953†	87	43,486	142,492
March 1953 ..	134	59,437	224,245
April „ ..	118	59,881	247,063
May „ ..	101	49,551	171,356
June „ ..	83	40,744	148,923
July „ ..	87	57,875	460,852
August „ ..	96	78,181	278,945
September „ ..	94	46,746	178,145
October „ ..	82	37,658	155,017
November „ ..	81	....	....
December „ ..	85	42,333	244,474
January 1953† ..	45	25,477	125,511
February „ ..	57	33,231	218,207
March „ ..	73	49,125	276,216
April „ ..	88	50,817	258,279
May „ ..	99	60,957	251,121
June „ ..	87	48,064	235,154
July „ ..	74	53,063	467,278
August „ ..	106	44,953	402,116
September „ ..	101	30,211	345,211
October* „ ..	88	41,431	476,353
November „ ..	81	40,780	....
December „ ..	....	49,500 (a)	320,658 (b)
January 1954† ..	75	41,903	342,305
February „ ..	82	31,603	325,699
March „ ..	87	....	....

† Figures for 1953 and 1954 are provisional. * Revised.
(a) Not known in one case. (b) Not known in four cases.

ELECTRIC ENERGY† GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated §	Units Sold
1948-49	459	4,661.1	3,777.7
1951-52	573	6,948.1	5,646.9
1952-53	606	@ 801.4	6,184.3
November 1952 ..	408	529.7	436.8
December „ ..	408	553.3	441.8
January 1953 ..	611	535.5	417.4
February „ ..	614	495.5	455.7
March „ ..	614	535.0	458.1
April „ ..	614	550.8	464.1
May „ ..	625	560.4	450.5
June „ ..	625	548.8	471.0
July „ ..	627	587.9	468.9
August „ ..	629	587.9	464.1
September „ ..	633	576.5	468.7
October „ ..	634	583.1	455.7
November „ ..	637	565.4	466.9
December „ ..	640	605.6	478.0
January, 1954 ..	640	589.7	451.6
February „ ..	642	551.4	....

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	15th May, 1954	8th May, 1954	16th May, 1953	April, 1954	April, 1953	Percentage of increase (+) or decrease (—) in April, 1954 as compared with April, 1953	1953-'54	1552-'53
Food Articles	370.3	370.5	351.7	351.6	356.4	+ 4.1	354.4	367.8
Cereals	414	413	433	433	437	— 2.5	451	444
Pulses	364	369	494	331	445	—14.4	450	507
Other	305	305	259	313	256	+22.3	278	223
Industrial Raw Materials ..	463.5	469.7	479.0	472.1	448.9	+ 5.2	467.7	438.9
Fibres	450	454	432	459	405	+13.3	432	423
Oil seeds	518	527	627	524	583	— 7.7	574	455
Minerals	424	440	454	451	449	+ 0.4	449	459
Others	410	410	355	397	357	+11.2	378	333
Semi-Manufactures	382.4	384.0	389.9	388.4	381.8	+ 3.0	389.2	342.8
Leather	374	373	420	378	411	— 12.3	405	367
Mineral oils	221	221	224	221	223	— 0.9	224	223
Vegetable oils	498	510	550*	507	498	+ 1.8	534	446
Cotton yarn	462	462	462	462*	458	+ 2.9	443	402*
Metals	240	240	224	240	226	+ 6.2	229	218
Oil Cakes	439	439	444	441	439	+ 4.8	432	430
Others	304	304	251	306	225	+36.0	281	256
Manufactured Articles ..	388.0	388.0 R	389.8	389.9	385.8	+ 4.1	387.4	371.2
Textiles	425	429 E	409	427	402	+ 6.2	405	411
Jute	424	434	393	433	357	+21.3	408	440
Cotton	419*	419* E	407*	419*	415*	+ 2.2	406*	406*
Rayon and Silk ..	520*	562*	499*	550*	488*	+12.7	431*	476*
Woollen	213	213	212	213	214	—	214	223
Metal products	340	340	336	340	336	+ 1.2	337	330
Others	289	289	288	288	289	— 0.3	285	294
Miscellaneous	690.4	691.0	620.0	707.4	601.7	+17.6	636.6	614.1
All Commodities	398.0	399.1 R	397.6	402.8	384.9	+ 4.6	397.5	380.8

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

| | All

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,646†	74,209††	27,079†	22,495††
Wheat 2nd ..	,,	23,924†	22,115††	6,932†	6,356††
Jowar 2nd ..	,,	41,285†	39,598††	5,260†	4,518††
Bajra	,,	28,620†	26,550††	4,246†	3,150††
Barley	,,	7,000	7,835	2,664	2,293
Maize	,,	8,892†	8,897††	8,854†	2,823††
Ragi	,,	5,472†	5,428††	1,584†	1,238††
Gram 2nd ..	,,	17,523†	16,068††	4,031†	3,214††
Rabi Pulses* ..	,,	11,593†	11,559††	2,063†	2,047††
Small Millets ..	,,	12,170†	11,834††	1,993†	1,891††
Jute	bales	1,193†	1,617††	4,125††	4,505††
Cotton 4th ..	,,	16,266†	15,013††	3,658†	2,906††
Sugarcane 2nd	tons	4,011†	4,230††	5,190†	4,990††
Groundnut ..	,,	11,356†	11,850††	3,772†	2,884††
Linseed	,,	3,894	3 408	858	818
Castorseed ..	,,	1,365†	1,357††	107†	106††
Rape and Mustard Seed ..	,,	5,155	5,915	823	916
Sesamum 3rd ..	,,	5,823†	5,614††	516†	431††
Tobacco (supp)	,,	798	712	219	206
Black Pepper ..	,,	203†	202††	22†	23††
Ginger	,,	46†	47††	14†	15††
Dry chillies ..	,,	1,280†	1,344††	201†	241††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particular	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1954	75.0
	Corresponding month 1953 ..	74.2
	Ten months ended April, 1954	719.4
	Corresponding period 1953 ..	746.0
Stocks	At the end of April, 1954 ..	91.5
	Corresponding month 1953 ..	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 8th May, 1954 ..	9.721
	Corresponding week 1953 ..	2.384
	From 1st Jan., to 8th May, 1954	143,806‡
	Corresponding period 1953 ..	79,169
		(In 000 Yds.)
Exports* (Jute Cloth) ..	Week ended 8th May, 1954 ..	40,476
	Corresponding week 1953 ..	28,575
	From 1st Jan. to 8th May, 1954	504,945‡
	Corresponding period 1953 ..	434,358
	RAW JUTE	(In 000 bales)
Exports*	Week ended 8th May, 1954 ..	—
	Corresponding week 1953 ..	—
	During Jan., 1954	—
	Corresponding period 1953 ..	—
Consumption by Mills†	April, 1954 (in lakh bales)	4.85
	Corresponding month 1953 ..	4.81
	Ten months ended April, 1954	41.71
	Corresponding period 1953 ..	43.28

† Estimated. ‡ Revised. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.				
Year ended 31st March, 1953 ..		11,80,000	16,57,100	7,99,200
Do. 31st March, 1954..		11,58,000	10,01,200	7,91,800
Do. 31st March, 1954..		11,54,000	10,70,800	7,80,000
January 1953		1,02,400	95,500	69,900
February ,, ..		92,400	92,000	61,700
March ,, ..		97,400	96,500	65,500
April ,, ..		97,000	83,100	60,800
January 1954		1,02,800	99,800	71,400
February ,, ..		92,700	94,000	63,300
March ,, ..		94,600	89,700	65,000
April ,, ..		83,200	77,500	54,800
Indian Iron and Steel Co.				
Year ended 31st March, 1953 ..		6,26,710	4,81,460	3,12,940
Do 31st March, 1954 ..		5,80,020	5,49,030	2,92,440
January 1953		56,370	48,810	28,650
February ,, ..		54,800	47,400	29,090
March ,, ..		60,540	59,350	32,000
April ,, ..		52,210	50,980	19,090
January 1954		63,100	42,600	39,870
February ,, ..		59,680	58,560	33,510
March ,, ..		65,000	47,850	44,660
April ,, ..		61,950	41,070	37,600

FOREIGN TRADE OF INDIA

Particulars	February,		Eleven Months April to February,	
	1953	1954	1952-53	1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs	7,93	8,56	164,27	90,19
Raw materials ..	10,21	11,73	168,41	149,74
Manufactures ..	20,38	22,53	253,29	252,10
Other Items	17	34	3,39	3,63
Total ..	38,67*	88,16*	589,86*	494,66*
By land	1,32	1,82	28,58	21,42
Total Imports ..	39,99	89,98	618,44	516,08
Exports				
By sea and air—				
Foodstuffs	10,51	10,28	120,33	141,84
Raw materials ..	12,76	7,27	134,20	96,84
Manufactures ..	14,63	19,92	238,33	229,05
Other Items	29	40	3,83	4,03
Total	38,19	37,87	505,69	471,26
By land	51	56	19,45†	6,68
Total Exports ..	38,70	38,43	524,14	477,94
Total Re-exports ..	54	41	5,38	4,88
Balance of trade in merchandise ..	+ 6	+ 12	—78,79	—19,03
Balance of transactions in private treasure ..	—1	..	— 7	— 9
Total visible balance of trade..	+ 5	+ 12	—78,86	—19,12
Imports: ‡				
Total C'wealth countries ..	18,82	17,28	232,62	228,61
Total Foreign countries ..	19,85	20,88	257,24	258,55
Exports: ‡				
Total C'wealth countries ..	18,09	21,01	238,34	244,59
Total Foreign countries ..	20,10	16,86	267,85	226,67

* Excludes value of certain special imports of foodgrains and stores all particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

		United States	United Kingdom ††	Canada §	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India†	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	611	71	11	16	29	6	18	5	2	7	9	3	5	5	7	1
	1951-52	641	71	21	16	41	6	20	9	4	7	9	2	4	6	11	1
	1952-53	668	62	25	16	40	5	20	12	6	7	9	1	4	6	11	1
End of December	1952..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	1
January	1953..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	1
February	,, ..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	1
March	,, ..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	1
April	,, ..	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	1
May	,, ..	645	66	27	16	41	5	20	18	6	7	9	2	4	6	11	1
June	,, ..	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	1
July	,, ..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	1
August	,, ..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	1
September	,, ..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	1
October	,, ..	633	72	28	16	42	5	22	21	7	7	9	2	4	6	11	1
November	,, ..	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	1
December	,, ..	631	72	28	16	43	5	22	21	6	7	9	2	4	6	11	1
January	1954 ..	630	73	29	16	..	5	22	22	7	7	9	2	4	6	11	1

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. † Including Pakistan till June, 1948. ‖ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended,27th May, 1954 ..	73,349
	Corresponding week 1953 ..	31,076
	1st Sept., 1953 to 27th May, 1954	1,498,557
	Corresponding period. 1952-53 ..	1,464,616
Cotton Exports ..	Week ended 27th May, 1954 ..	2,518
	Corresponding week 1953 ..	4,267
	1st Sept., 1953 to 27th May 1954.	230,344
	Corresponding period, 1952-53 ..	391,149
Mill Consumption ..	1st Sept., 1953 to 27th May, 1954.	930,784*
	Corresponding period, 1952-53 ..	914,229
Stock (with exporters dealers & mills) in Bombay	On 27th May, 1954 ..	717,040
	Corresponding date, 1953 ..	584,724
Karachi (Pakistan)		
Receipts	Week ended 22nd May, 1954 ..	2,914
	Corresponding period 1953 ..	9,305
	1st Sept., 1953 to 22nd May, 1954	1,093,272
	Corresponding period, 1952-53 ..	1,607,467
Exports	Week ended 22nd May, 1954 ..	11,432
	Corresponding period, 1953 ..	13,054
	1st Sept., 1953 to 22nd May, 1954	909,322
	Corresponding period, 1952-53 ..	1,234,137*

* Adjusted.

Particulars	From 1st Sept., to 31st May 1953-54 Bales	From 1st Sept., to 31st May 1952-53 Bales
Indian Union Cotton Exports to—		
United Kingdom ..	13,098	13,775
Continent ..	23,388	92,953
China	298	815
Japan	60,948	140,817
U.S.A. ..	12,506	94,716
Other Countries ..	1,552	5,286
Total to all foreign countries ..	111,772	287,865
Coastal Ports ..	132,484	109,970

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian ..	February, 1954	81,382
Foreign ..		59,364
Indian ..	Six months ended Feb., 1954	1,049,766
Foreign ..		841,074
Indian ..	Same Period 1953 ..	1,812,434
Foreign ..		419,412
Stocks (Mills and Sheds)—		
Indian ..	As on 28th Feb., 1954 ..	1,032,112
Foreign ..		146,153
Indian ..	As on 28th Feb., 1953 ..	1,125,520
Foreign ..		252,263
Cotton Pressed † ..	Week ended 21st May, 1954 ..	13,482
	Corresponding week, 1953 ..	13,482
	1st Sept., to 21st May, 1954 ..	87,781
	Corresponding period, 1952-53 ..	2,938,578
		2,876,049

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
4 ½ Bonds	1926-33	63,30,24,000	1960-70	101¼
3 ½ Loan	1938-39	1,16,17,44,000	1965-70	98¼
3 ½ Loan	1950	30,33,10,000	1964	93⅜
3 ½ Loan	1948	1,10,11,78,000	1966-68	90½
3 ½ V. Loan	1941	1,14,06,89,000	1957	95¾
3 ½ Loan	1945	1,15,05,83,000	1970-75	86½
3 ½ Loan	1945	1,13,45,56,000	1959-61	90¾
3 ½ Loan	1931	30,35,63,000	1958	98
2½% Loan	1946	45,43,07,000	1966	94⅛
2½% Loan	1946	77,00,99,000	1961	91¼
2½% Loan	1946	35,06,06,000	1954	99½
2½% Loan	1946	16,77,48,000	1976	82½
2½% Loan	1946	73,86,72,000	1962	92
2½% Loan	1948	60,45,01,000	1955	98⅛
3¼ % Loan(M.P. Bonds)	1953	75,00,00,000	1961	98⅛
3½% N.P.Loan	1954	On Tap.	1964	98–12½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,35,000	(At option of Government after three months' notice. On September, 1964 or later n. option of Government after three months' notice.	82½
3 ½ Loan	1946	245,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,95,22,008	1954-59***	100½
4½% Loan	1928	5,85,20,000	1958-68***	103½
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,500	15th Sept. 1955	99½
3 % Bombay	1943	3,50,00,000	15th Sept. 1956	99 3/8
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97½
3 % Bombay	1949	4,00,13,000	15th Aug. 1962	96½
3 % Bombay	1950	3,01,87,700	31st July 1968	94½
3½% Bombay	1951	3,84,66,900	17th Sept. 1962	98½
3 % Bombay	1953	5,00,00,000	15th Aug. 1963	94½
4 % Bombay	1932	3,66,72,708	1st Aug. 1964	100½
3 % Cochin	1942	30,00,000	1st Oct. 1953–55	99
3 % Cochin	1948	1,00,00,000	15th Dec. 1955–58	98½
3½% Cochin	1936	70,09,000	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,87,100	1956-66	95½
3 % Madras	1939	1,23,95,600	21st June 1959	94⅜
3 % Madras	1942	1,25,25,000	15th Sept. 1953	98–13½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98–9½
3 % Madras	1944	1,07,93,000	15th Aug. 1958	96⅜
3 % Madras	1945	2,78,44,000	16th Aug. 1960	97½
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,38,25,400	31st July 1960	94
3½% Madras	1951	5,01,49,100	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99–12½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	
2 % Mysore	1930	1,63,44,300	1st Nov. 1955	104½
3 % Mysore	1935	2,95,15,200	1st Dec. 1953–63	101
3 % Mysore	1936	5,99,72,900	30th April 1956–61	98½
3 % Mysore	1947	3,08,85,700	25th Jan. 1958	99½
3 ½ Mysore	1953	3,00,00,000	15th Dec. 1963	99 3/8
3 % M.P.	1943	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	50,54,300	14th Sept. 1956	98½
3 % M.P.	1944	52,69,200	15th Aug. 1958	96½
3 % M.P.	1948	2,03 00,000	15th Sept. 1964	91½
3 % M.P.	1950	1,00,25,800	31st July 1960	94
3½% M.P.	1951	1,00,00,000	17th Sept. 1962	97½
3 % M. P.	1953	1,00,00,000	15th July 1963	99½
3 % Punjab**	1938-44	1,49,87,200	15th Aug. 1958	98
3 % Punjab**	1942	2,25,20,800	18th Sept. 1953	99½
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,93,81,400	15th Aug. 1960	97½
3 % Travancore	1944	3,00,00,000	15th May 1952–54	99½
3½% Travancore	1936	98,00,000	16th Aug. 1956	99 3/8
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 % U.P.	1936	1,69,35,800	15th Sept. 1961–66	99½
3 % U.P.	1942	3,23,56,800	15th Aug. 1958	97
3 % U.P.	1943	2,36,31,900	14th Sept. 1960	94
3½% U.P.	1946	2,42,15,800	1st Sept. 1961	91N
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97½
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	99½
4 % U.P.	1953	3,00,00,000	15th July 1963	99½
2½% W. Bengal	1951	1,72,00,000	17th Sept. 1962	98
2 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
33,00,000	4	1905	1965	
13,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1971	D
1,10,00,000	4	1912	1973	
1,34,57,874	4	1913-14	1960	100N
80,00,000	4	1913	1974	
88,25,900	4	1914	1972	99N
16,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
33,00,000	3½	1929*	1975	
13,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932	1963	
24,38,000	3½	1935*	1975	
13,00,000	3½	1936*	1966	
44,64,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1914	1974	Rs.
76,90,100	4	1918	1973	98½
68,32,300	4	1919	1962	98½
1,50,00,000C	6½	1921	1981	144N
1,24,06,300	6	1925	1955–85	105
94,21,600	5	1926	1956–86	103½
99,84,200B	5	1928	1956–86	103½
1,05,47,500B	5	1927	1957–87	103½
1,49,30,000	5	1928	1958–88	103½
80,00,000	4½	1931	1991	92½
21,72,000C	3	1949	1959	
40,00,000	3½	1938	1953	94½
66,14,000A	3	1938	1943–68	88
23,06,000	3	1938	2002	78N
90,00,000	3	1945	1975	82½
90,00,000	3	1946	1976	82
50,00,000	3	1950	2006	70N
50,00,000	2½	1947	1977	87
50,00,000	3	1948	1978	81
50,00,000	3	1949	1979	80
90,00,000C	3	1950	1980	94
1,50,00,000	3	1950	1960	94
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	87½
50,00,000	3½	1951	1961	97½
50,00,000	4	1953	1963	99½
50,00,000	4	1953	1983	98½

STERLING LOANS

£892,600	3	1923	1953–83	£87½
£901,000	3	1924	1954–84	£87½
£835,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,66,547	4	1912	1962	
$2 14,994	4	1917	1962	
3,21,489	4	1918	1962	
2,42,951	4	1918	1982	A
7,46,044	4	1920	1982	
£15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest	Year of Issue	Repayable
Rs.			
BOMBAY			
30,00 000	4	1899	1939
30,00,000	4	1901	1941
30,00,000	4	1902	1942
80,00,000	4	1903	1943
50,00,000	4	1904	1944
30,00,000	4	1905	1945
20,00,000	4	1906	1946
15,00,000	4	1906	1947
30,00,000	4	1907	1947
30,00,000	4	1908	1948
18,00,000	4	1912	1972
36,00,000	4	1913	1973
24,00,000	4	1914	1974
40,00,000	4	1915	1975
60,00,000	5	1916	1976
56,50,000	5	1919	1937–79
25,00,000	5	1920	1955–80
25,00,000	5	1924	1956–86
25,00,000	4	1927	1961–70
10,00,000	3½	1936	1986*
STERLING LOANS			
£566,600	4	1909	1960
£333,000	4½	1910	1970
CALCUTTA			
50,00,000	5	1925	1955
25,00,000	5	1925	1985
30,00,000	4	1926	1956
35,00,000	5	1926	1964
30,00,000	3½	1935	1965
30,00,000	3	1936	1966
30,00,000	3	1937	1946
70,00,000	3	1938	1963–68
	3	1952	1962

MUNICIPAL LOANS

Rs.				Rs.
49,40,000	4	1913-14	1934	99½
20,40,000	4	1913–13	1934	99½
28,00,000	4	1913–13	1934	100
20,00,000	4	1935	1955	100
1,60,00,000	5	1920	1958	101
25,00 000	5	1924	1954	102
96,14,000	5	1926	1956	
9,45,500	5	1928	1949–59	104½
24,31,500	5	1929	1934–59	to
8,25,00,000	5	1929	1959	102½
2,50,00,000	3½	1947	1977	
4,00,00,000	3½	1950	1979	87
2,50,00,000	3½	1950	1980	87
2,00,00,000	3½	1952	1982	92
1,30,00,000	4	1953	1964	100
100,00,000†	4	1953	1966	97
1,00,00,000	4	1952	1964	99½
R		CALCUTTA		Rs.
34,45 50h	6½	1925	1955	103½
16 70 000	6	1925	1955	103½
36 00 000	5	1928	1958	103½
25 00 000	5	1928	1958	103½
25 00 000	5	1929	1958	103½
10 00 000	5	1929	1959	103½
33 91 000	3½	1932	1962	103½
60,00,000	3	1933	1963	108
3,11,400	3	1936	1966	93½
4,67,100	3	1937	1954	98½
1,62,500	3	1937	1954	100
4,18,100	3	1937	1954	99½
47,50,000	3	1938	1954	99½
10,47,700	3	1938	1954	99½
13,56,800	4	1938	1955	88
13,56,800	4	1938	1956	99½
13,56,800	4	1939	1956	99½
17,64,400	3½	1940	1957	99½
21,10,000	3½	1940	1957	99½
15,49,000	3½	1942	1959	96½
16,33,000	3½	1951	1960	92
66,88,000	3½	1951	1961	94
87,36,000	3½	1951	1962	96
72,50,000	4½	1952	1962	99½
Rs				
71,700	6	1925	1955	100N
13,00,000	5½	1925	1955	101N
15,00,000	3½	1951	1961	107N
		1952	1962	107½N
2,68,300	6	1925	1955	100N

*Loans held entirely by the Trustee A=Held by Government of India. ‡Rupee Counterparts.

N=Nominal.
ABBREVIATIONS.
B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. C—Held by Commissioners.
(e) This includes the amount of loan converted into First Development Loan 1978-73. (f) Income-tax free.
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944.
†† Rate of interest reduced from 6½ to 6 per cent. with effect from 1st April. † Bombay State Transport. **Quotations in Pak. Currency

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1903		Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	96	100
Cawnpore Sugar Works ..	10,00,000	1905-24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari †A	2,00,000	1920	7	July Apr.	120	100
East India Distilleries ..	£200,000	1897	7	Jan. July	16½	£1
‡East India Distillers ..	£ 75,000(c)	1940	7B	Dec. ..	72	100
Gwalior Sugar	5,00,000	1940	7B	Dec. ..	70	100
,, (Non-redeem.)	5,00,000	1922	10	.. ..	15‖	10
Partabpore Co.	6,00,000	1933-36	6	Aug ..	98	100
Ramnagar Sugar	4,00,000	1943	5‖	Oct. Apr.	75	100
Ravalgaon Sugar	20,00,000	1935	7(a)	Oct. ..	16½	100
South Behar Sugar	5,00,000	1946	5(c)	Dec. ..	7‖	10
Travancore	14,99,135	1946	5	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5(a)	Dec. ..	70N	100
Do.	15,00,000	1946				
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	6	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	119	100
Karampura Collieries ..	7,50,000	1946	5½(c)	.. ..	82	75(pp);
††Khas Kajora	14,99,135	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	6	July July	12‖	10
Ondal	2,00,000	1898-99	6½	Jan. Oct.	112xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	8	Apr. Oct.	110	100
Bangalore	5,00,000	1938	6½	Jan. July	128½	100
Basanti Cotton	1,05,200	1919	7	Nov. Jan.	8	10
Benares Cotton	3,00,000	1898	7	Apr. Oct.	65	100
Bengal-Nagpur	6,00,000	1900	7	Feb. Aug.	118½	100
Bowreah 'A'	6,00,000	1900	7	Jan. July	135	100
Do. 'B'	14,75,000	1919	7	Feb. Aug.	95	100
Bradbury	21,30,200	1920	7½	Jan. July	137‖	100
Buckingham & Carnatic ..	1,00,000	1928	7	Apr. ..	125‖	100
Cambodias	50,00,000	1912	7	Apr. Oct.	518‖	500
Central India	1,00,000	1935	6½	Nov. ..	124xd	100
Coimbatore Pioneer ..	1,00,000	1912	8	May Nov.	142

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. n.d.=Ex-Dividend. n.c.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
30,00,000	9,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2¾	2	6 5	Nil 4				
40,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B.K. Cotton Mills	59	100	6 0	6 0	Nil		12	V.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	419‡	250	20 0	20 0	22 8*		3	Y.P.T.
19,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramsaran Sons, Ltd.	38,208	860	Bradbury Mills	252	100	0 0	100 0	100 0		12	V.
1,09,42,800	2,27,88,985	2,55,92,093	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	325	100	20 0	100 0	100 0		3	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(i)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil 4	4 0(c)			12	V.
24,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Cooria Spg. & Wvg.	111‡	100	7 8	7 0	7 8		12	V.
16,00,000	20,04,821	65,03,745	48,46,941	76,866	Ramsaran Sons, Ltd.	30,304	592	Dawo Mills	93	50	6 0	6 0			3	V.
34,00,000	24,00,000	62,31,115	37,35,900	5,622	Parsanmal Radhakishan & Co.	50,296	928	Empire Textiles	242‡	200	15 0	15 0	12 0		12	Y.P.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	44	50	(d) 3	0	0		12	V.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd. ..	46,072	784	Finlay Mills	240	100	20 0	20 0	16 0		12	Y.P.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,991	Thakersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,800	200 0	200 0	225 0*		6	V.
									950	250	50 0	50 0	56 4*			
2,00,00,000	1,28,61,436	4,56,22,024	3,07,00,000	—51,38,478	Agarwal & Co.	2,38,030	6,278	India United Mills	1 11/16	10	1 1¼	Nil			3	Y.P.
80,00,000									1 7/16	1D	0 4	Nil				
9,00,000	69,99,043	1,18,16,179	83,39,000	7,483	Dameehar Thackersey Mooljee &Co	55,704	1,191	Indian Mfg.	3,850	1,000	200 0*	200 0*	225 0*		12	Y.
										500	100 0	100 0	112 8*			
29,91,300	49,54,660	2,07,51,457	1,57,18,445	32,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	120	100	14 0	10 0	10 0		6	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Kilachand Industries Ltd. ..	1,18,392	1,846	Kohinoor Mills	309‡	100	25 0*	18 0	20 0*		6	Y.
30,00,000A									82	100A	5 0	4 0	4 0		12	Y.
3,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	57,592	742	Madhusudan Mills		20B	1 0	1 4	1 4			
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,358	644	Modern Mills	50	7	3 0	3 0	3 0		6	Y.P.
51,75,000	24,92,735	1,78,02,041	1,44,52,016	12,706	Pirmal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	213‡	100	15 0	12 0	12 0		10	Y.T.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chiasi & Co., Ltd.		Nil	National Rayon Corporation	157‡	Nil	Nil	Nil	Nil		6	Y.P.
24,00,000	28,50,855	73,05,353	44,43,866	15,887	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	165‡	100	15 0	10 0	10 0		12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	167	100	12 8	10 8	10 0		12	Y.
12,70,100	36,36,004	42,69,552	19,76,660	423	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	26	10	1 0	1 4			12	V.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramsaran Sons, Ltd.	55,228	1,190	Phenix Mills	122‡	100	10 0	8 0	8 0		12	V.
40,00,000	43,62,741	24,64,450	22,50,000	2,99,184	Podar Sons, Ltd.	52,500	930	Podar Mills	138‡	100	10 0	10 0	10 0		12	V.
5,00,000	9,64,062	21,20,749	13,45,000	2,590	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	17‡	10	2 0	1 4	0 12		12	Y.P.
25,00,000	60,49,474	1,17,57,612	81,99,644	21,949	M. G. Investment Corporation, Ltd.	39,624	1,254	Sassoon Spg. & Wvg.			2 0	1 4			12	Y.
66,00,000	66,20,961	97,30,546	45,61,044	2,69,922	Shree Nivas Cotton Mills ..	66,816	1,640	Shree Nivas Cotton Mills ..	198‡xd	100	17 8	12 8	14 0		12	Y.P.
31,50,000	57,26,108	78,77,540	63,00,000	99,939	Parsee, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	154‡	50	17 8	15 0(c)	15 8		12	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	313‡	100	20 0	20 0	20 0		3	V.
75,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	75,024	2,000	Svadeshi Mills	273‡	100	18 0	16 0	16 0		12	Y.P.
36,00,000	60,78,465	93,47,153	58,93,668	8,74,757	James Finlay & Co., Ltd. ..	55,804	1,200	Textile Mills	316‡	100	20 0	20 0	20 0		12	Y.P.
32,57,438	49,90,252	1,53,47,827	47,36,533	6,662	Tata Industries Ltd.	62,096	1,800	Tata Mills	473	25	4 0	2 0	1 8		12	Y.P.
18,00,000	60,35,708	98,62,654	73,80,000	4,346	Thakersey Mooljee Sons & Co. ..	34,224	1,176	Western India Spg. & Mfg.	3,810	1,000	200 0*	200 0*	225 0*		3	Y.P.
AHMEDABAD																
30,00,000	38,80,366	88,29,885	51,09,070	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	145	100	12 0	10 0	10 0*		6	Y.P.
10,00,000	90,33,638	89,83,424	65,39,067	7,878	P. M. Muthoenig & Sons, Ltd. ..	42,768	912	Arvind Mills	475	100	20 0*	20 0*	20 0*		12	Y.P.
81,00,000	2,07,45,813	1,18,76,139	76,31,900	1,309	Maneklan Lalbhai & Co.	42,648	1,216	Arvind Mills	846‡	100	25 0*	25 0*			12	V.
30,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Mangaldas & Bros., Ltd.	35,884	884	Aryadeva Ginning & Mfg. ..	320	200	35 0*	15 0			12	V.
12,00,000	1,00,37,000	83,29,958	63,65,435	1,05,810	Lalbhai Dalpatbhai & Co. ..	37,168	914	Asoka Mills	550‡	100	22 0	22 0	22 0		12	V.
1,24,77,252	99,56,756	3,97,71,801	2,72,23,344	28,31,188	Jamnalaal Premchand Ltd. ..	1,39,120	2,370	Calico	323‡	125	18 0	18 0	18 0		12	Y.P.
50,00,000	64,86,008	88,67,878	62,53,000	4,885	Trikamlal Bhogilal & Co., Ltd.	46,160	867	New Commercial Mills	1,150	500	70 0	70 0			12	V.
30,00,000	70,78,354	96,79,243	74,96,979	1,795	Bhogilal Harkisandas Spg. & Wvg.	47,952	864	New Shorrock Spg. & Wvg.	635	125	35 0*	35 0*			12	V.
5,00,000	61,15,982	46,72,745	21,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	770‡	100	28 0*	30 0*	30 0*		12	V.
10,00,000	1,07,77,635	73,98,913	42,94,887	3,399	Lalbhai Dalpatbhai & Co. ..	31,120	636	Raipur Mfg.	710	100	25 0	25 0			12	Y.P.
12,00,000	13,93,867	74,95,069	39,67,438	—13,98,316	Mangaldas Girdhardas Parekh Ltd.	45,568	1,095	Rajnagar Spg., Wvg. & Mfg.	110	250	20 0	Nil			12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,993	9,266	Lallubhai Gordhandas Ltd. ..	41,588	1,004	Shahi Mills	110	100	10 0	10 0			12	Y.P.
54,90,150	1,13,53,547	1,01,07,789	61,55,900	1,33,151	Tribhuvandas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	350‡	50	18 0	16 0			12	Y.T.
19,52,500	52,12,167	61,35,831	44,71,891	8,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Sherrock Spg. & Mfg. ..	395	100	20 0	20 0			12	V.
88,00,000	29,08,078	91,15,078	47,72,055	16,289	Maridas Ashrafal & Co., Ltd.	34,576	776	Vijaya Mills	326‡	400	35 0*	35 0*			12	V.
WEST BENGAL																
15,00,000	94,045	33,10,908	17,75,213	—3,06,100	Calcutta Agency, Ltd.	13,644	356	Basanti Cotton Mills	4‡	10	0 3	Nil				
7,11,280	2,21,850	38,52,124	22,08,106	—67,230	Bengal Textile Agency, Ltd. ..	31,080	936	Bengal Laxmi Cotton Mills ..	33¾	40	3 0	3 0	Nil		12	Y.P.T
6,00,000	22,75,078	77,45,873	51,53,000	—9,48,728	Ketlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	320	100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.
19,00,000	25,16,009	97,50,979	69,58,291	—5,24,085	Ketlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	200	100	7 0				6.12	M.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23‡	15	Nil 1 14	1 13	1 12		6.12	H.
6,00,000	9,73,000	84,54,400	67,06,257	5,188	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	25	1 14	1 4			3	Y.P.
33,94,285										10	0 12	0 8			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4‡	10	Nil	Nil				
18,00,000	9,09,109	39,21,813	21,01,246	2,736	Kamal & Co., Ltd.	50,000	665	Alagappa Textiles(Cochin) Ltd.	6¾	10	0 9 3/5				12	V.P.
91,94,400	51,99,334	2,06,06,796	50,52,372	5,771	Industrial Trust Fund.	36,136	1,085	Anara Jute Mills	82 N	100	6 0	6 0	6 0		12	Y.P.T.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,353	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068		Bangalore Woollen, Cotton and Silk Mills	395	100	20 0	15 0	25 0		9	Y.
87,80,000	32,25,163	73,24,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills ..	12‡	10	2 0	2 0	2 0	0 4f	12	Y.P.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	84 N	10	2 8	3 0	3 0		6.12	H.P.T.
1,78,47,800	1,44,80,321	3,91,55,208	3,09,15,105	2,32,842	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	146‡	100	7 8	7 8	10 0		3	V.
20,00,000	20,00,000	52,98,201	17,91,411	39,657	Peirce, Leslie & Co., Ltd. ..	37,536	591	Cambodia Mills	13‡	10	1 4	1 0	0 12		12	Y.P.
50,00,000	21,97,992	56,51,479	45,64,813	39,839	Begg, Sutherland & Co., Ltd.	28,796	591	Cawapore Textiles	2 8	10	0 9	0 9	0 9		12	V.
12,00,000	19,35,994	28,94,631	21,58,900	..	R. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	222	100	12 8	10 0	10 0		12	Y.P.
20,00,000	13,90,000	33,17,361	17,09,703	3,400	T. R. N. Naidu & Co.	21,980	..	Coimbatore Pioneer Mills ..	176cd	100	6 0	9 0	15 0		12	V.
28,76,900	4,36,596	1,14,99,011	64,08,045	—10,32,140	T. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	52	100	6 0	6 0			6	V.
46,87,500	88,12,906	2,30,18,398	1,61,82,380	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	171	100	6 0	2 0	Nil		6	Y.P.
5,38,54,450										50	6 0	3 0	3 0		6	Y.
1,00,523	1,65,19,855	4,76,75,908	3,88,00,000	1,91,617	B. R. Charat Ram & Co., Ltd. ..	75,604	1,785	Delhi Cloth & General Mills ..	29‡	28	0 1 4/5	2 1	1 12		6	H.P.T.
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	264	100	20 0	10 0	20 0 2 4/5		6	Y.P.
63,00,000	46,00,000	1,46,85,212	1,13,21,631	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	15‡	10	1 8	1 8	1 0		12	V.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Parsee, Forbes Campbell & Co., Ltd.	72,960	..	Gokak Mills	248‡	100	14 0	17 0*	17 0		9	V.
90,00,000	12,52,583	1,23,32,498	88,80,393	2,824	Gevandram Sakaram (Indore)	51,180	1,420	Indore Malwa United	107‡	100	8 0	6 0			12	V.
8,90,000	11,61,047	26,01,526	13,35,172	—2,58,301	G. V. Naidu & Co., Ltd. ..	23,784	..	Janardana Mills	78‡	50	7 8	6 0			12	V.
24,00,000	15,75,000	61,35,358	8,90,808	3,683	Kothari & Sons	30,512	200	Kothari Textiles	72‡	10	0 12	0 12			12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,167	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	555	250	50 0*	37 8	37 8		12	V.
88,46,150	53,30,800	94,98,025	83,73,673	14,367	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	127‡	50	4 0	3 0	3 8		6	Y.P.
						62	..		43‡	15	2 0	2 0	2 0			
						4,66,932	..	Madura Mills	438	15	3 0	2 8	2 8			
1,79,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,893	A. & F. Harvey Ltd.	22,592	..	Malabar Spg. & Wvg.	118	200	12 0	3 0	3 0		3	V.
12,60,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others.	24,720	603	Meenakshi Mills	295cd	100	12 0	12 0	12 0		12	V.
60,00,000	69,00,000	61,36,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd. ..	36,416	704	Minerva Mills	110	100	6 0	12 8	12 8		12	V.
29,60,884	28,14,157	76,14,218	44,82,665	12,036	N. Sirur & Co., Ltd.	29,960	952	Model Mills (Nagpur)	47,560	250	7 8	5 0	7 0	22 8*	12	V.
94,91,836	37,56,160	1,53,05,970	78,81,528	27,241	Bansilal Abirchand Dadabhoy & Co.	47,560	952	Model Mills	141‡	250	7 8	7 8	7 0		12	V.
50,00,000	52,19,600	1,51,39,272	1,05,91,851	—7,77,299	Indian Textile Syndicate Ltd.	88,640	1,834	Model Mills	152N	100	15 0	10 0	10 0		12	V.
19,86,800	81,53,392	93,64,233	39,98,574	42,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	121‡	50	9 0				6	V.
13,61,780	2,38,745	28,34,299	15,37,634	2,232	R. Suryanarayana Rao Esq. Manager	6,000	..	Mysore Sugar Milk Mfg. ..	9‡	10	0 10	10 0*	10 0*		3	V.
82,89,883C	25,62,533	98,01,625	52,78,926	—25,88,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1‡	0. 2‡	Nil	Nil	Nil		3	Y.P.
9,67,095D										D. 1	Nil	Nil			3	V.
87,03,800	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanshahi Mills	80N	100	6 8	7 0				
4,00,000	4,17,363								91xd	50A	3 8	3 0	4 0		12	Y.P.
6,00,000B	6,37,362	26,20,198	13,74,913	3,380	Bhaghyalakshmi & Co.	27,980	..	Pankaja Mills Ltd.	138‡xd	75B	12 0	11 4			9	Y.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Medaliar & Sons ..	38,864	301	Radhakrishna Mills	43	100	4 0				12	V.P.
16,51,200A									191	100A	16 0	6 0				
8,40,400B	16,65,842	92,66,772	24,17,950	2,062	A. G. Gurusamy Naidu & Co. ..	25,896	..	Rajalakshmi Mills	80	50B	8 0	3 0			12	V.
15,00,000	25,00,896	22,62,213	14,88,315	—83,366	R. Naidu & Sons	33,984	600	Rasa Textiles	117	50	12 0	Nil			12	V.
66,00,900	62,56,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	18,416	416	Sitaram Spg. & Wvg.	10	10	Nil	Nil			12	Y.
7,79,700	2,24,959	21,50,228	16,08,115	3,083	T. R. A. Iyer & Bros., Ltd. ..				60	50	3 0				12	Y.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,84,498	Under Control of Bombay Government	86,048	2,234	Sholapoor Spg. & Wvg. ..	2,225	1,000					12	Y.P.
									—	500	Nil	Nil	Nil		12	V.
36,69,700	11,45,000	85,08,829	58,94,421	26,144	H. N. Pallegar, Esq.	25,200	292	Sri Krishnarajendra Mills ..	60fcd	30	4 0*					
15,00,000	1,59,52,602	81,28,140	32,21,891	32,22,471	Birla Brothers, Ltd.	35,556	592	Sutlej Cotton Mills	50N	100	4 0	4 0*	4 0*	4 8	3	Y.P.
17,50,000C	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	8	10C			4 0		3	V.
5,87,50,000D									8	10P.O.	0 14 2/5	Nil	Nil			
99,92,028	3,25,000	2,67,68,703	53,91,774	2,34,553	Empcee & Sons (Travancore), Ltd.				9 3/4cd	10	Nil	Nil	Nil		12	Y.P.
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	16,000	..	Travancore Rayons	92	100	10 0	11 1/5				
81,00,000	32,67,606	49,31,870	32,22,308	28,000	R. K. S. Chetty & Brothers ..	33,704	270	Tricadipoly Mills	16	10	1 0	1 0	0 11½		12	Y.P.
82,00,000	47,34,135	1,34,36,953	89,50,676	1,868	Bombay Co., Ltd.	54,280	1,483	Vasanta Mills	180	100	12 0	12 0	12 0		12	V.
								Vishnu Cotton	140	100	14 0*	10 0	4 0		12	Y.P.
															12	V.P.

* Includes bonus. (a) Subject to taxation and workers' bonus. (c) Paid out of reserves

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	27½	25	2 12½	Nil	Nil		5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	11½	10	1 2½	Nil	Nil		3	V.
16,20,630							6¾	5	0 8	0 8	0 8			
£80,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	16‡	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		Y.P.
£300,000B							30‡	B. 4‡	Sh. 3	Sh. 3	Sh. 3	Sh. 4		
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N	5	Nil	1 8	1 4	Nil	8	V.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	164	75	7 8	15 0	15 0		3	V.
CEMENT														
11,57,700A	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	111xd	A. 100	7 8	7 8	10 0*		12	Y.P.T.
39,67,620B							11½xd	B. 10	0 12	0 12	1 0*			
43,14,600C	11,13,132	1,01 23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4	O. 10	Nil	Nil			3	Y.T.
4,70,976D								D. 1	Nil	Nil				
10,36,25,818	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	157‡	100	9 8	9 8	9 8		7	V.
60,00,000O							10	O. 10	0 10	0 10				
26,49,797C	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	2	O. 2½	0 2½	0 2½			12	V.P.T.
90,00,000D							2	D. 1	Nil	Nil				
62,50,000C	4,00,000	1,43,54,423	31,47,637	6,15,163	Esso Ltd.	India Cements Ltd. .. .

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	24,26,841	1,98,06,008	1,33,11,164	1,40,294	Balmer Lawrie & Co.	Bengal Paper Mills	60	25	1 4	1 9	1 9	Nil	6,12	H.P.I
									4 0	5 0	5 0	Nil		
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd. ..	India Paper Pulp	204	100	5 0	5 0	5 0	6	3,9	H.
88,00,000	15,50,000	66,35,835	39,54,440	57,512	R. P. Ramakrishnan Esq. ..	Mysore Paper Mills	18½	10	1 8½	1 0	1 0	1 0*	3	Y.
1,46,83,000	2,38,21,427	2,42,04,213	80,01,000	2,71,007	Birla Bros.	Orient Paper	19⅜	10	0 12	1 0	1 0	1 0	3,9	H.P.T.
									1 8	1 0	1 0	1 0		
80,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	23½	10	0 8	0 12	0 12	0 12	6,12	H.P.T
									0 10	0 12	0 12	0 12		
80,00,000	5,04,968	50,01,216	27,29,761	9,851	Bajoria & Co...	Star Paper Mills	9½	O. 10	Nil	Nil	0 8	0 12	0 12f	H.P.T
80,00,000 A.							9½	A. 10	Nil	Nil	0 4	0 8	3,9	H.P.T
							40½	A. 10	0 14*	1 0	1 0	1 0*		
36,00,000 A.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	40½	B. 10	1 0	1 0	1 0	1 0*	3,9	H.P.
36,04,800 B.									0 14*	1 0	1 0	1 0*		
4,37,500 P. O.							4½	P.O. 2½	0 2	0 2	0 2	0 2		
									0 2	0 2	0 2	0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co	Calcutta Hydraulic	80	100	3 0	3 0	3 0	3 0	6	Y.
4,50,000	1,00,000	9,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0	5 0	7 0	4 0	7	Y.
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	5 0	5 0	4 0	6	Y
PROPERTY AND LAND														
80,00,780 O.	6,02,582	42,45,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 9 3/5	Nil	9	Y.P.
8,00,000 D.	20,01,684	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd. ..	Port Canning Land	18	D. 10	Nil	Nil	Nil	Nil	4	Y.
60,00,000	37,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	22½	100	Nil	3 0	2 0	1 8	4	Y.
94,00,000							38½	100	Nil	3 0	2 0	1 8	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	28,08,354	13,99,519	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6½	3	0 8	0 8	0 4	0 4	9	Y.
94,50,000	3,75,07,299	9,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	394	Old 125	15 0	37 8	22 8	15 0	9	Y.
							135	New 50	6 0	15 0	9 0	6 0		
6,00,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd. ..	Bengal Timber Trading ..	34½	10	3 8	3 8	3 0	Nil	6	Y.P
20,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	341	10				2 8	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	9,81,883	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	71	5	Nil	1 0	Nil	Nil		
12,00,000 A.	29,17,634	48,08,551	31,92,426	4,50,000	Naraag Bros. & Co., Ltd. ..	Basti Sugar	130N	A. 100	6 4	10 0	Nil	10 0	6	Y
8,00,000 B.							113N	B. 10	0 10	1 0	1 0	10 0	10-0	
19,49,050	5,00,000	32,06,093	21,68,136	1,66,138	Bangur Bros., Ltd.	Belaund Sugar	8½	73	Nil	0 10	0 12	0 12	4	Y
15,00,000	12,31,314	13,57,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½N	10	1 4	1 8	1 8	1 8	9	Y.
12,00,000	27,28,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	8½	10	Nil	Nil	Nil	Nil	6	Y.P.
15,00,000	62,99,665	96,64,753	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	2 0	2 0	2 0	2 0	6	Y.P.
18,00,000	33,12,562	63,47,654	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champaran Sugar	25½	10	1 8	2 0	2 0	2 0	10	Y.P.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	0 8	0 8	0 8	1 0	6	Y.
23,80,000 A.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd... ..	Hindustan Sugar Mills ..	175N	A. 100	6 0	9 0	12 0*	15 0	7	Y.T.
98,00,000 O.								O. 100	6 0	9 0	12 0*			
							50N	80	3 0	4 0	Nil	Nil	6	Y.P
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co...	Kesar Sugar	25N	40	1 0	2 0	Nil	Nil		
								100	6 0	9 0	12 0*	Nil	7	
7,89,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills ..	32N	10	1 0	2 8	2 8	2 8	7	Y.P
11,00,000	4,20,000	37,49,397	24,14,065	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	6½	10	1 0	2 0	2 0	2 0	6	Y.P.
1987,500 A.	47,59,869	59,49,307	17,02,000	1,104		New Swadeshi Sugar Mills ..	180N	100	15 0	20 0	20 0	20 0	9	Y.P.
2,71,875 B.							45N	25	3 12	5 0	5 0	5 0		
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	4 12	10 0	10 0	10 0	7	Y.P.
12,00,000	12,71,178	58,94,458	18,81,146	66,008	Naraag Bros. & Co., Ltd. ..	Punjab Sugar	100N	100	6 0	10 0	6 0	7 0	7	Y.P.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Puriahpore Co.	13½	10	1 0	2 0	1 0	1 0	10	Y.
8,00,000	4,04,163	25,16,152	20,51,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13N	10	1 0	2 0	1 0	1 0	8	Y.P.
11,90,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	13½	10	1 0	2 0	1 0	1 0	6	Y.P.
80,00,000	21,68,560	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	0 6	1 0	1 0	1 8	7	Y.P.
9,99,950	61,822	22,64,311	11,98,645	1,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8	0 8	0*	6	Y.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	18½	10	1 0	1 8	1 0	0*	6	Y.
6,50,000 O.	47,623	25,93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd. ..	South Behar Sugar	1N	O. 10	Nil	Nil			6	Y.T.
1,75,000 D.							1N	D. 2½	Nil	Nil			10	
8,00,000	78,11,307	43,99,754	5,356	Cotton Agents Ltd.	Upper Ganges Sugar	23N	10	1 12	2 0			8	6	Y.P.
16,00,000	9,19,618	30,61,987	24,91,617	16,665	James Finlay & Co., Ltd. ..	United Provinces Sugar ..	16½	10	0 4½	2 0	1 8		9	Y.P.
Other Centres														
46,99,750	79,06,443	65,05,216	51,13,758	83,916	W. H. Brady & Co., Ltd.	Belapur Company	26½	50	12 8	14 0	16 0	16 0	9	Y
57,68,900	1,51,48,711	1,61,05,711	56,24,698	21,013	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	3 0	3 8	4 0	6	Y.
10.00 000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd. ..	India Sugar and Refineries ..	28½d	10	1 8	2 8	2 8	2 8	6	Y.P
3,00,000							15½d	10	0 12	1 0	1 0	1 4	9	Y.P
83,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Gowan Bros. (Rampur), Ltd. ..	Buland Sugar	10½N	10	0 12	1 0	0 12		10	Y.
81,79,280	89,98,053	1,08,06,148	68,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Mysore Sugar	44½	10	2 0*	2 0	2 0	2 0	6	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kasalal Ltd.	Phalan Sugar	101	50	8 0	8 0	8 0	2 0	6	Y.
16,59,820	27,50,830	48,81,755	23,79,327	93,198	Anderson Wright Ltd.	Ramnagger Cane and Sugar ..	24½	10	2 8	3 0	2 0	2 0	9	Y.
20,00,000 O.							90N	O. 50	7 0	9 0	9 0	9 0	9	Y.P.T
4,00,000 D.	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N	D. 10				11½		
19,99,600	34,21,961	44,57,626	19,58,191	6,65,992	Govan Bros. (Rampur), Ltd. ..	Rana Sugar Works	10N	10	1 0	1 4	0 12	0 12	9	Y.P.T
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	5½	10	Nil	Nil	Nil	Nil	10	Y.
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries ..	175½	100	12 0	14 0	14 0	14 0	9	Y.P.
97,50,000 A.								O. 100	12 0	14 0	14 0	14 0	9	Y.P.T
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	170	100	10 0	12 8	12 8	ω10 0	10	Y.P.
1,00,00,000	11,17,773	3,57,24,932	1,60,89,871	69,356	Dinshaw Ltd.	Bharat Line	95½	100	3 0	4 0	5 8	10	12	Y.
6655,350	£1,121,737	£5 428,105	£3,512,999	£13,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co	79	£10	Nil	Nil	Nil	Nil	12	Y.
8,25,00,000	74,99,233	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8½	10	Nil	Nil	Nil	0 ¾	12	Y.P.
9,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	15½	O. 1	1 4 xd	1 8 xd	1 8 xd	0 12	3	Y.P.
5,40,8000 O.	17,33,073	10,83,403	6,54,056	1,88,899	E. A. Smith, Esq. (Manager) ..	Walford Transport Ltd, ...	1 xd	P.O. 1	a.s.1 19/25	as 1/25	as 3/25	as 1 3/25	12	Y.T.
2,10,200 P. O.							1 xd		a.s.1 23/25	as 1 23/25	as 1 9/25	as 1 9/25		Y.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	30 0	32 0	12	Y.
15,98,860	1,03,801	42,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	60N	80	4 0	4 0	4 0			
85,00,000	1,00,000	25,18,130§§	8,079	8,955	Dena Sons, Ltd.	Davkaran Nanji Investment Co.	10½	25	0 12	0 12	0 12	0 12	3	Y.
14,96,150	3,83,233	29,77,147	14,08,040	4,425	Chesonlal Maalial Ltd.	Emrula Estates Ltd.	13N	50	3 0	4 0	4 0	4 0	3	Y.
99,99,250	18,80,149	1,27,94,592§§	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust ..	75	100	4 0	4 8	4 8	5 0	12	Y.P.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	B. D. Sheppard, Esq. (Mg. Director).	Killick Industries	153½	100	8 0	8 0	8 0	8 0	12	Y.P.
							152½	75				10 0		
1,06,72,500 A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Asso-Auto Ltd.	Premier Automobiles	71	A. 100	Nil	Nil	Nil	Nil	6	Y.
10,00,000 B.								B. 100	—	—	—	—		
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	37	20	2 0	3 0	3 0	3 0	6	Y.
2,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	United India Match Co.	200	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	34,64,847	1,24,608	1,07,188	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
												20 0	12	
Other Centres														
47,50,800 O.	15,00,000	1,56,92,644	50,15,529	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½	O. 10	Nil	Nil	Nil	Nil		
8,50,000 D.							2½	D. 2½						
30,00,000	38,21,355	31,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	19½	10	1 12	2 8	1 4	1 4	3	Y.P.T
20,00,000	7,73,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18	10	1 4*	1 8	1 4	1 4	3	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	41	O. 100	0 9 3/5	0 9 3/5	0 9 3/5	0 9 3/5	6	Y.
98,00,700 O.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	314	20	0* 23 0*	0*	0*	0*	12	Y.
50,00,000 D.							—	D. 40	6 0	8 0*	20 0*	30 0*	3	
20,00,000	7,97,945	56,17,513§§		11,692	Lovelock & Lewis	Birds Investment Ltd.	161	10	1 4	1 8	1 8	1 8	12	Y.P.T.
30,64,880	33,27,348	99,11,669	‡21,83,999	94,133	P. J. F. Parrott, Esq. (Mg. Director)	Britannia Biscuits	11	5	1 4	1 8	1 8	1 8		
3,25,00,000	93,00,000	2,56,70,947	‡97,14,167	3,58,733	Sir Robert Mesnie	British India Corporation Ltd.	8½	10	0 12	0 12	1 0	1 0	9	Y.P.
1,60,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,152	Cecil Stack, Esq. (Mg. Director)	Mysore Tobacco (India) Ltd. ..	33½	10	1 0	1 8	1 8	1 8	12	Y.P.
51,26,000	51,50,934	1,29,21,258§§	.....	11,873	Bird & Co., Ltd.	Eastern Investments Ltd. ..	144	100	9 0	9 0	9 0	9 0	12	Y.P.
									10 0	12 8	10 0	10 0	12	Y.P.
14,00,000	9,97,000	32,14,898	17,60,862	26,757	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	200	100	10 0	12 8	10 0	10 0	12	Y.P.
									10 0	12 8	10 0	10 0	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	108	100	7 0	10 0	10 0	10 0	9	Y.
80,00,000	11,42,354	62,81,814	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	265	250	17 8	20 0	15 0	15 0	9	H.
12,42,800	5,06,049	60,60,790	41,30,369	11,329	Birla Bros., Ltd.	Hind Cycles	100N	100	7 8	7 8	10 0	15 0*	6	Y.P.
4,96,12 650	1 92 800	2,83,64 147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	8–6½	10	Nil	Nil	8 0	8 0	10	Y.P.
1,60,00,000	36,77,754	3,45,52,905	1,35,90,172	1,35,90,172	J. W. Cameron, Esq.	India Cements Ltd.	125	10	2 8	3 0	3 0	Nil	12	Y.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	13,54,449	A. R. Driessen Esq.	Indian Cables	19½	10	2 8	3 0	3 0	Nil	12	Y.P.T.
8,27,970	5,38,000	14,39,460	7,97,308	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufactures ..	14½	10	1 0	1 0	1 0	Nil	12	Y.P.
2,00,00,000	57,45,280	29,81,477‡	6,26,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	110	100	10 0	10 0	10 0	0*	3	Y.P.
6,54,000				—64,994			2½	O. 2½				0 12		
66,000 D.	6,05,270	6,91,531	4,08,253		James & Co., Ltd.	Macfarlane & Co.	23½	D. 10	Nil	Nil	Nil	7 8	3	Y.P.
40,00,000 O.							230	O. 100	12 8	12 8				
8,00,000 D. O.	63,03,852	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.		D.O. 10	0 12	0 12			3	Y.
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	21½		7 8	7 8				
6,35,255	1,74,934	7,74,805	2,66,942	—2,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3–3½		0 10	1 0				
4,88,040	8,84,829	9,73,621	3,93,009	2,059	G. Chaudy, Esq. (Controller) ..	Mysore Lamp Works	13½		1 0	1 0	Nil	Nil	12	Y.P.
10,00,000		11,45,354	3,93,996	11,529	R. V. Ganapathy Iyer, Esq. ..	Mysore Tobacco	10½		1 0	1 0	1 0	1 0	3	Y.
80,00,000	36,41,172	50,75,803	33,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable ..	19½	10	0 8	0 8			12	Y.P.
									0 4	0 8				
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	10½	10	0 4	0 8	0 12		12	Y.P.
40,00,000	24,00,000	41,38,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Parry & Co.	2	1	9 3/5	0 9 3/5	0 9 3/5	1 0	3	Y.P.T.
8,25,00,000	13,27,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq. ..	Rallis (India) Ltd.	56½	100	Nil	Nil	Nil	0 4½	12	Y.P.
1,14,00,000	1,08,11,658	6,70,23,808	2,57,86,413	78,206	Sahu Jain Ltd.	Robins Industries	15½	10	Nil	Nil	Nil	Nil	12	Y.P.
40,00,000	94,66,946	1,21,92,814	75,55,215	5,47,067	C. W. Stephenson, Esq. ..	Spencer & Co., Ltd.	16½	10	1 0	1 0	1 0	Nil	12	Y.P.
95,00,000	35,00,000	12,11,901§	2,17,120	3,56,616	R. H. D. Campbell, Esq. ..	Shaw Wallace & Co., Ltd. ..	13½	10	1 8	1 8	1 8	1 8	12	Y.P.
9,98,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	0 8½	Nil	Nil	Nil	12	Y.P.

§§ Includes investments at cost. * Includes bonus.

‡Excluding goodwill (written down Rs. 30 lakhs.)

† Excluding goodwill at cost Rs 20 lakhs.

§ Excluding Rs. 1,40,00,000 which represent shares in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	....	McLeod & Co., Ltd.	825	Amluckie	420 N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd. ..	312	Ananda (Assam) Tea	24	10	2 8	0 12	0 12		12	Y.
3,50,000	5,66,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	30½	10	4 0	5 0	Nil	Nil	12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	14½	10	1 12	Nil	Nil		12	Y.
3,40,000	7,36,053	9,47,122	2,27,561	63,629	Andrew Yule & Co., Ltd. ..	369	Basmatia	36½	10	1 8	2 0	2 0		12	Y.
3,30,600	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co... ..	367	Baseli	24½	5	1 8	0 8	0 4		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	366	Betjan	33½	10	3 0	3 0	Nil		12	Y.
16,50,000	16,81,058	50,59,154	20,59,154	1,61,457	Williamson Magor & Co... ..	4,078	Bishnauth	36½	10	5 0	0 8	Nil		12	Y.
6,00,000	3,000	10,38,918	1,85,007	63,716	Octavius Steel & Co., Ltd. ..	485	Bokakhat	9½	10	1 8	1 8	Nil	Nil	12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	—32,144	McLeod & Co., Ltd.	450	Borrnah Jan Tea	12½	10	1 0	1 0	1 0		12	Y.P.
35,00,000	9,03,082	72,59,232	16,14,785	12,511	Brook Bond India Ltd.	2,602	Brooks Bond	14½	10	1 0	Nil	Nil		12	Y.
1,20,000	1,83,234	3,66,030	1,23,481	—29,101	McLeod & Co., Ltd.	282	Dejoo Valley	14½	10	1 0	Nil	Nil		12	Y.
6,00,000	7,15,000	25,51,755	15,30,724	19,112	Jardine Henderson Ltd.	1,220	Doasal & Parbuttia	285	100	50 0	22 8	10 0		12	Y.
17,33,440	6,66,828	20,85,548	2,76,346	35,084	James Warren & Co., Ltd. ..	610	Dhelakhat	16½	10	1 9 3/5	1 3½	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	3,110	James Finlay & Co., Ltd. ..	613	Dhunseri	16½	10	2 0	0 8	Nil		12	Y.P.
4,50,000	2,75,000	8,03,461	1,17,960	—61,561	McLeod & Co., Ltd.	458	Dibrugarh	13½	10	1 0	1 0	Nil		12	Y.
2,36,700	3,70,000	8,93,119	4,63,119	—1,93,119	Williamson Magor & Co... ..	418	Dimakusi	41½	10	4 8	1 8	1 0		12	Y.P.
5,60,500	4,50,000	16,38,157	9,58,157	1,15,948	Williamson Magor & Co... ..	625	Duffla hur	22½

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
60,00,000	36,30,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	14½	10	4+4	1+1	1+1	1+1	3.9	H.T.P.
12,00,000	25,00,000	45,69,534	32,28,741	81,053	Sahu Jain Ltd.	498	Albion	213	100	4+10	15+15	8+10	12½+12½	3.9	H.T.P.
6,00,000	5,10,000	50,61,656	32,29,557	30,829	McLeod & Co., Ltd.	446	Alexandra	162	100	Nil	5	Nil	Nil	5.11	H.P.
30,00,000	5,60,000	1,17,29,964	89,15,069	55,656	McLeod & Co., Ltd.	1,264	Alliance	164xd	100	Nil	24	Nil	Nil+2½	6.12	H.P.T.
49,20,700	70,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	Nil	10	10+10	10+10	10+15	7½+5	3.9	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	116	100	1½+4	6+5	5+4	2½+2½	3.9	H.P.
30,00,000	39,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co.	959	Bally	145	100	6+6	6+4½	Nil	2+2	3.9	H.P.T.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	140	£5	£1	£1	£1	4+Nil	3.9	H.P.
28,80,000	35,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	198	100	7+10	12½+15	7½+7½	7½+7½	6.12	Y.P.
45,00,000	35,93,000	54,87,801	27,48,864	2,45,283	Boorsimull Nagarmull	600	Bengal	14⅜	10	1½	3	3	3	6.12	H.P.
30,42,000	2,64,06,567	3,06,30,766	1,23,13,242	1,03,646	Birla Bros., Ltd.	1,373	Birla	13⅜	10	2½	3	3	3	4.10	Y.P.T.
36,00,000	29,23,926	1,08,31,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Budge-Budge	139	100	3+10	10+12	6½+6½	6+4	6.12	H.P.
7,47,380	3,36,424	40,92,864	28,33,216	—48,461	Dayaram & Sons	502	Calcutta Jute Mfg. ..	13½N	10	Nil	1+1	0+8	6+4	4.10	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	616	Caledonian	152	100	4+10	10+12	6+6	6+6	6.12	H.P.T.
39,16,400	1,06,21,511	1,82,01,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	151	100	3+5	5+7	5+8	6+6	5.11	H.
13,95,000	28,39,782	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Cheviot	210	100	6+10	10+12	7+6	3+3	3.9	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chiravalah	114	10	4+4	1½+4½	2½+2½	1½+3½	5.11	H.P.
18,00,000	17,00,000	78,04,949	44,24,440	1,14,547	Shree Krishna Investment Co., Ltd.	969	Clive	23½	10	1½	3½	Nil	3	6.12	H.T.P.
31,49,200	61,69,975	1,28,93,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	128	100	1+3	8+6	6+1	Nil	3	Y.P.
28,00,000	44,74,179	73,83,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	243	100	5+12½	15+17½	10+10	10+10	3.9	H.P.
15,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	19⅜	10	1+1	1½+1½	1+1	1+1	5.11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Glosster	400N	100	2½+20	12½+12½	10+Nil	5+5	6.12	H.T.P.
14,00,000	1,00,000	74,03,414	43,11,119	2,912	Bangur Bros., Ltd.	1,014	Fort William	330	100	Nil	4	Nil	Nil+5	6	H.T.P.
84,32,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	1,709	Ganges Mfg.	68½	100	Nil	21½+2½	Nil	Nil+5	3.9	H.T.P.
10,80,000	28,80,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	45	100	90	90	30	15	3.9	H.P.
24,00,000	29,35,542	2,19,25,904	1,64,07,357	1,68,711	Macneill & Barry Ltd.	1,394	Goorepore	275	100	2½+15	10+10	10	Nil+Nil	3.9	Y.
45,00,000	46,39,631	77,52,908	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	7	10	Nil+3½	3.9	H.P.
18,00,000	15,00,000	34,92,980	19,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	39	10	1	1½	1½	1	3	Y.P.
65,62,500	51,83,570	1,65,51,077	1,11,34,865	1,74,431	Jardine Henderson Ltd.	1,940	Howrah	24	10	1+1	2+1	1+1	1+1	3.9	H.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Rasuduti Ramkissendas	2,272	Hukumchand	24	7½	3½	5	3½	1+6	3.9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	128	O. 125	3+9½	3½+1½	3½+3½	3½+	3.9	Y.P.T.
D. 30,000									D. 1	A. 7-8	7-8	3½+3½	3½+		
84,00,000	24,95,613	1,36,83,508	1,17,96,380	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty	177	100	8½+8½	10+12½	8½+6	6+	3.9	H.
'B' 19,20,000								166	'B' 100	8½+8½	10+12½	8½+6	6+	6.12	H.P.
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	128	100	Nil	5+7½	6+4	5+		
'B' 24,00,000								124	'B' 100	Nil	5+7½	6+4	5+	6.12	H.P.
21,00,000	47,75,000	98,38,395	72,55,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	246	100	10+10	12½+12½	7½+7½	7½+7½	6.12	H.P.
54,00,000	22,83,375	1,65,87,846	1,11,02,500	2,60,164	Anderson Wright Ltd.	1,530	Khardah	185xd	100	Nil	15	10+6	10+15	6.12	H.P.
40,00,000	98,02,034	2,25,67,177	1,49,49,960	46,214	P. W. Heilgers & Co.	1,250	Kinnison	193	100	13+14	10+9	10+7	10+7½	3.9	H.P.
24,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	131	100	2+10	11+11	4+5	3+5	3.9	H.P.T.
28,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	147	100	5+9	12½+11	11+4	2+3	3.9	H.P.
10,00,000	37,51,630	50,62,630	35,49,178	46,684	Andrew Yule & Co., Ltd.	558	Lothian	310	100	5+10	12½+17½	12½+5	10+7½	3.9	H.P.
91,65,200	25,35,448	1,93,98,406	1,16,80,448	2n,020	Mackinnon Mackenzie & Co. ..	1,008	Megna	98	100	2½+6½	12½+12½	5+5	13+15	5.11	H.P.
29,98,900	41,07,583	1,57,03,661	92,02,957	—5,87,375	P. W. Heilgers & Co.	819	Naihati	101	100	Nil	5	10+6	6	3.9	H.
30,00,000	15,80,000	47,21,786	16,26,721	—1,47,786	Howrah Trading Co., Ltd. ..	425	Naskarpara	12½	10	1+1	1+1	1+1	Nil	3.9	H.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	26½	10	1+1	1+1	1+1	Nil	4.10	H.T.
25,25,000	26,59,673	56,59,673	18,08,091	1,21,002	McLeod & Co., Ltd.	316	Nellimarla Jute	11⅜	10	1+1	1½+1½	1+1	1+1	6.12	H.P.
10,50,000	52,13,033	49,64,452	24,76,185	1,10,017	Sahu Jain Ltd.	709	New Central	313	100	4+10	15+15	2+1	1+8	6.12	H.P.T.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	19⅜	10	Nil	1	1	1+12	6.12	H.P.
66,79,200	33,26,497	2,13,26,378	1,36,90,478	66,545	Macneill & Barry Ltd.	1,092	Nuddea	42½	50	Nil	1½+1½	1+1	Nil+½	3.9	H.P.T.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	165½	100	4+10	12+12	Nil	Nil+½	3.9	H.
25,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Presidency	5⅜	5	Nil	Nil	Nil	Nil+½	5.11	H.P.
20,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. B. N. Banerjee	305	Ramakrishna	9	10	Nil	Nil	Nil	Nil+1	5.11	H.P.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	13½	10	Nil	Nil	Nil	Nil	3.9	H.P.
£600,000	£1,102,561‡	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd...	2,013	Samnuggur	10⅜	10	10⅜	10⅜	10⅜	10⅜	3.9	H.P.T.
30,00,000	13,07,220	97,20,210	59,19,652	6,05,640	Begaria More & Co., Ltd.	911	Shree Ambica	15⅜	10	Nil	1+1	1+1	1+1	12	Y.P.
14,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	12½xd	N 10	Nil	Nil	Nil	Nil	3.9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	124	100	5+6	9+8	6+1	1+1	3.9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	14½	£1	10⅜	10⅜	10⅜	10⅜	12	Y.P.
35,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	173	100	1+7	12½+11	10+1	10⅜	12	Y.P.
24,00,000	‡ 5,87,104	‡ 41,69,977‡		£119,781	Thomas Duff & Co. (India), Ltd...	1,331	Victoria	14	£1	10⅜	10⅜	10+1	1+4	3.9	H.P.T.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	6⅜	1	Nil 1/40	1/40 Nil	Nil	10⅜ Nil+4	6.12	Y.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23⅜	10	1+1	1+1	3½+1	7/10+7/10	3.9	H.
12,00,000	6,45,617	38,12,793	34,62,055	50,561	Jardine Henderson Ltd.	Bararee Coke	18⅜	10	1+1	1+1	1+1	1+1	3.9	H.
4,49,350	70,000	8,49,159	5,34,203	3,553	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½xdN	10	Nil	1	Nil	Nil	6.12	H.
1,80,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd.	Bengal Coal	480	200	17+17½	17½+17½	20+20	17½+17½	6.12	H.
2,25,000	5,07,662	25,12,001	22,49,321	—14,105	Andrew Yule & Co., Ltd.	Bengal-Nagpur	13	10	1+1	1+1	1+1	Nil	4.10	H.
15,97,000	4,73,158	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4⅜	10	Nil	Nil	Nil	Nil	6.12	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	6 280	Sahu Jain Ltd.	Bharat Collieries	7⅜	10	1	1	1	1	3.9	H.P.
7,15,000	14,30,111	51,52,038	36,11,169	—1,35,897	P. W. Heilgers & Co., Ltd. ..	Bhutiabararee	14	10	Nil	Nil	Nil	Nil	3	Y.
14,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	11	10	Nil	Nil	Nil	Nil	3	Y.T.P.
7,50,000	21,01,000	43,87,978	25,07,761	1,04,202	F. W. Heilgers & Co., Ltd. ..	Borree	31½xd	10	1½+1½	1½+1½	1½+1½	1½+1½	6.12	H.
99,92,480	1,70,58,398	4,07,13,995	1,44,07,443	83,552	Bird & Co., Ltd.	Burrakur	9⅜	10	Nil	Nil	Nil	Nil	6.12	H.T.
49,97,000	750	34,32,368	27,646	3,838	Hindustan Investment Corpn., Ltd.	Central India	6	10	Nil	Nil	Nil	Nil	6.12	H.P.
5,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	13⅜N	10	Nil	Nil	Nil	Nil	3	H.P.T.
6,00,000	1,42,075	7,27,000k		4,368	F. W. Heilgers & Co., Ltd. ..	Charlie	21xd	4	1	1	1	1	3	Y.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	8⅜	10	1+1	1+1	1+1	1+1	6.12	H.
£240,000	£332,801	£324,840	£9,002	£98,734	Jardine Henderson Ltd.	East Indian	28xd	£1	1½	3	3	3	6.12	H.
29,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	34½xd	10	2½+2½	2½+2½	3½+0	Nil	6.12	H.
10,00,000	2,42,255	8,41,725	2,33,963	66,865	Bhatter's Agency Ltd.	Ghusick and Mesila	14N	10	2	3	2+1½	2½	6	Y.
12,00,000	1,57,000	35,64,154	17,67,189	1,843	Killick Industries Ltd.	Hingir-Rampur	45	50	3	4		3	6.12	H.P.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	15	10	Nil	Nil	4	2	3	Y.
22,00,000	1,08,577	31,70,015	10,56,245	—4,95,848	Bajpai Trust Ltd.	Jogta Coal	1⅜	10	Nil	Nil	Nil	Nil+5	6	Y.P.
3,50,000	5,58,000	13,45,400	6,42,347	21,258	Andrew Yule & Co., Ltd.	Kalipahari	27N	10	1½+1½	1½+1½	1½+1½	Nil+Nil	6.12	H.
20,00,000		25,62,791	1,38,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	79⅜	100	Nil	Nil	Nil	15	12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,361	Andrew Yule & Co., Ltd.	Katrasgarhtah	43⅜	10	1½+1½	1½+1½	Nil	Nil	2.8	H.
1,18,600	95,000	10,83,319	3,23,519	1,063	Seriwals & Co.	Khas Kajora	6⅜	10	1	2+2	2+2	2+2	1.7	Y.P.
11,00,240	50,000	13,87,373	10,31,164	3,411	H. V. Low & Co., Ltd.	Ksardi	6⅜N	10	1½	1½	1½	1	3	H.
9,00,000	11,50,000	28,41,242	22,43,823	15,549	H. V. Low & Co., Ltd.	Lakurka	10⅜xd	N 10	1+1	1+1	1+1	1+1	6.12	H.
7,48,240	1,50,000	11,24,142	8,44,138	30,398	Associated Commercial Co., Ltd.	Nazira	6⅜	10	1	1	1	1	6	Y.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	17⅜	10	3/10+3/10	Nil	Nil	Nil	6.12	H.
6,00,000	1,60,000	32,13,533	19,29,968	9,405	Oesmiria Steel & Co., Ltd. ..	New Mashbhoom	10⅜	10	1	1	1+1	Nil	6.12	H.
1,13,000						North West	11 N	10	1	1	1	1	4.10	H.
1,57,500	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.		74	10	1+1	1+1	1+1	Nil+Nil	3.9	H.
7,50,000	11,26,866	3,97,666	2,77,666	1,03,412	F. W. Heilgers & Co., Ltd. ..	Ondal	158xd N	10	1+1	1+1	1+1	Nil+Nil	3.9	H.
10,00,000	1,10,000	85,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	12N	10	Nil	1	Nil	1+1	6.12	H.
2,34,000	83,594	17,23,582	6,87,675	15,789	Dorabjee Khberiali	Parasea	6⅜	10	Nil	Nil	Nil	Nil	6.12	H.P.
15,75,000	11,25,000	42,01,693	27,10,167	22,892	Shaw Wallace & Co., Ltd.	Pench Valley	25⅜	10	1+1	Nil	Nil	Nil	6.12	Y.T.
23,99,500	16,17,105	1,12,84,110	78,87,623	27,432	B. N. Elias & Co., Ltd.	Ranegunge	13⅜	10	1+1	1+1	1+1	Nil	6.12	H.P.
13,50,000	7,88,350	30,74,660	15,05,660	27,848	Shaw Wallace & Co., Ltd.	Rewa	25	10	1+1	1+1	1+1	1+1	6.12	H.
80,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	7	10	1	1	1	1	3.9	H.
1,25,000	1,75,000	11,49,383	9,78,999	20,499	Gillanders Arbuthnot & Co., Ltd.	Searsole	8N	10	1	1	1	0	6.12	H.
2,50,000	1,61,997	26,76,823	15,17,969	21,956	Andrew Yule & Co., Ltd.	Seebpore	23⅜	10	2½+2	2+2	2+1	1+1	6.12	H.
8,00,000	8,74,858	36,99,010	26,36,686	—2,06,478	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	1+1	1+1	Nil	Nil	6.12	H.
63,21,450	13,25,954	1,24,72,792	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6⅜	10	Nil	Nil	Nil	Nil	6.12	H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	9⅜	10	1	1	1	1	6.12	H.T.
8,80,000	24,19,345	1,69,570	22,510	15,141	F. W. Heilgers & Co., Ltd. ..	Standard	22xd	10	1+1	1+1	1+1	1+1	12	
19,00,000	12,930	30,15,483	15,43,546	—3,64,536	Villiers Ltd.	Talcher	3⅜	10	Nil	Nil	Nil	Nil	2.8	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., ...	Union	22	10	1½+1½	1½+1½	1½	Nil	6.12	H.
69,58,000		44,91,158	13,91,565	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	5⅜	10	Nil	Nil	Nil	Nil	9	H.
7,00,000	6,63,000	44,81,176	20,24,251	53,989	Macneill & Barry Ltd.	West Jamuria	17	10	1+1	1+1	Nil	Nil	6.12	Y.
													3	H.
													6.12	H.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,28,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,28,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1060 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8, or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

RECOMMENDATIONS OF SHROFF COMMITTEE

SPECIAL CORPORATION FOR SMALL INDUSTRIES SUGGESTED

REVIEWING the developments in the private industrial sector during the first three years of the Five-year Plan, the Committee* on "Finance for the Private Sector," appointed by the Reserve Bank of India, in October, 1953, with Mr. A. D. Shroff as Chairman, observes that "while some progress has been registered in regard to investment in new capital, it has not been commensurate with the expectations; and, in order to reach the planned targets, annual investments in new capital will have to be raised to about double that in the period 1951-53. As regards investment in modernisation and replacement of equipment, very considerable leeway remains to be made up in the remaining years of the Plan. Finally, in respect of working capital, the problem has so far not proved acute for the large-scale industries. But medium and small-scale industries have suffered from lack of liquid funds; and, further, the planned increase in working funds to sustain a higher output has yet to materialise." The Committee adds that, if present trends in savings and supply of liquid resources continue, finance would undoubtedly be a major limiting factor to industrial development in the private sector.

The Committee's main terms of reference were to examine ways and means of increasing the finance available to the private sector through sources other than those under the consideration of the Taxation Enquiry Commission, and, in particular, through the organised banking sector. Accordingly, the Committee has made a series of recommendations to facilitate larger provision of finance to industries by commercial banks, insurance companies, industrial finance corporations, etc. The Committee has, *inter alia*, also examined various other factors inhibiting private industrial investment in India today and has placed considerable emphasis on the need for creating a proper economic climate for private investment.

Improvements in the Economic Climate

In order to facilitate increased private investment in industries, the Committee suggests that, in respect of large investments in scheduled industries which take time to fructify, it should be possible for, Government to give some assurance of immunity from nationalisation, at least for a reasonable period. The Committee also emphasises the need for co-ordinating the work of the various licensing authorities and simplifying the procedure with a view to avoiding unnecessary delay and the resulting loss to *entrepreneurs*.

The Committee considers that a major factor impeding private investment is the variety of additional obligations to compensate labour imposed by legislative measures adopted by Central and State Governments and by the Awards of Industrial Tribunals in recent years. The Committee feels that, while these measures may, from the welfare point of view, be good in themselves, their cumulative impact on industries is onerous; and, therefore, it urges that early steps should be taken to remove the confusions and uncertainties in regard to labour legislations and Awards and to ensure that the rise in the rewards of labour does not run ahead of the increase in the productivity of labour.

In regard to factors in the economy affecting the supply of investment funds, the Committee takes the view that recent changes in the pattern of income distribution have been such as to reduce the flow of savings into the organised capital market. At the same time, borrowings by Government and Government agencies have been substantial. This combination of circumstances has had the effect of limiting the scope for financing the programmes of expansion and rehabilitation of the private sector through new issues on the capital market.

The Committee draws pointed attention to the need for increased effort on the part of organised bodies like Chambers of Commerce and Manufacturers' Associations to root out the many unhealthy practices that still prevail in the business sector, and to raise the standards of business management and morality. The business community, says the Committee, "has to recognise that planning in a mixed economy necessarily involves some control and regulation of the private sector; and that, therefore, it is all the more necessary to exercise vigilence and discipline in such circumstances."

Financial Policy

Recent developments such as increased production in several fields of economic activity, abatement of inflationary pressures from abroad and deterioration in the employment situation, as well as the need to step up development outlays in both public and private sectors in order to achieve the planned targets, warrant, in the Committee's opinion, adjustments on the monetary front. It feels that, if the deficit of Rs. 250 crores envisaged in the Central Government budget for 1954-55 materialises, the activities of the public sector will add to aggregate purchasing power in the country and will stimulate further activity in the private sector. However, unless the savings generated by Government spending amongst the rural and wage-earning classes are drawn into money and capital markets to which all segments have equal access, deficit financing will not by itself solve the credit problems of some of them at least. The Committee emphasises that, in making arrangements for the provision of finance to the private sector, this point has to be borne in mind.

It then goes on to review the steps which the Reserve Bank has already taken to facilitate the flow of credit—such as the introduction of Bill Market Scheme, extension of credit facilities to co-operative banks, investment in the share capital of industrial finance corporations, promotion of sound banking practices in the country through a system of inspection of banks, etc.—and adds that, by further suitable adjustments in the Reserve Bank's lending and rediscount practices, larger investment by commercial banks and other financial institutions in private industry could be facilitated.

Commercial Banks

The Committee has examined carefully the scope for direct long-term lending by banks to industries and is of the opinion that it is not desirable to encourage a tendency on the part of banks to lean on the Reserve Bank for providing liquidity against the long-term advances which they make on their own judgment and initiative.

While the extent to which banks can give direct *loans to industries is limited*, the Committee recommends that, even with the present resources available to banks, they should endeavour to increase their investments in the shares and debentures of first class industrial concerns, make larger advances to approved parties against such securities and subscribe to a greater extent to the shares and bonds of special institutions like the Industrial Finance Corporation of India and the State Finance Corporations. To facilitate an enlargement of commercial bank investments in industrial securities, the Committee recommends the formation of a consortium or a syndicate by banks, in co-operation with insurance companies, under the leadership of the Imperial Bank of India, with the object of underwriting or investing in new issues of industrial shares and debentures. Also, in order to encourage the banks to invest in the shares and bonds of the Industrial Finance Corporation of India and State Finance Corporations, the Committee recommends that these securities should be treated by the Reserve Bank as on a par with Government securities for advances under section 17(4)(*a*) of the Reserve Bank of India Act, on such terms regarding margin, etc. as the Reserve Bank may deem appropriate.

Effect of Awards

The Committee has dealt in considerable detail with the effect of the

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
10,00,000	1,08,33,956	10,66,176	Allahabad Bank	380	100	18 0	18 0	18 0	18 0	12	V.P.
14,38,000				190	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	112½	100	6 0	6 0	6 0	6 8	6.12	H.
23,99,000				61½	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	108½	25	6 0⅔	6 0⅔	6 0	6 0⅔	12	Y.
40,00,000	17,00,000	11,795	Bank of Bikaner	124N	25	0 12½	0 12½	0 12	0 12	12	Y.
2,50,00,000	3,52,00,000	7,29,778	Bank of India	147	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0⅔	3 0⅔	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	21	50	1 8	1 8	1 8	1 8	12	Y.
80,00,000	84,30,000	2,26,964	Bank of Mysore	300	100	16 0⅔	16 0⅔	16 0⅔	16 0⅔	12	Y.
99,99,150	81,83,240	29,609	Bombay State Co-operative Bank	59	50	2 8½	2 8½	2 8	2 8	4	Y.P.T.
15,90,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0⅔	5 0⅔	5 0⅔	5 0⅔	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	544	25	3 8	3 8	3 8	3 8	12	R.L.Y.
32,42,805 'A'				394	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co. ..	32	50	1 8	1 8	1 12	1 12	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	88N	20	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	14,20,000	15,160	Hindustan Commercial Bank ..	58	50	—	—	—	—	12	Y.
60,00,000	1,50,000	1,412	Hindustan Mercantile Bank ..	16½	50					12	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105½	100	6 0⅔	6 0⅔	5 0	5 0	6	Y.
3,75,00,000				1,785½	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000	6,35,00,000	33,25,047	Imperial Bank of India	438½	125	20 0	20 0	20 0	20 0	6.12	R.L.H.
24,00,000				175½	100	12 0⅔	12 0⅔	12 0⅔	12 0⅔		
17,00,000	76,50,000	1,23,088	Indian Bank	143½	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				101	60	7 3½	7 3½	7 3½	7 3½		
49,04,923	22,50,000	2,25,271	Indian Overseas Bank	92½	100	6 0⅔	6 0⅔	6 0	6 0	.12	R.L.H.
6,25,000				60	100(A)	9 0	7 8	6 0			
2,50,000	6,33,939	1,380	Indo-Commercial Bank	16	25(B)	2 4	1 14	1 8		6.12	H.
10,00,000				30	10(C)	3 0	3 0	3 0	1 8(d)		
87,50,000	90,00,000	3,10,289	Punjab National Bank	244	25	1 0	1 0	1 8	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	12	25	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	5⅜	5	0 5	0 5⅛	0 5⅛	0 5⅛	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	45	50	2 0	2 0	2 0	2 0	18	M.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3 000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-2-1½	£5	14⅔	14⅔	16⅔	14⅔	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8½	£5	7⅔	6⅔	7⅔	3⅔	12	R.L.Y.
H.K. $20 000 000	H.K. $96,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	$92½	H.K. $125	5⅔	5⅔	6⅔	5⅔	12	Y.
£14 372,956	£16,500,000	£555 780	Lloyds Bank	£3-3-0	£1	12½	12½	12½	12½	12	R.L.Y.
£1,437,296				£1-7-0		2½	2½	3⅔	2½	12	R.L.Y.
£375,000 'A'	£1,500,000	£200,980	Mercantile Bank o India ..	£28½	A £12½	12½	12½	14⅔	14⅔	12	R.L.Y.
£375,000 'B'				£28½	B £12½	12½	12½	14⅔	14⅔		
£300,000 'C'				£12	C £5	12½	12½	14⅔	14⅔		
£2,281,250	£3,675,000	£323,703	National Bank of India ..	£27-9	£12½	16⅔	16⅔	16⅔	16⅔	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency. (I) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19 50,000	6	1st December and 1st June	Carew & Co.	1938 100	1st June 1963
4,00,000	3½	1st March and 18th September	Carew & Co. (2nd mortgage) ..	1941 96	28th February .. 1960(/
9,00,000	3½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936 99½	30th December .. 1954
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942 104	27th December .. 1952-62
12,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944 98	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries ..	1941 105	1st April 1956-61
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944 97	1st November .. 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942 85	30th April .. 1964
4,00,000	5	15th May and 15th November	Bengal Nagpur	1897 95½	15th November .. 1956(e)
1,80,00,000	3	1st April and 1st October	Buckingham and Carnatic ..	1952 98½	1st January .. 1967-72
13,68,000	5½		Jaykrishna Textiles	1940 78N	1st January .. 1956-59
40,00,000	5	1st June	Tata Mills.	.. .. ..	.. 1964-71
ELECTRICS					
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	1939 96	31st March .. 1963
1,25 000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. ..	101½	14th June 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1948 100½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Bengal Electric Light and Power Co., Ltd.	1940 94	31st December .. 1964
8,55,97,200	3	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950 101	1st January .. 1970
85,00,000	6	30th June and 31st December	Cawnpore Electric Supply Co., Ltd.	1948 98	1st January .. 1968
15,00,000	5	1st January and 1st July ..	Bijua (Sheriah) Electric Supply Co., Ltd.	1951 96	30th June 1976
7,56,200	3½	1st January and 1st July ..	South Madras Electric Supply ..	1940 96½	1st October .. 1957-61
8,00,000	4½	1st May and 1st November	South Madras Electric Supply ..	1939 94	 1954
1,00,000	3	1st January and 1st July ..	South Madras Electric Supply ..	94½	 1953-63
6,43,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	94	1st July 1957-67
47,73,000	4½	1st April and 1st October ..	Tata Power	1940 100½	15th September .. 1951-55(M)
2,50,000	4	1st April and 1st October ..	Tata Power	93	15th September .. 1965-70
ENGINEERING					
5,80,000	3½	30th June and 31st December	Britannia Engineering	1948 98½	31st December .. 1954
6,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd. ..	1938 99	30th June 1958
80,00,000	3½	15th September and 15th March	Indian Home Pipe (2nd mortgage)	1942 103	1st July 1957-62
41 146 600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936 656	31st December .. 1966(M)
10,00,000	4	31st May and 30th November	Kumardubbi Engineering Works Ltd.	1936 88	31st May 1971
8,50,00,000	3	1st April and 1st October ..	Tata Locomotive	1950 101½	31st December .. 1966-68
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950 99	31st December .. 1960
JUTE					
48 80,000	4½	1st October and 1st April ..	Agarpara	1939 100	31st March .. 1954
6,00,000	4½	30th June and 31st December	Alexandra	1939 99	30th June .. .. 1956(h)
13,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. ..	1945 90½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	1945 99	30th June 1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. ..	1945 88½	30th June 1956
9,00,000	3	31st January and 31st July	Calcutta	1949 91	31st July .. .. 1959(n)
10,69,000	3	30th June and 31st December	Chiswathiah Jute Mills	1949 97	30th June 1966
8,46,000	3	30th June and 31st December	Empire	1951 95	15th July 1966
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947 92½	30th June 1957
25,00,000	3	30th June and 31st December	Kamarhati Jute Mills Co., Ltd.	1948 98	31st December .. 1964
85,00,000	4½	30th June and 31st December	Nafhati	1952 98	31st March .. 1967
5,00,000	4½	31st March and 30th September	Naihatipara Jute Mills Co., Ltd.	1947 98½N	31st March .. 1954
5,00 000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939 93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1945 88	31st December .. 1964
8,00,000	4	30th June and 31st December	Premier	1943 91	30th June 1958
85,00,000	3	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950 96	5th September .. 1965
4,00 000	4½	14th March and 14th September	Seerah Jute	1937 96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Thakur	1937 97	30th June .. .. 1957(f)
10,00,000	3½	31st January and 31st July	Waverley	1925 85	31st July .. .. 1966(e)
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1936 86	1st July 1956
£350,000	4½	1st January and 1st July ..		1900 £60N	A 1955% at any time on 6 months' notice or at par or every seventh year.
			Calcutta Tramways		
£201,057	5	1st April and 1st October ..		1933 £77N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway ..	1945 90½	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905 £85N	
60,00,000	4½	1st March and 1st September	Sciadia Steam Navigation	96½	1st September .. 1963
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102	1st July 1957-62
5,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April 1956-58
4,61,000	5½	30th June	Ouchterlony	104	30th June 1956-59
9,00,000	5	31st March / 30th September	Perlakamala	100–11½	31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekoy	100	31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946 101	30th September .. 1955
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948 98	31st December .. 1965
26,60,000	4½	1st April and 1st October ..	Associated Hotels of India ..	1948 86	31st December .. 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937 96½	30th June 1962
81,00,000	3½	1st February and 1st August	Chowringhee Properties	1935 93	1st February .. 1966
21,55,000	4½	1st July and 1st January ..	Clive Buildings	1936 87	1st July 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946 87	15th September .. 1988
1,60,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946 82	 1960
1,30,00,000	3	1st January and 1st July ..	Dunlop Rubber	1950 102½	1st January .. 1960
20 00 000	3	15th March and 15th September	Mettur Chemical Industries ..	1949 96	 1971
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946 670	30th September .. 1976
					(per note)
45.00 000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947 525	31st December .. 1972
					(per note)
75 00,000	3	1st April and 1st October ..	Macneill and Barry Ltd.	1951 90N	1st April 1971
1 00 00 000	3½	31st March	Orient Paper Mills Ltd.	1951 98	31st March 1961
1 00 00 000	4	30th June and 31st December	Rohtas Industries Ltd.	1946 90	31st December .. 1959
4 00 00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953 104½	1st May 1968

Note—See page 1110 for explanations to abbreviation marks.

MARKET GOSSIP

(Concluded from page 1063)

low one. In that case, Europe should report a lower output this year. Weather and other conditions, too, have not been favourable. Europe's next crop, according to the aforesaid review, would be considerably less than that produced in 1953-54. A more definite picture, however, will be available by about September. As regards demand, there has been, it is stated, an expansion in consumption by about 2½ per cent. each year, during this century. This means that the world should normally be able to absorb one million tons more than in 1954-55. If smaller beet crops are harvested next season, the situation might improve further, in the sense that the year will see the beginning of a trend towards a better balance between world supply and demand.

• • • • •

An optimistic view of the scope for the development of the cement industry in India was taken by Mr. V. Ramakrishna, Chairman of the Andhra Cement Company, Ltd., at the recent annual meeting of the Company. The cement industry, he pointed out, had made satisfactory progress during the last few years, production having improved from 1.55 million tons in 1948 to 3.78 million tons in 1953. As against the anticipated demand of 4.5 million tons by 1955-56, the Planning Commission had fixed a target for increasing the rated capacity to 5.01 million tons. He emphasised that in Andhra State, the potentialities for the development of the industry were "very great" in view of the fact that it had not only large deposits of high quality limestone but there was growing demand for cement as a result of the construction of two big hydro-electric projects, the Krishna Project and several minor irrigation works.

• • • • •

Mr. Ramakrishna deplored that when the industry had done so well in the past and when there was scope for its further development, the Government should not provide enough incentives to the industry. Although he felt gratified at the high degree of priority the Government had given to the expansion of the cement industry, he said that it was "somewhat disappointing to notice the discouraging attitude on the part of the Government in not allowing a fair increase in the selling price." Reviewing the Government's decision on the Tariff Commission's recommendations, he pointed out how the Government whittled down, among other suggestions, the Commission's suggestion for a 10 per cent. return on gross block to 8 per cent. He said: "Apart from the question whether the recommendation of a return of 10 per cent. on gross block is fair or not, in view of the fact that certain items of expenditure such as managing agents' allowance and bonus are not taken into account while computing the various elements of cost of production, the Government of India have considered it adequate to allow a return of only 8 per cent. on gross block." This question, it may be noted here, has been repeatedly raised by the spokesmen of other industries which have similarly suffered through the Government's stringent attitude towards the return on gross block.

RECOMMENDATIONS OF SHROFF COMMITTEE

(Concluded from previous page)

houses, investment trusts, unit trusts, etc., should be set up. The Committee welcomes the move to establish, with support from the Government of India and the International Bank for Reconstruction and Development, a privately-owned and managed Industrial Development and Finance Corporation with a paid-up capital of Rs. 5 crores and an interest free deposit of Rs. 7½ crores by the Government of India for a period of 15 years. The State-owned and State-managed Industrial Development Corporation for promotion of new industrial units in the country, and urges the Government of India to expedite the formation of this State-sponsored Corporation.

Finally, the Committee emphasises the need for provision of technical and managerial assistance to industries. It believes that, on account of the paucity of technical experts in the country, it may not be practicable to have fully equipped technical wings attached to each Government and to each of the institutions like the Industrial Finance Corporation of India and the proposed Development Corporations. It, therefore, recommends that a central organisation for provision of technical and managerial advice and assistance should be set up. This organisation should not be a Government institution but one in which Government, special finance institutions and private industries are all jointly concerned.

Concluding the report, the Committee emphasises once again the need for a reorientation of attitudes on the part of all the sectors in the economy. "One major obstacle to achieving progress at a quicker pace," says the Committee, "may be attributed to lack of adjustment in attitudes towards the needs and requirements of the situation in the country. Whether it is a question of simplifying administrative procedures on the part of Government authorities or whether it is a question of business men reconciling themselves to the changed needs of new social concepts, or whether it is a question of bankers relaxing their accustomed conservatism to cope with the growing economic needs of the country or whether it is the central monetary authority that has to shape its policies to lend its assistance in directions hitherto unexplored to accelerate the onward march of the country's economic development, the Committee believes that unless all elements constituting the economy of the country are willing and prepared to develop a new outlook and shed preconceived ideas, real progress at a quickened pace cannot be attained."

COMMERCE

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

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NEW LIGHT ON SMALL INDUSTRIES

FEW reports have gripped Indian imagination and are likely to remain the last word on the subject as the Report on Small Industries in India, submitted by the International Planning Team which, at the instance of the Central Government's Ministry of Commerce and Industry and the National Planning Commission, and through the courtesy of the Ford Foundation, toured the country for nearly three months studying the problems of small industries before it set down its impressions and thoughts on paper. Considering that the Team consisted of three Americans—Mr. Ramy Alexander, Mr. Raymond Miller and Mr. C. Leigh Stevens—and two Swedish experts—Mr. Sven Hagberg (Chairman) and Mr. Hans Grundstrom—each with a distinctive intellectual background and practical experience, and that the work of drafting the report was divided, each part being allotted to only one member of the Team, it is certainly remarkable that there is a surprisingly clear thread of unity throughout the report. Equally remarkable is the new mind that has been brought to bear upon this ancient subject which, having been discussed *ad nauseum* by the public on the platform and in the Press, repels people by the many cliches that have grown around it.

How did this admittedly hackneyed, though no doubt important, subject appeal to the Team? Perhaps, nothing is more characteristic of the Team's entire approach to the question than the emphasis which this international group of experts has laid on the magnitude of India's markets. The way to production is rightly sought through markets. Markets are not, as is the bane of the Congress Party's policy in relation to small industries, sought for the articles produced. The articles must be produced, the Team insists, to meet consumers' felt needs. The Team is impressed by the fact that India is fortunate in possessing one of the "largest potential domestic markets in the world." Since 80 per cent. of India's 360 millions live in the villages, the rural market deserves particular attention. Again, the 60 million urban residents, as the Team suggests, present a market of "staggering possibilities." It is true that the needs of the population are now only "latent" and not "felt"; the demand is potential, not effective. The Team is convinced that, when the "latent needs of these folks begin to change into felt needs, India will experience, perhaps, the greatest industrial revolution that the world has ever seen." All this must fire the imagination of even the dullest among our industrialists and public leaders. But it is well to realise that the change-over from the "latent" demand stage to the "felt" stage will need systematic effort on the part of administrators and sustained work on the part of the management and the workers. The Team's report is mainly concerned with the way in which the small industries can be fitted to meet India's vast and growing markets.

Village and small industries, according to the Team, can be divided into two groups: traditional village craftsmen (carpenters, blacksmiths, etc.), working mainly for the needs of the village where they live, and small industries, such as makers of light consumer goods, artcrafts and small tools, aiming at larger markets. The Team's verdict on small industries is that "they are today facing a crisis, their number of employed workers and their output of production gradually declining and in some cases slowly grinding to a halt." The "major single reason" for this state of affairs is stated to be the lack of systematic approach to the overall problem; better marketing, better financing, better raw materials, better finish, better equipment, better power facilities, better design are often thought of as separate remedies. A systematic approach, the Team again emphasises, must start with market research. What articles will sell, and at what price? Then comes designing. How should the article be designed, made and finished? The other problems are: raw materials, equipment and organisation, production, research and technical help, distribution and promotion, and finance.

The Team has recommended the establishment of four institutes of technology, located geographically so as to serve better the whole of India. The institutes will carry on investigations and applied research for promoting development of small industry and will disseminate the methods and results thus obtained to industrialists, their deputies and skilled workers. This recommendation has been accepted by the Government of India. The chief justification for these institutes lies in the fact that the larger national laboratories are at present unable, preoccupied as they are with fundamental research or with problems of large-scale industries, to devote any attention to the small industries. It must, however, be clear that, even so, the institutes will do well to pass on their more theoretical problems to the larger laboratories and also to receive guidance and help from them. But the main work of these institutes will lie in the sphere of small industries with which they should establish almost daily contact.

In order to increase the sale of small industries' products, the "most urgent needs" are good design and technical quality, reliable organisation of supply and co-ordinated promotion of sales in India and abroad. With this end in view, the Team has recommended the establishment of a National School of Design to serve as a centre for creative design and fashion, of a customers' service corporation to provide satisfactory channels of supply and a reliable procurement service for Indian and foreign buyers and of export development offices (one in North America and another in Europe), to promote and stimulate foreign trade in handicrafts and artcrafts. If the small industries are to make effective contribution to the economic development of the country, the Government should endeavour to implement these recommendations.

It is significant that the Team has repeatedly stressed the need for contact between producers and consumers through a well-developed marketing organisation or system that will serve as a liaison between the two. Apart from the need for establishing such contacts, the Team has also laid considerable emphasis on the necessity to strengthen trade associations, that is, voluntary association of members of a given industry or trade. The Team recommends that all existing State and national trade associations should be strengthened. The Central and State Governments, it is suggested, should take the initiative in organising and promoting meetings to discuss the problem of such industries. When they have been properly established, these associations, it is stressed, will help acquaint members of new methods and techniques, and also serve as information centres to their members. Considering that the same industry or trade is spread over diverse parts of the country, it is perhaps too much to expect a single trade or industrial association to serve each industry's needs. Nevertheless, a single trade association, in each region, and an all-India organisation knitting the regional associations can do much to improve efficiency in production and marketing of goods.

The Team has gone on record by emphasising that the most frequent complaint it heard in all its tour, was lack of finance. It was not only the frequent but the first complaint made by small industries and artisans. From a study of the problem, the Team reaches the conclusion that the major reason why capital for small industry is scarce is low productivity and over-population in many branches. It says that, even if it is admitted that the present depressed conditions are not conducive to the granting of credit, the commercial banks could make a more concerted effort at increasing credit to small industries. The policy of granting loans with security on land and buildings, which form part of the credit institutions' activities in other countries, has not made much headway in this country. The Team's specific recommendations include: (1) Commercial banks should delegate more authority to branches to make loans to small business; (2) co-operative banks should expand into the industrial field; (3) all States should have State finance corporations each one of them setting apart a portion of its funds exclusively for small industries; and (4) a system of loans against the security of real estate-mortgages should be considered and developed.

As regards the role of co-operatives, the Team rightly insists that, as a rule, co-operators should not associate themselves in an act of production as members; they may, of course, associate themselves for purposes of procuring raw materials and marketing of finished products. Wisely, the Team recommends the gradual withdrawal of the Government from co-operatives; it reiterates its "conviction" that co-operatives must be organised and developed by those who are to be served.

The Team has also recommended the establishment of a Small Industries Corporation by the Central Government. The scope of this Corporation is not to be confined to the mere grant of credit. It is meant to service small industry in the field of Government indents. The primary purpose of the Corporation will be

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to provide the incentive to small industry to move forward by improving its techniques of production and management. It may be mentioned, in this connection, that the Central Government has, during the five years ended 1953-54, assisted cottage industries to the tune of over Rs. 600 lakhs. Perhaps, if this amount had been spent in a more systematic manner on the lines envisaged by the International Team, it would have yielded better returns than it has. The mere grant of loans, without technical guidance, will get the small industries nowhere.

Perhaps, the most notable part of the Team's report lies not so much in its specific recommendations—significant and important as they are—as in its practical approach to the problem, as well as in its general attitude towards the role of small industries. Indeed, it would be wrong, if not futile, to implement the Team's recommendations, unless the Government is at the same time prepared to appreciate the broad general principles on which its recommendations are based. With characteristic thoroughness, the Team has stated the principles of a dynamic economy: (1) "You cannot divide what you do not first produce"; (2) as production rises, new crafts and trades develop; for instance, to the extent a cultivator produces more food than he needs, one of his fellow cultivators may be released from the production of food to take up the tasks of building of houses, the making of clothes and the construction of roads. Since adoption of better methods comes invariably through the leadership of successful employers, success should be encouraged, not penalised. Again, the maintenance of a proper standard of quality is vital to industrial progress. Many Indian industries can lay the foundation for a promising long-term development, provided "efficient methods of production are adopted as soon and as widely as possible." Small industries have a "prominent" place in the Indian economy; only, it is "unsound" to use handpower just for the sake of using handpower. Labour-saving equipment is not an evil; it results in greatly expanded demands and markets, generates higher wages, expands employment and raises living standards.

Modernisation creates employment; it is "shortsighted" to stop this process for the "mere purpose of apparently preventing unemployment." In a certain mill, the Team found that, if the management had been allowed to rationalise work, it could operate "two shifts of needed production, utilising the number of employees now needed to operate one shift." The policy of stopping all attempts at rationalising the textile industry denies "employment for at least 25,000 people who, under present Indian conditions, are needed to operate over 250,000 additional acres required to grow the additional cotton needed from the extra shift"; it denies employment in ancillary occupations; it deprives the Sindri factory of about 5 per cent. of its market, for that much fertiliser should be used in the growing of the cotton. If modernisation results in some temporary unemployment, it is better to absorb the unemployed persons in a public works programme than to stop modernisation. In the final analysis, it is not *modernisation* but "*perpetuation of inefficient methods*" of production that causes unemployment; this has happened in Agra and Howrah. Indian industry, according to the Team, needs to be "set free" from the "illogical" restriction on the use of modern machinery, supported by legislation and regulation. Finally, the Team emphasises that the "challenge of rationalisation must be met and must become a part of a forward-looking industrial programme."

Such, in outline, is the economic philosophy which forms the basis of this illuminating report. Here is a call, a stirring call, made by an impartial body, for a change in Government's industrial policy. If this succeeds in curing the Government of its industrial myopia, the call will not have been made in vain.

SOME THOUGHTS ON BANKING TRENDS

WITH the publication of the Reserve Bank's latest annual report on *Trend and Progress of Banking in India*, a complete picture of commercial banking in the country during 1953 is now available. The report provides, besides a rapid review of the trends, all the relevant statistics, supported by a number of impressive and beautifully printed charts. These reveal no wide variations in the principal assets and liabilities over the year. The picture, therefore, may present a placid appearance. But that does not necessarily mean that banks had a comfortable and happier year. On the contrary, 1953 was, for most banks, a difficult year, in that they had to strive hard to retain and attract more deposits and look out for profitable investments consistent with safety in order to maintain their earnings, so that they could cover their ever-rising expenses. The fact that the profits of banks actually declined and that one of the big Scheduled banks had to cut its dividend is proof enough to show that the return of normal conditions in the monetary sphere and the readjustment of the banking system to the disinflationary monetary policy initiated in November, 1951 were not a painless affair to banks. It is, however, true to say that, so far as the Reserve Bank is concerned, the past year was a smooth one, for, as the watch-dog of the banking system, it had fewer worries than in the previous two years.

The Reserve Bank notes with gratification that movements in bank credit showed no abnormal features. In the past year, variations in this item were in accordance with the seasonal pattern. In the first five months of the year, which constitute part of the busy season, advances rose by Rs. 60 crores, while, in the subsequent seven months, which constitute the slack season, they declined by Rs. 70 crores, the net change over the year being a fall of Rs. 10 crores. This movement shows that the credit expansion earlier in the year was wholly for genuine seasonal trade purposes. In other words, the economy was not marked by any unhealthy speculative activity, such as the one witnessed in the summer of 1951 and early in 1952. The credit for this must be given not to banks or to the Reserve Bank's inspectors but to the general economic climate which was not quite favourable to speculators. The increase in domestic production of both agricultural and non-agricultural goods, the removal of many controls and the return of a strong buyers' market the world over, all these cumulatively caused a state of affairs which was not conducive to unhealthy speculation.

The seasonal demand for bank money was met mostly through borowings from the Reserve Bank. This had to be so, because there was no significant expansion in deposits. The total amount of advances taken by the system from the Reserve Bank aggregated Rs. 195.42 crores, as against Rs. 245.70 crores in 1952 and Rs. 113.90 crores during 1st January to 16th April, 1954. The major portion of these advances—Rs. 129.58 crores, to be precise—continued to be against Government securities, the balance (Rs. 65.84 crores) being against usance bills; the corresponding figures in the preceding year were Rs. 164.25 crores and Rs. 81.45 crores, respectively. Evidently, the bill market scheme was not as popular as was expected. But later figures, relating to the first three and a half months of 1954, reveal a distinct improvement in the use of this medium for obtaining central bank credit. This is due, to a large extent, to the extension of the facility to a larger number of banks and to the further relief given in stamp duty on these bills. Till the close of the last busy season (1952-53), this facility was available only to banks with deposits of Rs. 10 crores and over. But, in July 1953, it was extended to cover even banks with deposits of Rs. 5 crores. If the recommendations of the Shroff Committee were implemented, the usance bill system would doubtless receive further fillip which, in turn, would encourage the banks to increase their portfolio of commercial advances in preference to Government securities.

There has been, as already mentioned, no worthwhile increase in deposits. Over the year, total deposits (at Rs. 823.1 crores) show a small rise of Rs. 8.2 crores, an increase of less than one per cent. Taking the demand and the time liabilities separately, one finds that the former receded by Rs. 4.4 crores, while the latter went up by Rs. 12.6 crores, presumably because of the attractive rates of interest offered for time money. If the trend of these deposits is any indication of the progress of savings, it is clear that there has been no significant expansion in them. This will be evident further from the small increase of only Rs. 6 crores in personal time deposits. Another interesting feature disclosed by the variations in deposits is that, whereas the total deposits of Indian Scheduled banks increased by Rs. 17.1 crores, those of the Exchange banks fell by Rs. 8.9 crores. Further, in 1952, the time deposits of both Exchange banks and Indian Scheduled banks had gone up by Rs. 10 crores and Rs. 15 crores, respectively. But, in 1953, the Exchange banks' time deposits went up by no more than Rs. 40 lakhs, while those of Indian banks were higher by no less than Rs. 12.2 crores. These data show that the Indian banks' allegation that the Exchange banks had pinched their deposits by offering higher rate of interest is baseless.

It is pointless to argue that the Exchange banks were the first to start bidding for deposits by quoting higher rates and that the Indian banks had to follow suit. An increase in deposit rates was the inevitable result of the rise in Bank rate and the disinflationary monetary policy followed by the Government. It is, therefore, no use blaming anyone for that. In any case, in the competition for the available funds, the Indian banks seem to have scored over the foreign banks by a comfortable margin. Accordingly, if anyone has a legitimate cause for complaint, it is the Exchange banks and not the Indian banks. Indeed, the former can even go to the length of complaining that the present voluntary (*sic*) move to prevent any further competition for deposits by imposing a ceiling on interest rates is specially designed to retain the advantage which certain Indian banks have already gained by offering unduly high rates of interest for deposits. But to the credit of Exchange banks it must be said that they have made no such complaint. On the contrary, after some hesitation in the initial stages, they have agreed to support the contemplated gentlemen's agreement amongst the big banks on the rates of interest to be paid for deposits.

The move for placing a ceiling on rates of interest for certain classes of deposits through a voluntary understanding among the big banks stems from the need for reducing the cost of operations. The banks argue that, since their hands are tied by the awards of Labour Tribunals, they cannot bring down the establishment charges. The only course open to them, therefore, is to reduce the cost of deposits by mutual agreement among themselves. This may be a good argument, but it is necessary to warn the banks that their move will be misconstrued by the critics of private enterprise. They will be accused of trying to create a bankers' monopoly and their action will be approvingly quoted by their critics, including the Trade Union leaders, in favour of nationalisation of the banking system. They will, we are afraid, lose their right to demand a readjustment of the Tribunal's awards, for their action will be quoted against them by their employees. Since all the big banks are controlled by the big business men of India, the move will be regarded as one to do the depositors in the eye, so that big business may get the benefit of cheap bank credit. They will be setting a bad precedent to other sectors of private enterprise and be indirectly justifying the demands of those (Indian soap-makers, for instance) who want a monopoly for sellers. If the bankers believe in the virtue of private enterprise, they must be prepared to face the rigours of a competitive economy. The Reserve Bank is certainly ill-advised in extending its support to this move. If it is convinced that interest rates on short-term deposits have gone up to uneconomically high levels, then it should bring them down through the traditional means, namely, open market operations, instead of merely hoping that "leading banks will agree amongst themselves on the question of fixing ceilings on certain types of deposit rates." By expressing such a hope publicly, the Bank tacitly admits that deposit rates are unduly high. Accordingly, it should have the courage of conviction and act boldly, and not rely on such dubious methods as gentlemen's agreements which, as past experience shows, are honoured more in the breach than in observance. But the truth is that, whereas the rise in deposit rates has been in tune with the prevailing market conditions and the law of supply and demand, the banks' lending rates on the major portion of their advances have not moved up sufficiently; in fact, in many cases, they are the same as before. The remedy, therefore, lies in an upward readjustment of interest rates on advances. The Reserve Bank, which has thought it fit to comment on deposit rates, is silent on advances rates. The omission is very glaring indeed.

The production figures relating to rice, given in the two tables which formed part of the editorial article entitled "World Rice Position," in our issue dated 1st May, 1954, refer to paddy. For arriving at figures of rice production, some adjustments would, of course, be needed.

MUTUALISATION OF ORIENTAL LIFE NOW CERTAIN

WALCHANDNAGARS' LATEST ENTERPRISE—WORLD POSITION OF FATS AND OILS

THURSDAY, 3 P.M

THERE has been a slight improvement in the tone of the Share Market. Almost all counters have been displaying remarkable strength since the beginning of this week, notwithstanding the heavy fall in bullion, oilseeds and foodgrains markets and the further decline in cotton. Normally, the setback in these markets should have had an adverse effect on shares, too. But now it has had the opposite effect. The one scrip that has been conspicuous by staging a sharp and sudden rise is Tata Steel Ordinary. One explanation for this phenomenon is that some of those speculators, who had gone long in bullion and commodities, had remained short in a number of shares, including Tata Ordinary. And seeing their sorry plight in these markets, a few enterprising speculators have entered the Share Market to squeeze them out and make a handsome profit for themselves. Another explanation is that the last settlement revealed a strong technical position in favour of the bulls in Tata Ordinary. This has attracted fresh speculative buying in this scrip. Dame Rumour has it that the tenacious operator, who remained a bear in Tata Deferreds for a long time, has now re-entered the market as a fervent bull. A third explanation is that there is a shortage of floating stock in Tata Ordinary. This is probably due to the fact that many holders of this scrip, who would have otherwise liked to sell a part of their holdings, are not aware that, pending the preparation of new share certificates which will take some months, the T.I.S.Co. has made special arrangements with the Stock Exchange authorities for the acceptance on delivery dates of allotment letters or their receipts (where the splitting of a holding is involved) in lieu of shares. When this information reaches all the shareholders, there may be some substantial deliveries by investors. A fourth explanation is the belief that the Company may declare a somewhat higher dividend. Whatever the reason may be, the sudden rise in Tata Ordinaries has infused a new spirit among speculators who were extremely shy till a few days ago. Even textile shares have looked up, despite the uninspiring advices from the cloth market and the possibility of strong competition by Japan, to which we shall presently refer.

MARKET GOSSIP

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Japan, according to reports from Tokyo, is intensifying its export drive in a wide range of commodities, particularly textiles. This is attributed to Japan's desire to improve its balance of payments position which is none too comfortable, though, in recent months, the deficit has been held within reasonable bounds. With a view to meeting the competition from the smaller spinners, the "big ten" mills have slashed their prices. Yet another reason for the decline in prices is that the Japanese authorities have announced that cotton import licences would be issued in proportion to export shipments; this is an inducement to compel the mills to export at any cost. Shipments of cotton cloth, during the first four months of 1954, are estimated at 434 million yards, as compared with 250 million yards in the corresponding period of 1953. The silk industry, which is facing a recession in the domestic market also, feels that only export trade can avert the slump in the market for its goods. It would further appear that Japanese steel mills are also making a determined effort to find export outlets.

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For the second week in succession, the Gilt-edged market has staged an improvement. Values of almost all the medium-dateds and a few of the long-dateds have now reached levels that were prevailing before the announcement of the new loan. This shows that the pressure of subscriptions to the new loan has ceased to make itself felt on the existing loans. Indeed, there has been consistent buying in all the dated loans. A notable feature of this buying is that the low-interest bearing medium dateds, the 2½s and 2¼ths, are being strongly fancied, probably because of the heavy discount at which these loans are now standing. The 2½ per cent. 1961, for instance, is now being quoted at Rs. 91-2. Similarly, 2½ 1962 is standing at Rs. 92-2. Some investors seem to feel that a capital profit of Rs. 8 to Rs. 9 (which is not subject to tax), realisable in a period of 7 to 8 years, is attractive enough for a Gilt-edged security.

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The Finance Minister's statement in Madras (on Tuesday) on the progress of the new tap loan seems to have given rise to some speculation about the closing of the list. His reported remark that he would be satisfied if he were to get Rs. 100 crores for himself has led some to believe that the list would be closed shortly, perhaps by the end of this month, because already a little over Rs. 80 crores have been subscribed to the new loan. But this interpretation does not seem to be correct. It is possible that Mr. Deshmukh might have had in mind the figure of Rs. 100 crores for the Central Government alone. Since a good part of the subscriptions to the new loan has to be shared with the States also, we are sure he must be aiming at very much more than Rs. 100 crores. We think that he would need a minimum of Rs. 150 crores and that he would keep the list open at least till the end of the slack season. In any case, now that the Gilt-edged market has definitely recovered from the shock it received immediately after the new loan was announced, there is no reason why he should be in any particular hurry to close the list. This is evident from his other reported remarks on the National Plan Loan. "Questioned about the duration of the National Plan Loan," to quote the *Hindu* of Madras, "Mr. Deshmukh stated that he had given no thought to closing the subscription. The monsoon months were usually the slack season and so it was too early to decide anything about closing the loan." Significantly enough, the report published by this paper on Mr. Deshmukh's interview contains no reference whatever to the figure of Rs. 100 crores.

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Apropos the move to convert the Oriental Life Assurance Company into a mutual one, to which we referred some two months ago, we now learn that it has entered the final stage, having overcome all obstacles. At a meeting of the Board of Directors of the Company held on Wednesday, a formal resolution recommending that the Company be converted into a policyholders' company was adopted. It would appear that the Directors have overcome the Government's demand for representation on the Board of the Company by agreeing to give majority representation to policyholders right from the beginning instead of by stages, as was originally contemplated. Accordingly, in a board of 12 directors, seven will be the policyholders' representatives and 5 the shareholders' representatives. Thus, the policyholders will become the masters of the Company right from the inception. The representation for shareholders will be progressively reduced as and when the compensation bonds payable to them are redeemed. When all these bonds are paid off, the Board will consist of only policyholders' representatives. It is further understood that there is no change whatever in the originally agreed terms of compensation, according to which the shareholders will be paid Rs. 8,800 per share in the Company's bonds carrying interest at 4 per cent. per annum (taxable) and repayable over a period of ten years by annual drawings. This compensation will be paid out of future valuation surpluses and not out of the existing reserves, the whole of which will pass on to the policyholders intact. As regards the contention of some policyholders that compensation at the rate of Rs. 8,800 is unduly high, it is pointed out that this figure has been arrived at by an impartial referee and that as such the allegation that the Directors have been partial to the shareholders is unfounded.

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The general trend in the oilseeds market continues to be downward. The small gains, witnessed in the groundnut section yesterday and today, is at best only a technical correction. The decline in the market has been a continuous one, over the last four weeks. As compared with the prices ruling towards the end of last month, groundnut (Khandesh quality) has declined by Rs. 5 to Rs. 32-4, linseed (Bold ready) by Re. 1-12 to Rs. 24-4 and castorseed (September delivery) by Rs. 14 to Rs. 108-10. The decline in oilseeds reflects the general recession in edible commodity prices, notably the prices of wheat and rice. A few other factors are also responsible for this trend in the oilseeds market. There is the improved outlook for the new crop. Also, the offtake is stated to be poor. Thus, the Vanaspati interests, who have always been consistent supporters of this market, are themselves faced by a recession in the demand for their product, with the result that they are not so keen, as they formerly were, in supporting the market, except perhaps at lower levels. Finally, there has for some time now been some heavy speculation in certain upcountry centres, notably in Hyderabad. The cumulative effect of these factors is to pull the oilseeds market down to lower levels.

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An equally important factor that has contributed to the decline in the oilseeds market, is the bearish advices from Europe where the U.S. has been trying to sell its surplus oilseeds produce at attractive prices. World factors, too, are apparently assisting the bearish trend in the market. A larger output of oils and fats has been forecast for this year by Mr. J. C. A. Faure, a well-known authority on oilseeds and chief buyer of oils and fats for Unilever. Addressing the Congress of the International Association of Seed Crushers at Cannes recently, Mr. Faure placed the output this year at 25.25 millions tons, as against 24.25 million tons last year and the record output of 24.75 million tons in 1952; the pre-war output was about 21.6 million tons. Increased output, he said, was probable in a number of countries including European countries, India, Ceylon, Burma, Indonesia, Malaya and the Philippines. Some declines, however, were likely in the American Continent and in Australia. The higher level of production forecast for this year gives a *per capita* consumption of 22.1 lbs., as against 21.5 lbs. in 1953 and 22.2 lbs. in 1952; the pre-war level was 22.3 lbs. He placed the production of edible oils this year at 8.67 million tons, as against 7.94 million tons last year, palm oils at 3.21 million tons (3.10 million tons), industrial oils at 3.11 million tons (3.08 million tons) animal fats 9.50 million tons (9.44 million tons) and marine oils at 763,000 tons (715,000 tons). He forecast that the world export supply this year would aggregate 5.90 million tons, inclusive of U.S. export availability of 1.4 million tons, as against 5.46 million tons last year when the U.S. had a surplus of 1.12 million tons. World's export supply this year, at 5.90 million tons, has for the first time exceeded the pre-war exports of 5.83 million tons to which the U.S. contributed a mere 100,000 tons. The rapid rise of the U.S. as an exporter of oilseeds is, as is well known, a remarkable piece of agricultural transformation in the world. Mr. Faure pointed out that world import requirements would probably be only 5.34 million tons, so that there appeared to be an exportable surplus of some 550,000 tons. But there was a statistical difference of up to 200,000 tons between actual exports and imports, so that the surplus was likely to be 350,000 tons. "This does not mean, of course, that this quantity will necessarily force prices down," he continued, "as both producers and Governments are presumably still able to finance holding stocks if they desire to keep prices fairly stable."

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It is reliably understood that plans for the manufacture of certain essential items of machinery for the manufacture of sugar in vacuum pan sugar factories have been completed by Walchandnagar Industries Ltd. Amongst the items listed for such manufacture are instruments for accurate appraisal and control of vacuum pans, mechanical circulators for such pans, evaporators, Magma pumps, jet condensors, sulphur burners, high velocity juice heaters and car spotters. Most of these machines are based on the latest sugar boiling technique in operation in sugar factories and refineries in the U.S.A., Australia, Cuba, etc. The know-how and technical guidance with regard to the design, building and use of these machines, it is believed, will be provided by the well-known firm, the United States Pipe and Foundry Co. of New Jersey, who are leading manufacturers of sugar machinery in the U.S.A. It is learned on enquiry that a few sets of these machines have already been manufactured and put into operation in the two sister concerns of Walchandnagar Industries Ltd. and the Ravalgaon Sugar Farm Ltd., besides one other factory in Maharashtra. It is believed that the recent trip of Mr. Gulabchand Hirachand, Chairman of the Board of Directors of this Company, together with its Chief Engineer, to the U.S.A. is in connection with giving the finishing touches to this scheme for undertaking large-scale production. In view of the fact that machinery in most of the existing sugar factories is or will soon be due for replacement, there should be a good market for this enterprise, especially as several new sugar factories also are going to be established in the country in the near future.

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Being seasonal factories, sugar factories are in commission only for about a third of the year. The overheads, therefore, in their case are naturally heavy and the sugar industry has always been in search of subsidiary industries, especially those connected with the by-products of sugar to keep them engaged for a longer time. Walchandnagar and Ravalgaon between them have several such subsidiary industries such as confectionery, *vanaspati* manufacture, paper, strawboards, soap, dairy farming, extraction of canewax and distillation of industrial alcohol to their credit. It is for the first time, however, that a unit of the sugar industry has embarked on a plan of manufacturing capital goods required for the industry itself. It may be recalled that the cotton textile industry has already started such an experiment on a co-operative basis in Western India with some success and it is believed that a similar venture by the second largest industry in the country holds out good prospects for success. From the viewpoint of the Company if it is able to secure a good market for this machinery, there should be a good deal of saving on overheads and it would also enable it to provide work for a large number of hands who are engaged only for the season at present. Further, as the land, buildings, the already existing well-equipped workshop and the transport system will also be utilised for the manufacture of this machinery, the cost of manufacture would be considerably less than what it would be if the machines were to be manufactured by a new and independent concern. Though the effect of this additional activity on the part of Walchandnagar Industries Ltd. is not likely to be reflected in the next balance-sheet and profit and loss account, it cannot fail to have a steadying, long-term influence on the profits earned by the Company.

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An important part of the exacting duties of a secretary to a joint-stock company is to maintain the register of shareholders. This task, as all company officers now know, has been rendered more difficult after the coming into operation of the Estate Duty Act. Section 84(2) of the Act prescribes that "if any member of a company dies after the commencement of the Act and the company through any of its principal officers as defined in section 18 has knowledge of the death, it shall not be lawful for the company to register the transfer of any shares standing in the name of the deceased member, unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced before it a certificate from the Controller that either the estate duty thereof has been paid or will be paid or none is due as the case may be." Any company which fails to comply with this section is liable to a penalty of Rs. 1,000 or a sum equal to double the amount of the estate duty payable, according as the Controller may direct, though the Controller is empowered to reduce the penalty in any particular case. Although the section is clear enough and covers most normal transfers, cases do arise where the section, as it stands, does not always provide a clear guidance. For instance, how will the section operate when the shares are jointly held in the names of two persons, and one of them dies, so that the share comes to be held automatically in the name of the survivor? Some experts are of the opinion that the section does not cover such cases, and that there is, therefore, no need to call for any certificate from the Controller of Estate Duty before the Company deletes the name of the deceased person and registers the shares in the name of the survivor. This view is based on the ground that the said section applies only to transfers by

(*Continued on page* 1163)

SHARE MARKETS GAIN STRENGTH

TEXTILES LOOK UP

(From Our Own Correspondent)

BOMBAY, 10*th June*

AFTER experiencing four weeks of uncertain trend, equities on the Stock Exchange turned bullish during the week under review. Under a sustained spell of speculative buying and sizable short-covering in steel shares, activity enlivened and an all-round rise in prices was recorded. Even experienced brokers could not explain the sudden change in the complexion of the share market, when commodity and other markets were receding. It is even stated that but for the weakness of the other markets, shares would have flared up. It remains to be seen whether this upward trend is sustained in the coming weeks, as some are inclined to believe.

The favourable trend of production in the Tata Iron and Steel Works at Jamshedpur during May, prospects of substantial expansion in steel output, consequent on the commencement of working of a new blast furnace capable of increasing pig iron production by nearly 30,000 tons per month, encouraging advices from Calcutta, and the favourable technical position of the market in favour of bulls, were all factors which revived strong speculative buying in steel shares. Further, operators would appear to have taken an optimistic picture of the future, following the publication of the Shroff Committee recommendations and the reports that the privately owned Industrial Development Corporation would come into being in September next.

In the steel section, Tata Steels opened the week at Rs. 195-4 and edged forward to a high of Rs. 208-8, the highest level touched since the shares were listed ex-right on 29th March last. The closing was a shade lower at Rs. 207-8. Indian Irons advanced from Rs. 30-5 to Rs. 31-3½, before closing at Rs. 31-2.

Textile shares also showed moderate gains, on selective buying aided by the strength of steels. Further rise in this section was stalled by uninspiring advices from the cloth trade and fears that the expected removal of export duty on coarse cloth might not materialise. Bombay Dyeings appreciated from Rs. 419-6 to Rs. 425 on Monday. After a temporary reaction to Rs. 421-4, they gained ground to Rs. 427-8, but the closing was done at Rs. 423. Kohinoors came in for support and rose from Rs. 307-8 to Rs. 313. Century advanced from Rs. 325 to Rs. 332-4 on good enquiries. Central Indias picked up Rs. 3 to Rs. 174. Finlays staged a similar rise to Rs. 243. Gokaks came in for special attention and put on Rs. 8 to Rs. 256-8. Indore Malwas added Re. 1-14 to Rs. 109-6 and Khataus Re. 1-4 to Rs. 121-4. New Greats strengthened from Rs. 167 to Rs. 171. Simplex had a rise of Re. 1-12 to Rs. 156-4. The highlight of the section was provided by Standards which spurted by Rs. 21-4 to Rs. 335, on rumours that the Company would issue bonus shares in the ratio of one share for every four shares. Svadeshis stood Rs. 4-8 higher at Rs. 278, Swans Rs. 2-8 better at Rs. 318-12 and Tatas As. 12 at Rs. 48-8.

Bank shares were featureless, with restricted activity and minor variations in prices. Barodas added As. 8 to Rs. 109. Centrals were lower by As. 8 at Rs. 54-4 and their new shares by a similar extent at Rs. 59. Imperial Fully Paids dropped Rs. 12-8 to Rs. 1,772-8 and their Partly Paids Rs. 8-12 to Rs. 430. Bank of Indias were a fraction better at Rs. 147-4. United Commercials were marked down by Re. 1 to Rs. 44.

Insurance shares presented a firm front with smart gains in some of the counters. After remaining featureless almost throughout the week, Orientals jumped up today from Rs. 7,690 to Rs. 7,900. New Indias staged a rise of Rs. 2-4 to Rs. 47-8. Industrial and Prudentials spurted from Rs. 34 to Rs. 38 and Indian Mercantiles hardened by Re. 1-4 to Rs. 41,12. Empire of Indias were, however, well held at Rs. 670, B.I.Gs at Rs. 13-4 and Vulcans at Rs. 12-14.

Electric shares were steady, with the Tata Group attracting good attention. Tata Hydros improved by Re. 1-8 to Rs. 142. Tata Powers advanced smartly from Rs. 1,408-4 to Rs. 1,427-8 and Andhra Valleys from Rs. 1,320 to Rs. 1,335. Bombay Suburbans also added As. 10 to Rs. 193-2.

The miscellaneous section was firm and provided several bright spots. In the sugar group, Belapurs were steady with a rise of Re. 1-8 to Rs. 269. Phaltans recorded an increase of Rs. 5 to Rs. 106. Bhopals were unchanged at Rs. 12-8, while Walchandnagars jumped up from Rs. 175-10 to Rs. 180. The cement group was cheerful, A.C.C.s touching new high level after the shares were listed ex-right on 15th February, 1954. From Rs. 157-12, these shares came up to Rs. 161-8, but closed at Rs. 161. Digvijays scored an advance of Rs. 7-8 to Rs. 131 on scarcity of sellers. Among shipping shares, Scindias were earlier marked down from Rs. 17-10 to Rs. 17-7. After recovering to Rs. 17-14½ today, they closed at Rs. 17-11. India Steamships edged forward from Rs. 8-7½ to Rs. 8-11, Bharat Lines were quoted at Rs. 96. In the engineering group, Alcocks appreciated early in the week from Rs. 302-8 to Rs. 312-8, despite the cut in dividend from Rs. 17-8 to Rs. 10 per share. Towards the close, however, they receded to Rs. 307-8. Premier Constructions were featureless at Rs. 123-12. Tata Locomotives were a shade better at Rs. 115. In the mining group, Shivrajpurs were a notable exception to the general trend with a drop of Rs. 5 to Rs. 59, owing to poor demand for manganese and bleak export prospects. Indian Coppers were active and rose by As. 2½ to Rs. 3-6½. B.B. Petrols were quiet at Rs. 4.0½ on profit-taking after sustained rise for several weeks. Among miscellaneous industrials, Bombay Burmahs attracted substantial short-covering and rose from Rs. 394-6 to Rs. 407-8, but closed lower at Rs. 403-2. B.I.Cs put on As. 2 to Rs. 8-3. C.P. Railways had business As. 8 better at Rs. 106-8.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 9*th June*

Under the leadership of teas, the Calcutta Stock Exchange experienced active trading conditions during the week under review. The demand for tea shares is expected to continue for some time and this section would, therefore, attract a considerable portion of the funds available to the market. Other sections were steady, but the improvement in prices was insignificant compared to that in teas. Jutes came in for a little more attention and selected counters added gains. The latest political developments in East Bengal have so far been unnoticed in the market. The market remained closed on Thursday last on account of *Id*.

In the engineering section, Indian Irons opened at Rs. 30-6 and, after advancing to Rs. 30-11, shaded to Rs. 30-9. During last month, the Company produced 62,450 tons pig iron, 35,640 tons steel ingots, and 35,260 tons semis and finished steel. Burn & Cos. improved from Rs. 194 to Rs. 197-8, and Jessops at Rs. 29-6 added one point. In transactions, Indian Standard Wagons were raised from a previous rate of Rs. 71 to Rs. 82. Indian Galvanizings firmed up from Rs. 18-6 to Rs. 19-3.

Miscellaneous industrials were steady. Rallis were taken to Rs. 56 from Rs. 55-8, and Martin Burns to Rs. 23 from Rs. 22-1. Good support was given to India General Navigations which, as a result, gained from Rs. 83 to Rs. 86.

Among shares of paper mills, orients encountered support at Rs. 20-9. India Pulps were steady at Rs. 213 and Titaghurs received attention at Rs 4-14.

Transactions in the tea section were many and several features were noted. At Rs. 223, Patrakolas showed a gain of Rs. 31. Hantaparas moved from Rs. 267 to Rs. 277. Teliaparas were supported at Rs. 194, at which rate the improvement was by nine points. Ellenbaries reached as high a rate as Rs. 139, as against a previous rate of Rs. 81. Birparas advanced from Rs. 154 to Rs. 171. A rise of Re. 1-2 was noted in Ananda Assams at Rs. 25-2.

The better prices secured by jute goods were reflected in the jute section, although operators were cautious in view of the abrupt advances and falls in jute goods. Indias were a special feature in yesterday's trading and improved from Rs. 128 to Rs. 135. Champadanies steadied from Rs. 151 to Rs. 155 and Anglo-Indias were better at Rs. 201. Howrahs encountered support at Rs. 24-10 and Barnagores were higher at Rs. 145, as were Nellimarlas at Rs. 11-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 8*th June*

The Madras Stock Exchange exhibited brisk trading conditions this week also. The general pattern of investment disclosed an underlying firmness. Continued satisfactory dividend declarations were one of the chief causes for this state of affairs. In fact, sellers were scarce in almost all the popular scrips. The planting section experienced a boomlet, especially in teas on persistent expectation of better demand following reports regarding paucity of stocks in the U.K. Rubbers also met with encouraging support. But coffees presented a desolated appearance having ruled virtually dull throughout the week. Sugars met with sustained demand. The textile and miscellaneous scrips too were no exception to the general trend. Consequently, the volume of business done was large and prices disclosed substantial gains over the week.

Textile scrips came in for selective enquiry. Dhanalakshmis gained Rs. 6 to Rs. 270 and Buckinghams Re. 1-12 to Rs. 148-8. Premiers put on Rs. 2 to Rs. 108 and Rangavilas Rs. 10-8 to Rs. 66. Vasantas were higher by Re. 1 at Rs. 185 and Kotharis As. 8 to Rs. 12-10. Jawhars were up by an anna at Rs. 5-5. The debentures of Rs. 5 lakhs will be redeemed on the 30th inst. Interest will not be allowed from 1st July, 1954. Lakshmis, Rs. 25 paid-up, "A", rallied Re. 1 to Rs. 65, while Rs. 50 paid-up lost Re. 1-8 to Rs. 128.

Teas among plantings received the best attention. Coonoor teas changed hands, with a gain of As. 12, at Rs. 25. Devons rose by Re. 1-4 to Rs. 15-4 *cum-div.* Deals were done in Twyfords, As. 6 higher, at Rs. 17-2 and in Udayagiris, As. 4 higher, at Rs. 12. United Nilgiris advanced from Rs. 218 to Rs. 220. Highland Producers had buyers at Rs. 14-4 *cum-div.*, as against Rs. 14 *ex-div.* The Directors have declared a final dividend of 7½ per cent., thereby making a total of 12½ per cent., for the year ended 31st December, 1953, as against 10 per cent. for the previous year.

Among rubbers, Cochin Malabars improved from Rs. 7-11 to Rs. 8 and Kallas from Rs. 4-8½ to Rs. 4-12. Malankaras advanced from Rs. 4-8½ to Rs. 38-12 and Mercaras from Rs. 3-15 to Rs. 4-3. Peninsulars disclosed a gain of As. 12 at Rs. 14-4 and Pullangodes an anna and a half to Rs. 3-3½. Travancore Rubbers were up by As. 6 at Rs. 15. Nenmeras were done at Rs. 11 *cum-div.*, as against Rs. 10-12 *ex-div.* The Directors have declared a dividend of 7½ per cent. for the year ended 31st December, 1953, as against 6¼ per cent. for the previous year.

Among coffees, Coffee Lands were unchanged at Rs. 11, while Consolidated Coffees lost an anna to Rs. 17-10. Puthuthotams, however, gained an anna to Rs. 3-11. Neelamalais (tea and coffee) were done at Rs. 5-6. *ex-div.*, as against Rs. 5-9 *cum-div.*

The miscellaneous scrips came in for selective enquiry. Aluminium Industries put on As. 8 to Rs. 15-4. General Papers disclosed a gain of As. 4 at Rs. 8-8. Indian Aluminium advanced from Rs. 115 to Rs. 125.

ATUL PRODUCTS LTD.

If Mr. Kasturbhai Lalbhai, Chairman of the Atul Products Ltd., was appreciative of the help rendered by the Government to the chemicals and dyestuffs industry, through the imposition of import restrictions, he was at the same time conscious of the fact that the industry owed a responsibility to consumers. "It would be upto us," he said, "to see that in spite of the encouragement we receive from the Government we do not fail to come up to the standards which may be legitimately expected of us." He gave the welcome assurance that his Company had not taken, and would not take, any "undue advantage" of the measures adopted by the Government in order to help the industry. On the larger question of the prospects for the industry, he said that the Indian market for dyes was large, India being one of the biggest importers at present. Indeed, he thought that the market would grow bigger still, as the living standards advanced and the demand for dyes from the textile, leather, paper and other industries moved up.

As regards the more specific question about the prospects for the Company, of which Mr. Kasturbhai is Chairman, he said that the Company had entered only a part of the market, that of direct and acid dyes. But the products turned out by the Company had uses in the cotton, wool, silk, jute, leather and paper industries. The Directors, he revealed, had decided to expand the range of the Company's products by the manufacture of naphtols, rapid fasts, rapidogens and developing salts. They were also considering the manufacture of vat dyes. He also gave some details about the Atul Products—I.C.I. deal, to which a reference has been made in these columns ere now. The agreement, he said, provides for the manufacture of jade green and its intermediates. The essential part of the scheme is that the Company, together with I.C.I. Ltd., will, as equal partners, float a new company. He added: "This will naturally lead to a better and greater utilisation of the site; but apart from that, this will also help your Company to enter into a new range of dyes and thus cover practically the whole field of dyes consumed in the country." The shareholders could not have asked for a more promising account of the Company's prospects.

FOR SALE

(Ex Calcutta Jute Mill)

One Parsons 2500 K. W. 550 Volt, 50 cycle, 3000 R.P.M. Turbo Alternator, complete with Condensing Plant and Auxiliaries. Closed Airs cooling Plant for Alternator, Spare Rotor for Alternator and spare Blading for Turbine. Working Pressure 180/200 lbs./sq. inch. Superheat 200 degrees F. This machine is in very good running condition. Reason for disposal—power now being taken from a Public Supply.

Apply:

Box No. 942, c/o "Commerce"

Royal Insurance Buildings, Veer Nariman Road, Fort, Bombay.

Notice

HARINAGAR SUGAR MILLS, LIMITED

BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the Company will be held at the Registered Office, 207, Kalbadevi Road, Bombay, on Wednesday, 30th June, 1954, at 4 p.m.

The Share Transfer Books will remain closed from 23rd June 1954, to 7th July, 1954 (both inclusive).

By Order of the Board,
NARAYANLAL BANSILAL,
Managing Agents.

BOMBAY, 5th June, 1954.

NEWS IN BRIEF

THE Government of India has planned to install 20 kw. transmitters at Indore, Jaipur, Patiala, Madras, Hyderabad, Vijayawada, Trivandrum and Delhi.

Rice imported from Burma would be kept in reserve, as there was no deficit in the country this year, said Mr. M. V. Krishnappa, Union Deputy Minister for Food, in Mysore early this week.

Export of fresh fruits, except coconuts, to all permissible destinations, will continue to be licensed freely. Exports to Pakistan are already covered by O.G.L. Exports of coconuts will not be permitted.

The Kashmir Government has decided to speed up work on the Rs. 250 lakh multi-purpose project in the valley. The scheme is scheduled to be completed by March, 1957 and provides for flood control, drainage and irrigation.

The National Chemical Laboratory of India, Poona, has prepared a pale oil having quick drying properties by chemical treatment of tobacco seed oil. Besides its use as an edible oil and in soap making, tobacco seed oil is being used in paint and varnish industries.

The Government of India has decided, as an experimental measure, to license freely the export of soft wood, deodar, chir, kail and fir, to all permissible destinations up to the end of September, 1954. The maximum quantity which a single party will be allowed to export will not exceed 3,000 cubic tons.

The Madras Government has decided to abolish the zonal system, now in force in the State, in regard to distribution and transport of rice and paddy. The proposal, for which the State Government has asked the approval of the Central Government, will be put into effect from 1st July, 1954, if the concurrence of the Central Government is obtained.

The Government of India is drawing up plans for improving and stepping up of India's fruit production and this scheme will be included in the second Five-year Plan. The Government will take into consideration the problems facing the fruit growers and fruit preservation industry, such as provision of cheap transportation facilities and supply of sugar.

An Indo-U.S. supplementary agreement under the Technical Co-operation Programme has been signed for augmenting the present facilities for research on forest products. Additional equipment and supplies, at a cost of $85,000 on the part of the U.S. and Rs. 1.50 lakhs on the part of India, will be provided to the Forest Research Institute, Dehra Dun.

The policy regulating export of coal tar has been reviewed by the Government of India and it has been decided to release a quota of 5,000 tons for the export of coal tar upto the end of 1954. This quota will be administered by the Joint Chief Controller of Imports and Exports, Calcutta. Exports will be licensed on shipping bills which should be accompanied by firm contracts.

The U.P. Government has decided to build 500 industrial houses for the workers and labourers of factories and workshops at Allahabad. Work in this connection is expected to be taken up this year. The Government has also decided to build 30 houses for middle class people. The houses will be of four types, the cost of which would vary from Rs. 4,000 to Rs. 19,000. Preference would be given to Government servants to occupy the houses.

The Railway Board has sanctioned the electrification of the Howrah-Bandel-Burdwan line, (covering a distance of 66 miles) and the Sheoraphuli-Tarakeshwar branch line (covering about 22 miles) of the Calcutta suburban section. The scheme, estimated to cost Rs. 11.84 crores, will be the first stage of the plan for the electrification of the Calcutta suburban section. Work on the scheme, which will begin shortly, is expected to be completed in three years.

The Delhi State Government has constituted a nine-man committee to examine the prohibition policy in the State. The terms of reference to the Committee are: (1) to examine in detail in what stages and in what manner the "directive principles" contained in Article 47 of the Union Constitution in regard to prohibition should be carried out, and (2) to examine in what way the State Government should regulate its excise policy, keeping in view the cosmopolitan character of the State and the financial aspects of the problem.

A 30-day exhibition of American handicrafts and arts opened in New Delhi last week under the auspices of the All-India Fine Arts and Crafts Society. The exhibits will be displayed in Bombay later this year from 16th October to 9th November. Sponsored by the U.S. Information Service in India, the exhibits depict the growth of American craftsmanship during the centuries. They provide a visual picture of those influences which served to mould the present practice of handicrafts in the United States. The exhibition, open to the public free of charge, represents all types of basic crafts, from textiles to ceramics, and metal-smithing to woodworking. There are a few photographs, too.

The Government of Madhya Pradesh has ordered two important surveys in respect of forests which form about 48 per cent. of the total area of the State or over 130,000 sq. miles. One half of the forests in the State is owned by the State, the other half being under private ownership. One survey, which will last for over three years, will undertake the demarcation and resettlement of the vast forest area which came recently under State ownership. The other survey is for the purpose of arriving at reasonably accurate estimates of the available qualities of timber and other forest produce. The work will, in the first instance, last for five years and will be extended later on.

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From Abroad

The Canadian Wheat Board has cut the export price of wheat, both on International Wheat Agreement and other sales, by 10½ cents per bushel on the three top grades, bringing the export price to $1.72 per bushel. This follows the cut made by the U.S. last week by 10 cents per bushel.

The Government of Thailand has lifted all export bans on local commodities, with a view to increasing the country's foreign exchange income and promoting greater agricultural production. Export of rice will, however, continue to remain under Government control.

A team of economic and agricultural experts from the U.K., Australia and, possibly, Canada and New Zealand will undertake an investigation of the Ceylon Government's schemes for agricultural development, particularly self-sufficiency in rice. The Government proposes to bring all available land under paddy cultivation.

An American engineering consultant has prepared a plan to irrigate more than 1,000 square miles of four Middle East countries and provide hydro-electric power. Under the 470-million dollar scheme, all available water resources will be used to irrigate parts of Israel, Jordan, Syria and the Lebanon. It also provides for the generation of 1,400 million kilowatt hours annually.

The U.S. House of Representatives has passed and sent to the Senate a Bill to increase social security benefits and bring a further 9.7 million people into the existing security system. The Bill also aims at making 75 per cent. of the nation's old people eligible for benefits by 1960. About 47 per cent. of the population is now covered by the scheme.

India was among the countries represented at a conference on colour-fastness tests for textile goods held at Scarborough, Yorkshire, from the 4th to 6th inst. Other countries represented were Belgium, Canada, Czechoslovakia, Denmark, France, Germany, the Netherlands, Norway, Sweden, Switzerland, the U.S.A., and the U.K. The main subject on the agenda was a revised draft of about 20 tests for measuring the colour-fastness of textiles under such influences as daylight, washing, perspiration, rubbing, and spotting by acid or alkali.

The Government of Ceylon has reduced by half the cess payable by tea and rubber estates employing workers of Indian origin. This step has been taken as a result of the decline in the number of workers travelling to India from Ceylon. The cess is used for the comfort of workers in India. So far, tea and rubber estates employing labour of Indian origin had been paying a cess of 60 cents and 20 cents per acre, respectively. Now they will have to pay 30 cents and 10 cents, respectively, per acre of land.

Lancashire is playing a key part in rehabilitating the South Korean cotton spinning industry. Largely through the efforts of three experts in the assembly and operation of cotton spinning equipment, who have been seconded to the United Nations, a £1 million-aid project now promises to be one of the United Nations Korean Reconstruction Agency's first real achievements. The task of the Lancashire experts is to teach the Koreans how to put together and operate mill machinery imported with aid funds. Already more than £600,000 worth of machinery has been imported into South Korea.

The U.S.A. has spent more than $9,000 million on nuclear weapons, bringing its defence to a high state of preparedness against aggression, according to the Atomic Energy Commission. Members of the Commission gave the joint Senate-House of Representative Atomic Energy Committee last week a formal 108-page statement supporting an overall Atomic Energy Bill to meet President Eisenhower's recent suggestions. The statement endorsed provisions permitting wider private participation in developing electricity from nuclear power, but said that this can "best be accomplished by joint effort of both industry and Government as a working team."

World production of rice during the current year will be a record one, according to the U.S. Department of Agriculture. The third revision of estimates of rice crops on five continents has shown that production will reach 267,000 million lbs. for the year ending 31st July, 1954, as compared with the previous record of 254,000 million lbs. set last year. The largest increase in acreage and production is in Asia which accounts for 18 per cent. of this year's world crops, excluding that of China, North Korea and the Soviet Union. Growing conditions in India and Pakistan were the best in many years. These two countries, excluding China, are the world's largest producers of rice.

Five Indians and six Pakistanis are at present attending a course in the United Kingdom arranged by the Federation of British Industries (F.B.I.) under the F.B.I.'s scheme for enabling young graduate engineers from the less developed countries to visit Britain for practical training. Since the scheme began on a very modest scale in 1950, 44 scholars have visited the United Kingdom. Of these, nine have already completed their training and returned home. Eight more are expected to arrive shortly. The F.B.I. hopes that, within the next year or two, the number of scholarships awarded annually will be raised to about 120. Since most of the scholarships are for a two-year period, there will be at least 200 F.B.I. scholars in Britain at any one time.

PERSONAL

MR. K. R. Ramanujam, a retired General Manager of the Southern Railway, has been appointed Chief Engineer, Hindustan Shipyard, Visakhapatnam.

Mr. H. L. Jerath, Director-General of Posts and Telegraphs, Government of India, has returned after attending the meeting of Universal Postal Union.

Mr. E. Kunisch, Deputy Trade Commissioner for Federal Government of West Germany, sailed for West Germany on Wednesday this week on Home leave.

Mr. S. C. Roy, Managing Director, Aryasthan Insurance Co., Ltd., Calcutta, has been elected President of the Indian Insurance Institute for the current year.

Mr. R. G. Casey, Minister for External Affairs, Australia, paid a one-day visit to New Delhi on the 10th inst. on his way to Geneva and had talks with the Prime Minister.

Mr. N. S. Fridenger, Sales Manager of Madras Territory Office of Standard-Vacuum Oil Co., left for New York this week on retirement after thirty years of service in the Indian division.

Mr. J. V. Somayajulu has been elected President of the Andhra Chamber of Commerce for the current year. Messrs. V. Venugopal and V. Emberumanar Chetty have been elected Vice-Presidents.

Mr. Shanti Prasad Jain, a leading industrialist of Bihar, has been re-elected President of the Bihar Chamber of Commerce for the current year. Messrs. Rajandhari Singh and Mr. Ramgopal Agarwal, M.P., have been elected Vice-Presidents and Mr. Khemchandra Choudhury, Secretary.

Mr. C. R. Ranganathan, President of the Forest Research Institute and College, Dehra Dun, has been appointed Inspector-General of Forests, vice Mr. M. D. Chaturvedi who has retired. On retirement, Mr. Chaturvedi has been placed on special duty by the Ministry of Food and Agriculture in connection with the forthcoming World Forestry Congress to be held in December this year.

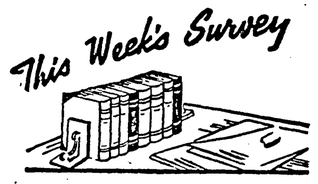
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 15*th June*

Bombay's Financial Crisis

The decision of the Bombay Stock Exchange to suspend business in shares on the forward list for four days pending the passing of the June settlement (June II) was undoubtedly a welcome one and should surely have a healthy effect on unduly depressed share prices. It is also a direct challenge to the recent "bear raid," and will tend to restore confidence and stability in the financial tension at present existing on the Exchange. But for the action of the Stock Exchange panic and forced sales might have ensued, with a still more sinister depression. In our issue of June 1, we urged the importance of the Bombay Stock Exchange taking some action to put an end to these "bear raids." Abnormal conditions and troubles demand abnormal remedies, and the present action is a wise one. There are, of course, critics of the action of the Stock Exchange Directors, and these people say that the move is intended to secure the difference for the "bears," and as soon as the settlement has passed a fresh difficulty will arise and the "bears" will again disorganise the market. On the contrary, we rather think this action will have a healthy effect and will be taken by the "bears" as a warning against reckless short sales and undue depression of prices. The Bombay Stock Exchange has passed through several crises in its history and an analysis of these shows that they are generally precipitated by "bear raids." On the other hand, the "bears" affirm that the panic, due to industrial upheaval and falling prices, is a natural one and they should not be blamed for it. The orgy of speculation, rather than the industrial trouble, is to be blamed for the present disorganisation, and there was certainly an attempt made to corner the shares of the Tata Hydro Company, Indian Dyeing and Bleaching, and Alcock, Ashdown and Company. At a meeting of the Directors of the Stock Exchange, it was pointed out that several banks had advanced over two crores of rupees on shares, and if the prices were allowed to drop the banks would either demand a margin or make forced sales, which would give a further chance to the "bears" to wreck the market. The Directors decided to send a deputation to Government to explain the gravity of the situation, with a view to impressing upon them the necessity of adopting effective measures for ending the strike and affording relief to the industry by way of protection.



AID TO INDIAN SHIPPING

A MIXED reception was given to the Government's shipping policy by Mr. C. R. Srinivasan, Chairman, Bharat Line Ltd., when he addressed the annual meeting of the Company this week. He was "grateful" to the Government for having modified the terms of loan to shipping companies, in order to enable the latter to make fuller use of the available finance. But he regretted that the Government had "not shown the same awareness in respect of operation facilities."

It may be recalled that these issues were raised by the shipowners at the last meeting of the Indian National Steamship Owners' Association, at which, Mr. K. C. Reddy, Minister for Production, Government of India, was' also present. The Chairman of the Association, Mr. N. Dandekar, reiterated the demand for exemption from tax, at least on profits ploughed back into the industry, and also the need for exempting coastal ships' bunkers and stores from the payment of customs duty and sales tax. While Mr. Reddy emphasised how liberal were the Government's terms for loans to shipowners, he was somewhat evasive in his reply to the demand for exempting bunkers and stores from customs duty and sales tax. He merely advised the Association to reinforce its case with additional arguments or to reconcile itself to the fact that it was not possible for the Government to assist the shipowners in that direction.

Surely, Mr. Reddy's Ministry cannot be unaware of the "arguments" on which the demand is based. The Minister's reply indicates, as Mr. Srinivasan suggested, that the Minister "was not properly briefed on the issue raised, though there is ample material available in the secretariat fully to bear out our case." Mr. Srinivasan referred to the helpful policy which even the "industrially advanced countries" were pursuing towards the shipping industry. He cited the U.K., where the Government had introduced an investment allowance of 20 per cent. on new plant and machinery to the shipping industry in addition to normal depreciation allowance. Again, Italy had "blazed a new trail" in operation relief, for, apart from granting shipbuilding subsidy, the Government had created free zones where shipowners could secure stores and supplies duty-free. This list, as is now well known, could be extended, for there is no country where shipping is not actively assisted by Government. Perhaps, Germany's case is unique in this respect. The German merchant fleet has increased during the last four years from a mere 290,000 tons to 2.1 million tons, thanks to systematic tax remission. Even if the Government is unable to concede the shipowners' demand for tax relief, in general, and for other forms of assistance, it will do well to consider the somewhat limited demand for relief in respect of taxes on bunkers and stores.

Another important issue to which Mr. Srinivasan referred was the persistence of avoidable delays in loading and discharging at ports and the adoption of "go-slow" tactics by the workers. He said that this evil threatened to disorganise normal trading operations at such important ports as Bombay and Calcutta and that it would, if unchecked in time, divert the trade elsewhere to the "serious detriment of the country's economy." He added that the time had clearly arrived when concerted efforts should be made to evolve a formula which would link emolument to output of labour. Here again, the German ports—Hamburg and Bremen harbours —furnish an excellent instance of what good and prompt port facilities may mean to a nation's trade. These ports have earned the well-merited title of "speedy ports," for repair and other facilities are available there, all the days in a week, irrespective of whether the day is a whole or half holiday. Indeed, on holidays there is a heavier fleet of steamers at these ports, because the world's shipowners know that the facilities they need will be more promptly given in these harbours than at any other port.

BIHAR'S ECONOMY

Few Indian States are so well endowed by nature as Bihar. It abounds in many minerals of national and international importance. Coal, iron ore. mica, manganese and limestone are only a few of the deposits Bihar can boast of. Its rivers are broad and, in fact, menacingly broad when in spate. Many parts of Bihar are fertile, or at least could be easily rendered fertile. And yet, Bihar has not gone beyond the mining stage in its industrialisation. The Bihari travels far from his home in search of factory employment. Why is Bihar industrially backward? This is a problem which must give its ministers furiously to think. Meanwhile, they will do well to ponder Mr. S. P. Jain's presidential address at the recent annual meeting of the Bihar Chamber of Commerce, held at Patna.

Mr. Jain's address was an excellent analysis of Bihar's economic problem. He attributed the State's backwardness to lack of irrigational facilities, absence of cheap power and inadequate transport. Above all, the Government's sales tax policy was itself a deterrent to the State's industrialisation. He urged the Government to "lose no time" in starting work on the Gandak and the Kosi River Projects. He criticised the Government's tube-well scheme. The "overheads" are so large that the irrigation charges are unconscionably heavy; the cultivator finds it cheaper to rely on his ordinary well than to buy water from tube-wells. This is true of electric power too. The rates are higher than in the neighbouring State, Bengal. No wonder, there is surplus of power at the Damodar Valley Project area. He urged that power supply should be arranged at low rates, in order to encourage the development of electro-chemical and other industries.

Bihar produces steel. But this fact avails the State nothing. The odd feature of steel price control is that this commodity is costlier in the State where its ore is mined and processed than in other States. The price is based on the old formula under which the price in the interior is calculated at the price in ports plus freight; this was adopted in order to face competition from imports. Although the justification for the basis has gone—no imports threaten India's steel industry—the formula itself remains. Mr. Jain urged the need for modifying the formula in order to let Bihar have the benefit of the steel it produces.

Laying of new railway lines, as Mr. Jain pointed out, will open up Bihar's vast interior. Bihar, he emphasised, should press its claims for new lines. In particular, he supported the case for railway links connecting Bokaro-Girdhi, Ray-Kumardih-Birmitrapur (linking Rourkela and Talcher), Barwadih-Chirmiri and Barwadih-Singarulia-Manikpur. These centres are the potential industrial heart of Bihar. The suggested lines cover areas rich in forest and mineral wealth. Given transport facilities, the whole region could be rapidly developed.

Mr. Jain subjected the Government's sales tax policy to a devastating analysis. Since his conclusions are capable of being applied to many other States as well, his analysis is well worth study. He discerned at least four chief evils in the system. In the first place, the policy of subjecting raw materials to sales tax retards industrialisation; he cited the instance of the oil industry which had been "killed" by this levy. Secondly, the system has banished several industries from Bihar. Factories producing consumer goods like buckets, tubs and household fittings have been transferred to Calcutta, so that Bihar is now compelled to import the very goods it was formerly manufacturing. Thirdly, ancillary industries are proving costly to establish. Small factories, which buy semi-finished goods and process them into a higher stage of manufacture, find the tax too burdensome. Finally, the system compels industrial concentration and interferes with the growth of specialisation and diversification in industrial production. Since every transaction is subject to sales tax, an industrial establishment is itself induced to carry out all the stages of manufacture. Hence, there is no diversification of production which could "develop small-scale industries involving small capital investment." Incidentally, it inhibits the growth of employment opportunities. Also, it runs counter to the Government's "sociological" objective of preventing "concentration of wealth in a few hands." This is an excellent analysis of the impact of sales tax on the country's economy. The evils to which Mr. Jain referred are likely to manifest themselves in other States. It is time that the Central and State Governments undertook a dispassionate study of the straits to which the country's economy is being driven by the bewilderingly complex systems of sales tax which have come to prevail in the country today. Meanwhile, we commend his analysis to the attention of the Taxation Enquiry Commission.

COMMUNITY PROJECTS

The Five-year Plan sets before the country the toughest problem of raising the standard of living of its 70 million agricultural families. At the end of the planned effort, the Plan visualises the existence of a very highly cultured rural society. This society is to consist of millions of educated, intelligent and healthy farm families living in tolerably good homesteads. The Plan further envisages these farmers practising scientific agriculture and organising themselves into co-operatives for the improvement of their common lot, with State assistance wherever possible. The work of bringing about this revolutionary change in the rural society was entrusted to National Extension services under schemes now familiarly known as Community Projects.

The implementation of the Community Programmes began two years ago—in May, 1952, to be precise. Since then, they have been extended to cover a large part of the country; nearly 49,000 villages with 39 million people or one-eighth of the total rural population of India, are now being tackled under this programme. The working of these programmes since their inception has been investigated by an official body of the Planning Commission, the Programme Evaluation Organisation (P.E.O.) which submitted its first report only a fortnight ago and to which a reference was made in our last issue. The Report, which is fairly critical in its approach to the problems facing the Community Projects, provides an indication of the progress that is being made in bringing about the change in the pattern of our rural society, as envisaged by the Planning Commission. The P.E.O's findings reveal that the projects have made the people in rural areas plan-conscious. Where they are enlightened and enthusiastic, marked progress has been achieved in several directions, such as increasing agricultural production, building roads, bridges and schools, repairing tanks, etc. The initial apathy and resistance to new techniques and new modes of working and living have also been overcome generally. This is a good sign which should augur well for this great experiment in rural uplift.

Unfortunately, the progress achieved is not at all uniform. It is very uneven. There are large blocs in the project areas in which people seem to be still passive to new ideas and changes, and those in charge of the projects have not been able to bring about a revolutionary change in the outlook of these people. The pace of progress has been impeded by underestimating the targets to be reached, shortage of trained personnel, lack of co-ordination in the administrative machinery, absence of suitable people's institutions in the villages, irregular and inadequate supplies and equipment. These are serious handicaps, indeed, and, if proper care and thought are not bestowed on their removal, the risks of failure will be really great. These operational problems are reported to have figured prominently in the four-day discussions at the Conference of Development Commissioners of the State Governments at Ootacamund, which ended last week. The various decisions reached at the Conference are expressed in very general terms. The Press release on its performance does not throw enough light to instil confidence among discerning readers that the Conference studied the problems right lines and that as a result of discussions, the Project Administrators would be able to deal with the handicaps, referred to above, effectively. A concrete instance is its decision regarding the setting up of people's institutions at the village level.

The need for people's institutions to be in charge of village projects arises because of three reasons. They are democratic in character and the fact that the people have a hand in planning a given project makes them feel that it is their own. Secondly, they can easily arouse the enthusiasm of the people and make them take an abiding interest in the uplift work. Thirdly, they can take the place of official agencies, when these are withdrawn, and continue to evince sustained interest in the development work. Consequently, the Community Projects sought to rely on the existing institutions such as *panchayats* and co-operatives for making villagers participate in the programme. Where these institutions did not exist, *ad hoc* committees were established for the purpose. Unfortunately all these institutions, as they now stand, suffer from too many limitations, as explained in a special article in our last issue. The P.E.O., therefore, emphasised the need for an intensive study of the issue of establishing the right type of village institutions to take the place of official agencies in course of time.

Now, it is not clear how this problem was examined at the Ooty Conference. If the village *panchayats* or *ad hoc* bodies are to function effectively, it is necessary to take measures for removing the limitations which have been hitherto responsible for reducing their utility to the Community Projects. It is, however, encouraging to note that the Conference has decided to institute a system of incentives and awards for outstanding work in the Community Projects. The system, if judiciously operated, can be expected to help make the people's institutions more useful than at present.

A feature of the progress of Community Projects which some may regard as rather disappointing is the lack of attention paid to the establishment of rural industries for providing subsidiary income to agricultural workers. Even the Ooty Conference does not seem to have discussed this question. The attitude of the P.E.O. towards this question also appears to be rather indifferent. It says: "Whatever may be the reasons for the uncertain prospects of rural crafts, the fact remains that, with their present organisation and resources, the Community Projects can hardly hope to tackle the problem of non-agricultural employment." This sounds disappointing, in that it falsifies hopes, held out two years ago when the Community Projects were started, that they would tackle the question of rural industries. Nevertheless, this failure need not be regarded as a great tragedy, for there is considerable force in the saying: "Do one thing at a time and do it well." It will be a matter for great satisfaction even if the present efforts succeed in raising agricultural practices and teaching villagers healthier ways of living.

It is, however, heartening to note that action has already been initiated by the Community Projects Administration along a number of lines to enhance the utility of the Projects. Quite a good number of training institutions have already been set up for training village level workers, social education organisers and other project personnel. This should help eliminate one of the serious handicaps from which the Projects are now suffering, namely, shortage of trained personnel. The C.P.A. has also drawn up a tentative scheme regarding the number of blocs which should be taken up under the second Five-year Plan. This scheme was examined by the Ooty Conference and is expected to be taken up for consideration by State Governments shortly. In preparing programmes for villages, it has been decided that emphasis should be laid on those activities in which the bulk of contribution comes from village people. Attention has also been given to the criticism that expenditure on the Projects has fallen far short of the funds allotted. The pace of expenditure has since been accelerated, as the sums spent in the last quarter of 1953-54 exceeded the combined figure spent in the previous five quarters.

INDUSTRIALISATION OF UNDERDEVELOPED COUNTRIES

Mr. David A. Morse, Director-General, International Labour Organisation, says that "industrialisation is a painful process." Simple economic incentives are simply not effective in a non-industrial community in drawing workers into industrial occupations. For workers with a village outlook and pattern will not willingly substitute the punctuality and discipline of factory production for the long stretches of work and idleness of rural occupations. Even in India, where industry has long been stabilised, Mr. Morse says, absenteeism rates run from 13 to 15 per cent. in textiles, iron and steel and cement, and upto 34 per cent. in coal and mica mining. About 5 to 10 per cent., it is stated, is the norm for industrial countries. In countries with less industrial traditions than India, industrial absenteeism may run to 50 and even 60 per cent. Proceeding, he says that workers in some countries will, in fact, judge the need to work by their need for food. According to the Director-General, a "Somali worker who, passing along the river bank on his way to work, discovers a fish on the line he left overnight, is likely to return home for the rest of the day."

What is this attitude due to? Few can deny that this is due to ancient social and re-

(*Continued on page 1163*)

OFF THE RECORD

(By "ROVER")

THE fact that only now, when they have had to face some strong criticism from the Press and severe dissatisfaction on the part of the public, with regard to their haphazard and ineffective sugar policy during the last two years, the Government of India has awakened to the urgent need for improving cane cultivation and stepping up its yield per acre, speaks volumes about the reprehensible complacency and cruel indifference to a problem which should have been tackled several years ago. If the State Governments, where sugarcane cultivation is an important economic activity, and the Central Food Ministry had stirred themselves even moderately as soon as sugar shortage was noticed and *qur* prices commenced an upward flight, there would have been an appreciable improvement in the output of cane, sugar and *qur* by this time. Millions of consumers of these widely used commodities would have been spared the great hardship and monetary losses they had to undergo during these years and the country would have saved several crores of rupees in foreign exchange, now being spent on imports of foreign sugar.

Must we always learn the hard way? Running my mind over a score of important events in the economic field, I cannot but rue the chronic attitude of lethargy and indecision of our ministers and functionaries in high places. The country had always been made to pay heavily in the matter of a series of belated decisions regarding abolition or reduction in export duties on jute, cotton, cotton piecegoods, oils and oilseeds. In every single instance, the right decision came either at the wrong moment or long after it was needed. This is a deplorable record for Governments, which aspire ultimately to expand their industrial undertakings in the future, not to say anything of the substantial sector already under their control. In the case of the famous Ass in the fable, it was only the poor brute which suffered pangs of hunger and easily avoidable starvation through its failure to make up its mind as to which stack of hay out of the two lying on either side it should feed itself from. The Government's inability to act promptly, even where a quick decision implies no risk, has, on the other hand, proved calamitous for many a trade and industry and for the economy of the country as a whole. One does not miss what one did not have, but this does not minimise the potential loss.

And so, true to the time-honoured tradition of his Government, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, has now come out with a campaign for securing better yields of cane. During all these years, when the cane crop had been steadily going down, the State Governments of Uttar Pradesh and Bihar, to whom this must have been a matter of great concern, instead of directing their efforts to counteract this growing menace, were engaged in a political intrigue of securing the cane-growers' votes, by bullying the Central Government into fixing an increasingly higher price for poor quality cane, at the expense of the sugar and *qur* consumers in other States. Unfortunately, politics won the day over economic necessities and the Union authorities, who were well aware of the danger, succumbed to the pressure from Lucknow and Patna.

The Central Ministry of Food and Agriculture should have been firm and insisted upon both the State Governments undertaking timely remedies for improving cane cultivation. This was the only lasting and legitimate way of helping cultivators of sugarcane in these States, which produce the bulk of the cane grown in the country. They could not have failed to observe that the growers, because they obtained better prices for their cane, had gradually and shortsightedly let the cultivation deteriorate so much so that the yield in a number of places had gone to less than ten tons per acre. Higher prices, which work as an incentive with progressive cultivators, had tended, in the case of impoverished and demoralised small growers, to make them complacement about and indifferent to the dwindling crops. As the crops grew smaller in size, they asked for a higher price for cane and an obliging Government, with its eye to the elections, helped them to get it.

These very Governments had accumulated crores of rupees from the cane cess, which had been ostensibly imposed, and successively increased to improve sugarcane cultivation. The then Tariff Board had drawn pointed attention to this official misappropriation. With the help of these funds, the U.P. and Bihar Governments could have achieved a wonderful transformation in cane fields —if the money had been spent wisely for the purpose for which it was raised. Even a 20 per cent. increase in the yield of cane per acre would have given the country all the sugar and *qur* its people needed. But the Centre lacked the strength and firmness necessary to impose a wise decision on recalcitrant units, which contributed a large block of members to the Legislature from their areas.

The small section of the sugar industry located in the State of Bombay had demonstrated successfully that, contrary to popular belief, sugar was manufactured not in the factories but in the fields. The head of one of the oldest units in this field had publicly drawn attention to this important truth on more than one occasion. The sugar factories in Maharashtra had further demonstrated that high yields per acre were possible, in the case of sugarcane crop, only on the basis of estate farming. It was not solely due to a suitable climate that they were able to raise good crops from even comparatively poor soils. If it were so, the crops in the factories' plantations would not have been so much more prosperous than those raised in the same tracts by small cultivators, with limited means and more limited knowledge of the scientific and improved methods of cultivation. One factory in this area is known to have produced during this season 20,000 tons of sugar out of cane grown on a 4,000-acre plantation. This gives an average of five tons of sugar per acre against the one ton extracted painfully from one acre of poorly cultivated and indifferently tended soil of an ill-equipped but pampered cane-grower in U.P. or Bihar.

When the country needed more sugar badly, when the clamour for it had pushed prices up to as much as Rs. 175 per bag at one time, when we are reduced to such a state as to have to arrange for an import of half a million tons of sugar at a cost of 30 to 35 crores worth of precious foreign currency, which could advantageously be used for badly needed capital goods, one would have thought that the Maharashtra sugar mills would have been given every form of encouragement for their splendid effort in successfully demonstrating how easily the country's requirements of sugar could be met. But it has been their unfortunate experience that their success in growing good crops has been persistently frowned upon by the State authorities. Not only have they been muleted heavily for their successful farming methods, but they have been treated in a niggardly manner in the matter of water supply from the State irrigation sources, in order to favour small cultivators, who, even with such assistance, could obtain only inferior yields.

As if good, scientific cultivation was a crime deserving of condemnation, every one of the requests of the sugar mills in Bombay for the redress of some grievance or disability they suffer from is greeted with the stock reply that they were making good profits from their cane growing and so must bear even undeserved burdens. There was a time when it was a common complaint that justice was only for the rich. The sugar industry in Bombay has come to discover that justice is only for the poor and the well-to-do can not lay claim to it. Even now efforts are afoot which are designed to deprive them of some of their lands obtained under voluntarily-entered-into contracts or to raise the cost of cultivation for them, for the simple reason that they are able to raise more cane than others from the land cultivated by them.

All this apart, even today, when the Central Ministry of Agriculture has suddenly become aware of the urgent need for improving cane cultivation, neither the shrewd Mr. R. A. Kidwai nor the otherwise redoubtable Dr. Deshmukh have the courage to ask these State Governments to mend their ways. In utter despair of making any impression on these recklessly predatory Governments, the latter has decided to take certain measures, long overdue, of getting more cane from the miserable little plantations in U.P., Bihar and the Punjab. The cost of this campaign will naturally come out of the coffers of the Government of India, which, in other words, means that you and I will pay for this campaign, after having already paid about Rs. 2 per maund of sugar to one or other of the State Governments, by way of the increased cost of sugar to the extent of the cane cess. I cannot understand why Dr. Deshmukh should be so timid as not to compel all these State Governments to defray at least the cost of this campaign from their Cane Cess Fund. It is scandalous that public revenues of the Union should be spent for a purpose, for which the States have already secured and misused large amounts from the consumers of sugar.

I wonder if the levy of cane cess would and could come under examination by the Taxation Enquiry Commission. In its essence, this imposition is in the manner of a tax on an industrial product, because not all cane grown in the State, but only that part of it which is utilised for the manufacture of sugar, is subject to it. The States have no authority under the Constitution to levy such a duty on sugar. The fact that in most of the States which levy it, it is for all practical purposes regarded as general revenues and used mostly on objects wholly unconnected with agriculture, in general, or sugarcane cultivation, in particular, makes it doubly of the nature of a tax or excise duty. Only the Centre has the right to levy such a duty and it is doing so already.

In any case, if my small voice could reach this august body, I would implore it to subject this so-called cane cess to a critical examination, both from the point of view of constitutional propriety and public policy. Any attempt at getting round limitations deliberately placed by the Constitution on so important a subject like taxation by State Governments is not conducive to inculcating respect for either ordinary law or the Constitution. Tax evasion is certainly an anti-social activity deserving to be condemned severely. But those who indulge frequently in voicing such condemnation should themselves set an example of carrying out the provisions of the Constitution both in letter and in spirit, instead of trying to bend the Constitution to their will or to alter it to suit party and political convenience.—*All Rights Reserved.*

– An order worth more than a million dollars for hydro-electric equipment has been placed with Metropolitan-Vickers Electrical Company of Manchester by the Manitoba Hydro-Electric Board, Canada. Won in the face of international competition, the order is for two 33,000 kw. steam turbo-generator sets. The sets will be the largest in Manitoba. This is the third large Canadian order obtained by the British firm this year. An earlier order from the Alberta Hydro-Electric Board for steam turbo-generator sets was worth $1,500,000. The Company is also making the most powerful hydro-electric generator in the world for the Quebec Hydro-Electric Board—an order worth $3,000,000. The three Canadian orders add up to the impressive total of $5,500,000 this year.

IMPORT CONTROL POLICY FOR NEXT HALF-YEAR

ANNOUNCEMENT IMMINENT

(From A Special Correspondent)

NEW DELHI, 8th June

DELHI LETTER

WITHIN the next few days, the Government of India will be announcing its import control policy for the forthcoming half-year. As indicated by the Minister for Commerce and Industry at the time of his address to the Import Advisory Council in the third week of May, it is expected to formulate a liberalised form of import policy for more reasons than one. With the external payments position more than satisfactory and with the country's sterling balances standing at about Rs. 752 crores, India can withstand increased imports of consumer goods during the next trade year. In view of the highly satisfactory position on the food front, imports of foodgrains will be limited, largely confined to the intake of Burmese rice. In regard to raw cotton, although the Central Cotton Committee had laid a target of 45 lakh bales for 1954-55, the realisation of the above level of production will ultimately depend on the course of the monsoon in the important cotton-growing tracts of the country during the next three months. It is, however, expected that imports of cotton may not be heavy given an average monsoon. In these circumstances, the Government is now in a position to allocate increased sums for greater imports of consumer goods which would go a long way towards checking the possible inflationary trend as a result of deficit financing.

Suggestion by Trade Bodies

In framing the import policy, the Government is expected to be guided, to some extent, by the suggestions set forth by the leading members of the Import Advisory Council, commerce chambers and trade associations. In regard to some important basic raw materials like iron and steel, it is suggested that Government should follow a stable import policy. The import policy should not alternate between free licensing at one time and complete prohibition for the subsequent period, which has a tendency to create instability in the prices of these commodities. Complete ban on imports leads to scarcity and high prices while free licensing results in huge imports and underselling, sometimes even below the landed cost of goods. It is, therefore, stated that adequate quantities of controlled varieties of iron and steel, other raw materials and manufactured goods which are not produced in the country at all or not produced in sufficient quantities should be licensed in every licensing period so as to maintain a regular and steady flow of imports of these goods. The quantum of total imports to be licensed in the initial licensing period or periods may be tentatively fixed on the basis of the averages of actual imports for the past four or five years or other relatively dependable data. All classes of importers, namely, established importers, actual users and newcomers may be allowed to participate in the trade as now, but a ceiling may be imposed on the quantities to be imported by individual importers for resale. Keen competition between producing countries abroad and the economic conditions prevailing in India have rendered such restrictions obsolete.

There is some divergence of opinion on the use of import control as an aid to industrial development. According to one school, Government's import control policy has definitely proved beneficial to the growth of a number of indigenous industries during the last few years. But for a total ban and quantitative restrictions, such industries as oil engines, electric motors, textile coal-tar dyes, sewing machines, etc., could not have developed in the country during the last few years. It is argued that, if imports of competitive items are permitted even under a heavy duty, the foreign manufacturer commanding great resources would circumvent such a protection by undercutting the prices only of those items that are indigenously manufactured or would compel the Indian customer to buy his goods in preference to Indian goods by making the supplies of other items not indigenously manufactured dependent on orders being placed for the former. Complete ban on imports is, therefore, considered necessary for affording reasonable protection to deserving but vulnerable indigenous industries through import control. According to the other school of thought, import control should not be misused for granting protection to indigenous industries. Complete ban on imports will place the consumer at the mercy of industrialists. At the same time, it will not provide any incentive to him to improve the quality of his production. It is, therefore, urged that at least token imports are very necessary in these cases. The Government should also consider the feasibility of allowing reasonable imports, so that the interests of the consumer are not jeopardised. According to this school of thought, Government would do well to raise tariff duties to a high level in regard to these products and allow free imports.

With improvement in the manufacturing efficiency of the industry, it is possible to reduce the import duties gradually. This latter view of thought naturally finds favour with Government from the point of view of revenue considerations, as also from the consumer viewpoint. It is stated that, in a number of instances, the trade has been able to make disproportionate gains in imported goods by creating scarcity and artificial shortage and that the consumer has not been able to get reasonable prices as a result. In these instances, while Government has been losing revenue, it is the trade that has been the gainer all these years. In order to put an end to this state of affairs, the Government is likely to revise in an upward direction the import duties in a number of consumer goods.

Conflicting Interests

Conflicting interests have always been noticeable between established importers, actual users and newcomers. Established importers complain that the Government has been throwing more and more items open to actual users, thereby further restricting their trading activities. As against this, actual users point out that there are certain industries such as the chemical and metal industries which have to import the bulk of their raw materials from abroad. To deny the actual users licences is to consign them to the mercy of the importers. There is another school of thought, according to which actual users' licences should be used only in respect of basic raw materials of industries such as cotton, jute, rayon, yarn, staple fibre, etc. In respect of consumable stores the policy should be to encourage more normal channels. This should be done with a view to preventing growing unemployment among middle classes. With the progressive increase in the restriction of imported articles consequent on the growth of indigenous industries established importers have been losing their avocations. In order to prevent this state of affairs, it is argued that Government should insist on the indigenous producers to adopt and practice certain well defined marketing policies as a condition to the grant of protection under the tariff and import control regulations. It is suggested that new industries should make use of the medium of established importers to market their products. In all these instances, chambers of commerce and trade associations should sit together, evolve some procedure and establish some conventions to resolve the difficulties instead of each presenting his problems to Government from his own angle with all vehemence.

A number of suggestions has been given by the trade for the improvement of the policy relating to validity of licences. There is still a very large number of items for which the validity is for six months period. To enable an importer to negotiate reasonably with the foreign suppliers and to avoid his having to buy whatever is available within the short time, the minimum validity of any licence should be extended to 12-month period. For instance, certain goods are seasonal and, therefore, orders have to be placed at the appropriate time.

(Concluded from next column)

EXPLORING CONVERTIBILITY—I

MAIN FACTORS CONSIDERED

(From Our Own Correspondent)

LONDON, 4th June

LONDON LETTER

THE news of the week is the rise in this country's gold and dollar reserves of some £60 million in the month of May, bringing the reserves to a total of nearly $3,000 million or £1,066 million. The reserves now stand at rather more than three-quarters of their highest post-war level three years ago but, at this rate of increase, in six months the post-war maximum will be surpassed.

The principal reason for the increase is just that which recently prompted the Treasury and the Bank of England to lower the Bank Rate to 3 per cent., namely, the inflow of "hot" funds, not only to take advantage of the high money rates in the City but also to speculate on the possibility of an upward valuation. It is true that thus far the funds which came into this country early in May are still there, but they are an unreliable basis for the reserves of the sterling area: that is why the official attitude, different perhaps from that which prevailed when the Government was less concerned with the state of the reserves, before the war, is that these funds are not to be encouraged. Not only do they mean nothing in terms of the gold and dollar backing for sterling but they can encourage ideas about convertibility which may be against the interests of this country and of the sterling area.

The convertibility issue was bound to be raised again after the report four weeks ago of the O.E.E.C. (Organisation for European Economic Co-operation) which, however, academic and however routine, showed that Ministers were still considering the practicability of the move. It is, of course, well known that Germany and Belgium particularly, and one or two other West European countries, would like to see their currencies fully convertible and are individually fully capable of having their currencies convertible. They are only held back at the moment by loyalty to the O.E.E.C., and there is a school of thought in this country which considers that it is only that same loyalty which holds this country back from making sterling fully convertible. This school points out that, with the categories of sterling now in use, dollars can freely move into and out of sterling provided the correct exchange routine is followed, and that this country now exports dollar goods for sterling. The United Kingdom, indeed, at the moment maintains its exchange restriction only in the form of tight control over direct purchases of dollar manufactures for retention in this country and a readiness to claim only one half of its credit balances with the O.E.E.C. countries in gold. There is one other form of control, that is, that the capital sterling balances held by third countries in the United Kingdom remain inconvertible apart from special arrangements.

The question that the protagonists of convertibility are asked is whether, given convertibility, there would not be a heavy demand for dollars (a) merely to buy dollar manufactures; (b) by the owners of sterling balances to buy in America what they cannot buy here; and (c) by persons preferring to hold dollars instead of sterling. The trend of the market in the past three months shows that (c) is no longer an operative factor. Sterling is regarded for the time being as a strong currency which is undervalued in terms of dollars, and any speculator would at present prefer to hold sterling rather than dollars for a rise.

As for the old accounts, it is unlikely that there could be much pressure to convert these, except for commercial reasons of wishing to spend dollars rather than sterling. The most difficult point, therefore, is the desire, or the ability—or both—to purchase dollar goods in preference to sterling goods. To answer this problem satisfactorily, it is not enough to look at what is happening today. For today the answer might be that, given the present import restrictions or their equivalent in quotas, full convertibility and free exchange rates could only bring sterling appreciation and no outflow of gold or dollar reserves. It is the long-term implication of the problem of convertibility that must be restraining this Government, just as much as it would any Socialist Government, from taking the plunge from what is sometimes

(Continued in previous column)

called the first stage of convertibility—and which, for practical purpose, is not very different from the stage the United Kingdom has now reached—and the stage of full convertibility. This aspect will be examined in the succeeding letter.—*All Rights Reserved.*

PAKISTAN NOTES

WORLD BANK GIVES £5 MILLION LOAN FOR SUI GAS PROJECT

FAVOURABLE BALANCE OF PAYMENTS POSITION

THE International Bank for Reconstruction and Development, along with six private British banks, has granted a loan of £5 million (equivalent to $14 million) for the construction of a natural gas transmission line in West Pakistan. This project, which has been undertaken, as readers are aware, as a result of the recent discovery of natural gas at Sui (about 350 miles north of Karachi), seeks to make, for the first time, this fuel available to industry.

The six British exchange banks which have agreed to participate in the loan are: (1) the Chartered Bank of India, Australia and China, (2) the Eastern Bank Ltd., (3) Grindlays Bank Ltd., (4) Lloyds Bank Ltd., (5) the Mercantile Bank of India Ltd., and (6) the National Bank of India Ltd. These banks, which have their offices in Pakistan, have agreed to contribute £645,000 ($1,806,000) without the World Bank's guarantee. This amount represents the first seven maturities of the loan, falling due semi-annually from 1st August, 1956 to 1st August, 1959.

The loan is for a period of 20 years and will bear interest at the rate of 4½ per cent. per annum, including the statutory commission of 1 per cent. charged by the Bank. Amortisation of the loan will begin on 1st August, 1956. The loan is guaranteed by the Government of Pakistan and will be secured by a trust deed with Baring Brothers & Co., Ltd., of London, as trustees.

The loan has been granted to the newly-formed Sui Gas Transmission Company, Ltd., in which 75 per cent. of the shares will be held by private investors in Pakistan and in the U.K. and the balance by the Pakistan Industrial Development Corporation. A little more than one half of the shares will be in Pakistani ownership and the remainder will be held by the Burmah Oil Co., Ltd. and the Commonwealth Development Finance Co., Ltd., of the U.K. The total cost of the project will be about £9 million, out of which the World Bank loan will provide the equivalent of £5 million of the foreign exchange required. Sterling for the loan has been made available to the Bank by the U.K. out of its sterling subscription to the Bank's capital. The project is expected to be completed in May, 1955.

Important Source of Fuel

The development of natural gas will provide Pakistan with an important domestic source of fuel. Pakistan's supplies of coal and oil are insufficient to meet the country's needs. Of its annual coal requirements of about 1.2 million tons, 600,000 are now being imported and fuel oil imports aggregate more than 500,000 tons a year. The reserves of the Sui gas dome are estimated at over 2½ trillion cubic feet. This is enough to supply 110 million c.ft. of gas per day for over 50 years. The cost of gas compares favourably with the present price of liquid fuels. As the volume of gas increases, the price will progressively fall, so that at the full capacity of the line, gas would cost much less than fuel oil or coal. By providing relatively cheap and abundant supplies of the new fuel, the Sui Gas Project will, in course of time, save large amounts of foreign exchange. In the first year of operations, gas from the project will be equivalent in fuel value to some 500,000 tons of coal and as plant capacity is reached, it will be three times this quantity.

In a supplemental statement on the Sui Gas Loan, the World Bank presents the following survey of the general economic position of the country, which makes interesting reading:

"Pakistan has a total area of 365,000 square miles and a population of 75 million. The country is in two parts, a thousand miles apart: East Pakistan with an area of about 54,000 square miles and a population of over 40 million; and West Pakistan, an area of 310,000 square miles with a population of about 35 million.

"Pakistan normally produces enough foodgrains to feed its population; wheat and other grains are grown in West Pakistan, and rice in East Pakistan. It is the world's largest producer and exporter of raw jute, all of which is grown in East Pakistan. Cotton is produced mostly in West Pakistan. About 85 per cent. of Pakistan's exports consist of jute and cotton. Other agricultural products are: about 30 million lbs. of wool; about 50 million lbs. of tea; about 13 million pieces of hides and skins; and some oilseeds and sugar. Mineral production is relatively small. Some 400,000 to 600,000 tons of coal are produced yearly; over 150,000 tons of petroleum; and 15,000 to 20,000 tons of chrome ore and salt. Only chrome ore is exported.

"World prices for raw materials dropped sharply in 1951-53 and Pakistan's export earnings were correspondingly hard hit; a two-year drought darkened the economic and financial picture. The low point was passed in the spring of 1953. Since then world prices have stabilised and Pakistan's financial position has improved, though the country is still faced with the necessity of husbanding its resources most carefully.

"The timely grant by the United States of 700,000 tons of wheat in June, 1953, plus smaller wheat grants by Canada and Australia under the Colombo Plan, alleviated the food shortage and assured adequate supplies for 1953-54. Heavy summer and winter rains have since ended the drought and Pakistan may have a food surplus in 1954-55. Income and outgo of foreign exchange were brought into balance in early 1953, mainly through sharp curtailment of imports, and a small current account surplus was achieved for the whole year 1953. Prices of main export commodities have recovered appreciably from their lows of a year ago, and import controls have recently been eased somewhat.

"Self-sufficiency in foodgrains and cotton textiles, which are the principal necessities of the great bulk of the population, and increased domestic supplies of other goods now imported, will give a certain freedom of action in the choice of imports, such as Pakistan has not enjoyed in the recent past. Foreign exchange receipts should continue to rise as production expands.

"There were few industrial plants in Pakistan at the time of partition. There are now an impressive number of enterprises recently launched or under development, based principally on the processing of local raw materials. Since 1950, the production of cotton cloth has increased 124 per cent., and cotton yarn 295 per cent. Two woollen mills have started production. In the new jute manufacturing industry, 1,400 looms are now in operation. The vegetable oil and tanning and leather industries have also shown considerable progress. Coal production has increased from 437,000 tons in 1950 to 577,000 tons in 1953, and electric power output has risen in the same period from 234 million kw.h. to 406 million kw.h.

"The budget position also improved in the past year mainly through increased extraordinary revenues, including income from sale of U.S. and Colombo Plan wheat. Ordinary and defence expenditures were substantially reduced, while outlays for economic development were increased. As a net result, total Government expenditures declined slightly. While the financial position, both internal and external, will remain tight in the short run, it is expected that gains from development will become increasingly apparent in the next several years through increased domestic production, improved Government receipts and higher exports, especially of jute manufactures to the dollar area."

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Favourable Balance of Payments

Pakistan has earned a surplus of Rs. 1.73 crores in its balance of payments during the quarter January-March, 1954. This is the fifth successive quarter in which Pakistan's balance of payments position shows a surplus. In the first quarter of 1953, Pakistan earned a surplus of Rs. 5.34 crores, followed by Rs. 1.47 crores in April-June, Rs. 0.92 crore in July-September and Rs. 4.33 crores in the last quarter. With the aforesaid surplus in the first quarter of 1954, the total surplus in the 15 months to March, 1954, amounts to Rs. 13.79 crores.

An analysis of the statement of receipts and payments shows that the foreign exchange earnings during the quarter under review amounted to Rs. 39.54 crores, of which Rs. 16.62 crores are accounted for by jute exports and Rs. 14.62 crores by cotton exports. Payments during the period aggregated Rs. 37.81 crores, of which Rs. 19.11 crores were spent on imports on private account and Rs. 13.29 crores on Government account. The latter include consumer goods, such as sugar and cotton textiles, imported on Government account. Invisible payments on travel, family maintenance and other services amounted to Rs. 5.41 crores.

A country-wise analysis of the balance of payments shows that during this quarter, Pakistan incurred a deficit of Rs. 11.88 crores with the U.K., while it had a surplus of Rs. 3.14 crores with the rest of the sterling area. There was a small deficit of Rs. 59 lakhs with the dollar area, while the surplus with the Continental O.E.E.C. countries amounted to Rs. 4.51 crores. The country had a surplus of Rs. 1.28 crores with Japan and of Rs. 5.27 crores with the rest of the non-sterling area.

The gold, dollar and sterling reserves of Pakistan as on 31st March, 1954, amounted to Rs. 71.96 crores, showing an improvement of Rs. 3.07 crores during the quarter January-March, 1954. Since the beginning of 1953, the reserves show a net improvement of Rs. 11.35 crores.

Revised Procedure for Export Payments

The Pakistan Government has laid down a revised procedure for the method of payment for exports from Pakistan to various countries. A *Gazette Extraordinary* issued, in this connection, on Monday this week, says that, in the case of American account countries, payment will be made in United States or Canadian dollars. Payment can also be made in rupees from the account of a bank in any country in the group or in sterling from the account of a person to any such country. For sterling area countries, payment can be made in rupees from the account of a bank of the area or in sterling or any sterling area currency. Indian and Pakistani rupees in the account of a resident of the area will be excluded from this payment. This provision will also not apply to the accounts of persons living in Pakistan and India. In the case of Indians, payment for exports from Pakistan can be made in Indian or Pakistani rupees from the account of a bank in the country of import. Payment can also be made in sterling from the account of a resident in the country of the transferable account group. It can also be made in rupees from the account of a bank in the country of import or any country in the transferable group.

The Adamjee Jute Mills, Ltd., which stopped working on 15th May last, resumed production on the 7th inst., according to a Press Note issued by the Government of East Bengal. Two hundred looms in the second mill went into production, working a single shift. The Press Note said: "Workers who reported for work were drawn from all sections and a peaceful atmosphere prevailed among them. The management is undertaking arrangements to rehabilitate the workers who suffered in the riots. Construction work on the third mill, which had been suspended since 15th May, is also expected to be resumed soon. It is expected that within a short time the five mills would start functioning in full swing."

The Prime Minister, Mr. Mohammed Ali, inaugurated on the 7th inst. the first non-stop Pakistan international air service between Karachi and Dacca. The Pakistan Government has decided to subsidise the service to the extent of Rs. 50 per passenger which will cost the Government Rs. 10 lakhs a year. The service will also be exempted from duty on aviation spirit. Mr. Mohammed Ali said a similar service between Karachi and Dacca via Lahore would be opened before the end of this month.

LINKING INDIGENOUS BANKERS WITH THE BANKING SYSTEM

VIEWS OF SHROFF COMMITTEE

IT will be recalled that, in our Market Gossip columns last week, we made a brief mention of the Shroff Committee's proposals for linking the indigenous bankers with the Reserve Bank of India. At the present moment, these proposals acquire great importance for several reasons. First, the indigenous bankers have been playing an important role in financing large sectors of the trade and industry in India. It is estimated that these bankers finance about 70 to 90 per cent. of the total internal trade of the country, while moneylenders have for centuries occupied a predominant position in the supply of finance to the agriculturists. Secondly, attempts have been made, for long, to bring them under the banking system but the problems involved being very peculiar, have so far defied solution. Thirdly, the economy today is in need of financing agencies in regions and sectors not served by the banking system and these indigenous bankers may be made to satisfy the need more effectively than now. For this they must be brought into the orbit of the organised banking system. But this is possible only if they agree to operate under some broad regulations for purposes of safety and security. The Shroff Committee's recommendations suggest the shape these controls should take.

Before referring to the Committee's proposals, it will be necessary to point out here the scope and functions of these bankers. The Committee, in this context, seeks to make a distinction between indigenous bankers and moneylenders. Quoting the Punjab Provincial Banking Enquiry Committee, it points out that the indigenous bankers finance trade and industry rather than consumption, while urban moneylenders finance consumption rather than trade. It has, however, taken care to add that the village moneylender makes advanes to agriculturists both for production and consumption. It accepts the definition of the Indian Central Banking Enquiry Committee for "indigenous banker", as any individual or private firm receiving deposits and dealing in *hundis* or lending money. Many of them engage in other forms of business such as trading and acting as commission agents. They are also commonly known as shroffs.

The manner in which these shroffs function is described as follows. The city shroffs supply funds and goods on credit to the town shroffs, and the latter, in turn, supply these to the village shroffs. The village shroffs, in turn, give unsecured loans to agriculturists and small traders and also supply goods on credit. In this way the institution of shroffs passes on credit from the cities to the towns and the villages and makes it available without security in the semi-urban and rural areas.

Bombay Shroffs' Association

Some interesting information has been furnished by the Bombay Shroffs' Association regarding the magnitude of the operations of the indigenous bankers. The turnover of the members of this Association alone is estimated at about Rs. 100 crores. About 80 per cent. of this is stated to be on account of sight *hundi* transactions and 20 per cent. for commercial purposes. The average payment made by a member-firm in respect of sight *hundi* transactions was Rs. 43 lakhs, while the average receipt was Rs. 50 lakhs, the annual turnover thus being Rs. 93 lakhs.

The *hundis* which arise out of trading and industrial activities are clean and payable on sight. The rate of interest charged by the shroffs on *hundis* varies from 4¼ to 6 per cent. plus a commission. While the main concern of the shroffs is the provision of short-term credit for trading purposes, the representatives of the Bombay Shroffs Association who met the Committee stated that small industries were obtaining considerable accommodation from them and that some of the constituents also functioned as buying agents for such industries. The resources of shroffs consist principally of their own capital and the call deposits accepted by them. Sometimes, they also receive fixed deposits. The representatives of the said Association further pointed out to the Committee that, if rediscount facilities at the Reserve Bank were made available to them, they could ask their constituents to draw 90 days' usance *hundis*, instead of sight *hundis*, which would help expand their business considerably. Since they lent mostly to traders, they did not come within the purview of the Bombay Moneylenders Act.

While members of the Bombay Shroffs Association are generally engaged in both banking and commission agency business, there are certain classes of indigenous bankers who confine themselves almost extensively to banking proper. The foremost among them are the Shikarpuri shroffs. According to the evidence tendered before the Shroff Committee, these shroffs have their headquarters in Bombay, and carry on business in over 400 places in India. They finance principally traders and small industrialists on *hundis* and claim that they have outstandings of about Rs. 20 crores at any time. They borrow from banks on these *hundis* against limits sanctioned to them. On an average, they charge about 9 per cent. to their constituents on *hundis* and pay 4½ to 5 per cent. to banks for rediscounting them. Some of them are subject to moneylending legislation in some States. Their *hundi* transactions, which come under "loans to traders," are, however, exempt from this law. But a licence is necessary for loans from one shroff to another. They plead that these should also be exempted from the purview of the Act.

Conditions for Linking

In view of the importance of these bankers, the Central Banking Enquiry Committee recommended that they should be brought into direct relations with the Reserve Bank in line with other joint-stock and co-operative banks, and thereby provided with rediscounting facilities. But, as the Reserve Bank could rediscount only bank-endorsed paper, only such indigenous bankers as were engaged in banking proper or were prepared to discontinue their non-banking business should, the Central Banking Enquiry Committee said, be eligible to be placed on the approved list of the Reserve Bank. It further stipulated that such indigenous bankers must agree to maintain proper books of accounts in the usual recognised manner and to have them audited annually by recognised auditors and that such books should be open for inspection and audit by the Reserve Bank of India.

Accordingly, the Reserve Bank of India pursued the question of linking the indigenous bankers with its own system. In 1937 it made an attempt by suggesting a scheme based on the Central Banking Enquiry Committee's suggestions. It failed because the bankers were unwilling to disassociate themselves with non-banking business. Again in 1941, the Reserve Bank agreed not to insist on immediate shedding of non-banking business by the shroffs, but suggested that the bankers should segregate it from their banking business, in the first instance, and then discard it within a specified time. This was also unsuccessful, but the Shroffs Association requested the Reserve Bank to keep the offer open. It is understood that the Association has taken up the question again with the Reserve Bank.

Reviewing the whole position carefully, the Shroff Committee has expressed itself fully in favour of the conditions laid down by the Central Banking Enquiry Committee for the linking of the indigenous bankers with the Reserve Bank. As, however, most of the bankers are reluctant to segregate their non-banking business, it may take time before any scheme could materialise. In the meantime, as an interim measure, however, it suggests that those shroffs who are doing their business by way of sight *hundis* should consider the possibility of introducing 90 days' *hundis* where practicable. In order to encourage these usance *hundis* on a large scale, the Government of India is advised to reduce the rates of stamp duty on such *hundis*.

Rediscounting "Hundis"

Another important recommendation of the Shroff Committee is that steps should be taken to encourage the rediscounting by the Reserve Bank of the usance bills of indigenous bankers such as Shikarpur shroffs through the Scheduled banks. Explaining this suggestion further, the Committee observes:

"Although the indigenous bankers finance principally the private trading rather than the industrial sector, they do provide, as already stated above, working capital for medium-scale and small-scale industries, and it will assist in making additional working capital available to these industries if the bills of these bankers, commonly known as Multani *hundis*, are made eligible by the Reserve Bank, as security for advances to Scheduled banks. In this connection, it has been suggested that, as the individual *hundis* endorsed by the shroffs are often for comparatively small amounts, the Reserve Bank of India should examine whether it could accept a bigger *hundi* supported by the small ones for purposes of rediscount. We commend this proposal for the consideration of the Reserve Bank and also suggest that if there are any legal difficulties in the way, they may take necessary steps to have the Act suitably amended. In this context, we may recall the arrangement which was in force for expansion of currency prior to the establishment of the Reserve Bank. We understand that, before 1935, the Imperial Bank of India deposited in Government portfolio all trade bills available to it and maintained a Government Portfolio Bill Register. The Imperial Bank further gave a certificate to the Controller of Currency that the bills held were 'in furtherance of trade.' The bills deposited included Multani bills which the Bank had discounted as well as other inland bills held for collection. The procedure was in existence at the time of the Presidency Banks and, it is learnt, was adopted by the Imperial Bank as early as 1922."

The Committee further suggests that the commercial banks should also consider the rediscounting of bills drawn by traders and small industries and endorsed by shroffs, provided the banks are satisfied with the standing of the parties concerned. The shroffs on their part should maintain, according to the Committee, proper books of accounts, preferably in the national language or English. The formation of an association representing shroffs all over India is also suggested by the Committee. Since shroffs are engaged mainly in lending to trade and industry, they should be exempted, says the Committee, from the purview of moneylending legislation.



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SHARP RISE IN DOLLAR RESERVES

The sterling area's gold and dollar reserves in May, 1954, staged a record rise of $165 million. This increase compares with $135 million in April, $102 million in March, $40 million in February and $25 million in January this year. The surplus registered in the month under review is the highest since March, 1951, when the reserves went up by as much as $193 million. The total reserves at the end of May, 1954, stood at $2,935 million.

A breakdown analysis of the May surplus of $165 million is revealing. Of this amount, receipts from the U.S. on account of defence aid amounted to $8 million and those from the E.P.U. $39 million. The balance of $120 million was the outcome of gold and dollar movements, as against $119 million in April and $86 million in March this year.

The official communique issued by the Treasury points out that a large part of the general credit of $120 million was due to the "boomlet" in sterling which developed during late April and the beginning of May. The amount thus received in the first few days of May alone is estimated roughly at between $80 and $90 million, the balance of $30 to $40 million being the genuine trading surplus. The abnormal inflow of money is believed to be due to rumours, then current in the foreign exchange markets, that the limits of the sterling exchange rate would be widened. These rumours were, however, officially denied early in May, and from then until the end of the month, the gains in reserves were small. But there have been no corresponding withdrawal of funds since the denial of the rumours.

THE CALAMITY THAT DID NOT HAPPEN

REASONS FOR THE FAILURE OF ECONOMIC PROPHETS

FOR more than a year, the countries of the free world have lived in dread of a business recession in the United States. Because of the importance of this country in world markets, and memories of what happened in 1929, 1937, and 1949, the peoples of other countries have taken it almost for granted that even a mild slump here would have calamitous effects upon their economies. The experience of 1949 was particularly frightening. At that time, a mere levelling off in the rise of the U.S. national product and drop of 10 per cent. in industrial production was enough to cause severe economic quakes abroad. With overall American imports then down by some 10 to 20 per cent., depending on the period measured, not only were foreign exporters supplying the American market hit but, worse still, the international balance of payments was thrown out of kilter, precipitating a currency crisis and new round of trade restrictions and currency devaluations.

Haunted by these precedents, foreigners have feared that a new recession here, even if only a minor dip, might again upset the apple-cart. They have conjured up the spectre of mounting unemployment and new currency troubles—all threatening their hard-won gains towards internal recovery, freer international trade and currency convertibility.

This fear of an American setback has been one of the factors delaying the lowering of trade barriers and restoration of currency convertibility. Other countries have been reluctant to take chances in the face of their apprehensions of a new "dollar crisis" stemming from an American slump.

U.S. Dip Not Paralleled Abroad

Today, the American business recession so widely feared abroad has become a reality. The rise in the U.S. national product has not only levelled off, but slipped a little, and the industrial production index is down about 10 per cent. from the peak. American imports during the first quarter of this year were off about 10 per cent. from the first quarter of last year—about the same decrease as was shown during the first quarter of 1949 as compared with the first quarter of 1948. Yet the dire predictions of the effects on the rest of the world have not been borne out.

That the American recession has had no counterpart in Western Europe is evident from the fact that industrial production in that region has shown no halt.

The indexes for Germany and the Netherlands, as well as the combined index for the 17 Western European countries included in the Organization for European Economic Co-operation (O.E.E.C.), hit new highs in the closing quarter of 1953, and the index for the United Kingdom bettered its fourth quarter 1953 record in the first quarter of 1954. Production in Belgium held close to previous peaks, while the French index reached a new high in April. Dips recorded in the first quarter of this year for some countries are partly seasonal, and still leave the figures higher than for the corresponding period a year ago.

Recovery in Germany and the Netherlands has been particularly impressive, the German industrial index forging ahead to a level three times as high as in 1948 when far-reaching monetary reforms were carried out, and the Dutch index doubling since 1947. Similarly, economic conditions are looking up in many non-European countries, including Australia, India and South Africa.

Nor are there any signs of a repetition of the international payments difficulties of 1949. The gold and dollar reserves of the Free World other than the United States continue to rise; in April the gain of $135 million for the sterling area's gold and dollar pool was the largest for any month in more than two years. Currency restrictions, instead of being tightened, are being progressively relaxed; hopes for continued advance in extending the area of free payments are the brightest since the end of the war. Actions by the Bank of England and by the German Central Bank in reducing their discount rates last month bear evidence of reviving confidence abroad, in striking contrast with apprehensions entertained a year ago.

In short, seldom have predictions of calamity gone more haywire. The question is, why have the prophets turned out to be so wrong?

First, expectations of the impact of a business decline on American imports were probably exaggerated. The decline in American imports in 1949 was heavily concentrated in the second quarter, when not only was the production index still receding but importers were withholding purchases in anticipation of currency devaluations which ultimately came in the early fall. In 1954, the production index is already showing signs of stabilising, and the incentive to postpone normal importing in anticipation of currency devaluations is lacking.

Second, European monetary conditions are much better than in 1949. Inflation has been checked, prices are more competitive in world markets, money is sounder, and currencies are fortified by larger reserves.

Third, production in Western Europe rests on a broader base. In 1949, Western European indexes did not parallel the downturn in this country, due to pressing demands abroad for reconstruction. During that period, and also after the outbreak of the Korean War, the comeback of the consumer goods industries was impeded by the need for directing production into more essential channels and by the measures taken to control inflation.

More recently, the build-up of industrial capacity and lessening of inflationary pressures have made it possible through elimination of rationing, reduction of taxes, and relaxation of credit restraints to give freer rein to consumption. While activities in the capital goods and metals industries have tended to level off as armament output has reached a peak and many postwar reconstruction projects have been completed, the consumer goods industries have staged a revival. This has helped to expand employment and carry overall production indexes as new highs.

Other Countries Less Dependent on U.S. Trade

Fourth, other countries have become less dependent upon U.S. imports and exports. They are trading more with one another. For example, in the six months from last October through March, British sales to the U.S. dipped 5 per cent. below the like period a year ago, but sales to the rest of the world more than offset this dip, leaving Britain with a rising surplus of trade earnings. Likewise, slipping sales to the U.S. of some sterling area commodities such as wool, rubber, and cocoa, have been made up by increased sales elsewhere. And what is happening in British trade is repeated in the trade of France and many other European countries. Since 1949, their trade among themselves and with other countries has grown substantially, both in exports and imports. Their exports to the U.S. have likewise increased, while their imports from the U.S. have decreased.

The cause is not hard to divine. It is due, on the import side, partly to efforts to cultivate non-dollar sources in order to conserve dollar exchange, and partly to increased productivity in non-dollar areas, including Europe itself. On the export side, it reflects both the increased output of European industry and more competitive pricing, as already mentioned. At the same time, the expanding European consumption works naturally for increased intra-European exchange of goods as well as more trade with other countries supplying the European market. The better customers of the European countries become of each other and of other non-dollar countries across the seas, the more they can expect to sell to the same countries, and *vice versa*.

Fifth, the so-called "terms of trade" have been in favour of European countries. By this is meant that prices of manufactured goods, which bulk large in European exports have been higher relatively than prices of foodstuffs and raw materials which bulk large in imports. This tends to widen the spread between prices and

(*Continued on page 1163*)



TEXTILE INDUSTRY IN U.P.

ITS SPECIAL HANDICAPS

IN a country of India's size, it is necessary that each region should be allowed to develop its industrial potential in the light of the special advantages it may possess. India's textile industry has, in the past, suffered from controls which were often imposed in utter disregard of the peculiar difficulties of different regions. With the decontrol of the textile industry, it is reasonable to expect that each region should be free to put its labour, capital and raw material to the best advantage. It would be wrong to saddle the industry, which is situated in a region that is remote from raw cotton-growing tracts, to have the same wage structure as the industry in another region which has freer access to raw material. If this test is applied, it will be found that the progress of the textile industry in U.P. has been retarded by an excessively high wage structure which does not take into account the fact that other elements in production costs, such as costs of raw material and stores, are relatively high for this section of the Indian textile industry.

This aspect of U.P.'s textile industry has been effectively set forth in an illuminating booklet, entitled *Textile Industry in Uttar Pradesh*, in which the author, Mr. Sitaram Jaipuria of the Swadeshi Cotton Mills Company, Ltd., Kanpur, has discussed the special handicaps from which the U.P. textile industry suffers. Naturally enough, Mr. Jaipuria has not dealt with the new imposts, such as Employees' Provident Fund, State Insurance Scheme, excise duty and special cess on cloth, since the textile industry in U.P. shares these burdens with its counterparts in other regions of the country. He has rightly concentrated on the special handicaps from which the industry in his State suffers.

The U.P.'s textile industry is heavily concentrated in Kanpur which has 515,190 spindles and 10,344 looms and employs about 43,550 workers. Since U.P. is situated at a great distance from the cotton-growing regions, the mills have to haul their raw material over a longer distance than the mills in other regions. Because of U.P.'s geographical position, the mills are also compelled to carry stocks of raw cotton sufficient to cover several months' requirements. Chemicals and textile stores also cost the mills more, since they have to be carried over a longer distance. Also, the mills are compelled to maintain larger stocks of these goods. Again, the rates for power consumed have increased enormously since 1948, and, in certain ranges of power consumed, by as much as 211 per cent. On top of this increase has come a 25 per cent. surcharge imposed by the State Government.

It is against this background that the wage structure in the industry should be examined. Normally, one would expect the industry to pay, as compared with its confreres in other centres, lower wages to its workers in view of the fact that its other production costs are relatively higher. Actually, the minimum wage in Kanpur (Rs. 30 per month) is higher than in other centres, in Madras it is Rs. 26, in Calcutta Rs. 20-2-5, in C.P. Rs. 26, in Ahmedabad Rs. 28, and Sholapur Rs. 26. Besides the minimum wage, the Kanpur workers get a "personal wage" of about Rs. 4 per worker. This incidence, it is stated, is "peculiar to Kanpur alone."

If higher wages were reflected in higher man-hour output, the mere fact that higher wages are paid would certainly not swell the production costs. Apart from the fact that the Kanpur mill workers get a larger number of off-days per year than workers in other regions, they are, according to Mr. Jaipuria, less efficient than the workers in Bombay. He illustrates this by comparing the work-load in Bombay and Ahmedabad with that in Kanpur. He says:

"In Bombay and Ahmedabad, one operator often attends two sides of the spinning frame as against one in Kanpur, and similar is the case with regard to inter and roving frames. The draw-frame tender in Bombay has his wages fixed on the basis of 15 deliveries per worker, as against 10 in Kanpur. Most of the Bombay mills have installed high speed winding and warping, as against the slow speed work in Kanpur. Further, on the weaving side, the mills in Bombay work on a three- or four-loom system (upto a maximum of six), whereas in Kanpur the two-loom system prevails in most of the mills. The principle of more machines per head considerably reduces the final cost of wage and the ratio of wage cost to the actual cost of yarn or cloth is, therefore, much lower in Bombay and Ahmedabad than in Kanpur. In the case of spinning, it is an admitted fact that the mills in Kanpur are employing seven persons per 1,000 spindles as against four in Bombay. Even on the most modest and conservative estimates, it is considered that the U.P. mills employ at least three men for every two men employed in Bombay and Ahmedabad. The efficiency of labour in the Kanpur mills is much lower than either at Bombay or Ahmedabad. An important point to be borne in mind, in this connection, in the case of the Kanpur mills is the close proximity of the workers' homes and the consequent absenteeism in the mills after payment of gratuities, during the harvesting season or finally after holidays. This state of affairs forces mills to work with depleted complements on numerous occasions, thus affecting the total volume of production."

It should be obvious, from what is stated above, that, if any section of the Indian textile industry is in urgent need of rationalisation, it is the U.P. textile industry. Mr. Jaipuria rightly affirms that "there must be a substantial increase in the output *per capita*, if the consumer has to get the goods at lower prices." But all attempts at rationalisation have been opposed on the ground that it might involve retrenchment. It should, however, be clear that the Indian textile industry, much less the U.P. textile industry, cannot maintain its competitive position without rationalisation. In this connection, Mr. Jaipuria warns that Japan is likely to become a "serious rival" in coarse and medium counts; it has already "beaten all countries in plain cloth varieties of 30 counts. 40 counts and over."

Rationalisation Scheme

It is gratifying to note that the U.P. Home Minister, Mr. Sampurnanand, recognised, in the course of his recent address at the textile industry's tripartite conference, held at Naini Tal, the need for ensuring that the consumer gains in the long run through rationalisation. He commended the scheme of rationalisation worked out by the Assistant Labour Commissioner to the Conference and suggested the setting up of a committee to work out the details of the scheme. The details of the scheme are, however, not available. It is to be hoped that the authorities will bear in mind the special handicaps of the State's textile industry in finalising the details of any scheme of rationalisation for the industry.

REPLY TO LABOUR VIEWPOINT

A dismal feature about public life in a democratic country, like in India, where ignorance is widespread and literacy very poor, is that he who shouts the loudest is apt to get maximum hearing. But, if democracy is to work at all, it is necessary that the leaders should impose upon themselves certain restrictions. When they choose to fan people's passions in a most irresponsible manner, they are likely to inflict serious damage to the democratic machinery. It is a pity that the leaders of the Indian National Trade Union Congress should have permitted their love of labour to outrun reason and commnđn sense and made, at the recent meeting of the General Council of this body, statements which are palpably absurd. Mr. Surottam P. Hutheesingh, Chairman of the Ahmedabad Millowners' Association, has done a public service by issuing a Press statement in which he has corrected as well as contradicted the labour leaders' views.

Mr. Hutheesingh says that Mr. Kandubhai Desai's speech, made while moving the resolution urging the abolition of the managing agency system, has "pained" him considerably. He recognises that the system has its limitations. But it does not call for the "unwarranted crusade" which the labour leaders are conducting. He recalls the Company Law Committee's statement that the system has helped the economic life of the country in the past and that it should be allowed to continue. Referring to the specific allegation that the managing agents of the textile industry exploit the farmers by buying cotton at low prices and the consumers by selling cloth at high prices, Mr. Hutheesingh points out that the prices of cloth and cotton have been consistently controlled since 1943 and that the mills have often paid ceiling rates for cotton. As regards the allegation of tax evasion, made against the Ahmedabad millowners, he emphasises that the Tax Investigation Commission itself found that in a number of cases, no evasion of taxes had taken place.

It would appear that the I.N.T.U.C.'s President, Mr. Vasavada, made the statement that the installation of automatic machines would throw out as many as 9½ lakh workers (out of 8 lakh workers in the industry. Mr. Hutheesingh, who believes that there has been a "gross error" in these figures, has urged Mr. Vasavada to publish the details of the data, on which his statement is based, in order to enable the people to appreciate his conclusions. He also questions the correctness of the suggestion,

(*Continued on page 1163*)

Our Financial Operations in 1953 at a glance!

Policyholders number	1,16,923
Life Assurance in Force	over Rs. 26,96,57,000
Total Assets	,, ,, 8,37,53,000
Total Income	,, ,, 1,48,69,000
Life Assurance Fund	,, ,, 7,48,98,593
Total Claims Paid in 1953	,, ,, 40,00,256

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FURTHER LOSS OF £22 MILLION SHOWN BY RAW COTTON COMMISSION

IMPORTS OF FOREIGN CLOTH

(*From A Special Correspondent*)

MANCHESTER, 1st *June*

IT had been known for some time that the accounts presented by the Raw Cotton Commission for the year to the end of August last would show another very substantial deficit.

MANCHESTER LETTER

This much had been revealed in the debates on the freeing of cotton buying in the House of Commons. The trade, therefore, was prepared for the figures, which now show a further loss of some £22 million after the adverse balance of over £27 million in the previous 13 months.

The result is that the Commission's reserve fund, which at the end of August, 1952, stood at nearly £10 million, has now been exhausted and a net deficit of just over £11 million is shown in the balance-sheet.

Most of the report issued by the organisation deals with past events which are no longer news, but it provides a review of a year in which the trade began its return to private buying of the raw material, after so long being in the hands of centralised purchasing authorities. Events which occurred in the 12 months concerned did not exactly help the Commission and the loss of a fair proportion of its customers involved the organisation in some difficulties. In particular, supplies of cotton had been bought for firms which eventually contracted out and these were not easily sold to other customers.

From the viewpoint of the general public, the experiment in centralised buying now appears to have been an expensive one. Within the trade there are some who feel that being covered by the Commission was very pleasant while it lasted and who now are more than a little apprehensive of being without its "umbrella." The venturesome spirits are already taking advantage of their newly found freedom but only the future can tell whether people in the industry will look back on the era characterised by the Commission as an easy time or one in which the chains bound them too tightly.

Foreign Cloth Arrivals

Imports of foreign-made cotton cloth into Britain in the first quarter of 1954 were more than double the arrivals during the same period last year. Shipments aggregated 50 million square yards against less than 25 million yards in 1953, reflecting the difficulties which the Lancashire industry is undergoing through manpower shortages.

Board of Trade returns show that Indian mills outstripped all rivals—including Japan—as Britain's leading supplier, sending more than 26 million yards.

Only 11.5 million yards of the foreign cloth was specifically earmarked for re-export after undergoing finishing processes in this country. None of the Indian cloth was listed under this category but it is expected that at least a part of it will ultimately find its way overseas again.

Nearly 41 million yards of the total imports from all sources during the quarter were grey unbleached, the balance being finished material.

A feature of the quarter's imports was 603,000 square yards of Russian cloth, all of it in the grey and for re-export after finishing in this country. Shipments of greys from other countries, for re-export after finishing here, included (in square yards): Western Germany 3,100,000, France 2,400,000, Japan 2,200,000, Belgium 800,000, Holland 450,000, Irish Republic 340,000, and Hong Kong 77,000.

"No" to Japanese Cloth

A £1 million Lancashire textile company has announced its decision not to handle any Japanese cotton cloth, despite the fact that delays are occurring in the delivery of Lancashire cloth.

Mr. Walter Stott, Chairman of Stott and Smith Ltd., said in his annual review that the Company's merchanting trade could have been larger but for the delays in getting supplies of grey cloth and the extended delivery time required by finishers in Britain.

"These delays are unfortunate at a time when the country needs more exports. These conditions are prevalent throughout our trade, but we have decided as a policy not to buy Japanese grey cloth," he said.

Board of Trade figures show that 2,200,000 yards of Japanese grey cloth were imported into Britain in the first quarter of this year to supplement Lancashire's lagging output caused through labour shortage. The cloth was earmarked for re-export after undergoing finishing processes in this country.

"Thin End of the Wedge"

Fears that the Anglo-Japanese Trade Agreement may be "the thin end of the wedge" to make serious inroads into Lancashire's competitive position "by dubious means" were expressed by Col. B. W. Heaton, Chairman of Crosses and Heatons, Ltd., the £4 million Lancashire mill group.

"At best this means increased Japanese exports of textiles in competition with our own, especially to Colonial markets," he declared in his annual report. "It may be that any abuse or unfair trading methods will be rectified at the end of the year the agreement lasts by reinforcing the safeguards against such trading from which Lancashire has suffered severely in the past."

Commenting on the closing down of the Raw Cotton Commission and the resumption of private buying of raw cotton, Col. Heaton said the group would have to carry larger stocks than had been necessary during the past few years. The cover available after the winding-up of the Commission was, he added, very inadequate.

"We do not consider that a futures contract based on American cotton is a satisfactory hedge for long-stapled cottons. Until a suitable contract for these cottons is firmly established in Liverpool we shall be exposed to much greater risks." The Directors had therefore decided to reintroduce a stock and contingencies reserve of £200,000.

Union Viewpoint

The T.U.C. and the Labour Party policy-makers are now considering the cotton unions' new manifesto, "Plan for Cotton." Extra copies have been requested so that individual members of the executives of the two organisations can each have a copy, Mr. William Roberts, of Bolton, President of the United Textile Factory Workers' Association, has announced.

The 25,000-word document, drawn up at the request of the unions by Mr. Harold Wilson, M.P., has so far been kept secret. After the meeting this week Mr. Roberts said copies would not be sent out to union branches throughout Lancashire until the Association's Legislative Council had had a further opportunity of "vetting" the document after the views of the T.U.C. and the Labour Party are known. A delegate conference of branches would then be held when the contents of the document would be made known.

The document is the first comprehensive statement of policy to be compiled by the unions for ten years.

Against An Agreement

Growers of a raw material such as cotton must pay serious attention to the requirements of the users who have to process the fibre in the course of manufacturing it into finished articles. This is one of the reasons why the American Government is at present hesitating about its future policy regarding stocks of cotton. Spinners and manufacturers in the United States are strongly opposed on principle to any two-price system, which would enable foreign competitors to obtain their cotton supplies cheaper than they could buy.

Nor are the millowners in Britain and Western Europe any more anxious to see an international cotton agreement drawn up on the lines of the wheat agreement. The International Cotton Federation has already expressed its views on this subject and they were reaffirmed at the recent congress at Buxton.

Not only would the sponsors of such a scheme meet great practical and financial difficulties in trying to standardise all the different types of cotton fibres grown, but the main fear among users of the raw materials is that prices would be maintained at an uncompetitive level. This would affect the consumption of cotton in relation to other natural or synthetic fibres and would thus be to the disadvantage of growers.

As a pointer to the way the textile trade is moving, it is significant that the International Cotton Federation is to change its name later in the year to the International Federation of Cotton and Allied Textiles Industries. Man-made and synthetic fibres are playing an ever more important part in output from the mills and the old-established organisations are having to widen their facilities to bring the modern systems within their orbit.—*All Rights Reserved.*

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Deposits	Rs.	2,98,19,000
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FORWARD TRADING IN LIVERPOOL COTTON MARKET

WILL IT BENEFIT INDIA TO PARTICIPATE IN IT?

THE resumption of forward trading in cotton in Liverpool marks, as was mentioned in an earlier issue of this journal, yet another stage in the U.K.'s march towards freer economy. Its significance to the world cotton situation is also equally important. For it denotes that an important cotton consuming country, namely, the U.K., has chosen to throw away the crutches of State-trading in cotton in favour of relatively free system of purchase and marketing of cotton. Thus, it means the widening of the sphere of free market for this essentially international commodity. All this has raised the question whether India will do well to participate in the Liverpool futures market, and thereby provide for itself the larger hedging facilities which such participation would give this country.

Perhaps, it will be convenient to set down first the main features of the system of forward trading adopted by the Liverpool Cotton Association (L.C.A.). The basis of the contract is the American cotton, Middling 15/16", the trading unit being 100 bales weighing 48,000 lbs. net. The trading positions are: October-November; December-January; March-April; May-June and July-August. Trading in each position, it is noteworthy, will cease at the end of the first month. Off-coloured cotton may be tendered if not below Strict Low Middling ½" in value. Allowance will be added or deducted in respect of tenderable qualities other than Middling 15/16" according to official quotations to be published regularly. Allowance for cotton better than the contract quality will not be given in excess of those appropriate for cotton above Strict Middling or 1.1/16" staple. The tender provisions thus allow for the maximum amount of American cotton stocks in the U.K. being available for tender and for sufficient time to enable those who go "short" in the near position to import cotton from the U.S. or other foreign cotton for tender after actual trading has ceased. The maximum permitted range of fluctuation in any one day's trading will be 1d. per lb. above or below the previous close and 1d. per lb. between the highest and lowest quotations during the day.

The Liverpool contract is thus designed with three main features: (1) It is closely allied to the New York contract, being a pure American contract with similar quality basis and trading months corresponding to the active positions in New York. (2) The range of tenderable qualities is restricted broadly to those in normal demand for consumption. (3) It contains safeguards against a possible "squeeze" of the near position due to shortage of tenderable stock in the U.K.

Exchange Control

Since the importation of American cotton into the U.K., on which depends the successful operation of the system of forward trading adopted by the L.C.A., involves the expenditure of the scarce currency, the dollar, the authorities have devised a system of foreign exchange control that will keep the expenditure at a minimum level. The chief objective of the currency control is to ensure that dollars are spent for buying cotton for home consumption; it does not permit the exchange of dollar cotton for sterling. In a pamphlet, published by the L.C.A., the Association has summed up the main features of this scheme as follows:

"(a) Firms who expect normally and regularly to have dealings in foreign cotton markets or in the Liverpool market on behalf of foreign clients, will, if approved, be registered with the Bank of England as 'participants' in the scheme.

"(b) Such participants will be permitted to operate or arbitrage on foreign markets for account of themselves, of another participant or of a resident outside the sterling area, but not for any other resident of the U.K. If the client is a resident of another country in the sterling area, these facilities may be granted subject to evidence of approval by the exchange control of the country concerned.

"(c) Non-residents will be permitted, as far as the U.K. exchange control is concerned, to operate on the Liverpool market, but cotton taken up on an American futures contract will not normally be licensed for export from the U.K. All re-exports of cotton will be subject to specific export licence procedure.

"(d) Participants' bankers will be authorised to approve payments to non-residents arising out of futures transactions in the Liverpool market or in foreign futures markets. These payments must be made in the appropriate currency or to the appropriate type of non-resident sterling account.

"(e) Participants will have similar facilities for making payments in respect of various types of transactions concerned with the purchase and sale of physical cotton from and to foreign countries.

"(f) As a condition of these facilities being allowed to participants, they will be required to send a confidential monthly return to the Bank of England showing their trading position in respect of all futures and actual cotton transactions. All such transactions will also have to be passed through special 'Scheme bank accounts' by participants' bankers, who will send a copy of the account to the Bank of England each month. Both these returns will be treated as strictly confidential between the individual participant and the Bank of England.

"(g) Participants will be required to acknowledge the authority of a 'Market Executive' with whom the Bank of England will consult from time to time regarding the general position of the market. Only the aggregated returns of all participants will be used in such discussion, the individual returns remaining strictly confidential to the Bank."

The question whether it will benefit India to participate in the Liverpool futures contract has to be decided in the light of the shortcomings of the Indian contract and of the possible advantages of such participation. Those who advocate India's participation in the Liverpool contract rightly urge that it will help stabilise the economy of the Indian cotton trade. After all, the greater the contacts between world markets in a commodity the more stable will be the price of that commodity. In India, the cotton market suffers from the fact that it is a sheltered market. It is this factor which exposes cotton prices in this country to the tender mercies of aggressive speculators. Once the Indian market is linked, in some way, to a foreign market, the range of fluctuations could be held within limits. It would, in other words, impart a certain amount of stability to the Indian cotton economy.

Apart from the broad and general consideration stated above, there are certain specific advantages for the three important groups of persons interested in cotton, namely, the importers, exporters and consumers of cotton. India has been importing at the rate of 800,000 bales (of 400 lbs. each) per annum on an average. Importers of foreign cotton in India, that is, the merchants and mills, labour under a handicap, in that they have no adequate hedging facilities for purchases other than Indian cotton. The existing contract, based on Jarilla cotton, it is argued, has no practical or financial value for hedging purchases of foreign cotton. It is true that sellers in overseas countries have recently adopted the practice of making offers "on call" on New York. This practice, it is stated, does not ensure any great advantage to Indian importers. This is so for two reasons. In the first place, the sellers abroad, who make the offers "on call" on New York, are not in a position to carry out the necessary sales in New York. Secondly, the Indian importers' purchases of foreign cotton remain "on call" only for a short period. The buyer is compelled to call before the shipment date. This often deprives the buyer of any advantage. It would be a real help, it is argued, only if the buyer is enabled to keep the purchase "on call" until such time as he has sold his cloth or some equivalent.

But there would be a real advantage if the Indian buyer of foreign cotton were allowed to participate in the Liverpool contract. In that event, he could buy foreign cotton at a certain price and sell the Liverpool contract for a fairly distant delivery. He would then get a fairly reasonable hedging facility. If, for instance, the U.S. authorities were to grant an export subsidy for cotton, the Indian buyer, who avails himself of the facilities offered by the Liverpool market, would be fully covered, since the Liverpool price would automatically drop, whereas the New York price would remain unchanged. These arguments hold good for mills which desire to hedge their stocks of cloth held or produced for export but which have not hedged the cotton bought by them.

Cotton Exports

As regards exporters of cotton, it might be wondered whether they would derive any great advantage by their participation in Liverpool contract. This is because the cotton that is exported is a special quality, valued highly more for its scarcity than for its spinning value. The fluctuations in its price will have little relation to the changes in price of American cotton Middling 15/16". In the long run, however, some advantage may be derived from a link between the Bombay and the Liverpool cotton markets. But this can happen only if and when India is in a position to spare surplus staple cotton for export.

To sum up, in the pre-war years, India was a leading exporter of cotton and the Liverpool market provided an important corrective to the large speculative operations that characterised the futures market in Bombay. Today India is, of course, not an important exporter of cotton. But it is one of the three leading exporters of cloth, the quantity of cloth now being exported being almost equal to India's share of pre-war cotton exports from this sub-continent. The Indian mills must, therefore, have all the hedging facilities which their competitors in other parts of the world have.

Safeguards Against Misuse

It would, of course, be necessary for the Government to ensure that any scheme by which the Indian cotton and mill interests are allowed to make use of the hedging facilities in Liverpool does not provide a loophole for transfers of capital. This could be ensured if it is so arranged that every transaction, made from this end, is reported to the exchange control authorities here. These authorities could also arrange for an independent check of the transactions by calling for reports from the Liverpool cotton market; this could be arranged with the help of the authorities of the L.C.A. and the British exchange control.

There are thus some advantages in permitting the cotton and textile interests in India to make use of the hedging facilities provided by the Liverpool Cotton Association. There are also no insuperable obstacles in the grant of the necessary permission to Indian interests. Any possible misuse of the permission could also be guarded against. Even so, it will, perhaps, be prudent to wait a little longer before any decision on this question is taken. After all, the Liverpool cotton market has started functioning only recently and is providing only limited facilities. It would accordingly be better to wait till one gets a clearer picture of how it fares, before taking a firm decision. Meanwhile, nothing will be lost by cotton merchants and millowners discussing the question informally and examining the possible utility of the Liverpool futures to them.



WORLD SUPPLY OF COTTON

I. C. A. COMMITTEE'S ESTIMATES

THE available supply of cotton in the free world in the current (1953-54) season, is estimated by the International Cotton Advisory Committee at 45 million bales (of 478 lbs. each), as against 42.1 million bales in the previous season. This sizable increase in world supply is largely accounted for by the increase in cotton supplies in the U.S. where they are estimated at 21.9 million bales in the current season as compared with 18.0 million bales in the 1952-53 season.

The following table gives the Committee's estimate of the free world's cotton supply position in the 1952-53 and 1953-54 seasons:

(In million bales)

	1952-53	1953-54	Change
United States:			
Stocks	2.8	5.6	+2.8
Production	15.2	16.3	+1.1
Total supply	18.0	21.9	+3.9
Other net exporting countries:			
Stocks	4.4	4.8	+0.4
Production	13.6	13.2	−0.4
Total supply	18.0	18.0	..
Stocks in net importing countries	6.1	5.1	−1.0
Free world supply	42.1	45.0	+2.9

It will be seen from the table above that the supply position in the U.S. has increased this season by nearly four million bales, while in other net exporting countries the supply remains unchanged at 18 million bales. Stocks in net importing countries had declined at the beginning of the 1953-54 season by one million bales.

As regards production, the free world output during the current season is expected to rise to 29.5 million bales or 700,000 bales above the level reached in the 1952-53 season. If production in the Communist countries were included, world production, it is estimated, would aggregate 36.9 million bales this season or 1.2 million bales above the output in the previous season. The following table gives the statistics of world cotton production in the three seasons ended 1953-54:

World Cotton Output

(In million bales)

	1951-52	1952-53	1953-54
United States	15.2	15.2	16.3
Other countries (free world)	13.4	13.6	13.2
Total (free world)	28.6	28.8	29.5
Communist countries*	7.1	6.9	7.4
Grand total	35.7	35.7	36.9

*U.S.S.R., China, and E. Europe.

The free world's consumption of cotton in the current season is expected to be at least as high as in the 1950-51 boom season when it rose to 26.5 million bales. In the 1952-53 season, however, the free world's cotton consumption aggregated 25.9 million bales only. Thus, the increase in consumption this year is expected to be of the order of three-fourths of a million bales, or the same as the increase in the total production. From this, the Committee concludes that carry-over stocks at the end of the current season should increase by 2.5 million bales, as compared with 2.2 million bales last season.

In the U.S., cotton consumption over the first eight months of the present season declined by over half a million bales as compared with the consumption in the corresponding period of the previous season. Thus, it was 5.9 million bales in the eight months ended March, 1954, as against 6.4 million bales in the corresponding period of the 1952-53 season. Elsewhere, cotton consumption in many cases is running significantly higher than last season. In the aggregate, the consumption of cotton in the 1953-54 season should increase, according to the Committee, by 1.5 million bales.

A recent advice from a prominent organisation in the U.S. places the total land under cotton at 20.63 million acres, as against the official allotment of 21.38 million acres. If the per-acre yield were maintained at the average for the past five years, the total yield in the 1954-55 season would be 11.99 million bales. But, if the yield were to reach the record level touched last year, the total output could be 13.15 million bales.

P. & O. STEAM NAVIGATION COMPANY

SIR WILLIAM C. CURRIE ON PROBLEM OF REPLACEMENT OF SHIPS

THE 114th Annual Meeting of the Peninsular and Oriental Steam Navigation Company was held in London on 26th May, 1954. Addressing the meeting, Sir William Crawford Currie, G.B.E., Chairman of the Company, welcomed the investment allowance granted recently by the U.K. Government in place of the initial depreciation allowance which was in the nature of interest-free loan and had to be repaid.

The following are extracts from Sir William's speech:

"From the accounts it will be seen that there was a big contraction in earnings compared with 1952. This was not unexpected, as I forecast when we met here a year ago, and was experienced chiefly in the bulk cargo sections of our business in which cargo liners as well as tramp ships participate. Tramp rates of freight fluctuate more violently than liner rates, and it was the tramp ships which gained most from the 1952 boom and which suffered most in the subsequent recession.

"Fortunately part of the reduction of £5½ million in net earnings was offset by a reduction in the charge for income-tax. In addition, most of the excess profits levy for which we were liable in 1952 is recoverable on the results for 1953, so that the total charge for taxation in the profit and loss account is reduced by £4 million.

"As, I have no doubt, all stockholders know, the shipping industry for some years has been pressing for recognition by the Government that depreciation on historical cost will not provide for the replacement of fleets. In this inflationary age the depreciation has to be supplemented by accumulations of cash, mainly obtained out of taxed income. A system of initial allowances was introduced some few years ago to give some immediate relief. The system was welcomed, though, as the Chancellor said in his Budget speech last month, the tax relief was no more than an interest-free loan which had to be repaid. This loan to the Group as at 30th September last was over £13½ million, and will have to be repaid as increased taxation some years hence.

"I am glad to say that the inherent weakness of this system of temporary loans to industry now been recognised by the Government and that, in general, it is to be replaced by investment allowances on expenditure on new ships and plant. The effect of the new allowances will be that a sum equal to 20 per cent. of the expenditure on all new ships will be allowed as a charge against taxable profits; the resultant tax saving will not have to be refunded at a later date, as is the case with initial allowances. I have seen the investment allowance described as a subsidy. It is not. It is simply a reduction in taxation. Tax relief is not a subsidy.

Investment Allowance

"We are grateful to the Chancellor of the Exchequer for the new allowance; we hope that when the report of the Royal Commission on Taxation is published, it will contain proposals which will be of lasting benefit to the shipping industry and, therefore, to shipbuilding. It is as well, however, not to overestimate the effect of the present investment allowance. The immediate tax relief is precisely what it was with a 20 per cent. initial allowance. The tax saving will still be needed to supplement normal depreciation on historical cost in order to provide the cash required to replace our ships year by year, just as were the cash savings which resulted from initial allowances. For all practical purposes our position is unchanged, although if one goes back three years, when the initial allowance was 40 per cent., we are actually not so well off immediately. I see no reason, therefore, why the new policy adopted by the Chancellor should have any effect upon the level of dividends. In fact, in my view, it would be quite wrong if the relief given to meet inflation were used in that way. It is not until a decade hence, after the time has arrived for the gradual repayment of the interest-free loans received under the initial allowance system, that we shall be thankful that this investment allowance is not repayable. That time is too far ahead for me to forecast how the relief is then likely to operate.

"With the advent of large-scale air transport it was thought unwise to replace all the passenger ships that we had before the war and events have proved that decision to be correct. Whereas before the war the Group fleets consisted of passenger ships and cargo ships in roughly equal proportions, today only about one-third of the fleets consists of passenger tonnage.

"If these fleets are to remain progressively competitive, we must continue to do all in our power to ensure the replacement of obsolescent ships. There are no signs of a reduction in building costs for the type of tonnage which the Group requires. It may be asked why we continue in business on what would appear to be an uneconomic basis.

Sea Transport Still the Cheapest

"The answer is quite simple. Your Board takes the view that the world will need shipping for as far ahead as any of us can see. Nothing has yet taken the place of sea transport as the most economical form of transport for general world trade. If this is true, it must be assumed that over a period shipping will be able to charge what is necessary to make it pay. There will be periods in the future, as in the past, when shipping does not pay, but unless it can recover its costs over a period it will disappear. In our view, the world cannot afford to let it disappear. Thus, whilst we, in common with other shipping men, say that prospects are at present poor, we are not suggesting that this is a permanent state of affairs. In these troubled times no one can safely predict the level of demand for shipping even 12 months ahead, let alone for the 20 years we must have in view when building a new ship. But if world shipping is to pay its way over a period, there is every reason to suppose that we, as part of it, can do the same, so long as we progress and do not fall behind. Old trades will fade away and new trades will emerge. We do not blindly pursue the old trades or ignore the new. We do not replace like for like. We do not set up a target of tonnage which we try to maintain. We try always to carry more cargo in fewer ships. We are always modifying, switching, altering to conform to the changing demand. But we must continue to build and to build the right type and quality of ship. Every new ship must always be an act of faith, but we consider this faith fully justified despite present difficulties.

British India Steam Navigation Co., Ltd.

"This has been a difficult year for the Company, particularly in certain of its Eastern cargo trades where Japanese tonnage, under Government encouragement, has expanded rapidly and there has been fierce and uneconomic competition. In the passenger trades in the East new regulations issued by the Government of India will seriously impair the Company's ability to cater adequately for unberthed passengers.

India and Pakistan

"Trade to and from India and Pakistan has shown some recession since we last met, but we were fortunate in being able to make good some of the lack of cargo offering for India and Pakistan ports by a sustained demand to and from Red Sea ports.

"Despite more intensive competition for India and Pakistan markets, Britain seems to be holding her own in many fields of industry, although Continental and Japanese suppliers have made inroads into the trade in some of the bulk commodities.

"There is an increasing demand for oil cargoes to be shipped in bulk and with most of our ships fitted with bulk oil tanks we are in a good position to benefit from this development.

"We still have to contend with very serious delays at the East Pakistan ports of Chittagong and Chalna to obtain a worthwhile loading. Developments are taking place at these ports, however, which, it is hoped, will ease the position.

Passenger Traffic

"During the year further competition has come from Japanese, Italian and German Lines, while the airlines introduced tourists class fares on their services between Europe and India, Malaya and Hong Kong. The seasonal trend of traffic continues and the greater number of passenger vessels now available to the public tends to result in a contraction of both outward and homeward seasons.

"Cruises now play a substantial part in our passenger earnings and are well supported. This year we have planned 14 cruises, the largest number since the war, and bookings are going well, especially in the tourist class which attracts many holiday-makers by its moderate fares and the amenities it offers.

ROLE OF SUGARCANE IN INDIA'S AGRICULTURAL ECONOMY

METHODS TO BE ADOPTED FOR RAISING PER-ACRE YIELD

(By Dr. PUNJABRAO DESHMUKH, Minister for Agriculture, Government of India)

[In his second broadcast, made in recent weeks, on the subject of sugarcane cultivation, from the All-India Radio station, New Delhi, Dr. Punjabrao S. Deshmukh, Minister for Agriculture, Government of India, emphasised the need for stepping up the yields of sugarcane in the country. He deplored that the per-acre yield of sugarcane in India, which was one of the largest sugarcane-growing countries in the world, should be as low as 14 to 15 tons. Dr. Deshmukh, who was inaugurating the campaign for larger sugarcane yields, reviewed briefly, but succinctly, the main problems involved in increasing the per-acre output of this commodity. In view of the importance of this campaign to the future of India's sugar economy, the text of Dr. Deshmukh's broadcast, which follows, will be read with interest.—ED.]

WE are embarking today on a new campaign for increasing the production of sugarcane. Nowhere is sugarcane cultivation as old as in India, where, from time immemorial, cane has been cultivated and converted into products for indigenous consumption. India has now become one of the largest sugarcane-producing countries in the world with 4 to 4½ million acres under cultivation, yielding about a million to a million and a half tons of sugar every year and a substantial quantity of other products, such as *gur* and *khandsari*.

Sugarcane, thus, plays a very important role in the agricultural economy of the country, while the rural economy of the three major cane-growing States of Uttar Pradesh, Bihar and the Punjab is most intimately linked with cane cultivation. It is the chief source of livelihood for a large section of our agricultural population, besides the growers of sugarcane. The sugar industry is one of the principal industries of the country, providing employment to about 1.35 lakhs of workers.

Due to all these factors, cane cultivation has naturally received considerable attention at the hands of our scientists. Rich sugarcane varieties possessing high potentialities and fairly resistant to disease, pests, drought and frost are now available as a result of researches conducted at the Coimbatore Sugarcane Breeding Station as well as the State research stations.

Valuable Research

It may be asked why, in spite of all this valuable research conducted over a long period and an equal, if not more, eagerness on the part of our cultivators to increase their yields, our production of sugarcane per acre has remained so dismally low, being only about 14 to 15 tons per acre on the average. This very low per-acre yield of cane compares most unfavourably with the high yields of 62 tons and 56 tons per acre in Hawaii and Java respectively. Even in our own country, the yield of sugarcane in Peninsular India is three to four times as much as in Northern India.

It will be realised that there is similarity between these yields and the low yields in the case of paddy. There also, by better methods of cultivation, we have shown what can be achieved on lands where the yields we got were unthinkably large. In the case of paddy, we have already shown the way, and if we could do this, there is no reason why we should not be able to do the same in the case of other crops, especially sugarcane.

Actually, sugarcane is a much surer crop. The area is much more limited and the cultivation simpler since it requires no raising of seedlings, no transplanting and no, rather troublesome, process of puddling. In most places, it is possible to regulate the water-supply because most of this crop is irrigated. With so many distinguishing factors, I see no reason why we should tolerate these low yields and not make an all-out effort to see that we improve sugarcane cultivation in the country.

Low per-acre yields have become traditional in Indian agriculture and with it, naturally, has gone the tradition of want and poverty. Indian agriculture has to contend against a notoriously capricious nature; droughts, alternating with devastating floods, are a common occurrence in one part or the other of this vast sub-continent. But the most important of all the causes which account for our low crop yield is that Indian agriculture has to deal with impoverished soil.

Low Level of Productivity

We have not made sufficient effort to give back to mother earth what we take out of it in the form of plant foods. We have been raising crop after crop from our soil for centuries and it has not failed us altogether. But it is patent that we have not tried to replenish this soil with adequate nourishment and the natural consequence is that it has got stabilised to a much lower level of productivity.

It would be well to bear in mind that the land belongs to man and man belongs to the land not only in a philosophical sense. In agricultural development, particularly with a pattern of subsistence farming which is the characteristic feature of Indian agriculture, the two central objectives which must be kept clearly and consistently in view are: (i) the abolition of poverty of the cultivators, and (ii) the abolition of poverty of the soil. Increased acre yields would give us the best possible solution for both these kinds of poverty.

The answer to this problem of low crop yields lies in the judicious application of inorganic manures along with different kinds of organic manures available to the farmer. What is food to the body of a man and his animals, fertilisers and manures are to the soil. The other factors which help the per-acre yield of sugarcane, or for that matter any other crop, are better irrigation facilities, use of improved varieties, better implements, effective control of pests and diseases, a better system of cropping and rotation and the use of more fodder crop with a view to obtaining more farmyard manure.

The results we obtained last year from the country-wide campaign for the adoption of the Japanese method of paddy cultivation are well-known. These promising results have prompted and emboldened me to initiate action in increasing the production of sugarcane, particularly in the three important cane-producing States of U.P., Bihar and the Punjab. Recently, the sugarcane experts of these three States were invited to New Delhi and consulted as to what immediate steps should be taken to improve the acre yield. In consultation with them, it has been decided to provide a heavier dose of fertiliser as top-dressing to the standing crops and to lay out thousands of demonstrations on cultivators' fields, in addition to large-scale top-dressing of crops in big contiguous blocks with ammonium sulphate or similar nitrogenous fertilisers. Nitrogenous manures and fertilisers show the highest response in sugarcane cultivation and manurial trials conducted at our sugarcane research stations have established that anything up to 120 lbs. of nitrogen per acre can be profitably applied in the northern regions.

Better Cultural Practices

While the immediate need is to concentrate on the standing crop, the programme of increasing sugarcane production in Northern India or elsewhere through better cultural practices, including the use of improved implements, a proper treatment of the soil, provision of plant protection measures and scientific harvesting will be intensified in the next sowing season. As has been stated before, there are today no two opinions in regard to the efficacy of nitrogenous manures (supplemented, when necessary, by phosphates) in increasing per-acre yields of sugarcane.

Therefore, our immediate problem is one of applying more manure to the crop which has already been sown. My Ministry has already made arrangements for fertilisers for a minimum target area of 2.25 lakh acres, of which one lakh acres each will be in the States of U.P. and Bihar and 20,000 acres in the Punjab. This target relates to the intensive gate areas of sugar factories. In addition, it is expected that quite an appreciable area will be taken up for additional fertilisation in the general cane acreage of these States.

Besides this arrangement for the supply of fertilisers, information material on the use of ammonium sulphate in sugarcane and on other improved cultural practices is under preparation and will be distributed free amongst cane-growers in the States. Although, for obvious reasons, the campaign is mainly restricted to the intensive areas in the States of U.P., Bihar and the Punjab, it is my hope that the other important sugarcane-growing States will also fall in line and promote their own campaigns for pushing up cane yields per acre by the same means as will be adopted in the three northern States.

Crop Competition

Important as it is to increase sugarcane production, we are not losing sight of the need to stimulate cultivators to increase the yields of the more important of our food crops. Today, another matter of great significance is the "Crop Competition Fortnight", which we are celebrating all over the country. As sowings in the ensuing *kharif* season will begin shortly, it is essential that our immediate attention is concentrated on growing more foodgrains. Nothing contributes so much to the use of improved methods of farming and additional food production as the creation of a healthy spirit of competition among the farmers.

When crop competitions were first organised on an all-India basis in 1949-50, only seven States participated. In three years' time, the number of participating States has gone up to 22. The number of competitors increased from 18,870 in the first year to 1,72,000 in 1951-52. Similarly, the total acreage under competitions rose from 31,600 in 1949-50 to 1,22,000 in 1952-23. In the beginning, only paddy, wheat and potato were covered by this scheme, but it was extended to gram, *jowar* and *bajra* in 1951-52.

This spirit of competition and healthy rivalry amongst the cultivators has already yielded very encouraging results and prizes have been awarded to many of them. Those prizes are now proposed to be given for the highest yield in the village, *tehsil*, district and State and on all-India level. The value of prizes varies with the different levels, the all-India individual prize carrying a cash award of Rs. 5,000 and a certificate of "Krishi Pandit"!

Community Prizes

While the crop competition awards hitherto given were based on yields obtained only by individual competitors, it has now been decided to add to them the award of community prizes for collective enterprise. Under this new scheme, an award of Rs. 5,000 will be made to each State for the "best *tehsil*" which secures the highest number of entries for the crop competition among all the *tehsils* in the State. This is to encourage groups of farmers to come together to increase the acreage under crop competition in each State. It has also been decided to suitably recognise any outstanding work done by individuals in achieving greater success in this campaign.

The prizes awarded will be utilised for some constructive work in a suitable village in the "best *tehsil*" which secured the prize for the benefit of the entire agricultural community in that area. Those who join the competition will be consulted in regard to the manner of utilisation of the amount as far as possible. I am sure this will give an additional incentive to the cultivators to enlist themselves for competitions in still larger numbers during the coming crop competition fortnight.

Although we have prescribed the period of this celebration from 1st to 14th June the work of the organisers will not cease on the expiry of the fortnight. There is, thus, sufficient time to intensify our efforts among the cultivators to enlist themselves in as large numbers as possible.

I need hardly mention the advantage that accrue from these competitions. India has nearly 6,00,000 villages. If, on an average, 20 competitors are found in every village with a competition plot of one acre each for one crop, one crore acres of land will come directly under competition for every particular crop and will, therefore, receive special attention. This will ultimately give a very good dividend to the country in the shape of additional yields, apart from benefiting the cultivator-competitor. It will also stimulate the farmers' urge to use improved methods of cultivation and thus produce that enthusiastic response which we desire.

Co-operation From States

I wish to thank the State Governments for their co-operation in making these campaigns and competitions a striking success in the past. Encouraged by this response from the States and agriculturists, I call upon every worker of the State Departments of Agriculture, Irrigation and Development, from the Minister down to the village-level worker, to give of his best in making a great success of these campaigns and competitions.

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SUGAR PRODUCTION AND STOCKS

The opening stock of sugar with factories in India on 1st May, 1954, was 5.21 lakh tons, as against 9.80 lakh tons on the corresponding date of the previous season, but arrivals of foreign sugar up to 15th May, 1954, totalled 2.54 lakh tons. The production of sugar in the country during the fortnight ended 15th May, was 2,000 tons, as against 26,000 tons during the corresponding period of the previous year. No foreign sugar arrived in the country during the fortnight ended 15th May. Out of the stock with the mills, 53,000 tons were despatched during the fortnight ended 15th May, as against 67,000 tons during the corresponding period of last year. The closing stock with the factories on 15th May was 4.70 lakh tons, as against 9.39 lakh tons on the same date last year. The total production of sugar for the season 1953-54, i.e., from 1st November, 1953, to 15th May, 1954, was 10.01 lakh tons, as against 12.84 lakh tons during the corresponding period of the previous season. The total quantity despatched from 1st November, 1953, to 15th May, 1954, was 7.26 lakh tons, as against 8.47 lakh tons during the same period of the last season.

SUGAR FACTORY ON CO-OPERATIVE BASIS

Reports from Kolhapur, Bombay State, indicate that Mr. V. P. Varde, Managing Director, Bombay State Co-operative Bank, held discussions recently there with prominent farmers from the Bhogavati River valley on the possibility of setting up of a sugar factory on co-operative basis in the valley, which is rich in sugarcane production. Mr. Varde called upon the farmers to consider the question seriously in the light of the sanction by the Government of Bombay for the construction of four sugar factories in the State on a co-operative basis. The State Government will, it is stated, invest Rs. 10 lakhs as share capital in each factory and the Bombay State Financial Corporation will advance loans to them.

NEW SUGAR FACTORY FOR P.E.P.S.U.

Speaking on the occasion of the opening ceremony of the automatic bottling plant of the Jagatjit Distillery and Allied Industries Ltd., Hamira, Mr. Brish Ban, Finance Minister, P.E.P.S.U., disclosed that Mr. Jaiswal, Managing Director of the Company, had agreed to install a new sugar factory, consequent on the shifting of the present one to U.P. The new factory is expected to go into production by October, 1955.

Indian Sugar, Annual Number, March 1954. Editor: J. S. Mehta. Published by the Indian Sugar Mills Association, 23-B, Netaji Subhas Road, Calcutta. Price: Rs. 3.

This publication is the second annual number since the Association took over the journal. Its standard of performance is, undoubtedly, of a high order and the Association and the Editor have every reason to be proud of it. It gives a very good insight into the position of the Indian sugar industry and its manifold knotty problems. The wide range of subjects it covers leaves very little to be desired. The articles relate to the problems of sugar industry such as cane cultivation, prices of cane, cost of production, the attitude of labour, the position of by-products, problems of research and technology, State policies in respect of the industry, and give one a comprehensive overall picture of this important industry. The chief merit of these articles lies in the fact that they are written by persons who are well known in the industry. To mention some of the contributors: Desh Raj Narang, Mr. Gulabchand, Mr. K. K. Birla and Mr. T. S. Venkatraman, all of whom have written thought-provoking articles.

The Editor deserves to be complimented on the care he has exercised in using charts, tables, etc., in order to make the publication quite interesting. The large number of advertisers who have sought the journal as a convenient forum for making known their wares to the public should speak for its popularity among them. Not a little of this popularity is due to its good printing and attractive get-up.

The question of a share out of the "excess profits" made by sugar factories in Uttar Pradesh for the cane growers will be considered by Mr. Rafi Ahmed Kidwai at a tripartite conference scheduled to be held at Naini Tal on 28th and 29th June, 1954. It is reported that a scheme based on the profit-sharing formula used with some success in the Punjab some time ago has been prepared and will form the basis of discussion.

SELLING PRICE OF SOFT COKE

MOVE TO BASE ON GRADES

THERE is a move on the part of the Government of India to rationalise the price structure of soft coke on the basis of grades. Reports from Calcutta indicate that the Government is considering the question of implementing the recommendations of the Working Party for the Coal Industry, 1951, in this regard, with the necessary modifications warranted by the passage of time, since the Party made its suggestions.

It will be recalled that the Working Party was of the considered opinion that standards for the quality of soft coke should be laid down and strictly followed, as in the case of coal. As soft coke is produced from coal, it wanted the prices of soft coke to be in conformity with the grades of coal from which coke is manufactured. It recommended that the price of grade I soft coke be maintained at Rs. 21-12 per ton and that the rates for grades II and III be fixed at Rs. 18-12 and Rs. 10 per ton, respectively.

The quality of soft coke depends on four factors. They are: (1) the quality of parent coal from which the soft coke is manufactured, (2) the care in picking out stones, shales and other deleterious matter, (3) the process of manufacture, and (4) the arrangements for a copious supply of water so essential for quenching heated soft coke.

Unfortunately, very few collieries have been taking pains to pick out shales and deleterious matter and, in many cases, proper arrangements for quenching are not made. A stage has been reached when no more delay in grading soft coke and fixing its price is advisable.

The Working Party for Coal has recommended three grades of soft coke as under:

Grade I.—Soft coke manufactured from grade II coal only. The coking index of parent coal should be at least 15 (Tatas). The colliery must have satisfactory arrangements for the manufacture of soft coke and for quenching the same.

Grade II.—Soft coke manufactured from grade IIIA and grade IIIB coal.

Grade III.—Soft coke manufactured from rejection.

Although belated, the move to rationalise the price structure of soft coke is welcome. For since 23rd November, 1949, the price of soft coke has been at a flat rate of Rs. 21-12, irrespective of quality. It is needless to add that the fixation of such a flat rate is nothing short of inverted economics. Small wonder, therefore, that complaints that soft coke despatched to consuming centres has been more frequently in half-burnt condition and contains also a large percentage of stone and shaly matter. The fixation of a flat rate, irrespective of quality, imposes a premium on inferior grades of coke. It is high time, therefore, that this method was dropped.

While a reduction in the selling prices of grades II and III is more than justified, the question is as to what should be the quantum of reduction. It is held that a flat rate has been imposed for a long time past, with a view to helping the grade III collieries which are mostly marginal units. Most of them are small mines and their output is meagre. Any drastic reduction in the price, it is feared, would force their closure, leading to some aggravation of the unemployment problem. Consequently, the price reduction, it is felt, should be such as not to disturb their economic position violently.

The success of the efforts for popularising the use of soft coke for domestic purposes, with a view to conserving India's depleting forest resources, and cowdung, which is now used as fuel but which must be diverted for use as natural manure, is dependent on a rational price structure. Soft coke is always a cheaper and more convenient form of fuel. Already, the demand for it has outstripped supply. Fortunately, there is enough low volatile semi-coking high-ash content coal in the country suitable for the manufacture of soft coke.

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LIGNITE MINING IN NEIVELI

The pilot lignite quarrying scheme at Neiveli, which was inaugurated on 5th March, 1953, to dig a pit of 600 sq. ft. at ground level upto a depth of about 180 feet to expose a lignite surface of 100 sq. ft. at the bottom, with a view to determining the feasibility of economic exploitation of lignite deposits in South Arcot, is progressing well. According to a Press note issued by the Government of Madras, excavations had been made upto a maximum of 90 feet and a total quantity of 13,055,718 c. ft. of earth had been removed till the end of April 1954, out of the total estimated quantity of 26,000,000 c. ft. An expenditure of Rs. 25 lakhs has been incurred so far, out of the estimated cost of Rs. 65.89 lakhs for the pilot project as a whole. It is disclosed that the Government of India had, on the assumption that the pilot quarrying will be completed early, already made arrangements with a London firm to prepare a project report for commercial exploitation of lignite.

Addressing a meeting convened under the auspices of the Institute of Engineers, Tiruchi Centre, on 30th May at Tiruchirapalli, Mr. H. K. Ghose, Special Officer, Lignite Investigation, Neiveli, disclosed that, according to the present schedule of work, the pilot quarrying work would be able to expose lignite within a year. Initial quarrying operations had revealed that the sides stood well on excavation and had dispelled the apprehension of water seeping through. The excavations had now gone down to an average depth of 70 feet and the maximum depth reached in one pit was 90 feet, where the soil was found to be ferrogenous clayey sandstone. He revealed that, if any trouble were to be experienced from ground water or artesian water, the situation would be controlled by the contrivances provided to meet any such trouble. He added that arrangements had also been made for drawing out water by "electric osmosis." For tackling artesian water, a ring submersion pump with a capacity of 200 to 300 gallons per minute had been installed in boreholes upto a depth of 350 to 370 feet. Other necessary precautions to prevent the bursting of pit floor would also be taken with the aid of high-capacity centrifugal pumps.

SINDRI'S COKE OVEN PLANT

The Sindri fertiliser factory marched another step forward on the road to implement its programme for manufacturing by-products on the 25th ultimo when its Managing Director, Mr. A. B. Chatterji, performed the lighting ceremony of the new ovens of its Rs. 2.35-crore coke oven plant.

The plant consists of a battery of 60 ovens to produce about 600 tons of coke a day. After nine or ten weeks of heating, the battery will be pressed into service. The installation of the plant, which will make Sindri self-sufficient in its coke requirements for gas generation, was carried out by a German firm.

A special feature of the plant is the provision made for operating the ovens either by what is known as the "filling" or the "stamping" process. The stamping process marks a new development in the field of coke oven construction in India and allows the use of poor quality coal which cannot otherwise be coked by the conventional filling process. It, therefore, helps reduction in the drain on India's valuable resources of metallurgical coal needed for the country's expanding steel industry.

COAL TAR INDUSTRY

The Indian Standards Institution has circulated for comments a number of draft standards for materials produced by coal tar industry. These draft standards, which have been prepared by I.S.I.'s Heavy Chemicals (Organic) Sectional Committee, cover the requirements and the methods of test for: (1) benzole, industrial, grade I (used as a chemical and as solvent); (2) toluole, industrial, solvent grade (used as solvent in the manufacture of explosives and fine chemicals); (3) toluole, pure, nitration grade (used for nitration in the manufacture of explosives and fine chemicals); (4) phenol (carbolic acid) (used as a chemical in the manufacture of fine chemicals, pharmaceuticals, dyes and synthetic resins, and as an antiseptic); (5) naphthalene (used as a moth repellent, skin preservative and as a chemical for the production of organic intermediates in the manufacture of dyes, drugs, etc.); and (6) refined cresylic acid (used in the manufacture of chemicals, synthetic resins, antiseptics and disinfectants).

PROBLEMS OF JUTE TRADE

ARGENTINA BECOMES POTENTIAL BUYER

THE review of the jute industry's affairs in 1953 made by Mr. Nandalal Kanoria, President, Gunny Trades Association, Calcutta, in his speech at the annual meeting of the Association on the 1st inst., makes refreshing reading. The year saw the solution to some of the problems of the industry left over unsolved in the previous year. Thus, the stocks of jute goods, which remained high throughout 1952, reached saturation point in May, 1953, when it stood at 138,800 tons, the highest for some years. This led to the reduction in the export duties on sacking specialities and hessians by three stages. The demand for hessian cloth improved and the stocks came down to 91,500 tons at the end of April, 1954. Another feature of the year was the appearance of Argentina as a potential buyer of hessians. In the seven months ended December, 1953, exports of hessians to that country amounted to 92,000 tons, as compared with 93,000 tons to the U.S. Explaining this unexpected development, Mr. Kanoria observed:

"This record buying by Argentina helped to relieve the pressure of stocks to a great extent and it was to meet this demand and on account of there being a slackness in the demand for sacking goods, that a percentage of looms were converted from the manufacture of sacking goods to hessians. This entirely changed the picture of the export trade, inasmuch as we exported 36 crore yards more of hessian in 1953 than in 1952, while we exported 15 crore less bags in 1953 than in 1952. The ratio of production between hessian and sacking also changed. The hessian percentage rose from 32.7 in 1952 to 44.7 in 1953, while the sacking percentage declined from 63.8 to 51.9. This reversal in the ratio of the two constructions contributed to the overall decrease in the total tonnage of production."

Argentina's purchases of Indian goods were welcome, for they helped to relieve the pressure of stocks on mills; yet the mills continued to suffer; for, their total sales did not come up to expectations. Consequently, there was a great need to explore the possibilities of expanding the markets. The I.J.M.A. accordingly sent a delegation to Australia and New Zealand. This has since been followed by another delegation to the U.S recently. The Association's publicity and propaganda was intensified. As the delegations did not include representatives of trade, Mr. Kanoria suggested their inclusion, because these representatives would bring to bear on the problem their long experience of foreign markets and personal contacts with importers.

Mr. Kanoria then referred to one of the recommendations of the Jute Enquiry Commission, namely, increasing the working hours of the mills from the present 42½ hours to 48 hours a week. This is the most controversial issue which needs discussion at length exclusively. Reserving it, therefore, for a subsequent occasion, we refer here only to Mr. Kanoria's views. Supporting the case of increasing the working hours, he observed:

"The Commission has recommended an increase in the working hours of the mills. This recommendation, when implemented, will bring in a revolutionary change in the working policy of the industry. In the past, the industry always planned or adjusted its working on the basis of profitable manufacturing conditions based on its immediate demand for its production. It is not difficult to assesss the harm done by this policy. The most obvious result has been the establishment and expansion of the jute industry in foreign countries at our cost. You will be surprised to learn that the present yearly production of the Indian jute mills is less than the average yearly production during the years 1920-30, and so are its exports, in spite of 12 per cent. increase in loomage since 1930. This shrinkage in the production of this most useful packaging material seems strange against the background of tremendous rise in the industrial and agricultural production all over the world. I strongly feel in favour of a gradual increase in the working hours by the industry. The policy of increasing the working hours, when acted upon, will go a long way to help the Indian industry to regain its supremacy in world markets."

Mr. Kanoria favoured the establishment of a well regulated futures market for jute goods as recommended by the Jute Enquiry Commission. The regulation should, he said, contain certain measures calculated to stop over-trading, cornering and delivering of fake *pucca* delivery orders. He wanted that the rules and by-laws should be so framed that the defects experienced in the operations in the past might not be repeated. He was glad that the I.J.M.A. which once opposed futures trading in any shape or form had now favoured it.

The President of the Gunny Trades Association commended the Commission's recommendations regarding the abolition of sales tax and similar taxes on raw jute, reduction in freight rates charged by railways and steamships and the imposition of wage-ceilings and dividend limitation. He was, however of the opinion that the appointment of a Jute Commissioner and the establishment of Jute Board and a Development Council would be of little value to the industry, as, these bodies, by their interference with the industry, would create fresh problems rather than solve them. This opinion of Mr. Kanoria is more or less in consonance with the stand taken by this journal when it commented on the Commission's report about a month ago.

The Jute Enquiry Commission has, it will be recalled, expressed dissatisfaction at the complacent attitude of the industry towards the standard of specifications in contract forms for sale and purchase of jute goods. So far as hessian goods are concerned, the classification of Bemis Brothers is accepted. But there is no such classification for sackings or any other variety of goods. This matter had been engaging the attention of the Gunny Trades Association even while the Commission was conducting its enquiry. Explaining what the Association has done in this direction, Mr. Kanoria stated:

"In the absence of classification, such discriminatory terms as 'European mill-make,' 'Indian mill-make, 'Any bar Indian mill-make,' etc., were current in the trade. The use of such terms in the contract was objected to by the Government of India and it was pointed out by them that the same should be eliminated from the trade as soon as possible. A meeting was held between the Presidents of the Indian Jute Mills Association, the Calcutta Jute Fabrics Shippers Association and your Association and in the course of discussions at this meeting, a proposal was made on behalf of your Association to undertake the preparation of an approved list of jute mills for general transactions of sacking goods. The I.J.M.A. could not associate itself with this scheme as it could not make discrimination among its members. However, it is a matter of great satisfaction that with the co-operation of the members of this Association, your Committee has been able to draw up an approved list of 58 jute mills out of the 74 mills in and around Calcutta, which is subject to revision every year. This list has been made effective in the market from the beginning of this year and has worked satisfactorily for the last five months. The Government of Burma has given recognition to this list and we have received many encouraging letters from foreign consumers complimenting us on our scheme as well as assuring us of their co-operation. Copies of the list have now been supplied to important foreign buyers for their guidance in the purchases of selected sacking goods. Although at present this classification has been made on the basis of opinions collected from the members of the Association and some important shippers and consumers, the Association is contemplating the introduction of other tests for this purpose and arranging for scientific equipment for the same as soon as possible."

Availing himself of the opportunity provided by the meeting, Mr. Kanoria complained against the tendency of increasing participation of jute mills in direct exports of jute goods. He attributed this tendency to the permission given by the Government to shippers to charge a commission of 5 per cent. over the controlled prices during the period when the industry was under the control system instituted by the Government. The total effect of this direct participation has, we are told, been the widespread unemployment among dealers, brokers and their dependents. Mr. Kanoria, therefore, appealed to the industry to abandon this practice by taking recourse to the established channels of trade for promoting exports of their goods.

(Concluded from next column)

TEA PRICES REMAIN FIRM

SHORTAGE OF SUPPLIES IN LONDON

IN recent weeks, tea shares on the Calcutta Stock Exchange have been very active. The turnover has considerably broadened and values of a large number of scrips have registered impressive gains. The declaration of encouraging dividends by a number of tea companies and the expectation that the earnings of many well established companies for the current year would constitute a record, with the prices of teas remaining firm in the last two sales of the new season's crop, have been responsible for the keen buying in this section. In export sale No. 2, held last week, there was a fair demand for all descriptions, though buyers were discriminating and only quality teas were keenly sought after. Clean common B.P. fetched Rs. 2-10 per lb. Though this is a fraction less than that quoted in the previous sale, it compares well with that of Re. 1-11-6 in the corresponding sale of 1953.

The phenomenal rise in tea prices, as indicated above, naturally induces one to contemplate whether the upward trend would be maintained; if so, for how long, and whether the present rise is in the interests of tea estates themselves. The available indications are that the current year will be a boom year for the tea industry. The trend of prices during the year, however, will depend on the crop position of North-East India which holds the key to the complex position of world supplies and demand. The progress of current tea crop in North-East India are, therefore, watched with keen interest by everyone, more so by Mincing Lane, particularly because of the tight supply position there at present.

So far, in the current season, the North Indian tea crop has been slow in coming, as compared with that in the corresponding period of last year. It is estimated that the outturn of North Indian tea upto the end of April, 1954, was 15.8 million lbs., as compared with 21.7 million lbs. in the corresponding period of 1953. This shortfall was due to unfavourable climatic conditions. Dooars and Terai districts particularly, and to a lesser extent Darjeelings, were extremely short of rain. But latest advices indicate that rain has been good and there is no reason why tea gardens will not be able to make good the deficit, though it will not before August.

Moreover, the crop position at this part of the season is usually deceptive and it is risky to take a definite view now on crop prospects. It is only during the period from middle of June to the middle of October that the bulk of the crop is picked. It is not until then that a good appreciation of the crop position for the current year will be possible. The recent rains, however, have given rise to hopes that, this year there will be a larger crop than last year.

Exports of North Indian tea during the period from 1st April to 15th May, 1954, amounted to 5.88 million lbs., as against 21.86 million lbs. in the corresponding period of 1953. Shipments from Cochin from 1st January to 13th May, 1954, aggregated 19.21 million lbs., as against 19.41 million lbs. Exports of Pakistan teas during the month of April this year amounted to 730,202 lbs., as compared with 2.09 million lbs. in April, 1953. Exports to U.K. alone from these three tea areas during the aforesaid periods were as follows:

(In million lbs.)

	1954	1953
North Indian	3.64	13.71
South Indian	9.46	8.46
Pakistan	0.19	0.46

It will thus be seen that supplies to London are very much lower than a year ago. This shortfall in supplies, in the face of increasing consumption, has created an acute scarcity of stocks in the U.K. Stocks in that country at the end of May amounted to no more than 94.6 million lbs. which, at the present rate of consumption—including re-exports—of about 10 million lbs. per week, amounts to less than 10 weeks' requirements. This stock is said to be even below the lowest level to which stocks normally fell in the pre-war days. But it will not be before August that an appreciable quantity will flow to London.

Merchants and blenders are, therefore, worried over the supplies for the next two months, although there will be some supplies from Ceylon and other producing countries in the meantime. Until then, prices will remain firm. The trend, thereafter, will depend on not only the North Indian tea crop but other producing countries. The present high prices of tea are encouraging

(Continued in previous column)

some of the producing countries, which are not members of the International Tea Agreement, to launch upon schemes for expanding production. East Africa and Rhodesia, for instance, where suitable free-hold land is said to be available at about Rs. 80 per acre, are planning large extensions. These plantings may not affect the tea market in the next few years, but the problem of overproduction may arise thereafter. At the same time, consumption is rising not only in the U.K. but on the Continent and in the U.S. Notwithstanding the rise in prices in recent months, tea is still competitive with other beverages. So the present level of tea prices is not likely to affect the rising trend of consumption.

The tea industry will, however, do well to take care that the price of tea does not become too high to invite consumer resistance. The industry should also keep in mind the three major disasters which had befallen it during this century. It is essential for producers to ensure that enough tea is produced to keep the price of this commodity at a level which will maintain its popularity with the public.

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Capital Issued and Fully Paid up ... Hk. $20,000,000
Reserve Funds Sterling ... ... £ 6,000,000
Reserve Liability of Members ... Hk. $20,000,000

BRANCHES

BURMA: Rangoon
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Djakarta, Surabaja
EUROPE: Hamburg, Paris, Lyons
HONG KONG: Hong Kong, Kowloon
INDIA: Bombay, Calcutta
INDO-CHINA: Haiphong, Saigon
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Teluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
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STATEMENT OF ACCOUNTS AS ON 31-12-1953.

LIABILITIES

		Rs.
(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		90,00,000
(iii) Deposits		65,31,18,035
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,69,54,164
	Total	Rs. 79,78,22,199

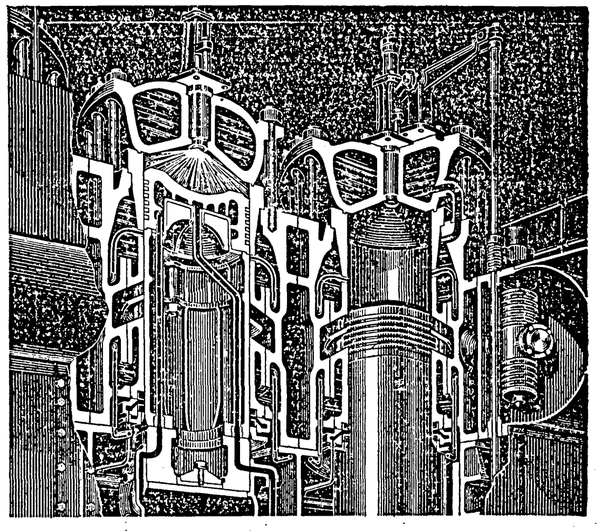
ASSETS

			Rs.
(i) Cash and Balances with Bankers.			7,47,49,531
(ii) Investments:		Rs.	
(a) Securities of the Central and State Governments and Other Trustee Securities		35,24,28,079	
(b) Other Investments		89,98,924	
			36,14,27,003
(iii) Loans and Advances			25,54,91,216
(iv) Other Assets including Bills Receivable, etc.			10,61,54,449
	Total	Rs.	79,78,22,199

B. N. PURI, General Manager.







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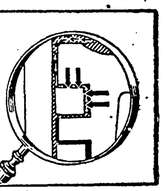

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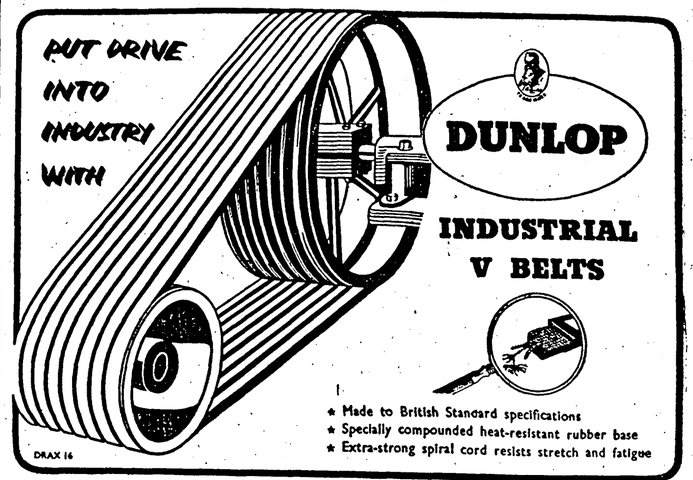

DEVELOPMENT OF MINERALS IN INDIA

AMBITIOUS PROGRAMME OF PROSPECTING IN OFFING

THE details of what transpired at the second meeting of the Indian Mineral Advisory Board, held at Ranchi on the 3rd inst., are not available. From a review of the brief reports appearing in the daily Press, it would appear that the Board discussed, *inter alia*, (1) the possibility of developing non-ferrous mineral deposits like copper, zinc and lead, (2) the case for the establishment of beneficiation plants for upgrading mineral ores in certain selected areas, (3) the establishment of a ferrous-manganese industry, and (4) the draft Mineral Conservation and Development Rules, 1954.

Presiding over the Conference, Mr. K. D. Malaviya, Deputy Minister for Natural Resources and Scientific Research, disclosed that his Ministry was working out, in close collaboration with other Ministries, an ambitious programme for prospecting. He further stated that the Planning Commission had been kept informed, members of the *Lok Sabha* had been consulted and the representatives of the State Governments were called upon to submit suggestions for a comprehensive programme for survey of mineral resources. The drilling section of the Indian Bureau of Mines was being rapidly expanded and provided with large drills. A programme of rapid survey would be drawn up in a few weeks.

Dealing with the work so far carried out, Mr. Malaviya stated that, in 1953-54, the Geological Survey of India had systematically surveyed nearly 10,000 sq. miles. The mapping of the manganese belt of Madhya Pradesh had now been practically completed. Detailed mapping of the copper belt of Singhbhum and the copper ore deposits in Daribo in Alwar had commenced. Geophysical prospecting was being progressively taken up by the Geological Survey of India.

Location of Deposits

Adverting to the location of mineral deposits, especially to the examination of foundation for large structures and the subsoil, Mr. Malaviya said that the Indian Bureau of Mines had already done an appreciable amount of work. Detailed prospecting, conservation and developmental programmes were being handled by the Bureau. It had also completed inspection of the manganese mines of practically the entire country, the chromite mines in Bihar, Orissa, Mysore and Madras, the asbestos mines in Andhra, Mysore and Bihar, the copper mines in Bihar and Himachal Pradesh and the bauxite mines in Bombay. The gold mines in Mysore had also been visited, with a view to assessing the possibility of working low-grade ores. Of special significance was the research done by the Bureau into methods of beneficiation of low-grade manganese ores from Madhya Pradesh, Bombay and Orissa. Work on this was still proceeding, but it was gratifying that mine-owners had already started setting up heavy-media separation plants. One such plant had been set up in Madhya Pradesh at a cost of Rs. 23 lakhs.

Referring to the depression in prices of manganese ore and mica, Mr. Malaviya said that India was particularly interested in maintaining a high level of export trade in manganese ore and mica, because of the very large number of workers and capital involved in their mining. The fall in demand for mica splittings and manganese ore was causing concern and it was necessary, therefore, to explore ways and means of finding greater use of these minerals in the country itself.

Proceeding further, he disclosed that steps were being taken to implement the recommendations of the first meeting of the Board held last year. These recommendations were: (1) Central co-ordination of mineral development to ensure maximum production, (2) conservation and utilisation of minerals, (3) a flexible export policy, and (4) the revision of rates of royalty and dead rent. A committee to examine the rates of royalty and the dead rent had been set up. Some of the sub-committees set up to deal with groups of minerals had already submitted their reports, while the recommendations of sub-committees to deal with manganese, mica and china-clay were awaited.

The need for developing non-ferrous metal deposits requires no emphasis, for India is deficient in some important non-ferrous metals like copper, lead, zinc, aluminium and tin. There are several abandoned copper mines, in the U.P., Bihar, Andhra, Madhya Pradesh and Mysore. Most of these were actively worked in the past, as is evident from the extensive workings and the voluminous slag heaps. With the present improved metallurgical practices, it is now possible to work copper ores containing as low as 0.2 per cent. copper, as compared with the previous requirement of 2.5 per cent.

Regarding lead and zinc, only the Zawar mines in Rajasthan are being worked. Even though the mines were developed by the Geological Survey of India during the last war as an emergency source, the present production by concessionaires—about 200 tons of run-of-mine-ore per day—is not economic. To step up this production to 1,000 tons per day, it is necessary to prove at least 8 to 10 million tons of ore in deposits. Detailed investigations are, therefore, an essential pre-requisite for the development of these mines.

Beneficiation

The establishment of beneficiation plants for upgrading mineral ores, in certain selected areas is long overdue. Because of the stoppage of stock-piling programme by the U.S. and the removal of export restrictions by the U.S.S.R., Indian low-grade manganese is today facing a falling market. Upgrading this ore is the only solution and the efforts of the Indian Bureau of Mines have resulted in the establishment of a Rs. 26-lakh beneficiation unit in Madhya Pradesh. A second plant will shortly be erected in this area. The Bureau of Mines and the National Metallurgical Laboratory are now engaged in evolving cheaper processes for medium-sized industrial units. The Bhandara district in Madhya Pradesh, Keonjhar in Orissa, Visakhapatnam in Andhra and North Kanara region in Bombay are suitable for the erection of manganese beneficiation plants.

India produces 16,000 tons of chromite per year. The major part of the production is exported, practically all of it being high grade ore. Since India's resources of high-grade ore are limited, there is scope for setting up beneficiation plants for improving the low-grade chromite in Bihar and Madras.

The present production of ilmenite in India is of the order of 250,000 tons. The whole of this comes entirely from Travancore-Cochin. There are important deposits of ilmenite along the Madras, Orissa and Bombay coasts also. Suitable place for beneficiation of plants are the coastal areas of Ratnagiri-Malgund in Bombay and of Andhra and Orissa.



There is great need for establishing a ferro-manganese industry, for the earnings from ferro-manganese are much greater than those from the raw ore. The facilities for producing ferro-manganese are now more easily available than at any time before. The raw materials required for the manufacture of ferro-manganese are manganese ore, coke and limestone, all of which are available in considerable quantities in India. Further, the supply of cheap electrical power, essential for electric furnace production of ferro-manganese, will be available from the various hydro-electric and thermal power projects which are fast coming up. Besides the high-grade manganese ores in different areas, India has vast deposits of low-grade manganese ores, especially in Orissa and Bombay which are fortunately very low in phosphorus, an essential requirement for high-standard ferro-manganese. India today imports about 300 tons of ferro-manganese at a cost of Rs. 1,200 per ton. The estimated cost of production of standard ferro-manganese in electric furnaces in India is said to be approximately Rs. 600 per ton.

Conservation

The Mines and Minerals (Regulation and Development) Act, 1948, empowers the Central Government to make rules for the conservation and development of minerals. The Mineral Conservation and Development Rules, 1954, have been drafted under the powers of the Act. An earlier draft of these rules was circulated to State Governments and representatives of mining industry and the present rules have been evolved as a result of various amendments, changes and alterations suggested by them.

Briefly, these rules will enable the Director, Indian Bureau of Mines, to collect necessary information regarding any mine, to issue instructions to mine-owners for rectification of any defect in the mining and quarrying operations and to direct improvement in the mining methods. The Bureau of Mines will also be authorised by the rules to collect samples from mines and new bore holes. The Central Government will be authorised by the rules to review or revise any restriction order issued by the Director, Indian Bureau of Mines, and to prohibit mining operations in any area. Besides, it has to specify the agency by which minerals can be worked in this area. A draft "Manual of Instructions" has been prepared to afford guidance to the mining industry in modern methods of mining technique. This, it is hoped, will avoid too frequent recourse to the issue of instructions.

INDIA'S FIRST SUPER CONSTELLATION ARRIVES

Air-India International's "Empress Nurjehan," renamed "Rani of Jhansi," VT-DGL, landed at Santa Cruz airport at 11.20 hours (I.S.T.) on Sunday the 6th inst. The "Rani of Jhansi" is the largest of the aeroplanes that have ever landed at Santa Cruz airport. It has a graceful dolphin shape and looked magnificent in its white, red and silver coat. In spite of its 183,000 lbs. all-up weight, it is both graceful and beautiful. It is over 113 ft. long and has a wingspread of 123 ft. The "Rani of Jhansi" left Bombay on a proving flight to Cairo on the 8th inst. and returned on the 10th. It will fly the London service via Cairo, Geneva and Paris on a weekly frequency commencing from the 19th inst. It will carry a total of 70 luxury and tourist class passengers. Air-India International's Super Constellation frequency of service will be increased to two flights a week when the second aircraft arrives at Santa Cruz in July.

KUTCH CAPITAL TO BE CONNECTED WITH M.G. LINE TO DELHI

The Railway Board has approved a scheme to convert the 30-mile narrow-gauge line from Bhuj, capital of Kutch, to Adipur into metre-gauge and to connect it with the Gandhidham-Deesa line which joins the main line to Delhi. The work on this scheme, which is estimated to cost nearly Rs. 47 lakhs, will begin during this financial year.

Railway transport facilities in Kutch State are far from satisfactory. Bhuj is at present served by a narrow-gauge line which links it with Adipur, six miles from the metre-gauge railhead at Gandhidham, the growing colony of displaced persons. This involves transhipment of goods and passengers and road transport is necessary between Gandhidham and Adipur. When Kutch became a centrally administered State, it was realised that the working and maintenance of the isolated small narrow-gauge line was costly.

To overcome these difficulties and to provide direct railway facilities from Bhuj to the rest of India, it has been proposed to extend the metre-gauge line from Gandhidham to Adipur and to convert the 30-mile Bhuj-Adipur narrow-gauge line into metre-gauge. This will make the through movement of goods and traffic to Bhuj possible and will also help the State authorities in moving food-grains, fodder and other essential goods from their central depots at Bhuj during scarcity times. When the work is carried out the usual passenger amenities will also be provided for the convenience of the public.

WORLD OIL POSITION

INCREASING ACTIVITY IN 1953

THE year 1953 was characterised by increasing activity in the world's mineral oil industry. According to the Royal Dutch Petroleum Company, world crude oil and natural gasolene production reached a level of over 5,000 million barrels, as compared with about 4,740 million barrels in 1952. There was also a substantial increase in refining capacity. Of the world's output, the U.S. accounted for more than 50 per cent.; to be precise, its output was 2,601.9 million barrels.

The following table gives the world oil output in 1953, as compared with that in 1952:

World Production of Crude Oil and Natural Gasoline

(Millions of barrels)*

Country	1953	1952
North America—		
United States	2,601.9	2,513.4
Canada	82.0	62.3
Mexico	73.1	78.4
	2,757.0	2,654.1
South America—		
Venezuela	646.3	662.1
Colombia	40.3	39.5
Argentina	27.9	24.8
Trinidad	22.6	21.5
Peru	17.1	17.5
Ecuador	3.1	3.0
Others	2.8	2.3
	760.1	770.7
Europe—		
Austria	21.1	21.1
Western Germany	15.6	12.5
The Netherlands	5.7	5.0
France	2.7	2.7
Others	2.5	2.0
	47.6	43.3
Middle East and Africa—		
Kuwait	314.6	273.4
Saudi Arabia	308.3	301.9
Iraq	210.2	141.1
Qatar	31.1	25.3
Egypt	16.6	16.5
Bahrein	11.0	11.0
Iran	9.9	7.8
Others	1.5	1.2
	903.2	778.2
Asia (excluding the Middle East)—		
Indonesia	75.2	62.6
British Borneo	36.8	38.3
Japan	2.1	2.1
India	2.0	1.9
New Guinea	1.8	1.7
Others	5.1	4.1
	123.0	110.7
Total	4,590.9	4,357.0
U.S.S.R. and Eastern Europe	429.9	382.5
Grand total	5,020.8	4,739.5

* According to the specific gravity of the crude oil, one metric ton varies from 6.5 to 7.5 barrels.

There was also a rise in the consumption of oil, the extent of improvement being approximately the same as during 1952. The pace of rise, however, varied as between the products. The demand for gasolene, kerosene and gas/diesel oil, for instance, increased more than that for fuel oil. But, as crude oil production and refinery capacity was in excess of immediate needs, there was a general tendency for available supplies to exceed demand. Even in the case of aviation gasolene, supplies of which had been difficult after the shut down of the Abadan refinery, sufficient quantities were available towards the end of the year.

A feature of the year under review was that, as expansion in the supply of oil products surpassed the growth in demand, there was greater competition. The Soviet sphere re-emerged as a supplier of oil products to Western countries, but the volume of oil involved was relatively small.

There was a general willingness on the part of Governments to provide importers with the dollar or sterling exchange to pay for oil supplies. With the continuance of foreign aid by the U.S., albeit on a smaller scale than in the preceding year, the problem of finding the dollars necessary to pay for their vital supplies, including oil, was no more serious than it had been in the past. There was, however, a general shortage of sterling in some countries.

The basic U.S. prices of crude oil and oil products in the Gulf increased in summer in time with the rise in the general level of prices in the U.S. since the end of extensive price controls in that country. The prices, however, weakened towards the end of the year. Nevertheless, as compared with other main commodities entering international trade, they varied relatively little during 1953.

The addition to the world's tanker fleets of new vessels was of the order of 3¾ million tons d.w.t. This was greater than in any previous year and it is expected that this rate of building will be maintained during the next two years. Consequently, conditions in the tanker fleet market were depressed in 1953. Freight rates in the middle of 1953 reached their lowest levels since 1949. It is true that some seasonal hardening occurred towards the end of 1953 and in the early part of 1954. But, since then, these rates have again softened and the prospects for the remainder of the year are not, in the opinion of the Royal Dutch Petroleum Company, encouraging. Over the year, some 750,000 tons were scrapped, but the large amount of new tonnage at present on order, most of which is for delivery within the next three years, suggests that the surplus position can only be relieved by a still more drastic scrapping of the less efficient vessels. It may be noted that the recurring peaks of high tanker freights in the post-war period resulted in an artificial increase in the life of tankers, the average age of obsolescence reaching the quite abnormal one of 30 years. But, with the present surplus of tankers and current low rates, combined with growing competition from superior modern vessels, the owners, we are told, will have to revise their views on the economic life of the less efficient vessels.

SABARMATI STATION YARD TO BE REMODELLED

It has been decided to remodel the Sabarmati Station yard near Ahmedabad and to double the Ahmedabad-Kalol section of the Ahmedabad-Delhi metre-gauge line. Work on the two projects will be taken in hand during the current financial year. It is estimated that the two projects will cost Rs. 2,46,00,000. When they are completed, movement of goods traffic in the area will be facilitated and it will be possible to run a few more suburban trains to meet the requirements of Ahmedabad and its growing suburbs.

The Sabarmati yard, about four miles from Ahmedabad, is of great importance for the transhipment of goods from the broad-gauge to the metre-gauge. The present yard has reached its capacity for handling goods traffic. As a result of this, public demand for speedier transhipment of goods and for increased handling of goods traffic cannot be met. It has, therefore, been decided to increase the capacity of the yard and provide more facilities for transhipment of goods at an estimated cost of Rs. 1½ crores.

Passenger traffic on the Ahmedabad-Kalol section, a distance of about 17 miles, is very heavy and there is hardly any scope for additional traffic on the section. Due to the rapid growth of suburbs around Ahmedabad in the past decade or so and the existence of a number of metre-gauge branch lines between Ahmedabad and Mehsana, the need to double this section of the metre-gauge line has been long felt. Owing to the heavy passenger traffic on the Ahmedabad-Kalol section, goods trains have very often to be detained on the way to allow passenger traffic to move. It has, therefore, been decided to double, in the first instance, the intensively worked Ahmedabad-Kaloi section at an estimated cost of Rs. 96 lakhs. This will incidentally be the first section to be doubled on the Delhi-Ahmedabad line. It is expected that the movement of both passenger and goods traffic in the area will improve and the railway operational facilities at Sabarmati will increase when these projects are completed.

EXPANSION OF RAILWAY WORKSHOPS IN ASSAM

Facilities for the training of trade apprentices in the railway workshops at Dibrugarh in Assam are being expanded by the railway administration. The number of apprentices in the workshop is being increased. It has also been decided that one-third of the total number of apprentice mechanics and apprentice train examiners required by the North-Eastern Railway should be selected by the Calcutta Railway Service Commission, so that applicants from Assam may have increased opportunities for railway service.

The railway administration proposes to develop the Dibrugarh workshops as far as possible. Arrangements have also been made to replace a few machines which had been removed from these workshops to the workshop at Gorakhpur. The replacement had been undertaken in the interest of rationalisation and the development of the North-Eastern Railway as a whole and not in order to reduce the importance of the Dibrugarh workshops. A new power house has already been built at Dibrugarh.

The Bongiagaon workshops are proposed to be converted into a central saw mill and transportation workshop by providing suitable machinery and plant. A proposal for redistribution of work between the Gauhati, Lumding and Pandu workshops to increase overall efficiency is under consideration. Retrenchment of staff is not likely in the process of this redistribution.

The railway administration has offered to transfer the machines in the railway repair workshop of the old T. B. Railway at Tezpur to the Assam Government for the use of the Jorhat Technical Training School. A decision on this will be taken after the State authorities have communicated their willingness to take over the equipment.

NEW PRODUCTS AND PROCESSES

Cheap Solar Cooker

A SIMPLE, inexpensive solar cooker has been developed in the United States by Dr. Maria Telkes, a solar energy expert and research associate at New York University, who has already built a sun-heated house. The sun stove is made of a closely insulated box, a glass window, a set of four simple mirrors and a special heat-absorbing chemical. It is expected to cost less than $5 to make, and develop a temperature of at least 350°F. within half an hour.

Drug to Control Bleeding

A new drug, Arfonad, developed by the Hoffman-La Roche Pharmaceutical Company, is said to permit surgeons to almost completely control bleeding in difficult operations of the head, neck, and chest. The drug drastically reduces blood pressure, enabling doctors to operate and avoid potentially dangerous blood transfusions while eliminating post-operative shock. Doctors from two English hospitals report they have used Arfonad successfully in 300 cases of "bloodless" surgery.

New Clinical Thermometer

A new clinical thermometer described as more accurate and faster than the present mercury type has been developed by the U.S. Army. Called "Swiftem," the new development represents "the first change in clinical thermometers since the mercury column type was introduced in 1867." It is reported that the new device uses metals the ability of which to conduct an electric current varies according to temperature—the higher the temperature, the lower their electrical resistance.

Spectroscope to Measure Elements

An apparatus that measures distances smaller than one-trillionth of an inch was demonstrated recently at the Harvard Medical School in Boston, Massachusetts. The device is the newest model of the spectroscope which identifies elements by their spectra or characteristic light rays. The spectroscope is expected to reveal the part played by minute quantities of some 30 elements, mostly metals, in the economy of life. Harvard scientists believe the spectroscope will provide clues to the causes of heart disease, cancer, high blood pressure, and the aging process of man.

Bowlgour—A Rice Substitute

Bowlgour, a rice substitute made of wheat, is now widely in use in the Middle East countries. The product is made by boiling wheat, drying it in the sun, removing part of the bran by rubbing and then cracking the wheat into a coarse or fine meal. The coarse types are cooked in much the same way as rice, and the finer processed meal is cooked with meat or eaten as porridge.

Bowlgour is made by some small millers in California and New England, as a speciality product for use by people of the Middle East living in the U.S.

The U.S. Department of Commerce has now under contemplation an experimental programme for manufacturing and selling Bowlgour in the Far East. The programme involves the setting up of a pilot plant to manufacture the product for sale through commercial channels. The object of the programme is to provide a new market for the large surplus stocks of wheat in the U.S. Tested on a small scale in the Women's College at Madras, Bowlgour is stated to have yielded favourable results.

Largest Ever U.S.-Manufactured Helicopter

A new helicopter was demonstrated recently that experts believe might well revolutionise air transportation. The new machine, the largest ever put into regular production, can carry up to 35 passengers (or 26 men and 3 jeeps) between points more than 200 miles apart. Developed for the U.S. Marine Corps, there will also be commercial models of the helicopter, which has been designated XHR2S. The XHR2S is the first helicopter to be equipped with retractible landing gear and rotors that fold automatically so that the craft can be easily stowed in hangars or aircraft carriers. The rotors have de-icing devices for flights in cold weather and the craft carries an automatic pilot for instrument flight.

Powered by two piston engines similar to those used in the famous F47 Thunderbolt fighters in World War II, the XHR2S's top speed is over 150 miles per hour. Commercial models of the machine will use gas-turbine engines. The remarkable feature of the new craft is that virtually all of its fuselage is potential passenger space. The engines are placed outside, their enclosures jutting out from the ends of short fixed wings at the top of the fuselage. The power of both engines is transmitted to one five-blade rotor and a four-blade rotor at the tail of the ship. The landing gear retracts into the shelter that encloses the engines when the helicopter is in flight.

INVESTMENT OF INSURERS' FUNDS

SHROFF COMMITTEE FAVOURS RELAXATION OF RESTRICTIONS

THE restrictions on insurers' freedom to invest their funds were imposed by the Government, as is well known, after a good deal of discussion and consultation with the interests concerned. Even so, it is necessary that these restrictions, however well-intentioned they may be, should be kept under constant scrutiny, in order to see that they do not whittle down opportunities for safe and profitable investment. From this point of view, it is gratifying to note that the Committee on Finance for the Private Sector (Chairman: Mr. A. D. Shroff) gave its thought to this subject while drafting its report which was released last week.

The chief object of the restrictions on insurers' investments, imposed under sections 27 and 27A of the Insurance Act, is to ensure that the policyholders' money is safely invested. Under section 27 of the Act, the funds of life assurance companies, as defined in that section, are required to be invested in Government securities to the tune of 25 per cent. and in Government or other approved securities to the tune of a further 25 per cent. The balance (that is, 50 per cent. of the funds) is to be invested in approved investments, specified under section 27A. These restrictions have been criticised on the ground that they do not permit the insurers to use their funds to aid the industrial sector. This point was effectively brought out by the Indian Life Assurance Offices' Association in its memorandum to the Shroff Committee. The Association said:

"By their very nature of business, insurance companies have to invest in loans on policies, land and house properity and maintain uninvested assets in agents' balances, outstanding premiums, outstanding interest, cash, stamps, etc., the total of which would come to a little over 20 per cent. Thus, between the restrictions of investment in Government and approved securities and in these types of investment, only a very little margin is left for insurance companies to invest freely in industrial shares and debentures. To enable life insurance companies to invest larger amounts in industrial shares and debentures, we submit that the provisions of section 27 of the Insurance Act should be amended so as to require life insurance companies to invest their funds as follows: 20 per cent. in Government securities and 20 per cent. in Government or other approved securities and the balance of 60 per cent. in other investments as per section 27A."

The Shroff Committee, on its part, points out that, even within the permissible limits of the Insurance Act, there is still fairly large scope for investment of life funds in industrial shares and debentures. The Committee notes that insurance companies "have come to play an increasingly useful role in the provision of industrial finance through their investment in the shares and debentures of well established companies." It is, however, convinced that, as compared with insurance companies in the more industrialised Western countries, their counterpart in India invest a comparatively small proportion of their assets in shares and debentures. Referring to the insurers' role as a source of industrial finance, the Committee says:

"In India, though life insurance business is relatively underdeveloped, insurance companies have been playing an increasingly important role in recent years in mobilising savings and making them available for investment in industries. According to the figures furnished to the Committee by a leading firm of stockbrokers, of the issues made through them of debentures and preference shares in the Calcutta market during the last three and a half years, insurance companies and banks have taken up 79.5 per cent. while investment companies and provident fund and similar institutions have subscribed 12.0 per cent. and individual investors only 8.5 per cent."

The Committee has next examined the nature of the existing restrictions on insurers' investments. It says:

"We are aware that many of these restrictions were imposed on the recommendations of the Sir Cowasji Jehangir Committee, but feel some of these have proved very onerous in practice and that they could be relaxed without prejudice to the safety of the insurers or that of the policyholders. To enable insurance companies to play a larger part in meeting the growing financial needs of the private sector, we recommend that section 27 may be amended so as to require the companies to invest their funds as under: 25 per cent. in Government securities, 20 per cent. in Government or other approved securities and the balance 55 per cent. in other investments specified in section 27A.

"We are further of the opinion that the restrictions contained in sub-sections (3) and (4) of section 27A, which require that not more than 2½ per cent. of the liabilities should be invested in any one company, restrict the investment activities of insurance companies. We feel that, without prejudice to the underlying object of these sub-sections, which is to prevent interlocking and acquisition of control over other companies, the limit of 2½ per cent. referred to in both the sub-sections 27A (3) and (4), and of 2 per cent. prescribed in the former sub-section can be raised to 5 per cent."

If these suggestions were implemented, it would mean a slight improvement on the present position. It would increase the scope for insurers' investments in approved investments from 50 to 55 per cent. of their funds, and for investment in any particular company's capital structure from 2 per cent. to 5 per cent. of that structure. Perhaps, the Committee is unwilling to recommend further relaxation of restrictions, in view of the fact that there have been several cases of improper use of funds by insurers. It is only natural that the restrictions should be relaxed gradually. The Committee's modest recommendations in this direction deserve to be implemented by the Government by amending the Act suitably.

Another important issue is the presence of several anomalies in the Insurance Act in regard to insurers' investments. The Committee says: "It has been represented to us by insurance interests that there are a number of anomalies in the Insurance Act which inhibit investment by insurance companies in the shares and debentures of industrial concerns." It would appear, for instance, that the shares of societies, registered under the Co-operative Societies Act and guaranteed as to payment of interest and capital by State Governments do not come under the definition of approved securities. The other anomalies have been listed in a memorandum submitted by certain insurance interests to the Committee. This memorandum says:

"(i) Shares of a society, registered under the Co-operative Societies Act, guaranteed by the State Governments as to payment of interest and repayment of share capital should be classified as approved security by suitable amendment to the definition of approved security [Section 2 (3)].

"(ii) As the Act stands at present, an insurer cannot apply for debentures of companies which do not come within the purview of section 27A (i) (f), (g) and (h), even after obtaining requisite consent of the Directors under section 27 (A) (2) of the Act. This, we understand, is due to the fact that an investment in non-approved debentures is considered a loan to the company which is prohibited under section 29 (3). Suitable amendment to section 29 (3) be made so as to permit insurers to apply for a debenture issue which is not an approved investment.

"(iii) Debentures (a superior security) are at times non-approved although preference shares and/or ordinary shares (an inferior security compared to debentures) are an approved investment. Suitable amendment be made in section 27A (i), (f) (g) and (h) to remove this anomaly.

"(iv) According to section 27A (i) (g), the book-value or market value, whichever is less, of the fixed assets offered as a security to debenture-holders should be at least three times the value of debentures. Conventionally, by 'book-value' is meant the cost of assets less depreciation. In the case of well managed companies, the block is always well depreciated and the provision in clause (g) of section 27 (A) (i) will operate against such companies. Suitable amendment be suggested to reduce the coverage, say, to two times in such cases.

"(v) Usually, a new debenture issue is made to finance the cost of fixed assets. As the Act stands at present, proposed addition to fixed capital expenditure cannot be taken into account for ascertaining coverage stipulated by section 27A (i) (g). We suggest that, by a suitable amendment intended addition to fixed assets may be taken into account for ascertaining coverage (subject to adequate safeguards regarding utilisation of money borrowed for the purpose of additions to fixed assets).

"(vi) Under section 27A (i) (1) of the Act investment in ordinary shares is an approved investment provided a dividend of 4 per cent. has been paid for the years stipulated in the Act. The Act is, however, silent on the point whether dividend should be taxable or tax-free. We suggest that a suitable amendment may be made so as to fix minimum dividend at 4 per cent. taxable or 3 per cent. tax-free.

"(vii) Investment in Government guaranteed railway shares (which are trustee securities) should, by suitable amendment, be classified as approved investments."

It will be seen from what is stated above that the nature of some of these anomalies is to defeat the very object of the Act, namely, to provide for the safety of insurers' investments. It is, therefore, to be hoped that the whole issue will, as the Committee suggests, be examined by the Government in consultation with insurance interests "with a view to removing the anomalies in the provisions of the Insurance Act."

MERGER OF COOPERATIVE INSURERS

DECISION DEFERRED TILL AUGUST

THERE is a growing impression in this country that, although the number of insurance companies is certainly not large for a country of India's size, the number is large enough for the available business. Competition for securing business, life as well as general, is keen and is becoming keener every day. In this process, small and uneconomic insurers are bound to be weeded out. While this is the position of all insurers in general, the co-operative insurers, in particular, are faced with yet another difficulty. They face the prospect of more co-operative insurance bodies being set up by State Governments. In this connection, it is gratifying to note that they wish to forestall any further competition by organising themselves in the most efficient manner possible. Proposals for attaining the maximum degree of co-ordination in the activities of the various co-operative insurance societies in India were considered at a meeting of the various societies held recently at Ootacamund, at which the Registrars of Co-operative Societies, Bombay and Madras, were also present by invitation.

At the Ootacamund meeting, two main proposals were discussed. The first proposal is to merge all the existing co-operative insurance societies into two large societies—one to transact life and the other to transact general insurance business. One of these will be located at Bombay and the other at Madras. The second proposal is to retain the individuality of each insurer but to create a federal organisation which will frame the general policy and will be in charge of the more important functions, leaving the details to the individual companies. If the first proposal is accepted, then it is understood that the State Governments will be prevailed upon to agree that they will allow no other co-operative insurance company to be started. In order to see that local initiative is not stifled, a local board will be set up in each State to supervise insurance work. The idea behind both the proposals is to ensure that co-operative insurers are enabled to give the widest possible coverage.

No final decision has yet been taken on either of the two proposals. The whole issue has been referred to a committee, the members of which are:

Mr. J. C. Desai, Chairman of the All-India Co-operative Fire and General Insurance Society of Bombay; Mr. A. L. Chandavarkar, Chairman of the Bombay Co-operative Insurance Society; Mr. L. N. Gupta of Hyderabad; Mr. Madhava Rao Anwari, representing the Hyderabad Co-operative Fire and General Insurance Society, and Mr. T. M. Chinniah Pillai, Chairman of the Co-operative Fire and General Insurance Society, Madras, and Mr. G. H. Thakur, General Manager of the Bombay Co-operative Insurance Society.

It would appear that the Committee will prepare a draft scheme for co-operative action by all co-operative insurers, and that the issue will be considered at another meeting of the interests concerned, scheduled to be held at Hyderabad in the middle of August. The merger move on the part of co-operative insurers, in whose ranks there are many small-sized societies, is a commendable one. And, if it succeeds, it will no doubt strengthen their position both intrinsically and in relation to other insurers. The outcome of the next meeting will, therefore, be watched with interest.

JAYABHARAT INSURANCE CO., LTD.

An all-round improvement in premium income has been recorded by the Jayabharat Insurance Company, Ltd. (General Manager: Mr. Rasiklal C. Parikh, Bombay), during the year ended 31st December, 1953. The Company is a composite office transacting fire, marine and miscellaneous business, besides life business. The premium income in the general department moved up from Rs. 46.32 lakhs in 1952 to Rs. 49.48 lakhs in the year under review. New life business improved from Rs. 77.25 lakhs to Rs. 85.43 lakhs, bringing the total assurances in force, at the end of 1953, to Rs. 3.13 crores. Life premium income advanced from Rs. 13.55 lakhs to Rs. 14.91 lakhs. Despite the improvement in the Company's business operations, the profit, carried to the appropriate account, was somewhat lower at Rs. 4.39 lakhs, as against Rs. 5.63 lakhs in the previous year. The Directors have recommended a dividend of Rs. 3 per share (Rs. 50 paid-up), the same as was paid last year.

In the fire department, the net premium income amounted to Rs. 33.22 lakhs, as against Rs. 32.33 lakhs in the previous year. Both claims at Rs. 12.67 lakhs, and expenses, including commission, depreciation and foreign taxes, at Rs. 17.21 lakhs, were higher than in 1952, when they were Rs. 11.68 lakhs and Rs. 13.71 lakhs respectively. The underwriting profit in the department, therefore, declined by Rs. 5.20 lakhs to Rs. 3 lakhs. It may be mentioned here that the Company has been

(Continued on page 1153)

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Subscribed Capital -	,,	5,76,66,125
Paid-up Capital - -	,,	3,14,54,250
Reserve Fund and other Reserves -	,,	3,99,79,642
Deposits as at 30-12-53 -	Rs.	118,19,74,654

DIRECTORS:
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Dinshaw D. Romer, Esq.
Dharamsey Mulraj Khatau, Esq.
Cooverji Hormusji Bhabha, Esq.
Manmohandas Madhavdas Amersey, Esq.
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Chimanlal B. Parikh, Esq.
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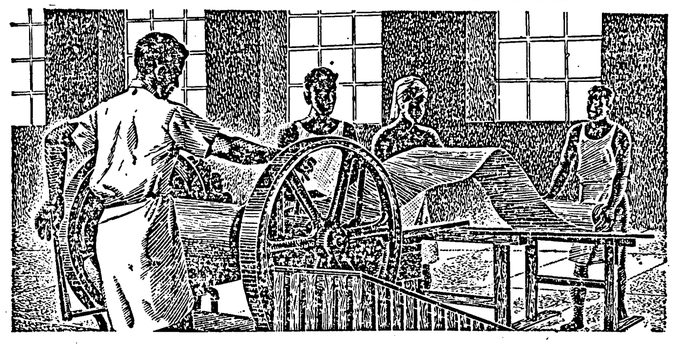
How banking serves the PLYWOOD INDUSTRY



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BANKING IN THE UNITED STATES

AN OUTLINE OF THE SYSTEM

(By CRAWFORD WILLIAMS)

LIKE many other nations, America has a vast banking system suited to the needs of every earning pocket which serves even the smallest communities in the country.

The importance of modern banking as the economic balance wheel in everyday life is well known. John Smith, for example, may not have a bank account, but indirectly he is very much affected by banks, whether he realises it or not. If he has a job, his keeping it may depend upon the ability of his employer to borrow money to keep his business going; to advance in his job, he may have to depend upon the ability of his employer to finance his business through a bank. And if he has no job, getting one may depend upon the ability of business to expand by an issue of stocks or bonds; and business depends on bankers to market these to the public and to invest in them.

American banking differs from financial systems of most other countries, in that all the 14,644 banks in the United States are privately owned and operated. However, they are supervised by Federal or State banking departments, and banking laws are comprehensive enough to protect the interests of the depositors.

U.S. banks are chartered either by the Government of one of the 48 States in which they are situated or by the Federal Government. There are 9,575 banks with State charters, while 4,876 are chartered by the Federal Government and are called national banks.

In addition, 5,887 branches are operated by these parent banks. Together these 20,531 banking offices make financial services available to the smallest communities in the country. In the management and operation of these banks, a working force of more than 75,000 officers and 300,000 staff members is employed.

The institution of State and federally chartered banks is known as the dual system of banking and, while supervisory regulations of the systems are similar and insure a uniformity of banking service over the entire country, the division of authority provides checks and balances that prevent abuses and inequities that might arise if authority were vested in one source.

Banks are regarded as public utility-service businesses and, as such, are subject to regulation, inspection and general supervision by the appropriate Government (State or Federal), as are the railroads, other systems of public transportation and communications in the United States.

Banks Render Variety of Financial Services

As independent and privately owned institutions, however, American banks, as do those in India, compete with one another for business. Results of this free competition are reflected in the variety of financial services they make available to the public. American banks provide a wide variety of essential services in every community in which they operate, relating these services directly to the needs of the community.

The banks' funds, constantly being used by the Government and by the people of the United States, are largely accumulated from the savings of individual citizens and business enterprises. Savings, demand and other deposits in U.S. banks totalled $193,336 million in June 1953. The banks had total assets of $212,431 million, including $16,424 million in capital account.

In addition to the ordinary banking services, many American banks have incorporated in them, or affiliated with them, trust institutions that offer professional counsel to executors of estates who are inexperienced in financial matters. Usually, the trust department is also equipped to take over management of an estate, in the interest of the beneficiaries, when asked to do so. These departments act most often on behalf of widows, orphans and educational institutions.

Through note departments, banks provide still another service—that of collecting agent for an individual or firm who has sold property and is receiving payment on a monthly or quarterly basis. They accept payments or deposit the money to the customer's account for a small fee, usually 25 cents for each $100 collected.

There are many other special banking services, the character of each depending on the needs of the community. Some of the larger banks employ experts on real property, construction and home financing to help their customers plan homes. Banks in rural communities have special departments to advise farmers on problems of financing, management and soil conservation.

Without the co-operation of banks, the United States would have had a more difficult time in financing World War II and the tremendous costs of relief and rehabilitation during the post-war period. It is estimated that banks represented the U.S. Government in issuing more than 60 per cent. of all the War Bonds and the Savings Bonds sold. Banks also represented the Government in providing a service of ration coupon banking, which made it possible to administer the rationing programme more easily when it was in operation.

Deposits Loaned for Many Purposes

Funds placed with the banks by depositors are loaned for many purposes. Through loans from banks, individuals are assisted in purchasing homes, farms and businesses. Banks also extend credit for personal loans, for the purchase of automobiles, furniture and other types of durable consumer goods. Commercial and industrial enterprises may obtain credit to facilitate their operations or permit expansion. Through the investment of deposits in Government bonds, the banks assist the Government in financing many of its functions.

In 1945, banks had more than $100,000 million of their depositors' money invested safely in Government securities, and only $30,000 million out on loan to their customers. Now, it is the other way round. In October 1953, banks had $78,000 million on loan and only $73,000 million in Government securities. In other words, bankers are "back in the business of banking again", as one of them put it.

The privately owned banks of the United States are deeply rooted in national tradition. Government regulatory measures, which strengthen the banking system as a whole, insure depositors against loss, and ensure uniform banking services throughout the country, evolved by gradual stages as the economy of the country became more complex and its communities and States more interdependent. But even the Federal Reserve Banks, empowered by Federal statute to wield great influence over the nation's economy, are privately owned banks operating under Government supervision.

The American banking system could be said to have begun during the Revolutionary War, when a Bank of North America was organised in Philadelphia in 1780 to finance the purchase of supplies and pay soldiers. State banks were organised in Massachusetts and New York about the same time. Banking was on an uncoordinated basis until the Civil War (1861-65) emphasised the need for an integrated banking system and caused the adoption by Congress of the National Banking Act of 1865. There has been a constant development of the system since.

The Federal Reserve System

As industry and commerce became worldwide, there was need for something like a central bank in the United States. This need was met in 1913 by the establishment of the Federal Reserve System which provides for an elastic currency, a means of rediscounting commercial paper and for the supervision of national banks, and serves as a place for the deposit of bank reserves.

The Federal Reserve System divides the United States into 12 districts, each of which has a Federal Reserve Bank with two branches. It is administered by a Board of Governors, composed of seven members appointed by the U.S. President for a term of 14 years. Assisting the Board is a Federal Advisory Council composed of 12 members. Each of the individual Federal Reserve Banks is governed by nine directors. Six of them, including three who are bankers and three who are not, are chosen by the member-banks in the Federal Reserve District, and three are appointed by the Board of Governors of the Federal Reserve System. Membership in the Federal Reserve System includes all federally chartered banks in the U.S. (4,876), which are required by law to be members, and many State banks and trust companies that have voluntarily applied for and been admitted to membership.

Capital stock of the 12 Federal Reserve Banks is owned by the member-banks. Each is required to subscribe to the capital stock of its respective Federal Reserve Bank an amount equal to six per cent. of the member-bank's paid-up capital and surplus. This stock may neither be transferred nor pledged for loans.

The Federal Reserve System is designed to stabilise the supply of bank credit and money in the United States. It holds the legal reserves of member-banks. It is the fiscal agent of the U.S. Government. It rediscounts loan paper of its member-banks and issues currency. It operates the principal system for the collection of cheques drawn on other banks. It transfers funds from one bank to another. It is the principal physical source of coin and currency, which it sells to, or receives on deposit from, member or non-member banks.

Through its power to specify the amount of required reserve to be maintained by member-banks and to set the rate at which loan paper will be rediscounted, the Federal Reserve System wields considerable influence over the nation's economy. Its responsibilities as an economic balance wheel were clarified and its duties enlarged in the banking legislation that grew out of the depression in the early 1930's. The amount of required reserve to be maintained by member-banks and the rediscount rate (both fixed by the Federal Reserve System) are two of the determinants of the availability of credit. Raising either or both tightens credit and makes it harder for borrowers to obtain loans. Conversely, lowering either tends to ease credit and stimulate lending.

Federal Deposit Insurance

The stockholders who own American banks have invested in their banks more than $16,424 million. Their investments form a cushion to protect the funds of bank depositors against occasional loss from unsound investments by the banks, or any misuse of public trust. The Federal Deposit Insurance Corporation, another U.S. Government agency, is the ultimate guarantee that no depositor shall suffer loss on deposits up to $10,000. At present, there are nearly 110 million depositors whose accounts are protected by Federal deposit insurance.

Organised in 1933 under the Federal Deposit Insurance Act, the Corporation's income consists of assessments on insured banks at the annual rate of 1/12th of one per cent. of their average deposits less authorised deductions, and income from investments. As of 31st December, 1952, the Corporation's surplus amounted to approximately $1,363 million.

The Corporation is authorised to borrow from the Treasury such funds as are from time to time required for insurance purposes, not exceeding in the aggregate $3,000 million outstanding at any time. The Corporation has never exercised this borrowing authority.

Of the 14,088 operating commercial banks and trust companies in the United States and possessions on 31st December, 1952, deposits in 13,439 banks were insured by the Corporation. Of these banks, 6,795, by virtue of membership in the Federal Reserve System, were automatically insured, and 6,644 were banks not members of the Federal Reserve System which had made applications and had been admitted to insurance. In addition, of the 529 mutual savings banks, 206 were insured by the Corporation.

If any bank goes into liquidation, the Corporation immediately assumes the insured de-

(Continued on page 1153)

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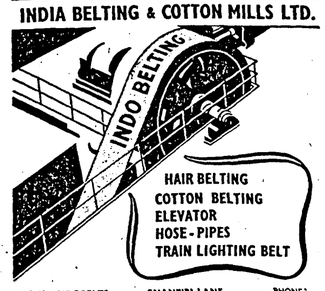

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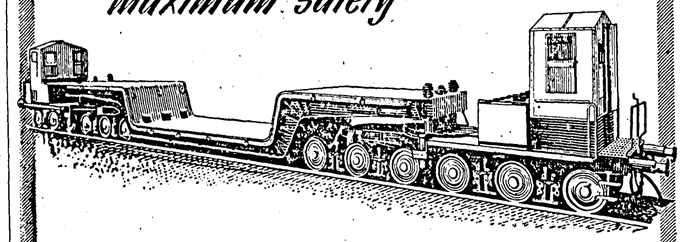

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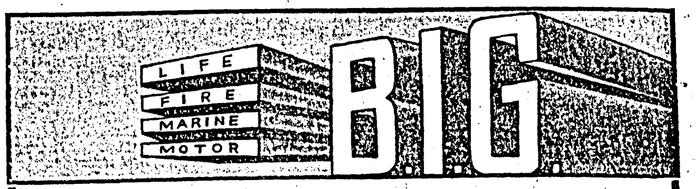

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EIGHTH ANNUAL MEETING OF BHARAT LINE LIMITED

MR. C. R. SRINIVASAN'S SPEECH

PLEA FOR URGENT OPERATION RELIEF TO INDIAN SHIPPING

AN earnest plea for treating the shipping interests' request to the Government of India for operation facilities, such as lightening the burden of duties in respect of stores and supplies, as a matter of urgency and importance, in view of the none-too-rosy prospects for the industry, was made by Mr. C. R. Srinivasan, Chairman of the Bharat Line Ltd., in the course of his address to the shareholders at their Eighth Annual General Meeting held in Bhavnagar on 7th June, 1954. In this connection, he referred to the investment allowance granted recently to the shipping industry in the U.K. and the action taken in Italy of declaring shipyards and fleets as free zones for the purpose of securing stores and supplies duty-free. Another urgent problem to which Mr. Srinivasan drew the attention of the Government of India for its prompt action was the increasing frequency with which "go-slow" tactics are being adopted by dock labour.

The following is the full text of Mr. Srinivasan's speech:

"GENTLEMEN,

"It gives me great pleasure to welcome you to the eighth ordinary general meeting of the Company, the Directors' report and the audited balance-sheet and profit and loss statement have been in your hands for some time now. I trust I have your permission to take them as read.

Company's Fleet

"As your Directors have informed you in their report, the Company suffered a grievous loss, not in terms of money, but in terms of service, after the close of the report year, when our s.s. *Bharatbala* grounded on a reef in the Gulf of Cambay on her way from Bombay to Bhavnagar and had to be abandoned. It was one of the earlier units of our fleet, and had been regularly employed in our coastal trade. Fortunately, there was no loss of life. Your Directors are taking steps to secure a suitable ship to replace the *Bharatbala*.

"As regards the ship which has been under construction for our Company at the Hindustan Shipyard at Visakhapatnam, and which has been named *Bharatratna* when I had the privilege of launching it last year, its delivery has unfortunately been delayed by some months due to delay in the arrival of machinery at the yard. The ship is now expected to be delivered about the middle of July, 1954.

"As mentioned in your Directors' report, the Company has now entered the Persian Gulf-India-Burma trade on fortnightly liner service basis, with the goodwill and co-operation of Government. We propose to set apart four ships for this service and these ships are to be acquired during the current year with the assistance of loans from the Government's ships purchase loans project. Your Directors are taking the necessary steps in this direction.

"Your Directors continue to keep in view their policy to replace old tonnage with fresh tonnage as and when opportunities offer. In my speech last year, I had mentioned that two of the Company's ships were due for replacement on account of age; one of them, namely, the old *Bharatratna*, has since been disposed of and the s.s. *Bharatveer* acquired in its place. The question of disposing of the other old ship on advantageous terms continues to engage the attention of your Directors.

Fleet Insurance

"You will notice from the Directors' report that insurance of our fleet for the current year has been placed entirely through Indian insurance companies. For a proper understanding of the step we have taken, a little explanation will not be out of place. Right up to 1952, our business was placed through London where the hull insurance market has developed over a long period of years and a large body of underwriters, possessed of ample resources, share the risk and stand the strain incidental to the business. We have maintained good relations with them and, thanks to our Managing Agents, we have had full advantage of cut rates warranted by our record. It is but natural that informed opinion in the country should seek to build up an Indian hull insurance market and that Indian-owned bottoms should give it priority in the placing of business; at the same time, few would deny that such a consummation, devoutly to be wished for, cannot be achieved overnight and a time-lag to enable Indian insurance interests progressively to take up these new responsibilities must be allowed, if results are to endure. It is this realistic appreciation of the issues involved that led your Directors to reserve 10 per cent. of the underwriting to Indian companies for the year under report; the other 90 per cent. was taken up by British interests in the same way as before. It may interest you to know that even of the 10 per cent. offered only 8 per cent. was taken up by Indian companies directly, the balance being covered by reinsurance. Still it was a good beginning, with goodwill assured among the displaced interests, and we had intended to carry our constructive efforts a substantial step further by reserving 25 per cent. for Indian companies in the current year. The Reserve Bank of India, however, stepped in and under exchange regulations prescribed that the business should be placed only with Indian interests. If it was intended to save exchange, the course suggested is wide of the mark because Indian insurance interests are not sufficiently established to digest the volume of business available and must cover the risk by reinsurance facilities open to them in London or elsewhere. In the result, there is really no saving in exchange, if the risk is covered indirectly by foreign interests; only instead of using the art of suasion, an element of compulsion is introduced in a sector which may react, possibly unfavourably, on the rate structure. Government presumably is waiting on events to intervene if necessary. However, so far as we are concerned, we are in entire sympathy with the underlying idea, while striking this note of caution, and we shall extend our fullest co-operation to build up the Indian hull insurance market. For the current year, we have placed our fleet insurance with Indian interests. We learn that they have reserved only 22 per cent. of the business for themselves, covering the balance by reinsurance in the London market through our regular brokers. This bears out in striking measure our original appreciation of the limits of development possible in the situation for the year.

Results of Working

"As your Directors have pointed out in their report, although the gross earnings from freight and charter hire of ships rose from Rs. 2,12,79,907-7-6 in 1952 to Rs. 2,22,27,900-15-4 in 1953, the gross profit fell from Rs. 49,59,304-8-11 in 1952 to Rs. 39,61,844-15-3 in 1953. While the increase in the earnings was due to the increase in our tonnage and its regular employment in our trades, the fall in profit may broadly be attributed to falling freight rates, and rising operating costs. Avoidable delays still persist at loading and discharging ports and the wage curve is still on the rise. The Managing Agents are taking all possible steps to ensure economy without sacrifice of efficiency, and your Directors have this matter under constant review. Freight rates in the ultimate analysis are determined by what the trade can bear. Likewise, operation costs must be determined by what the Company can bear. It would be wise to recognise that the sellers' market has faded out and in the conditions that are supervening, both shippers and shipping companies would do well to get together to rationalise the rate structure with due regard to public interest.

Planning for Progress

"I have referred earlier to our entry in a new field of activity, namely, the Persian Gulf-India-Burma trade. Here a regular fortnightly liner service is required, and our Company will proceed to establish this service with four ships to start with. There are powerful vested interests in this trade, established over many decades, and with large resources at their command. Naturally, these interests will not take kindly to new entrants and we must be prepared for a phase of uneconomic competition before good sense prevails and the spirit of accommodation triumphs. Your Directors are conscious of the risks they are facing, but they dare not shirk a responsibility, clearly indicated, if the Company is to develop in the service of the motherland by progressively widening its range and reach. If we have faith in our future, such sacrifices as may fall to our lot at the start should not deter us from reaching out to the success that awaits our courage and confidence. The fact that the Government of India stands behind us justifies our faith. That Indian shippers will likewise stand solid behind us when we seek to serve what is immediately to their interest and ultimately to our country's advantage surely, is not too much to hope for and that hope reinforces our faith. I look to your whole-hearted support in this promising venture.

"Our immediate problem of finance for acquiring additional tonnage has been met with cordial alacrity by the Government. You may remember, I referred, in my speech last year, to the need for relaxation of some of the terms imposed on Government loans for shipbuilding and ship purchase. I am glad to inform you that our appeal has registered and the new loan will be made available to us on more satisfactory terms in respect of interest and repayment; and I take this opportunity to convey to the Government our appreciation and grateful thanks.

Plea for Government Help

"The Government, while responding to our appeal for financial facilities on easier terms, has not shown the same awareness in respect of operation facilities. Shipping interests have repeatedly represented to the Government the need for lightening the burden of duties in respect of stores and supplies. Advantage was taken of the presence of the Union Minister for Production in February last at the annual meeting of the Indian National Steamship Owners' Association to pinpoint our case for relief, but to no purpose. His reply only indicated that he was not briefed properly on the issue raised, though there was ample material available in the secretariat fully to bear out our case. May I take this opportunity to request him to give thought to this matter and extend at least the same measure of help that other countries, industrially advanced countries, have not hesitated to offer. It may interest him to know that Great Britain has just introduced an investment allowance of 20 per cent. on new plant and machinery to the shipping industry in addition to normal depreciation allowance and Italy has blazed a new trail in operation relief, apart from shipbuilding subsidy, by declaring shipyards and fleets as free zones to secure stores and supplies duty-free. I am not so much concerned with the *form*, as with the *fact* of help to build up a new industry of national importance in times of war and peace. If only the will is there—surely the will is there with so much planning ahead at Government level—it is not difficult to give it dynamic expression. This is a matter of urgency and importance as the prospects before the shipping industry at the moment are by no means rosy and I would beg of the Government of India to give this matter their immediate attention.

"I have referred above to rising operatings costs and persistence of avoidable delays at loading and discharging ports. In this connection I would particularly draw attention to the 'go-slow' tactics being employed by labour nowadays with increasing frequency. I am aware that responsible authorities in the Labour Ministry of the Government of India have condemned this practice as undesirable and indefensible even from labour's point of view: but, beyond expressing their disapproval of it, the Government does not appear to have evolved any effective measures to uproot this growing evil which, if unchecked in time, threatens to disorganise normal trading operations at important ports, such as Bombay and Calcutta, and even to divert their trade elsewhere to the serious detriment of the country's economy.

"Patch-work measures evolved in haste to meet exigencies as they occurred have failed to produce lasting results. The time has clearly arrived when concerted efforts should be made jointly by the Ministries of the Government of India concerned with this problem to evolve a working formula relating emoluments to output of work, the formula being made applicable to all categories of labour at a port, with adequate enforcing powers vested in the authority entrusted with the operation of the formula.

"This highly disturbing feature of the working conditions at our ports calls for prompt and adequate action on the part of our National Government on the lines indicated above and I earnestly hope that this very serious matter will

(Continued on page 1163)



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FOSTERING MALAYA'S TIN AND RUBBER INDUSTRIES

TAX BURDEN MAY BE EASED

(*By BARRY MORTIMER*)

THE modern world runs on rubber wheels, and the engines that drive those wheels run, more often than not, on bearings containing tin. The two materials are in that sense complementary, although the largest single use of tin is in the manufacture of tinplate—the thin tin-coated steel that encases the world's canned foods and other goods. One-third of the free world's requirements of each of these strategic materials is supplied by Malaya.

The industrial world's dependence on Malayan tin and rubber is more than matched by Malaya's dependence on those two commodities for the prosperity of its entire economy. Rubber normally provides over half the Federation's total earnings from exports, and tin about one-sixth. The duties on those exports and the taxes on the profits of the rubber and tin companies are the major sources of Government revenue.

The wages paid by the companies, and the incomes of the small producers, are two of the chief means of maintaining local purchasing power and the standard of living. To carry this dependence on rubber and tin a stage farther, local purchasing power determines the volume of imports, which determines the revenue the Government obtains from the duties on imports. When tin and rubber prices are booming, Malaya booms too. The boom collapsed three years ago, but the costly war against communism still goes on.

Dropped Steadily

In 1953, the price of rubber dropped steadily from 27d. a pound to 16d. a pound and it has made only a slight and hesitant recovery since. A fall of one penny a pound reduces Government revenue from all sources by roughly £750,000, and reduces private incomes in Malaya by over £4 million.

The duties on rubber and tin exports in 1954 will probably finance only about one-tenth of Government expenditure, as compared with about one-fifth in 1952. The price of tin dropped by nearly £400 last year to £580, and has only recently recovered to about £750 a ton. The fall in both commodities was caused by the surplus of rubber and the potential surplus of tin that arose with the tapering off of the strategic purchases for the American stockpile.

The Governments of the Federation and of the United Kingdom are trying to counter the serious effect on the Malayan economy of the fall in prices—which increases the financial burden of the war against the Communists—in three main ways: by attempts to stabilise prices of tin and rubber; by lessening the country's dependence on those commodities; and by increasing Britain's financial assistance to Malaya.

Britain played a leading part in promoting the International Tin Agreement which, if signed by sufficient producing and consuming countries, will attempt to stabilise the price within an economic range and bring about an orderly adjustment of world production to consumption. The United Kingdom Government will lend Malaya the £5.8 million needed to finance Malaya's contribution to the agreement's buffer stock of tin.

Efforts to obtain a similar agreement on rubber, in which the technical difficulties are much greater, have so far failed but there are heartening signs that the natural rubber industry may be working out its own salvation. To both commodities, the attitude of the United States Administration has been increasingly helpful.

Though the United States has not signed the tin agreement, it has stated publicly that it recognises its importance to other countries of the free world, and hence has no objection to its coming into force. On rubber, the Administration has taken several steps to allow natural rubber to compete on more even terms with United States synthetic rubber.

Diversifying Malaya's economy will take many years to achieve any worthwhile results, but a start has been made. To encourage the expansion of export crops other than rubber, such as vegetable oils and oilseeds, and cocoa, the Government gives tax reliefs to estates and makes direct grants to smallholders who replant with those crops. Domestic production of tin also qualifies for these incentives. To reduce dependence on imports of rice, the staple food of the peoples of the region, domestic production is being expanded by direct Government expenditure of some £2 million over the next few years. And private capital has built two large factories, one to produce margarine, edible oil, glycerine, and soap, the other cement.

Long-term Development

At the Government's invitation, a mission of the World Bank for Reconstruction and Development has just been in Malaya to review its economic potentialities and to advise on long-term development. But little progress can be made in bringing outlying areas under cultivation and in prospecting for minerals until the country is cleared of terrorists.

The rubber and tin industries have, for many years, financed research and development through their own bureaux in Malaya, Britain, and elsewhere. In rubber, for instance, particular attention is being paid to the expansion of existing uses, such as liquid (latex) rubber for foam-rubber products, and the development of new uses, such as road-surfacing and the soling of shoes with cyclised rubber, which has the appearance of leather, but lasts longer. Methods of improving the packing and grading of rubber, so that it can compete more favourably with the precise quality control of synthetic, have also been introduced.

The greatest single means of building up the prosperity of the rubber industry, and thereby to a great extent of Malaya itself, lies in speeding up the replanting of the plantations. New trees, when they mature in about eight years' time, can produce three times as much rubber as the old. At the present price of rubber and rates of taxation, only the leading estates can afford to replant on anything like the scale needed. As producers have little control over the price, they argue, not without justification, that the Government must reduce the burden of taxation.

They hope that, following the official enquiry into the competitive position of the industry this year, the Government will ease this burden. The difficulties of so doing are admittedly great, but some relief is undoubtedly necessary, even if the United Kingdom Government would have to offset the loss of revenue by increasing its already large contribution towards the cost of Malayan defence.—*Exclusive to "Commerce."*

TAX REFORM IN WEST GERMANY

REDUCTIONS EFFECTED IN DIRECT TAXES

THE currency reform of 1948 put the monetary system of Western Germany on a sound and normal basis again. The next step necessary to give the German economy a start on the road to normalcy would have been the reduction in the rates of taxation to a reasonable level. In order to make leeway for some capital formation and to stimulate investment activities, a make-shift system of tax concession in respect of investments made has been applied from 1948 onwards. If the Federal Government has now decided to reduce tax rates quite generally, it has, apparently, based its decision on the assumption that a temporary loss in tax revenue will be compensated for, in the future, by the favourable effect of reduced taxes on business. Simultaneously, the preferential rates of taxation are to be abolished as far as possible, which will simplify the levying of taxes.

Contrary to well considered suggestions, the tax bills announced by the Federal Government, in March last, do not provide for fundamental changes of the present system of taxation, since, according to a recent utterance of the Minister for Financial Affairs, Mr. Schäffer, "this system, on the whole, has proved its worth and effectiveness." The large number of taxes levied now is not to be reduced, but even to be increased by one more tax.

The principal features of the new tax reform bills will be outlined in the following paragraphs. The core of the bills is the lowering of the rates of the income and corporation taxes.

Cuts Income and Corporation Taxes

The income tax is to be reduced by 15 to 20 per cent. for almost all income brackets. In the future, especially the families with numerous children will have to pay considerably less by way of taxes, while single persons without dependents are even to pay more in some cases. No income is, on the whole, to be taxed more than 55 per cent. In the future, the present top limit being close to 70 per cent. It must, however, be considered that nearly all incomes are subject to a number of additional direct taxes, such as the Berlin Emergency Levy, to assist the "Island of Berlin," the property tax, the church tax, and the Equalisation of Burdens Levy; in addition, independent business people have to pay an industrial tax (Gewerbesteuer). The sum total of these taxes paid by an individual on his income will, in the highest brackets, still run up to 80 per cent., as appears from data given by the Ministry of Financial Affairs.

The corporation tax, which takes a proportional part of all profits of corporations, irrespective of the relative amount of such profits, at present 60 per cent. of undistributed profits and 30 per cent. of distributed profits, is to be reduced to 45 per cent. of the undistributed profits, while the 30 per cent. rate on profits distributed will be continued. Competent business leaders and economists are, however, opposed to this method of taxation, introduced only last year, with its differential rates depending on the application of the profits. They would, instead, prefer a uniform rate of 33 per cent., or up to 40 per cent., at the most. With differential rates, the corporations, still in need of increasing their reserves, would be at a disadvantage in comparison with those which were able to accumulate reserves during the last few years and can now distribute high profits.

It is sure that the double taxation of dividends, which results from the corporation tax levied on the corporation and the tax on the shareholder's income, will be alleviated to some extent by the reduction of the rate of the corporation tax. This will enhance the readiness of people to invest in new issues of capital stock and thus make easier the increase of risk capital which many companies need so urgently.

Simultaneously with the reduction of the income and corporation taxes, nearly all tax privileges are to be abolished. By this measure, taxation will be simplified and made more uniform. It is true, though, that those companies, which in the past could profit most from these privileges, will have to pay more taxes in the future.

The importance of other tax relief measures is much inferior to that of the reduction of income and corporation tax rates. In the case of the inheritance tax, some reductions of rates and an increase of the tax-exempt amounts are provided. The exemption for children of the deceased are to be raise from DM20,000 to DM30,000.

As mentioned above, the losses of tax receipts will be covered by the quickening of economic activity and the continued increase of the national income. Nevertheless, the authors of the bills believe that it is necessary to open up some new sources of taxation, e.g., by raising the 1 per cent. rate of the wholesale turn-over tax to 1.5 per cent.

The bills also contain a clause according to which the Federal Government is empowered to collect a supplementary levy in addition to the income and corporation taxes, if such levy is deemed indispensible in order to avoid deficits in the federal budget. The Federal Parliament must legislate on this levy every year, it is to be 2.5 per cent. of the income and corporation taxes for the current year. This additional levy is not meant for the purpose of covering the anticipated loss of receipts; it is rather intended to make the fiscal policies of the Federal Government more independent of the states which, year after year, have been opposing the proportional share of the

(*Continued in previous column*)

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income and corporation taxes demanded by the Federal Government.

According to the calculations of the Federal Ministry of Financial Affairs, the sum total of tax relief accorded to the German taxpayer, in the fiscal year of 1955, is estimated to amount to DM2.3 billion. The Federal and State budgets are not expected seriously to be impaired by this reduction, if the national income grows by about 5 per cent. In spite of the reduction of rates, the federal and state tax revenue of approximately DM30 billion in 1953 will increase to DM32.3 billion in 1954, and to DM33.5 billion in 1955. Even in 1955, the aggregate taxes to be paid to the federal and state treasuries and to the communities will still amount to one-third of the national income.

In addition to the bills on tax-reform, the Government has also submitted a bill on the equalisation of finances. The equalisation bill is intended to establish a final delimination of federal and state taxation. By tradition, the receipts from customs and internal revenue (taxes on consumption and turnover) have gone to the Federal Government, while the direct taxes were received by the States. The financial requirements of the Federal Government have gradually grown to such an extent that they can be met only by allotting to the Federal Government also a share of the income and corporation tax revenue. This share had to be determined by Federal legislation from year to year, which each time resulted in endless bickering between the Federal Government and the states. At present, the share of these taxes given to the Federal Government is 38 per cent. According to the new bill, it would be permanently fixed at 40 per cent. The Bundesrat, which is the second chamber consisting of the representatives of the governments of the individual states, is not willing to concede to the Federal Government a share of more than 35 per cent., at the most. The Bundesrat is also opposed to the readjustment of the so-called horizontal equalisation of finances as proposed in the bill. This horizontal equalisation provides that the financially strong industrial states, such as North Rhine-Westphalia and Baden-Wuerttemberg, give a *pro rata* share of their revenue to the poor states which are predominantly agricultural, e.g., to Schleswig-Holstein and Bavaria.

These issues, and some others, have to be finally settled by the Federal Parliament. However, it is unlikely that the bills will be subjected to fundamental changes.—*By the courtesy of Rhein-Main Bank.*

THE ATUL PRODUCTS LIMITED

MR. KASTURBHAI LALBHAI OUTLINES SCHEMES FOR EXPANSION

AT present, India offers a large market for dyes. This is likely to grow further, with the expansion of industries which consume considerable quantities of dyes. In view of these vast possibilities, the Atul Products Ltd. proposes to expand the range of products in this line. Announcing this at the annual general meeting of the Company held on the 5th inst., Mr. Kasturbhai Lalbhai, Chairman of the Company, revealed that the Company had entered into an agreement with Imperial Chemical Industries Ltd. for the manufacture of Jade Green and its intermediates, thus paving the way for covering ultimately the whole field of dyes consumed in this country. In this connection, Mr. Kasturbhai welcomed the restrictions imposed recently on imports of dyes. At the same time, he called on the dyestuff manufacturers in this country to see that they did not fail to come up to the standards expected of them and to fulfil the obligations devolved on them as one of the links in the chain of the chemical development in India.

The following is the full text of Mr. Kasturbhai's speech:

"GENTLEMEN,

"The report and the statement of accounts for the year 1953 submitted by the Directors have been in your hands for some time. So, if you will please agree, we may take them as read.

"The report has already drawn your attention to the difficulties which the Company had to face in the year 1953. Out of these, the present unrealistic structure of the import duties is the most important, because, normally one would expect that the duties on raw materials would be lower than the duties on the finished products except when the raw material producing industry is to be protected. For various reasons the contrary is the case with our tariff structure, and not only we but the entire chemical industry suffers from it. The attention of the Government has been drawn to this problem by the Indian Chemical Manufacturers' Association as well as individual parties. I am, therefore, confident that very soon there will be an improvement in this situation. In fact, the Tariff Commission has already made its enquiry into the problem, so far as it relates to the dyestuff industry, and I trust its recommendations will ensure a steady and remunerative development of the industry. It will shortly take up a similar enquiry into the raw materials used by the pharmaceutical industry also. I am sure that as a result of these enquiries, the present tariff structure will be modified in a realistic manner, so that, in future, no new industry will be called upon to work with the initial handicap that some of the present units of the chemical industry have had to face.

Restrictions on Import of Dyes

"As you are aware, the Government of India has recently imposed some restrictions on the import of dyes that are being manufactured in the country. This is a step in the right direction and I take this opportunity to thank the Government of India on behalf of all those who are trying to establish a dyestuff industry in India. The fact is that in almost all countries the dyestuff industry has had to rely on considerable assistance from the State, either by way of extremely heavy protective duties or total prohibition of imports and development loans. Many of our foreign competitors have themselves developed in this way. This is due to the reason that the products manufactured by the dyestuff industry are numerous and interrelated, the investments required large and the technique highly complicated. So, a breathing period is necessary before the industry can come into its own. I am happy to find that the Government of India is fully aware of the difficulties which face the establishment of a full-fledged dye industry in the country, and I have no doubt that they will take appropriate steps in suitable cases to assist it. However, I would also say that it would be up to us to see that, in spite of the encouragement that we received from the Government, we do not fail to come up to the standards which may be legitimately expected of us, and also fulfil any obligations that may devolve on us as one of the links in the chain of the chemical development of the country. In this connection, I would particularly mention our responsibility towards the consumers and take this opportunity to assure them that the Company has not, and would not, take any undue advantage of measures taken by the Government to assist us.

Large Market for Dyes

"We have a large market for dyes—India being one of the biggest importers at present. I also think that this market is likely to grow bigger still, because, as our standard of living goes up, the textile, leather, paper and other industries which make use of dyes are also bound to grow up. Therefore, apart from the force of competition, which any new entrant has to face, I believe we have a fairly favourable field for our production. So far as our Company is concerned, we have entered only one part of this market, that of direct and acid dyes. The majority of the products for colouring cotton, wool, silk, jute, leather and paper belong to this class, and our production also forms a substantial part of the present requirements of the country. But, as mentioned in the Directors' report submitted to you, your Directors have decided to expand this range by going into the manufacture of naphthols, rapid fasts, Rapidogens and developing salts which form again an important group of dyes. Your Directors are also considering as to what we should do about the manufacture of vat dyes—the most important class of dyes. If your Company is to have a legitimate share of this market, it should have increased resources and I am sure the shareholders will agree with me that your Directors should avail themselves of every opportunity for the expansion of the business of the Company.

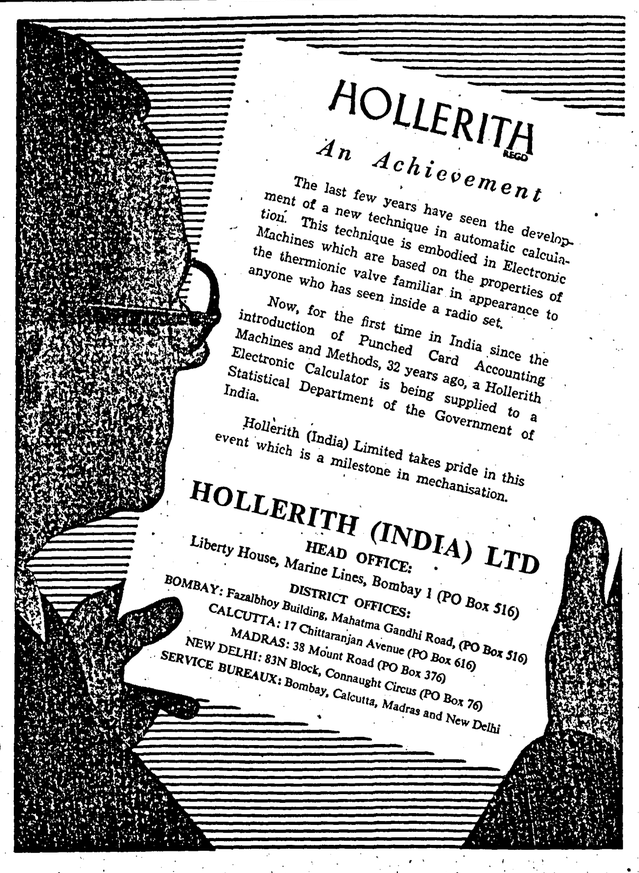
"The manufacture of dyes requires the use of a large number of raw materials, most of which are not made in this country. Your Directors have also under consideration schemes for the manufacture of the more important of these raw materials. Inasmuch as some of our plants will be smaller than what are considered usual in other countries, our costs of manufacture may be higher than the prices at which they could be imported. However, as I mentioned earlier, we have to satisfy other standards and other obligations also. However, your Directors are convinced that, for a proper economic development of the country, we should undertake their manufacture, even though they may appear costly at present.

"You will be glad to know that what we have done so far is well approved. Many foreign visitors to our plant have praised the way in which we have entered into this difficult field of manufacture by careful planning and installations of the best of equipment. I feel a large part of the credit for this goes to the American Cyanamid Company who are our associates in this venture. In this connection, I may say that we should not be shy of securing foreign experience or technique wherever we can get it. We have profited considerably by the guidance that we have received, and I see a greater need of similar guidance in the plans that we have in hand. This does not mean that we should never hope to manage things ourselves. But that will require a period of training for our chemists and technicians. Your Directors are aware of their responsibility in this direction and are doing everything to see that we have a properly trained staff.

Agreement with I.C.I.

"In the annual report which was circulated to you, your Directors have referred to the various schemes of expansion which the Company has in hand. In that connection, your Directors beg to inform you that they have recently concluded an agreement with Imperial Chemical Industries Ltd., for the manufacture of Jade Green and its intermediates. The essential part of the scheme is that your Company

(*Continued in next page*).



NEW PUBLICATIONS

The Law of Income-Tax in India (Seventh Edition). By V. S. Sundaram. Published by Madras Law Journal, Madras. Price: Rs. 37-8.

THE periodical editions of Mr. Sundaram's book on Income-tax is an eagerly awaited volume amongst the many publications on Income-tax law to which a busy lawyer and an Income-tax Practitioner would always like to turn and consult on a ticklish point, an obscure interpretation or a difficult problem with which Income-tax law abounds.

Amongst the well known books on Income-tax, *The Law of Income-tax in India* by Mr. Sundaram enjoys a unique position. In fact, the first authoritative book on Income-tax was written by Mr. Sundaram when he was the Secretary of the Central Board of Revenue. The book bears the impress of the author's vast learning and deep insight of law. By reason of the extended notes on the frequent amendments in law, this book has become so bulky as to become unwieldy, but between its covers are found notes and comments on sections not found elsewhere which are both illuminating and instructive.

The peculiar feature of this book is the author's copious quotation from various cases in the body of the book which help the readers a great deal in proper understanding of the subject and the principles involved.

The Income-tax Law is always in a state of flux. Even before an edition gets under way, it becomes obsolete by new amendments and new features being introduced in Income-tax Law. Though it is very difficult to keep pace with the ever-growing amendments and new enactments, the author has done his best to throw light on the new aspects of Income-tax Law.

We have no doubt that the book would be a useful edition to the reference library of any lawyer, Income-tax Practitioner, secretaries and accountants of companies.—*R. K. D.*

Handbook on Estate Duty. By P. S. Bagadthey. Published by the Author, Alkapuri, Baroda. Price: Rs. 15.

Mr. Bagadthey's book, *Handbook on Estate Duty*, is a valuable addition to the growing literature on Estate Duty. The book is the result of the study which the author had to make when he was called upon to deliver a series of lectures on this subject. The author shows legal erudition as well as awareness of the requirements of a lay reader. The general scheme of the book is to give the text of the Act, which is followed by a detailed examination of the different parts of the Act. The rules framed under the Act are given as an appendix. Two distinguishing features of the book are the detailed treatment of each section, giving the analogous provisions in the British Estate Duty Act, on which the Indian Act is modelled, and the large number of illustrations given in order to show how the duty is calculated. We commend this book to the attention of all those who are interested in a study of the subject.

India, 1954. Published by the Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi. Price: Rs. 7-8.

The sub-title "A Reference Annual" given to the book *India* 1954, sums up, adequately enough, the contents of its volume. The book deals with India's population, land statistics, Constitution and the judicial and public service systems. Separate chapters are also devoted, among other subjects, to defence, public finance (budgets), Five-year Plan, agriculture, commerce, industry and transport. Each State gets a chapter where the progress made by it in diverse fields, such as education and industry, is succinctly described. The book also gives the names of the members of Parliament and State Legislatures. A notable feature of the book is that it gives a chronicle of important events of the year 1953 and also the laws passed by Parliament during the year. The book will prove invaluable as a work of reference.

A Handbook of Cost Accounts. By R. S. Saksena. Published by Motilal Banarsidass, Bankipore, Patna 4. Price: Rs. 2-8.

Modern industry is not only complicated but competitive. If a manufacturer has to compete successfully with his confreres, he should know the cost relating to each process and unit of production. Only then will he be able to quote a competitive price for his articles. The aim of the publication under review is not to provide a comprehensive study of the cost accounting system, but as the title itself indicates, to provide a concise account of the subject for the students. The author, who is Professor of Commerce, St. Xavier's College, Ranchi, has felt the need for catering to the needs of students preparing for different examinations in commerce. The subject matter has been explained in brief and selected examples have been given to illustrate fundamental principles.

ATUL PRODUCTS LIMITED

(*Concluded from page* 1141)

and I.C.I. Ltd. will float a new company, as equal partners, and will set up plants on the site already developed by your Company. This will, naturally, lead to a better and greater utilisation of the site; but, apart from that, this will also help your Company to enter into a new range of dyes, and thus cover practically the whole field of dyes consumed in the country.

"Your Directors have referred elsewhere to the large investments necessary in the dyes industry, as also to the need of technical assistance and experience. Your Directors examined the above in relation to these and other factors and came to the conclusion that these arrangements will prove beneficial to the Company.

"I gave you some ideas of the problems that we have to face, because the industry that we have taken in hand is new, and we should develop a proper perspective in looking at it. With our market, with the zeal and intelligence of our young scientists and with the goodwill of our Government, there is no reason why we should not succeed in building it up just as other countries have done."

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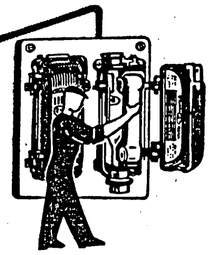

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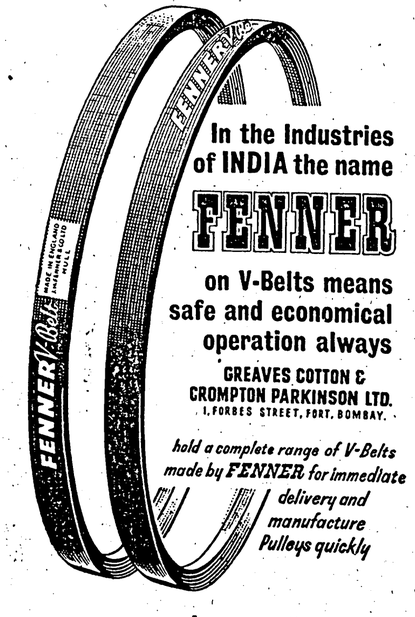

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INDIA'S BALANCE OF PAYMENTS IN 1953

POSITION WITH DOLLAR AREA SHOWS SURPLUS

AN overall surplus in the current account earned at a reduced level of trade, a significant improvement in the dollar position and a further deterioration in the terms of trade are the most outstanding features of India's balance of payments position in 1953, according to an analysis of preliminary figures made by the Department of Research of the Reserve Bank of India and published in the issue of the *Reserve Bank of India Bulletin*. The surplus on current account, amounting to Rs. 56.9 crores, is a marked rise over that of 1952 at Rs. 1.7 crores. This improvement was due to the shrinkage in the value of imports being far in excess of that in exports. Thus, whereas imports declined by no less than Rs. 176.2 crores, that is, from Rs. 742.6 crores in 1952 to Rs. 566.4 crores in 1953, exports fell by only Rs. 108.3 crores, from Rs. 649.1 crores to Rs. 530.8 crores. The net result was a narrowing down of the deficit on trade account from Rs. 93.5 crores to Rs. 35.5 crores. This deficit was converted into a surplus of Rs. 56.9 crores by net receipts amounting to Rs. 92.4 crores under the account of invisibles. The terms of trade continued to deteriorate, but the extent of fall was only 3 per cent. as against 24 per cent. in 1952. Some idea of the deterioration in terms of trade can be had from the fact that there was a steep fall of over 16 per cent. in export prices in general, the volume exported, in fact, showing a slight rise of about 2 per cent. In contrast, the prices of imports fell by only 13 per cent., while the quantum of such dropped by as much as 27 per cent. Incidentally, it may be mentioned here that the magnitude of fall in India's trade was as much as 21 per cent. as against only 2 per cent. in the world trade as a whole.

The table below reveals at a glance India's overall balance of payments of position in 1953, as compared with that in the preceding year.

India's Overall Balance of Payments Position in 1952

	1953*	1952
Imports—		
(a) Private	425.9	506.2
(b) Government	140.4	236.5
Total imports	566.4	742.6
Exports—		
(c) Private	525.8	640.1
(d) Government	5.0	9.0
Total exports	530.8	649.1
Trade Balance—		
(e) Private	+ 99.9	+133.9
(f) Government	—135.4	—227.5
Trade Balance (e) and (f)	— 35.5	— 93.5
Invisibles—		
(g) Private	+ 50.9	+ 62.5
(h) Government	+ 41.5	+ 32.7
Invisibles (net) (g) and (h)	+ 92.4	+ 95.2
Current account (net)	+ 56.9	+ 1.7
Errors and omissions (net)	+ 2.3	— 42.1
Capital account	+ 59.2	— 40.4
Index of net terms of trade (1948-49=100)	91	94

* Preliminary figures.

It will be seen from the table above that there was a reduction in the value of imports on both private and Government accounts. Thus, private imports (*a*) declined over the year by Rs. 80.3 crores to Rs. 425.9 crores. The reasons for this fall are worth noting. Nearly half of it was accounted for by raw cotton, the balance being shared by a variety of commodities such as chemicals, drugs and medicines, machinery and vehicles. The point to be noted, in this connection, is that the fall occurred, despite the operation of a liberalised import policy relating to caustic soda, lithophone, machinery, industrial raw materials like art silk yarn and cotton yarn above 80 counts, spices, fruits, etc., free licensing for cotton of 1.1/16" staple and above from soft currency countries and the extension of the validity of import licences issued for U.S. cotton till the end of the year. The emergence of a favourable domestic supply situation in cotton kept down the demand for imports. Purchases of raw jute from Pakistan also shrank considerably, because production of jute goods was at a low level. The drop in imports of chemicals, etc., reflects either the fall in the activity of consuming industries or the use of accumulated stocks.

The decline in Government offtake during the year was even larger than that on private account. Thus, payment for imports on Government account dropped by Rs. 96.1 crores to Rs. 140.4 crores (*vide* (*b*) in the table above). This exceeded the drop in private imports by Rs. 15.8 crores. The reduced offtake was occasioned by substantial improvement in the domestic production of foodgrains. In 1952-53, the output of foodgrains increased by nearly 5 million tons over the previous year's level. The fall in Government's purchases was, to a certain extent, offset by imports of sugar to bring down the rise in sugar prices. Purchases of certain types of stores also showed some increase.

Exports

The value of exports of Indian merchandise dropped by as much as Rs. 118.3 crores to Rs. 530.8 crores during the year. The decline was due to fall in export prices, in conformity with the general drop in prices all the world over. Thus earnings from jute manufactures fell sharply by Rs. 69.9 crores to Rs. 107.8 crores. Receipts from cotton textile exports were also lower by Rs. 7 crores to Rs. 75.7 crores. Tea, however, was a notable exception, in that its earnings rose by Rs. 15.2 crores to a record level of Rs. 96.6 crores.

In order to counteract the declining trend in exports, the Government pursued further its policy of active export promotion initiated in 1952. Thus quota restrictions were liberalised; licensing procedures were simplified; and export duties were adjusted to external demand. Export duties on hessian, linseed and linseed oil were reduced, while the duties on some cotton goods and on jute specialities were totally abolished. Rebate was granted in respect of duties on imported raw materials used in Indian manufactures exported abroad. An export promotion organisation was also set up.

The net result of the trade in 1953 was a deficit of Rs. 35.5 crores, as against a deficit of Rs. 93.5 crores in 1952. The improvement in the overall payments position was due, in the main, to reduced imports on Government account which amounted to only Rs. 135.4 crores, as compared with Rs. 277.5 crores in 1952. The trade balance on private account, on the contrary, revealed a surplus of Rs. 99 crores.

Invisibles

On the invisibles account, receipts at Rs. 92.4 crores, were slightly lower than those in the previous year at Rs. 95.2 crores. The items under these receipts showed some notable changes. Receipts on account of official donations (chiefly under Indo-American Technical Co-operation Agreement), for instance, rose by Rs. 5.9 crores to Rs. 17.8 crores. This was, however, more than offset by the fall in net receipts from other transactions like private donations, miscellaneous services, and in unclassified receipts owing to tightening on restrictions on remittances in countries such as Burma and Ceylon.

An analysis of the invisibles account is given below:

(In crores of rupees)

	Receipts	Payments	Net
Foreign travel	0.9	10.4	—9.5
Transportation (1)	30.7	13.5	+17.2
Insurance (1)	5.7	3.9	+ 1.8
Investment income	18.3	30.0	—11.7
Government account	28.2	16.5	+11.7
Miscellaneous	25.6	8.9	+16.6
Donations—			
Official	17.8	..	+17.8
Private	19.2	5.0	+14.2
Unclassified	41.3	7.0	+34.3
Net	187.7	95.2	+92.4

(1) The data given for the two items in this table give only a partial idea of the transactions on the two accounts. The two items are more or less complete on the receipts side, but in regard to payments only a portion of the expenditure is entered here. Payments for imports shown under item I are mostly on c.i.f. basis and, therefore, incorporate all but a small portion of the expenditure incurred by the country on "transportation" and "insurance."

The items "miscellaneous" and "unclassified" together account for a substantial part of the invisible receipts. Considering that it is the net invisible receipts that accounted for the surplus on current payments account, more details of these two items are necessary to enable one to get a better appreciation of the factors that contributed to the favourable balance of payments.

Terms of Trade

Over the year, as a whole, there was a further deterioration, in terms of trade, as the index of net terms of trade moved down from 94 in 1952 to 91 in the year under review. Much of this decline had occurred in the first quarter of the year; the last quarter, in fact, witnessed an improvement in the net terms of trade.

The table below shows this country's payments position regionwise in 1953, as compared with that in the previous year.

Balance of Payments Regionwise

Surplus (+) or deficit (—)

	1953	1952
Sterling area excluding Pakistan	+42.1	+84.5
Pakistan	—02.2	+39.3
Dollar area	+30.5	—111.2
O.E.E.C. countries	—55.7	—21.0
Rest of sterling area	+42.3	+10.0
Total surplus or deficit	+56.9	+ 1.7

As will be seen from the table above, the surplus with the sterling area (excluding Pakistan) drops by almost 50 per cent., that is, from Rs. 84.5 crores to Rs. 42.1 crores. The fall is attributed to an adverse swing in the trade balance and a fall in the net receipts on invisible account. An analysis of different items reveals that imports rose by Rs. 25.5 crores to Rs. 295.7 crores, while exports declined by Rs. 12.1 crores. The payments position with Pakistan reveals that the surplus of Rs. 39.3 crores witnessed in 1952 was converted into a deficit of Rs. 2.2 crores in the year under review. Exports dropped by Rs. 50.1 crores to Rs. 7.4 crores. This was because Pakistan deliberately preferred to trade with countries other than India.

As stated at the outset, India's payments position showed a marked improvement with the dollar area. Imports declined from Rs. 279.6 crores in 1952 to Rs. 108.2 crores in 1953. There was a decline in exports too, from Rs. 154.7 crores to Rs. 119.8 crores. The net result was that the deficit of Rs. 124.9 crores noticed in 1952 yielded place to a surplus of Rs. 11.6 crores. On the invisible side, official donations showed on advance from Rs. 7.6 crores to Rs. 17.6 crores, but others declined from Rs. 6.1 crores to Rs. 1.5 crores. Consequently, the net position on the current account showed a surplus of Rs. 30.5 crores, as compared with a net deficit of Rs. 111.2 crores in 1952. The improvement was due, in the main, to reduced purchases of raw materials (such as cotton), food and stores. The fall in exports was mostly due to lower U.S. offtake of jute goods from India.

O.E.E.C. Countries

India's position with the O.E.E.C. countries was, however, one of deficit. On current account, the deficit which amounted to Rs. 21 crores in 1952, widened further to Rs. 55.7 crores. Imports rose from Rs. 86.7 crores to Rs. 97.8 crores but exports dropped from Rs. 65.6 crores to Rs. 44.5 crores, occasioned by a decline in despatches of jute manufactures and vegetable oil.

There was a fourfold rise in the surplus with the rest of the sterling area. Payments due for imports declined from Rs. 78.8 crores to Rs. 50.6 crores. This was due chiefly to cessation of imports of food from China and Thailand. The value of exports was slightly lower at Rs. 84.9 crores, as against Rs. 85.4 crores in the previous year.

The main feature that emerges from the above study of the balance of payments position is that, notwithstanding the large savings made in imports of food and raw cotton, India's total imports continued to exceed its total exports and that, if this is not adversely reflected in the foreign exchange reserves, it is due to certain large miscellaneous receipts. As these are not likely to continue for ever, it is essential for India to redouble its efforts at increasing its exports, if it is to remain solvent and pay for the large imports that will be necessary in order to fulfil its development programmes.

SUBSIDIES TO EXPORTERS NOT TO BE GIVEN

Neither the British Government nor the Federal German Government is to provide "open or concealed subsidies" to exporters. International trade should follow natural lines and develop freely. This policy was made clear during the mission to West Germany recently of the U.K. Chancellor of the Exchequer, Mr. R. A. Butler, according to a joint statement issued on 4th inst. It says that Mr. Butler told the Germans that it was not the intention of the British to restore a system of Government control which would be contrary to the avowed policy of restoring the freedom of markets, both internally and internationally.

BRITISH CHEMICALS INDUSTRY

EXTENSIVE RANGE AND HIGH OUTPUT

(By E. A. RUNNING)

IN this modern age, a highly developed chemical industry is of great national importance, for there is no activity which is not to some degree dependent on the use of chemicals. Chemicals are as vital to a country's welfare as either steel or coal, and chemical production must constantly expand to keep pace with the growing requirements of other industries.

It is estimated, for instance, that Britain's chemical industry produces 10,000 products for the use of other industries. Britain's rapid recovery from World War II and her present economic strength is shown nowhere as clearly as in the record of her chemical industry.

In 1935, the value of all chemicals, dyestuffs and drugs produced by United Kingdom firms was £65,642,000. By 1946, the figure had risen to £212,217,000. The value of the industry's output in 1952 has been estimated at £520,000,000 or 60 per cent. above the 1948 figure. Last year, production went up a further 14.1 per cent. The 1953 output of one Company (Imperial Chemical Industries Ltd.) was in fact approximately 80 per cent. more than in 1946.

Exports of chemicals, drugs and dyestuffs, valued at £22,280,000 in the last pre-war year shared a total of £66,086,000 in 1946. In 1951—a year of exceptional activity—exports of chemicals, drugs, dyes and colours, raw casein and plastic materials earned £159,020,000. Last year, the figure fell to £146,105,474, but, in recent months, there has been a steady improvement.

New Synthetic Compounds

The expansion in these exports has been due largely to increasing trade in the new synthetic organic compounds—dyes, drugs, essences and plastics. Exports of penicillin which have more than doubled since 1951 earned £4,455,000 last year. In 1953, other antibiotics brought in £3,253,000, sulphonamides £2,546,000 and synthetic detergents £2,597,000. In 1953, exports of plastic materials were 43 times as great as they were in 1938.

The capital employed in Britain's chemical industry rose from £230,600,000 in 1948 to £406,800,000 in 1952. Furthermore, while the total cost of all expansion plans in view at the end of 1948 was just over £190,000,000, the comparable figure at the end of 1952 was about £230,000,000. Several costly expansion schemes have since been announced. Imperial Chemical Industries Ltd. spent some £30 million on new captal construction in 1953, as compared with less than £2 million in 1945. Since that year, it has spent £146,500,000 on new plant and equipment, while the completion of projects already under construction will take another £60 million. In 1949, its works at Billingham in Yorkshire was the second largest in the world and, since then, it has grown considerably. At Wilton—nine miles away and connected by underground pipelines as well as by rail and road transport—the firm has been developing another site. Within a year or two, Wilton will be even larger than Billingham and will have cost £53,000,000.

Oil Refining

Since the war, no less than £190,000,000 has been spent on raising Britain's oil refinery capacity from 2,500,000 tons of crude oil per year (in 1947) to 19,002,695 tons (in 1953). Keeping pace with this, there has been a rapid growth of the petroleum chemical industry. Many products derived from petroleum and previously imported have been replaced by home manufacture from imported oil. Several chemicals, such as acetone, acetic anhydride and isopropylalcohol, imported in substantial quantity as recently as 1950, are now being exported. The industry is adding several hundred products to its selling range each year and many of these are coming from the new petroleum chemical plants.

Among the petroleum-based chemicals for which a great demand is expected are synthetic rubbers and "Terylene," a synthetic fibre. In March, three companies announced that they would build plants which, within two years, would be producing a total of 18,000 tons per year of styrene-butadiene rubber-like resins. Some of these will be similar in composition and properties to those now being produced in the United States of America, but others will be entirely new. Imperial Chemical Industries is already selling 1,000,000 pounds per year of "Terylene"—a United Kingdom development which is considered to be the best of all synthetic fibres. By the end of 1954, capacity will have been increased to 11,000,000 pounds per year. It is planned to raise this figure to 44,000,000 pounds.

Research

Much of the strength of Britain's chemical industry is due to the great emphasis which has always been placed upon research. Besides the new products and new uses which are continually being discovered, new processes are constantly being introduced to increase and improve production. In 1952, the industry spent £11,200,000 on research and development—an increase of nearly 32 per cent. over 1948. Capital expenditure of £6,200,000 is in hand to increase laboratory and experimental facilities and it is expected that, when this work is completed, annual expenditure will rise to a total of £12,700,000.

Britain's fame in the field of chemistry was founded by such illustrious men as Joseph Priestley, John Dalton, Humphry Davy, Michael Faraday, Edward Frankland and William Hyde Wollaston. In more recent years, such workers as Ludwig Mond, William Perkin, William Ramsay and Alexander Fleming have helped maintain her position. And, although the development of new chemical industries overseas may some day cause a decline in United Kingdom exports of some of the basic heavy chemicals, the industry is confident that it will be able to maintain its position with its high-quality fine chemicals, pharmaceuticals, dyestuffs, plastics and synthetic fibres.

INDIA ADOPTS G.A.T.T. DECISIONS

There is a section of public opinion in the country which doubts the advisability of India's participation in the General Agreement on Tariffs and Trade, on the ground that the G.A.T.T. has not yielded any spectacular results. It is true that no such results have been achieved by India's participation, but there have been certainly certain advantages which, though small in themselves, have gone to help promote world trade. We have had ere now several occasions to refer to them and the latest relates to the acceptance by member-countries of the standard practices for (*a*) documentary requirements for the importation of goods, and (*b*) consular formalities. These two standards were adopted by the contracting parties to the G.A.T.T., at their seventh session held at Geneva in October-November, 1952. The documents have been published in the *Gazette of India Extraordinary*, dated 4th June, 1954. They were adopted after considering the resolutions, passed by the International Chamber of Commerce in 1951, which drew attention to the difficulties on account of the expense and clerical work imposed on traders and emphasised the need for abolishing consular formalities.

The principles embodied in the first document have been recognised in the General Agreement on Tariffs and Trade. In India, the Customs authorities in case of doubt may, in support of the declaration of value quantity or description of goods to be cleared, require the production of any invoice, broker's note, policy of insurance or other document. In a few cases where imports are assessable at a preferential rate of duty, certain other documents, such as certificates of origin, etc., are also required to be presented at the time of importation. The practice followed in India is in accord with the recommendations in this document.

Regarding the second document, it is to be noted that, although a system requiring foreign suppliers to support their offers of goods with consular invoices, visas, etc., issued by the consular representatives of importing countries is followed by some Governments, such a system is not in vogue in India. The recommendations embodied in this document do not, therefore, affect India but their acceptance by other Governments will be of benefit to Indian exporters.

The adoption of the principles and procedure underlying these documents by various countries will, therefore, make a substantial countribution towards removal of barriers to export and import trade and also assist expansion of world trade and employment.

(*Concluded from next column*)

to have its own agencies abroad. But, to a certain extent, the State can come to its help but such help can only follow the organisation of the various sectors of the industry, namely, cultivation of lac, processing the commodity and marketing the finished products on a scientific basis. The reorganisation of the industry is worth it, for, even as an unorganised industry, it is earning about Rs. 8 crores of foreign exchange every year; indeed, in 1951-52 the exports rose to Rs. 14.5 crores owing to high prices. The average exports could certainly be doubled, provided the methods of production are modernised and the quality of the product is ensured.

REHABILITATION OF LAC INDUSTRY

QUALITY AND PRICES MUST BE STABILISED

THANKS to the lack of publicity to the proceedings of the Shellac Conference held at Ranchi on the 1st inst., one is not in a position to know what decisions were taken to improve the economic condition of the Indian lac industry. This industry was one of those worst hit in 1952, and the crisis it faced then led to the appointment of a committee which made a number of recommendations. Although prices of shellac have recovered since then, its general position appears to have undergone no notable change at all. It is true that, in recent weeks, there has been a sharp rise in shellac prices—T.N. quality is currently quoted at Rs. 128 per maund, as against Rs. 98 at the end of February last and a low of Rs. 63 in March, 1953—but this is due to heavy speculative buying induced by expectations of a short-fall of about 40 per cent. in the *baisaki* crop, caused by adverse weather conditions. It is purely a temporary development which will surely disappear once the production improves again. The basic defects in the industry are still there to be removed. This is reflected fully in the speeches, delivered at the Conference, of both Dr. Punjabrao Deshmukh, Union Minister of Agriculture, and Dr. Sri Krishna Sinha, Chief Minister of Bihar. Both of them stressed the fact that, as the country was dependent upon foreign markets for the disposal of as much as 90 per cent. of the total output of shellac, attempts should be made to reduce their dependence by stimulating domestic consumption.

Dr. Sinha was particularly concerned over the position of the industry in his own State. Bihar, it may be mentioned, accounts for about 59 per cent. of the total production of lac in this country. The fortunes of a large section of its population engaged with lac cultivation, manufacture and trade are bound up with this industry. According to Dr. Sinha, the industry is facing even today a slump as a result of which thousands of labourers have been thrown out of employment.

The main troubles with this industry are two. One is wide fluctuations in prices of shellac and the other lack of proper quality control. Both these factors were referred to by the Chief Minister. He said that the wide fluctuations in prices affected not only the growers, but even the manufacturers; in other words, it affected the industry adversely at every stage. He wanted the Conference to suggest practical measures to prevent wide fluctuations in lac prices. Likewise, he criticised the tendency among a section of the trade which indulged in adulteration of lac at most stages with a view to securing higher profits. He did well in giving a warning that "the manufacturers and traders engaged in this industry should realise their responsibility in this matter to check their profiteering propensity and to take extra care and precaution to win the confidence of their buyers by maintaining the high quality of their products." With a view to reducing the country's dependence on foreign markets, he suggested that the Planning Commission should include, in its Second Five-year Plan, proposals for the establishment of industries utilising lac as one of their raw materials.

Dr. Deshmukh also emphasised the necessity of increasing the consumption of shellac both at home and abroad, by means of extensive propaganda. As regards expanding internal consumption, he thought that big consuming industries such as railways and shipyards could encourage the lac industry by using (*a*) shellac-based paints and (*b*) shellac-based oil-cloth and emery cloth. Another use which could be adopted at the village level was the coating of earthenware pots. He opined that the low standard of living in the country was a great limiting factor to the use of shellac. Consequently, for a large number of years, this commodity had to remain, he said, essentially an exportable commodity in the interest of India's balance of trade. In view of this necessity, we do not see why an attempt should not be made in foreign markets to expand sales of shellac. The instance of jute and tea industries which have their own publicity organisations abroad provide us an indication as to how exports of lac too could be promoted. Unfortunately, the lac industry is not so organised as the other two and, therefore, may not be able

(*Continued in previous column*)

SOCIAL UNREST OBSTACLE TO PEACE

I.L.O. CHIEF SURVEYS SOME MAIN LABOUR PROBLEMS

THE thirty-seventh annual conference of the International Labour Organisation began its 22-day session on the 2nd inst. The main subject of discussion at the conference is the annual report of Mr. David A. Morse, Director-General of I.L.O. The text of the report has not yet been made available in this country. But it would appear from Press reports that it surveys the world economic outlook, with particular reference to the standard of living of the millions of workers. A significant feature of the report is Mr. Morse's warning against the consequences of the failure of the promises of better living conditions to workers, especially in the underdeveloped areas of the world. Fulfilment of these promises is essential for strengthening the cause of peace. Mr. Morse points out the extent to which social disorder and civil unrest that will follow the disappointment in the realisation of better living conditions could undermine and weaken the attempts by nations meeting in international assembly to construct a workable and lasting peace. To quote his words:

"The issues of peace and social progress are inextricably interwoven at the present time. Social discontent and impatience for social progress in our world today is a ready occasion for political agitation and is often quick to become a cause of civil unrest. The nations meeting in international assembly to construct a workable and lasting peace cannot risk having their strength and determination in this cause undermined by social disorder at home. The reality, and not only the promise, of better living conditions, especially in the vast underdeveloped areas of the world, is an essential element in strengthening the cause of peace, just as the establishment of peace is necessary to the continuing long-term improvement of social conditions throughout the world. At few periods in its history has the I.L.O.'s work been more directly relevant to the great international political issues of the day. The I.L.O. has traditionally had a practical approach to social problems. It brings together the most powerful social forces in each country, workers and employers as well as Governments, to work out agreed solutions to concrete actual problems. I ask Governments in particular to reflect upon the importance of strengthening this practical undogmatic approach at a time when social problems are a prey to internal political dissensions and to international cleavage."

Few acquainted with the economic and political conditions in South and South-East Asia can dispute these remarks of Mr. Morse. After all, the prime necessity of man is the satisfaction of hunger and the provision of clothing which are not available to millions in these regions. Culture never breeds in a hungry stomach. It is, therefore, no accident that most of the original centres of civilisation grew up either at seaports or on the banks of navigable rivers. Political order, which is necessary to assure security to enable the peasant, the trader and the craftsman to specialise and organise their affairs is, as such, dependent on maintenance of a certain minimum standard of living. And in this modern world where distances have shrunk, thanks to marvels of science in the sphere of communications and inter-dependency of nations has increased on account of political ideologies and rapid industrialisation, no nation can remain prosperous for all times while others are in penury, even as a palatial house cannot exist in security amidst thatchments.

Conflict

It is true that, over much of the world, modern forms of economic and social organisation and industrial technology are regarded as man's best hope of overcoming poverty and improving material conditions of life. Yet almost everywhere, the process of industrialisation, as pointed out by the report, touches off a conflict between new and old social forms, attitudes and human values. The sufferers in this conflict are the peoples whose security in the old society is undermined before they find new security in the new industrial community. To quote the memorable words of Mr. Morse again:

"Great social strains and conflicts emerge among people uprooted from the traditional way of life and forced by circumstances to adjust to a new and alien routine. Where there is physical poverty, disease and hunger, these tensions may be aggravated. The interaction of bad physical conditions of life with the psychological tensions of social change makes a highly explosive compound threatening to burst into political disorder and thwart the possibility of peaceful progress."

Surveying the trend of industrial development throughout the world at the present time, the report declares that, in Asia, "overpopulation" is the compulsive force behind a great structural change. An industrial revolution has become a demographic necessity, and the awareness that poverty may be alleviated through modern economic organisation has aroused hopes in Asia which the world cannot afford to see frustrated. Throughout the less developed areas, there is a latent conflict between the aims of those who have realised that the hopes of the future lie with industrial development and the attitudes and habits of the rural masses. This is occurring at a time when world opinion is calling for the removal of the compulsions which have operated in the past to create the labour supply on which industrialisation has been founded. But measures taken in response to this trend of opinion have not been solving the social problems of industrialisation. What is being done is rather to reject unacceptable solutions. There remains "a great problem of labour supply to be overcome by those who are committed to the course of industrialisation."

That the population in India, Pakistan and the Middle East are frightfully dense is common knowledge. The position in these countries is almost similar to that which existed in the U.K. by about 1790. Although the population is enormous in Burma, Siam, Malaya and Indonesia, there are in these countries huge areas of uncultivated land which, if developed properly, would provide succour to them. A more or less similar position exists in the case of Latin America also.

Suspect Minority

A common feature observable in these countries is that, with the widening economic gap between the industrialised Western world and these countries, the masses of the latter are losing hopes of ever attaining a Western standard of living. The Western world has become, as remarked by Colin Clark, a "suspect minority." It is up to the West, therefore, to help these countries in improving their living standards and see that all the good things of life are available to all inhabitants of the world and not increasingly concentrated, as they are being done at present, for the benefit of a small Western minority.

Be that as it may, Mr. Morse suggests that the trade union "may be one of the most powerful instruments for creating a new industrial society and for helping the new recruit from the rural community to adjust to the conditions of industrial life." Of great importance is the union's role in "giving the worker a social status where he may previously have been an unregarded item at the bottom of the social scale." The problem of how to promote the growth of trade unions on sound and stable lines has been posed for Governments in many parts of the world. It is not enough to say that the workers must be left alone to organise themselves; yet there are grave dangers in unionism fostered by the State. The problem is a complex one which calls for serious consideration in the light of the experience in recent years of the countries undergoing economic development. If progress can be made in improving labour-management relations, more favourable attitudes by workers and employers will overcome some of the human obstacles to economic growth. But the report warns that it is useless to create attitudes favourable to economic expansion if investment capital is not ready to finance expansion. "Labour mobility without new job openings does not make sense." Achieving the first without the second will only court disillusionment and a recrudescence of restrictive attitudes and practices in perhaps even more rigid forms. The social and economic problems of economic development must be solved together; they cannot be divorced from one another without either frustrating economic development or disregarding its social purpose.

Social Value of Work

The I.L.O. Annual Report has urged management and trade unions to adopt such attitudes as will make the worker feel the social value of work, that he is participating in a common effort towards a purpose broader than his own personal wants or profitability of his factory. Elucidating this theme, Mr. Morse says:

"To arouse this sense of purpose requires a new attitude by management as well as by labour. New techniques and institutions may help foster it, but it is the underlying attitude and not the methods or forms that count. The greatest challenge which must be faced through democratic labour-management relations is to spread this new attitude towards work throughout industry."

It is beginning to be recognised, Mr. Morse explains, that man must have "job satisfaction" as well as decent living and working conditions and economic security. This means that industrial work must be given the social content that it now generally lacks. Man has to be enabled to make a contribution to society. Unless he feels that he is doing so, he develops emotional conflicts giving rise to discontent. To resolve these conflicts, he has to believe that his work has social purpose.

The development of a healthy trade union on sound economic foundations will help the worker realise the social purpose of his work. Unfortunately, the trade unions in the underdeveloped countries are not developed and, where they are developed, they have become pawns in the hands of politicians who have been using the power vested in them for their selfish political ends. This has been possible because of the illiteracy of the workers.

Housing

Mr. Morse has called upon the conference to pay special attention to the question of housing. Like all great social problems, housing affects workers virtually in every country. It does not respect ideological or geographical barriers. Housing the workers in Eastern countries is as important as that in Western countries. It is one of the problems which is closest to the individual human person. According to Mr. Morse, 180 million families are without adequate housing; they include some who have no shelter at all. Reporting on the need for workers' housing, Mr. Morse observes as follows:

"The world has now accepted that starvation and raggedness are not tolerable as part of the age to workers' health, happiness, efficiency and citizenship that is done by the appalling state of workers' housing in most parts of the world. Our prime task here is to awaken people's conscience to the urgency of the need to make the worker's home a reasonable expression of and basis for his human dignity."

Housing shortage, which affects more than one-third of the earth's population, including 30 million families in the industrially advanced countries, cannot be solved unless costs are reduced, financing methods improved and employment stabilised so as to permit the introduction of more stabilised methods. Much can be done by private enterprise, says Mr. Morse, especially for those who are anxious and able to rent or to buy. But Government assistance or subsidies of one kind or another will still be necessary before the needier part of the ill-housed get out of rural and urban slumps. Mr. Morse approvingly quotes the stand taken by President Eisenhower in favour of long-term mortgages to encourage private construction and home purchases by modest measures. He also quotes figures to show that, if the annual cost of interest, taxes and upkeep on a small home is 5 per cent. of the purchase price and if the purchase price exceeds five times the worker's annual earnings, he will have to pay at least 25 per cent. of his income in "rent"—proportionately more if the price of the house and fixed charges are higher. In this connection, Mr. Morse has made the following remarks:

"It is impossible to make any definite proposals as to what percentage of his income a worker should devote to his housing. . . . However, in few countries would it be considered desirable that workers should spend more than one-fifth of their income on housing, excluding heat and utilities, and in most countries a lower proportion is aimed at. This would require a capital cost for housing of at most two to four times the worker's annual income, and usually less . . . . If workers are to be able to pay for their own housing, even assuming substantial improvements in the financing of housing, there will need to be a substantial reduction in capital costs of construction and/or a substantial rise in workers' income."

Mr. Morse made the following suggestions concerning better organisation of the housing industry:

(1) Each country must make a reappraisal of its housing programme with a view to ensuring that it is currently doing its utmost to meet workers' urgent needs.

(2) Increased imports required by an expanding housing programme could be minimised by using designs and materials permitting a maximum use of domestic materials.

(3) Special training techniques might be developed to enable unskilled workers to supplement the building labour force.

(4) The bulk of housing effort in the underdeveloped countries must be concentrated on developing

with the types of labour and materials which are available and which can be spared from economic development projects, a type of housing which, while it may fall substantially short of ultimately desirable standards, will at least represent a significant improvement.

(5) The most important single contribution that in many cases can be made towards cost reduction is the adoption of a housing programme that will create confidence among employers and workers that the level of activity will be maintained on a high and stable basis.

(6) Experience has shown that significant economies can be achieved in house-building by large-scale enterprises.

(7) The high degree of labour turnover characteristic of the industry today with its small firms and small contracts makes it difficult for workers and employers to develop the spirit of collaboration in a common task which is essential to a raising of productivity.

(8) The architect and the contractor should agree on the design that will most simplify and cheapen production.

(9) The contractor should work out in advance with his suppliers and with foremen the best programming of supplies, where they are to be sited, and how the work is to be arranged.

(10) Briefing on the site of supervisors and workers by designers and contractors, especially as to any unusual features of the design of materials, can make a significant contribution to greater productivity.

(11) Extensive research is needed in the industry. The possibilities of improvements resulting from prefabrication, mechanisation on the site and work study are enormous.

(12) Important research still remains to be done into the possibilities of reducing seasonal fluctuations in the work and earnings in the housing industry.

(13) If the industry is to produce the larger output that will be necessary to make an effective attack on the world's housing needs, it needs to recruit more workers, it needs particularly to recruit young workers in order to offset the current tendency towards an ageing of the labour force, and it needs to extend and improve its training facilities.

Amortisation

The importance of the period of amortisation and the rate of interest is brought out by the fact that a period of 20 years' amortisation and a rate of interest of 5 per cent. require an annual charge equivalent to 8 per cent. of the capital cost, while a 50-year period and a 3 per cent. rate of interest require an annual charge of only 4 per cent. of capital cost. The risk element in housing finance is also important. Here, much has been done, but much still remains to be done in extending the proportion of the capital cost which can be borrowed and in mobilising savings and directing them towards workers' housing and in guaranteeing and providing insurance facilities against risk of default by borrowers. Public authorities able to take a broad and long-term view of the continuing need for housing are, says Mr. Morse, in a better position than are individual or even corporate leaders to minimise the charges that must be made to cover these risks. Mortgage banks, savings banks, co-operative building societies and insurance companies have shown themselves to be well able to co-operate with Governmental agencies to make loans available to workers at minimum cost.

Discussing Government subsidies and rent controls, Mr. Morse, suggests that some substandard housing could be restored rather than having to be demolished. He says: "In some cases the private landlord may be willing to make the expenditures provided he can recoup them from higher rents, particularly if he were able to obtain the necessary finance easily and on good terms. In such cases, it appears that Governments might relax rent control to permit controlled rent increases, subject to appropriate safeguards, and should consider the desirability of arranging capital advances for landlords." Proceeding, he observes that, if higher rents made it impossible for the houses to be let, Governments would have to decide whether to subsidise rents or take over the houses at appropriate valuations in order to keep them filled. "Public subsidies," to quote him, "were paid on privately-traded consumption goods in many countries during and after the war. There does not appear to be any intrinsic reason why privately-owned houses should not be publicly subsidised, although there would no doubt be administrative difficulties involved."



MINERVA MILL RAISES DISTRIBUTION TO SHAREHOLDERS BY 2 PER CENT.

PROFIT HIGHEST IN FOUR YEARS

IN conformity with the general trend of cotton textile mill profits for the year ended 31st December, 1953, the results of the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay) for that year show a sizable improvement. The gross profit is impressive at Rs. 6.39 lakhs, as compared with only Rs. 0.85 lakh for the previous year. It may be noted, in this connection, that the Company's profit had dwindled successively from Rs. 27.28 lakhs for the year 1948 to Rs. 0.85 lakh in 1952. It is, therefore, gratifying to find that the Company was able to retrieve the position to some extent during the year under review and earn a profit which is the highest for the past four years.

Following the improvement in earnings, as indicated above, the distribution to shareholders has been raised from 5 per cent. to 7 per cent. by stepping up the dividend by 1 per cent. to 6 per cent. and by distributing a bonus of 1 per cent. It will be remembered that the dividend was cut last year from 6 per cent. paid for 1950 and 1951; for 1949, a dividend of 6 per cent. together with a bonus of 2 per cent. was paid. Thus, the distribution for the year under review is 1 per cent. lower than that for 1949.

The causes that led to the improvement in the earnings of the Company, in common with its confreres, are too well known to bear repetition. Briefly stated, however, they are the abolition of the control on price and distribution of cloth in July last, the cheapness of raw cotton and the rise in output of cloth. An analysis of the figures in the latest profit and loss account of the Company clearly bears out these features. Thus, sale proceeds of cloth alone show a rise from Rs. 87.81 lakhs to Rs. 106.53 lakhs; closing stocks of cloth and yarn have declined from Rs. 36.17 lakhs to Rs. 24.78 lakhs and the value of cotton consumed from Rs. 88.98 lakhs to Rs. 74.78 lakhs.

The following table brings out clearly the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds	145.24	131.47	133.26	101.97
Stocks of cloth and yarn	24.74	36.17	27.73	16.35
Value of cotton, stores and fuel consumed	85.65	99.96	108.07	65.62
Wages and other expenses	42.56	39.56	34.91	31.67
Gross profit	6.39	0.85	2.43	3.34
Managing Agents' commission	0.66	0.09	..	0.33
Depreciation	3.54	1.08	0.60	0.79
Taxation	0.26	0.18	0.10	0.10
Net profit (+) or loss (—)	+1.93	—0.50	+1.73	+2.12
Transfer from reserves and provisions written back	..	2.02	..	0.50
To reserves	0.07	1.48	1.78	1.78
Dividend	(D. 6% + B. 1%)	(D. 5%)	(D. 6%)	(D. 6%)
Carry forward	0.12	0.26	0.23	0.27

It will be observed that the saving on cotton, stores and fuel consumed has been offset to some extent by the rise of Rs. 3 lakhs in wages and other expenses. It will be interesting to note from the foregoing table that, in the course of the past three years alone, the wages and other expenses have gone up by nearly Rs. 11 lakhs, while the gross profit has risen by Rs. 3 lakhs only. The provision for depreciation has been raised from Rs. 1.08 lakhs to Rs. 3.54 lakhs and that for taxation from Rs. 18,500 to Rs. 26,000. The net profit for the year under review amounts to Rs. 1.93 lakhs, as against a loss of Rs. 50,403 in the previous year. No addition has been made to the reserve fund to replace even partly the sum (Rs. 2 lakhs) drawn last year to wipe off the loss and pay a dividend of 5 per cent. This is the fourth year in succession in which the reserve fund has not been provided with anything, although a sum of Rs. 50,000 was allocated to the investment reserve in 1950.

There has been no change in the capital of the Company which remains at Rs. 29.81 lakhs, to which level it was raised in 1948 from Rs. 24.87 lakhs by the capitalisation of Rs. 4.93 lakhs from out of the reserve fund. The reserve and surplus aggregate Rs. 25.02 lakhs. The gross block of the value of Rs. 76.14 lakhs, including new additions to the extent of Rs. 3.35 lakhs during the year under review, has been written down to Rs. 31.31 lakhs. Current liabilities and provision for taxation amount to Rs. 66.04 lakhs, having been reduced from Rs. 79.43 lakhs as at the close of 1952. Of these liabilities, secured loans from banks show a fall from Rs. 45.13 lakhs to Rs. 25.38 lakhs, while unsecured loans disclose an increase from Rs. 16.85 lakhs to Rs. 19.26 lakhs. A substantial part of the unsecured loans—Rs. 14.91 lakhs to be precise—is in the form of fixed deposits. The current assets aggregate Rs. 89.55 lakhs as against Rs. 92.66 lakhs a year ago, and exceed the current liabilities and provision for taxation by Rs. 23.51 lakhs. Of the current assets, stock-in-trade amounts to Rs. 41.81 lakhs, as against Rs. 64.60 lakhs, stores; spares and tools Rs. 16.00 lakhs (Rs. 15.08 lakhs), debts, deposits and advances Rs. 13.78 lakhs (Rs. 8.16 lakhs), investments Rs. 17.08 lakhs (Rs. 14.32 lakhs), and cash balances Rs. 0.88 lakh (Rs. 0.50 lakh).

The Rs. 100 paid up shares of the Company are being currently quoted at Rs. 110 *cum-div.* On an *ex-div.* basis, the latest distribution provides a yield of 6.8 per cent. per annum free of tax.

COMPANY LAW ADMINISTRATION

The Government of India, which has formally taken over the administration of Company Law, will open three regional offices; one for the Western region with headquarters at Bombay and one each for the Eastern and Southern regions, in the next two or three months, probably before the end of September. This was disclosed by Mr. D. L. Mazumdar, Secretary, Department of Economic Affairs, Finance Ministry, Government of India, in Madras last week. Mr. Mazumdar toured the Southern areas last week in connection with finalising the arrangements for the same.

The administration of Company Law had always been a Central subject, but the function had so far been delegated to State Governments and the latter were carrying on the function as agents of the Central Government, said Mr. Mazumdar. The Government of India, however, wanted to resume the function, with the object of standardising the administration and laying down a uniform policy throughout the country. The Central Government had not set up its own machinery, but was using the machinery set up by the State Governments. The time had now come, Mr. Mazumdar added, when it should have the machinery under its own control. There would, however, be no dislocation in doing so, he assured.

An autonomous organisation had been set up by the Central Government under the Department of Economic Affairs, in the Ministry of Finance for this purpose. The head of the Department would be the Commissioner for Corporate Investment and Administration. He would be in charge of the Stock Exchange also. There would be three or four directors who would be working through the regional offices. The whole work was expected to be completed before the end of September this year.

CENTURY MILL'S PROPOSAL TO PRODUCE ART SILK YARN APPROVED

At the extraordinary general meeting of the shareholders of the Century Spinning and Manufacturing Company, Ltd., held on 7th June, 1954, the Directors' proposal to expand the business of the Company by putting up a plant for the manufacture of art silk yarn (reference to which was made in these columns in our issue dated 29th May, 1954) was approved by an overwhelming majority.

Mr. R. D. Birla, Chairman of the Company, who presided over the meeting, gave some interesting details of the scheme in his speech before putting the resolution to vote as well as in his reply to questions from the shareholders, many of whom evinced keen interest in the prospects for the new venture. According to him, it is proposed to put up a plant for the manufacture of art silk yarn by continuous viscose process at Kalyan. The site in Kalyan has been chosen because of ready availability of water and other facilities. The disposal of waste water has also been taken into consideration in selecting Kalyan as the site of the plant. The capital cost of the plant will be Rs. 3.5 crores. It has not yet been finally decided as to how the necessary resources will be raised. It may be raised by (1) making arrangement for deferred payment with suppliers of machinery, (2) having cash credit facilities from banks, and (3) seeking accommodation from Government or semi-Government bodies. It is, however, not the intention of the management to raise new capital. A categorical assurance to this effect was given by Mr. Birla.

There is no question of competition with the existing factory in Kalyan, as the present requirements of the country are much more than the existing productive capacity of the factories already manufacturing art silk yarn, as well as the productive capacity of the Century Mill's proposed plant. The present productive capacity of the two factories, one at Kalyan and another in Travancore, is 10 tons and 5 tons per day, or roughly 12.5 million lbs. per year. Both factories are manufacturing art silk yarn by continuous viscose process. The capacity of Sirsilks Ltd., in Hyderabad, which is yet to commence production on a commercial scale, is 5 tons per day, but its process is different, namely, acetate process. The maximum production capacity of the three factories will thus be 17.5 million lbs. per annum, even after making room for the expansion of these factories. The production of the Century Mills, when the present project is completed, will be 5 tons per day or 4 million lbs. per annum. Thus, the total domestic production of rayon yarn will be of the order of 21.5 million lbs. only. As against this, the requirements are estimated at 75 million lbs. per annum. Even now, imports are running at the rate of 40 million lbs., notwithstanding the close check that is being exercised over them by the Government. It will thus be seen that there is vast scope for the profitable manufacture of art silk yarn in the country.

The proposed plant is expected to go into production in less than two years, provided everything goes well, according to schedule. The management proposes to apply to the Government for licence soon, now that the resolution has been approved by the shareholders.

One or two shareholders objected to the Directors' proposal to utilise the resources of the Company in this scheme involving heavy capital cost with the attendant risks. They requested the management to start a new concern for taking up this project. But the Chairman rejected the request and said that it was not the intention of the management to have a new concern. The decision to this effect had been taken, he said, after prolonged consideration. Some of the shareholders expressed concern over the dividend of the Company being affected by the new venture. The Chairman assured them that the dividend of the Company would be maintained at the current level for at least three years.

SRI KRISHNARAJENDRA MILL RAISES DIVIDEND

An increase of one per cent. to 9 per cent. in the distribution to the shareholders has been proposed by the Directors of the Sri Krishnarajendra Mills Ltd. (Managing Director and Chairman: Mr. H. N. Pallegar, I.A.S., Mysore), for the year ended 31st March, 1954. It was only last year that the distribution was raised from a dividend of 4½ per cent. and bonus of 1½ per cent. to a dividend of 6 per cent. and a bonus of 2 per cent. This year, the Directors have proposed not only to consolidate the dividend and bonus parts of the distribution but also to enhance the total by one per cent. Though the distribution is being raised for the second year in succession, the latest one falls short of that (16 per cent.) paid for the year ended 30th June, 1943. (The Company, it may be noted here, changed its financial year-end from 30th June to 31st March in 1951.)

This welcome increase in the distribution to shareholders follows an improvement in the earnings of the Company for the year under review. The gross profit has gone up from Rs. 6.75 lakhs for 1952-53 to Rs. 9.20 lakhs, a rise of over 36 per cent. The provision for depreciation has been more than doubled from Rs. 2.10 lakhs to Rs. 4.52 lakhs, consequent on the sizable addition to the gross block made during the year. The provision for taxation has been stepped up only slightly from Rs. 1 lakh to Rs. 1.12 lakhs, notwithstanding the notable rise in profit. This is evidently because of the initial depreciation allowances permitted under the Income-tax Act on the additions to the plant and machinery. The Directors have transferred a sum of Rs. 22,368 to the general reserve, as against Rs. 23,989 in the previous year and Rs. 20,000 to the dividend equalisation fund, as compared with Rs. 50,000 a year ago. The increased dividend requires only Rs. 36,000 more than that taken up last year and this has been well earned, as will be seen from the following table, which presents the salient features of the results for the year under review against the background of those for the previous years:

(In lakhs of rupees)

	Year ended 31st March			Nine months ended 31-3-1951
	1954	1953	1952	
Sale proceeds	88.95	85.39	78.31	60.21
Stocks	23.11	22.85	26.21	17.50
Expenses*	80.63	80.45	72.34	54.87
Profit	9.20	6.75	6.66	5.75
Provision for—				
Depreciation	4.52	2.10	1.80	1.42
Taxation	1.12	1.00	2.00	1.70
To reserves	0.42	0.74	0.61	0.50
Dividend	3.20 (D. 9%)	2.94 (D. 6% + B. 2½%)	2.20 (D. 44% + B. 1½%)	2.20 (D. 6% + B. 2%)
Carry forward	0.28	0.23	0.27	0.25

* Approximate.

Commenting on the year's results, the Directors observe that "they will be considered satisfactory, particularly in the light of manufacturing costs continuing to be high and the emergence of competitive buyers' market."

The latest balance-sheet of the Company shows that the reserves and surplus amount to Rs. 14.75 lakhs, representing about 40 per cent. of the paid-up capital of Rs. 36.70 lakhs. Provision for taxation amounts to Rs. 9.90 lakhs and current liabilities aggregate Rs. 22.99 lakhs. The gross block of the value of Rs. 73.40 lakhs (which includes Rs. 18.01 lakhs representing additions during the year) has been well written down to Rs. 26.14 lakhs. Current assets amount to Rs. 58.20 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 25.31 lakhs.

During the year under review, a new spinning unit of 5,544 spindles was erected and the same is working satisfactorily.

Points From The Chair

"Go-slow" Tactics of Dock Labour

"I HAVE referred above to rising operating costs and persistence of avoidable delays at loading and discharging ports. In this connection, I would particularly draw attention to the 'go-slow' tactics being employed by labour nowadays with increasing frequency. I am aware that responsible authorities in the Labour Ministry of the Government of India have condemned this practice as undesirable and indefensible even from labour's point of view; but, beyond expressing their disapproval of it, the Government do not appear to have evolved any effective measure to uproot this growing evil which, if unchecked in time, threatens to disorganise normal trading operations at important ports, such as Bombay and Calcutta, and even to divert their trade elsewhere to the serious detriment of the country's economy. Patchwork measures evolved in haste to meet exigencies as they occurred have failed to produce lasting results. The time has clearly arrived when concerted efforts should be made jointly by the Ministries of the Government of India concerned with this problem to evolve a working formula relating emoluments to output of work, the formula being made applicable to all categories of labour at a port, with adequate enforcing powers vested in the authority entrusted with the operation of the formula."

C. R. SRINIVASAN,
Bharat Line Ltd.

Change in Economic Conditions of West Africa

"Not everyone realises that economic conditions in tropical West Africa have developed more rapidly and changed more fundamentally in the last 25 years than in all the centuries which have gone before. One indication of that change is the fact that the total annual value of exports, after allowing for changes in the value of money is now 3½ times what it was 25 years ago. Imports, on the same basis, show a similar rise. This represents a rate of growth with which few parallels can be found elsewhere. But rapidity of growth does not imply that a high level of prosperity has yet been reached by our standards. The popular conception of vast African territories with untold wealth is a delusion. Despite considerable mineral deposits, most of the area is predominantly agricultural. The soils are not rich. In Nigeria, the only territory for which national income figures exist, the *per capita* income three years ago was estimated at £20 a year, compared with £250 for the United Kingdom. Over the whole area of tropical West Africa, the real *per capita* income is low by any measure."

SIR GEOFFREY HEYWORTH,
Unilever Ltd.

Research in Rubber

"Attempts have been made to compare expenditure on research by the natural rubber producer with what is alleged to be spent by the rubber manufacturers of America. No informed person would seek to deny the high technical efficiency of the latter or their enlightened and progressive outlook, but the comparisons that have been made have little validity and less of the exactitude which should rightly appertain to a scientific subject. Recently, however, there has been one authoritative statement made regarding American expenditure on research. It was to the effect that, as from 1st July of the current year, some 4 million American dollars were being set aside for research on and development of synthetic rubber. On the basis of last year's output of synthetic rubber, this would be the equivalent of .67 of a Malayan cent per lb. Far from being in excess of the rate of expenditure incurred by a company such as this, in its incidence, it is actually less, despite the fact that the synthetic rubber industry, in contrast to the excessively taxed natural rubber industry, enjoys the privileged position of having at its disposal profits which are not made subject to any tax whatsoever."

SIR JOHN HAY,
United Sua Betong Rubber Estates Ltd.

Sugar Production in Jamaica

"I regret to tell you, however, that sugar production in Jamaica will have to be restricted in future. The new International Sugar Agreement, which came into force on 1st January, 1954, limits the export production of Commonwealth countries to the quotas established under the Commonwealth Sugar Agreement of 21st December, 1951. The overall B.W.I. export quota amounts to 900,000 tons of which Jamaica's agreed share is 270,000 tons, but, according to present estimates, total export production in Jamaica for the current year will exceed this latter figure by some 50,000 tons, making an approximate total of 320,000 tons for export, to which must be added local consumption sugar, bringing the estimated grand total production to over 365,000 tons. There is a possibility this year that there will be shortfalls in other territories which will provide additional quota for Jamaica. But shortfalls in other territories cannot be expected in future years, and in order to effect the necessary restriction of sugar production in Jamaica, deliveries of cane by both estates and farmers will have to be limited. This will require legislation and the matter is now receiving the attention of the Government of Jamaica. In the meantime, I must express our concern at the continued expansion of cane cultivation by certain farmers who have ignored the repeated warnings given to them. Unless control is put into effect promptly, a most serious situation will arise."

G. VERNON TATE,
West Indies Sugar Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 18th June, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 12th to 18th June, 1954, both days inclusive.

PUTINBAREE TEA ASSOCIATION LTD. Annual General Meeting, Calcutta, 18th June, 1954. Dividend: Re. 1 per share. Transfer books remain closed from 9th to 18th June, 1954, both days inclusive.

NEW CINNATOLLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 18th June, 1954. Dividend: Rs. 5 per share. Transfer books remain closed from 9th to 18th June, 1954, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 22nd June, 1954. Dividend: As. 4 per share. Transfer books remain closed from 8th to 22nd June, 1954, both days inclusive.

RAMESHWARA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 22nd June, 1954. Transfer books remain closed from 9th to 22nd June, 1954, both days inclusive.

BURDWAN CUTWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th June, 1954. Transfer books remain closed from 11th to 25th June, 1954, both days inclusive.

KATAKHAL LALABAZAR RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th June, 1954. Transfer books remain closed from 11th to 25th June, 1954, both days inclusive.

BANKURA DAMODAR RIVER RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th June, 1954. Transfer books remain closed from 11th to 25th June, 1954, both days inclusive.

AHMADPUR KATWA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 25th June, 1954. Transfer books remain closed from 11th to 25th June, 1954, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 28th June, 1954. Transfer books will remain closed from 15th to 28th June, 1954, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Transfer books will remain closed from 21st to 29th June, 1954, both days inclusive.

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Transfer books remain closed from 8th to 22nd June, 1954, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 3rd July, 1954. Transfer books will remain closed from 14th June to 3rd July, 1954, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tiruchirapalli, 7th August, 1954. Transfer books will remain closed from 13th July to 7th August, 1954, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Dividend of Re. 1-8 per ordinary share, for the year ended 31st December, 1953.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Final dividend of £3 per cent. net (tax applicable at 9s. in the £) on ordinary stock, for the year ended 31st December, 1953, payable on 5th July, 1954.

BALANOOR TEA AND RUBBER CO., LTD. Dividend of Re. 1-14 per share (including bonus of As. 10 per share), for the year ended 31st March, 1954. Transfer books will remain closed from 22nd to 28th June, 1954, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Dividend of Re. 1-14 per share (including bonus of As. 10 per share), for the year ended 31st March, 1954. Transfer books will remain closed from 22nd to 28th June, 1954, both days inclusive.

EMERALD VALLEY ESTATES LTD. Dividend of As. 10 per share, on ordinary shares, for the year ended 31st December, 1953. Transfer books will remain closed from 24th to 30th June, 1954, both days inclusive.

TRAVANCORE RAYONS LTD. Dividend of As. 8 per share, for the year ended 31st December, 1953. Transfer books will remain closed from 28th June to 12th July, 1954, both days inclusive.

RHOTAS INDUSTRIES LTD. Dividend of Re. 1-4 per share, for the year ended 31st October, 1953.

COMPANY REGISTRATIONS

RAM KUMAR AGARWALA AND BROS. (AGENTS) LTD. (First Director: Mr. Ramanand Agarwala.) Business: Managing Agents, etc. Authorised capital: Rs. 50,00,000. Private company. Address: 4, Lyons Range, Calcutta.

AGENTS AND DISTRIBUTORS LTD. (First Director: Mr. B. S. Agarwal.) Business: Managing Agents of all descriptions. Authorised capital: Rs. 25,00,000. Private company. Address: 46, Upper Chitpur Road, Calcutta.

EUREKA TRADING SYNDICATE LTD. (First Director: Mr. Benoy Lal Roy.) Business: Dealers in Merchandise, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 9 Clive Row, Calcutta.

VILLIERS HOLDINGS LTD. (First Director: Mr. P. L. Sonthalia.) Business: General Merchants. Authorised capital: Rs. 5,00,000. Public company. Address: 8 Netaji Subhas Road, Calcutta.

UNITED ARYANS LTD. (First Director: Mr. A. K. Singh.) Business: Dealers in Land, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 121, Chittan Avenue, Calcutta.

BANDHAB BIRI FACTORY LTD. (First Director: Mr. H. K. Dass.) Business: Dealers in Biri, Tobacco, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 1 Rupchand Roy Street, Calcutta.

Notices

THE NEW INDIA ASSURANCE COMPANY, LIMITED
BOMBAY

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, on Wednesday the 30th June, 1954 at 4.30 p.m. (S.T.).

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1953.
(2) To declare a Dividend.
(3) To elect three Directors in place of Mr. J. R. D. Tata, Mr. Ambalal Sarabhai and Mr. Dinsha K. Daji who retire by rotation but are eligible for re-election and offer themselves accordingly.
(4) To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company are closed from the 29th day of May, 1954, to 25th day of June, 1954 (both days inclusive).

By Order of the Board,
B. K. SHAH,
General Manager.

BOMBAY, *4th June*, 1954.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those Shareholders whose names stand registered on the Company's Register on the 28th May, 1954. It will be payable at the Central Bank of India, Limited, Bombay, for six months on and after the 1st July, 1954, and thereafter at the Registered Office of the Company.

CHANGE OF ADDRESS should be notified without delay.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED
(Originally Incorporated in Burma)
Registered in India under Ordinance No. LIV of 1942.

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Registers of the Company will be closed from the 21st June, 1954, to 1st July, 1954, both days inclusive, for the purpose of preparing Dividend Warrants in respect of the dividend for the half-year ending 30th June, 1954, payable on the 2nd July, 1954.

By Order of the Board,
STEEL BROTHERS & CO., LTD.,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *10th June*, 1954.

IMPERIAL BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the Imperial Bank of India will be closed for transfer of shares from Thursday the 1st July, 1954, to Thursday the 15th July, 1954, both days inclusive.

S. K. HANDOO,
Managing Director.

BOMBAY, *13th May*, 1954.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED
(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1954 (both days inclusive), for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent., less Income-tax, payable on the 1st July, 1954, on account of the profits for the year ending 31st December, 1954.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, *7th June*, 1954.

INDIAN WOOD PRODUCTS CUTS DIVIDEND SLIGHTLY

KHARDAH JUTE'S RESULTS DISAPPOINTING

Indian Wood Products Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

Although the profit was lower this year the results can be considered satisfactory. The excess profits tax refund received this year was considerably smaller than in 1952, as also the amount of interest received on pre-paid income-tax. The percentage of Katha obtained from the Khair wood continued to fall slightly during the year, due to the poor quality of timber that we have been allotted, but turnover remained about the same owing to an increase in selling prices.

The value of the stocks of Khair wood continues to increase due to the high rate of royalty charged by the U.P. Government.

The results of the year's working, after providing for taxation, shows a net profit of Rs. 6,92,961 (Rs. 9,21,788) to which is added the credit balance brought forward from the previous year of Rs. 1,70,440 (Rs. 73,653) making a total of Rs. 8,63,401. (Rs. 9,95,441). From this amount is deducted the interim-dividend of 10 (15) per cent. paid on the 18th December, 1953, on 2,00,000 (1,50,000) ordinary shares of Rs. 10 each, without any deduction in respect of income-tax payable by the Company, absorbing Rs. 2,00,000 (Rs. 2,25,000), leaving an available balance of Rs. 6,63,401 (Rs. 7,70,441). The directors have decided to transfer Rs. 2,00,000 (Rs. 3,00,000) to general reserve and recommend that the balance of Rs. 4,63,401 (Rs. 4,70,441) should be disposed of as follows:—

By payment of a final dividend of 15 (15) per cent. on 2,00,000 (2,00,000) ordinary shares of Rs. 10 each, without any deduction in respect of income-tax payable by the Company, Rs. 3,00,000 (Rs. 3,00,000) and leaving to be carried forward in profit and loss account a sum of Rs. 1,63,401 (Rs. 1,70,441).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	4,77,979
Reserves ...	14,15,487	Stocks	31,21,659
Provision for taxation ...	3,80,943	Stores, tools, etc. ...	2,48,313
Liabilities ...	5,02,011	Debts, deposits and advances ...	4,14,495
Profit and loss account ...	8,63,401	Investments	4,49,126
		Cash ...	4,50,270
Rs.	51,61,842	Rs.	51,61,842

Khardah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

The revenue account after deduction of all working charges and commissions showed a profit of Rs. 8,59,979 (Rs. 20,06,119). After adding the amount carried forward from the last half-year of Rs. 3,07,185 (Rs. 7,39,848) there was a total amount of Rs. 11,67,164 (Rs. 27,45,967). After providing for taxation Rs. 3,25,000 (Rs. 8,25,000), and depreciation Rs. 1,50,000 (Rs. 1,50,000) there remained an available balance of Rs. 6,92,164 (Rs. 17,70,967), which the directors dealt with as follows:—

By payment of the dividend for the half-year on the preference shares at the rate of 6 per cent. per annum without any deduction in respect of income-tax paid by the Company Rs. 27,000 (Rs. 27,000) and payment of a dividend for the half-year on the ordinary shares of Rs. 7-8 (Rs. 15) per share without any deduction in respect of income-tax paid by the Company Rs. 4,05,000 (Rs. 8,10,000) leaving a balance of Rs. 2,60,164 (Rs. 4,00,592) which the directors carried forward.

During the period covered by this report, the working hours at the Mill were maintained at 42½ hours per week, but with 12½ per cent. of the total complement of looms sealed in compliance with the main and supplementary working time agreements of the Indian Jute Mills Association.

During the greater part of the period under review, prices of both raw jute and manufactured goods developed weakness but advanced considerably during the month of May due principally to unfavourable weather conditions in the jute growing districts. The margin of manufacturing profit, however, has continued to be on the low side and, but for difficult trading conditions, the working results of the half-year might have been more satisfactory.

The reduction in the export duty on hessians in September last as also large purchases of hessians by the Argentine had the effect of stimulating its price structure but heavy goods prices did not show a similar improvement and were generally uneconomical.

The sum of Rs. 27,235 (Rs. 32,299) was paid to workers as gratuity on retirement during the period, the Employers' contribution to Mill Employees' provident fund amounted to Rs. 1,52,278 (Rs. 65,228) and the Employers' contribution towards the Employees' State Insurance Fund amounted to Rs. 21,657.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	51,85,346
Reserves ...	22,83,375	Stocks ...	44,14,679
Provision for taxation ...	14,50,314	Stores ...	21,16,285
Liabilities ...	36,48,602	Debts and advances ...	19,56,636
Profit and loss account ...	2,60,164	Investments	1,40,334
		Cash ...	1,29,175
Rs.	1,39,42,455	Rs.	1,39,42,455

Albion Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th November, 1953.

The half-year's working after writing off depreciation showed a profit of Rs. 5,80,976 (Rs. 1,51,493) to which was added the net balance brought forward after appropriation from the last accounts of Rs. 4,42,186 (Rs. 16,522), making a total of Rs. 10,23,162 (Rs. 1,68,016). From this has been appropriated for provision for taxation Rs. 1,70,000 (*nil*) and transfer to general reserve Rs. 5,96,609 (*nil*) leaving a balance of Rs. 2,56,553 (Rs. 1,68,016). The directors made payment of dividends (without deduction of income-tax paid by the Company) for the half-year ended 30th November, 1953, to the shareholders as on 21st May, 1954, on 9,000 preference shares at Rs. 3-3 (Rs. 3-3) each Rs. 31,500 (Rs. 31,500) and on 12,000 ordinary shares at Rs. 12 (Rs. 10) each Rs. 1,44,000 (Rs. 1,20,000) leaving a balance to be carried forward of Rs. 81,053 (Rs. 16,516).

In accordance with the working time agreement of the Indian Jute Mills Association, the Mills worked 42½ hours per week with 12½ per cent. of the total complement of looms sealed throughout the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,50,000	Block ...	24,88,267
Reserves ...	52,13,033	Stocks ...	34,54,168
Provision for taxation ...	6,12,663	Stores ...	7,99,772
Liabilities ...	11,66,109	Debts, deposits and advances ...	10,31,920
Profit and loss account ...	2,85,017	Investments	91,987
		Cash ...	18,60,708
Rs.	97,26,822	Rs.	97,26,822

United Provinces Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September, 1953.

Although trading results and progress have been satisfactorily maintained during the period under review, the cost of labour and materials continues to rise thereby offsetting progress to a considerable extent.

The following schedule indicates the progress made during the past three years:—

Half-year ended	*Units sold*	*Revenue* Rs.
31st March, 1951 ...	23,129,769	27,79,281
30th September, 1951	26,484,531	31,10,349
31st March, 1952 ...	25,430,966	31,52,162
30th September, 1952	28,183,332	34,33,172
31st March, 1953 ...	28,300,558	34,62,595
30th September, 1953	31,257,135	37,86,990

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provisions for liabilities and setting aside Rs. 50,000 (Rs. 60,000) to development and extensions account, there remains a balance of Rs. 3,59,568 (Rs. 3,56,045) including Rs. 78,548 (Rs. 72,471) brought forward from the previous half-year, available for distribution, and this the directors recommend be disposed of in payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax Rs. 2,80,000 (Rs. 2,80,000) and in carrying forward to next half-year Rs. 79,568 (Rs. 76,045).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,183	Block ...	1,29,27,793
Debentures ...	30,00,000	Stores ...	17,39,109
Reserves ...	36,71,372	Tools and instruments	1,46,024
Liabilities ...	54,06,922	Work-in-progress ...	1,624
Profit and loss account ...	3,59,568	Goods-in-transit ...	2,702
		Other assets	1,01,238
		Debts, deposits and advances ...	21,40,192
		Investments	5,14,116
		Cash ...	4,66,249
Rs.	1,80,39,047	Rs.	1,80,39,047

Palani Andavar Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Baghyalakshmi & Co., Udamalpet) submitted the audited accounts of the Company for the year ended 31st December, 1953.

After meeting all expenses and providing a sum of Rs. 5,05,571 (Rs. 1,15,000) towards depreciation, which includes initial depreciation also, the year's trading has resulted in a net profit of Rs. 2,66,565 (Rs. 59,710). Adding to this the carry forward balance of last year's profit amounting to Rs. 3,380 (Rs. 19,670) the total available for distribution was Rs. 2,69,945 (Rs. 1,67,380), out of which a sum of Rs. 11,469 has been adjusted towards dividend equalisation fund and a sum of Rs. 3,926 spent for charity and donations has been written off leaving a balance of Rs. 2,54,551 (Rs. 1,67,380) which the directors disposed of as follows:—

By payment a dividend of 7 (7) per cent. on preference shares Rs. 14,000 (Rs. 14,000), payment a dividend of 24 (15) per cent. on ordinary shares Rs. 2,40,000 (Rs. 1,50,000) and carried forward to next year Rs. 551 (Rs. 3,380).

Although control measures on yarn were lifted in the middle of the year, the yarn market was sluggish and the prices of yarn were fluctuating and unsteady. There was a drastic cut in the supply of electricity during the beginning months of the year and the Company was forced to instal a generator to augment the power supply. The Company has been obliged to provide for depreciation on a very large-scale on account of the capital expansion programme undertaken by it and in respect of which the Government is allowing special concession for depreciation. The prices of cotton were, however, more or less steady during the year. The Company was able to work for 304 days during the year as against 246 days in the previous year. This was made possible by the use of the generator, which however resulted in increased cost to the company in respect of its power requirements. The directors consider that the profits earned in the circumstances are satisfactory.

The directors are glad to report the installation and the use of an additional 6,400 spindles with the necessary auxiliary machinery and high draft-ing system during the year. This additional spindleage is expected to increase the production capacity of the mills substantially.

As there was no need for the reserve for fluctuations in price of cotton and staple fibre, it has been distributed amongst other reserves, the total of which now stands at Rs. 9,00,000. A dividend equalisation fund of Rs. 1,00,000 has been created in the place of Rs. 88,000 in last year's account which was utilised for paying dividends.

The assessments to income-tax upto and inclusive of the year 1951 have been completed and the balance in provision for taxes account is expected to cover the tax liability in respect of both 1952 and 1953. Therefore, no additional provision has been made on this account out of this year's profits.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	13,40,793
Reserves ...	7,50,000	Stocks ...	47,53,991
Provision for taxation ...	1,50,000	Stores and spare parts ...	11,98,912
Liabilities ...	11,40,292	Debts, deposits and advances ...	25,84,056
Profit and loss account ...	2,54,551	Investments	50,781
		Cash ...	1,23,371
Rs.	34,94,843	Rs.	34,94,843

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

GILT-EDGED ACTIVE

(From Our Own Correspondent)

BOMBAY, *9th June*

There was no perceptible change in the state of the short-term money market during the week under review. There was no doubt some influx of funds from mofussil centres, but it was easily absorbed by the market. Exchange banks were reported to be active borrowers, with the result that the available funds were found inadequate to ease the situation. However, banks were not prepared to pay more than 2½ per cent. for inter-bank call money. They were willing to seek accommodation from the Reserve Bank rather than pay anything above 2½ per cent. House money continued to fetch 3 per cent. Short-term deposits for one to three months were still usable at 3 per cent. and for 4 to 12 months at 2½ to 2¾ per cent.

After three weeks of successive contraction to the extent of Rs. 30.83 crores, notes in circulation have gone up, as was anticipated in these columns last week, by Rs. 8.62 crores during the week ended 4th June, 1954. As against this, there has been a fall of Rs. 9.39 crores in the notes held in the Banking Department of the Reserve Bank. The consequential decline of Rs. 77 lakhs in total notes issued is covered by a similar fall in rupee coin. There has been a further increase in the Central Government's deposits by Rs. 2.81 crores, bringing the total increase in the past four weeks to Rs. 19.13 crores. Deposits of other Governments have declined by Rs. 1.01 crores and those of banks by Rs. 3.69 crores. Balances held abroad have gone down by Rs. 65 lakhs. A rise of Rs. 60 lakhs is noted in loans and advances to Governments. Other loans and advances have, however, dropped by Rs. 2.45 crores. There has been a fresh borrowing of Rs. 7.45 crores by scheduled banks against usance bills, while the outstanding borrowings as at the close of the week show a reduction of Rs. 5.27 crores. Investments have gone up by Rs. 9.78 crores.

An increase of Rs. 1.54 crores in demand deposits and of Rs. 49 lakhs in time deposits is disclosed by the Scheduled banks' statement for the week ended 28th May, 1954. Inter-bank borrowings have also risen by Rs. 54 lakhs. Borrowings from the Reserve Bank have gone down by Rs. 8.36 crores and those from the Imperial Bank by Rs. 15 lakhs. For the third week in succession, loans and advances have contracted, the exact decline during the week under review being Rs. 4.49 crores. Inland bills purchased and discounted have also dropped by Rs. 2.66 crores, while foreign bills have risen by Rs. 16 lakhs. Investments show a decline of Rs. 23 lakhs. Cash in India and balances with the Reserve Bank disclose a shrinkage of Rs. 2.12 crores and balances with other banks in current account Rs. 6 lakhs, while money at call and short notice reveals a rise of Rs. 1.13 crores.

The Gilt-edged market continued to be cheerful during the week under review also. There was a preponderance of buyers and this factor, coupled with scarcity of stocks, pushed up prices further. The volume of business also showed an enlargement. A good deal of business was put through in 3 per cent. 1957 which advanced by As. 4 to Rs. 98-6. 3 per cent. 1958 had buyers at Rs. 98-3, a rise of As. 3 over the week. 3 per cent. 1959-61 were wanted up to Rs. 96-4, as against Rs. 96-2 last week. 3 per cent. 1963-65 had business As. 2 higher at Rs. 92-14 and 3 per cent. 1964 were in request As. 2 better at Rs. 92-15. 3 per cent. 1966-68 gained an anna to Rs. 90-5. There were buyers in 3 per cent. 1970-75 at Rs. 86-6, As. 2 higher than in the previous week. 3 per cent. 1986 Conversion Loan, however, met with profit-taking and shed As. 3 to Rs. 81-15. 3½ per cent. N.P. Loan attracted good attention and changed hands a fraction better at Rs. 98-13. 2½ per cent. 1954 rose by an anna to Rs. 99-9. 2½ per cent. 1955 had buyers at Rs. 98-10. 2½ per cent. 1961 hardened by an anna to Rs. 91-2. 2½ per cent. 1960 changed hands As. 2 higher at Rs. 94-3, as also 2½ per cent. 1962 at Rs. 92-2.

In the foreign exchange section, there was no change in the rupee-U.S. dollar exchange rate. In New York, however, sterling was a shade weaker, spot sterling moving down from $2.81.13/16 to $2.81.15/16 to $2.81-2.81¼. Three months' sterling closed at $2.81.11/16-2.81¾, as against $2.81.11/16-2.81.13/16 and transferable sterling at $2.78¼-2.78½, as compared with $2.78¼-2.79 a week ago.

METALS RULE STEADY

(From Our Own Correspondent)

CALCUTTA, *8th June*

Following better advices from foreign markets, steady conditions were in evidence in the local metal market during the week under review. Demand was moderate and stockists were full of confidence. With the increase in the tempo of industrial development in the country, metal industries are getting busier and busier day by day. Indigenous metal industries are now able to cater to a wider requirement of products, hitherto met by imports.

In trading this week, electrolytic zinc gained from Rs. 58-4 to Rs. 59-4, and the news that the U.S. domestic price had been further raised to 11 cents from 10½ cents a lb. was cheerfully noted. There was also a report that there was a proposal by the Tariff Commission in the United States to raise the import duty by 50 per cent. in respect of zinc and lead. In the local market, the quotation for zinc at one time touched Rs. 60, a moderate quantity being involved in transactions. Price ideas about zinc, lead and tin are high, in view of the imminent purchases for stockpiling in America.

Mercury continued to be very steady, and at Rs. 1,005 registered a further gain. The main producing countries of quicksilver, namely, Mexico, Spain and Italy, are heavily booked with orders from the United States, and this has contributed for strong markets. Lead advanced from Rs. 69 to Rs. 70. Tin was better at Rs. 472. In contrast with other sections, however, copper was quiet at Rs. 167.

SHARP FALL IN BULLION

(From Our Own Correspondent)

BOMBAY, *9th June*

A sharp decline in prices in the course of the last three days, bringing them to new low levels not witnessed during the last four months, was the main feature of trading on the Bullion Exchange during the week under review. In the earlier part of the week, the trend was somewhat irregular under alternate spells of profit-taking at higher levels and replacement buying and covering by short-sellers at the lower levels.

The main factor responsible for the recession in the latter part of the week was the withdrawal of support by the leading bull operator in silver. Then, there were heavy sales on account of up-country centres like Calcutta, Delhi, Kanpur, etc., where silver prices were reported to be lower than in Bombay. Lack of demand in the ready position and increasing arrivals also contributed to the weakness. Sentiment in gold was also affected, but it was due chiefly to the debacle in silver. Though gold (forward) touched today a level which was nearly Rs. 2-8 below the highest level of the week touched on Saturday, there was a good recovery at the close on heavy short-covering by the leading operator who was long in silver but short in this metal. In the result, gold closed the week with a loss of only As. 10 on balance, while silver stood Rs. 3-4 lower.

Silver for forward delivery (18th June settlement) opened the week promisingly at Rs. 159-13 and hardened to Rs. 160-2. As the closing rate on Thursday last (at Rs. 159-11) was above Rs. 159-10, at which margin against bears was enforceable, the automatic margin clause which became applicable on the previous day was withdrawn. But, on the very next day, the bears had to pay margin, as the rate fell below Rs. 159-10. Further, the bears had to pay margin throughout the week, as the price continued to rule below this rate. After a drop to Rs. 158-2 on Friday, forward silver staged a recovery to Rs. 159-11 on Saturday. Thereafter, there was a landslide, forward silver touching a low of Rs. 155-5, the lowest since 16th January last. The closing was a shade better at Rs. 155-13.

The carry forward charges which were unofficially quoted at Rs. 3 against sellers at the close of the previous week widened to Rs. 4-8 on Monday. Business in the next settlement commenced yesterday with the carry forward charges officially quoting at Rs. 4-6 against sellers. Today, however, the *bulli* charges narrowed down to Rs. 3-4 to Rs. 3-6.

Ready silver (.996 Mint) commanded a premium of As. 2 over the forward rate for the current settlement, the opening and closing rates for the week being Rs. 159-15 and Rs. 155-15, respectively. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 15 bars.

Gold for forward delivery (17th June settlement) began the week at Rs. 85-13 and, after dropping to Rs. 85-3 on Friday, gained strength to Rs. 86-12 on Saturday. The subsequent debacle brought the rate to Rs. 84-6 today. As the margin against sellers would be applicable at Rs. 84-10, there was swift bear covering which pushed up the rate to Rs. 85-1 at the close. Business in the next settlement officially began yesterday at Rs. 84-3, that is at a discount of Re. 1-6 from the current settlement rate, and closed at Rs. 83-12.

Ready gold opened at Rs. 87-2 and closed at Rs. 85-13. The premium over forward, which stood at Re. 1-6 at the close of the previous week, narrowed down to As. 12 today. The floating stocks of gold are estimated at 10,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In London, there was a slight marking up in silver prices from 72¼d. to 72½d. for ready and from 72¾d. to 72¼d. for forward. Gold, however, stood a fraction lower at £12 8s. 10d., as against £12 8s. 10½d.

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

	9-6-54	Highest	Lowest	2-6-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	85 13	88 1	85 2	87 1
Forward	85 1	86 12	84 6	85 11
Sovereign	58 12	60 0	58 12	59 0
SILVER				
Ready (.996 fine Mint) ..	155 15	160 4	155 7	159 8
Forward	155 13	160 2	155 5	159 1
London Ready	72½d.	—	—	72¼d.
London Forward	72¾d.	—	—	72½d.
London Gold	245s.10d.	—	—	245s.10½d
New York Ready	85½c.	—	—	85½c.

LINSEED WEAK

(Messrs. A. Bradley & Co.)

CALCUTTA, *7th June*

The weaker tendency which began to take shape earlier has continued and prices have recorded a sharp downward trend with market conditions exhibiting an underlying weakness, in sympathy with the main producing centres. There have been keener offerings from sellers, especially for forward delivery, but millers have adopted a cautious attitude; lack of buying support has offset the scarcity of arrivals from upcountry. Further settlements against commitments have been reported, but actual trading has been very poor. In the oil market, conditions remain rather dull with consumers very inactive; there are keen sellers for forward delivery. The latest quotations are as follows:—Ready Rs. 17-12 and July/August Rs. 18 per maund.

SPOT COTTON QUIET

(From Our Own Correspondent)

BOMBAY, *9th June*

As expected, since last week, the climate in the forward cotton market has been very unsettled, even more so than the weather during the week in Bombay. The operators are bewildered by the turn of events and do not know which way to turn for guidance in the daily operations. In the first place, the uncertainty with regard to the final settlement of the issue raised in connection with the fixing of the basic rate and the 'on' and 'off' allowances for deliveries in the expired May contract, hangs heavily on the market. Whatever decision is given by the Court is bound to affect the August delivery and trading under this uncertainty in the last contract of the season, without another to fall back on, is like groping in the dark. The working of the market has, therefore, become naturally erratic. The earlier part of the week under review witnessed a sudden rise in prices. This was followed during the week-end by a more sudden and more severe onslaught on the price structure.

The history of the previous week was reversed. Last week, the contract gained 9 points over the week. During the week, under review, it lost nearly 8 points. This has also encouraged a large volume of option business, which, in its turn, works to accentuate the prevailing trend and to widen the scope of fluctuations. Altogether the atmosphere in the forward market has become stormy, spelling danger both for forward trading in general and for the operators. The issue has also roused certain group tensions amongst operators, which brings into operation non-economic factors and precludes smooth working of this contract. There are no signs of Government agreeing to allow forward trading in the new crop at this stage, which might remove some pressure on the August contract.

Conditions in the spot market are quiet. After a slight revival of mill interest, trading has again relapsed into the previous rut. It is now confined largely to interchange of goods amongst traders. The stagnant position has spread over the section dealing with imported cotton also. There is little evidence of improvement in the business trend which might induce mills to come forward for fresh purchases. Both the textile industry and the cotton trade have, therefore, been reduced to living in hopes of Government removing the export duty on coarse cloth. So far, there is no slump in cloth prices, but slack demand has pushed the position to the verge of a slump in textiles, which would naturally flow over into the spot cotton market.

If, in the meantime, monsoon penetrates into the cotton producing areas and weather reports are encouraging for the new crop, an additional bearish factor will be added to an already gloomy situation. The spot trade and the mills are, therefore, likely to be led to hedge all the cottons in their possession. There are indications that even imported cotton is being hedged in the Jarilla contract and a sudden wave of hedging emerging from Sewri might overwhelm the contract in the forward market in Bombay. A situation has now developed in the cotton trade, when all concerned, including the Government, the growers, the traders and the consumers have to combine and think of ways and means to restore both confidence and normal conditions, in the trade.

Opening the week at Rs. 677, as against the previous close of Rs. 675½, the I.C.C. August moved up, on speculative support, to touch a high of Rs. 683 on 5th instant. Selling pressure at this level forced the contract to touch a low of Rs. 660½ on 8th inst. The contract regained part of the loss today, finishing the day's session at Rs. 669½. The following is the trend of prices over the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Aug. (Rs.) ...	677	683	660½	669½

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 590; Berar Jarilla Rs. 795; Khandesh Rs. 815; Vijay Rs. 880; Oomra *Deshi* Rs. 720; Moglai Rs. 700.

The week at Karachi was devoid of any development. Prices remained steady with a slight rise in the case of American seed varieties. Nothing more has been heard about the opening of forward trading in the new crop for which the authorities had been approached.

The latest available quotations from the Karachi market are: Sind *Deshi* Rs. 78, Punjab *Deshi* Rs. 75; 4F Punjab R.G. Rs. 70¾; S.G. Rs. 74¼; L.S.S. Punjab R.G. Rs. 74; S.G. Rs. 78½; N.T. R.G. Rs. 74¼; S.G. Rs. 78½; 289F Punjab R.G. Rs. 76¾; S.G. Rs. 80¼.

It was an equally uneventful week at Alexandria, possibly because of the *Id* celebrations. As in the previous week, there was some enquiry for Ashmouni both from the local mills and the shippers. The Egyptian Cotton Commission has announced that the old crop will be sold on the present basis to the end of August. This has affected demand for new crop to a certain extent. All new crop positions, therefore, worked easy during the week. The Egyptian Cotton Commission has also informed the Exporters' Association that there would be no reduction in the selling differentials for present stocks with the Commission. While the premia for entitlement currency have remained unchanged during the week, there is every possibility of their appreciating in the near future, in view of increased imports of various consumer goods likely to take place during the coming week. Exports during the season till the 26th of May amounted to 816,707 bales, against 700,995 bales shipped during the period in the 1952-53 season.

At Liverpool, the new market is gradually feeling its way and business in large parts is confined to the transfer of hedges from the Raw Cotton Commission cover scheme to the new market.

Against these hedges there was straddle buying from New York, with the result that their pressure did not affect the price trend which continues to be steady.

At New York too, it has been a placid week. The range of fluctuations has been very short and the demand for contract was generally met by selling on the part of those carrying on a straddle trade between New York and Liverpool. Exports till the week ending 20th May exceeded those for the same period last year by half a million bales.

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

(In cents per lb.)

	8-6-54	1-6-54	25-5-54
Spot	35.30	34.45	35.45
July	34.26	34.38	34.33
October	34.17	34.16	34.21
December	34.17	34.19	34.24
March	34.32	34.30	34.34

STAPLE FIBRE YARN DECLINES FURTHER

(From Our Own Correspondent)

BOMBAY, *9th June*

A feature of trading in the art silk yarn market was the persistence of the downward trend witnessed in staple fibre yarn 40×2 last week. Under the impact of continued hammering by bears, the futures section was almost nervous. As a result, there was a sharp fall in the value of June delivery. There was lack of demand in spots and prices, as a result, moved within very narrow limits.

Among futures, June delivery, which opened quiet at Rs. 617, fluctuated between Rs. 606 and Rs. 624, before closing at Rs. 609. Although officially trading in July was open since the 1st inst., it was resumed only today when it was quoted at Rs. 610. In the ready section, City and New Great lost three-quarters of an anna each to Rs. 3-5-3 and Rs. 3-4, respectively. Phoenix was down by half-an-anna at Rs. 3-1 and Hinds by a quarter anna at Rs. 3-1-9. Among foreign yarns, Suico and Shinco lost an anna each to Rs. 3-11 and Rs. 3-10, respectively.

The performance even in the art silk yarn section was not encouraging. The fact that a prominent bull took delivery of 350 cases in May fixed delivery, and fears that he may squeeze further in June fixed delivery, had no effect on the market. This was due to discouraging reports of offtake of yarn in important consuming centres. 150D June which opened quiet at Rs. 780 shot up to Rs. 790 on the 7th inst. Thereafter, it registered a downward trend and eased to Rs. 606, the lowest touched in the week, today, before closing at Rs. 770. The Board of the Yarn Exchange is expected to take a decision at its meeting on the 12th inst. whether trading in July fixed delivery should be allowed.

Among spots, 120 Japan was unchanged at Rs. 4-7, while 150 Japan lost an anna to Rs. 4-14. 120 Italy was quiet at Rs. 4-2 but 150 Italy lost As. 2 to Rs. 4.

There was no notable change in the cotton yarn section. With uncertainty continuing in raw cotton prices and restricted offtake in handloom cloth, the undertone was not reassuring. Dealers, as a result, were more inclined to take interest in goods for ready and near deliveries for which premiums had been paid, as compared with goods for distant deliveries. Quotations, therefore, were a shade easy. Among 80s, Elphinstone lost As. 4 to Rs. 58-12, while Seksarias were unchanged at Rs. 55-10, Finlays at Rs. 62 and Sri Rams at Rs. 59. Deals reported done in 60s, showed that Sri Rams eased from Rs. 52-12 to Rs. 52 and Seksarias from Rs. 47-8 to Rs. 45-12. Raghuvamshis, however, gained As. 8 to Rs. 49-8. Transactions in 40s revealed that Seksarias declined by As. 4 to Rs. 27 and Meenakshis by As. 2 to Rs. 29-2. Maduras were colourless at Rs. 29-8. Among 30s, Girdhardas were lower by As. 2 at Rs. 23-2 and Maduras by As. 4 at Rs. 24-8. Among 20s. Seksarias were down by As. 2 at Rs. 16-10, while Hinds gained an anna to Rs. 17-6. Edwards were unchanged at Rs. 16-14. Among 10s, Moderns, Podars and Elphinstones were unchanged at Rs. 13-8, Rs. 13-4-6 and Rs. 12-13, respectively.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	9-6-1954	2-6-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 June (per case of 200 lbs.)	770 0	780 0
120 Japan (per lb.)	4 7	4 7
150 Japan (per lb.)	4 14	4 15
120 Italy (per lb.)	4 2	4 2
150 Italy (per lb.)	4 0	4 2
Staple fibre yarn—		
40 s 2 June (per case of 200 lbs.) ..	609 0	617 0
Suico (per lb.)	3 11	3 12
New Great (per lb.)	3 4	3 4 3/9
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 8	13 8
20s Seksaria	16 10	16 12
30s Madura	24 8	24 12
40s Meenakshi	29 2	29 4
60s City	47 4	48 0
80s Finlay	62 0	62 0

OILSEEDS BEARISH

(From Our Own Correspondent)

BOMBAY, *9th June*

The oilseeds market continued to present a bearish trend during the outgoing week. Adverse factors, such as unfavourable upcountry advices, poor offtake of oil as well as seeds, reported accumulation of stocks with *vanaspati* manufacturers, sharp fall in copra oil prices, weakness of pepper, bullion and cotton markets, reported arrivals of summer groundnut crop in South Indian centres, cumulatively contributed to depress the sentiment of the market. Quotations of oilseeds, despite feeble support at lower levels, registered sizable declines, on persistent selling pressure. For a while, under conflicting rumours about the possibility of the Government allowing token exports of groundnut oil, the groundnut section ruled rather erratically, but finished lower ultimately. The trend in the linseed section, which lacked strength of its own, was influenced by the behaviour in groundnuts. After exhibiting steady trend during the early part of the week, the castorseeds section turned easier subsequently, solely on speculative selling. The *niger* and *kardi* sections proved no exception to the general trend.

In view of the anxiety of stockists in upcountry centres to dispose of their stocks and almost a slump in the prices of groundnuts in Hyderabad State, operators hesitated to enter into fresh commitments. Bold F.A.Q., which opened at Rs. 31 as against Rs. 31-10, improved to Rs. 31-8 on the 4th inst. Thereafter, it gradually declined to Rs. 28-14, on the 7th inst. Subsequently, there was again an upward trend, on support at lower levels by shorts and *vanaspati* interests. As a result, Bold ready shot up to Rs. 30-4 today, where it closed. June-July lost Re. 1 to Rs. 29-12. Khandesh quality ready declined from Rs. 32-4 to Rs. 31-8. Groundnut oil railway receipt disclosed a loss of As. 8 at Rs. 15 and July delivery As. 15 at Rs. 14-13.

Export demand for linseed oil continued to be negligible this week too. Even local demand was lacking. This, coupled with the underlying easiness in the groundnut section, pushed down prices of the linseed. Bold ready was easier by Re. 1-4 at Rs. 23-12 and June-July by As. 10 at Rs. 23-8. Sutnas were down at Rs. 22-4, as against Rs. 23-8. Linseed oil disclosed a loss of As. 8 at Rs. 12-8.

In the castorseed section, September delivery which was enquired for at Rs. 110-4, as against Rs. 111-4, fluctuated between Rs. 111-14 and Rs. 105-2, before closing at Rs. 107-4. Madras quality changed hands at about Rs. 21, as against Rs. 21-8. Castoroil B.S.S. eased from Rs. 12 to Rs. 11-8, I Pressure from Rs. 11-8 to Rs. 10-14 and Commercial from Rs. 10-12 to Rs. 10-8. Continental quotations at £100 per ton for commercial oil and £108 per ton for B.S.S. are encouraging, but owing to limited quotas Indian traders cannot take advantage of the situation.

Among others, *kardi* Bold ready lost Rs. 2 to Rs. 15-4. August-September delivery eased from Rs. 15-14 to Rs. 15-8. *Niger* Madras ready was down by As. 8 at Rs. 26.

The following table shows the prices of oilseeds and oil on the 9th inst. as compared with those at the end of the previous two weeks:

	9-5-54	2-5-54	26-4-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	31 8	32 4	34 4
June-July	29 12	30 12	31 13
Linseed—			
Bold Ready (per cwt.) ..	23 12	25 0	25 14
June-July	23 8	24 2	24 14
Castorseeds—			
September 1954	107 4	110 12	114 10
Madras (per cwt.)	21 0	21 8	22 9
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 0	15 12	16 12
Castor Oil—			
Commercial (per quarter) ..	10 8	10 12	11 6

PEPPER DROPS FURTHER

(Messrs. Parekh & Co.)

BOMBAY, *9th June*

Malabar black pepper during the week continued its downward journey, with Alleppey, Tellicherry and Bombay establishing new low levels. During the earlier part, growers at Alleppey were anxious sellers at Rs. 800. Their counterparts at Tellicherry sold as low as at Rs. 750. At Bombay, June shipment for New York was done at $043, July at $0.42 and August at $0.41. Last Saturday, however, the market tried to look up, following the purchases by the bulls and short-covering by bears at Bombay. Bulls tried to rig up the market with a view to stirring up activities in New York. But, New York refused to follow the rise in India. Consequently, the market in the later part once again relapsed with rather double the force as spot price in the New York market gave way and came down from $0.55 to $0.48, possibly under pressure of sales of afloat consignments from India per the s.s. *Banka*.

Though consigners from India invited bids almost daily from their brokers at New York, who, instead of giving counter-bids, began to give only indications and when asked to sell they cabled back with still further lower price idea without transacting business. Such a runaway attitude of New York buyers made Indian sellers all the more nervous, who, in order to cut their losses on consignments, are reported to have sold in Bombay, as hedge, July shipment at $0.40 and August at $0.39. There are sellers at this price, but few buyers. Crisis-like conditions are still persisting at all the growing centres where growers as well as dealers are anxious sellers at the best market price, but with almost no buyers. Garbled pepper at Cochin was done at as low as Rs. 145.

In short, the pepper market at the moment has become a bottomless pit and one does not know what will be the lowest in the year, 1954 if India, Sarawak and Indonesia were to compete among themselves to sell their pepper in U.S. market which will naturally try to take the best advantage of the situation.

In the delivery section, prices established new low levels with sellers for July and August deliveries at Rs. 715 and Rs. 695 respectively.

Following are today's nominal quotations:—Ready delivery Rs. 115 per Bengal maund and June Rs. 770-80; July Rs. 720-30, and August Rs. 700-710 per candy of 5½ cwts.

TEAS A LITTLE EASIER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, *5th June*

The offerings in sale No. 11, which was held on Tuesday, 1st June, amounted to approximately 18,45,000 lbs. There was a good general demand, but prices were generally a little easier, except for fannings and whole leaf grades. Pekoes, however, met a very poor market and were the weakest feature of the sale. Low and low medium teas were half anna easier and good mediums and highgrowns were half to one anna easier with O.P.'s and well made F.P.'s irregularly As. 1 to As. 1½ dearer. Black well made types met a strong market and were irregularly dearer. The following are the quotations:—

	1954 Rs. a. p.	1953 Rs. a. p.
Low-grown Travancore B.O.P.	2 7 6	1 10 6
Medium Travancore B.O.P.	2 8 0	1 11 0
Anamallais B.O.P.	2 10 0	1 14 6
Best liquoring Nilgiri B.O.P.	2 14 0	2 5 6
Well made black leaf O.P. ...	2 12 6	1 15 6

London Market.—Old season's unchanged. New season's Kumargram P.F. 5/1-3/4.

Colombo Market.—Export.—Active demand. Highgrowns brokens lower, following quality. Other kinds dearer, particularly fannings.

Calcutta Market—Export.—Good demand, fading towards close. Any invoices with character sold well at firm to stronger rates. Plain thin liquoring types weakest feature. Darjeelings with flavour sold well. Whole leaf strong. Clean common broken pekoe As. 42.

Dust.—3,400 packages. Fair demand. Market irregularly As. 1½ to As. 2 easier. Flavoury Darjeelings strongest feature.

Special licence expired on 31st May, 1954, and the last business transacted was at 38 pies.

1954-55 *Export Quota.*—Current season's quota appreciated early in the week to 57 pies, but this has since declined to 52 pies which remains today's quotation.

Forthcoming Auctions.—Dust sale 'K' will be held on Tuesday, 8th June, and sale No. 12 will be held on Tuesday, 15th June, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale K.*—3,75,000 lbs. Less demand. Prices irregularly As. 2 lower."

SACKINGS FARE WELL

(From Our Own Correspondent)

CALCUTTA, *8th June*

Steady conditions prevailed in all sections of the jute market during the week under review, and the best additions to prices were seen in the heavy goods section. A shortage for certain constructions of heavy goods was keenly felt. Ready goods in green cees and A. twills were particularly difficult to obtain, and stockists could be attracted to part with their small holdings only for substantial premiums. It is believed that shipments of heavy goods in the month of May were in excess of production. Judging from the rate of demand and declining stocks with mills, an increase in the working hours of mills is called for. This view has been supported by the President of the Gunny Trades Association, Mr. N. Kanoria, who has stated that the policy of increasing working hours, when acted upon, will go a long way to help the Indian industry to regain its supremacy in world markets. Successful competition in foreign markets, he adds, would depend upon bringing down production costs by modernisation and rationalisation of the industry.

There was considerable activity this week in B. twills in the *fatka* market, as a result of which the price gained to Rs. 113-4 by the week-end from Rs. 111-4 which was the week's opening quotation. In the transactions yesterday, the rate was further raised to Rs. 115-8. Support to higher prices was also given as a result of covering demand. A. twills were in keen demand, and the ready goods were at one time as high as Rs. 158-8. Green-striped heavy cees changed hands at Rs. 128-4 and D.W. flour bags at Rs. 136.

Although not much business took place in hessian, this section was steady in sympathy with heavy goods. Up to the week-end, ready 40" 10 oz. was quoted at Rs. 44-5, but the feature of the week was provided in the spurt to Rs. 44-12 with the f.o.b. rate at Rs. 48-13. The 8 oz. hessian was priced at Rs. 37-10 f.a.s. and Rs. 40-14 f.o.b.

Good business was put through in raw jute with mills. However, with sellers anxious for more and more business, the better conditions noted in the goods market were not fully reflected in raw jute. For this reason, prices were unchanged for most part of the week, but the latest quotations, given below and wherever changed, show an improvement of As. 8 compared to the rates of a week ago given in brackets. *Bimli* f.a.q. at Rs. 23-8 had the distinction of a gain by one point. In the pucca bales section, first marks ready at Rs. 170 added Rs. 5, with Dundee dalsee being priced at Rs. 165.

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani district ..	31 0 (same)	27 0 (same)
,, northern ..	30 8 (same)	26 8 (same)
Indian northern ..	29 8 (same)	26 8 (same)
Assam Upper ..	29 0 (29-0)	26 8 (26-0)
,, Lower ..	29 0 (28-8)	26 0 (25-8)
Daisee	29 8 (same)	26 8 (same)
Orissa	31 8 (31-0)	28 8 (28-0)
Murshidabad	30 0 (same)	27 0 (same)
Western	....	25 0 (24-8)
Jungli	....	24 8 (24-0)
Uttar Pradesh	....	24 0 (23-8)
	....	24 0 (23-8)

SUGAR QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, *9th June*

The Bombay sugar market presented a quietly steady tone during the week under review. The panicky conditions among spot traders noted last week on account of heavy accumulated stocks of indigenous sugar subsided this week. The main factor which gave them breathing time this week was the fact that the s.s. *North Anglia* and the s.s. *Maria*, which arrived in the harbour on the 1st inst., had to wait in the upstream up to the 6th inst. for want of a shed in the port. This interval helped the spot traders to dispose of their stocks.

The quality of Formosan sugar per s.s. *Maria* has turned out to be very good and especially favoured by the trade in view of the fact that a very large percentage of the consignment is of bold cane sugar comparable with our I.S.S. cane C.29 and that there are not several qualities and several sizes of grains in this shipload, as was the case in the shipment of Java and Czech sugar. The quality of the Spanish sugar is, however, rather poor and appears to be the most inferior imported into this country so far.

The Government has this week permitted the trade to link up sales of bold grain and small grain of imported sugar at the average margin of one rupee profit. This permission was accorded because traders complained of losses as very often they were given sugar of small grain for which there was little demand in urban areas. In view of this directive, British refined sugar which was being sold at a loss at Rs. 84 per bag will now be sold at Rs. 88-4 per bag, the Spanish at Rs. 51-4 and the Formosan (the most superior quality of sugar available) at Rs. 87 per bag of 220 lbs. These quotations compare favourably with fair prices estimated, on a free market basis, at Rs. 84-8 per bag for British refined sugar, Rs. 49 per bag for Spanish sugar and Rs. 93 per bag of 220 lbs. for Formosan sugar. The landed costs thus being higher than the free market estimates of British refined and Spanish sugar save the traders from losses on these sugars. The permission given by Government thus accommodates the traders who stand committed to sell imported sugar also on a gross margin of Re. 1 per maund, as in the case of indigenous sugar.

In the spot section, small grains improved by As. 8 to Rs. 85-8 over the week. Medium grains, which ranged last week between Rs. 89 and Rs. 91-8, were a shade lower at between Rs. 87-8 and Rs. 91-8. Large grains, however, were slightly better at Rs. 100 to Rs. 103 as against Rs. 100 to Rs. 102 last week, owing to paucity of stocks. The quotations for British refined stood at Rs. 88-4 as against Rs. 84 a week ago.

The forward section continued to be neglected and Jeth delivery hovered between Rs. 83 and Rs. 83-8 per bag and was weak today at Rs. 82-14, as a result of persistent rumours that the reported reduction in the prices of imported sugar may come into force very soon so that British refined sugar per s.s. *Margo*, due to arrive shortly, may be available at a reduced price. Trading in *Shravan* delivery opened today at Rs. 83.

Arrivals during the week under review amounted to 11,600 bags. Of the two ships carrying British refined sugar, one, namely, the s.s. *Atlantic Coast*, has already arrived and the other, the s.s. *Margo*, is scheduled to dock in this harbour before the week is out. The former carries 10,222 tons of British refined and the latter, 9,557 tons of Spanish refined sugar. The s.s. *Maria* brings in 9,029 tons of Formosan sugar.

KIP PRICES LOWEST IN SEVEN MONTHS

(From Our Own Correspondent)

MADRAS, *7th June*

Trading in the kip section has been dull, due to *Ramzan* holidays here and the proximity of Whitsun holidays in the U.K. Dressers have shown great price resistance, and are offering 1d. less at 52d. for lights, 42d. for mediums and 39d. for heavies. Prices locally have not touched these levels since October last and sellers think twice before accepting these prices for later cover. Business in cow calf, buff calf and buff hides has been patchy.

There has been good clearance of tanned skins in the local market and prices have held steady. Shipments of goat skins to U.K. have been greater in volume than sheep, and this is a new feature in the tanning trade. Prices of goat skins which have held firm for superior tannages may not hold in consequence.

Shipments in bales during May were: To U.K.: 4,414 tanned cow, 453 tanned cow calf, 73 tanned buff hides, 329 tanned buff calf, 963 tanned goat and 769 tanned sheep. To Continent: 298 tanned goat, 51 tanned sheep and 75 drysalted goat. To U.S.A.: 166 tanned cow hides, 140 tanned buff hides, 20 tanned buff calf, 166 tanned goat, 300 drysalted goat and 8 tanned snake skins. To Japan: 188 tanned sheep skins.

KANPUR HIDES STEADY

(From Our Own Correspondent)

KANPUR, *6th June*

During the week under review, the local hides and skins market ruled steady despite the *Id* festival during the week and business could not attain normal proportions. The new arrival was considerable in regard to wet salted cow, whereas the supplies of buff were a bit lean. The local tanners were the main buyers. The latest quotations are as follows:

Wet salted cow, 1st grade Rs. 360, 2nd grade Rs. 240 and 3rd grade Rs. 160 per score; wet salted buff, 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 260 per 100 pieces; sheep skins, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

INSURANCE

(Concluded from page 1134)

appointed branch manager and resident representative in India of the General Fire Assurance Company of Paris and of the Cornhill Insurance Company, Ltd., of London.

In the marine section, the net premium income advanced from Rs. 7.23 lakhs to Rs. 8.08 lakhs. Claims as well as expenses were higher at Rs. 6.16 lakhs and Rs. 2.22 lakhs, respectively. Marine business continues to present serious difficulties to all general insurers, both in this country and abroad, owing to keen competition for business and high cost of claims. The Jayabharat's experience was not different from that of other insurers in this field. The department again suffered a loss this year, though it is gratifying to note that at Rs. 1.12 lakhs it was slightly smaller than in the previous year. The net premium income in the miscellaneous department improved by Rs. 1.42 lakhs to Rs. 8.18 lakhs. Claims rose from Rs. 4.58 lakhs to Rs. 5.29 lakhs and expenses from Rs. 2.32 lakhs to Rs. 2.86 lakhs. The working of the department showed a loss of Rs. 0.67 lakh.

The underwriting profit from the fire department (Rs. 3.0 lakhs) together with income from interest and dividend (Rs. 3.94 lakhs) and from other sources, amounted to Rs. 6.95 lakhs. After debiting the loss in the marine and miscellaneous departments and providing for reserves for bad debts (Rs. 50,000) and other expenses, there was a balance of Rs. 4.39 lakhs, which, together with Rs. 31,051 brought forward from the previous year, made in all Rs. 4.70 lakhs. The Directors propose to transfer Rs. 1.50 lakhs for taxation reserve and Rs. 1 lakh for general reserve. The payment of dividend at Rs. 3 per share will absorb Rs. 1.5 lakhs, leaving Rs. 70,117 to be carried forward to current year's account.

The financial position of the company continues to be good. Besides a capital of Rs. 25 lakhs, the Company's funds aggregate Rs. 87.05 lakhs, inclusive of life assurance fund (Rs. 42.60 lakhs), fire fund (Rs. 16.61 lakhs), marine fund (Rs. 8.08 lakhs) and miscellaneous fund (Rs. 4.09 lakhs).

BANKING IN THE UNITED STATES

(Concluded from page 1136)

posit liability of the closed bank and makes available the funds needed to discharge such liability. Since the inception of the Corporation in 1933, depositors in the 245 insured banks that have been placed in receivership have been paid in each case as soon as their claims have been presented and proved.

Depositors in 175 hazardous insured banks have been given full protection and uninterrupted bank service when, with financial aid from the Corporation in the form of loans or purchases of assets, these banks have been merged with solvent insured banks.

Commercial and Investment Banking Separated

Commercial and investment banking have been separated by national law in the United States. Commercial bankers can no longer underwrite securities or act as agents of business enterprises by making indirect loans through brokers. They are also prevented from investing in "unsafe" securities. Investment banking is regulated under a special Government agency, the Securities and Exchange Commission (S.E.C.). With certain exceptions, all new issues of stocks and bonds must be registered with the S.E.C. If the registration contains all the necessary facts and is unchallenged by the S.E.C., the issue can be offered for sale to the public. A "prospectus" of the new issue must be prepared and the investment banker must be able to prove that purchasers of the security have received a copy of it. This prospectus must contain all the important information that is needed by an investor to make up his mind regarding the purchase (full disclosure). The statements in it must conform to those made to the S.E.C.

The American Bankers' Association, organised to promote the general welfare and usefulness of banks and to secure more uniform legislation, was founded in 1875. The Investment Bankers' Association was organised in 1912.

The responsibility of bankers was summed up by a former President of the American Bankers' Association, Mr. Joseph M. Dodge, as follows:

"Banking is a business in which managements must know the working rules of its relationship with the economy, recognise the problems which are peculiar to it, and work toward objectives which accept a broader national responsibility. And it is a business in which what you do in your bank is not only important to you, but, as it becomes a part of what all banks do, it is important to the stability of the economy, and to the future life of banking in its present form. . . . We must be sure to pursue sound policies in our own business and do everything we can to lead others to do the same. And, finally, we must be willing to give continuous consideration to the economic net product of what we do."—*Exclusive to "Commerce."*

AGRICULTURAL PRODUCE SURPLUSES

THE seventh annual Conference of the International Federation of Agricultural Producers, which concluded its nine-day session recently at Nairobi (East Africa), discussed, among others, the problem of mounting surpluses of agricultural produce in certain countries and the need for co-ordination of farm and trade policies, with a view to promoting a healthy and expanding world economy. The notable feature of the Conference was the adoption of the Policy Committee report calling for the introduction of national programmes to effect production changes, as it was thought that the best way to solve the problem of world agricultural surpluses was to change the amount of different products grown and not to reduce the output as a whole. The Committee recommended that Governments with unwieldy surpluses should switch over from the production of crops and livestock to that of goods more needed in their home markets. The Conference decided that reduced production of such crops as cotton, grain and potatoes and increased output of such goods as animal protein food was more urgent.

Of the member-delegates of Nations who attended the Conference, about 27 were, however, of the considered view that the long-term solution lay in increasing the purchasing power of the underdeveloped countries and lowering trade barriers. The report of the Conference averred that, in the long-run, the solution must be found in the "progressive reduction of barriers to world trade, including full convertibility of national currencies." It called for encouragement of schemes for disposing of surpluses in underdeveloped countries linked with programmes for their general economic development to increase their purchasing power. It was further felt that such organisations as the U.N. Food and Agricultural Organisation should be given larger funds to provide technical assistance to underdeveloped countries and that efforts should be made to increase supplies of capital for such countries. One reason why the Asian market prospects were not encouraging, it was stated, was a reduction in the purchases by India, which was concentrating on expansion of its agricultural commodities. This statement will not stand scrutiny; India has had to take steps for increasing its production, because, apart from other considerations, its neighbours wanted excessive prices for their products, with some of them following unrealistic exchange rate policies.

It seems clear that the policy adopted in some countries of supporting agricultural prices at a level higher than what they would be if the law of supply and demand were allowed free play, without exercising some direct control over production, is doomed to failure. If prices of individual commodities are too high, they stimulate excessive production and discourage consumption at that level of prices. Some kind of production control thus becomes necessary, unless the surplus produce can be dumped abroad at levels which are far below the domestic prices. If exports are subsidised, it means that the domestic consumer has to pay a part of the consumption price of the foreign consumer of the national product. A glaring anomaly of the present world economic situation is that nations with surplus produce exist side by side with nations suffering from chronic undernourishment. The surplus products can find their markets only if the purchasing power of the undeveloped and underdeveloped countries is increased. This means that capital investment in the latter countries should be stimulated. After all, poverty in any part of the world constitutes a danger to any other part of the world. It is, therefore, in the enlightened self-interest of the more fortunate nations to aid the economic development of the less fortunate as far as their resources permit.

The Government of Turkey and representatives of an American Investment Corporation have signed an agreement for the setting up of a 10 million dollar joint Turco-American company in Turkey for the manufacture of agricultural implements. The programme seeks to make Turkey self-sufficient in agricultural machinery within five years. This is claimed to be the first foreign investment attracted by the very liberal terms extended to foreign capital under Turkey's recent foreign investments law.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

(In crores of Rupees)

	1st Sept. 1939 (pre-war)	28th May 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,202.92	1,215.56	1,17 .19	1,158.88
Notes held in Banking Department	35.06	43.28	30.31	20.40	31.84
Foreign Securities	29.50	688.15	668.15	678.15	613.15
Rupee Securities	37.39	421.22	421.22	421.24	449.86
Banking Department					
Deposits of:					
Government of India	14.89	101.08	97.59	86.77	103.46
Other Governments		20.55	20.11	23.31	16.88
Balances held abroad	10.08	63.00	65.80	74.05	97.63
SCHEDULED BANKS					
Demand Liabilities	184.87	543.23	541.35	536.92	529.01
		(8.35)†	(8.03)†	(8.20)†	(10.71)†
Time Liabilities	102.84	229.64	228.90	228.47	222.89
Borrowings from Reserve Bank		(1.66)†	(1.46)†	(1.23)†	(1.65)†
		37.39	45.65	44.06	17.88
		(21.27)‡	(25.37) ‡	(24.11)‡	(9.99)‡
Borrowings from Imperial Bank		9.17	9.32	13.80	10.78
Cash in India	6.71	32.73	33.04	32.43	31.67
Balances with Reserve Bank	25.28	41.12	42.93	40.52	39.15
Excess over statutory limits	15.52	7.37	9.29	7.10	6.25
Balances with other banks in current account in India		10.80	10.87	10.69	11.11
Money at call and short notice in India		12.91	11.78	10.57	14.27
Investments (at book values)	25.28	324.05	324.28	322.85	299.76
Advances and bills	105.09	572.58	579.58	563.13	531.32*
IMPERIAL BANK					
Deposits	87.76	209.40	209.38	208.11	209.68
Investments	51.99	93.02	92.98	93.25	81.03
Advances	30.37	124.21	124.07	130 57	131.71
Cash	14.69	16.66	17.07	13.28	14.63

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes Foreign Bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	4th June, 1954		28th May, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,02,752	44,98,40,000	2,29,351	50,41,91,000
Calcutta	N.A.	N.A.	1,47,017	41,39,22,263
Madras	64,516	6,33,15,114	71,888	6,92,37,278
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,83,214	26,45,05,08,000
Feb., 1954	..	..	2,721,000	5,78,25,00,000
Mar., „	..	..	3,046,000	5,49,45,00,000
April „	..	..	2,961,000	6,25,77,00,000

Reserve Bank of India

Statement of Affairs for the week ended 4th June, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	103,88,90,000
(2) Other Governments	19,53,85,000
(b) Banks	40,10,49,000
(c) Others	45,85,76,000
Bills Payable	2,93,40,000
Other Liabilities	25,58,26,000
Rupees	247,75,65,000

ASSETS	Rs.
Notes	33,89,52,000
Rupee Coin	14,15,000
Subsidiary Coin	9,58,000
Bills Purchased and Discounted—	
(a) Internal	33,25,000
(b) External	
(c) Government Treasury Bills	8,76,02,000
Balances held abroad*	62,34,90,000
Loans and Advances to Governments	1,47,00,000
Other Loans and Advances	45,56,33,000
Investments	85,43,16,000
Other Assets	9,71,14,000
Rupees	247,75,65,000

* Includes Cash and Short-term Securities.

N.B.—The Item 'Other Loans and Advances' includes Rs.15,93,25,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs 93,02,25,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	33,89,52,000	
Notes in circulation	1211,54,42,000	
Total Notes issued		1245,43,94,000
Total Liabilities		1245,43,94,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	688,15,11,000	
Total of A		728,16,82,000
B. Rupee Coin		98,04,84,000
Government of India Rupee Securities		421,22,28,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1245,43,94,000

Ratio of Total of A to Liabilities: 58.467 per cent.

Scheduled Banks *

Statement of Affairs for the week ended 28th May, 1954

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India	8,37,61,000†
(ii) Other demand liabilities	534,85,55,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India	1,65,50,000†
(ii) Other time liabilities	327,98,15,000
3. Borrowings in India from the Imperial Bank of India :	
(i) Demand liabilities	9,17,08,000
(ii) Time liabilities	
4. Cash in India	32,73,14,000
5. Balances with the Reserve Bank in India	41,12,20,000
6. Balances with other banks in current account in India	10,80,45,000
7. Money at call and short notice in India	12,90,71,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	324,04,88,000
9. Advances in India	478,37,06,000
10. Inland Bills purchased and discounted in India	73,29,04,000
11. Foreign Bills purchased and discounted in India	20,02,05,000

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

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1954					
16th March ..	1.00	1.27	1.00	2 11 0	79
23rd „	1.00	1.01	1.00	2 11 0	99
30th „	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	63
13th „	1.00	1.93	1.00	2 10 9	44
Total ..	5.00	6.66	5.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India† ..	1950-51	359.33	..	9,530	265
Pakistan ..	1949	75.04	Kyats. .. 3,166	1,671	223
Burma ..	1951	18.67		317	170
Ceylon ..	1952	7.94		441	555
Japan ..	1951	84.30	Y. 4,849,400	8,414	761
Philippines ..	1952	20.63	Ps. 7,054	1,575	311
New Zealand ..	1952	2.00	£ (N.Z.) 540	961	4,307
Australia ..	1952	8.65	£ (A.) 3,521	6,756	4,342
U.K. ..	1952	50.43	£ 13,648	18,127	3,958
U.S.A. ..	1952	156.98	$ 290,400	139,280	8,868
Canada ..	1952	14.43	$ 19,135	8,168	5,662
France ..	1952	42.69	F. Fr. 10,190,000	13,564	3,254
W. Germany ..	1952	48.48	Dm. 98,400	11,156	2,301
Italy ..	1952	46.88	Lr. 8,112,000	6,181	1,318
Norway ..	1952	3.32	Kr. 16,696	1,106	3,331
Denmark ..	1951	4.30	Kr. 20,718	1,439	3,346
Switzerland ..	1952	4 82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the source of a year including net income from abroad.
† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.
Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 28th May, 1954

BANKING DEPARTMENT.

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,00,00,000
Deposits—	
(a) Central Government	12,31,17,000
(b) Provincial Governments	3,69,43,000
(c) Banks	13,35,42,000
(d) Others	2,50,38,000
Bills Payable	13,11,000
Other Liabilities	5,85,47,000
Rupees	43,75,03,000

ASSETS	Rs.
Notes	8,23,22,000
Rupee Coin	4,000
Subsidiary Coin	16,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments. ..	4,47,00,000
Provincial Governments' Debtor Balances ..	86,15,000
Other Loans and Advances	3,84,80,000
Investments	16,22,01,000
Other Assets	10,12,15,000
Rupees	43,75,03,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,23,22,000	
Notes in circulation	228,10,01,000	
Total Notes issued		236,33,23,000
Total Liabilities		236,33,23,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	7,01,42,000	
Silver Bullion		
Sterling Securities	44,28,72,000	
Government of India Securities ..	13,89,49,000	
India Notes representing assets receivable from the Reserve Bank of India ..	29,98,91,000	
B. Rupee Coin ..	5,16,35,000	96,08,54,000
Government of Pakistan Securities ..	130,83,59,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		135,99,94,000
Gold Coin and Bullion ..	19,08,000	
Sterling Securities ..	3,06,25,000	
Government of India Securities ..	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,33,23,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 42.33 per cent.

EXCHANGE RATES

	9th June, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months ..	1-5⅛	1-5⅛
Buyers T.T. spot to nine months ..	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months ..	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	475	475
Buyers T.T. .. Rs.	471⅝	471⅝
London on New York .. $	2.81⅜-2.81⅝	2.81⅜-2.81⅝
London on Paris .. Fcs.	983½	985½
London on Berne .. Sw. Frs.	12.22½-12.22¾	12.22½-12.23
New York on London .. $	2.81-2.81⅛	2.81⅜-2.81⅝

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd June, 1954	4	3½
Belgium	30th Oct., 1953	3	2½
Canada	17th Oct., 1950	2½	2
Ceylon	23rd July, 1953	2½	3
Denmark	23rd Sept., 1953	3	4
Finland	16th Dec., 1951	7½	6½
France	4th Feb., 1954	3½	3½
Greece	1st Jan., 1945	12	10
India	15th Nov., 1951	3	3½
Italy	8th April, 1950	4½	4
Japan	1st Oct., 1951	5.11	5.84
Netherlands ..	29th April 1953	3	2½
New Zealand ..	30th July, 1953	3½	3
Norway	9th Jan., 1948	3	1½
Pakistan	1st July, 1948		2½
Portugal	15th Jan., 1944	3	3
South Africa ..	27th Mar., 1953	3½	3½
Spain	18th Mar., 1953	4½	4
Sweden	20th Nov., 1953	4½	4
Switzerland ..	26th Nov., 1936	2	1½
Turkey	26th Feb., 1954	4	5
United Kingdom ..	15th May, 1954	3½	3
U.S.S.R.	31st July, 1950	3	4
U.S.A.	16th April, 1954†	1½	1¾
West Germany ..	20th May, 1954	3½	3

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, ..		Ten months April to January	
	1953	1954	1952-53	1953-54
Import Duties:				
Revenue	8.40	9.64	93.00	92.26
Protective	0.52	0.58	6.33	5.11
On surplus disposals	0.02	..	0.05	0.20
Total import duties	8.94	10.22	99.38	97.57
Export Duties	3.20	2.72	47.16	33.72
Land Customs	0.16	0.21	2.81	1.59
Gross total customs	12.38	13.20	150.08	132.88
Refunds and drawbacks	0.17	0.14	2.36	1.44
Net Customs	12.21	13.06	147.72	131.35
Gross excise	7.80	8.64	69.24	77.71
Refunds	0.08	0.09	1.24	0.82
Net Excise	7.72	8.55	68.00	76.89
Net total of customs and excise	19.93	21.61	215.69	208.24

Imperial Bank of India

Statement of Affairs for the week ended 4th June 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each.	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid ..	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid ..	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	5,62,50,000
Reserve Fund and other Reserves ..		6,25,00,000
Deposits and other Accounts ..		209,60,85,000
Borrowings from other Banking Companies		7,50,00,000
Bills Payable ..		2,39,06,000
Bills for Collection being Bills Receivable as per contra		42,76,000
Acceptances, Endorsements and Other Obligations as per contra ..		
Other Liabilities (including Inter-Office Adjustments)		56,000
Total .. Rs.		4,80,78,000
		236,71,06,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		8,99,85,000
Balances with other Banks ..		4,04,61,000
Money at Call and Short Notice ..		1,20,00,000
Investments— Government and other Trustee Securities ..	82,52,40,000	
Other Authorised Investments ..	10,19,92,000	
Advances— Loans, Cash Credits and Overdrafts, etc. ..	94,14,02,000	92,72,32,000
Bills Discounted and Purchased ..	30,11,24,000	
Bills Receivable being Bills for Collection as per contra ..		124,25,26,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra ..		42,76,000
Premises less Depreciation ..		56,000
Furniture and Fixtures less Depreciation ..		1,31,61,000
Other Assets (including Inter-Office Adjustments) ..		41,33,000
Total .. Rs.		2,32,76,000
		236,71,06,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates and Defence Savings Bank Deposits. Outstandings @	2½% Ten-Year Treasury Savings Deposit Certificates ‡	
	National Savings Certificates †										
	5-Year		7-Year		12-Year						
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*
1948-49	1.47	76	74	22.40	22.86	85.67	29.01	—	13.31	..	..
1949-50	6.84	66	5.27	23.62	24.18	1,18.84	29.01	—	13.31	..	..
1950-51	6.93	1,48	4.24	20.57	1,04.43	1,13.15	1,05.26	—	14.18	7.54	24.54
1951-52	6.84	9	3.27	2.44	84.16	19.75	91.01	—	14.18	6.94	32.11
March 1952 ..	6.80	8	3.27	2.24	85.95	9.56	91.01	—	14.08	6.94	32.11
April „ ..	6.83	4	3.29	2.06	87.27	9.55	92.50	—	14.20	60	25.64
May „ ..	6.82	4	3.31	2.28	89.22	9.62	92.50	—	14.22	66	26.38
June „ ..	6.79	11	3.28	2.23	91.02	10.24	92.50	—	14.22	66	27.00
July „ ..	6.67	9	3.44	2.23	92.85	10	93.53	—	14.78	66	27.56
August „ ..	6.59	15	3.52	2.04	94.88	9.76	95.67	—	12.06	66	28.20
September „ ..	6.51	11	3.58	1.97	96.83	9.30	96.72	—	13.71	66	28.20
October „ ..	6.35	9	3.65	2.01	98.77	9.58	97.72	—	13.71	66	28.87
November „ ..	6.27	14	3.74	2.23	98.96	7.93	97.72	—	13.99	66	29.41
December „ ..	..	..	..	..	..	7.82	98.91	—	13.23	66	29.83
January, 1954 ..	6.16	12	2.82	2.06	1,00.47	8.01	99.23	—	13.53	66	30.54
February „ ..	6.05	12	2.89	2.13	1,02.17	9.49	1,00.88	—	13.77	70	30.76
March „ ..	5.93	44	4.24	3.07	1,04.43	12.07	1,03.26	—	13.96	64	31.23
April „ ..	..	..	..	..	..	..	..	—	14.18	64	31.73
								—		70	32.77

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-Year and 7-year National Savings Certificates were issue from June 1945. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1940-50=100)

Group and Sub-Group	Week ended 30-5-'53	1-5-'54	22-5-'54	29-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	99.7	99.3	99.1	99.1
1. Government of India ..	90.5	90.2	89.9	89.9
2. Indian States ..	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.3	89.3	89.1	89.1
DEBENTURES OF INDUSTRIAL CONCERNS	100.5	101.3	100.9	101.0
1. Electricity ..	102.4	102.7	101.9	102.0
2. Jute	93.5	93.8	93.8	93.8
3. Plantations	100.0	99.6	99.8	99.8
4. Sugar	99.1	100.8	100.4	100.4
5. Coal	89.9	90.6	90.6	90.6
6. General Engineering ..	97.8	101.0	101.0	101.0
7. Shipping	101.7	102.3	102.3	102.3
8. Others	99.4	100.7	100.7	100.7
PREFERENCE SHARES	87.6	88.1	88.0	88.1
1. Electricity	97.4	95.2	95.6	95.0
2. Cotton	84.6	84.2	84.3	84.2
3. Jute	84.9	88.8	87.7	88.2
4. Coal	88.4	89.3	89.6	89.7
5. Iron and Steel ..	94.8	91.8	91.9	92.1
6. Sugar	73.5	75.6	75.4	76.4
7. Paper	85.0	87.3	85.6	81.8
8. Plantations	87.4	90.2	90.7	91.3
9. Miscellaneous	82.6	85.3	85.6	85.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	94.9	101.2	103.5	104.3
(a) Financial	86.2	87.8	87.3	87.8
1. Banks	84.9	86.4	85.9	85.9
2. Insurance	83.2	83.2	100.6	101.0
3. Investment Trust ..	76.9	75.9	79.1	79.5
(b) Public Utilities ..	105.9	119.4	119.0	118.7
1. Electricity	88.1	106.7	104.7	105.8
2. Shipping and other Transport	83.8	87.3	87.9	87.7
3. Railways	98.4	108.3	108.8	107.4
(c) Manufacturing industries.	96.0	103.0	102.5	103.8
1. Cotton, Woollen and Silk	85.6	88.0	87.7	90.3
2. Jute	107.0	129.9	126.2	127.5
3. Iron and Steel ..	156.8	196.2	189.7	191.4
4. Paper	114.4	126.5	125.3	125.7
5. Cement	107.8	140.2	137.7	139.1
6. General Engineering.	85.4	90.9	92.4	92.7
7. Sugar and Breweries.	95.8	112.8	112.4	113.0
8. Chemicals	80.4	111.9	113.5	117.8
(d) Non-Manufacturing Industries ..	91.1	79.9	78.4	79.7
1. Coal	82.8	75.0	73.9	75.1
2. Mining and Oil ..	121.2	161.0	163.3	168.3
3. Plantations	82.2	112.1	114.1	120.1
(e) Miscellaneous	88.3	86.3	86.4	84.2
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	99.7	99.8	99.6	99.6
1. Bombay	90.8	90.8	90.1	90.0
2. Calcutta	90.8	90.6	90.3	90.4
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99.7	100.9	100.9	100.9
1. Bombay	100.9	102.1	101.3	101.5
2. Calcutta	100.4	100.0	100.0	100.0
3. Madras				
PREFERENCE SHARES	95.2	92.6	92.8	92.9
1. Bombay	81.7	84.9	84.6	84.6
2. Calcutta	88.6	90.1	90.5	90.8
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :	102.7	114.4	113.0	113.5
1. Bombay	90.0	95.8	95.5	96.5
2. Calcutta	90.6	101.8	101.6	102.5
3. Madras	92.4	107.4	105.0	105.4
4. Delhi				

Source : Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,852	12,806,704
1951	1,071	691,981	3,818,928
1952	963	809,248	3,385,061
1953	969	863,667	3,380,709
1953†			
March 1953 ..	87	43,490	148,492
April „ ..	134	69,637	254,886
May „ ..	113	60,082	257,082
June „ ..	101	69,321	257,082
July „ ..	82	40,754	171,258
August „ ..	87	44,855	148,532
September „ ..	96	47,875	460,382
October „ ..	88	74,151	249,615
November „ ..	83	48,746	272,246
December „ ..	81	57,452	185,017
January 1953†	85	44,832	244,414
February „ ..	66	25,477	128,411
March „ ..	78	49,188	216,207
April „ ..	88	53,617	276,216
May „ ..	99	80,357	252,279
June „ ..	67	48,068	181,123
July „ ..	74	53,083	235,154
August „ ..	106	44,663	167,278
September „ ..	101	80,211	402,116
October* „ ..	88	41,481	245,211
November* „ ..	81	40,760	475,352
December* „ ..			
January 1954† ..	75	49,500 (a)	320,618 (b)
February „ ..	82	41,003	242,805
March „ ..	87	31,563	228,698

† Figures for 1953 and 1954 are provisional. * Revised.
(a) Not known in one case. (b) Not known in four cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns §	Units generated §	Units Sold
1948-49	469	4,681.1	3,777.7
1951-52	573	5,948.1	4,849.9
1952-53	614	6,901.4	5,134.3
November 1953 ..	605	539.7	426.4
December „ ..	603	553.2	457.8
January 1953 ..	611	535.5	441.8
February „ ..	614	496.6	417.4
March „ ..	614	538.0	435.7
April „ ..	616	530.9	438.1
May „ ..	620	560.4	464.1
June „ ..	625	548.8	450.2
July „ ..	627	588.0	471.0
August „ ..	632	576.5	464.1
September „ ..	634	553.2	455.7
October „ ..	637	563.1	455.9
November „ ..	640	603.6	488.9
December „ ..			
January, 1954 ..	640	589.7	478.0
February „ ..	643	551.4	451.4

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	22nd May, 1954	15th May, 1954	23rd May, 1953	April, 1954	April, 1953	Percentage of Increase (+) or decrease (—) in April, 1954 as compared with April, 1953	1953-'54	1952-'53
Food Articles	364.2	370.3	385.2	381.6	366.4	+ 4.1	384.4	357.8
Cereals	411*	414	461	426	437	— 2.5	451	444
Pulses	341	364	494	331	445	—14.4	450	507
Other	299*	305	263*	313	256	+22.3	478	223
Industrial Raw Materials ..	463.9	463.5	478.6	473.1	448.9	+ 5.2	467.7	436.9
Fibres	451	450	430	459	405	+13.3	432	423
Oil seeds	508	518	588	577	588	— 7.7	574	495
Minerals	450	424	443	451	449	+ 0.4	449	459
Others	410	410	358	397	357	+11.2	375	333
Semi-Manufactures	382.1	382.4	382.4	382.4	351.8	+ 3.0	389.2	343.8
Leather	374	374	417	378	451	—17.5	403	367
Mineral oils	221	221	224	221	223	— 0.9	224	223
Vegetable oils	492	498	569	507	498	+ 1.8	534	446
Cotton yarn	465	462	448*	458	445*	+ 2.9	443	452*
Metals	240	240	225	240	226	+ 6.2	229	218
Oil Cakes	441	436	454	430	411	+ 4.6	433	430
Others	304	304	252	306	258	+18.0	281	256
Manufactured Articles ..	380.7	380.8	388.7	380.9	365.8	+ 4.1	367.4	371.2
Textiles	426	425	407	427	402	+ 6.2	405	411
Jute	432	424	396	433	357	+21.3	408	440
Cotton	419* B	419*	402*	415*	407*	+ 2.0	407*	406*
Rayon and Silk ..	520*	520*	492*	550*	488*	+12.7	431*	476*
Woollen	318	318	318	318	318	—	314	323
Metal products ..	340	340	338	340	338	+ 1.2	337	330
Others	289	289	287	288	289	— 0.3	285	294
Miscellaneous	687.1	687.1	707.4	681.7	+17.6	688.8	614.1	
All Commodities ..	395.0	396.8	398.9	402.8	384.9	+ 4.8	397.5	389.6

* Estimated.

WORKING CLASS COST OF LIVING INDICES

| | All-India | Bombay | Ahmedabad | Sholapur | Kanpur | Nagpur | Calcutta | Madras | Delhi | Ajmer | Gauhati | Jamshedpur | Jab

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1953-54 Final	1951-52 Final	1953-54 Final	1951-52 Final
Rice	tons	76,544†	74,209††	27,079†	22,495††
Wheat 3rd ..	"	23,824†	23,115††	6,893†	6,845††
Jowar 2nd ..	"	41,265†	39,698††	5,360†	4,516††
Bajra ..	"	28,820†	26,550††	4,240†	3,150††
Barley ..	"	7,500	7,635	2,664	2,208
Maize ..	"	8,502†	8,497††	3,854†	2,823††
Ragi ..	"	5,472†	5,428††	1,564†	1,238††
Gram 2nd ..	"	17,823†	16,068††	4,031†	3,214††
Kabi Pulses*	"	11,540†	11,556††	2,068†	2,047††
Small Millets	"	12,170†	11,854††	1,958†	1,901††
Jute ..	bales	4,196†	4,917††	3,128†	4,605††
Cotton 4th..	"	16,256†	15,013††	3,658†	2,905††
Sugarcane 2nd	tons	4,101†	4,228††	5,110†	4,940††
Groundnut	"	11,856†	11,650††	3,772†	2,884††
Linseed ..	"	3,394	3,402	858	816
Castorseed ..	"	1,868†	1,857††	107†	106††
Rape and Mustard Seed	"	5,158	5,915	828	916
Sesamum 3rd	"	5,828†	5,614††	516†	451††
Tobacco (supp)	"	79*	712	21v	0v
Black Pepper	"	313†	202††	22†	23††
Ginger ..	"	46†	47††	14†	15††
Dry chillies ..	"	1,280†	1,384††	301†	341††

Source: Ministry of Food and Agriculture

v.s.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-54 †† Relates to 1952-53

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During April, 1954 ..	75.0
	Corresponding month 1953 ..	74.8
	Ten months ended April, 1954 ..	719.4
	Corresponding period 1953 ..	746.0
Stocks	At the end of April, 1954 ..	91.5
	Corresponding month 1953 ..	136.1
		(In 000 bags)
Exports(Jute Bags)	Week ended 15th May, 1954 ..	3,872
	Corresponding week 1953 ..	2,384
	From 1st Jan. to 15th May, 1954	147,681
	Corresponding period 1953 ..	81,553
		(In 000 Yds.)
Exports* (Jute Cloth) ..	Week ended 15th May, 1954 ..	12,473
	Corresponding week 1953 ..	2,332
	From 1st Jan. to 15th May, 1954	517,416
	Corresponding period 1953 ..	436,680
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 15th May, 1954 ..	—
	Corresponding week 1953 ..	—
	During Jan., 1954 ..	—
	Corresponding period 1953 ..	—
Consumption by Mills†	April, 1954 (in lakh bales) ..	4.35
	Corresponding month 1953 ..	4.81
	Ten months ended April, 1954	41.71
	Corresponding period 1953 ..	43.28

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Tata Iron and Steel Co.			
Year ended 31st March, 1953..	11,80,000	10,57,100	7,99,800
Do. 31st March 1954..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,54,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February	92,400	82,000	61,700
March	97,400	86,600	65,800
April	97,000	83,100	60,800
May	95,000	85,000	62,000
January 1954	1,02,800	99,800	71,400
February	92,700	84,500	63,800
March	94,800	89,700	65,000
April	83,200	77,500	54,800
May	89,100	80,800	56,200
Indian Iron and Steel Co.			
Year ended 31st March, 1953 ..	6,26,710	4,81,460	3,12,940
Do 31st March, 1954 ..	5,80,020	5,49,930	2,92,440
January 1953	56,870	48,810	18,850
February	54,800	47,490	29,090
March	60,840	39,350	22,090
April	52,210	30,980	19,000
May	57,810	45,260	19,700
January 1954	68,100	42,600	29,870
February	59,650	38,350	32,510
March	48,000	47,850	46,540
April	61,950	41,070	37,800
May	62,450	35,840	35,260

FOREIGN TRADE OF INDIA

Particulars	February,		Eleven Months ended 28 February,	
	1953	1954	1952-53	1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports ‡				
By sea and air—				
Foodstuffs ..	7,93	3,56	164,27	90,19
Raw materials ..	10,21	11,73	168,41	143,74
Manufactures ..	20,36	22,53	253,29	252,10
Other Items ..	17	34	3,89	3,63
Total ..	38,67*	38,16*	589,86*	494,66*
By land	1,32	1,82	23,58	21,42
Total Imports ..	39,99	39,98	613,44	516,08
Exports				
By sea and air—				
Foodstuffs	10,51	10,28	129,33	141,84
Raw materials ..	12,76	7,97	134,20	96,84
Manufactures ..	14,63	19,92	238,33	229,05
Other Items ..	39	40	3,83	4,03
Total ..	38,19	37,87	505,69	471,26
By land	51	56	18,45†	6,68
Total Exports ..	38,70	38,43	524,14	477,94
Total Re-exports ..	54	41	5,38	4,38
Balance of trade in merchandise ..	+ 6	+ 12	—78,79	—19,03
Balance of transactions in private treasure ..	—1	+ 5	+7	—9
Total visible balance of trade..	+ 5	+ 12	—78,86	—19,12
Imports ‡ ‡				
Total C'wealth countries ..	18,82	17,28	282,62	238,81
Total Foreign countries ..	19,85	20,88	357,24	256,85
Exports ‡ ‡				
Total C'wealth countries ..	18,09	21,01	233,84	244,59
Total Foreign countries ..	20,10	16,86	267,85	226,67

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

	United States§	United Kingdom††	Canada @	France	Switzerland	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months 1948-49	611	71	11	16	39	8	18	5	2	7	9	2	5	5	9	9
Months 1951-52	611	71	21	16	41	5	18	9	4	7	9	2	4	7	11	9
Months 1952-53	666	52	25	16	40	5	18	12	4	6	7	9	1	4	11	8
End of December 1952 ..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January 1953 ..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	6
May	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11	6
June	643	68	27	16	41	5	20	18	6	7	9	2	4	6	11	6
July	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
September	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
October	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
November	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	6
December	631	72	28	16	42	5	22	21	6	7	9	2	4	6	11	5
January 1954 ..	630	73	29	16		6	22	22	6	7	9	2	4	6	11	5

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 27th May, 1954 ..	78,349
	Corresponding week 1953 ..	81,076
	1st Sept., 1953 to 27th May, 1954	1,498,557
	Corresponding period 1952-53 ..	1,464,615
Cotton Exports	Week ended 27th May, 1954 ..	2,518
	Corresponding week 1953 ..	4,267
	1st Sept., 1953 to 27th May 1954.	239,344
	Corresponding period, 1952-53 ..	391,149
Mill Consumption	1st Sept., 1953 to 27th May 1954.	930,784*
	Corresponding period, 1952-53 ..	914,229
Stock (with exporters, dealers & mills) in Bombay	On 27th May, 1954 ..	717,040
	Corresponding date, 1953 ..	584,724
Karachi (Pakistan)		
Receipts ..	Week ended 22nd May, 1954 ..	2,914
	Corresponding period 1953 ..	9,805
	1st Sept., 1953 to 22nd May, 1954	1,099,272
	Corresponding period, 1952-53 ..	1,507,467
Exports	Week ended 22nd May, 1954 ..	11,432
	Corresponding period, 1953 ..	13,054
	1st Sept., 1953 to 22nd May 1954	909,322
	Corresponding period, 1952-53 ..	1,234,137*

* Adjusted.

Particulars	From 1st Sept., to 31st May 1953-54 Bales	From 1st Sept., to 31st May 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom ..	13,086	13,775
Continent ..	23,388	92,953
China	393	818
Japan	60,948	140,817
U.S.A. ..	12,505	34,716
Other Countries ..	1,552	5,286
Total to all foreign countries ..	111,772	287,865
Coastal Ports ..	132,484	109,970

Consumption of Cotton—	Period	Quantity (Bales of 400 lbs.)
Indian ..	February, 1954 ..	311,882
Foreign ..	Six months ended Feb., 1954	50,864
India ..		1,949,766
Foreign ..	Same Period 1953 ..	841,074
Stocks (Mills and Elsewhere)—		1,812,434
Indian ..		419,412
Foreign ..	As on 28th Feb., 1954 ..	1,032,112
India ..		145,152
Foreign ..	As on 28th Feb., 1953 ..	1,122,520
Cotton Pressed † ..	Week ended 21st May, 1954	252,288
	Corresponding week, 1953 ..	18,488
	1st Sept., to 21st May, 1954	87,781
	Corresponding period, 1953 ..	2,932,578
		2,576,048

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,65,64,000	1955-60	101 ⅛
4 % Bonds	1926-33	63,30,24,000	1960-70	101 ⅜
3 % Loan	1938-39	1,16,17,46,000	1963-65	92⅜
3 % Loan	1950	30,33,10,000	1964	92⅜
3 % Loan	1943	1,10,11,78,000	1966-68	90⅜
2½ % V. Loan	1944	1,14,04,89,000	1957	98⅛
2½ % Loan	1945	1,13,05,81,000	1970-75	86⅛
2½ % Loan	1945	1,13,65,64,000	1959-61	96⅛
2½ % Loan	1946	50,35,61,000	1958	96⅛
2½% Loan	1946	45,83,07,000	1960	94⅜
2½% Loan	1946	57,90,99,000	1961	91⅛
2½% Loan	1946	75,06,06,000	1962	99⅛
2½% Loan	1946	14,77,48,000	1976	82⅛
2½% Loan	1947	75,85,72,000	1962	92⅛
2½% Loan	1948	60,45,01,000	1955	98⅛
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	98⅜
3½% N.P.Loan	1954	On Tap.	1964	98–13⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	81⅛
3 % Loan	1946	248,91,90,000		81⅛
REPATRIATE STERLING LOANS				
2½% Loan	1933	12,05,22,000	1954-59***	100⅛
4½% Loan	1928	5,83,20,000	1958-68***	103⅛
PROVINCIAL LOANS				
3 % Bombay	1942	3,54,23,300	18th Sept. 1955	99⅛
3 % Bombay	1943	1,50,00,000	15th Aug. 1956	99⅛
3 % Bombay	1944	1,44,00,000	15th Aug. 1958	97⅛
3 % Bombay	1949	4,00,15,000	1st Aug. 1962	93⅛
3 % Bombay	1950	3,81,87,700	31st July 1962	94⅛
3½% Bombay	1951	3,84,86,900	17th Sept. 1962	98⅛
4 % Bombay	1953	3,00,00,000	15th July 1963	100⅛
2 % Bombay	1952	1,46,72,700	1st Aug. 1964	80⅛
3 % Cochin	1943	30,00,000	1st Oct. 1953–55	99
3 % Cochin	1945	40,00,000	14th Dec. 1955–58	98⅛
3½% Cochin	1936	70,09,800	1st June 1956–61	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95⅛
3 % Madras	1939	1,23,95,600	21st June 1959	94⅛
3 % Madras	1942	1,21,25,600	18th Sept. 1955	98–13⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98–99⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	96⅜
3 % Madras	1945	2,79,44,000	15th Aug. 1960	97⅛
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3 % Madras	1950	4,38,25,400	31st July 1960	94
3½% Madras	1951	1,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99–12⅛
2 % Mysore	1938	1,43,44,300	1st Nov. 1955	104⅛
3 % Mysore( )	1933	2,95,85,200	1st Dec. 1953–63	101
3 % Mysore( )	1936	3,99,72,900	30th April 1956–61	98⅛
3 % Mysore	1947	3,04,05,700	25th Jan. 1958	99⅛
3 % Mysore	1953	3,00,00,000	15th July 1963	99⅜
3 % M.P.	1942	50,00,000	18th Sept. 1955	98⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98⅛
3 % M.P.	1944	52,69,880	15th Aug. 1958	96⅛
3 % M.P.	1948	2,03,00,000	15th Sept. 1964	91⅛
3 % M.P.	1950	1,08,28,800	31st July 1962	94⅛
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
4 % M. P.	1953	1,00,00,000	15th July 1963	99⅛
2 % Punjab**	1938-44	2,48,87,200	15th Aug. 1958	98⅛
3 % Punjab**	1942	2,35,20,000	18th Sept. 1955	99⅛
3 % Punjab**	1943	2,48,76,100	14th Sept. 1956	98⅛
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3 % Travancore	1943	3,00,00,000	13th May 1952–54	99⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99⅛
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99⅛
3 % U.P.	1936	1,99,39,800	15th Sept. 1961–66	90⅜
3 % U.P.	1946	3,23,96,800	15th Aug. 1958	97
3 ½ U.P.	1945	2,36,17,900	14th Sept. 1960	94
3½% U.P.	1946	2,41,19,800	1st Sept. 1961	91⅛
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅜
4 % U.P.	1953	5,00,00,000	15th July 1963	99⅜
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 ½ W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1903	1963	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	97⅝N
40,00,000	4	1909	1969	
96,00,880	4	1910	1971	
71,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,876	4	1913*	1960	D
80,00,000	4	1913	1974	100N
88,25,000	4	1914	1975	99N
10,00,000	4	1915*	1960	
57,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1929*	195*	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	D
13,50,000	3½	1932*	1962	
24,58,000	3½	1932*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1916	1974	98⅛
76,40,100	4	1915	1973	98⅛
68,02,300	3½†	1921	1981	79
1,50,00,000	4½	1927	1981	144N
1,24,94,300	6	1925	1955-85	107
97,21,600	5½	1926	1956-86	104⅛
99,94,500	5	1926	1956-86	103⅛
1,49,49,500	5	1927	1957-87	103⅛
1,49,32,900	5	1928	1958-88	104⅛
80,00,800	4½	1928	1961	97⅛
21,75,000C	3	1933	1954	100
68,80,000C	3½	1936	1965	96⅛
25,00,000	3	1938	1943-68	88
50,00,000	3	1943	2003	78N
30,00,000	3	1945	1975	82⅛
50,00,000	3	1946	1976	82⅛
50,00,000	2½	1946	2006	70N
50,00,000	3½	1947	1977	78⅛
50,00,000	3	1948	1978	81
50,00,000C	3	1949	1999	94⅛
1,00,00,000	3	1950	1960	96⅛
1,00,00,000	3	1950	1980	94⅛
50,00,000	3	1951	1981	94
1,50,00,000	3½	1951	1981	97⅛
50,00,000	3	1953	1983	97⅛
50,00,000	4	1953	1983	98
STERLING LOANS				
£				£
£292,608	5	1923	1953–83	£87⅛
£901,000	5	1924	1956–86	£87⅛
£235,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
44,68,347	4	1912	1962	
32,14,994	4	1912	1962	
5,21,489	4	1918	1962	A
3,42,951	4	1918	1962	
7,46,044	4	1920	1962	
2,15,852	6	1921	1952	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	108
30,00,000	4	1902	1961	
30,00,000	4	1902	1961	
50,00,000	4	1903	1963	
30,00,000	4	1905	1965	97⅜N
30,00,000	4	1905	1965	
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
25,00,000	4	1908	1968	
18,00,000	4	1912	1972	
50,00,000	4	1913	1973	
25,00,000	4	1914	1974	97⅛N
40,00,000	5	1915	1975	
66,00,000	5	1919	1957-79	113⅜
25,00,000	5	1920	1958-80	
25,00,000	5	1926	1956-86	115⅜N
10,00,000	5½	1927	1961-70	98⅜
		1936	1966	
STERLING LOANS				
£566,600	4	1909	1949	495⅛N
£333,000	4	1910	1970	495⅛N
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	
35,00,000	3½	1935	1965	100
30,00,000	3	1936	1967	94⅛
30,00,000	3	1937	1962	90
20,00,000	3	1937	1962	90
80,00,000	4	1951-52	1962-63	88
		1952	1962	100

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
49,40,000	4	1913-14	1954	99⅜
20,60,006	4	1913-15	1954	100
10,80,008	4	1914-15	1955	100
1,00,00,008	4	1924	1980	112
25,00,000	6	1924	1954	102
26,14,006	5	1928	1958	104
8,45,306	5	1928-29	1958-59	104⅛
24,21,500	5	1928-29	1954-59	104
8,25,000	5	1929	1959	102⅛
2,50,00,000	3½	1929	1979	87
4,00,00,000	3½	1949	1979	87
2,50,00,000	3	1950	1965	92
2,50,00,000	3	1951	1964	96
1,30,00,000	3½	1951	1964	100
100,00,000‡	4	1952	1963	100
1,50,00,000‡	4	1952	1964	99⅜
		1954	1966	99⅜
R		**CALCUTTA**		Rs.
34,45,500	6½	1925	1955	103⅛
84,70,000	5	1925	1955	104
36,00,000	5	1928	1958	103⅜
25,00,000	5	1928	1957	103⅜
25,00,000	5	1929	1957	103⅜
10,00,000	5½	1929	1959	103⅜
33,91,000	5½	1929	1962	108
60,00,000	3	1936	1965	93⅛
3,11,000	3	1937	1954	99⅜
4,67,100	3	1937	1954	99⅜
10,42,500	3	1937	1954	99⅜
4,18,500	3	1937	1954	99⅜
47,30,000	3	1937	1954	99⅜
10,47,700	3	1938	1968	88
15,36,800	3	1938	1968	88
15,36,800	3	1938	1956	98
15,36,800	4	1938	1956	99⅜
17,64,400	4	1940	1957	99⅜
21,10,000	3½	1941	1959	99⅜
13,49,000	3½	1942	1972	92
16,33,000	3½	1951	1966	96
66,88,000	3½	1951	1961	96
87,36,000	4	1951	1962	99⅜
72,50,000	4½	1952	1962	99⅜
		1954	1979	100
Rs		**MADRAS**		Rs
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
13,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107⅛

ABBREVIATIONS. N=Nominal.
§=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners. *Loans held entirely by the Trustees
(a) This includes the amount of loan converted into First Development Loan 1978-75. (f) Income-tax free. A=Held by Government of India
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. **Quotations in Pak. Currency ***Rupee Counterparts.
†† Rate of interest reduced from 6½ to 5 per cent with effect from 1st April. † Bombay State Transport.

PREFERENCE SHARES

Company	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bhara: Sugar	5,00,000	1931	5	Dec. ..	75M	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	96	100
Cawnpore Sugar Works ..	10,00,000	1905 24	8	Feb. Aug.	142	100
Deccan Sugar & Abkhari †A	*7,00,000	1920	7	July Apr.	120	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	16⅜	£1
Gwalior Sugar	4,75,000(c)	1940	7B	Dec. ..	72	100
Do. (Non-redeem) ..	5,00,000	1940	7B	Dec. ..	70	100
Puriabpore Co.	6,00,000	1922	10	Oct. ..	15⅜	10
Ramnagger Cane	4,00,000	1933-36	6	Aug ..	98	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75	100
South Behar Sugar ..	5,00,000	1936	7(a)	Oct. ..	141½	100
Travancore	14,99,135	1946	5(c)	Dec. ..	7⅜	10
Upper Ganges)	12,00,000	1932	6	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Borree	4,00,000	1896-97	6⅔	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	6,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	82½	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5¾	10
New Beerbhoom	2,00,000	1920	..	Jan. July	12⅜	10
Oudet	2,00,000	1898-99	6⅔	Apr. Oct.	112xd	100
COTTON						
Ahmedabad Advance ..	10,00,000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1854	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov ..	8	10
Benarez Cotton	1,05,200	1919	7	July Jan.	65	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	118½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	95

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotation. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	8,99,757	42,27,928	43,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2½	2	0 3	0 4			12	Y.
60,00,000	24,00,000	1,22,39,883	72,25,655	45,646	B. K. Sons, Ltd.	50,828	1,021	B. K. Cotton Mills ..	59½	100	6 0	10 0	Nil		12	Y.P.Y.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Nowrosjee Wadia & Sons, Ltd. ..	1,93,520	4,855	Bombay Dyeing & Mfg.	424½	250	20 0	20 0	22 8*		12	Y.
10,00,000	27,25,759	54,19,515	48,70,797	80,357	Ramasrain Sons, Ltd.	38,208	860	Bradbury Mills	952½	250	100 0	100 0	100 0		12	Y.P.
1,09,42,800	2,27,88,985	2,55,92,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg. ..	330½	100	20 0	20 0	22 0		12	Y.
40,00,000	1,04,856	1,06,30,358	50,37,373	5,066(d)	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil	4 0(c)			12	Y.
86,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cawasjee Jehangir & Co., Ltd. ..	30,412	680	Coria Spg. & Wvg.	111½	100	7 8		7 8		12	Y.
16,00,000	20,04,821	63,03,745	48,46,841	76,806	Ramasrain Sons, Ltd.	30,304		Dawn Mills	92	30	4 0	6 0			3	Y.
84,00,000	84,00,000	42,31,113	37,57,305	2,623	Parasmal Radhakishan & Co. ..	50,296	928	Edward Textiles	243½	200	15 0	15 0			12	Y.
30,93,700	12,93,292	1,10,11,972	73,99,225	41,862	K. D. Jalan, Esq. (Chairman) ..	43,376	886	Elphinstone Spg. & Wvg.	42	50	(d) 3	3 0			12	Y.P.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	242	100	20 0	20 0	16 0		12	Y.
12,00,000	74,49,589	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co. ..	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	200 0*	200 0*	225 0*	40 0	3	Y.P.
									950	250	50 0	50 0	56 4*	10 0		
2,00,00,000	1,28,61,436	4,56,32,024	2,07,00,000	—51,32,476	Agarwal & Co.	2,38,030	6,278	India United Mills	11	10	1 1½	Nil			12	W.
20,00,000D.									11	10	0 4	Nil				
9,00,000	99,99,043	1,18,16,170	82,99,000	7,468	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	3,850	1,000	200 0*	200 0*	225 0*		6	Y.P.
99,92,300	49,84,660	2,07,51,457	1,57,18,445	28,856	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	120	500	100 0	100 0	112 8*		3	Y.P.
1,00,00,000	1,35,00,000	3,27,03,183	2,32,21,802	2,11,433	Kilachand Sons, Ltd.	1,19,392	1,846	Kohinoor Mills	312	100	14 0	10 0	10 0		6	Y.P.
80,00,000A	64,00,782	4,36,327	88,878	6,08,336	Dina Nath, Esq.	57,592	742	Madhusudan Mills	82	100	25 0*	18 0	20 0*		12	Y.
3,60,00,000B									5	100A	1 0	6 4	6 4			
22,13,000	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	100	15 0	15 0	18 0		6	Y.
51,75,000	24,92,735	1,78,02,041	1,44,55,016	12,706	Piramal & Sons	65,448	1,652	Morarjee Goculdas Spg. & Wvg.	80	50	7 0	5 0	5 0		10	Y.T.
1,50,40,000	2,83,011	4,93,70,648	1,10,00,000	5,01,242	Chiraj & Co., Ltd.			National Rayon Corporation	243	100	15 0	12 0	12 0		6	Y.P.
24,00,000	28,60,686	73,05,363	44,43,868	18,187	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	170	100	Nil	Nil	Nil		6, 12	H.
30,00,000	21,52,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	168½	100	15 0	10 0	10 0		12	Y.
18,70,100	26,18,004	42,99,323	13,76,469	493	Mahalal Chandulal & Co. (Bombay) Ltd.				168½	100	12 0	10 0	10 0		12	Y.P.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd.	34,100	873	New Union Mills	26	10	1 0	1 4			12	W.
40,80,000	43,62,741	24,64,450	22,50,000	2,99,184	Peder Sons, Ltd.	32,600	930	Phenix Mills	125	100	10 0	10 0			12	W.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd. ..	9,520	277	Peel Mills	140	100	10 0	10 0	8 0		12	W.
83,00,000	60,49,474	1,17,37,612	91,93,564	81,849	M. G. Investment Corporation, Ltd.	59,624	1,224	Sassoon Spg. & Wvg.	178	100	10 0	10 0	12 0		12	Y.P.
60,00,000	66,20,961	87,30,546	45,81,044	2,69,922	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Niwas Cotton Mills ..	30	10	1 0	1 4			12	W.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	198½xd	100	17 8	12 8	14 0		12	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons ..	53,892	1,633	Standard Mills	156	50	17 0	15 0(p)	15 0	11 0	3	Y.
75,00,000	1,18,72,086	1,70,99,941	90,25,520	40,896	Tata Industries Ltd.	75,024	2,000	Swadeshi Mills	323½	100	20 0	20 0	20 0		12	Y.P.
36,00,000	60,78,465	93,47,153	58,93,668	8,74,757	James Finlay & Co., Ltd. ..	35,804	552	Textile Mills	276	100	18 0	16 0	16 0		12	Y.P.
32,57,438	49,90,352	1,53,47,827	43,36,553	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	318½	100	25 0	30 0	20 0		12	Y.P.
12,00,000	60,25,708	98,62,634	73,30,000	6,344	Thackersey Mooljee Sons & Co. ..	34,224	1,176	Western India Spg. & Mfg. ..	3,810	1,000	200 0*	200 0*	225 0*	40 0	3	Y.P.
AHMEDABAD																
36,00,000	38,10,266	88,39,885	51,00,670	3,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills ..	145	100	12 0	10 0	10 0*		6	Y.P.
10,00,000	90,53,638	89,83,424	65,39,067	7,878	F. M. Mathewing & Sons, Ltd. ..	42,768	912	Arvind Mills	640xd	100	20 0*	20 0*	20 0*		12	Y.P.
81,08,000	2,07,45,675	1,18,76,139	76,38,000	1,300	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,040xd	100	20 0*	20 0*			12	Y.P.
80,00,000	60,83,069	76,03,158	51,50,000	1,11,349	Manganlea & Bros., Ltd.	35,814	884	Ayyedaya Ginning & Mfg. ..	320	100	35 0*	15 0			12	Y.P.
18,00,000	1,00,27,000	82,29,958	63,68,459	1,01,810	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	675	100	22 0	22 0			12	Y.P.
1,24,77,852	99,56,782	3,97,51,801	2,72,33,344	23,51,386	Karamchand Premchand Ltd. ..	1,39,120	2,370	Calico	325	125	18 0	22 0	18 0		12	Y.P.
90,00,000	64,88,000	88,67,878	62,28,000	7,667	Tyrone Bhogilal & Co., Ltd. ..	46,160	1,027	New Commercial Mills	1,150	500	70 0	70 0			12	Y.P.
99,00,000	70,78,334	96,79,263	74,68,976	1,795	Mafatlal Chandulal & Co., Ltd. ..	47,952	864	New Shorrock Spg. & Wvg. ..	1,150	500	70 0	70 0			12	Y.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	649	125	35 0	35 0			6	Y.
10,00,000	1,07,77,635	73,98,913	42,94,887	2,599	Lalbhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	725	100	28 0*	30 0*	30 0*		12	Y.P.
12,00,000	13,93,764	74,95,069	39,67,450	—19,95,510	Ramanlals Girdhardas Parekh Ltd.	45,582	1,095	Rajnagar Spg., Wvg. & Mfg.	870xd	100	25 0	25 0			12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,803	9,866	Lallubhai Gordhanadas Ltd. ..	33,154	648	Rohit Mills	110	250	20 0	Nil			12	Y.P.
24,00,150	1,12,62,741	1,01,57,709	77,25,000	1,22,351	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	1328	100	9 0	9 0			12	Y.P.
19,32,500	19,67,647	52,24,567	44,71,891	5,070	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	360½	100	18 0	16 0			12	Y.P.
88,00,000	29,08,070	91,15,078	47,72,055	16,289	Haridas Ashratlal & Co., Ltd. ..	34,576	776	Vijaya Mills	403	100	20 0	20 0			12	Y.
									526½	400	35 0*	35 0*			12	Y.P.
WEST BENGAL																
15,00,000	96,065	33,10,908	17,76,212	—3,68,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	Nil	Nil			12	Y.
7,11,280	2,21,850	38,52,124	22,08,106	—67,230	Bengal Textile Agency, Ltd. ..	31,080	936	Bengal Laxmi Cotton Mills ..	33N	40	3 0	3 0	Nil		12	Y.P.Y
6,00,000	22,75,078	77,45,873	51,53,000	—9,68,728	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	3½	100	Nil	Nil	Nil		3	Y.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Kettlewell Bullen & Co., Ltd. ..	42,944	518	Dunbar Mills	200	100	Nil	Nil	Nil		6, 12	M.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	23½	15	1 14	1 12	1 12		6, 12	H.
6,00,000										15	1 14				3	Y.P.
33,96,288	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 8			12	Y.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills ..	4½	10	Nil	Nil			12	Y.
18,00,000	9,00,109	39,21,613	21,03,246	2,736	Kamal & Co., Ltd.	30,000		Alagappa Textiles (Ceskin) Ltd.	6½	10	0 9 3/5				12	Y.P.
91,94,400	51,99,334	2,06,06,796	30,52,372	3,771	Industrial Trust Fund, ...	36,136	665	Aanam Jahi Mills	82 N	100	6 0	6 0	6 0		9	Y.P.Y.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd. ..	40,068	1,085	Bangalore Woollen, Cotton and Silk Mills	392½	100	20 0	15 0	25 0		12	Y.P.
87,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd. ..	29,936	782	Bengal-Nagpur Cotton Mills..	13½	10	0 8	0 8			12	Y.P.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	54 N	10	2 8	3 0	3 0		6, 12	H.P.Y.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,103	2,52,842	Binny & Co. (Madras), Ltd. ..	1,18,300	2,781	Buckingham & Carnatic	148½	100	2 8	3 0	3 0		3	Y.
20,00,000	20,00,281	32,98,201	17,91,411	39,557	Peirce, Leslie & Co., Ltd.	37,336		Cambodia Mills	97	100	4 0	4 0	10 0		12	Y.
90,00,000	21,97,992	56,31,479	45,84,818	39,939	Begg, Sutherland & Co., Ltd. ..	28,796	591	Coimbatore Textiles	13½	10	1 4	0 8	0 12		12	Y.P.Y.
12,00,000	19,15,494	28,94,615	21,58,900		R. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills ..	8½	5	0 9	0 9	0 9		3	Y.P.
20,00,000	13,90,000	33,17,361	17,08,703	1,400	T. R. N. Naidu & Co.	21,980		Coimbatore Pioneer Mills ..	222	100	10 0	10 0	20 0		12	Y.
20,76,900	4,36,696	1,14,99,011	46,08,065	—10,23,340	K. G. B. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg. ..	176xd	100	6 0	9 0	15 0		12	Y.
46,87,500	88,12,906	2,30,18,398	1,41,23,380	53,412	Tata Industries, Ltd.	1,15,188	2,062	Canral India	174	100	5 0	Nil	Nil		6	Y.P.
3,38,34,450	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd. ..	75,604	1,785	Delhi Cloth & General Mills..	32½	100	6 0	5 0	6 0		6	Y.P.
1,00,523	24,06,342	42,39,039	30,16,081	9,452	M. M. Chettiar & Sons	28,164	21	Dhanalakshmi Mills	270	100	2 8	2 8	1 12		6	Y.P.
24,34,800	46,00,000	1,40,85,212	1,13,21,681	73,424	Begg, Sutherland & Co., Ltd. ..	52,812	1,198	Elgin Mills	15½	100	20 0	10 0	20 0		12	Y.
39,04,700	43,25,176	81,87,379	62,09,070	85,195	Forbes, Forbes Campbell & Co., Ltd.				10	10	1 8	1 8	1 0		3	Y.P.
90,00,000	12,93,505	1,28,35,498	88,90,983	2,824	Govindram Sakseria (Indore) ..	72,960	2	Gokak Mills	255½	100	14 0	17 0*	17 0		12	V.
2,00,000	11,61,067	26,01,826	18,55,171	—2,88,201	G. V. Naidu & Co., Ltd.	51,180	1,420	Indore Malwa United	108½	100	5 0	6 0			12	V.
24,00,000	15,75,000	61,35,358	8,50,808	3,682	Kothari & Sons	23,784		Jayardana Mills	76xd	50	7 8	3 12			12	V.
32,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	30,312	200	Kothari Textiles	12½	10	0 12	0 12			12	V.
						51,972	1,219	Lakshmi Cotton Mfg.	55½	10	0 12	0 12			12	V.
88,46,150	33,30,000	94,98,025	58,73,673	14,307	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	825	50	0*	37 8	37 8		6	V.P.
1,18,01,480	3,93,81,878	3,45,66,244	3,28,28,290	9,36,603	A. & F. Harvey Ltd.	4,66,932		Madura Mills	65	25	4 0	3 0	3 0		3	V.
18,80,000	4,17,363	27,72,881	16,02,069	1,10,098	A. L. A. R. S. Chettiar and 2 others.	22,592		Malabar Spg. & Wvg.	44½	25	2 0	2 0	2 8			
60,00,000	69,00,000	61,38,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd. ..	24,720	603	Mestur Industries Ltd.	118	100	12 0	8 0	8 0		12	V.
29,80,884	28,14,137	76,14,218	44,82,685	12,036	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	295xd	100	12 8	12 0	12 8	22 8*	12	V.
94,91,850	87,45,950	1,53,05,970	78,81,528	87,241	Bassilai Abrahamd Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	110	100	7 0	5 0	7 0		3	V.
18,00,000	52,19,600	1,31,39,272	1,05,91,681	—7,77,309	Indian Textile Syndicate Ltd. ..	88,640	1,834	Muir Mills	141½	250	7 8	7 8	7 8*		12	V.
19,66,806	61,53,392	93,64,253	59,85,874	48,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	170N	100	7 8		7 8		12	V.
19,61,780	2,58,745	89,34,509	18,36,634	2,333	K. Suryanarayana Rao Esq. Manager	6,000		Mysore Spun Silk Mills	121½	10	9 0	10 0*	10 0*	3 0	12	V.P.
82,89,8150									61	10	0 10	Nil	Nil		12	V.P.
2,07,09510	85,62,533	98,01,625	98,76,826	—85,86,856	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	3½	O. 2½	Nil	Nil	Nil		3	V.
87,03,800	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanshahi Mills		D. 1	Nil	Nil			12	V.P.
6,00,000A									80N	100	6 8	0 0	4 0			
2,00,000B	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co.	36,324		Palani Andavar Mills	914	50A	3 0	7 8			9	V.
15,00,000	8,56,920	32,56,378	16,53,848	4,411	C. S. R. Medaliar & Sons	27,980		Pankaja Mills Ltd.	138½	50B	1 0	1 0	1 0		3	V.
16,81,200A									73B	100	12 0	11 4	12 0		12	V.P.
8,40,200B	20,58,884	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co. ..	43,664	301	Radhakrishna Mills	192	100	3 0				12	V.
15,00,000	25,00,896	23,62,213	14,88,315	—48,566	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	89	100A	16 0	6 0	8 0		12	V.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,36,958	J. P. Srivastava & Sons (Rampur).	33,984	600	Rama Textiles	115	50	3 0	3 0	4 0		12	V.
7,70,700	2,24,959	21,50,228	16,08,115	5,683	T. A. Iyer & Bros., Ltd.	18,416	416	Sitaram Spg. & Wvg.	6½N	50	Nil	Nil			12	V.P.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Under Control of Bombay Government				60	10	Nil	Nil			12	V.P.
36,69,700	11,45,000	75,40,039	49,25,631	25,144	H. N. Pallegar, Esq.	85,048	2,234	Sholapoor Spg. & Wvg. ..	2,225	1,000	Nil	Nil	Nil		3	V.P.
15,00,000	1,59,52,602	81,28,140	52,31,896	32,22,471	Birla Brothers, Ltd.	24,200	292	Sri Krishnarajendra Mills ..	900	100	Nil	Nil				
17,50,0000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	35,556	992	Sutlej Cotton Mills	61½	50	4 0*	4 0	4 0*	4 8	3	V.P.
1,57,50,000P						1,12,216	2,077	Swadeshi Cotton (Kanpur)..	50N	10	4 0	4 0	4 0		3	V.
99,72,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Emcots & Socs (Travancore), Ltd.				8	100	9 8	Nil	Nil			
13,98,660	8,68,332	13,19,240	9,97,510	4,009	Mookjee Ramjee & Sons	16,000		Travancore Rayons	9½xd	10P.O.	0 14 2/5	Nil	Nil		12	V.P.
81,00,000	32,47,606	49,31,870	32,22,308	28,000	R. K. S. Chetty & Brothers ..	33,784	270	Trichinopoly Mills	9½	10	1 0	1 0	1 0		12	V.
82,00,000	47,34,135	1,34,36,953	89,30,676	1,868	Bombay Co., Ltd.	54,280	1,483	Vasanta Mills	193	100	10 0	11 1/5	0 11½		12	V.P.Y.
								Vishnu Cotton	140	100	12 0	12 0	12 0		12	V.
										100	14 0*	10 0	4 0		12	V.
															12	V.P.

* Includes bonus.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(e) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	27½	25	2 13g	Nil	Nil		5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	11½	10	1 2g	Nil	Nil		3	Y.
16,20,630							6½	5	0 8	0 8	0 8	0 8		
£50,000A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	16s	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
£300,000B							30s	B. 8d.	Sh. 3	Sh. 3	Sh. 4			Y.P.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	4N		5	Nil			8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Maliya, Esq. (Chairman)	United Breweries	167		75	7 8	15 0	15 0	3	Y.
CEMENT														
11,37,700A.	8,69,857	75,78,758	33,89,342	4,636	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	11	A. 100					12	Y.P.Y.
39,67,420B.							11	B. 10	0 12	0 12	10 0*			
43,14,600O.	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	Nil	Nil	1 0*		3	Y.T.
4,70,976D.	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies ..	15	D. 1					12	Y.
10,56,25,938							160	O. 100	9 8	9 8	9 8		7	
60,00,000O.	43,46,380	69,78,209	18,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	11	O. 10	0 10	0 10				
26,49,797O.							2½	O. 25	0 24	0 24			12	Y.P.Y.
50,00,000D.							2½	D. 25	Nil	Nil				
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,165	Essen Ltd.	India Cements Ltd.	18½	O. 25	Nil	Nil	Nil		3	Y.P.
7,50,000D.							3	D. 5	Nil	0 4				
73,00,000	20,05,000	1,72,56,055	1

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	24,26,841	1,90,06,008	1,33,11,164	1,40,294	Balmer Lawrie & Co.	Bengal Paper Mills	60	25	14 / 4 / 4	19 / 9 / 5	19 / Nil / 5	Nil / 9 / 6	6.12	H.P.T.
30,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	213	100	4 / 5 / 5	5 / 5 / 5	5 / 0* / 5	5 / 0* / 5	3.9	H
25,00,000	15,50,000	66,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 9h / 0 12	1 / 0 12	1 / 0 12	1 / 0* / 6	3.9	H
1,46,83,000	2,38,21,427	2,42,04,213	80,01,000	2,71,007	Birla Bros.	Orient Paper	20½	10	0 12 / 1 / 1	1 / 1 / 1	1 / 1 / 1	1 / 0* / 3	3	Y.
30,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	23¾	10	0 8 / 0 10	0 12 / 0 12	1 / 0 12	1 / 0	3.9	H.P.T.
20,00,000 / 10,00,000 A.	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	9½ / 9½	O. 10 / A. 10	Nil / 4	0 12 / 0 12	0 4 / 0 4	0 6 / 0 6	3.9	H.P.T.
56,00,000 A. / 56,04,800 B. / 6,37,500 P. O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	P. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	42 / 42 / 4½	A. 10 / B. 10 / P.O. 2½	1 / 0 / 0	1 / 0 / 0	1 / 0* / 0	1 0* / 0 / 0	3.9	H.P
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 8 / 4	3 0 / 5	5 0 / 5	3 0 / 7	6	Y
4,30,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0 / 3	6 0 / 5	6 0 / 5	4 0 / 0	7	Y
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0 / 3	3 0 / 5	5 0 / 5	7 0 / 4	6	Y
PROPERTY AND LAND														
0,00,780 O. / 1,00,000 D.	6,02,582	42,65,284	19,09,280	419	S. A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10 / D. 1	0 9 3/5 / Nil	0 9 3/5 / Nil	0 8 / Nil		9	Y.P.
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Port Canning Land	22½	100	Nil	3 0	2 0	1 8	4	Y
94,00,000	35,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Midnapore Zamindary	38½	100	Nil	3 0	2 0	1 8	4	Y.P
SAW MILLS AND TIMBER														
18,99,998	28,08,354	13,99,319	5,44,419	69,978	Bird & Co.	Assam Saw Mills	6½	3						
94,50,000	3,75,07,299	9 01,90 100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading	404½ / 135	Old 125 / New 50	15 0 / 4	30 0 / 15	8 4 / 9	22 8 / 9	9	Y
6,00,000		2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N	100	3 0	3 0	3 0	3 0	5	Y.
20 00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	33½d	10	3 8	Nil	Nil	Nil / 3 0	6 / 2 8	Y.P / Y
SUGAR (U.P. and Bihar)														
14,00,000	9,81,083	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	5	Nil					
12,00,000 A. / 3,00,000 B.	29,17,634	48 08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	130N / 113N	A. 100 / B. 10	0 10	10 0 / 0 10	10 0 / 0 12	Nil / 0 12	6	Y
19,49,030	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	68	10	Nil	0 10	0 12	1-0	4	Y
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	161N	10	1 0	1 8	1 8	2 0	9	Y.
32,00,000	25 ,78,936	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd.	Carew & Co.	8	10	Nil	Nil	1 8	1 8	6	Y.P.
13,00,000	62,99,605	99,64,753	78,07,451	53,936	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	38½	10	2 0	3 0	2 0	2 0	6	Y.P.
18,00,000	33,12,562	63,47,636	47,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	25½	10	2 0	3 0	2 0	2 0	6	Y.P.T.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	0 8	0 8	0 8	1 0	10	Y.
15,00,000 A. / 10,00,000 O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N / 50N / 25N	"A" 10 / O. 100	6 0	6 0	9 0	12 0*	6	Y.T.
18,00,000	8,62,508	73,26,508	36 33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	32½N	10	1 0	2 0	Nil	Nil	6	Y.P
7,89,100	19,62,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	6	10	1 0	2 0	Nil	Nil	7	Y.P.
11,00,000	4,20,000	37,49,397	25,14,045	8,769	Karamchand Thapar & Bros., Ltd.	New Savan	180N	100	15 0	20 0	20 0	0 4	5	Y.P.
(887,500 A. / 2,71,875 B.	47,39,669	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	45N	25	3 12	5 0	5 0	20 0	6	Y.
37,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N	100	6 0	10 0	6 0	10 0	7	Y.P.
12,00,000	12,71,178	28,94,438	18,81,746	66,000	Nawang Bros. & Co., Ltd.	Punjab Sugar	100N	100	1 0	2 0	1 0	1 0	10	Y.
9,00,000	15,26,479	33,86,925	28,36,106	19,823	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	13N	10	1 0	2 0	1 0	1 0	10	Y.
8,00,000	8,04,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13N	10	1 0	2 0	1 0	1 0	10	Y.
11,99,000	17,25,204	36,77,360	21,32,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14	10	1 0	2 0	1 0	1 0	6	Y.P.
20,00,000	21,68,356	1,04,96,727	25,27,283	3,137	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 0	2 0	1 0	1 8	6	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6½	10	Nil	0 8			6	Y.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	17	10	1 0	1 8	9 6½	1 0	6	Y.
6,50,000 O. / 1,75,000 D. / 8,00,000 / 16,00,000	47,623 / 9,19,618	78,11,307 / 30,61,987	43,99,754 / 24,91,617	6,356 / 36,665	N. K. Jain & Co. Ltd.	South Behar Sugar	1N / 23N	O. 10 / D. 25	Nil / Nil	Nil / Nil	2 0* /		6 / 10	Y.T.
					Cotton Agents Ltd.	Upper Ganges Sugar	16½	10	1 12 / 0 4½	2 0 / 2 0	2 8 / 1 8	8 / 6	9	Y.P.
					James Finlay & Co., Ltd.	United Provinces Sugar								Y
Other Centres														
46,99,750	79,06,443	65,03,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	268	50	12 8	14 0	16 0	16 0	9	Y.
27,68,900	2,51,664	37,63,453	16,01,711	21,013	Sir J. F. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	40N	100	Nil	5 0	3 0			
10,00,000	30,25,085	25,07,464	18,53,439	2,32,019	India Sugar and Refineries		29½d / 10½d	5 / 10	1 8 / 1 4	2 0 / 1 4	3 0 / 1 4	2 8 /	9	Y.
3,00,000						Buland Sugar	101N	10	0 12	1 4	1 4	2 8 /	9	Y.P
33,57,520	29,59,135	39,13,908	19,50,442	7,69,891	Govan Bros. (Rampur), Ltd.	Mysore Sugar	44½	10	2 0*	2 0	2 0	2 0	10	Y.
81,79,280	89,98,053	1,08,06,148	60,17,372	21,64,837	A. G. Bandi Gowda, Esq. (Managing Director)	Phalsun Sugar	103	50	8 0	8 0	2 0	2 0	6	Y.
80,00,000	47,49,630	1,09,00,623	54,15,463	4,86,704	Mafatlal, Apte and Kantilal Ltd.	Ramnagar Cane and Sugar	8,14,12½	10	0 12	1 0	1 0	1 0	6	Y.
16,50,820	27,50,830	48,81,755	23,79,327	93,198	Anderson Wright Ltd.	Ravalgaon Sugar Farm	24½ / 90N	10	0 12	2 0	2 0	2 0	6	Y.
20,00,000 O. / 4,00,000 D.	24,80,121	80,59,224	48,81,892	1,00,513	Walchand & Co., Ltd.	Reza Sugar	7N / 101N	O. 50 / D. 10	7 0 / 10 0	9 0 / 10 0	2 0 / 10 0	Nil / 10 0	9	Y.P.T.
10,99,560	2,51,661	44,57,626	19,38,191	6,03,982	Govan Bros. (Rampur), Ltd.	Travancore Sugars	52	10	Nil	4	0 12½	0 12½	9	Y.P.T.
30,00,000	10,73,392	58,70,150	13,08,961	20,980	Parry & Co., Ltd.	Shree Krishna Gyanoday Sugar	12½	10	Nil	Nil	Nil	Nil		
23,50,000 / 77,50,000 A.	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	175	A. 100 / O. 100	12 0 / 12 0	14 0 / 14 0	14 0 / 14 0	14 0 / 14 0	10 / 9	Y. / Y.P.T
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	170	100	10 0	12 8	12 8	10 0	5	O.
1,00,00,000	11,17,773	3,57,24,932	1,60,89,871	69,556	Dinshaw Ltd.	Bharat Line	93	100	3 0	4 0	4 0	5 0	12	Y.
1655,500	81,12,167	1,53,42,995	63,13,792	1,90,765	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	86	100	4 0	4 0	4 0	4 0	12	Y.
2,25,00,000	74,99,213	3 91 83,993	1,26,37,485	1,90,765	Lionel Edwards Ltd.	India Steamship Co.	8-9½	10	Nil	Nil	Nil	Nil	12	Y.
7,04,60,608	8,57,93,153	17,21,48,094	3,71,00,000	2,74,188	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	171	15	Nil	Nil	8 8	10 0	12	Y.P.
8,40,8000, 2,10,200 P. O.	17,33,073	10,83,403	6,54,056	1,38,899	E. A. Smith, Esq., (Manager)	Watford Transport Ltd.	1½xd / 1½xd	O. 1 / P.O. 1	8 as 1 19/25 as 1 / 23/25 as 1	19/25 as 1 / 23/25 as 1	3/25 as 1 / 9/25 as 1	3/25 / 9/25	12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550	200	30 0	30 0	35 0	32 0	9	Y.
15,98,860	1,03,801	2,28,588	60,000	7,545	Parakh Agencies Ltd.	Bombay-Uganda	60N	80	4 0	4 0	4 0	4 0	12	Y.
25,00,000	1,00,000	25,18,13068	8,079	8,955	Dene Sons, Ltd.	Devkaran Nanji Investment Co.	10	25	0 12	1 0	1 0	1 0	12	Y.
14,96,150	3,83,235	24,77,147	14,08,040	4,425	Choonilal Manilal Ltd.	Eastern Batteries	23N	50	3 0	3 0	3 0	4 0	12	Y.
99,99,250	18,80,149	1,27,94,59288	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	75½	100	4 0	4 0	4 0	0 12	9	Y.
89,98,350	19,49,340	17,65,055	4,98,461	20,637	B. D. Sheppard, Esq. (Mg. Director).	Killick Industries	153½	10	8 0	8 0	4 8	1 8	12	Y.
1,06,72,500 A.	5,61,813	2,27,70,083	98,44,166	3,43,577	Aero-Auto Ltd.	Premier Automobiles	72	A. 100	Nil	Nil	10 0	10 0	12	Y.
10,00,000 B.								B. 10	Nil	Nil	Nil	5 0		
10,21,200	5,56,605	14,71,107	12,41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	37	10	Nil	Nil	Nil	Nil	6	Y.
2,75,00,000	69,23,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director).	Western India Match Co.	200	100	11 0*	13 0	11 0*	11 0*	12	Y.
45,00,000	34,64,847	1,24,6,808	1,07,108	62,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350N	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 O. / 2,50,000 D.	15,00,000	1,56,92,044	98,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	58 / 23	O. 10 / D. 25	Nil			Nil		
30,00,000	38,21,355	81,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	41	10	1 12	2 8	1 4	1 4	8	Y.P.
50,00,000	7,75,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18	10	1 0	1 0	1 0	1 0	6	Y.
20,00,000	18,97,883	96,60,365	39,87,830	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	44	10	0 9 3/5	1 4	1 4	1 4	3	Y.P.T.
30,00,700 O. / 10,00,000 D.	97,71,800	53,87,807	29,87,807	5,15,018	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	314 / 40	O. 100 / D. 10	20 0*	0 9 3/5 / 25 0*	1 4* / 6 0*	1 4* / 8 0*	8	Y.
20,00,000	7,97,945	56,17,51388		1,11,692	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 0	1 0	1 0	1 0	3	Y.P.T.
30,84,880	33,27,348	99,11,669	21,85,999	96,133	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuit	12½	10	1 2	1 4	1 4	2 0*	12	Y.
3,25,00,000	95,00,000	2,56,70,947	1,37,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	8-2½	5	0 4	0 4	0 4	0 4		
1,60,00,000	1,49,00,000	2,44,79,346	2,79,62,308	10,82,815	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	34	10	1 0	2 0	1 0	1 8	9	Y.P.
51,25,000	31,50,934	1,29,31,25858		3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	144	100	2 0	2 0	2 0	2 0	3	Y.P.T.
14,00,000	9,97,000	32,14,898	17,62,862	26,757	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	200	100	10 0	10 0	10 0	10 0	12	Y.P.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins.	Gillanders Arbuthnot & Co., Ltd.	111	100	10 0	10 0	10 0	10 0	12	Y.P
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	263	100	15 0	15 0	20 0	10 0	9	H.
12,42,800	5,00,000	60,90,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	100N	250	15 0	10 0	10 0	10 0		
4,96,12,650	1 92,800	2,83,64 147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	7½	10	7 8	7 8	10 0	7½	3	Y.P.
1,60,00,000	34,77,184	3,45,52,9035	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	132½	100	10 0	10 0	10 0	15 0*	3	Y.
1,52,89,220	1,07,77,144	1,11,09,713	37,29,439	15,94,649	A. R. Driessen, Esq.	Indian Cables	19½	10	1 0	2 0	1 0	Nil	12	Y.P.T.
8,27,970	5,38,000	14,39 460	7,97,308	58,565	G. S. Mouison & Co. (India), Ltd.	Indian Rubber Manufacturers	10	10	1 0	1 0	1 0	Nil	12	Y.
6,00,00,000	57,45,280	29,81,4771	6,26,477	4,84,163	G. M. Mackinlay, Esq.	Jardine Henderson	109	10	1 0	1 0	1 0	Nil	12	Y.P.
6,34,000 O. / 66,000 D.	6,03,270	6,91,531	4,08,253	—64,994	James & Co., Ltd.	Macfarlane & Co	2½ / 2½	O. 5 / D. 5	Nil	Nil	Nil	0 12	3	Y.P.
40,00,000 O. / 5,00,000 D.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	230	O. 100 / D. 10	12 8	14 0	16 0	16 0	9	Y.
1,30,60,230	39,90,212	18,12,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	228	100	10 0	12 8	7-8			
6,35,235	1,74,934	7,74,805	2,66,942	—72,313	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3-3½	10	1 4	2 0	0-4½		12	Y.P.
4,88,040	8,84,829	9,73,621	3,93,009	2,039	C. Chandy, Esq. (Controller)	Mysore Lamp Works	15½	10	1 0	2 0	1 0	1 6*	9	Y.P.
10,00,000		11,45,894	3,95,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	10	10	1 0	Nil	1 0		12	Y.
20,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co., Ltd.	National Insulated Cable	19½	10	1 0	1 0	1 0	1 0	12	Y.P.T.
79,97,000	28,12,725	1,12,79,603	42,96,020	10,37,035	B. N. Elias & Co., Ltd.	National Tobacco Co.	11½	10	0 4	0 8			3	Y.P.
40,00,000	24,00,000	41,38,536	17,74,933	1,52,611	Parry's Holdings Ltd.	Parry & Co.	11½	10	0 4	0 8	0 12	1 0	3	Y.P.T.
8,25,00,000	13,27,473	1,65,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	56	100	1 9 3/5	2 0	2 0	2 0	12	Y.P.
1,14,00,000	1,08,11,658	6,70,23,808	2,57,86,415	78,206	Sahu Jain Ltd.	Rohtas Industries	16½	10	0 10	0 12	0 4½		12	Y.P.
40,00,000	94,66,946	1,21,92,814	75,55,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	16½	10	Nil	Nil	Nil	Nil	12	Y.P.
75,00,000	35,00,000	12,11,9016	2,17,130	3,56,816	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	13	10	1 0	1 0	1 0	1 4	12	Y.P.
9,98,380	1,90,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	32	10	1 0	1 8	1 8	1 8	12	Y.P.

‖ Includes investments at cost. * Includes bonus. † Excluding goodwill at cost Rs 20 lakhs.

‡ Excluding goodwill (written down Rs. 30 lakhs.) § Excluding Rs. 1,49,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	..	McLeod & Co., Ltd.	825	Amluckie	420 N	100	25 0	Nil	7 8		12	Y.P
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	252	Ananda (Assam) Tea	253	10	2 8	0 12	6 12		12	Y.
3,50,000	5,68,250	10,44,174	1,65,679	72,560	Gillanders Arbuthnot & Co., Ltd	416	Ananda Bag	304	10	4 0	3 0	Nil		12	Y.
5,50,000	7,21,416	16,60,355	5,32,872	—75,110	McLeod & Co., Ltd.	513	Baghmari	164	10	1 12	Nil	Nil	Nil	12	Y.
3,40,000	7,34,053	9,47,122	3,27,661	63,679	Andrew Yule & Co., Ltd.	369	Basmatia	356	10	1 0	2 8	2 8		12	Y.
2,50,000	2,90,000	8,68,533	5,03,533	63,180	Williamson Magor & Co.	567	Batell	283	10	1 8	0 8	Nil		12	Y.
3,20,000	4,90,000	8,79,729	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjan	331	10	3 0	0 8	Nil		12	Y.
16,50,000	16,81,038	50,59,154	20,59,154	1,61,457	Williamson Magor & Co.	4,078	Bishnauth	378	10	3 0	Nil	Nil		12	Y.
6,00,000		3,500	10,38,918	1,85,067	Octavius Steel & Co., Ltd.	485	Bokahat	10½	10	0 8	Nil	Nil	Nil	12	Y.
7,50,000	3,43,500	8,21,734	2,13,632	63,716	McLeod & Co., Ltd.	450	Borrnah Jan Tea	153	10	1 0	1 0	1 0		12	Y.P.
35,00,000	9,05,082	72,59,232	16,14,783	—32,144	Brook Bond India Ltd.	2,602	Brooke Bond	131	10	1 0	1 0	1 0	0 8	6	Y.P.
1,20,000	1,83,234	3,66,030	1,62,481	12,511	McLeod & Co., Ltd.	282	Deloo Valley	158	100	30 0	22 8	10 0		12	Y.
6,00,000	7,15,000	25,31,755	15,30,734	—29,101	Jardine Henderson Ltd.	1,228	Dessai & Parbatia	285	100	30 0	22 8	10 0		12	Y.
17,53,440	6,66,528	20,85,548	2,76,346	19,112	James Warren & Co., Ltd.	610	Dhekakhat	168	10	1 9 3/5	3 4	1 0		12	Y.
4,68,970	2,20,000	8,09,426	32,879	35,084	James Finlay & Co., Ltd.	413	Dikrunert	17	10	1 0	1 8	Nil		12	Y.P.
4,50,000	2,75,000	8,03,661	1,17,960	3,110	McLeod & Co., Ltd.	458	Dibrugarh	144	10	1 0	1 8	1 8		12	Y.
4,50,000	2,70,000	8,93,119	4,63,119	—61,541	Williamson Magor & Co.	625	Dimakusi	41½	10	1 4	1 8	1 8		12	Y.P.
2,36,700	4,50,000	16,38,157	9,58,157	23,960	Williamson Magor & Co.	644	Dimaruguri	44	100	4 0	4 0	4 0		12	Y.
3,60,500	3,55,000	21,47,460	8,22,460	1,12,948	Williamson Magor & Co.	1,168	Dimaruguri	238	10	1 4	2 4	2 0		12	Y.
10,00,000	3,00,000	7,99,692	3,47,363	52,681	Andrew Yule & Co., Ltd.	607	East India Tea	231	10	1 8	2 4	2 0		12	Y.
3,60,000	3,00,000	13,37,439	5,54,439	—2,586	Williamson Magor & Co.	533	Gelapur	241	10	1 0	2 0	1 8		12	Y.
3,38,000	5,48,904			1,03,645				A.10	10	2 0	2 0	2 0		12	
4,04,360	13,22,810	17,77,138	5,02,656	55,724	Octavius Steel & Co., Ltd.	1,393	Greb	24½	10	1 8	2 0	1 8		12	Y.
2,40,790								388	10	1 8	2 0	1 8		12	
2,00,000	8,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	474	Hoograhll	1,288	10	0 8	0 12	Nil		12	Y.
4,35,000	8,04,000	18,38,687	8,66,970	—28,147	Andrew Yule & Co., Ltd.	1,288	Hoolungooree	3066N	100	25 0	17 8	Nil		12	Y.
7,50,000	5,85,000	13,93,352	2,02,650	—1,52,898	Gillanders Arbuthnot & Co., Ltd.	900	Jutlihat	15 ¾	10	0 8	Nil	Nil		12	Y.
2,40,000	80,000	11,45,851	6,20,851	3,593	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	356N	100	20 0	Nil	Nil		12	P.Y.
4,50,000	1,49,133	6,53,647	1,03,647	371	Duncan Bros. & Co., Ltd.	1,837	Lalee	15½	10	2 0	Nil	Nil		12	Y.
4,80,000		8,87,549	87,549	—1,89,815	Duncan Bros. & Co., Ltd.	673	Mohesend	18	10	Nil	Nil	Nil		12	Y.P.
1,50,000	5,34,599	5,45,002	3,81,992	2,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	560N	100	45 0	35 0	Nil		12	Y.
O. 50,000	3,65,000	8,80,913	4,99,415	37,518	Andrew Yule & Co., Ltd.	525	Murphulani	16 / 37½	O.10 / P.O.10	3 8	2 8	2 8		12	Y.
P.O.2,00,000	298,000	5,78,590	3,53,094

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
60,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	24 ½	10	1+1	1+1	1+1		3,9	H.T.P.
12,00,000	25,00,000	45,69,534	32,28,741	81,033	Sahu Jain Ltd.	498	Albion	213	100	15+15	8+10	12+12		5,11	H.P.
6,00,000	5,10,000	20,61,656	13,29,557	30,829	McLeod & Co., Ltd.	446	Alexandra	163	100	5	Nil	Nil		6,12	H.P.T.
30,00,000	5,60,000	1,17,29,964	89,15,069	35,656	McLeod & Co., Ltd.	1,264	Alliance	170½	100	Nil	Nil	Nil+2½		6,12	H.P.T.
49,30,700	76,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	201	100	10+10	10+15	Nil+5		6,12	H.P.
40,00,000	39,11,041	1,34,35,061	81,95,675	42,548	Burd & Co., Ltd.	810	Auckland	116	100	6+4	5+4	7½+5		3,9	H.P.
30,00,000	29,17,170	97,56,936	64,26,882	64,088	Jardine Henderson & Co. ..	959	Bally	147	100	6+4	Nil	2+2		3,9	H.P.T.
2,75,000	5,39,470	21,52,347	11,044,810	881,890	Sir John H. Barder (Chairman)	1,889	Barnagore	140	100	4	4	4+Nil		3,9	H.P.
28,80,000	35,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd. ..	820	Belvedere	£1	£1	£1				3	Y.P.
45,00,000	35,95,000	64,87,801	27,48,864	2,45,983	Eoorsmull Nagarmull	600	Bengal	15½	10	3	1	1+½		6,12	H.P.T.
30,42,000	2,64,06,567	3,06,39,706	1,23,13,342	1,80,646	Duncan Bros., Ltd.	1,373	Beria	16	10	3	3	3		6	Y.P.T.
36,00,000	29,22,926	1,08,33,702	71,14,743	958	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	139	100					3	Y.P.
7,47,380	3,36,424	40,92,564	28,33,216	—48,461	Dayaram & Sons	502	Calcutta Jute Mfg.	131N	10	10+12	6½+6½	6+4		4,10	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd. ..	616	Caledonian	1	1	1+1	0+8	Nil		6,12	H.P.T.
99,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd. ..	600	Champdany	152	100	10+12	6+6	6+6		5,11	H.I.
15,95,000	28,39,782	79,96,158	34,82,736	1,32,904	Andrew Yule & Co., Ltd. ..	530	Cheviot	210	100	5+7	7+8	3+3		3,9	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chitavalah	130N	100	10+12	6+6	6+6		5,11	H.P.
16,00,000	17,00,000	78,94,949	64,36,460	18,647	Shaw Wallace & Co., Ltd. ..	969	Clive	12½d	10	11+11	21½+1½	11+½		6,12	H.T.P.
31,49,200	61,09,975	1,28,92,451	61,83,266	35,834	Andrew Yule & Co., Ltd. ..	766	Dalhousie	8½	10	Nil	2	Nil		3	Y.P.
32,80,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd. ..	779	Delta	28½d	£1	8+6	6+1	4+3		3,9	H.P.
13,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	24	10	15+17½	10+10	10+10		5,11	H.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	19½	10	11+11	3+3	4+3		5,12	H.T.P.
14,90,000	6,00,000	77,32,855	47,15,090	6,934	Bangur Bros., Ltd.	1,014	Fort William	428N	100	12½+12½	10+Nil	Nil		3,9	H.P.T.
84,32,100	2,81,692	2,09,92,458	1,34,24,179	—4,61,794	Macneill & Barry Ltd.	1,709	Gagalbhai Mfg.	330	100	6	Nil	Nil+5	10f	3,9	H.T.P.
10,80,000	28,00,000	71,47,356	47,46,852	4,743	Gilanders Arbuthnot & Co., Ltd.	607	Gondalpara	70	100	2½+2½	Nil	Nil+Nil		3,9	H.P.
84,00,000	29,45,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gouripore	90	100	5	30	15		12	Y.P.
40,00,000	44,39,631	77,72,908	49,12,341	2,81,845	Bangur Bros., Ltd.	1,302	Hastings	302	100	10+10	13 Nil	Nil+3½		3,9	H.P.
16,80,000	15,20,698	64,92,980	44,81,416	68,178	Gilanders Arbuthnot & Co., Ltd.	720	Hooghly	125N	100	7	10	10		3	Y.P.
45,52,500	51,83,370	1,45,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	37½	10	3	Nil	3		3	Y.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	24	10	3+3	1+1	1+1		3,9	H.P.
O. 87,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	7½	10					3	Y.P.T.
D. 90,000								135	O. 125	3½+1½	3½+3½	3½			
84,00,000	24,95,613	1,36,83,508	1,17,96,308	80,234	Jardine Henderson Ltd.	1,797	Kamarhatty	1	D. 1	3	3+1	3		3,9	H.
'B 19,20,000								181	100	10+12½	8½+6	6f			
'B' 24,80,000	16,90,371	1,31,02,619	94,00,902	1,23,248	Jardine Henderson Ltd.	1,527	Kankinarrah	172	'B' 100	10+12½	8½+6	6f		6,12	H.P.
21,00,000	47,75,000	98,38,395	72,35,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	129	100	5+7½	6+4	5f			
54,00,000	22,83,375	1,62,87,846	1,11,02,500	2,60,164	Andrew Yule & Co., Ltd. ..	1,530	Khardah	129	'B' 100	5+7½	6+4	5f		6,12	H.P.
48,00,000	98 02,034	2,23,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	246	188xd	10+6	10+15	10+7½		3,9	H.P.
24,48,000	50,32,314	1,38,73,283	75,99,271	45,483	Burd & Co., Ltd.	931	Lansdowne	198	100	10+12½	8½+6	6f		3,9	H.P.T.
32,00,000	39,32,760	1,13,87,849	62,26,688	35,171	Burd & Co., Ltd.	840	Ludlow	131	100	11+8	7+3	2+5		3,9	H.P.
10,80,000	37,51,301	50,62,630	35,49,126	46,584	Andrew Yule & Co., Ltd. ..	558	Lothian	147	100	12½+11	11+4	2+3		3,9	H.P.
81,45,200	25,35,448	1,93,98,404	1,16,80,446	20,820	Mackinnon Mackenzie & Co. ..	1,008	Magma	310	100	10+17½	15+15	15+15		5,11	H.P.
29,98,900	41,07,383	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	98	100	2½+1½	2½+2½	2½f		3,9	H.
30,00,000	15,80,000	27,31,786	16,36,721	—4,47,786	Hawrah Trading Co., Ltd. ..	425	Naskarpara	104	100	10+4	6	Nil		3,9	H.
35 00 000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd. ..	852	National	12½	10	1½+1½	1+1	Nil+f		4,10	H.T.
26,25,000	22,75,000	26,59,673	18,08,019	1,21,202	McLeod & Co., Ltd.	316	Nellimarla Jute	27½	10	1+1½	2+1	1+1		4,10	H.P.
19,50,000	52,13,033	49,64,452	24,76,185	1,10,017	Sahu Jain Ltd.	709	New Central	11½	10	2½+2½	2+1	1+1		6,12	H.P.T.
16,79,880	48,96,093	1,22,95,304	56,02,089	39,494	Burd & Co., Ltd.	567	Northbrook	313	100	15+15	10+12	12+12		6,12	H.P.
66,79,300	33,26,497	2,13,29,378	1,36,90,475	66,545	Bangur Bros., Ltd.	1,092	Nuddea	193	10	Nil	Nil	Nil+½		3,9	H.P.T.
24,91,000	26,56,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd. ..	601	Orient	46½	50	11+14	1	Nil+½		3,9	H.
25,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Presidency	165½	100	12+12	1+6	6+6		5,11	H.P.
30,00,000	58,659	26,15,293	7,67,493	—2,36,541	Mr. B. N. Banerjee	505	Rameshwari	5	10	Nil	Nil	Nil+½		3,9	H.T.
49,50,000	1,50,000	1,23,47,175	56,07,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	138	10	Nil	Nil	Nil		3,9	H.
£600,000	£1,102,661‡	£1,203,880		£82,648	Thomas Duff & Co. (India), Ltd.	2,013	Samnuggur	14½	£1	10%	10%	4+½		3,9	H.P.T.
30,00,000	13,07,220	97,28,210	59,19,652	6,85,649	Begaria Mors & Co., Ltd. ..	951	Shree Ambica	15½	10	1½+1½	1f	10%		12	Y.P.
14,00,000	7,74,812	48,14,456	35,67,743	3,54,954	Hindustan Investment Corporation.	401	Soorah	12½d	10	Nil	Nil			3,9	H.P.
25,19,600	48,76,253	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	122	100	9+8	8+1	1+1		12	Y.P.T.
£600,000	£849,927‡	£990,893		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	144	£1	10%	10%	10%		3,9	H.P.
85,98,600	96,57,600	1,82,88,323	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	180	100	12½+11	10+1	1+4		12	Y.P.
£400,000	£587,144	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	14	£1	10%	10%	10%		3,9	H.P.T.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	6½	1	1/40 Nil	Nil	Nil+½		12	Y.P.
														6,12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	1+½	½+½	½+½		3,9	H.
12,00,000	6,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd. ..	Bararee Coke	18½	10	½+½	½+½	½+½		3,9	H.
4,49,350	70,000	8,49,139	5,34,203	3,555	Andrew Yule & Co., Ltd. ..	Bengal-Bhandar	6½xdN	10	½+½	3/5+½	7/10+7/10		3,9	H.
1,00,00,000	1,19,50,000	5,40,31,575	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd. ..	Bengal Coal	478	200	½+½	½+½	½+½		3,9	H.
2,25,000	5,07,662	25,52,001	22,49,321	—14,103	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	17½+17½	20+20*	17½+15*		6,12	H.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½+½	½+½	Nil		4,10	H.P.
40,00,000	14,81,010	1,26,82,109	63,11,074	6,280	Sahu Jain Ltd.	Bharat Collieries	7½	10	½	½	½		6,12	H.P.
7,15,000	14,30,111	51,52,038	36,11,169	—1,36,897	F. W. Heilgers & Co.	Bhulabhareea	14	10	½	½	½		3,9	H.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Andersen Wright (Ramgarh), Ltd.	Bokaro-Ramgur	19½	10	Nil	Nil	Nil		6	Y.T.P.
7,50,000	21,01,000	43,87,978	25,07,761	1,04,202	F. W. Heilgers & Co., Ltd. ..	Borrea	30½	10	Nil	Nil	Nil		6,12	H.
98,92,480	1,72,13,283	4,11,37,802	1,67,77,673	1,11,099	Bird & Co., Ltd.	Burrakur	10½	10	1½+1½*	1½+1½*	1½+1½*		6,12	H.T.
49,97,000	750	34,32,368	37,646	3,838	Hindustan Investment Corpn., Ltd.	Central India	1½	10	½+½	½+½	½+½		6,12	H.P.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Andersen, Wright & Co., Ltd. ..	Central Kurkend	6½	10	Nil	Nil	Nil		6,12	H.P.T.
6,00,000	1,42,075	7,25,000k		4,368	F. W. Heilgers & Co. Ltd. ..	Churia	13½N	10	Nil	Nil	Nil		3	Y.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	12½d	4	½+½	½+½	½+½		6,12	H.
6240,000	£332,801	£224,840		£90,734	Jardine Henderson Ltd.	East Indian	8½	10	½+½	½+½	½+½		6,12	H.
39,43,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	28xd	£1	5	Nil	Nil		6,12	H.
10,00,000	2,62,255	8,41,725	2,33,943	66,865	Bhatter's Agency Ltd.	Ghasick and Mealia	33½	10	2½+2½	2+1½	2½		6,12	M.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	14N	10			1½		4	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	45	50	5	4	3		6,12	H.P.
22,00,000	1,08,377	31,70,015	10,56,245	—1,95,248	Bajnath Trust Ltd.	Jogta Coal	15	10	½	½	½		6	Y.P.
3,50,000	2,58,000	13,65,400	6,42,347	31,256	Andrew Yule & Co., Ltd. ..	Kalaphari	2½	10	Nil	Nil	½		6,12	H.
20,00,000	....	25,62,791	1,58,646	1,838	Bird & Co., Ltd.	Karanpura Collieries ..	27N	10	1½+1½	Nil	Nil		12	Y.P.
5,00,000	12,00,000	42,94,951	33,08,631	77,341	Andrew Yule & Co., Ltd. ..	Katras Jherriah	79½	100	Nil	Nil	1½+1		3,9	H.P.
1,38,400	93,000	10,63,519	3,25,519	1,963	Beriwala & Co.	Khas Kajora	45	10	1½+1½	2+2	Nil		2,8	H.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Low & Co., Ltd.	Ksardi	9½N	10			2+2		3	Y.P.
9,00,000	11,64,450	28,33,250	22,78,337	1,683	H. V. Low & Co., Ltd.	Lakurka	6½N	10	3½				1, 7	H.
7,48,240	1,50,000	11,24,142	8,84,138	30,398	Associated Commercial Co., Ltd.	Lodna	10½xd	10					6,12	H.P.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,547	Andrew Yule & Co., Ltd. ..	Nazira	6½	10					4	Y.
6,00,000	1,60,000	32,13,833	19,29,968	9,405	Octavius Steel & Co., Ltd. ..	New Beerbhoom	17½	10	½+½	½	½		4	Y.
1,15,000						New Mashbhoom	9	10	Nil	Nil	½		6,12	H.
1,57,500	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd. ..	North West	11N	10	½+½	Nil	½+½		4,10	H.P.
7,50,000	11,26,866	3,97,666	2,77,666	1,03,412	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½+½	½+½	½+½		3,9	M.
10,00,000	1,10 000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	18½xdN	10	½+½	½+½	½+Nil		3,9	H.
8,34,000	83,996	17,23,582	4,27,578	15,789	Deepchand Kishenlall	Parascoe	12½	10	½+½	½+½	1+1		6,12	H.P.
15,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd. ..	Pench Valley	6½	10	Nil	Nil			6,12	Y.P.
23,99,500	16,17,105	1,12,84,110	78,87,623	27,432	B. N. Elias & Co., Ltd.	Raneegunge	25½	10	½+½	½+½			12	Y.T.
13,50,000	7,88,385	30,74,660	25,05,660	37,848	Shaw Wallace & Co., Ltd. ..	Rewa	13½	10	Nil	Nil	½+½		6,12	H.P.
10,00,000	3,95,008	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries	25	10	½+½	½+½			2,8	H.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gilanders Arbuthnot & Co., Ltd.	Searsole	7	10	½+½	½+½	1 0		3,9	M.
2,80,000	61,597	28,76,823	16,30,969	1,01,017	Andrew Yule & Co., Ltd. ..	Seebpore	8N	25	½+½	½+½			6,12	H.
8,00,000	8,74,858	36,99,010	26,36,686	—2,06,478	F. W. Heilgers & Co., Ltd. ..	Sendra	23½	10	½	½	½		6,12	H.
63,21,450	13,25,954	3,24,72,792	2,24,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		10N	10	2+2	2+1	2+1		1	Y.
						Singareni			Nil	Nil	Nil		6,12	H.P.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	6½	10	½	½	½		6,12	H.T.
8,00,000	14,19,945	1,69,570	22,510	84,141	F. W. Heilgers & Co., Ltd. ..	Standard	9½	10	½+½	½+½	½+½			
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	22½	10	½+½	½+½	½+½		12	Y.T.
3,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co., ..	Union	3½	2½	Nil	½+½	½+½		2,8	H.
69,58,000	....	45,91,158	13,91,565	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	22½	10	½+½	½	½		6,12	M.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	6½	10	½+½	1½			9	V.
							16	10	½+½	Nil	Nil		6,12	H.
													3	Y.
													6,12	M.

* Including bonus. a Sales and amount written off. (k) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1164 in the debentures section:—

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

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

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

(c) Bearer bonds o Rs. 1,000 each repayable on 31st July, 1939

(d) Bearer bonds of Rs. 1,000 each with option of redemption a whole or in part at par on 30th June, 1953 o on any subsequent interest date at one month's notice.

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955, on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 1115)

deeds and not to transmission or mutation which automatically takes place by the operation of law. In the case under reference, there is no transfer deed; the deceased does not execute any deed; the survivor becomes the owner of the interest left behind by the deceased by law. There is, accordingly, neither a transferor nor a transferee. But section 84 talks only of registration of a transfer.

• • • • •

Indeed, the said section, according to legal experts, will not also apply to cases where, on the death of a shareholder, another person becomes entitled to the share of the Company under a decree or order of the court. Again, if a legal representative produces a court's order giving him the right to ownership of the deceased member's shares, then also, there would be no need for the company to obtain a certificate, under section 84 of the Estate Duty Act, before effecting the transfer of shares.

• • • • •

It would appear that, in relation to at least one of these cases, there has been a conflict of opinion between the Estate Duty authorities and the legal experts. Thus, the authorities have, it is stated, held that a certificate relating to estate duty payment, contemplated under section 84, would be necessary even when shares, held jointly by two persons, come into the sole possession of one of them on the death of the other. They have held, it is stated, that it will not be lawful for the company to delete the name of any deceased person unless the company is satisfied that the survivor has acquired the shares for adequate consideration or produces a certificate from the Estate Duty authorities. This ruling, however, does not sound convincing in the light of the clear wording of section 84 which refers only to shares and not to transmission. If, therefore, a company deletes the name of the deceased person, it can still contend in a court of law that it has not done anything contrary to section 84(2) of the Act; and, perhaps, its contention may be upheld by the court. But many companies are not prepared to take the risk and have not deleted the names of deceased shareholders in respect of shares held under joint names. They prefer to await authoritative ruling on this question. In view of the great importance of this subject to the marketing of shares and to their negotiability, it will perhaps be helpful to all interests concerned if a correct interpretation is obtained at the highest possible level and is incorporated in the rules, so that company managements will at least know how to deal with cases where one of the joint-owners of their shares dies, leaving the other to the ownership of the shares.

SURVEY

(Concluded from page 1119)

ligious customs which still die hard even in the modern blood. As pointed out by Mr. Morse, "such attitudes are indigenous both to the worker's psychology and his religious and social customs." Again, he says that religious ceremonies involving a return of the worker to his village are a major factor for the reluctance of the potential worker to respond to monetary incentives. It should be clear that, unless there is a change in the mental attitude of the worker towards industrial employment, no scheme of industrialisation, however technically and financially perfect it may be, will enable a backward country to make headway in the industrial field. Also ranking high as deterrents are the mechanics of urban life, such as bad transportation, irregular food, bad home and frequent sickness.

From this, one cannot jump to the conclusion that the mere removal of these deterrents, important though it is, will not automatically induce workers to stay on their jobs and to refrain from running back to their rural homes often. For, as Mr. Morse rightly points out, the higher the emoluments and amenities to workers, the greater the percentage of absenteeism and, consequently, lower productivity. In other words, the hopes of better standard of living will continue to remain a mirage. Surely, here is a difficult problem for backward countries.

Strict enforcement of factory discipline, as Mr. Morse says, will not produce the necessary change in the attitude of the workers in backward countries towards industrial employment. The causes of lower turnover are not to be found solely in the work place. Personnel relations must, therefore, be so managed as to create a sense of security, to replace the worker's roots in his village. Construction of workers' housing, education in personal hygiene and avoidance of accidents and improvements in workers' nutrition are among the steps necessary. Also efforts should be made to give the worker a "sense of belonging to the undertaking." Mr. Morse goes so far as to say that the hope for future social progress under democratic conditions lies in the growth of healthy labour-management co-operation. The fully-habituated industrial worker with nothing more than wages as a purpose is just as likely to be a problem worker as the transferee from a rural pattern.

BANKING

(Concluded from page 1123)

costs to the benefit of European exporters, and to swing the balance of payments in favour of European countries, thus strengthening their exchange position.

At the same time, the relative steadiness of world prices of primary products in the face of our business recession has spared the raw material producing countries much of the pain of additional deflation. By and large, these countries took their price licking in 1951 and 1952 with the collapse of the post-Korean price bulge. By 1953 some of these economies were already stabilizing; others have enjoyed considerable recovery.

Influence of American Spending

Finally, a sixth and highly important factor softening the impact of the American recession upon the Free World has been the continued heavy outpouring of American funds for travel and other private services, economic aid, and support of our military efforts and those of our allies abroad.

Much has been said about the cutting back of economic aid—and the total has indeed been substantially reduced from the peak—but the amount still bulks large and is accompanied by increased spending in the military categories. Despite the declining trend of American commercial imports in the latter part of 1953, aggregate dollar creating transactions last year reached a grand total of around $19.6 billion, only a shade less than in 1952. And figures for the first quarter of 1954 indicate spending at an annual rate not much below that of 1953.

Dollar Creating Transactions
(In billions of dollars)

	1948 Official	1949 Official	1952 Official	1953 Official	First quarter 1953 Official	First quarter 1954 Anticipated
Goods and Services	$	$	$	$	$	$
Commercial imports	7.1	6.6	10.7	10.9	2.8	2.5
U.S. Government spending for goods* ..	.7	.5	•.8	1.0	.2	.3
U.S. Government spending for services† ..	.7	.6	1.7	2.0	1.0	1.1
Travel and other private services	1.8	1.9	2.6	2.7		
Sub-total ..	10.3	9.6	15.8	16.6	4.0	3.9
Gifts and Capital Movement‡						
Private gifts	.7	.5	.4	.5	.1	.1
U. S. economic aid	3.8	5.1	1.9	1.9	.5	.4
Private capital ..	.9	.8	1.1	.4	.2	.4
U.S. Government capital ..	.9	.6	.5	.2	..	(—.1)
Sub-total ..	6.3	7.0	3.9	3.0	.8	.8
Total dollars created ..	16.6	16.6	19.7	19.6	4.8	4.7

* Includes U.S. offshore military procurement.
† Includes also expenditures abroad of U.S. personnel.
‡ Excludes U.S. military aid grants.

A Test Well Stood

The foregoing review will, we believe, shed light on why the course of economic events in 1953-54 has proved to be so much at variance with 1948-49 and with prognostications based on that experience.

European countries have increased their production and consumption markedly in the past five years, and their economies are in better balance. Their dependence on us for manufactured goods has decreased, and they have been able to obtain increasing supplies of raw materials at moderate prices from non-dollar sources. Inflation has been checked

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	References
16,00,000	1,08,33,956	10,66,174	Allahabad Bank	380	100	18 0	18 0	18 0	18 0	12	V.P.
64,50,000				194	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	11¼	100	6 0	6 0	6 0	5 8	6.12	H.
23,99,000				6¼	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	109	50	6 0½	6 0½	6 0	6 0½	12	Y.
*80,00,000	17,00,000	11,795	Bank of Bikaner	12¾N	25	0 12	0 12	0 12	0 12	12	Y.
8,50,00,000	3,57,00,000	7,29,778	Bank of India	147	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0½	3 0½	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	22	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	300	100	16 0½	16 0	16 0½	16 0½	12	Y.
99,99,150	81,83,240	29,609	Bombay State Co-operative Bank	59	50	2 8½	2 8	2 8	2 8	4	Y.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 0	4 0	4 0	4 0	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0½	5 0½	5 0½	5 0½	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	54½	25	3 8	3 8	3 8	3 0	12	R.L.Y.
52,42,905 'A'				59¾	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	1 4	2 0	12	Y.
1,00,00,000	1,00,00,000	26,77,148	Habib Bank (P)	147	25	2 0	4 0	4 0	4 0	12	Y.
1,25,00,000	16,20,000	15,160	Hindustan Commercial Bank	8¾	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	16¾	50	—	—	—	—	9	Y.
75,00,000	75,00,000	1,00,395	††Hyderabad State Bank	105½	100	6 0	6 0	5 0	5 0	6.12	R.L.H.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,775	508	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				432½	125	20 0	20 0	20 0	20 0		
84,00,000				180	108	12 0	12 0	12 0	12 0	6.12	R.L.H.
17,00,000	76,50,000	1,23,088	Indian Bank	143½	85	10 3½	10 3½	10 3½	10 3½	.12	R.L.H.
16,80,000				101	60	7 3½	7 3½	7 3½	7 3½		
49,04,922	22,50,000	2,25,271	Indian Overseas Bank	93¼	100	5 0	6 0	6 0	6 0	6.12	H.
6,25,800				60	100(A)	5 0	7 8	6 0	—		
1,50,000	6,33,939	1,380	Indo-Commercial Bank	16	25(B)	2 4	1 14	1 8	—		
10,00,000				29	50(C)	3 0	3 0	3 0	1 8(i)		
37,50,000	90,00,000	3,10,289	Punjab National Bank	244½	25	1 0	1 0	2 0	2 0	12	Y.
1,00,00,000	13,75,000	92,592	Travancore Bank	85	85	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	6¾	5	0 5	0 5	0 5½	0 5½	12	W.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	44¾	50	2 0	2 0	2 0	2 0	12	W.

PRINCIPAL EXCHANGE BANKS

				Dividend (per cent.)						
£3,000,000	£4,000,000	£599,215	Chartered Bank of India, Australia and China	£2-2-1½	£5	14½	14½	16½	14½	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£6¾	£5	7½	6½	7½	3½	12	R.L.Y.
H.K. $20,000,000	H.K. $6,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	$92½	H.K. $125	5%	5%	5%	5%	12	Y.
£14 372,956	£16,500,000	£555 780	Lloyds Bank	£3-2-0	£1	12½	12½	12½	14½	12	R.L.Y.
£1,437,296				£1-7-0		9%	5%	5%	5%	12	R.L.Y.
£375,000 'A'	£1,200,000	£200,980	Mercantile Bank of India	£28¾	A £12½	12½	12½	14½	14½	12	R.L.Y.
£175,000 'B'				£28¾	B £12½	12½	12½	14½	14½		
£320,000 'C'				£12¾	C £5	16½	16½	16½	16½		
£2,281,250	£3,675,000	£323,703	National Bank of India	£27-9	£12½	16½	16½	16½	16½	12	L.Y.

‡Includes bonus. †Less Tax. (P) Pakistan Currency

††O.S. Currency (I) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £)		Principal Repayable	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June	1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	96	28th February	1960(/
9,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1942	104	30th December	1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	104	27th December	1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1946	90	1st November	1959-64
40,00,000	4	1st May and 1st November	Walchandnagar Industries	1944	105	1st April	1956-61
60,00,000	6	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November	1959-64
COTTON							
16,50,000	5½	30th June and 31st December	Bannari Cotton Mills Ltd.	1948	85	30th April	1964
4,00,000	4½	15th May and 15th November	Bengal-Nagpur	1947	98	15th November	1956(d)
1,80,00,000	3	1st April and 1st October	Buckingham and Carnatic	1922	98	1st January	1967-72
18,48,000	5½		Jaykaran Textiles	1949	78N	1st January	1956-59
40,00,000	6	1st June	Tata Mills.		101		1946-71
ELECTRICS							
18,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	1950	96	31st March	1963
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		101½	14th June	1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100½	1st October	1959
12,00,000	4½	30th June and 31st December	Bengal Electric Light and Power Co., Ltd.	1940	94	31st December	1964
8,25,97,200	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January	1978
85,00,000	6	30th June and 31st December	Cheuprara Electric Supply Co., Ltd.	1945	86	31st December	1978
15,00,000	6	1st January and 1st July	Bijua (Jharsiha) Electric Supply Co., Ltd.	1951	96	30th June	1976
7,36,200	5½	1st January and 1st July	South Madras Electric Supply	1947	96½	1st October	1956
8,00,000	5	1st May and 1st November	South Madras Electric Supply	1939	94		1951-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½		1957-67
6,43,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July	1951-55(f)
47,73,000	4	1st April and 1st October	Tata Power	1940	100½	15th September	1965-70
8,50,000	4	1st April and 1st October	Tata Power		93	15th September	
ENGINEERING							
5,00,000	5½	30th June and 31st December	Brissonia Engineering	1943	98½	31st December	1956
5,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June	1958
93,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	103	1st July	1957-63
41,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	89½	31st December	1960(BB)
10,00,000	4	31st May and 30th November	Kumarshubi Engineering Works Ltd.	1946	88	31st May	1971
2,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	101½	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	99	31st December	1960
JUTE							
18,60,000	4½	1st October and 1st April	Agarpara	1939	100	31st March	1954
6,00,000	5	30th June and 31st December	Alexandra	1939	99	30th June	1954(h)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December	1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1940	97	30th June	1955
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	88½	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	1951	91	31st July	1959(e)
10,69,700	5	30th June and 31st December	Chiswrian Jute Mills	1951	97	30th June	1966
8,86,000	5	30th June and 31st December	Empire	1932	95	15th July	1966
85,00,000	5½	1st January and 1st July	Hukumchand	1947	92½	30th June	1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	98	31st December	1964
25,00,000	5	30th June and 31st December	Naihati	1952	98	31st March	1964
8,00,000	4½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	1947	99½N	31st March	1954
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	1943	93	31st December	1958
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	96	5th September	1965
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September	1971
12,00,000	4½	30th June and 31st December	Union	1937	97	30th June	1957(d)
10,00,000	5½	31st January and 31st July	Waverley	1925	85	31st July	1960(e)
RAILWAYS : STEAMSHIP AND TRAMWAYS							
4,50,000	4	1st January and 1st July	Barsaat-Basirhat Light Railway	1936	£6	1st July	1956
£550,000	4½	1st January and 1st July		1908	£60¾N	A 105% at any time on 6 months' notice or at par or every seventh year.	
			Calcutta Tramways	1933	£77¾N	1st October	1974
£201,067	5	1st April and 1st October	Katakhal-Lalabazar Railway	1945	90½	31st December	1959
6,50,000	3½	30th June and 31st December					
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85¾N	1st September	1963
80,00,000	4½	1st March and 1st September	Scindia Steam Navigation		96½		
PLANTING							
10,00,000	5½	30th June & 31st December	Consolidated Coffee		102	1st July	1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea		101	1st April	1954-56
4,61,000	5½	30th June	Oochterlony		104	30th June	1954-59
9,00,000	5	31st March & 30th September	Peirakaumalai		100-11½	31st March	1953-63
1,89,700	5½	31st March & 30th September	Teckoy		100	31st March	1949-59
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	101	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December	1965
86,50,000	4½	1st April and 1st October	Associated Hotels of India	1937	86½	30th June	1957(f)
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1935	92	1st February	1964
81,00,000	3½	1st February and 1st August	Chowringhee Properties	1936	87	1st July	1966
21,52,000	4½	1st July and 1st January	Clive Buildings	1946	87	15th September	1960
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	82		1960
8,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1950	102½	1st January	1971
81,00,000	5	1st January and 1st July	Dunlop Rubber	1949	96		1964
20,00,000	5	15th March and 15th September	Mazur Chemical Industries (Convertible Notes)	1946	470 (per note)	30th September	1976
39,57,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1947	525 (per note)	31st December	1972
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)		90N		
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	98	1st April	1971
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1946	90	31st March	1961
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1953	104½	31st December	1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.			1st May	1968

Note—See page 1162 for explanations to abbreviation marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th June, 1954.

	Closing quotations 27-5-54	High	Low	Closing quotations 10-6-54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	147	147½	146¾	147½
Bank of Baroda (50)	108½	109½	108¼	109
Central (25)	54¼	54¾	54	54½
Central 'A' (25)	59¼	59¾	59¼	59
Imperial (P.Pd.) (500)	1,785	1,785	1,772½	1,772½
Imperial (P.Pd.) (125)	439½	437½	430	430
Union Bank (5)	6¾	6¾	6¼	6¼
United Com. (50)	45	44¾	44	44
TEXTILES				
Abm. Adv. (100)	145	145	143¾	143¾
Apollo (2)	2⅜	2⅜	2⅜	2-1⅜
Bombay Dyeing (250)	419¾	427¾	420	425
Century Mills (100)	171	175	171½	174
Colaba (100)	325	332½	327	328
Edward Textile (200)	242½	243¾	242½	59
Elphinstone (50)	41	—	—	243¾
Finlay (100)	240	243	241½	44
Globak (100)	248½	258½	249	243
Ind. Unid. Defd. (1)	1-7/16	1-7/16	1⅛	256½
Ind. Unid. Ord. (10)	11¼	11-2/16	10⅜	1-7/16
Indore Malwa (100)	107½	109½	107½	11
Kohinoor (100)	120	121½	120	109½
Lakshmi (250)	307½	309½	307½	121½
Madhusudan (100)	580	580	540	313
R. R. Cotton Mills (100)	82	—	—	540
Minerva Mills (100)	59¾	—	—	82
Model Nagpur (250)	110	—	—	59¾
Neveril (10)	141¾	141¾	139¾	110
Nyeve (50)	213½	—	—	141¾
National Rayons (100)	121	—	—	213½
New City (100)	166½	172	166½	121
New Great (100)	165¾	—	—	169½
New Union (100)	167	171	167½	165¾
Phenix (100)	26	—	—	171
Podar Mills (100)	122½	125	122½	26
Sassoon Bib (10)	138½	141½	140	125
Sassoon Spg. (10)	17¾	—	—	140
Shahjapur (1,000)	30	—	—	17¾
Shrinivas (100)	2,225	—	—	30
Simplex (50)	198¾	—	—	2,225
Standard (100)	154½	157	154½	198¾
Svadeshi (100)	313¾	337½	313¾	156½
Swan (100)	272½	278	272½	335
Tata Mfg. (25)	316¾	316¾	316¾	278
Vishnu (100)	47¾	48¾	48	318¾
Western India (1,000)	140	—	—	48¾
	3,810	—	—	140
				3,810
ELECTRIC SUS.				
Ahmedabad (100)	110¾	110¾	107½	109¼
Amalgamated (10)	10⅛	—	—	10⅜
Andhra Valley (1,000)	1,320	1,342½	1,320	1,335
Bom. Gas-St. (100)	122½	123½	122½	123
Surat (100)	130	130	128½	128½
Tata Hydro (100)	140¼	142¼	140½	142
Tata Power (1,000)	1,406½	1,437½	1,406½	1,427½
INSURANCE SUS.				
British India (10)	13½	—	—	13⅜
Empire India (100)	655	—	—	655
Ind. Mercantile (20)	40¾	—	—	41¼
Jupiter (15)	41¾	41¾	41¼	7¾
New India (15)	7¾	—	—	41¼
Oriental (200)	481½	48¾	45	477½
Universal (10)	7,690	7,900	7,690	7,900
Yelana (10)	12¾	—	—	9⅛
	13	—	12¾	13
STEAMER SUS.				
Scindia (10)	17¾	17-14⅜	17⅛	17⅜
STEEL SUS.				
Ind. Iron (10)				
Tata Steel Ord. (75)	30⅛	31-3½	30⅜	31½
	194½	208¾	195	207¾
MISCELLANEOUS				
Alcock Ashdown (100)	302½	312½	301½	307½
Associated Cin. (100)	157½	161½	157½	161½
Bengal Nagpur (5)	267½	270	267½	269
Bom. Burmah (125)	260¾	270	266¼	269
Do. (New) (50)	407½	407½	391½	403½
Br. S. Petrol (4 sh.)	135¾	135¾	135	135
Br. I. Corpn. (5)	4¾	4-5/16	—	4-0/16
Burma Corpor. (2 sh.)	8⅛	8⅛	4-0/16	8⅛
Ind. Inv. Tr. (100)	3⅜	3⅜	8⅛	3-3/16
Kamp (200)	75	75¾	3⅜	75
Killick (100)	272½	—	75	272½
Killick (75)	183½	183½	—	183
Phalton Sugar (50)	185	—	183	155
Port Canning (100)	101	107	100½	44
Premier Cin. (30)	228	—	—	243¾
Shirinjee (10)	132¾	133½	130	22½
Tata Chemicals (10)	64	64	58	132½
Tata Oil (25)	15⅜	16⅜	14¾	59
Waishand Ind. (100)	401	405	401	15⅜
W. I. Match (100)	175	180	175	400
	200	201½	199¾	180
				200

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption	Rs.
2½ 1954	99¼	—	—	99⅜
2½ 1955	98¼	—	3.32	98½
2½ 1961	91⅜	—	3.62	91⅝
2½ 1962	94¼	—	3.94	91⅝
2½% 1974	92	—	3.83	94⅜
3 % 1957	82¾	—	3.86	92½
3 % 1958	98½	—	3.96	82⅜
3 % 1959-61	98	—	3.53	98⅜
3 % 1964	96¾	—	3.60	98⅛
3 % 1963-65	92⅜	—	3.60	96⅝
3 % 1966-68	92¼	3.96	3.86	92⅜
3 % 1970-75	90	4.00	3.90	92⅛
3 % 1986 Con. Loan	86¼	4.16	3.89	90⅜
3½% 1954-55	97⅜	—	3.95	86⅜
4 % 1960-70	100⅜	3.34	3.66**	97
4½% 1955-60	101⅜	3.71	3.48	100⅛
4½% 1958-68*	101¼	3.75	3.85	101⅜
3½% 1961	103⅜	3.25	4.20	101⅜
3½% 1964 N.P. Bonds	98⅜	3.56	4.17	103⅛
N.P. Loan	98-12½	—	3.70	98⅜
			3.66	98-13½

BRITISH GOVERNMENT SECURITIES	2-6-54 £	High £	Low £	9-6-54 £
2½% Brit. Consols	65⅜	66	66⅛	65⅜
3 ½ Savings Bonds 1965-75	75	91⅜	91⅛	91⅜
3½% War Loan 1952-59	101⅜	101⅜	101⅛	101⅜
3½% War Loan 1955-58	86¾	86⅜	86⅛	86⅜
3½% Brit. Iron and Steel 1976-78				
4 % Funding Loan 1960-90	96¼	97⅜	96⅛	97⅜
	102⅜	103¼	102⅜	103¼

** Current Income. a.d.=Ex-dividend. * Rupee Counterparts.

21 JUN 1954 MADRAS GOVERNMENT

COMMERCE

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

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FLOW OF FOREIGN CAPITAL TO UNDERDEVELOPED AREAS

AT no time in the world's history was there more urgent need for capital than now. Large parts of the world's area are underdeveloped and the people inhabiting these regions are becoming conscious of the need for economic development. Such development of these regions involves the large-scale use of capital. Perhaps, it is not as widely realised as it should be that this process, especially in the earlier stages, means the use of heavy doses of capital on projects which yield no visible, large or immediate returns. Thus roads, railways, transport, public health and education are all both desirable and necessary in these regions. These are all capital-consuming projects, yielding little direct return. It is at a time like this when capital is needed urgently and in a large measure that capital is "suspect." This is particularly so in the regions which require large-scale development. And politicians here are doing everything they can to discourge the growth of domestic savings and the flow of foreign capital. This paradox of the urgent need for capital and the suspicion with which it is treated lies at the root of the *malaise* that afflicts world economy, in general, and the underdeveloped economies, in particular. It would require an entire change in the attitude of many underdeveloped countries towards capital to cure this *malaise*. It would also call for a change in the attitude towards foreign capital, for the scarcest of all commodities in these countries is domestic capital.

In this context, it will no doubt be depressing, however understandable it may be, to be told that most of the foreign direct investment in manufacturing industries has, in recent years, been made not in underdeveloped but in economically advanced countries. This is the main conclusion reached by a study of international flow of private capital over the period 1946-52, recently made by the U.N. Department of Economic Affairs. The exceptions were the Latin American countries, which received considerable amounts of U.S. capital for investment in industries. The petroleum industry, it is stated, accounts for a large proportion of foreign direct investments in recent years. In other extractive industries, such investments has expanded, particularly in the dependent territories of West European countries. Other main features of the international flow of private capital as indicated in the U.N. study are:

(1) The floating in international capital markets of foreign Government bonds, once so important in international financing, is now limited to special cases of loans between countries maintaining close commercial or political relations with each other. (2) Similar floating of shares and debentures of business enterprises and trade in outstanding securities have also declined to minor importance, except when the transactions are related to so-called direct investments, involving managerial control through enterprises in the investing country. Such investments, accordingly, account for the great bulk of private long-term capital moving between countries. (3) The growth of direct investments does not result principally from the transfer of fresh funds from the capital-exporting countries, but from the reinvestment of a large proportion of the profits earned. (4) Underdeveloped countries in Latin America derive most of their inflow of foreign capital from the United States and dependent territories from their respective metropolitan countries in Western Europe. (This does not apply to investments in the petroleum industry.) Relatively little capital is flowing to the independent countries in South-East Asia. (5) There is no flow of private capital to countries with centrally planned economies in Eastern Europe and Asia. (6) New private foreign investment in public utilities have been more than offset by the liquidation of such investments, particularly in railway properties. The outstanding amount of such investment has, accordingly, tended to decline.

Surely, it is not a too comforting thought that the independent South-East Asian countries were unable to attract foreign capital. After all, they need it as badly as other parts of the underdeveloped world. In the last century, the U.K. was the main source from which capital flowed into these territories. The U.K. is no longer able to play this historic role. Soon after the war, the U.S. did, no doubt, assume the role of the principal supplier of capital. But its assumption of this role synchronised with the period of rehabilitation of the war-damaged economies of advanced industrial countries. Consequently, so far as the underdeveloped countries are concerned, American aid was strictly limited. Nevertheless, it would be wrong not to acknowledge the fact that the U.S. has played its role with a generosity unprecedented in the world's economic history—between 1946 and 1953, the value of American Government economic aid to foreign countries aggregated 41.7 billion dollars (about Rs. 20,000 crores), of which 33 billion dollars were for economic aid—or to ignore the consideration that the rehabilitation of industrially advanced countries has been a great indirect help to underdeveloped regions.

If the U.S. Government-sponsored economic assistance has flowed less plentifully towards underdeveloped countries than to industrially advanced regions, the outflow of U.S. private capital has also followed a similar course. At the end of 1952, the private capital invested by the U.S., which was the largest exporter of foreign capital, aggregated $21 billion. During 1946-52, the recorded gross outflow of private investment was $9.2 billion. Countrywise, U.S. direct investments at the end of 1950 (in million dollars) stood as follows: U.K. 847; Continental Europe 873; Canada 3,579; New Zealand 25; South Africa 140; Argentine 356; Brazil 644; Chile 2,540; Cuba 642; Mexico 415; Venezuela 993; other Latin American Republics 79; India 38; Pakistan 3; the Philippines 149; Indonesia 58; Egypt 39; Israel 15; Liberia 82; U.K. dependencies 297; other European dependencies in Africa 43; and other countries 659.

The underdeveloped countries thus stood at the far end of the list of the nations which have received U.S. private capital. Most of these countries have ambitious economic programmes which cannot be implemented because domestic capital is scarce. Even India, which has a comparatively well-organised capital market, had to acknowledge its serious capital deficiency. The authors of the Rs. 2,069-crore Five-year Plan estimated that the country would be able to raise no more than Rs. 1,704 crores from internal sources, even after taking into account deficit financing to the tune of Rs. 290 crores. The Rs. 365-crore gap between the country's needs and available resources, the authors of the Plan pointed out, could be met "only from external sources, or, in the absence of it, by additional measures of internal taxation and borrowing or by further deficit financing." The expenditure under the Plan has, in the meanwhile, been increased by Rs. 150-175 crores. Considering that the Plan has been rightly criticised on the ground that the rate of economic improvement it contemplates is too slow to evoke public enthusiasm and that, in the event of a recession, it may become difficult to attain even the level of internal resources, contemplated under the Plan, it seems necessary for this country to examine afresh, in a true spirit of economic introspection, its attitude towards foreign capital.

Before this introspection is undertaken, it is, perhaps, just as well that one should consider the point of view of the U.S., which still remains the only country that can supply the large capital needs of the underdeveloped countries. The generous spirit in which the U.S. conceives its role as the source of economic aid, has been stated often enough by President Eisenhower. Recently, we drew the readers' attention to similar sentiments that have been expressed by the U.S. Ambassador to India, Mr. George V. Allen. The U.S. foreign economic policy was again restated by Mr. W. T. Turner, U.S. Consul-General, Bom-

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bay, in his recent address—the full text appears elsewhere in this issue—at the Rotary Club. Mr. Turner affirmed that the policy was based on "our conviction that the U.S. cannot remain an isolated island of prosperity in the midst of a world in need of assistance."

This is a generous sentiment. Even so, it is well to recognise that there are large sections of American public which regard American grants and gifts to foreign countries as an intolerable burden on the American taxpayer. Despite this opposition, the U.S. Administration continues to give, or to recommend aid, to underdeveloped countries. For instance, for the year beginning from 1st July, 1954, the Administration has recommended economic and technical aid to India to the tune of $104 million (Rs. 50 crores). By and large, such aid will, in course of time, diminish or disappear. Indeed, it might disappear not only because of the opposition to it in the U.S. but also due to the lurking suspicion in the minds of the hypersensitive recipients that the aid may inevitably tie them up with the aid-giving countries, thereby limiting their freedom of thought and action.

If the direct Government-to-Government economic aid—whether in the form of gifts or loans at such attractive terms as to amount to aid—is thus to be ruled out, the only two significant forms in which foreign capital may flow into underdeveloped countries are loans raised by the Governments of these countries in the lending countries and voluntary investment of foreign private capital. Now, the chief drawback in obtaining foreign capital through loans is that it is a very rigid and costly method. It will compel the borrowing country to set apart large sums, every year, in order to pay the interest on the loans and also to find large sums of foreign exchange when the repayment of the loans falls due. Moreover, as mere provision of finance will not meet the needs of the borrowing countries which are deficient in technical know-how, heavy expenditure will have to be incurred in obtaining such know-how.

Considering all these drawbacks, it is better to encourage the flow of private capital. Here no "strings" are involved. The problem of finding foreign exchange for periodical remittances will not be serious and private capital when it comes will bring its own know-how. This apart, as Mr. Turner pointed out, "American capital must hereafter be obtained mainly from private sources, not from Government grants or aids." Again, he emphasised that American capital "is always eager and ready to flow into any situation where it can earn a competitive yield, where it can be secure from undue controls and interference, and where it can be reasonably assured of the right to remit a fair amount of earnings." This sums up, in fact, the conditions under which foreign capital may reasonably be expected to flow to underdeveloped countries.

Now, none of these conditions is too difficult to comply with. It should be possible for India, which needs foreign capital, to facilitate the flow of such capital by making it worthwhile for the capital to come in. This will imply, in the first place, the creation of a proper climate in which foreign capital can feel a certain sense of security. Incidentally, the creation of such a climate will prove helpful to domestic capital as well. Secondly, there should, of course, be no discrimination against foreign capital *vis-a-vis* indigenous capital. Once it comes in, it must be treated on par with any other domestic enterprise. Although this condition is clearly conceded in the Government's Statement of Industrial Policy, as well as in some of the statements of the Prime Minister and Finance Minister on foreign capital, serious doubts continue to assail the minds of foreign investors, because the actions and statements of certain people who hold responsible positions in the country's political and business spheres run counter to these official statements. Thirdly, it will assist the flow of foreign capital if there is sufficient understanding and agreement between the capital-exporting and the capital-importing countries. It is to be regretted, in this connection, that India has not yet been able to conclude a commercial treaty with the U.S. It is to be hoped that the Government of India will soon be able to conclude such a treaty which has been delayed for a long time now. Fourthly, it will be necessary to come to certain mutual fiscal agreements by which foreign firms can be free from double taxation. This necessary arrangement, too, has been long overdue and the failure to conclude it does not redound to the credit of those in power in this country. And above all, the Governments of the countries which invite foreign capital from the free countries of the world, must have a continuing faith in the system of free and private enterprise.

WORLD ECONOMIC TRENDS

IN 1953, world production and consumption reached record levels, and international trade touched a high point, so that the disequilibrium in international transactions eased considerably. In presenting these conclusions, the *World Economic Report* 1952-53, published, this week, by the U.N. Department of Economic Affairs, warns that these favourable trends may be "of only temporary significance." Apart from this qualification, there is the more important point that this bright overall picture may conceal many dark spots. This is because no single unqualified statement can adequately describe the conditions in a world which contains countries with divergent economic systems and with different living and economic standards.

The *Report*, therefore, has a separate section for describing economic conditions in the three broad groups of countries, namely, economically developed private enterprise economies, centrally planned economies and economically underdeveloped private enterprise economies. Total industrial as well as agricultural production in the first group of countries—Australia, Belgium, Canada, Denmark, France, West Germany, Italy the Netherlands, Norway, Sweden, the U.K. and the U.S. —rose sharply in 1953. There was a tendency for employment to rise and, in many countries, unemployment declined. National product of almost all countries in this group, therefore, rose, in many cases more than in 1952; Belgium and France were, however, the exceptions to this general trend. Generally speaking, investment in fixed capital rose nearly everywhere. But the rise was not great, and much of it was largely due to increases in house construction; the level of investment in industrial plant and equipment was either a little less or remained at about the same level as in the previous year. A welcome trend from the point of view of these industrial countries was the improvement in their terms of trade, thanks to the decline in the prices of food and raw materials.

Analysing the trends in these countries over the period 1945-53, the *Report* notes that output rose during the years 1945-50, which it appropriately calls the reconstruction period, and some progress was made in restoring world trade and in reducing inflationary pressures. In 1949, however, there was a short-lived recession. Sterling and several other currencies were devalued in September, 1949. The outbreak of the Korean war gave a new impetus to the economies of these countries. The *Report* deals with the period 1950-53 in its three phases: (1) the first phase (from mid-1950 to mid-1951) during which heavy inventory accumulation combined with rising Government expenditure produced sharp increase in output; (2) the second phase (mid-1951 to mid-1952) in which there was a reversal of the inventory boom and output rose much more slowly, and (3) the third phase (1952-53) in which Government expenditure began to flatten out but increases in fixed capital investment and consumption quickened once more the pace of economic activity.

Reviewing the trends in connection with centrally planned economies—to this group belongs the U.S.S.R. and its satellite countries—the *Report* discloses that "considerable disproportions" between the output of investment goods and that of consumer goods developed in the course of very rapid industrialisation of these countries. Even in the U.S.S.R., where these disproportions were relatively limited, agricultural output lagged behind industrial production. In order to eliminate these disproportions, the Governments of these countries decided, in 1953, to slow down the rate of expansion, to reallocate resources in favour of consumer goods industries and agriculture. Incentives for agricultural producers were substantially increased by measures which raised the prices paid to peasants and gave greater security of tenure to private producers.

In the underdeveloped countries, the *Report* notes, the balance of payment position improved from mid-1950 to mid-1951 owing to sharp increase in export prices. This stimulated the output of exportable raw materials and private and public investment was expanded. Although this boom subsided in the following months (mid-1951 to mid-1952), fixed capital investment was generally maintained or increased as a result of the high export profits of the preceding period. In 1952-53, the overall economic activity of underdeveloped countries generally slackened. If the balance of payments position nevertheless improved, it was because the countries tightened their import restrictions.

In the primary producing countries—this group includes countries of Asia (except Japan and the mainland of China), Africa, Latin America and Oceania, Canada, Finland, Spain and Yugoslavia—export earnings in the first half of 1953 were 36 per cent. above the level in the same period of 1950. The volume of exports in the first half of 1953 was about 12 per cent. above the level of the same period of 1950. Imports, which began to expand in 1950, declined in 1953. In the first half of 1953, the value of the imports was 37 per cent. above the level in 1950 and the quantum of imports 15 per cent. above that level. Raw material prices were, as a whole, subject to more violent swings since 1950 than food prices which have generally exhibited an upward trend in the period 1950-53. In more recent months, however, there has been, as is well known, a decline in the prices of food articles too.

The major developments in world trade during the period 1950-53 include the increase in the volume of world exports and improvement in the degree of balance in the regional pattern of world exports. Extreme fluctuations, however, characterised international trade during the years 1950 to 1952. From mid-1950 to mid-1951, exports from primary producing countries increased sharply in response to higher demand in industrial countries. But they slackened in the middle of 1951, though there was a significant recovery in the second half of 1952. Exports from industrial countries rose in the second half of 1950 and the increase continued through 1951 and into the beginning of 1952. There was again a decline in the exports of these countries after the first quarter of 1952. In 1953, however, the exports of these countries recovered significantly. But the U.S. proved an exception.

Considering that the main preoccupation of the free world in post-war years has been the attainment of a balance in trade and payment between its dollar and non-dollar countries, it is gratifying to note that there was a greater degree of balance in 1953 than in 1950. The *Report* attributes this development to a rise in the U.S. import demand and to increased output in the non-dollar areas of exportable commodities. Some temporary factors, such as the increase in the U.S. military expenditure abroad, also played their part in easing the balance of payments position. In 1953, the export balance of the U.S. on current transactions in goods and services, excluding military aid exports, touched a record low level of any post-war year at $400 million. The rest of the world, on the other hand, added some $2.3 billion to gold and dollar reserves as a result of transactions with the U.S., including the receipt of $2.0 billion in economic aid.

Perhaps, the most significant part of the *Report* is the one where it discusses current trends in the light of the recent decline in the economic activity in certain private economy countries. It affirms that output, in the future, will depend more fundamentally upon the course of Government expenditure, consumption, foreign investment and especially, on private domestic fixed capital investment. The general problem for these countries is whether and how soon investment and consumption will "make good the slack entailed by the reduction in military expenditure." Since declines in military expenditure, it says, are not likely to be fully offset by increases in other forms of public expenditure, much will depend on whether private domestic investment in fixed capital expands. From this point of view, it is certainly disturbing that there has been a "rather widespread fall" in industrial investment in several countries and a decline in such investment has been anticipated for 1954 in the U.S. The *Report* also attaches great importance to capital transfers to underdeveloped countries well beyond what is presently contemplated. In a nutshell, the main world economic problem is one of adjustment to a non-military economy and improvement of living standards in underdeveloped areas so as to maintain a continuous increase in production and consumption of goods. This calls for nothing short of the highest possible level of international, as well as national, economic statesmanship. There is, however, no sign of realisation of the urgency of this need by all the members of the United Nations, as witness the lack of encouragement to the proposal for setting up a special U.N. Fund for economic development suggested by a special committee in 1951. This Committee advocated the voluntary transfer of about $7 billion a year, representing 2 per cent. of the annual national income of the developed countries of the world, to the underdeveloped countries. Although this amount is well within the capacity of developed countries, the proposal has failed to evoke any response from them, and it looks as though it has been practically shelved.

BULLISH FERVOUR IN EQUITIES STRONG

TRANSFORMATION IN WHEAT SITUATION—FURTHER MOVE TOWARDS CONVERTIBILITY

THURSDAY, 5 P.M.

ALTHOUGH the commodity and bullion markets have continued to display a bearish trend, the bullish fervour on the Stock Exchange that revived last week persists; if anything, it is a little stronger than a week ago. Both Tata Ordinaries and Indian Irons are being favoured by big operators in expectation of some fresh development. None is in a position to say what it is, but they all aver that something is in the offing. Time alone can tell whether this is a bluff or otherwise. Despite vigorous denials by a section of the Press, market circles feel that the Indian Iron and Steel Co., Ltd., has some scheme of capital reconstruction, the effect of which will be beneficial to its existing shareholders. There are also reports that the Government is likely to modify the iron and steel control in a manner that will bring some additional benefit to the companies. Another anticipation is a reduction in the Bank rate; this has been responsible for the sustained firmness of the Gilt-edged market, too.

MARKET GOSSIP

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The rise in equities this week has been on a broad front. The turnover also has been quite substantial. Textile shares met with selective buying on reports that the present dullness of the cloth market is only a passing phase and that very soon demand will revive. In spite of production running at the rate of 5,000 million yards per annum, stocks of cloth with the mills are not large. Indeed, almost all the good mills are believed to have only three or four weeks' production in stock. In the course of his informal talk with journalists on Wednesday, the Commerce and Industry Minister, Mr. T. T. Krishnamachari, stated that consumption of cloth in the country had gone up substantially and that it would be necessary to step up production further, if exports were to be allowed at the rate of 1,000 million yards per annum.

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It is refreshing to find that most of the leading Indian industrialists are now optimistic about the economic outlook. In spite of the disquieting statements made by some of the leading Congressmen from time to time on the place of private enterprise, big industries, rationalisation, labour relations, etc., they are satisfied that the Government of India will encourage large-scale industries and that it will not place any obstacle in the way of industrialisation by private enterprise. The removal of a number of controls has eliminated uncertainties. The proof of this growing confidence among industrialists is provided by the firm, initial steps taken in recent months for the starting of a few big industries, involving investment of large capital. Some more big projects to be started under the auspices of private enterprise are also under active consideration. A leading house of Indian industrialists is so strongly convinced of the good intentions of the Government that it is seriously considering the question of establishing one more steel unit in the country, involving an investment of several crores of rupees.

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The break in wheat prices last week in the U.S. and Canada was an important event of the year in the world of foodgrains. Though sudden and surprising, it was neither unwarranted in the light of the statistical position of the commodity nor completely unexpected in that everyone knew that the ruling prices of wheat were highly artificial and could not last much longer. The drop, however, has not been so appreciable as to cause much satisfaction among the importing countries; it is less than 6 per cent. Such a small fall does not deserve to be described as a rate war in wheat. It may easily lead to one, but, significantly enough, there has been no further price cutting after last week's reduction.

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The initiative in reducing the price of wheat was taken by the U.S. The cut was not made directly in the selling price; it was effected through an increase in the shipping subsidy for wheat by 10 cents a bushel (60 lbs.). This action was immediately followed by a cut of 10¼ cents a bushel in the Canadian Wheat Board's export price for three top grades. The revised rate, namely, $1.72½ a bushel, applied to sales under the International Wheat Agreement as well as to other sales. The expression "rate war" has come to be used, perhaps because the U.S. lowered its wheat price, despite Canada's representations. But the U.S. action is understandable. Its exports have suffered to a much greater extent than those of Canada. Further, it had to do something to reduce the present sure of mounting stocks which have already exceeded its storage capacity. In fact, a reduction was long overdue. It is just possible that the U.S. might have all along held it off, in order to enable those in the other parts of the world, who had large supplies of American wheat, to move them into consumption without suffering any serious loss. It is true that some merchants might still be holding some stocks, but the loss thereon would not be very heavy, as the cut has been modest, being no more than As. 10 per maund.

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The lowering of American and Canadian wheat prices has not yet evoked a corresponding cut in the selling prices of Australian and Argentine prices. Australia has been saying that it would wait and watch and that, while ultimately it will have to sell at market prices, it will not reduce its price for the present, unless Argentina takes the initiative. Be that as it may, the U.S. and Canadian action has upset the confidence of importers all over the world and, with supplies remaining at record high levels, they are not likely to buy more than their immediate requirements, that is, they will buy only on a hand-to-mouth basis. This attitude itself may, sooner or later, force a further reduction in prices. This raises the question: to what extent will the price of wheat be allowed to fall? This is a difficult question to answer, for much will depend on the U.S. Government, which set the present reductions in motion. There is no doubt that the question of finance in carrying large stocks cannot be a big problem for the U.S. Its chief worry must be storage space. If this inference is correct, once the pressure on storage space is relieved by exports, it may not reduce the export price any further. Much, therefore, depends on the offtake of American wheat in the coming weeks. If the offtake does not pick up, the U.S. will have to lower its price further. But will Canada and other exporting countries always leave the initiative in the hands of the U.S.? Will they not try to steal a march over that country by cutting their prices in advance, without waiting for the U.S. to do so? These possibilities cannot be ruled out. Nothing, however, is likely to happen until the conclusion of the meeting of the International Wheat Council currently taking place in London and scheduled to conclude on Wednesday next week. This meeting gives an opportunity to members to air their views and to reach some mutual understanding amongst them as to the future course of action. The outcome of this meeting will, therefore, be watched with great interest.

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The comments on the U.S. action in Canada and Australia are adverse. They reflect the indignation of wheat interests in these two countries. In fact, both of them seem to feel that the U.S. has let them down by suddenly imparting a highly bearish tone to the wheat markets and causing confusion among the traders. They say that they are unable to reconcile the U.S. action with its oft-repeated assurance that it would not disrupt world prices by dumping its surplus commodities and with its Anti-dumping Act against imported goods. These reactions are understandable, because, whereas the U.S. is financially strong enough to subsidise its exports or to give away its surplus wheat, the other wheat-exporting countries are not that much rich to do so. The most surprising are, however, the reactions of some of the importing countries, especially the members of the International Wheat Agreement. Generally speaking, they should be happy over what has happened; but, really, they are not. This is explicable. So long as the price of wheat is above the minimum level of $1.55 fixed under the I.W.A., the importing member countries are under no obligation to take up the quantity agreed to by them. Now that the price is being compulsorily pushed down by the Wheat Boards in the exporting countries, those countries which have not exhausted their quotas are afraid that a stage may soon be reached when they will have to honour their commitments under the Agreement. The present selling price is only 17 cents above the floor price of $1.55 per bushel.

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The main reason for the fall in wheat prices is the marked increase in world supplies, following two successive record crops in the U.S. and Canada and the prospect of almost another good crop in the current year. Production in other parts of the world also has been good. Thus, the world's biggest importing area, Western Europe, has harvested the best crop since the end of the war. Indeed, three of the largest producers, France, Italy and the U.K., set new records. With the building up of stocks that took place in 1952-53, European requirements have been considerably reduced. India, with excellent wheat and rice harvests in the past year, has been practically out of the import market this year. So is Pakistan, which last season needed large emergency imports. In fact, of the three Asian countries that last season imported large quantities of wheat, only Japan, because of a poor rice harvest and also because of the increasing consumption of wheat, has been a substantial importer this year. Many smaller importers, too, including Egypt and several Middle East countries, have had better wheat harvests than in the preceding year.

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While thus the importing countries are in need of less wheat, all the exporting countries have more wheat to offer. The following table shows the position of the four major exporting countries:

Wheat Production and Stocks
(Million bushels)

	1952-53		1953-54	
	Production	Carry-over	Production	Carry-over*
United States ...	1,291	559	1,169	850
Canada ...	688	370	614	550
Argentine ...	278	104	230	100
Australia ...	195	52	199	110
Total ...	2,452	1,085	2,212	1,610

* Estimate.

It will be noted that, though production in the current crop year (ending 31st July) in the U.S. and Canada is less than the bumper harvests in 1952-53, the surplus is larger, owing to the large stocks brought in from the previous year. The total surplus of these four countries alone at the end of July, 1954, will be higher by 525 million bushels. In the case of Canada, the carry-over will be larger than in any other year except 1943, when it reached a phenomenal figure of 595 million bushels. In the case of the U.S., the expected carry-over is a record in its history. Among the other exporting countries, Turkey, France and Uruguay have had record harvests. The French North African wheat crop, too, has been a good one. Russia and the Danubian countries also are believed to have had an excellent crop, with surpluses for export this year. Even Sweden has joined the ranks of the exporters on a small-scale.

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In short, rising supply in the face of falling demand has brought about a striking change in the atmosphere of the world wheat market. This is further evident from the fact that the importing signatories to the I.W.A. have neglected to make their guaranteed purchases. The total of these for the current year (1953-54) is 421 million bushels—this itself is very much less than the 581 million bushels per annum agreed to in the previous two seasons and fully taken up. Of this 421 million bushels, only 190 million had been taken up in the first 9 months of the year, leaving 230 million, about 55 per cent., to be taken up in the final three months. Some importing countries had not bought a single bushel; India, which has the second biggest import quota, had taken up just one per cent. of its quota of 37.3 million bushels (equivalent of one million tons).

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Such is the state of the world wheat position. Since the importing countries are not taking delivery of their full quota, it is quite on the cards that the exporting countries would reduce their prices to the minimum of $1.55 per bushel, in order to force them to do so. If they do, India is in duty bound to take up its quota of one million tons. It cannot say "no," because in previous seasons when the free market price was well above the maximum fixed under the I.W.A., the exporting countries honoured their obligations to the full. What applies to India, applies equally to other countries. They all signed and ratified the I.W.A. with their eyes wide open, even ignoring the far-sighted lead given by Britain which boldly decided to keep out of the arrangement, as it felt that the U.S. and other exporting countries were not justified in demanding an increase in both the minimum and maximum prices. It will be recalled that these levels were raised to $1.55 and $2.05, from $1.20 and $1.80 per bushel in the previous I.W.A. Even assuming that the importing countries honour their commitments under the I.W.A., the problem of surplus wheat will not be fully solved. There will still be large surpluses. How are they to be disposed of? And what sort of future awaits the wheat growers? These aspects will be examined in our next issue.

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In recent weeks, the price of wheat and other foodgrains have declined in India, too. In fact, in the past 15 days, the price of Indian wheat has fallen to a much greater extent than the Canadian and the U.S. wheat. Thus, whereas the latter two have dropped only 10 annas per maund, Indian wheat has lost as much as Re. 1-12 per maund. Incidentally, it will be interesting to note, in this connection, that the ruling price of Rs. 12-4 per maund of Indian wheat, is almost equal to the U.S. export price. The drop in the price of Indian wheat is much heavier as compared with the rate of Rs. 17-4 per maund prevailing at the beginning of the year. While this fall is welcome from the point of view of the consumer who has suffered for a long period from high prices, care must be taken to see that it is not carried too far, lest it should affect the purchasing power of the agriculturists who provide the biggest market for most of the goods produced in the country. Knowledgeable circles feel that, having regard to the pre-war level of prices of wheat and the rise in cost of operations, if the price of wheat were to go below Rs. 9 per maund, the farmers would be severely hit.

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As already stated, prices of other foodgrains, too, have fallen. An idea of the extent to which they have done so will be evident from the following comparative table:

(Per maund)

	A year ago	Jan., 1954	Feb., 1954	March, 1954	May 1954	Latest [14-6-54]
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Wheat	17 4	17 4	16 4	16 0	14 8	12 0
Gram	15 10	14 8	13 8	11 8	10 10	9 8
Jowar	12 8	10 6	9 12	8 14	8 4	10 0
Rice (Basmati) ..	25 0	30 0	29 0	28 0	33 8	34 0
,, (Coarse) ..	23 0	19 8	19 0	19 8	19 0	18 4
Bajhar	12 4	11 6	10 0	9 0	8 14	7 12
Dal (Arhar) ..	14 11	12 0	10 4	9 8	10 2	8 1

It will be noted that, except in the case of rice, the fall in prices has been fairly substantial. Even in the case of rice, it is only the fine rice that is still commanding a high price, whereas the coarse rice has staged a perceptible fall. The decline in prices noted above is chiefly the result of an increase in domestic production. Whether this trend will continue and if so, to what extent, will depend upon the size of the next crop which in turn will depend upon the monsoon. As the latter is an unpredictable factor and as the stocks in the country

(*Continued on page 1211*)

SHARE MARKETS REMAIN BUOYANT

BOMBAY DYEINGS IMPROVE

(From Our Own Correspondent)

BOMBAY, 17*th June*

BUOYANT conditions prevailed on the Stock Exchange for the second week in succession. The advance in equity prices noted last week gathered considerable momentum during the week under review. Though the heavy profit-taking which intervened in the last two days pared down values rather markedly, the market once again recovered and displayed strength at the close. The undertone at the close was firm.

The main inspiration to the market for this buoyancy was the fervent hope of a cut in Bank rate which would mean cheap credit for industries. Besides, operators would appear to have also taken the view that the implementation of the Shroff Committee's recommendations and the setting up of two Industrial Development Corporations for financing industries would open a new vista of industrial prosperity to the country. Reports that the Controller of Capital Issues had sanctioned the issue of bonus shares by two textile mills of Bombay and prospects of more bonus issues being sanctioned also gave a stimulus to trading. Hopes were entertained that subscriptions to the National Plan Loan would be closed by the end of this month.

Steel shares once again led the market. Keen speculative support to Indian irons, particularly from Calcutta, was in evidence, owing to reports that there would be a reconstruction of the Company's capital structure. Consequently, Indian Irons made a sharp jump from Rs. 31-2 to Rs. 32-7 on Tuesday this week. After reacting to Rs. 31-9 yesterday, they closed today at Rs. 32-1. Tata Ordinaries made an advance from Rs. 207-8 to Rs. 211-4, but slipped back at Rs. 206-12. The closing was, however, better at Rs. 208-8.

Textile shares were steady but, barring a few selected counters, the rise in prices was very moderate. This was due to the disappointment caused by reports that the Government of India was unwilling to remove the export duty on coarse cloth. Bombay Dyeings provided the highlight of the section, spurting from Rs. 425 to Rs. 443-12 yesterday. After a sharp retreat to Rs. 433-12 today, they finished better at Rs. 438-12. Kohinoors came up from Rs. 313 to Rs. 317, but wound up at Rs. 313. Centurys were in favour and rose from Rs. 332-4 to Rs. 340. A part of this gain was, however, shed when the shares closed at Rs. 336-8. Central Indias added Rs. 2-8 to Rs. 176-8 and Finlays Rs. 2 to Rs. 245. Gokaks finished Rs. 3-8 better at Rs. 260. It is reported that this Company's application for capitalisation of reserves has been approved by the Government. Sassoon Spinnings came to prominence with a rise of Rs. 2-8 to Rs. 32-8. Sholapoors were marked up by Rs. 185 at Rs. 2,410. Shree Niwas scored a gain of Rs. 2-8 to Rs. 201-4. But Simplex were unimpressive at Rs. 155-12. Standards met with realising and lost Rs. 2-8 to Rs. 332-8. Svadeshis added a rupee to Rs. 279. The Controller of Capital Issues is reported to have sanctioned the Company's proposal to issue bonus shares. Swans changed hands Rs. 2-8 higher at Rs. 321-4, and Tata Mills Re. 1 at Rs. 49-8. New Citys were a notable exception to the general trend, with a drop of Rs. 9-11 to Rs. 156-4. New Greats were marked down by a rupee to Rs. 170. Podars lost Re. 1-4 to Rs. 138-12.

Not much activity was noted in bank shares, but the undertone remained steady. Centrals were up by a rupee to Rs. 55-4 and their new shares by As. 4 to Rs. 59-4. Imperials disclosed no change over the week, Fully Paids remaining at Rs. 1,772-8 and Partly Paids at Rs. 430. Barodas put on Re. 1 to Rs. 110, Bank of Indias shed a fraction to Rs. 146-12. United Commercials rallied by Re. 1-4 to Rs. 45-4.

A rise of Rs. 4 to Rs. 42 in Industrial and Prudentials was the main feature of trading in the insurance section. This scrip has gone up by Rs. 8 in the course of the last two weeks. This is attributed to rumours of mutualisation of the Company. Vulcans advanced during the week under review by Re. 1-8 to Rs. 144-8. After a rise of Rs. 100 to Rs. 8,000, Orientals closed at Rs. 7,900. New Indias were quiet at Rs. 47-4. British India Generals put on As. 8 to Rs. 13-12.

Enquiries for electricity shares were selective. The volume of business was restricted. Tata Hydros were in demand and rose by Rs. 3 to Rs. 143. Tata Powers gained Rs. 8-12 to Rs. 1,436-4 and there new shares Rs. 2-8 to Rs. 1,115. Andhra Valleys were unchanged at Rs. 1,335. Ahmedabad Electrics were on offer and lost As. 10 to Rs. 108-7. Their new shares lost As. 4 to Rs. 106-12. Amalgamated Electrics were marked down by a fraction to Rs. 10-12.

Selective interest was noted in the miscellaneous group, but the undertone was steady. In the sugar section. Belapurs scored a gain of Re. 1-8 to Rs. 270-8. Phaltons were unchanged at Rs. 106. Walchandnagars made a spirited rally from Rs. 180 to Rs. 191-9 on reports that the Company proposes to start manufacturing of certain items of sugar-making machinery. Cement shares were unimpressive, with A.C.C. moving narrowly between Rs. 163 and Rs. 159-12 and Digvijays remaining quiet at Rs. 130-8. In the engineering and mining section, Alcocks could not make any headway, in the face of offerings. They dropped Rs. 2-8 to Rs. 205. Premier Constructions evoked fresh interest and appreciated by Rs. 4-8 to Rs. 137-4. Tata Locomotives had buyers at Rs. 115. Larsen and Toubros came into prominence with a rise of Re. 1-5 to Rs. 12-8. Indian Coppers lagged behind, losing As. 2¼ to Rs. 3-3¾, as also B.B. Petrols dropping As. 2 to Rs. 3-14¾. Shivrajpurs attracted considerable attention and gained Rs. 4 to Rs. 63.

Among other sections in the group, shipping shares presented a better tone on prospects of an increase in freight rates. Scindias picked up from Rs. 17-11 to Rs. 18-7, but closed at Rs. 18-2½. India Steamships hardened by As. 4¼ to Rs. 815¼. Bharat Lines were quoted at Rs. 95. Automobile shares were in demand. Hindustan Motors moved up from Rs. 8-9¼ to Rs. 9-1, though the closing was a trade lower at Rs. 8-15¼. Premier Automobiles were done at Rs. 75, as against Rs. 74.

Bombay Burmahs (Old), among miscellaneous industrials, were erratic within a narrow range, but stood on balance Re. 1-4 higher at Rs. 404-6. B.I.Cs. were steady at Rs. 8-1. Killick Industries were marked down from Rs. 183 to Rs. 179. National Rayons were concerned in strong bullish activity and rallied from Rs. 169-4 to Rs. 182-8, on reports that the Company would issue fresh capital for its expansion programme, the second stage of which is stated to have been finalised. It is also stated that the new shares would be issued to the existing shareholders (both ordinary and preference) in the ratio of 1:4. Tata Chemicals were better at Rs. 15-11½, as also Tata Oils at Rs. 41. Wimcos reacted from Rs. 200 to Rs. 195.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 16*th June*

The week under review on the Calcutta Stock Exchange was noted for activity leading to a striking increase in the daily list of transactions. Prices also registered strident advances. The reasons leading to such a trend included higher advices from Bombay, and the possibility of further acceleration of industrial expansion under the Second Five-year Plan.

Although teas were firm, there were signs to indicate that the wave of buying received a setback. There was profit-taking earlier in the week, and since then business continued limited. This week's experience has again demonstrated the fact that teas advance when other sections of the market are dull and lose ground when others display general firmness. The export auctions on Monday, when prices lost by 3 annas, gave operators the feeling that activity in tea shares has been overdone in recent weeks. Variation in prices at the sales has not caused surprise as the future of the tea industry continues encouraging.

After recording a mixed trend, the jute section provided selective features, as, although the jute goods market was featureless, operators were left with the feeling that there was demand for all the goods produced by mills. The month-end stocks in both hessians and sackings represent just over a month's production. Argentina is again in need of hessian, and has already invited tenders for 5,000 tons. This factor is bound to bring steadiness to hessians, and may even prevent mills from further transfers of looms from hessians to sackings. Besides, demand for hessians from the United States is expected to gather momentum from August, as is usually the case. All these point that the outlook for jute shares is bright, and in the coming weeks this section is likely to take the leadership of the market.

Engineering shares were firm. Speculative Indian Irons, encouraged by inspiring advices from Bombay, added impressive gains. Miscellaneous industrials, paper mills and textiles also shared the better sentiment of the market in view of the bright industrial prospects.

Sectionwise, amongst engineering shares Indian Irons opened last Wednesday at Rs. 30-12, and moderate buying support saw the rate gradually rise to Rs. 31-11 by the week-end. The advance soon caught the attention of speculators, whose activity pushed the rate to Rs. 32-7 on Monday. Yesterday a reaction to Rs. 32 was recorded on profit-taking, which continued today to take the rate further down to Rs. 31-11. At Rs. 30, Jessop & Cos. put on As. 12 and keen interest in Burn & Cos. saw the quotation advance to Rs. 202 from Rs. 192-8. In active trading, Indian Galvanizings were better at Rs. 20-4 as against Rs. 19-3 earlier.

Expectations of a reduction in the export duty on coarse cloth and moderate activity in the export market were factors which enlivened activity in the textile section, where Kesorams at Rs. 25-14 scored two points. Elgin Mills were fractionally better at Rs. 16, and Bowreahs were paid Rs. 310 in transactions of small lots compared to Rs. 300 previously. Dunbars were paid Rs. 201.

Coals came in for a little more attention. There was an increase in the number of transactions, but changes in prices were not as impressive as in other sections. Equitables hardened to Rs. 34-2 from Rs. 33-8 and in transactions South Karanpuras were pushed to Rs. 10-8 from Rs. 9-6. On moderate buying support, New Manbhooms gained to Rs. 11-6 from Rs. 9. New Beerbhooms jumped to Rs. 18-8 from Rs. 17-10, Pench Valley being higher at Rs. 26-2 as against Rs. 25-9 previously. After realising Rs. 14, Raneegunges moved back to Rs. 12-4, while Burrakurs were easy at Rs. 10-3. Central Indias were unchanged at Rs. 7-1 as were Western Bengals at Rs. 6. Khatras Jherriahs were crossed at Rs. 44 *ex-div.* Dhemo Mains being fractionally higher at Rs. 8-15.

Shares of paper mills were put through at advancing rates, and the best feature was provided by India Pulps which, on impressive support, gained to as high a rate as Rs. 245 as against Rs. 212-8 a week ago. Orient Papers at first eased to Rs. 19-9 from Rs. 20-3 but subsequently more than made good the loss at Rs. 20-5. Sree Gopals were a favourite and in business gained to Rs. 27-10 from Rs. 24-1, although on Tuesday there was a reaction to Rs. 27-4. Titaghurs were steady at Rs. 41-14 and subsequently improved to Rs. 42-4. At Rs. 63, Bengals put on three points.

Although the volume of transactions fell by a marked degree in teas, interest in selective counters continued and features were provided. Thus Carrons were taken to Rs. 235 from a previous rate of Rs. 222, while Nagalsurees gave way to Rs. 232 from Rs. 247. A number of transactions was reported in Hattikhiras which rose from Rs. 18-10 to Rs. 21-10. Tukvars were another strong feature for the advance to Rs. 12-4 from Rs. 9-14.

Among shippings, India General Navigations provided the best feature and rose to Rs. 100 from Rs. 85. India Steamships also engaged the keen attention of operators and scored to Rs. 9-4 from Rs. 8-9. Ports were attended at Rs. 13-6 which was As. 14 higher on balance. On the other hand, Calcutta Landings eased to Rs. 20-6 from Rs. 23.

In the miscellaneous section, Rallis received pointed attention and at Rs. 69 put on 13 points, and Shaw Wallaces advanced to Rs. 14-12 from Rs. 13. At Rs. 18, Rohtas Industries scored an advance of Rs. 2. F. & C. Oslers being better at Rs. 17-14. Jardine Hendersons attracted attention at the higher rate of Rs. 123.

Selective interest was shown to jute shares. Barnagores hardened to Rs. 151 from Rs. 147. At Rs. 304, Kankinarrahs jumping to Rs. 136 from Rs. 130-8. Speculative Howrahs opened at Rs. 24-11 and after improving to Rs. 25-5 reacted to Rs. 24-14. Lansdownes were fractionally better at Rs. 139-8.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 15*th June*

The brisk activity noted on the Madras Stock Exchange during the past few weeks yielded place to cheerless conditions this week. Barring selective support for some favourite scrips, interest was lacking all round. The textile section came in for comparatively little support, on lack of domestic and overseas demand for cloth. Even plantings, which held the field for a long time now, were lacking support, for tea and coffee scrips met with only stray enquiries. Rubbers, however, proved an exception in that they evinced some interest. Among other sections, miscellaneous and banking scrips too were colourless. Business done was, therefore, small, and price movements confined to narrow levels. There was, on balance, a sprinkling of moderate gains and losses.

In the textile section Balasubramanias, Rs. 40 paid-up, gained As. 4 to Rs. 46-12 and 'B' shares, Rs. 70 paid-up, Re. 1-8 to Rs. 77-8. Coimbatore Cottons improved from Rs. 222 to Rs. 223-8 and R.C. Ambikais from Rs. 153 to Rs. 157. Rajalakshmis rallied Re. 1 to Rs. 116. Metturs, however, lost to Rs. 58. Lakshmis, Rs. 50 paid-up, eased from Rs. 128 to Rs. 126 and, Rs. 25 paid-up, 'A' from Rs. 65 to Rs. 64.

Among plantings, the performance of tea scrips was not encouraging, as stated already. Blue Mountains lost an anna to Rs. 3 and Highland Produces As. 6 to Rs. 3-14. Nonsuch Teas eased from Rs. 33 to Rs. 32-10. Emerand Valleys, however, put on As. 3 to Rs. 6-1 *cum-div.* and Halley-burias As. 2 to Rs. 19-10. Nilgiri Teas advanced Rs. 14-2 to Rs. 14-4 and United Nilgiris from Rs. 220 to Rs. 221.

Among rubbers, Be Bes and Cochin Malabars rallied As. 2 each to Rs. 3-3 and Rs. 8-2, respectively. But Kallas changed hands higher at Rs. 4-14, as against Rs. 4-12. Malankaras disclosed a gain of Re. 1-4 at Rs. 40 and Nenmenys As. 4 at Rs. 11-4 *cum-div.* Rajagiris were better by an anna at Rs. 13-4 and Vaikundams by As. 2 at Rs. 11-4. Shevroys were fractionally better at Re. 1-12½. Pullangodes were done at Rs. 3-14 ex-div., as against Rs. 3-5½ *cum-div.* Udayagiris changed hands at Rs. 12-2 *cum-div.*, as against Rs. 12 *ex-div.* The Directors have declared a dividend of 10 per cent. on the ordinary shares for the year ended 31st December, 1953, as against *nil* in the previous year.

Coffees were colourless. Consolidated Coffees were unchanged at Rs. 17-10, while Puthuthotams lost an anna to Rs. 3-10. Mysore Coffees, however, gathered As 4 to Re. 1-8 and Coffee Lands As. 10 to Rs. 11-10.

There were some sporadic enquiries in miscellaneous scrips. Aluminium Industries advanced by As. 6 to Rs. 15-10 and Andhra Cements 'B' by As. 2 to Rs. 11-2. Bangalore Transport improved by As. 4 to Rs. 12-14 and India Cement by As. 3 to Rs. 18-7. Mettur Chemicals advanced from Rs. 5-2 to Rs. 5-6 and Mysore Chemicals and Manufacturings from Rs. 12-11 to Rs. 13. Dalmia Cements were up by Re. 1-1 at Rs. 11. Rallis put on As. 8 to Rs. 37-8. But Mysore Gold lost As. 3 to Rs. 3-11¼. Champion Reefs also eased by a similar amount to Rs. 3-10. Parrys were done at Rs. 5-3 *cum-div.*, as against Rs. 5-1 *ex-div.* The Directors have maintained the dividend of 15 per cent. free of income-tax, on the ordinary shares for the year ended 31st December, 1953, the same as in the previous year.

NEWS IN BRIEF

THE President of India has given his assent to the Bihar Land Reforms (Amendment) Act, 1953.

The Bhakra-Nangal hydel channel will be inaugurated by the Prime Minister on 8th July, 1954.

The Andhra Government is studying, in all its aspects, the proposal to nationalise transport services in the State.

The Government of India has decided to allow importers and sole selling agents, as a special case, to import spare parts of certain textile machinery upto 5 per cent. of the imports of the complete machinery.

The scheme to establish an oilseed research station at Anantapur has been finalised by the Director of Agriculture, Andhra State. A site extending over 30 acres for locating the research station has been selected.

Deposits of monazite have been found on the beaches of Bhimlipatnam, Vishakhapatnam District, Andhra State. The Geological Survey of India will shortly carry out extensive tests in that area to find out the extent of deposits.

It is reported that the Government of India is considering the question of setting up two more fertiliser factories on the lines of the Sindri Fertiliser Factory. One of the factories is likely to be set up in Rajasthan and the other in South India.

The Central Government has decided to extend the free licensing of export of cotton tents, including bivouac tents, for shipment up to 30th September, 1954, within the fixed ceiling. This decision does not, however, apply to tents dyed olive green or made of mineral khaki cloth.

According to the revised estimates of the Indian Lac Cess Committee, the *Baisakhi* lac crop in India for the year 1954 is expected to be 547,000 maunds, as against the preliminary estimates of 645,000 maunds and the previous year's final estimates of 426,000 maunds.

The Andhra Government has decided to give up the scheme of compulsory levy on producers and dealers of foodgrains, in view of the changed food situation in the State. It has, however, been decided to continue the procurement on a voluntary basis in the five surplus districts of the State.

An agreement has been signed between India and the U.S., under which the U.S. Bureau of Reclamation will render technical services to the Central Water and Power Commission of the Government of India. A sum not exceeding $100,000 has been provided from the technical assistance fund for this purpose.

The Government of Madhya Bharat has decided to levy sales tax, with effect from 1st July, 1954, on sales effected by non-resident dealers in India outside the State to consumers, users, unregistered or unlicensed dealers in the State, if the goods are delivered in the State for purposes of consumption.

The Government of India has decided, after consultations with the Planning Commission, to provide assistance to State Governments in furtherance of the National Water Supply and Sanitation programmes. A sum of Rs. 12 crores has been set apart for allocation to the State Governments, during the years 1954-55 and 1955-56.

With a view to increasing sugar production, the Union Government has decided to encourage the establishment of two or three more factories in South India. Disclosing this, Mr. M. V. Krishnappa, Union Deputy Food Minister, said, in Mysore last week, that Mr. Kidwai would meet the Mysore Ministers in this connection. He assured that the country would not be allowed to suffer due to shortage of sugar and that the deficit would be met by imports.

Special priority will be given to rural electrification and water-supply schemes to irrigate scarcity areas through river pumping in Madras State under the second Five-year Plan. Fifty per cent. of the funds allotted for local development under this Plan will be earmarked for rural water-supply schemes. A plan is being formulated by the Minister for Public Works by which private electrical undertakings, which are not likely to be nationalised for some time, will be helped to participate in rural electrification schemes. The Government of India will give loan assistance to undertakings which have definite programmes.

A programme for the manufacture of a four-wheel drive vehicle of the jeep class in the country has been approved by the Government of India. The programme was submitted by Messrs. Mahindra and Mahindra Ltd., in collaboration with Willys Overland Corporation. The firm has, according to a Press Note issued by the Ministry of Commerce and Industry last week, undertaken to manufacture 69 per cent. by value of the components of the jeep within three years. In accordance with the general policy of the Government on the subject, the import of other four-wheel drive vehicles of the same class will not, as a rule, be permitted.

An Indo-U.S. agreement has been signed for providing adequate storage facilities for building up a foodgrains reserve. The total estimated cost of the project agreed to is $1,539,000 and Rs. 15 lakhs. The dollar part of the expenditure will be utilised for procurement of equipment and supplies and their transportation into India, while the rupee part of the expenditure will meet the costs of inland handling, transportation, land requisition, and installation of the equipment and supplies and for other local costs of the project. The project aims at providing for two silo-cum-elevators, each with a capacity of 10,000 tons. Prefabricated metal storage facilities with a capacity of 50,000 tons will also be provided.

Representatives of producers, manufacturers, brokers and exporters of lac met in Calcutta last week to consider a scheme for enforcing quality control on exports of lac and lac products on the basis of Agmark grades. The meeting considered the desirability or otherwise of adopting the scheme immediately on a compulsory basis. The possibility of introducing Agmark on an optional basis for the first two years was also discussed. The exporters seemed to apprehend that, without agreement on the part of overseas buyers to accept Agmark grades, the introduction of the scheme on a compulsory basis might affect the industry adversely. Mr. K. R. Damle, Additional Secretary, Union Ministry of Food and Agriculture, who presided over the meeting, however, assured the industry that its views would be given due consideration before a decision was taken by the Government of India.

The Government of India has decided to reduce the present selling price of Rs. 30 to Rs. 29-8 per maund f.o.r. destination station, in respect of both indigenous and imported sugar with effect from 16th June, 1954. The tenders received for the supply of sugar after 15th June, 1954, will be allotted sugar at the reduced rate. In case of imported sugar, the reduced price will apply to consignments arriving at the ports concerned after June, 1954. As hitherto, the selling prices, in case of British refined, Cuban refined, Formosan and Czech sugars, will be As. 8 per maund higher than for other qualities. In case of indigenous sugar, the price differentials will remain unchanged. The Government of India has also decided to reduce the rate of earnest money from Rs. 5 to Rs. 2-8 per maund for tenders made for supply of sugar after 15th June, 1954.

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From Abroad

The Brussels Steel Convention has raised the price for steel exported to countries outside the European Coal and Steel Community by $1 to $2 per ton f.o.b. Antwerp.

Orders for about 200 jet and turbo-prop powered airliners have been placed with the U.K. manufacturers by British and foreign airlines; over 100 of these are for export. The value of the export orders is estimated at £32½ million, without spares.

The Argentine Central Bank proposes to implement several measures aimed at improving exchange transactions. The most important of these measures will be a reduction from 20 per cent. to 5 per cent. of the surcharge on the unused portions of exchange licences.

The Ways and Means Committee of the U.S. House of Representatives has approved a Bill extending by one year the President's authority to make trade agreements with other nations. The President had originally asked for a three-year extension, but later on agreed to one year, in view of the opposition from the Republicans.

The U.S. Secretary of Agriculture announced last week that the U.S. would not subsidise the export of American cotton in the new cotton year which would begin on 1st August. The U.S. had not, he said, placed an export subsidy on American cotton in the current crop year and would not do so in the next crop year.

Taxpayers in the U.K. contributed last year £14,907,330 towards the development and welfare of colonial territories, of which £1,250,000 was for research, states the 1953-54 report on British Colonies. In the eight years ended 31st March, 1954, the sum actually issued for approved schemes under the Colonial Development and Welfare Acts aggregated £84,899,649. In that period, a sum of £7,848,396 was spent on research.

Sudan's first Budget, since the grant of self-government by Britain to that country in February, 1953, presented to Parliament last week, anticipated a surplus of £500,000, with expenditure amounting to £32 million. The main feature of the tax proposal is that only those who earn at least £10,000 a year will have to pay income-tax. The taxes on income proposed are £10,000 to £20,000—30 per cent., £20,000 to £30,000—35 per cent., and over £30,000—40 per cent.

The demand for cars in Britain appears to be insatiable. Despite double-shift working and overtime, manufacturers are not able to keep up with the demand. Many makers now have waiting lists of customers nearly as long as in 1947, when the industry had not got back into its peace-time stride and a far higher proportion of output was on orders from the Government, for export only. In March this year alone, 39,639 new cars were registered, as against 17,346 in the corresponding month of last year. It is expected that the first six months of 1954 will see nearly as many new registrations as the whole of 1952.

A new company, "FINAREP," has been formed in Paris by a group of big French banks and the principal oil refining companies for stimulating the search for oil in Metropolitan France and the French Union. The initial capital of the Company is Frs. 100 million, but the promoters propose to raise it later to Frs. 2,000 million and eventually perhaps to Frs. 20,000 million, partly by issues to the public. "FINAREP" proposes to take interest in several companies exploring the soil of France.

PERSONAL

MR. J. R. D. Tata, Chairman, Air-India International Corporation, has returned from Rome after attending a meeting of the International Air Transport Association.

Mr. H. M. Patel, Secretary, Union Ministry of Agriculture, left for London last week-end to attend the International Wheat Conference now being held in London.

Dr. Clarence H. Kent, Professor of Mechanical Engineering at the City College of New York, has been appointed Technical Adviser to the Indian Institute of Science at Bangalore.

Mr. Ghanshyam Dass Moda has been elected President of the Delhi Stock Exchange Association, Ltd., for the current year. Mr. Bishan Swarup Poplai has been elected Vice-President and Mr. Bhagwan Dass Honorary General Secretary.

Mr. H. Siddaveerappa, Minister for Industries, Mysore State, has been re-elected Chairman of the Indian Coffee Board for its extended period of office ending 31st December, 1954. Mr. S. N. Ramanna has been re-elected Vice-Chairman.

Mr. R. D. Birla and Mr. G. D. Birla left for Europe on Monday this week on a holiday-cum-business tour. While Mr. R. D. Birla will confine his visit only to Europe, Mr. G. D. Birla will visit the U.S. also and return to India after a period of about four months via Japan.

Mr. H. C. MacColl, Manager of the Chartered Bank of India, Australia and China, Bombay, and Chairman of the Exchange Banks Association, left for the U.K. on Friday this week on retirement, after serving the Bank with great distinction for a period of nearly thirty-eight years, the major portion of which was spent in India. He is succeeded by Mr. G. Dodds, who was the Manager of the Bank's Kanpur branch hitherto.

"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

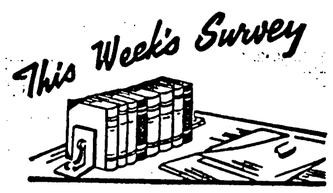
CALCUTTA, 22*nd June*

Banking Enquiry

The personnel of the Central Banking Enquiry Committee, published in our banking section this week, was announced a day too late for inclusion in last week's *Commerce*. However, we succeeded in giving the reader an intelligent anticipation of what was coming. The Committee, as constituted, comprises twenty-one gentlemen representing all classes of banking interests. It includes two representatives of Indian and European commercial interests, two Indian economists, a nominee of the Imperial Bank, two representatives of co-operative banks and one of the Exchange banks, a joint-stock banker and two indigenous bankers. There is also representation of the general interests of the public, particularly of agriculture from the side of those who require credit facilities; but no provision has been made for the representation of the legislature as such on the Central Committee. The Finance Member has, however, agreed to keep the leaders of political parties apprised, by means of informal conversations, of the progress of the enquiry. Thus, commercial opinion and political susceptibilities have both received due consideration in the composition of the Committee. To us, however, the Committee seems to be much too big for all practical purposes. The scheme of enquiry is cumbersome. As outlined in the Government of India's letter to provincial administrations, the plan of campaign is as elaborate as complicated. To start with, there were initial discussions with representatives of the legislature and of trade and industrial associations which resulted in a consensus of opinion indicating the broad lines on which the enquiry should proceed and its main objects. The first stage of the enquiry will be devoted to collection of evidence and an analysis of the main directions in which the provision of increased facilities will be most fruitful. This will be entrusted to provincial committees, the personnel of which has not yet been announced. The provincial committee will initiate, in a few selected areas, an intensive survey of local conditions. The Central Committee will also appoint sub-committees which will visit important industrial centres and gain firsthand knowledge of the needs and requirements of the large industries and trades that are not the monopoly of any one province. When these various committees have completed their labours, the Government of India propose to seek the aid of a small body of outside experts who will examine the evidence and suggestions accumulated during the first stage of the enquiry and advise the Central Committee in the preparation of the report. The scheme is certainly as elaborate and comprehensive as one could wish it to be, but how long it will take to lead to practical results, it is difficult at present to foretell.

The Government grants to such companies, under the 1953 Budget Law, subsidies which are equal to the capital provided by private interests.

A survey conducted by the Ministry of Health officials in the U.K. reveals that an average Englishman spends 36 hours a week just lounging about in a chair and a further 60 hours in bed. Work takes up 47 hours. The average time spent on strenuous sports even by young men, who had plenty of spare energy because they were on light work, was only about half an hour a week. Even games involving little muscular effort—billiards, for example—took up only an hour a week.



SEWING MACHINE INDUSTRY

THE Tariff Commission has commenced its enquiry into the claim for the continuance of protection and assistance to the sewing machine industry. The industry has asked for the extension of the period of protection for a minimum of at least three years. Some units have also asked for a complete ban on imports of sewing machines, on the ground that the entire domestic demand for the machines can be met by the industry. Alternatively, they have suggested the imposition of protective duty of 75 per cent. on imports of complete sewing machines and 100 per cent. on imports of parts of sewing machines. Besides, they have asked for continuance of full facilities for importing such raw materials as are not available in India. A suggestion has also been made for the grant of financial assistance to the units, whether producing complete sewing machines or parts of machines, which are unable to make further progress, owing to financial difficulties.

That the industry has made very satisfactory progress during the seven long years of protection is evident from the review of the performance of the industry made by Mr. M. D. Bhat, Chairman, Tariff Commission, while opening the public enquiry into the industry's claim for the continuance of protection on the 14th inst. at Bombay. There are at present two regular producers, namely, Jay Engineering Works Ltd., Calcutta, and K. C. Mullick and Sons Ltd., Calcutta, but recently a third unit by Lakshmi Narain & Co. of Jodhpur has been allowed to set up, in collaboration with a Japanese firm, a factory at Andheri, Bombay; this unit will devote its attention largely to the manufacture of industrial sewing machines. Two other units, namely, Lotus Industries, Calcutta, and Vijay Sewing Machine Company, Navsari, are also reported to have taken up the manufacture of sewing machines.

The capacity of the industry which was estimated at 8,000 sewing machines in 1946-47 has increased to 66,700 machines at present. Actual production also has made significant advance, in that it improved from 7,000 in 1946-47 to 64,139 machines in 1953. The percentage (in terms of value) of indigenously obtained raw materials used in the manufacture of sewing machines has increased; in the case of the Jay Engineering Works Ltd., it has risen from 57 in 1947 to 75 at present. The manufacture of industrial sewing machines has developed appreciably in recent years. The principal producer, namely, Jay Engineering Works Ltd., has set up an up-to-date research department. Besides the five units manufacturing complete sewing machines, there are also some units engaged in the assembly of sewing machines and in the manufacture of sewing machine parts.

The demand for sewing machines, on the basis of figures of indigenous production of sewing machines plus imports minus exports, (taking export figures as furnished by the Jay Engineering Works) works out to 68,759 in 1951, 61,370 in 1952 and 64,109 in 1953. The demand is expected to go up, according to the Development Wing of the Ministry of Commerce and Industry, to 124,000 sewing machines by 1956, comprising 80,000 domestic machines and 44,000 industrial machines. Other estimates of present demand vary from 70,000 to 155,000 machines and of demand in the near future from 120,000 to 200,000 machines. The estimates of demand for sewing machines include certain types of light industrial sewing machines, viz., machines similar to Singer 15 K.S.V. 80 and 15 K.S.V. 81, which can also be used as domestic machines.

The Commission has first to determine the basis of estimates and arrive at an agreed estimate of demand, both current and future. As there is not much gap between present production and installed capacity, the next question to be enquired into is whether any of the five units manufacturing sewing machines completely has any programme for the expansion of production. In this connection, the position in regard to the availability of raw materials for the industry from indigenous sources will have to be reviewed. Then, the Commission will have to determine whether protection and/or assistance is needed and, if so, the precise quantum of the protection needed. This involves a comparison of the fair ex-works price of the indigenous sewing machine with the c.i.f. price and landed cost of the imported sewing machine. The Commission should also enquire into the question of selling prices, as also the selling arrangements made by the indigenous manufacturers in respect of their products.

Another question to be decided is whether the distinction made, for the purpose of import control, between domestic and industrial sewing machines is working satisfactorily. It will be recalled that the Government accepted the recommendation made by the Tariff Board in 1949 that sewing machines with a landed cost of Rs. 300 or less should be treated as domestic machines, while machines with a landed cost of above Rs. 300 inclusive of the cost of cover should be regarded as industrial machines. Yet another question to be considered by the Commission relates to the quality of the indigenous sewing machines about which there are divergent opinions. It is stated that indigenous sewing machines get worn out easily and, therefore, require frequent replacement. Besides, it is alleged that there is no uniform standard of quality and that the interchangeability of intricate parts is not guaranteed. On behalf of the manufacturers, it is stated that there is still some consumers' prejudice towards the Indian sewing machines.

Despite these complaints, some of them probably exaggerated, it is true that the sewing machine industry has, during the last seven years, made striking progress, both quantitatively and qualitatively. It is also true that much still remains to be done to improve the quality of its products so as to bring it up to the highest international standards and to reduce the cost of its production. A sewing machine, as Mr. Bhat rightly observed, is an appliance of daily use; there is vast scope for developing the internal market by popularising its use in remote places in the countryside and by making it available at a cheap price. Expansion of production and reduction of prices will also enable the industry to build up large export markets. It would appear that there are indications that the tempo of world competition may increase. But the industry, as he observed, need not fear such competition, if it can develop "its own strength by eliminating all deficiencies and weaknesses which impair its competitive position."

MR. B. M. BIRLA ON UNEMPLOYMENT

The chief economic problem facing the country, according to Mr. B. M. Birla, the well-known industrialist and President of the Federation of Indian Chambers of Commerce and Industry, is one of increasing investment in industries so as to expand production and employment opportunities rapidly. Mr. Birla, who addressed a Press Conference in Bombay on Tuesday this week, reiterated the point made at an earlier Press Conference in New Delhi that India could itself undertake the manufacture of at least Rs. 300 crores out of the Rs. 400 crores worth of goods which it annually imported from abroad. If the wages of a worker were reckoned at Rs. 2,000 per annum, the production of goods worth Rs. 300 crores would provide employment for at least 15 lakhs people. He admitted that the problem was not easy, inasmuch as the production of Rs. 300 crores worth of goods would involve a capital expenditure of Rs. 1,500-2,000 crores. And investment in India is only of the order of five to seven per cent. of *per capita* income, as against 10 to 20 per cent. in other advanced countries.

The fundamental problem is, therefore, to stimulate savings and investment. Mr. Birla felt that the pace of increase in the standard of living envisaged under the Five-year Plan was too slow and that the standard should be doubled at least in ten years. In this connection, he pointed out that the war-time increase in prices, which inhibited savings, was now yielding place to a comparatively steady and even a declining trend in prices. This should be welcomed since it would make savings possible by certain sectors. But, at the same time, he warned that the decline in agricultural prices, in particular, should be halted at some reasonable level, if the purchasing power of the agriculturists, who form the largest section of India's consumers, were to be maintained intact. Besides the general problem of stimulating savings, there were other problems, such as high taxes, unsatisfactory labour situation and transport bottlenecks. High tax levels prevented corporate and individual investment. As regards labour, he affirmed that wages should be high, but there should be freedom for the manufacturer to use the "devil," the machine. He cited the instance of the American car, which was both cheap and efficient, despite the fact that it had been turned out by the world's costliest labour force. He deplored that transport bottlenecks should remain even though nine years have elapsed since the termination of the war. During this period, other countries, which had suffered worse damage than India, had already brought their transport system to a high pitch of efficiency. Without going into the details of the problem, he felt that something was obviously wrong somewhere in the sphere of transport.

The need for freedom from vexatious controls was also emphasised by Mr. Birla. He gave several convincing instances to substantiate his contention that a free economy was more conducive to a vigorous growth than a controlled economy. He pointed out how the removal of controls on cotton textiles and foodgrains had led to higher production, improvement in quality and fall in prices. When there was competition between business men, the urge to satisfy the consumer in all respects would be strong among them, and it was this urge that made an economy to move forward. If there were controls, the business man would produce only what the Government wanted him to make and would have little incentive to please the consumer. This tendency would, in course of time, lead to a stagnant economy.

As there were nearly six crores people engaged in business and as about four crores people were dependent upon them, Mr. Birla thought that business men formed a very important section of the community. Collectively, they constituted the largest sector next to agriculture. They were both employers and self-employed people. On their prosperity depended the prosperity of the country. The Government employed only about 30 lakhs men. It was, therefore, obvious that the problem of unemployment could be solved more speedily only by expanding the sphere of non-Governmental employment. In this connection, he rightly warned that nationalisation would create no fresh wealth nor any new employment opportunities. But, at the same time, Mr. Birla took care to add that the demand for State ownership could be stalled only if private enterprise was vigorous and alive to its responsibility of creating employment opportunities. Indian capital, which controlled only a little over 50 per cent. of India's industries, had been pulling its weight. Even so, he thought that Bombay's industrialists, despite a few notable exceptions, had not yet given the lead which might be expected of them. He hoped that they would give such a lead. If there was not enough capital in India, he felt that there was nothing wrong in borrowing foreign capital in the same way as the U.S. had done in the early years of its industrial history.

This analysis makes stimulating reading, not only because the logic of the analysis is beyond reproach but there is urgent need for India's industrialists to place their point of view steadily before the public gaze in order to refute the much-unfounded criticism of India's industrial leaders. Public resentment at the low living standards and at the growing rate of unemployment is only natural. But the average citizen should be helped to realise that the solution lies as much in his, and in the Government's hands as in the hands of industrialists.

LABOUR RELATIONS IN TRAVANCORE PLANTATIONS

Plantation problems of South India, in general, and of Travancore, in particular, were discussed at some length by Mr. W. S. S. Mackay, Chairman of the Kanan Devan Planters' Association, in his address before the sixty-ninth annual general meeting of the Association held recently at Munnar. Referring to labour problems, Mr. Mackay said that the apparently weak approach of the various Government organisations and officers, who dealt directly or indirectly with labour, was a matter which caused annoyance and worry and was at times very difficult to understand. In fact, he said, so much was this the case that the uninitiated in labour matters might, after a time, be excused if they reeled from the conciliation table, murmuring the words of the great Greek philosopher Aristotle: "Liberty kindleth love: love refuseth no labour: and labour obtaineth whatever it seeketh." To the observer, labour appeared to have had things very much its own way in recent times. In Travancore last year, a major interest had become involved in a strike upon the bonus issue and, while this was compromised pending examination by a Tribunal Court, there was a severe setback in labour relations. The bonus issue was one which had been the major cause of disputes throughout India, and would continue to be a festering sore until suitable legislation was effected. In this connection, Mr. Mackay referred to a statement made by the Minister for Commerce and Industry to the effect that the "sooner the frills in the present wage structures were cut out the better, and an inclusive wage arrived at which will satisfy the present needs of the plantation worker." If this was done, much of the unrest to which planters had become accustomed may disappear and in return more efficient production and improved quality in their products would result.

In recent times, the disturbance-creating policies of labour leaders had been reduced, but managements and union officials also had been at times exasperated by the ill-conceived behaviour of youths within the movement which had at times been quite irresponsible and uncontrollable. Speaking generally, however, planters in Travancore had been fortunate, in that there existed some clear thinking and reasonable labour leadership. This fact had made them try all the more earnestly to understand the difficulties of labour leaders and to co-operate with them. It was, therefore, a matter for great disappointment that party politics were again creeping into union affairs, that there had been a split in the trade union ranks, and that disruption, non-co-operation, and the deliberate sabotage of peaceful dealings were being repeated. "We do not profess to understand people who would use the trade union movement to sabotage productive efficiency and embarrass the powers of Government and the employers for their own ends," said Mr. Mackay. "There is something criminally irresponsible about this attitude which can no longer be attributed to the birth-pangs of a new ideology or lack of education. We can only hope that the influence of the more enlightened elements to whom I have referred will have a breaking effect and that, in the year which lies before us, our differences may again be settled amicably."

Mr. Mackay went on to say that they were prepared to admit that, in passing from the old patriarchal system, new ways towards help and encouragement have to be found, in order to keep labour contented and working well. It was easy enough to give advice and say that patience and forbearing was never more important than it was today but the implementation of such advice was a very different matter. They had to bear in mind that this democratic experiment which was taken up and largely perfected by the British had become a Commonwealth ideology and that they must make it work in the face of all obstacles and in accordance with the rules laid down.

I.L.O. AND COMMUNIST COUNTRIES

The International Labour Organisation voted, on the 10th inst., that employer delegates from the seven Communist countries, namely, the Soviet Union, the Ukraine, Byelo-Russia, Poland, Bulgaria, Hungary and Czechoslovakia be given seats on its committees as deputy members without voting rights. This decision is, however, subject to the approval of the three-man Credential Committee, which has before it the objections of the non-Communist employer delegates against the admission of Communist employer delegates. Earlier a Soviet amendment that Communist employer delegates should be given the status of full committee membership was voted down.

The status of Communist employer delegates has threatened the future of the I.L.O. In fact, for the first time since the I.L.O. was established in 1919, a "great crisis" has developed; it is faced, as Sir Richard Snedden, the British employer delegate, said, with "disruption, disintegration or at least slow paralysis." Mr. William McGrath, the Chief U.S. employer delegate, has threatened to recommend to his Government to refuse to send another employer delegation to the I.L.O., unless steps were taken to stop the Communists from interfering with the Organisation's present structure. According to him, "Russia is trying to re-enter the I.L.O. to disrupt it and use it as a springboard for Communist propaganda." In this connection, it is interesting to note what the Russian delegate had to say about the industrial conditions in his country. Mr. Nikolao Krestov, Russian employer delegate, said that the Soviet heavy industrial production was now three times higher than in 1940. Mechanical industry's production was four times higher and wages had risen by 119 per cent. Mr. Krestov, who is the head of the Moscow Dynamo Electrical Works, disclosed that the head of a Soviet undertaking was personally and directly responsible to the State. He made an annual collective agreement with the trade unions covering wages, training, safety, health, housing and living, conditions. He added: "We are also deeply concerned with the cultural levels of our employees."

The opposition of the employers' delegates from the democratic countries to the presence of the Communists employer delegates in the I.L.O. is understandable. For, as aptly pointed out by Sir Richard Snedden, employer and worker delegates from the Soviet bloc countries are indistinguishable from Government delegates and both take orders from their Governments. He said: "It is true that there has been much talk of co-operation but co-operation can never be a synonym for sabotage." Thus, the very tripartite structure of the I.L.O. has received "a staggering blow." It may be that the Credential Committee may approve of the deputy membership of the Communist delegates without voting rights thus meeting the objections of non-Communist delegates to some extent. But it may not stop at that. Once the Communist delegates are granted the status of deputy membership, it is bound to be followed by a clamour for full membership, thereby setting in motion an unnecessary and dangerous controversy. This will retard the progress of the I.L.O., unless the delegates from the Soviet bloc countries learn to realise that the approach of the democratic countries to labour questions is fundamentally different from that of the totalitarian countries. But it is really too much to hope that the Soviet delegates will recognise, much less appreciate, this difference. If the I.L.O. is to be saved, it must continue to be as it has been all along, that is, without the Communist countries.

OFF THE RECORD

(By "ROVER")

MR. B. M. Birla has a vigorous mind, activated further by imagination and ambition. At the same time, being conditioned by wide business experience, it has its roots deep down in realism. There could be no better combination than that of a spirited and powerful steed handled by a skilful and venturesome rider, who is not averse to take calculated risks. Mr. Birla's address to the Press Conference last Tuesday at the Indian Merchants' Chamber in Bombay gives proof of this rare combination of qualities. We have many amongst the community who are timid and some who are rash and indiscreet. But those of the common run are neither. It is reassuring to know that, at a time like this, when the business community is not unnaturally beset by doubts and hesitancy and the country's economic future is on the anvil, leadership for the time being resides in one who, in his make-up, resembles tempered steel, combining strength, sharpness and elasticity.

We are all obsessed by the mounting volume of unemployment. Many in authority are even overwhelmed by it, so much so that, in their desperation, they are even prepared to reverse the order of evolution and to go back a few centuries, solely in order to provide work for millions of idle hands. There is possibly some reason for the present mood of distrust of science and technology, but giving way to despair and recourse to rank reaction will not take us out of the trough into which we have been pushed, not by scientific research but by a set of wrong policies. If Big Business has been in too much of a hurry to build individual fortunes instead of well-established industries, the politicians, too, have been reprehensibly hasty in securing welfare by coercive legislation.

Let the advocates of primitive methods of production build up a true picture of the quality and contents of the kind of life, which millions would be forced to live, if they had their way. We do not have to fall back on historical research for this grim picture. There are large parts of Central Africa and some regions in Asia to give us an idea of the shabby and miserable standard of life a whole nation would have to accept under such conditions. But it is these very people who are the loudest in their demand for raising and improving the standard of life of the common man. The contradiction involved in the call, on the one hand, of back to nature and down with the machine, and, on the other, for an all-round higher standard of life, which translated into material things means more and better food, more and better clothes, better houses, better and more schools, clinics and hospitals, more books, more roads and more leisure, is so obvious and patent that I get exasperated when I hear it coming from the same set of people.

As Mr. Birla said, there can be no short cut for finding more employment and raising the general standard of life. We have to build up more industries to enlarge the scope for employment. In fact, he is even more impatient than the Prime Minister and the Planning Commission and wants the pace of improvement in the standard of living doubled during the next ten years. His lively imagination and the still more lively spirit of adventure which resides in him have encouraged him to dream of an additional investment of Rs. 1,500 crores to Rs. 2,000 crores in the private sector within a few short years. He wants this obviously not for enhancing managing agents' commissions, but for providing employment initially to about a million and a half of the unemployed.

There is nothing small or stinted about Mr. Birla's ideas or his figures. He is obviously one of those artists used to draw in bold, sweeping lines, on a large canvas and not of those who labour hard on dainty miniatures. His mind runs ahead with ideas of what employment and regularly incoming wages for these fifteen lakhs of persons would mean to industrial production. These workers, with money in their pockets, and their dependents would set up an additional demand for more goods, thus opening up an unending vista of new industries creating employment for additional millions.

What Mr. Birla seems to want is that the present vicious circle of unemployment, reducing demand for goods and throwing more men out of work, should be broken by a bold effort to increase production. This was the line along which the minds of the late President Roosevelt and Henry Ford worked. At the same time, his keen wits have seized on the fact that our country annually imports about four hundred crores worth of goods. It is not as if we have to create a market for additional production in the country. Mr. Birla has also worked out that nearly three hundred crores worth of imported goods could be produced within the country. He said that both the Government and the Planning Commission were now seized of this problem and he appeared to be confident that they realised the importance of this line of reasoning, which means that we might see it reflected in some measure in the second Five-year Plan.

But Mr. Birla, with the ingrained realism of a practical man of affairs, realises that the Government by itself cannot tackle this problem. It is for the people and the industrialists to take up their share of the responsibility for providing increased scope for employment. He does not minimise the difficulty of securing two thousand crores for investment, at a time when many of the sources of saving have dried up. This is so because of the series of misfortunes which have overtaken the large middle class, which was till now profitably engaged in a comparatively small way in one line of business or another. Mr. Birla, however, pointed out that Bombay owned the largest capital market in the country and that, during recent months, it had shown some hopeful signs of revival, after a long period of stalemate. He was not wrong in judging the present signs as propitious, in view of several attempts in Western India to branch out along new lines. He, therefore, appealed to business men and industrialists in Western India, in general, and Bombay, in particular, to regain their lead by venturing forth to expand industrial production to replace some of the exports from abroad.

While it would be easier to produce consumer goods, Mr. Birla was not unmindful of the fact that rapid industrialisation would not be possible without paying due heed to the need for starting and developing capital goods industries. I have little doubt that Bombay, the country's financial and industrial hub, as Mr. Birla called it, would give a good response to this fervent appeal from the President of the Federation of Indian Chambers of Commerce and Industry.

U.S. Speaking With Two Voices

Not being gifted with subtlety of any sort and not having even a nodding acquaintance with diplomacy, I was somewhat bewildered last week by two distinct voices claiming to speak officially at the same time for the U.S.A. What drove this confusion deeper into my mind was the curious coincidence, which made the American Ambassador, Mr. George V. Allen address the Rotary Club at Calcutta, just when Mr. W. T. Turner, the Consul-General for the U.S.A. in Bombay, was talking to the Rotarians in this city, more or less on the same subject. Mr. Allen, newly returned from his mission home, to secure as generous an economic aid for this country as possible, was trying to emphasise the fact that America should continue to help India with financial aid in her own national interest, and gave it as his opinion that it would be a tragedy if, after volunteering to give military assistance to Pakistan, the U.S. should hesitate to give economic aid to India or even if she so much as reduced the extent of this aid to India and other countries.

In stark and unrelieved contrast to this, Mr. Turner, himself a Rotarian, did not mince matters in his efforts to convince the authorities in this country, through the business community in Bombay to whom he was speaking, that "American capital must hereafter be obtained mainly from private sources, not from Governmental grants and aid." At the same time, he was also at great pains to make it clear that American capital was not likely to flow into this country, as the U.S.A. had no basic commercial treaty with India, which could offer assurance or guarantee of rights to the investors. He went further and reminded his audience that "trade and not aid" was the basic policy in Washington and that President Eisenhower had, in his recent message to the U.S. Congress, underscored the fact that as soon as possible financial aid to underdeveloped countries should be replaced by private investments.

Many in India have reconciled themselves to the fact that American disapproval of this country's foreign policy might at any time put an end to whatever aid it is getting for economic reconstruction, though it would not be true to say that people in this country are indifferent to it. It is, however, somewhat surprising that there should be such a glaring difference not only in contents, but in the tone and emphasis of two representatives of the U.S. Government in India, in utterances dealing with matters of high policy. Or does this reflect the basic differences in the attitude of one section of the American people with another equally important section to this country?—*All Rights Reserved.*

CONTRIBUTION BY SMALL IRRIGATION PROJECTS IMPRESSIVE

SMALL INDUSTRIES—FOOD PRODUCTION

(From A Special Correspondent)

NEW DELHI, 15th *June*

IT is now being realised slowly but steadily by Government that small- and medium-scale irrigation projects are productive of greater results in the near future than big paper schemes or the large-scale multipurpose projects costing crores of rupees. Small schemes generate the enthusiasm of the local people; it can be framed to cover a wider field, making the people conscious that Government has been trying its best to improve their economic conditions through many beneficial schemes. Small- and medium-scale irrigation projects in the Punjab, for instance, have already begun to yield more than what was anticipated of them originally when the schemes were drawn up. While both the Bhakra-Nangal and Harike projects are estimated to cost as much as Rs. 165 crores, small irrigation schemes are expected to cost only about Rs. 3.26 crores during the first Five-year Plan. Many of the latter projects have been undertaken in pursuance of the grow-more-food campaign and they number about 24. While Bhakra-Nangal is expected to bring in an area of 3.6 million acres under its irrigation system ultimately, the small irrigation projects are estimated to have already brought in a few lakh acres under irrigation during the last few years. It is expected that, at the end of the first Plan period, the total area under irrigation under this head will exceed one million acres.

DELHI LETTER

Prominent among these schemes which have begun to show substantial results are: the Shah Nahar Canal, the Jagadhri tube-well scheme, new Kasur distributary scheme, Radaur and Munak schemes, the repairing and remodelling of Kuhls (mountain torrents) for purposes of irrigation, the Dera Baba Nanak schemes, the extension of the upper Bari Doab Canal, Ferozepore District channels, drainage works schemes, etc. Drainage works are considered very essential in these areas in order to reduce waterlogging, particularly in areas where rice and cotton are being grown. The construction of storm-water and seepage drains in Ludhiana and Ferozepore Districts are scheduled to be completed far in advance of the Bhakra Dam. For the forthcoming *kharif* season, more land will be brought under irrigation, not only as a result of the extension of the abovementioned small irrigation schemes, but also on account of the recent inauguration of the Bhakra main line at Rupar, 24 miles from the State Capital. The area under cotton during the forthcoming season is also expected to increase, in view of the provision of the improved facilities of irrigation. Some new strains of cotton are reported to have been evolved, which are considered superior to 216F from the point of view of the staple length, ginning percentage and outturn per acre.

The Planning Commission has already taken note of this aspect of development and has begun to look favourably on small irrigation schemes which could become productive within a couple of years. During the second Five-year Plan, Government will advise the State Governments that, in their planning of community projects and national extension service schemes, they should give considerable priority to the execution of small- and medium-sized irrigation schemes. Apart from increasing the food production in the country, the implementation of these schemes will have a considerable disinflationary effect.

What is true of the small irrigation schemes is also true of the development of small industries. The Ministry of Commerce and Industry has now begun to feel a certain amount of urgency, especially after the submission of the report by the International Ford Foundation Team on this problem. It has already decided to establish forthwith four technological institutes for conducting research and providing assistance and training in small industries. These institutes will act as service agencies to impart simply and quickly to the small industrialist, for his immediate use, modern advance in science and technology, in business management, finance and marketing. They will initiate and carry on investigation and surveys of existing methods as well as conduct experimental and applied research for promoting development of small industries. The Government is already on the lookout for the personnel to man these institutions. It is likely that a few international experts will be approached for taking up the responsibility of planning and initially working these institutes. It may be mentioned, in this connection, that the Education Ministry of the Central Government is now planning to open 500 multipurpose schools in the country at a cost of Rs. 250 crores. Each district will have one such school. These schools, by imparting education as well as vocational training, will, it is expected, help solve the unemployment problem.

The Government of India has also been very favourably impressed by the other recommendations of the International Ford Foundation Team. It will be gradually implementing them, particularly the establishment of a national school of design, a customers service organisation, export development offices (one in North America and another in Europe), a small industries corporation, a plant for production and training, small plants for demonstration and an autonomous marketing service corporation. In this connection, it may be noted that the All-India Handicrafts Board has already planned to implement a scheme for the orderly marketing of its products in foreign countries. It has suggested an expert organisation for the handling of the handicraft business. In order to improve the quality and production methods of its products, the Board has planned to send a team of experts to Japan and other countries. It is anxious to push up sales of the products of cottage industries in North American markets, particularly in the U.S.A. and Canada. For this purpose, it is desirous of rectifying many of the serious defects which have become the main deterrents to larger exports, such as lack of standardisation, the inability to adhere to delivery schedule, as also to adapt themselves in the matter of new designs, etc. Now that the Commerce and Industry Ministry will be implementing the report of the Ford Foundation Team, it will have to review the whole position from this angle and try to integrate the entire development of cottage and small-scale industries on the various lines suggested by the Team. Even the expansion of the handloom industry may be made a part of the whole scheme. In a country like India with a huge population and insufficient work, a rational and speedy development of cottage and small industries will be productive of considerable results, besides enhancing the national income of the people to an appreciable extent. In view of the above, Government will be making a determined effort in stabilising this industry.

According to the annual world economic report of the United Nations, national production in India during 1953 rose by about 5 per cent. as compared with the preceding year. This increase was possible because of more than 10 per cent. increase in India's grain crop last year. Total agricultural production, however, rose less than the increase in grain output. The report further points out that "large increase in industrial production in 1952 was accompanied by only very small increase in national production, while in 1953 the reverse relationship obtained. These movements reflect predominance of agriculture in Indian economy and its consequent sensitivity in fluctuations in crop output."

Preliminary estimates of food production for 1953-54 show an impressive rise of about 7.7 million tons to 55.3 million tons. What is noteworthy in this increase is the sharp rise in the production of rice, the outturn of which has moved up from 23.42 million tons in 1952-53 to about 27.1 million tons in 1953-54. In 1951-52, rice production stood at 20.74 million tons. Production of wheat has also been going up steadily from 6.04 million tons in 1951-52 to 6.76 million tons in 1952-53 and to 7.3 million tons in 1953-54. The output of other cereals such as barley, *jowar*, *bajra*, *ragi* and other millets is estimated at 20.9 million tons in 1953-54, as against 17.40 million tons in 1952-53 and 15.66 million tons in 1951-52. Total cereals production in 1951-52 and 1952-53 amounted to 42.44 and 47.58 million tons, respectively. If the output of agricultural production, particularly in foodgrains, is maintained at the latest level during the forthcoming year, the stock position of foodgrains will show a substantial improvement at the end of next year, acting as a deterrent to any upward movement in prices of commodities that may be caused by the present deficit financing by Government.

U.S. PRIVATE CAPITAL

PROMOTION OF INVESTMENT ABROAD

THE U.S. Government, in recent years has pursued many measures designed to encourage U.S. citizens and business concerns to invest abroad. As it became increasingly evident that it was mutually desirable that U.S. foreign economic aid should be reduced, the Government has exerted more effort to stimulate U.S. private investment overseas. One of the ways in which the Government has pursued this objective has been to give wide circulation to information on foreign investment opportunities. The Department of Commerce, through its *Foreign Commerce Weekly* and its field offices, has disseminated such information to chambers of commerce, trade associations, and individual concerns. The Foreign Operations Administration has also arranged for the exchange of information between foreign and American business concerns on investment and trade opportunities.

Recently the Department of Commerce published an analysis of factors affecting investment in some 26 countries. It is now publishing studies on investment conditions and outlook in selected countries. Such studies have been published to date on India, Venezuela and Colombia.

The United States is actively pursuing a programme of negotiating treaties which have as one of their objectives the assurance of conditions favourable to the investment of private foreign capital. At present, there are in effect 32 comprehensive treaties dealing with general economic relations between the United States and other individual countries. The State Department has stated that it is prepared to discuss at any time the conclusion of such a treaty with the representatives of other countries desiring to facilitate foreign investment.

The U.S. Government, since 1948, has had in operation a programme under which it is prepared to offer guarantees to private investors against certain of the non-business risks affecting investment abroad. Limited at first to European countries, the programme has since been expanded and is now available to any country which concludes the necessary bilateral agreement with the United States. Under this programme guarantees may be issued against the risk of inability to convert local currency earnings into dollars and the risk of loss from expropriation or nationalisation. Outside of Europe the only countries which have availed themselves of this programme are Israel, Nationalist China, the Philippines, Haiti, and Japan.

According to the Department of State, discussions of the guarantee programme have, however, taken place with a number of other countries and additional bilateral agreements are expected. Officials say that the United States is prepared to discuss the application of the programme with any country which sincerely desires to encourage the entry and operation of American private enterprises. These officials point out that President Eisenhower recently recommended to Congress that this guarantee programme be further expanded to cover risks of war, revolution and insurrection.

The President also has recommended a number of important changes in the U.S. tax laws relating to the taxation of income from foreign sources. These proposed changes, which are designed to increase the flow of U.S. private capital abroad, are now being considered by Congress.

Department of State officials say that the United States is prepared to take further steps, bilaterally, to increase private investment overseas through the alleviation of double taxation.

As of today, the United States is a party with foreign countries to 15 treaties relating to income-taxes, 10 treaties relating to estate taxes and death duties, and one treaty relating to the taxation of gifts. Income and estate tax treaties with three other countries are now in the closing stages of negotiation.

PAKISTAN NOTES

COTTON TALKS WITH U.K.

NEW TRADE PACT WITH JAPAN LIKELY

PROBLEMS relating to the promotion of cotton exports from Pakistan to the U.K. are now being discussed at Manchester by the Pakistan cotton delegation with U.K. cotton interests. The visit of this delegation has been sponsored by the Lancashire-Pakistan Cotton Committee which, it will be recalled, was formed in the U.K. some time last year to further the trade relations between the two countries. The delegation is led by Mr. M. Karamatullah, Secretary, Ministry of Commerce, Government of Pakistan.

Welcoming the Pakistan delegation, Sir Raymond Streat, Chairman of the U.K. Cotton Board, expressed the hope that the negotiations would result in enlarged trade between Lancashire and Pakistan. Lancashire, Sir Raymond said, needed every type of cotton and Pakistan could grow large quantities which should be as good as any other. Proceeding, he observed: "Pakistan is a great consuming market for cotton textiles and is building up an industry of her own. However, Britain thinks she will still need to import some supplies, because her total needs were so great and because some qualities are not within the technical range of her own mills."

In the course of his address, Sir Raymond made it clear that Lancashire did not favour barter deals as a favourable solution of the long-term difficulties of international trade. To quote his words: "We think barter deals are rigid and inflexible and involve all sorts of controls and restraints inimical to the growth of healthy trade. We are aware that the circumstances of 1953 impelled Pakistan to engage in barter negotiations and that a barter agreement embracing cotton goods is in force between Pakistan and Japan."

Trade Pact with Japan

A Press report from Karachi avers that negotiations for a new Pakistan-Japan trade agreement will again be held shortly between the representatives of the two countries. The trade between Pakistan and Japan is at present governed by the agreement which expired at the end of March but was extended till the end of this month. In the course of the talks now proposed, it is expected that the issue relating to the exchange of Pakistani rice for Japanese textiles will be reconsidered. The recent negotiations on this issue, it may be noted here, broke off, since Japan considered the price of Pakistani rice as high. Another aspect that will be reconsidered relates to Pakistan's complaint that Japan has failed to purchase the quantity of cotton stipulated in the agreement.

Export Drive

Pakistan has decided to encourage exports by allowing 30 per cent. of foreign exchange earned to be utilised for the import of selected items. The export items against which this facility will be granted include primary commodities as well as certain articles manufactured in Pakistan. This will also help Pakistan to increase its slender foreign exchange reserves. The items for import are second-hand clothing, cement, household, electrical fittings, mustard oil and seeds, coconut oil and copra, photographic films, plates and paper, onions, spices, art silk fabrics, cotton piecegoods, fents, karakuli cloth, bidi leaves, cycles, cycle parts and accessories, scooters and motor rickshaws, sanitary fittings, construction materials, hardware, coir fibre and yarn, washing soap flakes, optical lenses and frames, jeeps and trucks. Suggestions from business men for the addition of other items to this list will be considered.

The scheme is introduced for the period ending 31st March, 1955.

* * * *

The economic position of Pakistan is now worse than before. This is the impression which an Indian University student gathered during his recent visit to Lahore. Writing about the impressions of his tour in the *Hindustan Times*, the student observes: "Though there are numerous Buicks and Cadillacs to be noticed on the Mall, the poorer sections are in a bad plight. Incomes are lower and prices higher than perhaps in Delhi. Fruit, paper and cloth especially are very costly. The price of a banana is As. 4 and of an exercise book of 64 pages Re. 1. The inflationary condition becomes apparent from the fact that, whereas the official rate of exchange is 100 Pakistani rupees=144 Indian rupees, the unofficial rate is 100 Pakistani rupees =85 Indian rupees."

BRIGHT FUTURE FOR INDIAN INSURANCE

MR. LAXMIDAS GOCULDAS'S ADDRESS

A BRIGHT future for the Indian insurance business which would be called upon to play a significant role in the economic development of the country was visualised by Mr. Laxmidas P. Goculdas, presiding over the Twenty-sixth Annual General Meeting of the Indian Insurance Companies' Association, Bombay, on Wednesday. He maintained that it had been always the primary concern of Indian insurers to offer their services at an economic cost and that the 35 per cent. decline in the average fire rates since the entry of Indian companies was a proof of their earnestness. The industry had reached its present stage of progress through its own efforts without any support from the Government and he hoped that this important arm of the national economy would receive direct encouragement in future.

"The overall picture of the working of Indian general insurance is," said Mr. Goculdas, "that the premium income is shrinking. The era of war and post-war expansion of premiums has definitely ended and the market has got to get accustomed to a lower level of income. By itself, it is not a bad feature, because it would represent more stabilised trading. From the point of claims experience the year 1953 has been good, but since the beginning of the current year there have been far too many fire losses. These losses are a form of national wastage, considerable part of which can be avoided. The need for spreading the fire brigade facilities is, therefore, urgent.

"With the progressive implementation of the various schemes under the Five-year Plan, our companies will be called upon to play a significant role in the country's economy. I take this opportunity to commend the suggestion made to the Government from several quarters to modify the Insurance Act in order that insurance companies may be able to invest, having due regard to considerations of security and their obligations to policyholders, their controlled funds in new undertakings of national importance. The recommendations of the Shroff Committee should also prove very helpful in this connection.

Need for More Reserves

"It is, however, necessary that the companies should have adequate reserves so that they can perform their obligations satisfactorily in the coming years. The problems of underwriting capacity and reserve building are so interlinked that the strength of reserves is of paramount importance for the companies' progress not only in the home market but also in the foreign market. It is, therefore, very essential that Indian companies should be enabled to attain a stronger financial position by affording them reasonable facilities to build up ample reserves. The only reserves now permitted by the tax authorities as an expenditure are 'reserves for unexpired risks.' These do not take into account the peculiar conditions attending the general insurance business in this country. The liabilities are highly concentrated and do not provide any large spread of risks territorially and by class. In the circumstances, it is very desirable that Indian insurance companies should be allowed to build up by stages 'additional reserves,' free of taxation, by permitting at least a 5 per cent. additional increase in the reserves. I earnestly hope that our request would be sympathetically considered by the Taxation Enquiry Commission and companies would be allowed at an early date to create 'reserves for unexpired risks' and 'additional reserves' to the total extent of 100 per cent. of their premium income of the year in respect of fire and miscellaneous insurance, 150 per cent. in respect of marine cargo business and 200 per cent. in respect of marine and aviation hull business.

Cost of Service

"Recently the Tariff Committee has been directed by the Controller of Insurance to consider the feasibility of downward revision of rates in general insurance business. The tariff rates in this country are not at all high. The rates for the bulk of the cargo marine insurance are dictated by international factors and the complaint all over the world is that cargo rates have reached an uneconomic level. The rates for motor insurance which constitute by far the largest source of premium income to most insurers in India had to be slightly enhanced last year and even so they stand at a much lower level than elsewhere in the world. Our fire rating system closely follows the pattern and the level of the tariffs in the general foreign field. Recent claims experience in this country reveals how the process of reduction has been carried a bit too far. The large latent potentiality of the business is of little assistance to insurers so long as the business is not received by the offices.

"It has always been the primary concern of Indian insurers to offer their services at an economic cost. Since the entry of Indian companies in the field the fire rates have, on an average, gone down by over 35 per cent. This process will continue, but a reduction of rates cannot be made to order. The basis of rates in general business is entirely different from that in life assurance. It is, therefore, improper to look upon the two as alike. There has hardly been any case of profiteering by insurers throughout the past 15 years. Insurance rates have gone down when the price of almost every other commodity or service has increased substantially and the administrative expenses, that had gone up during the inflationary period, still continue to rise against the background of a stationary or a lower premium income. I earnestly hope that the Tariff Committee will stick to its duty of maintaining just and fair rates and not yield to pressure from sources not conversant with the mechanics of our rating system.

"The proposal requiring companies to make payments, on behalf of their foreign treaty reinsurers, of income-tax on profits earned by them by treating the local companies as statutory agents of their reinsurers constitutes a departure from established reinsurance practice. If carried through, it would put the clock of progress back in general insurance. We have explained to the Government the difficulty inherent in devising a fool-proof formula, but have indicated to them certain tests which would be helpful in determining the *bona fide* character of a reinsurance arrangement. Reinsurance is an indispensable adjunct to direct operations and any move that affects reinsurance will recoil on the progress of general insurance. I earnestly hope that the Central Board of Revenue will issue appropriate instructions to the income-tax officers without further delay.

State to Compete

"That brings me to the growing tendency on the part of the Central and certain State Governments to encroach upon the sphere efficiently served by private enterprise. The proposal of the Central Government provides for the extension of insurance facilities through the postal insurance fund beyond the present restricted scope. The proposal of the Mysore State Government seeks to enlarge the scope of its general insurance scheme, now confined to motor insurance, to include new lines of business. Insurance interests in the country look upon these incursions with disfavour. The achievements of Indian insurance are quite remarkable considering its young age and difficulties. Schemes such as are in vogue deprive the indigeneous market of a slice of business which is quite important for its reciprocity value. The proposals would bring Government into direct active competition with private insurance companies, a course which should be avoided.

Setback to "Swadeshi"

"The cause of *swadeshi* seems to have suffered a setback during recent years. Some of the quasi-Government undertakings and public bodies still continue to place their banking and insurance business with non-Indian companies. Government should, therefore, make necessary provision to ensure that this business under the control of semi-Government bodies is placed with Indian undertakings. Financially and numerically Indian companies have now reached a stage when they can absorb all available business in the country by offering a standard of service comparable to any from other sources and there is no reason why preference should be shown to any non-Indian company.

"The basic weakness of Indian insurance is excessive cost arising from unhealthy competition amongst insurance companies *inter se*. If we fail to put our house in order, we will be inviting further restrictions amounting, perhaps, to vexatious and detailed interference in the day-to-day working of our companies. One cannot deprecate too strongly the scramble for business arising from a greed for premium income. I, however, trust that our companies would take a long-range view and conduct their affairs on sound and healthy lines, so that Indian insurance can attain a position of eminence and play its destined role at home as well as abroad."

SUPERVISION OF BANKING IN 1953

BANKS URGED TO EXTEND MORE SUPPORT TO TREASURY BILLS

THE supervision and control of banking in India by the Reserve Bank of India during the past three or four years has undoubtedly gone a long way towards remedying the defects in the working of our banking system and in strengthening the banking structure as a whole. The activities of the Reserve Bank in 1953 also were directed towards this end. More banks were inspected and the year saw the first round of inspection of all Scheduled banks coming to an end. The Reserve Bank's conclusion is that the banking system has sought to discharge its responsibilities under the Five-year Plan "in a fair measure." Its remarks in this context bear reproduction. It observes:

"The role of the banking system, in the context of its responsibilities in the Five-year Plan, has to be related not merely to measures designed to increasing its resources but to a more effective use of them. There is reason to believe that working capital requirements of organised industry are being met at present in a fair measure."

The Reserve Bank, however, does not seem to be quite satisfied with the investment policy of banks in so far as it relates to Treasury Bills. Investments of Scheduled banks in Government obligations mostly consist of short-dated and medium-dated loans. Although this is considered to be satisfactory, the component of Treasury Bills, in the Bank's view, is still negligible. "Next to cash and balances with banks, Treasury Bills rank as a highly liquid asset which also yields an adequate return and can be converted into cash almost instantaneously. For this they occupy an important place in the investment portfolio of commercial banks in the West. The liberal discount facilities given by the Reserve Bank and their current yield entitle them to more liberal support from the leading banks." The Bank is constrained to make these remarks, because, out of a total investment of Rs. 337.75 crores invested in Government securities by Scheduled banks in 1953, only Rs. 9.58 crores or 2.8 per cent. were invested in Treasury Bills. In the preceding year, out of total investment in Government securities of Rs. 327.02 crores, Treasury Bills accounted for only Rs. 17.39 crores or 5.3 per cent. of the total. The reasons for this lack of popularity of Treasury Bills with banks are not far to seek. The demand for funds during this busy season was so great that the banks had to offer as much as 3 per cent. if not a little more, for short-term deposits. Even inter-bank call money fetched 3 per cent. When this was the state of affairs, which bank could afford to invest in Treasury Bills yielding 2.5 per cent. on an average? These bills are really popular with banks and whenever the banks have found that their funds are not usable remuneratively elsewhere, they have always preferred to invest such funds in Treasury Bills. Since their costs of operation are high, banks are always on the alert to increase their earnings by using their money in the most remunerative channels. In this search for high yield investment, the low-yielding Treasury Bills get a low priority.

Banking Legislation

An event of some importance to the credit structure of the country in 1953 was the enactment of the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953. This Act is designed to enlarge the scope of financial accommodation by the Reserve Bank for productive purposes and to enable it to reintroduce high denomination notes. The provisions empower the Bank to extend loans and advances facilities to co-operative institutions for agricultural purposes. The Bank can give short-term credit to the Industrial Finance Corporation of India also. One of the provisions exempts Scheduled banks from including their borrowings from the Imperial Bank of India in computing their demand and time liabilities for purposes of section 42 of the Reserve Bank of India Act.

Another piece of legislation enacted during the year was the Banking Companies (Amendment) Act, 1953. The main object of this Act was to provide for quick disposal of liquidation proceedings, on the basis of recommendations of the Banks' Liquidation Proceedings Committee. An important feature of the amending Act is the extension of jurisdiction of the High Court to which the liquidator of a banking company has to follow his debtors.

Inspection of banks is one of the chief functions of the Reserve Bank of India. During 1953, the Bank inspected 154 banks, of which 14 were Scheduled banks. Since March 1950, when inspections were commenced, 514 inspections have been carried out for various purposes, granting licences being the chief one. The system of inspections has been useful in providing the Reserve Bank with the opportunity of looking much closer into the affairs of banks concerned. At the end of 1953, as many as 20 banks were submitting monthly progress reports and 289 banks quarterly reports to the Reserve Bank. These have helped rectification of defects in the working of banks.

Another development was the opening of an office of the Department of Banking Operations in Trivandrum. The office is intended to conduct inspections and keep close contact with the banks in Travancore-Cochin.

No new applications were received for licences to carry on banking business. Three banks, however, applied for licences to commence banking business. From applications pending considerations, licences were issued to seven Scheduled banks, one Non-scheduled bank and one foreign bank. The total number of licences issued, since the commencement of the Act, stands at 34. Four Non-scheduled banks were refused licences for carrying on banking business.

Amalgamation

Action was taken in connection with amalgamation of smaller banks into bigger banks. During 1953, one proposal for amalgamation appeared to be *prima facie* desirable and the banks concerned were advised to draw up an agreed scheme of amalgamation. Another proposal was not considered desirable, and the banks were asked to consider the feasibility of arriving at an agreement whereby the liabilities and certain agreed assets of one of them could be transferred to the other.

Five banks went into liquidation, one of them being a Scheduled bank, the business of which was taken over by another. Of these five two were in Bombay, two in Madras and one in Trivandrum. Fourteen banks were ordered to be wound-up by the Court. Again, five non-Scheduled banks suspended payment and applied to the Court for the grant of a moratorium.

Of the 28 companies, the cases of which were pending for classification into banking and non-banking companies, three were classified as banking companies, 15 were either classified as banking companies or went into liquidation or struck off from the Register of Companies. Since the commencement of the Banking Companies Act, 189 companies have either been declared non-banking companies or have gone into liquidation or struck off the Register of Companies.

Action was also taken in a number of cases in which banks were found to have contravened several sections of the Banking Companies Act.

With a view to providing adequate funds to the private sector, a committee was appointed by the Reserve Bank of India under the chairmanship of Mr. A. D. Shroff. This Committee studied the problem with special regard to the scope of assistance which banks might render to industries in the private sector. The Committee has since submitted its report which is under the consideration of the Bank.

During the year negotiations were in progress for the setting up of an Industrial Development and Finance Corporation with the assistance of the I.B.R.D. It is expected that this institution, by supplementing the Industrial Finance Corporation of India and the various State Financial Corporations, will fill up an important gap in the availability of capital.

The All-India Rural Credit Survey, initiated in 1951 under the ægis of an expert committee, has completed its Report on the Survey. This report is to be published shortly. It is expected to throw considerable light on the position of supply and demand for credit in the rural areas. Steps are being taken to implement the recommendations of the Rural Banking Enquiry Committee also. While co-operative banks continue to receive assistance from the Reserve Bank in many ways, attempts are being made to establish apex banks in States where they do not exist.



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SAURASHTRA FINANCE CORPORATION

It will be recalled that the Saurashtra Finance Corporation (Managing Director: Mr. L. D. Dave, Rajkot) was inaugurated at Rajkot by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, on 9th November, 1953, though it started functioning as from 29th September, 1953. Its capital is Rs. 2 crores divided into two lakhs fully paid-up shares of Rs. 100 each. Of this, one lakh shares, valued at Rs. 1 crore, have been issued for the present.

The Directors' report of the Corporation for the period from 29th September, 1953 to 31st March, 1954, discloses that the Corporation received 20 applications for loans. Some of these were considered by the Board. Four loans for sums below Rs. 20,000 each were forwarded to the Small-scale Industries Board for being dealt with by it. Of the remaining 16 applications for accommodation amounting to Rs. 32.10 lakhs, three each were from electrical undertakings, oil mills and chemical industries; there was one application from a mining company and one from a textile mill. Five applications were from miscellaneous concerns.

The Chairman of the Corporation, Mr. Pranlal Devkaran Nanjee, pointed out, in his address at the annual meeting held on 29th ultimo, that, since the period under review was one of preparation and organisation, the number of applications scrutinised was only six. As the applications were for long-term loans involving 10 years or more, detailed scrutiny would take more time. He, however, assured that endeavours would be made by the Board for disposing of the applications as expeditiously as possible. He revealed that the Directors had decided to hold some of their meetings at various important centres in the State with a view to having a close-range view of the industries in Saurashtra, giving incentive to industrialists to apply for loans, and attracting public attention towards the activity of the Board. He trusted that full advantage would be taken of the Corporation's services by industrialists, so that employment opportunities may be thrown open to the people of the State.

I.B.R.D. LOAN TO FRENCH WEST AFRICA

The International Bank for Reconstruction and Development granted a loan of $7.5 million to French West Africa on the 10th inst. The loan is intended to assist a programme of modernisation of railways in that country of great distances. French West Africa is about three-fifths the size of the U.S. and eight times that of France. About three-quarters of the population of 18 million live more than 200 miles from the Atlantic coast. Economic development of the region has been hampered by inadequate railways in the country.

The Bank's loan will provide funds for the purchase of 35 diesel mainline locomotives and 34 diesel switching engines for the two largest and most heavily used lines in that country. The loan is for a term of 12 years and carries interest at 4½ per cent. The French West African Railway Administration is the borrower and the loan is guaranteed by the Republic of France.

A feature of the loan is that Messrs. J. P. Morgan & Co., New York, have agreed to participate in the loan without the Bank's guarantee to the extent of $609,000 covering the first two maturities of the loan, falling due on 1st December, 1956, and 1st June, 1957.

SEMANTICS AS AN ECONOMIC WEAPON

BEWARE OF BEGUILEMENT OF WORDS

[These are days of glamour words and catchwords not merely in India but throughout the free world. Words such as "democracy," "welfare State," "fair prices," "living wage" and "security" are frequently used. The article on this page, published through the courtesy of The Guaranty Survey, *the monthly of the Guaranty Trust Company of New York, shows to what extent the urge for clear thinking is liable to wane by the frequent use of such words and what a distorted picture of a particular state of affairs can be presented by a mere play of words. It emphasises the need for looking beneath words to understand realities and for vigilance against the beguilement of words. In the present circumstances, the article is quite relevant to this country. It deserves to be read and pondered, especially by our politicians and economists.—Ed.]*

THE decline in business since mid-1953 has been variously dubbed. One is dazed by the subtle distinctions implied in such terms as "rolling adjustment," "disinflation," "un-boom," "readjustment," "dip," "deflation," "boom and bust," "recession" and "depression."

The name in each case seems to depend mainly upon what the commentator is trying to prove. Government officials, naturally uneasy under the burden of the "full-employment commitment," tend to use terms suggesting mildness of setback. At the other extreme, those who would like to hurry Congress and the Administration into drastic action show a preference for "depression," a word which, since the disastrous experience of the 1930's, has assumed such fearful implications that it is usually avoided in dispassionate discussions of current economic conditions.

The fact is that none of the terms used in characterising the recent course of business has precise meaning. No one can draw a line where a category of contraction signified by one word ends and another begins. The important differences between the terms do not lie so much in their expressed meanings as in the emotional responses which their connotations evoke in reader or listener. If these responses are subconscious, as they usually are (and are often intended to be), the reader or listener is allowing himself to be imposed upon. Those who wish to be informed rather than exploited by what they read or hear must be constantly on their guard against the hidden implications in words, especially at a time like the present, when specious ideologies are bidding for popular favour.

Students of language have always been troubled by the unbridgeable gap between words and the things they stand for. Words mean different things to different persons. According to the Book of Job, the Lord inveighed against him "that darkeneth counsel by words without knowledge." Bacon lamented the tendency of words to "shoot back upon the understanding of the wisest, and mightily entangle and pervert the judgment." Cynics have been led to define language as the art of concealing thought.

The difficulty of precise communication of ideas is made worse by the gradual transitions that occur in the meanings, and even more in the connotations, of words during the passage of time. Some words, like "democracy" or "liberalism," take on such strong favourable colorations that they are used by both libertarians and communists to describe their respective systems. Others, like "depression" and "dole," fall into such disrepute that it is impossible to use them without creating an unfavourable emotional atmosphere. Whether favourable or unfavourable, these evocative properties of words, as semanticists call them, can so overshadow the original cognitive values as to make the words almost useless for purposes of straightforward exposition.

Intentional Implications

Men discovered long ago that the power of words to arouse feeling could be a strong instrument of persuasion as well as a barrier to the transmission of knowledge or thought. "It is worldly wisdom," said Pope Gregory I more than 13 centuries ago, "to conceal the mind with cunning devices, to hide one's meaning with words, to represent falsehood as truth, and to prove truth to be falsehood." In the hands of a skilled practitioner, language can become the art of preventing thought by substituting emotion for it. The established reaction patterns created by certain words tend to stultify thought while seeming to stimulate it.

Discussion of the present business situation in terms calculated to arouse fear or promote confidence is a case in point. Those who demand that the Government take steps to prevent a "full-blown depression" do not advocate inflationary deficit financing—not in those words. They recommend public works and tax relief, which mean inflationary deficit financing but sound much better. "Inflation" and "deficit" are fear words. They suggest unsound fiscal practices, rising costs of living, and currency depreciation. "Public works" and "tax relief," on the other hand, conjure up mental images of more money in everybody's pocket, along with fine new roads, schools, hospitals and playgrounds.

Similarly, those who believe the Government should pursue a long-term policy of injecting new money into the economy, in order to exert a continual stimulating effect on demand are not found speaking of chronic inflation. That would imply a step-by-step descent into monetary debasement. Instead, they talk about a gradual rise in prices and wages, connoting large incomes and good times.

About a decade ago, Sir William Beveridge, the British economist, wrote a book on *Full Employment in a Free Society*, an alluring double objective. An actual reading of the book reveals that the author's programme would probably involve price control as an inevitable consequence; that private, as well as governmental, investment would have to be regulated by political authority; that control over the location of industrial plants would be a central requirement; and that it would be necessary to maintain "organised mobility" of labour (not, of course, "compulsory allocation" of labour). Such civil liberties as the right to choose new public officials and alter public policies, freedom in the choice of occupations and in the management of personal incomes, and the right of labour to bargain collectively and to strike could not be exercised "irresponsibly." Sir William declared also that the liberties essential to a "free society" do not include the liberty of a private citizen to own means of production and to employ others in operating them at a wage.

The author's ability to apply the phrase "free society" to such a regime would seem to indicate that the magic of words can work its spell upon the user as well as upon his readers.

Glamour Words

The perennial controversy over the relation between the individual and the State has produced innumerable semantic traps for the unwary. One of these is the indiscriminate and often misleading use of such faith-inspiring words as "liberalism" and "democracy." Historically, liberalism stood genuinely for the importance of the individual and his right to pursue his own aims, with a minimum of interference by the State. During the past generation, the label has been appropriated by the advocates of stronger Governmental authority, the very school of thought that historical liberalism was formed to combat. It is strange that the historical liberals have not protested more vigorously against this perversion of meaning. "Democracy," on the other hand, is claimed by both groups, with the unfortunate result that it is impossible to tell what the word means without first knowing who is using it and what his actual beliefs are.

Another word to conjure with is "welfare." Authoritarians call their system the "welfare State," as if those who oppose it were against welfare, or at any rate indifferent to it. Actually, of course, welfare is not the issue at all. Every good citizen favours welfare, as he understands it. The real question is not the desirability of welfare but the power of the State to tell its citizens what welfare is and how it shall be sought.

Politically determined "welfare" has its subdivisions. Among these are "fair" prices, a "living" wage, "adequate" housing, and "security." What right-minded person could oppose such obviously desirable objectives? Only when one looks beneath the words at the actual things they stand for does one realise that these are merely glamorous catchwords for highly debatable public policies and programmes.

One finds, for example, that buyers and sellers are likely to have very different ideas regarding what constitutes a "fair" price, and that political action is likely to settle the question on the basis of which side has the most votes. Since a wage is a price, the issue of the "living" wage also tends to develop into a scramble for political favour. "Adequate" housing turns out to be some official's or board's idea of what it would be desirable for people to have in the way of living quarters, without too much regard for costs, on the one hand, or competing needs and desires, on the other. "Security" is found to mean an attempt at escape from the vicissitudes of life in an individualistic society, usually taking the form of compulsory savings or compulsory redistribution of income, with ultimate effects that may be far from desirable.

Some Other Catchwords

Words like "progressive" and "reform" fall into a similar category. Such words imply a change for the better, and they are especially effective in an age like the present, when there is a too-general tendency to assume that change necessarily is for the better. A little reflection is enough to show that words of this kind, when applied to a concrete proposal, merely beg the question.

A particularly subtle form of economic quackery is the use of such terms as "rationalism, "planning," and the "scientific" approach to economic and social questions. Words like these imply profound understanding on the part of the speaker and impugn the intelligence of anyone who ventures to question his views. They suggest that society can assure its salvation only by placing its fate in the hands of the experts.

In human affairs, who can arrogate to himself the title of "expert"? No small part of the economic and political ills that afflict the world today can be traced to centralised "planning" of production and distribution in the name of "rationalisation." Planning at the level of the individual enterprise is, of course, universal in the business world, but planning at higher levels has proved a tragically inadequate substitute for the automatic regulatory action of prices in free markets. The "scientific" approach is only another name for bungling interference in human relations by those who have deluded themselves or others into believing that they are equipped to play a superhuman role.

"Capitalism" and "Free Enterprise"

"Capitalism," once an acceptable descriptive term, has become, for many, a vituperative epithet. It suggests the capitalist of the old cartoons, the fat plutocrat with the plug hat, the big cigar and the full money-bags, ruthlessly trampling upon the widow and the orphan. Among those who have any knowledge of economic matters, this absurd myth has long since vanished into the limbo of exploded superstitions. Yet the mental image has become so odious that the friends of capitalism usually avoid the term, preferring such inoffensive expressions as "free enterprise." But who ever heard of a Communist talking about "free enterprise"?

As the art of semantics rises to new heights, the importance of looking beneath words to realities grows more urgent. Language may be used to express, conceal or prevent thought, but it cannot safely be allowed to become a substitute for thought. Truly, the price of liberty is eternal vigilance—vigilance against the beguilements of words.

AUSTRIAN BANK RATE CUT

The National Bank of Austria reduced its Bank rate from 4 per cent. to 3½ per cent. with effect from the 3rd inst. This is the fourth reduction since January, 1953. The table below shows the previous rates and the dates on which they became effective.

Year	*Date*	*Rate* Per cent.
1935	10th July (occupation)	3.5
1945	3rd August	3.5
1951	6th December	5.0
1952	3rd July	6.0
1953	22nd January	5.5
	26th March	5.0
	24th September	4.0
1954	3rd June	3.5

Legislation is being instituted in the U.S. for increasing the lending authority of the U.S. Export-Import Bank by 500 million dollars. The increase would bring the Bank's lending total to 5,000 million dollars, the limit it could have outstanding at any one time. The object of the legislation is to improve international trade.

Ceylon has announced a reduction in its Bank rate from 3 per cent. to 2½ per cent. with effect from the 12th inst. It was only on 23rd July, 1953, that the Bank rate had been raised from 2½ per cent. to 3 per cent.

STABILISING CONDITIONS IN HANDLOOM INDUSTRY

STRESS LAID ON LONG-TERM SOLUTIONS

THE well-worn but pertinent point, namely, that the stability of the handloom sector of the Indian cotton textile industry rests not on palliatives but on long-term solutions, was stressed once again by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, Government of India, in the course of his address at the third meeting of the All-India Handloom Board held in Bombay on Wednesday this week. Mr. Krishnamachari also indicated what these long-term solutions were. Emphasising, in particular, the need for a proper marketing organisation, he said that the Board should take necessary steps to see that goods produced on handlooms were marketed as early as possible. In fact, this is the most crucial problem. It is gratifying to be told that the Board has singled out the problem of marketing and organisation for immediate attention. Alluding to this, Mr. T. Swaminathan, Textile Commissioner and Chairman of the Board, revealed that the bulk of the grants and loans made by the Board related to organisation and marketing. He observed:

"Grants for opening sales depots and for rebates on the sale of handloom cloth figure largely in the assistance given to States. Similarly, share capital advances to weavers for joining co-operatives and working capital advances to co-operatives were also important and substantial items in the lists of loans made available to States.

"An important development has been that States are opening sales depots in rural and semi-urban areas now, in contrast to larger concentration on the urban areas in the past. This is as it should be, seeing that, except for luxury and semi-luxury fabrics, an approach has to be made to the ordinary consumer of cloth all over the country, if a large enough market is to be developed for the handloom industry. It is gratifying that exports of handloom cloth during 1953 were of the order of 65 million yards. With the deputation of our marketing officers to Baghdad, Colombo, Rangoon and Singapore, it may reasonably be hoped that there will be a considerable increase in our exports of handloom cloth."

While the Board has thus been preoccupied with the immediate problem of marketing and organisation, it does not seem to have forgotten the basic remedy for the difficulties of the handloom industry, namely, improvement in efficiency of production, designs, etc. According to Mr. Swaminathan, a number of improvements to the basic tools of the industry is being gradually introduced. The States are also going in for dye-houses and finishing plants for improving the quality and finish and increasing the range of varieties of the products produced by the handloom industry. Steps are also being taken to organise research as regards modifications in equipment with a view to improving the finish and designs of handloom textiles.

Co-operatives for Handlooms

Both Mr. Swaminathan and Mr. Krishnamachari felt that the co-operative movement was the best method of achieving stability in the handloom industry. Mr. Swaminathan said:

"In the co-operative organisation lies the answer to many of the difficulties of the handloom weaver and it is only right and proper that States should give urgent attention to the education of the weaver towards organising himself. Working through the co-operative organisation, the handloom weaver will ultimately get the largest benefit out of any assistance that may be made available to the industry. The co-operative organisation is also one method whereby the States and Central Governments will be able to assure themselves that measures of assistance reach the actual weaver. When the Board started functioning, it was reported to it by State Governments that roughly 727,000 weavers were within the co-operative fold. The State Governments have reported that, during 1953-54, 35,200 weavers were freshly brought into the fold. It has to be remembered that the bringing in of the weavers into co-operatives in any large way during 1953 has been done only in the latter half of the year. In view of this, the progress achieved is not unsatisfactory. State Governments hope to bring in about 200,000 weavers into the co-operative fold during 1954-55. Needless to say that this target, if achieved, will lay the foundations well and truly for the prosperity of the handloom weaver and his industry in future."

Expressing a more or less similar view, Mr. Krishnamachari said that we would be on the right lines in canalising expenditure for the development of the handloom industry through the medium of co-operative societies. In this connection, he alluded to the fact that, as many as 762,000 looms (out of the estimated 2·1 million looms in existence) were in the co-operative field; in some States such as Bihar, Madras, Andhra, Uttar Pradesh and Bombay, nearly half the number of looms was within the co-operative field.

Another important aspect which was stressed by both Mr. Swaminathan and Mr. Krishnamachari related to statistics in regard to the industry. Making a special appeal to the States for collecting correct data on the number of looms, etc., Mr. Swaminathan said:

"The Fact Finding Committee, appointed by the Government of India in 1941, estimated that there were a total of 2,193,262 looms in the country in 1940. According to reports we have had from State Governments, there were 2,893,271 looms in 1952. The Textile Enquiry Committee, appointed by the Government of India in December, 1952, conducted a scientific sample survey, as a result of which it has been concluded that there are about 2,100,000 looms in the country. It is essential for many purposes that we should have a correct appreciation of the size of the industry. Only then, for instance, will it be possible to visualise the volume of employment and unemployment in the country in this industry. Only then, for instance, again, will it be possible to estimate the repercussions of the introduction of improvements to the equipment of this industry. Only then, again, will it be possible to estimate and provide for the financial assistance necessary for marketing the product of the industry. It would not be right at this stage to anticipate the findings of the Textile Inquiry Committee. But, it is by no means unlikely that, in order to be able to obtain and maintain reliable figures of the magnitude of various problems of this industry, a system of registration of handlooms will be contemplated. I may recall that the Board has already offered some financial assistance to States with regard to the collection of statistics pertaining to the handloom industry. I would appeal to State Governments to take up in earnest and urgently the work of collection and compilation of statistics."

The Commerce and Industry Ministry called upon the Board to devise a system whereby some periodical checks over the number of handlooms in operation could be had. He was not in favour of allowing unlimited expansion in the handloom sector. In other words, he wanted registration and licensing of looms, providing, of course, for a certain amount of flexibility by which some allowance could be made for a certain percentage of new entrants every year.

Mr. Krishnamachari referred to the supply of yarn to the handlooms. Alluding to the suggestion, made in some circles, that the weaving operations in the mills should be curtailed if the handlooms are to be assured of adequate supplies of yarn, he categorically stated that it was not a practical proposition. The real remedy lay, according to him, in raising the supplies of free yarn by having more mills.

Reservation of Markets

Mr. Krishnamachari also opposed the plea for reserving markets for handlooms. To quote his own words: "I do not believe in reservation. As a permanent remedy, it will not help. I look at the problems of the handloom industry from the practical point of view. In some cases, reservation has resulted in more evil than good." He, however, justified the imposition of cess on mill-made cloth for the sake of developing the handloom sector on the ground that adjustment of burdens in the different sectors of the industry was a necessity.

Mr. Krishnamachari was optimistic that the handloom industry was now well set on the road to progress. This optimism was on the present high level of output accompanied by a marked rise in consumption. The total production of handloom cloth during 1954 is expected to be of the order of 1,500 million yards, as against about 1,200 million yards in the previous year. Whether such an upward trend in output will be maintained in the coming months will depend on the extent of financial assistance rendered by the All-India Handloom Board. Incidentally, it may be noted that the Government of India is expected to make available a sum of Rs. 5 crores to the handloom industry during 1954-55. With the balance left over from 1953-54, the total assistance available to the industry during the current financial year will be of the order of Rs. 6 to Rs. 7 crores. Certainly, this is no small sum. If the assistance is used well and prudently, it can, as Mr. Swaminathan rightly pointed out, "do a great deal to put the handloom industry on a satisfactory footing of lasting and long-term prosperity."

According to the U.S. Foreign Agricultural Service, world sheep numbers in 1953 reached a new figure of 841 million head. This represents an increase of 13 million head over the previous year. The important sheep producing areas, which showed increases in 1953, were Australia, Argentina, India, the Union of South Africa and New Zealand, with some gains being registered also in Uruguay and the United Kingdom.

EXPORTS OF INDIAN COTTON TEXTILES

DOWNWARD TREND AGAIN VISIBLE

A FULL month has elapsed since the assurance that the Central Government would take all possible steps to maintain and possibly improve India's competitive position in world cotton textile markets was given by Mr. H. V. R. Iyengar, Secretary to the Commerce and Industry Ministry, at the meeting of the Export Advisory Council. Both the textile industry and the trade have been eagerly awaiting the official announcement. This is only natural, considering the setback which exports of piecegoods have once again experienced in the past few weeks. The quantity of cloth shipped during the second fortnight of May, 1954, for instance, was distinctly lower at 34·2 million yards, as against 40·5 million yards in the previous fortnight. The exports for the whole month thus come to 74·7 million yards. These no doubt compare favourably with the exports of 69·4 million yards in April, 1954. But the exports in May were less than what they were in any of the first three months of the year.

The following table gives the cloth exports during the first five months of the year as compared with those in the corresponding months of the year 1953:

(In million yards)

	1953	1954
January	43·4	81·0
February	38·6	82·8
March	53·9	78·9
April	63·6	69·4
May	64·5	74·7
Total	264·0	386·8

It will be seen from the foregoing figures that exports of cloth during the five months ended May, 1954, amounted to 386·8 million yards. On this basis, the total exports for the whole calendar year may be estimated at 928 million yards, which fall short of the Buxton target of 1,000 million yards. Even this estimate is considered by some as an exaggerated one. In their opinion, exports of cloth in the coming months will not average more than 50 to 60 million yards per month. If this view were to prove correct, it would mean that India would once again lose a part of its overseas market. Already, Japan is offering stiff competition to India in some of the countries which have, in recent years, been a good market for India's cotton piecegoods. This is indicated by the shipments of considerable quantities of cloth from Japan to countries such as Indonesia, Pakistan and Siam. During the first two months of the current calendar year alone, Japan exported to Indonesia as much as 69 million yards of cloth, while India exported hardly 17 million yards during the four months ended April, 1954. Similarly, shipments to Pakistan and Siam during the same period were large, being 24·99 million yards and 24·51 million yards, respectively, while India was not able to export to these countries during the four-month period more than 7·48 million yards and 2·20 million yards. The following table indicates shipments of cloth from India, Japan and the U.K:

(In million yards)

Destination	Exports from India (4 months ended 30-4-1954)	Exports from U.K. (2 months ended 28-2-1954)	Exports from Japan (2 months ended 28-2-1954)
Aden	..	..	..
Afghanistan	29·37	0·51	4·42
Australia	6·94	..	0·52
British East Africa	20·94	19·10	6·07
British West Africa	26·60	5·80	..
British West Indies	23·41	20·57	1·06
Belgian Congo	1·60	1·26	0·06
Burma	0·16	1·87	8·25
Canada	15·11	2·09	6·89
Ceylon	8·95	2·12	0·22
Denmark	8·12	1·78	1·76
Eire	0·72	1·89	0·07
Eritrea	0·08	..	0·02
Ethiopia	3·16	..	0·03
Hong Kong	10·95	..	0·06
Indonesia	7·86	1·03	1·06
Iran	17·83	0·65	3·92
Iraq	1·37	0·99	69·25
Malaya	4·39	0·91	4·18
New Zealand	16·14	2·24	2·85
Norway	2·54	0·14	8·15
Pakistan	..	0·03	..
Persian Gulf	7·48	2·03	0·07
Peru	11·78	1·21	24·99
Philippines	..	..	0·97
Rhodesia	..	0·21	1·23
Saudi Arabia	5·91	..	2·46
Siam	6·59	4·90	..
Sudan	2·20	0·24	0·21
U.K.	22·94	..	24·51
U.S.A.	25·86	1·18	..
Other Commonwealth countries ..	0·11	..	1·49
Other Foreign countries	0·24	1·93	4·89
	0·66	0·84	0·03
Total	300·17	113·98	206·17

The foregoing account serves to emphasise the need for removing some of the impediments in the way of export trade, such as the with-

(Continued on page 1211)

DEARTH OF NEW BUSINESS FOR LANCASHIRE MILLS

CLOTH OUTPUT MOVES UP DESPITE LABOUR SHORTAGE

(By A Special Correspondent)

MANCHESTER, *8th June*

THE Whitsuntide holiday is regarded as an extra vacation for most of those who work in the textile industry in Manchester. Many of the mill towns continue producing yarn and cloth with only a limited break but the distributing centre usually works only a short week.

MANCHESTER LETTER

Trade in cotton and rayon goods in Lancashire over the past few weeks has slackened and although most producers still have reasonably long order books there has been a dearth of new business. Part of the resistance shown by buyers has been attributed to doubts over the future trend of raw cotton prices but there has also been considerable objection to the long time taken for the completion of contracts. Prospective customers have been disinclined to accept delivery terms, extending not only to the end of the year but in some cases into 1955.

In conclusion there has been a sharp decline in the amount of fresh operations under consideration. The mills, however, are still busy turning out as much yarn and cloth as they can, subject to the restrictions of labour shortages. Export sales have been particularly quiet and not more than very scattered transactions have been mentioned.

Home trade business now amounts to between 75 and 80 per cent. of production in Lancashire and in this branch too conditions have been relatively quiet for some little time past. Most of the big wholesalers have stocked up and although pressure is still being exerted on the mills to expedite deliveries, there has not been the same keenness to follow on existing contracts.

Pakistan Delegation

Considerable interest has been taken in Lancashire in the news that a cotton delegation from Pakistan is arriving in Britain later in the month to start negotiations with their opposite numbers in this country. The visit had been anticipated some time ago and an agenda has been drawn up by the Lancashire members of the committee responsible for fostering better trade relations with Pakistan.

Meetings between the delegation and British textile trade leaders are expected to have a two-way purpose. On the one hand, Lancashire wants to sell more cotton goods to Pakistan, while it is felt that a wider use of Pakistan cotton in this country's mills would be of benefit to both nations.

Labour Losses

Since the Cotton Working Party, as far back as 1946, made an estimate of the likely labour force available for cotton spinning and weaving mills in Lancashire, it has not been the practice to guess the future manpower for fear that the forecast would prove equally incorrect. It was then stated that the mills could look forward to a maximum of about 250,000. By the end of 1951 the available operatives had reached more than 320,000, but the recession which followed reduced the workers by some 60,000.

The long struggle back has enabled about 30,000 workpeople to be regained for spinning and weaving, but the current total at around 290,000 seems to have stabilised itself for the time being at least. It is being generally accepted in the industry that this is very near the probable maximum unless some unexpected events take place.

Despite the number of workers being substantially below those employed in the mills at the peak of the post-war boom, the quantity of yarn and cloth being produced still continues to rise. Cotton and rayon fabric woven in the first quarter of this year, for example, was slightly higher even than in 1951, but this has, to some extent, been explained by the fact that the number of working days this year was in excess of those three years ago. All the same, the tendency is for better output for operative to be achieved, bearing in mind the reduced labour force.

There is no doubt that many firms producing cotton and rayon goods are now far better equipped than they were even a few years ago. In addition, respacing has been adopted particularly in the weaving section and although this has reduced the amount of machinery actually in place in the mills, productivity has been improved by this action. Redeployment schemes are being widely adopted although they are still not as frequently used as certain interests would like.

In view of the continued labour shortage, most managements have now made up their minds that it is only along these lines that better output can be achieved. The influx of school-leavers is reasonably satisfactory, representing rather more than 15 per cent. of the available number in the area, but the textile industries are always hampered by an ageing labour force and the fact that so many women are employed which involves a greater degree of wastage than in other trades.

Price Schemes

Price-fixing schemes in the British cotton textile industry—spotlighted by the recent Monopolies Commission criticisms of such agreements in the calico printing industry—have been defended by two leading cotton trade unions, the Operative Weavers' Amalgamation and the Operative Spinners' Amalgamation.

In a statement to branches, the Weavers' Amalgamation explains that it has thought it necessary to define its attitude as a result of the Calico Printing Industry Report and the probable repercussions on the cotton industry "in the event of that industry being referred for the consideration of the Monopolies Commission."

"We would prefer that a form of fixing minimum prices should remain, but that the Government should assume responsibility for examining and reviewing any minimum prices suggested, on the basis of a reasonable profit by efficient firms, having regard to the capital and other needs of the industry," the statement declared.

There was room for some form of price-fixing mechanism within the textile industry provided such prices were subject to some outside authority, such as the Board of Trade, and that provision was made for a more rapid change in prices when a situation arose which appeared to demand it.

Commenting that the minimum price arrangements in the cotton spinning industry were similar in principle to those operating in the calico printing industry, the Weavers' Amalgamation statement went on: "It should not be accepted that all forms of minimum price arrangements are evil. Such arrangements can hold protective value for operatives as well as employers."

Severe price competition in times of slump might cause firms to abandon quality standards and cut prices below cost. "Past experience has shown that when such circumstances faced the cotton industry in the inter-war years internecine and suicidal competition seriously weakened the industry and caused great suffering, particularly amongst the operatives."

The main criticism of the yarn spinning price agreement was that minimum rates were fixed too high and that the rigid price structure could not meet sudden market changes. "Reductions in Lancashire's yarn prices have generally lagged behind world reductions in yarn prices. In order to capture new markets and retain old, a greater degree of flexibility in pricing is needed in day-to-day trading," the statement added.

Spinners' View

In a report to the 20,000 members of the Operative Spinners' Amalgamation, Mr. Charles Schofield, the General Secretary, also stressed the difficulties and hardships which resulted from indiscriminate price slashing during trade slumps in the past. The periods of depression were prolonged because of the price cutting and many firms were forced to sell yarn at any price they could get, many quotations being well below the cost of production.

"This chaotic selling proceeded until there was nothing more to sell and these firms, drained of all their resources, went out of existence," declared Mr. Schofield.

The experience of the spinning section of the cotton industry was not such as could be repeated. Subject to regular scrutiny by disinterested persons on behalf of, for example, the Board of Trade, the union felt that the price agreement in the spinning industry should not be interfered with.—*All Rights Reserved.*

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WORLD EXPORTS OF COTTON DURING FIRST HALF OF CURRENT SEASON

SOME SIGNIFICANT CHANGES

WORLD trade in cotton in the current season must be studied in the light of the larger supply of this commodity that is available for consumers. Thus, the free world supply in the current (1953-54) season is placed at 45.1 million bales of 478 lbs. each, as against 42.1 million bales in the previous season. This increase is due principally to the improvement in supply in the U.S. placed at 21.9 million bales, as against 18.0 million bales in the 1952-53 season. Although the figures relating to exports of cotton from all the exporting countries in the world are not available, the figures relating to the countries which account for 80 to 90 per cent. of the world trade have now been made available by the International Cotton Advisory Committee, Washington.

Cotton Exports

From a study of cotton exports of these countries in the first half of the current season, it is seen that the total exports were 200,000 bales higher than during the corresponding period in 1952-53. The following table gives the exports of cotton in 1951-52, 1952-53, and exports from the chief exporting countries in the first half of 1952-53 and of 1953-54:

(In 000 bales)

Exporting country	1951-52	1952-53	August-January	
			1952-53	1953-54
U.S.	5,519	3,048	1,738	1,525
Brazil	350	153	30	630
Mexico	975	988	615	670
Pakistan	906	1,270	525	466
Turkey	260	433	205	203
Egypt	915	1,725	852	644
Sudan	309	268	77	229
Peru	347	371	178	198
India	124	290	160	51
Others	1,318	1,995	..	..
Total	11,110	10,556	4,405*	4,606*

* Total of nine months.

Commenting on the table above, the Committee observes that there are "significant" changes in the distribution of exports by the country of origin. Exports from the U.S. over this period were lower by more than 200,000 bales, as compared with 1952-53, whereas total exports from other countries were roughly half a million bales higher. The Committee has also referred to the "important" variations which have taken place in the exports of the non-dollar group of countries. Since cotton prices in Brazil were made competitive with other growths, foreign demand has been greatly stimulated and till the end of January, 1954, the country had exported 630,000 bales, as compared with almost a negligible volume of exports in the corresponding period in 1952-53. Exports from Sudan have also been in very much greater volume. In Mexico, Turkey, and Peru, cotton exports have been generally at last season's level.

Availability of Cotton

Egypt, India and Pakistan show a significant decline which is in part a reflection of a lower export availability this season. But, if exports in August 1952, and August, 1953—the former month was an exceptional month of heavy exports—were excluded, the rate of exports in this season would, however, show a 10 per cent. increase in volume than in the last season. Referring to Pakistan, the Committee observes that export availabilities in that country have been reduced as a result of decreased production and a marked increase in domestic consumption. A feature of the world trade in cotton, according to the Committee, is the re-entry of the U.S.S.R. as a cotton exporter. Exports from Russia are, however, small, being believed to be of the order of 150,000 bales during the first half of 1953-54.

The export situation in the second half of the current season, it is stated, is likely to differ somewhat from the first half. This may be due to changes in price relationship. Thus, it is pointed out that active demand for and limited availability of cotton in some non-dollar markets have altered the price relationship between dollar and non-dollar cotton in favour of the former. And, since January, 1954, there have been indications, according to the Committee, that the U.S. may claim a larger share of the world trade than earlier in the season. Official sources predict that U.S. exports of cotton in the current season may be well above the 3 million bales exported in the 1952-53 season.

Since export of cotton from the U.S. will materially influence the world trends in cotton, it is necessary to examine the grounds on which the optimistic estimates of U.S. export trade are based. The Committee cites many factors in support of the view that exports of cotton from the U.S. this season are likely to be larger than in the last season. It regards as the "foremost" among these factors the large volume of cotton that will move under the funds allotted to the Foreign Operations Administration (F.O.A.). Total authorisations for cotton purchases already are close to $200 million which, at current prices, could finance over one million bales of cotton. It is believed that substantial funds are still available in recipient countries for future cotton purchases out of this season's crop. Also, allocations for cotton purchases against payment in local currencies have been made under the Mutual Security Act. Germany ($3 million), Finland ($2 million), Spain ($4 million), Yugoslavia ($3.2 million) and France ($12 million) are the countries which have received allocations for the import of cotton.

Dollar Import Restrictions

Another development, which is cited as conducive to larger exports of cotton by the U.S., is the liberalisation of restrictions on dollar imports in a number of countries. Thus, Germany has liberalised its dollar import restrictions and there is a possibility that Japan will increase its purchases of dollar cotton. Also, trade missions have been sent by the U.S. to Asia, Africa and Europe in order to expand export trade in agricultural commodities, including cotton. Referring to the role of the Commodity Credit Corporation in the marketing of U.S. cotton, the Committee says:

"Sales of Commodity Credit Corporation inventory cotton which were suspended in November, 1952, were resumed on 12th April. This decision applied only to some 235,000 bales which consisted mainly of 1951 crop pooled cotton. By 'pooled' is meant that the Government has taken full control of this cotton but producers still have rights to any profit that might be made from its sale. Sales can be made at prices not less than the higher of the market price or 105 per cent. of the current support price plus 'reasonable carrying charges,' these charges being set in a schedule and ranging from 60 points per pound for cotton sold in the month of October to 195 points for cotton sold in the month of July.

"The bulk of the C.C.C's cotton is, of course, still owned by farmers, but held as collateral for loans. On 1st August, 1954, the C.C.C. will purchase all unredeemed cotton from the 1952-53 crop, at present about 1.7 million bales, at market price or the loan price plus carrying charges, whichever is higher. If past sales policy is followed, this cotton will be sold on the same basis as the 1951-52 cotton but no decision has been made as yet.

"In the meantime, loan operations on the 1953-54 crop closed on 30th April with loans made on approximately 7.0 million bales of cotton but with redemptions through 23rd April totalling 867,920 bales. If the precedent of last year is followed, this cotton will be allowed to remain in the ownership of farmers through 1954-55 and thus will be available for sale only at the original loan rate of 32.70 cents (Middling 15/16 inch) per pound plus carrying charges at about 20 points per month for the period in the loan plus a payment to farmers for selling their equity."

As regards exports of cotton from non-dollar countries, over the remainder of the current season, the position, it is stated, will be affected in many cases by reduced availabilities. In Mexico, for example, very little cotton now remains unsold. Brazil too does not possess large stocks for export. Sales to domestic and foreign consumers out of Government and bank-owned stocks are reported to be 1.5 million bales. It is estimated that excluding the 1954 crop only some 300,000 bales of cotton are now available for export. Exports from Pakistan will, as already stated, decline somewhat from the total of 1.27 million bales shipped in 1952-53. So far, Turkey's exports have been at approximately last season's level. Heavy exports from Egypt this season are the result of increased trade with Western Europe and Japan. Uganda, Sudan and Peru are experiencing little difficulty in finding markets for their cotton. From this analysis, it should be clear that the total export trade in cotton for the whole of the current season will be materially influenced by the trend in U.S. exports of cotton.

U.S. AND LIVERPOOL COTTON EXCHANGE

The reopening of the Liverpool Cotton Exchange, which took place last month, was greeted in the U.S. as a triumph for free enterprise. The President of the New York Cotton Exchange, Mr. Bernard J. Conlin, whose address at Liverpool, on this occasion, is now available in this country, stressed that it was "most appropriate and factual" to refer to the Liverpool Association as "our sister Exchange." He stated that the history of this relationship dated back to the earliest beginnings of cotton trading. Over the years, the system of cotton marketing, he pointed out, has been improved and refined. He added: "All of us have been able through the facilities of the futures market to employ capital freely on a sound basis; and similarly to move cotton from the producer, to the merchant, to the manufacturer, so that all could proceed with foresight, skill and knowledge in this most vital business process of our economic life." Referring to the difficulties involved in the resumption of forward trading and to the factors prominent in the raw cotton picture today, Mr. Conlin said:

"Now, of course, there will be difficulties as you resume futures trading. We in New York are well aware of the difficulties attendant upon resumption of trading after suspension. 'We have had it,' our latest experience being in 1951. At that time our Government issued an overnight and unexpected price regulation order. What followed, suffice it to say, was that we were obliged to suspend all trading for a period of some six weeks. Meanwhile, the wheels of the cotton industry came very close to grinding to a standstill. Six weeks, of course, does not compare with your suspension of trading for 13 years. But I can assure you that we know of your situation because we have experienced it. To my mind many difficulties are foreseeable; but some unexpected ones are created when free trading in free markets by free people comes to a halt and is then resumed.

"It would seem appropriate at this time to refer to a number of factors prominent in the raw cotton picture throughout the world today. Some of these did not exist at the time trading in cotton futures was suspended in Liverpool in the early days of World War II. On the other hand, some that did exist have in many ways become accentuated since then. Number 1. Cotton production outside of the U.S. has sharply increased and cotton is now grown in about eighty subdivisions in the world. Number 2. A factor of great importance, now existing, is the large increase of synthetic and other man-made fibres. And thirdly, the continuation of the price support programme in the United States and its impact on all phases of the cotton industry. In this matter of price support, you are undoubtedly aware that it is the aim of the present administration in Washington to restore to private endeavour many functions heretofore assumed by the Government; and to eliminate rigid or unduly high governmental price supports. You will note that I say, 'it is the aim.' Here's hoping."

A similar note of enthusiastic welcome to the Liverpool futures market was struck by Mr. Herman S. Kohlmeyer, President, New Orleans Cotton Exchange, who, in an article contributed to the well-known U.S. cotton newspaper, *The Cotton Trade Journal*, said:

"For the first time in 13 years, quotations from the historically great futures market at Liverpool are being displayed on the main board of the New Orleans Cotton Exchange. The huge ledger on which these quotations are posted for permanent, public record once again lists—side by side with the markets of New Orleans, New York and Chicago—that of our sister Exchange in Great Britain. Seeing these figures, in spaces blank since the outbreak of World War II, encourages the belief that world markets are indeed reopening, and that private enterprise can again flourish. Moreover, this inspiring sight is coupled with satisfaction of a more material nature—for in just the few days since the reopening of the Liverpool Exchange, direct benefit has been felt on our Exchange, in arbitrage orders between New Orleans and Liverpool.

"They at Liverpool, have many problems in front of them as we, in New Orleans, have many in front of us. Free enterprise, the free flow and exchange of commodities between different countries, is again advancing—it is not yet a *fait accompli*. Each of us must solve our own problems—and each solution or lack of solution will have an effect on the other."

EXPORTS OF U.S. COTTON

Exports of U.S. cotton, during the period beginning from 1st August, 1953, upto 3rd June, 1954, aggregated 3,289,095 bales as compared with 2,733,865 bales during the same period a year ago. An optimistic view about the export possibilities for cotton is taken by many cotton men in the U.S. Thus, Mr. Read P. Dunn, the Director of Foreign Trade of the National Cotton Council, who attended the recent meeting of the International Federation of Cotton Spinners' and Manufacturers' Associations, at Buxton, is reported to have said that the "high level of textile activity and the reduced availability of foreign cotton indicate that the total demand for the U.S. cotton in Europe next year will be considerably higher than this year."

The U.S. Secretary of Agriculture, Mr. Ezra Benson, announced, in an official statement, made on 11th June, that the U.S. had not placed an export subsidy on American cotton this crop year and that it would not do so in the next crop year.

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FIXATION OF SUGARCANE PRICES

CANE GROWERS IN SOUTH INDIA URGE ADOPTION OF DEFINITE POLICY

AS briefly reported in these columns last week, a two-day tripartite conference of U.P. sugarcane growers, U.P. sugar industry and the Government will commence at Naini Tal on the 26th inst., to consider the question of a share of the excess profits made by sugar factories in Uttar Pradesh for the cane growers. The conference is expected to be presided over by the Union Food and Agriculture Minister, Mr. Rafi Ahmed Kidwai. The deliberations of the conference and the final decisions taken thereat are bound to be watched with considerable interest by all those directly connected with the sugar industry throughout the country, not to speak of the consumer. For whatever decisions that are taken at this conference will undoubtedly form the basis for the Government of India's policy of fixing sugarcane prices. It would be appropriate, therefore, to refer, in this connection, to some of the points raised by the South Indian Sugarcane Growers' Association, in the course of a memorandum personally submitted to Mr. Kidwai at Ootacamund on Monday last week.

The Association urged the Minister to adopt a definite policy with regard to the fixation of prices for sugarcane supplied to the mills and reiterated the following two suggestions:

(1) A minimum price should be fixed for cane payable by the factory against delivery for a period of at least three years in advance of the planting season, based on the average cost of production of cane plus a reasonable margin of profit.

(2) The Government should evolve a method by which a sugar factory will pay a reasonable portion of the additional profit realised by it by the sale of sugar during the season for cane, thus enabling the cane growers to get not less than two-thirds of the sugar price.

The implementation of the aforesaid suggestions, the Association argued, would "instil a sense of security in the minds of the sugarcane grower and induce him to increase the production." The anxiety on the part of the Association to better the lot of the cane growers is clearly exaggerated. Even the very basis on which the two suggestions have been made is defective. Take, for instance, the plea for fixing a minimum price for cane for a period of at least three years. Such a policy will, by guaranteeing a certain price to the cane growers, leave the factories at the mercy of the growers. For the factories will have to pay a stipulated price for whatever quality cane is supplied to them. Surely, this will take away all incentives on the part of the cane growers to cultivate quality cane at an economic price, since they are assured of a definite price for a number of years. Moreover, how can the price of cane, the raw material, be fixed for three or more years, leaving the price of sugar, the finished product, to be determined by the law of supply and demand? Do the cane growers want the Government to protect the sugar producers also against losses by assuring a reasonable price? If the answer is in the negative, then the growers cannot certainly ask for a controlled (minimum) price for their product. After all, it must be remembered that, if the sugar industry is prosperous, demand for sugarcane will be at a high level, which means that the growers will get a fair return.

Similarly, there is no justification whatever in the cane-growers' demand for a share in the sugar industry's profit. As this question has been discussed ere now by this journal, it is not proposed to refer to it again. There is, however, one aspect of the suggestion which needs reference, namely, the plea for securing to the cane growers two-thirds of the selling price of sugar. In support of this plea, the Association observes:

"The S.I.S.M.A. (South Indian Sugar Mills Association), of which Messrs. Parry & Co., Ltd., is a member, had paid for 1952-53 an additional sum over and above the minimum price fixed by Government based on an agreement between the growers' representatives and the S.I.S.M.A. representatives. Although the growers' representatives and Parry's representatives could not reach an agreement on any formula, the latter proposed to make an additional payment for the current season also, based on the S.I.S.M.A. formula, as in the previous season. The S.I.S.M.A. is also keen that its formula should be made applicable throughout India and the Association learns that this is under the consideration of Government. The salient feature of the S.I.S.M.A formula is the payment for cane on the average recovery and the average selling price of sugar during the season on a sliding scale. This involves considerable difficulties for the cane grower who has no means of finding out, or testing the correctness of the average recovery or the average selling price. He is not taken into confidence by the factory with reference to these factors.

"Though this Association does not believe in the accusation that the factories are adopting methods by which the share of the grower is considerably reduced, it desires to state that there is vast scope for manipulation by the factories. The sliding scale of percentage is not acceptable to the growers, as it would leave very little or nil for them at certain levels of sugar price, though, at certain other levels, it would be advantageous. Therefore, the Association insists on two-thirds of the average selling price at all levels. If the S.I.S.M.A. formula is to be made acceptable, the Government should devise methods by which it can prevent any fraud being committed in calculating the average recovery and the average selling price during the season and secure two-thirds at the selling price. If it cannot be secured at all levels, the Association requests that the percentage fixed for different levels may be raised.

"The manufacturing cost allowed to the industry is too high and does not take into account the value of the by-products manufactured. The Government should, therefore, take into consideration the cost of production as fixed by the Tariff Board at Rs. 161 or so per ton in fixing the prices of cane and sugar. If this is done, the grower will get a reasonable return for his cane."

If the above suggestion of the South Indian Sugarcane Growers' Association were to be accepted, it would mean accepting the cane-growers as the major partner of the sugar industry, a partner who would be entitled to a profit whether the industry makes a profit or not and who would on no account share the loss. This fantastic demand shows to what extent the favouritism extended to cane-growers has emboldened them to ask for more favours. There is no reason why sugarcane producers alone should receive such favoured treatment when producers of other crops and the major part of consumers are not assured of even a minimum living wage.

(Concluded from next column)

and not for large-scale industries. Is the Bombay Government, therefore, justified in foisting the Co-operative Movement on the sugar industry? Secondly, by taking a part of the share capital in the proposed co-operative societies, the State Government is entering a field of activity which is not meant for State activity under either the Five-year Plan or the Government of India's statement of industrial policy. Thirdly, much has been made of the solitary co-operative sugar factory in the State. The claim that it has been a great success is open to question and must be carefully checked up by an impartial enquiry. Before accepting the Bombay Government's suggestion, the Centre must conduct, through an impartial body of research workers, a critical study of the working of this factory and compare its efficiency, its contribution to the well-being of the society at least in the area in which the factory is situated, and the taxes paid by it to the State with a factory run on joint-stock lines. One of the reasons for the high cost of sugar in India is the uneconomic and unscientific production of sugarcane in small peasant holdings. Care must be taken to ensure that to this defect is not added another by encouraging manufacture of sugar on units of uneconomic size on the ground of supporting the Co-operative Movement.

The anxiety of the Bombay Government not to disturb the status of the peasants growing sugarcane in the areas mentioned by it is quite understandable. But their status can be preserved by forming co-operatives of sugarcane producers and leaving the establishment of sugar factories to joint-stock companies. The sugarcane grown in a factory area should be earmarked for that factory and be supplied to it through the co-operatives. This will facilitate marketing of cane. Through mutual co-operation between the factory and the cane-growers' co-operative societies, the farmers can be enabled to grow better varieties of cane and to increase the yield per acre. In order to ensure that cane-growers get a share in the profits of the factory, a part of the latter's share capital may be earmarked for them. If necessary, they may even be given certain facilities for becoming shareholders in the company owning the factory without much strain on their finances. This arrangement will serve the country's interests far more effectively than establishing co-operative societies, inasmuch as it will lead to more efficient production of sugar and economic utilisation of land.

CO-OPERATION IN SUGAR MAKING

WILL IT BE A SUCCESS?

THE Government of Bombay has decided to promote 12 sugar factories on a co-operative basis by giving special support by way of contribution to the share capital. This decision is a sequel to the rapid survey of the sugarcane producing areas in the State recently undertaken by it, with a view to enabling "a systematic utilisation of the sugarcane areas in the State and facilitating submission of applications by the interested parties for licences for establishing new sugar factories and their examination by the Government." The result of the survey, says the Government, has shown that it should be possible to set up economic-sized units for the manufacture of sugar in 12 areas. The co-operative societies or bodies or sponsors who are willing to form co-operative societies for the establishment of sugar factories have been asked to apply for permission and assistance before 15th July, 1954.

In this connection, two conditions have been laid down. First, the members of the co-operative societies will have to raise a minimum share capital of Rs. 10 lakhs for the purpose. Secondly, they must be in a position to secure the sugarcane grown in the area where the factory will be set up.

The Bombay Government's decision to participate directly in the promotion of sugar factories on a co-operative basis by offering to participate in capital runs counter to the very principles of the Co-operative Movement. As a rule, co-operators should not associate themselves in an act of production as members. Emphasising this aspect forcibly in its report on small industries in India—editorial comment on the report was made in our last week's issue—the International Planning Team has stated that co-operatives must be organised and developed by those who are to be served. In fact, the Team has recommended the withdrawal of the State from co-operatives. In spite of this well-known elementary principle of co-operation, it is regrettable that the Bombay Government should have come out with a proposal to have a direct financial stake in the setting up of co-operative sugar mills.

If the Government is really anxious to augment output of sugar, it can do so in so many other ways. As readers are aware, the Government itself has been greatly responsible for the series of impediments that are standing in the way of larger sugar production by private enterprise. In fact, it has all along been treating the sugar industry as its milch cow. How else can one explain the Government's policies with regard to supply of water to sugar factories, rents on lands leased to factories for growing cane, disposal of molasses, etc., and its anxiety to net in as much revenue as possible by way of cane cess, electricity and water charges, and other taxes?

The Bombay Government's decision is tantamount to giving statutory protection for the Co-operative Movement against private enterprise. Such a policy would have been welcomed if private enterprise had not at all been in a position to deliver the goods to the community. The sugar industry in the Bombay State is certainly in a position to maintain a high level of sugar output, provided the Government removes the restrictions placed on it and reduces the heavy tax imposts. The mere fact that the Government has found it necessary to give special support to co-operative sugar factories by offering to contribute a part of the share capital is itself an indication that the Co-operative Movement will not be in a position to raise sufficient capital for investment in sugar factories.

To sum up, it is very doubtful whether the establishment of sugar factories on a co-operative basis even with the backing of the State Government will be a success. Making of white sugar is a large-scale industrial process and not a cottage industry business. It requires considerable managerial efficiency and organising ability which will not be readily available to the Co-operative Movement. The cost of sugar-making will, therefore, be very high and the consumer will have to pay dearly. One would like to know, in this connection, as to what is the Bombay Government's conception of an economic unit. Until this vital information is available, it is not possible to say whether the Bombay Government's estimate of the scope being available for 12 factories is correct.

The application of the co-operative principle was meant only for cottage and small industries

(Continued in previous column)

WAGES OF COLLIERY LABOUR

I.N.T.U.C. MEMORANDUM ANALYSED

THE basic approach of the workers of coal mines to the issues relating to their wages has been explained by the Indian National Mine Workers' Federation (I.N.T.U.C.) in a memorandum to the All-India Industrial Tribunal (Colliery Disputes), which is now enquiring into this question. According to the Federation, the real wages have, since 1947, declined by 75 per cent., even if they are computed on the basis of the C.B. Award, which is itself alleged to be grossly defective. It has demanded the inclusion of dearness allowance and other concessions, bonus, etc., in the basic wages. While determining wages payable to workers, the Federation contends, "the question of cost should not come in the way of satisfying the minimum human requirements of a worker." Proceeding, it observes: "No civilised society has any right to live on, or to take advantage of, sweated labour. It is all the more so when it is a key industry like the coal industry and when its products are the cheapest in the world."

The Federation disputes the contention that "rising wages will lead to rising prices, especially when rising wages barely satisfy the minimum needs of workers. The wages of an industrial worker, it adds, should be such as would enable him to have not merely the means for bare subsistence of life, but also preserve his efficiency as a worker. It has also objected to the present system of making railway fare, leave with wages and quarterly bonus dependent on attendance. This system, it is stated, is unjust, inasmuch as it is in the nature of a "fine instead of an incentive for better attendance."

On the basis of these considerations and taking the standard of a worker's family as consisting of three consumption units, the Federation has calculated the minimum basic wage of an unskilled worker of the lowest category at Re. 1 per day and dearness allowance at 225 per cent. of basic wages. Besides, the worker should be given a minimum attendance bonus at the rate of As. 4 per day plus one-quarter seer of free rice, a quarterly bonus at the rate of one-third of his earnings inclusive of dearness allowance. Also, the cheap grain concessions and other privileges enjoyed by the worker now, the Federation says, should be continued.

Classification of Workers

The Federation has classified workers into two categories, namely, (1) manual workers and (2) staff. The manual workers are further sub-divided into two classes, namely, (1) time-rated workers inclusive of unskilled, semi-skilled, skilled and highly skilled workers and (2) piece-rated workers inclusive of miners, wagon-loaders, trolleymen and the like. The Federation has asked for a scale of wages ranging from 4 to 10 years in the case of manual workers and 10 to 20 years in the case of clerical staff. The demand for basic wages and grades is as follows:

For Time-rated Workers:

B(1) Unskilled 'A' Re. 1-0-0/0-1-0/1-4-0 (4 years)
(Daily) 'B' Re. 1-2-0/0-1-0/1-8-0 (4 years)
(2) Semi-skilled 'C' Re. 1-4-0/0-1-6/2-0-0 (8 years)
(Daily) 'D' Re. 1-8-0/0-2-0/2-8-0 (8 years)
'E' Rs. 2-0-0/0-2-0/3-0-0 (8 years)
(3) Skilled 'F' Rs. 75-5-125 (10 years)
(Monthly) 'G' Rs. 125-5-175 (10 years)
(4) Highly Skilled 'H' Rs. 150-10-250 (10 years)

N.B.—For work underground, the above basic rate should be increased by 12½ per cent.

For Piece-rated Workers:

(a) 100 per cent. increase in the present basic rate of miners, trammers, wagon-loaders and others;
(b) a minimum basic earning of Rs. 1-8 per day for cutting by pick and loading one 36 c.ft. tub and for trolleymen; and
(c) the minimum rate of Re. 1 per ton for loading a ton of coal into wagon.

For Clerical Staff:

A. Rs. 225-15-375
B. Rs. 110-10-210-15-285
C. Rs. 55-5-105-8-145-10-195

Similar scales have been demanded for other members of the staff.

This is not all; there are also other demands. They include, among others, (1) standardisation of wages, (2) supply of uniforms and footwear at 25 per cent. cost price or cash equivalent thereof, (3) 10 paid festival holidays, and (4) free quarters and, in its absence, payment of 10 per cent. of total emoluments with a minimum of Rs. 10 per month. It has further demanded equal pay for male and female workers for work of equal value done.

This, in brief, is the summary of the demands of the I.N.T.U.C. A dispassionate study of the demands discloses certain glaring defects. The most important of them is the demand for the determination of a minimum level of wages without reference to its bearing on the cost of the product. It is true that labour should be assured of a reasonable fair wage and that such a wage should take into consideration the social, and not merely the economic, aspect of human life. But these high principles are less applicable to predominantly backward countries than to industrially advanced countries, where the burden of millions of unemployed threatening national economic equilibrium is not in existence. The problem before the wage-fixing authorities in countries which are in the process of industrial and agricultural development is to improve the conditions of paid employment effectively, without prescribing excessively liberal conditions as to wage payments and wage levels that cannot be sustained because of the pressure of labour supply, the high cost of production and the like.

Burden

It may be true that each one of the demands of the Federation inflicts only a small burden, but the cumulative effect is crushing to a degree. The coal industry is not in a very prosperous condition. India has lost 40 per cent. of its export markets in coal owing to severe competition from China, Australia and South Africa. This has led to a glut of stocks which is far larger than can be absorbed by the present pace of industrialisation. The collieries are, in fact, paying rebate to dispose of their stocks. The coal industry is not in as affluent a condition as it was a few years ago, when there was a sellers' market for coal. The number of marginal collieries has been increasing. In these circumstances, to make heavy demands on their funds is "to kill the goose that lays the golden eggs."

The demand that bonus should not be linked to attendance is preposterous, as it will only help increase absenteeism from the mines. In fact, bonus should be linked not only to attendance but also to productivity. It is high time, therefore, that trade unions in the country revised their demands and took into consideration the effect of their demands on the healthy development of the industry, in particular, and the nation as a whole. It is needless to reiterate here that trade union leaders should not seek to win the support of the workers by holding promises that cannot be realised and, even if realised, cannot be sustained. Labour leaders will do well to put forward demands which could be met by the industry without serious detriment to its economic position and also improve the workers' efficiency. After all, it is not politics, but economics that should determine the character and quantum of demands.

SYNTHETIC PETROL

The Central Government's Advisory Committee on synthetic petrol, which concluded its two-day session at Srinagar (Kashmir) on the 3rd inst. under the chairmanship of Mr. K. D. Malavia, Deputy Minister for Natural Resources and Scientific Research, recommended to the Government the setting up of a synthetic oil plant in the country, as soon as possible. The Committee considered various processes involved in the production of synthetic petrol, the size, as well as the design of the plant, its location and the experts needed to work it.

Addressing a Press Conference immediately after the meeting, Mr. Malavia disclosed that the Committee had not yet considered the question of financial outlay for such a plant; it was, however, of the opinion that it should be reduced to the barest minimum. In any case, the plant would cost, according to the Deputy Minister, between Rs. 40 and Rs. 50 crores. As regards location, Mr. Malavia stated that the Committee had considered the claims of six places in Madras, West Bengal, Madhya Pradesh and Assam, but no final decision had yet been taken.

A pilot plant will, it is stated, be set up somewhere near Dhanbad. This plant will be of considerable help in starting the industry. The synthetic petrol scheme, when implemented, will reduce India's dependence on imported petrol. The country's needs today are over 3,000,000 tons of petrol, but it is producing only about 300,000 tons. It is true that prospecting is in progress in West Bengal, but it is too early to forecast the results.

Besides reducing India's dependence on imported petrol, the establishment of a synthetic petrol industry has two other distinct advantages. The industry will open up new and wide prospects of employment for a large number of Indian technicians and engineers. Secondly, it will facilitate development of petro-chemical industry. Fortunately, India has vast reserves of low-grade coal suitable for extracting petrol. The Committee will meet again on 12th July at New Delhi to consider the question of setting up of the synthetic petrol plant in India in all its details.

TRANSFERABLE COAL WASHERY

A new coal-preparation plant, first of its kind, has recently been put to work by Simon-Carves, Limited, at Gidlow, Wigan. The outstanding feature of the plant, which was jointly designed by Simon-Carves and the National Coal Board, is that it can if necessary be dismantled and re-erected on another site, so that its working life does not depend on continuing coal supplies in the area which it serves at present. To facilitate transfer from one site to another, the use of reinforced concrete is kept to a minimum. Steel construction is used throughout for buildings and structures, which are clad with "Cellactite" sheets on the sides and are roofed with asbestos; the slurry tank and flocculation tank are built up of riveted and bolted steel plates which can be readily dismantled.

The capital cost of this plant was substantially less than that of a plant of equal capacity and orthodox construction.

The plant treats 200 tons per hour of run-of-mine coal from a number of Lancashire pits. It incorporates a Baum wash box of modern design, classifying screens, and flocculation and filter plant for fines treatment. Cleaned coal is loaded out to rail or road vehicles in grades of 6 in. to 4 in., 4 in. to 2 in., 2 in. to 1 in., and 1 in to 0 in. Shale is conveyed to a bunker for loading out to road lorries or dumpers.

The State-owned coal mines in the U.K. produced less coal, but made more money last year, than they did in 1952. This is disclosed in the 1953 report of the National Coal Board which controls the mines. The mines produced 212,500,000 tons of coal, which was 1,800,000 tons less than in 1952. The Board reported a financial surplus of £353,647, as compared with a loss of £8,200,000 during 1952. The Board still has a deficit of £13,600,000 accumulated since the coal mines were transferred to public control by the Labour Government in 1947.

The U.K. Government has turned down a suggestion that a committee should be set up to investigate the price structure of coal in the U.K. with a view to readjusting the scale of prices in order to bring money value into closer relation to the efficiency value of the coal. It is of the opinion that such an investigating committee was unnecessary at the present time. For the National Coal Board's present pricing policy is said to be designed to secure a close relationship between price and quality, although there are other important factors in determining a price.

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RAISING OUTPUT OF COFFEE

CHAIRMAN OF THE COFFEE BOARD URGES COMPREHENSIVE POLICY

SEVERAL important resolutions relating to export allocation of coffee, promotion of coffee drinking in the country and institution of a research scheme in the sphere of coffee technology were adopted at the thirty-fourth meeting of the Indian Coffee Board, held in Bangalore on the 11th inst., under the chairmanship of Mr. H. Siddaveerappa, Minister for Industries, Mysore, and Chairman of the Board.

The Indian Coffee Board has, in the last thirteen years of its history, contributed much to resuscitating the coffee industry. Following the outbreak of World War II, the industry was almost in a state of collapse with the loss of the vast export market. Thanks to the stimulus of attractive prices and other incentives given by the Board, the industry is now restored to a position of comparative stability and confidence. The acreage under coffee has risen from 183.003 in 1939-40 to 240,038 in 1952-53. Production has also risen considerably from an average of 16,104 tons for the six years preceding 1939-40 to 22,443 tons for the six years preceding 1953-54. In the current season (1953-54) the output has exceeded the original estimates of the Board (27,500 tons); for it is now estimated at 29,000 tons, the highest so far recorded in India.

After recalling the valuable work done by the Board in encouraging coffee output in India, Mr. Siddaveerappa hoped that the present accent on production would give the necessary spurt for still higher production, for which there was considerable scope in this country. He was of the view, that, if the *Malnad* areas of South India, with their immense potentialities, were developed to their full extent, coffee production could perhaps double itself in a short time, thus contributing to the material prosperity of the country. It would also help solve the problem of unemployment in the country. He expressed the hope that the Plantation Enquiry Commission, which was due to start work soon, would, with the effective co-operation of the leaders of the industry, succeed in devising a comprehensive scheme for the development of the industry to its full stature. Indian coffee, he said, was a product of high quality which, besides having established a name for itself in world markets for several decades, had an expanding home market.

Although coffee production has increased, the internal price of coffee too has risen. Thus, it rose from Rs. 203 per cwt. for Plantation 'A' in 1948 to Rs. 251-11 in 1952. In fact, the average Pool auction price for this variety touched a record high of Rs. 325-15 per cwt. in September, 1952. Referring to this aspect, Mr. Siddaveerappa pointed out that coffee prices in the country had, since the time the high levels were touched, been brought down to reasonable levels, thanks to the "unrelenting" pressure, kept by the Board, on speculation. Thus, as against the average Pool auction price of Rs. 316-11 for Plantation 'A' in September, 1952, the price in December 1953 was Rs. 199-1. In the first quarter of 1954, it stood at Rs. 202-14. Coffee powder prices, which, in the latter half of 1952, had ranged between Rs. 3 and Rs. 3-12 per lb., have been now brought down to between Rs. 2-4 and Rs. 2-12 per lb. Among the measures adopted by the Board to keep down prices, Mr. Siddaveerappa mentioned the following: (1) holding of local auctions at important coffee consuming centres for the special benefit of small retail dealers and (2) the increased allotment of coffee to co-operative societies and the propaganda department for being directly retailed to the public at fixed fair prices.

These measures to bring down coffee prices during the past over a year, commendable as they are, have not brought any increase in consumption. On the other hand, there has been a significant fall in consumption from 18,383 tons in 1951 to 17,682 tons in 1952 and to 15,184 tons in 1953. Mr. Siddaveerappa hoped that with the more reasonable prices now prevailing in the Indian market, the consumption would not only reach its old level but would tend to go up still further. If the quantity of coffee released for internal consumption during the last five months, which Mr. Siddaveerappa said was over 9,000 tons, is any indication, the consumption in the current year would see a substantial increase, exceeding 20,000 tons. The Coffee Board Chairman added that the firm policy enunciated by the Union Government in the matter of exports, namely, that only the surplus coffee over and above full home requirements would be allowed to be exported, had the whole-hearted support of the Board, and that the policy was bound to keep internal prices within "reasonable limits." He seems to feel that the present prices are reasonable so far as the consumers are concerned. For, he said:

"I would like to take this opportunity to stress that coffee patrons in India have reason to be thankful to the Indian coffee industry, if they consider what the public in other important coffee consuming countries have to pay for their favourite beverage. In the U.S.A., the wholesale price of coffee comparable to our Plantation 'A' is around Rs. 500 per cwt. and the powder retail price close to Rs. 6 per pound."

From the foregoing account of the trend of production and consumption, it will be evident that even allowing for the estimated increase in home consumption, there will be still a safe gap between consumption and production, so that there is no fear of any large increase in coffee price.

The Coffee Board's revised estimate of production in the current (1953-54) season ending 30th June, 1954, is 29,000 tons, made up of 22,250 tons of arabica and 6,750 tons of robusta. Out of this crop 5,000 tons have already been sold for shipment. The pool stock as on 1st June was 20.175 tons and, allowing for an internal release of 1,750 tons per month for the next seven months, the Board has recommended an export allotment of 3,000 tons. It would appear that that quantity can be safely exported from the 1953-54 crop without affecting internal prices. The Board will, it is stated, consider the question of further exports in August next. It has placed the estimate for the coming (1954-55) season at 22,000 tons, made up of 12.500 tons arabica and 9.500 tons robusta.

The Board has decided to distribute, in respect of the 1952-53 crop delivered to the Pool, the balance of nearly Rs. 22 lakhs remaining after payment of Rs. 2-4 per point to the growers on the basis of the value of coffee delivered by them with reference to the existing price differential scale. This may increase the point value to a little over Rs. 2-5. In respect of the 1953-54 crop, the Board has declared a third payment to be made in June, bringing the total value of payments to Re. 1-5 per point, and a further payment of As. 4 per point to be made in July.

With a view to popularising coffee in North India, the Board has decided to appoint agencies to sell coffee powder in important North Indian towns. It has also been decided to arrange for preparing and serving coffee at the Coimbatore railway junction on a demonstration basis for a period of one month, so as to induce railway refreshment establishments to adopt the Board's standard method of brewing coffee. This is with a view to improving the quality of coffee served in railway stations; for, as Mr. Siddaveerappa pointed out, "a good cup of coffee is by far the best propaganda for coffee."

(*Concluded from next column*)

compared with that in the preceding two months, as also in the same month in 1953:

(In tons)

		May, 1954	April, 1954	March, 1954	As on May, 1953
Civil					
Hessian	.. ..	28,861	31,606	34,328	29,154
Sacking	.. ..	39,438	40,278	37,830	38,206
Others	.. ..	2,877	2,910	3,120	2,568
Total	..	71,176	74,787	75,278	69,928
Government					
Hessian	.. ..	124	17	11	2,530
Sacking	.. ..	24	184	284	86
Others	.. ..	9	1	13	..
Total	..	157	202	308	2,616
Grand total	..	71,333	74,989	75,586	72,544

Including the output of May, the total for the eleven months of the current season, namely, July-May, 1953-54, amounts to 790,677 tons, as compared with 821,251 tons in the same period of the previous season, namely, 1952-53. The total consumption of raw jute, based on this output, may be put at 4,585,923 bales, as compared with 4,763,255 bales in the corresponding period of 1952-53.

STOCKS WITH JUTE MILLS

POSITION IN MAY BETTER

THE downward trend in stocks of jute goods with the I.J.M.A. mills, which started early in the season 1953-54, persisted till the end of May, the latest month for which figures have been released by the I.J.M.A. Thus, the stocks, which stood at as high as 136,807 tons in July, 1953, gradually declined and touched a low of 86,478 tons in May this year or a fall of 37 per cent. Compared with stocks at the end of April, they show a fall of 4,900 tons. In May, 1953, that is, a year previously, the total stocks were at 138,800 tons. On the basis of average monthly production of 72,000 tons for the 11 months of the season, the stocks with the mills at the end of May constitute about five weeks' production, and the position, from the point of view of the mills, is statistically strong and comfortable.

An analysis of stocks according to the three different types of goods, namely, sackings, hessians and others, discloses that there has been a gradual reduction in sackings in each of the four months ended May, 1954. Thus, they amounted to 71,864 tons in February, 61,407 tons in March, 57,538 tons in April and 50,029 tons in May, 1954, the lowest touched since August, 1952. The decline during the month under review is rather sharp in that the stocks have been reduced by as much as 7,500 tons. This continued decline is all the more significant, because the output of sackings had maintained an upward trend from January to April, although it was slightly lower in May, as will be shown presently. In other words, mills were able to dispose of a larger quantity of sackings than what they manufactured during the period. This was possible largely because of the steady flow of orders from Australia and a few other countries.

Stocks of hessians, on the contrary, showed a marked rise in the period, January to May, 1954. Thus, they amounted to 21,356 tons in January, 21,994 tons in February, 29,588 tons in March, 32,292 tons in April and 34,846 tons in May, 1954. This rise in hessians, despite a fall in their monthly output since March, 1954, reflects the sluggishness in the offtake of hessians, especially by the U.S.

Accumulation of other types of goods with the mills is, however, better, in that the stocks at 1,603 tons in the month under review, are about 300 tons less than those at the end of March, 1954, although they are more or less the same as in the previous month, namely, April, 1954.

The table below gives the stock position of the various types of jute goods in each of the three months ended May, 1954, as also in May last year:

(In tons)

		As on 31st May, 1954	As on 30th April, 1954	As on 31st Mar., 1954	As on 31st May, 1953
Hessian	.. ..	24,454	31,995	29,298	46,792
Sacking	.. ..	49,730	57,250	60,697	86,864
Others	.. ..	1,602	1,618	1,905	1,924
	Total ..	85,786	90,890	91,900	1,35,580
Hessian	.. ..	322	297	290	947
Sacking	.. ..	390	236	710	2,262
Others	.. ..	1	8	15	..
	Total ..	692	536	1,015	3,209
	Grand Total ..	86,478	91,426	92,915	1,38,789

The output of jute manufactures in May, 1954, was 71,333 tons or about 3,600 tons less than in the preceding month. The fall reflects the lower output in all the three categories of goods. The output of hessians at 28,985 tons was lower by about 3,000 tons and represented the continuation of the downward trend which started in March, 1954. In regard to the output of sackings, the upward trend, which commenced in January onwards, received a check in the month under review. The production of sackings in January this year was 33,349 tons. After moving up slightly to 33,995 tons in the following month, the output rose sharply to 38,114 tons in March, 1954. The improvement persisted in April also when production amounted to 40,456 tons; a recession took place in May, when production declined to 39,462 tons.

On the basis of an output of 71,330 tons of jute manufactures, consumption of raw jute during May may be placed at 413,714 bales, as compared with 434,936 bales in the previous month.

The table below gives the output of the different categories of goods in May, 1954, as

(*Continued in previous column*)



Rangoon

The green and lush 'land of the pagodas' is still very much a land of tradition. Rangoon's dove-shaped 'sampans' have plied on the Irrawaddy for centuries. The people adhere to their age-old religion, culture and costumes — even play the ancient game of 'Chin Lon' with the utmost skill.

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NON-FERROUS METALS INDUSTRY IN INDIA

WIDE GAP BETWEEN OUTPUT AND INSTALLED CAPACITY

A NUMBER of problems facing the non-ferrous metals industry was subjected to a review by Mr. J. N. Bhan in the course of his presidential address to the annual general meeting of the Indian Non-ferrous Metals Manufacturers' Association, held in Calcutta last week. The chief problem is the surplus capacity in certain sectors of the industry. The production of non-ferrous metal in 1953, notwithstanding some gains made over that in 1952, in some cases, had been much below the installed capacity. The production of virgin lead was a little higher at 141.2 tons in 1953, as against 94.3 tons in 1952, and that of virgin aluminium at 313.2 tons, as against 297.2 tons. The output of virgin copper and antimony was, however, substantially lower; the former amounted to 410.0 tons, as against 506.6 tons, and the latter to 10.9 tons, as against 15.1 tons. A comparison with installed capacity discloses a big gap, except in the case of aluminium. It may be noted here that the installed capacity of lead is 500.0 tons, aluminium 333.3 tons, copper 600.0 tons and antimony 58.3 tons. So far as semi-manufactures are concerned, the output of bare copper conductors improved not only in terms of the previous year, but even over that of 1951. Brass and copper pipes and tubes also disclosed increased production but the total turnover was negligible. Among the semi-manufactures, which were able to improve over their performances in 1952, were brass and copper sheets, circles and strips, aluminium sheets, circles and strips, and lead sheets. In the case of aluminium conductors, there was not only a substantial improvement in output, but also an increase in installed capacity. The producers of aluminium are increasing their installed capacity and devoting their energies in building up a diversified and wider market for their products.

Causes for Lower Output

Thus, although the trend of output in certain cases was upward, it still lagged far below the installed capacity. What is this gap due to? According to Mr. J. N. Bhan, the important factors responsible for lower production are reduced demand, competition from ordnance factories, inadequate supplies of raw ore in the case of antimony and labour troubles. Apart from a prolonged strike that affected the production of copper substantially, go-slow tactics and indiscipline had been on the increase. The trade union leaders were unresponsive, despite the reasonable and sympathetic attitude of employers towards the wishes and aspirations of labour.

A drawback of the non-ferrous metals industry is its dependence on foreign countries for supplies of raw material. Consequently, its production is dependent on metal supplies from the world markets. Fortunately, a fair measure of stability has come to prevail in the metal markets of the world. While it would be rash to prophesy on the future course of metal prices, depending as they are on the political conditions of the world, as pointed out by Mr. Bhan, it is reasonable to expect, in the measurable future, the continuance of the present stability. Meanwhile, Mr. Bhan urged that efforts should be made to prospect and exploit occurrences of copper, lead, antimony and other minerals. It is gratifying to note that, shortly, the Government of India will carry out a comprehensive exploration of the mineral reserves in India.

Export Policy

Mr. Bhan expressed his thanks to the Ministry of Commerce and Industry for its policy in regard to import and export policies, which have been helpful. He said that, as the virgin metals were already on the O.G.L., it should be possible to import adequately the quantity of metals required. He disapproved of the recent removal of export of scrap from the O.G.L. and placing it on the licensing list. He characterised the import policy relating to semi-manufactures as "well conceived," as it had assured import of only such items for which indigenous manufacturing capacity was either non-existent or insufficient. He also expressed his approval of the export policy which provides for export of semi-manufactured products in excess of indigenous demand and of materials which cannot be reclaimed or recovered indigenously. Proceeding, he observed: "Apart from the advantage that this policy has of increasing production at home and encouraging the manufacturers to seek out new markets in adjacent countries, this is in line with the larger objective of building up a healthy metal market in India, for which the prime condition is the free inflow and outflow of metals to the best possible extent."

Speaking on the question of tariff protection, Mr. Bhan advocated higher import duties, with a view to sustaining indigenous production and employment; he also favoured a judicious application of import control itself as a means of protecting domestic industries, for he felt that for an underdeveloped country like India, where industries were mostly dependent on the home market, such would be a perfectly legitimate form of giving protection. He substantiated his plea by pointing out how, even in the U.S. which is a highly industrialised country and which is itself a supplier of metals to world markets, the Tariff Commission had recently recommended higher import duties to protect the domestic production of several non-ferrous metal industries.

Ordnance Factories

While the import and export policies have been of considerable assistance to the industry, some difficulties have arisen from the activities of the ordnance factories which have, in certain cases, entered into competition with the units of private industry. Regretting this state of affairs, the President suggested that ordnance factories, if they should at all produce for the civil market, should merely concentrate on items not manufactured by the private sector.

One more aspect which was referred to by Mr. Bhan was the Government's purchase policy. While undoubtedly the Government's officers are endeavouring today to obtain Governmental requirements as far as possible from local manufacturers, there are still occasions when the purchase branch of the Government procures its requirements from foreign countries because of lower quotations. The President suggested (1) that indigenous manufacturers should be called upon to explain their difficulties about quoting lower prices, before orders were cross-mandated abroad, and (2) that purchases should be made only from factories that were well equipped for the manufacture and testing of metals.

INTERNATIONAL TIN AGREEMENT

The future of the International Tin Agreement depends upon France's decision to ratify it. For, if the Agreement drawn up in December last at Geneva is to become effective, nine consuming countries holding together at least 333 votes and producer countries holding together at least 900 votes, out of the thousand votes allocated to each, should ratify the Agreement by the end of this month. Reports from London indicate that all producer countries, except Indonesia and Thailand, have already signed the Agreement or have indicated their intention to do so. The signature of Indonesia, which accounts for 21.5 per cent. of world output and which has 213 votes, is vital to the success of the scheme; its acceptance of the pact is, however, not seriously in doubt.

The problem is on the consumer side of the Agreement. Among the consumer countries, those which have already ratified the Agreement are India, the U.K., Belgium, and Netherlands. Canada has indicated that it would sign it. It is reported that Australia's signature will be appended shortly. This leaves three important European consumers, namely, France, Germany and Italy and a number of other smaller consumers yet to sign. The ratification of the Agreement by France, which controls 55 votes, is doubtful, as French consumers are not happy about the ceiling price of £880 per ton of tin written into the Agreement; they want this to be reduced to £800 per ton. There is also hesitation to sign the Agreement on the part of Germany and Italy. But Germany has stated that it would ratify the Agreement if the majority did. Italy, on the other hand, is reported to be in favour of signing the Agreement, provided France and Germany did so.

CONFERENCE ON ATOMIC ENERGY

World-wide developments in the peaceful uses of atomic energy will be reviewed at a conference of nuclear engineers to be held at the University of Michigan end of this month. The conference will be held under the auspices of the American Institute of Chemical Engineers, which recently formed a Division of Nuclear Engineering to work on peaceful atomic uses. Simultaneously, the University will hold a conference of editors and scientists with a view to discussing the social, industrial and political implications of nuclear energy. The subjects to be discussed include the role of government and industry in nuclear power development, the utilisation of isotopes and radiation and the social effects of nuclear energy.

INDIAN AIRLINES

PROGRESS DURING SECOND HALF OF 1953

THE progress report of civil airlines in India during July-December, 1953, discloses that there was a slight fall in the number of passengers and the amount of freight carried both on scheduled and non-scheduled services, as compared with those in the previous half-year. The amount of mails carried, however, disclosed a slight increase. The scheduled services operated by the Indian Airlines Corporation and Air-India International during July-December, 1953, covered an unduplicated mileage of 27,046. About 9.6 million miles were flown on these services and 190,315 passengers, 40.7 million lbs. of freight and 4.5 million lbs. of mail were carried. These compare with 9.6 million miles flown and 213,677 passengers, 44 million lbs. of freight and 4.4 million lbs. of mail carried during the previous half-year. The overall load factor achieved on the scheduled services was lower at 65.2 per cent. in the second half of 1953, as compared with 66.5 per cent. during the first half of the year.

Besides Air-India International and the Indian Airlines Corporation, five Indian air transport companies operated non-scheduled services during the period under review. Nearly 2.1 million miles were flown on these services and 41,842 passengers and 41.8 million lbs. of freight were carried during July-December, 1953. As against this, 2.2 million miles were flown, 53,057 passengers and 46.8 million lbs. of freight were carried during the first half of the year. Thus, on scheduled as well as non-scheduled services, 11.7 million miles were flown and 232,157 passengers, 82.5 million lbs. of freight and 4 million lbs. of mail were carried during the period under review. The corresponding figures for the previous half-year were 11.8 million miles, 266,734 passengers, 90.8 million lbs. of freight and 4.4 million lbs. of mail.

Night Air Services

The night air services continued to operate satisfactorily during the period under review, so far as freight and mails carried were concerned, but there was a sizable decline in the number of passengers carried. Thus, 11,610 passengers travelled by this service and 603,379 lbs. of freight and 1,642,310 lbs. of mails were carried by them, thereby giving a daily average of 63 passengers, 3,279 mails of freight and 8,926 lbs. of mail. These compare with 13,343 passengers, 524,156 lbs. of freight and 1,564,396 lbs. of mails, which give a daily average of 74 passengers 2,896 lbs. of freight and 8,643 lbs. of mail.

A notable development of the period under review was the commencement of a direct air service between Delhi and Kabul on the Delhi-Amritsar-Lahore-Kabul-Kandahar (with non-traffic landing at Lahore) route from 7th November, 1953. The Bombay-Delhi non-stop night service was converted into an evening service from 17th December.

Air-India International, which operates long-distance international air routes, placed orders last year for five additional Super Constellation aeroplanes of the latest type. One of these arrived on the 6th inst. and has commenced the London service via Cairo, Geneva and Paris from today. Air-India International proposes to introduce a new service to Singapore shortly. This will be followed by another to Japan.

Integration

The Indian Airlines Corporation has set about the task of integrating the activities of the eight air companies, which it has replaced. This Corporation has already reorganised its operations on the basis of a strong centralised administration and a rationalised network of air services and engineering bases.

The total number of aerodromes at the end of December, 1953, was 78. The aerodromes at Cooch-Behar and Balurghat were taken over by the Civil Aviation Department from the Government of West Bengal on 10th July, 1953.

As many as 642 aircraft held current certificates of registration at the end of last year. Of them, 192 aircraft held current certificates of airworthiness.

Among other notable features of the year 1953 were the establishment of an aeronautical tele-communications station at Pathankot and the completion of the installation of aeronautical radio navigation and communication facilities at North Lakhimpur, Kamalpur, Kohwai, Belonia and Kailashahar.

NEW PRODUCTS AND PROCESSES

Electronic Apparatus For Cytological Research

A UNIQUE electronic machine in the aid of cancer, claimed to be the first of its kind in the world, has been designed by two Swedish scientists, Professor Holger Hydén and Sven Bourghardt, of the Medical College of Gothenburg. By means of the new apparatus, the structure of the cells and the changes taking place within the cell can be studied with greater precision than hitherto. Thin shavings of cellular growth consisting of upto 200 cells are split up into 12,000 "control points," the machine measuring and tabulating every point. The entire process takes but four minutes.

Aluminium School Building

A new type of permanent aluminium building which should prove of great interest to all Asian countries is to be featured at the British Trade Fair to be held in Baghdad from autumn 25th October to 8th November. The exhibit is a fully-equipped school building developed by a British firm as a result of an extensive survey carried out in tropical and sub-tropical areas. In designing the building—known as Mark 3—particular attention has been given to transport problems, and the structure can be packed in the simplest and most economical way to minimise sea-freight costs. The school building is the latest development of a form of construction that has been successfully tested in varying climates, both in the United Kingdom and overseas.

New British Tractor

A new British tractor by name "Platypus Bogmaster" is expected to be of great value in large-scale paddy cultivation, as well as for swamp-land reclamation. Originally designed to reclaim bog-land in Ireland for sugar-beet growing, it has the low ground pressure of only 1.25 lb. per square inch for its total weight of just over 3½ tons. The tractor has a Perkins P-4 engine. It has three forward gears and one reverse, each with two ratios. The track plates are 32 inches wide.

Iodinated Groundnut Cake

Studies on the iodination of waste proteins, undertaken at the Biochemistry Department, University of Madras, under a scheme of research financed by the Council of Scientific and Industrial Research, have resulted in the production of iodinated groundnut protein with thyroglobulin-like activity. Feeding trials on dairy cows have been undertaken with a view to studying quantitatively the increase in milk yield. Iodination of proteins under proper conditions leads to the formation of artificial thyroglobulins which, like natural thyroglobulin isolated from the thyroid glands of animals, have the property of stimulating metabolic activities. Iodinated casein, for instance, stimulates milk yield when fed to animals and iodocasein is marketed in Western countries and made available for the feeding of dairy animals. Iodinated groundnut cake can be produced at a cost of about Rs. 9 per lb. Further work is on hand with a view to reducing the cost of production and increase the thyroxine content of the iodinated product.

Use of Insect-killers in Fertiliser

The use of insecticides in combination with fertilisers is expected to expand remarkably among farmers of the United States. Tests conducted by scientists of the U.S. Government and of State agricultural stations during the last two years have achieved such successful results that a number of manufacturers are now ready to produce insecticide-fertiliser combinations on a large scale. Last year the mixtures were found effective in controlling northern corn rootworms, wireworms, seed corn beetles, grubs and other soil insects that damage corn (maize). The combined fertiliser and insecticide was applied at the time the corn was planted. The corn thus treated was healthier and more productive than untreated corn. In the North Central State of Ohio, extensive tests also showed that clover root borers can be controlled by applying a mixture of insecticide and fertiliser at the time red clover is seeded. Hay from the treated fields was considerably better than average, with second cuttings earlier and larger. The clover was expected to hold over to a second cutting year, whereas reseeding had been necessary before. The insecticide can be sprayed on the crop fields, as well as applied with the fertiliser. However, farm leaders expect the mix to be more popular because it makes both applications possible in one process.

Rollerless Churn Kneader

A new type of churn kneader with a vat of approximately elliptic cross section, the prototype of which was first thoroughly tried out by dairy farmers in the neighbourhood, is being produced by Messrs. U.P. & Th. Woudstra, Fabriek van Zuivelwerktuigen, Oppenhuizerweg, Sneek (Holland). This machine, a patent application for which has been filed in various countries, is now also available for export. A special feature of the machine is that, by means of a hydraulic variator, the machine can be set to any desired number of revolutions without being stopped to adapt the speed to the churning process. The absence of rollers, the small number of cogwheels, the carefully balanced vat and the liberal use of ball bearings make it possible for the machine to be driven by a motor of 10 h.p. only, at a capacity of 6,000 litres (1,320 gallons) of milk (about 2,700 litres—600 gallons) of butter. The moisture content being under control, the machine can turn out a product with a highly uniform degree of moisture. Churning and kneading thus take very little time. The vat supplied with the churn is of wood, but can be made of stainless steel to order.

INLAND WATER TRANSPORT IN INDIA

PLEA FOR RAPID DEVELOPMENT

[By A. SITARAMAN, M.A., A.M.Inst.T. (Lond.)]

ALL sound planning in transport must rest upon some sort of projection of the past as well as foresight of likely needs and developments of the future. The avowed objectives of our national transport policy are to secure the maximum co-ordination of all the available forms of transport and employ them to the best advantage of the country, each in its own sphere of effective service. The economic and social life of a nation changes and the changes today are more marked than in any previous period of history. We are in the fourth year of the Five-year Plan period. The implementation of the development schemes in the various sectors has thrown a vastly growing demand for transport and resonant complaints backed by voluble public opinion are not infrequently being made in the Press and on the platform about transport bottlenecks hampering the scheduled movements of basic raw materials of industries to the manufacturing sites.

The railways continue to occupy a predominant position in our transport system, carrying a much larger volume of traffic than that carried by other means of transport. Considerable progress has no doubt been achieved in carrying out the rehabilitation and development programmes of the railways under the Plan. Next in importance to the railways in the country's transport system is the mechanical road transport. During the past five decades, mechanical road transport has, indeed, made a spectacular progress in this country, but the progress cannot be considered to have been very orderly. The control and regulation of motor transport in the initial stages has been narrowly conceived, not on the basis of a well-thought-out plan but only to bolster up the railways in which a vast capital expenditure has been sunk by the Government. The individualistic tendencies pursued by the two forms of transport, rail and road, in their own interests characterised the developments till the period before the outbreak of World War II.

In the schemes of economic development to be implemented under the national Five-year Plan, there is, however, a growing realisation of the effective role which each form of transport can play to serve the national interest and economy. Targets have been prescribed in the Plan, making substantial addition to the road mileage, covering national highways, State roads and lower grade roads in the rural development schemes so as to facilitate the rapid expansion of motor transport services. Road passenger transport undertakings have been formed with State Governments and railways participating in the capital investment and the State Transport Services are left to be managed by statutory corporations. There is still vast scope for the development of mechanical transport services in the private sector and a policy designed to encourage actively the operation of mechanical transport in the private sector, will ease the unsatisfied demand for transport to a great extent.

It is only our inland water transport system that has not kept pace to any extent and been allowed to languish. In fact, it has remained, so far, the so-called Cindrella of the transport services. Transport by water was undoubtedly the earliest attempt at movement for the obvious reason that it could be undertaken with less energy and much smaller appliances and equipment than any other **means of conveyance. This** is borne out by the fact that the ancient civilisations flourished on the banks of rivers and inland seas. All the ancient towns of importance, so far as recorded history shows, were situated on the water's edge. Carriage by inland waterways is essentially cheap, because of the comparatively small amount of effort involved and the fact that bulk conveyance is always used and the materials and appliances used are not dear. On the other hand, as a means of carriage, it is slow and few improvements of any significance have been adopted for the last hundred years or so. Motive power is reduced in many cases, as crafts are able to take advantage of the tidal flow to an extent not possible with other means of carriage. The traditional material for the construction of inland waterway boats is wood and this has the advantage of being exceptionally durable. Modern construction, however, tends definitely towards the use of steel, as a better shaped vessel results and one having an increased capacity. A further advantage of steel-belt craft is that there is much less liability to fire. The construction and upkeep costs of permanent way and signalling are also not present to any great extent. The permanent way is free of all cost to anybody and it is a gift of nature needing very little outlay.

Natural advantages for the development of water transport in India are very great, but the commercial potentialities have not been exploited to the full to enable it to render useful service in a united transport effort. Most of the important rivers, wherever they exist, are perennial, and flow through the plains, a factor which eliminates the provision of costly equipment and initial costs for adaptation to navigation. In the Deccan and South India, the rivers are not easily navigable, owing to the ruggedness of the peninsula, but over small stretches of the river mileage, navigation exists on the Godavari and Krishna rivers. A few canals in India were solely built for navigation. The important ones are the Eastern and Circular canals in Bengal, the Orissa Coast canal and the Buckingham canal running parallel to the east coast from the Krishna delta through Madras.

At the present time, India has an approximate length of 5,144 miles of navigable waterways distributed over the various States. U.P. covers 745 miles, Bihar 715 miles, West Bengal 777 miles, Assam 920 miles, Orissa 287 miles and Madras the remaining 1,700 miles. Out of this, 1,762 miles are navigated by steamers. Navigation is possible all the year round over a length of 1,522 miles. The most important inland waterways are concentrated in the north-east, particularly in the States of Assam, Bihar and West Bengal. The Ganges and Brahmaputra rivers are the central arteries in the north-east waterway system and provide an important means of transport to those States and East Pakistan through which they pass in reaching their main outlet to the sea. Over the major inland water-routes, several steamship companies, as well as individual boat-owners, provide year-round shipping facilities.

Before the advent of the railway era, inland water transport was highly developed and the principal rivers and canals in the plains of North and North-East India were the important highways of commerce and large tonnage of merchandise, involving significantly long hauls, was carried in the crafts. With the construction of the railways in 1855, the inland navigation began to decline, as the British Government at the time was pursuing a bold policy of railway development, giving every assistance in the expansion of this means of transport. The inland water-transport system having then been in the initial stages of mechanisation, could not hold its own against the competition of railways in regard to security, safety and speed, notwithstanding its comparative cheapness. This was the first blow arresting its development in parallel with the railways. The next setback came in when big irrigation schemes were undertaken and large-scale withdrawal of water was effected from the meagre supplies in the rivers to feed the newly dug out canals for land irrigation. Inland navigation has been a provincial subject, and the waterways seem to have been regarded as a mere "stand-by" by the Government of the time, rather than as an important line of communication, as no effort in terms of man-power and money was made to keep then in efficient condition. This attitude of indifference contributed to a further deterioration of the inland waterways. Thus it is that the water-transport system suffered from the menacing neglect of several years, without a fair chance being given to rise to its full stature and prove its potential value.

With the planned economic development of the country set in motion, there is a greater recognition of the part which the inland waterways can play usefully in the transport system of the country and the objective is to restore it to its rightful place in the service of trade and industry. Powers have been taken in the present constitution by the Central Government to control navigation on inter-State rivers and national waterways. The Five-year Plan provides for a number of multipurpose river-valley projects, including schemes for inland navigation. A rational approach is being made for the utilisation of the water resources of the rivers, treating them from the source to the mouth on a multi-purpose basis, including hydel power, irrigation and navigation. The Central Water and Power Commission has been set up, to assist in the co-ordinated development of the water resources

(Continued on page 1201)

CARRYING MESSAGE OF INSURANCE TO VILLAGES

MR. H. K. SEN'S PLEA AT PATNA INSURANCE INSTITUTE

ALTHOUGH Indian insurance has made rapid headway in recent years, the fact remains that insurance, by and large, continues to be an urban habit, the beneficiaries being largely residents in towns and cities. A great deal of change—and a welcome change, at that—is certainly taking place in the economic standards of the rural sector of the country. But no attempt has so far been made to spread the gospel of insurance among the rural folk. It is, therefore, gratifying to note that, when Mr. H. K. Sen, President of the Indian Insurance Institute, Patna, addressed the recent annual meeting of the Institute, he laid special emphasis on the need for carrying the "message" of insurance to the remotest villages and farmyards through the medium of newspapers, handbills and leaflets.

Apart from the fact that insurance is a service that can be more economically given only when it is spread over as wide an area as possible and more and more persons are allowed to benefit from it, there is a powerful economic reason why insurance should now endeavour to establish itself in the villages. The urban middle class, which has been the mainstay of insurers till now, is, as Mr. Sen pointed out, "too hard hit today to afford any proper measures of insurance." The income of the traders, the artisans and the small industrial producers in the villages, on the other hand, is slowly moving up. But these classes have always been less insurance-minded than the urban residents. Mr. Sen rightly suggested that there was need for an "intensive propaganda" and "collective advertising," in order to make these rural classes more insurance-conscious than they are. Although this task is by no means easy, it is at the same time true that the rural areas are bound to become a steady source of insurance business once their interest in the subject has been aroused properly.

Villagers are Alert

Perhaps, insurers are exaggerating the difficulties of carrying the message of insurance to the rural areas and also the innate conservatism of the villagers. In this connection, it is interesting to note what the International Planning Team (Chairman: Mr. Sven Hagberg) which, at the instance of the Government of India and through the courtesy of the Ford Foundation, toured this country investigating the problems of India's rural industries, was, struck by the willingness of the rural communities to benefit from advanced industrial methods. The Team quotes an instance to show what a wide field there is in villages for insurance work. It says:

"The Team met with a life insurance salesman who had found that the rural market exceeded the urban in his areas for prospects with cash willing to buy insurance. He had worked out a route on roads where he could go by a bicycle and was soliciting villagers to purchase life insurance. The results had been so gratifying that he had given up his city clientele and was concentrating on the villager. Enough evidence of this nature was found from other salesmen, merchants and bankers to convince the Team that the villagers have increasing amounts of cash and will spend it for worthwhile purchases, including life insurance and other methods of investments for savings."

It should, therefore, be clear that the rural areas need not remain a closed market for insurers for all time to come. If facilities are provided, and if the message of insurance reaches the areas, insurers are bound to see, in course of time, an increasingly prosperous source of business in this sector of Indian economy. It is, of course, necessary to see that the business gained is "solid" business, in the sense that it will not lapse. This problem, is, however, common to both rural and urban sectors. Mr. Sen did well to emphasise the magnitude of this problem. The total business in force of Indian insurers in the beginning of 1943 was Rs. 251 crores. New business effected during the 10 years ended 1952 was Rs. 1,191 crores. The total business in force on 31st December, 1952, was, however, Rs. 790 crores. The outgo by claims, death and maturity, during this 10-year period, was Rs. 83 crores. These figures show that a colossal sum of Rs. 564 crores went out of the insurers' books through lapses, surrenders and paid-ups. He estimated that a sum of at least Rs. 10 crores must have been lost by lapsed policyholders during this period. Since insurers spend considerable sums in procuration of new business, lapsed policies mean no return to them. A lapsed policy does not also help the agent, who loses the renewal commission. It is, of course, a total loss to the policyholder.

Administrative Problem

Both in rural or urban areas, it is necessary for insurers to ensure that a policy, once taken out, is allowed to remain on the company's books. Although the problem is, as stated already, common to both urban and rural residents, it presents, perhaps, certain additional difficulties in rural areas. This is because an insured person in a village has less opportunities to consult an insurance agent about life assurance matters than an insured person in a town. This problem can be effectively tackled only when there is a country-wide network of efficient and honest insurance agents. Mr. Sen stressed the need for attracting "young and energetic men" to take up insurance as a career and also the need, on the part of insurers, to recognise and reward talent. As regards work in rural areas, the men chosen should have a rural bias and ought to possess a rural background. Perhaps, the system of training, too, will have to be different for the men who have to work in the villages.

Again, the system of insurance administration, too, will have to be suitably altered, if rural communities have to take a larger interest in insurance. The suggestions which Mr. Sen made in connection with preventing lapses, have a certain relevance here. He suggested that insurance administration should be decentralised, giving "adequate powers to the branches and regional offices." He aded: "It may also be necessary to increase the number of men trained in the technical side of the business in these branches and regional offices to which agents and field workers could look forward for proper guidance." If this suggestion were implemented, it would improve insurance salesmanship in towns and villages and would, at the same time, help check the evil of lapses.

STATE INSURANCE

The Employees' State Insurance Scheme will be introduced in Nagpur from 26th June and the Madhya Pradesh Government has adopted a service system of medical benefit for the purpose. Under the service system, as opposed to the panel system, the staff will be full-time medical officers. Five State Insurance dispensaries are being opened in Nagpur and they have been so located that no worker will be required to walk more than one mile from his home to get treatment. Each Insurance medical officer, it is stated, will have on his panel 3,000 insured workers. Those workers who required hospitalisation will get admission in the Medical College Hospital and the Mayo Hospital on a priority basis. Transport to hospitals will also be free of cost.

THE PUNJAB NATIONAL BANK LTD.

(Estd: 1895)

Head Office: 8, UNDERHILL ROAD, DELHI.

STATEMENT OF ACCOUNTS AS ON 31-12-1953.

LIABILITIES		Rs.
(i) Paid-up Capital		87,50,000
(ii) Reserve Fund		90,00,000
(iii) Deposits		65,31,18,035
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.		12,69,54,164
Total	Rs.	79,78,22,199

ASSETS		Rs.
(i) Cash and Balances with Bankers.		7,47,49,531
(ii) *Investments:*	Rs.	
(a) Securities of the Central and State Governments and Other Trustee Securities	35,24,28,079	
(b) Other Investments	89,98,924	
		36,14,27,003
(iii) Loans and Advances		25,54,91,216
(iv) Other Assets including Bills Receivable, etc.		10,61,54,449
Total	Rs.	79,78,22,199

B. N. PURI,
General Manager.

RESULTS OF NEW INDIA SATISFACTORY

INCREASE IN PREMIUM INCOME

THE New India Assurance Company, Ltd. (General Manager: Mr. B. K. Shah, Bombay) has earned the well-merited title of being a most progressive general and life office in the country; it has also a growing reputation for prompt and efficient service in the many foreign countries where it operates. The latest report and accounts of the Company, which refer to 1953, show that the Company is maintaining a very satisfactory rate of progress. The total premium income in the general department increased from Rs. 385.95 lakhs in 1952 to Rs. 389.63 lakhs in 1953, while, in the life department, the new business for the year under review failed to hit the Rs. 20-crore mark only by a few lakhs, the actual new business being Rs. 19.91 crores, as against Rs. 18.04 crores in 1952. All the general departments again worked on a profitable basis; the marine section, which played the truant in 1951, yielded a modest profit in 1952 and 1953. Despite the increase in overall premium income and the fact that expenses have been held within reasonable bounds, the profit from the general accounts, together with shareholders' share of life profit, was somewhat lower at Rs. 43.58 lakhs; this reflects partly the increased cost of claims. The dividend has, however, been maintained at 13½ per cent.

Turning to individual accounts, it is seen that, while the premium incomes in the fire and miscellaneous accounts have moved up, there was a decline in the premium income of the marine department. The overall increase in premium income, to which a reference has been made already, is due to the fact that the Company could write a larger volume of business overseas. Thus, while the premium income from the Company's Indian business declined from Rs. 91.82 lakhs to Rs. 86.57 lakhs in 1953, its foreign business improved, between the two years, from Rs 294.13 lakhs to Rs. 303.06 lakhs. The salient features of the Company's general accounts, the fire, miscellaneous and marine accounts, are summarised below:

(Rs. in lakhs)

	1953	1952	1951
Fire Department			
Net premiums	283.32	229.28	228.83
Net claims	100.50	88.80	78.00
Commission and expenses	105.19	106.79	85.26
Reserve	98.00	96.00	94.00
	(42%)	(41.9%)	(42.1%)
Additional reserve	61.00	55.00	56.00
Profit	26.93	33.39	34.85
Miscellaneous			
Net premiums	72.84	65.52	57.71
Net claims	37.04	34.17	25.79
Commission and expenses	19.71	19.28	16.64
Reserve	29.00	27.00	24.00
	(40.1%)	(41.2%)	(41.6%)
Additional reserve	26.00	24.00	22.00
Profit	12.68	8.17	4.92
Marine			
Net premiums	83.97	91.15	82.70
Net claims	74.21	64.35	63.82
Commission and expenses	18.79	22.42	14.07
Reserve	84.00	91.00	83.00
	(100%)	(99.8%)	(100.4%)
Additional reserve	41.00	41.00	41.00
Profit (+) or loss (—)	1.88	0.31	—2.76

It will be seen from the table above that, despite the increase in business in the fire and miscellaneous sections, as reflected in the net premium incomes, there has been no significant variation in the item "commission and expenses." If the profit has nevertheless declined in the fire department from Rs. 33.39 lakhs to Rs. 26.93 lakhs, it is due to the fact that the cost of claims has increased. It was 43.1 per cent. in the year under review, as against 38.5 per cent. in 1952 and 34.9 per cent. in 1951. In the miscellaneous section, the cost of claims declined slightly from 52.2 per cent. to 51.2 per cent. This fact, coupled with the substantial increase of Rs. 7 lakhs in premium income, is responsible for the sizable improvement of Rs 4.51 lakhs to Rs. 12.68 lakhs that has taken place in this department's profit. The net premium income in the marine department declined from Rs. 91.15 lakhs to Rs. 83.97 lakhs. At the same time, there has been a steep increase in the cost of claims which has moved up from Rs. 64.35 lakhs (70.6 per cent.) to Rs. 74.21 lakhs (88.4 per cent.). This, however, is the general experience of all marine insurers, who find that, while competition remains keen, the cost of claims continues to rise.

New India's life business is increasing from year to year. The Company has produced a series of descriptive leaflets, setting forth the policy conditions and premium rates which are both attractive and keenly competitive. During the year under review, the Company's new life business aggregated Rs. 19.91 crores, as against Rs. 18.04 crores in 1952. The total business in force, as at the end of 1953, was Rs. 95.17 crores, as compared with Rs. 83.85 crores at the end of the previous year. A notable feature of the working of this department is the decline in expense ratio which was 28.1 per cent., as against 29.3 per cent. in 1952. The Company's life insurance fund has improved by over Rs. 3 crores to Rs. 20.46 crores.

The profit and loss account has been credited with the profit from the fire, miscellaneous and marine accounts which, together with the shareholders' life profit account, makes in all Rs. 43.58 lakhs. After providing for other income and outgo, a balance of Rs. 43.59 lakhs has been carried to the profit and loss appropriation account, which, together with the balance brought forward from the previous year (Rs. 0.94 lakh), forms a disposable total of Rs. 44.53 lakhs. Out of this sum, the Directors have transferred Rs. 19.36 lakhs towards reserve for taxation and strengthened the general reserve and the dividend equalisation reserve by Rs. 9 lakhs and Rs. 1 lakh, respectively. The payment of the recommend dividend of Rs. 2 per share will absorb Rs. 14.24 lakhs, leaving Rs. 92,900 to be carried forward to the current year's accounts.

The Company's financial position continues to be strong as ever. As the table above shows, the Company has built up reserves far in excess of the customary 40 per cent. basis in the fire and miscellaneous sections and the 100 per cent. basis in the marine section. Besides a capital of Rs. 1.07 crores, the Company has reserves which aggregate Rs. 25.42 crores, inclusive of fire fund (Rs. 1.59 crores), miscellaneous fund (Rs. 0.55 crore), marine fund (Rs. 1.25 crores) and life fund (Rs. 20.46 crores).

HEALTH SCHEME FOR GOVERNMENT SERVANTS

The Contributory Health Scheme for Government servants in New Delhi, sponsored by the Central Government, is expected to come into effect on 1st July, 1954. The scheme, which is proposed to be implemented through 16 dispensaries in different parts of Delhi, will utilise the services of 44 medical officers. It is estimated that 2½ lakhs men, women and children will be covered by the scheme. Addressing an informal meeting of doctors and health personnel under this pilot scheme of the Health Ministry, held recently in New Delhi, the Deputy Minister for Health, Mrs. M. Chandrasekhar, said that salaried personnel had been employed under the scheme and they had been debarred from private practice so that they might give "undivided attention" to their work.

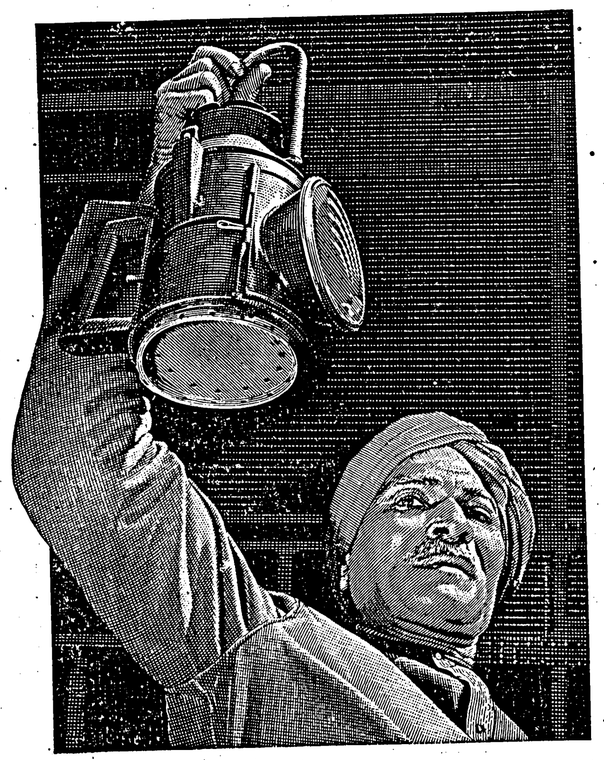
TRAINING CLASSES

As a first step towards the implementation of the Employees' State Insurance Scheme in Coimbatore, a series of training classes for employers, officers and other clerical staff was inaugurated recently in Coimbatore by Mr. V. R. Natesan, Regional Director, Employees' State Insurance Corporation, Madras. The first batch of about 35 officers has now received its training. Three other batches of 40 each will receive similar training. The object of the training classes is to apprise the employers, officers and clerical staff who would be connected with the working of the scheme with all their obligations as employers under the Employees' State Insurance Act.

A series of refresher courses for medical officers employed under the Contributory Health Service Scheme of the Government of India is being arranged by the Directorate General of Health Services. The first course in the series is being held this month. The refresher courses are meant to keep the medical officers abreast of recent advances in the diagnosis and treatment of diseases. Senior members of the medical profession are taking part in the training programme.

It is also proposed to hold clinical conferences periodically where difficult and interesting cases presented by the doctors will be discussed. The doctors in the scheme will also have free access to books and periodicals in the Directorate General of Health Services Library.

There goes the Frontier Mail !



There goes the signal. And slowly many hundreds of tons of freight and food, people and post, move off into the Indian country-side. To keep her lines of communication open, India is spending about two annas of every Five-Year-Plan rupee on the railway system—the largest in Asia. And that amount is for rehabilitation of existing tracks and rolling stock only—more money will be found for the expansion of the railway system which will be necessary to meet the demands of the increased industrial activity.

The railways of India haul more tons of oil more miles than all other forms of transportation put together, and make it possible for the oil industry to transport their products across the vast distances of the country. We, in turn, supply Indian Railways with a great many petroleum products essential for their operation, such as lubricants, cutting, furnace, diesel and quenching oils, kerosine and also petrol for their motor transport.



BURMAH-SHELL ... IN INDIA'S LIFE AND PART OF IT

ANNUAL MEETING OF ROHTAS INDUSTRIES LIMITED

MR. SHANTI PRASAD JAIN REVIEWS COMPANY'S PROGRESS

DEVELOPMENT PROGRAMMES EXPLAINED

THE Twenty-first Annual General Meeting of Rohtas Industries Ltd. was held at Dalmianagar, Bihar, on 2nd June, 1954. Addressing the shareholders of the Company, Mr. Shanti Prasad Jain, Chairman, reviewed the progress made by the Company during the past year and drew attention to the development plans proposed in the various fields of the Company's activity. In this connection, he referred to a number of problems that confront industries in general and the Company in particular, in the spheres of paper, cement and sugar. Mr. Shanti Prasad also gave an indication that the prospects for the Company during the current year were better.

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

"GENTLEMEN,

"I have pleasure in welcoming you to the twenty-first ordinary general meeting. The audited accounts of your Company for the year ended 31st October, 1953 together with the Directors' report are already in your hands. With your permission, I shall take them as read.

Working Results

"I consider that the working results of the year are such as to give us all a sense of satisfaction that the Company is having steady improvement, in spite of the fact that the total sales proceeds during the year have registered a fall. This has been due to scaling down of cement price in stages beginning from December, 1952 by Rs. 14-7 per ton in the item of packing charges. Cement output was lost to some extent on account of the overhaul of the plant. There has also been reduction in paper prices in the middle of February, 1953. With the improved output of the cement that is already evident from current production and the operation of the German-Yankee machine which has gone into production, the working results of the present year are bound to be better.

Paper

"Since our last meeting, your Directors have taken steps for placing order for two additional paper machines. The capacity of an economic unit before the war was reckoned at 5,000 to 6,000 tons of pulp. Today, it should be of the order of 25,000 tons of pulp. The management of your Company is keen to remove the disadvantages that attend small-scale production and they have, therefore, been planning for enlarging the capacity and to achieve larger production. The plans may be considered ambitious and even attended with some risk. But, in its efforts to improve efficiency, your Company is assured of the support of the Government of Bihar which has promised to consider sympathetically its application for long-term lease of forest areas which supply raw material for the paper factory. Modernisation of your factory, as contemplated, will make it compare favourably with the standard paper factories abroad. But the price factor of the raw material is there. Besides, the quality of paper produced with bamboo pulp is appreciably different from that produced from wood-pulp. Your Company will conduct laboratory experiments and concentrate on improving the quality of the paper produced from bamboo and bagasse pulp and will aim at progressively reaching a quality equal to production from chemical wood-pulp. Barring the inherent defect in bamboo pulp, achievement of better efficiency and economy will be possible with increase in capacity. It will also be possible to keep production well ahead of demand in this country which I expect would increase in the order of 15 per cent. per annum. Your Company will produce special and finest varieties of paper like bank, bond, ledger, poster, kraft, match, manilla, etc., which are largely imported at present. The expansion of your paper unit and the extensions already effected and in contemplation by certain other mills will raise the total production of the various items of paper in this country to 240,000 tons.

"While dealing with expansion and improvement of quality, I would like to refer to the factor of price which is now fixed on the basis of a certain formula evolved by the Tariff Board. This formula takes into consideration the different varieties of papers manufactured, but no emphasis is given to the quality of each variety. During the war, the industry had to produce maximum tonnage and very little attention was paid to quality. It is essential now that premium and discount should be allowed to manufacturers producing different qualities in the same variety. The Government of India should urge the Indian Standards Institution to lay down specifications for different qualities in respect of all varieties, so that manufacturers may get price according to quality. The manufacturers who pay attention to quality and produce goods of better quality will be compensated. This provision will result in general improvement in the quality of the products. It will be in line with the policy of the Industry Ministry which is anxious to improve the quality of national products in every possible respect.

"In the context of expansion, I would like to make one point. It is with regard to the need for the Indian industry to begin to think on the lines of specialisation in selected products. It is very desirable, as it will increase efficiency and reduce the cost of production and thereby enable the factories to face competition better. Specialisation in qualities has not been so far possible in this country due to the small tonnage of total production. Now that the industry has expanded and there is still growing need for many new varieties of paper and board, development should take place on specialised lines. This will be of benefit both to the producer and the consumer.

Cement

"Cement is a commodity for which there is growing demand in the country. The Planning Commission has visualised extension of cement production to about 5 million tons by 1955-56 from the rated capacity of 3.88 million tons per annum. The Industry Ministry, Government of India, wants even a larger target, if the railway Ministry could manage requisite transport. The needed expansion of the industry has to take place in areas like the Amritsar-Calcutta belt which experienced greatest shortage in respect of cement and where, in view of the large population and high consumption, demand is expected to steadily increase. Ideal sites in this area with ample supplies of limestone and nearness to coal are limited. Obviously, therefore, expansion in the area has to take place largely at the site of the existing units.

"Your Company has been anxious to extend its capacity and with the construction of the Mokameh Bridge it will be best situated for supplies to markets in North Bihar and North Bengal. It, however, gets no encouragement to go ahead with expansion schemes. The Tariff Commission has made a distinction, which is not understandable, between new plants by existing manufacturers and new manufacturers. On account of this, your Company's second plant put up after the war did not get the advantage of the higher price allowed to new units. Your Company's cement factory is not situated at the limestone head which results in higher transport cost of limestone and lower freight on cement. The present delivered price of cement includes freight on cement equivalent to Rs. 15 per ton and cement companies are allowed to charge higher freight if their average works out higher. Under this basis of freight allowed for cement, it is not possible for your Company to set off the freight on limestone that it has to pay. A factory which is situated in the same region as yours and drawing limestone from the same area escapes the freight on limestone, because it is at quarries site and is able also to charge extra price when sending cement to longer distances. The just claims of your Company in this respect, if granted, would have helped extension of its present capacity.

Asbestos Cement Products

"Encouraging progress has been made in regard to your asbestos cement plant. This factory has been placed by the Government of India in the approved list for I.S.D. supplies. In order to have supplies of asbestos fibre at more favourable terms, your Company is endeavouring to enter into arrangements with asbestos mines abroad. This will increase the competitive capacity of your product.

Sugar

"Your factory has registered a higher production during the year because of larger supply of sugarcane. But the 1953-54 season has proved very disappointing. The total production of sugar in the country is only 10 lakh tons. It is perhaps the worst season in recent years. Want of adequate supply of sugarcane to help full season crush and of suitable variety that gives better recovery continues to be the thorny problem of the industry. We are aware that the Government of India are giving this matter their attention by assisting development of sugarcane from the point of view of better yield per acre and also permitting establishment of factories in South India where sugarcane cultivation is better and supply is more.

"The problem of greatest importance is that the supply and quality of sugarcane should be improved. It was perhaps in 1943 that, in Bihar, due to a particular variety of sugarcane the recovery was increased by 1 per cent. There has been no progress since. In fact, a variety of sugarcane which contains 20 per cent. fibre and is heavy, creating difficulty in milling, is grown in South and North Bihar. The industry is not helped by cultivation of such unsuitable varieties of sugarcane. The Sugarcane Research Institute has to devote greater attention to the question of ensuring that sugarcane cultivation is improved and the variety of cane available is such as to give substantially better recovery.

"While the Bihar Government is anxious to assist the sugar industry, paradoxically, however, additional difficulties are sought to be imposed. To assist better sugarcane cultivation the Government of Bihar is sinking tube-wells. But the result is contrary to expectations. Because of disproportionate increase in the irrigation charges on sugarcane cultivation, the agriculturists took to cultivation of paddy. We had urged that the Government of Bihar should adjust irrigation charges, so as to actively assist sugarcane cultivation with the expanded scheme of tube-wells. It is to be hoped that the lower price of cereals will make sugarcane cultivation attractive to the agriculturists. Then, there is the vexed question of imposition of sales tax on sugarcane. Representations have been made on this point also to the Bihar Government. It will be appropriate for the Government of India to bring its influence to bear upon the State Government in these matters.

Greatest Handicap

"The greatest handicap to your factory is non-availability of sugarcane. We cannot shift the factory to a better location, because the move will not get the approval of the Bihar Government. It is not possible either for us to run counter to the wishes of the State Government. If the handicap regarding sugarcane is removed, the main difficulty to your sugar factory will have been solved and the factory will be able to contribute in increasing measure to augment supply of sugar in the country. The capacity of your factory is high and there is also good market for your sugar which is classified as one of the best qualities in the market. In order to ensure larger supplies of sugarcane, your Company has arranged for the construction of additional railway sidings for transport of sugarcane. Here, I should acknowledge the help accorded to us by the Government of Bihar in sanctioning a development loan towards construction of the siding. We are negotiating for another siding of 12 to 14 miles in length to enable transport of additional cane.

"Unless sugar production in the country is helped to be augmented and the country made self-sufficient during the next few years, the unfortunate position of our country having to import sugar from abroad will remain. This is a matter of great concern to the industry, especially when, for several years, the country was managing without imports and the indigenous industry was able to meet the internal demand at a price, at which, under the conditions pertaining to the industry in the country, sugar would not have been available anywhere.

Stores and Machinery

"Your Company has had to import at present substantial percentage of spare parts for the cement factory and other units. Gradually, your Company has been following a policy of making such purchases increasingly from within the country. It may be that in the initial stages this policy will cost the Company more, but it is advantageous from the long-term interests of the country and, consequently, beneficial to your Company also. With this end in view, your Company has taken steps to strengthen its engineering department and one of the engineers has been deputed to visit Europe for the purpose of studying the manufacture of spare parts especially for the cement industry. In regard to the paper industry extensions, it has been arranged that a percentage of the machinery, such as beaters and refiners, will be manufactured in the country and in the Company's own workshops. It may also be possible to meet the requirements of other paper factories in regard to these items in course of time.

Housing

"Side by side the efforts directed towards improving the quality of the various products and expanding capacity, your Company has also been paying attention for the improvement of facilities to and in the living conditions of the supervisory staff and labour. Your Company will be spending about Rs. 50 lakhs on the construction of quarters for labour and staff. In this effort, support from the Central Government as well as the State Government is available to your Company. With the completion of these quarters, every labourer working in Dalmianagar can live in suitable houses near the workplace itself, if he chooses, by paying economic rent. It is the keen desire of the management to provide greater facilities to make living still better. This will also be necessary with the growing number of employees on account of the increasing activities of the Company.

Company Law

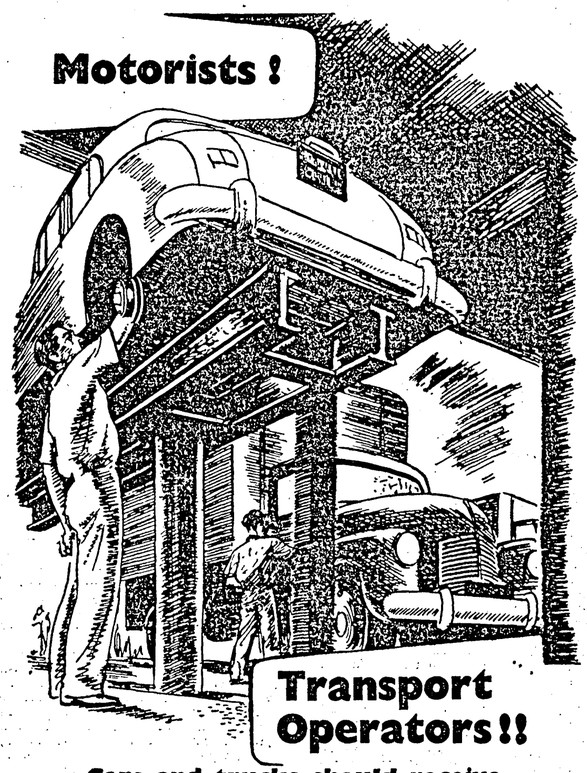
"While talking of development activities in the country, one question which comes to our mind prominently is the recent tendency to impose restrictions on the freedom and initiative of private enterprise. The amendments to the Indian Companies Act, in the shape of a new Bill, are before the Select Committee of Parliament. I need not refer to the various sections of the Bill which have been the subject of criticism from different quarters. It is not for me to anticipate what the ultimate shape of the legislation will be. But it is very relevant to point out that the most important consideration both for the people and the country is that every able-bodied person should be enabled to engage himself in employment of profit to himself and to the nation. The real question is whether the existing system has provided employment opportunities and whether its contribution has so far been towards steady development of the country and, under conditions of freedom and proper support, whether it could continue to render such benefit to the economy. One can always find defects in any system of organisation functioning in the country and human intelligence sets no limit to arguments. Criticisms by persons on ideological grounds should not be made to prevail in such matters. The measure of the value should be the service that a system renders to the country. I hope, therefore, wise counsels will prevail in the ultimate decision in regard to the various clauses of the new Bill that are in their present form detrimental to the nation.

"I hope you will all share with me the expectation that your Company, as is evident from the results so far, will maintain the progress made in its working and that the various schemes for expansion and improvement in the quality of the products will further brighten the future prospects.

"I would like to take this opportunity to thank the officers, staff and labour for the improvement that has been achieved and to express the hope that, in their future efforts also, they will be guided solely by considerations affecting the Company's prospects and their own welfare."

TRANSISTOR

The transistor, a tiny instrument that is rapidly taking the place of vacuum tubes in radio and television sets, electronic "brains," hearing aids and other devices, is usually made with a small crystal of germanium as its essential part. Germanium is a rare metal and costs about $500 a pound. It is also non-resistant to high temperatures, a disadvantage in electronic equipment for which transistors are being increasingly used. Scientists have, therefore, been searching for a cheaper, more adaptable material than germanium. Recently, they have found that a transistor made with silicon, one of the earth's most plentiful materials, may replace germanium types. Although silicon withstands high temperatures much better than germanium and costs less, it is harder to prepare. But difficulties in silicon preparation have now been overcome by the Raytheon Laboratories at Waltham, Massachusetts. Silicon transistors have been developed there which have met stringent tests and stood up well at temperatures far above 350 degrees Fahrenheit.



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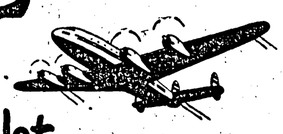

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FOREIGN ECONOMIC POLICY OF U.S.*

NEED FOR LIBERAL TRADE POLICIES RECOGNISED

(By W. T. TURNER, U.S. Consul General, Bombay)

LET me say at once that there is no such thing as a hard-and-fast economic policy in the United States in the sense of fixed rules. Nor for that matter is there such a thing as fixed economic policy in any other country, except perhaps behind the Iron Curtain where all policy is fixed by a dictatorship. Policy in our country and in all democratic countries is the course of action followed in pursuance of certain principles, and in the light of current conditions, at home and abroad, by the individuals and groups administering the Government. In our country, all of these factors, such as principles, conditions, individuals, and groups, are subject to change from year to year. Therefore, we see policy, both political and economic, change quite often. So all that anyone can do in discussing the economic policy of the United States is to observe the lead set by the Administration, and to estimate the degree of approval which such lead will get from the Congress and the people. This I will endeavour to do.

It happens that the present time is rather a good one to discuss the foreign economic policy and programme of the United States Government. The Republican Administration, after a little more than a year in office, has had time to consider its policies and to formulate its programmes. Last summer, the President appointed a commission on foreign economic policy, generally known as the Randall Commission, "to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign economic policy." This commission was instructed to recommend a course of action for the American Government, following the expiration of the Reciprocal Trade Agreement Act. This important Act, which, of course, was the work of the previous Democratic Administration, expired on 12th June, 1954. The Randall Commission made its report in January. This report was received with intense interest, both in the United States and abroad, and may well be a blue-print for a new phase of our economic relations with other nations.

Historic Message

Then, on 30th March, a few weeks after the publication of the Randall Report, President Eisenhower submitted to the Congress his long-awaited message outlining specific proposals for an overall U.S. foreign economic programme, including trade and investment policy. This message is historic as marking the first time that the Administration of the United States Government has asked the Congress to take definite legislative action upon a programme covering and seeking to co-ordinate all phases of our foreign economic policy. This message is so important as a guide to U.S. economic policy that I propose to outline its principal features and the philosophy that it reflects.

The President's recommendations were, as was generally expected, closely in line with those of the Randall Commission. The President described these proposals as designed to produce in a manner that is consistent with our national security, the highest possible level of international trade. I think I might quote from the President's speech at this point:

"World-wide depression and wars, inflation and resultant economic dislocations, have left a sorry heritage: a patchwork of temporary expedients and a host of restrictions, rigidities, interferences and barriers which seriously inhibit the expansion of international trade. Thus are impeded the very forces which make for increased production, employment and incomes.

"The tasks of repairing the physical damage caused by the catastrophe of war have been substantially achieved. The creation of an adequate system of defence for the free world is well advanced. Most of the countries which suffered the ravages of war have made remarkable headway towards financial stability and increased production. Their own efforts have been greatly aided by our assistance. And yet, despite this recovery, we and other free nations are still severely limited by the persistence of uneconomic, man-made barriers to mutual trade and the flow of funds among us.

"Together we and our friends abroad must work at the task of lowering the unjustifiable barriers—not all at once but gradually and with full regard for our own interests. In this effort, the United States must make the initiative and, in doing so, make clear to the rest of the world that we expect them to follow our lead."

*Extract from an address to the Rotary Club of Bombay.

Conceived as a whole, the President's Foreign Economic Programme consists of four major parts. These are:

(1) curtailment of economic aid on a grant basis to foreign countries; (2) encouragement of private investment in other countries; (3) encouragement of currency convertibility as an indispensable condition for a freer and healthier international trade; and (4) the expansion of trade generally.

In justification of his programme for expansion of trade, the President declared that, if we wish to sell abroad, we must buy abroad, and that to this end we must make changes in our tariff laws. He recommended that the Trade Agreements Act, due to expire this week, should be extended for three years. Under the authority of this Act, our Government has negotiated a series of Reciprocal Trade Agreements, providing for tariff reductions, with many other countries. The President recommended that this Act be amended to permit him to do the following:

(1) Reduce the tariffs by 5 per cent. on commodities subject to Trade Agreement negotiations; (2) reduce by 50 per cent. tariffs on products which are not being imported or which are being imported only in negligible volume; and (3) reduce to 50 per cent. *ad valorem* over a three-year period any rates in excess of that amount.

Not A High Tariff Country

I think that these tariff recommendations are of major interest in a great many foreign countries. I am frequently asked why United States tariffs are so high and why they are not lowered to permit more foreign goods to be sold in the U.S. My reply is that my Government is endeavouring, as in this instance, to bring about a gradual and general lowering of tariffs which constitute obstacles to trade. At the same time, I want to emphasise that the United States is not, even now a high tariff country. There is a vast number of commodities which are admitted free of duty to the United States, and even on articles which are competitive with American products, our tariffs are not excessive as compared with those in many other countries. The United States has gone a considerable way in reducing tariffs since the Reciprocal Trade Agreements Programme was inaugurated in 1934. At that time, our tariffs amounted to 50 per cent. of dutiable imports; today they average about 12 per cent. About 55 per cent. of imports now are duty-free. In this connection, the Randall report states that "the United States is no longer among the higher tariff countries of the world." I think that this is remarkable when one considers the high cost of labour in the United States. Last summer, when I was in New York, I learned that an ordinary bricklayer earns $3.25 in an hour for an eight-hour day, or approximately 125 rupees a day. You may judge for yourself that only a high degree of industrial rationalisation and great labour efficiency make it possible for us to lower tariffs in a situation like this.

In connection with tariffs, the President asked the Congress for authority to overrule the Tariff Commission, when its findings, as is often the case, are based purely on technical grounds and not on the broader requirements of our national trade policies. He justified this request on the grounds that the welfare of the nation often required decisions on broader grounds than the Tariff Commission is empowered to consider.

What is Unfair Competition?

The President also approved the Randall Commission's recommendations that the United States should not allow reduction in tariffs where there is unfair competition from products made in foreign countries. In defining "unfair competition," he declared that mere differences in wage levels should not necessarily govern, but tariff reduction should be withheld on products made by workers receiving wages which are substandard in the exporting country. At the same time, he approved the Commission's recommendations concerning the raising of labour standards through consultative procedures in international conferences such as those sponsored by the International Labour Organisation.

With respect to the importation of raw materials, the President declared that tariff policy should afford reasonably easy access to the United States market. He said that domestic sources of supply for materials required for military purposes should be assured by direct means or subsidies, rather than by tariffs or quotas.

Before leaving the subject of the tariff, I should mention that the Randall Report recommended to the President that the U.S. should continue its traditional policy of non-discrimination in trade relations with other free countries. This policy is reflected in our unconditional most-favoured-nation tariff policy which has been in effect for 30 years. It is very unlikely that any change will be made in this policy in the foreseeable future, as to do so would defeat our efforts to eliminate preferential arrangements that discriminate against the U.S.

G.A.T.T.

I have been telling you about the President's recommendations regarding tariffs. I should add that the President informed the Congress that he intended to act promptly upon the recommendations of the Randall Commission that the United States renegotiate the organisational provisions of the General Agreement on Tariffs and Trade, commonly known as G.A.T.T. As you probably know, since 1948, virtually all the major trade nations of the world, including the United States, have become party to G.A.T.T. The amendments to this agreement proposed by the President are too complicated for me to discuss at this time, but, in general, are designed to provide a simpler and stronger instrument which would contribute more effectively to the development of a workable system of world trade.

Another important recommendation of the President concerns the simplification of American customs procedures. There have been many complaints that the complexities of our customs procedures constitute a significant barrier in themselves to international trade, and that they create irritations which are detrimental to our total foreign relations. This has been generally recognised in recent years, and the President has stated that he will direct the Tariff Commission to draft legislation providing for the simplification of commodity definitions and rate structures, as well as for the administration of customs procedures. In order to provide an improved basis for customs evaluation, the President urged the Congress to adopt the proposals which have already been made by the Treasury Department and submitted to the Congress.

Foreign Aid

Turning now to the matter of U.S. economic aid and technical assistance to foreign countries, for the benefit of those who like statistics I might mention that, during the eight fiscal years from 1946 through 1953, the value of this aid totalled 41.7 billion dollars, or about 20,000 crores of rupees, of which 33 billion dollars was for economic aid. These enormous grants, unprecedented in history, have been made by the United States Government to assist in rebuilding a world order, in which the value of free democratic society can be preserved and thereby contribute to the prosperity and security of our own country. We call this a policy of "enlightened self-interest," because we believe that, in assisting others, we are also helping to develop our own trade and to support our own economy. This is a policy based on our conviction that the United States cannot remain an isolated island of prosperity in the midst of a world in need of assistance. I want to emphasise to you that these great sums of money have not come out of any magic bag of gold, but out of the pockets of the American taxpayer. They have been a heavy burden on each one of us. I might tell you that, as a taxpayer, I have to return more than 20 per cent. of my salary to the Treasury in the form of direct income-tax.

There has been much demand that this burden be lightened. Our Government has come to realise that economic aid to foreign countries cannot be continued indefinitely. The President pointed out in his message to Congress that, as soon as possible, aid should be replaced by loans and private investments. One might say that "Trade, not aid" is a slogan of the present Administration in Washington. I say this, although, as you are aware, the Administration has recommended economic and technical aid to India for the year beginning 1st July, 1954, in an amount of 104 million dollars, or approximately 50 crores of rupees. You have probably all read the considerations which the American Ambassador, Mr. Allen, expressed in Congressional Committees by way of justifying these funds.

The President declared in his message to Congress that the Export-Import Bank will make necessary loans for development projects which are economically sound and which are in the interest of the United States. He recommended that the United States should continue to participate in technical co-operation programmes abroad, but that these programmes should concentrate on providing experts and technical know-how, rather than large funds or shipment of goods.

The President states that, in order to facilitate international currency convertibility, the United States favours more active use of the International Monetary Fund and possibly standby credits of the Federal Reserve Banks. He disapproved of proposals made in certain quarters for setting up a huge Government exchange stabilisation fund. He commented that the return to convertibility by foreign countries will be facilitated if our trade policies lead them to expect expansion of our foreign trade and investment.

He pointed out that an increased flow of United States investment in foreign countries will contribute to the needed expansion of international trade, and, by strengthening the economies of foreign countries, will contribute to our own economic welfare activity and employment. But he emphasised that those countries desiring development capital must hereafter look to private investment and to the World Bank, not to United States Government funds. He urged adoption by the Congress of a tax measure which is designed to stimulate private United States investment in foreign countries by lowering the taxation on the business income from foreign branches of American firms and by other measures which would afford tax relief to investors in foreign countries. This will be of major importance to American firms abroad which are now sometimes subject to double taxation.

In this connection, the President said that, in order to encourage the flow of private investment abroad, the United States Government would endeavour, through its diplomatic and consular representatives abroad, to gain the support and understanding by foreign nations of conditions for the attraction of private foreign investment. As you are probably aware, there are many countries, where, in principle, there is much encouragement given to foreign private investment, but where in practice there are many obstacles placed in the way of such investment. It is these deterrents that the President proposes to remove through diplomatic means, if possible.

Rely on Private Capital

I would like here to comment that, since I have been in Bombay, I have heard much talk about the need for development capital in India, and suggestions that American capital could fill this need. In discussing this matter with Indian friends, I have told them that American capital must hereafter be obtained mainly from private sources, not from Governmental grants or aids. I have tried to impress on them that private American capital is always eager and ready to flow into any situation where it can earn a competitive yield, where it can be secure from undue controls and interference, and where it can be reasonably assured of the right to remit a fair amount of earnings, I have told them that it is for the country which wishes to attract American capital to bring about these favourable copditions. There is no desire on the part of responsible American manufacturers to exploit or to extort improper profits from overseas investments. But American business is certainly not going to invest large sums abroad for purely sentimental or charitable reasons.

I might also mention at this point that American capital is not likely to flow into any area where there is no assurance or guarantee of rights based on treaty. As you are probably aware, there is no basic commercial treaty in existence between India and the United States, although the United States Government has been proposing for several years, without success, the negotiation of a basic treaty of friendship, commerce and navigation, with India.

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Another recommendation of the President which will be of general interest abroad, I am sure, concerns the "Buy American" legislation. At present, certain of our laws require that, in specified procurement by the United States Government, preference must be given to domestic firms over foreign bidders. The President has now recommended that, except where conditions of national security and other factors require otherwise, bidders of foreign nations that treat American bidders on an equal basis with their own nationals, shall be exempted from the provisions of the "Buy American" laws.

The President also made several recommendations designed to encourage the flow of raw materials in international trade. In general, these measures are designed to establish greater stability of world prices of raw materials by moderating or relaxing impediments to international trade, by increased diversification of foreign economies, by avoiding procurement policies which disturb world prices, by consultation with other nations, and by tempering the fluctuations in our own economy.

Tourism Encouraged

Another recommendation by the President should be of increasing interest to Indians: that is in connection with encouragement of international travel by Americans. Last year, over one billion dollars, or about five hundred crores of rupees, were spent abroad by American tourists. The President proposes to encourage this travel by increasing the duty-free allowance for tourists from $500 to $1,000. Furthermore, he recommends that certain steps be taken to simplify governmental procedures relating to customs, visas, exchange, and other regulations in foreign countries that sometimes harass the traveller. As international travel is almost pure profit for the host countries, this is an increasingly important and profitable source of dollars for those countries which encourage tourism.

I have now given you a highly condensed summary of the foreign economic policies of the present Administration of the United States Government, as defined by the President and his advisers. You have probably gained, from what I have said, some idea of the scope and complexity of these policies. The trouble is that, while there is general agreement among Americans as to principles and objectives, there are widespread and deep-seated differences of opinion on how to reach them. Some of the proposals made by the President, which I have outlined to you, are certain to arouse a great deal of controversy in American business and Congressional circles. This is particularly true of the recommendations for reducing trade barriers. Tariffs have traditionally been a source of bitter controversy among the large and important business groups who regard tariff protection as vitally necessary to equalising differences in wage costs here and abroad. These groups oppose any lowering of tariffs as posing a grave threat to the domestic economy. They contend that without adequate tariff protections, many industries would be unable to compete with foreign goods produced by low-paid workers abroad, thus throwing the American workers out of jobs and spreading depression. Other of the recommendations, such as those relating to customs simplification and to international travel, will be readily approved.

Significant Developments

It is most significant that the President's recommendations should come at a time when competition everywhere is increasing as the period of post-war shortage passes and as fears of economic difficulties have become intensified.

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It is also highly significant that these recommendations come from the leader of the Republican Party which is traditionally committed to high and restrictive tariff policies. Personally, I think it is most encouraging that the United States Government and people have generally adopted the view that we cannot maintain our individual prosperity apart from the rest of the world and that unless we are willing to adopt liberal trade policies, other countries will be unable to pay for the goods they need from us for their progress and development.

With all the criticism pro and con of the Randall report and of the President's programme, it is generally acknowledged that these recommendations will do much to place our foreign relations on a sound and practical footing and prove to the world that the U.S. will continue in her role of economic leadership. If these recommendations are generally approved by the Congress, we may consider that the results would constitute a great and enlightened step forward towards an even more liberal economic policy for the United States Government.

Balance of Payments

Now, before concluding my remarks, I think it might be of interest to many of you for me to review briefly what has actually been occurring in the balance of payments between the United States and the world at large in recent months. It may come as a surprise to many that, at least for the time being, the period of huge export balances, which characterised United States foreign trade in the first years after the war, has come to a close. In 1953, American imports aggregating almost eleven billion dollars, were only 1.3 billion dollars short of exports, not counting military aid, for the same period. This near-balance in our trade has been brought about, not by decreasing exports, but by increasing our imports which have more than doubled since 1946. Exports, on the other hand, are only slightly above the 1946 level.

These figures are for merchandise trade alone, and do not include the huge "invisible" items in the balance of payments, such as domestic expenses, shipping, insurance, dividends, etc., plus the huge sums spent by our military forces abroad. Actually, it appears that our 1953 overall trade and service accounts with the rest of the world were about in equilibrium. If anything, there was a small deficit for the United States. So, temporarily at least, the much talked of "dollar gap" has been closed. The result has been that the so-called dollar shortage has given way to a substantial dollar surplus in many foreign countries. It is estimated now that foreign countries have built up their gold and dollar reserves at a rate in excess of two billion dollars a year.

The Randall report comments that this is an impressive record, but warns against concluding prematurely that the dollar problem has been solved. It calls attention to the present limitations imposed by many countries on dollar imports and argues that, in a free market and with convertible currency, the potential demand for dollar goods might substantially exceed the present restricted demand. It points particularly to the fact that the building up of foreign gold and dollar reserves has been made possible to a considerable extent by United States Government economic aid. Nor does the Commission entertain much hope that expansion of private investment can fill this gap, since many of the deterrents can be overcome only gradually.

Thus, we come back to the main premise of the Randall report and of the President's proposals, which is that the preservation of equilibrium in the balance of payments and maintenance of United States export sales at a high level will require a further growth of United States imports. But establishment of a dependable international balance is not something the United States can accomplish alone. The problem must, as the Randall report states, be attacked on many fronts and not too much dependence should be placed on any one line of attack. The final solution, the report declares, will depend even more upon the efforts of other countries than our own. It would involve their continuing internal efforts to achieve sound and strong economies and their external efforts to correct their international unbalance. This leads to the general conviction in the United States that the greatest contribution our country can make towards the economy of the world is the maintenance of a high degree of prosperity in the United States by assuring a full measure of production and consumption in our own country.

RATIONALISATION IN INDUSTRY

UNEMPLOYMENT FEAR UNJUST, SAYS WORLD TEAM

THE report on Small Industries in India prepared and submitted to the Government of India by the International Planning Team, to which a reference was made last week in the course of a leading article, has some thought-provoking practical suggestions for the achievement of rapid rural industrialisation. While making these suggestions, the Team has put forward certain brilliant arguments to dispel the unjustified fear that rationalisation brings with it unemployment. Besides, the Team draws pointed attention to the fact that "illogical" restrictions upon industry, large and small, would result in preventing progress.

In order to drive home the significance of increased production to industrial process, the International Team enunciates the basic principle that "you cannot divide what you do not produce." It says that this principle is well understood in the field of food production. For the cultivator knows that, if he did not produce enough food, he, his family and the country would be poorly fed. But this very principle is generally overlooked by industrial workers in so far as their production is concerned, as witness the opposition of labour to modernisation of industry calculated to secure increased production. Consequently, the following remarks of the Team are noteworthy:

"More production means more goods, more wealth to divide. More wealth means higher wages and lower cost per product. It means more and more employment as more goods are sold. This industrial process is evolutionary. It does not take place overnight. As through the use of efficient production tools and methods, more needed goods are produced at lower prices, workers released from present tasks take up other tasks in the same or other fields in which effective demands are being created by the very process of rationalisation itself. This evolutionary process can start from the simplest beginnings."

Thus begins the industrial process and as it develops, observes the Team, the pattern remains constant, regardless of its rate. The Team points out that it has to re-emphasise this economic principle, because, wherever it visited, it was confronted with "the unjustified fear of unemployment because of rationalisation." Enlarging the point further, it says that "with India's needs and desires, such as for better housing, irrigation, roads, etc., there should be no unemployment. If India's desires are to be met, the necessary shifts of effort to meet those needs would not in any sense be because of unemployment but because of overall advance."

Rationalisation

There are also a few more interesting passages in the report on rationalisation which deserve to be extracted. Here are some of them:

".... the basic causes of present deficiencies in small industry are methods of management and production which fall far short of meeting modern demands for efficiency; plus reluctance or failure to adopt improved rationalised methods.

"The challenge for rationalisation must be met as part of a forward-looking industrial programme that will encourage and accelerate evolutionary growth. Without rationalisation the natural talents of Indian workers and craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor living standards can be raised.

"To prevent rationalisation, to stop the processes of modernisation, is not only illogical; it will force stagnation and retrogression of Indian small industry.

"In large part resistance to modernisation derives from fears, which are widespread, of technological unemployment. These fears are ill-founded and unjustified. Perpetuation of inefficient outdated methods has more drastically reduced employment than any modernisation could have done—and without opening prospects for the future.

"Modernisation, on the other hand, creates employment. Improvements mean more and better products at lower and lower cost price and result in greatly expanded demands and markets and thus expanded job opportunities. Reluctance or failure to appreciate this concept is not only responsible for many of the difficulties observed but are real obstacles in the way of any organic effort toward improvement.

"Without modernisation Indian industries which cling to obsolete equipment are condemned to mediocrity and eventual elimination. Only by adopting efficient methods of production, as soon and as widely as possible, can small and village industry take advantage of the good opportunity it now has to lay a basis for a promising long-term development."

Referring to the employment aspect of modernisation, the Team points out that it is shortsighted to stop the processes of modernisation and development, for the mere purpose of apparently preventing unemployment when, in every field of India, it needs goods and services such as roads, etc. It would be worse, especially when in fact, modernisation creates employment. Explaining this point further, it remarks:

"Higher wages under its modernisation lift the worker above a mere subsistence to a respected consumer of goods of every description. It preserves and enhances India's position in the world as a producer for the world's needs. To prevent it, forces stagnation and retrogression. All this is in the false fear that modernisation can take place overnight. In fact, it is a relatively slow evolutionary process which takes years and which India should accelerate."

Machine Alone not Enough

The Team then proceeds to point out that in order to achieve rapid industrialisation, introduction of machinisation alone is not enough. It should be free from all unnecessary restrictions such as the ones to which Indian industry is subject. Says the Team: "Indian industry needs to be set free from those restrictions supported by legislation and regulation which are illogical. These retard and even prevent employment-earning opportunities." It quotes the system of bonus as an instance of illogical practice. It observes that, as the bonus system operates, it prevents the determination of liabilities until a long period of time has passed. No man, family, institution or Government can soundly finance itself under such a system. Nor can it plan, the Team adds, for the future or the present.

Explaining thus the importance of rationalisation and freedom from illogical restrictions for industries, the Team suggests the line of action to be pursued for accelerating the process of industrialisation in rural areas in three directions, namely, (a) setting up a Small Industries Corporation, (b) establishing a plant for production and training, and (c) installing small plants for demonstration.

The Small Industries Corporation should, it is suggested, be formed by the Central Government. It should have regional and State branches. Its work is to consist of servicing small industry in the field of Government indents in all its purchases from industry. It will also provide the necessary incentive and help small industry to improve its techniques of production and management by working on secured orders and to assure the industry its due place and share in India's expanding economy. It should have contracting and inspecting services and contain a separate financial body with power to direct loans to small industry for improving their equipment. It should have an engineering division which would help small industries to produce efficiently. The Corporation should sub-contract only to those firms which show the managerial ability to operate efficiently and are willing and eager to pay high wages consistent with higher production.

Training

The Team has suggested the establishment of a plant for production and training, with a view to meeting the demand for workers trained in mass production methods. The Team suggests that the plant should manufacture relatively large central diesel electric generating plants for community use in villages and small towns. It will help provide villages with sources of power well before the commendable multi-purpose river valley development can be brought to bear in sufficient amounts. Availability of power, it says, is the first essential to industrial growth.

The Government should establish, in addition to the two mentioned above, small plants for demonstration.

The Team lays emphasis on the interdependency of business, big and small, and of Government with them. Some industries must by their nature be big; they should refrain from entering into competition with their customers, small industries. For small industry is, the Team points out, the most essential element in the proper fabrication of the basic material to meet the myriad forms they take in satisfying the needs of the people. Small industry also complements big industry by aiding it through the medium of sub-contracting and service. The Government, therefore, must provide, it stresses, the atmosphere in which both can work, aiding directly only initially and requiring that the responsibilities of all elements of the community be discharged and none favoured over the others.

CRISIS IN MANGANESE INDUSTRY

SPEEDY REMEDIAL MEASURES URGED

THE manganese industry in Madhya Pradesh is, it is reported, facing a serious crisis at present. As many as 63 mines out of about 200 in the State have already been closed and a few are on the brink of closure and are expected to go out of production if no action is taken to help the industry out of its present plight. So far about 25,000 workers employed in the mines have been rendered idle and it is feared the number is likely to go up considerably, if more mines are compelled to stop their operations.

The present slump in the Indian manganese industry is attributed to serious competition in the overseas countries from Russia and Brazil. In the result, there has been a marked fall in the price of manganese. It is reported that the price of high grade ore from Madhya Pradesh has fallen from Rs. 145 per ton, six months ago, to as low as Rs. 80 per ton at present. The demand for low and medium grade ores has been practically nil, and the producers of these ores have been hard hit by the slump.

Evidently, the present slump is an aftermath of the boom in this industry, during the past two or three years. The accounts relating to the sea-borne trade of India reveal a marked increase in export of manganese during the past three years. The value of exports to some of the leading countries in each of the three years ended 1952-53 and in the first ten months of 1953-54 is shown in the table below:

(In lakhs of rupees)

	1950-51	1951-52	1952-53	10 months Apr.-Jan., 1953-54
U.K.	107.9 (107,912)	156.4 (114,654)	224.6 (136,884)	189.71 (107,672)
Sweden	1.7 (1,530)	20.9 (14,100)	24.8 (12,675)	11.53 (5,539)
Norway	4.29 (3,979)	12.65 (8,384)	24.92 (15,879)	7.56 (4,893)
W. Germany	47.89 (47,170)	168.86 (145,246)	195.44 (146,918)	95.06 (65,867)
France	6.29 (6,350)	59.12 (44,046)	96.12 (45,740)	84.70 (45,113)
Italy	10.36 (8,826)	71.61 (48,150)	42.85 (23,010)	27.99 (14,499)
Japan	75.72 (69,919)	177.06 (129,533)	68.56 (34,000)	15.81 (90,196)
Canada	9.84 (9,300)	15.86 (13,470)	8.67 (5,000)	16.96 (9,000)
U.S.	521.9 (533,102)	854.6 (577,169)	1,361.07 (990,907)	1,449.82 (906,240)
Other countries ..	15.43 (18,283)	40.24 (30,185)	59.42 (42,095)	8.75 (66,600)
Total ..	801.25 (820,780)	1,569.84 (1,124,956)	2,077.30 (1,364,931)	2,064.08 (1,318,314)

(Figures in brackets related to quantity in tons.)

It will be seen from the table above that the value of exports of manganese had steadily increased from Rs. 8.01 crores in 1950-51 to Rs. 15.69 crores in 1951-52 and to Rs. 20.77 crores in 1952-53. It is also encouraging to note that in the first 10 months of 1953-54, exports, valued at Rs. 20.64 crores, were almost the same as those in the full year of 1952-53. The upward trend in the value of exports, however, refers to a past period. It will be misleading, therefore, to infer from these figures that the industry is in a prosperous position now. It does not reflect the disquieting situation in which the industry finds itself today.

Incidentally, the volume of exports in 1953 would have been higher still but for the transport bottlenecks experienced in the second-half of that year. The country's capacity to export manganese ore was found to be limited by the capacity of Calcutta and Madras ports to handle shipments, as well as by the supply of wagons. Lack of dumping space at the ports was, and still is, a limiting factor. Consequently, a quota system was introduced and in the last quarter of 1953 export quotas were allotted to established shippers upto 25 per cent. of their best year's exports. For the same period, mine-owners were allotted quotas upto 20 per cent. of their best year's production. For the quarter January-March, 1954, export quotas were granted on the same basis as in the previous quarter. Subsequently, the position was again reviewed. It was found that substantial portion of the quotas previously allotted was still to be utilised. Consequently, the period of validity of the quotas for purposes of allotment of wagons was also extended further.

As a result of these bottlenecks, huge manganese ore dumps containing superior as well as inferior grades have sprung up in mining areas. According to one source, about 3.75 million tons of marketable ore—let alone ores of other lower grades—are available in dumps in Madhya Pradesh. The reserves of ore in dumps in the Srikakulam district of Andhra are estimated at about 1.2 million tons. Total dumps in Bihar and Orissa where manganese mining has been started comparatively recently amount to two lakh tons.

(Continued on page 1201)

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Managing Director.



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PROFIT OF SIMPLEX MILLS NEARLY MAINTAINED

FINANCIAL POSITION SOUND

THE financial results of the Simplex Mills Company, Ltd. (Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay), for the year ended 31st March, 1954, disclose that, despite the better trading conditions that prevailed during the year, the Company has not been able to improve its earnings over those for the previous year. The gross profit of the Company for the year under review amounts to Rs. 22.40 lakhs, as against Rs. 22.57 lakhs for 1952-53. The shrinkage, albeit negligible, is in distinct contrast to the experience of many other mills and has brought down the Company's profit for the year under review to the lowest level for the last four years. Thus, from Rs. 34.08 lakhs for the year 1950-51, the profit has dropped to Rs. 22.40 lakhs for 1953-54, a decline of over 34 per cent. in the last three years.

The dividend to shareholders has also been slightly pruned in consonance with the small shrinkage in profit. A final dividend of Rs. 6 per share of Rs. 50 has been proposed by the Directors, as against the corresponding distribution of Rs. 9 per share. This, together with the interim dividend of Rs. 5 per share (as against Rs. 6 per share for 1952-53), makes the total dividend for the year under review Rs. 11 per share, as compared with Rs. 15 per share for the previous year. It must, however, be noted that the total dividend of 22 per cent. for the year under review is on the increased capital of Rs. 42 lakhs, raised by the capitalisation of Rs. 10.50 lakhs in September, 1953. On the old capital of Rs. 31.50 lakhs, the distribution for the year under review works out to 29.3 per cent., which is only a fraction lower than that of 30 per cent. paid for 1952-53.

The following table presents the salient features of the Company's financial results for the year under review against the background of those for the previous three years:

(In thousands of rupees)

	For the year ended 31st March			
	1954	1953	1952	1951
Sale proceeds (net)	2,42,83	2,12,81	2,00,04	1,76,76
Cotton and staple fibre consumed	1,16,82	97,80	1,04,57	79,81
Art silk and other yarn and waste purchased	1,96	3,31	5,75	7
Other expenses (including stores and fuel consumed)	1,02,06	89,40	74,63	62,23
Gross profit	22,40	22,57	25,53	34,08
Agents' commission	2,94	3,58	3,21	4,55
Provision for—				
Depreciation	5,00	5,00	5,00	5,00
Taxation	5,00	6,00	7,50	11,00
Net profit	9,45	7,98	9,82	13,53
E.P.T. refund (net)	..	7,35	..	..
To reserves	5	6,00	1,47	6,00
,, staff gratuity fund	30	3	12	65
Dividend	9,24† (22%)	9,45 (30%)	8,40* (30%)	7,14 (34%)
Carry forward	22	86	50	67

* The dividend consists of an interim distribution of Rs. 5 per share of Rs. 50 on a paid-up capital of Rs. 21 lakhs and a final dividend of Rs. 10 per share on the capital of Rs. 31.50 lakhs increased in January, 1952.

† On the capital of Rs. 42 lakhs increased in September, 1953.

The foregoing table fully explains the causes for the slight shrinkage in profit. Though the sale proceeds have gone up by Rs. 30.22 lakhs, the value of cotton and staple fibre consumed has risen by Rs. 19 lakhs and expenses, including stores and fuel consumed, by Rs. 12.68 lakhs, thus more than offsetting the rise in sale proceeds. Stores, fuel and coal consumed show an increase of Rs. 3.05 lakhs, salaries and wages Rs. 5.77 lakhs, repairs and renewals Rs. 1.17 lakhs and provident fund contribution Rs. 1.61 lakhs. It will be interesting to note from the foregoing table that these expenses have risen by nearly Rs. 40 lakhs in the course of the last three years, which is mainly responsible for the reduction in the profit-margin of the Company. Thus, whereas the Company made a profit of Rs. 34.08 lakhs in 1951 on a gross turnover of Rs. 192.44 lakhs, representing 17.7 per cent., it has earned a profit of only Rs. 22.40 lakhs in the year under review on a larger turnover of Rs. 237.02 lakhs which works out to only 9.45 per cent.

In the accounts for the year under review, no provision has been made for additional wages, in respect of the period of closure of the mill from November, 1951 to July, 1952, due to electricity shortage, amounting to Rs. 2.01 lakhs, additional dearness allowance from May, 1953, to March, 1954, amounting to Rs. 2.86 lakhs, and overtime wages to watch and ward staff from April, 1949, to July, 1952, amounting to Rs. 33,285 as the awards made in these references by the Industrial Court are under appeal.

After providing for Agents' commission, depreciation and taxation, the net profit amounts to Rs. 9.45 lakhs, an increase of Rs. 1.47 lakhs over the year. The net profit of the previous year was supplemented by the receipt of Rs. 7.35 lakhs, being the net E.P.T. refund. This additional income was utilised to add Rs. 6 lakhs to the dividend equalisation fund. No sum has been added to this reserve this year, but a small sum of Rs. 5,256 has now been transferred to the reserve fund.

The Company's balance-sheet as on 31st March, 1954, reflects a satisfactory financial position. As against a paid-up capital of Rs. 42 lakhs, reserves and surplus aggregate Rs. 39.02 lakhs, even after the capitalisation of a sum of Rs. 28 lakhs in the post-war period. Provision for taxation amounts to Rs. 5.31 lakhs and current liabilities aggregate Rs. 21.49 lakhs. As against a gross block of the value of Rs. 80.15 lakhs, a depreciation fund of Rs. 68.69 lakhs has been built up. Current assets amount to Rs. 96.36 lakhs, exceeding current liabilities and provision for taxation by a wide margin of Rs. 69.56 lakhs. Of these current assets, cash balances alone amount to Rs. 21 lakhs.

During the year under review, four automatic dye jiggers, a cloth shearing and cropping machine, a drying range complete with stenter were installed and are now in operation.

The Rs. 50 paid-up shares are being currently quoted at Rs. 156-8 *cum-div.* (final div. Rs. 6). On an *ex-div.* basis, the dividend for the past year provides a yield of 7.3 per cent. per annum free of tax.

ADVERSE RESULTS OF U.P. SUGAR

The results disclosed by the audited accounts of the United Provinces Sugar Company, Ltd., (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta), for the year ended 30th September, 1953, are disappointing. The gross profit, which had dropped from Rs. 10.51 lakhs for 1950-51 to Rs. 7.50 lakhs in the succeeding year, has further dwindled to a low of Rs. 1.64 lakhs for the year under review. After providing for the Managing Agents' remuneration, depreciation and taxation, the accounts show a net loss of Rs. 1.05 lakhs, in contrast to the profit of Rs. 2.65 lakhs for the previous year and of Rs. 4.02 lakhs for 1950-51. The dividend to shareholders, which had been pruned last year from 20 per cent. to 15 per cent., has been drastically cut further to 5 per cent. for the year under review.

The setback in results, as indicated above, has been due to factors beyond the control of the management. The poor quality of cane due to adverse weather conditions, the reduction in the price of cane from the Company's estates, the heavy excise duty and higher provincial cesses were some of the causes for the disappointing results. The number of crushing days was higher at 110, as against 104. The quantity of cane crushed amounted to 25,24,444 maunds, as against 23,32,984 maunds in the previous year and the output of sugar shows a rise from 2,36,129 maunds to 2,44,069 maunds. The recovery of sugar has, however, declined from 10.12 per cent. to 9.67 per cent. It will be interesting to note here that the number of crushing days, the quantity of cane crushed and the output of sugar during the year under review are the highest in the past nine years of the Company's history.

The following comparative table brings out clearly the salient features of the Company's accounts for the last four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1953	1952	1951	1950
Sale proceeds of sugar and molasses	48.62	53.70	66.01	41.56
Stocks of sugar and molasses	19.14	19.80	13.42	19.73
Cane and country crops	5.05	7.40	8.14	7.07
Cost and transport of cane	40.64	46.75	49.87	42.89
Excise duty	9.19	4.46	6.66	6.76
Cultivation expenses	6.56	6.87	7.00	7.48
Manufacturing expenses	6.06	6.54	5.61	5.00
Other expenses	9.24	8.94	9.41	7.93
Gross profit (+) or loss (—)	+1.64	+7.60	+10.51	+0.49
Managing Agents' remuneration	1.14	1.71	1.34	1.03
Depreciation	0.75	0.54	1.13	0.61
Taxation	0.80	3.14	4.00	0.35
Net profit (+) or loss (—)	—1.05	+2.65	+4.02	—1.41
E.P.T. refund (net)	0.33	..	..	..
Transfer from reserves	1.53	..	..	1.70
To reserves	0.33	..	0.70	..
Dividend	0.80	2.40	3.20	0.48
	(5%)	(15%)	(20%)	(3%)
Carry forward	0.02	0.37	0.12	..

A notable feature disclosed by the table is the sharp rise in excise duty paid during the year under review from Rs. 4.46 lakhs to Rs. 9.19 lakhs, representing an increase of 106 per cent. over the year, although the quantity of sugar produced shows only a fractional increase. A statement of the Company's results for the last 18 years attached to the Directors' report reveals that the excise duty paid during the year under review is a record one. Even in the year 1936-37, when the Company's output of sugar was the highest at 3,38,755 maunds, the excise duty paid by it was no more than Rs. 4.69 lakhs. In 1942-43, the output amounted to a near record level of 3,37,517 maunds and the excise duty paid was Rs. 7.98 lakhs. The statement also shows that the provincial cesses paid during the year under review amounted to Rs. 4.73 lakhs, also a record.

The gross profit of Rs. 1.64 lakhs earned by the Company during the year under review is mainly due to the profit of Rs. 3.19 lakhs (as against Rs. 6.82 lakhs in the previous year) earned by the sugar manufacturing section. The estates section has actually suffered a loss of Rs. 1.63 lakhs (as against a small profit of Rs. 0.68 lakh). The loss on estates account is due to damage done to cane and grain crops by a disastrous hailstorm and the reduction in price of cane from Re. 1-12 to Re. 1-5 per maund. The provision for depreciation has been made at the usual rates. No provision for State taxation has, according to the Directors, been necessary and the provision for Central tax fully covers liabilities on the profits for the year under review. The E.P.T. refund (net) amounting to Rs. 33,035, received during the year, has been transferred to the rehabilitation reserve, "in conformity with the accepted practice in such cases." During the year, a sum of Rs. 1.29 lakhs, out of the total E.P.T. deposits of Rs. 1.65 lakhs, was repaid by the income-tax authorities, thereby freeing to a large extent the E.P.T. deposit reserve of Rs. 1.15 lakhs created in 1944. The Directors have, therefore, transferred Rs. 85,000 out of this reserve to the profit and loss appropriation account. This, together with the sum of Rs. 67,875 drawn from the general reserve, has been utilised to wipe off the year's loss.

The latest balance-sheet shows that the reserves and surplus aggregate Rs. 8.04 lakhs, as against a paid-up capital of Rs. 16 lakhs. Half of this capital, it may be noted, was raised in 1933, by the capitalisation of reserves. The gross block of the value of Rs. 31.13 lakhs has been written down to a book value of Rs. 6.13 lakhs. Current liabilities and provision for taxation, amounting to Rs. 22.10 lakhs, are covered by current assets aggregating Rs. 40.02 lakhs by a very wide margin.

The prospects for the current year are none-too-bright, as will be seen from the following extracts culled from the Directors' report:

"Profits from the sugar factory and estates will be affected to a certain extent by the heavy flooding experienced during the monsoon and a cane price agitation by growers which caused a stoppage of work for nearly two days, followed by intermittent cane supplies which adversely affected recovery. The season closed on 24th March with a crush of 18,96,330 maunds cane and recovery of 10.05 per cent. The price of cane fixed by Government was Re. 1-7 per maund."

CUT IN CEMENT PRICE AFFECTS DIGVIJAY CEMENT

The audited accounts of the Shree Digvijay Cement Company, Ltd. (Managing Agents: Shree Laxmi Agents Ltd., Seeka, Saurashtra), show that the earnings of the Company have been well maintained, notwithstanding a reduction in selling prices of cement. Thus, the gross profit for the year under review amounts to Rs. 25.32 lakhs, as against Rs. 25.24 lakhs for the previous year. The net profit, after providing for Managing Agents' remuneration and depreciation, however, shows a decline from Rs. 13.11 lakhs to Rs. 8.82 lakhs, due to larger provision for depreciation. After transferring a sum of Rs. 3 lakhs, as against Rs. 7 lakhs, to the reserve fund, the Directors propose to maintain the dividend on the ordinary shares at 6 per cent., to which level it had been enhanced last year from the maiden dividend of 5 per cent. paid for 1951.

The salient features of the Company's working results for the year under review are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	106.76	99.09	82.17	82.14
Stocks	16.14	4.10	3.84	1.23
Operating and other expenses	90.83	78.94	62.89	62.71
Gross profit	25.32	25.22	22.72	21.15
Managing Agents' remuneration	1.50	2.11	1.50	0.85
Depreciation	15.00	10.00	10.00	10.00
Net profit	8.82	13.11	11.22	4.29
To reserve fund	3.00	7.00	3.00	..
Dividends—				
5% preference	2.00	2.00	2.00	3.75*
Ordinary	3.60	3.60	3.00	..
	(6%)	(6%)	(5%)	
Carry forward	1.63	1.41	0.60	1.46

* For the years 1949 and 1950.

The increases in sale proceeds of cement, in spite of the cut in selling price of cement, closing stocks and expenses indicate that the Company's production must have exceeded the previous year's record output. In April, 1952, the Government withdrew the special price granted to new units, and effected a drastic reduction in the price of cement in December, 1952. Thus, the reduced price was in force throughout the year covered by the report under review, although the Tariff Commission submitted its recommendations in July, 1953, for an increase in price. It was only in February, 1954, that the increase in selling price of cement—this, however, falls short of what the Tariff Commission recommended—was sanctioned by the Government of India. Had it not been for the lower price for cement which prevailed during the year 1953, the Company's results would have been more impressive.

No provision for taxation has been made, because of the huge arrears of depreciation that remain to be provided.

The balance-sheet of the Company as on 31st December, 1953, shows that the reserves and sur-

(Continued on next page)

Points From The Chair

Standards in Paper Production Should Be Fixed

"WHILE dealing with expansion and improvement of quality, I would like to refer to the factor of price which is now fixed on the basis of a certain formula evolved by the Tariff Board. This formula takes into consideration the different varieties of papers manufactured, but no emphasis is given to the quality of each variety. During the war, the industry had to produce maximum tonnage and very little attention was paid to quality. It is essential now that premium and discount should be allowed to manufacturers producing different qualities in the same variety. The Government of India should urge the Indian Standards Institution to lay down specifications for different qualities in respect of all varieties, so that manufacturers may get price according to quality. The manufacturers who pay attention to quality and produce goods of better quality will be compensated. This provision will result in general improvement in the quality of the products. It will be in line with the policy of the Industry Ministry which is anxious to improve the quality of national products in every possible respect."

SHANTI PRASAD JAIN,
Rohtas Industries Ltd.

Prospects for Tea

"I think, I can be rather more optimistic in regard to the prospects for the future than I was a year ago. In the first place, the current level of prices is much higher and, while some decline may well take place in the autumn, there is more scope for adjustment and there should be no danger of a fall to unremunerative levels. For the various reasons I have indicated, costs will be higher, but the real strength of the market seems likely to come from the statistical position. While there should be no scarcity of tea for the actual consumer, the quantities likely to be available in the distribution pipe-line may well be no more than what might be termed a bare minimum. At the time of writing, the stocks in London are 113.8 million lbs. and that figure is more likely to fall than rise before the weight of the North India crop comes forward in the late autumn. Crops from countries and districts where harvesting continues during the whole year, e.g., Ceylon, South India and Africa, are up on the previous year, but not to any appreciable extent."

W. H. MARR,
Consolidated Tea and Lands Co., Ltd.

British Tax Code for Mining Companies

"... there is urgent need for the deadly impartiality of the British tax code to be relaxed and for similar incentive legislation to be applied to British oil and mining companies operating overseas, as is enjoyed by their foreign competitors who operate under more flexible tax codes. This is increasingly recognised by other Governments in the British Commonwealth who now give incentives in the form of tax reliefs to mining concerns operating in their territories. However, these reliefs are disallowed in the United Kingdom, with the result that no benefits accrue to the companies, the only gainer being the United Kingdom Treasury. For that reason, Dominion and Colonial Governments exercise discrimination against British companies and there are instances where reliefs given by Governments in the British Commonwealth are withheld from British companies, although they are extended to their United States and Canadian competitors. In the circumstances, it is hardly surprising that not a single overseas mining company directed from this country has been registered since 1939."

MALCOLM MACLACHLAN,
British-Borneo Petroleum Syndicate Ltd.

Comets in International Civil Aviation

"We have a large stake in civil aviation both as it exists today and in future projects. We share with everybody the sense of disappointment that the success of the Comet I should have been jeopardised by recent events. We can only look forward to the successful outcome of the present investigation and to seeing both present and future Comets given the opportunity to establish themselves on international routes. The useful experience which we are accumulating on the operation of propeller turbine engines in airline operation points the way for still further development of this type of engine and we are already well advanced in being able to offer improved specifications which we believe will be of world-wide interest to aircraft designers."

THE RT. HON. LORD HIVES,
Rolls-Royce Ltd.

(Concluded from previous page)

plus aggregate Rs. 14.63 lakhs, as against a paid-up capital of Rs. 99.71 lakhs. The gross block of the value of Rs. 51.09 lakhs during the year, has been written up of Rs. 51.09 lakhs during the year; and has been provided with a depreciation fund of Rs. 51.49 lakhs. Besides this gross block, extension works in progress and residential buildings under construction account for Rs. 11.82 lakhs. Current assets aggregate Rs. 65.90 lakhs, as against current liabilities amounting to Rs. 79.74 lakhs.

The Directors expect the Company to show better results in the current year, thanks to the increase in selling price which came into effect in February, 1954. The cement mill of the extension project, it is stated, commenced production in September, 1953, and the work of construction on the ropeway scheme has been taken in hand.

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted around Rs. 132 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 4.76 per cent. per annum.

COMPANY MEETINGS AND DIVIDENDS

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, 24th June, 1954. Dividend: Re. 1-4 per share. Transfer books will remain closed from 17th to 24th June, 1954, both days inclusive.

SEARSOLE COAL CO., LTD. Annual General Meeting, Calcutta, 25th June, 1954. Dividend: As. 10 per share. Transfer books remain closed from 15th to 25th June, 1954, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Annual General Meeting, Seeka (Saurashtra), 25th June, 1954. Dividend: Rs. 6 per share, payable on and after 5th July, 1954. Transfer books remain closed from 11th June to 3rd July, 1954, both days inclusive.

UNITED PROVINCES SUGAR CO., LTD. Annual General Meeting, Calcutta, 28th June, 1954. Dividend: As. 8 per share. Transfer books remain closed from 14th to 28th June, 1954, both days inclusive.

BAREILLY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 28th June, 1954. Transfer books will remain closed from 22nd to 28th June, 1954, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 28th June, 1954. Transfer books will remain closed from 22nd to 28th June, 1954, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 28th June, 1954. Dividend: Rs. 10 per share. Transfer books remain closed from 15th to 28th June, 1954, both days inclusive.

NEMMENY RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, 29th June, 1954. Dividend: As. 12 per share. Transfer books will remain closed from 25th to 29th June, 1954, both days inclusive.

UDAYAGIRI RUBBER CO., LTD. Annual General Meeting, Kottayam, 29th June, 1954. Dividend: Re. 1 per share, payable on 15th July, 1954. Transfer books will remain closed from 25th to 29th June, 1954, both days inclusive.

BORMAH JAN TEA CO. (1936) LTD. Annual General Meeting, Calcutta, 29th Junue, 1954. Transfer books remain closed from 16th to 29th June, 1954, both days inclusive.

TELOIJAN TEA CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Transfer books remain closed from 16th to 29th June, 1954, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Dividend: Re. 1 per share. Transfer books will remain closed from 21st to 29th June, 1954, both days inclusive.

HARINAGAR SUGAR MILLS LTD. Annual General Meeting, Bombay, 30th June, 1954. Transfer books will remain closed from 23rd June to 7th July, 1954, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 9th July, 1954. Dividend: Re. 1-8 per share. Transfer books will remain closed from 23rd June to 9th July, 1954, both days inclusive.

EAGLE ROLLING MILLS LTD. Annual General Meeting, Calcutta, 9th July, 1954. Transfer books will remain closed from 23rd June to 9th July, 1954, both days inclusive.

JANARDHANA MILLS LTD. Dividend of Rs. 4-8 per share, for the year ended 31st December, 1953. Transfer books remain closed from 8th to 21st June, 1954, both days inclusive.

INDIAN STEEL ROLLING MILLS LTD. Dividend of As. 12 per share, for the year ended 31st December, 1953. Transfer books will remain closed from 25th to 29th June, 1954, both days inclusive.

KUMBAKONAM ELECTRIC SUPPLY CORPORATION LTD. Dividend of As. 12 per share, for the year ended 31st December, 1953. Transfer books remain closed from 16th to 26th June, 1954, both days inclusive.

NEGAPATAM ELECTRIC SUPPLY CO., LTD. Dividend of As. 8 per share, for the year ended 31st December, 1953. Transfer books remain closed from 16th to 26th June, 1954, both days inclusive.

GOKUL RUBBER AND TEA PLANTATIONS LTD. Dividend of As. 2 per share, for the year ended 31st December, 1953.

COMPANY REGISTRATIONS

JAGMOHANDAS BHAGWANDAS BODA & CO., LTD. (First Director: Mr. J. B. Boda.) Business: Insurance Agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Yusuf Building, 49, Veer Nariman Road (Churchgate Street), Fort, Bombay.

INDIAN FUMIGATION CO., LTD. (First Director: Shri Hariprasad Vrajlal Mehta.) Business: Manufacturers and Dealers in Germicidal or Insecticidal Fumes, Sulphurous Acid Products, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 141, Fort Street, Pharmed House, Fort, Bombay.

INDIAN AND EASTERN ENGINEER CO., LTD. (First Director: Mr. J. C. Mahindra.) Printers, Publishers, Stationers, Lithographers, Typefounders, etc. Authorised capital: Rs. 5,00,000. Address: Bapmigher, Hornby Vellard, Dr. Annie Besant Road, Bombay.

VIJAYKUMAR KRISHNASWAROOP LTD. (First Director: Mr. P. R. Nandgadkar.) Business: Stock, Share, Bullion, Cotton and Seed Brokers and Manufacturers of Cloths and Yarns of all types. Authorised capital: Rs. 5,00,000. Private company. Address: 78, Zaveri Bazar, Bombay 2.

BODA BROS. LTD. (First Director: Mr. J. B. Boda.) Business: Insurance Agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Yusuf Building, 49, Veer Nariman Road, Fort, Bombay.

Notices

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the Dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 30th June, 1954. Payment will be made on or after the 10th July, 1954, to those shareholders whose names appear on the Company's Registers on the 30th June, 1954, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 15th June, 1954.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in Travancore)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June, 1954, to the registered holders as at that date, half-yearly interest due on Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer books will be closed from 24th June to 30th June, 1954, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY, 8th June, 1954.

CHRESTIEN MICA INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT AT THE Meeting held on the 7th day of June, 1954, the Board of Directors of this Company have sanctioned the payment of the following dividends for the period ending 31st December, 1953:—

1. A dividend of 5½ per cent. per annum less Income-tax on the Preference shares.
2. An interim dividend of Annas Eight per share on Ordinary shares free of income-tax.
3. An interim dividend of Annas Six per share on Deferred shares free of income-tax.

The Share Transfer Books of the Company will be closed from 1st of July, 1954, to 14th July, 1954, both days inclusive.

Payments of the above mentioned dividends will be made on or after the 15th July, 1954, to those members whose names are registered in the books of the Company on the 29th June, 1954, or to their mandatees.

Claims on behalf of shares held under blank transfer will not be entertained.

By Order of the Board,
RAM KUMAR AGARWALA & BROS.,
Managing Agents.

CALCUTTA, 7th June, 1954.

MINERVA MILLS, LIMITED

NOTICE OF 19th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A DIVIdend of Rs. 6 and a bonus of Re. 1, thus making a total of Rs. 7 per share of Rs. 100 for the year ended 31st December, 1953, sanctioned by the shareholders at the Thirty-fourth Ordinary General Meeting held on the 9th June, 1954, is made payable at the Imperial Bank of India, Bombay, on and after Thursday the 17th June, 1954, to those shareholders whose names stood on the Register of Members on the 17th May, 1954, and who have paid all dues to the Company whether in respect of calls on their shares, interest thereon or otherwise.

By Order of the Board,
N. SIRUR & CO., LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 9th June, 1954.

SHAW WALLACE COMPANY REPORTS SATISFACTORY RESULTS

BURRAKUR COAL RESTORES CUT IN DIVIDEND

Shaw Wallace & Co., Ltd.

THE directors of the above Company (Managing Director: Mr. R. H. D. Campbell, Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

Included with these are the accounts of the firm of Shaw Wallace & Co. and of the firm's associates, Atlas Fertilisers Ltd. and Shawlace Nominees Ltd. of Calcutta, Indo-Agri Ltd. and Madras Hide & Skin Exporters Ltd. of Madras, Shaw Wallace Ceylon Ltd. of Colombo, Shaw Wallace Pakistan Ltd. of Karachi, and Shaw Pearson & Smith Ltd. of London.

The Company's profits, after the inclusion of Rs. 3,56,616 (Rs. 3,47,991) brought forward, is Rs. 25,59,639 (Rs. 25,80,900) and after making provision for taxation Rs. 7,59,885 (Rs. 6,92,409) there remains a balance of Rs. 17,99,754 (Rs. 18,88,491). Out of which the directors have placed to general reserve account Rs. 2,00,000 (Rs. 3,00,000), placed to investment reserve account Rs. 1,50,000 (Rs. 1,50,000) declared as interim dividends, payable for the year 1953 on the cumulative preference shares *Rs. 3,31,875* (Rs. 3,31,875) and recommend the payment of a dividend on the ordinary shares of 10 per cent. free of income-tax Rs. 7,50,000 (Rs. 7,50,000), leaving to be carried forward Rs. 3,67,879 (Rs. 3,56,616).

Trading conditions for the first part of the year were extremely difficult, but improved considerably during the last three months. In view of the *general economic conditions* prevailing, the directors consider that the results for the year, which compare very closely with those of 1952, must be regarded as satisfactory. Since the close of the year to date profits continue at a satisfactory level.

On 1st January, 1954 Messrs. Shaw Wallace Ceylon Ltd. acquired the whole of the ordinary capital of Messrs. Lee Hedges & Co., Ltd., Colombo, and changed its name to Messrs. Shaw Wallace & Hedges Ltd. The purchase price was satisfied by increasing the issued capital of the Company by 62,500 shares of Rs. 10 each which were issued to the shareholders of Messrs. Lee Hedges & Co., Ltd. As a result of this transaction the business of the Company's Ceylon associate has been put on a much broader footing, and the directors are confident that this move will prove beneficial to the Group's results in the future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,00,000	Block ...	9,71,831
Reserves ...	38,50,000	Investments	2,10,16,294
Provision for taxation ...	14,50,000	Stocks ...	7,88,866
Liabilities ...	89,86,809	Stores ...	75,435
Profit and loss account ...	3,67,879	Debts, deposits and advances ...	58,27,252
		Cash ...	9,75,010
Rs.	2,96,54,688	Rs.	2,96,54,688

Burrakur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December, 1953.

4,71,163 tons were raised and 4,99,753 tons were despatched. In comparison with 5,09,461 tons raised and 4,83,282 tons despatched during the previous half-year.

The Loyabad Ropeway worked well throughout the period and 4,43,802 tons of sand were transported. The figure for the previous six months was 3,13,616 tons. Although the carrying capacity of the Ropeway itself is adequate for the Group's sand requirements, the gathering arrangements have had to be augmented owing to the greater distances from which sand had to be collected due to the poor replacement of sand since the monsoon.

29,360 tons of metallurgical coke were produced by the Loyabad Coke Plant during the half-year. The figure for the previous half-year was 30,975 tons. Despatches for the two periods were 32,428 tons and 30,831 tons respectively.

It will be recalled that a decision was taken two years ago to carry out a substantial repair programme to the Battery. It has been found now that the rate of deterioration *of the ovens is more* rapid than the repair schedule. As this state of affairs is adversely affecting the production of coke and the relevant income, the directors have decided to increase the rate at which ovens are being repaired. *This will necessarily reduce outputs* for a period, but will also result in an earlier return to normal working conditions.

Stowing and Costs.—The directors referred at length to this subject in their last report. Although there are indications that Government is aware of the difficulties under which stowing collieries are labouring, alleviation is not yet forthcoming. Meanwhile, the Company continues to follow the best known method of coal conservation, but it must be appreciated that this is very costly.

Transport.—The number of wagons available daily for coal loading in the Bengal-Bihar fields was 3,119. This is 16 wagons more than for the previous period. In order to assist forward planning, the coal industry has informed the Planning Commission that in its opinion transport to the extent of an additional 2 million tons per year for the next ten years will be required, if the industrial expansion programme is to be fulfilled.

Market.—There is little fresh to note since the directors' last report. Illegal rebates continue.

Labour.—While the directors give their full support to reasonable improvement in the conditions under which labour works in so far as these improvements fall within the capacity of management to pay, they suggest that the criterion is the capacity to pay, and this is governed first and last by labour's willingness to do a fair day's work for the many benefits which are now available in return for services rendered.

As this repoprt is written, the industry is under the orders of a Tribunal set up by Government in response to demands formulated by labour (or their leaders) which, if acceded to *in toto*, will increase the pit-head price of coal to Indian industry by about 50 per cent.

Accounts.—In recommending an increase in the dividend distribution to 5 per cent. per annum from 2½ per cent. per annum paid for the previous half-year, the directors draw attention to the fact that some items of income are unlikely to recur and others, such as *dividends from investments* fall mainly into this period's accounts. They feel justified, however, in their course of action in the circumstances obtaining and in the interests of shareholders.

The Profit and loss account, after providing Rs. 3,92,488 (Rs. 2,95,574) for depreciation, Rs. 3,77,366 (Rs. 3,74,751) for taxation, transferring Rs. 55,000 (Rs. 1,50,000) to tax contingency reserve, Rs. 50,000 (Rs. 50,000) to debenture redemption reserve, Rs. 50,000 (Rs. 50,000) to ropeway rope replacement reserve nil (Rs. 50,000) for reserve for bad and doubtful debts and including the sum of Rs. 83,532 (Rs. 1,54,703) brought forward from last half-year, shows an available balance of Rs. 4,28,860 (Rs. 4,32,782) which the directors propose to dispose of as follows:—

In paying a dividend on the 1st preference shares of 7 per cent. per annum without any deduction for income-tax paid by the Company Rs. 80,493 (Rs. 80,493), in paying a dividend on the 2nd preference shares of 6 per cent. per annum after deduction of income-tax paid by the Company Rs. 9,956 (Rs. 9,956), in paying a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax paid by the Company Rs. 2,27,312 (Rs. 2,27,312) and in carrying forward Rs. 1,11,099 (Rs. 1,15,021).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,18,42,280	Block ...	2,38,22,014
Reserves ...	1,72,13,285	Capital exp. in progress	5,38,115
Debentures ...	20,00,000	Stocks ...	19,16,277
Provision for taxation ...	10,36,043	Stores ...	39,49,252
Liabilities ...	83,30,624	Investments	19,18,947
Profit and loss account ...	1,11,099	Debts, deposits and advances ...	81,88,414
		Cash ...	2,00,312
Rs.	4,05,33,331	Rs.	4,05,33,331

Katras Jherriah Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st January, 1954.

After providing Rs. 81,000 (Rs. 75,000) for depreciation and Rs. 1,62,000 (Rs. 1,60,000) for taxation and cesses and *after transferring Rs. 60,000 (nil)* to general reserve nil (Rs. 25,000) to development reserve, there is a balance of Rs. 1,91,080 (Rs. 1,89,822) at the credit of profit and loss account, out of which the directors recommend the payment of a dividend at Rs. 2 (Rs. 2) per share absorbing Rs. 1,00,000 (Rs. 1,00,000), leaving to be carried forward Rs. 91,080 (Rs. 89,822).

Raisings during the half-year were 1,22,229 tons, as compared with 1,15,663 tons during the previous half-year and despatches including purchased coal were 1,77,584 tons, as compared with 1,39,861 tons.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	10,10,715
Reserves ...	12,60,000	Stocks ...	3,11,298
Provision for taxation ...	2,12,224	Stores ...	3,77,952
Liabilities ...	13,65,425	Debts, deposits and advances ...	14,57,113
Profit and loss account ...	91,080	Investments	2,08,302
		Cash ...	63,349
Rs.	34,28,729	Rs.	34,28,729

Searsole Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st January, 1954.

The result of the year's working, after providing for taxation, is a net profit of Rs. 40,278 (Rs. 53,298) to which has to be added the undisbursed balance brought forward from the last account Rs. 20,499 (Rs. 18,451), making a total of Rs. 60,777 (Rs. 71,749). The directors recommend that this sum be disposed of as follows:—

Dividend at the rate of 25 (25) per cent. per annum without any deduction in respect of income-tax payable by the Company for the year ended 31st January, 1954, Rs. 31,250 (Rs. 31,250), transfer to development reserve Rs. 10,000 (Rs. 20,000) and to be carried forward Rs. 19,527 (Rs. 20,499).

Raisings and despatches of all classes of coal for the last three years are as follows:—

Year ended	*Raisings* Tons	*Despatches* Tons
31st January, 1954 ...	45,135	43,561
31st January, 1953 ...	50,033	43,058
31st January, 1952 ...	45,476	41,968

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,25,000	Block ...	1,68,798
Reserves ...	1,75,000	Stock of coal	77,287
Provision for taxation ...	43,209	Stores and spare parts	64,769
Liabilities ...	1,90,891	Other assets	4,802
Profit and loss account ...	60,777	Debts, deposits and advances ...	2,35,489
		Investments	300
		Cash ...	23,432
Rs.	5,94,877	Rs.	5,94,877

New Cinnatolliah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclosed a profit of Rs. 2,00,667 (loss of Rs. 2,09,936). On transfer of this sum to profit and loss account and after sundry adjustments, there was a balance at credit of that account amounting to Rs. 1,61,164 (debit of Rs. 44,129), of which the directors have transferred Rs. 75,000 (Rs. 30,000) to revenue reserve and Rs. 40,000 (Rs. 1,26,579) to buildings and machinery reserve. The directors have paid a dividend of 5 (*nil*) per cent. leaving Rs. 21,164 (debit of Rs. 44,129) to be carried forward.

Crop weighed out at 4,707 maunds as compared with 5,206 maunds in 1952. The average selling price was Rs. 2-3-3 per lb. compared with Re. 1-9-10 per lb. in the previous year. Planted area remained at 935 acres.

Estimates for 1954 provide for a crop of 5,300 maunds at an outlay of Rs. 6,80,980, including inland freight and sale charges.

Accounts in brief were as under—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	4,00,000
Reserves ...	1,15,030	Stores and supplies ...	72,791
Provision for taxation ...	5,383	Tea sales receivable ...	4,84,553
Liabilities ...	3,96,283	Other assets	19,836
Profit and loss account ...	21,164	Advances and deposits ...	17,665
		Cash ...	42,085
Rs.	10,37,830	Rs.	10,37,830

Naskarpara Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Howrah Trading Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October, 1953.

The accounts show a profit of Rs. 2,16,256 (gross profit of Rs. 2,55,865) after providing Rs. 2,33,355 for interest, commission, allowance and other expenses which when adjusted with a sum of Rs. 1,47,786 (Rs. 17,184) being the debit balance of the last year leaves a net profit of Rs. 68,470 (Rs. 80,104) which is dealt with as under:—

In paying a dividend on 2,00,000 ordinary shares (free of income-tax) at As. 5 (As. 6) per share Rs. 62,500 (Rs. 75,000) and in carrying forward Rs. 5,970 (Rs. 5,104).

During the period under review, the Mills have worked in accordance with the supplemental working time agreement of the Indian Jute Mills Association.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	11,99,238
Debentures ...	5,00,000	Stocks ...	24,54,570
Reserves ...	15,05,000	Stores and spare gears	8,20,957
Provision for taxation ...	4,56,492	Other assets	9,811
Liabilities ...	21,74,451	Debts, deposits and advances ...	18,83,345
Profit and loss account ...	68,470	Investments	48,030
		Cash ...	2,88,462
Rs.	67,04,413	Rs.	67,04,413

Fort William Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st March, 1954.

The net result after providing for depreciation reveals a profit of Rs. 6,79,023 (Rs. 2,77,092) and adding to it the previous balance of Rs. 2,912 (debit of Rs. 7,75,693), there remains a net credit of (Rs. 6,81,934) (net debit of Rs. 4,98,601). The directors propose to make appropriation out of this sum, as detailed hereunder:—

Transfer to general reserve account Rs. 5,00,000 (*nil*), dividend on 10,000 7 per cent. cumulative preference shares for the half-year ended 31st March, 1954, at Rs. 3-8 (*nil*) per share Rs. 35,000 half-year ended 31st March, 1954 at Rs. 10 (*nil*) per share Rs. 1,40,000 (*nil*) and in carrying forward Rs. 6,934 (net debit of Rs. 4,98,601).

In accordance with the working time agreement of the I.J.M.A., the Mills worked 42½ hours per week with 12½ per cent. of the total looms sealed throughout the period under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	30,17,765
Reserves ...	6,00,000	Stock-in-trade	31,70,158
Liabilities ...	58,40,831	Stores and spare gears	6,67,043
Profit and loss account ...	6,934	Stores-in-transit ...	2,39,492
		Debts and advances ...	16,16,383
		Investments	97,034
		Cash ...	39,890
Rs.	88,47,765	Rs.	88,47,765

Okayti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit on the season's working of Rs. 45,994 (loss of Rs. 1,10,750). On transfer of this sum to profit and loss account and after sundry adjustments, there is a balance at credit of that account amounting to Rs. 23,948 (debit of Rs. 31,979), of which the directors have transferred Rs. 5,000 (Rs. 17,000) to revenue reserve, Rs. 5,000 (Rs. 36,800) to buildings and machinery reserve and Rs. 2,500 (Rs. 25,000) to hail reserve. The directors recommend that dividends of 7 per cent. on the preference shares for seasons 1951 and 1952 be declared at the annual meeting, leaving Rs. 4,448 (debit of Rs. 31,979) to be carried forward.

Crop weighed out at 2,045 maunds as compared with 2,250 maunds estimated and 2,135 maunds in 1952. The average selling price was Rs. 2-8-2 per lb., as against Rs. 2-0-1 per lb. in the previous year. Planted area is as previously reported, viz., 505 acres.

Estimates for 1954 provide for a crop of 2,250 maunds at an outlay of Rs. 3,83,210, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,50,000	Block ...	1,50,000
Reserves ...	12,500	Stores and supplies ...	17,087
Provision for taxation ...	19,192	Tea sales receivable ...	45,007
Liabilities ...	58,354	Tea seed sales receivable	500
Profit and loss account ...	4,448	Other assets	3,095
		Advances and deposits ...	26,987
		Cash ...	1,818
Rs.	2,44,494	Rs.	2,44,494

Nagaisuree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The accounts disclose a profit of Rs. 9,04,843 (loss of Rs. 1,29,122). On transfer of this sum to profit and loss account and after sundry adjustments there is a balance at credit of that account amounting to Rs. 6,99,278 (credit of Rs. 325), of which the directors have transferred Rs. 1,79,000 (Rs. 1,04,000) to revenue reserve and Rs. 2,00,000 (*nil*) to buildings and machinery reserve. The directors recommend that a dividend of 25 (*nil*) per cent. be declared at the annual meeting, leaving Rs. 60,278 (credit of Rs. 325) to be carried forward.

Crop was 13,169 maunds as compared with 11,836 maunds in 1952. The average selling price was Rs. 2-1-10 per lb., as against Re. 1-5-8 per lb. in the previous year. Planted area remained at 1124.90 acres.

Estimates for 1954 provide for a crop of 12,000 maunds at an outlay of Rs. 13,36,640, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	9,60,000
Reserves ...	7,91,738	Stores and supplies ...	61,063
Provision for taxation ...	3,14,745	Tea sales receivable ...	10,09,606
Liabilities ...	3,29,240	Advances and deposits ...	63,232
Profit and loss account ...	80,278	Investments	90,300
		Cash ...	4,91,800
Rs.	26,76,001	Rs.	26,76,001

Bokakhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

A crop of 4,031 maunds was manufactured and has been disposed of by sale in Calcutta for export 3,562 maunds, and by sale in Calcutta for internal consumption 469 maunds. The average price per pound realised was Rs. 2-0-4 as compared with Re. 1-9-4 a lb. obtained for the previous season's crop of 3,336 maunds. The Company's export quota for season 1953 was 3,313 maunds.

The area under cultivation as registered with the Indian Tea Licensing Committee at 31st December, 1953, was 484.64 acres. This figure was ascertained after a survey of the garden area.

The revenue account showed a profit of Rs. 1,47,298 (loss of Rs. 1,78,432) and after deducting staff commission and bonus Rs. 8,814 (*nil*), managing agents' commission on profits Rs. 2,938 (*nil*), provision for sales tax Rs. 2,700 (*nil*) and depreciation Rs. 33,119 (Rs. 36,602), there was left a sum of Rs. 99,727 (debit of Rs. 2,15,034). After adding forfeited dividends Rs. 600 (Rs. 2,050) and post-war refund of excess profits tax (net) Rs. 222 (*nil*), there was a net profit for the year of Rs. 1,00,549 (loss of Rs. 2,11,540). After deducting from this the adjusted debit balance of Rs. 36,833 (Rs. 1,89,687) brought forward from the previous year, there was a credit balance of Rs. 63,716 (debit of Rs. 36,227) on profit and loss account, which was carried forward.

Due to improved results in 1953 the work on the rehabilitation programme, referred to in the Report for 1952 is being resumed in 1954, and it is expected that the Company will continue to work at a profit during the current season.

Labour.—The total number of hands employed on the garden at 31st December, 1953, was 535.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	8,53,851
Reserves ...	3,500	Stock of tea	2,16,549
Provision for taxation ...	2,700	Stores ...	67,966
Liabilities ...	5,14,764	Debts, deposits and advances ...	21,505
Profit and loss account ...	63,716	Investments	1,000
		Cash ...	23,809
Rs.	11,84,680	Rs.	11,84,680

Methoni Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

A crop of 10,037 maunds was manufactured and disposed of for sale in Calcutta for export—9,242 maunds and for sale in Calcutta for internal consumption—795 maunds.

The teas realised an average price of Rs. 2-0-9 per lb. as compared with Re. 1-7-10 per lb. obtained for the previous season's crop of 10,588 maunds. The Company's export quota for season 1953 was 4,626 maunds.

A further 3.43 acres were put out during the year and the area under cultivation at 31st December, 1953, was 611.96 acres.

The revenue account showed a profit of Rs. 4,95,432 (Rs. 35,973) and after deducting from this staff commission and bonus Rs. 35,816 (Rs. 2,386), managing agents' commission on profits Rs. 9,880 (Rs. 736), reserve for taxation Rs. 1,17,000 (*nil*) and depreciation Rs. 51,264 (Rs. 76,850) there was a sum of Rs. 2,51,472 (Rs. 55,632). After adding profit on sale of car and machinery Rs. 6,600 (*nil*) there was a net profit for the year of Rs. 2,58,072 (loss of Rs. 31,801). After adding to this the adjusted credit balance of Rs. 6,379 (Rs. 39,579) brought forward from the previous year, and Rs. 984 being refund of income-tax paid at source, there was a credit balance of Rs. 2,65,435 (credit of Rs. 7,778) on profit and loss account. The directors disposed of this amount by paying a dividend of 15 (*nil*) per cent. for the season 1953 without any deduction for income-tax paid by the Company Rs. 1,20,000 (*nil*), placing to reserve account Rs. 1,00,000 (*nil*) and by carrying forward Rs. 45,435 (credit of Rs. 7,778).

The total number of hands employed on the garden at 31st December, 1953 was 1,001 (1,010).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	15,01,738
Reserves ...	9,07,500	Stock of tea	4,76,415
Provision for taxation ...	1,17,786	Stores ...	1,61,404
Liabilities ...	3,38,685	Debts, deposits and advances ...	55,645
Profit and loss account ...	45,435	Investments	1,000
		Cash ...	13,184
Rs.	22,09,386	Rs.	22,09,386

Lakurka Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. H. V. Low & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th April, 1953.

After meeting all expenses and providing Rs. 35,311 (Rs. 30,000) for depreciation and Rs. 20,000 (*nil*) for taxation reserve, there was a balance of Rs. 61,683 (Rs. 1,06,949) at the credit of profit and loss account which includes a credit balance of Rs. 13,549 (Rs. 11,945) brought forward from the last account and from this amount the directors paid a dividend of As. 8 (As. 12) (annas eight only) per share free of income-tax absorbing Rs. 45,000 (Rs. 67,500) and transferred a sum of Rs. 15,000 (Rs. 25,000) to general reserve fund, leaving a balance of Rs. 1,683 (Rs. 13,549) to be carried forward to the next account.

During the year 79,863 tons of coal were raised and 64,369 tons despatched as compared with 92,949 tons raised and 92,352 tons despatched during the previous year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	5,54,913
Reserves ...	11,49,450	Stock of coal	2,13,630
Provision for taxation ...	55,892	Stores, etc. ...	73,568
Liabilities ...	2,19,676	Debts, deposits and advances ...	7,84,317
Profit and loss account ...	61,683	Investments	1,24,571
		Cash ...	35,702
Rs.	23,86,701	Rs.	23,86,701

Anandam Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1953.

As mentioned in the last report, the Devaroly Estate transaction was closed by the end of May, 1953. The Pookulam Tea Estate in Peermade District, Travancore-Cochin State, was purchased by the Company on 2nd December, 1953 for Rs. 5,25,000. This price was paid out of the sale proceeds of the Devaroly Estate.

The rubber crop harvested during the year was 1,17,923 lbs. at 67.78 cents per pound. The rubber crop estimated for 1954 is 1,07,000 lbs. at 56.63 cents per pound. The average price realised was 124.16 cents per pound.

The tea crop secured during December, 1953 was 8,400 lbs. The tea crop estimated for 1954 is 2,00,000 lbs. at 106 cents per pound.

The net profit after providing for taxes, depreciation, etc., is Rs. 45,618 (Rs. 83,223) to which has to be added the balance from the last year Rs. 27,520 (Rs. 16,793) making a total of Rs. 73,137 (Rs. 1,00,020). The directors recommend the following distribution:—

Payment of 7 per cent. dividend on preference shares Rs. 17,500 (Rs. 17,500) and 10 (15) per cent. dividend on ordinary shares Rs. 25,000 (Rs. 37,500) leaving a balance of Rs. 30,637 (Rs. 27,520) to be carried forward. The provision of Rs. 25,000 for taxes, includes the anticipated liability to agricultural income-tax in Madras State on the profits of Kannambra Estate.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	9,21,412
Debentures	1,05,000	Stock-in-trade	54,579
Reserves ...	3,59,789	Stores and spare parts	7,061
Provision for taxation ...	22,581	Other assets	2,809
Liabilities ...	2,69,648	Debts, deposits and advances ...	1,06,352
Profit and loss account ...	73,137	Cash ...	2,37,942
Rs.	13,30,155	Rs.	13,30,155

Jubbulpore Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September, 1953.

The schedule of units sold and revenue set out herein indicates that satisfactory progress has been maintained.

Half-year ended	*Units sold*	*Revenue* Rs.
31st March, 1951 ...	7,934,113	11,45,828
30th September, 1951	8,649,661	10,24,778
31st March, 1952 ...	8,537,639	11,70,070
30th September, 1952	9,636,474	10,74,752
31st March, 1953	9,677,159	11,91,490
30th September, 1953	10,663,476	11,90,024

After complying with the provisions of the Electricity (Supply) Act, 1948, and making adequate provisions for liabilities and setting aside Rs. 25,000 (Rs. 30,000) to development and extensions account, there remained a balance of Rs. 1,14,006 (Rs. 1,22,308) including Rs. 23,887 (Rs. 30,826) brought forward from the previous half-year, available for distribution, and this amount the directors disposed of in payment of a dividend at the rate of 8 (8) per cent. per annum free of income-tax absorbing Rs. 89,982 (Rs. 89,982) and in carrying forward to next half-year Rs. 24,024 (Rs. 32,326).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,49,700	Block ...	37,74,191
Reserves ...	15,93,092	Stores ...	5,28,666
Provision for taxation ...	1,01,608	Tools, etc. ...	85,630
Liabilities ...	14,38,288	Plant under construction ...	3,824
Profit and loss account ...	1,14,006	Other assets	823
		Debts, deposits and advances ...	6,49,219
		Investments	1,05,683
		Cash ...	3,50,661
Rs.	54,98,694	Rs.	54,98,694

New India Investment Corporation Ltd.

The directors of the above Company (Secretaries: Messrs. Hamdutt Ramkissendass, Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The revenue profit of the year amounted to Rs. 1,39,429 (Rs. 1,84,433) which after adding Rs. 29,934 (Rs. 7,832) brought down from last account and a sum of Rs. 28,175 (*nil*) on account of forfeited dividends and repaying Rs. 17-8 (*nil*) on account of forfeited dividends, made a total of Rs. 1,97,520 (Rs. 1,92,110) which the directors allocated as follows:—

To general reserve Rs. 80,000 (*nil*), to reserve for taxation Rs. 25,000 (*nil*) to payment of a dividend at Rs. 2 (Rs. 2) per share Rs. 62,176 (Rs. 62,176) and carried forward Rs. 30,344 (Rs. 29,934).

The investments of the Company showed an appreciation as compared with the last report. In spite of the directors' best endeavours, the taxation difficulties of the Company still remain unresolved.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,32,100	Block ...	1,553
Reserves ...	5,42,392	Advances ...	21,774
Provision for taxation ...	27,530	Investments	29,00,922
Liabilities ...	90,312	Cash ...	98,429
Profit and loss appropriation account ...	30,344		
Rs.	30,22,678	Rs.	30,22,678

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

NEW PUBLICATIONS

Economic and Social Status of Women Workers in India. Labour Bureau, Ministry of Labour, Government of India.

THE *Economic and Social Status of Women Workers in India*, published by the Labour Bureau, is the first of its kind solely devoted to the problems of women workers in industry. The publication, which is the result of enquiry conducted by the Labour Bureau, deals mainly with the cotton, jute and textile industry, coal mining and plantations. The report has been divided into the following six chapters: (1) Legislative measures for the protection and welfare of women workers, (2) employment, (3) wages and earnings, (4) working conditions, (5) social conditions, and (6) health and welfare. It is stated that as much information as could be gathered from published reports has been comprised into each chapter. A large number of life histories of women workers in various industries were collected for the present enquiry. Some salient points from these have been incorporated, especially in the chapter on social conditions. A few selected life studies have been appended to the report. These studies disclose that a large number of women workers have migrated to the industrial areas with their parents or husbands. Also, they throw a flood of light on the social and economic conditions of the families and the attitude of the workers towards their jobs.

According to the report, while the number of women workers in factories rose from 2.4 lakhs in 1927 to 2.8 lakhs in 1949, the percentage of women to the total number of workers dropped from 16.95 to 11.33 during the same period. In the mining industry, however, the percentage of women to the total labour force employed increased from 17.9 to 20.5 during the decade ending 1950. About half of the labour force employed on plantations were women. Married women formed about 50 to 80 per cent. of women workers in various industries, whereas widows constituted about 20 to 50 per cent. Women formed only about 6.6 per cent. of the total trade union membership in 1949-50.

Details are given regarding the comparative wage rates of men and women in various sectors of industry. There is also a comprehensive study of the effects of the working woman on the family, society, literacy, participation in trade unions, marital status, social customs, etc. Needless to point out, in this connection, that the effect of women's employment has been the creation of a new class of women who confronts the community with certain problems like the care of children, the delinquent child, domestic disharmony and family discord.

The Indian Land Problem and Legislation. By G. D. Patel. Publishers: N. M. Tripathi Ltd., Princess Street, Bombay 2. Price: Rs. 15.

Dr. G. D. Patel has attempted a scientific survey and analysis of land reforms in India. At the outset, he has dealt with the Bombay land reform laws enacted from 1950 to 1953 and, in the later chapters, with all-India land reforms relating to consolidation of land holdings, tenancy, *jagir* and *zamindari* abolition. He has also dealt with the *bhoodan yagna*. In this task, the author has drawn upon various sources such as Government archives, *District Gazetteers*, reports from various land reforms committees appointed by different States, the land reform laws of various States, Press reports, magazines and private publications. The information on the special land and *inam* tenures of the merged areas, it is stated, is the result of his on-the-spot enquiries as an Alienation Enquiry Officer. He has assessed the socio-economic effects of the laws concerned.

It is gratifying to note that the author has treated land problems in a correct historical perspective. Dr. Patel has spared no pains to make the book as authentic and up-to-date as possible. He has offered many sound criticisms and helpful suggestions about land reforms policy at the end of each chapter. Dr. Patel has rightly stressed the need for making an assessment of land reforms, with a view to ascertaining whether the objectives of social justice and increase in agricultural output have been achieved by the land reform legislations in the various States.

Dr. Patel has been careful to treat the whole problem in a scientific and from a non-partisan point of view. He has tried to keep all possible requirements of State Governments, administrators, lawyers, politicians and students of economics in preparing this book. The book will, as Mr. Morarji Desai, Chief Minister, Bombay, says, in his preface to it, "prove to be of immense help to those who are interested in understanding the magnitude of our land problem and the efforts which are being made to solve them."

Nickel Bulletin, April, 1954. Publishers: The Mond Nickel Co., Ltd., London. Bombay Office, 1, Forbes Street, Fort.

Two leading articles in the *Nickel Bulletin* for April deal with the impact strength of spheroidal-graphite cast iron, and with the properties and uses of Ni-Resist corrosion and heat-resisting cast irons, respectively. Literature on the chemical analysis of nickel-containing materials and of nickel-plating solutions is an important item in the abstract section of this issue; the items referred to in this connection include a textbook on select methods of metallurgical analysis, a brochure on methods for emission spectrochemical analysis, and recommended procedures for determination of nickel and of boric acid in plating baths. Further items of interest in the electrodeposition section are a study of the properties of nickel-plated aluminium alloys and methods of porosity-testing of electrodeposits. Attention is directed to two reviews of the composition and properties of permanent-magnet materials, with particular reference to the widened applications made posible by the nickel-containing types of alloy.

The literature on high-temperature materials includes a study of factors affecting weld hot cracking in heat-resisting alloys, and of conditions for welding Inconel X, and a survey of the current stage of development of metal-ceramic materials (cermets). In the corrosion-resisting section, reference is made to a method for evaluation of resistance to corrosion by acids at elevated temperature, results of long-term exposure of nickel-alloy cast irons in soils, technique used in production of stainless-steel aft frames for aircraft gas turbines, the descaling of stainless steels, and the manufacture of stainless-steel powder by water disintegration.

Planting and Commerce: Annual Number. Editor: V. I. Chacko, Post Box No. 60, Ernakulam. Price: Rs. 2.

The year 1953 was an eventful one for the planting industry not only on account of the quick changes in prices and prospects of planting crops but also on account of the controversial legislative measures enacted or introduced during the year. It was also during that year that much public attention was focussed on plantation affairs and the role that the industry plays in the nation's economy. This was in no small measure due to the small range of journals devoted to presenting full facts and figures about the industry and making well-informed and candid discussion on its affairs. *Planting and Commerce*, a weekly published from Travancore-Cochin State, the main centre of the planting industry, made its appearance last year at the most opportune time when the industry needed such public attention. The task has been ably done by this journal during its brief existence of a little over a year.

The first annual number of this weekly, recently published, contains a number of interesting articles on tea, coffee, rubber and other main plantation crops. The article on the "State of the Plantation Industry" sums up the developments in the various sections of the industry during 1953. Another article discusses the prospects for the Indian coffee industry, in which the author points out that "it is rarely that an opportunity, such as India now enjoys, comes the way of a country which could fully take advantage of it." The author adds, "India alone among the world's coffee growers has an abundance of intelligent and relatively cheap labour, suitable land, a supporting home market, a keenly interested Government, a very high quality of coffee, a very low price and a stable law and order position." With these formidable advantages, he adds, it should not be difficult for the Indian coffee industry to launch an all-out programme of re-plantation and expansion which can raise coffee to the position of one of the first four major items of exports. The number contains another article on the future of India's rubber. Supplemented by statistics relating to production, consumption, prices, exports and imports, the annual number is an authentic and useful reference work on plantation topics.

***Cost of Living Index Numbers in India*—A Monograph. Issued by Labour Bureau, Ministry of Labour, Government of India. Manager of Publications, Civil Lines, Delhi. Price: Rs. 5-12.**

The publication deals with theoretical principles and internationally accepted standards in the construction and maintenance of cost of living index numbers and gives a comprehensive description of the existing indices in India and the methods followed in their computation. The reader will find a critical appreciation of the various problems dealt with in the construction of the indices, together with an enunciation of the correct principles and practices to be followed. The statistical appendices to the *Monograph* give the data necessary for judging the use and reliability of cost of living index numbers. These include scope, method and important results of family budget enquiries on which the indices are based, the full weighting diagram of each index along with the details of articles included in it and their base-prices, coverage of the indices and information about the scope, method and agency of price collection.

The subject of cost of living index numbers has assumed considerable importance, in view of the fact that the dearness allowance component of wages and salaries of a large number of employees are governed by such indices. In recent times, there has also been a significant development in the field of construction and maintenance of cost of living index numbers and more than 50 series of such indices compiled by the Central and State Governments are now available in this country. The *Monograph* constitutes a complete reference book containing details of all existing indices.

Studies in Agricultural Economics, Vol. I. Publishers: Economic and Statistical Adviser, Directorate of Economics and Statistics, Ministry of Food and Agriculture.

The Economic and Statistical Adviser, Mr. S. R. Sen, has done well in bringing together in this brochure the articles on agricultural problems which have appeared from time to time during the last two years in that excellent publication, the *Agricultural Situation in India*, the monthly journal published by the Directorate of Economics, Ministry of Food and Agriculture. The only exception is a paper on rural credit and rural institutions presented at the International Conference on Agricultural and Co-operative Credit held at Berkely, U.S., in August-October, 1952. This paper has been included in the brochure, because it throws much light on an important aspect of agricultural economy.

The articles have been grouped under four headings, namely, (1) food problem, (2) commodities and commodity control, (3) agricultural statistics, and (4) rural credit and rural institutions. The time of publication of the articles in the journal is indicated in the footnote of each article. Care has been taken wherever possible to bring facts and figures up-to-date. Mr. Sen has warned, at the outset, that the views expressed in the articles should not be taken as those of the Government of India. The brochure is invaluable for students interested in agricultural economics and will be read with interest by those who have missed them in the journal.

Agricultural Legislation in India, Vol. IV—Land Reforms. Publishers: Economic and Statistical Adviser, Directorate of Economics and Statistics, Ministry of Food and Agriculture.

Few subjects have aroused keener interest in recent years than agrarian reform. The collection of Acts bearing on this subject, passed in recent years in the different States, and their presentation in a manner which would make comparative analysis possible, is an important task that must precede a detailed study of the subject. The present volume fulfils this need partly.

The Acts so far passed have been too numerous and extensive to be included in one volume. Consequently, the present volume deals with only land reform measures pertaining to the abolition of intermediaries. Another volume relating to the regulation of tenancy conditions will, it is stated, follow shortly. An important feature of the volume is the brief survey of the history of land legislation in India.

The Indian Agricultural Atlas. Economic and Statistical Adviser, Ministry of Food and Agriculture. Price: Rs. 12.

The *Atlas* under review is a completely revised and enlarged version of the *Crop Atlas of India* which used to be published in the past by the Department of Commercial Intelligence and Statistics. All important agro-economic data are represented pictorially. The topics treated pictorially include India's physical features, rainfall, temperature, soils, cultivated area, agricultural crops (area under each crop as well as yield) such as rice, wheat, tobacco, oilseeds and sugarcane. The *Atlas* will prove useful not only to students but also to the general reader.

GILT-EDGED BUOYANT

(From Our Own Correspondent)

BOMBAY, 16th June

There was no perceptible sign of any easing of the stringency in the short-term money market during the week under review. Some of the big Indian banks were reported to have experienced a good influx of funds from the mofussil, but these funds were mainly utilised to reduce their own borrowings, so that there was no material improvement in their liquidity position. On the other hand, there was some drawings on banks for payment of quarterly advance payment of income-tax. Besides, Exchange banks were once again keen borrowers, but floating funds being scarce, their demand remained largely unsatisfied, with the result that they had to go to the Reserve Bank for accommodation. Consequently, money rates remained unchanged at the previous week's levels.

Inter-bank call money continued to be bid at 2½ per cent. by Exchange banks and big Indian banks. The corresponding rate among the smaller Indian banks was 3 per cent. Short-term deposits were in demand at 3 per cent. for 1 to 3 months and at 2¾ to 2½ per cent. for 4 to 12 months.

A contraction of Rs. 2.94 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 11th June, 1954, in contrast to the rise of Rs. 8.62 crores in the previous week. Notes held in the Banking Department which had declined by Rs. 9.39 crores in the previous week, have risen by Rs. 2.32 crores. For the fifth week in succession, Central Government deposits show an increase, the rise during the week under review being Rs. 2.74 crores. Deposits of other Governments have declined by Rs. 4.13 crores, while those of banks have gone up by Rs. 3.39 crores. Cash balances have improved by Rs. 2.81 crores and balances held abroad by Rs. 12 lakhs. Loans and advances to Governments are lower by Rs. 29 lakhs and other loans and advances by Rs. 1.75 crores. Total amount of advances availed of by Scheduled banks against usance bills since 1st January, 1954, is Rs. 105.74 crores, an increase of Rs. 7.72 crores over the week. The net outstanding borrowings against usance bills as at the close of the week under review amount to Rs. 21.23 crores, a rise of Rs. 5.33 crores.

The consolidated statement of position of Scheduled banks for the week ended 4th June, 1954, shows a drop of Rs 3.71 crores in demand deposits. Time deposits are almost unchanged. Inter-bank borrowings are lower by Rs. 7 lakhs. Borrowings from the Reserve Bank are lower by Rs. 2.48 crores, while those from the Imperial Bank are higher by Rs. 27 lakhs. After three weeks of successive decline, loans and advances have gone up by Rs. 2.07 crores. Inland bills purchased and discounted show a decline of Rs. 2.69 crores, while foreign bills reveal a rise of Rs. 43 lakhs. Cash in India and balances with the Reserve Bank are higher by Rs. 1.16 crores, while balances with other banks in current account and money at call and short notice have gone down by Rs. 89 lakhs and Rs. 72 lakhs, respectively. Investments are up by Rs. 2.26 crores.

The Gilt-edged market displayed fresh vigour during the week under review and, under a spell of broadened activity, values leapt up all round. Sustained hopes of a reduction in Bank rate provided the main stimulus. 3 per cent. 1957 was in demand and gained As. 2 to Rs. 98-8 and 3 per cent. 1958 by a similar extent to Rs. 98-5. 3 per cent. 1959-61 advanced by as much as As. 4 to Rs. 96-8. 3 per cent. 1963-65 put on As. 2 to Rs. 93-3. per cent. 1964 was quoted today at Rs. 93 *ex-voucher*, as against Rs. 92-15 *cum-voucher* a week ago. 3 per cent. 1966-68 gained As. 3 to Rs. 90-8 and 3 per cent. 1970-75 rallied from Rs. 86-6 to Rs. 86-12. 3 per cent. 1986 Conversion Loan, which had lagged behind last week, was in good shape, rising by As. 5 to Rs. 82-4. 3½ per cent. N.P. Bonds rose by As. 4 to Rs. 99-1. 2½ per cent. 1954 put on As. 2 to Rs. 99-11 and 2½ per cent. 1955 As. 3 to Rs. 98-12. 2½ per cent. 1961 was unchanged at Rs. 91-2. 2½ per cent. 1960 and 2½ per cent. 1962 hardened by As. 2 to Rs. 94-5 and Rs. 92-4, respectively. 2½ per cent. 1976 was stagnant at Rs. 82-2.

In the foreign exchange section, the rupee was unchanged in terms of U.S. dollars. In New York, spot sterling was a little strong in terms of the dollar, at $2.81.13/16-2.81.15/16, as against $2.81.13/16-2.81.1. 3 months' sterling was done at $2.81.11/16-2.81.13/16, as against $2.81.11/16-2.81.1. Transferable sterling, however, continued to be weak, dropping from $2.78½-2.78¾ to $2.73¼-2.73½, the decline in the past two weeks being 1¼ cent.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 14th June

Arrivals of tanned hides and skins were poor during the week under review, due to *Ramzan* holidays. Trading in the kip section disclosed a steady undertone with selective enquiries from the U.K. for all grades in 5-5½ lbs. and 8-8½ lbs. fifths in 10-12 lbs. and inferiors in all weights, at a penny below Madras levels. As tanners are in a well sold position, it has been difficult to place shipment business at the U.K. prices. Tanners expect the U.K. buying to resume at current Madras prices, which are the lowest since October last. There were patchy enquiries for cow calf and buff calf in well-known standards, while buff heavies continued out of reach of U.K. buyers, due to buying on U.S. account. There were stray sales of buff lights to the U.S.

In the tanned skins market, there was no change to report. Shipment business continued difficult, due to buyers preference to purchase their requirements in the public sales which come off on the 28th inst. In view of the heavy spot stocks in the U.K. and large shipments during April-May, it is expected that current prices will not hold.

DEBACLE IN SILVER

(From Our Own Correspondent)

BOMBAY, 16th June

Hectic activity in silver with a sharp rise in values in the earlier part of the week, followed by a debacle during the last three days, was the main feature of trading on the Bullion Exchange during the week under review. The landslide in silver from Monday onwards was so rapid, disclosing a loss of nearly Rs. 10, that the earlier gain was more than wiped out, resulting in a big net loss of Rs. 5-8 over the week.

Gold was relatively more steady during the major part of the week, but towards the close a bearish note was struck with the leading bull operator in silver, who was heavily short in gold, hammering the market, presumably with the object of cutting his loss in silver, with the result that gold also stood on balance with a loss of Re. 1-7 per tola. The slackness in demand for ready gold also contributed to the weakness in the yellow metal.

Following the heavy drop in silver in the previous two weeks, which persisted for a short while on the opening of the week under review, due to rumours that the leading bull operator in silver had come to a settlement with the prominent bear operator in regard to his purchases, there was a smart recovery on heavy nervous covering by some of the shorts and some replacement buying, with the result that the *budli* charges against sellers, which had dropped from Rs. 3-6 at the close of the previous week to Re. 1-8 on Thursday morning, widened to as much as Rs. 5-8 on Monday morning. This led to the belief that the leading bull operator might squeeze the bears at the time of settlement by demanding delivery. This belief gained ground by reports that he had made financial arrangements for taking delivery of the bars. These expectations, however, were belied. It would appear that subsequent events had frustrated the reported intentions of the "bull." For the heavy carry forward charges attracted a large quantity of silver from upcountry centres, with the result that the floating stocks in Bombay expanded considerably. Evidently finding that, with these large stocks, he would not be able to dictate terms at the time of delivery, as would be the case if stocks had not enlarged, the prominent bull was reported to have come to a settlement with the chief "bear" and carried forward the bulk of his purchases to the next settlement. He also liquidated a good part of his holdings in the last two or three days. This development gave a free hand to the prominent bear to seize the opportunity and hammer the market down. Consequently, the *budli* charges, after narrowing down from Rs. 5-8 against sellers on Monday morning to *nil* on Tuesday evening, turned in favour of sellers and stood today at As. 10.

Silver for forward delivery (18th June settlement) opened the week at Rs. 156-5 and soon slumped to Rs. 154-12. After coming up to Rs. 159-8 on Monday morning, it tumbled down, under the pressure of long liquidation and short selling, to a low of Rs. 149-13 today, before winding up at Rs. 150-5. Business in the next settlement (17th July) began at Rs. 153-2. After a reaction to Rs. 152-14, the second settlement recovered to Rs. 154-3 on Monday. In the subsequent trading, it slumped to a low of Rs. 150-7 today. The closing was done at Rs. 150-15.

The opening and closing rates for ready silver (.996 Mint) were Rs. 156-7 and Rs. 150-5, respectively, the highest and lowest levels being Rs. 159-10 and Rs. 149-13. The floating stocks are estimated at 1,500 bars. The daily average offtake was less than 10 bars.

Opening at Rs. 85-4, gold for forward delivery (17th June settlement) drifted lower to Rs. 83-15 on Saturday. As the closing rate on Friday at Rs. 84-6 was well below the rate at which (Rs. 84-13) automatic margin was applicable, the bears had to pay a margin of Rs. 7 per tola. The closing rates on subsequent days of the week under review having remained below this level, the bears continued to pay the margin throughout the week. On Monday this week, there was recovery to Rs. 84-12, but this was short-lived, in the face of heavy selling by both bulls and bears. Consequently, forward gold came down to a low of Rs. 83-7 today, before closing at Rs. 83-10. Trading in the next settlement (18th July) began at Rs. 84-1 and closed for the week at Rs. 82-4. The *budli* charges against sellers widened from As. 15 to Re. 1-11, but narrowed down to Re. 1-6 at the close.

Ready gold opened at Rs. 85-12 and closed at Rs. 83-12. The premium over the forward (current settlement) rate which stood at As. 12 at the close of the previous week narrowed down to As. 2 today, reflecting the poor demand for the ready metal. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals and offtake were even at 3,000 tolas.

In London, silver displayed slight strength rising from 72½d. to 73d. for spot and from 72½d. to 72½d. for forward. After an initial firmness, moving up from £12 8s. 10d. to £12 9s., gold reacted to £12 8s. 11½d. at the close.

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

	16-6-54	Highest	Lowest	9-6-54
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint)	83 12	85 13	83 9	85 13
Forward	83 10	85 5	83 7	85 1
Sovereign	58 0	58 8	58 0	58 12
SILVER				
Ready (.996 fine Mint) ..	150 5	159 10	149 13	155 15
Forward	150 6	159 8	149 13	155 13
London Ready	73d.	73d.	72½d.	72½d.
London Forward	72½d.	72½d.	72½d.	72½d.
London Gold	248s.11d.	249s.	248s.11d.	248s.10d.
New York Ready	85¼c.	—	—	85¼c.

NARROW FLUCTUATIONS IN COTTON

(From Our Own Correspondent)

BOMBAY, 16th June

While awaiting the Court's decision with regard to the method of fixing price differentials at the time of tendering cotton on the maturity of a contract, the forward cotton market is experiencing a stalemate, with wild fluctuations of the previous weeks giving way to small turnover within a narrow range of about Rs. 5 in prices. Everybody fears, however, that this comparative listlessness at Kalbadevi will not last long. In fact, there are anticipations of some fireworks during the latter part of the week or early next week. This is all the more likely as next Monday happens to be the day for the settlement of option business for June. In the meantime, the general feeling amongst operators is that of pressing sales at every bulge. It is also feared that the spot interests would come out to hedge cotton with every appreciation in price.

The spot market is also ruling dull, in spite of a slight improvement with regard to enquiries by mills. With the reduction in premia rates, it was natural that some of the mills, with unutilised quotas for Indian cotton, should try to cover their requirements in view of the uncertainty with regard to the pattern of premia rates after the Court's decision. In spite of this, the anxiety on the part of holders of stocks to lighten their burdens has led to a further reduction in premium for some varieties generally favoured by the mills. While the statistical position for Indian cotton continues still to be not only satisfactory but sound, a kind of neverousness has invaded the Sewri market because of slackness of the cloth trade. Reports of good rains in Gujerat and Saurashtra have also affected the sentiment, while some traders are even prepared to revise their original estimates of the size of the crop during the current season. The situation, therefore, turns on the pivotal issue of mill consumption of Indian cotton during the current and coming months.

With regard to imports and exports also there is a sense of hesitancy. With the last flicker of hope regarding the export of superfluous Bengal *Deshi* cotton gone, prices have given way in this section in spite of some mill buying of this variety. In view of the uncertainty with regard to the subsidy for exports for cotton during the next cotton year having been removed interest in imported cotton might show some improvement in the coming weeks. But there is little enthusiasm for taking advantage of Government's concession allowing traders to import cotton from dollar areas on their own account. Even Egyptian and East African cottons, which are generally favoured by the Indian mills, are neglected and there is a good deal of bargain hunting for cheap lots amongst imported cottons at Sewri. The only hope of the market is in Government coming to the aid of the textile industry by allowing a reduction in the export duty on coarse cloth. In the meantime, the market finds some sustenance from the fact that other commodity markets seem to have turned the corner.

In the early part of the week under review, an easier trend prevailed in the forward cotton market. This was due to absence of outside support and to scattered selling pressure. Also, a prominent bull operator is reported to have decided to unload his commitments. Thus, I.C.C. August which opened the week at Rs. 672½, touched a low of Rs. 666 on the same day (11th inst.). But some support was forthcoming at this level. Also, reports of unsatisfactory rain in certain cotton areas lent further impetus to this recovery. The contract improved to Rs. 674½ on 15th inst., though, at the close of the week, it was somewhat lower at Rs. 671. The following is the trend of prices in the forward market over the week under review:

	Opening	*High*	*Low*	*Closing*
I.C.C. Aug. ...	Rs. 672½	674½	666	671

The following are the latest available quotations from the Sewri market: Bengal *Deshi* Rs. 560, Berar Jarilla Rs. 770; Khandesh Rs. 780; Vijay Rs. 850; Oomra *Deshi* Rs. 710; Mogiai Rs. 675.

At Karachi also, the stalemate continues without any change either way. Prices have remained steady with little fluctuation during the course of the week. There was some revival of interest in Pakistan cotton as reported in earlier weeks from the Continent. But this brought about a small rise in prices which killed this interest before it could materialise into actual transactions. Now that the U.S. export policy is known, some significant trend is likely to emerge in the near future.

The latest available quotations from the Karachi market are: Sind *Deshi* Rs. 77; Punjab *Deshi* Rs. 74½ to Rs. 76½; 4F Punjab R.G. Rs. 70 to Rs. 70½; S.G Rs. 74½ to Rs. 77; L.S.S. Punjab R.G. Rs. 79½; S.G. Rs. 78½; N.T. R.G. Rs. 74½; S.G. Rs. 79½; 289F Punjab R.G. Rs. 76½; S.G. Rs. 81½.

At Alexandria too, it is the same story. The market is dull even though prices have maintained a steady level during the week. A few scattered enquiries come now and then from India and the Continent. But there is no large-scale buying in new crop. The Cotton Commission sold some bales from its stocks of Karnak, while local demand continues to absorb Ashmouni and lower grades of Karnak.

Both Liverpool and New York had little to report during the early part of the week. Trading at the former centre was on cautious lines, as it should be in the case of a newly opened market. There might, however, be some more activity after the conclusion of the meeting of the International Cotton Advisory Committee, which is in session at present in Brazil. At New York, even though the new crop was expected to be lower, both because of the lower acreage and discouraging weather, the price movement till yesterday was bearish in character. The July contract had dropped nearly 10 points during the week under review, but after the official announcement that there would be no cot-

ton export subsidy next year, there was a spurt in prices as it was believed that more orders would flow in from abroad, now that the uncertainty had been removed.

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

(In cents per lb.)

	15-6-54	8-6-54	1-6-54
Spot	35.25	35.30	34.45
July	34.16	34.26	34.38
October ...	34.12	34.17	34.16
December ...	34.11	34.17	34.19
March	34.25	34.32	34.30

ART SILK YARN RECOVERS

(From Our Own Correspondent)

BOMBAY, 16th *June*

The forward section of the art silk yarn market which exhibited distinctly easy conditions last week staged a marked recovery during the week under review. Revival of demand in the spot section, scarcity of stocks and the acceptance of the delivery of 490 cases in May contract by one of the prominent speculators hardened the sentiment of operators in the market. The buying support that ensued as a consequence pulled up the prices of art silk yarn from their low levels. Not only were the last week's losses completely made good, but rates today finished higher than those a fortnight before. Thus 150D June contract during the week rallied 15 points to Rs. 785, as against Rs. 780 two weeks ago.

In contrast to the trend in the forward section, the spot section suffered a further fall in prices. 120 Japan moved down by As. 4 to Rs. 4-3. 150 Japan and 120 Italy receded by As. 2 each to Rs. 4-12 and Rs. 4, respectively. 150 Italy, however, was well supported at Rs. 4, as against Rs. 3-15 early in the week.

It is reported that the National Rayon Corporation has sold in the open market its entire production till the end of November.

The staple fibre yarn section was fully steady till the close yesterday but reacted today. The steadiness was due to heavy purchases by some of the prominent stockists. But today, some selling was in evidence, as the stockists tried to book profits. Values, as a result, drifted lower. The closing rates, however, were still higher than those at the end of last week. Staple fibre yarn (40×2) for June delivery improved from Rs. 609 to Rs. 619 before closing at Rs. 612. July delivery, after advancing by Rs. 10 to Rs. 620, finished lower at Rs. 615. In the spot section, Phoenix yarns fell by an anna and a half to Rs. 3-1½. Kohinoors and Hurjis shed an anna each to Rs. 3-5 and Rs. 3-0½ respectively. Citys, on the other hand, gained nine pies to Rs. 3-6. New Greats were fully steady at Rs. 3-4, Hinds at Rs. 3-1½ and Sri Rams at Rs. 3-2½. Rs. 3-4, Hinds at Rs. 3-1½ and Sri Rams at Rs. 3-2½. Prices of foreign yarn were well maintained, Sulcos being quoted at Rs. 3-11 and Shincos at Rs. 3-10.

The cotton yarn section continued to rule easy this week too, thanks to slackness in demand. The reports of yarn sales at lower prices by certain up-country mills were also responsible for the easiness. Consequently, cotton yarn values tended to recede. Among 80s, Elphinstones dropped As. 12 to Rs. 58. Sri Rams declined by As. 8 to Rs. 58-8 and Seksarias by As. 2 to Rs. 53-8. Among 60s, Raghuvamshis fell by Re. 1-4 to Rs. 48-4. Citys were lower by As. 4 at Rs. 47. Among 40s, Maduras were transacted at Rs. 29-4, as against Rs. 29-8. Among 30s, Girdhandas yarns lost As. 6 to Rs. 22-12 and Maduras As. 4 to Rs. 24-4. Among 20s, Hind lost an anna to Rs. 17-8. Yarn of 10 counts, however, was fully steady. Moderns being quoted at Rs. 13-8, Podars at Rs. 13-4½ and Elphinstones at Rs. 12-13.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	16-6-1954	9-6-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 June (per case of 200 lbs.)	785 0	770 0
120 Japan (per lb.)	4 3	4 7
150 Japan (per lb.)	4 12	4 14
120 Italy (per lb.)	4 0	4 0
150 Italy (per lb.)	4 0	4 0
Staple fibre yarn—		
40 × 2 June (per case of 200 lbs.) ..	612 0	609 0
40 × 2 July	615 0	610 0
Bolen (per lb.)	3 11	3 11
New Great (per lb.)	3 4	3 4
Cotton yarn (per bundle of 10 lbs.)—		
10s Moderns	13 8	13 8
20s Hind	17 8	17 6
30s Maduras	24 4	24 8
40s Meenakshi	29 4	29 2
60s City	47 0	47 4
80s Elphinstone	58 0	58 12

OILSEEDS FARE BETTER

(From Our Own Correspondent)

BOMBAY, 16th *June*

The oilseeds market presented an upward trend during the week under review almost till today, when, on selling pressure, easiness came to prevail. The improvement was noticed, despite several adverse factors, such as favourable rains in important oilseeds-growing centres of the South benefitting the standing crop, especially groundnuts, expectations of bumper Pollachi groundnut crop and weakness of cotton and bullion markets. These were discounted because of the technical position of the market. Emergence of buying support at the low levels reached in the previous week, sharp rise in the price of Sarson seeds, and expectations of export quotas for groundnut and castor oil all induced some hectic covering by shorts. Consequently, a portion of the values lost in the previous week was recovered, but the recovery received a halt today on the resumption of speculative selling. Prices, therefore, staged a mild setback. Nevertheless, all the sections finished the week with moderate gains on balance.

In the groundnut section, Bold F.A.Q., which opened the week at Rs. 30-10, as against Rs. 30-4, shot up to Rs. 32-8 in the 14th inst. Thereafter, it declined on profit-taking and closed the week at Rs. 31-12. Khandesh quality, after improving from Rs. 31-8 on the 9th inst., to Rs. 33-8 on the 15th inst., eased to Rs. 32-12 today. June-July gained Re. 1-6 to Rs. 31-2 and August-September As. 8 to Rs. 29-14. Groundnut oil put on As. 12 to Rs. 16-8 per bag. *Ashad* delivery lost As. 4 to close at Rs. 82-12.

The Central Government withdrew the permission given last week to the trade to link up sales of bold grain and small grain of imported sugar at the average margin of one rupee profit. Foreign sugar is now being sold at free market prices. Spanish sugar dropped Rs. 3-4 to Rs. 48 per bag of 132 lbs. British refined sugar shed a like amount to Rs. 85 per bag of 2 cwts Formosan sugar, however, was well supported at Rs. 93 per bag of 220 lbs., as against Rs. 87 a week before, because in quality it is said to be much better than the other imported varieties.

As already stated, arrivals of sugar into the Bombay market were lower, being no more than 5,600 bags, as against 11,600 bags a week before.

The sugar traders met the Union Food and Agriculture Minister, Mr. Rafi Ahmed Kidwai, yesterday and discussed the problems relating to the sale of imported sugar. Drawing attention to the greatly inferior quality and damaged condition of Spanish sugar, the traders urged the Minister not to allot to the trade the inferior quality sugar. This plea is reported to have been accepted by the Minister. This means that sales will henceforth be made on ship-wise basis as before and not on a general basis as at present. It is suggested by a section of the trade that, henceforth, the Ministry must exercise great caution in buying sugar from Spain or other countries which are not regular exporters of sugar and that, in any case, if and when such shipments arrive, they should be directed to those ports where they can be easily disposed of and not bring them to ports like Bombay where buyers are highly discriminating.

The restrictions on the profit margin of the sugar traders have now been lifted by the Government of India. This decision is a sequel to the representations made by traders to the effect that, as they have incurred heavy losses recently, they must be given an opportunity to take advantage of the rise in the prices of superior grades sugar such as Formosan which arrived per s.s. *Maria*. Accordingly, the traders who have been alloted sugar are free to sell at free market rates.

The Union Food Ministry, it is understood, has decided to make available liberal supplies of Formosan sugar to the grain dealers' federations and other co-operative societies, as the quality of this sugar has turned out to be very good. The two chief considerations which have weighed with the Government in deciding so are the need to check the enormous rise of Rs. 10 per bag in the margin of profit on sale of Formosan sugar and the anxiety to ensure supplies to consumers at a reasonable price.

Four shiploads of sugar are expected to arrive in the Bombay harbour during the next six weeks. These consist of British refined, Formosan, East German and Polish, and Peruvian sugar. The s.s. *Atlantic Coast* has left Bombay with 5,000 tons of British refined sugar for being discharged at Bhavnagar. The s.s. *Margo* has already commenced discharging 9,700 tons of sugar in Bombay harbour.

	16-6-54	9-6-54	2-6-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	32 12	31 8	32 4
June/July	31 2	29 12	30 12
August/September	29 14	29 6	—
Linseed—			
Bold Ready (per cwt.) ..	24 10	23 12	25 0
June/July	24 8	23 8	24 8
August/September	23 12	23 2	—
Castorseeds—			
September 1954	109 0	107 4	110 12
Madras (per cwt.)	21 12	21 0	21 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	16 8	15 12	15 12
Castor Oil—			
Commercial (per quarter) ..	10 14	10 8	10 12

INDIAN SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 16th *June*

Despite the reduction in the price of sugar by As. 8 to Rs. 29-8 per maund (f.o.r. destination, both for foreign and Indian sugar), with effect from today, announced by the Government, indigenous sugar in the spot section of the Bombay sugar market remained fully steady. If anything, it actually registered some improvement. This was due to good buying support induced by tight stock position and reduced arrivals. Small grain sugar was transacted at Rs. 87 per bag, as against Rs. 85-8 a week before. Medium grain hardened from Rs. 89-9½ to 89-94. Large grain was better by Rs. 2 at Rs. 100-105.

The forward section, however, experienced a fall in prices. *Jeth* delivery, which was quoted at Rs. 82-14 last week, was squared up at Rs. 82-4 per bag. *Ashad* delivery lost As. 4 to close at Rs. 82-12.

DEMAND FOR TEA DUSTS RESTRICTED

(Messrs. Forbes, Ewart & Figgis Ltd.)

Cochin, 12th *June*

The offerings in dust sale "K" which was held on Tuesday, 8th June, amounted to approximately 3,75,000 lbs. There was a restricted demand with very irregular prices and the market closed fully As. 2 easier. Good grainy black types met less competition and were half to one anna easier.

London Market.—No sale this week.

Colombo Market.—Good liquoring fannings firm. Others quieter. Demand declined three to five cents.

Calcutta Market.—No sale this week.

1954-55 *Export Quota.*— There has been a further decline in current season's quota with sellers now quoted at 50 pies, at which price business has still to be effected.

Forthcoming Auctions.—Sale No. 12 will be held on Tuesday, 15th June, and dust sale "L" will be held on Tuesday, 22nd June, 1954.

As we go to Press, Messrs. Forbes, Ewart and Figgis Ltd., wire as follows:

"*Sale* 12.—14,50,000 lbs. Good general demand, but prices have declined half to one anna, except for clean black teas which are steady. Whole leaf and thin liquoring broken pekoes difficult to sell."

PEPPER RECOVERS

(Messrs. Parekh & Co.)

BOMBAY, 16th *June*

After last week's severe shake-out, Malabar black pepper showed, during the week, an improving tendency on short-covering occasioned by unfavourable news of Indo-China Conference at Geneva. Scarcity of contracts in June delivery in Bombay and fear of impending bull squeeze fanned the fire. July shipment was done at as high as $0.50 and August was booked at $0.48. Garbled pepper in Cochin also staged a rapid recovery and is now quoted at Rs. 195 per cwt. buyers, as compared with Rs. 145 during the last week. Sarawak black at Singapore also improved to dollars (Singapore) 150, under pressure of short-covering. When prices were declining almost every day during the last three weeks, heavy short sales were reported to have been done in all important world markets.

Now, with the steadiness in the producing markets like Sarawak and India, there is a scramble for buying by short sellers, reflecting the present improvement in the prices. The growers at the moment are holding back and are demanding higher prices at every small sale.

Alleppey is quoting at Rs. 1,050 and Cochin Rs. 1,150, as against Rs. 715 and Rs. 800, respectively, during the last week. There are unconfirmed rumours that some of the short sellers at Cochin are refusing to make delivery against their former lower priced sales. If that is the case, Indian shippers will have to buy in the open market from the growers who might refuse to sell except at their own price.

The future of the market, however, depends upon the Indo-China situation, the attitude of the growers both at Sarawak and in India, and the policy of U.S. buyers who are reported to have not fully covered their requirements for the coming good-demand-months beginning from 4th July.

Following are today's nominal quotations:— Ready delivery Rs. 130 per Bengali maund, June delivery Rs. 900-950, July delivery Rs. 865-875 and August delivery Rs. 845-855 per candy of 5½ cwts.

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 15th *June*.

Prices of jute goods moved in a downward direction during the week under review. Support from foreign buyers was poor; and there was a lull after last week's heavy demand for local covering. Small acceptances for hessians from the United States and the United Kingdom were received. The week's decline in prices followed profit-taking, natural after the heavy operations in the *fatka* market a week ago. The figures relating to stocks of finished goods with mills as at the end of the last month have been published, and these show a further welcome decline in heavy goods to 50,000 tons from 57,500 tons as at the end of April. Production of sacking in May was 39,400 tons, which indicates that demand during the month was considerably above the rate of production. And this factor gives strength to the recommendation of the Jute Enquiry Commission to resume full working hours in mills.

However, certain quarters have pointed out that it would be unwise to add more to the present working period of 42½ hours a week, and the reason advanced for this view is that there is no certainty that the current rate of demand would continue, so that, if demand is not equal to production after resumption of full working hours, it will be difficult for mills to face the labour and marketing problems that would be created by a glut in supplies. Market circles, however, feel that these fears, although based on past experience, are not justified in view of the changed circumstances which have maintained demand at the higher level for some time and which have caused a considerable decline in mills' stocks of finished goods. It is necessary that the volume of production should be determined by current demand and not by a feared glut. If a glut eventually results, a solution should be found out then. More production and increased exports will lead to cheaper goods, and if the benefit of such cheapness is extended to consumers, demand will further expand and users of packaging materials will certainly prefer jute goods to substitutes. The recent speculative increases in the prices of several constructions of heavy sacking were due to declining stocks and production failing to meet demand. The abrupt changes in prices have caused considerable harm to the genuine trade, and, on many occasions have kept the foreign buyer away from the market when he actually needed replenishment. Only more production will keep away the demon of shortages, both artificial and created, and stabilise prices. Before the Government of India, however, favours the suggested increase in output, market circles strongly feel that the export duties should be done away with.

The decline in prices commenced last Wednesday, when ready B. twills fell to Rs. 114-2 from Rs. 115-14, and the October-December delivery to Rs. 109-10 from Rs. 110-6 on profit-taking. Genuine buyers withdrew from the market at this stage, and this factor gave added prominence to the downward trend. By Friday the ready B. twills had fallen to Rs. 112-10. At this level, some business took place, and the resulting change in sentiment enabled the rate to close steady at Rs. 113-7 over the week-end. In trading to-day, the rate was Rs. 139 as were A. twills at Rs. 114-8. The trend in hessian was not dissimilar to that of B. twills, as the ready 40" 10 oz. opening at Rs. 44-3 lost ground to Rs. 43-15 and picked up to Rs. 44-2 by Saturday. The quotation recovered today to Rs. 44-10 f.a.s., and to Rs. 46-11 f.o.b. The eight oz. was offered at Rs. 37-12 f.a.s.

Easy conditions prevailed in the raw jute market. Latest quotations are:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani Northern	29 0	25 0
Pakistani District	28 0	24 0
Indian:		
Northern	29 0	25 0
Assam Upper	27 0	24 0
Assam Lower	27 8	24 8
Daisee	30 0	27 0
Orissa	28 0	25 0
Murshidabad	..	23 8
Western	..	23 0
Jangli	..	23 0
Uttar Pradesh	..	23 0

FOODGRAIN PRICES RECOVER AFTER INITIAL SETBACK

(From Our Own Correspondent)

HAPUR, 11th *June*

There has been a slight recovery, after persistent fall, in the foodgrain prices during the week under review and well-informed sources in New Delhi state that the Centre is anxiously watching the downward trend in wheat prices. But the prevailing wheat price between Rs. 11 and Rs. 12 is not reckoned uneconomic to the cultivator. Advices from foreign countries go to show that, in order to capture foreign wheat markets, the exporting countries are reducing prices. To follow in line with America, which reduced the price of wheat, Canada has also reduced the price of exporting wheat by 10 per cent. and Australia is also considering a similar move.

The food position in U.P. continues to be very satisfactory and green manure crops which also yield some food are widely sown. The wheat price for *dara* quality, which touched a low of Rs. 10-10 per maund, has recovered to Rs. 11-8. The daily average arrivals amount to 1,500 to 2,000 maunds and the wheat stock here is estimated at 95 *khatties* of 800 maunds each. The arrivals in the other assembling centres are also encouraging and stocks have gone up considerably. Hoarders of grains in surplus areas are reported to be unnerved and anxious to liquidate their possessions. The prices of coarse foodgrains which has been completely decontrolled, except for some export restriction from Madhya Bharat, Saurashtra and some eastern districts, have also slightly recovered. Gram is quoted at Rs. 9-8, after having gone down to Rs. 9-0-9 per maund. In sympathy with the fall in prices of pulses, peas and arhar also reacted. The price of peas for *dara* green quality being quoted at Rs. 8-5, after having touched a low of Rs. 7-12. Arhar price is quoted at Rs. 8-2-6. Bhadon forward for peas and arhar are quoted at Rs. 8-7-6 and Rs. 8-5-6, respectively. Urd forward was featureless and is quoted at Rs. 11-8-6 for Magh delivery. Guwar forward is also lifeless and fluctuations have been within a narrow range and is presently quoted at Rs. 6-11-3.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 11th *June*

Crystal sugar has been ruling quiet. After the recent sharp fall, prices have shown a tendency to stabilise and mill delivery prices are ranging within a narrow range of Rs. 30 to Rs. 32. The U.P. Government has lodged a protest with the Centre against the Central Government action in taking over the distribution of sugar quota, which had so far been in the hands of the State Government. The U.P. Sugar Dealers' Association has, on the other hand, congratulated the Centre for this bold step which has been responsible for reducing the sugar price from Rs. 38 to Rs. 32 within a fortnight. There has been a fall in sugar production in the State this year and the mills were able to crush 155 million maunds of sugarcane, as compared with 195 million maunds last year. This was due to many factors, among which are (1) good price fetched by *gur* throughout the season, (2) the reluctance of the grower to give cane to the factory but crushing it himself, and (3) the delayed starting of sugar mills—out of a total of 66 mills in the State, one did not start at all.

The prevailing rates for wholesale mill delivery in this part of the State are: Jaswant Rs. 30; Simbhauli Rs. 30-2; Mawana Rs. 30; Sehora Rs. 30; Amroha Rs. 30; Bijnore Rs. 29-4; Mansoorpur Rs. 31 and Rampur Rs. 31-8. Retail Rs. 32-8 and *khandsari* Rs. 24 to Rs. 32.

Gur prices have remained almost stationary during the week and arrivals have decreased, averaging 200 maunds daily. There is a good outside demand where the buyers want to stock *gur* before the rains set in. The stock here is now estimated at 14,000 maunds and the prevailing rate is Rs. 16-12. The rates in other centres are: Meerut *gur* pansera Rs. 16-8 and khurpapar Rs. 18-4; Delhi Rs. 17-8; Amritsar Rs. 20 and shakker Rs. 22; Ludhiana Rs. 16 to Rs. 17-8; Mogha khurpapar Rs. 18 to Rs. 19-8 Ghaziabad Rs. 16-4 to Rs. 17-8 and Khurja pansera Rs. 15-8.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 14th *June*

Following firm advices from foreign markets, which reflected the prolonging nature of the Geneva Conference, steady conditions prevailed in the metal market during the week under review. Prices were, however, affected by a fractional degree. But stockists were confident of getting orders for moderate quantities. Note was taken of the hope expressed by Mr. J. N. Bhan, in his address last week to the annual meeting of the Indian Non-ferrous Metals Manufacturers' Association, that, with more discipline and reasonableness on the part of labour and increased industrialisation now in progress, the factories that had been experiencing slump conditions might again be restored to a reasonable level of progress. The import and export policies are benefiting the metals industry also, and the trade is sympathetic with Mr. Bhan's urge on Government to direct ordnance factories to produce only items that are not manufactured by the private sector. For unhealthy competition between the private and public sectors is not conducive to planned development. However, Mr. Bhan's advocacy of higher import duties on non-ferrous metals products will not so readily be supported by the trade, as imports should always be provided for to prevent indigenous manufacturers from falling into a sense of complacency.

During the week, some imports of copper were received in Calcutta, and more are expected to arrive soon. Even now the supply position is relieved considerably, and business took place at Rs. 167 per cwt. for ready delivery. Mercury continued to be quoted firm at Rs. 1,005. The Government has taken advantage of the present higher prices and has invited tenders for the disposal of 500 tons of mercury. This did not affect market sentiment in view of the tightness in world supply. Good business was transacted in tin, but the price, after moving higher to Rs. 477, receded to Rs. 474. This was due to the anxiety of sellers to secure more business. Lead changed hands at Rs. 70 for the ready material. Consumers accepted moderate quantities. Electrolytic zinc opened at Rs. 59-4, and after moving to Rs. 59-8 closed lower at Rs. 59.

LINSEED EASY

(Messrs. A. Bradley & Co.)

CALCUTTA, 14th *June*

Linseed prices have shown little change during the week, although a generally easier undertone has prevailed. Sellers have been more in evidence, especially for forward delivery, but there has been a total absence of interest from crushers. Ready business has been reported on a small scale by traders. In the oil section, activity has been very scarce with millers anxious to dispose of ready stocks.

Latest quotations are: Ready Rs. 17-8 and July-August Rs. 17-12 per maund.

DEMAND FOR HIDES STRONG

(From Our Own Correspondent)

KANPUR, 16th *June*

During the week under review the conditions of the local hides and skins market remained more or less similar to those in the previous week. The new arrival from the mofussil areas was considerable, but the same from local sources was slightly less than the average expectation. The demand for all the categories of the goods was strong. The main purchases were the local tanners and the Madras dealers. The latest quotations are as follows:—

Wet salted cow, 1st grade Rs. 340, 2nd grade Rs. 230 and 3rd grade Rs. 170 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; sheep skins 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces; goat skins 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces.

TEAS REACT

(From Our Own Correspondent)

CALCUTTA, 15th *June*

Offerings during yesterday's export sale aggregated 21,900 chests. Although there was fair demand, prices fell by As. 2 to As. 3 generally. Commonest brokens and fannings were the weakest features of the sale, being fully lower by As. 3. However, buyers paid keen attention to stylish whole leaf grades and flavoury teas from Darjeeling. Clean common BP was quoted at Rs. 2-8, other kinds were unquoted.

INLAND WATER TRANSPORT IN INDIA

(Concluded from page 1185)

of the country. For tackling some of the important problems relating to the development of navigation on the Ganges and Brahmaputra and to co-ordinate the work of the State Governments concerned in the matter, an agency under the name of the Ganga Brahmaputra Water Transport Board has been constituted in 1952. Long stretches of rivers in India, on account of inadequate maintenance, have become shallow, rendering them unsuitable for navigation. In accordance with the recommendations of the inland water transport experts of the E.C.A.F.E. region, who studied the problem, pilot projects have been undertaken to examine the feasibility of negotiating shallow stretches by specially designed crafts.

A modest start has thus been made in the development of inland water transport, but the pace of progress will need to be accelerated in the short term to fill in the gaps in our overall transport system. Needless to say, the economy of the country in peace-time and the dire necessities of a state of war, demand the rehabilitation and increased use of waterways and extended and improved navigation. The future development should be in the direction of concentrating all effort in the provision of services, for the carriage of those traffics for which the waterway system is best suited. These would normally include, bulk conveyance between port and inland destination, and between points of origin and consumption, processing and storage. Like other human activities, transport is nowadays becoming an increasingly specialised job and the part that our inland waterways will be able to play in the commercial transport of the country in future years will depend on how best it could be fitted into the whole system according to its particular aptitude and capacity in serving the needs of the community and conferring the maximum social advantages.—*All Rights Reserved.*

COMMERCE AND INDUSTRY

(Concluded from page 1192).

Another point to be noted is that, along with manganese ore, other minerals such as iron ore, bauxite, coal and others are also mined. In the interior such as Madhya Pradesh, remoteness from the ports is a great handicap in the proper development of these minerals. The present situation demands prompt adoption of suitable measures to give relief to the mines seriously affected not only by the changed conditions in the international markets but also by transport bottlenecks. As manganese ore is an important item of exports, a number of suggestions has been made to improve the industry's economic position. These include:

(1) Reduction, if not total abolition, of the existing export duty of Rs. 15 per cent. *ad valorem* on exports of manganese ore;

(2) reduction of railway freight to make the export of high-grade varieties of the various ores extracted in the interior regions of the country;

(3) installation of beneficiation plants in the mining areas for the purpose of upgrading the existing ores;

(4) establishment of proper co-ordination between the Ministries of (a) Commerce and Industry, (b) Natural Resources, and (c) Railways for formulating a firm development and export policy for manganese ores; and

(5) establishment of ferro-manganese plant for the manufacture and export of ferro-manganese.

The Central Mining Advisory Board has, no doubt, taken up the question of exploitation of mineral resources of India and we are told that it has appointed a sub-committee of the representatives of State Governments and the manganese industry to examine the question of starting a ferro-manganese plant in India. The move is welcome but the situation today needs speedy action to alleviate the hardships caused to the industry as early as possible. It should include not only long-term projects but also measures which can provide immediate relief to the industry.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(18 crores of Rupees)

	1st Sept., 1939 (Pre-war)	4th June 1954	1 Week ago	4 Weeks ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.44	1,211.54	1,202.92	1,233.75	1,160.62
Notes held in Banking Department	35.06	35.90	43.24	13.14	20.33
Foreign Securities	99.50	686.15	648.15	686.15	613.15
Rupee Securities	37.89	421.22	421.22	421.22	449.86
Banking Department					
Deposits of:					
Government of India	14.89	103.89	101.08	84.76	94.06
Other Governments	..	19.54	20.55	21.04	16.70
Balances held abroad	10.08	62.35	63.00	65.25	98.44
SCHEDULED BANKS					
Demand Liabilities	134.37	639.45	643.23	628.34	529.54
		(6.51)†	(6.51)†	(6.51)†	(7.52)† (11.13)†
Time Liabilities	102.84	829.65	829.64	829.15	823.53
Borrowings from Reserve Bank	..	(1.65)†	(1.66)†	(1.44)†	(1.93)†
		34.81	37.29	54.15	15.01
		(15.90)‡	(21.27)‡	(29.86)‡	(8.59)‡
Borrowings from Imperial Bank	..	9.44	9.17	16.87	10.03
Cash in India	6.71	83.42	32.73	32.32	31.78
Balances with Reserve Bank	25.28	41.60	41.12	39.65	40.29
Excess over statutory limits	15.52	8.04	7.37	6.65	7.34
Balances with other banks in current account in India	..	9.91	10.80	10.54	10.79
Money at call and short notice in India	..	12.18	12.91	9.23	15.69
Investments (at book value)	..	826.31	824.05	823.25	800.28
Advances and bills	105.09	572.39	572.58	567.26	529.11*
IMPERIAL BANK					
Deposits	87.76	209.60	209.40	206.99	210.02
Investments	51.99	92.72	93.02	93.28	81.30
Advances	30.37	124.25	124.14	123.43	130.99
Cash	14.49	13.04	16.66	14.42	14.58

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes Foreign Bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	11th June, 1954		4th June, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,42,660	52,24,35,000	2,02,752	44,90,40,000
Calcutta	1,50,098	39,06,84,063	1,29,000	45,76,00,000
Madras	27,881	6,94,54,627	64,616	6,33,15,124
All Centres—				
1952	..	..	1,06,41,941	26,79,81,87,000
1953	..	..	1,14,83,214	26,45,05,08,000
Feb., 1954	..	..	2,721,000	5,76,28,00,000
Mar., "	..	..	3,046,000	6,49,48,00,000
April "	..	..	2,961,000	6,25,77,00,000

Reserve Bank of India
Statement of Affairs for the week ended 11th June, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	106,63,36,000
(2) Other Governments	15,40,60,000
(b) Banks	43,49,54,000
(c) Others	46,18,83,000
Bills Payable	2,85,33,000
Other Liabilities	25,77,95,000
Rupees	250,10,76,000

ASSETS	Rs.
Notes	36,71,31,000
Rupee Coin	18,21,000
Subsidiary Coin	4,52,000
Bills Purchased and Discounted—	
(a) Internal	51,25,000
(b) External	..
(c) Government Treasury Bills	10,33,91,000
Balances held abroad*	62,46,65,000
Loans and Advances to Governments	1,18,00,000
Other Loans and Advances	45,80,85,000
Investments	82,39,46,000
Other Assets	9,66,60,000
Rupees	250,10,76,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs. 21,33,25,000 advanced to Scheduled Banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (a) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 105,74,25,000.

ISSUE DEPARTMENT

LIABILITIES	Rs	Rs
Notes held in the Banking Department	36,71,31,000	
Notes in circulation	1206,60,60,000	
Total Notes issued		1245,31,77,000
Total Liabilities		1245,31,77,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	683,15,11,000	
Total of A		723,16,82,000
B. Rupee Coin		95,02,67,000
Government of India Rupee Securities		421,22,23,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1245,31,77,000

Ratio of Total of A to Liabilities: 58.472 per cent.

Scheduled Banks*
Statement of Affairs for the week ended 4th June, 1954

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	8,30,73,000†
(ii) Other demand liabilities	531,14,62,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the Imperial Bank of India	1,65,00,000†
(ii) Other time liabilities	327,97,02,000
3. Borrowings in India from the Imperial Bank of India:	
(i) Demand liabilities	9,44,42,000
(ii) Time liabilities	..
4. Cash in India	33,41,55,000
5. Balances with the Reserve Bank in India	41,60,10,000
6. Balances with other banks in current account in India	9,91,49,000
7. Money at call and short notice in India	12,18,49,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	826,81,23,000
9. Advances in India	480,44,01,000
10. Inland bills purchased and discounted in India	70,59,82,000
11. Foreign Bills purchased and discounted in India	21,85,59,000

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

TREASURY BILLS

Date of tender	Amount (in crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment	Allotted at minimum rate
1954				Rs. a. p.	%
23rd March	1.00	1.01	1.00	2 11 0	99
30th ,,	1.00	1.02	1.00	2 11 0	99
6th April	1.00	1.43	1.00	2 10 9	63
13th ,,	1.00	1.93	1.00	2 10 9	44
Total	4.00	5.39	4.00	..	..

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1950-51	359.23	..	9,630	265
Pakistan	1949	75 04	..	1,671	223
Burma	1951	18 87	Kyats. 3,166	317	170
Ceylon	1952	7 96	..	441	555
Japan	1951	84 90	Y. 4,849,400	6,414	761
Philippines	1952	20 63	Ps. 7,034	1,075	511
New Zealand	1952	2 00	£ (N.Z.) 646	861	4,307
Australia	1952	8 65	£ (A.) 3,521	3,756	4,342
U.K.	1952	50 43	£ 13,648	18,197	3,608
U.S.A.	1952	158 98	$ 290,400	133,680	8,808
Canada	1952	14 43	$ 16,135	8,169	5,662
France	1952	42 60	F. Fr. 10,190,000	13,884	3,254
W. Germany	1952	48 48	Dm. 98,400	11,156	2,301
Italy	1952	48 88	Lr. 8,112,000	6,191	1,818
Norway	1952	3 32	Kr. 12,398	1,106	3,331
Denmark	1951	4 30	Kr. 20,716	1,439	3,346
Switzerland	1952	4 82	S. Fr. 20,160	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.
Source: United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan
Statement of Affairs for the week ended 4th June, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	10,24,00,000
(b) Provincial Governments	1,40,32,000
(c) Banks	13,69,48,000
(d) Others	2,81,03,000
Bills Payable	41,21,000
Other Liabilities	5,25,10,000
Rupees	41,81,59,000

Assets	Rs.
Notes	6,88,87,000
Rupee Coin	4,000
Subsidiary Coin	15,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	.....
Loans and Advances to Governments	4,95,00,000
Provincial Governments' Debtor Balances	37,61,000
Other Loans and Advances	4,01,30,000
Investments	13,57,93,000
Other Assets	9,99,71,000
Rupees	41,81,59,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,88,87,000	
Notes in circulation	229,26,87,000	
Total Notes issued		236,15,74,000
Total Liabilities		236,15,74,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	42,14,77,000	
Government of India Securities	15,03,49,000	
India Notes representing assets receivable from the Reserve Bank of India	29,98,91,000	
B. Rupee Coin	4,98,86,000	95,08,59,000
Government of Pakistan Securities	133,83,54,000	
Internal Bills of Exchange and other commercial paper	.....	
II. Held with the Reserve Bank of India pending transfer to Pakistan Issue		136,82,40,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	2,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
		4,24,75,000
Total Assets		236,15,74,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchanges to total notes issued: 41.94 per cent.

EXCHANGE RATES

	16th June, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	..	..
Buyers T.T. spot to nine months	1-5⅛	1-5⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D.	1-6⅛	1-6⅛
Buyers T.T.	475	475
London on New York	2.81⅜-2.81⅝	2.81⅜-2.81⅝
London on Paris	983⅛	983⅛
London on Berne	12.22½-12.22¾	12.22½-12.22¾
New York on London	2.81-2.81⅛	2.81-2.81⅛

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd June, 1954	4	3½
Belgium	29th Oct., 1953	3	2½
Canada	17th Oct., 1950	1½	2
Ceylon	25th July, 1952	3	2½
Denmark	23rd Sept., 1953	3½	3
Finland	16th Dec., 1951	6	4½
France	4th Feb., 1954	7½	5½
Greece	1st Jan. 1954	36	24
India	1st Jan. 1954	12	10
Italy	16th Nov., 1951	5	4½
Japan	6th April, 1950	8	7½
Netherlands	1st Oct., 1951	4½	4
New Zealand	7th April 1953	5.11	5.84
Norway	25th July, 1941	3	2½
Pakistan	9th July, 1948	3	1½
Portugal	1st July, 1948	3	2½
South Afrca	18th Jan., 1944	3	3
Spain	27th May, 1953	5	4½
Sweden	18th Mar., 1949	4½	4
Switzerland	20th Nov., 1952	4	3½
U.A.R.	26th Nov., 1946	4	2½
United Kingdom	28th Feb., 1951	4	4½
U.S.S.R.	15th May, 1954	3	4
U.S.A.	1st July, 1948	1½	1½
West Germany	16th April, 1954†	3	4
	29th May, 1951†	3½	3

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE
GOVERNMENT OF INDIA
(In crores of Rs)

	January, 1953	January, 1954	Ten months April to January 1952-53	Ten months April to January 1953-54
Import Duties:				
Revenue	8.40	9.84	93.00	92.26
Protective	0.52	0.58	6.58	5.11
On surplus disposals	0.02	0.03	0.05	0.20
Coal import duties	0.04	..	0.04	..
Export Duties	8.94	10.22	99.58	97.57
Land Customs	0.80	2.72	47.16	93.72
Miscellaneous	0.16	0.21	2.31	1.59
Gross total customs	0.08	0.06	1.00	0.81
Refunds and drawbacks	18.94	13.20	160.05	193.99
Net Customs	0.17	0.14	2.26	1.64
Gross excise	12.81	13.08	147.69	131.85
Refunds	0.08	0.04	0.24	0.54
Net Excise	12.73	13.04	147.45	131.31
Net total of customs and excise	31.67	26.25	307.51	325.30
	19.93	21.61	215.69	208.24

Imperial Bank of India
Statement of Affairs for the week ended 11th June, 1954

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders — Rs. 375 per share on 1,50,000 shares		5,62,50,000
Reserve Fund and other Reserves		6,25,00,000
Deposits and other Accounts		207,71,57,000
Borrowings from other Banking Companies Agents		12,00,00,000
Bills Payable		2,45,62,000
Bills for Collection being Bills Receivable as per contra		38,75,000
Acceptances, Endorsements and Other Obligations as per contra		58,000
Other Liabilities (including Inter-Office Adjustments)		5,20,82,000
Total	Rs.	239,84,84,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,51,19,000
Balances with other Banks		4,27,26,000
Money at Call and Short Notice		1,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	82,47,95,000	
Other Authorised Investments	10,19,93,000	
		92,67,88,000
Advances—		
Loans, Cash Credits and Overdrafts, etc.	91,57,91,000	
Bills Discounted and Purchased	30,83,81,000	
Bills Receivable being Bills for Collection as per contra		122,41,72,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		38,75,000
Premises less Depreciation		58,000
Furniture and Fixtures less Depreciation		1,31,61,000
Other Assets (including Inter-Office Adjustments)		41,41,000
Total	Rs.	239,84,84,000

SMALL SAVINGS
POSTAL SAVINGS
(In lakhs of rupees)

	National Savings Certificates† 5-Year Outstandings*	5-Year Receipts	7-Year Outstandings*	7-Year Receipts	10-Year Outstandings*	10-Year Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings@	21/2% Ten-Year Treasury Savings Deposit Certificates ‡ Receipts	Outstandings*
1948-49	1,47	78	74	22,40	22,56	55,07	59,91	13,81	..	..
1949-50	4,64	69	5,27	22,66	24,18	1,12,36	1,01,01	21,06	7,14	25,54
1950-51	5,93	1,43	4,24	25,57	1,04,43	1,12,15	1,03,26	21,06	5,04	29,11
March 1952	6,84	9	3,27	2,44	64,15	12,78	91,01	34,18	60	30,44
April "	6,80	4	3,27	2,54	65,96	9,84	93,01	34,06	60	30,84
May "	6,83	4	3,29	2,08	67,27	9,55	93,01	34,06	60	31,24
June "	6,82	4	3,31	2,25	69,38	9,43	93,60	31,30	60	31,64
July "	6,73	11	3,36	2,23	91,03	10,24	95,23	31,52	58	28,28
August "	6,67	9	3,44	2,23	92,83	9,78	95,72	31,76	56	27,92
September "	6,59	13	3,53	2,04	94,38	9,20	96,67	32,06	66	28,20
October "	6,51	11	3,58	1,97	95,93	9,58	97,72	32,36	66	27,66
November "	6,38	9	3,65	2,03	97,87	9,48	97,72	32,36	66	28,20
December "	6,27	14	3,74	2,23	98,96	9,35	97,56	32,92	59	28,27
January, 1954	6,16	13	3,82	2,06	1,00,47	8,91	98,31	33,23	46	28,41
February "	6,05	12	3,89	2,13	1,02,11	9,49	99,23	33,53	46	28,93
March "	5,93	44	4,24	3,07	1,04,43	12,07	1,00,88	33,77	45	30,34
April "	..	..	..	..	..	..	1,03,26	33,96	50	31,23
							..	34,18	54	31,73
								..	44	31,71
								..	70	32,77

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

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*
(Base: 1949-50=100)

Group and Sub-Group	Week ended 6-6-'53	5-5-'54	29-5-'54	5-6-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.7	89.2	89.1	89.1
1. Government of India	90.5	90.1	89.9	90.0
2. Indian States	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.8	89.2	89.1	89.1
DEBENTURES OF INDUSTRIAL CONCERNS	102 6	101 6	101.6	100.9
1. Electricity	102 5	102.1	102.0	101.9
2. Jute	98.9	98.8	98.8	98.6
3. Plantations	99.0	99.6	99.5	99.6
4. Sugar	99.1	100.3	100.3	100.3
5. Coal	97.8	101.0	101.1	101.0
6. General Engineering	101.7	102.3	102.3	102.3
7. Shipping	99.4	100.7	100.7	100.7
8. Others	97 1	98.1	98.1	98.5
PREFERENCE SHARES	97.6	96.9	95.0	94.4
1. Electricity	94.7	94.8	94.2	93.9
2. Cotton	85.1	88.2	88.5	88.5
3. Jute	90.7	90.3	89.7	89.7
4. Coal	93.7	95.2	95.1	76.4
5. Iron and Steel	73.5	87.3	81.8	81.8
6. Sugar	90.2	91.5	91.3	91.5
7. Paper	87 5	90.5	91.3	86.7
8. Plantations	85.6	86.6	86.6	86.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	94 4	104.3	104.3	104.8
(a) Financial	88.3	88.2	87.8	87.7
1. Banks	85.0	101.7	101.9	101.5
2. Insurance	99.1	100.7	99.6	97.4
3. Investment Trust	77.7	78.3	78.2	78.4
(b) Public Utilities	106.3	113.1	113.6	113.8
1. Electricity	115.5	119.6	119.7	119.7
2. Shipping and other Transport	88.6	105.0	105.8	101.8
3. Railways	83.1	87.8	87.7	86.5
(c) Manufacturing Industries	99.9	103.2	107.4	107.7
1. Cotton, Woollen and Silk	95.6	102.5	102.8	103.3
2. Jute	106 6	130.2	127.4	127.4
3. Iron and Steel	107.2	125.4	126.7	126.9
4. Paper	114.5	126 6	126.7	126.9
5. General Engineering	108.5	129 3	129.1	128.9
6. Sugar and Breweries	85.2	92.3	92.7	92.7
7. Chemicals	94.0	112.6	113 0	112 7
(d) Non-Manufacturing Industries	81.1	112.3	117.9	121.6
1. Coal	83.2	77.9	79.7	80.2
2. Mining and Oil	121.0	164.8	165.3	173.3
3. Plantations	84.7	88.0	94.2	94.8
(e) Miscellaneous	..	..	..	..
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.2	89.7	89.6	89.7
2. Calcutta	90.1	90.1	90.0	90.0
3. Madras	90.8	90.5	90.4	90.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.7	100.9	100.9	100.9
2. Calcutta	100.1	101.5	101.5	101.4
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES	94.8	92.8	92.9	92.8
1. Bombay	82.2	84.9	84.6	84.9
2. Calcutta	88.7	90.0	90.8	90.7
3. Madras	..	..	..	..
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	102 2	114.6	113.5	113.5
1. Bombay	90 2	101.2	102.5	103.4
2. Calcutta	92 3	107.0	105.4	105.9
3. Madras	..	..	..	..
4. Delhi	..	..	..	..

Source: Department of Research and Statistics, Reserve Bank of India.
* Revised Series.

INDUSTRIAL DISPUTES
(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950	814	719,883	12,806,704
1951	1,071	691,887	8,818,928
1952	963	809,242	8,336,961
1953*	889	582,667	9,360,700
1953†	87	49,430	142,493
March 1953	124	89,457	294,546
April "	118	89,281	254,955
May "	101	49,764	171,398
June "	83	48,535	160,568
July "	87	57,576	460,562
August "	96	78,181	849,818
September "	94	45,788	272,554
October "	83	57,824	166,017
November "	81	..	244,414
December "	85	42,383	136,411
January 1953†	45	20,477	116,207
February "	67	39,281	218,653
March "	73	49,128	276,218
April "	68	30,857	252,279
May "	99	48,056	181,172
June "	87	63,043	225,148
July "	74	44,663	467,275
August "	106	80,211	402,116
September "	101	41,411	243,311
October* "	88	40,750	475,353
November,* "	81	..	..
December,* "	75	49,500 (a)	220,618 (b)
January 1954†	83	41,033	225,093
February "	87	51,853	228,693
March "	..	..	..

† Figures for 1953 and 1954 are provisional. * Revised. — Not known.
(a) Not known in one case. (b) Not known in four cases.

ELECTRIC ENERGY† GENERATED AND SOLD*
(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49	459	4,661.1	3,777.7
1949-50	573	5,048.4	4,049.0
1950-51	614	@ 401.4	5,134.3
1951-52	605	529.7	426.4
1952-53	608	555.2	457.8
November 1952	614	535.5	441.8
December "	614	535.5	417.6
January 1953	614	538.0	438.7
February "	614	538.0	434.1
March "	614	550.8	456.1
April "	620	548.8	450.8
May "	625	557.9	464.7
June "	627	548.0	458.9
July "	629	576.5	464.1
August "	632	563.1	463.7
September "	634	563.1	458.9
October "	637	603.8	..
November "	640	589.1	478.0
December "	642	551.4	451.4
January, 1954	..	..	..
February "	..	..	..

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

INDEX NUMBERS OF WHOLESALE PRICES
(Base: Year ended August, 1939=100)

Particulars	29th May, 1954	22nd May, 1954	30th May, 1953	April, 1954	April, 1953	Percentage of increase (+) or decrease (—) in April, 1954 as compared with April, 1953	1953-'54	1952-'53
Food Articles	367.2	369.8 R	381.1	381.9	366.4	+ 4.1	384.4	387.8
Cereals	403	404 R	402	426	437	— 2.5	421	444
Pulses	232	241	500	501	445	—14.4	450	507
Other	295*	299*	274	313	256	+22.3	278	223
Industrial Raw Materials	455.4	448.6 R	487.5	478.1	448.9	+ 6.5	467.7	438.9
Fibres	441	434	440	459	405	+13.3	432	476
Oil seeds	499	508	547	524	568	— 7.7	574	485
Mineals	454	450	441	451	449	+ 0.4	449	459
Others	395	392 R	363	397	357	+11.2	376	333
Semi-Manufactures	359.7	362.1	382.4	382.4	381.9	+ 3.9	389.2	367
Leather	375	374	414	378	431	—12.8	408	367
Mineral oils	221	221	224	223	223	— 0.9	224	223
Vegetable oils	499	492	579	507	498	+ 1.8	534	446
Cotton yarn	463*	463	458	445*	435	+ 2.9	452*	452*
Metals	240	240	225	240	211	+ 6.2	229	218
Oil Cakes	456	441	440	430	411	+ 4.6	433	450
Others	303	304	292	306	225	+36.0	331	255
Manufactured Articles	378.6	379.6 R	370.6	370.6	365.8	+ 1.3	367.4	371.2
Textiles	424	424 R	411	427	402	+ 6.2	405	411
Iron and Steel	433	432	406	433	357	+21.3	406	416
Cotton	419*	419* R	407*	416*	407*	+ 2.2	406*	400*
Rayon and Silk	441*	441* R	492*	550*	488*	+12.7	431*	476*
Woollen	210	212	212	212	212	—	214	203
Metal products	310	313	336	318	287	+ 1.2	337	330
Others	290	290	287	288	289	— 0.3	285	294
Miscellaneous	683.2	687.1	628.9	707.4	601.7	+17.6	626.9	614.1
All Commodities	390.4	393.2 R	402.2	402.6	384.9	+ 4.6	397.5	398.9

R=Revised. * Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944=100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta August 1949	Madras June 1938	Delhi 1944	Ajmer 1944	Gauhati 1944	Jamshedpur 1944	Jabalpore 1944
1951 Average	144	330	260	313	451	391	370	334	142	176	141	160	168
1952 "	141	337	259	310	441	380	351	330	143	174	142	154	150
September "	142	341	269	310	463	380	364	328	145	178	143	157	150
October "	144	345	274	311	466	381	363	327	146	179	143	154	150
November "	143	347	271	306	459	380	357	328	143	178	139	150	150
December "	139	346	266	307	378	346	327	327	138	158	139	149	149
January 1953	139	344	260	310	454	381	337	327	138	168	134	149	146
February "	141	351	264	315	459	380	334	351	136	167	132	150	144
March "	142	358	265	322	458	384	344	353	136	167	131	148	143
April "	142	359	266	327	454	384	354	337	137	166	134	148	144
May "	143	360	273	330	441	391	345	356	139	171	137	152	145
June "	145	363	275	330	441	391	345	356	142	176	139	156	149
July "	150	371	282	334	463	393	375	355	142	176	130	158	160
August "	152	373	284	333	465	394	375	355	144	174	130	160	157
September "	152	376

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Average		Outturn	
		1952-53 Final	1951-52 Final	1952-53 Final	1951-52 Final
Rice	tons	76,648†	74,209††	27,079†	22,495††
Wheat 3rd ..	,,	23,824†	23,115††	6,863†	6,866††
Jowar 2nd ..	,,	41,285†	39,808††	5,860†	4,516††
Pulse	,,	24,220†	26,550††	4,240†	3,150††
Barley 2nd ..	,,	7,606†	7,521††	2,239†	2,152††
Maize	,,	3,992†	3,897††	2,854†	2,823††
Ragi	,,	5,472†	5,429††	1,564†	1,238††
Gram 2nd ..	,,	17,823†	16,068††	4,031†	3,214††
Kah. Pulses*	,,	11,240†	11,350††	2,063†	2,047††
Small Millets	,,	12,170†	11,634††	1,952†	1,891††
Jute	bales	1,167	1,817††	3,128†	4,805††
Cotton 4th ..	tons	16,256†	15,049††	3,658†	2,950††
Sugarcane 2nd	tons	4,011†	4,224††	5,100†	4,990††
Groundnut	,,	11,558†	11,550††	3,772†	2,884††
Linseed	,,	3,394	3,672	855	816
Castorseed ..	,,	1,365†	1,357††	107†	106††
Rape and Mustard Seed	,,	5,155	5,915	823	916
Sesamum	,,	6,132†	5,860††	531†	460††
Tobacco (supp)	,,	79†	71†	21†	20†
Black Pepper	,,	20‡†	20‡††	2‡†	2‡††
Ginger	,,	4‡†	4‡††	1‡†	1‡††
Dry chillies	,,	1,280†	1,384††	301†	341††

Source: Ministry of Food and Agriculture.

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

† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1954	71.8
	Corresponding month 1953 ..	72.5
	Eleven months ended May, 1954	790.7
	Corresponding period 1953 ..	818.5
Stocks	At the end of May, 1954 ..	86.5
	Corresponding month 1953 ..	138.8
		(In 000 bales)
Exports† (Jute Bags)	Week ended 22nd May, 1954 ..	5,818
	Corresponding week 1953 ..	11,327
	From 1st Jan. to 22nd May, 1954	153,499
	Corresponding period 1953 ..	92,880
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 22nd May, 1954 ..	4,218
	Corresponding week 1953 ..	17,915
	From 1st Jan. to 22nd May, 1954	221,634
	Corresponding period 1953 ..	454,595
	RAW JUTE	(In 000 bales)
Exports*.. ..	Week ended 22nd May, 1954 ..	—
	Corresponding week 1953 ..	—
	During Feb., 1954 ..	—
	Corresponding period 1953 ..	—
Consumption by Mills†	May, 1954 (in lakh bales) ..	4.74
	Corresponding month 1953 ..	4.21
	Eleven months ended May, 1954	45.85
	Corresponding period 1953 ..	47.49

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Finished Steel
Year iron and Steel Co. Year ended 31st March, 1953..	11,80,000	10,57,100	7,99,200
Do. 31st March, 1953..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954..	11,64,000	10,70,200	7,80,000
January 1953	1,02,400	95,500	69,900
February ,, ...	92,400	82,000	61,700
March ,, ...	97,400	86,600	65,500
April ,, ...	97,000	83,100	60,800
May ,, ...	95,000	85,000	62,000
January 1954	1,02,800	99,800	71,400
February ,, ...	92,700	84,500	63,300
March ,, ...	94,800	89,700	65,000
April ,, ...	93,200	77,500	54,800
May ,, ...	89,100	80,800	56,200
Indian Iron and Steel Co. Year ended 31st March, 1953..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954..	5,80,020	5,49,980	2,92,440
January 1953	56,370	48,810	18,650
February ,, ...	54,650	37,420	29,090
March ,, ...	60,840	39,350	29,090
April ,, ...	62,210	30,990	19,060
May ,, ...	57,810	32,550	19,700
January 1954	53,100	42,600	29,870
February ,, ...	50,650	38,360	22,810
March ,, ...	60,000	47,550	34,540
April ,, ...	61,950	41,070	27,800
May ,, ...	62,440	35,640	25,260

FOREIGN TRADE OF INDIA

Particulars	February, 1953	February, 1954	Eleven Months, April to February, 1952-53	Eleven Months, April to February, 1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports‡				
By sea and air—				
Foodstuffs ..	7.93	3.56	164.27	90.19
Raw materials ..	10.21	11.78	163.41	149.74
Manufactures ..	20.86	22.53	253.29	252.10
Other Items ..	17	34	3.89	3.63
Total ..	33.67*	38.16*	589.86*	494.66*
By land	1.32	1.82	23.58	21.42
Total Imports ..	32.99	39.98	613.44	516.08
Exports				
By sea and air—				
Foodstuffs ..	10.51	10.28	129.33	141.34
Raw materials ..	12.76	7.27	134.20	96.84
Manufactures ..	14.63	19.02	233.33	229.05
Other Items ..	29	40	3.83	4.03
Total ..	38.19	37.87	505.69	471.28
By land	51	56	18.45	6.98
Total Exports ..	38.70	38.43	524.14	477.94
Total Re-exports ..	54	41	5.88	4.38
Balance of trade in merchandise ..	+ 6	+ 12	—78.79	—19.03
Balance of transactions in private treasure	—1	—	7	9
Total visible balance of trade..	+ 5	+ 12	—78.86	—19.12
Imports‡ ‡				
Total C'wealth countries ..	18.82	17.23	232.62	238.81
Total Foreign countries ..	19.85	20.88	357.24	255.86
Exports ‡ ‡				
Total C'wealth countries ..	18.09	21.01	238.84	244.59
Total Foreign countries ..	20.10	16.86	267.85	226.67

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

‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

		United States	United Kingdom††	Canada ⊕	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	641	11	16	89	8	18	5	2	7	9	8	5	5	9	..	9
	1951-52	711	21	16	41	6	20	9	4	7	9	8	5	7	11	..	9
	1952-53	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11	8
End of December	1952..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11	6
January	1953..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11	6
February	,, ..	659	60	26	16	41	5	20	17	6	7	9	1	4	6	11	6
March	,, ..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11	6
April	,, ..	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11	6
May	,, ..	647	65	26	16	41	5	20	17	6	7	9	2	4	6	11	6
June	,, ..	645	67	27	16	41	5	20	17	6	7	9	2	4	6	11	6
July	,, ..	643	68	27	16	41	5	20	19	6	7	9	2	4	6	11	6
August	,, ..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11	6
September	,, ..	636	71	27	16	41	5	20	20	6	7	9	2	4	6	11	6
October	,, ..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11	6
November	,, ..	632	73	28	16	42	5	22	21	6	7	9	2	4	6	11	6
December	,, ..	631	72	28	16	42	5	22	21	6	7	9	2	4	6	11	6
January	1954 ..	630	73	29	16	42	5	22	22	6	7	9	2	4	6	11	6

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. ⊕ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Unit of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 10th June, 1954 ..	51,454
	Corresponding week 1953 ..	33,636
	1st Sept., 1953 to 10th June, 1954	1,678,225
	Corresponding period, 1952-53 ..	1,554,928
Cotton Exports ..	Week ended 10th June, 1954 ..	3,909
	Corresponding week, 1953 ..	11,707
	1st Sept., 1953 to 10th June 1954	250,188
	Corresponding period, 1952-53 ..	406,493
Mill Consumption ..	1st Sept., 1953 to 10th June 1954	979,794
	Corresponding period, 1952-53 ..	972,744
Stock (with exporters dealers & mills) in Bombay	On 10th June, 1954 ..	739,857
	Corresponding date, 1953 ..	561,554
Karachi (Pakistan)		
Receipts ..	Week ended 5th June, 1954 ..	1 084
	Corresponding period 1953 ..	3 320
	1st Sept., 1953 to 5th June, 1954	1,100,552*
	Corresponding period, 1952-53 ..	1,622,087
Exports	Week ended 5th June, 1954 ..	9,175
	Corresponding period, 1953 ..	34,924
	1st Sept., 1953 to 5th June, 1954	928 660*
	Corresponding period, 1952-53 ..	1,315,993

* Adjusted.

Particulars	From 1st Sept., to 31st May 1953-54 Bales	From 1st Sept., to 14th June 1952-53 Bales
Indian Union		
Cotton Exports to—		
United Kingdom	13,686	14 275
Continent	24,400	94,025
China	213	816
Japan	61 003	144,559
U.S.A.	12,505	34 716
Other Countries ..	1,502	5,386
Total to all foreign countries ..	113,889	293 879
Coastal Ports ..	139,189	113,966

Period	Quantity (Unit of 400 lbs.)
Consumption of Cotton—	
Indian	
Foreign	
Indian	
Foreign	
Stocks (Mills and Elsewhere)—	
Indian	
Foreign	
Indian	
Foreign	
Cotton Pressed † ..	
February, 1954	311 882
Six months ended Feb., 1954	1 949 766
	341 074
Same Period 1953 ..	1,812 434
	419,418
As on 28th Feb., 1954 ..	1,052 118
	146,153
As on 28th Feb., 1953 ..	1,125 820
	252 283
Week ended 4th June, 1954 ..	22 744
Corresponding week, 1953 ..	36 389
1st Sept., to 4th June, 1954 ..	8 078 604
Corresponding period, 1953 ..	2,148,826

† Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101¼
3 % Bonds	1924-32	41,30,26,000	1960-70	101
3 % Loan	1938-39	1,16,17,46,000	1961-65	95
3 % Loan	1950	30,33,10,000	1970	93
3 % Loan	1941	1,10,11,76,000	1966-68	90½
3 % Conv. Loan	1944	1,15,06,89,000	1957	98
2½% Loan	1945	1,15,05,83,000	1970-75	86½
2½% Loan	1946	1,17,45,94,000	1959-61	96½
2½% Loan	1951	50,35,61,000	1958	98 ¼
2½% Loan	1946	45,63,07,000	1960	94 ¼
2½% Loan	1946	37 00,49,000	1961	91½
2½% Loan	1946	35,04,06,000	1954	99¼
2½% Loan	1946	14,77,48,000	1976	82½
3½% Loan	1947	75,86,72,000	1962	92¾
3½% Loan	1948	40,45,01,000	1955	98¼
3½% Loan(N.P. Bonds)	1953	75,00,00,000	1961	99 ¼
3½% N.P.Loan	1954	On Tap.	1964	98¼
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On 31st December, 1964 or later, at option of Government after three months' notice.	82½
3 % Loan	1946	248,91,90,000		82½
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-59***	100½
4½% Loan	1928	5,85,20,000	1958-68***	103¼
PROVINCIAL LOANS				
3 % Bombay	1942	2,54,23,300	18th Sept. 1955	99¼
3 % Bombay	1943	3,30,00,000	14th Sept. 1956	99 ¼
3 % Bombay	1944	3,44,00,000	15th Aug. 1958	97¼
3 % Bombay	1949	6,00,15,000	1st Aug. 1959	94¼
3 % Bombay	1950	3,01,87,700	31st July 1960	94¼
3 % Bombay	1951	3,04,06,900	15th Sept. 1962	98¼
4 % Bombay	1953	5,00,00,000	15th July 1963	99¼
3 % Cochin	1943	3,56,72,700	1st Aug. 1966	100½
3 % Cochin	1943	30,00,000	1st Dec. 1953—55	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955—58	99
3 % Cochin	1936	70,09,000	1st June 1956—81	99
3½% Howrah Bridge (New)	1936-37	2,31,07,100	1956-66	95½
3 % Madras	1939	1,23,55,600	21st June 1959	94 ¼
3 % Madras	1942	1,23,23,000	18th Sept. 1955	98-11/32
3 % Madras	1943	1,25,10,000	14th Sept. 1956	98-9/32
3 % Madras	1944	1,07,87,000	15th Aug. 1958	96¾
3 % Madras	1945	2,78 44,000	14th Sept. 1960	96¾
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
3½% Madras	1950	4,38,73,400	31st July 1962	94
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 % Madras	1953	5,00,00,000	15th July 1963	99¼
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99 ¼
3 % Mysore	1930	1,63,44,300	1st Nov. 1955	104¼
3 % Mysore	1933	2,95,85,200	1st Dec. 1953—63	98¼
3 % Mysore(?)	1935	3,99,72,900	30th April 1956—61	98¼
3 % Mysore	1947	5,08,05,700	17th Oct. 1958	98¼
4 % Mysore	1953	3,00,00,000	15th July 1963	99 ¼
3 % M.P.	1943	50,00,000	18th Sept. 1955	99
3 % M.P.	1943	30,54,200	14th Sept. 1956	98¼
3 % M.P.	1944	52,69,800	15th Aug. 1958	96¼
3 % M.P.	1948	2,03,00,000	15th Sept. 1960	94¼
3 % M.P.	1950	1,00,28,800	31st July 1960	94¼
3 % M.P.	1951	1,00,00,000	17th Sept. 1962	97¼
4 % M. P.	1953	1,00,00,000	15th July 1963	99¼
3 % Punjab**	1938-44	3,49,87,200	15th Sept. 1955	99¼
3 % Punjab**	1942	2,35,20,000	18th Sept. 1957	99¼
3 % Punjab**	1943	2,48,78,300	14th Sept. 1956	99¼
3 % Punjab**	1945	2,93 81,600	14th Sept. 1960	99¼
3½% Travancore	1936	50,00,000	16th Aug. 1956	99 ¼
4 % Travancore Cochin	1953	3,00,00,000	15th July 1963	99 ¼
3 % U.P.	1936	1,69,39 800	15th Sept. 1961—66	90½
3 % U.P.	1946	3,23,96 800	15th Aug. 1958	97
3 % U.P.	1945	2,36,31,700	14th Sept. 1960	94
2½% U.P.	1946	2,41 19,800	1st Sept. 1961	91¾
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97¼
4 % U.P.	1952	4,11,33,000	15th Aug. 1964	99 ¼
4 % U.P.	1953	5,00,00,000	15th July 1963	99 ¼
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,00,00,000	15th July 1963	100½

PORT TRUST LOANS

	Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY	Rs.				Rs.
	36,50,000	4	1904	1964	
	35,00,000	4	1905	1965	
	50,00,000	4	1907	1967	
	44,00,000	4	1907	1968	97½N
	75,00,000	4	1908	1968	
	40,08,900	4	1909	1969	
	56,00,000	4	1910	1971	
	50,00,000	4	1911	1972	
	1 10,00,000	4	1912	1972	
	14,35,876	4	1913-19	1960	D
	80,00,000	4	1913	1972	100N
	88,25,000	4	1914	1975	99N
	10,00,000	4	1915*	1966	
	55,00,000	4	1916*	1975	
	61,61,000	4	1922*	1960	
	31,51,000	4	1925*	1960	
	10 25,000	3½	1926*	1960	
	35,00,000	3½	1929*	195-	
	12,50,000	3½	1930*	1960	
	11,50,000	3½	1931*	1961	D
	24,38 000	3½	1932*	1962	
	15,00,000	3½	1935*	1966	
	44,00,000	3½	1936*	1966	
	10 00,000	3½	1936*	1960	
	7,08 000	3½	1938*	1968	
			1941	1971	
CALCUTTA					
	90,24 300	4	1914	1974	Rs.
	78,90,100	4	1915	1975	99½
	68,02,300	3½	1919	1979	99½
	1,50,00,000‡	5	1921	1981	74
	1,24,04,300	6	1923	1953-83	144N
	99,84,900	5	1925	1954-84	105
	99,84,900B	5	1926	1956-86	104½
	1,49,49,100	5	1927	1957-87	101½
	1,49 30,000	5	1928	1958-88	103½
	80,00,000	4½	1931	1991	92½
	1,75,00,000‡	3	1933	1958	100
	60 00,000	3½	1935	1965	95½
	25,00,000	3	1938	1943-68	88
	1,50,00,000	3	1939	1969	70N
	50,00,000	3	1945	1975	82½
	50,00,000	3	1946	1976	82
	50,00,000	3	1947	2004	70N
	50,00,000	2½	1947	1977	78½
	50,00,000	3	1948	1978	81
	50,00,000	3	1949	1979	84½
	50,00,000‡	3	1950	1980	80
	1,00,00,000	3	1950	1960	94
	1,00,00,000	3	1951	1981	94
	50,00,000	3	1951	1981	79
	1,50,00,000	3½	1951	1981	97½
	50 00,000	3	1953	1963	98¼
	50,00,000	4	1953	1983	98
STERLING LOANS					
	£892,400	5	1923	1953-83	£87½
	£901,000	5	1924	1954-84	£94½
	£835,100	5½	1932	1962	£96
MADRAS					
	46,60 347	4	1912	1982	Rs.
	32,14,994	4	1917	1982	
	3,21,489	4	1918	1982	A
	3,42,951	5	1918	1982	
	7,44,644	4	1919	1982	
	2,15,852	6	1921	1952	

IMPR. TRUST LOANS

	Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY	Rs.				Rs.
	50,00,000	4	1899	1959	100
	30 00,000	4	1901	1961	
	30,00,000	4	1902	1962	
	60,00,000	4	1903	1963	
	30 00,000	4	1904	1964	97½N
	30,00,000	4	1905	1965	
	20,00,000	4	1906	1966	
	1 00,00,000	4	1907	1967	
	30,00,000	4	1908	1968	
	25,00,000	4	1912	1972	
	1 00,00,000	4	1913	1973	
	50,00,000	4	1914	1974	97½N
	25 00,000	4	1918	1976	
	40 00,000	4	1925	1957-79	115N
	66,00,000	6	1926	1955-80	
	25,00,000	5	1926	1956-86	115N
	25,00,000	5	1926	1961-91	98N
	10,00,000	3½	1936	1966	
STERLING LOANS					
	£566,600	4	1909	1969	£95½
	£333,000	4	1910	1970	£95½
	SALSETTE				Rs.
	30,00,000	6	1925	1955	104
	25,00,000	5½	1926	1956	107
	50,00,000	5	1926	1956	100
	35,00,000	5½	1935	1965	94½
	50,00,000	3	1936	1966	89
	50,00,000	3	1937	1967	90
	80,00,000	3	1938	1961-68	88
	80,00,000	4	1952	1962	100

MUNICIPAL LOANS

BOMBAY	Rs.				Rs.
	49 40,000	4	1913-14	1954	99½
	20 60 000	4	1914-15	1955	100
	20,00,000	4	1015-15	1955	100
	20,00,000	4	1920	1980	111
	1 60,00,000	4	1920	1954	103
	25,00 000	5	1928	1958	
	25 00,000	5	1929	1959-59	104½
	8,45 500	5	1929	1954-59	to
	26,21,500	5	1929	1959	102½
	8,23 00,000	3	1930	1977	82½
	2,50,00,000	3½	1930	1979	87
	4,00,00,000	3½	1930	965	92
	2,50,00,000	3½	1931	1966	100
	1,00 00,000	3½	1931	1966	97
	1,30 00,000	4	1933	1963	100
	100 00,000*	4	1933	1963	100
	1,00,00,000‡	4	1954	1966	99¼
R	**CALCUTTA**				Rs.
	34 45 500	4½	1925	1955	103½
	84 70 000	5	1925	1955	104
	3o 00 000	5	1925	1955	104
	25 00 000	5	1929	1958	103½
	25 00 000	5	1929	1959	103½
	10 00 000	3½	1929	1958	103½
	33 91 000	3½	1935*	1965	108
	60,00,000	3	1935	1965	83½
	3,11 400	3	1936	1966	88½
	4,67,100	3	1937	1954	100
	1,61,500	3	1937	1954	99½
	4 18,100	3	1937	1954	99½
	47,50,000	3	1938	1968	88
	10,67,700	3	1938	1955	98
	13,56,800	4	1938	1955	98½
	15,56,800	4	1939	1956	99½
	15,56,800	4	1939	1956	99½
	17,64,400	3½	1940	1957	99½
	21,10,000	3½	1941	1959	99½
	15,49,000	3½	1942	1972	96
	16,31,000	3½	1951	1960	96
	66,88 000	3½	1951	1961	96
	37,36,000	4	1951	1966	96
	72,50,000	4½	1952	1962	99½
			1954	1979	100
Rs	**MADRAS**				Rs
	71,700	6	1925	1955	100N
	2,68,300	5	1925	1955	101N
	15 00 000	3½	1951	1961	107N
	15,00,000	3½	1952	1962	107½N

ABBREVIATIONS.

B—Taken up by Imperial Bank of India. D—Domestic Loan not marketable. N—Nominal.
(a) This includes the amount of loan converted into First Development Loan 1970-75. C—Held by Commissioners. *Loans held entirely by the Trustees
Rate of interest reduced from 4 to 3 per cent. with effect from 1st June 1944. (f) Income-tax free. A—Held by Government of India
†† Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April. ***Donations in Pat. Currency. **Rupee Counterparts.
† Bombay State Transport.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	135	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	30,00,000(b)	1875	6½	Mar. Sept.	142	100
Cawnpore Sugar Works ..	10,00,000	1905-24	5	Feb. Aug.	120	100
Dharan Sugar & Abkhari †A	7,00,000	1897	7	July Apr.	16½	100
East India Distilleries ..	6,75,000(c)	1940	7½	Jan. July	72	100
Gwalior Sugar	5,00,000	1920	7	Dec. ..	15½	100
Do. (Non-redeem.)	5,00,000	1922	10	Oct. ..	98	100
Partabpore Co.	4,00,000	1933-34	6	Aug. ..	75	100
Ramnagar Cane	20,00,000	1943	5½	Oct. Apr.	141½	100
Ravalgaon Sugar	3,00,000	1936	7(a)	Dec. ..	7½	10
South Behar Sugar	14,99,135	1946	5(c)	Dec. ..	90N	100
Travancore	12,00,000	1932	5	Dec. ..	70N	100
Upper Ganges	15,00,000	1946	5(a)	Dec. ..		100
Do.						
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Barree	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Barrakur (1st)	4,50,000	1901-19	6	Apr. Oct.	119	100
Do. (2nd)	12,00,000	1895	5½(c)	Mar. Sept.	8½	10
Equitable	7,50,000	1946	5(c)	Mar. Sept.	5N	10
Karanpura Collieries ..	1,93,000	1931	5	Jan. July	12½	10
††Khas Kajora	12,00,000	1920	6½	Apr. Oct.	112xd	100
New Beerbhoom	2,00,000	1898-99				
Ondal						
COTTON						
Ahmadabad Advance ..	10,00,000	1939	3	Apr. Oct.	110	100
Bangalore	4,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	July Jan.	6	10
Benares Cotton	1,05,200	1898	7	Apr. Oct.	118½	100
Bengal-Nagpur	6,00,000	1900	7	Feb. Aug.	135	100
Bowreah 'A'	6,00,000	1919	7	June Dec.	95	100
Do. 'B'	14,75,000	1919	7½	June Dec.	128½	100
Bradbury	21,30,200	1928	7	Apr. ..

STOCK & SHARE QUOTATIONS

Abbreviations:—D=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nemile quotation. Ex.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	9,99,757	42,27,928	45,05,372	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	2-14½	2	0 3 0				12	
40,00,000	34,00,000	1,22,39,883	72,23,655	45,644	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	60	100	6 0 0	Nil	4(c) Nil		12	V.
2,50,98,000	2,32,32,823	3,91,24,744	3,31,78,249	2,00,087	Narottam Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	438½	100	20 0 0	20 0	20 0*	20 0*	3	Y.P.T.
10,80,000	27,25,759	54,19,315	48,70,797	80,357	Ramnarain Sons, Ltd.	38,208	860	Bradbury Mills	952½	250	100 0 0	22 8*			3	Y.
1,09,42,800	2,27,82,985	2,53,52,095	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	335½	100	20 0 0	100 0			3	Y.P.
99,00,000	16,04,856	1,06,30,358	59,37,373	5,066(b)	V. L. Pilaiwal (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil	Nil	Nil		12	V.
26,00,000	27,40,380	58,91,576	24,86,747	1,28,751	Cowasjee Jehangir & Co., Ltd.	30,412	680	Coorla Spg. & Wvg.	111½	100	4 0(c)	Nil			12	V.
16,80,000	20,04,821	63,03,745	48,46,641	76,886	Ramnarain Sons, Ltd.	30,304	86rd	Dawn Mills	100	7 8	7 8	7 8			12	V.
24,00,000	24,00,000	62,31,113	57,35,800	5,622	Perennial Radhakishan & Co.	50,296	928	Edward Textiles	243½	6 0 0	6 0 0				3	Y.
39,51,700	12,93,292	1,10,11,972	73,99,223	41,662	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	64	50	15 0				12	V.
50,00,000	63,61,875	86,92,384	68,51,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	245	100	3(d) 3 0				12	V.
12,00,000	74,49,389	1,16,64,975	90,91,500	7,391	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	200 0	20 0	16 0		12	Y.P.
									930	250	50 0	200 0*	225 0*	40 0½		
2,00,00,000	1,28,61,436	4,56,22,024	2,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	101	10	1 1½	50 0	36 4*	10 0½	3	Y.P.
50,00,000 D									10	10	1 1½	Nil				
9,00,000	69,99,043	1,18,16,170	83,39,000	7,468	Damodhar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	3,850	1,000	200 0*	200 0*	225 0*		12	V.
										500	100 0 0	100 0 0	112 8*	40 0½		
39,92,500	49,54,660	2,07,51,457	1,57,18,445	52,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	121½	100	10 0 0	100 0	112 8*	20 0½	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,22,21,802	2,11,423	Killick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	310½	100	15 0 0	10 0	10 0		3	Y.P.
38,10,000 A	64,00,782	4,36,527	88,878	6,09,336	Madhusudan Mills	82	742	Madhusudan Mills	6	25 0*	18 0 0	20 0*	20 0*		6	Y.P.
3,60,900 B									82	100A	3 0 0	6 0	6 0		12	Y.
22,13,050	41,30,929	1,10,76,967	48,72,195	12,177	Dina Nath, Esq.	57,592	644	Modern Mills	90N	20B	5 0 0	3 0	6 0		6	Y.P.
51,75,000	24,52,735	1,78,02,041	1,44,55,016	12,706	N. Sirur & Co., Ltd.	47,368	1,652	Monarjee Gokuldas Spg. & Wvg.	213½	50	7 0 0	3 0	3 0	6 0	12	Y.P.
1,60,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chinai & Co., Ltd.	65,448		National Rayon Corporation	179	100	15 0*	12 0	12 0		10	Y.T.
24,00,000	28,60,686	73,03,363	44,45,860	13,887	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	165½	100	Nil	Nil	9 0		12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd. A	49,012	1,018	New Great Spg. & Wvg.	170	100	12 0	10 0	10 0		12	Y.
12,70,100	36,36,004	42,69,352	13,76,686	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	26	10	1 0	1 4	1 4		12	Y.P.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramnarain Sons, Ltd.	55,228	1,190	Phamit Mills	125	100	10 0 0	1 4			12	V.
40,00,000	43,62,741	24,64,450	22,50,998	3,99,184	Podar Sons, Ltd.	32,600	750	Podar Mills	140	100	10 0 0	8 0	12 0		12	V.
5,00,000	8,44,062	21,20,749	18,99,340	2,590	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mills	37½	100	10 0 0	10 0	10 0		12	V.
25,00,000	60,49,474	1,17,57,812	81,93,644	81,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	121½	100	2 0 0	1 4	1 4		12	Y.P.
66,00,000	66,20,061	87,30,546	45,61,014	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Nivas Cotton Mills	201½	100	11 0 0	11 0	12 0		12	V.
42,00,000	38,80,900	80,15,073	68,69,000	21,940	Forbes, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	155½	17 8	12 8	14 0	12 0		12	V.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	82,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	330	50	17 0 0	15 0(c)	15 0	11 0	3	Y.
75,00,000	1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	75,024	2,000	Svadeshi Mills	278½	100	20 0	20 0(c)	20 0		12	V.P.
36,00,000	60,78,465	93,47,153	58,93,648	8,74,727	James Finlay & Co., Ltd.	35,804	552	Swan Mills	123	100	18 0 0	16 0	16 0		12	V.P.
32,57,438	49,90,352	1,53,47,027	43,36,553	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	493	25	5 0 0	30 0	20 0		12	Y.P.
12,00,000	60,35,708	98,62,654	75,30,000	6,344	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	200 0*	200 0*	225 0*	40 0½	12	Y.T.
AHMEDABAD																
30,00,000	38,80,266	88,29,885	51,09,670	5,879	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	143½	100	12 0	10 0	10 0*	16 0*	6	Y.P.
10,00,000	90,33,638	89,83,424	65,39,067	7,878	P. M. Muthesaing & Sons, Ltd.	42,768	912	Arvana Mills	540	100	20 0*	20 0*	20 0*	20 0*	12	Y.P.
31,00,000	2,07,45,673	1,16,76,139	76,32,000	1,309	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,053	100	20 0*	20 0*	20 0*		12	Y.P.
30,00,000	60,78,465	93,47,153	58,93,648	8,74,727	James Finlay & Co., Ltd.	35,804	884	Aryodaya Ginning & Mfg.	300	100	18 0 0	16 0	16 0		12	V.P.
32,57,438	49,90,352	1,53,47,027	43,36,553	6,865	Tata Industries Ltd.	62,096	1,800	Tata Mills	493	25	5 0 0	30 0	20 0		12	Y.P.
12,00,000	60,35,708	98,62,654	75,30,000	6,344	Thackersey Mooljee Sons & Co.	54,224	1,176	Western India Spg. & Mfg.	3,810	1,000	200 0*	200 0*	225 0*	40 0½	12	Y.T.
WEST BENGAL																
15,00,000	94,045	33,10,904	17,75,212	—3,82,160	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10	0 3 0	Nil	3 0	Nil	12	V.P.T.
7,11,250	2,21,850	38,52,124	32,08,106	—67,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	35N	40	Nil	Nil	Nil	Nil	12	V.
4,00,000	22,75,078	77,45,873	51,25,000	—9,68,728	Ketlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	315	100	Nil	Nil	3 0	Nil	12	V.P.
19,00,000	25,16,009	97,50,979	69,98,291	—5,24,085	Ketlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	200	100	7 0	Nil	Nil	Nil f	6.12	W.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	25½	15	1 14		1 12	1 12	6.12	W.
6,00,000										25	1 14					
33,96,284	9,75,000	84,54,400	67,06,257	8,138	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	0 12	0 6			12	V.P.
SOUTH INDIA AND OTHER CENTRES																
11,00,000	6,32,726	33,21,454	12,15,361	—9,51,518	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	Nil 0 9 3/5	Nil			12	V.P.
10,00,000	9,09,109	39,21,813	21,03,244	3,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	4½	100	0 9 3/5				12	Y.P.T.
71,94,400	51,59,334	2,06,06,796	50,52,372	2,771	Industrial Trust Fund,	36,136	665	Azam Jahi Mills	82 N	100	6 0	6 0	6 0		9	V.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	40,068	1,083	Bangalore Woollen, Cotton and Silk Mills	39½	100	20 0	15 0	6 0		12	V.P.
27,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Bengal-Nagpur Cotton Mills	13½	10	0 8	0 4	0 4		12	Y.P.
13,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg. Delhi	54 N	10	0 8	0 4	0 4	0 4f	12	Y.P.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,101	2,52,842	Binny & Co. (Madras), Ltd.	1,18,300	2,781	Buckingham & Carnatic	148½	100	7 8	4	3 0	3 0	6.12	H.P.T.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	133½	100	7 8	5 0	3 0	3 0	12	Y.
30,80,000	21,97,992	54,31,479	45,04,812	39,859	Begg, Sutherland & Co., Ltd.	28,776	591	Coromandel Textile Mills	81	100	1 4	1 0	1 0	0 12	12	Y.
12,00,000	19,83,494	28,04,633	21,58,000		T. Rhoma Naidu & Co.	28,864		Coimbatore Cotton Mills	223½	100	2 0	2 0	2 0	2 0	12	Y.P.T.
20,00,000	13,90,000	33,17,361	17,08,703	3,400	T. R. N. Naidu & Co.	21,980		Coimbatore Pioneer Mills	112½	100	12 8	9 0	9 0	9 0	12	Y.
20,76,900	4,36,998	1,14,99,011	66,08,045	—10,23,240	R. G. E. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	142	100	6 0	6 0	20 0	9 0	12	V.
46,87,500	88,12,906	2,30,18,398	1,41,83,280	9,315	Tata Industries, Ltd.	1,15,188	2,062	Central India	53	50	6 0	6 0	15 0		12	V.
9,38,34,450									170½	100	Nil	Nil	Nil		12	V.
1,00,523	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785	Delhi Cloth & General Mills	33½	25	3 0	3 0	3 0	6	12	V.P.
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	21½	20	4 0	4 0	4 0	1 12	3	V.P.
43,00,000	46,00,000	1,40,85,212	1,12,21,681	75,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	270	100	20 0 0	14 0	14 0	14 0	12	Y.
39,94,700	43,25,176	81,87,379	62,09,070	83,195	Forbes, Forbes Campbell & Co., Ltd.	16		Gokak Mills	72,960		1 8	1 0	1 8	2 0	9	V.
90,00,000	12,52,503	1,23,32,498	88,36,383	2,834	Govindram Sakseria (Indore)	51,180	1,420	Indore Malwa United	256½	100	14 0 0	17 0*	17 0		12	V.
8,90,000	11,61,067	26,01,526	13,35,172	—2,58,201	G. V. Naidu & Co., Ltd.	23,784		Jasardana Mills	108½	100	5 0 0	3 0			12	V.
24,00,000	15,75,000	61,35,358	2,90,000	3,642	Kothari & Sons	30,512	200	Kothari Textile Mills	12 3rd	50	7 8	3 12			12	V.
25,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	12½	100	8 0 0	6 0			12	V.
53,46,150	53,30,900	94,98,025	53,73,673	14,307	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	340	250	50 0*	37 8	37 8	0 8	12	V.
1,75,02,480	3,93,81,878	5,45,66,244	3,28,28,290	9,36,893	A. & F. Harvey Ltd.	4,66,932		Madura Mills	126	50	4 0	3 0	3 0	3 0	12	V.P.
12,00,000	4,17,363	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others	22,592		Malabar Spg. & Wvg.	64	25	3 0 0	2 0	2 0	2 0	3	Y.
60,00,000	69,00,000	61,58,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd.	24,720	603	Mattur Industries Ltd.	13	15	3 0 0	2 0	3 0	3 0	12	V.
29,80,884	28,14,157	76,14,218	44,82,685	12,036	N. Sirur & Co., Ltd.	36,416	704	Minerva Mills	293 3rd	100	12 0 0	8 0	8 0		12	V.
94,91,850	37,56,360	1,51,03,970	78,81,528	87,241	Banalal Abirchand Dadabhoy & Co.	47,560	952	Model Mills (Nagpur)	110	100	12 8	12 8	12 8	22 8*	12	V.
50,00,000	52,19,680	1,51,39,272	1,03,91,651	—7,77,299	Indian Textile Syndicate Ltd.	88,640	1,834	Muir Mills	141½	100	12 8	10 0	10 0		12	V.
19,86,800	61,33,392	93,64,233	39,85,574	48,197	N. Sirur & Co., Ltd.	49,498	500	Mysore Spg. & Mfg.	150N	100	7 8	7 8	7 8*		12	V.
19,61,780	2,58,745	39,34,299	13,16,034	2,232	R. Suryanarayana Rao Esq. Manager	6,000		Mysore Sugar Mills	121½	50	9 0*	10 0*	10 0*	3 0*	12	V.P.
82,89,183	23,62,533	98,01,623	58,78,826	—35,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	61	10	0 10	Nil	10 0*	3 01	3	V.P.
3,07,095 D									14	10	Nil	Nil			3	V.P.
87,03,800	87,08,000	61,89,619	1,64,48,327	62,62,631	Industrial Trust Fund	37,788	902	Osmanshahi Mills	80N	O. 25	Nil	Nil			3	V.P.
4,00,000 A	7,50,000	33,81,578	18,80,484	551	Bhaghyalakshmi & Co.	36,324		Palani Andavar Mills	191	D. 1	Nil	Nil			3	Y.T.
6,00,000 B									138½	100	8 8	7 0	4 0		12	V.P.
13,00,000	8,56,920	32,56,378	16,33,848	4,411	C. S. R. Medaliar & Sons	27,980		Pankaja Mills Ltd.	45	50A	2 0 0	1 0	1 0		9	V.
16,81,200 A									89	100	12 0 0	12 0	12 0		12	V.
8,49,200 B	20,58,884	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co.	43,664	301	Radhakrishna Mills	192	100A	18 0 0	18 0	18 0		12	V.
18,00,000	25,00,896	22,62,213	14,88,315	—63,566	B. R. Naidu & Sons	25,896	600	Rasu Textiles	85	50B	4 0	4 0	4 0		12	V.
60,00,000	62,66,508	1,03,28,822	30,52,326	—11,26,958	J. P. Srivastava & Sons (Rampur).	86,048	2,234	Shelapour Spg. & Wvg.	61N	50	5 0	4 0	4 0		12	V.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Morarska & Co.				2,410	1,000	Nil	Nil			12	V.P.
36,69,700	11,45,000	75,40,039	49,25,631	26,144	H. N. Pallegar, Esq.	25,200	992	Sri Krishnarayadeva Mills	300	100	Nil	Nil			12	V.P.
15,00,000	1,59,52,602	81,28,140	52,31,896	52,22,471	Birla Brothers, Ltd.	35,556		Sulej Cotton Mills	61 3rd	50	10 0	8 0			12	V.P.
17,50,000	2,20,00,000	4,23,38,718	1,51,53,481	14,69,717	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	50N	10	4 0*	4 0*	4 0*		9	V.P.
1,97,50,000 P									8	10P.O.	8 0	Nil	4 0	4 8	3	Y.
99,92,020	3,25,000	2,67,68,703	53,91,774	2,34,553	Escorts & Sons (Travancore), Ltd.	16,000		Travancore Rayons	100	10P.O.	Nil	Nil			3	Y.
13,98,640	8,68,332	13,19,240	9,97,310	4,009	Mooljee Ramjee & Sons	33,704	270	Trichinopoly Mills	10cd	10	1 2½	Nil			12	V.
81,00,000	32,67,606	49,31,870	32,22,308	28,000	R. K. S. Chetty & Brothers	54,280	1,483	Vasanta Mills	98	100	Nil	Nil			12	V.
82,00,000	47,34,133	1,34,36,953	89,50,676	1,868	Bombay Co., Ltd.			Vishnu Cotton	185	100	10 0	10 0			12	V.P.T.
									140	100	11 1/3	10 0	0 11½		12	V.
											14 0*	12 0	12 0		12	V.
												10 0	4 0		12	V.

* Includes bonus

(a) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(b) Subject to taxation and workers' bonus

(c) Paid out of reserves.

(d) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 3 shares held has been proposed.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	27	25	2 13g	Nil	Nil		5	Y.P
6,64,000							11½	10	1 2f	Nil	Nil			
16,20,630	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8	0 8		5	Y.
£60,000 A	£668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	168	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5			
£300,000 B							29½	Sh. 3	Sh. 3	Sh. 3	Sh. 4			Y.P
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Munroe Brewery	4N	5	Nil				8	Y.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries	167	75	7 8	15 0	15 0		3	Y.
CEMENT														
11,37,700 A	8,69,857	75,78,758	35,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	111½	A. 100	7 8	7 8	10 0*		12	Y.P.T
39,67,420 B							11½	B. 10	0 12	0 12	1 0*			
43,14,6000	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	4½	O. 10	Nil	Nil			3	Y.T.
4,70,978 D							1½	D. 1						
10,36,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Associated Cement Companies		161½	100	9 8	9 8	9 8		7	Y
60,00,000 A							11	O. 10	0 10	0 10			12	Y.P.T
60,00,000 B	43,46,380	69,78,209	10,07,424	39,834	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	2½	O. 25	0 24	0 24				
26,49,797 O.							1½	D. 1	Nil	Nil				
50,00,000 D.							18½	O. 25	Nil	1 4	Nil		3	Y.P
62,50,000 C.	4,00,000	1,43,54,423	31,47,637	6 15,163	Essen Ltd.	India Cements Ltd.	2-14½	D. 5	Nil	0 4	Nil			
7,50,000 D.							131½	100	5 0	6 0	6 0		12	Y.P.
59,86,000	13,00,000	1,67,86,035	51,49,060	1,62,701	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	7½	5	0 6½	0 8			12	Y
75,00,000	20,05,000	1,72,54,055	1,33,85,166	38,658	Martin Burn Ltd	Sonevalley Portland Cement							12	Y
CERAMIC; MINING AND QUARRYING														
31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	20½	2½	0 2½	0 2½			12	Y
10,00,000	22,36,815	55,46,474	31,63,961	4,985	Bird & Co., Ltd.	Biara Stone Lime Co.	34N	10	0 14	0 14	14f		3, 9	H
							31	Sh. 2	0 14	0 14	7 0		12	Y
£914,200	£1,030,500	41,704,558	£913,936	£93,098	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	3d.	3d.	3d.				12	Y
28,00,000	26,81,896	43,64,332	12,13,329	20,127	Bird & Co., Ltd.	Karanpura Development	15½	10	Nil	Nil	Nil		6, 12	H.
6,00,000	2,33,000	8,10,206	4,55,139	7,910	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	8½	10	1 0	1 0	0 12		3	Y.
10,00,000	33,53,850	35,73,290	20,97,229	1,38,544	Bird & Co., Ltd.	Orissa Minerals	40½	10	0 8	1 8	2 0f		6, 12	H
									0 8	0 8	0 8			
6,00,000	8,62,360	29,75,298	19,16,699	20,243	Andrew Yule & Co., Ltd.	Reliance Firebrick & Pottery	15	10	0 8	0 8	0 4		2, 8	H
7,00,000	36,45,000	33,70,988	15,32,501	32,358	Killick Industries Ltd.	Shivrajpur Syndicate	62½	10	5 8	7 0*	8—0*		11	Y.
CHEMICAL														
25,00,000	80,91,533	49,77,681	32,20,358	10,751	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	105	100	8 0	8 0			12	V.P.
62,00,000	42,31,027	1,74,34,386	23,11,060	1,03,319	Imperial Chem. Ind. (India) Ltd.	Allahabad Chem. Corpn. of India	17½	10	0 9 3/5	0 9 3/5	0 9 3/5		9	Y.P.
45,15,600	37,76,000	1,00,03,356	43,81,204	11,83,866	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	102	100	6 0	6 0	6 0		4	Y.P.
30,00,000	39,30,000	42,07,215	26,77,743	1,13,308	Saha Bros. (Saswatabru), Ltd.	Dharangadhra Chemicals	200	100	15 0	15 0	12		12	Y.
21,50,000		4,04,54,238	1,13,51,032	—25,92,156	Sankaranyee Bros. (Travancore), Ltd.	P. A. C. T.	4—0½	10	Nil	Nil			12	Y.
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MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	24,26,841	1,98,06,008	1,33,11,164	1,40,294	Balmer Lawrie & Co.	Bengal Paper Mills	60	25	1 4	1 9	1 9	Nil	6,12	H.P.T.
80,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	238	100	4 0	3 0	3 0	Nil		
86,00,000	15,50,000	66,35,835	39,54,448	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 9b	0 12	1 0	6	3,9	H.
1,46,83,000	2,38,21,427	2,42,04,213	80,01,008	2,71,007	Birla Bros.	Orient Paper	20	10	0 12	1 0*	1 0*	3	3	Y.
80 06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	27½	10	0 8	0 12	1 0	1 0	3,9	H.P.T.
20,00,000 10,00,000A.	7,02,430	50,37,167	28,55,530	9,798	Rajoria & Co.	Star Paper Mills	10½	O. 10	Nil	0 4	0 12	0 12½	6,12	H.P.T.
							10½	A. 10	Nil	0 4	0 6	0 6	3,9	H.P.T.
							41½	A. 10	0 14*	1 0*	1 0*	1 0*		
								B. 10	1 0	1 0*	1 0*	1 0*		
86,00,000A. 56,04,800B. 4,37,500P.O.	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghor Paper Mills(Co., Ltd.	41½	P.O. 2½	0 2	0 2	0 2	0 2	3,9	H.P.
PRESSING														
8,00,000	5,92,365	15,45,539	10,49,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0	3 0	3 0	3 0	6,12	Y.
4,50,000	1,60,000	6,89,526	4,73,656	2,554	Tyre & Rim	Campedown	93N	100	6 0	3 0	3 0	3 0	7	Y.
3,00,000	1,53,000	11,25,790	9,45,578	10,627	Andrew Yule & Co	Central Hydraulic	91	100	3 0	3 0	3 0	3 0	6	Y.
PROPERTY AND LAND														
18,00,780O. 8,00,000D.	6,02,582	42,65,284	19,09,288	419	E.A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5	0 9 3/5	0 9 3/5			
60,00,000	20,01,686	98,66,088	15,00,000	.....	David Sassoon & Co., Ltd.	Fort Canning Land	23	100	Nil	Nil	Nil		9	Y.P.
84,00,000	33,56,934	97,00,410	98,712	420	Andrew Yule & Co.	Rangoon Zamindary	38½	100	Nil	3 0	2 0	1 8	4	Y.
													4	Y.P
SAW MILLS AND TIMBER														
13,99,998	88,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	6½							
94,50,000	3,75,87,299	9,01,90,100	1,83,34,693	63,264	Wallace & Co.	Bombay-Burmah)Trading	402	OM. 125	3	0 8	0 4	Nil	9	Y.
							137	New 50	15 0	37 8	22 8	15 0		
6,00,000	16,15,487	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading	25N		15 0	3 0	3 0	3 0	7	Y.
20,00,000		17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34	10	3 8	Nil	Nil	6	9	Y.P.
SUGAR (U.P. and Bihar)														
44,00,000	9,81,983	87,47,864	33,86,486	13,627	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	7½	3	Nil	Nil	Nil	Nil	6	Y.
62,00,000A.	29,17,634	48,08,551	31,92,436	4,50,000	Narang Bros. & Co., Ltd.	Bast Sugar	130N	A. 100	6 0	10 0	10 0	Nil	8	Y.
8,00,000B.							113N	B. 10	6 10	1 0	1 0	Nil		
19,49,850	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	8						4	Y.
15,00,000	12,31,314	15,47,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	16½N		Nil	0 10	0 12	1 0		
12,00,000	22,28,936	1,30,88,057	82,30,469	66,710	Gladstone Lyall & Co., Ltd.	Carew & Co.	19	10	1 8	1 8	1 8	0 12	9	Y.
18,00,000	62,99,665	96,64,733	78,07,451	53,636	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	36	10	3 0	3 0	3 0	1 8	6	Y.P.
18,00,000	33,12,253	43,47,656	27,82,745	45,107	Begg, Sutherland & Co., Ltd.	Champarun Sugar	25½	10	2 0	3 0	2 0	1 0	6	Y.P.T.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros.	Deoria Sugar	11	10	1 0	1 0	1 0	1 0	10	Y.P.
85,00,000A. 18,00,000O.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	175N	A. 100	6 0	6 0	6 0	12 0*	6	Y.P.
								O. 100	6 0	6 0	6 0	12 0*	6	Y.T.
18,00,000	8,62,508	73,26,508	56,33,242	29,748	Kilachand Devchand & Co.	Keenr Sugar	50N		6 0	6 0	6 0	12 0*	6	Y.P.
7,89,108	19,02,918	37,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills	25N		6 0	6 0	Nil	Nil	6	Y.P.
11,00,000	4,20,080	37,49,397	24,14,065	9,769	Karamchand Thapar & Bros., Ltd.	New Savan	32½N		Nil	3 0	3 0	Nil	7	Y.P.
90,67,500 A.							6½		1 0	1 0	1 0	Nil		
8,71,875 B.	47,59,869	39,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	180N		6 0	6 0	6 0	12 0*	6	Y.P.
77,48,500	50,22,414	1,48,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	110N		3 12	3 0	3 0	3 0	6	Y.
12,00,000	12,71,178	28,94,458	18,81,746	64,000	Mataug Bros. & Co., Ltd.	Pakuli Sugar	100N	100	1 0	2 0	2 0	2 0	6	Y.
9,00,000	15,26,479	33,86,925	20,36,108	19,923	Begg, Sutherland & Co., Ltd.	Puraibpore Co.	13½	100	1 8	2 0	2 0	2 0	7	Y.P.
18,00,000	14,54,162	35,16,182	20,31,613	19,993	Begg, Sutherland & Co., Ltd.	Ryam Sugar	13N	100	1 8	2 0	2 0	2 0	10	Y.P.
11,99,000	17,25,264	34,77,166	21,31,129	3,906	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14	100	1 8	2 0	2 0	2 0	10	Y.P.
80,00,800	31,48,566	1,04,96,727	55,25,283	3,337	Sahi Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 0	1 4	1 8	1 8	6	Y.P.
9,99,950	61,825	22,54,311	11,99,645	7,667	S. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Shahpore Sugar		10	1 0	1 0	1 0	1 8	7	Y.P.T.
7,95,462	16,32,940	29,95,970	16,32,168	92,009	Karamchand Thapar & Bros.	Shri Sitaram Sugar	68	10	Nil				6	Y.T.
6,00,000O. 6,00,000A.	47,623	25 93,296	11,46,770	—14,94,408	N. K. Jain & Co., Ltd.	South Behar Sugar	17	10	Nil					
							1N	O. 10	1 0	1 0	1 0	2 0*	6	Y.
							23N	D. 25	Nil	Nil	Nil		8	Y.T.
16,00,000	7,99,778	31,12,569	84,99,851	5,181	Cotton Agents Ltd.	Upper Ganges Sugar	23½	10	1 12	2 0	2 0	2 0	10	Y.P.
					James Finlay & Co., Ltd.	United Provinces Sugar	17½	10	0 4½	1 0	1 0	1 0	9	Y.P.
Other Centres														
44,99,750	79,06,643	65,05,216	31,13,798	63,916	W. H. Brady & Co., Ltd.	Belapur Company	270	30	12 8	14 0	16 0	16 0	9	Y.
87,48,900	2,51,446	57,63,451	16,01,711	21,813	Sir J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	27N	100	Nil	3 0	3 0	3 0		
10,00,000	30,25,085	25,07,464	18,53,439	2,32,019	Indis Sugar Agencies Ltd.	Indis Sugar and Refineries	29½	100	1 0	1 0	2 0	2 0	9	Y.P.
3,00,000							29½d		1 0	1 0	2 0	2 0		
31,57,326	29,29,135	29,13,908	19,36,442	7,09,891	Gowan Bros. (Rampur), Ltd.	Baland Sugar	5	10	0 12	1 0	2 0	2 0	9	Y.P.
81,79,280	89,58,053	1,08,06,148	68,17,372	21,64,857	K. Narayanaswamy Esq. (Managing Director)	Mysore Sugar	161N	10	1 0	1 0	1 0	2 0	9	Y.P.
99,00,000	47,49,630	1,09,00,623	54,12,463	4,86,704	Mafatlal, Apte and Kasatlal Ltd.	Phaltan Sugar	44½	10	2 0*	2 0	2 0	2 0	10	Y.
16,59,820	27,50,830	48,81,755	23,79,327	93,198	Anderson Wright Ltd.	Ramnagar Cane and Sugar	105	100	2 0	2 0	2 0	2 0		
80,00,000O.							50	50	2 0	2 0	2 0	2 0	6	Y.
4,00,000D.	24,80,121	80,99,224	41,81,852	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	24½	10	Nil	1 0	2 0	2 0	9	Y.
							90N	O. 50	7 0	9 0	2 0	2 0		
							7N	D. 50	7 0	9 0	2 0	2 0	9	Y.
17,99,950	14,21,845	44,57,626	19,31,191	6,85,982	Gowan Bros. (Rampur), Ltd.	Ram Sugar	101N	10	1 0	1 4	6 11½	Nil	9	Y.P.T.
30,00,000	10,73,992	38,70,150	13,08,961	20,980	Parry & Co., Ltd.	Travancore Sugars	5½	10	1 0	1 4	6 11½	Nil	9	Y.P.T.
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd.	Walchandnagar Industries	191½	A. 100	Nil	3 0	6 12		10	Y.
77,50,000A.								O. 100	12 0	14 0	14 0	14 0	9	Y.P.T.
TRANSPORT														
20,00,000	1,10,13,536	1,33,34,106	11,00,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	170	100	10 0	12 8	12 8	10 0	5	Y.P.
1,00,00,000	11,17,773	3,57,24,932	1,60,09,871	99,556	Dinshaw Ltd.	Bharat Line	93	100	Nil	Nil	Nil	Nil	10	Y.
1,00,00,000	41,53,780	45,42,81,103	41,53,999	419,172	Kilburn & Co. Ltd.	India General Navigation & Rly. Co.	410	100	Nil	Nil	Nil	Nil	12	Y.
25,00,000	74,99,233	3,91,83,993	1,26,37,485	1,90,763	Lionel Edwards Ltd.	India Steamship Co.	8½	10	Nil	Nil	Nil	Nil		
7,04,40,468	8,37,91,154	17,21,48,094	3,71,00,000	2,74,178	Narendas Merarjee & Co.	National Steam Navigation Co.	18½	10	Nil	Nil	Nil	Nil	12	Y.P.
8,40,8000. 2,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	B. A. Smith, Esq., (Manager)	Walford Transport Ltd.	15	O. 1	0 12	1 0	1 0	1 0	12	Y.P.
							1½xd	P.O. 1	8/3/25	8/3/25	8/3/25	8/3/25	6	Y.T.
									as1 19/25	as1 19/25	as1 3/25	as1 3/25		
									as1 23/25	as1 23/25	as1 9/25	as1 9/25	12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	530	200	30 0	30 0	32 0	32 0	9	Y.
15,98,860	1,83,801	2,28,588	60,800	7,345	Parakh Agencies Ltd.	Bombay-Uganda	60N	50	4 0	4 0			6	Y.
85,00,000	1,80,000	23,18,130‖	3,679	8,955	Dese Esso, Ltd.	Devkaran Nanji Investment Co.	10½	10	1 0	1 0	1 0	1 0	12	Y.
14,94,120	1,83,231	24,77,147	14,48,046	4,415	Cheenlal Manilal Ltd.	Industrial Investment Trust	23N	25	3 0	4 0	4 12	6 0	12	Y.
99,99,250	18,80,149	1,27,94,592‖	11,966	2,11,031	Premchand Roychand & Sons	Industrial Investment Trust	75½	50	3 0	4 0	4 12	6 0	12	Y.
89,98,350	19,49,340	17,65,055	4,98,441	20,637	E. D. Sheppard, Esq. (Mg. Director).	Killick Industries	139	100	6 0	8 0	8 0	8 0	12	Y.
							125	75	4 0	6 0	6 0	6 0	12	Y.
1,86,72,500A. 1,00,00,000B.	5,61,813	2,27,70,083	98,44,166	3,43,577	Acro-Auto Ltd.	Premier Automobiles	75½	A. 100	Nil	Nil	Nil	Nil	6	Y.
10,21,200	3,56,605	14,71,167	12,41,167	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.		B. 10	Nil	Nil	Nil	Nil		
8,75,00,000	60,23,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director)	Western India Match Co.	97	100	2 0	3 0	3 0	3 0	6	Y.
45,00,000	34,64,547	1,24,606	1,87,188	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	Sir H. Brady & Co., Ltd.	195½	100	20 0	20 0	20 0	20 0	12	Y.
							350	150	20 0	20 0	11 0*	11 0*	12	Y.
											20 0	20 0	12	Y.
Other Centres														
67,50,8000. 8,50,800D.	15,00,000	1,56,92,844	96,15,329	78,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	58	O. 10	Nil	Nil	Nil	Nil	3	Y.
30,00,000	38,21,355	31,54,314	20,12,443	4,24,799	Turner Morrises & Co., Ltd.	Angelo Bros., Ltd.	24½	D. 25						
30,00,000	7,75,000	29,21,795	19,64,061	1,34,529	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	10	10	Nil	Nil	Nil	Nil	3	Y.T.
20,00,000	18,97,883	96,60,365	39,87,834	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India	18	10	1 12	2 8	2 8	2 8	6	Y.
80,00,000O.							6½		1 4*	1 4*	1 4*	1 4*		
19,00,000D.	97,71,800	33,87,807	29,87,887	5,15,818	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	320	O. 100	20 0	25 0	25 0	25 0	9	Y.
20,00,000	2,39,765							D. 40	3/5	3/5	3/5	3/5		
30,00,000	5,97,348	56,17,513‖	38,67,167	1,11,692	Lovelock & Lewis	Birds Investment Ltd.	177	10	4 0	4 0	4 0	4 0	12	Y.
80,64,645	93,00,000	99,11,449	21,85,999	96,153	P. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	125	10	6 0	6 0	6 0	6 0	12	Y.P.T.
3,25,00,000	2,56,70,947	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Mannie	British India Corporation Ltd.	52½	10	3 0	3 0	3 0	3 0	12	Y.
1,40,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,833	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	34	10	1 8	2 0	2 0	2 0	12	Y.
51,26,000	51,50,934	1,29,31,2588	.....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd.	144	10	0 12	1 0	1 0	1 0	9	Y.P.
14,00,000	9,97,000	32,14,898	17,68,862	26,757	MacNeill & Barry Ltd.	Gaspe Rope Co., Ltd.	200	100	6 0	8 0	8 0	8 0	12	Y.P.T.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elias.	Gillanders Arbuthnot & Co., Ltd.	111	100	6 0	8 0	8 0	8 0	12	Y.P.T.
30,00,000	11,42,354	62,81,816	29,39,773	29,418	B. P. R. Sreshtha	Great Eastern Hotel	265	100	12 0	12 0	20 0	10 0	12	Y.
12,45,800	2,04,049	60,60,795	41,98,349	9,939	Birla Bros., Ltd.	Hind Cycles	250	10	1 8	2 0	2 0	2 0	9	Y.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	15	10	1 0	1 0	1 0	1 0	3	H.
1,40,00,000	36,77,754	3,45,52,905	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	155	10	1 8	2 0	2 0	2 0	12	Y.P.
1,52,89,220	1,07,77,146	1,11,09,713	51,29,439	15,84,449	A. R. Driessen Esq.	Indian Cables	19	100	Nil	Nil	Nil	Nil	12	Y.P.
8,27,978	5,38,000	14,39,446	7,97,306	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	14	10	1 0	1 0	1 0	1 0	12	Y.P.T.
2,00,00,000	57,45,239	29,81,4772	4,34,477	4,64,163	G. M. Mackinlay, Esq.	Jardine Henderson	116	10	Nil	Nil	Nil	Nil	12	Y.P.
6,34,008O.	6,85,279	4,91,531	4,08,253	—44,994	James & Co., Ltd.	Macfarlane & Co.	2½	O. 3	0 12	1 0	1 0	1 0	9	Y.P.
66,906D.							2½	D. 3	0 12	1 0	1 0	1 0	9	Y.P.
60,00,000O.	63,03,858	24,96,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	230	O. 100	Nil	Nil	Nil	Nil	9	Y.P.
8,00,000D.O.							10	D. 10	1 0	1 0	1 0	1 0	9	Y.P.
1,30,60,250	39,50,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	12½	10	1 8	2 0	2 0	2 0	9	Y.P.
4,35,215	1,74,934	7,74,805	1,44,942	2,059	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	23½	10	0 12	1 0	1 0	1 0	3	Y
4,88,640	8,84,829	9,75,621	3,93,009	2,029	G. Chandy, Esq. (Cenvoller)	Mysore Lamp Works	5-3½	10	0 12	1 0	1 0	1 0		
18,00,000		11,45,854	3,93,996	11,329	E. V. Ganapathy Iyer, Esq.	Mysore Tobacco	15½	10	1 0	1 0	1 0	1 0	12	Y.P.
80,00,000	36,41,172	50,75,803	35,40,993	71,701	Associated Industrial Development Co. Ltd.	National Insulated Cable	11	10	Nil	Nil	Nil	Nil	9	Y.P.
						National Tobacco Co.	19½	10	1 8	1 8	1 8	1 8	12	Y.
79,97,000	28,12,725	1,12,79,603	42,94,020	10,37,035	B. N. Elias & Co., Ltd.	Parry & Co.	10½	O. 10	1 0	1 0	1 0	1 0	3	Y.P.
40,00,000	24,00,000	41,58,536	17,74,953	1,52,611	Parry's Holdings Ltd.	Rallis (India) Ltd.	5½	D. 10	Nil	Nil	Nil	Nil	3	Y.P.
8,25,00,000	13,27,473	1,65,91,420	46,15,194	17,649	T. A. Lykkardopulo, Esq.	Rohtas Industries	68	100	1 8 3/5	2 0	2 0	2 0	12	Y.P.T.
1,14,00,000	1,08,11,658	6,70,23,808	2,57,86,417	78,206	Sahu Jain Ltd.	Spencer & Co., Ltd.	168	100	Nil	Nil	Nil	Nil	12	Y.P.
40,00,000	94,66,946	1,21,95,814	75,55,215	5,47,067	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	16½	10	0 8	0 8	0 8	0 8	12	Y.
75,00,000	35,50,000	12,92,3054	2,92,565	3,67,879	R. H. D. Campbell, Esq.	Travancore Ogale Glass	13½	10	1 0	1 0	1 0	1 0	12	Y.P.T.
9,58,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.		3½	10	0 6	Nil	Nil	Nil	12	Y.P.

§§ Includes investments at cost. * Includes bonus. † Excluding, goodwill at cost Rs 20 lakhs.

‡Excluding goodwill (written down Rs. 50 lakhs.) § Excluding Rs. 1,40,00,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1950 Rs. a.	1951 Rs. a.	1952 Rs. a.	1953 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	5,45,626	9,51,361	4,18,818	.....	McLeod & Co., Ltd.	825	Amluckie	420N	100	25 0	Nil	7 8		12	Y.P.
2,76,500	4,21,500	7,49,966	2,71,574	19,484	Andrew Yule & Co., Ltd.	312	Ananda (Assam) Tea	25½	10	2 8	0 12	0 12		12	Y.
3,50,000	3,68,230	10,44,174	5,65,679	12,568	Gillanders Arbuthnot & Co., Ltd.	515	Ananda Bag	30½	10	4 0	3 0	Nil		12	Y.
3,50,000	7,21,416	18,66,035	5,32,872	—75,110	McLeod & Co., Ltd.	1,112	Baghmari	16½	10	1 12	Nil	Nil	Nil	12	Y.
3,50,000	7,36,033	9,47,122	3,27,561	43,029	Andrew Yule & Co., Ltd.	369	Banmatia	36½	10	3 0	2 8	2 0		12	Y.
3,40,000	2,90,000	8,68,533	3,03,533	63,180	Williamson Magor & Co.	567	Bateli	28½	5	1 8	0 8	0 4		12	Y.
3,30,800	2,90,000	8,59,273	1,76,123	—37,182	Gillanders Arbuthnot & Co., Ltd.	566	Betjea	33½	10	3 8	1 8	Nil		12	Y.
3,20,000	4,90,000	8,79,729	3,90,154	1,61,457	Williamson Magor & Co.	4,078	Bishnauth	37½	10	5 0	0 8	Nil		12	Y.
14,50,000	16,81,038	50,59,154	20,39,154	Octavius Steel & Co., Ltd.	485	Bokakhat	10½	10	0 8	1 8	Nil	Nil		12	Y.P.T.
4,00,000	3,500	10,38,918	1,85,067	61,716	McLeod & Co., Ltd.	450	Borenah Jan Tea	15½	10	1 0	1 0	1 0	0 8	6	Y.P.
7,50,000	4,50,000	8,39,160	2,52,708	3,960	Brook Bond India Ltd.	2,602	Brooke Bond	13½	10	1 0	Nil	Nil		12	Y.
7,50,000	9,05,082	72,59,232	14,14,785	12,511	McLeod & Co., Ltd.	282	Deloo Valley	15½	10	1 0	Nil	Nil		12	Y.
35,00,000	9,05,082	3,66,030	1,23,481	—29,101	Jardine Henderson Ltd.	1,220	Dessai & Parbattia	295	100	30 0	22 8	10 0		12	Y.
1,20,000	1,83,234	15,30,724	19,112	Jawes Warren & Co., Ltd.	610	Dhelakhat	158½	Y	1 9 3/5	1 0	3 4	1 0		12	Y.
4,00,000	7,15,000	25,51,725	15,30,724	55,084	Jawes Warren & Co., Ltd.	1,146	Dhendai	17½	10	2 0	1 0	Nil		12	Y.P.
17,33,440	6,66,828	20,85,548	9,76,346	3,110	James Finlay & Co., Ltd.	458	Dibrugarh	14½	10	1 0	0 8	Nil		12	Y.
4,68,970	2,20,000	8,09,426	32,879	—61,561	McLeod & Co., Ltd.	625	Dimakuad	41½	10	1 4	1 8	1 0		12	Y.
4,50,000	2,75,000	8,03,661	1,17,940	23,960	Williamson Magor & Co.	463	Dullahajur	43	10	2 4	1 8	1 0		12	Y.P.
2,36,700	3,90,000	8,93,119	4,63,119	1,15,948	Williamson Magor & Co.	1,168	East India Tea	23½	10	2 4	2 0	0 4		12	Y.
2,50,250	4,50,000	16,38,157	9,58,157	52,681	Williamson Magor & Co.	407	Gillapukri	23½	10	3 0	3 0	1 8		12	Y.
10,00,000	3,65,000	21,47,460	8,22,460	—2,586	Andrew Yule & Co., Ltd.	533	Gohpur	41½	10	4 0	3 0	1 8		12	Y.
3,60,000	3,00,000	7,99,692	3,67,363	Williamson Magor & Co.				23½	A.10	3 0	2 0	2 0			
35,00,000	3,48,904	13,37,439	5,54,439	1,03,643	Greb	133	B.5	1 8	1 0	1 0		12	Y.		
A.4,94,360	13,22,810	17,77,138	5,02,656	33,724	Ossavius Steel & Co., Ltd.	1,393	Hoograjuli	39½	10	4 8	3 0	1 8		12	Y.
B.2,40,750						476	Hoolongooree	306N	100	25 0	17 8	Nil		12	Y.
2,00,000	6,50,000	6,89,042	2,11,316	27,061	Andrew Yule & Co., Ltd.	1,288	Hoolongooree	15½	10	1 4	0 8	Nil		12	Y.
4,35,000	8,04,217	18,36,687	8,46,970	—38,147	Gillanders Arbuthnot & Co., Ltd.	900	Jullibeel	356N	100	20 0	Nil	Nil		12	Y.P.
7,50,000	3,85,000	13,93,352	2,02,650	—1,52,898	Shaw Wallace & Co., Ltd.	1,166	Kignaley-Golaghat (Assam)	141	10	Nil	Nil	Nil		12	Y.
2,40,000	80,000

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
10,00,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	15¾	10	1+1	1+1	1+1		3, 9	H.T.P.
12,00,000	25,00,000	45,69,514	32,28,747	81,053	Sahu Jain Ltd.	498	Albion	213	100	15+15	2+10	12+12		5, 11	H.P.
6,00,000	3,10,000	50,61,656	32,29,557	30,829	McLeod & Co., Ltd.	663	Alexandra	163	100	5	Nil	Nil+2½		6, 12	H.P.T.
30,00,000	5,60,000	1,17,29,964	89,13,069	55,656	McLeod & Co., Ltd.	1,264	Alliance	173	100	Nil	Nil	Nil+2½		6, 12	H.P.
49,20,700	79,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	205	100	10+10	10+15	7½+5		3, 9	H.P.
40,80,000	39,11,041	1,34,35,061	81,95,675	42,548	Burd & Co., Ltd.	810	Auckland	116	100	6+5	5+4	2+2		3, 9	H.P.T.
30,00,000	29,17,170	97,56,936	64,26,882	64,086	Jardine Henderson & Co.	959	Ballly	144	100	6+1	3+4	2+2		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,820	Sir John H. Burder (Chairman) ..	1,889	Barnagore	147	65	61	61	61		3, 9	H.P.T.
28,00,000	35,49,422	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	209	100	12½	7½	7½+7½		3, 9	H.P.
45,00,000	35,95,000	54,87,801	27,48,864	2,45,983	Soorajmull Nagarmull	600	Bengal	100	100	Nil	Nil	Nil		6	Y.P.
91,26,000	2,08,61,400	3,18,53,641	1,29,13,354	1,26,903	Birla Bros., Ltd.	1,373	Birla	15¾	10	3	1	3		6, 12	H.P.
36,00,000	1,72,13,285	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	991	Burnakur	16	10	13½+13½	13½+13½	13½+13½		6, 12	H.T.P.
7,47,380	3,36,424	40,92,864	28,33,216	—48,461	Dayaram & Sons	502	Calcutta Jute Mfg.	150	100	Nil	Nil	Nil		6, 12	H.T.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,335	Andrew Yule & Co., Ltd.	616	Caledonian	131N	100	10+12	6½+6½	3	1	3	H.P.
9,16,400	1,06,21,511	1,82,03,934	1,08,80,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	158	100	10+12	0+8	4+4		4, 10	H.P.
13,93,000	28,39,282	79,96,158	54,82,736	1,52,904	Andrew Yule & Co., Ltd.	930	Cheviot	156	100	5+7	7+8	3+3		6, 12	H.P.T.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chhirajash	216	100	10+12	7+8	3+3		5, 11	H.
18,00,000	17,00,000	78,04,949	64,24,466	18,647	Bhoss Krishna Investment Co., Ltd.	969	Clive	124	100	1½+4½	2	1+1		3, 9	H.
31,49,200	61,69,975	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	131	10	2½+2½	2½+1½	1½+1		5, 11	H.P.
18,00,000	44,74,179	73,85,992	45,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	131	100	8+6	4	Nil		6, 12	H.T.P.
13,00,000	33,00,000	76,18,201	55,62,731	62,204	McLeod & Co., Ltd.	500	Empire	256	100	15+17½	6+1	1+3		4	Y.P.
21,00,000	56,16,752	2,68,99,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	208	10	10+10	10+10	10+10		3, 9	H.P.
14,00,000	6,00,000	77,32,855	47,15,090	6,934	Bangur Bros., Ltd.	1,014	Fort William	436N	100	12½+12½	5+5	1+1		5, 11	H.P.
84,12,100	2,81,692	2,09,92,458	1,34,24,379	—4,61,794	Macneill & Barry Ltd.	2,709	Gouripore	330	100	5	Nil	Nil		6, 12	H.T.P.
10,80,000	28,00,000	71,47,356	47,46,252	4,743	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	77	100	10+12	0+8	Nil	10f	3, 9	H.P.T.
84,00,000	29,25,512	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gourepore	710	300	2½+2½	2+2	Nil+Nil		3, 9	H.P.
40,00,000	46,39,631	77,32,908	49,32,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	90	100	10+10	1½ Nil	15		12	Y.
16,80,000	15,20,698	64,92,986	44,81,416	65,170	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	125N	100			Nil+Nil+31		3, 9	H.P.
61,62,500	51,81,370	1,65,53,177	1,11,34,858	1,14,498	Jardine Henderson Ltd.	1,940	Howrah	10	10	7	10	10		3	Y.P.
30,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	25½	10	11	11	11		3	Y.P.
O. 67,00,000	19,45,065	1,11,61,187	72,03,206	55,266	Mackinnon Mackenzie & Co. ..	1,076	India	7½	10	3	3	1+1		3	Y.P.
D. 30,000								137		3	3	3		3, 9	H.P.
84,00,000	24,95,613	1,36,83,508	1,17,96,300	80,234	Jardine Henderson Ltd.	1,797	Kamarhatty	O. 125	100	3½+1½	3½+3½	3½		3	H.
*B 19,20,000								D. 1	100	3	3	3			
30,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankinarrah	179	100	6	10+12½	8½+6	6f	3, 9	H.
*B 34,80,800								173	100	10+12½	8½+6	6f			
21,00,000	47,75,000	98,38,395	72,55,276	1,24,120	McLeod & Co., Ltd.	1,134	Kelvin	134	100	5+7½	6½+6	6f		6, 12	H.P.
54,00,000	22,83,375	1,62,87,846	1,11,02,500	2,60,164	Anderson Wright Ltd.	1,530	Khardah	144	100	5+7½	6+4	5f			
48,00,000	98 02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	267	100	12½+12½	8½+6	6f		6, 12	H.P.
24,48,000	50,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	188xd	100	10+10	6+4	5f			
88,00,000	59,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	266	100	10+10	10+7½	7½+7½		6, 12	H.P.
18,00,000	37,51,301	50,62,630	35,49,126	46,684	Andrew Yule & Co., Ltd.	358	Lothian	139	100	10+10	10+15	7½+7½		6, 12	H.P.
81,45,200	25,35,400	1,93,96,404	1,16,80,448	26,028	Mackinnon Mackenzie & Co. ..	1,008	Magna	102	100	12½+11	11+4	5+5		3, 9	H.P.
29,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	102	100	2½+1½	12+13	13+15		3, 9	H.P.
30,00,000	15,05,000	28,42,118	14,42,880	5,970	Howrah Trading Co., Ltd. ..	435	Nasharpara	108½	100	10+6	6+4	5f		5, 11	H.P.
35 00 000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	12½	10	10+6	Nil	Nil		3, 9	H.
26,25,000	22,75,000	26,59,673	18,08,019	1,21,202	McLeod & Co., Ltd.	316	Nellimarla Jute	27½	10	1+1½	1+1	Nil+1½		3, 9	H.
18,50,000	52,13,033	49,64,452	24,76,185	1,10,017	Bale Jute Ltd.	709	New Central	118	10	2½+1½	2+1	1+1		4, 10	H.T.
16,79,880	48,96,093	1,22,95,504	36,02,089	39,494	Bird & Co., Ltd.	567	Northbrook	313	100	15+15	10+12½	1+1		4, 10	H.P.
66,79,350	23,26,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	198	10	10+12½	10+12½	12+12		6, 12	H.P.T.
24,91,000	26,36,049	70,74,043	48,77,892	1,33,467	Andrew Yule & Co., Ltd.	601	Orient	49½	10	1+1½	1+1	Nil+1½		6, 12	H.P.
23,00,000	5,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Presidency	177	100	12+12	6+6	Nil+3½		3, 9	H.P.T.
28,00,000	Nil	26,15,393	7,67,493	—2,36,541	Mr. R. N. Banerjee	305	Rameshwara	6½	6	1+6	1+6	6+6		3, 9	H.
49,50,000	1,50,000	1,23,47,175	56,97,248	71,971	Jardine Henderson Ltd.	1,276	Reliance	5	10	Nil	Nil	Nil+1½		5, 11	H.P.
£600,000	£1,102,661‡	£1,203,880		£82,648	Thomas Duff & Co. (India), Ltd..	2,013	Samnuggur	14½	10	Nil	Nil	Nil+1½		3, 9	H.P.
30,00,000	13,07,220	97,26,210	59,19,652	6,85,669	Begaria Mors & Co., Ltd.	911	Shree Ambica	14½	10	10%	10%	10%		3, 9	H.P.T.
14,00,000	10,29,508	48,33,752	37,62,133	2,34,934	Hindustan Investment Corporation.	401	Soorah	15½	10	15%	10%	10%		3, 9	H.P.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	121xd	10	Nil	Nil			3, 9	H.P.
£600,000	£849,927‡	£990,895		£115,163	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	12½	10	9+8	8½	4		12	Y.P.T.
35,98,600	96,37,600	1,82,88,823	86,17,499	51,107	Bird & Co., Ltd.	1,326	Union	14½	£1	10%	10%	1+1		2, 8	H.P.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd..	1,331	Victoria	18½	100	12½+11	10+1	10%		3, 9	H.P.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	6½	10	10%	10%	1+1½		6, 12	H.P.T.
								1/40	£1	Nil	Nil	Nil+½		3, 9	Y.
														12	Y.
														6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23§	10	1	1	1		3, 9	
12,00,000	6,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd. ..	Bararee Coke	18§	10	½	½	½		5, 9	H.
4,49,350	70,000	8,49,159	5,34,203	3,555	Andrew Yule & Co., Ltd. ..	Bengal-Bhadoee	6½xdN	10	½	½	½		4, 10	H.
1,00,00,000	1,19,30,000	5,40,31,575	3,47,66,103	6,28,509	Andrew Yule & Co., Ltd. ..	Bengal Coal	481	200	17½+17½	20+20	17½+17½		3, 9	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	Nil	Nil	Nil		4, 10	H.
15,97,000	4,73,358	37,29,385	22,67,365	25,529	H. V. Low & Co., Ltd.	Bhalgora	4½	10	½	½	½		4, 10	H.
40,00,000	14,81,010	1,26,82,109	83,11,074	6,280	Sahu Jain Ltd.	Bharat Collieries	2§	10	Nil	Nil	Nil		4, 10	H.P.
7,15,000	14,30,111	51,52,038	36,11,169	—1,36,897	F. W. Heilgers & Co., Ltd. ..	Bhulanbaree	12	10	½	½	½		6, 12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd..	Bokaro-Ramgur	11½	10	½	½	½		9	H.
7,50,000	21,01,000	43,87,978	25,07,761	1,04,202	F. W. Heilgers & Co., Ltd. ..	Borrea	11½	10	Nil	Nil	Nil		6	Y.P.
90,92,480	1,72,13,285	4,11,37,802	1,67,77,673	1,11,099	Bird & Co., Ltd.	Burrakur	21§	10	13½+13½	13½+13½	13½+13½		6, 12	H.
49,97,000	750	34,32,368	27,646	5,038	Hindustan Investment Corpn., Ltd.	Central India	10½	10	Nil	Nil	Nil		6, 12	H.T.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Andersen, Wright & Co., Ltd. ..	Central Kurkend	7½	10	Nil	Nil	Nil		6, 12	H.P.
6,00,000	1,42,075	7,25,000k		4,368	F. W. Heilgers & Co., Ltd. ..	Churia	13§ N	10	Nil	Nil	Nil		6, 12	H.P.T.
16,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	21xd	10	1½+1½	1½+1½	1½+1½		6, 12	
£240,000	£332,801	£224,840	£9,002	£90,734	Jardine Henderson Ltd.	East Indian	8§	10	½	½	½		6, 12	H.
29,43,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	28§	10	3	Nil	Nil		6, 12	H.
10,00,000	2,62,255	8,41,725	2,33,943	66,865	Shatter's Agency Ltd.	Ghanick and Manika	34§	10	3	3	3		6, 12	H.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	14N	10	2½+2½	2+1½	2+1½		4	Y.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriladih	45	50	3	3	3		6, 12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jogta Coal	15	10	4	4	3		3	H.P.
2,50,000	3,58,000	13,65,400	6,42,347	21,556	Andrew Yule & Co., Ltd.	Kalapahari	2§	10	Nil	Nil	Nil		6	Y.P.
20,00,000		23,42,791	1,50,646	1,838	Bird & Co., Ltd.	Karanpura Collieries	27N	10	1½	1½	1		6, 12	H.
5,00,000	12,60,000	44,00,345	33,89,630	91,080	Andrew Yule & Co., Ltd.	Katras Jherriah	79½	100	Nil	Nil	Nil		12	H.
1,38,400	99,000	10,43,519	9,25,519	1,063	Berriwala & Co.	Khas Kajora	45	10	1½+1½	1½+1½	Nil		2, 8	H.
11,00,240	50,000	15,87,375	10,31,164	9,411	H. V. Low & Co., Ltd.	Kirkend	9§N	10	Nil	2+2	2+2		3, 9	H.
9,00,000	11,64,450	28,33,250	22,78,337	1,683	H. V. Low & Co., Ltd.	Lakurka	6§N	10	Nil	Nil	Nil+31	2f	2	Y.
7,48,240	1,50,000	11,24,142	8,84,138	30,398	Associated Commercial Co., Ltd.	Nazira	10½xdN	10	1	1	1		1, 7	H.
17,76,230	17,03,824	1,13,20,521	82,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	6§	10	½+½	½	½		6, 12	H.P.
6,00,000	1,60,000	32,13,833	19,29,968	9,405	Octavius Steel & Co., Ltd. ..	New Manbhoom	9§	10	Nil	Nil	Nil		6	Y.
1,13,000								10	Nil	Nil	Nil		4	Y.
1,51,500	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	11 N	10	½+½	Nil	½+½		6, 12	H.
7,50,000	11,26,866	3,97,666	2,77,666	1,03,412	F. W. Heilgers & Co., Ltd. ..	Onda	7½	10	Nil	Nil	Nil		4, 10	H.P.
19,00,000	1,10,000	85,60,122	14,24,127	54,421	K. C. Thapar & Bros.	Oriental Coal	18§xd N	10	1½+1½	1½+1½	1½+Nil		3, 9	H.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	12N	10	1	1	1		3, 9	H.
15,75,000	11,25,000	42,01,633	29,16,653	22,892	Shaw Wallace & Co., Ltd. ..	Peoch Valley	6§	10	½+½	½+½	½+1		6, 12	H.
23,99,500	16,17,105	1,12,84,110	78,87,023	27,432	B. N. Elias & Co., Ltd.	Rajapur	26§	10	Nil	Nil			6, 12	H.P.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd. ..	Rewa	23§	10	½+½	½	½+½		12	Y.P.
20,00,000	3,95,008	12,32,218	13,36,809	438	Ujjarik Sons Ltd.	Sijua Collieries	25	10	Nil	Nil	Nil		6, 12	H.P.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Searsole	8N	10	½+½	½+½	1	0	2, 8	H.
2,80,000	6,81,397	28,76,823	16,10,969	21,956	Andrew Yule & Co., Ltd.	Seebpore	23§	2½	½+½	½+½			3, 9	H.
8,00,000	8,74,858	36,99,010	20,36,686	—2,06,478	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	2+2	2	2		6, 12	H.
63,21,450	13,23,934	1,24,72,792	2,26,34,394	63,560	Industrial Trust Fund (Government of Hyderabad)	Singareni	6§	10	Nil	Nil	Nil		6, 12	H.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	South Karanpura	10§	10	½	½	½		1	Y.
8,00,000	14,19,545	1,69,570	22,510	84,141	F. W. Heilgers & Co., Ltd. ..	Standard	10§	10	1	1	1		6, 12	H.P.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	22§	10	1½+1½	1½+1½	1½+1½		6, 12	H.T.
3,50,000	3,30,000	18,94,910	14,84,513	74,927	Williamson Magor & Co.	Umon	23§	2½	Nil	Nil	Nil		12	Y.T.
49,98,000	....	44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	West Bengal	22§	10	½+½	½+½	½+½		2, 8	H.
7,00,000	6,65,000	44,81,176	20,28,251	53,989	Macneill & Barry Ltd.	West Jamuria	16	10	11f				6, 12	H.
										½+½	Nil	Nil		9	H.
														6, 12	H.
														3, 9	H.P.
														12	Y.
														6, 12	H.

* Including bonus. a Sales and amount written off. (b) Investments. ‡ For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-16 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1212 in the debentures section:—

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

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

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

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

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

(e) Returnable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case.

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

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

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

MARKET GOSSIP

(Concluded from page 1167)

are not large enough to cushion the adverse effects of a poor monsoon, it is quite a hazardous job to take a view of the Indian foodgrains markets. It can, however, be stated that, in view of the comfortable world supply position of wheat and the considerable improvement that has taken place in the world rice situation, it should be possible for the Government of India to prevent any spectacular rise in prices of foodgrains by permitting liberal imports.

* * * *

The U.K. is certainly moving fast. "Convertibility" of the pound, till now only a favourite topic among financial writers, *seems* to be within a measurable distance of time. British officials are discussing the subject this week in Paris where the officials of the O.E.E.C. countries are holding preparatory meetings for the London Conference on convertibility problems, scheduled to take place in July. The Paris meeting is the outcome of the suggestion made to the O.E.E.C. Council by Mr. R. A. Butler, the U.K. Chancellor of the Exchequer, at the beginning of last month. The Council then agreed to set up a "Ministerial Working Party" to consider the practical problem of currency convertibility. The Paris meeting will discuss these problems and thereby prepare the ground for high level discussions in July, when seven other Ministers representing France, Germany, Italy, Switzerland, Greece, the Benelux group and the Scandinavian group of countries, will go to London for further discussions on what is, perhaps, the last as well as the most complicated step towards complete freedom from controls, namely, the convertibility of the pound. It is, however, necessary to emphasise here that neither the Paris meeting nor the forthcoming London Conference can produce a solution to the problem straightaway. The issues are far too complicated for such a snap decision.

* * * *

Indeed, this aspect has been continuously borne in mind by the British authorities. Although the pound is looking up in the foreign exchange markets of the world and the Government has demolished, one after another, many of the war-time controls and restrictions, the authorities have always spoken very cautiously about the convertibility issue. This is natural, in view of the national and international implications of the convertibility of the pound. It would, therefore, be unwise to expect any quick decisions on this issue either from the Paris or from the London Conference. It would appear that the official view in Britain is that convertibility is certainly not desirable, if it is to be achieved at the expense of a contraction or even a halt in the expansion of world trade. The official view also regards some positive action, on the part of the U.S., to close the dollar gap *as necessary* before convertibility of the pound could be risked. In this connection, it is pointed out that the gap is now only temporarily closed by means of the U.S.'s large-scale dollar expenditure on military establishments abroad. Presumably, the Paris and London Conferences will enable the European countries to speak with a single voice on these questions. This would be helpful in winning American support as well as the support of the I.M.F.—the I.M.F. will meet in September—to the European point of view.

* * * *

Although no definite indication is yet available about the subjects that are now being discussed at Paris, it is believed that they include the possibility of extending the existing system of trade liberalisation so as to include the dollar and other monetary areas outside the O.E.E.C. and the desirability of abolishing import restrictions existing between the O.E.E.C. countries and also those on imports from the dollar area. These measures, it is stated, are necessary before convertibility of the pound could be realised. Again, the Paris meeting, it is stated, is likely to discuss the international credit facilities which would be necessary for a return to convertibility.

* * * *

Many in this country will want to know whether the convertibility of the pound will automatically mean the convertibility of the rupee. It is not. Indeed, for the sterling area, as a whole, convertibility of the pound will rarely mean no relief—no immediate relief, at any rate—from exchange restrictions. This is because the convertibility of the pound, if and when a favourable decision is reached, is likely to apply in the first instance, only to "non-resident sterling"—that is, to sterling in the possession of persons resident outside the sterling area. The residents of the transferable account area—countries in Western Europe, the Americas, Iron Curtain countries, Japan and others—who acquire sterling will have the facility to convert their sterling holdings into dollars. They will, therefore, welcome immediately any convertibility decision. The sterling area countries will, however, continue to depend for their dollars on the common dollar pool at London.

* * * *

So much for what convertibility may mean in actual exchange practice. Its effects on world trade would, however, be very significant. It would enable world trade to flow more freely than now. At the same time, it might conceivably mean some danger to the sterling area's trade. Some non-sterling countries are now spending their sterling earnings in the sterling area itself, since that is the only way of spending their sterling. Once sterling becomes convertible for them, they will buy from the sterling area only if the goods they need are sold to them at competitive prices. If they find that the same goods could be more cheaply obtained in the dollar area, they will convert their sterling into dollars and buy their goods from that area. Again, the sterling area's gold and dollar reserves have, in recent months, been augmented by the flow of funds from abroad, especially from the dollar countries. If sterling becomes weak for some reason or other and if it is at the same time convertible, the foreign owners of these funds in London would be quick to convert them into dollars. This might impose a severe strain on sterling. All this suggests that the convertibility of the pound sterling is an issue that is not so easy to settle. Since the authorities concerned are well aware of these implications, it is only reasonable to assume that they will not allow themselves to be hustled into action.

* * * *

The Reserve Bank of India's scheme for establishing a Staff Training College has, we learn, reached the stage of completion. The College will be located in the building formerly owned by Whiteaways in the Hornby Road, Bombay. The Bank has appointed Mr. F. H. Hayne of the Training Department of the Midland Bank as its Principal. He will be assisted by Mr. T. H. Harvey also from the same Department. The former has been in the service of the Midland Bank since 1927, while the latter joined the Bank in 1947. The services of these two experts have been secured under the Colombo Plan. It is learned that they are at present examining the scheme of syllabus prepared by the Indian Banks' Association, Bombay. The syllabus will avoid overlapping with that prescribed for the Institute of Bankers' examination.

* * * *

The Staff Training College is expected to start functioning in three months' time. The College is likely to provide for three courses of 14 weeks' duration every year, the number of trainees in each course being about 40. The course of training is to be primarily practical in nature, and arrangements will be made for lectures on subjects of interest to bankers by outside experts drawn from academic and business circles. The College will impart training to the supervisory staff of banks. The administrative expenses of the College will be borne by the Reserve Bank of India.

* * * *

Designed to provide instruction in modern technique in banking, the Staff Training College, when it begins functioning, will fulfil a long-felt need. It will remedy the present paucity of adequately trained staff and enlarge the scope for extending banking facilities in the country. It represents one more step towards improving the efficiency of the banking system and the quality of the supervisory staff working in banks. In arranging for its establishment, the Reserve Bank has served—and truly well—the cause of sound banking in India.

TEXTILES

(Concluded from page 1176)

drawal of the 10 per cent. export duty on coarse cloth, abolition of the licensing procedure for exports, and the removal of the difficulties experienced by exporters in the matter of refund of excise duty on cloth exported out of India.

COMMONWEALTH WOOL GROWERS' CONFERENCE

A survey of the possibility of enlisting the co-operation of more wool-producing countries in the work of the International Wool

BANKS

Paid-up (31st January) Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16,00,000	1,08,33,956	10,66,176	Allahabad Bank	388	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				194	50	9 0	9 0	9 0	9 0		
1,01,000	12,41,000	7,143	Andhra Bank	112½	100	6 0	6 0	6 0	6 8	6.12	H.
22,50,000				61½	50	3 0	3 0	3 0	3 4		
1,00,00,000	1,28,00,000	2,33,389	Bank of Baroda	110	50	6 0	6 0	6 0	6 0½	12	Y.
40,00,000	17,00,000	11,795	Bank of Bikaner	12½N	25	0 12	0 12	0 12	0 12	12	Y.
2,50,00,000	3,27,00,000	7,29,778	Bank of India	146½	50	7 0	7 0	7 0	7 0	6.12	R.L.Y.
15,30,375	25,00,000	63,001	Bank of Indore	60N	25	3 0½	3 0	3 0	3 0	12	Y.
50,00,000	17,00,000	48,178	Bank of Jaipur	22	50	1 8	1 8	1 8	1 8	12	Y.
50,00,000	84,00,000	2,26,994	Bank of Mysore	307	100	16 0	16 0	16 0	16 0	12	Y.
99,99,150	81,83,240	29,609	Bombay State Co-operative Bank	59	50	2 8	2 8	2 8	2 8	6	Y.P.T.
15,00,000	21,00,000	14,042	Canara Bank Ltd.	75	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	80	50	5 0½	5 0½	5 0½	5 0½	12	Y.P.
2,62,11,875	399,79,642	16,49,868	Central Bank of India Ltd.	55	25	3 8	3 8	3 8	3 0	12	R.L.Y.
£2,42,905 'A'				59½	25	3 8	3 8	3 8	3 0		
50,00,000	26,00,000	1,55,362	Devkaran Nanjee Banking Co.	32	50	1 8	1 12	1 12	2 0	12	Y.
1,00,00,000	1,00,00,000	26,71,148	Habib Bank (P)	88N	28	2 0	4 0	4 0	4 0	12	Y.
1,21,00,000	14,20,000	15,160	Hindustan Commercial Bank	8½	50	—	—	—	—	12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	16	50	—	—	—	—	12	Y.
75,00,000	75,00,000	1,00,393	†‡Hyderabad State Bank	105N	100	6 0½	6 0½	5 0	5 0	9	R.L.H.
3,75,00,000	6,35,00,000	33,25,047	Imperial Bank of India	1,775	500	80 0	80 0	80 0	80 0	6.12	R.L.H.
1,87,50,000				432½	125	20 0	20 0	20 0	20 0	6.12	
24,00,000				180	100	12 0	12 0	12 0	12 0		
17,00,000	76,58,099	1,23,088	Indian Bank	143½	85	10 3½	10 3½	10 3½	10 3½	6.12	R.L.H.
16,80,000				102	60	7 3½	7 3½	7 3½	7 3½		
49,04,923	22,50,000	2,25,271	Indian Overseas Bank	94	100	5 6	6 0	6 0	6 0	.12	R.L.H.
6,25,600	6,33,939	1,380	Indo-Commercial Bank	60	100(A)	9 0	7 8	8 0	—	6.12	H.
2,50,000				16	25(B)	2 0	1 4	2 0	—		
10,00,000				29	50(C)	3 0	3 0	3 0	1 8(i)		
£7,50,000	90,00,000	3,10,289	Punjab National Bank	244	£5	1 0	1 0	1 0	2 0	12	Y.
1,00,00,000	13,75,000	92,292	Travancore Bank	12½	£1	—	—	—	0 10	12	Y.
40,00,000	31,50,000	1,80,225	Union Bank of India	6½	5	0 3	0 5½	0 5½	0 5½	12	Y.
2,00,00,000	80,00,000	1,52,320	United Commercial Bank	45	50	2 0	2 0	2 0	2 0	12	M.

PRINCIPAL EXCHANGE BANKS

Dividend (pcs cent.)

£5,000,000	£4,000,000	£399,215	Chartered Bank of India, Australia and China	£2-2-4½	£5	14†	14†	16†	14†	12	R.L.Y.
£1,000,000	£1,250,000	£102,597	Eastern Bank	£8⅜	£5	7†	7†	7†	3†	12	R.L.Y.
H.K. $20,000,000	H.K. $76,000,000	H.K. $9,859,542	Hongkong and Shanghai Banking Corporation	H.K. $125	H.K. $125	5*	5*	5*	5*	12	Y.
£14,372,956	£16,500,000	£555,780	Lloyds Bank	£3-1-0	£1	12†	12†	12†	14†	12	R.L.Y.
£375,000 'A'				£1-7-0		5†	5†	5†	5†		R.L.Y.
£375,000 'B'	£1,500,000	£200,980	Mercantile Bank o India	£28⅛	A £12½	12†	12†	14†	14†	12	
£300,000 'C'				£28⅛	B £12½	12	12†	14†	14†		
£2,281,250	£3,675,000	£323,703	National Bank of India	£12½	C £5	12	12†	14†	14†		
				£27-9	£12½	16†	16†	16†	16†	12	L.Y.

‡Includes bonus. †Less Tax. (F) Pakistan Currency

††O.S. Currency (I) Interim. *£ per share free of tax

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co.	108	1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	96	28th February 1956(f
2,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	97½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	104	27th December 1952-61
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	90	1st November 1959-64
10,00,000	6	1st May and 1st November	Walchandnagar Industries	105	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	97	1st November 1959-64
COTTON					
16,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	85	30th April 1964
4,00,000	4½	18th May and 18th November	Bengal-Nagpur	93½	18th November 1956(e)
1,80,00,000	5	1st April and 1st October	Buckingham and Carnatic	98½	1st January 1967-72
12,65,000	5½		Jaysukhlal Textiles	75½	1st January 1956-59
40,00,000	5	1st June	Tata Mills	101	1960-71
ELECTRICS					
10,00,000	4½	30th June and 31st December	Agra Electric Supply Co., Ltd.	96	31st March 1965
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	101½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	100½	1st October 1959
12,00,000	4½	30th June and 31st December	Calcutta Electric Supply Corporation Ltd.	101	1st January 1970
8,53,97,200	5	1st January and 1st July	Cawnpore Electric Supply Co., Ltd.	96	30th June 1978
25,00,000	4	30th June and 31st December	Dhlia (Sharsuk) Electric Supply Co., Ltd.	96	31st March 1976
15,00,000	5	1st January and 1st July	South Madras Electric Supply	96½	1st October 1957-61
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	96	1st July 1954
8,00,000	5½	1st May and 1st November	South Madras Electric Supply	94	1st October 1953-63
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	1st July 1957-67
6,63,800	4½	1st April and 1st October	South Madras Electric Supply	94	1st July 1951-35(K)
47,73,000	4	1st April and 1st October	Tata Power	100½	15th September 1965-70
2,50,000	4	1st April and 1st October	Tata Power	93	15th September 1965-70
ENGINEERING					
5,00,000	5½	30th June and 31st December	Britannia Engineering	98½	31st December 1954
6,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	30th June 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	103	1st July 1957-61
41,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	696	31st December 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	88	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	101½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	99	31st December 1960
JUTE					
12,00,000	4½	1st October and 1st April	Agarpara	100	31st March 1954
6,00,000	4½	30th June and 31st December	Alexandra	99	30th June 1954(B)
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	99	30th June 1955
20,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	88½	30th June 1960
9,00,000	5	1st January and 31st July	Calcutta	91	31st December 1956
10,49,000	5	30th June and 31st December	Chhatrabhuj Jute Mills	97	30th June 1966
8,86,000	5	30th June and 31st December	Empire	95	15th July 1966
15,00,000	5½	1st January and 1st July	Hukumchand	92½	30th June 1957
25,00,000	5	30th June and 31st December	Kamarhati Jute Mills Co., Ltd.	98	31st December 1964
15,00,000	5½	30th June and 31st December	Nathati	98½N	31st March 1954
5,00,000	5½	31st March and 30th September	Naskarpara Jute Mills Co., Ltd.	99	14th May 1959
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	31st December 1964
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd	93	30th June 1958
6,00,000	5	30th June and 31st December	Presidency	96	5th September 1965
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	96	14th September 1957
8,00,000	4½	14th March and 14th September	Seerala Jute	97	30th June 1957(d)
12,00,000	4½	30th June and 31st December	Union	97	31st July 1960(c)
10,00,000	5½	31st January and 31st July	Waverley	85	
RAILWAYS ; STEAMSHIP AND TRAMWAYS					
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	96	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	£108N	A 105% at any time on 6 months' notice or at par on every seventh year.
£201,067	3	1st April and 1st October		£77½N	1st October 1974
6,50,000	5½	30th June and 31st December	Kasthkal-Lalabazar Railway	90½	31st December 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	
80,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	1st September 1968
PLANTING					
10,00,000	5½	30th June & 31st December	Consolidated Coffee	102	1st July 1957-63
5,00,000	6	31st March & 30th September	Nilgiri Tea	101	1st April 1956-58
4,61,000	5½	30th June	Ouchterlony	104	30th June 1954-59
9,00,000	5	31st March & 30th September	Peraikaramala	100-11½	31st March 1953-63
1,89,700	5½	31st March & 30th September	Teekay	100	31st March 1949-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	101	30th September 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	31st December 1965
80,80,000	4½	1st April and 1st October	Associated Hotels of India	86	31st December 1962
4,92,950	4½	30th June and 31st December	Bengal Paper Mills	92½	30th June 1957(1)
21,00,000	4½	1st February and 1st August	Chowringhee Properties	87	1st February 1964
21,55,000	4	1st July and 1st January	Cive Buildings	87	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	87	15th September 1960
1,60,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	102½	1st January 1971
1,50,00,000	5	1st January and 1st July	Dunlop Rubber	96	1964
1,30,00,000	5	15th March and 15th September	Mentor Chemical Industries	470	30th September 1976
20,50,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	(per note)	
39,57,000				525	31st December 1973
	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	(per note)
45,00,000				90N	
		1st April and 1st October	Macneill and Barry Ltd.	1951	1st April 1971
75,00,000	5	31st March	Orient Paper Mills Ltd.	1951	31st March 1961
1,00,00,000	5½	30th June and 31st December	Rohtas Industries Ltd.	1946	31st December 1959
1,00,00,000	4	1st May and 1st November	Standard-Vacuum Refining Co., India Ltd.	1953	1st May 1968
4,00,00,000	5½				

Note—See page 1210 for explanations to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th June, 1954.

—	Closing quotations 10-6-54	High	Low	Closing quotations 17-6-'54
BANKS	Rs.	Rs.	Rs.	Rs.
Bank of India (50)	147½	147	146½	146½
Bank of Baroda (50)	109	110½	109	110
Central (25)	54½	55½	54½	55½
Central 'A' (25)	59	59½	59	59½
Imperial (P.Pd.) (500)	1,772½	1,775	1,770	1,772½
Imperial (P.Pd.) (125)	430	432½	430	430
Union Bank (5)	6½	6½	6-6½	6½
United Com. (50)	44	45½	44	45½
TEXTILES				
Ahm. Adv. (100)	143½	—	—	—
Apollo (2)	2-13/16	143½	143½	143½
Bombay Dyeing (250)	3-1/16	3-1/16	2-13/16	3 1/16
Central India (100)	425	443½	425	430½
Century Mills (100)	180½	180½	173	176½
Colaba (100)	340	340	330	336½
Edward Textile (200)	—	—	—	50
Fitchiatsees (30)	245	245	241½	243½
Finlay (100)	44	—	—	44
Gokak (100)	246½	261	241	245
Ind. Unid. Defd. (1)	1-7/16	1-7/16	1-7/16	1-7/16
Ind. Unid. Ord. (10)	11	11	10-9/16	10-13/16
Indore Malwa (100)	109½	110	108½	109½
Khatau (100)	112½	—	—	109½
Kohinoor (100)	313	317	310½	311½
Lakshmi (250)	540	—	—	313
Madhusudhan (100)	90½	—	—	82
B. R. Cotton Mills (100)	60	60	55	55
Minerva Mills (100)	110	—	—	1088
Model Nagpur (250)	141½	—	140½	141½
Morarji (100)	213½	—	—	213½
Mysore (50)	121½	—	—	121½
National Rayons (100)	169½	184	168	182½
New City (100)	165½	165½	156½	156½
New Great (100)	171½	169	—	170
New Union (10)	26	—	—	26
Phonix (100)	125	—	—	125
Podar Mills (100)	140	—	—	138½
Sassoon Silk (10)	14½	30	32½	32½
Sassoon Spg. (10)	32½	2,410	2,225	2,410
Shahjapur (1,000)	30	202½	198	201½
Shrinivas (100)	2,225	138	135	135½
Simplex (50)	2,410	344½	330	332½
Standard (100)	202½	283	277½	279
Svadeshi (100)	198	325	321½	321½
Swan (100)	135	48½	—	49½
Tata M. (25)	344½	140	—	140
Vishan (100)	283	3,810	—	3,810
Western India (1,000)	325			
ELECTRIC COS.	48½			
Ahmedabad (100)	—	109½	107½	107½
Amalgamated (10)	140	10½	—	10½
Andhra Valley (1,000)	3,810			
Bom. Sub-Bl. (100)	109½	1,335	1,322½	1,335
Surat (100)	10½	123½	122½	123½
Tata Hydro (100)	1,335	128½	128½	128½
Tata Power (1,000)	123½	145½	142	145
	128½	1,436½	1,427½	1,436½
	1,427½			
INSURANCE COS.				
British India (10)	13½	13½	13½	13½
Empire of India (100)	653	—	—	655
Ind. Mercantile (20)	41½	—	—	41½
Jupiter (15)	47½	—	—	47½
New India (15)	47½	48	47	47½
Oriental (200)	7,900	8,000	7,900	7,900
Universal (10)	9½	—	—	9½
Vulcan (10)	13	14½	13½	14½
STEAMER COS.				
Scindia (15)	17½	18½	17-12½	18-2½
STEEL COS.				
Ind. Iron (10)	31½	32½	31½	32½
Tata Steel Ord. (75)	207½	211½	206	208½
MISCELLANEOUS				
Alcock Ashdown (100)	307½	312½	303½	305
Associated Cn. (100)	161	163	159½	161
Belapur Sugar (5)	269	272½	268	270½
Bom. Burmah (125)	403½	408½	401½	404½
Do. (New) (50)	135	—	—	137½
Br. B. Petrol (4 sh.)	4-0½	4-2½	3-13½	3-14½
Br. I. Corpn. (5)	8½	8-5½	8½	3½
Calcutta Copper (2 sh.)	3-5½	3-6½	3½	3-3½
Ind. Inv. Tr. (100)	775½	—	—	751½
Kesoo (200)	272½	—	—	275½
Killick (100)	183½	178	—	179
Killicks (75)	155	109	103	106
Port Canning (100)	106	—	—	32½
Premier Cm. (30)	222½	139½	132	137½
Shirmpur (100)	132½	63½	59	63
Tata Chemicals (10	59	15½	13½	14½
Tata Oil (25)	40½	192½	192	192½
Waishand Ind. (100	192	200	180	191½
W. I. Match (100)	200		195	195

GOVERNMENT SECURITIES	Rs	Gross Yield Earlier Redemption	Later Redemption
2½% 1954	99½	—	3 00
2½% 1955	98½	—	3 30
2½% 1956	91½	—	3 04
2½% 1962	92½	—	3 01
2½% 1974	82½	—	3 03
2½% 1957	82½	—	3 03
2½% 1958	98½	—	3 06
2½% 1959-61	98½	—	3 06
3% 1964	92½	3 01	3 45
3% 1963-65	92½	—	3 57
3% 1966-68	92½	3 05	3 85
3% 1970-72	90½	4 00	3 78
3% 1986 Con. Loan	86½	4 15	3 87
3½% 1954-59*	102½	—	3 03
4% 1960-70	100½	—	3 34
4½% 1955-60	101½	—	3 48
4½% 1958-68*	101½	3 21	3 85
3½% 1961 N.P. Bonds	103½	3 56	4 20
3½% 1964 N.P. Loan	98½	—	4 17
	98-13½	—	3 65
			3 63

BRITISH GOVERNMENT SECURITIES	10-6-54 £	High £	Low £	16-6-54 £
3½% Brit. Consols, 2½ % Savings Bonds 1965-75	65½	66⅜	65½	65½
2½% War Loan 1955-59	91⅜	—	—	—
2½% War Loan 1952	101⅛	101⅛	—	—
3½% Brit. Iron and Steel 1976-79	86½	—	101⅛	91⅜
4 % Funding Loan 1960-90	97½	97½	86⅜	101⅛
	103½	103½	97½	86⅜
			103½	97½
				103½

** Current Income. n.d.—Ex-dividend. * Rupee Counterparts.

COMMERCE

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

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AMENDING THE CONSTITUTION—A DANGEROUS PASTIME

IT is hardly five years since the country "solemnly" resolved to become a "Sovereign Democratic Republic" and adopted a constitution to this end. The Constitution was rightly hailed all over the democratic world as a splendid piece of achievement and triumph for the cherished principles of freedom, though there were some critics who felt that it was unduly elaborate and somewhat rigid. That this latter criticism was not unjustified was evident from the subsequent amendments. Not all these amendments were, of course, designed to make the Constitution flexible or to reduce the power of the State. Indeed, some of them actually enhanced the powers of the State. But, so long as such amendments do not raise fundamental issues, they may be accepted as an inevitable concession to the need for clarification of an insufficiently well-expressed idea or for some verbal improvement. Even so, it is wrong to alter the Constitution too often. In any case, it is a dangerous pastime. For one thing, it is bound to create the impression that it is easy to amend the Constitution. It might well create precedents which succeeding Governments might use for changing the Constitution out of shape. Secondly, it is wrong to amend the Constitution, without giving it sufficient time to show the beneficent results which its authors hoped from it. It is like trying to pull up the roots of a plant and trim its branches before it has had time to take root in the soil.

The latest in the series of attempts at amending the Constitution comes from the Sub-committee of the Congress Working Committee. Being the party in power, it will no doubt be able to command the necessary votes to carry through the amendments. Indeed, it is this factor which ought to make the interests concerned sit up and take notice of the precise import of the suggested changes in constitutional provisions. The suggested changes include, among others, an amendment to Article 226 of the Constitution, which lays down the powers of the High Court, and two amendments to Article 31 which affirms the right of owners to claim compensation for their property taken over by the State. Now both these changes have far-reaching economic and political implications, so that it would be wrong to allow these changes to be carried through. If they are given effect to, they will seriously undermine the fundamental rights of citizens and reduce the democratic content of the Constitution.

It has been clear for some time now that the ruling party has been thinking in terms of amending the Constitution. The provocation is probably provided by the series of reverses inflicted on the Executive by the Supreme Court. The cases arising out of the Sholapur Mills Act, sales tax law, admission to English-teaching schools and Income-tax Investigation Commission's powers are only a few of the instances where the Supreme Court has found it necessary to examine the country's laws in the light of the rights guaranteed by the Constitution. The right course in these circumstances, would be for the Executive to reform the laws in order to make them conform to the Constitution. But, what is now sought to be done is to reform the Constitution, so as to make it conform to the Executive's wishes. This process, if allowed to continue, will corrupt the Constitution.

The Federation of Indian Chambers of Commerce and Industry has, therefore, done well to draw the attention of the public to the implications of the suggested changes. It has rightly chosen to address a memorandum on the subject to the All-India Congress Committee itself. The fact that the Federation has consistently supported the Congress should entitle this body to get a fair hearing. Again, the promptness with which the Federation has moved in this matter is commendable. It has voiced its objection before the proposals, now in a formative stage, become a *fait accompli* and take the shape of official Bills.

The Federation rightly argues that the proposed amendments will "materially alter the basic democratic structure of our Constitution," that they will interfere with the "rule of law" guaranteed by the Constitution and adversely affect the vital purpose of democratic institutions, namely, "to keep alive and promote individual creativeness, vigour and vitality." It takes up for special comment the suggested amendments to Article 226 and to Article 31 to indicate how the "basic structure of our Constitution would be materially altered." It says:

"Article 226 lays down that the High Court shall have the power throughout its jurisdiction to issue to any person or authority, including in appropriate cases any Government, directions, orders or writs, including writs in the nature of *habeas corpus, mandamus,* prohibition, *quo warranto* and *certiorari,* or any of them. The exercise of this power by the High Court is for the enforcement of any of the rights conferred by Part III—Fundamental Rights—and for any other purpose. It has now been suggested that the last words 'and for any other purpose,' should be deleted. In other words, the amendment will curtail the jurisdiction of the High Courts, that is, of the judicial authority, except in cases covered by the fundamental rights guaranteed under Part III. The purpose behind including the words, 'for any other purpose,' is to enable an individual who feels aggrieved at an action of the executive, actual or contemplated, to have recourse to the due process of law. The Committee cannot understand why this essential safeguard against executive action contrary to the spirit of the Constitution but not covered specifically by the contents of Part III of the Constitution should be denied to the citizen. Further, with the growing amplitude of the powers of Government to supervise, direct, regulate and control the economic life and, therefore, the work a day life of the people, the necessity for judicial safeguards and guarantees becomes stronger."

It is a sad commentary on the Congress, the chief architect of the Constitution, that, so soon after enacting the Constitution, it has found it necessary to alter it in a somewhat radical manner. If the Constitution were altered in the manner now contemplated, it would certainly be said of its authors that they, in a fit of generosity, gave the country a constitution conceived in the best democratic traditions and soon found that the country had been given too much of this good thing, called freedom. It is true that freedom should be contained in order to be possessed. But this should apply as much to the Executive as to the people. If the courts were prevented from safeguarding the rights of the citizens, a stage would soon be reached where the citizens would lose their powers of initiative and self-direction and thus become a burden on the State itself. Surely, this is not the way to enlist popular enthusiasm for the task of economic reconstruction.

The Federation next subjects the proposed amendment to Article 31 to a careful scrutiny. Now, this Article states that no person shall be deprived of his property save by authority of law. The Article explains this right further as follows:

"No property, movable or immovable, including any interest in, or in any company owning, any commercial or industrial undertaking, shall be taken possession of or acquired for public purposes under any law authorising the taking of such possession or such acquisition unless the law provides for compensation for the property taken possession of or acquired and either fixes the amount of compensation or specifies the principles on which, and the manner in which, the compensation is to be determined and given."

Now, this Article is sought to be amended in two ways. In the first place, it is proposed to enlarge the scope of the Article by providing for "temporarily taking over possession of control of any property for the purpose of its preservation or better management or supervision or for the purposes of employment, production or prices." Secondly, it is proposed to amend the Article to the effect that the amount of compensation or the principles on which and the manner in which the compensation is determined and given shall not be challenged before any court of law. It should be clear that both these modifications will, as the Federation points out, tend to "restrict substantially" the right of the individual to hold property. Apart from this major consideration, the Federation has raised a number of valid objections. Since law, constitutional law, in particular, should be precise, the Federation asks as to what is meant by "temporary" acquisition of property—"3 months, 6 months, 5 years or 10 years." Again, can the period be extended? In other words, will it not be open to the Executive to set at naught an aggrieved party's claim for compensation by calling the acquisition a temporary one? The Federation further asks as to what is sought to be conveyed by the omnibus phrase—"purposes of employment, production or prices." It pertinently asks: "Who is to determine them?" Who is responsible for losses or damage to property caused during the period of "temporary acquisition"? Nor is the Federation convinced that there is need for special enactment of the kind contemplated by this amendment inasmuch as item 33 in the Seventh Schedule (List I) of

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the Constitution empowers the Central Government to acquire or requisition property for the purposes of the Union. Finally, it rightly insists that, if the proposed amendments were carried out, it would defeat the Government's policy in respect of foreign capital, which everyone, except the most narrow-minded, short-sighted and selfish Indian capitalist, concedes is required for achieving speedy economic development of the country. Any change in the Constitution which curtails the right to hold property and reduces the sense of security, it warns, "cannot but affect adversely the willingness of the foreign investor to invest here."

The Federation's argument that it is not the Constitution but the absence of a correct economic policy that stands in the way of rapid economic progress is unquestionably correct. It says:

"Apparently, the Constitution Sub-committee permitted themselves to suggest amendments in the belief that it will help the pace of social and economic progress of the country. In the considered view of the Federation Committee, however, it is not correct to contend that the provisions of the Constitution are the main or major obstacle to our economic development. They are firmly convinced that the pace of development can be stepped up materially within the framework of the existing Constitution by pursuing policies which encourage individual initiative and enterprise and which create an incentive to work, to earn, to save and to invest. In fact, the framework of the Constitution, as it is, is more suited for creating an environment in which progress becomes possible and any attempt to modify or alter its structure, especially when we are having plans of development, to suit the desires of the executive cannot but have a deleterious effect on the rate of progress. The Federation Committee would urge the Congress Working Committee and Government to devote their energies to the formulation and implementation of policies which will accelerate economic development and to desist from amending the Constitution in any way that may, directly or indirectly, immediately or remotely, affect the fundamental rights of the citizens."

No impartial student of current economic affairs in the country will fail to endorse the sentiment expressed above. Although the impatient reformers might feel that more powers to the State will bring quicker progress to the country, the fact remains that it is ultimately the people that must help themselves. The Government which helps the people to help themselves, will have rendered the greatest service to the citizens. The proposed amendments are prompted by the mistaken belief that the State can do everything.

There are undoubtedly loopholes in some of the existing laws which enable unscrupulous citizens to thrive at the expense of the society. One way to check their nefarious activities is to plug the loopholes through a suitable reform of the existing laws within the four corners of the Constitution, as is now sought to be done in the case of the Company law. Another, a more important, in our view, is for the State itself to follow correct economic policies which will not provide unsolicited opportunites for these elements to exploit the public and which will provide room for the inexorable economic laws to operate and take their toll. The State should not forget its obligation to the people to maintain the value of money. It is only when it forgets this obligation and resorts to inflation, controls, etc., that the morale of the community starts going down. Nothing corrupts a nation so much as inflation.

THE PROBLEM BEFORE JUTE INDUSTRY

IN recent months, the position of jute mills has shown a distinct improvement. The stocks with the mills have declined to reasonable proportions, due more to better offtake than to any appreciable fall in production. Indeed, the production has been running at a slightly higher level since the beginning of this year. As will be seen from the latest statistical picture presented in our last issue, *vide* page 1182, total stocks, as at the end of May, 1954, aggregate only 86,478 tons, as against 138,789 tons a year before. Besides, there are indications that the demand for jute goods will be quite encouraging in the coming months. The trend of prices of jute goods and raw jute is also quite steady. This improvement has strengthened the hands of those who have been urging for some time past the need for increasing the working hours now restricted, by mutual agreement among the mills, to 42½ hours per week, with 12½ per cent. of looms remaining sealed. They argue that, unless this restriction is relaxed, the prices of both raw jute and jute goods will go up, thereby preventing the recovery that has been taking place in the offtake of Indian jute goods from gathering momentum. There is reason to believe that the question is being studied by the Indian Jute Mills Association (I.J.M.A.) and there is no doubt that the Association will soon take a correct decision.

More important than a revision of the existing working hours is the question of the future of the Working Time Agreement. This issue has come to the fore because of two reasons, first, certain remarks of the Jute Enquiry Commission have cast serious doubts about its value and, secondly, the Agreement itself expires at the end of this year. Sooner or later, the Association will have to decide whether restrictions on working hours are at all necessary and if so in what directions should the present Agreement be modified. As readers are aware, the Jute Enquiry Commission is of the view that the present Agreement has outlived its utility and that the earlier it is scrapped the better it will be for the industry. After considering the pros and cons of the Agreement, the Commission has come to the conclusion that the Agreement acts as a sort of protection to the less efficient units of the industry and, as these units stand in the way of the industry moving forward with a view to bringing down the cost of production and raising its competitive capacity in the world markets, they cannot continue to enjoy such protection. It accordingly feels that, in the long-term interest of the industry, the Agreement should be modified, if not abandoned. The Association had presented a well-argued statement to the Commission, emphasising the importance of continuing the Agreement. The fact that, despite this statement, the Commission has come to the aforesaid conclusion suggests that the Association's case has failed to carry conviction to it.

In its note to the Commission, the Association has traced the history and the purpose of the Agreement. It is interesting to find that the Agreement to restrict working hours is not of recent origin and that it dates back as far as 1885. The primary object of such restrictions is to prevent cut-throat competition among the mills. That such competition is possible even today is the fear of the I.J.M.A., a fear based not only on past experience but also on the fact that the productive capacity of the Indian jute manufacturing industry greatly exceeds the present world demand. In the event of such competition, there will be a collapse of the market, raw jute growers will be seriously affected and workers employed in the mills will be thrown out of employment. In short, the chaos in the industry will be of such a serious nature that the hardship to which everyone connected with the industry would be put does not bear contemplation. The Working Time Agreement, voluntarily entered into among the members of the Association, is designed to prevent the emergence of such a situation. It spreads the limitation on production equitably over the industry as a whole and also maintains the potential productive capacity necessary to meet sudden increases in demand.

The Association further points out that the Agreement has been enjoying the support of all its members and claims that it is the "fundamental basis of this vital and well-organised industry." Through this Agreement the production of jute goods is maintained at a level which world markets can absorb. At present, the working hours are restricted to 42½ per week, with 12½ per cent. of the looms sealed, the only exception to this arrangement being the smaller mills with a registered complement of not more than 220 looms; these small mills are permitted to work 72 hours a week, with none of their looms sealed. There is nothing rigid about this arrangement, inasmuch as the number of working hours can be raised or lowered with the consent of the majority of its signatories. The Association warns that the alternative to the Agreement is cut-throat competition and gross over-production with all its attendant evils.

Impressive as these arguments are, they are not flawless. In the good old days, when India had the virtual monopoly of both raw jute and jute manufactures, an agreement of the sort currently in force yielded satisfactory results. But now India does not enjoy this monopoly. The major portion of raw jute is being produced by Pakistan; in fact, the latter has the capacity to produce almost the entire world requirements of raw jute. On the manufacturing side, India has only 56 per cent. of world loomage, leaving as much as 44 per cent. to be held by other countries. The share of India in the jute goods consumed in many parts of the world has appreciably gone down, as compared with that five or six years ago. Pakistan, with the advantage of superior raw jute which it produces, is fast emerging as an important supplier of jute goods in the world markets. In such a state of affairs, any restriction on the production of Indian jute mills constitutes a sort of protection not only to the uneconomic units in India but also to the numerous jute mills in the other parts of the world, most of which are uneconomic in the sense that they are, for some reason or other, unable to stand the competition from the efficient Indian mills without protection.

The experience in the past five years—a period in which the present Working Time Agreement has been in force—fully bears out this contention. The main reason for cutting the working hours was shortage of raw jute, but, although this shortage ceased more than two years ago, the cut was not restored, for, in the meantime, the substitutes for jute and other producers of jute goods had filled the gap. So long as the present state of affairs in the industry continues, a good part of this loss is irretrievable, though some gain has been made in the past eight or nine months. It is, of course, true that this loss was not due entirely to the voluntarily imposed restriction on production. The high export duties levied by the Government were also responsible to a considerable extent. Nevertheless there is no gainsaying the fact that the Working Time Agreement, too, was a contributory factor for the loss of markets.

The point we wish to make here is that any handicap placed on the Indian jute industry which reduces its competitive capacity is a handicap in favour of the jute mills in Pakistan, Dundee and other countries. It is argued that the Working Time Agreement is not a handicap, inasmuch as it imparts stability to the industry. There is some truth in this contention, but it can easily be exaggerated. Further, the Agreement is a definite handicap to the more efficient units in the industry. These units have to carry the burden of keeping the inefficient units alive. They cannot use their financial resources, talent for better management and their better equipment to the maximum extent possible by working longer hours, or by working an additional shift, for bringing down their cost and enhancing their competitive ability in the overseas markets. While it is hard to measure, in precise terms, the price which these mills are now paying for avoiding internal competition, it stands to reason that, if the uneconomic units are weeded out and the economic units are encouraged to step up their production, everyone, excepting the owners of the uneconomic units, stands to gain.

It is, of course, assumed here that the freedom from restrictions on working hours will induce the economic units to modernise their machinery at least to the minimum extent necessary and to step up their production through additional shift working. Now, it may be argued that these units will not be inclined to do so at a time when the profit-margins will be adversely affected by the keen competition that will follow the abolition of the Working Time Agreement. It was probably this consideration that made the I.J.M.A. to assert before the Jute Enquiry Commission that, if the Working Time Agreement were to be scrapped before half of the old mills was modernised, it would spell disaster to the industry. This contention sounds reasonable, but the I.J.M.A. has so far given no satisfactory answer to the argument that the restriction on working hours acts as a deterrent to modernisation of the mills, for it does not enable the mills to cover the heavy cost of new machinery by working longer hours.

One can thus go on arguing in a circle. It only shows that the jute industry is now in a vicious circle, thanks to the blunders committed in the past. It does not do any good to anybody to try to apportion blame for these blunders. If it is agreed that the Indian jute industry consists also of uneconomic units and that their elimination will strengthen the other units and enable India to get a larger share of the world trade in jute goods, then ways and means must be found to achieve this object. The vicious circle must be broken not just anywhere in the circle but right at the spot from where it can be completely got rid of as early as possible. The Government can certainly help the industry in this direction by completely abolishing the export duty on all jute goods, on condition that the mills will first restore the working hours to 48 per week and remove the sealing on the looms and that, thereafter, they will devise measures for strengthening the competitive capacity of the mills. It is, of course, needless to add that any such action will require the wholehearted co-operation of labour.

BUOYANCY IN SHARES PERSISTS

U.K. MAY BUY INDIAN COAL—CITY SUGAR BODIES TO MERGE—ECONOMIC TRENDS IN MIDDLE EAST

THURSDAY, 5 P.M.

THIS has been a good week for all the markets, in general, and an exceptionably bright one for the share market, in particular. The downward trend in the commodity markets seems to have been arrested, at least for the moment, the closing rates today showing a modest gain in cotton and oilseeds. A smart rise in gold and a steady trend in silver have been the features of the bullion market, in which there was a serious debacle last week. In shares, values have staged an all-round improvement, the popular speculative counters scoring several points, as will be seen from the Week's Stock Exchange Trend published elsewhere in this issue. The most striking feature of this market is the buoyancy of textile shares. There has been a spectacular rise in Bombay Dyeings, accompanied by a moderate advance in the other scrips such as Kohinoors and Centurys. Market circles are not in a position to offer any convincing explanation for the present bullish trend. It seems to be all a question of sentiment rather than anything else. Now that the values have already gone up substantially, investors and speculators are probably inclined to take more risk. But a leading firm of brokers maintains that the major portion of activity is of a highly speculative nature.

MARKET GOSSIP

* * * * *

The outlook for all the major Indian industries has definitely improved. The first six months of the current year have proved to be a profitable one to them and there are no particular reasons why the next half-year also should not be equally good. The cotton mill industry, as was pointed out by us last week, is doing well. Its stocks are normal, despite production running at record high levels. There is a likelihood of the Government lifting all the remaining controls on the industry, excepting those that are meant for protecting the handloom industry. Even in regard to the latter, Mr. T. T. Krishnamachari has clearly stated that reservation of markets for handlooms has not done any tangible good for them and that he is not in favour of continuing such spoonfeeding. It is just possible that, in course of time, this restriction also may be removed. The price of cotton has eased a bit and, given a good monsoon, the mills can expect to get their needs of raw material at somewhat lower prices than now.

* * * * *

Conditions in the jute industry, too, are much better than expected, so much so that the mills are likely to work longer hours without any adverse effect on their profit margins. The tea industry is distinctly well off and so also coffee, though somewhat less than tea. No complaints are now heard either from cement or steel. The position of various other miscellaneous industries also is satisfactory, albeit in varying degree. Further, the attitude of the Central Government towards industries, in general, is helpful, thanks to the realistic views taken by the Finance, Food, and Commerce and Industry Ministers. All the three of them are maintaining a keen watch over the country's economic progress and have given several indications in recent weeks that they will assist the private sector to overcome genuine difficulties. If all this is taken into consideration, it will be seen that the present mood of the market is not unjustified.

* * * * *

The knowledgeable sections of the daily Press aver that there is no truth in the reports that the Indian Iron and Steel Company is either contemplating a capital reorganisation scheme or will pay a higher dividend. Though several days have passed since these denials appeared, there has been no change in the expectations of the market, which is still proceeding on the assumption that something is in the offing. It was also reported some days ago that the Chairman of the I.I.S.Co. has impressed upon the authorities of the Exchange the need for checking the heavy speculation that has been going on in this scrip. This report, too, has been ignored by the market. If nothing is in the offing to justify the vague impressions of the market, then the Company will do well to take the investors into confidence and say so. It may be added here that there is nothing wrong in doing so; many companies in Britain do contradict wild rumours on the Stock Exchange for the benefit of their shareholders.

* * * * *

The bluff of the big speculator in cotton, who bought heavily and who has been bullying the E.I.C.A. by taking advantage of what seems to be a defect in the drafting of a bye-law, was out this week, when he failed to meet his commitments, believed to be of the order of Rs. 25 to Rs. 26 lakhs. It is now as evident as daylight that this operator was not a genuine speculator and that he belongs to the ranks of gamblers. It is a pity that members of futures markets in Bombay continue to have such clients on their books. They never seem to learn anything. It is to be hoped that the Board of the E.I.C.A. at least will take serious notice of this incident and teach the members concerned a lesson. It should not accept compromises and partial settlements. It must insist upon full payment, declare those who are not in a position to pay as defaulters and deprive them of the membership of the Association. It is only such firm and merciless action by those in charge of futures markets which will improve the standard of forward trading and bring honour to, and respect for, futures markets. Incidentally, this is a convenient way of reducing the overbloated membership of the E.C.I.A. Besides taking stern action against the defaulting members, the E.I.C.A. authorities should introduce, without any further delay, some sort of check on excessive speculation. Why should they not initiate such a reform and take the credit for it, instead of allowing the Forward Markets Commission to snatch it, as it might well do if given some more time?

* * * * *

The bullion market has started looking up once again. After going down to a low of Rs. 81-15 earlier in the week, forward gold has come up again to Rs. 84-5. Similarly, silver has recovered from a low level of Rs. 148-8 to Rs. 150-14. Arrivals of gold have slowed down. Owing to the tightening of the cordon round the French pockets in the country and the onset of the monsoon, which is not conducive to smuggling gold into Bombay through the sea, the flow of contra band gold has become negligible. This, coupled with short-covering by bears, has imparted fresh strength to the yellow metal. The shrinkage of floating stocks and the heavy short-position are reflected in the widening of the premium on ready gold to as much as Re. 1-8 to Re. 1-12 per tola. In silver, the chief bear operator, who was threatening early in the week to take the market down to Rs. 125 per 100 tolas, has chosen not to increase his commitments any further. On the contrary, one finds some bears covering their open positions. Nevertheless, after last week's debacle, the bulls seem to have lost their courage. It remains to be seen whether the chief bull operator, who had carried forward quite a few thousand bars from the last to the current settlement, would make a fresh attempt to recover a part of his losses by staging a squeeze towards the close of this settlement. Many doubt it, because the next two months constitute a slack period for bullion. If notwithstanding all this, there has been an improvement in the value of silver, it is due to a natural reaction to the precipitous fall that had taken place in the past week.

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While the bullion markets in India are thus recovering from a sharp break in the previous two weeks as a sequel to excessive, unhealthy speculation, the gold market in London is quiet and dull in marked contrast to the activity which developed immediately on the reopening of the market and for some time subsequently. The turnover has shrunk, the demand from the Far East having dried up considerably. Further, the Continental centres, which used to exercise considerable influence on the London market, owing to their purchases for investment of a long-term nature, presumably in the hope of an eventual gain, are also in a subdued mood. On the supply side, arrivals from the Soviet Union have ceased. The Union of South Africa, however, continues to meet the requirements of the open market. Australia, which has been very reluctant to sell gold in the London market, is reported to be willing to do so now, according to the *Financial Times*. It will be recalled, in this connection, that one or two members of the sterling area—particularly Australia—showed a disinclination at first to sell gold for resident sterling in London. Prior to the opening of the London market, these countries had been disposing of their surplus metal for dollars in the free international markets and, when London did reopen, they indicated that they would like to be able to enjoy the right conferred on certain other sellers to take payment in dollars or in the new fully convertible type of sterling created when the market started again. It is, however, now stated that the Bank of England has succeeded in disposing of the objection to selling gold for resident sterling, thereby enabling Australia to send all available metal for sale in London. But, as Australia can sell more profitably elsewhere, it may not send all its available gold production for sale in the London market.

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There seems to be some good news for the Indian coal industry which is now trying hard to expand its export markets. Britain is once again developing a shortage of coal and the authorities are worried over the coming winter's fuel prospects. On Monday this week, the Minister for Fuel told the British Parliament that, as compared with last year, while the production was up by only one million tons, the consumption was higher by three million tons. It was the intention of the British Government, the Minister said, to fill this gap through imports. Although the Minister refused to divulge the quantities or the sources of imports, as he wanted to give the Coal Board the best commercial opportunities of getting coal as cheaply as possible, London advices say that India is being mentioned as one of the sources. India can certainly supply the major portion of Britain's needs and it is to be hoped that both the coal industry and the Government of India will do their best to get this business. It would appear that the shortage of coal in Britain is not a temporary feature and that it may last for a considerable number of years. In the "bad old days" before the war coal imports by Britain were unknown and the U.K. was Europe's supplier. In 1923, it shipped abroad nearly 100 million tons and, though the amounts declined thereafter, they never fell below 46 million tons. Last year 16.5 million tons were scraped together for the foreign market and for bunkers, while, since 1947, close on 4 million tons have been imported to meet one crisis or another. Commenting on this state of affairs, the *Financial Times* observes significantly enough:

"When the present cycle of imports was announced last July there was a tendency to minimise them. It was emphasised that nothing other than large coal would be bought and that the importation would enable the U.K. to fulfil her own export contracts. Now it begins to look as if imports of large coal may be a permanent feature. Last year the loss to the National Coal Board was just over £1 million or about £2 a ton. This year because of mounting consumption and poor output the Board will not be able to offset a corresponding loss by increasing exports. The bulk of the imported coal goes to the domestic market and a small quantity to the railways, so that if consumers want to keep down their fuel costs they must be economical. That does not only mean burning less coal. It means installing apparatus that will burn the less scarce and cheaper grades with equal efficiency. That is all the consumer can do. The rest depends on the miners, and it is to be hoped they realise the gravity of the situation. So far this year their performance is not impressive. In January the Board made a bargain with them. It raised their wages on condition that they increased the year's output by 5 million tons. Such an increase, the Board said, would meet the £9.5 million cost of the pay claim. The miners have not increased their output, with the result that the country faces another anxious winter. The possibility is not only of inadequate coal supplies but of paying more for what is available."

It will be seen from the above quotation that Britain is unlikely to be in a position to produce enough coal to meet the full requirements of its domestic and export markets for several years to come and that it will, therefore, have to import on a much larger scale than now. It is true that Britain is doing everything that lies in its power to replace coal through development of oil refining and atomic power. But this will take a fairly long time.

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Too many trade bodies and markets in one commodity and that too in one centre are not an uncommon feature in this country. But this feature is steadily disappearing, a symptom of the growing unity among the people. Thus in recent years, there has been an amalgamation of markets in cotton, bullion, oilseeds and yarn. It is now learned that there is a move to merge the two sugar trade bodies in the City into one. The two bodies are the Bombay Sugar Mer-

(*Continued on page 1263*)

EQUITY VALUES HARDEN FURTHER

TEXTILES WELL FAVOURED

(From Our Own Correspondent)

BOMBAY, 24th *June*

THE Stock Exchange continued to present cheerful conditions during the week under review. Equity values hardened over a very wide front on keen speculative enquiry and investment support. Though no rational explanation is offered for the buoyancy of the market, leading brokers attribute it to a change for the better which had taken place, for a couple of weeks now, in the psychology of operators. Even a stray enquiry gave a twist to the upward spiral, as such is usual in a rising market. Advices from other Stock Exchanges in the country also gave impetus to trading. In Calcutta, for instance, jute shares were buoyant on reports of the increase in the working time of jute mills. In Madras, miscellaneous industrials provided a firm feature and some of the scrips which had been dormant for a very long time, came into the limelight. Locally, the bullion market showed, during the last three days, signs of returning to normalcy from the recent debacle. The Finance Minister's indication about the prospects of an increase in money supply would appear to have also been responsible for some inspired activity. The continued decline in foodgrain prices was recokned as a favourable factor for industries, in that it would go to bring down their expenses on that account.

Steel shares were somewhat irregular, though the undertone was bullish. Tata Ordinaries opened the week under review on a very bright note with a jump from Rs. 208-8 to Rs. 213-8. Despite end-of-account considerations, they finished on Friday last better at Rs. 211. The new account opened cautiously at Rs. 209 and the shares moved narrowly till yesterday between Rs. 209-4 and Rs. 207, but today they rallied to close at Rs. 212-8. Indian Irons hardened from Rs. 32-1 to Rs. 32-11½ on the opening day, but drifted back to Rs. 32-1 on Monday. There was again a sharp rise to Rs. 32-10½ on Tuesday, but this was not sustained yesterday when profit-taking pruned them to Rs. 32-5. Today, however, reports of a capital reconstruction of the Company, despite the denial from some quarters, revived to lift the shares to Rs. 32-14.

A feature of this week's trading on the Exchange was the firmness of textiles, in anticipation of removal of controls on production. Under the lead of Bombay Dyeings and Centurys which were concerned in some hectic activity, the section recorded handsome gains. Bombay Dyeings were well sought after in the belief that the Company would issue bonus shares immediately after the Taxation Enquiry Commission's recommendations are published. Further, fond hopes of abolition of the export duty on coarse cloth, resulting in a fresh fillip to the Company's export trade, encouraged activity in this scrip, lifting the price from Rs. 438-12 to Rs. 468-12. It will be noted that the share has gone up by Rs. 53-12, in the course of the last four weeks, the rise during the week under review alone being Rs. 30. The prospects of considerable improvement in the working result, consequent on the inclusion of the rayon manufacturing project, imparted strength to Centurys, which gained Rs. 8-12 to Rs. 345-4. Kohinoors advanced by Rs. 7-8 to Rs. 320-8. It will be interesting to note that Kohinoors which were ahead of Centurys by Rs. 16 early this year are now lagging behind the latter by about Rs. 25. Central Indias appreciated by Rs. 4-8 to Rs. 181, Finlays by Rs. 5 to Rs. 250, Gokaks by Rs. 8 to Rs. 268, Indore Malwas by Rs. 7-8 to Rs. 116-14 and Khataus by Rs. 5 to Rs. 126-4. Mysore Spinnings hardened by Rs. 3-12 to Rs. 125. New Citys, which had lost Rs. 9-11 in the previous week, revived during the week under review and gained Rs. 3-12 to Rs. 160. New Greats put on Re. 1 to Rs. 171. Podars added Rs. 6-4 to Rs. 145, Simplex Rs. 3-4 to Rs. 159 and Standards Rs. 5 to Rs. 337-8. Svadeshis flared up by Rs. 12 to Rs. 291 on persistent buying. Swans picked up Rs. 8-12 to Rs. 330 and Tatas Rs. 5 to Rs. 54-8.

Interest in bank shares was selective and price variations were fractional. Centrals gained no more than As. 8 to Rs. 55-12 and their new shares As. 12 to Rs. 60. Barodas shed a rupee to Rs. 109. Imperial Fully Paids and Partly Paids dropped Rs. 2-8 to Rs. 1,770 and Rs. 427-8, respectively. Indias were lower by As. 12 at Rs. 146 and United Commercials As. 4 at Rs. 45.

Insurance shares attracted enquiries, but thanks to paucity of offerings, business was restricted. Empire of Indias were in demand and moved up by Rs. 26-4 to Rs. 696-4. Indian Mercantiles added As. 4 to Rs. 42. Industrial Prudentials improved by Re. 1-4 to Rs. 43-4. New Indias were taken up by Re. 1 to Rs. 48-4. Orientals were lower by Rs. 200 at Rs. 7,700. British India Generals had business at Rs. 13-12 and Vulcans at Rs. 14-4.

Electricity shares were steady, with revival of enquiries, particularly in Tata Hydro group. Ahmedabad Electrics were in demand, their old shares rose by As. 10 to Rs. 108-7 and their new shares by As. 4 to Rs. 107. Bombay Suburbans were well held at Rs. 123-2 and Poona Electrics at Rs. 131-4. Surat Electrics dropped As. 10 to Rs. 128-2. Andhra Valleys appreciated by Rs. 25 to Rs. 1,360. Tata Powers improved by Rs. 13-12 to Rs. 1,450 and their new shares by Rs. 3-12 to Rs. 1,118-12. Tata Hydros rose by Rs. 2 to Rs. 147-8.

The miscellaneous section followed the improved pattern of the market and several bright spots were noted. Sugar shares were very strong, Belapurs recording a rise of Rs. 10-8 to Rs. 281, Phaltans Rs. 5-4 to Rs. 111-4 and Walchandnagars Rs. 4-11 to Rs. 196-4. A hardening tendency was noted in cement shares, A.C.C. being done Re. 1 better at Rs. 162 and Digvijays Rs. 3 higher at Rs. 133-8. In the shipping group, Scindias were a feature with a rise of As. 8½ to Rs. 18-11. India Steamships moved up from Rs. 8-15½ to Rs. 9-2. Bharat Lines, however, found sellers at Rs. 93. Automobile shares were dormant, but the undertone was steady. Hindustan Motors were quoted at Rs. 8-15 and Premier Automobiles at Rs. 77, both a fraction lower. In the engineering and mining group, Alcocks had a rise of Rs. 5-10 to Rs. 310-10. Premier Constructions were again in the forefront with an advance of Rs. 7-12 to Rs. 145. Tata Locomotives were in favour at Rs. 121-8, as against Rs. 115 last week, on reports that the shares would be placed on the forward list and that the Company would expand its field of operation to the manufacture of tanks. Larsen and Toubros passed hands unchanged at Rs. 12-8. B.B. Petrols were done As. 3 better at Rs. 4-1½ and Indian Coppers an anna higher at Rs. 3-4½. Shivrajpurs were quiet at Rs. 62-8. In the miscellaneous industrial group, Bombay Burmahs were in keen demand on prospects of better working results following the rise in tea prices; the old shares rallied Rs. 16-14 to Rs. 421-4 and the new shares Rs. 3-2 to Rs. 140-10. B.I.Cs were unchanged at Rs. 8-4 C. P. Railways had buyers Re. 1-8 better at Rs. 108. National Rayons continued to be well favoured and rose by Rs. 7-8 to Rs. 190. Demand for Tata Chemicals once again revived and they spurted by Re. 1-0½ to Rs. 16-12. Tata Oils rose sharply by Rs. 4 to Rs. 45. Wimcos recouped last week's loss and closed at Rs. 200.

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Calcutta Stock Exchange

(From Our Own Correspondent)

CALCUTTA, 23rd *June*

Although the volume of business was not as large as last week, the Calcutta Stock Exchange ruled steadly during the week under review. Periodical profit-taking at bulges checked the rising trend in prices. Support to the market was largely professional in character, and outside buyers were either hesitant to lend their support substantially or yet unable to replace the funds invested in the National Plan Loan. There were rumours that the Plan Loan would be closed shortly on the belief that the Finance Minister's target of Rs. 100 crores might have been realised already. However, there were others who felt that since the loan was meant to meet the needs of both the Centre and the States and that the Centre alone needed Rs. 100 crores, the Finance Minister would utilise fully the opportunity of the present slack season of monetary demand and keep the loan open for some more time. This view is supported by the renewed vigorous drive for subscription to the loan in the States.

Engineering shares were again in the limelight, and rumours of an imminent reduction in the Bank rate resulted in renewed interest in Indian Irons. Support for this counter was mainly speculative, but genuine investors were inclined to the view that paying such a high price as the current quotation was not worth while. It is true that the loss in production as a result of the strike and the lockout in the Burnpur Works has been more than made up by subsequent increased output and that the Company will also benefit from the increased retention prices as from 1st January, 1953. Consequently, increased profits may result, but whether a higher dividend would be distributed or not remains to be seen as the Company requires funds for further expansion and repayment of loans. The return at the rate of dividend of 10 per cent. comes to just over 3 per cent., and all these factors are keeping long-term investors away from the market's leading counter.

Teas claimed good attention from operators, and the possibility of Indian exports of tea to Germany was noted with encouragement.



Sectionwise, there was moderate activity in the engineering section. Indian Irons opened at Rs. 31-14 last Thursday, and fresh buying support raised the rate to Rs. 32-11 by Friday. A decline to Rs. 32-6 was recorded over the calendar week-end, and on reopening on Monday the rate hovered around Rs. 32-3. On Tuesday, an upward movement to Rs. 32-11 was recorded, but today the rate declined to Rs. 32-5. A strong feature was provided by Burn & Cos. which were lifted to Rs. 220 from Rs. 204. Indian Standard Wagons advanced to Rs. 95 from Rs. 91.

Teas were steady, and despite profit-taking the trend tended to register movement in the upward direction. At Rs. 280, Hantaparas gained Rs. 464. Patrekolas gained to Rs. 463 from Birparas to Rs 170 from Rs. 151, and Seajulis to Rs. 33-12 from Rs. 28-4 added Re. 1-10 and Nagaisurrees hardened to Rs. 240 from Rs. 232.

Attention paid to jute shares was evidence of a cautious note, and for this reason, changes were confined to selected counters. Today, however, trading was more cheerful than on previous days. At Rs. 161 Budge Budges added Rs. 8, and Deltas advanced to Rs. 259 from Rs. 254. Speculative Howrahs opened at Rs. 24-8 and after realising Rs. 25-1 sagged to Rs. 24-14 over the week-end. Since Monday, trading took a cheerful turn and the rate recovered to Rs. 25-14.

Moderate turnover at advancing rates was the feature in the miscellaneous section. Martin Burns received good attention and improved to Rs. 23-14 from Rs. 23. At Rs. 18-2 Rohtas Industries put on As. 6, and Calcutta Trams were transacted at Rs. 18-10 as against Rs. 12-14 previously. After the rise last week, Jardine Hendersons receded to Rs. 122, and Shaw Wallaces to Rs. 13-4. F. & C. Oslers came to business at Rs. 17-12.

Among cement shares Assam Bengals were in the forefront and rose to Rs. 6 from Rs. 5-3, Sone Valley being better at Rs. 7-9. Shares of paper mills were subjected to profit-taking and India Pulps lost ground to Rs. 231 from Rs. 245. From Rs. 27-4, Shree Gopals moved down to Rs. 26-7, and at Rs. 41-10 Titaghurs were lower by As. 6.

In the textile section, Kesorams were shown keen attention and at Rs. 27-3 gained Re. 1-10. Cawnpores were steady at Rs. 9-8 earlier but today receded to Rs. 9-4.

Although quiet, the coal section was not devoid of features. At Rs. 9 Bharat Collieries added Re. 1-1, and East Indians were wanted at Rs. 28-3 as against Rs. 28 previously. New Manbhooms were steady at Rs. 11-13 and Raneegunges at Rs. 12-10. New Beerbhooms realised Rs. 19-7 and Burrakurs Rs. 10-12.

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Madras Stock Exchange

(From Our Own Correspondent)

MADRAS, 22nd *June*

The Madras Stock Exchange witnessed brisk trading conditions this week under the leadership of planting shares. There was increasing investment support for favourites among tea, rubber, and miscellaneous scrips. Operators interested in tea shares appeared to have taken for granted that better days had come to prevail for the tea industry. Coffee scrips also came in to share a fair measure of their attention. Sporadic outside enquiries for certain select miscellaneous shares, such as F.A.C.Ts and Mettur Chemicals, helped to improve the trend of prices in this section. But textile and banking scrips ruled generally easy on selling pressure. The volume of business done on the Exchange during the week was, therefore, relatively large and the undertone remained steady.

In the textile section, with the exception of a few selective scrips which came in for frequent support the rest ruled generally dull. Thus, Travancore Rayons put on Rs. 2-8 to Rs. 12-8 *cum-div.* and Venkteswas Rs. 2 to Rs. 89. Cannanores changed hands higher at Rs. 104-8, as against Rs. 103-8. Metturs, however, lost Rs. 4-8 to Rs. 289 and Bangalore Woollens Rs. 2-8 to Rs. 390. Lakshmis, Rs. 50 paid-up, were done at Rs. 125 *cum-div.*, as against As. 8 each to Rs. 115-8 and Rs. 148, respectively. Jamardanas were done at Rs. 68 *ex-div.*, as against Rs. 72-8 *cum-div.*

Teas as usual provided the highlight in plantings. Blue Mountains put on As. 2 to Rs. 3-2 and Coorg Teas As. 4½ to Rs. 7-4. Devasholas gathered As. 12 to Rs. 20-4, and Hailebyburias Re. 1-2 to Rs. 20-12. Nilgiri Teas were done higher at Rs. 15, as against Rs. 14-4, and Peermades at Rs. 37, as against Rs. 35-8.

Among rubbers, Be Bes improved by an anna to Rs. 3-3. Malankaras rallied Rs. 2 to Rs. 42 and Nilamburs As. 3½ to Rs. 9-5½. Shevroys were up by an anna and a half at Re. 1-14. Travancore Rubbers advanced from Rs. 15 to Rs. 15-14 and Vaikundams from Rs. 16-14 to Rs. 17-2. Cochin Malabars, however, lost an anna to Rs. 8-1, while Peninsulars were unchanged at Rs. 14-4.

Coffees too were active. Coffee Lands shot up by As. 12 to Rs. 12-6 and Consolidated Coffees by As. 6 to Rs. 18. Kadur Coffees gained As. 2 to Rs. 1-10 and Mysore Coffees an anna to Re. 1-9. Puthuthottams were fractionally better at Rs. 3-10½.

The miscellaneous section came in for considerable support. Aluminium Industries gathered As. 2 to Rs. 15-12. Andhra Cement 'A' improved by Rs. 2 to Rs. 113 and 'B' by As. 2 to Rs. 11-4. Dalmia Cements, Rs. 2-8 paid-up, advanced by As. 3 to Rs. 2-4 and India Cements by As. 13 to Rs. 16-7. F.A.C.Ts were up by As. 14½ at Rs. 4-15 and Indian Steel Rolling Mills by As. 4 at Rs. 12-12 *cum-div.*

NEWS IN BRIEF

THE Committee appointed by the Government of India to suggest ways for integrating the nationalised airlines is reported to have submitted its report.

The Andhra Government is drawing up a 20-year plan, involving 600 schemes and costing Rs. 400 crores, for the development of the State to be submitted to the Planning Commission.

Nearly 6,700 wagons, about 800 coaches and 73 locomotives were manufactured in India during 1953. In the same year, about 1,330 wagons, nearly 220 coaches and 112 locomotives were imported.

The Government of India has fixed the selling price of imported Burma rice at Rs. 21-8 per Bengal maund (Rs. 82.2/7 lbs.) net weight, inclusive of the cost of gunny bags, ex-Government depots, to licensed foodgrain dealers in Bombay State.

The foundations of the Ganga Bridge at Mokameh near Patna, preliminary work on which has already begun, will be deeper than perhaps those of any other bridge in the world. It will have 600-feet spans—the largest for any railway bridge in India.

The Union Ministry of Natural Resources and Scientific Research has set up an eight-member committee to examine and advise private sectors to promote and establish ferro-manganese industry. The Committee is expected to submit its report by September.

The Reserve Bank of India is reported to have undertaken a survey of the assets and liabilities of all State Governments in India, covering a period of five years from 1948. The enquiry will, among other things, throw light on the capacity of States to float loans for financing development plans.

A Conference of Ministers of Agriculture of different States will be held on 11th July, 1954, at Srinagar. The meeting will consider a scheme for providing an all-India co-operative organisation for marketing of agricultural produce and a proposal to form an all-India Formers' Council.

The Standing Committee of the U.P. State Irrigation Department has approved of a Rs. 62.5-crore development programme under the second Five-year Plan. The programme comprises 24 big and small projects and, when completed, is expected to increase irrigated area by 30 per cent. over the target of the first Five-year Plan.

The all-India final estimate of cotton for 1953-54 puts the current year's production at 17,027,000 acres and 3,935,000 bales (of 392 lbs.), as against the partially revised estimate of 15,693,000 acres and 3,131,000 bales, respectively for 1952-53. The production of cottonseed during 1953-54 is estimated at 1,377,000 tons, as against 1,090,000 tons in 1952-53.

The Government of India has appointed six Central campaign officers to intensify the Japanese method of rice cultivation in the country. These officers will be required to render the maximum possible assistance to the State Governments in the matter of publicity and demonstrations and to ensure that the targets laid down by the Government of India are achieved.

The Standing Committee of the Irrigation Department, Uttar Pradesh Government, has not approved of the proposal to impose a betterment levy for financing development schemes in the second Five-year Plan. It is stated that the Government had decided upon the present enhancement of irrigation rates in place of a betterment levy. Even the enforcement of irrigation rates is being opposed by agriculturists.

The Government of India has assigned Mr. K. L. Khanna, Director, Sugarcane Research and Development, Bihar, to make a detailed study and a critical review of the research and development work done in India with a view to the formulation of recommendations for future pattern of work and preparation of memoirs on specialised branches of sugarcane research. Mr. Khanna is expected to submit his report to the Government of India by February, 1955.

The Government of Bombay and the Employees' State Insurance Corporation have decided to introduce the Employees' State Insurance Scheme in Bombay on 2nd October, 1954. The Scheme will cover 425,000 industrial workers in Greater Bombay, of whom 240,000 will be textile workers. About 300 to 400 panel doctors will be required to look after the health of 425,000 workers. Each doctor will be allotted about 1,500 workers or a maximum of 2,000. It is proposed to build a 200-bed hospital for insured workers at a cost of Rs. 50 lakhs.

The Planning Commission, it is learned, proposes to appoint a Special Officer to make a first-hand study of the working of Prohibition in various States to enable it to have a clear appraisal of the results of the reform. It is believed that the Commission will formulate its recommendations on Prohibition on the basis of the special study. The Special Officer, it is gathered, will make a survey of the progress and working of Prohibition in the States, where it is now in force, and the effects of the reform, and gather material and statistics in consultation with the respective States.

The Committee appointed by the Union Government to investigate the working of inland and water transport services on the Calcutta-Assam and Calcutta-Bihar routes has issued a 23-point questionnaire. The questionnaire seeks information on, among others, (1) whether freight rates charged by the joint steamer companies are excessive and, if so, what should be the reasonable charges, (2) whether there is any discrimination between various shippers in the acceptance of cargo and in booking of certain types of cargo and (3) whether goods services operated by the companies are not regular. The Committee has also invited suggestions regarding conditions of booking, storing and transhipment.

Electricity generated by public utility power stations in India in February this year fell by 38 million kw.h., as compared to January, due to the shorter month. The total quantity of power generated during the month was 542.7 million kw.h., of which 451.4 million kw.h. were sold to ultimate consumers. The data include figures for 642 undertakings, including two new diesel generating stations at Chakia in Bihar and Guledgudd in Bombay. The corresponding figures of output and sale for February 1953, are 493.4 million kw.h. and 417.4 million kw.h. and for February, 1939, 187.7 million kw.h. and 159.5 million kw.h., respectively.

The evaluation team of the Foreign Operations Administration of the United States Government, which has come to India in order to study the progress of the various projects under the Indo-American Technical Assistance Programme, visited the tubewell areas of the Punjab State last week. The team showed great interest in the progress of the tubewell programme in the Punjab and the tremendous effect that this programme is going to have on the living standards of the cultivators and the agricultural production of the country. They felt that the tubewell programme was one of the most important projects undertaken by the Government of India and that there was great scope for its expansion in the future.

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From Abroad

The U.K. Government has made representations to the Government of India against the high level of Indian tariff on British textiles.

The French Government is reported to have approved the signing of the international tin agreement drafted at Geneva last December by the United Nations Tin Conference.

A group of Canadian officials arrived in London early this week to seek further relaxations in British import restrictions, with a view to increasing the lagging Canadian exports.

The Persian Government has signed a three-year contract with a British firm for the purchase of 1,000 British tractors and other agricultural equipment worth £1,600,000. Deliveries are due to start in a few weeks.

The Ministry of Materials, U.K., has announced a cut of £5 per ton in the selling prices of all grades of raw jute. This follows the further fall in Pakistan prices. The new price schedule has come into effect from the 21st inst.

The Massachusetts Institute of Technology has announced plans for construction of a $1,000,000 privately financed, non-secret nuclear reactor, or atomic furnace, for research in peace-time applications of nuclear power.

A power station for Turkey will be built jointly by a group of German firms. It will cost 40 million marks. The 64,000 kw. power station will probably start operating at the beginning of 1956 and supply the north-western part of Anatolia with electric current.

A German shipping service to Australia will be started again next autumn. Five ships of the H.A.P.A.G. and the Norddeutsche Lloyd, approximately 7,000 gross register tons each, will sail to Australia, while sailings to New Zealand will not take place for the time being.

The British Government has turned down a request for removing the import duty on linseed and linseed oil. The duty was imposed as a result of the 1932 Ottawa Agreement, under which Britain undertook to maintain a margin of preference of 10 per cent. *ad valorem* on linseed and 15 per cent. on linseed oil imported from India and other Commonwealth countries.

The U.S. Secretary of Agriculture has ordered a reduction of 12.7 per cent. in the wheat output of 1955 and imposed the stiffest farm controls in U.S. history to curb mounting surpluses. Simultaneously, the House Agriculture Committee has approved a new two-price plan for wheat, which will push up domestic prices, but will bring about a saving of millions of dollars in export subsidies.

The output of cars in Britain is expected to reach in May an annual rate of 1 million units, the target aimed at by the industry in its post-war expansion programme. Many of the principal manufacturers are stated to be experiencing an increasing overseas demand. Foreign orders for one of the popular small cars alone are reported to be equivalent to five months' export production.

The Spanish Ministry of Commerce has decided to liberalise, with immediate effect, the import policy affecting a certain number of articles, for which import licences will be granted rapidly and without ceiling of quantity. Amongst them are shellac, rubber and latex, rubber waste, raw materials for the plastic industry, cow guts, spices, tea and seeds (except potato seed). The granting of import licences would have no other limitations, but those derived from the business and professional standing of the applicants or those arising from the trade agreements entered with other nations, as well as the need for protection of the indigenous industry.

PERSONAL

MR. G. L. Mehta, Indian Ambassador to the U.S., will be arriving in India shortly for a month's stay.

Mrs. Vijayalakshmi Pandit, President of the U.N. General Assembly, left for Geneva on Saturday last on a goodwill mission to the Continent.

Lord Tedder, G.C.B., Director, Standard Motors Products of India Ltd., has accepted the invitation of the Board to be Chairman of the Company.

Toshio Yamanaka, Chief of the Third Section, European and American Affairs Bureau, has been appointed First Secretary at the Japanese Embassy in New Delhi.

Mr. M. A. Sreenivasan, Chairman of the Kolar Gold Mining Companies Ltd., has returned to Bangalore after a six-week tour of the U.K. and Europe.

Mr. Pranlal Devkaran Nanjee has been elected representative of the Indian Merchants' Chamber on the Senate of the Bombay University for a term of five years.

Mr. A Natarajan, Honorary Secretary, Calcutta Branch of the Institution of the Rubber Industry, who left for London on Saturday last, attended the third Rubber Technology Conference held there from the 22nd to 26th inst.

Mr. M. D. Chaturvedi, till recently Inspector-General of Forests, Ministry of Food and Agriculture, has been appointed Secretary-General, Fourth World Forestry Congress, which is scheduled to meet at Dehra Dun from 11th to 22nd December, 1954.

Messrs. S. S. Vasist, P. Sahai and D. Sandilya, Member, Officer on Special Duty and Joint Director, respectively, of the Railway Board, who have been invited by the Soviet Government to visit important railway installations, factories and workshops, left for Rome *en route* to Russia.

Sardar Swaran Singh, Union Minister for Works, Housing and Supply, will lead the Indian delegation to the 18th session of the U.N. Economic and Social Council to be held at Geneva from 29th July, 1954. Messrs. Dharma Vira, Indian Ambassador to Czechoslovakia, S. S. Bajpai, Commercial Counsellor, Indian Ambassy at Rome, S. Sen, Consul-General for India at Geneva; and V. C. Vijaya Raghavan, Deputy Chief Controller of Imports and Exports, will be the alternate delegates. Mr. S. W. Zaman, Vice-Consul of India at Geneva, will be the Secretary and Adviser to the delegation.

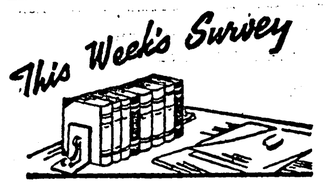
"COMMERCE" 1929

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 29th *June*

The New Loan

At the time of writing, cash subscriptions to the New Loan have approximated Rs. 13 crores; and conversions Rs. 21 crores. The Government of India have set out to secure Rs. 27 crores by cash and as much as possible by conversion. Had either section of the loan been strikingly successful, the financial position of the Government of India would be free from all complications of the past two years. And were both the loans successful, the Government would have been out of the wood altogether. Unfortunately, luck has not been in their way. It is idle to expect a heavy rush of applications in the closing days. In the first place, the extra inducement of double brokerage on the first three days is *non est*, and, in the second, the progress of the loan, day by day, has not been sensational enough to capture the imagination and compel the attention of investors to such an extent as to make them bustle in, lest they be left out in the end. Looking at the terms and conditions of this year's new loan issues, and especially those of the 5 per cent. 1929-47 Loan, one might say that the Government certainly deserved a far more favourable response than has so far been accorded to their proposals. Between Sir George Schuster and Sir Osborne A. Smith they have evolved a type of loan which, while carrying an attractive interest yield, has also been invested with adequate and comprehensive guarantees. That a loan with so alluring a yield and so entrenched as to the stability of future prices should have proved only a partial success, is a profound commentary on the seriousness and gravity of the present financial position of the country. That, in spite of an appreciable increase in the borrowing rate, the Indian Treasury has failed to secure its requirements is a feature fraught with ominous portents for the future of India's finances. India could not borrow in London at anything like favourable terms; and, at home, also, conditions have proved no less unpropitious. But the commitments already entered into must be fulfilled; works, which are in various stages of development, must be completed; and whatever be the policy in regard to new commitments on capital account, funds for the works already on hand must, somehow or other, be found.



TECHNICAL ASSISTANCE

FEW can deny that the U.N. Expanded Programme of Technical Assistance has, since its inception nearly four years back, "caught the imagination of the world by the concept of interchange of skills across frontiers and oceans" and by holding forth better prospects of living for the millions of the underdeveloped world. This is so, despite some loss of momentum last year. This is evident from a perusal of the sixth report of the U.N. Technical Assistance Board released to the Press this week. The report sums up the recent developments, that is, the events in 1953 and in the early months of 1954 and explains the intricate pattern of international aid to underdeveloped countries. It reveals an increasing awareness of the need for expanding the scope of this "miraculous ingredient of international co-operation, whereby nations, by pooling together a portion of their resources and their 'know-how,' are able to help each other without hope of reward or profit or gain." Such an expansion is necessary, because there is a yawning gap between the living standards of the people in the various geographic regions of the world. This gap between the most- and the less-developed countries is one of the most significantly alarming aspects of contemporary society. In fact, much of the political and social tensions of the present-day world has roots in it.

What has, indeed, happened in the past four years since the Programme began is that the less developed nations have re-examined their economic and social problems, have sought counsel in solving them and have invited many thousands of experts from many lands to work with and for them. The technical skill and experience of many countries have been drawn upon to speed up progress at points at which they have lagged; the energies and initiative, the hopes and capacity for self-help of many peoples have in some measure been quickened anew. It is true that, despite increased support and a growing volume of requests for aid, the Programme suffered some loss of momentum in 1953. The volume of technical assistance provided actually fell slightly, as compared with that rendered in the previous year. The total obligations recorded during 1953 amounted to $22.81 million, as compared with $22.96 million in 1952. But this was due to planned curtailment of activity in the interests of prudent financial administration. At the end of the year, the Programme emerged thinner, yet better equipped with improved procedures to handle a considerable expansion of work in future years.

It is common knowledge that the planned curtailment of activity led to certain unavoidable disappointments, as it resulted in abandoning and postponing some of the important activities, but the Programme has gained in many ways. The loss of momentum has been compensated by qualitative refinement of the Programme which came as a result of co-operative efforts on the part of Governments and agencies. Administrative arrangements have also been improved and steps have been taken to reduce overhead expenses.

Although the total cost of technical assistance services, which were provided in 1953, was somewhat lower than in the previous year, the geographical scope of the programme remained extremely wide. Actually, the number of countries and territories receiving experts increased from 62 to 65, though fellowships were awarded to nationals of only 82 countries and territories, as compared with 92 in 1952. The total number of countries that received assistance in some form or other fell from 97 to 86.

The following table shows the number of experts sent out and the fellowships awarded in 1953 under the Expanded Programme, as compared with those in 1952:

—	1952		1953	
	Number	Countries or territories served	Number	Countries or territories served
Experts provided ..	1,026	62	1,757	65
Fellowships awarded ..	2,127	92	1,195	82

The relative cost of the three main forms of assistance—experts, fellows, and equipment—in 1952 and 1953 is as follows:

(Thousands of dollars)

—	1952		1953	
	Amount	Per cent.	Amount	Per cent.
Experts ..	11,136	59	13,585	76
Fellowships ..	5,021	27	2,532	14
Equipment ..	2,644	14	1,701	10
Total ..	18,801	100	17,818	100

A glaring anomaly of the Expanded Programme is that it is not related directly to any source of capital supply. This means that many new opportunities, opened up by the Programme, must depend for their full exploitation on the availability of finance from Governments, private groups or international lending agencies which should be linked, when necessary, with the work of the Programme by the Government co-ordinating authorities concerned. This applies essentially to new developmental ventures, but such activities form only a part and not a major part of any technical assistance programme. The Expanded Programme has a vast field to exploit in improving the use of existing services and facilities and in helping to make the best use of the capital available from other sources.

The financial and operational difficulties in 1953, though painful, has afforded valuable lessons for the future. The Expanded Programme is entirely based on voluntary contributions, and its administrative procedures must be so devised as to take this into account with the least disturbance to Programme possibilities. The Technical Assistance Board hopes that the plans made for financial (including currency) management in 1954 will go some way in providing a solution to this problem.

To sum up, despite some shortcomings, the Expanded Programme has so far worked fairly satisfactorily. Yet much remains to be done to improve the operation of the programme, to appraise the value of particular projects and of country programmes as a whole and to make more effective use of the limited resources. The expressed needs of less developed countries for international technical assistance far outrun the existing resources of the Programme but not its possibilities. These needs cannot be fulfilled unless more resources are placed at the disposal of the Board.

PERSIAN OIL

With the resumption of negotiations between the three-man delegation, representing the consortium of the Anglo-Iranian Oil Company, the Royal Shell (Dutch), *Companie Francaise Des Petroles* and five principal American oil companies, and the Government of Persia, the attempts to settle the Persian oil dispute seem to have entered the final stage. The realistic attitude displayed by the statesmen who are at the helm of affairs in Persia towards this question has held forth prospects of a satisfactory settlement. There has been a general feeling that Dr. Mussadiq and his collaborators, having no idea whatever of production and marketing of oil, had confused the whole issue by whipping up mass hysteria and dragged the country to the precipice of economic chaos. It is clearly realised, in responsible circles at least that, without the oil revenue, Persia will have to go hat in hand and rely on political alms.

How true these feelings are is evident by the fact that, since nationalisation of the oil industry in March 1951, there has been a cessation of oil exports (which amounted to more than 30 million tons in 1950) and a halt in crude oil production (which accounted for 32.3 million tons in 1950) and, naturally, petroleum refining (which was 24.7 million tons in 1950). The activities of the Anglo-Iranian Oil Company, which contributed an estimated 10 per cent. of national income of Iran in 1950, ceased completely. Direct payments by the Company to the Government (which amounted to about $44.9 million in 1950) and substantial local expenditure by the Company in the form of foreign exchange for the payment of wages and the purchase of local materials (which was of the order of $70 million in 1949-50 and $56 million in 1950-51), as well as imports of substantial capital and consumer goods by the Company (which accounted for $59 million in 1949-50 and $29 million in 1950-51) were discontinued. As a result, Government revenues, work on development projects under the seven-year plan and imports, all sustained severe losses and the whole country suffered. It is obvious that persistence of this state of affairs will be catastrophic to the economic health of Persia and may ultimately open the flood-gates of Communism initially into Persia and subsequently into the whole of the Middle East.

Viewed thus, the need for reviving Persia's oil industry is as much political as it is economic. But the problems involved are very delicate. The oil companies cannot be expected to make arrangements for the production and flow of oil into world markets which would prejudice either the national sentiments of Persians or their own position elsewhere. It is necessary to reconcile Persian national aspirations with a reasonable control over profits which the companies will require before they venture their capital for reviving the production and marketing of oil. It is estimated that about $60 million will be needed to put the Abadan oil refinery back into working condition. The determination of the quantum of compensation to the Anglo-Iranian Oil Company is one of the most baffling issues, as it is now recognised on both sides that Persia's nationalisation law cannot be undone without peril to the economy of Persia, in particular, and the world, in general.

That the major democracies of the world have no vendetta against Persia's nationalisation law and that they are prepared to accommodate national sentiments and economic aspirations is evident from the composition of the consortium and the other arrangements said to have been entered into between them, with a view to facilitating the smooth flow of Persian oil to world markets. It is reported that the Anglo-Iranian Company is to be allotted only a 40 per cent. holding in the shares of the new company, presumably because the Zahedi Government will find it difficult to negotiate with a group in which the British held a major interest. Nationalisation of oil is generally welcome, because it is supposed to restore to the country the wealth it is alleged to have been unjustly deprived of. But this should not be done in such a way as to make it extremely difficult and costly to work this national asset on which the whole economy of Persia rests. The Persian Government will do well to realise that, so long as its country is lacking in financial resources and "know-how" for exploiting its vast oil resources, it is to its advantage to take the help of other advanced countries which have these and which believe in democracy.

DUNLOP RUBBER

The activities of the Dunlop Rubber Company Ltd., an extensive survey of which was made by Lord Baillieu, the Chairman, in his statement to the Company's shareholders at their annual general meeting held in London last week, offer a unique example of how an enterprising industry can find a market for its products in the various countries of the world even in the face of keen competition. The secret of this success lies in the intensive research and development work which it is continually undertaking in relation to the application of new methods of manufacture and the development of new products. Particular attention is being paid by the Company to review its production methods and equipment so as to ensure that use is made of the most modern practice and technique.

One of the new developments introduced by the Company during the past year was the Dunlop tubeless tyre which is stated to have been favourably received. Another recent development is the coach speed tyre which has been designed to meet the exacting conditions imposed by high-speed long-distance coach travel which is so much in fashion today, especially on the Continent. Plants have been installed for a new method of manufacturing the rims of cycle tyres to improve efficiency and to give a better finished product. The application of the aviation products has been extended to new fields also. The experience gained by the Company in the design of aircraft wheel brakes has enabled it to design a road vehicle brake and fit it experimentally to cars, commercial and military vehicles.

Notwithstanding strong competition from a number of countries, a very wide range of articles has been developed and produced by the general rubber goods division of the Company. These goods have been incorporated in the end-products of other industries which are exported. An example of this kind of product is interior rubber matting for cars. Considerable progress has been made in the development and production of fire-resistant conveyor belting for coal mines. The special belting construction known as "Extron" has the great advantage of being thinner and more flexible, yet equivalent in strength to the more rigid types. For the first time, early in 1954, a range of products including bins, industrial trays and containers, under the name of "Fortiflex," has been placed on the market.

Rubber lining is another field in which the Company has achieved outstanding success. Two instances which deserve special mention are: (1) the successful lining with rubber of a chemical plant on a scale not previously attempted in the U.K. and (2) complete lining of a reservoir (of an area equal to two football fields) which had developed serious leakages.

It is gratifying to note from Lord Baillieu's statement that the Company's business has increased in the very competitive field of the kind of consumer goods which it produces. In rubber footwear, however, the severe competition at home and from such low-cost producers as Japan seems to be seriously affecting any expansion in the field of recognised footwear products. Accordingly, the Company has directed the development to the more specialised field of industrial boots, informal footwear and sports shoes. It has found that there is a large potential market for this type of product and considerable scope for imagination and enterprise. Lord Baillieu disclosed that the Company was fully alive to the rapidly increasing applications of rubber in its natural and synthetic forms to the footwear industry as a whole. This example of finding alternative uses for the raw material and marketing new products when keen competition is felt, instead of fighting for a closed market, is highly commendable and typical of progressive industrial growth.

DEVELOPMENT LEVY IN U.P.

Reports from Naini Tal disclose that the Government of India has threatened to cut off all further aid to Uttar Pradesh for implementing the irrigation projects, if the State Government failed to reconsider its decision to refrain from imposing development levy. It will be recalled that, following the recommendation of the Planning Commission, the Government of Uttar Pradesh had agreed to introduce this levy just like other States. Subsequently, it dropped the levy in preference to an increase in irrigation rates on the ground that the levy was being opposed by farmers. Accordingly, it increased, in two instalments, the irrigation rates by about 225 per cent. of the basic rate in 1948. The Government of U.P., it is stated, argues that, with the increase in irrigation rates, there is no room left for development levy. The Centre, however, is reported to hold the view that, despite the two increases, the irrigation rates in U.P. are still lower than in Bombay which has already legislated for the imposition of betterment levy. Other States which have legislated in this regard are the Punjab(I), Mysore, P.E.P.S.U. and Hyderabad.

Development levy, better known as betterment levy, represents the Government's share in the increase in the value of land occasioned by the provision of irrigation facilities. This is levied only once when irrigation facilities are provided for the first time and the value of land increases appreciably on this account. It may be recovered either in a lump sum or in instalments spread over a number of years or in the form of a part of the land. The justice of the levy is accepted in almost all Western countries on the principle that "the person benefited from public expenditure should contribute to that expenditure to the extent of increased value of the property, and this not only if the improvement effected by public authority was carried out for the purpose of conferring a benefit on such property but also if the resulting benefit was purely accidental, the expenditure having been taken for a different purpose." The application of the principle of betterment levy in the U.K. was first limited to particular improvements carried out at public expense, but was later extended to cases where the value or property increased by the operation of provisions contained in any scheme (of town planning) whether that involved public expenditure or not. It is now generally understood to include enhancement in value of property arising from general community of influences, such as growth of urban population. The Uthwatt Committee, U.K., has defined the term "betterment" so as to mean any increase in the value of land (including buildings thereon) arising from central or Local Government action whether positive (for example, by the execution of public works) or negative (for example, by the imposition of restrictions on other lands).

In India, the betterment levy is confined only to betterment arising from particular works of improvement. This, it will be conceded, is a modest aim. The U.P. Government will, therefore, do well to revise its decision and keep step with the other States by introducing the betterment levy. No civilised State sacrifices sound economic principles and succumbs to political pressure.

OFF THE RECORD

(By "ROVER")

I do know how the authorities would react, if I were to walk into a store, pick up a few things which I needed, tell the proprietor or the manager-in-charge what, in my opinion, would be the fair basis for calculating the price for my so-called purchases, inform him that he would be paid this price, arbitrarily and unilaterally fixed by me, at some indefinite date when I found it convenient to do so and walk away with my loot, with not so much as a "good morning" to the man behind the counter. Before long I would find myself either in a police lock-up, or maybe, if I were more lucky, behind the high walls of a mental hospital. It would be of little avail, even if I were able to establish beyond any reasonable doubt that I had not helped myself to these things for any selfish purpose and that I had meant to use them for the benefit of some starving, shivering and sick inmates of an orphanage. I would be rightly condemned as a free-booter, if I were not so fortunate as to be certified as a lunatic by a competent medical authority.

Far be it from me, as a loyal, law-abiding and humble citizen to think of our popular Governments in terms which I have applied to my own hypothetical case. But I must say that, if I were not to strain unduly my intellectual integrity and the little gift of logical thinking with which I have been endowed by a kind Providence, I must confess that, much as I have tried to escape the unwelcome conviction by repeated feats of mental gymnastics, I fail to see, on a purely mental plane, any radical difference between my imaginary misdeed and the way in which the Government of India has dealt with the unfortunate air transport companies and the still more unfortunate shareholders of these nationalised concerns.

Had it been a case of nationalisation of all private industrial and commercial concerns, these poor devils would at least have the solace that all those who were, like themselves, misguided enough, to invest their savings in public companies were meted out the same rough sort of social justice, and that, relatively to their neighbours, they were in the same position of affluence or penury. I have called it a rough type of social justice, because even such a step would have left out a large number of people, who, instead of putting their money in shares and stock, stuck to the good, old, orthodox method of buying bullion or jewellery for their womenfolk or went in for other alternative forms of investments. But to have been singled out in this manner for a highhanded act of partial expropriation, must have been extremely galling to these bold and adventurous souls.

They must have been bold, imaginative and adventurous, because, unlike many plebeians like us, who are content to invest our money in well-established concerns having to do with steels or cement, jutes or cotton textiles, banking or insurance, they deliberately chose to support, in spite of all their inherent risks, new industries necessary for a well ordered economy for the country, I cannot imagine a more illogical Government than ours, which, while unhesitatingly and unremorsefully indulging in such treatment of investors, cries out for more and still more investment in the private sector. Similarly, I cannot also think of more trustful and patriotic citizens than those of our country, who, with this act of indiscriminate and invidious expropriation still green in their memory, continue, with zeal and alacrity, to pour out their hard-earned savings to establish new concerns. This makes me doubt sometimes the wisdom of the old adage that a people get the Government they deserve or that of the new one, that a Government gets the citizens it deserves.

I am moved to refer to this sorry state of affairs, because of the reminder I received the other day of the dire plight of the shareholders of these air transport companies, who, after nearly a year of unremorseful deprivation of their property, are no nearer getting even a part of their legitimate dues. To begin with, they were allowed only about one-fifth of the world price for Dakotas, Vikings and Skymasters and about half of that for Constellations. For some reason, which the Government did not care to publish, the well-established principle of paying the market value for assets compulsorily acquired, invariably adopted by Government in their deals with regard to the acquisition of private property or disposal of their own, was not only laid aside, but even the reduced amount was decided to be paid not in cash but in 3½ per cent., negotiable bonds, redeemable at par after five years.

And as it has actually turned out, it looks as if it will be a long time before the shareholders receive these bonds or the interest on it. There is precious little delay in fixing the salaries and other emoluments of office of the Ministers. In fact, in several States, one of the earliest acts of the newly sworn-in Ministries was to decide what salaries and allowances they were to draw. I have little doubt that, if the Act authorising nationalisation of airlines had contained a clause that the Ministers and officials responsible for computing and settling the amount of compensation were to draw their salaries only after they had finished this job and paid the companies, the shareholders would have received their bonds months ago.

The proceedings of the meeting of the shareholders of the air companies held in Bombay last week, under the auspices of the Bombay Shareholders' Association, to record their protest against this prolonged and uncalled for delay in the payment of compensation and the resolutions passed at this meeting make pathetic reading. They go to expose, as few things can, not only the utter inefficiency of the Central Secretariat, but its callous indifference to the fate of small investors. Mr. K. R. P. Shroff, Vice-President of the Association, is reputed to be a forceful speaker and a master of invectives when his susceptible heart is moved by any show of injustice or undeserved harshness. He was, however, singularly restrained in his denunciation of the authorities for this indefensible delay, in making even a part payment against these assets, for the valuation of which clear principles were laid down in the Air Corporations Act, 1953. Perhaps, this public protest from people who are virtually in the position of creditors of the Government of India would expedite the final settlement of this unfortunate issue.

The significance of this sorry episode, however, lies not so much in itself, as in the basis of the future relations of the Governments as manufacturing and trading bodies *vis-a-vis* private enterprise and the public. Having accepted mixed economy as the ruling pattern for the future, at least for some years, it has become necessary to define this relationship more precisely. We must recognise that the position of the Central and the State Governments as manufacturers and traders, along with the private sector also operating in this sphere, is not the same, at least in theory, as authorities exercising control over the affairs of the country in the old orthodox sense. I hold that this distinction has not been well appreciated both by the Governments and the public. But it is necessary in the interest of smooth economic working that the two spheres of Government activities should be properly demarcated. The very fact that for some of its enterprises Governments have borrowed the form of public companies or that they have created statutory corporations is a tacit admission of the necessity for the distinction to which I have drawn attention above.

Once this distinction is accepted, it must also be conceded that, to the extent that the Governments are trading or manufacturing bodies, they must accept both the legal limitations and the prevailing practices in the world of business, implied in such a position. Any use of the general authority and powers possessed by Governments in such dealings would not only lead to an anomalous position, but, in the long run, it would go to shatter all the wholesome traditions regarding dealings between business units and the code of honour which goes with it. What I mean is that, apart from compulsory acquisition of property under legal process, the Governments, to the extent that they are buyers or sellers, should behave and deal with others in a manner in which buyers and dealers are usually expected to behave in a well-ordered economic society.

Despite occasional instances of violations, we must accept the fact that there is something like business ethics. Business men, as producers, buyers and sellers, are expected to observe the tenets of this code of morality sanctioned by tradition and in some cases by the law itself. A buyer is expected to pay the price agreed upon for any goods purchased by him on the due date. Failure to honour his commitments in this respect would involve a serious reflection on the credit of the firm concerned, even if it were one of the biggest or the wealthiest. It is not open, in ordinary business transactions, for the purchaser to extend unilaterally, without any negotiations or without obtaining the consent of the creditor, the period at which payment should ordinarily be made. In the present instance of the acquisition of the airlines, because the purchaser is a Government possessed of vast authority, it does not make the failure on its part to make payment when due, less reprehensible than it would have been, had the purchaser been a private corporation or an individual.

What I want to drive at is the fact that possession of authority cannot make an act moral, which is not so otherwise according to the prevailing standards, though it might make it legal by the passing of an Act or the issuing of an ordinance. To put it very crudely, giving of short weight to a customer would be just as disgraceful for an official agency as for a private dealer. Just as the authority wielded by the Government would not shield it from moral opprobrium for such an unethical practice, it must also be recognised that authority should not sway moral judgment in more subtle, but no less immoral, acts such as evasion of liability for payment when due or of asking dealers or producers to supply Government requirements at a lower than the fair price, leaving it to them to make up the loss incurred in such official deals, by charging higher prices to ordinary customers from the public as is being done by some authorities. If an act is morally wrong in essence, mere possession of authority by the party perpetrating it or that it is performed for some real or imaginary public purpose, cannot render it moral.

What I am condemning here as indefensible under the prevailing code of commercial morality is not the act of acquisition itself, but the delay in payment after taking possession of the property involved. The act of acquisition is a matter for political science to decide. Even the mode of payment may be considered as a matter, subject to rights of Governments under the Constitution; but no fair-minded man can concede that the act of payment itself, once having been agreed to, can be judged in any other way except under principles of business ethics.—*All Rights Reserved.*

DOWNWARD TREND IN PRICES OF COMMODITIES

POSITION FAVOURABLE FOR DEFICIT FINANCING

(From A Special Correspondent)

NEW DELHI, 22*nd June*

MR. Chintaman Deshmukh, India's Finance Minister, who has been away from the Capital during the last six weeks, will be returning to it within the next few days. During this period, he has visited almost all the Southern States, namely, Travancore-Cochin, Madras, Andhra, Mysore and his home State of Bombay.

DELHI LETTER

During this tour, he must have gathered valuable data regarding the progress of the Plan and his contacts with the various cross sections of society must have helped him to assess the economic needs of the people of these States. As the main architect, mentor and implementator of the Five-year Plan, it is a good sign that the Finance Minister should get firsthand information not only on the progress of the Plan in these States but also as to what should be done during the second Five-year Plan in order to remove some misunderstanding held by many in the South that the first Plan did not take full account of the needs of these States. This sort of feeling was responsible, to some extent, for the defeat of the ruling party in the State of Travancore-Cochin in recent elections a few months ago. The Planning authorities in New Delhi must, therefore, view the whole problem not only from the productivity point of view of the plans but also from the need for dispersing the benefits of economic development over as wide an area as possible, especially to areas where the unemployment problem continues to remain acute.

Despite a few undesirable features, Mr. Deshmukh has reason to feel highly gratified at the way the Indian economy has been progressing during the last few months. The main anxiety of Mr. Deshmukh during the last two or three years has been to prevent any sharp upward trend in prices. In other words, his main motives have not only been the safeguarding of the balance of payments position but also to bring about a certain amount of stability in the general economy without which it is extremely difficult to implement successfully the plans for expansion. Mr. Deshmukh has been able to achieve this purpose far beyond his expectations.

Generally speaking, in the past, the second and third quarters of the year used to witness a moderate rise in the prices of commodities. The completion of the crop movement and the adverse effects of the monsoon on the regular internal transport in the country were responsible for this state of affairs. A year ago, commodity prices began to move gradually, and at times rather sharply, commencing from January and continuing right upto the middle of September. In early January, 1953, the index number of wholesale prices stood at 372 (August, 1939=100), from which level it showed a persistent rise, touching the peak level (since April, 1951) of 410.4 in August last. This rise in prices was in distinct contrast to the general world trend at that time, largely attributable to the temporary increases in the prices of foodgrains, pulses and other food articles such as tea, sugar, *gur*, oilseeds and oils. At the same time, there was also a moderate rise in the prices of some export commodities such as jute manufactures, raw hides and skins, shellac, etc. During the second quarter of 1953, the country was experiencing considerable adverse balance of trade, too, the figure being as high as Rs. 44.11 crores. In the third quarter of that year, the adverse balance declined to Rs. 17.87 crores, but the position was still adverse. At that time, the Government of India took belated measures to prevent the upward trend in prices. For instance, in order to arrest the flight in the prices of oilseeds and oils, it put a ban on the export of groundnut and oil. It announced a reduction in the import duty on copra, which was later followed by the free licensing of imports of palm kernel and palm oil. To prevent an increase in the prices of sugar, it tried to release more quantities from its stocks, besides announcing that it would import more sugar from foreign countries in case of necessity. Import prices of wheat were brought down slightly in some of the rationed areas. All these had some salutary effect and from the middle of September, prices began to come down moderately following brighter prospects of the *kharif* crop due to a very good monsoon all over the country.

During the current year, the movement of prices has been highly satisfactory, being in refreshing contrast to the trend described above. While presenting the Budget for 1954-55 in February last, the Finance Minister was rather anxious that his plan for deficit financing should not generate any fresh inflation in the country. This apprehension of his has now been more than belied. Commodity prices have now begun to slacken appreciably, especially at a time when they generally used to present a firm tendency. The wholesale prices index in January this year stood at 398.5 and by March, it came down to 394.0. In April, there was a temporary spurt, the index improving to 402.6. In May, the index number again receded to 396.1 which is slightly below the pre-Korean war level of 397.1. During the first week of June, it was marked down to a further low level of 385.2.

The falling trend in prices is the result of a number of favourable factors, the prominent among them being the gratifying improvement in the output of foodgrains, particularly rice, during this year. This apart, the Government's cautious export policy has contributed not a little to stabilise the price trend during these months. The Government, for instance, has refrained from allowing additional export quotas in respect of short-staple cotton, despite pressure from cotton export trade interests and the upward revision of the cotton crop for the 1953-54 season which is now estimated at about 43.7 lakh bales. Similarly, in respect of oilseeds, the Government has so far firmly refused to allow quotas for groundnut oil. As a result of this, prices of groundnut have now been ruling lower than in January last when the crop was moving to the market. Again, in the case of coffee, it has been pursuing a conservative policy in allowing exports, notwithstanding the fact that the outturn of the coffee crop in the 1953-54 season is estimated at very near about 30,000 tons—the highest in the history of the industry—and that the total stock position of this commodity is more than satisfactory. Prices of pepper and other export commodities from the West Coast have been sluggish, in view of the reduced international demand for these products.

It may be noted that the intensity of the decline in prices of certain commodities has not been fully reflected in the index number during recent months. For instance, in the case of rice, the pre-Korean war index had been standing at 501 which in mid-August last year went up to 546. At the end of April this year, it receded to 486. It may be mentioned that these indices had not apparently taken into the free market prices in these days. Recently, the Food Minister of West Bengal gave the trend of rice prices in his State, which may be considered to present the real state of affairs in this respect. The average price of rice in West Bengal for the week ended 9th June, 1954, stood, according to him, at Rs. 16-5 per maund, the corresponding rates in the previous two years being Rs. 23 and Rs. 30-9, respectively. In Madras also, the price of rice has been ruling at about the Government controlled rates, while, this time last year, it was nearly double that of controlled price. It is because of this satisfactory position that the Government of India has been contemplating exports of about two lakh tons of fine rice to overseas countries.

In the food group, while the cereals index has declined from 467 to 385 in the first week of June, the recession in pulses has been greater from 506 to 305, being a fall of about 40 per cent. over last year. The decline in the industrial raw material group is computed at about 6 per cent., from 483.3 to 452.7, while, in the semi-manufactures group, the fall is negligible, from 364.4 to 356.9. Curiously enough, the manufactures group index has improved from 371.1 to 378.4. The miscellaneous group index, however, has receded to 645.5 from 658 a year ago.

A general conclusion that one could venture to draw from the present movement of commodity prices is that there is not likely to be a resumption of any upward movement in the coming months. But much will depend upon the progress of the monsoon during the next three months. Even a normal monsoon might maintain the *status quo* due to the comfortable stock position that has been built during the current year, while a favourable monsoon might aggravate the tendency of a receding price trend. It can be safely stated that the policy of deficit financing now being pursued by Government may not create inflationary conditions. On the other hand, a moderate dose of deficit financing and pump priming methods have become necessary in order to arrest the downward trend in the main commodities and to inject more purchasing power in the rural sector of the country. In these circumstances, Mr. Chintaman Deshmukh can confidently go ahead with his policy of deficit financing to the full extent provided for in his Budget, without fear of any precipitous rise in prices and cost of living.

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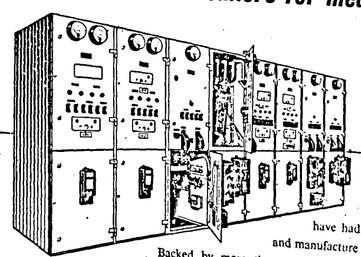

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AMERICAN LETTER

IMPROVEMENT IN BUSINESS NOT UPTO EXPECTATIONS

EASY MONEY POLICY LIKELY TO REMAIN

(From Our Own Correspondent)

NEW YORK, 16*th June*

THE spring upturn in business has taken place, but not to the extent that was expected. There is no informed guess here when a real upturn in business volume will start, except there could hardly be any complaint about an employment level of more than 61 million. Outdoor activities account for most of the increased activity, such as farming, but there is also greater demand for automobiles and air-conditioning units as the warmer weather of the Northern continent makes itself felt.

Politically, the scene has been dominated more or less by the McCarthy-Army hearings which received international billing. Quite candidly, President Eisenhower is being blamed for finding no way of stopping this Congressional probing which, really, served no other purpose but to get Senator McCarthy in the news every day. Most competent observers agree that nothing has been uncovered or discovered which was not known before and the procedure as a whole has hurt rather than enhanced United States prestige. Nevertheless, Senator McCarthy remains the most controversial character in American Government. He challenged the authority of the President of the United States and he has probably made more enemies than friends. Yet, he is still a powerful figure in American politics who has to be reckoned with. His strength lies among the masses of relatively uninformed people in the "hinterland."

Another political event of magnitude will be the forthcoming visit of Sir Winston Churchill, Prime Minister of the United Kingdom. The best that is hoped for at this point is another statement of principles, like the Atlantic Charter of 1941. Hopes for a *rapprochement* between the East and the West are fading, particularly since the dismal failure of the Geneva Conference on the Far East.

A real upturn in business is not expected here until late in the fall. Automobiles are anticipated to be produced at the rate of five million rather than six million last year. The building of autos remains one of the cornerstones of the U.S. economy. Building and construction is satisfactory—better, in fact, than expected and supported by a Federal aid-to-highways programme of about $2,000 million.

There is a general inclination here among the powers of the Federal Reserve system for easy money. Treasury Bill rates are down to ⅛ to ¼ per cent. and much financing is done on this basis. The monetary and fiscal managers admit that monetary policy can accomplish more during periods of inflation than when the curve is downward. Nevertheless, the policy of easy money remains and it is likely to remain in the United States, unless there is a general reversal to an out and out inflationary policy. Such a development could come about only in the case of war. Air-raid drills are being held all over the country and they make the populace familiar with the routine of a bombing emergency. The trading floor of the New York Stock Exchange was emptied the other day in four minutes of some 2,000 individuals, both brokers and their assistants. The other exchanges, dealing in securities and commodities, had an equally good record. That such air-raid drills are being held, is an indication of the seriousness in which the rift in East-West relations is being held in official quarters. Yet, no provisions are being made for Government insurance, such as prevailed in England and Germany during the last war. The existence of a near-emergency is admitted, but not quite acknowledged.

In the meantime, monetary and economic policy in the U.S. follow rather than anticipate national policy. The progress of the Communists in Asia is being viewed with great alarm here. However, the domestic potential of all the markets has been so strong over such a long period of time that the alarm is likely to remain superficial until the first bombs drop on to the great population centres. If nothing untoward happens, a continuation of easy money and of a compromise in foreign policy can be looked for. There is an ample supply of accumulated funds from all quarters to take care of the normal requirements of the U.S. economy.

Savings are still rolling in at an impressive rate, not quite as heavily as last year, but about at the same rate. The same applies to retail sales. For the year as a whole so far, the volume has been just about equal that of 1953.

Commodity prices are a problem. Hog prices, high now, are expected to crack. Cattle prices also seem far from stable. Huge new crops of grain are growing and they will create storage problems. Much grain will have to be dumped on the ground without shelter from above.

Investment spending through the third quarter of the year is now scheduled at an annual rate of $27,100 million compared with $27,200 million estimated earlier. Last year's investment in plant and equipment came to $28,400 million. Manufacturing firms plan to invest about 7 per cent. less than last year. Automobile companies are up and steel and metal firms are down because rearmament spending is off. Declines are also indicated in machinery, textiles, chemical and rubber companies. Mining concerns are investing about the same amount as last year. Public utilities also plan to match the 1953 figures, but railroads are cutting investments.

The mainstay in the economy are two factors—business spending for plant and equipment as well as building and construction. There is no prospect, either, that previous estimates will be revised downward owing to the steady upward trend in population. Another inflationary factor is the increase in technology which makes it necessary to replace industrial equipment at a hefetofore unheard of rate. This is true in virtually every sector of the U.S. economy.

Small recessions in the stock markets, in the commodity markets and otherwise, thus, may be regarded as just "technical" in nature within the general scheme of an upturn which can be stopped only by the deadly destruction of "Atomic War I" which, indeed, may produce greater activity for replacement and reconstruction than had been known before.—*All Rights Reserved.*

BUSINESS CONCERNS IN U.S.

The number of business concerns in the United States has increased by about one million since 1945, the U.S. Department of Commerce reports. This means an increase of nearly one-third in the total of non-farm business establishments. During the same period, private employment rose by more than five million. The Department noted that both the number of firms and the number of job-holders increased in all size groups, except the very largest —those employing 10,000 persons or more. There are about 240 firms in this category. About 55 per cent. of the overall increase in employment, was in firms with less than 20 employees. This group accounts for about 95 per cent. of all American business concerns and about one-fourth of all paid employment.

EMPLOYMENT INCREASES BY HALF MILLION

Employment in the United States between mid-April and mid-May rose 521,000 while unemployment decreased by 160,000, according to the Departments of Commerce and Labour. Employment totalled 60,600,000 in April and 61,100,000 in May. The higher employment and lower unemployment figures for May reflected the greater activity in farming and other outdoor work normally expeted in late spring.

U.S. FOREIGN TRADE REGISTERS GAINS IN APRIL

The foreign trade of the United States registered impressive gains during April, according to a preliminary report of the U.S. Department of Commerce. U.S. exports in April are estimated at $1,404 million, about 25 per cent. above the March total and about 7 per cent. above the 1953 monthly average. Included in the April export total are about $10 million of March exports for which information was received too late for inclusion in the March statistics because of cargo diversions resulting from the New York shipping strike, which ended in early April. The estimated import total for April is $948 million, about 11 per cent. above the March total and about 5 per cent. above the 1953 monthly average.

(Concluded from next column)

to union between North and South, but the true barrier is economic. An Ireland re-united within the United Kingdom would be economically possible, but the United Kingdom would today resist as gracefully as possible re-union with a country which could only be a liability.

The second instalment of this article will try to answer the question: "What makes the Irish economy tick?"—*All Rights Reserved.*

NOTES ON IRELAND—I

WHERE TIME WAS MADE FOR SLAVES

(From Our Own Correspondent)

IRELAND, 17*th June*

LONDON LETTER

THE Londoner's first impression of Ireland, if he enters the country at one of the south-eastern ports, is very much the same as if he had fetched up in Brittany—it is pure Gaelic: the same simple white houses, generous and disorderly village streets, shops that sell a jumble of everything, an air that nothing has to be done efficiently and in a hurry and yet that life and getting a living are one and the same thing. Cities such as Dublin and Cork are much more sophisticated, of course, but in the little country towns—and apart from the few cities the towns are only large villages—one can do one's shopping after supper in the evening, for the shopkeepers know no rush hours, only an even tempo of business from mid-morning till dark falls.

And as one progresses through the country, noting the ruins of many cottages, the thistles and bracken choking fields that could carry far more stock on them than one can see grazing, the great tracks of boggy land and the limestone mountains whose lower slopes carry but an inch or two of soil, the beggars in the city streets, and the tattered peasants on the farms, one asks oneself again and again: "What makes the country tick?"

There appears to be simply no basis for a sound economy. There is hardly any coal in the country, though inexhaustible supplies of peat which is a degree less valuable as fuel than brown coal, few railways, the great river system of the Shannon flows uselessly away to the Atlantic, the fine bays and estuaries of the south-west, though they make wonderful holiday scenery, have nothing of the economic value they would have if they faced the Irish Sea and the British and continental markets for Ireland's agricultural produce. It is a country with all nature's handicaps and a wild, almost sub-tropical, climate in the south-west, and plentiful rain, as her only blessings.

The country immediately invites a comparison with Switzerland, whose only advantage is her central European position and which has yet become one of the busiest and most prosperous European communities. What is the reason for the difference? Much of it is to be found in the history of Ireland which remained feudal in its economic structure till comparatively recently. It was a country whose inhabitants lived either in castles or in hovels. After the great potato famine of a century ago, the population of Ireland—at that time about a third that of England —halved: two millions of the Irish gradually emigrated to the United States and nearly as many to Canada. The most vigorous element left the country and left behind a population of old folks and of children. And today a high proportion of the children as they grow up look to England or abroad for their livelihood—there is nothing in Ireland which calls to them.

Then, of course, there is Partition. The Irish Government regards the country as divided into 26 counties (Eire) and six counties (Northern Ireland). It only refers to the six counties as such—never to them as part of the United Kingdom. Ulster—the six counties—has one quarter of the total population of Ireland; it has Belfast, the second city of the country, and in Belfast it has the only heavy industry and shipbuilding in Ireland. It is quite true that the separation of Ulster from the rest of Ireland separates the industrial from the agricultural, but today the Ulster folk do not want to be linked with Eire. Ulster has its own Government within the United Kingdom for all local matters and it receives a substantial grant out of the British Exchequer to supplement the proceeds of local taxation. In addition, Ulster has all the benefits of the British Welfare State and its farmers receive the same guaranteed prices as do British farmers. No wonder "Ulster is British" as the slogan goes.

Far too much is made of the religious issue. Northern Ireland is mainly Protestant, but there are many Protestants—relics of the Cromwell plantations —in the South and many villages, as well as the cities, have their Protestant churches. The Eire Government claim, and rightly as far as one can judge, that Protestants in their country suffer no disability; the Ulster Government claims, with perhaps less conviction, that Catholics in the North are as free as Protestants. Religion may be exploited as the basic barrier

(Continued in previous column)

CREDIT NEEDS OF SMALL-SCALE INDUSTRIES

VIEWS OF SHROFF COMMITTEE AND WORLD TEAM

THE importance of small industries to the Indian economy has been adequately emphasised and acknowledged though remedial action is not readily forthcoming. Unfortunately, even reliable statistical data on the state of affairs of the existing small industries are not available Thus, information regarding men employed, materials used, money spent, and gross value of goods produced by these industries is meagre. A rough idea may, however, be had by certain broad estimates made by the National Income Committee. According to these estimates, in 1950-51, the value of net output of small enterprises was of the order of Rs. 910 crores, while that of factory establishments was around Rs. 550 crores. The numbers of workers employed in these categories in that year were 11.5 million and 3 million. The small enterprises include also cottage industries but exclude the small units under the Factories Act which are taken as factory establishments. If the value of these small units is also added, the contribution of small industries to output and employment will be considerable.

Despite this dominant role played by the small industries, very little has been done for putting them on sound lines through provision of credit. It is, however, encouraging that, of late, increasing attention is being bestowed on the need for rehabilitating small-scale industry in India. The question has been investigated by the Shroff Committee and the International Planning Team. It has also been studied by those connected with the All-India Rural Credit Survey, conducted under the auspices of the Reserve Bank of India, the report on which remains to be published yet. Read together, the reports of the first two Committees, containing as they do, well considered suggestions, should provide very valuable material for organising provision of credit to small-scale industries in India.

The reports of the Shroff Committee and the World Team give us a comprehensive picture of the financial problems facing small industries in India. The Shroff Committee, however, has confined itself to the consideration of financial problems relating to units with assets ranging between Rs. 10,000 and Rs. 5 lakhs, which are not integrated with the rural economy. It excludes from its purview village or cottage industries which are ancillary to the agricultural sector. The World Team, for its part, has, however, devoted one whole chapter to small-scale industries including cottage industries. The recommendations of both in regard to these sectors indicate a broad line of action to be taken by the Government to help the entire sector of cottage and small-scale industries. But some of their recommendations overlap and, if given effect to without examining them carefully, there would result the establishment of too many corporations and institutions than necessary. It is, therefore, imperative that these recommendations should be examined by a special committee for evolving a simple structure of financing small industries and for seeing whether the job could not be done through the State Finance Corporations.

Position of Small-scale Industries

The Shroff Committee's views on small-scale industries of the category referred to in the para above may be dealt with first. Most of these industries were started during the war, attracted by the scarcity conditions of a sellers' market. Now, with the return of a buyers' market, they are experiencing serious difficulties. They are undercapitalised. Inadequacy of security has deprived them of the assistance of commercial banks. Their products lack standardisation, while their managerial ability remains unsatisfactory. They buy their raw materials in the retail market and sell their products on a wholesale basis. Consequently, their earnings allow meagre or no profit margins. Where Governments buy their products, payments on these purchases are inordinately delayed, thereby resulting in needless hardship. Their case, therefore, needs urgent consideration.

Many agencies are trying to provide credit facilities to small-scale industries. One of them is the State. Under the State Aid to Industries Act, the State Governments can offer long-term and medium credit. But such aid has so far been insignificant. In 1953-54, for instance, West Bengal provided in its budget Rs. 3 lakhs, Madras Rs. 12 lakhs and Mysore Rs. 7 lakhs. Although these allocations are small, the actual amount lent to industries is stated to be even less. Besides, delay in sanctioning loans is stated to have been discouraging the borrowers to obtain finance from this source. The Shroff Committee suggests that the State Government should not only increase the amount available but also simplify the procedure of lending by modifying the State Aid to Industries Act.

Then there are the State Finance Corporations. These institutions are just new to the field and the cautious manner in which the few that have started operations and are proceeding with the applications for finance indicates that, for some time to come, their assistance will not be appreciable. The Shroff Committee feels that indiscriminate establishment of too many State Corporations would result in locking up the available funds by them rather than providing the industries with funds. The Committee, therefore, recommends that steps should be taken to amend the State Financial Corporations Act, 1951, so that the Act may permit joint working of a financial corporation by two or more adjoining States. The Reserve Bank has been advised carefully to scrutinise the scope for such institutions in States. The Committee further recommends that, in order to augment the long-term finance available to small industries, a Special Development Corporation should be constituted immediately. This Corporation, through a separate and specialised department, should take a lead in organising the small industries and rendering assistance in the matter of co-operative or joint purchase of raw materials, standardisation of products, organised marketing, distribution and publicity. Its functions are more or less similar to those of the four technical institutions recommended by the World Team referred to in an earlier issue of this journal.

Industrial Co-operatives

Industrial co-operatives are another type of agencies providing credit for small-scale industries. These societies cater for such industries as weaving, oil pressing, tanning and leather work, coir and rope making, smithy and carpentry, metalware, pottery and salt. These co-operatives are stated to have been doing some good work. The Committee feels that they deserve every support from the authorities. The Reserve Bank can also assist the societies through Co-operative banks. There is, however, the need for small producers to come together and effect improvements in the organisation of production and marketing so that, they may be entitled to a larger measure of credit facilities than at present.

So much for small-scale industries. Now we may consider the case of small and cottage industries as pointed out by the International Team of Experts. Wherever the Team visited, it seems to have noticed certain general drawbacks. These cottage industries, including the bigger ones among them, rely, we are told, on dealers both for buying raw material and for marketing the finished products. Pressed by the necessity to (1) sell every day's or week's production at once, (2) buy raw material in small quantities at retail prices, or (3) work to orders of dealers, that is, with no material of their own, their day-to-day earnings are very limited and do not allow them to procure the implements or machines needed to produce more and better products. In many centres, production is divided not only between a great number of producers in the same line but also in several operations each with its own specialised one. This makes it difficult to follow economical procedures throughout. Each industry is crowded, because anyone can start a business of his own. He does not need many tools or much equipment as his competitors themselves do not have any. They are all bound in the same depressed condition and seem unable themselves to find a way to better standards. Consequently, the commercial banks are reluctant to do business with them

Causes for Lack of Bank Credit

Explaining at some length why the small and cottage industries do not get credit from these banks, the Team gives three clear reasons. These are: (1) The weak structure of the industry in which production is split up into many units each lacking in capital of its own, (2) the present policy, regulations and practices of the banks, and (3) the relation between the limited resources of the banks and the actual demand for money in the market.

The Team, therefore, finds that real finance does not exist at all in the sphere of small industries and there is a severe lack of capital as well as credit. Their difficulties are so great that a very strong effort is needed if beneficial results are to be achieved. In this effort, the general principle must be, says the Team, to give credit chiefly to gain certain results such as securing modern equipment and better utilisation of manpower.

The Team feels that immediate attention should be paid to the elimination of too many uneconomic units. Concentration of business in fewer hands would enable introduction of new methods of production which would facilitate attraction of more credit. And credit should be given to those who desire to improve their production in the best manner possible. For a solu*neurs*, there should be close co-operation among all agencies, namely, Central and State Governments, State Finance Corporations, insurance companies, commercial and Co-operative banks and the industrialists concerned.

The Team recommends that commercial banks should delegate more authority to branches in the mofussil to make loans to small business and work generally towards decentralising their loan business. They should also establish local Boards of Directors to examine applications for loans. Co-operative banks should also be encouraged to expand their activities in the field of small industries. The State Government should see to it that in order to encourage venture capital, the general atmosphere for conducting business is favourable. The Team further feels that adequate amount of funds, now allocated to small industries under the Five-year Plan, should be set aside to provide loans for venture capital. The State Finance Corporations started in States must earmark certain funds exclusively for the use of small industries for ordinary loans. The Team further recommends that a competent field organisation be set up immediately to process loan applications from small industry within the framework of the State Directorate of Industries. This organisation should act as an agent of the State Finance Corporations. The Government should also consider the introduction of a sound system of instalment credit, primarily to spur purchases for modernising machinery and equipments or for buying new machinery, tools and other equipment by those who want to establish small industries for the first time.

TWO BANKS REFUSED LICENCES

The Reserve Bank of India has refused licences to the Assam Banking Corporation Ltd., Dibrugarh, and the Coimbatore Kamalalaya Bank Ltd., Coimbatore, for carrying on banking business. Consequently, these banks cannot accept deposits from the public.



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EXPLORING CONVERTIBILITY—II

POSTPONEMENT LIKELY TILL INHERENT STRENGTH IS BUILT UP

(From Our London Correspondent)

THE basic causes for the recent increases in the gold and dollar reserves are not strong exports and a diminished demand for imports—they are largely speculative as was seen in a previous despatch on convertibility.

There is no inherently established strong export position for the United Kingdom, and if sterling were made fully convertible and the balance of payments running gently in this country's favour were to move just as gently the other way, there would inevitably be a drain on the gold and dollar reserves which, at present, are at a level little more than a quarter of this country's annual imports.

Suppose, then, that sterling had been made convertible and that trade recessions throughout the world diminished Britain's export markets to just that extent that created an unfavourable balance which, coupled with a withdrawal of "hot" funds, began dragging the reserves down to the minimum level of £600 million or so, the purchasing power of the £ at home could be allowed to rise, prices to fall, and employment to decline, in the traditional but now half-forgotten manner, in an effort to make British exports competitive and to reduce this country's import bill. But Lord Brand, in a letter to the London *Times* last week, pointed out that the Socialist Party which is a very practicable alternative Government in the country today would not tolerate such a policy. They would believe in the need to maintain domestic demand and domestic employment, and this could only be achieved by the imposition of import controls, inconvertibility for sterling, or letting sterling depreciate without interference. The latter course, while academically attractive to some theorists, is not practical for a currency which has wider responsibilities than its own domestic sphere. The Chancellor of the Exchequer today is acutely aware that sterling in the post-war world has recovered its position as the premier international currency and must be chary of adopting a course which, even if not by acts of policy of his own Government might by acts of policy of a successor Government, bring fluctuations into the exchange quotations which could destroy the pre-eminence of the currency.

A Government committed to domestic full employment in preference to convertibility would have to impose currency control immediately full employment was threatened. The issue is as simple as that. It is this pre-occupation with long-term domestic policy which inevitably restrains a British Government from accepting a temporary strength as the signal to make sterling fully convertible. Why not, it has been urged, even put the boot on the other foot and let sterling go its own way and put the onus on other countries of letting their currencies be freely convertible into sterling by accepting sterling at the ruling rates of exchange at all times?

There is another important argument in the Chancellor's eyes against full convertibility. This country feels that it has some commitment towards those Western European countries whose currencies are too weak to contemplate convertibility. It is only a few weeks ago that Western Germany was insistent that Britain's balances with the O.E.E.C. should be settled with a higher proportion of gold. But the Western German Government accepts the economic policy of deflation in case of economic need. A British Chancellor cannot accept that policy. France, in particular, but the U.N.I.S.C.A.N. countries as well, would not put convertibility at all costs as their prime currency consideration, and if convertibility is to be bought at the price of rigid import controls it becomes valueless. Instead of increasing the liberty of trade, it restricts it in exchange for the liberty of capital movements, and an O.E.E.C. without the big creditor countries would be a rather sorry affair.

Does this mean that convertibility for sterling must be indefinitely postponed until all Western European currencies can be convertible? The answer is "No," but it is likely to be postponed until such time as the inherent strength of sterling has been built up to a point at which the fears of recessions, unbalanced trade balances, and deflation, have gone into the background of political, if not of economic, thought.—*All Rights Reserved.*

(Concluded)

NEW CO-OPERATIVE LAW FOR U.P. PROPOSED

The U.P. Government has done well in having decided to bring forward a Bill to replace the Central Co-operative Act, 1912. The Central Act, which was amended only in three minor ways, has been found to be outmoded, as since then the Co-operative Movement has undergone important changes. Besides, at the time of enactment of the Act, experience of actual working of co-operative societies was not much. In fact, the Co-operative Planning Committee appointed by the Government of India a few years ago, had stated that the States where the 1912 Act was in force should enact their own legislation. Accordingly, the Government of U.P. has decided to replace the Central Act by a new legislation of its own.

One of the major changes proposed in the Bill stipulates that the principle of unlimited liability should not be insisted upon in the case of credit societies for agriculturists. The share limit for an individual in a society with limited liability is proposed to be raised from Rs. 1,000 to Rs. 2,000 and the Registrar is to be empowered to allow a higher maximum to any particular class of individuals.

Another provision in the Bill makes compulsory the publication of balance-sheets of societies within three months of the co-operative year. Finance banks and societies are also empowered to inspect societies affiliated with them. It is also proposed to provide for more powers to liquidators. They will be empowered to effect compromise between societies' creditors and debtors and to carry on business of societies as far as may be beneficial for winding them up.

Provisions of the State Insolvency Act, it is proposed, should not be applicable to co-operative dues. Attachment of property can be ordered under the Bill by the Registrar, before the liquidator passes a contribution order against any member or before judgment. Arbitration proceedings can be taken against agents, employees and officials. State dues can be recovered as arrears of land revenue.

I.B.R.D. RAISES LOAN IN CANADA

The International Bank for Reconstruction and Development issued, last week, 3¾ per cent. Canadian dollar bonds worth $25 million through a group of investment dealers and chartered banks. Dated as on 1st June, 1954, the bonds are repayable on 1st June, 1969. These 15-year bonds, which were offered at 99½, constitute the second loan to be raised by the Bank in the Canadian market. The first issue was in 1952 when the Bank offered $15 million 4 per cent. 10-year bonds.

With the latest issue of the Bank in Canada, the Bank's total outstanding funded debt amounts to the equivalent of U.S. $776,678,354 divided into 17 issues. Eight issues amounting to U.S. $665 million are denominated in U.S. dollars; the remaining nine issues equivalent to U.S.$111,678,354, are denominated in Canadian dollars, pound sterling and Swiss francs.

As on 31st May, 1954, the Bank had entered into 102 loan commitments, amounting to the equivalent of U.S. $892,948,464. These commitments have as their objective largely the financing of the foreign exchange costs of reconstruction and development in 30 member-countries of the Bank and three overseas territories of member-countries. Borrowers include Governments, Government agencies, and private business and industry.

WORLD BANK LOAN TO CEYLON

A notable feature of the I.B.R.D.'s first loan to Ceylon is the multiple currencies in which it is given. Those currencies are German marks, Italian lire, French francs and the pound sterling. The aggregate loan is equivalent to U.S. $19,110,000. It is granted for a term of 25 years and bears interest at 4½ per cent. including the 1 per cent. commission.

The loan is intended to assist the development of electric power in south-west Ceylon. It will also finance the foreign exchange costs of constructing the second dam in the Aberdeen Laksapana Hydro-electric Scheme for supplying power in this most productive and populous area. It would encourage the output of foodgrains and consumer goods which are at present imported from abroad.



RATIONALISATION OF WORK-LOAD IN KANPUR COTTON MILLS

LONG OVERDUE REFORM TO BE INTRODUCED

MUCH has been made of the agreement between the workers and managements of cotton mills in Kanpur on the question of work-load. This is doubtless due to the use of the word "rationalisation," a heavily overworked expression these days. The rationalisation that has been agreed to here by the workers does not relate, as is ordinarily understood nowadays, to the introduction of modern machinery, capable of giving higher productivity per worker than the old machinery now in operation in most of the mills. It refers only to the number of looms which a worker should mind. It is true that the new agreement secures for employers in Kanpur a state of working conditions which was long overdue and which has been prevailing in other cotton mill centres such as Ahmedabad and Bombay. But, in agreeing to it, labour has not made any great concession. Indeed, it has agreed only when it found that the alternative was closure of mills and complete loss of wages. Even in doing so, it has had its pound of flesh and it is doubtful whether the mills' position will be bettered to any appreciable extent. Time alone will show the extent of advantage they gain from this arrangement.

In accordance with the terms of the agreement reached at the Tripartite Conference held at Naini Tal the other day, rationalisation in the Kanpur mills will be effected through improvement in the output per worker. One worker, for example, will be required to mind four looms as in Bombay, instead of two as at present. This may appear as a concession to employers, but it must be noted that the increased work-load is to be accompanied by higher wages; those putting in work beyond a stipulated minimum standard will be getting still higher wages. It may be argued that higher work-load must bear higher wages. That is perfectly true. But the efficiency of cotton mill workers in Uttar Pradesh is lower than that in other parts of India. Consequently, it remains to be seen whether there is any net advantage to the mills and, if so, to what extent. Nevertheless, the agreement is welcome, for something is always better than nothing. The aforesaid scheme is only tentative, in that the basic principles of the scheme and the means of actual implementation are yet to be worked out. A special committee, appointed at the Naini Tal Conference, is now busy on this job.

Need for Rationalisation

The need for rationalising the cotton mills of Kanpur cannot be stressed too strongly. This is so for two reasons. First, Kanpur is the major textile producing centre in the State of Uttar Pradesh. It accounts for 5 per cent. of India's total output of mill-made cloth and employs as many as 46,000 workers. Secondly, the mills in Kanpur have, for several years, been subject to a series of stresses and strains, a detailed reference to which was made in these columns only two weeks ago. Some of its handicaps are a heavy wage bill, high cost of raw material, thanks to the mills being situated far away from cotton-growing areas, high cost of chemicals and stores, and increased power rates.

During the war years, it will be recalled, the cotton mills of Kanpur were making good profits and had, therefore, engaged a larger number of workers than they ought to have. At the end of the war, the mills were, therefore, faced with the problem of surplus labour, on the one hand, and heavy cost structure, on the other. For several years, the mills had been agitating for the retrenchment of the surplus staff, but they were not allowed to do so.

In announcing the present agreement, Dr. Sampurnanand, U.P.'s Labour Minister, was very apologetic. He had to tell his critics that, unless the agreement was accepted, he would be helpless, as the mills had power to retrench workers under the recently amended Industrial Disputes Act of the Centre. This explanation is not absolutely correct, for the State Governments can, if they so desire, stop such retrenchment.

Fears of Unemployment

Be that as it may, a criticism levelled against the present agreement by labour leaders is that it will result in large unemployment. Dr. Sampurnanand says that there will be no such thing. On the other hand, he contends that, if something was not done to raise the competitive position of Kanpur mills, the risk of unemployment was far greater. Elucidating his point, he observes:

"We welcome the solicitude of political parties and others for the well-being of workers in Kanpur, but facts must be faced squarely. One of these facts, established by unimpeachable statistics, is that there has been a drop of several thousands in the number of workers employed in Kanpur mills, bringing untold misery not only to the men thrown out of employment but also to their dependents. The best efforts of labour leaders and the Labour Department have not been able to keep them in employment.

"The recent amendments to the Central Industrial Disputes Act now make it comparatively easier for an employer to retrench persons whom he considers surplus by paying a certain sum of money as compensation. Many employers would consider this a small price to pay in return for a permanent saving in their establishment. The problem is to save these thousands of workers threatened with impending retrenchment.

"No amount of agitation in the Press or platform can help them. Government's decision to see that such a scheme of rationalisation is devised as will keep all these men, whose numbers are estimated to be between 5,000 and 9,000, in employment, must be reviewed against this background. We believe that it is possible to avert crisis and to keep in employment all engaged in industry at present, including substitutes and temporaries."

The U.P. Labour Minister gave a broad indication of the gain that will accrue to workers. Apart from the fact that the threatened unemployment has been averted, not an insignificant gain in itself, the average wages (including dearness allowance) of a textile worker can go up to Rs. 115 per month, as against Rs. 85 at present, while the extra efficient can earn up to Rs. 130 per month. Increased output per worker will also bring about higher cloth production and, possibly, investment of fresh capital in the industry. Many of the mills which are working only two shifts now can work three shifts. Thus, the chances of sustained employment will be brighter.

COMPETITION IN S. AFRICAN TEXTILE MARKET

The countries of Eastern Europe are offering stiff competition to British textile firms in South Africa, an important market for Lancashire goods. This was revealed by Mr. Charles E. Dymond, the U.K. Trade Commissioner at Johannesburg, in the course of his address at a recent meeting of the Manchester Chamber of Commerce. According to Mr. Dymond, Hungarian linen is being sold in South African markets at 2s. per yard (delivered to Durban) and Polish linen at 1s. 7d. to 1s. 8d. per yard. Good quality interlinings made in Czechoslovakia are priced at 2s. 4d., the closest price to which in Britain is 5s. 11d. (from the factory). The other countries offering competition are Holland with sheetings, Belgium with furnishing fabrics and Germany with printed materials.

It is not the East European countries alone that are offering competition in the South African textile markets. The U.S. also is doing likewise, especially in fancy weaves, drills and twills. Competition from Japan, however, is not effective, owing to special import restrictions.

SALES OF HANDLOOM CLOTH

With a view to improving the offtake of handloom cotton cloth in the State, the Government of Bombay has decided to allow a rebate upto 18 pies in the rupee on the purchases of cloth worth Rs. 5 or more at a time. No such rebate will, however, be allowed in respect of purchases exceeding Rs. 100 made by a consumer in a day. The rebate will be allowed only if the purchase is made at certain specified institutions. These are the District Government sales depots, Government cotton weaving schools, Government wool weaving schools, Government dyeing and printing schools, village industries production centres run by the Co-operative Department, handloom weavers' co-operative societies, the State Industrial Co-operative Association and its branches, and the district industrial co-operative associations and their branches. The rebate will also be allowed on the sales effected through consumers' co-operative societies, multi-purpose co-operative societies, urban co-operative banks and their branches, district central co-operative banks and their branches, district industrial co-operative banks and their branches and purchase and sales unions and their branches, provided these institutions have purchased the cloth from weavers or weavers' co-operative societies.

AID TO HANDLOOMS

Inaugurating the third meeting of the All-India Handloom Board held in Bombay last week, Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, commended the development of the handloom industry through the medium of co-operative societies. The efficacy of this solution depends, to a large extent, on the availability of adequate financial assistance and on the efficiency and honesty of those in charge of the co-operative institutions. While it is not known how the latter prerequisite will be ensured, it is gratifying to hear from the Minister that the Reserve Bank of India is willing to help the Government-approved schemes for the development of co-operative societies of handloom weavers. Mr. Krishnamachari appealed to the Board to prepare schemes and submit them to the Government for approval. He remarked: "The problem of credit to co-operative societies is not an insoluble one."

The Government of India has decided to continue the temporary suspension of clauses 25 and 26 of the Cotton Textiles (Control) Order, 1948, for another six months, till 31st December, 1954. The effect of this decision is that the mills and dealers may continue to buy or sell or have in their possession time-barred cloth or yarn in packed or loose condition till 31st December, 1954. Dealers can dispose of time-barred cloth or yarn in loose condition without getting it T.C.B. stamped by the State Textile Controllers. Dealers can also dispose of any T.C.B. stamped cloth or yarn till 31st December, 1954, even though the time limit for disposal of such cloth or yarn has expired.

Research conducted by the U.S. Department of Agriculture has resulted in a chemical treatment called acetylation. The treatment improves cotton fibre without harming any of its natural qualities. Tests show that cotton fabrics, after treatment, are less subject to rot and have more resistance to the heat of laundry presses and irons.

PAKISTAN COTTON DELEGATION MEETS U.K. TEXTILE LEADERS

SPINNING AND WEAVING OPERATIVES CLAIM HIGHER WAGES

(From A Special Correspondent)

MANCHESTER, 15*th June*

MANCHESTER LETTER

PLEDGES to boost the two-way flow of trade in textiles and raw cotton between Pakistan and Britain were given at the inaugural session in Manchester of the Anglo-Pakistan cotton conference.

Sir Raymond Streat, Chairman of the Cotton Board, welcoming the ten-man delegation of Pakistan cotton leaders, said the British cotton industry had taken the "novel and unprecedented" step of inviting the delegation to Lancashire because it believed it was high time something was done to improve the prospects of trade between the two countries.

The aim of the conference is to discuss ways of increasing Lancashire's purchases of Pakistan raw cotton and Pakistan's imports of Lancashire-made textiles. Since 1949 Japan has been the biggest supplier of cotton piecegoods to Pakistan.

"The British cotton industry with its long experience and its leadership in technology and science is well qualified to meet a big share of the requirements of the Pakistan market," said Sir Raymond Streat. He added: "Basically the situation is favourable but in practice it has not been satisfactory."

Mr. Mohammad Karamatullah, leader of the Pakistan delegation and Secretary to the Pakistan Government in the Ministry of Commerce, told the conference that active steps were being taken by Pakistan to improve the quality of its raw cotton. A scheme was now under examination which would encourage capital investment in ginning factories to improve and ensure standards of quality.

Pledging the determination of the Pakistan cotton leaders to overcome problems at present limiting the two-way textile trade between the two countries, Mr. Karamatullah said: "We will chart a course leading to the maximisation of trade between our countries. I am sure that in the progress and prosperity of the British cotton industry there will be a substantial component of Pakistan raw cotton."

Higher Pay Claim

An application for a wage increase of 10 per cent. for 300,000 cotton spinning and weaving operatives was lodged with mill employers this week by leaders of the Lancashire cotton unions. A decision to go ahead with an industry-wide pay claim, following the lead taken by the Weavers' Amalgamation, was reached at a joint meeting of the main cotton unions.

Mr. Harry Earnshaw, President of the Northern Counties' Textile Trades Federation, said the grounds for the new claim included the increased cost of living and higher profits in the industry. The new application comes just 12 months after the last claim put forward by the operatives. They were subsequently awarded an advance of 1*s.* in the £ with effect from last August. Average weekly earnings in the industry now stand at £6 16*s* 4*d* in the weaving section and £6 11*s* 6*d* in spinning.

Price Schemes

The repercussions arising from the report of the Monopolies Commission on the British calico printing trade are still very evident. In some directions there has been an attempt to keep quiet about the subject in the hope that by avoiding undue prominence other similar schemes may continue unhindered, but developments have occurred which have again thrown the spotlight on the textile industry's price arrangements.

Although the Commission called for the discontinuance of the minimum price scheme in calico printing, it carefully left a loophole by suggesting that there was no harm in publishing a list of prices "not enforceable by sanctions," provided the list was freely available to all. Taking note of this fact, the Rayon Staple Spinners and Doublers' Association has now issued to all its spinner-members a list of prices "below which the Spinning Committee would recommend members not to accept business."

This development was a trade matter and did not receive much general publicity, but when two of the largest unions in the industry see fit to issue statements supporting the employers in their price plans, such an event makes news. Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation, has expressed his Executive Council's view that the scheme organised by the Yarn Spinners' Association should not be interfered with. All the union asks is that there should be regular scrutinies of prices by disinterested persons.

On the same day that the spinners raised the question, the Operative Weavers' Amalgamation also voiced its opinion on the minimum price system. Although not as directly interested as the spinners, the weavers took a similar viewpoint, contending that there was room for some form of price-fixing mechanism within the textile industries and also urging supervision by an outside authority, such as the Board of Trade. The suggestion of dropping the price-fixing arrangements and allowing "unrestricted and suicidal competition" to reappear was strongly opposed.

One point made in the statement prepared by the Weavers' Amalgamation has been stressed in other directions. The point is that the Yarn Spinners' Agreement should be more flexible. Several other organisations which do not altogether disapprove of the scheme contend that the present rigid price structure cannot meet sudden market changes. "Is it possible within the scheme of the Yarn Spinners' Association," asks the Weavers' Amalgamation, "to provide for quicker and more flexible methods of price change and to find a method of fixing minimum prices other than what appears to be on the basis of enabling inefficient firms to make a profit?"

There is still no parallel to the spinning price schemes on the cotton manufacturing side of the industry, and commenting on this fact, the Weavers' Amalgamation points out that in times of stress minimum yarn prices would not help their particular department. A further effect could easily be that because of minimum yarn prices during bad trade the spinning unions might be able to obtain better wage agreements for their members than the weaving unions could secure for theirs.

In rayon weaving, however, a system has been evolved for minimum price fixing based on accurate costing, and the Rayon Weaving Association, in its Annual Report, is highly critical of the views expressed on calico printing by the Monopolies Commission. Calling it "a most disturbing" document, the Association condemns the general terms in which the report refers to price regulation schemes and accuses the Commission of becoming doctrinaire in its approach.

The pursuit of efficiency in these days, the rayon weavers assert, involves the expenditure of money as well as brains and hard work. An industry particularly susceptible to the operations of the weak seller and liable to be depressed by selling without proper regard for true costs, will never have the means to become more efficient, no matter how strong its desire for greater efficiency may be. Accordingly, some means must be found to stabilise its position, and price regulation has so far proved the remedy for Lancashire.

Industrial Progress

The challenge which British industry must meet in 1954 is that of streamlining prices and speeding delivery of goods to export markets, declared the Lancashire and Merseyside Industrial Development Association in its Annual Report. British quality was generally of a high standard, but foreign competitors were often able to quote lower prices and earlier delivery dates. "Our prosperity depends upon the degree of success achieved," says the document.

The outstanding and most welcome industrial feature during the year had been the continued recovery made by the Lancashire textile industry. Nearly 1,000 new factory buildings and extensions have been completed in North-West England since the war, covering an area of 21 million square feet and estimated to give employment to 40,000 men and 22,000 women. The total represented over 15 per cent. of all the industrial buildings completed in Great Britain during the period.

In spite of the progress made, however, there were still difficult problems awaiting solution. Almost half the regional total of unemployment continued to be centred on Merseyside, even though some 50 firms had either moved into the area or opened branch factories there since the war.

In the cotton towns, unemployment, according to the report, had once more given place to a labour shortage, but the excessive dependence on the textile industry remained.

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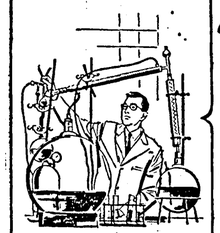

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THREAT OF MAN-MADE FIBRES TO COTTON

PATTERN OF WORLD CONSUMPTION

THE recent session of the International Congress of Man-made Fibres held at Paris served to emphasise the growing importance of artificial fibres. The aim of the Congress is to examine on an international plane the various economic and technological problems relating to artificial and synthetic fibres, to establish and strengthen contacts between the various sectors of the industry and the textile trades, and to promote the use of man-made fibres, both quantitatively and qualitatively. The question that is frequently asked, in this connection, is whether these artificial fibres constitute a threat to the natural textile fibres, of which the most important is cotton. It must, however, be emphasised here that the sponsors of the Congress do not aim at eliminating natural fibres. Nevertheless, the interest aroused by the Congress is evident from the fact that it was attended by some 3,200 delegates from 31 countries.

Since the beginning of the present century, many and varied have been the attempts at producing artificial textile fibres. The four main groups of textile fibres, in which there has been continuous research, are the polyamide, headed by Nylon, the polyester, to which the Terylene of Imperial Chemical Industries belongs, the vinylitic, with Vinyon among other products, the acrylic, of which Orlon is the best known. A newcomer to the ranks of the artificial fibres is the French Rilsan, which is produced from castor oil. Among these artificial fibres, rayon is, of course, the most important. It was first produced on a commercial scale during the early years of the present century. In recent years, it has made rapid progress, both quantitative and qualitative. Rayon is produced in two main forms—continuous filament and staple fibre. The former is produced as a continuous thread of any required length and can be woven without serious difficulty by the silk and cotton industries. Rayon staple fibre is rayon cut up into short pieces, so that it can be spun into yarn on the ordinary spinning machinery used in the cotton, woollen and worsted industries.

World rayon and synthetic fibres production increased from a mere 13,000 tons in 1913 to 200,000 tons in 1929 and to one million tons in 1939. Since then, the output has nearly doubled; the world production of these fibres in 1953 is estimated at 1.9 million tons. In 1928-29, these fibres accounted for only 3 per cent. of the world output of essential textile fibres, namely, cotton, wool, silk, and man-made fibres. But this proportion expanded to 13 per cent. in 1940 and to 19 per cent. in 1952. Europe still ranks prominently among the world producers of artificial fibres, with 50 per cent. of the world's output to its credit. The U.S. produces 30 per cent. of the world output and Japan 10 per cent.

Consumption of Fibres

In post-war years, there have been significant shifts in the consumption of natural and artificial fibres. The table below gives the *per capita* world consumption of textile fibres:

World consumption of textile fibres
(Per capita)
(In kilos)

	1938	1951
Cotton	2.9 (78.4%)	3 (73.2%)
Artificial fibres	0.4 (10.8%)	0.7 (19.0%)
Wool	0.4 (10.8%)	0.4 (9.8%)
	3.7 (100.0%)	4.1 (100.0%)

It will be seen from the table above that, whereas there has been a decline in the proportion of cotton fabrics to the total textile fabrics consumed per person, from 78.4 per cent. in 1938 to 73.2 per cent. in 1951, the proportion of fabrics made of artificial fibres to total textile fabrics has increased from 10.8 per cent. to 17 per cent. Thus, there is no getting away from the fact that artificial fibres are making headway, while cotton is on the defensive in the battle of textile fibres. In the U.S., about 60 per cent. of the summer suits, it is stated, is made of staple fibre. Also, there are some non-apparel uses for which rayon, it is claimed, is better suited than cotton. Thus, when synthetic rubber came into widespread use in vehicle tyres during the war, it was found that rayon was more suitable for tyre cord than cotton. Since the war ended, rayon tyre cord has continued to gain ground at the expense of cotton until it now holds the greater part of this particular market. About 60 per cent. of the world output of tyres, it is estimated, is at present produced with rayon.

It is, of course, difficult to disentangle the genuine improvement in rayon consumption from the effect of the high price levels which have prevailed for cotton. In other words, it is difficult to say what part of the increase in rayon's consumption is due to any inherent superiority it may possess as a textile fibre. There are, however, two factors which will always be cited in favour of rayon. In the first place, its prices, in recent years, have been held well below those of cotton. Indeed, Lancashire firms, for instance, found in 1952 and 1953 that the only way in which they could meet consumer resistance to high textile prices was to introduce a fairly substantial proportion of rayon into their yarns and fabrics. Secondly, the quality of rayon is always more uniform than that of cotton.

Rayon's virtues, whatever they are, arise principally from the fact that it is a factory-made product. Its quality can be controlled relatively easily, unlike that of cotton, which depends upon the weather and other factors. Secondly, the price of rayon itself can be regulated more easily than that of cotton. Again, this is because the production of rayon can be controlled to meet the demand in the market. The output of cotton is not so sensitive to changes in demand, since it is produced in the fields and its output is subject to weather and other conditions. Nevertheless, cotton, as a textile fibre, cannot be entirely replaced by rayon. But its ability to compete with rayon will be strictly determined by its price. It is necessary that its prices should be attractively low. Otherwise, the spinners will be continuously tempted to try other fibres.

IMPORT OF COTTON

The Central Government has announced its import policy in respect of cotton for the second half of the current year. Licences for the import into India of dollar and non-dollar cotton of staple length not less than 1.1/16" for the period July-December, 1954 will be issued by the Joint Chief Controller of Imports, Bombay. These licences will be issued as hitherto—against prior sales to mills or on importers' account on production of evidence of purchase from overseas suppliers. No applications will be entertained after 15th December, 1954, for licences for the July-December, 1954, licensing period. Licences for the import of cotton from the dollar area will be valid for shipment upto 30th June, 1955, and those for non-dollar cotton up to 12 months from the date of issue. Importers will not be permitted, without prior approval of the Textile Commissioner, to sell the cotton to parties other than mills. Particulars of all sales by importers, it is stated, should be notified to the Textile Commissioner, Government of India. The arrival of all imports and the price at which the purchase has been made should also be notified to the Textile Commissioner and the Joint Chief Controller.

1953-54 COTTON CROP ESTIMATE

The official all-India final estimate of cotton for 1953-54 places the land under cotton at 17,027,000 acres and output at 3,935,000 bales (of 392 lbs.), as against the revised estimate of 15,693,000 acres and 3,131,000 bales in the 1952-53 season. The current year's estimate thus shows an increase of 8.5 per cent. in area and 25.7 per cent. in production over the corresponding estimate for the previous year. The increase in acreage and in production, it is stated, has been shared by almost all the cotton-growing States. Favourable weather conditions have assisted the increase in output of cotton. As between the different varieties of cotton, the increase in production has occurred mainly in Americans.

The production of cottonseed is estimated at 1,377,000 tons during 1953-54, as against 1,090,000 tons during 1952-53, thereby showing an increase of 281,000 tons.

The Madhya Pradesh cotton crop in the year 1953-54 is estimated at 635,800 bales which represents 66.4 per cent. of the normal yield. The average yield per acre (in terms of lint) comes to 68.2 lbs. The area under cotton in the State is estimated at 3,655,000 acres, which is higher than the finally revised area of last year by 3.2 per cent. The area under long-staple cotton is 870,000 acres, under medium-staple 1,236,000 acres and under short-staple 1,549,000 acres. Owing to the introduction of improved trade varieties of H420 and 197-3 cotton, the area under long-staple cotton had been appreciably increased.

Prospects for the new cotton crop in Peru are reported to be favourable. This information is based on a report which stated that the present rate of harvesting of Tanguis indicated a record bumper crop of this variety. According to the Statistical Bulletin of the International Cotton Advisory Committee, the production of Tanguis is estimated at around 390,000 bales and of Pima at 40,000 bales, as compared with 340,000 bales and 55,000 bales, respectively, in the previous season.

Japanese staple fibre production during May this year is reported to have aggregated 38,180,840 lbs., which is a new post-war record and compares with 28,820,699 lbs. in May, 1953. Increased production was attributed to cut-throat competition amongst manufacturers who were expanding their output in order to reduce their costs.

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NEW PUBLICATIONS

Municipal Finance in Certain Leading Indian States. By Dr. K. M. Bhouraskar. Published by Chunilal D. Barfivala, Director, Local Self-Government Institute, 11, Elphinstone Circle, Fort, Bombay.

FOR three reasons, this publication loses much of its importance. First, it is a little out of date, in that it is devoted to the study of the trend of municipal finance in some of the States during a period which covers only up to 1946-47. It does not, therefore, take into account the changes and developments that followed the financial integration of States. Secondly, the publication deals with five States, namely, Hyderabad, Mysore, Baroda, Indore and Kolhapur, of which the last-mentioned three States are now no longer in independent existence, with the result that, on the basis of the municipal finances in these States, no general conclusions of all-India significance can be drawn. Thirdly, since the subject of local finance has been discussed threadbare by the Local Finance Enquiry Committee in its voluminous report submitted not long ago, some of the conclusions that the author, Dr. K. M. Bhouraskar, has drawn are more or less a repetition of what is contained in the report. Nevertheless, the publication under review must be welcomed as a useful addition to the scanty literature on Local Bodies.

The author begins his thesis with a brief discussion of the problems of local finance in general. He thus examines the types of local authorities in existence, distribution of responsibility and resources, and methods of allocation. The author deals next with municipal expenditure. Unlike most authors who have studied this aspect only summarily, Dr. Bhouraskar has done well to measure the benefits conferred by expenditure incurred by Local Bodies. Indeed, as Prof. C. N. Vakil has aptly stated in his foreword to the publication, "this marks an entirely new angle for viewing the problems of local finance for which Dr. Bhouraskar must be congratulated." In Part III is discussed the sources from which the different municipal functions are financed.

On the basis of his study of the expenditure and income of the municipalities, Dr. Bhouraskar has come to the conclusion that, "whereas modern trends have contributed to increase largely the expenditure of municipalities, they have not made for a simultaneous increase in the revenue powers that could be conveniently assigned to them." This gap, he points out, must be filled by grants-in-aid. Referring to the implementation of productive works and meeting large capital outlay and accidental expenditure, he suggests loans. A specific suggestion which he has put forward in this connection is that the States must follow a liberal loan policy towards the municipalities which would enable them to embark on productive schemes.

The author concludes his thesis with several suggestions for reorienting municipal finance. He draws particular attention to the narrower range of functions the State municipalities are fulfilling than the former Provincial municipalities, but does not advocate devolution of additional services on the municipalities, except water-works, town planning and fire brigade. In his view, the first duty of local authorities is to improve the tone of the existing services which leave much to be desired. He also emphasises the need for augmenting the existing sources of municipal income by raising the efficiency of collection, replacing terminal taxes by octrois, raising rates of house and vehicle taxes, and retention of the power to tax entertainments by the municipalities which already enjoy them and the transfer of such power by the State to those which do not have them.

Bombay Cotton Annual, 1952-53. Published by the East India Cotton Association, Ltd., Bombay. Price: Rs. 4.

Among the services which the East India Cotton Association Ltd., Bombay, renders to its members and the general public is the publication of the *Bombay Cotton Annual*. The latest in this series refers to the year 1952-53. Like the previous volumes in the series, the 1952-53 *Annual* is an authoritative compendium of all matters relating to cotton and cotton textiles. It carries statistical tables of crops, exports, imports, prices, stocks, and consumption of cotton. It also carries tabular statement of production and exports of yarn and cloth. Government notifications relating to cotton are also reproduced in this publication. The publication is thus a handy book of reference to all those who are interested in cotton and cotton textiles.

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	76·0 lakh tons	60—70 lakh tons
	(Additional production per year).	
IRRIGATION (through major projects)	8,533,000 acres	3,556,000 acres
POWER	10,87,000 kwts.	7,24,000 kwts.
NEW ROADS	870 miles	447 miles
COTTON PIECE-GOODS	982 m. yards	1,163 m. yards
	(Additional production per year).	
COMMUNITY PROJECTS AND RURAL EXTN. SCHEME	1,20,000 (villages)	48,750 (villages)
NEW SCHOOLS	49,695	29,723
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LABOUR PROBLEMS IN THE UTTAR PRADESH SUGAR INDUSTRY

BONUS ISSUE TO BE SETTLED BY A SPECIAL COMMITTEE

AVAILABLE reports about the deliberations of the Uttar Pradesh Tripartite Labour Conference (Sugar), held at Naini Tal recently, and the decisions taken thereat indicate that both the workers and the managements of the sugar industry have realised the importance of maintaining cordial relations between them as a prerequisite for the achievement of a high level of sugar output. The Conference was marked by agreement between the two parties on several outstanding problems of labour employed in the sugar industry. This is certainly reassuring, considering the stress that has lately been laid on mutual negotiations as an effective means of settling industrial disputes, in contrast to compulsory adjudication or arbitration.

An important issue on which there was consensus of opinion at the Naini Tal Conference related to payment of bonus to sugar labour for the season 1953-54. The Conference asked the U.P. Government to set up a committee to determine the quantum of bonus, to exempt such factories as have incurred losses from the onus of paying bonus and to examine the question of introducing the slab system in place of the present step-up system for the award of bonus.

A Welcome Move

The desire to settle the bonus issue by mutual agreement, instead of through an industrial court, must be widely welcomed. As readers are aware, the issue of bonus had, until recently, been a major cause of dispute in the U.P. sugar industry. During the last two years, however, the issue has been settled by mutual negotiations. Last year, for instance, the Tripartite Labour Conference met some time in October and authorised the State's Labour Minister to appoint a committee which would, by mutual discussion, determine the rate of bonus to be given to workers in the sugar industry for the 1952-53 season. A committee was accordingly set up with the Labour Commissioner as the Chairman. In its report submitted to the Government, the committee recommended an increase of 25 per cent. on the previous season's slabs, the actual rates of bonus being determined according to the level of sugar output in each factory as follows:

Production (In 000 maunds)	*Rate of bonus* (As. per maund)
Up to 100	*Nil*
100 to 200	2½
200 to 350	5
350 to 500	7½
Over 500	10

The U.P. Government accepted the above recommendation and issued an order on 23rd December, 1953, directing the factories to pay bonus accordingly. There were, however, 16 sugar factories which had applied for relief on special grounds. The cases of these factories were referred to a sub-committee consisting of the Labour Commissioner (Chairman) and one representative each of employers and employees. On the basis of the recommendations of this sub-committee the Government directed 10 factories to pay bonus at the rate given in the previous order and exempted six other factories from payment of any bonus.

Standing Orders

To revert to the recent Tripartite Labour Conference (Sugar) at Naini Tal. The Conference suggested the formation of a special committee to examine the question of payment of retaining allowances by the sugar factories to their labour. It also authorised the Government to appoint a sub-committee to work out the details of changes relating to standing orders in vogue in the sugar factories which govern the employment of workers. In the course of the discussions, the representatives of the sugar industry laid particular stress on the exclusion of clerical and watch and ward staff of the mills from the category of workmen. They also wanted freedom for factories to engage workers by stages in proportion to the volume of work and to dispense with their services towards the end of the season. The labour representatives put forward a plea for a provision in the standing orders for compulsory employment of workers from year to year and exclusion from the purview of misconduct of those cases of illegal strike which did not involve acts of violence. Among the other issues raised were the top-heavy expenditure of factories and certain items of wasteful expenditure by management. Another suggestion made related to payment of bonus to workers in the shape of shares of the companies. The implementation of this suggestion, it was pointed out, would not only enable the workers to become co-partners in the mills but also make available to the factories funds for expanding the scale of their operations.

SUGARCANE PRICES

Sugar factories in India paid higher prices for their requirements of sugarcane during the month of April, 1954, as compared with the corresponding month of 1953. Thus, the all-India average price of sugarcane (including co-operative societies' commission, transport charges, etc., but excluding cane cess) paid by the factories during the month under review was Re. 1-9-5 per maund, as against Re. 1-5-11 a year before. The portion of the total price actually received by the grower was Re. 1-8-3, which is As. 3-8 higher than the price received a year before.

The following table gives the average prices of cane (per maund) paid by the factories and those actually received by the grower during April, 1954, as compared with the corresponding month in the previous season:

—	Delivered at factory		Actually received by grower	
	April, 1953	April, 1954	April, 1953	April, 1954
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
All-India	1 5 11	1 9 5	1 4 7	1 8 3
U.P.	1 5 11	1 11 0	1 4 6	1 8 10
Bihar	1 6 0	..	1 4 3	..
Bombay	1 7 0	1 8 4	1 6 10	1 10 6
Madras	1 6 0	1 7 0	1 5 0	1 7 0
Andhra	..	1 8 0	..	1 8 0

It will be seen from the above figures that the average price paid by factories for cane was the highest in the State of Uttar Pradesh, being Re. 1-11. This represents a rise of As. 5-1 as compared with April, 1953. Some factories paid as much as Re. 1-13-7 per maund, as against the maximum of Re. 1-10 in Andhra, Re. 1-8-4 in Bombay and Re. 1-7 in Madras. In U.P., the sugarcane growers also received the highest price, the sum actually received by a few amounting to Re. 1-11 per maund. The maximum prices received by the cane-growers in the other aforesaid States were Re. 1-9-8, Re. 1-10-6 and Re. 1-7, respectively. In the case of Bihar, it may be noted, the sugar factories had closed down their crushing operations by April, 1954, on account of acute shortage of cane supplies, thanks to a marked setback to the sugarcane crop.

POWER ALCOHOL IN U.P.

The Central Government has asked the Government of Uttar Pradesh to reduce the percentage of power alcohol in the admixture of power alcohol and petrol from 20 to 15. This alteration is said to have been necessitated by the marked fall in the production of molasses, the raw material for the manufacture of power alcohol during the current (1953-54) sugar season, following the appreciable decline in the output of sugar. The aggregate output of molasses in U.P. during the 1953-54 season is estimated at not more than 4.6 million maunds, as against as much as 7.0 million maunds in the previous season. On this basis, the aggregate output of power alcohol in the State may be estimated at 2.23 million bulk gallons, as compared with 4.85 million bulk gallons in 1952-53. Incidentally, it may be noted that the U.P. supplies power alcohol to the Punjab, P.E.P.S.U., Delhi and Vindhya Pradesh.

The fall in the output of power alcohol is not peculiar to U.P. alone. It is in evidence in other States also which have suffered a decline in molasses supplies consequent on poorer crushing operations in sugar factories. Although the quantity of power alcohol produced in the whole of India during the four months ended February, 1954, was larger than in the corresponding months of 1952-53, being 3,245,300 bulk gallons as against 2,592,300 bulk gallons the aggregate output for the whole of 1953-54 is expected to be much lower than that in the previous season.

ANDHRA WANTS MORE SUGAR MILLS

The State of Andhra will have two or three new sugar mills, if the reported request of the Andhra Government for the establishment of the same is granted by the Centre. The plea for expanding the size of the sugar industry in this State is based on two important considerations. First, Andhra produces sugarcane in abundance, a good portion of which is being used in gur manufacture for want of well-equipped sugar mills. Secondly, expansion in the size of the sugar industry will, by improving supplies, enable the State to reduce dependence on other States. Incidentally, it will help reduce the overall import of sugar by the Government of India.

As regards the machinery and equipment required for setting up the new factories, business men in Andhra are prepared to invest the necessary capital to start a sugar factory in the State "almost immediately," according to a recent statement by Mr. P. Thimma Reddi, Minister for Agriculture, Government of Andhra. The Andhra Government's scheme for the expansion of the sugar industry also envisages the transfer of plant from some of the factories which are almost idle throughout the season, thanks to lack of sugarcane supplies.

RAISING SUGAR OUTPUT IN U.P.

Under instructions from the Government of Uttar Pradesh, the mills in that State are said to be busy working out details of measures by which their productive capacity can be expanded with a view to meeting the growing demand for sugar. A large number of factories is reported to have asked for permission to extend their plants and equipment. On its part, the Government, it is said, is searching for devices whereby the cane production in the State can be increased to cope with the additional demand. Efforts are being made by the Government to persuade the sugar factory owners to assist in cane development work. The Chief Minister, Mr. G. B. Pant, has already held consultations with the sugar manufacturers. The matter has also been discussed at the meetings of departmental officers. Further meetings are proposed. It is expected that there will be certain changes in the set-up of the Cane Development Department.

One of the specific proposals now being considered relates to the creation, eventually, of sugarcane development zones around each factory, in which cane cultivation will be carried out according to a carefully worked out plan. Among other steps are provision of special irrigation facilities, ensuring adequate and regular supply of manure, and financial assistance to cultivators.

SUGAR PRODUCTION AND STOCKS

The total production and despatches of sugar during the current sugar season (upto the end of May, 1954) amounted to 1,001,000 tons and 790,000 tons, as against 1,292,000 tons and 921,000 tons, respectively, in the corresponding period of the previous season. Arrivals of foreign sugar from 1st November, 1953, upto 15th May, 1954, aggregated 250,000 tons.

The production of sugar in the country and arrivals of foreign sugar during the fortnight ended 31st May, 1954, was 400 tons and 55,000 tons, respectively. Out of the stocks with the mills, 64,000 tons were despatched during the fortnight, as against 74,000 tons in the same period last year. The closing stocks with the factories as on 31st May, 1954, were 406,000 tons, as compared with 873,000 tons a year before.

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TRANSPORT OF COAL

NEED FOR EXPORT PROMOTION COUNCIL

PRESS reports from Ranchi disclose that, at the recent meeting of the Mineral Advisory Board held there, to which a reference was made in the last issue of this journal, certain problems relating to provision of additional facilities for transport of coal and ways and means of recapturing lost overseas markets were discussed. The representative of the Indian Colliery Owners' Association held that, unless the railways provided an additional 300 to 500 wagons daily, the coal industry's distress would be further aggravated, thereby forcing the marginal collieries to close down. Although the representative of the railways appreciated the colliery owners' point of view, he expressed the railways' inability to provide more wagons in the present circumstances. He, however, gave the assurance that the Railways Board would examine the matter and would try to render as much relief as possible. Representing the Indian Mining Federation, Mr. B. N. Banerjee suggested the reintroduction of the old system of rebate on railway freight for export of coal, with a view to stimulating exports. A representative of the Ministry of Production disclosed that the Ministry had a proposal to constitute a small committee to examine the causes for the precipitous drop in coal exports and to recommend the steps necessary for increasing the volume of exports.

It is now common knowledge that the two main problems threatening the economic working of the industry is transport bottleneck and dwindling exports. The daily loading of coal in Bengal and Bihar coalfields in 1953 was 3,112 wagons, as against 3,163 in 1952. The availability of wagons is far short of the growing pace of demand under the impact of the implementation of the various programmes of industrial and agricultural development. Not only the number of wagons but also the railway siding facilities are not enough. The inadequate line facilities are still a great bottleneck. This is not all. There is also the allegation of the stepmotherly treatment meted out to private-owned collieries, as against State-owned collieries, in the matter of allotment of wagons. Now that both the ownership and management of railway collieries are vested in the Production Ministry, it is feared that this invidious treatment will be all the more pronounced.

The proposal to constitute a committee to enquire into the fall in exports and suggest remedies is a step in the right direction, but, if it is to be of any use, it must be constituted immediately and asked to submit its report as early as possible, preferably within a couple of months. For, if the drastic fall in exports (from 3.30 million tons in 1952 to a mere 1.99 million tons in 1953) is not checked, it would seriously affect the economy of the Indian coal industry. In fact, the need for at least maintaining, if not stepping up, exports and earning as much foreign exchange as possible is now all the more greater, as the successful implementation of the Five-year Plan requires a tremendous amount of foreign exchange to balance the import of capital and other essential goods needed. From this point of view, it is felt that, instead of the proposed committee, an export promotion council for the coal industry should be formed. This will be in line with Mr. T. T. Krishnamachari's proposal to set up an export council for each industry.

Meanwhile, there is the necessity to encourage, as far as possible, washing and blending of coal by private collieries. As it is aptly put, conservation of coal does not really mean restriction of output but the most efficient utilisation of coal. In this connection, the case for implementing the report of the Committee on Coal Washing cannot be too strongly emphasised. Besides, storage facilities at ports, especially at Calcutta, should be expanded so that, during the slack transport season, coal might be moved and stored for export as and when the demand arises.

COAL MINES LABOUR WELFARE FUND

The Coal Mines Welfare Fund Advisory Committee, which met recently at Shillong, decided that, in future, 90 per cent. of the welfare fund should be allocated for general welfare and 10 per cent. for special welfare schemes. At present, the Fund authorities are spending only 85 per cent. under different heads. The changes to be made in the percentages of expenditure under different heads will be settled at its next meeting, the date of which is yet to be decided. The Committee set up a sub-committee to locate sites in colliery regions for 10 regular primary schools in houses to be provided by the Coal Mines Welfare Fund. It resolved upon initiating a residential industrial training centre for mine-workers' children on an experimental basis in Bhuli. In the meantime, it is stated that the Coal Mines Welfare Commissioner has submitted a scheme for spending the accumulated sum of Rs. 3 crores on housing account and Rs. 2 crores on general welfare account for the consideration of the Board.

EMPLOYMENT IN COLLIERIES DURING APRIL

According to the Chief Inspector of Mines in India, more persons were employed daily in lesser number of collieries during April, 1954, than in the previous month. The output per man-shift also increased. On an average, 330,039 workers were employed daily in 845 collieries in April, as compared with 326,581 workers employed daily in 848 collieries in March. The output per man-shift for miners and loaders was estimated at about 1.09 tons, representing an increase by 0.01 ton over the previous month's figure. The percentage of absenteeism dropped from 13.96 in March to 13.16 during the period under review. The output of coal during April was 3,037,138 tons, as compared with 3,073,257 tons in March. During the period, 295,416 tons of hard, soft and other kinds of coke were produced as compared with 333,188 tons in March.

One of the richest lignite deposits of Europe, the Timelkam brown coal mine in Upper Austria has been developed and equipped with the most modern machinery with the help of E.R.P. credits. Among other quite up-to-date features, the pits of the mine are ventilated by suction ventilators, which are installed at the most important points of the underground galleries. Hauling and hoisting is partly made by means of specially developed equipment. The mined coal is brought by a conveyor belt to the crushing plant.

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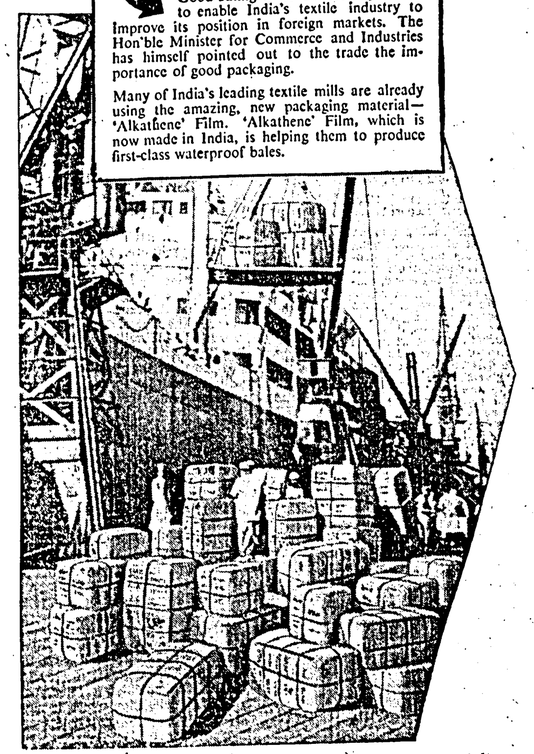

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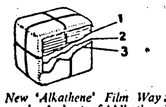

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RISE IN WORLD CONSUMPTION OF RUBBER ENVISAGED

DUNLOPS TO PRODUCE SYNTHETIC RUBBER

THERE has been a steady advance in the price of natural rubber in London during the last three months. From a low of 15¼d.—the lowest for the last four years—spot rubber at Mincing Lane has crept up to 19½d. per lb., the highest quotation to be seen since July, 1953. The main factor that has contributed to this sustained improvement is the statistical position of the commodity. According to the Rubber Study Group's estimates, while the world consumption of natural rubber in 1954 may reach 1,680,000 tons, the production will be no more than 1,705,000 tons, thereby leaving a surplus of only 25,000 tons. Although the rubber trade does not seem to agree with this view, it is generally accepted that there will not be any large surplus left this year. Consequently, there has been an enlargement in buying by consumers from the "hand-to-mouth" level. Secondly, the normal seasonal decline in supplies has been accelerated by the severe "wintering" in Malaya. Thirdly, the grave political situation in Indo-China has induced buyers to replenish their stocks.

These factors have not, however, brought any spectacular rise in the price of natural rubber. This is because of the realisation that natural rubber will have to compete with the synthetic and that any further rise will be disadvantageous to it, as it will stimulate the consumption of synthetic rubber. This does not mean that there is no scope for an increase in consumption of both synthetic and natural rubber. All that is sought to be made out by this school of thought is that, if the price of natural rubber is not competitive, the expansion in the demand for rubber will be met by the synthetic.

The world demand for rubber is expected to expand in the coming years, what with the vast industrial uses to which it is being put day by day. A striking confirmation of this view is provided by the statement of the Rt. Hon. Lord Baillieu, Chairman of the Dunlop Rubber Company Ltd., to the shareholders of the Company at their annual general meeting held in London last week. Recalling his reference made at the previous year's meeting to the need for continued expansion in the world production of both natural and synthetic rubber to meet the prospective requirements of the industry, Lord Baillieu referred to the Company's own efforts to increase the output of natural rubber in its estates in Malaya and also to produce synthetic rubber. As one of the world's largest producers of natural rubber, it is continuing intensive research on natural rubber at its research centre on the Dunlop estates in Malaya.

The improvement in the emergency situation throughout Malaya has greatly facilitated the management of the Company's properties and the achievement of a high level of efficiency. The output per acre has increased and a larger quantity of concentrated latex has been made available by the parent company to its group. Even so, the organisation's requirements in latex have outrun the output of its estates and it has, therefore, been necessary to supplement the crop from the Company's own estates by purchases from other producers. In view of this, the Company has resumed full-scale replanting operations which had been curtailed in 1952. It is expected that the earliest post-war replantings will be brought into tapping within the next twelve months. The replanting programme is an extensive one, lasting over a few years. This is important, because the main concern of producers of natural rubber is to bring down the cost of production. Dunlop's plan is expected to bring out both increased production and lower costs.

It may seem curious, at first thought, that, as one of the largest producers of natural rubber, Dunlops should launch on a programme of production of synthetic rubber. But the Company seems to be fully convinced that there is vast scope for the utilisation of the synthetic product also in its manufacturing activities. Explaining the reasons for the launching of this programme, Lord Baillieu observes in his statement:

"Extensive research is being conducted on synthetic rubber in both Europe and North America. The indications are that, both for commercial and strategic reasons, it is important for this country to have full access to adequate supplies and it is, therefore, obvious that our Company must be in the forefront of these new developments. The ability to take part in the production and the 'know-how' involved in the extensive industrial use of these new rubbers is of great importance to this country both economically and strategically.

"During the last few years, our research centre at Fort Dunlop has built up a considerable technical knowledge and has operated on a pilot scale, a plant for production of synthetic rubbers over a wide range of applications. You will have seen the recent announcement in the Press that, as an essential step towards establishing the industry in this country, we have decided to erect a new plant at Fort Dunlop. Work on the site has already begun.

"The raw materials will now become available for the first time in Great Britain from the chemical and oil refinery industries. The new rubber plant at Fort Dunlop has not been designed to manufacture established general purpose rubbers on a large commercial basis, but to produce, as they become available from our research centre, a wide range of new rubbers in sufficient quantities for development in the Company's products."

More than anything else, the future of natural rubber in Malaya is dependent mainly upon the maintenance of stability and progress of South-East Asia. A clear picture of the outlook can be got only after the outcome of the issue in Indo-China and the results of the Geneva Conference. From the point of view of the Company's own future, therefore, the decision to produce synthetic rubber is a step in the right direction.

TEA COUNCIL OF THE U.S.

The first Annual Report of the Tea Council of the United States, since its formation in April, 1953, discloses that much valuable work has been done by this body in exploiting the vast potential market for tea offered by America and increasing the consumption of this beverage in that country. It indicates also that there is still great scope for developing tea consumption in that country.

The Tea Council of the U.S. is the outcome of the meeting in January, 1953, of the representatives of India, Ceylon and Indonesia with the delegates of the Tea Association of the U.S. Within 48 hours of this meeting an agreement was signed among them to set up the Tea Council as a non-profit corporation for the promotion of sales of tea in the U.S. regardless of brand or of country of origin. The first meeting of the Council was held on 1st April, 1953. The birth of the Tea Council happily terminated the momentary uncertainty about the future of tea promotion in the U.S.

The most striking success of the Council's campaign is indicated by the fact that consumption of tea by Americans reached an all-time high of 103.3 million lbs. during 1953. This includes consumption both in the home and outside in public eating places. Imports of tea into the U.S. climbed to 105 million lbs., representing an increase of 11 per cent. over those in the previous year, which were themselves 12 per cent. above the preceding year's imports. The rise in home consumption is indicated by the increase in sales of tea in grocery stores by 7 per cent. in 1953. This has come on the heels of a 6 per cent. rise in 1952, after these sales had remained virtually static in the preceding three years.

Commenting on this growth in tea consumption in the U.S., the Tea Council's Annual Report says:

"This healthy growth in the world's number two foreign market for tea presents a challenging paradox. In the face of steadily increasing consumption, it is still true that America, the richest and the greatest potential market in the world, consumes less than one-fifteenth as much tea *per capita* as the United Kingdom. We consume less than one-fourth as much per person, as our neighbour to the north, Canada. On a *per capita* basis, there are eight other countries, not including those where tea is grown, which drink more of the world's most popular beverage than we do. It was not always so and there are unmistakable signs today that tea in the U.S.A. stands on the threshold of a renaissance, the extent of which may well exceed our hopes and expectations of a few years ago. If the Tea Council's campaign has proved anything, it has proved that Americans like tea and can be influenced to drink it; and that the tea industry, working together in full partnership with the producing countries, can expand the market beyond anything that would have been believed a few years ago."

The one conclusion that is drawn by the Council from the results of its campaign is that "tea, as a beverage, has far greater intrinsic merits . . . far greater sales appeal than the industry, until recently, has been able to project to the American people."

The three producing countries, India, Ceylon and Indonesia, contributed $850,000 for the calendar year 1953 for financing the campaign. The U.S. trade had agreed to contribute $520,000, but it actually contributed $567,000 or $47,000 more than had been agreed upon. This was due to increased sales of tea on which the packers contributed 1 cent. per lb. and the importers 1/10 cent. per lb. For the current year, Ceylon and India have agreed to increase their contribution by $25,000 and Indonesia by $5,000. On the basis of the past year's figure, the U.S. trade's contribution for 1954 is set at $567,000.

OUTLOOK FOR JUTE INDUSTRY

TIME FOR INCREASING WORKING HOURS PROPITIOUS

NEWS has come that Australia has decided to decontrol jute goods. It is reported that private trade will be permitted to make purchases of woolpacks from 1st July and cornsacks from August next. The State control over sale and distribution of woolpacks will be withdrawn in January, 1955, and that on cornsacks in the following month. This piece of news should be heartening to the jute industry as the administration of jute controls in Australia has had a deleterious effect on consumption of Indian jute manufactures in that country all these years. During war-time, as also in the Korean boom period, the Jute Control authorities had purchased jute goods for purposes of stockpiling and at very high prices. The existence of large stocks of these high-priced goods had become an embarrassment to the Australian Government. Consequently, it decided to fix its selling price on the basis of an average of the high rates previously paid for these stocks and of the lower levels at which subsequent purchases were made. It sought, by means of the average price system, to dispose of the high-priced stocks without incurring any loss. Last year, when the Indian Jute Delegation visited the place, it was expected that the process of covering the loss would take about a year or so. Now that the Government of Australia has decided to withdraw controls, it is reasonable to assume that the Government must have by now disposed of its high-priced stocks. As the average price at which jute goods were distributed to the consumer was higher than the rates at which Calcutta was able to sell, the controls not only prevented the Australian consumer from taking advantage of the declining prices in Calcutta, but forced him to take recourse to cheaper substitutes or adopt the bulk system of handling. The withdrawal of controls should provide opportunities for the Indian jute mills to recover at least a good part of the Australian market which they had lost. To this extent, the outlook for the Indian jute industry has improved.

Closely following the news from Australia comes the report regarding Argentina's invitation of tenders for a further 5,000 tons of hessians and 500 tons of sackings. Although this quantity is small as compared with the purchase of 30,000 tons in April, it confirms that continued interest of Argentina in the Indian market. Last year, Argentina purchased from this country about 100,000 tons. It is too early to predict what quantity it would lift this year, but it is believed that the offtake may, more or less, be the same as in 1953. The present order for hessians consists of 50 per cent. of 40"×9½ oz. and 40 per cent. of 40"×10 oz. The demand for sackings is understood to be confined to twills. The shipments of this order will be completed in the next three months. If this order is followed by further offtake, the position of hessian stocks is bound to improve considerably.

Hopes are also entertained that the U.S., which has been purchasing rather sparingly from the Indian market, may resume its normal purchases as a result of the I.J.M.A. Delegation's visit to that country, which has just concluded. Further, the fact that the country holds a large surplus of wheat in the face of reduced stocks of burlap (amounting to 183 million yards in April as compared with 209 million yards a year previously) has encouraged the view that America should come to the market sooner or later, for meeting its requirements.

These expectations, which have followed the recent good enquiry for sackings from the Middle East countries, West Africa and Burma, have given further prominence to the question of increasing the working hours of jute mills from 42½ to 48 a week. There is a growing feeling—apart from that given rise to by the recommendations of the Jute Enquiry Commission to extend the hours of work—that, with the expected American and Argentina demand, with lower stocks with mills, and with the prospect of Australia entering the market in the near future, the mills would not be able to cope with the increasing demand, unless they took steps to raise the output of jute goods. And one report goes so far as to say that the mills are contemplating to raise the working week by 2½ hours to 45. A final decision is expected to be taken in this regard immediately after the return of the I.J.M.A. delegation which is now in the U.K. on its way back to India. If there is

(Continued on page 1247)

THE INDIAN ELECTRICITY ACT

SOME SUGGESTIONS FOR REVISING PROVISIONS RELATING TO RATES

(By K. V. KARANTHA, M.A., M.I.E. Chief Electrical Inspector to Government of Madras)*

WE have now two Acts governing electricity supply, the Indian Electricity Act, 1910, which is proposed to be revised, and the Electricity (Supply) Act, 1949, which it is proposed to amend in some ways. Some mix up seems to have occurred in the scope and functions of these Acts which it is advisable to clear up during the present revisions. The Indian Electricity Act was enacted at a time when it was not considered likely that the State Governments would themselves take up large-scale electricity supply to the public. So, this Act was essentially meant to control the other types of suppliers of energy, the licensees. The other Act was enacted primarily for enabling large-scale electricity generation and supply by Governmental agencies in the form of State Electricity Boards. The main purpose of this Act is to prescribe the organisation necessary for such work, to specify its functions and responsibilities and to provide for powers to raise the necessary finance and to permit the control of licensees' power houses and transmission lines, where required for grid purposes, etc.

We, however, find one major departure in the objective of the Electricity (Supply) Act, where it also attempts to regulate the electricity supply rates of licensees. The provisions under reference are sections 57 and 58 and the Sixth and Seventh Schedules to the Act. It may be argued that, in addition to providing for generation and bulk supply of electricity to licensees by the State Boards, it is also very pertinent to provide for this grid electricity being resold by licensees without undue profits and, therefore, the provisions relating to limits of profits to be earned by licensees, the appointment of rating committee to revise the rates of licensees, etc., are all very relevant to the Electricity (Supply) Act.

The control of licensees' electricity supply rates is, however, a matter of public importance, having a much broader application than resale of electricity purchased by licensees from State Electricity Boards. The need for the control of licensees' electricity rates is there irrespective of whether a licensee generates his own electricity or buys it in bulk from another licensee or buys it from an Electricity Board. That means that such control provisions should go into that Act which essentially concerns itself with all licensees and the main objective of which is to control the working of licensees. That being the function of the Indian Electricity Act, it should be the one to contain the provisions that should control licensees' accounts and profits and to provide for appointing rating committees, etc.

The Best Proof

The best proof of the mix up that has occurred in the Electricity (Supply) Act in this regard is the fact that the financial returns of licensees required for checking the profits being made by them under the Sixth Schedule to that Act are required to be submitted under the Indian Electricity Rules, framed under the Indian Electricity Act. It is not also as if, in the old Indian Electricity Act itself, this essential aspect of its function had been overlooked. In it also, there is provision for the control of profits which was meant to be done by the fixation of maximum rates in licences with provision for revision of these rates by advisory boards to be appointed by the State Governments under its section 35. But the process of control of rates and profits had not been clearly understood when framing the Indian Electricity Act and, hence, these provisions were not found to be sufficiently satisfactory. But the remedy could well have been the revision of the Indian Electricity Act in this regard rather than a mix up, as has occurred now in the Electricity (Supply) Act.

Since, therefore, the general terms of control of licensees' rates is more pertinent to the Indian Electricity Act than to the Electricity (Supply) Act, the sections in the Electricity (Supply) Act pertaining to these controls may now be shifted to the new draft and also got deleted from the Electricity (Supply) Act. The occasion should also be availed of, to remove the various defects in the existing provisions of the Electricity (Supply) Act, which have come to light as a result of the practical working so far of its section 57 and the Sixth Schedule. The defects needing rectification are many and somewhat controversial. The most important ones are dealt with here.

It has been held that the specifying of maximum rates in licences (Schedule clause XI of the Indian Electricity Act) would now be inoperative, in view of the provisions in clause I of the Sixth Schedule to the Electricity (Supply) Act. But it seems to be wrong to have no maximum rates in new licences. It would be very pertinent to have such maximum rates in the drafts of new licences advertised for the purpose of calling objections, since the public and the local authorities who have to give their support or voice their objections attach a lot of importance to the rates they are likely to be charged when the licence is issued. They would like to have an idea of how these rates compare with the rates existing elsewhere, or where there are rival applicants, whose rates are likely to be more beneficial to them.

Then again, it is not as if there are going to be no maximum rates at all in future. After a licensee has worked for some time and a stage has come when his rates are to be scrutinised by a rating committee appointed under the Electricity (Supply) Act, there will be certain maximum rates fixed by this rating committee, which will have to prevail thereafter until they are again modified by another rating committee. What is, therefore, good enough for a later stage of the licensee's working cannot be bad for the earlier period also. Therefore, when a licensee starts supply, it should again be made statutorily possible for certain maximum rates to prevail, until these rates are revised by a rating committee, whereafter the revised rates should hold the field, till again revised by a later rating committee, etc.

It is but fair that a licensee's right to earn a fair return on his investment should be subject to his operating in an efficient manner and showing due economy of operation. But clause I of the Sixth Schedule to the Electricity (Supply) Act which now gives the licensee the power to push up his rates, whenever he so chooses to do, does not specifically stipulate anything about his having to be efficient and economical, as a condition to his increasing the rates. There have been some glaring examples of rates being pushed up, along with a disproportionate increase in expenses.

Efficiency and economy of operation of licensees are expected to be enforced by suitable amendments to section 46 of the Electricity Supply Act, the enforcing authority being the State Electricity Board. But that arrangement, again, would not seem to be suitable. The State Electricity Board is itself a licensee. It can hardly afford to get involved in details and controversies and lengthy correspondence with licensees about various points of efficiency, particularly on the administrative side. Then again, where a State Board does not find a licensee complying with its instructions to economise or improve efficiency, the remedy provided in the Electricity (Supply) Act is for taking the matter to a court of law. The court would, however, not be the most suitable agency for a speedy and thorough investigation of the licensees' economy and efficiency of operation, the work being such as is best dealt with by persons well experienced in this field.

The present provisions in the Electricity (Supply) Act have resulted in licensees modifying their rates as they consider best, acting as their own judges in regard to the economy of their own operations. The present provisions also make it possible for them to keep back investigations by a rating committee by merely not exceeding the permitted net income even when the gross income goes up substantially, by merely increasing their expenditure. Such powers to be their own judges seem to be altogether a wrong approach to the solution of public utility control. The only proper remedy seems to be to have provisions whereby impartial and competent rating committees are empowered to scrutinise all proposals for increase in rates or to hold enquiries and to compel reduction in rates whenever their enquiries show it to be necessary.

The work is best done by a permanent rating committee for each State, available at all times for doing this work and competent for this work by continuous application to the same. Provision should, of course, be made for appeals to the State Governments where a licensee is dissatisfied with the decision of a rating committee. Such rating committees are found to be a most essential part of the rate regulatory system in the land of outstanding private enterprise, namely, the United States. If the powerful licensees there have accepted as quite fair such an arrangement, our licensees may also consider it as both good and fair for our work here. The system is found to work in an efficient and business like manner in the United States and has been in existence for a long time and is, therefore, a well-tried and dependable arrangement, unlike our attempt at financial control in the Sixth Schedule by a noval procedure of leaving it to licensees, a procedure which is now found to be very unsuitable.

Limits to Revision of Rates

There is no restriction on licensees now from revising their rates, even more often than once a year, and some licensees have actually done so. Except under exceptional circumstances, there should, however, be no difficulty for any licensee to prepare proper revenue forecasts for a whole year and decide once for all in the year what alterations in rates are necessary to enable him to earn a reasonable return and no more. This should be done sufficiently early in the year so that steep changes in rates are avoided. Revising the rates more than once a year, due to incorrect estimates, results in needlessly upsetting the budgets of the consumers and should not be tolerated.

Where licensees are now not earning a reasonable return and so have to increase their rates, there is also now scope for increasing some rates only and not others. Where some licensees have actually revised their rates in this manner, it has given room to a lot of discontent amongst the class of consumers whose rates alone were increased. If the standard tariffs structure is properly drawn up, there would be no need to alter some rates only, while if it is an improperly drawn up one, such a structure would not be justifiable. So provision may be made for all revisions in rates being in the form of a uniform percentage of increase or decrease on a standard tariff structure approved for each licensee.

Calculation of Fair Return

Some glaring defects which are now operating against the interest of consumers have come to light in the working out of the "reasonable returns" of licensees. The Sixth Schedule of the Electricity (Supply) Act prescribes what is called a standard rate of return for working out the "reasonable return" the licensees are permitted to earn. Obviously, such a "standard rate" could only have application to moneys which the licensee has himself put in for his working. If he has put in some loan money also, either he should be permitted to earn the "standard rate of return" on this loan amount also and the licensee compelled to meet the interest charges out of such return, or he must meet the interest charges as an item of permissible expenditure, and not claim any additional return on the loan amount for himself. It obviously has to be one way or the other, but not both ways. What, however, is now happening is the reverse. The interest charges are being met under permissible revenue expenses and the licensee, in addition, appropriates a "standard rate of return" on the loan amount also for himself.

The unfairness is even more glaring when he takes such loans from the consumers themselves by way of security deposits, the consumers being then compelled to give him sufficiently high electricity charges to cover the interest on such security deposits and also charges to enable the licensee to get a "standard rate of return" for himself on their own moneys. So, it is no wonder that, in some cases, licensees have pushed up consumers' deposits greatly to improve on the rate of return for themselves in this indirect manner.

Then again, when a licensee overcharges his consumers and thus makes excessive net profits, the Sixth Schedule permits him to keep nearly 50 per cent. of such excess in a tariff and dividends control reserve. This reserve is meant to be drawn upon by the licensee when his profits are low, but otherwise it does not belong to him. In practice, more often, it becomes practicable to plough it back into his business and earn a "standard rate of return" for his own appropriation, as if the fund had come out of his moneys and not from the consumers themselves by their being overcharged.

*The views expressed herein are the personal views of the author and they have no official significance.

There is going on an agitation by licensees for a suitable increase in the standard rate of return from 5 per cent. specified in the Sixth Schedule to 6 per cent. The 5 per cent. rate now contained in the Act was prescribed at a time when money conditions were certainly easier and the present stringent money conditions were not visualised. It would, therefore, be but fair to increase this standard rate appropriately. That could be done, but the rest of the process of calculation of the reasonable return should be free from the very serious defects pointed out above. The new draft should take care of this.

Collections from Consumers

While the present times necessitate licensees being allowed a higher standard rate of reasonable return than the 5 per cent. limit now contained in the Supply Act, licensees should be prevented from putting consumers to any avoidable loss by way of collections in excess. This can be made feasible only by making it statutorily compulsory for licensees to always close their annual accounts with no more net profit than the permissible fair return, such non-surplus position being achieved by refunds of all excess collections in the form of rebates to consumers *given before closing the annual accounts*. If such rebates are not given then, but are proposed to be given later, as now provided in the Electricity Supply Act, the excess collections appear as a taxable profit in the annual accounts and a very substantial portion of it goes off by way of income-tax. So, though it was really no profit, but only collection of undue charges from consumers, the consumers then get back only a fraction of the excess charged, by way of refund. As for any efficiency bonus to licensees when they do exceptionally good work, a system should be worked out which will tax the consumers no more than just what has to be paid to the licensees for this, unlike at present where it costs them very much more.

Suppression of Certain Rates

The power now given to licensees in Clause I of the Sixth Schedule to the Electricity (Supply) Act to vary the rates to enable earning a reasonable return on their investments has been held by some licensees to include power to radically alter the structure of a rate. In one case, a licensee has gone a step further and suppressed one type of rate altogether as a result of which many consumers stopped taking supply. The existing schedule clause X(2) of the Indian Electricity Act also seems to permit the latter step, provided a month's prior notice is given.

Unlike in the past, where many licensees generated their own power, what most licensees will be doing in future will be to sell the same grid electricity to all. Very widely varying tariff structures differing in different licensees' areas do not seem to be desirable for the future set-up either in the interest of the grid authorities or of the consumers. Many small licensees have not the competence to frame their own tariff structures suitably. The time seems to have, therefore, come when, as far as possible, certain standard tariff structures, used in the State Board areas or the Government Electricity Supply areas are followed as models in the areas of the distributing licensees also. To what extent this should be made compulsory and how enforceable are matters to which the new draft of the Indian Electricity Act may well devote some attention.

Miscellaneous Charges

The Sixth Schedule to the Electricity (Supply) Act provides for a licensee modifying his rates, as he likes, to enable him to earn the reasonable return on his capital investments. The section is silent on the powers of the licensee to modify his scale of miscellaneous charges, such as hire of meters, reconnection charges, fuse renewal charges, etc. Some licensees have revised such rates also along with the electricity charges without reference to the State Governments considering it as being within their powers to do so. But in Madras, it is being held that these charges cannot be altered without the concurrence of the Government. The income from these miscellaneous charges is not much and the charges represent the costs of certain services to be rendered by the licensees, which normally do not vary frequently. Frequent revisions in these charges are not, therefore, desirable. It would be, therefore, advisable to place the matter beyond doubt in the revised draft that licensees should not vary their miscellaneous charges without the concurrence of the State Government.

In the matter of rates for electric supply for street lighting purposes, the old arrangement was to have the same fixed for years together, but clause I of the Sixth Schedule to the Supply Act gives the licensees now power to revise such rates frequently. Frequent increases in rates would greatly upset the very inelastic budget provisions of local authorities and are better not encouraged in the new draft.

There is one other modification which seems very desirable and yet would appear to be somewhat outside the scope of the Indian Electricity Act. This refers to the work of maintenance of street lights by licensees. Where it is a large urban street lighting system that is involved, the local authority can generally arrange to have its own street lighting staff to maintain the lights and to attend to their repairs. So, where a licensee is unwilling to take up such work or his rates for maintenance (apart from rates for supply of energy) are considered high, an alternative course is available and is not difficult to adopt.

But as grid supplies spread to rural areas, we come upon small and very often very small *panchayat* areas where electric street lighting is eagerly welcomed and greatly appreciated. The *panchayat* boards, however, sometimes require only a few dozen electric street lights and cannot bear the cost of the whole-time competent staff to maintain these lights. There can be no two opinions that for such lights, the best arrangement is to have the licensee do both the supply of energy and also their maintenance. As such it also becomes necessary to ensure that the licensees conditions and charges for the maintenance of the lights are fair and equitable, which are best provided for by not making him the sole judge of it.

It will, therefore, have to be made statutorily compulsory now for a licensee to maintain all street lights, if the local authority so desires it, and the street light maintenance rates and the terms of maintenance to be offered by him should only be those approved by the State Government or the Standing Rating Committee of the State or some such competent and impartial organisation. Though the work of maintenance of street lights would be normally beyond the legitimately enforceable work of electric supply licensees, there seems to be no other proper solution.

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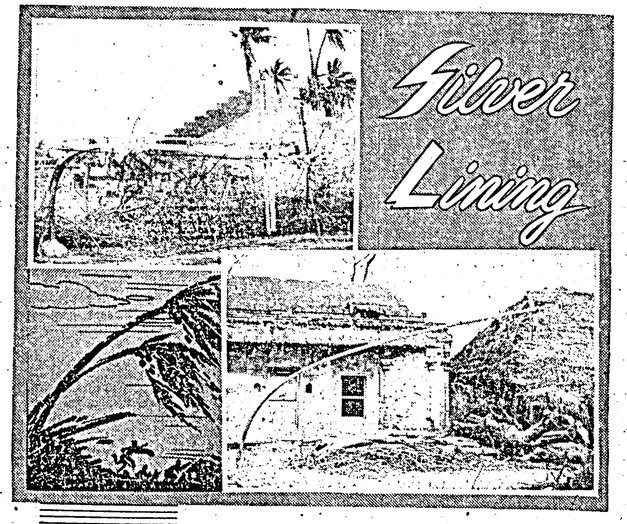
STATEMENT OF ACCOUNTS AS ON 31-12-1953.

LIABILITIES	Rs.
(i) Paid-up Capital	87,50,000
(ii) Reserve Fund	90,00,000
(iii) Deposits	65,31,18,035
(iv) Other Liabilities consisting of Acceptances, Endorsements, Bills Payable, Bills for Collection, etc.	12,69,54,164
Total Rs.	79,78,22,199

ASSETS	Rs.	Rs.
(i) Cash and Balances with Bankers.		7,47,49,531
(ii) *Investments:* Rs.		
(a) Securities of the Central and State Governments and Other Trustee Securities	35,24,28,079	
(b) Other Investments	89,98,924	
		36,14,27,003
(iii) Loans and Advances		25,54,91,216
(iv) Other Assets including Bills Receivable, etc.		10,61,54,449
Total Rs.		79,78,22,199

B. N. PURI,
General Manager.





Not very long ago, a storm struck an area served by a prominent electrical utility—one of our customers. The company suffered serious damage. Transformers were blown off their mounts. Posts sadly gave way. One redeeming feature—the silver lining of an otherwise dark and dismal picture—was, indeed, the company's "silver linings," or aluminium conductors.

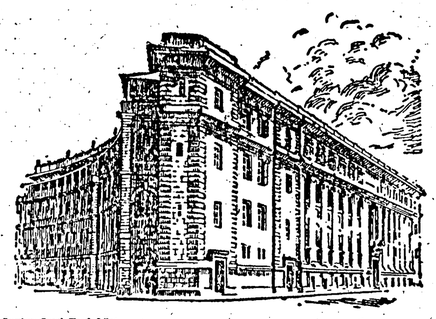
To quote the words of the engineer of the company:

"All Aluminium and ACSR conductors (which have extensively been used) stood up very well. There were very few cases of snappings, although heavy trees fell on the lines and pinned them down."

In storm or calm, AL-IND Cables can take it!

POWER Thro' AL-IND Cables

THE ALUMINIUM INDUSTRIES LTD.
KUNDARA T.C. STATE
Managing Agents: SESHASAYEE BROS. (TRAV) LTD.



Bombay Local Head Office

IMPERIAL BANK OF INDIA

constituted under the Imperial Bank of India Act, 1920 for the purpose of taking over the undertaking of the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843).

Local Head Offices:
CALCUTTA—BOMBAY—MADRAS
and over 400 branches and sub-offices throughout India, Pakistan, Burma and Ceylon

London Offices:
25, Old Broad Street, E.C. 2.

EXPLORATION OF INDIA'S MINERAL RESOURCES

CENTRE PROPOSES A CO-ORDINATED NATIONAL PROGRAMME

THE Conference of the Central and North Indian State Governments on problems relating to the exploration of the mineral reserves, which concluded its two-day session at Srinagar on the 18th inst., recommended that top priority should be given to the completion of survey and detailed prospecting of the reserves of non-ferrous metals. It suggested that certain areas in the States of Rajasthan, Bihar and Himachal Pradesh should be taken up for detailed prospecting of copper ore. Similarly, some of the more promising areas in Bihar and Himachal Pradesh were recommended for exploration of deposits of lead, zinc and silver. The Conference was of the considered opinion that more attention should be given to exploration of deposits of gold that had been traced in the States of West Bengal, Bihar, Orissa and of pyrites in Bihar. As regards supplies of tin, for which India is at present completely dependent on imports, the Conference felt that an intensive survey of all known occurrences, particularly in Bihar, should be undertaken. In view of the importance of sillimanite, the reserves of which are found in Assam and Vindhya Pradesh, the Conference recommended a quantitative assessment of the deposits. It further suggested detailed prospecting of magnesite deposits in certain areas of Uttar Pradesh. Specifically, the Conference discussed the work to be undertaken by the Geological Survey of India and the Indian Bureau of Mines during the current year, namely, 1954-55 and subsequent years.

Inaugurating the Conference, Mr. K. D. Malaviya, Union Deputy Minister for Natural Resources and Scientific Research, disclosed that the Government of India proposed to launch a vigorous drive for the development of mineral resources in the country. He said that the Prime Minister attached great importance to the development of the mineral resources and the Government of India was of the view that it was urgently necessary to draw up a comprehensive programme of exploitation of mineral resources giving priority to the more important minerals. The task had, he averred, to be undertaken very urgently and the list of priorities drawn up on a national basis. Various programmes had been made from time to time by the States, but it was, he felt, necessary to consider all these within the framework of a co-ordinated plan for India as a whole.

Bangalore Conference

A similar conference of Southern States was held in Bangalore on the 24th inst. The details about the proceedings are not yet available. But, from Press reports, it would appear that the Mysore Government had suggested the continuation of the investigation taken up by the Geological Survey of India during the field season 1953-54, but not yet completed. A memorandum on the subject of gold occurrences in the States of Mysore and Bombay and the desirability of detailed investigations was submitted for discussion at the Conference by Messrs. John Taylor and Sons, Ltd.

The Government of Madras suggested the investigation of granite quarries in the Ramanathapuram Division. It suggested also a quantitative survey of gypsum in Tiruchirapalli District and the investigation of deposits of iron ore and mica in Kasargod and Puttur taluks in South Canara District. It further suggested the investigation of ground-water resources, particularly in the Salem Division, Kaveripatnam, Ootacamund, Yercaud and areas in and round the Koilpatti taluk.

The Government of Andhra suggested the investigation of bauxite deposits in the hilly tracts of Visakhapatnam District, beryl deposits at Kurupam area of Parvatipuram taluk of Srikakulam District, china-clay in Nellore District, graphite in and around Marripalem and Peddakonda areas, gypsum deposits in Nellore District, iron-ore deposits in Krishna and Guntur Districts, limestone deposits in Borra caves in Visakhapatnam District, mica deposits in Bhimlipatam area and deposits of red ochre in Araku valley in Visakhapatnam District. Investigation of mica deposits in Coorg were also suggested by the Coorg Government.

The Travancore-Cochin Government suggested the investigation of the clay deposits of the State. The suggestions made by the Government of Bombay were the examination of asbestos deposits in Bagalkot taluk of Bijapur District and the investigation of manganese deposits in Dohad taluk of Panchmahals District. It also suggested to the Conference the continuance of the geological investigations in regard to the Koyna Project and carrying on of the work of geological survey of the dam sites of several reservoir projects.

The Indian Union Minerals Association suggested an intensive survey including large-scale geological mapping of the river valleys where power projects are in operation so as to explore fully the possibilities of manufacturing ferro-manganese, fire-bricks, etc. The Coal Consumers Association of India suggested further survey and development of coal in Hyderabad and development of Godavari coal deposits. They also suggested that future survey of mineral resources should be undertaken not only for the reserves available, but also a quality-wise survey should be undertaken in close collaboration with the Fuel Research Institute, Dhanbad. It urged that there should be close liaison between the Geological Survey of India, the Coal Board, the Indian Bureau of Mines and the Fuel Research Institute of India.

That there is an imperative need for drawing up a co-ordinated national plan for prospecting and investigating the mineral resources in India is common knowledge. For the knowledge of the mineral wealth in the country is too limited, although the development of mineral resources is the very basis of industrial and agricultural development. But, as it will be impossible to undertake at once all the programmes submitted by the various State Governments, it will be necessary to chalk out an order of priority in the light of the requirements of the various development plans now being worked out under the overall national plan.

The implementation of the programmes agreed upon will entail recourse to modern techniques, such as photogeology combining air survey and ground mapping, churn drilling, diamond drilling, geomagnetic surveys and geochemical investigations. This raises the problem of technical manpower and equipment. To a considerable extent, industry may be depended upon for carrying out detailed prospecting as an immediate preliminary to commercial exploitation. It will be recalled that Mr. Malaviya appealed to the industry to undertake exploration work and gave the assurance that the Government would be willing to assist to the extent it could. He also suggested that industry should explore the possibilities of manufacturing drills and other equipments needed for such large-scale prospecting in order to expedite the implementation of the programmes.

U.S. AID TO STORE INDIA'S FOODGRAINS

An agreement signed on the 14th inst. between the U.S. and the Government of India provides for U.S. aid for the provision of adequate and better storage facilities for India's foodgrains reserves. The U.S. will contribute $1,539,000 (Rs. 73,10,250) and India will provide Rs. 15,00,000. The dollar part of the expenditure will be used for procurement of equipment needed and its transportation to India, while the rupee part of the expenditure will meet the costs of inland handling, transportation, land acquisition, installation of equipment and supplies and other local costs. The Government will assist India in exploring the advatages of new types of godowns and aims at providing for two silo-*cum*-elevators, each with a capacity of 10,000 tons. One of the silos will be erected at or near a major port, the other at a suitable centre in the interior.

Experiments will also be conducted with prefabricated metal storage facilities, which can be erected at short notice and which have the advantage of mobility should it become necessary at any time to move such stores from one part of the country to another. Such prefabricated metal storage facilities will have a capacity of 50,000 tons. The metal storage facilities will be at places where transit storage accommodation is required urgently.

The Foreign Operations Administration of the U.S. Government will furnish the services of a grain storage expert and such other technical assistance as may be required by India. Provision will also be made for training outside India two officers of the storage section of the Ministry of Food and Agriculture and other Indian specialists in the latest methods of handling and storing grains, preservation and other techniques. The U.S. will make available $13,000 (Rs. 47,500) in addition to $1,539,000 already earmarked for this project, to defray costs outside India of the two Indian officers.

Another agreement signed on the same day provides for assistance by the U.S. Bureau and Reclamation required by the Central Water and Power Commission of the Government of India in connection with its work. For this purpose, the U.S. Government has agreed to make available $100,000 (Rs. 4,75,000) from the technical assistance fund.

RAILWAY WAGONS AND COACHES

The capacity of the railways to carry both goods and passengers is expected to improve further as a result of orders placed by the Railway Board for a large number of wagons and coaches. Over 11,000 wagons and 480 coaches have been ordered under the Railways' Rolling Stock Procurement Programme for the current financial year. Most of the stock will be delivered during the present financial year and the remainder will be supplied in the first few months of the next.

The wagons ordered include about 8,500 broad-gauge, about 2,750 metre-gauge and 50 narrow-gauge wagons. Of the total number of wagons ordered all but about 500 will be supplied by Indian manufacturers. The approximate cost is about Rs. 12 crores. The wagon orders from abroad have been placed in Belgium and France at a total cost of £274,800. In 1953-54, orders were placed for about 10,500 wagons comprising about 6,250 broad-gauge wagons, 4,265 metre-gauge wagons and 46 narrow-gauge wagons. Of the total number of wagons ordered in that year, 6,860 were ordered from Indian firms and the rest from foreign firms.

Of the 480 coaches ordered under the present year's programme, 180 are complete fully furnished broad-gauge coaches and 250 metre-gauge steel coach body shells. These will be supplied by Indian firms and will cost approximately about Rs. 2.30 crores. The remaining 50 coaches, which will be electric multiple unit stock for the suburban railways, have been ordered from Italy and will cost about £975,000. In 1953-54, orders for 250 broad-gauge coaches were placed with Indian firms and for 50 coaches with manufacturers abroad. In addition, 50 narrow-gauge coaches were also ordered from foreign manufacturers. Orders have also been placed for 300 metre-gauge bogie underframes under the 1954-55 programme. This will be supplied by an Indian firm. An equal number of metre-gauge bogie underframes were ordered internally in the last financial year.

U.S. TECHNICAL ASSISTANCE TO INDIAN INDUSTRY

The Government of India signed, on the 16th inst., an agreement with the Government of the United States, whereby the latter will provide technical assistance to Indian industries mainly in the private sector for increasing their productivity and improving their management. The assistance would be of the value of $805,000 and will be mainly in the form of provision of productivity teams and individual experts in these fields and the required supporting equipment, supplies and technical literature. The following assistance is visualised under the project :

(a) Four productivity teams and a production engineer will be furnished to assist in the improvement of production technology, quality of production, standards of working conditions and related technical aspects in the metal working industry in India.

(b) A productivity and management team of five engineers will be furnished for assistance to the newsprint industry and specially to the National Newsprint and Paper Mills Ltd., Madhya Pradesh (Nepa Mills). Industrial specialists on certain specific industrial and research problems will be provided.

(c) Technical assistance and books on business management and other related technical literature will also be provided.

PUNJAB ROAD TRANSPORT

With the assent of the Punjab(I) Motor Unions' executive to a joint corporation scheme for nationalised road transport services, the longstanding dispute between the Government of Punjab and transport operators has come to an end. Under the scheme, 40 per cent. of the shares of the corporation will be allotted to the Punjab Government and 20 per cent. to the railways, leaving the remaining 40 per cent. open to public subscription, preference being given to subscriptions from the old transport operators. A general meeting of the Union at Jullundur has been convened for 30th June, 1954, to ratify the decision of the executive. The corporation is expected to implement the scheme without delay.

At a meeting held on the 19th inst. at Bombay, the Indian Airlines Corporation (I.A.C.) decided to replace the Vikings now engaged on the I.A.C. daily morning Bombay-Calcutta service, by the four-engined Skymasters. The Skymaster, apart from having four engines, will have a seating capacity of 53 passengers, as against 27 in a Viking. Dakotas, however, will continue to operate the night mail service between Bombay and Calcutta via Nagpur. The Corporation also considered the question of the purchase of small aircraft for feeder routes. It further decided to install a teleprinter service linking Delhi, Bombay, Madras, Calcutta, Nagpur, Hyderabad and Bangalore, with a view to increasing the efficiency of the Corporation.

NEW PRODUCTS AND PROCESSES

Chemical Polishing of Aluminium

A SIMPLE process for chemical polishing of aluminium has been developed at the National Metallurgical Laboratory, Jamshedpur. This process, it is stated, yields excellent results compared with other methods. According to it, the surface of the metal is well washed with benzene or any other suitable solvent to completely make it grease-free. It is then dipped for four minutes in a mixture containing ortho-phosphoric acid, nitric acid and acetic acid in suitable proportions and kept between 118° and 122° C. The metal is then removed and washed with water.

Radar to Scan Clouds For Water

The University of Chicago and the University of Arizona have established a jointly-operated research programme in which radar will be used to observe clouds as a possible source of water in the arid south-western region of the United States. The aim of the programme will be to find out how much the future development of dry regions throughout the world can be helped by efforts to cause extra rainfall. A special radar set to scan the clouds will be installed on one of the mountain peaks above the valley floor around Tucson, Arizona.

Paint Cools Building Interiors

A "cool" paint that can lower interior temperatures by as much as 45 degrees in hot weather has been developed by a United States company, Coating Laboratories, Inc., of Tulsa, Oklahoma. Extensive tests have shown that the paint will lower the temperature inside a galvanised steel building to within one degree of the coolest outside "shade" temperature—the temperature taken in a place shaded from the sun. The paint's "coolness" is due to the reflective qualities of its special pigment combination. In addition to reflecting heat and light, it also reflects infra-red heat waves.

Safety Switch for Headlights

Mr. Albert Sammer, an engineer from Tyrol (Austria), has designed a switch for all vehicles equipped with headlights and dimmed lights. The new device automatically switches on the second glow filament in case the other filament burns out or otherwise ceases to function during night driving. Since it is practically highly improbable, that both glow filaments of a lamp become defective, at the same time, the new invention is a significant contribution to safety against accidents caused by the sudden going out of headlights. The safety switch operates not only in case of breakage of the glow filament, but also in all cases where the wiring leading to the headlights becomes defective. A big advantage of the new invention is the fact that it can be installed not only on vehicles with two headlights, but also in those with one headlight only, such as motor cycles, where the sudden extinction of the light is especially dangerous. The moment the safety switch begins to operate, a small glow lamp which can also be used for the lighting up of the dashboard ceases to burn and indicates to the driver that the emergency switch is now functioning.

Water-repellent Agent for Windows

Raindrops have an objectionable way of clinging to window panes, and then, when trickling down, of leaving erratic traces which greatly obstruct the view. N.V. Stoop's Handel Mij, Buitenhof 5, The Hague (the Netherlands), a chemical concern, has now prepared a compound with which to prevent this fogging as a result of rain, snow or frost. A patent application has been filed. On panes treated with this preparation, the drops run straight down without leaving a trace. The treatment takes little time and can easily be applied by anyone. The pane is first thoroughly cleaned so that, in particular, it is absolutely free from grease. The preparation is then carefully spread over the entire surface and after about 30 minutes, vigorously rubbed out with a clean cloth till the pane is perfectly clear.

The preparation is extremely useful for treating windows of automobiles, on ships' bridges, in the cockpits of aircraft and in drivers' cabins on trains, etc. It is already being successfully used for windows in traffic control towers on airfields and for optical instruments which are used out of doors.

Worthington Refrigeration System

At American Brake Shoe Company's new bearing laboratory in its research centre at Mahwah, (N.J.), a Worthington refrigeration system provides and maintains correct temperatures for studying the performance of journal bearings in railroad use, and various lubricating methods to eliminate the so-called hot box problem. A Worthington refrigeration compressor, driven by a 40 h.p. motor is used for obtaining large temperature drops in the test room and for holding it at very low temperatures. A smaller Worthington compressor, driven by a 5 h.p. motor, is used for minor adjustments in temperature, and for holding at values slightly below outside room temperature. Any temperature setting made is automatically maintained in the test room through controls on the refrigeration system and the heating system. The controls, in turn, depend on information supplied by thermocouples located throughout the test room.

All of the equipment in the test room and the machinery room is controlled at the operators panel in a separate control room where the operator looks directly into the test room through a thermopane window. A system of weights can exert simulated loads up to 20,000 pounds per journal. A hydraulic loading arrangement permits applying as much as 40,000 pounds to the journal bearing.

JAYABHARAT INSURANCE COMPANY, LTD.

MR. C. B. PARIKH'S WARNING AGAINST SACRIFICE OF QUALITY IN BUSINESS

PRESIDING over the Eleventh Annual General Meeting of the Jayabharat Insurance Company, Ltd., held in Bombay on Friday, 18th June, 1954, Mr. Chimanlal B. Parikh, Chairman of the Company, sounded a note of warning to the effect that, if the insurers, in their pursuit of new business, sacrificed quality for the sake of quantity, it would lead to "heavy lapsation." He emphasised that this involved a "national waste of energy and funds."

The following are extracts from Mr. Parikh's speech:

"GENTLEMEN,

"The insurance industry has been and is still passing through very difficult times. With the end of inflation, prices have not come down proportionately. There is a widening of the gulf between prices and income. In spite of the high hopes held by Government, the Five-year Plan projects have not still sufficiently coped with the increasing unemployment. The baffling problem of unemployment after the cessation of war activities has considerably affected the progress of Indian insurance.

"The heavy lapsation of recent years is partly due to the sharp reduction in income of many individuals.

"To attract buyers of insurance policy in the prevailing economic conditions of the country, companies have resorted to reduction of life premium rates. To a certain extent this is also due to the improvement of 'experience' of companies and it is but proper that the benefits of this improvement are passed on to policyholders. We have also followed suit.

"But I feel that economy in expenses will have to be effected to such an extent as to warrant this reduction in premium rates. It will be suicidal to them if some companies sacrifice their sound and secure structure for the sake of questionable advantage.

"We have to be on our guard and in the pursuit of new business we have to see that we do not sacrifice quality for quantity as otherwise it would lead to heavy lapsation which is a national waste of energy and funds and is not in the interest of either the insurer or the insured or the agent. If, however, the business is conducted on strictly sound and scientific basis the reduction of premium rates, I believe, would result in increased new business and total premium income and help to eliminate lapses to certain extent.

"The need of adequate and safe investment of new moneys and the constant supervision of existing investment portfolios demand unremitting attention. The overriding aim must always be security of principal but this is not to be regarded as synonymous with a narrow outlook or with an unduly restricted range of investment.

"The relief, therefore, as recommended by the Shroff Committee, although not as much as desired, would mean some improvement on the present position. The scope for investments in 'approved investments' would increase from 50 per cent. to 55 per cent. of the funds and for investment in any particular company's capital structure from 2 per cent. to 5 per cent.

"The Committee's suggestion that Government should examine, in consultation with insurance interests, the issue as regards these investments with a view to removing the anomalies in the provisions of the Insurance Act are to be welcomed. Let us hope that the Government would implement the modest recommendations of the Committee.

"During the year, the net premium income from the general business was Rs. 49,47,917 as against Rs. 46,31,721 in the previous year. The net premium income from the life business was Rs. 14,91,439 as against Rs. 13,55,340 in the previous year.

Fire Insurance

"The gross premium income from the fire insurance for the year was Rs. 55,88,883 as against Rs. 56,87,394 in the previous year. The net claims paid and outstanding were 38.1 per cent. of the net premium income as against 36.1 per cent. in the previous year.

Marine Business

"The net premium income was Rs. 8,08,100 as against Rs. 7,23,347 in the previous year. The net claims paid and outstanding were 76.3 per cent. of the net premium as against 60 per cent. in the previous year.

Miscellaneous Business

"The gross premium income for the year of the miscellaneous department was Rs. 9,79,904 as against Rs. 8,15,737 in the previous year. The net premium income was Rs. 8,18,043 as against Rs. 6,75,624 in the previous year. The claims paid and outstanding were 64.7 per cent. of the net premium income as against 67.8 per cent. in the previous year.

Life Business

"The life business proposed during the year was Rs. 1,06,51,000 and the business completed was Rs. 85,43,000 as against Rs. 93,76,500 and Rs. 77,25,500 respectively of the previous year.

"The total assurance in force at the close of the year amounted to Rs. 3,13,23,957.

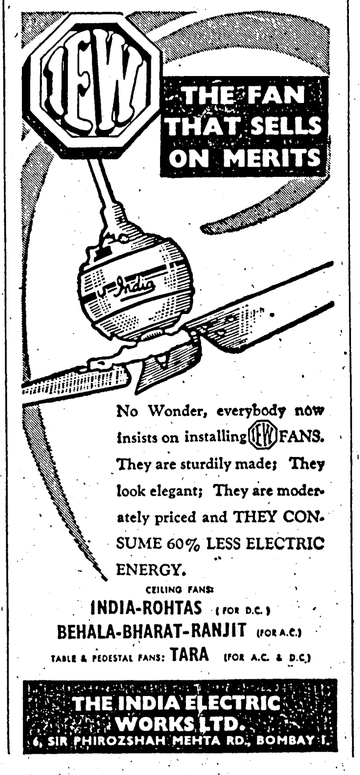
"The life assurance fund at the end of the year stands at Rs. 42,60,134.

Profit and Loss Appropriation

"The balance carried forward to the profit and loss appropriation account amounts to Rs. 4,39,066. This, together with the balance brought forward from the previous year, amounts to Rs. 4,70,117.

"Your Directors recommend that the payment of dividend for the year be maintained at Rs. 3 per share free of tax amounting to Rs. 1,50,000.

"An amount of Rs. 1,50,000 be appropriated as taxation reserve. An amount of Rs. 1,00,000 be appropriated as general reserve and the balance be carried forward to the next account. The total funds at the end of the year under report stand at Rs. 1,16,75,360 and the total assets amount to over Rs. 1,57,70,000."



GENERAL INSURERS' PROBLEMS REVIEWED

TAX RELIEF URGED TO BUILD UP STRONG RESERVES

AN exhaustive and interesting survey of the problems of general insurers was made by Mr. Laxmidas P. Goculdas, Chairman of the Indian Insurance Companies' Association, when he addressed its annual meeting last week. Mr. Goculdas also made a number of constructive suggestions for improving the conditions in the insurance market. He emphasised that insurance could and should play a very important role in promoting economic progress by "providing industrial capital for national development."

Mr. Goculdas prefaced his speech by a review of the conditions in the general insurance market. He pointed out that premium income was shrinking, while claims experience was not very encouraging. From the point of view of claims experience, the year 1953 had been a good one but the current year had witnessed several fire losses. He added: "I must emphasise that these losses are a form of national wastage, considerable part of which could be avoided by a little more care. The insurers may compensate the sufferers, but, unfortunately, it is the insuring public who bears the incidence of the losses."

National Waste

Although insurance may provide cover against fire losses and help the insured person to recover the value of the property involved in fire accident, there is no getting away from the fact that a property destroyed by fire is irrevocably lost to the country. The general community pays for this loss. There is also an indirect loss to the nation in the sense that it might not be possible to replace, quickly enough, the property destroyed by fire. These considerations should prompt the Central and State Governments to help remove congestion in industrial areas, so as to lessen the chances of fire losses and also to make fire-fighting facilities more widely available, at least in all industrial areas. In India, these facilities are not available in several small towns, let alone rural areas. Since a fire, uncontrolled in its early stages, grows into a conflagration and leads to serious loss, it is necessary, as Mr. Goculdas pointed out, that the Government should aim at providing a nation-wide fire brigade service.

In the absence of such nation-wide fire brigade service, it is left to insurers to provide the necessary cover against losses which occur from time to time. If the Government cannot render an indirect service to insurers by adopting measures that will bring about a favourable change in their claims experience, it could at least see that insurers are enabled to build up sufficient reserves to meet their claims. "The problems of underwriting capacity and reserve building," Mr. Goculdas said, "are so interlinked that the strength and reserves is of paramount importance for the companies' progress not only in the home market but also in the foreign market." But Indian companies suffer from a double disadvantage in this respect. They do not, as already stated, enjoy any form of indirect help from the Government in the shape of services that will help lessen their losses. Nor are they in a position to build up reserves. The existing level of taxation is too high to permit the building up of large reserves.

Need for Reserves

The insurers have, at the same time, to meet the competition of foreign companies. Now, many of these foreign companies, it is argued by Indian insurers, started their operations several decades before the Indian companies. They had, therefore, the benefit not only of an earlier start but also of the comparatively low rates of tax which prevailed in earlier years. They were thus able to build up strong reserves. It is largely this historical difference, according to them, that lies at the root of the difficulty which Indian insurers have to face when they have to meet competition from foreign insurers. The Government should enable Indian insurers, as Mr. Goculdas rightly urged, to attain a "stronger financial position by affording them reasonable facilities to build up ample reserves which will enhance their competitive strength in the home market and would also help their development in the international field."

A longstanding grievance of general insurers is that they are not allowed, without attracting tax, to set aside for reserves a larger proportion of their income than what is stipulated under the Act. The limits set by the Act are 50 per cent. of premium income for fire and miscellaneous insurance and 100 per cent. for marine insurance. It is interesting to recall what Mr. R. Varadachari, who has had extensive experience in the administration of income-tax and who, as the Administrator of the Jupiter General Insurance Company, Ltd., knows the difficulties of insurers, had to say on this subject. In his report, Mr. Varadachari said:

"It is rather unfortunate that the Income-tax Department insists upon allowing only a reserve of 100 per cent. under marine and 50 per cent. under fire and miscellaneous. But I am quite convinced, from my experience of income-tax administration for a long time and of insurance for the last few years, that this rule-of-thumb method is not appropriate to all companies and that it is acting detrimentally to the interests of Indian insurance in not encouraging the creation of adequate reserves to meet any emergencies. Though the figures are the same as those usually adopted by the English income-tax authorities, the practice is not the same in the two countries. Apart from this, it should be remembered that the English insurance companies are giants, with a long history of over 100 years, and have huge funds at their disposal which could stand any catastrophic losses. It is, therefore, inappropriate to judge the comparatively new insurance companies of India by the same standard and apply a rule-of-thumb method. In Continental countries, it is the Government departments which insist upon strong reserves being maintained by the companies."

So much for the views of a person who has had the rare benefit of the knowledge of both insurance and income-tax. To revert to Mr. Goculdas's speech. He emphasised that, inasmuch as the general insurers' business is concentrated in congested areas, they are not able to spread the risks either territorially or by class. He, therefore, reiterated the demand, already made by the Association in its memorandum to the Taxation Enquiry Committee, namely, that insurers should be allowed to create reserves for unexpired risks and additional reserves to the total extent of 100 per cent. of their premium income in respect of fire and miscellaneous insurance, 150 per cent. in respect of marine cargo business and 200 per cent. in respect of marine and aviation hull business.

Treaty Reinsurers

Another tax problem agitating the minds of insurers is the demand by the Income-tax Department requiring general insurance companies to pay tax on behalf of their foreign treaty reinsurers on profits earned by the latter. Referring to this question, Mr. Goculdas said: "The proposal constitutes a departure from established reinsurance practice and is viewed with apprehension by Indian companies." If this proposal were carried through, it would, as Mr. Goculdas warned, "put the clock of progress back in general insurance." Indeed, it might even invite retaliation by foreign countries where Indian insurers operate. The Government will, therefore, do well to accede to Mr. Goculdas's request that "in all cases, where the reinsurance transactions are *bona fide* and undertaken for the sole purpose of obtaining protection by means of reinsurance, the present position of treating the reinsurance as not liable to tax should be continued."

It is certainly unfortunate that, while the Central and State Governments have not yet adopted any positive measure designed to benefit life or general insurers, they seek to place impediments in the way of private enterprise through attempts at competing for the available business. Mr. Goculdas referred, in this connection, to the extension of insurance facilities by the Postal Insurance Fund beyond the restricted sphere of Central Government employees and the Mysore Government's proposal to enlarge the scope of its general insurance scheme, now confined only to motor insurance, so as to include marine insurance, burglary insurance, air accident insurance, etc. These proposals, as Mr. Goculdas warned, would, if implemented, "fragmatise" the available business. This would expose both the Government insurance departments and private insurers to grave danger.

Finally, Mr. Goculdas referred to the state of the insurance market in the country, to the keen competition that prevails there, to the increase in costs of claims and to the evil of rebating. He deplored that cases of illegal rebates and deflection of business from one company to another by questionable means still continue. He sounded a note of warning that, if the insurers failed to put their house in order, they would be "inviting further restriction, amounting, perhaps, to vexatious and detailed interference in the day-to-day working of our companies." Instead of indulging in uneconomic competition, insurers will perhaps be well advised to explore new lines of business. It should be possible for insurers to expand the volume of general business by publicising the value of insurance against burglary, loss of life or limb through accident, and other forms of insurance which have still to become popular in this country.

UNITED INDIA LIFE ASSURANCE CO., LTD.

With the new business for the year ended 31st December, 1953, at Rs. 3.79 crores, the total business of the United India Life Assurance Company, Ltd. (Manager: Mr. N. V. Nayudu, Madras) has now climbed up to a total of Rs. 26.97 crores, thereby registering an increase of Rs. 2.04 crores, as compared with the business at the end of the previous year. The renewal premium income of the Company has increased by Rs. 4.93 lakhs to Rs. 1.01 crores. The Company's life assurance fund now stands at Rs. 7.49 crores. A noteworthy feature of the Company's business trend is the increase in the average sum assured per policy which was Rs. 2,858, as against Rs. 2,757 in the previous year.

These results, creditable as they already are, are likely to be excelled in the current year. There are at least two factors which point to the bright future that lies ahead of the Company. In the first place, the management has, as Mr. N. Rama Rau, Chairman of the Company, emphasised at the recent annual meeting of the Company, effected a "substantial reduction" in premium rates. This should make the United India's policies more attractive to prospects. It is significant that the United India's management does not regret this reduction in premium rates was made possible by the steady improvement in the Company's mortality experience, increase in the yield on its investments and the fact that expenses of management have been held within reasonable limits. He added: "I sincerely hope that the reduction in rate now adopted by a large number of companies will be followed by progressive reduction in cost in due course and that life insurance will become a really attractive feature in the planning of the common man's life."

Secondly, the management is steadily expanding its overseas business. In this connection, Mr. Rama Rau revealed that the management had set up local advisory boards in Malaya and Ceylon. This step should go a long way towards enlisting local co-operation in the promotion of the Company's business. Finally, the Company has earned a well-deserved reputation for keeping the interests of the policyholders above every other interest. The foresight of the Company's management will be evident from the fact that the authorities of the Company created, over a quarter of a century ago, a trust deed placing restrictions on investments on the lines that later found legislative expression in the Insurance Act, 1950. In the light of the recent Act, the deed has no doubt fallen into disuse. Even so, it will serve to emphasise the fact that the Company's sponsors conceived their role towards policyholders as that of trustees.

TRAINING COURSE FOR EMPLOYERS' STAFF

The Regional Office of the Employees' State Insurance Corporation has organised a training course for officers and staff of the employers in Greater Bombay, where the Employees' State Insurance Scheme is to be implemented shortly. The Employees' State Insurance Scheme provides for cash and medical benefits under three contingencies, sickness, maternity and employment injury. When the scheme is implemented in Greater Bombay, about 450,000 workers employed in about 1,600 industrial establishments will receive benefits provided under the scheme.

The training course is intended to acquaint the officers and staff of employers with the detailed working of the Employees' State Insurance Scheme, particularly in so far as the obligations and functions of the employers are concerned. Training will be given in batches of about 50 persons each by a team of instructors who have been specially trained for the purpose by an I.L.O. expert and some of whom also have the experience of practical working of the scheme in Delhi and Kanpur. The course will last about two months so as to enable all employers in Greater Bombay to avail of the opportunity.

The Committee of the Indian Insurance Companies Association, Bombay, for the year 1954, consists of: Messrs. M. G. Mody (New Great) Chairman; K. C. Desai (Vulcan), Vice-Chairman; H. M. Chawalla (Concord), M. S. Datur (British India), T. K. Desai (New India), L. P. Goculdas (Jayabharat), N. C. Jerajani (Indian Globe), K. G. Merchant (All India General), Mohanial Velji (New Asiatic), P. H. Shukla (United India) and G. H. Thakore (All India Co-operative).

The speech of Mr. H. K. Sen, which we reviewed last week in these columns, was made at the annual meeting of the Indian Insurance Institute, held at Calcutta, and not at Patna, as stated therein.

BOMBAY CO-OPERATIVE INSURANCE SOCIETY

MR. A. L. CHANDAVARKAR ON NEW PREMIUM RATES

PRESIDING over the Twenty-fourth Ordinary Annual General Meeting of the Bombay Co-operative Insurance Society Ltd., held at Bombay, on Saturday, 19th June, 1954, Mr. A. L. Chandavarkar, Chairman of the Society, doubted the advisability of the recent reduction in premium rates by insurers. He held that it would have been more appropriate if the trade had had time to study the question in all its details.

In the course of his speech, Mr. Chandavarkar referred to the increase of over Rs. 5 lakhs in the Society's new business and expressed his satisfaction at the increase in the net interest yield.

Turning to other matters, Mr. Chandavarkar referred to the substantial reduction in the rates of premia effected by the Society from 1st April, 1954, so as to continue to offer life insurance at rates comparable with the rates charged by some of the big insurers. He said, however, that it was difficult to assess the effects of this grave step on the trade. He doubted the advisability of this step in view of the present unsettled economic conditions, and felt it would have been best if the trade had had time to study the question and to decide the best manner in which policyholders could be benefited without any untoward effect on the trade. He assured the members that inasmuch as the Society's position was sound in every respect, it faced the future with confidence.

Referring to the decision of the Executive Committee of the Life Insurance Council, prohibiting co-operative insurers from offering policies to members of co-operative societies at reduced rates of premia, he appealed to the State and Central Governments to redress the wrong which had been inadvertently done to the members of co-operative societies.

He suggested that employees of large establishments could avail themselves of the advantage of cheap insurance under staff insurance scheme of the Society whereunder the premia are reduced to a minimum and appealed to co-operative credit societies formed by employees of these establishments to take interest in these matters and to have the Society's scheme approved by the employers, thus taking advantage of the insurance facilities offered by a co-operative insurer for the benefit of their members and other employees.

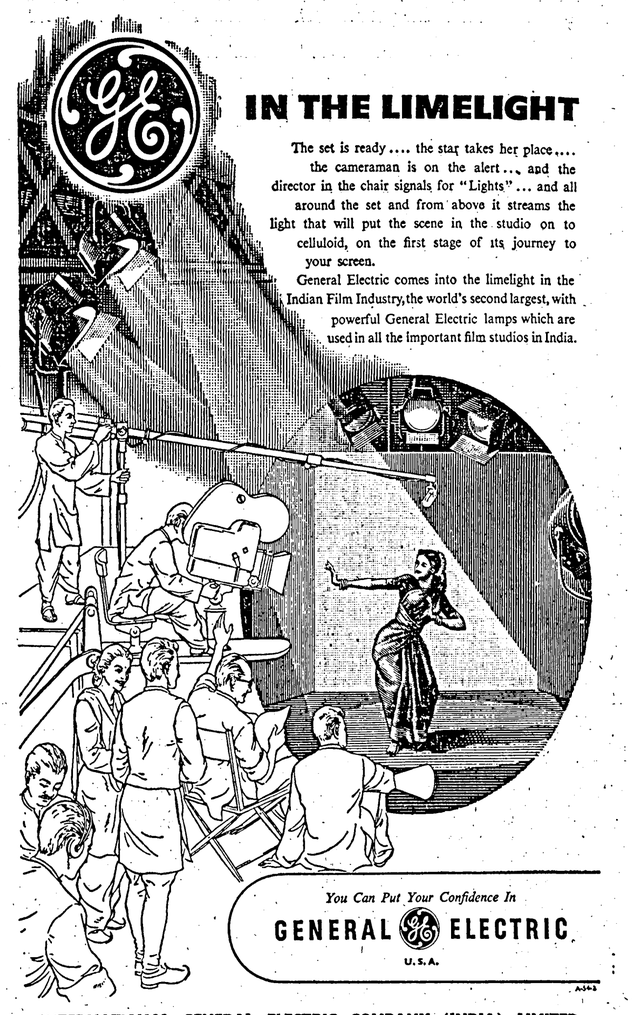
Alluding to the compulsory provident fund scheme constituted by the Government of India for employees in certain industries, he said that this scheme presents an opportunity to life offices to impress upon the workers the benefit of life insurance. He expressed the hope that, with the help of employers, the Society's efforts in this field would lead to results mutually beneficial to all.

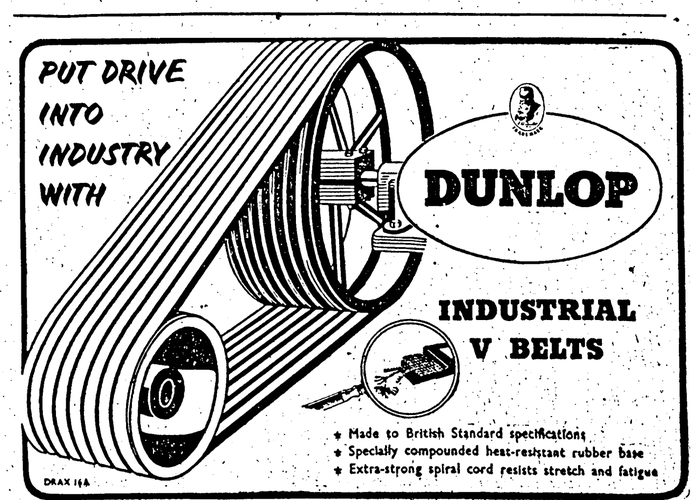
He then touched upon the question of keen competition from the insurers outside the co-operative movement and suggested that a well developed co-operative organisation alone can make sustained approach to the large masses of people who have not yet heard of the services which life insurance can render and make available insurance service at a reasonable cost and on liberal terms and conditions. In this connection, he welcomed the move for the formation of a single co-operative insurance organisation for transacting life insurance business throughout India and even outside, in place of a number of co-operative insurance societies registered in various States. He informed the members that informal exchange of views on this subject was now taking place.

Finally, he referred to the problem of lapsation of policies, and revealed that the Society had liberalised the conditions for revival of lapsed policies and that it would pay members to investigate these conditions.

The meeting adopted the revenue account and balance-sheet of the Society for the year 1953.

At the recent annual meeting of the Co-operative Insurance Society Ltd., held at Manchester, Mr. S. Leonard Kassel, Chairman of the Committee of Management, emphasised the need for simultaneous efforts at improving the yield on investments and at keeping the expenses under control. He added: "Our aim is to be fair both to the policyholders and the staff, but we never forget that, as a co-operative organisation, our main duty is to watch the interests of the consumers—our policyholders."





THE UNITED INDIA LIFE ASSURANCE COMPANY LIMITED

MR. N. RAMA RAU ON FUTURE OF LIFE INSURANCE

PRESIDING over the Forty-eighth Annual General Meeting of the United India Life Assurance Company, Ltd., held at Madras on Friday, 4th June, 1954, Mr. N. Rama Rau, Chairman of the Company, expressed his firm belief that life assurance had a "bright future" in this country. He explained that this belief was based on the twin considerations of the great expansion that was likely to take place in industry and agriculture and the gradual dissolution of the Hindu joint-family system.

The following are extracts from Mr. Rama Rau's speech:

"GENTLEMEN,

"It is natural that our thoughts on this occasion should be full of the great tragedy in which our late Chairman, Shri M. Ct. M. Chidambaram Chettyar, lost his life in a plane crash in Singapore on 13th March this year. This sad event has cast a gloom around us. We are all filled with a deep sense of the loss that his sudden death has caused to his family, to this Company and to the various institutions with which he was associated, and to his numerous friends. He was comparatively young when in 1931, he was elected as Chairman of this Company—a position which he continued to hold till his death. As a colleague of his, on the Board of Management of this Company during all these years, I can say without hesitation that but for his far-sighted vision, forceful personality and his wise direction, this Company could not have risen to its present stature. I note with satisfaction the desire expressed by you that this meeting may place on record our sorrow for the death of Shri Chidambaram Chettyar and our appreciation of the services rendered by him to the Company.

"To mark our respect for the memory of our late Chairman, Shri Chidambaram Chettyar, may I now request you all to stand and observe silence for two minutes.

"I now have pleasure in presenting to you the report of the Board of Directors and the accounts of the Company for the year ended 31st December, 1953. The report and the accounts have now been in your hands for some time and I take it that it is your desire that they may be taken as read and I would request you presently to receive and adopt the same.

New Business

"Our new business for the year amounted to 13,266 policies assuring a sum of Rs. 3,79,25,695. The annual premium income arising out of the above new business was Rs. 21,47,758.

"The average sum assured per policy in respect of the above new business was Rs. 2,858 as against Rs. 2,757 in the previous year.

"The business in force as at 31st December, 1953, was 1,16,923 policies assuring a sum of Rs. 26,96,57,855 registering an increase of 3,583 policies and Rs. 2,04,68,897 sum assured during the year.

"The renewal premium income of the Company for the year was Rs. 1,01,43,600 registering an increase of Rs. 4,93,491 over the previous year.

"The income from interest, dividends and rent less income-tax thereon amounted to Rs. 28,73,169 as against Rs. 23,57,992 in the previous year. The yield on the mean life assurance fund during the year was 4.32 per cent. (gross) and 3.82 per cent. (net) as against 4.27 per cent. (gross) and 3.25 per cent. (net) in the previous year.

"A special reserve of Rs. 40,857 has been created towards mortgage loans. The total investments of the Company stand in the books at Rs. 24,08,168, more than their realisable or market values, against which our investment reserve fund of Rs. 26,50,000 is more than adequate.

Life Fund

"The life assurance fund has increased during the year by Rs. 63,17,545 as against the corresponding increase of Rs. 43,90,819 during the previous year and now stands at Rs. 7,48,98,593.

"The net benefits paid by the Company to its policyholders during the year amounted to a sum of Rs. 48,12,741, of which claims by maturity amounted to Rs. 29,88,766, claims by death Rs. 10,11,490 and annuities and surrenders to Rs. 8,12,485. The total amount of benefits paid to the policyholders by way of claims from the inception of the Company is Rs. 3,43,07,415.

Life Insurance in India

"Although it is gratifying to note that life insurance business has made rapid strides during the last 30 years, it is not flattering to be told that the number of policies in force at the end of 1952 was less than 1 per cent. of the total population and that the *per capita* insurance coverage is less than Rs. 25. I firmly believe that there is a bright future for life insurance in India. There are two important factors which I expect will contribute to a rapid growth of life business in future: one is the tremendous and determined effort now being made for expansion of industry and agriculture. This effort is bound to yield good results by raising living standards and adding to the economic wealth of the country. The other factor arises out of the changes that are taking place in our social life and in the gradual dissolution of the Hindu joint-family system. In the economic sphere, emphasis is being gradually laid on the independence and self-sufficiency of the individual rather than of the family as a whole. With the isolation of the individual from the family, there will necessarily arise a greater dependence on the security afforded by life insurance.

"It will be of interest to you to note that we have recently effected a substantial reduction in our premium rates. This reduction was made possible by the steady improvement in our mortality and a higher yield on our investments and the good results arising out of a constant effort to keep within limits our expenses of management. I sincerely hope that the reduction in rates now adopted by a large number of companies will be followed by progressive reduction in cost in due course and that life insurance will become a really attractive feature in the planning of the common man's life.

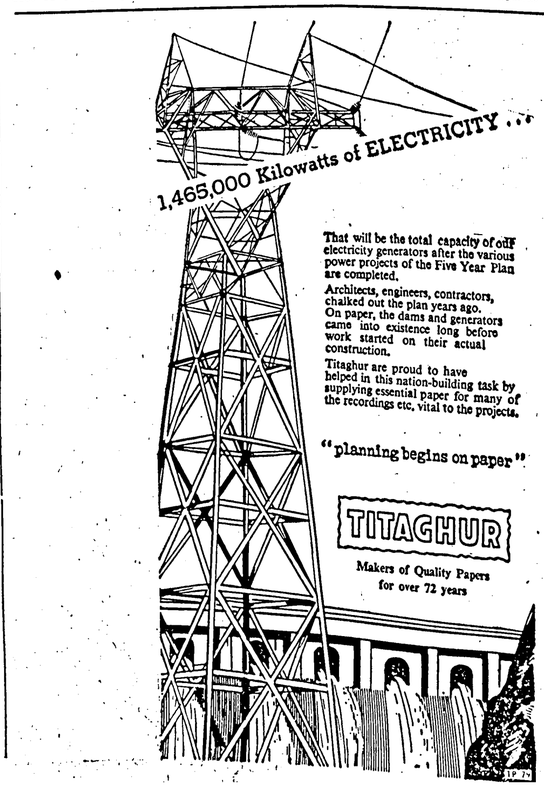
"With the object of safeguarding the interests of the policyholders, the Insurance Act of 1950 enacted several provisions for the regulation and control of investments of life assurance funds in the hands of companies. Although these provisions met with some hostile criticism on account of the insistence that a large proportion of such funds should be kept invested in Government and approved securities, yet, it must be admitted that the need for regulation of investments became urgent and that the law did not come into force a day too soon. In this context, it will give us satisfaction to think that the authorities of 'United India' had realised a quarter of a century ago the wisdom of placing a restriction on investments very much on lines of the scheme since adopted by the Insurance Act. The 'Trust Deed' which came into existence in 1928 has served the Company very well. It seems to me, however, that having regard to the existing comprehensive provisions of the Insurance Act on this subject, the value of and need for the Trust Deed may not be apparent hereafter.

"Before leaving the subject of investments, I should like to refer to our investments on buildings. The buildings which the Company owns in Madras, Bombay, Calcutta, Delhi and other places form very valuable assets of the Company. Their total market value is far higher today than when these investments were made. We have not, however, taken credit for the increase in value in our accounts, so that the large difference between the market and book value forms a sort of hidden reserve to strengthen the Company's position and enhance the security of the policyholders.

Foreign Business

"With regard to the development of foreign business, we have latterly set up Local Boards in Malaya and Ceylon. It is hoped that in due course, these Boards will serve to make the Company more popular and be helpful for the development of the Company's business and the improvement of its administration in the countries concerned. On your behalf, I should like to thank the Local Advisory Boards for the keen interest they have evinced in the affairs of the Company and the readiness with which they have given their valuable advice from time to time.

"It is also my desire to take this opportunity to express my appreciation of the services of our staff both at the Head Office and in the Branches of our medical examiners and of all the field workers and agents."



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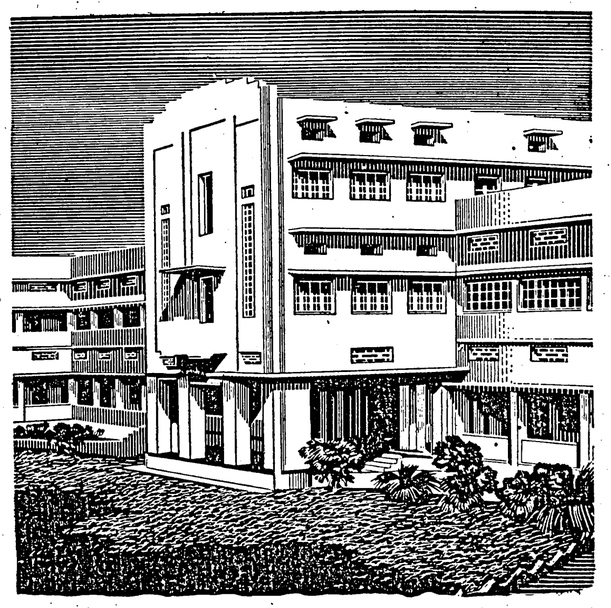
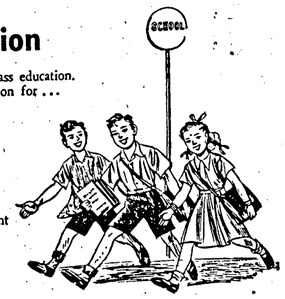


For every citizen—
education



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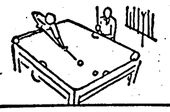

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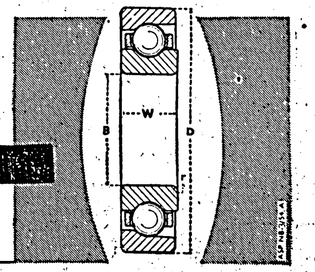

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PRODUCTION ENGINEERING AND PERSONNEL

IMPORTANCE OF MORALE NEEDS GREATER ATTENTION

(By S. A. TRIVEDI, B.Sc., B.Sc. Tech., M.S. (Wisc.)

THE three M's of industry are money, material and men. For the procurement of the first M, namely, money, the shares department, the accounts department and the management of an industrial establishment take the requisite steps. The planning, purchase and stores departments take care of the second M. This leaves the third M—men—which is of equal, if not of greater, importance as the first two M's, which has not merited with that measure of consideration it deserves.

In the modern world, there is a belief that the value of man as such is less than that of an animal. If money is invested on animals, it is necessary to see that these animals do not wear out as a result of continuous work and consequently become inefficient; hence considerable care of animals is taken. However, except in a well run organisation, the staff is not considered as an asset but as a commodity, which can be purchased with money. This is a wrong policy to adopt. To any industry, men are an asset and their continued efficiency is a desideratum in the pursuit of day-to-day activities. Should this aspect of human values be always in the forefront of managerial considerations, there will be no falling away in production and the result will be most tangible and heartening to the eventual good of the employers and the employees alike.

For this purpose it is very necessary there should be a department in all industries, which shall be delegated with the duty of looking after the men and seeing that good relationship is fostered between the management and their employees.

At present, we find constant complaints and bickerings between the employer and the employees. The former allege that the men do not co-operate and the latter urge that their masters are unsympathetic towards them. This has resulted in avoidable strikes and lockouts. It would thus appear that both the parties do not attach much importance to the ethical and psychological aspects of the problem and hence the squabbles day in and day out. It is at such a juncture the personnel department would come in very handy in creating a healthy atmosphere and smoothening out the differences most tactfully. Its efforts will establish harmonious relationship between the two factions, guaranteeing a proper appreciation of each other's viewpoints.

In this connection, Mr. Thomas G. Spates, Vice-President of the General Foods Corporation, widely known in the field of "Personnel," rightly says:

"Sound personnel administration means so organising and treating people at work that they will utilise their maximum individual capabilities, thereby attaining maximum personnel and group satisfaction and rendering their maximum service to the enterprise of which they are a part."

Now broadly and definitely the conception of this function of personnel administration is explained by him thus:

"Personnel administration is a code of ways of organising and treating individuals at work, so that they will get the greatest possible realisation of their intrinsic abilities, thus attaining maximum efficiency for themselves and their group and thereby giving to enterprise of which they are a part its determining competitive advantage and its optimum results."

In many well organised companies in the United States of America, the policies of the department are considered so important for better relationship between supervisory and working force that some of them state their labour policies and instruct their supervisory staff to follow the same both in letter and spirit. Some of these policies are:

(1) To pay all employees adequately for service rendered;

(2) to maintain reasonable hours of work and safe working conditions;

(3) to provide continuous employment consistent with business conditions;

(4) to place employees in that kind of work which is best suited to their abilities;

(5) to help each individual to progress in companies' service;

(6) to aid employees in times of need;

(7) to encourage thrift;

(8) to co-operate in social, athletics and other recreation activities; and

(9) to accord to each employee the right to discuss freely with the executive any matter concerning his welfare or the company's interest.

In India, the Union Government has taken a lead and established certain laws to help labour, and all industries have been asked to have on their staff a trained labour officer. Although suitable legislation, in the form of the Factories Act, Workmen's Compensation Act and Payment of Wages Act, has clearly indicated the manner of treatment of labour and the benefits which accrue to them, these do not cover the entire field and certain unwritten and conventional rules have to be drawn up and followed. This means that the personnel department has to evolve these methods of approach and apply the same. Thus the functions of the personnel department would fall into the following categories, besides looking after the proper administration of the above labour laws:

(1) Employment, recruitment, selection, hiring and placement and occupational adjustment;

(2) training;

(3) employees' service and benefit plans, education, residential accommodation;

(4) medical and health services;

(5) personal safety, fire precautions and sanitation; and

(6) joint representation union problems.

It must be emphasised that, with a view to ensuring satisfactory performance of the foregoing functions, the personnel department should be manned by a person of authority who could co-ordinate the activities of these branches.

Employment and Occupational Adjustment

This will embrace the study of labour resources interviewing applicants, making physical and mental tests, selection of suitable employees, introducing them to their respective jobs, placement, transfer and advancement, lay-offs, attendance and maintenance of records. Most of these are done by our industry, except physical and metal tests which are necessary to get an idea of general intelligence, personality and emotional stability of the employees.

Training

This is a very important part of work to be attended to by the personnel and production departments, in that the employee is taught to understand the nature of the work expected of him and to do it well, thus ensuring to him possible avenues of future advancement. It is too much to except schools and institutions to turn out workers to an acceptable stage of efficiency and hence the need for a trainee course for employees. The Government of India has laid particular emphasis on this aspect of the question and sponsored trainee courses for industrial workers for this purpose. The help of international organisations such as the F.A.O., Colombo Plan, Ford Foundation, T.C.M., etc., can be sought to afford efficient and specialised training. The bigger companies can institute training programmes within their own premises, whilst smaller companies can take advantage of the numerous facilities available in the country.

Employee Service and Benefit Plans

These consist of organising mutual benefit associations such as co-operative societies, credit unions saving plans, provident fund, housing societies, canteens, recreation clubs, publication of house organ. It would be as well if the employees are given perfect freedom to direct these activities on their own. This extra curricular occupation would create much enthusiasm, thus leaving no scope and time for resorting to mischief, strikes, and other unsocial acts. The personnel department has to take considerable pains to initiate them specially in a remotely situated industrial organisation.

Medical and Health Services

This is an important aspect of the problem. In a distant locale this service should provide a dispensary and indoor hospital fully equipped and adequately staffed, as also a maternity ward. In view of the fact that workers are an asset, selection of personnel should be based upon a proper medical examination before employment, and given medical aid in time of need.

Safety, Fire Precautions and Sanitation

This will include safety precautions against mechanical, chemical and electrical hazard. Persons entrusted with this branch of the service should ensure that all danger points are well guarded and warning against hazard placed at prominent locations. They should also train selected men in various first aid measures in case of accidents and emergencies arising out of these hazards.

Similarly, a fire-fighting gang should be trained and mock fire alarm trials arranged periodically. A liberal provision of fire extinguishers and other appliances should be made. A check up of water hydrants and their sound working, as also facilities for isolating the scene of fire, should be readily available like fire doors, on and off switches, electric fire-fighting appliances, etc.

Now comes the sanitation of the factory as a whole. Rest rooms, wash-places and urinals, etc., and their general cleanliness should be looked after carefully as laid down in the Indian Factories Act.

Joint Representation

In a well-organised industrial organisation, there are no chances for misunderstanding arising between the worker and the management. However, it is always better to encourage the formation of the workers' union, as this will avoid any outside influences which tend to mislead the worker. The personnel department will find it a great help to discuss them and settle all problems facing labour with their selected representatives and get the same accepted by the management. This type of human relationship provides means for collective dealing between the employer and the employees regarding wages, hours of work, working conditions and other subjects of human interest and facilities for exchange of information and understanding between supervisory and working classes. It facilitates creation of a just and harmonious relationship between workers and supervisors, consideration of grievances and complaints from employees, and growth of morale, contentment and loyalty. Besides, it ensures suitable facilities for constructive co-operation in furtherance of efficiency and economy of operation, thus promoting success of the enterprise.

Morale

Above all these, scientific organisation is the unwritten, unseen and unvisualised aspect of factory administration, called morale. It comprehends endowment, character, qualities, personalities, and social relation of individuals who form the organisation personnel. If this informal organisation is good the whole will function with less friction and fewer conflicts than if it is otherwise. Whilst on the subject, Swami Vivekanand has quite aptly said:

"What the nation wants is pluck and scientific genius. What we want is a great spirit, tremendous energy and boundless enthusiasm. It's the man of action, the lion heart, whom the Goddess of Wealth resorts to."

This morale, which means 'discipline and confidence' is a state of faith. In the army or industry, it is essentially faith in the organisation, in its leadership, in its objectives and achievement of these objectives. The morale is personal in origin and operates from top downwards. The chief of the organisation is the real morale officer who, as a leader, must pave the way for permeation of this quality throughout the whole personnel. Morale results, according to an eminent authority in the field of public relations, from making proper demands upon people—demands which enable them to win the psychological rewards of achievement. It connotes energy, eagerness, team work and success, while lack of it is mated by confusion, apathy, muddling and failure. The real morale leader will get people in the right frame of mind to do their best. Morale is that quality of physical, mental and spiritual fitness that demands release in action against the required objectives.

In a good organisation, this morale should be evidenced throughout the successive ranks to the supervisory and foreman level. The latter in turn may engender the same spirit in workers by prompt handling of complaints dealing fairly with all workers, careful interpretation of management decisions, which may caure unrest, and in other ways removing most of the causes of lost morale. If the foreman or supervisor neglects this aspect, the good work done by management will be defeated, since workers are influenced in their morale by other workers whose attitude towards the company is not

(Continued on page 1263)

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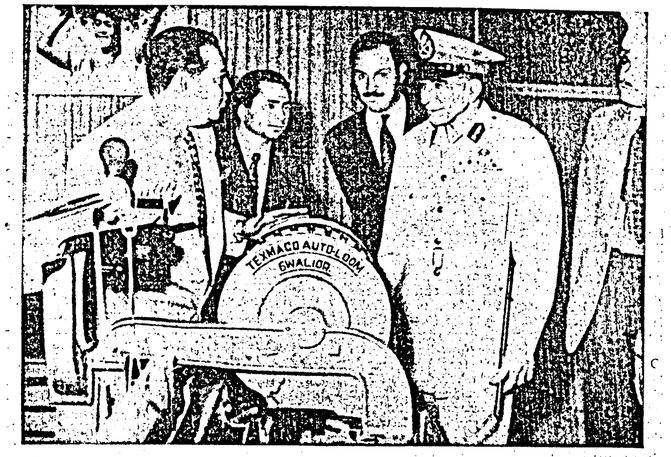
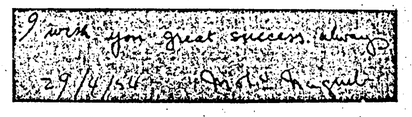


General Naguib, President of Egypt, evincing keen interest in TEXMACO AUTOMATIC LOOM at the Cairo Exhibition.



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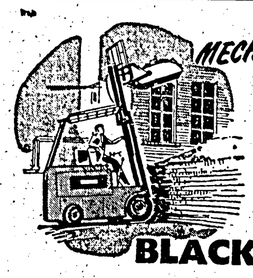

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SOME PROBLEMS OF EXPORT TRADE

EXPANSION OF U.K. MARKET STRESSED

THE problems relating to promotion of exports discussed by Mr. H. N. Vibhakar, First Secretary (Commercial) designate to the Indian High Commissioner in the U.K., with the representatives of the Hindustan Chamber of Commerce and the Southern India Chamber of Commerce at Madras on the 16th inst., are of utmost importance to the economic progress of the country. For a solution to these problems will help expand India's exports and thereby enable the country not only to earn foreign exchange but to extend employment opportunities for its people.

The memoranda presented to Mr. Vibhakar by both the Chambers drew his attention to the lines on which export drive should be accelerated. Today India's export trade in animal and vegetable oils, cotton, tobacco and its manufactures, metal scrap and ores, mica and shellac is declining. In the exports of bristles too India is facing keen competition from Russia, China and the Netherlands. In the exports of carpets, Persian competition is having a telling effect on Indian trade. The market for lemongrass is becoming negligible. So Mr. D. C. Kothari, President of the Hindustan Chamber, pressed the need for recapturing these markets. Similarly, Mr. Govindan, of the Southern India Chamber, made a few points. According to him, as the U.K. is not able to import groundnut from West Africa, that country's requirements of groundnut oil must be met by India. In respect of leather, the enforcement of the "leather contents" clause by U.K. importers is partly responsible for the the shrinkage of Indian shipments and this will have to be enquired into. The offtake of Indian tobacco has fallen considerably and so also that of mica. The possibility of exporting some special varieties of handloom goods to the U.K. has also to be considered. Mr. Govindan stated that there was a feeling that sufficient publicity was not given to Indian goods in foreign markets. He, therefore, suggested that in such countries as England, the Government must maintain a museum for the display of Indian products. The Indian banks should be encouraged, he said, to open branches in the U.K. and trade enquiries should be sent to Indian Chambers of Commerce direct.

The need for maintaining a high level of trade with the U.K. was stressed by Mr. Kothari also. He observed that the U.K. was still India's foremost customer. The first quarter of 1954 had shown, according to him, a trade surplus with the U.K. of about $16.4 million. Tea exports had almost doubled as compared with the corresponding quarter of the previous year. Not only did he want this high level of exports to be maintained but he saw great scope in the U.K. for developing a market for bedspreads, table cloths, medium handkerchiefs, furnishing fabrics, and prints of handloom make. Up to 1953, India was not in a position to supply iron ore to the U.K. Now that the supply position of iron ore was easy, the possibility of marketing it in that country had to be investigated. He took care to add that for the expansion of Indian exports as also for avoiding inflationary conditions, liberalisation of import controls was necessary. Incidentally, Mr. Kothari desired to know how the Trade Representative could help Indian business men in the matter of arbitration of disputes.

The various aspects of export promotion, as also of maintenance of a high level of exports to Britain, mentioned above, place a heavy responsibility on the Trade Commissioners not only in the U.K. but elsewhere. In fact, their role has now completely changed, for since independence the foreign trade of India has undergone several changes. The country now exports more of manufactured goods and less of raw materials and imports more of raw materials and machinery for its industry, and less of consumer goods. It was almost the reverse of this in pre-independence days. The variety of goods entering the export trade is large, demanding a high degree of skill in salesmanship. The Trade Commissioners are now required to study the problems of these export items as also their nature of the markets overseas and act as a liaison between the Indian producers and the overseas importers. But the assistance that Trade Commissioners can give is of a limited nature and even this will be of little use, if producers here fail to observe certain important principles of commerce. Mr. Vibhakar, therefore, did well in reminding Indian exporters of these principles. The points stressed by him are worth noting.

The prestige of a nation depended, Mr. Vibhakar remarked, on the quality, efficiency, speed and the way in which manufacturers supplied goods according to specifications. Whenever there were complaints, they had to be answered to the satisfaction of importers. It took years of collective effort to create a good reputation and this had to be carefully maintained. He narrated how Japan promoted external trade. Goods were according to specifications and there was speedy shipment of goods. The yardage of textiles, for instance, was quite good. If 40 yards had to be sent, the yardage sent actually was 41 and not 39. He added that the essence of success in trade lay in the prestige they built up for their goods. The trade must look into the question of having special export prices and export policies for pushing up and for retaining markets for India in foreign countries. Referring to the request for the display of Indian goods abroad by Trade Representatives, Mr. Vibhakar asked them to send him adequate quantities of sample goods for display purposes at centres in the U.K. As for the suggestion for liberalising import trade, he said that the Government of India was progressively reducing restrictions on imports and that this policy would no doubt be continued in future also.

The prominence given to the question of arbitration of disputes between Indian and overseas merchants in the discussions above merits a reference here to the move made by the Federation of Indian Chambers of Commerce and Industry. The Federation is taking steps to constitute an Arbitration Board with separate panels for various industries for settling disputes regarding quality, period of delivery, etc., between Indian and foreign merchants. The decisions of the Board would be accepted not only by the party in India but also by the party at the other end. At present disputes connected with specifications and standards regarding Indian exports of tea, coffee, hides and skins, etc., are settled by bodies in importing countries. Because their decisions are final, Indian business men are sometimes known to have suffered considerable hardship. The setting up of the Arbitration Board in India would be advantageous to these business men. The Federation is expected to submit a scheme in this connection to the Government of India in order to seek its co-operation and assistance.

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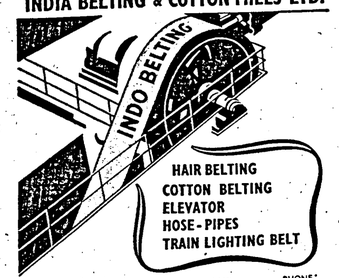

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EARNINGS OF SINDRI FACTORY

Despite reductions in the price of ammonium sulphate produced at Sindri, the accounts of the fertiliser factory for the year ended 31st March, 1954, are understood to make satisfactory reading. The annual general meeting of the Company will be held in July next.

The price of ammonium sulphate was reduced from Rs. 350 to Rs. 285 per ton (f.o.r. Sindri) with effect from January, 1953. A further cut of Rs. 10 per ton was made on 1st March this year. The earnings of the Company, however, have been well maintained, thanks to a higher level of production. Output, however, is still below the rated capacity of 960 tons per day, the actual production being 750 tons or less. Plant troubles have been carefully investigated by expert engineers and it is believed that they will be successfully handled in the course of the current year.

One outstanding feature of the annual accounts will be the financing of the coke oven plant without additional borrowings from the Government of India. The sum of Rs. 2.35 crores required for this purpose has been provided by the Company from its depreciation reserves. The plant is expected to be inaugurated by the President, Dr. Rajendra Prasad, in September this year. It is intended to make the fertiliser factory independent of outside supplies of coke and lead to lower costs of production in due course.

The Company made a gross profit of Rs. 2.71 crores in the previous accounting period. Out of this amount the Directors appropriated a little less than Rs. 2.09 crores for depreciation and repairs, while utilising Rs. 35.16 lakhs for paying interest at 4½ per cent. on borrowings from the Government of India and Rs. 26.36 lakhs for writing off development expenditure. The financial picture presented for the latest accounting year is not likely to be less comfortable.

U.S. TECHNICAL AID TO INDIAN INDUSTRY

The Government of India signed on the 16th inst. an agreement with the Government of the United States of America whereby the latter would provide technical assistance to Indian industries, mainly in the private sector, for increasing their productivity and improving their management. The assistance would be of the value of 805,000 dollars and will be mainly in the form of provision of productivity teams and individual experts in these fields and the required supporting equipment, supplies and technical literature.

The following assistance is visualised under the project:

(a) Four productivity teams and a production engineer will be furnished to assist in the improvement of production technology, quality of production, standards of working conditions and related technical aspects in the metal working industry in India.

(b) A productivity and management team of five engineers will be furnished for assistance to the newsprint industry and specially to the National Newsprint and Paper Mills Ltd., Madhya Pradesh (Nepa Mills). Industrial specialists on certain specific industrial and research problems will be provided.

(c) Technical assistance and books on business management and other related technical literature will also be provided.

The agreement was signed by the designated representatives of the two Governments: Mr. L. Wade Lathram, Acting Director of the U.S. Co-operation Mission to India signed on behalf of the U.S. Government and Mr. C. V. Narasimhan, Joint Secretary, Ministry of Finance, signed on behalf of the Government of India.

INDO-U.K. TRADE IN JANUARY-APRIL, 1954

A rise of about 24 per cent. in the total value of trade between the U.K. and India during the four-month period January-April, 1954, is disclosed by H. M. S. Trade and Navigation Accounts of the U.K., just published. Thus, the total of exports and imports which amounted to £71.855 million in the first four months of 1953 rose to £89.320 million in the corresponding period this year. Of this, the value of shipments to India amounted to £39.015 million, while the U.K.'s imports from India aggregated £50.305 million. In the same period last year, the U.K.'s exports to India were only £37.382 million, while imports amounted to only £34.47 million. These figures reveal a marked rise of 47 per cent. in the U.K.'s offtake of Indian merchandise, while its despatches of goods to India during the period rose only by about 22 per cent. In the result, the small favourable trade balance of £2.9 million which the U.K. had with India during the corresponding period last year has turned into an adverse trade balance of £21.3 million.

Imports of Indian tea, which rose from £14.5 million to £24.9 million, headed the list and accounted for the bulk of the increase in imports. The offtake of miscellaneous Indian textiles also rose rather sharply from £3.1 million to £7.2 million or an increase of 133 per cent. U.K.'s purchases of Indian leather and manufactures were also higher by nearly £1 million at £5 million. The British offtake of metalliferous ores and metal scrap was, however, lower at £1.5 million, as against £1.8 million.

Among British exports to India, the value of machinery, other than electric, staged a decline from £10.1 million to £9.8 million during the four-month period under review. Similarly, shipments of electric machinery and appliances too receded from £6.7 million to £5.3 million. But exports of chemicals and road vehicles and aircraft increased in value from £3.6 million to £4.9 million and £2.4 million to £3.6 million, respectively.

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RATIONALISATION AND INDUSTRIAL HOUSING

MR. N. H. TATA PLACES EMPLOYERS' VIEWS BEFORE I.L.O.

THE views of Mr. David Morse, Director-General of the I.L.O., on some outstanding labour problems, expressed in his Annual Report presented to the thirty-seventh session of this body, now in session at Geneva—referred to in this journal a fortnight ago—have been analysed dispassionately by the employers' representative from India, Mr. Naval H. Tata, in his speech delivered at the session on the 14th inst. He did well in endorsing the view that the member-States of the I.L.O. "must give to the industrial work the social content which it has generally lacked upto now." He regretted that political tensions attracting the attention of the world had deprived the basic social problems of their share of due recognition; "if only political atmosphere improves, and the feeling of mutual suspicion yields place to mutual understanding and amity, a large volume of resources used in the unproductive activity of defence could be utilised," he said, "towards accelerating the progress of economic development in the vast underdeveloped regions of the world." He told the advanced countries of the West that, in the long run, any aid extended to the underdeveloped countries would stand in their own stead, and commended Mr. Morse for laying stress on this point in his Report.

Mr. Naval Tata's study of those portions of the I.L.O. Director-General's Report that relate to rationalisation appears to have left in him no doubt that the uproar by workers' representatives which the move for rationalisation has caused in India is out of all proportion to the short-term impact it is likely to have on employment. His arguments, in this context, directed to eliminate the misgivings about the effects of rationalisation, are quite convincing. In view of the repeated protests against launching schemes of rationalisation in this country by labour, Mr. Naval Tata's remarks merit reproduction here:

"In an era in which no machine manufacturer can survive unless his design and specifications offer an element of labour-saving feature, it would be unreasonable to expect re-equipment of machinery without reduction in units of labour needed to man modern machines. This very feature was the essence of 'industrial revolution,' and, if the critics who decry rationalisation today were correct in their belief, then the evolution from the manual to machine operation would have caused colossal unemployment with the advent of 'industrial revolution'. Instead, it opened up new vistas of employment opportunities which alone permit us to talk in terms of 'full employment,' thanks to the dynamics of 'industrial revolution.'

"Judged by the experience of industrially advanced countries, it is, therefore, safe to assume that, with the cost of production going down by means of rationalisation of labour and management, consumption is bound to go up, giving scope for increased production and more employment through further industrialisation of the country. In the interim period, however, there may be some displacement of labour, and a solution for the temporary hardship so caused may be found by mutual negotiations between the employer and the workers concerned. But to condemn outright the introduction of modern technique on the ground of an initial temporary unemployment is to put back the clock of industrial progress and fetter the industrial future of a country by denying the future generation of labour forces the employment opportunities possible under the normal growth and expansion of industries.

"It is, indeed, intriguing that, whilst considerable opposition is raised against modernisation and rationalisation in the industrial sector, on the agricultural front, we are going ahead with mechanising our agricultural operations by means of tractors, harvestor machinery and many other labour-saving implements which must replace manual labour to a large extent. What is good for the agricultural front should be good for the industrial sector as well, and it is extremely difficult to reconcile the clamour in my country against rationalisation and modernisation of industry with acceptance of the principle of modernisation in the agricultural sector. If the question of unemployment is the guiding factor, then the arguments should apply equally to both the sectors."

In the quotation above there is one point which is generally overlooked and to which Mr. Tata has done well in drawing pointed attention. This relates to the question of temporary hardships that may be caused to a few workers by their displacement resulting from rationalisation. Mr. Tata feels that this by itself should not be an adequate ground for the outright condemnation of rationalisation. For he is quite sure that the hardships could be avoided by "mutual negotiations between the employer and the worker concerned." We see no reason for the failure of such negotiations as the Government has already passed legislation providing for payment of compensation to workers temporarily retrenched or laid off. Of course, there was no need for this law, as even otherwise through negotiations a solution could have always been found for any dispute. Nevertheless, as the Government, by its interference, has strengthened the hands of the employees, the workers should cease their opposition to rationalisation. In this context, we must mention here that Mr. Tata's protest against undue Governmental interference in industrial relations through process of issuing ukases is thoroughly justified.

The Director-General's Report makes a valuable suggestion to solve the problem of housing for workers. While emphasising the need for giving it top priority, the Report points out that the problem of housing cannot be solved, "unless costs are reduced, financing methods improved and employment stabilised." This is possible, it says, by the co-operation of several agencies, namely, State and Central Governments, local bodies, industrial establishments and workers themselves. Mr. Tata considers that, in making this suggestion, the Director-General has sought to provide a practical solution to the problem of industrial housing. To quote Mr. Tata:

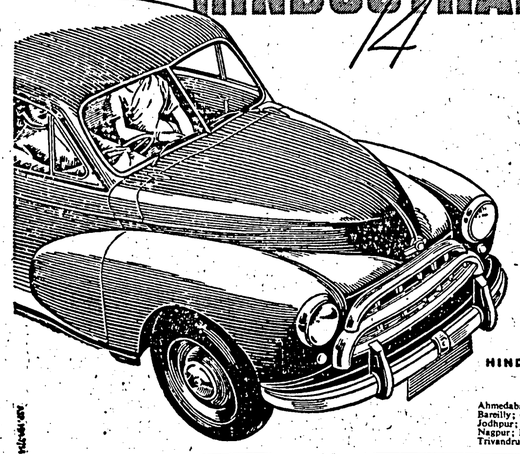
"The Director-General's Report has amply untied the complicated knots of the problem of housing and one could clearly glean that this complex problem involves a co-ordinated effort of Government, local authorities, employer and worker, if all the difficulties of finance, sites, building materials and the item of labour cost were to be solved. Today, the most difficult problem in highly concentrated industrial areas is the want of suitable sites at reasonable price for housing and, unless a co-ordinated effort is made to tackle this problem, it would be unfair to expect the employer independently to shoulder the responsibility for providing housing for workers at a rent within their means."

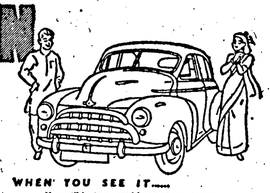
It is noteworthy that Mr. Tata has, in fact, expressed gratitude to Mr. Morse for laying stress in his Report that, in addition to employers, Governmental and semi-Governmental agencies also should lend their hands of assistance in building industrial workers' houses.

In the course of discussions on the Report, the employees' delegate from India is reported to have condemned the managing agency system as "feudal in character" and described it as a source of unconscionable profit. Mr. Tata's references to this issue, in his speech, protesting against the attitude of the workers' delegate, are quite pertinent. The controversy regarding the continuation of the managing agency system in India is purely a domestic issue and should find no place at all in discussions at an international organisation. What was even more regrettable was the one-sided version given by the employees' delegate. It is gratifying to find that Mr. Tata did not fail to present a balanced picture of the managing agency system and gave instances of the valuable service rendered by this system for the industrial progress of the country. He mentioned, for instance, how, on certain occasions, some of the managing agency firms had pledged their family properties and fortunes to save some of the basic industries in India and for "nursing and nurturing them through sheer moral obligations, regardless of profit or loss." Proceeding, he told the I.L.O. session that the Government of India was in favour of retaining the managing agency system and that the few defects found in the system would be set right by the proposed reform of the company law.

World exports of unmanufactured tobacco during 1953, amounted to 1,291 million lbs., about 10 per cent. above 1952 and the third highest on record in the post-war period. The post-war record was set in 1951 when world exports reached, according to the U.S. Department of Commerce, 1,304 million lbs. The United States continued as the world's leading tobacco exporter in 1953. Its exports aggregated 516,357,000 lbs., 30 per cent. above 1952, and comprised about 40 per cent. of the world total. Other countries whose tobacco exports rose include Greece, Italy, the Netherlands, Turkey, Indonesia, Algeria, Nyasaland, the Union of South Africa and Colombia. Principal countries whose exports declined in 1953 as compared to 1952 include Canada, Cuba, Yugoslavia, Syria, India, Brazil, Madagascar and Southern Rhodesia.

HINDUSTHAN 14





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WAGES OF PLANTATION LABOUR IN MADRAS

SPECIAL TRIBUNAL'S INTERIM AWARD REVIEWED

THE interim award of the Special Industrial Tribunal for Plantations, Coimbatore, in respect of the industrial dispute between the workers and the managements of the estates in the Nilgiris, Malabar, Coimbatore, Salem and Madurai, given on 15th May, 1954, has been published in the *Gazette of Madras*, dated 9th June, 1952. The award provides for an increase in the basic minimum wages. According to the award, the basic minimum wages for grade I workers should be Re. 1-7 per day, for grade II workers Re. 1-1 and for a child As. 11. These rates compare with the existing general rates of Re. 1-5, Re. 1 and As. 10-6 per day, respectively, as fixed by the Government of Madras in March, 1952; the rate for male workers in about 40 estates in the Anamalais is Re. 1-5-9. The revised rates are to be given retrospective effect from 9th January, 1952. The Tribunal has held that, "though the cost of living index appeared to be going down, there is no need to reduce these wages in proportion to the decrease in the cost of living index.". The final report is likely to be ready in about nine months or, at the most, a year. In the opinion of the Tribunal, the higher rates recommended now are not expected seriously to disturb the economy of the industry in the meantime.

It will be recalled that, on 25th September, 1950, the Government of Madras constituted a tripartite committee to make an enquiry into the labour conditions of plantations and advise the Government in regard to the fixation of minimum wages for labour and other employees. While the enquiry was being conducted, disputes arose between employers and employees in various estates and so the Government appointed Mr. T. S. Viswanatha Ayyar as Industrial Tribunal to adjudicate the disputes. More or less simultaneously with the order, the Government of Madras fixed minimum wages for labour in March, 1952, on the report of the Tripartite Committee which submitted its report in October, 1951. The South Indian Estate Labour Relations Organisation, thinking that the Government had fixed minimum wages, felt that a further reference to the Industrial Tribunal would not be valid. Consequently, it took the matter to the High Court and got an injunction forbidding further proceedings in the main enquiry, pending the disposal of the writ. The writ petition was, however, dismissed in October, 1953. In the meantime, the aggrieved staff and labour requested the Government to constitute a special tribunal to go into the disputes and also wanted an interim award on the question of "interim increase of wages," pending the final award of all wages. The Government appointed Mr. K. Chakravarti as the Special Tribunal in January, 1954.

Contention of Workers

Mr. G. Ramanujam, who represented labour as well as the staff unions, contended, first, that there was no denial on the part of the managements of their capacity to pay a higher wage and that it should be inferred that they had the capacity to pay the same; secondly, that the present-day worker or a member of the staff was not being paid sufficiently to keep him and his family at the "living wage" level, that the industry was a very well-organised one and had been earning huge profits, as could be seen from the high dividends declared year after year; thirdly, that inasmuch as it was agreed on all hands that a "living wage" should be reached progressively, a start should be made in that direction even from now; fourthly, that the wages earned by the staff or the workers did not provide for ordinary amenities, but kept them always in want and that an interim increase should, therefore, be ordered forthwith. He argued further that, though, for purposes of calculation, a normal family might be taken as comprising three consumption units, the number of wage earners in a family ought to be fixed at only one and not more, as observed by the Fair Wages Committee, so that the wife and children might have opportunities of improving the condition of the family and not be compelled to be wage earners to keep their heads above water. He also contended that the fact that the Madras Minimum Wages Committee fixed certain rates only meant that no worker in the industry should be paid less than those rates and that it did not prevent or prohibit a higher wage being given, if found reasonable. He criticised the reduction of wage rates as fixed by the Madras Minimum Wages Committee; the Committee fixed minimum wage for men at Re. 1-7-9, for women at Re. 1-1-9 and for children at As. 12; the Madras Government reduced it to Re. 1-5, Re. 1-1 and As. 10-6, respectively, as indicated above.

The managements contended that the Government had already fixed the minimum wages at a subsistence-plus-level acting on the recommendations of the Committee, that wages at this level would provide not only the necessities of life but also some comforts, that the managements themselves were providing for other amenities such as housing, medical facilities, education of children, etc., and that an interim increase could not be ordered before all the facts were fully considered.

Minimum Wages

It contended that the Minimum Wages Committee made a mistake in the calculation of the calorific deficiency of the food basket, while arriving at the wages recommended by them, and when this was pointed out by the representative of the managements, the Government agreed with the representation, and that was why they fixed the wages at the present levels. It was not as if the managements influenced or prevailed upon the Government and got lower rates fixed than those recommended by the Committee. It was not true to say that any pressure was brought to bear on the Government by the managements to fix the lower rates. As a matter of fact, though the minimum wage fixed by the Government for men under the Act is Re. 1-5 per day, some tea estates in the Anamalais were paying Re. 1-5-9 per day for men. The lower limit having been fixed, the question of raising it further would depend on the capacity of the industry to pay and its economic position in India as a whole. This is a matter that had to be considered in greater detail and no increase in the wages could be ordered as an interim measure based on superficial considerations. The fact that in Travancore-Cochin the wages were fixed higher was no justification for a rise in this State. Different considerations prevailed there in fixing the wages higher for that State. If this point alone were to be taken as a sufficient ground for fixing wages in adjoining States, lower rates had been fixed in Mysore and Coorg and the Madras wages should, therefore, be reduced to that level. Diet costs and minimum requirements for a family had not been properly calculated and, if properly calculated, it would cost only Rs. 66-15 for a family and the wage that was actually being given was Rs. 77-3 per family. The contention that there should be only one wage earner in a family, viz., the man, was not at all a sound one and did not take into account the realities and the actual facts existing in the estates. The wages prevailing in other industries were much lower than what were given in the plantation estates. Apart from the wages, the employees were having several other extra amenities and, if these were valued in terms of money, it would be seen that they were in receipt of quite a large amount. In any event, there was no justification whatever for ordering an interim increase of wages. The employers further argued that, since the minimum wages were fixed, there had been no substantial change or alteration in the conditions of the industry which justified a rise in wages.

Uniformity in Wage Rates

In its report, the Madras Minimum Wages Committee had stated that there was one point on which there was identity of opinion and that was that, whatever the minimum rate, it should be uniform for all crops and areas. At the time the Committee submitted the report, the tea estates in Anamalai District (about 40 in number) were paying a daily wage of Re. 1-5-9 to every male worker. But, as the Committee fixed a minimum wage of Re. 1-7-9, it did not refer to this aspect separately. The Government fixed the wage for a male worker at Re. 1-5 per day, while the Anamalai estates continued to pay Re. 1-5-9 per day. This naturally gave rise to some dissatisfaction among labour.

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Again, the minimum wages recommended by the Committee were split up into two portions, namely, "a basic wage arrived at with the cost of living index fixed at 160 and a dearness allowance for 178 points" and the Committee recommended that the dearness allowance should be so regulated as to provide for a rise or fall of every 10 points, the compensation payable thereon being worked out at 7½ pies for every 10 points. The Government, when it fixed minimum wages in March 1952, apparently overlooked this recommendation and did not provide for variations in the cost of living index. The workers were, therefore, paid only at a fixed rate all through, though there have been variations in the cost of living index between March 1952 and now.

The Madras Government did not make any provision for increase or decrease in dearness allowance according to the cost of living index, as recommended by the Minimum Wages Committee. But, as cost of living had gone up since then, the Tribunal pointed out that the workers had been denied an extra 7 or 7½ pies from February, 1953, to June, 1953, and a further 7 or 7½ pies from June, 1953, to the date of the interim award.

Consequent on the fixing of higher rates of wages in the Travancore-Cochin State, the Central Tariff Board agreed to give a higher price for Group A rubber from October, 1952, to compensate the increase in wages. The minimum wages in Madras are lower than the wages in Travancore, but it is not unlikely that the rubber-growers in Madras are getting the benefit of the higher price of rubber, without passing it on to the workers. Apart from these considerations, there is the fact that, while the Minimum Wages Committee recommended higher rates, the Government actually fixed the minimum rates slightly lower and also the fact that while workers are getting more in the neighbouring Travancore-Cochin State, they are paid much less in the Madras State. The workers, who are to a large extent illiterate, would not be in a position to appreciate why higher rates were fixed in Travancore-Cochin or why the Madras Government had to fix slightly lower rates than those recommended by the Minimum Wages Committee. They would only be nurturing a grievance that, for some unknown reasons, they have not been dealt with fairly.

In view of these considerations, the Tribunal considered that some interim relief had to be given to assure the workers that their interests were being looked into and to see that there was no disruption in the smooth working of the industry. The interim relief is without prejudice to a revision by way of an increase or decrease as justifiable by the final report.

Wages of Staff

As regards the wages of staff, the Tribunal considered that there was no need for granting them any interim relief. For, when entering service, a clerk gets Rs. 94 per month, a free house, sometimes electrified, and free firewood. On completing his probation, which is generally for a year, he gets Rs. 101. It was argued that out of this amount, Rs. 35 represented servant's allowance and, therefore, this amount could not be taken as part of the salary. Deducting this, a juniormost clerk receives Rs. 59 in the case of a probationer and Rs. 66 in the case of a permanent clerk. In view of the high cost of living at high altitudes, it was alleged that this was very low and that all salaries should, therefore, be increased by at least Rs. 10 per month. It was also argued that dearness allowance was fixed in 1948 with reference to a base of 228 points and that, though there had been an increase in the cost of living index, there had been no proportional adjustment in dearness allowance. The Tribunal found little force in these contentions. At the outset, it found that whatever be the name under which allowance of Rs. 35 was given, it was really cash allowance and the clerk could spend it as he liked. The basic salaries and dearness allowances went on increasing as years passed. This, according to the Tribunal, compared favourably with what clerks in other services or departments got and, consequently, there was no need for any interim relief. The Tribunal held that, if there were cases where only a check-roll servant, and not a cash allowance, was given, such should be given up in favour of cash allowance.

IMPROVING KENYA WORKERS' EFFICIENCY

Adequate family housing for a majority of workers in Kenya's towns by 1st January, 1965, is one of the goals set by Part IV of the report of the Carpenter Committee on African Wages, just tabled in the Colony's Legislative Council. The first three parts (already published) deal with minimum wages and a family minimum scale. Parts IV and V, making recommendations on labour stabilisation and improvement of African efficiency and output, were laid before the Legislative Council on 9th June. Part VI summarises the conclusions. The first day of 1965 is also the target date set by earlier sections of the report for providing African family minimum wages.

The African housing problem in Kenya can be solved only by a co-ordinated programme, says Part IV. It recommends an immediate survey with the objective of sufficient urban family housing by the beginning of 1965, and urges some measure of subsidies for family housing during the transition period from a "bachelor" to a "family" minimum wage. The Committee calls on urban authorities to concentrate on "neighbourhood units"—self-contained housing schemes with schools, shops, health centres, and other amenities—with adequate provision for tenant purchase and builder-owner schemes. For rural areas, income-tax relief is recommended on the expenses of farmers building permanent homes for African labour, and the possibilities examined of building African village settlements in European settled areas.

On labour stabilisation, the report declares, workers should be given old-age security through some form of State provident or contributory pension scheme for all Africans employed outside native land units. But the Committee makes no definite recommendations on the matter, stating it needs detailed examination by the recently appointed Social Security Committee. It calls for prompt attention to the housing of retired workers.

Dealing with African education, the report recommends priority for schooling in towns and settled areas to the children of workers living there, with English teaching at the earliest possible age. Social and recreational amenities are other inducements to labour stabilisation that, the report thinks, can best be provided in urban areas through neighbourhood units and in rural areas by building social centres in heavily populated districts.

Satisfied that there is considerable potential for higher efficiency and productivity among African workers, the report says that the development of this potential needs not only labour stabilisation but also more efficient management. To encourage labour stabilisation and improved methods of management, the report proposes a gradual increase in basic wage levels, and Government consideration of special training for African supervisory staff.

Under-nourishment is pinpointed as a major cause of the present low standards among African workers, which are due to lessened physical capacity. Two measures suggested for overcoming it are facilities for cheap midday meals and prescribed ration scales where employers provide food as part of wages. Gradual, concerted action by employers to increase and standardise working hours and cease part-time employment is seen by the report as an essential condition for increased rural productivity.

Examining incentives to better work, the Committee declares that a main condition is the existence of a stable, contented labour force earning wages adequate for health, decency and efficiency. At the present it considers payment by time the most suitable system for Kenya, and stresses that increments should be given only for increased efficiency, and where bonus payments are made workers should be able to relate these to their own efforts. Among other incentives, the report mentions better housing for more skilled workers, supply of cooked meals, and competitions in farm crafts. It recommends combining the maximum monthly wage rates laid down by the employment Ordinance with proportionate increases in weekly and daily rates.

The report calls on the Government to review the collection of statistics, in view of the urgent need for up-to-date information on such matters as African urban population and housing and conditions of rural labour, and to consider further sociological studies both in and outside the African reserves.

THE INDIAN LABOUR YEAR BOOK

The sixth issue of the *Indian Labour Year Book* (1951-52), published by the Labour Bureau of the Ministry of Labour, Government of India, contains valuable information relating to labour problems. Among the important features of the publication are a digest of the various labour laws in the country together with the administration of those laws and details about trade unions and industrial disputes. Special chapters are devoted to agricultural labour, housing and welfare of labour, Indian labour overseas and India's relations with the I.L.O.

There is a treatise on industrial employment, wages and industrial relations which has been dealt with exhaustive statistical tables. The appendices containing summaries of important awards, recommendations of labour tribunals, list of labour Acts and a select bibliography of labour literature are other features of the publication under review.

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PAKISTAN NOTES

PAKISTAN'S ECONOMIC TROUBLES

OBSERVATIONS OF MR. COLIN CLARK

THE developments in East Bengal culminating in the suspension of the Fazlul Huq Ministry have evoked world-wide interest. The causes for these developments are being studied by disinterested observers and some of their findings make interesting reading. A typical instance of this is provided by an article in the *Financial Times*, London, contributed by the well-known economist, Mr. Colin Clark. Mr. Clark's observations are based on an extensive survey of the economic conditions in Pakistan conducted by him in 1952 under the Colombo Plan, through the courtesy of the Australian Department of External Affairs.

From the analysis of Mr. Colin Clark, it would appear that the chief grievance of an East Pakistani is that his Province supplies a large part of Pakistan's exports—the whole of jute and tea—while West Pakistan produces only cotton. The bulk of the export proceeds is utilised for financing imports into West Pakistan. The economists in East Pakistan estimate a "Provincial balance of payments" showing that East Pakistan has to earn a considerable surplus of exports over imports to pay taxation, commercial charges, etc., to West Pakistan. This complaint would not have arisen if East Pakistan had been economically better off, or even as well off as West Pakistan. Stressing this aspect, Mr. Clark has made a few notable observations which bear reproduction. He says:

"West Pakistan has a great deal more than its share of the industrial and commercial employment. The best angle of measure of how things stand is the proportion of the labour force which has to make its living from agriculture. In East Pakistan, this proportion stands at 78 per cent.—one of the highest in the world. In West Pakistan, the figure is only 54 per cent. which shows a substantial degree of economic advancement, by oriental standards.

"To make matters worse, substantial numbers of adults capable of work have never been entered statistically as members of the labour force in East Pakistan at all—these are the 'disguised unemployed.' It is true that East Pakistan, with its high temperature and high rainfall, has the finest agricultural climate in the world capable of growing two crops a year, and it has one of the world's most fertile alluvial soils. But this productive land is immensely overcrowded."

Mr. Clark also draws pointed attention to the high rate of population growth in East Pakistan *vis-a-vis* West Pakistan. Incidentally, he urges the Central Government of Pakistan to do everything that it can to divert new industrial development to the East rather than to the West. But West Pakistan continues to get what many regard as more than its share of new industries.

In the opinion of Mr. Clark, all the aforesaid economic difficulties are superimposed on other sources of disagreement. To quote him again: "They must not be regarded as the basic cause of the trouble; or even necessarily as its pre dominant element. A great deal of the trouble is linguistic. East Pakistan practically throughout speaks the Bengali language, which thus has a bigger following than all the other languages of Pakistan put together."

The foregoing account is, in our view, a fair summing of the factors responsible for the cleavage between the two wings of Pakistan. In fact, the economic disparity between East and West Pakistan is getting worse as every day passes. In view of this, Mr. Colin Clark has done well to emphasise that "it is very much to the interests of world peace, as well as of the people of Pakistan, that the breach should be healed as soon as possible."

Development of Roads

Road development in Pakistan will receive considerable impetus during the current (1954-55) financial year, thanks to the appreciable rise in the quantum of financial assistance by the Government of Pakistan to the Provinces and States. The aggregate allocations which the Central Ministry of Communications has made out of the Central Road Fund during the year amount to as much as Rs. 88.16 lakhs, which represent an increase of Rs. 49.91 lakhs as compared with the previous year. These bring the total allocations from the fund up-to-date to Rs. 2.80 crores.

In addition to the aforesaid allocations, the Ministry has sanctioned, out of the 15 per cent Central Government reserve (drawn from the Fund), Rs. 45 lakhs for specified road projects in the different Provinces during 1954-55. A sum of Rs. 2.69 lakhs has also been spent on the Road Research Laboratory, Lahore, which is engaged on research in road building.

With a view to making available more funds for the construction of roads, the rate of subvention has been doubled from As. 2-6 to As. 5 out of the customs and excise duty on every gallon of motor spirit, excluding aviation spirit, with effect from the year under review. The Central Road Fund, it may be recalled, was created in 1949 out of the revenue derived by way of excise and customs duty on petrol at the rate of As. 2-6 per gallon. The Fund is administered by the Central Government. Of the total resources at the disposal of the Fund, 85 per cent. is distributed among the Provinces and States in proportion to their areas, population, petrol consumption and expenditure on road maintenance. The balance is spent on research and administration.

Cotton Talks With U.K.

After holding discussions with the representatives of the Lancashire cotton trade, the Pakistan cotton delegation returned to London on the 19th inst. An official report on the talks issued by the U.K. Cotton Board reveals that the Pakistan delegation has indicated that the price control over cotton goods in Pakistan will be withdrawn as soon as adequate stocks are built up and it becomes possible to allow imports of cotton yarn and piecegoods from the U.K. at the normal level. Alluding to Lancashire's complaint that British exports of yarn and piecegoods have been steadily dwindling because of restrictions and internal price control, the Pakistan delegation is reported to have said that these restrictions were necessitated by balance of payments considerations. Referring to the complaints regarding mixing and adulteration in Pakistan cotton, the delegation stated: "A great deal is being done by the Government of Pakistan to reduce adulteration." It was, however, pointed out that Pakistan cotton was sold on type samples and the buyers should take care to mention the variety they wanted when buying the type. A delegation of Lancashire cotton experts is expected to visit Pakistan later this year to have further talks with the Pakistan cotton delegation. The Karachi Cotton Association has already extended an invitation to the Lancashire-Pakistan Cotton Committee at Manchester.

Assistance to East Bengal

With the recent turn of events on the political front in East Bengal, it is natural that the Government of Pakistan should be anxious to solve some of the most pressing economic problems of East Bengal. Officials of the Central Ministries of Finance, Food, Commerce and Industry were deputed to discuss the problems with the departmental heads of the East Bengal Government. A three-day conference of all these official spokesmen was held at Dacca last week. The conference took several decisions of far-reaching importance to East Bengal. One such decision relates to the grant of a Central loan of Rs. 5 crores to the Provincial Government for the building up of a food reserve of 100,000 tons rice and 10,000 tons wheat. The conference also recommended a loan of Rs. 2 crores to the co-operative societies in East Bengal for the purchase of jute, with a view to stabilising prices during the next season. Further, it suggested immediate liberalisation of imports of cloth, drugs and other essential goods as a means to bring down the prices "within the reach of the common man."

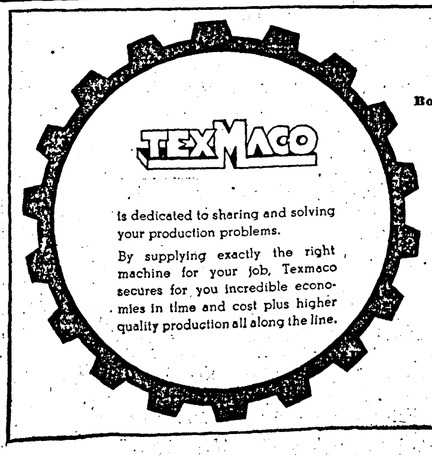
Trade With Afghanistan

The possibilities of establishing a market for Pakistan textiles in Afghanistan are being explored by a Pakistan textile trade delegation which is now in Afghanistan. This delegation is to be followed by a full-fledged trade delegation in the near future sponsored by the Commerce Ministry. Disclosing this, Mr. Abdul Quaiyum Khan, Minister for Industries, Government of Pakistan, stated the other day that Pakistan had recently supplied 11,000 tons of cement to Afghanistan. He revealed, in this connection, that his Government was also considering the export of sugar to this country.

Incidentally, the Minister alluded to the Government's proposal to send a survey team to Saudi Arabia which will prepare a budget of the resources of the country. He also alluded to the proposal to set up a power development corporation in Pakistan on the lines of the national electric authorities in the advanced countries of the West. He further revealed that the Government proposed to set up purchase organisations in France and West Germany similar to those existing at present in the U.K. and the U.S.

* * *

The implementation of the expansion scheme of the Amin Jute Mill in East Bengal is reported to be progressing quite satisfactorily. According to a recent report from Chittagong, the machinery for the sacking and hessian unit of the Mill has already arrived and is being installed. It is expected that, by the middle of August next, the capacity of the Mill will increase to 400 looms (working on double shift), as against only 150 looms working at present. The target capacity of the Mill is 500 looms.



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WESTERN INDIA LIFE INSURANCE CO., LTD.

DR. M. N. AGASHE ON NEW PREMIUM RATES

PRESIDING over the Annual General Meeting of the Western India Life Insurance Company, Ltd., held at Satara, on Sunday, 20th June, 1954, Dr. M. N. Agashe, Chairman of the Company, referred to the state of Indian economy and said that, although the "marked" improvement in food position was a relieving feature of the economic trends, there was no corresponding improvement in employment. He averred that, with increased unemployment and reduced purchasing power, business conditions had been "trying and difficult." He added:

"If you look at the business progress made by us against this background, you will have every reason to be satisfied with our results, inasmuch as we have maintained our usual tradition of showing gradual increase in business from year to year. This will be evident from the fact that we could raise the new business figure of Rs. 2 crores and 69 lakhs for 1952 to over Rs. 2 crores and 76 lakhs for the year under review, and it is a matter of great satisfaction that we have achieved all this at a moderate cost."

Dr. Agashe next referred to the change in premium rates effected by the leading insurers in the country. Explaining the position of the Western India in relation to this movement towards lower premium rates, he said:

"You all know that insurance companies had to increase their premium rates in the year 1945 due to the changed conditions of the post-war period. Most of them had to revise them again in 1947. We, however, did not follow in their footsteps then, as we did not feel that it was justifiable to do so and, therefore, decided to watch and wait. I am proud to say that we had no occasion to regret for not falling in line with other sister companies. Even with lower rates of premium, we were able to show as good working results as those shown by other companies of repute who had increased their premiums. We hope those policyholders who have taken new policies with us during this period will appreciate this. A review of the preceding five years shows that we have had a very favourable mortality experience and have obtained an increased interest yield while the expenses remained almost stationary. This gave rise to some constructive thinking on the part of some insurers. Some of the companies that had taken a lead to enhance their premium rates in 1947 began to consider the question whether they could reduce their rates and take them to the level of their rates prevailing in 1945 and they came to a decision. The New India Assurance Company first took the lead and announced the decision to reduce their rates. The Oriental followed suit almost immediately and they also reduced their rates. This created a stir in the insurance world. Some life offices found it inconvenient to reduce the premium rates and made a representation to the Government through the Indian Life Assurance Offices' Association and Life Insurance Council and made strenuous efforts to prevail upon the Government to issue a directive prohibiting such a reduction in insurance premiums. We waited to know the reaction of the Association and Council and on getting the decisions of their meetings, we reconsidered the whole issue in the light of the new conditions and of our own experience and decided to reduce our rates also from 1st April, 1954. I hope you all will appreciate this move. I am sure that this facility, coupled with some other schemes, such as the Employees' Provident Fund Act, Estate Duty Act, etc., will greatly help the business development in years to come. . . . We make concentrated efforts to preserve the business that is secured and try our utmost to give our policyholders and claimants every possible service. This has helped us to keep our lapse ratio at a low figure."

Proceeding, Dr. Agashe referred to the improvement in the Company's life assurance fund and related matters and said:

"On going through the figures of the Annual Report, it will be seen that, as a result of the year's working, a sum of over Rs. 72 lakhs has been added to our life assurance fund which now stands at more than Rs. 6 crores and 33 lakhs. This shows the prosperous position of our Company. It may be noted that not only our funds but also our net interest yield have shown a steady increase during the last six years.

"Similarly, our expense ratio, viz., 24.01 per cent. for 1953, is within margin and quite satisfactory, inasmuch as the average expense ratio of all companies together for the year 1952 is 27.1 per cent. These features only confirm that we maintain the great traditions of the past.

"There is one more point of interest to you in general and to our policyholders in particular, viz., during 1953, payments of over Rs. 27 lakhs were made by us by way of death and maturity claims. It is a gratifying feature that our experience in respect of death claims is satisfactory during the year under review which speaks eloquently of the great care exercised by the Directors in the selection of business.

"I would like to make mention of the fact that the official valuation of our Company as at the end of 1953 is already in progress and, as preliminary work in that respect is done on the newly installed Hollerith machinery, I expect the results would be ready rather earlier this time. It would be rather premature to say anything about the results just at present, but it is expected that, as in the past, results of the valuation would be favourable."

Notices

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent., less Income-tax, on the Company's Preference Shares in respect of the year 1954, payable to Members whose names appear on the Preference Share Register on the 15th July, 1954. Warrants will be posted on or after that date in accordance with instructions recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to 15th July, 1954, both days inclusive.

By Order of the Board,
(Sd.) R. H. D. CAMPBELL,
Managing Director.

4 BANKSHALL STREET,
CALCUTTA, 16*th June*, 1954.

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 15, Taratola Road, Alipore, Calcutta, on Tuesday the 20th July, 1954, at 11 a.m., for the following purposes :—

To receive the Directors' Report and to pass the audited accounts for the year ending 31st March, 1954, declare the final dividends recommended by the Directors, elect Directors in place of retiring Directors, appoint Auditors and fix their remuneration, and to transact any other business as may properly be brought before the Meeting.

The Transfer Register will be closed from the 16th July to 22nd July, 1954, both days inclusive.

By Order of the Board,
A. P. CHANDA,
Director and Secretary.

15, TARATOLA ROAD, ALIPORE,
CALCUTTA, 18*th June*, 1954.

As Dividend Warrants are sent only to registered shareholders or their mandatees, shares held on Blank Transfers should be submitted with complete deeds for registration of transfers before the Register of members is closed. No applications for Warrants will be necessary.

JUTE

(*Concluded from page* 1230)

truth in this report, it looks as though the Industry is very cautious in its approach to the question of increasing production.

From a consideration of various aspects of the case, it would appear that the present moment is quite propitious for extending the working hours from the present 42½ to 48 a week. The increase in hours of work requires additional supplies of raw jute. In view of the encouraging supply position of raw jute, the mills may not find any difficulty in securing the raw material. The Pakistani crop in 1954-55 is placed by trade circles at about 6 million bales. India is expected to grow about 4 million bales. Considering the world demand for raw jute to be 9 million bales, the mills are unlikely to experience any difficulty in obtaining raw jute. Prices too may be expected to remain at reasonable levels in relation to the prices of jute goods, thereby earning them a fair margin of profit. The enlarged output would enable the mills to reduce their costs and compete favourably with overseas manufactures in world markets. Further, the industry is now exposed to the criticism that, by its working time agreement, it is shielding inefficient mills at the expense of those who have gone in for modernisation. By extending the hours of work at present, as a preliminary to a drastic modification of the agreement, it can avoid such criticism. The outlook for the industry being very favourable even the marginally placed units can hope to fare well under the new conditions.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the Shareholders will be held on Friday, 23rd July, 1954, at 12 noon, at the Registered Office, 63, Netaji Subhas Road, Calcutta—1, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance-sheet and Profit and Loss Account for the year ended 31st October, 1953.
2. To declare a Dividend.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To transact any other business of an Ordinary Meeting.

The Ordinary Share Transfer Books of the Company will be closed from the 5th July to 23rd July, 1954, both days inclusive.

Dividends are paid only to Registered Shareholders or their Mandatees.

By Order of the Board,
A. H. MITCHELL,
Acting Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, 19*th June*, 1954.

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual Ordinary General Meeting of the Company will be held at 59C, Chowringhee Road, Calcutta, on Thursday the 15th day of July, 1954, at 4 p.m., for the following purposes:—

1. To receive the Report of the Directors, the Statement of Accounts for the year ended 31st March, 1954, and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

The Ordinary Share Register of the Company will be closed from 1st to 15th July, 1954, both days inclusive.

By Order of the Board,
F. P. GILBERT,
Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, 17*th June*, 1954.

CALCUTTA GAS COMPANY (PROPRIETARY) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Monday the 12th July, 1954, at 4-30 p.m., for the purpose of receiving and passing the Directors' Report, Audited Accounts for the year ended 30th September, 1953, and declaring the Dividend recommended by the Directors and for transacting any other business that may be brought forward.

The Share Transfer Register of the Company will be closed from the 1st July, 1954, to 12th July, 1954, both days inclusive.

By Order of the Board,
For and on behalf of
CALCUTTA GAS COMPANY (PROPRIETARY) LIMITED,
SOORAJMULL NAGARMULL,
Secretaries.

8, DALHOUSIE SQUARE EAST,
CALCUTTA-1, 17*th June*, 1954.

LARSEN AND TOUBRO'S RECORD TURNOVER

PROFIT, HOWEVER, SHRINKS

THE most outstanding feature of the working of Messrs. Larsen and Toubro Ltd. [Managing Agents: L. & T. (Management) Ltd., Bombay], during the year ended 31st March, 1954, is the record turnover of business. The Company's direct sales show an improvement from Rs. 162.80 lakhs to Rs. 192.16 lakhs. Indirect sales, namely, indent sales and sales effected as selling agents for managed companies, have, however, gone down from Rs. 89 lakhs to Rs. 60 lakhs, but the total sales, at Rs. 252.16 lakhs, show a small increase over the record sales in the previous year, thus establishing a fresh record in the history of the Company.

The trading profit has, however, contracted from the highest level of Rs. 43.59 lakhs for 1952-53 to Rs. 39.39 lakhs for the year under review, a drop of Rs. 4.20 lakhs. This decline in profit is in distinct contrast to the increase of Rs. 7.47 lakhs noted in the previous year. It is, nevertheless, comforting to note that the profit for the year under review is well above that for any of the years preceding 1952-53, so that it is the second best on record.

The net profit (after providing for depreciation and taxation) is, on the other hand, higher at Rs. 6.84 lakhs, as compared with Rs. 6.05 lakhs for the previous year; it is thus a fresh record. The dividend on the ordinary shares has been maintained at 10 per cent. for the fifth year in succession and for the third consecutive year after the Company was converted into a public one early in 1951. The dividend has been maintained after enhancing the allocation to the general reserve from Rs. 1 lakh to Rs. 2.25 lakhs.

The following comparative table presents the salient features of the working results for the past four years, from which an idea of the Company's progress in recent years can be gained:

(In lakhs of rupees)

	For the year ended 31st March			
	1954	1953	1952	1951
Sale proceeds	192.16	162.80	139.85	137.55
Trading expenses ..	152.77	119.21	103.73	104.51
Trading profit	39.39	43.59	36.12	33.03
Other income	13.47	8.95	9.17	5.02
	52.86	52.54	45.29	38.05
Establishment expenses	37.80	37.05	30.01	28.39
Managing Agents' commission	1.20	1.20	1.11	0.80
Depreciation	2.11	2.72	3.23	2.54
Taxation	5.00	5.45	5.25	3.75
Net profit	6.84	6.05	5.60	3.46
Goodwill written off ..	..	0.95	2.15	0.70
Commission and brokerage on issue of shares written off ..	0.10	0.43	..	..
Deferred expenditure written off	0.48	..	..	..
To general reserve ..	2.25	1.00	..	..
Dividends—				
5 per cent. preference	0.85	0.85	0.84	0.34
Ordinary	3.20	3.20	2.99	1.91
	(10%)	(10%)	(10%)	(10%)
Carry forward	0.16	0.13	0.36	0.34

The Company was able to improve its sales through "intensive sales work combined with numerous machinery demonstrations." A notable feature of the Company's business during the year was the receipt of big "repeat" orders from the Madhya Pradesh Government and the Mysore Government for large fleets of "caterpillar" tractors and allied equipment required for the execution of a number of irrigation projects under the Five-year Plan. The Directors report that "an increasing proportion of the Company's business comes as repeat orders, not only from Governments but also from private customers in the industrial and agricultural fields, as well as from important engineering contractors." The Directors add that, consequent on the easier supply position in regard to practically all the types of tractors and implements and their spare parts, machinery and industrial plant, which the Company handles, the market became highly competitive, with the result that the selling prices had to be adjusted downwards to meet the situation. This, coupled with the higher cost of sales, has affected the trading profit.

The balance-sheet of the Company as on 31st March, 1954, shows an increase of Rs. 5 lakhs in its paid-up capital to Rs. 50 lakhs. Early in 1954, the Directors issued 50,000 ordinary shares of Rs. 10 each and the issue was fully subscribed and paid-up. The reserves and surplus aggregate Rs. 3.41 lakhs. The gross block at Rs. 22.28 lakhs has been written down to a book value of Rs. 11.43 lakhs. Current liabilities and provision for taxation aggregating Rs. 146.50 lakhs are more than adequately covered by current assets amounting to Rs. 190.03 lakhs.

The Directors view the Company's future with confidence. They observe:

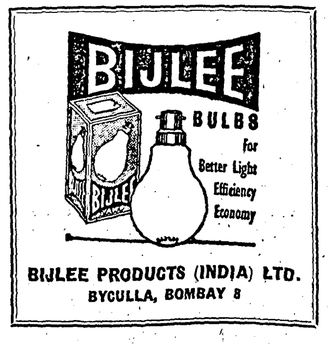
"With the easy supply position, it is expected that competition will remain keen and will even intensify further. It is, however, also expected that the demand for tractors and implements, industrial plant and other equipment which the Company handles will increase both from Government and the private sector. The Directors are satisfied that the Company is well equipped to utilise these opportunities and is prepared to meet the competition. The Directors consequently continue to view the future with confidence."

The Company's ordinary shares are being currently quoted at Rs. 12-8 *cum-div*. On an *ex-div*. basis, the shares give a yield of 8.7 per cent. per annum, free of tax.

ROHTAS INDUSTRIES

In this country, it is often the Government that impresses upon the industrialists the need for maintaining standards of quality in manufacture. It is, therefore, pleasant to turn to Mr. S. P. Jain's speech at the annual meeting of the Rohtas Industries Ltd., the well-known company engaged in the manufacture of a wide range of industrial products, including paper, cement and sugar. Mr. Jain, the Chairman of the Company, urged the Government to ask the Indian Standards Institute to lay down specifications for different qualities of paper. He complained that the price schedule, evolved by the Tariff Commission, did not take into consideration the quality of paper manufactured by the mills. The manufacturers, he rightly insisted, should get a price according to the quality of their goods. In this connection, he pointed out that it would be better for each unit to specialise in certain lines of paper manufacture. Since the industry had expanded and there was still a growing need for many new varieties of paper and board, Mr. Jain thought that future development should take place on "specialised lines," so as to benefit both the producer and the consumer. He revealed that the management was contemplating modernising the paper mill so as not only to increase production but to enlarge the range of the varieties of paper manufactured by the factory.

Yet another line of manufacture, in which the Company is engaged, is sugar. Mr. Jain warned that, unless the sugar output was increased, the country's "unfortunate" dependence on imports would remain. So far as the Company is concerned, it would appear that its sugar is classified as "one of the best qualities in the market." Nevertheless, the factory's "greatest handicap" is the non-availability of sugarcane. Such factories are often advised to shift their location to a more advantageous site. Mr. Jain said: "We cannot shift the factory to a better location, because the move will not get the approval of the Bihar Government." If the Government is thus anxious to prevent the flight of sugar factories from its territory, it is only reasonable to expect that it will provide the necessary facilities for the industry. Obviously, the Government has not been particularly helpful. Mr. Jain mentioned two impediments in the way of the industry's progress. In the first place, the Government's irrigation charges for the use of water from the State-owned tube-wells were so heavy that the cultivator prefers to use the water for the cultivation of cereals rather than sugarcane. Secondly, there was the "vexed" question of sales tax on sugarcane. Mr. Jain complained that Bihar produced a variety of sugarcane with 20 per cent. fibre, which caused considerable difficulty for the factories. Those who know the economics of the sugar industry know it only too well that sugar is produced primarily in the fields; so vital is the importance of the quality of sugarcane to the quality and quantum of the final product, sugar. It is to be hoped that the State Government will devote its attention to quantitative and qualitative improvement of sugarcane cultivation.



FURTHER SETBACK IN RESULTS OF BIRLA JUTE

The financial results of the Birla Jute Manufacturing Co., Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta), for the year ended 31st March, 1954, disclose a decline of Rs. 15.59 lakhs in gross profit, that is, from Rs. 51.91 lakhs for 1952-53 to Rs. 36.32 lakhs. This is the second year in succession in which the Company's profit has suffered a setback sizably, the drop in the previous year having been Rs. 21.68 lakhs. Thus the profit has more than halved itself (from Rs. 73.59 lakhs) in the course of two years. The net profit amounts to Rs. 14.51 lakhs, as against Rs. 15.09 lakhs for 1952-53 and Rs. 29.26 lakhs for 1951-52. The dividend on the ordinary shares has been cut from 30 per cent., which had been in paid for the previous three years to 10 per cent.; but the latest dividend is on a capital which was trebled during the year by the capitalisation of a part of the reserves and the issue of ordinary bonus shares in the ratio of two shares for every ordinary share held, so that it represents 30 per cent. on the old capital. In other words, the shareholders have not suffered any loss in the return on their holdings.

The disappointing financial results are due to the difficult trading conditions during the early part of the year, consequent on the poor demand for goods from overseas buyers. It was because of these difficult conditions that the Government of India reduced the export duty on hessians from Rs. 275 to Rs. 120 per ton on 14th September, 1953.

The salient features of the Company's results for the past four years are presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1954	1953	1952	1951
Sale proceeds	288.56	325.76	600.84	374.48
Other income	8.70	8.49	8.53	8.11
Stocks	7.81	3.57	7.51	28.42
Jute consumed	161.45	172.79	305.56	211.07
Manufacturing and other expenses	92.42	101.81	119.20	108.40
Gross profit	36.32	51.91	72.59	71.97
Managing Agents' remuneration ..	5.87	6.52	12.58	7.73
Provision for—				
Depreciation	6.00	7.00	7.00	18.00
Taxation	10.00	23.00	24.75	21.50
Net profit	14.51	15.09	29.26	27.74
To reserves	8.84	8.00	20.00	20.00
Dividends—				
7½ per cent. preference ..	1.31	1.31	1.31	..
Ordinary	9.13	9.13	9.13	3.39
	(10%)*	(10%)	(30%)	(30%)
Carry forward	1.27	1.04	1.39	2.66

* On the increased capital of Rs. 91.20 lakhs, raised by the capitalisation of Rs. 60.84 lakhs in January, 1954.

Despite the drastic fall in earnings, the provision for depreciation has not been reduced by any notable extent. The provision for taxation has, however, been cut, in consonance with the decline in profit. A sum of Rs. 3 lakhs has been added to the dividend equalisation fund, which was created last year with an allocation of Rs. 5 lakhs. The general reserve, which had not received any addition last year, has now been strengthened by the addition of Rs. 84,000.

The capital of the Company shows an increase from Rs. 55.10 lakhs to Rs. 115.94 lakhs, consequent on the capitalisation of Rs. 60.84 lakhs from the reserves in January, 1954. Even after the aforesaid capitalisation, the reserves and surplus stand at the impressive level of Rs. 209.88 lakhs. The gross block, of the value of Rs. 302.71 lakhs, has been written down to Rs. 173.58 lakhs. Besides this gross block, the capital expenditure on the calcium carbide plant amounts to Rs. 15.82 lakhs. The current assets aggregate Rs. 194.42 lakhs and exceed current liabilities and provision amounting to Rs. 58 lakhs (of which provision for taxation alone accounts for Rs. 33.25 lakhs) by a huge margin of Rs. 136.42 lakhs.

The calcium carbide project of the Company is reported to have made considerable progress during the year and the factory is expected to commence production from the middle of this year.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 15-13 *ex-div*. At this rate and on the basis of the latest dividend, the shares give a yield of 6.3 per cent. per annum, free of tax.

PARRY & CO. MAINTAINS DIVIDEND

The Directors of Parry & Co., Ltd. (Secretaries: The Coromandel Investment Trust Ltd., Madras) propose to maintain the dividend on the ordinary shares of the Company for the year ended 31st December, 1953, at 15 per cent., that is, at the same level as for 1952. It will be recalled that the Company had paid a bumper dividend of 80 per cent. for 1950. But this was reduced to 32½ per cent. in the subsequent year on a capital which had been doubled in November, 1951. In the following year, that is for 1952, the dividend was drastically cut to 15 per cent., following a sharp fall in the Company's earnings. The financial results for the year under review disclose that the earnings have been nearly maintained at the previous year's level.

(Continued on page 1253)

RESULTS OF VICTORIA MILLS SATISFACTORY

FINANCIAL POSITION SOUND

THE financial results of the Victoria Mills Ltd., Bombay (Secretaries, Treasurers and Agents: Messrs. Mangaldas Mehta & Co., Ltd., Bombay), for the year ended 31st December, 1953, are gratifying. Notwithstanding the high cost of African cotton, a large quantity of which the Company has to consume, and the sharp rise in other expenses, particularly salaries and wages, the Company has been able to report a slightly better profit for the year under review. Thus, the gross profit for the year (before providing for Agents' commission) amounts to Rs. 18.24 lakhs, as compared with Rs. 17.76 lakhs for 1952. It will be remembered that the Company's profit had declined last year from Rs. 26.17 lakhs earned in 1951.

The distribution to ordinary shareholders has been maintained at 15 per cent. for the third year in succession, after it was raised from 12½ per cent. paid for the years 1949 and 1950. It will be recalled that, in 1949, the dividend was reduced from 22½ per cent. to 12½ per cent., consequent on the capitalisation of a sum of Rs. 8 lakhs from the reserves and the issue of one share for one already held. The dividend of 22½ per cent. paid for 1948 was by no means the highest, for the Company had paid as high a dividend as 42 per cent. in 1942. But, since then, the capital has been considerably increased.

To revert to the Company's working during the year under review. The salient features of the working results for the year are presented in the following comparative table against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Sale proceeds (net)	205.78	195.20	200.02	137.81
Other income	2.19	3.94	2.80	1.98
Cotton consumed	96.14	101.20	109.74	68.80
Expenses	93.59	80.09	75.91	57.18
Gross profit	18.24	17.76	26.17	14.22
Agents' commission	6.28	5.89	6.15	4.13
Provision for—				
Depreciation	4.50	4.00	8.50	2.00
Taxation	1.00	1.00	10.00	3.75
Net profit	6.51	6.17	6.62	4.84
To reserves	1.00	..	5.50	2.80
,, charity account ..	0.10	0.10	0.10	0.05
Dividends—				
6 per cent. preference ..	0.32	0.32	0.32	0.32
Ordinary	2.40	2.40	2.40	2.00
	(15%)	(15%)	(15%)	(12½%)
Carry forward	2.91	2.22	1.87	0.67

It will be noted that the net sale proceeds of cloth, yarn and waste for the year under review have gone up by Rs. 10.58 lakhs, mainly due to the rise in sale proceeds of cloth by Rs. 10.16 lakhs. Sale proceeds of cloth would have been higher but for the fall in cloth prices during the latter half of the year. Value of cotton consumed shows a decline of Rs. 5.15 lakhs, but this saving has been more than offset by the rise of Rs. 13.50 lakhs in expenses. Of this increase in expenses, salaries and wages alone account for as much as Rs. 10.48 lakhs. Stores and dyed yarn consumed show a rise of Rs. 3.75 lakhs.

After providing for Agents' commission and depreciation, the allocation for taxation has been cut from Rs. 7 lakhs to Rs. 1 lakh, evidently because income-tax has been paid up to the year 1952 and there is already a large sum standing to the credit of taxation reserve. A sum of Rs. 1 lakh has been transferred to the reserve fund, for which no allocation was made last year. After paying the preference and ordinary dividend, the surplus that has been carried forward is substantially higher at Rs. 2.91 lakhs, as compared with a mere Rs. 22,000 brought in.

The latest balance-sheet of the Company discloses a sound financial position. The reserves and surplus aggregate Rs. 32.50 lakhs, as against a paid-up capital of Rs. 24 lakhs. These reserves have been built up after the capitalisation of as much as Rs. 18 lakhs during the years 1943 to 1949. Of the sum thus capitalised, Rs. 10 lakhs were distributed as bonus to ordinary shareholders in the form of ordinary shares and Rs. 8 lakhs in the form of preference shares. The entire preference capital of Rs. 8 lakhs has thus been raised by the capitalisation of part of the reserves. As against a gross block of Rs. 46.32 lakhs, a depreciation fund of Rs. 31.76 lakhs has been built up. The current assets aggregate Rs. 83.33 lakhs and exceed current liabilities and provision for taxation amounting to Rs. 43.40 lakhs, by a huge margin of Rs. 41.93 lakhs. Of the current assets, cash balances alone account for Rs. 36.95 lakhs.

The following synopsis of the Company's latest balance-sheet shows its financial position at a glance:

Liabilities	Rs.	Assets	Rs.
Capital ..	24,00,000	Gross block	46,32,497
Reserves and surplus ..	32,49,375	*Less*—Depreciation ..	31,76,356
Provision for taxation ..	12,54,171	Net block ..	14,56,141
Liabilities ..	30,85,161	Stocks ..	18,98,568
		Stores ..	6,62,563
		Debts, deposits and advances ..	21,85,520
		Investments	90,993
		Cash ..	36,95,222
	Rs. 99,39,007		Rs. 99,89,007

Points From The Chair

Can Life Insurance Be Made Attractive?

"ALTHOUGH there has been an increase in our business from year to year it has not increased by leaps and bounds. Nor have we even kept that ideal before us. But it will be seen from the *Insurance Year Books* of recent years that new business figures have not registered a consistent increase during the last few years. In fact, total new business in 1952 was less than that in 1951 by about Rs. 2 crores. Depression in business, unemployment, unsteady conditions in the market and high cost of living have made the common man's life extremely unsteady and, howsoever he may wish to do so, he is not able to save systematically and substantially. Naturally, these conditions mar the growth of insurance business. The question now before the insurance companies is whether they can create favourable conditions for further development of business and make life insurance more attractive to men of moderate means and if so, how? No immediate reply could be given to this, but an attempt is being made by suitably reducing premium rates so as to make insurance as cheap as possible. It is yet to be seen whether it will lead to the desired result and how far it will be beneficial in the long run."

DR. M. N. AGASHE,
Western India Life Insurance Co., Ltd.

Good Prospects for Life Insurance

"Although it is gratifying to note that life insurance business has made rapid strides during the last 30 years, it is not flattering to be told that the number of policies in force at the end of 1952 was less than 1 per cent. of the total population and that the *per capita* insurance coverage is less than Rs. 25. I firmly believe that there is a bright future for life insurance in India. There are two important factors which I expect will contribute to a rapid growth of life business in future: one is the tremendous and determined effort now being made for expansion of industry and agriculture. This effort is bound to yield good results by raising living standards and adding to the economic wealth of the country. The other factor arises out of the changes that are taking place in our social life and in the gradual dissolution of the Hindu joint family system. In the economic sphere, emphasis is being gradually laid on the independence and self-sufficiency of the individual rather than of the family as a whole. With the isolation of the individual from the family, there will necessarily arise a greater dependence on the security afforded by life insurance."

N. RAMA RAU,
United India Life Assurance Co., Ltd.

Shroff Committee Recommendations

"I would like to make a passing reference to the recommendations of the Shroff Committee as regards the restrictions imposed by the Government under sections 27 and 27A of the Insurance Act on life insurers' freedom to invest their funds. These are undoubtedly to ensure that the policyholders' money is safely invested. The need of adequate and safe investment of new moneys and the constant supervision of existing investment portfolios demand unremitting attention. The overriding aim must always be security of principal, but this is not to be regarded as synonymous with a narrow outlook or with an unduly restricted range of investment. The relief, therefore, as recommended by the Shroff Committee, although not as much as desired, would mean some improvement on the present position. The scope for investments in 'approved investments' would increase from 50 per cent. to 55 per cent. of the funds and for investment in any particular company's capital structure from 2 per cent. to 5 per cent. The Committee's suggestion that Government should examine, in consultation with insurance interests, the issue as regards these investments with a view to removing the anomalies in the provision of the Insurance Act are to be welcomed. Let us hope that the Government would implement the modest recommendations of the Committee."

CHIMANLAL B. PARIKH,
Jayabharat Insurance Co., Ltd.

Tax Burden as an Inflationary Force

"We must, I believe, accept as a fact that the high level of taxation operates as a constant inflationary influence affecting selling prices and profits. With high taxation there will be a constant upward pressure on profits in order to provide reasonably for reserves and dividends. It follows, therefore, that a reduction in taxation, as it lessens this pressure, will tend to reduce costs and increase the competitive power of British industry, upon which this island people depends for its very existence. I am sure the Chancellor and his advisers are well aware of these simple truths. I realise he is faced with a perplexing dilemma in reconciling the claims of industry for an easing of its burden with the essential provisions required for defence and the needs of the Welfare State. Risks, however, must be taken, if we are to preserve both our solvency and safety. I nourish the hope that he will continue in his next Budget the fruitful process of relief which in his 1952 Budget gave such an impetus to our progress."

RT. HON. LORD BALLIEU,
Dunlop Rubber Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

DEVON TEA AND PRODUCE CO., LTD. Annual General Meeting, Madras, 28th June, 1954. Dividend: Re. 1-14 per share (including a bonus of As. 10 per share.) Transfer books remain closed from 22nd to 28th June, 1954, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Annual General Meeting, Madras, 28th June, 1954. Dividend: Re. 1-14 per share (including bonus of As. 10 per share). Transfer books remain closed from 22nd to 28th June, 1954, both days inclusive.

BORMAH JAN TEA CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Dividend: As. 12 per share. Transfer books remain closed from 16th to 29th June, 1954, both days inclusive.

TELOLIAN TEA CO., LTD. Annual General Meeting, Calcutta, 29th June, 1954. Dividend: Re. 1-8 per share. Transfer books remain closed from 16th to 29th June, 1954, both days inclusive.

SHANKAR SUGAR MILLS LTD. Annual General Meeting, Calcutta, 29th June, 1954. Transfer books remain closed from 14th to 29th June, 1954, both days inclusive.

EMERALD VALLEY ESTATES LTD. Annual General Meeting, Coimbatore, 30th June, 1954. Dividend: As. 10 per share. Transfer books remain closed from 24th to 30th June, 1954, both days inclusive.

TRAVANCORE RAYONS LTD. Annual General Meeting, Rayonpuram, Travancore-Cochin State, 2nd July, 1954. Dividend: As. 8 per share.

PARRY & CO., LTD. Annual General Meeting, Madras, 2nd July, 1954. Dividend: As. 4-4/5 per share. Transfer books will remain closed from 1st to 15th July, 1954, both days inclusive.

KALIGHAT FALTA RAILWAY CO., LTD. Annual General Meeting, Calcutta, 7th July, 1954. Transfer books remain closed from 24th June to 7th July, 1954, both days inclusive.

ELLENBARRIE TEA CO., LTD. Annual General Meeting, Calcutta, 7th July, 1954. Dividend: Nil. Transfer books will remain closed from 28th June to 7th July, 1954, both days inclusive.

TEESTA VALLEY TEA CO., LTD. Annual General Meeting, Calcutta, 8th July, 1954. Dividend: Re. 1-8 per share. Transfer books remain closed from 25th June to 8th July, 1954, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 8th July, 1954. Transfer books remain closed from 25th June to 8th July, 1954, both days inclusive.

DIBRUGARH CO., LTD. Annual General Meeting, Calcutta, 8th July, 1954. Transfer books remain closed from 25th June to 8th July, 1954, both days inclusive.

KYANG TEA SEED CO., LTD. Annual General Meeting, Calcutta, 9th July, 1954. Transfer books will remain closed from 1st to 9th July, 1954, both days inclusive.

RAJNAGAR TEA CO., LTD. Annual General Meeting, Calcutta, 9th July, 1954. Transfer books will remain closed from 1st to 9th July, 1954, both days inclusive.

HATHIKHIRA TEA CO., LTD. Annual General Meeting; Calcutta, 9th July, 1954. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 1st to 9th July, 1954, both days inclusive.

KUMARDHUBI FIRECLAY AND SILICA WORKS LTD. Annual General Meeting, Calcutta, 9th July, 1954. Dividend: Re. 1-8 per share. Transfer books remain closed from 23rd June to 9th July, 1954, both days inclusive.

BOMBAY UGANDA CO., LTD. Dividend of Rs. 5 per share, for the year ended 31st December, 1953.

SWASTIK SAFE DEPOSIT AND INVESTMENTS LTD. Dividend of As. 9 per share, for the year ended 31st March, 1954.

PREMIER MILLS (C.B.E.) LTD. Dividend of Rs. 9 per share, for the year ended 31st March, 1954.

ALCOCK ASHDOWN & CO., LTD. Dividend of Rs. 10 per share, for the year ended 31st December, 1953, payable on 9th July, 1954. Transfer books remain closed from 19th May to 2nd July, 1954, both days inclusive.

NEW COMMERCIAL MILLS CO., LTD., AHMEDABAD. Dividend of Rs. 70 per share (on ordinary shares of Rs. 750 each), for the year ended 31st December, 1953.

CHRESTIEN MICA INDUSTRIES LTD. Interim dividend of As. 8 per ordinary share and As. 6 per deferred share, for the year ended 31st December, 1953, payable on and after 15th July, 1954. Transfer books will remain closed from 1st to 14th July, 1954, both days inclusive.

COMPANY REGISTRATIONS

CHITALE SUGAR WORKS LTD. (First Director: Mr. S. D. Chitale.) Business: Cultivators of Sugarcane of all kinds, Sugar Refiners and Exporters and Importers of Sugar and Allied Products. Authorised capital: Rs. 35,00,000. Public company. Address: 31, Western India House, Sir Pherozshah Mehta Road, Bombay.

SASHI BROTHERS LTD. (First Director: Major General Shanta Shumshere Jung Bahadur Rana.) Business: Financiers and Moneylenders. Authorised capital: Rs. 20,00,000. Public company. Address: Kamani Chambers, Nicol Road, Ballard Estate, Bombay.

WAMAN GANESH HARCHEKAR LTD. (First Director: Mr. W. G. Harchekar.) Business: Goldsmiths, Jewellers, Gem Merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: N. C. Kelkar Road, Dadar, Bombay.

AN ADVERSE YEAR FOR ASSAM SAW MILLS AND TIMBER

HIGHLAND PRODUCE REPORTS BETTER RESULTS

Assam Saw Mills & Timber Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September, 1953.

The profit and loss account, including the credit balance of Rs. 69,978 (Rs. 60,887) brought forward from the previous year, Rs. 25,356 (Rs. 19,44,859), being insurance claims received for cyclone damage and Rs. 1,75,000 (nil) written back from income-tax and super-tax provision and after allowing for sundry charges and a sum of Rs. 1,55,049 (Rs. 47,254) for depreciation, shows a debit balance of Rs. 97,203 (credit of Rs. 1,86,645, out of which the directors paid dividend of As. 4 per share, absorbing Rs. 1,16,667 and carried forward Rs. 69,978), and this the directors recommend should be carried forward.

The directors regret that although the reconstructed factory at Namsoi went into production towards the end of October, 1952, this period coincided with a very severe slump in the tea industry, and the resulting curtailment of purchasing by that industry reduced the demand for tea chests very seriously.

The Company's business suffered as a result and in addition the road and river communications have become somewhat precarious between April and September due to the change of channel of the Lohit River, which during these months frequently floods Saikwaghat which is the railhead for despatches.

The directors are in close touch with the State Government and the North East Frontier Agency authorities in regard to the improvement of communications, and with the latter authorities in connection with the Company's forest leases which have still not been signed.

Due to these and other difficulties it has been found impossible to continue work at Jonai, and the Saw Mills there have been put meantime on a "care and maintenance" basis.

The directors are glad to be able to advise that the 1953-54 period shows a considerable improvement in the trading position, although purchases of chests by the Tea Industry still remain considerably below the normal of recent years, resulting in severe price-cutting competition. Provided, however, the directors are able to obtain the assistance which they consider is their due in improving communications, they hope still to be able to expand production and show profitable results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,99,998	Block ...	18,91,600
Reserves ...	28,19,726	Capital work-in-progress ...	2,58,955
Provision for taxation ...	52,678	Stock-in-trade ...	4,88,204
Liabilities ...	3,93,559	Stores and spare parts ...	12,63,381
		Other assets ...	74,386
		Debts, deposits and advances ...	7,27,936
		Investments ...	87
		Cash ...	64,209
		Profit and loss account ...	97,203
	Rs. 48,65,961		Rs. 48,65,961

Highland Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The total acreage of the estates of the Company is 2,047 and the crop of tea harvested during the year amounted to 9,11,800 pounds as against 7,37,966 pounds in the previous year. The tea crop harvested, will no doubt be considered very satisfactory. A crop of 6,385 lbs. of cardamom was harvested from the cardamom areas on Carady Goody Estate.

The f.o.b. cost for the year was Re. 1-1-6 against the estimated cost of Re. 1-2-7 per lb., and the all-in cost was Re. 1-9-9 per lb. as against last year's all-in cost of Re. 1-9. The net average price realised was Re. 1-12-3 as against Re. 1-11-10 for the previous year.

The net profit for the year amounted to Rs. 3,19,494 (Rs. 2,12,348) after providing for depreciation on buildings and machinery and a reserve for taxation of Rs. 1,90,000 (Rs. 40,000) for taxation. This profit together with the balance of Rs. 80,797 (66,448) brought forward from the previous year makes a total of Rs. 4,00,291 (Rs. 2,78,797). Out of this the entire dividend of 6 (6) per cent. on preference shares and an interim dividend of 5 (5) per cent. on the ordinary shares on account of 1953 amounting in all to Rs. 1,08,000 (Rs. 1,08,000) have already been paid, leaving a balance of Rs. 2,92,291 (Rs. 1,70,797) available for distribution which the directors recommend be disposed of as under:—

By payment of 7½ (5) per cent. final dividend on ordinary shares [making 12½ (10) per cent. for the year] Rs. 1,35,000 (Rs. 90,000), transfer to general reserve Rs. 1,00,000 (*nil*) and in carrying forward Rs. 57,291 (Rs. 80,797).

With reference to the application for the consent of the Central Government for the renewal of the managing agency with Messrs. A. V. Thomas & Co., Ltd., on the terms already notified by notice dated 26th May, 1953, calling the extraordinary general meeting, the Government have been pleased to accord consent

The managing agents have also been directed in that consent letter not to take any buying or selling commission from the Company which they have agreed to.

In accordance with the consent, it is believed that the arrangements in contemplation would be completed and before the next report is published the amounts of the Company now lying in credit with Thomcos Bank Ltd., would have been transferred to a scheduled bank.

A tea crop of 8,50,000 pounds and 6,000 pounds of cardamom are estimated for the year 1954.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	17,98,144
Reserves ...	6,86,355	Stock-in-trade ...	1,89,746
Provision for taxation ...	2,42,310	Stores and spare parts ...	1,06,441
Liabilities ...	2,53,406	Other assets ...	15,057
Profit and loss account ...	2,92,291	Debts, deposits and advances ...	1,41,471
		Investments ...	2,46,450
		Cash ...	10,77,053
	Rs. 35,74,362		Rs. 35,74,362

Davon Tea & Produce Co., Ltd.

The directors of the above Company (Managing Agents: Young India Agencies Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March, 1954.

The Company's working for the period under review shows a profit of Rs. 1,48,194 (Rs. 72,195) to which is added the balance brought forward from last year of Rs. 26,935 (Rs. 41,959) making a total of Rs. 1,75,129 (Rs. 1,14,154). After deducting dividend on preference shares at 7½ (7½) per cent. paid already Rs. 15,000 (Rs. 15,000) and 10 (10) per cent. of the net profit to managing agents Rs. 14,819 (Rs. 7,219) there is a balance of Rs. 1,45,310 (Rs. 91,935). The directors recommend appropriating this balance as under:—

To pay dividend of 2½ (12½) per cent. plus bonus of 6¼ (nil) per cent. on ordinary capital as it stood on the 31st March, 1954 Rs. 37,500 (Rs. 25,000), to transfer to dividend equalisation reserve Rs. 35,000 (Rs. 15,000), to transfer to reserve fund Rs. 50,000 (Rs. 25,000) and to carry forward the balance of Rs. 22,810 (Rs. 26,935).

The total acreage of the estates amount to 1,888. Tea crop during the year was 2,22,243 lbs. as against previous year's crop 2,08,848 lbs. All-in cost of tea was 128.2 cts. per lb. and the average sale price realised 175.0 cts. Estimate for the next year is 2,25,000 lbs. Coffee crop was 929 cwts. against previous year's crop of 316 cwts. Estimate for the next year is 700 cwts.

The Company's estates are well maintained. During the year of report it was decided to issue 10,000 ordinary shares of Rs. 10 each as bonus shares to holders of ordinary shares and they have since been allotted.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,00,000	Block ...	5,25,674
Reserves ...	3,70,000	Stock-on-hand ...	1,61,592
Provision for taxation ...	38,017	Stores-on-hand ...	75,760
Liabilities ...	87,692	Other assets ...	32,335
Profit and loss account ...	1,75,129	Debts, deposits and advances ...	10,594
		Investments ...	10,719
		Cash ...	1,94,164
	Rs. 10,70,838		Rs. 10,70,838

Dornah Jan Tea Co. (1936), Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December, 1953.

The season's working resulted in a profit, before providing for depreciation of Rs. 3,95,282 (loss of Rs. 7,908) from which must be deducted provision for taxation Rs. 1,21,695 (*nil*), adjustments Rs. 5,418 (Rs. 3,578), amount written off stores Rs. 4,146 (nil), loss on farming Rs. 520 (Rs. 3,270), depreciation for the year 1953 Rs. 520 (Rs. 40,785) and loss brought forward from 1952 Rs. 32,144 (profit of Rs. 22,297), leaving a balance at credit of profit and loss account of Rs. 1,80,710 (debit of Rs. 32,144) which it is proposed should be dealt with as follows:—

Transfer to general reserve Rs. 46,500 (*nil*), transfer to buildings and machinery reserve Rs. 60,000 (nil), in payment of a dividend at the rate of 6 per cent. for the year ended 31st December, 1952, on 1,000 cumulative preference shares of Rs. 100 each, absorbing Rs. 6,000, in payment of a dividend at the rate of 6 per cent. for the year ended 31st December, 1953, on 1,000 cumulative preference shares of Rs. 100 each, absorbing Rs. 6,000, in payment of a dividend at the rate of 7½ (*nil*) per cent. for the year ended 31st December, 1953, on 75,000 ordinary shares of Rs. 10 each, absorbing Rs. 56,250 (*nil*), and carry forward Rs. 5,960 (debit of Rs. 32,144).

The saleable crop weighed out at 7,305 (7,101) maunds against an estimate of 7,400 (8,000) maunds and was disposed of at an average price of As. 32.16 (As. 22.28) per lb.

The estimate for season 1954 provides for a saleable crop of 7,400 maunds at a total revenue expenditure of Rs. 7,11,830. The results of the year may be considered to be satisfactory.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,50,000	Block ...	5,83,452
Debentures ...	50,000	Stock of tea ...	2,96,580
Reserves ...	4,50,000	Stores ...	1,58,554
Provision for taxation ...	1,23,500	Other assets ...	2,118
Liabilities ...	2,27,766	Debts, deposits and advances ...	36,560
Profit and loss account ...	5,960	Cash ...	6,29,952
	Rs. 17,07,226		Rs. 17,07,226

Nenmeny Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. George & Co., Ltd., Kottayam) submit the audited accounts of the Company for the year ended 31st December, 1953.

The acreage under rubber is 1,366.33, that under tea is 11, and coconut 25.50. As much as 36.95 acres of immature rubber in Eldorado Estate was brought under tapping in 1953. Both Nenmeny and Eldorado Estates are reported to be in good condition.

The rubber crop harvested during the year was 5,36,211 (4,65,972) lbs. at 75.45 (81.34) cents per pound against an estimate of 5,15,000 lbs. at 86.63 cents per pound. The crop estimated for 1954 is 5,60,000 lbs. at 89.95 cents per pound. The average price realised was 125.25 cents per pound. The demand for crepe sole was very poor and so the manufacture of crepe sole was stopped during the latter part of the year.

The net profit after providing for taxes, depreciation, etc., is Rs. 1,07,227 (Rs. 95,126), to which has to be added the balance from last year of Rs. 31,378 (Rs. 28,190), making a total of Rs. 1,38,605 (Rs. 1,23,316). The directors now recommend the following distribution:—

Payment of 7 per cent. dividend on preference shares Rs. 21,000 (Rs. 21,000), 7½ (6¼) per cent. dividend on ordinary shares Rs. 25,125 (Rs. 20,938) and debenture redemption reserve Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 42,480 (Rs. 31,378).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,35,000	Block ...	12,65,955
Debentures ...	4,00,000	Stock-in-trade ...	1,85,610
Reserves ...	1,36,000	Stores and spare parts ...	16,441
Provision for taxation ...	62,405	Other assets ...	1,552
Liabilities ...	1,12,323	Debts, deposits and advances ...	31,693
Profit and loss account ...	1,23,005	Cash ...	3,082
	Rs. 15,04,333		Rs. 15,04,333

Navsari Cotton and Silk Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. F. H. Mehta & Sons Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1953.

The profit for the year, after making a provision of Rs. 2,50,000 (Rs. 3,00,000) for depreciation amounted to Rs. 5,67,820 (Rs. 6,32,711). After adding the balance brought forward from the previous year of Rs. 2,66,495 (Rs. 3,28,784) there was a total sum of Rs. 8,34,315 (Rs. 9,61,495). The directors disposed of this sum as under:—

To reserve for taxes Rs. 3,40,000 (Rs. 2,50,000), to payment of dividend on cumulative 5 per cent. preference shares (free of income-tax) Rs. 25,000 (Rs. 25,000) and to payment of dividend at Rs. 12-8 (Rs. 40 per share, on the old capital of Rs. 10,50,000) per ordinary share (free of Income-tax) Rs. 4,25,250 (Rs. 4,20,000), leaving a balance of Rs. 44,065 (Rs. 2,66,495) to be carried forward.

At an Extraordinary General Meeting of the shareholders of the Company held on 11th December, 1953, it was resolved to increase the share capital from Rs. 20,00,000 to Rs. 30,50,000 by the creation of 1,050 ordinary shares of Rs. 100 each.

It was further resolved to capitalise a sum of Rs. 21,00,000 out of the amount then standing to the credit of the reserve fund and to issue and allot 21,000 ordinary shares of Rs. 100 each fully paid to those shareholders whose names stood on the register of the Company on 4th December, 1953, in the proportion of two of such ordinary shares for every one ordinary share then held by each of such shareholders.

All price and distribution controls on cotton fabrics were removed during the year except control on production. Towards the end of October, 1953, the export duty of 10 per cent. on medium cloth was removed.

The handloom industry was given further protection by the Government when on 26th October, 1953, the Dhoties (Additional Excise Duty) Act, 1953 was passed imposing a penal excise duty on sales of dhoties in excess of the permission quota in any quarter.

The industry witnessed a serious depression in the last quarter when sales had to be made at a loss as cloth prices remained at a low level.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,50,000	Block ...	39,63,794
Reserves ...	72,62,385	Stock-in-trade ...	38,36,484
Provision for taxation ...	10,64,793	Debts, deposits and advances ...	25,07,876
Liabilities ...	9,95,503	Investments ...	13,58,558
Profit and loss account ...	8,34,315	Cash ...	21,40,287
	Rs. 1,38,06,996		Rs. 1,38,06,999

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

MONEY RATES UNCHANGED

(From Our Own Correspondent)

BOMBAY, 23rd June

Conditions in the short-term money market during the week under review were more or less unchanged from those noted in the previous week. Big Indian banks were not keen borrowers, as the return of funds to them from trade and agriculturists was substantial which, in the absence of any demand, was utilised to pay off their own borrowings. In fact, one of the leading Indian banks with its head office in Delhi became a lender, consequent on a substantial influx of funds from Madhya Pradesh and Uttar Pradesh. Some of the Exchange banks were, however, still able to absorb all available funds, so that there was no surplus of floating funds in the market. Conditions would have been more easy but for the fact that the Delhi bank had diverted its surplus funds to Calcutta.

Inter-bank call money was by and large unchanged at 2½ per cent, among the Exchange banks and leading Indian banks, though some deals were reported done at 2½ per cent. also. The corresponding rate among the smaller Indian banks was 3 per cent. House money continued to be quoted at 3 per cent. Short-term deposits were bid at 3 per cent. for 1 to 3 months and at 2½ to 2¾ per cent. for longer periods.

A further contraction of Rs. 18.27 crores in notes in circulation is disclosed by the statement of affairs of the Reserve Bank of India for the week ended 18th June, 1954; this compares with a decline of Rs. 2.94 crores registered in the previous week. Notes held in the Banking Department also have fallen, but by only Rs. 71 lakhs, so that the decline in total notes issued is of the order of Rs. 18.98 crores. This is covered by a contraction of Rs. 20 crores in foreign securities and an increase of Rs. 1.02 crores in rupee coin. The rising trend in Central Government deposits is being maintained, the increase during the week under review being of the order of Rs. 8.73 crores, bringing the total rise in the last six weeks to Rs. 30.61 crores. There has been a decline of Rs. 3.39 crores in the desposits of other Governments, while deposits of banks have improved by Rs. 4.06 crores. Deposits of others are lower by Rs. 4.30 crores. Cash balances have gone down by Rs. 67 lakhs, while balances held abroad have risen by Rs. 16.07 crores. Loans and advances to other loans and advances Rs. 6.40 crores. Total amount of advances availed of so far by Scheduled banks against usance bills is Rs. 109.24 crores, an increase of Rs. 3.50 crores over the week, while the outstanding borrowings on this account have been reduced during the week by Rs. 2.95 crores.

The consolidated statement of position of the Scheduled Banks for the week ended 11th June, 1953, fully reflects the trend in the money market described at the outset. Thus, while there has been a substantial fall of Rs. 11.37 crores in bank credit—loans and advances showing a drop of Rs. 7.35 crores and bills purchased and discounted Rs. 3.92 crores—banks' deposits have not increased correspondingly. Demand deposits, for instance, show an increase of only Rs. 2.62 crores and time deposits Rs. 1.31 crores. Inter-bank borrowings also show an increase of Rs. 1.23 crores. Borrowings from the Reserve Bank, however, have been reduced by Rs. 2.03 crores and those from the Imperial Bank by Rs. 2.35 crores. Investments have gone up by Rs. 99 lakhs. Cash on hand and balances with the Reserve Bank together account for an increase of only Rs. 40 lakhs. Balances with other banks in current account have advanced by Rs. 94 lakhs and money at call and short notice by Rs. 3.30 crores.

The Gilt-edged market continued to display cheerful sentiment, with demand for some of the issues persisting. There was a further smart rise in values in some of them, consequent on a broadening of activity in the face of paucity of stocks. A rise of an anna was recorded in 3 per cent. 1957 and 3 per cent. 1958 to Rs. 98-9 and Rs. 98-6, respectively. 3 per cent. 1959-61 improved Rs. 98-6, respectively. 3 per cent. 1963-65 and by an anna to Rs. 96-9. 3 per cent. 1963-65 and 3 per cent. 1964 each put on As. 3 to Rs. 93-3. 3 per cent. 1966-68 and 3 per cent. 1970-75 advanced by an anna to Rs. 90-9 and Rs. 86-13, respectively. 3 per cent. 1986 Conversion Loan covered fresh ground with a rise of As. 3 to Rs. 82-7. 3½ per cent, 1961 National Plan Bond was stagnant at Rs. 99-1. In the group of low-interest bearing loans, 2½ per cent. 1954 was marked up by an anna to Rs. 99-12 and 2½ per cent. 1955 by as much as As. 4 to Rs. 99. 2½ per cent. 1961 hardened from Rs. 91-2 to Rs. 91-8 and 2½ per cent. 1960 from Rs. 94-5 to Rs. 94-8. 2½ per cent. 1962 rose by As. 2 to Rs. 92-6.

In the foreign exchange section, there was again no change in the rupee-U.S. dollar exchange rate. In New York, spot sterling, after an initial drop from $2.81.13/16-2.81.15/16 to $2.81½-2.81¾, recovered to close at $2.81.13/16-2.81.15/16. Three months sterling showed no change on balance at $2.81.11/16-2.81.13/16, although it had earlier declined to $2.81.9/16-2.81.11/16. Transferable sterling moved down from $2.78¼-2.78¾ to $2.78.3/16-2.78.5/16.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 21st June

A generally firm undertone has prevailed in the linseed market during the week. Although prices have been well maintained, trading has been very limited. Millers have been purchasing small ready lots for their immediate requirements and have shown no interest for forward delivery; sellers are reserved. Trading in the oil market has been negligible with keen sellers for ready goods.

Latest quotations are: Ready Rs. 17-10 and July-August Rs. 17-14 per maund.

GOLD FIRM

(From Our Own Correspondent)

BOMBAY, 23rd June

A smart rise in the price of gold was the main feature of trading on the Bullion Exchange during the week under review. This was due to the offtake exceeding the arrivals and substantial covering by a prominent operator from Calcutta who was short in gold. Although the demand was still on a small-scale, the fact that the inflow of smuggled gold had been conspicuous by its absence was mainly responsible for this recovery. Consequently, the premium of the ready position over the forward widened from Re. 1-4 to Re. 1-8. Further, gold was less affected by the debacle of the previous week, so that the recovery in gold was more prominent than in that in silver. The general trend, however, was irregular and uncertain.

Silver also displayed signs of return to normalcy, but the recovery was slow and inconspicuous. The downward trend noted last week gathered further momentum during the earlier part of the week, the forward position touching on Monday Rs. 148-8, the lowest level since 26th October, 1953. But from yesterday onwards, the white metal gained strength, albeit moderately, due to slackness in arrivals from upcountry centres.

Gold for forward delivery (18th July settlement) hardened from Rs. 82-3 to Rs. 83-7 on Friday, inspired by reports of better offtake and confiscation of some smuggled gold. However, at higher levels, there was liquidation by bulls and pressure from bears which dragged the price down to Rs. 81-15 on Monday. The lower level attracted fresh support and bear covering. Forward gold, therefore, staged a smart rally to Rs. 83-15 today before closing at Rs. 83-10, a gain of Re. 1-7 over the week.

Ready gold opened at Rs. 83-5 and hardened to Rs. 84-11 on Friday. After a setback to Rs. 83-5 on Monday, the ready metal closed higher at Rs. 85-2. The floating stocks of gold are estimated at 15,000 tolas. The daily average arrivals were less than 4,000 tolas, while the offtake was about 5,000 tolas on an average.

Forward silver (17th July settlement) was steady for a while early in the week, moving up from Rs. 150-14 to Rs. 151-10, but soon suffered a serious setback on revival of bull liquidation and bear selling. As a result, the white metal touched a low of Rs. 148-8 on Monday. Covering by short sellers and scattered support lifted the forward price to Rs. 150-1 at the close.

Ready silver (.996 Mint) opened at Rs. 150-1, that is at a discount of As. 8 below the forward, and closed at Rs. 150-1, the discount having been wiped out. The floating stocks of silver are estimated at 1,700 bars. The daily average offtake was less than 10 bars.

In London, silver gained strength during the week, the spot price moving up from 73d. to 73¼d. and the forward rate from 72¾d. to 73¼d. Gold, on the other hand, ruled weak, the rate declining from £12 8s. 11¼d. to £12 8s. 9¼d.

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

	23-6-54	Highest	Lowest	16-6-54
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.63 fine Mint)	85 2	85 7	83 8	83 13
Forward	83 10	83 15	81 15	83 10
Cawnpore	83 0	83 0	81 8	83 0
Silver				
Ready (.723 fine Mint)	150 1	151 8	148 4	150 5
Forward	150 1	151 10	148 8	150 5
London Ready	73¼d.	73¼d.	72¾d.	73¼d.
London Forward	73¼d.	73¼d.	72¾d.	73¼d.
London Gold	248s 9¼d.	248s 11d.	248s 9¼d.	248s 11¼d.
New York Ready	85¼c.	—	—	85¼c.

METALS RECOVER AFTER EARLY DECLINE

(From Our Own Correspondent)

CALCUTTA, 22nd June

Earlier in the week under review, the metal market exhibited a note of easiness, but as the week progressed the market regained steadiness and closing levels compared well with the opening rates. The cause for weakness earlier was the announcement from New York to the effect that the American Government was against purchasing domestic lead and zinc at prevailing market prices for stockpile. Subsequently, this announcement was withdrawn, and a report from Washington indicated imminent purchases by the Government at current market prices. Following this, other foreign markets regained an encouraging tone, which duly reflected itself in Calcutta also. The fact that the Geneva Conference could not find a solution to the Korean issue boosted sentiment further, although the cautious trading by purchasers prevented prices from moving up.

Electrolytic zinc opened at Rs. 59-8, and for the reason already stated gave way to Rs. 58-8, only to firm up again to Rs. 59. The lower level made stockists nervous; but offers did not find acceptance. Lead closed at Rs. 71, i.e., Re. 1 higher on balance. This was due to the difficulty in locating ready supplies. Buyers were active, and were interested for forward positions even up to the end of August. During mid-week, the price had sagged to Rs. 69-8. Mercury was quoted firm at Rs. 990. With little business passing, tin closed quiet at Rs. 472. Electrolytic copper was throughout the week priced at Rs. 167. Wire bars continued to be in tight supply.

LANDSLIDE IN COTTON

(From Our Own Correspondent)

BOMBAY, 23rd June

There are signs of the forward market in cotton trying to stabilise itself at the present lower levels. Considering that, only about six weeks ago, August contract ruled above Rs. 700, the purge that it has undergone can be considered as severe even for the cotton trade where heavy fluctuations are not unusual. The *pundits* are right in assessing that, after a fall of 70 points within seven weeks, the technical balance is bound to be restored to a certain extent in the coming weeks. Other reasons for lending support to this expert opinion are also there. The leading bull operators are believed to have been liquidated. No large-scale selling need, therefore, be expected from these sources, unless the prices go up sufficiently high to make it attractive for the bears to hammer the market.

A greater part of the cotton in stock has been hedged, which means that no pressure is likely to be forthcoming from the Sewri and upcountry spot markets. Call fixing by the mills has also started on a moderate scale and the shorts are inclined to cover their sales to book their paper profits. In addition to this, the Stock Exchange and the cloth markets are optimistic about the removal of, or reduction in, the export duty on coarse cloth, which, if it comes about, would mean a scramble for Indian cotton by the mills. The only deterrents to a sizable rise in the forward price of cotton are that the mills have little unused quotas for purchase of Indian cotton and the present signs of a good monsoon. A part of this is discounted by the rising trend in the production of cotton textiles which would mean a higher consumption of Indian cotton next year. A higher crop in 1953-54, therefore, would not weigh heavily on the market and there should be enough time for the present stocks to be disposed of before the new crop comes into the market. The ways of forward markets and of speculators, however, are not subject to any rational calculations and there are still prophets of gloom in the cotton trade who predict that the August contract would see the Rs. 600 limit some time before it expires.

The spot market also continues to be under the shadow of the new crop. The sentiment having been demoralised, weak stockists are in a hurry to dispose of their cotton at whatever prices they can obtain. It is, however, hoped that the steady trend witnessed just at present at Kalbadevi and the revival of modest enquiry by the mills may induce holders to take a more reasonable view of the coming months. The turnover even on good days still continues to be low. But upcountry mills also have shown interest in acquiring cotton of their choice at the present low rates and, if other commodity markets show some steadiness, conditions are likely to improve at Sewri. Mills' enquiries are still confined to Kala, Vagad and Vijay and have not spread over the entire range of the present stocks. The premia are still low, in spite of the heavy fall in the basic rate. If cover can be provided by opening forward trading in the new crop, much of the fear which disturbs the spot merchants would disappear and the trade would gain in steadiness to that extent.

There are fresh hopes in the market regarding an additional small quota of Bengals for export. Fresh representations are believed to have been made, pointing out the stock position which would permit, to a small extent, additional exports of this variety. With reports of good rain from all cotton-growing areas, the Government may be induced to take a more favourable view of this request. Interest in imported cotton is still lacking, even though the trade has welcomed the absence of any monetary ceilings with regard to import licences which will be issued by the Joint Chief Controller of Imports for the July-December period to both mills and importers against evidence of purchase from overseas suppliers. Till the pattern of production of cloth and the proportions of various qualities—superfine, fine, medium and coarse—can be more accurately assessed for the coming year, there will not be much enthusiasm for importing cotton by traders on their own account, in view of the uncertainties regarding future prices in the world markets, even after the removal of the possibility of subsidy for exports in the U.S.A. The average of monthly consumption of foreign cotton during September, 1953 to March, 1954, has been 57,000 bales which is nearly 20 per cent. less than the monthly average for the previous year. This factor is bound to be taken note of by the trade while entering into any commitments abroad.

Persistent bear hammering and heavy bull liquidation brought about a landslide in the price of forward cotton. I.C.C. August which stood at Rs. 671 last week slumped yesterday to Rs. 632, the lowest touched during the current calendar year. Lower levels evoked some support and a slight recovery was in evidence towards the close. The contract finished at Rs. 640½. There was no trading in the forward section today.

The following is the trend of prices in the forward market during the week under review:

	Closing 16-6-54	High	Low	Closing 22-6-54
I.C.C. Aug. ...	Rs. 671	671	632	640½

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 560; Berar Jarillas Rs. 750; Khandesh Rs. 760; Vijay Rs. 830; Oomra *Deshi* Rs. 690; Moglai Rs. 650.

In Pakistan, there were no fresh developments during the week under review, except that the prices for the staple varieties were a little steadier after the announcement regarding no likelihood of subsidy by the U.S. Secretary for Agriculture. The new crop quotations, however, are substantially lower. It is confidently expected that, now that the main hurdle has been crossed with regard to the U.S. policy, enquiries from the Continent and Japan would increase in the coming months and it should not be difficult for Karachi to dispose of its pre-

sent stocks to about 275,000 bales, before the new crop comes in.

Latest available quotations from the Karachi cotton market are: Sind *Deshi* Rs. 75-8; Punjab *Deshi* Rs. 73-8 to Rs. 74-8; 4F Punjab R.G. Rs. 68-8; S.G. Rs. 73; LS.S. Punjab R.G. Rs. 72-8; S.G. Rs. 76-8; N.T.R.G. Rs. 73-8; S.G. Rs. 77-8; 289F Punjab R.G. Rs. 75-8; S.G. Rs. 79-8.

At Alexandria, conditions have been quiet, with only token demand from abroad and only a modest offtake for domestic purposes. This has led to a fall in the spot premia for both current and new crops. The sales of new crop cotton by the Egyptian Cotton Commission so far amount only to 2,500 bales. For the present, only France and Chile are believed to be interested in Egyptian cotton.

While the Liverpool market is still maintaining a cautious attitude, with discounts on forward deliveries showing narrowing tendencies, the New York market has been displaying marked weakness during the current week. This is believed partly to be a result of liquidation in nearby July and political uncertainties. The closing rate yesterday showed a decline of 31 points over 34.16 cents of the previous week. As a result of favourable crop news from several centres, there was also some selling in October and December positions.

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

(In cents per lb.)

	22-6-54	15-6-54	8-6-54
Spot	35.00	35.25	35.30
July	33.85	34.16	34.26
October	33.80	34.12	34.17
December	33.85	34.11	34.17
March	34.01	34.25	34.32

ART SILK YARN RECEDES

(From Our Own Correspondent)

BOMBAY, 23rd *June*

Despite the acute scarcity of tenderable variety, the forward section of the art silk yarn market presented an easy tone during the week under review. The easiness was the result of speculative selling induced by reports of lower offtake of yarn in consuming centres. The Central Government's decision to allow imports of twisted yarn during the next half-year was another unhelpful factor. Prices of art silk yarn, therefore, staged a sizable retreat this week. Thus, 150D June contract dropped 15 points to Rs. 770. July contract finished lower at Rs. 762 today, as against Rs. 778 at which business commenced on Monday.

The spot section did not, however, share the easiness of the forward section. Values were generally well maintained. 120 Japan was fully steady at Rs. 4-4, 150 Japan at Rs. 4-12 and 120 Italy at Rs. 4. 150 Italy, on the other hand, failed to evoke support and receded by an anna to Rs. 3-15.

The reaction that set in in the staple fibre yarn section towards the close of last week gathered further momentum this week. It was brought about by heavy unloading by mills in Bombay, South India and other centres. Buyers, however, were scarce, thanks to very poor offtake in consuming centres. To quote one report: "Consumers in Surat have been buying only sparingly and are not likely to enter the markets unless the markets become more settled. Punjab, Uttar Pradesh and other markets report reduced consumption in 40×2s, 20s, and other count yarns, due to limited seasonal demands." Selling pressure that ensued as a consequent resulted in a fall in prices. Staple fibre yarn (40×2) for June delivery declined by Rs. 4 to Rs. 604. July delivery shed Rs. 7 to Rs. 608. In the spot section, Citys fell by an anna and a half to Rs. 3-4-6. Kohinoors were transacted lower at Rs. 3-3-9, as against Rs. 3-5. Centurys lost an anna to Rs. 3-0-9. Among foreign yarns, Suicos receded by an anna and a half to Rs. 3-9-6. Shincos eased from Rs. 3-10 to Rs. 3-9.

Activity in the cotton yarn section was somewhat restricted. Prices of coarse and medium count yarns were easy, while those of superior counts were a shade better. Among 10s, Elphinstones lost an anna to Rs. 12-12. Among 20s, Edwards were lower by a like amount at Rs. 16-13. Among 30s, Maduras declined by As. 4 to Rs. 24. Among 40s, Seksarias fell by As. 4 to Rs. 26-12. Yarns of 60 and 80 counts, however, registered improvement. Among the former, Citys advanced by Re. 1-4 to Rs. 48-4 and Sri Rams by As. 12 to Rs. 53-4. Among 80s, Finlays and Sri Rams gained As. 4 each to Rs. 62-8 and Rs. 58-12, respectively.

The table below gives the prices of art silk, staple fibre and cotton yarns quoted today, as compared with those seven days before:

	23-6-1954	16-6-1954
	Rs. a.	Rs. a.
Art silk yarn—		
150 June (per case of 200 lbs.)	770 0	785 0
150 July	762 0	—
120 Japan (per lb.)	4 4	4 3
150 Japan (per lb.)	4 12	4 12
120 Italy (per lb.)	4 0	4 0
150 Italy (per lb.)	3 15	4 0
Staple fibre yarn—		
40×2 June (per case of 200 lbs.) ..	604 0	612 0
40×2 July	608 0	615 0
8s/60 (per lb.)	3 9½	3 11
City (per lb.)	3 4½	3 6
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	13 8	13 8
20s Hind	17 5	17 5
30s Madura	24 0	24 4
40s Seksaria	26 12	27 0
50s City	48 4	47 0
80s Sri Ram	58 12	58 0

OILSEEDS ERRATIC

(From Our Own Correspondent)

BOMBAY, 23rd *June*

The oilseeds market behaved rather erratically during the week under review. This was presumably due to conflicting reports about rains in the various oil producing centres and about prospects for imminent announcement of export quotas in groundnut, castor and salad oils. In fact, some of the operators expected free licensing of castor oil in view of the prevalence of large stocks in the country. As a result, the prices fluctuated rather frequently and sometimes widely, while the genuine operators remained hesitant to commit themselves. Quotations, on balance, showed a sprinkling of gains and losses over the week.

The highlight of the market was provided by the castorseeds section, which turned out to be highly speculative. Bulls expected a quota of 17,000 tons, if not free licensing, while the bear operators put the quota at no more than 9,000 tons at the most. A few, however, were of the opinion that castor oil export quotas will not be announced until 20th July. Small wonder if, as a result of these, the market there witnessed alternate bouts of buying and selling.

Castor futures, September delivery which opened the week steady at Rs. 109, fluctuated between Rs. 112-8 and Rs. 107-10, before closing at Rs. 111-6. Madras quality gained As. 8 to Rs. 22-4, and Kanpur Bold As. 4 to Rs. 20-8. Castor oil B.S.S., however, lost As. 4 to Rs. 11-12. I Pressures changed hands at Rs. 11-4 as against Rs. 11-8. Commercials, however, put on an anna to Rs. 10-15. Despite encouraging export advices at £109 per ton for B.S.S. and £102 for Commercials from the Continent and 12.75 cents for Commercial and 13.25 cents for B.S.S. from the U.S., oils generally declined. This was because the available quotas for export prior to the end of July is almost exhausted. Traders are reluctant to commit themselves in expectation of export quotas owing to fears of witnessing once again the tragic experience of the groundnut oil early in the year, when those who had entered long in export markets suffered heavy losses on the refusal by the Commerce Minister to grant export quotas.

It is too difficult to forecast anything about the Government's policy regarding export of groundnut oil. In all probability it may not be announced until the next crop position becomes clear. Crop reports from Pollachi (Madras) indicate that prospects for the groundnut crop, following the recent rains, are bright. The Andhra summer crop is estimated at 75,000 tons. Lack of rains is reported from Hyderabad. Saurashtra is yet to get rains.

Marketwise Bold F.A.Q. in groundnuts gained As. 4 to Rs. 32, while August-September delivery lost As. 6 to Rs. 29-8. Khandesh quality eased from Rs. 32-12 to Rs. 32-4. Groundnut oil was lower by As. 12 at Rs. 15-12. July and August deliveries were lower at Rs. 15-8 and Rs. 15-4, as against Rs. 15-12 and Rs. 15-10, respectively.

The linseed section, as usual lacked strength of its own. The trend was more or less determined by the developments in North Indian sarson and rapeseed markets. Bold ready which opened at Rs. 24-8 as against Rs. 24-10 shot up to Rs. 25 on the 19th inst. Subsequently, after some resistance, the rate declined and closed at Rs. 24-8. August-September deliveries were down by As. 4 to Rs. 23-8. Linseed oil, however, put on As. 2 to Rs. 13-2. There was a virtual absence of export enquiries for linseed oil.

Among others, *kardi* Bold ready was quiet at Rs. 16, while August-September lost As. 6 to Rs. 16. *Niger* ready F.A.Q. was down As. 8 at Rs. 25-8.

The following table shows the prices of oilseeds and oil on the 23rd inst. as compared with those at the end of the previous two weeks:

	23-6-54	16-6-54	9-6-54
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Bold Ready (per cwt.)	32 4	32 12	31 8
June/July	31 2	29 12	29 12
August/September	29 8	29 14	29 6
Linseed—			
Bold Ready (per cwt.) ..	24 8	24 10	23 12
June/July	—	24 8	23 8
August/September	23 8	23 12	23 2
Castorseeds—			
September 1954	111 6	109 0	107 4
Madras (per cwt.)	22 4	21 12	21 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 12	16 8	15 12
Castor Oil—			
Commercial (per quarter) ..	10 15	10 14	10 8
Linseed Oil—			
Ready	13 2	13 0	12 8

FOREIGN SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 23rd *June*

Following large arrivals of imported sugar, foreign sugar in the spot section of the Bombay sugar market exhibited easy conditions during the week under review and prices drifted lower. Formosan sugar dropped Rs. 2 to Rs. 91 per bag of 220 lbs. This was in distinct contrast to the marked rise of Rs. 6 registered in the previous week. British refined sugar and Spanish sugar receded by As. 8 each to Rs. 84-8 per bag of 2 cwts. and Rs. 47-8 per bag of 132 lbs., respectively.

The forward section also exhibited easy conditions. *Ashad* delivery declined from Rs. 82-12 to Rs. 82—82-4 per bag.

Indigenous sugar in the spot section, however, continued to rule steady, thanks to tight stock position, encouraging demand and negligible arrivals. Owing to the downward trend in prices in this city caused by the large arrivals of foreign sugar, the flow of indigenous sugar into the market has received a check. Medium grain sugar was fully steady at Rs. 89 per maund and large grain at Rs. 100 to Rs. 105. There was no trading in small grain sugar, as there were no stocks of this variety. It is reported that about 4,000 tons of Formosan sugar will be despatched from Bombay docks to Delhi and adjoining centres. As a result of this step, the price of sugar in U.P. has declined sizably.

It is rumoured that the s.s. *Alba*, carrying 9,000 tons of Peruvian cane sugar, is being diverted. The s.s. *Blair Clova* is due to arrive in this harbour tomorrow. This ship is carrying 5,000 tons of East German and 3,000 tons of Polish beet sugar. The tender price for East German sugar is reported to have been fixed at Rs. 29-8 per maund (f.o.r. destination), while that for Polish sugar will be decided before the day is out.

As already stated, arrivals of sugar into the Bombay market were lower, being no more than 1,200 bags, as against 5,600 bags a week before and 11,600 bags two weeks before.

The demand for sugar from Madhya Pradesh centres such as Akola, Amravati, Nagpur and Kandwa, and also from East Khandesh, Hyderabad State, Bombay Deccan and Gujarat sides is encouraging.

PEPPER RECEDES AGAIN

(Messrs. Parekh & Co.)

BOMBAY, 23rd *June*

Malabar black pepper during the week presented a paradox. The advance reported in our last issue proved shortlived. On the evening of last Wednesday, July shipments for New York were traded at as low as $0.44 per lb. and August York, as against the prices of $0.50 and $0.48 respectively, quoted in the morning the same day. Garbled pepper at Cochin appeared to be under the full control of speculators and prices moved up and down rather violently, though growers were not so anxious to press sales of ungarbled pepper at these low prices, as the arrivals from the interior were small due to heavy rains in the producing areas. In almost all cases, "garbled" pepper at Cochin was sold below parity. Distressed sellings of loaned pepper having been finished, the longs in the garbled are trying to push up the market with a view to squeezing the exporters whenever they come to buy their immediate requirements. In view of the present tight attitude of growers in almost all the producing centres, some shippers are reported to have repurchased from New York, June shipment, from $0.44 to $0.49 and July at $0.46 and August at $0.43.

In spite of sizable repurchases on India's account, New York market, strangely enough, failed to show any sign of animation, as there was poor demand from grinders who are reported to have held larger stocks than estimated earlier. Consequently, the dealers at New York are refusing to buy from overseas in anticipation of still lower prices. They seem to be waiting for stability in the prices in India, before making a start for their fresh purchases.

Sarawak during the week remained fairly steady, as exporters there were able to sell June and July shipments to New York dealers who seem to have made these purchases as replacement against their sales of Malabar black to India. At the time of writing, there are sellers for July and c. & f. New York, respectively.

Following are today's nominal quotations:— Ready delivery Rs. 110-130 per Bengal maund (as against Rs. 130 last week) and July Rs. 800 (Rs. 865-875), August Rs. 770 (Rs. 845-855) and September Rs. 750 per candy of 5½ cwts.

DISCRIMINATORY BUYING IN TEA

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 19th *June*

The offerings in sale No. 12, which was held on Tuesday, 15th June, amounted to approximately 14,47,000 lbs. There was a good general demand with buyers showing discrimination particularly in respect of clean black well-made types as against brown mixed stalky grades, with similar liquors, from the same districts. Black well-made types are quoted as firm to slightly dearer, but prices for other teas generally were half to one anna easier. Thin liquoring broken pekoes and whole leaf grades met a poor market and were difficult to sell. Low and low mediums declined by half to one anna and good mediums were irregularly half an anna easier. With quality now lower high-growns declined by a further half to one anna. The following are the quotations:—

	1954			1953		
	Rs.	a.	p.	Rs.	a.	p.
Low-grown Travancore B.O.P.	2	7	0	1	9	6
Medium Travancore B.O.P.	2	7	6	1	10	6
Anamallais B.O.P.	2	9	6	1	13	0
Best liquoring Nilgiri B.O.P.	2	13	9	2	2	6
Well made black leaf O.P.	2	11	6	2	1	0

London Market.—New season's Dooars firm to dearer. Poor stalky old seasons easier.

Colombo Market.—Good demand. Low-growns and stalky sorts easier. Others firm. Improved quality dearer.

Calcutta Market—Export.—22,000 packages. Less demand at rates As. 2 to As. 3½ below last. Whole leaf strongest feature. Tippy teas neglected. Flavoury Darjeelings strong. Others difficult of sale.

Dust.—6,300 packages. Fair demand. Market half to one anna, Darjeelings without character As. 2 to As. 3 easier. Exportable types steady. C.T.C. strongest feature.

1954-55 *Export Quota.*—Current season's export quota declined early this week to 48 pies, but due to renewed interest business has been effected at 51 pies, which remains today's quotation.

Forthcoming Auctions.—Dust sale "L" will be held on Tuesday, 22nd June, and sale No. 13 will be held on Tuesday, 29th June, 1954.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust Sale L.*—3,50,000 lbs. Fair general demand. Market irregular. Best liquoring considerably easier. Others barely steady."

HESSIANS STEADY

(From Our Own Correspondent)

CALCUTTA, 22nd *June*

Jute markets were steady during the week under review, although business done with overseas countries was not considerable. Nevertheless, enquiries for both hessians and heavy goods were satisfactory. Mills were very reserved, and this accounted for the poor volume of business compared to moderate demand. Moreover, mills had only little to offer for ready and near delivery positions. They paid little attention to enquiries for forward positions owing to expectation of higher prices. Quotations for forward delivery for hessians were often fractionally higher than those for the ready goods, and this factor gave sellers confidence in the future.

Argentina was in the market for hessian and bought 13,500 tons. It had earlier called for tenders for 5,000 tons of hessian and 500 tons of sacking. It was the support from Argentina, which kept prices firm and encouraged mills to sell as little as possible for forward delivery. Last year, Argentina bought 100,000 tons, and this enabled mills to reduce stocks considerably. Normally, the country's annual requirements are not as large as this quantity, and it is believed that it holds a moderate stock against this year's requirement. All the same, the market expects that before the end of the year the Argentina would have taken about 90,000 tons which would be utilised mostly in packing the large crop of grains. Up to now this year, Argentina has taken about 43,500 tons against tenders for 15,000 tons in April and those above referred to. Current purchases have also exceeded the quantities for which tenders were originally invited.

American purchases have so far been for small quantities only, and last year when Argentina entered the market, buyers withdrew in order that prices would be kept at reasonable levels. It was only after the Argentina purchases were completed that the United States began to show interest in offers. But last year's purchases for Argentina were done mostly after September, when the duty on hessians was reduced. By that time America had bought a moderate quantity, and it could thus afford to wait till Argentina had covered its requirements. Market circles believe that this year the United States cannot afford to repeat this performance, as it is usually in August that American buyers get active. The U.S. for this year a huge quantity of surplus wheat to be bagged, stored and sold.

Earlier in the week, acceptances were received from America for a moderate quantity of hessians, and this coupled with the support from buyers on behalf of Argentina made the quotation for hessians rule steady at Rs. 44-8. The July-September delivery was higher at Rs. 44-9. Further business followed, and the rate for ready delivery gained Rs. 44-12 and subsequently to Rs. 45-5. An easy tone set in during the week-end, and the quotation closed at Rs. 45, at which rate business was put through yesterday also. The 8 oz. hessian was priced at Rs. 38 f.a.s. and at Rs. 41-4 f.o.b.

Sacking goods also received good support, and the price for B twills was at one time as high as Rs. 114-8. Subsequently, the rate sagged to Rs. 113-15. There was a spurt to Rs. 114-4 yesterday. The news that Australia has decided to terminate controls over purchases and distribution of jute goods was noted with satisfaction.

In contrast with the conditions in jute goods, the raw jute market was idle. Mills were reserved, and stockists of the old crop showed a keen desire for business. Bimli f.a.q. was lower at Rs. 21. Mills paid Rs. 24 for new crop northern bottoms, while the rate for new crop Assam bottoms was Rs. 24. Latest quotations for the old crop, as given below, record declines of As. 8 to As. 2-8 as compared to those of a week ago:

	Middles Rs.	a.	*Bottoms* Rs.	a.
Pakistani:				
Northern	27	8	23	8
District	28	0	24	0
Indian:				
Northern	26	8	23	8
Assam Upper	26	0	23	0
Assam Lower	26	8	23	8
Daisee	28	0	25	0
Orissa	27	8	24	8
Murshidabad	—		22	8
Western	—		22	0
Jungli	—		21	8
Uttar Pradesh	—		21	8

Although the Narayanganj market opened on an easy tone, it gathered steadiness as the week progressed and closed. For, increased enquiries from foreign countries were received. At Rs. 23, jat white middles improved by As. 4, and jat Tossa jat white middles gained to Rs. 27 from Rs. 26-12. Other quotations also recorded gains of about As. 4 each. The news of the week from East Bengal was the Government's cancelling of the order suspending the realisation of the jute licence fee passed by the Fazlul Haq Ministry.

FAIR DEMAND FOR TEA DUSTS

(From Our Own Correspondent)

CALCUTTA, 22nd *June*

During sales of tea dusts for domestic consumption last week, 6,162 chests were offered. They consisted of fairly useful selections, and, although demand was fair, prices recorded an irregular pattern. Thus, while good C.T.C. Assams received the keen attention of buyers and the smaller kinds realised prices which were often As. 2 to As. 3 above brokers' valuations, many other sorts were easy by half an anna to one anna. The clean black exportable types were in good demand. Of the Darjeelings on offer, the better ones were steady, but the less attractive lots eased by As. 2 to As. 3. The quotations were: medium Dooars dusts Rs. 2-0-6 to Rs. 2-1, medium Assam grainy Rs. 2-1-6 to Rs. 2-2, and best Assam C.T.C. Rs. 2-7 to Rs. 2-8. Leaf offered aggregated 1,381 chests, prices of which declined by As. 2 to As. 3.

KIPS STEADY TO FIRM

(From Our Own Correspondent)

MADRAS, 21st *June*

Arrivals of kips have been on a moderate scale and offtake good. Prices have ruled steady to firm. Despite U.K. dresser's resistance to buy at prices quoted at origin, it has been reported that U.K. factories have been purchasing kips at a moderate pace. Demand for tanned cow calf and buff calf has been negligible and for buff lights and heavies good due to buying on the U.S. account.

The London tanned hides auction held last week was a flop. Several parcels were unsold, due to poor prices offered which were considerably lower than Madras levels.

In the next London tanned skins public auctions 4,80,000 goat skins and 1,020,000 sheep skins will be available for sale.

Shipment business in tanned skins has been small. Demand for goat skins from the Continent for prime class has been poor. There have been some enquiries for sheep skins from Japan. Prices in the local market have ruled weak.

Raw markets have been easier by Rs. 10 per hundred skins in several centres.

KANPUR HIDES EASY

(From Our Own Correspondent)

KANPUR, 20th *June*

Easy conditions prevailed in the hides and skins market during the week under review. The fresh supplies were easily disposed of. There was certain dearth of fresh goat and sheep skins straight from the butchers. Due to extreme heat of an enervating nature, the level of meat consumption has gone very low. The Madras dealers were the most important parties behind the transactions over lighter variety of cow and goat sheep categories. The local tanners were the main purchasers of the important items of the wet salted cow and wet salted buff. The latest quotations of the week are as follows:—

Wet salted cow 1st grade Rs. 340, 2nd grade Rs. 220 and 3rd grade Rs. 180 per score; wet salted buff 1st grade 1 lb. 13 ozs. and 2nd grade 2 lbs. 3 ozs. per rupee; goat skins 1st grade Rs. 350 and 2nd grade Rs. 280 per 100 pieces; sheep skins 1st grade Rs. 275 and 2nd grade Rs. 230 per 100 pieces.

SMALL-SCALE INDUSTRIES

The question of establishment and promotion of small-scale industries in India assumes importance in the context of growing unemployment in the country. The increasing attention that this question is receiving at the hands of the authorities indicates that they are quite alive to the dangers of the unemployment menace. This is evident from the decisions on the recommendations of the world Team on Small-scale Industries reached at the conference of officials of the Central and State Governments held in Bombay on the 16th inst.

The meeting was convened to consider the report of the International Team of Experts appointed by the Ford Foundation to go into the question of promoting small-scale industries in this country. The meeting considered the question of establishing the four regional institutes—one of the chief recommendations of the Team—their location and jurisdiction, staff requirements of these institutes and the immediate work to be undertaken by them. It was decided that advisory bodies should be set up for each institute on which the State concerned would be represented. It was also decided that the institutes should undertake immediately market surveys in selected fields. They should also take up an immediate programme with reference to specific needs of specific industries in each area. The State and the Central Governments were requested to liberalise rules for granting loans to small-scale industries and place at the disposal of the industries larger funds.

The Commerce and Industry Ministry of the Union Government, Mr. T. T. Krishnamachari, who addressed the meeting, revealed the action so far taken by the Government on the report of the Team. According to him, the Government has decided to set up the four regional institutes on lines recommended by the Team. These institutes will help the artisan and the small producer to become more efficient. The Government has also decided to place a senior officer in charge of development of small-scale industries and to undertake the establishment of the various institutions and corporations recommended by the Team. This officer will be assisted by a small-scale industries advisory board of which he will be the Chairman. In addition the Centre will consider appointing special officers drawn from the State Department of Industries who will act as liaison between the Centre and the States in the matter of implementing the schemes. The Central Government is determined to go ahead with an active programme for the development of these industries. All good schemes are assured of financial aid by the Centre. Every effort will be made, it is stated, to secure the full co-operation of State Governments in the development work.

The International Wheat Council, which concluded its five-day session on the 21st inst., issued a warning that the present excess of wheat supply must be adjusted to world demand. Further deterioration in world wheat trade, it said, would seriously affect the economies of both wheat-producing and wheat-importing countries. It urged those countries (Britain is one of them) which had abstained from joining the International Wheat Agreement to join the Agreement in order to help stabilise the world wheat trade.

COMPANY AFFAIRS

(Concluded from page 1248)

so that no further cut in the distribution to shareholders has been found necessary.

The profit on manufacturing, trading, agency commission, etc. for the year under review amounts to Rs. 55.63 lakhs, as against Rs. 57.78 lakhs for the previous year. Although this fall of Rs. 2.15 lakhs compares well with that of Rs. 26.76 lakhs noted in the profit for 1952, yet it has brought the Company's profit to the lowest level in the past five years. The relatively better performance in 1953 was not due to any improvement in the trading conditions, but on account of considerable economies effected in 1952, as also in the year under review. Referring to the working of the Company during the year, the Directors observe:

"In spite of difficult trading conditions which persisted throughout 1953, the Company's gross earnings from manufacturing, trading, agency commission, etc., have been reasonably well maintained. All items of expenditure have been kept under constant scrutiny, so that, in 1953, it has again been possible to effect a reduction in overheads without detriment to efficiency."

The following comparative table brings out clearly the Company's progress in the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1953	1952	1951	1950
Profit on manufacturing, trading, etc.	55.63	57.78	84.54	88.64
Other income	5.96	8.08	4.00	3.94
Expenses	40.42	47.33	40.36	36.33
Secretaries' remuneration ..	0.80	—	4.15	6.49
Depreciation	3.15	3.18	3.14	1.84
Taxation	6.94	7.33	15.50	20.30
Net profit	10.29	12.03	21.71	24.85
General reserve	3.00	5.00	7.00	11.78
Dividends—				
5 per cent. preference ..	1.50	1.50	1.50	1.50
Ordinary	5.00 (15%)	6.00 (15%)	13.00 (32½%)	16.00 (40%)
Carry forward	1.31	1.53	1.94	1.73

The Secretaries' remuneration for 1953 is only for seven months of the year, that is, from 1st June, 1953, to 31st December, 1953, at 7½ per cent. per annum on the profit, as the old Secretaries, Messrs. Parry's Holdings Ltd., vacated their office from 1st June. In consideration of being allowed to do so, they waived their remuneration for the period from 1st January, 1952 to 31st May, 1953.

The balance-sheet as on 31st December, 1953, shows that the Company's reserves and surplus stand at Rs. 28.31 lakhs, as against a paid-up capital of Rs. 70 lakhs. The outstanding liability on the 4½ per cent. debenture capital amounts to Rs. 3.40 lakhs. The current liabilities and provision for taxation aggregate Rs. 243.68 lakhs. The value of the gross block, at Rs. 44.15 lakhs, has been written down to Rs. 24.44 lakhs. Trade investments at a below cost amount to Rs. 20.16 lakhs, the market value of the same as on 31st December, 1953, being Rs. 33.03 lakhs. The other current assets (excluding Rs. 61,795 representing construction suspense) amount to as much as Rs. 300.18 lakhs, of which stocks and stores account for Rs. 157.28 lakhs, having declined from Rs. 240.10 lakhs as at the close of 1952. The reduction in stocks and stores has meant a substantial reduction in bank borrowings from Rs. 109.49 lakhs to Rs. 75.48 lakhs and other liabilities.

The Rs. 2 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 5 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 6.4 per cent. per annum, free of tax.

COMPENSATION TO AIR COMPANIES

More than a year has elapsed since the Air Corporations Act was enacted on 28th May, 1953, but the air companies in India taken over under the Act have not received any compensation from the Government of India. Consequently, the shareholders of these companies also have not been able to receive, even in part, payment from the companies concerned. It is stated that a sum of Rs. 4.5 crores has thus been locked up on account of the delay. A meeting of the shareholders of these companies held in Bombay on Thursday last week, under the auspices of the Bombay Shareholders' Association, therefore, voiced their protest against the "prolonged and uncalled for" delay on the part of the Government in making payment of the compensation to the companies.

A resolution adopted at the meeting drew the attention of the Government that section 25 of the Air Corporations Act had laid down principles for determining compensation and had prescribed fixed amounts to be paid as compensation in respect of aircraft engines, frames and screws. In view of this provision, the resolution stated, there was no reason whatsoever why, even if there should be delay in ascertaining the compensation to be paid in respect of stores, immediate payment should not be made to the companies of compensation in respect of air frames, aircraft engines, air screws and accessories, in accordance with the schedule of the Act. Such payment, the resolution urged, should be made forthwith, to enable the companies to make an interim payment to the shareholders.

A ten-man action committee, under the chairmanship of Mr. K. R. P. Shroff, President of the Bombay Stock Exchange, was appointed for representing to the Government the views of the shareholders in connection with the compensation to be paid to them and all other matters in which their interests are involved, as well as for the purpose of protecting the interests of the shareholders *vis-a-vis* the respective air companies.

The meeting expressed its disappointment over the compensation paid to the Managing Agents of Airways India Ltd., notwithstanding the fact that under section 20(4) of the Act, the managing agents of such companies are not entitled to compensation for the termination of the managing agency. The shareholders hoped that suitable action would be taken to secure refund of this payment from the company concerned.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS
(In crores of Rupees)

	1st Sept., 1939 (Pre-War)	11th June 1954	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	178.44	1,208.60	1,211.54	1,228.83	1,167.49
Notes held in Banking Department	35.05	36.71	33.90	16.76	22.47
Foreign Securities	39.60	688.15	688.15	688.15	613.15
Rupee Securities	37.89	421.22	421.22	421.22	449.86
Banking Department					
Deposits of—					
Government of India	14.89	106.63	103.89	89.12	122.00
Other Governments	1.08	15.41	19.54	20.74	12.51
Balances held abroad	10.08	62.47	62.35	67.35	101.86
SCHEDULED BANKS					
Demand Liabilities	134.37	543.30	539.45	536.75	521.94
		(9.58)†	(8.31)†	(8.13)†	(11.07)†
Time Liabilities	103.86	330.94	329.62	328.60	324.15
		(1.66)†	(1.65)†	(1.55)†	(1.93)†
Borrowings from Reserve Bank	..	32.78	34.81	52.69	29.21
		(21.23)‡	(15.90)‡	(29.87)‡	(19.19)‡
Borrowings from Imperial Bank	..	7.09	9.44	10.59	13.57
Cash in India	6.71	33.19	33.42	33.64	32.54
Balances with Reserve Bank	25.28	42.23	41.60	42.01	39.83
Excess over statutory limits	15.53	8.45	8.04	8.61	7.25
Balances with other banks in current account in India	..	10.86	9.91	11.47	10.49
Money at call and short notice in India	..	15.49	12.18	11.25	13.60
Investments (At book value)	105.09	327.31	326.81	323.03	312.40
Advances and bills		561.13	572.39	551.23	529.72*
IMPERIAL BANK					
Deposits	87.78	207.72	209.60	209.06	208.64
Investments	51.99	92.66	92.72	93.29	85.19
Advances	80.37	122.42	124.25	127.72	134.02
Cash	14.89	17.78	18.34	16.84	15.71

† Borrowings from Banks excluding the Reserve Bank and the Imperial Bank.
‡ Borrowings against usance bills and promissory notes.
* Excludes Foreign Bills purchased and discounted in India.

CLEARING HOUSE RETURNS

Centre	18th June, 1954		11th June, 1954	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,15,616	52,95,88,000	2,42,660	52,24,35,000
Calcutta	N. A.	N. A.	1,50,096	39,96,64,065
Madras	74,412	6,52,53,880	77,831	6,94,54,827
All Centres—				
1952	..	..	1,06,41,941	26,79,51,57,000
1953	..	..	1,14,52,514	28,45,05,28,000
Feb., 1954	..	..	2,721,000	5,76,25,00,000
Mar., "	..	..	2,046,000	4,49,48,00,000
April "	..	..	2,061,000	5,25,77,00,000

N. A. Not available.

Reserve Bank of India

Statement of Affairs for the week ended 18th June, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	115,86,74,000
(2) Other Governments	1,79,94,000
(b) Banks	44,16,65,000
(c) Others	41,83,96,000
Bills Payable	2,13,65,000
Other Liabilities	26,14,89,000
Rupees	258,45,86,000

ASSETS	Rs.
Notes	36,00,66,000
Rupee Coin	21,88,000
Subsidiary Coin	4,71,000
Bills Purchased and Discounted—	
(a) Internal	85,95,000
(b) External	
(c) Government Treasury Bills	9,43,12,000
Balances held abroad*	78,53,98,000
Loans and Advances to Governments	1,43,00,000
Other Loans and Advances	37,40,64,000
Investments	85,26,78,000
Other Assets	9,75,16,000
Rupees	258,45,86,000

* Includes Cash and Short-term Securities.

N.B.—The item 'Other Loans and Advances' includes Rs.18,28,25,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1954 is Rs. 109,24,25,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	36,00,66,000	
Notes in circulation	1190,83,42,000	
Total Notes issued		1226,84,08,000
Total Liabilities		1226,84,08,000

ASSETS	Rs.	Rs
A. Gold Coin and Bullion		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	668,16,11,000	
Total of A		708,16,82,000
B. Rupee Coin		90,94,98,000
Government of India Rupee Securities		421,22,23,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1226,84,08,000

Ratio of Total of A to Liabilities: 57.746 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 11th June, 1954

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India	9,52,77,000†
(ii) Other demand liabilities	533,77,16,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the Imperial Bank of India	1,66,02,000†
(ii) Other time liabilities	329,28,17,000
3. Borrowings in India from the Imperial Bank of India :	
(i) Demand liabilities	7,08,73,000
(ii) Time liabilities	
4. Cash in India	33,19,04,000
5. Balances with the Reserve Bank in India	42,22,64,000
6. Balances with other banks in current account in India	10,85,55,000
7. Money at call and short notice in India	15,48,87,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	327,30,56,000
9. Advances in India	473,09,35,000
10. Inland Bills purchased and discounted in India	68,42,95,000
11. Foreign Bills purchased and discounted in India	
	19,60,84,000

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

TREASURY BILLS

Date of tender	Amount (In crores of Rs.) Offered	Applied for	Allotted	Average rate of allotment Rs. a. p.	Allotted at minimum rate %
1954					
30th March ..	1.00	1.02	1.00	2 11 0	99
6th April ..	1.00	1.43	1.00	2 10 9	53
13th " ..	1.00	1.93	1.00	2 10 9	44
Total ..	3.00	4.38	3.00		

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1950-51	359.23	..	9,530	265
Pakistan	1949	75.04	..	1,671	223
Burma	1951	18.67	Kyats. 3,166	317	170
Ceylon	1952	7.94	Rs. 441	441	555
Japan	1951	84.30	Y. 6,849,400	9,414	761
Philippines	1952	20.63	Ps. 7,054	1,875	811
New Zealand	1952	2.00	£ (N.Z.) 646	861	4,307
Australia	1952	8.65	£ (A.) 8,521	8,756	3,342
U.K.	1952	50.43	£ 18,545	18,197	3,608
U.S.A.	1952	156.98	$ 290,400	139,200	3,806
Canada	1952	14.43	$ 18,185	8,168	5,662
France	1952	42.60	Fr. Fr. 10,190,000	19,864	3,254
W. Germany	1952	48.48	Dm. 98,400	11,156	2,301
Italy	1952	46.89	Lr. 8,112,000	6,181	1,318
Norway	1952	3.22	Kr. 15,596	1,106	3,331
Denmark	1951	4.30	Kr. 20,716	1,439	3,346
Switzerland	1952	4.82	S. Fr. 20,100	2,189	4,541

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
† Estimates are based on the Final Report of the National Income Committee submitted to the Government of India in February, 1954.
Source : United Nations' monthly bulletin of statistics—January 1954.

State Bank of Pakistan

Statement of Affairs for the week ended 11th June, 1954

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	13,45,29,000
(b) Provincial Governments	9,15,57,000
(c) Banks	14,41,46,000
(d) Others	2,93,55,000
Bills Payable	44,29,000
Other Liabilities	8,20,15,000
Rupees	45,20,42,000

ASSETS	Rs.
Notes	7,19,37,000
Rupee Coin	4,000
Subsidiary Coin	19,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Loans and Advances to Governments	5,00,00,000
Provincial Governments' Debtor Balances	1,41,94,000
Other Loans and Advances	9,91,05,000
Investments	17,09,04,000
Other Assets	10,08,79,000
Rupees	45,20,42,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,19,37,000	
Notes in circulation	228,91,65,000	
Total Notes issued		236,11,02,000
Total Liabilities		236,11,02,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	7,91,42,000	
Silver Bullion		
Sterling Securities	40,86,67,000	
Government of India Securities		
India Notes representing assets receivable from the Reserve Bank of India	13,89,49,000	
B. Rupee Coin	29,98,91,000	
Government of Pakistan Securities	4,94,14,000	92,66,49,000
Internal bills of exchange and other commercial paper	134,25,64,000	
II. Held with the Reserve Bank of India pending transfer to Pakistan	....	139,19,78,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	3,06,12,000	
Government of India Securities	70,10,000	
Rupee Coin	29,51,000	
Total Assets		4,24,75,000
		236,11,02,000

Ratio of Gold Coin and Bullion, Silver Bullion, Sterling Securities and approved Foreign Exchange to total notes issued: 40.02 per cent.

EXCHANGE RATES

	23rd June, 1954	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	475	475
Buyers T.T. Rs.	471 1/2	471 1/2
London on New York .. $	2.81 31/32-2.81 1/32	2.81 31/32-2.81 1/32
London on Paris Fcs.	9331	9331
London on Berne Sw. Fcs.	12.22 1/2	12.22 1/2-12.22 3/4
New York on London .. $	2.81 1/2-2.81 1/32	2.81 1/2-2.81 1/32

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Austria	3rd June, 1954	4	5
Belgium	29th Oct., 1953	3	2 1/2
Canada	17th Oct., 1950	2	2 1/2
Ceylon	25th July, 1953	2 1/2	3
Denmark	23rd Sept., 1953	3	4 1/2
Finland	16th Dec., 1951	5	6 1/2
France	4th Feb., 1954	7 1/2	5
Greece	1st Jan., 1954	3 1/2	3
India	15th Nov., 1951	3	3 1/2
Italy	9th April, 1950	3	3 1/2
Japan	1st Oct., 1953	4 1/2	4
Netherlands	7th April 1954	3	2.84
New Zealand	26th July, 1951	3	3 1/2
Norway	9th Jan., 1946	2	1 1/2
Pakistan	1st July, 1948	3	2 1/2
Portugal	12th Jan., 1943	2	3
South Africa	27th Mar., 1952	3	2 1/2
Spain	18th Mar., 1949	4 1/2	4
Sweden	20th Dec., 1951	3	2 1/2
Switzerland	26th Nov., 1936	4	2 1/2
Turkey	26th Feb., 1951	4	5
United Kingdom	15th May, 1954	2 1/2	3
U.S.S.R.	1st July, 1936	5	4
U.S.A.	16th April, 1954†	1 1/2	1
West Germany	20th May, 1954	3 1/2	3

† Effective in six of the 12 Federal Reserve Districts.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January, 1953	January, 1954	Ten months April to January 1952-53	Ten months April to January 1953-54
Import Duties:				
Revenue	8.40	9.64	98.00	92.26
Protective	0.52	0.58	6.53	5.11
On surplus disposals	0.02	..	0.05	0.20
Total Import duties	8.94	10.22	99.58	97.57
Export Duties	3.25	3.72	47.16	33.72
Land Customs	0.16	0.21	2.31	1.19
Miscellaneous	0.08	0.05	1.00	0.61
Gross total customs	12.38	14.20	150.05	132.99
Refunds and drawbacks	0.17	0.14	2.36	1.64
Net Customs	12.21	13.06	147.69	131.35
Gross excise	7.80	8.64	69.24	77.71
Refunds	0.08	0.09	1.24	0.82
Net Excise	7.72	8.55	68.00	76.89
Net total of customs and excise	19.93	21.61	215.69	208.24

Imperial Bank of India

Statement of Affairs for the week ended 18th June, 1954

CAPITAL AND LIABILITIES	Rs.	Rs.
Capital :—		
Authorised Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Issued and Subscribed Capital— 2,25,000 shares of Rs. 500 each	11,25,00,000	
Amount Called up— 75,000 shares of Rs. 500 each, fully paid	3,75,00,000	
1,50,000 shares of Rs. 500 each Rs. 125 paid	1,87,50,000	
Reserve Liability of Shareholders —Rs. 375 per share on 1,50,000 shares	5,62,50,000	
Reserve Fund and other Reserves		5,62,50,000
Deposits and other Accounts		200,15,42,063
Borrowings from other Banking Companies Agents		10,00,00,000
Bills Payable		2,35,00,000
Bills for Collection being Bills Receivable as per contra		
Acceptances, Endorsements and Other Obligations as per contra		56,13,000
Other Liabilities (including Inter-Office Adjustments)		58,000
Total	Rs.	238,77,76,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,78,36,000
Balances with other Banks		4,35,32,000
Money at Call and Short Notice		80,00,000
INVESTMENTS—		
Government and other Trustee Securities	32,33,54,000	
Other Authorised Investments	10,39,81,000	
Advances—		92,73,35,000
Loans, Cash Credits and Overdrafts, etc.	92,83,67,000	
Bills Discounted and Purchased	30,35,95,000	
Bills Receivable being Bills for Collection as per contra		122,89,82,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		56,13,000
Premises less Depreciation		58,000
Furniture and Fixtures less Depreciation		1,31,62,000
Other Assets (including Inter-Office Adjustments)		41,72,000
		8,10,36,000
Total	Rs.	238,77,76,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS									
	National Savings Certificates †						Savings Bank Deposits		Cash Certificates, Defence Saving Certificates, and Defence Savings Bank Deposits, Outstandings ⊕	2½% Ten-Year Treasury Savings Deposit Certificates ‡
	5-Year		7-Year		12-Year					
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts / Outstandings*
1948-49 ..	1,47	76	74	22,40	22,86	85,57	29,91	—	13,31	25,64
1949-50 ..	6,84	5,66	3,27	23,64	24,18	1,19,36	31,01	—	31,06	92,11
1950-51 ..	5,93	1,48	4,24	23,57	24,43	1,15,15	1,03,26	—	34,18	6,94 / 1,16
March 1951	6,84	9	3,27	2,66	24,18	13,75	31,01	—	31,06	60 / 28,64
April "	6,80	8	3,27	2,84	25,95	9,06	32,01	—	31,06	60 / 28,64
May "	6,83	4	3,29	2,06	27,57	9,25	31,80	—	31,52	88 / 28,88
June "	6,82	4	3,31	2,28	29,32	9,43	33,50	—	31,78	89 / 27,00
July "	6,72	11	3,38	2,23	31,02	10,26	36,23	—	32,06	88 / 27,58
August "	6,67	9	3,44	2,23	32,63	8,74	36,67	—	32,36	89 / 28,20
September "	6,59	12	3,52	2,04	34,38	9,20	37,72	—	32,71	89 / 28,57
October "	6,51	11	3,58	1,97	36,32	8,68	39,73	—	33,71	88 / 29,41
November "	6,38	9	3,65	2,03	37,37	7,39	41,20	—	33,96	88 / 29,84
December "	6,27	14	3,74	2,23	38,98	9,85	38,31	—	33,23	46 / 30,24
January, 1954	6,16	12	3,82	2,08	1,00,47	8,91	99,23	—	33,77	80 / 31,23
February "	6,03	12	3,89	2,15	1,02,11	9,49	1,00,93	—	34,13	60 / 31,78
March "	5,93	44	4,24	3,07	1,04,43	12,07	1,03,26	—	34,18	44 / 32,11
April "	..	..	..	..	..	..	..	—	..	70 / 32,77

* At the end of period. ⊕ Progressive net repayments at the end of period from 16th August, 1947.
† Issued from 1st October, 1948 in lieu of Defence Savings Certificates. 5-Year and 7-year National Savings Certificates were issued from June 1948. ‡ Issued from 1st February, 1951.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES*

(Base: 1949-50=100)

Group and Sub-Group	Week ended 13-6-'54	15-5-'54	5-5-'54	12-5-'54
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	90.1	90.1	90.2
1. Government of India	90.3	89.9	90.0	90.0
2. Indian States	95.7	95.7	95.7	95.7
3. Municipal, Port Trust, etc.	90.8	89.2	89.1	89.1
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	100.8	100.9	100.9
1. Electricity	102.5	102.0	101.9	101.8
2. Jute	93.6	93.8	93.8	93.8
3. Plantations	100.0	99.8	99.8	99.9
4. Sugar	100.4	100.5	100.3	100.3
5. Coal	89.9	90.6	90.6	90.8
6. General Engineering	97.8	101.0	101.0	102.0
7. Shipping	101.7	102.3	102.3	102.3
8. Others	99.4	100.7	100.7	100.7
PREFERENCE SHARES	87.8	88.2	88.2	88.4
1. Electricity	93.3	94.8	94.4	94.2
2. Jute	84.4	84.6	85.0	85.6
3. Jute	84.5	87.3	88.5	88.1
4. Sugar	91.2	90.1	89.7	89.2
5. Coal	85.6	86.0	86.1	83.6
6. Iron and Steel	93.3	92.1	92.1	92.5
7. Paper	75.3	75.3	76.4	76.4
8. Plantations	85.0	87.3	81.8	81.3
9. Miscellaneous	84.9	86.5	86.7	86.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	94.8	103.6	104.9	106.2
(a) Financial	86.2	87.9	87.7	86.1
1. Banks	86.2	87.9	87.7	86.1
2. Insurance	97.4	100.6	101.2	102.6
3. Investment Trust	78.1	78.8	79.0	79.1
(b) Public Utilities	108.8	112.6	112.4	112.8
1. Electricity	116.2	119.3	118.5	118.6
2. Shipping and other Transport	89.3	103.6	101.3	100.6
3. Railways	83.1	87.3	86.8	86.0
(c) Manufacturing Industries	97.8	107.2	108.1	109.6
1. Cotton, Woollen and Silk	95.3	102.6	103.3	104.0
2. Jute	85.8	81.4	80.8	82.7
3. Iron and Steel	106.0	126.8	127.4	132.0
4. Paper	156.8	191.8	193.7	195.4
5. Cement	114.0	120.2	120.9	128.9
6. General Engineering	107.9	137.6	138.9	140.9
7. Sugar and Breweries	85.5	92.2	92.7	92.8
8. Miscellaneous	94.6	112.1	112.7	114.8
(d) Non-Manufacturing Industries	98.5	111.7	111.8	122.7
1. Coal	83.0	73.8	80.2	80.6
2. Mining and Oil	119.8	161.9	175.3	177.9
3. Plantations	87.0	111.2	124.5	127.4
(e) Miscellaneous	87.3	94.7	94.8	98.9
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.2	89.6	89.7	89.7
1. Bombay	90.1	90.0	90.0	90.1
2. Calcutta	90.4	90.3	90.4	90.5
3. Madras	90.7			
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.7	100.9	100.9	100.9
2. Calcutta	101.1	101.4	101.4	101.3
3. Madras	100.4	100.0	100.0	100.0
PREFERENCE SHARES	94.5	93.8	92.8	93.8
1. Bombay	82.5	84.8	84.9	84.9
2. Calcutta	88.9	90.1	90.7	90.8
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	101.6	113.4	113.5	114.7
1. Bombay	90.2	95.6	97.4	99.0
2. Calcutta	91.1	101.8	108.4	103.9
3. Madras	98.0	105.1	108.9	107.4
4. Delhi				

Source : Department of Research and Statistics, Reserve Bank of India. * Revised Series.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes resulting in stoppage of work.	Number of workers involved.	Number of man-days lost.
1950 ..	814	719,882	12,506,704
1951 ..	1,071	691,321	8,818,928
1952 ..	963	809,243	9,345,961
1953† ..	999	839,967	9,380,709
March 1953 ..	87	42,490	142,492
April " ..	134	56,527	234,846
May " ..	118	50,093	184,696
June " ..	101	59,521	237,063
July " ..	93	60,764	171,392
August " ..	97	65,855	148,583
September " ..	96	57,878	460,353
October " ..	94	76,181	349,618
November " ..	82	48,796	278,545
December " ..	81	57,922	158,017
January 1954† ..	85	43,883	244,414
February " ..	45	20,477	138,411
March " ..	67	36,281	216,307
April " ..	72	39,138	215,253
May " ..	83	38,917	276,514
June " ..	99	80,857	252,279
July " ..	87	48,066	181,122
August " ..	74	53,083	225,164
September " ..	106	44,463	467,278
October " ..	101	80,211	402,116
November " ..	88	41,431	245,211
December " ..	81	40,780	475,344
January 1954† ..	75	49,500 (a)	320,618 (b)
February " ..	82	41,003	342,905
March " ..	87	31,563	328,698

† Figures for 1953 and 1954 are provisional. * Revised.
(a) Not known in one case. (b) Not known in four cases.

ELECTRIC ENERGY : GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns ‡	Units generated ‡	Units Sold
1948-49 ..	469	4,651.1	3,777.7
1949-50 ..	573	5,246.1	4,249.9
1951-52 ..	614	⊕ 301.4	5,134.2
1952-53 ..	614	599.7	498.4
November 1952 ..	608	553.3	457.5
December " ..	611	535.5	441.8
January 1953 ..	614	496.6	417.4
February " ..	614	455.0	455.7
March " ..	614	530.9	438.1
April " ..	609	540.6	444.3
May " ..	615	548.8	450.2
June " ..	627	588.0	471.0
July " ..	639	587.9	484.1
August " ..	638	576.5	488.7
September " ..	634	553.1	458.7
October " ..	637	563.1	455.7
November " ..	640	608.6	456.9
December " ..	640	589.7	473.0
January, 1954 ..	642	551.4	451.4
February " ..			

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	5th June, 1954	29th May, 1954	6th June 1953	May, 1954	May, 1953	Percentage of increase (+) or decrease (—) in May, 1954 as compared with May, 1953	1953-54	1952-53
Food Articles	348.1	357.2	385.9	382.0	382.0	— 4.1	384.4	357.6
Cereals	385	403	467	455	455	— 9.9	451	444
Pulses	305	332	506	395	490	—27.6	450	507
Other	301	293*	277	301	253	+14.4	278	223
Industrial Raw Materials	455.7	455.4	483.3	484.9	477.4	— 2.6	467.7	438.9
Fibres	440	440	441	436	452	— 4.6	452	423
Oil seeds	485	499	640	515	624	—17.5	574	485
Minerals	445	458	454	445	440	+ 2.0	449	459
Others	412	393	357	402	355	+13.2	376	333
Semi-Manufactures	356.9	358.7	364.4	382.6	360.0	+ 0.7	358.5	343.8
Leather	370	373	414	374	418	—10.5	403	367
Mineral oils	221	221	224	221	224	— 1.3	224	223
Vegetable oils	456	469	493*	464	524*	— 4.0	442	446
Cotton yarn	240	240*	445*	225	240	— 6.7	229	452*
Metals	240	240	226	240	226	+ 0.7	232	218
Oil Cakes	436	456	447	445	442	+ 0.7	433	430
Others	303	303	252	304	251	+21.1	281	255
Manufactured Articles	378.6	379.6	371.1	381.1	369.5	+ 3.1	367.4	371.2
Textiles	422	424	412	427	408	+ 4.7	406	411
Jute	437	438	415	434	390	+11.3	400	440
Cotton	419*	419*	407*	419*	407*	+ 2.9	406*	400*
Rayon and Silk	457*	491*	456*	524*	498*	+ 5.2	416*	478*
Woollen	310	310	312	312	312	..	314	323
Metal products	340	340	336	340	336	+ 1.2	337	330
Others	290	290	286	290	286	+ 0.3	286	294
Miscellaneous	645.5	653.2	658.0	658.5	619.8	+11.2	656.9	614.1
All Commodities	385.2	390.4	405.1	396.1	387.4	+ 0.3	397.5	380.6

* Estimated.

WORKING CLASS COST OF LIVING INDICES

	All-India (1944—100)	Bombay June 1934	Ahmedabad July 1927	Sholapur January 1928	Kanpur August 1939	Nagpur August 1939	Calcutta June 1954	Madras June 1939	Delhi August 1944	Ajmer August 1944	Gauhati August 1944	Jamshedpur August 1944	Jubbulpore August 1944
1951 Average	144	330	260	313	451	391	370	334	142	178	141	160	168
1952 ..	141	337	259	310	441	380	351	330	143	174	142	154	150
November '54	143	347	271	308	439	380	327	328	143	176	139	158	150
December "	139	346	262	305	447	378	346	327	137	176	138	150	149
January 1953 ..	139	344	260	310	454	381	337	327	135	168	134	149	146
February " ..	141	344	264	315	459	380	334	351	136	167	132	150	144
March " ..	142	358	265	322	448	381	353	353	136	165	131	148	145
April " ..	142	359	266	327	434	384	344	354	137	166	134	148	144
May " ..	143	363	275	330	441	391	345	356	139	173	127	152	155
June " ..	150	371	282	334	459	393	363	360	140	180	129	156	159
July " ..	150	371	282	333	465	394	373	355	142	176	130	158*	160
August " ..	152	376	285	325	469	397	375	352	144	174

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

('000's omitted)

Crop.		Acreage		Outturn	
		1953-54 Final	1951-52 Final	1953-54 Final	1951-52 Final
Rice	tons	76,646†	74,209††	27,079†	22,495††
Wheat 3rd ..	,,	23,824†	23,115††	6,893†	6,260††
Jowar ..	,,	42,990†	43,339††	7,591†	7,250††
Bajra ..	,,	28,820†	26,550††	4,246†	3,150††
Barley 2nd ..	,,	7,556†	7,521††	2,239†	2,152††
Maize ..	,,	8,092†	8,407††	2,864†	2,823††
Ragi ..	,,	9,478†	9,428††	1,564†	1,238††
Gram 2nd ..	,,	17,823†	16,068††	4,031†	3,214††
Kabi Pulses* ..	,,	11,693†	11,650††	2,063†	2,047†††
Small Millets ..	,,	12,170†	11,884††	1,882†	1,891††
Jute ..	bales	3,159†	3,317††	4,650†	4,600††
Cotton 4th ..	,,	16,256†	15,013††	2,658†	2,905††
Sugarcane 2nd	tons	4,101†	4,228††	5,100†	4,990††
Groundnut ..	,,	11,856†	11,550††	3,727†	3,884††
Linseed ..	,,	3,324	3,408	355	316
Castorseed ..	,,	1,868†	1,857††	1077	1067†
Rape and Mustard Seed	,,	5,188	5,915	928	916
Sesamum ..	,,	6,132†	5,860††	5317	4607†
Tobacco (supp)	,,	793	718	219	208
Black Pepper ..	,,	203†	202††	22†	23††
Ginger ..	,,	47†	46††	10†	14††
Dry chillies ..	,,	1,280†	1,284††	301†	341††

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* Excluding gram.
† Relates to 1953-'54. †† Relates to 1952-'53.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In '000 tons)
Production ..	During May, 1954 ..	71.8
	Corresponding month 1953 ..	72.5
	Eleven months ended May, 1954 ..	790.7
	Corresponding period 1953 ..	818.5
Stocks	At the end of May, 1954 ..	86.5
	Corresponding month 1953 ..	138.8
		(In 000 bags)
Exports(JuteBags)	Week ended 29th May, 1954 ..	11,816
	Corresponding week 1953 ..	5,429
	From 1st Jan. to 29th May, 1954 ..	165,315
	Corresponding period 1953 ..	98,309
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 29th May, 1954 ..	22,951
	Corresponding week 1953 ..	58,695
	From 1st Jan. to 29th May, 1954 ..	544,595
	Corresponding period 1953 ..	513,290
	RAW JUTE	(In 000 bales)
Exports*	Week ended 29th May, 1954 ..	—
	Corresponding week 1953 ..	—
	During Feb., 1954 ..	—
	Corresponding period 1953 ..	—
	1st M'ch to 28th May, 1954 ..	4.14
Consumption by Mills†	Corresponding month 1953 ..	4.21
	Eleven months ended May, 1954 ..	45.85
	Corresponding period 1953 ..	47.49

† Estimated. * From Calcutta

IRON AND STEEL PRODUCTION

(In tons)

		Pig Iron	Steel Ingots	Finished Steel
Pig Iron and Steel Co. Year ended 31st March, 1953..		11,320,000	10,87,100	7,99,200
Do.	31st March, 1953..	11,58,000	10,81,900	7,91,800
Do.	31st March, 1954..	11,54,000	10,70,200	7,80,000
January 1953		1,02,400	95,500	69,900
February ,, ..		92,400	85,000	61,700
March ,, ..		97,400	86,600	65,500
April ,, ..		97,000	83,100	60,900
May ,, ..		95,800	85,000	62,000
January 1954		1,02,800	99,800	71,400
February ,, ..		92,700	84,500	63,800
March ,, ..		94,800	89,700	65,000
April ,, ..		88,200	77,500	54,800
May ,, ..		89,100	80,800	56,200
Indian Iron and Steel Co. Year ended 31st March, 1953 ..		8,26,710	4,31,460	3,12,940
Do	31st March, 1954 ..	8,80,020	5,49,930	2,92,440
January 1953		56,370	48,810	18,650
February ,, ..		54,600	37,400	29,090
March ,, ..		60,640	39,350	22,090
April ,, ..		62,210	30,980	19,090
May ,, ..		57,810	32,850	19,700
January 1954		65,100	42,600	29,870
February ,, ..		60,660	38,360	32,810
March ,, ..		64,800	47,550	44,560
April ,, ..		61,950	41,070	37,600
May ,, ..		62,450	35,640	36,260

FOREIGN TRADE OF INDIA

Particulars	February,		Eleven Months, April to February.	
	1953	1954	1952-53	1953-54
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports:				
By sea and air—				
Foodstuffs ..	7.93	8.56	164.27	90.19
Raw materials ..	10.21	11.73	168.41	148.74
Manufactures ..	20.86	22.68	253.29	252.10
Other items ..	17	34	3.89	3.83
Total ..	38.67*	88.16*	589.86*	494.86*
By land	1.32	1.82	23.58	21.42
Total Imports ..	39.99	39.98	613.44	516.08
Exports:				
By sea and air—				
Foodstuffs ..	10.51	10.28	129.33	141.84
Raw materials ..	12.76	7.27	134.20	96.84
Manufactures ..	14.63	19.92	338.33	229.05
Other items ..	29	40	3.88	4.03
Total ..	38.19	37.87	605.69	471.26
By land	51	56	18.45†	6.68
Total Exports ..	38.70	38.43	624.14	477.94
Total Re-exports ..	54	41	5.88	4.88
Balance of trade in merchandise	+ 6	+ 12	— 78.79	— 19.03
Balance of transactions in private treasure	— 1	—	— 7	— 9
Total visible balance of trade..	+ 5	+ 12	— 78.86	— 19.12
Imports: ‡				
Total C'wealth countries ..	18.82	17.28	232.62	238.81
Total Foreign countries ..	19.85	20.88	357.24	255.85
Exports: ‡				
Total C'wealth countries ..	18.09	21.01	238.84	244.59
Total Foreign countries ..	20.10	16.86	267.85	226.67

* Excludes value of certain special imports of foodgrains and stores full particulars of which are not yet available.
‡ Excludes Trade by Land.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(Millions of fine ounces)

		United States	United Kingdom ††	Canada @	France	Switzerland*	South Africa	Belgium	Netherlands	Sweden	India‡	Brazil	Spain	Turkey	Uruguay	Venezuela	Cuba
Average of Months	1948-49	..	641	71	11	16	39	8	18	5	2	7	9	3	5	9	..
	1951-52	..	611	21	16	16	41	6	18	9	4	7	9	2	4	7	11
	1952-53	..	666	52	25	16	40	5	20	12	6	7	9	1	4	6	11
End of December	1952..	..	664	53	26	16	40	5	20	16	5	7	9	1	4	6	11
January	1953..	..	659	57	26	16	40	5	20	16	5	7	9	1	4	6	11
February	,, ..	..	650	60	26	16	41	5	20	17	6	7	9	1	4	6	11
March	,, ..	..	647	62	26	16	41	5	20	17	6	7	9	1	4	6	11
April	,, ..	..	647	65	26	16	41	5	20	17	6	7	9	1	4	6	11
May	,, ..	..	645	66	27	16	41	5	20	17	6	7	9	2	4	6	11
June	,, ..	..	643	68	27	16	41	5	20	19	6	7	9	2	4	6	11
July	,, ..	..	639	70	27	16	41	5	20	19	6	7	9	2	4	6	11
August	,, ..	..	636	71	27	16	41	5	20	19	6	7	9	2	4	6	11
September	,, ..	..	635	71	28	16	42	5	21	21	6	7	9	2	4	6	11
October	,, ..	..	633	72	28	16	42	5	22	21	6	7	9	2	4	6	11
November	,, ..	..	632	72	28	16	43	5	22	21	6	7	9	2	4	6	11
December	,, ..	..	631	72	28	16	43	5	22	21	6	7	9	2	4	6	11
January	1954 ..	..	630	73	29	16	..	5	22	21	6	7	9	2	4	6	11

§ Gold holdings of U.S. Treasury and Exchange Stabilisation Fund. †† Exchange Equalisation Account holdings of Gold and U.S. and Canadian Dollars. * Monthly figures include gold holding of Swiss Government. ‡ Including Pakistan till June, 1948. @ Exchange Fund Account Holdings.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept., to 21st June 1953-54 Bales	From 1st Sept., to 21st June 1952-53 Bales
Bombay Island—			**Indian Union**		
Cotton Receipts ..	Week ended 17th June, 1954 ..	41,072	Cotton Exports to—		
	Corresponding week, 1953	82,933	United Kingdom	13,686	
	1st Sept., 1953 to 17th June, 1954	1,720,207	Continent	26,091	16,770
	Corresponding period, 1952-53 ..	1,587,401	China	293	95,874
			U.S.A.	61,734	218
Cotton Exports ..	Week ended 17th June, 1954 ..	4,636	Other Countries	12,505	145,733
	Corresponding week, 1953	3,938	Japan	1,552	53,149
	1st Sept., 1953 to 17th June 1954	284,576	Total to all foreign countries		5,386
	Corresponding period, 1952-53 ..	410,431	Coastal Ports ..	114,861	
				143,899	300,030
Mill Consumption ..	1st Sept., 1953 to 17th June, 1954	995,880*			117,458
	Corresponding period, 1952-53 ..	997,944		Period	Quantity (Bales of 400 lbs.)
Stock (with exporters dealers & mills) in Bombay	On 17th June, 1954 ..	755,595	Consumption of Cotton—		
	Corresponding date, 1953 ..	555,877	Indian		
			Foreign	March, 1954	84,880
Karachi (Pakistan)			Indian		58,323
	Week ended 12th June, 1954 ..	2,621	Foreign	Seven months ended Mar., 1954	2,294,605
	Corresponding period 1953 ..	3,546	Indian		2,200,000
	1st Sept., 1953 to 12th June, 1954	1,102,813	Foreign	Same Period 1953 ..	390,397
	Corresponding period, 1952-53 ..	1,025,633	Stocks (Mills and Elsewhere)—		2,100,812
			Indian		436,410
Exports	Week ended 12th June, 1954 ..	7,991	Foreign		
	Corresponding period, 1953	9,068	Indian	As on 31st March 1954 ..	1,168,520
	1st Sept., 1953 to 12th June, 1954	936,651	Foreign		163,890
	Corresponding period, 1952-53 ..	1,325,051		As on 31st March 1953 ..	1,257,804
				Week ended 11th June, 1954	246,913
				Corresponding week, 1953	17,646
				1st Sept., 1953 to 11th June, 1954	23,983
			Cotton Pressed †	Corresponding period, 1952-53 ..	3,101,678
					2,972,800

* Adjusted. † Incomplete.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4½% Loan	1928	9,05,64,000	1955-60	101⅛
4 ½ Bonds	1926-33	63,30,26,000	1960-70	101⅜
3 ½ Loan	1938-39	1,16,17,46,000	1963-65	93⅜
3 ½ Loan	1950	30,33,10,000	1966	93⅜
3 ½ Loan	1943	1,10,11,78,000	1966-68	90⅝
2½ V. Loan	1944	1,14,06,89,000	1957	98⅛
3 ½ Loan	1945	1,15,05,83,000	1970-75	86⅜
3 ½ Loan	1945	1,13,65,64,000	1970-81	86⅜
3 ½ Loan	1931	30,35,63,000	1958	98¼
2½% Loan	1946	45,51,97,000	1960	94¼
2½% Loan	1946	57,00,49,000	1961	91½
2½% Loan	1946	35,06,06,000	1954	99½
2½% Loan	1946	57,77,48,000	1956	92⅝
2½% Loan	1947	75,86,72,000	1962	92⅛
2½% Loan	1948	60,45,01,000	1955	99
3½% Loans(N.P. Bonds)	1953	75,00,00,000	1961	99¼
3½% N.P.Loan	1954	On Tap.	1964	98–14½
NON-TERMINABLE LOANS				
3 ½ Loan	1896-97	8,93,35,000	At option of Government after three months' notice. On September, 1986 or later s. option of Government after three months' notice.	82⅛
3 ½ Loan	1946	248,91,90,000		82⅛
REPATRIATE STERLING LOANS				
3½% Loan	1933	12,05,22,000	1954-59***	100½
4½% Loan	1928	2,85,20,000	1958-68***	103½
PROVINCIAL LOANS				
3 ½% Bombay	1942	3,54,23,300	15th Sept. 1955	99½
3 ½% Bombay	1943	3,50,00,000	15th Sept. 1956	99⅛
3 ½% Bombay	1944	3,44,00,000	15th Aug. 1958	97⅛
3 ½% Bombay	1949	6,00,15,000	1st Aug. 1963	94⅛
3 ½% Bombay	1950	3,01,87,700	31st July 1966	94⅛
3½% Bombay	1951	3,04,06,900	15th Sept. 1962	96⅛
3 ½% Bombay	1953	5,00,00,000	15th July 1963	100½
4 ½% Bombay	1952	3,66,72,700	1st Aug. 1964	100½
3 ½% Madras	1942	30,00,000	15th Oct. 1955-95	99
3 ½% Cochin	1945	1,00,00,000	16th Dec. 1955-38	98⅛
3½% Cochin	1936	70,09,000	1st June 1956-81	99
3½% Howrah Bridge (New)	1936-37	2,31,87,100	1956-66	95½
3 ½% Madras	1939	1,23,95,500	21st June 1939	94⅜
3 ½% Madras	1942	1,23,25,000	15th Sept. 1955	98–13½
3 ½% Madras	1943	1,25,10,000	14th Sept. 1956	98–9½
3 ½% Madras	1944	1,07,93,000	14th Aug. 1958	96–8½
3 ½% Madras	1945	2,78,44,000	14th Sept. 1960	93⅛
2½% Madras	1946	3,81,77,200	1st Sept. 1961	91
2½% Madras	1950	4,38,25,400	31st July 1966	94
3½% Madras	1951	3,01,49,300	17th Sept. 1962	98
4 ½% Madras	1953	5,00,00,000	15th July 1963	99½
4 ½% Madras	1952	5,24,81,200	1st Aug. 1964	99⅛
3 ½% Mysore(	1938	1,63,44,300	1st Nov. 1955	104½
3 ½% Mysore(	1935	2,95,85,200	1st Dec. 1953-43	101
3 ½% Mysore(J)	1936	3,99,72,900	30th April 1956–61	98⅛
3 ½% Mysore	1947	3,08,03,700	25th Jan. 1958	99½
4 ½% Mysore	1953	3,00,00,000	15th July 1963	99–4½
3 ½% M.P.	1942	50,00,000	15th Sept. 1955	99
3 ½% M.P.	1943	30,54,200	14th Sept. 1956	98⅜
3 ½% M.P.	1944	52,69,800	15th Aug. 1958	96⅛
3 ½% M.P.	1948	2,03,00,000	15th Sept. 1963	91⅛
3 ½% M.P.	1950	1,00,28,800	31st July 1966	94
3 ½% M.P.	1951	1,00,00,000	17th Sept. 1962	97⅛
4 ½% M. P.	1953	1,00,00,000	15th July 1963	99½
3 ½% Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 ½% Punjab**	1942	2,35,50,000	15th Sept. 1955	99⅛
3 ½% Punjab**	1943	2,48,78,100	14th Sept. 1956	99⅛
3 ½% Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅛
3½% Travancore	1936	50,00,000	16th Aug. 1956	99½
4 ½% Travancore Cochin	1953	3,00,00,000	15th July 1963	99½
3 ½% U.P.	1936	1,69,39,800	15th Sept. 1961–66	90⅛
3 ½% U.P.	1944	3,23,96,800	15th Aug. 1958	97
3 ½% U.P.	1945	2,36,31,900	15th Sept. 1960	94
3 ½% U.P.	1946	2,41,19,800	1st Sept. 1961	91⅜
3½% U.P.	1951	2,00,00,000	17th Sept. 1962	97⅛
3½% U.P.	1952	4,11,33,000	1st Aug. 1964	99⅛
4 ½% U.P.	1953	5,00,00,000	15th July 1963	99⅛
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
3 ½% W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 ½% W. Bengal	1953	3,00,00,000	15th July 1963	100⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market Quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1944	
15,00,000	4	1905	1965	
15,00,000	4	1906	1946	
40,00,000	4	1907	1948	
75,00,000	4	1908	1968	97½N
40,00,000	4	1909	1969	
36,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	D
1,43,50,000	4	1912	1960	100N
80,00,000	4	1913	1974	99N
48,25,000	4	1914	1975	
10,00,000	4	1914	1960	
35,00,000	4	1915*	1975	
11,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
15,00,000	3½	1926*	1957	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1931*	1961	D
24,58,000	3½	1933*	1973	
48,04,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	94½
76,96,100	4	1915	1975	94½
68,02,300C	4½	1921	1981	98½
1,50,00,000C	4½	1921	1981	79
1,24,00,900	5	1923	1955–85	144N
98,21 600	5½	1925	1955–85	104
99,94,300B	5	1926	1956–86	104
1,49,49,500B	5	1927	1956–86	103½
1,49,30,000	5	1927	1957–87	103½
1,00,00,000	5½	1928	1958–88	104½
21,75,000C	4½	1931	1951	104½
40,00,000	3½	1933	1954	99½
25,00,000	3½	1935	1955	100
30,00,000	3	1938	1965–68	96½
30,00,000	3	1938	1965	98
38,00,000	3	1945	2005	70N
50,00,000	3	1946	1976	82½
50,00,000	3	1947	2006	82
50,00,000	2½	1948	1978	70N
50,00,000	3	1948	1978	78½
50,00,000C	3	1949	1979	81
1,00,00,000	3	1950	1980	84½
1,00,00,000	3	1950	1960	94
50,00,000	3	1951	1981	94
1,50,00,000	3½	1951	1981	79
50,00,000	3	1952	1982	97½
50,00,000	4	1953	1983	98
STERLING LOANS				
£992,600	5	1923	1953–83	£87½
£901,800	5	1924	1954–84	£87½
£825,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
46,60 347	4	1912	1982	
37,11,994	4	1917	1982	
3,21,489	4	1918	1982	A
3,42,951	5	1918	1982	
7,44,644	4	1920	1982	
2,13,852	4	1921	1982	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market Quotation
Rs.				
BOMBAY				
50,00,000	4	1899	1939	Rs.
30,00,000	4	1901	1941	100
30,00,000	4	1902	1942	
50,00,000	4	1903	1943	
20,00,000	4	1904	1944	
20,00,000	4	1905	1945	97½N
15,00,000	4	1906	1946	
25,00,000	4	1907	1947	
25,00,000	4	1908	1948	
18,00,000	4	1912	1972	
40,00,000	4	1913	1973	
25,00,000	4	1914	1974	97½N
40,00,000	5	1914	1976	
65,00,000	5	1919	1977–79	113N
25,00,000	5	1920	1935–80	
25,00,000	5	1926	1956–86	
10,00,000	5½	1927	1961–70	115N
		1936	1966	98N
STERLING LOANS				
£566,600	4	1909	1949	£95½
£333,000	4	1910	1970	£95½
CALCUTTA				
Rs.				Rs.
50,00,000	5	1925	1955	104
25,00,000	5½	1926	1956	107
25,00,000	4	1934	1964	
30,00,000	3	1936	1966	100
20,00,000	3	1936	1961	94½
20,00,000	3	1937	1962	89
80,00,000	4	1938	1963–64	88
		1952	1962	100

MUNICIPAL LOANS

BOMBAY				
49,40,000	4	1913-14	1954	99⅛
20,60,000	4	1913-14	1974	100
10,00,000	4	1913-15	1974	100
1,60,00,000	4	1919	1979	100
25,00,000	4	1920	1980	118
26,14,000	4	1928	1958	102
6,45,500	4	1928	1958	
24,61,000	4	1929	1949–59	104⅛
5,25,00,000	3½	1929	1959	102½
1,00,00,000	3½	1947	1977	87
4,00,00,000	3½	1949	1979	87
2,50,00,000	3	1950	1965	92
1,50,00,000	3½	1951	1981	79
1,50,00,000	4	1953	1983	99½
100,00,000	4	1954	1966	99½
1,00,00,000	4	1954	1966	99½
R				
CALCUTTA				
34,45 500	6½	1925	1955	103⅛
84,70 000	6	1928	1958	104
25,00 000	5	1928	1958	103½
25,00 000	5	1929	1957	103½
10,00 000	5	1929	1958	103½
33,91 000	5½	1932	1962	103½
60,00,000	5½	1932	1962	103½
1,11,40,000	3	1935	1965	93½
4,67,100	3	1937	1965	88½
1,62,300	3	1937	1965	99
4,18,100	3	1937	1965	99½
47,30,000	3	1937	1965	99½
10,47,700	3	1938	1968	88
15,36,800	3	1938	1968	88
15,36,800	4	1939	1956	98
15,36,800	4	1939	1956	98
17,64,400	3½	1940	1957	99½
21,10,000	3½	1942	1957	99½
15,49,000	3½	1941	1959	96½
16,31,000	3½	1951	1972	92
66,38,000	3½	1951	1961	96
37,36,000	4½	1951	1962	96
72,30,000	4½	1952	1962	96
		1954	1979	99½
Rs.				
71,700	6	1925	1955	100N
2,68,300	6	1925	1955	101N
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

N=Nominal.
B=Taken up by Imperial Bank of India. D=Domestic Loan not marketable. C=Held by Commissioners.
(a) This includes the amount of loan converted into First Development Loan 1970-75. ( ) Income-tax free. ‡Quotations in Feb. Currency
†† Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, † Bombay State Transport. A=Held by Government of India
*Loans held entirely by the Trustees. ***Rupee Counterparts.

ABBREVIATIONS.

PREFERENCE SHARES

Company.	Amount issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANKS						
Allahabad Bank	15,00,000	1901		Mar. Sept.	133	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	75N	100
Carew & Co.	2,00,000(b)	1875	6½	Mar. Sept.	142	100
Cawnpore Sugar Works ..	10,00,000	1925-26	8	Feb. Aug.	120	100
Dacca Sugar & Abkhari †A	7,00,000	1920	7	July Apr.	101	100
†East India Distilleries ..	£200,000	1897	7	Jan. July	72	100
Gwalior Sugar	6,75,000(c)	1940	7B	Dec. ..	70	100
Do. (Non-redeem.)	3,00,000	1940	10	Oct. ..	15½	10
Furtabpore Co.	6,00,000	1922	6	Aug. ..	98	100
Ravenagar Cane	4,00,000	1933-36	6	Aug. ..	75	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	161½	100
South Behar Sugar	3,00,000	1936	7(c)	Oct. ..	7½	10
Travancore	14,99,125	1946	5(c)	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	70N	100
Do.	15,00,000	1946	5(a)	Dec. ..		
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	121	100
Burrea	4,00,000	1896-97	6½	Oct. Apr.	116xd	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	119	100
Do. (2nd)	4,50,000	1919	6(a)	Mar. Sept.	8	10
Equitable]	4,00,000	1895	6	Mar. Sept.	119	100
Karanpura Collieries ..	7,50,000	1946	5½(a)	.. ..	82½	100
††Khas Kajora	3,00,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	5	Jan. July	12⅜	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	112xd	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	110	100
Bangalore	6,00,000	1884	6	Jan. July	128½	100
Basanti Cotton	5,00,000	1938	6½	Nov ..	8½	10
Benares Cotton	1,00,000	1896	7	Apr. Oct.	65	100
Bengal-Nagpur	3,00,000	1896	7	Feb. Aug.	116	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	131	100
Do. 'B'	6,00,000	1900	7	June Dec.	95	100
Bradbury	14,75,000	1919	7	Jan. July	322½	250
Buckingham & Carnatic ..	21,30,200	1920	7½	Apr. ..	137½	100
Cambodias	2,50,000	1928	7	Ap

STOCK & SHARE QUOTATIONS

Abbreviations:—D = Deferred shares. P.O. = Preferred Ordinary shares. Y = Accounts published yearly. H = Accounts published half-yearly. P = Company has Preference shares. T = Company has Debentures. N = No quotation. x.d. = Ex-Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery, and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figure except where otherwise indicated.

Dividends.—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly, dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors of Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BOMBAY CITY AND ISLAND

20,00,000	9,99,737	42,27,928	43,83,272	—3,73,987	Rajputana Textiles (Agencies) Ltd.	33,200	898	Apollo Mills	3½	2	0 3	6 4(c)			12	Y.
40,00,000	24,00,000	1,22,39,881	72,35,635	45,646	B. R. Sons, Ltd.	50,828	1,021	B. R. Cotton Mills	55½	100	6 0	Nil	Nil		12	Y.
6,50,98,000	2,35,32,823	3,91,24,744	3,31,78,249	2,00,087	Narrenjee Wadia & Sons, Ltd.	1,93,520	4,855	Bombay Dyeing & Mfg.	453½	250	20 0	20 0	Nil		12	Y.
10,00,00,000	27,25,799	54,19,515	48,70,797	99,357	Ramaraju Sons, Ltd.	38,208	860	Bradbury Mills	952½	250	100 0	100 0	225 0*		12	Y.P.T.
1,09,42,800	2,27,85,985	2,55,92,995	1,73,24,388	12,81,159	Birla Bros., Ltd.	1,25,936	2,706	Century Spg. & Mfg.	341	100	20 0	20 0	22 0		12	Y.P.
49,00,000	16,04,856	1,06,30,358	59,37,373	5,066(i)	V. J. Pilsai (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	59	100	Nil	4 0(i)	Nil		12	V.
56,00,000	27,40,380	58,91,576	24,86,747	1,38,751	Cawasjee Jehangir & Co., Ltd.	30,412	680	Elphinstone Spg. & Wvg.	86	100	7 8	7 8	Nil	7 8	12	Y.
16,00,000	18,04,821	63,83,745	48,46,641	76,866	Ramaraju Sons, Ltd.	30,304		Dawn Mills	86	50	7 8	7 8			12	Y.
16,00,000	14,00,000	68,31,113	57,35,000	5,622	Pursanal Radhakishan & Co.	30,296	928	Edward Textiles	247½	100	15 0	15 0			12	Y.
29,95,700	12,93,292	1,10,11,972	73,99,225	41,882	K. D. Jalan, Esq. (Chairman)	43,376	886	Elphinstone Spg. & Wvg.	46	100	4 0	4 0			12	Y.
50,00,000	63,61,875	86,92,384	68,31,296	5,74,369	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	246	100	20 0	5 0			12	Y.
12,00,000	74,49,589	1,16,84,975	90,91,500	7,591	Thackersey Mooljee & Co.	50,512	1,126	Hindoostan Spg. & Wvg. Mills	3,810	1,000	200 0	20 0	16 0		12	Y.
8,00,00,000									950	200	50 0	225 0*		40 0(i)	12	Y.
60,00,000D.	1,28,61,436	4,56,32,624	3,07,00,000	—51,32,478	Agarwal & Co.	2,38,030	6,278	India United Mills	10½	50	1 1½	50 0	56 4*	10 0(i)	3	Y.P.
9,00,000	69,99,043	1,18,16,179	83,99,000	7,423	Dameshar Thackersey Mooljee & Co.	55,704	1,191	Indian Mfg.	1-8½	10	6	Nil			12	
39,92,500	49,54,668	2,07,51,457	1,57,18,445	32,865	Khatau Makanji & Co., Ltd.	84,604	1,517	Khatau Makanji Spg. & Wvg.	121½	200	0 0	225 0*		40 0(i)	3	Y.P.
1,00,00,000	1,55,00,000	3,27,03,182	2,32,21,802	2,11,423	Khilick Industries Ltd.	1,18,392	1,846	Kohinoor Mills	310½	100	14 0	112 8*		20 0(i)	3	Y.P.
80,00,000A.									310½	100	25 0*	100 0	10 0		6	Y.P.
1,66,000B	84,00,782	4,24,527	88,878	6,09,536	Dina Nath, Esq.	57,592	742	Madhusudan Mills	62	100A	5 1	6 4	20 0		12	Y.P.
22,13,650	41,30,929	1,10,76,967	48,72,195	12,177	N. Sirur & Co., Ltd.	47,368	644	Modern Mills	90N	100	10 0	10 0	4 0		12	Y.P.
51,75,000	24,92,735	1,78,02,041	1,44,55,016	12,708	Piramal & Sons	45,648	1,652	Morarjee Goculdas Spg. & Wvg.	217½	100	15 0*	15 0	15 0		6	Y.P.
1,40,40,600	2,63,011	4,93,70,648	1,10,00,000	5,01,242	Chiasi & Co., Ltd.			National Rayon Corporation	186½	100	Nil	12 0	12 0		12	Y.
24,00,000	28,80,586	73,03,363	44,45,566	15,187	W. H. Brady & Co. Ltd.	45,944	432	New City of Bombay Mfg.	156½	100	12 0	12 0	12 0		12	Y.P.
30,00,000	21,62,060	88,88,898	60,97,098	1,339	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	168½	100	12 0	10 0	10 0		12	Y.P.
12,70,100	36,36,004	42,69,352	13,76,060	423	Mafatlal Chandulal & Co (Bombay), Ltd.	34,100	873	New Union Mills	27	100	12 0	10 0	10 0		12	Y.P.
48,00,000	36,07,273	1,42,08,882	91,59,811	30,475	Ramaraju Sons, Ltd.	55,228	1,190	Phenix Mills	117½xd	100	1 0	1 4			12	Y.
40,00,000	43,62,781	24,64,450	22,50,000	2,99,184	Podar Sons, Ltd.	32,500	930	Podar Mills	140	100	10 0	10 0	8 0		12	Y.
5,00,000	8,44,062	21,20,749	18,99,340	2,390	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	17	100	10 0	10 0	10 0		12	Y.
83,00,000	60,49,474	1,17,37,612	81,93,644	21,949	M. G. Investment Corporation, Ltd.	59,624	1,254	Sassoon Spg. & Wvg.	33	10	1 0	1 4	0 12		12	Y.
66,66,000	66,28,041	87,30,546	45,41,044	2,69,922	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	200	100	17 8	12 4	14 0		12	V.
42,00,000	38,80,000	80,15,073	68,69,000	21,940	Parbon, Forbes Campbell & Co., Ltd.	36,116	1,276	Simplex Mills	157½	50	17 0	15 0(i)	15 0		12	Y.P.
56,00,000	1,19,87,137	1,55,60,577	1,03,73,256	32,648	Mafatlal Gagalbhai & Sons	53,892	1,633	Standard Mills	335	100	20 0	20 0	20 0	11 0	12	Y.
75,00,000	(1,18,72,086	1,70,99,941	90,25,820	40,896	Tata Industries Ltd.	75,024	2,000	Svadeshi Mills	288½	100	Nil	Nil	Nil		12	Y.P.
36,00,000	60,78,465	93,47,152	39,30,648	8,76,757	James Finlay & Co., Ltd.	35,804	352	Swan Mills	325	100	16 0	16 0	16 0		12	Y.P.
32,57,438	49,90,352	1,53,47,827	43,36,533	6,652	Tata Industries Ltd.	52,096	1,800	Tata Mills	255	100	30 0	30 0	30 0		12	Y.P.
12,00,000	60,53,708	98,62,634	75,30,000	5,244	Thackersey Mooljee Sons & Co.	34,224	1,176	Western India Spg. & Mfg.	3,810	1,000	200 0*	225 0*		40 0(i)	3	Y.P.

AHMEDABAD

50,00,000	38,80,266	88,29,885	51,00,070	3,079	Tata Industries, Ltd.	48,652	1,016	Ahmedabad Advance Mills	142½	100	12 0				12	Y.P.
10,00,000	90,35,638	89,83,424	65,39,067	7,878	P. M. Futheesing & Sons, Ltd.	42,768	912	Arena Mills	560	100	25 0	30 0	16 0*		12	Y.P.
31,00,000	2,87,45,675	1,18,76,139	76,31,000	1,399	Narottom Lalbhai & Co.	42,448	1,216	Arvind Mills	1,050	100	20 0	20 0	20 0*		6	Y.P.
20,00,000	40,85,169	76,03,158	51,50,000	1,11,303	Manubhai Brothers, Ltd.	35,824	884	Ayodaya Ginning & Mfg.	300	100	25 0	25 0			12	Y.P.
12,00,000	1,06,37,000	82,39,958	63,65,455	1,05,818	Lalbhai Dalpatbhai & Co.	37,368	914	Aseka Mills	647½	100	25 0	25 0			12	Y.P.
1,24,77,000	99,30,792	3,97,71,801	2,77,57,852	28,91,186	Karamsad Premabhai Ltd.	1,39,120	2,370	Atul Mills	283½	100	22 0	22 0			12	Y.P.
45,00,000	48,45,000	1,05,59,863	72,50,000	6,391	Tricumlal Bhogilal & Co., Ltd.	45,228	866	New Commercial Mills	1,150	750	70 0	70 0	18 0		12	Y.P.
99,00,000	70,78,145	96,79,243	74,61,377	1,795	Mafatlal Chandulal & Co., Ltd.	47,952	864	New Shorrock Spg. & Wvg.	680	125	35 0	70 0	70 0		12	Y.P.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhagilal Nasavaj & Co., Ltd.	24,840	572	Nutan Mills	725	100	28 0*				12	Y.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	45,568	1,095	Rajnagar Spg. Wvg. & Mfg.	870xd	100	25 0	30 0*	30 0*		12	Y.P.
12,00,000	13,93,067	74,93,089	39,67,450	—13,98,518	Mangaldas Girdhardas Parekh Ltd.	33,156	648	Rohit Mills	135½	100	Nil	Nil			12	Y.P.
32,50,000	16,11,650	81,93,993	46,17,883	9,866	Lallubhai Gordhandas Ltd.	73,796	1,325	Shri Ambica Mills	372	50	18 0	16 0			12	Y.P.
84,90,150	1,18,66,544	1,01,07,709	77,25,900	1,23,551	Harivallabhdas Kalidas & Co.											
19,52,500	32,12,167	61,33,831	48,71,891	8,078	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,623	720	Shorrock Spg. & Mfg.	425	100	20 0	20 0			12	Y.
88,00,000	29,08,070	91,15,078	47,72,855	16,339	Maridas Ashratlal & Co., Ltd.	34,376	776	Vijaya Mills	326½	400	35 0*	35 0*			12	Y.

WEST BENGAL

15,00,000	96,065	33,10,908	17,75,212	—3,98,100	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	41	10						
7,11,280	2,21,850	38,52,124	22,08,106	—67,230	Bengal Textile Agency, Ltd.	31,080	936	Bengal Luxmi Cotton Mills	33N	40	9 5	Nil				
6,00,000	22,75,078	77,45,873	51,53,000	—9,68,728	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	315	100	0 0	Nil	0	Nil	12	Y.P.T.
19,00,000	25,16,009	97,50,979	69,58,291	—5,24,085	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	202	100	{ 7 0	Nil	Nil	Nil†	6	Y.P.
1,20,00,000	2,38,25,730	3,25,40,151	98,53,151	1,17,624	Birla Brothers, Ltd.	69,352	1,990	Kesoram Cotton Mills	27½	15	1 14		Nil †		6,12	N.P.
6,00,000	9,75,000	84,54,400	67,86,257	8,158	Chakravarti Sons & Co.	19,288	532	Mohini Mills	—	10	1 12	1 12	8 12		3	Y.P.
33,96,288										16	8 12	6 8			12	Y.P.

SOUTH INDIA AND OTHER CENTRES

11,00,000	6,32,726	33,21,634	12,15,361	—9,51,538	Samuel Aaron, Esq.	12,300	374	Aaron Spg. & Wvg. Mills	4½	10	Nil					
2,00,000	9,09,109	39,21,613	21,03,246	2,736	Ramal & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	6½	10	0 9	3/5 Nil				
11,94,400	51,99,334	2,06,06,796	90,52,372	2,771	Industrial Trust Fund,	36,136	665	Azam Jahi Mills	82 N	100	6 0	6 0			12	V.P.
40,50,000	1,74,49,038	3,06,08,237	2,18,61,355	2,40,393	Binny & Co. (Madras), Ltd.	49,068	1,085	Buckingham & Carnatic Mills	390	100	20 0	20 0	6 0		12	V.P.
								Bengal-Nagpur Cotton Mills	13½	10	2 0	2 0	2 0		9	V.
37,00,000	22,25,163	73,26,199	52,12,199	19,993	Shaw, Wallace & Co., Ltd.	29,936	782	Birla Cotton Spg. & Wvg. Delhi	58	10	2 0	2 0	2 0		12	V.
15,00,000	1,07,71,676	1,01,44,941	67,39,141	6,07,265	Birla Brothers, Ltd.	39,896	998	Buckingham & Carnatic	148	10	2 0	2 0	2 0		12	V.
1,78,47,800	1,44,80,321	5,91,55,208	3,09,15,103	2,52,842	Binny & Co. (Madras), Ltd.	1,19,300	2,781	Cambodia Mills	13½	100	7 8	8 0	3 0		6,12	N.
20,00,000	20,00,281	32,98,201	17,91,411	39,657	Fairea, Leslie & Co., Ltd.	37,536	4	Cawnpore Textiles	96	100	7 8	7 8	4 0		12	V.
30,00,000	21,97,992	34,51,479	45,84,815	39,859	Begg, Sutherland & Co., Ltd.	28,796	591	Coimbatore Cotton Mills	2	100	7 8	7 8	7 8		12	V.
12,00,000	28,59,459	1,00,27,635	61,58,900		K. Rheam Naidu & Co.	21,856		Coimbatore Pioneer Mills	159xd	100	12 8	10 0	12 0		12	V.
20,00,000	13,90,000	33,17,381	17,08,703	3,400	T. R. N. Naidu & Co.	21,980	407	Edward Spg. & Wvg.	52½	50	5 0	5 0	5 0		12	V.
30,76,900	2,34,496	1,16,89,015	66,08,062	—10,33,348	R. G. S. Naidu & Co.	72,188	2,062	Central India	1,15,188	50	5 0	Nil	Nil		6	V.
46,87,500	88,12,500	2,30,18,398	1,41,83,398	9,315	Tata Industries, Ltd.				178½	100	10 0	10 0	10 0		12	Y.P.
8,38,34,450								Delhi Cloth & General Mills	33½	25	2 0	Nil			6	V.
1,00,523	1,65,19,859	6,76,75,908	3,88,00,000	1,31,617	B. R. Charat Ram & Co., Ltd.	75,604	1,785			10	1 1½	1 1½			6	V.
24,34,800	24,06,342	42,39,039	30,16,081	9,452	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	270	100	20 0	4 0	4 0		12	V.
62,50,000	46,00,000	1,48,85,212	1,13,21,681	73,424	Begg, Sutherland & Co., Ltd.	52,812	1,198	Elgin Mills	17	10	20 0	10 0	4 0		6	V.P.
39,04,700	43,25,176	81,87,379	62,09,070	83,193	Forbes, Forbes Campbell & Co., Ltd.					10	1 8	1 8	1 8		12	V.P.
						72,960	2	Gokak Mills	268½	100	14 0	17 0*	17 0		12	V.
90,00,000	12,52,585	1,23,12,498	88,26,223	2,824	Govindram Seksaria (Indore)	51,180	1,420	Indore Malwa United	112½	100	5 0	7 0			12	V.
3,90,000	11,61,067	28,81,526	13,55,172	—2,92,281	G. V. Naidu & Co., Ltd.	23,784		Janardana Mills	68xd	50	7 8	10 0			12	V.
24,00,000	15,75,000	61,55,338	5,50,000	3,682	Kothari & Sons	30,512	200	Kothari Textiles	52½	10	1 8	1 12			12	V.
82,00,000	71,10,521	1,43,07,561	1,01,44,340	52,367	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	540	100	12 0	12 0			12	V.
83,46,150	53,30,000	94,98,825	88,73,673	14,307	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	125xd	50	0 0	37 8	0 8		12	V.
						4,66,932		Madura Mills	64d	25	2 0	2 0	2 0		12	V.
1,72,82,480	3,93,81,878	5,45,66,244	3,28,28,290	9,56,993	A. & F. Harvey Ltd.	22,592		Maisaber Spg. & Wvg.	118	25	3 0	3 0	3 0		12	V.
12,50,000	4,17,563	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and 2 others	24,720	603	Mestor Industries Ltd.	289	100	12 0	12 0	6 0		12	V.
60,00,000	69,00,000	61,39,483	39,86,352	50,153	W. A. Beardsell & Co., Ltd.	36,916	704	Minerva Mills	110	100	12 0	12 0	12 0		12	V.
29,80,884	28,14,157	76,14,218	64,52,685	12,036	N. Sirur & Co., Ltd.	47,560	952	Model Mills (Nagpur)	140½	100	12 0	12 0	Nil		12	V.
24,51,150	37,56,560	1,53,03,970	78,81,528	87,241	Bansilal Abirchand Dadabhoy & Co.	82,640	1,834	Muir Mills	150N	250	7 8	7 8	7 8	22 8*	12	V.
50,00,000	52,19,600	1,53,39,273	1,03,91,651	—7,77,990	Indian Textile Syndicate Ltd.	49,498	500	Mysore Spg. & Mfg.	168½	100	12 0	12 0	12 0		12	V.
1,74,000	61,53,153	1,03,85,776	83,85,197	1,000	N. Sirur & Co., Ltd.	49,498		Mysore Sysn Silk Mills	64	10	1 0	1 0	1 0		12	V.
1,43,750	2,58,745	39,34,299	15,36,634	2,252	R. Suryanarayana Rao Esq. Manager	6,000			31	10	9 0*	10 0*	10 0*		12	V.
68,89,850)	25,62,533	98,01,625	58,78,826	—85,85,856	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	1½	{ O. 2½	Nil	Nil	Nil	3 01	3	V.
1,07,995D										O. 1	Nil	Nil	Nil		3	V.
47,01,250	87,08,000	61,89,619	1,64,48,327	62,62,651	Industrial Trust Fund	37,788	902	Osmanshahi Mills	80N	100	Nil	Nil			12	V.
4,00,000						36,324		Palani Andavar Mills	791½	100	10 0	10 0			12	V.
6,00,000	7,50,000	33,81,578	18,80,484	551	Bhagkyalakshmi & Co.				138½	50	7 8	7 8			12	V.
15,00,000	8,56,928	32,56,378	16,53,848	4,411	C. S. R. Medaliar & Sons	27,980	301	Pankaja Mills Ltd.	95	100	11 4	12 0	12 0		12	V.
16,21,200A	20,58,884	59,68,909	31,35,638	1,458	A. G. Gurusamy Naidu & Co.	43,664		Radhakrishna Mills	191½	100A	16 0	16 0	16 0		12	V.
8,49,200B								Rajalakshmi Mills	115½	50B	8 0	8 0	8 0		12	V.
15,00,000	25,80,894	22,62,213	14,88,315	42,366	B. R. Naidu & Sons	23,896	600	Raza Textiles	68N	50	3 0	4 0	4 0		12	V.
60,00,000	62,66,508	1,83,28,822	30,52,326	—11,36,958	J. P. Srivastava & Sons (Kanpur)	33,984		Shahpurpar Spg. & Wvg.	{2,410	1,000	Nil				12	V.
16,00,000	1,60,39,517	2,87,33,062	2,03,87,726	—89,86,498	Moraraka & Co.	86,048	2,234		500	500	Nil	Nil			12	V.
						25,200	292	Sri Krishnarajendra Mills	62xd	50			Nil		12	V.
56,69,700	11,45,000	75,40,039	49,25,631	26,144	H. N. Pallegar, Esq.	35,556	992	Sutlej Cotton Mills	50N	10	4 0*	4 0*			6	V.
15,00,000	1,59,52,602	81,38,148	52,31,896	32,22,671	Birla Brothers, Ltd.					10	4 0	4 0	4 0		12	V.
						1,12,216	2,077	Swadeshi Cotton (Kanpur)	8	100					12	V.
17,50,00000	2,20,00,000	4,23,38,718	1,51,53,481	14,49,717	Jaipuria Brothers				7½	10P.O.	0 8				3	V.
1,57,50,00000								Travancore Rayons	125xd	10	14 2/5	Nil			12	V.
99,92,020	3,25,800	2,67,68,703	53,91,774	2,34,551	Emcee & Sons (Travancore), Ltd.	16,000		Trichinopoly Mills	9½	10	Nil	Nil			12	V.
13,98,660	8,08,332	13,19,240	9,97,510	4,009	Mooljee Ramjee & Sons	33,704	270	Vasanta Mills	185½	100	11 1/5	0 11½			12	V.
81,00,000	32,67,606	49,31,870	32,22,308	28,000	R. K. S. Chetty & Brothers	54,280	1,483	Vishnu Cotton	137½	100	12 0	12 0			12	V.
82,00,000	47,34,135	1,34,36,933	89,30,678	1,868	Bombay Co., Ltd.					100	14 0*	12 0	12 0		12	V.

* Includes bonus.

(a) No cash dividend proposed but capitalisation of Rs. 5 lakhs from profit by the issue to holders of ordinary shares in the proportion of one share of Rs. 50 to every 5 shares held has been proposed.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves

(d) Has mortgage loan of Rs. 20 lakhs against mortgage of fixed assets.

(e) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs 10 per share was paid on the increased capital of 63,000 shares of Rs. 50 each. x. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1951	1952	1953	1954	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		

BREWERIES AND DISTILLERIES

13,28,000	10,07,676	1,07,76,938	49,34,907	—1,44,778	Parry & Co., Ltd.	Deccan Sugar & Abkhari	27	25	2 13½	Nil	Nil		5	Y.P.
6,64,000	15 83,781	23,47 704	11,58,077	16,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5	10	0 8	0 8	0 8		3	V.
16,30,630							16½	A. 16ah.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5		
£80,000A	6668,781	£1,193,278	£500,508	£59,690	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	B. £1	Sh. 3	Sh. 3	Sh. 3	Sh. 4		Y.P.
£300,000B							4½		Nil				8	V.
24,00,000	8,14,510	33,30,482	26,13,607	—7,87,632	S. P. Smith, Esq.	Murree Brewery	168½	75	7 8	15 0	15 0		3	V.
6,00,000	9,00,000	13,19,818	13,19,812	31,961	Vittal Mallya, Esq. (Chairman)	United Breweries								

CEMENT

11,37,700A	8,69,857	75,78,758	51,89,342	4,636	Andhra Engineering Co., Ltd.	Andhra Cement Co.	113	A. 100	7 8	7 8	10 0*		12	Y.P.T.
39,67,420B							11½	B. 10	0 12	0 12	1 0*			
43,14,600C	11,13,132	1,01,23,397	47,61,834	—1,25,357	Eastern Corporation Ltd.	Assam Bengal Cement	6	O. 10	Nil	Nil			3	Y.T.
4,70,976D							16½	O. 100	9 8	9 8	9 8		7	V.
10,56,25,938	5,44,71,391	17,62,07,681	7,14,06,639	3,69,730	Cement Agencies Ltd.	Associated Cement Companies	10½	O. 10	0 10	0 10				
60,00,000A							2½	O. 2½	0 2½	0 2½			12	Y.P.T.
60,00,000B	43,46,380	69,78,209	18,87,424		Hazi Brothers Ltd.	Dalmia Cement (Bharat)‡	1½	D. 1	Nil	Nil				
26,49,797O.				39,834			19½	O. 25	Nil	4	Nil			
50,00,000D.							2-14½	D. 5	Nil	8	Nil		3	Y.P.
62,50,000O.	4,00,000	1,43,54,423	31,47,637	6,15,163	Essex Ltd.	India Cements Ltd.								
7,50,000D.							133	100	5 0	6 0	6 0		12	Y.P.
59,86,000	13,00,000	1,67,86,035	51,49,060	31,450	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	7½	5	0 6½	0 8			12	V.
75,00,000	28,05,000	1,72,56,055	1,33,85,166	38,658	Martin Burn Ltd.	Seweraliy Portland Cement								

CERAMIC; MINING AND QUARRYING

31,70,655	1,50,000	58,53,335	19,86,102	14,713	S. Lall Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 2½			12	Y.
10,00,000	22,36,815	55,46,474	31,43,961	4,985	Bird & Co., Ltd.	Biara Stone Lime Co.	34N	10	0 14	0 14	14f		3, 9	H.
						Indian Copper Corporation	3½	bh. 2	Nil	Nil			12	Y.
£914,200	£1,030,500	£1,704,558	£913,936	£93,995	Gillanders Arbuthnot & Co., Ltd.	Karanpura Development	15s	10	Nil	Nil	Nil		6, 12	H.
29,00,000	26,81,896	43,64,332	7,910		Bird & Co., Ltd.	Mysore Industrial Development Co.	8s	10	1 0	1 0	0 12		3	Y.
4,00,000	2,33,000	8,10,206	4,55,139		Mysore Stoneware Pipes & Potteries				0 8		0 4			
10,00,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	24,26,841	1,98,06,008	1,33,11,164	1,40,294	Balmer Lawrie & Co.	Bengal Paper Mills	64	25	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	1 4 1 9 1 9 Nil	6,12	H.P.T.
20,00,000	29,94,805	95,67,608	68,74,757	1,58,924	Andrew Yule & Co., Ltd.	India Paper Pulp	231	100	4 0 5 0 5 0 5 0	4 0 5 0 5 0 5 0	4 0 5 0 5 0 6 0	4 0 5 0 5 0 6 0	3,9	H.
25,00,000	15,50,700	68,35,835	39,54,440	57,512	B. P. Ramakrishnan Esq.	Mysore Paper Mills	17½	10	0 8h 0 12 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	3,9	H.
1,46,83,000	2,38,21,427	2,42,04,213	80,01,000	2,71,007	Birla Bros.	Orient Paper	20½	10	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	3	Y.
50,06,290	78,16,849	1,11,54,742	62,73,807	2,83,827	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	26½	10	0 8 1 0 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	0 12 1 0 1 0 1 0	3,9	H.P.T.
20,00,000 } 10,00,000A. }	7,02,430	50,37,167	28,55,530	9,798	Bajoria & Co.	Star Paper Mills	10⅜	O. 10	0 10 0 12 0 12 0 12	0 12 0 12 0 12 0 12	0 12 0 12 0 12 0 12	0 12 0 12 0 12 0 12	6,12	H.P.T.
							10⅜	A. 10	Nil 0 4 0 4 0 6	0 4 0 6 0 6 0 6	0 4 0 6 0 6 0 6	0 4 0 6 0 6 0 6	3,9	H.P.T.
$6,00,000A. \} 36,04,800B. \} 4,57,500P.O. \}	2,88,46,104	5,21,62,870	2,99,22,242	5,12,052	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	41⅛	A. 10	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*	3,9	H.P.
							41⅛	B. 10	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*	1 0 1 0 1 0 1 0*		
							41⅛	P.O. 2½	0 14 1 0 1 0* 1 0*	1 0 1 0* 1 0* 1 0*	1 0 1 0* 1 0* 1 0*	1 0 1 0* 1 0* 1 0*	3,9	H.P.
									0 2 0 2 0 2 0 2	0 2 0 2 0 2 0 2	0 2 0 2 0 2 0 2	0 2 0 2 0 2 0 2		
PRESSING														
8,00,000	5,92,365	15,65,559	10,69,448	9,539	Andrew Yule & Co.	Calcutta Hydraulic	83	100	3 0 3 0 5 0 3 0	3 0 3 0 5 0 3 0	3 0 3 0 5 0 3 0	3 0 3 0 5 0 3 0	6	Y
4,30,800	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	93N	100	6 0 7 0 7 0 7 0	6 0 7 0 7 0 7 0	6 0 7 0 7 0 7 0	6 0 7 0 7 0 7 0	7	Y
5,00,000	1,55,000	11,21,900	9,45,556	10,627	Andrew Yule & Co	Central Hydraulic	93	100	3 0 5 0 5 0 5 0	5 0 5 0 6 0 6 0	5 0 5 0 6 0 6 0	5 0 5 0 6 0 6 0	6	Y
PROPERTY AND LAND														
10,80,780O. } 8,00,000D. }	6,02,582	42,63,284	19,09,280	419	S.A. Basil, Esq., & others (Directors)	Humayun Properties	10	O. 10	0 9 3/5 0 9 3/5 0 8½				9	Y P.
60,90,000	20,01,686	98,66,088	15,00,000	 420	David Sassoon & Co., Ltd.	Port Canning Land	1½	D. 1	Nil Nil Nil					
94,80,000	35,56,934	97,00,410	98,712		Andrew Yule & Co.	Midnapore Zamindary	23½		2 0 1 8 1 8 Nil					
							100		Nil 3 0 2 0 1 8				4	Y
SAW MILLS AND TIMBER														
13,99,998	28,19,726	25,86,404	6,94,804	—97,203	Bird & Co.	Assam Saw Mills	7½	3	0 8 0 8 0 8 0 8					
94,50,000	3,75,07,299	3,01,90,100	1,25,34,693	63,264	Wallace & Co.	Bombay-Burmah Trading ..	415	Old 125	15 0 0 37 8 22 8	0 4 Nil 13 0*			9	Y.
6,80,000	.....	2,00,768	1,76,945	—5,49,024	Jardine Henderson Ltd.	Bengal Timber Trading ..	138	New 50	4 0 15 0 9 0 6 0	4 0 15 0 9 0 6 0	4 0 15 0 9 0 6 0	4 0 15 0 9 0 6 0	5	Y.
20,00,000	16,15,487	17,44,613	12,66,634	1,63,401	Gillanders Arbuthnot & Co., Ltd. ..	Indian Wood Products	34½	100	3 8 3 8 3 8 Nil	3 8 3 8 3 8 Nil	3 8 3 8 3 8 Nil	3 8 3 8 3 8 Nil	6	Y.P
							34	10					9	Y
SUGAR (U.P. and Bihar)														
14,00,000	9,81,883	37,47,864	25,86,456	13,627	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil 1 0 2 8	Nil 1 0 2 8	Nil 1 0 2 8	Nil 1 0 2 8	6	Y
12,00,800A. } 8,00,000B. }	29,17,634	48,08,551	31,92,426	4,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	130N	A. 100	6 4 10 0 10 0 Nil	6 4 10 0 10 0 Nil	6 4 10 0 10 0 Nil	6 4 10 0 10 0 Nil	6	Y
19,49,050	5,00,000	32,06,095	21,68,136	1,66,138	Bangur Bros., Ltd.	Belsund Sugar	124N	B. 100	6 0 10 1 0 1 0 10	6 0 10 1 0 1 0 10	6 0 10 1 0 1 0 10	6 0 10 1 0 1 0 10	6	Y
15,00,800	12,31,314	15,67,578	10,91,641	8,681	Cotton Agents Ltd.	Bharat Sugar	58½	10	0 10 0 12 0 12 1 0	0 10 0 12 0 12 1 0	0 10 0 12 0 12 1 0	0 10 0 12 0 12 1 0	6	Y
32,96,000	27,28,918	1,30,88,057	85,30,469	66,210	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	16N	10	1 4 1 8 1 8 Nil	1 4 1 8 1 8 Nil	1 4 1 8 1 8 Nil	1 4 1 8 1 8 Nil	6	Y.
15,00,000	62,99,665	96,64,753	78,87,451	53,636	Begg, Sutherland & Co., Ltd. ..	Cawapore Sugar	6½	10	Nil 2 0 3 0 2 0 2 0	Nil 2 0 3 0 2 0 2 0	Nil 2 0 3 0 2 0 2 0	Nil 2 0 3 0 2 0 2 0	6	Y.P.
18,00,000	33,12,562	43,47,456	47,82,743	45,107	Begg, Sutherland & Co., Ltd. ..	Champerun Sugar	37½	10	2 0 3 0 3 0 2 0	2 0 3 0 3 0 2 0	2 0 3 0 3 0 2 0	2 0 3 0 3 0 2 0	6	Y.P.T.
5,99,452	6,18,562	22,66,286	14,01,142	42,955	Karamchand Thapar & Bros. ..	Deoria Sugar	25½	10	0 12 0 12 0 12 0 12	0 12 0 12 0 12 0 12	0 12 0 12 0 12 0 12	0 12 0 12 0 12 0 12	10	Y.P.
85,00,800A. } 10,00,000O. }	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd... ..	Hindustan Sugar Mills ..	8N	10	0 8 0 8 0 8 0 8	0 8 0 8 0 8 0 8	0 8 0 8 0 8 0 8	0 8 0 8 0 8 0 8	6	Y.P.
							175N	'A' 100	0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	6	Y.T.
							—	O. 100	0 6 0 9 0 12 0 12*	0 6 0 9 0 12 0 12*	0 6 0 9 0 12 0 12*	0 6 0 9 0 12 0 12*	6	Y.P.
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Kilachand Devchand & Co... ..	Kesar Sugar	50N		0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	0 8 0 9 0 12 0 12*	6	Y.P
							80		3 0 4 0 4 0 5 0	3 0 4 0 4 0 5 0	3 0 4 0 4 0 5 0	3 0 4 0 4 0 5 0		
7,80,100	19,02,918	27,31,285	15,96,723	1,35,891	Cotton Agents Ltd.	New India Sugar Mills ..	25N	46	1 8 2 0 2 0 2 0	1 8 2 0 2 0 2 0	1 8 2 0 2 0 2 0	1 8 2 0 2 0 2 0	7	Y.P.
11,00,000	4,20,000	37,49,397	24,14,665	8,769	Karamchand Thapar & Bros., Ltd.	New Swadeshi Sugar	32½N	10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	6	Y.P.
1887,500 A. } 8,11,875 B. }	47,59,869	59,49,307	17,02,000	1,104	Cotton Agents Ltd.	New Swadeshi Sugar Mills	6½	10	1 8 2 8 2 8 2 8				6	Y.P.
77,48,500	50,22,414	1,68,14,215	80,00,000	23,078	Cotton Agents Ltd.	Oudh Sugar	18½N	100	15 0 20 0 20 0 20 0				5	Y.
12,00,000	12,71,178	18,96,458	18,81,746	66,000	Nanoo Bros. & Co., Ltd.	Punjab Sugar	45N	25	3 12 5 0 5 0 5 0					
2,08,000	3,26,479	33,86,925	28,36,186	19,823	Begg, Sutherland & Co., Ltd. ..	Purnea Co.	105N	100	3 4 11 0 6 0 6 0				6	W.
8,80,000	9,84,162	25,16,182	20,31,613	18,993	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	100N	100	6 0 10 0 6 0 6 0				9	Y.P.
11,99,000	17,25,204	36,77,360	31,32,129	3,986	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14½	10	1 8 2 0 1 0 1 0				10	Y.
18,00,000	21,48,598	1,04,96,727	55,25,283	3,337	Sahu Jain Ltd.	Shree Krishna Gyaneday Sugar	18	10	1 8 2 0 2 0 1 0				10	Y.P.
9,99,950	61,825	22,84,311	11,98,645	7,687	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	12½	10	0 8 2 0 2 0 1 8				6	Y.P.
7,95,462	16,32,940	29,95,970	16,32,168	92,099	Karamchand Thapar & Bros.	Shri Sitaram Sugar	6⅜	10	Nil Nil Nil				7	Y.P.T
6,50,000O. } 1,75,000D. }	47,623	25,93,296	11,44,770	—14,94,468	N. K. Jain & Co., Ltd.	South Behar Sugar	17	O. 10	1 0 1 4				6	Y.
8,00,000	.....	78,11,387	43,99,754	6,356	Cotton Agents Ltd.	Upper Ganges Sugar	1N	D. 2½	Nil Nil Nil				10	Y.T.
16,00,000	7,99,778	31,12,569	24,59,851	5,181	James Finlay & Co., Ltd.	United Provinces Sugar ..	23¾		1 12 2 0 2 0 2 0				10	Y.P.
							18⅜		0 4½ 2 0 1 8 0 8				6	Y.P
Other Centres								10					9	Y
46,99,750	79,06,443	65,05,216	51,13,758	63,916	W. H. Brady & Co., Ltd.	Belapur Company	272½	50	12 8 14 0 16 0 16 0*				9	Y.
27,48,900	2,51,646	37,63,451	16,01,711	21,813	Sir J. P. Srivastava & Sons (M.R.) Ltd.	Gwalior Sugar	30	10	Nil 3 0 3 0 3 0				6	Y.P.
10,00,000 } 3,00,000 }	30,25,085	23,07,464	18,53,439	2,32,019	India Sugar Agencies Ltd.	India Sugar and Refineries	100 } 30cd	100	Nil 3 0 3 8 2 8				9	Y.
83,57,526	29,59,135	39,13,908	19,20,442	7,69,891	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	19cd	10	0 12 1 0 1 0 1 0				9	Y.P
81,79,280	89,59,553	1,08,06,148	68,17,372	21,64,837	K. Narayanaswamy Esq. (Managing Director)	Mysore Sugar	71N	10	0 12 1 0 1 0 1 0				9	Y.P
58,00,000	47,49,630	1,09,00,623	56,15,663	4,86,704	Mafatlal, Apte and Kasatlal Ltd.	Phaltan Sugar	45½	10	2 0* 2 0 2 0 2 0				10	Y.
16,59,820	27,50,830	49,81,755	23,79,327	95,198	Andersen Wright Ltd.	Sankeshwar Cane and Sugar	108	50	3 0 4 0 4 0 4 0				6	Y.
28,00,000O. } 4,00,000D. }	24,80,121	80,59,224	48,81,892	1,00,533	Walchand & Co., Ltd.	Ravalgaon Sugar Farm ..	23⅜	10	1 0 1 8 2 0 2 0				6	Y.
18,99,608	34,21,961	44,57,626	19,38,191	6,05,982	Govan Bros. (Rampur), Ltd. ..	Rani Sugar	90N	O. 50	7 0 9 0				8	Y.P.T.
30,00,000	10,73,392	58,70,150	13,08,961	28,980	Parry & Co., Ltd.	Travancore Sugars	50N	D. 50					9	Y.P.T.
23,50,000	51,98,517	1,80,88,459	96,57,110	1,72,670	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	10⅜		1 0 1 4 Nil				10	Y.
97,50,000A. }							193½	A. 100	12 0 14 0 14 0 14 0				7	Y.P
								O. 100	12 0 14 0 14 0 14 0				9	Y.P.T
TRANSPORT														
28,00,000	1,10,13,536	1,33,34,106	11,90,616	1,23,405	Andrew Yule & Co.	Bengal-Assam Steamship Co.	880	100	10 0 12 8 12 8 10 0				10	Y.P.
1,80,00,000	11,17,773	3,54,59,932	1,60,89,871	69,556	Dhanbad Ltd.	Bharat Line	93	100	3 0 4 0 5 0 8h 10				10	Y.
6,65,180	41,31,737	25,48,106	21,53,197	613,173	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	816	10	3 0 4 0 Nil				12	Y.P.
8,25,00,000	74,99,233	3,91,83,993	1,26,37,485	1,98,765	Lionel Edwards Ltd.	India Steamship Co.	96	100	Nil Nil Nil				12	Y.
7,04,60,608	8,57,93,153	17,21,48,084	3,71,00,000	2,74,188	Meerutam Merarjee & Co.	Scindia Steam Navigation Co.	18½	10	Nil Nil Nil				12	Y.P.
8,40,80,000 2,10,200P.O.	17,33,073	10,83,408	6,54,056	1,88,899	B. A. Smith, Esq., (Manager) ..	Walford Transport Ltd. ..	1½	O. 1	Nil Nil Nil				12	Y.T.
							1½xd	P.O. 1	s.h.1 19/25 as 1 19/25 as 1 3/25 as 1 3/25 s.h.1 23/25 as 1 23/25 as 1 9/25 as 1 9/25				12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	92,000	5,32,174	3,86,000	1,561	Forbes, Forbes, Campbell & Co., Ltd.	Bombay Safe Deposit	550							
13,91,160	1,83,801	2,28,588	60,000	7,343	Parakh Agencies Ltd.	Bombay-Uganda	60N	200	30 0 30 0 35 0 32 0				9	Y.
85,00,008	1,80,000	25,18,130§	8,079	8,955	Dean Sons, Ltd.	Devkaran Nanji Investment Co.	80	50	4 0 4 0 5 0				3	Y.
14,96,150	3,83,231	27,27,167	14,69,846	4,032	Cheenlai Manilal Ltd.	Escrute Batteries	95xd	25	3 12 3 12 4 0				9	Y.
99,99,250	18,80,149	1,27,54,392§	11,365	2,11,000	Premchand Roychand & Sons ..	Industrial Investment Trust ..	36	10	2 0 2 12 3 0				12	Y.
89,98,359	19,49,340	17,63,055	4,98,461	20,637	R. D. Sheppard, Esq. (Mg. Director).	Killick Industries	76½	100	3 0 3 8 4 8				12	Y.
							178½	100	3 8 4 8 4 8 5 0				9	Y.P.
1,06,72,500A. } 10,80,000B. }	5,61,813	2,27,70,083	98,44,166	3,43,577	Asso-Auto Ltd.	Premier Automobiles	100	100	8 0 8 0 8 0 8 0	8 0 8 0 8 0 8 0	8 0 8 0 8 0 8 0	8 0 8 0 8 0 8 0	12	Y.
							77½	A. 100	Nil Nil Nil	Nil Nil Nil	2 5 10 0 10 0	3 0 10 0 10 0	6	Y.
10,21,200	9,56,605	14,71,187	12,41,187	36,733	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	37	B. 10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil		
8,75,00,000	69,25,568	2,49,75,164	1,49,74,930	4,26,761	T. Rydin, Esq. (Managing Director).	Western Indian Match Co. ..	20		2 8 3 0 3 0 3 0				6	Y.
45,00,000	34,64,847	1,24,608	1,07,108	63,107	Sir Joseph Kay K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. ..	197½	100	11 0* 11 0* 11 0* 11 0*				12	Y.
							350	150	20 0 20 0 20 0 20 0	20 0 20 0 20 0 20 0			12	Y.
Other Centres														
67,50,000O. } 2,50,000D. }	15,00,000	1,56,92,844	50,15,329	70,991	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	5½	O. 10						
30,00,808	38,21,355	91,54,314	20,12,443	4,24,790	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	23½	D. 10						
80,00,000	2,75,000	29,21,705	19,60,061	1,34,529	T. H. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	10		Nil Nil Nil				9	Y.P.T
20,00,000	18,97,883	96,60,385	39,17,130	23,355	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	20⅜		1 12 2 8				3	Y.
30,00,000O. } 10,80,000P.O. }	1,11,62,712	59,55,515	30,55,515	5,43,847	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	4½		6 9 3/5 0 9 3/5 0	0 4 Nil	1 4 Nil		6	Y.
	7,97,945	56,17,513§		1,11,692	Lovelock & Lewis	Birds Investment Ltd.	320	O. 100	20 0* 25 0*	20 0*	20 0*	15 0*	12	Y.
38,44,688	35,27,348	99,11,649	21,85,999	96,135	F. J. F. Parsons, Esq. (Mg. Director).	Britannia Biscuits	47½	D. 40	6 0 9 0 12 0 15 0	6 0 9 0 12 0 15 0	6 0 9 0 12 0 15 0	6 0 9 0 12 0 15 0	9	Y.
3,25,00,000	95,00,000	2,56,70,947	1,97,14,167	3,58,733	Sir Robert Menzies	British India Corporation Ltd.	133	10	1 2 1 4 1 4 1 4				12	Y.
1,60,00,000	1,49,00,000	4,54,79,386	2,79,62,308	10,82,833	Cecil Stark, Esq. (Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	8½	10	1 2 1 4 1 4 1 4				6	Y.P.
51,26,000	51,50,934	1,29,31,258§§	.....	3,11,873	Bird & Co., Ltd.	Eastern Investments Ltd. ..	33½	5	0 12 0 12 0 12 0 12				9	Y.P.T
							151	10	2 0 2 8 2 8 2 8	2 0 2 8 2 8 2 8	2 0 2 8 2 8 2 8	2 0 2 8 2 8 2 8	12	Y.P.
14,00,000	9,97,000	32,14,898	17,63,862	26,757	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	108	100	6 0 9 0 12 0 12 0	6 0 9 0 12 0 12 0	6 0 9 0 12 0 12 0	6 0 9 0 12 0 12 0	12	Y.P.T.
65,00,000	36,43,442	17,39,293	5,41,434	2,11,148	Sir Anthony J. Elkins, ...	Gillanders Arbuthnot & Co., Ltd.	207	100	10 0 12 8 20 0 20 0	10 0 12 8 20 0 20 0	10 0 12 8 20 0 20 0	10 0 12 8 20 0 20 0	12	Y.P
30,00,000	11,42,354	42,81,816	29,39,773	29,418	B. P. R. Syndicate	Great Eastern Hotel	110	100	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	3	H.
12,42,800	5,06,049	40,60,790	41,30,369	33,939	Birla Bros., Ltd.	Hind Cycles	265	100	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	10 0 15 0 10 0 10 0	9	Y.P.
4,96,12,650	1,92,800	2,83,64,147	60,52,719	3,78,557	Birla Bros., Ltd.	Hindustan Motors	100N	250	15 0 15 0 15 0 15 0	15 0 15 0 15 0 15 0	15 0 15 0 15 0 15 0	15 0 15 0 15 0 15 0	9	Y.P.
1,69,00,008	36,77,754	3,45,52,805	1,35,90,172	9,14,791	J. W. Cameron, Esq.	Indian Aluminium Co.	100	100	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	3	Y.
1,52,89,220	1,07,77,146	1,11,09,713	37,29,439	15,94,449	A. R. Driessen .Esq.	Indian Cables	8½	10	1 8 2 0 1 0 1 0	1 8 2 0 1 0 1 0	1 8 2 0 1 0 1 0	1 8 2 0 1 0 1 0	3	Y.P.T
8,27,976	5,38,000	14,39,466	7,97,388	38,565	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	158	10	3 8 Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	3	Y.
8,00,00,000	57,43,288	29,81,4772	4,64,183	4,64,183	G. M. Mackinlay, Esq.	Jardine Henderson	19⅜	10	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	3	Y.P.
4,34,000O. } 66,000D. }	6,05,278	6,91,531	4,08,253	—44,994	James & Co., Ltd.	Macfarlane & Co.	14⅜	10	0 12 1 0 1 0 1 0*	0 12 1 0 1 0 1 0*	0 12 1 0 1 0 1 0*	0 12 1 0 1 0 1 0*	3	Y.P.
40,00,000O. } 8,00,000D.O. }	63,03,858	24,94,203	6,28,549	1,26,235	J. M. Paton, Esq.	McLeod & Co.	122	10	0 8 1 0 1 0 1 0	0 8 1 0 1 0 1 0	0 8 1 0 1 0 1 0	0 8 1 0 1 0 1 0	3	Y.P.
1,30,60,250	39,90,212	18,32,139	6,86,923	2,41,090	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	28	O. 10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	3	Y.
6,35,255	7,74,854	7,74,805	2,66,942	—72,323	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	23½	D.O. 10	12 8 12 8 12 8 7-8				12	Y.P.
4,88,048	8,44,829	9,73,621	3,93,609	2,059	G. Chandy, Esq. (Counsellor) ..	Mysore Lamp Works	10⅜	10	1 4 1 12 2 0 0-4				12	Y.P.
10,00,000		10,45,856	3,85,996	11,228	E. V. Gnanpathy Iyer, Esq. ..	Mysore Tobacco	15½	10	0 10 Nil 1 0 1 0	1 6*			9	Y.P.
18,00,000	36,41,172	50,71,803	33,46,477	11,701	Associated Industrial Development Co., Ltd.	Associated Industrial Development Co., Ltd.	18½	10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	12	Y.
						National Insulated Cable ..	10⅜	10	0 8 1 0 1 0 1 0	1 0			12	Y.P.
99,97,000	28,12,725	1,12,79,603	42,96,820	10,37,635	B. N. Elias & Co., Ltd.	National Tobacco Co.	20	10	0 4 0 8 0 8 0 12				3	Y.T.
40,00,000	27,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	101	10	1 9 3/5 0 9 3/5 0 9 3/5 0 9 3/5				12	Y.P.
8,25,00,000	13,27,473	1,83,91,420	46,13,194	17,649	T. A. Lykiardopulo, Esq.	Ralli's (India) Ltd.	68	10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	3	Y.P.T
1,14,00,000	1,08,11,658	6,70,23,808	2,57,88,415	78,206	Sahu Jain Ltd.	Rohtas Industries	58	10	1 8 2 0 2 0 2 0				12	Y.P.
40,00,000	96,66,946	1,21,92,814	72,55,215	5,47,067	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	180	100	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	12	Y.P.
95,00,008	38,50,000	12,92,3968	3,20,565	3,67,879	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	18⅜	10	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	12	Y.P.T
9,98,380	1,50,000	14,27,407	3,01,599	—1,06,545	Ogale Bros., Ltd.	Travancore Ogale Glass	13xd	10	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	1 0 1 0 1 0 1 0	6	Y.
							3½	10	0 4½ 2 0 1 8 0 8	0 4½ 2 0 1 8 0 8	0 4½ 2 0 1 8 0 8	0 4½ 2 0 1 8 0 8	6	Y.P

§§ Includes investments at cost. * Includes bonus.

‡ Excluding goodwill (written down Rs. 80 lakhs.)

† Excluding goodwill at cost Rs. 28 lakhs.

§ Excluding Rs. 1,49,00,000 which represent shares in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
60,06,000	56,50,000	96,95,232	50,38,912	85,788	B. N. Elias & Co., Ltd.	879	Agarpara	16	10	1+1	1+1	1½+1½		3, 9	H.T.P.
12,00,000	25,00,000	45,69,534	32,28,741	81,053	Sahu Jain Ltd.	498	Alliance	213	100	15+15	8+10	12½+12½		5, 11	H.P.
6,00,000	3,10,000	50,61,636	32,29,557	30,829	McLeod & Co., Ltd.	446	Alexandra	163	100	5 Nil	Nil Nil	Nil+2½		6, 12	H.P.T
30,00,000	5,60,000	1,17,29,964	89,15,069	35,656	McLeod & Co., Ltd.	1,264	Alliance	178	100	Nil	Nil	Nil+2½		6, 12	H.P.
49,20,708	78,44,144	2,30,55,106	1,71,40,000	1,34,038	Duncan Bros. & Co., Ltd.	2,561	Angio-India	202	100	10+10	10+15	7½+5		3, 9	H.P.
46,00,000	39,11,041	1,34,35,081	81,95,675	42,548	Bird & Co., Ltd.	810	Auckland	122	100	6+5	5+4	2+2		3, 9	H.P.T
30,00,000	29,17,170	97,56,934	64,25,882	64,088	Jardine Henderson & Co.	959	Bally	155	100	4+4	Nil	4+Nil		3, 9	H.P.
£275,000	£639,470	£1,342,547	£1,046,810	£81,830	Sir John H. Burder (Chairman)	1,889	Barnagore	145	£5	£1	£1	£1		3, 9	H.P.T
28,80,000	25,49,423	88,32,871	48,44,254	73,872	Andrew Yule & Co., Ltd.	820	Belvedere	211	100	12½+15	7½+7½	7½+7½		6, 12	H.P.
45,00,000	35,95,000	54,87,801	27,48,866	2,45,983	Seersmull Nagarmull	600	Bengal	1,373	100	15§	3	4		6, 12	H.P.
91,26,000	2,08,61,400	3,18,53,661	1,29,13,354	1,26,903	Birla Bros., Ltd.	991	Birla	138	10	3	3	3	1	3	Y.P.
36,00,000	29,22,926	1,08,33,702	71,14,743	998	Andrew Yule & Co., Ltd.	502	Budge-Budge	136	100	10+12	6½+6½	6+4		4, 10	H.P.
7,47,380	5,36,424	40,92,864	28,33,216	—48,461	Dayaram & Sons	616	Calcutta Jute Mfg.	136	13½N	1+1	1+1	1+1		6, 12	H.P.
18,00,000	31,81,234	76,49,929	38,23,208	1,05,535	Andrew Yule & Co., Ltd.	600	Caledonian	163	100	10+12	6½+6½	6+4		4, 10	H.P.
29,16,400	1,06,21,511	1,82,03,934	1,08,89,040	1,30,133	James Finlay & Co., Ltd.	600	Champdany	159	100	10+12	6+6	6+6		6, 12	H.P.T.
15,95,000	28,39,782	79,96,158	54,82,736	1,32,904	Andrew Yule & Co., Ltd.	530	Chariot	218	100	5+7	7+8	3+3		5, 11	H.
30,15,000	27,75,000	59,74,937	44,01,385	94,162	McLeod & Co., Ltd.	500	Chitavalsah	218	100	10+12	6+6	3+6		5, 11	H.
16,00,000	17,00,000	72,84,940	44,24,466	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	12½	10	1½+4½	2½+1½	1½+1		5, 11	H.P.
31,49,208	61,49,973	1,28,92,451	61,83,266	35,834	Bird & Co., Ltd.	766	Dalhousie	233	100	3½	2	Nil		6, 12	H.P.
28,00,000	44,74,179	73,85,992	43,91,779	64,657	Andrew Yule & Co., Ltd.	779	Delta	131½	100	8+6	6+1	4+3		3, 9	H.T.P.
£150,000	£3,00,000	£6,16,201	£5,62,731	62,204	McLeod & Co., Ltd.	500	Empire	259	100	15+17½	10+10	10+10		3, 9	H.P.
21,00,000	56,16,752	2,68,90,877	1,78,29,591	5,051	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	20½	10	1½+1½	1+1	1+1		5, 11	H.P.
14,00,000	6,00,000	77,32,855	47,15,090	6,934	Bangur Bros., Ltd.	1,014	Fort William	436N	100	12½+12½	10 Nil	6+6		6, 12	H.P.
24,12,108	2,81,692	2,09,92,458	1,34,41,379	—4,61,794	Macneill & Barry Ltd.	1,709	Gangpe Mfg.	330	100	6 Nil	Nil	2½		4	Y.
10,10,000	28,00,000	71,47,356	47,46,252	4,743	Oilseeders Arbuthnot & Co., Ltd.	77	Gondalpara	710	100	2½+2½	Nil	Nil+4½	10f	3, 9	H.P.T.
24,00,000	29,45,542	2,19,25,904	1,64,07,937	1,88,711	Macneill & Barry Ltd.	1,394	Gouripore	710	300	90	Nil	Nil+Nil		3, 9	H.T.P.
40,00,000	44,39,631	77,52,902	49,35,241	2,81,845	Bangur Bros., Ltd.	1,078	Hastings	318	100	10+10	30	15		3, 9	H.P.
16,00,000	15,20,698	64,92,980	44,81,416	65,178	Oilseeders Arbuthnot & Co., Ltd.	720	Hooghly	125N	100	Nil	Nil	Nil+3½		12	Y.
65,62,500	31,83,378	1,65,53,177	1,11,34,868	1,14,438	Jardine Henderson Ltd.	1,940	Howrah	37½	10	7	10	10		3, 9	H.P.
50,00,000	40,00,000	2,27,97,431	1,45,97,431	1,87,203	Ramdutt Ramkissendas	2,272	Hukumchand	25½	10	3	3	1½		3	Y.P.
87,00,000	19,45,063	1,11,61,187	72,03,206	55,266	Markinson Mackenzie & Co. ..	1,076	India	29½	10	3	3	3		3, 9	H.P.
84,00,000								135	O. 125	3½+1½	3½+3½	3½f		3	Y.P.T.
19,20,000	24,95,613	1,36,83,508	1,17,96,300	80,224	Jardine Henderson Ltd.	1,797	Kamarhatty		D. 1	1	1	1		3, 9	H.
30,00,000								210	100	10+12½	8+6	6f			
84,00,000	16,90,371	1,31,02,619	94,60,902	1,23,240	Jardine Henderson Ltd.	1,527	Kankanrrah	181½	'B' 100	10+12½	8+6	6f		6, 12	H.P.
21,00,000	47,75,000	98,38,395	72,35,276	1,24,120	McLeod & Co., Ltd.	703	Kelvin	114½	'B' 100	5+7½	6+4	6f			
54,00,000	22,83,375	1,62,87,846	1,11,02,500	2,60,164	Andrews Wright Ltd.	1,530	Khardah	267	100	5+7½	6+4	5f		6, 12	H.P.
48,00,000	98,02,034	2,25,65,171	1,04,49,620	46,214	F. W. Heilgers & Co.	1,250	Kinnison	185	100	12½+12½	7½+7½	7½+7½			
24,48,960	30,32,314	1,38,73,285	76,99,271	45,483	Bird & Co., Ltd.	931	Lansdowne	197	100	10+6	10+5	10+7½		6, 12	H.P.
22,00,000	39,32,760	1,13,87,849	62,26,688	35,171	Bird & Co., Ltd.	840	Lawrence	139	100	10+9	10+7	4+3		3, 9	H.P.
10,80,000	37,51,301	50,62,630	33,49,126	46,684	Andrew Yule & Co., Ltd.	558	Lothian	150	100	10+9	7+8	4+3		3, 9	H.P.T.
81,65,208	25,35,448	1,93,98,406	1,16,00,448	29,000	Markinson Mackenzie & Co.	1,008	Magma	310	100	12½+11	11+4	2+5		3, 9	H.P.
29,98,900	41,07,583	1,57,03,661	92,02,957	—6,87,375	F. W. Heilgers & Co.	815	Naihati	103	100	15+17½	15+15	15+15		3, 9	H.P.
28,00,000	15,05,000	28,42,118	16,42,880	3,970	Hemraj Trading Co., Ltd. ..	425	Naskarpara	110½	100	2½+1½	2½+3½	2½f		5, 11	H.P.
35,00,000	44,27,437	27,73,940	9,20,551	1,41,118	Andrew Yule & Co., Ltd.	852	National	12½	10	10+6	6 Nil	Nil+2½		3, 9	H.
26,25,000	27,75,000	26,59,673	18,08,019	1,21,202	McLeod & Co., Ltd.	316	Nellimarla Jute	27½	10	1½+1½	1+1	Nil+1½		3, 9	H.
19,50,000	52,13,033	49,64,452	24,76,185	1,10,017	Sahu Jain Ltd.	709	New Central	12½	10	1+1½	1+1	1+1		4, 10	H.T.
16,79,880	48,96,093	1,22,95,504	56,02,089	39,494	Bird & Co., Ltd.	567	Nuddea	313	100	2½+5	2+2	1+1		4, 10	H.P.
68,79,500	33,35,497	2,13,29,378	1,36,90,475	66,545	Macneill & Barry Ltd.	1,092	Nuddea	198	100	15+15	10+12	12+12		6, 12	H.P.T.
24,91,000	26,36,049	70,74,043	48,77,892	1,31,657	Andrew Yule & Co., Ltd.	601	Orient	48½	10	Nil	1	1+1		6, 12	H.P.
23,00,000	3,18,552	80,71,921	62,24,111	14,316	McLeod & Co., Ltd.	400	Ouseley	181	100	3	1+1½	Nil	Nil	3, 9	H.P.T.
30,00,000	—568,594	26,15,293	7,67,493	—2,36,541	Mr. R. N. Banerjee	305	Rameshwara	68	5	12+12	1+6	1+6	Nil	3, 9	H.
49,50,000	1,50,000	1,23,47,175	56,87,248	71,970	Jardine Henderson Ltd.	1,275	Reliance	44	10	Nil	Nil	6+6		3, 11	H.P.
£600,000	£1,102,661½	£1,203,880		£82,640	Thomas Duff & Co. (India), Ltd.	2,013	Samaggar	15	10	Nil	Nil	Nil+3		6, 12	H.T.
50,00,000	13,07,220	97,38,210	59,19,652	6,85,640	Begaria More & Co., Ltd.	911	Shree Ambica	14½	10	Nil	Nil	Nil		3, 9	H.P.
14,00,000	10,29,608	48,33,752	37,62,133	2,54,934	Hindustan Investment Corporation.	401	Soorah	12½	10	1½+1½	1+1	1+1		3, 9	H.P.T.
25,19,600	48,76,263	1,00,80,263	56,31,637	14,202	Bird & Co., Ltd.	650	Standard	12½	10	1½+1	1½	10%		12	Y.P.
£600,000	£849,9275	£990,895		£115,163	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	125	100	9+8	Nil			3, 9	H.P.
33,98,600	96,57,600	1,82,88,523	86,17,439	51,107	Bird & Co., Ltd.	1,326	Union	14½	£1	10%	1+1	1+1		3, 9	H.P.T.
£400,000	£587,164	£1,059,917‡		£119,708	Thomas Duff & Co. (India), Ltd.	1,331	Victoria	186	100	12½+11	10%	10%		3, 9	H.P.
2,50,000	3,35,000	84,22,252	37,09,368	50,315	McLeod & Co., Ltd.	465	Waverley	14	£1	12½+11	10+1	10+1		12	Y.P.
								7	1	10½	10%	10%		3, 9	H.P.T.
										1/40 Nil	Nil	Nil+½		12	Y.P.
														6, 12	H.P.T.

‡ Including depreciation fund.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors and Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1951 Rs.	1952 Rs.	1953 Rs.	1954 Rs.	Accounts Closed	Reference
25,50,000	18,50,000	76,32,850	50,57,850	16,954	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23§	10	1	1	1		3, 9	H.
12,00,000	5,45,617	38,12,795	34,62,055	50,561	Jardine Henderson Ltd. ..	Bararee Coke	10§	10	½	½	½		3, 9	H.
4,49,350	70,000	8,49,159	5,34,203	3,555	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6§xN	10	½	½	½		3, 9	H.
1,80,00,000	1,19,50,000	5,40,37,173	3,47,66,103	6,28,909	Andrew Yule & Co., Ltd. ..	Bengal Coal	495	100	17½+17½	20+20*	7½10+7½10		3, 9	H.
2,25,000	5,07,662	25,82,001	22,49,321	—14,105	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	13	10	½	½	½		3, 9	H.
13,97,000	4,73,358	37,29,385	22,67,365	25,528	H. V. Law & Co., Ltd. ..	Bhaigora	4½	10	Nil	Nil	Nil		6, 12	H.
40,00,000	14,81,010	1,25,82,109	83,11,074	6,280	Saha Jain Ltd.	Bharat Collieries	8§	10	½	½	½		4, 10	H.
7,15,080	14,40,111	51,52,038	36,11,169	—1,36,897	F. W. Heilgers & Co., Ltd. ..	Bhulabararee	14	10	Nil	Nil	Nil		4, 10	H.P.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	31§	10	½	½	½		6, 12	H.P.
7,50,000	21,01,000	43,87,978	25,07,761	1,04,202	F. W. Heilgers & Co., Ltd. ..	Borrea	11½	10	Nil	Nil	Nil		9	Y.
98,92,480	1,72,13,285	4,11,37,802	1,67,77,673	1,11,099	Bird & Co., Ltd.	Burrakur	31§	10	1½+1½	1½+1½	1½+1½		6	Y.T.P.
49,97,000	750	34,32,368	17,57,646	3,038	Hindustan Investment Corpn., Ltd.	Central India	10§	10	½	½	½		6, 12	H.
8,00,000	13,30,330	48,70,116	32,07,282	56,569	Anderson, Wright & Co., Ltd. ..	Central Kurkend	6½	10	½	½	½		6, 12	H.T.
6,00,000	1,42,075	7,25,000‡		4,368	F. W. Heilgers & Co., Ltd. ..	Charria	13§N	10	Nil	Nil	½		6, 12	H.P.
14,00,000	1,20,000	48,33,738	25,84,732	20,518	Macneill & Barry Ltd.	Dhemo Main	2xd	10	Nil	Nil			6, 12	H.P.T.
£240,000	£332,801	£224,840		£9,002	Jardine Henderson Ltd.	East Indian	9§	10	½	½	½		3	Y.
39,63,760	74,36,570	3,46,00,164	2,76,14,367	2,82,401	Macneill & Barry Ltd.	Equitable	28§	10	½	½	½		6, 12	H.
10,00,000	2,62,235	8,41,725	2,33,963	64,845	Blantyre's Agency Ltd.	Ghusick and Musla	35§	10	½	½	½		6, 12	H.
12,00,000	1,57,000	35,64,154	17,61,189	1,843	Killick Industries Ltd.	Hingir-Rampur	15N	10	2½	2½	2½		6, 12	H.
8,00,000	4,60,000	21,52,651	17,48,213	76,888	Macneill & Barry Ltd.	Hurriadih	45	10	1½	1½	1½		4	Y.
22,00,000	1,08,577	31,70,315	10,54,345	—1,95,248	Bajpae Trust Ltd.	Jogta Coal	17§	10	½	½	½		6, 12	H.P.
3,50,000	5,58,000	13,65,400	6,42,347	21,356	Andrew Yule & Co., Ltd.	Kalapahari	3§	10	½	½	½		3	Y.
20,00,000		25,62,791	1,80,646	1,828	Bird & Co., Ltd.	Karampura Collieries ..	27N	10	Nil	Nil	Nil		6	Y.P.
5,00,000	12,60,000	44,00,345	33,89,830	91,080	Andrew Yule & Co., Ltd.	Katras Jherriah	79§	100	1½+1½	1½+1½	1½+1½		6, 12	H.
1,38,400	95,000	10,63,519	3,25,519	1,663	Bertrala & Co.	Khas Kajora	45	10	Nil	Nil	Nil		12	Y.P.
11,00,240	50,000	15,87,375	10,31,164	3,411	H. V. Law & Co., Ltd.	Kusrdi	9§N	10	1½+1½	2+2	2+2	2f	2, 8	H.
9,00,000	11,64,450	29,33,220	22,78,337	1,683	H. V. Law & Co., Ltd.	Lakurka	6§N	10	½				3	Y.P.
7,48,240	1,50,000	11,24,142	8,84,138	28,398	Associated Commercial Co., Ltd.	Nazira	10½xd	10	½				1, 7	H.
17,76,230	17,03,824	1,13,20,521	62,27,177	1,12,347	Andrew Yule & Co., Ltd.	New Beerbhoom	6§	10	½	½	½		6, 12	H.P.
6,00,000	1,60,000	32,13,833	19,29,968	9,405	Octavius Steel & Co., Ltd. ..	New Mashbooni	18§	10	½	½	½		6	Y.
1,15,000	2,46,004	12,74,099	7,73,294	552	Andrew Yule & Co., Ltd.	North West	3§	10	Nil	Nil	Nil		6	Y.
1,87,500							11N	10	Nil	Nil	½		6, 12	H.
7,50,000	11,26,866	3,97,666	2,77,666	1,03,412	F. W. Heilgers & Co., Ltd. ..	Ondal	7§	10	½	½	½		4, 10	H.P.
10,00,000	1,10,000	35,60,122	14,26,827	56,421	K. C. Thapar & Bros.	Oriental Coal	181½xd	10	½	½	½		3, 9	M.
8,34,000	83,596	17,23,582	6,27,675	15,789	Deepchand Kishenlall	Parasea	12N	10	½	½	½			
25,75,000	11,25,000	42,01,653	29,16,653	22,892	Shaw Wallace & Co., Ltd. ..	Pench Valley	7§	10	Nil	Nil	Nil		3, 9	H.
23,99,500	16,17,105	1,12,84,110	78,87,623	27,432	B. N. Elias & Co., Ltd.	Ramagundge	26§	10	½	½	½		6, 12	H.P.
13,50,000	7,88,385	30,74,660	25,05,660	27,848	Shaw Wallace & Co., Ltd. ..	Rewa	12½	10	½	½	½		12	Y.T.
20,00,000	3,95,008	32,32,218	13,30,508	1,438	Jaipuria Sons Ltd.	Samla Collieries	25	10	½	½	½		6, 12	H.P.
1,25,000	1,85,000	12,10,180	10,21,382	19,527	Gillanders Arbuthnot & Co., Ltd.	Seersole	7	10	½	½	½		2, 8	H.
2,80,000	6,81,597	28,76,823	16,10,969	21,956	Andrew Yule & Co., Ltd.	Seetpore	8N	10	½	½	½		3, 9	H.
10,00,000	8,74,858	36,99,010	25,36,586	—2,01,478	F. W. Heilgers & Co., Ltd. ..	Sendra	23§	10	½	½	½		6, 12	H.
63,21,450	13,25,954	3,24,72,793	2,26,34,594	65,560	Industrial Trust Fund (Government of Hyderabad)		10N	10	2	2	1		6, 12	M.
17,50,000	11,02,200	36,28,884	13,98,474	28,788	Bird & Co., Ltd.	Singareni		10	Nil	Nil	Nil		6, 12	H.P.
8,00,000	14,19,545	1,69,570	22,510	84,141	F. W. Heilgers & Co., Ltd. ..	South Karanpura	7	10	½	½	½		6, 12	H.P.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	10§	10	½	½	½		6, 12	H.T.
2,50,000	3,30,000	18,94,910	14,86,513	74,927	Williamson Magor & Co.	Talcher	22§	10	½	½	½		12	
49,98,000		44,91,158	13,91,545	63,500	Hindustan Investment Corpn., Ltd.	Union	3§	10	½	½	½		12	Y.T.
6,65,000	6,65,000	44,81,176	20,24,251	53,989	Macneill & Barry Ltd.	West Bengal	22§	10	½	½	½		2, 8	H.
						West Jamuria	6	10	1½+1½	1½f			6, 12	H.
							16	10	½	Nil	Nil		9	H.
									½	½			6, 12	H.
													3	Y.
													6, 12	Y.
														M.

* Including bonus. ‡ Sales and amount written off. (k) Investments. † For ten months ended 31st December 1951.

(1) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

* The following explanatory notes relate to the abbreviations and marks shown on page 1212 in the debentures section:—

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

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

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

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

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

(e) Redeemable on or after 31st July, 1950, at Rs. 102-8 or at par after 31st July, 1955 on six months' notice in each case

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

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

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

MARKET GOSSIP

(Concluded from page 1215)

chants' Association and the *Shakkar Vyapari Mandal*. The latter is of recent origin and its formation was due to differences of opinion and conflicts among the members of the former. It is alleged that the old body, the B.S.M.A., has an undemocratic constitution and arbitrary voting rights, designed to keep a clique in power. When the Government of India decided to distribute imported sugar in Bombay through recognised trade bodies, this Association unsuccessfully tried to claim that it was the sole representative of the sugar trade in the City and dubbed the *Mandal* as representing a set of newcomers, speculators and commission agents. Later events completely falsified these claims, in that the Government gave a prominent place to the members of the *Mandal* in regard to the distribution of sugar. Be that as it may, it is good to hear that the sugar traders are now ready to end their feuds and unite themselves. The B.S.M.A. is believed to have expressed its readiness to amend its constitution and make it democratic by abolishing the discriminatory voting rights. The credit for this welcome development goes to the Government of India's Regional Director in Bombay, who recently impressed upon the authorities of the two trade bodies the desirability of sinking their differences and acting in harmony in their own interest, as well as of the trade in general.

* * * *

Since India has many and continuing trade links with the Middle East countries, the U.N.'s study, entitled *Recent Economic Developments in the Middle East* (1952-53), published early this week, will evoke considerable interest in this country. The economic picture which emerges from the study does not, however, reveal any significant change in the characteristic features of the economy of this region. Despite a marked expansion of the oil industry in recent years, the region's economy continues to be mainly agricultural. A great degree of diversity in the material resources of these countries renders economic progress uneven. Where resources are available, mediæval economic policies pursued by the Governments and political unrest have arrested progress. Industrial development has been very slow, thanks to lack of capital, technical skill and managerial ability. Dependence on agricultural exports, such as cotton, fruit, tobacco, etc., has rendered the economics of these countries vulnerable to changes in world markets in these commodities. And since terms of trade have gone against these countries, trade deficits have become almost chronic. This general backwardness underlines the necessity for mobilising the resources of the region on a planned basis.

* * * *

Although the overall picture of Middle East economy is thus gloomy, the marked progress achieved by several countries in one or more of the main fields of activity, as revealed by the U.N. study, makes very encouraging reading. The greatest expansion in production was registered in petroleum. Thus, the proved reserves of crude petroleum, estimated at 8,300 million metric tons, in 1953, showed a rise of 28 per cent. over those of 1951. This brings the share of the region in the world's total proved reserves to 53 per cent. as against 50 per cent. in 1951. This is attributed to petroleum discoveries in Saudi Arabia, Kuwait, Iraq, Trucial Coast, and the neutral zone between Kuwait and Saudi Arabia. Similarly, there was an increase in the output of crude oil, despite the sizable decline in Iranian production. It amounted to 121.7 million metric tons in 1953, as against 105.7 million in 1952, thereby raising the region's share from 17 per cent. to 18.4 per cent. of the world total production. In spite of this improvement in crude production, the importance of the Middle East as a supplier of refined oil products has declined in recent years, for in 1952, the region processed a little less than 4 per cent. of the world's refined products as against 9 per cent. in 1950. Exports of crude petroleum rose from 62.3 million metric tons in 1951 to 79.6 million in 1952. The major petroleum producing countries were also able to earn higher revenues from the oil royalties which amounted to $500 million in 1953, as compared with $440 million in 1952 and only $260 million in 1951.

* * * *

It is noteworthy that agricultural output in 1952-53 was 7 per cent. larger than in 1951-52. The 1953-54 crop is expected to be as large as that of the preceding year. Again, production of cereals in 1952 was about 25 per cent. above the 1948-50 level, thanks mainly to Turkey's wheat crop. Cotton production in 1952 stood at 16 per cent. above the 1951 level. But in 1953, it showed a decline on account of fall in prices and accumulation of stocks in the previous year. There are, however, two disquieting features in this sector which merit the attention of the authorities in the region. One is that in spite of better cereal crops in most of the countries, the region, as a whole, is still a net importer of cereals. The other is that the improvement in the agricultural sector was mainly due to favourable weather and extension of the cultivated area rather than to an improvement in the methods of cultivation.

* * * *

In the sphere of industry, progress was not only uneven but slow. Turkey was, however, an exception. The return of the buyers' market involved many industries in difficulties. They were deprived of the twofold stimulus which they enjoyed after the outbreak of hostilities in Korea, namely, enlarged domestic purchasing power, arising out of high prices for local export crops and absence of foreign competition. Nevertheless, some of the Governments pursued their programmes of development. These related generally to mining, metallurgical, construction and electric power industries. Scarcity of capital was, however, a limiting factor. Local capital was shy. Revenues from oil royalties, which could have been utilised by the leading oil producing countries for economic development, were used generally for expanding imports. Some countries—Jordan, Iran, Turkey, for instance—received economic assistance from the U.K. or the U.S. but such assistance was utilised by many of these countries in supplementing deficiencies or in providing relief to refugees. Consequently, development work was handicapped. Afghanistan, Egypt, the Lebanon, the Sudan, Syria and Yemen, which account for one-half of the population of the region, received little or no outside assistance and, therefore, they had to rely on their own resources which were too meagre to accommodate their development programmes. There was, however, a proposal to set up an Arab Bank for Economic Development with a capital of £E200 million, but no decision was taken at the two conferences of representatives of the countries concerned held in May and August, 1953. Unless some institution, on these lines, for financing industries is set up by the Arab countries, the chances for an early development of their economies seem to be remote.

* * * *

Developments in the foreign trade sector indicated a struggle on the part of these countries for achieving equilibrium in their balance of trade. There was a decline of a little less than 10 per cent. in exports but there was an increase of a similar magnitude in imports. Individual performance differed from country to country. For instance, the total foreign trade increased by almost 30 per cent. in Turkey and to a lesser extent in Israel and Jordan, while it declined by 18 per cent. in Egypt. As there were trade deficits in 1952, most countries imposed restrictions on imports, and thus sought to narrow down their trade deficits in 1953. An analysis of the regional distribution of trade revealed a decline in the shares of the U.S. and the U.K. in their trade with these countries, while the shares of West Germany and Russia registered a marked improvement. The inter-regional trade was also on the decline.

PRODUCTION ENGINEERING AND PERSONNEL

(Concluded from page 1240)

cordial, due probably to some minor but nevertheless actual grievance. It is better to remember that morale cannot be forced but must be induced. According to one authority, the worker's chief demands from his job are: (1) security of full employment and reasonably high wages, (2) chance

BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up Share	Dividend per Share 1950	1951	1952	1953	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.		
14,58,000	1,08,33,956	19,64,174	Allahabad Bank	384	100	18 0 0	18 0 0	18 0 0	18 0 0	12	Y.E.
14,28,000				192	50	9 0 0	9 0 0	9 0 0	9 0 0	6.12	H.
21,00,000	12,41,000	7,143	Andhra Bank	611	100	30 0 0	30 0 0	30 0 0	30 0 0	12	Y.E.
1,00,00,000	2,31,39,000	2,31,389	Bank of Baroda	1285	100	50 0 0	50 0 0	50 0 0	50 0 0	6.12	R.L.Y.
3,50,00,000	3,32,00,000	1,20,778	Bank of India	1046	100	50 0 0	50 0 0	50 0 0	50 0 0	6.12	R.L.Y.
5,00,00,000	3,50,00,000	1,20,001	Bank of Jaipur	1010	100	50 0 0	50 0 0	50 0 0	50 0 0	12	Y.E.
50,00,000	41,00,000	40,001	Bank of Mysore	922	100	25 0 0	25 0 0	25 0 0	25 0 0	12	Y.E.
3,00,00,000	84,00,000	2,28,504	Bank of Rajasthan Ltd. ..	397	100	12 8 0	12 8 0	12 8 0	12 8 0	12	Y.E.
2,10,00,000	2,10,00,000	1,01,662	Canara Bank Ltd.—(previously Bank of Mysore) ..	379	100	25 0 0	25 0 0	25 0 0	25 0 0	12	Y.E.
1,50,00,000	1,10,00,000	6,978	Canara Banking Corporation Ltd.	75	10	2 8 0	2 8 0	2 8 0	2 8 0	12	R.L.Y.
3,43,50,000	3,99,79,642	16,49,868	Central Bank of India Ltd. ..	580	100	30 0 0	30 0 0	30 0 0	30 0 0	12	Y.E.
1,25,00,000	1,25,00,000	24,37,148	Central Bank Ltd.	151	100	12 0 0	12 0 0	12 0 0	12 0 0	12	Y.E.
1,50,00,000	1,50,00,000	1,13,140	Hindustan Commercial Bank ..	1054	100	6 0 0	20 0 0	20 0 0	20 0 0	6.12	R.L.E.
15,00,000	15,00,000	1,00,355	Hyderabad State Bank ..	1450	100	10 0 0	10 0 0	10 0 0	10 0 0	6.12	R.L.E.
3,75,00,000	33,25,047	1,20,089	Imperial Bank of India ..	1431	10	3 12 0	3 12 0	3 12 0	3 12 0	6.12	R.L.E.
1,25,00,000	76,50,000	1,20,088	Indian Bank	180	100	10 0 0	10 0 0	10 0 0	10 0 0	12	R.L.E.
1,00,00,000	22,50,000	2,25,271	Indian Overseas Bank ..	90	100	6 0 0	6 0 0	6 0 0	6 0 0	6.12	H.
1,00,00,000	6,33,939	1,240	Indo-Commercial Bank ..	116	100	6 0 0	6 0 0	6 0 0	6 0 0	12	Y.
1,00,00,000	80,00,000	3,10,289	Punjab National Bank ..	287	100	30 0 0	30 0 0	30 0 0	30 0 0	12	Y.
1,00,00,000	13,75,000	1,62,393	Travancore Bank Ltd. ..	124	100	12 0 0	12 0 0	12 0 0	12 0 0	12	Y.
2,00,00,000	80,00,000	1,55,330	United Commercial Bank ..	45	10	2 0 0	2 0 0	2 0 0	2 0 0	12	Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up Share	Dividend (per cent.) 1950	1951	1952	1953	Accounts Closed	Reference
£	£	£		£	£						
£2,000,000	£4,000,000	£309,215	Chartered Bank of India, Australia & China	£2-3-9	£5	14%	16%	16%	16%	12	R.L.Y.
£1,000,000	£1,250,000	£102,397	Eastern Bank	£8	£5	15%	15%	15%	15%	12	R.L.Y.
Ltd. £20,000,000	Ltd. £9,000,000	Ltd. £9,595,542	Hongkong and Shanghai Banking Corporation ..	£9-2-0	£25	45%	45%	45%	45%	12	R.L.Y.
£14,272,595	£16,500,000	£155,780	Lloyds Bank	£31-2-0	£1	1	1	1	1	12	R.L.Y.
£11,667,726			Mercantile Bank of India ..	£8	£5	1	1	1	1	12	R.L.Y.
£315,000	£1,500,000	£200,580	National Bank of India ..	£31-2-0	£20	15%	15%	15%	15%	12	R.L.Y.
£1,281,250	£3,675,000	£333,703		£26-5-0	£125	15%	15%	15%	15%	12	L.Y.

(Includes bonus. †Less Tax. (†) Pakistan Currency

†O.S. Current.
(i) Interim.
*& per share free of tax

DEBENTURES

Amount	Rate of Interest	Interest Payable on	Company	Latest Available Quotation (per hundred Rs. or £)	Principal Repayable
Rs. or £					
			BREWERIES AND SUGAR		
19,50,000	6	1st December and 1st June	Crew & Co.	100	1st June, 1963
4,00,000	6½	15th March and 15th September	Crew & Co. (2nd mortgage) ..	95	20th February, 1954/
6,00,000	6	15th June and 15th December	Dwarkesh Sugar & Gujarat Co., Ltd.	1054	15th December, 1954/62
4,00,000	6	1st February and 1st August	Ravalgaon Sugar (New)	105	1st February, 1954/62
85,00,000	4	1st May and 1st November	Walchandnagar Industries (New) ..	97	1st November, 1959-64
			COTTON		
16,50,000	6	30th June and 31st December	Bansi Cotton Mills Ltd.	85	30th April, 1964
4,00,000	6½	15th April and 15th October	Bengal-Nagpur Cotton Co.	98	1st January, 1957-72
60,00,000	5	1st June — —	Jeypore Textiles	785	1st January .. 1966-71
			ELECTRICITY		
10,00,000	6	30th June and 31st December	Agra Electric Supply Co., Ltd. ..	96	31st March, 1965
10,00,000	6	30th June and 31st December	Andhra Valley Power Supply Co. ..	101	1st October, 1960
15,00,000	6	30th June and 31st December	Calcutta Electric Supply Corporation Ltd.	101	1st January, 1962
12,00,000	6	1st January and 1st July	Cawnpore Electric Supply Co., Ltd. ..	101	30th June, 1970
15,00,000	6	1st January and 1st July	Delhi Electric Supply & Traction Co., Ltd.	101	1st January, 1941
10,00,000	6	1st May and 1st November	Delhi Electric Supply	101	1st October, 1970
1,00,000	6	1st January and 1st July	Howrah Electric Supply	101	1st January, 1941
6,61,800	6	1st April and 1st October	South Madras Electric Supply ..	94	1st September, 1951-54/6
6,73,200	6	1st April and 1st October	South Madras Electric Supply ..	94	15th September, 1943-76
6,50,000	6	1st April and 1st October	Tata Power	101	15th September, 1940
			ENGINEERING		
5,00,000	6	30th June and 31st December	Britannia Engineering	94	31st December, 1954
5,00,000	6	30th June and 31st December	Bridge and Roof (India) Ltd. ..	102	1st July, 1957-62
10,00,000	6	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	100	1st October, 1958
4,00,000	6	1st May and 30th November	Kumardhubi Engineering Works Ltd.	101½	1st October, 1950-63
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	99	31st December, 1960
			JUTE		
16,00,000	6	1st October and 1st April	Agarpara	100	31st March, 1954
6,00,000	6	30th June and 31st December	Ankureswar Jute Co., Ltd. ..	95	30th June, 1954
10,00,000	6	30th June and 31st December	Baidyabati Jute Mill Co., Ltd. ..	95	30th December, 1954
10,00,000	6	30th June and 31st December	Bengal Jute Mill Co., Ltd.	95	30th June, 1957
10,00,000	6	30th June and 31st December	Calcutta Jute Mills Co., Ltd. ..	95	30th June, 1957
10,00,000	6	31st January and 31st July	Champdany Jute Co., Ltd.	95	31st July, 1957
10,00,000	6	30th June and 31st December	Cheviot Jute Mills	95	30th June, 1957
5,00,000	6	30th June and 31st December	Dalhousie Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	31st January and 31st July	Dalhousie Jute Mills	95	31st July, 1957
5,00,000	6	30th June and 31st December	Delta Jute Mills Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Gouripore Jute Mills	95	30th June, 1957
5,00,000	6	31st March and 30th September	Hastings Jute Mills Co., Ltd. ..	95	30th September, 1957
5,00,000	6	30th June and 31st December	Kamarhatty Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Kankinara Jute Mills Co., Ltd. ..	95	30th June, 1957
5,00,000	6	30th June and 31st December	Kelvin Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Kinnison Jute Mills Co., Ltd. ..	95	30th June, 1957
5,00,000	6	30th June and 31st December	Naihati Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Northbrook Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Reliance Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Rishra Jute Co., Ltd.	95	30th June, 1957
5,00,000	6	30th June and 31st December	Titaghur Jute Co., Ltd.	95	30th June, 1957
12,00,000	6	30th June and 31st December	Union	95	30th June, 1957
10,00,000	6	31st January and 31st July	Wellington Jute Co., Ltd.	95	31st July, 1957
			RAILWAYS : STEAMSHIP AND TRAMWAYS		
4,50,000	4½	1st January and 1st July	Bassein-Bandra Light Railway ..	86 (£9IN)	1st July, 1956
£50,000	5	1st January and 1st July	Calcutta Tramways		At 110% at any time on 6 months' notice or at par at 20 years' notice.
£201,067	5	1st April and 1st October	Kanchrapara-Lakshmikantapur Railway	94	1st October, 1956
£250,000	5½	30th June and 31st December	Rohilkhand-Kumaon Railway	94	30th June .. 1959
£20,00,000	4½	1st March and 1st September	Shahdara-Delhi-Saharanpur Railway ..	94	1st September .. 1963
			PLANTING		
10,00,000	5½	30th June & 31st December	Consolidated Coffee	103	1st July, 1954-56
6,00,000	5½	30th June & 30th September	Peria Karamala	103	30th June, 1954-59
1,80,700	5½	31st March & 30th September	Tevaikanamala	103	31st March, 1954-59
			MISCELLANEOUS		
5,00,000	5½	30th June and 31st December	Associated Cement Co., Ltd.	101	30th September, 1955
1,00,000	5½	1st January and 1st July	Associated Publishing Co., Ltd. ..	96	30th June .. 1955
1,00,000	5½	1st February and 1st August	Bombay Dyeing Co., Ltd.	96	31st December, 1955
1,00,000	5½	31st March and 30th September	Dunlop Rubber Co., Ltd.	96	30th September, 1955
1,00,000	5½	31st March and 30th September	Hindustan Housing Co., Ltd.	96	30th September, 1955
1,00,000	5½	31st March and 30th September	Martin Burn Ltd.	96	30th September, 1955
1,00,000	5½	31st March and 30th September	Mettur Chemical Industries	96	30th September, 1955
1,00,000	5½	31st March and 30th September	Mettur Chemical Industries	96	30th September, 1955
1,00,000	5½	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	96	30th September, 1955
1,00,000	5½	1st January and 1st July	McLeod & Co., Ltd. (Convertible Notes)	96	30th June .. 1955
1,00,000	5½	1st April and 1st October	Orient Paper Mills Ltd.	96	1st October, 1955
1,00,000	5½	30th June and 31st December	Standard-Vacuum Refining Co., India Ltd.	96	30th June, 1955
15,00,000	5½	1st January and 1st July	Tata Hydro-Electric Power Supply Co. ..	96	1st July, 1955
15,00,000	5½	1st January and 1st July	Tata Industrial Bank Ltd.	96	1st July, 1955
84,00,000	5½	1st January and 1st July	Tata Iron and Steel Co.	96	1st July, 1955
81,25,000	5½	1st February and 1st August	Tata Power Co.	96	1st August, 1955
81,25,000	5½	1st March and 30th September	Tata Sons Ltd.	96	30th September, 1955
1,00,00,000	5½	1st March and 30th September	Tata Sons Ltd.	96	30th September, 1955
1,00,00,000	5½	1st March and 30th September	Tata Sons Ltd.	96	30th September, 1955
35,37,000	5½	1st March and 30th September	Tata Sons Ltd.	96	30th September, 1955
15,00,000	5½	1st January and 1st July	Tata Sons Ltd.	96	1st January, 1956
84,00,000	5½	1st January and 1st July	Tata Sons Ltd.	96	1st January, 1956
1,00,00,000	5½	1st January and 1st July	Tata Sons Ltd.	96	1st January, 1956
1,00,00,000	5½	1st January and 1st July	Tata Sons Ltd.	96	1st January, 1956
4,00,00,000	5½	1st May and 1st November	Tata Sons Ltd.	96	1st May, 1956

*Ex—See page 1262 for explanation to abbreviations marks.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th June, 1954.

	Closing quotations 17-6-54	High	Low	Closing quotations 24-6-54
	Rs.	Rs.	Rs.	Rs.
BANKS				
Bank of India (50)	1461	1461	1451	1451
Bank of Baroda (100)	110	110	105	105
Central (Rs. 125)	1701	1701	1701	1701
Imperial (Rs. 10)	1772	1772	1765	1770
United Com. (50)	64	64	63	63
TEXTILES				
Abm. Mfg. (100)	1431	1431	1431	1431
Bombay Dyeing (250)	1561	1561	1561	1561
Century (100)	1681	1681	1681	1681
Colaba (100)	3451	3451	3451	3451
Elphinstone (100)	3941	3941	3941	3941
Finlay (100)	2621	2621	2621	2621
Hindustan (100)	2401	2401	2401	2401
Indian Rayon (100)	1771	1771	1771	1771
Kohinoor (100)	1771	1771	1771	1771
Lakshmi (250)	1991	1991	1991	1991
Madhusudan (100)	1121	1121	1121	1121
Mafatlal (100)	1121	1121	1121	1121
Mahalaxmi (100)	1121	1121	1121	1121
Mahavir (100)	1121	1121	1121	1121
Morarjee Mills (100)	1121	1121	1121	1121
New Great Eastern (100)	1121	1121	1121	1121
New City (100)	1121	1121	1121	1121
Nowrosjee Wadia (100)	1121	1121	1121	1121
Phoenix (100)	1121	1121	1121	1121
Ruby (100)	1121	1121	1121	1121
Standard (100)	1121	1121	1121	1121
Sholapur (100)	1121	1121	1121	1121
Swadeshi (100)	1121	1121	1121	1121
Tata Mf. (50)	1121	1121	1121	1121
Textile Mf. (100)	1121	1121	1121	1121
Tuticorin (100)	1121	1121	1121	1121
Vijaya (100)	1121	1121	1121	1121
Wadia (100)	1121	1121	1121	1121
Western India (100)	1121	1121	1121	1121
Woollen (100)	1121	1121	1121	1121
ELECTRIC SUPPLY				
Ahmedabad (100)	1071	1071	1071	1071
Ahmedabad (100)	1071	1071	1071	1071
Bombay (100)	1071	1071	1071	1071
Broach (100)	1071	1071	1071	1071
Surat (100)	1071	1071	1071	1071
Tata Power (100)	1071	1071	1071	1071
INSURANCE COS.				
British India (10)	131	131	131	131
Intl. Mercantile (20)	131	131	131	131
Jupiter (10)	131	131	131	131
Oriental (250)	131	131	131	131
Vulcan (10)	131	131	131	131
STEAMER COS.				
Bandra (15)	15-½	15-½	15-½	15-½
STEEL COS.				
Ind. Iron and Ord. (50)	33-½	33-½	33-½	33-½
Tata Steel Ord. (50)	208	208	208	208
MISCELLANEOUS				
Ahmedabad (100)	103	103	103	103
Associated Cem. (100)	2701	2701	2701	2701
Bombay Dyeing (50)	1401	1401	1401	1401
Bom. Gas (Nom.) (50)	2701	2701	2701	2701
B. T. Patrol (4-in.)	1401	1401	1401	1401
Dunlop Rubber (10)	1401	1401	1401	1401
Indian Copper (2-in.)	1401	1401	1401	1401
Kesoram (100)	1401	1401	1401	1401
Kirloskar (100)	1401	1401	1401	1401
Mettur Chem. (50)	1401	1401	1401	1401
Phillips Bulbs (10)	1401	1401	1401	1401
Premier Auto. (100)	1401	1401	1401	1401
Press Co. (100)	1401	1401	1401	1401
Sarkar (100)	1401	1401	1401	1401
Tata Oil (100)	1401	1401	1401	1401
Tata Oil Mills (10)	1401	1401	1401	1401
W. I. Match (100)	1401	1401	1401	1401

GOVERNMENT SECURITIES

	Open Yield Basis Redemption	Latest Quotation	Rs.
3½%	1954-55	99¾	99¾
3%	1955-56	98¾	98¾
3%	1956-57	97¾	97¾
3%	1957-58	96¾	96¾
3%	1958-59	95¾	95¾
3%	1959-60	94¾	94¾
3%	1960-61	93¾	93¾
3%	1961-62	92¾	92¾
3%	1962-63	91¾	91¾
3%	1963-64	90¾	90¾
3%	1964-65	89¾	89¾
3%	1965-66	88¾	88¾
3%	1966-67	87¾	87¾
3%	1967-68	86¾	86¾
3%	1968-69	85¾	85¾
3%	1969-70	84¾	84¾
3%	1970-71	83¾	83¾
3%	1971-72	82¾	82¾
3%	1972-73	81¾	81¾
3%	1973-74	80¾	80¾
3%	1974-75	79¾	79¾
3%	1975-76	78¾	78¾
3%	1976-77	77¾	77¾
3%	1977-78	76¾	76¾
3%	1978-79	75¾	75¾
3%	1979-80	74¾	74¾
3%	1980-81	73¾	73¾
3%	1981-82	72¾	72¾
3%	1982-83	71¾	71¾
3%	1983-84	70¾	70¾
3%	1984-85	69¾	69¾
3%	1985-86	68¾	68¾
3%	1986-87	67¾	67¾
3%	1987-88	66¾	66¾
3%	1988-89	65¾	65¾
3%	1989-90	64¾	64¾
3%	1990-91	63¾	63¾
3%	1991-92	62¾	62¾
3%	1992-93	61¾	61¾
3%	1993-94	60¾	60¾
3%	1994-95	59¾	59¾
3%	1995-96	58¾	58¾
3%	1996-97	57¾	57¾
3%	1997-98	56¾	56¾
3%	1998-99	55¾	55¾
3%	1999-2000	54¾	54¾
3%	2000-01	53¾	53¾
3%	2001-02	52¾	52¾
3%	2002-03	51¾	51¾
3%	2003-04	50¾	50¾
3%	2004-05	49¾	49¾
3%	2005-06	48¾	48¾
3%	2006-07	47¾	47¾
3%	2007-08	46¾	46¾
3%	2008-09	45¾	45¾
3%	2009-10	44¾	44¾
3%	2010-11	43¾	43¾
3%	2011-12	42¾	42¾
3%	2012-13	41¾	41¾
3%	2013-14	40¾	40¾
3%	2014-15	39¾	39¾
3%	2015-16	38¾	38¾
3%	2016-17	37¾	37¾
3%	2017-18	36¾	36¾
3%	2018-19	35¾	35¾
3%	2019-20	34¾	34¾
3%	2020-21	33¾	33¾
3%	2021-22	32¾	32¾
3%	2022-23	31¾	31¾
3%	2023-24	30¾	30¾
3%	2024-25	29¾	29¾
3%	2025-26	28¾	28¾
3%	2026-27	27¾	27¾
3%	2027-28	26¾	26¾
3%	2028-29	25¾	25¾
3%	2029-30	24¾	24¾
3%	2030-31	23¾	23¾
3%	2031-32	22¾	22¾
3%	2032-33	21¾	21¾
3%	2033-34	20¾	20¾
3%	2034-35	19¾	19¾
3%	2035-36	18¾	18¾
3%	2036-37	17¾	17¾
3%	2037-38	16¾	16¾
3%	2038-39	15¾	15¾
3%	2039-40	14¾	14¾
3%	2040-41	13¾	13¾
3%	2041-42	12¾	12¾
3%	2042-43	11¾	11¾
3%	2043-44	10¾	10¾
3%	2044-45	9¾	9¾
3%	2045-46	8¾	8¾
3%	2046-47	7¾	7¾
3%	2047-48	6¾	6¾
3%	2048-49	5¾	5¾
3%	2049-50	4¾	4¾
3%	2050-51	3¾	3¾
3%	2051-52	2¾	2¾
3%	2052-53	1¾	1¾
3%	2053-54	0¾	0¾
3%	2054-55	0¾	0¾
3%	2055-56	0¾	0¾
3%	2056-57	0¾	0¾
3%	2057-58	0¾	0¾
3%	2058-59	0¾	0¾
3%	2059-60	0¾	0¾
3%	2060-61	0¾	0¾
3%	2061-62	0¾	0¾
3%	2062-63	0¾	0¾
3%	2063-64	0¾	0¾
3%	2064-65	0¾	0¾
3%	2065-66	0¾	0¾
3%	2066-67	0¾	0¾
3%	2067-68	0¾	0¾
3%	2068-69	0¾	0¾
3%	2069-70	0¾	0¾
3%	2070-71	0¾	0¾
3%	2071-72	0¾	0¾
3%	2072-73	0¾	0¾
3%	2073-74	0¾	0¾
3%	2074-75	0¾	0¾
3%	2075-76	0¾	0¾
3%	2076-77	0¾	0¾
3%	2077-78	0¾	0¾
3%	2078-79	0¾	0¾
3%	2079-80	0¾	0¾
3%	2080-81	0¾	0¾
3%	2081-82	0¾	0¾
3%	2082-83	0¾	0¾
3%	2083-84	0¾	0¾
3%	2084-85	0¾	0¾
3%	2085-86	0¾	0¾
3%	2086-87	0¾	0¾
3%	2087-88	0¾	0¾
3%	2088-89	0¾	0¾
3%	2089-90	0¾	0¾
3%	2090-91	0¾	0¾
3%	2091-92	0¾	0¾
3%	2092-93	0¾	0¾
3%	2093-94	0¾	0¾
3%	2094-95	0¾	0¾
3%	2095-96	0¾	0¾
3%	2096-97	0¾	0¾
3%	2097-98	0¾	0¾
3%	2098-99	0¾	0¾
3%	2099-2000	0¾	0¾
3%	2000-01	0¾	0¾
3%	2001-02	0¾	0¾
3%	2002-03	0¾	0¾
3%	2003-04	0¾	0¾
3%	2004-05	0¾	0¾
3%	2005-06	0¾	0¾
3%	2006-07	0¾	0¾
3%	2007-08	0¾	0¾
3%	2008-09	0¾	0¾
3%	2009-10	0¾	0¾
3%	2010-11	0¾	0¾
3%	2011-12	0¾	0¾
3%	2012-13	0¾	0¾
3%	2013-14	0¾	0¾
3%	2014-15	0¾	0¾
3%	2015-16	0¾	0¾
3%	2016-17	0¾	0¾
3%	2017-18	0¾	0¾
3%	2018-19	0¾	0¾
3%	2019-20	0¾	0¾
3%	2020-21	0¾	0¾
3%	2021-22	0¾	0¾
3%	2022-23	0¾	0¾
3%	2023-24	0¾	0¾
3%	2024-25	0¾	0¾
3%	2025-26	0¾	0¾
3%	2026-27	0¾	0¾
3%	2027-28	0¾	0¾
3%	2028-29	0¾	0¾
3%	2029-30	0¾	0¾
3%	2030-31	0¾	0¾
3%	2031-32	0¾	0¾
3%	2032-33	0¾	0¾
3%	2033-34	0¾	0¾
3%	2034-35	0¾	0¾
3%	2035-36	0¾	0¾
3%	2036-37	0¾	0¾
3%	2037-38	0¾	0¾
3%	2038-39	0¾	0¾
3%	2039-40	0¾	0¾
3%	2040-41	0¾	0¾
3%	2041-42	0¾	0¾
3%	2042-43	0¾	0¾
3%	2043-44	0¾	0¾
3%	2044-45	0¾	0¾
3%	2045-46	0¾	0¾
3%	2046-47	0¾	0¾
3%	2047-48	0¾	0¾
3%	2048-49	0¾	0¾
3%	2049-50	0¾	0¾
3%	2050-51	0¾	0¾
3%	2051-52	0¾	0¾
3%	2052-53	0¾	0¾
3%	2053-54	0¾	0¾
3%	2054-55	0¾	0¾
3%	2055-56	0¾	0¾
3%	2056-57	0¾	0¾
3%	2057-58	0¾	0¾
3%	2058-59	0¾	0¾
3%	2059-60	0¾	0¾
3%	2060-61	0¾	0¾
3%	2061-62	0¾	0¾
3%	2062-63	0¾	0¾
3%	2063-64	0¾	0¾
3%	2064-65	0¾	0¾
3%	2065-66	0¾	0¾
3%	2066-67	0¾	0¾
3%	2067-68	0¾	0¾
3%	2068-69	0¾	0¾
3%	2069-70	0¾	0¾
3%	2070-71	0¾	0¾
3%	2071-72	0¾	0¾
3%	2072-73	0¾	0¾
3%	2073-74	0¾	0¾
3%	2074-75	0¾	0¾
3%	2075-76	0¾	0¾
3%	2076-77	0¾	0¾
3%	2077-78	0¾	0¾
3%	2078-79	0¾	0¾
3%	2079-80	0¾	0¾
3%	2080-81	0¾	0¾
3%	2081-82	0¾	0¾
3%	2082-83	0¾	0¾
3%	2083-84	0¾	0¾
3%	2084-85	0¾	0¾
3%	2085-86	0¾	0¾
3%	2086-87	0¾	0